

ADNOC EVOLVED:

An Enhanced Organization: Resilient,
Competitive and Fit for the Future

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ABU DHABI NATIONAL OIL COMPANY

- A fully-integrated network of businesses - exploration, production, storage, refining, distribution, and development of a wide-range of petrochemical products.
- For 45 years it has played an integral role in Abu Dhabi's economic development.
- H.E, Dr Sultan Ahmed Al Jaber became ADNOC Group CEO in February 2016.
- ADNOC already has one of the lowest costs of production per barrel.
- But we are going further. Our new CEO recognizes that we must shift from a traditional NOC model – to be more agile, efficient and commercially minded.

3.15
million barrels per day

Top 10
Largest oil producers in the
world

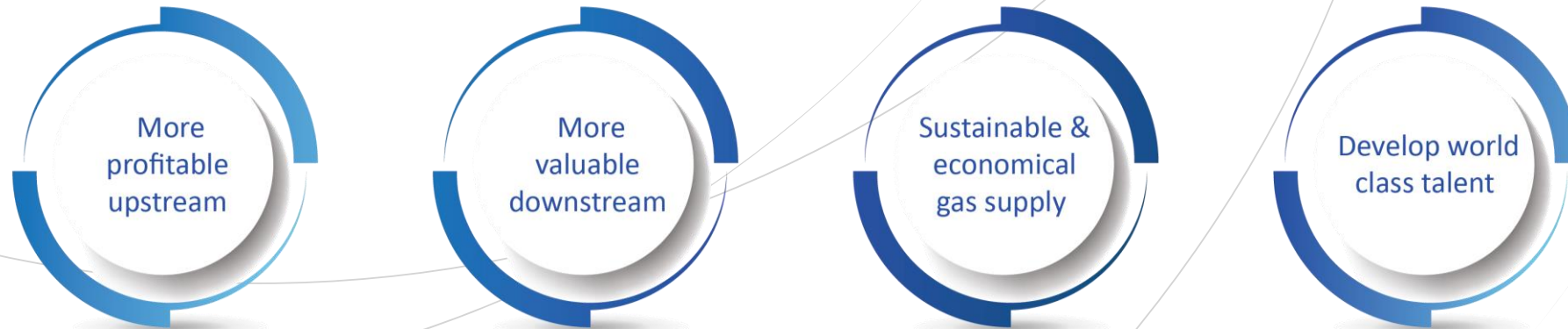
12%
Of world oil & gas supply

151
Oil transportation & support
vessels

A NEW ENERGY ERA

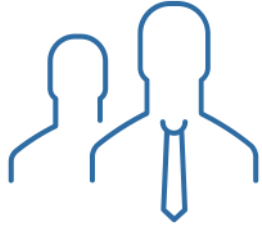
TRANSFORMING FOR A LOWER PRICE ENVIRONMENT

- An era of unpredictable oil prices - producers who focus on efficiency, value creation, commerciality and excellence will be successful.
- Stretch the margin from every barrel - maintaining our competitive edge and ensuring we are Fit For The Future.
- In November 2016, our 2030 strategy and five-year business plan was approved:



Every decision is made through the lens of maximizing commercial value and profitability, without compromising the highest standards of Health, Safety and Environment, and the integrity of our assets.

FUNDAMENTAL ADNOC PPPE PILLARS



People

Investing in our people to nurture the next generation of leaders, and attract world-class talent.

Examples include:

- Refreshed and shared Vision, Mission, Values & Culture
- Women's Leadership Program
- Align Human Capital policies to international and industry best practice



Performance

Setting ambitious targets to measure ourselves against everything we do and to create a performance-led culture.

Examples include:

- 5 Year Corporate Business Plan
- Performance Monitoring System



Profitability

Adding value to our business by constantly looking for opportunities to expand on, or create new, revenue streams and improve our commercial know how and practices.

Examples include:

- Price reform structure and optimization model
- Closed the Gas/Energy deficit
- Profitability Maximization Program



