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ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

Capitalization and Indebtedness

Not applicable.

Reasons for the Offer and Use of Proceeds

Not applicable.

RISK FACTORS

You should carefully consider the following risk factors in evaluating us and our business before investing in Vista. In particular, you should consider the risks related to an investment in companies operating in Argentina, Mexico and Latin America generally, for which we have included information in these risk factors to the extent that information is publicly available. In general, investing in the securities of issuers whose operations are located in emerging market countries such as Argentina and Mexico involve a higher degree of risk than investing in the securities of issuers whose operations are located in the United States or other more developed countries. If any of the risks discussed in this annual report actually occur, alone or together with additional risks and uncertainties not currently known to us, or that we do not presently consider material, our business, financial condition, results of operations and prospects may be materially adversely affected. If this were to occur, the value of our series A shares or ADSs may decline and you may lose all or part of your investment. When determining whether to invest, you should also refer to the other information contained in this annual report, including the Audited Financial Statements and the related notes thereto. Our actual results could differ materially and adversely from those anticipated in this annual report.

Risk Factor Summary

The following summarizes the main risks to which we are subject. You should carefully consider all of the information discussed below in "—Detailed Risk Factors" for a comprehensive description of these and other risks.

Risks Related to Our Business and Industry:

As an oil and gas company, our business and industry is subject to particular risks, such as exploration, drilling, completion, production, equipment and resources, gathering, treatment and transportation risks; risks related to natural hazards, weather conditions, and mechanical difficulties; fluctuations in international and domestic oil prices; the availability of financial resources for our business plan and its corresponding costs; inflation; government regulation; and contractions in demand of crude oil and natural gas or any of their by-products. Additional risks exist in light of the ongoing impact of the COVID-19 pandemic, the conflict involving Russia and Ukraine, and the related economic and trade sanctions and restrictions that have been imposed or may be imposed in the future. Additionally, as a company which primarily operates in Argentina and Mexico, our business may be affected by changes in those markets.

Our business operations require significant and long-term capital investments and maintenance costs. Our liquidity, business activities, profitability and ability to compete in the market may be adversely affected if we are not able to acquire and correctly use necessary new technologies in connection with future drilling projects, obtaining financing for such projects, obtain and maintain and/or partners to develop and maintain our business activities.

The enhanced focus on climate change and the transition to lower carbon energy sources on the part of the international community, governments, and investors, promote an increase in the use of energy from renewable sources. This energy transition could significantly impact our industry and business, resulting in increased operating costs, reduced demand for the oil and natural gas we produce, and reputational risks in connection with our business activities. If we fail to meet the pace and extent of society’s changing demands for lower carbon energy as the energy transition unfolds, we could fail in sustaining and developing our business. Further, adverse climate conditions may adversely affect our results of operations and our ability to conduct drilling operations. Such risk exists in particular, since our operations are substantially dependent upon the availability of water and our ability to dispose of produced water gathered from drilling and production activities.

Risks Related to our Company:

Most of our producing properties and total estimated proved reserves are geographically concentrated in Argentina. The results of our planned development programs in new or emerging shale development areas and formations may be subject to more uncertainties than programs in more established areas and formations. As such, may fail to fully identify problems with any properties we acquire, and as such, assets we acquire may prove to be worth less than we paid because of uncertainties in evaluating recoverable reserves and potential liabilities.

The oil and gas industry is competitive and our ability to achieve our strategic objectives depends on our ability to successfully compete in the market.

We are not concessionaires or operating partners in all of our joint ventures, as a result must rely on the activities of our operating partners in such joint ventures. Also, we must achieve certain milestones to protect the exploitation rights in our concessions. If we do not succeed, our ability to grow our business may be materially affected.

We may also be parties to labor, commercial, civil, tax, criminal, environmental and administrative proceedings that, either alone or in combination with other proceedings, could, if resolved in whole or in part adversely to us, result in the imposition of material costs, fines, judgments or other losses. Additionally, we are subject to Mexican, Argentine and international anti-corruption, anti-bribery, anti-money laundering and economic sanctions laws and regulations. Our failure to comply with these laws could result in penalties, which could harm our reputation and have an adverse effect on our reputation, business, financial condition and results of operations.

Risks Related to the Argentine and Mexican Economic and Regulatory Environments:

Certain risks are inherent in an investment in a company operating in emerging and standalone markets such as Argentina and Mexico. For example, some of these risks may include, among others, the economic and political conditions in Argentina and Mexico, Argentina’s ability to obtain financing from international markets, changing regulation in the countries in which we operate, direct and indirect restrictions on imports and exports under Argentine law, current or potential Argentine exchange controls, the imposition of export duties and other taxes, inflation, significant fluctuations in the value of the Argentine Peso, criminal activity in Mexico, and joint and several tax liability.

Risks Related to our series A shares and the ADSs:

The series A shares and ADSs are traded in more than one market and this may result in price variations. Also, if securities or industry analysts do not publish research reports about our business, or publish negative reports about our business, the price and trading volume of our series A shares and the ADS could decline.

As a foreign private issuer and an “emerging growth company,” we have different disclosure and other requirements than U.S. domestic registrants and non-emerging growth companies. We are also permitted to rely on exemptions from certain NYSE corporate governance standards applicable to U.S. issuers, including the requirement that a majority of an issuer’s directors consist of independent directors. This may afford less protection to holders of our ADSs.

ADS holders may also be subject to additional risks related to holding ADSs rather than series A shares. For example, ADS holders may be unable to exercise voting rights with respect to the shares underlying the ADSs at our shareholders’ meetings, and preemptive rights may be unavailable to non-Mexican holders of ADSs. Additionally, our bylaws, in compliance with Mexican law, restrict the ability of non-Mexican shareholders to invoke the protection of their governments with respect to their rights as shareholders. Our bylaws also contain provisions aimed at restricting the acquisition of our shares and restricting the execution of voting agreements among our shareholders. ADSs holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.

Dividend distributions to holders of our series A shares will be made in Mexican Pesos and are subject to certain restrictions from the BCRA. Additionally, holders of our series A shares who sell or transfer series A shares acquired after January 1, 2018 and representing 10% or more of our equity may be subject to Argentine capital gains tax under Argentine tax law.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud.

Detailed Risk Factors

Risks Related to Our Business and Industry

The oil and gas industry is subject to particular operational and economic risks.

Oil and gas exploration and production ("E&P") activities are subject to particular economic and industry-specific operational risks, some of which are beyond our control, such as drilling, completion, production, equipment, gathering, treatment and transportation risks, as well as natural hazards and other uncertainties, including those relating to the physical characteristics of onshore and offshore oil or natural gas fields. Our operations may be curtailed, delayed or canceled due to bad weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment, compliance with governmental requirements, fire, explosions, blow-outs, pipe failure, abnormally pressured formations, lockdown restrictions on the general population and reduced hyrdocarbons demand due to a pandemic, such as COVID-19, and environmental hazards, such as oil spills, gas leaks, ruptures or discharges of toxic gases. Drilling may be unprofitable, not only with respect to dry wells, but also with respect to wells that are productive but do not produce sufficient revenues to return a profit after drilling, operating and other costs are considered.

We are exposed to the effects of fluctuations in and the regulation of international and domestic oil prices. In addition, limitations on local pricing of our products in Argentina may adversely affect our results of operations.

Most of our revenues in Argentina and Mexico are derived from sales from oil and natural gas. International and domestic oil and gas prices have fluctuated significantly in recent years and are likely to continue fluctuating in the future. Factors affecting international prices for crude oil are: political developments in crude oil producing regions, particularly in the Middle East, the ongoing conflict involving Russia and Ukraine, the ability of the OPEC and other crude oil producing nations to set and maintain crude oil production levels and prices; macroeconomic conditions, including inflation; global and regional supply and demand for crude oil, gas and related products; investment in new projects to bring new oil production volumes to the market; global supply chain disruptions, and shipping bottlenecks, competition from other energy sources, the effects of a pandemic (including COVID-19) or epidemic and any subsequent mandatory regulatory restrictions or containment measures, domestic and foreign government regulations, weather conditions, and global and local conflicts, war, or acts of terrorism. We cannot predict how these factors will influence oil and related oil products prices and we have no control over them. Price volatility curtails the ability of industry participants to adopt long-term investment decisions given that returns on investments become unpredictable. A substantial or extended downturn in the international prices of crude oil and its derivatives could have a material adverse effect on our business, operating results, and financial condition, as well as the value of our reserves and the market value of our series A shares or ADSs.

Secondly, the domestic price of crude oil has fluctuated in the past in Argentina and Mexico not only due to international prices and the risks outlined above, but also due to local taxation, regulations affecting commercialization in the domestic and export markets, macroeconomic conditions, the impact of a pandemic on general economic activity and therefore crude oil demand and refining margins. A substantial or extended downturn in the domestic crude oil and oil product prices could have a material adverse effect on our business, operating results, and financial condition, as well as on the value of our reserves and the market value of our Series A shares or ADSs.

Thirdly, the domestic price of crude oil is also subject to local price limitations imposed by the Argentine and Mexican governments. For example, in May 2020, at historic lows in international crude oil prices, the Argentine government enacted Decree 488/20, which set a price per barrel higher than the market price ($45/bbl). However, these measures were reversed in recent months, as the Argentine government indirectly intervened in the market to keep local crude oil prices artificially low in order to avoid a further increase in inflation. The average Brent price in 2021 was $71.0/bbl, but our average realization price was $54.9/bbl, implying a discount to Brent of 23%, which is higher than in 2018 and 2019 averages. This de-coupling affected most or all producers in Argentina, generating lower revenues than if the average crude oil price in the domestic market had traded at a lower discount to Brent. The determination by the Argentine and Mexican governments to fix, or indirectly intervene to generate, local crude oil prices at different values than those considered for pricing our products could have an adverse effect on our results of operations, financial condition, and cash flows.

In the event that local prices are reduced through any of the factors described above, which we cannot control, could affect the economic performance of our existing and future projects, generating a loss of reserves as a result of changes in our development plans, our assumptions and our estimates, and consequently affect the recovery value of certain assets. Despite our expectation to substantially align our local prices with those of international markets, we cannot assure you that certain critical factors taken into account in our pricing policy (including, but not limited to, abrupt changes in exchange rates or international prices, or regulatory or other legal restrictions affecting the ability of the market to cope with abrupt changes in the prices of our products) will not have an adverse impact on our ability to align with international markets.

A decline in realized crude oil prices for an extended period of time (or if prices for certain products fail to keep pace with cost increases) could adversely affect both the economic viability of our drilling projects and, consequently, our ability to meet our operational and financial targets. These price declines could result in changes to our development plans, reduced capital expenditures, failure of our joint venture partners to approve investment projects, a loss of proved developed reserves and proved undeveloped reserves, an adverse effect on our ability to improve our hydrocarbon recovery rates, find new reserves, develop unconventional resources and carry out certain of our other capital expenditure plans. With respect to capital expenditures, we budget capital expenditures related to exploration, development, refining and distribution activities taking into account, among other things, current and expected local and international market prices for hydrocarbon products. If a reduction in our capital expenditures and those of our domestic competitors materializes, there could potentially be a negative impact on the number of active drilling rigs, completion sets, workover rigs and extraction equipment, together with related services, thereby affecting the number of active workers in the industry. We cannot predict whether, or to what extent, the potential consequences of such actions could affect our business, impact our production, or affect our financial condition and results of operations.

Our business could be adversely affected by a decline in general economic conditions or a weakening of the broader energy industry, and inflation may adversely affect our financial position and operating results.

A prolonged economic slowdown or recession, adverse events relating to the energy industry, or regional, national, or global economic conditions and factors, particularly a slowdown in the E&P industry, could negatively impact our operations and therefore adversely affect our results. The risks associated with our business are more acute during periods of economic slowdown or recession because such periods may be accompanied by decreased demand for oil and natural gas, and decreased prices for oil and natural gas.

Supply chain pressures in global production, trade and logistics resulting from the pandemic and subsequent strong pick-up in demand have fueled price inflation in a number of sectors, including energy and other commodities. Inflationary factors, such as increases in the labor costs, material costs, and overhead costs, may also adversely affect our financial position and operating results. In 2021, we faced and we continue to face effects including cost inflation with both labor and materials, driven by the appreciation of the Argentine Peso in real terms, general inflation impacting the price formula of different services, and the result of collective bargaining agreements on unionized personnel in our company and contractors which could offset any price increases for our products and services.

We are exposed to contractions in demand of crude oil and natural gas and contractions in demand of any of their by-products.

Demand for our crude oil and gas products is largely influenced by the economic activity and growth in Argentina, Mexico and globally. Although demand increased in the past, it has recently contracted significantly (in part, due to the COVID-19 pandemic) and is subject to volatility in the future. Demand for crude oil by-products, such as gasoline, may also contract under certain conditions, particularly during economic downturns, or due to changes in consumer preferences following from the energy transition currently underway.

A contraction of the demand of our products, or the maintenance of the current demand levels for significant periods of time, would adversely affect our revenues, causing economic losses to our Company. In addition, further contraction of demand and pricing of our products can impact the valuation of our reserves and, in periods of lower commodity prices, we may curtail production and capital spending or may defer or delay drilling wells because of lower cash generation. Continuous poor economic performance could eventually lead to a deterioration in our financial coverage ratios, impairment charges and cause us to exceed the financial covenants agreed upon in the Credit Agreement (as defined below). A contraction of crude oil demand could also affect us financially, including our ability to pay our suppliers for their services, which could, in turn, lead to further operational distress.

The outbreak of the COVID-19 pandemic has had and may continue to have an adverse effect on our business, results of operations and financial condition.

Since December 2019, a novel strain of coronavirus (2019-nCov, referred to as COVID-19) has spread throughout the world. On March 11, 2020, COVID-19 was categorized as a pandemic by the World Health Organization. The COVID-19 pandemic has resulted in numerous deaths and the imposition of local, municipal and national governmental “shelter-in-place” and other quarantine measures, border closures and other travel restrictions, causing unprecedented commercial disruption in a number of jurisdictions, including Mexico and Argentina. To mitigate the impact of the COVID-19 pandemic, the Argentine and Mexican governments, have over time implemented different measures involving mandatory social restrictions on mobility and closures of non-essential businesses. Some of the consequences generated by these measures were (i) a material adverse impact on financial markets, (ii) a reduction in the demand for hydrocarbon products and, therefore, in our revenues, (iii) a significant drop in the international price of oil and increased price volatility and (iv) the deepening of Argentina’s economic recession. During 2021, the demand for, and price of, crude oil and crude oil by-products surpassed pre-COVID-19 levels and most economies, including Argentina and Mexico, experienced GDP growth as mobility and closure restrictions were substantially eased towards the end of the year (mainly due to vaccination coverage). However, some of the above-mentioned effects continued to impact Argentina and Mexico weakening their economies, the purchasing power of their populations, and therefore, the demand for energy in general and hydrocarbons in particular. These effects have increased the probability of an economic downturn. In Argentina, in particular, poverty has increased to 40.6% as of June 2021 and annual inflation was 50.9% for the year ended as of December 2021.

The extent to which COVID-19 or other health pandemics or epidemics may continue to impact Mexico and Argentina, the Mexican and Argentinian economy and the global economy and, in turn, our business, results of operations and financial condition is highly uncertain and will depend on numerous evolving factors that we cannot predict, including, but not limited to (i) the duration, scope, and severity of the COVID-19 pandemic and its variants; (ii) ongoing reduced oil demand and oil price volatility; (iii) the implementation of political and monetary measures to reduce the impact of the COVID-19 pandemic to which we are subject, including travel bans, work-from-home policies, or shelter-in-place orders; (iv) staffing shortages; (v) general economic, financial, and industry conditions, particularly conditions relating to liquidity, financial performance, which may be amplified by the effects of COVID-19; and (vi) the long-term effects of COVID-19 on the national and global economy, including on consumer confidence and spending, financial markets and the availability of credit for us, our suppliers and our customers.

Additional variants or strains of COVID-19 or an outbreak of another pandemic, disease or similar public health threat could have or continue to have material adverse effects on global economic, financial and business conditions that could materially and adversely affect our business, financial condition and results of operations. We cannot predict or estimate the impact that COVID-19 or a future pandemic may have on our business, results of operations and financial condition, and will depend on events beyond our control, including the intensity and duration of the pandemic and the measures taken by the different governments to contain the pandemic and/or mitigate the economic impact.

The conflict involving Russia and Ukraine, and the associated new, additional, and/or enhanced economic and trade sanctions and restrictions that have been imposed by various countries, could have a material adverse effect on our business, financial condition and results of operations.

The conflict involving Russia and Ukraine has recently had, and will likely continue to have, significant global economic effects, including an impact on commodity prices, especially with regard to international crude oil and gas prices which have increased significantly in February and March 2022. Furthermore, the conflict has resulted in the imposition of economic and trade sanctions and restrictions targeting Russia and certain Russian economic sectors and companies by the United States, the European Union, the United Kingdom and other major countries. The severity of these sanctions may increase and could contribute to a shortage of raw materials and commodities, which could, in turn, generate greater levels of inflation and create interruptions in the global supply chain. Interruptions in the global supply chain could particularly affect the energy sector and could create supply chain difficulties in local markets.

Due to the uncertainties inherent to the scale and duration of the conflict and its direct and indirect effects, it is not reasonably possible to estimate the impact this conflict will have on the global economy and financial markets, on the economies of the countries in which we operate and, consequently, our business, financial condition and results of operations.

Also, our revenues and our profitability are heavily dependent on the prices we receive from our sales of oil and natural gas. Oil prices are particularly sensitive to actual and perceived threats to global political stability and to changes in oil production in, and oil supply from, various key countries, including Russia. The conflict has led to an increase in international oil prices, which creates transitory increases in the revenues of upstream companies around the globe. In addition, it has also lead to increased volatility in global commodities in general and hydrocarbon prices, in particular. We cannot predict whether such volatility will lead to further price increases or, on the contrary, lead to a general downturn in economic activity or oil and gas prices, and therefore adversely affect our profitability. Recent increases in oil prices could accelerate the transition to other sources of energy and led to an unpredictable drop in pricing in the medium to long-term, which in turn could adversely affect our business, financial condition and results of operations. Such price increases could also lead to energy shortages and an increasing amount of the global population, including in Argentina and Mexico, without access to energy supplies. It could also lead to new regulation by the Argentine and/or Mexican governments to further de-couple domestic energy pricing from international energy pricing, or restrict energy-related exports from Argentina or Mexico, which would affect our business. Additionally, changes to worldwide oil prices and demand could cause turmoil in the global financial system, and in turn materially affect our business, financial condition and results of operations.

