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CHALLENGES OF ENERGY MARKETS IN 2026: BETWEEN SUPPLY ABUNDANCE AND SLOWED TRANSITION

STATEMENT ISSUED BY THE 115TH MEETING OF THE COUNCIL OF MINISTERS OF THE ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC)

The Cover

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The Organization of Arab Petroleum Exporting Countries (OAPEC) was founded on the basis of the agreement signed in Beirut, Lebanon on 9 January 1968 between the governments of Kingdom of Saudi Arabia, the State of Kuwait and the (then) Kingdom of Libya. The agreement stipulates that the Organization shall be domiciled in the City of Kuwait.

The principal objective of the Organization is the cooperation of the members in various forms of economic activity in the petroleum industry, the determination of ways and means of safeguarding the legitimate interests of its member countries in this industry, individually and collectively, the unification of efforts to ensure the flow of petroleum to its markets on equitable and reasonable terms, and providing appropriate environment for investment in the petroleum industry in member countries.

In 1970 the United Arab Emirates, the State of Qatar, the Kingdom of Bahrain and the Republic of Algeria joined the Organization, followed by the Syrian Arab Republic and the Republic of Iraq in 1972, Arab Republic of Egypt in 1973, then the Republic of Tunisia in 1982 (its membership was suspended in 1986). Any Arab country which derives a significant share of its national income from petroleum is eligible for membership in OAPEC upon the approval of three-quarters of the member countries, including all three founding members.

- **OAPEC-Joint Ventures:**

OAPEC has sponsored the creation of four companies: The Arab Maritime Petroleum Transport Company (AMPTC), established in 1972 with headquarters in Kuwait City, the Arab Shipbuilding and Repair Yard Company (ASRY) established in 1973 with headquarters in Bahrain, the Arab Petroleum Investments Corporation (The Arab Energy Fund) established in 1974 with headquarters in Khobar, Saudi Arabia, the Arab Petroleum Services Company (APSC) established in 1975 with headquarters in Tripoli, Libya.

OAPEC'S ORGANS

The Organization carries out its activities through its four organs:

- **Ministerial Council:** The Ministerial Council is the supreme authority of the Organization, responsible for drawing up its general policy.
- **Executive Bureau:** The Executive Bureau is composed of one representative from each of the member countries, drawing recommendations and suggestions to the Council, reviewing the Organization's draft annual budget and submitting it to the Council, it also adopts the regulations applicable to the staff of the General Secretariat. The resolutions of the Executive Bureau are issued by the majority of two- thirds of all members.
- **General Secretariat:** The General Secretariat of OAPEC plans, administers, and executes the Organization's activities in accordance with the objectives stated in the agreement and directives of the Ministerial Council. The General Secretariat is headed by the Secretary General. The Secretary General is appointed by resolution of the Ministerial Council for a tenor of three years renewable for similar period(s). The Secretary General is the official spokesman and legal representative of the Organization and is accountable to the Council.
  The Secretary General directs the Secretariat and supervises all aspects of its activities, and is responsible for the tasks and duties as directed by the Ministerial Council. The Secretary General and all personnel of the Secretariat carry out their duties in full independence and in the common interests of the Organization member countries. The Secretary General and the Assistant Secretaries General possess in the territories of the Organization members all diplomatic immunities and privileges.
- **Judicial Tribunal:** The protocol of the Judicial Tribunal was signed in Kuwait on 9 May 1978 and came into effect on 20 April 1980. The Tribunal is competent to consider all disputes related to the interpretation and application of OAPEC's establishment agreement, as well as disputes arising between two or more member countries concerning petroleum operations.

CHALLENGES OF ENERGY MARKETS IN 2026: BETWEEN SUPPLY ABUNDANCE AND SLOWED TRANSITION

By: Eng. Jamal Essa Al Loughani
OAPEC Secretary General

As 2026 begins, the global energy sector stands at a critical crossroads, where abundant supplies intersect with a slowdown in the transition toward renewable energy sources. Geopolitical tensions and trade policies create a volatile reality that continually reshapes the market landscape, while the "energy trilemma"—security of supply, sustainability, and affordability—remains the greatest challenge for policymakers. Oil and gas continue to play a pivotal role in ensuring supply stability, but new challenges are emerging, such as rising energy demand from data centers, slowing investments in renewables, and uncertainties that are expected to further complicate the outlook for producers and investors.

Forecasts for 2026 are more optimistic, with global oil demand expected to grow by about 1.4 million barrels per day, mainly in the Americas and with a slight increase in Europe, while Asia-Pacific continues to show relative weakness compared to the record improvement in 2025. These regional disparities reflect differences in economic recovery speed, changing consumption patterns, and the spread of electric vehicles and LNG-powered transport, which are redistributing demand across products and sectors.

On the supply side, oil output from countries not participating in the "Declaration of Cooperation" (i.e., outside production cut agreements) is projected to grow by about 600,000 barrels per day, driven by new offshore projects in Latin America and the Gulf of Mexico, increased U.S. natural gas liquids production, expanding shale oil in Argentina, and oil sands growth in Canada. Latin America leads with about two-thirds of this growth, followed by Canada and the U.S., reinforcing a structural supply surplus through the end of 2026 and making it unlikely for prices to exceed $70 per barrel.

China is expected to significantly increase its strategic oil reserves in 2026, responding to heightened supply security concerns as imports account for nearly 70% of its crude oil needs. Despite declining gasoline and diesel demand due to the rapid adoption of electric vehicles and LNG trucks, total oil consumption remains stable, supported by rising demand for jet fuel and petrochemical products, indicating an internal shift in China's demand mix.

Global refinery utilization rates are expected to rise despite weak product demand growth in 2026, supporting wider profit margins. However, this increase is uneven: Europe faces the greatest diesel shortage risks, while gasoline supplies on the U.S. East Coast may be pressured due to reliance on European imports. Thus, logistical bottlenecks and cross-dependencies will remain sensitive factors in the balance of refined products.

For LNG, supply is expected to increase in 2026, led by North American projects, with Asia continuing to absorb most of these gains. However, market fundamentals require vigilance, especially in the U.S., which has imposed tariffs on imports to capture a larger share of future LNG trade. Ongoing sanctions on Russia due to the Ukraine crisis and a sudden drop in Chinese LNG demand add further uncertainty to price trajectories, long-term contracts, and shipment destinations.

A notable rise in energy demand from data centers is anticipated in the U.S., which alone accounts for over 40% of expected growth, alongside Canada, Brazil, and Mexico. Global data center electricity demand is projected to increase by 17% through 2026, then by 14% annually until 2030, reaching over 2,200 terawatt-hours—equivalent to India's total electricity consumption. This development pressures energy systems in terms of supply reliability, grid capacity, and resilience investments, calling for hybrid solutions that include renewables, storage, smart load management, and improved data center efficiency.

In summary, 2026 will extend the phase of "cautious transition," with some demand drivers slowing while supply remains relatively abundant. Geopolitical factors will continue to reshape balances. Despite progress in the energy transition, oil and gas retain their central role in supply stability, while technology-driven and data center-related energy needs grow. Slowing investments pose additional challenges for producers and investors, making management of the "energy trilemma" a top priority—requiring flexible policy tools and disciplined business strategies to achieve sustainability, affordability, and supply security simultaneously.

KUWAIT SUMMIT ON ENVIRONMENTAL AND SOCIAL GOVERNANCE 2025

OAPEC Secretary General, His Excellency Engineer Jamal Al-Loghani, stressed the importance of adopting a fair and balanced approach to the global energy mix, which takes into account environmental protection and at the same time ensures the stability of energy markets and the security of global supplies.

