



## Round 2 of the exploration and extraction of hydrocarbons in Mexico is coming soon

Pursuant to the Hydrocarbons Law, on 21 October 2015, the Ministry of Energy in Mexico published the final version of the five-year plan (2015-19) for bids for exploring and extracting hydrocarbons. It included 96 areas for exploration and 237 fields for extraction – a total of 235,070 square kilometers.

The five-year plan considered four main processes:

- ▶ The nomination of bidding areas
- ▶ Specific comments from industry participants
- ▶ Analysis of the surveys for the industry and governments of the federal entities
- ▶ An update of the geological and geophysical information managed by the Hydrocarbons Commission

The Mexican Government recently made public that, in June 2016, it expects to announce the beginning of Round 2. It will include Round 2.1, for shallow waters, and Round 2.2, for conventional oilfields.

Bids for Round 2.1 and 2.2 are likely to be carried out in January or February 2017, and authorities are expected to provide attractive acreage for exploration activities.

The Mexican Government is also developing legislation applicable to non-conventional fields – mainly environmental regulations – with the intent to offer such fields in Round 2.3.

It is important to note that the Government is continuing to receive proposals nominating areas for exploration and extraction, which are mainly onshore.

Article 29 of the Hydrocarbons Law sets forth that any state company or legal entity can nominate areas for the Energy Secretariat to consider. We encourage all interested parties to participate in this process.

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