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Latin America: Assessing the impact of oil prices and the political climate on upstream M&A activity

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Key Definitions

M&A DEALS

This report will often mention M&A deals or M&A activity. This refers to corporate merger or asset acquisition activity between two oil and gas companies and it is restricted in this report to the upstream sector. Farm-in deals are also included here, whereby a company will sell a stake in a project in return for being carried for upcoming costs or reimbursed for costs already incurred, as part of the consideration.

BIDDING ROUNDS

Also referred to as licensing rounds. These are official rounds held by government bodies where new exploration licenses for upstream blocks are awarded to bidding companies. As part of bidding for new licenses, companies sometimes include a one-off cash payment – or "**CASH BONUS BIDS**" – as part of their bid. Bids often also include investment promises, development and drilling plan proposals and a royalty percentage to be taken by the relevant country's governing body on any future production, among other things.

Throughout the report, the terms "**DEALS INCLUDING LICENSING**" and "**DEALS EXCLUDING LICENSING**" are used at relevant stages. If licensing is excluded, the text is referring to asset, corporate and farm-in deals only.

TOTAL ACQUISITION COST

This refers to either the cash bonus bid made in a bidding round, or the combination of any cash paid, value of any shares issued and the value of any cost carries or reimbursements in M&A deals.

All dollar amounts throughout refer to United States dollars.

All M&A, bidding round and company performance data in this report is extracted from Evaluate Energy, unless otherwise stated.

Introduction & Key Findings

Evaluate Energy, the *Daily Oil Bulletin* and Sproule have partnered to provide a detailed overview of the key M&A trends in Latin America in recent years, as the major producing nations compete for foreign investment in ever-changing political and commodity pricing climates.

Among our key findings:

- Political upheavals continue to dominate headlines and influence appetite for investment. Mexico's change in government led to the suspension of licensing bid rounds and delayed farm-out arrangements. Meanwhile, Brazil's change in national government leadership has been globally high profile but domestically less impactful, so far, on oil and gas development as the country continues to pursue offshore opportunities and create an onshore sector.
- Upstream M&A deal values in Latin America dropped 64% in 2018, to $2.8 billion. Market uncertainty was a major factor. Brazil remains the clear leader in terms of value of M&A deals, while Colombia has seen the largest number of deals agreed.
- 2019 got off to a slow start in the region with only $594 million in new deals agreed, but a large deal in April now means that 2019 has seen $2.2 billion in new upstream deals overall.
- Global majors remain keen to expand their operations in selected regions of Latin America. Licensing bid rounds have attracted significant investment. A total of $5.6 billion was included as bonus payments in successful bids for licences in 2018.
- Brazil and Argentina are among the main winners. Equinor (formerly Statoil) has invested $5.3 billion in Brazilian asset acquisition since the latter half of 2016. In fact, Equinor is the key driver behind the $12.4 billion invested in Brazil since 2014. Argentina witnessed $8.2 billion in upstream deals since the start of 2014.
- Canadian operators dominate investment activity in Colombia. Of the 73 M&A deals in Colombia between 2014-2018, more than 50% involved an acquiring company headquartered in Canada at the time of the deal. This high level of activity has also been good for Canadian service/suppliers drawn to the region.

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Brazil emerges as clear M&A leader in Latin America

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2014-2018 witnessed a wide range of deal activity in Latin America in terms of the number and value of deals. Brazil emerged as the leader in overall value of deals. This trend continued throughout 2018.

The last fours years have been extraordinarily volatile within the global energy sector. The nearly unprecedented price crash and subsequent lower-for-longer commodity price greatly impacted M&A activity. Deal activity almost completely dried up in 2015 as Latin America adjusted to the new price paradigm and sellers held out hoping for higher oil prices to return. As time passed and the industry adjusted to the new normal for oil prices, deal activity slowly began to pick up, as some companies became distressed while others leveraged acquisition opportunities.

Political change heavily impacted M&A activity in the region during the period. Mexico enacted a historic energy reform in 2014 and managed to complete nine bid rounds and selected farm-outs, enabling dozens of new entrants to a market previously dominated by Pemex. However, recent government change in Mexico has created significant uncertainty. Bid rounds have been suspended and farm-outs delayed, and there is speculation that they may be cancelled outright. The industry does not know if the new government will assume an inward focused stance. The number of deals in Mexico may decrease dramatically compared to the past few years as companies seek to invest in more stable jurisdictions.

Brazil also underwent significant recent change – most notably the Lava Jato corruption scandal and the election of Jair Bolsonaro as president. In contrast to Mexico, the new government adopted a 'business as usual' approach to the energy industry. Activity in Brazil continues to be dominated by majors like Total, Equinor ASA and ExxonMobil. These companies vie for lucrative positions in the prolific pre-salt region. Brazil's momentum is expected to continue – in fact, it may further distance itself from regional rivals as major offshore bid rounds continue and a nascent onshore industry is encouraged.

Finally, the Vaca Muerta continues to dominate Argentine M&A conversations although Argentina looked to diversify long-term prospects by holding an auction of offshore blocks during 2019. Politics will also play a key role in Argentina's success; presidential elections are scheduled for October 2019. The current Macri administration made energy self-sufficiency a strategic goal and a new government may revert to a prior regulated domestic market structure. If so, that may decrease investor confidence and derail Argentina's current momentum.

Political change heavily impacted M&A activity in the region during the period.

