

# CLEARY COUNSELS PEMEX ON LIABILITY MANAGEMENT FOR \$2BN

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Cleary Gottlieb has advised Petróleos Mexicanos (Pemex) on a \$2 billion USD liability management transaction whereby certain suppliers were able to exchange outstanding invoices due from Pemex and its subsidiaries for 8.750% negotiable notes due 2029 issued by Pemex.

The purpose of the transaction was to provide liquidity to the suppliers, as well as to allow Pemex to convert short-term debts into long-term debts.

Suppliers were able to voluntarily enter into an Obligations Recognition and Repayment Agreement (each, an "ORRA") with Pemex to exchange amounts owed under certain invoices for notes at par, dollar-for-dollar. They were also able to participate in a remarketing process conducted by Citigroup Global Markets Inc. through which the Notes were offered to the market through a Rule 144A/Reg S offering. The Notes issued to the suppliers and not sold in the remarketing process may be held by the suppliers or sold in a subsequent remarketing transaction.

The ORRAs were entered into on 31 May 2022 and settled on 2 June 2022. Pursuant to the ORRAs, Pemex issued Notes in the amount of approximately \$2 billion USD. The remarketing was launched on 31 May 2022, priced on 1 June 2022 and settled on 9 June 2022. As part of the remarketing, bonds were sold for a total principal amount of \$1.5 billion USD.

Cleary's team included partners **Jorge Juantorena** (pictured left) and **Manuel Silva** (pictured right), associates **Ignacio Lagos** and **José Andrés de Saro**, paralegal **Alejandro Martínez-Inzunza** and international counsel **Sofía Montes de Oca Márquez**. Counsel **Matthew Brigham** and associates

**Adriana De Bartolo** and **Jeesun (Jesse) Hong** advised on tax matters. All based in New York.