



Comisión Federal de Electricidad

## Comisión Federal de Electricidad

(a Productive State Enterprise of the Federal Government of the United Mexican States)

### OFFER TO PURCHASE FOR CASH

Up to US\$1,000,000,000 in consideration for the outstanding Notes listed in the table below, subject to the Acceptance Priority Procedures and proration as described herein

Title of Security	CUSIPs	ISINs	Principal Amount Outstanding	Early Tender Premium <sup>(1)(2)</sup>	Reference U.S. Treasury Security	Bloomberg Reference Page	Fixed Spread (basis points) <sup>(3)</sup>	Acceptance Priority Level
4.875% Notes due 2024	200447 AD2; P30179 AM0	US200447AD28; USP30179AM09	US\$869,688,000	US\$50.00	0.125% due January 15, 2024	FIT3	+0	1
4.750% Notes due 2027	200447 AF7; P29595 AB4	US200447AF75; USP29595AB42	US\$814,968,000	US\$50.00	4.125% due July 31, 2028	FIT1	+120	2
6.125% Notes due 2045	200447 AE0; P30179 AR9	US200447AE01; USP30179AR95	US\$618,308,000	US\$50.00	4.375% due August 15, 2043	FIT1	+280	3
5.750% Notes due 2042	200447 AC4; P30179 AK4	US200447AC45; USP30179AK43	US\$563,710,000	US\$50.00	4.375% due August 15, 2043	FIT1	+265	4

(1) Per each US\$1,000 principal amount of Notes (as defined below). Holders (as defined below) who validly tender Notes and whose Notes are accepted for purchase will also receive accrued and unpaid interest (“*Accrued Interest*”) up to, but excluding, the applicable Settlement Date (as defined below). We have agreed, subject to specified exceptions and limitations, to pay additional interest to participants in the Offer (as defined below) to cover Mexican withholding taxes on interest payments. See “The Offer—Additional Interest.”

(2) Holders who validly tender Notes on or prior to the Early Tender Date (as defined below) will be eligible to receive the Early Tender Consideration (as defined below), which includes the applicable early tender premium for each series of Notes (the “*Early Tender Premium*”). Holders who validly tender Notes after the Early Tender Date, but at or prior to the Expiration Date (as defined below), will be eligible to receive a tender consideration equal to the Early Tender Consideration *minus* the applicable Early Tender Premium (the “*Late Tender Consideration*”).

(3) The tender consideration payable per each US\$1,000 principal amount of each series of Notes validly tendered and not validly withdrawn on or prior to the Early Tender Date (the “*Early Tender Consideration*”) will be determined in accordance with standard market practice, as described in this Offer to Purchase (as defined below), to result in a price that equates to a yield to the maturity date in accordance with the formula set forth in Annex A hereto, for the applicable series of Notes, equal to the sum of (i) the yield corresponding to the bid side price of the applicable Reference U.S. Treasury Security (as defined below) for such series of Notes at 10:00 a.m. (New York City time) on September 12, 2023, unless extended by CFE in its sole discretion (such date and time, as the same may be extended, the “*Price Determination Date*”) quoted on the applicable Bloomberg reference page *plus* (ii) the applicable fixed spread specified in the table above (the “*Fixed Spread*”) for such series of Notes; *provided*, that the Early Tender Consideration for the 2024 Notes (as defined below) will not exceed a price of US\$1,000 per each US\$1,000 principal amount of the 2024 Notes validly tendered and not validly withdrawn on or prior to the Early Tender Date. See “The Offer—Determination of Consideration.”

**THE OFFER (AS DEFINED HEREIN) WILL EXPIRE AT 5:00 P.M. (NEW YORK CITY TIME) ON SEPTEMBER 26, 2023 (SUCH TIME AND DATE, AS THE SAME MAY BE EXTENDED IN OUR SOLE DISCRETION, THE “EXPIRATION DATE”). TO BE ELIGIBLE TO RECEIVE THE EARLY TENDER CONSIDERATION, HOLDERS OF THE NOTES MUST VALIDLY TENDER AND NOT VALIDLY WITHDRAW THEIR NOTES AT OR PRIOR TO 5:00 P.M. (NEW YORK CITY TIME) ON SEPTEMBER 11, 2023 (SUCH TIME AND DATE, AS THE SAME MAY BE EXTENDED IN OUR SOLE DISCRETION, THE “EARLY TENDER DATE”). HOLDERS OF NOTES WHO VALIDLY TENDER THEIR NOTES AFTER THE EARLY TENDER DATE AND ON OR PRIOR TO THE EXPIRATION DATE WILL ONLY BE ELIGIBLE TO RECEIVE THE LATE TENDER CONSIDERATION, WHICH EQUALS THE EARLY TENDER CONSIDERATION MINUS THE EARLY TENDER PREMIUM. VALIDLY TENDERED NOTES MAY BE WITHDRAWN IN ACCORDANCE WITH THE TERMS OF THE OFFER AT OR PRIOR TO 5:00 P.M. (NEW YORK CITY TIME) ON SEPTEMBER 11, 2023 (SUCH DATE AND TIME, AS THE SAME MAY BE EXTENDED IN OUR SOLE DISCRETION, THE “WITHDRAWAL DATE”).**

Comisión Federal de Electricidad (“*CFE*,” “*we*,” “*us*” or “*our*”), a productive state enterprise of the Federal Government of the United Mexican States (“*Mexico*”), hereby offers to purchase for cash its 4.875% Notes due 2024 (the “*2024 Notes*”), 4.750% Notes due 2027 (the “*2027 Notes*”), 6.125% Notes due 2045 (the “*2045 Notes*”) and 5.750% Notes due 2042 (the “*2042 Notes*”) for an aggregate purchase price, excluding Accrued Interest, of up to US\$1,000,000,000 (the “*Maximum Consideration*”), upon the terms and subject to the conditions set forth in this offer to purchase (as it may be amended or supplemented from time to time, this “*Offer to Purchase*”) and subject to (1) the Acceptance Priority Procedures (as defined below) and (2) proration, each as described herein. We refer to the aggregate amount that Holders of Notes are entitled to receive for such series of Notes validly tendered and accepted in the Offer, excluding Accrued Interest, as the “*Aggregate Purchase Price*.” We collectively refer to the 2024 Notes, the 2027 Notes, the 2045 Notes and the 2042 Notes as the “*Notes*” and to each of the 2024 Notes, the 2027 Notes, the 2045 Notes and the 2042 Notes as a “*series*” of Notes. We refer to our offer to purchase the Notes as the “*Offer*.”

The Offer is subject to the satisfaction of certain conditions as described herein. CFE reserves the right, in its sole discretion, to waive any and all conditions of the Offer at or prior to the Early Tender Date or the Expiration Date, as applicable.

The Dealer Managers for the Offer are:

**BNP PARIBAS**

**Citigroup**

**Morgan Stanley**

**SMBC Nikko**

The date of this Offer to Purchase is August 28, 2023.

(Cover page continued)

Holders should take note of the following dates in connection with the Offer:

<u>Date</u>	<u>Calendar Date</u>	<u>Event</u>
Commencement of the Offer .....	August 28, 2023	The commencement date of the Offer upon the terms and subject to the conditions set forth in this Offer to Purchase. Commencement will be announced by the issuance of a press release through a widely disseminated news or wire service.
Early Tender Date .....	5:00 p.m. (New York City time) on September 11, 2023, unless extended by CFE in its sole discretion.	<p>The last day and time for Holders to tender Notes pursuant to the Offer in order to be eligible to receive the Early Tender Consideration. Each Holder that validly tenders its Notes prior to the Early Tender Date and does not withdraw such Notes on or prior to the Withdrawal Date will be eligible to receive the Early Tender Consideration and Accrued Interest.</p> <p>Promptly after the Early Tender Date and prior to the Price Determination Date, CFE will issue a press release through a widely disseminated news or wire service specifying the preliminary results of the Offer.</p>
Withdrawal Date .....	5:00 p.m. (New York City time) on September 11, 2023, unless extended by CFE in its sole discretion.	<p>The last day and time for Holders to validly withdraw tendered Notes pursuant to the Offer. A valid withdrawal of Notes on or prior to the Withdrawal Date will result in the Holder not being eligible to receive either the Early Tender Consideration (unless such Holder validly re-tenders such Notes on or before the Early Tender Date) or the Late Tender Consideration (unless such Holder validly re-tenders such Notes on or before the Expiration Date).</p> <p>Notes tendered after the Withdrawal Date may not be validly withdrawn at any time except in certain limited circumstances where additional withdrawal rights are required by law.</p>
Price Determination Date ...	10:00 a.m. (New York City time) on September 12, 2023, unless extended by CFE in its sole discretion.	<p>The date and time at which the Reference Yield (as defined below) of the applicable Reference U.S. Treasury Security for each series of Notes will be calculated.</p> <p>Promptly after the Price Determination Date, CFE will issue a press release through a widely disseminated news or wire service specifying (i) the Offer Yield (as defined below) and the Early Tender Consideration for each series of Notes, (ii) the Aggregate Purchase Price of the Notes validly tendered at or prior to the Early Tender Date and accepted in the Offer and (iii) the proration factor (if any) to be applied.</p>
Early Settlement Date .....	If CFE elects to exercise the Early Settlement Right (as defined herein), promptly after the acceptance by CFE	The date Holders are paid the Early Tender Consideration and Accrued Interest for Notes validly tendered on or prior to the Early Tender Date

<u>Date</u>	<u>Calendar Date</u>	<u>Event</u>
	for purchase of the Notes validly tendered before the Early Tender Date and not withdrawn on or prior to the Withdrawal Date, upon satisfaction (or waiver by CFE) of each and all of the conditions set forth in this Offer to Purchase.	and not validly withdrawn on or prior to the Withdrawal Date.
	CFE expects that the Early Settlement Date, if any, will be on or about the third Business Day following the Early Tender Date, which would be on September 14, 2023, unless the Early Tender Date is extended by CFE in its sole discretion.	
Expiration Date .....	5:00 p.m. (New York City time) on September 26, 2023, unless extended by CFE in its sole discretion.	The last day and time for Holders to tender Notes pursuant to the Offer in order to be eligible to receive the Late Tender Consideration and Accrued Interest. Notes tendered after the Early Tender Date and accepted for purchase will not receive the Early Tender Premium.
Final Settlement Date.....	Promptly after the acceptance by CFE for purchase of the Notes validly tendered after the Early Tender Date but on or prior to the Expiration Date, upon satisfaction (or waiver by CFE) of each and all of the conditions set forth in this Offer to Purchase.	The date Holders are paid the Late Tender Consideration and Accrued Interest for all Notes validly tendered after the Early Tender Date but on or prior to the Expiration Date.
	CFE expects that the Final Settlement Date, if any, will be on or prior to the second Business Day following the Expiration Date, which would be on September 28, 2023, unless the Early Tender Date is extended by CFE in its sole discretion.	
	In the event that the Maximum Consideration has been paid to holders of Notes at the Early Settlement Date, there would be no Final Settlement Date.	

The above dates and times relating to the Offer are indicative only and are subject to change. See “The Offer—Early Tender Date; Expiration Date; Extensions; Amendments; Termination.”

Holders are advised to check with the broker, dealer, bank, custodian, trust company, or other nominee through which they hold their Notes as to the deadlines by which such intermediary would require receipt of instructions from Holders to participate in the Offer in accordance with the terms and conditions of the Offer as described in this Offer to Purchase in order to meet the deadlines set forth above. The deadlines set by The Depository Trust Company (“*DTC*”) or any such intermediary for the submission of tenders of Notes may be earlier than the relevant deadlines specified in this Offer to Purchase.

## IMPORTANT INFORMATION REGARDING THE OFFER

This Offer to Purchase contains important information, and you should read it in its entirety before you make any decision with respect to the Offer.

Tendered Notes may be withdrawn at any time at or prior to the Withdrawal Date but may not be validly withdrawn after such time. If the Offer is terminated or otherwise not completed, we will promptly return all tendered Notes to the tendering Holders thereof.

Following the Early Tender Date and prior to the Expiration Date, CFE may, but is not required to, accept the Notes validly tendered at or prior to the Early Tender Date (the “**Early Settlement Right**”); *provided* that all conditions set forth in this Offer to Purchase have been satisfied or waived by CFE (the date of such acceptance, the “**Early Acceptance Date**”). Notes accepted on the Early Acceptance Date, if any, will be settled promptly thereafter (the “**Early Settlement Date**”). The “**Final Settlement Date**” is the date that we settle all Notes not previously settled on the Early Settlement Date, if any, and CFE expects such date to be promptly following the Expiration Date.

Each of the Early Settlement Date and the Final Settlement Date is referred to herein as a “**Settlement Date**.”

Subject to applicable law, the Offer may be amended, extended or terminated, if CFE determines, in its sole discretion, to extend the Offer beyond the Expiration Date, there will be a new Settlement Date with respect to Notes validly tendered on or prior to the Expiration Date. During any extension of the Offer, all Notes previously tendered and not accepted for purchase pursuant to the Offer will remain subject to the Offer and may, subject to the terms and conditions of the Offer, be accepted for purchase by CFE. See “The Offer—Early Tender Date; Expiration Date; Extensions; Amendments; Termination.”

CFE’s obligation to accept for purchase, and to pay for, any Notes validly tendered pursuant to the Offer, is conditioned upon the satisfaction of certain conditions specified in this Offer to Purchase. CFE reserves the right, in its sole discretion, to waive any and all conditions of the Offer at or prior to the Early Tender Date or the Expiration Date, as applicable. See “The Offer—Conditions of the Offer.”