Colombia continues to rebound and recently launched a new bid round – its first since 2014 – while instituting a new permanent competitive process that will allow companies to nominate areas for bid. Colombia has also kick-started initiatives targeting unconventional resources, with a pilot project planned for the Middle Magdalena Valley by Ecopetrol. Interest in enhanced oil recovery increased in the past year as companies sought to maximize production from existing fields. Combined, these initiatives represent a concerted effort to boost the nation's output and reserves, which had fallen in recent years.

Other countries in the region continue to compete for their share of the investment pie. Interest in Ecuador is picking up with a change to a more investment-friendly government, with five blocks recently being awarded via the Intracampos Bid Round. Peru saw upstream investment increase by 25% in 2018 and is keen on continuing recent momentum.

M&A deal values drop 64% in 2018

Upstream M&A values in Latin America fell significantly in 2018. At $2.6 billion, 2018 represents a $4.6 billion (64%) drop compared to 2017 and a $5.3 billion (67%) drop compared to 2016.

As Evaluate Energy's latest M&A review for Q1 2019 illustrates, M&A dropped significantly worldwide at the start of the year. Latin America was no different, with only $594 million in new deals outside of licensing activities agreed up to March 31. Early Q2 2019 saw a high value deal in Brazil, however, as Malaysia's Petronas agreed a 50% stake in the Tartaruga Verde field and Module III of Espadarte field from Petrobras for $1.3 billion.

The absence of a '$1 billion deal' in 2018 makes the drop compared to prior years look far more significant. A summary comparison of the three highest value upstream deals in each of the past three years illustrates that the difference in value accounts for 69% ($3.2 billion) of 2018's overall drop compared to 2017, and 74% ($3.9 billion) compared to 2016 figures.

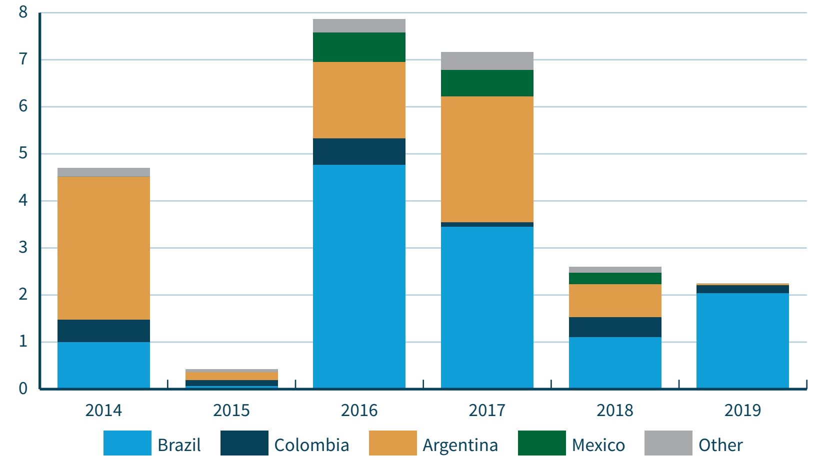
Brazil remains the top country for Latin American M&A activity since the start of 2014, with more than $12.4 billion in new deals up to and including April 30, 2019. This excludes investment related to bidding rounds. Only $209 million (9%) of Latin America's M&A activity in 2019 so far has been outside of Brazil.

Values of three largest M&A deals by year in Latin America ($ billion)

	2014	2015	2016	2017	2018
Largest	1.43	0.10	2.50	2.00	0.68
2nd Largest	1.00	0.08	1.95	1.77	0.38
3rd Largest	0.85	0.06	0.90	0.80	0.37
Total	3.28	0.24	5.35	4.57	1.42

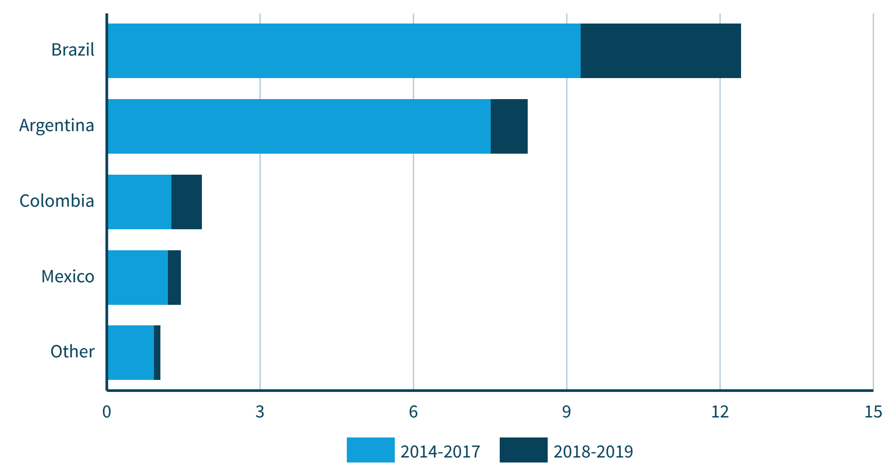
Source: Evaluate Energy M&A

Upstream deal value per year by Latin American country Jan. 1, 2014 – Apr. 30, 2019 ($ billion)



Source: Evaluate Energy M&A

Aggregated upstream deal value by Latin American country Jan. 1, 2014 – Apr. 30, 2019 ($ billion)



Source: Evaluate Energy M&A

The number of 2018 deals with a value greater than $10 million fell to 19 (a 39% drop on prior year). This is only slightly above the 17 deals recorded in 2016 when oil prices were significantly lower – for example, WTI averaged $65.23 in 2018 versus $43.29 in 2016.

