

ADNOC Team Up With IBM To Pilot A Blockchain Application For Its Full Value Chain

Abu Dhabi National Oil Company (ADNOC) has announced its collaboration with IBM, to pilot a Blockchain-based automated system to integrate oil and gas production across the full value chain.

The groundbreaking system provides a secure platform for the tracking, validating and execution of transactions at every stage, from the production well to the end customer.

The Abu Dhabi-based fuel giant will use Blockchain technology to reduce the time it takes to execute transactions between ADNOC's operating companies and significantly increase operational efficiencies across its full value chain. It will also improve the reliability of production data by enabling greater transparency in transactions.

The industry-leading project was announced at the recent World Energy Capital Assembly, in London, where ADNOC shared its ambitions and early successes in embedding Blockchain and other advanced technologies, including Artificial Intelligence, across its business to enhance operational efficiency, drive profitability and unlock new value from oil and gas resources to seize the opportunities created by Oil and Gas 4.0.

"We believe this could be the first application of Blockchain in oil and gas production accounting anywhere in the world", as Abdul Nasser Al Mughairbi, ADNOC Digital Unit Manager said.

"Blockchain is a game-changer. It will substantially reduce our operating costs by eliminating time-consuming and labor-intensive processes, strengthen the marketing and trading of our products, and create long-term sustainable value that will ensure that ADNOC delivers on its 2030 smart growth strategy," he added.

ADNOC's Blockchain pilot has provided a single platform that tracks the quantities and financial values of each bilateral transaction between ADNOC's operating companies, automating the accounting process.

The company illustrated that other products will be included in the Blockchain application, such as gas, condensates, Natural Gas Liquids (NGLs) and sulphur. These products are exchanged between ADNOC's operating companies and exported to customers overseas.

"With this pilot, ADNOC takes a massive leap forward in asset provenance and asset financials, which in its simplest terms enables the ability to track irrefutably, every molecule of oil and its value, from well to customer," according to Zahid Habib, IBM's Chemicals and Petroleum Solutions VP.

This unlocks the potential to digitally reinvent ADNOC's hydrocarbon value chain, adds a

unique dimension to their data visualization in their Panorama Digital Command Center, and accelerates ADNOC towards their 2030 Vision,” he added.

At ADIPEC 2018, ADNOC—one of the world’s leading diversified energy and petrochemicals groups with a daily output of about 3 million barrels of oil and 10.5 cubic feet of natural gas—announced that it is focusing its efforts on tapping the energy resources needed to enable global economic growth in the 4th Industrial Age, an era in which digital innovation is delivering unprecedented levels of prosperity and driving demand for oil and gas products. ADNOC is gearing up to meet this demand and, through creative partnerships, seize the opportunities of Oil and Gas 4.0.

Last week, ADNOC Distribution, the retailing arm of ADNOC, announced its operations in Saudi Arabia, with a service station each in Riyadh and the Kingdom’s Eastern Province.

ADNOC is the largest fuel distributor in the U.A.E. and enjoys a 67% market share in the Emirates by number of petrol stations. The company is the sole fuel distributor in Abu Dhabi and Sharjah.

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