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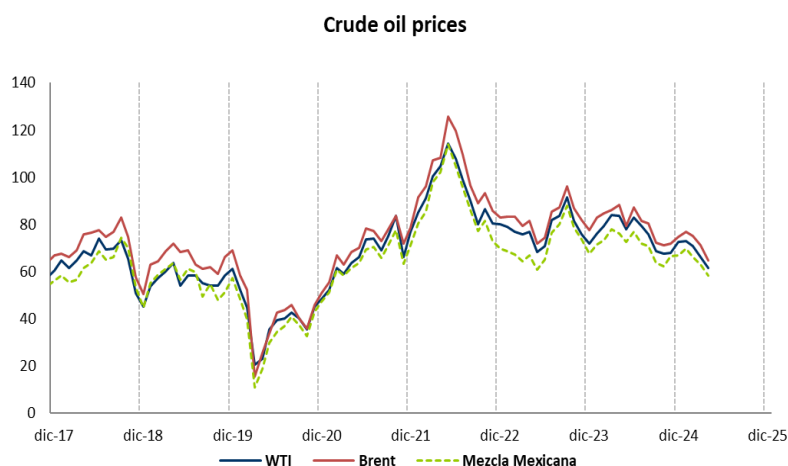
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Fortnightly review

* 29/04/2025

MME US/BD*	57.47
MME US/BD*	58.40
PEF SHCP	
Dif. MME AVG.	8.46
2025 vs. MME PEF SHCP	
NG price HH*	3.28
US/MMBTU	
Mx crude	1.34
production MMbd – March	
Mx NG production	4,434
MMpcd – March	
US crude	13.14
production MMbd - January	
FX Rate*	19.58



Source: EIA, El Reforma, Pemex, Banxico, and CNH

Oil & Gas - Mexico

Pemex 1Q-2025 results – Pemex

Pemex reported an 11.3% drop in first-quarter production of crude and condensate. Average liquid hydrocarbons production, including the share from partners, was 1,615 thousand barrels per day, representing an 11.3% decrease compared to the same period in 2024. Likewise, natural gas production averaged 3,502 million cubic feet per day (MMcfd), an 8.7% decrease. These variations were mainly due to the natural decline of mature fields and the technical complexity involved in completing certain wells.

Revenue during the January-to-March period fell 2.5% to 395.59 billion pesos, mainly due to lower crude oil sales volumes. In 1Q25, Pemex recorded a net loss of MXN 43.3 billion, compared to a net income of MXN 4.7 billion in 1Q24. The main factors contributing to this variation were the decrease in sales; increases in other expenses, administrative expenses, financial expenses, foreign exchange losses, and taxes and duties.

(MXN million)	1Q 24	1Q 25	Variation	
Sales	405,899	395,590	-2.5%	(10,309)
Cost of sales ¹	329,831	286,575	-13.1%	(43,256)
Gross income (loss)	76,067	109,014	43.3%	32,947
Administration and distribution expenses	43,383	50,016	15.3%	6,633
Operating income (loss)	36,398	63,588	74.7%	27,190
Financial cost, income due to financial derivatives	(33,234)	(34,718)	4.5%	(1,483)
Foreign exchanges profit (loss)	33,388	(15,058)	-145.1%	(48,446)
Taxes, duties, and others ²	31,869	57,141	79.3%	25,272
Net income (loss)	4,682	(43,329)	-1025.4%	(48,011)
EBITDA	92,459	124,384	34.5%	31,925
(MXN billion)	2024	2023	Variation	
Financial debt as of December 31, 2025	1,979	2,053	3.8%	75

In the quarter, crude oil processing within the National Refining System (SNR) averaged 936 Mbd, representing a 5% decrease compared to the same quarter in 2024. Its refining unit yielded 305,000 bpd of gasoline and 171,000 bpd of diesel.

For fiscal year 2025, Pemex has an approved investment budget of MXN 211.5. As of March 31, 2025, MXN 103.3 billion had been exercised, representing 49% of the approved budget.

