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Fossil Fuel Expansion in the United Arab Emirates

ADNOC and Its International Partners

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COP28 – Dubai – December 2023

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1 COP28 A Breathtaking Conflict of Interest

The CEO of one of the world's largest oil companies – COP president? The initial shock at the announcement that Dr. Sultan Al Jaber, CEO of the Abu Dhabi National Oil Company (ADNOC), will lead COP28 has still not worn off, and for good reason. While 2023 is set to go down as the hottest year in recorded history, ADNOC is opening up new oil and gas fields in the United Arab Emirates and expanding its drilling sites off the coast of the Arabian Peninsula. According to its own announcements, ADNOC plans to increase its oil production by 25% until 2030.[1] And papers leaked just days before COP28 indicate that Al Jaber abused his new position in bilateral meetings with state officials to boost ADNOC's oil and gas business abroad.[2] This breathtaking conflict of interest will leave an indelible stain on this year's climate negotiations, at a time when bold transition steps have become more urgent than ever.

In its Net Zero Emissions 2050 scenario, the International Energy Agency (IEA) warned that new developments of oil and gas assets after 2021 jeopardize the energy transition. Nevertheless, ADNOC keeps developing new resources at an alarming pace. If fully exploited, they will produce an additional 9 billion barrels of oil equivalent, making ADNOC the 5th-largest oil and gas expansionist worldwide.[3]

ADNOC is also joined by many international partners in its climate-wrecking enterprises. These include the carbon majors TotalEnergies from France, Eni from Italy, BP from the UK and ExxonMobil from the US. International banks are also important backers of the company. Recent loans to ADNOC in 2023 come from Bank of China, Industrial and Commercial Bank of China and Standard Chartered from the UK.[4]

This joint NGO briefing by Urgewald, BankTrack, LINGO and Reclaim Finance deals with ADNOC's oil and gas expansion in the United Arab Emirates. It highlights ADNOC's projects, its key international partners and the protected areas under threat from fossil fuel expansion.

1 *https://adnocdrilling.ae/en/Our-Company*
2 *https://climate-reporting.org/cop28-president-oil-climate/*
3 *According to Urgewald's Global Oil & Gas Exit List 2023: www.gogel.org*
4 *Bloomberg, as of November 21, 2023*

2 The Abu Dhabi National Oil Company: Pushing the United Arab Emirates beyond 1.5 °C

The United Arab Emirates (UAE) is among the top oil producers globally and is rapidly gaining importance as a fossil gas exporter. The economy of the UAE is highly dependent on fossil fuels. 30% of the country's GDP and 13% of its exports are directly based on oil and gas.[5] By 2031, the UAE wants to cover 30% of its energy needs using so-called "clean energy sources". This term includes renewable as well as nuclear power.[6] Fossil fuels, however, remain at the heart of the UAE's energy strategy. The country aims to become a major producer of so-called "low-carbon hydrogen". Low-carbon hydrogen, also known as blue hydrogen, is produced from fossil gas. The carbon generated in the reforming process will supposedly be captured and stored underground. The forecast for local hydrogen demand is set to rise to 2.7 Mtpa in 2031. By the same year, the UAE wants to establish itself as one of the leading hydrogen suppliers worldwide.

To meet the growing demand for local usage and export, new gas and oil wells are being developed in the UAE. 17 projects have been approved to go into production in the near future.[7] If realized, these projects would add 12 billion barrels of oil equivalent (bboe) of oil and gas resources to the production portfolios of the companies involved, according to data from Rystad Energy.

Carbon Colonialism

In order to perpetuate the country's petroleum economy, major UAE energy and financial companies recently formed an alliance to offset carbon emissions by buying land in various African countries. A similar deal was already struck by the company Blue Carbon, which is led by Sheikh Ahmed Dalmook Al Maktoum, a member of Dubai's royal family, and owner of a private investment firm flush with oil money. In late September 2023, Zimbabwe's environment minister signed away control over almost 20% of his country to Blue Carbon.[8] While the company was founded less than a year ago, Blue Carbon has already secured rights to forested land in 5 African nations and thus controls an area almost as large as the United Kingdom. African climate advocates view this as "carbon colonialism", and a blatant attempt to greenwash the UAE's continued pumping of fossil fuels.

Abu Dhabi National Oil Company

The Abu Dhabi National Oil Company (ADNOC), the country's largest oil & gas company, produced 1.1 bboe in 2022.[9] ADNOC also owns a majority stake in 15 new fossil fuel extraction projects in the UAE. These projects would add almost 9 bboe of oil and gas resources to ADNOC's production portfolio. To prevent global temperatures from rising above 1.5 °C, the International Energy

5 https://www.trade.gov/energy-resource-guide-united-arab-emirates-oil-and-gas

6 https://u.ae/en/about-the-uae/strategies-initiatives-and-awards/strategies-plans-and-visions/environment-and-energy/uae-energy-strategy-2050

7 *This includes projects that are under development already (i.e., they have already been approved) and projects in the field evaluation stage (i.e., they are in the process of being approved). These projects will likely go into production in the next 1-7 years, depending on the type of asset. In Urgewald's Global Oil and Gas Exit List, the amount of resources a company is in the process of developing is reflected by the "short-term expansion" metric.*

8 https://www.newsfilecorp.com/release/177071/Blue-Carbon-Inks-MoU-with-Zimbabwe-to-Develop-Carbon-Projects-on-7.5M-Ha-of-Forest-Under-Art.-6.2-of-Paris-Agreement

9 *Urgewald's Global Oil and Gas Exit List:* www.gogel.org/

Agency's 2021 "Net Zero Emissions by 2050 Scenario" assumed that no new oil and gas assets would be approved for development after 2021. More than 92% of ADNOC's planned expansion is incompatible with this scenario, and ADNOC thus has the highest absolute overshoot of any company in the world.[10] According to the IEA's 1.5 °C roadmap, exploration for new oil and gas reserves is also no longer required and delays the energy transition. Yet, ADNOC is still spending over US$ 20 million per year to look for new oil and gas resources in the UAE and Azerbaijan.[11]

