PROSPECTUS

Petro Rabigh

Sale of 219,000,000 shares representing 25% of Rabigh Refining and Petrochemical Company through an Initial Public Offering at an Offer Price of SAR 21 per share

RABIGH REFINING & PETROCHEMICAL COMPANY

A Saudi Joint Stock Company with Commercial Registration No. 4602002161

Offering Period: 26/12/1428H to 3/1/1429H (corresponding to 5/1/2008G to 12/1/2008G)

Rabigh Refining & Petrochemical Company (hereinafter referred to as "Petro Rabigh" or the "Company") was established as a Saudi limited liability company under Commercial Registration Number 4602002161, dated 15 Sha'ban 1426H (corresponding to 19 September 2005G). The Company has been converted into a joint stock company pursuant to the Minister of Commerce and Industry Resolution No. 262/Q dated 22/10/1428H (corresponding to 3/11/2007G). Prior to the conversion, the share capital of the Company was SAR 6,570 million consisting of 657 million shares with a nominal value of SAR 10 each. The Company intends to increase its capital by SAR 2,190 million consisting of 219 million shares through an initial public offering (the "Offering or the "IPO") of those new shares. The share capital of the Company after the Offering will be SAR 8,760 million consisting of 876 million shares with a nominal value of SAR 10 each (the "Shares").

The Offering of 219 million shares with a fully paid nominal value of SAR 10 and at a price of SAR 21 per share (SR 10 par value and SR 11 as premium), representing 25% of the issued share capital of Petro Rabigh, is directed at and may be accepted by:

- Category (A) institutional investors (the "Institutional Investors"): this category includes certain institutions that were approached by the Lead Manager upon consultation with the Company based on certain criteria set forth by the Capital Market Authority ("CMA"). Institutional Investors are initially allocated 109,500,000 shares representing 50% of the Offering.
- Category (B) retail investors (the "Retail Investors"): this category includes Saudi individuals only. A divorced or widow Saudi female with children from a non-Saudi husband can also subscribe on behalf of her children to the benefit of her account. Retail Investors are initially allocated 109,500,000 shares representing 50% of the Offering.

The Lead Manager has the right to reduce the number of shares allocated to Institutional Investors to 54,750,000 shares representing 25% of the Offering in the event there is sufficient demand by Retail Investors or in any other event upon CMA's consent. As a result, the number of shares offered to Retail Investors could increase by 54,750,000 shares to a total of 164,250,000 shares.

The net proceeds from the Offering, after deducting the Offering expenses (the "Net Proceeds"), will be used by the Company to finance its operations (see "Use of Proceeds" section). The Offering is fully underwritten.

Prior to the Offering, Saudi Arabian Oil Company ("Saudi Aramco") and Sumitomo Chemical Company Limited ("Sumitomo Chemical") (referred to collectively hereinafter as the "Founding Shareholders") used to equally own the Company. The Company will offer new shares to public investors representing 25% of the Company's post-Offering share capital (the "Offer Shares"). The Founding Shareholders will consequently retain 75% of the Company's Shares hence retaining a controlling interest in the Company.

The Offering will commence on 26/12/1428H (corresponding to 5/1/2008G) and will remain open for a period of 8 days up to and including 3/1/1429H (corresponding to 12/1/2008G) (the "Offering Period"). Subscription to the Offer Shares can be made through branches of the selling agents (the "Selling Agents") during the Offering Period.

Each individual subscriber to the Offer Shares (the "Subscriber" and collectively referred to as the "Subscribers") must apply for a minimum of 10 Offer Shares. Each subscriber may not apply for more than 1,000,000 Offer Shares. A maximum of SAR 37.5 million worth of shares will be allocated to Petro Rabigh employees. The allocation to retail subscribers will be conducted in two stages: in the first stage, each subscriber will get a minimum of 10 shares. During the second stage, and in the event there is sufficient demand by retail subscribers, each subscriber for 50 shares or less will get full allocation of his subscription provided that total shares allocated do not exceed total shares offered to retail subscribers (162,464,286 shares). The balance of the Offer Shares (if available) will be allocated on a pro-rata basis. Excess of subscription monies, if any, will be refunded to Subscribers without any charge or withholding by the Selling Agents. Notification of the final allotment and refund of subscription monies, if any, will be made by 10/1/1429H (corresponding to 19/1/2008G).

Each Share entitles the holder to one vote and each shareholder (the "Shareholder") with at least 20 Shares has the right to attend and vote at the general assembly meeting (the "General Assembly Meeting"). The Offer Shares will be entitled to receive dividends declared by the Company after the date of commencement of the Offering Period and during subsequent fiscal years (see "Dividend Policy" section).

Prior to the Offering, there has been no public market for the Shares in the Kingdom of Saudi Arabia or elsewhere. An application has been made to the Capital Market Authority for the admission of the Shares to the Official List and all relevant approvals pertaining to this Prospectus and all other supporting documents requested by the CMA have been granted. Trading in the Shares is expected to commence on the Saudi Arabian Stock Exchange (the "Exchange") soon after the final allocation of the Shares (See "Key Dates for Subscribers" section). Subsequent to Shares commencing trading, Saudi and Gulf Cooperation Council ("GCC") member states nationals, non-Saudi nationals with valid residence permits (Iqama), companies, banks and funds will be permitted to trade in the Shares.

The "Important Notice" and "Risk Factors" sections in this Prospectus should be considered carefully prior to making an investment decision in the Offer Shares hereby.

Financial Advisor and Lead Manager

HSBC

Co-Lead Underwriters

Riyad Bank — SABB

Co-Underwriters

samba — Bank AlBilad — NCB — Al Rajhi Bank

Selling Agents

SABB — NCB — Bank AlBilad — Bank AlJazira — Riyad Bank — Banque Saudi Fransi — Saudi Hollandi Bank — The Saudi Investment Bank — arab national bank — samba — Al Rajhi Bank

English Translation of the Official Arabic Prospectus

This Prospectus is dated 6 Dhu Al-Hijja 1428H (corresponding to 16 December 2007G)

Important Notice

This Prospectus provides full details of information relating to Petro Rabigh and the Shares being offered. In applying for the Offer Shares, investors will be treated as applying on the basis of the information contained in the Prospectus, copies of which are available for collection from the Lead Manager and Selling Agents or by visiting the websites of the Company (www.petrorabigh.com) or the CMA (www.cma.org.sa).

HSBC Saudi Arabia Limited ("HSBC") has been appointed by the Company to act as the Lead Manager and Financial Advisor and SABB and Riyad Bank have been appointed by the Company to act as the Co-Lead Underwriters in relation to the Offer Shares described herein.

This Prospectus includes details given in compliance with the Listing Rules of the CMA. The Directors, whose names appear on page iii; collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

While the Company has made all reasonable enquiries as to the accuracy of the information contained in this Prospectus as at the date hereof, substantial portions of the market and industry information herein are derived from external sources, and while neither HSBC nor the Company's advisers (please refer to page "v") has any reason to believe that any of the market and industry information is materially inaccurate, such information has not been independently verified and no representation is made with respect to the accuracy or completeness of any of this information.

The information contained in this Prospectus as at the date hereof is subject to change. In particular, the actual financial state of the Company and the value of the Shares may be adversely affected by future developments in inflation, interest rates, taxation, or other economic, political and other factors, over which the Company has no control. Neither the delivery of this Prospectus nor any oral, written or printed interaction in relation to the Offer Shares is intended to be, or should be construed as or relied upon in any way as, a promise or representation as to future earnings, results or events.

The Prospectus is not to be regarded as a recommendation on the part of the Company, the Founding Shareholders or any of their advisors to participate in the Offering. Moreover, information provided in this Prospectus is of a general nature and has been prepared without taking into account individual investment objectives, financial situation or particular investment needs. Prior to making an investment decision, each recipient of this Prospectus is responsible for obtaining independent professional advice in relation to the Offering and for considering the appropriateness of the information herein, with regard to individual objectives, financial situations and needs.

The Offering is being made to, and is only capable of acceptance by: (A) individual nationals of the Kingdom of Saudi Arabia, including a divorcee or widow Saudi female having children from a marriage to a non-Saudi who can subscribe on behalf of those children to her account and (B) certain institutions that were approached by the Lead Manager. The distribution of this Prospectus and the sale of the Offer Shares to any other persons or in any jurisdiction are expressly prohibited. The Company, Founding Shareholders, and Lead Manager require recipients of this Prospectus to inform themselves about and to observe all such restrictions.

Information about the Industry and the Market

The industry and market information contained in this Prospectus has been derived from a report prepared by Nexant (the "Market Consultant"), an independent consulting firm that is engaged in the business of providing market and industry studies for the refining and petrochemical industries.

The Market Consultant does not, nor does any of its affiliates, shareholders, directors or their relatives, hold any shareholding or interest of any kind in the Company. The Market Consultant has given its written consent to the use of the market data and research in the manner and format set out in the Prospectus.

Financial Information

The audited financial statements as at and for the period from 19 September 2005 to 31 December 2006 and for the six months ending 30 June 2007, and the notes thereto, each of which are incorporated elsewhere in the Prospectus, have been prepared in conformity with the Saudi Organization for Certified Public Accountants ("SOCPA") Generally Accepted Accounting Principles. The Company publishes its financial statements in Saudi Arabian Riyals and United States Dollars.

Forecasts and Forward Looking Statements

Forecasts set forth in this Prospectus have been prepared on the basis of certain stated assumptions. Future operating conditions may differ from the assumptions used and consequently no representation or warranty is made with respect to the accuracy or completeness of any of these forecasts.

Certain statements in this Prospectus constitute “forward-looking-statements”. Such statements can generally be identified by their use of forward-looking words such as “plans”, “estimates”, “believes”, “expects”, “anticipates”, “may”, “will”, “should”, “expected”, “would be” or the negative or other variation of such terms or comparable terminology. These forward-looking statements reflect the current views of the Company with respect to future events, and are not a guarantee of future performance. Many factors could cause the actual results, performance or achievements of the Company to be significantly different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Some of the risks and factors that could have such an effect are described in more detail in other sections of this Prospectus (see “*Risk Factors*” section). Should any one or more of the risks or uncertainties materialize or any underlying assumptions prove to be inaccurate or incorrect, actual results may vary materially from those described in this Prospectus as anticipated, believed, estimated, planned or expected.

Subject to the requirements of the Listing Rules, Petro Rabigh commits to submit a supplementary prospectus to the Authority if at any time after this Prospectus has been approved by the Authority and before admission to the Official List, the Company becomes aware that (a) there has been a significant change in material matters contained in the Prospectus or any document required by the Listing Rules; or (b) additional significant matters have become known which would have been required to be included in the Prospectus. Except for the foregoing, the Company does not intend to update or otherwise revise any industry or market information or forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way the Company expects, or at all. Prospective investors should consider all forward-looking statements in light of these explanations and should not place undue reliance on forward-looking statements.

Corporate Directory

Company’s Board of Directors

Name	Title	Party Represented
Abdulaziz F. Al-Khayyal	Chairman of the Board (Non-executive)	Saudi Aramco
Hiromasa Yonekura	Deputy Chairman (Non-executive)	Sumitomo Chemical
Saad F. Al-Dosari	Executive Director	Saudi Aramco
Toshiki Matsumura	Chief Financial Officer (Executive)	Sumitomo Chemical
Osamu Ishitobi	Non-Executive Director	Sumitomo Chemical
Motassim A. Al-Ma’ashouq	Non-Executive Director	Saudi Aramco
Ahmad Al-Humaid	Independent Director	Independent director
Saud Al-Ashgar	Independent Director	Independent director

Source: the Company

Company’s Registered Office

Rabigh Refining & Petrochemical Company
C/o Saudi Aramco – Rabigh Refinery
Executive Office Building, Room 01 and R - 552
P.O. Box 666, Rabigh 21911
Kingdom of Saudi Arabia
Tel: +966 (2) 425 1855
Alt: +966 (3) 862 5668
Fax: +966 (2) 425 2732
www.petrorabigh.com

Board of Directors’ Representative

Saad F. Al-Dosari
Rabigh Refining & Petrochemical Company
C/o Saudi Aramco – Rabigh Refinery
Executive Office Building, Room 01 and R - 552
P.O. Box 666, Rabigh 21911
Kingdom of Saudi Arabia
Tel: +966 (2) 425 8801
Fax: +966 (2) 425 8802

Board of Directors’ Secretary

Nabeel M. Al-Amudi
Rabigh Refining & Petrochemical Company
C/o Saudi Aramco – Rabigh Refinery
Executive Office Building, Room 01 and R - 552
P.O. Box 666, Rabigh 21911
Kingdom of Saudi Arabia
Tel: +966 (2) 425 8801
Fax: +966 (2) 425 8802

Commercial Banking Relationship

The main commercial banking relationships the Company has as of the date of this Prospectus are with Riyad Bank and Citibank. The addresses of these banks are listed below:

Riyad Bank
King Abdulaziz Road
P.O. Box 22622, Riyadh 11614
Saudi Arabia
Tel: +966 (1) 401 3030
Fax: +966 (1) 404 2618

Citibank
Citibank, N.A., London Branch
Global Transaction Services
Canada Square, London E14 5LB
Tel: + 44 20 7 508 3795

Share Registrar

Tadawul
Abraj Attuwenya
700 King Fahad Road
P.O. Box 60612, Riyadh 11555
Kingdom of Saudi Arabia
Tel: +966 (1) 218 1200
Fax: +966 (1) 218 1260

Advisors

Financial Advisor and Lead Manager

HSBC Saudi Arabia Limited
King Abdullah Road
P.O. Box 9084, Riyadh 11413
Kingdom of Saudi Arabia
Tel: +966 (1) 470 3128
Fax: +966 (1) 470 6930

Legal Advisors to the Transaction

Law Office of Mohammed A. Al-Sheikh in Association with White & Case L.I.P.
King Fahad Road
P.O. Box 17411, Riyadh 11484
Kingdom of Saudi Arabia
Tel: +966 (1) 464 4006
Fax: +966 (1) 464 1348

Legal Advisors to the Underwriter

Law Office of Abdulaziz H. Fahad
In affiliation with DLA PIPER

Jarir Centre, Olaya Road
P.O. Box 15870, Riyadh 11454
Kingdom of Saudi Arabia
Tel: +966 (1) 464 8081
Fax: +966 (1) 462 4968

Registered Auditors & Reporting Accountants

KPMG Al Fozan & Al Sadhan
Certified Public Accountants
Jeddah International Business Center
P.O. Box 6659, Jeddah 21452
Kingdom of Saudi Arabia
Tel. + 966 (2) 650 4601
Fax + 966 (2) 651 9242

Market Consultants

Nexant Limited
Griffin House, 1st Floor South
161 Hammersmith Road
London W6 8BS
United Kingdom
Tel. +44 20 7950 1600
Fax. +44 20 7950 1550

Notice:

The above advisors have given and not withdrawn their written consent to the publication of their names in the Prospectus; and do not themselves, or any of their relatives or affiliates have any shareholding or interest of any kind in the Company.

Co-Lead Underwriters

SABB ساب

The Saudi British Bank
Prince Abdulaziz bin Musaed bin Jlawy Street
P.O. Box 9084, Riyadh 11413
Saudi Arabia
Tel: +966 (1) 405 0677
Fax: +966 (1) 405 0660

بنك الرياض riyad bank

Riyad Bank
King Abdulaziz Road
P.O. Box 22622,Riyadh 11614
Saudi Arabia
Tel: +966 (1) 401 3030
Fax: +966 (1) 404 2618

Co-underwriters

Al Rajhi Bank مصرف الراجحي

Al Rajhi Banking and Investment Corporation
Olaya Road
P.O. Box 28, Riyadh 11411
Saudi Arabia
Tel: +966 (1) 462 9922
Fax: +966 (1) 462 4311

NCB الأهلي

The National Commercial Bank
King Abdulaziz Road
P.O. Box 3555, Jeddah 21481
Saudi Arabia
Tel: +966 (2) 649 3333
Fax: +966 (2) 643 7426

بنك البلاد BANK ALBILAD

Bank Albilad
Salahuddin Road
P.O. Box 140, Riyadh 11411
Saudi Arabia
Tel: +966 (1) 479 8888
Fax: +966 (1) 479 8898

samba سامبا

Samba Financial Group
King Abdulaziz Road
P.O. Box 833, Riyadh 11421
Saudi Arabia
Tel: +966 (1) 477 4770
Fax: +966 (1) 479 9402

Selling Agents

SABB ساب

The Saudi British Bank
Prince Abdulaziz bin Musaed bin Jlawy Street
P.O. Box 9084, Riyadh 11413
Saudi Arabia
Tel: +966 (1) 405 0677
Fax: +966 (1) 405 0660

البنك السعودي الهولندي Saudi Hollandi Bank

The Saudi Hollandi Bank
Prince Abdulaziz bin Musaed bin Jlawy Street
P.O. Box 1467, Riyadh 11431
Saudi Arabia
Tel: +966 (1) 401 0288
Fax: +966 (1) 403 1104

The National Commercial Bank
King Abdulaziz Road
P.O. Box 3555, Jeddah 21481
Saudi Arabia
Tel: +966 (2) 649 3333
Fax: +966 (2) 643 7426

The Saudi Investment Bank
Maathar Street
P. O. Box 3533, Riyadh 11431
Saudi Arabia
Tel: +966 (1) 478 6000
Fax: +966 (1) 477 6781

Bank Albilad
Salahuddin Road
P.O. Box 140, Riyadh 11411
Saudi Arabia
Tel: +966 (1) 479 8888
Fax: +966 (1) 479 8898

Arab National Bank
King Faisal Street
P. O. Box 9802, Riyadh 11423
Saudi Arabia
Tel: +966 (1) 402 9000
Fax: +966 (1) 402 7747

Bank Aljazira
Khalid bin Alwalid Street
P.O. Box 6277, Jeddah 21442
Saudi Arabia
Tel: +966 (2) 651 8070
Fax: +966 (2) 653 2478

Samba Financial Group
King Abdulaziz Road
P.O. Box 833, Riyadh 11421
Saudi Arabia
Tel: +966 (1) 477 4770
Fax: +966 (1) 479 9402

Riyad Bank
King Abdulaziz Road
P.O. Box 22622, Riyadh 11614
Saudi Arabia
Tel: +966 (1) 401 3030
Fax: +966 (1) 404 2618

Banque Saudi Fransi
Maathar Street
P.O. Box 56006, Riyadh 11554
Saudi Arabia
Tel: +966 (1) 404 2222
Fax: +966 (1) 404 2311

Al Rajhi Banking and Investment Corporation
Olaya Road
P.O. Box 28, Riyadh 11411
Saudi Arabia
Tel: +966 (1) 462 9922
Fax: +966 (1) 462 4311

