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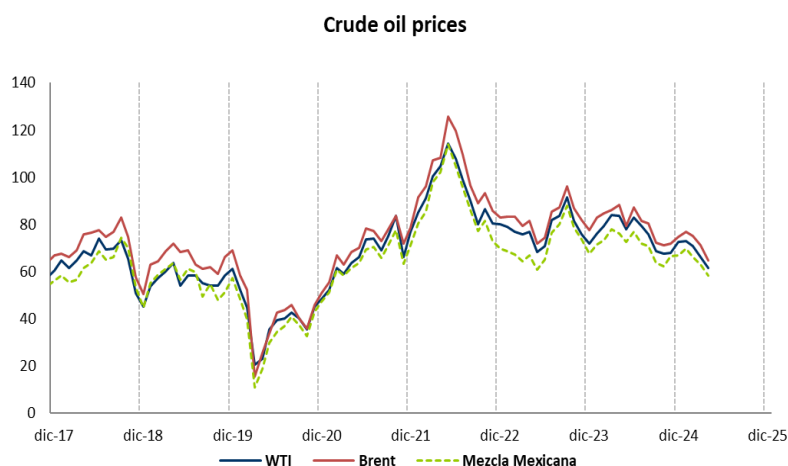
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Fortnightly review

* 11/04/2025

MME US/BD*	58.23
MME US/BD*	58.40
PEF SHCP	
Dif. MME AVG.	8.40
2025 vs. MME PEF SHCP	
NG price HH*	3.53
US/MMBTU	
Mx crude	1.36
production MMbd – February	
Mx NG production	4,424
MMpcd – February	
US crude	13.14
production MMbd - January	
FX Rate*	20.33



Oil & Gas - Mexico

Pemex, underinvestment in oil production is a greater risk than tariffs, says Moody's – *Bnamericas*

Underinvestment in crude oil production is a greater risk for Pemex than the threat of import tariffs in the US, credit ratings agency Moody's said .

Pemex's output of crude has dropped below 1.6Mb/d (million barrels per day) in the first months of 2025, falling short of the government's target of 1.8Mb/d and less than half the record level of 3.4Mb/d in 2004.

In recent years, Pemex has neglected its profitable upstream business while investing in loss-making refineries in order to increase Mexico's production of fuels such as gasoline and diesel. That is reducing the cash flow that the company needs to generate to pay its suppliers and creditors. Pemex has invested around US\$20bn in the Olmeca oil refinery, which began operations last year. The plant will reduce Mexico's reliance on fuel imports from the US.

The refinery has nameplate capacity to process 340,000b/d of crude but processed less than 7,000b/d in February. Moody's said that increasing fuel production at the Olmeca refinery would reduce the amount of oil Mexico has available for export and decrease Pemex's dollar-based revenues from crude exports. With nearly US\$100bn in net financial debt, Pemex is the world's most indebted oil company.

Mexico's exports of crude oil to the US are not currently subject to import tariffs. US President Donald Trump did not include Mexico in his global tariff announcement on April 2. Mexican exports of cars, steel and aluminum to the US are subject to previously announced 25% tariffs. Moody's said that while Pemex shipped nearly 40% of its oil to the US in 2023, its crude exports to the US have declined over time as the company refines more of its output at its Mexican refineries.

About 7% of crude imports to the US came from Mexico in 2024, Moody's estimated, compared with 62% for Canada. In the event of US tariffs being imposed on Mexican crude, the ratings agency said that "Mexico would also be able to divert some of its export volumes to other international markets in Europe and Asia."

Mexico explores boosting fracking to cut reliance on US NG: FT – *Economista*

Mexico is considering expanding domestic fracking in a bid to reduce its high dependence on natural gas imports from the United States amid tense trade tensions between the two countries. Over the past decade, Mexican imports of U.S. natural gas, mostly via pipelines, have jumped thanks to new pipelines built between the U.S. and Mexico.

