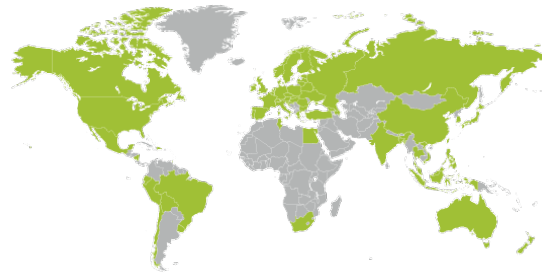




Natural Gas Markets Overview



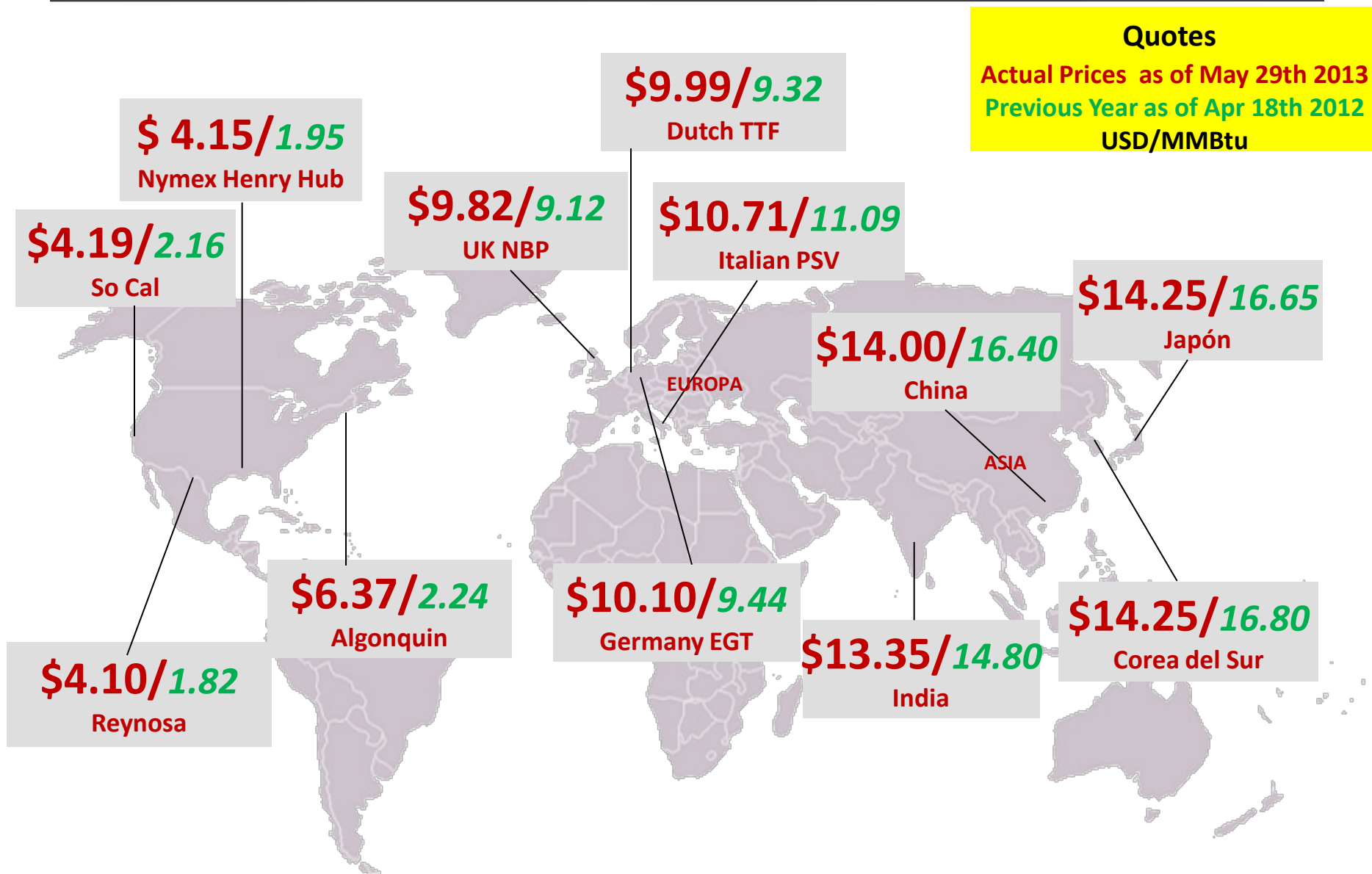
Marco Márquez
Pemex Gas Information Manager
June 4th, 2013

