



---

## UAE Increased Oil Production

1 message

---

Hagir Elawad <hagir@uaestrategies.com>  
Reply-To: Hagir Elawad <hagir@uaestrategies.com>

Mon, Oct 29, 2018 at 9:44 AM

Good morning Colleagues,

This month, the UAE's Abu Dhabi National Oil Company (ADNOC) announced its plans to increase oil production to just over 3 million barrels per day (bpd). This follows the pledge by the Organization of the Petroleum Exporting Countries (OPEC) to increase output in order help stabilize global oil markets by counterbalancing lost supply from Iran and Venezuela.

Also this month, ADNOC started manufacturing and exporting a new crude grade known as Umm Lulu. The new Umm Lulu crude grade is being pumped from the offshore fields Umm Lulu and SARB, operated by ADNOC offshore in partnership with foreign oil companies.

Please see the articles below that provide further details as well as a brief production comparison timeline below.

- From February 2018-August 2018, UAE crude oil production increased from 2.80 million barrels per day (bpd) to 2.97 million bpd.
- As of September 2018, the UAE expanded production to over 3 million bpd, up 30,000 bpd from August.
- ADNOC's production capacity target is 3.5 million bpd by the end of 2018.

~Hagir

---

### UAE's ADNOC starts producing new Umm Lulu crude oil stream

Received By NSD/FARA Registration Unit 10/29/2018 11:43:00 AM

DUBAI/SINGAPORE (Reuters) - Abu Dhabi National Oil Company (ADNOC) started producing and exporting a new crude grade known as Umm Lulu this month, a company spokesman said on Wednesday.

The new oil will help lift ADNOC's oil exports after the Organization of the Petroleum Exporting Countries (OPEC) and Russia pledged to increase output to stabilise global oil markets following disruptions in supplies from several producers, including Iran and Venezuela.

The new crude grade is a blend produced from its Umm Lulu and SARB fields, operated by ADNOC Offshore, with initial production of 50,000 barrels per day (bpd).

The fields are expected to contribute to ADNOC's production capacity target of 3.5 million bpd by the end of 2018, the spokesman said last month.

ADNOC has sold two 500,000-barrel cargoes of the crude loading in November to South Korea's second largest refiner GS Caltex and India's Reliance Industries Ltd at close to parity to the official selling price (OSP) for Das Blend, trade sources said.

GS Caltex could not be reached for immediate comment.

A Reliance executive said on Wednesday that he could not confirm if they bought the oil.

"We have had to look at alternatives, like we are taking Middle Eastern crudes and we are also taking some of U.S. grades," he said, after Reliance halted oil imports from Iran. Umm Lulu has an API gravity of 38.7 degrees and contains 0.7 percent sulphur.

---

## **UAE Boosts Production, Introduces New Crude Blend**

The Abu Dhabi National Oil Company (ADNOC), the producer of nearly all of the oil in the UAE, began producing and exporting a new crude grade, Umm Lulu, in October, an ADNOC spokesman told Reuters, in a move that will help raise the Middle Eastern producer's exports as OPEC is relaxing the production cuts to offset lost supply from Iran and Venezuela.

Received By NSD/FARA Registration Unit 10/29/2018 11:43:00 AM

Received By NSD/FARA Registration Unit 10/29/2018 11:43:00 AM

The new Umm Lulu crude grade is being pumped from the offshore fields Umm Lulu and SARB, operated by ADNOC offshore in partnership with foreign oil companies.

One of them, Austria's OMV, said that the initial capacity of the two fields is 50,000 bpd, which will increase to 129,000 bpd by the end of this year, and then to 215,000 bpd by 2023. OMV was awarded a 20-percent stake in the 40-year offshore concession in April this year for US\$1.5 billion.

According to trade sources who spoke to Reuters, ADNOC has already sold two cargoes of 500,000 barrels each of the Umm Lulu crude grade for November loading to the second biggest refiner in South Korea, GS Caltex, and to India's Reliance Industry.

Reliance has halted imports of oil from Iran, so it has to look for other options and is taking more crude from the Middle East and from the United States, an executive at Reliance told Reuters on Wednesday.

As of early September, the UAE already started ramping up production to 3 million bpd, thanks to the Umm Lulu and SARB fields.

ADNOC has a target to have production capacity of 3.5 million bpd by the end of this year.

According to OPEC's secondary sources, the UAE's oil production in September averaged 3.004 million bpd—up by 30,000 bpd from August.

Last month, OPEC's biggest producer Saudi Arabia also opened up the taps to add 108,000 bpd of production, lifting output to 10.512 million bpd, as the cartel and its key partner in the production cut deal, Russia, moved to offset losses in Iran and Venezuela.

Ms. Hagir H. Elawad  
Principal  
UAE Strategies  
[hagir@uaestrategies.com](mailto:hagir@uaestrategies.com)  
(202) 770-7872

These materials are being distributed by UAE Strategies on behalf of the Embassy of the United Arab Emirates in Washington DC. Additional information is on file with the US Department of Justice, Washington DC.

The information contained in this e-mail message is intended only for the personal and confidential use of the recipient(s) named above. If you have received this communication in error, please notify us immediately by e-mail, and delete the original message.

Received By NSD/FARA Registration Unit 10/29/2018 11:43:00 AM

10/29/2018

UAE Strategies Mail - UAE Increased Oil Production  
Received By NSD/FARA Registration Unit 10/29/2018 11:43:00 AM

Copyright © \*2018 \*UAE STRATEGIES  
All rights reserved.

**Our mailing address is:**  
4500 East West Highway  
Bethesda, MD 20814

Want to change how you receive these emails?  
You can [update your preferences](#) or [unsubscribe from this list](#).