

BlackRock, First Reserve to acquire equity stakes in PEMEX's Los Ramones II Gas Pipeline Projects in Mexico

Partnership marks first foreign investment in Pemex midstream asset

BlackRock expands its presence in Mexico to include local infrastructure investing capabilities

First Reserve extends its Mexican energy infrastructure investment footprint

(New York; Mexico City; Greenwich, CT; London, UK) March 26, 2015 -- BlackRock and First Reserve have entered into a definitive agreement with P.M.I., a wholly owned subsidiary of Petroleos Mexicanos ("PEMEX"), to acquire approximately forty-five percent equity interest in two natural gas pipelines, Los Ramones Phase II North and Los Ramones Phase II South (together the "Los Ramones II Projects"). Upon closing, these will be the first major PEMEX-sponsored midstream assets to be built in partnership with foreign capital since the approval of Mexico's historic Constitutional Energy Reform in 2013.

The Los Ramones II Projects consist of the construction and operation of 744km of natural gas pipelines which will serve as critical energy infrastructure and is part of a broader initiative to transport abundant, natural gas from the Eagle Ford shale in South Texas to meet central Mexico's growing demand for natural gas. Construction of the Projects began in 2014, with full commercial operations expected in mid-2016.

This transaction represents the first infrastructure investment for BlackRock in Mexico. BlackRock intends to establish a local infrastructure investment platform in Mexico, leveraging its global infrastructure investing capabilities and its existing Latin American business. BlackRock Infrastructure currently manages over \$6 billion of invested and committed assets globally.

The investment will expand First Reserve's existing Mexican infrastructure investment footprint. First Reserve is the largest global private equity and infrastructure investment firm exclusively focused on energy with over \$4 billion dedicated to energy infrastructure opportunities worldwide.

CEO of Pemex, Emilio Lozoya, noted that with this investment by two reputable financial firms, the Energy Reform becomes a step closer to materializing into an economic driver for the country. He also mentioned that this project shows that international investors have confidence that the changes propelled by President Enrique Pena Nieto are delivering benefits to the Mexican people.

"Private sector participation in infrastructure is going to be crucial in Mexico and around the globe – I'm excited about prospects in Mexico for BlackRock and our clients, and we are pleased to partner with PEMEX on these initial projects" said Jim Barry, Global Head of BlackRock Infrastructure Investment Group. "The opportunity for infrastructure in Mexico given recent reforms, positive demographics and economic stability and resilience in Mexico has definitely drawn our attention and we look forward to exploring other opportunities in the near future."

William Macaulay, Chairman and Co-CEO of First Reserve, commented, "As global investors in both Mexican energy infrastructure as well as throughout the energy infrastructure value chain worldwide, First Reserve is excited to announce this important partnership with Pemex. We are supportive of the Mexican government's focus on energy reforms and believe the Los Ramones projects will be a cornerstone to these efforts. We anticipate the relationship with Pemex will be fruitful for both our organizations and look forward to continuing to broaden our exposure to the Mexican energy market.

"There are incredible economic and social changes taking place in Mexico, which are positioning the country for strong, long-term economic growth and we are excited to grow our footprint in the country," said Armando Senra, head of Latin America & Iberia at BlackRock. "Building upon the well-established track record of our business in Mexico, an expansion of our infrastructure investment footprint will offer BlackRock's local and international clients access to previously untapped investment opportunities."

Mark Florian, Managing Director and Head of Infrastructure Funds for First Reserve added, "For First Reserve, this investment is a continuation of our model of working with strong counterparties under long-term capacity contracts on behalf of our investors. We value our direct relationship with Pemex and are pleased to be partnering together to contribute to the expansion of Mexican energy infrastructure, which should drive substantial benefits for the broader Mexican economy."

Both Projects will benefit from a 25 year take-or-pay Transport Services Agreement ("TSA") with Pemex Gas y Petroquímica Básica ("PGPB"). Transaction closing is contingent upon required anti-trust and other regulatory approvals.

BNP Paribas and Santander acted as advisors to the syndicate of banks providing project finance to Los Ramones Phase II South. Santander also acted as underwriter for debt financing of 80% of construction costs in Los Ramones Phase II North.

About BlackRock

BlackRock is a leader in investment management, risk management and advisory services for institutional and retail clients worldwide. At December 31, 2014, BlackRock's AUM was \$4.652 trillion. BlackRock helps clients meet their goals and overcome challenges with a range of products that include separate accounts, mutual funds, iShares® (exchange-traded funds), and other pooled investment vehicles. BlackRock also offers risk management, advisory and enterprise investment system services to a broad base of institutional investors through BlackRock Solutions®. Headquartered in New York City, as of December 31, 2014, the firm had approximately 12,200 employees in more than 30 countries and a major presence in key global markets, including North and South America, Europe, Asia, Australia and the Middle East and Africa. For additional information, please visit the Company's website at www.blackrock.com | Twitter: [@blackrock_news](https://twitter.com/blackrock_news) | Blog: www.blackrockblog.com | LinkedIn: www.linkedin.com/company/blackrock

Black Rock Mexico

BlackRock has \$109 billion in investments and 100+ employees dedicated to Latin America with offices in Mexico, Brazil, Chile and Colombia. The firm's Mexico office consists of a 27 person team who deliver the firm's institutional and wealth clients a comprehensive range of local and international investment solutions and services across asset classes, geographies and investment strategies.

Black Rock Infrastructure

BlackRock, the largest investment manager in the world with \$4.65 trillion of AUM, sits at the intersection of global capital and infrastructure investing opportunities. With deep industry expertise, demonstrated access to proprietary deals and a purely fiduciary mindset, our experienced investment professionals leverage BlackRock's unparalleled risk management capabilities and global reach to deliver compelling investment opportunities to meet our clients' needs. BlackRock provides investors with infrastructure equity and debt investments via Funds, Co-Investments, Managed Accounts and Multi Manager strategies and currently has \$6 billion in invested and committed assets. Our team of 50 professionals is based in New York, London, Dublin, Paris and Zurich.



About First Reserve

First Reserve is the largest global private equity and infrastructure investment firm exclusively focused on energy. With over 30 years of industry insight, investment expertise and operational excellence, the Firm has cultivated an enduring network of global relationships and raised more than USD \$30 billion of aggregate capital since inception. Putting these to work, First Reserve has completed more than 550 transactions (including platform investments and add-on acquisitions) on six continents. Its portfolio companies span the energy spectrum from upstream oil and gas to midstream and downstream, including resources, equipment and services and infrastructure. Visit us at www.firstreserve.com for more information.

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