

LNG Developer Mexico Pacific Cuts Dozens of Staff in Houston

Summary by Bloomberg AI

- Mexico Pacific is laying off workers in Houston and Singapore, which may delay its massive Pacific Coast project.
- The company confirmed "organizational adjustments" were made to align with its strategy and "next phase of development".
- The project, estimated to cost \$15 billion, was expected to reach a final investment decision in the first quarter of 2025, but the job cuts and other recent turmoil increase the risk of delays.

By Ruth Liao

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(Bloomberg) -- Mexico Pacific, the liquefied natural gas developer that's in the process of moving its headquarters to Mexico City, is laying off workers in Houston and Singapore in a move that threatens to delay its massive proposed Pacific Coast project.

Dozens of workers were laid off in Houston and four employees were cut from Singapore, according to people familiar with the matter who asked not to be named because the information is private. The company confirmed that there were "organizational adjustments" made, but declined to comment on the exact number of employees that were let go.

The changes were made to align with the company's strategy and "next phase of development," according to Jorge Arturo Hernandez, a spokesperson.

Mexico Pacific was on the cusp of making a final investment decision on its proposed Saguaro LNG project, estimated to cost \$15 billion. In September, Chief Executive Officer Sarah Bairstow said it was planning a final decision in the first quarter of 2025. But the job cuts add to some turmoil in the past few weeks that increases the risk of project delays.

Earlier this month, the company said it would consolidate its operations and relocate its headquarters to Mexico City from Houston. And Texas private equity firm Quantum Capital Group has hired Lazard Inc. to explore options for the potential sale of Mexico Pacific, Bloomberg News reported in February.

"The transition of our headquarters to Mexico City is a strategic decision that strengthens our operational capabilities and enhances the efficiency of our planned activities," Hernandez said. "We remain fully focused on advancing our flagship projects, and our commitment to their successful execution remains unchanged."

Quantum didn't respond to requests for comment.

A delay for the project would also pose risks for the tightening global gas market. Some companies have signed longterm deals from Mexico Pacific, including energy majors such as Shell Plc., ConocoPhillips and Exxon Mobil Corp., as well as Chinese buyers.
