



ASPIRATIONAL TRANSFORMATION

ENOC ANNUAL REVIEW 2019



ENOC IS A LEADING INTEGRATED ENERGY PLAYER, OPERATING ACROSS THE ENERGY SECTOR VALUE CHAIN.



A wholly owned company of the Government of Dubai, ENOC Group offers a diverse portfolio of assets operating across five business segments: Supply, Trading and Processing, Terminals, Marketing, Retail and Exploration and Production.

Servicing thousands of customers across 60 markets, the Group employs a workforce of over 9,000 employees and is deploying its world-class customer service, latest innovations and technologies and best practices towards the UAE's social and economic development. For further information, please visit: www.enoc.com



Our vision

We deliver world-class sustainable and integrated energy solutions. We do so by striving for excellence in operations, innovation and happiness of our employees, customers, and partners.



Our mission

To be an innovative energy partner, delivering sustainable value and industry-leading performance.

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**H.H. Sheikh Khalifa
bin Zayed Al Nahyan**

President of the UAE
and Ruler of Abu Dhabi



**H.H. Sheikh Mohammed
bin Rashid Al Maktoum**

Vice President and Prime Minister
of the UAE and Ruler of Dubai



**H.H. Sheikh Hamdan bin
Mohammed bin Rashid
Al Maktoum**

Crown Prince of Dubai



**H.H. Sheikh Hamdan
bin Rashid Al Maktoum**

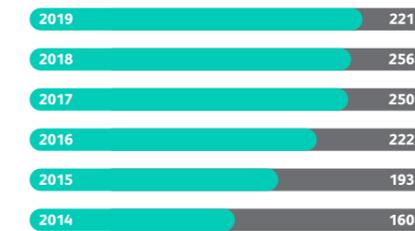
Deputy Ruler of Dubai
and UAE Minister of Finance



Enhancing value Group-wide

Our 2019 results show a positive upward trend, and demonstrate the value of a broad-based strategy designed to deliver value at every touch point of our operation.

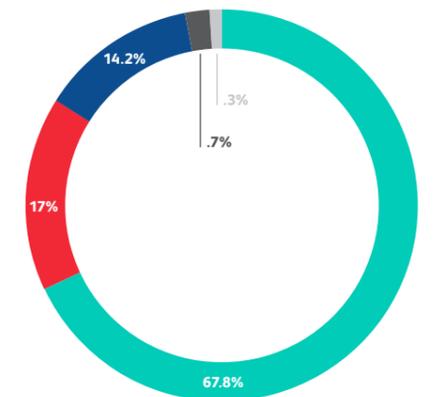
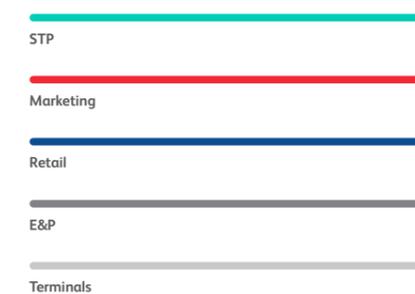
Sales volume (million barrels)



Revenue (US \$ millions)



FY19 Revenues – US \$16,492 million



10%

sales volume growth rate
over the past 5 years



”
This future-ready mindset is crucial in the face
of challenging and volatile economic and
geopolitical conditions and longer term change.

H.E. Saeed Mohammed Al Tayer
Vice Chairman

FIRMLY FOCUSED ON TURNING TODAY'S CHALLENGES INTO TOMORROW'S OPPORTUNITIES

As the UAE marks its 49th anniversary in 2020, never have the words 'ambition' and 'achievement' held the same resonance as they do today - and ENOC has been proud to be part of the journey.

The energy industry is going through possibly the biggest transformation in its history – a transition which brings unique challenges and triumphs. Continuing geopolitical uncertainties have meant dramatic changes to supply lines and the need to find new feedstock sources, while oil price volatility remains a continuing reality in the industry.

At the same time, the dynamics of how we consume energy are going through a seismic shift. Within this climate of huge industry change, ENOC remains steadfast in turning these challenges into opportunities through our continuous business reinvention and building our competitive strengths. At the same time, we remain aligned with the national mandate. These include Dubai's aspirations to be a smart and sustainable city by 2021, to generate 75% of its energy through clean resources by 2050, and the Emirate's 10X initiative which mandates that all government departments pursue disruptive and digitally-driven business models. ENOC's accelerator programme, NEXT, is already delivering successful new digital ventures such as Beema, a unique online insurance model, and ENOC Link, a commercial fuel delivery business.

It is estimated that digitisation can bring savings of around US\$100 billion to the upstream sector¹, and in addition to NEXT, ENOC continues to bring digital innovation into its core operations. ENOC's upstream arm Dragon Oil, for example, is already using 3D seismic technology and machine learning to identify new exploration opportunities with minimum risk.

In the meantime, the Group has remained firmly focused on its robust growth strategy – both domestic and overseas.

Energy efficiency is another priority central to ENOC's vision and the national agenda. We continue to measure and achieve our own energy performance and sustainability targets and are on track by 2030 to reduce our energy consumption by 10%, increase the amount of water we recycle by 30% and reduce our flaring operations by 50%. These not only contribute to the UN Sustainable Development Goals and the UAE's own sustainability agenda, but also make sound business sense, bringing considerable cost savings to the Group. In addition, we maintain robust energy efficiency management practices across all Group divisions and subsidiaries. In 2019 alone, these have yielded cost savings of almost US\$1.5 million, and accumulated savings of around US\$29 million since 2014.

In recognition of our commitment to sustainability and energy efficiency,

we were proud to win a number of prestigious awards in 2019 for both sustainability practices and green procurement strategy. These highlighted our approach to implementing energy saving purchasing practices across the Group and providing definitive guidelines for our suppliers.

It is always at the top of our mind, however, that our primary remit is to meet the UAE's fast-growing demand for energy. The now-completed expansion, on-schedule and on-budget, of our Jebel Ali refinery doubles our capacity to 213,500 barrels a day, securing the Emirate's energy supply over the coming years. On the wider national agenda, ENOC continues to be an integral part of Dubai Supreme Energy Council in creating workable strategies to take Dubai's energy agenda forward.

We are proud that ENOC's own growth over the last 25 years has run in parallel to the UAE's remarkable success and look forward to working with our partners – both nationally and internationally – to continue driving the opportunities of a sustainable and successful future.

H.E. Saeed Mohammed Al Tayer
Vice Chairman

BOARD OF DIRECTORS



H.E. Saeed Mohammed Al Tayer Vice Chairman

H.E. Saeed Mohammed Ahmad Al Tayer has an overall experience of more than 34 years in the field of telecommunications, energy, water, infrastructure, oil, gas and industry.

Under his leadership since 1992, DEWA achieved unprecedented successes and has become one of the very best distinguished utilities in all aspects world-wide.

As an initiative of his own, several successful companies were established, including Emirates Central Cooling Systems Corporation (EMPOWER), Etihad Energy Services Company (Etihad ESCO), Mai Dubai and many other companies.

His Excellency is a member of Dubai Executive Council and Strategic Affairs Council, Vice Chairman of the Dubai Supreme Council of Energy (DSCE), Chairman of Dubai Smart City Office, Vice Chairman of Emirates Global Aluminium (EGA), Vice Chairman of Emirates National Oil Company (ENOC), Vice Chairman of Dragon Oil Company, Chairman of UAE Water Aid (SUQIA) Board Of Trustees, Chairman of World Green Economy Organisation (WGEO), and Chairman of Dubai Future Council On Energy. He was Chairman of the Infrastructure and Environment Committee – Dubai Executive Council – during the period from 2006 up to 2017. In addition, His Excellency is a member, vice chairman, or chairman of various high-level committees and higher leading councils in the Emirate of Dubai.

His Excellency received a number of prestigious awards such as the 'Middle East Champion of Energy' award received at the World Green Economy Summit 2015 from the United Nations Development Programme (UNDP). On 18 May 2016, the UNDP appointed His Excellency as 'UNDP National Goodwill Ambassador for Sustainable Development Goals'. In addition, the Swiss Business Council, Dubai & Northern Emirates awarded His Excellency the prestigious 'Lord of Matterhorn Award'. Moreover, His Excellency received an honorary doctorate from Amity University in Dubai in appreciation of his continuing innovative efforts to achieve excellence and enhance scientific knowledge and sustainability.

H.E. Abdulrahman Al Saleh Vice Member

Member of the Investment and Finance Committee

His Excellency Abdulrahman Saleh Al Saleh is the Director General of the Government of Dubai's Department of Finance (DOF) since 2009. He also chairs the Board of Directors of the Dubai Financial Support Fund, and a member of the Executive Council of Dubai, as well as a member of the Dubai's Strategic Affairs Council.

H.E. Al Saleh is a member of a number of highly esteemed boards, including Dubai's Supreme Fiscal Policy Committee, Dubai World, the Federal Tax Authority as well as the Emirates National Oil Company (ENOC).

In a presidential decree issued in December 2018, H.E. Al Saleh was appointed as Vice Chairman of the Board of Directors of the United Arab Emirates Central Bank.

Previously, H.E. DOF's Director General has held many leadership and financial positions in a number of government entities at the local and federal levels, including the Senior Executive Director for Financial and Administrative Affairs at Dubai Customs. He also chaired a number of committees, notably the VAT Committee at Dubai Customs. He also oversaw and participated in a number of other regulatory and strategic committees, including the Executive Credit Policy Committee and the Indirect Taxation Working Group.

H.E. Al Saleh is a fellow member of the Chartered Institute of Management Accountants (CIMA) in the United Kingdom and holds an MBA degree from the American University of Sharjah.

Hussain Hassan Mirza Al Sayegh Board Member

Chairman of the Audit Committee

Mr Hussain Al Sayegh heads the investment affairs of the Office of H.H. Sheikh Hamdan bin Rashid Al Maktoum and has more than 40 years of local and overseas experience in diverse sectors, primarily key diplomatic positions. Companies under his charge cover a wide spectrum of commercial, educational, and charitable organisations.

He currently serves on the boards of Emirates NBD, National Bank of Fujairah, ENOC, Dragon Oil, Marsh Emirates Insurance Brokerage, Tricolour Values Investment, Dubai Developments and Mawarid Finance. He is also Chairman of Jotun UAE, Jotun Powder Coatings UAE and Union Cement and Deputy Chairman of Oilfields Supply Center and Al-Nasr Leisureland.

Mr Al Sayegh holds a Master's degree in International Relations from the University of Southern California (UK Programme).

Ahmad Sharaf Board Member

Chairman of the Investment and Finance Committee and member of the Audit Committee

B.Sc. and M.Sc. in Petroleum Engineering from the Colorado School of Mines and MBA from Duke University's Fuqua School of Business.

Mr Sharaf has worked both the international and North American upstream oil and gas industry for over 30 years, including with ConocoPhillips from 1989 – 2004, Dubai Holding (Dubai's leading sovereign conglomerate) in various leadership positions in the energy, health care, tourism and real estate sectors from 2005 – 2012 and presently is with the Dutco Group, one of the Middle East's most successful and largest family-owned conglomerates, leading its Energy division.

Mr Sharaf is the Chief Executive Officer of Dutco Energy, a division of the Dutco Group, dedicated to positioning and expanding the Group's global interests in the oil and gas sector.

Mr Sharaf is Chairman of the Dubai Mercantile Exchange (DME) and also chairs the DME's Compensation Committee.

Mr Sharaf is a Director of the Board of Emirates National Oil Company (ENOC) LLC and serves as Chairman of its Finance & Investment Committee and a Member of ENOC's Audit Committee.

Mr Sharaf is a Director at Dragon Oil Holdings Limited since 2007 where he also serves as Chairman of its Finance & Investment Committee and a Member of Dragon Oil's Audit Committee.

He is also an active Member of Duke University Fuqua Business School's Board of Visitors.

Dr Abdulrahman A. Al Awar Board Member

Chairman of the Nomination & Remuneration Committee and Member of the Audit Committee and Member of the Investment Committee

Dr Abdulrahman has a Ph.D. in Geology and Geological Engineering from Colorado School of Mines, USA, 1995. He started his career in Dubai petroleum Company in 1996.

Dr Al Awar has over 20 years of experience in executive roles in Public and Private sectors and across various industries (spanning Oil & Gas & banking, etc.). He served previously as Executive Vice President of Business Development – New Smelters in Dubai Aluminium Company (DUBAL). The Business Development division was responsible for developing multi billions US \$ smelter projects in the UAE and the Region. In addition, he served in Mubadala, Dolphin Energy, HSBC and Dubai Petroleum company. In addition, he served as a Director General of the National Human Resource Development & Employment Authority 'TANMIA'.

Dr Abdulrahman A. Al-Awar is currently the Director General of the Federal Authority for Government Human Resources (FAHR).

He is also a chairman of the Centre of Excellence for Applied Research and Training (CERT) Committee. And a board member of the following:

1. Emirate National Oil Company (ENOC)
2. Dragon Oil (Holding) Limited
3. National Defence College Supreme Council
4. Mohammed Bin Rashid School of Government
5. University of Dubai
6. Board of Trustees of the Higher Colleges of Technology
7. UAE Gender Balance Council.
8. Board of Trustees of the Arab Center for Youth Empowerment

H.E. Ahmad Buti Al Muhairbi Board Member

Member of the Nomination and Remuneration Committee and member of the Investment and Finance Committee

His Excellency Ahmad Al Muhairbi is the Secretary General of Dubai Supreme Council of Energy (DSCE). He Holds a B.S. degree in Petroleum Engineering from the University of Texas.

His prolific career expands over 31 years of diversified experience in the Energy Management and Oil & Gas Industry covering field development, drilling and gas storage. Prior to joining the DSCE in 2012, he built a vast technical and operational expertise working for ADNOC, ARCO Dubai, Margham Development and Dubai Supply Authority. At the DSCE Office, he leads the development and execution of Dubai's energy strategies, policies and regulatory framework driving energy efficiency, renewable energy and sustainability projects across the Emirate.

Mr. Al Muhairbi is a member on the Board of Directors of Dubai Regulatory & Supervisory Bureau, Emirates National Oil Company, Dragon Oil, Etihad ESCO, World Green Economy Organization, and Dubai Green Fund.

H.H. Sheikh Hamdan Bin Rashid Al Maktoum Deputy Ruler of Dubai and UAE Minister of Finance

Chairman of the Board

As Minister of Finance, H.H. Sheikh Hamdan Bin Rashid Al Maktoum has overseen much of the economic and infrastructural development of Dubai and the UAE. He has been in charge of an array of key governmental industrial enterprises, including Dubai Natural Gas Company, Dubai Cable Company, and President of Dubai Electricity and Water Authority (DEWA).

He is also the benefactor and patron of the Sheikh Hamdan Bin Rashid Al-Maktoum Award for Medical Excellence, instituted to reward achievement in the medical sciences.

Under the guidance and oversight of its Board under the Chairmanship of Sheikh Hamdan, ENOC has grown to become a leading integrated global oil and gas player, making significant contributions to Dubai's continued drive towards economic diversification and sustainable development.

Sheikh Hamdan received his early education in the UAE, completing his higher studies at the Bell School of Languages in Cambridge, UK.

EXECUTIVE MANAGEMENT



Saif Humaid Al Falasi Chief Executive Officer, ENOC Group

Mr Saif Humaid Al Falasi was appointed as the Chief Executive Officer of ENOC Group in March 2015. Mr Al Falasi spearheads the Group's business strategy and operational excellence locally and internationally, in alignment with the vision and plans of the Government of Dubai.

A 39-year veteran in the energy industry, Mr Al Falasi's wealth of experience and in-depth industry knowledge spans a wide range of specialities including project management and petroleum asset evaluation operations.

He joined ENOC in 2008 as Group General Manager. In 2011, he was appointed Executive Director for Environmental, Health, Safety and Quality (EHSQ) and the Corporate Affairs Directorate. Prior to his assignment with ENOC, Mr Al Falasi worked with Abu Dhabi National Oil Company (ADNOC) for 25 years and was a Board member of National Marine Services.

Mr Al Falasi is Chairman of Gulf Energy Maritime and a Board member of the Supreme Council of Energy and the Green Energy Council.

Mr Al Falasi holds a BSc in Petroleum Engineering from Louisiana Tech University, USA. In 2014, he was awarded Fellowship of the UK Energy Institute, recognising his leadership of the ENOC Energy and Resource Management Programme.

Tayyeb Al Mulla Managing Director, Supply, Trading and Processing

Tayyeb Al Mulla is the Managing Director of ENOC's Supply, Trading and Processing segment, spearheading the Group's refining, trading and petrochemical (Gas and MTBE processing) business and associated marketing operations. During his tenure with ENOC, Al Mulla contributed significantly to key growth and development opportunities including exploring JV opportunities in Lubes Blending, Fuel Oil and Shipping.

With 38 years of diverse experience in an array of roles, Al Mulla held a number of key roles domestically and internationally, providing strategic operational leadership in refining, trading, supply, logistics, transportation, pipeline construction, marketing, and strategy and planning.

He began his career in 1980 with Abu Dhabi National Oil Company (ADNOC), moved to Emirates Petroleum Products Company (EPPCO) in Dubai and became Chief Executive of International Refining and Marketing at Emirates National Oil Company (ENOC) in 1992. Adopting a visionary approach, Al Mulla managed the construction of Dubai's only refinery at Jebel Ali in 1996. In 1999, Al Mulla spearheaded the establishment of ENOC Singapore, ENOC's first overseas trading offices, to trade and manage risk for crude and all petroleum products as against marketing activities. ENOC Singapore was accorded the Approved Oil Trader status by the Government of Singapore a year after its establishment (2000), placing it on par with global trading companies. In 2011, Al Mulla established the ENOC UK trading office to grow the Group's trading business in the Mediterranean, European and American markets.

Al Mulla is a graduate from Valparaiso University in the United States who holds a Bachelor's degree in Business Administration.

Zaid Alqufaidi Managing Director, NOC Retail

In his current role as Managing Director, ENOC Retail, Zaid Alqufaidi is responsible for the strategic development of ENOC Group's retail business stream. A veteran of the Group and a seasoned oil and gas industry professional, he has extensive experience across the energy value chain in the marketing, aviation, terminal operations and supply.

During his career at ENOC, Alqufaidi has held numerous leadership roles. He was Managing Director of ENOC's marketing segment before his current role; in 2010, he was Chief Executive Officer of EPPCO Group; and in 2000, he held the position of Manager of Terminals, Distribution and Aviation Operations.

Alqufaidi started his career at Emirates Petroleum Products Company (EPPCO) in 1989 as an Engineer in the Operations Department, after which he was promoted to Operations and Supply Coordinator in 1992.

Over the years, he has immensely contributed to bridging the gap between the ENOC and EPPCO brands during the formation of the Group's identity as 'ENOC Group'. Alqufaidi has also played an instrumental role in the development of EPPCO's retail network.

Some of his notable achievements – during his tenure as Commercial Marketing Manager, a position he assumed in 1998 – include overseeing the construction of 70 EPPCO service stations, oil terminal storage facilities, and the establishment of Tasjeel.

Alqufaidi is an Engineering graduate from the University of Central Florida in the United States.

Burhan Al Hashemi Managing Director, ENOC Commercial and International Sales

In his role as Managing Director, ENOC Commercial and International Sales, Burhan Al Hashemi is responsible for the strategic operational management and business development of petroleum products including aviation fuel, gas marketing, industrial fuel, and lubricants within ENOC's marketing business both locally and internationally.

Al Hashemi began his career with the Group when he joined Emirates Petroleum Products Company (EPPCO) as an Assistant Lubricants Plant Manager in 1999. He then held the position of Sales and Marketing Manager, after which he was promoted to General Manager of EPPCO Lubricants. Rising through the ranks, Al Hashemi was appointed Chief Operating Officer of ENOC's retail segment, then Managing Director of the segment in 2011, before assuming his current position as Managing Director of ENOC's Commercial and International Sales segment in 2016.

Prior to ENOC, Al Hashemi also held multiple positions at Dubai Aluminium Company (DUBAL) where he worked for over 10 years. He has 30 years of experience in Business Management and Operations, out of which he has spent 20 years in the Oil and Gas Industry.

An Electrical and Electronics Engineering graduate from Huddersfield University in the United Kingdom, Al Hashemi also holds a Master of Business Administration degree from Bradford University in the United Kingdom. Al Hashemi completed an Advanced Management and Leadership Programme at the University of Oxford and became a member of the Board Directors Institute (BDI), after successfully completing the Institute Board of Directors Course.

Yusr Hussain Sultan Al Junaidi Managing Director, Horizons Terminals, ENOC Group

In his current role as Managing Director of Horizons Terminals Limited (HTL), Yusr Hussain Sultan Al Junaidi manages the company's operations in the UAE as well as overseas, and leads its growth efforts in the region. Al Junaidi is also responsible for the overall leadership of the HTL's management team. He has played an instrumental role in establishing the company when he was first appointed to head up the subsidiary in 2003.