The Offering

The Company	Rabigh Refining and Petrochemical Company (hereinafter referred to as the "Company" or "Petro Rabigh") is a joint stock company established under Commercial Registration Number 4602002161, dated 15 Sha'ban 1426H (corresponding to 19 September 2005G) pursuant to the Minister of Commerce and Industry's Resolution No. (262/q) dated 22/10/1428H (corresponding to 3/11/2007G), announcing its conversion from a limited liability company to a joint stock company. Prior to the conversion, Saudi Aramco and Sumitomo Chemical used to own the Company equally. The capital of the Company post Offering will be SAR 8,760,000,000 consisting of 876 million shares with a par value of SAR 10 per share.
Total share capital before the Offering	SAR 6,570,000,000
Total share capital after the Offering	SAR 8,760,000,000
The Offering	The initial public offering of 219,000,000 shares with a nominal value of SR 10 per share fully paid representing 25% of the Company paid up capital after the IPO. The Offering is directed at and may be accepted by: - Category (A) Institutional Investors: this category includes certain institutions that were approached by the Lead Manager upon consultation with the Company based on certain criteria set forth by the Capital Market Authority ("CMA"). Institutional Investors are initially allocated 109,500,000 shares representing 50% of the Offering. - Category (B) Retail Investors: this category includes Saudi individuals only. A divorced or widow Saudi female with children from a non-Saudi husband can also subscribe on behalf of her children to the benefit of her account. Retail Investors are initially allocated 109,500,000 shares representing 50% of the Offering. The Lead Manager has the right to reduce the number of shares allocated to Institutional Investors to 54,750,000 shares representing 25% of the Offering in the event there is sufficient demand by Retail Investors or in any other event upon CMA's consent. As a result, the number of shares offered to Retail Investors could increase by 54,750,000 shares to a total of 164,250,000 shares.
Offer Price	SAR 21
Total number of issued Shares before the Offering	657,000,000 fully paid shares
Total number of issued Shares after the Offering	876,000,000 fully paid Shares
Number of Offer Shares	219,000,000 fully paid Shares
Percentage of Offer Shares	The Offer Shares represent 25% of the issued share capital of the Company after the IPO
Nominal value	SAR 10 per share
Total value of Offer Shares	SAR 4,599,000,000
Number of Offer Shares underwritten	219,000,000 shares
Amount underwritten	SAR 4,599,000,000
Institutional Tranche	109,500,000 shares representing 50% of the Offered Shares
Retail Tranche	109,500,000 shares representing 50% of the Offered Shares
Retail Investors	Individual nationals of the Kingdom of Saudi Arabia, including a divorcee or widow Saudi female having children from a marriage to a non-Saudi who can subscribe on behalf of those children to her account
Minimum number of Offer Shares to be applied for	10 shares
Minimum subscription amount	SAR 210

Maximum number of Offer Shares to be applied for	1,000,000 shares
Maximum subscription amount	SAR 21,000,000
Allocation of Offer Shares	Allocation of the Offer Shares is expected to be completed on or around 10/1/1429H (corresponding to 19/1/2008G). A maximum of SAR 37.5 million worth of shares will be allocated to Petro Rabigh employees. The allocation to retail subscribers will be conducted in two stages: in the first stage, each subscriber will get a minimum of 10 shares. During the second stage, and in the event there is sufficient demand by retail subscribers, each subscriber for 50 shares or less will get full allocation of his subscription provided that total shares allocated do not exceed total shares offered to retail subscribers (162,464,286 shares). The balance of the Offer Shares (if available) will be allocated on a pro-rata basis.

Petro Rabigh Ownership Structure

	Pre-Offering			Post-Offering		
Shareholder	**Shares**	**%**	**Capital (SAR)**	**Shares**	**%**	**Capital (SAR)**
Saudi Aramco	328,500,000	50.0%	3,285,000,000	328,500,000	37.5%	3,285,000,000
Sumitomo Chemical	328,500,000	50.0%	3,285,000,000	328,500,000	37.5%	3,285,000,000
Public	-	-	-	219,000,000	25.0%	2,190,000,000
Total	**657,000,000**	**100.0%**	**6,570,000,000**	**876,000,000**	**100.0%**	**8,760,000,000**

Source: the Company

How to apply	Subscription application forms will be available during the Offering Period at the branches of the Selling Agents and on their websites. The subscription will be open through the internet, telephone and Automated Teller Machines ("ATM") at the Selling Agents that provide some or all of these channels. Such services will be available to the subscribers who have participated in one of the latest initial public offerings and 1) have a bank account with one of the Selling Agents and 2) the subscriber's information has not been changed.
Use of Proceeds	The Net Proceeds of the Offering will be used by Petro Rabigh to finance its operations. The Founding Shareholders will not receive any proceeds from the Offering.
Offering Period	The Offer will commence on 26/12/1428H (corresponding to 5/1/2008G) and will remain open for a period of 8 days up to and including 3/1/1429H (corresponding to 12/1/2008G).
Dividends	The Offer Shares will be entitled to receive dividends declared by the Company after the date of commencement of the Offering Period and during subsequent fiscal years (see "*Dividend Policy" section*).
Voting Rights	The Company has only one class of Shares and no Shareholder has any preferential voting rights. Each Share entitles the holder to one vote and each Shareholder holding at least 20 Shares has the right to attend and vote at the General Assembly Meeting. For a discussion of the Company's voting rights, see *"Summary of Company's By Laws"* section.
Share Restrictions	The Founding Shareholders may not dispose of any Shares before: (1) three years from the formation of the Company or (2) the commencement of commercial operations whichever happens later (the "Lock-up Period"). After the share restriction period has elapsed, the Founding Shareholders may only dispose of their Shares after obtaining CMA's approval. The Founding Shareholders are expected to own 75% of the Company until long term loans are fully settled.

Listing of Shares	Prior to the Offering, there has been no public market for the Shares in the Kingdom of Saudi Arabia or elsewhere. An application has been made to the CMA for the admission of the Shares to the Official List, all relevant approvals pertaining to this Prospectus, all other supporting documents requested by the CMA, and all relevant regulatory approvals required to conduct the Offering have been granted. Trading is expected to commence on the Exchange soon after the final allocation of the Shares (see "*Key Dates for Subscribers*" section).
Risk Factors	There are certain risks relating to an investment in this Offering. These risks can be categorized into (i) risks relating to the Company's operations; (ii) risks relating to the market; and (iii) risks relating to Shares. These risks are described in the "*Risk Factors*" section of this Prospectus which should be considered carefully prior to making an investment decision in the Offer Shares.

Key Dates for Subscribers

Expected Offering Timetable	
Offering period	From 26/12/1428H (corresponding to 5/1/2008G) to 3/1/1429H (corresponding to 12/1/2008G)
Last date for submission of application form and subscription monies	3/1/1429H (corresponding to 12/1/2008G)
Notification of final allotment and refund of funds (in the event of over-subscription)	10/1/1429H (corresponding to 19/1/2008G)
Start date of trading of Offer Shares	Upon completion of all relevant procedures

The above timetable and dates therein are indicative. Actual dates will be communicated through national press announcements and Tadawul website (www.tadawul.com.sa).

How to Apply

Subscription Application Forms will be available to individuals of Saudi nationality and to Saudi female divorcee or widow having children from a marriage to a non-Saudi who can subscribe on behalf of those children to her account only during the Offering Period at the branches of the Selling Agents and on the their websites. The Institutional Investors' subscription will be limited to those institutions that were approached by the Lead Manager upon consultation with the Company based on certain criteria set forth by the Capital Market Authority. The subscription will be open through the internet, telephone and Automated Teller Machines ("ATM") at the Selling Agents that provide some or all of these channels. Such services will be available to the subscribers who have participated in one of the latest initial public offerings and 1) have a bank account with one of the Selling Agents and 2) the subscriber's information has not been changed.

The forms must be completed in accordance with the instructions described in the "*Subscription Terms and Conditions*" section of this Prospectus. Each Subscriber must agree to and complete all relevant sections of the Subscription Application Form. The Company reserves the right to decline any Subscription Application Form, in part or in whole, in the event any of the subscription terms and conditions is not met. Amendments to and withdrawal of the Subscription Application Form shall not be permitted once the Subscription Application Form has been submitted. Furthermore, the Subscription Application Form shall, upon submission, represent a binding agreement between the Subscriber and the Company (see *"Subscription Terms and Conditions"* section).

Summary of Key Information

This summary of key information aims to give an overview of the information contained in this Prospectus. As it is a summary, it does not contain all of the information that may be important to interested Subscribers. Recipients of this Prospectus should read the whole Prospectus before making a decision as to whether or not to invest in the Company. Capitalized and abbreviated terms have the meanings ascribed to such terms in the "Definitions and Abbreviations" section and elsewhere in this Prospectus.

The Company

Rabigh Refining and Petrochemical Company (hereinafter referred to as the "Company" or "Petro Rabigh") is a joint stock company established under Commercial Registration Number 4602002161, dated 15 Sha'ban 1426H (corresponding to 19 September 2005G) pursuant to the Minister of Commerce and Industry's Resolution No. 262/Q dated 22/10/1428H (corresponding to 3/11/2007G), announcing its conversion from a limited liability company to a joint stock company. The Company is equally owned by Saudi Aramco and Sumitomo Chemical.

Prior to the Offering, the Company was equally owned by Saudi Aramco and Sumitomo Chemical. As part of the IPO, the Company is offering 25% through the issuance of new shares. The paid up capital of the Company after the IPO is SAR 8,760,000,000 divided into 876 million shares with nominal value of SAR 10 per share.

Mission

Petro Rabigh inspires its employees to ensure it is the global market leader in its industry.

Through its strong ethics, talent, best practices, and diversified products, Petro Rabigh satisfies its customers' refining and petrochemical needs and adds value to its customers, shareholders, employees, communities, and business partners

Petro Rabigh is safe, ethical, environmentally friendly, productive, and profitable.

Key Strengths

The Project enjoys key business and financial strengths, as follows:

Project's Location

The Project will be located on the west coast of Saudi Arabia with excellent access to the European and Asian refined product and petrochemical markets.

Founding Shareholders' Strategic Rationale and Future Vision

The Project will be a key step towards the development of the downstream plastics conversion industries at the Rabigh industrial site. The development of an industrial park at Rabigh geared towards an export-orientated plastic conversion industry is a key long-term objective of the Founding Shareholders. The Project will also serve as an attractive platform for potential future expansions in the petrochemical and refining sectors.

The development of the Project is also an important part in Saudi Aramco's long term strategic plans to develop its downstream operations by upgrading its refining capacity and creating synergies through joint ventures in the petrochemicals sector. The Project will enhance Sumitomo Chemical's global competitive position through access to a low cash cost production site and strategic alliance with Saudi Aramco. The participation of Saudi Aramco as feedstock supplier, lifter and marketer of refined products and provider of ancillary services, together with Sumitomo Chemical's participation as marketer of petrochemical products and licensor of proprietary technology and catalysts, demonstrates the continuing support that the Founding Shareholders will provide to the Project on an ongoing basis.

Renowned Founding Shareholders

The Project is developed by world-class Founding Shareholders, Saudi Aramco is the largest oil production company in the world supplying 11% of the world's current daily crude oil requirement and is one of the largest oil refiners in the world. Sumitomo Chemical is one of the foremost chemical companies of Japan and a leading international petrochemical player.

Utilization of Secure and Abundant Supplies

The Project will utilize secure and abundant supplies of indigenous feedstock (Arabian Light crude oil, ethane gas and butane gas) provided by Saudi Aramco pursuant to feedstock supply agreements.

Fungible Commodities

Refined and petrochemical products are fundamental commodities that are traded in large volumes in international markets.

Favourable Sales Terms

The products will be sold on a minimum take-or-pay basis to the Founding Shareholders for an extended period of time.

Existing Marketing and Distribution Networks

The Project will strongly benefit from the existing marketing and distribution networks of the Founding Shareholders. The Founding Shareholders, either directly or through a wholly owned subsidiary, will sell the products to the main consuming regions around the world with a majority of products to be sold into Asia (especially China).

Low Cash Cost Producer

The Project will be supplied with ethane feedstock on a long-term fixed price basis until 31 December 2015G. The price paid by the Project is considered to be among the lowest in the world. This will make Petro Rabigh a low cash cost producer. Also, world scale process units combined in an integrated complex will enable the Project to fully benefit from economies of scale, making Petro Rabigh a low cost producer

Compliance with Environment Protection Guidelines

The Project is designed to meet the environmental protection standards and ambient air quality standards of local regulatory bodies, the international agreements and protocols ratified by the Kingdom of Saudi Arabia and other standards (including World Bank guidelines).

Overview of the Market[1]

Saudi Arabia's economy is expected to continue to grow at a healthy pace despite the deceleration it will yet again witness during 2007. Nominal GDP is estimated to decline from SR 1,304.6 bn ($347 bn) in 2006 to SR 1,275 bn ($340 bn) in 2007, a 2.2% reduction. Real GDP is expected to reach 3.7% on the back of anticipated minimal oil output increases in 2007. The estimated increase in the Kingdom's oil production of 5% will see an increase of around 1.8% in real GDP. Real GDP growth for 2006 was 5.1%. The decline in real GDP is attributed to the fall in Saudi oil production, according to Government data from 9.5 million barrels a day (mb/d) to 8.55 mb/d between August 2006 and March 2007, as well as subdued consumer spending.

In 2006, the budget surplus rose to a record high of SR 265 bn ($70.6 bn). Revenues increased in 2006 as oil prices were 15% higher than in 2005. The average price of Saudi oil increased by 124% between 2003 and 2006. In 2006, fiscal revenue (around 90% being oil revenues) amounted to SR 655 bn ($ 174.6 bn), which was 16.1% higher than in 2005, whilst spending is estimated to have increased by 12.7% to SR390 bn ($104 bn), which surpassed the initial projection by 16%.

The global economy has absorbed a surge in oil prices to around $60 per barrel during 2006 and oil demand remains robust. High oil prices have not hindered global economic growth partly because of rapid development in India and China. Russia, Saudi Arabia and Norway accounted for 60% of the total oil surpluses.

Refined Products[2]

The refined products market is a 3,200 million tons p.a. market with gasoline, diesel/gasoil and fuel oil being the largest products by volume.

Asia is expected to grow in importance in the world oil markets, with a 34% share of global refined product demand by 2020. Future trends project an increase in demand for transportation distillate products and a declining demand for residue products as a result of environmental regulations and growth of alternative fuels. Asia will lead regional refined product growth reflecting projected GDP growth rates and a corresponding increase in per capita energy consumption. Europe shows lower product demand growth with declining gasoline demand. The U.S.A will continue to be the largest gasoline consumer. Asia and Southern Europe are projected to remain consumers of fuel oil for power generation and industrial use for some years. Bunker fuel demand will continue to grow in Europe, albeit slowly with increasing world trade.

[1] Source: SABB report issued in the second quarter of 2007

[2] Source: Nexant

Petrochemical Products[3]

Demand for ethylene is primarily for the production of higher value derivatives such as polyethylene, ethylene glycol, ethanolamine, and ethylene dichloride with future growth driven predominantly by polyethylene demand.

North America is the largest consumer of ethylene followed by Europe, with both these regions more or less self-sufficient with little requirement for additional imports. In the Middle East, ethylene capacity has significantly increased mainly through large investments in ethane crackers. Capacity increases in the Middle East have a major impact on other world markets, as most of their production is export oriented in the form of Polyethylene ("PE") and Mono Ethylene Glycol ("MEG"). The largest markets in Asia are China, Japan, Korea and India with demand growth forecast to be the highest in China and India as a result of expected economic growth.

Propylene demand is met primarily from steam crackers and FCC units with on-purpose supply accounting for only a small percentage of such demand. Long-term demand growth is forecast to be higher than ethylene demand growth.

North America will remain an exporter of propylene and its derivatives due to the availability of cost competitive supplies. Western Europe will become a net importer of propylene derivatives, as propylene feedstock supplies continue to become scarce in the region. New export-oriented propylene derivative capacity in the Middle East will serve the Chinese Polypropylene ("PP") market. South East Asia is expected to be a large propylene monomer importer over the next 15 years.

[3] Source: Nexant

Contents

Definitions and Abbreviations

Term	Definition
ARU	Amine Regeneration Unit
ASU	Air Separation Unit
Bbl	Barrel(s)
BFW	Boiler feed water
Board of Directors or Board	The Company's Board of Directors
Bpd	Barrel(s) per day
Btu	British thermal unit
C	Methane
C2	Ethane/ Ethylene
C3	Propane/Propylene
C4	Butane/Butylene
CDU	Crude Distillation Unit
CEO	Chief Executive Officer
CIF	Cost, Insurance and Freight
CMA or the Authority	The Capital Market Authority, including where the context permits any committee, sub-committee, employee or agent to whom any function of the Authority may be delegated
COD	Commercial Operations Date
Companies' Regulations	The Companies' Regulations, issued under Royal Decree No. M/6, dated 22/3/1385H, as amended
Company	The Rabigh Refining & Petrochemical Company (Petro Rabigh), a joint stock company registered under the laws of the Kingdom of Saudi Arabia with headquarters in Rabigh, Kingdom of Saudi Arabia
Contractor	Rabigh Arabian Water and Electricity Company or any of the selected contractors for the EPC packages of the Project
CPL	Caprolactam
DHDS	Diesel Hydrotreater Unit
Directors	Members of the Company's Board of Directors
DWT	Dead Weight Tonnage
EAR	Erection All Risks
EIA	Environmental Impact Assessment

Term	Definition
EML	Estimated Maximum Loss
EPC	Engineering, Procurement and Construction
EPC Contract(s)	The engineering, procurement and construction contracts entered into by the EPC Contractors and Petro Rabigh in connection with the Rabigh Project
EPC Contractor(s)	The Contractors
EPPE	Easy Processing Polyethylene
ESD	Emergency shut down
Exchange	The Saudi Arabian Stock Exchange
FCC	Fluid Catalytic Cracker
FGD	Flue gas desulphurisation
Financial Advisor, Lead Manager or HSBC	HSBC Saudi Arabia Limited appointed by the Company to act as the Financial Advisor and Lead Manager in connection with the Offering
Foster Wheeler	Foster Wheeler Energy Limited, U.K.
Founding Shareholders	Saudi Aramco and Sumitomo Chemical
FY	Financial Year
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
Government	The government of the Kingdom of Saudi Arabia
HDPE	High Density Polyethylene
HHP	High-High Pressure
HOFCC	High Olefins Fluid Catalytic Cracking
HP	High Pressure
HPU	Hydrogen Production Unit
Hz	Hertz
Institutional Investors	Certain institutions that were approached by the Lead Manager upon consultation with the Company based on certain criteria set forth by the Capital Market Authority. Institutional Investors are initially allocated 109,500,000 shares representing 50% of the Offering.
I-C4	Iso Butene
IFP	L'Institut Français du Pétrole
ISO	International Organization of Standardization
IT	Information Technology

