

أرامكو السعودية  
saudi aramco



# Saudi Aramco

Corporate Overview

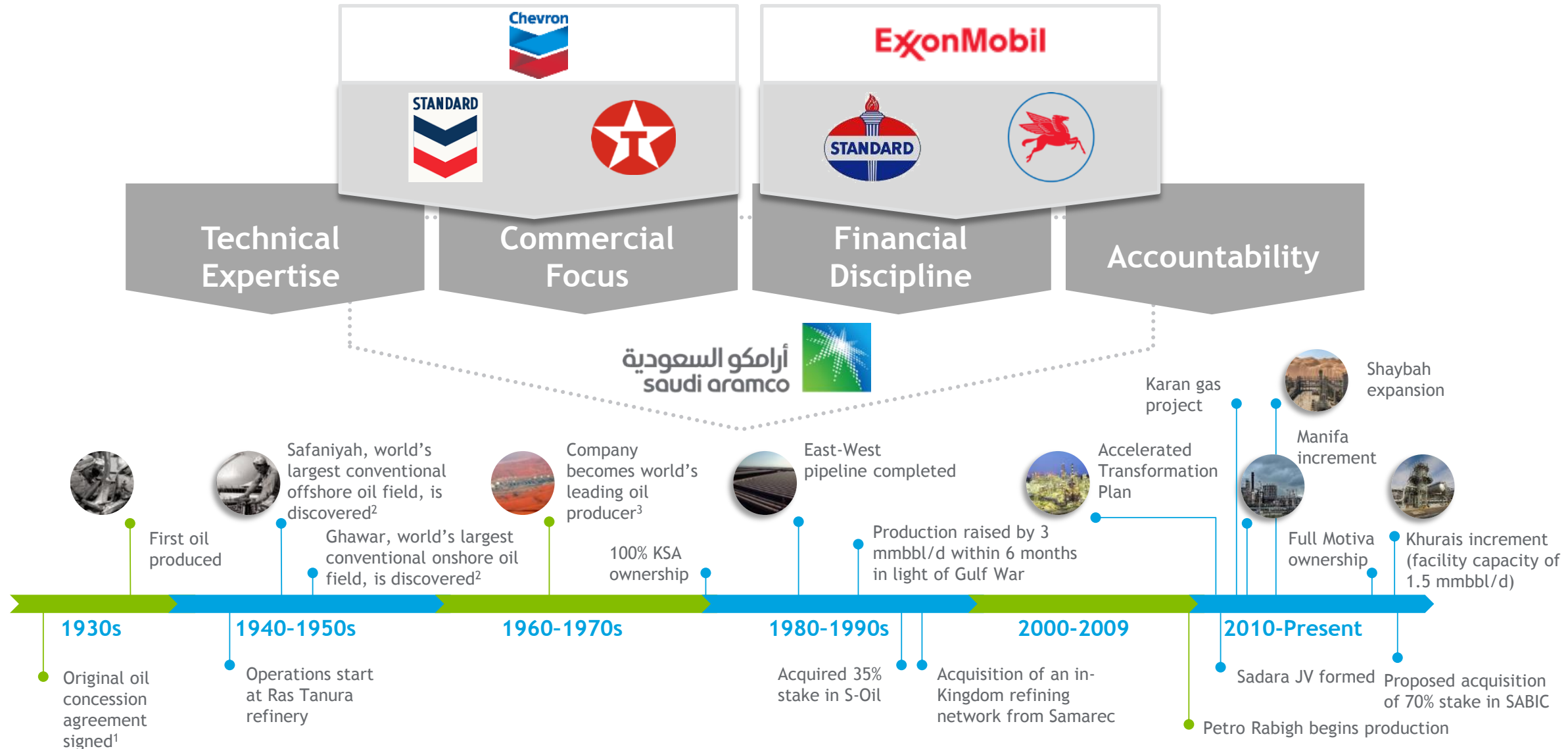
September 2019

where energy is opportunity™

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# 85 Years of Leadership



1. Revised concession agreement signed on 24<sup>th</sup> 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/bbl<sup>1</sup>

