RABIGH REFINING AND PETROCHEMICAL COMPANY
(Saudi Joint Stock Company)

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

For the three-month period ended
31 March 2008

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REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

The Shareholders
Rabigh Refining & Petrochemical Company
Rabigh, Saudi Arabia

We have reviewed the accompanying interim balance sheet of Rabigh Refining & Petrochemicals Company (the Company) as at 31 March 2008 and the related interim statements of income and cash flows for the three-month period then ended and the attached condensed notes from 1 to 10 which form an integral part of these interim condensed financial statements. These interim condensed financial statements are the responsibility of the Company's management and have been prepared by them and submitted to us together with all the information and explanations which we required. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

We conducted our review in accordance with auditing standard on interim financial reporting issued by the Saudi Organization for Certified Public Accountants. A review is limited primarily to analytical procedures applied to financial data and inquiries of Company personnel responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim condensed financial statements for them to be in conformity with accounting standards generally accepted in the Kingdom of Saudi Arabia appropriate to the circumstances of the Company.

For KPMG Al Fozan & Al Sadhan:

Tareq Abdulrahman Al Sadhan
License No. 352

Jeddah on 14 April 2008
Corresponding to 8 Rabi-II 1429H

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محاسبون ومراجعون قانونيون
C.R. 46
KPMG
س.ت.م رقم ٤٦
Certified Public Accountants
KPMG Al Fozan & Al Sadhan

RABIGH REFINING AND PETROCHEMICAL COMPANY
(Saudi Joint Stock Company)

INTERIM BALANCE SHEET
As at 31 March 2008
(Expressed in Saudi Riyals)

	Note	31 March 2008 (Unaudited)	31 March 2007 (Unaudited)
ASSETS			
Current assets			
Cash and cash equivalents		2,247,192,443	879,700,147
Advances to suppliers		263,171,539	726,298,672
Prepayments and other current assets		102,325,050	20,549,178
Total current assets		**2,612,689,032**	**1,626,547,997**
Non-current assets			
Property, plant and equipment		260,827,117	--
Construction in progress	3	26,633,281,856	11,778,699,465
Long term investment	4	2,720,768,007	1,260,685,032
Total non–current assets		**29,614,876,980**	**13,039,384,497**
Total assets		**32,227,566,012**	**14,665,932,494**
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable		909,633,244	939,813,607
Accrued expenses and other current liabilities		687,027,476	293,865,261
Zakat and income tax	9	3,450,571	13,086,667
Due to related parties	5	184,401,713	346,271,328
Total current liabilities		**1,784,513,004**	**1,593,036,863**
Non-current liabilities:			
Long-term loans	6	20,006,250,000	8,081,250,000
Provision for deferred employee service awards		1,050,000	--
Employees' termination Benefits		1,230,506	--
Total non-current liabilities		**20,008,530,506**	**8,081,250,000**
Total liabilities		**21,793,043,510**	**9,674,286,863**
EQUITY			
Share capital	7	8,760,000,000	5,250,000,000
Statutory reserve	7	2,409,000,000	--
Employee Share Ownership Plan	7	(31,500,000)	--
Accumulated losses		(702,977,498)	(258,354,369)
Total Shareholder's equity		**10,434,522,502**	**4,991,645,631**
Total liabilities and equity		**32,227,566,012**	**14,665,932,494**

The accompanying notes 1 to 10 form
an integral part of these financial statements.

RABIGH REFINING AND PETROCHEMICAL COMPANY
(Saudi Joint Stock Company)

INTERIM STATEMENT OF INCOME
For the three-month period ended 31 March 2008
(Expressed in Saudi Riyals)

	31 March 2008 (Unaudited)	31 March 2007 (Unaudited)
Interest income	28,061,074	10,875,918
Foreign currency gain	422,190	(28,157,576)
General and administrative expenses	(110,594,141)	(66,223,734)
Net loss for the period	**(82,110,877)**	**(83,505,392)**
Loss per share (Note 8)	**(0.10)**	**(0.20)**

The accompanying notes 1 to 10 form
an integral part of these financial statements.

