

ASPO USA Conference



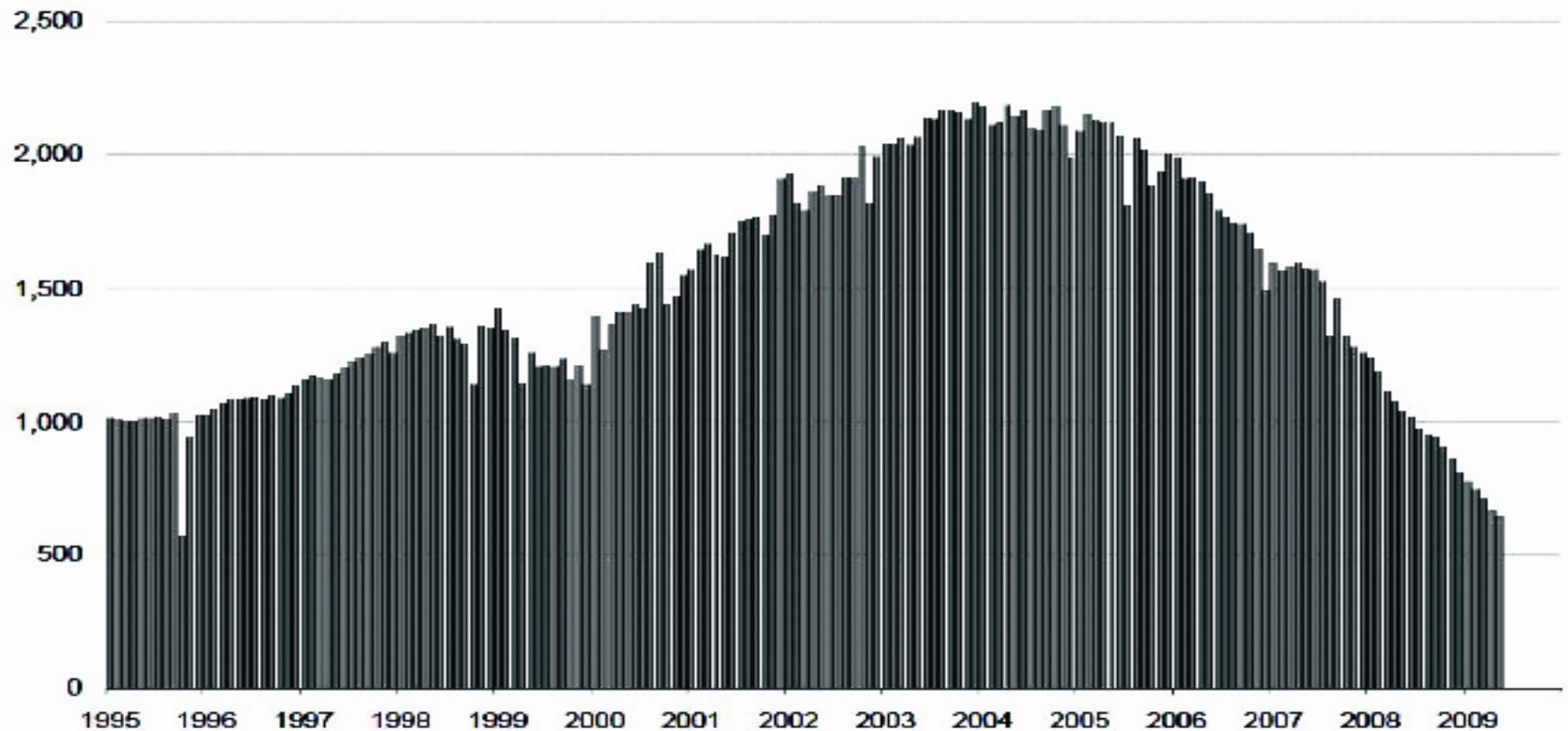
Outlook for Mexican oil production

David Shields.

Denver, Colorado, October 13th, 2009.