Al Junaidi began his career with ENOC Group 24 years ago when he joined the organisation in an Executive capacity, heading the Group's Business Development for several years. Over his two-decade tenure with ENOC, Al Junaidi has held various positions in Shipping, Liquefied Petroleum Gas (LPG), Planning and Business Development. He also represents ENOC on the boards of group companies including that of Horizon Terminals Limited and its subsidiaries, ENOC Singapore and Gulf Energy Maritime PJSC.

A graduate from Ottawa University in Canada, with a Bachelor of Science in Biochemistry and a Bachelor of Arts in Economics degrees, Al Junaidi also holds a Master of Business Administration degree from Boston University's Graduate School of Management. He is also an active member of the business community in the UAE and has a personal interest in education and charitable initiatives.

Hesham Ali Mustafa Executive Director, Shared Services Centre, Group HR and New Business Development, ENOC Group

In his current role as Executive Director of Shared Services Centre, Group HR & New Business Development (SSC, GHR & NBD) of ENOC Group, Hesham Ali Mustafa is responsible for running the Group's core multi-functional Segment through strategic management and operational development, delivering significant value to the organisation through skilled governance, service excellence and cost optimisation measures, while generating revenue through international business expansion through the Group's New Business Development role.

Mustafa's role is to ensure satisfaction of business partners through sustained continuous improvement measures, and to apply innovative approaches whilst directing ENOC's core support and governance functions encompassing Human Resources, Communications, Information Technology & Cyber Security, Quality & Business Excellence, Procurement & Contracts, Financial Services, Engineering & Project Management, as well as Corporate Real Estate, and New Business Development, to benefit the bottom line.

In addition to developing and implementing ENOC Group's revised Strategy in 2017, Mustafa was instrumental in revamping the strategy for his newly formed SSC, GHR & NBD departments. This included revamp of ENOC's Cyber Security where security controls & protocols were enhanced across the Group complementing the Dubai Cyber Security Strategy. Mustafa is also in charge of the ongoing SAP transformation project intended to improve efficiency, build world-class competencies, and deliver operational excellence and profitable growth.

Mustafa is spearheading ENOC's digital transformation strategy through 'Next', ENOC's accelerator program, designed to unlock growth opportunities and tackle challenges in the energy sector through building new digital ventures for business-to-business and consumer categories.

A Civil Engineer with over 20 years in the Energy sector, Mustafa joined ENOC Group in 2001 as Project Manager for ENOC's refinery in Jebel Ali, then went on to manage ENOC's gas business (EMGAS) & international business development, before his appointment as Executive Director – ENOC Group Strategy & New Business Development Segment, and subsequently his current role as Executive Director of Shared Services Centre, Group HR & New Business Development Segment.

Mohammad Sharaf Group Chief Financial Officer

In his current role as Group Chief Financial Officer of ENOC Group, Mohammad Sharaf spearheads the Group's strategy and commercial functions through key departments including Portfolio Management, Investment and Corporate Solutions, Treasury and Insurance, External Reporting and Taxation, Financial Planning and Budgeting, Economics and Research as well as Enterprise Risk Management.

Sharaf, who joined ENOC Group in 2017, is a senior financial executive with more than 28 years of experience. In his previous roles, he led the finance functions in Emirates Aluminium Company (EMAL), a company of Emirates Global Aluminium (EGA), and Thuraya, a satellite telecommunications company operating in more than 140 countries across Europe, Africa, Middle East, Asia and Australia. Earlier in his career, he worked with Dubai Police's Finance Affairs division.

During his tenure with Thuraya and EMAL, Sharaf played an instrumental role in managing the financial aspects of key projects including the launch of 1,2,3 Satellites, EMAL Phase II, Al Taweelah Alumina and Guinea Alumina. He also implemented additional performance measurement and management tools in both companies.

Sharaf holds a Bachelor's Degree in Accounting from the United Arab Emirates University.

Ali Rashid Al-Jarwan Managing Director, Exploration and Production and CEO of Dragon Oil

Mr Ali Al-Jarwan has more than 37 years of experience in oil exploration and production, and has held a number of senior management roles in the Abu Dhabi National Oil Company (ADNOC) group of companies – Abu Dhabi Company for Onshore Oil Operations (ADCO), as well as Abu Dhabi Marine Operating Company (ADMA-OPCO) and Zakum Development Company (ZADCO). Mr Al-Jarwan served as CEO of Abu Dhabi Marine Operating Company (ADMA-OPCO) from 2006 to 2016.

He has received several industry honours, including the Society of Petroleum Engineers (SPE) distinguished membership; two innovation awards from BP Middle East; ADNOC's 2010 Health, Safety and Environment Man of the Year Award; and several SPE recognition awards – the latest being Honourable Member.

Mr Al-Jarwan has a Bachelor of Science degree in Petroleum Engineering from the University of Oklahoma in the USA. He is an associate of Cranfield School of Management in the UK, and the International Institute for Management Development (IMD) in Switzerland.

A fully integrated energy business



Energy business

ENOC's energy business comprises Exploration and Production, Supply Trading and Processing (STP), Terminals, Fuel Retail, Aviation, and Products.



AVIATION

ENOC Aviation, the specialised aviation fuels division of ENOC, is a leading marketer and supplier of aviation fuel for commercial airlines, military and general aviation since 1995.

→ Read more on page 47



Subsidiary businesses

ENOC has also established a solid presence in related fields and subsidiary enterprises. Current activities include convenience store franchises and automotive services.



EXPLORATION AND PRODUCTION

ENOC's principal producing asset is the Cheleken Contract Area in the eastern region of the Caspian Sea, offshore Turkmenistan. Ongoing exploration assets include Iraq, Algeria, Tunisia, Afghanistan and Egypt, where E&P activities are currently underway.

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TERMINALS (HTL)

Drawing on the growth of the UAE as a strategic hub for global trade and as part of plans aimed at meeting the fast-growing demand for bulk liquid terminalling, ENOC established Horizon Terminals Limited in 2003.

→ Read more on page 46



FUEL RETAIL

ENOC manages and operates 128 ENOC and EPPCO service stations in the United Arab Emirates (UAE), reaching an estimated 90 million customers each year.

→ Read more on page 52



CONVENIENCE STORES

ENOC operates a successful network of ZOOM convenience stores across the UAE; offering customers a wide range of both local and international brands.

→ Read more on page 53



SUPPLY TRADING AND PROCESSING

Regarded as the core of ENOC's operations, the STP segment lends impetus to ENOC's growth by maximising returns on midstream and downstream assets.

→ Read more on page 44



PRODUCTS

ENOC manages, operates and sells a variety of products such as jet fuel, liquefied petroleum gas (LPG), lubricants, bulk fuel and alternative fuel such as compressed natural gas (CNG).

→ Read more on page 51



AUTOMOTIVE SERVICES

ENOC operates two automotive services for its customers in the UAE. AUTOPRO offers a range of automotive services at a number of locations, from a basic car wash to maintenance and repair services. TASJEEL provides a comprehensive range of vehicle testing and registration services for car owners across a network of outlets.

→ Read more on page 53



ENOC Group | Corporate segments

GROUP STRATEGY & FINANCE

GROUP HSE

SHARED SERVICES, GROUP HR AND NEW BUSINESS DEVELOPMENT
NEXT Accelerator Programme
ENOC Link
BEEMA Insurance

DIRECTORATE OF INTERNAL AUDIT & BUSINESS ETHICS

GOVERNMENT & INTERNATIONAL AFFAIRS

Business segments

EXPLORATION AND PRODUCTION
Dragon Oil

TERMINALS (HTL)
Storage
Distribution

SUPPLY, TRADING AND PROCESSING
Refinery
Trading
Petrochemicals processing

COMMERCIAL AND INTERNATIONAL SALES
Lubricants
Aviation
Gas (EMGAS)
EIPM

RETAIL
Fuel Retail
Automotive
C-Store (ZOOM)
F&B
Property Rental
Car testing

A fully integrated energy business

ENOC has on-the-ground operations in over 10 countries and an extended presence in 60+ countries across the globe.

▶
249m
barrels produced in 2018

»
60+
presence in over 60 countries

⤴
80,000+
barrels of oil per day produced by Dragon Oil

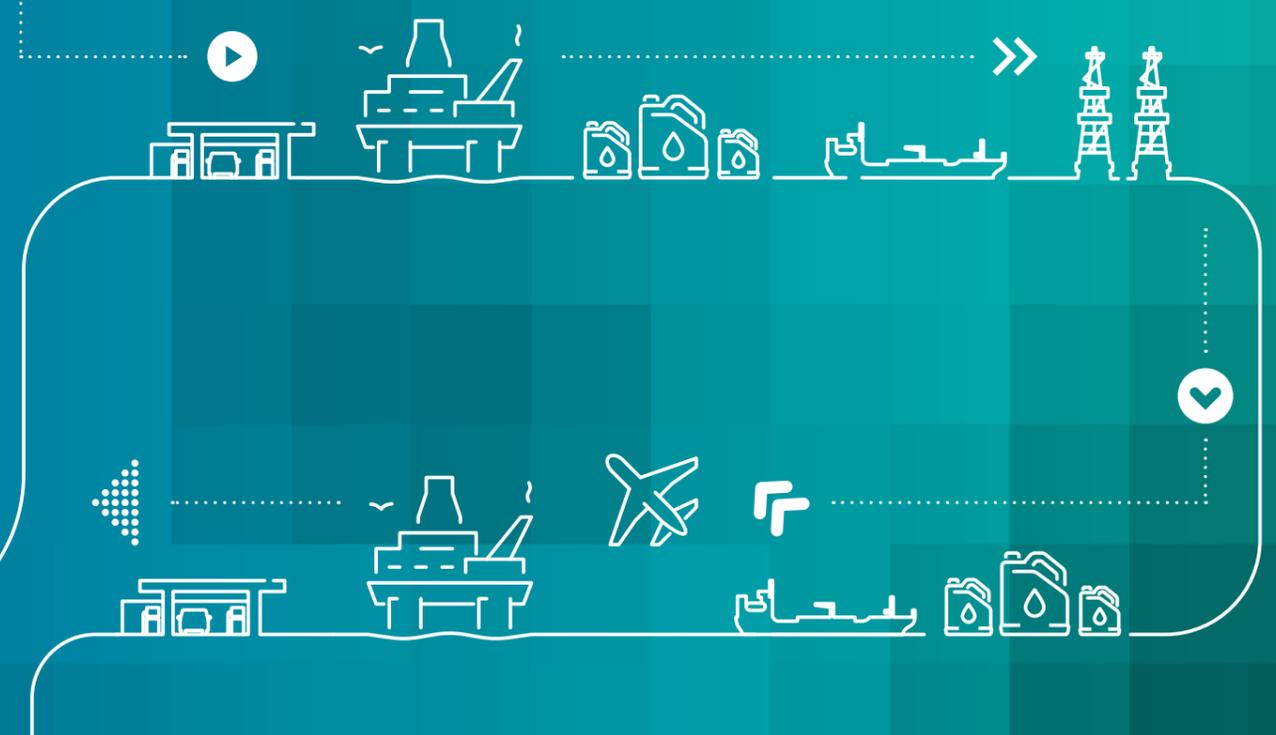
57+
nationalities employed
..... ▶
30
subsidiaries involved from exploration to retail



-  Exploration and Production
-  Supply, Trading and Processing
-  Terminals
-  Commercial and International Sales
-  Retail

Focusing on delivering value throughout our entire value chain

Over the past 30 years, ENOC has evolved from a local oil and gas player to a global operator across various aspects of the energy sector value chain. Now serving thousands of customers across 60 markets, ENOC is deploying talent and technology to diversify its offerings to achieve sustainable development.



1970s – 1980s

1971
Oliver Prospecting and Mining Company (now Dragon Oil) is established.

1974
CALGAS Bottling Company is established.

1976
CYLINGAS, the first LPG cylinder factory in the GCC region, begins its operations.

1977
DUGAS (Dubai Natural Gas Company) is established and begins construction of a 100 MMscfd gas plant.

1980
DUGAS begins commercial production of LPG and condensate.

Emirates Bunkering and Bitumen Company (EBBCO) is established.

1981
CALGAS becomes wholly-owned by the Government of Dubai, and is renamed Emirates Gas (EMGAS).

1984
DUGAS' second onshore gas plant is completed with a capacity of 135 MMscfd.

The DUGAS-DEWA 24-inch pipeline is completed, and the 12-inch fuel gas pipeline from Jebel Ali to the Fateh Field is commissioned.

1988
EBBCO is renamed Emirates Petroleum Products Company (EPPCO).

1989
DUGAS' Margham-Jebel Ali pipeline is completed.

Emirates Terminals is formed to establish a chemical storage terminal in Jebel Ali.

1990s

1991
ENOC's Retail segment launches convenience stores, later branded 'ZOOM'.

1993
ENOC is formed through the transfer of four wholly or majority-owned Government of Dubai companies.

1995
DUGAS' 500,000 MT methyl tertiary butyl ether (MTBE) facility becomes operational.

1996
EPPCO International becomes an ENOC joint venture with Chevron and its storage terminal at Jebel Ali is established.

ENOC enters the aviation fuel market.

1997
EPPCO Projects begins marketing ENOC and Caltex branded lubricants.

Emirates Terminals (now known as Horizon Jebel Ali Terminals) is acquired by ENOC.

1998
ENOC acquires 46 percent of Dragon Oil.

ENOC's Snake Pipeline is inaugurated, supplying aviation fuel to Dubai International Terminal.

1999
ENOC's shareholding in Dragon Oil increases to 69.4 percent and the organisation's headquarters are moved to Dubai.

ENOC becomes the first Middle Eastern oil company to establish an international presence, starting trading operations in Singapore.

ENOC Processing Company's petroleum refinery (120,000 barrels per stream day) is commissioned.

Vopak Horizon Fujairah's terminal is established, a joint venture between ENOC, Vopak, IPG, and the Government of Fujairah.

Tasjeel is established, a joint venture between EPPCO and Dubai Police for vehicle registration and testing.

Dragon Oil signs a Production Sharing Agreement with the Government of Turkmenistan to redevelop the Cheleken Contract Area in the Caspian Sea.

2000s

2000
DUGAS ownership is transferred to ENOC by the Government of Dubai.

ENOC Singapore and ENOC UK are established.

The ENOC fuel retail network is launched.

2001
ENOC Commercial and International Sales segment is formed to take over aviation fuel marketing from EPPCO Projects.

ENOC Supply and Trading segment is incorporated to handle the Group's supply requirements and for commodity oil trading.

2002
ENOC acquires a 35 percent stake in Arabtank Terminals with a capacity of 19,300 m³ (now 288,000 m³).

2003
ENOC incorporates Horizon Terminals to consolidate all terminal assets.

2004
Major shipping assets are transferred to Gulf Energy Maritime (GEM).

2005
ENOC acquires remaining shares in EPPCO from Chevron.

2006
Horizon Singapore Terminals is commissioned, with a capacity of 573,000 m³ (now 1,243,000 m³).

Horizon Djibouti Terminals is commissioned, with a capacity of 271,000 m³ (now 371,000 m³).

Horizon Taeyoung Korea Terminal is acquired, with a capacity of 99,000 m³ (now 232,000 m³).

2007
ENOC's Snake Pipeline (supplying aviation fuel to Dubai International Terminal) undergoes a major upgrade.

2009
ENOC Lubricants and Grease Manufacturing Plant begins operations.

2010s

2010
ENOC's refining unit upgrade project is completed, with the installation of a hydrotreater and reformer unit.

ENOC's Retail segment opens the first 'green' gas station in the Middle East.

2011
Dragon Oil signs a farm-in agreement for the Bargou Exploration Permit, offshore Tunisia.

2012
Horizon commissions a new terminal in Tangier, Morocco with a capacity of 533,000 m³.

Vopak Horizon Fujairah terminal is expanded.

Dragon Oil, in a consortium of companies, wins new exploration blocks in Iraq and Afghanistan.

2013
Fujairah Distribution Terminal is completed with a capacity of 246,000 m³.

ENOC's lubricant blending plant is expanded to a capacity of 147,000 MT.

ENOC acquires two medium-range Panamax vessels.

ENOC Retail segment enters the Saudi fuel retail market.

Dragon Oil wins the East Zeit Bay exploration block in the Gulf of Suez, Egypt.

2014
Construction of the Jebel Ali facility is completed, comprising 141,000 m³ of Jet A1 tankage capacity and a 60 km pipeline connecting Jebel Ali to Dubai International Airport.

The debottlenecking project at DUGAS is completed.

Dragon Oil wins two perimeters in Algeria and makes two oil discoveries in Iraq.

2015
ENOC acquires the remaining 46 percent of Dragon Oil.

ENOC purchases a lube blending facility (annual capacity 250 MT) in Jebel Ali.

2016
Horizon divests its interest in Horizon Taeyoung Korea Terminals.

ENOC's Jebel Ali refinery announces an expansion valued at more than US \$1 billion.

2017
ENOC launches Biodiesel5 in the UAE. ENOC announces Dragon Oil new Board of Directors.

ENOC publishes first Sustainability Performance Report.

ENOC Group announces plans to power all future service stations in UAE with solar energy.

2018
ENOC pilots first relocatable fuel station in Dubai.

ENOC announces 'service station of the future' as Expo 2020 Dubai's Official Integrated Energy Partner.

ENOC Group announced plans to open 45 stations in Saudi Arabia in the next five years.

ENOC to expand its footprint in Sharjah.

2019
ENOC signs joint venture with proserve egypt to establish 'ENOC MISR'.

ENOC unveils service station of the future for EXPO 2020.

ENOC introduces enocpay, a cashless, cardless, mobile payment at its service stations.

ENOC secures US\$690 million term loan from a consortium of Chinese bank.

ENOC launches next, a new accelerator programme for a new era of growth.

ENOC introduces beema, the region's first pay-per-kilometer car insurance product.

ENOC link is unveiled, an innovative digital venture that enables refuelling service to business and fleet owners across the UAE.

ENOC opens thr UAE's largest Tasjeel Auto Village in Ras Al Khaimah.

ENOC marks ground-breaking of its EXPO 2020 Dubai Pavilion under the theme of 'Reimagine Energy'.

DIGITAL INNOVATION

FOR LONG-TERM BUSINESS SUSTAINABILITY



» **US\$100 Billion Cost Savings**
Estimated saving digitisation can bring to the upstream sector

With the major transformation ongoing within the energy industry, ENOC recognises digitisation and disruptive diversification as vital components to its long-term business sustainability.

It is estimated that digitisation can bring savings of around US\$100 billion to the upstream sector. A cornerstone of our ENOC 2.0 growth strategy is the roll-out of a new SAP enterprise resource planning (ERP) system, which is currently underway. The new system is a complete digital integration of all Group divisions and will enhance efficiency across all our core operational and support functions. In addition to NEXT, ENOC continues to bring digital innovation into its core operations. ENOC's upstream subsidiary, Dragon Oil, for example, is already using 3D seismic technology and machine learning to identify new exploration opportunities with minimum risk.



”

2019 has been an important year in the Group's development. Through our commitment to innovation and partnership, we have strengthened our role as a key player in the socio-economic development of the UAE.

H.E. Saif Humaid Al Falasi
Group Chief Executive Officer

Despite ongoing market challenges both geopolitically and in oil market stability, 2019 was a solid year for ENOC as it continues its trajectory of domestic and international growth, business diversification and competitive leadership.

As well as doubling capacity to 213,500 barrels a day, the completion of our Jebel Ali refinery expansion has increased our technology processing capabilities across different refined products and ensures we can meet domestic energy demand into the future.

Internationally, we made a strong entry into the Egyptian market in 2019. In October, ENOC subsidiary Dragon Oil acquired a Gulf of Suez concession in a 50/50 partnership with state-owned Egyptian General Petroleum Corporation (EGPC). From the acquisition date to year-end, the first concession has yielded 53,258 barrels of oil per day (bopd). Together with our operations in Turkmenistan and Iraq, this doubles our production to 150,000 bopd – halfway to our target of 300,000 bopd by 2026.

Also in Egypt, ENOC acquired a share of the jet fuel hydrant system at Cairo Airport Terminal 2 and formed a joint venture to distribute ENOC's full range of lubricants to commercial and industrial companies within the country. We continued to identify opportunities in other markets for further expansion; forging agreements with Indian Oil Corporation to provide aviation fuel to ENOC customers within India, and with Greek-owned IMS Oil to supply lubricants

to 16 of its product tankers at IMS Oil's Fujairah and Singapore ports. Both ENOC Lubricants and Grease Manufacturing Plant (ELOMP) and ENOC Lubricants (ELM) have launched a defined growth strategy across 15 countries in Asia-Pacific, the Middle East and Africa. In Turkmenistan, Dragon Oil completed 11 wells during 2019. In Iraq, the Block 9 concession – in which Dragon Oil has a 30% interest – increased its production from 18,000 bopd to 24,000, with the potential for 250,000 by 2026.