Gas is the primary source of power generation in Mexico, accounting for 60% of all electricity output. But more than 70% of Mexico's natural gas consumption is imported from the U.S. However, any changes to carry out the expansion of hydraulic fracturing could take months to materialize, at a time when discussions are still in a preliminary phase. Discussions with private companies are in early stages and may not lead to any policy shifts or contracts. The leftwing party of Mexico's President Claudia Sheinbaum has been opposing the expansion of fracking for years, but the U.S. trade policy could push it to reconsider the expansion of shale gas development.

RBN Energy, a market advisory service, wrote in a recent note that U.S. imports—mainly from the Permian Basin and Eagle Ford—have tripled over the past decade. Mexico's domestic production has declined rapidly, and much of its gas is considered unusable due to its high nitrogen content.

Mexico's finance ministry estimates crude oil production 129,000 bpd below target – *Reuters*

Mexico lowered its estimate for average crude oil production for this year by 129,000 bpd, citing a "prudent approach" that takes into account the trajectory of the first months of the year.

In its revised estimate, the finance ministry estimated in its preliminary budget criteria that production will average 1.762 million bpd for this year and then increase to 1.775 million bpd next year. It takes into account the "development of new strategic projects and the eventual incorporation of additional fields if exploration proves favorable," according to the document. The treasury department specified that the new projections include crude oil and condensate production from Pemex and private companies operating in the country.

Pemex remains by far the largest producer, and its dominant position was strengthened even further by a recently approved energy reform. However, Pemex has failed to halt the sustained decline. Production, including partners, has averaged 1.619 million bpd in the first two months of the year.

Pemex still to settle 60% of debt to 100 suppliers: CANACINTRA – Mexico Business News

The National Chamber of the Transformation Industry (CANACINTRA) reported that Pemex still needs to settle 60% of its debt for services rendered by 100 of its suppliers, members of CANACINTRA, in key oil-producing states. Four companies have gone bankrupt due to these unpaid debts, according to Esperanza Ortega, President, CANACINTRA.

Pemex has only paid 40% of the debts owed to companies across Campeche, Tabasco, Veracruz, and Tamaulipas, which have been waiting for payments for over two years. Ortega Azar highlighted that the outstanding amount is in the billions, with one company alone owed more than MX\$2 billion, and other firms facing breaches totaling MX\$1.6 billion.

Despite the challenges, Ortega Azar noted that progress had been made in reducing the debt, and there is hope for improved liquidity through new contracts expected in 2025. Between 80 and 100 CANACINTRA member companies, based in Ciudad del Carmen, Tampico, and Tabasco, provide services to Pemex.

Entrepreneurs have resorted to taking out loans to survive the extended period of non-payment, with several companies being forced into bankruptcy. While the situation remains challenging, Ortega Azar emphasized that there has been gradual improvement in debt payment, particularly in Campeche. The debts had accumulated over two years, pushing companies to the brink, but Pemex's recent cooperation has helped start the recovery process.

Power/Renewable Energy – Mexico

Mexico's CFE speeding up tenders for generation and transmission projects – Bnamericas

CFE is accelerating public procurement for new power plants and will build more transmission lines than originally planned.

The seven generation projects that CFE will tender this year will add total capacity of nearly 3.4GW. As well as adding new generation capacity, CFE will tender nine transmission lines in 2025, for an estimated US\$24.9mn. CFE is adding 13 new transmission lines to the company's initial 2025-30 expansion plan published in February, increasing the total from 145 to 158 new lines. Sheinbaum said she would accelerate Plan México at a time of rising tensions in international trade.

CFE will publish tenders for the combined cycle gas turbine (CCGT) plants in the coming months. The projects include the 912MW Francisco Pérez Ríos plant in Tula in Hidalgo state, which will cost US\$827mn. A tender was published April 2 and results are due in August. Salamanca II in Guanajuato state will have capacity of 498MW and cost US\$537mn while Altamira in Tamaulipas state will have capacity of 581MW and cost US\$424mn.

