# ADNOC DRILLING COMPANY P.J.S.C.

## First Quarter 2025 Earnings

### Webcast & Conference Call Transcript

May 8, 2025

## CORPORATE PARTICIPANTS

**Massimiliano Cominelli -** *ADNOC Drilling - Vice President, Investor Relations*

**Abdulrahman Al Seiari -** *ADNOC Drilling - Chief Executive Officer*

**Youssef Salem -** *ADNOC Drilling - Chief Financial Officer*

## CONFERENCE CALL PARTICIPANTS

**Ricardo Rezende -** *Morgan Stanley*

**Anna Kishmariya -** *UBS*

**Afaq Nathani -** *International Securities*

**Ruben Dewa -** *Jefferies*

**Alok Nawani -** *Ghobash Trading and Investment Company*

**Oliver Connor -** *Citigroup*

**Rene Selouan -** *Jadwa*

## PRESENTATION

**Massimiliano Cominelli -** *ADNOC Drilling - Vice President, Investor Relations*

Ladies and gentlemen, Welcome to the ADNOC Drilling first quarter 2025 earnings webcast and conference call. My name is Max Cominelli, Vice President of Investor Relations. As always, before handing the floor over to our main speakers, I would like to draw your attention to the disclaimer that you will find on the second slide, which I encourage you to read carefully.

The text contains important information. We advise caution on the interpretation and limits of historical data and forward-looking statements. I would like to remind you that this presentation and the recording of this call will be available on our website shortly after the end of the call. Today's presenters are our Chief Executive Officer, Abdulrahman Al Seiari, and our Chief Financial Officer, Youssef Salem. After the presentation we will have a Q&A session where we will be happy to answer your questions.

I will now hand over the call to our CEO, Mr. Abdulrahman, who will lead you through strategic developments and the key highlights of the quarter.

**Abdulrahman Al Seiari -** *ADNOC Drilling - Chief Executive Officer*

Thank you, Max, As-salamu alaykum to all and good day. I would like to begin by emphasizing that ADNOC Drilling's unique business model provides exceptional resiliency and long-term visibility in terms of financial performance. This stands out particularly in the current volatile times.

Our revenue remains underpinned by the long-term, stable contracts that are largely de-risked from oil price and market movements.

This has enabled us to consistently deliver strong earnings. Since our IPO in 2021, we have more than doubled our net profit reaching $1.3 billion in 2024. And we expect even further growth this year.

We also have an industry-leading EBITDA margin above 50% in our conventional business.

Our progressive dividend policy provides unmatched visibility, offering at least 10% annual growth till 2028, and we expect to pay at least around $870 million on 2025.

Finally, with the expansion of our fleet, the growth of Oilfield Services, and our new joint ventures such as Turnwell and Enersol, we are well positioned to capitalize on future opportunities. This is fully aligned with ADNOC's broader upstream growth targets, including reaching 5 million barrels per day of oil production capacity by 2027 and the UAE gas self-sufficiency by 2030.

As you may have seen, we have recently announced a contract for over $800 million for three additional new island rigs which we expect to gradually join the fleet between 2027 and 2028. This milestone further our commitment to continued growth and supports our medium-term target of 151-plus rigs by 2028 in Abu Dhabi and beyond.

Next slide, please.

Now moving on to the quarter. I am proud to share with you that ADNOC Drilling has delivered another strong quarter to start the year.

Revenue for the first quarter increased 32% year-on-year, reaching $1.17 billion. EBITDA rose 22% year-on-year to $533 million and the net profit increased 24% year-on-year to $341 million.

Operationally, our rig fleet size stood at 142 rigs, and the rig availability remaining strong at 96% during the period. Also, importantly, on safety our TRIR stood at 0.58 for the quarter versus a target of 0.61.

In Oilfield Services, revenue grew 134% year-on-year to $342 million, with 57 IDS rigs and another 48 rigs with discrete services.

We had many key milestones during the quarter:

Firstly, we had $152 million in unconventional revenue during the quarter as we continue to execute on Phase 1 of the unconventional program.

Secondly, Enersol completed the acquisition of a 95% stake in Deep Well Services.

Also, in April 2025, we distributed the final dividend for 2024 of $394 million, bringing the total 2024 dividend payout to $788 million, reflecting our consistent commitment to delivering value to our shareholders.

