



Exploring Opportunities, Producing Results

Fieldwood Energy LLC Mexico Bid Announcement

October 1, 2015

Houston, Texas

On September 30, 2015, Fieldwood Energy LLC ("Fieldwood") participated in an historic event in Mexico. For only the second time since the 1930s, the Mexican Government held an open auction for private oil and gas companies to bid on the right to own and extract hydrocarbons in Mexico. This auction was significant because, prior to passing a constitutional amendment in 2013, foreign oil and gas companies could not contract directly with the Mexican Government in this manner. All oil and gas operations in Mexico were previously conducted by Pemex, the Mexican state-owned oil and gas company. The auction, referred to as "Round 1, Call 2," covered five areas in shallow waters off the Mexican coast. Fieldwood and its partner were the only companies to submit bids on three areas and were the high bidder on Area 4. Fieldwood is also the only US based company to have a winning bid in this round.

Area 4 is comprised of two fields, Ichalkil and Pokoch, in the Bay of Campeche about 60 miles from the Mexican coastline in 100-150 feet of water. Both of these fields have been tested by successful exploration wells, but there is no current production within Area 4. Fieldwood has partnered with PetroBal S.A.P.I. de C.V. ("Petrobal"), the oil and gas division of a large Mexican conglomerate called Grupo Bal, which is active in the mining, retail, insurance, banking, and bull-fighting industries in Mexico and South America. PetroBal is led by Carlos Morales Gil, a former Pemex executive who was the head of its exploration and production subsidiary. PetroBal brings to the project a wealth of local experience and knowledge that, when combined with Fieldwood's technical and operational expertise, will create an industry-leading oil and gas consortium in Mexico.

Fieldwood and PetroBal expect to have a contract signed with the Mexican Government before the end of this year and thereafter will begin a two-year appraisal period. Fieldwood will act as operator for the project.

All inquiries about the Mexico project should be emailed to Fieldwood.Mexico@fwellc.com.