Energy Fortnightly News

June 15-30, 2025

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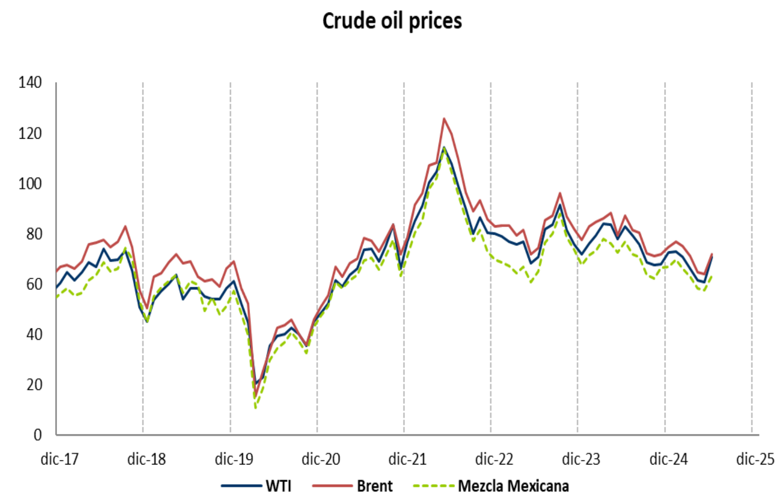
Fortnightly review

* 27/06/2025

*MME US/BD**	*61.32*
MME US/BD PEF SHCP*	*58.40*
Dif. MME AVG. 2025 vs. MME PEF SHCP	*5.69*
NG price HH US/MMBTU*	*3.74*
Mx crude production MMbd – May	*1.37*
Mx NG production MMpcd – May	*4,543*
US crude production MMbd - April	*13.46*
*FX Rate**	*18.84*



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

Oil & Gas - Mexico

Mexico's Pemex payment crisis: suppliers threaten July shutdown – *Reuters*

The Mexican association that groups major global oil services companies warned that it is going through an "unprecedented crisis" due to the lack of payments from Pemex, the world's most indebted energy company.

In a letter sent to President Claudia Sheinbaum, the Mexican Association of Oil Services Companies (AMESPAC) warned that many of these companies may have to stop operations as early as July. Pemex, has an outstanding debt with an extensive list of suppliers and contractors of around $20 billion, in addition to another financial debt of $101 billion, despite the injection of billions of dollars from the government in the last few years to face the amortizations.

In the letter, AMESPAC urged Pemex to process and release the invoicing for services rendered in 2024, to guarantee regular invoicing and timely payment for those of 2025, and to design a payment plan to settle all historical debts owed to companies of the sector. The service sector has significantly decreased its activities because of the lack of payments from Pemex, AMESPAC said in the letter, adding that "its cash flow is seriously compromised and in most cases it cannot guarantee operational continuity as of July of this year."

"We expect a precise response that addresses our concerns and reverses the deterioration of national hydrocarbon production, which compromises Mexico's energy security and sovereignty," the letter concluded. This is not the first time that AMESPAC has called on the government and Pemex to urge payments and their impact on the state-owned company's hydrocarbon production.

Mexico could become net oil importer by end of decade: IEA – *Business Mexico News*

According to the IEA's newly released 2025 Oil Analysis and Forecast to 2030 report, Mexico risks becoming a net oil importer if production continues to decline. The report projects the country will see the steepest drop in oil production among all countries by 2030, down by 680Mb/d to around 1.3MMb/d by the end of the decade. To meet demand, the country could be forced to import as much as 500Mb/d, IEA warns.

Mexico's oil demand is expected to dip slightly from 1.71MMb/d to 1.70MMb/d by 2030, according to the IEA. The report also highlights a steep decline in national crude output, dropping from 2.01MMb/d in 2022 to 1.97MMb/d in 2024. Production is projected to fall nearly 35% to 1.29MMb/d by the end of the decade. Pemex data shows the NOC produced 1.48MMb/d in 2024, down from 1.68MMb/d in 2022, leaving roughly 500Mb/d accounted for by private operators last year.

