



Conference Call

Mexico Energy Reform: The Execution Phase



Friday, August 8, 2014



Equity Strategy

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August 2014

Equity Strategy

Introductory Remarks and Strategy

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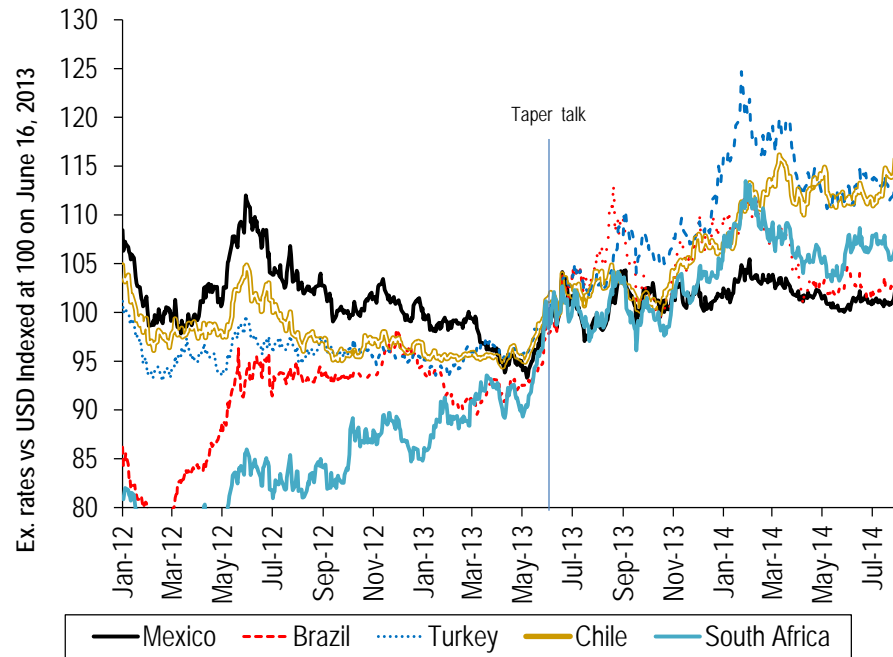
Structural Reforms: the end of the beginning

	Constitutional Amendment	Lower House Approval	Senate Approval	Local Congressional Approval	Secondary Laws (If constitutional amendment)
Labor Market Reform	Yes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Election Reform	Yes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Telecomm and Competition Reform	Yes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	March-April 2014 (Competition laws: under discussion)
Financial Reform	No	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	N.A.	
Local Debt Reform	Yes	<input checked="" type="checkbox"/>	Under discussion		
Energy Reform	Yes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Political Reform	Yes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Deadline: April 30, 2014
Fiscal Reform	No	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	N.A.	

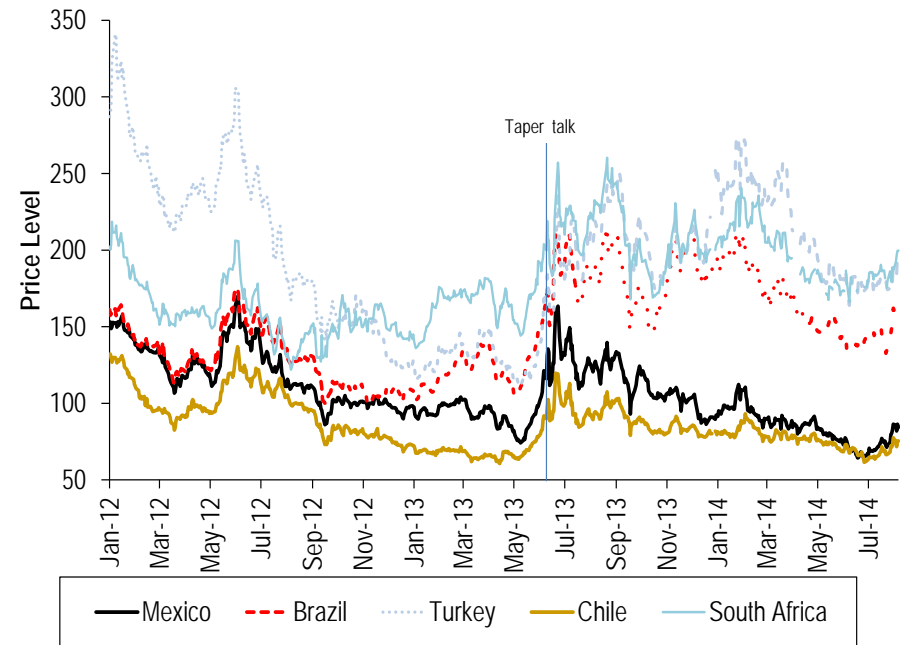
Source: Banamex Economic and Social Research

Markets already giving differential treatment to Mexico

Exchange Rates: Mexico vs. Select EMs

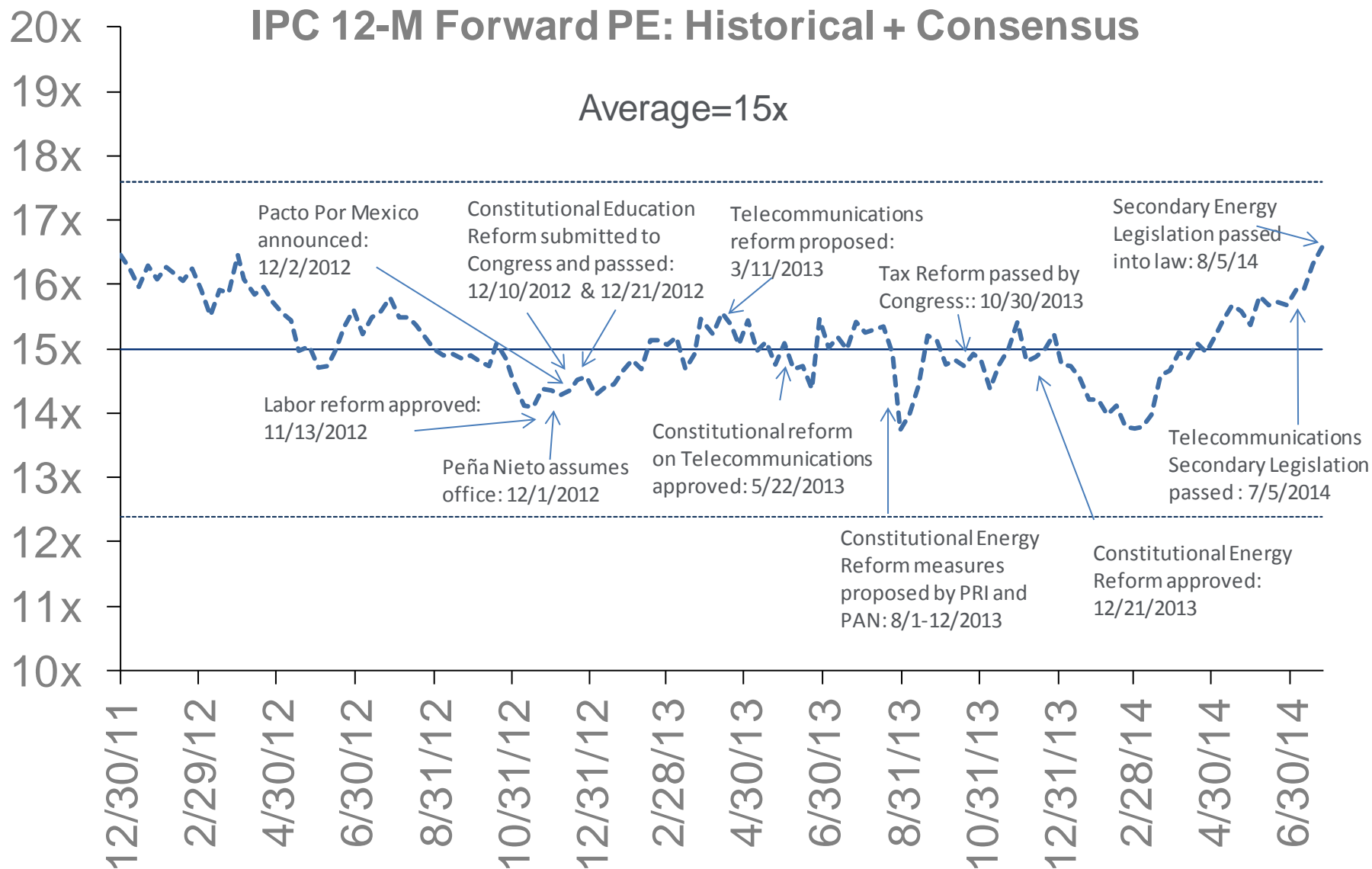


5-Yr CDS: Mexico vs. Select EMs

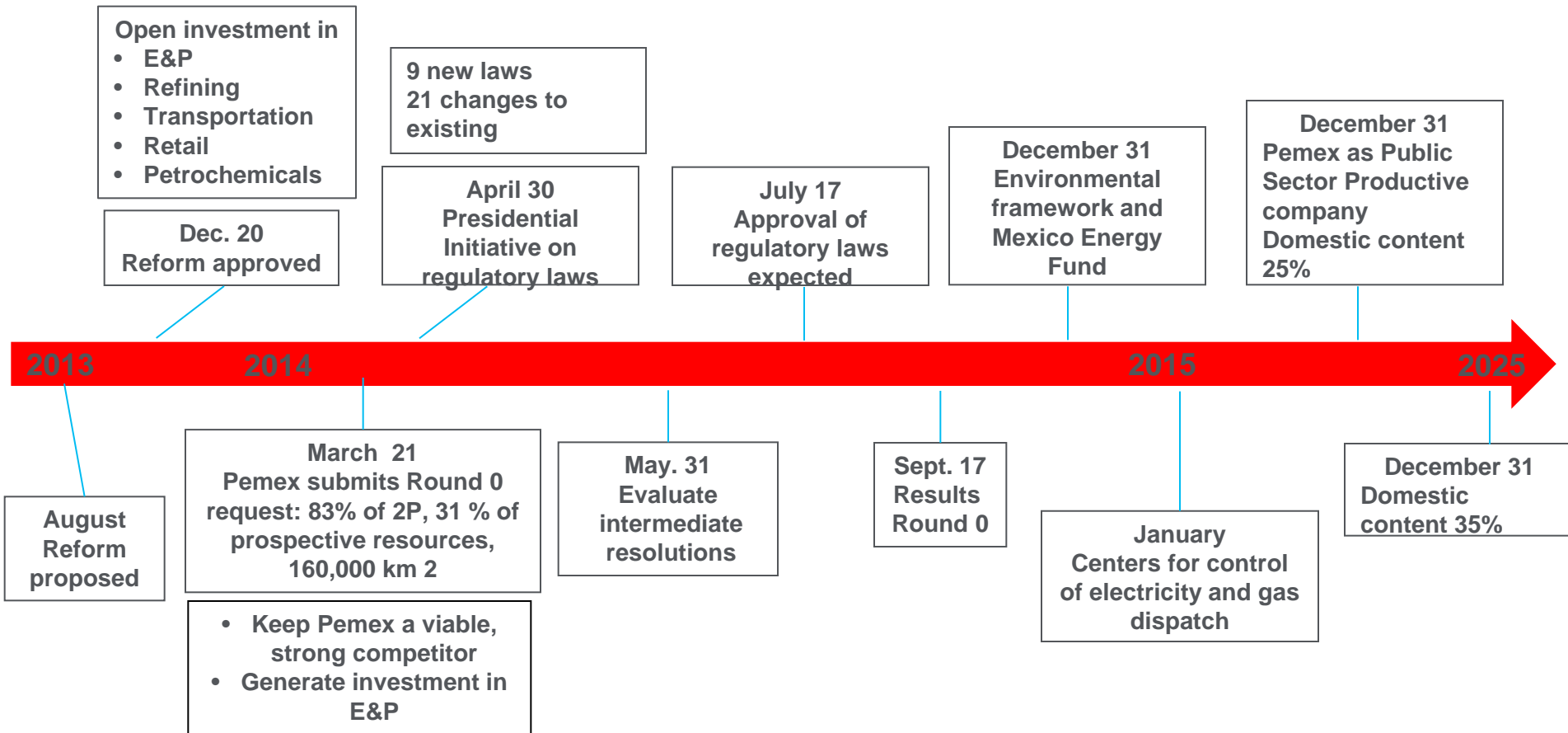


Source: Bloomberg and Citi Research
As of August 7, 2014. Last data point: August 7, 2014.

