



Press Release

Petro Rabigh Invites its Shareholders to Attend the Extraordinary General Meeting for its Rights Issue Transaction

The shareholders will be briefed on the Board's recommendation to increase Petro Rabigh's share capital through a Rights Issue

Offering overview:

- *Petro Rabigh ("the Company") announces the intention to proceed with a proposed capital increase through a Rights Issue*
- *The Capital Market Authority ("CMA") approved the Company's application for a capital increase through a Rights Issue to increase its total share capital to SAR 16,710,000,000 from SAR 8,760,000,000, which represents a 90.75% increase in the Company's share capital, subject to the Company's EGM approving the increase in share capital*
- *A Rights Issue will be offered to existing shareholders through the issuance of 795,000,000 new shares at an offer price of SAR 10 per share with a total offering size of SAR 7,950,000,000, subject to the Company's EGM approval*

Company overview:

- *Petro Rabigh is one of the world's largest integrated refining and petrochemicals complexes and the only player in the region offering both petrochemical and refined products*
- *In 2005, the Company was formed as a joint venture by founding shareholders Saudi Aramco and Sumitomo Chemical*
- *Petro Rabigh was incorporated as a Saudi limited liability company and was converted into a joint stock company in 2007*
- *The Company has a diversified and competitive product portfolio boasting high reach through extensive marketing and distribution networks managed through long-term agreements*
- *Petro Rabigh benefits from a strategic location that grants direct access to established supply and export infrastructure through existing facilities at its marine terminal with access to Asia, Africa and Europe*
- *The Company saw strong recovery in 2021 in its business through improved efficiencies, cost reductions, and market demand for petrochemical products*
- *The Company plays a leading role in diversifying the Saudi economy by expanding the petrochemical sector and creating meaningful opportunities for local businesses and talent*
- *The Company plays a strategic role in the supply of refined and petrochemical products to the Kingdom as a developer of innovative and specialized products with high demand in both regional and international markets*
- *Petro Rabigh produces over 400,000 barrels of crude oil daily and processes 1.2 billion tons per year of ethane feedstock to produce a wide range of refined and petrochemical products*
- *The Company produces 140 million barrels of petroleum products each year, including naphtha, gasoline, kerosene, jet fuel, diesel and fuel oil*

- *The Company also produces 2.4 million metric tons of petrochemical products per year, such as polyethylene, polypropylene, propylene oxide and monoethylene glycol*
- *Petro Rabigh's petroleum and petrochemical products target the local market, the GCC, Middle East, Asia and Europe*

Rabigh, Saudi Arabia, 18 May 2022: Rabigh Refining and Petrochemical Co. ("**Petro Rabigh**"), one of the world's largest integrated refining and petrochemical facilities, and listed on the Saudi Exchange (Symbol: **2380**) (ISIN: **SA120GAH5617**), has received approval from the CMA in regards to the Company's proposed Rights Issue transaction, subject to obtaining the approval of the Company's Extraordinary General Meeting (EGM).

The Rights Issue (the "**Transaction**") will be carried out through an increase in the Company's share capital by SAR 7,950,000,000, increasing the share capital to SAR 16,710,000,000 from SAR 8,760,000,000. Petro Rabigh will hold an Extraordinary General Meeting ("**EGM**") where the Company will seek shareholders' approval on the Transaction.

The Transaction is in line with Petro Rabigh's strategic objectives to optimize and improve the Company's financial position through enhancing equity and reducing long-term liabilities.

Petro Rabigh was originally established as a basic topping refinery with crude oil processing facilities. In 2005, Saudi Aramco and Sumitomo Chemical formed an equal joint venture to transform the business into a world-scale integrated refinery and petrochemicals complex. To date, Petro Rabigh is the only regional player offering both refined and petrochemical products and is amongst the top global-scale integrated facilities worldwide.

Eng. Ibrahim Al-Buainain, Chairman of Petro Rabigh, commented: "Through its globally recognized founding shareholders, strong asset base, and diversified products, Petro Rabigh is well positioned to maintain its position as the only regional player offering both petrochemical and refined products. By leveraging the network, knowledge, marketing and technology capabilities of its founding shareholders, Petro Rabigh has been able to create innovative specialized products that have a high demand in the regional and international market. As a responsible business, our focus is, and will always remain, on long-term value creation. This transaction is an important lever that enables us to continue delivering on our strategic priorities and meet our commitments to our shareholders."

Eng. Othman Al-Ghamdi, President and CEO of Petro Rabigh said: "As a company, we have a clear strategy supported by promising performance pillars and a pipeline of opportunities in both regional and international markets. We are confident in the strength of our business model and our ability to generate returns to our shareholders. The Transaction is an important step in this process and will further enhance our equity position by bringing down debt levels and increasing our share capital, ensuring that the company is well-positioned to meet its objectives".

Mr. Al-Ghamdi added: "Despite the challenging global market conditions in 2020, Petro Rabigh achieved strong results in 2021 through improved efficiencies, reduced costs and robust demand for our products, setting us on a strong footing for 2022. The timing of this Transaction is important, with the Rights Issue taking place against a positive backdrop of improved liquidity and, more importantly, a strong rebound

for the Company's performance in the past year. We are laser-focused on creating added value for all our stakeholders and we are grateful for the continued trust and support of our shareholders".

