

Financial Trading: Base Swaps

The contracts offered by EKTRIA are:

Period	Reynosa Node	
	MW	Ask USD/MWh
December 18*	15	40.90
January 19	15	50.50
February 19	15	51.87
March 19	15	60.65
April 19	15	70.51
May 19	15	90.70
June 19	15	105.68
Q1 19	10	50.34
Q2 19	10	88.96
Cal 19	3	66.51
Cal 20	3	64.98
Cal 21	3	63.56
Cal 22	3	63.15

Validity:

Valid until December 11th 2018.

Fixed Price:

USD/MWh

Variable Price:

Spot Reference Price in the Day Ahead Market (DAM).

Settlement:

The settlement will be done by calculating the difference between the spot Price and the fixed Price converted to MXN/MWh, applying the exchange rate published by the Bank of Mexico in the Official Journal of the Federation to settle obligations denominated in foreign currency and used in the Mexican Republic.

* Valid thru November 30th at 23:59.

Products:

Week represented by the number of the week in the calendar, month represented by the name of the month and year, quarter represented by Q and the order of any quarter of the year and year represented by Cal XX. (last digits of the year)

Through its commercial Brand "EKTRIA", Fistera Energy Mexico is offering for the first time in the Mexican Electricity Market, a derivative contract of electricity.

The settlement product is a baseload SWAP agreement (24 hours) with financial settlement calculating the difference between the fixed Price agreed and the variable Price of electricity published by the CENACE for the Integrated National System (SIN).

The Price considered for the swap settlement is the Reynosa Distributed Node LMP published daily by CENACE

Data Sheet: Base Swaps

Underlying Asset:

Each contract implies the notional supply/reception of electric energy at a constant capacity of 1 MW through all the hours of the delivery period, being the energy valued every day, taking as base:

The LMP Price of the Reynosa distributed node published by CENACE referred to the DAM.

Contracts under negotiation

Week: Up to 3 weeks following the date of the starting of the validity of the offer

Month: within the next 6 months, the first day of each month a new contract is listed.

Quarter (Q): within the next 4 quarter, the first day of each quarter a new contract is listed.

Year (Cal): within the next 5 years, the first day of each year a new contract is listed.

Nominal (natural calendar)

1 (MW) x 24 hours x number of days.

With exception of the days of Winter-summer schedule change (23 horas) and summer-winter Schedule change (25 horas)

Refer to annex table with Nominals in the contracts.

Reference Currency

USD Dollar/ MWh

Liquidation currency

MXN/ MWh

Negotiation:

The negotiation happens just through Bilateral Transactions.

Cascading of positions:

- Quarter: In the previous day of delivery, the positions will be replaced by Positions of volume identically to the underlying contracts month, which will receive the Price of the original operation of the respective contract quarter.

- Years: In the previous day of delivery, the positions will be replaced by Positions of volume identically in the contracts of January, February, March, 2nd Quarter, 3rd Quarter and 4th Quarter, which will receive the Price of the Original Transaction of the respective contract "year".

First delivery day:

- Quarter: the first calendar day of the delivery month. Due to the Cascading process of the quarters, the notion of the First Delivery Day is purely notional.

- Year: the first calendar day of the delivery year (January 1st). Due to the Cascading process of the years, the notion of their first Delivery Date is purely notional.

Delivery period:

Period between 00:00 of the first day of delivery and 24:00 of the last delivery day, applying the legal time of Mexico City.

The delivery period in a SWAP contract corresponds just to the only period in which the value of the settlement in the delivery is determined.

Settlement in the delivery period:

It will apply exclusively to the existing positions in the contracts month, regardless of when they were originated by Operations directly made in those contracts or if they come from the Cascading of Positions in the contracts Year or Quarter.

Spot Reference Price:

For each delivery day, the Spot Reference Price is equal to the monetary value to:

The LMP Price of the Reynosa distributed node published by CENACE referred to the DAM.

General Conditions:

In the Base Swaps, the buyer commits to pay a fixed value for the Notional Value, while the seller commits to pay a variable value for the established Notional Value.

The fixed value referred previously is calculated taking as base the fixed Price of the contract, object of negotiation between the buyer and seller.

The variable price applied is the Spot Reference Price.

On payment days, the settlement of the differences of prices between the amounts referred to the fixed Price and the variable Price, takes place without existing an effective Exchange of both amounts.

The delivery period means the period between the first day of calculations and the last day of calculations through the period in which the differences of prices subjacent to the fixed and variable prices are calculated.

Expiration by Cascading of positions:

The expiration of the Base SWAP contracts by quarter (and year) is processed through the Cascading of the positions of a contract by quarter (year) in positions of volume identically in the three month contracts (January, February, March, 2nd Quarter, 3rd Quarter and 4th Quarter), which will be fully fungible with the Positions already existing in the respective Month Contracts (month and quarter).

The positions in the original Quarter Base Swap contract are replaced by new positions in the Base Swap contracts month (January, February, March, 2nd Quarter, 3rd Quarter and 4th Quarter), which receive the Price of the original transaction in the respective quarter (year) contract.

The Cascading process previously mentioned is processed in the previous day to the delivery day. The cascading of the positions of the contract "Year" is done in the same moment of the cascading of the Positions of the first contract quarter of that same year.