



# First quarter 2019 Earnings webcast

April 26th, 2019



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# 1<sup>st</sup> quarter 2019 highlights

Consolidated figures in Vista Oil & Gas, SAB de CV include operations in Mexico and Argentina



## Strong results in first Vaca Muerta 4-well pad

Averaged 5.0 frac stages per day

Reached production of +6,500 boe/d

Daily Production <sup>(1)</sup>	25,693 boe/d
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Revenues	93.7 \$MM
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Adj. EBITDA <sup>(2)</sup>	37.1 \$MM
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Adj. EBITDA margin <sup>(2)</sup>	40%
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Cash	87.5 \$MM
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Net Debt <sup>(3)</sup>	247.7 \$MM
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Net Leverage Ratio <sup>(4)</sup>	1.3x
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(1) Includes natural gas liquids (NGL) and excludes flared gas, injected gas and gas consumed in operations  
(2) Adj. EBITDA = Gross profit + Fix assets depreciation + Other assets depreciation + Extraordinary expenses (Income)  
(3) Net Debt: Current borrowings (55.4 \$MM) + Non-current borrowings (279.9 \$MM) – Cash and cash equivalents (87.5 \$MM) = 247.7 \$MM  
(4) Vista's LTM Adj. EBITDA

# Production (1/2)

Third consecutive quarter of growth in conventional production

## Net production evolution

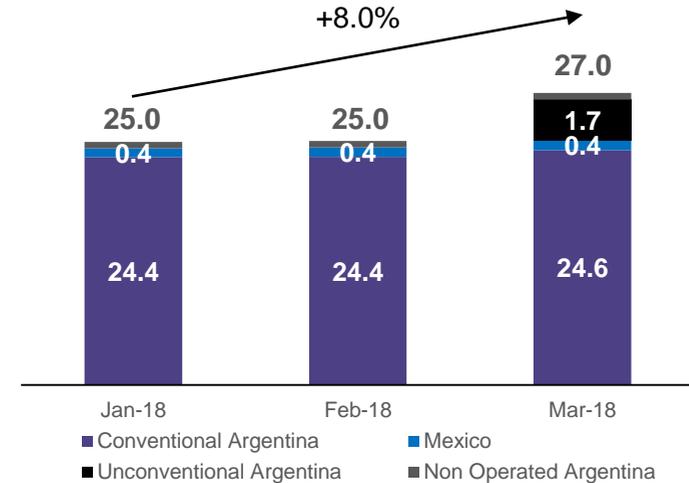
(kboepd)



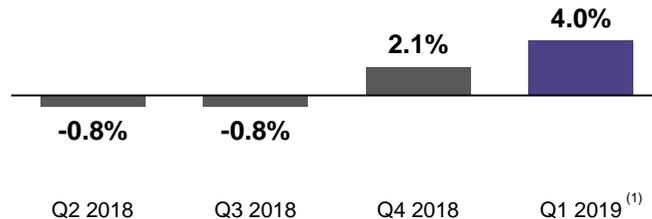
## Q1 monthly breakdown

(kboepd)

Exit rate: >29 kboed



## Net production growth



## Q1 2019 activity

- Tied-in first shale oil 4-well pad in Bajada del Palo Oeste
- Tied-in 11 conventional wells:
  - 7 oil wells in Jagüel de los Machos – Medanito
  - 2 oil wells in Entre Lomas
  - 2 gas wells in Entre Lomas

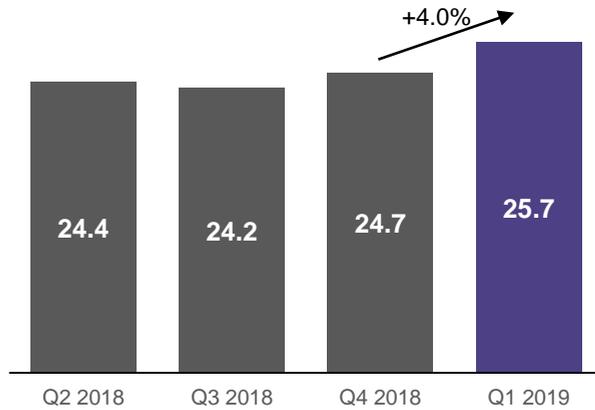
(1) Q1 2019 production includes production from México

