



Mayo 1 - 15, 2025

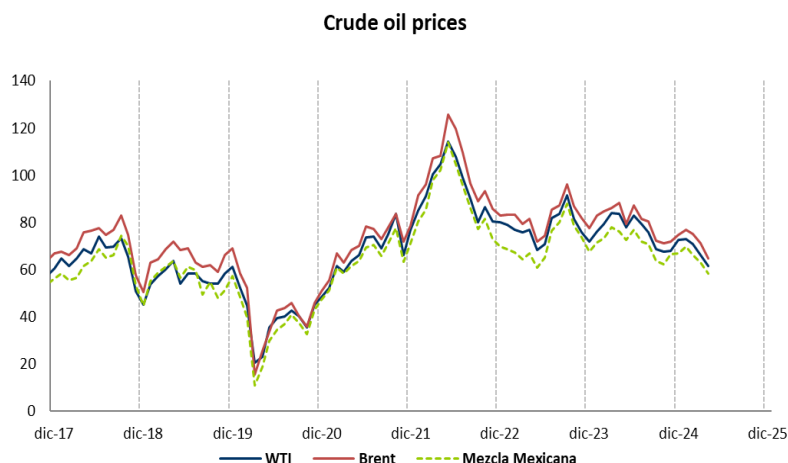
Table of Contents

Fortnightly review	2
Oil & Gas - Mexico	2
• Norway's wealth fund sells all its fixed income from Mexico's Pemex due corruption risk – Reuters	2
• Pemex increased crude exports to Cuba in 2024 according to filings – World Energy News	3
• Talos Energy sees Zama investment decision this year – Bnamericas.....	3
• Mexico's Pemex says it addressed a leak from a Gulf of Mexico pipeline – Reuters	3
• Pemex to reopen old oil wells to boost production – El Economista.....	4
Power/Renewable Energy – Mexico	5
• Fitch affirms CFE's Rating at 'AAA(mex)' with stable outlook – Mexico Business News.....	5
Oil & Gas - LATAM.....	5
• Traders have reportedly rebranded over \$1 billion worth of Venezuelan oil as Brazilian to bypass U.S. sanctions – Latin Times	5
• Petrobras sticking to US\$18.5bn investment plan for 2025 – Bnamericas.....	6

Fortnightly review

* 14/05/2025

MME US/BD*	59.39
MME US/BD*	58.40
PEF SHCP	
Dif. MME AVG.	8.42
2025 vs. MME PEF SHCP	
NG price HH*	3.46
US/MMBTU	
Mx crude production MMbd – March	1.34
Mx NG production MMpcd – March	4,434
US crude production MMbd - February	13.15
FX Rate*	19.36



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

Oil & Gas - Mexico

Norway's wealth fund sells all its fixed income from Mexico's Pemex due corruption risk – *Reuters*

Norway's wealth fund, the world's largest, has sold all its fixed income investments in Mexican state oil firm Pemex, citing what it called an unacceptable risk that the company is involved in corruption. The fund's ethics watchdog, the Council on Ethics, said "its investigations have revealed that Pemex may be linked to multiple allegations or suspicions of corruption in Mexico in the period 2004-2023," it said in a statement.

"The Council attaches importance to the fact that a significant number of company employees, including a former senior executive, are alleged to have received bribes on several separate occasions." The \$1.8 trillion fund, which owns 1.5% of listed shares across 9,000 companies globally, operates under guidelines set by Norway's parliament and is seen as a leader in the environmental, social and governance field.

Pemex increased crude exports to Cuba in 2024 according to filings – *World Energy News*

According to a filing by the company, Pemex, increased crude shipments to Cuba last year by nearly 20% as Cuba's energy crisis worsened. Gasolinas de Bienestar, a Pemex affiliate, exported 20,100 bpd of crude oil and 2,700 bpd in oil products by 2024. This equates to a total of \$600 million. Pemex will send the Caribbean island in 2023 16,800 bpd crude oil and 3,300 bpd oil products worth \$400 million. The shipments that year began in July.

