Daily Energy Markets BULLETIN

Consultancy Intelligence Publishing

TUESDAY /// APRIL 12th

TOP 10 DAILY NEWS DIGEST

1. OIL OPENS HIGHER AS OPEC WARNS OF TIGHT SUPPLY AND RUSSIAN SANCTIONS LOOM
2. WHITE HOUSE: EXPECTS INFLATION TO BE 'EXTRAORDINARILY ELEVATED' IN NEW REPORT
3. USA REFINERY RUN RATE VERY HIGH FOR APRIL
4. BIDEN TO MODI: BUYING MORE RUSSIAN OIL IS NOT IN INDIA'S INTEREST
5. MACRON HAS SLIM LEAD IN FRENCH PRESIDENTIAL RACE
6. RUSSIA HAS DEFAULTED ON ITS FOREIGN DEBT, SAYS S&P
7. HUNGARY SAYS ROUBLES-FOR-RUSSIAN GAS PLAN BREACHES NO EU SANCTIONS
8. GLOBAL GAS CRISIS IS THE WORLD'S FIRST AND IT WILL GET MUCH WORSE
9. US TELLS CYPRUS: WORK WITH TURKEY OVER ENERGY OR LEFT ALONE
10. INDUSTRY, POLITICAL NARRATIVES CLASH ON OIL GROWTH

Series Supported By:

RECOMMENDED REPORTS

- HUNGARY KEEPS OPPOSING BAN ON RUSSIAN OIL AND GAS AT EU MEETINGS
- RUSSIA'S ECONOMY ADJUSTED TO SANCTIONS. THAT DOESN'T MEAN MOSCOW IS WINNING FINANCIAL WAR
- SHANGHAI'S DISRUPTIVE IMPACT ON THE SUMMER SUPPLY CHAIN
- UKRAINE WAR: RUSSIA WARNS SWEDEN AND FINLAND AGAINST NATO MEMBERSHIP
- PENTAGON MONITORING REPORTS OF POSSIBLE RUSSIAN CHEMICAL WEAPONS ATTACK IN MARIUPOL
- BRENT FALLS BELOW $100, ERASING UKRAINE WAR GAINS
- SOCIAL MEDIA VIDEOS SHOW 'RIOTS' OVER FOOD AS CHINESE CITY SHANGHAI ENTERS THIRD WEEK LOCKDOWN
- VANDA INSIGHTS: SPR RELEASES HOSE DOWN CRUDE'S RALLY, BRING DEMAND WOBBLES INTO VIEW

