



Professional Landmen's Association of New Orleans
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Opportunities, Challenges, and Politics of Oil and Gas Exploration
in Mexico and the Caribbean.

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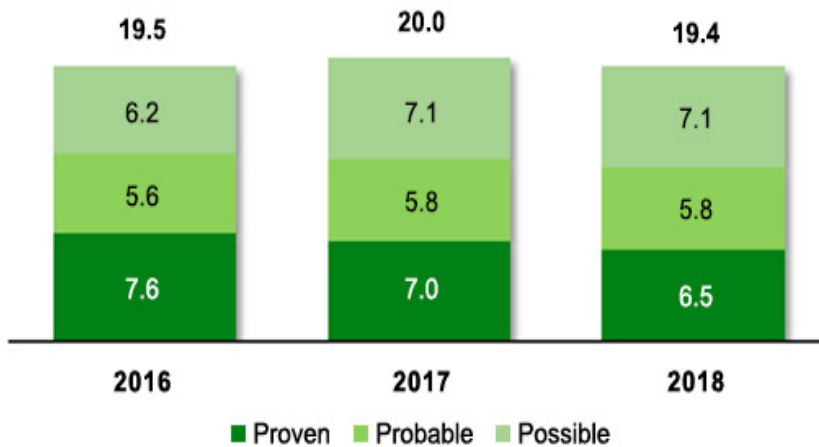
- 1938 Nationalization and Expropriation of all Foreign Oil Companies
- 2013 Mexico Energy Reform – End of Pemex Monopoly
Energy Market Opened to Private Competition
PEMEX was not Re-Structured or Privatized



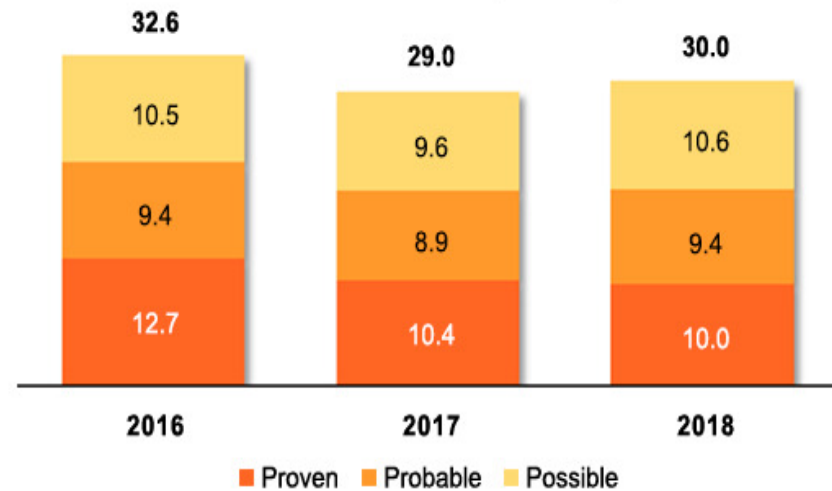
↓	Crude Oil Production	3.371 MBD	1.701 MBD
↓	Crude Oil Exports	1.844 MBD	1.103 MBD
↓	Refinery Production	1.343 MBD (84%)	0.626 MBD (39%)
↓	Petroleum Demand	2.089 MBD	1.733 MBD
↓	Petroleum Imports	0.200 MBD	0.986 MBD

Evolution of Mexico's Crude & Natural Gas Reserves

Crude Reserves (Billion bbl)



Natural Gas Reserves (Trillion cf)