We benefit from natural gas subsidies to natural gas producers that may be limited or eliminated in the future.

We currently benefit from certain subsidies granted to natural gas producers, such as Gas Plan IV. This subsidy program was approved by the Argentine government to provide economic incentives aimed at increasing the domestic production of natural gas. In this regard, the government issued a series of complementary regulations to execute Gas Plan IV. See “Item 4—Information on the Company—Industry and Regulatory Overview– Oil and Gas Regulatory Framework in Argentina – Gas Market.” On December 15, 2020, the Secretariat of Energy of Argentina issued Resolution No. 391/2020, awarding the volumes and prices tendered under Gas Plan IV. The base volume awarded to Vista under the tender was 0.86 MMm3/d (30.4 million cubic feet/day) at an average annual price of US$3.29 per million BTU for a four-year term as of January 1, 2021.

We cannot assure you that any changes to Gas Plan IV, or additional regulation would not adversely affect our results of operations. The restriction or withdrawal of subsidies would adversely affect the selling price of our products and therefore result in a decrease in our revenues.

Our business requires significant and long-term capital investments and maintenance cost.

The oil and gas industry is a capital-intensive industry. We make and expect to continue to make substantial capital expenditures related to development and acquisition of oil and gas resources and in order to maintain or increase the amount of our hydrocarbon reserves, incurring significant maintenance costs.

We have funded, and we expect that we will continue to fund, our capital expenditures with cash generated by existing operations, debt and our existing cash; however, our financing needs may require us to alter or increase our capitalization substantially through the issuance of debt or equity securities or the sale of assets. We cannot guarantee that we will be able to maintain our current production levels, generate sufficient cash flow or that we will have access to sufficient borrowing or other financing alternatives to continue our exploration, exploitation and production activities at current or higher levels.

Additionally, the incurrence of additional indebtedness would require that a portion of our cash flow from operations be used for the payment of interest and principal on our indebtedness, thereby reducing our ability to use cash flow from operations to fund working capital, capital expenditures and acquisitions. The actual amount and timing of our future capital expenditures may differ materially from our estimates as a result of various factors. We may decrease our actual capital expenditures in response to lower commodity prices, which would negatively impact our ability to increase production.

If our revenues decrease, we may have limited ability to obtain the capital necessary to sustain our operations at current levels. If additional capital is needed, we may not be able to obtain debt or equity financing on terms acceptable to us, if at all. If cash flow generated by our operations are not sufficient to meet our capital requirements, the failure to obtain additional financing could result in a curtailment of our operations relating to development of our properties. This, in turn, could lead to a decline in production, and could materially and adversely affect our business, financial condition and results of operations, and the market value of our series A shares or ADSs may decline.

We may not be able to acquire, develop or exploit new reserves, which could adversely affect our financial condition and our results of operations.

Our results of operations largely depend on our ability to produce oil and gas from existing reserves, to discover additional oil and gas reserves, and to economically exploit oil and gas from these reserves. Unless we are successful in our exploration of oil and gas reserves and their development or otherwise acquire additional reserves, our reserves would show a general decline in oil and gas as long as oil and gas production continue. While we have geological reports evaluating certain proved, contingent and prospective reserves in our blocks, there is no assurance that we will continue to be successful in the exploration, appraisal, development and commercialization of oil and gas. The drilling activities are also subject to numerous risks and may involve unprofitable efforts, not only with respect to dry wells but also with respect to wells that are productive but do not produce enough net income to derive profit after covering drilling costs and other operating costs. The completion of a well does not assure a return on investment or recovery of the costs of excavation, completion and operating costs. Lower oil and natural gas prices could also affect our growth, including future and pending acquisitions.

There is no guarantee that our future exploration and development activities will be successful, or that we will be able to implement our capital investment program to develop additional reserves or that we will be able to economically exploit these reserves. Such events would adversely affect our financial condition and results of operations and the market value of our series A shares and ADSs could decline.

Unless we replace our existing oil and gas reserves, or acquire new reserves, the volume of our reserves will decrease over time. In addition, we may not be able to acquire, develop or exploit new reserves.

The production of oil and gas reservoirs decrease as reserves drain with the range of decrease depending on the characteristics of the reservoir. Additionally, the available amount of reserves decrease as the reserves are produced and consumed. Also, drilling involves numerous risks, including the risk that no commercially productive oil or gas reservoirs will be encountered, and the cost of drilling, completing and operating wells is often uncertain and drilling operations may be curtailed, delayed or canceled, or become costlier. The future level of oil and gas reserves, as well as the level of production, and therefore of our revenues and cash flows depend, in a large part, on our success in our exploration and development campaigns, ability to develop current reserves, and to find or acquire new reserves to be developed. We may not be able to identify commercially exploitable deposits, complete or produce more oil and gas reserves, and the wells we plan to drill may not result in the discovery or production of oil or natural gas. If we are unable to replace our production with new reserves, or acquire new reserves, our reserves will decline and our financial condition, results of operations, cash flow and market value of our series A shares and ADSs could be negatively affected.

The oil and gas reserves that we estimate are based on assumptions that could be inaccurate.

Our oil and gas reserves are estimates based on certain assumptions that could be inaccurate. Reserve estimates depend on the quality of engineering and geological data at the date of the estimate and the manner in which they are interpreted. The accuracy of estimates of proved reserves depends on a number of factors, many of which are beyond our control and are subject to change over time. Consequently, measures of reserves are not precise and are subject to revision. Any downward revision in our estimated quantities of proved reserves could adversely impact our financial condition and results of operations, and ultimately have a material adverse effect on the market value of our series A shares or ADSs.

In addition, reserve engineering is a subjective process for estimating oil and gas accumulations that cannot be accurately measured, and the estimates of other engineers may differ materially. A number of assumptions and uncertainties are inherent in estimating the amounts that make up the proven reserves of oil and gas (including, but not limited to production forecasts, the time and amount of development expenditures, testing and production after the date of the estimates, among others), many of which are beyond our control and are subject to change over time. Consequently, measures of reserves are not precise and are subject to revision. In addition, the estimation of "proved oil and natural gas reserves" based on Argentine Secretariat of Energy Resolution No. 324/2006 and Secretariat of Hydrocarbon Resources Resolution No. 69-E/2016 may differ from the standards required by SEC's regulations.

As a result, reserve estimates could be materially different from the amounts that are ultimately extracted, and if such amounts are significantly lower than the initial reserves estimates it could result in a material adverse effect on our financial performance, operating results and the market value of our series A shares and ADSs. See "Item 4—Information on the Company—Industry and Regulatory Overview —Oil and Gas Regulatory Framework in Argentina—Reserves and Resources Certification in Argentina" and the 2021 Reserves Reports attached hereto as Exhibits 99.1 and 99.2.

The lack of availability of transport may limit our possibility of increasing hydrocarbon production and may adversely affect our financial condition and results of operations.

Our capacity to exploit our hydrocarbon reserves largely depends upon the availability of transport infrastructure on commercially acceptable terms to transport the produced hydrocarbons to the markets in which they are sold. Typically, oil is transported by pipelines and tankers to refineries, and gas is usually transported by pipeline to customers. The lack of oil transportation storage or loading infrastructure, as well as the lack of vessels for maritime oil transportation, may adversely affect our financial condition and results of operations. The lack of gas transportation infrastructure may also adversely affect our financial condition and results of operations.

In particular, most of our crude oil production is transported from the Neuquina Basin through the Oldelval pipeline system to Bahia Blanca, from where it is sent to refineries in Argentina or port facilities for exports. This pipeline system is currently working close to full capacity. Although Oldelval has identified several projects to expand its transportation capacity, if Vaca Muerta production grows at a greater pace than its capacity expands, a potential lack of transportation capacity may limit our production and therefore adversely affect our financial condition and results of operations.

Developments in the oil and gas industry and other factors may result in substantial write-downs of the carrying amount of our assets, which could adversely affect our financial condition and results of operations.

Changes in the economic, regulatory, business or political environment in Argentina, Mexico or other markets where we operate, such as price controls over crude oil or crude oil by-products or the significant decline in international crude oil and gas prices in recent years, among other factors, may result in the recognition of impairment charges in certain of our assets.

We evaluate the carrying amount of our assets for possible impairment on an annual basis, or more frequently where the circumstances require. Our impairment tests are performed by a comparison of the carrying amount of an individual asset or a cash- generating unit with its recoverable amount. Whenever the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, an impairment loss is recognized to reduce the carrying amount to the recoverable amount. Substantial write-downs of the carrying amount of our assets could adversely affect our financial condition and results of operations.

Exploration and development drilling may not result in commercially productive reserves.

Drilling involves numerous risks, including the risk that no commercially productive oil or gas reservoirs will be encountered. The cost of drilling, completing and operating wells is often uncertain and drilling operations may be curtailed, delayed or canceled, or become costlier, as a result of a variety of factors, including (i) unexpected drilling conditions; (ii) unexpected pressure or irregularities in formations; (iii) equipment failures or accidents; (iv) construction delays; (v) hydraulic stimulation accidents or failures; (vi) adverse weather conditions; (vii) restricted access to land for drilling or laying pipelines; (viii) title defects; (ix) lack of available gathering, transportation, processing, fractionation, storage, refining or export facilities; (x) lack of available capacity on interconnecting transmission pipelines; (xi) access to, and the cost and availability of, the equipment, services, resources and personnel required to complete our drilling, completion and operating activities; and (xii) delays imposed by or resulting from compliance with environmental and other governmental or regulatory requirements, including those imposed in connection with the COVID-19 pandemic.

Our future drilling activities may not be successful and, if unsuccessful, our proved reserves and production would decline, which could have an adverse effect on our future results of operations and financial condition. While all drilling, whether development, extension or exploratory, involves these risks, exploratory and extension drilling involves greater risks of dry holes or failure to find commercial quantities of hydrocarbons. We expect that we might continue to record exploration and abandonment expenses during 2022.

Our operations are substantially dependent upon the availability of water and our ability to dispose of produced water gathered from drilling and production activities. Restrictions on our ability to obtain water or dispose of produced water may have a material adverse effect on our financial condition, results of operations and cash flows.

Water is an essential component of both the drilling, completion and hydrocarbon production activities. Limitations or restrictions on our ability to secure sufficient amounts of water (including limitations resulting from natural causes such as drought), could materially and adversely impact our operations. Severe drought conditions can result in local water districts taking steps to restrict the use of water in their jurisdiction for drilling and hydraulic stimulation in order to protect the local water supply. If we are unable to obtain water to use in our operations from local sources, it may need to be obtained from new sources and transported to drilling sites, or other facilities, resulting in increased costs, which could have a material adverse effect on our financial condition, results of operations and cash flows.

Our business plan includes future drilling of shale oil and gas wells; if we are not able to acquire and correctly use the necessary new technologies, as well as obtaining financing and/or partners, our business may be affected.

Our ability to execute and carry out our plan depends on our ability to obtain financing at a reasonable cost and in reasonable conditions. We have identified drilling opportunities and prospects for future drilling related to shale oil and gas reserves, such as shale oil and gas in the Vaca Muerta play. These drilling locations and prospects represent the most important part of our drilling plans for the future. Our ability to drill and develop these locations depends on several factors, including seasonal conditions, regulatory approvals, negotiations of agreements with third parties, commodity prices, costs, availability of equipment, services and personnel, and drilling results. Further, our identified potential drilling locations are in various stages of evaluation, ranging from locations that are ready to drill to locations that will require substantial additional analysis. In addition, the demand for drilling rigs and other equipment and supplies, as well as for qualified personnel with experience in drilling and completing wells and in field operations, including geologists, geophysicists, engineers and other professionals, tends to fluctuate significantly in conjunction with oil prices, resulting in temporary shortages. These shortages and their increased costs could adversely affect our business and financial condition. We cannot predict in advance of drilling and testing whether any particular drilling location will yield oil or natural gas in sufficient quantities to recover drilling or completion costs or to be economically viable. The use of technologies and the study of producing fields in the same area will not enable us to know conclusively prior to drilling whether oil or natural gas will be present or, if present, whether oil or natural gas will be present in sufficient quantities to be economically viable. Even if sufficient amounts of oil or natural gas exist, we may damage the potentially productive hydrocarbon bearing formation or experience mechanical difficulties while drilling or completing the well, possibly resulting in a reduction in production from the well or abandonment of the well. If we drill additional wells that we identify as dry holes in our current and future drilling locations, our drilling success rate may decline and materially harm our business. Further, initial production rates reported by us or other operators may not be indicative of future or long-term production rates. In addition, the drilling and exploitation of such oil and gas reserves depends on our ability to acquire the necessary technology and hire personnel or other means of support for the extraction, and on obtaining financing and partners to develop such activities. Due to these uncertainties, we cannot provide any guarantee as to the sustainability of these drilling activities, that such drilling activities will eventually result in proved reserves, or that we will be able to meet our expectations of success, which could adversely affect our production levels, financial condition and results of operations.

Climate change legislation or regulations restricting emissions of greenhouse gases (“GHGs”) and legal frameworks promoting an increase in the participation of energies from renewable sources could significantly impact our industry and result in increased operating costs and reduced demand for the oil and natural gas we produce.

In December 1993, Argentina approved the United Nations Framework Convention on Climate Change (“UNFCCC”) by Federal Law No. 24,295. The 2015 United Nations Climate Change Conference adopted by consensus the Paris Agreement, which is known to be the successor of the Kyoto Protocol (which was approved in Argentina by Federal Law No. 27,270). The Paris agreement deals with GHG emission reduction measures, targets to limit global temperature increases and requires countries to review and “represent a progression” in their intended nationally determined contributions. International treaties together with increased public awareness related to climate change may result in increased regulation to reduce or mitigate GHG emissions.

Compliance with legal and regulatory changes relating to climate change set out by the Argentine and Mexican governments, including those resulting from the implementation of international treaties, may in the future increase our costs to operate and maintain our facilities, install new emission controls on our facilities and administer and manage any GHG emissions program. Revenue generation and strategic growth opportunities may also be adversely affected.

The effects upon the oil and gas industry relating to climate change and the resulting regulations and regimes promoting alternative energy resources may also lead to declining demand for crude oil and natural gas, or any of their by-products, in the long-term. In addition, increased regulation of GHG may create greater incentives for the use of alternative energy sources. Any long-term material adverse effect on the oil industry could adversely affect the financial and operational aspects of our business, which we cannot predict with certainty as of the date of this annual report.

Climate change could impact our operating results, access to capital and strategy.

Climate change poses new challenges and opportunities for our business. The physical effects of climate change such as, but not limited to, increases in temperature and sea levels and fluctuations in water levels could also adversely affect our operations and supply chains.

Due to concern over the risk of climate change, a number of countries have adopted, or are considering the adoption of, new regulatory requirements to reduce greenhouse gas emissions, such as carbon taxes, increased efficiency standards or the adoption of cap and trade regimes. More stringent environmental regulations can result in the imposition of costs associated with GHG emissions, either through environmental agency requirements relating to mitigation initiatives, compliance costs and operational restrictions, and/or through other regulatory measures such as GHG emissions taxation and market creation of limitations on GHG emissions that have the potential to increase our operating costs. We expect that a growing share of our GHG emissions could be subject to regulation, resulting in increased compliance costs and operational restrictions. Regulators may seek to limit certain oil and gas projects or make it more difficult to obtain required permits. Additionally, climate activists around the globe are challenging the grant of new and existing regulatory permits. We expect that these challenges are likely to continue and could delay or prohibit operations in certain cases.

In December 2021, we announced our aspiration to become net zero in scope 1 and 2 GHG emissions in 2026. Our plan combines a 35% reduction in absolute GHG emissions from our operation with the development of our nature based solutions portfolio to offset the residual emissions. Achieving our target of becoming net zero on all emissions from our operations could result in additional costs.

We also expect that actions by customers to reduce their emissions will continue to lower demand for hydrocarbons and their by-products, and potentially affect prices for oil and gas, for example if households continue switching to electric vehicles, if public transport switches to electricity or other renewable fuels, if power generation continues to migrate to cleaner sources to produce electricity, or if hydrogen or alternative sources of green energy are adopted on a massive scale. This could be a factor contributing to additional provisions for our assets and result in lower earnings, cancelled projects, reduced access to capital, and potential impairment of certain assets.

In addition, environmental laws that may be implemented in the future could increase litigation risks and have a material adverse effect on us. For example, in 2019, the Argentine Congress enacted Law No. 27,520 on Minimal Standards on Global Climate Change Adaptation and Mitigation, which focused on implementing policies, strategies, actions, programs and projects that can prevent, mitigate or minimize the damages or impacts associated with climate change. If additional requirements were adopted in Argentina, these requirements could add to our production costs (including compliance related costs such as for monitoring or reducing emissions) and impact adversely on our competitiveness, and may also shift hydrocarbon demand toward relatively lower-carbon sources such as renewable energies.

Compliance with legal and regulatory changes relating to climate change set out by the Argentine and Mexican governments, including those resulting from the implementation of international treaties, may in the future increase the costs to run our operations, through additional tax on emissions or sales of hydrocarbons or refined products, or technical requirements related to emissions measurement or control. Such events would adversely affect our financial condition and results of operations and the market value of our series A shares and ADSs could decline.

Other risks associated with climate change include increased conflict with landowners and local communities, difficulties in the hiring and retention of staff, and increased difficulty accessing technology. Certain investors have also decided to divest their investments in fossil fuel companies. If this were to continue, it could have a material adverse effect on the price of our securities and our ability to access capital markets. Stakeholder groups are also putting pressure on commercial and investment banks to stop financing fossil fuel companies. According to press reports, some financial institutions have started to limit their exposure to fossil fuel projects. Accordingly, our ability to use financing for these types of future projects may be adversely affected. These factors could have a negative impact on the demand for our products and services and may jeopardize or even impair the implementation and operation of our business, adversely impacting our operating and financial results and limiting our growth opportunities.

If we fail to meet the pace and extent of society’s changing demands for lower carbon energy as the energy transition unfolds, we could fail in sustaining and developing our business.

The pace and extent of the energy transition could pose a risk to the company if our own transition towards decarbonisation moves at a different speed than society’s. If we are slower than society, our reputation may suffer and customers may prefer a different supplier which would adversely impact demand for our hydrocarbon products, including the market value of our non-conventional acreage and associated resources we expect to develop in the future. If we move faster than society, we risk investing in technologies, markets or low-carbon products that are unsuccessful because there is limited demand for them. Our failure to time the transition of our production to address climate-change related concerns could have a material adverse effect on our earnings, cash flows and financial condition.

