**PRICING SUPPLEMENT NO. 2A**
**(To Offering Circular dated December 3, 2002)**

# Pemex Project Funding Master Trust

Unconditionally Guaranteed by

## Petróleos Mexicanos

# £150,000,000 7.50% Notes due 2013

**Issued Under U.S. $11,000,000,000 Medium-Term Notes, Series A**

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The payment of principal of and interest on the 7.50% Notes due 2013 (the "Notes") will be unconditionally guaranteed by Petróleos Mexicanos (the "Guarantor"), a decentralized public entity of the Federal Government of the United Mexican States ("Mexico"). Petróleos Mexicanos' obligations as Guarantor will be unconditionally guaranteed jointly and severally by Pemex-Exploración y Producción, Pemex-Refinación and Pemex-Gas y Petroquímica Básica (together, the "Subsidiary Guarantors"), each of which is a decentralized public entity of the Mexican Government. The Notes are not obligations of, or guaranteed by, Mexico.

Interest on the Notes will accrue from January 27, 2003. Pemex Project Funding Master Trust (the "Issuer") will pay interest on the Notes on December 18 of each year. The first such payment will be made on December 18, 2003. The Notes will mature on December 18, 2013. Application has been made to list the Notes on the Luxembourg Stock Exchange.

After December 17, 2003, the Notes will be consolidated to form a single series with and be fully fungible with the Issuer's outstanding £250,000,000 7.50% Notes due 2013 (ISIN No. XS0161351191) issued under the program for the issuance of Medium-Term Notes, Series A, Due from 1 Year to 30 Years from Date of Issue (the "Program") described in the accompanying Offering Circular dated December 3, 2002 (the "Offering Circular").

Annexes A and B to the Offering Circular are hereby replaced with the updated Annex S/A contained in this Pricing Supplement, and references to Annexes A and B in the Offering Circular are hereby updated to refer to Annex S/A of this Pricing Supplement.

**Investing in the Notes involves risks. See "Risk Factors" beginning on page 12 of the Offering Circular.**

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**The Notes have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act") or any state securities laws and are being offered and sold only outside the United States in accordance with Regulation S under the Securities Act. For a description of certain restrictions on transfers of the Notes see "Plan of Distribution" in this Pricing Supplement and "Notice to Investors" in the Offering Circular.**

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Issue Price of the Notes: 101.760% plus accrued interest from January 27, 2003.

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The Managers expect to deliver the Notes on or about November 7, 2003.

*Lead Manager*

**Barclays Capital**

*Co-Lead*

**HSBC**

November 5, 2003

**You should rely on the information contained in this Pricing Supplement and the Offering Circular. None of the Issuer, the Guarantor or the Subsidiary Guarantors have authorized anyone to provide you with different information. None of the Issuer, the Guarantor, the Subsidiary Guarantors or the Managers are making an offer of these Notes in any state where the offer is not permitted. You should not assume that the information contained in this Pricing Supplement and the Offering Circular is accurate as of any date other than the date on the front of this Pricing Supplement and the Offering Circular.**

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**Offering Circular**



**This Pricing Supplement and the Offering Circular have been prepared by the Issuer and the Guarantor solely for use in connection with the proposed offering of the Notes. This Pricing Supplement and the Offering Circular are personal to each offeree and do not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes. Distribution of this Pricing Supplement and the Offering Circular to any other person other than the offeree and any person retained to advise such offeree with respect to its purchase is unauthorized, and any disclosure of any of its contents, without the prior written consent of the Issuer and the Guarantor, is prohibited. Each prospective investor, by accepting delivery of this Pricing Supplement and the Offering Circular, agrees to the foregoing and to make no photocopies of this Pricing Supplement and the Offering Circular or any documents referred to herein.**

**The Managers make no representation or warranty, express or implied, as to the accuracy or the completeness of the information contained in this Pricing Supplement and the Offering Circular. Nothing in this Pricing Supplement or the Offering Circular is, or shall be relied upon as, a promise or representation by the Managers as to the past or future. The Issuer and the Guarantor have furnished the information contained in this Pricing Supplement and in the Offering Circular.**

**Neither the Securities and Exchange Commission, any state securities commission, nor any other U.S. regulatory authority, has approved or disapproved the Notes nor have any of the foregoing authorities passed upon or endorsed the merits of this Pricing Supplement or the Offering Circular. Any representation to the contrary is a criminal offense.**

**In making an investment decision, prospective investors must rely on their own examination of the Issuer, the Guarantor and the terms of the offering, including the merits and risks involved. Prospective investors should not construe anything in this Pricing Supplement or the Offering Circular as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the Notes under applicable legal investment or similar laws or regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.**

**This Pricing Supplement and the Offering Circular contain summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such references. Copies of documents referred to herein will be made available to prospective investors upon request to the Issuer or the Managers.**

**Petróleos Mexicanos, as Guarantor, will file an application to register the Notes with the *Sección Especial del Registro Nacional de Valores* (the Special Section of the National Registry of Securities or the "Special Section of the Registry") maintained by the *Comisión Nacional Bancaria y de Valores* (National Banking and Securities Commission) of Mexico. Registration of the Notes with the Special Section of the Registry does not imply any certification as to the investment quality of the Notes, the solvency of the Issuer, the Guarantor or the Subsidiary Guarantors or the accuracy or completeness of the information contained herein or in the Offering Circular. The Notes may not be publicly offered or sold in Mexico.**

## DESCRIPTION OF NOTES

The following items under this heading "Description of Notes" are the particular terms which relate to the tranche of the Notes that is the subject of this Pricing Supplement.

