

Mexico: Upstream Sector Outlook

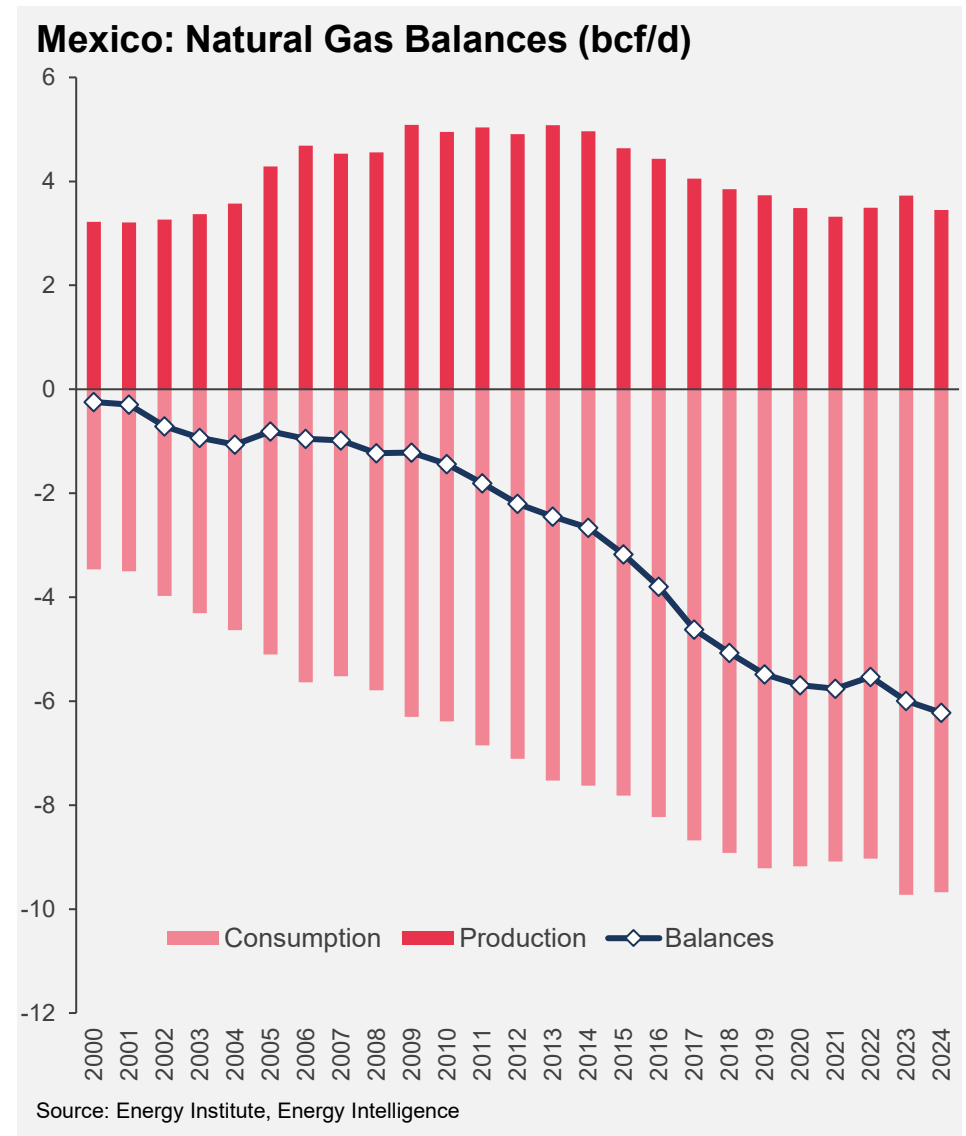
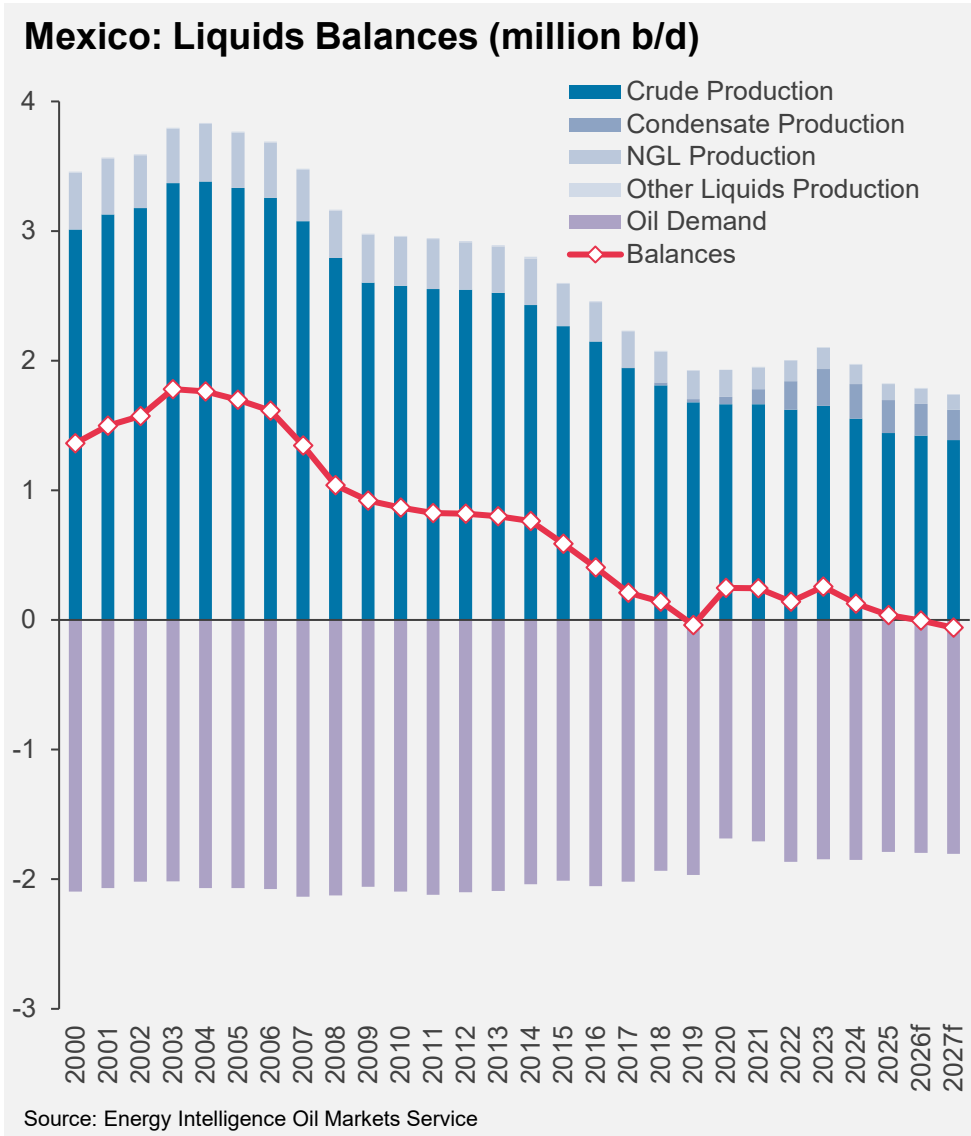
Prepared for Texas-Mexico Energy Trade Conference