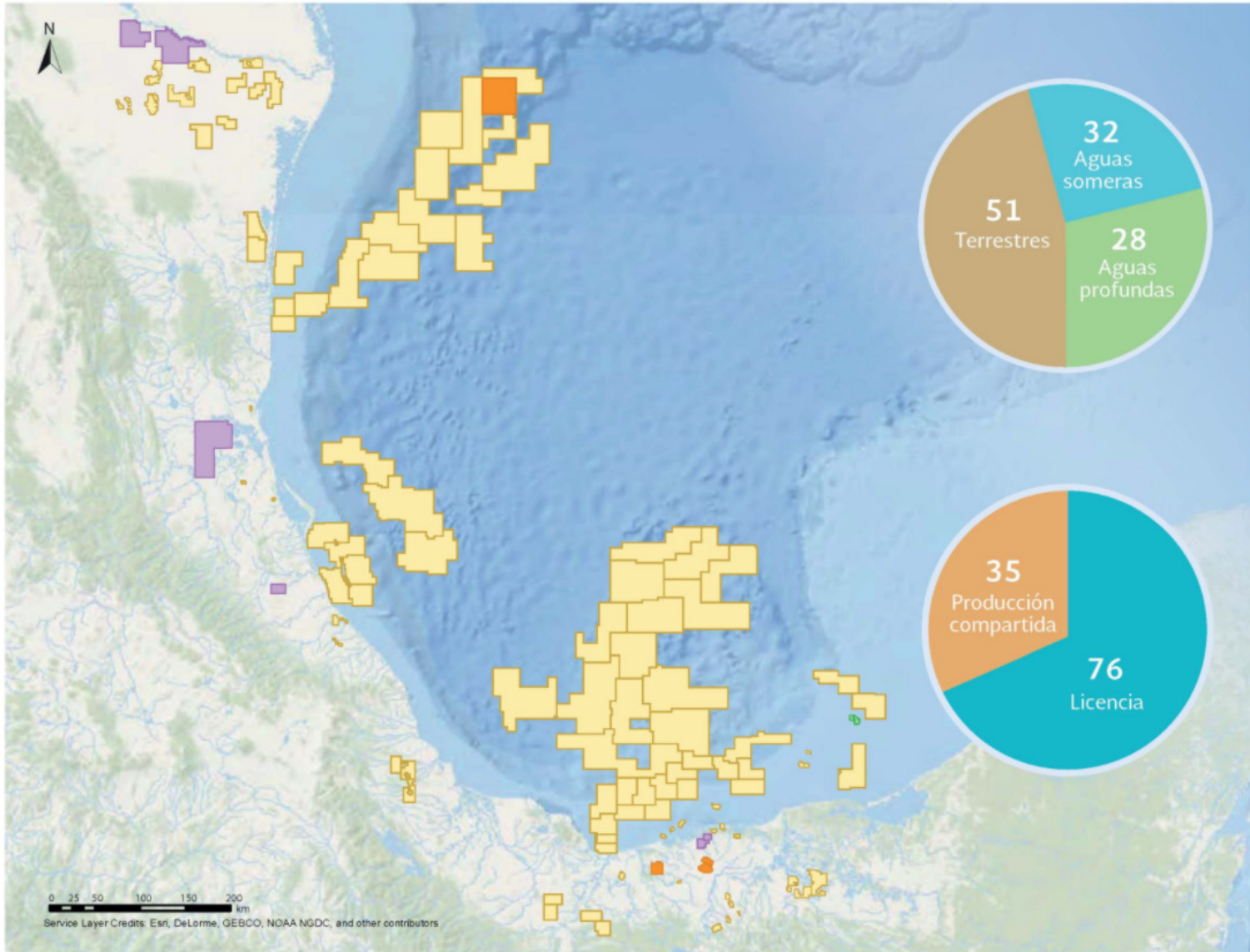
Source: Mexico National Hydrocarbons Commission (CNH)

