



Mexico: Regional Energy Market Report

GreySellsGlobal are pleased to represent Petrologica with release of their new regional energy market report, Mexico region.

Despite having strong geological potential, particularly in its untapped deep waters, Mexico continues to face a worsening domestic energy situation resulting from a declining reserve base and insufficient upstream capability, compounded by downstream bottlenecks.

Faced with this challenging position, steps have been put in place to de-gear the country from current practices with an effort to embrace reform and new methods. A roadmap of Mexico continuing in shallow water, combined with a drive into deep plays and a move into onshore acreage has gathered pace since 2013.

Driven by international players, a new future for Mexican energy has been set in motion.

The new president elect has ordered the postponement of anticipated licensing rounds and the suspension of new acreage offerings until 2021, giving priority to current exploration and development programmes.

Despite his aims of energy autarky through a strengthened national operator in Pemex, foreign direct investment is necessary not only from a monetary perspective but also for expertise and risk mitigation.

Market liberalisation has started to aid adoption in the form of farm-outs, floating development schemes and limitations on local content. While macro sentiment slows the rate of progress, Mexico undoubtedly has substantial deepwater potential.

Eight licensing rounds since 2016 have seen international players increasing or planning to increase exploration activities in deeper water offshore, though subsequent development activities have yet to materialize.

Given the right pricing and political environment, this remains a viable avenue for growth. This report details over 20 deepwater projects with potential to be sanctioned from 2019 through to 2031.

Up until 2017, the average water depth of Mexican offshore projects has been 64m. Future project visibility suggests this average will increase substantially to 536m.

If further projects are realised, shallow water gearing will reduce from a current 100% to 70% by 2031.

From 2018, 25 projects are anticipated to be located in waters beyond 500m with further ultra-deep (1500m+) projects anticipated from 2022.

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Maps, Tables and Charts, including:

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For further information with regards this Report, please contact GreySellsGlobal – www.greysellsglobal.com or email: steve.adams@greysellsglobal.com

A copy of this Report will also be available to review on the GreySellsGlobal booths at both the upcoming SubseaExpo event, Aberdeen (05-07 February AECC) and the Offshore Mediterranean Conference, Ravenna, Italy (27-29 March)