The Offer is not conditioned on any minimum amount of Notes being tendered.

Subject to the satisfaction or waiver of the conditions of the Offer, the Notes will be purchased in accordance with their acceptance priority level (the “**Acceptance Priority Level**”) pursuant to the following “**Acceptance Priority Procedures**”:

- *first*, if the Aggregate Purchase Price of all Notes validly tendered at or prior to the Early Tender Date by Holders does not exceed the Maximum Consideration, then we will accept all such Notes validly tendered. However, if the Aggregate Purchase Price of all Notes validly tendered at or prior to the Early Tender Date by Holders exceeds the Maximum Consideration, then we will (i) accept for purchase all validly tendered Notes of each series starting at the highest Acceptance Priority Level (level 1) and moving sequentially to Notes of each series having a lower Acceptance Priority Level (the lowest of which is level 4) until the Aggregate Purchase Price of all validly tendered Notes of a series, combined with the Aggregate Purchase Price of all accepted Notes of series with higher Acceptance Priority Levels, is as close as possible to, but does not exceed, the Maximum Consideration, (ii) accept on a prorated basis validly tendered Notes of the series with the next lower Acceptance Priority Level and (iii) not accept for purchase (x) any such Notes of a series with an Acceptance Priority Level below the series prorated in accordance with (ii) hereof or (y) any Notes validly tendered after the applicable Early Tender Date; and
- *second*, if the Maximum Consideration is not exceeded at the Early Tender Date, we will repeat the steps described in the prior bullet using the Aggregate Purchase Price with respect to Notes validly tendered after the Early Tender Date, but at or prior to the Expiration Date, in order to determine the aggregate principal amount of such Notes that we will accept for purchase. All Notes, regardless of Acceptance Priority Level, that are validly tendered at or prior to the Early Tender Date will have priority over any Notes validly tendered after the Early Tender Date.

For a description of the Acceptance Priority Procedures and proration procedures, see “The Offer—Maximum Consideration; Acceptance Priority Procedures.”

CFE expressly reserves its right, but it is not required, to increase the Maximum Consideration, in its sole discretion, without extending the Withdrawal Date, the Early Tender Date, the Expiration Date or any Settlement Date or otherwise reinstating withdrawal rights.

All Notes not accepted as a result of proration or otherwise will be rejected from the Offer and will be promptly returned to the tendering Holder.

To ensure that the return of any unaccepted Notes is made in minimum principal amounts of US\$200,000 and integral multiples of US\$1,000 in excess thereof, if necessary, CFE will make appropriate adjustments downward to the nearest US\$1,000 principal amount or, if applicable, the minimum denomination of US\$200,000, with respect to each Holder validly tendering Notes. Any tender of Notes, the proration of which would otherwise result in a return of Notes to a tendering Holder in a principal amount below the minimum denomination of US\$200,000, may be accepted in full without proration or rejected in full in CFE’s sole discretion. Holders who tender less than all their Notes must continue to hold Notes in minimum principal amounts of US\$200,000 and integral multiples of US\$1,000 in excess thereof.

From time to time after the Expiration Date or termination of the Offer, we may acquire any Notes that are not purchased pursuant to the Offer through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as we may determine, which may be more or less than the price to be paid pursuant to the Offer and could be for cash or other consideration. CFE may also exercise its right to redeem any Notes not purchased in the Offer and that remain outstanding after the Expiration Date pursuant to the indenture under which the Notes were issued (the “*Indenture*”).

There can be no assurance as to which, if any, of these alternatives (or combinations thereof) CFE will choose to pursue in the future. Any future purchases of Notes may be on the same terms or on terms that are more or less favorable to Holders than the terms of the Offer. Any future purchases by us will depend on various factors existing at that time.

CFE expressly reserves the right, subject to applicable law, to (1) terminate the Offer prior to the Expiration Date and not accept for payment any Notes not theretofore accepted for payment pursuant to the Offer for any reason, (2) waive any and all of the conditions set forth in this Offer to Purchase, (3) extend the Early Tender Date, the Withdrawal Date, the Price Determination Date, the Expiration Date or any Settlement Date and (4) otherwise amend the terms of the Offer in any respect. The foregoing rights are in addition to the right to delay acceptance for payment of Notes validly tendered pursuant to the Offer or the payment of Notes accepted for payment pursuant to the Offer in order to comply with any applicable law, subject to Rule 14e-1(c) under the U.S. Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), which requires that CFE pay the consideration offered or return the Notes deposited by or on behalf of the Holders thereof promptly after the termination or withdrawal of the Offer, as applicable.

See “The Offer—Certain Significant Considerations to Holders” and “Tax Considerations” for a discussion of certain considerations (including U.S. federal income and Mexican federal tax considerations) that should be considered in evaluating the Offer.

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No dealer, salesperson or other person is authorized to give any information or to make any representations with respect to the matters described in this Offer to Purchase other than information or representations contained in this Offer to Purchase and, if given or made, such information or representation must not be relied upon as having been authorized by us, the Dealer Managers (as defined herein), the Trustee (as defined herein), the Tender Agent (as defined herein) or the Information Agent (as defined herein).

**NONE OF CFE, THE DEALER MANAGERS, THE TRUSTEE, THE TENDER AGENT OR THE INFORMATION AGENT MAKES ANY RECOMMENDATION AS TO WHETHER HOLDERS SHOULD TENDER NOTES IN RESPONSE TO THE OFFER. EACH HOLDER MUST MAKE ITS OWN DECISION**

**AS TO WHETHER TO TENDER NOTES AND, IF SO, AS TO THE PRINCIPAL AMOUNT OF NOTES TO TENDER.**

**THIS OFFER TO PURCHASE DOES NOT CONSTITUTE AN OFFER TO BUY OR THE SOLICITATION OF AN OFFER TO SELL NOTES IN ANY JURISDICTION IN WHICH THE OFFER OR SOLICITATION IS UNLAWFUL. IN THOSE JURISDICTIONS WHERE THE SECURITIES, BLUE SKY OR OTHER LAWS REQUIRE AN OFFER TO BE MADE BY A LICENSED BROKER OR DEALER, THE OFFER SHALL BE DEEMED TO BE MADE ON BEHALF OF CFE BY THE DEALER MANAGERS OR ONE OR MORE REGISTERED BROKERS OR DEALERS LICENSED UNDER THE LAWS OF SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS OFFER TO PURCHASE NOR ANY PURCHASE OF NOTES SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY INFERENCE THAT THERE HAS BEEN NO CHANGE IN OUR AFFAIRS SINCE THE DATE HEREOF, OR THAT THE INFORMATION INCLUDED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.**

**THIS OFFER TO PURCHASE HAS NOT BEEN FILED WITH OR REVIEWED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE “SEC”), ANY U.S. STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, NOR HAS ANY SUCH COMMISSION OR AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFER TO PURCHASE. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL AND MAY BE A CRIMINAL OFFENSE.**

**THE INFORMATION CONTAINED HEREIN IS EXCLUSIVELY CFE’S RESPONSIBILITY AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (*COMISIÓN NACIONAL BANCARIA Y DE VALORES*, OR THE “CNBV”). CFE HAS NOT FILED AND WILL NOT FILE WITH THE CNBV A REQUEST FOR AUTHORIZATION OF THE OFFER. THE OFFER DOES NOT CONSTITUTE A PUBLIC OFFERING (*OFERTA PÚBLICA*) OF ANY KIND (INCLUDING AN *OFERTA PÚBLICA DE ADQUISICIÓN*) IN MEXICO AND IT MAY NOT BE PUBLICLY DISTRIBUTED IN MEXICO. THE OFFER MAY ONLY BE MADE AVAILABLE IN MEXICO TO INVESTORS THAT QUALIFY AS INSTITUTIONAL OR ACCREDITED INVESTORS (*INVERSIONISTAS INSTITUCIONALES* OR *INVERSIONISTAS CALIFICADOS*), SOLELY PURSUANT TO THE PRIVATE OFFERING EXEMPTION SET FORTH IN NUMERAL I. OF ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (*LEY DEL MERCADO DE VALORES*). IN MAKING A DECISION AS TO WHETHER TO TENDER ANY OF THEIR NOTES, ALL HOLDERS MUST RELY ON THEIR OWN REVIEW AND EXAMINATION OF THE TERMS OF THE OFFER. WE WILL NOTIFY THE CNBV OF THE RESULTS OF THE OFFER FOR INFORMATIONAL AND STATISTICAL PURPOSES ONLY, AND THE FILING OR RECEIPT OF SUCH NOTICE BY THE CNBV DOES NOT IMPLY ANY CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE NOTES, OUR SOLVENCY, LIQUIDITY OR CREDIT QUALITY OR THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH HEREIN.**

**NONE OF THE DEALER MANAGERS, THE TENDER AGENT OR THE INFORMATION AGENT OR ANY OF THEIR RESPECTIVE DIRECTORS, EMPLOYEES OR AFFILIATES ASSUME ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONCERNING THE OFFER OR CFE CONTAINED IN THIS OFFER TO PURCHASE OR FOR ANY FAILURE BY CFE TO DISCLOSE EVENTS THAT MAY HAVE OCCURRED AND MAY AFFECT THE SIGNIFICANCE OR ACCURACY OF SUCH INFORMATION.**

Each Holder is solely responsible for making its own independent appraisal of all matters as such Holder deems appropriate (including those relating to the Offer and CFE) and each Holder must make its own decision as to whether to accept the Offer or not. None of CFE, the Trustee, the Dealer Managers, the Tender Agent or the Information Agent or any of their respective affiliates, directors, officers, agents, attorneys or employees makes any recommendation as to whether Holders should tender, or refrain from tendering all or any portion of the principal amount of their Notes, and none of them has been authorized or has authorized any person to make any such recommendation. Holders must make their own decisions with regard to tendering Notes.

Holders should consult their own tax, accounting, financial and legal advisors regarding the suitability to themselves of the tax or accounting consequences of participating in the Offer. None of CFE, the Trustee, the Dealer

Managers, the Tender Agent or the Information Agent or any of their respective affiliates, directors, officers, agents, attorneys or employees has made or will make any assessment of the merits of the Offer or of the impact of the Offer on the interests of Holders either as a class or as individuals. Holders are liable for their own taxes and have no recourse to CFE, the Dealer Managers, the Tender Agent or the Information Agent or any of their respective affiliates, directors, officers, agents, attorneys or employees with respect to taxes (other than certain transfer taxes as indicated under “The Offer—Transfer Taxes”) arising in connection with the Offer.

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Questions about the Offer may be directed to BNP Paribas Securities Corp., Citigroup Global Markets Inc., Morgan Stanley & Co. LLC and SMBC Nikko Securities America, Inc., which are serving as the dealer managers in connection with the Offer (each, a “**Dealer Manager**” and, collectively, the “**Dealer Managers**”) at their addresses and telephone numbers set forth on the back cover page of this Offer to Purchase.

Questions regarding the procedures for tendering Notes and requests for additional copies of this Offer to Purchase may be directed to Global Bondholder Services Corporation, the tender agent and information agent with respect to the Offer (in such respective capacities, the “**Tender Agent**” and the “**Information Agent**”), at its address and telephone numbers set forth on the back cover page of this Offer to Purchase. Requests for additional copies of this Offer to Purchase may also be directed to your broker, dealer, commercial bank or trust company.

Notwithstanding any other provision of this Offer to Purchase, CFE’s obligation to accept for purchase, and to pay the Early Tender Consideration or the Late Tender Consideration, as applicable, for the Notes validly tendered pursuant to the Offer is subject to, and conditioned upon, the satisfaction or, where applicable, our waiver of the conditions set forth in this Offer to Purchase.

We reserve the right to terminate or extend the Offer if any condition of the Offer is not satisfied (or we determine in our sole discretion that it is not reasonably likely that any such condition will be satisfied) or waived by us and otherwise to amend the Offer in any respect. If we amend a condition to the Offer, we will give the appropriate Holders such notice of the amendment as may be required by applicable law. See “The Offer—Conditions of the Offer” and “The Offer—Early Tender Date; Expiration Date; Extensions; Amendments; Termination.”

The Notes are represented by one or more global certificates registered in the name of Cede & Co., the nominee of DTC. DTC is the only registered holder of the Notes. DTC facilitates the clearance and settlement of securities transactions through electronic book-entry changes in accounts of DTC participants. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations.

Unless the context otherwise requires, all references in this Offer to Purchase to a “**Holder**” or “**Holder of the Notes**” include:

1. each person who is shown in the records of DTC as a Holder of the Notes (also referred to as “**Direct Participants**” and each, a “**Direct Participant**”);
2. any broker, dealer, commercial bank, trust company or other nominee or custodian who holds Notes; and
3. each beneficial owner of Notes holding such Notes, directly or indirectly, in accounts in the name of a Direct Participant acting on the beneficial owner’s behalf, except that for the purposes of any payment to a Holder pursuant to the Offer of the Early Tender Consideration or Late Tender Consideration and Accrued Interest, to the extent the beneficial owner of the relevant Notes is not a Direct Participant, such payment will only be made by DTC to the relevant Direct Participant. The payment of the Early Tender Consideration or the Late Tender Consideration and Accrued Interest by or on behalf of CFE to DTC will satisfy the obligations of CFE in respect of the payment for the Notes purchased in the Offer.

If a Holder decides to tender Notes pursuant to the Offer, the Holder must arrange for a Direct Participant to electronically transmit an electronic agent’s message (an “**Agent’s Message**”) through DTC’s Automated Tender Offer Program (“**ATOP**”), for which the Offer will be eligible.

There is no letter of transmittal for the Offer. There are no guaranteed delivery provisions provided by CFE in order to tender Notes in the Offer.