The management team at Petro Rabigh have been working diligently in response to the challenges that emerged throughout the height of the pandemic. Following a series of measures taken to protect staff and the business, the Company's accumulated losses have been amortized. The Rights Issue will support operations by paying down a considerable sum of existing liabilities, enabling greater access to new sources of capital for the future.

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Transaction Highlights:

The transaction will take place as a Rights Issue offered to the Company's shareholders through the issuance of 795,000,000 new shares at an offer price of SAR 10 per share, with total offering size of SAR 7,950,000,000, increasing the share capital of Petro Rabigh to SAR 16,710,000,000 from SAR 8,760,000,000.

Each Registered Shareholder is granted 0.907534 Rights for each (1) Current Share held by it on the eligibility date. The Rights will be deposited in the portfolios of Registered Shareholders after the EGM. Each Right shall grant its holder eligibility to subscribe for one New Share at the Offer Price. For more details about the rights, trading and other information, please review the Rights Issue prospectus.

Investment Highlights:

1. World-scale Integrated Refining & Petrochemicals Complex with Expanding Portfolio of Value-Add Petrochemical Products

Petro Rabigh is one of the world's largest integrated refining and petrochemicals complexes, housing a world-scale HOFCC unit and ethane cracker. The complex has its own integrated steam, water and power supply (which are owned and operated by RAWEC) and complemented with offsite assets such as storage tanks and the Marine Terminal. The complex's high degree of integration enables its products to be consumed captively for higher value-add, higher margin downstream petrochemicals, and mitigates the volatility of the refined products and petrochemicals industry by placing Petro Rabigh's market exposure further downstream where demand is more stable.

2. Direct Access to Established Fuel and Export Infrastructure

The Company's facility is strategically located in Rabigh on the Red Sea, allowing it to leverage local demand as well as benefiting from the export infrastructure for petrochemicals. The company benefits from secure pipelines and port infrastructure operated by Saudi Aramco and Petro Rabigh and has the flexibility to adapt and receive crude oil feedstock by sea through the existing facilities at the Marine Terminal, demonstrating a reliable ability to secure supply of feedstock to the Company.

3. Favorable Marketing Arrangements enabling Access to Extensive Marketing and Distribution Networks

Long-term marketing agreements with the Founding Shareholders and their affiliates place Petro Rabigh's products to the market, which reduces the Company's direct market exposure and benefits it from the extensive global marketing and distribution networks of the Founding Shareholders.

4. Unwavering Commitment and Support by the Founding Shareholders for Petro Rabigh

Petro Rabigh is an independent Company founded by Saudi Aramco and Sumitomo Chemical, who demonstrated unwavering support by aligning on dynamic production planning, providing sustainable feedstock supply at competitive prices and continued off-take and placement of both refined and petrochemical products in local and global markets. In addition, the founding shareholders provide credit facilities, human capital, and established secondment agreements which gives Petro Rabigh access to the founding shareholders' experience and technological knowledge.

5. Extensive Operational Processes and Procedures Designed to Ensure Sustainable and Consistent Operational Performance

One of the Company's transformation roadmap pillars is to achieve and sustain plant integrity and reliability through (i) increasing plant utilization rates, (ii) establishing an asset integrity committee, (iii) restructuring the maintenance systems, and (iv) improving plant reliability.

6. Competitive Cost and Cash Positioning Relative to Global Petrochemicals Producers

The Company collects payment for the product it sells in a relatively shorter period [approximately within 45 days] than the period required to pay its suppliers for the feedstock it uses [approximately within 75 days]. This working capital structure helps the Company to manage its cash liquidity and constitutes a protective short-term buffer against variations in crude prices.

7. Strategic Role in Supply of Refined and Petrochemical Products in the Kingdom

The facility plays a strategic role in the supply of refined products in the Western region of Saudi Arabia, having a captive market which reduces the volume risk, enabling the Company to continue to operate with industry-leading utilization rates. Historically, almost the entirety of the refined products purchased domestically has been allocated to the domestic Saudi Arabian market.

To access the EGM invitation and disclosure on the Saudi Exchange website, please visit: https://www.saudiexchange.sa/wps/portal/tadawul/home/announcement-details!/ut/p/z1/04_Sj9CPyKssy0xPLMnMz0vMAfljo8zi_Tx8nD0MLly8DUL83AwcA8P8nZ18Xb1Dvc30w8EKjlycLQwtTQx83D39zIEKHD3C3MJcJA0MTPSjiNFvgAM4GhDWHwVWgtMFpoQUmEAV4HFDcGqefkFuaIRBZkA6AFrfq_EI/dz/d5/LOIDU0IKQ2dwUkNTQ2IDbEVLSUtVUUehS9vTG9RQUFJUXhcCQUIFb3lqQ1VSemdoU0ZM2xLMHJYRkFBISEvNEpDaWpzWXBNaFRqVUU1bEVtdDJVdHROUXpXN0tXMW1vNUeHl1o3X05ITENIMDgySzBUTkYwQVFWT0NCTUUVLVTlyL1o2X05ITENIMDgySzBUTkYwQVFWT0NCTUUVLVUs2L0FOTk9VTkNFTUVOVF9OVU1CRVlvNjgyODMvZ2xvYmFsL2h0dHA6JTAIMHRhZGF3dWwIMC9hbm5DYXQvMS9jb21wYW55U3ltYm9sLzIzODA!

For more information, please visit: https://www.petrorabigh.com/rights_issue/index.html

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