# Production (2/2)

Growth in total production, driven by both oil and natural gas

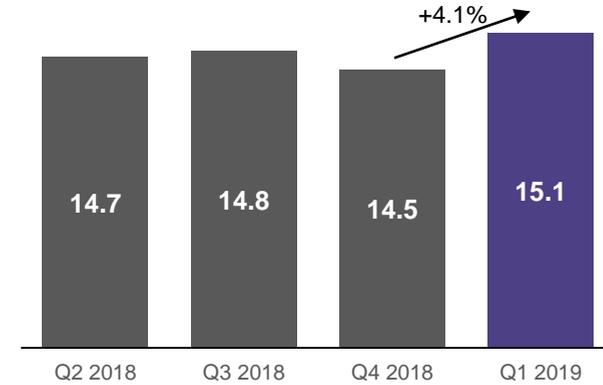
## Total production

kboed



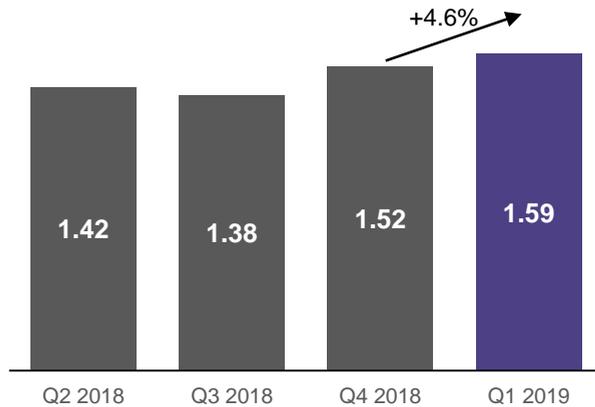
## Oil production

kbbld



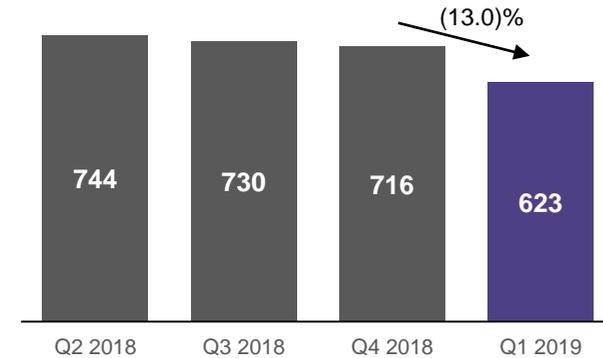
## Natural gas production

MMm3d



## NGL production

bbld

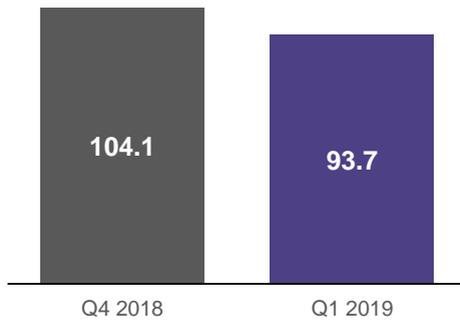


# Revenues and pricing

Realized prices declined less than global commodity prices

## Revenues

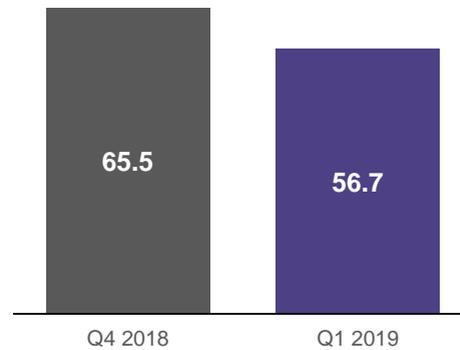
\$MM



- Driven by lower prices in the quarter

## Crude oil average price

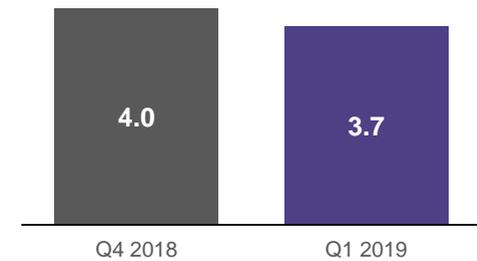
\$/bbl



- Main off-takers were Trafigura and Shell
- Sales prices impacted by export parity based pricing formula and an applicable oil benchmark formula, with an average Brent price of 60.8 \$/bbl <sup>(1)</sup>

