ICE FUTURES
ABU DHABI

THE HOME OF MURBAN FUTURES
LAUNCHING MARCH 29, 2021
In November 2019, Abu Dhabi’s Supreme Petroleum Council (SPC) announced that Abu Dhabi National Oil Company’s (ADNOC’s) flagship onshore crude oil, Murban, would move to market-driven, forward-based pricing, using a new futures contract as its price marker.

The SPC also authorized ADNOC to remove destination restrictions on Murban crude sales.

This was followed by an announcement from Intercontinental Exchange Inc. (ICE) that it will launch a new exchange, ICE Futures Abu Dhabi (IFAD), to host the world’s first futures contract based on ADNOC’s Murban crude oil. ICE Futures Abu Dhabi and trading in Murban Futures plans to launch on March 29, 2021, subject to the completion of regulatory approvals.*

Nine of the world’s largest energy traders will join ICE and ADNOC as founding partners in ICE Futures Abu Dhabi (IFAD). Those partners are BP, GS Caltex, INPEX, JXTG, PetroChina, PTT, Shell, Total and Vitol.

ICE Futures Abu Dhabi (IFAD) is established in Abu Dhabi Global Market (ADGM), an International Financial Centre that practices and applies English common law in its entirety to its legal and regulatory regime.

IFAD will complement ICE Murban Futures with a series of tradable spread markets to other ICE crude oil benchmarks, alongside a series of related derivative contracts including 1st lines, crude swaps and differentials.

Contracts traded at IFAD will, subject to regulatory approval, be cleared at ICE Clear Europe, one of the world’s leading clearing houses, and will clear alongside ICE Brent, ICE WTI, ICE (Piatta) Dubai and ICE Low Sulphur Gasoil allowing customers to benefit from associated margin offsets and delivering meaningful capital efficiencies.

IFAD is regulated by the FSRA of ADGM and is a registered Foreign Board of Trade (FBOT) under the CFTC meaning that traders and clearers based in the United States can trade and clear IFAD markets.

ICE Murban Futures will bring transparent pricing to participants, giving them more options to manage risk and clear trades. The contract will complement ICE’s global oil complex of over 600 related oil products including locational and refined spreads across 47 geographic markets. This means participants can access the products they need at the exact point of consumption or production.

As a light sweet crude well-positioned to serve a global market, the introduction of ICE Murban Futures offers the market an exciting new oil price marker.

ICE Murban Futures will be a physically delivered contract with delivery at Fujairah in the United Arab Emirates (UAE) on a free-on-board (FOB) basis.

For further information on IFAD and ICE membership please visit
www.theice.com/futures-abu-dhabi or contact Membership-AbuDhabi@theice.com

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ICE MURBAN CRUDE OIL FUTURES

**CONTRACT SPECIFICATION**

- **Contract Size:** 1,000 barrels per lot
- **Trading Price Quotation:** One cent ($0.01) per barrel
- **Settlement Price Quotation:** One cent ($0.01) per barrel
- **Last Trading Day:** Last Business Day of the second month preceding the delivery month
- **Final Settlement Price:** Singapore Marker Price on the Last Trading Day. This will form the Exchange Delivery Settlement Price which will be the basis for physical delivery.
- **Daily Settlement:** Volume weighted average price of trades between 19:28 and 19:30 London Prevailing Time.
- **Daily Marker Prices:** Published at 16:30 Singapore and 16:30 London Prevailing Time (there will be no London Marker Price on the Last Trading Day).
- **Trading Hours:** 22 hours per day (01:00-23:00 London Time)
- **Physical Delivery:** Delivery of Murban Crude Oil at the ADNOC Terminal, Fujairah on a FOB basis onto Buyer’s vessel during the delivery month *

**Contract Series:**
- Up to 48 consecutive months

ICE Murban Futures will be complemented with a range of cash settled derivatives which IFAD plan to launch for day one of trading. The full list of contracts are listed here.

* An Alternative Delivery Process can be agreed between the buyer and seller.