The CCGT plant in Mazatlán on the Pacific Coast will have capacity of 575MW and cost US\$529mn. A smaller, 240MW internal combustion plant in Los Cabos, Baja California will cost US\$272mn. The results of the tenders for the power plants will be published from August to November.

For the Puerto Peñasco solar park in Sonora state, CFE will publish in August two tenders for the US\$454mn, 300MW third phase and the US\$363mn, 280MW fourth phase. The results of the tenders for Puerto Peñasco will be published in December. When fully operational, the facility will be the largest solar plant in Latin America. All the power plants are due to start operations from 2027 to 2029.

SENER to invest MX\$200 million in solar panels for Mexicali – *Mexico Business News*

SENER has announced a MX\$200 million investment to install 5,500 solar panels in the homes of vulnerable families in Mexicali, Baja California. The initiative is part of the Sol del Norte program, which aims to reduce electricity bills by up to 70% for households in areas with extreme temperatures.

Luz Elena González, Director, SENER, stated that the program's objective is to address inequalities and enhance the well-being of vulnerable populations, while also promoting the use of renewable energy. The solar panel installations are designed to provide immediate savings on electricity bills, particularly during the region's hottest months.

SENER's broader goal is to install more than 150,000 solar panels across Mexico during the current administration. In addition to the financial relief for families, the initiative is expected to reduce CO2 emissions by 4,864t annually, which is equivalent to removing over 1,000 cars from the road. The solar panels to be installed are designed to withstand extreme weather conditions and include inverters for domestic energy use.

Oil & Gas - LATAM

Brazil's Petrobras eyes exploration opportunities in India – *Reuters*

Petrobras opens new tab is weighing opportunities from an oil block auction set to take place this year in India. Petrobras has already collected data to analyze the potential of the offshore areas on offer in deep and ultra-deep waters. Although the final investment decision has not been made, the analysis reflects a broader interest from Petrobras in diversifying exploration efforts amid tightening global energy markets.

India, the world's third-largest oil consumer, offers strategic potential for companies like Petrobras seeking to leverage its deepwater expertise. The government of India's open acreage licensing policy under the Hydrocarbon Exploration and Licensing Policy framework aims to attract foreign investment and boost domestic output. For Petrobras, participation could offer both technological and commercial synergies in a competitive yet opportunity-rich environment.

Billions at stake: Petrobras advances in equatorial margin oil Exploration – *Rio Times*

Petrobras is accelerating efforts to explore the Foz do Amazonas Basin, a region believed to hold up to 10 billion barrels of oil. The Brazilian oil giant received approval from Amapá's environmental authorities to operate a wildlife rehabilitation unit in Oiapoque, fulfilling a critical requirement set by IBAMA, Brazil's environmental agency.

This facility, designed to care for marine species affected by oil operations, complements an existing center in Belém but is closer to the target exploration site. The company plans to invest R\$ 3.1 billion by 2028 to drill 16 exploratory wells in the Equatorial Margin, which stretches from Rio Grande do Norte to Amapá. Petrobras sees this project as a potential game-changer for Brazil's energy sector, opening a new frontier for oil production. However, regulatory hurdles remain. IBAMA must inspect the Oiapoque facility before granting final approval for drilling operations.

Political tensions surround the project as President Lula da Silva advocates for mediation between supporters and opponents of oil exploration. Environmental concerns have delayed progress since Petrobras acquired exploration rights in 2013. In 2023, IBAMA rejected Petrobras' initial drilling request due to technical flaws. Revised proposals submitted in late 2024 are still under review. The Foz do Amazonas Basin represents significant economic potential but faces socio-environmental challenges.

Petrobras aims to balance these concerns with safety measures, including emergency response systems and monitoring technologies. If successful, this project could bolster Brazil's oil production and solidify its position as a global energy leader. Petrobras remains optimistic but awaits IBAMA's final decision while navigating political pressures and environmental scrutiny. The outcome could redefine Brazil's energy landscape and economic future.

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