| | | |
|---|---|---|
| **1.** | Series No.: | 9A |
| **2.** | Principal Amount: | £150,000,000 |
| **3.** | Fungibility with other Notes: | After December 17, 2003 (the "Exchange Date"), the Notes will be consolidated to form a single series with, and will be fully fungible with, the Issuer's outstanding £250,000,000 7.50% Notes due 2013 (ISIN XS0161351191) issued under the Program on January 27, 2003. Until the Exchange Date, the Notes will be issued under temporary security codes. |
| **4.** | Issue Price: | 101.760% plus accrued interest from January 27, 2003 |
| **5.** | Issue Date: | November 7, 2003 |
| **6.** | Form of Notes: | Registered Notes |
| **7.** | Authorized Denomination(s): | £1,000, £10,000 and £100,000 |
| **8.** | Specified Currency: | Pounds Sterling ("£"), the lawful currency of the United Kingdom, as the same may be replaced from time to time, including by the euro. |
| **9.** | Stated Maturity Date: | December 18, 2013 |
| **10.** | Interest Basis: | Fixed Rate Notes |
| **11.** | Interest Commencement Date (if different from the Issue Date): | January 27, 2003 |
| **12.** | Fixed Rate Notes: | |
| | (a) Interest Rate: | 7.50% per annum, payable annually in arrears. If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of the actual number of days elapsed divided by the actual number of days in the period from and including the immediately preceding Interest Payment Date (or, if none, the Issue Date) to but excluding the next scheduled Interest Payment Date. |
| | (b) Interest Payment Date(s): | December 18 of each year, commencing on December 18, 2003. |
| **13.** | Discount Notes: | No |
| **14.** | Redemption at the option of the Issuer: | No |
| **15.** | Repayment at the option of the holders: | No |
| **16.** | Indexed Notes: | No |

| | | |
|---|---|---|
| **17.** | Payment of Principal and Interest: | All payments of principal and interest on the Notes will be payable by the Issuer in the Specified Currency, except in the limited circumstances described in the Offering Circular. Holders of the Notes will not have the option to elect payments in U.S. dollars.<br><br>If certificated Notes are issued, principal of each Note and interest payable on the maturity date will be payable in the Specified Currency in immediately available funds to the person in whose name the certificated Note is registered on the Maturity Date by transfer to an account denominated in the Specified Currency maintained by the holder with a bank located in the United Kingdom. Interest on each Note (other than interest payable on the Maturity Date) will be payable to the person in whose name the Note is registered at the close of business on the record date for the relevant Interest Payment Date by a check denominated in the Specified Currency drawn on a bank in the United Kingdom and mailed to the holder of the certificated Note at such holder's registered address or, upon application not later than the relevant record date of any holder of at least £1,000,000 principal amount of Notes to the Deutsche Bank AG, London, as Paying Agent, by transfer of the Specified Currency in immediately available funds to an account denominated in the Specified Currency maintained by such holder with a bank in the United Kingdom. |
| **18.** | Additional provisions relating to the Notes: | The Issuer reserves the right to increase the size of the issue of the Notes, or from time to time, without the consent of the holders of the Notes, create and issue further notes having substantially the same terms and conditions thereof, except for the Issue Price, Issue Date and amount of the first payment of interest, which additional notes may be consolidated and form a single series with the Notes. |

**Other Relevant Terms**

| | | |
|---|---|---|
| **18.** | Listing: | Luxembourg Stock Exchange |
| **19.** | Syndicated: | Yes |
| **20.** | Stabilizing Manager: | Barclays Bank PLC |
| **21.** | Codes: | |
| | (a) Common Code: | 017957457 (Before the Exchange Date) |
| | | 016135119 (After the Exchange Date) |
| | (b) ISIN: | XS0179574578 (Before the Exchange Date) |
| | | XS0161351191 (After the Exchange Date) |
| **22.** | Identity of Managers: | Barclays Bank PLC<br>HSBC Bank plc |
| **23.** | Listing Agent: | Kredietbank S.A. Luxembourgeoise |
| **24.** | Provisions for Registered Notes: | |
| | (a) Rule 144A eligible: | No |
| | (b) Regulation S Global Note deposited with or on behalf of DTC: | No |
| | (c) Restricted Global Note deposited with or on behalf of DTC: | No |
| | (d) Regulation S Global Note deposited with Common Depositary: | Yes |
| **25.** | Common Depositary: | Deutsche Bank AG, London |
| **26.** | Use of Proceeds (if different from Offering Circular): | N/A |

## RECENT DEVELOPMENTS

*The following discussion of PEMEX's recent results should be read in conjunction with Annex S/A—Pemex 2002 Annual Report on Form 20-F (the "2002 Form 20-F"), in particular "—Item 5—Operating and Financial Review and Prospects" and the audited consolidated financial statements of PEMEX as of December 31, 2002 and 2001 and for each of the three years in the period ended December 31, 2002 (the "2002 Financial Statements") included in Item 18 of the 2002 Form 20-F.*

### Exchange Rates

The Noon Buying Rate for cable transfers in New York reported by the Federal Reserve Bank of New York on November 4, 2003 was Ps. 10.9930 = U.S. $1.00.