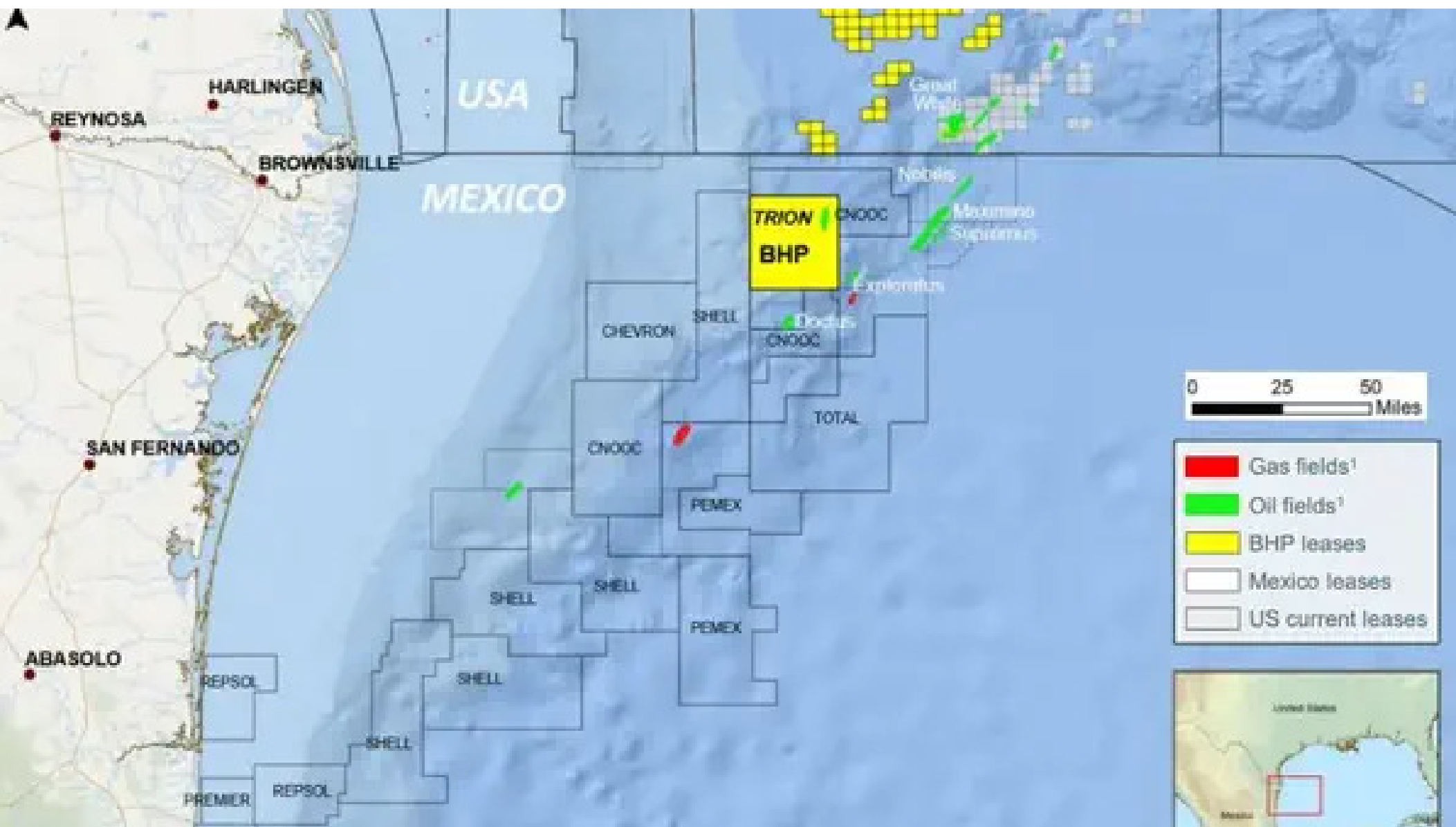
2013-2018 Upstream Oil and Gas Reform

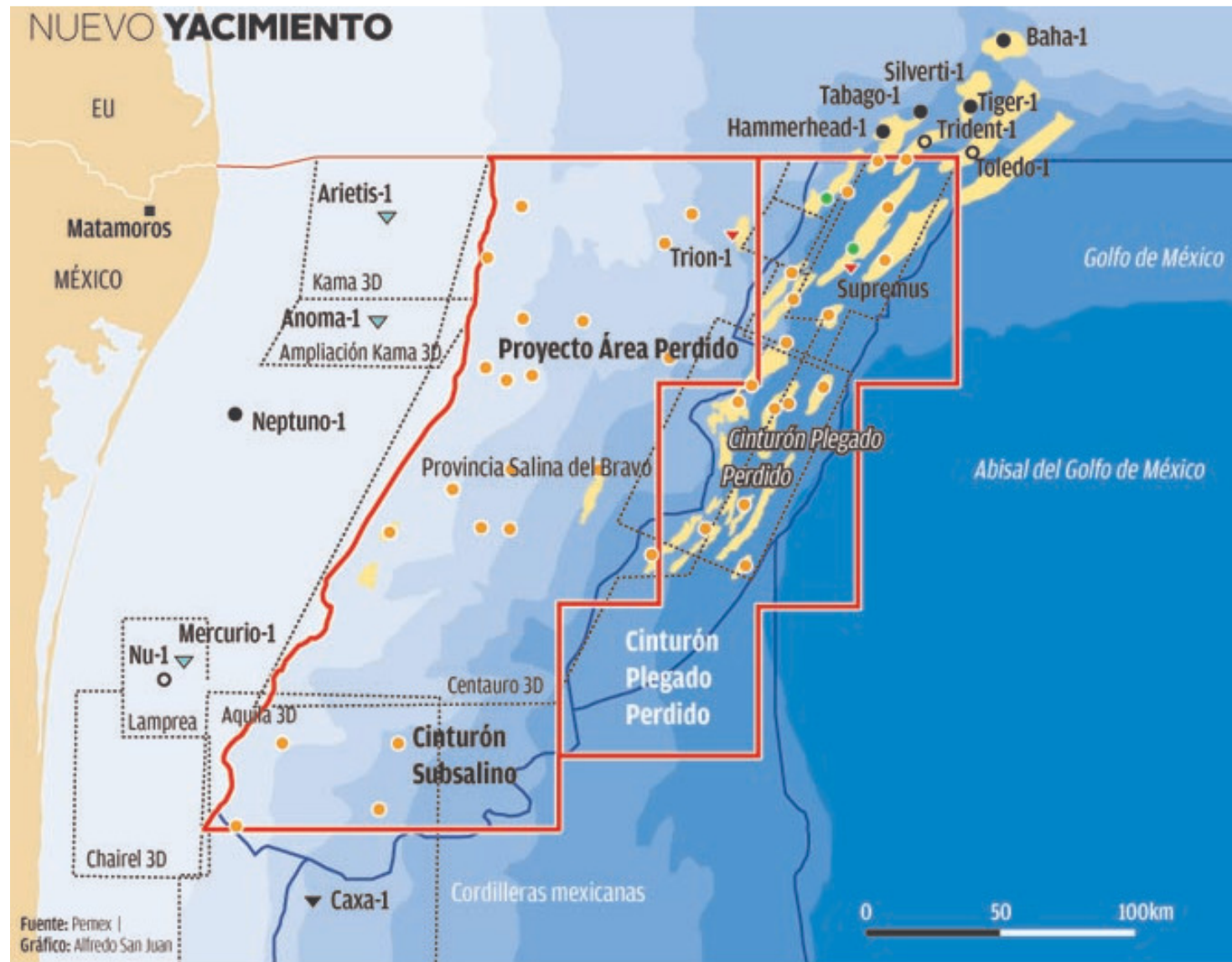
- 107 E&P Contracts Awarded in 3 Bid Rounds
- 31 Awards Currently Producing 126 mbd oil / 240 mmcfd gas (7/20)
- 73 Companies from 20 Countries Participated

Shell	Petronas	Total	ENI
Repsol	Qatar	BP	Chevron
CNOOC	Statoil	BHP	ExxonMobil

- \$2.3b USD in Bonuses and Royalties to the Government (6/20)
- \$6.0b USD in Exploration and Development (8/20)





