

Mexico's Deep Water Auction

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Flow

1. Bidding Results

2. The path to success

3. The road ahead

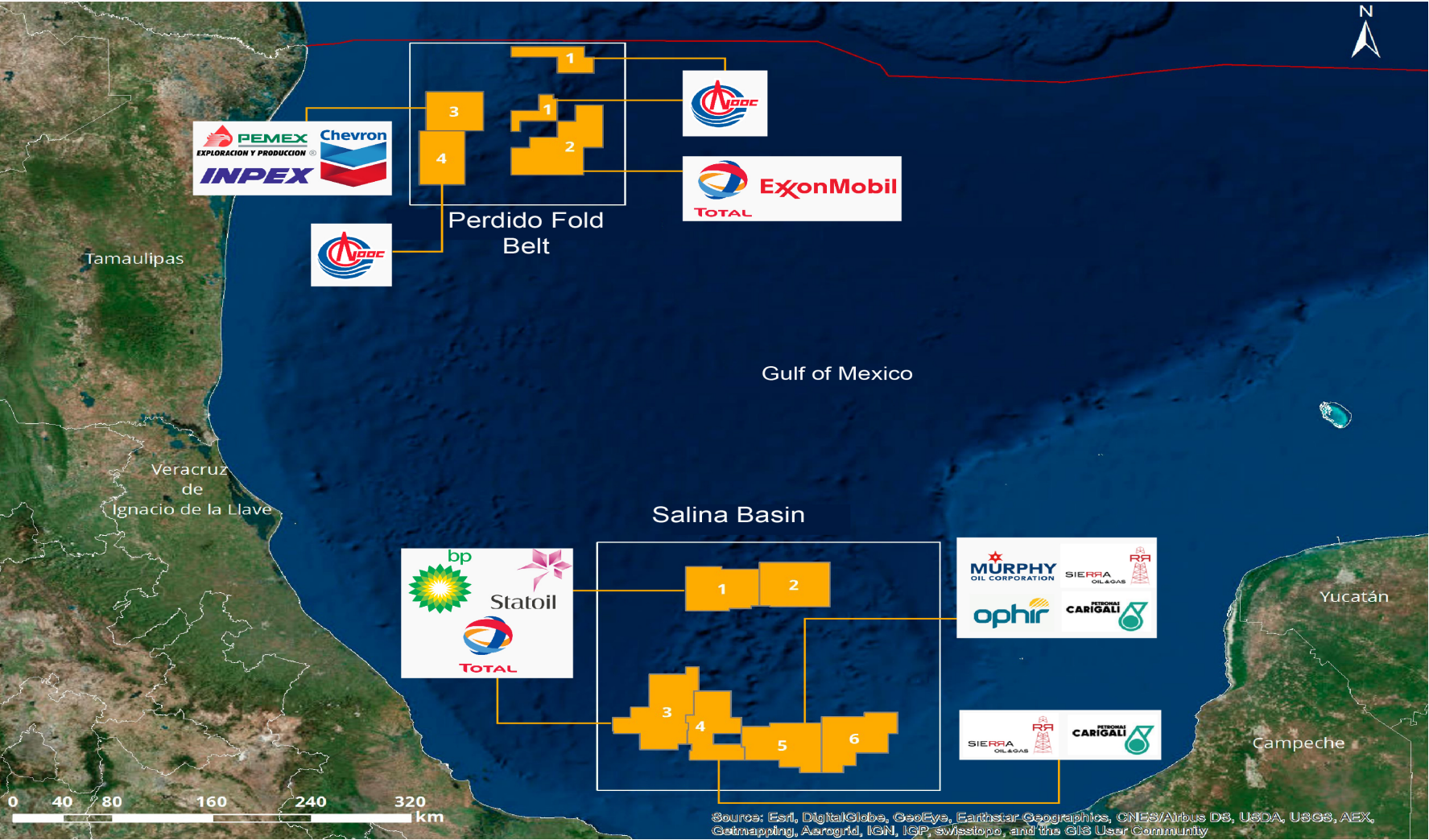
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8 contracts awarded in Round 1.4