Finally, we also achieved a 23% improvement in IDS drilling efficiency compared to our 2024 benchmark, delivering enhanced value to our customers.

Next slide, please.

Our future growth is being driven by three clear strategic pillars.

First, Enersol. Since its launch, it has successfully completed four acquisitions: Gordon Technologies, NTS Amega, EV, and most recently Deep Well Services. These transactions represent around $800 million in investments for Enersol and significantly strengthen ADNOC Drilling's technology capabilities across drilling, completions, diagnostics and analytics.

Looking ahead, we expect to deploy the remainder of Enersol's committed capital during 2025, further reinforcing our position as a diversified, technology-focused oilfield services leader.

Second, unconventional resources development. Through Turnwell, we have made substantial progress, and successfully drilled 34 unconventional wells by the end of the first quarter since Phase 1 began in 2024. The $1.7 billion contract is progressing strongly and will serve as the foundation for a potential Phase 2, which could involve thousands of wells over the coming years.

Third, regional expansion. We continue to broaden our footprint, with one rig already operating in Jordan. We also continue to target Oman and Kuwait and will provide updates in due course as these opportunities evolve.

As always, I remain confident in ADNOC Drilling's future as we continue to advance the UAE's energy ambitions.

With that, I will now hand over to our CFO, Youssef, who will provide more insights into our operational and financial performance for the period.

**Youssef Salem -** *ADNOC Drilling - Chief Financial Officer*

Thank you, Mr. Abdulrahman.

Good afternoon, everyone and thank you for joining today's earnings call. Operational excellence continues to be a cornerstone of ADNOC Drilling's strategy, reflected in the consistent strong performance on our rigs and in OFS.

At the end of March, we operated a fleet of 142 rigs, consisting of 95 onshore and 47 offshore, a 4% year-on-year increase of our owned fleet. Rig availability remained strong at 96% during the quarter, further highlighting the strength of operational execution. As for the two jack-ups which joined the fleet at the end of the fourth quarter 2024, they are expected to contribute to revenue not earlier than towards the end of the second quarter, with limited contribution in the first half.

Oilfield Services continued its strong momentum, IDS was performed on 57 rigs in the quarter, compared to 49 rigs in the first quarter of 2024. In parallel, discrete services were offered on 48 rigs, bringing total OFS coverage to 105 rigs, representing over 70% of our drilling fleet.

In terms of efficiency, we achieved a 23% overall improvement in IDS drilling efficiency in 1Q25 compared to the 2024 benchmark. This improvement directly enhances project economics for our customers and strengthens our competitive advantage.

On the unconventional side, Turnwell successfully drilled 34 unconventional wells in Phase 1 till the end of Q1, drilling wells in as few as 15 days, safely and efficiently.

I'm also proud to share that ADNOC has reached a significant milestone, producing and treating the UAE's first gas from an unconventional gas reservoir. A major achievement for both the country and ADNOC Drilling. This breakthrough was made possible through Turnwell, our unconventional joint venture with SLB and Patterson.

This was accomplished by deploying cutting-edge AI, digital tools and advanced fracking techniques tailored for the UAE's subsurface conditions and included technologies from Enersol.

This transformational achievement showcases the UAE's remarkable progress in utilizing it vast unconventional gas potential into real, ensuring a sustainable energy future. These initial wells are just the beginning in a campaign that could see thousands of wells drilled across the country, as part of a potential upcoming phase two of the unconventional program.

Next slide, please. I am pleased to report that ADNOC Drilling delivered another strong quarter, demonstrating the strength and resilience of our business model.

Revenue for the first quarter reached $1.17 billion, an increase of 32% compared to the same period last year. This was supported by higher activity across all business lines, fleet expansion, and growing contributions from our Oilfield Services segment.

Quarter-on-quarter revenue increased around 7%, after adjusting for fewer calendar days in the first quarter and excluding approximately $80 million from the fourth quarter of 2024 which we previously disclosed back in February, mainly related to activity phasing in OFS and certain cost reimbursements in Onshore. Unconventional overall contributed to revenue in Q1 $152 million, compared to $117 million in Q4, spread 80/20 between OFS and Onshore.

