

Notable Development on Oil and Gas in *México*

Daniel Padron
Deputy General Director for Oil
Products Planning

Thalya Berrones
Director of Economic Analysis
of Natural Gas

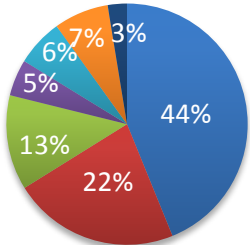
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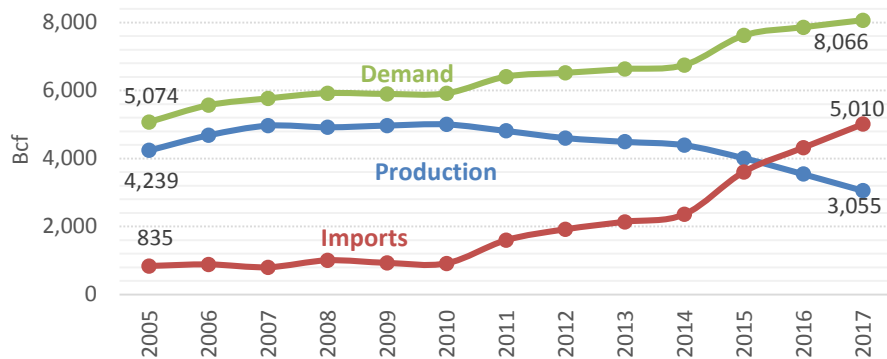
Recent changes in demand and supply on oil and gas in México

Natural Gas



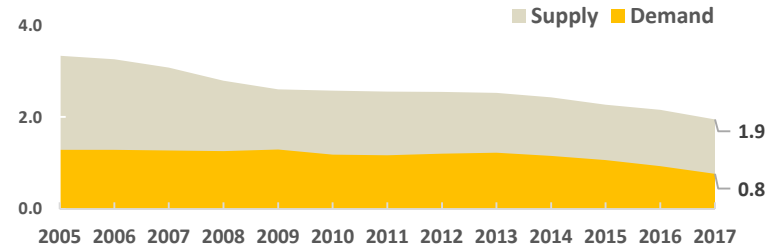
From the total demand for fuel, **NG** represents **44%** driven by electric power and due to the transition to a clean energy matrix.

- **Domestic NG production** has decreased at an AAGR of -1.5% over the last 10 years.
- From a strong national production, in 2016 Mexico became a **net NG importer**. Imports represent 62% of the total supply
- 77% comes from **pipeline** of which 99% is from **USA**

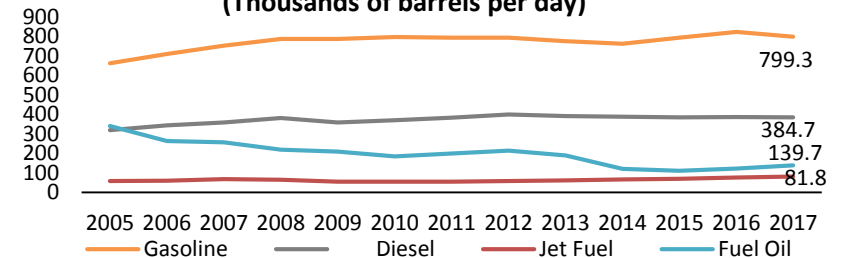


Oil products

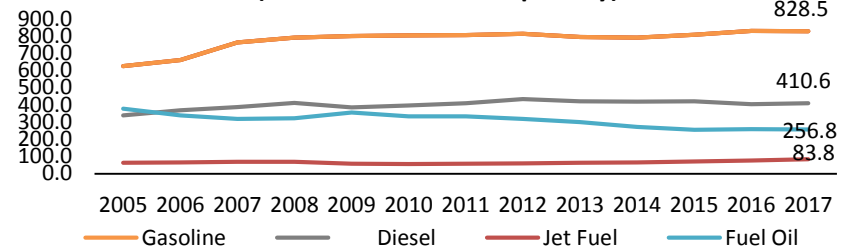
Oil supply and demand (mbd)



Oil products demand (Thousands of barrels per day)



Oil products supply (Thousands of barrels per day)



Ministry of Energy has designed 3 public policies to ensure natural gas and oil supply security

Natural Gas



- Available and timely information
- Transport capacity reserve / open access
- Competitiveness and marketing

Natural Gas Storage Policy

Establishes the **obligation** for operative and strategic NG storage.