Despite a slow Q1 2019 for overall deal values, 11 deals had a value greater than $10 million up to April 30.

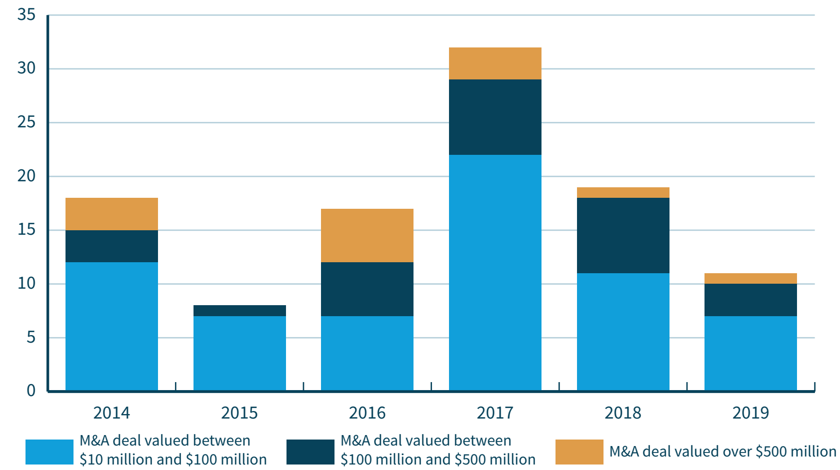
Bid rounds increase in 2018

One area where 2018 did see investment activity increase for Latin America was in bidding rounds. $5.6 billion was calculated as bonus payments in successful bids for licenses.

Until 2017, this wasn't something that typically happened in Latin America. Brazil ($4.9 billion) and Mexico ($649 million) have been the two Latin American nations to receive these bids across five rounds in 2018.

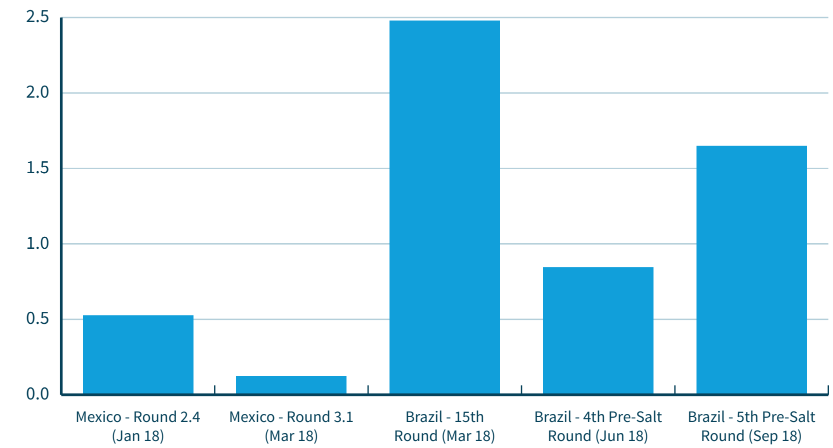
At the start of 2019, Argentina held an offshore licensing round. Only one successful bid for a block in the round included a bonus payment, but plenty of major oil and gas companies from around the world were involved in the round. Every company that made a bid for blocks won a stake in at least one new block each from the process. Full results of the Argentina bidding round can be seen on page 11.

Deals (excl. licensing) in Latin America Jan. 1, 2014 - Apr. 30, 2019 with a value greater than $10 million



Source: Evaluate Energy M&A

Bonus bids - Latin American bidding rounds in 2018 ($ billion)



Source: Evaluate Energy M&A

BRAZIL Equinor dominates M&A spending

Brazil remains the Latin American nation where the highest value upstream deal activity has taken place since the start of 2014. The bulk of the $12.4 billion invested to date was in 2016 and 2017 ($8.2 billion).

The single largest E&P deal in 2018 saw Equinor ASA acquire a 10% stake in the BM-S-8 license in the Santos basin from Barra Energia for $379 million.

Equinor intends to sell down a 3.5% stake in this asset to ExxonMobil and 3% to Portugal's Galp Energia, thus fully aligning interests across the BM-S-8 and Carcará North licenses. Equinor will operate both assets with a 40% stake. ExxonMobil and Galp Energia will hold 40% and 20% interests, respectively.

Upon completion of this latest deal, Equinor will have invested $5.3 billion in Brazilian asset acquisitions since the second half of 2016, excluding bidding round activity, which is profiled on page 9.

The largest Latin American deal of 2019 so far between Petronas and Petrobras centred on a 50% stake in the Tartaruga Verde field and Module III of Espadarte field and will cost the Malaysian producer $1.3 billion.