## Natural gas average price

\$/MMBTU



- Mainly driven by a decrease of sales prices to power generation from 3.32 \$/MMBTU to 2.65 \$/MMBTU

(1) Source: Bloomberg; 57.7 \$/bbl in December 2018, 60.2 \$/bbl in January and 64.4 \$/bbl in February

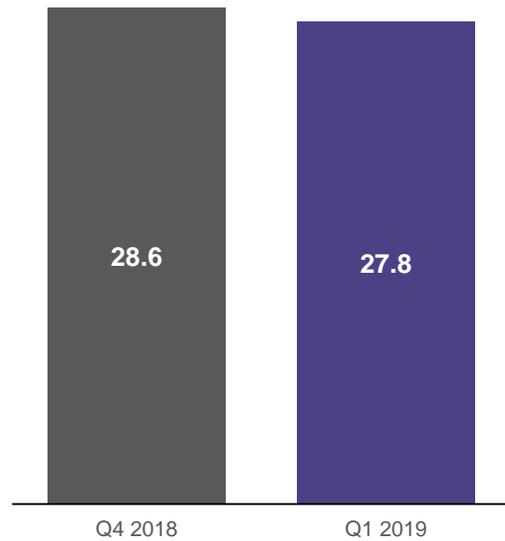
# Opex

Continued focus on lifting cost reduction



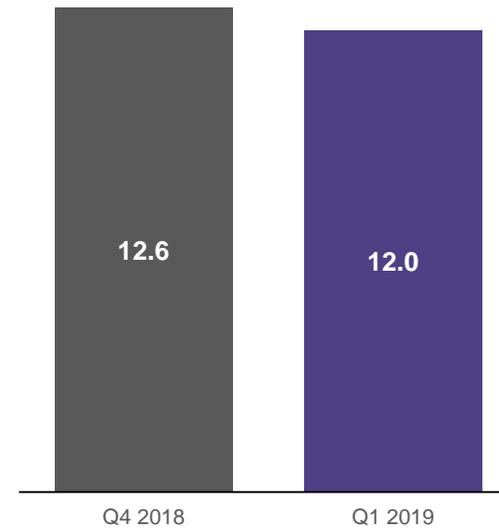
## Total Opex

\$MM



## Opex per boe

\$/boe

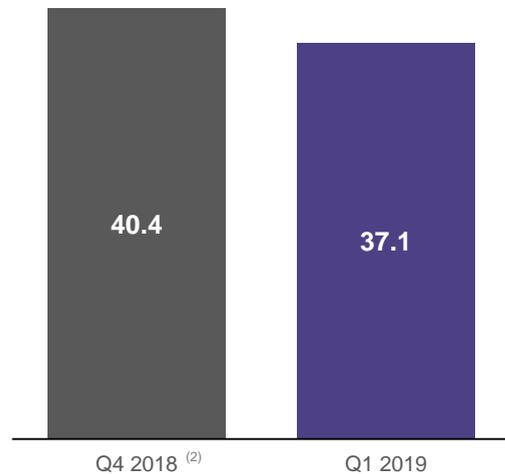


- Continued controlling costs with new contracting model; strong focus on absorbing production growth with existing cost base
- Decrease in lifting cost driven by absorption of shale production ramp-up with minimal incremental cost

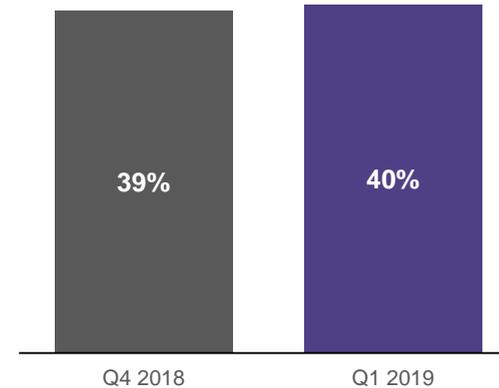
# Adjusted EBITDA

Q1 2019 EBITDA margin slightly higher despite lower sales prices

**Adj. EBITDA<sup>(1)</sup>**  
\$MM



**Adj. EBITDA Margin**  
%



- Lower revenue was offset by cost efficiency
- 1 p.p. expansion in EBITDA margin despite lower sales prices

(1) Adj. EBITDA = Gross profit + Fix assets depreciation + Other assets depreciation + Extraordinary expenses (Income).