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

1. Effective from 1 January 2020

# Reliability and HSE Operations

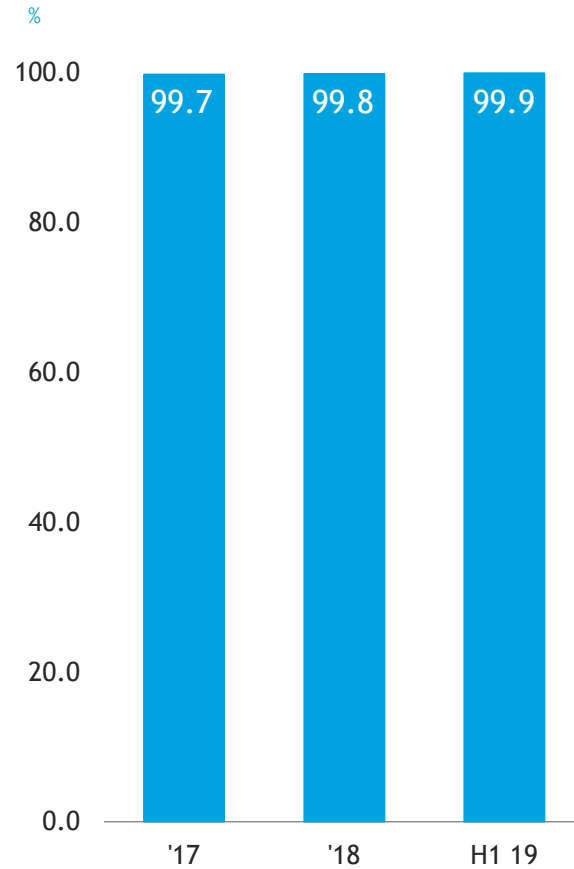
## Scale

### > 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 <sup>1</sup> (mmbbl/d)	3.0	3.2

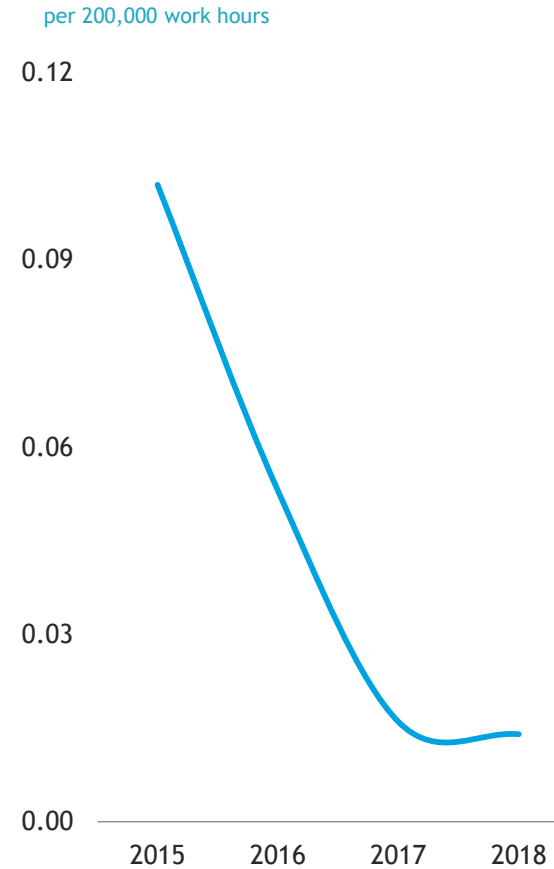
## Reliability

### > Reliability<sup>2</sup>



## Safety

### > LTI Rate<sup>3</sup>



## Environment

### > Intensity and Flaring

Upstream Carbon Intensity of 10.2 kg CO<sub>2</sub>/boe<sup>4</sup>

Methane Intensity of 0.06%<sup>5</sup>

Gas Flaring of <1%<sup>6</sup>

## 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 (CO<sub>2</sub>) 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 <sup>1</sup>
- Target gearing 5-15% across the cycle <sup>2</sup>

**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 <sup>3</sup>
- 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

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