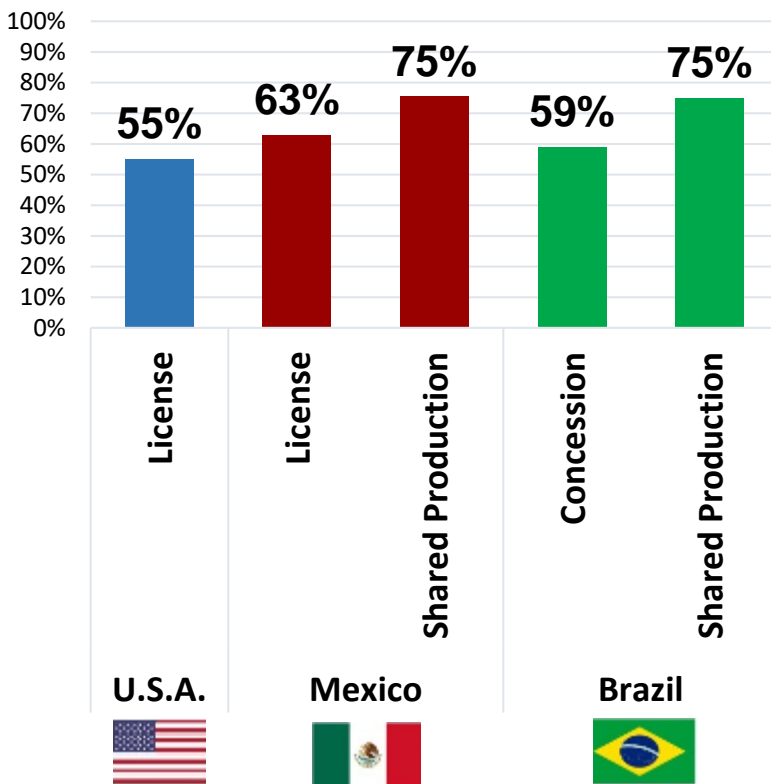




Favorable terms for the Mexican State in offshore exploration and extraction contracts

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Government take* from offshore contracts (percentage)



In terms of profit-sharing, economic terms for the Mexican State in offshore oil contracts are more favorable than those in the United States and Brazil.¹

In shared production contracts (32), government take was 75% and in license contracts (27), it was 63%.²

The percentage of government take in Mexican license contracts is more than that of concessions in Brazil and license contracts in the United States, where the Mexican State receives 59% and 55% of profits, respectively.³

As of March 2018, income received by the Mexican State from oil contracts totals \$304.9 million dollars.⁴

*Government take is calculated based on royalties, government allocated production and taxes on exploration and extraction contracts.

Sources:

1/ In total, 107 exploration and extraction contracts have been signed in Mexico. National Hydrocarbons Commission, Mexican Rounds, relevant data available at: <https://rondasmexico.gob.mx/cnh-cifra-inicio/>

2/ Mexico: average government take reported by the Secretaría de Hacienda y Crédito Público (Secretary of Finance) for offshore contracts awarded.

3/ Brazil: corresponds to the terms of the concessions in Brazil in the last round (round 15) and the seven shared production contracts awarded to date. Based on estimates by the CNH, considering a project type for deep water and another for shallow waters. Indirect taxes for import and export are not considered. More information at: <http://rodadas.anp.gov.br/pt/>

United States: Estimated from the "Outer Continental Shelf" (OCS) in the Gulf of Mexico. Original Government Analysis by Daniel Johnston Co, available at: <http://www.danieljohnston.com/database.php>

4/ See note 1.