### Capitalization of PEMEX

The following table sets forth the capitalization, at December 31, 2002 and September 30, 2003, of Petróleos Mexicanos, the four subsidiary entities (the "Subsidiary Entities") listed in "—Consolidated Structure of PEMEX" in the 2002 Form 20-F, the Pemex Project Funding Master Trust and the subsidiary companies (the "Subsidiary Companies") listed in "—Consolidated Structure of PEMEX" in the 2002 Form 20-F (collectively, "PEMEX"), as calculated in accordance with Mexican generally accepted accounting principles ("Mexican GAAP"), except that the effects of inflation are recognized in accordance with the guidelines applicable to public sector entities of the Mexican Government established in Financial Reporting Standard NIF-06 BIS "A," section A, which differs from Mexican GAAP Bulletin B-10 (see notes 2 (b) and 15 to the 2002 Financial Statements).

| | At December 31, 2002 | At September 30, 2003(1)(2)(3) | |
|---|---|---|---|
| | (millions of nominal pesos or U.S. dollars) | | |
| Long-term external debt | Ps. 185,035 | Ps. 253,965 | $ 23,060 |
| Long-term domestic debt | 6,013 | 10,646 | 967 |
| Total long-term debt(4) (5) | Ps. 191,048 | Ps. 264,611 | $ 24,027 |
| Certificates of Contribution "A"(6) | Ps. 10,222 | Ps. 10,222 | $ 928 |
| Reserve for oil-field exploration and depletion | 9,804 | 17,031 | 1,546 |
| Revaluation surplus | 190,523 | 191,925 | 17,427 |
| Retained earnings (prior years) | (79,362) | (119,494) | (10,850) |
| Income (loss) for the year | (30,492) | (8,134) | (738) |
| Total equity | 100,696 | 91,550 | 8,313 |
| Total capitalization | Ps. 291,743 | Ps. 356,161 | $ 32,340 |

(1) Unaudited.
(2) Convenience translations into U.S. dollars of amounts in pesos have been made at the established exchange rate for accounting purposes of Ps. 11.0133 = U.S. $1.00 at September 30, 2003. Such translations should not be construed as a representation that the peso amounts have been or could be translated into U.S. dollar amounts at the foregoing or any other rate.
(3) There has been no material change in the capitalization of PEMEX since September 30, 2003, except for PEMEX's undertaking of new financings as disclosed in "Recent Developments—Liquidity and Capital Resources—Recent Financing Activities" below.
(4) Total long-term debt does not include short-term indebtedness for Ps. 49,497 million at December 31, 2002 and for Ps. 46,033 million at September 30, 2003. See "Recent Developments—Liquidity and Capital Resources—Recent Financing Activities" below.
(5) Total long-term debt does not include long-term notes payable to contractors for Ps. 27,419 million and Ps. 13,442 million and sales of future accounts receivable for Ps. 43,439 million and Ps. 44,915 million as of December 31, 2002 and September 30, 2003, respectively.
(6) Equity instruments held by the Mexican Government.

*Sources: 2002 Financial Statements. Petróleos Mexicanos for unaudited interim information.*

### Results of Operations of PEMEX – First Nine Months of 2003 Compared to First Nine Months of 2002

The interim financial information set forth below has been derived from the unaudited summary consolidated financial statements of PEMEX for the nine-month periods ended September 30, 2002 and 2003. As described above, the interim financial information was prepared in accordance with Mexican GAAP, except that the effects of inflation are recognized in accordance with Financial Reporting Standard NIF-06 BIS "A," section A, which differs from Mexican GAAP Bulletin B-10 (for further discussion see Notes 2 (b) and 15 to the 2002 Financial Statements).

| | Nine months ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2002[1] | | 2003 [1] [2] | | | |
| | (millions of nominal pesos or U.S. dollars) | | | | | |
| Net Sales | | | | | | |
| Domestic[3] | Ps. | 227,161 | Ps. | 280,595 | $ | 25,478 |
| Export | | 119,289 | | 172,415 | | 15,655 |
| Total | | 346,450 | | 453,010 | | 41,133 |
| Other Revenues[4] | | 7,149 | | 6,174 | | 561 |
| Total Revenues[3] | | 353,599 | | 459,184 | | 41,694 |
| Costs and Operating Expenses | | 141,628 | | 177,168 | | 16,087 |
| Operating Income | | 211,971 | | 282,016 | | 25,607 |
| Interest, net | | 10,423 | | 9,466 | | 860 |
| Other expenses[5] | | 2,481 | | 4,986 | | 453 |
| Income before taxes and duties | | 199,067 | | 267,564 | | 24,294 |
| Taxes and Duties | | | | | | |
| Hydrocarbon extraction duties and other | | 121,521 | | 207,901 | | 18,877 |
| Special tax on production and services (IEPS Tax) | | 88,068 | | 67,797 | | 6,156 |
| Total | | 209,589 | | 275,698 | | 25,033 |
| Net (loss) income for the period | Ps. | (10,522) | Ps. | (8,134) | $ | (739) |

(1) Unaudited.
(2) Convenience translations into U.S. dollars of amounts in pesos have been made at the established exchange rate for accounting purposes of Ps. 11.0133 = U.S. $1.00 at September 30, 2003. Such translations should not be construed as a representation that the peso amounts have been or could be translated into U.S. dollars at the foregoing or any other rate.
(3) Includes the IEPS Tax, which is described below, as part of the sales price of products sold.
(4) Includes exchange rate gains in the amount of Ps. 642 million in the first nine months of 2002.
(5) Includes exchange rate losses in the amount of Ps. 2.6 billion in the first nine months of 2003.
*Source: Petróleos Mexicanos.*

*Income (Loss)*

During the first nine months of 2003, the net loss of PEMEX amounted to Ps. 8.1 billion as compared with a net loss during the first nine months of 2002 of Ps. 10.5 billion. This decrease in loss was due primarily to an increase in the average price of crude oil exports and an increase in the prices and volume of the principal petroleum products that PEMEX sold in the domestic market. During this period, income before taxes and duties increased 34.4%, from Ps. 199.1 billion on total sales revenues of Ps. 346.5 billion during the first nine months of 2002, to Ps. 267.6 billion on total sales revenues of Ps. 453.0 billion during the first nine months of 2003. Total sales revenues (net of the Special Tax on Production and Services (the “IEPS Tax”)) increased by 49.1% from Ps. 258.4 billion in the first nine months of 2002, to Ps. 385.2 billion in the first nine months of 2003, primarily as a result of an increase in the average price of crude oil and an increase in the average price and volume of PEMEX’s principal trading products in the domestic market. The weighted average price of crude oil sold by P.M.I. Comercio Internacional, S.A. de C.V. (“PMI” and together with PMI Trading Ltd. and their affiliates, the “PMI Group”) for export increased by 18.3%, from U.S. $20.88 per barrel in the first nine months of 2002 to U.S. $24.71 per barrel in the first nine months of 2003.