Top 10 M&A deals by value in Brazil between Jan. 1, 2014 - Apr. 30, 2019

Date Announced	Acquirer	Target	Brief Description	Value ($ million)
Oct. 29, 2016	Equinor ASA	Petrobras	Equinor ASA acquires a 66% interest in the Carcara pre-salt oil discovery, offshore Brazil, from Petrobras	2,500
Dec. 18, 2017	Equinor ASA	Petrobras	Equinor ASA acquires a 25% interest in the Roncador field in the Campos Basin in Brazil from Petrobras	2,000
Dec. 21, 2016	Total	Petrobras	Total acquires a 22.5% interest in BMS-11 and a 35% interest in BMS-9 and stakes in certain infrastructure in Brazil from Petrobras.	1,950
Apr. 25, 2019	Petronas	Petrobras	Petronas acquires a 50% interest in the Tartaruga Verde field and Module III of Espadarte field from Petrobras	1,294
Jan. 29, 2014	Qatar Petroleum	Royal Dutch Shell	Qatar Petroleum acquires a 23% interest in the Parque das Conchas (BC-10) project from Royal Dutch Shell	1,000
Oct. 27, 2017	ExxonMobil	Equinor ASA	ExxonMobil acquires half of Equinor ASA's interest (33%) in the BM-S-8 block, offshore Brazil	800
Jul. 11, 2017	Equinor ASA	QGEP Participações SA	Equinor ASA acquires an additional 10% interest in the BM-S-8 licence in Brazil from QGEP Participações SA	379
Jul. 3, 2018	Equinor ASA	Barra Energia	Equinor ASA acquires an additional 10% interest in the BM-S-8 licence in Brazil from Barra Energia	379
Nov. 28, 2018	Perenco	Petrobras	Perenco acquires a 100% stake in the Pargo, Carapeba and Vermelho fields from Petrobras	370
Apr. 25, 2019	Petrorecôncavo SA	Petrobras	Petrorecôncavo SA acquires producing fields from Petrobras	323

Source: Evaluate Energy M&A

BRAZIL Pre-salt rounds perform strongly

Brazil enjoyed investment success via licencing rounds in 2018. Brazil held its 5th Pre-Salt bidding round in September 2018.

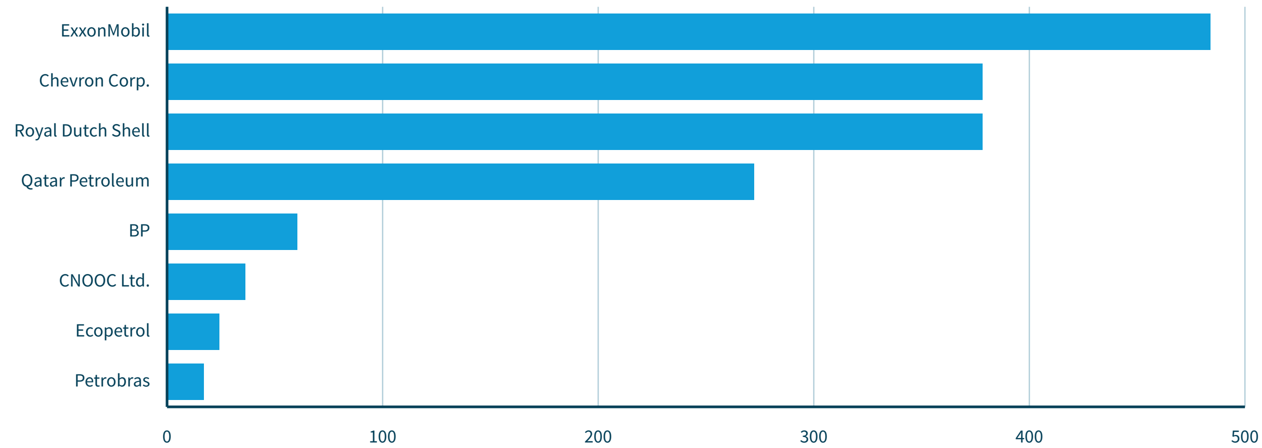
The round generated approximately $1.7 billion in bonus bids. All four blocks on offer were awarded, the first time this has happened in a Brazilian round that had more than one block on offer.

Petrobras was awarded the only block in the Campos Basin, making the smallest bonus bid offer of around $17 million. ExxonMobil, Chevron Corp., Royal Dutch Shell, Qatar Petroleum, BP, CNOOC Ltd. and Ecopetrol all participated in a winning bid on the three Santo Basin blocks.

Two other rounds generated a further $3.3 billion in 2018.

Brazil has seen a total of $8 billion in bonus bids for its bidding rounds since the start of 2017.

Combined bonus payments for winning bids - 5th Pre-Salt round ($ million)



Source: Evaluate Energy M&A

Brazil bidding round results since Jan. 1, 2017

Round Name	Bonus Payments for Winning Bids ($ billion)	Number of winning companies*
Brazil - 14th Round (Sep 17)	1.213	16
Brazil - 2nd Pre-Salt Round (Oct 17)	1.014	7
Brazil - 3rd Pre-Salt Round (Oct 17)	0.753	6
Brazil - 15th Round (Mar 18)	2.479	12
Brazil - 4th Pre-Salt Round (Jun 18)	0.845	7
Brazil - 5th Pre-Salt Round (Sep 18)	1.651	8

Source: Evaluate Energy M&A. **Note:** * Includes all individual entities, including non-operating participants in consortium-based bids

ARGENTINA Upstream deals total $8.2 billion

Argentina has seen $8.2 billion in upstream deals since the start of 2014, with a deal count of 55.

Argentina also saw Latin America's biggest deal of 2018. For more on this $675 million deal between Vista Oil & Gas, Pampa Energia and Pluspetrol, see page 12. Vista's acquisition was the only upstream 2018 deal in Argentina with a reported value.