8 new contracts

12 new companies

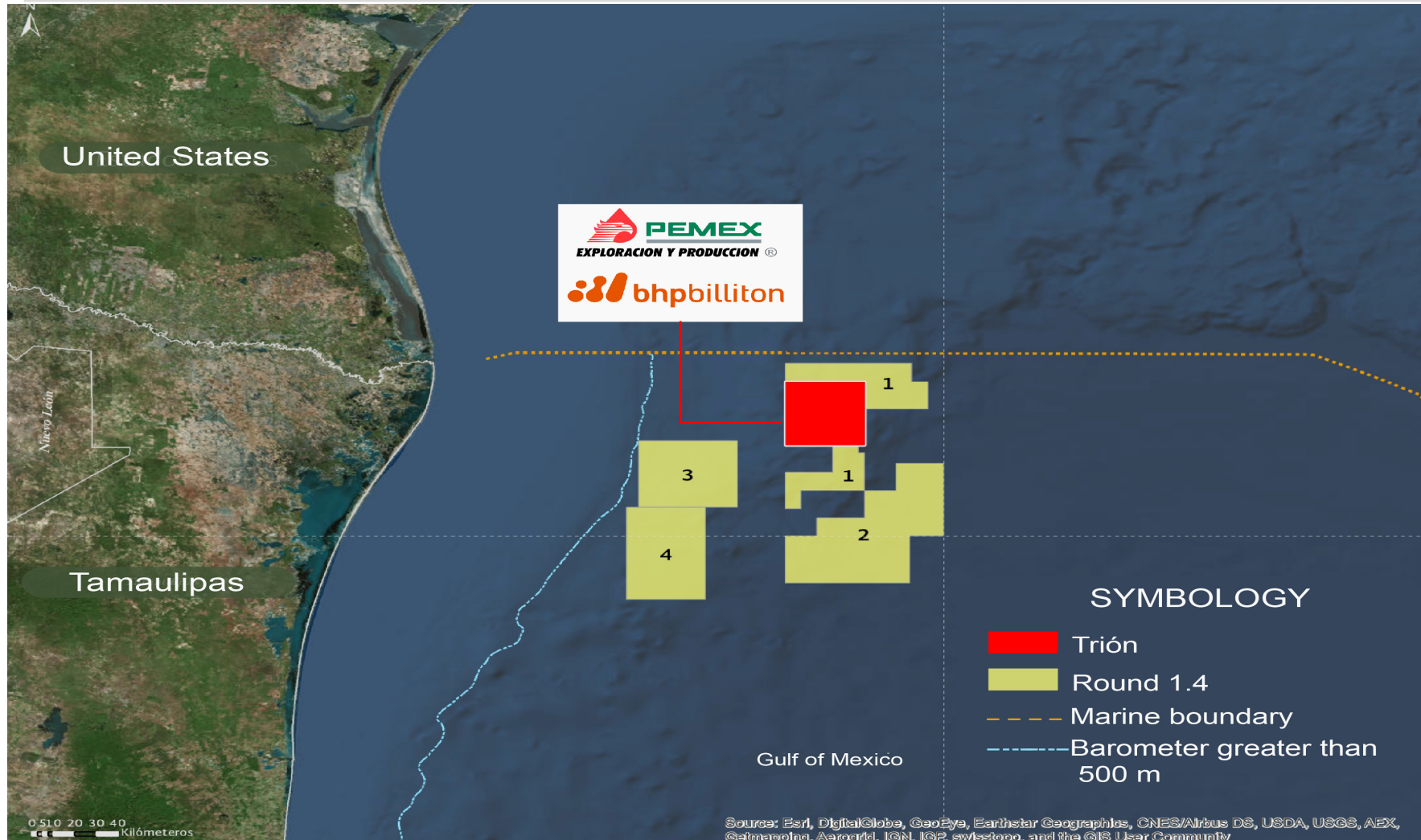
Est. Investment US \$34 billion

Prospective resources: 8,444 mmboe

Surface: 18,818.3 km²

*Medium prospective resources includes Round 1.4 + Trion

Plus one *farmout* for Pemex's Trion block



1 new partner for Pemex



Est. Investment
US \$7.5 billion

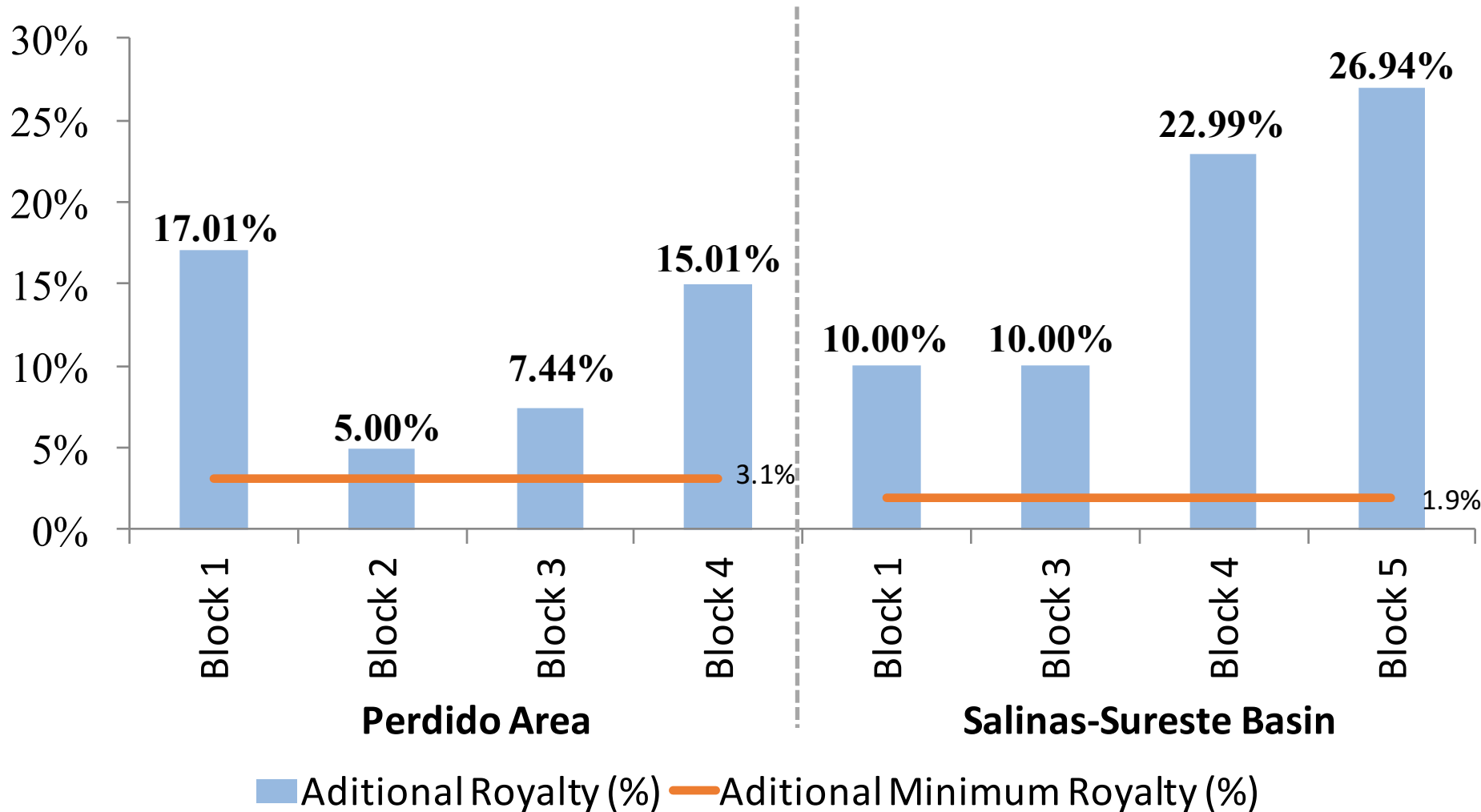