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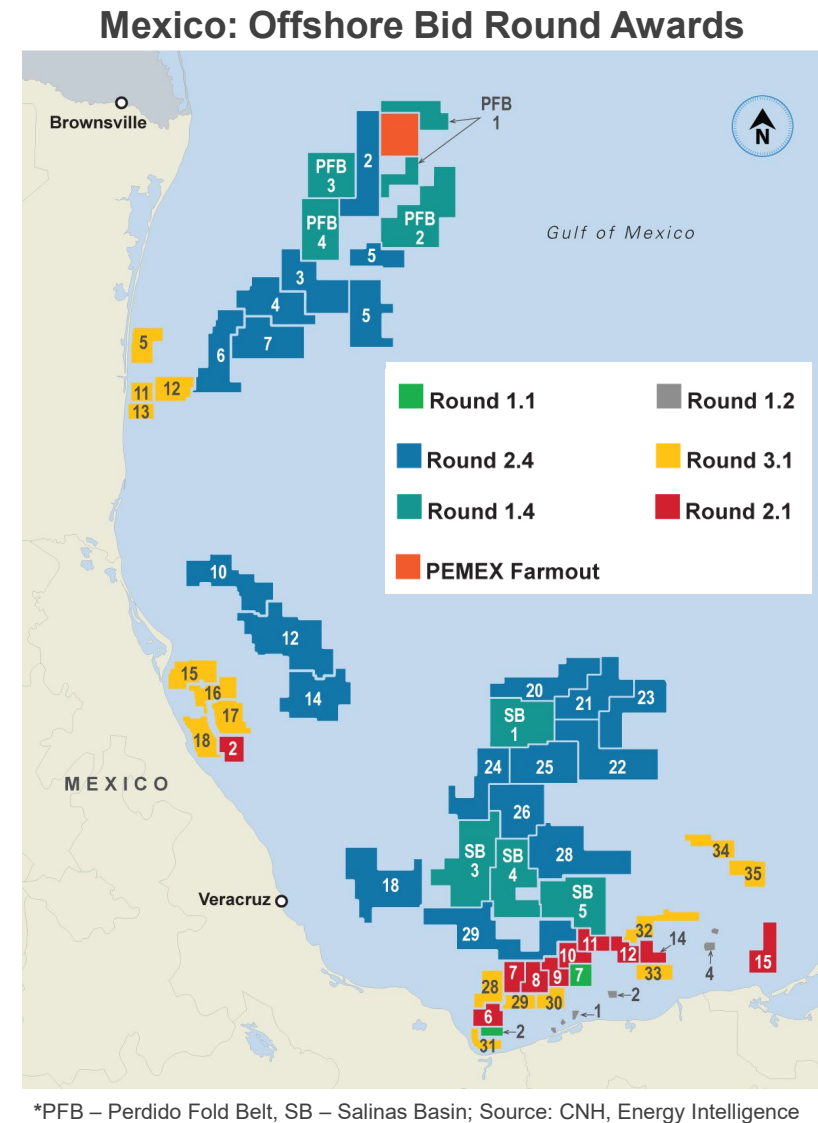
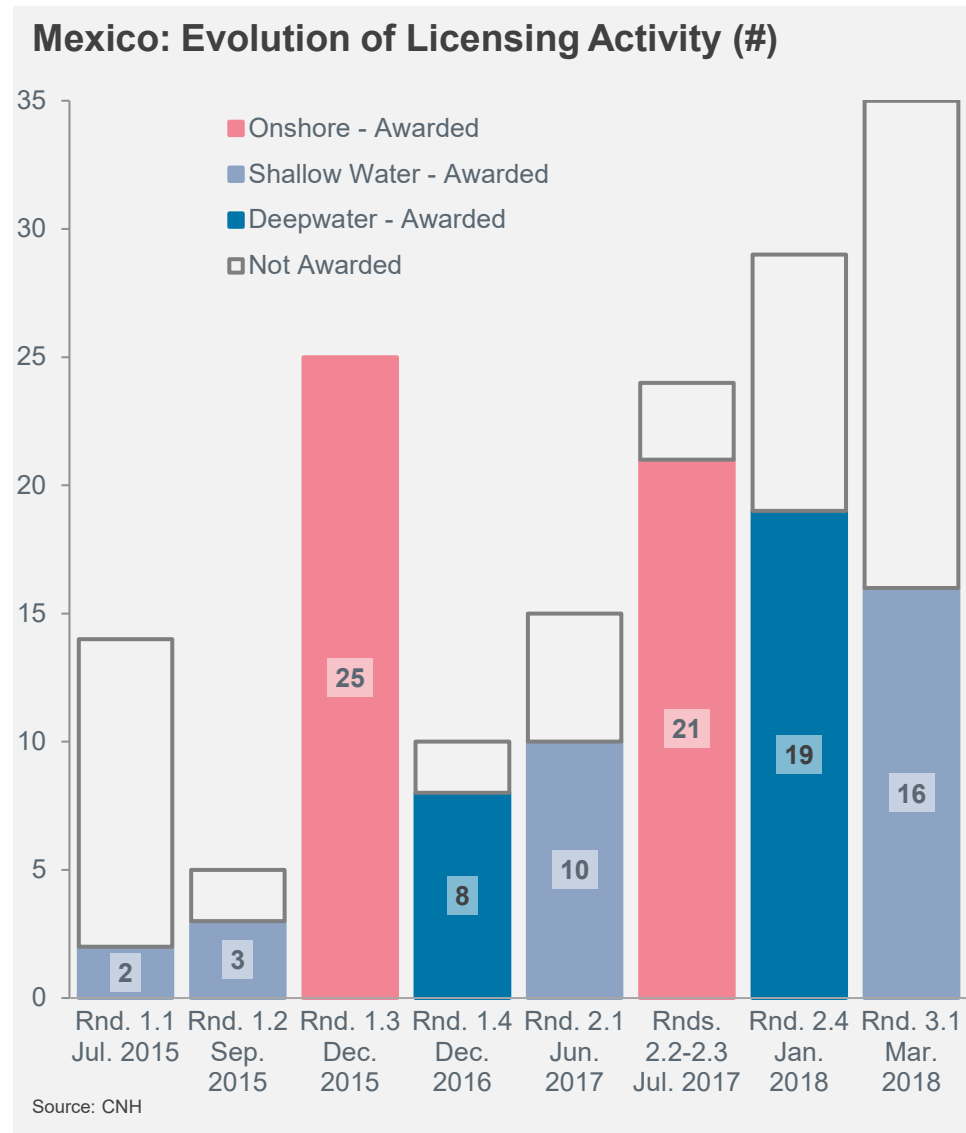
Mexican Oil and Gas Production's Long Downward Trend