Multiples reflect reform optimism



Energy reform timeline



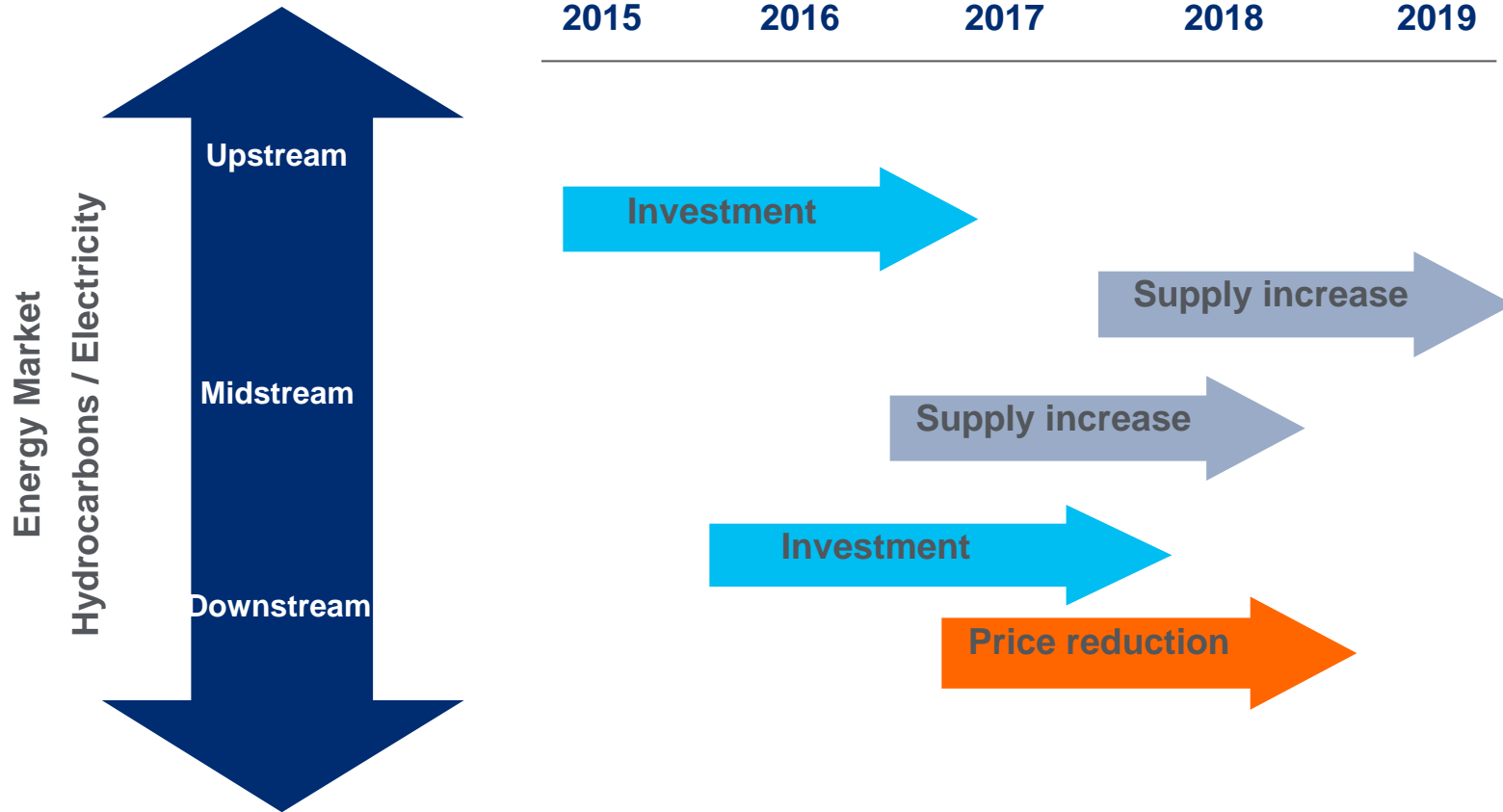
Source: Pemex, Sener, Citi Research

What's Next?

After the approval, we expect several impacts in the “energy market”, which would happen in different phases

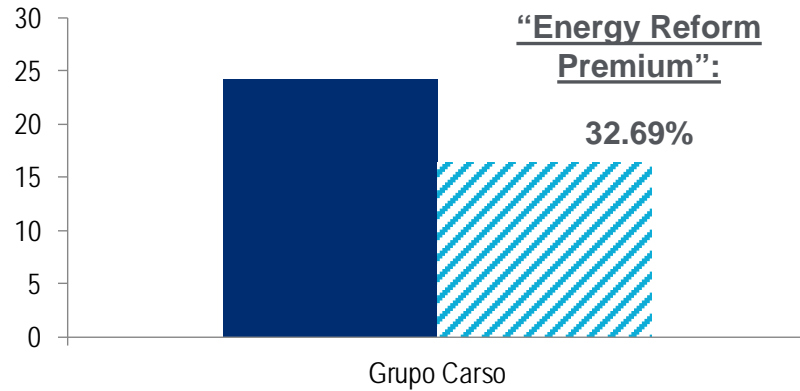
- Investment
- Supply increase
- Price reduction

2015 2016 2017 2018 2019

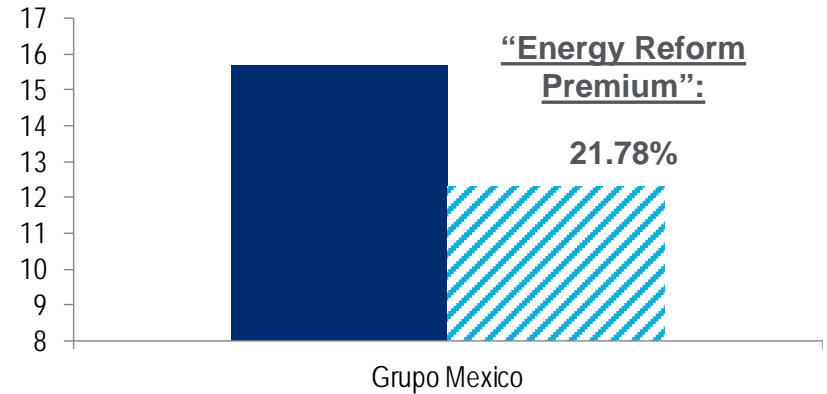


Source: Banamex, illustrative.

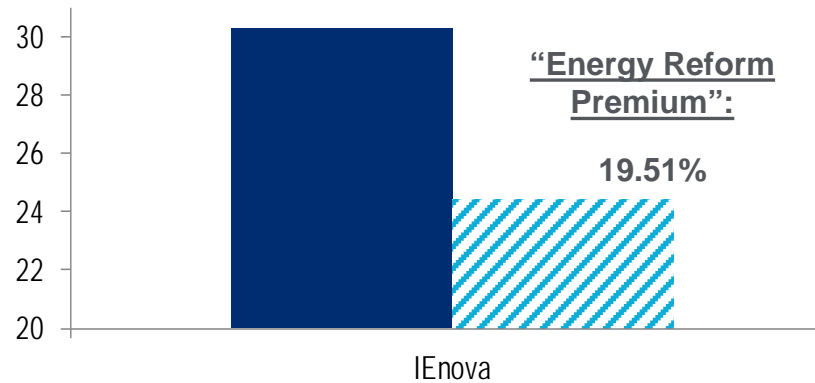
Most direct exposure companies are not cheap



■ Current 12-M Forward PE ▨ Average 12-M Forward PE 2010-2014
Source: Bloomberg



■ Current 12-M Forward PE ▨ Average 12-M Forward PE 2010-2014
Source: Bloomberg



■ IEnova Current 12-M Forward PE ▨ Weighted Avg. 12-M Fwd PE 2010-2014
Source: Bloomberg

- "Energy Reform Premium": $(\text{Difference between current 12-M Forward PE and average 12-M Forward PE}) / \text{Current 12-M PE}$

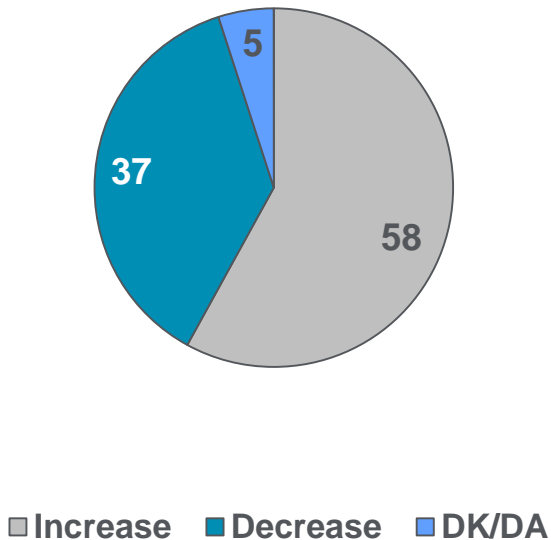
Up next for equity market: energy reforms second round impacts

		Telecommunications	Miners	Banks and Financials	Conglomerates	Airports	Retail	Food and Beverages	Homebuilders	Construction	Industrials
REVENUE	Increased employment	◐	◐	○	○	○	○	○	◐	◐	○
	Move workers to formality	◐	◐	○	○	◐	○	○	○	◐	○
	Exposure to South East and Golfo de Mexico	◐	○	○	◐	○	○	○	●	◐	◐
	Exit from non-key oil related sectors like gasoline retail and transportation / 2 nd petrochemicals	◐	◐	◐	○	○	◐	◐	◐	○	○
COST	Cheaper/more reliable electricity generation	○	◐	◐	○	◐	○	◐	◐	○	○
	Inflation of non-Tradeables vs. tradeables	◐	●	●	●	○	○	●	●	●	○

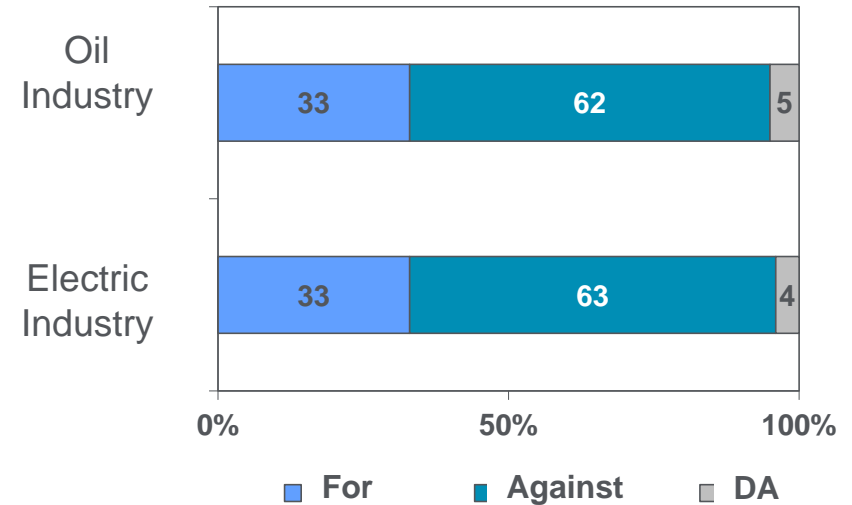
○	Positive / major	◐	Neutral	●	Negative / minor
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Public Opinion remains a Challenge

What's your opinion about Foreign Capital Investment in our Country, should it increase or decrease?



Are you in favor or against of allowing Private Capital Investment in....?



