



## BP Declares Interest in ADNOC Projects

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British Petroleum (BP) is considering investment into the new oil and petrochemicals projects of Abu Dhabi National Oil Company (ADNOC), according to the former company's UAE manager. BP already has a 10% stake in ADNOC LNG, which is the only producer of that type of gas in the country.

The news comes as ADNOC is reshuffling its corporate strategy in an effort to become completely self-sufficient in production and exportation of its products. To do so, it is conducting significant expansion of its petrochemical and oil refining capabilities at the industrial epicentre of Ruwais and is inviting investment from external actors, BP chief among them.

### Expanding operations

ADNOC has earmarked a reported \$45 million for the task of enhancing its existing facilities in Ruwais and is actively looking for partners to help it achieve that goal. The first ever licensing round for oil and gas blocks in the country was launched earlier this year, with a second round now open to tenders.

The five blocks up for grabs comprise two onshore and three offshore facilities over a total space of 34,000km<sup>2</sup>. There are licensing opportunities for both traditional and unconventional methods of oil and gas extraction, according to sources close to the deal. Companies have until the end of this month to submit their interest.

### BP keen to get involved

Although it has yet to formally submit a bid in the second round, BP's UAE manager said that his company was certainly looking into the idea. "In the last two years ADNOC LNG tried or changed their operating model to be more flexible to spot cargoes and that is a big shift," [explained Salem bin Ashoor](#).

"The change of concept of bringing more players into the downstream is significant. You can see the transition in ADNOC's mindset. We see the dynamics of the gas and we would like to be part of that solution," he went on. Alongside BP's 10% stake in the company, ADNOC LNG's shareholders include ADNOC themselves (70%), Mitsui & Co. (15%) from Japan and Total (5%) from France.

### LNG vs LPG



At present, ADNOC LNG are the sole producers of liquified natural gas (LNG) in the UAE. That's in contrast to liquified petroleum gas (LPG), which is produced by a number of Emirati rivals as well. The two gases [differ mostly in their means of production, storage and distribution](#), since LNG requires more technical equipment and processes than LPG.

Due to this fact, LNG is suitable for many developing countries around the world and historically, ADNOC LNG have sold their products solely to Japanese interests. However, they are currently looking to diversify their customer portfolio and become more self-sufficient in their operations. BP could provide the financial and technical assistance necessary to help them achieve those goals.