



## **ADIPEC Opening Ceremony**

**Speech by: His Excellency Dr Sultan Ahmed Al Jaber,**

**UAE Minister of State and ADNOC Group CEO**

**November 12, 2018**

Your Highness Sheikh Hamed bin Zayed Al Nahyan, Chairman of the Crown Prince Court, Excellencies, Distinguished Guests, Ladies and Gentlemen.

It gives me great pleasure to welcome you to the Abu Dhabi International Petroleum Exhibition and Conference.

ADIPEC provides a global platform for oil and gas leaders to address the most pressing issues and engage on the most promising opportunities of our evolving energy landscape.

And this year, you will notice that we have expanded the horizons of ADIPEC both here in the opening ceremony and also across the overall conference program.

In short, ADIPEC will now set the agenda of the global energy conversation and place Abu Dhabi and the UAE firmly at its center.

Ladies and Gentlemen, we are at the cusp of a great leap forward in human progress.

Progress that is the result of 50 years of remarkable economic growth.

Consider for a moment that in 1970, 60 per cent of all the people on earth lived on less than two dollars a day.

And today 9 out of 10 have some form of disposable income and more than half the world's population is now in the middle class.

In essence today's global economy is NOT ONLY growing in the traditional centers.



Prosperity is spreading throughout the entire world.

These fundamentals will continue to drive the global economy and with it more demand for energy.

This energy will come from many sources.

But make no mistake hydrocarbons will continue to play an absolutely essential part of a diversified energy mix.

In fact, by 2040 despite some of the hype out there oil consumption will rise by at least an extra 10 million barrels per day.

Demand for natural gas will grow by 40 per cent.

And demand for higher value petrochemicals and polymers will experience the strongest demand of all, growing an additional 60 per cent.

This growth tells us one thing, and one thing only, we are at the forefront of a new age of opportunity for our industry.

Digital innovation is delivering unparalleled levels of progress, giving rise to an era we know today as the fourth industrial revolution.

This revolution is creating a paradigm shift in global growth and driving demand for our products.

To enable this massive step change in global development our industry must think differently, embrace disruption and step out of our comfort zone.

We at ADNOC are giving this mission a simple name - "Oil and Gas 4.0."

We recognize that to fulfill this mission we must expand our partnerships, apply the latest technology, leverage our assets and optimize our resources.



And over the last two and half years, we've been doing exactly that:

- We consolidated our businesses and unified our brand identity
- We entered the global capital markets for the first time
- We reduced our operating costs and intensified our performance achieving unparalleled financial results
- We launched the first ever IPO of an ADNOC business
- We opened-up our concessions to new strategic partners
- We competitively tendered new exploration blocks
- We embarked on a comprehensive digital transformation
- And most recently, we closed a strategic equity partnership between Baker Hughes and ADNOC Drilling

And this, ladies and gentlemen, is only the start of a new era for a progressive ADNOC:

Last week the Supreme Petroleum Council approved ADNOC's five-year capex program of over 132 billion US dollars.

Importantly, the SPC also approved plans to increase oil production capacity to 4 million barrels per day by 2020 reaching 5 million by 2030.

At the same time and for the first time we will access vast untapped volumes of our gas reserves.

This was made possible simply by thinking outside the box, leveraging technology and reframing our business model.



As a result we have finally unlocked the commercial formula that will enable the UAE to attain self-sufficiency and to transition into a net-exporter of natural gas.

As we set out to meet these ambitious goals we are taking steps never taken before.

Just yesterday we signed a historic concession agreement with Total marking the birth of unconventional gas in the UAE.

And throughout this week, and the weeks ahead, we will announce a series of major initiatives that will build on our history as a reliable supplier of energy.

Ladies and Gentlemen as global demand for higher value products strengthens we are moving forward with our 45 billion US dollar investment downstream.

We are enhancing our state-of-the-art facilities in Ruwais to build the single largest integrated refining and petrochemical complex in the world.

This expansion will enable a true plug and play ecosystem, an ecosystem where partners can invest and grow alongside ADNOC.

Distinguished delegates, at the core of “Oil and Gas 4.0” is a basic truth.

While advances in technology are impacting every industry, we must now focus on how it can advance our industry.

At ADNOC, we believe Artificial Intelligence, Big Data and Block-chain can enhance our operational efficiency, maximize our performance, drive our profitability and empower our people.

Predictive analytics will significantly reduce our operational costs.

Our state-of-the-art Panorama Digital Command Center will mine for, monitor and measure terabytes of information across our operations.



Yet we are still only scratching the surface of how technology can truly unlock our full potential.

Our ambition is to extend its power across our entire value chain from drilling platforms to trading platforms.

We are determined to make ADNOC the destination of choice for a highly skilled, digitally native workforce and a home for the best and the brightest of our young people by embedding innovation into every aspect of our business.

Ladies and Gentlemen, there was a time when our industry was seen as defining the cutting edge of all industries.

Now we must admit in some ways we are playing catchup.

We need to put ourselves back in the driving seat of innovation and bring the Oil and Gas Industry into the Fourth Industrial Age.

I have no doubt that by embracing “Oil and Gas 4.0”, we have the minds, the capability and the will to do exactly that.

Throughout the history of our industry, just when we think we have reached the limit of what we can achieve - a new breakthrough propels us forward.

This is a time to unleash our thinking, to reach beyond business as usual, push the boundaries of partnership and fast forward into a bright, progressive future.

Thank You.