Source: Banamex, "National Values Survey: What Unites and Divides Mexicans" ("Encuesta Nacional de Valores: Lo que une y lo que divide a los mexicanos (ENVUD) 2010")

DK: Doesn't Know

DA: Didn't Answer

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August 2014

Economics

Secondary Laws, Energy Landscape, and Macro effects

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Secondary laws: Outcome (1/2)

	Presidential Initiatives	Highlights of Passed Bills in Congress
ASSIGNMENTS AND CONTRACTS	<p>Assignments to PEMEX via Round Zero or Strategic Projects</p> <p>Contracts: 1. PEMEX, 2. PEMEX + private, 3. private</p> <p>Exception: Trans-border fields, where PEMEX minimum share: 20%</p>	<p>Clarifies causes and procedures to revoke an assignment or contract</p> <p>CNH can authorize changes of participants in partnerships or JV</p> <p>SENER will decide the type of contract for each tender</p> <p>Each tender will set minimum conditions to be met by contestants in terms of: technicals, financials, execution and experience.</p> <p>Auctions allowed: Ascending-, Descending- and sealed first-price auction, among others.</p>
FISCAL CHANGES	<p>Industrial Transformation industries: Oil rent tax is eliminated, now income tax (ISR)</p> <p>State dividend - determined by SHCP and approved by Congress</p> <p>CFE- Current 9% tax on assets is eliminated, now Income tax (ISR)</p>	<p>Tax on E&E will be sent entirely to the Fund for Oil-producing States and Municipalities. Resources from this fund must be used in infrastructure that compensates for ecological or social impacts.</p> <p>2015: Pemex will operate under new fiscal regime. Contributions go to the Oil Fund. But gradual adjustment to new tax rates between 2015-2018.</p> <p>Oil Mexican Fund independent members (4): 90 days after bill becomes law.</p> <p>Federal Government can assume a share of pension-related obligations of PEMEX and CFE employees, subject to changes to union contracts and other expense-related reforms.</p>
LAND USE	<p>Land owners have the option to sell, rent or partner up with PEMEX or contractors</p> <p>Land valuation through Commercial Appraisal</p>	<p>Land owners will be compensated for the negative impacts received on their activities.</p> <p>Also, they will receive a rent payment for the use of the land.</p> <p>Finally, they will receive a share of the income of the contractor, when hydrocarbon production is materialized.</p>
NATIONAL CONTENT	<p>Up to 25% (gradual increases) - average for all E&E activities, individual goals will be set in each contract</p> <p>Preference to nationals under contracts with similar characteristics</p> <p>Ministry of Economy supervises and CNH implements sanctions</p>	<p>From 25% in 2015 to increase gradually up to 35% in 2025. (to be reviewed every 5 years).</p> <p>A different goal for deep and ultra-deep waters.</p>

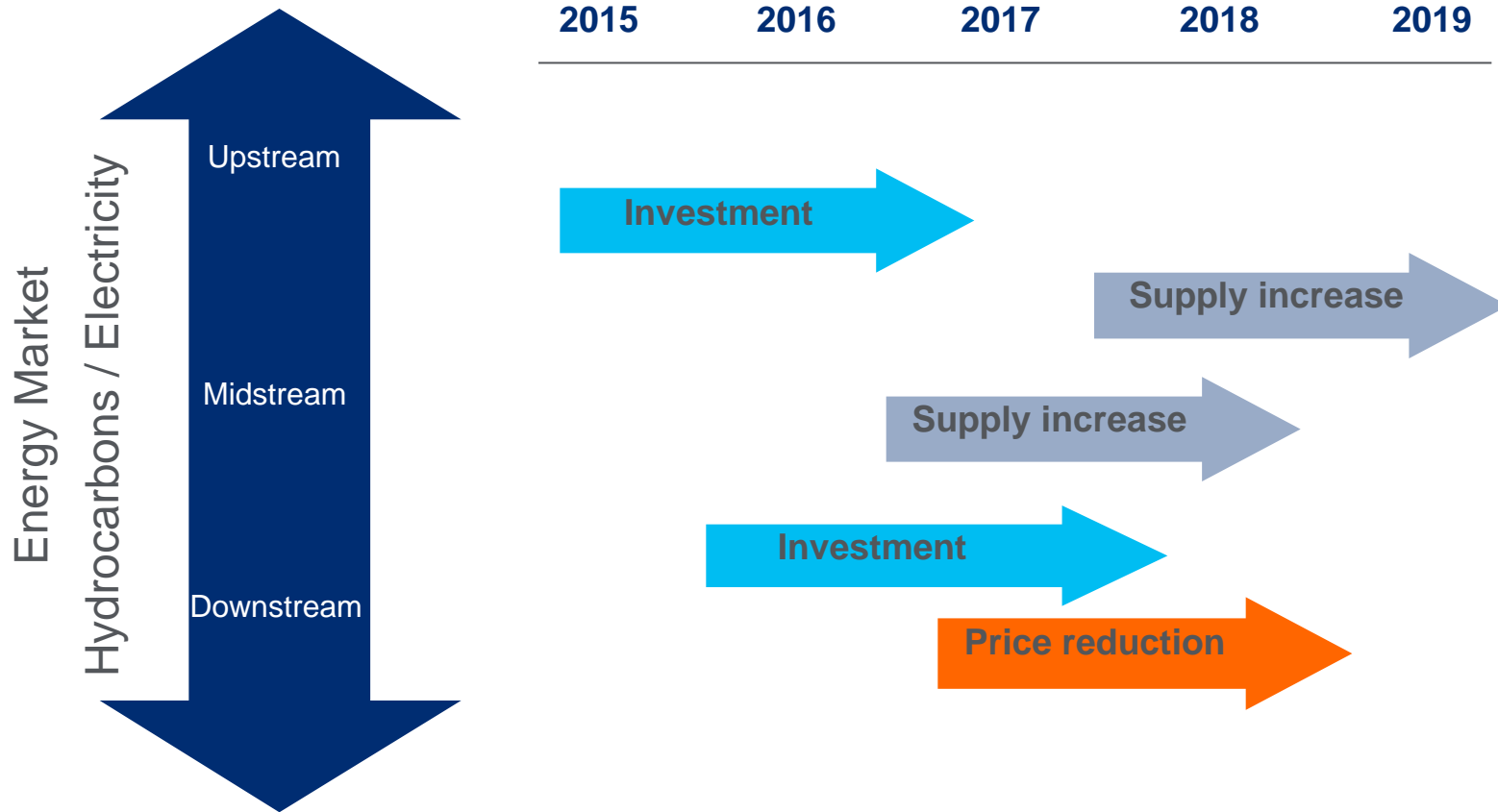
Secondary laws: Outcome (2/2)

	Presidential Initiatives	Highlights of Passed Bills in Congress
GASOLINE AND DIESEL	2017: Other retailers different from PEMEX enter the market 2019: Imports by private players 2020: Market-determined prices	2016: Retailers other than PEMEX can enter the market 2017: Imports by private players 2018: Market-determined prices
NATURAL GAS	Free Access Transportation contractors cannot be retailers CENEGAS will be created 12m after the signing of the bill (receives infrastructure and contracts from PEMEX)	CENEGAS will present 5-year plans for the development and expansion of the network, which must have the technical opinion of CRE SENER will annually check on and correct, if needed, the development of CENEGAS 5-year plan. 2016: Imports by private players 2017: Market prices and focalized subsidies
ELECTRICITY	Generation open to competition. If >0.5MW an official permit is required. Generators can sell directly to industrial clients or through wholesale market . Independent controller: CENACE -in charge of transmission and distribution: Can subcontract third parties. Electricity prices to basic users: set by SHCP	Generation and retailing are open to free competition. During the restructuring period, Sener will coordinate and set the policies of the industry. Once the wholesale electric market is established, SENER will oversee if for 1 year; CRE will be in charge thereafter. CFE must split vertically (Generation, Transmission, Distribution and Retail) and horizontally (in Generation by business units and in Distribution per region) Qualified users (with access to wholesale market) defined as those demanding at least 3MW during the 1st year, 2MW in year 2 and 1MW there onwards. CENACE to be set up 6 months after bill signed into law. CFE must transfer HR, materials, financials, etc 3 months after CENACE is set up.
GEOHERMAL	Goal: 10MW Sets up an expedite process for exploration and research Round Zero: CFE will have up to 120 days to determine geothermal areas	
INTEGRAL SERVICES		Opens up the possibility of developing integral services for hydrocarbons. Allows for the existence of independent system operators other than CENEGAS.

What's Next?

After the approval, we expect several impacts in the “energy market”, which would happen in different phases

- Investment
- Supply increase
- Price reduction



Source: Banamex, illustrative.

Mexican Energy Landscape Transformation

		2014	2015				2016				2017	2018	2019	2020	2021	2022
		2H	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q						
Downstream	Exploration and Production:															
	Coal seam gas															
	Production in mature fields (new regime)	A			B											
	Dry gas production															
	Shale gas/oil production															
	Conventional onshore oil and gas															
	Heavy oil E&P in shallow waters															
	E&P in deep waters															
	Electricity generation															
Midstream	Logistics															
	Gas pipelines															
	Heat and power cogeneration															
	Maritime terminals															
	Oil pipelines															
	Storage and distribution terminals for fuels (TAR's)															
	Imports/Exports of oil products (ex. Gas and diesel)															
	Water supply and re-processing															
	Refining and Distribution															
	Gas distribution systems															
	Gas processing															
	Refining															
	Imports/Exports of crude oil															
	Trade of oil products (ex. Gas and diesel)										C					
	Imports/Exports of gasoline and diesel										D					
	Electricity distribution															
Upstream	End use															
	Fuel stations (restricted)						E									
	Domestic marketing of hydrocarbons											G				
	Petrochemicals										F					
	Fertilizers															
	Energy intensive industries (cement, steel, paper)															
	Electricity comercialization															
	Services															
	Facilities for logistics															
	Oil field drilling															
	Oil field goods delivery															
	Transportation of oilfield equipment															

	Investment
	Supply increase
	Price reduction
X	Milestones

A. 3Q14, Round Zero (PEMEX)

B. 3Q15 Round One

C and D. 1Q17 Private sector allow to trade gasoline and diesel

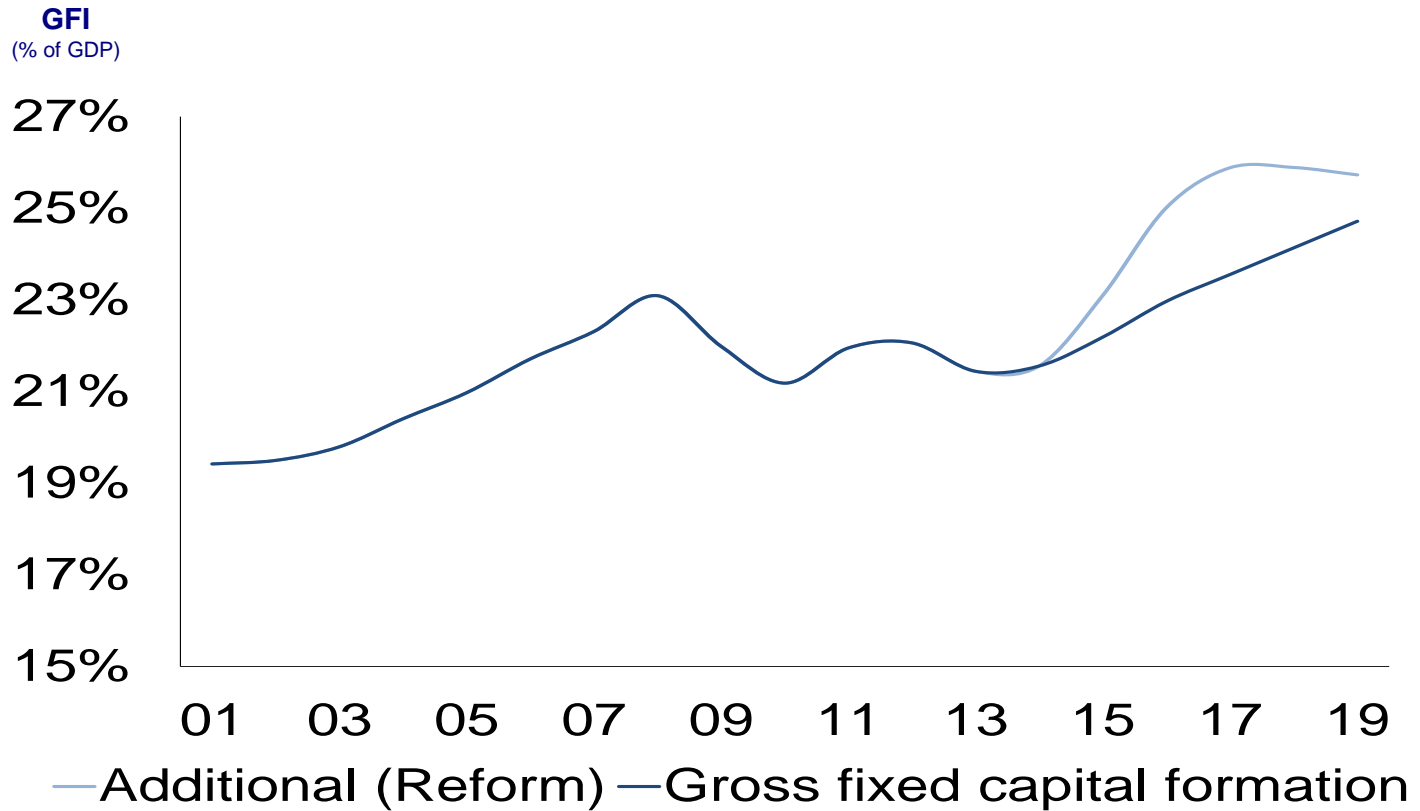
E. 3Q15, Competition in stations services (oil and gas)

F. 1Q17 Private sector trade of petrochemicals

G. 2018, Free Gasoline Prices

Macro Impacts – Short Term (1 of 2)