Our operations may pose risks to the environment, and any change in the applicable environmental laws could give rise to an increase in our operating costs.

Some of our operations are subject to environmental risks which could materialize unexpectedly and could have a material adverse impact on our financial condition and results of operations. These include the risk of injury, death, environmental damages and remediation expenses, damages to our equipment, civil liability, and administrative action. There can be no assurance that future environmental issues will not result in cost increases which could lead to a material adverse effect on our financial condition and results of operations.

In addition, we are subject to extensive environmental regulation in Argentina and Mexico. Local authorities in the countries in which we operate could impose new environmental laws and regulations, which could require us to incur increased costs to comply with the new standards. The imposition of more stringent regulatory measures and permit requirements the countries in which we operate could give rise to a material increase in our operating costs.

We cannot predict the overall impact that the enactment of new environmental laws or regulations could have on our financial results, results of operations, and cash flows.

Adverse climate conditions may adversely affect our results of operations and our ability to conduct drilling operations.

Adverse climate conditions may lead to, among others, cost increases, drilling delays, power outages, production stoppages and difficulties in transporting the oil and gas produced by us. Any decrease in our oil and gas production could have a material adverse effect on our business, financial condition or results of operations.

Energy saving measures and technological advances may lead to a decline in the demand for oil and gas.

Fuel conservation measures, the demand for alternative fuels, and advances in fuel-saving and power generation technologies may lead to a decline in the demand for oil and gas. Any change in the demand for oil and gas could have a material adverse effect on our financial condition, results of operations, or cash flows.

Our business operations rely heavily on our production facilities.

A material portion of our revenues depends on our oil and gas facilities, which are key to producing, transporting, treating and injecting oil and gas in transportation infrastructure for sale. While we believe that we maintain adequate insurance coverage and appropriate security measures in respect of such facilities, any material damage to, accident at, or other disruption at such production facilities could have a material adverse effect on our production capacity, financial condition and results of operations.

Our activities are subject to social and reputational risks, including negative media attention and the potential for protests by members of the local communities in the places where we operate.

Although we are committed to operating in a socially responsible manner, we may face opposition from local communities and negative media attention. For example, several of our operations are carried out in the province of Neuquén, Argentina. Local communities, including indigenous communities, have engaged in various forms of protest against business activities in general, including oil and gas. Although we consider our relationship with local communities, including indigenous communities to be good, we cannot assure you that any blockade will not impact our operations. Any such action could have an adverse effect on our reputation, financial condition and results of operations.

Our industry has become increasingly dependent on digital technologies to carry out daily operations and is subject to increasing cybersecurity threats.

As dependence on digital technologies has increased, cyber incidents, including deliberate attacks or unintentional events have also increased worldwide. Even if we have implemented, and continue to implement, a cybersecurity plan (See Item 4—Information of the Company—Business Overview—Information Technology), the technologies, systems, and networks that we have implemented, or may implement in the future, and those of our service providers may be the object of cyberattacks or failures to the security of information systems, which could lead to interruptions in critical industrial systems, the unauthorized disclosure of confidential or protected information, data corruption, or other interruptions of our operations. In addition, certain cyber incidents, such as the advanced persistent threat, may not be detected for a prolonged period of time. We cannot assure you that cyber incidents will not happen in the future and that our operations and/or our financial performance will not be affected.

Information security risks have generally increased in recent years as a result of the proliferation of new technologies and the increased sophistication and activities of cyber-attacks. We depend on digital technology, including information systems to process financial and operating data, analyze seismic and drilling information and oil and gas reserves estimates. We have increasingly connected equipment and systems to the Internet. Because of the critical nature of their infrastructure and the increased accessibility enabled through connection to the Internet, they may face a heightened risk of cyber-attack. In the event of such an attack, they could have our business operations disrupted, property damaged and customer information stolen, experience substantial loss of revenues, response costs and other financial loss; and be subject to increased litigation and damage to their reputation. A cyber-attack could adversely affect our business, results of operations and financial condition.

Risks Related to our Company

The historical financial information included in this annual report and the past performance and experience of our Executive Team may not be indicative of future results.

Our business is inherently volatile due to the influence of external factors, such as domestic demand, market prices, availability of financial resources for our business plan and its corresponding costs and government regulations. Our periodic operating results could fluctuate for many reasons, including many of the risks described in this section, which are beyond our control. Consequently, our past financial condition, results of operations and the trends indicated by such results and financial condition may not be indicative of current or future financial conditions, results of operations or trends. Additionally, we believe that the experience of our Executive Team constitutes a differentiated source of competitive strength for us. However, the experience of our Executive Team in the past (whether in Vista or in other companies) may not be indicative of our future results of operations. For more information regarding our historical condensed consolidated financial information, see "Presentation of Information," "Item 8—Financial Information" and the Audited Financial Statements included elsewhere in this annual report.

The results of our planned development programs in new or emerging shale development areas and formations may be subject to more uncertainties than programs in more established areas and formations and may not meet our expectations for reserves or production.

The results of our horizontal drilling efforts in emerging areas and formations in Argentina such as in the Vaca Muerta formation in the Neuquina Basin are generally more uncertain than drilling results in areas that are more developed and have more established production. Because emerging areas and associated target formations have limited or no production history, we are less able to rely on past drilling results in those areas as a basis to predict our future drilling results. In addition, horizontal wells drilled in shale formations, as distinguished from vertical wells, utilize multilateral wells and stacked laterals, which requirements could adversely impact our ability to maximize the efficiency of our horizontal wells related to reservoirs drainage over time. Further, access to adequate gathering systems or pipeline takeaway capacity and the availability of drilling rigs and other services may be more challenging in new or emerging areas. If our drilling results are less than anticipated or we are unable to execute our drilling program because of capital constraints, access to gathering systems and takeaway capacity or otherwise, and/or natural gas and oil prices decline, our investment in these areas may not be as economic as we anticipate, we could incur material write-downs of unevaluated properties and the value of our undeveloped acreage could decline in the future.

Part of our strategy involves using some of the latest available horizontal drilling and completion techniques, which involve risks and uncertainties in their application.

Our operations involve utilizing some of the latest drilling and completion techniques we have developed, along with those developed by our key service providers. Risks that we face while drilling horizontal wells include, but are not limited to, the following (i) landing the wellbore in the desired drilling zone; (ii) staying in the desired drilling zone while drilling horizontally through the formation; (iii) running casing the entire length of the wellbore; and (vi) being able to run tools and other equipment consistently through the horizontal wellbore.

Risks that we face while completing wells include, but are not limited to, the following: (i) the ability to stimulate the planned number of stages; (ii) the ability to run tools the entire length of the wellbore during completion operations; and (iii) the ability to successfully clean out the wellbore after completion of the final hydraulic stimulation stage.

Our operations and drilling activity are concentrated in areas of high competition such as the Neuquina Basin in Argentina, which may affect our ability to obtain the personnel, equipment, services, resources and facilities access needed to complete our development activities as planned or result in increased costs; such concentration also makes us vulnerable to risks associated with operating in a limited geographic area.

As of December 31, 2021, most of our producing properties and total estimated proved reserves were geographically concentrated in the Neuquina Basin, located in Argentina. A substantial portion of our operations and drilling activity are concentrated in areas in such basins where industry activity is high. As a result, demand for personnel, equipment, power, services and resources may increase in the future, as well as the costs for these items. Any delay or inability to secure the personnel, equipment, power, services and resources could result in oil, NGL and gas production being below our forecasted volumes. In addition, any such negative effect on production volumes, or significant increases in costs, could have a material adverse effect on our results of operations, cash flow and profitability.

As a result of this concentration, we may be disproportionately exposed to the impact of delays or interruptions of operations or production in this area caused by external factors such as governmental regulation, state politics, market limitations, water or sand shortages or extreme weather-related conditions.

The oil and gas industry is competitive and our ability to achieve our strategic objectives depends on our ability to successfully compete in the market.

The oil and gas industry is competitive and we compete with the major independent and state-owned oil and gas companies engaged in the E&P sector, including state-owned E&P companies that possess substantially greater financial and other resources than we do for researching and developing E&P technologies, accessing to markets, equipment, labor and capital required to acquire, develop and operate our properties. We also compete for the acquisition of licenses and properties in the countries in which we operate.

Should we choose to bid for exploration or exploitation rights with respect to a hydrocarbon area, we would face significant competition not only from private companies, but also from national or provincial public companies.

We are also affected by competition for drilling rigs and the availability of related equipment, leading to higher drilling costs over the past several years. Higher commodity prices generally increase the demand for drilling rigs, supplies, services, equipment and crews, and can lead to set rig services contracts with international contractors, or shortages of, and increasing costs for, drilling equipment, services and personnel. While we seek to differentiate our services and products, many of our products are competing in commodity markets. Accordingly, failure to manage our costs and our operational performance could result in a material adverse effect on our earnings, cash flows and financial condition.

We also compete for resources with state-owned oil and gas companies in Argentina and Mexico such as YPF, as well as with privately-owned local and international companies. Such entities could be motivated by political or other factors in making their business decisions. See “Item 4—Information on the Company—Business Overview—Customers and Marketing—Competition.”

We must achieve certain milestones to protect the exploitation rights in our concessions.

In order to keep our exploitation rights in our concessions, we must achieve certain milestones, including investment commitments, related to drilling and production in determined time periods, as stated in the relevant agreements. Operating and maintenance costs may increase significantly due to adverse local or international market conditions, including local recession, foreign exchange volatility or high financing costs, which could prevent us from meeting our commitments under such agreements on commercially reasonable terms or at all, which may force us to forfeit our interests in such areas.

If we do not succeed in meeting these milestones, renewing our agreements, maintaining our operations in these concessions or securing new ones, our ability to grow our business may be materially affected. See “Item 5B—

Operating and Financial Review and Prospects—Liquidity and Capital Resources—Capital Expenditures" and "Item 5A—Operating and Financial Review and Prospects—Operating Results—Factors Affecting our Results of Operations—Contractual Obligations."

Our ability to expand our business will depend on how we react to competitive forces.

As we operate in a very competitive business, our competitors may be able to pay more for productive oil and natural gas properties and exploratory prospects and to evaluate, bid for and purchase a greater number of properties and prospects than our financial or personnel resources permit. Our competitors may also be able to offer better compensation packages to attract and retain qualified personnel than we are able to offer. In addition, there is substantial competition for capital available for investment in the oil and natural gas industry. As a result of each of the foregoing, we may not be able to compete successfully in the future in acquiring prospective reserves, developing reserves, marketing hydrocarbons, attracting and retaining quality personnel or raising additional capital, which could have a material adverse effect on our business, financial condition or results of operations. See "Item 4—Information on the Company—History and Development of the Company—Competition."

We may fail to fully identify problems with any properties we acquire, and as such, assets we acquire may prove to be worth less than we paid because of uncertainties in evaluating recoverable reserves and potential liabilities.

We might seek to acquire additional acreage in Argentina and Mexico and more broadly in Latin America. Successful acquisitions require an assessment of a number of factors, including estimates of recoverable reserves, exploration potential, future oil and natural gas prices, adequacy of title, operating and capital costs and potential environmental and other liabilities. Although we conduct a review of properties we acquire which we believe is consistent with industry practices, we can give no assurance that we have identified or will identify all existing or potential problems associated with such properties or that we will be able to mitigate any problems we do identify. Such assessments are inexact, and their accuracy is inherently uncertain. In addition, our review may not permit us to become sufficiently familiar with the properties to fully assess their deficiencies and capabilities. We do not inspect every well. Even when we inspect a well, we do not always discover structural, subsurface, title and environmental problems that may exist or arise. We are generally not entitled to contractual indemnification for preclosing liabilities, including environmental liabilities. We may acquire interests in properties on an "as is" basis with limited remedies for breaches of representations and warranties. As a result of these factors, we may not be able to acquire oil and natural gas properties that contain economically recoverable reserves or be able to complete such acquisitions on acceptable terms.

Our success in our acquisition-related activities depends on our ability to identify suitable acquisition candidates, acquire them on acceptable terms, and integrate their operations successfully with ours.

From time to time we undertake evaluations of opportunities to acquire additional oil and gas assets and businesses. Any resulting acquisitions may be significant in size, may change the scale of our business, and may expose us to new geographic, political, operating financial and geological risks. Our success in these acquisition-related activities depends on our ability to identify suitable acquisition candidates, to acquire them on acceptable terms, and integrate their operations successfully with ours. Any acquisition would be accompanied by risks, such as a significant decline in oil or gas prices; the difficulty of assimilating the operation and personnel; the potential disruption of our ongoing business; the inability of management to maximize our financial and strategic position through the successful integration of acquired assets and businesses; the maintenance of uniform standards, control, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; and the potential unknown liabilities associated with acquired assets and business. In addition, we may need additional capital to finance an acquisition. There can be no assurance that we would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions. If we fail to overcome these risks, it may have a material adverse impact on our reputation and business.

We may be unable to integrate successfully the operations of recent and future acquisitions with our operations, and we may not realize all the anticipated benefits of these acquisitions.

Our business has included and may include in the future acquisitions of producing properties that include undeveloped acreage. We can give no assurance as to whether we will achieve our desired profitability from our recent acquisitions or any acquisitions we may make in the future. In addition, the inability to successfully assimilate recent and future acquisitions could adversely affect our financial condition and results of operations. Our acquisitions may involve numerous risks, including (i) operating a larger combined organization and adding operations; (ii) difficulties in the assimilation of the assets and operations of the acquired business, especially if the assets acquired are in a new geographic area; (iii) risk that oil and natural gas reserves acquired may not be of the anticipated magnitude or may not be developed as anticipated; (iv) loss of significant key employees from the acquired business; (v) inability to obtain satisfactory title to the assets, concessions, or participation interests we acquire; (vi) a decrease in our liquidity if we use a portion of our available cash to finance acquisitions; (vii) a significant increase in our interest expense or financial leverage if we incur additional debt to finance acquisitions; (viii) dilution to existing shareholders in possible equity financings; (ix) failure to realize expected profitability or growth; (x) failure to realize expected synergies and cost savings; (xi) coordinating geographically disparate organizations, systems and facilities; and (xii) coordinating or consolidating corporate and administrative functions.

Further, unexpected costs and challenges may arise whenever businesses with different operations or management are combined, and we may experience unanticipated delays in realizing the benefits of an acquisition. If we complete any future acquisition, our capitalization and results of operation may change significantly, and you may not have the opportunity to evaluate the economic, financial and other relevant information that we will consider in evaluating future acquisitions. The inability to effectively manage the integration of acquisitions could reduce our focus on subsequent acquisition and current operations, which in turn, could negatively impact our results of operations.

We are exposed to foreign exchange risks relating to our operations in Argentina and Mexico.

Our results of operations are subject to foreign exchange fluctuation of the Argentine or Mexican Peso against the U.S. Dollar or other currencies, which could adversely affect our business and results of operations. Both the value of the Mexican Peso and the value of the Argentine Peso have experienced significant fluctuations in the past. The main effects of a depreciation or devaluation of the Argentine or Mexican Peso against the U.S. Dollar would be on (a) our realized crude oil prices, given that gasoline prices in Argentina are denominated in local currency, so significant changes in exchange rate limit the ability of refiners to pass through such changes to the end-users, and (b) our U.S. Dollar-denominated expenses. Additionally, given several accounting rules it may also negatively affect: (i) deferred income tax associated with our fixed assets, (ii) current income tax and (iii) foreign exchange differences associated with our Argentine or Mexican Peso exposure.

We cannot predict whether and to what extent the value of the Argentine or Mexican Peso will depreciate or appreciate against the U.S. Dollar nor the extent to which any such change may affect our business.

In the event of an accident or other occurrence which is not covered by our insurance policies, we may suffer significant losses which may have a material adverse effect on our business and results of operations.

Even though we consider that we have insurance coverages consistent with international standards, there is no assurance concerning the availability or sufficiency of insurance coverage with respect to a particular loss or risk. In the event of an accident or other occurrence in our business which is not covered by insurance under our policies, we may suffer significant losses or be forced to provide compensation in a substantial amount from our own resources, which could have a material adverse effect on our financial condition

We are not concessionaires or operating partners in all of our joint ventures, as a result must rely on the activities of our operating partners in such joint ventures. Actions taken by the concessionaires and/or operators in these joint ventures could have a material adverse effect on our success.

Both we and our subsidiaries carry out hydrocarbon E&P activities through unincorporated joint ventures entered into through agreements with third parties (joint operations for accounting purposes). In some cases, our joint venture partners, rather than us, hold the rights to the concession or the E&P license contracts. Pursuant to the terms and conditions of such agreements, one of the parties assumes the role of operator, and therefore assumes the responsibility of executing all activities pursuant to the agreement. However, in certain cases, neither we nor our subsidiaries may be able to assume the role of concessionaire and/or operator, and in such cases we must rely on the activities of our operating partners. For example, as of December 31, 2021, we were not the operator of Sur Río Deseado Este and Acambuco concessions in Argentina. In such cases, we would be subject to risks related to the performance of, and the measures taken by, the concessionaire and/or operator to carry out the activities. Such actions could adversely affect our financial condition and operating results. See "Item 4—Information of the Company—Business Overview—Concessions", for a more complete description of Sur Río Deseado Este and Acambuco Concessions.

We face risks relating to certain legal proceedings.

We may be parties to labor, commercial, civil, tax, criminal, environmental and administrative proceedings that, either alone or in combination with other proceedings, could, if resolved in whole or in part adversely to us, result in the imposition of material costs, fines, judgments or other losses. While we believe that we have provisioned such risks appropriately based on the opinions and advice of our external legal advisors and in accordance with applicable accounting rules, certain loss contingencies, particularly those relating to environmental and tax matters, are subject to change as new information develops and it is possible that losses resulting from such risks, if proceedings are decided in whole or in part adversely to us, could significantly exceed any accruals we have provided.

As of December 31, 2021, we employed third-party employees under contract, mostly with large domestic and international service providers. Although we have policies regarding compliance with labor and social security obligations for our contractors, we can provide no assurance that the contractors' employees will not initiate legal actions against us seeking indemnification based upon a number of Argentine judicial labor court precedents that established that the ultimate beneficiary of employee services is joint and severally liable with the contractor, which is the employee's formal employer.

In addition, we may be subject to undisclosed liabilities related to labor, commercial, civil, tax, criminal, environmental or other contingencies incurred by businesses we acquired pursuant to the Initial Business Combination or acquire in the future as part of our growth strategy, that we were not or may not be able to identify or that may not be adequately indemnified under our acquisition agreements with the sellers of such businesses, in which case our reputation, business, financial condition and results of operation may be materially and adversely affected.