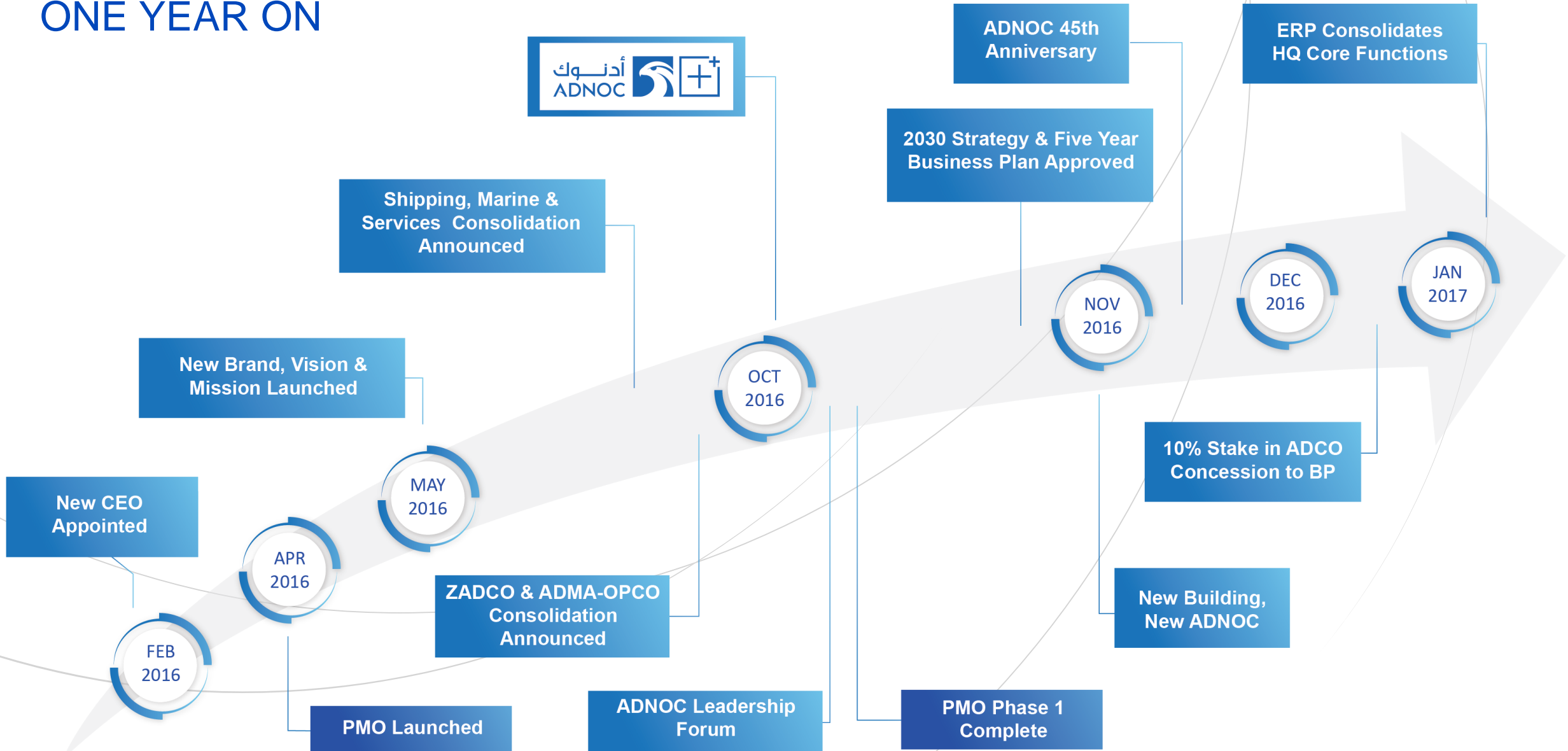
Efficiency

Optimizing our resources to get the most out of our operations, while reducing costs, in order to deliver more with less.

Examples include:

- Gas Master Plan
- ADNOC Mid-stream Strategy
- ADNOC Group Code of Conduct
- Roll-out of SAP ERP

ONE YEAR ON



INVESTING IN OUR PEOPLE



Our most precious resource lies not in the ground, or under the sea, but in the people of our organizations.

Investing in our human capital and nurturing a performance led culture is the best investment we will ever make.

Enhanced recruitment and training with the introduction of integrated manpower planning across the group, linking recruitment to the business strategy.

Ensuring we have the right people, with the right skills, in the right jobs, at the right time.

Robust leadership and youth development programmes for Emiratis, supported by a lifelong learning programme, that will provide future leaders with the right visibility and exposure across the entire group.

MAXIMISING VALUE UPSTREAM & PROFITS DOWNSTREAM

- Prepared to act decisively to realize synergy and collaboration opportunities.
- Major operational consolidations that help cut production cost, including:
 - Consolidate offshore oil production into one OPCO
 - Combine shipping, marine and services companies into one OPCO
- Integrating our refining and petrochemicals business to enhance profitability.

Zadco & Adma-Opco

- Together - bulk of our offshore oil production
- Expected to reach 1.7 million barrels per day this year
- In October 2016 we announced we were merging the two companies

Combining the two companies...

- Unites our offshore experience
- Streamlines governance and decision-making
- Gives management a better line of sight
- Provides strategic benefits for future growth and advanced technology integration

OPTIMIZING OUR RESOURCES & COSTS

- Smarter expenditure decisions, optimise costs and increase our profitability.
- Implemented the latest ERP software, to streamline management of core HQ operations across Group Procurement, Finance & Planning, Human Capital & Administration, and Sales & Marketing.

Group Procurement Initiative

- Pooled procurement operations across the organisation
- Easier and faster for the private sector to do business with us
- Achieve consistency of procurement process
- Build stronger partnerships
- Enhance transparency & communications
- Transformation with no disruption to operations



PLANNING FOR GROWTH & INVESTMENT



Bring additional high quality products to market.

Respond to growing demand for refined and petrochemical products, particularly in Asia.

Increasing refinery capacity focusing on innovation & integration.

Develop partnerships and new initiatives such as Al Reyadah – the first commercial scale carbon capture project in the Middle East

Attract new partners and investors, supporting the wider Abu Dhabi community, creating new jobs and supply chains.

Bolster UAE resilience to economic cycles and oil price fluctuations.

ADNOC 2030 INTEGRATED GROUP STRATEGY

MORE VALUABLE AND PROFITABLE UPSTREAM AND DOWNSTREAM BUSINESSES,
WHILE ENSURING AN ECONOMIC AND SUSTAINABLE SUPPLY OF GAS.



Increase
Petrochemical
production to **11.4**
mtpa in 2025



Increase
Gasoline production
to **10.2 mtpa**
by 2022



Stretch the margin
of each refined
barrel of oil - better
products & lower
costs



Increase crude oil
production to
3.5m bpd in 2018

KEY ENABLERS

PEOPLE

PERFORMANCE

PROFITABILITY

EFFICIENCY

THANK YOU