*Export Sales*

Export sales increased by 44.5% in peso terms (with dollar-denominated export revenues converted to pesos at the exchange rate on the date on which the export sale was made), from Ps. 119.3 billion in the first nine months of 2002 to Ps. 172.4 billion in the first nine months of 2003. For information on peso/dollar exchange rates, see “Item 3—Key Information—Exchange Rates” in the 2002 Form 20-F. Excluding the activities of the PMI Group, export sales by the Subsidiary Entities to the PMI Group and third parties increased by 44.7% in peso terms, from Ps. 100.0 billion in the first nine months of 2002 to Ps. 144.7 billion in the first nine months of 2003. The increase in export sales was attributable mainly to an increase in the average price of crude oil exports, the strengthening of the dollar against the peso and an increase in crude oil export volumes. Export sales decreased as a percentage of total net sales (net of the IEPS Tax) from 46.2% in the first nine months of 2002 to 44.8% in the first nine months of 2003. Excluding the trading activities of the PMI Group, crude oil exports accounted for 90.6% of export sales, refined products accounted for 8.6 % of export sales and natural gas and petrochemical products accounted for the remainder of export sales in the first nine months of 2003.

*Domestic Sales*

Domestic sales (net of the IEPS Tax) increased by 53.0%, from Ps. 139.1 billion in the first nine months of 2002 to Ps. 212.8 billion in the first nine months of 2003. Domestic sales of refined products (other than natural gas) increased by 46.4%, from Ps. 112.6 billion in the first nine months of 2002 to Ps. 164.9 billion in the first nine months of 2003 primarily due to an increase in the average sales price and volume of the principal refined products (including gasoline, diesel and jet fuel). Domestic petrochemical sales (including sales of certain by-products of the petrochemical production process) increased by 54.4%, from Ps. 5.7 billion in the first nine months of 2002 to Ps. 8.8 billion in the first nine months of 2003, primarily as a result of an increase in the average price of-petrochemical products. Sales of natural gas increased by 88.0%, from Ps. 20.8 billion in the first nine months of 2002 to Ps. 39.1 billion in the first nine months of 2003, due to an increase in the average sales price and in trading volume.

*Costs and Operating Expenses; Other Income and Expenses*

Costs and operating expenses increased by 25.1% from Ps. 141.6 billion in the first nine months of 2002 to Ps. 177.2 billion in the first nine months of 2003. This increase was due to an increase in import purchases, an increase in depreciation and a negative effect in the valuation of crude oil and petroleum products (which is accounted for as an increase in cost of sales). Costs and operating expenses as a percentage of total sales (net of the IEPS Tax) decreased from 54.8% in the first nine months of 2002 to 46.0% in the first nine months of 2003, primarily due to the increase in total sales. Other expenses increased from Ps. 2.5 billion in the first nine months of 2002 to Ps. 5.0 billion in the same period of 2003, primarily due to exchange losses from foreign currency denominated debt totaling Ps 2.6 billion during the first nine months of 2003.

*Interest, net*

Net interest expenses decreased from Ps. 10.4 billion in the first nine months of 2002 to Ps. 9.5 billion in the first nine months of 2003, primarily due to the net effect of accounting for financial instruments largely caused by favorable positions in equity swaps, which were partially offset by an increase in interest expenses due to lower capitalization of interest in construction in process.

*Taxes and Duties*

Hydrocarbon extraction duties and other duties and taxes (including the IEPS Tax) increased by 31.5%, from Ps. 209.6 billion in the first nine months of 2002 to Ps. 275.7 billion in the first nine months of 2003, largely due to an increase in the Hydrocarbon Extraction Duty and excess gains revenue duty resulting from the increase in the total net sales. PEMEX paid Ps. 12.9 billion in excess gains duties in the first nine months of 2003, as compared to Ps. 9.1 billion in the same period of 2002.

**Liquidity and Capital Resources**

*Recent Financing Activities*

During the period from June 1, 2003 to September 30, 2003, the Issuer obtained U.S. $611.2 million in commercial bank loans for use in financing PIDIREGAS. In addition, Petróleos Mexicanos and the Issuer participated in the following financings in the same period (all of which are included in the capitalization table as of September 30, 2003):

- Petróleos Mexicanos obtained loans from export credit agencies totalling U.S. $25.1 million;
- Petróleos Mexicanos obtained foreign trade financing in the amount of U.S. $25 million;
- the Issuer obtained loans from export credit agencies totalling U.S. $364.4 million;

- on June 4, 2003, the Issuer issued U.S. $750,000,000 of 7.375% Notes due 2014, guaranteed by Petróleos Mexicanos, under the Issuer's Medium-Term Note program, Series A; and

- on August 5, 2003, the Issuer issued €500,000,000 of 6.25 per cent. Guaranteed Notes due 2013, guaranteed by Petróleos Mexicanos.