Daily Energy Markets PODCAST

Consultancy Intelligence Publishing


Mehmet Öğütçü
Group CEO
Global Resources Partnership
Chairman, London Energy


Vandana Hari
Founder & CEO
Vanda Insights


Albert Stromquist
Principal
Lanstrom Advisors

CLICK HERE TO LISTEN

Daily Energy Markets TOP 3 TAKEAWAYS

Consultancy Intelligence Publishing

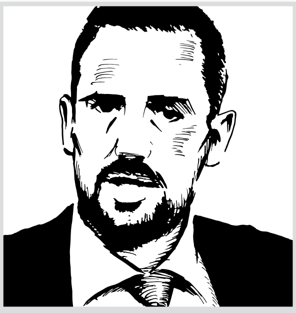
TOP 3

TUESDAY /// APRIL 12th

TAKEAWAYS

CLICK HERE TO VIEW

COMMENTARY


BY MATT STANLEY
DIRECTOR
STAR FUELS

Brent is trading this morning at $101.28 up 2.80 and WTi is trading up 2.90 at $97.19. You know, a friend said to me yesterday "$100 Brent is soooo yesterday". Then this morning same friend said, "Sub $100 crude is soooo yesterday". Yesterday Brent hit a low of $97.57, this from a high earlier in the day of $103.30 before settling at $98.48. It seems like $100 is going to be where we pivot for a while, I think but, if I'm honest, I'm not sure exactly why. I offered a few opinions yesterday as to why oil prices have come off the highs of $140 we saw only a few weeks ago. But when I look at the headlines, I can't help but feel that prices should be higher. Is the market now that frightened of COVID again? It does seem that China's zero-COVID policy is here to stay, thus reigniting demand concerns owing to the pandemic but, in my view, the concerns around supply outweigh sporadic, yet large scale granted, lockdowns in China. Let's look for a moment at what has happened not just in terms of flat price but in the structure of the Brent futures market, because it really is, quite extraordinary. On the 7th March the spread between June and July Brent futures was trading 4.95 backward. So, it was 4.95 higher in June for a barrel of Greta's favourite liquid than it was in July. This was down to the fact that the market was pricing (pricing in a panicked way I hasten to add) that the world was facing a supply crisis owing to the fact Russian oil would be persona non grata. Where is that spread today? It's worth 15 cents. 15 cents! I wouldn't be surprised, and this is purely down to current sentiment, if front Brent structure turns negative this week, or contango as we oil geeks like to phrase it. That is a remarkable turnaround but, as I said above, I would argue that the issues around Russian oil being accepted in the market, are worse than where they were on the 7th March and Mr Barkindo agrees with me - "We could potentially see the loss of more than 7 million barrels per day (bpd) of Russian oil and other liquids exports, resulting from current and future sanctions or other voluntary actions,"…" "Considering the current demand outlook, it would be nearly impossible to replace a loss in volumes of this magnitude.". Now, this is all speculative of course, but if the leading headline is concerns about demand dropping off then is it by 7mn bpd as Barky says above? I think not. I think the market has come off as the global SPR releases have eased concerns but again, that is only the equivalent of 3mn bpd. "Only". I would also hazard a guess that once the EU can collaborate on an agreement on what to do regarding importing Russian energy there are traders in the background saying "0.15 for the front brent structure? Cheap! Mineeeeee". Keep your eye on that front spread and, of course, on the headlines.

Series Supported By:

Vitol · S&P Global Commodity Insights · FOIZ · CC Energy Development · SNOC

Daily Energy Markets BULLETIN

Consultancy Intelligence Publishing

MONDAY /// APRIL 12th

Daily Energy Markets
VIEWS YOU CAN USE

Consultancy Intelligence Publishing

Neil Atkinson
Former Head of Oil Markets Division
International Energy Agency

Are demand destruction bears overcoming supply shortage bulls?
There are fears of demand destruction because of high prices for consumers and because of the lockdowns in China. On the other hand, we're still to some extent floundering around, trying to understand what the supply implications are of the Russia Ukraine war. The shortfalls of three million bd of Russian oil product and exports predicted a month ago by the IEA, were thought to be a little chunky in the time that's passed since. With the Easter holidays coming up at the end of this week, we should get some data next week on mobility, which will give us a good idea as to what the impact of higher consumer prices are.

How is the Chinese economy coping with this inflation?
It's clearly hitting the Chinese people in the pocket, with a high proportion of income going to housing costs and with no social security net. The inflation issue is very, very serious for all economies and the direction of commodities prices is essentially upwards. That has enormous implications for consumers, for energy, for the energy transition and for economic stability. And the ability of policy makers to tackle it, from a political point of view, seems to be pretty limited.

What keeps oil prices propped up with China energy demand dropping?
On the supply side, we do need to make the distinction between announcing the availability of 240 million barrels of US SPR to be released to the market, and how much of that will in effect be taken. There are also questions about the quality of that oil and operational application. Still, over time, there will be some release and that will contribute towards offsetting whatever reduction we may see from Russia. In the meantime, the demand picture is in a sort of holding pattern. I suspect that we may see prices ease further back this week, but we'll wait and see what the agencies tell us on the latest assessments of demand and the likely impact, as we move into April and May, on actual levels of Russian exports. That's going to be the key number. ■