IEA highlights that Mexico's long-term oil production decline briefly stabilized between 2021 and 2023, driven by ramp-up at the Quesqui condensate field. The reprieve followed a period of reduced investment by Pemex during the pandemic, when the previous administration instructed the state-owned company to prioritize fast onshore and shallow-water developments over deepwater exploration. As of 2024, more than half of Pemex's production was concentrated in just seven of its 240 active fields.

But the outlook remains challenging. The NOC is grappling with a heavy debt burden and limited new projects. Only one major development is expected to come online before 2030. Crude output fell by nearly 160Mb/d year-on-year in 1H25. Budget cuts, mounting debts to suppliers, and fiscal uncertainty have driven a sharp drop in drilling activity, from 50 operational rigs in October 2024 to fewer than 20 by early 2025.

Private-led developments also face delays. Woodside's 100Mb/d Trion field still targets first oil in 2028, while the Zama project and Ku-Maloob-Zaap expansion remain unsanctioned. According to IEA, the window to bring these online before the end of the forecast period is quickly closing.

Downstream, Pemex continues to struggle in its effort to substitute imported fuels with domestic production. The 340Mb/d Olmeca refinery in Dos Bocas, long delayed, is still ramping up, with full operations now expected in 2026. The first 170Mb/d train came online in late 2024, with the second phase slated to start later this year. If delivered on schedule, Dos Bocas would mark a major milestone in Mexico's broader downstream overhaul, which includes ongoing upgrades to the Tula, Salina Cruz, and Salamanca refineries.

Overall, global oil demand is expected to rise by 2.5MMb/d between 2024 and 2030, hitting around 105.5MMb/d by the end of the decade. But supply is set to outpace that growth. According to the IEA, global production capacity could increase by 5.1MMb/d over the same period, reaching 114.7MMb/d, driven largely by gains in Saudi Arabia and the United States.

Maritime chamber warns Pemex debt may halt shipping services – *Onexpo*

The Mexican Chamber for the Maritime Transportation Industry (CAMEINTRAM) has warned it may be forced to halt operations due to ongoing delays in payments from state-owned oil company Pemex.

In a public statement, CAMEINTRAM expressed solidarity with the Mexican Association of Oil Services Companies, stressing that unpaid invoices from Pemex have placed maritime operators in a critical financial position. “Due to the unprecedented crisis Mexican ship-owners are facing from Pemex’s failure to pay for contracted services, we are being pushed to pause operations in the short term,” the chamber said. “We await a prompt resolution to this uncertainty and reiterate our commitment to supporting the national oil industry.” Industry leaders have warned that a continued lack of payment could result in widespread operational disruptions, with cascading effects on oil production, logistics, and energy services.

Valero's US$180mn Mexico fuel storage terminal set to start pre-operational tests – *Global Energy*

Three vessels carrying regular gasoline, premium gasoline, and ultra-low sulfur diesel will arrive this week at the Port of Altamira in Tamaulipas, as part of pre-operational testing for the OTM Terminal, developed by Grupo MexPlus through its subsidiary Operadora de Terminales Marítimas (OTM).

This activity marks a key stage in the terminal’s technical commissioning process. The facility is designed with a storage capacity of 1.1 million barrels and is expected to begin operations in the third quarter of 2025. The total investment exceeds 180 million dollars, according to confirmations from OTM and Valero México, the company responsible for supplying the fuels.

Ursus Energy wins concession to lead LNG export project in Coatzacoalcos – *Energía a Debate*

Ursus Energy has received the concession for the Coatzacoalcos II development hub, enabling it to proceed with a planned LNG plant focused on exports to the Americas and Europe.

The project, named Coatzacoalcos-Podebi LNG, will be backed by an initial USD 450 million investment proposed by Bancomext to cover concession commitments, land preparation, platform installation, technology licensing and EPC work.

The plant will supply natural gas to southeastern Mexico and export LNG to Central and South America, the Caribbean and Europe. It will also support domestic supply via the trans-Isthmus railway operated by the navy while pipeline infrastructure is under development. The initiative is aligned with the federal government’s economic strategy for the region, under the Interoceanic Corridor of the Isthmus of Tehuantepec, which includes 11 development hubs across Veracruz, Oaxaca, Tabasco and Chiapas. Ursus Energy is a Mexican company engaged in energy infrastructure development, with a focus on LNG, power generation and related logistics projects, supporting regional energy security and exports.