International Gas Markets Overview

Pemex Gas & Mexico Natural Gas Market

JODI-Gas database

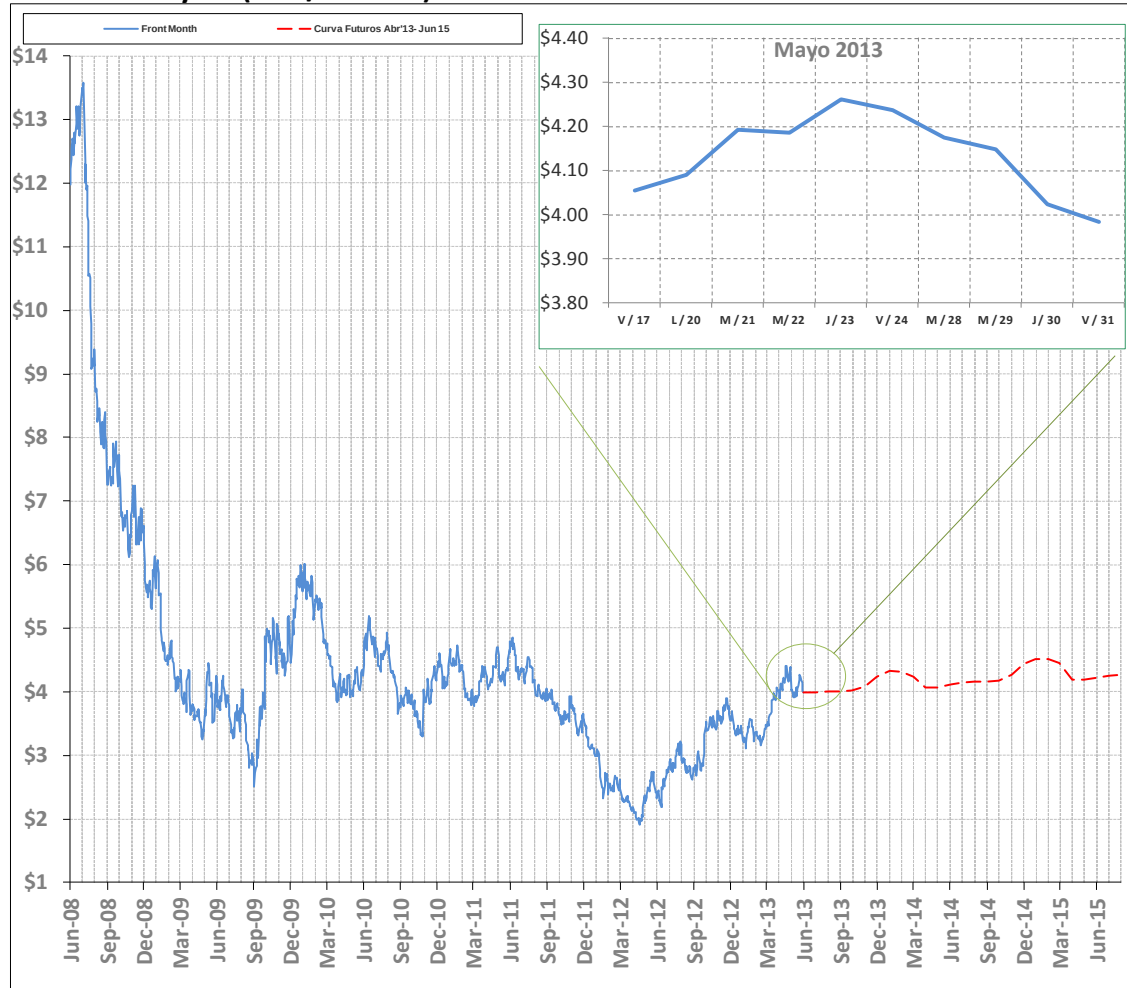
International Gas Markets Overview



Nymex Prices and Storage Levels in North America

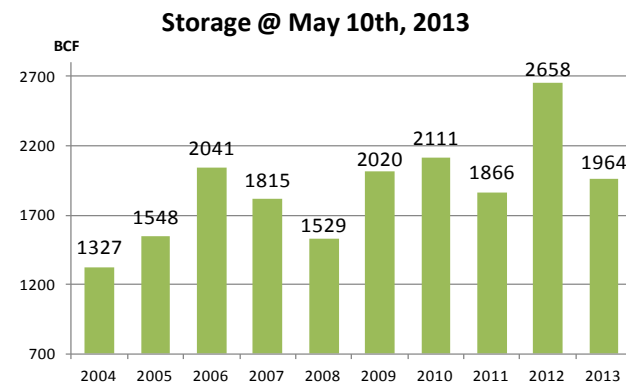
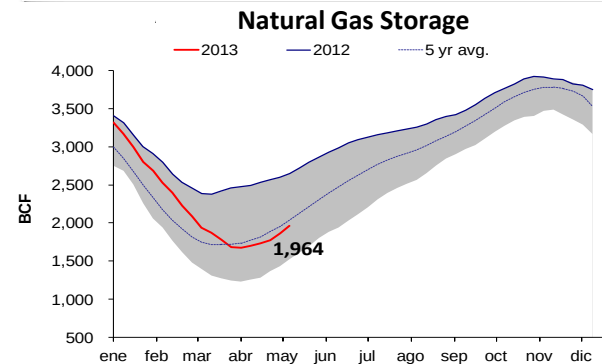
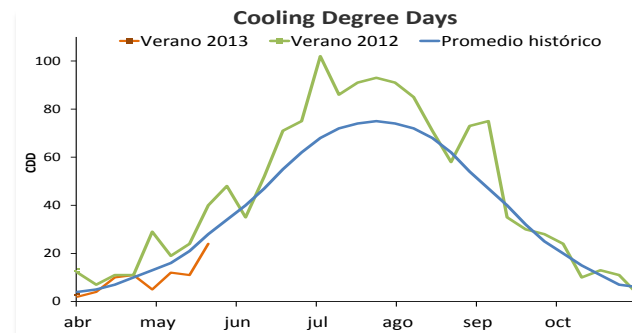
NYMEX, front month, closing prices and futures

Jun08 – July 15 (USD/MMBtu)



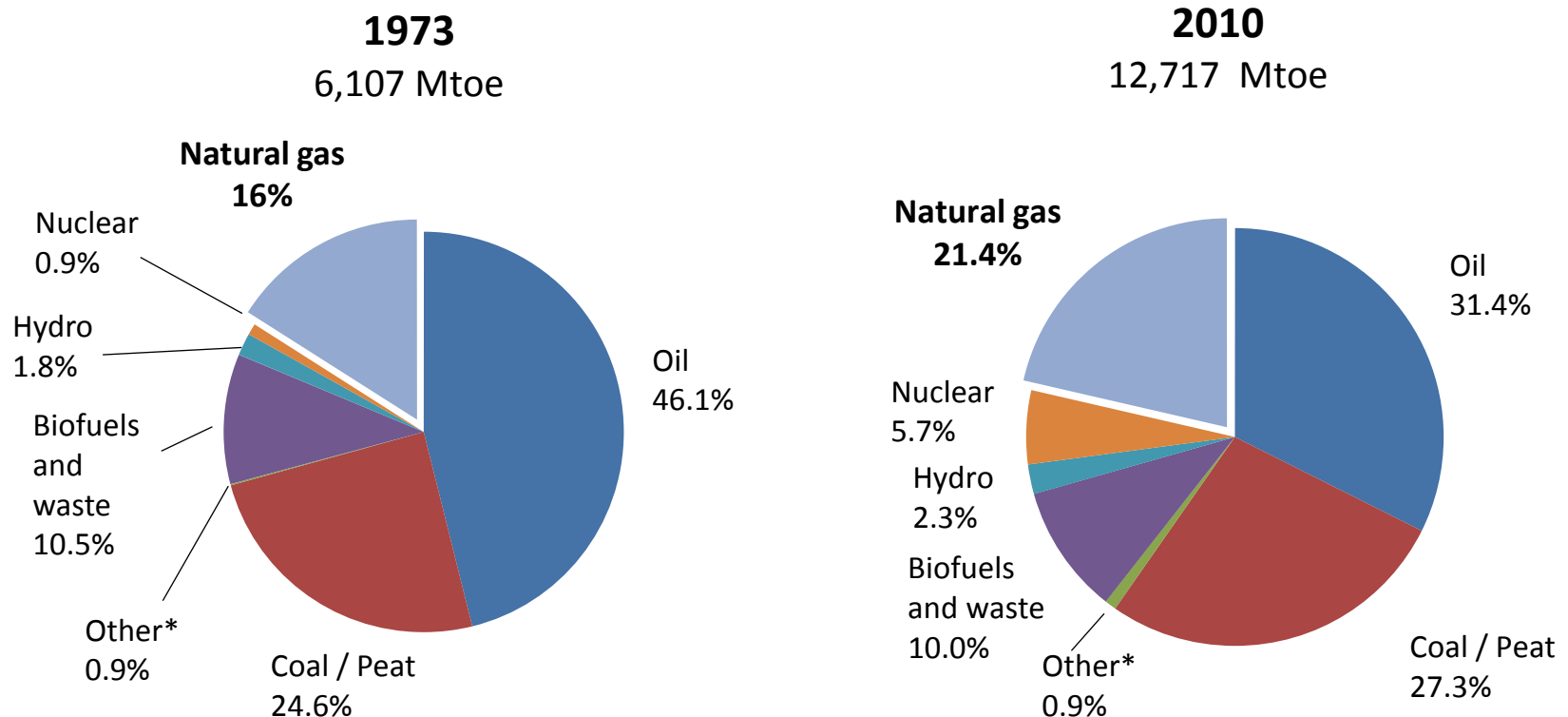
*Blue line is "front month".
Red line is the Nymex forward curve

Source: Pemex Gas based on information from markets



World Total Primary Energy Supply, 2010

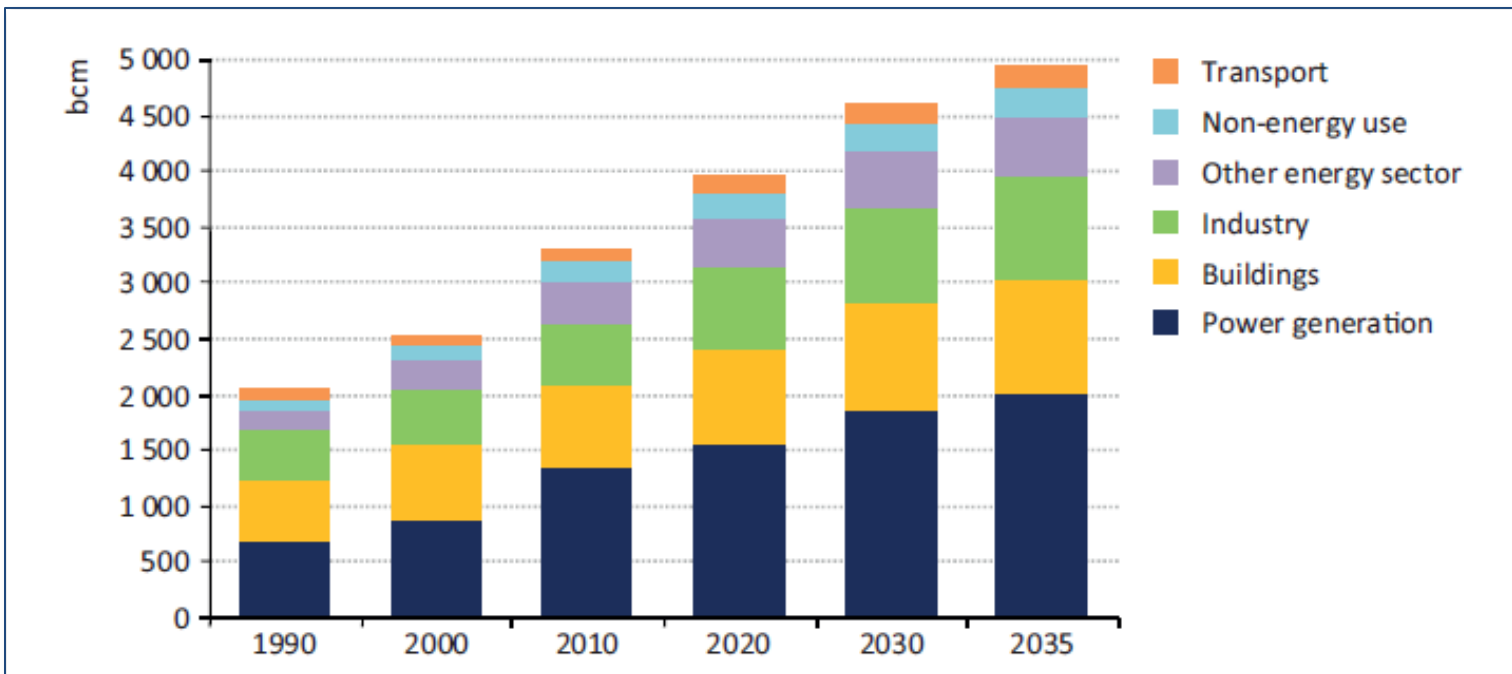
In the last decades, the profile of fuel supply has change significantly; nuclear and natural gas has ride its shares on world energy supply. By the other side, the oil share has decreased until one third of total supply.



