

SAUDI ARAMCO, PETRONAS SIGN SHARE PURCHASE AGREEMENT FOR EQUITY PARTICIPATION IN MALAYSIA'S RAPID DOWNSTREAM PROJECT

Kuala Lumpur, February 28, 2017 – The Saudi Arabian Oil Company (Saudi Aramco) and Petroliaam Nasional Berhad (PETRONAS) today signed a Share Purchase Agreement (SPA), allowing Saudi Aramco's equity participation in PETRONAS' Refinery & Petrochemical Integrated Development (RAPID) project in the southern Malaysian state of Johor.

Witnessed by the Custodian of the Two Holy Mosques King Salman Bin Abdulaziz Al Saud and the Honorable Dato' Sri Najib Tun Abdul Razak, Prime Minister of Malaysia, the agreement was signed by Amin H. Nasser, President and CEO, Saudi Aramco and Datuk Wan Zulkiflee Wan Ariffin, President & Group CEO, PETRONAS.

The signing ceremony was held in conjunction with King Salman's state visit to Malaysia. Also present at the ceremony was His Excellency Khalid A. Falih, Saudi Arabia's Minister of Energy, Industry & Mineral Resources and Chairman of the Board of Directors of Saudi Aramco.

Upon the completion of the transaction, subject to regulatory approvals and the completion of other associated agreements, both partners will hold equal ownership in selected ventures and assets of the RAPID project within the Pengerang Integrated Complex (PIC).

The RAPID project is part of the PIC development undertaken by PETRONAS and is positioned to be a regional downstream oil and petrochemical industrial hub, paving a new frontier of technology and economic development in the Southeast Asia region.

This partnership marks the beginning of a strategic, mutually beneficial relationship providing RAPID with high-impact strengths and synergies from both Saudi Aramco and PETRONAS.

"On the occasion of the historic state visit to Malaysia by the Custodian of the Two Holy Mosques King Salman bin Abdulaziz and in his presence, Saudi Aramco is proud to be entering into a deeper partnership with our world class partner PETRONAS via the RAPID project," Saudi Aramco's president and CEO Nasser said.

"Together with Malaysia, the Southeast Asia region offers tremendous growth opportunities and today's agreement further strengthens Saudi Aramco's position as the leading supplier of petroleum feedstock to Malaysia and Southeast Asia, and with RAPID's strategic location in a prolific hub, it would also serve to enhance energy security in the Asia-Pacific region."

Under the partnership, Saudi Aramco will supply up to 70 per cent of the crude feedstock requirements of the refinery, with natural gas, power and other utilities supplied by PETRONAS.

PETRONAS' President & Group CEO Datuk Wan Zulkiflee Wan Ariffin said, "The PIC is one of the largest industrial developments in the region as well as PETRONAS' largest downstream investment on a single site to date."

Wan Zulkiflee added, "The signing of this Agreement is truly a historic moment for the industry as it is not often that two professionally run National Oil Companies enter into a partnership in a world-scale Greenfield project. This partnership will also bring together two organizations with strong reputation, wealth of operational experience and proven record in developing mega projects as well as having commercial networks in different markets globally. I also look forward to continue to explore other areas of business collaboration to further deepen our long-term relationship."

With capacity to refine 300,000 barrels of crude per day, RAPID's refinery will produce a host of refined petroleum products, including gasoline and diesel which meets Euro 5 fuel specifications; as well as feedstock for its integrated petrochemical complex producing 3.5 million tonnes per annum of products.

Situated 400 kilometers south of Malaysia's capital Kuala Lumpur, the PIC development is almost 60 percent complete and is on track for refinery start-up in 2019.

Apart from RAPID, which comprises the refinery, cracker and the downstream petrochemical complex, the PIC, located on a 6,242-acre site, also includes the development of associated facilities such as a co-generation plant, an LNG re-gasification terminal, a raw water supply project, a deep water terminal, as well as centralized and shared utility facilities.

The PIC forms part of Malaysia's ambitious 22,000-acre Pengerang Integrated Petroleum Complex (PIPC) under the Government's Economic Transformation Programme to establish new engines of growth and push the nation into a new frontier of technology and economic development in the oil and gas downstream sector.