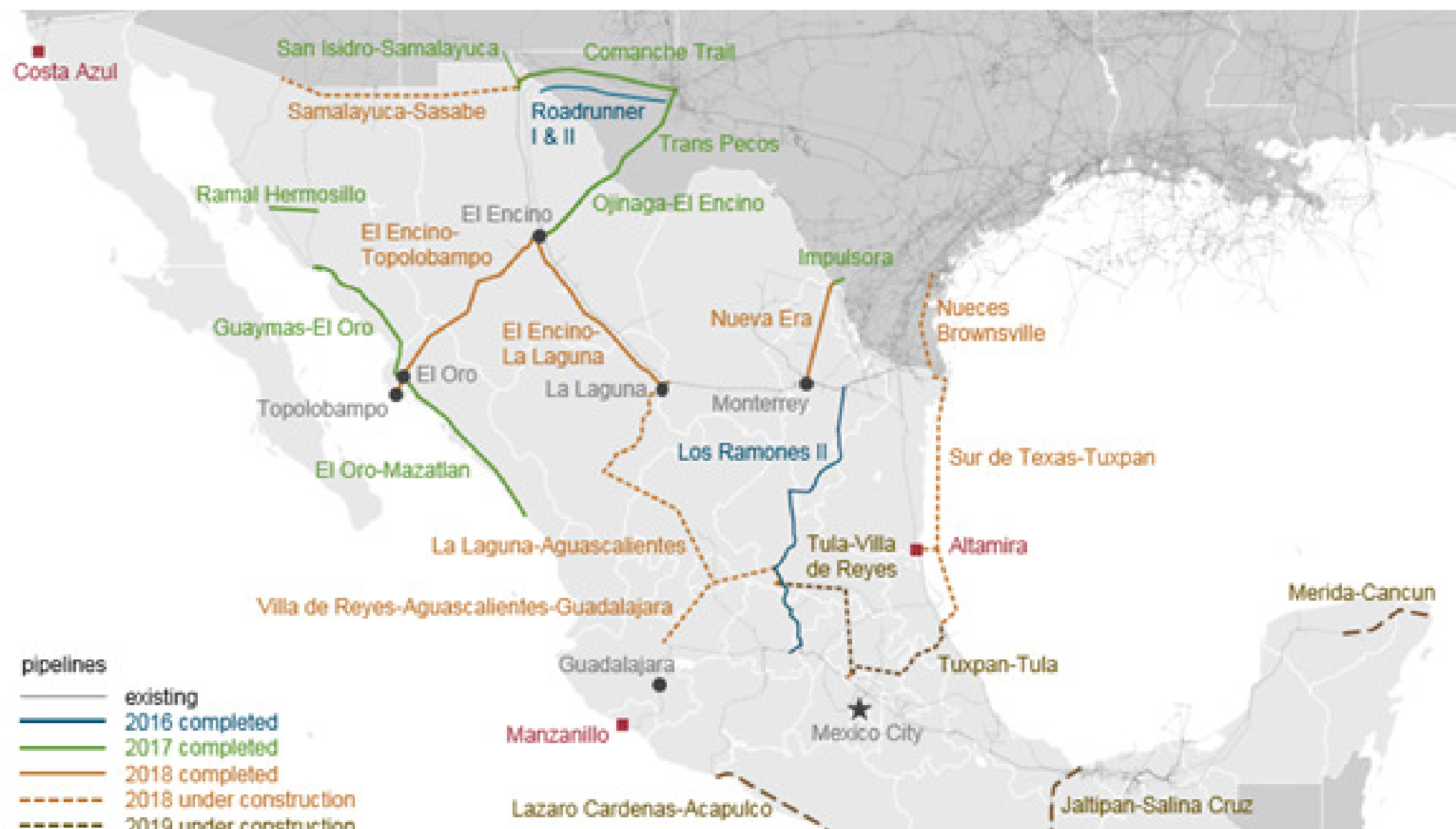




US Mexico Refined Products Trade – 2019

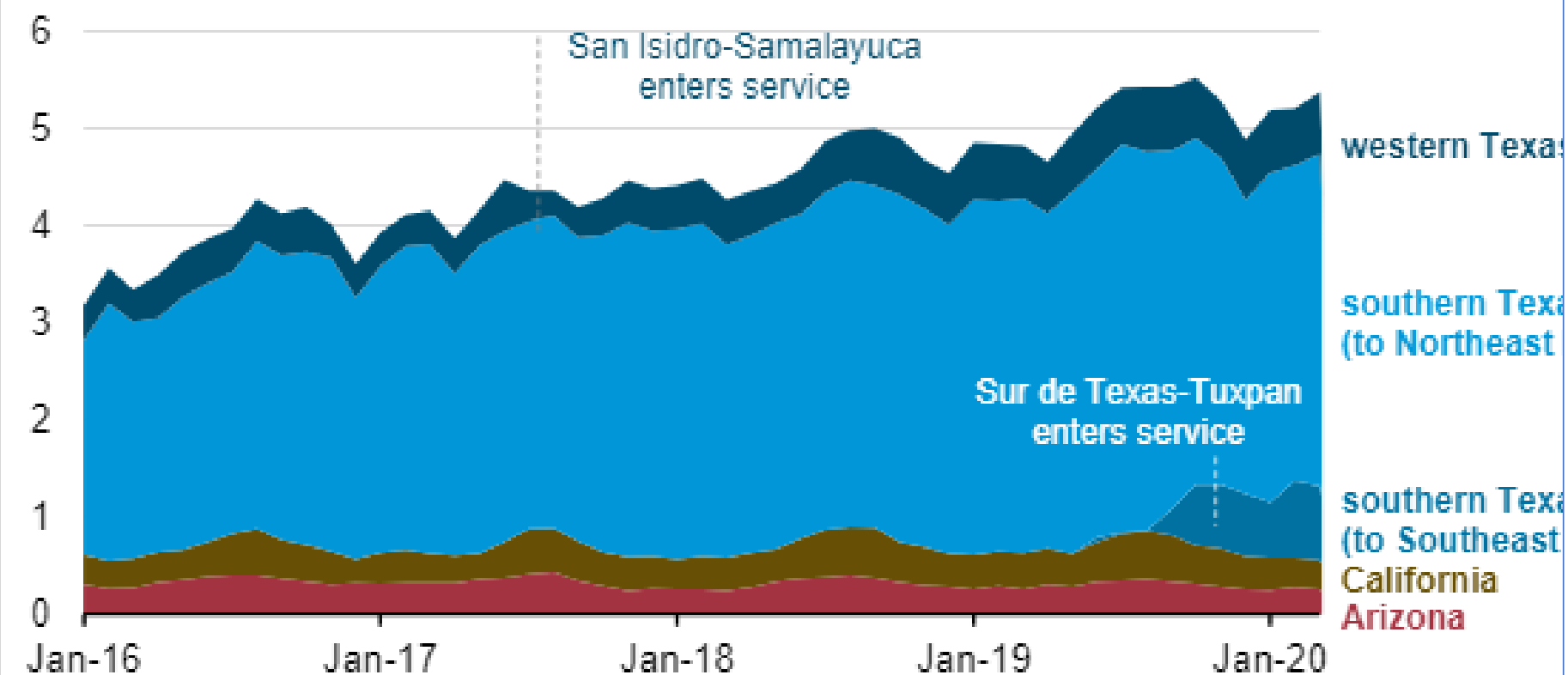
Mexico Refined Products Demand	1.740 mmbd
Mexico Refinery Production	0.592 mmbd
Mexico Refined Products Imports	1.148 mmbd 66% of Demand
U.S. Exports of Fuels to Mexico	1.158 mmbd 100% of Mex. Imports 21% US Exports