EBITDA grew by 22% year-on-year to $533 million, with a margin of 46%. For the conventional business our EBITDA margin stood at an extraordinary 51%. This performance reflects our continued focus on operational efficiency and disciplined cost management.

Net profit increased by 24% year-on-year to $341 million, translating into a net margin of 29%, of which 32% for the conventional business.

Strong profitability was complemented by excellent cash generation, where cash from operations totaled $521 million, up 50% year-on-year, driven by higher profits and increased collections.

CapEx during the quarter were $91 million, consistent with our plans. We also contributed $94 million cash to Enersol for the acquisition of the 95% equity stake in Deep Well Services at the end of the first quarter.

Our balance sheet remains healthy and resilient, with net debt standing at $2.1 billion, and a net debt-to-EBITDA ratio of 1.0x, maintaining significant headroom to fund our growth ambitions and distributions.

As you are aware, starting from this quarter, we have consolidated our Offshore Jack-up and Offshore Island businesses into a single 'Offshore' segment.

Starting with Onshore, first quarter revenue increased 20% year-on-year to $494 million versus $411 million. This growth was driven primarily by new land rigs entering operations, as well as a $30 million contribution from unconventional activity related to land drilling in Q1.

Sequentially, Onshore revenue declined by 11% compared to the fourth quarter, mainly due to certain cost reimbursements that benefited 4Q24, as well as the impact of two fewer calendar days in the first quarter.

Moving to Offshore, revenue increased to $334 million, growing 2% year-on-year, supported by the reactivation of island rigs to the Hail and Ghasha project. Sequentially, Offshore revenue increased 4%, as the fourth quarter had higher major maintenance for a few rigs.

I would also like to highlight that the two jack-ups added to the fleet in the fourth quarter of last year are expected to contribute to revenue not earlier than the end of the second quarter of this year, hence expect a limited contribution in Q2.

Oilfield Services delivered another outstanding quarter, with first quarter revenue more than doubling year-on-year to $342 million, up 134%. This growth reflects the increasing contribution from the unconventional business, which delivered $122 million in revenue, as well as from increased IDS and discrete services.

Quarter-on-quarter, revenue increased 9% to $342 million from $313 million, mainly driven by higher unconventional and IDS activity. Important to highlight that revenue increased despite the positive phasing in the fourth quarter of approximately $50 million related to directional drilling and pressure pumping, discussed earlier.

Next slide please

Turning to EBITDA.

Onshore EBITDA increased 29% year-on-year to $246 million, driven by revenue growth and strong cost management, leading to a margin expansion by 4-percentage points to 50%.

Sequentially, Onshore EBITDA declined by 14%, driven primarily by revenue trend mentioned earlier, which was impacted by certain cost reimbursements in the fourth quarter of last year and fewer operational days in 1Q2025.

Moving on to Offshore, EBITDA grew 11% year-on-year to $236 million, with margins expanding by 6 percentage points to a market-leading 71%. Sequentially, Offshore EBITDA increased by 3%, driven by higher revenue.

OFS EBITDA rose 50% year-on-year due to higher revenue which driven by the unconventional business and lower margin discrete services activity mix. The segment's EBITDA was also supported by the positive contribution from ADNOC Drilling's joint ventures, Enersol and Turnwell.

Sequentially, EBITDA decreased 38% compared to the fourth quarter. However, excluding the positive phasing from the fourth quarter of 2024, EBITDA would have decreased by single digit, due to a more favorable activity mix in the previous quarter, characterized by more directional drilling.

Next slide please.

Let me now turn to our guidance and outlook.

Following another strong quarter, we are pleased to reaffirm our full-year 2025 and medium-term guidance. This showcases the strength and great resilience of our business against recent market volatility.

For the second quarter, you should expect revenue in-line with the current quarter and stable EBITDA and net profit margins. For the second half of the year, it is advisable to consider a figure around the midpoint of the annual guidance, which is $4.7 billion revenue, subtract the first half of 2025, and divide it by two, assuming roughly equal quarters for Q3 and Q4. We will offer more precise guidance on the second half during the second quarter earnings call.

In conclusion, we remain strongly bullish about the opportunities that lie ahead, particularly the contributions and growth expected from Turnwel and Enersol.

