



Abu Dhabi, 13 August 2015

Abu Dhabi National Energy Company PJSC (TAQA) H1 2015 results presentation



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Summary



H1 2015 results summary

- Low commodity price environment
 - Average realised prices for our UK and North American businesses down 45% and 54%, respectively, over the same period
- Our focus
 - Enhanced focus on safety and reliability
 - Aggressive cost reduction program
 - Selective capital investment and improved efficiency
- Operational performance
 - Strong power and water production and availability
 - Mitigating oil and gas production decline
 - Completing major projects
- Financial performance
 - Revenues and EBITDA down 29% and 35%, respectively, from H1 2014
 - Net Income 165 million AED loss, compared with profit of 513 million AED H1 2014
- Strong liquidity
 - Refinanced \$3.1 billion existing revolving credit facilities
 - Cash and cash equivalents of AED 3.6 billion AED as at 30 June 2015
 - Available liquidity stood at AED 13.9 billion at the end of the period

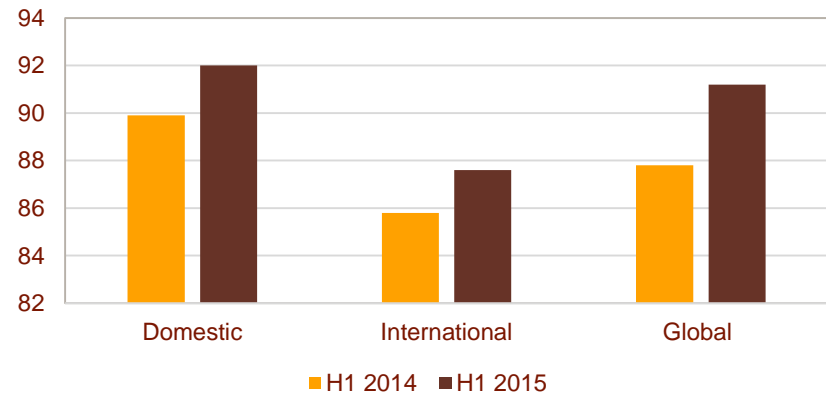
Operational performance review



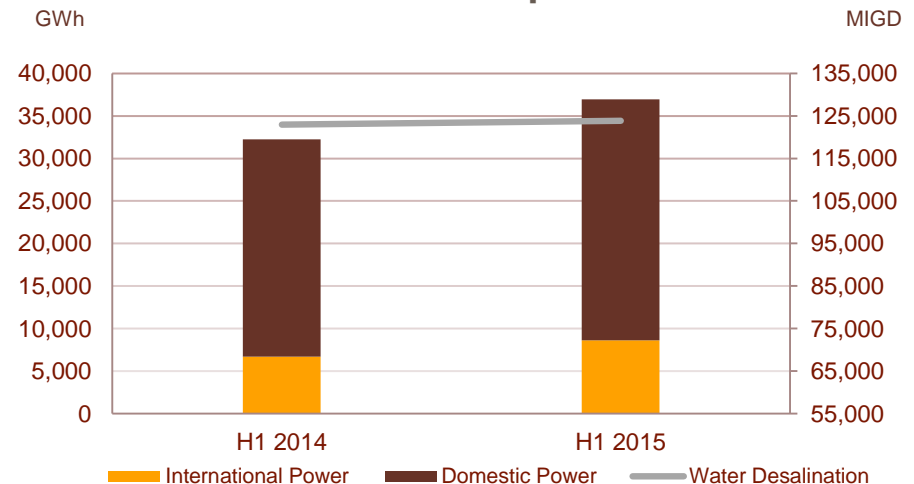
Power & Water – high availability, record production

- Power production up 15% to 36,935 GWh, with a particularly strong Q2 performance
- Water desalination volumes slightly increased to 123,816 MIG
- Technical availability increased in both UAE and internationally to 92% and 88% respectively
- Jorf Lasfar 5&6 technical availability nearly at 97%

Technical availability (%)