Business Unit	2025 Budget (MXN billion)	Investment Exercised as of March 31, 2025 (MXN billion)
Exploration and Extraction ¹¹	180.5	99.6
Industrial Transformation	22.5	2.2
Logistics	7.3	1.0
Corporate	1.2	0.5
Total	211.5	103.3

Oil rig activity plummets in Mexico as Pemex pauses contracting – *Bnamericas*

Oil rig activity in Mexico has fallen by nearly 75% since 2023 as Pemex grapples with a deepening debt crisis.

"Pemex put a pause on contracting activity in Mexico," Lorenzo Simonelli, chairman and CEO of oilfield services company Baker Hughes, told at Q1 earnings call. "Rig activity there was down 52% sequentially, that's now a 72% drop from peak levels in 2023."

Pemex is the world's most indebted oil company. At the end of 2024, it had US\$97.3bn of financial debt and owed US\$25bn to its suppliers. The debt crisis has led to steep falls in oil output. In January, Mexico produced 1.67Mb/d, down 11% from January 2024.

In March, new oil and gas laws went into force, designed to strengthen Pemex and stabilize oil production. But private and foreign oil companies still need more details about contract models and secondary regulations before investing in the Mexican upstream. "The prospect of an oversupplied oil market, rising tariffs, uncertainty in Mexico and activity weakness in Saudi Arabia are collectively constraining international upstream spending levels," Simonelli said. Simonelli expects global upstream spending to fall by a "high single digit" in 2025. Baker Hughes reported first-quarter Latin America revenues of US\$568mn, down 11% year-on-year.

US fuel exports to Mexico by land halted by higher scrutiny – *Reuters*

The Mexican government has halted U.S. fuel imports sent into the country by road, as it cracks down on illegal deals. Trucks carrying gasoline and diesel to Mexico from the U.S. Gulf Coast refining hub are not being permitted to cross the Texas border as the Mexican government investigates import permits and steps up cargo inspections, one of the sources involved in such deliveries said. There was no timeline to resume the trucking trade, the sources said, adding that railway and waterborne deliveries of fuel to Mexico from the U.S. have not been impacted.

The Mexican government and state-owned energy company Pemex did not respond to requests for comment. Even though Mexico is a large crude oil producer, it imports much of its fuel requirements from the U.S. as Pemex struggles to efficiently refine the heavy sour Maya crude oil grade it pumps. Mexico is the top buyer of U.S. fuel. U.S. oil and fuel exports to the country averaged around 35.66 MMbbl in January, according to EIA.

The trading route has proven lucrative for fuel smugglers, pushing Mexico to establish a decree to combat illicit fuel trade in 2023. In recent months, Mexican authorities have seized a vessel and several fuel trucks for what they said were illegal cargos. U.S. President Donald Trump's crackdown on illegal immigration and drug trafficking has also increased scrutiny at the U.S.-Mexico border. Nearly 110,000 acres of federal land along the border were transferred to the U.S. Army to help prevent illegal immigration, the U.S. Interior Department.

Mexico reinstates Valero's permit to import fuels from US – *El Economista*

Mexico's customs authority has reinstated the fuel import permit of U.S.-based oil refiner Valero. The permit was initially suspended on April 9 as part of a government initiative targeting illicit fuel trade. Local media reports indicated that Valero's name appeared on falsified documents used to illegally import fuel destined for the black market. There is no evidence suggesting any misconduct by Valero.

"The customs authority recognized that Valero was in full compliance of our import reporting and tax obligations, and we were quickly exonerated of any wrongdoing. The suspension of the permit, without prior notification, was disappointing and had created significant supply disruptions for Valero's customers. Since we began our operations in Mexico, we maintained a policy of full cooperation with all the authorities and implemented rigorous traceability and security controls throughout the supply chain." COO Gary Simmons said.

