أدنـوك
ADNOC

ADNOC L&S Joint Venture Awards $1.9 billion in Contracts for Very Large Ethane Carriers and Very Large Ammonia Carriers

AW Shipping awards contracts to Jiangnan Shipyard to build up to 13 new vessels with delivery from 2025

Nine Very Large Ethane Carriers to be deployed on 20-year charter contracts, generating revenues of approximately $4 billion

New vessels to be among the world's largest ethane and ammonia carriers and run on energy-efficient dual fuel engines

Beijing, China / Abu Dhabi, UAE – July 23, 2024: ADNOC Logistics and Services plc (ADNOC L&S / the Company) (ADX symbol ADNOCLS / ISIN AEE01268A239), a global energy maritime logistics company, today announced that AW Shipping, its joint venture with Wanhua Chemical Group, has awarded shipbuilding contracts to Jiangnan Shipyard in China, priced at approximately $1.9 billion (AED7 billion) in total. The contract for the construction of nine Very Large Ethane Carriers (VLECs) is priced at approximately $1.4 billion (AED5.1 billion) and the contract for two Very Large Ammonia Carriers (VLACs) is priced at approximately $250 million (AED900 million), with the option for another two VLACs at the same price.

The new vessels will be among the world's largest ethane and ammonia carriers and run on energy-efficient dual fuel engines. The VLECs will be deployed on 20 years' time charter contracts, generating revenue of $4 billion (AED14.7 billion) through 180 years of aggregated contract coverage.

The contracts were signed in Beijing at a ceremony witnessed by His Excellency Dr. Sultan Ahmed Al Jaber, UAE Minister of Industry and Advanced Technology and ADNOC Managing Director and Group CEO; Liao Zengtai, Wanhua Chemical Group Chairman, Wu Xiande, Fuzhou Government Mayor; Kai Hu, CSTC President; Ou Lin, Jiangnan Shipyard Chairman; and Wen Gang, CSSC Chairman.

Captain Abdulkareem Al Masabi, Chairman of AW Shipping and CEO of ADNOC L&S, said: "This new order by AW Shipping reinforces ADNOC L&S' ongoing fleet expansion and will bolster our ability to transport lower-carbon energy sources and support the energy transition. Importantly, the vessels will generate substantial revenue streams for ADNOC L&S, underscoring our commitment to value-accretive strategic investments as we serve our customers."

Currently, there are more than 25 VLECs in operation with different shipping companies around the world. Upon receiving the nine new vessels, AW Shipping will own one of the world's largest fleets of VLECs.

Kou Guangwu, President & CEO of Wanhua Chemical Group, said: "We are extremely happy to place new VLECs and VLACs shipbuilding orders to Chinese Jiangnan Shipyard together with our strategic partner ADNOC L&S through our AW Shipping joint venture, which is a firm recognition of high-end Chinese equipment manufacturing capability and creates a solid foundation to further deepen the strategic cooperation between Wanhua and ADNOC L&S. These green and low-carbon ships will support Wanhua to reduce transportation carbon emissions and accelerate the decarbonization objectives and is a concrete commitment from Wanhua to better deal with the climate change challenges."

The AW Shipping joint venture was established in 2020 to grow ADNOC L&S' global operations and strengthen the industrial relationship between the UAE and China. This latest order aligns with ADNOC L&S' vision to deploy more than $5 billion (AED18.4 billion) in value accretive investments following the Company's ADX listing in June 2023.

Lin Ou, Chairman of Jiangnan Shipyard, said: "As a global leading shipbuilding company specialized in the full series of gas carriers, Jiangnan is delighted to strengthen further cooperation and our relationship with ADNOC L&S. These newly ordered VLECs and VLACs are future-oriented green vessels developed by Jiangnan. We are committed to delivering these vessels on time and with good quality, to better help ADNOC L&S achieve its transformational growth strategy and decarbonization objectives."

The VLECs have a carrying capacity of 99,000 cubic meters each and can be powered by ethane or conventional fuels. They are scheduled for delivery between 2025-2027. The VLACs have a carrying capacity of 93,000 cubic meters each for ammonia and can be powered by liquefied petroleum gas (LPG) or conventional fuels. They are scheduled for delivery between 2026-2028.

# # #

About ADNOC Logistics & Services plc
ADNOC Logistics & Services plc, listed on the Abu Dhabi Securities Exchange (ADX symbol ADNOCLS / ISIN “AEE01268A239”) is a global energy maritime logistics company based in Abu Dhabi. Through its three business units; Integrated Logistics, Shipping and Marine Services, ADNOC L&S delivers energy products to more than 100 customers in over 50 countries.

To find out more, visit: www.adnocls.ae
For media enquiries, please contact: media@adnocls.ae
For investor enquiries, please contact: IR@adnocls.ae