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ExxonMobil Affiliate Signs Binding Offtake Deals With Mexico LNG Project



BY ANDREW BAKER February 7, 2023

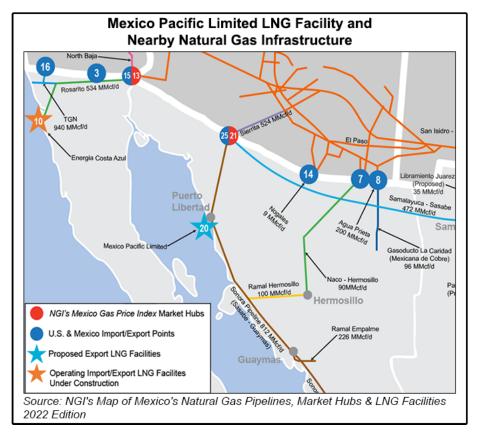
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Mexico Pacific Limited LLC (MPL) and ExxonMobil LNG Asia Pacific have signed two long-term offtake agreements for MPL's Saguaro Energía liquefied natural gas export terminal proposed for Puerto Libertad in Mexico's Sonora State.



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

The three-train, 14.1 mmty Saguaro Energía project, which has yet to reach a final investment decision (ETD) is decisated to supply gas from the Permian Basin to consumers in the Asia-Pacific region. The terminal's location Hey there! marketers to bypass the Panama Canal, cutting costs and shipping times from the U.S. Gul 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 mmty 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 mmty first phase by the end of 2024.

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