Headquartered in San Antonio, Texas, Valero is the largest privately owned fuel importer in Mexico. The company operates a network of service stations and storage terminals throughout the country, supplying approximately 10% of Mexico's total fuel demand. In parallel with efforts to curb illegal fuel sales, the Mexican government has been working to boost domestic production of gasoline and diesel to reduce its dependence on imports from the United States.

Mexico's CFE launches US\$500mn tender for combined cycle gas plant – *Bnamericas*

CFE has launched a US\$537mn tender for a 498MW combined cycle gas turbine plant in Salamanca in the central state of Guanajuato. The results of the tender will be disclosed on September 3, according to information published on the government's Proyectos México hub. A site visit will be held on May 5 and the deadline for bids is June 26.

The plant is expected to begin commercial operations in September 2028. The tender is the second of seven that CFE plans to launch in 2025, for five gas-powered plants and two solar photovoltaic projects. The plant, dubbed Salamanca II, will be CFE's second CCGT facility in the city. CFE started up the first 927MW plant at the site in February. CEO Emilia Esther Calleja said the two plants in Salamanca would support the industrialization of central Mexico.

Alpek concludes the sell of its two cogeneration plants – *Alpek Press Release*

Alpek, announced that it has finalized the sale of its two electric power cogeneration plants located in Cosoleacaque and Altamira, México. The agreement includes the sale of Alpek's full stake in both Cogeneración de Altamira and Cogeneración de Energía Limpia de Cosoleacaque to ContourGlobal Holding de Generación de Energía de México, S.A. de C.V., a subsidiary of ContourGlobal. The purchasing party has taken control of the assets.

In accordance with the previously announced sale agreement, Alpek sold its stake in both plants for an amount of U.S. \$801 million on a debt free basis. José de Jesús Valdez, Alpek's CEO, stated, "This transaction represents the largest divestment in Alpek's history. Through this deal we were able to monetize our assets at an attractive valuation, while ensuring a reliable and competitive energy supply for our Mexican facilities." It is important to note that Alpek will continue to be an energy and steam off-taker from both of these cogeneration plants, which will be owned and operated by a world-class player like ContourGlobal.

"The net proceeds of the sale will be used to pay a one-time dividend of U.S. \$143 million, while the rest will be applied towards paying down debt. Having already received the proceeds from this sale, Alpek will convene a Shareholders' Meeting to process and pay the aforementioned dividend immediately afterwards.

Petrobras seeks to lure Chinese investments to Brazil's naval industry – *Reuters*

Petrobras, seeks to attract fresh Chinese investments to Brazil's oil and gas sector, especially in the naval sector, it said, as Chief Executive Magda Chambriard visits the Asian country. Chambriard and President Luiz Inacio Lula da Silva's chief of staff, Rui Costa, had a meeting with Chinese business people and government officials in Beijing.

Brazil's shipbuilding sector faces significant underuse and needs investment to modernize and expand. Petrobras and its logistics arm, Transpetro, have announced plans to contract up to 25 new ships by 2030. These ships will support Brazil's oil and gas logistics and create jobs. Transpetro's President, Sérgio Bacci, confirmed that the company will launch a tender for four new tanker vessels in mid-2025, with at least 40% of their components sourced from Brazil. Transpetro also plans to tender nine more vessels in 2026. These moves align with the government's priority to boost domestic industry and employment.

Halliburton warns of tariff impact, lower North America oilfield activity – *Reuters*

Halliburton, warned of a second-quarter earnings impact from tariffs and lower oilfield activity in North America as producers evaluate drilling and completions at weak oil prices, sending shares of the oilfield service producer down about 6%. Halliburton is the first of the Big Three U.S. oilfield services providers and among the first large oil company to report earnings as U.S. crude prices hover under \$64 a barrel. Many companies say they cannot drill profitably if oil prices fall under \$65 a barrel, denting demand for equipment and services provided by companies like Halliburton.