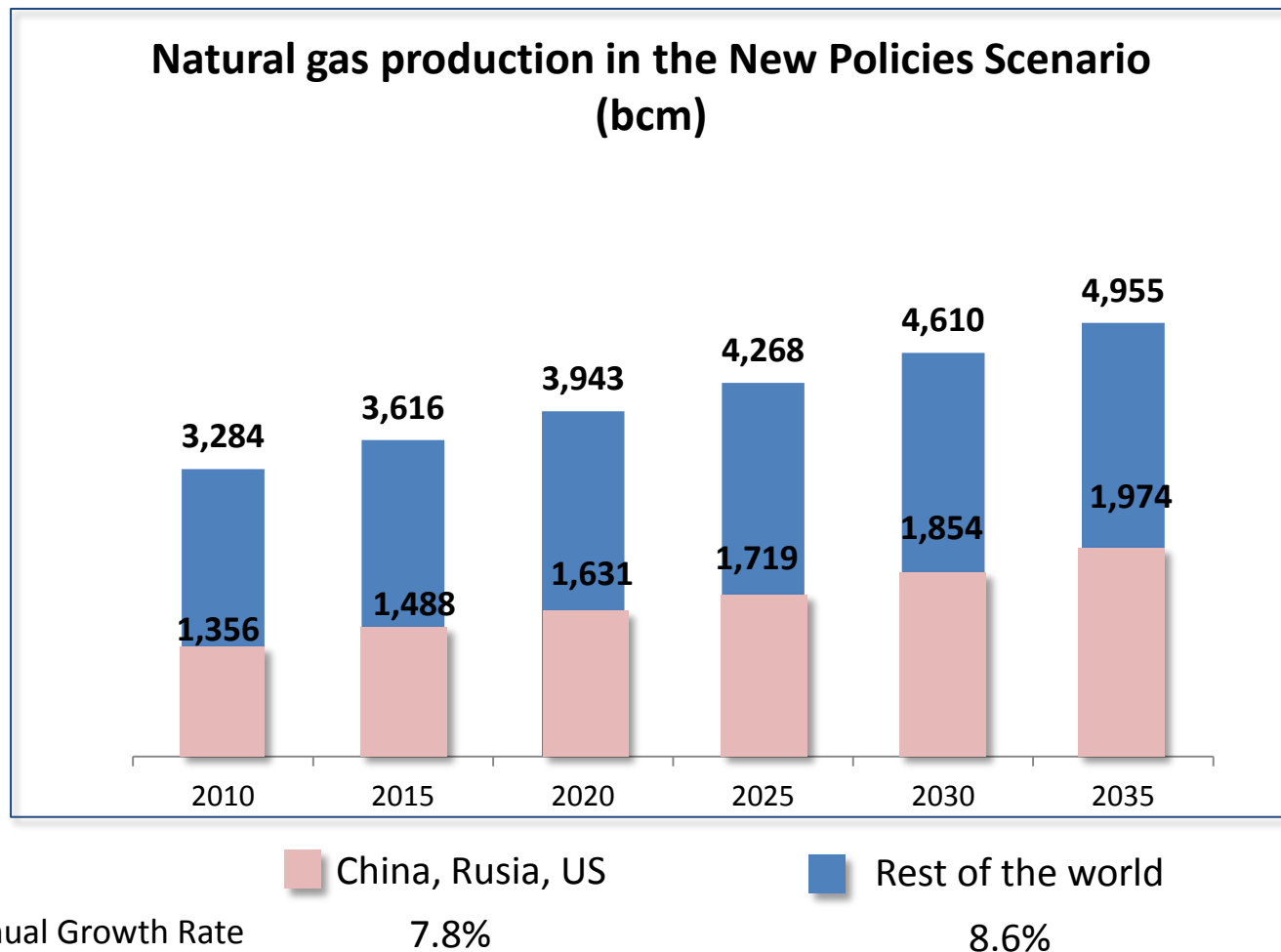
* Other includes geothermal, solar, wind, heat, etc.

The world natural gas demand for the new policies scenario in the WEO, shows a major growth in the power generation sector, as well as in the industry sector.

World natural gas demand by sector

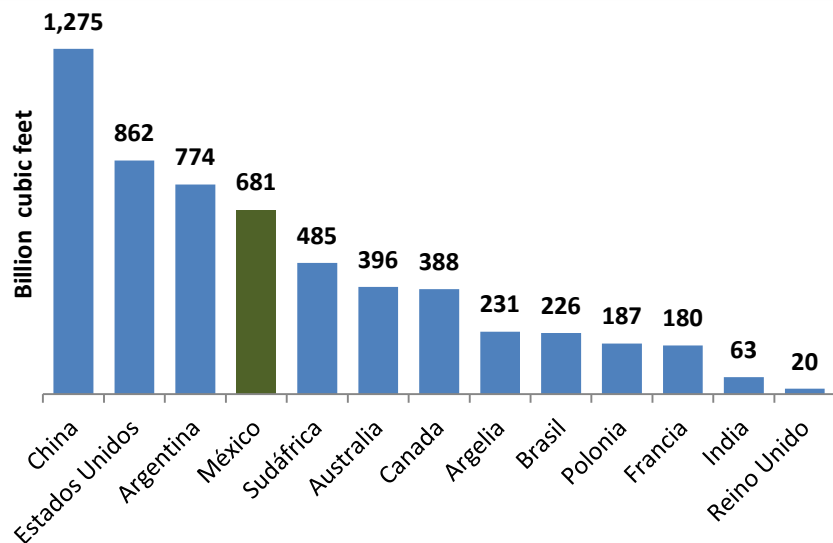


The natural gas supply, in the new policies scenario, shows a compound average annual growth rate of 1.7%.

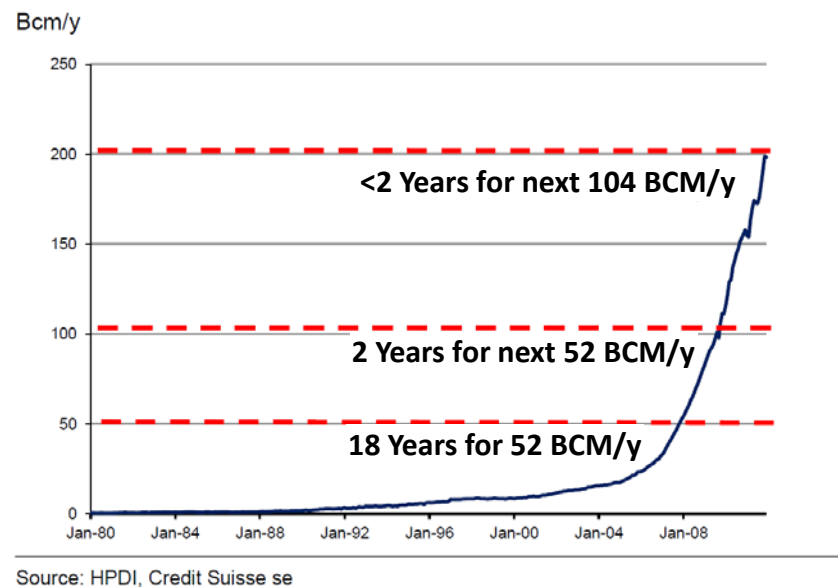


It is estimated that shale gas reserves are 5,768 billion cubic feet (BCF)*, where Mexico ranked fourth after China, the U.S. and Argentina.