**Paraphrased Comments*

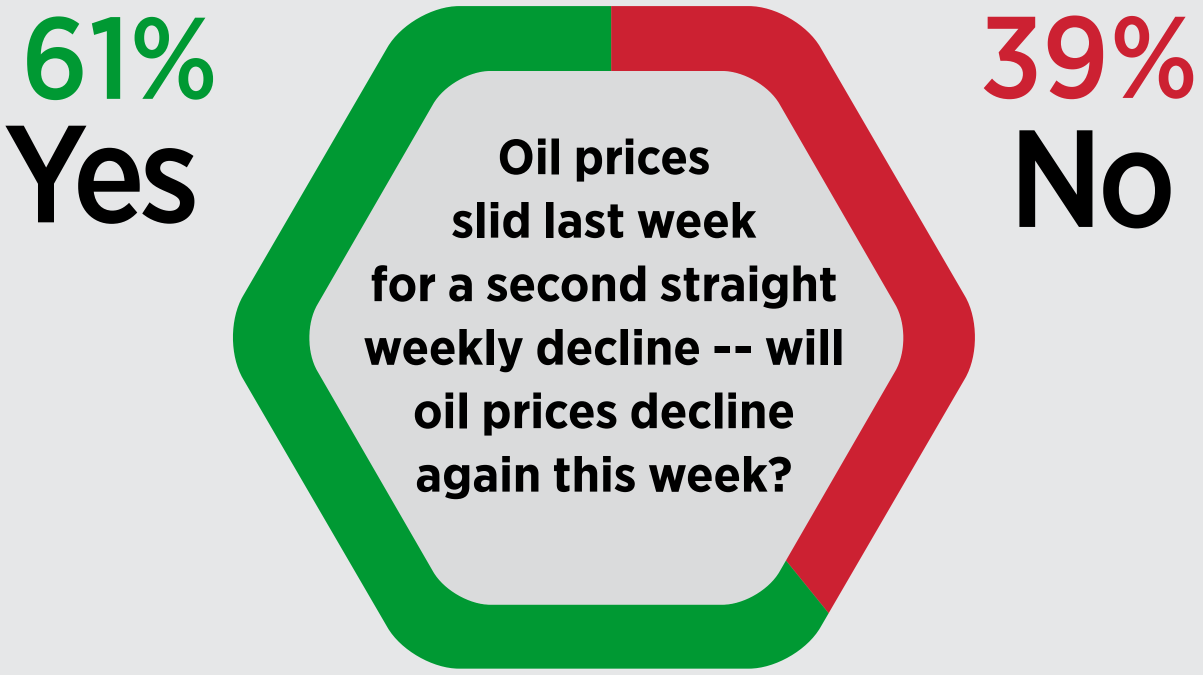
Daily Energy Markets
BULLETIN

TUESDAY /// APRIL 12th

Consultancy Intelligence Publishing

Daily Energy Markets INDUSTRY SURVEY

Consultancy Intelligence Publishing



Source: GI Research April 2022

JOIN US TOMORROW

Daily Energy Markets LIVE VIDEO PODCAST

Consultancy Intelligence Publishing

WEDNESDAY /// APRIL 13th /// 10:30AM (UAE)

SWITZERLAND

Rustin Edwards
Head, Fuel Oil Procurement
Euronav NV

UAE

Robin Mills
Chief Executive Officer
Qamar Energy

UK

Jamie Ingram
Senior Editor
Middle East Economic Survey

UAE

Frank Kane
GUEST HOST

Zoom ID: 843 8266 1096
Password: 12345

Series Supported By:

Vitol | S&P Global Commodity Insights | FOIZ Fujairah Oil Industry Zone | CC Energy Development | SNOC

ADNOC Classification: Public

أدنوك
ADNOC

Media Release:

ADNOC L&S Expands its Shipping Fleet With Acquisition of Two New-Build LNG Vessels to Meet Growing Global Demand for LNG

Region's largest shipping and integrated logistics company continues to deliver on its growth strategy, a critical enabler of ADNOC's broader expansion plans

The new state-of-the-art vessels are scheduled for delivery in 2025

Significantly larger than the company's current LNG fleet, new vessels deploy cutting edge technology to drive greater efficiency and reduce emissions

Abu Dhabi, UAE – April 12 2022: ADNOC Logistics & Services (ADNOC L&S), the shipping and maritime logistics arm of the Abu Dhabi National Oil Company (ADNOC) and the region's largest shipping and integrated logistics company, announced today the signing of a Ship Building Contract for the construction of two 175,000 cubic metre LNG vessels that will join its fleet in 2025. The purchase, part of the company's broader growth and expansion strategy, further reinforces its position as the UAE's leading shipping and maritime operator. The new LNG vessels will be crucial enablers of ADNOC's 2030 growth strategy, supporting its existing LNG business as well as its ambitions to grow its liquefied natural gas (LNG) production capacity. They will be built at the Jiangnan Shipyard in China.

In 2020, ADNOC L&S started a strategic growth program to expand and diversify its shipping fleet and offer a broader service to its customers, while supporting and enabling

ص ب 898، أبوظبي، الإمارات العربية المتحدة
PO Box 898, Abu Dhabi, UAE
adnoc.ae
شركة بترول أبوظبي الوطنية
Abu Dhabi National Oil Company

ADNOC Classification: Public

the growth of ADNOC's upstream production capacity and the expansion of its downstream and petrochemical operations. ADNOC L&S has the largest and most diversified fleet of vessels within the Middle East and its trading fleet transports crude oil, refined products, dry bulk, containerized cargo, LPG, and LNG to global markets through its owned and chartered vessels.