Nearly all deals in the past five years have been focused on, or at least involved, assets in the Neuquén basin, which holds the Vaca Muerta shale.

2019 has seen only very minor deal activity in the Argentina upstream space up to and including April 30, 2019, but the country did hold an offshore licensing round in early April, the results of which are analyzed on page 11.

Top 10 M&A deals by value in Argentina between Jan. 1, 2014 - Apr. 30, 2019

Date Announced	Acquirer	Target	Brief Description	Value ($ million)
Jul. 24, 2017	Andes Energia Plc	Trefoil Holdings	Andes Energia Plc merges with Trefoil Holdings	1,769
May. 7, 2014	Morgan Stanley	YPSA	Morgan Stanley acquires an 11.86% stake in Argentina's YPF SA from Repsol	1,432
May. 4, 2016	Pampa Energia SA	Petrobras Argentina SA	Pampa Energia SA acquires a 67.19% interest in Petrobras Argentina SA from Petrobras	897
Feb. 12, 2014	YPF SA	Apache Corp.	YPF Sociedad Anonima acquires Apache Corp.'s operations in Argentina	852
Jan. 16, 2018	Vista Oil & Gas SAB de CV	Pampa Energía SA & Pluspetrol Resources Corp.	Vista Oil & Gas, SAB de CV acquires interests in certain Argentina assets from Pampa Energía SA and Pluspetrol	675
Jul. 27, 2016	Pampa Energia SA	Petrobras Argentina SA	Pampa Energia SA acquires a 32.81% interest in Petrobras Argentina SA from Petrobras	438
Oct. 3, 2014	Pluspetrol	Apco Oil & Gas International Inc.	Pluspetrol acquires Apco Oil & Gas International Inc.	427
Apr. 12, 2017	Schlumberger	YPF SA	Schlumberger signs a joint venture agreement with YPF SA to acquire a 49% interest in a Vaca Muerta shale oil pilot project	390
Feb. 12, 2014	Pluspetrol	YPF SA	Pluspetrol acquires Vaca Muerta acreage from YPF Sociedad Anonima	217
Mar. 2, 2017	PMI Resources Ltd.	Patagonia Oil Corp.	PMI Resources Ltd. acquires a 100% stake in Patagonia Oil Corp. from Blue Pacific Assets Corp.	171

Source: Evaluate Energy M&A

ARGENTINA Supermajors play big role in successful licensing round

Argentina attracted a similar calibre of companies to its offshore licensing round as Brazil during its pre-salt basin bidding.

All Argentinian blocks on offer were offshore the Tierra del Fuego province, and 13 companies were part of winning bids for the 18 blocks awarded. 20 blocks went without a bid.

Global supermajors ExxonMobil (3 blocks) and Royal Dutch Shell (2 blocks) partnered with Qatar Petroleum in winning bids while BP and Total partnered on two winning bids. Total was also part of a consortium with Equinor and Argentina's YPF in the MLO-123 block.

Equinor took stakes in the most licenses (seven) while, as a consortium, Italy's Eni, Japan's Mitsui & Co. and Argentina's own Tecpetrol secured the only block with a bid that included a cash bonus ($5 million).

All companies involved in the bidding took home at least a stake in one block.

Block	Winning Bidders
MLO-113	ExxonMobil, Qatar Petroleum
MLO-114	Pluspetrol, Wintershall, Tullow Oil
MLO-117	ExxonMobil, Qatar Petroleum
MLO-118	ExxonMobil, Qatar Petroleum
MLO-119	Pluspetrol, Wintershall, Tullow Oil
MLO-121	Equinor ASA
MLO-122	Tullow Oil
MLO-123	Total, Equinor ASA, YPF SA
MLO-124	Eni, Mitsui, Tecpetrol
CAN-102	Equinor ASA, YPF SA
CAN-107	Shell, Qatar Petroleum
CAN-108	Equinor ASA
CAN-109	Shell, Qatar Petroleum
CAN-111	Total, BP
CAN-113	Total, BP
CAN-114	Equinor ASA, YPF SA
AUS-105	Equinor ASA
AUS-106	Equinor ASA

ARGENTINA

Vista Oil & Gas secures Latin America's biggest deal of 2018

Vista Oil & Gas, the first pure E&P company to be listed on Mexico's stock exchange, was responsible for Latin America's biggest deal of 2018.

For a cash sum of $675 million, Vista acquired 27,500 boe/d of production in Argentina's Vaca Muerta shale from Pampa Energia and PlusPetrol. The value of the deal represents a cost of around $25,000 per flowing barrel of production.

With this deal, Vista becomes the sixth largest oil producer and operator in Argentina, according to information published by the Argentine Ministry of Energy and Mining. Vista's investor presentation at the time showed that Argentina's other biggest producers are YPF, Pan American Energy, PlusPetrol, Sinopec and Total, based on Q3 2018 production levels.