Prospective resources:
8,444 mboe



Surface: 18,818.3 km²

Additional royalty: 5.7x above minimum requirement



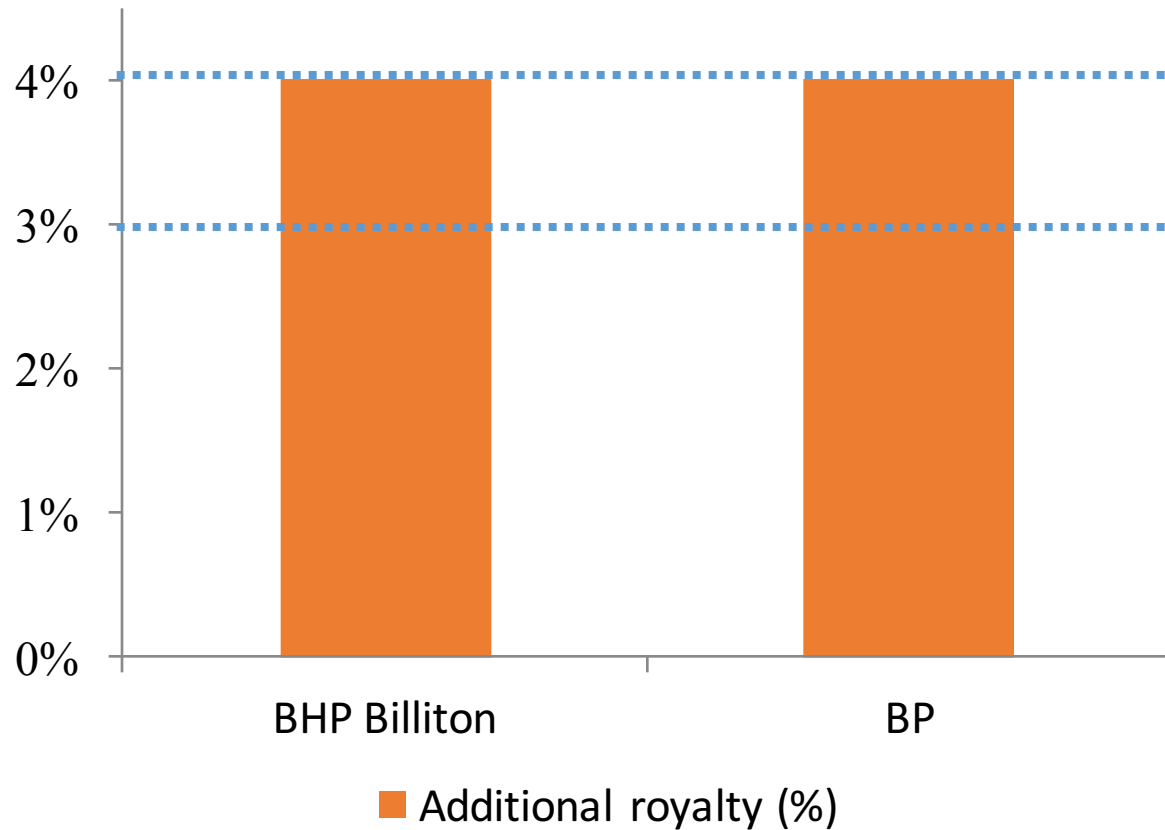
Additional investment:

- Perdido Area:
4 wells
- Salina–Sureste Basin:
3 wells

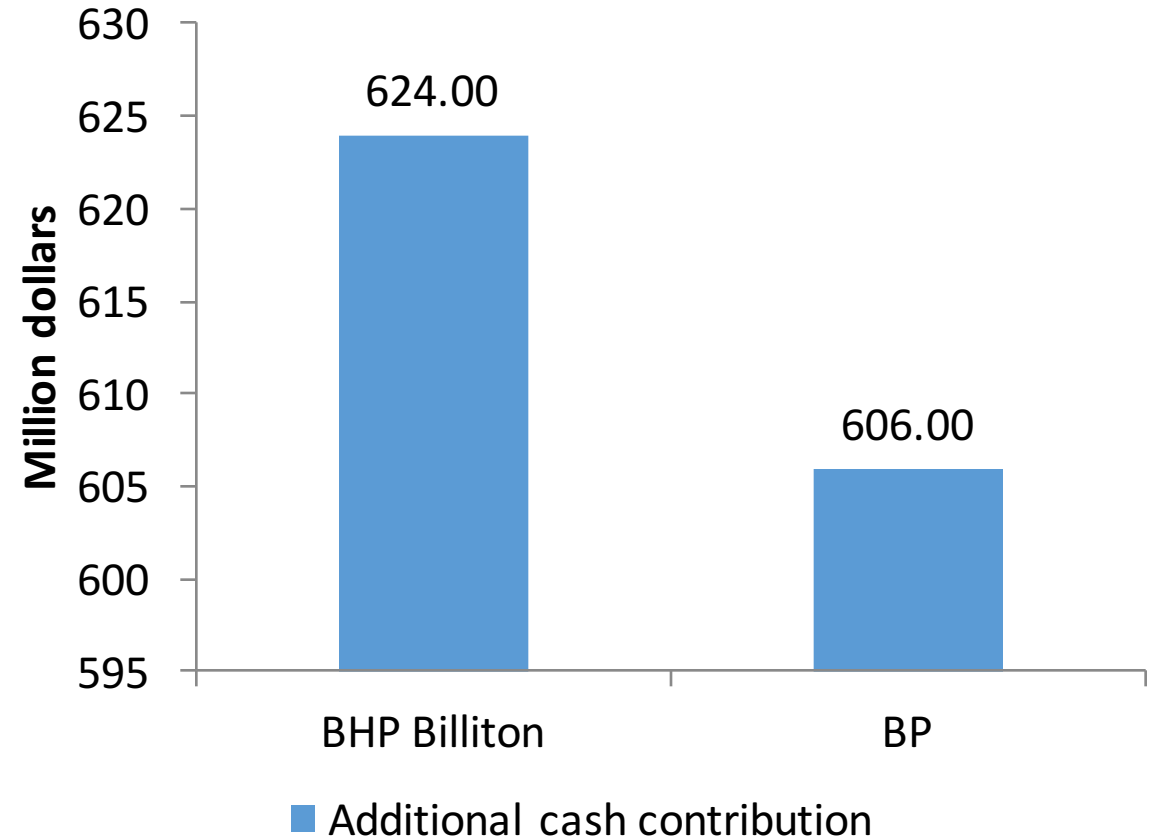
7 additional wells

Trion: 2 valuations only 3% from each other

Additional royalty (%)