This came during his speech at the opening session of the Kuwait Environmental and Social Governance Summit 2025, which was held in the State of Kuwait from 1 to 2 December 2025, where he pointed out that oil and gas will remain an essential part of the global energy mix for decades to come.

He stressed the importance of sustainable investment in the oil and gas sector, and making use of emissions reduction technologies, especially carbon capture and storage technologies, in addition to adopting circular carbon economy practices, which contribute to achieving global sustainability goals.

The Secretary General also praised the efforts of the GCC countries in the field of renewable energy and strategic environmental projects, stressing that oil and gas producing countries are a key part of the solution in facing the challenges of climate change.

OAPEC PARTICIPATES IN THE MIDDLE EAST ENERGY ROUNDTABLE

His Excellency Engineer Jamal Al-Loghani, Secretary General of the Organization of Arab Petroleum Exporting Countries (OAPEC), participated on Monday, 8 December 2025, in the “Middle East Energy Roundtable: The role of energy transition and economic diversification in the State of Kuwait in achieving the goal of reaching net zero emissions by 2060.”

In his speech during the opening session, Al-Loghani pointed out that the concept of energy transition is variable and there is no single formula for countries, explaining that the world will need a balanced mix of conventional and renewable energy sources together to keep pace with the expected increase in global demand of 24%. The Secretary General stressed that renewable energy sources complement existing energy sources and do not replace them in any way. He also stressed the use of the term “energy addition” instead of “energy transitions”. The focus should also be on reducing emissions and enhancing energy security and making it affordable, considering that fossil fuels will remain an important part of the solution if combined with clean technologies to control emissions, in support of achieving carbon neutrality.

The Secretary General commended the State of Kuwait’s efforts in promoting the path of sustainable energy, including investing in digital technologies to raise the efficiency of oil and gas operations, updating renewable energy targets, and working to raise its share from 15% to 30% by 2030, and 50% by 2050. He also noted the importance of the Al-Zour refinery project in producing higher quality and cleaner petroleum products.

In his closing remarks, the Secretary General affirmed that ambitious national initiatives will position Kuwait as a key partner in the global transition to clean energy, while maintaining its pivotal role in supplying markets with energy responsibly and sustainably. Al-Loghani expressed his gratitude to the Kuwait Foundation for the Advancement of Sciences for organizing this important event.

STATEMENT ISSUED BY THE 115TH MEETING OF THE COUNCIL OF MINISTERS OF THE ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC)

The Council of Ministers of the Organization of Arab Petroleum Exporting Countries (OAPEC) held its 115th meeting in the State of Kuwait on 23 Jumada al-Thani 1447 AH, corresponding to 14 December 2025, chaired by His Excellency Mr. Tariq Sulaiman Al-Roumi, Minister of Oil in the State of Kuwait, and in the presence of Their Highnesses and Excellencies the Ministers of the Organization.

During its opening session, the Council emphasized the importance of strengthening cooperation among member countries in support of the organization's development and restructuring project. The Council also commended the progress made in the development project, the support of member countries, and the efforts of the General Secretariat in implementing the project's requirements in

coordination with relevant bodies. After approving the agenda, the esteemed Council discussed its items and reached a number of decisions and recommendations, as follows:

Adoption of the organization's draft budget for 2026

- After reviewing the latest developments related to the project to develop and restructure the Organization of Arab Petroleum Exporting Countries (OAPEC), the Council of Ministers of the Organization commended the progress made in the project and the support provided by the member countries. The Council tasked the General Secretariat with following up on the efforts and completing the implementation of the approved strategic initiatives within the development project, and with the member countries on completing the ratification procedures for the amendments to the agreement in preparation for launching the new identity of the organization under the name the "Arab Energy Organization".
- The Council commended the efforts of the member countries regarding the follow-up on the activation of the Middle East Green Initiative and the adoption of the concept of a circular carbon economy, and tasked the General Secretariat with continuing technical coordination between the member countries and the working group in the Kingdom of Saudi Arabia, to enhance cooperation and support the implementation of relevant regional priorities.

- The esteemed Council of Ministers announced the winners of the 2024 OAPEC Scientific Research Award in the field of "New and Renewable Energies," following a review of the final judging results for the submitted research. The first prize is valued at 10,000 Kuwaiti dinars, and the second prize at 7,000 Kuwaiti dinars.
- With regard to the fifty-fourth annual report, which includes the activities of the organization's joint ventures, the Council of Ministers praised the financial results and expansions achieved by the Arab companies affiliated with the organization, and directed the General Secretariat to continue holding coordination meetings, strengthening the relationship with the companies, and providing them with the necessary support.

- The esteemed Council also commended the efforts of the General Secretariat in preparing technical and economic studies, monitoring global petroleum conditions, environmental and climate change issues, organizing and participating in events, and recommended continuing efforts in this regard.
- Regarding the term of service of the Secretary General, the Cabinet decided to appoint Mr. Khalid Al-Otaibi as Secretary General of the Organization of Arab Petroleum Exporting Countries for a period of three years, effective from the first of March 2026.
- Their Highnesses and Excellencies the Ministers of Energy and Petroleum congratulated the State of Libya on the occasion of its assumption of the presidency of the next session of the organization's Council of Ministers and the Executive Bureau, for a period of one year starting from 1 January 2026.
- The Chairman of the Council of Ministers of the Organization, on his own behalf and on behalf of Their Highnesses and Excellencies the Ministers and Heads of Delegations, sent a cable of thanks and appreciation to His Highness the Emir of the State of Kuwait, Sheikh Mishal Al-Ahmad Al-Jaber Al-Sabah, the Crown Prince His Highness Sheikh

Sabah Al-Khaled Al-Hamad Al-Sabah, the Prime Minister, His Highness Sheikh Ahmed Al-Abdullah Al-Ahmed Al-Sabah, of the State of Kuwait, expressing his deepest gratitude and appreciation for the warm welcome and hospitality extended to Their Highnesses, Excellencies the Ministers and Heads of Delegations, and for the State of Kuwait's embrace of the OAPEC organization, and its continued support of its progress.

State of Kuwait: 23 Jumada al-Akhirah 1447 AH, corresponding to 14 December 2025 AD.


دولة ليبيا
دولة الكويت
دولة قطر


دولة الكويت

ENERGY TRANSITION VS. ENERGY ADDITION: CHOOSING THE RIGHT TERM FOR TODAY'S GLOBAL ENERGY LANDSCAPE

Abdul Fattah Dandi

Director of the Economic Department and Supervisor of Media and Library Department

As the world faces the challenge of providing sustainable and reliable energy for all, the language we use to describe this journey becomes more important than ever. The global dialogue on energy is evolving, and the energy landscape is undergoing profound transformation. The terminology we use to describe this change is crucial. The terms "Energy Transition" and "Energy Addition" have become central in discussions among policymakers, industry leaders, and researchers. Choosing the right term is not just a linguistic matter—it shapes strategies, investments, and expectations for the future. Each term reflects different priorities and

realities, and understanding their meanings and contexts is essential for clear communication and effective strategy.

"Energy Transition" is the most widely used and accepted term in industry plans, national strategies, and academic circles. This term refers to the comprehensive shift from traditional energy systems based on fossil fuels(1) to sustainable, low-carbon, and renewable energy sources. The transition is not just about technology; it encompasses policies, investment, and innovation, aiming for long-term sustainability and decarbonization. The term reflects a global strategic commitment to reducing emissions and integrating renewable energy, while recognizing that each country's path will differ according to its local realities. It is an inclusive term, covering the need for technological innovation, diversification of the energy mix, and flexibility to accommodate different regional realities.