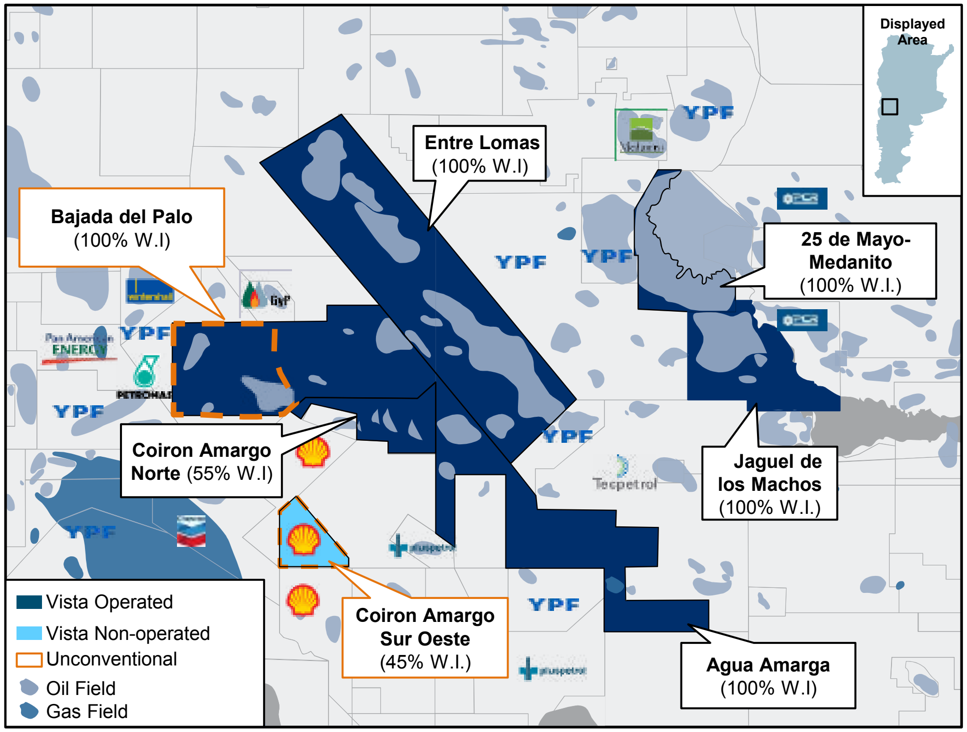
2018 was a busy year for Vista in terms of M&A. In October, the company completed a $38 million acquisition from Jaguar E&P in Mexico and an asset swap agreement with Royal Dutch Shell to add a 90% operated stake in another Vaca Muerta block to its portfolio.

Significant Deal Metrics

Total value of deal ($ million)	675
Production acquired (boe/d)	27,472
1P reserves acquired (mmboe)	55.70
Cost per boe/d of production ($/boe)	24,570
Cost per boe of 1P reserves ($/boe)	12.12

Source: Evaluate Energy M&A

Neuquén basin blocks acquired in deal with Pampa Energia and PlusPetrol



Source: Vista presentation, Q3 2018

COLOMBIA Deal count high, deal value low

Colombia agreed 73 deals between the start of 2014 and the end of April 2019 – the most of any Latin American nation.

The total value of these deals, however, is just $1.87 billion.

While a significant number (25) were in 2014, Colombia has seen something of a resurgence in deal counts since the start of 2018 relative to its neighbours, albeit at lower values in most cases.

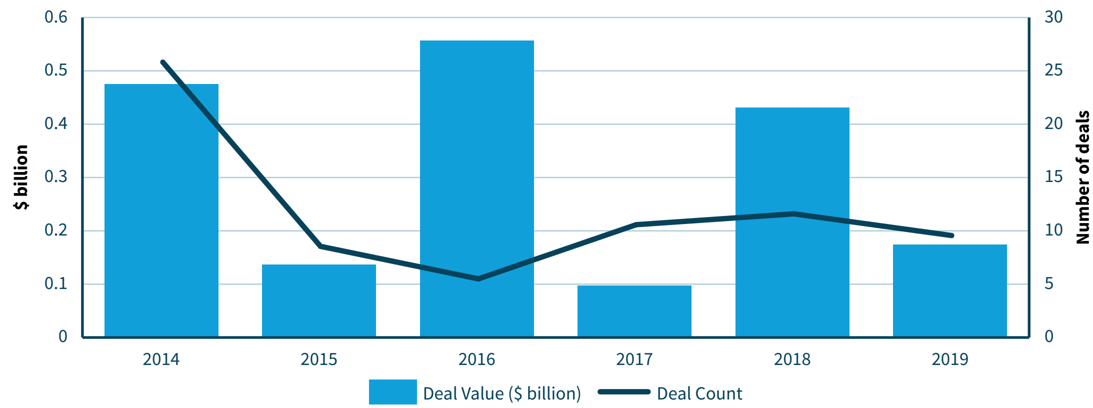
2018 saw 12 new deals announced, the largest of which was $111 million and involved GeoPark Ltd. acquiring an interest held by LG International in GeoPark's Colombian and Chilean subsidiaries. In acquiring the stakes, GeoPark now owns both subsidiaries entirely.

2019 has seen 10 Colombian deals already. Only one deal – Gran Tierra Energy Inc.'s $102.4 million acquisition of various working interest and operatorship positions from Vetra Energia – was valued greater than $100 million.

Colombia's 22 deals agreed since the start of 2018 is only one fewer than the deal counts in Argentina and Brazil combined.

In terms of licensing, the story is more complex. Colombian authorities released the terms of the Sinu-San Jacinto licensing round in September 2017. Since then, the round has been postponed seven times. It was cancelled in December 2018 after companies withdrew interest. It was set to include 15 blocks in Cordoba, Sucre and Bolivar. A judicial ruling also meant a separate round was cancelled at the same time.