RABIGH REFINING AND PETROCHEMICAL COMPANY
(Saudi Joint Stock Company)

INTERIM STATEMENT OF CASH FLOWS
For the three-month period ended 31 March 2008
(Expressed in Saudi Riyals)

	31 March 2008 (Unaudited)	31 March 2007 (Unaudited)
Cash flows from operating activities:		
Net loss for the period	(82,110,877)	(83,505,392)
Employees' termination Benefits Provision	1,230,506	--
Provision for deferred employee service awards	1,050,000	--
Changes in operating assets and liabilities:		
Advances to suppliers	157,707,068	176,612,558
Prepayments and other current assets	(12,068,835)	(4,760,984)
Accounts payable	(4,903,301)	375,394,038
Accrued expenses and other liabilities	241,581,409	171,829,611
Zakat and income tax payable	--	--
Net cash provided by operating activities	302,485,970	635,569,831
Cash flows from investing activities:		
Property, plant and equipment	(260,827,118)	--
Construction in progress	(2,820,606,728)	(3,937,922,273)
Long term investment	(269,926,395)	(929,494,714)
Net cash used in investing activities	(3,351,360,241)	(4,867,416,987)
Cash flows from financing activities:		
Proceeds from issue of share capital (net)	4,567,500,000	2,625,000,000
Long term loans	562,500,000	1,312,500,000
Due to related parties	(19,887,555)	(906,220,696)
Net cash provided by financing activities	5,110,112,445	3,031,279,304
Net increase/(decrease) in cash and cash equivalents	2,061,238,174	(1,200,567,852)
Cash and cash equivalents at beginning of the period	185,954,269	2,080,267,999
Cash and cash equivalents at end of the period	2,247,192,443	879,700,147

The accompanying notes 1 to 10 form
an integral part of these financial statements.

1. GENERAL

1.1 Rabigh Refining and Petrochemical Company ("the Company" or "PetroRabigh") is a company registered in Saudi Arabia under Commercial Registration No. 4602002161 issued from Ministry of Commerce, Jeddah, on 15-08-1426H (September 19, 2005). The Company had been converted into a Joint Stock Company with an increased share capital of SAR 6,570 million under the revised Commercial Registration issued by the Ministry of Commerce, Riyadh with effective date of 22-10-1428H (November 03, 2007).

1.2 The Company launched an Initial Public Offering of 219 million shares, equivalent to 25% of its post-issue enlarged capital, at SAR 21 per share from 5 to 12 January 2008 ("the IPO") based on approval of application for admission of the shares to the Official List by the Capital Market Authority. The net proceeds from the IPO after deducting the offering expenses will be used by the Company to finance its operation. Following the successful IPO, the total authorized capital was increased from 657 million to 876 million shares at a par value of SAR 10 per share under the revised Commercial Registration issued by the Ministry of Commerce, Riyadh with effective date of 14-01-1429H (January 23, 2008).

1.3 The objects for which the Company is formed are the development, construction and operation of an integrated petroleum refining and petrochemical complex, including the manufacturing of refined petroleum products, petrochemical products and other hydrocarbon products.

1.4 These interim condensed financial statements are presented for the three-month period from January 1 to 31 March 2008, with comparatives for the same three-month period in 2007. The Company has been in the plant construction and pre-operational phase throughout these periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying interim condensed financial statements have been prepared in accordance with the Standard for Interim Financial Information issued by the Saudi Organization for Certified Public Accountants (SOCPA). The accounting policies adopted by the Company for the preparation of these interim condensed financial statements are consistent with those used for the preparation of the annual financial statements. Significant accounting policies adopted by the Company are summarized as follow:

(a) Basis of preparation

The interim condensed financial statements, expressed in Saudi Arabian Riyals, are prepared under the historical cost basis, using the accrual basis of accounting and the going concern concept.