Holders are advised to check with any broker, dealer, commercial bank, trust company or other nominee or intermediary through which they hold Notes when such nominee or intermediary would require to receive instructions from a Holder in order for that Holder to be able to participate in, or (in the limited circumstances in which withdrawals are permitted) withdraw their instruction to participate in, the Offer before the deadlines specified in this Offer to Purchase. **The deadlines set by any such nominee or intermediary and DTC will be earlier than the relevant deadlines specified in this Offer to Purchase.**

**It is suggested that a separate tender instruction be submitted by or on behalf of each Holder of the Notes in light of possible proration.**

CFE will make announcements with respect to the Offer by providing a press release to be distributed through DTC for communication to persons who are shown in the records of DTC as Holders of the Notes. Announcements with respect to the Offer may also be obtained upon request from the Tender Agent and the Information Agent, through the contact information on the back cover page of this Offer to Purchase.

Significant delays may be experienced where notices are delivered to DTC and beneficial owners of Notes are urged to contact the Tender Agent and the Information Agent for the relevant announcements during the course of the Offer. In addition, beneficial owners may contact the Dealer Managers for information using the contact details on the back cover page of this Offer to Purchase.

Since only registered holders of Notes may tender Notes, beneficial owners of Notes must instruct the broker, dealer, commercial bank, trust company or other nominee that holds Notes on their behalf to tender Notes on such beneficial owners' behalf. Beneficial owners of Notes are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a beneficial owner of Notes in order for that beneficial owner to be able to participate in, or withdraw their instruction to participate in, the Offer by the deadlines specified in this Offer to Purchase.

Tendering Holders of Notes purchased in the Offer will not be required to pay brokerage fees or commissions to the Dealer Managers, the Trustee, the Tender Agent and the Information Agent or us or to pay transfer taxes (except as indicated under "The Offer—Transfer Taxes") with respect to the purchase of their Notes. However, beneficial owners of Notes that are held through a broker, dealer, commercial bank or other nominee may be charged a fee by such nominee for tendering Notes on such beneficial owners' behalf. CFE will pay all other charges and expenses in connection with the Offer.

This Offer to Purchase contains important information that Holders are urged to read before any decision is made with respect to the Offer.

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## SUMMARY

*We are providing this summary for your convenience. It highlights certain material information in this Offer to Purchase, but does not describe all of the details of the Offer to the same extent described elsewhere in this Offer to Purchase. The following summary is qualified in its entirety by the more detailed information appearing elsewhere in this Offer to Purchase and the accompanying ancillary documents. You are urged to read this Offer to Purchase in its entirety because it contains the full details of the Offer.*

The Company.....	Comisión Federal de Electricidad, a productive state enterprise ( <i>empresa productiva del Estado</i> ) of the Federal Government of Mexico.
The Notes.....	4.875% Notes due 2024, 4.750% Notes due 2027, 6.125% Notes due 2045 and 5.750% Notes due 2042, in each case, issued by CFE.
The Offer.....	CFE is offering to purchase for cash the outstanding Notes up to an Aggregate Purchase Price equal to the Maximum Consideration, upon the terms and subject to the conditions set forth in this Offer to Purchase and subject to (1) the Acceptance Priority Procedures, and (2) proration, each as described herein.
Maximum Consideration.....	The Aggregate Purchase Price of up to US\$1,000,000,000.  CFE expressly reserves its right, but it is not required, to increase the Maximum Consideration in its sole discretion, without extending the Withdrawal Date, the Early Tender Date, the Expiration Date or any Settlement Date or otherwise reinstating withdrawal rights.
Launch Date.....	August 28, 2023.
Early Tender Date.....	5:00 p.m. (New York City time) on September 11, 2023, unless extended by CFE in its sole discretion.
Withdrawal Date.....	5:00 p.m. (New York City time) on September 11, 2023, unless extended by CFE in its sole discretion.
Price Determination Date.....	10:00 a.m. (New York City time) on September 12, 2023, unless extended by CFE in its sole discretion.
Early Acceptance Date.....	The date on which CFE accepts for purchase all Notes validly tendered at or prior to the Early Tender Date, assuming that CFE exercises the Early Settlement Right and all conditions set forth in this Offer to Purchase have been satisfied, or where applicable, waived by CFE.
Early Settlement Date.....	If CFE elects to exercise the Early Settlement Right, promptly after the acceptance by CFE for purchase of the Notes validly tendered before the Early Tender Date and not withdrawn on or prior to the Withdrawal Date, and upon satisfaction (or waiver by CFE) of each and all of the conditions set forth in this Offer to Purchase. CFE expects that the Early Settlement Date, if any, will be on or about the third Business Day following the Early Tender Date, which would be on September 14, 2023, unless the Early Tender Date is extended by CFE in its sole discretion.

Expiration Date.....	5:00 p.m. (New York City time) on September 26, 2023, unless extended by CFE in its sole discretion.
Final Settlement Date.....	Promptly after the acceptance by CFE for purchase of the Notes validly tendered after the Early Tender Date but on or prior to the Expiration Date, upon satisfaction (or waiver by CFE) of each and all of the conditions set forth in this Offer to Purchase. CFE expects that the Final Settlement Date, if any, will be on or prior to the second Business Day following the Expiration Date.  In the event that the Maximum Consideration has been paid to Holders of Notes at the Early Settlement Date, there would be no Final Settlement Date.
Business Day.....	Any day, other than Saturday, Sunday or a federal holiday in the United States, consisting of the time period from 12:00 a.m. (New York City time) through 11:59 p.m. (New York City time).
Early Tender Premium.....	Holders who validly tender their Notes on or prior to the Early Tender Date and do not validly withdraw on or prior to the Withdrawal Date will be eligible to receive the applicable Early Tender Premium specified on the front cover page of this Offer to Purchase for each series of Notes.
Early Tender Consideration.....	The Early Tender Consideration (which includes the applicable Early Tender Premium) payable by us for each US\$1,000 principal amount of each series of Notes that are validly tendered and not validly withdrawn at or prior to the Early Tender Date and accepted by us will be paid in cash on the Early Settlement Date or, if there is no Early Settlement Date, the Final Settlement Date. The Early Tender Consideration includes the Early Tender Premium but does not include Accrued Interest. Accrued Interest will be payable, in cash, in addition to the Early Tender Consideration.
Late Tender Consideration.....	The Late Tender Consideration (which does not include the applicable Early Tender Premium) payable by us for each US\$1,000 principal amount of each series of Notes that are validly tendered after the Early Tender Date but at or prior to the Expiration Date will be paid in cash on the Final Settlement Date. The Late Tender Consideration does not include the Early Tender Premium or Accrued Interest. Accrued Interest will be payable, in cash, in addition to the Late Tender Consideration.
Determination of Consideration .....	The Early Tender Consideration payable by us for each US\$1,000 principal amount of each series of Notes validly tendered at or prior to the Early Tender Date, and accepted by us pursuant to the Offer, will be determined in accordance with standard market practice, as described in this Offer to Purchase, using the applicable Offer Yield, which will be equal to the sum of: (i) the applicable Reference Yield, which shall be based on the bid-side price of the applicable Reference U.S. Treasury Security specified on the front cover of this Offer to Purchase for such series of Notes at the Price Determination Date quoted on the applicable Bloomberg reference page (or any other recognized quotation source selected by the Dealer Managers in their sole discretion if such quotation report is not available or is manifestly erroneous) (the “ <i>Reference U.S. Treasury Security</i> ”), plus (ii) the applicable Fixed Spread specified on

the front cover of this Offer to Purchase for such series of Notes; *provided*, that the Early Tender Consideration for the 2024 Notes will not exceed a price of 100%.

Accordingly, the Early Tender Consideration payable by us for each US\$1,000 principal amount of each series of Notes accepted for purchase by us will equal:

- (i) the present value on the Early Settlement Date or, if there is no Early Settlement Date with respect to such series of Notes, the Final Settlement Date, as determined at the applicable Price Determination Date, of US\$1,000 principal amount of such series of Notes due on the maturity date of such Notes and all scheduled interest payments on such principal amount of Notes to be made from (but excluding) the applicable Settlement Date, up to and including such maturity date, as applicable, discounted to the applicable Settlement Date in accordance with standard market practice as described by the formula set forth in Annex A to this Offer to Purchase, at a discount rate equal to the applicable Offer Yield; provided that if such calculation would equal a price of more than US\$1,000 per each US\$1,000 principal amount of the 2024 Notes, the Early Tender Consideration for each US\$1,000 principal amount of 2024 Notes shall equal US\$1,000, *minus*
- (ii) the applicable Accrued Interest per US\$1,000 principal amount of such series of Notes,

such price being rounded to the nearest cent per US\$1,000 principal amount of such Notes.

The Late Tender Consideration payable by us for each US\$1,000 principal amount of each series of Notes validly tendered after the Early Tender Date, but on or prior to the Expiration Date, and accepted by us pursuant to the Offer will be equal to the Early Tender Consideration *minus* the applicable Early Tender Premium.

Accrued Interest..... In addition to the Early Tender Consideration or Late Tender Consideration, as applicable, Holders whose Notes are accepted for purchase in the Offer will receive accrued and unpaid interest from, and including, the last interest payment date to, but not including, the applicable Settlement Date, together with additional interest as described in “Additional Interest” below, payable on the applicable Settlement Date.

Additional Interest..... We have agreed, subject to specified exceptions and limitations, to pay additional interest to participants in the Offer to cover Mexican withholding taxes on interest payments (including gains treated as interest with respect to the sale of the Notes tendered in the Offer and the applicable Accrued Interest), such that the amount received by such holders after deduction of the withholding tax on interest payments (including gains treated as interest with respect to the sale of the Notes tendered in the Offer and the applicable Accrued Interest) will equal the Early Tender Consideration or Late Tender Consideration, as applicable, and the Accrued Interest. All references to payment of the Early Tender Consideration, Late Tender Consideration and Accrued

	Interest will be deemed to include, if not specified, and without duplication, reference to additional interest.
Conditions of the Offer.....	The Offer is subject to the satisfaction of certain conditions as described herein. CFE reserves the right to waive any and all conditions to the Offer on or prior to the Early Tender Date or the Expiration Date, as applicable. See “The Offer—Conditions of the Offer.”
Acceptance and Proration .....	<p>Subject to the satisfaction or waiver of the conditions of the Offer, the Notes will be purchased in accordance with their Acceptance Priority Level pursuant to the following Acceptance Priority Procedures:</p> <p><i>first</i>, if the Aggregate Purchase Price of all Notes validly tendered at or prior to the Early Tender Date by Holders does not exceed the Maximum Consideration, then we will accept all such Notes validly tendered. However, if the Aggregate Purchase Price of all Notes validly tendered at or prior to the Early Tender Date by Holders exceeds the Maximum Consideration, then we will (i) accept for purchase all validly tendered Notes of each series starting at the highest Acceptance Priority Level (level 1) and moving sequentially to Notes of each series having a lower Acceptance Priority Level (the lowest of which is level 4) until the Aggregate Purchase Price of all validly tendered Notes of a series, combined with the Aggregate Purchase Price of all accepted Notes of series with higher Acceptance Priority Levels, is as close as possible to, but does not exceed, the Maximum Consideration, (ii) accept on a prorated basis validly tendered Notes of the series with the next lower Acceptance Priority Level and (iii) not accept for purchase (x) any such Notes of a series with an Acceptance Priority Level below the series prorated in accordance with (ii) hereof or (y) any Notes validly tendered after the applicable Early Tender Date; and</p> <p><i>second</i>, if the Maximum Consideration is not exceeded at the Early Tender Date, we will repeat the steps described in the prior bullet using the Aggregate Purchase Price with respect to Notes validly tendered after the Early Tender Date, but at or prior to the Expiration Date, in order to determine the aggregate principal amount of such Notes that we will accept for purchase. All Notes, regardless of Acceptance Priority Level, that are validly tendered at or prior to the Early Tender Date will have priority over any Notes validly tendered after the Early Tender Date.</p> <p>All Notes not accepted as a result of proration or otherwise will be rejected from the Offer and will be promptly returned to the tendering Holder.</p> <p>See “The Offer—Maximum Consideration; Acceptance Priority Procedures.”</p>
Withdrawal Rights.....	<p>Notes validly tendered by Holders on or prior to the Withdrawal Date may be validly withdrawn at any time up until the Withdrawal Date, but not after such date.</p> <p>A valid withdrawal of Notes will result in the Holder not being eligible to receive the Early Tender Consideration (unless such Holder validly re-tenders such Notes on or before the Early Tender Date) or the Late Tender Consideration (unless such Holder validly re-tenders such Notes on or before the Expiration Date) or any Accrued Interest. Notes</p>

tendered after the Withdrawal Date may not be validly withdrawn or revoked, except as required by applicable law. In addition, Notes validly tendered pursuant to the Offer may be validly withdrawn if the Offer is terminated without any Notes being purchased. In the event of a termination of the Offer, the Notes tendered pursuant to the Offer will be promptly returned to the tendering Holders or credited to the Holder's account without further compensation of any sort.

Procedures for Tendering Notes..... For a Holder to validly tender Notes pursuant to the Offer, an Agent's Message and any other required documents must be received by the Tender Agent at its address set forth on the back cover page of this Offer to Purchase at or prior to the Expiration Date. See "The Offer—Procedures for Tendering Notes."

**There is no separate letter of transmittal in connection with this Offer to Purchase.** There are no guaranteed delivery provisions provided by CFE in order to tender Notes in the Offer.