Mexico's grid operator drops plans to split capacity market in two, protects CFE – *Bnamericas*

CENANCE has scrapped plans to split the country's main capacity market into two zones, it would maintain one zone to preserve the operational and financial stability of Mexico's grid. Mexico's new energy regulator, the CNE, authorized the decision.

A consultant at energy analytics firm Admonitor in Mexico City, said that the decision may have been made in order to protect CFE. CFE's gas-fired plants in northern Mexico receive significant revenues under the current structure of the capacity market. Those payments could have fallen under the proposed zonal model that has now been cancelled. In the rest of the country, CFE's costs for distributing electricity to ordinary users would have risen if the zonal structure had been implemented, the consultant said.

In the capacity market operated (MBP) by CENANCE, generators receive guaranteed payments for delivering electricity capacity. On April 30, CENANCE had said it would split the main market into a northern and a southern zone in 2028-29, alongside two existing markets for the Baja California region. The switch would help attract more investment in power generation in the south of the country, the operator said.

CENACE said that some parts of its earlier proposal did not comply with new electricity laws that went into force in March, in particular with revised mechanisms for planning the development of the electricity sector. Those laws are partly designed to strengthen the roles of CFE and the energy ministry, while allowing limited private-sector investment, primarily in renewable energy.

According to the Admonitor consultant, operators of wind and solar plants do not benefit as much from the capacity market as CFE, whose generation portfolio consists mainly of gas-fired and hydroelectric plants. Most investors develop their plants in Mexico without relying on their capacity being accredited in the MBP.

It is still uncertain how the capacity of battery systems attached to renewable energy facilities will be accredited. CENACE said it will review the possibility of splitting the capacity market into zones when all the new regulations and development plans are in place.

Fiemex raises US$4.5 billion in BMV debut – *El Economista*

Mexico’s Energy Investment Trust (FIEMEX), the new Fibra E vehicle trading under the BMV ticker Fiemex, raised just over US$4.5 billion in its initial positioning. The trust will invest in "electric power generation projects that carry out activities under the terms of the Electric Industry Law," it stated in the offering prospectus. The new Fibra E, listed under the ticker symbol FIEMEX, holds a portfolio of 13 power plants—12 combined-cycle and one wind—spread across seven states, with a total installed capacity of 8,539 megawatts.

Although Iberdrola sold these assets as part of a broader strategy to expand its renewable energy capacity, the plants transferred to Mexico—located in Nuevo León, Oaxaca, Tamaulipas, Durango, San Luis Potosí, Baja California, and Sinaloa—still have an average remaining useful life of 24 years.

The trust played a key role in the federal government's acquisition of 13 power plants from Iberdrola. Iberdrola sold the 13 power plants to the government of former President AMLO for US$6.15 billion, representing around 55% of the company's operations in Mexico. Mexico Infrastructure Partners (MIP) signed the agreement with the Spanish company in mid-2023. Mexico holds a majority stake in the plants through the National Infrastructure Fund (Fonadin).

Initially, the acquisition was financed through the issuance of Development Capital Certificates (CKDs) worth US$2.4 billion, purchased by Fonadin, along with approximately US$3.9 billion in debt—US$1.9 billion from five private banks and US$2.5 billion from development banks. Fonadin retained 65% of all the CKDs issued and sold the remaining 35% to various pension fund administrators.

Of the CBFEs (Energy and Infrastructure Investment Trust Certificates) issued by the new Fibra, 64.59% are held by Fonadin, 33.67% by Afores and other investors, and 1.63% remain as performance certificates that MIP may receive if certain minimum distribution targets are met.

Tonalli opens solar panel plant with 200k unit capacity – *Business Mexico News*

Puebla State Governor Alejandro Armenta inaugurated the Tonalli solar panel factory, the first fully Mexican-owned solar panel factory in the country. Located in the FINSA Industrial Park, north of Puebla, the facility is expected to create around 200 direct jobs and 1,000 indirect jobs, including positions for installation and operation crews.