In contrast, some experts use the term "Energy Addition" to highlight the reality in many developing regions, where the challenge is not to replace existing energy sources, but to add new and clean sources to meet rapidly growing demand for all sources of energy. This approach is especially important for countries facing energy poverty and rapid population growth. Energy addition emphasizes the importance of expanding access and reliability by adding new sources rather than immediately replacing traditional ones. Although this term reflects inclusivity and the urgent need to meet increasing demand, it is less established in official policies and global discourse.

Using both terms in their correct context is important. The term "energy transition" refers to a comprehensive strategic shift toward sustainability and decarbonization. In contrast, the use of the term "energy addition" is useful in nuanced regional discussions, especially when addressing the realities of developing economies where expanding and diversifying the energy mix is a priority.

In summary, while each term has its place, "Energy Transition" remains the expression of the comprehensive path toward a sustainable energy future, while "Energy Addition" represents the more precise approach when discussing the expansion of energy access for all.

(1) The term "fossil fuel" is often used inaccurately when describing oil. Oil is rarely used directly as a fuel; it is refined into many products, only some of which are fuels. Its formation process also differs from coal, and the term originally referred to extraction methods rather than chemical nature. This ambiguity creates misunderstandings about oil's origin and role. Moreover, linking "fossil fuels" to emissions and climate change drives governments to restrict their use, sometimes framing hydrocarbons negatively and affecting investments in producing and exporting countries.

**Views expressed in the article belong solely to the author, and not necessarily to the organization.*

BAHRAINI WOMEN DRIVE PROGRESS ACROSS VARIOUS SECTORS, BAHRAINI OIL MINISTER SAYS

HE Dr. Mohammed bin Mubarak Bin Dainah, Minister of Oil and Environment and Special Envoy for Climate Affairs of the Kingdom of Bahrain, highlighted the continuous support and attention Bahraini women receive from His Majesty King Hamad bin Isa Al Khalifa, noting that empowering women is a cornerstone of Bahrain's comprehensive development. He commended government initiatives led by His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince and Prime Minister, that strengthen women's participation in national development.

Dr. Bin Dainah commended Her Royal Highness Princess Sabeeka bint Ibrahim Al Khalifa, Consort of HM the King and President of the Supreme Council for Women, for launching initiatives that expand women's opportunities, enhance their skills, and enable leadership roles across sectors. He noted this year's Bahraini Women's Day theme, "Bahraini Women: Distinction, Creativity, Innovation," reflects women's achievements and their role in advancing the oil and environment sectors through technical, administrative, and leadership contributions.

QATARENERGY SIGNS LONG-TERM HELIUM SUPPLY AGREEMENT WITH UNIPER

QatarEnergy has signed a long-term sales and purchase agreement (SPA) for up to 15 years with Uniper Global Commodities SE (Uniper) for the supply of 70 million cubic feet per annum of helium from its facilities in Ras Laffan, starting in September 2025.

This agreement marks QatarEnergy's first direct relationship with Uniper, who has a strong history in providing bulk wholesale helium to customers around the world.

His Excellency Mr. Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs of the State of Qatar, the President and CEO of QatarEnergy, welcomed the signing of the agreement and said: "We are pleased to welcome Uniper into our growing portfolio of trusted off-takers, with a proven track record in the helium industry."

His Excellency Minister Al-Kaabi added: "QatarEnergy looks forward to work with Uniper on supporting the expansive needs of new industries dependent on reliable helium from trusted sources like Qatar."

Helium plays a pivotal role in a wide range of advanced technologies and essential industrial applications, including magnetic resonance imaging (MRI) scanners, semiconductors, fiber optics, space exploration, deep sea diving, specialized welding, and other specialized applications.

UAE PRESIDENT CHAIRS ADNOC BOARD OF DIRECTORS MEETING AT HABSHAN COMPLEX

UAE President His Highness Sheikh Mohamed bin Zayed Al Nahyan has presided over the annual meeting of the ADNOC Board of Directors at the Habshan complex in Abu Dhabi, a strategic hub for the company's onshore operations which includes one of the world's largest gas processing facilities.

The meeting was held in the operations control room operated by ADNOC Gas, which supplies 60 percent of the UAE's natural gas requirements to support the energy and industrial sectors.

During the meeting, ADNOC's five-year business plan and capital expenditure (CAPEX) of US$150 billion (AED551billion) for 2026-2030 was approved by the Board to maintain the company's current operations and drive smart growth as it continues to help meet growing global energy demand.

His Highness recognised ADNOC's success in delivering on its domestic and international growth strategy while strengthening its resilience in a fast-evolving energy landscape. He called on ADNOC to scale its impact beyond performance and convert success into strategic advantage to reinforce the UAE's standing as a technology-driven energy powerhouse.

The Board welcomed ADNOC's achievement in increasing the UAE's conventional reserves base from 113 billion stock tank barrels (stb) of oil to 120 billion stb and from 290 trillion standard cubic feet (tscf) of natural gas to 297 tscf, reinforcing the country's position as the custodian of the world's sixth-largest oil reserves and the seventh-largest gas reserves.

ADNOC has also made new oil and gas discoveries totaling more than 1.2 billion barrels of oil equivalent (boe). The discoveries were enabled by the deployment of industry-leading technologies including the world's largest three-dimensional (3D) seismic survey and the application of artificial intelligence (AI)-powered data interpretation that has unlocked previously inaccessible structures and formations.

The Board approved the establishment of ADNOC Ghasha, a new operating company for the Ghasha Concession which includes the Hail, Ghasha, Dalma, SARB, and Nasr fields. The concession is set to

MEETING WAS HELD IN THE OPERATIONS CONTROL ROOM AT THE HABSHAN COMPLEX, OPERATED BY ADNOC GAS WHICH SUPPLIES 60% OF THE UAE'S NATURAL GAS REQUIREMENTS TO SUPPORT THE ENERGY AND INDUSTRIAL SECTORS

HIS HIGHNESS CALLED ON ADNOC TO SCALE ITS IMPACT BEYOND PERFORMANCE AND CONVERT SUCCESS INTO STRATEGIC ADVANTAGE TO REINFORCE THE UAE'S STANDING AS A TECHNOLOGY-DRIVEN ENERGY POWERHOUSE

RESERVES INCREASE BY 7 BILLION STB TO 120 BILLION STB OF OIL AND BY 7 TRILLION SCF TO 297 TRILLION SCF OF GAS

produce 1.8 billion scf of gas and 150,000 barrels per day of oil and condensates. Construction of the Hail and Ghasha mega project, a key development within the Ghasha concession, is now progressing at pace.

The Board also reviewed progress in unlocking Abu Dhabi's unconventional resources to support UAE gas self-sufficiency and meet growing global demand for gas. The Board acknowledged ADNOC's success in attracting new international partners to unconventional exploration concessions, bringing global expertise to accelerate development. Abu Dhabi's unconventional recoverable resources are estimated at 160 tscf of gas and 22 billion stb of oil. His Highness underlined ADNOC's continued role as a catalyst for the UAE's growth and diversification. He recognised the company for creating new economic and industrial opportunities for the private sector through its In-Country Value (ICV) programme and for its support of the 'Make it in the Emirates' initiative, the national programme to drive industrial growth and diversification.

