

ADNOC and Cepsa Award First Ruwais Derivatives Park Contract as World-Scale LAB Facility Project Takes Critical Next Step

- **FEED contract awarded to Spain's Técnicas Reunidas as ADNOC accelerates delivery of downstream strategy**
- **Plant will produce 225,000 metric tons per annum (MTPA) of Normal Paraffins (NP) and 150,000 MTPA of LAB**

The Abu Dhabi National Oil Company (ADNOC), and its project partner Cepsa, have announced the awarding of a key contract, as both companies move forward with plans to develop a world-scale Linear Alkyl Benzene (LAB) plant in the Ruwais Derivatives Park. The LAB project is the first of the derivative units to be advanced under ADNOC's US \$45 billion (AED 165 billion) Ruwais downstream investment program.

The Front End Engineering Design (FEED) contract, a key milestone in the development of the LAB project, has been awarded to Técnicas Reunidas, a Spanish based engineering company which has been active in the UAE since 2006.

The LAB project will be jointly operated by ADNOC and Cepsa. When it comes on stream, the plant will produce 225,000 metric tons per annum of Normal Paraffins (NP) and 150,000 of LAB.

ADNOC Refining & Petrochemicals Business Unit Manager Abdulla Ateya Al Messabi said: "The LAB plant will be a key component of ADNOC's plans to develop a new, large-scale, manufacturing ecosystem in Ruwais through the creation of the Ruwais Derivatives Park. The park will act as a prime catalyst for the next stage of ADNOC's petrochemical transformation by inviting partners to invest and produce new products and solutions from the growing range of feedstocks that are available in Ruwais. This will enable the creation of numerous new petrochemical activities and value chains.

"The awarding of this contract, after a rigorous and robust tendering process, is yet another strong signal that ADNOC is accelerating its 2030 growth strategy. It is also a prime example of ADNOC's determination to support the diversification of Abu Dhabi's industrial base, as we pivot downstream to meet growing demand for petrochemicals, both in the region and beyond into Asia."

LAB is the most common raw material in the manufacture of biodegradable household and industrial detergents. It is also used in house cleaners, and soap bars. The main

feedstock for the LAB complex will be straight-run Kerosene and other streams that are by products from ADNOC Refining's operations in Ruwais.

Miguel Paradinas, Deputy CEO of Técnicas Reunidas said: "This award supports our strategy to deliver value added services in projects involving technologies in line with Técnicas Reunidas know how and experience. It also reinforces our relationship with two priority our clients, ADNOC and Cepsa, and consolidates our position in a strategic country where we have been working continuously for the past ten years."

The Indian Ocean Basin LAB market is expected to grow at a CAGR of 5% between 2016 and 2030, according to market research, conducted by Colin A. Houston & Associates Inc., a leading global market research and advisory company. The Asia-Pacific region is the largest and highest growing market for LAB, with high demand from the industrial and household cleaning products sector. With a strong logistics base and diverse transportation links, Abu Dhabi's strategic location allows easy access to serve these growth markets.

José Manuel Martínez, Cepsa's Head of Chemicals said: "The award of the FEED contract is a significant milestone in Cepsa's relationship with ADNOC, with whom we are working on a number of projects in the upstream, downstream and petrochemical sectors. As an Abu Dhabi owned company, we are keen to support ADNOC's downstream expansion plans, in Ruwais, and the diversification of the UAE economy. At the same time, Abu Dhabi's strategic location will enable us to strengthen our presence in the key markets for LAB products, in the Middle East, India and South-East Asia."

Alongside the Ruwais Derivatives Park, ADNOC also plans to develop the Ruwais Conversion Park that will spur new business creation even further down the petrochemical value chain and act as a catalyst for the creation of focused industry clusters, that can not only supply products and solutions, using the derivatives and other facilities available, but also leverage the proximity of Ruwais's interconnected ecosystem to drive expertise, innovation and entrepreneurship.

Across both parks, in addition to supplying feedstocks, ADNOC will make available developed land, infrastructure, utilities and shared services at attractive rates to partners. It will become a destination of choice for domestic and international partners who wish to set up their businesses or manufacturing facilities in the UAE, one of the world's most stable, attractive and business-friendly investment destinations.

The LAB FEED contract is the third ADNOC contract to Técnicas Reunidas this year. In September, a consortium of Técnicas Reunidas and UAE based Target Engineering Construction was awarded an EPC Contract for the second phase of ADNOC LNG's Integrated Gas Development Expansion Project. And, in November, it secured an US



\$1.4 billion (AED 5.1 billion) Engineering, Procurement and Construction (EPC) contract to upgrade and expand ADNOC's Bu Hasa field, that will increase the field's crude oil production capacity to 650,000 barrels per day (bpd).

About ADNOC

ADNOC is 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. With 14 specialist subsidiary and joint venture companies, ADNOC is a primary catalyst for the UAE's growth and diversification. To find out more visit www.adnoc.ae.

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About Cepsa

Cepsa is a global energy company with integrated operations across the entire hydrocarbon value chain, manufactures raw materials for the chemicals industry from natural sources, and has a renewables business. Its sole shareholder is Mubadala Investment Company, one of the largest sovereign wealth funds in the world. The Company has over 85 years of experience and a team of close to 10,000 professionals, working with technical excellence and an ability to adapt. Cepsa operates across five continents through its Exploration and Production, Refining, Chemicals, Marketing, Gas & Power, and Trading business areas.

For more information go to www.cepsa.com.

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