Mexico struggles to reverse slide as policy shifts wildly



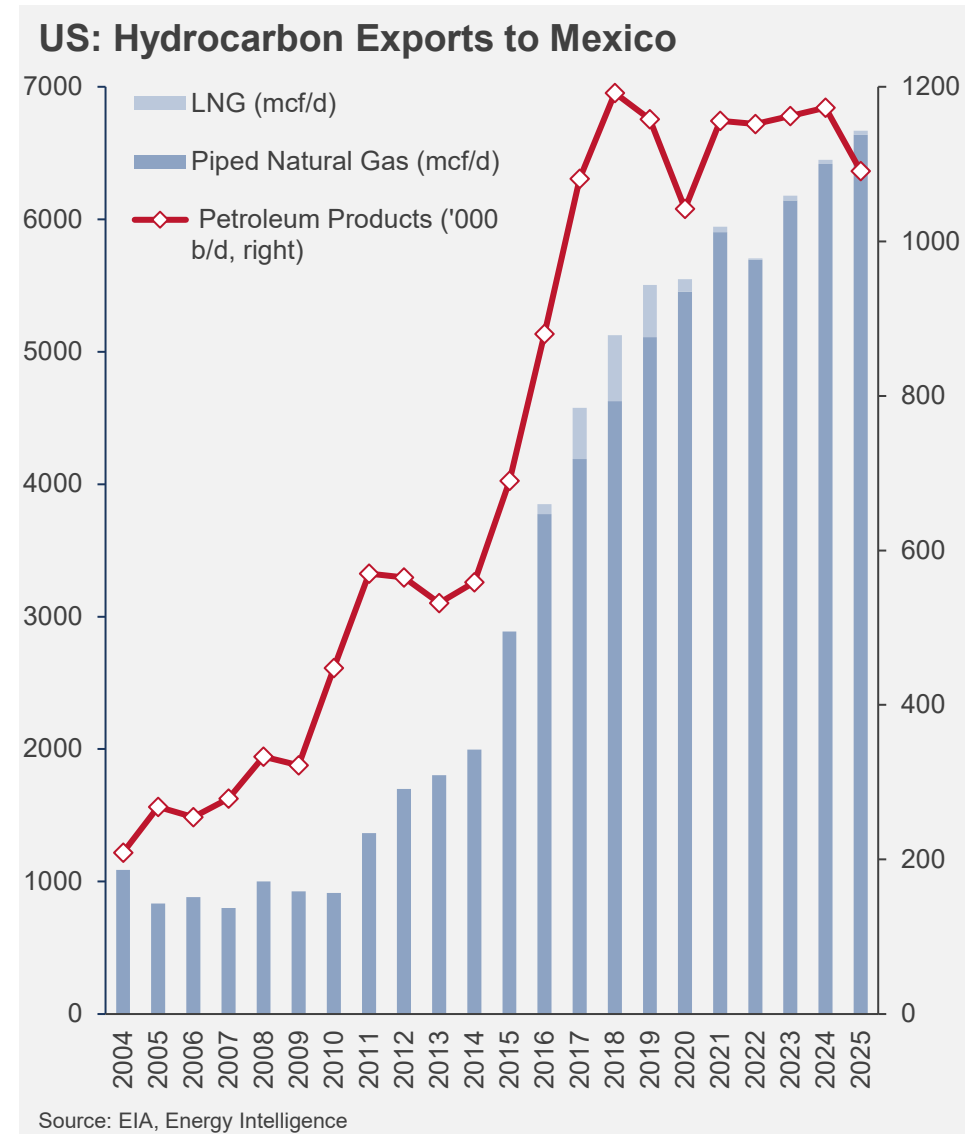