Unstorable Carbon

ADNOC declared its intention to become carbon-neutral by 2045. But instead of reducing or phasing out the production of fossil fuels, the main action point on its climate agenda is to capture a fraction of the carbon emissions that occur during production. Just weeks before COP28, ADNOC announced the final investment decision on its joint Hail and Ghasha gas project.[12] The company claims it will be the world's first "net-zero emissions" gas project as it aims to capture 1.5 Mtpa of CO_2 and store it underground. However, this commitment is dwarfed by the expected annual greenhouse gas emissions that result from burning the produced gas. Burning the gas ADNOC plans to produce from the Ghasha gas concession (of which the Hail and Ghasha project is a part) would emit more than 20 times as much CO_2 as the company aims to capture.[13] In addition, methane will escape all along the supply chain as the gas makes its way to end users. Methane has a warming effect more than 86 times stronger than CO_2 over a 20-year period.[14] ADNOC conveniently leaves all these emissions out of its net-zero equation.

Since 2016, ADNOC has been operating the carbon capture, utilization and storage (CCUS) facility Al Reyadah, which can potentially store up to 0.8 million tons of carbon per year. However, the carbon is first "utilized" for enhanced oil recovery. The carbon is injected into a mature oil field to extract more oil than otherwise possible. In other words, the captured carbon enhances oil production, resulting in even more emissions from these fields. In October 2023, ADNOC announced its final investment decision on the Habshan project that will have the capacity to capture and utilize up to 1.5 million tons of carbon per year.[15]

It remains to be seen whether ADNOC will indeed capture and store all the carbon it has promised. ADNOC did not publish a performance report on Al Rayadah, but only a few carbon capture projects globally are performing close to their announced capacity.[16] Even the technology-optimistic IEA recognizes that the history of carbon capture and storage "has largely been one of unmet expectations".[17]

The Global Game

In addition to its upstream expansion plans, ADNOC is also developing new export facilities for liquified gas. The Al Ruwais LNG terminal will be the UAE's biggest liquefaction facility and ADNOC is its sole owner. The export terminal will be built in Al Ruwais Industrial City, Al Dhafrah, and will be fueled by gas from the Al Ruwais gas expansion project. The power-intensive operations will be run with electricity from nuclear and renewable sources. ADNOC already has an LNG facility on Das Island, off the coast of the capital Abu Dhabi, with a capacity of

10 For each upstream oil and gas company, Urgewald's Global Oil & Gas Exit List portrays which portion of its short-term expansion overshoots the IEA pathway, based on the original scenario as published in 2021 and updated in 2022, which states that in a 1.5°C world, approval of new oil and gas fields is not needed after 2021: See IEA (2022) P.133: https://iea.blob.core.windows.net/assets/830fe099-5530-48f2-a7c1-11f35d510983/WorldEnergyOutlook2022.pdf

11 Per year according to a 3-year average as stated in the Global Oil & Gas Exit List: www.gogel.org

12 https://www.adnoc.ae/en/news-and-media/press-releases/2023/adnoc-takes-fid-on-worlds-first-project-that-aims-to-operate-with-net-zero-emissions

13 Own calculation based on ADNOC (2023): https://www.adnoc.ae/en/news-and-media/press-releases/2023/adnoc-takes-fid-on-worlds-first-project-that-aims-to-operate-with-net-zero-emissions and IPCC (2006) P.2.16 https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf

14 IPCC (2013) P.714: https://www.ipcc.ch/report/ar5/wg1/anthropogenic-and-natural-radiative-forcing/

15 https://www.adnoc.ae/en/News-and-Media/Press-Releases/2023/ADNOC-to-Invest-in-One-of-the-Largest-Integrated-Carbon-Capture-Projects-in-MENA?ref=csofutures.com

16 https://www.desmog.com/2023/09/25/fossil-fuel-companies-made-bold-promises-to-capture-carbon-heres-what-actually-happened/

17 IEA (2023) P.132: https://iea.blob.core.windows.net/assets/13dab083-08c3-4dfd-a887-42a3ebe533bc/NetZeroRoadmap_AGlobalPathwaytoKeepthe1.5CGoalinReach-2023Update.pdf around 6 Mtpa. The two proposed liquefaction trains at Al Ruwais terminal, each with a capacity of 4.8 Mtpa, would allow ADNOC to more than double its LNG production target capacity.[18]

ADNOC also strategically invests in foreign fossil fuel companies. To diversify within the oil and gas sector, it has invested into the petrochemical company Borealis from Austria.[19] Currently, ADNOC is looking into the acquisition of German Wintershall Dea[20], and is also considering the takeover of German polymer firm Covestro.[21]

As these examples show, ADNOC has no intention of transforming its business model or even reducing its dependence on fossil fuels. The company instead gears its current investments as well as its future business strategy towards massivly expanding its fossil fuel extraction, fossil fuel exports and petrochemical investments. While ADNOC's CEO Sultan Al Jaber is in the driver's seat of this year's climate summit, his company is on a clear collision course with the 1.5 °C goal.

ADNOC's Bankers

A government-owned company like ADNOC has to provide far less public information about its climate strategy than its listed oil and gas counterparts. At the same time, banks have only litte leverage to require credible decarbonization targets from these companies. However, they still have the choice whether or not to be complicit in ADNOC's fossil fuel expansion plans.

According to the NGO report *Banking on Climate Chaos*,[22] ADNOC received US$ 14.1 billion of financing from 14 banks between 2016 and 2022. This includes US$ 9.8 billion in loans, US$ 3.5 billion in bond underwriting, and US$ 0.8 billion in equity issuances. During this period, ADNOC‘s largest financiers were HSBC (US$ 2.4 billion), MUFG (US$ 2.3 billion), SMBC (US$ 2.3 billion) and JPMorgan Chase (US$ 2.2 billion).