Our debt obligations include operating and financial restrictions, which may prevent us from pursuing certain business opportunities and taking certain actions.

As of the date of this annual report, a significant amount of our indebtedness relates to Vista Argentina's obligations under the Credit Agreement which obligations are guaranteed by us, Aluvional Logísitica S.A., Vista Holding I, Vista Holding II and AFBN S.R.L. (together with certain other entities that become a guarantor under the Credit Agreement from time to time, the "Guarantors"), and are denominated in U.S. Dollars. For a description of the Credit Agreement, see "Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Indebtedness." The Credit Agreement contains a number of restrictive covenants imposing significant operating and financial restrictions on us, on the other Guarantors and on Vista Argentina. These restrictions may limit our ability to create liens on certain assets to secure debt, or create liens to secure debt exceeding certain amounts; dispose assets; merge or consolidate with another person or sell or otherwise dispose of all or substantially all of its or our assets; change its or our existing line of business; declare or pay any dividends or return any capital, other than certain limited payments; make certain investments in bonds and capital stock, among others; enter into transactions with affiliates; change our existing accounting practices (except if required or permitted by applicable law and accounting rules); and modify or terminate the organizational documents of Vista Argentina or any Guarantor.

In addition, as further described in Note 18.1 to the Audited Financial Statements, the Credit Agreement includes some financial covenants by which we are required to maintain, on a consolidated basis, certain financial ratios within specified limits. These ratios include consolidated total debt / consolidated EBITDA; and consolidated interest coverage ratio

These covenants could limit our ability to finance our future operations and capital needs and our ability to pursue business opportunities and activities that may be of commercial interest.

A breach of any covenant contained in the Credit Agreement could result in a default under this agreement. If any such default occurs, the administrative agent or the required lenders could elect to declare the indebtedness, together with accrued interest and other fees, to be immediately due and payable. If the Credit Agreement were to be accelerated, the assets of Vista Argentina and those of each of the Guarantors, may not be sufficient to repay in full that debt, or any other debt that may become due as a result of that acceleration, and consequently, it could materially and adversely affect our business, financial condition, results of operations and prospects. See “Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Indebtedness” for more information.

Furthermore, pursuant to the foreign exchange regulations imposed by the BCRA, companies resident in Argentina may only have access the foreign exchange market to repay financial indebtedness, if certain conditions are met and/or they have the prior approval of the BCRA. There can be no assurance that the BCRA will not increase or relax such controls or restrictions, make modifications to these regulations, establish more severe restrictions on currency exchange, or maintain the current foreign exchange regime or create multiple exchange rates for different types of transactions, substantially modifying the applicable exchange rate at which we acquire currency to service our outstanding liabilities denominated in currencies other than the Peso, all of which could undermine our ability to repay our financial indebtedness. See “Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to the Argentine and Mexican Economic and Regulatory Environments—Current Argentine exchange controls and the implementation of further exchange controls could adversely affect our results of operations” for more information.

We are subject to Mexican, Argentine and the anti-corruption, anti-bribery, anti-money laundering and economic sanctions laws and regulations of other nations. Our failure to comply with these laws could result in penalties, which could harm our reputation and have an adverse effect on our reputation, business, financial condition and results of operations.

The United States Foreign Corrupt Practices Act of 1977, the United Kingdom Bribery Act 2010 (the “U.K. Bribery Act”), the laws and regulations implementing the Organization for Economic Co-Operation and Development Anti-Bribery Convention, the Mexican Administrative Responsibilities Law (*Ley General de Responsabilidades Administrativas*), the Argentine Corporate Criminal Liability Law (*Ley de Responsabilidad Penal Empresaria*) and other applicable anti-corruption laws in other relevant jurisdictions prohibit companies and their intermediaries from offering or making improper payments (or giving anything of value) to government officials and/or persons in the private sector for the purpose of influencing them or obtaining or retaining business and require companies to keep accurate books and records and maintain appropriate internal controls. The U.K. Bribery Act prohibits such payments or financial or other advantages being made, offered or promised to or from commercial parties and makes it a criminal offense for a commercial organization to fail to prevent bribery by an associated person (i.e., someone who provides services on behalf of the organization) intending to obtain or retain business or an advantage in the conduct of business on its behalf. In particular, the Argentine Corporate Criminal Liability Law (Law No. 27,401) provides for the criminal liability of corporate entities for criminal offences against public administration and transnational bribery committed by, among others, its attorneys-in-fact, directors, managers, employees, or representatives. In this sense, a company may be held liable and subject to fines, cancelation of legal personality and/or suspension of its activities, among other penalties, if such offences were committed, directly or indirectly, with its intervention, or in its behalf, interest or benefit. Furthermore, the Mexican Anti-Money Laundering Law (*Ley Federal para la Prevención e Identificación de Operaciones con Recursos de Procedencia Ilícita*) and its regulations, the Mexican Criminal Code (*Código Penal Federal*), the Argentine Anti-Money Laundering Law (*Ley de Prevención del Lavado de Activos*), which created at the national level the Anti- Money Laundering and Terrorism Financing Regime, criminalizing money laundering, creating and designating the Financial Information Unit (“UIF” for its acronym in Spanish) as the enforcement authority of the regime, and establishing the legal obligation for various public and private sector entities and professionals to provide information and cooperate with the UIF and finally Sections 303-306 of the Argentine Criminal Code *(Código Penal de la República Argentina),* prohibit the engagement in transactions with the purpose of intruding funds obtained through illicit activities into the institutional system and thus masking gains obtained through illegal activities as assets derived from legitimate sources, and the use of funds for terrorist activities.

In addition, we are subject to economic sanctions regulations that restrict our dealings with certain sanctioned countries, individuals and entities.

It may be possible that, in the future, reports may emerge alleging instances of unethical and illegal conduct on the part of former agents, current or former employees or others acting on our behalf or on the part of public officials or other third parties doing or considering business with us. While we will endeavor to monitor such reports and investigate matters which we believe warrant an investigation in keeping with the requirements of our compliance program, and, if necessary or appropriate make disclosure and notify the relevant authorities, any fines, other penalties or adverse publicity that such allegations may attract may have a negative impact on our business and reputation and lead to increased regulatory scrutiny of our business practices. Given these risks, we have adopted a code of ethics and conduct ("Code of Ethics and Conduct") that applies to all of Vista's officers and employees and third parties (contractors, suppliers, partners) which interact with Vista. Our Code of Ethics and Conduct defines the way in which we do our businesses, and it is designed to help us to comply with our obligations, to respect one another at the workplace and to act with integrity in the market. Our Code of Ethics and Conduct expressly sets forth, among other matters, that no one shall offer, in the name of Vista, directly or indirectly through third parties, anything of value to a public officer, or to his/her representatives, and particularly for the purposes of obtaining or maintain a business, influencing the business decisions or assuring an unfair advantage. Additionally, Vista's mission to conduct business in an ethical manner also entails the commitment of maintaining accuracy in our accounting books, financial statements and accounting records. Our accounting records, including our financial statements, management reports, contracts and agreements, must always be accurate and reflect the economic facts and transactions with integrity and accuracy, pursuant to the professional accounting standards and the laws governing Vista. All of Vista's transactions, regardless of their amount, must be properly authorized, executed and recorded. Upon a determination that our codes of ethics has been violated, the Company shall take any appropriate disciplinary actions.

We rely on key third-party suppliers, vendors and service providers to provide us with parts, components, services and critical resources that we need to operate our business. We could face material adverse effects to our business and reputation should these key suppliers, vendors and service providers fail to deliver, or are delayed in delivering, equipment, service or critical resources.

Companies operating in the energy industry, specifically the oil and gas sector, commonly rely upon various key third-party suppliers, vendors and service providers to provide them with parts, components, services and critical resources, needed to operate and expand their business. If these key suppliers, vendors and service providers fail to deliver, or are delayed in delivering, equipment, service or critical resources, we may not meet our operating targets in the expected time frame, which could have an adverse effect on our business, financial condition, results of operations, cash flows and/or prospects.

Our operations in the industry could be susceptible to the risks of performance, product quality and financial conditions of our key suppliers, vendors and service providers. For instance, their ability to adequately and timely provide us with parts, components, services and resources critical to our operations may be affected if they are facing financial constraints or times of general financial stress and economic downturn. There can be no assurance that we will not encounter supply disruptions in the future or that we will be able to timely replace such suppliers or service providers that are not able to meet our needs, which might adversely affect a successful execution of our operations, and consequently, our business, financial condition, results of operations, cash flows and/or prospects.

We employ a highly unionized workforce and could be subject to labor actions such as strikes, which could have a material adverse effect on our business.

The sectors in which we operate are highly unionized. We cannot assure you that we or our subsidiaries will not experience labor disruptions or strikes in the future, which could result in a material adverse effect on our business and returns. Moreover, the sharp deterioration of the global economy as a consequence of the COVID-19 pandemic may have an impact on the amount of labor actions initiated by our workforce during 2022 and subsequent years.

In addition, we cannot assure you that we will be able to negotiate new collective bargaining agreements in the same terms, on terms that are substantially similar, as those currently in force or that we will not be subject to strikes or labor interruptions before or during the negotiation process of said agreements. The collective bargaining agreement for the period June 2021 to May 2022 was signed on May 11, 2021, with an amendment signed in April 2022. In the future, if we are unable to renegotiate the collective bargaining agreement in satisfactory terms or are subject to strikes or labor interruptions, our results of operations, financial condition and the market value of our shares could be materially affected.

Our performance is largely dependent on recruiting and retaining key personnel.

Our current and future performance and business operations depend on the contributions of our Executive Team, our engineers, and other employees. We rely on our ability to attract, train, motivate, and retain qualified and experienced administrative staff and specialists. No assurance can be given that we will be able to attract and retain personnel for key positions, and replacing any of our key employees could prove difficult and time consuming. The loss of the services and experience of any of our key employees, or our inability to recruit a suitable replacement or additional staff, could have a material adverse effect on our operations, cash flows and/or expectations.

We may be adversely affected by changes in LIBOR reporting practices or the method in which LIBOR is determined, or by variations in interest rates, including the planned discontinuation of LIBOR.

As of the date of this annual report, our outstanding debt included loans indexed to the London Interbank Offered Rate (“LIBOR”). On March 5, 2021, the United Kingdom Financial Conduct Authority (the “FCA”), which regulates LIBOR, announced that all LIBOR tenors, which are relevant to us, will cease to be published or will no longer be representative after June 30, 2023. The FCA’s announcement coincides with the March 5, 2021, announcement of LIBOR’s administrator, the ICE Benchmark Administration Limited (the “ IBA”), indicating that, as a result of not having access to input data necessary to calculate LIBOR tenors relevant to us on a representative basis after June 30, 2023, IBA would have to cease publication of such LIBOR tenors immediately after the last publication on June 30, 2023. These announcements mean that any of our LIBOR-based borrowings that extend beyond June 30, 2023 will need to be converted to a replacement rate. In the United States, the Alternative Reference Rates Committee (the “ARRC”), a committee of private sector entities with ex-officio official sector members convened by the Federal Reserve Board and the Federal Reserve Bank of New York, has recommended the Secured Overnight Financing Rate (“SOFR”) plus a recommended spread adjustment as LIBOR’s replacement. There are significant differences between LIBOR and SOFR, such as LIBOR being an unsecured lending rate while SOFR is a secured lending rate, and SOFR is an overnight rate while LIBOR reflects term rates at different maturities. A transition away from and/or changes to the LIBOR benchmark interest rate could adversely affect our business, financial condition, liquidity and results of operations. If our LIBOR-based borrowings are converted to SOFR, the differences between LIBOR and SOFR, plus the recommended spread adjustment, could result in interest costs that are higher than if LIBOR remained available, which could have a material adverse effect on our operating results. Although SOFR is the ARRC’s recommended replacement rate, it is also possible that lenders may instead choose alternative replacement rates that may differ from LIBOR in ways similar to SOFR or in other ways that would result in higher interest costs for us. It is not yet possible to predict the magnitude of LIBOR’s end on our borrowing costs given the remaining uncertainty about which rates will replace LIBOR. Any of these proposals or consequences could have a material adverse effect on our financing costs.

Additionally, we are exposed to the fluctuations of the variable interest rates applicable to our indebtedness. We may also incur additional variable-rate debt in the future. Increases in interest rates on variable-rate debt would increase our interest expense, which would negatively affect our financial costs.

Risks Related to the Argentine and Mexican Economic and Regulatory Environments

Our business is largely dependent upon economic and political conditions in Argentina.

Substantially all of our operations, properties and customers are located in Argentina, and, as a result, our business is largely dependent on economic conditions prevailing in Argentina. You should make your own assessment about Argentina and prevailing conditions in the country before making an investment decision.

The Argentine economy has experienced significant volatility in past decades, including numerous periods of low or negative growth and high and variable levels of inflation and currency devaluation. In addition, the Argentine economy is also vulnerable to adverse developments affecting its principal trading partners. Argentina’s economic conditions are dependent on a number of factors over which we have no control. We cannot assure you that the Argentine economy will not suffer a recession. If economic or monetary conditions in Argentina were to deteriorate, if inflation were to accelerate further, or if the Argentine government’s measures to attract or retain foreign investment and international financing in the future are unsuccessful, such developments could adversely affect Argentina’s economic growth and in turn affect our financial health and results of operations.

Argentine economic conditions are dependent on a variety of factors, including (but not limited to) the following international demand for Argentina’s principal exports; international prices for Argentina’s principal commodity exports; stability and competitiveness of the Argentine Peso with respect to foreign currencies; competitiveness and efficiency of domestic industries and services; levels of domestic consumption and foreign and domestic investment and financing; and the rate of inflation.

The Argentine economy is also particularly sensitive to local political developments. Presidential elections take place in Argentina every four years and legislative elections every two years, resulting in the partial renewal of both chambers of Congress. The next presidential election is scheduled for October 2023. The result of presidential as well as legislative mid-term and full term elections may lead to changes in government policies that impact upon the Company. We cannot give you any assurance as to whether such changes will occur or as to their timing, nor can we estimate the impact they may have on our business.

In the event of any economic, social or political crisis, the Argentine government’s ability to obtain additional international or multilateral private financing or direct foreign investment may also be limited, which may in turn impair its ability to implement reforms and public policies to foster economic growth, as well as impair its ability to service its outstanding debt obligations, all of which could have an adverse effect on our business, financial condition or results of operations. In such scenario, companies operating in Argentina may also face the risk of price control over these products, strikes, expropriation, nationalization, forced modification of existing contracts, and changes in taxation policies including tax increases and retroactive tax claims. In addition, Argentine courts have issued rulings changing the existing case law on labor matters and requiring companies to assume greater responsibility for, and assumption of costs and risks associated with, sub-contracted labor and the calculation of salaries, severance payments and social security contributions. Since we operate in a context in which the governing law and applicable regulations change frequently, it is difficult to predict if and how our activities will be affected by such changes.

Argentina’s ability to obtain financing from international markets is limited, which could affect its capacity to implement reforms and/or sustain economic growth.

Over the past few years, Argentina has experienced financial distress, which has led to an increase in public debt. During 2020, the Argentine government entered into negotiations with its creditors to restore the sustainability of its external public debt. By August of that year, the Argentine government restructured approximately US$66.5 billion of its U.S. Dollar-denominated global bonds. Additionally, Argentina reached an agreement with the members of the Paris Club under the 2014 Paris Club Settlement Agreement to extend the maturity of its obligations until March 2022. On the other hand, the Argentine government initiated negotiations with the International Monetary Fund (“IMF”) to renegotiate the principal maturities of the US$44.1 billion disbursed between 2018 and 2019 under a Stand-By Arrangement, originally scheduled for the years 2021, 2022 and 2023. On January 28, 2022, the Argentine government and the IMF announced that they had reached an understanding on key policies as part of their ongoing discussions an IMF-supported program. Later, on March 3, 2022, the IMF and the Argentine government reached a staff-level agreement on the economic and financial policies to be supported by a 30-month extended fund facility arrangement (the “EFF Agreement”), which was approved by the Argentine Congress through Law No. 27,668 on March 17, 2022, and enacted by Decree No. 130/22. Subsequently, the executive board of the IMF approved the EFF Agreement for an amount equivalent to US$44 billion, including an immediate disbursement of US$9.6 billion.

We cannot assure you that the EFF Agreement will not affect Argentina’s ability to implement reforms and public policies and boost economic growth. In addition, the long-term impact of these measures and any future measures taken by the current government on the Argentine economy remains uncertain.

Despite the restructuring of Argentina’s public debt carried out between 2020 and 2022, international markets remain cautious with regards to Argentina’s debt sustainability and, as a result, country risk indicators remain high. There can be no assurance that Argentina’s credit ratings would remain in place or otherwise be downgraded, suspended or cancelled. Any downgrade, suspension or cancellation of Argentina’s sovereign debt rating may have an adverse effect on the Argentine economy and our business.

Without renewed access to the financial markets, the Argentine government may not have the financial resources to implement reforms and drive growth. In addition, Argentina’s inability to obtain credit in international markets could have a direct impact on our ability to access those markets to finance our operations and growth, including the financing of capital expenditures, which would adversely affect our financial condition, results of operations and cash flows. In addition, we cannot predict the outcome of any future restructuring of Argentine sovereign debt. We have investments in Argentine sovereign bonds in the amount of US$3.8 million as of December 31, 2021. Any new event of default by the Argentine government could adversely affect their valuation and repayment terms, as well as have a material adverse effect on the Argentine economy and, consequently, our business and results of operations.

Our operations are subject to extensive and changing regulation in the countries in which we operate.

The oil and gas industry is subject to extensive regulation and control by governments in which companies like ours conduct operations, including laws, regulations and rules enacted by federal, state, provincial and local governments. These regulations relate to the award of exploration and development areas, production and export controls, investment requirements, taxation, price controls and environmental aspects, among others. As a result, our business is to a large extent dependent upon regulatory and political conditions prevailing in the countries in which we operate, as described below, and our results of operations may be materially and adversely affected by regulatory and political changes in these countries.

We cannot assure you that changes in applicable laws and regulations, or adverse judicial or administrative interpretations of such laws and regulations, will not adversely affect our results of operations. Similarly, we cannot assure you that future government policies will not adversely affect the oil and gas industry.

We also cannot provide assurances that concessions will be extended in the future as a result of the review by the controlling entities regarding the investment plans presented for analysis or that additional requirements to obtain extensions of permits and concessions will not be imposed.

Furthermore, there can be no assurance that regulations or taxes (including royalties) enacted by the provinces or states in which we operate will not conflict with federal law and regulations, and that such taxes or regulations will not adversely affect our results of operations or financial condition.