(2) Q3 2018 Adj. EBITDA was restated from 57.1 \$MM. Adj. EBITDA Margin results in 48% from 49%.

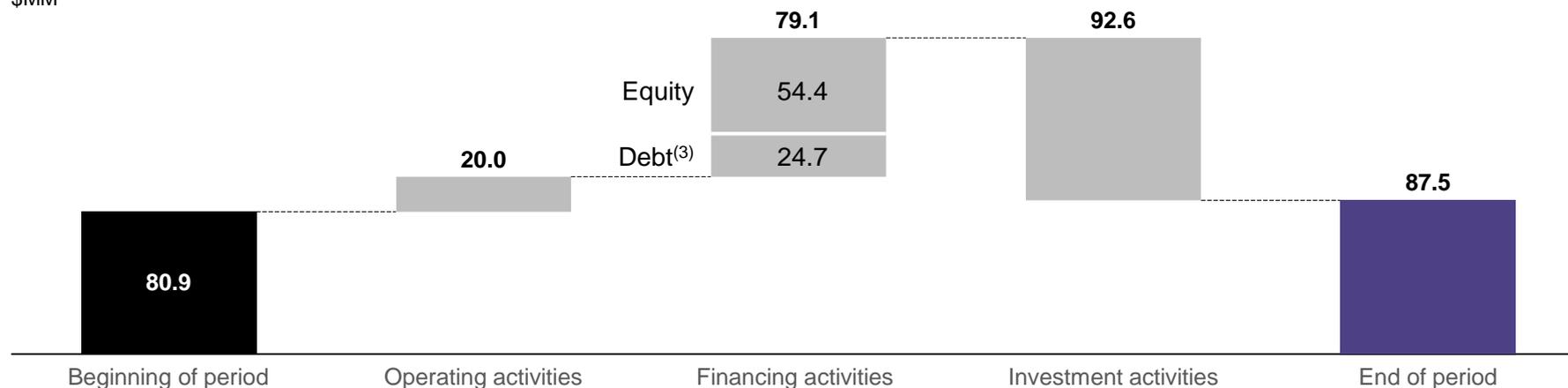
# Financial overview

Solid financial position



## Q1 2019 Vista consolidated cash flow

\$MM



### Quarterly Leverage Ratios<sup>(1)</sup>

As of March 31, 2019

Gross Leverage Ratio

1.8x

Net Leverage Ratio

1.3x

### Financial debt breakdown

As of March 31, 2019

5-year unsecured term loan	300.2
Local debt in Argentina (US dollar denominated)	35.0
<b>Total financial debt<sup>(2)</sup></b>	<b>335.2</b>
(-) Cash and cash equivalents	87.5
<b>Net debt</b>	<b>247.7</b>

(1) Vista's LTM Adj. EBITDA

(2) Current borrowings total 55.4 \$MM while non current borrowings total \$MM 279.9

(3) Borrowings (35.0) – Payments of interests (10.8) + Effects of exchange rate in cash and cash equivalents (0.5)

# Bajada del Palo Oeste shale oil development

Sustainable factory-mode development



# Bajada del Palo Oeste update (1/2)



Strong results under sustainable development approach since day 1

## First 4-well pad

### Two successfully tested landing zones

Target	Vaca Muerta	
Upper Carbonate	To be tested	
Lower Carbonate	To be tested	
Upper Organic	To be tested	
Lower Organic	MDM-2013h	MDM-2015h
	<span style="color: green;">●</span>	<span style="color: red;">●</span>
La Cocina	MDM-2014h	MDM-2016h
	<span style="color: yellow;">●</span>	<span style="color: blue;">●</span>

### Drilling and completion cost within budget

Metric	Average
Lateral length (mtrs/ft)	2,550 / 8,366
Average stages per well	34
D&C Cost (\$MM)	13.8
D&C cost per lateral ft ('000\$)	1.6
Cost per frac stage (\$MM)	0.22

