

ICE FUTURES ABU DHABI

THE HOME OF MURBAN FUTURES



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, ENEOS (formally known as JXTG), PetroChina, PTT, Shell, Total and Vitol.

MURBAN

ADNOC's onshore concessions, which produce Murban quality crude grade have the capacity to produce approximately 2 million barrels of oil per day, representing more than half the UAE total oil production.

Murban is a highly fungible light sweet crude oil that is widely used by refineries in Asia because of its intrinsic and consistent chemical qualities. It has an API of 39.9° and Sulphur content of 0.78%.

Murban has a diverse user base and is imported into almost every country in North, Far East, South East, and South Asia.

Murban crude is internationally recognized for its consistent quality and high, stable production volumes, as well as its large number of global buyers.

ADNOC Logistics support Murban supply with state of the art terminal and storage facilities.



Capacity to produce approximately **2 million** barrels of Murban per day



More than **50%** of ADNOC's crude oil production



60+ Refiners around the world use Murban crude



Exported to nearly every country in North, South and East Asia

ICE FUTURES ABU DHABI

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 (Platts) 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.

IFAD INFORMATION

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



IFAD rulebook



Contract specifications



Delivery procedures



IFAD Q&A

ICE MURBAN FUTURES

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.



Jeffrey Sprecher, Chairman and CEO of Intercontinental Exchange, and H.E. Dr. Sultan Ahmed Al Jaber, UAE Minister of State and ADNOC Group CEO unveil the launch of ICE Futures Abu Dhabi in November 2019.

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.

MURBAN CRUDE OIL – RELATED CASH SETTLED CONTRACTS*



Crude Outrights

	Product Code
Murban Singapore Marker 1 st Line Future	→ ADG
Murban Singapore Marker 1 st Line Balmo Future	→ ADK
Murban 1 st Line Future	→ ADF
Murban 1 st Line Balmo Future	→ ADJ



Refined Product Cracks

Singapore Gasoil (Platts) vs Murban 1 st Line Future	→ MUS
Fuel Oil 380 cst Singapore (Platts) vs Murban 1 st Line Future	→ MUT
Singapore Mogas 92 Unleaded (Platts) vs Murban 1 st Line Future	→ MUU
Naphtha C+F Japan (Platts) vs Murban 1 st Line Future	→ MUV



Crude Differentials

Murban Singapore Marker 1 st Line vs Brent Singapore Marker 1 st Line Future	→ AD3
Murban Singapore Marker 1 st Line vs Brent Singapore Marker 1 st Line Balmo Future	→ AD4
Murban 1 st Line Future vs Brent 1 st Line Future	→ ADI
Murban 1 st Line Future vs Brent 1 st Line Balmo Future	→ ADU
Murban Singapore Marker 1 st Line vs Brent 1 st Line Future	→ ADH
Murban Singapore Marker 1 st Line vs Brent 1 st Line Balmo Future	→ AD5
Murban 1 st Line vs WTI 1 st Line Future	→ ADW
Murban 1 st Line vs WTI 1 st Line Balmo Future	→ ADZ
Murban 1 st Line vs Dated Brent (Platts) 1 st Line Future	→ ADV
Murban 1 st Line vs Dated Brent (Platts) 1 st Line Balmo Future	→ ADY

*Subject to regulatory approval

IFAD OIL SALES CONTACTS

Business Contacts - IFAD

Contact for general business inquiries
Jamal Oulhadj jamal.oulhadj@theice.com
Francois Leparat francois.lepart@theice.com

Business Contacts - ICE Futures Europe

Contact for general business inquiries
Jeff Barbuto jeff.barbuto@theice.com
Deborah Pratt deborah.pratt@theice.com
Julius Foo julius.foo@theice.com
Wayne Hick wayne.hick@theice.com

Business Contact - ICE Clear Europe

Contact for general business inquiries
Kylie Poole kylie.poole@theice.com

Membership

Enquiries about IFAD and ICEU membership
Ann Carroll ann.carroll@theice.com

Trading Platform API Integration

Customers who need to schedule exchange conformance testing
conformancesupport@theice.com

Market Making Programs

More details surrounding IFAD's performance based incentive programs
Vincent Martin vincent.martin@theice.com

Production User Set-Up

ICE company, user, and account set up
iceuseradministration@theice.com

Participant Agreements

ICE Participant Agreements
accountservices@theice.com

Datacenter and Connectivity

SFTI, Colo and Hub connectivity to Production and DR sites (Basildon, Chicago, Atlanta)
ICEglobalnetwork-info@theice.com

WebICE Training

ICE functionality and requests for training on WebICE and other tools for trading participants.
icehelpdesk@theice.com

Compliance/Reporting

Regulatory reporting and compliance
Anita Yu anita.yu@theice.com

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, ENEOS (formally known as JXTG), PetroChina, PTT, Shell, Total (TOTS) 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



Intercontinental Exchange Partners Launch ICE Futures Abu Dhabi in November 2019.

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.

How will ADNOC use the Murban Futures contract to price Murban?

ADNOC's new Official Selling Price (OSP) formula for Murban will be the arithmetic average of the daily Singapore Marker Price (calculated at 16:30 Singapore time) of each business day over the month M-2, M being the month of loading.

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.