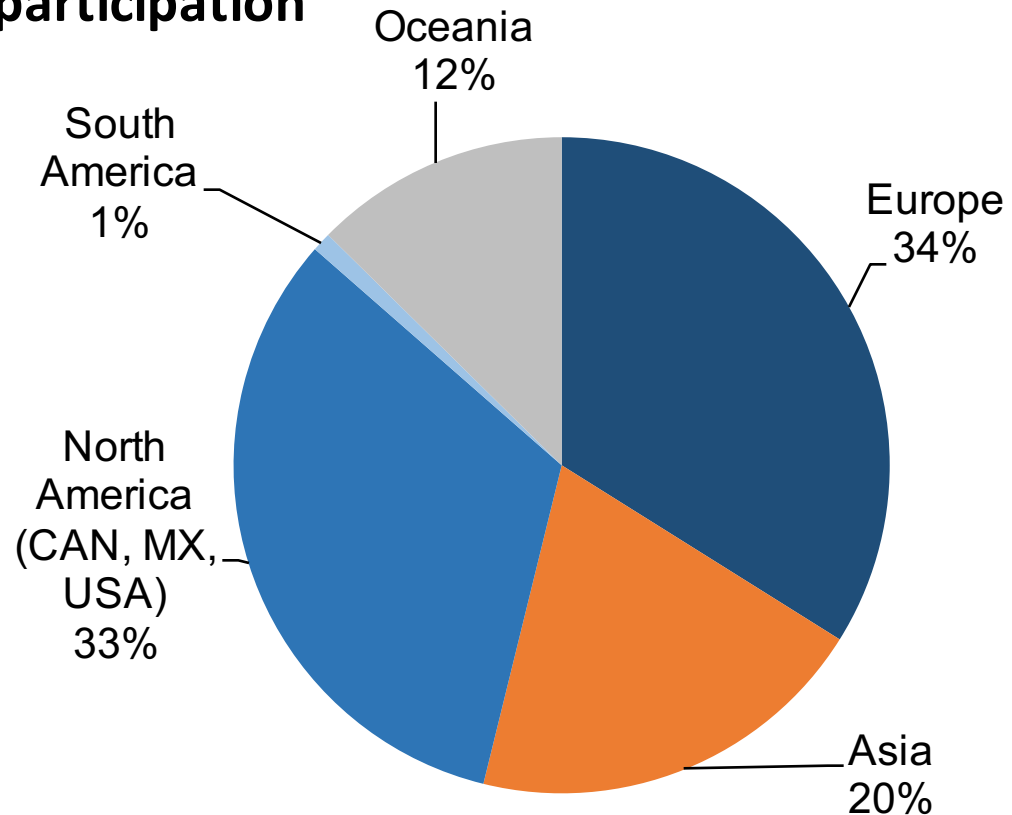


Additional cash contribution

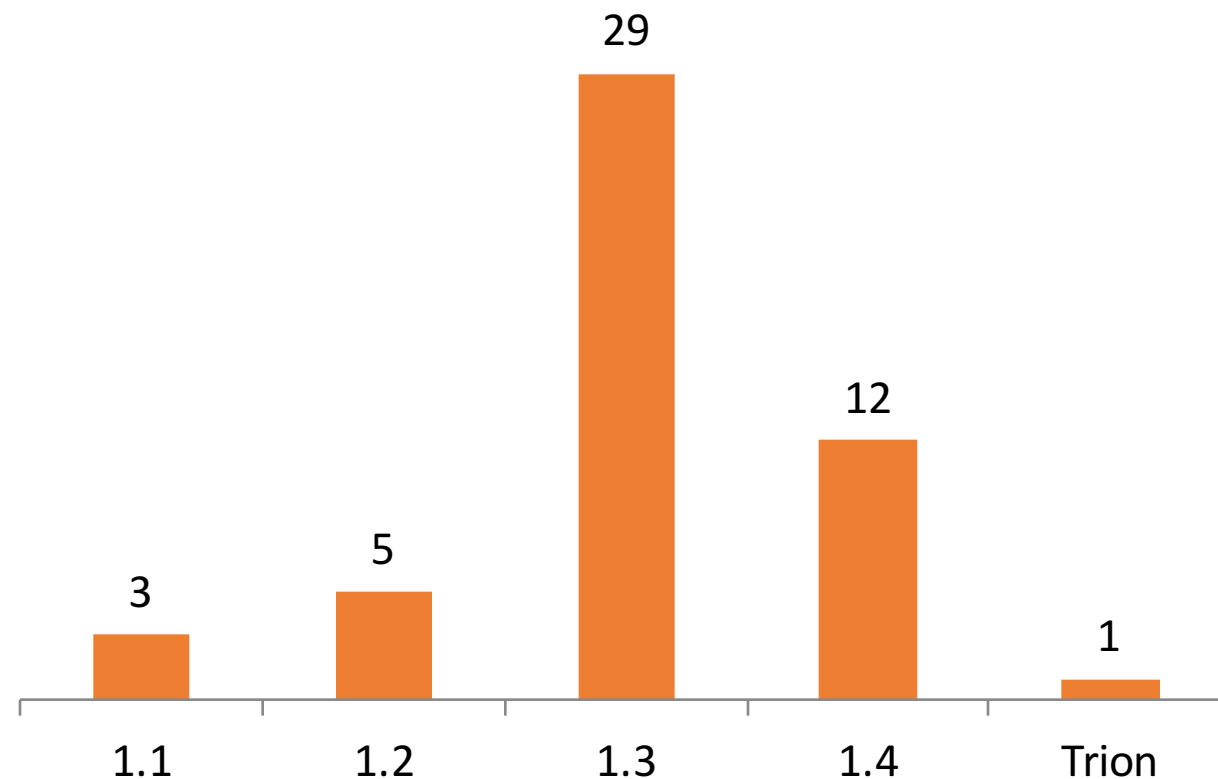


Aggregate expected investment from Round 1: 51 billion USD from 49 E&P companies.

% of investment participation



Number of companies



*Estimated investment based on results from Round One.
Consortium investment information is divided in equal parts for this analysis. For Round 1.1, 1.2 and Trion, participation percentage was applied to consortiums.