Term	Definition
IWSPP	Independent Water, Steam and Power Project
IWSPPCo	Rabigh Arabian Water and Electricity Company or Contractor
JBIC	Japan Bank for International Co-operation
JBIC OIL	JBIC Overseas Investment Loan
JGC	JGC Corporation
JPY	Japanese Yen
kg/hr	Kilogram/hour
kg/m2	Kilogram/metre square
Kingdom	The Kingdom of Saudi Arabia
km	Kilometer(s)
kV	Kilo volt
kW	Kilo watt
LCD	Liquid crystal displays
LDPE	Low Density Polyethylene
Co-Lead Underwriters	The Saudi British Bank and Riyad Bank appointed by the Company in relation to the Offering
Listing Rules	The Listing Rules issued by the CMA pursuant to Article 6 of the Capital Market Regulations promulgated under Royal Decree No. M/30 dated 2/6/1424H (corresponding to 31/7/2003G)
LLDPE	Linear Low Density Polyethylene
LP	Low Pressure
LPG	Liquefied Petroleum Gasoline
LRT	Lenders' Reliability Test
LSTK	Lump Sum Turnkey
m	Meter
M3	Cubic meters
M3/hr	Cubic meters per hour
Management	The management of the Company
Marine Terminal	The existing Rabigh marine terminal
Market Consultant	Nexant Limited

Term	Definition
Marketing Agreements	The Saudi Aramco Refined Products Lifting and Marketing Agreement, the Sumitomo Refined Products Lifting and Marketing Agreement, the Saudi Aramco Easy Processing Polyethylene Marketing Agreement, the Saudi Aramco High Density Polyethylene Marketing Agreement, the Saudi Aramco Linear Low Density Polyethylene Marketing Agreement, the Saudi Aramco Mono Ethylene Glycol Marketing Agreement, the Saudi Aramco Polypropylene Marketing Agreement, the Saudi Aramco Propylene Oxide Marketing Agreement, the Sumitomo Easy Processing Polyethylene Marketing Agreement, the Sumitomo High Density Polyethylene Marketing Agreement, the Sumitomo Linear Low Density Polyethylene Marketing Agreement, the Sumitomo Mono Ethylene Glycol Marketing Agreement, the Sumitomo Polypropylene Marketing Agreement and the Sumitomo Propylene Oxide Marketing Agreement
MBPD	Thousand(s) bpd
MEG	Mono Ethylene Glycol
MinPet	Ministry of Petroleum and Mineral Resources
MMA	Methyl methacrylate
mmscfd	Million standard cubic feet per day
Moody's	Moody's Investors Service
MP	Medium Pressure
MW	Mega watts
MWA	Mega watt amperes
Nexant	Nexant Limited
NGL	Natural Gas Liquids
Nm3	Normal Cubic Meter
O&M	Operation and Maintenance
Offer Price	SAR 21 per Offer Share
Offer Shares	219,000,000 additional Shares of Petro Rabigh
Offering or IPO	The initial public offering of up to 219,000,000 Shares representing 25% of the issued share capital of Petro Rabigh after the IPO
Offering Period	The 8-day period starting from 26/12/1428H (corresponding to 5/1/2008G) up to and including 3/1/1429H (corresponding to 12/1/2008G)
Official Gazette	Um Al Qura, the official Gazette of the Government of the Kingdom of Saudi Arabia
Official List	The list of securities maintained by the CMA in accordance with the Listing Rules
OOK	Out-of-Kingdom

Term	Definition
PE	Polyethylene
Peer Group	Large Refinery Peer Group
Petromin	General Petroleum and Minerals Organization
Petro Rabigh	The Rabigh Refining & Petrochemical Company
PIF	Public Investment Fund
PO	Propylene Oxide
PP	Polypropylene
ppm / ppmS	Parts per million / ppm Sulphur
Project	Rabigh Refining and Petrochemical Project
Project Costs	Estimated total project costs
Prospectus	This document prepared by the Company in relation to the Offering
PSA	Pressure Swing Adsorption
Rabigh Complex	The Refinery, the new core facilities and the petrochemical derivative units, the feedstock pipelines and the expansion facilities (if any)
Rabigh Project	Rabigh Refining and Petrochemical Project
Refinery	The Rabigh Refinery
RO	Reverse Osmosis
RVP	Reid Vapour Pressure
SAGIA	Saudi Arabian General Investment Authority
SAR	Saudi Arabian Riyal
SARP	Sulphuric Acid Regeneration Plant
Saudi Arabia or the Kingdom	Kingdom of Saudi Arabia
Saudi Aramco	Saudi Arabian Oil Company
SCEC	Sumitomo Chemical Engineering Co
SEC	Saudi Electric Company
Selling Agents	The Saudi British Bank, the National Commercial Bank, Bank Albilad, Bank Aljazira, Riyad Bank, Banque Saudi Fransi, the Saudi Hollandi Bank, the Saudi Investment Bank, Arab National Bank, Samba Financial Group and, Al Rajhi Banking and Investment Corporation which the Company designated as receiving banks in relation to the Offering.
Shareholder	The holder of the Shares in Petro Rabigh as of any particular time
Shares	876,000,000 fully paid shares of the Company after the IPO with a nominal value of SAR 10 each

Term	Definition
SOCPA	Saudi Organization for Certified Public Accountants
SRU	Sulphur Recovery Unit
Subscriber	Saudi citizen subscribing to the Offer Shares or Saudi female divorcees or widows subscribing on behalf of her children from a marriage to a non-Saudi to the benefit of her account. Retail Subscribers are initially allocated 109,500,000 shares representing 50% of the Offer Shares.
Sumitomo Chemical	Sumitomo Chemical Co., Ltd
SWS	Sour water stripper
T&I	Turnaround & Inspection
Tadawul	Automated system for trading of Saudi shares
Take-or-pay arrangement	The off-take arrangements agreed between the Company and the Founding Shareholders whereby the Founding Shareholders have agreed to market the Company's products and sell them to others. If not sold, the Founding Shareholders will have to pay the Company the price of those products.
Tcf	Trillion cubic feet
TEU	Ton equivalent unit
tons p.a	Ton(s) per annum
U.S.A	United States of America
US$, USD	United States Dollars
USGP	Unsaturated Gas Plant
VDU	Vacuum Distillation Unit
VGO	Vacuum Gasoil
VGO HDT	Vacuum Gasoil Hydrotreater Unit
WECA	Water and Energy Conversion Agreement
WTO	The World Trade Organization
WWTP	Waste water treatment plant

1. Risk Factors

In considering an investment in the Offer Shares, prospective investors should carefully consider all the information contained in this Prospectus, including the risks described below. Petro Rabigh business, prospects, financial condition, results of operations and cash flows could be adversely and materially affected if any of the following risks which the Board of Directors currently believe to be material, or any other risks that the Board of Directors have not identified or that they currently consider not to be material, actually occur or become material risks. The trading price of the Company's Offer Shares could decrease due to any of these risks, and prospective investors may lose all or part of their investment.

1.1 Risks Relating to the Company's Operations

1.1.1 Existence of Limited Historical Financial Statements

Although the refining operations have been existing for many years, the integrated operations will commence in 2008. The Company has audited financial statements for 21 months, however, such financial statements will not be informative of the Company's future performance as the Company itself has not yet started the integrated operation.

To evaluate the Company's prospects, prospective investors should consider the risks, expenses, uncertainties and obstacles that Petro Rabigh may face in implementing its strategy and in conducting its current and planned business. In addition, the financial information contained in this Prospectus may not be indicative of the Company's financial condition or results of operations in the future.

1.1.2 Engineering, Procurement and Construction Contracts

The Company has awarded Engineering, Procurement and Construction Contracts ("EPC Contracts") to highly experienced companies including JGC Corporation ("JGC"), Tecnicas Reunidas, Sumitomo Chemical Engineering Company ("SCEC"), Mitsui Engineering & Ship Building Co. ("MES"), Tecnimont, Hitachi Plant Technology, Whessoe and Foster Wheeler. The EPC Contracts were awarded on a modified cost reimbursable or Lump Sum Turnkey ("LSTK") basis and contain delay and performance liquidated damages provisions (with an overall cap of 10% of the contract price). Additionally, the obligations of the EPC Contractors are secured by performance bonds for 10% of the contract price. Please refer to the "Legal Information" section of the Prospectus for more details on these EPC Contracts.

However, there can be no assurance that the relevant contractors will perform according to their contracts or that the Project will not be subject to unexpected problems, costs increase and delays, whether such unexpected problems, costs increase and delays are caused by the EPC contractors or as a result of changes requested by the Company. If such problems, costs increase and delays occur this could have a material adverse effect on the Company's business, results of operations or financial condition.

1.1.3 Increase in Project Costs

Based on the information that is currently available, the Board of Directors expect that the total cost of the Project will not exceed US$ 9.87 billion. However, there are no assurances that these costs will not increase, and any significant increase would have a material adverse effect on the Company's business prospects, financial condition and results of operations. Should the actual cost exceed the estimated amount of US$ 9.87 billion, it is expected that the Founding Shareholders will pay (subject to reimbursement by the Company at an appropriate time) such additional costs under commercial arrangements already in place. It is expected that the completion support to be given by the Founding Shareholders will be limited in time but not in amount.

1.1.4 Existing Assets and Infrastructure

The Refinery has been in operation for approximately 18 years and there is significant infrastructure in place. The Company will utilize the refinery assets and implement necessary upgrades to optimize their production efficiency. However, there can be no assurance that malfunction or unexpected interruption during the upgrade phase will not occur, which could adversely affect the Company's implementation phase and negatively impact its operation.

1.1.5 Transfer of Refinery Assets

Saudi Aramco has agreed to sell and deliver directly to the Company in 2008, after the start up of the new facilities in the Project, free of any liens, Saudi Aramco's ownership, right, interest in and title to the Rabigh Refinery (the "Refinery"), its spares and consumables, the Rabigh Refinery books, records and intellectual property and the hydrocarbon inventory assets on the date of transfer. Saudi Aramco has also agreed to assign all contracts and warranties it enjoys in connection with the Rabigh Refinery to the benefit of the Company. As a result, the Company will not benefit from the Refinery assets until the transfer date.

1.1.6 Debt Repayment

The Company has significant long term borrowings (please refer to the "*Company Costs, Capitalization and Indebtedness*" section of the Prospectus for more details). The Company is subject to certain financial covenants and other restrictive covenants under the terms of its indebtedness that limit its ability to, among other things, borrow money, create liens, give guarantees or sell or otherwise dispose of assets. The terms of the Company's indebtedness also require it to operate within certain specified financial ratios.

Significant problems that arise in the Project (e.g. long delays in construction and/or cost overruns) may cause the Company to breach its financial covenants and give rise to an event default under the terms of the Company's indebtedness, allowing the lenders to demand immediate early repayment of the relevant loans and enable them to enforce their security if not repaid in full (including possible exercise of their rights to step-in and operate the Project through a nominated agent or sell the Project onto third parties). This could have a material adverse effect on the Company's business, results of operations or financial condition.

1.1.7 Dependence on Founding Shareholders' Expertise

The Founding Shareholders have extensive experience in operating refineries and petrochemical plants. Saudi Aramco currently operates five large domestic refineries, including the Rabigh Refinery, and it is a partner in two domestic joint ventures that operate refineries. Sumitomo Chemical has been operating petrochemical plants since 1958 and currently operates two petrochemical complexes. The Founding Shareholders' support to the Company will be provided in accordance with the terms of a construction support agreement, service agreements and secondment agreements.

The Project will benefit during commissioning, start-up and the initial ramp-up years of the facility, from the Founding Shareholders' experience in undertaking projects of similar size and complexity and through operations staff provided by each of the Founding Shareholders, including the current staff operating the Rabigh Refinery. Under the construction support agreement, Saudi Aramco grants access and use of the Rabigh Refinery site to Petro Rabigh. In addition, Saudi Aramco provides land for establishment of a construction camp, security, safety and emergency services.

The Company's secondment agreements and service agreements will provide significant manpower and technical support to the Project including pre-start up support. Under these agreements, the Founding Shareholders commit to provide, inter alia, seconded manpower, experienced managers to form the initial Board of Directors of the Company, and assistance in hiring and training operators.

The Company will benefit from the Founding Shareholders' experience through the secondment and service agreements subject to availability of resources of each Founding Shareholder. If the Company does not receive the required support from the Founding Shareholders when needed, or if it fails to find appropriate support from any other third party in a timely manner, the Company's operations and financial condition could be adversely affected.

1.1.8 Dependence on Third Party Agreements

The Independent Water, Steam, and Power Project ("IWSPP") will be owned and operated by a consortium led by Marubeni Corporation.

The Water and Energy Conversion Agreement ("WECA") provides Petro Rabigh with low cost and long term supplies of water, steam and power on a highly reliable basis. Petro Rabigh has the right to step-in and run the IWSPP in the event of unreliable operation by IWSPP Company. Petro Rabigh will also provide a financing of USD 868.3 million to IWSPP Company.

Similarly, the marine terminal will continue to be owned by Saudi Aramco and leased to Petro Rabigh. Petro Rabigh will be responsible for conducting all the modifications to cater for the requirements of the Project. Saudi Aramco may operate the marine terminal on behalf of Petro Rabigh for a fee although alternative arrangements are being explored by the Company.

As there can be no assurance that Petro Rabigh will be capable of running the IWSPP in the event that IWSPPCo operations are interrupted or otherwise affected by delays or deviations from the agreement and there is no grid connection providing backup power, the Company's results of operation, financial position and cash flows can be adversely affected.

1.1.9 Dependence on Key Personnel

The Company will be dependent on key senior management members. However, there can be no assurance that the Company will be able to retain the services of its existing key management employees or to attract and retain additional qualified personnel as and when needed. In addition, employee compensation levels may need to be increased in order to retain existing officers, employees and to attract additional personnel required. If the Company fails to find the appropriate substitutes for its qualified senior management when needed or fails to retain them because other employers offer more competitive employment terms, Petro Rabigh's business, results of operation and financial condition could be adversely affected.

1.1.10 Technology Licenses

The eight technology licensors are well-established leading companies who license and/or operate the technologies to be utilized in the Project. The inability to retain control and protect the Company's rights evolving from such licensing agreements may adversely affect Petro Rabigh's business and results of operations.

1.1.11 Feedstock Supply Risk

Although the Company has secured a long term supply of crude oil, ethane and butane from Saudi Aramco, any delay or interruption in or change to the terms of the ongoing contracts relating to the supply of feedstock upon renewal such as increasing purchase price, reducing the quantity supplied or any change to the credit terms and conditions may adversely affect the Company's business, results of operations and cash flows. The ethane price has been fixed at USD 0.75 per million British thermal units ("Btu") from the date of the feedstock supply agreement until 31 December 2015G, while the butane price will be based on a formula of naphtha price multiplied by a conversion factor determined based on the directive of The Supreme Council for Petrol and Minerals No. 15 dated 11/3/1422H. The conversion factor will increase from 0.685 in 2008G to 0.700 in 2011G.

Similarly, any adverse change in the structure of the feedstock prices stipulated under the feedstock supply agreements may also adversely affect the Company's businesses and profitability.

1.1.12 Interest Rate Risk

The Company has borrowed money with variable interest rates. Increases in interest rates would increase the Company's interest expense. Such increases in interest expense would adversely affect the Company's results of operations, cash flow and its ability to service debt.

During operations, interest payments are serviced by the Company's revenues. As is common for this type of Project, Petro Rabigh does not intend currently to enter into any formal hedging program due to the secured long-term debt tenor available to Petro Rabigh in addition to the fact that movements in interest rates broadly follow the commodity price cycle provides Petro Rabigh with a natural hedge.

1.1.13 Prices for petroleum and petrochemical products

The Company's operating results and financial condition depend substantially upon prevailing prices of petroleum and petrochemical products.

Petroleum and petrochemical products' prices have fluctuated considerably in recent years. Those prices may not continue to rise or remain at current levels. A decline in petroleum and petrochemical product prices could adversely affect the Company's business, results of operations or financial condition.

1.1.14 Insurance

The Company, as a participant in the refining and petrochemical industries, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be insured because of unavailability in the insurance market or lack of economics. The Company carries substantial amount of insurance that conforms to the highest industry standards. The insurance policies purchased, similar to all insurance policies, contain certain standard exclusions and limitations.

Losses from uninsured risks may cause the Company to incur costs that could have a material adverse effect on the Company's business, results of operations or financial condition.

1.1.15 Licenses and Permits

The Company is required to obtain and maintain appropriate licenses (such as the license from Saudi Arabian General Investment Authority ("SAGIA"), permits and other regulatory consents in relation to its activities.

Some of the Company's licenses are issued for a limited period and must be renewed periodically. In addition, most of the Company's licenses provide that they may be suspended or terminated if the Company fails to comply with the license requirements.

If the Company fails to renew a licence, or has a licence suspended or terminated, the Company will be required to cease the activities covered by that licence. As a result, the Company may be subject to operation and production interruptions, which could have a material adverse effect on the Company's business, results of operations or financial condition.

1.1.16 Future Expansions

The Company's strategy contemplates significant capital expenditures for the development of future expansions. However, there can be no assurance that such expansions will proceed as expected and be free from unexpected problems. Further, the Company may rely on additional sources of capital and financing for this purpose. Such sources of capital and financing may or may not be available on favourable terms or at all at the time of the contemplated future expansions. The Company's access to additional sources of capital and financing depends on a number of things, including the market's perception of the Company’s growth potential and the Company’s current and potential future earnings. If such expansions affect the Project by such factors or if the Company is not able to obtain additional sources of capital and financing on favourable terms for the future expansions, the Company’s developments and hence its business, financial condition and results of operations could be adversely affected, which could result in a decline in the market value of its Shares.

1.2 Risks Related to the Market

1.2.1 Competition

As one of the largest refiners in the world, Saudi Aramco has extensive experience in the marketing of refined products to local, regional and international customers. Likewise, Sumitomo Chemical has extensive experience in the marketing of petrochemical products on a global basis with customers in various businesses and industries.

As the refining and petrochemical industries propelled a growth in the number of companies operating in the Kingdom of Saudi Arabia, there can be no assurance that Petro Rabigh will be able to compete effectively against current and future competitors. Changes in the competitive environment may result in price reductions, reduced margins or loss of market share, any of which could adversely affect the Company’s profit margins.

1.2.2 Significant Change in Market Characteristics

Refined products produced by Petro Rabigh will be sold into deep and liquid markets where inter-regional trade is significantly higher than actual supplies due to shortage of middle distillate refining capacity in the main consuming regions.

The market size for petrochemicals is smaller, but faster growing with well-established players. Global trade is dominated by large multinational companies serving a large number of customers.

The Company does not guarantee that a significant change in the characteristics of the market the Company operates within will not occur. A significant change in depth, liquidity or size of the market could have a material direct affect on the Company’s operations, future cash flows and profitability.

1.2.3 Product Price and Potential Tension

Competitively priced feedstock combined with modern, efficient technologies and an integrated world-scale plant will strongly mitigate the inherent volatility and cyclicality of the refining and petrochemicals industry. However, there can be no assurance that the market will not develop factors that lead to price tension and significant pressure on product price that may negatively impact the Company’s results of operation and profitability.

