

VISTA OIL & GAS 

2018

2nd Quarter Results

City of Mexico, July 24th, 2018.
BMV: VISTA

Vista Oil & Gas, S.A.B. de C.V. ("Vista" or the "Company") (BMV: VISTA), the first oil and gas exploration and production company listed on the Mexican Stock Exchange.

Vista Oil & Gas Results 2nd Quarter 2018

Tuesday, July 24th, México City, México.

Vista Oil & Gas, S.A.B. de C.V. (“Vista” or the “Company”) (BMV: VISTA in the Mexican Stock Exchange), reported today financial and operational results for the second quarter of 2018.

In this document, actual quarterly results are compared with the “guidance”, which reflects the figures for the year 2018 presented in the Company’s investor presentation for the Shareholder’s Meeting of March 22, 2018, apportionated linearly on a quarterly basis.

2nd quarter 2018 highlights include:

- Vista established itself as the 2nd largest light crude oil (Medanito type) producer and the 5th largest crude oil producer overall in Argentina, with the closing of its Initial Business Combination on April 4th, 2018.
- Production of Q2 2018 was 24,400 barrels of oil equivalent per day (boed) on average, composed by 14,700 barrels of oil per day (bbld), 1.42 million cubic meters per day (mm3d) of natural gas, and 744 boed of natural gas liquids (NGL), exceeding the total production guidance of 24,100 boed by 1.2%.
- Adjusted EBITDA reached 49.5 million US dollars (\$MM) in Q2 2018, equivalent to an EBITDA margin of 45%, two percentage points above guidance of 43%.
- Average lifting cost of 14.1 US dollars per barrel of oil equivalent (\$/boe) was 17% below guidance of 17.0\$/boe, mainly driven by the implementation of right-sizing initiatives and the impact of the Argentine peso devaluation.
- Crude oil average realized price was 68\$/bbl and natural gas average realized price was 4.8\$/MMBTU.
- The Company ramped-up conventional activity by drilling four new wells, of which three were completed and one tied-in, and by performing four well workovers.
- The Company launched the development of its Vaca Muerta Shale Oil project in Bajada del Palo; surface and intermediate sections of the first 4-well pad were drilled with a conventional rig, ahead of plan.
- Cash balance, as of June 30, 2018 was 75\$MM.
- On July 20, 2018, Vista refinanced the existing short-term facility of 260\$MM with a 5-year unsecured term loan of 300\$MM.

Vista Oil & Gas 2nd Quarter 2018 Results

Amounts are expressed in US dollars, which is the functional currency for the Company, unless other currency is indicated, and in accordance with International Financial Reporting Standards (IFRS). All the amounts are unaudited. Amounts may not match with totals, due to rounding up.

Production

Total average net daily production

| | Q2 2018 | Guidance | Var. (%) |
|--------------|---------------|---------------|-------------|
| Total | 24,400 | 24,100 | 1.2% |
| Oil (bbl/d) | 14,700 | 14,600 | 0.7% |
| Natural | 1.42 | 1.38 | 2.9% |
| NGL (bbl/d) | 744 | 744 | - |

Average daily production of Q2 2018 was 24,400 barrels of oil equivalent (boed), composed by 14,700 barrels of oil per day (bbl/d), 1.42 million cubic meters per day (Mm3d) of natural gas, and 744 boed of natural gas liquids (NGL), exceeding the guidance total production of 24,100 boed by 1.2%.

Average net daily production by asset

| | Operated blocks | | | Non-operated blocks |
|--------------------------------|---------------------------|---------------------------------------|---------------------------------|------------------------------------|
| | Entre Lomas - Agua Amarga | Bajada del Palo - Coirón Amargo Norte | Medanito - Jagüel de los Machos | Acambuco - Coirón Amargo Sur Oeste |
| Total Production (boed) | 9,316 | 6,585 | 7,861 | 647 |
| Oil (bbl/d) | 5,592 | 2,178 | 6,465 | 420 |
| Natural Gas (mm3d) | 0.48 | 0.69 | 0.22 | 0.03 |
| NGL (bbl/d) | 680 | 64 | - | |

The operated asset Entre Lomas-Agua Amarga represented 38% of total production, while Medanito-Jagüel de los Machos represented 32% and Bajada del Palo-Coirón Amargo Norte 27% of total production, with the remaining 3% represented by non-operated production from the Acambuco and Coirón Amargo Sur Oeste blocks.

Revenues

| Product | Revenues ⁽¹⁾ | | Realized Prices | | | |
|-------------|-------------------------|---------|-----------------|---------|----------|---------|
| | Units | Q2 2018 | Units | Q2 2018 | Guidance | Var (%) |
| Crude Oil | \$MM | 85.3 | \$/bbl | 68.0 | 67.0 | 1.5% |
| Natural Gas | \$MM | 22.7 | \$/MMBTU | 4.8 | 4.7 | 2.1% |
| NGL | \$MM | 2.3 | \$/tn | 402 | - | N/A |

(1) Q2 2018 revenues do not include sales corresponding to the production of the first week of the quarter of the Medanito and Jagüel de los Machos blocks. Such production was sold by Pampa Energía S.A. and is included as a credit in other current assets.