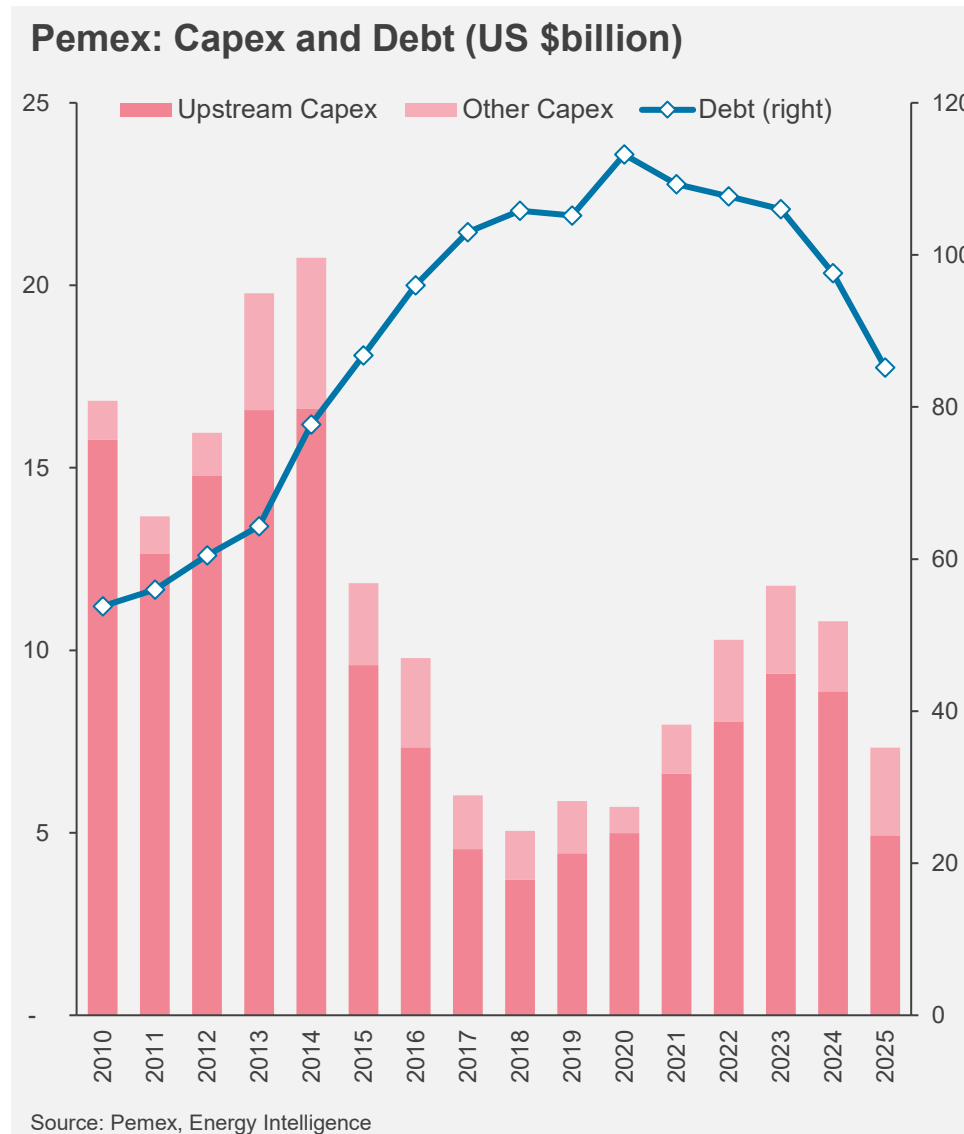
Historic 2013 Oil Reforms Open Door to Private Investment