1.2.4 Environmental and Social Risk

The Environmental Impact Assessment (“EIA”) for the Project, which was prepared by Foster Wheeler states that the Project will meet Saudi Arabian environmental regulations as well as international standards including World Bank and Japan Bank for International Co-operation (“JBIC”) guidelines for the quality of air and water effluent.

The EPC Contracts oblige the EPC Contractors to comply with all applicable environmental laws and emission limits.

Nonetheless, potential additional strict regulations concerning environment and public safety will increase the Company’s cost and may significantly affect its results of operations and profitability.

It is also possible that the Company’s net income, results of operations, and financial position will be significantly affected in the case of major loss or damage that could result from dealing with hazardous and/or toxic substances if such incidents were not covered with insurance terms or if were caused by accidents for which no insurance was purchased or if no insurance is available, for whatever reason, on commercially reasonable terms.

1.2.5 Risk Related to Economy

The Company’s performance depends on economic conditions in the Kingdom of Saudi Arabia and on global economic conditions that affect the economy of the Kingdom of Saudi Arabia.

Despite its growth in other sectors, the Saudi economy is still dependent on the price of oil and gas on the world markets and therefore, a decline in the prices of oil and gas could substantially slowdown or disrupt the Saudi economy.

In addition, any negative change in one or more macroeconomic factors, such as the exchange rate, interest rates, inflation, wage levels, foreign investment and international trade, could have a material adverse affect on the Company’s business, financial condition and results of operations.

Furthermore, as the economic and legal environments remain subject to continuous development, investors face uncertainty as to the security of their investments. Any unexpected major changes in the economic or legal conditions in the Kingdom of Saudi Arabia, its neighbouring countries or others in the region may have a material adverse effect on the Company’s business, financial condition, results of operations and cash flows.

1.3 Risks Related to the Shares

1.3.1 Absence of a Prior Market for the Shares

Currently, there is no public market for the Company’s Shares, and there can be no assurance that the Offer Price will be equal to the trading price after the subscription process.

Various factors, including the Company’s financial results, general conditions in the industry, health of the overall economy or other factors beyond the Company’s control could cause significant fluctuations in the price of the Company’s Shares.

1.3.2 Dividends

Future dividends will depend on, amongst other things, the future profit, financial position, capital requirements, conditions in the Company's financing documents restricting the distribution of dividends, distributable reserves and available credit of the Company, general economic conditions and other factors that the Directors of the Company deem significant from time to time. The Directors do not expect to pay dividends to Shareholders for at least the first two (2) years following the Company's commencement of integrated operations.

The Company does not make any assurance that any dividends will actually be paid nor any assurance as to the amount, which will be paid in any given year.

1.3.3 Dilution

If the Company issues shares in the future, the percentage shareholding of a Shareholder in the Company (and, therefore, the economic investment made by the Shareholder) will be diluted if such Shareholder does not acquire additional Shares.

1.3.4 Effective Control by Founding Shareholders

Following this Offering, the Founding Shareholders will control 75% of the Company’s issued Shares. This will give the Founding Shareholders majority voting rights and will allow it to control the Company. As a result, the Founding Shareholders may be able to influence all matters requiring Shareholders’ approval, and they may exercise this ability in a manner that could have a significant effect on the Company’s business, financial condition and results of operations including, the election of Directors, significant corporate transactions and capital adjustments.

Furthermore, any change in the Founding Shareholders’ own business strategy and/or policies toward the Company could result in unpredictable consequences for the Company’s business, which, in turn, could adversely affect the market price of the Shares.

1.3.5 Future Sales and Offerings

Sales of substantial amounts of the Shares in the public market following the completion of the Offering, or the perception that these sales will occur, could adversely affect the market price of the Shares.

Upon the successful completion of the Offering, the Founding Shareholders may not dispose of any Shares before: (1) three years from the formation of the Company or (2) the commencement of commercial operations whichever happens later. Moreover, the Company does not currently intend to issue additional shares immediately following the Offering. Nevertheless, the issuance by the Company or sale by any of the Founding Shareholders following the share-restriction period of a substantial number of Shares could have an adverse effect on the market for the Shares and result in a lower market price of the Shares.

2. Market Overview

The source for a significant amount of the market information contained in this section is Nexant (hereinafter referred to as the "Market Consultant"), an independent consulting firm that is engaged in the business of providing market and industry studies for the refining and petrochemical industries.

The information used in this section has been derived from a report prepared by Nexant for the Company. The Market Consultant does not, nor does any of its affiliates, shareholders, directors or their relatives, hold any shareholding or interest of any kind in the Company. The Market Consultant has given its written consent to the use of the market data and research in the manner and format set out in the Prospectus. The information contained in this section is based on assumptions that may change, which could result in a change in the information itself.

2.1 Introduction

Saudi Arabia's economy is expected to continue to grow at a healthy pace despite the deceleration it will yet again witness during 2007. Nominal GDP is estimated to decline from SR 1,304.6 bn ($347 bn) in 2006 to SR 1,275 bn ($340 bn) in 2007, a 2.2% reduction. Real GDP is expected to reach 3.7% on the back of anticipated minimal oil output increases in 2007. The estimated increase in the Kingdom's oil production of 5% will see an increase of around 1.8% in real GDP. Real GDP growth for 2006 was 5.1%. The decline in real GDP is attributed to the fall in Saudi oil production, according to Government data from 9.5 million barrels a day (mb/d) to 8.55 mb/d between August 2006 and March 2007, as well as subdued consumer spending.

In 2006, the budget surplus rose to a record high of SR 265 bn ($70.6 bn). Revenues increased in 2006 as oil prices were 15% higher than in 2005. The average price of Saudi oil increased by 124% between 2003 and 2006. In 2006, fiscal revenue (around 90% being oil revenues) amounted to SR 655 bn ($ 174.6 bn), which was 16.1% higher than in 2005, whilst spending is estimated to have increased by 12.7% to SR390 bn ($104 bn), which surpassed the initial projection by 16%.

The global economy has absorbed a surge in oil prices to around $60 per barrel during 2006 and oil demand remains robust. High oil prices have not hindered global economic growth partly because of rapid development in India and China. Russia, Saudi Arabia and Norway accounted for 60% of the total oil surpluses.[4]

2.2 Demand and Supply

2.2.1 Refined Products

The refined petroleum products market is a 3,200 million tons p.a. market with gasoline, diesel/gasoil and fuel oil being the largest products by volume.

Asia is expected to grow in importance in the world oil markets, with a 34% share of global refined product demand by 2020. Future trends project an increase in demand for transportation distillate products and a declining demand for residue products as a result of environmental regulations and growth of alternative fuels. Asia will lead regional refined product growth reflecting projected GDP growth rates and a corresponding increase in per capita energy consumption. Europe shows lower product demand growth with declining gasoline demand. The U.S.A will continue to be the largest gasoline consumer. Asia and Southern Europe are projected to remain consumers of fuel oil for power generation and industrial use for some years. Bunker fuel demand will continue to grow in Europe, albeit slowly with increasing world trade.

With the projected increase in demand for distillate products, there has been pressure to increase upgrading capacity. In Europe and the U.S.A, most refineries are complex (having a variety of upgrading units such as Fluid Catalytic Cracker ("FCC"), hydro cracking, visbreaking, residue catalytic cracking, etc) and the current investment programs are focused on meeting continually stricter fuel quality specifications.

In Asia, the higher demand for fuel oil has reduced the pressure for upgrading and hence the hydro skimming configuration is more common. In the Middle East, there is a larger proportion of topping refineries, which meet local and international fuel oil demand markets.

Regional refined product deficits are met from those countries with surplus fuel oil. In order to meet future demand, Europe and the U.S.A will continue to favour debottlenecking and revamping of existing facilities with grassroots plants only being developed in the Middle East and Asia. Global supply demand balances are currently in line, with environmental conditions and inventory management being the main factors accounting for short-term disruptions and price spikes.

2.2.2 Petrochemical Products

Ethylene

Demand for ethylene is primarily for the production of higher value derivatives such as polyethylene, ethylene glycol, ethanolamine, and ethylene dichloride with future growth driven predominantly by polyethylene demand.

[4] Source: SABB report issued in the second quarter of 2007

North America is the largest consumer of ethylene followed by Europe, with both these regions more or less self-sufficient with little requirement for additional imports. In the Middle East, ethylene capacity has significantly increased mainly through large investments in ethane crackers. Capacity increases in the Middle East have a major impact on other world markets, as most of their production is export oriented in the form of Polyethylene ("PE") and Mono Ethylene Glycol ("MEG"). The largest markets in Asia are China, Japan, Korea and India with demand growth forecast to be the highest in China and India as a result of expected economic growth.

The majority of ethylene production is for captive use, as most producers are integrated downstream. There is little inter-regional trade and 8-10 times more trade takes place in ethylene derivatives. In recent times, there has been a shift in global ethylene derivative trade patterns with production falling in North America (due to high natural gas prices), rapid supply growth in the Middle East (ethylene from ethane crackers) and Asia becoming more self-sufficient and competitive (as a result of increased ethylene integration).

Propylene

Propylene demand is met primarily from steam crackers and FCC units with on-purpose supply accounting for only a small percentage of such demand. Long-term demand growth is forecast to be higher than ethylene demand growth.

North America will remain an exporter of propylene and its derivatives due to the availability of cost competitive supplies. Western Europe will become a net importer of propylene derivatives, as propylene feedstock supplies continue to become scarce in the region. New export-oriented propylene derivative capacity in the Middle East will serve the Chinese Polypropylene ("PP") market. South East Asia is expected to be a large propylene monomer importer over the next 15 years.

2.3 Pricing

The fundamental driver for refined product and petrochemical prices is the price of oil and world economic growth. Oil prices react sharply to political events and supply disruptions, but overall economic growth is the most important factor affecting oil prices. Economic growth coupled with estimates for supply/demand balances, competition between energy sources, refining economics, freight costs and product quality determine crude oil demand growth.

2.3.1 Refined Products Pricing

The prices of refined products have a positive relationship with the oil prices. Thus, the refined products prices witnessed a significant increase since 2002G as a result of the increase in oil prices.

Refined Refining margins over the next few years are projected to remain firm as the balance between refining capacity and petroleum product demand in the Atlantic Basin (North West ("NW") Europe and U.S.A East Coast) continues to remain tight, strong growth in China continues and the price differential between light and heavy crude oil products widens. This has an upward effect on operating rates even in the least complex refineries and improves the economics of fuel oil upgrading.

The light/heavy differential establishes the basic relationship among product prices. It is also the main driver for the variation in Refinery profitability with complexity. The light/heavy differential depends on the utilization of conversion capacity.

Gross margins for topping refineries will provide a floor for East Asian refining margins (expected to remain above breakeven). The Middle East refineries are also expected to supply the continuing gasoline deficits in the U.S.A as no new grassroots facilities will be built in the region.

2.3.2 Petrochemical Products Pricing

The key elements considered in developing polyolefin prices include the availability and price level of monomer feedstock (ethylene and propylene) in each particular region, regional and global operating rates, position in the business cycle and estimated product cash costs. The forecast cash margin can then be established following an examination of the supply and demand projections and an estimation of the likely future returns required for investment in the business. The prices of petrochemical products have a positive relationship with the oil prices. Thus, the petrochemical products prices witnessed a significant increase since 2002G as a result of the increase in oil prices.

Historical polyolefin pricing has followed a cyclical pattern (approximately 7 years) and this is assumed to continue in the near term. The current prices are located in the middle of one of those cycles at the highest profitability level for the last ten years. The business cycle is forecast to moderate over time and industry consolidation and better business decisions will limit the amplitude of the price cycle.

The petrochemical price forecast is based on a combination of assumptions and analysis, including economic conditions, polyolefin demand growth, future supply and the cost of olefins. Energy costs have a major influence on prices through production costs. At the regional level, energy costs are a key factor in supply/demand dynamics through producer cost competitiveness in the global marketplace. On a global basis, polyolefin supply/demand is improving, which caused prices to reach the peak in the period 2006-2007.

2.4 Competitiveness

2.4.1 Refinery Competitiveness

In terms of size, the Project will be among the fifteen largest refineries in the world based on crude distillation capacity and in the top eight large refinery peer group ("Peer Group"). The Project will thus benefit from economies of scale. The complexity is a measure of the capability to convert low value streams to higher value transportation fuels. Based on the size and hydro cracking configuration, the project is believed to be well placed relative to its regional competitors and Peer Group.

The Project will benefit from access to local and stable supplies of crude oil, allowing it to save on shipping and storage costs and minimize Refinery dis-optimisation. The Project is similarly positioned to several other refineries located in the Middle East. Although the Project does not currently have a significant local product market, it is able to benefit from competitive utilities and services and excellent logistics access for long-haul exports in large cargo sizes.

2.4.2 Petrochemical Competitiveness

Petrochemical plant capacities have increased over time to benefit from economies of scale. The polyolefin units of the Project are mostly world-scale and combined with access to competitively priced olefins will result in low cash costs of production.

The ethylene, PP and MEG units of the Project are at or close to current world-scale capacity levels. High Density Polyethylene ("HDPE"), Linear Low Density Polyethylene ("LLDPE") and Easy Processing Polyethylene ("EPPE") are 60-80% of typical current maximum levels. Propylene Oxide ("PO") production capacity is low in relation to world-scale levels, which reflects the purely export-oriented nature of the plant (versus integrated downstream derivative plants which require higher capacities).

The Project will benefit from on-site production of power and utilities and downstream petrochemical units, and is well positioned in comparison with its Peer Group. Location and integration are also important drivers of petrochemicals competitiveness, with most of the production destined for Asia or Europe. Integration effects benefit operations by reducing the overall capital and operating costs of the site.

3. Project Description

3.1 Project Overview

On August 1st, 2005, the Founding Shareholders signed a joint venture agreement to develop the Rabigh Project in the Kingdom. The Project entails the development of an integrated refinery and petrochemicals complex at the site of the Rabigh Refinery at an estimated capital cost of US$9.872 billion. The Project will benefit from economies of scale and from considerable savings through the integration of the Refinery currently owned by Saudi Aramco and associated facilities and infrastructure. The existing infrastructure will be supported by expanded utilities and offsites, including a new independent water, steam and power project ("IWSPP") to be developed by a third party led by Marubeni.

The Project is located on the west coast of Saudi Arabia with excellent access to the European and Asian refined product and petrochemical markets. The Project will utilize secure and abundant supplies of indigenous feedstock (Arabian Light crude oil, ethane gas and butane gas) provided by Saudi Aramco. The Project will be a key step towards the development of the downstream plastics conversion industries at the Rabigh industrial site. The development of an industrial park at Rabigh geared towards an export-orientated plastic conversion industry is a key long-term objective of the Founding Shareholders. The Project may also serve a foundation for future expansions in the refining and petrochemical sectors.

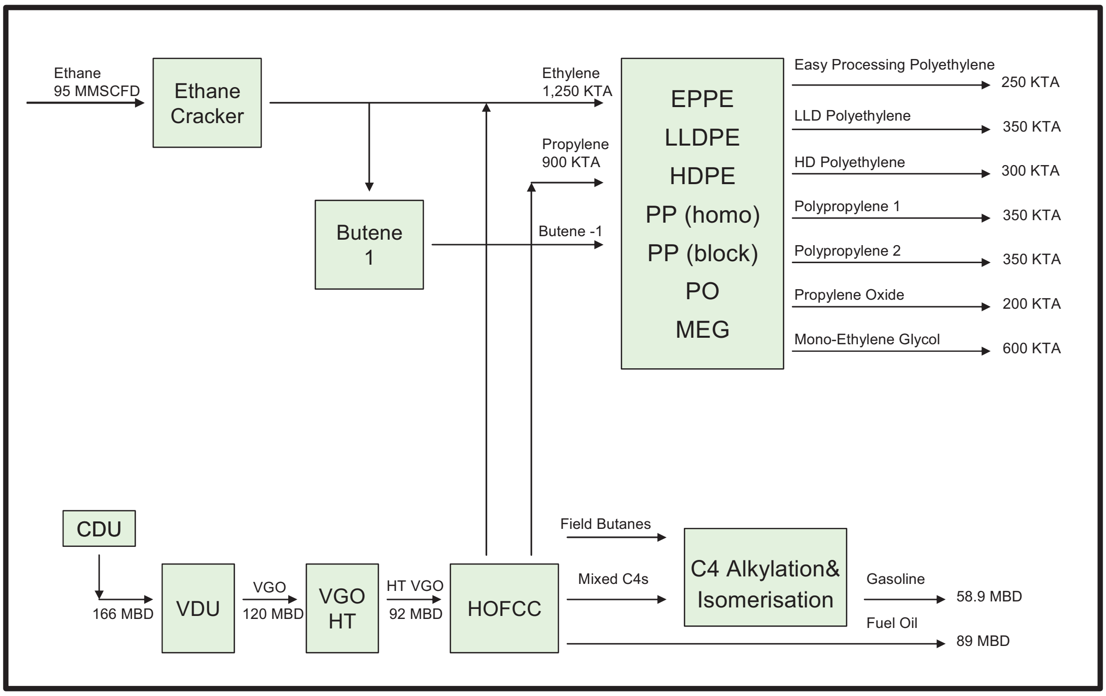
Upon completion of the Project, the Rabigh Complex will be one of the world's largest refining and petrochemical complexes. The Rabigh Complex will produce 17.2 million tons per annum ("tons p.a.") of high-value petroleum products and 2.4 million tons p.a. of ethylene- and propylene-based petrochemical derivatives.

The Project is designed to meet the environmental protection standards of local regulatory bodies and the international agreements and protocols ratified by Saudi Arabia. The Project will be executed and assessed in accordance with the Equator Principles and World Bank guidelines will apply to the entire Project. The Project received approval from the relevant regulatory authorities in Saudi Arabia and is thus considered to be compliant with Saudi Arabian environmental regulations.

3.2 Project Configuration

The Refinery is a simple "topping" facility that essentially recovers the products by distillation without any conversion to lighter, higher value products. The addition of new refining units, specifically the High Olefin Fluid Catalytic Cracking ("HOFCC") Unit, is a logical expansion of the processing capability to upgrade low value heavy oils to valuable lighter products. The integration with the ethane cracker for the production of ethylene (the "Ethane Cracker") and derivative petrochemical units for polymers production (the "Petrochemical Derivative Units") is a further logical extension of the upgrading to valuable products. The proposed processes are generally based upon proven operations and have been used in combination in other plants around the world. However, certain of the Rabigh process units represent major capacity increases in terms of unit size and the overall Project requires a high degree of integration between the process units. The Project comprises proprietary licensed and open art non-licensed units, which are configured to process the feedstock and produce high value added refined and petrochemical products. The Project's configuration is planned to be as follows:

Exhibit 3-1: Project Configuration



Source: Petro Rabigh

The expanded complex will require upgrades and additions to the Refinery utilities and offsites. It is currently envisaged that certain facilities will be owned and operated by third parties (e.g. the IWSPP company). Petro Rabigh will ultimately own the Refinery assets, excluding the marine terminal, bulk plant (which includes trucks to distribute the Company's various products) and community assets (including residential units, schools, medical centers, commercial mall..etc). In this respect, the management and operating track record of the Refinery provides significant comfort when assessing the risk of the Project. Services, which are provided by assets owned by third parties or by existing assets not transferred and sold to the Project, will be provided to the Project for a fee.