During Q2 2018 total sales were 110.3\$MM, 2.3% above the guidance of 108.0\$MM.

Crude oil sales reached 85.3\$MM in Q2 2018, representing 77.4% of the total sales of the Company. Crude oil was entirely sold to domestic refineries, primarily Shell, YPF and Pan American Energy. All

the crude oil production of Vista is Medanito type (light crude oil), highly demanded by Argentine refineries.

Total average crude oil realized price of Q2 2018 was 68.0 \$/Bbl. During May and June of 2018, in the context of a material Argentine peso devaluation and a rapid increase in international crude oil prices, the refineries in Argentina were temporarily unable to fully pass-through this impact to pump prices, with local market of light crude oil prices hovering around 68.0 \$/bbl.

During Q2 2018, natural gas sales were 22.7\$MM, representing 20.6% of total sales. Sales were made to a diversified portfolio of industrial clients (88% of total natural gas sales), and the remaining to the power generation segment through CAMMESA (the administrator of the wholesale electricity market in Argentina). The majority of the Company's gas sales contracts are set in US Dollars and the Q2 2018 average price was 4.8\$/MMBTU, 2.1% above the guidance of 4.7 \$/MMBTU (annualized average price).

Natural gas liquids sales were 2.3\$MM during Q2 2018, representing 2% of total sales. Volumes were allocated to the Argentinean market at an average price of 402 \$/Tn.

Operating Expenses

| | Q2 2018 | Guidance | Var. (%) |
|----------------------------------|-------------|-------------|--------------|
| Operating Expenses (\$MM) | 31.3 | 37.9 | (17%) |
| <i>Lifting cost (\$/boe)</i> | <i>14.1</i> | <i>17.0</i> | <i>(17%)</i> |

During the second quarter of 2018, operational expenses were 31.3\$MM, 17% below the guidance of 37.9\$MM. The reduction in operating expenditures was driven by cost cutting initiatives such as the reduction of one pulling unit (along with the re-organization of well maintenance workflows to minimize production impact) and the optimization of service crew schedules, coupled with the reduction of peso-denominated expenses expressed in US dollars, following the Argentine Peso devaluation.

Adjusted EBITDA

| Adjusted EBITDA Reconciliation (\$MM) | Q2 2018 |
|--|-------------|
| Operating profit | 12.8 |
| Depreciation | 27.8 |
| Restructuring expenses | 6.2 |
| Transaction costs of initial business combination and others | 2.7 |
| Adjusted EBITDA⁽¹⁾ | 49.5 |
| <i>Adjusted EBITDA Margin (%)</i> | <i>45%</i> |

(1) Adjusted EBITDA = Operating profit + depreciation + exploration expenses + extraordinary expenses.

Adjusted EBITDA for Q2 2018 was 49.5\$MM, 7.3% above guidance of 46.1\$MM. Adjusted EBITDA Margin was 45%, 2 percentage points ahead of guidance of 43%.

Net Income

Vista recorder a net loss of 36.9\$MM during Q2. This was mainly due to non-cash charges that were generated, and accounted for, as a consequence of the devaluation of the Argentine peso, including: Foreign Exchange Loss (on non-monetary assets) of 10.5\$MM, Deferred Income Taxes of 15.9 \$MM and Current Income Taxes of 16.1\$MM.

Capital Expenditures

Vista's total capital expenditures were 11\$MM during Q2 2018. This included the drilling of four conventional wells (TA-2000, TA-2002, TA-2003 and TA-2004) in Jagüel de los Machos, at an average cost of 0.7\$MM per well (drilling stage cost). Each well was drilled in approximately ten days. Three of such wells were completed, and TA-2000 was tied-in and is currently on production, with initial rates of 128.9 boed and with a total well cost of 1.3\$MM (below budget).

Capital expenditures for the period also included four well workovers at an average cost of 0.5\$MM. Capital expenditures in facilities were 1.6\$MM in the quarter, including the revamping of natural gas compressor stations and works to optimize gathering stations capacity and oil treatment plants.

In June, the Company drilled the surface and intermediate sections of the first unconventional 4-well pad in Bajada del Palo, which is expected to be tied-in by the beginning of year 2019.

Vaca Muerta Shale oil development: Coirón Amargo Sur Oeste (CASO)

CASO is an exploratory block, in which Vista has a 45% interest and is operated by a subsidiary of Shell. The block is currently an exploration permit, with a request of a 35-year period exploitation concession already filed with the Under-Secretary of Energy and Hydrocarbons of the Province of Neuquén.

In March 2018, the operator completed the well CASO.x-1, the first unconventional shale oil exploratory well in the block. The 2,000 meters (6,250 feet) lateral length well with 27 frac stages was landed in the Vaca Muerta formation in the Upper La Cocina section and has accumulated production of approximately 98,000 barrels of crude oil in four months with peak production exceeding 900 bbl/d.

Financial overview

As of June 30, 2018, the Company's cash and cash equivalents balance was 75\$MM and the financial debt stood at 260\$MM, corresponding to the backstop facility drawn in connection with the completion of the acquisition of assets in Argentina. The implied gross leverage ratio measured on annualized Q2 Adjusted EBITDA was 1.3x and the net leverage ratio was 0.9x.