- Via Gross Fixed Investment

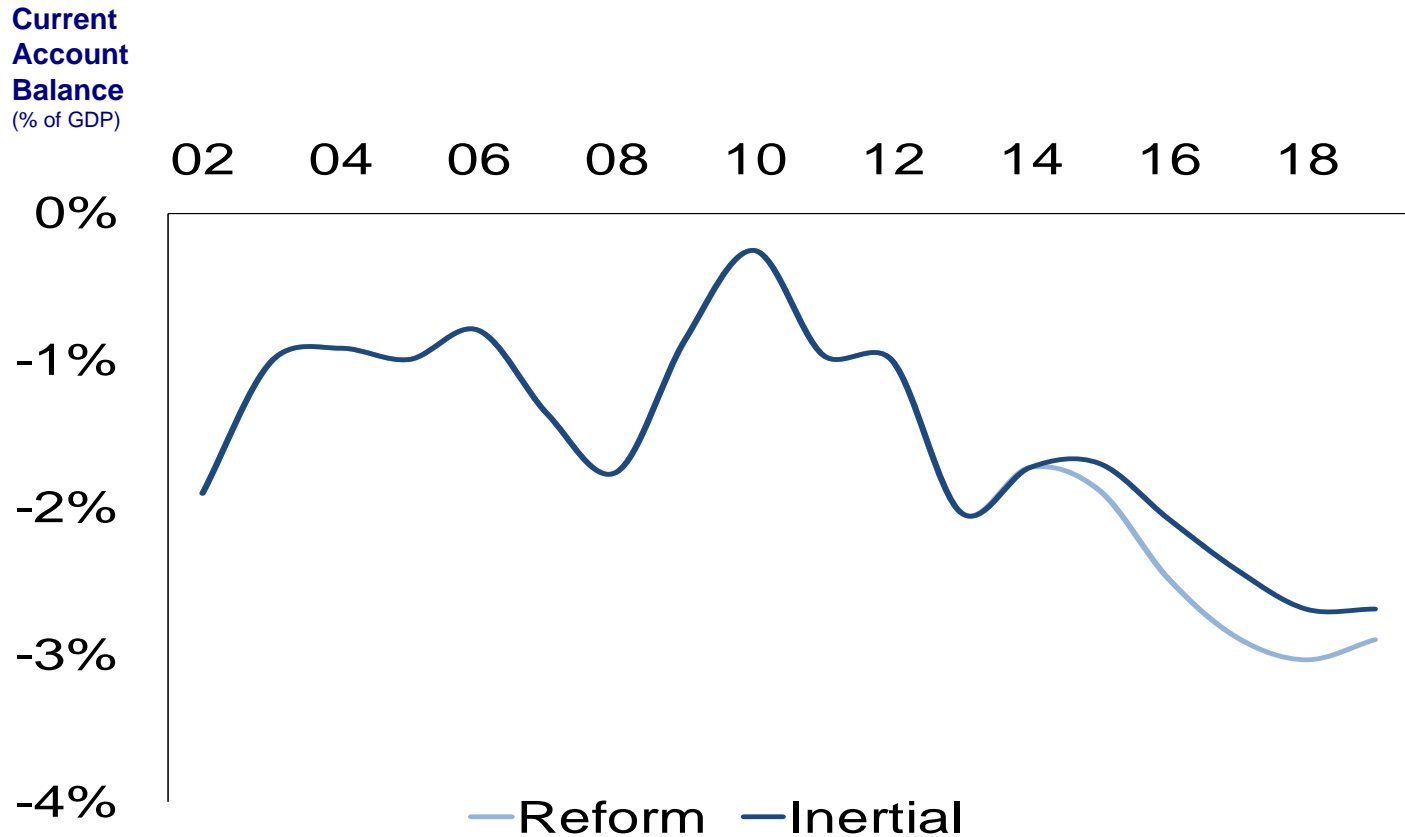


- Impact over GDP growth will be moderated by M demand
- About 26.6% in the investment increase will be imports

Source: INEGI and Banamex estimates.

Macro Impacts – Short Term (2 of 2)

- Effect over external variables
- We calculate demand for imported capital goods will increase 12.1% in 2015 and at 2018 in 4.1%



- However, impact on the current account will remain manageable, going to a balance of -51.25 USD billions from the -47.6 USD billions of the inertial scenario

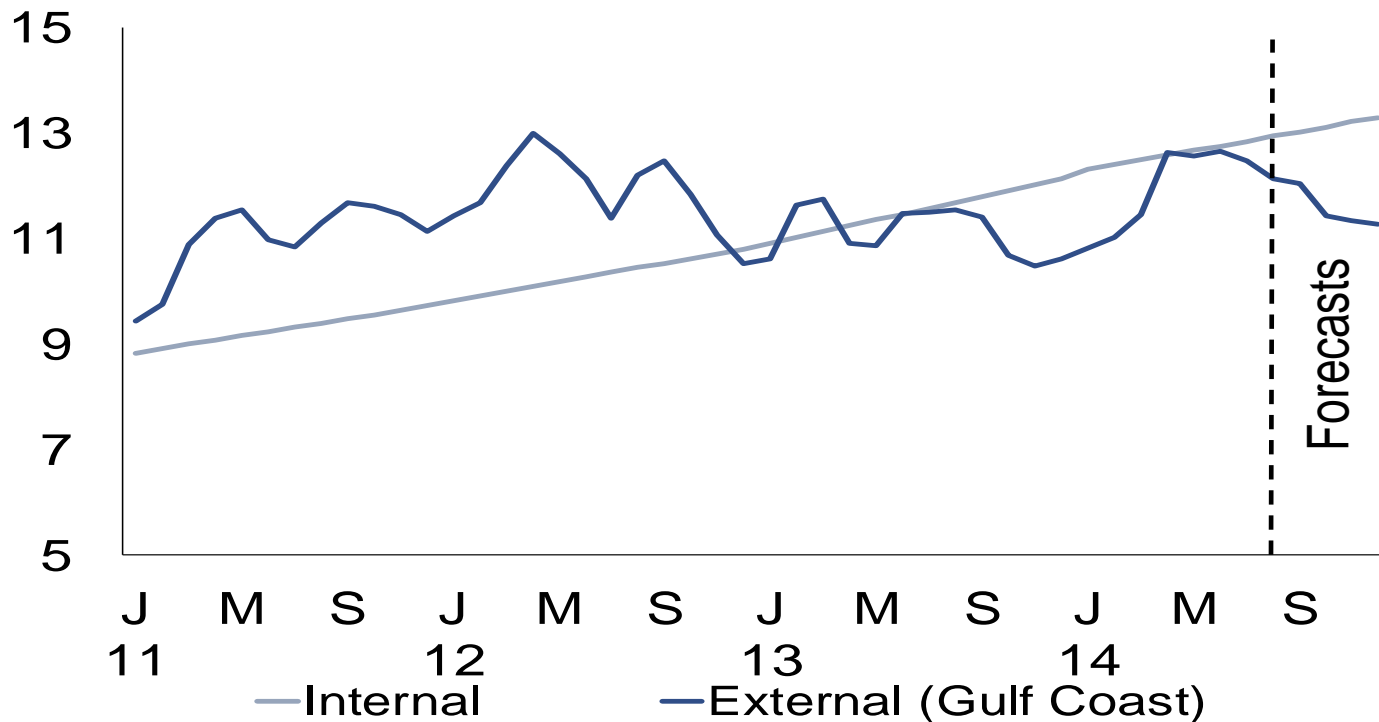
Source: INEGI and Banamex estimates.

Impact on Prices

- We calculate items associated to energy inputs weight 8.78% in the current CPI calculation
- However, the materialization of lower prices for these items will be gradual
- For 2015 in particular, the only aspect which we are fairly confident will materialize is lower gasoline prices

Magna Gasoline

(Peros per liter)



Source: PEMEX, Bloomberg and Banamex estimates

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Politics

Mexican Regulation, Reform, and Institutional Framework

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Probabilities against energy referendum

- Article 35 of the Constitution allows for “popular consultations”, not *referenda* (no revocation of previous legal measures is being considered).
- A popular consultation poses a yes-no question, and a response supported by a majority becomes mandatory for the President and Federal Congress, but not for local congresses.
- The Constitution cannot be altered by force of a popular consultation.
- Energy issues can be consulted but anything that pertains to State revenues **cannot**. Art. 27 of the Constitution allows for the participation of private capital in energy industries “in order to produce revenue for the State”. Such decisions cannot be revoked.
- The two left-wing parties (PRD & MORENA) will pursue a popular consultation in an attempt to compete to represent the electorate which has declared itself skeptical of energy liberalization. They know the Supreme Court will stop any attempt to revoke the recent constitutional amendment from being consulted.

An unpopular reform that promises votes

- Campaigning against energy liberalization makes electoral sense.

Do you agree/disagree with private investment in the oil industry?	Agree	20
	Do not have an opinion	15
	Disagree	62
	DK/NA	3

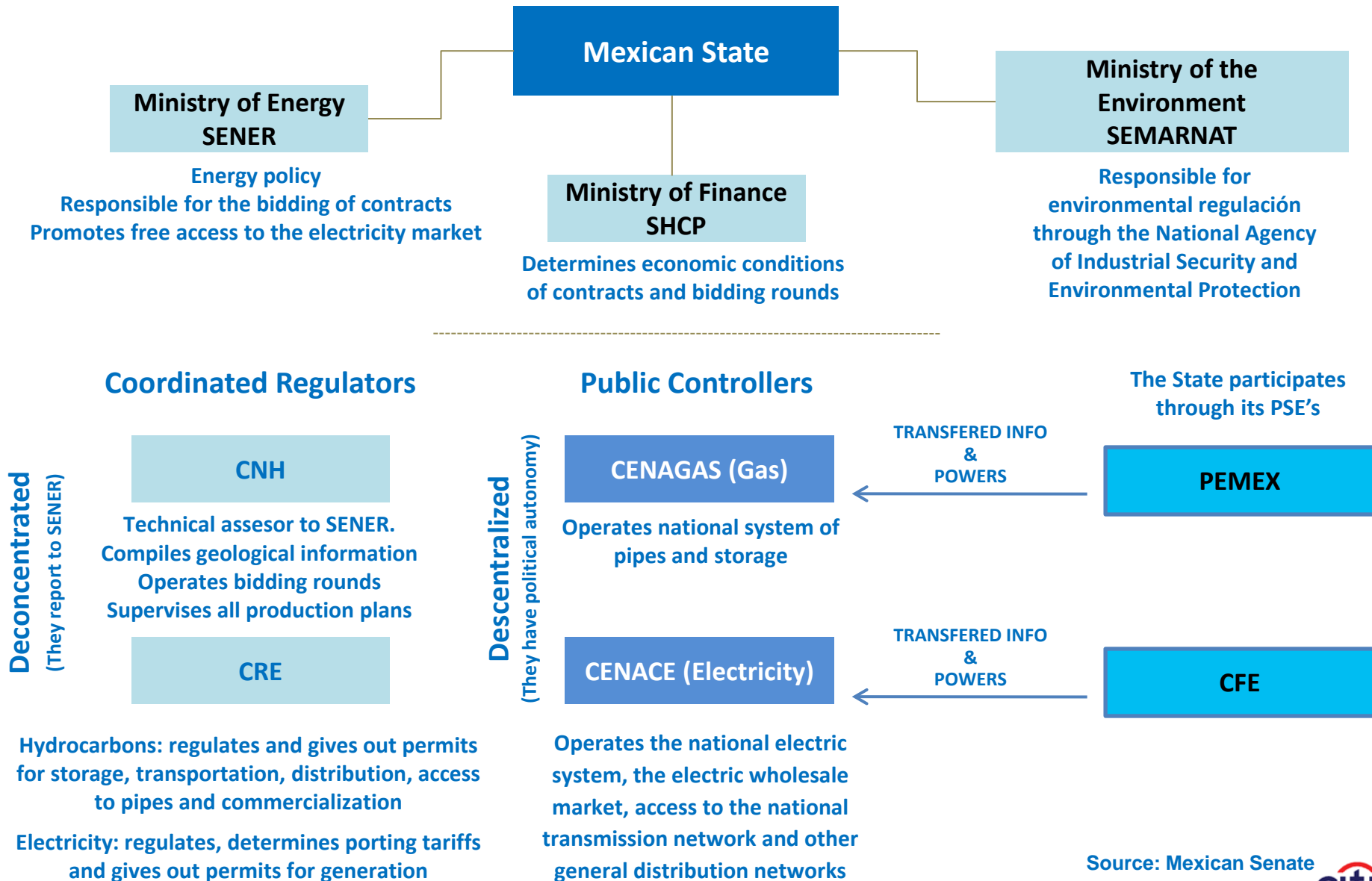
Source: National household-based survey, Buendía & Laredo

Do you approve/disapprove of the energy reform?	Approve	33
	Disapprove	60
	DK/NA	7

Source: National household-based survey, Varela & Asociados

- The split between the PRD and López Obrador (AMLO) will challenge the relative position of the party within the political system; this is the rationale behind their promotion of a 'popular consultation'.
- Neither the national PRD leadership or their congressmen have boycotted the approval of the reform, even if they have not voted in its favor.
- PRD legislators are actively participating in the writing of some of the reform's secondary laws.