Subsequent to September 30, 2003, Petróleos Mexicanos and the Issuer participated in the following financings:

- On October 15, 2003, the Issuer issued U.S. $500,000,000 of Guaranteed Floating Rate Notes due 2009, guaranteed by Petróleos Mexicanos; and

- on October 26, 2003, BankBoston, S.A., Institución de Banca Multiple, División Fiduciaria, in its capacity as trustee of a trust, fideicomiso número F/163, organized under the laws of Mexico and established by Petróleos Mexicanos, issued a total of Ps. 6,500,000,000 of notes in the Mexican domestic market, guaranteed by Petróleos Mexicanos, consisting of three separate issuances:

    - Ps. 3,000,000,000 of notes due October 18, 2007, bearing interest at the 91-day *Cetes* (treasury bill) rate plus 67 basis points;

    - Ps. 2,500,000,000 of notes due October 8, 2009, bearing interest at the 182-day *Cetes* rate plus 65 basis points; and

    - Ps. 1,000,000,000 of 8.38% notes due October 14, 2010.

At September 30, 2003, cash and cash equivalents of the Issuer totaled U.S $1,690.8 million, its total assets were U.S. $27,196.5 million, its long-term indebtedness totaled U.S. $21,895.1 million, its short-term indebtedness (including interest payable of U.S. $312.4 million) totaled U.S. $2,562.8 million and its other liabilities totaled U.S. $2,738.6 million (including short-term liabilities of U.S. $980.9 million).

Future amortization of the Issuer's outstanding indebtedness of U.S. $24,145.7 million at September 30, 2003 is scheduled as follows:

**Pemex Project Funding Master Trust**
**Indebtedness Amortization Schedule**

| Maturities | | | | | |
|---|---|---|---|---|---|
| **2003** | **2004** | **2005** | **2006** | **2007** | **Over 5 years** |
| **(in millions of dollars)** | | | | | |
| U.S. $898.6 | U.S. $2,497.5 | U.S. $2,604.5 | U.S. $1,978.5 | U.S. $2,059.1 | U.S. $14,107.5 |

## Business Overview

Set forth below is selected summary operating data relating to PEMEX.

| | Nine months ended September 30, | |
|---|---|---|
| | 2002 | 2003 |
| **Operating Highlights** | | |
| Crude oil (tbpd) | 3,168 | 3,357 |
| Natural gas production (mmcfpd) | 4,431 | 4,476 |
| Refined products(1) (tbpd) | 1,507 | 1,577 |
| Petrochemicals(2) (mtpy) | 7,401 | 7,658 |
| *Monthly average crude oil exports (tbpd)* | | |
| Olmeca | 246 | 208 |
| Isthmus | 44 | 22 |
| Maya(4) | 1,382 | 1,599 |
| Total | 1,672 | 1,828 |
| *Crude oil exports* | | |
| *(value in millions of U.S. dollars)* | $9,586 | $12,514 |
| *Monthly average PEMEX crude oil export prices per barrel*(3)(5) | | |
| Olmeca | $24.27 | $29.13 |
| Isthmus | 23.05 | 27.28 |
| Maya | 20.58 | 24.04 |
| Weighted average price(6) | $21.21 | $24.65 |
| *Monthly average West Texas Intermediate crude oil average* | | |
| *Price per barrel*(7) | $29.70 | $28.25 |

tbpd = thousands of barrels per day
mmcfpd = millions of cubic feet per day
mtpy = thousands of tons per year
(1) Includes natural gas liquids.
(2) Excludes ethane and butane gases.
(3) Subject to adjustment to reflect the percentage of water in each shipment.
(4) Includes Altamira crude oil, which is recorded as a separate category for annual, but not interim, sales.
(5) Average price during period indicated.
(6) On November 4, 2003 the spot price for the PEMEX crude oil basket (the weighted average price of the crude oil that PEMEX exports) was U.S. $23.19 per barrel.
(7) On November 4, 2003 the spot price for West Texas Intermediate crude oil was U.S. $28.75 per barrel.
*Sources: September 2002 and September 2003 Indicadores Petroleros and P.M.I. Comercio Internacional, S.A. de C.V.*

## Exploration and Production

### *Multiple Services Contracts*

On October 16, 2003, Petróleos Mexicanos announced that Repsol YPF would be awarded a multiple services contract valued at approximately U.S. $2.4 billion for the development of natural gas fields in the Reynosa-Monterrey region. On October 23, 2003, Petróleos Mexicanos announced that a consortium of companies, including Petrobras, Teikoku Oil Co. Ltd. and D&S Petroleum, would be awarded a multiple services contract valued at approximately U.S. $260 million for the development of natural gas fields in the Cuervito region. On October 30, 2003, Petróleos Mexicanos announced that a consortium of companies, including Tecpetrol (a subsidiary of Techint Group) and Industrial Perforadora de Campeche, would be awarded a multiple services contract valued at approximately U.S. $1.0 billion for the development of natural gas fields in the Misión region. On November 5, 2003, Petróleos Mexicanos announced that those companies that had acquired bidding documents for the development of natural gas fields in the Corindón-Pandura region under a multiples services contract have chosen not to submit proposals for that region. Petróleos Mexicanos intends to hold a series of workshops in order to reexamine the technical data, reevaluate the terms and conditions and determine the suitability of a second round of bidding for the Corindón-Pandura region.

## Export Agreements

Although Mexico is not a member of the Organization of the Petroleum Exporting Countries ("OPEC"), since 1998 it has entered into agreements with OPEC and non-OPEC members to reduce its oil exports in order to stabilize international oil prices. In September 2003, OPEC announced that it would cut crude oil production by 900 thousand barrels per day beginning November 1, 2003. Following this announcement, Mexico announced that it expected to maintain its crude oil exports at their present levels.