Implementation

The national TSO will bid the development of storage projects - 45 Bcf in 2026 (5 times national demand)

Technologies

Depleted reservoir

Salt formations

Depleted aquifers

LNG Facilities

Promotes the use of existing infrastructure and new facilities

Oil products

Public policy for mandatory minimum stocks of oil products

Published on December 2017 in the National Official Gazette

Applicable to traders and distributors

Minimum stocks are **additional** to the operational and commercial ones

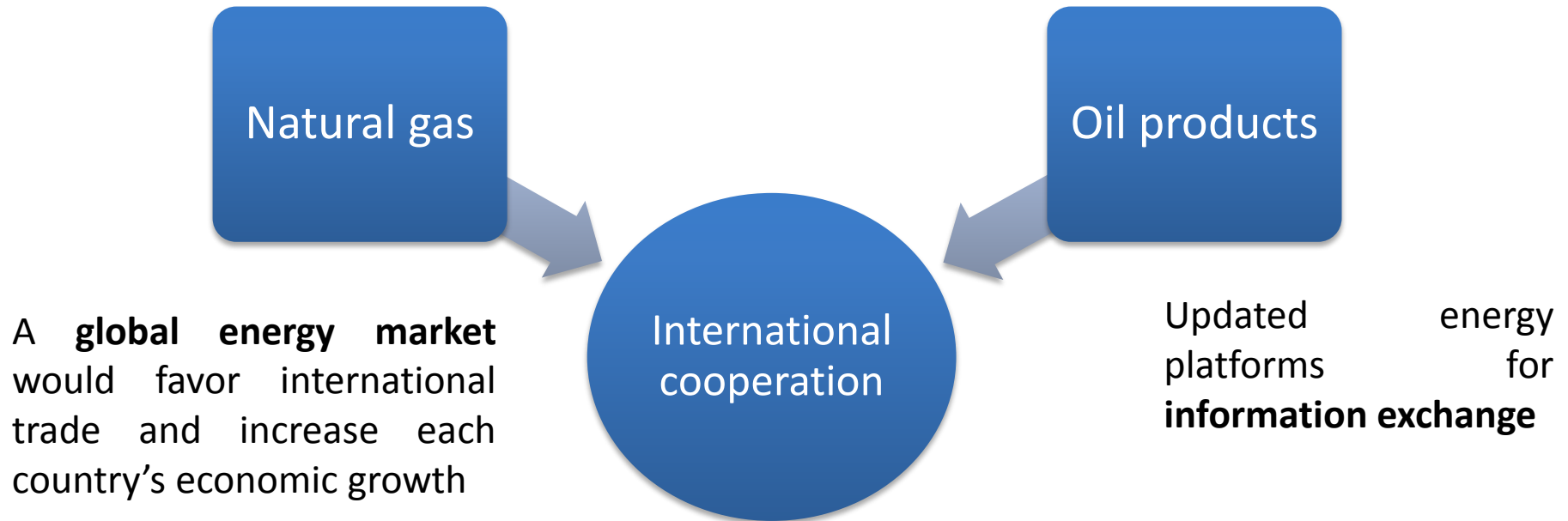
Inventories could be used **only under supply emergencies**

The obligation is regional



APEC Cooperation

The constant market evolution, highlights the need to strength **international cooperation** aimed at best international practice sharing and implementation.



A **weekly** and timely-published supply-demand balance for the APEC region would strengthen energy security

Thank you very much

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