This year, ADNOC's ICV programme has driven US$17.7 billion (AED65 billion) back into the UAE economy. These achievements bring the total value driven back into the economy to US$83.7 billion (AED307 billion) since the program was launched in 2018, with a total of 23,000 UAE Nationals employed in the private sector through the programme since its inception in coordination with partner entities, including the NAFIS programme.

Building on these achievements, the Board endorsed ADNOC's target to drive US$60 billion (AED220 billion) into the UAE economy over the next five years through the ICV programme. The Board also noted ADNOC's progress in boosting local manufacturing of critical industrial products in its supply chain. To date, the company has signed offtake agreements for locally manufactured products worth US$21.8 billion (AED80 billion) as it delivers on its target to locally manufacture US$24.5 billion (AED90 billion) worth of products in its procurement pipeline by 2030.

On international growth, the Board recognised XRG, ADNOC's international energy investment company, for increasing its enterprise value from over US$80 billion (AED290 billion) to US$151 billion (AED554 billion), following its launch in November 2024. This transformative growth has positioned Abu Dhabi as one of the largest and fastest-growing international energy investors. It has been enabled by the company's disciplined long-term investment strategy.

The Board endorsed the launch of ADNOC's Productivity Index, a state-of-the-art measurement and performance diagnostic tool designed to further empower employees and enhance their efficiency at their jobs. The index provides real-time insights to help teams work smarter, collaborate more effectively, and focus on high-value activities that drive performance and value creation.

The Board highlighted the importance of being a technology-driven energy leader, and recognised

BOARD APPROVES CAPEX OF $150 BILLION (AED551BILLION) FOR 2026-2030 TO MAINTAIN ADNOC'S CURRENT OPERATIONS AND DRIVE SMART GROWTH

NEW OPERATING COMPANY FOR GHASHA CONCESSION APPROVED; CONCESSION SET TO PRODUCE 1.8 BSCFD OF GAS

ALL TA'ZIZ CHEMICAL ECOSYSTEM PHASE 1 PROJECTS UNDERWAY AND WILL BE ONE OF THE LARGEST INTEGRATED CHEMICAL PLATFORMS IN THE GULF REGION

ADNOC's continued success in deploying AI, advanced technologies, robotics and autonomous operations across its full value chain as it strives to become AI native, and the world's most AI-enabled energy company. The meeting was conducted with the support of MEERAi, ADNOC's innovative boardroom AI tool which has been deployed across 10 ADNOC Group companies. The bilingual tool is designed to enhance boardroom decision-making and empower executives to make quicker, data-driven decisions.

The Board was also updated on ADNOC's initiatives to develop its people, including succession planning, and to support the Emirati National Identity Strategy launched by the UAE Government to reinforce Emirati identity across all sectors. In alignment with the initiative, ADNOC is implementing programmes that promote national identity within its corporate culture and enable economic and social development.

The Board acknowledged the progress of the TA'ZIZ Phase 1 chemicals ecosystem in Al Ruwais Industrial City, Al Dhafra region, with all key final investment decisions (FID) now taken. The ecosystem is set to produce 4.7 million tonnes per annum (mtpa) of industrial chemicals and will be one of the largest integrated chemical platforms in the Gulf region which, together with ADNOC's other chemicals projects, will expand chemicals production capacity to 11 mtpa by 2028.

Ahead of the meeting, His Highness was briefed on strategic growth and value creation projects during a tour of the Habshan complex where he met with talented Emirati employees playing key roles at the facility. His Highness acknowledged their efforts and thanked ADNOC employees across the Group for their hard work, dedication, and vital role in enabling the UAE's continued success. His Highness emphasised that the UAE's people are its greatest asset and reaffirmed the Leadership's commitment to prioritising their development and wellbeing.

Attending the meeting were His Highness Sheikh Mansour bin Zayed Al Nahyan, Vice President, Deputy Prime Minister, and Chairman of the Presidential Court; H.H. Sheikh Khaled bin Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Chairman of the Abu Dhabi Executive Council; H.H. Sheikh Hamdan bin Zayed Al Nahyan, Ruler's Representative in Al Dhafra Region; H.H. Sheikh Hazza bin Zayed Al Nahyan, Ruler's Representative in Al Ain Region; Suhail Mohamed Al Mazrouei, Minister of Energy and Infrastructure; Dr. Sultan Ahmed Al Jaber, Minister of Industry and Advanced Technology and ADNOC Managing Director and Group CEO; Dr. Ahmed Mubarak Al Mazrouei, Chairman of the President's Office for Strategic Affairs and Chairman of the Abu Dhabi Executive Office; Ahmed Al Sayegh, Minister of Health and Prevention; Jassem Al Zaabi, Member of the Executive Council and Chairman of the Department of Finance; Dr. Abdulla Al Jarwan, Chairman of the Abu Dhabi Department of Energy; and Khaldoon Khalifa Al Mubarak, Chairman of the Executive Affairs Authority and Managing Director and Group CEO of Mubadala; along with a number of sheikhs and senior officials.

Dr. Al Jaber said, "With the steadfast support of President His Highness Sheikh Mohamed bin Zayed Al Nahyan and the guidance of our Board of Directors, ADNOC continues to responsibly provide energy to meet growing global demand while maximising value for our shareholders. Our success this year in navigating a complex energy landscape and accelerating domestic and international growth is a testament to the dedication of all my colleagues at ADNOC and our focus on leveraging advanced technologies and AI to future-proof our business. We will continue to transform how we create value at speed and scale, driving a new era of intelligence-powered performance, operating at the intersection of AI and energy, to deliver growth for the UAE."

Habshan is central to powering the UAE's industrial growth, providing a reliable supply of natural gas and feedstock to key industries. It supports various industries including aluminium and steel production, cement manufacturing, and petrochemical facilities, helping strengthen the nation's position as a global leader in sustainable, high-value manufacturing.

ADNOC DRILLING
PARTNERS WITH MB PETROLEUM SERVICES IN THEIR GCC LAND DRILLING AND OFS BUSINESS

Agreement reflects ADNOC Drilling's commitment to strategic, disciplined, value-driven expansion ADNOC Drilling Company PJSC ("ADNOC Drilling" or the "Company") (ADX symbol: ADNOCDRILL / ISIN: AEA007301012) announced recently that it has entered into definitive agreement to acquire 80% of MB Petroleum Services (MBPS), one of the leading drilling and oilfield services (OFS) providers in the region with operations in Oman, Kuwait, Saudi Arabia and Bahrain. This transaction marks its second acquisition in the region, subject to regulatory approvals.

This milestone deal is expected to significantly accelerate ADNOC Drilling's regional expansion strategy, adding scale and capability and strengthening presence in four key Gulf economies.

Abdulla Ateya Al Messabi, ADNOC Drilling CEO, said: "This is a defining moment in ADNOC Drilling's journey. The transaction represents a strategic leap that is expected to amplify our capabilities, accelerate our regional momentum and reinforce our position as a key energy services provider in the region. Upon completion, this partnership not only will strengthen our regional footprint but also position us to deliver enhanced value to our clients and shareholders in a rapidly evolving energy landscape."

Business Model Strength and Resilience ADNOC Drilling's robust business model, built on operational excellence, integrated services and a diversified fleet, enables the Company to deliver consistent performance and adapt to evolving market dynamics. Upon completion and subject to regulatory approvals, this acquisition is expected to further strengthen ADNOC Drilling's operational and financial resilience, positioning the company to navigate market cycles and deliver reliable results for clients and shareholders.