2019 was a year of significant growth across our retail operations. Our service station network made significant expansions into Sharjah, on target to expanding our UAE service station network to 191 by end 2021 from the current 129. We continue to roll out our compact service station concept to serve residential communities. In Saudi Arabia, we will grow our service station network to 124 by 2030, from the current 17.

We have continued to make great strides in NEXT, our digital accelerator, and are enjoying the success of our two established ventures – Beema, our online insurance business with premiums individually tailored to customer driving profiles, and ENOC Link – our fuel delivery business driven by RFID technology.

Energy efficiency and resource management is a key component of how we operate. The Group has saved more than 100 AED Million from energy efficiency measures over the last six years. In 2019 alone, it reduced its water intensity (amount

of water usage per ton) by -17% (from 2014) through energy and resource management (E&RM) initiatives.

Across all our operations, we never lose sight of what drives our business – our people. During 2019, we rolled out employee benefits such as enhanced health provision and flexible working hours under the 'Your Happiness is our Priority' banner. In 2019, Emiratis represented 41.9% of the Group's total UAE workforce, firmly on schedule for our 50% target by 2021. Women represent more than 40% of our current Emirati workforce, and we retain strong partnerships with Herriot Watt University, Al Maktoum College of Higher Education and the Higher Colleges of Technology to develop the knowledge sets we will need as the energy industry becomes more digitised.

2019 has been an important year in the Group's development. Through our commitment to innovation and partnership, we have strengthened our role as a key player in the socio-economic development of the UAE. Every decision we make is based on one over-riding objective: to deliver sustained operational excellence. As the world grapples with the coronavirus crisis, 2020 will inevitably bring its own challenges and opportunities. I am confident that ENOC is well positioned to retain its leadership through the peaks and troughs ahead.

H.E. Saif Humaid Al Falasi
Group Chief Executive Officer

STRENGTHENING OUR COMPETITIVE POSITION THROUGH GROWTH AND INNOVATION

ECONOMIC ENVIRONMENT

Economic environment

World economic growth slowed sharply over 2019 due to a combination of increased trade protectionism, continued geopolitical uncertainty, and stalling industrial production and investment. Despite policy responses from major economies designed to counter the negative effects of increasing barriers to trade, these factors combined to slow growth to 2.9%, according to the IMF World Economic Outlook. This is a marked deceleration from the 3.6% growth rate achieved in 2018, and is the slowest growth since the 2008 global financial crisis. Positive news in Q4 concerning U.S.-China trade negotiations lifted global market sentiment somewhat, but year-end global macroeconomic data contained few real indications of a turning point.

Over 2019, the U.S. economy slowed slightly, expanding by 2.3% compared with 2.9% in 2018 as exports, private consumption and non-residential investment stalled during the second half of the year. Notwithstanding, progress towards concluding a trade deal between the U.S. and China remains crucial to providing confidence to the global economy. China's economic growth was impacted this year by the escalation in the U.S. trade dispute, as well as by a broad-based structural slowdown, which saw its growth rate decrease from its 2018 level of 6.6% to 6.1% in 2019.

Lackluster economic activity in Europe saw growth across the Euro area decline from 1.9% growth last year to 1.2% in 2019 due to reduced consumer and export demand and resulting decreases in manufacturing activity. Economic growth in the emerging markets and developing economies grouping decelerated from 4.5% in 2018 to 3.7% this year as a result of muted domestic demand, as well as the negative effects of U.S.-China trade tensions.

Against this background of global economic uncertainty and generally low inflation, several global central banks – led by the U.S. Federal Reserve's three interest rate cuts over 2019 – adopted more accommodative monetary policies in their respective economies.

The economy of the UAE slowed in the second half of the year amid the negative effects of muted consumer demand

on private sector activity, as reflected by the 1.6% GDP growth for 2019.

Finally, global energy markets experienced another tumultuous year. Bearish factors predominated, with the industry beset by volatile crude prices, a global economic slowdown, ongoing trade uncertainty, geopolitical risk and oversupplied product markets. Pronounced volatility has characterized crude markets this year amid supply outages in Venezuela and Iran, and oil production and shipping disruptions in the Middle East. Annual average crude prices weakened relative to 2018, with the Brent benchmark registering an average price of US\$64.36/bbl for 2019 compared with US\$71.19/bbl in 2018.

Global economic outlook

The global economic outlook for 2020 collapsed amid the economic and financial crises caused by the global COVID-19 pandemic. The national containment measures and severe international travel restrictions shocked demand for travel, manufactured goods, services, electricity, refined fuels and others. Continued negative impacts are expected from reduced flows of trade, disrupted supply chains, job losses, and lower domestic and external demand.

As a result, 2020 growth forecasts have been revised downwards globally and for all countries, with 2020 GDP growth projected by the IMF to contract by -3.0% as of April 2020, considerably worse than during the 2008–2009 global financial crisis.

Beset by plummeting economic activity, job losses and lower commodity prices, the U.S. economy is now expected by the IMF to contract by -5.9%, compared with 2.3% growth in 2019. Similarly, the severe slowdown in economic activity across the Euro area is expected to result in a contraction in GDP growth of -7.5% in 2020 (compared to 1.2% growth in 2019), with emerging and developing Europe faring only slightly better with a contraction in GDP growth of -5.2% in 2020, against 2.1% growth in 2019.

The rate of economic growth in China in 2020 is also expected to severely contract, but remain positive nonetheless at 1.2%, versus 6.1% in 2019.

GDP growth in emerging markets as a grouping is also expected to contract relative to the 2019 growth rate of 3.7%, to register -1.0% growth in 2020. The Indian economy is expected to grow by 1.9% in 2020, compared with 4.2% in 2019.

Amid the disruption caused by the pandemic, the U.S. Federal Reserve led global central banks by implementing emergency interest rate cuts to stabilize markets and boost growth. The U.S. stimulus package itself is unprecedented in value, amounting to US\$2.3 trillion (~10% of U.S. GDP) to combat the economic fallout. It is likely that such monetary and other policy measures implemented by governments worldwide during and after the COVID-19 pandemic will determine the strength of the longer-term recovery.

A great deal of uncertainty remains around the global growth forecast, in so far as continued negative economic effects depend on the evolution of the pandemic, the timing of the lifting of containment efforts, changes to consumer behaviour and spending habits, and other factors which are hard to predict.

UAE economic outlook

The 2020 economic outlook for the UAE is severely disrupted by economy-wide containment measures restricting economic activity in retail and wholesale trade, financial and insurance activities, construction and manufacturing sectors. Additionally, the UAE oil and gas sector (which accounts for around 30% of GDP) is expected to be impacted by the collapse in crude prices in Q1 2020 and by the expectation of lower prices throughout the year. As a result, in its World Economic Outlook issued in April 2020, the IMF now expects the UAE economy to contract by around 3.5% this year, compared with growth of 1.3% in 2019.

As with other economies, the UAE's outlook in 2020 is subject to highly uncertain factors, including the timing of the resumption of economic activity and an improvement in crude oil prices. However, some economic support is expected by the actions of the UAE Central Bank in the first quarter of 2020 to implement capital and liquidity measures totalling around AED256 billion (US\$69.70 billion).

Crude oil outlook

Crude markets were heavily impacted by the unprecedented shock to global demand caused by COVID-19, with Brent futures settling at US\$22.74/bbl on 31 March, the lowest since 2002, as the crisis escalated around the world. In April 2020, a deal to implement crude oil production cuts involving OPEC+ allies, including Russia, agreed to cuts of ~10 million b/d for May and June. However, demand concerns from containment measures and other aspects of the pandemic will remain regardless of the agreement and will pressure prices in Q2 and possibly Q3 2020.

Current industry forecasts place the average 2020 Brent price at between US\$30–US\$40/Bbl. In the longer term, a cyclical recovery in demand is expected and a return to crude prices in the US\$50–US\$60/Bbl range by 2022–2023.

Refined products outlook

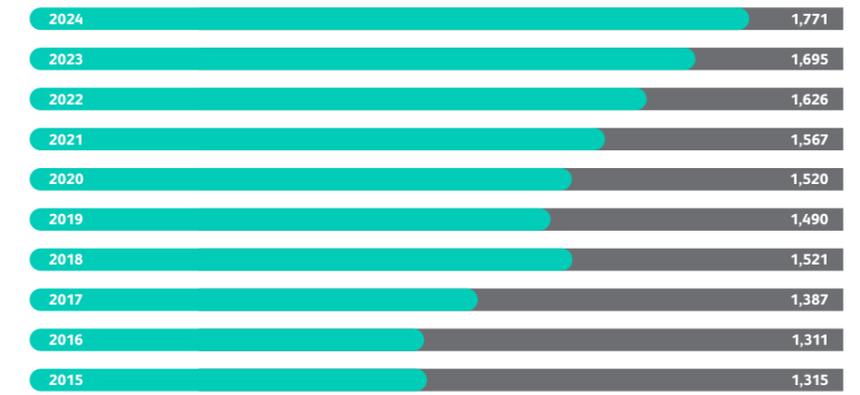
Demand for refined products collapsed in Q1 2020 due to the global slowdown in air, road and sea transport and travel and global slowdowns in manufacturing and industry, with commensurate effects on demand for gasoline, diesel, jet fuel and other refined products. Total global product demand is expected to contract from ~95,000 mb/d in Q1 2020 to around 87,000 mb/d in Q2, a drop of 8,000 mb/d. Accordingly, refinery margins are expected to soften on the demand contraction as well as building inventories.

Recovery in refined products demand depends mainly on the loosening of containment measures and a resumption of manufacturing, industrial and transport activities potentially around the second half of the year.

Amid the global reduction in demand, building product inventories indicate the probability of increasing length, particularly in the middle distillate and gasoline markets. As a result, refinery cuts are expected across all major regions where necessary to manage product balances once inventories build beyond a certain point.

Further risks could also present themselves in the context of a recovery scenario, such as a revival of trade frictions between the U.S. and China.

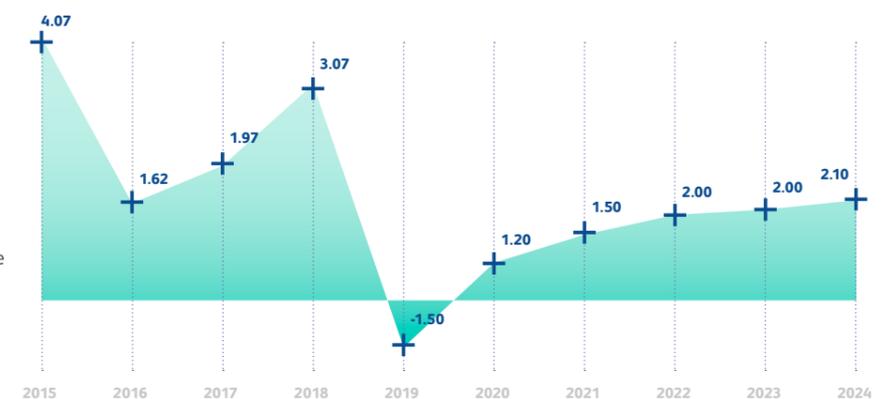
GDP dynamics UAE nominal GDP (US\$ billions)



GDP dynamics UAE real GDP (% growth)



Inflation dynamics UAE inflation (% yearly average)



Embracing new opportunities

Shamma Al Rahma, Director of Strategic Planning & Portfolio Management



Our ENOC 2.0 strategy sets out clear objectives for the period to 2024, based around four key strategic pillars:



Optimise the plants



Customer centricity



Integrated international value chain



Calibrated bets for growth

Our long term growth ambitions depend to a large extent on the successful execution of these strategic pillars to transform the Group into a dynamic organisation that is ready to respond to future challenges.

By creating the platform for sustainable growth, strategic diversification and digital acceleration, ENOC remains at the forefront of the energy transformation.

The energy industry has faced many developments and challenges over the past few years. Geopolitical uncertainty has brought dramatic changes to global supply lines and limited access to sources of essential feedstock. Oil price volatility and international pressure to reduce fossil fuel usage have further eroded conventional profit margins.

At ENOC, we do not view these developments as a threat. Rather, they are helping us look at our business in a different way and stay proactively at the forefront of the energy transformation.

A clear strategy for growth

2019 was in many respects a year of transformation for us. As the energy industry faces one of the biggest eras of disruption in its history, the Group has focused on building its competitive strengths, and at the same time developing completely new business models.

In the medium term, ENOC Group continues to focus its efforts primarily on the UAE. In 2019, the Group undertook significant investments to expand its asset base to meet the UAE's domestic fuel requirements. This includes plans for the expansion of our Jebel Ali refinery to increase processing capacity by 50% to 210,000 MMbpd. Commissioning of the project started in March 2020.

On the retail front, the Group added nine service stations in 2019, taking the total count to 137 in the UAE. Of these nine stations, four were opened in Dubai, three were in Sharjah, and one each in Ras Al Khaimah and Fujairah. In 2020, we plan to further strengthen our retail network by adding another nine new service stations in both Dubai and Sharjah and three stations in the Northern Emirates. The Group is also actively pursuing opportunities to enter the Abu Dhabi market. Outside of the UAE, ENOC now has 16 stations in Saudi Arabia, with plans to add 20 stations each year until the end of 2024.

In order to cater to the increasing jet fuel requirements at the Al Maktoum International Airport, ENOC began the

construction of a 16 km fuel pipeline in 2018. This ambitious project will enable the Group to meet more than half of the fuel requirements of the Al Maktoum International Airport until 2050. The pipeline project is on track and is expected to be complete by September 2020.

As part of international expansion strategy, ENOC ventured into Egypt, through the formation of ENOC Misr, a joint venture with Proserv Egypt, with the aim of strengthening our lubricant business in Egypt and neighbouring countries.

For B2C customers, ENOC continues to develop its 'compact service station' concept. Located in the parking areas of urban locations, our compact service stations bring fuel provision to local communities with a capacity of around 400 vehicles per day. These stations are also designed to be easily dismantled, relocated and re-installed at different locations within 30 days. We already have one such station installed within Dubai's Arabian Ranches district, with plans for further facilities.

In partnership with Dubai's Roads and Transport Authority (RTA), we also unveiled the region's largest Auto Village in Ras Al Khaimah. Spanning more than 50,000 square metres, Tasjeel RAK Auto Village provides motorists with vehicle testing and registration services. Along with a service station, our ZOOM retail store, AutoPro super lube and car wash, and F&B outlets, customers can pay fines and renew their insurance. Tasjeel RAK Auto Village therefore provides ENOC with a valuable opportunity to offer customers a holistic range of services.

Innovation and digitization

A cornerstone of our ENOC 2.0 growth strategy is the roll-out of a new SAP enterprise resource planning (ERP) system, which is currently underway. We have partnered with Moro, Dubai Government's digital data hub, to implement the Group-wide system. Much of the migration took place in 2019 and it continues into 2020. The new system, called Masar, is a complete digital integration of all Group divisions and will enhance efficiency across all our core operational and support functions.

By bringing further integration and transparency across the organization, Masar will help ENOC identify synergies and mutual

business opportunities across the Group. Aligning ourselves with the dual goals of capitalising on digitisation trends and increasing customer centricity, in 2019 we made further progress with NEXT, our digital accelerator and innovation hub, designed to facilitate the development of new business models. While the Group continues to develop its core businesses, our NEXT initiatives are strategically separate, giving them the space to grow independently from established business lines.

One such initiative is Beema, the region's first online usage-based car insurance business. Its unique proposition is in determining premiums based on kilometres driven – the biggest risk factor in the car insurance business. Through collecting customer data and the use of analytics, we can know what type of car a customer drives, and how many litres of fuel they use, their average kilometre coverage and even their driving habits. We can then give them the best price proposition, plus cash back at the end of the year based on the distances they drive. For less than 20,000 km, they can receive up to 25% cashback.

Another NEXT venture is ENOC Link, which uses Internet of Things (IoT) technology to deliver fuel to customer vehicles or mechanical equipment assets. Customers order through an app for delivery to their door or business premises. Primarily a service for commercial clients, each customer asset has a radio frequency identification (RFID) tag corresponding directly with a specific ENOC fuel nozzle. The fuel can only be dispensed if the nozzle matches the vehicle. Data analytics track the fuel consumed for each asset, at what price, and how frequently. This is invaluable to a construction company, for example, that may have several assets spread across 20 different work sites, to track the utilization of their fleet. Payments are also all digital, preventing any chance of cash fraud.

In summary, 2019 was a pivotal year for ENOC, not only in developing its established business lines, but in diversifying into completely new models which takes the company into a whole new realm of digital acceleration and innovation. In the meantime, we continue to achieve our main remit of supplying Dubai and the wider UAE with their growing energy demands. 2019 has been year of investment, innovation and expansion, and remains committed to achieve its strategy moving forward.



137

Total retail stations in 2018



50%

Increase in capacity from our refinery expansion project

Financial and operational performance for the year

Mohammad Sharaf, Group Chief Financial Officer



Through diversification and strategic international investments, ENOC ended 2019 in a strong position in what was a challenging year.

Industry overview

The energy market remained bearish over 2019, with volatile crude prices, geopolitical uncertainty and oversupplied product markets. The average Brent price was US\$64.36 per barrel, compared with US\$71.19 in 2018. Ongoing trade tensions saw demand growth slow to around 600,000 barrels per day (bpd) in 2019, compared to more than one million the previous year, largely due to a decline in demand from the industrial production, freight and logistics sectors.

Increased gasoline, diesel and jet exports from China and India also impacted supply line dynamics. Reduced supply and yield efficiencies on condensate feedstock meant the need to build up higher levels of buffer stock, while backwardation of futures markets negatively impacted physical storage demand. This resulted in a downturn for most commodity prices and trade volumes, particularly for crude, naphtha and diesel, while yielding some trading opportunities. All factors combined saw eroded profit margins across the sector in 2019.

Strategic developments

Despite these challenges, ENOC strengthened its position throughout the year. A continuous focus on customer service and supply chain capabilities translated into 218 million barrels of fuel product sales contributing to total Group revenues of US\$16.5 billion. There was some decline in diesel and jet fuel trading volumes, as well as sales in crude oil and liquid petroleum gas (LPG). But the Group saw increases in

UAE gasoline retail sales, terminal capacity, MTBE and refinery trading volumes.

ENOC maintains a balanced scorecard which measures the achievement of key performance indicators throughout the year, and the Group achieved its targets on many fronts. We completed our Jebel Ali refinery on schedule, doubling capacity to 210,000 barrels a day. Our jet fuel pipeline running between our Jebel Ali facility and Al Maktoum International Airport is firmly on schedule for completion later in 2020. We also achieved our targets in meeting the UAE's energy demand over the course of the year.

ENOC has always operated within a highly competitive market and remains in a strong position to grow product volumes, increase services and gain further market share. In 2019, the Group made milestone progress by opening three service stations in Sharjah, as part of accelerated plans to expand our retail network by 30 stations across Sharjah over the next two years and to 191 stations across the UAE by end of 2021.

We are establishing new feedstock supply lines as a foundation for longer-term growth. While the impacts of the recent IMO 2020 regulation, which has cut allowable sulphur levels from marine vessels from 3.5% down to 0.5%, does not impact ENOC's operations directly, over 2019 the Group's terminals segment saw improved tank occupancy in both Fujairah and Singapore.

Digitising the business

With the major transformation ongoing within the energy industry, ENOC

recognises digitisation and disruptive diversification as vital components to its long-term business sustainability.

Through NEXT, our accelerator programme, we are diversifying into digital ventures largely influenced and driven by artificial intelligence and machine learning. We are widening our business portfolio into new disruptive areas such as Beema, an online car insurance platform which provides individually-tailored premium packages and ENOC Link, a mobile fuel delivery business which provides unique analytical data to our customers.

We have also developed ENOC Pay, a contactless mobile-based application at our service stations which benefits the customer and brings ENOC some unique efficiency advantages.

We discuss each of these initiatives in more detail in the strategy section of this report.

Continued investment focus

On 9 October 2019, in a milestone development, ENOC added to its current upstream production capacity of 11 wells in Turkmenistan, with the acquisition of an exploration concession on the Gulf of Suez in Egypt. The average gross field oil production from the acquisition date to year-end was around 53,258 bpd.

ENOC's other investments into Egypt include a share in the jet fuel hydrant system at Terminal 2 of Cairo International Airport, a dedicated office for aviation operations and jet fuel marketing, and an agreement with Egypt General Petroleum Corporation (EGPC), to supply jet fuel at all key airports across the country. Through a recent joint venture agreement with Proserv Egypt, ENOC Misr will market and distribute the Group's full range of lubricants to the country's commercial, industrial and marine sectors.