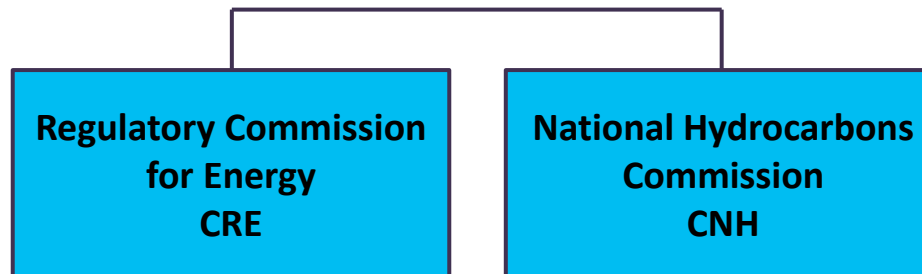
New institutional framework



Coordinated regulation

**Energy Sector Coordinating Council
CCSE**

- Minister of Energy
- Three viceministers of Energy
- President commissioner CRE
- President commissioner CNH
- Director general CENAGAS
- Director General CENACE



- Seven commissioners, each appointed by the Senate from a presidential list of candidates for staggered periods
- Each commissioner serves a 7 year-term, with the possibility of extending service for a second term
- Both Commissions report to SENER

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Commodities

Mexican energy reforms

Opportunities and challenges for domestic and international players

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Mexico's energy reforms come at a time of great global shifts...

- **Mexico has a chance to revitalize its energy sector**, amongst broader reforms, and boost upstream oil and gas production after oil production has fallen, imports of petroleum products and natural gas have risen; Mexico has been losing out on the North American energy revolution – so far.
 - **High oil prices in the last decade have opened up four broad areas of unconventional resources** – oil sands, shale gas, tight oil, deepwater – Mexico has not been able to tap these resources yet, but reform brings hope
 - **Meanwhile, Pemex and Mexico face a challenge from US and Canadian oil production growth**, which cause revenue and marketing problems: US shale/tight oil plays; US deepwater Gulf of Mexico sour crudes; and Canadian oil sands arriving on the US Gulf Coast in a huge wave this year, via rail and new pipelines. Any new Mexican production faces acute marketing problems and challenged pricing.
 - **Mexico has great potential in shale gas, tight oil, deepwater** – the question is how to develop these quickly, with the greatest potential for government revenue, with positive results for Mexican companies, employment, and the economy broadly
 - **Downstream access to US exports of shale gas, light tight oil, and petrochemical inputs can boost competitiveness** of energy intensive industry, while the services sector, and midstream can also benefit.
-

Four major areas of Mexican hydrocarbon resources

Onshore conventional, onshore unconventional (shale), offshore shallow water, offshore deep water



Basin	Cum. Prod.	Billion barrels of oil equivalent				
		Reserves			Prospective resources	
		1P	2P	3P	Conv.	Unconv.
 Sotheast	46.5	11.7	17.1	23.5	14.5	
 Tampico Misantla	6.5	1.0	6.6	17.6	2.3	34.8
 Burgos	2.4	0.4	0.5	0.8	3.2	10.8
 Veracruz	0.77	0.2	0.21	0.3	1.4	0.6
 Sabinas-Burro Picachos	0.1	0.0	0.0	0.0	0.4	14.0
 Deepwater	0.0	0.1	0.42	0.98	27.8	
 Yucatán					1.7	
 Chiapas					1.3	
Total	56.2	13.4	24.8	43.2	52.6	60.2

Royalties

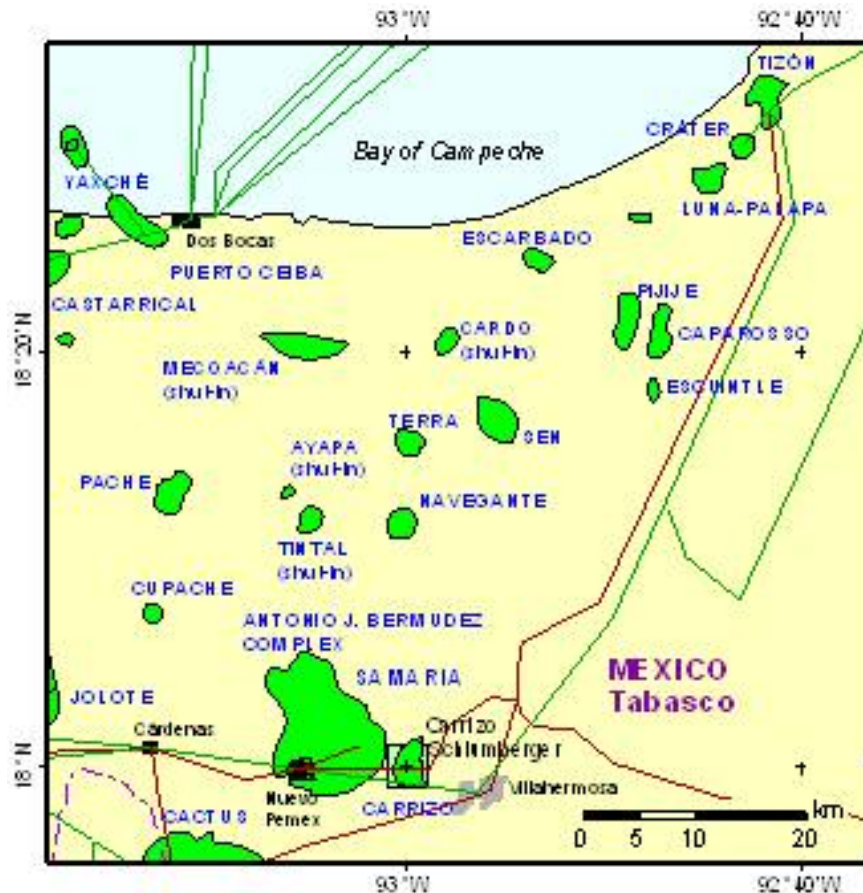
Hydrocarbon Type	Price (USD)	Royalty (%)
Oil/Condensate	<60	5
Oil/Condensate	≥60	(P/8)-2.5
Associated Gas	-	P/100
Non-associated gas	≤5	0
Non-associated gas	5<P<5.5	(P-5)*(60.5/P)
Non-associated gas	≤5.5	P/100

Source: Pemex preliminary estimates at 12/31/13, CNH

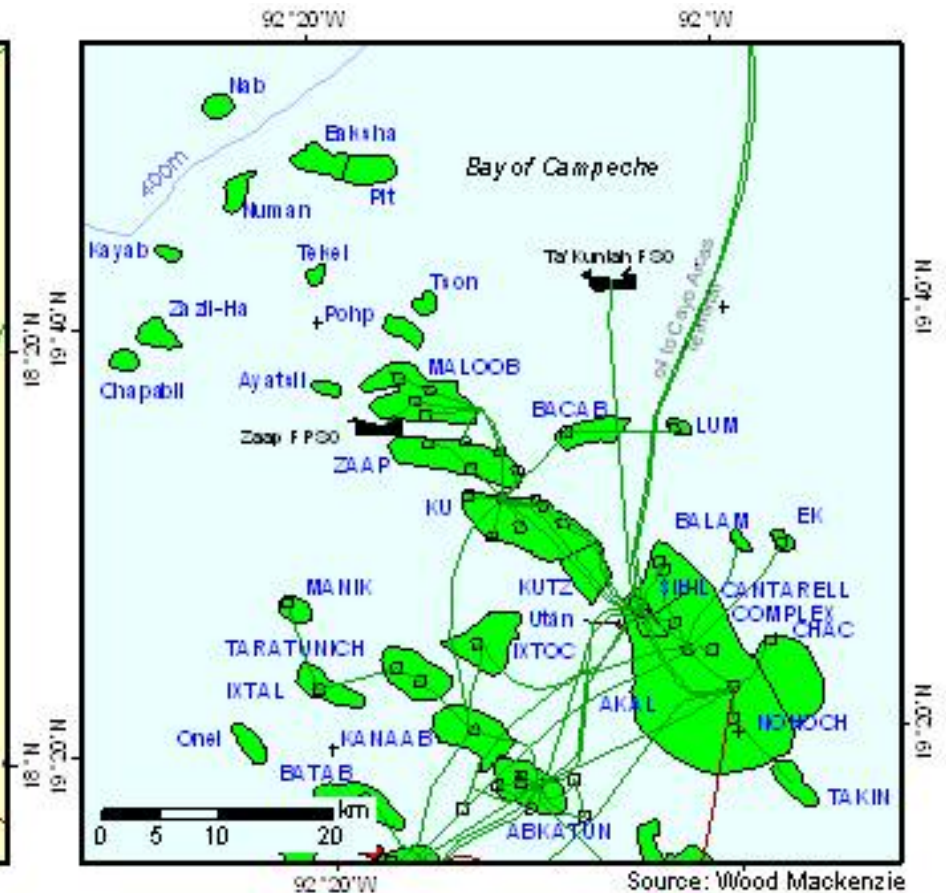
Mexican hydrocarbon resources are diverse

Highest value prospects for companies to enter would be onshore conventional and shallow water, but these are unlikely to be widely available, and Pemex likely retains control.

Onshore conventional...



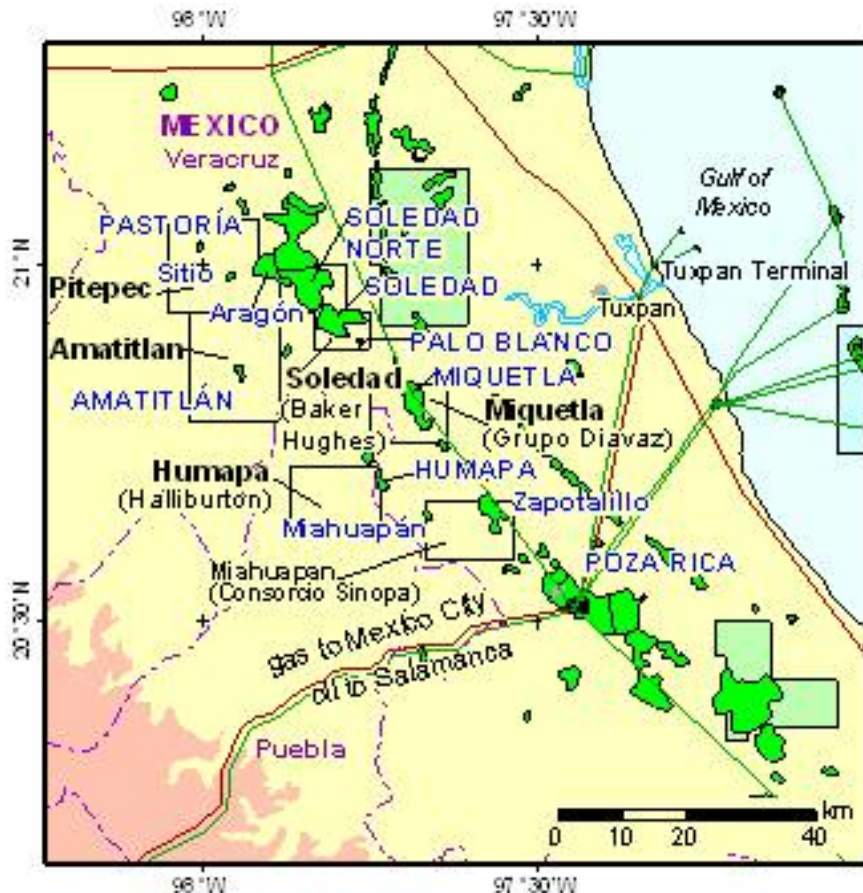
...and shallow water, Bay of Campeche area – KMZ, Cantarell



