

أرامكو السعودية
saudi aramco



Saudi Aramco

Corporate Overview

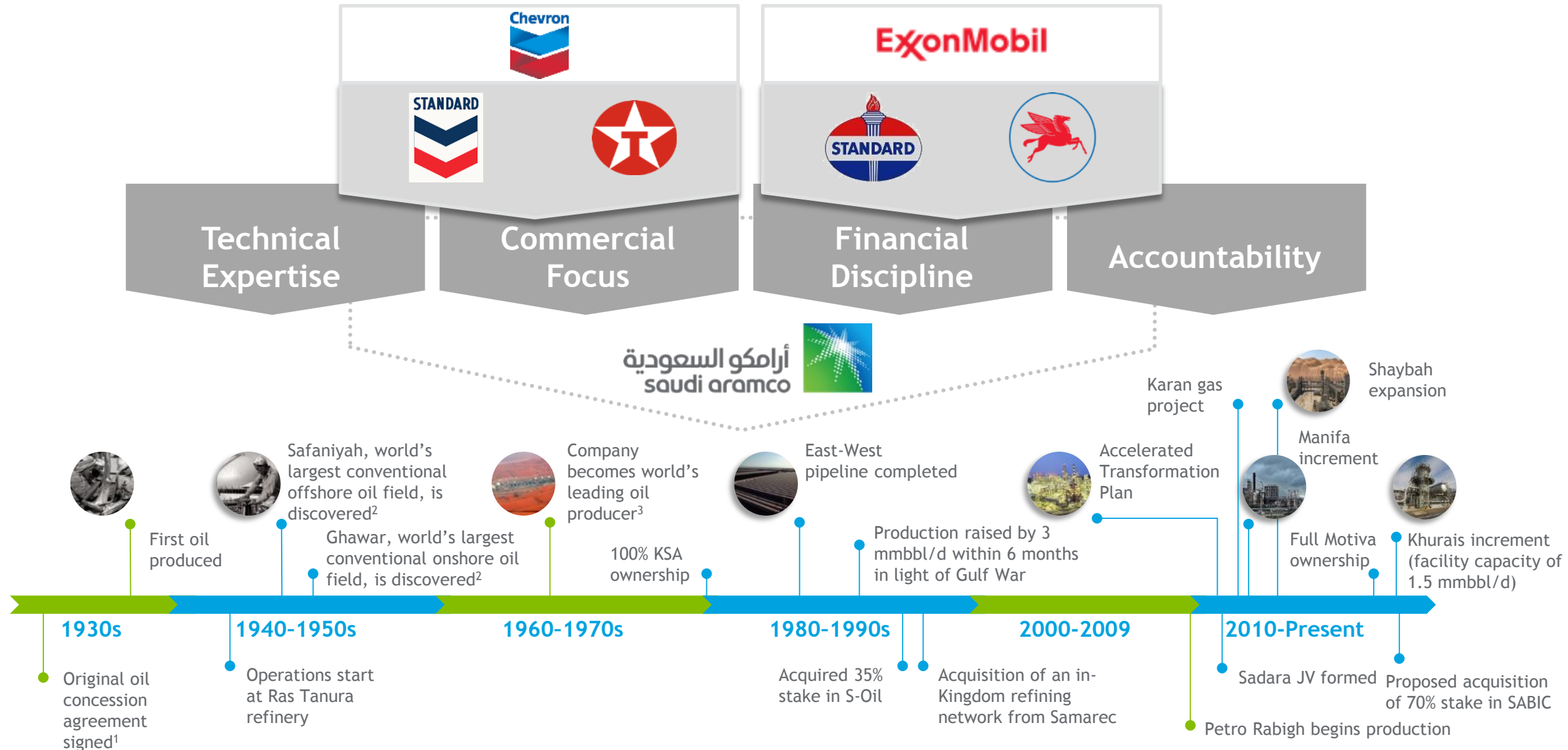
September 2019

where energy is opportunity™

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85 Years of Leadership



1. Revised concession agreement signed on 24th December 2017 2. Based on company belief 3. In terms of volume produced in a single year

Strategy: Sustainable Energy Leadership

Mission

 Resilient Value Creation Through Crude Oil Cycles

 Capturing Value Across Hydrocarbon Chain

 Profitable Portfolio Growth

Vision


To Be The World's Pre-eminent Integrated Energy and Chemicals Company, Operating In A Safe, Sustainable and Reliable Manner

Focus Areas


Pre-eminent Upstream Position


Value Chain Integration


Differentiated Growth


Technology

History of Aramco Operating Independently

Rule-Based Relationship with the Government

Defined Shareholder Relationship

- Clear alignment and governance
- Only four KSA - Aramco touchpoints in codified relationship:

MSC | Production | Royalties | Taxes

Structured Regulatory Environment

- Codified hydrocarbon law
- Revised concession agreement with the Government
- Company bylaws

Codified Fiscal Terms



- Aligned with peers
- Market based domestic pricing framework
- Progressive royalty scheme, with marginal rate amended to 15% for Brent price up to \$70/bbl, 45% for Brent price between \$70/bbl and \$100/bbl, and 80% for Brent price above \$100/bbl¹

We Operate Under a Robust Governance Framework and Aligned Interests with the Government