See "The Offer—Procedures for Tendering Notes—Representations, Warranties and Undertakings" for a discussion of the representations, warranties and agreements that all Holders who tender Notes in the Offer will be deemed to have made.

Tax Considerations..... For a discussion of certain U.S. federal income and Mexican federal tax considerations that should be considered in evaluating the Offer, see "Tax Considerations—Certain U.S. Federal Income Tax Consequences" and "Tax Considerations—Certain Mexican Federal Tax Considerations."

Dealer Managers..... BNP Paribas Securities Corp., Citigroup Global Markets Inc., Morgan Stanley & Co. LLC and SMBC Nikko Securities America, Inc.

Tender Agent and Information Agent.... Global Bondholder Services Corporation is the Tender Agent and also the Information Agent for the Offer. The address and telephone numbers of the Tender Agent and Information Agent are set forth on the back cover page of this Offer to Purchase.

Additional Documentation; Further Information; Assistance..... Any questions or requests for assistance concerning the Offer may be directed to the Dealer Managers at their addresses and telephone numbers set forth on the back cover page of this Offer to Purchase. Additionally, requests for additional copies of this Offer to Purchase may be directed to the Information Agent at the address and telephone number set forth on the back cover page of this Offer to Purchase. Requests for copies of the Indenture may be directed to the trustee under the Indenture (the "**Trustee**"). Beneficial owners may also contact their custodians for assistance concerning the Offer.

## INFORMATION ABOUT CFE

We are an electric power company operating as a productive state enterprise of the federal government of Mexico and we are 100% owned by the federal government of Mexico. As of June 30, 2023, we generated approximately 73% of the electricity consumed in Mexico, which includes electricity generated by independent power producers (29%), and purchased through long term auctions (4%), and we are solely responsible for the transmission and distribution of electricity throughout Mexico. The remaining 27% of electricity is generated by Petróleos Mexicanos, a productive state enterprise of the Mexican government that is engaged in exploration, production, refining and marketing of oil and gas, and by private producers. As of June 30, 2023, we provided electricity to approximately 47.8 million customer accounts, which we estimate represented 99.3% of the Mexican population.

We are not subject to the information requirements of the Exchange Act. We are subject to the information and periodic reporting requirements applicable to companies whose debt securities are registered with the National Securities Registry (*Registro Nacional de Valores*) maintained by the CNBV, and listed on the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A.B. de C.V.*). Additional information about CFE, including financial information and quarterly and annual reports, is available on the BMV's website at [www.bmv.com.mx](http://www.bmv.com.mx) and on the CNBV's website at [www.gob.mx/cnbv](http://www.gob.mx/cnbv). The information contained on any website mentioned in this Offer to Purchase or any website directly or indirectly linked to these websites is not part of, and is not incorporated by reference in, this Offer to Purchase and you should not rely on such information.

Our main executive office is located at Paseo de la Reforma 164, Col. Juárez, 06600, Ciudad de México, Mexico. Our telephone number at that address is +52 (55) 5229-4400. Our website is [www.cfe.mx](http://www.cfe.mx).

## THE OFFER

This Offer to Purchase contains important information, and you should read it carefully in its entirety before you make any decision with respect to the Offer.

### General

CFE is offering to purchase its outstanding Notes for cash for an Aggregate Purchase Price to be determined as described in this Offer to Purchase up to the Maximum Consideration, upon the terms and subject to the conditions set forth in this Offer to Purchase and subject to (1) the Acceptance Priority Procedures and (2) proration, each as described herein.

### Purpose of the Offer

CFE is making the Offer to retire and cancel the Notes purchased in the Offer and repay the outstanding indebtedness evidenced thereby.

### Source of Funds

CFE intends to finance the purchase of the Notes tendered and accepted for purchase pursuant to the Offer, and to pay all fees and expenses in connection therewith, with available cash.

### Early Tender Consideration and Late Tender Consideration

Holders who validly tender their Notes on or prior to the Early Tender Date and do not validly withdraw their Notes on or prior to the Withdrawal Date will be eligible to receive the applicable Early Tender Consideration. The applicable Early Tender Consideration includes the applicable Early Tender Premium per US\$1,000 principal amount of the series of Notes validly tendered on or prior to the Early Tender Date and not validly withdrawn on or prior to the Withdrawal Date, but does not include Accrued Interest. Accrued Interest will be payable, in cash, in addition to the Early Tender Consideration. Holders who validly tender their Notes after the Early Tender Date but on or prior to the Expiration Date will be eligible to receive the Late Tender Consideration, which will be equal to the applicable Early Tender Consideration *minus* the applicable Early Tender Premium. The Late Tender Consideration does not include Accrued Interest. Accrued Interest will be payable, in cash, in addition to the Late Tender Consideration.

### Determination of Consideration

The applicable Early Tender Consideration payable by us for each US\$1,000 principal amount of each series of Notes validly tendered at or prior to the Early Tender Date, and accepted by us pursuant to the Offer, will be determined in accordance with standard market practice, as described in this Offer to Purchase, using the applicable yield to maturity (the “*Offer Yield*”), which will be equal to the sum of:

- (i) the yield (the “*Reference Yield*”), as calculated by the Dealer Managers, that equates to the bid-side price of the applicable Reference U.S. Treasury Security specified on the front cover page of this Offer to Purchase for such series of Notes at the Price Determination Date quoted on the applicable Bloomberg reference page (or any other recognized quotation source selected by the Dealer Managers in their sole discretion if such quotation report is not available or is manifestly erroneous), *plus*
- (ii) the applicable Fixed Spread specified on the front cover page of this Offer to Purchase for such series of Notes; *provided*, that the Early Tender Consideration for the 2024 Notes will not exceed a price of 100%.

Accordingly, the applicable Early Tender Consideration (which includes the applicable Early Tender Premium) payable by us for each US\$1,000 principal amount of each series of Notes accepted by us will equal:

- (i) the present value on the Early Settlement Date or, if there is no Early Settlement Date with respect to such series of Notes, the Final Settlement Date, as determined at the Price Determination Date, of US\$1,000



principal amount of such series of Notes due on the maturity date of such Notes and all scheduled interest payments on such principal amount of Notes to be made from (but excluding) the applicable Settlement Date, up to and including such maturity date, discounted to the applicable Settlement Date in accordance with standard market practice as described by the formula set forth in Annex A to this Offer to Purchase, at a discount rate equal to the applicable Offer Yield; *provided*, that if such calculation would equal a price of more than US\$1,000 per each US\$1,000 principal amount of the 2024 Notes, the Early Tender Consideration for each US\$1,000 principal amount of 2024 Notes shall equal US\$1,000, *minus*

(ii) the applicable Accrued Interest per US\$1,000 principal amount of such Notes,

such price being rounded to the nearest cent per US\$1,000 principal amount of such Notes.

The Late Tender Consideration payable by us for each US\$1,000 principal amount of each series of Notes validly tendered and accepted by us, will be equal to the applicable Early Tender Consideration for such series of Notes *minus* the Early Tender Premium for such series of Notes.

Promptly after the Price Determination Date, we will issue a press release specifying the Offer Yield and Early Tender Consideration for each series of Notes.

The method for calculating the Early Tender Consideration for the Notes is set forth in Annex A to this Offer to Purchase.

### **Accrued Interest**

In addition to the Early Tender Consideration or the Late Tender Consideration, as the case may be, Holders whose Notes are accepted for purchase pursuant to the Offer will be paid Accrued Interest, together with additional interest described below, up to, but excluding, the applicable Settlement Date. For the avoidance of doubt, Accrued Interest will not be paid for any periods following the applicable Settlement Date applicable in respect of any Notes purchased in the Offer.

### **Additional Interest**

We have agreed, subject to specified exceptions and limitations, to pay additional interest to participants in the Offer to cover Mexican withholding taxes on interest payments (including gains treated as interest with respect to the sale of the Notes tendered in the Offer and the applicable Accrued Interest), such that the amount received by such holders after deduction of the withholding tax on interest payments (including gains treated as interest with respect to the sale of the Notes tendered in the Offer and the applicable Accrued Interest) will equal the Early Tender Consideration or Late Tender Consideration, as applicable, and the Accrued Interest. All references to payment of the Early Tender Consideration, Late Tender Consideration and Accrued Interest will be deemed to include, if not specified, and without duplication, reference to additional interest.

### **Settlement Dates**

For Notes that have been validly tendered on or prior to the Early Tender Date, if CFE exercises the Early Settlement Right, the Early Settlement Date will be promptly following the Early Acceptance Date. Assuming that CFE exercises the Early Settlement Right and all conditions set forth in this Offer to Purchase have been satisfied, or where applicable, waived by CFE, it expects that the Early Settlement Date for the Offer will occur on or about the third Business Day following the Early Tender Date.

For Notes that have been validly tendered after the Early Tender Date and on or prior to the Expiration Date (exclusive of Notes purchased on the Early Settlement Date, if any) and that are accepted for purchase, settlement will occur on the Final Settlement Date, subject to all conditions set forth in this Offer to Purchase having been satisfied or, where applicable, waived by CFE. The Final Settlement Date for the Offer is expected to be promptly following the Expiration Date. Assuming that the Offer is not extended and all conditions set forth in this Offer to Purchase have been satisfied or, where applicable, waived by CFE, it expects that the Final Settlement Date will occur on or prior to the second Business Day following the Expiration Date. In the event that the Maximum Consideration has been paid to Holders of Notes at the Early Settlement Date, there would be no Final Settlement Date.

Holders whose Notes are purchased in the Offer will receive Accrued Interest, payable on the applicable Settlement Date. No tenders of Notes will be valid if submitted after the Expiration Date.

In the event of termination of the Offer on or prior to the Early Acceptance Date (if applicable), the Notes tendered pursuant to the Offer prior to the Early Acceptance Date will be promptly returned to the tendering Holders. In the event of termination of the Offer after the Early Acceptance Date (if applicable) and before the Expiration Date, the Notes tendered pursuant to the Offer and not purchased on the Early Settlement Date (if applicable) will be promptly returned to the tendering Holders.

CFE will calculate the Early Tender Consideration, the Late Tender Consideration and the Accrued Interest payable to Holders whose Notes are accepted for purchase. Such calculations will be final and binding on all Holders whose Notes are accepted for purchase, absent manifest error. Under no circumstances will any interest be payable because of any delay in the transmission of funds to Holders by the Tender Agent or DTC.

CFE will announce its acceptance of valid tenders of Notes pursuant to the Offer and the principal amounts of the Notes so accepted as soon as reasonably practicable after each of the Early Acceptance Date (if applicable) and the Expiration Date; subject to the satisfaction or waiver of the conditions described in this Offer to Purchase.

### **Maximum Consideration; Acceptance Priority Procedures**

CFE is offering to purchase its outstanding Notes for cash for an Aggregate Purchase Price to be determined as described in this Offer to Purchase up to the Maximum Consideration, upon the terms and subject to the conditions set forth in this Offer to Purchase and subject to (1) the Acceptance Priority Procedures and (2) proration, each as described herein.

CFE expressly reserves its right, but it is not required, to increase the Maximum Consideration in its sole discretion, without extending the Withdrawal Date, the Early Tender Date, the Expiration Date or any Settlement Date or otherwise reinstating withdrawal rights.

Subject to the satisfaction or waiver of the conditions of the Offer, the Notes will be purchased in accordance with their Acceptance Priority Level pursuant to the following Acceptance Priority Procedures:

- *first*, if the Aggregate Purchase Price of all Notes validly tendered at or prior to the Early Tender Date by Holders does not exceed the Maximum Consideration, then we will accept all such Notes validly tendered. However, if the Aggregate Purchase Price of all Notes validly tendered at or prior to the Early Tender Date by Holders exceeds the Maximum Consideration, then we will (i) accept for purchase all validly tendered Notes of each series starting at the highest Acceptance Priority Level (level 1) and moving sequentially to Notes of each series having a lower Acceptance Priority Level (the lowest of which is level 4) until the Aggregate Purchase Price of all validly tendered Notes of a series, combined with the Aggregate Purchase Price of all accepted Notes of series with higher Acceptance Priority Levels, is as close as possible to, but does not exceed, the Maximum Consideration, (ii) accept on a prorated basis validly tendered Notes of the series with the next lower Acceptance Priority Level and (iii) not accept for purchase (x) any such Notes of a series with an Acceptance Priority Level below the series prorated in accordance with (ii) hereof or (y) any Notes validly tendered after the applicable Early Tender Date; and
- *second*, if the Maximum Consideration is not exceeded at the Early Tender Date, we will repeat the steps described in the prior bullet using the Aggregate Purchase Price with respect to Notes validly tendered after the Early Tender Date, but at or prior to the Expiration Date, in order to determine the aggregate principal amount of such Notes that we will accept for purchase. All Notes, regardless of Acceptance Priority Level, that are validly tendered at or prior to the Early Tender Date will have priority over any Notes validly tendered after the Early Tender Date.

All Notes not accepted as a result of proration or otherwise will be rejected from the Offer and will be promptly returned to the tendering Holder.

## Authorized Denominations

Notes may be tendered and accepted for payment only in principal amounts equal to US\$200,000 and integral multiples of US\$1,000 in excess thereof. No alternative, conditional or contingent tenders will be accepted.

To ensure CFE returns Notes in minimum principal amounts of US\$200,000 and integral multiples of US\$1,000 in excess thereof, if necessary, CFE will make appropriate adjustments downward to the nearest US\$1,000 principal amount, or if applicable, the minimum denomination of US\$200,000, with respect to each Holder validly tendering Notes. Any tender of Notes, the proration of which would otherwise result in a return of any such Notes to a tendering Holder in a principal amount below the minimum denomination of US\$200,000, may be accepted in full without proration or rejected in full in CFE's sole discretion.