ADNOC Drilling remains committed to rigorous capital discipline, ensuring every investment is value-accretive and aligned with its robust financial framework. The transaction exemplifies the Company's focus on prudent capital allocation and sustainable returns. This value-accretive transaction reflects ADNOC Drilling's disciplined approach to growth, with the transaction expected to generate attractive returns. The enterprise value of the transaction is $204 million (AED 749 million), and

ADNOC DRILLING TO ACQUIRE AN 80% STAKE IN MB PETROLEUM SERVICES (MBPS), MARKING THE SECOND ACCRETIVE ACQUISITION AS IT ACCELERATES REGIONAL EXPANSION

TRANSACTION EXPECTED TO BE EARNINGS, CASHFLOW AND RETURNS ACCRETIVE UPON COMPLETION

PARTNERSHIP EXPECTED TO PROVIDE STABLE, PROMISING REGIONAL GROWTH THROUGH 21 RIGS AS WELL AS OFS CONTRACTS WITH OMAN, KUWAIT, SAUDI AND BAHRAIN NOCS

the portfolio consists of 21 drilling and workover rigs , production service units, complemented by pre-qualifications, subsidiaries and established presence across four key Gulf geographies.

As demand for energy services surges across the region, ADNOC Drilling is strategically positioned to capture growth, deliver high-performance solutions, and unlock shareholder value. The transaction is expected to close in 1H 2026, subject to customary conditions, including the receipt of applicable regulatory approvals.

ADNOC EXTENDS PARTNERSHIP FOR THE FORMULA 1 ETIHAD AIRWAYS ABU DHABI GRAND PRIX

ADNOC announced an extended multi-year partnership with Ethara to sponsor the Formula 1® Etihad Airways Abu Dhabi Grand Prix. As an Official Founding Partner since 2019, ADNOC will introduce The Race Within, its new F1 campaign that highlights the UAE's spirit of performance, ambition and national pride. The campaign brings forward the discipline, focus and teamwork that define both ADNOC and Formula 1, reflecting the shared drive that powers the UAE's progress.

Through its sponsorship, ADNOC will participate in the overall race weekend with new activations, educational programs and community outreach designed to inspire and unite motorsports fans. The partnership strengthens ADNOC's continued efforts to empower communities, promote wellbeing and support some of the country's biggest sporting events.

Omar Al Suwaidi, Director, The Executive Office, ADNOC, said: "We are delighted to extend our partnership with the Abu Dhabi Grand Prix, an iconic event that exemplifies the energy and ambition of the UAE. Through this partnership, ADNOC will create new experiences for fans that bring people together, inspire future generations and empower communities."

During the race weekend, ADNOC will introduce dedicated fan experiences in the main F1 Fan Zone to bring visitors closer to the spirit and performance of Formula 1. This will include the Pace Lab, which will challenge fans to test their speed, agility and reaction time through a series of performance-driven activities. From reaction light walls to timed sprints, visitors can measure their results, compete with friends and experience the focus and precision that define the world of racing.

ADNOC will also introduce racegoers to its newly refreshed Oasis by ADNOC convenience brand where fans can experience the premium 'On-the-Gourmet' concept and enjoy the UAE's largest locally grown specialty coffee chain.

Gavin Dickinson, Chief Commercial Officer at Ethara, said: "Since 2019, ADNOC has powered not just our race, but our future – reaching nearly 100,000 UAE students through Yas in Schools. This

RENEWED PARTNERSHIP WITH ETHARA STRENGTHENS ADNOC'S ROLE IN POWERING THE UAE'S MOST ICONIC MOTORSPORTS RACE

ADNOC, AN OFFICIAL FOUNDING PARTNER SINCE 2019, WILL BRING NEW FAN EXPERIENCES AND YOUTH PROGRAMS TO ENHANCE SPORTING WEEKEND AS PART OF THE RACE WITHIN CAMPAIGN

renewed partnership allows us to deliver elevated fan experiences while building the next generation of UAE talent and cementing Abu Dhabi's position as a global sports destination."

ADNOC's partnership with Ethara also supports youth development through the ADNOC Yas in Schools program. The initiative engages students with hands-on, project-based learning in science, technology, engineering and mathematics (STEM), challenging them to create their own F1-inspired racing brand and model car for a national competition.

To date, ADNOC has supported more than 95,000 students and 1,500 schools across the UAE, delivering over 1.5 million STEM education. This year, students from across the country took part in the Formula Ethara GP Challenge, with the winning team awarded the opportunity to attend the race and experience the season finale at Yas Marina Circuit with ADNOC.

EXXONMOBIL, ARAMCO AND SAMREF
SIGN VENTURE FRAMEWORK AGREEMENT FOR POTENTIAL SAMREF REFINERY UPGRADE AND NEW PETROCHEMICAL COMPLEX

DHAHRAN, December 08, 2025-- ExxonMobil, Aramco and Samref have signed a Venture Framework Agreement (VFA) to evaluate a significant upgrade of the Samref refinery, in Yanbu, and an expansion of the facility into an integrated petrochemical complex.

The companies will explore capital investments to upgrade and diversify production, including high-quality distillates that result in lower emissions and high-performance chemicals, as well as opportunities to improve the refinery's and reduce emissions from operations through an integrated emissions-reduction strategy.

Mohammed Y. Al Qahtani, Aramco Downstream President, said: "This next phase of Samref marks a step in our long-term strategic collaboration with ExxonMobil. Designed to increase the conversion of crude oil and petroleum liquids into high-value chemicals, this project reinforces our commitment to advancing Downstream value creation and our liquids-to-chemicals strategy. It will also position Samref as a key driver in the growth of the Kingdom's petrochemical sector."

Jack Williams, Exxon Mobil Corporation Senior Vice President, said: "We value our partnership with Aramco and our long history in Saudi Arabia. We look forward to evaluating this project, which aligns with our strategy to focus on investments that allow us to grow high-value products that meet society's evolving energy needs and contribute to a lower-emission future."

The companies will commence a preliminary front-end engineering and design phase for the proposed project, which would aim to maximize operational advantages, enhance Samref's competitiveness and help to meet growing demand for high-quality petrochemical products in the Kingdom. Plans are subject to market conditions, regulatory approvals and final investment decisions by Aramco and ExxonMobil.

Samref is an equally owned joint venture between Aramco and Mobil Yanbu Refining Company Inc., a wholly owned subsidiary of Exxon Mobil Corporation. The refinery currently has the capacity to process more than 400,000 barrels of crude oil per day, producing a diverse range of energy products including propane, automotive diesel oil, marine heavy fuel oil, and sulphur.

ARAMCO AND PASQAL MAKE HISTORY WITH SAUDI ARABIA'S FIRST QUANTUM COMPUTER

COMPANIES ANNOUNCE FIRST QUANTUM COMPUTER IN THE MIDDLE EAST DEDICATED TO INDUSTRIAL APPLICATIONS

Aramco, one of the world's leading integrated energy and chemicals companies, in partnership with Pasqal, a global leader in neutral-atom quantum computing, have achieved a major breakthrough for the Middle East's technology landscape with the successful deployment of Saudi Arabia's first quantum computer — and the region's first quantum computer dedicated to industrial applications.

The deployment of Pasqal's quantum computer powered by neutral-atom technology at Aramco's data center, in Dhahran, marks a pivotal step in building regional expertise and accelerating the development of quantum applications across the energy, materials, and industrial sectors in the Kingdom of Saudi Arabia and the broader Middle East.