Argentina

The Argentine hydrocarbons industry is extensively regulated by federal, provincial, and municipal regulations in matters including the award of exploration permits and exploitation concessions, investment, royalty, price controls, export restrictions and domestic market supply obligations. The Argentine government is further empowered to design and implement federal energy policy, and has used these powers before to establish export restrictions on the free disposition of hydrocarbons and export proceeds and to impose duties on exports, to induce private companies to enter into pricing agreements with the government or, more recently, to impose price agreements among producers and refiners or create fiscal incentive programs to promote increased production. Additionally, given that it cannot be guaranteed that regulations or taxes sanctioned or administered by the provinces will not conflict with national laws, jurisdictional controversies among the federal government and the provinces are not uncommon.

In addition, the Law of Solidarity and Productive Reactivation No. 27,541 (the “Solidarity Law”) empowered the Argentine Executive Branch to “maintain” natural gas tariffs under federal jurisdiction, renegotiate the integral tariff revision or initiate an extraordinary revision in accordance with Laws No. 24,065 and No. 24,076. See “Item 4—Information on the Company—Industry and Regulatory Overview—Oil and Gas Regulatory Framework in Argentina—The Social Solidarity and Productive Reactivation Law.”

Any such controversies, limitations or export restrictions or any other measures imposed by Argentine authorities could have a material adverse effect on our future business, financial condition, results of operations, cash flows and/or prospects and as a consequence, the market value of our series A shares or ADSs may decline.

Mexico

On May 4, 2021, the bill to reform and amend the Hydrocarbons Law (*Ley de Hidrocarburos*), was published on the Official Gazette (the “Hydrocarbons Law Reform”). The Hydrocarbons Law Reform grants greater powers to the Ministry of Energy (SENER) and the Energy Regulatory Commission ("CRE", *Comisión Reguladora de Energía*) to grant, review and revoke the different permits contemplated in the Hydrocarbons Law. The main objectives of the Hydrocarbons Law Reform include, among others (i) compliance with the public policy of minimum storage of petroleum products issued by the SENER; (ii) increasing the regulation of the revocation of existing permits; (iii) combating fuel theft (illegal bunkering); (iv) providing for the suspension of permits in the event of a national security problem; and (v) including new causes for the revocation of permits.

Moreover, the Hydrocarbons Law Reform wrestles back public control of Mexico's fuel sales sector. Consequently, the Hydrocarbons Law Reform has a greater impact on entities in the downstream and midstream segments. The amendments introduced by the Hydrocarbons Law Reform affect all kinds of permits, indistinctly, resulting in SENER and CRE having the ability to: (i) revoke, suspend or intervene, export and commercialization permits of hydrocarbons; (ii) liquefaction, transportation and storage of natural gas, oil or petroleum products; and (iii) import, commercialization, distribution and retail of petroleum products.

In light of these reforms, the Mexican Judiciary has admitted more than five thousand injunctions to halt the implementation of some of the measures adopted by the current Mexican Government and minimize the impact of the amendments to the Hydrocarbons Law Reform.

While the Hydrocarbons Law Reform, in principle, does not seem to affect the activities of hydrocarbons exploration and production under our E&P license contracts, it is important to note that, given the broad authority granted to the CRE and SENER, the Hydrocarbons Law Reform may potentially impact our sale of crude oil and natural gas, as such activity is executed through our commercialization permit granted by the CRE (and may indirectly affect the development of our E&P activities under our license contracts).

Additionally, on September 30, 2021, President Andres Manuel Lopez Obrador presented a constitutional initiative to reform the energy sector in Mexico before the Chamber of Deputies (the "Reform"). The Reform consists of amending certain guidelines and precepts of the Mexican energy sector by revising Articles 25, 27 and 28 of the Mexican Constitution and its corresponding amendment to secondary laws, mainly the Electricity Industry Law (*Ley de la Industria Eléctrica*).

On April 17, 2022, the Reform was voted on in the Chamber of Deputies. With 275 votes in favor, 223 against and zero abstentions, the Reform was not approved despite having more votes in favor, as it did not gather the sufficient votes to reach the qualified majority on the Chamber of Deputies (333 votes in favor) required for the Energy Reform to pass. As a consequence, the energy sector, at a constitutional level, remains unchanged as it was approved during the 2013 Energy Reform.

The Reform intended for the Mexican State to retake control of the electricity sector through its state-owned productive company, the Federal Electricity Commission (*Comisión Federal de Electricidad*, "CFE") through, among others, the establishment of the following conditions:

a) both CFE and Pemex would have ceased to be productive state-owned companies and would have become governmental entities, by once again becoming companies wholly controlled by the Federal Government in charge of securing Mexico's energy sovereignty;

b) the cancellation of all power generation permits (including all permit applications pending resolution) and power purchase agreements currently in force, as well as the non-recognition of self-supply and independent power producer permits modified and in force prior to the 2013 Energy Reform;

c) CFE would have had the constitutional right to generate at least 54% (fifty-four) percent of Mexico's electrical power, leaving the remaining 46% (forty-six) percent to the private sector;

d) CFE would have been granted the authority to determine Transmission and Distribution tariffs and effectively nullify the Clean Energy Certificates program (CELS); and

e) CNH would have been absorbed by SENER and no longer would have been and independent regulator.

Measures adopted by the antitrust authority in Mexico could have a material adverse effect on our results and financial condition.

The Mexican Federal Economic Competition Commission ("COFECE") is the antitrust authority in Mexico with jurisdiction over a number of sectors of the Mexican economy, including the oil and gas sector, and as such, has jurisdiction over the activities conducted by Vista. The Mexican government has granted COFECE broad powers to investigate and prosecute absolute monopolistic practices (cartel activity), relative monopolistic practices (abuse of dominance) and illegal concentrations, as well as to prevent concentrations which could have anticompetitive effects. Additionally, COFECE can determine the existence of essential facilities and regulate their access and identify barriers to entry and issue recommendations to federal, local and municipal authorities to eliminate such barriers and encourage competition. Therefore, many of our activities may be reviewed by COFECE and, in the particular case of equity transactions involving certain monetary and ownership thresholds, we may be required to notify COFECE of our intent to enter into such transactions and the consummation of such transactions may be subject to COFECE's authorization in accordance with applicable Mexican laws. As a result, the closing of pending or future acquisitions of assets or common shares in the Mexican market may be subject to the satisfaction or waiver of customary closing conditions, including, among others, the authorization of COFECE. Completion of such transactions is not assured, and they will be subject to risks and uncertainties, including the risk that the necessary regulatory approvals are not obtained or that other closing conditions are not satisfied. If such transactions are not completed, or if they are otherwise subject to significant delays, it could negatively affect the trading prices of our common shares and our future business and financial results.

Further, COFECE might decide to impose penalties or establish conditions on our business if we are unable to request or receive, or are delayed in requesting or receiving, the aforesaid authorizations and, if these were to materialize, such claims could have a material adverse effect on our results and financial condition. Similarly, it cannot be guaranteed that the authorizations that have not been obtained can be obtained or can be obtained without conditions. Failure to obtain those authorizations, or the conditions to which they may be subject, could have a material adverse effect on our results and financial condition.

Certain risks are inherent in any investment in a company operating in an emerging market such as Argentina and Mexico.

Argentina and Mexico are standalone and emerging market economies, respectively, according to MSCI Inc. Investing in such markets generally carries risks. These risks include political, social and economic instability that may affect Argentina's and Mexico's economic results, which can stem from many factors, including but not limited to, the following: high interest rates; abrupt changes in currency values; high levels of inflation; exchange controls; wage and price controls; regulations to import equipment and other necessities relevant for operations; changes in governmental economic, administrative or tax policies; political and social tensions. The impact of hostilities or political problems in other countries could affect international trade, the price of commodities and the global economy; and ability to obtain financing from international markets.

Any of these factors, as well as volatility in the capital markets, may adversely affect our business, results of operations, financial condition, the value of our series A shares and ADSs, and our ability to meet our financial obligations.

We are or could be subject to direct and indirect restrictions on imports and exports under Argentine law.

The Argentine Hydrocarbons Law allows hydrocarbons exports, as long as such volumes are not required for the Argentine domestic market and as long as these are sold at reasonable prices. In this respect, oil and gas companies have faced restrictions to export crude oil from Argentina, therefore limiting their access to greater revenues when international prices are above domestic prices in Argentina.

In the case of natural gas, Argentine Law No. 24,076 and the related regulations require that all domestic market needs be considered when authorizing long-term exports of natural gas. In this sense, the SdE may authorize export operations of natural gas surplus provided they are subject to interruption upon local supply shortages.

In recent years, Argentine authorities have adopted certain measures which resulted in restrictions on the exports of natural gas from Argentina. Because of these restrictions, oil and gas companies have been forced to sell part of their natural gas production in the local market that was originally intended for the export market and have been unable in certain cases to comply wholly or partially with their export commitments.

Additionally, there are certain obligations and restrictions for exporters in accordance with current in-force FX regulations, including, but not limited to, obligation to repatriate and settle in Argentine Pesos in the local exchange market proceeds from exports of goods. See "Item 10—Additional Information—Exchange Controls ."

We cannot predict for how long these restrictions on exports will remain in force, or whether future measures will be taken that adversely affect our ability to export and import gas, crude oil, or other products and, consequently, affect our financial condition, results of operations, and cash flows.

Regarding imports, in recent years, the Argentine government has implemented certain measures that control and restrict imports of many products and services, including some product and services which are needed for oil and gas operations. Such restrictions could delay some of our projects and negatively impact our operations and financial metrics.

Furthermore, in order to reduce natural gas imports and the use of the BCRA's foreign exchange reserves for the payment thereof, the Argentina National Congress enacted Law No. 27,007, which increased the number of participants eligible to benefit from the Investment Promotion Regime under the Hydrocarbons Law. In addition, by Decree No. 892/2020, dated November 13, 2020, the Argentine Government implemented the Argentine Natural Gas Production Promotion Plan—Supply and Demand Scheme 2020-2024. If the Argentine government were unable to comply with its obligations in connection with the importation of natural gas could materially and adversely affect the Argentine economy and our business, financial condition and results of operations. Therefore, we may face restrictions, higher costs, and delays in the delivery of goods that could have effects on our operational performance, and therefore, affect our financial condition, results of operations, and cash flow.

Current Argentine exchange controls and the implementation of further exchange controls could adversely affect our results of operations.

The Argentine government and the BCRA have implemented certain measures that control and restrict the ability of companies and individuals to access to the foreign exchange market. Those measures include, among others: (i) restricting access to the Argentine foreign exchange market for the purchase or transfer of foreign currency abroad for any purpose, including the payment of dividends to non-resident shareholders; (ii) restrictions on the acquisition of any foreign currency to be held as cash in Argentina; (iii) requiring exporters to repatriate and settle in pesos, in the local exchange market, all the proceeds of their exports of goods and services; (iv) limitations on the transfer of securities into and from Argentina; (v) establishing certain mandatory refinancing on U.S. Dollar-denominated debt; and (vi) the implementation of taxes on certain transactions involving the acquisition of foreign currency.

There can be no assurance that the BCRA or other government agencies will not increase or relax such controls or restrictions, make modifications to these regulations, impose further mandatory refinancing plans related to our indebtedness payable in foreign currency, establish more severe restrictions on currency exchange, or maintain the current foreign exchange regime or create multiple exchange rates for different types of transactions, substantially modifying the applicable exchange rate at which we acquire currency to service our outstanding liabilities denominated in currencies other than the Peso, all of which could affect our ability to comply with our financial obligations when due, raise capital, refinance our debt at maturity, obtain financing, execute our capital expenditure plans, and/or undermine our ability to pay dividends to foreign shareholders. Consequently, these exchange controls and restrictions could materially adversely affect the Argentine economy and our business, financial condition and results of operations. For additional information, please see "Item 10—Additional Information—Exchange Controls."

In addition, we cannot assure you that the Mexican government would not impose exchange controls or other confiscatory measures.

The imposition of export duties and other taxes have adversely affected the oil and gas industry in Argentina and could adversely affect our results in the future.

In the past, the Argentine government has imposed duties on exports, including exports of oil and liquid petroleum gas products (for example, among others, by means of the Solidarity Law and Decree 488/2020). Under the current regulation, export duties on crude hydrocarbons are 8%.

Export duties and taxes may have a material adverse effect on Argentina’s oil and gas industry and our results of operations. We produce exportable goods and an increase in export taxes is likely to result in a decrease in our products’ price, and, therefore, may also result in a decrease of our sales. We cannot guarantee the impact of those or any other future taxes and measures that might be adopted by the Argentine government on demand and prices for hydrocarbon products and, consequently, our financial condition and result of operations.

The impact of inflation in Argentina on our costs could have a material adverse effect on our results of operations.

Historically, inflation has materially undermined the Argentine economy and the Argentine government’s ability to create conditions that foster growth. In recent years, Argentina has experienced high inflation rates.

The consumers price index published by the INDEC (the *Índice de Precios al Consumidor*, or “IPC”) variation for the period from January to December 2021 was 50.9%.

The Argentine government continued implementing measures to monitor and control prices for the most relevant goods and services. Despite such efforts, the Argentine economy continues to experience high levels of inflation. If the value of the Argentine Peso cannot be stabilized through fiscal and monetary policies, an increase in inflation rates could be expected.

High inflation rates affect Argentina’s foreign competitiveness, social and economic inequality, negatively impact employment, consumption and the level of economic activity and undermines confidence in Argentina’s banking system, which could further limit the availability of and access to domestic and international credit by local companies and political stability.

Inflation remains a challenge for Argentina given its persistent nature. Argentina’s structural inflationary imbalances remain critical, which may cause the current levels of inflation to continue and have an adverse effect on Argentina’s economy and financial condition. Inflation can also lead to an increase in Argentina’s debt. Inflation in Argentina has contributed to a material increase in our operating costs, particularly labor costs, and has negatively impacted our results of operations, financial position and business.

Inflation rates could escalate in the future, and there is uncertainty regarding the effects that the measures adopted, or that may be adopted in the future, by the Argentine government to control inflation may have. See “—Government intervention may adversely affect the Argentine economy and, as a result, our business and results of operations in Argentina” below. Increased inflation could adversely affect the Argentine economy and, in turn, could adversely affect our business, financial condition and the market price of our series A shares and the ADSs.

Significant fluctuations in the value of the Argentine Peso could adversely affect the Argentine economy and our business and results of operations in Argentina.

Fluctuations in the value of the Argentine Peso may adversely affect the Argentine economy, our financial condition and results of operations. While most of our revenues are denominated in U.S. Dollars, upstream players could be limited by the ability of refiners to pass through crude oil prices to the pump prices, which are denominated in local currency, in the event of significant increases in international crude oil prices or in exchange rates. For example, despite the rapid increase in Brent during the first quarter of 2022, from US$77.2 /bbl on December 31, 2021, to US$107.6 /bbl on March 31, 2022, domestic crude oil prices in Argentina remain around US$60 /bbl for Medanito type crude oil. This can generate risk to our revenue stream in volatile macroeconomic environments. We are therefore exposed to the risks associated with the fluctuation of the Argentine Peso relative to the U.S. Dollar.

The continued depreciation of the Argentine Peso could have a material adverse effect on Argentina's economy and, consequently, our cash flows, financial condition and results of operations.

The ability of the Argentine government to stabilize the foreign exchange market and restore economic growth is uncertain. An appreciation of the Peso in real terms affects the competitiveness of the economy, including the oil and gas sector, as makes goods and services denominated in local currency more expensive in relative terms. This could increase our operating and capital expenditures, and negatively affect our financial performance. A significant appreciation in real terms of the Argentine Peso against the U.S. Dollar also presents risks for the Argentine economy, including the possibility of a reduction in exports (as a consequence of the loss of external competitiveness). Such an appreciation could also have a negative effect on the growth of the economy and employment and reduce tax collection in real terms.

Our properties may be subject to expropriation by the Mexican and Argentine governments for public interest reasons.

Our assets, which are mainly located in Argentina and, to a lesser extent, in Mexico, may be subject to expropriation by the Argentine and Mexican governments (or the government of any political subdivision thereof), respectively. We are engaged in the business of oil extraction and, as such, our business or our assets may be considered by a government to be a public service or essential for the provision of a public service. Therefore, our business is subject to political uncertainties, including expropriation or nationalization of our business or assets, loss of concessions, renegotiation or annulment of existing contracts, and other similar risks.

In such an event, we may be entitled to receive compensation for the transfer of our assets under applicable law. However, the price received may not be sufficient, and we may need to take legal actions to claim appropriate compensation. Our business, financial condition and results of our operations could be adversely affected by the occurrence of any these events.

We cannot assure that any acts of expropriation by the Argentine or Mexican governments, changes in applicable laws and regulations, or adverse judicial or administrative interpretations of such laws and regulations will not have a material adverse effect on our operation and business, or the Argentine or Mexican economies in general and, as a consequence, adversely affect our financial condition, our results of operations.

Government intervention may adversely affect the Argentine economy and, as a result, our business and results of operations in Argentina.

In the past, the Argentine government has intervened directly in the economy through expropriation, nationalization, price controls and exchange controls, among others.

Historically, the Argentine government has adopted measures to directly or indirectly control the access of private companies and individuals to foreign trade and foreign exchange markets, such as restricting its free access and imposing the obligation to repatriate and sell in the local foreign exchange market all foreign currency revenues obtained from exports. These regulations prevent and limit us from offsetting the risk derived from our exposure to the U.S. Dollar. Our business and operations in Argentina may also be adversely affected by measures adopted by the Argentine government to address inflation and promote sustainable macroeconomic growth.

A low growth rate and high inflation scenario is likely to occur in the future as a result of the accumulation of macroeconomic imbalances in recent years, the Argentine government's regulatory actions and difficult international economic conditions, as well as the additional stress imposed by the COVID-19 pandemic. We cannot give any assurance that the policies implemented by the Argentine government will not adversely affect our business, results of operations, financial condition, value of our securities and ability to meet our financial obligations.

Argentina's economy is highly sensitive to local political developments, which in the past have had an adverse impact on the level of investment. Future developments may adversely affect Argentine economy and, in turn, our business, results of operations, financial condition, the value of our securities, and our ability to meet our financial obligations.

In addition, the Argentine government has enacted laws and regulations requiring private sector companies to maintain certain wage levels and provide their employees with additional benefits. On December 13, 2019, the current administration declared a labor emergency for a 180-day term. In this context, the Argentine government doubled the amount of the statutory severance payments payable to employees hired before December 13, 2019 and dismissed between December 13, 2019 and June 13, 2020. The labor emergency was further extended by Decree No. 39/21 and Decree No. 886/21 through June 30, 2022. Decree 886/21 also provides that double severance payments will be progressively reduced until they are effectively finalized in June 2022.