Colombia upstream deals between Jan. 1, 2014 - Apr. 30, 2019



Source: Evaluate Energy M&A

Top 5 M&A deals by value in Colombia between Jan. 1, 2014 – Apr. 30, 2019

Date Announced	Acquirer	Target	Brief Description	Value ($ million)
Jul. 1, 2016	Gran Tierra Energy Inc.	PetroLatina Energy Ltd.	Gran Tierra Energy Inc. acquires PetroLatina Energy Ltd.	525
May 13, 2014	Parex Resources Inc.	Verano Energy Ltd.	Parex Resources Inc. acquires Verano Energy Ltd.	176
Nov. 27, 2018	GeoPark Ltd.	LG International	Geopark acquires the outstanding interests in its Colombian and Chilean operations	111
Feb. 20, 2019	Gran Tierra Energy Inc.	Vetra Energia SL	Gran Tierra Energy Inc. various working interests and operatorships from Vetra Energia SL	104
Apr. 28, 2014	Petroamerica Oil Corp.	Suroco Energy Inc.	Petroamerica Oil Corp acquires Suroco Energy Inc.	99

Source: Evaluate Energy M&A

COLOMBIA Canadians still dominate activity

Colombian M&A activity, albeit on a predominantly low-value scale, has been dominated by Canadian companies between the start of 2014 and the end of April 2019.

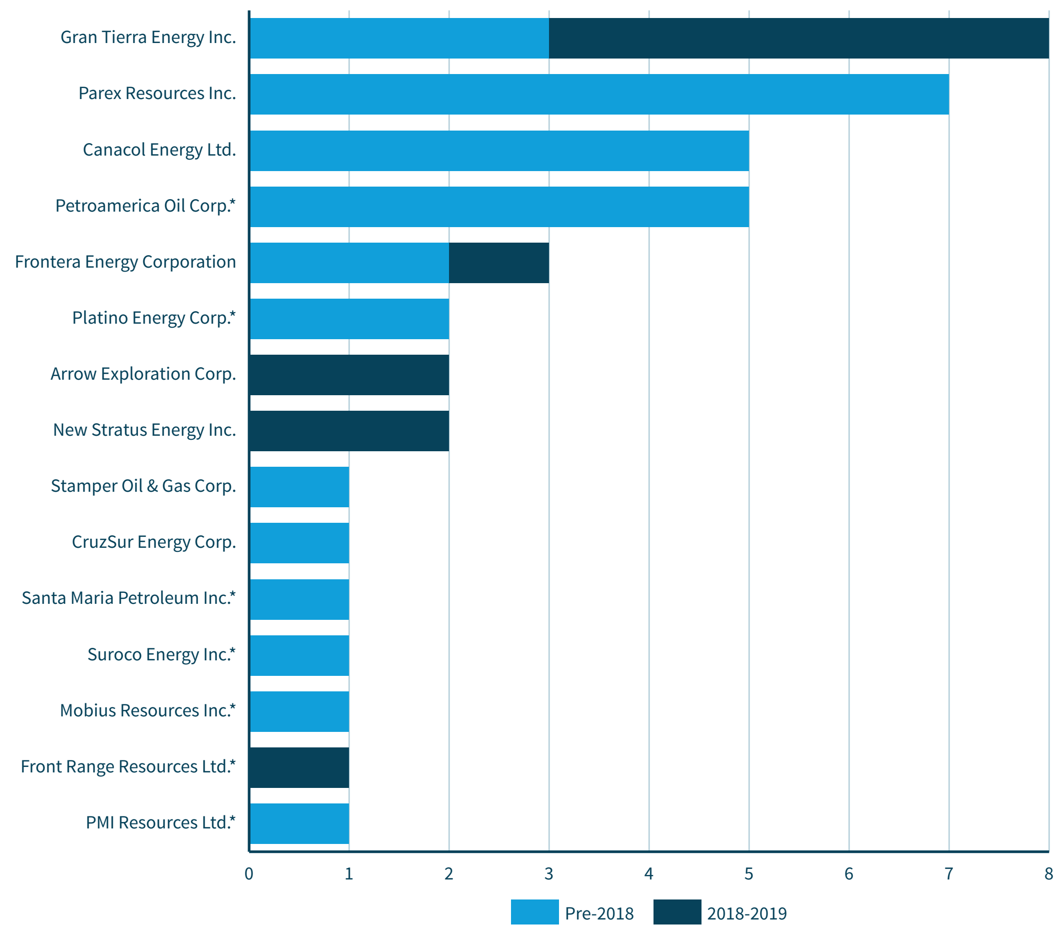
Of the 73 Colombian M&A deals agreed since 2014, 41 involved an acquiring company headquartered in Canada at the time of the deal.

Including companies no longer active, these 41 deals are spread over 15 different acquiring entities. The most active acquirer since 2014 has been Gran Tierra Energy Inc. with eight individual deals. A flurry since the start of 2018 saw it overtake Parex Resources Inc.

Gran Tierra has also been the biggest spender with a total of $780 million. The majority was invested in a 2016 deal to acquire PetroLatina Energy Ltd. for $525 million – the only 500m+ deal Colombia has seen in the study period.

Gran Tierra also acquired what is still the joint-third most active Canadian company on the list, Petroamerica Oil Corp., in a $78 million deal in 2015. Before this deal, Petroamerica had closed five acquisitions since 2014.