Tonalli Energía Solar reported that the total public-private investment in the factory's construction reached approximately MX$325 million. The factory has the capacity to produce 200,000 solar panels per year. According to Puebla's government, the new factory is expected to supply around 800 solar panels between this year and next, which in turn will help reduce electricity costs for educational institutions in the state by up to 80%. The governor also highlighted that Tonalli will supply solar panels and water extraction equipment to 3,000 agricultural societies across the state to support and improve their farming processes.

Oil & Gas - LATAM

Argentina eyes global gas market with Vaca Muerta expansion – *Trading View*

Argentina's Vaca Muerta shale play is experiencing a significant oil and gas boom, signaling the nation's strategic shift towards LNG exports. This growth continues the strong performance seen last year, with Rystad Energy estimating a 26% year-on-year increase in oil output and a 16% rise in gas production during the first quarter of 2025.

Argentina is also exploring future opportunities for gas reserve monetization and export, supported by investment incentives for infrastructure and storage projects.

In March, oil production from Vaca Muerta exceeded 447,000 bd. This marks a significant increase from 354,000 bd during the same period last year. The growth was primarily driven by YPF, the flagship state-owned operator, with additional support from local independent companies including Vista Energy, Pluspetrol, and Phoenix Global Resources. Though oil production is still robust, the basin is exhibiting indicators of a slowdown, especially in drilling operations.

The marginal increase in new oil wells, with 76 brought online last quarter and 79 this quarter, is attributed to saturated takeaway capacity. This constraint is anticipated to ease once the Oldelval Duplicar expansion becomes operational in April.

Vaca Muerta’s dry gas production reached 2.1 billion cubic feet per day (Bcfd) in the first quarter of 2025, marking a 13% increase from the previous quarter and a 16% rise year-on-year.

The Southern Energy LNG project is crucial to Argentina’s aspirations for LNG exports, fueled by consistent and reliable growth from Vaca Muerta. Utilizing two Golar LNG-supplied floating LNG vessels, the Southern Energy project initiative aims to provide Argentina with a collective export capacity of 6 million tonnes per annum. The final investment decision for MK II is expected by Q3 2025. Following this, Hilli Episeyo is scheduled to begin production in late 2027, and MK II is anticipated to commence operations by the close of 2028.

YPF is leading a large-scale, phased project, ARGFLNG 2, in partnership with Shell (who joined in late 2024), to unlock LNG export potential as part of a national effort. This second phase is expected to reach a capacity of 10 Mtpa. ARGFLNG 3, the third phase, has the potential to add 12 Mtpa, with Eni as a prospective strategic partner.

Further boosting long-term export growth, the Vaca Muerta Oil Sur (VMOS) pipeline project serves as a crucial complement to these LNG initiatives. VMOS is set to begin operations in 2027, creating a direct connection between the Neuquen Basin and the Atlantic Coast through the port of Punta Colorada.

The Vaca Muerta shale play continues to draw significant strategic investments, with upstream merger and acquisition activity in the first quarter of 2025 representing a substantial 43% of the total Latin American upstream deal value for the period. Strategic positioning in Vaca Muerta continues to evolve, extending beyond mere deal-making. Meanwhile, Norwegian energy giant Equinor has reversed its earlier decision to exit the shale play and will now remain in the region. The reversal was driven by the lifting of monetary restrictions and improvements in infrastructure and export viability.

Petrobras signs $892 mn in contracts to complete RNEST refinery expansion – *Reuters*

Petrobras signed contracts worth approximately 4.9 billion reais ($892.3 million) for the completion of a new refining unit at its RNEST refinery. The agreements, signed with engineering firm Consag Engenharia, cover the coking unit, diesel hydrotreating unit and atmospheric distillation unit, following a competitive bidding process. This initiative is part of Petrobras' strategy to build "Train 2" at RNEST, a new refining unit projected to double the refinery's current installed capacity.

The new facilities are expected to become operational in 2029. Once operational, Train 2 will double RNEST’s capacity from 130,000 bpd to 260,000 bpd, making it Petrobras’ second-largest refinery.

This is a newsletter industry update courtesy of Marcos y Asociados Consultoría Energética, SAPI de CV.
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