ADNOC obtained three new loans in 2023 for a total amount of US$ 2.3 billion according to data from the Bloomberg Terminal as of November 21, 2023. The first loan, issued back in January, was supported by banks such as Bank of China, ICBC, and Standard Chartered. The two more recent loans, a US$ 1.5 billion term loan facility, and an US$ 500 million revolving credit facility, are still in their preliminary phase. A lender list has not yet been disclosed.

ADNOC is fully owned by the government of the United Arab Emirates, and no shares or bonds of the company are publicly traded. In January 2022, ADNOC set up ADNOC Murban as a new debt-finance vehicle, but only initial investor conversations have been reported until now.[23] According to Fitch Ratings, the company could potentially raise up to US$ 15 billion in the coming years.[24]

Banks and other financial institutions must demand that fossil fuel clients like ADNOC immediately halt the development of new oil and gas fields and new fossil fuel infrastructure. ADNOC and its international counterparts should be required to show credible phase-out plans for their existing fossil-fuel-based activities on a timescale aligned with Paris Agreement goals. In the absence of such commitments, companies like ADNOC should be considered un-insurable, un-investable and un-bankable.

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18 https://www.adnoc.ae/en/news-and-media/press-releases/2023/adnoc-awards-more-than-$400m-critical-equipment-contract-for-low-carbon-lng-project-in-ruwais

19 https://www.adnoc.ae/en/news-and-media/press-releases/2022/adnoc-acquires-25-percent-stake-in-borealis

20 https://www.worldoil.com/news/2023/11/23/adnoc-exploring-wintershall-dea-acquisition-worth-over-11-billion/

21 https://cen.acs.org/business/mergers-&-acquisitions/ADNOC-closes-deal-buy-Covestro/101/i31

22 Report on fossil fuel business of the 60 biggest global banks, published by Rainforest Action Network and partners, including BankTrack, Reclaim Finance and Urgewald: www.bankingonclimatechaos.org

23 https://www.adnoc.ae/en/news-and-media/press-releases/2022/adnoc-announces-new-dedicated-debt-capital-markets-issuing-entity-and-inaugural-credit-rating; https://www.reuters.com/markets/rates-bonds/abu-dhabis-adnoc-forms-unit-monitor-debt-markets-eye-funding-opportunities-2022-01-25/

24 https://www.fitchratings.com/research/corporate-finance/fitch-affirms-adnoc-murban-at-aa-outlook-stable-09-01-2023

Picture: ADNOC Office, Abu Dhabi, UAE, Source: Marco Curaba, Shutterstock

3 ADNOC's International Partners

While ADNOC dominates fossil fuel expansion in the UAE, in most cases strategic international partners are also involved. Out of the 17 upstream expansion projects located in the UAE, only one is solely owned by ADNOC. The rest are majority-owned by ADNOC, but alongside one or more joint venture partners. In sum, 19 companies from 12 countries are invested in the UAE's upstream oil and gas expansion projects. The top 10 fossil fuel companies expanding in the UAE in the short term, aside from frontrunner ADNOC, are Eni, INPEX, TotalEnergies, ExxonMobil, China's CNPC, Wintershall Dea, BP, OMV, and LUKOIL.

TotalEnergies is involved in the most projects (9), while Eni has the largest share of oil and gas resources under development and field evaluation (622 mmboe or 5.1%). Only Occidental Petroleum from the US and INPEX from Japan are running expansion projects by themselves (see Annex), but they also have other existing partnerships with ADNOC.

ADNOC and Occidental Petroleum agreed on a strategic partnership on carbon capture and storage.[25] The first project within this partnership is a scoping study for a Direct Air Capture facility that could extract 1 million tons of carbon per year.[26] According to the IEA, "capturing CO_2 from the air is the most expensive application of carbon capture".[27]

In 2021, INPEX, JERA, and JOGMEC agreed to explore the commercial potential of blue ammonia with ADNOC. Ammonia is produced from hydrogen and nitrogen and is mainly used in fertilizer production. Similar to blue hydrogen, blue ammonia includes storing the otherwise released carbon.[28]

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25 https://www.adnoc.ae/en/news-and-media/press-releases/2023/adnoc-and-occidental-to-evaluate-carbon-management-projects
26 https://www.oxy.com/news/news-releases/occidental-and-adnoc-to-commence-preliminary-engineering-study-of-a-direct-air-capture-facility-in-the-uae/
27 https://www.iea.org/energy-system/carbon-capture-utilisation-and-storage/direct-air-capture
28 https://www.inpex.co.jp/english/news/assets/pdf/20210818.pdf

Eni

The Italian oil and gas major's climate strategy is inadequate in a number of ways. More than two-thirds of Eni's capital expenditure (CAPEX) plan by 2026 is dedicated to upstream oil and gas, while only 16% is reserved for renewable energies. Instead of transitioning away from oil and gas, Eni plans to increase its upstream production until 2025 and then maintain it at a plateau. By 2030, Eni will have overshot the level required to align with the International Energy Agency's Net Zero Emission Scenario (NZE) by 71%.[29]

In addition to being one of the biggest polluters globally,[30] Eni received a lot of criticism during COP27 for its close ties with the host Egyptian government,[31] which has been accused of numerous human rights violations.[32]

Eni obtained US$ 45.2 billion of financing from private markets between 2016 and 2022, according to the *Banking on Climate Chaos* database.[33] Its largest creditors during this period include BNP Paribas (US$ 10.7 billion), UniCredit (US$ 4.9 billion) and Intesa Sanpaolo (US$ 4.4 billion).