Further expanding its global reach, ENOC has signed an agreement with Indian Oil Corporation (IOC), India's largest commercial oil and gas company, to provide aviation fuel to ENOC customers flying to and from 34 of the country's airports. In Greece, the Group has signed a memorandum of understanding (MoU) with international trading operator, IMS Oil, to exclusively supply lubricants for up to 16 product tankers at IMS Oil's Fujairah



and Singapore ports. This expands ENOC's marine lubricants supply network to more than 110 ports in 23 countries worldwide.

Strong financial position

ENOC has maintained robust liquidity management across its major business lines, with a healthy debt-to-equity ratio and optimisation between long and short-term debt. The Group's average cost of debt has also remained very competitive. During 2019, the Group funded all major expenditures from internal cash flows with no external borrowing. These included the Egypt concession and Jebel Ali refinery expansion.

On 31 December 2019, ENOC's cash and bank balances remained sufficient to meet its current and future requirements and contractual obligations. During the year, the Group declared a dividend of US\$400 (2018: US\$400) per share, amounting to US\$600 million (2018: US\$600 million), and paid US\$572.8 million (2018: US\$535.3 million).

ENOC also secured a five-year US\$690 million term loan from a consortium of China's top three banks in terms of size, assets and profits – Industrial and Commercial Bank of China (ICBC), Agricultural Bank of China and China Construction Bank (CCB). The loan will finance future development

activities with the Group's exploration and production, supply and operations, terminals, fuel retail, aviation fuel, and commercial and industrial petroleum products.

Future outlook

Based on renewed economic activity and accommodative monetary policy, macroeconomic conditions in 2020 are expected to stabilise and improve, with an increase in global GDP from around 2.9% in 2019 to 3.3% in 2020. Geopolitical tensions are also expected to continue however, with their own impact on global growth and liquids demand.

Over 2020, ENOC forecasts a gradual but slow recovery in the oil price. Through the Group's strategically-diversified portfolio and international investments, its own performance during 2019 surpassed expectations in volatile market circumstances. By further building our strategic portfolio, we will continue to strengthen our competitive market position in 2020.

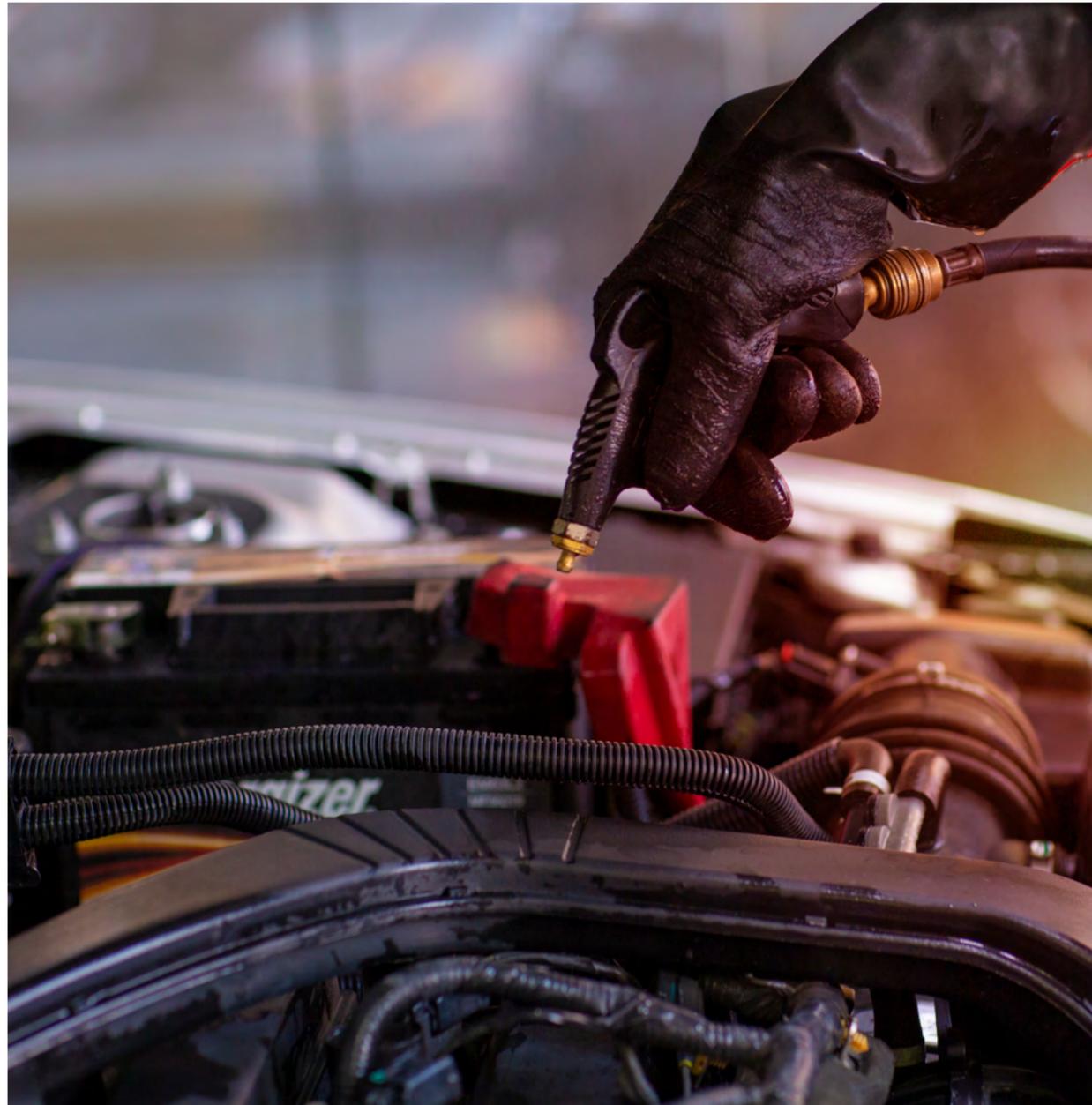
US \$16,492m
revenue

US \$210m
Doubling capacity to 210,000 barrels/day in 2019

191 stations
Planned across the UAE by end of 2021

ENOC's HR strategy remains focused on keeping the Group ahead of the curve for the skills and competencies it will need moving forward. A key focus during 2019 was on creating an engaging employee experience where employees are happy, creative, innovative and motivated to perform at high standards.

Iman Al Qasim, Group HR Director



41.9%

Emirati headcount in 2019
(up from 33% in 2016)

40%+

Female Emirati workforce
Show same table last year

Number of Emiratis

2019	1,771
2018	1,695
2017	1,626
2016	1,567
2015	1,520
2014	1,490

Number of Females

2019	1,771
2018	1,695
2017	1,626
2016	1,567
2015	1,520
2014	1,490

A strategic corporate partner

Throughout 2019, the HR function strengthened its role as an internal strategic partner across the ENOC Group. HR's role is increasingly transforming from a supporting function to an integral part of the Group's overall business objectives. By positioning itself as a business partner, the HR function has been able to work with the Group's segments and business units to acquire, develop, engage and retain talent. By being an integrated part of the business, our people strategy fosters talent, emphasises the importance of a shared 'One ENOC' culture, and provides the necessary tools required to take the Group forward within the energy sector's dynamic and changing landscape.

Our employee value proposition

In 2019, we retained a strong focus on our value proposition for employees and their families, with an emphasis on work-life balance. Employee experience is key pillar for the HR function. Under the banner, 'Your happiness is our priority', we have enhanced our medical insurance coverage for ENOC employees and their eligible family members. Other measures include flexible working hours for parental purposes, the introduction of hospitalisation leave, and provisions for educational and relocation assistance. All these improvements have contributed to creating a superior employee experience which will incentivise our people and drive performance. We are proud that ongoing HR initiatives such as these are already proving successful. We have one of the region's lowest attrition rates, for example. In 2019 this was 8.61% in total, and just 3.43%, excluding jobs with high turnover in the industry such as 'blue collar' positions.

New skills for a new future

Our employee value proposition is equally important to onboard a new tech-savvy generation of talent into the organisation. As the energy industry enters a period of major transformation, ENOC is also changing as an organisation. Our core businesses are embracing digitisation to enhance their operations. At the same time, we are creating completely new business models through our NEXT digital accelerator. We recognise that new business models need new skillsets, so we are focusing on a different set of talent for our start-up digital ventures – people that are not only attracted by the financial rewards, but also by the culture, vision and ambition of the venture they are joining. This tech-savvy, entrepreneurial talent expects a different kind of working environment to that normally found in a 'traditional' energy company. In NEXT, they find a strong, ambitious brand backed by the strength and stability of the wider Group, combined with the appetite for disruption and innovation of a start-up venture. Within this diversified business portfolio, NEXT offers a safe and low-risk start-up environment.

Developing our Emirati workforce

At the same time, Emiratisation has remained a major part of ENOC's strategic agenda, bringing our Emirati headcount to 41.9% in 2019, from 33% in 2016. More than 40% of our current Emirati workforce is female. By the end of 2020, we are targeting an increase of our Emirati headcount to 45%, which will be a key milestone in our journey towards achieving 50% Emiratisation across the Group by end 2021.

As part of our initiatives to develop and upskill Emiratis in the energy sector, most of our HR employees are engaging in a Society for Human Resource (SHRM)

programme. We also have a specialised Sales programme for employees within our Commercial and International Sales segment, for which we flew in a training specialist from Canada to share up to date practices in sales and marketing. Employees from all our business units attend specific technical training and conferences.

Our capability-building programmes are powered by several partnerships with academic institutions, including Heriot-Watt University and Higher Colleges of Technology (HCT). Through our Group Sustainability function, ENOC currently sponsors four young Emirati graduates to pursue their master's degree in an energy-related field with Heriot-Watt. We also take in and train high school graduates in a Technical Training Programme delivered jointly with the Higher Colleges of Technology (HCT). Graduates of the Technical Training Programme join our core oil and gas operations in the refinery, terminals and other operations facilities at an entry level.

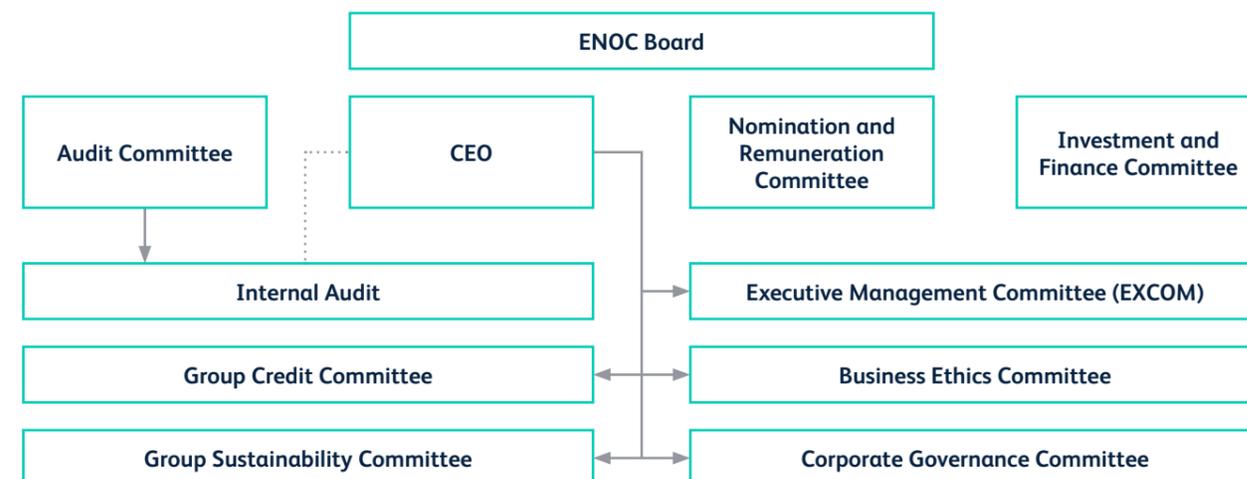
Competency Framework

In 2019 we have embarked on a journey to revamp our Competency Frameworks across the group. The new model offers a consistent mechanism to assess our people across the Group and ensure it is prepared to deliver its future strategy. It is designed to map employee career development paths, provide a coaching and mentoring platform, and prepare employees where applicable for leadership roles and succession planning.

In 2020, we will continue to focus on integrating the pillars of our HR strategy – our Employee Experience, Organisational Capabilities, Innovation & Technology, Emiratisation and driving positive business performance in partnership with our key stakeholders.

Effective governance drives value creation

Accountability to key stakeholders is central to ENOC’s corporate governance philosophy, along with policies and management systems that contribute to efficient and effective operations. Continuous governance improvements are integral to the way ENOC conducts business – reinforcing the role of effective governance as an essential driver of value.



Board of Directors

The Board is responsible for preserving and enhancing ENOC’s long-term value for stakeholders. The Board relies on the integrity and diligence of its senior management team, external advisors and auditors to oversee ENOC’s overall performance objectives, organisational initiatives, annual budgets and financial plans, investments, financial performance reviews, risk management practices, and corporate governance initiatives.

Board Committees

Audit Committee

The Audit Committee assists the Board in fulfilling its responsibilities to oversee the financial reporting process, the internal control system, the audit process, and the organisation’s process for monitoring compliance with laws, regulations and ethics programmes. Along with management and the external auditors, the committee reviews the Group’s financial statements upon completion of the annual accounts, and monitors the integrity and appropriateness of the financial statements. It also oversees the adequacy of internal control systems, reviews the effectiveness of internal audit, and guides the selection, compensation, independence and performance of external auditors. The Audit Committee is chaired by Hussain Hassan Mirza Al Sayegh. Other members include Ahmad Sharaf and Dr Abdulrahman Al Awar.

Investment and Finance Committee

The Investment and Finance Committee is responsible for the overall review of all investments and certain significant financial matters. It ensures relevance of capital

acquisitions, divestments, dilutions of equity and buy-outs to strategic plan. The committee also ensures that all investments, joint ventures, mergers and acquisitions are properly reviewed and studied. It reviews all significant financial issues that warrant Board approval and affect the Group. The committee specifically refers to the Board all budgets, plans, major funding facilities, tax framework and related issues. It oversees internal controls and procedures for the Group’s procurement by reviewing and endorsing waiver of any competitive bidding due to single sourcing or special corporate requirements.

The Investment and Finance Committee is chaired by Ahmad Sharaf and its director members are H.E. Abdulrahman Al Saleh, H.E. Ahmad Buti Al Muhairbi and Dr Abdulrahman Al Awar. Other permanent members are the Group Chief Executive Officer, Chief Financial Officer, and the relevant segment Managing Director.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Board to fulfil its oversight responsibilities, primarily the nomination of members to the Board committees; the nomination, remuneration, succession planning, as well as development and performance evaluation; and, if appropriate, the dismissal of the Group’s Executive Committee members. The committee also supports the Board in the same processes with respect to the Group’s representatives on the boards of ENOC’s subsidiaries and joint venture companies.

The Nomination and Remuneration Committee is chaired by H.E. Ahmad Buti Al Muhairbi, and Dr Abdulrahman Al Awar is a member.

Group Chief Executive Officer

The Group CEO is responsible for setting the overall tone of the business and directing its growth by developing high-level strategies. His responsibilities include making major corporate decisions, managing the Group’s operations and resources, and acting as the main point of communication between the Board and the corporate functions.

Group CEO Committees

Several Executive Management committees have been established to assist the Group CEO. These are:

Executive Management Committee

The Executive Management Committee (EXCOM) is the Group’s main executive platform that oversees business challenges and strategies, and implements potential synergies between the operational segments. The EXCOM steers matters such as risk management, IT planning and control, HSESQ compliance, and HR development and performance, which enable it to take a consolidated approach to critical areas of the Group’s operations.

The EXCOM is a recommendatory body headed by the Group CEO. Its proposals are conveyed to the Board through the Group CEO. It includes the Managing Directors of all business segments, the Chief Financial

Officer, the Director of Internal Audit and Business Ethics, and the Executive Director of Shared Services Centre, Group HR and New Business Development.

Group Credit Committee

The Group Credit Committee oversees, reviews, and directs the management of credit risk across the Group.

The Group Credit Committee is headed by the Chief Financial Officer. Its members include the Executive Director of Shared Services Centre, Group HR and New Business Development.

Business Ethics Committee

The Business Ethics Committee is responsible for maintaining an ethical business environment by providing supervision and assurance on the overall robustness of the Group’s business ethics and fraud management framework.

The Business Ethics Committee is chaired by the Group CEO, and includes the Group Chief Financial Officer, the Director of Internal Audit and Business Ethics, the Group Human Resources Director, and the Group Legal Director.

Corporate Governance Committee

The Corporate Governance Committee’s role is to develop, adopt and implement corporate governance best practice within the Group, in line with legal and regulatory requirements. The committee also ensures that a fully compliant corporate governance programme

is in place, while supporting the effective achievement of business goals and objectives. The Corporate Governance Committee is headed by the Group CEO. Members include the Chief Financial Officer, the Executive Director of HSESQ and Corporate Affairs, the Director of Internal Audit, and the Group Legal Director.

Group Sustainability Committee

The Group Sustainability Committee provides guidance on developing, implementing and monitoring economic, social and environmental policies, practices and strategies that will foster the sustainable growth of ENOC Group’s domestic and international business.

The Group Sustainability Committee is chaired by the Group CEO, and includes all members of the EXCOM.

External Auditors

Reporting to the shareholders, KPMG, the Group’s external auditors, perform their professional and statutory duties while maintaining full independence.

Internal Audit and Business Ethics

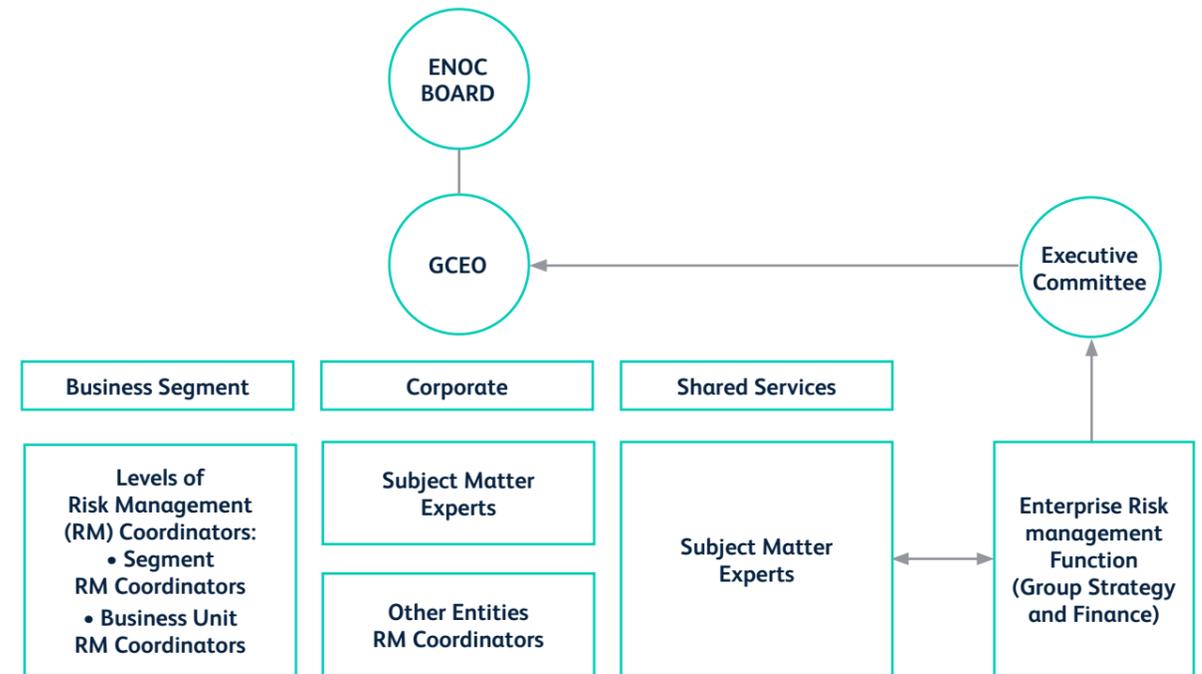
The Internal Audit and Business Ethics (IA&BE) Department is established by the Audit Committee and its authority and responsibility are defined by the Internal Audit and Business Ethics Charters. The IA&BE independently and objectively conducts audits in line with internal audit and business ethics plans that are approved by the Audit Committee (for wholly-owned ENOC Group entities and departments),

as well as by the boards and audit committees of other non-wholly owned ENOC Group entities. The IA&BE Department reports audit plan progress and the status of audit issues to the audit committees and boards.

Internal Controls

ENOC Group regards effective internal controls as central to its operations and has established systems in line with best practice. These internal controls are continuously monitored and refined (as required) – matching the fast pace of change in the organisation’s contemporary business environment. The Group has determined a number of internal control activities in line with the nature of our businesses’ operations, and has assigned responsibilities in such a way that mutual supervision is in effect.

