

February 1, 2018

### Mexico: Bid Round 2.4 Results

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On January 31, 2018 the National Hydrocarbons Commission (“CNH”) conducted the long-awaited event for submission and opening of bids for the Deep Water “Round 2.4” E&P license contracts. The bid round comprised 29 offshore deep waters blocks and the overall result was very successful for Mexico.

This bid process is important because it confirms the continuing interest of both NOCs and IOCs, such as Shell, Chevron, Repsol, Eni, Petronas, and many others to make significant investments in Mexican exploration and production projects. With the recent increase in oil prices and the continuation of successful bid rounds, Mexico’s energy and economic outlook could be very promising for the upcoming years. Bid Round 2.4 is one more example that the Gulf of Mexico is very attractive for E&P and of the industry’s confidence in the market.

Mexico’s NOC, Pemex, participated in this bid round, winning two blocks as an individual bidder and one block in a consortium with Shell and another in a consortium with Chevron and INPEX, evidencing Pemex’s interest in learning from experienced operators. It is expected that the awarded blocks can commence production in 10 years and reach 1.6 million barrels per day (bpd) by 2032.

#### Highlights:

- 19 awarded License Contracts out of 29 blocks, covering a total of 44,178 km<sup>2</sup>
- Shell prevailed as the winner of this round, with a total of 9 awarded contracts
- Tiebreaker payments totaled US\$525 million
- Expected investment is US\$76 billion



AREA	COMPANY	MAIN HYDROCARBON	ADDITIONAL ROYALTY %	ADDITIONAL INVESTMENT FACTOR	WEIGHTED ECONOMIC OFFER	TIEBREAKER (USD)
AREA 1 (Perdido Area)	The area was declared deserted	-	-	-	-	-
AREA 2 (Perdido Area)	Winner- Shell in consortium with Pemex	Light oil	15.02	1.0	80.789	-
	2 <sup>nd</sup> Place – China Offshore		11.45	0.0	45.800	-
AREA 3 (Perdido Area)	Winner- Shell in consortium with Qatar Petroleum	Superlight oil and light oil	10.03	0.0	40.120	-
	2 <sup>nd</sup> Place - Pemex in consortium with China Offshore		7.01	0.0	28.040	-
AREA 4 (Perdido Area)	Winner- Shell in consortium with Qatar Petroleum	Superlight oil and light oil	10.03	1.0	58.533	-
	2 <sup>nd</sup> Place - Pemex		5.95	0.0	23.800	-
AREA 5 (Perdido Area)	Winner – Pemex	Light oil	6.23	1.0	41.585	
AREA 6 (Perdido Area)	Winner- Shell in consortium with Qatar Petroleum	Superlight oil, light oil and wet gas	20.00	1.5	114.500	\$10,030,382.00
AREA 7 (Perdido Area)	Winner- Shell in consortium with Qatar Petroleum	Light oil	20.00	1.5	114.500	\$90,030,382.00
	2 <sup>nd</sup> Place – China Offshore in consortium with PC Carigali		5.01	1.0	36.144	-
AREA 8 (Perdido Area)	The area was declared deserted	-	-	-	-	-
AREA 9 (Perdido Area)	The area was declared deserted	-	-	-	-	-
AREA 10 (Mexican Ranges)	Winner- Repsol in consortium with PC Carigali and Ophir	Dry gas and light oil	20.00	1.5	114.500	\$30,247,805.67
	2 <sup>nd</sup> Place – Shell in consortium with Qatar Petroleum		11.03	1.0	62.993	-
AREA 11 (Mexican Ranges)	The area was declared deserted	-	-	-	-	-
AREA 12 (Mexican Ranges)	Winner- PC Carigali in consortium with Ophir and PTTEP	Dry gas and light oil	20.00	1.0	103.000	
	2 <sup>nd</sup> Place – Shell in consortium with Qatar Petroleum		9.03	1.0	54.073	
AREA 13 (Mexican Ranges)	The area was declared deserted	-	-	-	-	-
AREA 14 (Mexican Ranges)	Winner- Repsol in consortium with PC Carigali	Dry gas and light oil	19.98	0.0	79.920	-
	2 <sup>nd</sup> Place – Shell in consortium with Qatar Petroleum		5.03	0.0	20.120	-
AREA 15 (Mexican Ranges)	The area was declared deserted	-	-	-	-	-
AREA 16 (Mexican Ranges)	The area was declared deserted	-	-	-	-	-

AREA	COMPANY	MAIN HYDROCARBON	ADDITIONAL ROYALTY %	ADDITIONAL INVESTMENT FACTOR	WEIGHTED ECONOMIC OFFER	TIEBREAKER (USD)
AREA 17 (Mexican Ranges)	The area was declared deserted	-	-	-	-	-
AREA 18 (Mexican Ranges)	Winner – Pemex	Dry gas and wet gas	7.11	1.0	45.510	
AREA 19 (Mexican Ranges)	The area was declared deserted	-	-	-	-	-
AREA 20 (Salina Basin)	Winner- Shell	Light oil	20.00	1.5	114.500	\$90,154,514.03
	2 <sup>nd</sup> Place – Pemex		6.11	0.0	24.440	-
AREA 21 (Salina Basin)	Winner- Shell	Light oil, heavy oil and superlight oil	20.00	1.5	114.500	\$110,154,514.03
	2 <sup>nd</sup> Place – Chevron in consortium with Pemex and ONGC Videsh		20.00	1.5	114.500	\$42,100,101.00
AREA 22 (Salina Basin)	Winner- Chevron in consortium with Pemex and Inpex	Heavy oil	18.44	1.0	96.042	
	2 <sup>nd</sup> Place – BHP Billiton		6.55	0.0	26.200	
AREA 23 (Salina Basin)	Winner- Shell	Heavy oil	10.08	1.0	58.756	
	2 <sup>nd</sup> Place – Chevron in consortium with Pemex and Inpex		13.44	0.0	53.760	
AREA 24 (Salina Basin)	Winner- Eni in consortium with Qatar Petroleum	Wet gas and light oil	9.53	1.0	56.303	
AREA 25 (Salina Basin)	Winner – PC Carigali	Heavy oil	19.98	0.0	79.920	
AREA 26 (Salina Basin)	Winner- PC Carigali	Heavy oil and light oil	20.00	1.0	103.000	
	2 <sup>nd</sup> Place – BP in consortium with Statoil		13.37	0.0	53.480	
AREA 27 (Salina Basin)	The area was declared deserted					
AREA 28 (Salina Basin)	Winner- Shell	Heavy oil, light oil and extra heavy oil	20.00	1.5	114.500	\$43,154,513.03
	2 <sup>nd</sup> Place – PC Carigali		19.98	0.0	79.920	
AREA 29 (Salina Basin)	Winner- Repsol in consortium with PC Carigali, Sierra and PTTEP	Wet Gas, Light Oil	20.00	1.5	114.500	\$151,253,352.89
	2 <sup>nd</sup> Place – Eni in consortium with Qatar Petroleum and Citla Energy		20.00	1.5	114.500	\$86,723,456.00