

PEMEX and Mitsui signed a MOU for Natural Gas Projects

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(Tokyo, Japan). PEMEX, Mexican oil major, and Mitsui & Co have reached a basic agreement to collaborate on a wide range of natural gas operations in Mexico. The partners may team up to expand liquefied natural gas facilities and install pipelines to meet anticipated increases in Mexico's natural gas imports. Top executives from both companies met in Tokyo to exchange memorandums.

Mexico produces natural gas and crude oil, but its oil output has stalled, raising expectations that it will import more natural gas in the future. PEMEX and the Japanese trading group will likely first work together on infrastructure to accommodate higher gas imports.

The country currently bans foreign investment in upstream operations of energy sectors, such as the development of oil and gas fields. The partners may collaborate on natural gas production if restrictions on foreign capital are relaxed in order to shore up domestic output.

According to the Mexican Government the Japanese company will obtain a US\$ 460 million contract for a natural gas project.

Sources: *Presidencia de la República / Nikkei English News*