Cuba has suffered from frequent and long power outages. It blames this on the Cold War U.S. embargo as well as new restrictions imposed by President Donald Trump. In March over 10 million people were left without electricity for almost two days in Havana and the neighboring provinces. Pemex stated in its filing that these sales represented 2.8% of crude oil exports, and 0.7% of total oil product sales. Pemex has marked these shipments as sales, but without any further information. The oil company did not respond to inquiries whether it had continued through 2025.

Talos Energy sees Zama investment decision this year – *Bnamericas*

Talos Energy expects shareholders in the Zama discovery in Mexico to decide later this year on how to move the shallow water field into production. "We will continue to work that project through to a potential investment decision later in the year," CEO Paul Goodfellow told a Q1 earnings call.

Development at Zama remains stalled eight years after Talos discovered the field in 2017, reportedly because of differences between the partners. In 2022, Mexico's energy ministry controversially appointed Pemex as operator. Goodfellow declined to comment on speculation that Pemex could sell part of its stake and transfer the operatorship to private sector partners. "We are very happy with the partnership that we have down in Mexico with Zama," he said.

In the last two years, Talos has sold most of its stake in its Mexican subsidiary Talos Mexico to Grupo Carso. Following the transactions, Talos Mexico is owned 20% by Talos Energy and 80% by Carso. Talos Mexico holds a 17.4% interest in Zama and Pemex has 50.4%. UK-based Harbour Energy holds the remaining 32.2%. Zama is located off the coast of Tabasco state and contains an estimated 750Mboe. It will cost an estimated US\$4.5bn to develop the field.

Mexico's Pemex says it addressed a leak from a Gulf of Mexico pipeline – *Reuters*

Mexico's state energy firm Pemex said that it had addressed two leaks in a pipeline that transports oil from its Akal-C platform to the Dos Bocas Maritime Terminal in the southern state of Tabasco.

In a statement, Pemex said preparations were underway to verify the pipeline's tightness and resume its operation. Pemex said oil had reached a 7 km stretch of shore at the Dos Bocas Maritime Terminal in the municipality of Paraíso, Tabasco. The company's statement added that the cleanup was expected to be completed in the next few hours and that it was working with local communities to help them resume fishing. Pemex's announcement comes a week after an incident temporarily shut down operations at the company's Olmeca refinery, which is adjacent to the Dos Bocas terminal.

Pemex to reopen old oil wells to boost production – *El Economista*

Pemex is considering reopening closed wells to boost its declining oil production, as it struggles to reach government target.

Pemex has revised its 2025 oil production forecast to 1.58 million bpd, down from the previously anticipated 1.8 million bpd. This adjustment reflects ongoing challenges in compensating for the decline of aging fields in the Gulf of Mexico, such as Ku, Maloob, and Zaap, which have been the backbone of Mexico's oil output for decades. Despite efforts to develop new fields, their production has not been sufficient to offset the decreasing output from these legacy fields. It currently produces some 1.6 million bpd. Production for the heavily-indebted company has been declining for years as its older fields in the Gulf of Mexico, including many former star producers, are being depleted and newer fields have failed to compensate for it.

Angel Cid Munguia, the new head of the company's exploration and production arm, wrote in an internal document, dated May 6, that it was advancing with the "reactivation of closed wells". The specifics would depend on both the risk profiles of the thousands of wells across the country both onshore and offshore, and which ones could ramp up production fastest.

Mexico has more than 31,000 wells both onshore and offshore, and about a third of them are closed. More than 4,800 wells are considered to be "operational" for hydrocarbon production. The reactivation depends on geological information, funding, well mechanics, and the recovery factor of each well.

Pemex has not disclosed specific technologies in its recent filings regarding the reactivation of closed wells. However, industry practices suggest the use of specialized and often costly equipment to keep bringing hydrocarbon products to the surface even as production slows. The wells being considered for this strategy are for crude oil, natural gas and condensate, adding plans had advanced slowly because of tight budgets at the highly indebted company. Some of these wells had been closed because they filled with water or had presented too low pressure, which made production challenging because more specialized equipment was needed.