The accompanying interim condensed financial statements include all adjustments comprising mainly of normal recurring accruals considered necessary by the Company's management to present a fair statement of financial position, results of operations and cash flows. These interim condensed financial statements should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2007.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Interest income

Interest income is recognized on an accruals basis and derived from short term investment placed in time deposits.

(c) Foreign currency

Transactions denominated in foreign currencies are translated into Saudi Riyals at the exchange rates prevailing at the date of the transactions. Differences in exchange rates between liability recognition and settlement dates are recognized as gains or losses in the statement of income. Balances of assets and liabilities in foreign currencies are revalued at prevailing exchange rates as at the balance sheet dates.

(d) Construction in progress

Construction in progress represents expenses incurred for the development, construction and preparation of the Company's integrated petroleum refining and petrochemical complex. All the costs which are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management, including interest on borrowings obtained to finance construction of the plant, are charged to construction in progress.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation. Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. The estimated useful lives are as follow:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

	Years
Buildings	25
Plant and equipment	10 – 20

Finance costs on borrowings to finance the construction of the assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

Expenditures for maintenance and repairs that do not materially extend the asset's life are included in expenses.

(f) Long-term investment

Long term investment is recorded at cost.

(g) Employees' termination benefits

Employees' termination benefits, calculated in accordance with labour regulations of the Kingdom of Saudi Arabia, are accrued and charged to the statement of income.

(h) Cash and cash equivalents

Cash and cash equivalents consist of bank balances, cash on hand, and short-term deposits with original maturities of less than three months.

(i) Operating leases

Payments under operating leases are recognized in the statement of income on a straight-line basis over the lease terms.

(Expressed in Saudi Riyals)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Zakat and Income Tax

Zakat and income tax are computed in accordance with Saudi Arabian fiscal regulations, are accrued and charged to retained earnings. Any reimbursements of Zakat and income tax from the shareholders are credited to retained earnings.

3. CONSTRUCTION IN PROGRESS

	31 March 2008 (Unaudited)	31 March 2007 (Unaudited)
Plants	22,183,420,939	10,551,842,145
Utilities	3,396,430,279	934,944,783
Interest on borrowings	1,053,430,638	291,912,537
	26,633,281,856	11,778,699,465

The Company expects to complete the plant construction by October 2008, within the budgeted total cost of SAR 33 billion.

(Expressed in Saudi Riyals)

4. LONG TERM INVESTMENT

	31 March 2008	31 March 2007
Investment in RAWEC:		
- Equity participation	424,999	424,999
- Subordinated loans	8,230,534	7,958,044
- Long term loans	2,712,112,474	1,252,301,989
	2,720,768,007	1,260,685,032

The amount represents total drawdown as of 31 March 2008 and 31 March 2007 respectively for 1% equity on Rabigh Arabian Water and Electric Company ("RAWEC") based on Shareholders' Agreement and Equity Support Agreement. In addition, the Company provides loan finance under a Facilities Agreement.

5. DUE TO RELATED PARTIES

	31 March 2008	31 March 2007
Saudi Arabian Oil Company	69,727,962	161,350,327
Sumitomo Chemicals Company	114,673,751	184,921,001
	184,401,713	346,271,328

The above balances result principally from payments made by the founding shareholders on behalf of the Company in respect of seconded employees and other charges.

(Expressed in Saudi Riyals)

6. LONG TERM LOANS

The Company has entered into loan facility agreements, secured through guarantees of the founding shareholders, with various commercial banks and financial institutions in order to finance approximately 60% of the estimated costs of the Rabigh Development Project. The total facilities available under these term loan agreements and the amounts drawn down at each interim balance sheet date are:

	Total Facility	At 31 March 2008	At 31 March 2007
Japan Bank for International Cooperation	9,375,000,000	9,375,000,000	7,687,500,000
Commercial banks	6,525,000,000	6,525,000,000	225,000,000
Public Investment Fund	3,750,000,000	2,418,750,000	168,750,000
Islamic financial institutions	2,250,000,000	1,687,500,000	--
	21,900,000,000	20,006,250,000	8,081,250,000

The financing agreements include certain covenants, which, among other things, require certain financial ratios to be maintained. Repayments under the loan facilities are expected to commence in 2009 and will run up to. 2021.