On December 20, 2019, the Argentine congress enacted the Solidarity Law, declaring a public emergency on the economic, financial, fiscal, administrative, social and energetic fronts, among others, thus delegating in the Argentine Executive Branch the ability to ensure the sustainability of public indebtedness, regulate the energetic tariff restricting through an integral review of the current tariff regime and the intervention of supervisory entities, among others. The Solidarity Law establishes the restructuring of the energy tariff scheme and froze the natural gas and electricity tariffs. In addition, the Solidarity Law entitles the Argentine Executive Branch to intervene the ENARGAS and the ENRE.

On March 17, 2020, Decree No. 278/2020 was published in the Official Gazette, which provides for the State intervention in ENARGAS until December 31, 2020, which was extended by Decree No. 1,020/2020 until the earlier of (i) December 31, 2021, or (ii) until the end of the renegotiation of the tariff revision provided for by the decree is completed, the earlier of. Afterwards, the intervention was extended until December 31, 2022, by means of Decree No. 871/2021.

We cannot predict the impact that the Solidarity Law may have, nor the measures that could be adopted by the current administration regarding the Argentine economy in order to meet its financial obligations, which might negatively affect our business, financial condition and results of operations.

In the future, the Argentine government may impose further exchange controls and restrictions on transfers abroad, restrictions on the movement of capital or take other measures in response to capital flight or a significant depreciation of the Argentine Peso, which could limit our ability to access the international capital markets. Such measures could lead to political and social tensions and undermine the Argentine government’s public finances, as has occurred in the past, which could have an adverse effect on economic activity in Argentina and, consequently, adversely affect our business and results of operations and cause the market value of our series A shares or ADSs to decline.

Investors in stand-alone and emerging markets, where our operations are located, are subject to greater risks than investors in more developed markets, including significant political, legal and economic risks, as well as risks related to fluctuations in the global economy.

Our operations are located in stand-alone and emerging markets, such as Argentina and Mexico, respectively. According to a statement from MSCI Inc., Argentina was considered an emerging market until June 2021, when it was reclassified as stand-alone market. As per the MSCI Global Market Accessibility Review, while nations classified as emerging market are developing countries with potential growth in their economies, trade relations with other countries, stability of institutional framework, equal rights to foreign investors and low levels of capital flow restrictions, countries classified as stand-alone markets are those that are currently partially or fully closed to foreign investors, where stock lending and short selling are activities that are either not developed or completely prohibited, with small capital markets and political tensions.

Mexico’s emerging market status was also concurrently confirmed. Economic and market conditions in Argentina and other emerging market in Latin America influence the securities market issued by Argentine companies. Volatility in the securities markets in Latin America and emerging market countries, as well as possible increases in interest rates in the United States and other developed countries, may have a negative impact on the trading value of our securities and the conditions under which we can access international capital markets. In addition, stand-alone markets include additional risks, such as governmental restrictions that may limit investment and the risk associated with political developments.

In addition, the SEC, U.S. Department of Justice, or the DOJ, and other authorities often have substantial difficulties in bringing and enforcing actions against non-U.S. companies and non-U.S. persons, including company directors and officers, in certain standalone and emerging markets, including Argentina and Mexico. Additionally, our public shareholders may have limited rights and few practical remedies in standalone and emerging markets where we operate, as shareholder claims that are common in the United States, including class action based on securities law and fraud claims, generally are difficult or impossible to pursue as a matter of law or practicality in many standalone and emerging markets.

As we operate in standalone and emerging markets such as Argentina and Mexico, we may be exposed to any one or a combination of these risks, and our business, prospects, financial condition and results of operations could be adversely affected.

Oil and gas exploitation concessions, exploration permits and production and exploration contracts in Argentina and Mexico are subject to certain conditions and may be revoked or not renewed.

Argentina

Law No. 17,319 (as amended, the "Hydrocarbons Law") is the main regulatory framework of the hydrocarbons industry, as it created a system of exploration permits and production concessions awarded by the state (federal or provincial, depending on the location of the resources), through which companies hold exclusive rights to explore, develop, exploit and take title of the production at the wellhead, in exchange for a royalty payment and adherence to the general taxation regime.

The Hydrocarbons Law, as amended, provides for oil and gas concessions to remain in effect for 25 years, 35 years for unconventional concessions and 30 years for offshore concessions, in each case, as from the date of their award and subject to extensions for periods of up to 10 years each. In order to be eligible for an extension of a concession under the modifications of Law No. 27,007, concessionaires must (i) have complied with their obligations, (ii) be producing hydrocarbons in the concession under consideration and (iii) submit an investment plan for the development of such areas as requested by the competent authorities up to a year prior to the termination of each term of the concession.

In addition, holders of concessions who apply for extensions (pursuant to Law No. 27,007) may be required to pay additional royalties ranging from 3% and up to a total maximum of 18%. Under the Hydrocarbons Law, failure to meet the aforementioned standards and obligations may result in the imposition of fines, and material violations which remain uncured upon expiration of the relevant cure period may result in the revocation of the concession or permit.

No assurance can be given that our concessions will be renewed in the future by the competent authorities based on the investment plans submitted to that effect, or that such authorities will not impose additional requirements for the renewal of such concessions or permits. Additionally, five of our concessions were granted for a 35-year period and with royalties of 12%, under the terms prescribed by Law 27,007. We cannot assure you that any future legislation the Argentine government may enact from time to time may not affect such concessions.

Exploration permits and exploitation concessions provide a vested right that cannot be terminated without legal indemnification. Nonetheless, relevant provincial enforcement authorities are entitled to revoke these licenses in the event of a breach of the permit or concession conditions by the licensee (article 80 of Law No. 17,319). Licensees can also partially or totally relinquish, at any time, the acreage of a permit or concession. If an exploration permit is relinquished, the licensee will be bound to pay any investment amounts committed and not fulfilled (articles 20 and 81 of Law No. 17,319).

Law No. 26,197 transferred the eminent domain on hydrocarbon reservoirs from the Argentine Government to the provinces. Exploration permits and exploitation concessions in existence when Law 26,197 was enacted have been transferred to the relevant provincial governments until their expiration. On the other hand, transportation concessions between provinces continue to be subject to federal jurisdiction. Petroleum rights are independent from surface rights. Oil production belongs to the licensee (the titleholder of an exploration permit or exploitation concession) upon its extraction.

Expropriations in Argentina are regulated by the Federal Law on Expropriations, No. 21,499, which includes no specific provisions for oil and gas licenses.

No assurance can be given that our exploitation concessions will be renewed in the future by the relevant provincial authorities based on the investments plans submitted to that effect, or that such authority will not impose additional requirements for the renewal of such concessions.

Mexico

Our E&P license contract is valid for 30 years and may be renewed for up to two additional periods of up to five years each, subject to the terms and conditions set out in the contract. The power and authority to extend the term of existing and future contracts lies with the CNH. Under the existing contracts, in order for an E&P license contract to be eligible for an extension, the developer must (i) be in compliance with the terms of such contracts, (ii) submit an amendment proposal to the development plan and (iii) commit to maintain ‘sustained regular production’ throughout each extension.

No assurance can be given that our contracts will be renewed in the future by the CNH based on the investments plans submitted to that effect, that such authority will not impose additional requirements for the renewal of such contract, or that we will continue to have a good business relationship with the new and future administrations.

A global or regional financial crisis and unfavorable credit and market conditions may negatively affect our liquidity, customers, business, and results of operations.

The effects of a global or regional financial crisis and related turmoil in the global financial system may have a negative impact on our business, financial condition and results of operations.

The effects of an economic crisis on our customers and on us cannot be predicted. Weak global and local economic conditions could lead to reduced demand or lower prices for energy, hydrocarbons and related oil products and petrochemicals, which could have a negative effect on our revenues. Economic factors such as unemployment, inflation and the unavailability of credit could also have a material adverse effect on the demand for energy and, therefore, on our business financial condition and results of operations. The financial and economic situation in Argentina, Mexico or in other countries in Latin America, such as Brazil, may also have a negative impact on us and third parties with whom we do, or may do, business. See “—The Argentine economy can be adversely affected by economic developments in other markets and by more general “contagion” effects, which could have a material adverse effect on Argentina’s economic growth” below.

The Argentine economy can be adversely affected by economic developments in the global financial markets, and by more general “contagion” effects from other financial markets, which could have a material adverse effect on Argentina’s economic growth.

Financial and securities markets in Argentina and the Argentine economy are influenced by the effects of global or regional financial crises and market conditions in other markets worldwide. Global economic instability such as uncertainty about global trade policies, the deterioration of economic conditions in Brazil (Argentina’s main trading partner) and of the economies of other major trading partners of Argentina, such as China or the United States, the withdrawal of the United Kingdom from the European Union (“Brexit”), geopolitical tensions between the United States and a number of foreign countries, the ongoing war between Russia and Ukraine, decisions by the Organization of Petroleum Exporting Countries (“OPEC”) and other non-OPEC oil-producing nations with respect to oil production that affect oil prices, idiosyncratic, political and social discords, terrorist attacks, sovereign debt downgrades, a pandemic disease, including the result of the ongoing COVID-19 pandemic, could impact the Argentine economy and jeopardize Argentina’s ability to stabilize its economy, among others. Although economic conditions vary from country to country, investors’ reactions to events occurring in one country sometimes demonstrate a “contagion” effect in which an entire region or class of investment is disfavored by international investors.

Consequently, there can be no assurance that the Argentine economy and securities markets will not be adversely impacted by events affecting the world, a particular region, developed economies, emerging markets or any of Argentina’s major trading partners, which could in turn adversely affect our business, financial condition and results of operations, and the market value of our ADSs. Furthermore, a significant devaluation of the currencies of our trading partners or trade competitors may adversely affect the competitiveness of Argentina and, consequently, adversely affect Argentina’s economy and our financial condition and results of operations.

Restrictions on the supply of energy could negatively impact the Argentine economy and, therefore, our business, financial conditions and results of operations.

As a result of prolonged recession and the forced conversion of energy tariffs into Argentine Pesos and subsequent freeze of natural gas and electricity tariffs in Argentina, there has been a lack of investment in natural gas and electricity supply and transport capacity in Argentina in recent years. At the same time, demand for natural gas and electricity has increased substantially, driven by a recovery in economic conditions and price constraints, which prompted the Argentine government to adopt a series of measures that have resulted in industry shortages and/or higher costs, including, but not limited to: importing natural gas to compensate for shortages in local production, using BCRA reserves given the absence of foreign direct investment, increasing the number of participants eligible to benefit from the Promotional Investment Regime under the Hydrocarbons Law, and creating Gas.Ar Plan. See "Item 4—Information on the Company—Industry and Regulatory Overview—Oil and Gas Regulatory Framework in Argentina." In the event that these measures do not have the effect sought by the Argentine government, the latter could be forced to continue to import natural gas which, as mentioned above, could have a negative impact on the BCRA's foreign currency reserves. If the Argentine government is unable to pay for imports of natural gas, economic activity, business and industries may be adversely affected.

The Solidarity Law empowered the Argentine Executive Branch to "maintain" natural gas tariffs under federal jurisdiction, renegotiate the integral tariff revision or initiate an extraordinary revision. Also, the Solidarity Law entitles the Argentine Executive Branch to intervene in the management of the ENARGAS (Ente Nacional Regulador del Gas) and the ENRE. On March 17, 2020, Decree No. 278/2020 was published in the Official Gazette, which provides for the State intervention in ENARGAS until December 31, 2020, which was extended by Decree No. 1,020/2020 until the earlier of (i) December 31, 2021, or (ii) until the end of the renegotiation of the tariff revision provided for by the decree is completed, the earlier of. The intervention was extended until December 31, 2022, by means of Decree No. 871/2021.

In December 2020, the Argentine government decreed the initiation of a comprehensive rate review for services rendered by providers of public transportation and distribution services of electric energy and natural gas under federal jurisdiction. The renegotiation of the current tariffs is expected to be completed within a two-year period, and will be conducted by the ENRE and ENARGAS respectively, enabling citizen participation mechanisms.

Changes in the energy regulatory framework and the establishment of increased tariffs for the supply of gas and electricity could affect our cost structure and increase operating and public service costs. Moreover, the significant increase in the cost of energy in Argentina, could have an adverse effect on the Argentine economy, and therefore, on our business, financial condition and results of operations.

There is uncertainty about what other measures the Argentine government may adopt related to tariffs, and the impact they may have on the economy of the country. If the federal Argentine government does not resolve the negative effects on the production, transportation and distribution of energy in Argentina with respect to both the residential and industrial supply, this could reduce confidence and adversely affect Argentina's economy and financial situation and cause political instability. On the other hand, if the necessary investment to increase the production of natural gas and the transportation and distribution of energy is not determined in a timely manner, the economic activity in Argentina could be negatively affected and our business, financial condition and results of operations could be negatively affected.

Federal and provincial elections in Argentina may generate uncertainty in the Argentine economy and, consequently, on our businesses.

Presidential elections take place in Argentina every four years and legislative elections every two years, resulting in the partial renewal of both chambers of Congress. The next presidential and legislative elections are scheduled for October 2023. Changes in the local and federal administrations may also imply alterations of programs and policies that apply to the oil and gas sector. Argentina's president and its Congress each have considerable power to determine governmental policies and actions that relate to the Argentine economy. Therefore, we cannot foresee measures that might be adopted by any future federal administration, or by any future administration at the provincial level, and the effect any such measures might have on the Argentine economy and the ability of Argentina to comply with its financial obligations, which could negatively affect our business, financial condition and results of operations. In addition, we cannot assure you that economic, regulatory, social and political developments in Argentina will not impair our business, financial condition or results of operations, or cause the market value of our shares or ADSs to decline.

Failure to adequately address actual and perceived risks of institutional deterioration and corruption may adversely affect Argentina's economy and financial condition and, consequently, our business.

A lack of a solid and transparent institutional framework for contracts with the Argentine government and its agencies and corruption allegations have affected and continue to affect Argentina. In Transparency International's 2021 Corruption Perceptions Index survey of 180 countries, Argentina was ranked 96 (with one being the least corrupt country and 180 being the most corrupt country), decreasing from the previous survey in 2020.

As of the date of this annual report, there are various ongoing investigations into allegations of money laundering and corruption being conducted by the Argentine Public Prosecutor (*Ministerio Público Argentino*). Companies involved in the investigations may be subject to, among other consequences, a decrease in their credit ratings, claims filed by their investors, and may further experience restrictions in their access to financing through the capital markets, together with a decrease in their income. The potential outcome of these and other ongoing corruption-related investigations is uncertain, but they have already had an adverse impact on the image and reputation of those companies that have been implicated, as well as on the general market perception of the economy, political environment and the capital markets in Argentina. We have no control over and cannot predict the outcome of any such investigations or allegations nor their effect on the Argentine political and economic instability, nor the can we predict the adverse effect on our commercial activities and results of operations.

Recognizing that the failure to address these issues could increase the risk of political instability, distort decision-making processes and adversely affect Argentina's international reputation and ability to attract foreign investment.

The Argentine State owns the hydrocarbons reserves located in the subsoil in Argentina.

The Hydrocarbons Law provides that liquid and gaseous hydrocarbon deposits located in the territory of the Argentina and in its continental shelf belong to the inalienable and imprescriptible patrimony of the Argentine State, either at the Federal or Provincial level, depending on the location of such deposits. However, the exploration and production of oil and natural gas is carried out through exploration permits and exploitation concessions granted to public and private companies. Access to crude oil and natural gas reserves is essential to an oil and gas company's sustained production and generation of income, and our ability to generate income would be materially and adversely affected if the Argentine government were to restrict or prevent us from exploring or extracting any of the crude oil and natural gas reserves that it has assigned to us or if we are unable to compete effectively with other oil and gas companies in future bidding rounds for additional exploration and production rights in Argentina. See "Item 4—Information on the Company—Industry and Regulatory Overview—Oil and Gas Regulatory Framework in Argentina."

Economic conditions and government policies in Mexico and elsewhere may have a material impact on our operations.

A deterioration in Mexico's economic condition, social instability, political unrest, changes in governmental policies, or other adverse social developments in Mexico could adversely affect our business and financial condition. Those events could also lead to increased volatility in the foreign exchange and financial markets, thereby affecting our ability to obtain financing. Additionally, the Mexican government has announced several budget cuts in recent years in response to declines in international crude oil prices. Any new budget cuts could adversely affect the Mexican economy and, consequently, our business, financial condition, operating results and prospects.

In the past, Mexico has experienced several periods of slow or negative economic growth, high inflation, high interest rates, currency devaluation and other economic problems. These problems may worsen or reemerge, as applicable, in the future and could adversely affect our business and ability to service our debt. A worsening of international financial or economic conditions, such as a slowdown in growth or recessionary conditions in Mexico's trading partners, including the United States, or the emergence of a new financial crisis, could have adverse effects on the Mexican economy, our financial condition and our ability to service our debt.

Also, the Mexican government has had significant influence in the Mexican economy in the past and will likely continue to do so. Changes in the legal framework and policies may adversely affect our business and the value of our securities.

Criminal activity in Mexico could affect our operations.

In recent years, Mexico has experienced a period of increasing criminal activity, primarily due to the activities of drug cartels and related criminal organizations. In addition, the development of the illicit market in fuels in Mexico has led to increases in theft and illegal trade in the fuels that we produce. In response, the Mexican government has implemented various security measures and has strengthened its military and police forces. Despite these efforts, criminal activity continues to exist in Mexico, some of which may target our facilities and products. These activities, their possible escalation and the violence associated with them, in an extreme case, may have a negative impact on our financial condition and results of operations.

Economic and political developments in Mexico may adversely affect Mexican economic policy and, in turn, our operations.

