

## **SAUDI ARAMCO PARTNERS WITH PETRONAS CHEMICALS TO ENHANCE VALUE OF Pengerang INTEGRATED COMPLEX PETROCHEMICALS PROJECTS IN MALAYSIA**

**Dhahran, October 2, 2017** - Saudi Aramco has entered into a strategic partnership with Petronas Chemicals Group Berhad (PCG) to enhance the value and competitive positioning of its petrochemicals projects within the PETRONAS Pengerang Integrated Complex (PIC) in the southern Malaysian state of Johor.

The partnership marks a strategic, mutually beneficial relationship that will provide PIC with high-impact strengths and synergies from both Saudi Aramco and PCG.

Under the terms of the venture's share purchase agreement (SPA), signed between PCG and Saudi Aramco's Aramco Overseas Holding Cooperatif U.A. (AOHC) subsidiary, the parties have equal ownership in PRPC Polymers Sdn Bhd (PRPC Polymers) within PIC.

The signing of this agreement with PCG is another positive milestone for Saudi Aramco after the signing of the SPA with PCG's parent company Petronas during Custodian of The Two Holy Mosques King Salman's visit to Malaysia last February.

The agreement was signed by Saudi Aramco VP International Operations, Said Al-Hadrami and PETRONAS VP and PCG Managing Director / Chief Executive Officer, Datuk Sazali Hamzah.

"This venture leverages the historic partnership between Saudi Aramco and PETRONAS that was recently sealed during the visit of the Custodian of The Two Holy Mosques King Salman to Malaysia. Given PCG's strength in the region's petrochemicals sector, Saudi Aramco is proud to be entering into a deeper, mutually beneficial partnership in PIC." said Saudi Aramco VP International Operations, Said Al-Hadrami.

He added: "This agreement strengthens Saudi Aramco's position and growth in South East Asia through crude supply and world-scale downstream operations. Through this venture, we will also achieve a high degree of integration between refining and petrochemicals, with petrochemicals production greater than 10% of crude intake. It is also in tandem with our downstream growth strategy where we are investing in a global refining and petrochemicals system of strategically located world-scale manufacturing complexes with participated refining capacity of several million barrels per day."

PETRONAS VP and PCG MD/CEO, Datuk Sazali Hamzah said: "The petrochemicals projects in PIC is one of the largest growth projects for PCG and PETRONAS' largest downstream investment on a single site to date. The signing of this Agreement is truly a momentous milestone for the industry as it brings together two key leaders in petrochemicals, entering into a partnership in a world-scale greenfield project. We are proud to be joining hands with Saudi Aramco, a world leader in integrated energy and chemicals with an unrivalled track-record in mega-project execution and efficiency."

Referencing its petrochemicals projects in PIC, Sazali said: "As at August 2017, the PIC development is at about 75% overall project progress and the first petrochemical production is expected to commence after the completion of the refinery, which is scheduled in 2019. The petrochemicals projects within the PIC are currently progressing as planned."

“We are putting a lot of effort into PIC readiness. By 2020, our petrochemicals projects under PIC will provide a strong foundation for us to move into derivatives and specialty chemicals. Beyond 2020, PCG will also focus on assessing opportunities in downstream derivatives and specialty chemicals at Pengerang, Kertih, Gebeng and East Malaysia.”