7. SHARE CAPITAL, STATUTORY RESERVE AND DIVIDENDS

The Company’s share capital of SR 8.76 billion at 31 March 2008 (2007: SR 5.25 billion) consists of 876 million fully paid and issued shares of SR 10 each (2007: 525 million shares of SR 10 each).

The proceeds of the IPO issue of new shares at SR 21 per share have resulted in a share premium amount of SR 2,409 million, which has been transferred to Statutory Reserve in accordance with the Company’s Articles of Association.

7. SHARE CAPITAL, STATUTORY RESERVE AND DIVIDENDS (continued)

The Board of Directors has approved the implementation and operation of an Employee Share Ownership Plan ("ESOP"), to be put into place to provide 5-year service awards to certain levels of staff.

In anticipation of this plan coming into force, the Company arranged for a commercial bank to subscribe for 1.5 million shares during the IPO at the offer price of SR 21 per share. These "ESOP shares" are held by the bank in trust for the staff who will become eligible for an award under the plan. Any of the ESOP shares that do not become issuable to eligible employees will be dealt with by the bank in accordance with PetroRabigh's instructions, and any disposal proceeds will be for the account of the Company."

The directors do not recommend the payment of any interim dividend, as the Company has not yet commenced its commercial operations.

8. LOSS PER SHARE

Loss per share for the three-month period ended 31 March 2008 is computed by dividing the net loss for such period by the weighted-average number of ordinary shares outstanding during the three-month period ended 31 March 2008 of 820 million shares (2007: 426 million shares).

9. CONTINGENCIES AND COMMITMENTS

MARINE TERMINAL LEASE

The Company entered into a marine terminal lease agreement for a period of 30 years with one of its founding shareholders, Saudi Arabian Oil Company ("Saudi Aramco"), on March 2, 2006. The agreement grants the Company certain exclusive rights in respect of the Rabigh Terminal Facilities and the Rabigh Terminal Site.

In consideration for the grant by Saudi Aramco to the Company of the right to occupy and use the site and facilities, the Company shall pay to Saudi Aramco rent in an amount equal to USD 0.27 per square meter per annum for approximately 682,000 square meters of Rabigh Terminal Site and USD 5,100,000 per annum for the Rabigh Terminal Facilities from the date the Rabigh Refinery is transferred to the Company. At present, it is expected that this transfer will occur during the last quarter of year 2008.

9. CONTINGENCIES AND COMMITMENTS

RABIGH REFINERY COMPLEX LEASE

In consideration further for the grant by Saudi Aramco to the Company of the right to access, occupy and use of the Rabigh Complex Site covering for approximately 21,000,000 square meters, the Company shall pay to Saudi Aramco rent in an amount equal to USD 0.27 per square meter per annum starting from Rabigh Refinery transfer date.

OPERATING LEASES

The Company has entered into operating leases for office space and furniture, vehicles and living quarters.

ZAKAT ADDITIONAL ASSESSEMENT

Following its review of the Company's Zakat declaration for 2006, the DZIT issued a deficiency tax assessment on December 4, 2007 amounting to approximately USD 6.7 million (SAR 25 million). The Company is not in agreement with the DZIT assessment, and filed a preliminary objection with the DZIT on February 2, 2008.

Management believes its position regarding the DZIT adjustments to be robust in the area of interpretation, and that it is too soon to be able to estimate a probable settlement amount. Any settlement amount eventually agreed with DZIT will not impact upon the future earnings of the Company, as it will be recoverable from a founding shareholder - Saudi Arabian Oil Company.

10. APPROVAL

These interim condensed financial statements were approved by the Board Audit Committee on 14 April 2008.