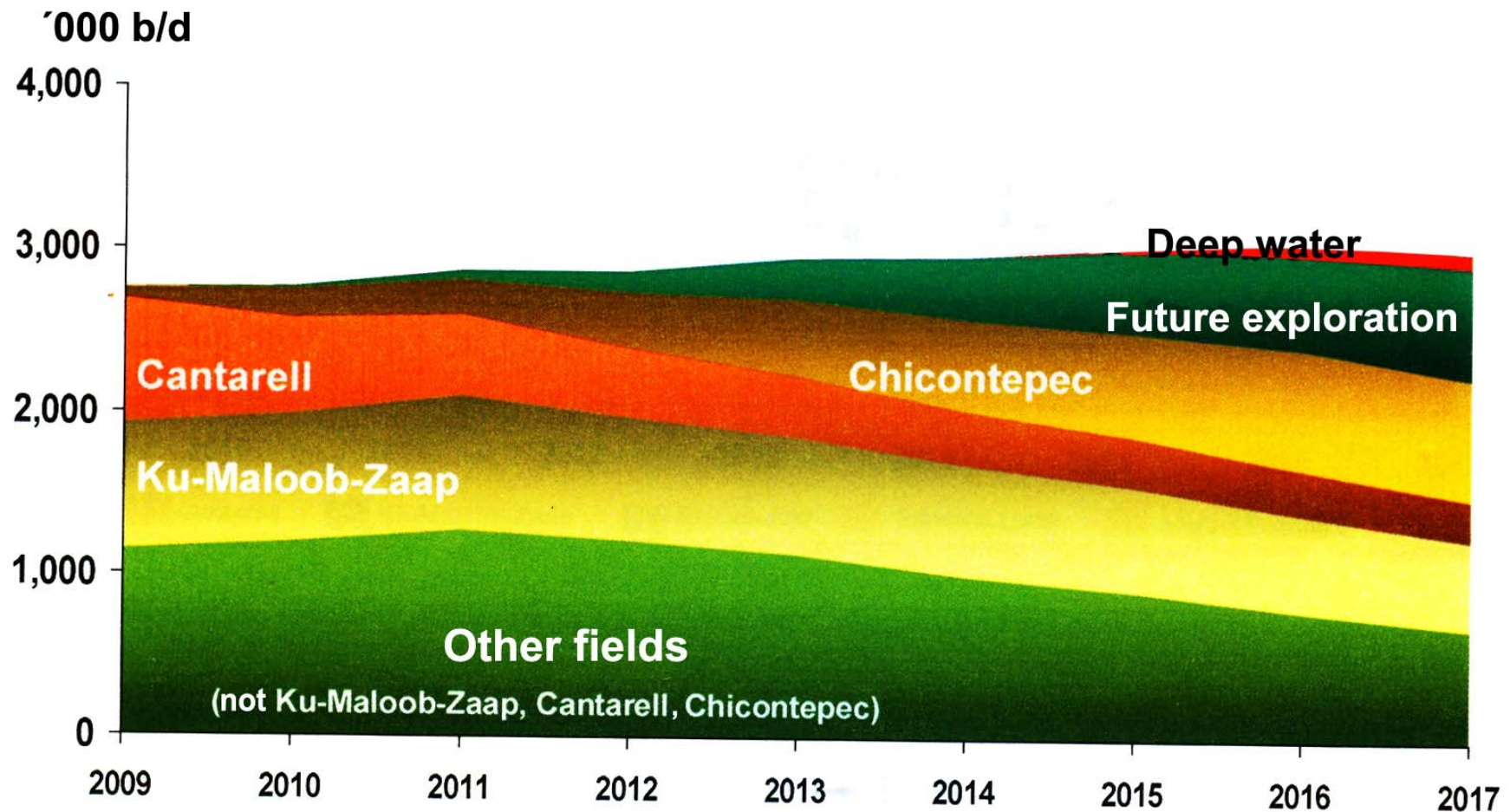
Cantarell's decline

MEXICO: DAILY PRODUCTION FROM ONE-TIME SUPER-GIANT "CANTARELL" OILFIELD
000 b/d

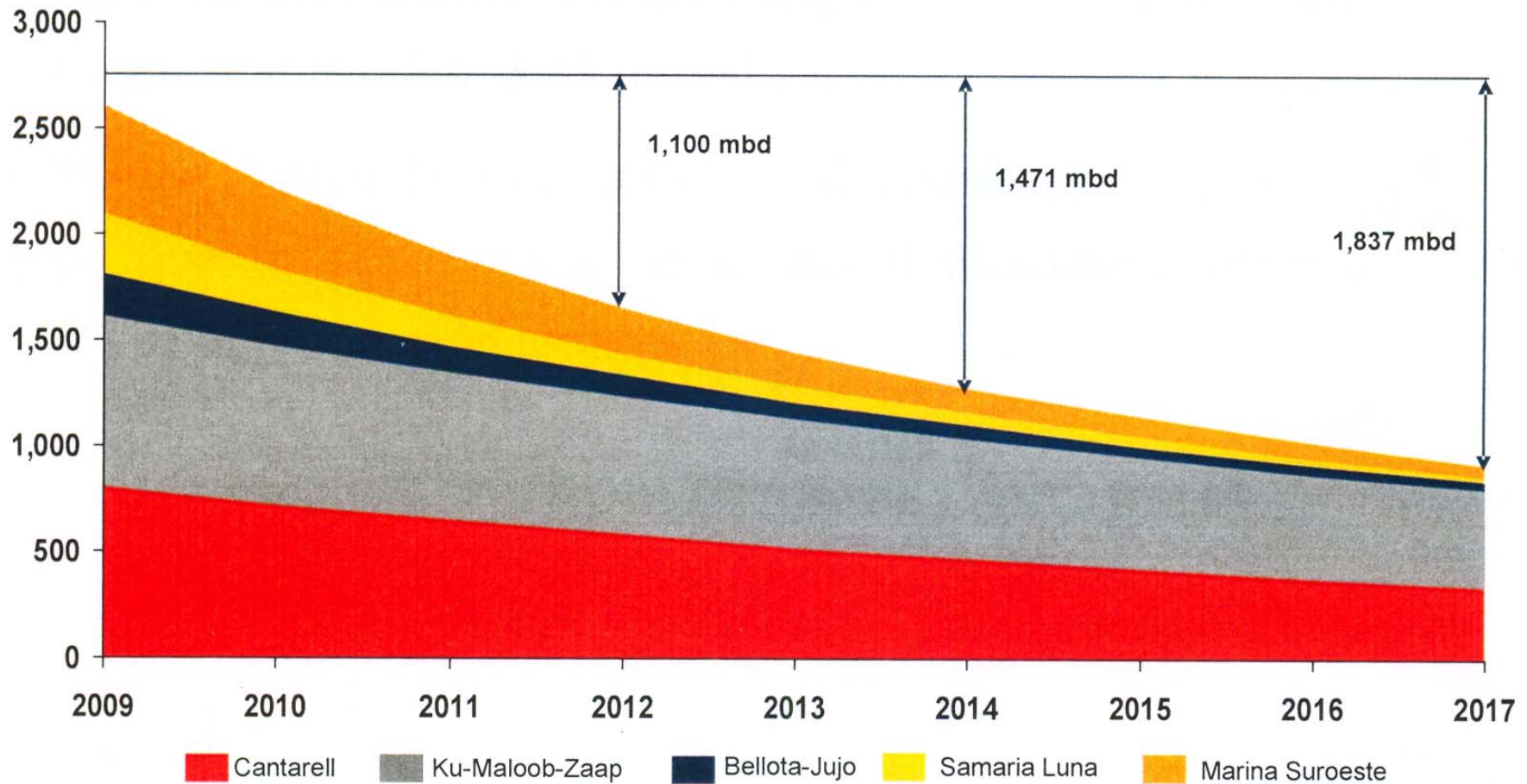


Source: Energy Information System, Federal Government of Mexico
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Mexican output: the "stacking-up" scenario



Mexican output: depletion scenario



The outlook



- ⌘ Cantarell will decline further, but more slowly.
- ⌘ Ku-Maloob-Zaap will begin its decline in 2011 or 2012 and could fall sharply.
- ⌘ Other producing fields, onshore and offshore, are mature and small and will decline sharply.
- ⌘ Exploration efforts have produced no significant results so far.
- ⌘ Chicontepec is a false hope to replace Cantarell.
- ⌘ Deep water efforts are embryonic and are a very long-term prospect.

The outlook is...



- ⌘ Output is down 1mn b/d in 4 years.
- ⌘ It will fall another 1mn b/d, or perhaps considerably more, over the next 8 years.
- ⌘ It will thus be down from 3.4mn b/d to 1.4mn b/d (or less) in 12 years (2004-2017).
- ⌘ Mexico will cease to be a net crude oil exporter at some point between 2013 and 2017.
- ⌘ It will soon begin to import light crude oil and will be a net importer of crude for its refineries at some point between 2013 and 2017.
- ⌘ This will impact the country's economic outlook.

An ELM-type analysis



	2004 (peak)	2009	2015?
Output (crude)	3.4	2.6	1.5
Refineries	1.5	1.5	1.6
Exports (crude)	1.9	1.1	-0.1
<i>Imports (gasoline)</i>	<i>0.2</i>	<i>0.3</i>	<i>0.5</i>

Many thanks



⌘ Outlook for Mexican oil production

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