In 2019, ENOC aligned its enterprise risk management framework to the revised ISO31000:2018 risk management standards. This places greater emphasis on the iterative nature of risk management, drawing on new experiences, knowledge and analysis for the revision of process elements, actions and controls at each stage of the process



The revised framework also streamlined regular exchanges within business units and departments. The business blueprint document of the risk management module under SAP GRC was finalised to initiate design implementation of a system that would help integrate risk management across all aspects of the organisation.

2019 was another year of significant challenges and opportunities for the Group, both as a result of economic and socio-political developments and volatility in oil prices. With these challenges and opportunities, the risk landscape of the Group continued to exhibit significant changes.

Reduced economic activity both globally and regionally had its impact on ENOC's profitability. Demand for ENOC products showed a reduced trend, thereby putting pressure on refinery margins, and the Group continued addressing significant risks associated with supply chain issues and business interruption due to both international and regional developments. Significant enterprise wide risks are periodically reported to the Executive Committee and the ENOC Board which oversees ERM implementation across the Group.

ENOC's business continuity management (BCM) programme, too, continued to facilitate resiliency efforts in 2019. In July 2019, for the very first time, a joint exercise

to test business continuity was undertaken by all stakeholders associated with Jet A-1 and MOGAS supply chains, which in turn resulted in identifying and addressing vulnerabilities. ENOC's BCM unit continued to closely collaborate with the Dubai Supreme Council of Energy (DSCE) and the National Emergency Crisis and Disasters Management Authority (NCEMA) on various requirements to ensure that ENOC is adequately prepared to continue serving the energy needs of Dubai in the event of a national crisis.

Operating environment

The coronavirus outbreak since early 2020 has brought about additional uncertainties in the Group's operating environment and has impacted the Group's operations and its financial position subsequent to the financial year end.

The Group CEO has chaired emergency meetings to closely monitor the impact of the developments on the Group's businesses and contingency measures have been put in place. These contingency measures include ensuring that ENOC's workforce is adequately safeguarded on account of this pandemic and any resultant impact on business continuity is effectively and efficiently handled.

Production capacities are closely monitored and inventory levels are reassessed along with logistics readiness. Dependencies

are also reviewed and suppliers have been contacted to assess levels of support. The Group will keep our contingency measures under review as the situation evolves.

As far as the Group's businesses are concerned, the outbreak has had a significant impact on changes in oil prices, which are currently being managed by the natural hedge arrangements in place. ENOC management estimates that the impact on the Group's businesses will be around 10%. As the situation is fast evolving, the effect of the outbreak is subject to significant levels of uncertainty, with the full range of possible effects unknown.

Fulfilling our role as a responsible corporate citizen

ENOC recognises the importance of ethical practices. We are committed to following the best practices in the industry to ensure ethics is not compromised, and our corporate values are always upheld.

ENOC has developed its own Code of Business Conduct (the Code) to reflect ENOC's ethical aspirations and ethical commitment towards its stakeholders. It provides a clear insight and understanding of the basic values and integrity of conduct expected of everyone working for and on behalf of ENOC.

The Code is a guideline that provides direction and assists us in taking responsible actions in complex business environments; however, it can only be effective with effective dissemination, implementation and monitoring. It needs to be embedded at all levels with the purpose of positively influencing employee behaviour and their contributions to the organisation.

All ENOC employees, suppliers, vendors, consultants, contractors and representatives are ultimately responsible for carrying out business with integrity, in an ethical manner and in compliance with applicable laws.

ENOC Ethic Hotline is established to provide employees with a confidential way to report misconduct and any violation of the Code in an easy and confidential way. ENOC Ethic Hotline is managed by an external party to ensure the confidentiality of the reporter and to give comfort for employees to report anonymously.

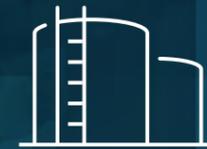


FOCUS ON GROWTH

BOTH DOMESTIC AND OVERSEAS



» **137 Service Stations**
In the UAE



» **150,000 bopd**
Doubling of production

Despite ongoing market challenges both geopolitically and in oil market stability, 2019 was a solid year for ENOC as it continues its trajectory of domestic and international growth, business diversification and competitive leadership.

Internationally, we made a strong entry into the Egyptian market in 2019. In October, ENOC subsidiary, Dragon Oil, acquired three Gulf of Suez concessions in a 50/50 partnership with state-owned Egyptian General Petroleum Corporation (EGPC). From the acquisition date to year-end, the first concession has yielded 53,258 barrels of oil per day (bopd). Together with our operations in Turkmenistan and Iraq, this doubles our production to 150,000 bopd – halfway to our target of 300,000 bopd by 2026.

Locally the Group made milestone progress by adding nine service stations in 2019, taking the total count to 137 in the UAE; four were opened in Dubai, three were in Sharjah, and one each in Ras Al Khaimah and Fujairah.

Our energy value chain

EXPLORATION & PRODUCTION

ENOC subsidiary Dragon Oil has a producing asset in offshore Turkmenistan and exploration assets in Iraq, Algeria, Tunisia, Egypt, and Afghanistan.

PROCUREMENT

Procurement of raw materials such as refinery feedstock is an essential component of the procurement process, along with supply chain management.

PROCESSING

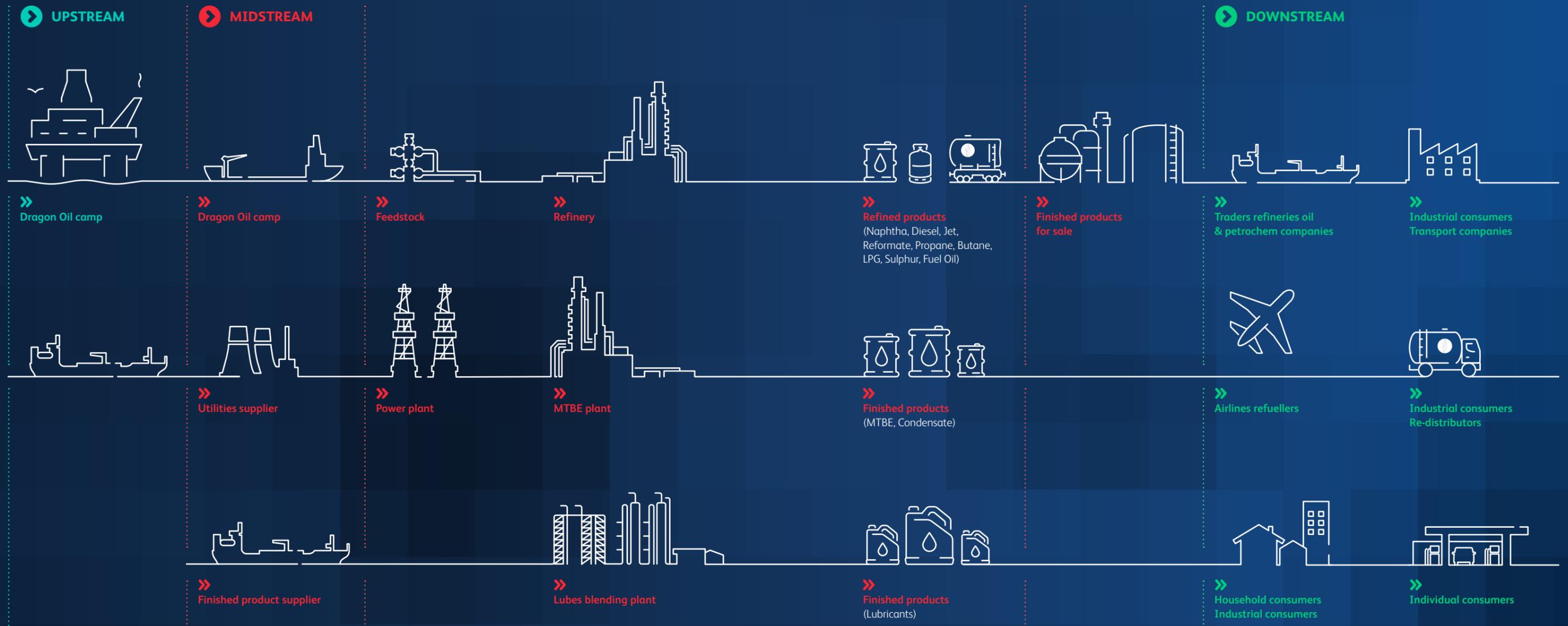
Daily processing capacity will grow by 50 percent to 210,000 barrels when refinery expansion is completed in 2019, helping to meet growing domestic and international demand for refined products.

STORAGE

ENOC subsidiary Horizon is the largest independent terminal service provider for bulk oil storage in the Middle East.

SALES

Customers in 60 markets from industrial conglomerates to household consumers benefit from ENOC's unwavering focus on service quality.



Exploration and Production (E&P)



76,076

Barrels of oil per day (bopd)



2019 was a key year for global expansion, production increases and efficiency drives. As a result, Dragon Oil is firmly on track to meet its output ambitions for 2026.

Ali Rashid Al-Jarwan, Managing Director, Exploration & Production and CEO of Dragon Oil

2019 highlights

Dragon Oil is the ENOC Group's upstream oil and gas exploration, development and production company. Its most ground-breaking landmark in 2019 was the acquisition of a Gulf of Suez offshore production concession in Egypt. Taking over the concession from British Petroleum, it is now a 50/50 partner in the asset with the state-owned Egyptian General Petroleum Corporation (EGPC).

The average gross field production from the October 2019 acquisition to the end of the year was around 53,258 barrels of oil per day (bopd). The potential is to achieve an output of 75,000 bopd within three years, a level that, once achieved, Dragon Oil will seek to maintain until 2030. This will almost double current production from the company's operations in Egypt, Iraq and Turkmenistan to around 150,000 bopd – halfway to its overall target of 300,000 bopd by 2026.

The Egyptian acquisition, completed in just 12 months, makes sound financial sense, is in line with Dragon Oil's growth strategy and has enabled us to take a very strong step into the Egyptian market. Demonstrating Dragon Oil's financial resilience, the acquisition was financed internally with no external borrowing. As an existing 'brownfield' site and an already-producing asset, it provides an immediate revenue stream with no disruption or discontinuity to the business.

As with all our international dealings, we have placed a strong emphasis on forging a strong, collaborative relationship with the Egyptian government, while ENOC's Commercial and International Sales (CIS) division has also made a positive market entry into the country with its lubrication and aviation fuel products.

DRAGON Avg Gross Production (BOPD)

2019	76,076
2018	86,574
2017	83,952
2016	90,301
2015	92,650
2014	78,790
2013	73,750
2012	67,600

Marketing of Crude Oil (Million barrels of Oil)

2019	16.28
2018	17.56
2017	20.23
2016	23.33
2015	21.40
2014	13.50
2013	11.50
2012	11.60

Within a three-month mobilisation period following the acquisition, Dragon Oil integrated its own team of production specialists with an EGPC team that brings its own local knowledge expertise. We are deploying state-of-the-art techniques such as sophisticated 3D seismic 'ocean bottom node' (OBN) studies through which we can target deeper and more complex opportunities as our management of the asset progresses.

The asset comprises three main concessions: Jade 1, Safa and Hours. We are currently focusing on Jade 1, with the second and third concessions to be phased in. By focusing our operations well-by-well, cluster-by-cluster, we are already seeing significant production improvements. At the time of commissioning, leaks in the water injection pipelines had been identified, which were hindering output. We have immediately addressed these and can now inject a further 300,000 barrels of water per day.

Based on the results of a recent assessment by an independent energy consultant, the 2019 year-end oil and condensate 2P (proven and probable) reserves in Dragon Oil's Egypt operations were 193 million barrels, allowing for the 2019 production of four million barrels. The 2019 year-end estimate for 2C (best-estimated) oil and condensate contingent resources was 131 million barrels.

In Iraq, the Block 9 concession in which Dragon Oil has a 30% stake has seen a production increase from 18,000 bopd to 24,000 bopd, with a potential of 10,000 by 2021 and 250,000 by 2026. Based on the results of the recent assessment by an independent energy consultant, 2019 year-end oil and gas 2P reserves attributable to Dragon Oil's Iraq operations were 291 million barrels and 0.2 trillion cubic feet (TCF) respectively.

In Turkmenistan, Dragon Oil completed 11 wells in the Dzheitune (Lam) and Dzhygalybeg (Zhdanov) fields during 2019, with two jack-up rigs and one platform-based rig. During the year, as part of new regulatory measures, the Turkmenistan government also undertook a major audit of our operations. The list of 20 items included aspects of labour law, material stock items and capital efficiency, in some cases going back more than 15 years. We are delighted to report that we completed the audit successfully and it was a positive learning experience.

Based on the results of a recent assessment by an independent energy consultant, the 2019 year-end oil and condensate 2P reserves in our Turkmenistan operations were 456 million barrels (31 December 2018: 485 million), allowing for the 2019 production of 28 million barrels. 2019 year-end oil and condensate contingent 2C resources were 354 million barrels (31 December 2018: 351 million). Necessary upgrades and additions to offshore and onshore infrastructure are planned to allow the conversion of contingent resources into reserves in the future.

Efficiency, digitisation and safety

In 2018, Dragon Oil was able to achieve cost expenditures 30% below budget. This continued in 2019 at around 25%. We continue to improve our production efficiencies through drilling more wells – particularly in Turkmenistan. At the same time, we strongly focus on our business continuity and maximising production through maintaining the best efficiency from our water and gas injection processes.

As digitisation plays a growing role in enhanced oil recovery techniques, we can use 3D seismic technology to identify reservoirs remotely without having to drill a single well. This is making exploration far more efficient and less risky. Using artificial intelligence (AI) for imaging and projection enables us to drill more accurately, both when we prospect in exploration acreage and in developing more mature fields to maximise oil yields. Machine learning supports this, with the potential for each new well to deliver improved results. The emergence of big data helps us collate, analyse and interpret seismic and operational information, leading to more successful outcomes and immediately tangible returns. We are currently conducting active AI studies in Egypt and in our Cheleken, Turkmenistan.

2019 saw milestone improvements in our health and safety (H&S) record across all our international operations, with only minor incidents reported. We are delighted to report that Dragon Oil maintains a leading position against Offshore Petroleum Group (OPG) benchmarks. We actively engage with employees in safety issues through group communications, behavioural and safety audits, and field training conducted by industry H&S experts. We also attend major events through which we can review our

H&S processes against best-practice global standards and instil a culture of pride and H&S performance in our people.

Looking forward

Dragon Oil's main focus is on brownfield sites, through which we can gain immediate revenue streams and production enhancement opportunities. We already have 20 years' operating experience in Turkmenistan. So the renewal of our production sharing agreement (PSA) in the country is a priority, while continuing to acquire nearby concessions and developing our assets in Egypt and Iraq. This will remain our strategy for 2020 and beyond.

Even with our investment in expanding our operations in Egypt, Dragon Oil remains cash positive and we expect our cash position to continue to strengthen in 2020, despite the potential prospect of deteriorating oil prices.

Dragon Oil's marketing capabilities also remain strong. In 2019, we extended an arrangement until January 2023 for a significant proportion of our entitlement export production to be marketed through Baku, Azerbaijan, with a related party. We also extended our arrangement with NAPECO, Turkmenistan's national oil company, to market existing crude oil sales within Turkmenistan to end August 2020.

Through proactive and prudent cost management, Dragon Oil has historically retained its resilience to the turbulence dynamics often associated with oil and gas markets. In 2020 and beyond, we will continue to consider business continuity, risk mitigation and cost management as major priorities to the business. We maintain our stability in challenging times and produce significant dividends for our shareholders when the market is strong.

Moving forward, we are increasingly focusing on innovation through both emerging technologies and process improvement. In every respect, strengthening our relationships with host governments has served us well, and this will remain a key part of our strategy.

Supply, Trading and Processing (STP)



646 KMT

MTBE Production in 2019



Our expanding trading reach, solid global reputation and adaptability to changing market dynamics puts us on an excellent footing for 2020.

Tayyeb Al Mulla, Managing Director, Supply, Trading and Processing

2019 highlights

2019 was a challenging year. Geopolitical tensions restricted condensate feedstock supplies, while market volatility put pressure on trading margins. ENOC's Supply, Trading and Processing segment (STP) acted swiftly and decisively to mitigate the business impact, sourcing cost-efficient alternative feedstock internationally within a short period of time and building adequate inventory levels of both feedstock and refined products for any eventuality.

One of our biggest developments over recent years came to fruition in 2019, when we completed the expansion of ENOC's Jebel Ali refinery in Dubai at a cost in excess of US\$1 billion. Previously, the refinery could process 140,000 barrels per stream day (bpsd) of condensate, yielding refined products such as naphtha, reformate, jet fuel, diesel oil, fuel oil, and liquified petroleum gas (LPG) for both local and export markets. The expansion increases daily capacity by 52.5% to 213,500 barrels, and will be commissioned in Q1 2020, on time and on budget. Additional downstream processing units include a naphtha hydrotreater, isomerisation unit, kerosene and diesel hydrotreaters, utilities, warehouse and storage tanks.

Along with our global agenda, we remain fully-focused on our remit to meet the UAE's own growing energy demands, and the refinery's higher production capacity will help meet expanding domestic and international demand for ENOC's refined products. Aligned with the UAE's ambitions to generate 50% of its energy from clean sources by 2050, the expanded refinery also complies with stringent Euro 5 emissions standards. The current expansion follows an upgrade in 2010 for the production of reformate – a high-octane blending component for gasoline – and low sulphur naphtha through the installation of a reformer and a hydrotreater.

Group synergies and strategic partnerships

As well as ensuring uninterrupted supply of feedstock for ENOC's refinery and MTBE plants, STP plays a synergised role in meeting the wider commercial objectives of ENOC Group and its subsidiaries. It also finds export outlets for surplus refinery products not required by the Group.

STP has been managing independent buy/sell market positions in international crude and petroleum product markets, and offtake the entire export crude entitlement of ENOC subsidiary Dragon Oil in Turkmenistan. Price risk management is another key function performed by the trading teams, both for STP's own business and other Group divisions. This integrated approach will strengthen further with the current roll-out of ENOC's Group-wide SAP enterprise resource planning (ERP) system.

Our synergies also extend beyond the Group. Through strategic partnerships with governments, international oil companies and traders, STP has been able to identify

and build on a range of global business opportunities. During 2019, the Group continued to strengthen its long-term relationships and expand its trading footprint in Asia, the Middle East, Europe, Africa and the Americas. ENOC's positioning as a national oil company incentivises companies to forge long term partnerships.

Looking forward to 2020

Over the years, the trading team has imprinted the ENOC name within international trading markets. STP is well-recognised and respected as a sound, reliable and expert market participant. Over the last two decades, we have shown our resilience for operating in the most challenging environments.

Working across its trading hubs in Dubai, London and Singapore, ENOC continues to expand its global commodities trading and derivatives presence within its vision to be a truly international market participant. In 2020, the Group will continue to expand its global trading footprint in Europe, Africa, and North and the Americas. STP also

recognises the growing importance and potential of gas as the 'fuel of the future', and we have already taken several steps to enhance our presence in the liquified natural gas (LNG) trading markets.

STP plays a crucial role in creating synergies and harnessing commercial advantages within the Group. ENOC NEXT, the Group's accelerator programme, is no different. In 2020, STP will continue to support ENOC's new digitisation initiatives across the entire value chain – not least by providing cost efficient products in a timely manner.

We are confident that we will be able to overcome any fast-changing market dynamics that may cause turbulence in oil markets. Moving forward, advances in vehicular technology may also have a profound impact. But even with the predicted market shift to electric and hybrid vehicles and resultant decline in fuel offtake, demand for other refined products – whether for industrial or domestic use – will continue to be strong.

MTBE Production (KMT)

2019	646
2018	570
2017	623
2016	585
2015	722
2014	440
2013	626
2012	573

Refinery - Throughput (Kbbbls)

2019	44,530
2018	43,188
2017	51,123
2016	43,457
2015	51,421
2014	50,867
2013	50,209
2012	43,532

Trading Volumes - Diesel (Kbbbls)

2019	14,305
2018	15,491
2017	17,750
2016	21,462
2015	25,226
2014	24,634
2013	14,754
2012	8,770

Trading Volumes - Jet Fuel (Kbbbls)

2019	22,058
2018	23,870
2017	10,711
2016	14,140
2015	17,752
2014	24,880
2013	18,792
2012	17,119

Trading Volumes - Naptha (Kbbbls)

2019	13,725
2018	17,936
2017	22,572
2016	23,595
2015	25,673
2014	20,052
2013	17,151
2012	16,575

Trading Volumes - Crude (Kbbbls)

2019	39,253
2018	44,766
2017	55,629
2016	60,660
2015	37,479
2014	31,739
2013	27,686
2012	20,096

Terminals



6.6

Million cubic metres (m³)



While market conditions were challenging within some sectors of the energy industry, 2019 resulted in strong performance for our terminals business.