The Founding Shareholders are committed to the long-term growth and expansion of the Rabigh industrial site. Although specific plans have yet to be developed, it is expected that the Project will serve as a platform for the future expansions of the Project into various other refining and petrochemical processes.

3.3 Refinery Plant - Existing Facility

3.3.1 Overview

The Refinery at Rabigh, located 165 km north of Jeddah and 185 km south of Yanbu on the Red Sea coast of Saudi Arabia, was commissioned in 1989. Saudi Aramco assumed full control of the Refinery and associated facilities, including the community housing and the port facilities in June 1995. The Refinery was constructed by the Italian company Snamprogetti based on licensed and non-licensed "open-art" technologies.

The Refinery is a basic topping refinery (i.e. a refinery that only fractionates the crude oil into constituent products and does not include any conversion processes for upgrading low value, heavy oil products). The Refinery was originally designed to process 325,000 bpd of Arabian Light/Arabian Medium crude oil and a de-bottlenecking exercise in 1998 resulted in an increase in crude processing capacity to 400,000 bpd, making the Refinery the largest single train crude distillation unit refinery in the world.

The main products are fuel oil, diesel, jet fuel and naphtha. Off-gases, excess Liquefied Petroleum Gas ("LPG") and atmospheric residue satisfy the Refinery's fuel requirements and recovered sulphur is bagged and shipped via vessels. The Refinery products are produced to defined industry specifications and sold domestically, exported or used for product blending. The Refinery incorporates gas oil (diesel) hydro treating to produce a 500 parts per million sulphur ("ppmS") diesel product.

3.3.2 Operating Track Record

The Refinery is a well-operated and well-maintained facility. It employs the Saudi Aramco maintenance system and since assuming full control of the facility and following a rehabilitation program, no abnormal operational or maintenance issues are outstanding.

As a result of the maintenance strategy, the period between shutdowns has been extended from a historical three-year period to five years. The Refinery undertook a major test and inspection shutdown in March 2004 to continue to ensure the reliability and dependability of the equipment, to function for a minimum of five years without failure and to maintain a crude oil throughput of 400,000 bpd.

The facilities are 16 years old with a nominal design life of 25 years, however it is common industry practice through an on-going preventative maintenance program and replacement of certain equipment to extend plant life significantly in excess of the nominal 25 years. With continued attention to the Operating and Maintenance ("O&M") program, the facilities will continue to operate successfully and consistently with the obligations of the Project.

3.3.3 Location of the Refinery

The Refinery is located on the eastern shore of the Red Sea. The town of Rabigh is sited 10 km northeast of the Refinery and has a population of approximately 25,000. The Refinery's location allows access to the markets of Europe and North America (through the Suez Canal) or the Indian Subcontinent and Asia.

The industrial site area is large, about 3,000 acres, with more than two thirds available for expansion of the facilities. Saudi Aramco will lease to Petro Rabigh, the land required for construction, operations and maintenance ("O&M") activities relating to the Project for a term equal to the duration of the Project. The land to be leased to Petro Rabigh includes sufficient land for future expansions.

The Refinery enjoys access to a large sheltered port, which is entered via a channel 1,300m long and 400m wide. The deep-water entrance channel with a depth of 28m and width of 240 m, leads to the turning basin with a depth of 27m and a diameter of approximately 900m. The deep water port, turning basin, pioneer port, dry and liquid cargo ports, loading and unloading arms form the Rabigh marine terminal (the "Marine Terminal") of the Refinery.

3.3.4 Refinery Process Description

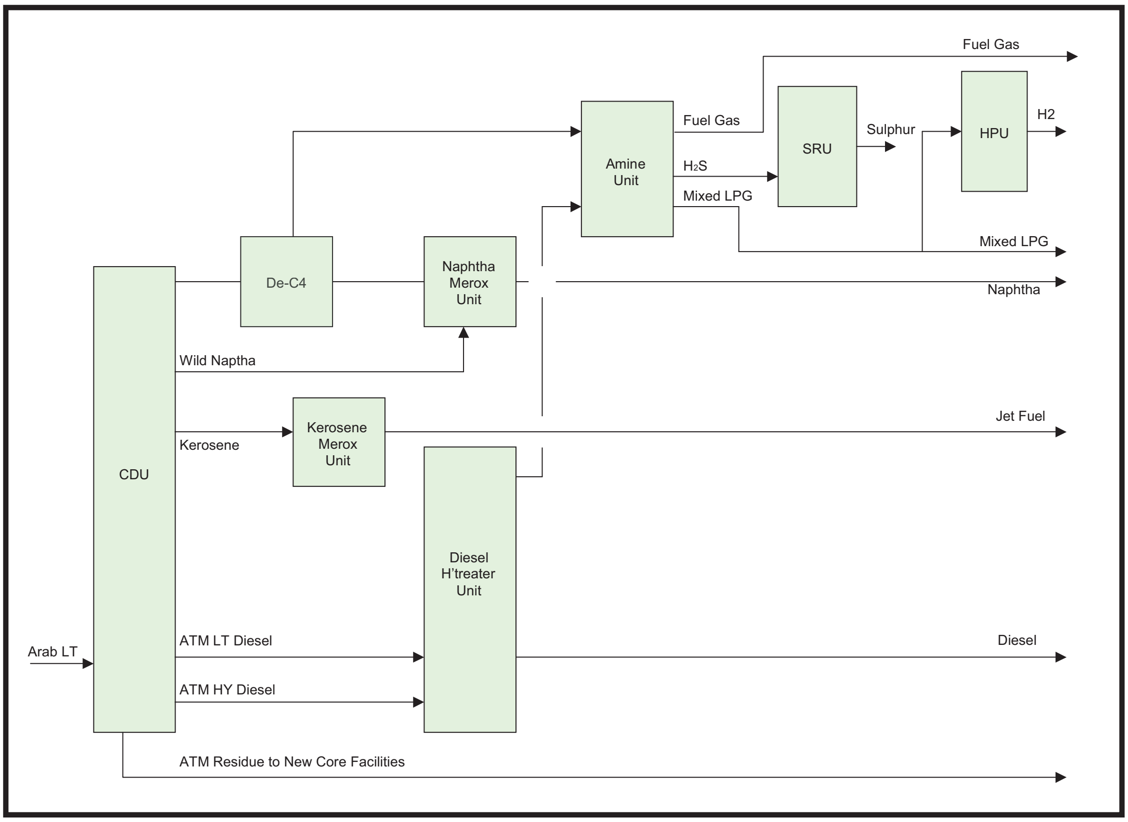
The Refinery is world-scale in terms of size but currently has very limited product upgrading capacity and is of low complexity. The production slate from the Refinery comprises approximately 38% fuel oil, 28% diesel, 20% naphtha and 14% jet fuel. Crude oil feedstock is supplied to the Refinery via a dedicated and newly constructed pipeline. This pipeline runs off the main East-West crude oil pipeline and was commissioned in April 2005.

The Refinery operates and maintains multiple process units, a tank farm, the marine terminal, steam generation, water desalination, water treatment and power plants. The Refinery site benefits from a significant pre-investment that was made in infrastructure during the initial construction of the Refinery.

Process Units

The Refinery consists of a 400,000 bpd crude atmospheric distillation unit, a 47,000 bpd hydrodesulphurization unit, a 12 million standard cubic feet per day ("mmscfd") hydrogen plant, a 75,000 bpd naphtha merox unit and a 50,000 bpd kerosene merox unit. In addition, there is an amine unit, a sulphur recovery unit ("SRU") and a crude oil pipeline. These units are shown and described in more detail below:

Exhibit 3-2: Refinery Process



Source: Petro Rabigh

Crude Distillation Unit ("CDU")

The CDU is of a typical process configuration as found in many refineries around the world. The CDU consists of a crude preheat, a desalter section, an atmospheric column, a debutanizer and a sour water stripper ("SWS").

Diesel Hydrotreater Unit ("DHDS")

The DHDS is designed to remove sulphur, nitrogen, oxygen, metals and contaminants with a processing capacity of 47,000 bpd of light and heavy gas oil blends. The final product has a sulphur content of 500 ppm weight sulphur.

Hydrogen Production Unit ("HPU")

The HPU is a single train skid-mounted system, which uses LPG as a feedstock. The HPU manufactures high purity (99.9%) hydrogen by producing and processing reformer gas (hydrogen, carbon monoxide and carbon dioxide). The unit consists of a feed pre-treatment section, a reforming furnace, a shift conversion section and a pressure swing absorption section. The HPU has the capacity to produce 12 mmscfd of pure hydrogen product, as well as a purge gas, that is combusted in the unit.

Amine Unit

The 5,000 bpd Amine Unit consists of an amine wash, caustic wash and amine regeneration and is used to treat a number of different streams. Those streams include LPG from the debutanizer tower, off-gas from the debutanizer overhead receiver, sour gases from the DHDS stripper and fuel gas from the topping overhead compressor system.

Merox Treating Units

Certain hydrocarbon fractions must be processed to eliminate (to <10 ppm) mercaptan sulphur compounds. The kerosene and naphtha fractions undergo merox treatment, a process to overcome these drawbacks. The jet fuel merox (keromerox) unit comprises two identical reactor trains designed to sweeten 50,000 bpd of straight run kerosene produced in the CDU. The kerosene stream may be fed to the merox treating unit either directly from the CDU or from storage.

Naphtha Merox Units

The naphtha merox unit is composed of three identical reactor trains designed to sweeten (using air and a dilute solution of caustic) a total of 75,000 bpd (or 25,000 bpd each train), of straight run naphtha from the CDU.

Sulphur Recovery Unit (“SRU”)

The existing SRU consists of thermal and catalytic conversion, tail gas and sulphur handling sections and is designed to process both amine and ammonia acid gases to produce element sulphur based on a modified Claus process (the industry standard).

Refinery Utilities

The Refinery includes utilities and offsites to support and maintain current operations. These existing facilities will, however, require substantial upgrading due to the additional requirements of the Rabigh complex. The utilities include a boiler feed water, steam and condensate plant, once-through seawater cooling, indirect machinery cooling water, fuel oil and fuel gas, waste water treatment, nitrogen generation, fire water system, potable water and electrical power import, with some on-site power generation that is generally used to supplement the imported power during the summer periods of peak national demand.

Offsite Facilities

Offsite facilities at the Refinery include tankage (intermediate and product), truck loading facilities, marine and terminal facilities. The Refinery has an extensive tank farm and storage facility with an associated and dedicated two-berth port facility for import of crude oil feed stock and export of refined products. Till recently, the Refinery has operated on crude oil supplied by tanker through the port. However, a new crude pipeline constructed by Saudi Aramco has been commissioned, and except for intermittent cargoes of Heavy Arabian crude oil and feedstocks that are still received by tanker, the traditional crude tanker imports have been discontinued.

Other Offsite Facility

A flare system handles discharges from Refinery valves for safety measures and during emergencies.

The Refinery has two main arrangements with third parties, with SEC for the provision of power and with the Modern United Desalination Company for the provision of potable and process water, to both the Refinery and residential camp. SEC supplies power at SR 0.12 per kWh as is typical throughout Saudi Aramco’s facilities. The Modern United Desalination Company will provide desalination water at SR 4.5 per m^3.

3.3.5 Environment, Health and Safety

The Refinery is operated according to the environmental, health and safety standards set by Saudi Aramco. These standards establish requirements for plant layout and equipment design, safe flaring and venting of hydrocarbons, emergency shutdown and isolation systems, fire and gas detection systems and dedicated fire-fighting systems resulting in an excellent environmental, health and safety record.

The Refinery has two safety advisors who are responsible for monitoring work permits and managing change and safety programs. Quarterly Safety Inspection audits and programs are undertaken for all disciplines and the Safety Performance Indices are class leading.

3.3.6 Transfer of Refinery Assets

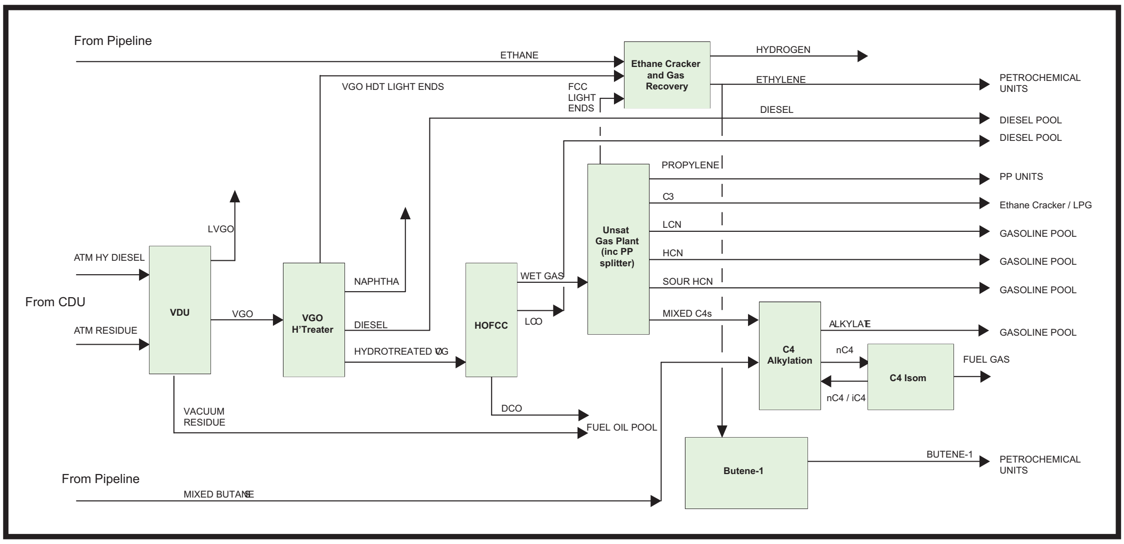
Saudi Aramco has agreed to sell and deliver directly to the Company in 2008 after the start up of the new facilities in the Project, free of any liens, Saudi Aramco’s ownership, right, interest in and title to the Rabigh Refinery, its spares and consumables, the Rabigh Refinery books, records and intellectual property and the hydrocarbon inventory assets on the date of transfer. Saudi Aramco has also agreed to assign all contracts and warranties it enjoys in connection with the Rabigh Refinery to the benefit of the Company. The transfer value will be based on the book value of the refinery at the transfer date. Such value is expected to be USD 230 million.

3.4 The Petrochemical Plant - New Core Facilities

3.4.1 Process Units

The Company will construct new core facilities that will comprise a variety of processing units designed to process the atmospheric residue from the existing CDU to higher value products to process ethane feedstock to ethylene and field butanes for alkylation. The figure below provides a schematic of the proposed new core facilities.

Exhibit 3-3: New Core Facilities



Source: Petro Rabigh

Vacuum Distillation Unit ("VDU")

The VDU is very similar in function, equipment design and operation to the CDU except that it is operated at sub-atmospheric pressure. The VDU is designed essentially to recover material to feed the vacuum gasoil hydrotreater and ultimately the High Olefin Fluid Catalytic Cracking ("HOFCC") Unit. The VDU is designed to process 166,000 bpd of atmospheric residue and 37,740 bpd of heavy gasoil, both produced from the CDU. There are three product streams from the VDU, a) light vacuum gasoil, which is sent to the existing DHDS unit, b) medium and heavy gasoil streams which are combined and sent to the VGO hydrotreater and c) vacuum residue, which is sent to the Refinery fuel oil pool.

Vacuum Gasoil Hydrotreater Unit ("VGO HDT")

The VGO HDT will process 120,000 bpd of VGO received from the VDU and produce up to 92,000 bpd at 300 ppm wt sulphur of treated VGO to feed the HOFCC unit. The finished products, stabilised naphtha and hydrotreated diesel are passed to the relevant product blending pools. The sweet light ends gas (a mixture of hydrogen through to C4s) is passed to the recovery section of the ethane cracker for recovery of various products.

High Olefin Fluid Catalytic Cracking Unit ("HOFCC")

The HOFCC catalytically cracks the treated VGO, at a design rate of 92,000 bpd, to produce high value light Olefin components. The principal product from the HOFCC Unit is propylene, with a target production rate of 900,000 tons p.a., which is recovered from a mixture of various components in the Unsaturated Gas Plant and fed forward to the polymer production facilities.

Unsaturated Gas Plant ("USGP")

The purpose of the USGP is to:

- Separate and purify approximately 900,000 tons p.a. of polymer grade propylene from the HOFCC Unit effluent and the C3+ product from the Ethane Cracker;
- Separate and purify hydrogen through the C2 stream from the HOFCC Unit effluent, which is passed to the ethane cracker for final purification and separation;
- Separate a propane stream, which can be passed to the LPG production pool and/or ethane cracker as feedstock;
- Separate light and heavy cracked naptha for Gasoline blending;
- Separate light cycle oil for diesel cycle oil for blending;
- Separate decant oil for fuel oil blending; and
- Separate mixed C4 for alkylation.

C4 Alkylation Unit

The C4 Alkylation Unit is part of the C4 complex, which also includes the Sulphuric Acid Regeneration Plant and the C4 Isomerisation Unit. The purpose of the C4 Alkylation Unit is to convert the olefins with iso-butane ("I-C4") to produce alkylate product which is used as high quality blend stock for gasoline. The C4 Alkylation Unit produces 22,611 bpd of alkylate product.

C4 Isomerisation Unit

The C4 Isomerisation Unit is to be an integral part of the C4 Alkylation Unit. The C4 Isomerisation Unit is designed to produce 13,560 bpd of I-C4 to feed the C4 Alkylation Unit.

Sulphuric Acid Regeneration Plant (“SARP”)

The SARP receives the spent acid, at 90% weight sulphuric acid, from the C4 Alkylation Unit, regenerates it to a minimum strength of 98.5% weight sulphuric acid and returns it to the C4 Alkylation Unit.

Butene-1 Unit

The Butene-1 Unit will be designed to produce 50,000 tons p.a. of polymer grade butene-1 using ethylene feedstock, hexane and a catalyst.

Hydrogen Production Unit (“HPU”)

The HPU produces hydrogen by reforming LPG recovered from the various process units at a design capacity of 73 mmscfd to supplement hydrogen from other sources. The hydrogen product must be 99.9% pure for it to be used in the various onsite processes.

Amine Regeneration Units (“ARU”)

Amine absorbers, located within the various process units, remove acid gases from the various light end intermediate, product and off-gas streams by contacting them with amine solution in the amine absorber columns. Two independent amine systems will segregate the treatment of the olefinic and the saturated hydrocarbon streams to minimize the possibility of cross contamination.