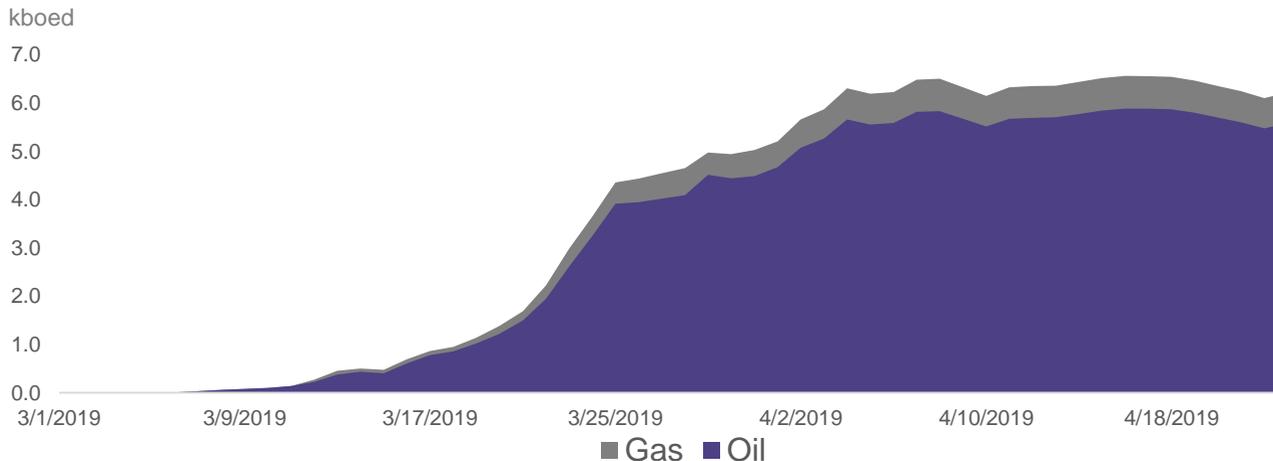
### Best-in-basin completion

- Averaged 5.0 frac stages per day (record day of 8 frac stages, with 19.3 hours of pumping time)
- 100% of completions using sandboxes

### Sustainable development

- No trucking of water (22 km flat hose)
- Healthier environment minimizing sand dust
- EPF construction in record time to minimize gas flaring and crude trucking