Distribution of shale gas reserves in the world

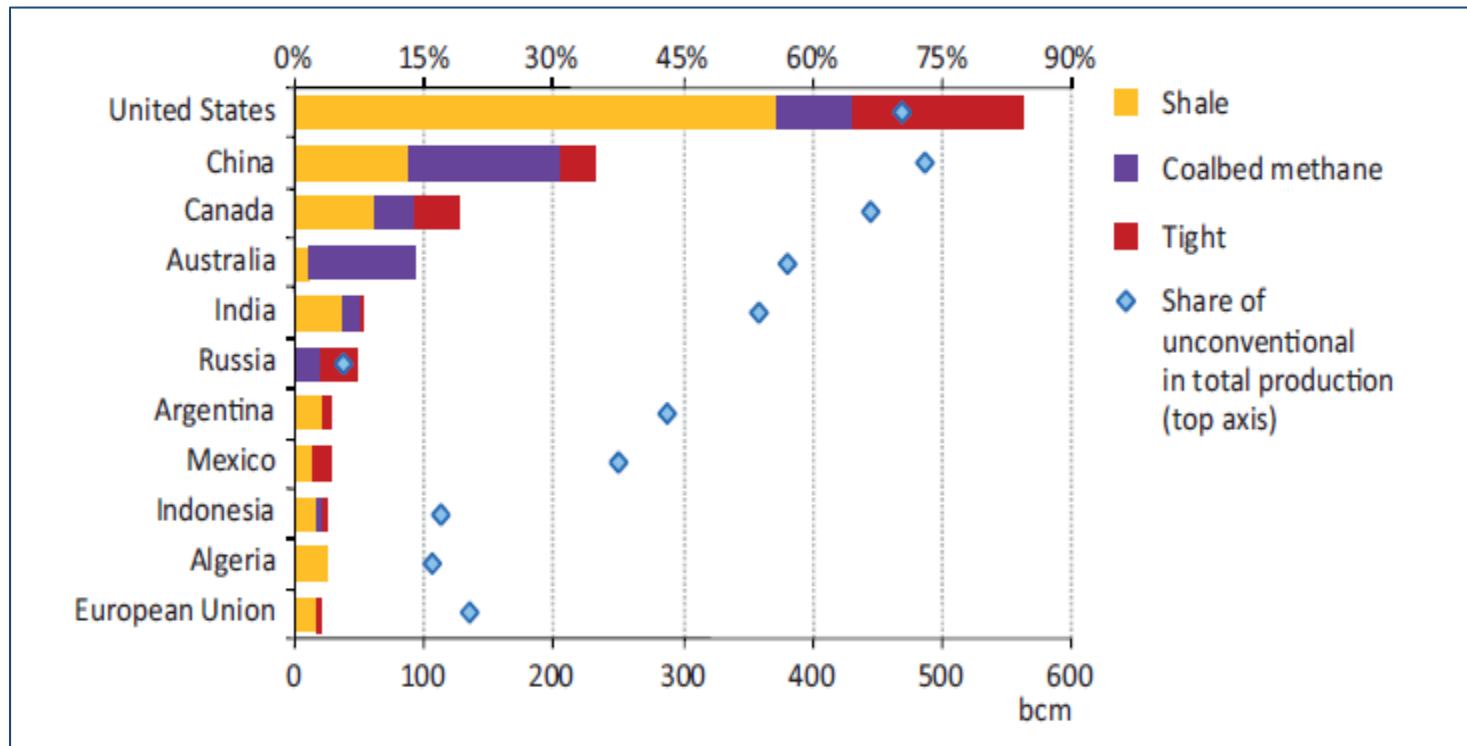


Shale production growth in the US



The development of non conventional sources will increase its share beyond 50% of total production in countries like United States, China, Canada, Australia and India.

Unconventional gas production in leading countries In the New Policies Scenario, 2035