Power and Water production



Oil & Gas – Steady production, greater efficiency

- Production down 5% due to natural decline and capital reductions
- Netherlands
 - Production up 19% with excellent reliability and well performance
 - Gas Storage Bergermeer operational
- North America
 - Production down 9% due to natural decline and 3rd party pipeline constraints
 - Operating costs per barrel reduced by 18% and capex 58% lower
- UK North Sea
 - Production down 2%
 - Operating costs per barrel reduced 21%

Average production (mboed)	H1 2014	H1 2015
Netherlands	7.5	8.9
N. America	89.0	81.0
UK	61.5	60.1
Total	158.0	150.0



Major projects update



Gas Storage Bergermeer, the Netherlands

- Full commercial operations commenced in April. 4.1 BCM of storage capacity available



Fujairah 1, United Arab Emirates

- 30 MIGD reverse osmosis desalination facility expansion commissioning expected Q4 2015



Takoradi 2, Ghana

- 110 MW capacity expansion commissioning Q3 2015



Sorang hydro, India

- Construction of 100 MW hydro power plant completed. Commissioning expected Q4 2015



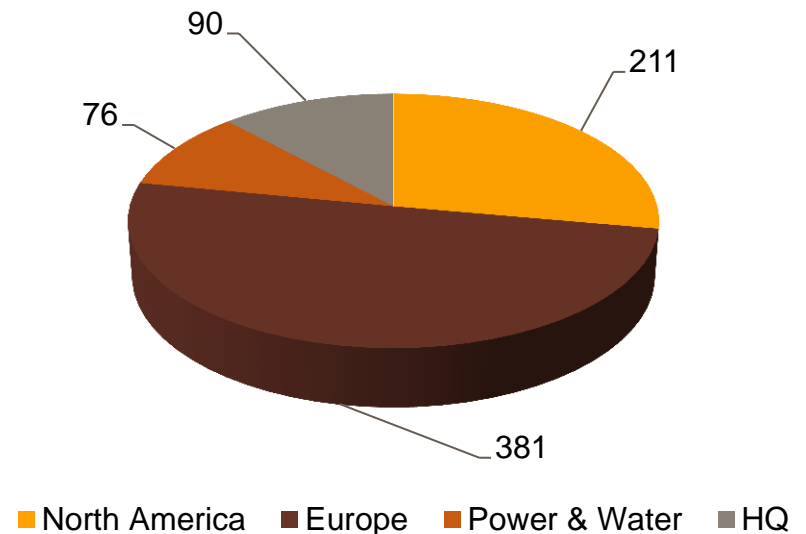
Atrush, Kurdistan Region of Iraq

- All five first-phase wells drilled. Construction of 30,000 gross boed production systems ongoing

Cost Transformation program – ahead of expectations

- Global transformation program launched in January 2015 targeting AED 1.5 billion in annual cost savings by the end of 2016
- Achieved AED 758 million cash cost savings, ahead of 2015 target of AED 550 million
- Significant cost savings primarily in Europe, North America, Power and Water and Abu Dhabi Headquarters

H1 15 vs H2 14: Cash cost savings (AED Million)