Sour Water Stripper Units (“SWS”)

The purpose of the SWS is to remove contaminations such as sulphur, ammonia and oxygen from various intermittent and continuous streams from the facility, and discharges the treated water to the wastewater treatment plant (“WWTP”). Two segregated SWS systems are provided to minimize the possibility of cross contamination between oelfinic and saturated hydrocarbon process units.

Sulphur Recovery Unit (“SRU”)

A new SRU with two trains is required to process all acid gases generated by the New Core Facilities into elemental sulphur. The SRU is designed to process 552 ton/day of elemental sulphur, and recover 99.2% of the sulphur contained in the feed.

Ethane Cracker and Hydrogen Recovery

The ethane cracker takes fresh ethane feed from the Yanbu Natural Gas Liquids (“NGL”) plant, and thermally cracks it in the cracking furnaces to produce 1,250,000 tons p.a. of polymer grade ethylene, the principal product feed to the downstream polymer facilities.

The fresh ethane feed is treated to remove contaminants, mixed with recycled ethane and propane, and fed to the cracking furnaces with the required quantity of dilution steam. The ethane is cracked into a variety of components ranging from hydrogen to fuel oil.

Dried compressed cracked gas is passed to the high-pressure de-ethaniser, which feeds a stream of C3 and heavier components to the USGP for separation of the heavy components. Recovered hydrogen is purified in the Pressure Swing Adsorption (“PSA”) unit and passed to the hydrogen header and the remainder of the stream is passed to the fuel gas header. Various C2 rich recycled streams from the complex are fed to the recovery section for recovery of ethylene. The cryogenic section of the ethane cracker is serviced by propylene and ethylene refrigeration systems.

3.4.2 Utilities and Offsites

The Project will require additional utilities and offsites to service the new production units and to handle additional products and feedstocks.

Utilities

Significant additions to the utility facilities are required to support the operations of the upgraded complex and will consist of the following:

- Seawater intake system;
- Cooling water system;
- Potable water system;
- Emergency power generation system;
- Fuel oil and fuel gas system;
- Effluent treatment system;
- Air system;

- Nitrogen production system; and
- An IWSPP, which will provide power generation, a demineralized water and steam.

Each of the utility systems, are an integral part of the Rabigh Complex and will be constructed on the site. More details on each utility is provided below:

Seawater

Seawater is drawn in from the Red Sea through intakes dedicated to the site. The Refinery currently uses approximately 7,000 m^3/hr of seawater for cooling and desalinated water production. The current intake capacity can meet an additional capacity of 30,000 m^3/hr.

The Project has identified two new demands for seawater:

- Feed to the reverse osmosis ("RO") desalination unit in the IWSPP, which will provide desalinated water for make up to the desalinated water cooling tower servicing the polymer plants, various process users and feed for the demineralisation unit within the power plant area; and
- Feed to the desalination unit, to be installed in the IWSPP to provide desalinated water for general use.

The total demand is expected to be approximately 40,000 m^3/hr (which is within the available spare capacity of the seawater in-take channel).

Four new 7,500 m^3/hr pumps are to be installed in the four out of five spare bays. The pumps will operate on an N+1 basis in case one pump is out of service or under maintenance. New seawater chlorination facilities will also be installed to accommodate the increased seawater flow rate.

Cooling Water

The main cooling is to be achieved by use of a number of direct open circuit cooling tower systems with desalinated water as the cooling medium. Desalinated water will be used in mechanical draft cooling towers to produce cooled water, which will then be pumped to cool various process and utility exchangers. The total circulation rate will approximately be 300,000 m^3/hr and the total desalinated make-up rate will approximately be 6,000 m^3/hr. This make-up is to compensate for evaporative, wind and drift losses as well as blow down to prevent dissolved solids build up. As the Reverse Osmosis ("RO") desalination unit will be designed to produce 8,000 m^3/hr of desalinated water there is sufficient allowance built in the system.

Potable Water

All potable water is obtained through remineralisation of desalinated seawater. Potable water is used to support personnel working within the Rabigh Complex and will be used primarily for human life support activities.

Remineralised desalinated water will be stored in tanks and pumped to users through a carbon filter. The production of additional desalinated water for potable use will be supplied by the Modern United Desalination Company.

Emergency Power Generation

The Project will have a number of emergency generators located at individual sub station sites within the refinery and petrochemical units. Where critical equipment is protected by a dedicated battery-supplied emergency shut down ("ESD") system, the emergency power system will supplement the ESD system.

The emergency power generators will be connected to the emergency power board and the anticipated electrical capacity for the process unit's emergency generators is in the range of 250kW to 1.60MW. Emergency power will also be supplied to the systems associated with the water treatment, boilers and turbine plant. The emergency power for the IWSPP will also be connected to the emergency power board and will have a capacity of around 1.60MW.

Emergency power will be produced using a diesel generator, which is normal industry practice. This facility will shutdown in a safe, controlled manner in the event of a power outage.

Fuel Oil and Fuel Gas System

The new refinery fuel gas system will collect offgas from new process units, and the refinery fuel oil system will deliver fuel oil from tankage to the IWSPP. The fuel gas system will operate at a pressure of 4 barg at ambient temperature.

Individual users will be supplied from the recirculation system pipework. Each new system will contain two day tanks each sized for 24 hours of storage at the maximum usage rate, four 50%-rated circulating pumps and three 50%-rated heaters.

Effluent Collection and Treatment

A Waste Water Treatment Plant ("WWTP") will treat all aqueous based effluents discharged to the environment to meet effluent discharge standards for the Project. The existing WWTP was originally constructed with excess capacity for future Refinery expansion.

The existing system is considered to be adequate to treat the increased loads resulting from the Project. However various facilities will be extended and new equipment installed.

The WWTP unit is capable of operating as an independent unit and the plant will treat all effluents to the specification within the effluent profiles provided by the unit designers, irrespective of the number of plant units contributing effluent.

Plant and Instrument Air Generation

The Project will install new facilities that will be sized for and dedicated to the process and utility units installed by the Project.

The proposed system consists of air compressors, instrument air receivers and instrument air dryers. The size of each receiver will be based on the greater of the amount of air required to sustain normal operations based on the highest credible usage rate for a period of 30 minutes and to enable the process/utility area served by that receiver to be shutdown in a safe and orderly manner.

Air Separation Unit ("ASU"), Nitrogen and Oxygen Systems

A standard air separation package unit, which includes air and nitrogen compressors, liquid nitrogen and oxygen tanks, and vaporisers, will be installed. The package will produce 40,000 m^3/hr of gaseous nitrogen, and 30,000 m^3/hr of gaseous oxygen. The liquid nitrogen and oxygen will be stored within the Air Separation Unit ("ASU") plot area and vaporised for emergency backup purposes only. Gaseous oxygen will be produced at a rate of 30,000 m^3/hr and will be used in the manufacture of MEG. Gaseous nitrogen will be produced at a rate of 40,000 m^3/hr and will be used by several process units for product handling and dryer and reactor bed regeneration purposes. Gaseous nitrogen will also be used in many areas of the new facilities as an inert gas.

IWSPP

The supply of desalinated water, steam and power for the expanded complex will be provided by the IWSPP. For more details, please refer to "*Third Party Interfaces*" part of this section of the Prospectus.

Offsites

New offsite facilities are required to support the operations of the upgraded complex as detailed below:

Catalyst and Chemicals Storage

The storage and handling facilities for the many chemicals and catalysts required within the new process units will be considerably larger than in the Refinery.

Adequate increases to the chemical storage facilities will be installed. Most of the chemicals are delivered in suitable size drums or bags for easy handling and will be stored in the warehouse and requisitioned by the individual plant on an as required basis. On the plant site, the chemicals will be kept in the chemical shed or under shelters large enough to accommodate one-month's requirement.

Catalysts will be stored as per the licensor guidelines for storage and handling and a part of the warehouse will be allocated for catalysts. Sulphuric acid is supplied from the refinery sulphuric acid plant and does not need any additional storage.

Other chemicals such as corrosion inhibitors, scale inhibitors, biocides (used in water treatment processes, boiler feed water conditioning and de-foaming agents and demulsifiers for the Refinery units) known as dosing / injection chemicals are normally supplied in drums and are easy to handle. These chemicals are requisitioned every 2 to 3 weeks from the warehouse and will be stacked under a shelter close to the plant.

Tankage

The offsite tank farm will be located adjacent to the Refinery process units and is integral to the Refinery's daily operations. Storage capacity is required for (i) fresh feedstock, (ii) intermediate and component storage needed for routine operations and blending and (iii) product storage, prior to export and local distribution/shipment through a combination of coastal tankers and road tankers.

The type of storage tanks located in the offsites tank farm and the number of days of storage provided for each service is detailed in the following table:

Exhibit 3-4: Feedstock and Product Storage

Feedstock/ Product	New/ Existing/ Reuse	Total Holding Days (approximate)
Feedstock		
Crude Oil	Existing	12 days
Butane	New	12 days
Hexene-1	New	12 days
Cumene	New	12 days
Product		
LPG	Existing and New	7 days
Naphtha	Existing	7 days
Export Gasoline	Reuse	7 days
Domestic Gasoline	Reuse and New	7 days
Jet Fuel	Existing	7 days
Diesel 500 ppm S	Existing	7days
Hydrotreated VGO/Diesel	Existing	14 days
Fuel Oil	Existing	7 days
MEG	Reuse	7 days
Propylene Oxide	New	7 days

Source: Petro Rabigh

Ownership and operation of the crude oil storage tanks will remain with Saudi Aramco.

Sulphur Handling

Sulphur is recovered from sour gas and acid gas streams in two SRUs. The existing sulphur unit is currently operating at about 95 ton/day, with a design capacity of 120 ton/day. The new SRU will have a design capacity of 552 ton/day sulphur, providing a total sulphur forming and handling capacity rate of 672 ton/day.

Sulphur from the sulphur forming unit will be stored in silos (or other means of material bulk storage) and will be in the form of quasi-spherical hard, yellow pellets. Formed sulphur will be stored in a warehouse building, with 28 days of storage capacity. The actual production rate for the sulphur handling system will be dependent on the storage capacity of sulphur product, vessel size and offloading operational period dictated by local conditions.

Flare Systems

The flare system provides for the safe disposal of:

- Waste process gas generated during normal plant operation; and
- Excess vapour generated as a result of overpressure caused by fire in a unit or site-wide operating failure.

The Refinery is provided with an elevated flare system that can adequately dispose of the maximum anticipated flare load from the existing process units.

The configuration and capacity of the new flare system are dependent upon the magnitude of the individual relief loads generated in the process units, the physical properties of the releases and the available plot space for the flares. The flare system will consist of five separate systems (HP, LP, acid gas flare, polymer flare and tankage flare). The flare system is required to dispose of a wide range of fluids at various conditions and with different physical properties. The overall flare system shall therefore comprise more than one flare system in order to segregate potential discharges and achieve a feasible and cost-effective design.

Marine Loading and Berth Utilization

As a result of the new refinery and petrochemical units and the associated increase in offsites and utility requirements, there will be new requirements to import and export product through the marine facilities. A new berth will be constructed at the Marine Terminal to deliver the new range of liquid products. The new berth will be able to receive vessels of 5,000 to 50,000 (“Dead Weight Tonnage”) DWT capacities with facilities such as dedicated loading arms, dedicated metering facilities, stripping and drainage, nitrogen supply, safety, instrument and control systems, and general services required for marine operations.

New loading arms will be installed on the new berth including dedicated loading arms for vapour return and common arms for nitrogen purging and bunker supplies. New lines and dedicated new metering in the berth area will be provided for Gasoline 93.

As crude import is now supplied by pipeline, the Marine Terminal will be used mainly for Refinery exports and thus future utilization (for the two existing berths) is expected to rise by no more than 15%. Preliminary study results indicate that the individual berth utilization will be less than 43% during Project operations.

3.4.3 Third Party Interfaces

Water, Steam and Power

The supply of desalinated water, steam and power for the expanded complex will be provided by the IWSPP.

The IWSPP covers the design, procurement, construction, financing, operation and maintenance of a facility that will supply steam, water and power on terms and conditions governed by Water and Energy Conversion Agreement ("WECA"). The WECA is structured as a tolling arrangement under which fuel (heavy fuel oil) is provided by Petro Rabigh free of charge.

The IWSPP will involve the development of a power island located on the Rabigh site. Power and steam will be generated from steam turbines and boilers fuelled by heavy fuel oil and desalinated water from reverse osmosis systems.

Power Generation

The power generation system consists of fuel oil fired steam generation boilers and extraction condensing steam turbines with water-cooled condensers and power generators. The high-high-pressure ("HHP") steam will be used to drive steam turbine generator sets, generating a total of 360 Mega Watts ("MW") of electrical power.

To achieve the required 96% reliability of the plant, the system is to be designed on an N+1 basis, where in the event that one unit/train trips or is out of service for maintenance, utilities demand will continue to be satisfied.

Reverse Osmosis Desalination Plant

A new RO plant will be used to produce the desalinated water for the new facilities within the Rabigh complex and will be part of the scope for the IWSPP.

The desalinated water produced by the new RO plant will be used as feed for the demineralisation unit and as make-up to the cooling towers.

The seawater supply will be fed directly to the RO plant from the seawater lift pumps. The RO plant is to be provided as a complete package producing desalinated water from seawater by reverse osmosis. The RO plant will include the required pre-treatment and the feed booster pumps. A three pass RO system will be used to produce water with the required specification at a rate of 8,000m^3 per hour.

Demineralised Water

Desalinated water from the new RO plant will be passed to a multi train demineralisation unit. The demineralisation unit will process the water to an acceptable quality for ultimate use in High-High Pressure steam generation. Automatic regeneration equipment will be installed for backwashing and conditioning the resins and recycling the water until the required quality is achieved.

Steam System

The steam and condensate system is designed to generate and distribute steam to users and collect and return the condensate to the boiler makeup water treating facilities. It is normal practice to have steam available at several different pressure levels High-High Pressure ("HHP"), High Pressure ("HP"), Medium Pressure ("MP") and Low Pressure ("LP").

The HHP steam is used for power generation and driving rotating equipment. MP and LP steam is extracted from steam turbines and generated by various process coolers as well, and will be used for process heating and live injection into processes at various points for direct heating or stripping.

Emissions

The IWSPP will use fuels with significant sulphur content and in order to meet the environmental emissions requirement, the Project has selected to install a wet limestone Flue Gas Desulphurisation ("FGD") plant to limit the SO_2 emissions from the IWSPP. The wet limestone process uses limestone as a raw material and produces gypsum as the primary waste material.

Marine Terminal and Jeddah Port

The Marine Terminal will continue to be owned by Saudi Aramco and will be leased to Petro Rabigh. The Marine Terminal will require modifications to cater for the new petroleum product export. The Refinery berths will undergo minor modification and will be utilised to export fuel oil, diesel, naphtha, jet fuel, export and domestic gasoline. A new petrochemical berth will be required and will be implemented, as part of the Rabigh Complex expansion, to import ethylene, cumene, propylene, iso-butene and hexene-1 and export MEG and PO.

The berths are designed to handle bulk oil vessels. The layout of the marine facilities is designed with consideration to existing structures, geographical and environmental data, and shipping logistics.

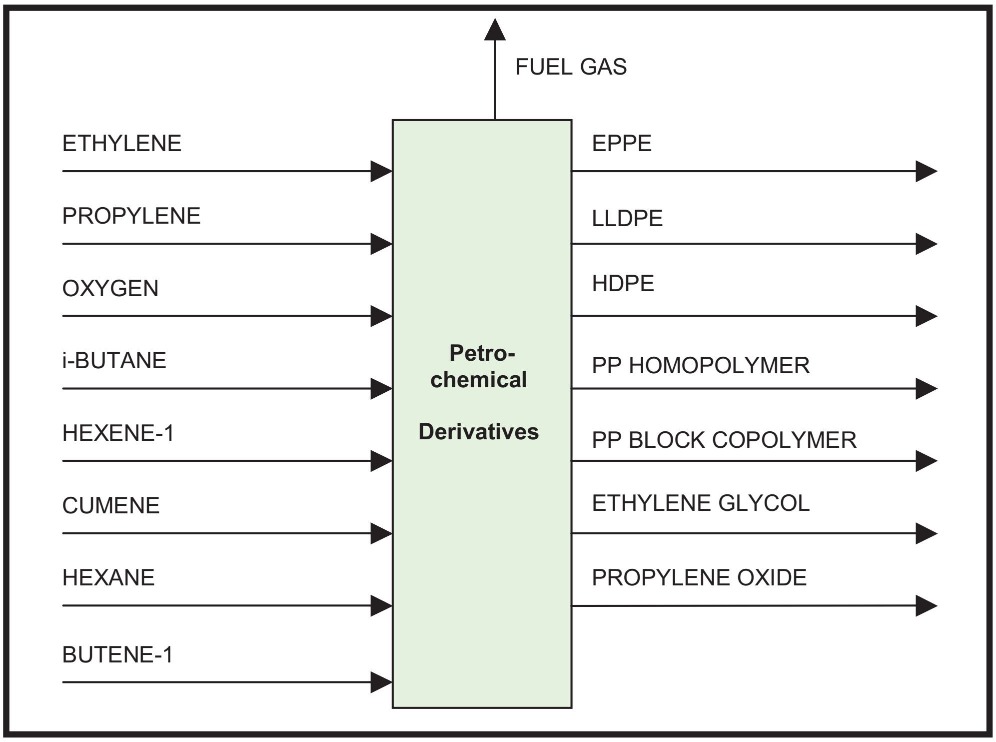
Independent consultants have predicted the level of marine activities. The review study concludes that with the elimination of crude import by tankers, by virtue of the new crude pipeline system, there will be sufficient facilities in the existing berths to meet the new export demands at the Refinery feed rate of 400 MBPD. Some modifications to the existing liquid transfer lines and equipment will be required.

The solid polymer products (HDPE, EPPE, LLDPE and PP) will be exported via Jeddah port, the Kigdom's principal port that can accommodate thelatest generation of lage containe vessls.

Petrochemical Derivative Units

The Petrochemical Derivative Units will process polymer grade ethylene and propylene from the New Core Facilities into higher value petrochemical products. Certain other feedstocks will also be required including butene-1, hexane-1, hexane, cumene and oxygen. The figure below provides a schematic of the proposed Petrochemical Derivative Units.

Exhibit 3-5: Petrochemical Derivative Units



Source: Petro Rabigh

Easy Processing Polyethylene ("EPPE") Unit

The EPPE Unit has a design capacity of 250,000 tons p.a. of polyethylene polymer produced from ethylene feedstock using proprietary metallocene catalysts and various other chemicals. The EPPE Unit is also capable of LLDPE production with certain minor modifications. Petro Rabigh is considering using the EPPE unit to produce LLDPE during a certain initial period.