## Production above expectations



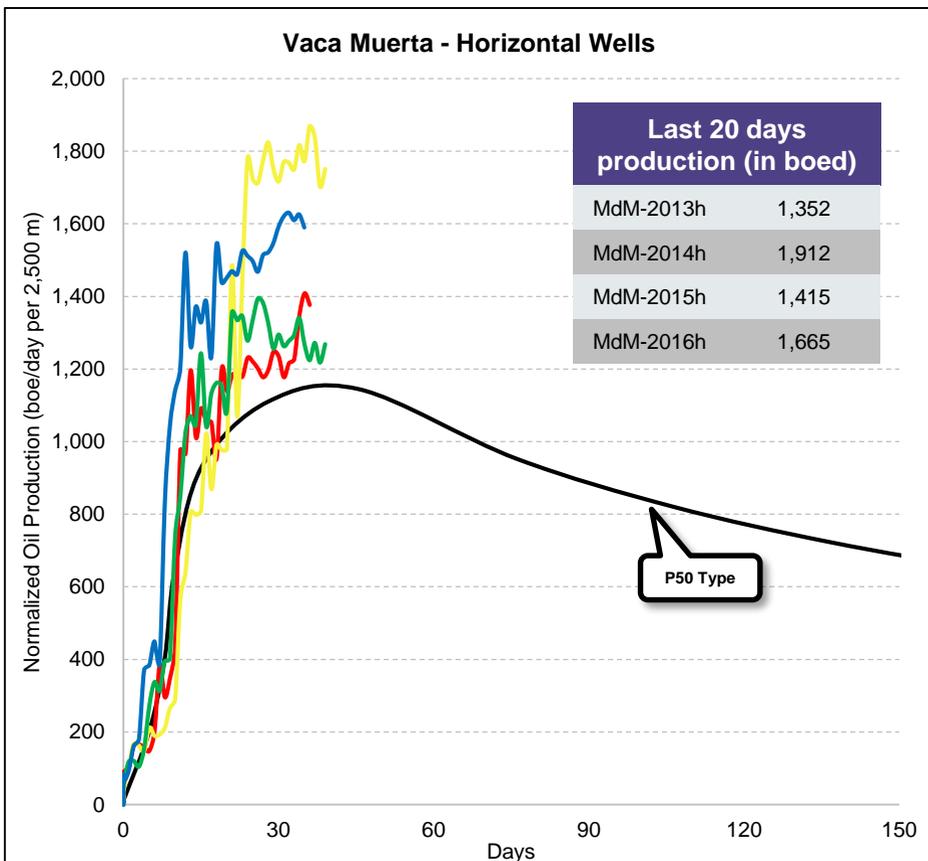
## Second pad update

- Drilled all surface and intermediate sections
- Drilled horizontal sections of first three wells
- Expected tie-in Q3 2019

# Bajada del Palo Oeste update (2/2)

Strong well performance across 4 wells in first pad

## Daily production per well

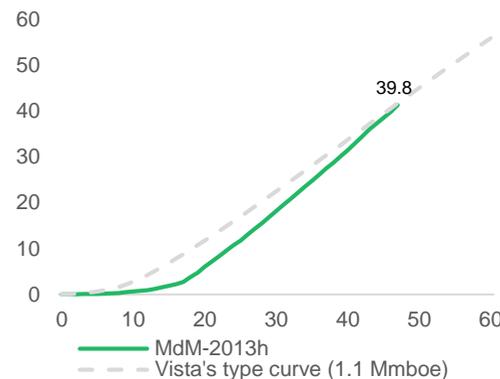


Vaca Muerta Type Curve <sup>(1)</sup>					
Oil EUR (kbbbl)	972	Gas EUR (Bcf)	0.6	Total EUR (kboe)	1,079
IP 30 (bbl/d)	917	Dry gas IP 30 (MMcf/d)	0.5	IP 30 (boe/d)	1,006
180-day cum (kbbbl)	166	180-day cum (Bcf)	0.1	180-day cum (kboe)	184