Opening attracted wide variety of investors, many of whom are still present



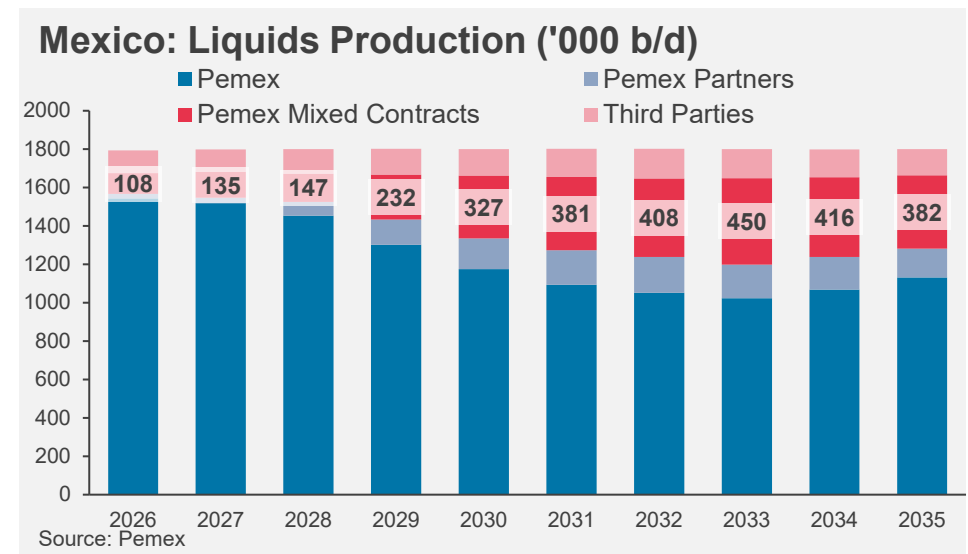
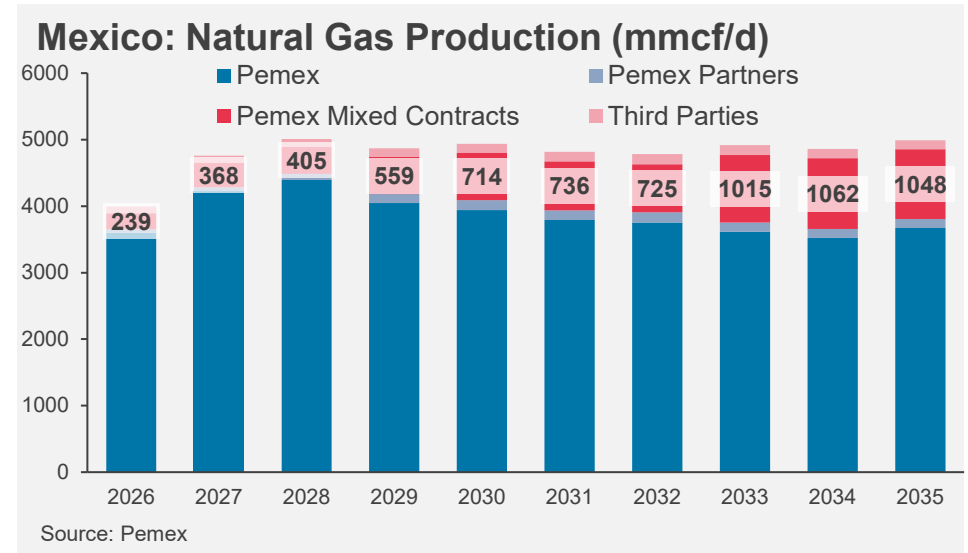
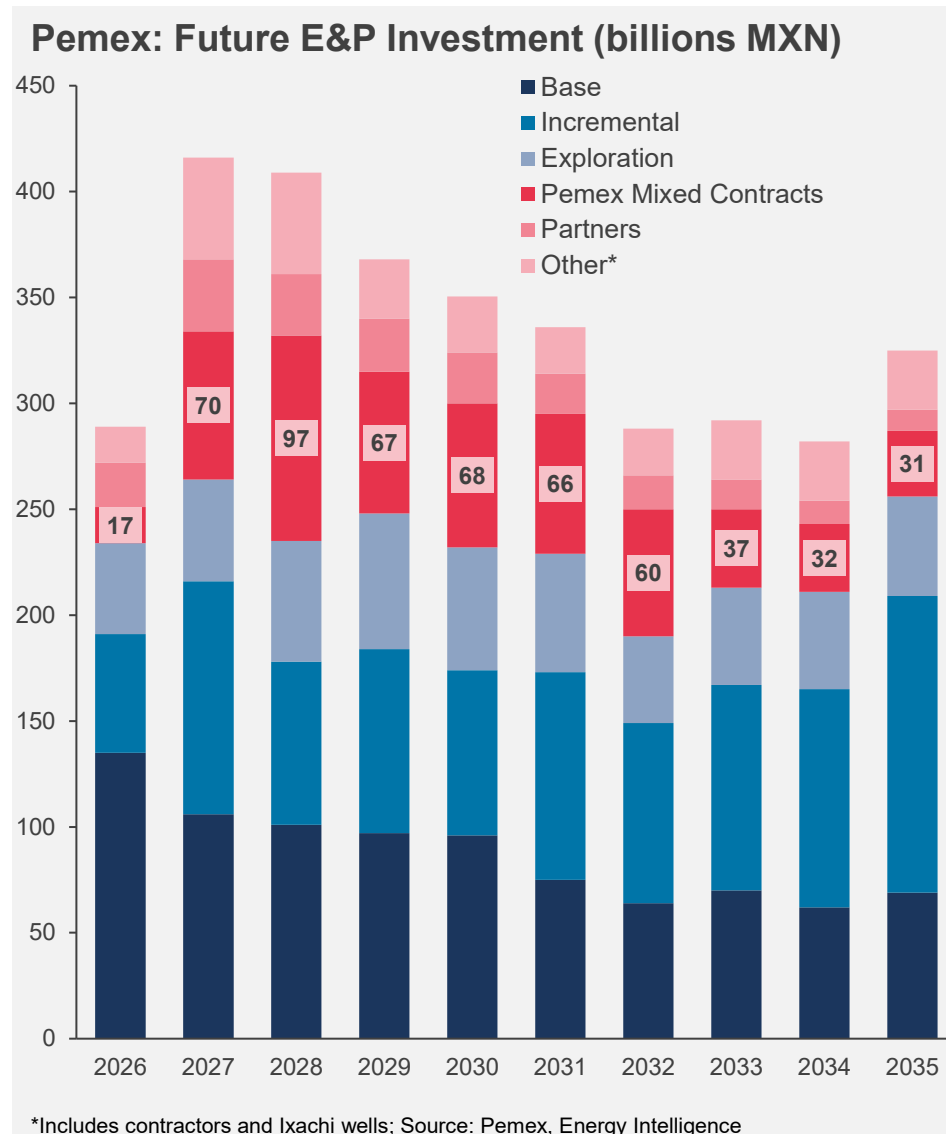
Lopez Obrador Rolls Back Opening, but Pemex Woes Continue

Meanwhile, US import dependence continues to grow



Under Sheinbaum, Energy Policy Pendulum Swinging Back Again

Mexico envisions Mixed Contracts with Pemex as main avenue for private participation



