



wintershall dea

MEXICO

WINTERSHALL DEA

GLOBAL EXPERTISE FOR MEXICO'S ENERGY SECTOR

Rising energy demand – oil dominates the energy mix

Mexico's population is expected to increase from 127 million today to 150 million by 2050. Together with improvements in productivity, this increase will boost economic growth and, consequently, lead to a significant rise in energy demand.*

The country has a fast-growing electricity sector and power generation with hydrocarbons remains higher than in many other countries. Mexico's energy mix is dominated by oil, which accounts for almost half of the country's total energy consumption. A significant part of the production is in the Gulf of Mexico: the southern Sureste Basin is considered the most promising and hydrocarbon-rich region in the country. Another interesting area for exploration and production is the Tampico-Misantla Basin, primarily located onshore in East-Central Mexico with extensions into the shallow Gulf waters.

* Source: IEA Country profile Mexico 2022 and 2021.



Wintershall Dea is one of the top acreage holders in the Sureste Basin and ranks among the companies with the largest exploration areas in Mexico

Where we operate in Mexico

After setting foot in Mexico in 2017, Wintershall Dea started exploring for and producing hydrocarbons the following year. Today, the company has managed to establish itself as one of the leading international upstream companies in the country, with activities across the entire E&P value chain.

Mexico is a growth country for Wintershall Dea. The company is committed to the country, this is why it operates its activities directly from Mexico, with more than 150 employees in two offices, located in Mexico City and Villahermosa.

With a 50 per cent share, Wintershall Dea has been operator of the producing onshore Ogarrio oil field since 2018. The Mexican state company Pemex is the partner and holds the remaining shares. In addition, Wintershall Dea has material interests in ten offshore exploration blocks located in the Gulf of Mexico, three of them as operator.



In the prolific Sureste Basin, Wintershall Dea holds a significant interest in the Zama field, one of Mexico's most important energy projects at present. Additionally, the company's latest exploration and appraisal successes in Mexico include the two significant oil discoveries Polok and Chinwol in the offshore Block 29.

Hokchi: Jack-up drilling rig, operating on the offshore platform "Central".

Furthermore, Wintershall Dea strengthened its portfolio in the Sureste Basin in October 2022, when the company signed an agreement with Hokchi Energy, the Mexican subsidiary of Pan American Energy, to acquire a 37 per cent non-operated participating interest in the Hokchi Block. The transaction is subject to governmental approvals before the end of the first quarter 2023. The block currently produces around 26,000 barrels of oil equivalent per day (as of February 2023) and is planned to ramp-up the production to 37,000 barrels of oil equivalent per day in 2023.

Thilo Wieland, member of Wintershall Dea's Management Board responsible for Latin America, emphasises: "Mexico is a growth country for Wintershall Dea, and the acquisition of the Hokchi Block interest is a clear sign of this. With Hokchi, we are gaining a producing asset that fully meets our strategic requirements, also in terms of efficiency and emissions. We are excited about continuing and further expanding our partnership with Hokchi Energy and its shareholder Pan American Energy."

Development of the world-class Zama discovery

In June 2019, the partners in exploration Block 7 (Wintershall Dea, Talos and Harbour) successfully completed the Zama appraisal programme. Three appraisal wells were drilled to quantify the recoverable resources of the discovery. The most recent Zama-3 well confirmed the exceptional quality of the sands in the reservoir. The Zama discovery extends from Block 7 through a neighbouring block held and operated by Pemex. In March 2022 the formal final Unitization Resolution was made public, and Pemex was designated as unit operator of the shared reservoir. In addition, the unit partners have decided to create an Integrated Project Team consisting of experts from all companies to develop the project. Front-End Engineering Design (FEED) studies are expected to take place in 2023 before a final investment decision can be made.

Wintershall Dea is the second largest shareholder in the Zama field after operator Pemex and holds, according to the Unitisation Resolution, an initial participation of 19.83 per cent. With estimated recoverable gross resources of 600 to 800 million barrels of oil equivalent, the field is one of the world's largest shallow water discoveries of the past 20 years.

Production from the Ogarrio oil field

Ogarrio is one of the first producing onshore oil fields in Mexico, located in the state of Tabasco. The oil field was discovered in 1957. Its main reservoirs are located in different sandstone layers of the Encanto formation.

In 2018, Wintershall Dea took over operatorship in Ogarrio and since then is continuously performing workover, perforation, and production optimisation activities in order to maintain and increase the production. With operational expertise, competence and agility, cross-boundary teams from Mexico and Germany work on the complex and comprehensive process to optimise the field's performance. Between October 2021 and April 2022, a water injection test was initiated in the central south area of the field. As a result, the Ogarrio waterflood project was started to achieve an overall improvement in recovery from the field. The project's current concept aims to maximise the use of existing wells.

An important part of Wintershall Dea's work onsite consists of the implementation of sustainable social programs for the neighbouring population. Together with the Ogarrio communities, Wintershall Dea maintains various health and education programmes and works in close cooperation with the local supply industry whilst also hiring local work force.



Ogarrio onshore installation
in Tabasco State.

Further exploration and development opportunities

Wintershall Dea's portfolio in Mexico includes a number of promising offshore exploration licenses. In the Salina Basin, Wintershall Dea and its Block 29 partners Repsol (operator), Petronas and PTTEP made the two important discoveries Polok and Chinwol in 2020, of which Polok has been successfully appraised in 2021. Block 29 is located in the Gulf of Mexico approximately 88 kilometres from shore and the water depth is ranging between 460 to 600 metres. The project, where Wintershall Dea holds a 25 per cent share and which is currently in the development stage, is one of Wintershall Dea's key non-operated assets.

Back in 2019, the Block 5 partnership (operator Murphy, Wintershall Dea and Petro-nas) drilled the Cholula-1 discovery. A 3D seismic survey was successfully performed in time and below budget, and more important incident-free in the own-operated Block 30. Wintershall Dea started its first operated drilling campaign with two exploration wells in this license together with its partners Harbour Energy and Sapura OMV in October 2022.

Furthermore, in the Tampico-Misantla Basin, Wintershall Dea is the operator of Block 16 and 17. Although no drilling is planned for this area, a full set of studies is being finished to unlock hydrocarbon potential. Wintershall Dea is also partner of operator Pemex in the neighbouring Block 2.

Wintershall Dea in Mexico: at a glance

- Country entry: 2017
- Operatorships: 4
- Mexico's 2P oil reserves (2022): 15.02 billion barrels of oil**
- Mexico's 2P gas reserves (2022): 21.46 trillion standard cubic feet**

** Source: National Hydrocarbons Commission, April 21st, 2021

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