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ESENTIA Energy Systems and CFE sign a Memorandum of Understanding to Promote Strategic Alliance

On June 20, 2023, the Federal Electricity Commission (CFE) and ESENTIA Energy Systems (ESENTIA) signed a Memorandum of Understanding (MOU) for the joint development of new natural gas infrastructure in the Country, through a strategic alliance and investments in the order of \$300 million dollars.

The agreement strengthens the strategic relationship that exists between ESENTIA and CFE, by optimizing the use of existing gas pipelines and including new natural gas delivery points to serve CFE power plants, as well other communities that will benefit for having access to competitive and economic natural gas prices, favoring development and growth. The agreement will also allow the parties to end various pre-existing legal disputes.

The MOU was signed by CFE's General Director, Lic. Manuel Bartlett Díaz and Dr. Fernando Tovar, CEO of ESENTIA, accompanied by CFenergía, represented by its General Director, Dr. Miguel Reyes Hernández.

During the signing of the MOU, CFE's Director, Mr. Manuel Bartlett, expressed the relevance of reaching agreements such as this one for its institution and for Mexico, since strategic alliances have allowed CFE to strengthen its position in the energy sector, through the direct participation in key assets to guarantee the country's energy security and reach agreements that allow the settlement of disputes with private companies.

For his part, the General Director of CFenergía, Dr. Miguel Reyes, stated that this agreement lays the foundations for the development of a strategic gas pipeline that will allow the interconnection of the infrastructure projects that the Commission is developing, to guarantee the supply of this hydrocarbon and electricity generation in the country.

Fernando Tovar, CEO of ESENTIA Energy Systems thanked the CFE and commented: *"The signing of this agreement represents an important milestone and endorses our long-term commitment to Mexico by promoting new investments, as well as the growth and expansion of our systems. This alliance adds to the strategic relationship we have with CFE, our main partner and client, and to the vision of development that the Commission has been promoting during the current administration."*

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About ESENTIA Energy Systems

ESENTIA Energy Systems, a private natural gas transportation company leader in the Mexican energy sector with over 21 years of experience developing infrastructure projects to enable growth and energy access for the well-being of Mexicans. ESENTIA operates 6 transportation pipelines with 2,144 Km and 5 compression stations throughout the country and owns the largest private interconnected natural gas system in Mexico with 2,017 km: the Wahalajara System, which runs from the Waha basin, Texas, in the United States to Guadalajara, Jalisco in Mexico. We operate under the highest safety standards and the best sustainability practices and respect for our communities.

For more information visit: www.esentiaenergy.com