According to Bloomberg, Eni also obtained two new loans and issued five new bonds in 2023. Banks such as Credit Agricole, Barclays and Unicredit were book runners for loans totalling US$ 4.9 billion.[34] US$ 7.4 billion in bonds underwriting were serviced with the notable involvement of financial institutions such as Societe Generale, BNP Paribas and Intesa Sanpaolo.

According to the *Investing in Climate Chaos* research,[35] the financial institutions holding the most shares and bonds in Eni were BlackRock (US$ 1.8 billion), Vanguard (US$ 1.2 billion), and Norway's Government Pension Fund Global (US$ 967 million) as of January 1, 2023.

TotalEnergies

The French oil and gas giant TotalEnergies is the biggest developer of new oil and gas resources among the carbon majors today. The company plans to put oil and gas resources of 8 bboe into production across 15 countries in the near future,[36]

Table: Top 10 Expansionists of Upstream Oil and Gas Assets in the UAE

Owners	HQ Country	Prorated Resources under Development & Field Evaluation (MMBOE)	# of projects
Abu Dhabi National Oil Company (ADNOC)	UAE	8975	15
Eni SpA	Italy	622	5
INPEX Corporation	Japan	514	8
TotalEnergies SE	France	440	9
Exxon Mobil Corporation	USA	435	1
China National Petroleum Corporation (CNPC)	China	240	6
Wintershall Dea AG	Germany	196	2
BP plc	UK	187	5
OMV AG	Austria	98	2
PJSC LUKOIL	Russia	98	2

Source: based on Rystad Energy, September 2023

29 *Assessment of oil and gas companies climate strategy by Reclaim Finance: https://reclaimfinance.org/site/wp-content/uploads/2023/04/20230413-briefing-climate-strategy-assessment-eni.pdf*
30 *https://cdn.cdp.net/cdp-production/cms/reports/documents/000/002/327/original/Carbon-Majors-Report-2017.pdf*
31 *https://egyptoil-gas.com/features/intergas-vii-linking-the-experts-to-the-goal/*
32 *https://www.amnesty.org/en/location/middle-east-and-north-africa/egypt/report-egypt/*
33 *See the BOCC website*
34 *Including transactions linked to its subsidiary Var Energi*
35 *Based on* Investing In Climate Chaos *research by Urgewald: https://investinginclimatechaos.org/*
36 *Angola, Argentina, Azerbaijan, Brazil, Canada, Guyana, Indonesia, Iraq, Kazakhstan, Netherlands, Nigeria, Papua*

and to increase its upstream oil and gas production by 2 to 3% by 2028. The maximum renewable share of its energy supply mix will remain under 13% in 2030. It is also estimated that the company's 2030 targeted production will overshoot the level required to align with the IEA's NZE scenario by 40%. In 2022, TotalEnergies allocated 12.2 billion dollars to oil and gas, including 10 billion to oil and gas exploration and production. For every dollar invested in fossil fuels, less than 33 cents was invested in sustainable renewable energies.[37]

TotalEnergies not only disregards the need to transition, but has also invested in actively blocking progressive climate legislation. In 2019, it was revealed that the company had spent about US$ 30 million on lobbying to delay or block policies against climate change.[38]

TotalEnergies has also been involved in numerous cases of human rights violations: Mass forced resettlements for the East African Crude Oil Pipeline (EACOP), land-grabbing in Uganda, the militarization of the surrounding area of the LNG project in northern Mozambique, and violations of indigenous rights in the Vaca Muerta shale basin and the Papua LNG projects.[39]

TotalEnergies obtained US$ 55.7 billion of financing from private capital markets between 2016 and 2022 according to the Banking on Climate Chaos database. Its largest creditors during this period include Credit Agricole (US$ 9.4 billion), BNP Paribas (US$ 8.9 billion), and Societe Generale (US$ 4.7 billion). No new loans or bonds were found for TotalEnergies on the Bloomberg Terminal for 2023 as of November 21, 2023.

According to Investing In Climate Chaos data, the financial institutions holding the most shares and bonds in TotalEnergies are BlackRock (US$ 13.9 billion), Capital Group (US$ 5.4 billion) and Vanguard (US$ 5.3 billion). Credit Agricole, via its asset manager Amundi, is also heavily invested in TotalEnergies (US$ 4 billion) and manages the company's employee shareholding fund (US$ 10.1 billion) as of January 1, 2023.

ExxonMobil

ExxonMobil is the 7th-largest developer of new oil and gas resources worldwide, and aims to increase its production to 4.2 mmboe per day by 2027 from 3.7 mmboe per day today. With its current climate strategy, by 2030 ExxonMobil's production is expected to be 39% higher than the level required to align with the IEA's NZE scenario.[40]

The US major produced 24% of its hydrocarbons from shale gas, which is also called fracked gas once produced. ExxonMobil recently reinforced its focus on fracked gas with the acquisition of the shale player Pioneer Natural Resources. In its CAPEX plan, ExxonMobil does not report any investment in renewable energy. The US major lacks transparency on its decarbonization targets as it does not report scope 3 emissions and targets.

ExxonMobil obtained US$ 86.9 billion of financing from private markets between 2016 and 2022 according to the *Banking on Climate Chaos* database. Its largest creditors during this period include Bank of America (US$ 15.3 billion), JPMorgan Chase (US$ 15.3 billion), and Citi (US$ 15.3 billion). No new loans or bonds were found for ExxonMobil on the Bloomberg Terminal for 2023 as of November 21, 2023.

Investing in Climate Chaos data shows that the financial institutions holding the most shares and bonds in ExxonMobil were Vanguard (US$ 34.2 billion), BlackRock (US$ 25.4 billion), and State Street (US$ 20.7 billion) as of January 1, 2023.