Yusr Hussain Sultan Al Junaidy,
Managing Director, Horizon Terminals

Exceeding expectations

We had expected - and budgeted for - 2019 to be a challenging year, and indeed it was. Nevertheless, by anticipating challenges and responding effectively, the performance of Horizon Terminals exceeded our expectations.

It was not until towards the end of 2019 that we saw the impact of International Maritime Organization (IMO) 2020 regulations cutting the allowable sulphur emissions from marine vessels from 3.5% to 0.5%, with more storage demand for low-sulphur fuel oil (LSFO) in both our Fujairah and Singapore terminals. But because we anticipated the impact of IMO 2020 early on, and due to the growing demand for more clean products, we started cleaning our tanks near the end of 2018. This provided Horizon Terminals with the flexibility to accommodate cleaner bunker fuels, while continuing to handle 'black' oils. Increased trade in LSFO to provide bunker fuel for marine vessels has caused traders to lease more storage space and we anticipate this will continue.

IMO 2020 has been ground-breaking. It is the first-time allowable emissions have been slashed so dramatically, and first movers such as Horizon Terminals have secured the strongest advantages in preparing their storage facilities for the change.

In terms of asset utilisation, we continually review our terminals to maximise our efficiency and cost effectiveness. We also closed a new long-term contract to support one of Saudi Arabia's large petrochemical producers in storing and exporting all its product (around 45,000 cubic meters (cbm) in volume) through the Arabtank Terminals (ATT) facility in Yanbu, Saudi Arabia, in which we have a 36.5% stake. And we are planning a 100,000 cbm expansion of our Djibouti facility on the Horn of Africa.

Competitive environment

That said, there is no doubt the competitive environment is becoming more challenging. In our 2018 report, we identified a growing competitive landscape in Asia, and this trend continued during 2019. China, historically one of the world's largest importers, has begun to develop its own terminals infrastructure and a greater capacity to handle larger vessels. This means less cargo is being re-exported through locations such as Singapore.

As a growing region, Asia is also capturing more investor attention, and with an abundance of liquidity in the market, constraints on acquisition growth continued in 2019 through an increase in private equity players – something we identified in the 2018 report. Many of these players see steady rates of return from terminals infrastructure projects, so we anticipate their presence in the market for the foreseeable future.

Forward looking strategy

Despite these factors, Horizon Terminals remains in a strong competitive position. Macroeconomic and geopolitical dynamics can work in the favour of the business, given its nature, but are often beyond an organisation's control. Conversely, from an individual business level, there is much that can be managed in optimising operating costs and stabilising revenue streams. Horizon Terminals' own stability is based on building client relationships which develop into multiple-year contracts. This is why we maintain a focus on strengthening existing client relationships and forging new customer alliances.

2019 was a year for Horizon Terminals to put firm programmes in place that we will further develop into 2020 and moving forward. Through our Lean Six Sigma (LSS) programme, we are able to reduce the maintenance downtime of our tanks and therefore gain the full value of our assets. Through the LSS, we estimate savings of around US\$7 million over the next few years. LSS projects include revamping our tank bottom replacement system, reducing inspection and tank cleaning times, and

optimising our TTLR (loading rack) process which will allow us to throughput more volume through our fleet.

Another major ongoing development is our Operational Excellence Management System (OEMS). Our OEMS is all-encompassing and will contribute towards our vision of becoming an efficient and a highly reliable organisation. To be rolled out over a three-year programme, the OEMS spans our technical operations, customer engagement, asset infrastructure optimisation and sustainability performance. By integrating into the wider roll-out of the Group's integrated SAP enterprise resource planning (ERP) system, the Horizon Terminals OEMS will support the Group's migration towards best-in-class digitisation.

Safety first

Safety at Horizon Terminals remains paramount within its operational excellence, and we are proud to report that during 2019 we achieved a near-perfect safety record with no major or minor incidents, while keeping our projects firmly on schedule.

Much of this is attributable to a set of standardised guidelines we have rolled out across all our terminals, with a strong emphasis on behavioural-based safety. Through our software-based Intelx program, we were quickly able to identify and report all near misses or unsafe conditions, follow up on the source of these potential hazards and instigate firm preventative actions.

Moving forward

During 2019, Horizon Terminals continued to put the fundamentals in place for asset utilisation, cost efficiency, securing our client base and our competitive position. Based on these factors, and the positive customer feedback we continue to receive, we are confident we have set the path for continuous long-term growth.

Although there was a fall-off in the amount of product being consumed in 2019, driven largely by macroeconomic and geopolitical issues, this increased demand for storage, with a corresponding rise in storage rates.

As increased demand for storage continues into 2020, Horizon terminals' strategy is to adjust the tank rental rate structure and grow our revenues over the longer-term.

Expansion opportunities at existing Horizon facilities have been identified, which will ultimately lead to increased revenue stream while benefiting from economies of scale in managing costs. As mentioned, these opportunities will cover the UAE, Saudi Arabia and Djibouti.

We see more gas projects emerging in Asia and keep a firm eye on investment opportunities in the region. We foresee the recent slowdown in China as temporary. As it recovers, it will stimulate import demand for crude products.

With burgeoning global demand for gas as a cleaner energy source, we are also developing new business lines in liquified natural gas (LNG). In the meantime, Horizon Terminals continues to conduct due diligence on securing future opportunities into 2020 and beyond.

Subsidiaries - Capacity Utilised (CBM)

2019	1,752
2018	1,636
2017	1,775
2016	1,844
2015	1,876
2014	1,759
2013	1,730
2012	1,524

JV & Associates- Capacity Utilised (CBM)

2019	4,360
2018	3,914
2017	4,225
2016	4,460
2015	4,211
2014	4,029
2013	4,090
2012	3,877

Commercial and International Sales



**110+ ports across
23 countries**

Cubic storage capacity



Through acquisitions, new partnerships and robust strategy-building, 2019 was a year to further secure CIS' industry leadership into the future.

Burhan Al Hashemi, Managing Director, Commercial and International Sales

2019 highlights and milestones

In 2019, ENOC's Commercial and International Sales (CIS) segment retained its focus on business growth, bottom line profits and meeting volume demands, supporting the Group's local and international footprint across more than 60 countries.

Market dynamics during the year included a general market slowdown, heightened price competition from an increased inflow of grey market products, regulations driving low sulphur content for diesel markets, and new entrants into the lubricants market both locally and internationally.

In response, CIS took the opportunity to review its overall strategy and restructure its key businesses, including ENOC Industrial Products Marketing (EIPM), ENOC Lubricants, the Group's lubricant product business, and Emirates Gas (EMGAS), a market leader in the gas distribution sector.

2019 was a year of key milestones for CIS. In the UAE, the development of Biodiesel 5 – a green diesel fuel product – and a collaboration to fuel Dubai Municipality's truck fleet with the product is poised to strengthen our portfolio of industrial products.

In Egypt, we signed a joint venture agreement with Proserv to set up ENOC Misr, our first on-ground operations in the country. ENOC Misr will market and distribute ENOC's full range lubricants to the commercial, industrial and marine sectors in the Egyptian market.



Also in Egypt, we acquired a share of the jet fuel hydrant system at Terminal 2 of Cairo International Airport. We also signed an agreement with the state-owned Egyptian General Petroleum Corporation (EGPC) to supply jet fuel at all key airports across the country and are establishing a dedicated office for our aviation operations and jet fuel marketing. ENOC's aviation business is focused on further expansion into international territories, including Uganda, Bahrain, Romania and Italy.

In Greece, we signed a memorandum of understanding (MoU) with international trading operator, IMS Oil, to exclusively supply lubricants for up to 16 product tankers at IMS Oil's Fujairah and Singapore ports. The partnership expands ENOC's marine lubricants supply network to more than 110 ports across 23 countries.

In line with ENOC's Group-wide digitisation drive, in 2019 we continued to develop digital value chain innovations to drive better customer pipeline management, demand planning and forecasting, inventory management and production efficiencies.

Faced with increasing global market dynamics, our commercial and international sales teams remain the lifeblood of CIS' business, and during 2019 we continued to develop our sector-specific "Energised Everyday" employee engagement programme.

Divisional developments

Both ENOC Lubricants and Grease Manufacturing Plant (ELOMP) and ENOC Lubricants (ELM) launched their Vision 2025 Strategy in 2019. This is a defined growth strategy across the Asia-Pacific, Middle East and Africa. Key components include international expansion plans focused on 15 countries, transforming the products' sub-brand-architecture and overall customer brand experience, optimising all manufacturing and supply chain operations, and defining a robust pipeline for both local and international partnerships.

Partnerships remain a key element of Vision 2025, and in 2019, CIS signed an MoU with GE Baker Hughes to develop and launch Vitalyx, a new oil monitoring technology that provides 24/7 telemetry of engine and lubricant performance.

A key ambition of the UAE's Vision 2030 is to be a global leader in the green economy, driven through technology and innovation. ENOC Industrial Products Marketing (EIPM) developed an emissions reduction strategy through its 30,000-litre containerised tankers that reduces emissions, transportation costs, and facilitates the development and roll-out of a low sulphur fuel, thus enabling fleet optimisation through emerging RFID technology.

In addition, EIPM has successfully launched ENOC Blue a nontoxic, colourless and odourless diesel exhaust fluid that reduces harmful nitrogen oxides by 90%. This move is in line with the mandate set up by the Emirates Authority for Standardization & Metrology Authority (ESMA) and regulated by EURO 4 emission standards for all diesel engines to have additives to reduce nitrogen oxide emissions.

In May 2019, EPPCO lubricants; a joint venture between Chevron Al Khaleej and ENOC, signed a three-year supply deal with Al-Futtaim Auto & Machinery Company (FAMCO), as its exclusive UAE construction and commercial vehicle distributor for lubricants, coolants, and greases. Through the deal, EPPCO will supply FAMCO around 22,500 barrels (equivalent to 3.6 million litres) of product.

ENOC subsidiary, EMGAS, successfully completed a Five Star Occupational Health and Safety (H&S) Audit conducted by the British Safety Council in 2019. The comprehensive audit measured more than 60 key H&S best-practice indicators. The audit results reflect EMGAS' standing as a best-practice leader within the gas sector.



Marketing Volumes - LPG Bulk (MT)

2019	182,880
2018	197,859
2017	254,744
2016	243,434
2015	211,230
2014	187,533
2013	156,546
2012	145,563

Marketing Volumes - LPG Cylinders (MT)

2019	38,338
2018	48,788
2017	48,745
2016	54,132
2015	58,456
2014	58,112
2013	60,571
2012	61,199

Marketing Volumes - Refuelling (Million USG)

2018	1,101
2017	1,055
2016	1,033
2015	925
2014	795
2013	598
2012	537
2011	479
2010	457

Marketing Volumes - Diesel

2018	3939
2017	3836
2016	3606
2015	3859
2014	2610
2013	2361
2012	2758
2011	2276

Driving regulatory change

The increased activity in the grey market led to significant challenges for CIS during the year in both the liquified petroleum gas (LPG) and diesel markets, with off-specification products being sold at unsustainably low prices. To ensure the gas delivery industry is serviced by reputable providers, EMGAS has defined a three-pillar strategy. First is to work closely with all key government entities to limit and fine all potential grey and illegal trade in petroleum products. Second is to engage with key government agencies and regulatory bodies to drive new governing laws that control the trade of all petroleum products. Third is to define pricing and promotional strategies in line with the current market and that drive volumes, market share and profit.

In 2019, CIS continued to work closely with Dubai Supreme Council of Energy to define the scope of petroleum product regulations and has become part of the regulatory committee formed under the Executive Council Resolution no.16 2019, to establish key regulations to ensure safety and limit illegitimate trade. ENOC Managing Director, Commercial and International Sales, has been appointed as vice-chair of the Petroleum Products Trade Regulatory Committee. The taskforce comprises 15 different government entities including –The Ministry of Energy and Industry, The Federal Transport Authority – Land and Maritime,

The Supreme Council of Energy, Dubai Police, Civil Defence in Dubai, Roads and Transport Authority (RTA), Department of Economic Development (DED), Dubai Customs, Dubai Chamber of Commerce and Industry, Dubai Petroleum Establishment, The Ports, Customs, and Free Zone Corporation, Dubai Maritime City Authority, Ministry of Interior and ENOC Group. The task force reviews, advises and defines framework for implementation of regulations and legislations that govern petroleum products trade, including gas, diesel, and petrol

In addition, EMGAS, ENOC's subsidiary, has also been working closely with the World LPG Association (WLPGA), a leading global association for the gas industry and key consultant to the UN Economic and Social Council. After a successful bid, it is expected that Dubai will host the WLPGA Forum at the end of 2020, which for the first time has been extended into a World LPG Week that will not only target the downstream sector, but the entire value chain.

Looking forward

We foresee many of the challenges CIS faced in 2019 continuing into 2020, with the added impact of the COVID-19 pandemic, which could have a significant impact on supply and demand dynamics. At the same time, we are well placed to build on our solid commercial foundations and careful risk management approach to leverage future opportunities.

Looking at the wider market, the Middle East will see continued demand for diesel from trucks, the commercial sector and marine industry. The region's high dependency on freight, along with IMO 2020 regulations restricting sulphur content in fuels, are driving global demand for cleaner fuel such as low sulphur diesel. The Middle East will increase its production capacity, particularly in middle distillates and diesel. Refinery capacity additions in the region will provide sufficient diesel for domestic consumption, while excess diesel will be mainly targeted at Europe and Africa, competing with traditional exporters such as Asia, the US and Russia. This will force Asian refineries to seek new export markets within Asia and in Latin America.

Liquified petroleum gas (LPG) growth leading to 2030 will be 1.1% globally, with demand mainly from China (2.4%), India (1.6%), Africa (1.5%) and the Middle East (1.4%). At more than 50%, the Middle East will remain the key exporter of the petrochemical feedstock, ethane.

We expect that 2021 in particular will be a pivotal year. CIS is excited to be laying the key foundations that will keep us at the forefront of the sector through a people and infrastructure driven strategy, while creating disruptive routes to market that will gear us for growth in the years to come.

Retail



125m

Customers served in 2019



In the face of increased competition and economic uncertainty, Retail stayed firmly on-track with its expansion and diversification strategy, with robust and ambitious plans over the coming years.

Zaid Alqufaidi, Managing Director, Retail

2019 highlights

2019 was a successful year for Retail amid challenging economic conditions, particularly in non-fuel retail. Regional geopolitics caused an increase in product storage costs and long lead times. This was compounded by a new excise tax in the UAE for sugary drinks and tobacco products. Rising business costs included increased Dubai Roads and Transport Authority (RTA) fees, environmental requirements and green building codes.

The challenges within our non-fuel retail lines – which include our ZOOM convenience stores, car wash facilities and AutoPro quick oil change, battery checking and tyre replacement services – were mainly a result of global economic conditions and more cautious consumer spending. However, these were counteracted by stronger-than-anticipated fuel sales and we ended the year in a strong position.

Network expansion

An increase in competition was another challenge in 2019. Despite this, Retail remained firmly on a growth path, expanding its service station network by around 2.5% over the course of the year. The expansion of ENOC's service station network across the UAE is a critical component of the Group's long-term strategic objective to strengthen its retail presence, with 191 stations planned for 2021, compared to the current 137.

A major part of our strategy was to increase our presence in Abu Dhabi, Sharjah and the Northern Emirates. We entered the Sharjah market with three new service stations and we aim to expand this to 30 stations over the next two years.

In the Northern Emirates, we reached a major milestone in opening Tasjeel Auto Village in Ras Al Khaimah (RAK). The UAE's biggest auto testing facility, Tasjeel Auto Village covers more than 50,000 square metres. It expands the Group's services to cater for motorists' vehicle testing and registration needs, while providing the full suite of ENOC retail services and other non-fuel offerings. These include an ENOC service station, ZOOM convenience store, AutoPro, car wash, plus food and beverage outlets. Equipped to serve more than 1,000 vehicles daily, Tasjeel RAK Auto Village has eight test bays, with more to be added as demand increases, including those for motorcycles and fleet customers. Motorists can complete all procedures related to testing, registration, fine payments and insurance renewal.

As at end 2019, the total ENOC and EPPCO combined offering was 137 stations, serving around 125 million customers. We opened nine new service stations with our signature ZOOM convenience stores, five new AutoPro sites and four food and beverage outlets. An additional five stations completed during the year will come online in 2020. We sold more than 3.5 billion litres of fuel to over 80 million vehicles. Our Retail headcount at the end of the year was 6500, comprising 6240 onsite and 260 at head office.

Delivering on our customer promise

Top of ENOC's retail strategy is delivering exceptional customer service. YouGov brand index monthly surveys shows that ZOOM's strong brand reputation stands head-to-head with that of ENOC and ranks strongly amongst our retail peers. Our mystery shopper activities also continue to deliver strong results at 99% in 2019, compared to 97% in 2018 and up from 86% in 2013.

At the same time, customer needs are continuously changing as technology drives demand for smarter service solutions onsite and online. We are constantly analysing our customers' needs to understand these

changing behaviours, and in 2019 we enlisted the insights of Boston Consulting Group (BCG) to enhance our customer experience and value proposition.

During the year, we opened two more service stations in Jumeriah Village and Dubai Hills residential communities. Our flagship community stations are based on informed market feasibility studies, plot size and availability, and present an excellent opportunity to generate sustained revenue for both fuel and non-fuel products and services. We also continue to roll-out our compact stations within gated communities. These can be dismantled and reassembled in different locations and provide daily fuel volumes of 20,000 litres to their residents, as well as multi-services such as car wash, AutoPro, and food and beverage provision.

Enhancing our customer service through digitisation

In the meantime, we continue to transform our business model through our ENOC Link digital venture to deliver fuel on-demand to our commercial customers using RFID technology; which matches a dedicated ENOC nozzle to a specific customer vehicle or item of plant equipment. In doing so, our commercial customers can monitor their fuel consumption against each specific asset within their fleet. Another innovation, ENOC Pay, is a cashless, cardless mobile app payment platform for both fuel and non-fuel products at ENOC and EPPCO service stations without customers needing to leave their vehicle.

In collaboration with InstaShop, we have also launched our InstaZoom e-commerce platform, which enables customers to order non-fuel items from our ZOOM convenience stores via iPad on the forecourt while fuelling their vehicle, and receive the order to their home or workplace.

ZOOM

ENOC has continued to expand its network of ZOOM convenience stores found within our service stations, Dubai Metro and as stand-alone community stores. In 2019, we were proud to receive the Retail Middle East award for Convenience Store of the Year and be shortlisted for the Best Marketing

Campaign of the Year for our Hot Dog World Tour campaign.

ZOOM performed above market expectations in 2019, with 0.1% growth against an overall market decline of 7.8% compared to 2018. We saw a decline in top-up turnover for mobile services of 11%, impacted by telecoms companies offering discounted pre-paid plans. But this was counteracted by strong merchandise turnover, which offers gross margins of 25%, compared to 6% for top-up services.

Expanding our offering

ENOC has stayed current with the growing shift towards electric vehicles and alternative fuels by installing electric charging points in our service stations and in developing greener diesel fuels for our customers. Nevertheless, the fuel retail industry remains under increasing pressure to expand its non-fuel offering.

In this respect, ZOOM continued to introduce new innovative products and services during 2019. We have widened our combo meal offering in partnership with PepsiCo and Coca-Cola, and expanded our Healthy Corner organic range to more than 150 unique products. We also continue to offer items that are available in US, for example, but not rolled out in the UAE.

ZOOM continues to expand its service offering through initiatives such as FODEL, where we act as a 'collection point' option for items ordered through online platforms such as Amazon or Noon, or our Ding service, which allows the UAE's millions of expat workers to send money home via a mobile phone top-up to more than 140 countries. We now also offer a RAKBANK pre-loaded card to help youngsters manage their pocket money.

Autopro

At end 2019, 41 Autopro locations were operating across the UAE. We extended partnership deals with leading tyre brands including Bridgestone, Dunlop, Pirelli, Michelin, Continental and Goodyear, and developed additional specialised services such as car detailing (polishing), ceramic coating, window tinting, headlight restoration and rim repair.