Linear Low Density Polyethylene ("LLDPE") Unit

The LLDPE Unit has a design capacity of 350,000 tons p.a. of polyethylene polymer produced from ethylene feedstock using proprietary Ziegler-Natta catalysts and various other chemicals.

High Density Polyethylene ("HDPE") Unit

The HDPE Unit has a design capacity to produce 300,000 tons p.a. of HDPE from ethylene feedstock produced by the ethane cracker.

Mono Ethylene Glycol ("MEG") Unit

The MEG Unit has a design capacity to produce 600,000 tons p.a. of MEG using a two-stage process. In the first stage of the process ethylene and oxygen are reacted together in the presence of a catalyst to produce ethylene oxide. The second stage of the process converts ethylene oxide to ethylene glycol in the presence of a catalyst. A pure MEG product is recovered in the recovery section.

Polypropylene 1 Unit for random and terpolymer

The Polypropylene 1 Unit has a design capacity of 350,000 tons p.a. of polypropylene produced from propylene feedstock using proprietary Ziegler-Natta catalysts and other chemicals (used as diluents, reaction initiators and polymerisation reaction controllers).

Polypropylene 2 Unit for producing homo and block copolymer

The Polypropylene 2 Unit has a design capacity of 350,000 tons p.a. of polypropylene produced from propylene feedstock using proprietary catalysts and other chemicals (used as diluents, reaction initiators and polymerisation reaction controllers).

Propylene Oxide (“PO”)

The PO Unit will produce 200,000 tons p.a. of PO from propylene feedstock produced in the HOFCC Unit. The process will consist of several steps, such as an oxidation, epoxidation, hydrogenation and purification. The process is unique, as there will be no production of co-products.

3.4.4 Health, Safety and Hazard Management

The Project will be designed to established Saudi Aramco standards for plant layout and equipment design, safe flaring and venting of hydrocarbons, emergency shutdown and isolation systems; fire and gas detection systems and dedicated fire-fighting systems.

A strategy has been developed to prevent oil spills and minimise environmental impact of refinery activities. In addition, there is a site-specific plan for the Marine Terminal.

4. The Company

4.1 Introduction

Rabigh Refining and Petrochemical Company (hereinafter referred to as the “Company” or “Petro Rabigh”) is a joint stock company established under Commercial Registration Number 4602002161, dated 15 Sha’ban 1426H (corresponding to 19 September 2005G) pursuant to the Minister of Commerce and Industry’s Resolution No. (262/Q) dated 22/10/1428H (corresponding to 3/11/2007G), announcing its conversion from a limited liability company to a joint stock company. The Company is equally owned by Saudi Aramco and Sumitomo Chemical. The Company is offering 25% to the public through the issuance of new shares. The paid up capital of the Company after the IPO is SAR 8,760,000,000 divided into 876 million shares with nominal value of SAR 10 per share. The following table summarizes the changes in Petro Rabigh capital since formation:

Exhibit 4-1: Changes in Petro Rabigh Capital

Date	Amount of Capital Increase (SAR)	Total Capital After the Increase (SAR)
19/9/2005G	750,000,000	750,000,000
30/1/2006G	1,875,000,000	2,625,000,000
6/2/2007G	2,625,000,000	5,250,000,000
16/4/2007G	1,320,000,000	6,570,000,000
After the IPO	2,190,000,000	8,760,000,000

Source: Petro Rabigh

4.2 Shareholders’ Structure

The Company’s Founding Shareholders are Saudi Aramco and Sumitomo Chemical. The shareholders of the Company before and after the Offering are as follows:

Exhibit 4-2: Petro Rabigh Ownership Structure

	Pre-Offering			Post-Offering		
Shareholder	**Shares**	**%**	**Capital (SAR)**	**Shares**	**%**	**Capital (SAR)**
Saudi Aramco	328,500,000	50.0%	3,285,000,000	328,500,000	37.5%	3,285,000,000
Sumitomo Chemical Company	328,500,000	50.0%	3,285,000,000	328,500,000	37.5%	3,285,000,000
Public	-	-	-	219,000,000	25.0%	2,190,000,000
Total	**657,000,000**	**100.0%**	**6,570,000,000**	**876,000,000**	**100.0%**	**8,760,000,000**

Source: the Company

4.2.1 Saudi Aramco

Owned by the Government of Saudi Arabia, Saudi Aramco is a fully-integrated, global petroleum enterprise, and a world leader in exploration and producing, refining, distribution, shipping and marketing, with a legacy of more than 70 years of achievements and success. Saudi Aramco manages a proven crude oil reserves base of approximately 260 billion barrels (as of end 2006), the largest of any company in the world, with a maximum sustained crude production capacity at some 10.8 million barrels per day. Saudi Aramco also manages the fourth-largest gas reserves in the world (approximately 249 Tcf as of end 2006) and is the world’s largest exporter of natural gas liquids. For more details on Saudi Aramco, please refer to “*Information on Founding Shareholders*” section of the prospectus.

4.2.2 Sumitomo Chemical

Sumitomo Chemical commenced business in 1913 and is one of Japan's leading chemical companies, offering a diverse range of products in six business sectors: basic chemicals; petrochemicals and plastics; fine chemicals; IT-related chemicals; agricultural chemicals; and pharmaceuticals. Its operations are undertaken through a large number of affiliates, joint ventures and subsidiary companies that supply products to its customers all over the world. At the end of March 2007, Sumitomo Chemical had 135 subsidiaries and 67 affiliates worldwide in Japan, Asia, North and South America, Europe and Africa. Sumitomo Chemical has a long-term debt rating of A3 by Moody's. For more details on Sumitomo Chemical please refer to "*Information on Founding Shareholders*" section of the prospectus.

4.3 Company's Objectives and Mission

4.3.1 Objectives

As part of the Founding Shareholders' long-term strategy of owning and operating high quality refining assets and of diversifying production to higher value added activities, including the production of petrochemicals, the Project has been proposed to enhance the economic returns of the Refinery. The principal objectives of the Project are:

- To maintain the existing crude throughput of the Refinery;
- To reduce the production of heavy fuel oil and upgrade the Refinery to producing higher value products;
- To provide feedstock for the downstream petrochemical units; and
- To ensure that the highest health, safety and environmental standards are maintained.

4.3.2 Mission

Petro Rabigh inspires its employees to ensure it is the global market leader in its industry.

Through its strong ethics, talent, best practices, and diversified products, Petro Rabigh satisfies its customers' refining and petrochemical needs and adds value to its customers, shareholders, employees, communities, and business partners

Petro Rabigh is safe, ethical, environmentally friendly, productive, and profitable.

4.3.3 Vision

Petro Rabigh is a unique, integrated Refining and Petro-Chemical company with strong cultural and commercial talent.

Petro Rabigh is the Industry leader, and is globally recognized as:

- Its customers' first choice for diversified, quality and competitive products;
- An employer of choice who offers a safe, supportive and learning environment;
- Environmentally friendly; and
- A good corporate citizen which balances commercial imperatives with wider social and community goals.

Petro Rabigh's mission and values drive profitability, productivity, innovation and safety.

4.4 Production Volume

The Refinery currently processes 400,000 bpd of Arabian Light crude to produce approximately 18.0 million tons p.a. of refined products. The crude throughput capacity will not change on Project implementation, however the product slate will produce more high value refined products and new petrochemical products. Total future production capacity will be approximately 19.6 million tons p.a. of refined and petrochemical products, equating to a 9.0% volume increase. The following exhibit illustrates the breakdown of the current and future product slate:

Exhibit 4-3: Refined and Petrochemical Product Slate Production (tons p.a.)

Product	Current Production	Future Production	Change
Refined Product			
Liquefied Petroleum Gasoline	78,000	54	(77,946)
Naphtha	2,900,000	2,900,000	-
Gasoline	-	2,438,000	2,438,000
Jet Fuel	2,400,000	2,127,000	(273,000)
Diesel	4,870,000	4,782,000	(88,000)
Fuel Oil	7,700,000	4,928,000	(2,772,000)
Petrochemicals*			
Polyethylene	-	900,000	900,000
Polypropylene	-	700,000	700,000
Mono Ethylene Glycol	-	600,000	600,000
Propylene Oxide	-	200,000	200,000

Source: Petro Rabigh
** There will also be small amounts of ethylene and propylene*

4.5 Products Description

4.5.1 Refined Products

Refined petroleum products are primarily used as fuels and petrochemical feedstock. The specifications of refined products for fuel use are driven largely by quality and environmental considerations. Middle distillate (gasoline, diesel/gas oil, kerosene/jet fuel) product specifications (octane, cetane, sulphur content, RVP and density) vary within countries and regions. In addition, environmental regulations and vehicle performance limit the amounts of the other components (lead, aromatics/benzene and olefins content) of fuels. Gasoline and diesel have the largest markets, predominantly for road vehicles. The composition of naphtha is determined by the content of paraffins, olefins, naphthenes and aromatics. The degree to which each component is present will determine the suitability, process conditions and yield, and hence saleability of that particular grade of naphtha. Fuel oil is produced in varying amounts depending on the quality of crude oil processed and the complexity of the Refinery. Fuel oil is predominantly used as bunker fuel (for ships) and for power generation.

4.5.2 Ethylene Derivatives

Ethylene is the leading petrochemical industry feedstock and is produced from cracking refined products such as naphtha, gas oil, ethane and LPG. The yield of ethylene is highest with lighter feedstocks (ethane and LPG) and lower with heavier feedstocks (naphtha and gasoil). Most of the world's ethylene production is from naphtha, however supply from ethane is increasing with several world-scale ethane crackers under development/construction in the Middle East (this trend is likely to continue). Ethylene is used to produce polyethylene, ethylene glycol, ethylene dichloride, vinyl chloride monomer, butene-1, industrial ethanol, styrene and acetic acid. The end use consumer applications are very diverse ranging from plastics to detergents to lubricants to adhesives etc. Plastics are the fastest growing end use application as they are increasingly substituting traditional materials such as metals and wood. The Project will produce ethylene from the ethane cracker unit.

Polyethylene ("PE")

PE is a polymer of ethylene produced under varying conditions of temperature and pressure in the presence of a catalyst. The type of polyethylene produced depends on the operating conditions and utilisation of co monomers such as butene-1 and hexene-1. The most common types are LDPE, HDPE and LLDPE and each type has its own characteristics that impart physical and chemical properties such as flexibility, strength, stiffness, durability and water and chemical resistance. PE plants produce resins that are sold to converters who then use moulding processes to manufacture an end product that can be directly used by the consumer. The most common applications are film and sheet packaging, durable household products, cable and wire insulations and liners.

Mono Ethylene Glycol ("MEG")

MEG is a colourless, odourless and hydroscopic liquid produced from a direct conversion of ethylene to the 'mono' grade of ethylene glycol. There are two main grades of ethylene glycol: fibre and industrial. Fibre grade is used to react with terephthalic acid to produce polyester fibre and PET resins and industrial grade is used for the manufacture of coolants and anti freeze. The Project will produce fibre grade MEG.

Propylene Derivatives

Propylene is the world's second largest petrochemical feedstock and is predominantly produced as a co-product of ethylene manufacture or refining processes. Three grades are typically produced (refinery, chemical and polymer grade) from three types of operation (steam cracking, on-purpose and fluid catalytic cracking units). Steam cracking is the largest contributor to global propylene production, but fluid catalytic cracking units showing the highest production growth. Propylene is used as a petrochemical feedstock (for polypropylene, propylene oxide, acrylic acid, acrylonitrile and synthetic alcohols manufacture) and a gasoline blending component. The majority of all chemical/polymer grade propylene was used to manufacture polypropylene in 2004. End use consumer applications are wide and range from carpets, rope, clothing, automotive plastics, paints and epoxy glue. The Project will produce propylene on-site from HOFCC.

Polypropylene ("PP")

PP is the world's second largest plastic by demand with unique and similar applications to PE. There are three main types of PP: homo (containing only propylene), block co-polymers (polymer with ethylene dispersed in blocks) and random co-polymers (polymer with other monomers dispersed randomly). These types differ in properties (such as density, stiffness, melt flow, clarity, strength) and therefore end uses. Homo PP is a translucent, crystalline polymer with high stiffness, good impact strength at room temperature and good electrical insulation properties. Random co-polymer PP is a clear, semi-crystalline polymer, which exhibits better impact strength than homo PP at room temperatures, and good electrical insulation properties. Block co-polymer PP has good impact resistance at low temperatures, is easy flowing and has good stiffness and reduced stress whitening. The wide range in physical properties, relative ease of processing and low density has made PP an extremely attractive material that has substituted more expensive resins in a number of demanding applications. PP resins are sold to converters for various end markets: film; fibres; durable household goods; automotive applications; sheet; and pipes. The Project will initially produce biaxially oriented film (a homo PP grade), yarn & injection grade and block co-polymer.

Propylene Oxide ("PO")

PO is the third largest propylene derivative and is used primarily as a chemical intermediate. World production of PO is dominated by the PO styrene monomer process and the tertiary butyl alcohol process. However both processes have disadvantages ranging from the requirement for other low cost feedstock production units to producing significant quantities of by-product. The Project will use Sumitomo Chemical technology to directly produce PO without any by-products. The majority of PO is used to produce polyether polyols for the polyurethane (foams and elastomers) industry and propylene glycol (used in unsaturated polyester resins).

4.6 Company's Management

For the first five years, the Company will be run by the Board of Directors consisting of 8 members of which each Founding Shareholder has appointed 3 Directors. The remaining two directors are independent. After the first 5 years, the Board of Directors will be selected by the Shareholders of the Company for terms of 3 years. The current chairman of the Board of Directors is a Saudi Aramco appointee, whereas, the deputy chairman is a Sumitomo Chemical appointee. The Board of Directors have appointed a management team to run the daily affairs of Petro Rabigh. For a discussion on the Board of Directors' members and responsibilities, please refer to "*Corporate Structure*" section of the Prospectus

The ordinary business of Petro Rabigh will be managed by the management team, which will include, among others, a Chief Executive Officer currently appointed by Saudi Aramco and a Chief Financial Officer currently appointed by Sumitomo Chemical.

The Board of Directors have formed two committees to be named as the audit committee and nomination, remuneration and compensation committee. For a discussion on the Board of Directors committees and role, please refer to "*Corporate Structure*" section of the Prospectus.

4.7 Key Milestones

The preliminary project start-up schedule aims for an initial commercial operations date by October 2008G. Other key milestones include the date upon which the Project satisfies various project completion tests including a lenders' reliability test ("LRT") (the "Physical Completion Date") and the date upon which the Project satisfies certain financial tests (the "Financial Completion Date"). Key commercial and financial milestones are provided in the table below:

Exhibit 4-4: Key Milestones

Milestone	Timing
Signing of joint venture agreement	1 August 2005
Signing of water & energy conversion agreement	7 August 2005
Initial Public Offering	5 January 2008
IWSPP scheduled project commercial operation date	1 June 2008
Initial Rabigh complex commercial operations date	October 2008
Scheduled Physical Completion Date	1 July 2009
Scheduled Financial Completion Date	31 December 2009

Source: Petro Rabigh

4.8 Key Strengths

The Project enjoys key business and financial strengths, as summarized below:

4.8.1 Project's Location

The Project will be located on the west coast of Saudi Arabia with excellent access to the European and Asian refined product and petrochemical markets.

4.8.2 Founding Shareholders' Strategic Rationale and Future Vision

The Project will be a key step towards the development of the downstream plastics conversion industries at the Rabigh industrial site. The development of an industrial park at Rabigh geared towards an export-orientated plastic conversion industry is a key long-term objective of the Founding Shareholders. The Project will also serve as an attractive platform for potential future expansions in the petrochemical and refining sectors.

The development of the Project is also an important part in Saudi Aramco's long term strategic plans to develop its downstream operations by upgrading its refining capacity and creating synergies through joint ventures in the petrochemicals sector. The Project will enhance Sumitomo Chemical's global competitive position through access to a low cash cost production site and strategic alliance with Saudi Aramco. The participation of Saudi Aramco as feedstock supplier, lifter and marketer of refined products and provider of ancillary services, together with Sumitomo Chemical's participation as marketer of petrochemical products and licensor of proprietary technology and catalysts, demonstrates the continuing support that the Founding Shareholders will provide to the Project on an ongoing basis.

4.8.3 Renowned Founding Shareholders

The Project is developed by world-class Founding Shareholders, Saudi Aramco is the largest oil production company in the world supplying 11% of the world's current daily crude oil requirement and is one of the largest oil refiners in the world. Sumitomo Chemical is one of the foremost chemical companies of Japan and a leading international petrochemical player.

4.8.4 Utilization of Secure and Abundant Supplies

The Project will utilize secure and abundant supplies of indigenous feedstock (Arabian Light crude oil, ethane gas and butane gas) provided by Saudi Aramco pursuant to feedstock supply agreements.

4.8.5 Fungible Commodities

Refined and petrochemical products are fundamental commodities that are traded in large volumes in international markets.

4.8.6 Favourable Sales Terms

The products will be sold on a minimum take-or-pay basis to the Founding Shareholders for an extended period of time.

4.8.7 Existing Marketing and Distribution Networks

The Project will strongly benefit from the existing marketing and distribution networks of the Founding Shareholders. The Founding Shareholders, either directly or through a wholly owned subsidiary, will sell the products to the main consuming regions around the world with a majority of products to be sold into Asia (especially China).

4.8.8 Low Cash Cost Producer

The Project will be supplied with ethane feedstock on a long-term fixed price basis. The price paid by the Project is considered to be among the lowest in the world. This will make Petro Rabigh a low cash cost producer. Also, world scale process units combined in an integrated complex will enable the Project to fully benefit from economies of scale, making Petro Rabigh a low cost producer

4.8.9 Compliance with Environment Protection Guidelines

The Project is designed to meet the environmental protection standards and ambient air quality standards of local regulatory bodies, the international agreements and protocols ratified by the Kingdom of Saudi Arabia and other standards (including World Bank guidelines).

Compliance with International Environmental Standards

An Environmental Impact Assessment (“EIA”) report has been prepared in accordance with the requirements of the World Bank guidelines, the Equator Principles, Japan Bank for International Cooperation Guidelines, Gulf Co-operation Council Standardised Environmental Assessment Regulations and Saudi Aramco Engineering Procedure SAEP-13 ‘Project Environmental Assessments’.

Compliance with Saudi Environmental Regulations

The EIA report was submitted and approved by the relevant regulatory authorities in Saudi Arabia and the Project is thus considered to be compliant with Saudi Arabian environmental regulations and the required standards to minimise pollutants.

4.8.10 Capital Projects

There are a number of capital projects being undertaken by Saudi Aramco as part of an ongoing program to enhance the Refinery’s reliability and safety performance. These projects include: replacement of control systems; safety systems; the desalination plant; the Refinery electrical system; and upgrade of the LPG truck loading facility.

4.9 Research and Development

The Company did not conduct any research and development activities since formation.

