



JOINT PRESS RELEASE

Aramco completes its acquisition of a 70% stake in SABIC from the Public Investment Fund (PIF)

- *Combines strengths and interests of two global companies to accelerate Aramco's downstream strategy and leverage petrochemicals growth opportunities.*
- *Positions Aramco as one of the major global petrochemicals players.*

Saudi Arabia, June 17 2020 – Aramco today announced the successful completion of its share acquisition of a 70% stake in Saudi Basic Industries Corporation (SABIC) from the Public Investment Fund (PIF), the sovereign wealth fund of Saudi Arabia, for a total purchase price of SAR 259.125 billion (US\$ 69.1 billion), equating to SAR 123.39 price per share.

The completion of the transaction enhances Aramco's presence in the global petrochemicals industry, a sector expected to record the fastest growth in oil demand in the years ahead. Combined, in 2019 Aramco and SABIC recorded petrochemicals production volume of nearly 90 million tonnes, including agri-nutrient and specialty products.

The acquisition of the SABIC stake is consistent with Aramco's long-term Downstream strategy to grow its integrated refining and petrochemicals capacity and create value from integration across the hydrocarbon chain. It specifically enhances Aramco's chemicals strategy by transforming Aramco into one of the major global petrochemicals players; integrating upstream production with SABIC feedstock; expanding capabilities in procurement, supply chain, manufacturing, marketing and sales; complementing geographic presence, projects and partners; and increasing the resilience of cash flow generation with synergistic opportunities. SABIC expects also to benefit from Aramco's Downstream chemicals feedstock production, and ability to invest in and execute major growth projects at a very large scale.

H.E. Yasir Othman Al-Rumayyan, Governor, Public Investment Fund (PIF) said: *“This is a significant milestone for three of Saudi Arabia’s most important entities. It provides capital for PIF’s long-term investment strategy as it drives the economic transformation and growth of Saudi Arabia, further benefitting the people of our country; it supports Aramco’s continued growth in Downstream and enhances its international footprint; and, it provides SABIC a new strategic energy industry focused shareholder with the ability to support growth projects.”*

Amin Nasser, President & CEO, Aramco said: *“We are excited to complete this transaction. It is a significant leap forward which accelerates Aramco’s Downstream strategy and transforms our company into one of the major global petrochemicals players. The strategic integration of our Upstream production and Downstream chemicals feedstock production with SABIC’s chemicals platform is expected to create opportunities for selective integration synergies that support growth and add value for shareholders.”*

“Despite the COVID-19 pandemic forcing many companies to rethink or revise their long term strategies, our long-term focus, financial strength and resilience have enabled us to complete this historic deal. It marks the beginning of a new chapter in the history of both companies and is an important marker in delivering our long term Downstream strategy.”

Abdulaziz Al-Gudaimi, Senior Vice President of Downstream, Aramco said: *“The completion of this transaction marks an important step in Aramco’s continuous drive to develop a global integrated Downstream business designed to add value across the hydrocarbon chain. As SABIC joins the Aramco family of companies, we expect to create synergies and add value through integration in procurement, supply chain, manufacturing, marketing and sales.”*

Yousef A. Al-Benyam, Vice Chairman and CEO, SABIC said: *“SABIC’s relationship with PIF and Aramco goes back to our inception in 1976. SABIC is grateful to His Excellency Yasir Al-Rumayyan for the strong and constant support we have received from both him and PIF. The global scale and presence of SABIC, one of the world’s most significant diversified chemicals companies, brings significant enhancements to Aramco. As the chemicals growth platform, SABIC expects to benefit from the additional scale, technology, investment potential, and growth opportunities Aramco will bring in integrated energy and chemicals production. We look forward to contributing to global chemicals growth, while continuing to support Saudi Vision 2030.”*

As the new majority shareholder of SABIC, Aramco has the ability to elect the majority of SABIC's directors. The SABIC board will ensure strategic alignment, and oversee further creation of value for SABIC and all of its shareholders as SABIC becomes an important member of the Aramco group.

A Corporate Collaboration and Integration Committee has also been established to make recommendations on collaboration and integration matters expected to create value for SABIC in particular and for the Aramco group as a whole. This committee will be chaired by the SABIC CEO and will include two other members from SABIC and three members from Aramco.

Forward-Looking Statements

This release contains forward-looking statements. Forward-looking statements may be identified with words such as "expects", "aims", "will", "intends", "plans" or "projects" and include all statements other than statements of historical fact, such as growth in the petrochemical demand, our ability to realize synergistic benefits, the effect of the transaction on our cash flows and other financial metrics, opportunities for growth and to expand our capabilities. We believe that the forward-looking statements are based upon reasonable assumptions and expectations. However, you are cautioned that any such forward-looking statements are not guarantees of the future and that a number of risks and uncertainties could cause actual events to differ materially from those anticipated in the forward-looking statements. We undertake no duty to update these statements as the situation may change.

About Aramco

Aramco is a global integrated energy and chemicals company driven by the core belief that energy is opportunity. From producing approximately one in every eight barrels of the world's oil supply to developing new energy technologies, our global team is dedicated to creating impact in all that we do. We focus on making our resources more dependable, sustainable and useful, promoting stability and long-term growth around the world. www.aramco.com

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About the Public Investment Fund (PIF)

The Public Investment Fund seeks to become one of the largest and most impactful sovereign wealth funds in the world, enabling the creation of new sectors and opportunities that will shape the future global economy, while driving the economic transformation of Saudi Arabia. To achieve this, the Fund is building a world-class, diversified portfolio through investments in attractive, long-term opportunities across sectors and asset classes at both the domestic and international levels. Working alongside global strategic partners and renowned investment managers, PIF acts as the Kingdom's main investment arm to deliver a strategy focused on achieving attractive financial returns and long-term value for the Kingdom of Saudi Arabia, in line with Saudi Vision 2030.

The Public Investment Fund Program (2018-2020), part of the Kingdom's Vision 2030 Vision Realization Programs, acts as a roadmap to strengthen PIF's position as the engine behind economic diversification in the Kingdom and its role in transforming Saudi Arabia into a global investment powerhouse. The program will see the Fund's Assets Under Management increase to over \$400 billion by 2020 and outlines how PIF aims to complement private sector development in the Kingdom through its new domestic investment, split between the Fund's Saudi Holdings, Saudi Sector Development, Saudi Real Estate & Infrastructure Development, and Saudi Giga-Projects. For more information please visit www.PIF.gov.sa.

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About Saudi Basic Industries Corporation (SABIC)

SABIC is a global diversified chemicals company, headquartered in Riyadh, Saudi Arabia. SABIC manufactures on a global scale in the Americas, Europe, Middle East and Asia Pacific, making distinctly different kinds of products: chemicals, commodity and high performance plastics, agri-nutrients and metals.

SABIC supports its customers by identifying and developing opportunities in key end-use applications such as construction, medical devices, packaging, agri-nutrients, electrical and electronics, transportation and clean energy. Production in 2019 was 72.6 million metric tons. SABIC has more than 33,000 employees worldwide and operates in around 50 countries. Fostering innovation and a spirit of ingenuity, SABIC has 11,738 global patent filings, and has significant research resources with innovation hubs in five key geographies – USA, Europe, Middle East, South Asia and North Asia.

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