



ADNOC signs new long-term agreement for base oil sales into China

Chinese importer and distributor Xiamen has signed a deal with ADNOC to bring its products to China.

The Abu Dhabi National Oil Company (ADNOC) has concluded a long-term sales agreement with the Xiamen Sinolook Oil Co. Ltd., of China, for its high-quality base oil, ADbase.

In line with ADNOC's strategy to maximize value from its downstream refining and petrochemical operations, ADNOC Refining, an ADNOC subsidiary, produces up to 500,000 metric tonnes per year of Group III base oil, at its Ruwais refining and petrochemicals complex. Group III base oils are typically used to manufacture top-tier, high-performance engine oils. The company also produces around 100,000 metric tonnes per year of Group II base oil.

Established in 2011, Xiamen Sinolook Oil Co. Ltd. is one of China's biggest importers and distributors of base oils, with a 5 percent share of the 7.17 million tons per annum market. In 2018, demand for base oils across China increased by 6.4 percent and is forecast to grow by more than 6 percent in 2019.

The signing of this agreement follows the signings in 2017 and 2018 of agreements with Penthol C.V. and Chemlube for the supply of ADbase into the United States of America and Europe.