Colombian deal count by Canadian headquartered acquirer – Jan. 1, 2014 - Apr. 30, 2019



Source: Evaluate Energy M&A
Note: * - company no longer active

MEXICO DEA expands interests

M&A activity in 2018 aside from bidding rounds saw Mexico's upstream deal total since the start of 2016 rise to $1.44 billion.

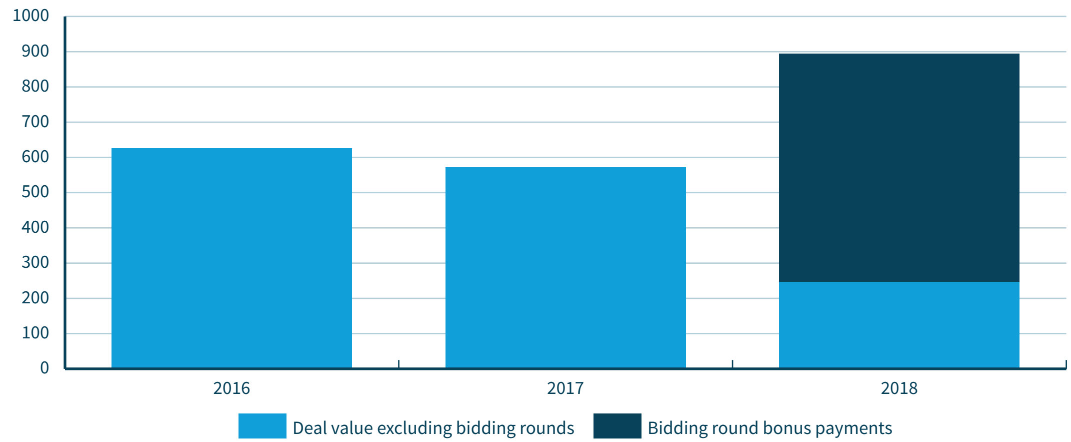
The largest deal in 2018 occurred in July with Petrofac Ltd. divesting 49% of its operations in Mexico – including Santuario, Magallanes and Arenque assets – to Perenco (Oil & Gas) International Ltd. for $200m.

One significant deal without a public value was Germany's DEA agreeing to acquire Sierra Oil & Gas. Sierra holds interests in a portfolio of six exploration and appraisal blocks in Mexico, including the world class Zama discovery after early successes in Mexico's bidding rounds.

DEA has been one of the more active companies attempting to enter the Mexican E&P space. The company agreed a joint venture deal with Pemex at the end of 2017 for $404 million, and was also awarded interests in four areas over two offshore bidding rounds in 2017 and 2018. DEA has now merged with fellow German entity Wintershall in a deal that completed on May 1, 2019.

Following the presidential election and subsequent policy announcements, all bidding rounds have been suspended. Pemex's continued plans for farm-outs have also been delayed and are currently scheduled for October, but industry is uncertain as to whether they will actually proceed.

Combined value of Mexican deals and bidding round bonus payments 2016-2018 ($ million)



Source: Evaluate Energy M&A

DEA deal and bid round activity in Mexico 2017-2018

Announce Date	Description	Deal Value/Bonus Payment for License ($ million)
Jun-17	Awarded a 30% participation interest in Area 2 in Mexico's Offshore Licensing Round 2.1	0
Oct-17	Acquires a 50% interest in the Ogarrio field from Pemex	404
Mar-18	Awarded interests in 3 blocks (areas 16,17 & 30) in the offshore section of Mexico's Licensing Round 3.1	20
Nov-18	Agrees to acquire Sierra Oil & Gas	Undisclosed

Source: Evaluate Energy M&A

APPENDIX

Latin American Oil & Gas Statistics - 2017

Country by Country data

Countries with more than 100,000 boe/d in 2017

Production

Country	Total Production - 2017 (mboe/d)	Total oil production - 2017 (mboe/d)	Total gas production - 2017 (mboe/d)	% Oil
Brazil	3,178	2,734	444	86%
Mexico	2,880	2,224	656	77%
Venezuela	2,714	2,110	604	78%
Ecuador	558	531	27	95%
Argentina	1,192	593	599	50%
Bolivia	327	52	275	16%
Peru	337	127	210	38%
Colombia	1,015	851	164	84%

Consumption

Country	Production - Consumption 2017 (surplus or deficit)	Oil consumption 2017 (mboe/d)	Gas consumption 2017 (mboe/d)
Brazil	-457	3,017	618
Mexico	-443	1,910	1,413
Venezuela	1,602	505	607
Ecuador	311	237	10
Argentina	-260	670	782
Bolivia	212	58	57
Peru	-31	259	109
Colombia	510	344	161

Reserves

Country	Total 1P reserves (mmboe)	1P oil reserves (mmboe)	1P gas reserves (mmboe)	% Oil	Reserve life (years)
Brazil	15,036	12,794	2,242	85%	13
Mexico	8,371	7,219	1,152	86%	8
Venezuela	340,681	303,182	37,499	89%	344
Ecuador	8,337	8,273	64	99%	41
Argentina	4,089	2,162	1,927	53%	9
Bolivia	1,804	211	1,593	12%	15
Peru	3,806	1,225	2,581	32%	31
Colombia	2,311	1,665	646	72%	6

Source: BP Statistical Review of World Energy 2017 and Evaluate Energy

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