It aligns with Aramco's strategy to leverage advanced digital technologies to enhance operational efficiency, accelerate innovation and create long-term value. It also reflects Pasqal's global mission to deliver practical, industry-ready quantum solutions to strategic sectors worldwide.

Ahmad O. Al-Khowaiter, Aramco EVP of Technology & Innovation, said: "Aramco is an established technology leader, which continues to innovate through the development and deployment of advanced digital solutions that have tangible benefits. We are deploying AI and other technologies at scale to further enhance our operations, maximize efficiency and unlock value across our business. Our partnership with Pasqal is a natural progression and we are thrilled to pioneer next-generation quantum capabilities, harnessing significant opportunities

TECHNOLOGICAL MILESTONE WILL ACCELERATE DEVELOPMENT OF QUANTUM APPLICATIONS IN THE ENERGY, MATERIALS AND INDUSTRIAL SECTORS

presented by this new frontier in computing."

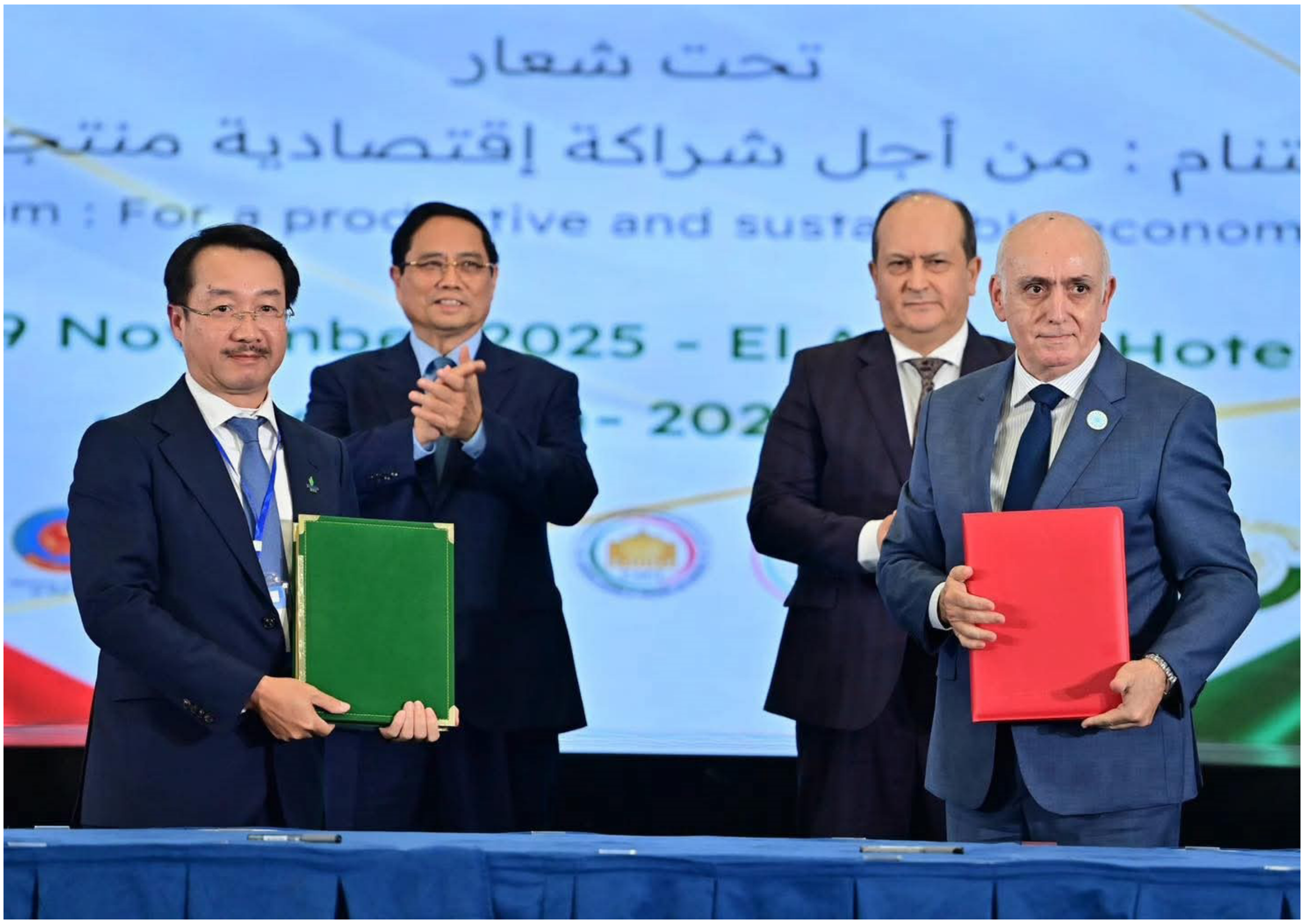
Loïc Henriet, Pasqal CEO, said: "This is a historic milestone with Aramco. The deployment of our most powerful quantum computer yet is a piece of history and a landmark for the Middle East's quantum future. Pasqal continues its expansion, delivering practical quantum power to industry."

Wa'ed Ventures, part of Aramco's venture capital program, initially invested in Pasqal in January 2023, making it one of the company's early strategic investors. Since then, Wa'ed Ventures has actively supported Pasqal's efforts to localize its technologies and operations in Saudi Arabia, enabling the company to build a strong presence in the Kingdom and contribute to the development of a regional quantum ecosystem.

Pasqal's system installed at Aramco's data center can control 200 qubits arranged in programmable two-dimensional arrays, offering a platform suitable for exploring advanced quantum algorithms and real-world use cases relevant to industrial operations.

As part of the partnership, Pasqal will also provide training programs and joint research opportunities for Saudi engineers and scientists, strengthening the Kingdom's quantum ecosystem and supporting the development of high-tech talent.

SONATRACH – PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD. (PVEP) SIGN A MEMORANDUM OF UNDERSTANDING



SONATRACH and the Vietnamese company Petrovietnam Exploration Production Corporation Ltd. (PVEP), signed, recently, a Memorandum of Understanding in view to promote bilateral cooperation in the oil and gas sector, on the basis of principles of equality, reciprocity and mutual benefits.

This Memorandum of Understanding was signed by the Chairman & Chief Executive Officer of SONATRACH, Mr. Nour Eddine DAOUDI and the Chairman & Chief Executive Officer of PVEP, Mr. Thien Bao NGUYEN, during a ceremony held in the presence of the Prime Minister Mr. Sifi GHRIEB and his Vietnamese counterpart Mr. Pham Minh CHÍNH.

This Memorandum of Understanding is particularly focused on cooperation in the framework of exploration, development and/ or production of hydrocarbons projects in Algeria and / or abroad, which encompasses downstream Activities (refinery) and technical services (engineering, petroleum operations.) as well as oil and LNG trading.

The Memorandum of Understanding deals also with the exchange of expertise in the matters of low carbon emissions solutions (CCS, CCUS, GHG..) and Research & Development. It also provides for knowledge sharing and improvement of professional skills.

As a reminder, Petrovietnam Exploration Production Corporation Ltd. (PVEP) has been a long-standing partner of SONATRACH. Subsidiary of the Vietnamese State-owned company Petrovietnam, it is specialized in hydrocarbon exploration and production and plays a paramount role in Vietnam's economy, it also operates internationally.

The signing of this Memorandum of Understanding constitutes a major step forward in the field of energy cooperation between Algeria and Vietnam and expresses SONATRACH's endeavour to expand its partnerships worldwide.