Holders who tender less than all their Notes must continue to hold Notes in the applicable Authorized Denominations.

## Conditions of the Offer

The Offer is not contingent upon the tender of any minimum principal amount of Notes.

Notwithstanding any other provision of the Offer, CFE will not be required to accept for purchase and pay for any validly tendered Notes pursuant to the Offer if any of the following shall not be satisfied (or we determine in our sole discretion that it is not reasonably likely that any such condition will not be satisfied) at the Early Tender Date or the Expiration Date, as applicable:

(1) no action or event shall have occurred or been threatened, no action shall have been taken, and no statute, rule, regulation, judgment, order, stay, decree or injunction shall have been promulgated, enacted, entered, enforced or deemed to be applicable to the Offer by or before any court or governmental regulatory or administrative agency, authority or tribunal, including, without limitation, taxing authorities, that either:

(a) challenges the making of the Offer or might, directly or indirectly, prohibit, prevent, restrict or delay consummation of, or, in our reasonable judgment, might otherwise adversely affect in any material manner, the Offer or its anticipated benefits to us; or

(b) in our reasonable judgment, could materially adversely affect our business, condition (financial or otherwise), income, operations, properties, assets, liabilities or prospects or materially impair the contemplated benefits to us of the Offer or the delivery of any cash amounts;

(2) nothing has occurred or may occur that would or might, in our reasonable judgment, prohibit, prevent or delay the Offer or impair our ability to realize the anticipated benefits of the Offer;

(3) there shall not have occurred (a) any general suspension of or limitation on trading in securities on the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A.B. de C.V.*), the New York Stock Exchange, the Luxembourg Stock Exchange or in the over-the-counter markets in the United States or Mexico, whether or not mandatory, (b) a material impairment in the general trading market for debt securities, (c) a declaration of a banking moratorium or any suspension of payments in respect of banks by federal or state authorities in Mexico or the United States, whether or not mandatory, (d) a commencement of a war, armed hostilities, a terrorist act or other national or international calamity directly or indirectly relating to Mexico or the United States, (e) any limitation, whether or not mandatory, by any governmental authority on, or other event having a reasonable likelihood of affecting, the extension of credit by banks or other lending institutions in Mexico or the United States, (f) any material adverse change in the securities or financial markets in Mexico or the United States generally or (g) in the case of any of the foregoing existing at the time of the commencement of the Offer, a material acceleration or worsening thereof; and

(4) the Trustee shall not have objected in any respect to, or taken any action that could, in our reasonable judgment, adversely affect the consummation of the Offer, nor shall the Trustee have taken any action that challenges the validity or effectiveness of the procedures used by CFE in making the Offer or the delivery of any cash amounts.

The foregoing conditions are for CFE's sole benefit and may be waived by CFE, in whole or in part, in its absolute discretion with respect to the Offer. Any determination made by CFE concerning an event, development or circumstance described or referred to above will be conclusive and binding.

If any of the foregoing conditions are not satisfied (or we determine in our sole discretion that it is not reasonably likely that any such condition will not be satisfied), CFE may, at any time:

- terminate the Offer and promptly return and/or unblock any tendered Notes;
- modify, extend or otherwise amend the Offer and retain all tendered Notes, subject, however, to the withdrawal rights of Holders; or
- waive the unsatisfied conditions with respect to the Offer and accept all Notes tendered and not previously validly withdrawn, subject to the Acceptance Priority Procedures and proration procedures.

In addition, subject to applicable law, CFE may in its absolute discretion terminate the Offer for any other reason.

### **Certain Significant Considerations to Holders**

In deciding whether to participate in the Offer, each Holder should consider carefully, in addition to the other information contained in this Offer to Purchase, the following:

#### ***Limited Trading Market***

To the extent that Notes are tendered and accepted in the Offer, the trading market for the Notes may become more limited. A bid for securities with a smaller outstanding aggregate principal amount available for trading (a smaller "*float*") may be lower than a bid for a comparable security with a greater float. Therefore, the market price for Notes not tendered or tendered but not purchased may be affected adversely to the extent that the amount of Notes purchased pursuant to the Offer reduces the float. The reduced float may also tend to make the trading price more volatile. Holders of unpurchased Notes may attempt to obtain quotations for the Notes from their brokers; however, there can be no assurance that an active trading market will exist for the Notes following the Offer. The extent of the public market for the Notes following the consummation of the Offer would depend upon, among other things, the number of Holders remaining, the outstanding aggregate principal amount of Notes at such time and the interest in maintaining a market in the Notes on the part of securities firms and other factors. See "—Treatment of Notes not Tendered in the Offer; Other Actions Affecting Notes."

#### ***Consideration for the Notes May Not Reflect Their Fair Value***

The consideration offered to purchase the Notes does not reflect any independent valuation of the Notes and does not take into account events or changes in financial markets (including interest rates) after the commencement of the Offer. We have not obtained or requested a fairness opinion from any banking or other firm as to the fairness of the consideration for the Notes. If you tender Notes, you may or may not receive more or as much value than if you chose not to tender them in the Offer.

#### ***Treatment of Notes not Tendered in the Offer; Other Actions Affecting Notes***

Notes not tendered or not purchased in the Offer will remain outstanding. The terms and conditions governing the Notes, including the covenants and other protective provisions contained in the Indenture, will remain unchanged. No amendments to these documents are being sought.

Whether or not the Offer is consummated, CFE or any of its affiliates may from time to time following the expiration of the Offer take any of the following actions:

- acquire Notes, other than pursuant to the Offer, through open-market purchases, privately negotiated transactions, other tender offers, exchange offers or otherwise, upon such terms and at such prices as they may determine, which may be more or less than the prices to be paid pursuant to the Offer and could be for cash or other consideration;

- redeem some or all of the Notes pursuant to the terms thereof; or
- effect a defeasance of the Notes if CFE, among other things, irrevocably deposits funds or certain governmental securities in trust, in accordance with the terms of the Indenture, sufficient to pay the principal of and interest on the outstanding Notes to maturity and subject to certain other conditions.

The effect of any of these actions may directly or indirectly affect the price of any Notes that remain outstanding after the consummation of the Offer.

***The Consummation of the Offer is Subject to the Satisfaction of Certain Conditions***

The consummation of the Offer is subject to satisfaction or waiver of certain conditions. These conditions are described in more detail in this Offer to Purchase under “—Conditions of the Offer.” We cannot assure you that such conditions will be satisfied or waived with respect to the Offer or that any failure to consummate the Offer will not have a negative effect on the market price and liquidity of the Notes.

***The Offer May Be Cancelled, Delayed or Amended***

Subject to applicable law, we have the right to terminate, withdraw or amend the Offer in our sole discretion. Even if the Offer is consummated, it may not be consummated on the schedule described in this Offer to Purchase. Accordingly, Holders participating in the Offer may have to wait longer than expected to receive the Early Tender Consideration or Late Tender Consideration, as applicable (or to have their Notes returned to them as a result of proration or in the event we terminate the Offer), during which time such Holders will not be able to effect transfers or sales of their Notes.

***Holders are Responsible for Complying with the Procedures of the Offer***

Holders of Notes are responsible for complying with all of the procedures for tendering Notes for purchase. If the instructions are not strictly complied with, the Agent’s Message may be rejected at our sole discretion. None of CFE, the Dealer Managers, the Tender Agent or the Information Agent assumes any responsibility for informing any Holder of Notes of irregularities with respect to such Holder’s participation in the Offer or in respect of instructions to, or existing arrangement with, any custodian acting for Holders.

***Effect of Maximum Consideration and Acceptance Priority Procedures***

The amount of Notes accepted for purchase in the Offer may be limited because of the Maximum Consideration, the consequences of which include, among other things, that CFE will accept for purchase Notes on a prorated basis if the Aggregate Purchase Price of all Notes validly tendered and accepted in the Offer exceeds the Maximum Consideration, in each case even if Notes in excess of such amount are validly tendered and not validly withdrawn. Therefore, upon application of the Acceptance Priority Procedures and proration procedures described in this Offer to Purchase, CFE may not purchase all of the Notes that are validly tendered. Further, because Notes will be purchased in accordance with the Acceptance Priority Procedures, on any given Settlement Date, Notes having a higher Acceptance Priority Level will be accepted for purchase before any tendered Notes having a lower Acceptance Priority Level are accepted. In addition, if the Offer is fully subscribed as of the Early Tender Date and CFE accepts any Notes for purchase, CFE will not accept for purchase any Notes tendered after the Early Tender Date. If the Offer is not fully subscribed as of the Early Tender Date, Holders who validly tender Notes after the Early Tender Date may be subject to proration, but Holders who validly tender Notes at or prior to the Early Tender Date and whose tendered Notes are accepted for purchase will not be subject to such proration. CFE reserves the right, in its sole discretion, subject to applicable law, to increase or decrease the Maximum Consideration, however, there can be no assurance that CFE will do so.

***Withdrawal Rights and the Maximum Consideration***

CFE will not be able to determine definitively whether the Offer is oversubscribed or what the effects of priority levels or proration may be with respect to each series of Notes until after the Early Tender Date or the Expiration Date, as applicable, has passed. Therefore Holders of Notes may not be able to withdraw tenders of such Notes at the time CFE establishes the Aggregate Purchase Price of Notes to be purchased pursuant to the Offer.

## Procedures for Tendering Notes

### *General*

The tender by a Holder of Notes (and subsequent acceptance thereof by us) pursuant to the procedures set forth below will constitute a binding agreement between such Holder and CFE in accordance with the terms and subject to the conditions set forth in this Offer to Purchase.

The tender of Notes pursuant to the Offer and in accordance with the procedures described below will constitute a valid tender of such Notes. A defective tender of Notes (which defect is not waived by CFE) will not constitute valid delivery of the Notes and will not entitle the Holder thereof to our payment of the Early Tender Consideration or the Late Tender Consideration, as the case may be, or Accrued Interest. Any beneficial owner whose Notes are registered in the name of a custodian or held through the Book-Entry Transfer Facility and who wishes to tender its Notes should contact such Holder promptly and instruct such Holder to tender its Notes on such beneficial owner's behalf. In no event shall the Holder send any Notes to CFE or the Dealer Managers.

There is no letter of transmittal for the Offer. There are no guaranteed delivery provisions provided by CFE in order to tender Notes in the Offer.

### *Tender of Notes*

Within two Business Days after the date of this Offer to Purchase, the Tender Agent will establish accounts with respect to the Notes at DTC for purposes of the Offer. The Tender Agent and DTC have confirmed that the Offer is eligible for ATOP, whereby a financial institution that is a participant in DTC's system may tender Notes by making a book-entry delivery of such Notes by causing DTC to transfer such Notes into an ATOP account.

To effectively tender Notes, DTC participants should transmit their acceptance through ATOP, and DTC will then edit and verify the acceptance and send an Agent's Message to the Tender Agent for its acceptance. The term "*Agent's Message*" means a message, transmitted by DTC to, and received by, the Tender Agent and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgment from the tendering participant stating that such participant has accepted the Offer and agrees to be bound by the terms, conditions and provisions of the Offer (if applicable). An Agent's Message and any other required documents must be transmitted through ATOP to, and received by, the Tender Agent before the Early Tender Date or the Expiration Date, as applicable. Delivery of the Agent's Message by DTC will satisfy the terms of the Offer in lieu of execution and delivery of a letter of transmittal by the participant identified in the Agent's Message. Accordingly, Holders do not need to complete a letter of transmittal with respect to Notes being tendered.

**It is suggested that a separate tender instruction be submitted by or on behalf of each Holder of the Notes in light of possible proration.**

**You are advised to check with any bank, securities broker or other intermediary through which you hold Notes as such intermediary would require to receive instructions to participate in, or revoke their instruction to participate in, the Offer before the deadlines specified in this Offer to Purchase.**

Delivery of such documents to DTC does not constitute delivery to the Tender Agent.

The delivery and surrender of the Notes is not effective, and the risk of loss of any such Notes does not pass to the Tender Agent, until receipt by the Tender Agent of a properly transmitted Agent's Message together with all accompanying evidences of authority and any other required documents in a form satisfactory to CFE. The method of delivery of the Notes and all other required documents, including delivery through DTC and acceptance of an Agent's Message transmitted through ATOP, is at the option and risk of the tendering Holder. In all cases, sufficient time should be allowed for such documents to reach the Tender Agent prior to the Expiration Date in order to be eligible to receive the Early Tender Consideration or the Late Tender Consideration, as applicable.

### *Representations, Warranties and Undertakings*

By tendering your Notes through DTC and delivering an Agent's Message through ATOP, you will be agreeing with, acknowledging, representing, warranting and undertaking to CFE, the Tender Agent and the Dealer

Managers substantially the following on each of the Early Acceptance Date (if applicable), the Expiration Date and the applicable Settlement Dates, as the case may be (if you are unable to give these agreements, acknowledgements, representations, warranties and undertakings, you should contact the Dealer Managers or the Tender Agent immediately):

(1) You irrevocably constitute and appoint the Tender Agent as your true and lawful agent and attorney-in-fact (with full knowledge that the Tender Agent also acts as our agent) with respect to such Notes, with full powers of substitution and revocation (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (i) present such Notes and all evidences of transfer and authenticity to, or transfer ownership of, such Notes on the account books maintained by DTC to, or upon the order of, CFE, (ii) present such Notes for transfer of ownership on the Trustee's register, and (iii) receive all benefits and otherwise exercise all rights of beneficial ownership of such Notes, all in accordance with the terms and conditions set forth in this Offer to Purchase.