On July 20, 2018, the above-mentioned backstop facility was refinanced with a 300\$MM five-year unsecured term-loan, providing Vista with additional cash and an improved debt maturity profile. Pro-forma after refinancing, measured as of July 20, 2018, the cash balance was approximately 110\$MM, resulting in a pro-forma gross leverage ratio of 1.5x and a net leverage ratio of 1.0x.

Vista S.A.B. de C.V.
Consolidated Balance Sheet

(Amounts expressed in U.S. dollars)

As of June 30, 2018

| | |
|--------------------------------------|--------------------|
| Cash and cash equivalents | 74,804,928 |
| Trade and other receivables, net | 64,159,789 |
| Recoverable taxes | 324,636 |
| Inventories | 2,537,987 |
| Other current assets | 25,061,283 |
| Total current assets | 166,888,623 |
| Prepaid expenses | 1,848,975 |
| Property, plant and equipment | 634,257,738 |
| Goodwill | 118,325,500 |
| Other non-current assets | 16,654,149 |
| Investments in associate | 2,575,243 |
| Total non-current assets | 773,661,605 |
| Total assets | 940,550,228 |
| Trade payables | 44,453,061 |
| Sundry creditors | 993,325 |
| Loans and borrowings | 252,594,561 |
| Interest payable | 2,148,630 |
| Income tax payable | 16,128,081 |
| Taxes payable other than income tax | 8,561,388 |
| Provisions | 1,078,553 |
| Total current liabilities | 325,957,599 |
| Deferred income tax | 101,013,021 |
| Labor obligations | 3,602,611 |
| Provisions | 28,700,567 |
| Total non-current liabilities | 133,316,199 |
| Total liabilities | 459,273,798 |
| Total equity | 481,276,430 |
| Total liabilities and equity | 940,550,228 |

Vista S.A.B. de C.V.
Consolidated Income Statement

(Amounts expressed in U.S. dollars)

**April 1, 2018
to June 30 2018**

| | |
|--|---------------------|
| Revenues | 110,286,358 |
| Revenues from crude oil sales | 85,328,714 |
| Revenues from natural gas sales | 22,699,000 |
| Revenues from gas liquid gas liquids sales | 2,258,644 |
| Cost of sales | 75,937,650 |
| Lifting costs | 31,328,505 |
| Depreciation | 27,772,023 |
| Royalties | 16,837,122 |
| Gross profit | 34,348,708 |
| Selling and distribution | 4,992,589 |
| Administrative expenses | 7,386,575 |
| Other operating expenses | 9,153,946 |
| Operating profit (loss) | 12,815,598 |
| Interest income | 492,057 |
| Interest expense | (3,650,859) |
| Amortized cost | (4,158,125) |
| Foreign exchange loss, net | (10,454,694) |
| Comprehensive financial result | (17,771,621) |
| Loss before income taxes | (4,956,023) |
| Income taxes (deferred and current) | (32,003,391) |
| Net loss | (36,959,415) |

Vista S.A.B. de C.V.
Consolidated Statement of Cash Flows

(Amounts expressed in U.S. dollars)

| | April 1, 2018 to June 30, 2018 |
|--|---|
| Loss before income taxes | (4,956,024) |
| Items not affecting cash flows: | |
| Depreciation | 27,772,023 |
| Labor obligations | 83,007 |
| Foreign exchange loss | 10,454,694 |
| Other expenses | 448 |
| Provisions | 3,836,389 |
| Stock options | 899,977 |
| Interest income | (492,057) |
| Interest expense | 3,650,859 |
| Amortization of capitalized offering expenses | 4,158,126 |
| Trade and other receivables | (26,950,607) |
| Trade and other payables | 21,832,622 |
| Prepaid expenses | (1,649,225) |
| Other current assets | (1,261,954) |
| Inventories | 1,639,268 |
| Sundry creditors | 175,015 |
| Deferred taxes | (9,442,362) |
| Tax liabilities | 1,892,156 |
| Net cash flow from operating activities | 31,642,355 |
| Acquisitions, net of cash acquired | (679,943,856) |
| Other current assets | (15,000,000) |
| Acquisitions of non-controlling interest | (1,307,013) |
| Investment in property, plant and equipment | (11,456,959) |
| Net cash flows used in investing activities | (707,707,828) |
| Capital contribution (net of offering expenses) | 70,565,554 |
| Class A common stock redemptions | (203,375,466) |
| Loans and borrowings | 248,850,462 |
| Interest income from escrow account | 492,057 |
| Interest expense | (2,716,735) |
| Net cash flows from financing activities | 113,815,872 |
| Net (decrease) increase in cash and cash equivalents from operating, investing and financing activities | (562,249,601) |
| Difference in cash and equivalents due to changes in foreign exchange rate | (17,420,100) |
| Initial cash and cash equivalents | 654,474,629 |
| Total cash at the end of the period | 74,804,928 |

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Additional information about Vista oil and gas can be found in the “Investor Information” section on the website at www.vistaoilandgas.com.

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