

Board endorses company's path; 9 appointees announced

SEOUL, April 29, 2015

Saudi Aramco's Board of Directors held its annual spring meeting in Seoul, Korea last week.

This year, during an update on the long-term Strategic Framework and associated 10-year investment profile endorsed by the board in 2013, the board's discussions focused on deeper re-examination of the framework and investment profile in light of what happened in the crude markets over the past nine months since prices peaked in July and then began a rapid downslide.

In its review of the Strategic Framework, the board endorsed Saudi Aramco's response to the downturn in oil prices globally, which is to stay the course in pursuing its 2020 Strategic Intent of transforming into the world's leading integrated energy and chemicals company, allowing for "short-term, tactical adjustments" along the way.

The board also expressed continued support for the company's push to increase local content in both the products and services it procures, and initiatives to ensure that the company's reputation as the most reliable supplier of energy to the world remains intact. Those will continue to be focus areas in 2015 and beyond.

The board was presented with reports from the company's executive and compensation committees, endorsing both reports. The board also endorsed the 2014 annual report and financial statements presented by senior vice president of Finance, Strategy and Development Abdallah I. Al-Saadon, who also presented the interim accountability report for the first quarter of the year. The board also received status reports on the Company's Financial Condition and 2015 capital budget.

A "varied and rich agenda" also included a briefing from HE Ali I. Al-Naimi, board chairman and Minister of Petroleum and Mineral Resources, on the recent dissolution of the Supreme Council for Petroleum and Mineral Affairs and the creation of the Supreme Council of the Saudi Arabian Oil Company (Saudi Aramco). As provided for in the company's Articles of Incorporation, the council was constituted with 10 members, including five members of the board. The council is chaired by HRH Prince Mohammed bin Salman Al Saud, who is also Deputy Crown Prince, Minister of Defense, Chairman of the Royal Court and Special Adviser to the Custodian of the Two Holy Mosques.

One of the highlights of the board's trip to South Korea came during a visit to the 669 MBD Ulsan refinery of the company's 25-year old joint venture S-OIL. During the visit, S-OIL management surprised HE the Minister with a ceremony during which the main street of the refinery was renamed in his honor as "A.I. Naimi Road." Al-Naimi was company president and CEO when the original joint venture transaction with the SsangYong Group was finalized.

Khalid A. Al-Falih, President and CEO of Saudi Aramco, suggested there were three key takeaways from the board meeting: the company is doing well; the company's board is engaged and supportive; and the company is operating in "a volatile environment" economically and geopolitically and the world is looking to Saudi Aramco to show its true strength in the face of adversity.

"As an organization, we have to be operating to the gold standard, the benchmark," said Al-Falih. "People look at us as a best in class organization."

On the organizational side, the board made six vice-president appointments including Abdulaziz A. Al Abdulkarim, Ibraheem M. Assa'adan, Nabeel A. Al Jama', Nabeel A. Al Mansour, Nasser A. Al Nafisee, and Muhammad M. Al Saggaf. Additionally, general management appointments included Salah M. Al Hareky, Fuad A. AlHazmi, and John Stuart Lilly.