Mexico Natural Gas Demand	7.85 Bcfd
Mexico Natural Gas Production	2.78 Bcfd
Mexico Natural Gas Imports	5.07 Bcfd
	65% of Demand
U.S. Exports of NatGas to Mexico	5.10 Bcfd
	85% of Imports



U.S. monthly natural gas exports to Mexico by region (Jan 2016-Mar 2020)

billion cubic feet per day

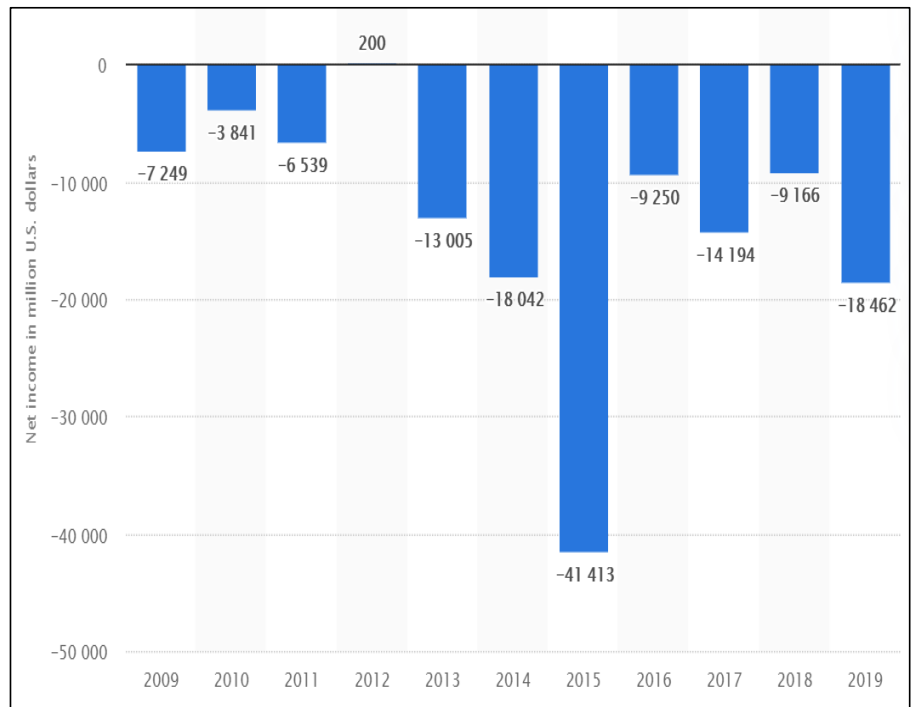


- Andres Manuel Lopez Obrador AMLO
 - Return to Nationalist, Populist, Demagoguery Rhetoric
 - Increase Oil Production to 2.2 mmbd by 2024
 - Increase Refinery Production to 1.0 mmbd by 2024
 - End of E&P Bid Rounds...
 - No new Gasoline Service Stations licenses
 - Return of Pemex Monopoly... ?

Pemex is Bankrupt...

Generally Accepted Accounting Principles (GAAP)

- Most indebted Oil Company in the World - \$105b usd
- \$139b usd Accumulated Annual Losses for the Last Ten Years
- 1Q2020 **-\$23.6b usd !**
- Junk Bond Credit Rating
- However...Oct. 9th, 2020: \$1.5B
5 years / 2025 – 6.95%



Mexican Presidential Elections December 2018 – December 2024

- Andres Manuel Lopez Obrador AMLO

Return to Nationalist, Populist, Demagoguery Rhetoric

- Return of Pemex Monopoly... ?
- Mid-Term Elections for Congress and Majority of State Legislatures – July 2021
- Honor Current E&P Contracts?
- Consequences...United States-Mexico-Canada Agreement (USMCA)
- Continued Dependency on US Imports

It's not the Resources...its the Politics and Rule of Law:

Argentina ↔

Brazil ↑

Colombia ↔

Peru/Ecuador ↓

Guyana ↑

Venezuela ↓