Also, the recent announcement of three additional island rigs set to join the fleet gradually between 2027 and 2028, representing a defining achievement. With a total of six island rig contracts awarded over the last year, we are well-positioned to maintain a strong and sustainable growth trajectory, ensuring continued excellence in our performance.

Building on our solid cash flow generation and ample financial headroom, we remain committed to delivering on our growth ambitions, while consistently delivering sustained value to our shareholders.

Thank you – I now hand over to Mr. Abdulrahman for closing remarks.

**Abdulrahman Al Seiari -** *ADNOC Drilling - Chief Executive Officer*

Thank you, Youssef. To conclude, I am pleased with ADNOC Drilling's strong momentum as we continue to demonstrate the strength of our business model, operational excellence, and clear strategic focus.

We entered 2025 with confidence, and today's results reaffirms that trajectory. We have achieved solid growth across all key financial metrics, with revenue, EBITDA and net profit all increasing significantly year-on-year.

The final dividend payment of $394 million in April 2025 has brought our full year 2024 dividends to $788 million or you can say it is 18.1 fils per share, further reinforcing our commitment to delivering long-term shareholder value. Looking ahead, we expect 2025 dividends to grow by at least 10% from the 2024 level.

The success of ADNOC Drilling's joint ventures Turnwell and Enersol positions us strongly for future growth and continued innovation.

Importantly, all of this has been achieved while maintaining a strong commitment to HSE and sustainability, which remain at the core of our operations.

As we move forward, we remain focused on achieving our 2025 guidance, building on our strategic foundations, and reinforcing our position as the largest and fastest growing energy services company in the Middle East.

Thank you all for joining us today. I will now hand over to the moderator to open the Q&A session. As-salamu alaykum.

## QUESTIONS AND ANSWERS

**Ricardo Rezende** - Morgan Stanley

Hello. Good afternoon, and thanks for taking my question. I have a couple of them. The first one, just a follow-up on the unconventional part of things. You mentioned the 34 wells that you have drilled so far. Would you be able to give us a bit more color just how things are going according to your original plans and how far you think you are with the result that you had on having some more visibility on the potential second phase of unconventional.

Then my second question is on dividends. We see now the announcement on quarterly payment and it's been almost a year since you updated your policy. You do have some flexibility guaranteeing a floor to dividend growth, but would you consider to having another revision on your dividend policy anytime in 2025? Thank you.

**Abdulrahman Al Seiari -** *ADNOC Drilling - Chief Executive Officer*

Thank you, Ricardo, appreciate the question. Unconventional, for sure we have very positive progress. As you have heard, probably, we've been delivering efficient wells. We are talking about almost improvement in well duration average of probably 40% / 50%, which is very positive. I'm sure the clients are looking at it very positively. On the completion side, we started, and again, we are progressing very well in a number of stages that we are being able to do per day, so that's also moving positive and there is more work to be done.

Unconventional requires a lot of changed practices. That is happening as we talk, and the team that we have assigned to this, and they are all experts into that area, and hopefully, we will be seeing better results as we go, also.

Regarding the second part of the same question, and then on the second phase, I think still there is more work to be done. We are almost at 30% of the drilling activities, probably 10% of the completion activities, but once we go both in together, more confidently we can probably talk about phase 2.

With regard to dividends, for sure. It's something that we continuously look at ways that we can create value to our shareholders, and that's one of the main reasons that we addressed the subject of dividends. In previous calls, I recall, every now and then, the same question comes to us, and we pass the feedback to our Board, to our stakeholders, so they also take that in consideration. Youssef, you would like to add any more?

**Youssef Salem -** *ADNOC Drilling - Chief Financial Officer*

No, I agree, Bu Mohamed. To the short answer to your question about would we consider in 2025, the answer is yes. I think, as you said, over the last year, we've looked at the different parts of the policy, so the frequency, increasing it from semi-annual to quarterly, the number of years, extending it to five years, the growth, increasing it from 5% to 10%, adding a discretionary component on top of the floor. So probably now out of the five key pieces, the real piece that's missing now is actual dividend base itself. That's something we're always looking at, and now as well with a quarterly dividend.