## Cumulative production per well

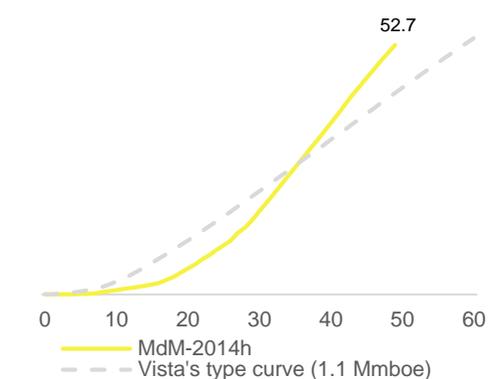
### MdM-2013h

kboe



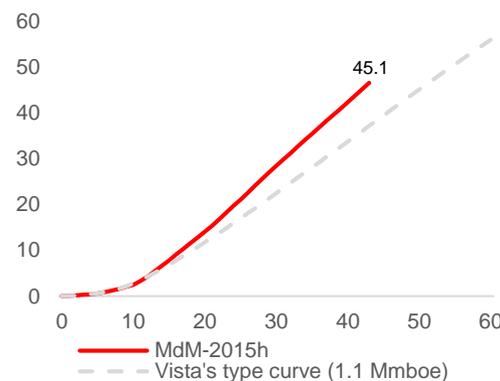
### MdM-2014h

kboe



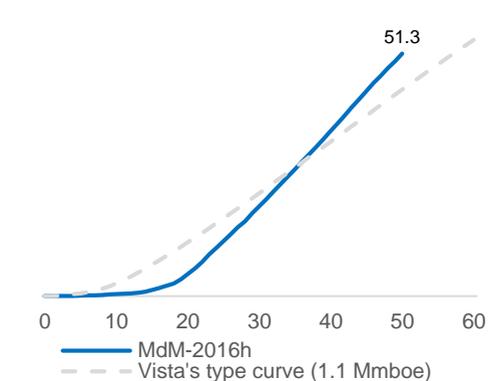
### MdM-2015h

kboe



### MdM-2016h

kboe

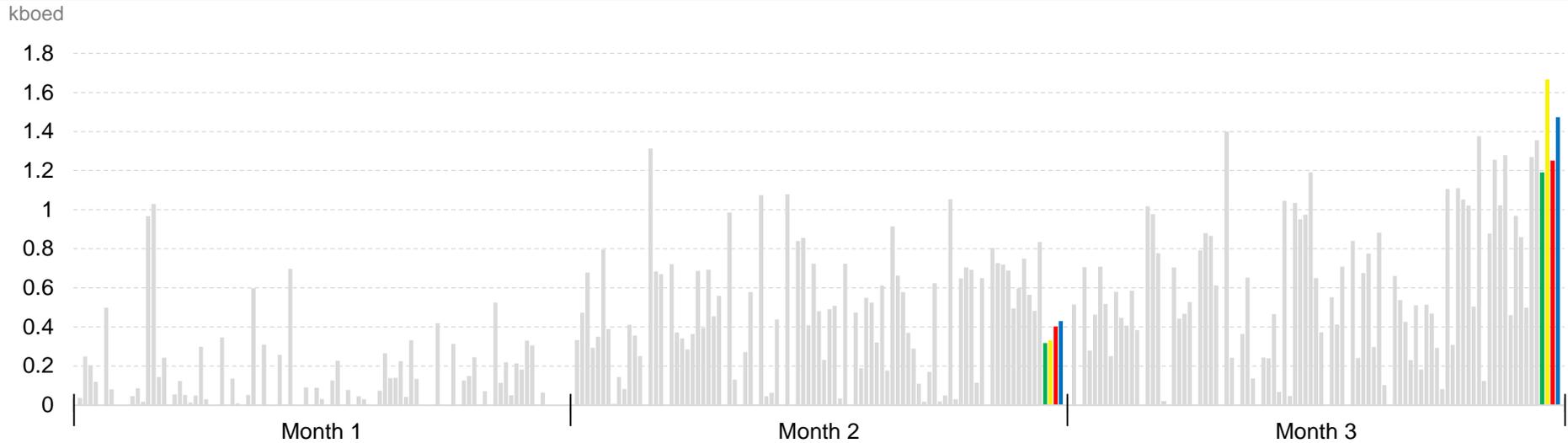


(1) Type curve defined in 2018 without reflecting data acquired in Bajada del Palo first pad

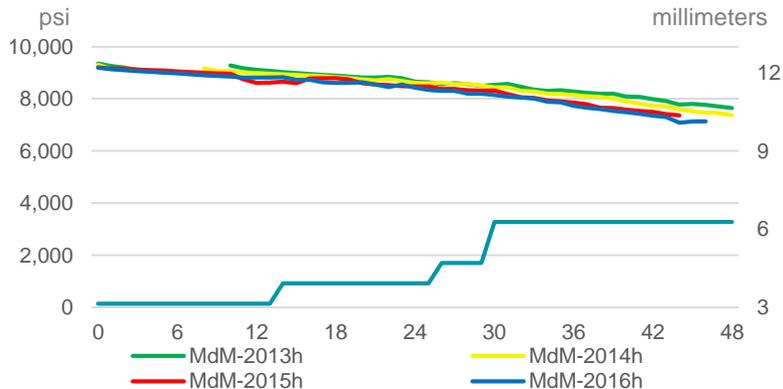
# Strong results of Vaca Muerta wells

First 4 wells performing in line with top-tier wells of the basin

## Top 90 Vaca Muerta producing wells average monthly production<sup>(1)</sup>



## Wells with higher deliverability than expected



- Strict drawdown management policy to preserve frac integrity
- Bottom-hole pressure still over 7000 psi, with wells flowing naturally through a 6.35 mm choke (1/64 inches)

(1) Capitulo IV – Argentine Secretariat of Energy; Vista's month 3 projected with information available until April 23, 2018

# Closing remarks

**Ignited the Vaca Muerta profitable production growth engine**

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**Best-in-basin completion performance in our first pad**

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**Bajada del Palo Oeste production reached 6,500 barrels per day with four wells**

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**Exit rate above 29,000 boe per day**

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**Continued success in cost reduction**



**On track to achieve 2019 guidance**

**Thanks!**  
**Q&A**