Political events in Mexico may significantly affect Mexican economic policy and, consequently, our operations. The Mexican presidential elections of 2018 resulted in an administration change effective as of December 1, 2018. The current Mexican Federal administration was elected by a significant majority of the electorate and the coalition *Juntos Haremos Historia* gained control of both chambers of the Federal Congress, which has given *Morena* (the party of Andrés Manuel López Obrador) considerable power to enact, modify or terminate legislation, including constitutional amendments. Members of the current administration, including president Andrés Manuel López Obrador have expressed, among other things, their desire to modify and/or terminate certain structural reforms. Some relevant changes in public policy and legislation sponsored by the current administration have already been enacted and/or implemented and some are under way (see "Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to the Argentine and Mexican Economic and Regulatory Environments—Our operations are subject to extensive and changing regulation in the countries in which we operate"). There cannot be any assurance in the predictions of how the current administration will be conducted and any measure adopted by such new administration could have uncertain results and negative impacts. In this context, the availability of updated official technical and economic information regarding the energy sector by the Ministry of Energy and the corresponding regulators has decreased as opposed to past administrations. Additionally, other events and changes, and any political and economic instability that may arise in Mexico, could have a material adverse effect on the economy of the country. The extent of such impact cannot be accurately predicted. We cannot provide any assurances that political developments in Mexico will not have an adverse effect on the Mexican economy or oil and gas industry and, in turn, our business, results of operations and financial condition, including our ability to repay our debt. There is no guarantee that the Mexican political environment will continue its relative stability in the future.

Economic conditions in Mexico are highly correlated with economic conditions in the United States due to the physical proximity and the high degree of economic activity between the two countries generally, including the trade facilitated by the North American Free Trade Agreement ("NAFTA"). As a result, political developments in the United States, including changes in the administration and governmental policies, can also have an impact on the exchange rate between the U.S. Dollar and the Mexican peso, economic conditions in Mexico and the global capital markets.

Since 2003, exports of petrochemical products from Mexico to the United States have enjoyed a zero-tariff rate under NAFTA and, subject to limited exceptions, exports of crude oil and petroleum products have also been free or exempt from tariffs. In August 2017, Mexico, the United States and Canada commenced renegotiation of NAFTA. On November 30, 2018, Mexico, the United States and Canada signed the new United States-Mexico-Canada Agreement (the "USMCA"). As of the date of this annual report, the United States, Mexico and Canada have completed their domestic processes for the ratification and implementation of the USMCA, and the USMCA entered into force as of July 1, 2020. Because the Mexican economy is heavily influenced by the U.S. economy, the implementation of the USMCA and/or other U.S. government policies that may be adopted by the U.S. administration may adversely affect economic conditions in Mexico. These developments could in turn have an adverse effect on our financial condition, results of operations and ability to repay our debt.

In addition, the election of President Joseph R. Biden and the recent change in the U.S. administration may have an impact on the worldwide economy and in Mexico. The policies of the U.S. government towards Mexico have, from time to time, created instability, uncertainty and may adversely affect the Mexican economy. For example, in 2019, former President Donald Trump instituted import tariffs and enforced measures intended to control illegal immigration from Mexico, each of which has created friction between the U.S. and Mexican governments and may reduce economic activity between these countries. On January 20, 2021, Joseph R. Biden became the 46th President of the United States, and his administration may pass legislation that could impact Mexico. While the Mexican and U.S. governments have been able to reach an understanding in the past, we cannot assure you that such understanding will remain in place or that the U.S. government will not impose policies on Mexico in the future and that we will not be materially adversely affected by such policies in the future.

Additionally, President Andrés Manuel López Obrador and his administration have recently taken actions for limiting new private investment in the hydrocarbons industry, including the cancellation of tender bids for the execution of E&P agreements. As of the date of this annual report, no other tender bids have been announced, and certain state officers have stated during press conferences that hydrocarbon tender rounds and farm-outs are not currently a part of the Federal Government’s plans to increase oil production. These actions may adversely affect our ability to expand our operations in Mexico.

The Mexican nation owns the hydrocarbons reserves located in the subsoil in Mexico.

The Mexican Constitution provides that the Mexican nation, and not us, owns all petroleum and other hydrocarbon reserves located in the subsoil in Mexico. Article 27 of the Mexican Constitution provides that the Mexican government will carry out E&P activities through contracts with third parties or allocations awarded to State Productive Enterprises (*empresas productivas del Estado*). The Mexican Hydrocarbons Law allows us and other oil and gas companies to explore and extract the petroleum and other hydrocarbons reserves located in Mexico, subject to the entry into agreements pursuant to a competitive bidding process. Access to crude oil and natural gas reserves is essential to an oil and gas company’s sustained production and generation of income, and our ability to generate income would be materially and adversely affected if the Mexican government were to restrict or prevent us from exploring or extracting any of the crude oil and natural gas reserves that it has assigned to us or if we are unable to compete effectively with other oil and gas companies in future bidding rounds for additional exploration and production rights in Mexico. For more information, see “Item 4—Information on the Company—Industry and Regulatory Overview—Mexico’s Oil and Gas Industry Overview—Oil and Gas Regulatory Framework in Mexico.”

Recent amendments to the General Rules of Foreign Trade for 2020 may restrict the company’s options to export hydrocarbons from Mexico or affect the company’s business plan.

On June 11, 2021, the Mexican Tax Administration Service (*Servicio de Administración Tributaria* or SAT) published the Seventh Resolution of Amendments to the General Rules of Foreign Trade for 2020 (*Séptima Resolución de Modificaciones a las Reglas Generales de Comercio Exterior para 2020)* in the Federal Official Gazette. In particular, the amendment to Rule 2.4.1. has generated uncertainty among investors in the sector. The amendment implies that only state-owned productive enterprises (PEMEX or CFE) and their subsidiaries may obtain (i) the authorization to import or export hydrocarbons, fuels, petrochemicals, and other products from a place other than the authorized location or, (ii) the extension of such authorization. As a result, private investors may only import and export said products through customs, customs sections, international airports, authorized border crossings, ports, railway terminals that have customs services, and the other locations set forth in Article 9 of the Regulation of the Customs Law (*Reglamento de la Ley Aduanera*); while the State-owned companies will not be bound by such restrictions. This amendment may significantly restrict the company’s option to export hydrocarbons from Mexico or affect the company’s business plan.

The U.K.’s exit from the European Union will have uncertain effects.

The United Kingdom (“UK”) ceased to be a member state of the European Union (“EU”) on January 31, 2020, commonly referred to as “Brexit.” In December 2020, the UK and the EU agreed on a trade and cooperation agreement. Notably, under the trade and cooperation agreement, UK service suppliers no longer benefit from automatic access to the entire EU single market, UK goods no longer benefit from the free movement of goods and there is no longer the free movement of people between the UK and the EU. The long-term impact of the trade and cooperation agreement on our business is currently unclear. Adverse consequences concerning Brexit or the EU could include deterioration in global economic conditions, instability in global financial markets, political uncertainty, continued volatility in currency exchange rates, or adverse changes in the cross-border agreements currently in place, any of which could have an adverse impact on our financial results in the future.

The coronavirus and the measures taken or to be implemented by the Argentine and Mexican governments in response to the coronavirus have had and could continue to have a significant adverse effect on our business operations.

In late December 2019, a notice of pneumonia originating from Wuhan, Hubei province (COVID-19, caused by a novel coronavirus) was reported to the World Health Organization, with cases soon confirmed in multiple provinces in China, as well as in other countries. Several measures have been undertaken by the Argentine and Mexican governments and other governments around the globe, including the use of quarantine, screening at airports and other transport hubs, travel restrictions, suspension of visas, nation-wide lockdowns, closing of public and private institutions, suspension of sports events, restrictions to cultural sites and tourist attractions and extension of holidays, among many others. However, the virus spread globally and, as of the date of this annual report, has affected almost every country around the world, including Argentina and Mexico.

To date, the outbreak of the novel coronavirus has caused significant social and market disruption, including in the oil and gas market. During 2020, the Company’s revenues and financial condition were severely hit due to the reduced demand for oil and gas, and the collapse in oil and gas prices. Due to these issues, we decided to stop all drilling and completion activities, both in Argentina and Mexico, which negatively impacted our production by delaying development projects. The long-term effects to the global economy and the Company of epidemics and other public health crises, such as the on-going novel coronavirus, are difficult to assess or predict, and may include risks to employee health and safety, and reduced sales in geographic locations impacted. In addition, an actual or expected economic slowdown may adversely affect the demand and prices of our oil and gas products. We may also be affected by the need to implement policies limiting the efficiency and effectiveness of our operations, including the suspension of our field operations in the concessions we operate or work from home policies for personnel not involved in direct field operations. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term.

During 2021, the Argentine government gradually eased restrictions in place to contain the impact of the pandemic, such as re-opening schools, removing restrictions on domestic and international air travel, making the use of masks in public places optional, allowing public in massive sports and cultural events, in view of the progress made in vaccination campaigns. As of March 1, 2022, 80% of the population in Argentina had been fully vaccinated against COVID-19. In order to mitigate the adverse effects of the COVID-19 pandemic on the local economy, the Argentine government has adopted a series of fiscal and monetary measures, in addition to measures adopted by the Central Bank. These include a ban on layoffs, price controls, freezing and/or deferring payments on certain loan installments, extending medical benefits, reducing the tax burden and other financial assistance programs. While these measures have already helped to mitigate the impact of the pandemic and may help in the future to mitigate the impact of the pandemic on the Argentine economy in general, they may also have a negative impact on our business, financial condition and results of operations.

Additionally, since June 2020, Mexico’s federal government has used a four-tiered biweekly traffic light monitoring system to alert residents to the epidemiological risks of COVID-19 and provide guidance on restrictions on certain activities in each of the country’s states. Although the COVID-19 Omicron variant has resulted in a slight increase in the rate of infection in Mexico, the federal government has deemed all 32 states are safe to remain open for business, although for a few of the states it has implemented some cautions including, among others, mobility and activity restrictions preventing companies, businesses, and individuals to carry out their normal activities, as well as the imposition of financial and economic measures to face the economic and financial impact of this event. As of March 21, 2022, all of the states are in a green status, at which point all activities are allowed and no mobility restrictions are no longer in place. Moreover, as of March 1, 2022, 61 % of Mexico’s adult population had been fully vaccinated against COVID-19. It is likely that in the event a new wave of COVID-19 infections emerge or the pandemic worsens, the Mexican authorities will impose mobility and activities restrictions once again as deemed appropriate, which could have an impact on our operations, financial performance and development plans in such country, as experienced during 2020.

We cannot predict or estimate the ultimate negative impact that the COVID-19 pandemic will have in our results of operations and financial condition, since it remains highly uncertain and will depend on future developments outside of our control, including the intensity and duration of the pandemic and measures taken in order to contain the virus or mitigate the economic impact by the Argentine or Mexican governments.

Joint and several tax liability.

The Mexican government approved and published a tax provision in the Mexican Federal Official Gazette (Diario Oficial de la Federación) whereby from January 1, 2022, Mexican resident companies may be joint and severally liable for the taxes triggered by non-Mexican tax residents on the sale or disposition, to another non-Mexican tax resident party, of their shares or securities representing property of assets, issued by such companies, if the relevant Mexican resident company fails to provide certain information in respect of certain dispositions or sales to the Mexican tax authorities and the non-Mexican seller fails to comply with the obligation to pay the relevant tax. Given the mechanisms and procedures inherent to stock exchanges, including the volume of trading in the NYSE, Mexican companies, including us, have practical challenges in identifying and tracking the sale or disposition of the ADSs held by our investors, irrespective of them being Mexican or non-Mexican tax resident. Therefore, if the non-Mexican resident fails to pay taxes triggered on the sale and we fail to comply with the abovementioned information obligation, the tax authorities may assess joint and several liability on the Company for any unpaid taxes derived from the disposition or sale of the ADSs conducted by non-Mexican residents to another non-Mexican resident where certain requirements set forth in the Mexican Tax Law and its regulations are not complied with for such sale or disposition of ADSs to be exempt in Mexico. This potential assessment could have an adverse effect on our business, equivalent to the joint and several liability of the unpaid taxes.

Risks Related to our series A shares and the ADSs

The series A shares and ADSs are traded in more than one market and this may result in price variations; in addition, investors may not be able to easily move securities for trading between such markets.

As of the date of this annual report, our series A shares are listed and traded on the Mexican Stock Exchange and ADSs are listed on the NYSE. Markets for our series A shares or for the ADSs may not have liquidity and the price at which the series A shares or the ADSs may be sold is uncertain.

Trading in the ADSs or our series A shares on these markets takes place in different currencies (U.S. Dollars on the NYSE and Mexican pesos on the Mexican Stock Exchange), and at different times (resulting from different time zones, different trading days and different public holidays in the United States and Mexico). The trading prices of the securities on these two markets may differ due to these and other factors. Any decrease in the price of our series A shares on the Mexican Stock Exchange could cause a decrease in the trading price of the ADSs on the NYSE. Investors could seek to sell or buy our shares to take advantage of any price differences between the markets through a practice referred to as arbitrage. Any arbitrage activity could create unexpected volatility in both our share prices on one exchange, and the ADSs available for trading on the other exchange. In addition, holders of ADSs will not be immediately able to surrender their ADSs and withdraw the underlying series A shares for trading on the other market without effecting necessary procedures with the Depositary. This could result in time delays and additional cost for holders of the ADSs.

The trading prices for the series A shares and the ADSs may fluctuate significantly.

Volatility in the market price of our series A shares and the ADSs may prevent investors from selling their securities at or above the price that they paid for them. The market price and market liquidity of our series A shares and the ADSs may be adversely affected by a number of factors, including, but not limited to, the extent of investor interest in us, the attractiveness of our series A shares in comparison to other equity securities (for instance, shares issued by a company with larger operating history in our own industry), our financial performance and general market conditions. Certain additional factors that could negatively affect, or result in fluctuations in, the price of our series A shares and the ADSs include actual or anticipated variations in our operating results; potential differences between our actual financial and operating results and those expected by investors; investors’ perceptions of our prospects and the prospects of our sector; new laws or regulations or new interpretations of laws and regulations, including tax guidelines, applicable to the energy sector, our series A shares and/or the ADSs; general economic trends and risks in the United States, Latin American or global economies or financial markets, including those resulting from war, incidents of terrorism or responses to such events; changes in our operations or earnings estimates or publication of research reports about us or the Latin American energy industry; market conditions affecting the Latin American economy generally or borrowers in Latin America specifically; significant volatility in the market price and trading volume of securities of companies in the energy sector, which are not necessarily related to the operating performance of these companies; additions to or departures from our Executive Team; completing (or failing to complete) additional acquisitions or executing additional concession agreements; speculation in the press or investment community; changes in the credit ratings or outlook assigned to Latin American countries, particularly Mexico and Argentina, and entities of the energy sector; political conditions or events in Argentina, Mexico, the United States and other countries; and enactment of legislation or other regulatory developments that adversely affect us or our industry.

The stock markets in general have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the companies involved. We cannot assure you that trading prices and valuations will be sustained. These broad market and industry factors may materially adversely affect the market price of our series A shares and the ADSs, regardless of our operating performance. Market fluctuations, as well as general political and economic conditions in the markets in which we operate, such as recession or currency exchange rate fluctuations, may also adversely affect the market price of our series A shares and ADSs. Following periods of volatility in the market price of a company’s securities, that company may often be subject to securities class-action litigation. This kind of litigation may result in substantial costs and a diversion of management’s attention and resources, which would have a material adverse effect on our business, results of operations and financial condition.

The relatively low liquidity and high volatility of the Mexican securities market may cause trading prices and volumes of our series A shares and the ADSs to fluctuate significantly.

The Mexican Stock Exchange is one of Latin America’s largest exchanges in terms of aggregate market capitalization of the companies listed therein, but it remains relatively illiquid and volatile compared to other major foreign stock markets. Although the public participates in the trading of securities on the Mexican Stock Exchange, a substantial portion of trading activity on the Mexican Stock Exchange is conducted by or on behalf of large institutional investors. The trading volume for securities issued by emerging market companies, such as Mexican companies, tends to be lower than the trading volume of securities issued by companies in more developed countries. These market characteristics may limit the ability of a holder of our series A shares and may also adversely affect the market price of the series A shares and, as a result, the market price of the ADSs.

If securities or industry analysts do not publish research reports about our business, or publish negative reports about our business, the price and trading volume of our series A shares and the ADS could decline.

The trading market for our series A shares and the ADSs will depend in part on the research and reports that securities or industry analysts publish about us, our business, our market or our competitors. If no securities or industry analysts covers us, the trading price for our series A shares and the ADSs may be negatively impacted. If one or more of the analysts who covers us downgrades us or releases negative publicity about our series A shares and ADSs, our share price would likely decline. If one or more of these analysts ceases to cover us or fails to regularly publish reports on us, interest in our series A shares and the ADSs may decrease, which may cause our share price or trading volume to decline.

As a foreign private issuer and an “emerging growth company,” we have different disclosure and other requirements than U.S. domestic registrants and non-emerging growth companies.

As a foreign private issuer and an “emerging growth company” (as defined in the JOBS Act), we are subject to different disclosure and other requirements than domestic U.S. registrants and non-emerging growth companies. For example, as a foreign private issuer, in the United States, we are not subject to the same disclosure requirements as a domestic U.S. registrant under the Exchange Act, including the requirements to prepare and issue quarterly reports on Form 10-Q or to file current reports on Form 8-K upon the occurrence of specified significant events, the proxy rules applicable to domestic U.S. registrants under Section 14 of the Exchange Act or the insider reporting and short-swing profit rules applicable to domestic U.S. registrants under Section 16 of the Exchange Act. In addition, we have relied, and intend to keep relying, on exemptions from certain U.S. rules which permit us to follow Mexican legal requirements rather than certain of the requirements that are applicable to U.S. domestic registrants.

Furthermore, foreign private issuers are required to file their annual report on Form 20-F within 120 days after the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of each fiscal year. Foreign private issuers are also exempt from Regulation Fair Disclosure under the Securities Act, aimed at preventing issuers from making selective disclosures of material information. As a result of the above, even though we are required to file reports on Form 6-K disclosing the information which we have made or are required to make public pursuant to Mexican law, or are required to distribute to shareholders generally, and that is material to us, you may not receive information of the same type or amount that is required to be disclosed to shareholders of a U.S. company.

The JOBS Act contains provisions that, among other things, relax certain reporting requirements for emerging growth companies. Under this act, as an emerging growth company, we are not subject to the same disclosure and financial reporting requirements as non-emerging growth companies. For example, as an emerging growth company we are permitted to take (and intend to continue taking) advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. Also, we do not have to comply with future audit rules promulgated by the PCAOB (unless the SEC determines otherwise) and our auditors do not need to attest to our internal control under Section 404(b) of the Sarbanes-Oxley Act. We may follow these reporting exemptions until we are no longer an emerging growth company. As a result, our shareholders may not have access to certain information that they deem important. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of our initial public offering, (b) in which we have total annual revenues of at least US$1.07 billion (as adjusted for inflation), or (c) in which we are deemed to be a large accelerated filer, which means the market value of our series A shares that is held by non-affiliates exceeds US$700.0 million as of the prior September 30, and (2) the date on which we have issued more than US$1.0 billion in non-convertible debt during the prior three-year period. Accordingly, the information about us available to you is not the same as, and may be more limited than, the information available to shareholders of a non-emerging growth company.