Already, the dividend was a quarterly discussion as part of every Board, and now even more so with a quarterly dividend being authorized now in every Board. That's why we were very specific with the language around the $217 million being - for Q1 being the number, but for the remaining quarters, being a floor, as opposed to being the number itself. Then the number would be finalized in every quarter.

**Ricardo Rezende** - *Morgan Stanley*

Okay. That's clear. Thank you.

**Anna Kishmariya** - *UBS*

Good day, thank you very much for taking my question. I have several. First will be on oilfield services' EBITDA margin. You highlighted that the decline was related to the mix of activities, but if you can expand a bit more on that and what should we expect for the future quarters? Do we expect an improvement there? That would be very helpful. Then the questions around how the recent spike in global uncertainties could impact your international plans.

You reiterated the plan to fully vest in Enersol by the year end, but if you can provide some color on how the market activity looks like, whether - I remember with the full year results there was a discussion that the market is a bit quiet and you expected the improvement in the activity later in the year. Is it still the case?

Around your international expansion in Oman and Kuwait, what do you see? Do you see any implications from this current tariff discussion and global uncertainty? Thank you.

**Abdulrahman Al Seiari -** *ADNOC Drilling - Chief Executive Officer*

Let me - I will take the subject of the M&As. For sure, it is more attractive today with the current situation. Probably, it is going to be more attractive to get more into the pipeline. Definitely, we have a number of potential M&As that we are looking at, and for sure, we will capitalize on the current market situation. Probably in history, if you recall, we talked about it probably on the first earning call, whoever was there would remember, on the rigs that we have jack-ups. During COVID, during different timing, we managed to get very attractive offers. So similarly, I think we'll capitalize on that.

Growth to Oman and Kuwait, it's potential. Today, we have live tenders coming in for us to bid, so we're looking at all those very seriously, and I think in the very near future, you will be hearing more about that activities building up in the Company, and hopefully will take us to the next level, also, as not only we're operating in Abu Dhabi. We are operating in the region, and inshallah, in the international.

The OFS part I will ask Youssef to address, and if you want to add anything on the other questions she asked.

**Youssef Salem -** *ADNOC Drilling - Chief Financial Officer*

So, Anna, on the margins, so on the conventional OFS side, that continues to operate within the core 22% to 26% EBITDA margin guidance that we have, and we see it remaining within that range. The unconventional piece is operating at that high single digit EBITDA margin, and that's basically a function of, because phase 1 is only initially for a couple of years, and hence we're relying mostly on rented equipment and other shorter-term resources. Once effectively we obtain the long-term contract for phase 2, then that will switch into margin level which would resemble more the conventional margins.

We expect that for '24 and '25, that blend between conventional/unconventional would remain the same, and then '25 and '26. Then, starting 2027, as we move into a potential phase 2, it will revert back into the full margins for the OFS.

**Anna Kishmariya** - *UBS*

Thank you very much.

**Afaq Nathani** - *International Securities*

Good afternoon. Congratulations for another great quarter. Just a couple of things, one on CapEx, which was below $60 million in first quarter. Just wondering when we should expect the CapEx for this year to pick up.

Secondly, just a follow-up on Enersol. You've mentioned potential transactions in 2025, but I just wanted to see if there is any scope to increase the contribution to beyond $1.5 billion, if the right opportunities are found, and if there has been any discussions around that. Thank you.

**Abdulrahman Al Seiari -** *ADNOC Drilling - Chief Executive Officer*

Thank you, Afaq. Again, I'll take the easy part and leave the others. No, with regard to the Enersol, for sure, we started the different discussions about - with our partners to increase beyond 1.5 ($1.5 billion). Also, because there is so much potential opportunities out there, and technologies that we are eager to bring into the region, so that's something for sure will be worth more as we go forward. Regarding the CapEx?

**Youssef Salem -** *ADNOC Drilling - Chief Financial Officer*

Yes, the CapEx in the second half will be higher, so we continue to be on track for our organic CapEx guidance of $350 million to $550 million this year, and Q1 came in line with the expectations towards that. The reason the second half will be higher is we've just been awarded at the beginning of this week the three additional island rings from ADNOC Offshore, which would be arriving in 2027 and 2028.

We've already issued from our side the letter of award to the contractor who is actually going to be building these rigs, and so the meaningful accrual for this award will start to happen in the second half of the year, and that's why the second half will be a bit higher than the first half. But overall, we will be within the $350 million to $550 million range guidance that we provided.