Pemex had for the past months also been working on plans for extensive secondary recovery methods for wells in the Gulf of Mexico, including Ku, Maloob, Zaap, Akal and Ayastil, two other Pemex sources who worked on a separate plan with the same aim of boosting declining production. While these wells do not have to be reopened, using new production methods, they could potentially produce much more, adding that in part the projects have not moved forward because of a lack of funds.

In a separate document dated the same day, Cid Munguia wrote that two people had already been designated for the supervision, design and engineering of strategic exploration projects. Cid Munguia returned to his post after the surprise departure of Nestor Martinez, former senior official at the hydrocarbon regulator who had been appointed by President Claudia Sheinbaum in October.

In the past, there have been concerns over the management of closed and abandoned wells. It is a legal requirement in Mexico to safely shut wells that are no longer producing and ensure they do not pose a risk to air, land and water.

Power/Renewable Energy – Mexico

Fitch affirms CFE's Rating at 'AAA(mex)' with stable outlook – *Mexico Business News*

Fitch Ratings has reaffirmed the long and short-term national ratings of CFE at 'AAA(mex)' and 'F1+(mex)' respectively, maintaining a Stable Outlook. The rating agency also upheld CFE's IDRs at 'BBB-', consistent with Mexico's sovereign rating.

The decision reflects CFE's strategic importance to Mexico's electricity system and its government ownership. Fitch upgraded its support assessment from the Mexican government to "Almost Certain" from "Extremely Likely." This adjustment aligns CFE's credit profile directly with the sovereign rating.

CFE's long-term expansion plan from 2025 to 2030 includes investments totaling approximately US\$23.4 billion. Of this, 53% is allocated to electricity generation, 32% to transmission, and 15% to distribution. The company aims to add 2,731MW of combined-cycle capacity by 2028.

Under the country's mixed participation energy model, CFE is set to develop four renewable energy projects totaling 4,404MW by 2027. These projects will maintain CFE's minimum 54% ownership in generation assets and ensure it retains the right of first refusal to purchase generated power.

Fitch maintained CFE's standalone credit profile at 'bb-', citing continued dependency on federal financial support. Government subsidies represent around 40% of CFE's EBITDA, with expected transfers of approximately MX\$85 billion in 2025 and MXN87 billion in 2026. These funds help offset electricity tariffs for residential and agricultural users.

CFE's adjusted total debt-to-EBITDA ratio is projected to remain below 3x by the end of 2025. This trend is attributed to stronger EBITDA, lower fuel costs, favorable foreign exchange movements, and increased government transfers. However, Fitch expects negative free cash flow in the next two years due to high capital expenditures likely to be financed through debt. Over 65% of CFE's installed capacity relies on natural gas, of which Mexico imports nearly 70% from the United States. This exposes the company to price and supply volatility. CFE reported a 59.1% coverage of its annual gas needs by the end of 2024 through its commodities hedging program, aiming to keep coverage levels between 50% and 60%. Fitch noted that any downgrade of Mexico's sovereign rating or a weakening of CFE's ties to the federal government could result in a negative rating action.

Oil & Gas - LATAM

Traders have reportedly rebranded over \$1 billion worth of Venezuelan oil as Brazilian to bypass U.S. sanctions – *Latin Times*

More than \$1 billion worth of Venezuelan oil has been sold in China as Brazilian over the past 10 months. Citing two tanker tracking firms, documents and traders, the outlet said the move helps buyers cut logistical costs as well. Independent refiners in China are the main buyers of the oil and use Malaysia as a hub to receive the product. However, rebranding the oil allows the ships to travel directly to China, shortening the trip.

It is one of the many ways in which the South American country seeks to evade sanctions. Bloomberg reported in March that despite renewed measures shipments were expected to hit its highest level since June 2023. The outlet had already anticipated Beijing planned to import Venezuelan crude through intermediary firms that use concealed shipping methods, such as spoofing vessel locations and falsifying documents, to avoid detection.