## Legal Proceedings

*Mexican Government Audits and Other Investigations*

In July 2003, the Office of the Federal Attorney General closed its investigation against certain former officers of PEMEX, including Rogelio Montemayor (former Director General), Carlos Juaristi Septién (former Corporate Management Director) and Juan José Domene Berlanga (former Chief Financial Officer), with regard to charges of money laundering and organized crime, on the grounds that it had insufficient proof to support these charges. Nevertheless, these former officers continue to be sought by the Federal Courts of Mexico for their alleged commission of the crimes of embezzlement, electoral embezzlement, wrongful use of powers and, in the case of Messrs. Juaristi and Domene, improper exercise of a public service.

The evidentiary stage in the case against Manuel Gomezperalta Damirón (also a former Corporate Management Director), who is currently being tried for the alleged commission of the crime of embezzlement, is in its final stages.

On September 1, 2003, the date on which the newly elected Chamber of Deputies was convened, federal Congressman Carlos Romero Deschamps completed his term and no longer enjoys legislative immunity, which had prevented his prosecution for alleged illegal diversion of PEMEX funds. On September 22, 2003 and October 1, 2003, a Mexican judge issued two arrest warrants against Mr. Romero Deschamps in connection with the investigation, and, more recently, the same Mexican judge issued formal imprisonment writs which commence the trial against him. Senator Ricardo Aldana Prieto will complete his term in 2006, and will continue to enjoy legislative immunity unless the Congress strips him of it.

The Petroleum Workers' Union has offered to pay, over a period of years, Ps. 1,580 million to PEMEX for the amounts illegally diverted from PEMEX through the transactions under investigation. The federal judge in charge of the case must decide if the acceptance of this offer by PEMEX effectively constitutes restitution of all of the damages caused to PEMEX.

For more information on Mexican government audits and investigations, see "—Item 8—Financial Information" in the 2002 Form 20-F.

*Actions against the Illicit Market in Fuels in Mexico*

PEMEX is working with the Mexican Government's Ministry of Finance and the Ministry of Energy to implement a number of measures to combat the illegal trade in fuels. This illegal trade is primarily the product of theft from pipelines, theft from PEMEX installations and the smuggling of products used to adulterate fuels. Pemex-Refinación is implementing several measures to prevent and fight the illicit market in fuels, including the development of an electronic control system in retail service stations that allows for the detection of irregularities, the installation of a system that allows PEMEX to detect and locate leaks from pipelines, the utilization of satellite monitoring of tankers and a pilot project to mark gasoline with chemical tracers to determine its origin.

## Civil Actions

Pursuant to the September 2001 claim for arbitration filed by CONPROCA S.A. de C.V. (CONPROCA) against Petróleos Mexicanos and Pemex-Refinación related to expenses incurred by CONPROCA in providing construction and maintenance services, the parties have agreed on the competency of the International Arbitration Court to hear and resolve the technical and legal disputes related to the claim. The parties must file their respective responses before the International Arbitration Court no later than November 18, 2003. Once this response stage ends, the parties have until December 31, 2003 to file their respective rejoinders and the applicable documentation.

### U.S. Anti-dumping Dispute

The hearing for the appeal filed by Save Domestic Oil, Inc., a group of independent oil producers in the United States, has been set for November 3, 2003, at the U.S. Court of Appeals for the Federal Circuit. This appeal, for which Pétroleos Mexicanos has filed a notice of appearance, seeks to overturn a decision of the U.S. Court of International Trade that had upheld the U.S. Department of Commerce's decision not to initiate anti-dumping and countervailing duty investigations on crude oil from Mexico, Saudi Arabia, Venezuela and Iraq.

### Directors, Senior Management and Employees

On July 18, 2003, Petróleos Mexicanos and the Petroleum Workers' Union renewed their collective bargaining agreement, effective August 1, 2003, which provided for a 4.3% increase in wages and several increases in benefits oriented to improve productivity. The renewed contract is set to expire on July 31, 2005.

On September 2, 2003, Ernesto Martens Rebolledo was replaced by Mr. Felipe de Jesús Calderon Hinojosa as Secretary of Energy and, consequently, as Chairman of the Board of Directors of Petróleos Mexicanos. On the same date, Mr. Victor Lichtinger Waisman was replaced by Alberto Cárdenas Jiménez as Secretary of Environment and Natural Resources and, consequently, as a member of the Board of Directors of Petróleos Mexicanos.

On October 5, 2003, José César Nava Vázquez, General Counsel and Head of the Legal Department of Petróleos Mexicanos, resigned his position in order to take the position of Director General of Legal Affairs at the Ministry of Energy. J. Alfonso Iturbide Guerra, Deputy General Counsel, is currently the Head of the Legal Department.

### United Mexican States

*Form of Government*

In the Congressional election held on July 6, 2003, all of the seats in the Chamber of Deputies were up for election. The members of the Senate were elected on June 2, 2000. The following table provides the distribution of Congressional seats as of September 1, 2003.

**Party Representation in Congress**

| | Senate | | Chamber of Deputies | |
|---|---|---|---|---|
| | Seats | % of Total | Seats | % of Total |
| Institutional Revolutionary Party | 60 | 46.9% | 222 | 44.8% |
| National Action Party | 46 | 35.9 | 151 | 30.4 |
| Democratic Revolution Party | 16 | 12.5 | 95 | 19.4 |
| Ecological Green Party of Mexico | 5 | 3.9 | 17 | 3.4 |
| Labor Party | 0 | 0.0 | 6 | 1.0 |
| Convergence for Democracy | 1 | 0.8 | 5 | 1.0 |
| Total | 128 | 100.0% | 496 | 100.0% |

Note: Totals may differ due to rounding.
*Source: Federal Electoral Institute.*

### The Economy

*Gross Domestic Product*

According to preliminary figures, GDP increased by 1.2% in real terms during the first six months of 2003 as compared with the same period of 2002. The construction sector grew by 3.5%, the transportation, storage and communications sector grew by 2.6%, the financial services, insurance and real estate sector grew by 4.0% and the electricity, gas and water sector grew by 1.9%, each in real terms. The community, social and personal services sector grew by 1.5%, the agriculture, livestock, fishing and forestry sector grew by 2.5%, the commerce, hotels and restaurants sector grew by 0.6% and the mining, petroleum and gas sector grew by 2.5%, each in real terms. The manufacturing sector, however, decreased by 1.9% in real terms.