(2) You understand that tenders of Notes may be withdrawn by written notice of withdrawal received by the Tender Agent at any time prior to the Withdrawal Date. In the event of a termination of the Offer, the Notes tendered pursuant to the Offer will be credited to the account maintained at DTC from which such Notes were delivered.

(3) You understand that tenders of Notes pursuant to any of the procedures described in this Offer to Purchase and acceptance of such Notes by CFE will constitute a binding agreement between you and CFE upon the terms and subject to the conditions set forth in this Offer to Purchase. For purposes of the Offer, you understand that validly tendered Notes (or defectively tendered Notes with respect to which CFE has or has caused to be waived such defect) will be deemed to have been accepted by CFE if, as and when CFE gives oral or written notice thereof to the Tender Agent.

(4) You have full power and authority to tender, sell, assign and transfer the Notes tendered and that, when such tendered Notes are accepted for purchase and payment by CFE, CFE will acquire good title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim or right and together with all rights attached thereto. You will, upon request, execute and deliver any additional documents deemed by the Tender Agent or by CFE to be necessary or desirable to complete the sale, assignment, transfer and cancellation (if any) of the Notes tendered or to evidence such power and authority.

(5) You have received this Offer to Purchase, and have reviewed and accepted the offer and distribution restrictions, terms, conditions, risk factors and other considerations of the Offer, all as described in this Offer to Purchase, and have undertaken an appropriate analysis of the implications of the Offer without reliance on CFE, the Dealer Managers, the Tender Agent or the Information Agent. All authority conferred or agreed to be conferred shall not be affected by, and shall survive, your death or incapacity, and any obligation of you hereunder shall be binding upon your heirs, executors, administrators, trustees in bankruptcy, personal and legal representatives, successors and assigns.

(6) You understand that CFE, subject to the conditions herein, will pay or cause to be paid the Early Tender Consideration or Late Tender Consideration, as the case may be, and Accrued Interest with respect to the Notes accepted for purchase on the applicable Settlement Date.

(7) You recognize that under certain circumstances set forth in this Offer to Purchase, and subject to applicable law, CFE may terminate or amend the Offer or may postpone the acceptance for payment of, or the payment for, Notes tendered or may not be required to purchase any of the Notes tendered.

(8) You are not a person to whom it is unlawful to make an invitation pursuant to the Offer under applicable securities or blue sky laws and you acknowledge that you must inform yourself about, and observe, any such laws.

(9) You understand that the delivery and surrender of any Notes is not effective, and the risk of loss of the Notes does not pass to Tender Agent, until receipt by the Tender Agent of an Agent's Message properly completed and duly submitted, together with all accompanying evidences of authority and any other required documents in form satisfactory to CFE. All questions as to form of all documents and the validity (including time of receipt) and

acceptance of tenders and withdrawals of Notes will be determined by CFE, in its sole discretion, which determination shall be final and binding.

(10) You request that any Notes representing principal amounts not tendered or not accepted for purchase be issued in the name of, and delivered by credit to, the account of DTC who will credit the account of the participant from which such Notes were received.

(11) You have observed (and will observe) the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid (or will pay), to the extent not otherwise payable by CFE, any issue, transfer or other taxes or requisite payments due from you in each respect in connection with any offer or acceptance, in any jurisdiction, and that you have not taken or omitted to take any action in breach of the representations or which will or may result in CFE or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or tender of Notes in connection therewith.

(12) If the Notes are assets of (i) an “employee benefit plan” as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended (“*ERISA*”), that is subject to Title I of ERISA, (ii) a “plan” as defined in Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “*Code*”), (iii) a “governmental plan” as defined in Section 3(32) of ERISA or any other plan that is subject to a law substantially similar to Title I of ERISA or Section 4975 of the Code, or (iv) an entity deemed to hold plan assets of any of the foregoing, the tendering of Notes will not result in a nonexempt prohibited transaction under ERISA, Section 4975 of the Code or any substantially similar applicable law.

(13) You have such knowledge and experience in financial and business matters, that you are capable of evaluating the merits and risks of participating in the Offer and that you, and any accounts for which you are acting are each able to bear the economic risks of your, or their, investment.

(14) You acknowledge that none of CFE, the Dealer Managers, the Trustee, the Tender Agent or the Information Agent is making any recommendation as to whether or not you should tender Notes in response to the Offer.

(15) You are outside the United Kingdom or, if you are not outside of the United Kingdom:

a. you (i) have professional experience in matters relating to investments falling within Article 19(5) of the of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “*Order*”), (ii) are a person falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Order, (iii) are a member or creditor of certain bodies corporate as defined by or within Article 43(2) of the Order, or (iv) are a person to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the offer to purchase any securities may otherwise lawfully be communicated; and

b. you are not a retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“*EUWA*”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 and any rules or regulations made thereunder to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

(16) You are not an investor resident in a Member State of the European Economic Area, or, if you are a resident in a Member State of the European Economic Area, you are not a retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“*MiFID II*”); or (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.



(17) You acknowledge that CFE, the Dealer Managers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agree that if any of the acknowledgements, representations and warranties made by your submission of Notes in the Offer, are, at any time prior to the consummation of the Offer, no longer accurate, you shall promptly notify CFE and the Dealer Managers. If you are tendering the Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each such account and you have full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Your custodian or nominee, by delivering, or causing to be delivered, the Notes and the completed Agent's Message to the Tender Agent is representing and warranting that you, as owner of the Notes, have represented, warranted and agreed to each of the above. If you are unable to give the foregoing representations, warranties and undertakings, you should contact the Dealer Managers or the Tender Agent.

Our acceptance for payment of Notes tendered under the Offer will constitute a binding agreement between you and CFE upon the terms and conditions of the Offer described in this Offer to Purchase.

**Early Tender Date; Price Determination Date; Expiration Date; Extensions; Amendments; Termination**

The Early Tender Date for the Offer is 5:00 p.m. (New York City time) on September 11, 2023, unless extended by CFE in its sole discretion, in which case the Early Tender Date with respect to the Offer will be such date to which the Early Tender Date is extended.

The Price Determination Date for the Offer is 10:00 a.m. (New York City time) on September 12, 2023, unless extended by CFE in its sole discretion, in which case the Early Tender Date with respect to the Offer will be such date to which the Price Determination Date is extended.

The Expiration Date for the Offer is 5:00 p.m. (New York City time) on September 26, 2023, unless extended by CFE in its sole discretion, in which case the Expiration Date with respect to the Offer will be such date to which the Expiration Date is extended.

CFE, in its sole discretion and subject to applicable law, may amend the terms of the Offer. In addition, CFE, in its sole discretion, may extend the Early Tender Date or the Expiration Date for any purpose, including to permit the satisfaction or, where possible, waiver of the conditions to the Offer. To extend the Early Tender Date or the Expiration Date, CFE will notify the Tender Agent and Information Agent and will make a public announcement thereof before 9:00 a.m. (New York City time) on the next Business Day after the previously scheduled Early Tender Date or Expiration Date, as applicable. Such announcement will state that CFE is extending the relevant term for a specified period.

All references to the Early Tender Date or to the Expiration Date in this Offer to Purchase are to the Early Tender Date or Expiration Date, respectively, as may be extended or terminated. CFE expressly reserves the right to extend the Early Tender Date or the Expiration Date with respect to the Offer.

CFE expressly reserves the right, subject to applicable law, to:

- delay accepting the Notes, extend the Early Tender Date or the Expiration Date or, if the conditions set forth in this Offer to Purchase are not satisfied, terminate the Offer at any time and not accept the Notes; and
- if the conditions to the Offer are not satisfied (or we determine in our sole discretion that it is not reasonably likely that any such condition will not be satisfied), amend or modify at any time, the terms of the Offer in any respect, including by waiving, where possible, any conditions set forth in this Offer to Purchase.

If CFE exercises any such right, CFE will give written notice thereof to the Tender Agent and the Information Agent and will make a public announcement thereof as promptly as practicable and, in the case of a termination, all Notes tendered pursuant to the Offer and not accepted for payment will be returned promptly to the tendering Holders thereof.

The minimum period during which the Offer will remain open following material changes in the terms of the Offer or in the information concerning the Offer will depend upon the facts and circumstances of such change, including the materiality of the changes. If any of the terms of the Offer are amended in a manner determined by CFE to constitute a material change adversely affecting any Holder, CFE will (i) promptly disclose any such amendment in a manner reasonably calculated to inform Holders of such amendment, (ii) extend the Offer for a period that CFE deems appropriate, subject to applicable law, depending upon the significance of the amendment and the manner of disclosure to Holders, if the Offer would otherwise expire during such period, and (iii) extend withdrawal rights for a period that CFE deems appropriate to allow tendering Holders a reasonable opportunity to respond to such amendment.

### **Transfer Taxes**

CFE will pay or cause to be paid all transfer taxes applicable to the purchase and transfer of Notes pursuant to this Offer to Purchase, except that if the payment of the Early Tender Consideration or the Late Tender Consideration, as the case may be, is being made to, or if Notes that are not tendered or not purchased in the Offer are to be delivered to or registered or issued in the name of, any person other than the Holder of the Notes or the Direct Participant in whose name the Notes are held on the books of DTC, or if a transfer tax is imposed for any reason other than the purchase of Notes under the Offer, then the amount of any such transfer tax (whether imposed on the Holder or any other person) will be payable by the tendering Holder. If satisfactory evidence of payment of that tax or exemption from payment is not submitted, then the amount of that transfer tax will be deducted from such payment of the Early Tender Consideration or Late Tender Consideration, as the case may be, otherwise payable to the tendering Holder.

### **Acceptance of Notes for Purchase; Payment for Notes**

Upon the terms and subject to the conditions of the Offer, CFE will notify the Tender Agent promptly after the Early Tender Date and the Expiration Date, as applicable, of which Notes are accepted for purchase and payment pursuant to the Offer, as well as the pro ration factor that may result from proration of the Notes. For purposes of the Offer, CFE will be deemed to have accepted for purchase validly tendered Notes (or defectively tendered Notes with respect to which CFE has waived such defect) if, as and when CFE gives oral (promptly confirmed in writing) or written notice thereof to the Tender Agent. With respect to tendered Notes not accepted for purchase and that are to be returned to Holders, such Notes will be credited to the relevant account maintained at DTC promptly following the Early Tender Date or Expiration Date, as applicable, or termination of the Offer.

Upon the terms and subject to the conditions of the Offer, CFE will accept for purchase, and pay for, Notes validly tendered pursuant to the Offer and not validly withdrawn upon the satisfaction or, where possible, waiver of the conditions set forth in this Offer to Purchase. CFE will promptly pay for all Notes accepted for purchase or cause such payments to be made. In all cases, payment for Notes accepted for purchase pursuant to the Offer will be made only after confirmation of book-entry transfer thereof. CFE will pay for Notes accepted for purchase in the Offer by depositing or causing to be deposited such payment in cash with DTC, which will act as agent for the tendering Holders for the purpose of receiving payment for Notes. Upon the terms and subject to the conditions of the Offer, delivery of the Early Tender Consideration or Late Tender Consideration, as the case may be, with respect to the purchased Notes will be made on the applicable Settlement Date.

If, for any reason (including if CFE chooses to do so in its sole discretion), acceptance for purchase of, or payment for, validly tendered Notes pursuant to the Offer is delayed, or CFE is unable to accept for purchase or to pay for validly tendered Notes pursuant to the Offer, then the Tender Agent may, nevertheless, on behalf of CFE, retain the tendered Notes (which may not then be withdrawn), without prejudice to the rights of CFE as described under “—Early Tender Date; Expiration Date; Extensions; Amendments; Termination,” “—Conditions of the Offer” and “—Withdrawal of Tenders,” but subject to Rule 14e-1 under the Exchange Act, which requires that CFE pay the consideration offered or return the Notes tendered promptly after the termination or withdrawal of the Offer.

If any tendered Notes are not accepted for payment for any reason pursuant to the terms and conditions of the Offer, such Notes will be credited to the account maintained at DTC promptly following the Early Tender Date or Expiration Date, as applicable, or termination of the Offer. Holders of Notes tendered and accepted for payment pursuant to the Offer will be entitled to any Accrued Interest on such Notes from, and including, the last interest payment date up to, but excluding, the applicable Settlement Date, which will be payable on the applicable Settlement

Date. Under no circumstances will any additional interest be payable because of any delay by DTC in the transmission of funds to the Holders of purchased Notes or otherwise.

CFE may transfer or assign, in whole or from time to time in part, to one or more of its affiliates or any third party the right to purchase all or any of the Notes tendered pursuant to the Offer, but any such transfer or assignment will not relieve CFE of its obligations under the Offer and will in no way prejudice the rights of tendering Holders to receive payment for Notes validly tendered and not validly withdrawn and accepted for payment pursuant to the Offer.

CFE reserves the right to arrange for alternate settlement mechanisms if we are required to do so for legal reasons.

### **Withdrawal of Tenders**

Tenders of Notes, as applicable, may be validly withdrawn or revoked on or prior to the Withdrawal Date but may not be validly withdrawn or revoked after such time, except as described herein or as required by applicable law. In the event of termination of the Offer, the Notes tendered pursuant to the Offer will be promptly returned to the tendering Holders.

The Notes may be validly withdrawn at any time on or prior to the Withdrawal Date but may not be validly withdrawn after such time.