Petroleum Developments in The World Markets

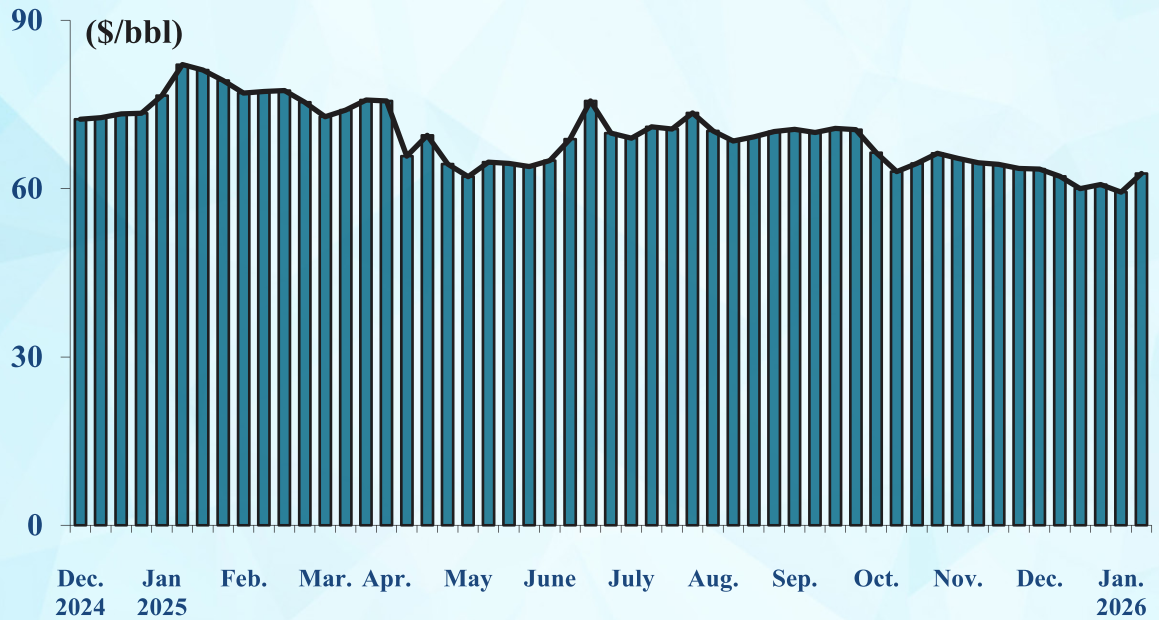
Petroleum Developments in the World Markets

First: World Oil Markets

1. Oil Prices

OPEC Reference Basket decreased in December 2025 by 4.3% or $2.8/bbl compared to the previous month of November, to reach $61.7/bbl. This is mainly attributed to selling pressure in the futures markets and its negative impact on market sentiment. However, this decline was limited by strong underlying market fundamentals – particularly in the Atlantic Basin, supported by rising demand from refineries, declining US crude oil inventories, and supply disruptions in the Caspian Sea region.

Weekly Average Spot Prices of OPEC Basket of Crudes, Dec. 2024 – Jan. 2026



Source: OPEC website.

2. Supply and Demand

- Estimates indicate that world oil demand increased in Q4 2025 by 1% compared with the previous quarter, to reach 106.6 million b/d. As demand in Non-OECD countries increased by 1.9% to reach about 60.1 million b/d, whereas demand in OECD countries decreased by 0.1% to reach about 46.5 million b/d.

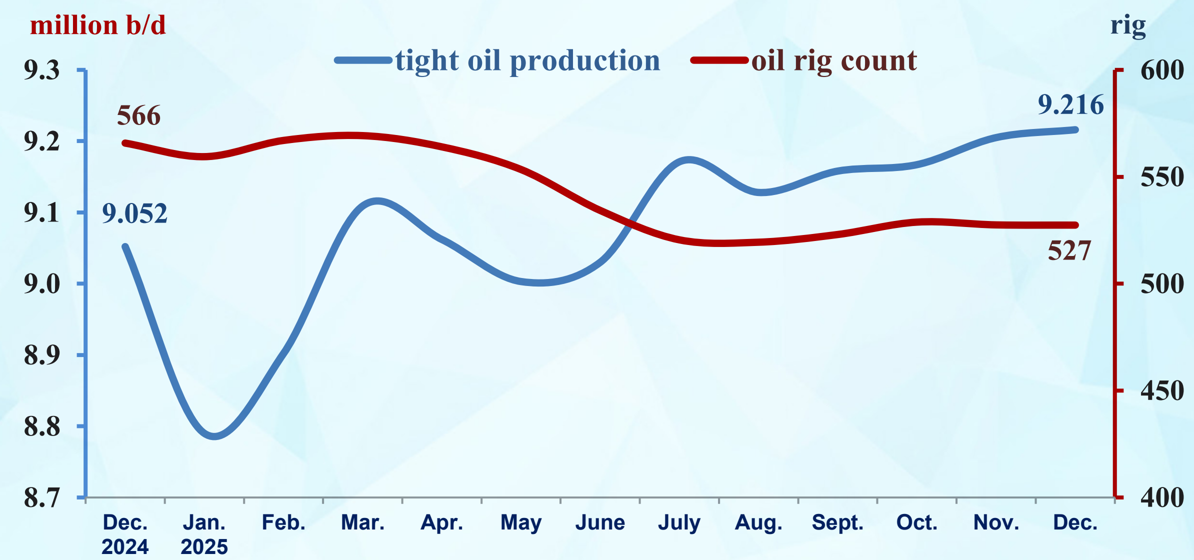
  Projections indicate that world oil demand is expected to decrease in Q1 2026 to reach 105.6 million b/d. As demand in Non-OECD countries is expected to increase by 200 thousand b/d to reach about 60.3 million b/d, whereas demand in OECD countries is expected to decrease by 1.2 million b/d to reach 45.3 million b/d.

- Estimates indicate that Non-DoC liquids production decreased in Q4 2025 by 2.3% compared with the previous quarter, to reach about 53.7 million b/d. Projections indicate that Non-DoC liquids production expected to increase in Q1 2026 to reach 54.3 million b/d.

  Total DoC crude oil production in December 2025 decreased by 238 thousand b/d, or 0.5% compared with previous month level to reach about 42.8 million b/d. Opec crude oil production increased by 105 thousand b/d to reach 28.6 mb/d. Whereas Non-OPEC DoC crude oil production decreased by 2.3% to reach about 14.3 million b/d.

- US tight oil production in December 2025 increased by 11 thousand b/d compared with previous month level to reach 9.216 million b/d. On other developments, US oil rig count decreased by 1 rig to reach 527 rigs.

