



Abu Dhabi Crude Oil Pipeline LLC, an ADNOC Group company, successfully issues a US\$3 billion bond

Bond represents ADNOC Group's debut issuance, at the asset level, to the international debt capital markets

Offering oversubscribed by more than three and a half times

Issuance is one of the largest non-sovereign bond offerings in the history of the Middle East

Transaction demonstrates ADNOC's smarter management of its capital structure and long-term financing strategy

Transaction forms part of ADNOC's more proactive and flexible management of its portfolio of assets, while creating new investment opportunities across its value chain

Bond is issued by Abu Dhabi Crude Oil Pipeline LLC ("ADCOP"), an entity 100% owned by the ADNOC Group.

Abu Dhabi, UAE – November 06, 2017: The Abu Dhabi National Oil Company (ADNOC) today announced the successful issuance and closing of a US\$3 billion bond, one of the largest non-sovereign bond offerings in the history of the Middle East. The bond, issued by ADCOP, an entity 100% owned by the ADNOC Group, highlights the more proactive and flexible management of ADNOC's portfolio of assets and capital structure.

ADCOP owns an approximately 406 km pipeline that carries ADNOC Onshore's crude oil from a collection center in Abu Dhabi to the Fujairah oil export terminal, which provides access to international shipping routes. ADNOC Onshore is the leading onshore producer within the ADNOC Group.

The pipeline is a key asset for the UAE's oil industry and, coupled with the strategic location of Fujairah, allows for a significant proportion of the UAE's total crude oil production to be transported from Abu Dhabi directly to the Arabian Sea.

Commenting on the transaction, His Excellency Dr. Sultan Ahmed Al Jaber, UAE Minister of State and ADNOC Group CEO said: "The very attractive pricing and substantial international demand for this offering positively reflects the UAE's stable investment environment, as well as ADNOC's new and progressive approach to its long-term financing strategy.

"This transaction is a clear and tangible example of the steps we are taking at ADNOC to proactively manage our portfolio of assets and, in particular, unlock value from our sizeable infrastructure base, as we seek to drive and maximize value across our business. This bond represents an important, initial milestone in our efforts to fully optimize our capital structure in a smarter, more efficient and flexible manner. Importantly, this transaction enables ADNOC, for the first time, to access the international debt capital markets - thus opening an increased range of highly compelling and viable options for the long-term strategic financing of the ADNOC Group. In addition, it demonstrates the expansion of our partnership model and represents an opportunity for institutional and infrastructure investors to partner and invest alongside ADNOC in selected projects."

The pipeline has been operating since 2012, and in 2016 it had an average throughput of approximately 615 thousand barrels per day. The pipeline is designed to transport 1.5 million barrels per day of crude oil, with the ability to increase its capacity to 1.8 million barrels per day through the use of drag-reducing agents. The pipeline's throughput is

supported by the stable onshore crude oil production base of ADNOC Onshore, which has an oil concession with more than 37 years remaining to produce oil from 11 onshore oil fields in Abu Dhabi: Bu Hasa, Asab, Sahil, Shah, Bab, Al Dabb'iyah, Rumaitha, Shanayel, Huwaila, Qusahwira, Bida Al-Qemzan.

As announced on July 10, ADNOC is expanding its strategic partnership model and creating new investment opportunities across all areas of its value chain, as well as proactively managing its portfolio of assets and capital. This bond, issued at the ADNOC asset level, is part of this wider approach to unlock value and capital from within ADNOC's sizeable and diverse pool of infrastructure assets. ADNOC is also looking to create a broader energy infrastructure venture that may include the future bundling of assets such as other oil, gas or refined products pipelines and storage facilities.

The bond offering consists of two senior secured bond tranches: an US\$837 million, twelve year bullet bond tranche (Series A) and a US\$2,200 million, thirty year fully amortizing bond tranche (Series B). The bond issuance was executed on favorable commercial terms with annual coupons of 3.65% and 4.6% for the Series A and B respectively. The expected stable oil throughput from ADNOC Onshore allowed ADNOC to issue long dated paper and the dual tranche structure enabled the targeting of different pools of investor demand while matching ADCOP's cashflows. The offering was significantly oversubscribed, by more than three and a half times, exceeding US\$11 billion in orders, with strong demand from both international and regional accounts. The bond was rated AA by Fitch and AA by S&P, in line with the rating of Abu Dhabi sovereign bonds, highlighting the financial strength and stability of ADNOC.

The final geographic allocation for the twelve year tranche was 8% to Asian investors, 42% to European investors, 43% to US investors and 7% to investors from the MENA region. The final investor type allocation for the twelve year tranche was 8% to banks and private banks, 70% to fund managers and 22% to agencies, pensions, insurance and others. The final geographic allocation for the thirty year tranche was 10% to Asian

investors, 35% to European investors, 51% to US investors and 4% to investors from the MENA region. The final investor type allocation for the thirty year tranche was 6% to banks and private banks, 80% to fund managers and 14% to agencies, pensions, insurance and others.

Proceeds from the issuance will be used by ADNOC to support its ambitious future growth and investment plans.

First Abu Dhabi Bank, HSBC, JP Morgan and MUFG acted as Global Coordinators and Joint Bookrunners. BNP Paribas, Citigroup, Mizuho Securities, Société Générale and Standard Chartered Bank acted as Joint Lead Managers. Moelis & Company acted as financial adviser to ADNOC.

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About ADNOC

ADNOC is a major diversified group of energy and petrochemical companies. It produces around 3 million barrels of oil and 9.8 billion cubic feet of raw gas a day. Its integrated upstream, midstream and downstream activities are carried out by 16 specialist subsidiary and joint venture companies. To find out more visit www.adnoc.ae

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