



Press Release

Aramco Announces First Quarter 2020 Results *Resilient performance despite challenging market conditions*

- *First quarter net income: \$16.7 billion*
- *First quarter free cash flow*: \$15.0 billion*
- *Gearing* ratio of -4.9% reflects further strengthening of balance sheet*
- *Dividends of \$13.4 billion paid in the first quarter, in respect of Q4 2019*
- *Dividends of \$18.75 billion to be paid in the second quarter, for Q1 2020*
- *Low upstream costs and sustaining capital provide significant flexibility*

Dhahran, Saudi Arabia, May 12, 2020 – The Saudi Arabian Oil Company (“Aramco” or “the Company”) today announced its financial results for the first quarter of 2020, demonstrating financial and operational strength despite a challenging macro environment and lower energy demand caused by the COVID-19 pandemic.

Commenting on the results, Aramco President & CEO Amin H. Nasser, said:

“The COVID-19 crisis is unlike anything the world has experienced in recent history and we are adapting to a highly complex and rapidly changing business environment. Aramco has demonstrated resilience during economic cycles and has an unparalleled position due to a strong balance sheet and low-cost structure.

“We have delivered solid earnings with robust free cash flow, despite weak energy demand and low oil prices. We remain committed to the safety of our people while delivering on our long-term value creation strategy for all of our shareholders.

“During the first quarter, we took steps to further optimize our planned 2020 capital spending and identified opportunities to improve operational productivity.

“We retain significant flexibility to adjust expenditures and have considerable experience in managing the business through times of adversity. This resilience will enable us to continue delivering on our commitments to our shareholders.

“Looking ahead to the remainder of 2020, we expect the impact of the COVID-19 pandemic on global energy demand and oil prices to weigh on our earnings. We continue to reinforce the

business during this period by reducing our capex and driving operational excellence. Longer term we remain confident that demand for energy will rebound as global economies recover.”

Financial Highlights

Net income remained robust at \$16.7 billion for the first quarter, despite lower crude oil prices as well as declining refining and chemicals margins and inventory re-measurement losses.

Cash flow from operating activities was strong at \$22.4 billion in the first quarter, compared to \$24.5 billion in the same period of 2019. The impact of declining crude oil prices and refining and chemicals margins was partially offset by favorable movements in working capital.

Free cash flow* was robust at \$15.0 billion in the first quarter, compared to \$17.4 billion in the same period last year.

Our balance sheet remains strong and gearing* ratio decreased from -0.2% on December 31, 2019 to -4.9% on March 31, 2020.

Total dividends of \$13.4 billion were paid in the first quarter, in respect of the fourth quarter of 2019. Dividends of \$18.75 billion for the first quarter of 2020 are the highest of any listed company worldwide and will be paid in the second quarter.

First quarter capital expenditures were \$7.4 billion, compared to \$7.2 billion for the same period in 2019. In light of market conditions and recent commodity price volatility, the Company continues to expect capital spending for 2020 to be between \$25 billion and \$30 billion. Capital expenditures for 2021 and beyond remain under review.

Operational Highlights

Under challenging market conditions, Aramco maintained its pre-eminence in oil and gas production.

Aramco, through its wholly owned subsidiary Aramco Gulf Operations Company Ltd. (AGOC), resumed operations at Al-Khafji Joint Operations (KJO). AGOC operates in the offshore partitioned territory between the Kingdom of Saudi Arabia and the State of Kuwait, with a 50% ownership in KJO.

Aramco Trading Company signed an agreement to offtake Aramco Gulf Operations Company's full share of crude oil production following the restart of KJO.

During the first quarter, the Fadhili Gas Plant increased its processing capacity from 1.5 billion standard cubic feet per day (bscfd) at year-end 2019 to reach 2.0 bscfd during the first quarter of 2020. Progress remains on track and the plant is expected to reach full capacity of 2.5 bscfd this year.

Despite a challenging market environment, the downstream business is keeping pace with its long-term strategy to capture value across the hydrocarbon value chain through further strategic integration and diversification of its operations.

COVID-19 Update

In response to COVID-19, the Company has implemented a series of measures to protect its people, its communities and its operations to supply the world with the energy it needs.

The Company has prioritized the safety, health and wellbeing of its employees, implementing measures to reduce the risk of COVID-19 spread and mitigate the virus's impact. These measures include remote working for many employees, active prevention programs, detailed contingency plans and leading medical support services from Johns Hopkins Aramco Healthcare to minimize risk of infection and ensure the best possible care.

Actions have also been taken to ensure all sites remain operational. Measures include the formation of dedicated taskforces to prevent supply chain disruption and to ensure the wellbeing of contractors and staff. The Company continues to utilize inbuilt systems for managing global crises to continue delivering energy to customers.

In times of crisis, community support is paramount. The Company has established campaigns to help fight the spread of COVID-19 and provide humanitarian assistance to those who need it most. For example, Aramco supported the Kingdom's healthcare sector by contributing SAR200 million for the supply of ventilators, air purification devices and Personal Protective Equipment for healthcare practitioners and their patients. The Company has also provided support to communities through its overseas offices, including those in the US, Europe and Asia.

Additional information on Aramco's response to COVID-19 can be found in more detail on a dedicated webpage [here](#).

**Please refer to www.saudiamramco.com/investors for reconciliation of non-IFRS measures*

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gas, refining and petrochemicals industries; the cyclical nature of the oil and gas, refining and petrochemical industries; weather conditions; political and social instability and unrest and actual or potential armed conflicts in the regions in which Saudi Aramco operates and other areas; losses from risks related to insufficient insurance; the Company's ability to deliver on current and future projects; litigation that the Company is or may be subject to; the Company's ability to realize benefits from recent and future acquisitions, including with respect to SABIC; risks related to international operations, including sanctions and trade restrictions, anti-bribery and anti-corruption laws and other laws and regulations; risks related to oil, gas, environmental, health and safety and other regulations that impact the industries in which Saudi Aramco operates; the Company's dependence on its senior management and key personnel; management's limited experience in managing a public company; the reliability and security of the Company's IT systems; climate change concerns and impacts; risks related to Government-directed projects and other Government requirements, including those related to Government-set maximum level of crude oil production and target MSC; Fluctuations in interest rates and foreign exchange rates; and other risks and uncertainties that could cause actual results to differ from the forward looking statements in this press release, as set forth in the Company's latest periodic reports filed with the Tadawul. For additional information on the potential risks and uncertainties that could cause actual results to differ from the results predicted please see the Company's latest periodic reports filed with the Tadawul. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which it will operate in the future.

The information contained in the press release, including but not limited to forward-looking statements, applies only as of the date of this press release and is not intended to give any assurances as to future results. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to the press release, including any financial data or forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law or regulation. No person should construe the press release as financial, tax or investment advice.

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