ADNOC Logistics & Services Plc Expands LNG Carrier Fleet with up to $2.5 Billion Strategic Investment

Shipbuilding contracts signed with Korean shipyards Samsung Heavy Industries and Hanwha Ocean for construction of 8 to 10 Liquified Natural Gas (LNG) Carriers

LNG Carriers will be delivered from 2028 and time chartered for 20 years to ADNOC Group subsidiaries

ADNOC L&S has now committed over 50% of its $5 billion+ medium-term strategic investment target one year post record-breaking IPO

Abu Dhabi, UAE – July 01, 2024: ADNOC Logistics and Services plc (ADNOC L&S / Company) (ADX symbol ADNOCLS / ISIN AEE01268A239), a global energy maritime logistics company, announced today that it has awarded South Korean shipyards Samsung Heavy Industries and Hanwha Ocean up to $2.5 billion (AED 9.2 billion) shipbuilding contracts for the construction of new Liquified Natural Gas (LNG) Carriers as part of the Company's transformational growth strategy and fleet expansion plans.

Each of Samsung Heavy Industries and Hanwha Ocean were awarded shipbuilding contracts for the construction of four firm vessels with the option for an additional one. The vessels are expected to be delivered beginning 2028 and will be time chartered to ADNOC Group subsidiaries for a period of 20 years to support the growing export volumes of natural gas as an in-demand critical lower-carbon transitional fuel. The new vessels will increase the Company's fleet of LNG Carriers from 14 to at least 22 vessels.

Captain Abdulkareem Al Masabi, CEO of ADNOC L&S, said: “The shipbuilding contracts with Samsung Heavy Industries and Hanwha Ocean are major steps forward in our transformational growth strategy, demonstrating ADNOC L&S’ steadfast commitment to value-accretive strategic investments. We have now committed to over 50% of our medium-term strategic investment target one year post our record-breaking IPO in 2023.”

At the time of its public listing last year, ADNOC L&S highlighted its transformational growth strategy, targeting investments of $4-5 billion (AED14.7-18.4 billion) over the medium term to capitalize on high-probability, value-accretive business opportunities. Following its strong Q1 financial performance and continuing growth in activities across all business segments, the Company revised its growth guidance upwards whereby it now intends to invest in excess of $5 billion (AED18.4 billion) in energy-related maritime logistics over the medium term to meet growing demand in and beyond the UAE.

The realization of value-accretive growth opportunities is incremental to the recently announced $1.4 billion (AED5 billion) acquisition of Navig8.

Since the IPO, the Company committed $3.9 billion (AED14.3 billion) to organic growth capex, predominantly against long-term contracts. Moreover, the Company recently announced an agreement to acquire Navig8 TopCo Holdings Inc. for $1.4 billion (AED5 billion), offering incremental realization of value-accretive growth opportunities. ADNOC L&S continues to advance its transformational growth strategy to expand its fleet size, customer base, and geographical footprint.

“These LNG Carriers will employ cutting edge technology to increase fuel efficiencies and carbon intensity reductions in line with the Company’s sustainability goals and will open up new opportunities for customer and geographical expansion while unlocking increased value for our shareholders. ADNOC L&S is proud to partner with these two world-class shipyards, strengthening our industrial relationship with South Korea,” **said Captain Al Masabi.**

The LNG Carriers will each have a capacity of 174,000 cubic meters and feature MEGA and XDF2.2 engines, which will produce the best fuel economy and lowest emissions in the Company’s global fleet. The vessels will feature cutting-edge sustainability technologies including a cargo conditioning system designed to reduce LNG cargo evaporation while in transit, systems to direct cargo boil off gasses to the engines that will increase fuel efficiency and decrease fuel consumption, a real-time emissions monitoring system, and pioneering cargo containment systems to reduce methane emissions.

These features will make the carriers among the most fuel-efficient vessels in the world, strengthening ADNOC L&S' position as a leader in maritime decarbonization and ADNOC Group's 2045 Net Zero target.

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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 serves more than 100 customers in over 50 countries.

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