"Many of our customers are in the midst of evaluating their activity scenarios and plans for 2025 activity reductions could mean higher than normal white space for committed fleets and in some cases, the retirement or export of fleets to international markets," Halliburton Chief Executive Jeff Miller said about expectations in North American markets. White spaces refer to gaps in the calendar when the company does not have work lined up for its equipment.

The company also took a \$107 million severance cost in the first quarter. Halliburton, did not immediately reply to a request for details on the severance charge.

Halliburton first-quarter North America revenue was \$2.2 billion, down 12% from a year earlier. International revenue eased 2% primarily due to lower drilling and project management activity in Mexico. It forecast year-over-year international revenue to be flat to slightly down. Mexico is proposing new contract models for the oil sector, while struggling to pay off billions of dollars of accumulated debt to oil service companies. In the meantime, Pemex' oil output has continued falling this year to some 1.62 million bpd, compared to 1.76 million bpd last year. The company posted a profit of \$204 million, in the three months ended March 31, lower than \$606 million it posted last year.

SLB LatAm revenue drops 10% on sharp slowdown in Mexico – *Bnamericas*

The Latin American revenue of oil field services giant SLB, fell 10% year-on-year to US\$1.49bn in Q1 from US\$1.65bn in the same period of last year. CEO Olivier Le Peuch said that a "sharper-than-expected slowdown in Mexico" was one factor behind a 3% drop in the company's total revenue to US\$8.5bn in the quarter.

Latin American revenue was 9% lower than in 4Q24. SLB said the fall reflected lower drilling activity in Mexico, reduced revenue in Ecuador and seasonally lower revenue in Brazil following strong year-end production systems sales in 4Q24. Argentina was the bright spot in SLB's Latin American results, with the company citing increased revenue in Argentina from higher stimulation activity. Mexico's oil output has slumped as national oil company Pemex labors under its debt burden and reduces investment in exploration and production.

Shell exits Colombian offshore gas projects while industry retreats and production falls – *Finance Colombia*

Shell is officially exiting gas exploration activities in Colombia, bringing an end to its involvement in several key offshore projects in the southern Caribbean. The company has begun the process of selling its 50% stake in the Fuerte Sur, Purple Angel, and COL-5 blocks. Shell's decision marks another major withdrawal by an international oil company from Colombia's upstream energy sector.

The discoveries made in the region in 2017 represented, at the time, some of the country's most promising natural gas discoveries. Former president Juan Manuel Santos and Juan Carlos Echeverry, president of Ecopetrol (Colombian state-controlled petroleum company and Shell's partner in this venture), made the announcement and labeled them the most significant gas finds in nearly three decades, with early estimates pointing to more than 3 trillion cubic feet of recoverable gas, exceeding the country's proven reserves at the time.

However, enthusiasm faded due to logistical and economic hurdles. Transporting the gas from deep water wells to shore requires costly infrastructure, including a long-distance undersea pipeline and onshore processing facilities.

Ecopetrol has confirmed in a press release in response to Shell's decision that despite this setback, they are working on a plan to ensure the continuity of these projects without the British company's investment. The company also confirmed it is actively seeking options to connect future production and distribution of gas to Colombia's National Transportation System. Adding to the realignment, Shell is also considering selling other Colombian assets, including its stake in the offshore block COL-3, co-owned with Noble Energy (now part of Chevron). While Shell will retain its fuel distribution and lubricant businesses in Colombia, the move marks a broader retreat from exploration and production operations in the country.

Over the last decade Colombia had an almost 50% decrease in gas production: while there were 329 contracts in 2015 that yielded a production of 5,048 MMcfd, between January and February, by the same period in 2025, the number of contracts had dropped to 277, with a production of 2,608.1 MMcfd; as per data from the National Hydrocarbons Agency.

However, optimism still remains for the Sirius project—an initiative led by Petrobras and Ecopetrol in the same region. Discovered in 2024, Sirius is touted as the most promising gas find in Colombia's deepwater history, with production expected to begin in 2029. Industry analysts now view Sirius as the country's best bet for restoring long-term energy self-sufficiency, even if its development has not been without its hurdles.

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