For a withdrawal of tendered Notes held through DTC to be effective, a properly transmitted “Request Message” through ATOP must be received by the Tender Agent prior to the Withdrawal Date, at its address set forth on the back cover page of this Offer to Purchase. Any such notice of withdrawal must:

- specify the name of the DTC participant for whose account such Notes were tendered and such DTC participant’s account number at DTC to be credited with the withdrawn Notes;
- contain a description of the Notes to be withdrawn, including the aggregate principal amount represented by such Notes; and
- be submitted through the ATOP system by such DTC participant in the same manner as the DTC participant’s name is listed on the applicable Agent’s Message or be accompanied by evidence satisfactory to CFE that the person withdrawing the tender has succeeded to the beneficial ownership of the Notes.

If the Notes to be withdrawn have been delivered or otherwise identified to the Tender Agent, notice of withdrawal is effective immediately upon receipt by the Tender Agent of the “Request Message” through ATOP.

Withdrawal of Notes may only be accomplished in accordance with the foregoing procedures.

Any permitted withdrawal of Notes may not be rescinded. Any Notes validly withdrawn will thereafter be deemed not validly tendered for purposes of the Offer; *provided, however*, that withdrawn Notes may be re-tendered by a tenderer in following one of the appropriate procedures described herein at any time prior to the Expiration Date. Notes re-tendered after the Early Tender Date will not receive the Early Tender Premium.

### **Compliance with “Short Tendering” Rule**

It is a violation of Rule 14e-4 (promulgated under the Exchange Act) for a person, directly or indirectly, to tender Notes for his or her own account unless the person so tendering (a) has a net long position equal to or greater than the aggregate principal amount of the Notes being tendered and (b) will cause such Notes to be delivered in accordance with the terms of the Offer. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

A tender of Notes in the Offer under any of the procedures described above will constitute a binding agreement between the tendering Holder and us with respect to the Offer upon the terms and subject to the conditions of the Offer, including the tendering Holder’s acceptance of the terms and conditions of the Offer, as well as the tendering Holder’s representation and warranty that (a) such Holder has a net long position in the Notes being tendered

pursuant to the Offer within the meaning of Rule 14e-4 under the Exchange Act and (b) the tender of such Notes complies with Rule 14e-4.

### **Other Matters**

Tendering Holders of Notes purchased in the Offer will not be required to pay brokerage fees or commissions to CFE, the Dealer Managers, the Tender Agent or the Trustee or to pay transfer taxes (except as indicated under “— Transfer Taxes”) with respect to the purchase of their Notes. However, beneficial owners of Notes that are held through a broker, dealer, commercial bank or other nominee may be charged a fee by such nominee for tendering Notes on such beneficial owners’ behalf. CFE will pay or cause to be paid all other charges and expenses in connection with the Offer.

All questions as to the form of documents and validity, eligibility (including time of receipt), acceptance for payment and any withdrawal of tendered Notes will be determined by CFE in its sole discretion, and its determination will be final and binding on all Holders. CFE reserves the absolute right to reject any and all tenders of Notes that it determines are not in proper form or for which the acceptance for payment or payment may, in the opinion of its counsel, be unlawful. CFE also reserves the absolute right, in its sole discretion, subject to applicable law, to waive or amend any of the conditions of the Offer or any defect or irregularity in the tender or withdrawal of Notes of any particular Holder, whether or not similar conditions, defects or irregularities are waived in the case of other Holders.

CFE’s interpretation of the terms and conditions of the Offer will be final and binding on all Holders. Any defect or irregularity in connection with tenders of Notes must be cured within such time as CFE determines, unless waived by CFE. Tenders of Notes will not be deemed to have been made until all defects or irregularities have been waived by CFE or cured. None of CFE, the Dealer Managers, the Tender and the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or will incur any liability for failure to give any such notification.

There are no appraisal or other similar statutory rights available to Holders in connection with the Offer.

We and our affiliates expressly reserve the absolute right, in our sole discretion, subject to applicable law and the Indenture, from time to time to purchase any Notes that remain outstanding after the Expiration Date through open market purchases or privately negotiated transactions (including, one or more additional tender or exchange offers) or otherwise, on terms that may be more or less favorable to Holders of Notes than the terms of the Offer. Any future purchases or redemptions by us or our affiliates will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we or our affiliates will choose to pursue in the future.

## TAX CONSIDERATIONS

*The following discussion summarizes certain U.S. federal income and Mexican federal tax considerations that may be relevant to you with respect to the Offer. This summary is based on federal laws, regulations, rulings and decisions now in effect in the United States and Mexico, any of which may change at anytime, possibly with retroactive effect, and all of which are subject to differing interpretations. Any change could affect the accuracy of this summary.*

*This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules. You should consult your tax advisor about the tax consequences to you with respect to the Offer, including the relevance to your particular situation of the considerations discussed below, as well as of state, local or other tax laws.*

### **Certain U.S. Federal Income Tax Consequences**

The following is a summary of certain U.S. federal income tax consequences of the Offer that may be relevant to a beneficial owner of Notes that is an individual citizen or resident of the United States or a domestic corporation or otherwise subject to U.S. federal income tax on a net income basis in respect of the Notes (a “**U.S. Holder**”), and the summary also addresses limited tax considerations for a beneficial owner of Notes that is neither a U.S. Holder nor a partnership for U.S. federal income tax purposes (a “**Non-U.S. Holder**”). For purposes of this summary only, the term “**Holders**” refers to U.S. Holders and Non-U.S. Holders collectively. This summary is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change, possibly with retroactive effect. The discussion below is general in nature and does not address all of the U.S. federal income tax consequences that may be relevant to Holders subject to special treatment under U.S. federal income tax laws, such as dealers or brokers in securities or currencies, traders in securities that elect to apply a mark-to-market method of accounting, banks or other financial institutions, regulated investment companies, real estate investment trusts, insurance companies, tax-exempt organizations, entities classified as partnerships and the partners therein, nonresident alien individuals present in the United States for 183 days or more during the taxable year in which they sell Notes pursuant to the Offer, persons holding Notes as a position in a “straddle” or conversion transaction or as part of a “synthetic security” or other integrated financial transaction, persons that purchase or sell Notes as part of a wash sale for tax purposes or U.S. Holders that have a functional currency other than the U.S. dollar. The discussion assumes that the Notes are held as “capital assets” within the meaning of Section 1221 of the Code. The discussion does not address the alternative minimum tax, the Medicare tax on net investment income, any state, local or non-U.S. tax considerations or any other aspects of U.S. federal income tax not addressed herein that may be relevant to a Holder in light of the Holder’s particular circumstances.

#### *Sale of the Notes by U.S. Holders*

Sales of Notes pursuant to the Offer by U.S. Holders will be taxable transactions for U.S. federal income tax purposes. Subject to the discussion of the market discount rules set forth below, a U.S. Holder selling Notes pursuant to the Offer will recognize capital gain or loss in an amount equal to the difference between the amount of cash received (including any Early Tender Premium received but excluding amounts received attributable to Accrued Interest and additional interest, if any, paid in respect thereof, which will be taxed as described below to the extent not previously included in the U.S. Holder’s income) and the U.S. Holder’s adjusted tax basis in the Notes sold at the time of sale. A U.S. Holder’s adjusted tax basis in a Note generally will equal the amount paid therefor, increased by the amount of any market discount previously taken into account by the U.S. Holder and reduced by the amount of any amortizable bond premium previously amortized by the U.S. Holder with respect to the Note. Any capital gain or loss will be long-term capital gain or loss if the U.S. Holder’s holding period for the Notes on the date of sale was more than one year. A reduced tax rate on long-term capital gain is generally available to individual and other non-corporate U.S. Holders. The deductibility of capital losses by a U.S. Holder is subject to limitations.

In general, if a U.S. Holder acquired the Notes with market discount, any gain realized by the U.S. Holder on the sale of the Notes will be treated as ordinary income to the extent of the portion of the market discount that has accrued while the Notes were held by the U.S. Holder, unless the U.S. Holder has elected to include market discount in income currently as it accrues. Subject to a statutory *de minimis* exception, market discount is the excess (if any) of a Note’s stated principal amount over the U.S. Holder’s tax basis in the Note immediately after its acquisition by such

U.S. Holder. Any gain treated as ordinary income pursuant to the market discount rules generally should be treated as foreign source income for U.S. foreign tax credit purposes (although the matter is not free from doubt).

Under the new foreign tax credit requirements adopted by the U.S. Internal Revenue Service (the “*IRS*”) in December 2021, a U.S. Holder generally will not be entitled to credit any Mexican tax imposed on the sale of the Notes against such U.S. Holder’s U.S. federal income tax liability, except in the case of either (i) a U.S. Holder that is eligible for, and properly elects to claim, the benefits of the income tax treaty between the United States and Mexico (the “*Treaty*”) or (ii) a U.S. Holder that consistently elects for tax years ending before January 1, 2024 to apply a modified version of the U.S. foreign tax credit rules under recently issued temporary guidance, and complies with specific requirements set forth in such guidance. Additionally, capital gain or loss recognized by a U.S. Holder on the sale of the Notes generally will be U.S. source gain or loss for U.S. foreign tax credit purposes (except to the extent that the U.S. Holder establishes the right to treat gain as foreign source income under the Treaty). Consequently, even if a Mexican tax qualifies as a creditable tax, a U.S. Holder who is not able to treat any gain (upon which the tax is imposed) as foreign source income under the Treaty may not be able to credit the tax against its U.S. federal income tax liability unless such credit can be applied (subject to generally applicable conditions and limitations) against tax due on other income treated as derived from foreign sources. If the Mexican tax is not a creditable tax, the tax would generally reduce the amount realized on the sale of the Notes even if the U.S. Holder has elected to claim a foreign tax credit for other taxes in the same year. U.S. Holders should consult their own tax advisors regarding the application of the foreign tax credit rules to a sale of the Notes and any Mexican tax imposed on such sale.

Any cash received by a U.S. Holder that is attributable to Accrued Interest on the Notes, including any amounts withheld in respect of Mexican withholding taxes and additional interest, if any, paid in respect thereof, will be taxable as ordinary interest income to the extent not previously included in the U.S. Holder’s income. Subject to generally applicable limitations and conditions, Mexican interest withholding tax paid at the appropriate rate applicable to the U.S. Holder may be eligible for credit against such U.S. Holder’s U.S. federal income tax liability. These generally applicable limitations and conditions include the new foreign tax credit requirements adopted by the IRS in December 2021, and any Mexican tax generally will need to satisfy these requirements in order to be eligible to be a creditable tax for a U.S. Holder. However, in the case of a U.S. Holder that either (i) is eligible for, and properly elects, the benefits of the Treaty, or (ii) consistently elects to apply a modified version of the U.S. foreign tax credit rules under recently issued temporary guidance (as discussed above), the Mexican tax on interest generally will be treated as meeting the new requirements and therefore as a creditable tax. In the case of all other U.S. Holders, the application of these requirements to the Mexican tax on interest is uncertain, and we have not determined whether these requirements have been met. If the Mexican interest withholding tax is not a creditable tax for a U.S. Holder or the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued in the same taxable year, the U.S. Holder may be able to deduct the Mexican tax in computing such U.S. Holder’s taxable income for U.S. federal income tax purposes. Interest (including any additional interest) will constitute income from sources without the United States and, for U.S. Holders that elect to claim foreign tax credits, generally will constitute “passive category income” for foreign tax credit purposes.

The availability and calculation of foreign tax credits and deductions for foreign taxes depend on a U.S. Holder’s particular circumstances and involve the application of complex rules to those circumstances. U.S. Holders should consult their own tax advisors regarding the application of these rules to their particular situations.

#### *Information Reporting and Backup Withholding*

A U.S. Holder who tenders its Notes may be subject to information reporting and backup withholding with respect to payments the U.S. Holder receives pursuant to the Offer unless (i) the U.S. Holder is a corporation or comes within certain other exempt categories and demonstrates this fact when required, or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. The amount of any backup withholding from payments received pursuant to the Offer will be allowed as a credit against the U.S. Holder’s federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

In order for a Non-U.S. Holder to qualify for exemption from information reporting and backup withholding the Holder may be required to submit an IRS Form W-8BEN or W-8BEN-E or other applicable IRS Form W-8 attesting to that Holder's non-U.S. status. IRS forms may be obtained from the IRS website at [www.irs.gov](http://www.irs.gov).

#### *Non-Tendering Holders*

A Holder who does not tender its Notes in the Offer or does not have its tender of Notes accepted for purchase pursuant to the Offer will not recognize any gain or loss as a result of the Offer.

#### **Certain Mexican Federal Tax Considerations**

The following is a general summary of certain Mexican federal tax consequences arising from the tender and sale of Notes in the Offer by holders, whether individuals or legal entities, that are treated as non-residents of Mexico for Mexican federal income tax purposes and that do not hold Notes or a beneficial interest therein through a permanent establishment in Mexico for tax purposes, to which the ownership of or beneficial interest in, and income under, the Notes is attributable (any such non-resident holder, a "**Foreign Holder**"). This summary is based upon the provisions of the Mexican Federal Income Tax Law (*Ley del Impuesto Sobre la Renta*, or the "**Mexican Income Tax Law**"), the Mexican Federal Tax Code (*Código Fiscal de la Federación*, or the "**Mexican Tax Code**"), the Mexican Federal Income Tax Law Regulations (*Reglamento de Ley del Impuesto Sobre la Renta*, or the "**Mexican Income Tax Law Regulations**") and the Mexican Federal Tax Code Regulations (*Reglamento del Código Fiscal de la Federación*, or the "**Mexican Tax Code Regulations**") in effect on the date of this Offer to Purchase, all of which are subject to change (including with retroactive effect) or to new or different interpretations, which could affect the continued validity or correctness of this summary.