*Prices and Wages*

Inflation during the first nine months of 2003 was 2.3%, 1.6 percentage points lower than during the same period of 2002 due to declines in demand in some sectors coupled with decreasing prices for electricity and fruits and vegetables.

*Interest Rates*

During the first nine months of 2003, interest rates on 28-day *Cetes* averaged 6.5% and interest rates on 91-day *Cetes* averaged 6.8%, as compared with average rates on 28-day and 91-day *Cetes* of 7.0% and 7.4%, respectively, during the same period of 2002. On November 4, 2003, the 28-day *Cetes* rate was 4.48% and the 91-day *Cetes* rate was 4.90%. Domestic interest rates have been at historically low levels during the first nine months of 2003, largely due to reduced inflationary expectations and favorable conditions in the financial markets.

**Financial System**

*Central Bank and Monetary Policy*

During the first nine months of 2003, the M1a money supply (defined as bills and coins held by the public, plus checking accounts denominated in local currency and foreign currency, plus interest-bearing deposits denominated in pesos and operated by debit cards) increased by 8.1% in real terms, as compared with the same period of 2002. In addition, checking account deposits denominated in pesos increased by 9.9% in real terms during the first nine months of 2003, as compared with the same period of 2002.

During the first nine months of 2003, financial savings increased by 21.6% in real terms, as compared with the same period of 2002. Savings generated by Mexican residents increased by 9.4% in real terms and savings generated by non-residents increased by 35.5% in real terms during the first nine months of 2003, each as compared with the same period of 2002.

At October 31, 2003, the monetary base totaled Ps. 247.9 billion, a 6.1% nominal decrease as compared to the level of Ps. 263.9 billion at December 31, 2002. Banco de México estimates that the monetary base will total approximately Ps. 300.9 billion at December 31, 2003.

Banco de México utilizes the “short” mechanism as its principal monetary policy instrument. Banco de México has increased the “short” on three occasions during 2003, from Ps. 475 million to Ps. 550 million on January 10, 2003, from Ps. 550 million to Ps. 625 million on February 7, 2003, and from Ps. 625 million to Ps. 700 million on March 28, 2003. These increases in the “short” were made in response to internal and external factors that could have threatened the achievement of the inflation target for 2003.

*The Securities Market*

At October 31, 2003, the Stock Market Index stood at 8,064.83 points, representing a 31.63% increase in nominal peso terms from the level at December 31, 2002.

**External Sector of the Economy**

*Foreign Trade*

During the first nine months of 2003, Mexico registered a trade deficit of U.S. $3.0 billion, as compared with a trade deficit of U.S. $4.5 billion for the same period of 2002. Merchandise exports increased by 1.7% during the first nine months of 2003, to U.S. $121.5 billion, as compared with U.S. $119.5 billion during the first nine months of 2002. During the first nine months of 2003, petroleum exports increased by 30.4% in value and non-petroleum exports decreased by 1.1% in value, in each case as compared with the same period of 2002. Exports of manufactured goods, which represented 85.4% of total merchandise exports, decreased by 2.0% during the first nine months of 2003, as compared with the same period of 2002.

During the first nine months of 2003, total imports were U.S. $124.5 billion, a 0.4% increase as compared with the same period of 2002. Imports of intermediate goods increased by 0.9%, imports of capital goods decreased by

4.5% and imports of consumer goods increased by 1.9% during the first nine months of 2003, each as compared with the same period of 2002.

*Balance of International Payments*

According to preliminary figures, during the first six months of 2003, Mexico's current account registered a deficit of 1.2% of GDP, or U.S. $3.7 billion. The capital account surplus for the first six months of 2003 totaled U.S. $9.4 billion. During the first six months of 2003, direct foreign investment totaled U.S. $5.2 billion and net foreign portfolio investment (including securities placed abroad) totaled an inflow of U.S. $2.4 billion.

At October 24, 2003, Mexico's international reserves totaled U.S. $52.4 billion, an increase of U.S. $4.4 billion from the level at December 31, 2002. The net international assets of Banco de México totaled U.S. $55.8 billion at October 24, 2003, an increase of U.S. $5.0 billion from the level at December 31, 2002.

*Direct Foreign Investment in Mexico*

During the first six months of 2003, foreign investment in Mexico, as recorded in the balance of payments, totaled U.S. $7.6 billion and was comprised of direct foreign investment of U.S. $5.2 billion and net portfolio investment (including securities placed abroad) of U.S. $2.4 billion.

*Exchange Controls and Foreign Exchange Rates*

The peso/U.S. dollar exchange rate announced by Banco de México on November 4, 2003 (to take effect on the second business day thereafter) was Ps. 10.9998 = U.S. $1.00.

**Public Finance**

During the first nine months of 2003, the public sector overall balance registered a surplus of Ps. 44.6 billion, Ps. 31.3 billion greater than the Ps. 13.3 billion surplus registered for the same period of 2002. The primary balance amounted to a surplus of Ps. 204.9 billion in nominal pesos, 16.3% greater in real terms than for the first nine months of 2002.

**Public Debt**

At September 30, 2003, the net internal debt of the Mexican Government was U.S. $77.3 billion, as compared with the U.S. $79.6 billion outstanding at December 31, 2002.