**Afaq Nathani** - *International Securities*

Understood, and just to confirm on that, the 151 rigs for 2028, does that include the latest awarded contract, those three island rigs?

**Youssef Salem -** *ADNOC Drilling - Chief Financial Officer*

Correct, correct. Correct, we have the total of 148 by 2026, and then 151 by '28, so there are three additional coming in '27 and '28 to bridge the 148 to the 151 are these rigs.

**Afaq Nathani** - *International Securities*

Understood. Thank you so much.

**Ruben Dewa** - *Jefferies*

Hi, Abdulraham and Youssef. Thank you very much for taking my question. I just had one follow-up on the island rigs that you mentioned. So will the majority of the CapEx be spent this year, or it will be next year? I'm just wondering on the quantum for that, and was just wondering on the number of rigs that you'll need for the - for ADNOC to be able to reach their 5 million barrels per day target. Will 146 be enough, or 148, or 151 that you mentioned? Thank you very much.

**Abdulrahman Al Seiari -** *ADNOC Drilling - Chief Executive Officer*

Thank you, Ruben. The number of rigs, for the 5 million, we have highlighted previously what we have today, 142, that we guided probably a few years before, and we have all those rigs for the P5 for sure. As we go, there may be potential for additional rigs. Today, what we are saying, we are expecting up to '28 - 2028, will be approximately 151 rigs, mainly building from 142, and then we have the six island rigs that we have awarded three last year, three hopefully now, and then we are building additional possibility that we can add additional rigs, whether it is unconventional or the growth external to Abu Dhabi.

So with that, we're expecting maybe it's going to be more than 151, also. It depends how aggressively we will be going out on the regional growth. As I mentioned earlier, we have tenders in hand that we are going to bid. We will find the mechanism to be able to secure those additional rigs, hopefully. But definitely on the P5, all the resources are available, and we are working for that to deliver by '27.

Now, CapEx for the island rigs will be spread between the period. We started actually from last year the award, so we started that payments, and it will go this year. The additional that we are talking about, or even the three physically will be land to spud in '26, the first three. The second three will be starting from '27 onwards. So it will be in phases, the payments on milestones that the builder has to deliver certain level of the project where payments will be made.

So that will be going throughout the next couple of years. If you would like to add…

**Youssef Salem -** *ADNOC Drilling - Chief Financial Officer*

No, absolutely Bu Mohamed. For the last batch this year is the highest CapEx year for the previous batch of three rigs, and then for this batch of three rigs, next year will be the highest CapEx year for that.

**Ruben Dewa** - *Jefferies*

Okay, thank you very much. Very clear. I'll pass it on.

**Alok Nawani** - *Ghobash Trading and Investment Company*

Good afternoon, and thanks very much for the call. Just one question from my side at the first. What is the current rig count for your unconventional rigs, and how should we expect it to evolve in '25 and '26 to cater to phase 1?

**Abdulrahman Al Seiari -** *ADNOC Drilling - Chief Executive Officer*

Thank you, Alok. Rig count as we talk today, we have up to eight. Now, we have the plan for 144 wells to be delivered, part of the phase 1, and basically, with the efficiencies that we are doing, probably we will recycle one of the rigs to - back to conventional, because there is efficient - efficiency is there. But at least for the phase 1, I would say between six to eight rigs will continue to operate for the unconventional. I hope that answers, Alok.

**Alok Nawani** - *Ghobash Trading and Investment Company*

Yes, thank you, and if I may just go back to the point about OFS margins, you mentioned that they would probably, on a blended basis, stay around these levels in '25 and '26. But would you just remind us what would help them move towards the 22% to 26% range for the segment, starting 2027?

**Youssef Salem -** *ADNOC Drilling - Chief Financial Officer*

So in phase 2, Turnwell would move from effectively being an asset-light structure, which is implemented in phase 1 because of the relatively shorter-term nature of the contract to a full-fledged OFS operation, similar to our existing OFS operation, which operates on five-plus year contracts, and hence basically acquires all the equipment required - i.e., the frac fleets and all the other OFS equipment itself, and hence effectively being able to capture that part of the margin, as opposed to today, where it's effectively mostly a rental operation. Hence, EBITDA is effectively the same as net income of Turnwell.