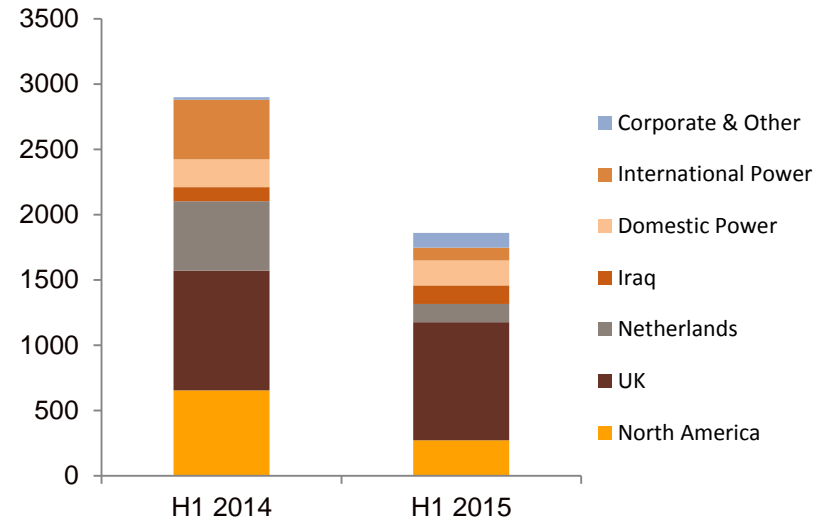


Costs included are operating costs and net G&A

Capital expenditure: Significant reduction

- Target: 40% annual reduction – AED 2.5 billion
- 36% H1 reduction – AED 1.05 billion
- Oil and gas capex reduced to core and committed investments
- Power and water capex reduced due to completion of major projects

H1 Capex per Business Unit
(AED Million)

