



Abu Dhabi Oil Discovery Estimated at 22 Billion Barrels

The Supreme Petroleum Council (SPC) of the UAE made headlines last month with the announcement of a significant discovery of previously unknown oil reserves in Abu Dhabi. According to an SPC announcement, the Emirati capital is home to an estimated 22 billion barrels of recoverable, non-conventional crude oil that the authorities did not previously know existed.

The SPC say the new cache could boost the UAE's conventional oil reserves by up to two billion barrels. With the latest figures from the Federal Competitiveness and Statistics Authority (FCSA) concluding that the country has 97.8 billion barrels of crude oil in reserve, this latest find could push it very near to the 100-billion-barrel threshold.

A landmark discovery

The UAE's proven crude oil reserves have gone from strength to strength over recent decades. In the early 1980s, the Emirates boasted just 4.2 million barrels. Compare that figure to last year, when the FCSA published its report affirming that the country was home to 97.8 billion barrels.

The vast majority of those reserves were already located in Abu Dhabi, with the nation's capital believed to be home to at least 92 billion barrels. Dubai has another four billion barrels, while Sharjah is reported to host 1.5 billion barrels. The remaining amount is spread among the other four emirates.

However, the recent discovery will add an expected two billion more barrels to that total, bringing the UAE within touching distance of 100 billion barrels overall. At present, it has the eighth largest oil reserves on any country on the planet and the fifth largest in the Middle East.

ADNOC investment increase approved

On the same day as the discovery of the new oil reserves was announced, the SPC also indicated that it would be upping its capital investment in the Abu Dhabi National Oil Company (ADNOC) to AED 448 billion (\$122 billion). The money is projected to be spent over the next five years and should inject an additional AED 160 billion (\$43 billion) into the local economy.



It's a piece of positive news in a year that has been characterised by the complications and economic concerns engendered by coronavirus. It's also especially gratifying, given that rival fossil fuel company Saudi Aramco (from Saudi Arabia) recently announced that it would [maintain high dividend pay-outs for its stakeholders](#), despite reporting significant losses overall.

ADNOC also has much to shout about. Despite the difficult market conditions brought about by the pandemic, the company was still capable of delivering an impressive AED 62 billion (\$16.8 billion) into the Emirati economy from foreign investors in 2020. That brings the company's total contributions to the national coffers through foreign direct investment (FDI) since 2016 up to AED 237 billion (\$64.5 billion). That strong track record, aligned with the recent discovery of even more crude oil reserves, underlines why the state is keen to increase its investment in ADNOC once again.