1. Effective from 1 January 2020

Reliability and HSE Operations

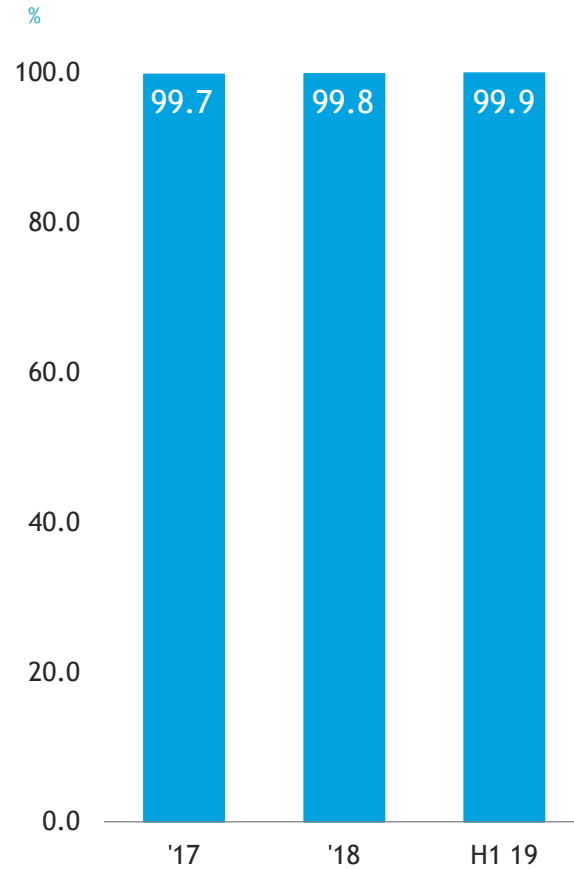
Scale

> Operations

	<u>2017</u>	<u>2018</u>
Crude Production (mmbbl/d)	10.1	10.3
Natural Gas Production (bscf/d)	8.7	8.9
Refined Product Volumes ¹ (mmbbl/d)	3.0	3.2

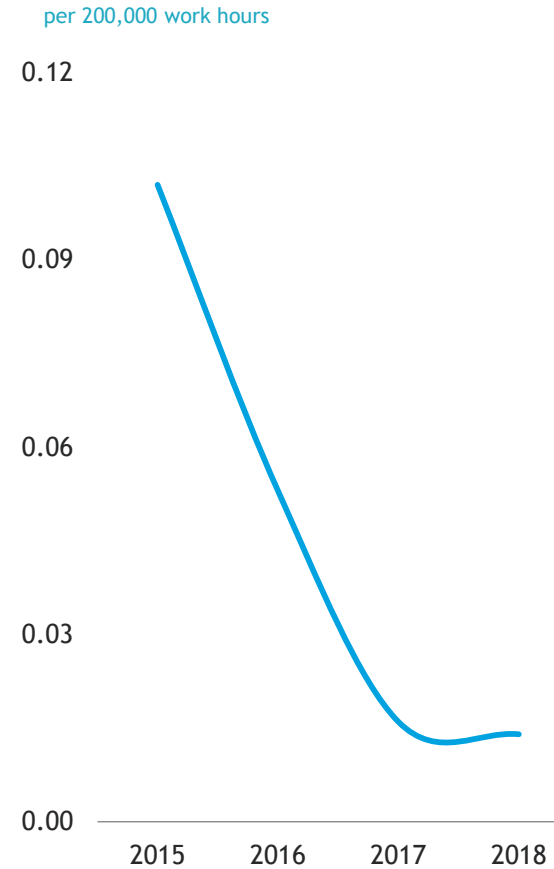
Reliability

> Reliability²



Safety

> LTI Rate³



Environment

> Intensity and Flaring

Upstream Carbon Intensity of 10.2 kg CO₂/boe⁴

Methane Intensity of 0.06%⁵

Gas Flaring of <1%⁶

Reliable and Safe Operations at the Heart of Saudi Aramco

1. Represents production levels 2. Reliability measures the ability to deliver crude, gas and oil products not later than 24 hours of scheduled time 3. Lost time injury rate 4. Kilograms of carbon dioxide (CO2) equivalent per barrel of oil equivalent during 2018 5. Per ton of marketed sales gas 6. As of H1 2019

Robust Financial Framework



Capital Structure

- Prudent capital structure
- Aaa standalone metrics through the cycle ¹
- Target gearing 5-15% across the cycle ²

5-15% Across the Cycle



Capital Investment

- Rigorous capital allocation processes and investment thresholds
- Low sustaining capex
- High ROACE (41% in 2018)

41% ROACE in 2018



Shareholder Returns

- Base dividend of \$75 Bn in 2020 ³
- Progressive growing dividend on sustainable basis at Board discretion

Commitment to Value Creation

Prudent Approach to Public Capital Markets In-Line with Financial Policy

1. Indicative ratings from Moody's based on the ratings methodology grid

2. Gearing calculated as net debt to net debt plus book equity

3. Current intent to pay, at the Board's discretion



Dividend Prioritisation Mechanism

- The Board has sole discretion to declare dividends, based on the dividend policy, financial performance and balance sheet targets
- The Board will declare an intention to distribute an annual base dividend of \$75 Bn for 2020
- For the years 2020 to 2024, if annual dividends declared would have been less than \$75 Bn, dividends to non-Government shareholders are intended to be prioritised so that they receive their pro-rata share of a \$75 Bn equivalent dividend
- In such case, the Government will receive the remaining amount of dividend
- Any differential in the dividend received by the Government due to prioritisation will not accrue or result in a liability to the Government
- For avoidance of doubt, when dividends to shareholders are above \$75 Bn, non-Government shareholders will receive their pro-rata share of dividends

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