We cannot predict if investors will find our series A shares or the ADSs less attractive because we rely on these exemptions. If some investors find our series A shares and the ADSs less attractive as a result, there may be a less active trading market for our series A shares and the ADSs and our share price may be more volatile.

ADS holders may be subject to additional risks related to holding ADSs rather than series A shares.

Because ADS holders do not hold their series A shares directly, they are subject to additional risks, including as an ADS holder, we do not treat you as one of our shareholders and you may not be able to exercise shareholder rights; distributions on the series A shares represented by your ADSs are paid in Mexican Pesos to a custodian through S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V. (“Indeval”) and before such custodian transfers any such distributions to the depositary for your benefit, it would be required to deduct withholding taxes, if any. The depositary would also be required to convert distributions made in Mexican Pesos into U.S. Dollars. Additionally, if the exchange rate fluctuates significantly prior to the depositary converting any distribution into U.S. Dollars, the amount of such distribution may decrease in terms of U.S. Dollars; and we and the depositary may amend or terminate the Deposit Agreement without the ADS holders’ consent in a manner that could prejudice ADS holders or that could affect the ability of ADS holders to transfer ADSs.

We have granted, and may continue to grant, share incentive awards, which may result in increased share-based compensation expenses and holders of our series A shares and ADSs may suffer further dilution.

We adopted our Long Term Incentive Plan in April 2018 for purposes of attracting and retaining talented people as officers, directors, employees and consultants which are key to us, incentivizing their performance and aligning their interests with ours. Under the Long Term Incentive Plan, our Board of Directors is authorized to grant restricted series A shares (“Restricted Stock”) and options to purchase our series A shares (“Stock Options”) to our officers, directors, employees and consultants. We reserved 8,750,000 series A shares issued on December 18, 2017 for the implementation of the Long Term Incentive Plan. As of the date of this annual report, 2,381,834 series A shares have been vested and are outstanding in connection with the Long-Term Incentive Plan. We believe the granting of share incentive awards is of significant importance to our ability to attract and retain employees, and we will continue to grant share incentive awards to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

Additionally, the vesting of series A shares reserved for the Long Term Incentive Plan may cause immediate dilution to our existing shareholders and may also have a dilutive effect in our earnings per share. If all 6,368,166 series A shares currently reserved for the Long Term Incentive Plan became outstanding, our issued and outstanding share capital would increase approximately 7% based on 89,197,406 series A shares outstanding as of the date of this annual report.

ADS holders may be unable to exercise voting rights with respect to the shares underlying the ADSs at our shareholders' meetings.

The depositary is treated by us for all purposes as the shareholder with respect to the shares underlying your ADSs. As a holder of ADSs, you do not have direct shareholder rights and may exercise voting rights with respect to the shares represented by the ADSs only in accordance with the Deposit Agreement relating to the ADSs. There are no provisions under Mexican law or under our bylaws that limit the exercise by ADS holders of their voting rights through the depositary with respect to the underlying series A shares. However, there are practical limitations on the ability of ADS holders to exercise their voting rights due to the additional procedural steps involved in communicating with these holders. ADS holders may be unable to exercise voting rights with respect to the series A shares underlying the ADSs as a result of these practical limitations.

Preemptive rights may be unavailable to non-Mexican holders of ADSs and, as a result, such holders may suffer dilution.

Under our current by-laws, whenever we issue new shares for subscription and for payment in cash, subject to certain exceptions (such as those related to public offerings, mergers, or conversion of convertible securities, including our Warrants), we must grant preemptive subscription rights to our shareholders, giving them the right to purchase a sufficient number of shares to maintain their existing ownership percentage. We may not be able to offer preemptive rights to foreign shareholders and ADS holders identical to those of our shareholders residing in Mexico in connection with any future issuance of shares, unless we comply with certain specific requirements under the laws and regulations of the applicable jurisdictions of our non-Mexican shareholders. In the case of United States shareholders and ADS holders, we might not be able to offer them shares pursuant to preemptive rights granted to our shareholders in connection with any future issuance of shares, unless the offer of such shares is registered under the Securities Act or an exemption from the registration requirement is available.

We intend to evaluate, at the time of any preemptive prescription rights offering, the costs and potential liabilities associated with a registration statement or similar requirement to enable U.S. or other non-Mexican shareholders and ADS holders to exercise their preemptive subscription rights in the event of an issuance of shares; the indirect benefits of enabling U.S. and other non-Mexican shareholders and ADS holders to exercise preemptive subscription rights; and any other factors that we consider appropriate at the time. We will then decide whether to file such a registration statement or otherwise comply with a similar requirement.

In the event that a required registration statement or similar requirement is not filed or satisfied, U.S. or other non-Mexican shareholders or ADS holders, would not be able to exercise their preemptive subscription rights in connection with future issuances of our shares, and their stake in the Company might be diluted. In this event, the proportion of the economic and voting interests of such U.S. or other non-Mexican shareholders or ADS holders in our total equity could decrease in proportion to the size of the issuance. Depending on the price at which shares are offered, such an issuance could result in dilution in the book value per share to U.S. or other non-Mexican shareholders or ADS holders not participating in the capital increase.

Substantial sales of our series A shares or the ADSs could cause the price of our series A shares or the ADSs to decrease.

The market price of our series A shares and the ADSs may decline as a result of sales of a large number of series A shares and ADSs or the perception that these sales may occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

Our shareholders or entities controlled by them or their permitted transferees will be able to sell their shares in the public market from time to time without registering them, subject to certain limitations on the timing, amount and method of those sales imposed by regulations promulgated by the SEC, as well as any other regulation (including anti-trust rules) that may apply. If any of our shareholders, the affiliated entities controlled by them or their respective permitted transferees were to sell a large number of their shares, the market price of our series A shares may decline significantly and, as a result, the market price of the ADSs. In addition, the perception in the public markets that sales by them might occur may also adversely affect the market price of our series A shares and the ADSs.

The protections afforded to minority shareholders in Mexico are not as comprehensive as those in other jurisdictions, such as the United States.

Under Mexican law, the protections afforded to minority shareholders and the responsibilities and duties of directors and senior officers are different or not as complete as those in the United States. Although Mexican law establishes specific duties of care and loyalty applicable to our directors, committee members and senior officers, the Mexican legal regime governing directors, committee members and senior officers, and their duties, is not as comprehensive or developed as in the United States and has not been the subject of as broad and precise judicial interpretation. In addition, the criteria applied in other jurisdictions, including in the United States, to ascertain the independence of corporate directors may be different from the criteria applicable under corresponding Mexican laws and regulations. Furthermore, in Mexico, there are different procedural requirements for shareholder suits that work exclusively for our benefit (such as with respect to derivative suits) and not for the benefit of our shareholders (even those that initiate an action). As a result, it may be more difficult in practice for our minority shareholders to enforce their rights against us or our directors, committee members or senior officers, including for breach of their duties or care or loyalty) than it would be for shareholders of a United States or other non-Mexican company or to obtain compensation for minority shareholders, for losses caused by directors, committee members or senior officers as a result of a breach of their duties.

Our bylaws contain provisions aimed at restricting the acquisition of our shares and restricting the execution of voting agreements among our shareholders.

Pursuant to our bylaws, every direct or indirect acquisition of shares, or attempted acquisition of shares, of any nature by one or more persons or entities requires the prior written approval by the Board of Directors each time that the number of shares to be acquired, when added to any shares already owned by such person or entity, results in the acquirer holding 10% or more of our outstanding capital stock. Once such percentage is reached, such person or entity must notify our Board of Directors of any subsequent acquisition of shares by any such person or entity through which they acquire additional shares representing 2% or more of our outstanding capital stock. Prior, written approval must also be requested from our Board of Directors for the execution of written or oral agreements, as a consequence of which voting association, block voting, or binding or joint vote mechanisms or covenants are formed or adopted or certain shares are combined or shared in any other manner, which effectively results in a change in control of our Company or a 20% ownership interest in our Company. No additional authorization is required to carry-out such acquisitions or to execute a voting agreement until the ownership percentage of our outstanding capital stock is equal to or greater than 20%, nor is any additional authorization required with respect to entering temporary agreements for appointment of minority directors.

If an acquirer does not comply with the procedures described above, such acquired shares or shares regarding any voting agreement will not have any voting rights at any shareholders’ meeting of our Company. Any such acquired shares which have not been approved by our Board of Directors shall not be registered in our stock registry book, entries in our stock registry book made beforehand will be canceled and the Company will not acknowledge or give any value to the records or listings referred to in Article 290 of the Mexican Securities Market Law (*Ley del Mercado de Valores*), any other provision that might substitute it from time to time and other applicable law. Therefore, such records or listings mentioned above will not be considered evidence of ownership of shares, shall not grant the right to attend shareholders’ meetings or validate the exercise of any legal action, including any legal action of a procedural nature.

The provisions in our bylaws described above may only be amended or removed by the approval of shareholders holding at least 95% of our shares. This could hinder the process of selling our shares or the execution of agreements in connection with those shares.

These provisions in our bylaws could potentially discourage future purchases of a significant number of our shares, including potential future acquirers of our business, and, accordingly could adversely affect the liquidity and price of our series A shares.

Holders of our series A shares and the ADSs may suffer further dilution as a result of the exercise of our outstanding warrants.

The issuance of shares upon the exercise of outstanding warrants may cause immediate dilution to our existing shareholders. As of the date of this annual report, we had 70,000,000 Warrants and 29,680,000 Sponsor Warrants outstanding (totaling 99,680,000 warrants outstanding) that are exercisable for 23,333,333 and 9,893,333 series A shares, respectively. Three warrants entitle the holder thereof to purchase one series A share at a price of US$11.50 per series A share. The exercise of such warrants and the corresponding issuance of series A shares may also have a dilutive effect in our earnings per share. The warrants expire on April 4, 2023 or earlier if, after exercisability, the closing price for a series A share for any 20 trading days within an applicable 30-trading day period equals or exceeds the Mexican Peso equivalent of US$18.00 and we decide to early terminate the exercise period thereof. See “Item 10—Additional Information—Memorandum and Articles of Association—Warrants.”

If all outstanding warrants were exercised, our issued and outstanding share capital would increase by 33,226,667 series A shares, or approximately 37% based on 89,197,406 series A shares outstanding as of the date of this annual report. This would result in an immediate dilution to our shareholders and ADSs holders. Exercise of the outstanding warrants may also put demand pressure on the price of our series A shares and the ADSs.

The payment and amount of dividends, or share buy-backs, are subject to the determination of our shareholders.

The amount available for cash dividends, or share buy-backs, if any, will be affected by many factors, including our future operating results, financial condition and capital requirements as a result thereof, and the terms and conditions of legal and contractual restrictions. Also, the amount of cash available for dividend payments, or share buy-backs, may vary significantly from estimates. There can be no assurance that we will be able to pay or maintain the payment of dividends. Our actual results may differ significantly from the assumptions made by our Board of Directors in recommending dividends, or share buy-backs, to shareholders or in adopting or amending a dividend policy in the future. Also, there can be no assurance that our Board of Directors will recommend a dividend payment, or share buy-back, to our shareholders or, if recommended, that our shareholders will approve such a dividend payment or share buy-back. The payment of dividends, or share buy-backs, and the amounts of dividend payments paid by us to our series A shares are subject to the approval of our shareholders and our having absorbed or repaid losses from prior years and also may only be paid from retained earnings approved by our shareholders and if legal reserves have been created.

The payment and amount of Vista Argentina’s dividends are subject to certain restrictions from the BCRA.

Pursuant to the foreign exchange regulations imposed by the BCRA, companies resident in Argentina may only have access the foreign exchange market to purchase foreign currency and transfer it abroad for the payment of profits and dividends to non-resident shareholders, if certain conditions are met and/or they have the prior approval of the BCRA. Although only Vista Argentina’s dividends are subject to the restrictions imposed by the BCRA, such restrictions may affect our ability to pay dividends or complete share buybacks because the main source of cash generation is in Argentina.

There can be no assurance that the BCRA will not increase or relax such controls or restrictions, make modifications to these regulations, establish more severe restrictions on currency exchange, or maintain the current foreign exchange regime or create multiple exchange rates for different types of transactions, substantially modifying the applicable exchange rate at which we acquire currency to service our outstanding liabilities denominated in currencies other than the Peso, all of which could undermine our ability to pay dividends to foreign shareholders and to distribute all the net cash flow generated in the form of dividends or buybacks. Consequently, these exchange controls and restrictions could materially adversely affect the Argentine economy and our business, financial condition and results of operations. See "Item 10—Additional Information—Exchange Controls" for additional information.

Dividend distributions to holders of our series A shares will be made in Mexican Pesos.

We will make dividend distributions to holders of our series A shares in Mexican Pesos. While the Mexican government does not currently restrict the ability of Mexican or foreign persons or entities to convert Mexican Pesos into U.S. Dollars or other currencies, it could institute restrictive exchange control policies in the future. Future fluctuations in exchange rates and the effect of any exchange control measures adopted by the Mexican government on the Mexican economy cannot be predicted.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, shareholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our common shares

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to achieve and maintain effective internal controls over financial reporting, implement required new or improved controls, or difficulties encountered in their implementation could result in our failure to meet our reporting obligations, which in turn could have a material adverse effect on our business and our common shares or the ADSs. In addition, any testing by us or any subsequent testing by our independent registered public accounting firm conducted in connection with Section 404 of the Sarbanes-Oxley Act of 2002, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement. Matters impacting our internal controls may cause us to be unable to report our financial information on a timely basis and thereby subject us to adverse regulatory consequences, including sanctions by the SEC. There also could be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our audited financial statements. Confidence in the reliability of our audited financial statements also could suffer if we or our independent registered public accounting firm were to report a material weakness in our internal controls over financial reporting. This could in turn limit our access to capital markets and possibly, harm our results of operations, and lead to a decline in the trading price of our common shares or the ADSs.

Pursuant to Section 404 of the Sarbanes Oxley Act of 2002, we are required to include a report of our management on our internal controls over financial reporting in our annual reports on Form 20-F that contains management's assessment of the effectiveness of our internal control over financial reporting. We are required to disclose changes made in our internal controls and procedures and our management will be required to assess the effectiveness of these internal controls over financial reporting on an annual basis. However, for as long as we are an "emerging growth company" under the JOBS Act, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404. We may follow these reporting exemptions until we are no longer an emerging growth company (see "—As a foreign private issuer and an "emerging growth company," we have different disclosure and other requirements than U.S. domestic registrants and non-emerging growth companies). We can provide no assurance that from time to time we will not identify concerns that could require remediation. We may encounter problems or delays in completing the implementation of any changes necessary to make a favorable assessment of our internal control over financial reporting. An independent assessment of the effectiveness of our internal controls could detect problems that our management's assessment might not. Undetected material weaknesses in our internal controls could lead to financial statement restatements and require us to incur the expense of remediation. In connection with the attestation process by our independent registered public accounting firm, we may encounter problems or delays in the completing the implementation of any requested improvements and receiving a favorable attestation. In addition, if we fail to maintain the adequacy of our internal control over financial reporting we will not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 which may have an adverse effect on us.

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members.

We are required to comply with various regulatory and reporting requirements, including those required by the Commission and the CNBV. Complying with these reporting and regulatory requirements is time consuming, resulting in increased costs to us or other adverse consequences. As a public company, we are subject to the reporting requirements of the Exchange Act, and the requirements of the Sarbanes-Oxley Act, in addition to the existing disclosure requirements by the Mexican Securities Market Law and CNBV rules. These requirements may place a strain on our systems and resources. The Exchange Act rules applicable to us as a foreign private issuer requires that we file annual and current reports with respect to our business and financial condition. Likewise, CNBV rules require that we make annual and quarterly filings and that we comply with disclosure obligations including current reports. The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal controls over financial reporting. To maintain and improve the effectiveness of our disclosure controls and procedures, we will need to commit significant resources, hire additional staff and provide additional management oversight. We will be implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. These activities may divert management's attention from other business concerns, which could have a material adverse effect on our business, results of operations and financial condition.

Our bylaws, in compliance with Mexican law, restrict the ability of non-Mexican shareholders to invoke the protection of their governments with respect to their rights as shareholders.

As required by Mexican law, our bylaws provide that non-Mexican shareholders are considered to be Mexican with respect to shares held by them. Moreover, non-Mexican shareholders explicitly agree not to invoke the protection of its own government by asking such government to interpose a diplomatic claim against the Mexican government with respect to the shareholder's rights as a shareholder, though such agreement is not deemed to include a waiver to any other rights (for instance, any rights under the United States securities laws, with respect to its investment in us). If you invoke such governmental protection in violation of this provision of the bylaws, your series A shares may be forfeited to the Mexican government.

As a foreign private issuer, we are permitted to, have relied, and intend to keep relying, on exemptions from certain NYSE corporate governance standards applicable to U.S. issuers, including the requirement that a majority of an issuer's directors consist of independent directors. This may afford less protection to holders of the ADSs.

The NYSE's rules require listed companies to have, among other things, a majority of their board members be independent and to have independent director oversight of executive compensation, nomination of directors and corporate governance matters. As a foreign private issuer and a controlled company, we are permitted to follow home country practice in lieu of the above requirements. Mexican law does not require that a majority of our board consist of independent directors or the implementation of a compensation or nominating committee, and our board may thus not include, or include fewer, independent directors than would be required if we were subject to the NYSE rules applicable to most U.S. companies. As long as we rely on the foreign private issuer and controlled company exemptions to the NYSE rules, a majority of our Board of Directors is not required to consist of independent directors and we will not be required to have a compensation or nominating committee. Therefore, our board's approach may be different from that of a board with a majority of independent directors, and, as a result, the executive team's oversight of the Company may be more limited than if we were subject to the NYSE rules applicable to most U.S. companies.

It may be difficult to enforce civil liabilities against us or our directors or officers.

We are a publicly traded company with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of Mexico, and a majority of the members of our Board of Directors and Executive Team, our advisors and independent auditors reside or are based outside the United States. All of our assets and the assets of our subsidiaries are located, and all of our revenues and the revenues of our subsidiaries are derived from, sources outside the United States, particularly in Mexico and Argentina. Consequently, it may not be possible for you to effect service of process upon us or these other persons. Because judgments of U.S. courts or courts of other jurisdictions outside of Mexico and/or Argentina for civil liabilities based upon foreign laws of other jurisdictions outside Mexico and/or Argentina may only be enforced in Mexico and/or Argentina if certain requirements are met, you may face