New Guinea, Qatar, UAE, USA; Global Oil & Gas Exit List 2023: www.gogel.org

37 Assessment of oil and gas companies climate strategy by Reclaim Finance: https://reclaimfinance.org/site/wp-content/uploads/2023/10/Assessment-of-TotalEnergies-Climate-Plan.pd

38 https://influencemap.org/report/How-Big-Oil-Continues-to-Oppose-the-Paris-Agreement-38212275958aa21196dae3b76220bddc

39 See BankTrack: https://www.banktrack.org/company/total ; https://www.banktrack.org/dodgydeals
See Urgewald: https://gogel.org/reputational-risk-projects
Other: https://defundtotalenergies.org/en/papualng-2 ;
https://www.business-humanrights.org/en/latest-news/6-ngos-file-lawsuit-against-total-over-alleged-failure-to-respect-french-duty-of-vigilance-law-in-its-operations-in-uganda/

40 Assessment of oil and gas companies climate strategy by Reclaim Finance: https://reclaimfinance.org/site/wp-content/uploads/2023/04/20230413-briefing-climate-strategy-assessment-exxonmobil.pdf

BP

BP recently reversed its climate ambitions. In 2023, BP significantly lowered its oil and gas production reduction target, from 40% to only 25% by 2030. If the company meets this revised target, its production will be 25% higher than the level required to align with the IEA's NZE scenario, and the emissions will overshoot the level required by at least 48%. BP plans to allocate 24% of its 2030 CAPEX plan to "low carbon" energy that includes renewable energy. With its current plan, renewable energy will represent less than 5% of its energy mix by 2030.[41]

In addition to its contribution to climate change, BP has been involved in many other environmental scandals throughout its history. BP was the company behind the Deepwater Horizon oil spill. The impacts of the 4.9 million barrels of oil that devastated the Gulf of Mexico in 2010 are still visible today.[42] The company's name has also been involved in numerous incidents of illegal waste dumping, often in close proximity to communities of color, and even in environmentally protected areas.[43]

BP obtained US$ 74 billion of financing from private capital markets between 2016 and 2022 according to the *Banking on Climate Chaos* database. Its largest creditors during this period notably include BNP Paribas (US$ 14.1 billion), Bank of America (US$ 5.4 billion), and Citi (US$ 5.3 billion).

According to data from the Bloomberg Terminal, BP issued four new bonds in 2023, for a total amount of US$ 6.1 billion. Notably involved were Barclays, HSBC and Societe Generale.

The financial institutions holding the most shares and bonds in BP were BlackRock (US$ 7.6 billion), Vanguard (US$ 5.9 billion) and GPFG (US$ 3.2 billion), according to *Investing in Climate Chaos* data as of January 1, 2023.

OMV

The climate strategy of the Austrian state-owned company is completely insufficient: 60% of OMV's capital expenditure (CAPEX) plan by 2030 is dedicated to oil and gas while 40% is dedicated to so called "low-carbon," a category including renewables as well as false solutions such as CCS. With its current plans, renewable energy will represent only 10% of OMV's energy mix by 2030. Shifting away from oil and gas production for energy use by 2050, OMV plans to decrease its upstream production from 392 kboe per day today to 350 kboe per day in 2030. However, in the short term, OMV is still expanding oil and gas with 681 mmboe under development and field evaluation.[44]

OMV has paid private investigation firms to surveil climate activists and major environmental NGOs in New Zealand and Austria. The oil giant received daily information about civil society's protest plans against the oil industry. OMV is New Zealand's second-largest hydrocarbons producer.[45]

OMV obtained US$ 14.8 billion of financing from private markets between 2016 and 2022 according to the Banking on Climate Chaos database. Its largest creditors during this period notably include UniCredit (US$ 2.5 billion), Credit Agricole (US$ 1.9 billion) and MUFG (US$ 1.9 billion). No new loans or bonds were found for OMV on the Bloomberg Terminal for 2023 so far.

Investing in Climate Chaos data shows that the financial institutions holding the most shares and bonds in OMV were BlackRock (US$ 492 million), Credit Agricole (US$ 400 million) and Vanguard (US$ 285 million) as of January 1, 2023.

41 *Assessment of oil and gas companies climate strategy by Reclaim Finance: https://reclaimfinance.org/site/wp-content/uploads/2023/04/20230413-briefing-climate-strategy-assessment-bp.pdf*