OPERATIONAL REVIEW

Marketing Volumes - LPG Bulk (MT)

2019	182,880
2018	197,859
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2013	156,546
2012	145,563

Marketing Volumes - LPG Cylinders (MT)

2019	38,338
2018	48,788
2017	48,745
2016	54,132
2015	58,456
2014	58,112
2013	60,571
2012	61,199

As of 2019

Facilities	Service	Dubai	Sharjah	Abu Dhabi	Northern Emirates	Saudi Arabia
ENOC	Petrol stations	73	3	0	8	16
EPPCO	Petrol stations	42	0	0	11	0
Wider business						
ZOOM	On-site at ENOC and EPPCO petrol stations	104	3	0	19	16
	Stand-alone	39	0	8	3	1
	Dubai Metro	43	0	0	0	0
	Franchisee	1	0	0	0	0
Pronto	On-site	49	0	0	3	0
	Stand-alone	19	0	5	2	0
	Franchisee	0	0	0	0	0
Paavo's Pizza	Food and beverage	11	0	0	1	0
Popeyes	Food and beverage	13	0	0	3	0
AutoPro	Vehicle maintenance	42	0	0	1	0
Carwash	Washing/cleaning	39	1	0	3	0
Quick oil change	Oil change and accessories	20	0	0	2	0
Tasjeel	Testing/registration	12	8	0	2	0

14 Autopro locations are now certified as authorised ACDelco centres to provide scheduled preventive maintenance for GMC and Chevrolet vehicles, planned to kick off in 2020. Moving forward, we aim to achieve certification for other top vehicle brands.

Autopro On-Demand for mobile vans was initially developed to support our busy service stations. However, in 2020 we plan to expand this to a 'home' service, with additional offerings such as oil change, air-conditioning (AC) gas top-ups, AC sanitation and headlight restoration; to name a few.

Looking forward into 2020 and beyond

Retail continues to focus on its major expansion plans. In 2020, we plan to open 21 new stations across the UAE (nine in Dubai, nine in Sharjah and three in the Northern Emirates). By 2024, we plan to open 84 new retail sites, including 26 service stations in Sharjah. Likewise, we will expand our ZOOM and AutoPro networks.

As at December 2019, ENOC had 17 operational stations in Saudi Arabia. We expect to launch 15 more stations in the country by end of 2020 and increase this eight-fold to 124 stations by 2030. Similar to our UAE service stations, these new facilities will be powered by rooftop solar technology. Across all our service stations, we will continue to support the national agenda, while providing measurable cost savings to the business, through innovative sustainable technologies such as vapour recovery systems within our fuelling services, light-emitting diode (LED) lighting which has already delivered energy savings of 50%, and variant refrigerant flow technology to reduce our air-conditioning energy consumption.

A compact station roll-out strategy from 2020 to 2024 is currently under Board review. We will continue to focus on introducing smart stations and intelligent systems to enhance our customer service and are studying the possibility of biometric payment solutions. In 2020, we plan to launch a Western Union money transfer facility

for our expat workforce customers, and other services such as traffic fine payments to extend ZOOM's offering as a 'one-stop-shop'. We will continue to roll-out our digital screens, where we can inform customers of current promotions, events and other relevant ENOC developments, also linked to our social media feed.

It is hard to imagine that Retail has come so far in a relatively short period of time, and the potential for developing the business into the future remains limitless.





» **US\$27 million**
Estimated Accumulated
cost savings since 2014

ENERGY EFFICIENCY

SUPPORTING UAE'S NATIONAL AGENDA
& CREATING COST SAVINGS

2030 Energy Consumption Targets:

10% Reduction of Energy
Consumption

30% Increase Amount of
Recycled Water

50% Reduction of Flaring
Operations

Energy efficiency is central to ENOC's vision and the national agenda. We continue to measure and achieve our own energy performance and sustainability targets and are on track by 2030 to reduce our energy consumption by 10%, increase the amount of water we recycle by 30% and reduce our flaring operations by 50%. These not only contribute to the UN Sustainable Development Goals and the UAE's own national agenda, but also make sound business sense, bringing considerable cost savings to the Group. In addition, we maintain robust energy efficiency management practices across all Group divisions and subsidiaries. In 2019 alone, these have yielded cost savings of almost US\$1.5 million, and accumulated savings of around US\$27 million since 2014.

Sustainability at our core

Through defined target-setting and stringent monitoring, ENOC remained firmly on course to meet its sustainability goals during 2019.

Sustainability is embedded within our mission and our vision. We are driven by our responsibility to meet Dubai's growing energy needs today and those of future generations. This means we need to manage our social, economic and environmental impacts.

Our vision is to be an innovative energy partner, delivering sustainable value and industry-leading performance. We aim to achieve this by striving for excellence in operations, innovation, and happiness for our employees, customers and partners, in line with our mission to deliver world-class, sustainable and integrated energy solutions.

Our broad focus on sustainability, including the environment, social and economic aspects, is aligned with the objectives of the UN Sustainable Development Goals (SDGs). Given the dynamic nature and global footprint of our organisation, our scope of work is relevant to all the SDGs to varying degrees. However, we believe that by focusing on the priority SDGs illustrated below, ENOC can be more impactful in its contributions in both local and global contexts.

For the priority SDGs like SDG 7 Clean Energy, SDG 8 Economic Growth, SDG 12 Responsible Consumption, SDG 13 Climate Action, and SDG 17 Partnerships, ENOC has identified indicators to measure the impact. This is reflected in the ENOC Sustainability Index that measures our progress year on year.

Prioritising good governance

Our sustainability governance is based on core principles that contribute to Dubai's long-term vision, including mobility, renewables, and technology. Our ambition and dedication to sustainability requires a structured governance approach. This is led by the Sustainability Leadership Committee

and managed by the Group Sustainability Office, which comprises a dedicated team of experts.

The Sustainability Governance Structure is divided into nine dedicated sustainability committees and taskforces which ensure that our sustainability initiatives remain focused and achievable within a Group-wide aligned vision.

The Energy and Resource Management (E&RM) committees comprise the Group's E&RM Steering and Technical Committees and Fuel Efficiency Taskforce, which manage E&RM competencies at every operational level.

The Environmental Technical Committee focuses on areas such as waste management, soil and water contamination, and air emissions control. The Sustainability Reporting Taskforce ensures the accuracy of reporting data, while advising ENOC's sustainability leadership on the environmental, social and financial implications of the Group's sustainability activities.

Corporate Social Responsibility (CSR) Steering and Technical Committees ensure the alignment of CSR programmes and the Group's overall 'One Vision' CSR strategy.

ENOC's Carbon Abatement and Climate Change Task Force advises the Sustainability Leadership Committee on the progress of ENOC's emission targets and reduction of GHG emissions.

Achieving our targets

ENOC has hit year-on-year milestones since the Group's current sustainability journey began in 2016, when we formed our 19 sustainability key performance indicators (KPIs).

These KPIs include:

- environmental measures (including energy management, GHG reduction and renewable energy generation, water conservation, waste management and green procurement)
- social measures (related to internal employee welfare and their contribution to the external community)
- economic measures (the related benefits recipients have gained from corporate social responsibility initiatives against our investments)

The Sustainability Index is imperative for ENOC to be an innovative energy partner for our stakeholders, delivering sustainable value and industry-leading performance. Our 19 KPIs are developed and reviewed annually to ensure they remain relevant, realistic and measurable. Each has a defined target and is weighted against its potential impact within a scorecard broken down further against business units and individual departments.

We first reported these KPIs in our inaugural report in 2016, the first Sustainability Index for the Middle East's oil and gas sector. In 2017, we measured our performance against 2016 levels and reported accordingly. The KPIs are reviewed each year, with over 50 meetings and a consultation mechanism to elicit input from over 500 internal and external stakeholders. The aim is to further embed them into every business unit, with each division taking action to improve its sustainability performance.

Since 2018, our Sustainability Index performance has improved from the mid-80s to over 90, demonstrating ENOC's continuing commitment to sustainability. Following our 2019 review, changes included increasing our



business unit 'cut off-target-stretch' targets in the Sustainability Index from 70-80-90 to 80-90-100. The target for reducing emissions intensity was increased by 10% to 1.1% for 2020, and we identified an additional KPI based on social impact and employee volunteering, which was integrated into the existing Sustainability Index.

In setting our targets for 2020, we benchmarked our performance against key initiatives such as Dubai Carbon Abatement Strategy (which aims to reduce carbon emissions by 16% by 2021), Dubai Demand Side Management Strategy 2030, and industry peers like ADNOC, Empower, Shell, and Emirates Nuclear Energy Corporation.

The KPIs are also reviewed in line with established Dow Jones Sustainability Index methodology and set against the UN SDGs, as outlined above. KPI topics also align with the requirements of the Global Reporting Initiative (GRI) – an international standards organisation that helps governments and businesses understand and communicate their environment and community impacts.

Tangible savings

We continued to make savings in the business in terms of energy and water consumption, yielding considerable cost savings as a result. We detail our 2019 achievements in this respect in the E&RM section of this report.

For our new 2020 energy and water intensity reduction goal of 10% by 2030, we forecast

an overall cost saving to the Group of more than US\$27 million. Overall, across all the Group's sustainability initiatives, we achieved cost savings close to US\$ 1.5 million in 2019 alone and have accumulated E&RM savings of around US\$29 million since 2014.

Conserving resources

In 2019, we continued to deploy renewable energy within our operations, mostly through solar photovoltaic (PV) installations within our service stations, terminals and warehouses. Many of our service stations now have solar panels to supply their energy needs, to the extent that we send an additional 30% of the solar power we generate back to the grid.

Our solar power initiatives are already making a significant contribution to Dubai's Clean Energy Strategy, which mandates that renewable sources will generate 75% of the city's energy by 2050. In 2019, we also successfully integrated PV technologies into our petrochemical and refinery operations, as well as our terminals and lubricants plants, saving around US\$0.5 million and increasing our overall solar use to 0.56%. The increase of more than 0.4% has far exceeded our KPI target of 0.1%.

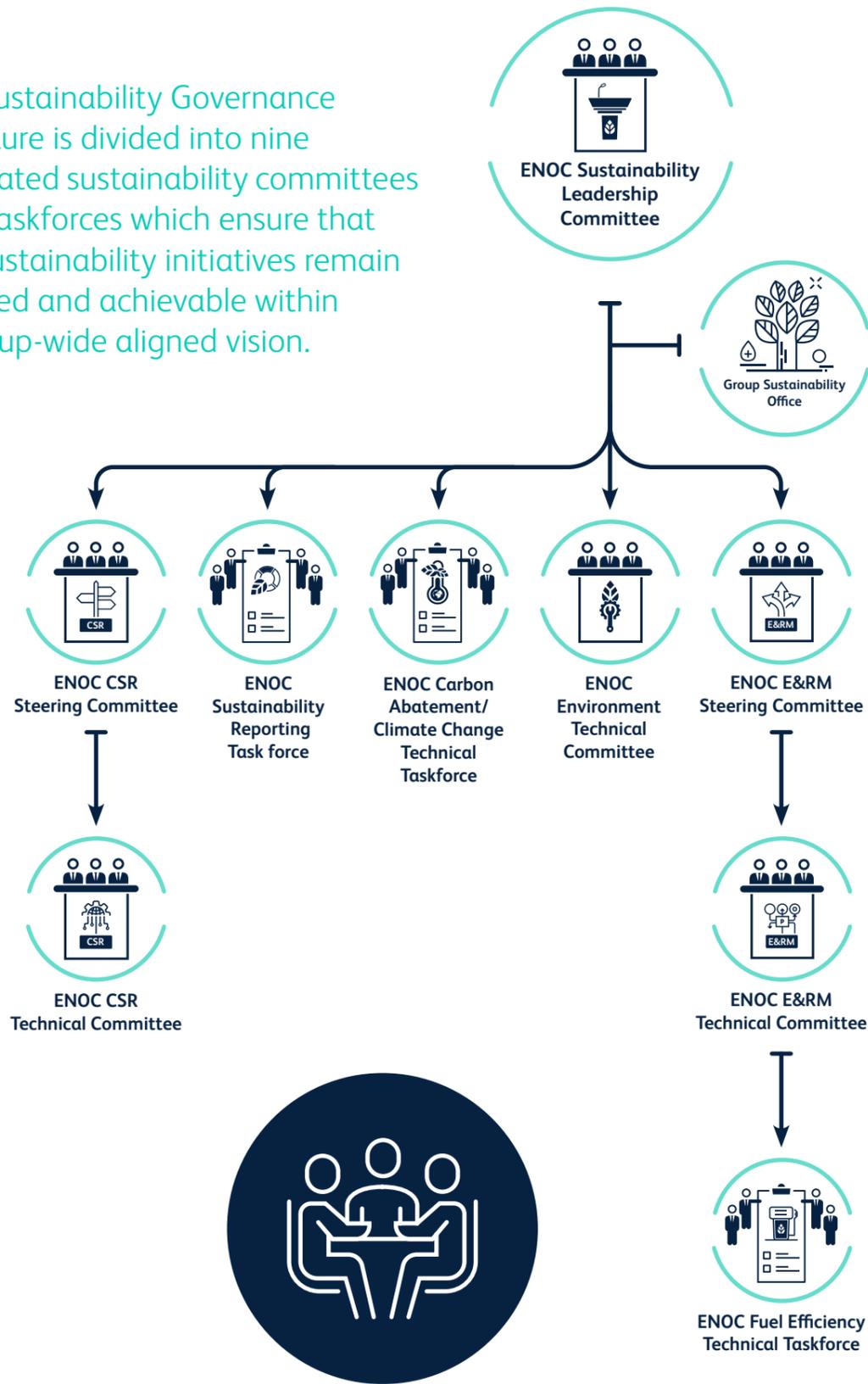
We recycle, reprocess and reuse water where we can. Over the year, we recycled 17.1% of our water, far exceeding our 7.5% target. Key ENOC segments which exceeded water recycling targets included Retail at 36.2%, and DUGAS at 26.3%

We also diverted 34.1% of our waste across the Group in 2019, far exceeding our 20% target. ENOC categorises and segregates more than 60 type of wastes, ranging from spent catalyst to used oil, batteries and municipal solid wastes. The segregated, recyclable waste is then stored separately and sent for recycling through dedicated waste management companies. This is in line with Dubai's goal of reducing the amount of waste sent to landfill to zero by 2030. It also supports the UAE National Agenda to reduce waste sent to landfill by 75% by 2021.

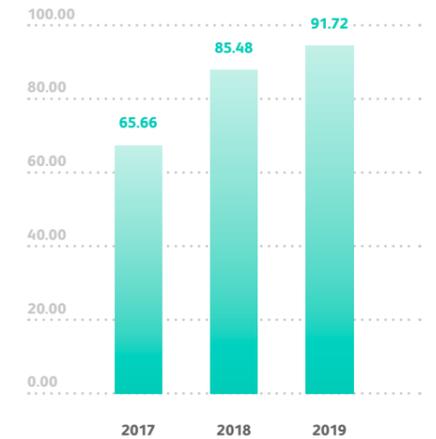
ENOC's Retail business was able to divert 19% of its waste in 2019. Across the rest of the business, ENOC diverted a full 50% of its waste by engaging with potential industries that can use ENOC waste as a raw material, such as cement or paper manufacturing, for example. In the corporate office, ENOC introduced a plastic water bottle recycling initiative in 2018. This collected more than 12,000 bottles in one month to be recycled into clothes. Moving from single use plastic items like water bottles to water dispensers reduced waste generation per employee by almost 50% from 2018 to 2019.

Of course, there is more to sustainability – and hence to our KPIs - than the environment alone. On the social side, since 2018 ENOC has provided more than 200,000 hours of training on various topics for employee capacity building in areas like HSE, technical training and personal development. This equated to more than 20 hours of training per employee in 2019.

The Sustainability Governance Structure is divided into nine dedicated sustainability committees and taskforces which ensure that our sustainability initiatives remain focused and achievable within a Group-wide aligned vision.



ENOC Sustainability Index Performance



Our new KPI on social impact and employee volunteering will remain a strong focus during 2020. We firmly believe this not only serves a strong community function, but also gives our employees a sense of purpose and teamworking and increases their morale and productivity in the workplace. Read more on our CSR activities in the CSR chapter of this report.

Our overall employee attrition rate of just 3.43% for 'white collar' roles is one of the lowest in the region. Overall Emiratisation is at 41.9% with 793 UAE nationals, while the number of female employees reached 449, equivalent to 17.5% (excluding contractors and JVs).

Green procurement

Our Green Procurement strategy sets out defined supplier guidelines for all equipment purchased to run ENOC assets more energy efficiently. It focuses on socially and ethically responsible purchasing, minimising environmental impact through the equipment lifecycle, reducing resource consumption and delivering real economic benefits to the Group. The Green Procurement strategy is guided by the Group's Purchase and Design Energy Efficiency Standards. These set minimum energy efficiency guidelines for purchasing energy consuming equipment and is applied to all business units.

ENOC's Green Procurement practices ensure that Group-wide, we continually re-assess what we procure. Hence, we can optimise quantities, save energy and water, promote reuse and recycling, minimise packaging and optimise transport. In this way, we reduce risks across the supply chain, help to cut greenhouse gas emissions, minimise illegal and unsustainable use of natural resources, and reduce pollution.

Our Green Procurement Practices also address aspects such as the Group's approach towards fair treatment, the environment, health and safety standards, workplace conduct and conflicts of interest.

In 2019, our Green Procurement practices reached 85.9% Group-wide, up from 71% the previous year. This is in no small way due to our Green Procurement training and Supplier Code of Conduct training programme, which we rolled out to all Group employees during the year.

Awards and accolade

One of the greatest rewards ENOC can gain from its sustainability initiatives is recognition from our partners, communities, peers and stakeholders.

In 2019, ENOC Group became the world's first energy company to win the coveted Sustainable Purchasing Leadership Council award in Portland, USA, which recognises companies that demonstrate the strongest commitment to leadership in sustainability and excellence in sustainable purchasing. In addition, we were awarded the 'Best Sustainability Report 2019' award by the Abu Dhabi Sustainable Business Leadership Forum, in recognition of our commitment to sustainability and engagement with stakeholders.

We also won the Golden Peacock Global Award for sustainability and CSR for the third consecutive year, and the Arabia CSR award for excellence in CSR in the energy sector for the fourth year in a row.

Integration with Dragon Oil

ENOC's Group Sustainability team continued the integration of sustainability concepts

within Dragon Oil operations. This included a data assurance visit to Dragon Oil in 2019 to verify sustainability data, before publishing its sustainability performance. The visit aimed to evaluate the accuracy of sustainability data and to identify improvement opportunities on its sustainability performance. During the visit, the team also reviewed four local CSR projects implemented by Dragon Oil, advising on measures to enhance their effectiveness.

The trip followed a series of similar visits in 2018 to aid the integration process. These visits aimed to evaluate the maturity of energy and resource management at Dragon Oil and to provide guidance and expertise to identify potential opportunities for energy efficiency initiatives and best practice operations. ENOC plans to conduct similar workshop on an annual basis to continuously seek feedback from stakeholders.

Looking forward

ENOC has ambitious targets for the future, which we will achieve through continued efficiency improvement initiatives and KPI measurement.

By 2030, the Group aims to reduce its energy consumption by 11% (or 1.1% year-on-year), increase the amount of water it recycles to 30%, divert 100% of its waste and reduce the flaring from its plant operations by 50%.

In 2019, we started developing a new integrated sustainability data management system to streamline and simplify the data collection process for ENOC and Dragon Oil, and making it easier to monitor our performance against our KPIs and the Sustainability Index.

ENOC is proud to be part of this sustainability journey into 2020 and beyond.

Energy and resource management

ENOC continued to make strides in its energy management performance during 2019, while remaining aligned with key national strategies.

Driving measurable outcomes

2019 marks the twelfth year of ENOC's energy and resource management (E&RM) journey. In the last six years alone, we have achieved E&RM savings of more than US\$29 million, and in 2019 achieved savings of almost US\$1.5 million.

E&RM is driven from the very top of the Group. The E&RM Steering Committee comprises 23 business unit heads and its decisions are firmly aligned with both international agencies and the wider national agenda of Dubai Supreme Council of Energy. The E&RM Technical Committee is made up of a further 42 technical business unit members. Both committees meet at least once every quarter to review current performance and formulate measurable and documented action plans to improve performance. Alongside these two committees are a further two sub-committees – Carbon Abatement/Climate Change Technical Taskforce, and Fuel Efficiency Technical Taskforce – to specifically drive our performance and identify additional opportunities in these areas.

2019 highlights

In 2019, across all its business units, ENOC's E&RM performance scored 95% against the Sustainability Index, with several business units achieving 100%. Overall energy savings were 3.3% from the Group's 2013 baseline, far exceeding the target of 3.0%. Based on these excellent results, the Group has set a 2020 target of 3.5%.

DUGAS, Retail, EPCL and Corporate Real Estate (CRE) were the main contributors to these figures, accounting for 86% of total savings achieved. In terms of energy intensity, ENOC's Retail and Supply Trading and Processing segments achieved

particularly strong results, reducing energy intensity by 1.3% and 1.6% respectively. Terminals achieved a 0.3% reduction caused largely by a drop in throughput. Similarly, Commercial International Sales recorded a 0.1% increase in energy intensity due a drop in volumes.

In terms of water savings, ENOC subsidiaries Horizon Terminals, DUGAS and Tasjeel vehicle testing and registration centre achieved reductions in water consumption of between 20%-40%. Overall savings in 2019 through water and energy intensities reached almost US\$4.5 million.