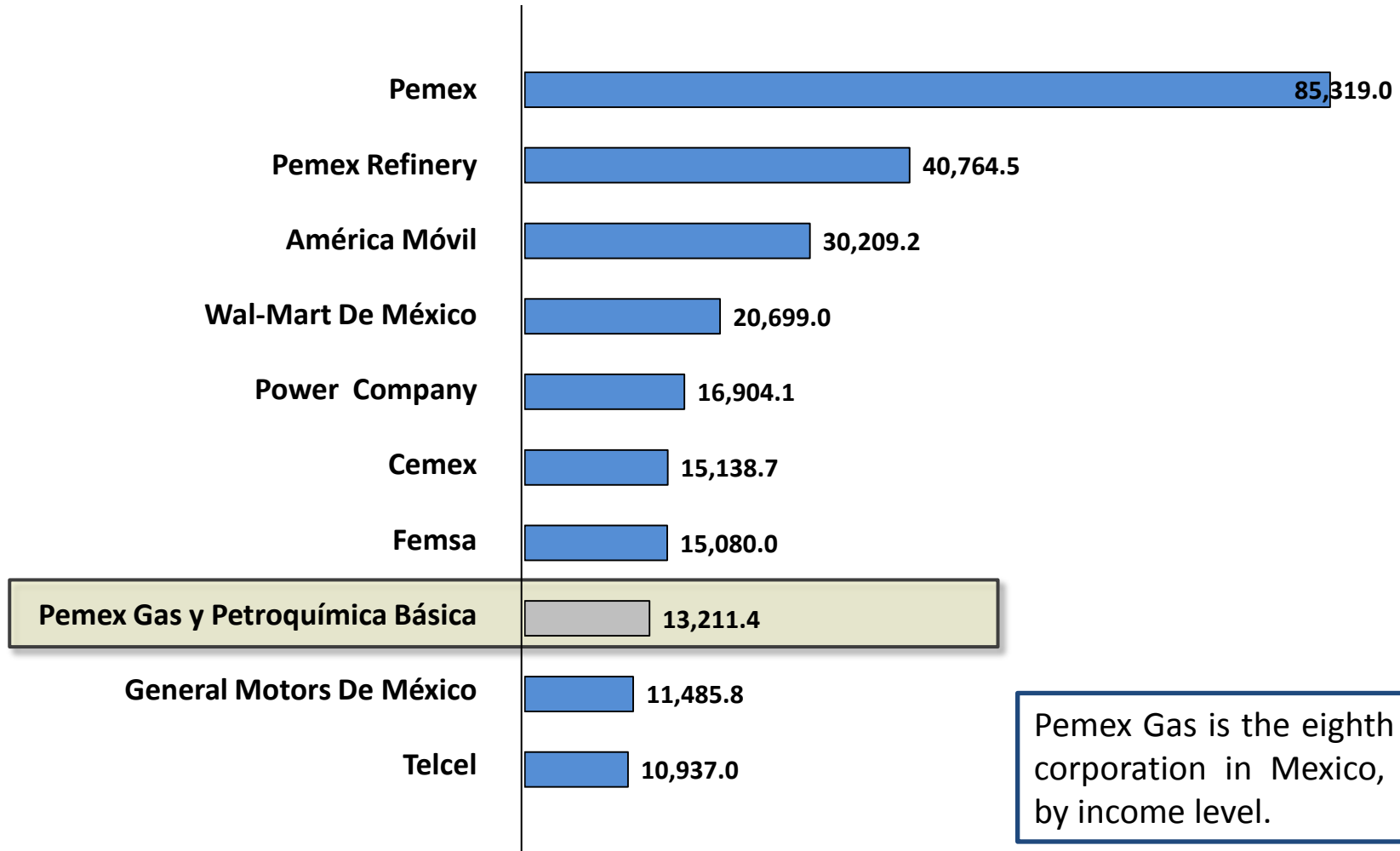


Pemex Gas & Mexico Natural Gas Market

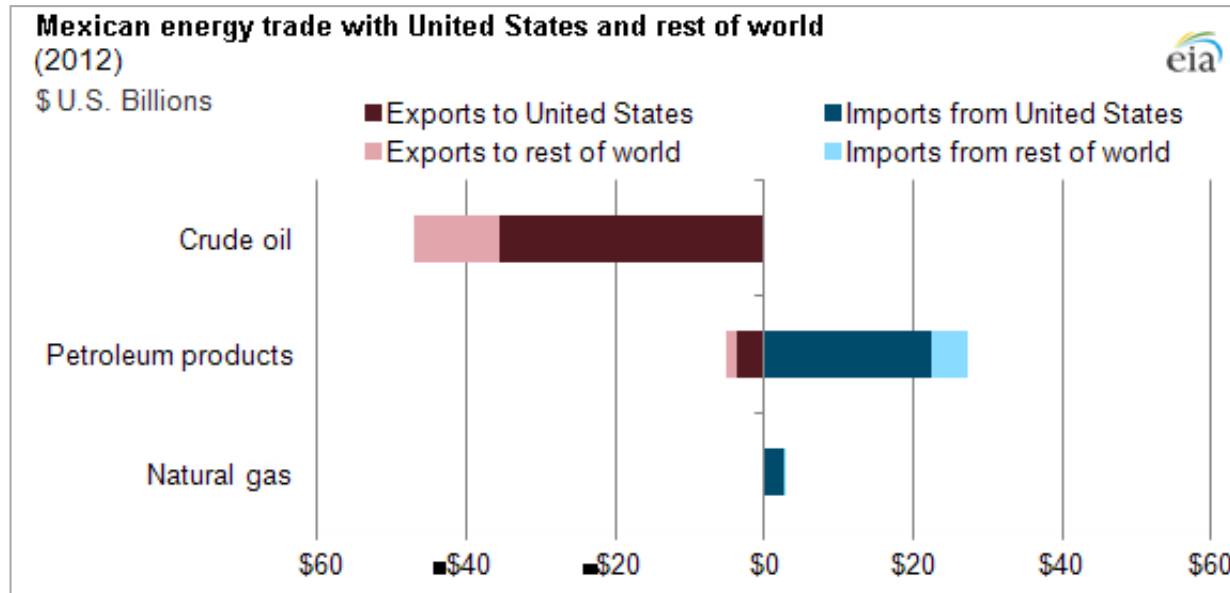
Mexico Industrial Ranking by Income, 2012

Total Income

Millions of dollars



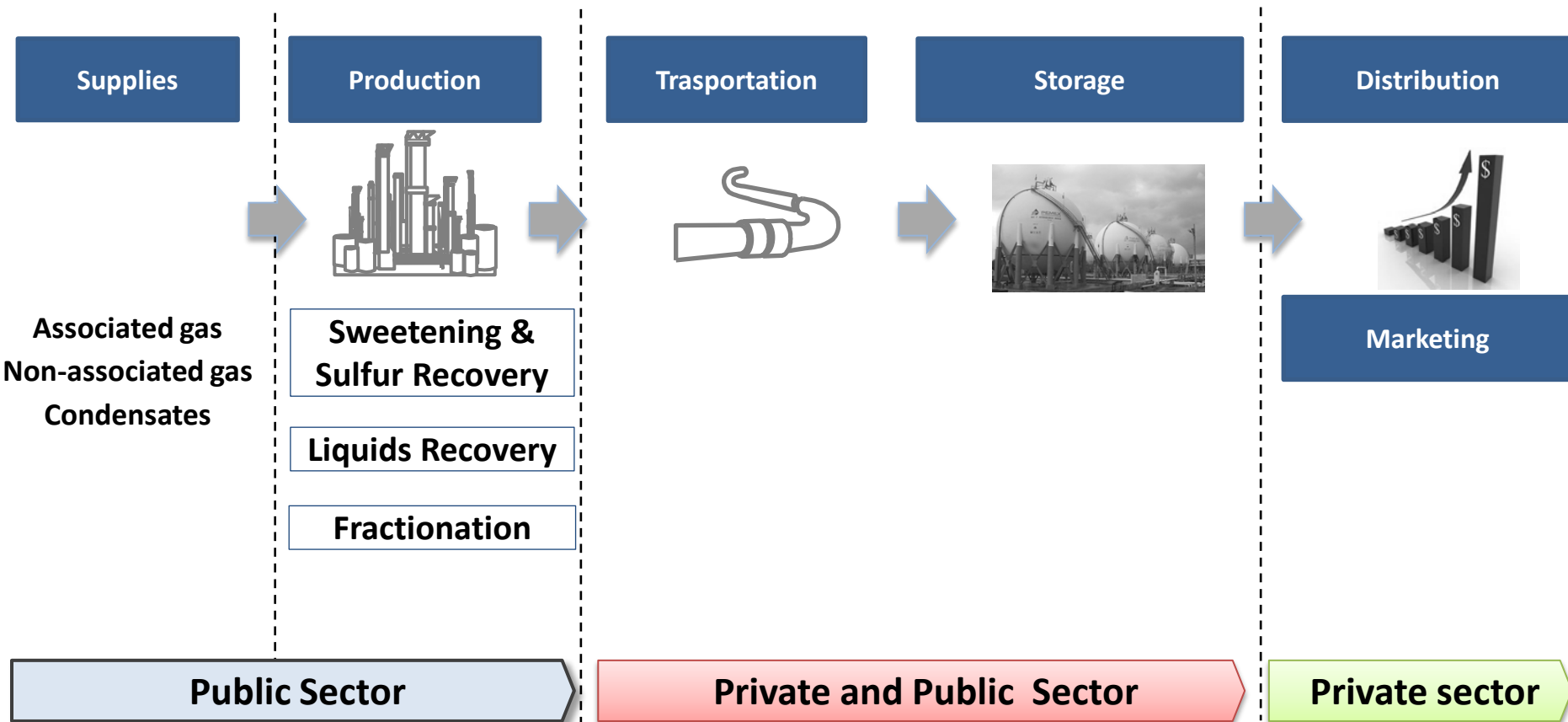
Pemex Gas is the eighth largest corporation in Mexico, ranked by income level.



Energy trade in 2012 topped \$65 billion and accounted for 13% of the \$494 billion in overall trade between the countries.

Key factors

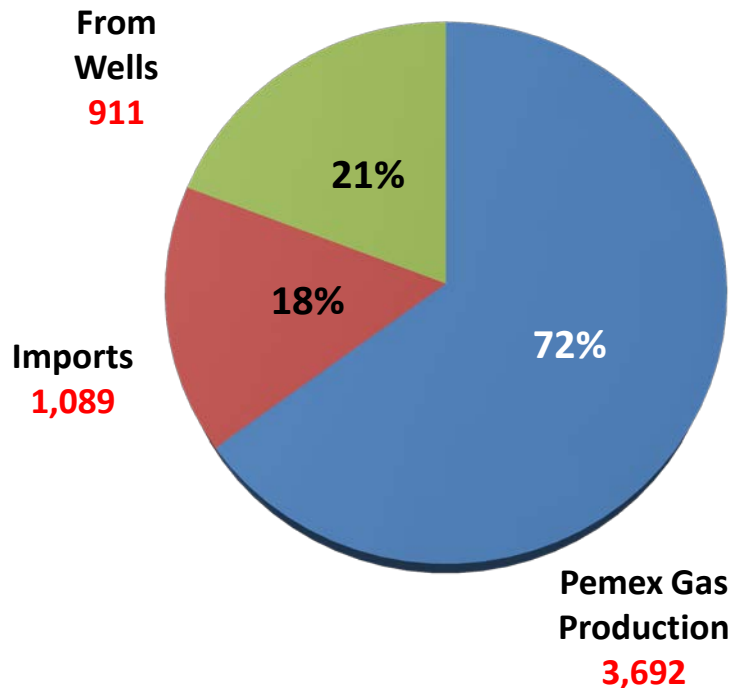
1. Refineries in the United States process significant amounts of imported Mexican heavy crude oil.
2. In the Mexican gas sector, local & foreign companies can participate on storage, transportation and distribution.
3. An integrated and growing network of northern cross-border natural gas pipelines.