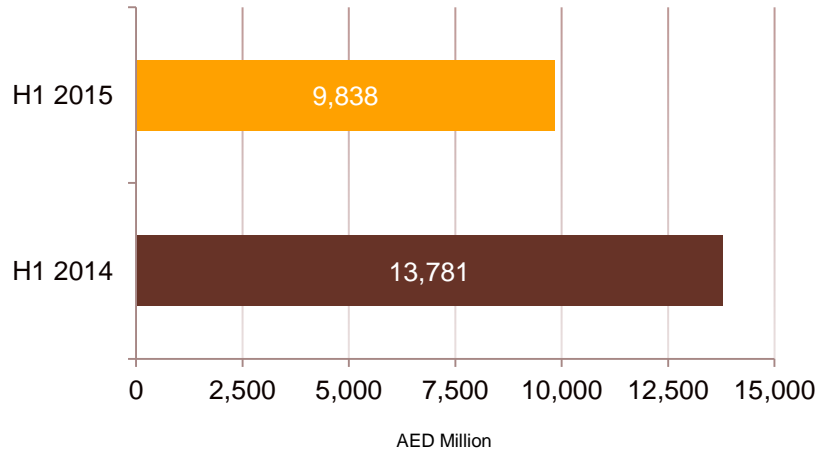


Financial performance

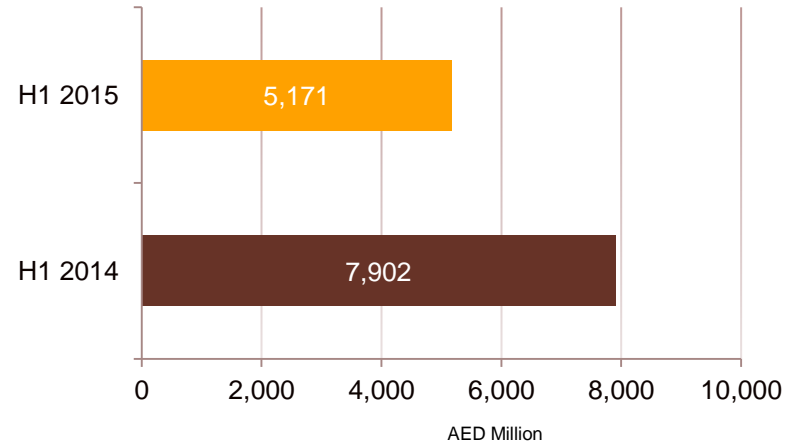


Financial performance

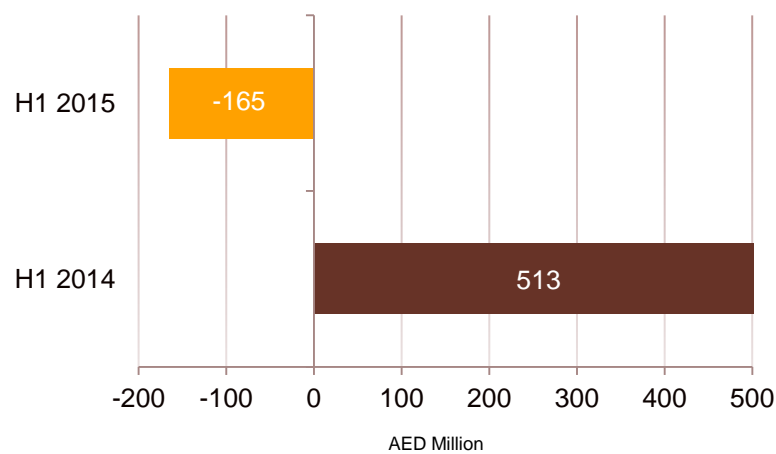
Total sales revenue



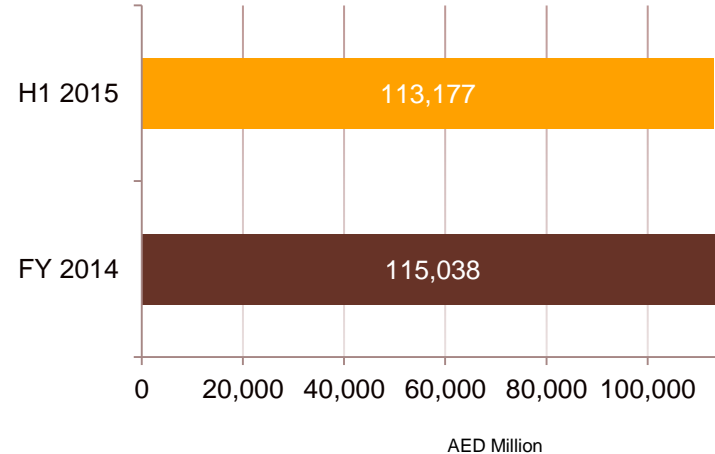
EBITDA



Net Income



Total assets

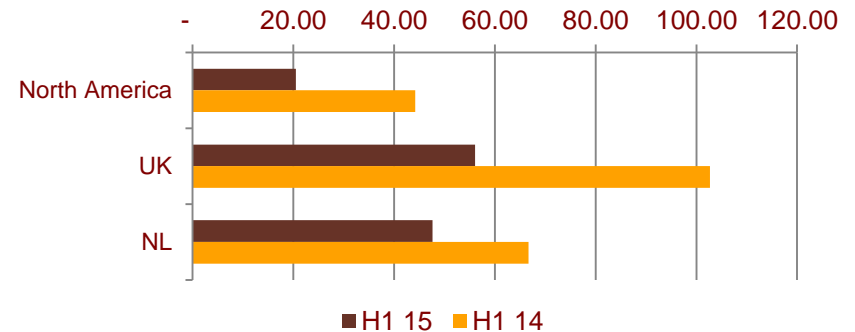


Realised price and operating costs

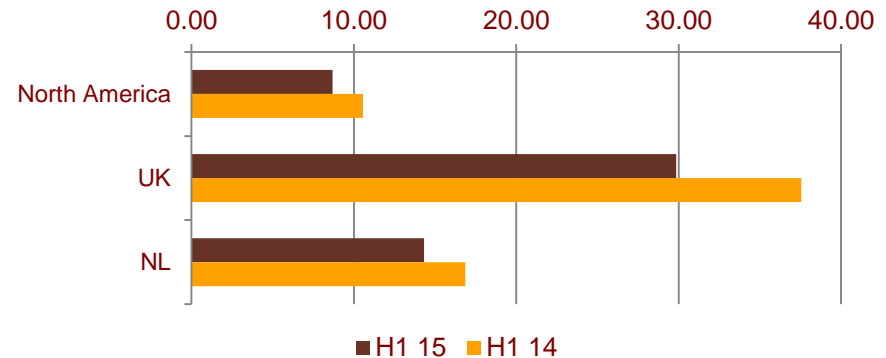
- Significant drop in realized prices
 - 54% in North America
 - 45% in the UK
 - 29% in the Netherlands

- Focus remains on per barrel operating cost reduction
 - 18% reduction in North America
 - 21% reduction in the UK
 - 15% reduction in the Netherlands