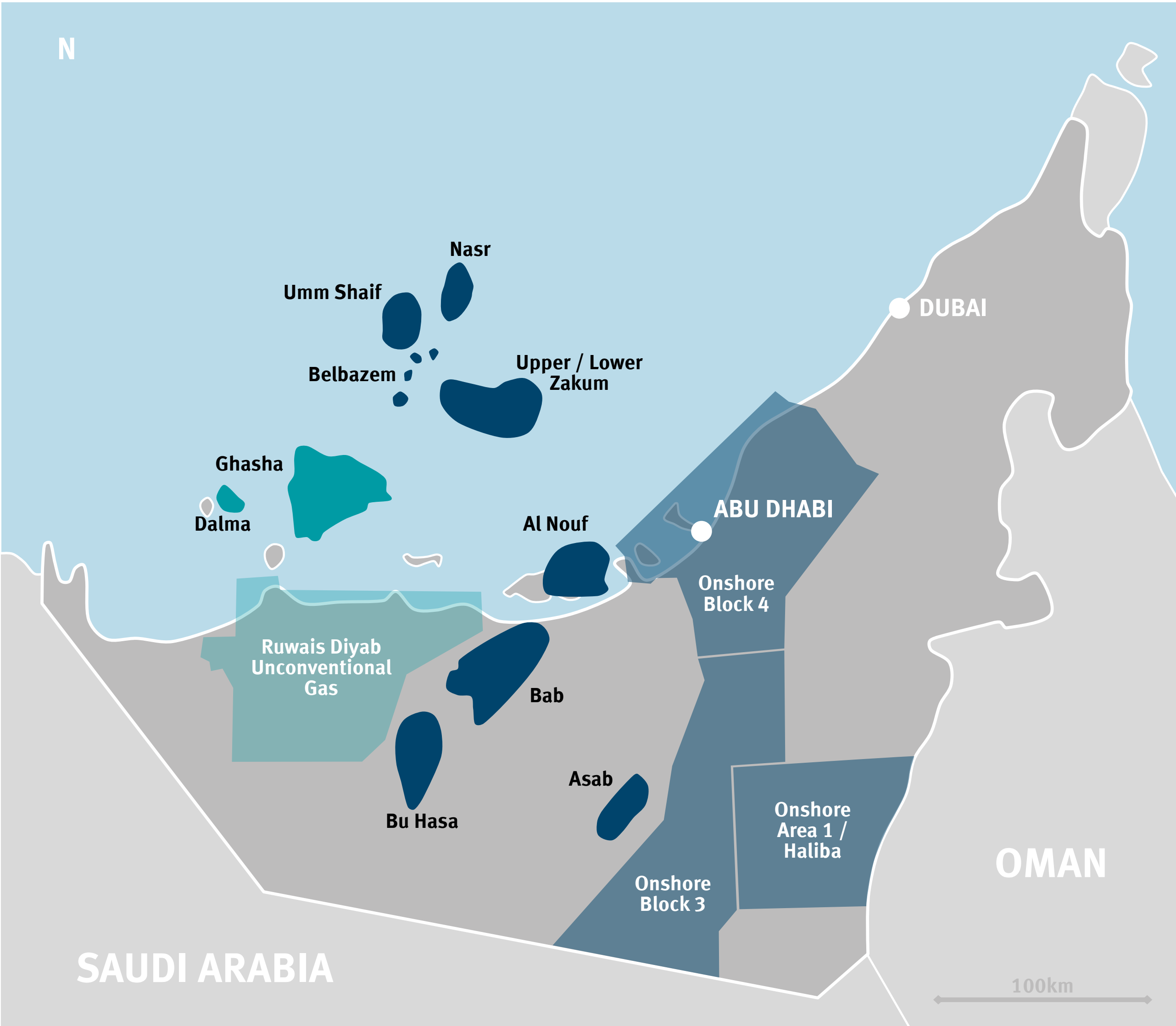
42 *https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5784916/*

43 *https://www.peoplesworld.org/article/guess-where-bp-is-dumping-its-oil-spill-waste/, https://www.theguardian.com/business/2022/jul/06/bp-accused-of-dumping-industrial-waste-marine-protected-area-shetland-regulator-clearance-oil-firm-pipe-cables-drilling*

44 *Global Oil & Gas Exit List: www.gogel.org*

45 *Global Oil & Gas Exit List: https://gogel.org/omv-spying-climate-activists*

Map: Concessions with Expansion in the UAE



Gas field (producing field with expansion)

Gas field (exploration concession with expansion project)

Oil field (producing field with expansion)

Oil field (exploration concession with expansion project)

Sources see Annex

4 Oil and Gas Extraction in Protected Areas

In the face of a climate emergency, it is more important than ever to protect our planet's biodiversity as the majority of the world's species and ecosystems are already under intense pressure. The Protected Carbon Project assesses which environmental areas are protected by national or international law. It identified fossil fuel activities in 913 protected areas situated in 95 countries.[46]

Protected areas should be free from any fossil fuel exploration and extraction. In the United Arab Emirates, eight protected areas lie above oil or gas deposits. Only one of these protected areas is still free from fossil fuel extraction.[47] 5 of the 17 upstream oil and gas expansion projects in the United Arab Emirates are being developed in protected areas.[48] Oil and gas extraction threatens these vulnerable ecosystems. At the World Conservation Congress in 2016, the International Union for Conservation of Nature (IUCN) called on governments "to prohibit environmentally damaging industrial activities and infrastructure development in all IUCN categories of protected area".[49]

The immense fossil fuel reserves under the protected areas in the United Arab Emirates amount to almost 7 bboe at different stages of development. The larger part of these resources (2885 mmboe) is still undiscovered. ADNOC owns about 30% (2036 mmboe) of the reserves in protected areas. Burning the contained oil and gas would amount to potential CO_2 emissions of 852 tons, about 4 times the United Arab Emirates' current emissions.[50] Other big investors in these oil and gas reserves are the Dubai Supply Authority, the French company TotalEnergies, Italy's Eni and South Korea's KNOC. To protect the United Arab Emirates' biodiversity and for the sake of our climate, these companies should write off these oil and gas assets now.

Table: Top 10 Fossil Fuel Reserve Owners under UAE's Protected Areas According to the Protected Carbon Project

Company	Potential Extraction (in mmboe)	Potential CO_2 Emissions (in MT)
Abu Dhabi National Oil Company (ADNOC)	2036	852
Dubai Supply Authority	446	187
TotalEnergies SE	313	131
Eni SpA	228	95
Korea National Oil Corporation (KNOC)	123	51
Bharat Petroleum Corporation Ltd	97	41
Indian Oil Corporation Ltd	97	41
BP plc	94	39
Wintershall Dea AG	91	38
Cosmo Energy E&P	80	34

Source: For a full list of companies expanding fossil fuel operations in protected areas, see the Annex.