**Alok Nawani** - *Ghobash Trading and Investment Company*

Okay. That's clear. Thank you.

**Oliver Connor** - *Citi*

Hi. Thanks for taking my questions. Two for me. Just first one, coming back on the unconventional piece, you mentioned that you drilled 25% of the wells, and you said you'd completed about 10%. You've obviously made a lot of efficiencies you talked about in terms of the drilling time. Just trying to get a sense of whether you've seen efficiencies come through on the completion side, as well, or expectations around that for the latter half of phase 1.

Then, the second question, a broader question, just looking at Enersol. Obviously, you've now had four major transactions come into the portfolio. Perhaps you could give us a little bit of color about some of the early benefits and advantages you've seen with having those assets now in a portfolio to do with the operations. Thank you.

**Abdulrahman Al Seiari -** *ADNOC Drilling - Chief Executive Officer*

Thank you. On the UC (unconventionals), if I recall the question is on the completion side, if we are going to have efficiencies, right? For sure. That's where we are focusing, mainly in the fracking, where we want to increase the stages per day. Actually, we are talking now the pumping hours per day that we can improve, and we are introducing benchmark numbers to pump X amount of hours per day, so we can drive that efficiency, which we are looking at.

Soon, we will be into that kind of play, where we will be having the efficiencies being reflected and optimization of cost. Weare not doing something totally new. We are doing where people have done something probably over the last 10 years. We are taking the advantage of expertise into that area, where we brought information of this Turnwell, from day one. We are taking know-how, practices, as they are happening.

Some of the - probably some of the practices will require certain equipment, which is at least today, it's already on the list of actions that we are going to do to bring that efficiencies. So I would say, yes, confidently, we will be driving efficiencies in the completion and services side. So hand in hand with the drilling, for sure, we drive to optimize cost and attract the operator to move into the next phase.

Now, the Enersol, if you would address that.

**Youssef Salem -** *ADNOC Drilling - Chief Financial Officer*

Definitely, so in terms of examples of early benefits and synergies, so the first acquisition was Gordon Technologies. It has since then set up a facility in Abu Dhabi. It won already two contracts, one with Petronas in an unconventional block in Abu

Dhabi that's operated by Petronas. The second is in the ADNOC and Total unconventional block, which is effectively through Turnwell. Gordon specializes in higher template unconventional wells, which is a capability we did not have in house before on the drilling services size. Hence, effectively, by being able to bring in this, we're able to have more filling services on the conventional wells, as well as the higher temperature unconventional wells.

Then, the second one is NTS. It already had a facility in the UAE, so we're ramping up basically the levels that we're able to utilize from the UAE facility into our operations in terms of manufacturing and being able to capture the manufacturing part of the margin beyond the service part we already captured.

The third one, which is EV, which is downhole cameras, it is also we have started piloting it in the UAE, and the last one is Deep Well Services, which we just closed. The advantage is being able to do some of the work cheaper than with otherwise a workover rig, so some of the additional work in terms of snubbing, some of the laterals, et cetera, being able to utilize Deep Well Services for it.

So basically, the idea is all of them have either set up or are in the process of setting up in Abu Dhabi, and they will basically be able to complement our existing portfolio. For us to either vertically integrate backward into the OEM piece, complete specific types of work, like the higher temperature, which otherwise we did not have, or have more in country as well, manufacturing and capturing more of that value chain, or doing things in a more efficient or lower-cost ways than we would otherwise do with the existing equipment.

**Oliver Connor** - *Citi*

Thank you. Very, very clear.

**Rene Selouan** - *Jadwa*

Yes, hi. Thank you for the call. Sorry, my questions were answered. I thought I had lowered my hand. Thank you. Thanks.

**Abdulrahman Al Seiari -** *ADNOC Drilling - Chief Executive Officer*

Thank you. Thank you, Rene.

**Abdulrahman Al Seiari -** *ADNOC Drilling - Chief Executive Officer*

Thank you very much for all being on this call, and appreciate the questions. I think it provides more clarity and more update, and for sure looking forward for the next sessions that we will be holding and inshallah it will be as positive as today and looking ahead, inshallah. Thank you very much to all.