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Mexico implemented an **ambitious reform**

Constitutional Reform

- 3 Articles modified

New Legal Framework

- 22 Laws
- 25 Regulations

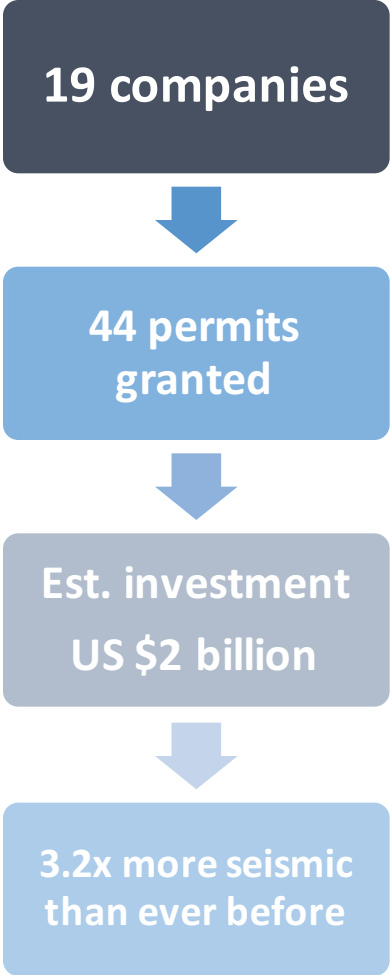
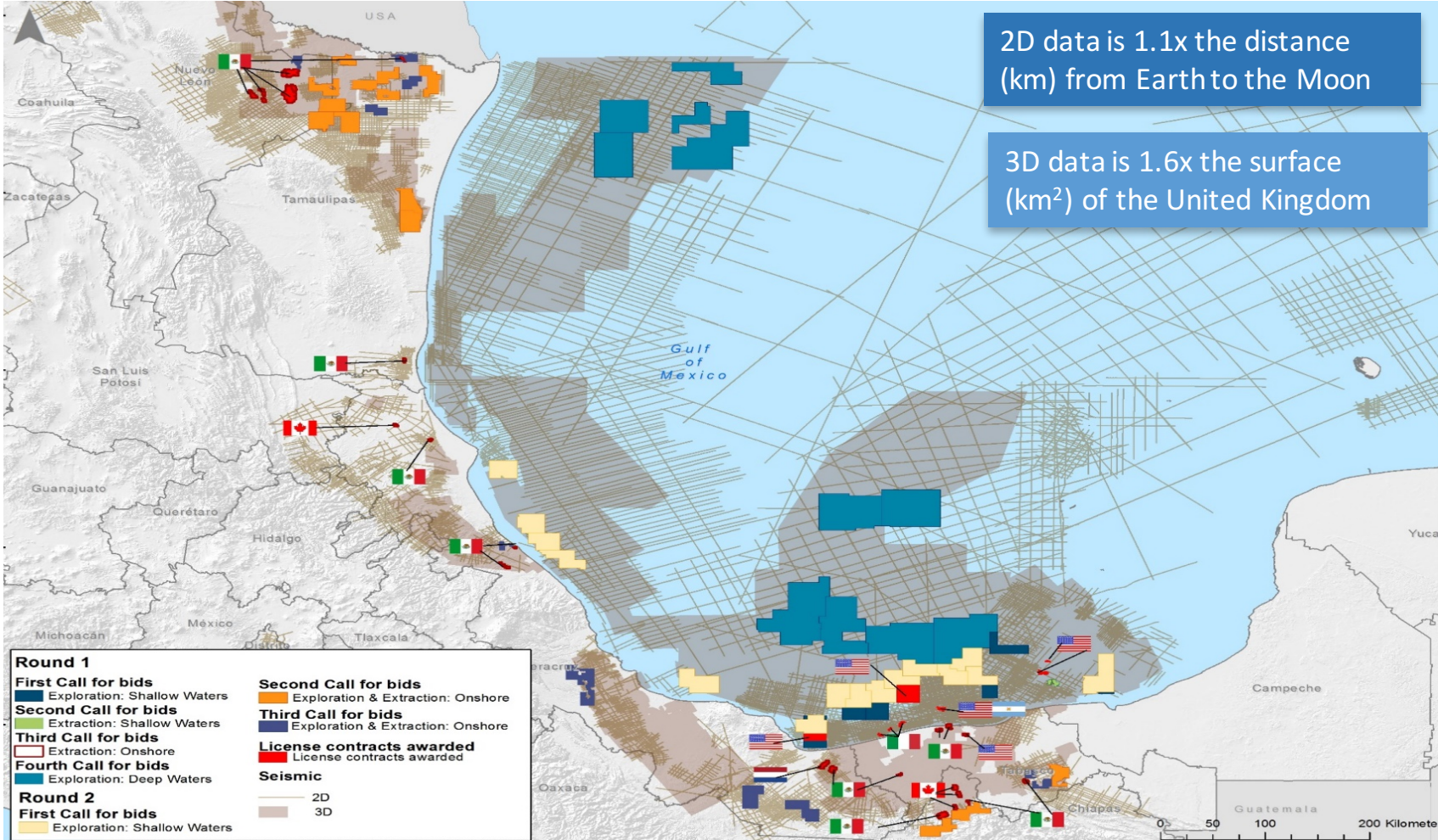
New Institutions

- Industrial safety and environment (ASEA)
- Natural gas pipeline operator (CENAGAS)
- Oil stabilization fund (FMP)