46 *Unburnable Carbon in Protected Areas by the Protected Carbon Project.*
47 *https://docs.google.com/spreadsheets/d/1pFcYmIrHDk8uTsjhyNIYoajxmyCrrYLg/edit#gid=529610279*
48 *Marawah, Arabian Oryx, Al Delfaowyah, and Bida'a Hazza'. See Annex for more information.*
49 *"to prohibit environmentally damaging industrial activities and infrastructure development in all IUCN categories of protected area" WCC-2016-Rec-102-EN Protected areas and other areas important for biodiversity in relation to environmentally damaging industrial activities and infrastructure development.*
50 *Profiting Companies Statistics, Protected Carbon, 2023, https://www.protected-carbon.org/data/*

Marawah Biosphere Reserve, United Arab Emirates

Picture: iStock

Picture: iStock

DUGONGS UNDER THREAT!
MARAWAH AND THE HAIL AND GHASHA MEGAPROJECT

New gas drilling off the United Arab Emirates' coast is destroying the home of the dugongs, also called sea cows. Just like cows, they feed off grass. Their grass comes from the bottom of the sea and only grows in specific habitats. Therefore, dugongs are limited in their choice of habitat. The second-largest dugong population in the world lives in the Marawah Biosphere Reserve. In the past, dugongs were hunted for their meat and skin, but about 30 years ago, this was forbidden by law.

The Marawah Biosphere Reserve is the biggest marine reserve in the Arabian Gulf and the UAE's second-largest protected area. Including several islands and a coastline that stretches over 120 km.[51] Its area totals 4,200 km^2, which is about 120 times the size of Dubai City. In 2007, the Marawah Biosphere Reserve was the first biosphere reserve in the country to be recognized by UNESCO.[52] This unique area is home to seagrass beds, coral reef communities, mangrove forests, rocky and sandy seashores, and rocky ridges. Several endangered species live in Marawah.[53] There is the hawksbill turtle, with its beautiful spotted shell, and the big green turtle, the only vegetarian sea turtle on this planet. The vulnerable dugongs, however, are the stars among the United Arab Emirates' marine wildlife. All these animals depend on an intact Marawah Biosphere Reserve to survive.[54]

Since the ban on hunting dugongs took effect, the local community has only practiced traditional fishing in the area. Dugongs, however, are still not safe in Marawah: Current gas production in the Hail gas field is already harming their environment. The Ghasha Mega Project partially lies in the boundaries of the Marawah Biosphere Reserve[55] and will put it under additional stress. It is the world's largest offshore sour gas development operation. Sour gas contains high amounts of sulfur and often carbon dioxide. Both gases are highly corrosive in combination with water. Sour gas therefore needs to be treated in a so-called sweetening process before it can be transported. As conventional gas resources become scarce, more sour gas is exploited globally.

If Ghasha goes into production as planned in 2025, it is expected to extract about 0.26 mmboe of fossil gas daily.[56] This is enough to fuel Dubai and Abu Dhabi with gas for a year.[57] The project is majority-owned by the Abu Dhabi National Oil Company. ADNOC's international partners in the Ghasha Mega Project are Italy's ENI, Germany's Wintershall Dea, Austria's OMV, and Russia's LUKOIL.

Fossil fuel extraction never goes without impacts. This is especially true for biodiversity hotspots like Marawah. ADNOC and its international partners' mega project threatens the Marawah Biosphere Reserve. Fossil fuel extraction in precious protected areas like Marawah must end if we want to sustain a livable planet.

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51 https://visitabudhabi.ae/en/where-to-go/marine-protected-areas
52 https://en.unesco.org/biosphere/arab-states/marawah
53 See the Red List of the International Union of Nature Conservation (IUCN): https://www.iucnredlist.org/
54 https://www.dugongseagrass.org/where-we-work/uae/
55 Marawah Biosphere Reserve, case studies and Briefs, Protected Carbon, 2023, https://www.protected-carbon.org/case-studies/
56 https://ghashamegaproject.com/ghasha-mega-project.php
57 Dubai has 3.5 million and Abu Dhabi has 1.5 million inhabitants. 1.5 billion cf (projected daily production of Ghasha)/ 294.03 cf (gas use of one UAE citizen per year) = 5,101,520 UAE's citizens potential gas use for a year. Source of gas usage per capita: https://www.worldometers.info

Table: Ownership in the Ghasha Expansion Project, Resources under development & field evaluation, according to Rystad Energy: **1697.2 mmboe**

Owners	HQ Country	Ownership
Abu Dhabi National Oil Company (ADNOC)	UAE	55%
Eni SpA	Italy	25%
Wintershall Dea AG	Germany	10%
PJSC LUKOIL	Russia	5%
OMV AG	Austria	5%

5 No Fossil-Free Future with ADNOC

While ADNOC was founded in 1971, the history of oil drilling on the tip of the Arab Peninsula is far older and goes back almost 100 years. For many decades, hydrocarbon resources made ADNOC and the United Arab Emirates prosper. But today, these very same resources threaten the region's future. Without a clear strategy for a future beyond oil and gas, this part of the world could become unlivable in less than 100 years.[58] In the 21st century, Dubai, Abu Dhabi and other Gulf cities are already suffering from the increased occurrence of deadly heat waves. Unless fossil fuel emissions rapidly decline, the climate on the Arab Peninsula could become as extreme as in the desert of Northern Afar, on the African side of the Red Sea. In this unlivable wasteland, there are no permanent human settlements left today.

The COP28 president does not have a vision of a future without fossil fuels. Instead, his company ADNOC is doubling down on oil and gas expansion and promises to store a tiny fraction of the resulting carbon emissions under the desert. This is a sure-fire recipe for hastening catastrophic climate change. What is needed instead is bold climate action and visionary leadership to end fossil fuels – in the Emirates and in the rest of the world.

58 https://www.theguardian.com/environment/ng-interactive/2021/oct/14/climate-change-happening-now-stats-graphs-maps-cop26

Picture: iStock

6 Annex

Table: Fossil Fuel Projects and Their Owners. Sorted by project size according to Rystad Energy.