US tight oil production and oil rig count

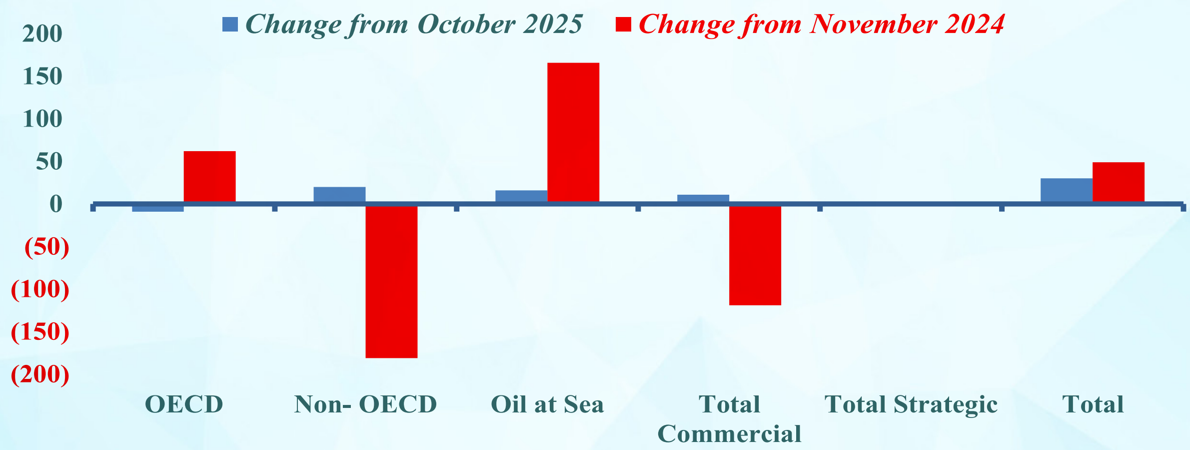


Source: EIA, Short-Term Energy Outlook, January 2026.

3. Oil Inventories

- OECD commercial inventories at the end of November 2025 decreased by 9 million barrels from the previous month level to reach 2825 million barrels, whereas Non-OECD commercial inventories increased by 20 million barrels from the previous month level to reach 3515 million barrels, and strategic inventories increased by 2 million barrels from the previous month level to reach 1560 million barrels.

Change in Global Inventories at the End of November 2025 (million bbl)



Source: Oil Market intelligence, Feb. & Dec. 2025.

4. Oil Trade

US Oil Imports and Exports

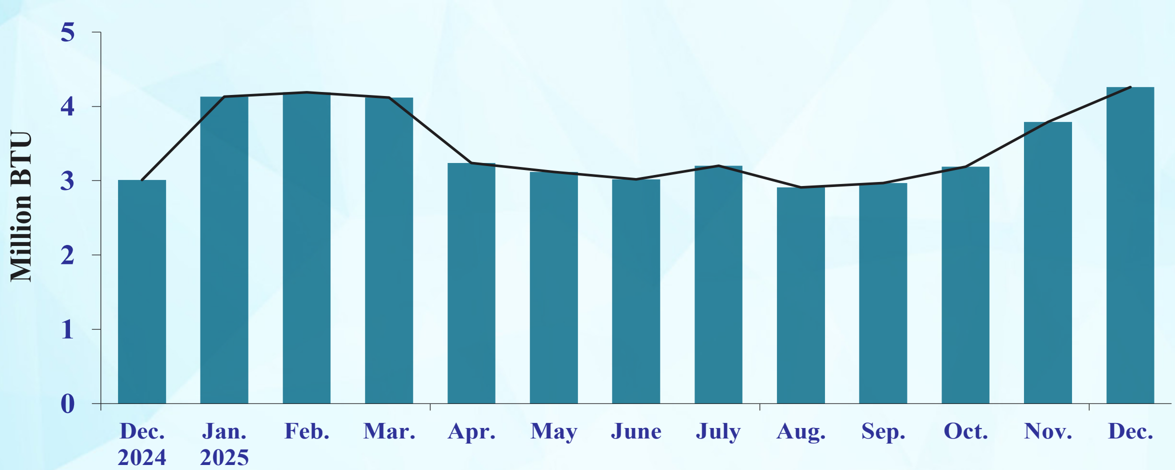
- US crude oil imports in December 2025 increased by 3.4% from the previous month level to reach about 6.1 million b/d, and US crude oil exports increased by 12.8% to reach about 4 million b/d.
- US petroleum product imports in December 2025 increased by 15.9% from previous month level to reach about 1.9 million b/d, whereas US petroleum product exports decreased by 1.2% to reach 7.3 million b/d.

Second: Natural Gas Market

1. Prices

- The average spot price of natural gas at the Henry Hub increased in December 2025 to reach $4.26/million BTU.

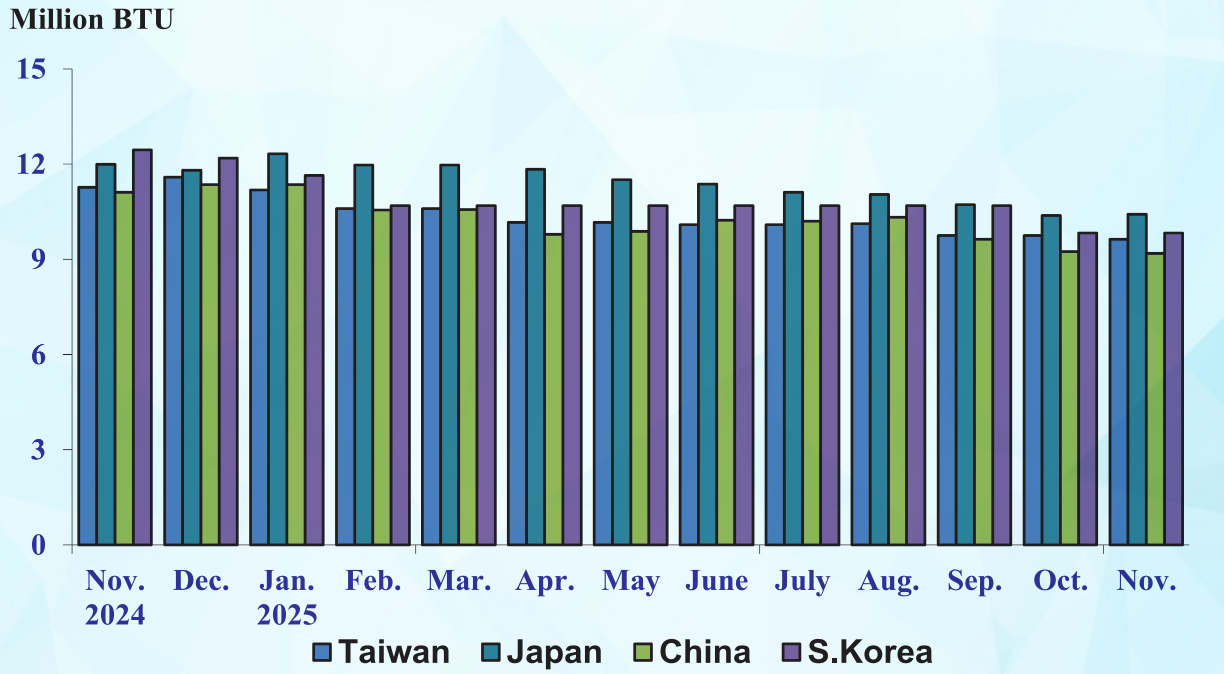
Average spot price of natural gas at the Henry Hub, Dec. 2024 – Dec. 2025



Source: EIA, Henry Hub Natural Gas Spot Price.

➢ The price of Japanese LNG imports in November 2025 increased by \$0.04/m BTU to reach \$10.42/m BTU. Whereas the price of Chinese LNG imports decreased by \$0.05/m BTU to reach \$9.19/m BTU, and the prices of Taiwan LNG imports decreased by \$0.12/m BTU to reach \$9.63/m BTU. Whereas the price of Korean LNG imports remained stable at the same previous month level of \$9.83/m BTU.

The price of Northeast Asia LNG imports, Nov. 2024 – Nov. 2025



Source: Energy Intelligence - WGI, Various issues.

2. Exports

Arab LNG exports to Japan, S.Korea, Taiwan and China were about 3.492 million tons in November 2025 (a share of 20.6% of total imports).

Tables Annex