Our E&RM strategy is founded on the principal of the 'three Ps' – People, Process and Platform. Our 'People' are key to the success of E&RM. Providing training and awareness to our employees is a vital step to ensuring we are meeting our targets and achieving excellence in E&RM. Since 2016, more than 500 employees have been trained in a diverse range of energy management topics, helping to drive our E&RM performance.

In 2019, Group Sustainability delivered 11 specific trainings in E&RM topics to 70 employees from across the Group. In addition, several business units requested their own E&RM training for their employees. Feedback from participants was excellent, with an average rating of 4.56 on a scale of 1 to 5, with 5 being 'excellent'.

The second critical aspect is the 'Process', which refers to the effective E&RM system in place since 2008, much before the introduction of ISO 50001 in 2011.

The third aspect is 'Platform', referring to the technology and monitoring systems that ENOC has to identify areas of improvement and inefficiencies. ENOC is transitioning itself towards digitisation by installing smart

metering systems in retail stations and terminals to monitor energy performance and analyse deviations in real time.

Ever since the merger of Dragon Oil and ENOC in 2015, both organisations have been working hard to ensure their E&RM strategies are aligned and to embed ENOC's expertise and best practice within Dragon Oil. Dragon Oil's achievements include savings of 5.2 million litres/year of diesel and 13,900 tCO₂/year of emissions, amounting to annual cost savings of US\$ 2 million by replacing diesel-based generators with gas-based generators using flared gas.

ENOC Processing Company (EPCL) achieved annual energy savings of 2.7m kWh and avoided 1,401 tCO₂/year of emissions by considering energy efficient design in refinery expansion, while DUGAS achieved annual savings in natural gas of 129,700 GJ and avoided 7,250 tCO₂/year of emissions by optimising gas turbine performance. Similarly, the solar PV power generation system installed at our Dubai Lubricants Processing Plant (DLPP) now provides 99% of the facility's energy needs. This has enabled it to achieve energy savings of 144,700 kWh – enough to power 240 computers for one year.

In 2019, we conducted several energy cost optimisation studies which led to cost savings worth US\$200,000 being identified across business units including Tasjeel, EPPCO Aviation, DUGAS and Horizon Terminals in Jebel Ali.

We also conducted a large study to identify the savings of installing solar PV to all ENOC business units, including all service stations in the UAE. On average, deploying solar PV projects in ENOC Group will achieve an energy cost reduction of about US\$2.7 million.





Recognising the efforts of our people

2019 saw the seventh edition of the annual ENOC Energy Award, with a focus on youth empowerment and development. The award is a key platform that recognises the efforts and diligence that ENOC and its employees give to energy efficiency and resource conservation. As well as rewarding ENOC business units for their achievements in E&RM, the awards programme also showcased youth from different external organisations and competitions, who presented their innovative and futuristic ideas.

Allied to the ENOC Energy Award, our Superior Energy Performance (SEP) scheme was fully implemented across the Group in 2019, with the objective of establishing a consistent energy management system across all business units.

The SEP scheme is designed to foster a culture of healthy competition among business units by tracking and verifying actual savings achieved. It also provides an excellent platform for planning, training, monitoring and measurement. It comprises 10 minimum management requirements, divided into seven enablers (demonstrating an 'enabling' environment to promote E&RM within its operations) and three results criteria showing clear outcomes. Its five ratings range from 'Certified' to 'Platinum'.

Despite this year being only the second year of the scheme, the results were very encouraging, with most business units reaching Certified rating and one unit with a Silver rating.

2019 was also a pivotal year in accrediting ENOC's business to ISO 50001. Almost all business units achieved ISO 50001 System certification by end of 2019, with the exception of some overseas terminals and EPCL, due to expansion projects.

Embedding E&RM into every aspect of our business

ENOC has long recognised the importance of E&RM as a driver of growth and efficiency in our business. To deliver on this growth and provide sustainable value, we have integrated E&RM into each phase of our Stage Gate Process (SGP) - a project management process that safeguards ENOC's long-term sustainable operations.

The SGP consists of five planning stages followed by execution, operation and post-investment review stages. By integrating E&RM, it enhances ENOC's ability to deliver fit-for purpose projects, while safeguarding the efficiency and effectiveness of capital investments.

We continued the E&RM integration process for Dragon Oil in 2019. This included a data assurance visit to verify sustainability data, following two visits in 2018 to evaluate its E&RM framework and identify opportunities for further E&RM initiatives. Opportunities identified included flare management, implementing green procurement standards and using waste heat to produce desalinated water, instead of the energy-intensive reverse osmosis process.

Continuing our journey

A key pillar of Dubai's Integrated Energy Strategy (DIES 2030) is Demand Side Management (DSM), with the main target of decreasing the city's energy demand by 30% by 2030. In alignment with DIES 2030, all ENOC buildings moving forward will be LEED-rated (the world's most widely-used green building rating system), and we will evaluate existing sites for their retrofitting potential.

Participating in industry-leading events allows ENOC's E&RM efforts and accomplishments to inspire other industrial stakeholders in the region. Events we participated in during 2019 included Middle East HSE and Sustainability Forum, Emirates Green Building Council 7th Annual Congress and 3rd Kuwait International HSSE Conference.

ENOC's Purchase and Design Efficiency Standard, part of the Group's wider Green Procurement drive, stipulates minimum energy performance standards for equipment used across all business units. As part of our continual drive to improve our E&RM performance, we are reviewing these standards with a view to increasing them in due course.

In terms of our overall energy reduction target, building on our 2020 target of 3.5% energy reduction, we have set further milestones to reduce our energy intensity by 6% by 2025 and 11% by 2030. ENOC's strategy of continuous efficiency improvement over our E&RM journey remains testament to a focused determination that is delivering real results.

Corporate social responsibility

Through active stakeholder engagement and a focus on social return on investment, ENOC's CSR initiatives aim to bring the maximum impact to those they serve.



Our CSR commitment

Corporate social responsibility (CSR) is very much a core purpose at ENOC and forms a major part of the Group's corporate strategy, in giving back to its stakeholders and community socially, environmentally, and economically.

Our main CSR remit is to create real and lasting transformational change for communities and stakeholders, including employees. During 2019, a key focus was to move our CSR strategy from a transactional approach based largely on philanthropy, to a transformational investment approach.

To drive this organisational shift to transformational CSR, Group Sustainability initiated the development of the 'One ENOC, One CSR' strategy. The aim is to instil CSR as a core value that is integrated into ENOC's organisational culture of doing responsible business, creating value for business and society at every touchpoint of its operations.

Our 'One CSR' strategy is led by the ENOC CSR Steering and Technical Committees, which ensure alignment of ENOC's CSR programmes and activities to the vision and strategy of the UAE and Dubai, and to the Group's vision and mission to reflect the culture of 'One ENOC'.

The committees play a significant role in effectively communicating and executing ENOC's CSR strategy and defining targets to develop long-term plans for our CSR endeavours.

Stakeholder engagement

As part of this transition, we elicited input from both internal and external stakeholders to help shape our 'One CSR' strategy. In 2019, we engaged with 150 key external stakeholders in a four-day collaborative workshop held at ENOC's Dubai headquarters. They included partners and industry experts from the UAE Ministry of Energy, Dubai Municipality, Dubai Future Foundation, Community Development Authority, Etisalat, Mubadala and Tyco Fire & Security, as well as non-government organisations and renowned academic institutions.

The sessions identified the key focus areas for ENOC CSR initiatives as environment, education, employability and skills development, while key beneficiaries to target are youth, children, and economically and socially disadvantaged groups. In terms of maximising ENOC's CSR impact, areas identified included capacity building and knowledge transfer, awareness campaigns and employee volunteering. The event also recommended ways that ENOC could increase its CSR communication through social media, display screens at service stations and the Group website.

We also held an internal stakeholder consultation to gather ENOC leadership's insights and aspirations for the 'One CSR' strategy. Presided over by the Group CEO, the consultation included 50 members of ENOC leadership and management across various business segments and corporate divisions. The consultations concluded

with categorising key focus areas for ENOC Group, our aspirations in positioning ENOC in the CSR space in the UAE and identifying improvement areas for CSR within the Group.

The overarching aim of these consultations was to gather stakeholders' valuable insights on CSR opportunities and discuss ways ENOC could build on its CSR model in line with the UAE National Agenda 2021, which focuses on socioeconomic areas including education, healthcare, economy, housing, infrastructure and government services.

As with our sustainability goals, since 2016 ENOC has developed defined social key performance indicators (KPIs) through the Sustainability Index, which are relevant, realistic and measurable. In 2019, we were once again successful in reaching our CSR KPI targets in areas such as training, gender diversity (women currently comprise more than 40% of our Emirati workforce), and our employee attrition targets (far lower than the regional average at 8.61% in total and 3.43% for 'white collar' positions). We also focussed on community investment in 2019 and our overall CSR related spending reached US\$ 1.1 million.

In 2020, we will include employee volunteering as a key and measurable KPI to further encourage our employees to actively volunteer, as per our policy first formed in 2017 for employees to dedicate one full salaried day a year to community service. With an 11,000-strong workforce, this equates to dedicating 1-2 employees on one-year's full-time community service.

ENOC adopted a strong focus on internal training and awareness in 2019 to further promote our volunteering culture. We introduced CSR Awareness Training as part of capacity development for our employees on the values and principles that underlie our CSR activities. Topics included:

- What CSR means and how it has evolved
- CSR at ENOC – what have we done so far and what we plan to achieve
- Project management lifecycle for CSR
- Measuring the impact of CSR activities
- CSR communication and reporting

CSR in practice

ENOC launched more than 15 new CSR initiatives in 2019, plus a number of others that continued from previous years. These initiatives resulted in engaging over 400 ENOC volunteers, equivalent to more than 2,000 volunteer hours. We reached over 12,000 people through our partnerships and initiatives, including over 1,000 school students who were educated across our various CSR programmes. We also planted over 400 trees and packed over 10,000 school kits for underprivileged children across the UAE. In monetary terms, our CSR initiatives and investments equate to more than US\$1 million every year.

In addition, we conducted three social return on investment studies and developed a CSR Framework for measuring the impact these initiatives are having on communities and assessing the extent to which we are channelling our CSR investments into the right areas. The ENOC CSR Framework is a comprehensive qualitative and quantitative measurement tool. It defines how we

manage CSR within an integrated, Group-wide system, ensuring we are able to deliver the maximum social benefit from every CSR project we undertake.

In 2019, our CSR initiatives included:

ENOC Energy Scholarship – offering Emirati engineers (both external and ENOC employees) a chance to pursue a master's degree in energy at Heriot-Watt University in the UK and continue their careers at ENOC. Currently, there are four Emiratis on the programme and in 2019 we inducted one more.

Sponsorships and partnerships

Emirates Environmental Group (EEG) - collaborating on interschool and intercollege environmental public speaking competitions and in delivering 'Elements Define Us' student workshops. Through these activities, the collaboration has so far reached out to more than 900 students from 87 schools and 51 universities across the Middle East and Northern Africa (MENA).

Al Jalila Cultural Centre for Children – providing 135 orphans with opportunities to hone their creative skills in art, music and crafts, as part of a project entitled 'The Family Village – a hope for the future' to offer a healthy, safe and secure home for orphans in Dubai.

Sustainability Spring School – partnering with British University in Dubai (BUID) to offer students an opportunity to develop their understanding of sustainability. More than 60 Emirati and international students participated in seminars, debates, roundtable discussions, competitions and site visits, and competed to win the best design of a future service station.

Dubai Autism Centre (DAC) – financing two main facilities for the centre – an occupational therapy wing comprising six rooms that are designed to build children's visual and handwriting skills, and a dark sensory room to help them learn to regulate their brain's reactions to external stimuli. ENOC volunteers also invited 18 DAC children for a tour at Dubai Aquarium Underwater Zoo to learn about different marine species and to interact with the public and volunteers.

Al Noor Training Centre for Children with Special Needs – through our 'Adopt a Class' initiative, supporting students through various training and educational courses with assistive virtual reality technology to enhance sensory abilities and skills, and transforming the centre into a 'smart' centre by making it entirely wi-fi enabled.

Pearl Initiative – partnering with The Pearl Initiative, an independent non-profit organisation promoting corporate accountability within the Gulf region. Through the partnership, both The Pearl Initiative and ENOC will benefit from each other's corporate governance experience, jointly promote ethical practices, transparency and accountability, and invest in initiatives that stimulate social entrepreneurship in different markets.

Dubai Aquarium Underwater Zoo – sponsoring the UAE Night Creatures 'Rocky Shore' exhibit, which includes indigenous species and live interactions with visitors. To date, the aquarium has educated around 2.25 million visitors about the different species it houses.





Campaigns

Volunteer Emirates – Back to School Initiative – partnering with Dubai Cares and community volunteers to assemble 10,000 school kits to support orphans and children whose caregivers and families are unable to afford school supplies.

Earth Hour - ENOC undertook a month-long campaign for Earth Hour 2019, including an awareness drive and employee engagement events. The campaign culminated in our participation in the DEWA-organised Earth Hour event at Bay Square. We helped to offset 114 tonnes of CO2 emissions across Dubai by switching off lights from 8:30 pm – 9:30 pm in our head offices and operations. In addition, more than 600 visitors came to our stand at Marasi Promenade to enjoy a variety of Earth Hour themed activities.

Better Earth – ENOC partnered with Al Noor Training Centre for Children with Special Needs, with more than 50 ENOC volunteers helping children to plant Ghaf Trees (a symbol of tolerance) and more than 375 vegetables.

What's On My Tray - we collaborated with Emirates Environmental Group (EEG) to conduct a workshop that helped us understand and measure the carbon footprint of the food we consume. It also provided insights on food choices to achieve a healthier lifestyle while minimising CO2 emissions.

Visit to Senior Emiratis' Happiness Centre – we provided residents of the centre with support equipment to enable ease of access to rest rooms, helped them plant Ghaf trees and created a vegetable garden to make the centre self-reliant for their food needs.

World Environment Day - the theme of the World Environment Day 2019 was 'Beat Air Pollution'. We marked this international event by reaching out to our employees, encouraged them to learn more about ENOC's initiatives to combat air pollution and enhance their knowledge on the subject.

UAE's Year of Tolerance

2019 was proclaimed the UAE's official 'Year of Tolerance' by His Highness Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE. The Year of Tolerance embodies the vision of the UAE to be a bridge of communication

between different peoples and cultures across the globe, in an environment of openness and respect that rejects extremism and promotes coexistence.

As a member of the Year of Tolerance committee workforce, ENOC was involved in a series of brainstorming sessions and workshops to generate ideas that embody the values of tolerance. We also organised several initiatives that highlighted the role of the Group itself and how it embodies values of tolerance.

Sheikh Zayed Grand Mosque Trip - to mark the conclusion of the Year of Tolerance, we hosted a trip to the iconic Sheikh Zayed Mosque in Abu Dhabi in December 2019. More than 35 employees joined the trip to learn how the Mosque's modern Islamic architecture links the past with the present. The visit also highlighted how the Mosque is an emblem of Islamic values rooted in tolerance, diversity and peace.

Umrah for ENOC Employees – rewarding 60 long-serving ENOC employees who have never been able to perform 'Umrah', by offering them an opportunity to visit the holy cities of Makkah and Madinah in November 2019.



Pride in our achievements

By definition, CSR is not about the benefits for ENOC, it is about the knowledge, support and resources we can call on to deliver benefits for our communities. With our new CSR Framework, our CSR performance is directly linked to the effectiveness of our initiatives and projects. Any CSR recognition we receive are a positive indication that these activities are achieving their objectives.

In 2019, ENOC was proud to win the Arabia CSR Award for the fourth consecutive year. The Arabia CSR Award is one of the region's most coveted CSR and sustainability awards, showcasing the most successful and innovative CSR pioneers in the region. It also helps to raise awareness and spread the culture of CSR and sustainability by promoting CSR as an essential element of a successful business model.

In addition, we were delighted to win the Golden Peacock Award for Corporate Social Responsibility for the second consecutive year, a true testament of our sustained commitment to CSR.

ENOC has been at the forefront in building and maintaining partnerships with government and non-government entities, promoting environmental sustainability, empowering disadvantaged and underprivileged individuals, inspiring youth, promoting employee welfare and actively partnering in community-oriented events to enhance our CSR model. We look forward to continuing these efforts in the coming years.

ENOC GROUP LEGAL ENTITIES

United Arab Emirates

Emirates National Oil Company Limited (ENOC) L.L.C. Limited

ENOC Supply and Trading L.L.C.

ENOC Marketing L.L.C. (Formerly - ENOC International Sales L.L.C.)

ENOC Processing Company L.L.C.

ENOC Lube Oil and Grease Manufacturing Plant L.L.C.

ENOC Commercial and Distribution L.L.C.

ENOC Bunkering International L.L.C.

Dragon Oil (Holdings) Limited (Formerly Dragon Oil Limited)

ENOC Retail L.L.C (Formerly- Emirates Petroleum Products Company (EPPCO) L.L.C.)

ENOC Tasjeel L.L.C

ENOC Retail Systems Holding L.L.C.

Dubai Natural Gas Company Limited

ENOC IG Petrochemicals Company LLC - 70%

Emirates Gas L.L.C.

ENOC Properties L.L.C.

Dubai Shipping Company L.L.C

ENOC Fuel Supply Company L.L.C

Horizon Emirates Terminals LLC

ENOC Link L.L.C.

BEEMA INSURANCE SERVICE L.L.C.

EPPCO Projects L.L.C. - 51%

Fujairah Energy Project Company L.L.C. - 50%

Horn Fuel Trading LLC - 51%

Gulf Energy Maritime P.J.S.C. - 35.62%

Dragon Oil (Holdings) Limited

Bahamas

Horizon Terminals Limited

Horizon Jebel Ali Terminal Limited

Djibouti Oil and Gas Marketing Limited

EPPCO International Limited - 50%

Horizon Djibouti Holding Limited - 44%

Bermuda

Dragon Oil (Turkmenistan) Ltd

Dragon Oil (International) Limited

Dragon Oil (Algeria Alpha) Limited

Dragon Oil (Egypt Alpha) Limited

Dragon Oil (Bargou Tunisia) Limited

Dragon Oil (Sanduqli) Limited

Dragon Oil (Mazar-i-Sharif) Limited

Dragon Oil (Philippines SC63) Limited

Dragon Oil (Egypt Holding 1) Limited, Bermuda

Dragon Oil (Egypt Holding 2) Limited, Bermuda

Dragon Oil (Egypt Holding 3) Limited, Bermuda

British Virgin Island

Dragon Oil Algeria (BVI) Limited (BVI)

Dragon Oil Mazar-i-Sharif (BVI) Limited (BVI)

Dragon Oil Sanduqli (BVI) Limited (BVI)

Dragon Oil Egypt (BVI) Limited (BVI)

Dragon Oil Tunisia (BVI) Limited (BVI)

Dragon Oil Corporate Director (BVI) Limited (BVI)

Dragon Oil Iraq (BVI) Limited

Dragon Oil (Egypt Holding 1) Limited, (BVI)

Dragon Oil (Egypt Holding 2) Limited, (BVI)

Dragon Oil (Egypt Holding 3) Limited, (BVI)

Djibouti

ENOC Djibouti Limited FZCO - 80%

Horizon Djibouti Terminals Limited FZCO - 90%

Gibraltar

Vopak Horizon Fujairah Limited

Guernsey

Vopak Horizon Fujairah Holding Limited - 33%

Jersey

Dragon Oil (Block 9) Limited

Malaysia

ESL Limited

Morocco

Horizon Tangiers Terminals S.A. - 34%

Namibia

Emirates Corridor Gas Terminal (PTY) Ltd - 51%

Saudi Arabia

ENOC Retail Saudi L.L.C. - (Formerly - Saudi Emirates Fuel Company L.L.C.)

United Fuel Company L.L.C.

Integrated Logistics Company - 40%

United Gulf Aircraft Fuelling Company (L.L.C.) - 49%

Arabtank Terminals Limited 36.5%

Singapore

Emirates National Oil Company (Singapore) Private Limited

Horizon Singapore Terminal Private Limited - 52%

Horizon Korea Holdings Pte Limited ("HKHL") - (Formerly-Horizon Terminal Management Private Limited)

Horizon Terminals (Far East) Pte. Ltd

Falcon Grace Private Limited

Falcon Victory Private Limited

ETL Falcon Private Limited

Centennial Asia Shipping Pvt. Limited

South Korea

Horizon Taeyoung Korea Terminals Ltd. ("HTKT")

Tanzania

ENOC Africa Limited - 60%

Turkmenistan

Dragon Oil (Turkmenistan) Ltd

United Kingdom

ENOC Services (UK) Limited

Dragon Resources (Holdings) plc



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