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**MURBAN CRUDE OIL – RELATED CASH SETTLED CONTRACTS***

- **Crude Outrights**
  - Murban Singapore Marker 1st Line Future ➔ ADG
  - Murban Singapore Marker 1st Line Balmo Future ➔ ADK
  - Murban 1st Line Future ➔ ADF
  - Murban 1st Line Balmo Future ➔ ADJ
  - Singapore Gasoil (Platts) vs Murban 1st Line Future ➔ MUS
  - Fuel Oil 380 cst Singapore (Platts) vs Murban 1st Line Future ➔ MUT
  - Singapore Mogas 92 Unleaded (Platts) vs Murban 1st Line Future ➔ MUU
  - Naphtha C+F Japan (Platts) vs Murban 1st Line Future ➔ MUV

- **Refined Product Cracks**
  - Murban Singapore Marker 1st Line vs Brent Singapore Marker 1st Line Future ➔ AD3
  - Murban Singapore Marker 1st Line vs Brent Singapore Marker 1st Line Balmo Future ➔ AD4
  - Murban 1st Line Future vs Brent 1st Line Future ➔ ADI
  - Murban 1st Line Future vs Brent 1st Line Balmo Future ➔ ADU
  - Murban Singapore Marker 1st Line vs Brent 1st Line Future ➔ ADH
  - Murban Singapore Marker 1st Line vs Brent 1st Line Balmo Future ➔ ADJ
  - Murban 1st Line vs WTI 1st Line Future ➔ ADW
  - Murban 1st Line vs WTI 1st Line Balmo Future ➔ ADZ
  - Murban 1st Line vs Dated Brent (Platts) 1st Line Future ➔ ADV
  - Murban 1st Line vs Dated Brent (Platts) 1st Line Balmo Future ➔ ADY

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*Subject to regulatory approval
**IFAD: FREQUENTLY ASKED QUESTIONS**

**Who are the shareholders in IFAD?**
ICE is the operator of the exchange and the majority shareholder. ADNOC, BP, GS Caltex, INPEX, JXTG, PetroChina, PTT, Shell, Total (TOTSA) and Vitol support ICE to launch IFAD.

**When will IFAD launch Murban Futures?**
Subject to the completion of regulatory approvals, ICE plans to launch IFAD Murban Futures on March 29, 2021.

**Why is Murban a good price marker?**
Murban is a high-quality light-sweet grade crude oil and has reliable and stable high production volumes from numerous long-term concession and production partners, including: Total, BP, PetroChina, INPEX, Zhenhua, GS Caltex and has a large number of international buyers and users.

**What impact does IFAD’s entry to the market have on existing oil benchmarks?**
The ambition is for the market to use Murban as a price marker alongside other global oil benchmarks.

**What is the operational tolerance?**
The operational loading tolerance is 0.2% for a Futures-based physical delivery. This means the buyer is assured they will be receiving a quantity of Murban crude oil that is almost exactly the same as their expired Futures position. When delivering physical product through the Exchange, it is common for the allowable delivered volume to be as precise as operationally possible.

**What daily volumes will be available for trading?**
ICE are working closely with customers to ensure they are ready to attract high levels of participation. With the support of our partners in launching IFAD, we are confident we will attract good liquidity in the contracts.

For a longer FAQ please see: https://www.theice.com/publicdocs/ICE_Futures_Abu_Dhabi_FAQ.pdf

**ADNOC: FREQUENTLY ASKED QUESTIONS**

**How does the new pricing mechanism work?**
The price of Murban crude is set as a forward price. Following the launch of IFAD, ADNOC’s Murban crude price will be set based on Murban Futures contracts, which will be traded on IFAD. As such, ADNOC’s customers will have increased visibility of the price of Murban they are purchasing.

**Will some refiners look to move their risk from the monthly pricing period at purchase to the monthly pricing period of delivery?**
Some refiners may look to do this. There will be additional risk management tools for market participants to accommodate this.

**How will this impact existing customer contracts or how they buy crude from ADNOC?**
ADNOC term volumes and long-term contracts will still be available to customers. ADNOC will remain a reliable supplier of its customers’ crude oil needs and will continue to do business as usual. Volumes will also be available via the exchange.

**Will ADNOC trade the Murban Futures contract on IFAD?**
ADNOC Trading, a new entity incorporated in ADGM which is 100% owned by ADNOC, will be active in IFAD markets.

**Will ADNOC’s payment terms change?**
No change is forecast.