

ANR SE: ▲ 0.120 ANR SW: ▲ 0.060 Agua Dulce: ▲ 0.060 Algonquin Citygate: ▼ -0.060 Alliance: ▲ 0.000

This article is part of NGI's Mexico Gas Price Index. Click here to request a trial

>

NGI MEXICO GPI
LNG | DAILY GPI | LNG INSIGHT | MEXICO | NGI ALL NEWS ACCESS | PERMIAN BASIN | SHALE DAILY

ExxonMobil Affiliate Signs Binding Offtake Deals With Mexico LNG Project

 BY ANDREW BAKER
February 7, 2023


Share on: [!\[\]\(003082e50e3009141f59bd5df831749f_img.jpg\)](#) [!\[\]\(f439ede8735757e3190eab35e168f1de_img.jpg\)](#) [!\[\]\(f5c165e0bd35116675db6686a30b1fea_img.jpg\)](#)

Mexico Pacific Limited LLC (MPL) and ExxonMobil LNG Asia Pacific have signed two long-term offtake agreements for MPL’s Saguaro Energía liquefied natural gas export terminal proposed for Puerto Libertad in Mexico’s Sonora State.



Under the 20-year sales and purchase agreements (SPA), the ExxonMobil subsidiary would purchase a combined 2.0 million metric tons/year (mmt) of LNG on a free-on-board (FOB) basis from Saguaro Energía’s first two trains.

The three-train, 14.1 mmt Saguaro Energía project, which has yet to reach a final investment decision (FID), is designed to supply gas from the Permian Basin to consumers in the Asia-Pacific region. The terminal’s location allows for direct shipping to Asian markets to bypass the Panama Canal, cutting costs and shipping times from the U.S. Gulf.

 Hey there!
Anything I can help you with today?

“We have reached a critical point on contract volumes required for FID on our first two trains and will now shift focus to close contracting on the significant commercial momentum in place for a subsequent Train 3 FID,” said MPL CEO Ivan Van der Walt on Tuesday.

MPL **reached an agreement in 2021** with ConocoPhillips LNG Licensing and Bechtel Corp. to pursue lower carbon design solutions for Saguaro Energía.



“With natural gas playing a critical role in the quest for global energy security and the energy transition, we remain committed to supplying vital energy for decades,” Van der Walt added. “As we position for FID on the first two trains, we will also commence advanced engineering with Bechtel.”

MPL said in a recent filing to the U.S. Federal Energy Regulatory Commission that it expects to receive first gas into the Saguaro Energía facility in 2026, and that LNG exports could begin in 2027.

MPL is planning to use the **Saguaro Connector pipeline proposed by Oneok Inc.**, “along with several existing pipeline routes,” to transport Permian gas to the Saguaro facility, according to the filing.

“LNG has an important role to play in helping society reduce emissions by enabling the delivery of lower carbon energy,” said Peter Clarke, Senior Vice President of LNG for the ExxonMobil Upstream Company. “We look forward to working with Mexico Pacific to continue growing ExxonMobil’s LNG portfolio and deliver Permian natural gas to global markets.”

Quantum Energy Partners, a private equity and venture capital firm, is the controlling stakeholder of MPL.

“Mexico Pacific is a strategic asset in our energy transition infrastructure portfolio”, said Quantum CEO Wil VanLoh. “Mexico Pacific’s unparalleled project fundamentals and highly experienced leadership team have established it as a premier LNG solution for customers and Permian producers to provide reliable and cost-effective LNG to support the energy transition.”

A **unit of Shell plc signed an SPA in July** for the offtake of 2.6 mmt y from the MPL facility. The agreement would see Shell purchase LNG for a 20-year term on an FOB basis.

Saguaro Energía is one of several LNG projects planned for Mexico’s Pacific Coast.

The most advanced is **Sempra’s Energía Costa Azul project** in Baja California state. The company is aiming to begin LNG production from the roughly 3 mmt y first phase by the end of 2024.

© 2023 Natural Gas Intelligence. All rights reserved.

ISSN © 1532-1231 | ISSN © 2577-9877 | ISSN © 2577-9966 | ISSN © 2158-8023

Related topics:

[Asia](#)

[Mexico Pacific Limited](#)

[Offtake](#)



ANDREW BAKER

 [@abakerNGI](#)

 andrew.baker@naturalgasintel

Weekly natural gas cash prices powered forward as wintry chills and light supplies in the West overshadowed mild temperatures and light heating demand across most of the Lower 48. NGI's Weekly Spot Gas National Avg. for the March 27-30 period climbed 20.0 cents to \$2.520. As the trading week closed, SoCal Border Avg. was up...

March 31, 2023

NATURAL GAS PRICES

LNG Strength Powers May Natural Gas Futures Momentum; Spot Prices Sink

March 31, 2023

E&P

Two Natural Gas Rigs Exit Patch as Domestic Drilling Activity Slows

March 31, 2023

- News Services >
- NatGas Price Data >
- Resources >
- Support >
- About >

ABOUT US

Believing that transparent markets empower businesses, economies, and communities, Natural Gas Intelligence (NGI) provides natural gas price transparency and key news, insights and data for the North American energy markets.

CONTACT US

1.800.427.5747
info@naturalgasintel.com
Washington DC | New York | Houston | Pittsburgh | Mexico City Calgary | Chile

© 2023 Natural Gas Intelligence. All rights reserved.

- Twitter
- LinkedIn
- Facebook
- Terms of Service
- Privacy Policy