Stronger Regulators

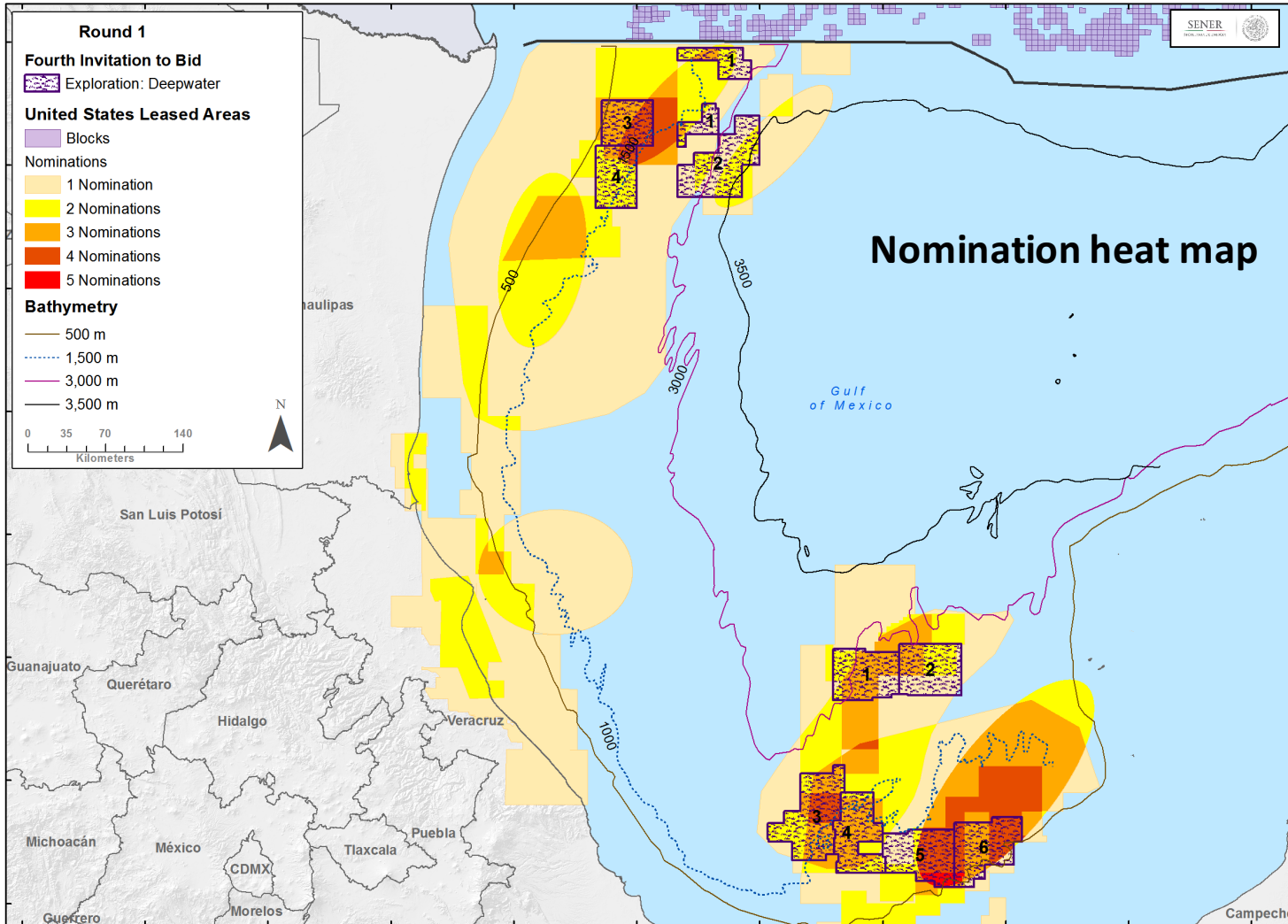
- National Hydrocarbons Commission (CNH)
- Energy Regulatory Commission (CRE)

Unprecedented seismic data coverage since 2015



Source: CNH, <https://www.gob.mx/cnh/documentos/consulta-las-ares-otorgadas>.

Area nominations



Areas for **Round 1.4** determined by **technical criteria** and **industry nominations**

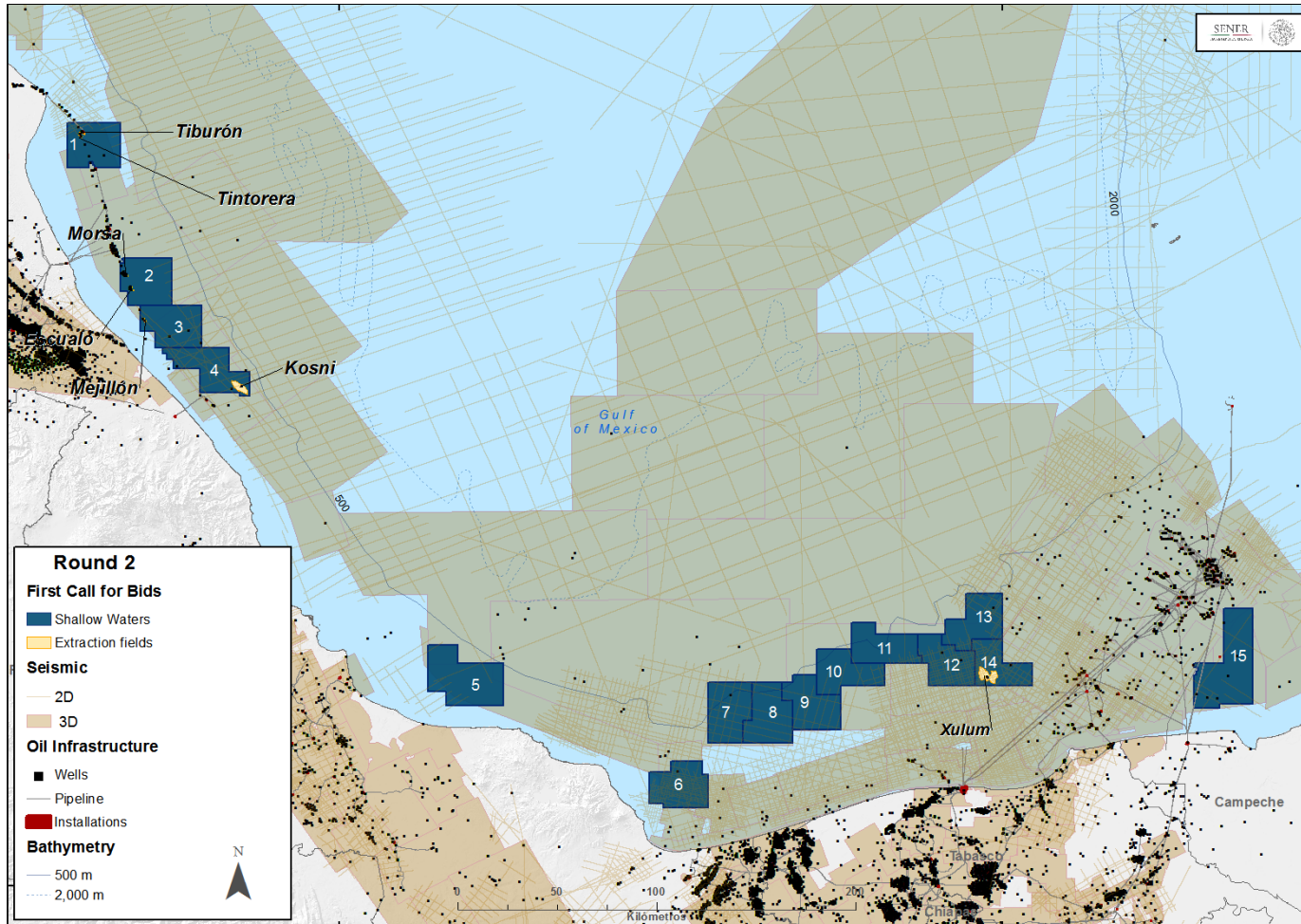
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Shallow water auction scheduled for March 22th 2017



Round 2.1 Shallow Waters | PSC

- 15 blocks
- 8 blocks with identified fields
- 1,587 mmboe
- 8,908 km² (590 km² avg.)