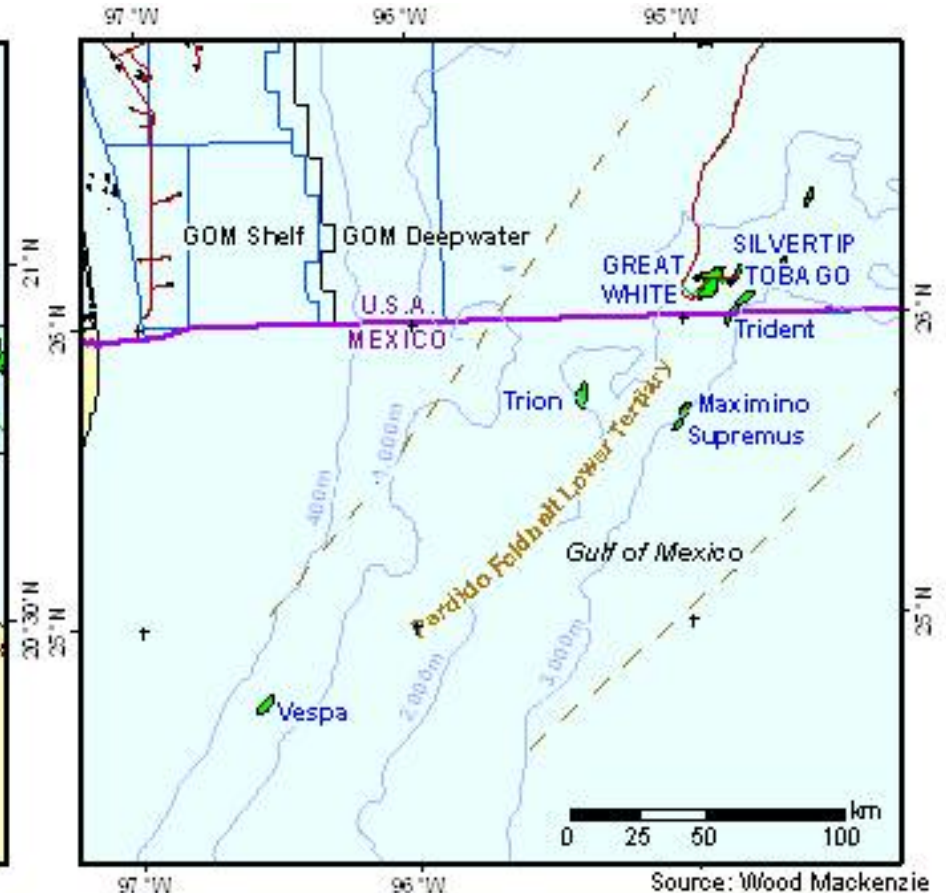
Mexican hydrocarbon resources are diverse

Comparative advantage for new entrants would be for unconventional onshore and deep water plays, where Pemex has less experience and could benefit from technology, know-how, capital

Onshore Chicontepec area could benefit from partnering on horizontal drilling



Deepwater Perdido Basin area could benefit from partnerships too

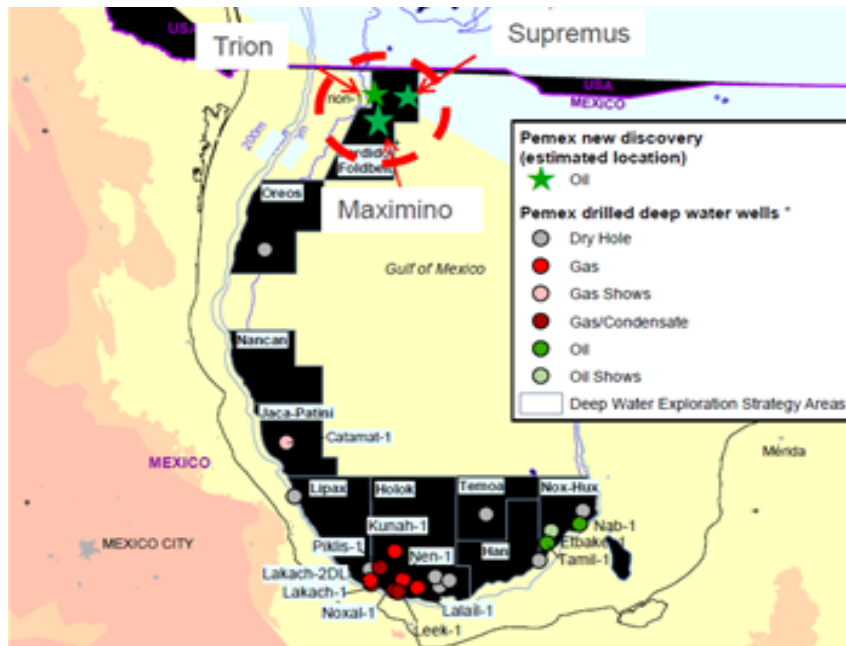


Mexican shale and deepwater resource potential

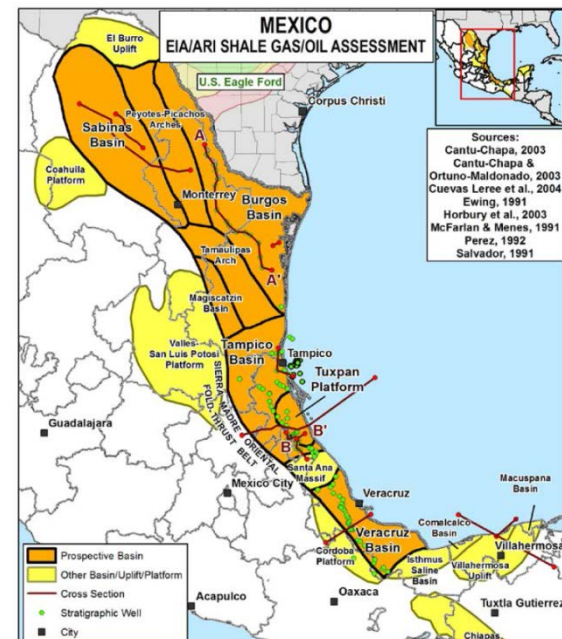
...are the areas with the most potential for new domestic and international entrants

- Despite the large resource base, Mexican production has fallen from 3.6-m b/d to 2.5-m b/d, and reserves of oil and gas have fallen even further; unconventional onshore and deepwater resources provide opportunity for growth.
- Total technically recoverable shale resources in Mexico are estimated as 545-Tcf of natural gas and 13.1-bn bbls of oil. In addition to the estimated TRR in the Burgos Basin (343-Tcf of gas and 6.3-bn bbls of oil, there is favorable geology in the Tampico, Tuxpan and Veracruz basins further south, potentially holding another 28-Tcf of gas and 6.8-bn bbls of oil.

Map of offshore resources



Map of shale resources



Pemex wishlist for onshore conventional and shallow water

Round Zero to be decided later this year...

Category		Area Km ²	Prospective Resources MMMbpce	Total Resources Percentage*
Pemex Application	Shale	13,163	8.9	15%
	Deep waters	47,000	8.1	29%
	Shallow waters	36,000	9.5	63%
	Onshore	65,000	8.0	82%
	Total	161,163	34.5	31%

Mexico even more attractive as geopolitical risk simmers globally

The good news: the opening comes at a opportunistic time for Mexico – big oil companies are being frozen out of Iran, Iraq, Russia, by geopolitical risks and sanctions. The bad news – Mexico still needs to compete with capital flows into the US, which has a very favorable fiscal regime.

Fiscal breakeven prices for selected oil exporter countries (\$/bbl)

	2011	2012	2013	2014
Qatar	38	42	46	46
Kuwait	44	49	54	58
Saudi Arabia	77	74	84	88
Oman	78	80	94	104
UAE	92	79	68	67
Libya	183	89	99	100
Iraq	93	95	99	93
Russia	100	115	118	112
Iran	84	130	140	143
Bahrain	111	115	119	117
Algeria	111	120	113	113
Venezuela	140	170	165	156
Yemen	195	237	215	201

Saudi Arabia: major wildcard, as higher social spending, fast-growing demand (subsidized fuel), growing power gen erodes crude surplus; so changes needed amidst leadership succession paralysis

Syria, violence continues as diplomatic solutions remain elusive

Iraq looks on the road to huge production potential, but rising sectarian violence, Al-Qaeda presence, worsening Sunni-Shia rifts means more instability

Libya: after a rapid recovery of oil production post-Gaddafi, renewed strikes in east and west widen calls political, industrial and fiscal reforms, with many groups well-armed

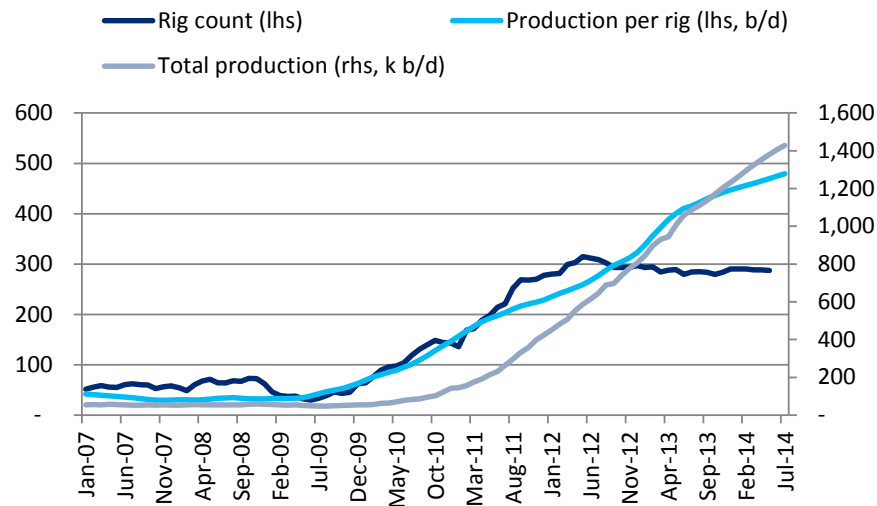
Egypt: relations between government and various anti-government groups remain strained, even after violent clampdown on Muslim Brotherhood; Suez Canal disruption remains a concern but low probability

Iran: sanctions are keeping crude exports at the 1-m b/d level, down from 2.3-m b/d pre-2012; much at stake in P5+1 talks

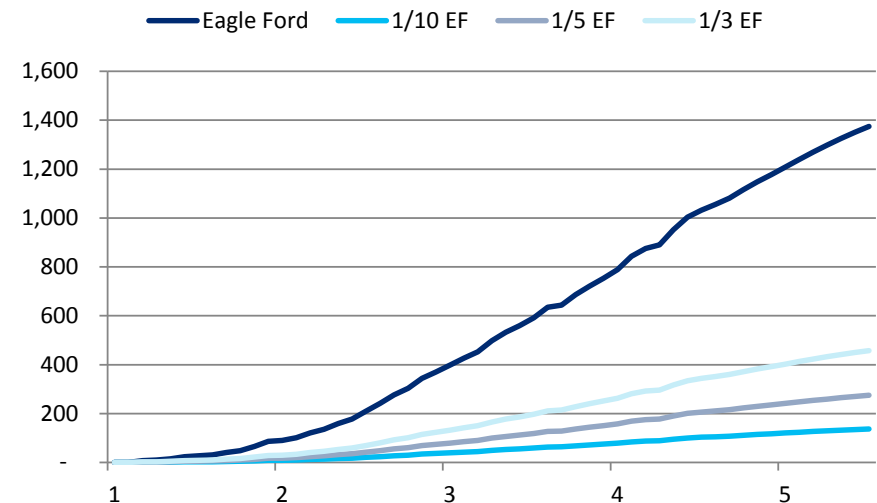
Extending Eagle Ford performance into the Burgos Basin?

Highest value prospects for companies to enter would be onshore conventional and shallow water, but these are unlikely to be widely available, and Pemex likely retains control.

Eagle Ford crude oil production has risen to over 1.4-m b/d, with efficiency gains ongoing as rig counts are now stable at around 300; new-well production per rig has risen to almost 500 b/d per rig



Eagle Ford crude production ramp-up since January '10 and illustrative 1/10, 1/5, 1/3 of trajectory (k b/d) - reaches 150-, 300-, 450-k b/d respectively in Year 5 (but note that Eagle Ford rig counts rose from around 50 to 300 by Year 3; some corresponding proportion of rigs would be needed for these illustrative scenarios, less efficiency gains from transferable learning-by-doing)



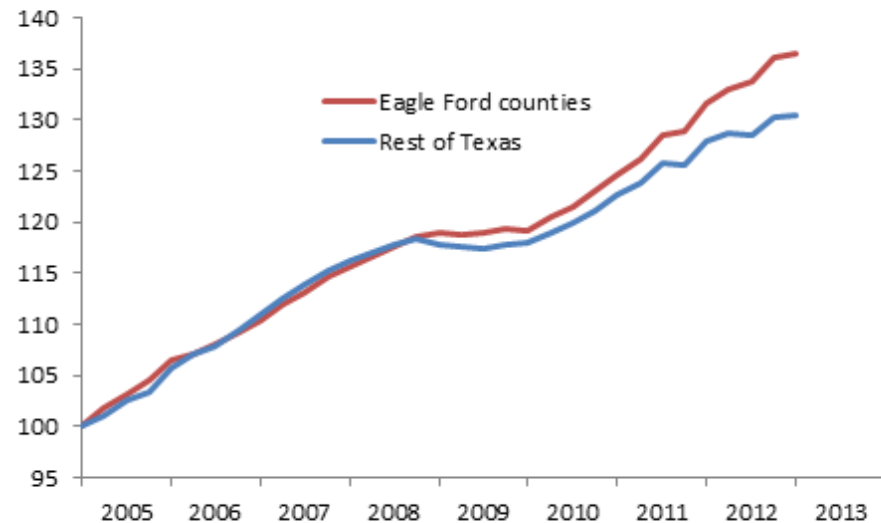
Eagle Ford play illustrates potential economic benefits

There are clear direct gains for employment, government tax receipts, and consumers (especially of natural gas), but indirect benefits are also considerable

- In the Eagle Ford, on the US side of the border, employment growth in some counties has exceeded 20% per annum since 2010; in poorer rural counties, wages remain lower than average but increases have been robust; wages in the 23 counties in the Eagle Ford area have risen 21% faster than those of the rest of Texas
- Taxable sales in the Eagle Ford started to increase sharply in 2010, rising by 10.5% per annum, vs. 4.1% for Texas as a whole.