On October 28, 2003, the Government issued for the first time twenty-year fixed rate peso-denominated bonds, placing Ps. 1.0 billion of these instruments in the market. The Government expects to continue to offer these instruments on a regular basis, along with the three-, five-, seven- and ten-year fixed rate peso-denominated bonds first offered in 2000, 2001 and 2002, pursuant to a securities auction calendar published by the Government each quarter.

Outstanding gross external debt decreased by approximately U.S. $0.3 billion in the first nine months of 2003, from U.S. $78.8 billion at December 31, 2002, to U.S. $78.5 billion at September 30, 2003. Of this amount, U.S. $74.9 billion represented long-term debt and U.S. $3.6 billion represented short-term debt.

At September 30, 2003, commercial banks held approximately 8.2% of Mexico's total public sector external debt (excluding bonds issued in debt exchange transactions), multilateral and bilateral creditors (excluding the IMF) held 24.2%, bondholders (including commercial banks holding bonds issued in debt exchange transactions) held 61.6% and others held the remaining 6.0%.

Subsequent to June 30, 2003, Mexico issued U.S. $1 billion of its 5.875% Global Notes due 2014 on October 14, 2003.

## PLAN OF DISTRIBUTION

Subject to the terms and conditions stated in the terms agreement dated as of November 5, 2003, which incorporates by reference a distribution agreement with respect to the Notes, Barclays Bank PLC and HSBC Bank plc (together, the "Managers") have jointly and severally agreed to purchase, and the Issuer has agreed to sell to the Managers, the principal amount of the Notes set forth on the cover page of this Pricing Supplement at a price equal to the initial offering price set forth on the cover page of this Pricing Supplement, less a combined management and underwriting commission of 0.40% of the principal amount of the Notes purchased.

The terms agreement and distribution agreement provide that the obligations of the Managers to purchase the Notes are subject to approval of legal matters by counsel and to other conditions. The Managers must purchase all the Notes if they purchase any of the Notes.

The Issuer has been advised that the Managers propose to resell the Notes at the offering price set forth on the cover page of this Pricing Supplement outside the United States in offshore transactions in reliance on Regulation S.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act.

Accordingly, in connection with sales outside the United States, each Manager has agreed that it will not offer or sell the Notes within the United States or to, or for the account or benefit of, U.S. persons (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, and it will have sent to each dealer to which it sells Notes during the 40-day restricted period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of this offering, an offer or sale of Notes within the United States by a dealer that is not participating in this offering may violate the registration requirements of the Securities Act.

Application has been made to list the Notes on the Luxembourg Stock Exchange. However, we cannot assure you that the prices at which the Notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after this offering. The Managers have advised the Issuer that they currently intend to make a market in the Notes. However, they are not obligated to do so and they may discontinue any market-making activities with respect to the Notes at any time without notice. Accordingly, no assurance can be given as to the liquidity of the trading market for the Notes.

In connection with the offering, the Managers may purchase and sell the Notes in the open market. These transactions may include over-allotment, covering transactions and stabilizing transactions. Over-allotment involves sales of Notes in excess of the principal amount of the Notes to be purchased by the Managers in this offering, which creates a short position for the Managers. Covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions consist of certain bids or purchases of Notes made for the purpose of preventing or retarding a decline in the market price of the Notes while the offering is in progress. Any of these activities may have the effect of preventing or retarding a decline in the market price of the Notes. They may also cause the price of the Notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The Managers may conduct these transactions in the over-the-counter market or otherwise. If the Managers commence any of these transactions, they may discontinue them at any time.

The Managers or their affiliates have performed from time to time various investment banking and/or other services for the Issuer, the Guarantor or one or more of the Subsidiary Guarantors in the ordinary course of their business and receive separate fees for the provision of such services.

The Issuer, the Guarantor and the Subsidiary Guarantors have agreed to indemnify the Managers against certain liabilities, including liabilities under the Securities Act.

The net proceeds to the Issuer, excluding accrued interest on the Notes, from the sale of the Notes will be approximately £151,965,000.00 after the deduction of the underwriting discount and the Issuer’s share of expenses in connection with the sale of the Notes.

See “Offering and Sale” in the Offering Circular for additional restrictions on the offer and sale of the Notes in certain jurisdictions.

## GENERAL INFORMATION

1. The Ministry of Finance and Public Credit authorized the Guarantor to guaranty the Notes and issued such authorizations in an Official Communication dated October 24, 2003.

2. Since September 30, 2003, there has been no material adverse change in the consolidated financial position of the Guarantor and its subsidiaries, including the Subsidiary Guarantors and the Issuer.

3. None of the Issuer, the Guarantor or any of the Subsidiary Guarantors is involved in any litigation or arbitration proceedings relating to claims or amounts which are material in the context of the issue of the Notes. None of the Issuer, the Guarantor or any of the Subsidiary Guarantors is aware of any such litigation or arbitration proceeding pending or threatened.

4. The Issuer accepts responsibility for the information it has provided in this Pricing Supplement.

5. Application has been made to list the Notes pursuant to the listing of the program of U.S. $11,000,000,000 Medium-Term Notes, Series A, of the Issuer. The date of the commencement of the Medium-Term Note program pursuant to which these Notes are being offered is December 3, 2002.

6. This Pricing Supplement is supplementary to, and should be read in conjunction with, the Offering Circular dated December 3, 2002. Terms used but not defined herein have the same meanings as in the Offering Circular.

# Pemex Project Funding Master Trust

**Unconditionally Guaranteed by**

## Petróleos Mexicanos

## £150,000,000 7.50% Notes due 2013

**Issued Under U.S. $11,000,000,000 Medium-Term Notes, Series A**

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**PRICING SUPPLEMENT NO. 2A**

**November 5, 2003**

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*Lead Manager*

**Barclays Capital**

*Co-Lead*

**HSBC**