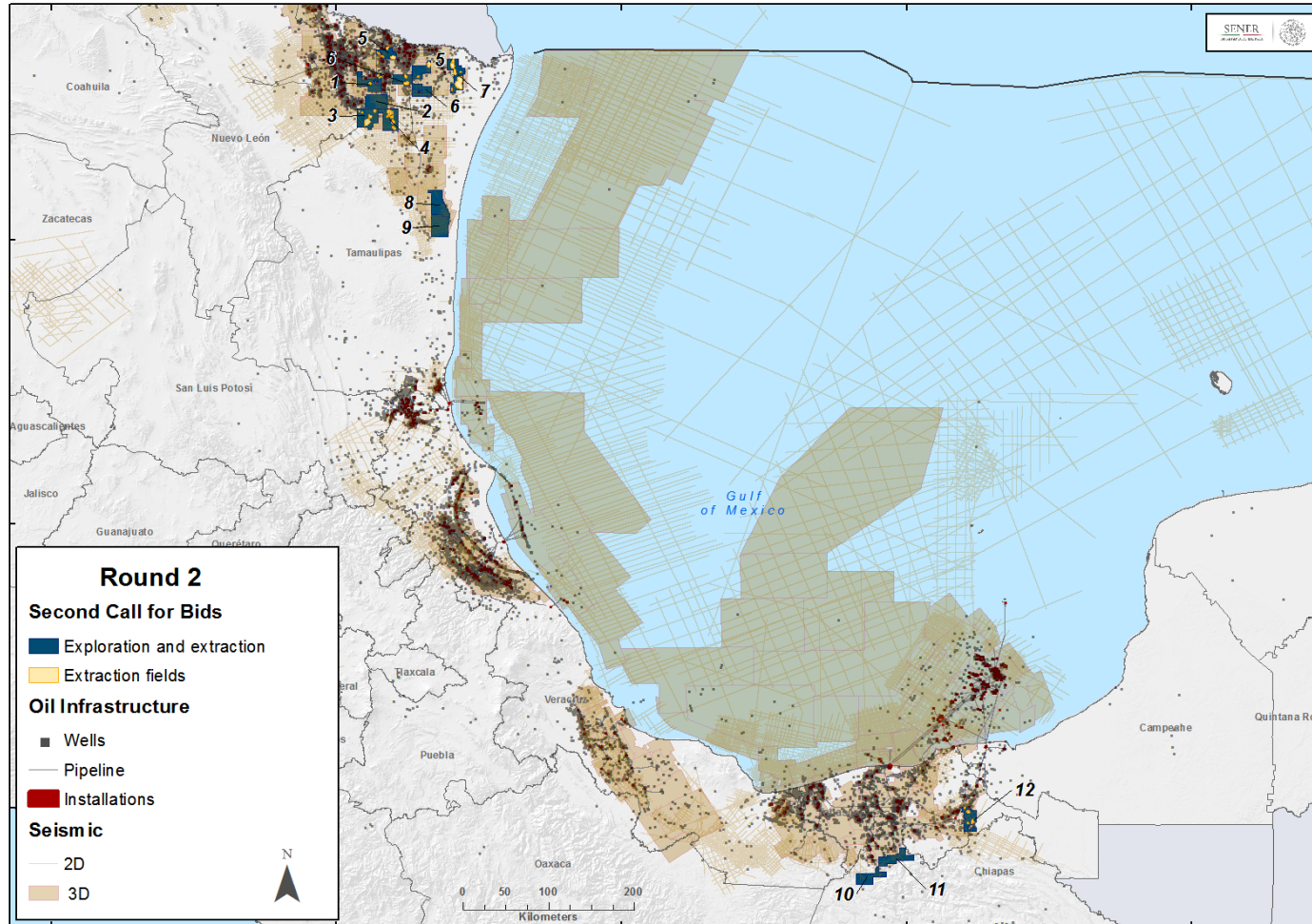
Super light oil and wet gas

Equivalent to **405 blocks** tendered on the continental shelf of the **USA** in the **Gulf of México**.¹

¹Average block of 22 km² on the continental shelf of the USA in the Gulf of México.

Source: <https://www.boem.gov/Gulf-of-Mexico-Region-Lease-Map/>

Onshore auction scheduled for July 12th 2017



Round 2.2 Onshore | License

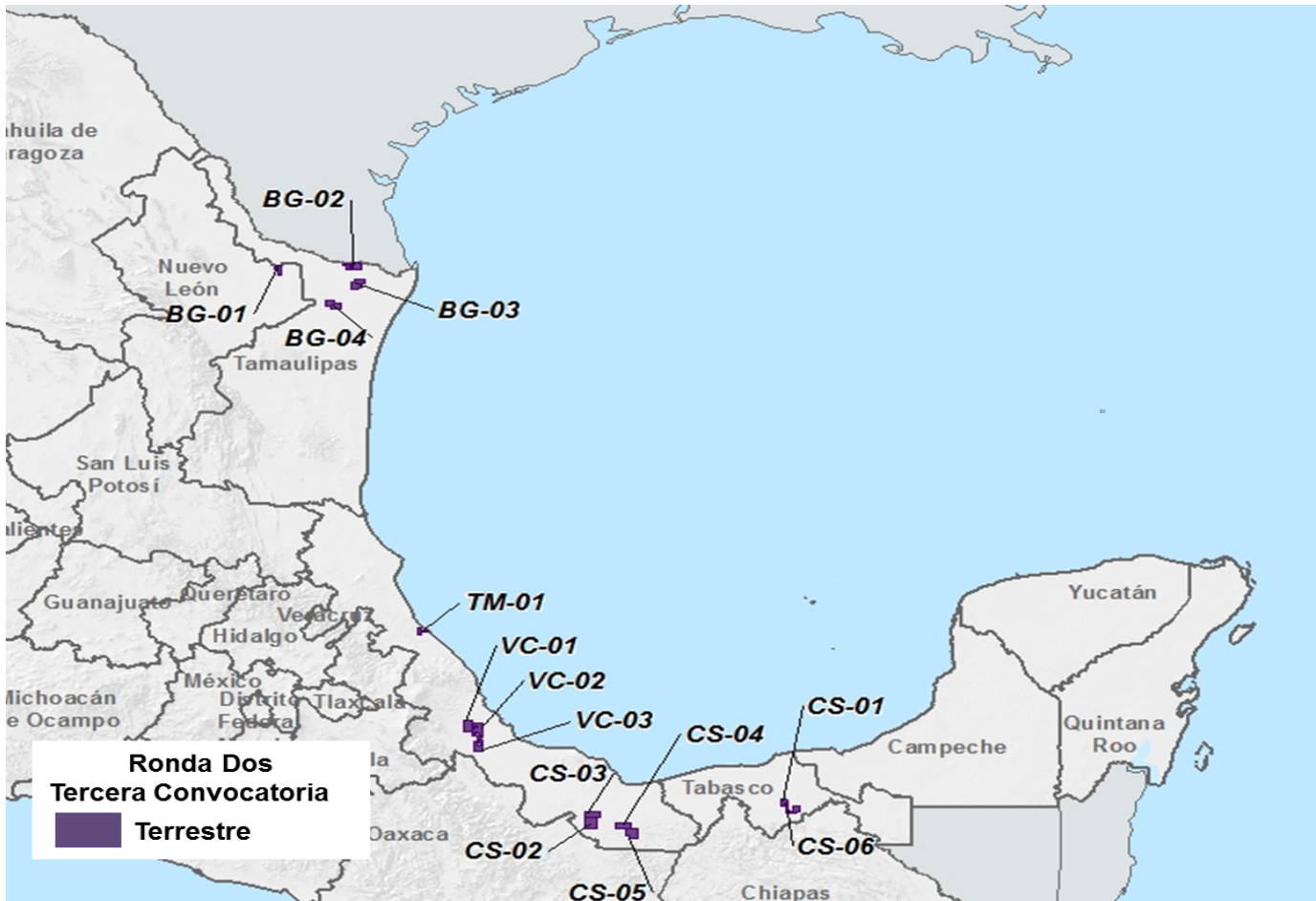
- 12 E&P blocks
- 39 identified fields
- 643 mmboe
- 5,000 km² (416 km² avg.)