Average Weekly Wages in Eagle Ford and Rest of Texas

Index, 2005: Q1 = 100*

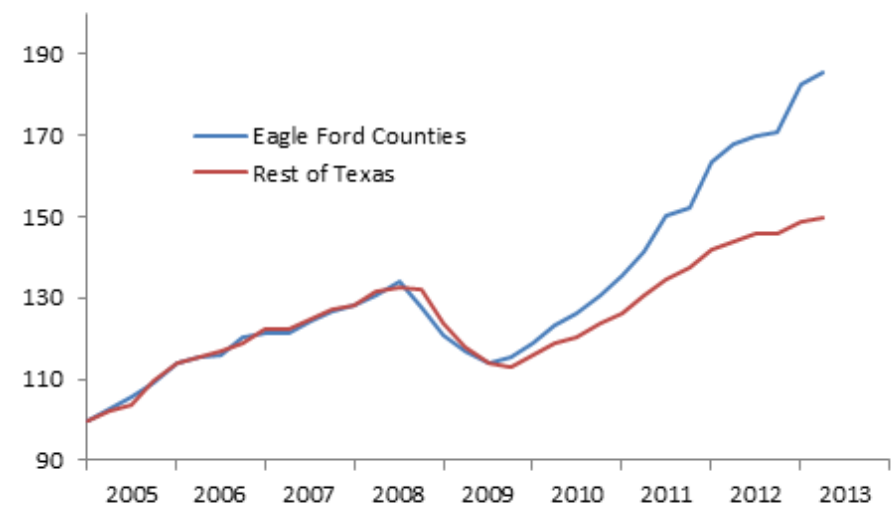


*4-quarter moving average.

SOURCES: Texas Workforce Commission; Federal Reserve Bank of Dallas.

Taxable Sales in Eagle Ford Counties and Rest of Texas

Index, 2005:Q1 = 100*

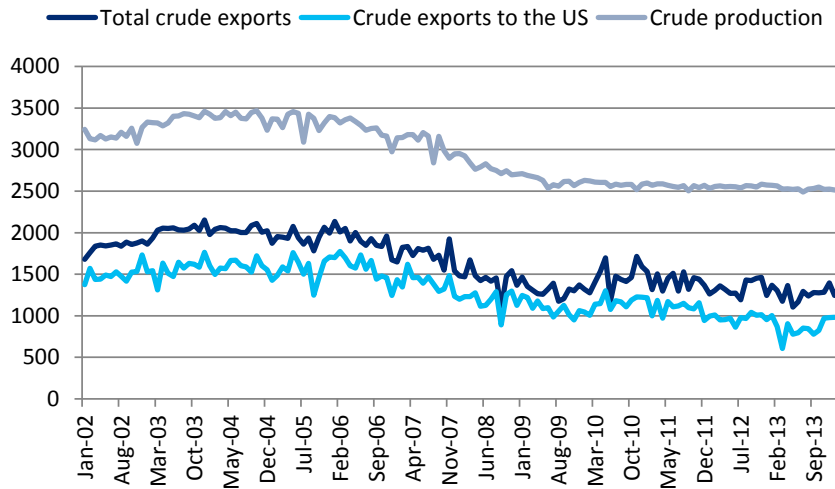


*Seasonally adjusted.

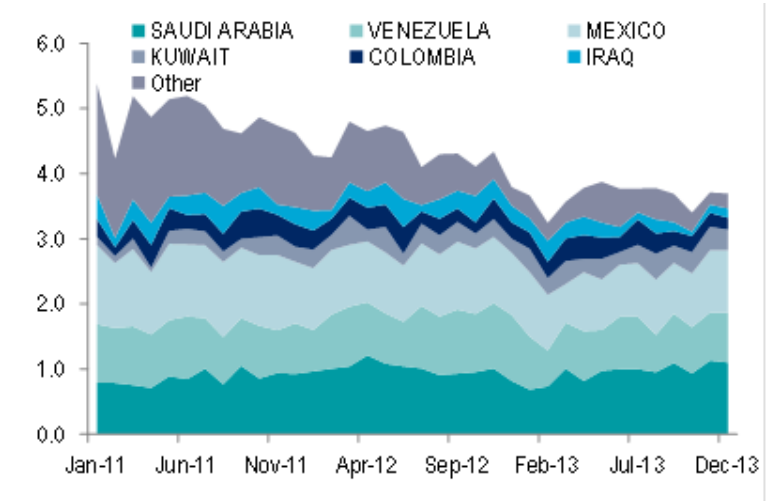
SOURCES: Texas Comptroller of Public Accounts; Federal Reserve Bank of Dallas.

Problems ahead for marketing to the US

Mexico's total crude exports, exports to the US, and crude production (k b/d, 2002-14)



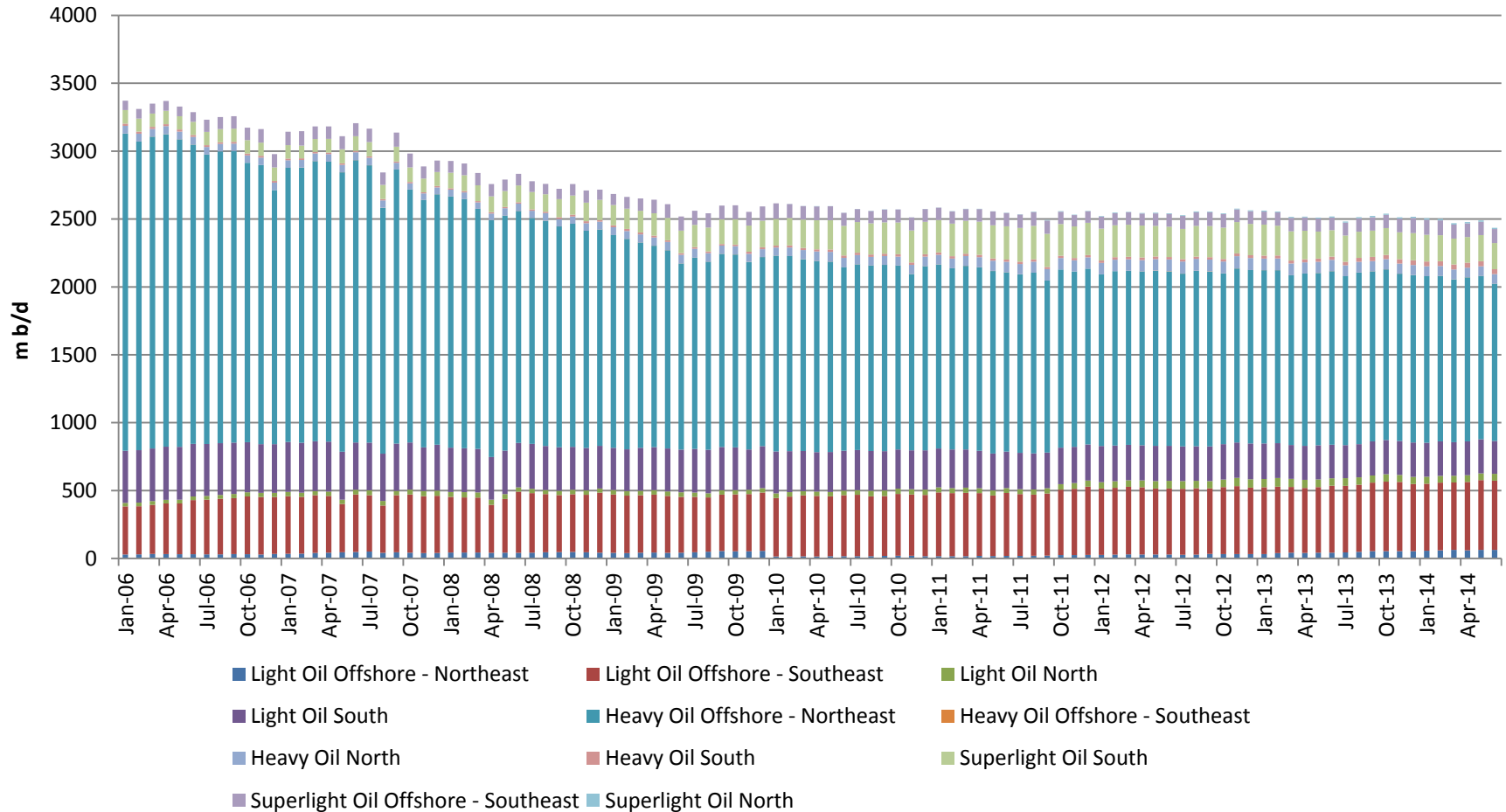
...while Canada joins three countries in battle for the US Gulf Coast (USGC crude imports by origin, m b/d)



- Mexico will have to aim for markets further afield: Canada is sending more oil to the US, the US market itself is shrinking due to rising domestic production, and the Atlantic Basin as a whole is becoming saturated; Mexican oil exports need to target the Pacific
- Mexico has already shrunk exports to the US by 15% and increased shipments to Asia and Europe by >100-k b/d; this year expect a surge in Pacific deliveries of up to 100-k b/d via Salinas Cruz and 50-k b/d to Europe

Mexican oil production dominated by heavy oil in the Gulf...

...but it is increasingly not needed there, and needs to target the Pacific

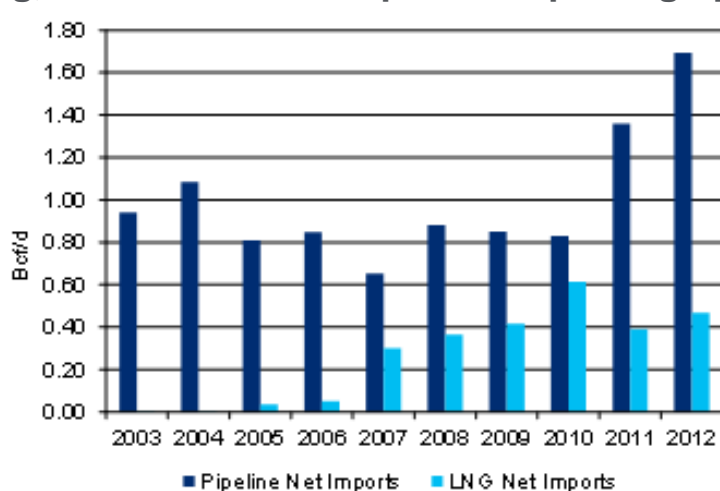


Mexico can get hooked on US natural gas...

Even without a domestic surge in natural gas production, Mexico is likely to see a surge in imports of relatively cheap gas from the US

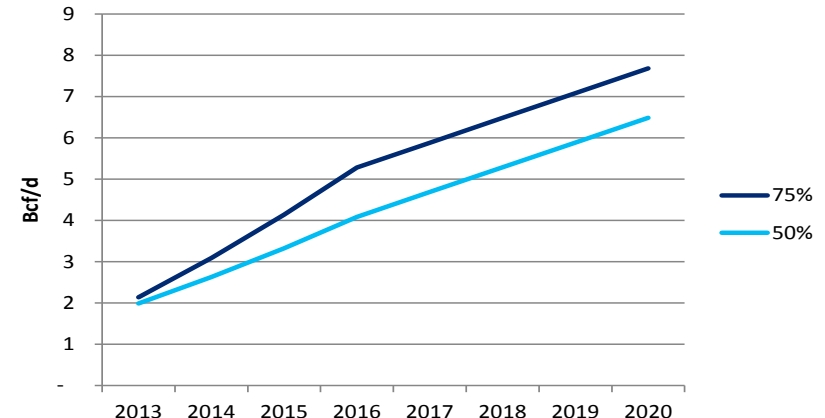
Project Name	Online date	Operator	Connect to US directly?	Capacity (MMcf/d)
Tamazunchale Pipeline Extension - Mexico	6/1/2014	TransCanada	0	630
HPL Mexico Border Crossing Project	6/1/2014	Houston Pipe Line Company	1	140
Sierrita Pipeline Project - U.S./Mexico	9/1/2014	Kinder Morgan	1	200
Net Mexico Pipeline System Expansion-Agua Dulce- Frontera-U.S./Mexico	12/1/2014	Pemex	1	2100
Semprea Mexico Pipeline: Sasabe-Guaymas (Phase I) U.S./Mexico	8/1/2015	Semprea (Gasoducto Sonora)	1	770
Semprea Mexico Pipeline: Guaymas-El Oro (Phase II) U.S./Mexico	7/1/2016	Semprea (Gasoducto Sonora)	0	510
The Mazatlan Pipeline Project - Mexico	10/1/2016	TransCanada	0	200
The Topolobampo Pipeline Project - Mexico	10/1/2016	TransCanada	1	670