Unless Beijing explicitly directs refiners to halt imports, Chinese buyers, particularly independent refiners known as "teapots," were always expected to find alternative ways to procure the crude. The Biden administration had previously allowed limited U.S. engagement with Venezuela's oil sector, including a secret deal that permitted Chevron to make payments to the Venezuelan government. Trump's recent moves mark a return to stricter policies, with the revocation of Chevron's license forcing the company to wind down operations in Venezuela by May 27.

Petrobras sticking to US\$18.5bn investment plan for 2025 – *Bnamericas*

Petrobras plans to maintain its investment target for 2025 at around US\$18.5bn, despite the decline in crude prices.

"So far, we see no changes in what we planned regarding capex. Our plans remain in place," CFO Fernando Melgarejo said. Of the total capex planned for this year, US\$15.1bn is allocated to exploration and production, US\$2.2bn to refining, transportation and commercialization, US \$600mn to gas and energy and US \$600mn to corporate activities.

The company is adopting several cost optimization measures, these include simplifying engineering projects, such as for the Sergipe Deep Waters FPSOs; reassessing the scope of recently tendered projects that have not attracted much interest (e.g. Albacora, Marlim Sul/Leste and Barracuda/Caratinga); cutting costs for systems awaiting decommissioning; and reevaluating the cost structure of mature systems, such as onshore fields. The company also plans to prioritize projects that generate positive cash flow over shorter time horizons, apply stricter criteria for including new projects in its active portfolio, and reprioritize ongoing projects with higher short and medium-term returns. This could particularly affect renewable energy projects, which have faced difficulties in getting off the ground.

E&P director Sylvia Anjos highlighted recent discoveries by Petrobras, such as Aram in the Santos basin and Brava, Norte de Brava and Forno in the Campos basin. "Brava and Forno together essentially constitute a pre-salt unit in the Campos basin. This is the reconstruction of the Campos basin by leveraging existing oil reserves. Soon we'll announce results from upcoming production units," Anjos said.

Regarding drilling in the Foz do Amazonas basin – pending authorization from federal environmental regulator Ibama –Chambriard said the company is ready to move the rig to the site, having met all of Ibama's requirements, including setting up an oil decontamination unit in Oiapoque, Amapá state. Abroad, Petrobras is drilling the Buena Suerte well in Colombia, which, if successful, could enable gas exports to Brazil. The company also has drilling planned in a field in Argentina, as well as in São Tomé and Príncipe and South Africa. And Anjos said Petrobras is evaluating the acquisition of exploration licenses abroad, including in India.

Petrobras' director of energy transition and sustainability, Maurício Tolmasquim, said he expects improved performance in the gas and energy segment due to the opening of the free market, which will allow for new customer acquisition, and full operation of the Boaventura energy complex's natural gas processing unit (UPGN).

He said competition has increased in the gas market, which now has 19 suppliers in the country. "We've adopted an aggressive policy of competitive pricing. We've announced new free consumers who signed contracts with Petrobras, and we're negotiating with others," the executive said. In the past year, Petrobras announced contracts with companies such as Gerdau, Sulgás, Naturgy, CSN, Portobello and Ternium. Tolmasquim also said Petrobras intends to reenter its thermal power projects in the backup capacity auction when the government relaunches the tender.

This is a newsletter industry update courtesy of Marcos y Asociados Consultoría Energética, SAPI de CV.
Contact us: www.marcos.com.mx | info@marcos.com.mx | +52 55 5202 3600 | LinkedIn [Marcos-y-Asociados](#)

If you have not subscribed or if you do not wish to receive this publication any more, please click [here](#).

The editor is not responsible for the information. The information included was gathered from public sources (Bloomberg, Oil and Gas Magazine, Oil and Gas Journal, Shale: Oil and Gas Business Magazine, El Economista, El Financiero, Reforma, Reuters, EIA, The Wall Street Journal, Expansion among others) and it is subject to their accuracy and truthfulness.