Project Name	Assets in Protected Areas?	Owners	Ownership
Ruwais LNG T1-T2		Abu Dhabi National Oil Company (ADNOC)	100%
Hail & Ghasha East Development	Includes assets in the Marawah Protected Area	Abu Dhabi National Oil Company (ADNOC)	55%
		Eni SpA	25%
		Wintershall Dea AG	10%
		PJSC LUKOIL	5%
		OMV AG	5%
Upper Zakum Oil Field		Abu Dhabi National Oil Company (ADNOC)	60%
		Exxon Mobil Corporation	28%
		INPEX Corporation	12%
Onshore Concession (Bab)		Abu Dhabi National Oil Company (ADNOC)	60%
		TotalEnergies SE	10%
		BP plc	10%
		China National Petroleum Corporation (CNPC)	8%
		INPEX Corporation	5%
		China ZhenHua Oil Co Ltd	4%
		GS Holdings Corp	2.1%
		Korea National Oil Corporation (KNOC)	0.9%
Onshore Concession (Bu Hasa)		Abu Dhabi National Oil Company (ADNOC)	60%
		TotalEnergies SE	10%
		BP plc	10%
		China National Petroleum Corporation (CNPC)	8%
		INPEX Corporation	5%
		China ZhenHua Oil Co Ltd	4%
		GS Holdings Corp	2.1%
		Korea National Oil Corporation (KNOC)	0.9%
Umm Shaif/Nasr		Abu Dhabi National Oil Company (ADNOC)	60%
		TotalEnergies SE	20%
		Eni SpA	10%
		PetroChina Company Ltd	6%
		CNOOC Ltd	4%
Umm Shaif (Khuff Gas Expansion)		Abu Dhabi National Oil Company (ADNOC)	60%
		TotalEnergies SE	20%
		Eni SpA	10%

		PetroChina Company Ltd	6%
		CNOOC Ltd	4%
Lower Zakum Oil Field		Abu Dhabi National Oil Company (ADNOC)	60%
		INPEX Corporation	10%
		PetroChina Company Ltd	6%
		TotalEnergies SE	5%
		Eni SpA	5%
		CNOOC Ltd	4%
		Oil and Natural Gas Corporation Ltd (ONGC)	4%
		Bharat Petroleum Corporation Ltd	3%
		Indian Oil Corporation Ltd	3%
Dalma Gas Development Project		Abu Dhabi National Oil Company (ADNOC)	55%
		Eni SpA	25%
		Wintershall Dea AG	10%
		PJSC LUKOIL	5%
		OMV AG	5%
Belbazem Offshore Block		Abu Dhabi National Oil Company (ADNOC)	60%
		China National Petroleum Corporation (CNPC)	40%
Onshore Block 4		INPEX Corporation	100%
Haliba Oil Field	Includes assets in the Arabian Oryx Protected Area	Abu Dhabi National Oil Company (ADNOC)	60%
		Korea National Oil Corporation (KNOC)	30%
		GS Holdings Corp	10%
Onshore Concession (South East Bab)	Arabian Oryx Protected Area	Abu Dhabi National Oil Company (ADNOC)	60%
		TotalEnergies SE	10%
		BP plc	10%
		China National Petroleum Corporation (CNPC)	8%
		INPEX Corporation	5%
		China ZhenHua Oil Co Ltd	4%
		GS Holdings Corp	2.1%
		Korea National Oil Corporation (KNOC)	0.9%
Onshore Block 3	Includes assets in the Al Delfaowyah Protected Area	Occidental Petroleum Corporation	100%
Onshore Concession (Asab)		Abu Dhabi National Oil Company (ADNOC)	60%
		TotalEnergies SE	10%
		BP plc	10%
		China National Petroleum Corporation (CNPC)	8%
		INPEX Corporation	5%
		China ZhenHua Oil Co Ltd	4%
		GS Holdings Corp	2.1%
		Korea National Oil Corporation (KNOC)	0.9%

Al Nouf Field (NEB)		Abu Dhabi National Oil Company (ADNOC)	60%
		TotalEnergies SE	10%
		BP plc	10%
		China National Petroleum Corporation (CNPC)	8%
		INPEX Corporation	5%
		China ZhenHua Oil Co Ltd	4%
		GS Holdings Corp	2.1%
		Korea National Oil Corporation (KNOC)	0.9%
Ruwais Diyab Unconventional Gas	Includes assets in the Bida'a Hazza' Protected Area	Abu Dhabi National Oil Company (ADNOC)	60%
		TotalEnergies SE	40%

Sources: Ownership information derived from public sources. Information on Assets in Protected Areas based on the Protected Carbon Project (https://www.protected-carbon.org/data)

Table: Fossil Fuel Reserves under Protected Areas

Company	Potential Extraction MMBOE	Average Ownership Percentage	Potential CO_2 Emissions MT
Open acreage	2884.53	NA	1207.47
Abu Dhabi National Oil Company (ADNOC)	2035.99	54%	852.27
Dubai Supply Authority	445.88	50%	186.65
TotalEnergies SE	312.89	16%	130.98
Eni SpA	227.91	25%	95.40
Korea National Oil Corporation (KNOC)	122.52	19%	51.29
Bharat Petroleum Corporation Ltd	96.91	50%	40.57
Indian Oil Corporation Ltd	96.91	50%	40.57
BP plc	93.59	10%	39.18
Wintershall Dea AG	91.16	10%	38.16
Cosmo Energy E&P	80.34	52%	33.63
China National Petroleum Corporation (CNPC)	74.90	8%	31.35
Occidental Petroleum Corporation	74.74	100%	31.29
GS Holdings Corp	57.67	7%	24.14
JX Nippon Oil & Gas Exploration Corporation	50.22	32%	21.02
INPEX Corporation	46.83	5%	19.60
PJSC LUKOIL	45.57	5%	19.08
OMV AG	45.57	13%	19.08
SNOC	42.52	100%	17.80
China ZhenHua Oil Co Ltd	37.45	4%	15.68
JERA Co Inc	2.65	2%	1.11
Kansai Electric	2.65	2%	1.11

Source: Sourced from the Protected Carbon Project: https://www.protected-carbon.org/data

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