Captain Abdulkareem Al Masabi, CEO of ADNOC L&S, said: "The expansion and modernization of our LNG fleet will be a key enabler of ADNOC L&S' growth strategy. This acquisition helps future-proof our fleet with more sustainable, modern vessels capable of serving our customers for the next 25 years and deepens our partnership with Jiangnan Shipyard."

Mr. Lin Ou, Chairman of Jiangnan Shipyard, said: "We are extremely proud to continue our relationship with ADNOC L&S. This order for large LNG carriers is another milestone in the strategic portfolio of Jiangnan shipyard. We are committed to delivering these vessels on time, with good quality and ensuring the highest possible customer satisfaction.

The new-build LNG vessels, each with a capacity of 175,000m3, are significantly larger than the current ADNOC L&S fleet of LNG vessels which have a capacity of 137,000m3 each. Each of the new build vessels will carry enough LNG to power 45,000 homes for a year. The acquisition of larger, more energy efficient vessels will allow ADNOC L&S to meet growing customer demand while improving the environmental footprint of its fleet.

The new vessels' engine technology will slash emissions (CO_2, NOX and SOX) and in combination with the innovative Air Lubrication System further reduce fuel consumption by at least 10%. These vessels will also feature partial reliquefication systems which allow for a further reduction of emissions and conserve the cargo.

ADNOC Classification: Public

Jiangnan Shipyard was previously commisioned by ADNOC L&S in 2020 to build five Very Large Gas Carriers for AW Shipping, ANDOC L&S' Joint Venture company with China's Wanhua Chemical Group.

Over the past 24 months, ADNOC L&S acquired 16 deep sea vessels, including eight Very Large Crude Carriers in 2021, adding 16 million barrels of capacity, six product tankers, which expanded the product tanker fleet capacity to over 1 million metric tonnes, in addition to five Very Large Gas Carriers for AW Shipping.

###

About ADNOC
ADNOC is a leading diversified energy and petrochemicals group wholly owned by the Emirate of Abu Dhabi. ADNOC's objective is to maximize the value of the Emirate's vast hydrocarbon reserves through responsible and sustainable exploration and production to support the United Arab Emirates' economic growth and diversification. To find out more, visit: www.adnoc.ae

About ADNOC Logistics & Services
As the maritime logistics arm of ADNOC Group, ADNOC L&S supports the entire oil and gas supply chain in the UAE through three major business segments: shipping, integrated logistics and marine services. It provides safe, reliable and cost-efficient maritime and logistics solutions to ADNOC Group companies and more than 100 global customers.

Daily Energy Markets BULLETIN

Consultancy Intelligence Publishing

MONDAY /// APRIL 12th

GI PUBLISHING 2022

Consultancy Intelligence Publishing

ANNUAL EVENTS

FORUMS

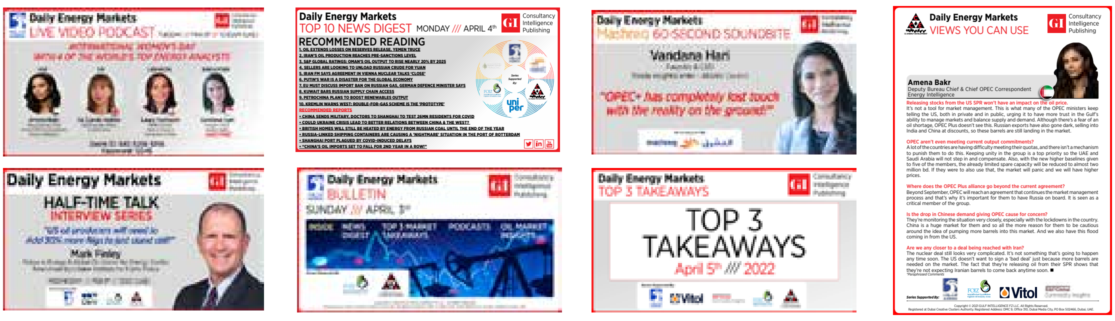
WORKSHOPS

PUBLICATIONS

WEEKLY NEWSLETTERS

QUARTERLY REPORTS

LIVE GO - DAILY ENERGY MARKETS - ONLINE



LIVE GO - ENERGY TRANSITION DIALOGUES - ONLINE

ANNUAL AWARDS

Series Supported By:

Copyright © 2022 GULF INTELLIGENCE FZ LLC. All Rights Reserved.
Registered at Dubai Creative Clusters Authority. Registered Address: DMC 9, Office 310, Dubai Media City, PO Box 502466, Dubai, UAE.