Wet & dry gas

3.5x the annual electric power consumption of natural gas in the US (2015).¹

¹U.S. Electric power consumption in 2015: 9,671 bcf (2015)
Conversion factor: 1 bcf = 0.19 mmboe
Source: Energy Information Administration

Onshore auction scheduled for July 12th 2017



Round 2.3 Onshore | License

- 14 E&P areas
- 25 identified fields
- 328 mmoeb
- 2,595 km² (185 km² avg.)

Wet & dry gas

3.7x the annual residential consumption of natural gas in the US (2015).¹

¹Source: Energy Information System, SENER
Residential consumption of natural gas of 4,609 bcf (2015)
Conversion factor: 1 bcf = 0.19 mmoeb

More farmouts

Shallow waters

Ayin and Batsil

▶ Pemex's Board approved *migration* for Ayin and Batsil fields to an **Exploration and Extraction Contract**

▶ Located in the the Gulf of Mexico's Southeast

Onshore

Cárdenas – Mora and Ogario

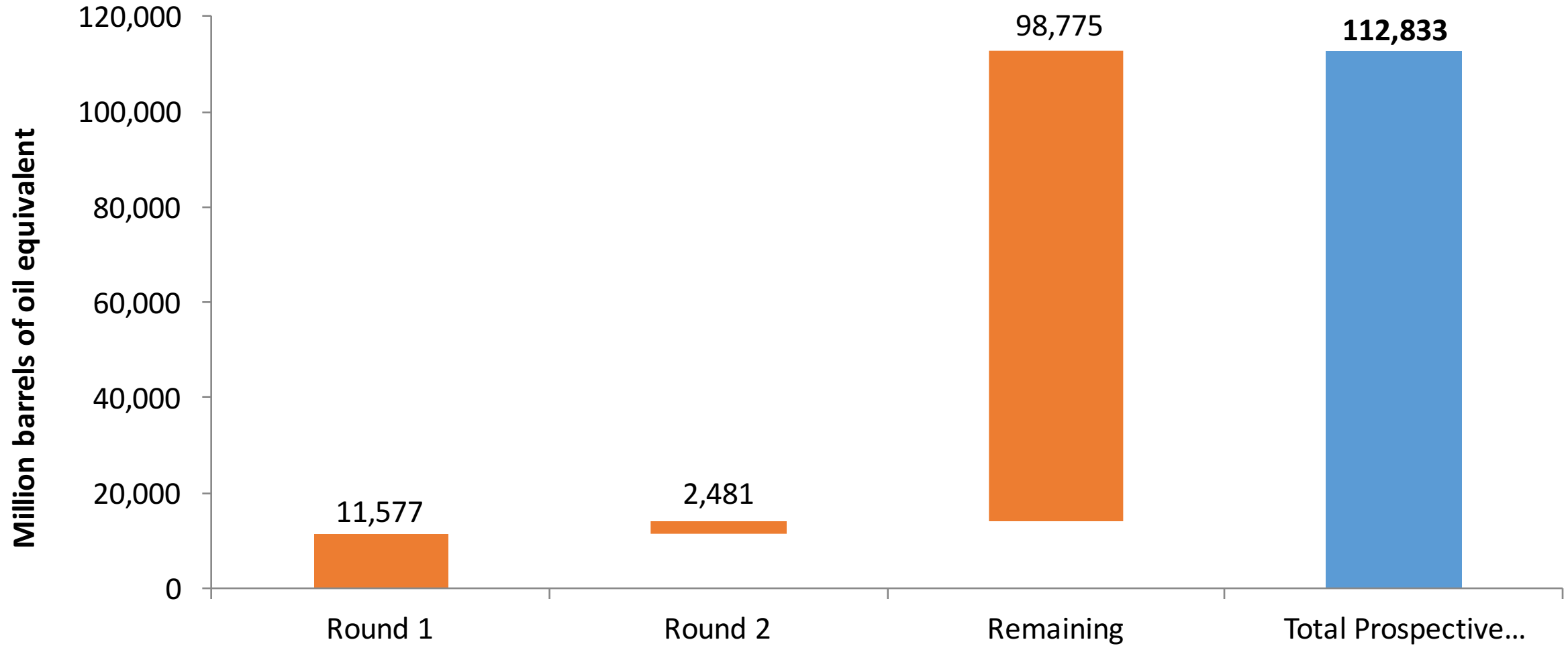
▶ CNH approved *migration* of two mature onshore fields, Cárdenas–Mora and Ogario, to **Exploration and Extraction Contracts**

▶ Located in Mexico's Southeast



Dates to be defined

Only 12% of prospective resources have been tendered so far



More information at:

www.gob.mx/sener
www.rondasmexico.gob.mx