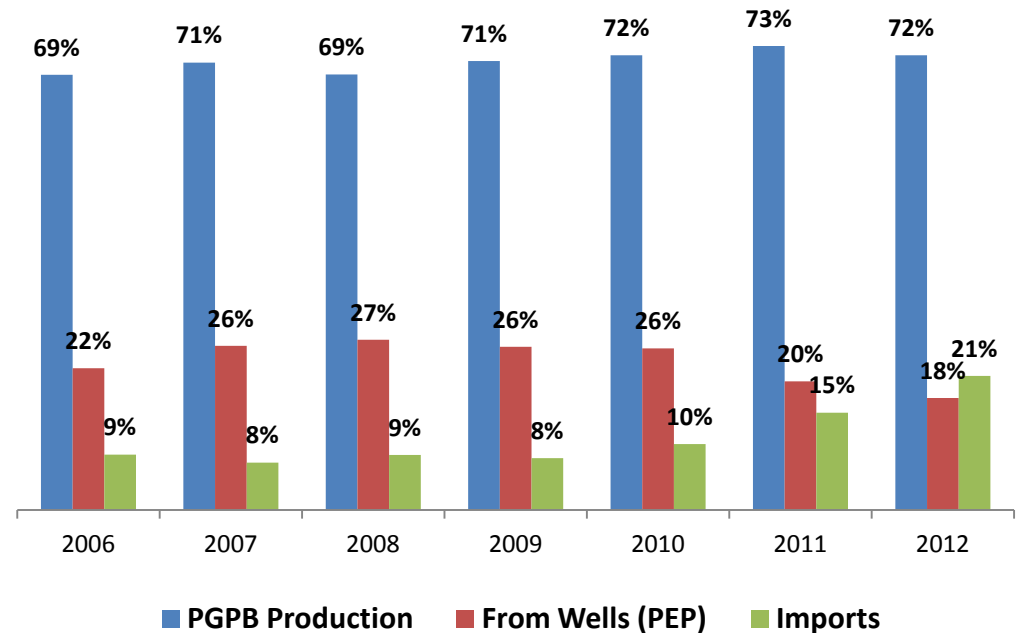
Natural Gas Supply from Pemex, 2006-2012

Total Supply 2012

5,692 million cubic feet/day*



Composition of Natural Gas Supply 2006-2012



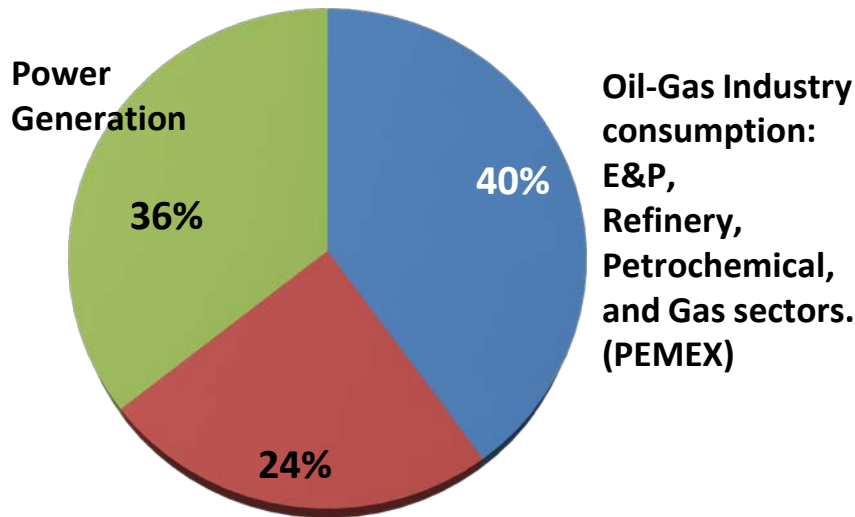
Pemex Gas Production (Million cubic feet/day)

3,533 3,633 3,538 3,646 3,692 3,767 3,692

Mexico's total supply of national natural is complemented with the imports of the power generation company (state owned) and by private corporations.

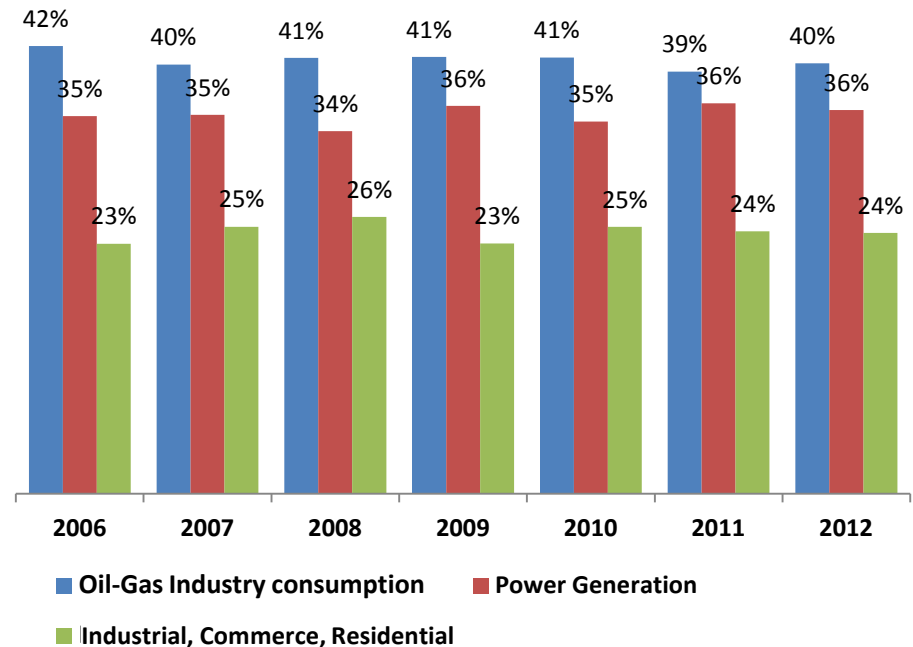
Natural Gas Demand in Mexico*, 2006-2012

Natural Gas Sales 2012
5,676 million cubic feet/day



Industrial, Commerce, Residential

Composition of Natural Gas Sales 2006-2012
percent of total delivery



(Million cubic feet)

5,116 5,331 5,369 5,367 5,509 5,571 5,676

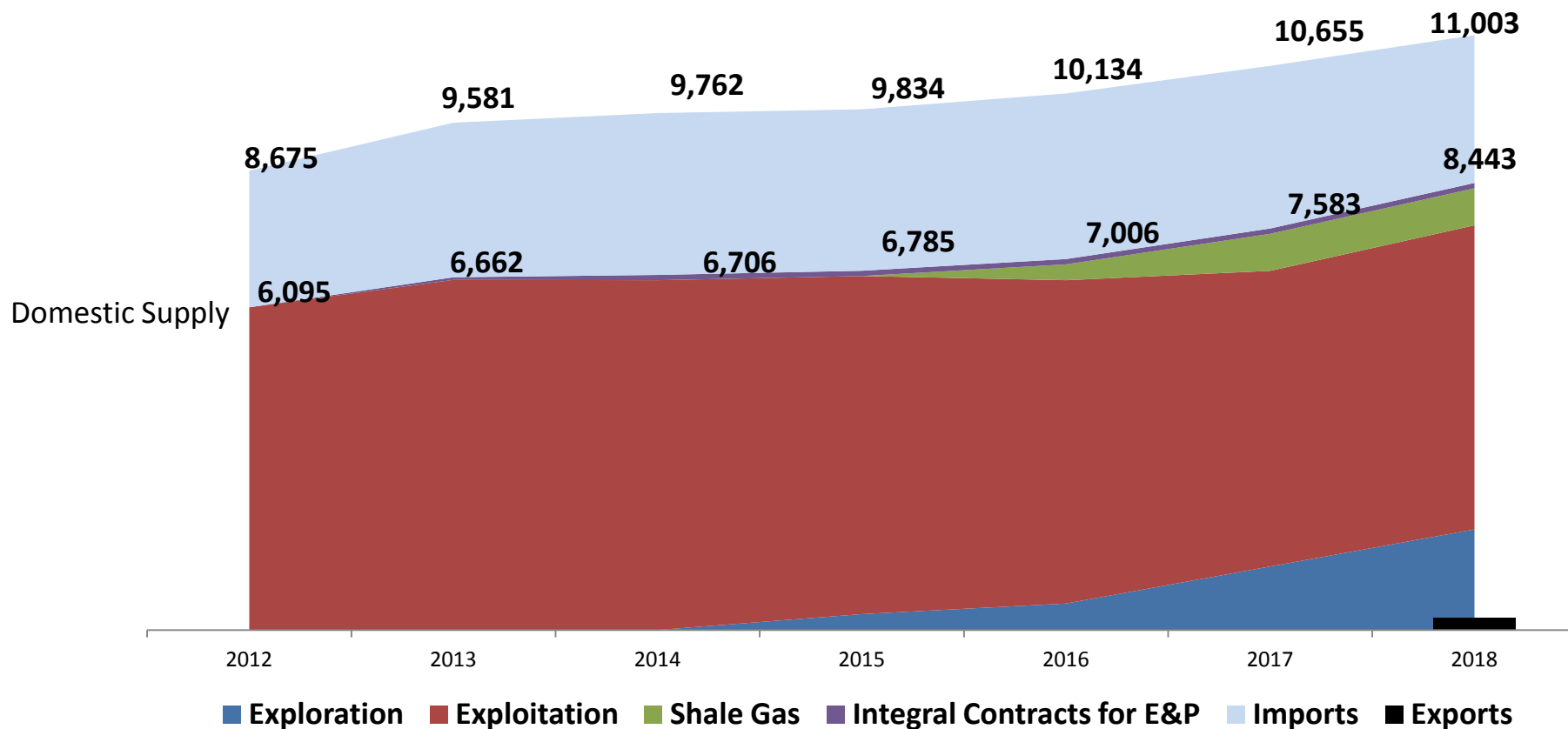
Petróleos Mexicanos (PEMEX) is the main consumer of natural gas in México.

