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## **ADNOC to deepen cuts for August supply**

*Wednesday, 01 Jul, 2009*

Reuters quoted trade sources as saying that Abu Dhabi National Oil Company will slightly deepen cuts on its main crude grades to Asia in August.

ADNOC, the main oil producer in OPEC member the United Arab Emirates will supply Murban, Lower Zakum, Umm Shaif and Upper Zakum crudes at 19% below contracted volumes in August, against 18% cuts for July.

ADNOC said that it would continue to keep shipping limits on exports in place for August, depriving buyers of the option to load an additional 5% above contracted volumes on each cargo, a standard industry practice known as operational tolerance.

The UAE, which has been cutting supply to Asia since December was seen pumping 2.24 million barrels per day, 20,000 barrels per day more than its targeted output.

OPEC ministers kept production steady at their meeting in May after agreeing to cut 4.2 million barrels per day of oil output since last summer in a bid to shore up prices battered by recession. A survey showed earlier in June that oil supply from the Organization of the Petroleum Exporting Countries rose in May up from April and March when adherence looks to have peaked, as oil prices rallied.

(Sourced from Reuters)

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