Mexico's gas imports – piped gas from the US rising, but robust LNG imports despite high prices



Source: Waterborne, SENER, company reports, Citi Research

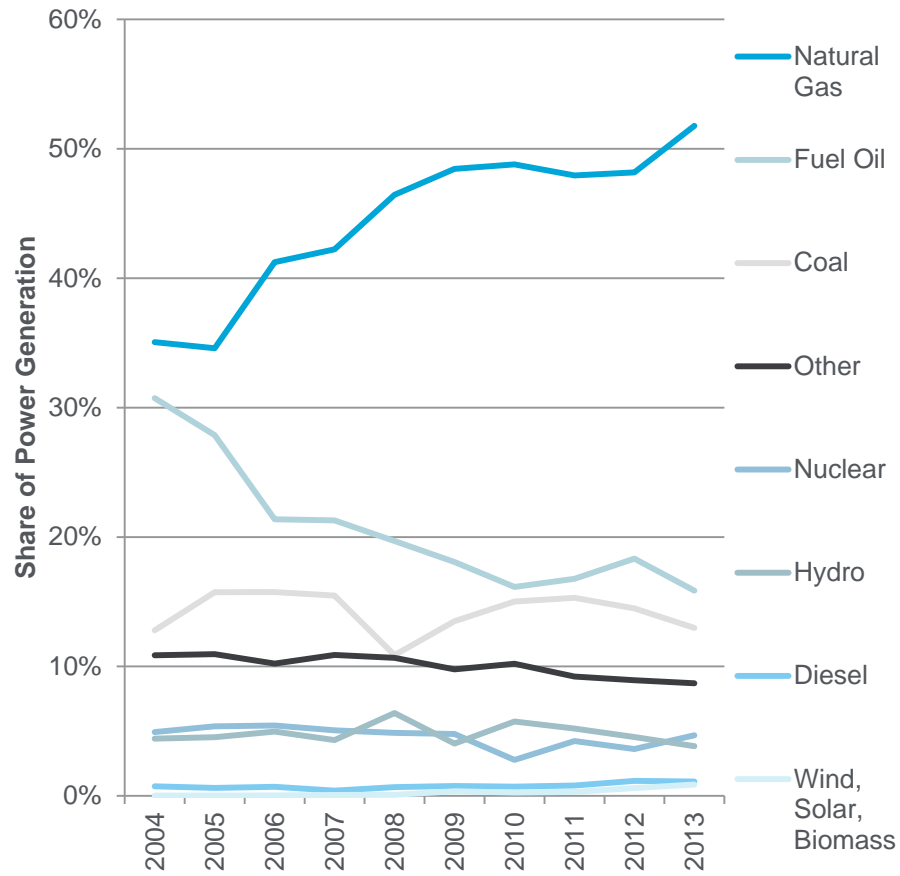
Potential US gas export volumes to Mexico at different capacity utilization rates of new pipes



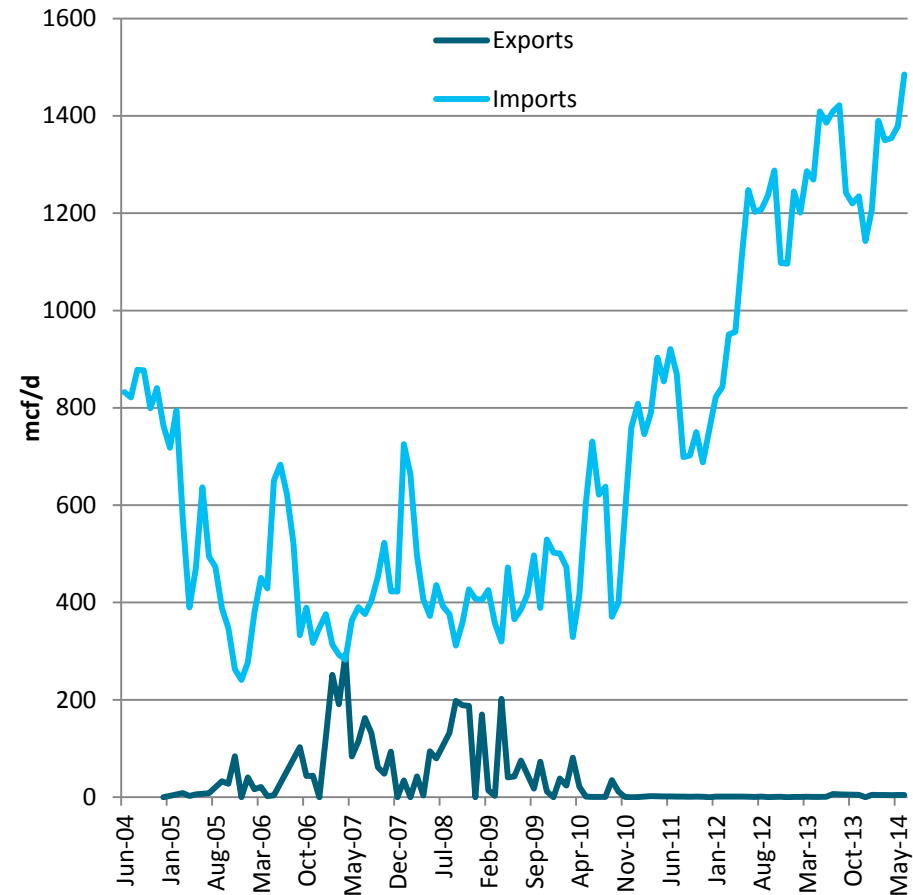
Imports from US support future Mexican power demand growth

Contrasting seasonal demand and rising gas demand for power generation in South America makes US gas attractive; and US gas pipeline export capacity to Mexico is increasing rapidly to supply insatiable demand

Mexico's fuel consumption share in electricity generation (2001-2013) – rising share uses natural gas



Mexican natural gas imports and exports (2004-2014)

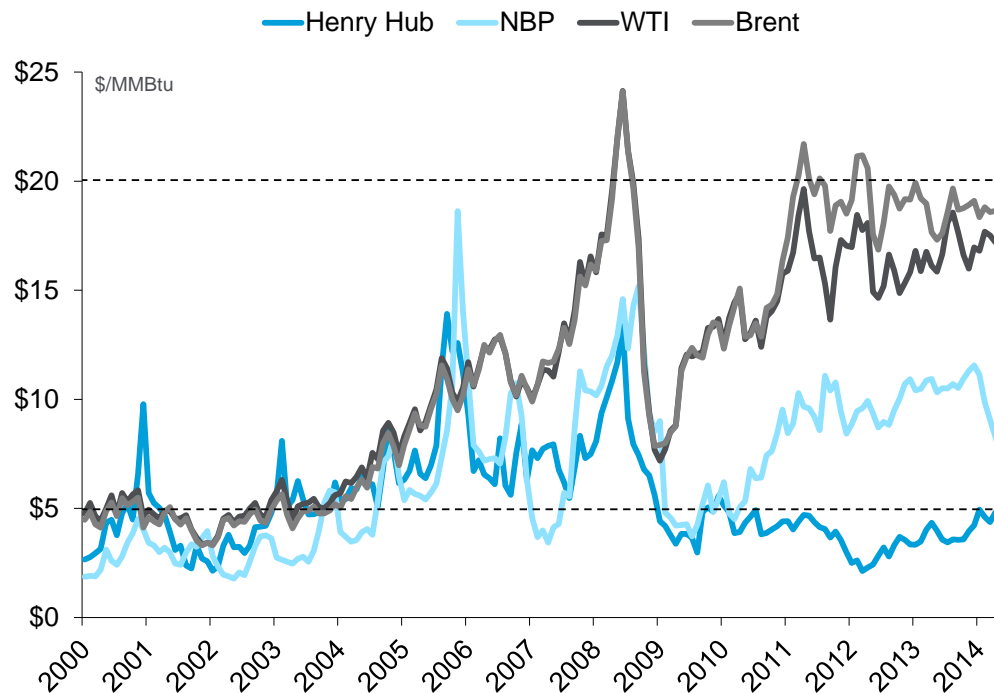


Natural gas provides significant benefits and opportunities

To be sure, Mexico can benefit from surging imports of inexpensive US natural gas, but much more can be gained from indigenous development

There are several areas of potential natural gas growth, increasing availability of low cost, clean electricity and providing low cost energy feedstock for industrial competitiveness:

1. Power generation
2. CNG and LNG for cars and trucks, at significant cost savings for consumers

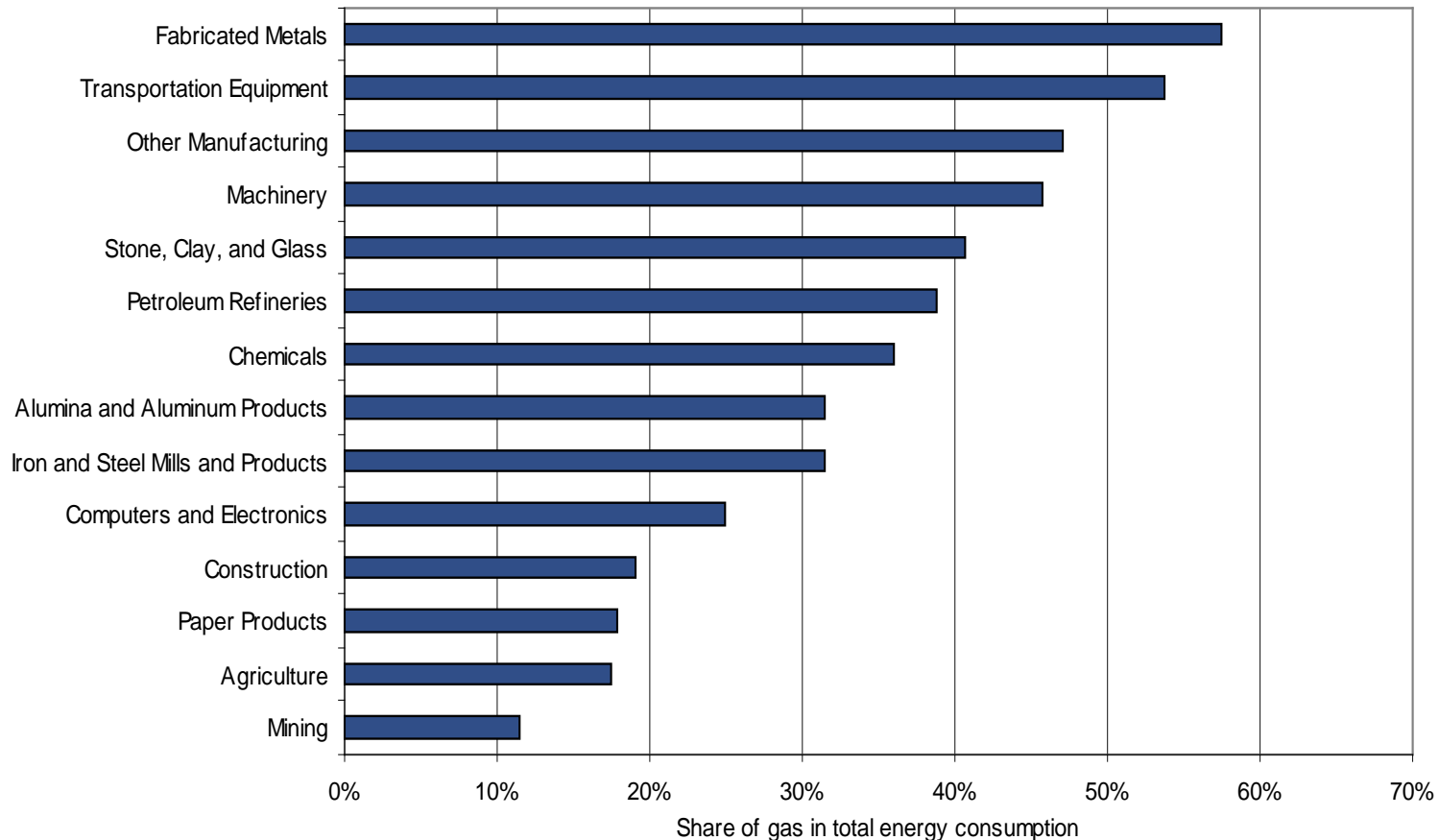


Source: Bloomberg, Citi Research

Natural gas provides significant benefits and opportunities

But perhaps the biggest benefit is in providing cheap feedstock for energy intensive industries in Mexico, restoring competitiveness and opening up new job opportunities

Energy intensive industries combined with competitive labor markets should create an industrial boom based on shale gas



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