Power sector is the most dynamic; has raised its demand from 871 MMcfd in 2000 to over 2,000 MMcfd in 2012.

* It is relative to the sales from Pemex Gas. Do not include demand covered from other corporations.

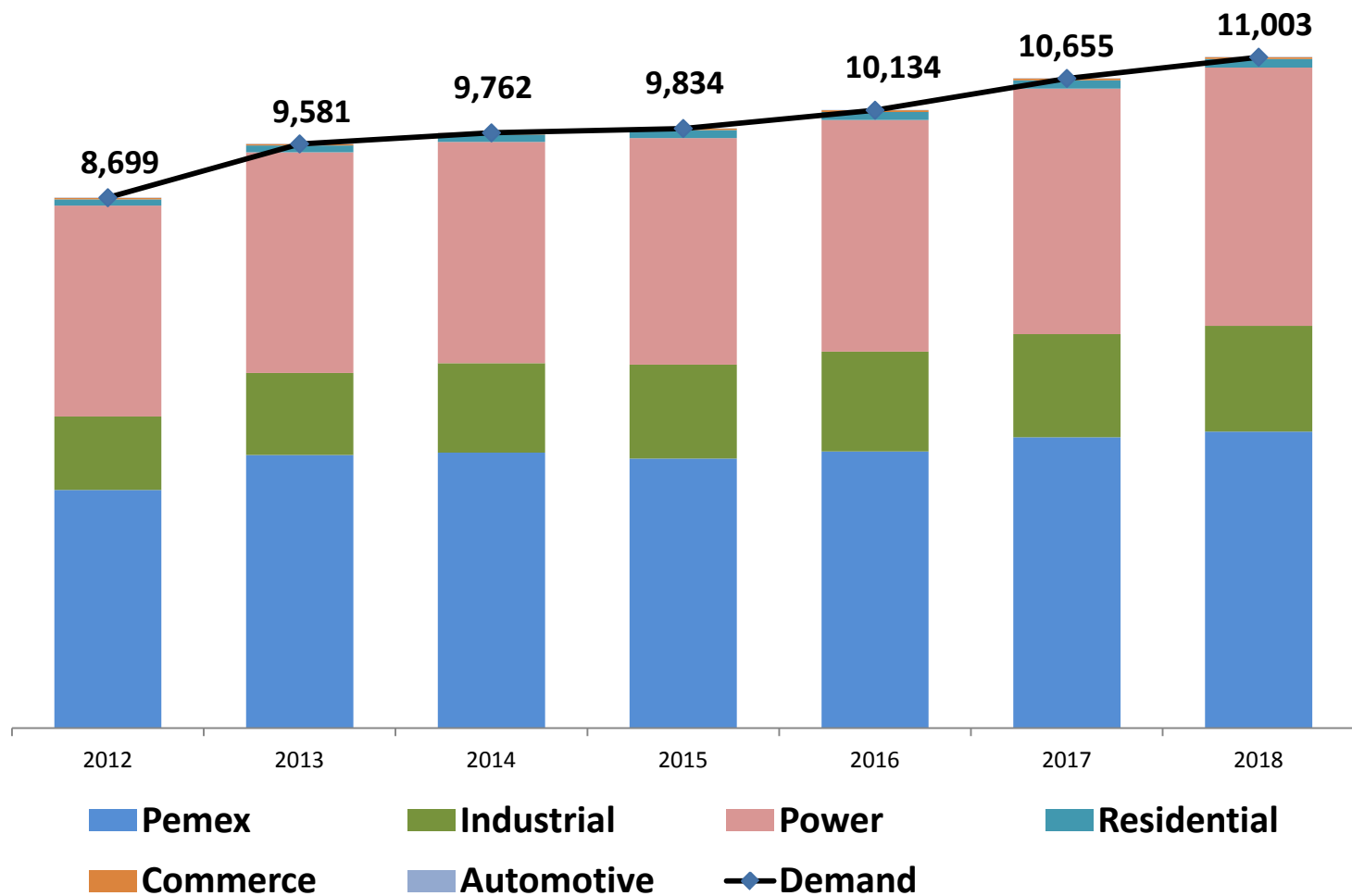
Prospective Natural Gas Supply by Type of Activity

(Million cubic feet /day)



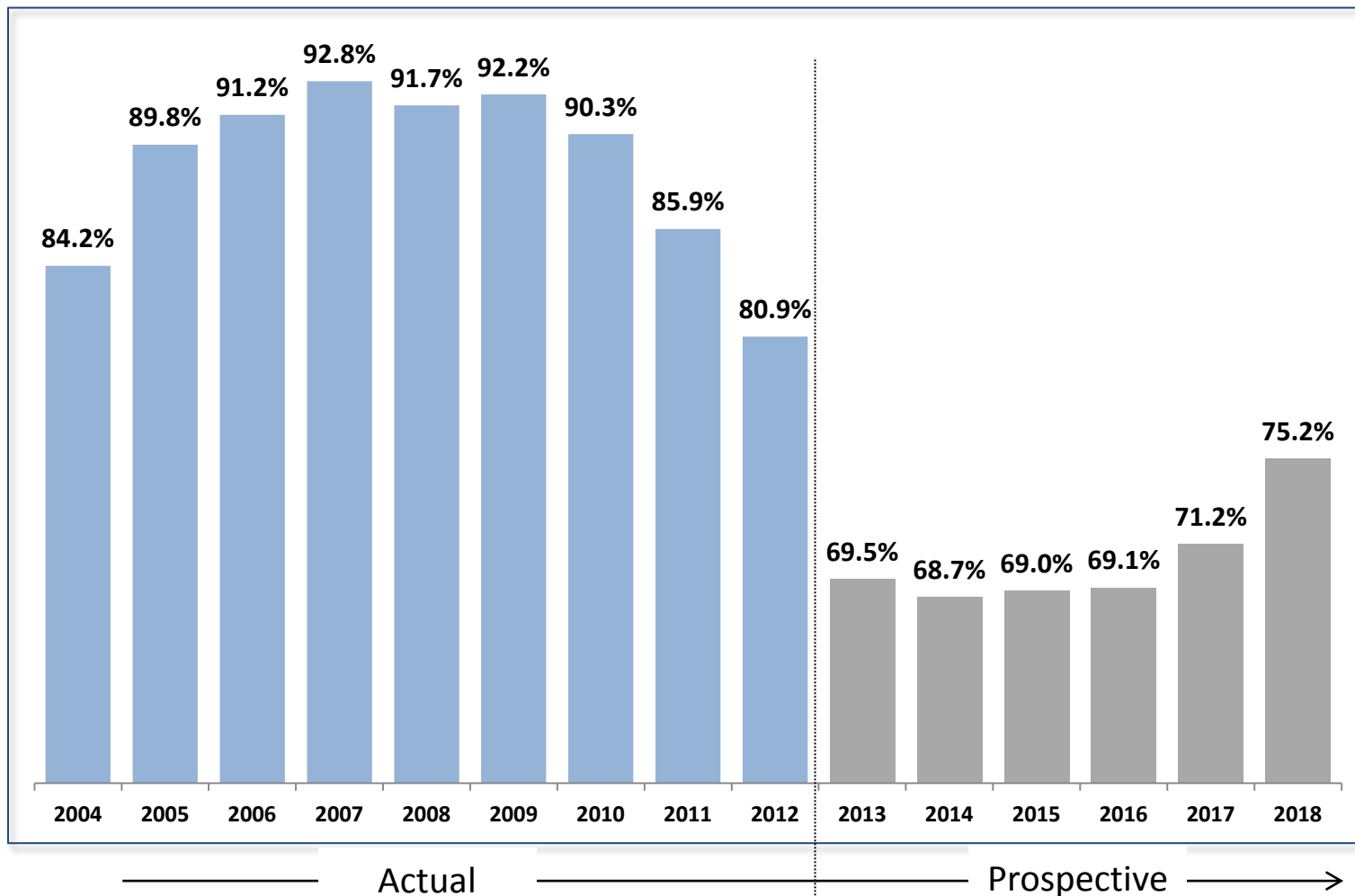
Prospective Natural Gas Demand in Mexico