Agreements to Date Have Been Focused Onshore with Local Firms

However, interest reported from Petrobras and several super majors

Pemex: Potential Mixed Contract

Play Type	Proposed Project	
Onshore	Tupilco Terciario	Madrefil – Bellota
	Miquetla	Panuco
	Sini – Caparroso	Agua Fria
	Macavil	Tamaulipas Constituciones
	Cuervito	
Shallow Water	Tlatitok – Sejkan	Tetl Rec Sec
	Macuil – Paki	Tlacame Rec Sec
	Arenque	Ayatsil Rec Sec
	Kayab – Pit – Utsil	Casquete de gas Akal
	Xikin	
Deepwater	Exploratus	Nobilis – Maximino
	Cratos	

Source: Pemex

Pemex: Awarded Mixed Contract

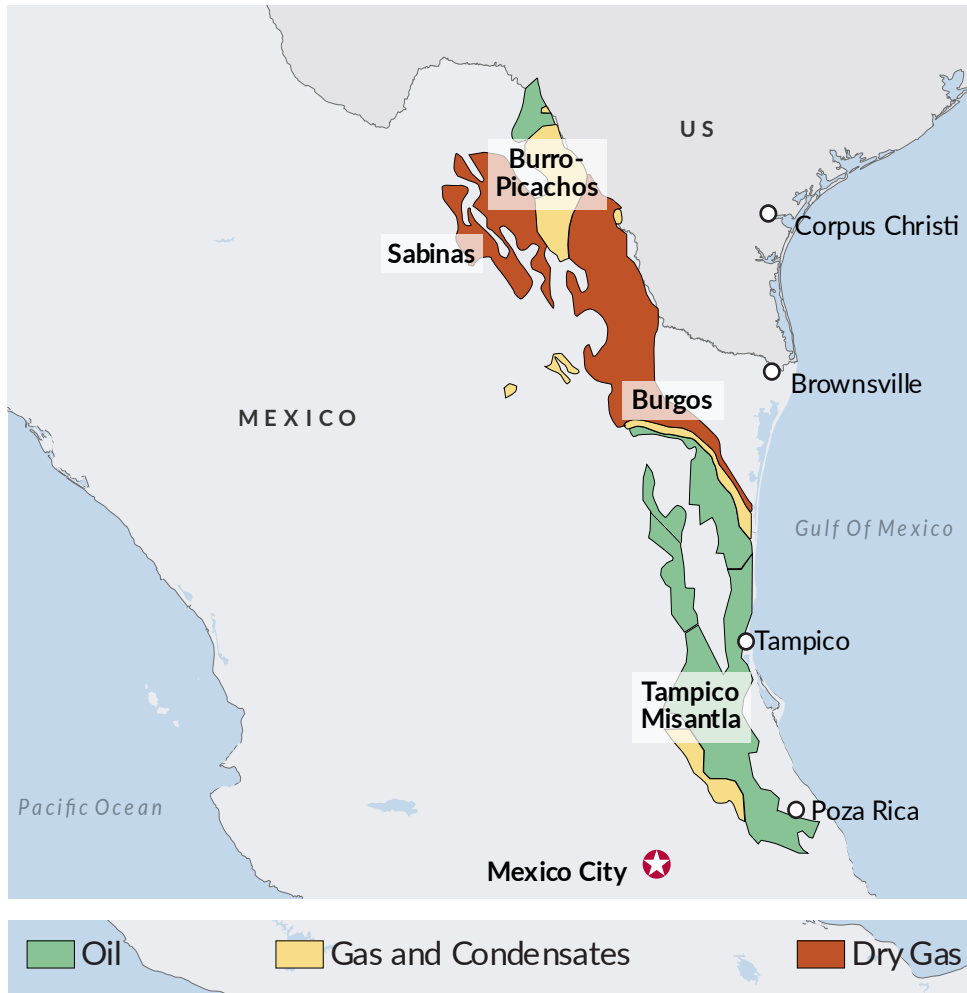
Field	Partner	Resource Type	Total Reserve	Estimated Recovery
Tamaulipas Constituciones	Consorcio Petrolero 5M del Golfo	Heavy Crude	125 million bbls	78.9 million bbls
		Wet Gas	144 Bcf	96.1 Bcf
Cuervito	Geolis	Wet Gas	280 Bcf	244.2 Bcf
Agua Fria	Petrolera Miahuapan	Heavy Crude	259 million bbls	102.9 million bbls
		Wet Gas	395 Bcf	151.1 Bcf
Sini – Caparroso	Consorcio Petrolero 5M del Golfo	Super Light Crude	34 million bbls	28.7 million bbls
		Wet Gas	89 Bcf	72.4 Bcf
Madrefil – Bellota	Consorcio Petrolero 5M del Golfo	Light Crude	54 million bbls	32.1 million bbls
		Wet Gas	154 Bcf	103.4 Bcf
Macavil	GSM Bronco	Wet Gas Condensate	409 Bcf 34 million bbls	393.2 Bcf 27.5 million bbls
Tupilco Terciario	Consorcio de Ingeniería Integral	Light Crude	7 million bbls	6.9 million bbls
		Wet Gas	3 Bcf	3.2 Bcf

