

ADNOC Inks \$300 Million Deal With Abu Dhabi Pensions Fund

UAE-based oil giant, the Abu Dhabi National Oil Company (ADNOC) has entered into a \$300 million follow-on pipeline infrastructure investment agreement with the Abu Dhabi Retirement Pensions and Benefits Fund (ADRPBF).

The agreement follows a \$4 billion investment from BlackRock and KKR in ADNOC Oil Pipelines last February.

Under the deal, which is expected to close in Q4 2019, ADRPBF will acquire a 3% stake in a newly-formed entity, ADNOC Oil Pipelines, while BlackRock and KKR will together hold 40% and ADNOC will hold the remaining 57%.

ADNOC Oil Pipelines will lease ADNOC's interest in 18 pipelines, transporting stabilized crude oil and condensate across ADNOC's offshore and onshore upstream concessions, for a 23-year period.

The entity receives a tariff payable by ADNOC, for its share of volume of crude and condensate that flows through the pipelines, backed by minimum volume commitments.

The collection of 18 pipelines that are being leased by ADNOC Oil Pipelines has a total length of over 750km, and a total aggregate capacity of approximately 13,000 Mbblpd (gross).

This transaction follows several other recent value creation initiatives, including ADNOC's debut capital markets transaction, the issuance of the Abu Dhabi Crude Oil Pipeline (ADCOP) bond, the IPO of ADNOC Distribution.

ADNOC also recently announced strategic equity and commercial partnerships between ADNOC Drilling and Baker Hughes as well as ADNOC Refining and Eni and OMV.

ADNOC is one of the world's leading diversified energy and petrochemicals groups with a daily output of about three million barrels of oil and 10.5 billion cubic feet of natural gas.

In May 2018, the company announced its plan to invest \$45 billion alongside partners over the next five years, to become a leading global downstream player.

The plan includes creating the world's largest integrated refining and petrochemicals complex in Ruwais, which will see the company triple production of petrochemicals to 14.4 million tons per annum by 2025.

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