(Million cubic feet/day)

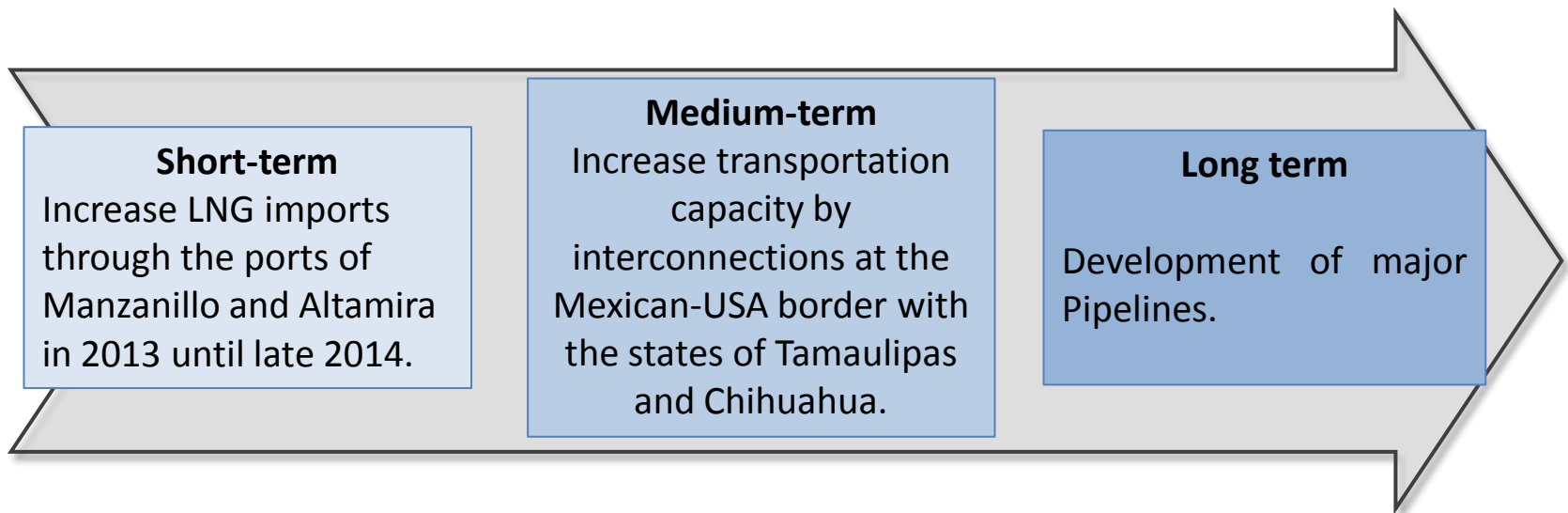


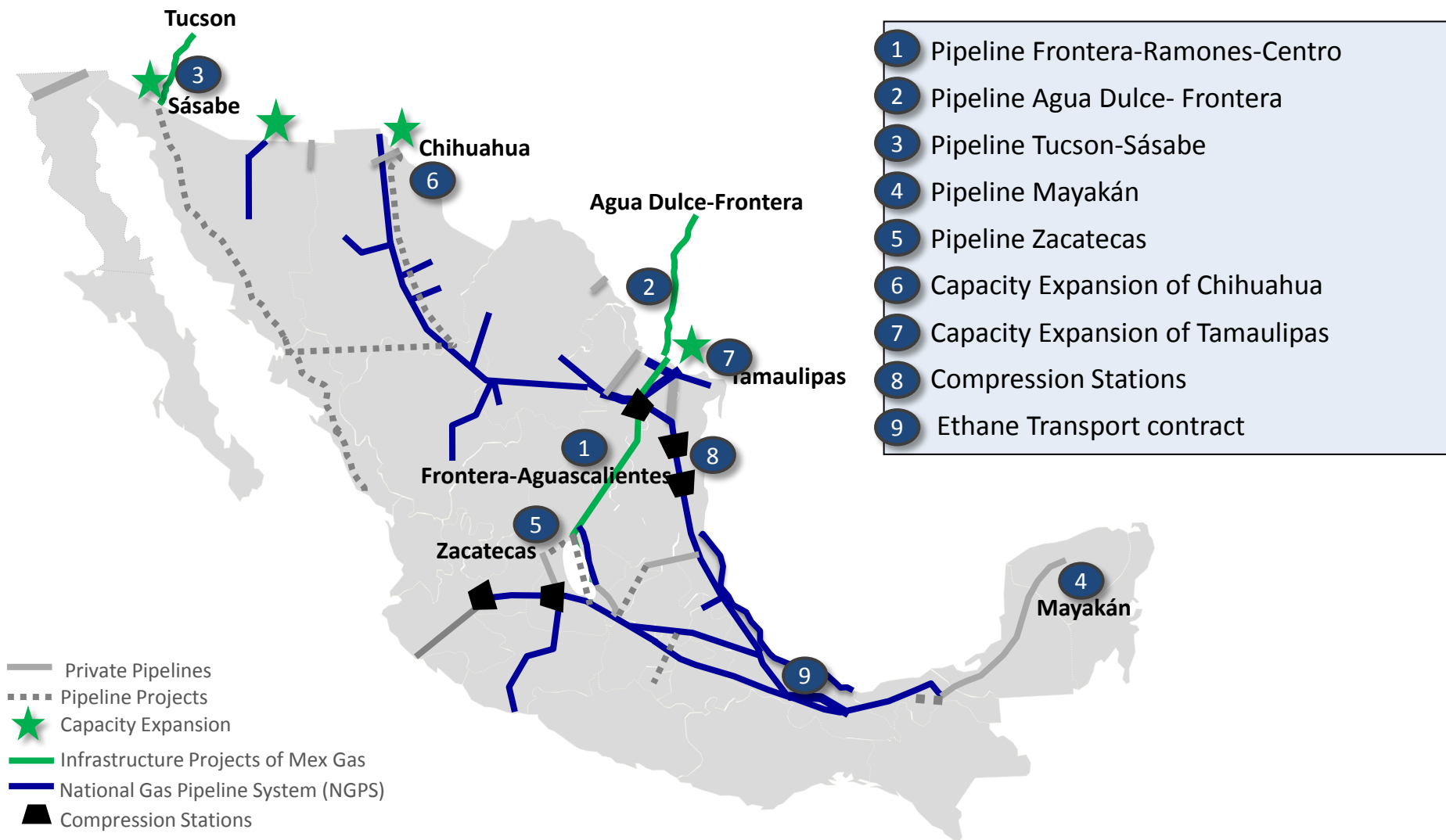
Demand Covered by National Production

(%) Percent



The current administration is acting in short, medium and long term, taking advantage of the opportunity provided by the North American Energy Market evolution, driving the strategy of natural gas supply, which primarily includes the following activities:





JODI-Gas database

Open government

- Transparency
- Results
- Accountability
- Credibility and
- Knowledge-sharing

**Federal Institute for
Access to Public
Information**



ifai

Instituto Federal de Acceso
a la Información Pública*



Transparency International in its 2008 Report on Revenue Transparency of Oil companies and gas producing **branded** **Petróleos Mexicanos as the best state oil company in Latin America** regarding disclosure of:

- a) Payments to Government (duties)
- b) Financial Operations
- c) anti-corruption programs



Such reports allow PEMEX to compare their practices with other companies and improve the diffusion and access to information based on international best practices.

Mexico, Ministry of Energy and Pemex are fully committed with the agreements expressed in the G20 Finance and Central Bank Deputies Meeting celebrated on 4th & 5th November 2012 at Los Cabos, México about improving the progress on the JODI-Gas database.



Pemex Gas and Basic Petrochemicals is a major player in the natural gas market in México, however, there are other participants (i.e. the state owned power company and private companies), so *it is **the Ministry of Energy of Mexico that coordinates the information to be publish in the JODI-gas database.***

- The world natural gas market will face significant changes:
 - ☐ Countries that were importing a few years ago are expected that will become exporters.
 - ☐ The composition of energy supply sources will continue to change by the consumption of safer and cleaner fuels.
- This new dynamic in the global gas market will foster the international gas trade.
- The management of useful, flexible and timely data is vital.
- JODI-Gas database will help to make projects less expensive and less time consuming resulting in a better allocation of resources for the world economy.

Gracias
Terima Kasih
Thank you