Source: Pemex, Energy Intelligence, Media Reports

Sheinbaum Seeks to Unlock Mexico's Unconventional Resources

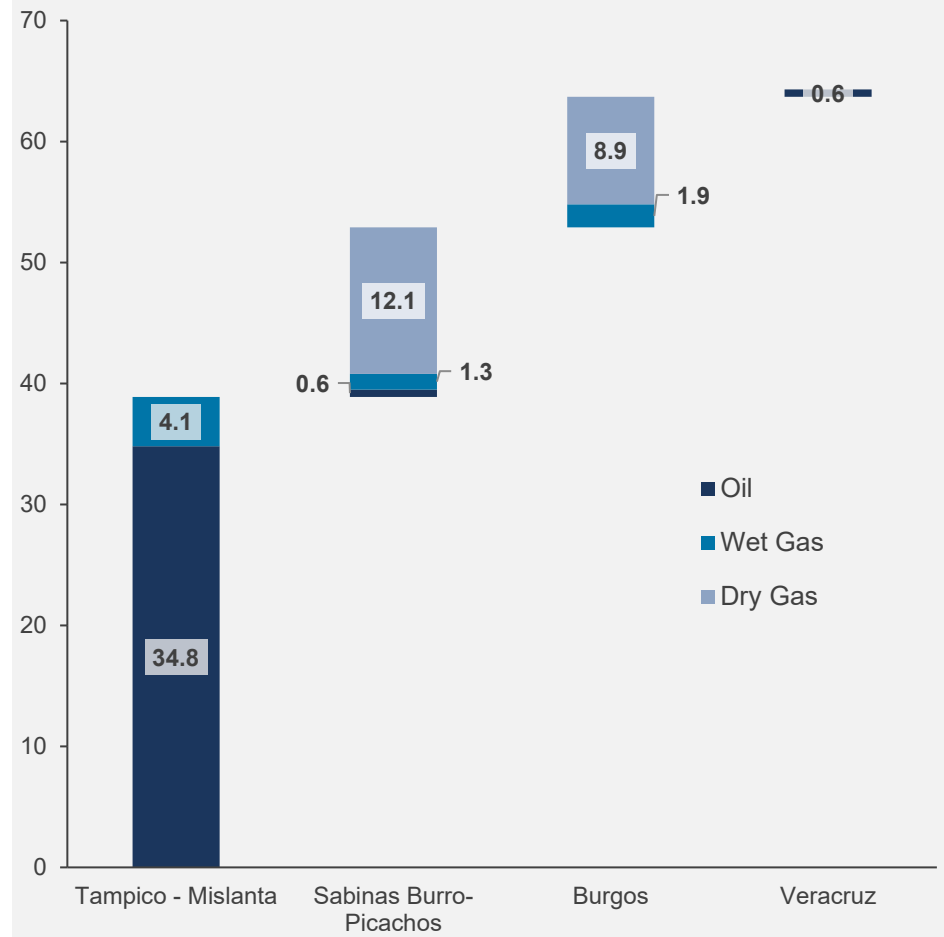
Private sector, particularly from the US, may play key role in shale development

Mexico: Unconventional Resource Plays



Source: Energy Intelligence, Pemex

Mexico: Unconventional Resource Base (billion boe)



Source: Pemex, CNH

Mexico Will Have to Compete for Capital Against Other Major Plays

Firms continue to prioritize most advantaged barrels in exploration focus and development queue

'Advantaged Barrel' Attributes	Mexico (Offshore)	Mexico (Onshore)	US Shale	USGOM	Guyana Basin	Brazil
▶ Low Costs (opex and/or capex)	○	○	○	●	●	●
▶ Short Development Cycles	○	○	●	●	●	●
▶ Favorable Fiscal Terms	○	○	●	●	●	○
▶ Lower Carbon Footprints	○	○	●	●	○	○
▶ Access to Markets/ Infrastructure	●	●	●	●	○	○
▶ Options for Integration	○	●	●	●	○	○
▶ Low Aboveground Risk Exposure	○	○/○	●	●	○	○
▶ Low Geopolitical Risk Exposure	○	○	●	●	○	○
Strategic Portfolio Fit						

Source: Energy Intelligence assessments
 Note: Company positioning not exhaustive

Legend: ● High Fit ○ Medium Fit ○ Low Fit

Q&A

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