This summary does not constitute tax advice and does not address all of the Mexican tax consequences that may be applicable to specific holders of the Notes, nor does it purport to be a comprehensive description of all the Mexican tax considerations that may be relevant to a decision to participate in the Offer. This summary does not describe any tax consequences arising under the laws, rules or regulations of any state or municipality of Mexico, and is based upon the federal tax laws of Mexico as in effect on the date of this Offer to Purchase, all of which are subject to change, including retroactively.

The tax implications described herein may vary depending on the applicability of a treaty for the avoidance of double taxation entered into by Mexico and in effect. Mexico has entered into or may be negotiating several treaties regarding the avoidance of double taxation with various countries that may have an impact on the tax treatment of the ownership or disposition of the Notes.

**A HOLDER OF NOTES SHOULD CONSULT ITS OWN TAX ADVISORS AS TO THE MEXICAN AND FOREIGN TAX CONSEQUENCES OF THE DISPOSITION OF THE NOTES PURSUANT TO THE OFFER, INCLUDING, IN PARTICULAR, THE EFFECT OF ANY NON-MEXICAN, OR MEXICAN STATE OR MUNICIPAL TAX LAWS OR REGULATIONS, OR OF ANY TAX TREATIES TO WHICH MEXICO IS A PARTY THAT ARE IN EFFECT.**

Tax residency is a highly technical definition that involves the application of a number of factors that are specified in the Mexican Tax Code and the Mexican Tax Code Regulations. For purposes of Mexican taxation, an individual is a resident of Mexico, if such person has established his or her primary residence (*casa habitación*) in Mexico. When such person also has a primary residence (*casa habitación*) outside of Mexico, the individual will be considered a resident of Mexico for tax purposes if his or her center of vital interests (*centro de intereses vitales*) is located within Mexican territory, which is deemed to occur if (i) more than 50% of such individual's total income, in any calendar year, is from a Mexican source of income, or (ii) such individual's principal center of professional activities is located in Mexico. Any Mexican national employed by the Mexican government is deemed a resident of Mexico, even if his or her center of vital interests is located outside of Mexico. Mexican citizens who file a change of tax residence to a country or jurisdiction that does not have a comprehensive exchange of information agreement and a mutual administrative assistance in tax matters agreement with Mexico and where their income is subject to a preferential tax regime as defined by Mexican tax law, will be considered residents of Mexico for tax purposes during the fiscal year of the filing of notice of such residence change and during the following five fiscal years. Unless otherwise proven, Mexican nationals are deemed residents of Mexico for tax purposes.

A legal entity (including foreign legal arrangements treated as legal entities for Mexican tax purposes) is a resident of Mexico for tax purposes if it maintains its principal place of management or the place of effective management in Mexico.

For purposes of Mexican taxation, an individual or legal entity that does not satisfy the requirements described above to be considered a resident of Mexico for tax purposes is generally treated as a non-resident of Mexico for tax purposes, and a Foreign Holder for purposes of this summary, and generally subject to taxation at a Mexican federal level, as specified in this summary.

A permanent establishment for tax purposes in Mexico of a non-resident person will be required to pay taxes in Mexico in accordance with applicable Mexican tax laws, in respect of any and all income attributable to such permanent establishment for tax purposes in Mexico.

#### *Taxation of Foreign Holders that Participate in the Offer*

The tender of Notes to us by a Foreign Holder for repayment and redemption pursuant to the terms of the Offer will be considered a taxable event for Mexican federal income tax purposes.

The portion of (a) the Early Tender Consideration or Late Tender Consideration, as applicable, that exceeds the aggregate principal amount of the Notes, (b) the Accrued Interest, and (c) the Additional Interest (as defined below), as applicable, attributable to Notes that are validly tendered and accepted for repayment and redemption, will be considered Mexican sourced interest income and, as such, will be subject to Mexican income tax withholding imposed at a rate of 4.9%.

Payments of the portion of (a) the Early Tender Consideration or Late Tender Consideration, as applicable, that exceeds the aggregate principal amount of the Notes, and (b) the Accrued Interest, made to non-Mexican pension and retirement funds will be exempt from Mexican withholding tax provided that:

- the non-Mexican pension and retirement fund, *i.e.*, the recipient of the payment, is duly incorporated pursuant to the laws of its country of residence and is the beneficial owner of the payment;
- such income is exempt from taxes in the country of residence of the relevant fund; and
- such fund provides information to us, which we may in turn provide to the Mexican Tax Administration Service (*Servicio de Administración Tributaria*), in accordance with rules issued by the Mexican Tax Administration Service for these purposes.

If the beneficial owners, whether acting directly or indirectly, individually or jointly with related persons, receive more than 5% of (a) the portion of the Early Tender Consideration or Late Tender Consideration, as applicable, that exceeds the aggregate principal amount of the Notes, (b) the Accrued Interest, and (c) Additional Interest, as applicable, paid under the sale of the Notes and (i) are persons who own, directly or indirectly, individually or jointly with related persons, 10% of our voting stock, or (ii) are corporations or other entities, of which 20% or more of the voting stock is owned, directly or indirectly, individually or jointly with related persons, the Mexican withholding tax rate applicable to such payments under the Notes may be the maximum applicable rate according to the law, which is currently 35%. For these purposes, persons will be considered related if (1) one person holds an interest in the business of the other person; (2) both persons have common interests; or (3) a third party has an interest in the business or assets of both persons.

#### *Additional Interest*

As required by the Indenture, we will, subject to specified exceptions and limitations, pay additional interest (“**Additional Interest**”) to participants in the Offer that are Foreign Holders as may be necessary so that the amount of payments made to such participants (*i.e.*, the Early Tender Consideration or the Late Tender Consideration, as applicable, and the Accrued Interest), after Mexican withholding taxes on interest payments (including gains treated as interest with respect to the sale of the Notes tendered in the Offer and the applicable Accrued Interest), will not be less than the amount such participants would have received if such Mexican tax had not been withheld.



*Other Taxes*

A Foreign Holder will not be liable for Mexican estate, gift, inheritance or similar taxes with respect to the sale of the Notes, nor will it be liable for any Mexican stamp, registration or similar taxes.

## THE DEALER MANAGERS; THE TENDER AGENT AND INFORMATION AGENT

### The Dealer Managers

CFE has retained BNP Paribas Securities Corp., Citigroup Global Markets Inc., Morgan Stanley & Co. LLC and SMBC Nikko Securities America, Inc. to act as Dealer Managers in connection with the Offer. CFE will pay the Dealer Managers a customary fee for their services and reimburse the Dealer Managers for their reasonable out-of-pocket expenses. We have agreed to indemnify the Dealer Managers and their respective affiliates against certain liabilities in connection with their services, including liabilities under the federal securities laws. In the ordinary course of their respective businesses, the Dealer Managers and their respective affiliates have provided, and may in the future provide, commercial and/or investment banking and financial advisory services to CFE and its affiliates, for which they have in the past received, and may in the future receive, customary compensation from CFE and its affiliates.

At any given time, the Dealer Managers may trade Notes or other of our securities for their own accounts or for the accounts of their customers and, accordingly, may hold a long or short position in the Notes. To the extent the Dealer Managers hold Notes during the Offer, they may tender such Notes in the Offer.

The Dealer Managers may contact Holders by mail, telephone, facsimile transmission, personal interviews and otherwise may request broker dealers and the other nominee holders to forward materials relating to the Offer to beneficial holders. Questions regarding the terms of the Offer may be directed to the Dealer Managers at their addresses and telephone numbers listed on the back cover page of this Offer to Purchase.

### The Tender Agent and Information Agent

Global Bondholder Services Corporation is acting as the Tender Agent and also as the Information Agent for the Offer. All deliveries, correspondence and questions sent or presented to the Tender Agent and/or the Information Agent relating to the Offer should be directed to its address or telephone numbers set forth on the back cover page of this Offer to Purchase.

CFE will pay the Tender Agent and the Information Agent reasonable and customary compensation for its services in connection with the Offer, plus reimbursement for out-of-pocket expenses. We will indemnify the Tender Agent and the Information Agent against certain liabilities and expenses in connection therewith, including liabilities under the federal securities laws.

Questions regarding the procedures for tendering Notes and requests for additional copies of this Offer to Purchase should be directed to the Tender Agent at its address and telephone number set forth on the back cover page of this Offer to Purchase.

Neither the Dealer Managers, the Tender Agent nor the Information Agent assumes any responsibility for the accuracy or completeness of the information concerning the Offer or us contained in this Offer to Purchase or for any failure by us to disclose events that may have occurred and may affect the significance or accuracy of such information.

**None of the Trustee, the Dealer Managers, the Tender Agent or the Information is making any recommendations to the Holders as to whether or not to tender all or any portion of Notes. Holders must decide whether to tender Notes and, if tendering, the amount of Notes to tender.**

### Solicitation

Directors, officers and regular employees of us and/or our affiliates (who will not be specifically compensated for such services), the Dealer Managers, the Tender Agent and the Information Agent may contact Holders by mail, telephone, or facsimile regarding the Offer and may request brokers, dealers, commercial banks, trust companies and other nominees to forward this Offer to Purchase and related materials to beneficial owners of Notes.

## **FEES AND EXPENSES**

Tendering Holders of Notes purchased in the Offer will not be required to pay brokerage fees or commissions to the Dealer Managers, the Trustee, the Tender Agent or us or to pay transfer taxes (except as indicated under “The Offer—Transfer Taxes”) with respect to the purchase of their Notes. However, beneficial owners of Notes that are held through a broker, dealer, commercial bank or other nominee may be charged a fee by such broker, dealer, commercial bank or other nominee for tendering Notes on such beneficial owners’ behalf.

Brokers, dealers, commercial banks and trust companies will be reimbursed by CFE for customary mailing and handling expenses incurred by them in forwarding material to their customers. We will not pay any fees or commissions to any broker, dealer or other person (other than the Dealer Managers and the Information and Tender Agent) in connection with the solicitation of tenders of Notes pursuant to the Offer.

## MISCELLANEOUS

No action has been or will be taken in any jurisdiction that would permit the possession, circulation or distribution of this Offer to Purchase or any material relating to us or the Notes in any jurisdiction where action for that purpose is required. Accordingly, neither this Offer to Purchase nor any other offering material or advertisements in connection with the Offer may be distributed or published, in or from any such country or jurisdiction, except in compliance with any applicable rules or regulations of any such country or jurisdiction.

CFE is not aware of any jurisdiction where the making of the Offer is not in compliance with the laws of such jurisdiction. If CFE becomes aware of any jurisdiction where the making of the Offer would not be in compliance with such laws, CFE will make a good faith effort to comply with any such laws or seek to have such laws declared inapplicable to the Offer. If, after such good faith effort, CFE cannot comply with any such applicable laws, the Offer will not be made to (nor will tenders be accepted from or on behalf of) Holders residing in such jurisdiction.

None of the Dealer Managers, the Tender Agent or the Information Agent nor any of their respective directors, employees or affiliates assume any responsibility for the accuracy or completeness of the information concerning the Offer, CFE or any of its affiliates contained in this Offer to Purchase or for any failure by CFE to disclose events that may have occurred and may affect the significance or accuracy of such information.

No person has been authorized to give any information or make any representation on behalf of CFE that is not contained in this Offer to Purchase and, if given or made, such information or representation should not be relied upon.

None of CFE, the Dealer Managers, the Trustee, the Tender Agent or the Information Agent nor any of their respective affiliates makes any representation to any Holder as to whether or not to tender Notes. Holders must make their own decision as to whether to tender Notes.

## ANNEX A

### FORMULA TO CALCULATE EARLY TENDER CONSIDERATION AND LATE TENDER CONSIDERATION

YLD	=	The Offer Yield, which is the Reference Yield <i>plus</i> the applicable Fixed Spread, expressed as a percentage. The calculation will assume that the payments of the Notes are through the maturity date of such Notes.
CPN	=	The contractual annual rate of interest payable on the applicable series of Notes expressed as a percentage.
N	=	The number of scheduled semi-annual interest payments from (but not including) the applicable Settlement Date to (and including) the maturity date.
P	=	The number of days from and including the semi-annual interest payment date immediately preceding the applicable Settlement Date to, but not including, the applicable Settlement Date. The number of days is computed using the 30/360 day-count method.
/	=	Divide. The term immediately to the left of the division symbol is divided by the term immediately to the right of the division symbol before any addition or subtraction operations are performed.
exp	=	Exponentiate. The term to the left of “exp” is raised to the power indicated by the term to the right of “exp.”
$\sum_{k=1}^N$	=	Summate. The term in the brackets to the right of the summation symbol is separately calculated “N” times (substituting for “k” in that term each whole number between 1 and N, inclusive, and the separate calculations are then added together.
Accrued Interest	=	$US\$1,000(CPN/2)(P/180)$ .
Early Tender Consideration	=	The price per US\$1,000 principal amount of the series of Notes being priced (excluding Accrued Interest). Holders whose Notes are accepted for purchase will receive a total amount per US\$1,000 principal amount (rounded to the nearest cent), equal to the Early Tender Consideration, together with Accrued Interest.
Early Tender Consideration Formula	=	$\left[ \frac{\$1,000}{(1 + YLD/2)^{\exp(N - P/180)}} \right] + \sum_{k=1}^N \left[ \frac{\$1,000(CPN/2)}{(1 + YLD/2)^{\exp(k - P/180)}} \right] - \$1,000(CPN/2)(P/180)$
Late Tender Consideration	=	Early Tender Consideration <i>minus</i> the Early Tender Premium.

Any questions regarding procedures for tendering Notes or requests for additional copies of this Offer to Purchase should be directed to the Information Agent. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

#### **DEALER MANAGERS**

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