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Extinction of Pemex Ethylene and Pemex Drilling and Services

By means of two declarations of extinction, published in the Federal Official Gazette on July 30, Petróleos Mexicanos (PEMEX) formalized the extinction of two of its subsidiary companies: Pemex Ethylene and Pemex Drilling and Services.

Prior to its extinction, Pemex Ethylene was merged with Pemex Industrial Transformation and Pemex Drilling and Services with Pemex Exploration and Production. In both cases, PEMEX considered that, under current market conditions, the existence of the two subsidiaries was unnecessary while, on the other hand, their merger and subsequent extinction would generate better results overall.

According to the declarations, the extinction of Pemex Ethylene and Pemex Drilling and Services will not affect any existing payment obligations or guarantees granted, in Mexico and abroad, by such subsidiaries, due to the subrogation of Pemex Industrial Transformation and Pemex Exploration and Production on all remaining rights and obligations.

It is also noted that, with the exception of the organic statute of Pemex Ethylene and Pemex Drilling and Services, all current provisions, guidelines, policies, criteria and other regulations issued by both subsidiaries shall remain in force until their eventual amendment or repeal.

Both declarations of extinction arise from the agreements adopted by the Board of Directors of PEMEX and came into effect as of July 1, 2019.