Realised prices (\$/boe)



Operating costs (\$/boe)



Liquidity and key ratios

Refinancing US\$3.1 billion of existing revolving credit facilities maturing in December 2015 and December 2017

- Benefiting from favourable credit market conditions
- Offering oversubscribed
- Five year facility, carries an opening margin of 50 basis points over LIBOR - an improvement over the existing terms

AED 13.9 billion of available liquidity

- AED 3.6 billion of cash and cash equivalent
- AED 10.3 billion of unutilised bank lines

Moody's and Standard & Poor's reaffirmed rating at A3 and A respectively

	AED million	H1 2014	H1 2015
Cash and cash equivalent		4,219	3,603
Undrawn credit facilities		14,489	10,314
Key ratios			
Net Debt/ Net Capital		81%	84%
EBITDA/Interest		3.7x	3.2x
Net Debt/EBITDA*		4.8x	6.1x

* LTM value of EBITDA was used to calculate the ratio

Concluding remarks



Appendix



Operational Data – Power & Water KPIs

		Six months ended June 30	
		2014	2015
<u>UAE domestic plants</u>			
Power generation	(GWh)	25,558	28,323
Water desalination	(MIG)	122,955	123,816
Technical availability	(%)	90%	92%
<u>International plants</u>			
Power generation	(GWh)	6,692	8,612
Technical availability	(%)	86%	88%

Operational Data – Oil & Gas Production

Average Production		Six months ended June 30	
		2014	2015
<u>North America</u>			
Crude oil	(mbbls/day)	17.8	15.59
Natural gas liquids	(mbbls/day)	12.1	10.36
Natural gas	(mmcf/day)	355.0	330.15
Average	(mboe/day)	89.0	80.98
<u>United Kingdom</u>			
Crude oil	(mbbls/day)	53.4	53.48
Natural gas liquids	(mbbls/day)	1.0	1.22
Natural gas	(mmcf/day)	42.7	32.86
Average	(mboe/day)	61.5	60.17
<u>The Netherlands</u>			
Crude oil	(mbbls/day)	1.6	2.18
Natural gas	(mmcf/day)	35.1	40.3
Average	(mboe/day)	7.5	8.9
<u>Total Production</u>			
Crude Oil	(mbbls/day)	72.8	71.25
Natural Gas Liquids	(mbbls/day)	13.1	11.58
Natural Gas	(mmcf/day)	432.7	403.31
Average	(mboe/day)	158.0	150.05

Operational Data – Oil & Gas Pricing

Average Realised Prices		Six months ended June 30	
		2014	2015
<u>TAQA NORTH</u>			
Crude oil	(US\$/bbl)	83.2	41.39
Natural gas liquids	(US\$/bbl)	62.4	24.67
Natural gas	(US\$/mcf)	4.8	2.30
Average	(US\$/boe)	44.2	20.52
<u>TAQA Bratani</u>			
Crude oil	(US\$/bbl)	109.6	59.05
Natural gas liquids	(US\$/bbl)	78.5	33.72
Natural gas	(US\$/mcf)	9.0	7.10
Average	(US\$/boe)	102.7	56.72
<u>TAQA Energy</u>			
Crude oil	(US\$/bbl)	104.3	61.05
Natural gas	(US\$/mcf)	9.5	7.32
Average	(US\$/boe)	66.7	47.68

Operational Data – Oil & Gas Netbacks

Operating Netbacks	Six months ended June 30	
	2014	2015
<u>North America</u>		
Gross price	44.20	20.52
Royalties	7.11	2.11
Net sales price	37.09	18.41
Operating costs	10.55	8.69
Operating netback	26.54	9.72
<u>United Kingdom</u>		
Gross price	102.69	56.72
Net sales	102.69	56.72
Operating costs	37.56	29.85
Operating netback	65.12	26.87
<u>The Netherlands</u>		
Gross price	66.67	47.68
Royalties	2.30	0.01
Net sales price	64.37	47.67
Operating costs	16.86	14.32
Operating netback	47.51	33.35