4.10 Intangible Assets

The Company has no intangible assets, trademarks, patents, copyrights or other intellectual property rights.

5. Information on Founding Shareholders

5.1 Saudi Aramco

The history of the Saudi Aramco company dates back to 1933 when, shortly after Saudi Arabia was unified, the Government granted a concession to Standard Oil of California to develop the oil sector. Three other major oil companies subsequently joined Standard Oil of California and the venture was incorporated as the Arabian American Oil Company ("Aramco"). Saudi Aramco was established in 1988 after the Government purchased 100% of the shares in Aramco. Now fully owned by the Government, Saudi Aramco employs over 51,000 people and maintains its corporate headquarters in Saudi Arabia's Eastern Province city of Dhahran with a network of international subsidiaries and joint ventures to deliver crude oil and refined products to customers worldwide.

Saudi Aramco's Chairman of the Board of Directors is His Excellency Ali I. Al-Naimi, Saudi Arabia's Minister of Petroleum and Mineral Resources. The Company's President & CEO is Abdallah S. Jum'ah.

5.1.1 Operations Overview

Saudi Aramco is organized into six business lines: Exploration & Producing; Refining, Marketing & International; Engineering & Project Management; Operations Services; Finance; and Industrial Relations.

Corporate activities include:

- exploration and production of oil and gas;
- oil and gas processing and refining;
- shipping of crude oil and refined products;
- refined products distribution and sales; and
- services (storage, finance, insurance, aviation).

Saudi Aramco's international operations are conducted through affiliates, joint ventures and subsidiary companies spanning the globe which include businesses located in China, Egypt, Japan, Korea, the Netherlands, the Philippines, Malaysia, Singapore, the United Arab Emirates, the United Kingdom and the United States.

5.1.2 Exploration & Producing

Saudi Aramco's oil exploration and production operations encompass the entire Kingdom, including territorial waters in the Arabian Gulf and the Red Sea. Most of the production comes from fields in the coastal plains of the Eastern Province in an area extending 300 kilometers ("km") north and south of Dhahran. Saudi Aramco has discovered more than 90 oil and gas fields in the Kingdom, including the Ghawar field, the world's largest onshore oil field, and Safaniya, the world's largest offshore oil field.

Although the Government has recently entered into agreements with various foreign oil companies (in partnership with Saudi Aramco) granting rights to produce non-associated natural gas, Saudi Aramco is currently the sole producer of oil and natural gas in the Kingdom.

Oil

Saudi Aramco produces five grades of crude oil, maintaining a sustainable crude oil production capacity of 10.8 million bpd. At the end of 2006, crude oil and condensate reserves were estimated at approximately 260 billion bbl. These reserves are located in both onshore and offshore fields (Ghawar contains around 70 billion bbl of oil, while Safaniyah contains more than 35 billion bbl of oil). Saudi Aramco has rights to explore and produce hydrocarbons throughout the Kingdom and in the year 2000, Aramco Gulf Operations Company (a subsidiary of Saudi Aramco) took over responsibility for Saudi Arabia's portion of the Neutral Zone, which Saudi Arabia shares with Kuwait.

Gas

As of 2006, the gas reserves of Saudi Arabia were 249 Tcf, making it the fourth largest country in terms of the world's known gas reserves. Saudi Aramco is further expanding the capacity of its Master Gas System to 7,000 mmscfd through new gas plants and pipelines. Most of the gas delivered by Saudi Aramco is used as fuel by power, desalination, and other industrial plants. The remainder, including all of the ethane produced, is used within the Kingdom as feedstock for petrochemical plants. Saudi Aramco is also the world's largest exporter of natural gas liquids.

5.1.3 Refining, Marketing and International Operations

Saudi Aramco's refining operations consist of five local refineries, namely, the Ras Tanura Refinery (525,000 bpd), the Rabigh Refinery (400,000 bpd), the Yanbu Refinery (225,000 bpd), the Jiddah Refinery (60,000 bpd) and the Riyadh Refinery (115,000 bpd). These refineries, in addition to two 50% local joint venture refineries, namely SAMREF (365,000 bpd) with ExxonMobil on the Red Sea and SASREF (305,000 bpd) with Shell in Jubail on the Arabian Gulf, cover local as well as international demand for distillates and provide a total in the Kingdom daily refining capacity of more than 1.9 million bbl, making Saudi Aramco one of the largest refiners in the world.

Saudi Aramco's activities expanded greatly on 1 July 1993, when a Royal Decree merged all of Saudi Arabia's state-owned oil refineries and distribution and marketing operations (that were previously operated by the General Petroleum & Minerals Organisation ("Petromin") marketing and refining company known as Samarec) with Saudi Aramco. Under the same decree, Saudi Aramco assumed Petromin's 50% interest in three domestic joint venture refineries. Saudi Aramco's new refining interests, combined with its Ras Tanura Refinery and its joint venture and shareholder interests in five other refineries in the United States and the Far East, place Saudi Aramco in the top rank of world refiners.

International Operations

Saudi Aramco is committed to enhancing its operations and serving global markets through joint-venture or shareholding relationships with a number of international partners. Saudi Aramco has entered business relationships around the world to achieve the corporate objectives of strengthening international downstream integration and maximizing profit from the exploration, production and sale of hydrocarbons.

Saudi Aramco's equity interests outside the Kingdom include the following refining and marketing enterprises:

- Motiva Enterprises, a refining and marketing joint venture in the eastern and southern United States, is owned equally by Saudi Refining Inc., a Saudi Aramco subsidiary, and Shell Oil Company. Motiva's holdings include three oil refineries with a combined capacity of 725,000 barrels per day ("bpd"), about 8,900 Shell-branded and Texaco-branded gasoline stations, and ownership interest in 46 refined product storage terminals with an aggregate storage capacity of approximately 19 million barrels.
- S-Oil (formerly SsangYong Oil Refining Co. Ltd.) is an oil refining company which has diversified into lubricants and aromatics-oriented petrochemical products. S-Oil's headquarters is located in Seoul, Korea. It owns and operates a refinery complex located at Onsan, on the southeast coast of the Korean peninsula, with crude oil distillation capacity of over 500,000 barrels per day. S-Oil operates a nationwide distribution and marketing network that includes seven major product distribution terminals and supplies over 1,300 branded retail stations. S-Oil markets petroleum products in Korea and exports to the Asia-Pacific region. Saudi Aramco holds a 35% ownership interest in S-Oil.
- Petron Corporation is the Philippines' leading oil refining and marketing company, supplying more than one-third of the country's oil requirements with over 1,000 retail outlets throughout the nation. Petron supplies fuel oil and diesel in bulk to customers in power generation, construction, land and marine transport, fishing and various manufacturing sectors. It also supplies jet fuel to airlines, including Philippine Airlines and other international and domestic carriers. Petron retails gasoline, diesel and kerosene to motorists and public transportation operators, and sells its own LPG brand to consumers through a dealership network. Saudi Aramco holds a 40% ownership interest in Petron Corporation.
- Showa Shell is one of the largest refiners in Japan, with access to 515,000 barrels per day of refining capacity through three affiliated refining companies. The company also markets refined products through a Shell branded retail network of about 5,000 service stations. Saudi Aramco holds 14.95% indirect ownership in Showa Shell Sekiyu K.K.
- Fujian Refining & Petrochemical Company Ltd. is currently working to expand an existing 80,000 barrels-per-day refinery, located in Quanzhou, in the Fujian Province of China, to a 240,000 barrels-per-day refinery and integrated petrochemicals production complex. The facility is expected to commence operations in early 2009. In conjunction with the new facility, Sinopec SenMei (Fujian) Petroleum Company Ltd. will manage and operate approximately 750 service stations and a network of terminals in Fujian Province. Saudi Aramco holds a 25% ownership interest in Fujian Refining & Petrochemical Company Ltd. and a 22.5% ownership interest in Sinopec SenMei (Fujian) Petroleum Company Ltd.
- The Arab Petroleum Pipelines Co., (commonly known as "SUMED"), operates a 2.4-million barrel per day (bpd) crude oil pipeline in Egypt from the Gulf of Suez to the Mediterranean coast. This provides a short-cut to the Mediterranean and northern European ports for cargoes that would otherwise have to circumnavigate Africa. Saudi Aramco holds a 15% ownership share in this company.

Supply and Distribution

Saudi Aramco controls a comprehensive petroleum product distribution system, which consists of a broad network of delivery systems, storage facilities, bulk plants and air-fuelling units strategically located throughout the Kingdom, supplying some five thousand bulk customers daily with approximately 700,000 bbl of refined products (gasoline, diesel fuel, jet fuel, kerosene, liquefied petroleum gas, fuel oil and asphalt). In supplying its bulk customers, it meets the needs of millions of customers in the industrial, agricultural and private sectors. Moreover, more than 300,000 bbl of refined products are transferred between bulk plants every day to meet regional needs.

Saudi Aramco operates more than 24,000 km of pipeline for the transportation of crude oil, refined products and gas. There are 20 bulk plants situated around Saudi Arabia to facilitate distribution of refined products. System facilities include 19 air-fuelling units as well as several temporary bulk plant/air fuelling units and short-haul pipelines. Saudi Aramco also supplies crude oil to domestic industrial customers. Added to this are gigantic tank farms that enable terminal exports of crude oil, NGL and refined products through the Arabian Gulf and the Red Sea. Interconnected with these storage facilities are extensive delivery systems that enable timely and reliable delivery of product.

Terminals

Saudi Aramco retains custody over the country's vital terminal system, which is used to ship or receive crude oil, NGL or refined products. Mammoth tank farms and shipping terminals supply these to customers around the globe. Saudi Aramco Terminals handle more than 9,000 tankers per year. These terminals are located at Ras Tanura and Ju'aymah on the Arabian Gulf coast and Jiddah, Rabigh, Jaizan, Yanbu' and Duba on the Red Sea coast.

Since terminal operations commenced at Ras Tanura in 1939, Saudi Aramco has been on an expansion track that now enables its terminals to service the largest crude oil and LPG tankers. Today, Ras Tanura can load ships at a rate of more than 10 million bpd.

Terminal facilities required to meet export capacity and domestic demand are maintained to impeccable standards with stringent tanker loading procedures to ensure that the risk of oil spills is kept to an absolute minimum. Containment and recovery equipment, together with several vessels and aircraft, can be called upon in the event of offshore oil spills. The cost of cleaning up is borne by the tanker responsible for the oil spill.

Shipping

Saudi Aramco sails one of the world's largest fleets of crude carriers and operates terminals, which service more than 10 tankers per day. Vela International Marine Limited ("Vela"), a wholly owned subsidiary, was established in 1984 with four ships. It has grown to include 21 tankers and 7 product vessels. Vela, which transports crude oil to North America, Europe and Asia, has a history of commitment to accident-free voyages and quality maintenance. It has received ISO accreditation for its safe ship operations and environmental practices.

Operations Coordination Centre

The Operations Coordination Centre (“OCC”) is the control centre for the management of Saudi Aramco’s operations. The OCC optimizes the hydrocarbon system’s capacity and inventories, ensuring delivery of quality products to customers at the right time and place. Various Saudi Aramco organizations are represented in the OCC. The planning and scheduling group monitors the movement of tankers, refined products, crude oil, NGL and the electric power network. The OCC also functions as a disaster control centre, responsible for coordination of emergency responses to abnormal interruptions in supply and distribution operations.

Electric Power Network

An extensive electrical power generation, transmission and distribution network propels Saudi Aramco, sustaining the continual growth of the company’s industrial operations throughout the Kingdom. Saudi Aramco has a peak power requirement of 2,000 MW to meet Saudi Arabia’s share of 11% of world hydrocarbons production. Power is mainly imported from the Saudi Electric Company (“SEC”) to locations onshore and offshore.

5.1.4 Engineering & Project Management

The Engineering & Project Management business line adds value to Saudi Aramco through innovative solutions, quality services and effective capital program management.

Engineering Services ensures profitability by providing cost effective technical solutions through leadership in technology transfer, research and development, process control, engineering standards and facility planning, while Project Management coordinates and executes engineered projects in the Saudi Aramco Capital and Non-Capital Programs safely, professionally, and in the most cost effective manner. Project Management also conducts company wide support activities in surveying, design, blasting management and pre-commissioning services while seeking productivity enhancements to reduce costs and maintain essential services and functions.

New Business Development

New Business Development (“NBD”) is Saudi Aramco's focal point for developing new ventures. It is the organization tasked to create and invest in new businesses through leveraging Saudi Aramco's distinct assets and capabilities. NBD is responsible for identifying, receiving, evaluating, shaping and closing new business deals which will create value for both Saudi Aramco (new revenues, strategic benefits) and for the Kingdom (economic growth, increased private sector participation, job creation).

King Abdullah University of Science and Technology

In July 2006, the Government directed Saudi Aramco to lead the development of the King Abdullah University of Science and Technology. Its mission is to establish along the shores of the Red Sea, a world class university specialized in science research and technology development. The University shall be one of the most attractive and outstanding scientific centers in the world that excels in creativity, innovation and scientific research in specific strategic fields to support development of the national economy.

Saudi Aramco is engaged in the development of a 16,000,000 sqm site near Rabigh, the site preparation and construction of all university buildings, facilities and plants. Included in the project are the construction of a 120 megawatt power generation plant, water desalination facility, university administration buildings, auditoriums, a hotel & conference center, housing & recreation facilities, a town center consisting of shopping & dining facilities, as well as all the university academic buildings, laboratories and research centers. Saudi Aramco is also engaged in the development of the university’s academic programs and research & development initiatives.

5.1.5 Operations Services

Saudi Aramco's Operations Services business line provides the backbone support that is critical to all aspects of the company's operations. Through its Industrial Services organization, Operations Services safely and cost effectively manages and maintains company resources providing essential requirements for air, land, and marine transportation services, marine pollution control services, heavy equipment support, mechanical and electrical industrial plant equipment repair, road maintenance, and industrial maintenance systems support. Through best –in-class supply chain management practices, the Materials Supply organization provides every aspect of Saudi Aramco's operations and projects with the right material and associated services, at the right time and cost.

5.1.6 Finance

Saudi Aramco's finance business line supports every aspect of the company's operations in such areas as Financial Planning and Performance Management, Procurement Support, Risk Management, Capital Investment, Corporate Finance and plays a lead role in applying disciplined analysis to all key business decisions to improve the use of capital, optimize the acquisition and allocation of resources, and focus on higher-return investments.

5.1.7 Industrial Relations

Industrial Relations consolidates an array of essential Company services such as personnel, medical and community services, government and public affairs, and safety and industrial security. The five admin areas under the IR business line are Community Services, Employee Relations and Training, Medical Services, Safety & Industrial Security and Saudi Aramco Affairs.

5.2 Sumitomo Chemical

Sumitomo Chemical commenced business in September 1913, when its predecessor, the House of Sumitomo, began to operate a fertilizer plant to produce calcium superphosphate fertilizers from the sulphur dioxide ("SO2") emitted at its Besshi Copper mine in Japan's Ehime prefecture. Sumitomo Chemical Co. Ltd. was incorporated in June 1925, and currently has headquarters in Tokyo and Osaka.

Since its inception, Sumitomo Chemical has explored new business opportunities to meet the changing needs of its customers. Today, Sumitomo Chemical is one of the leading chemical companies in the world, offering a diverse range of products, including basic chemicals, petrochemicals and plastics, fine chemicals, IT-related chemicals, agricultural chemicals and pharmaceuticals.

Its global operations are undertaken through affiliates, joint ventures and subsidiary companies that supply its products to its customers. At the end of March 2007, Sumitomo Chemical had 135 subsidiaries and 67 affiliates spanning the globe (in areas including Japan, Asia, North and South America, Europe and Africa).

In Singapore, Sumitomo Chemical produces petrochemical products, such as polyolefins and MMA. Sumitomo Chemical decided to pursue the Project on the basis that it offers a source of advantageously priced feedstock and is located on the Red Sea coast, which has good access to Western Europe and Asia. Sumitomo Chemical will provide proprietary technologies and a worldwide marketing expertise to the Project.

Under Sumitomo Chemical's Three-Year Business Plan for FY2004 through FY2006 the targets for FY2006 were: net sales of JPY 1,330 billion, an increase of 15% over FY2003; operating income of JPY 120.billion, 1.8 times that of FY2003; and net income of JPY 65 billion, 1.9 times that of FY2003. All of those target figures were achieved in FY2005, one year ahead of the Plan.

Recently, Sumitomo Chemical has started its new Three Year Corporate Business Plan spanning the period from FY 2007 to 2009. The new Corporate Business Plan builds on the steady business expansion and profit growth achieved during the term of the previous Corporate Business Plan and is modeled on its basic principles. While positioning the successful accomplishment of the Rabigh Project, with commercial operations to start in the latter half of 2008, as the most important objective to achieve, the new plan also incorporates measures designed to propel the Company through a quantum leap in its further business development.

The six business sectors are described in more detail below.

5.2.1 Basic Chemicals Sector

The Basic Chemicals Sector focuses on methyl methacrylate ("MMA"), caprolactam ("CPL") and inorganic materials as its core products. In particular, this sector focuses on the business expansion of MMA, demand for which is expected to grow strongly in China and other Asian markets, primarily for optical applications such as liquid crystal displays ("LCD"). Further to the 2nd MMA monomer plant beginning production in August 2005 in Singapore, as the largest MMA producer in Asia, Sumitomo Chemical intends to continue leveraging the strengths of its unique proprietary technologies and aggressively expand its operation to meet rapidly expanding demand in Asia. The 3rd MMA monomer plant of 90KTA and the 3rd MMA polymer plant of 50KTA will come on stream in the first quarter of 2008.

5.2.2 Petrochemicals & Plastics Sector

The Petrochemicals & Plastics Sector has expanded its business and enhanced profitability, with particular focus on polyolefins and propylene oxide ("PO") utilizing Sumitomo Chemical's proprietary technologies. This Sector delivers high returns on the strength of Sumitomo Chemical's technological edge, globally efficient production bases and the solid marketing channels established in Asia by The Polyolefin Company, (Singapore) Pte., Sumitomo Chemical's polyolefin production and sales company in Singapore. In PO,Sumitomo Chemical expects demand for the product to continue to grow substantially in Asia, particularly in China and is capitalizing on its technological advantages and strengthening its position in the market.

Sumitomo Chemical has a wide range of proven technologies in the petrochemical sector. In respect of the Project, Sumitomo Chemical has agreed to license or cause to be licensed the following technologies: easy processing polyethylene ("EPPE"), linear low density polyethylene ("LLDPE"), polypropylene ("PP"), PP (Block) and PO. The Project will also enjoy the benefits of Sumitomo Chemical's Operations and Maintenance expertise for petrochemical production, which includes an operational track record not only in Japan, but also overseas.

5.2.3 Fine Chemicals Sector

The Fine Chemicals Sector's business consists of pharmaceutical chemicals, including their active ingredients and intermediates, and general fine chemicals such as adhesive intermediates, polymer additives and dyestuffs. A key objective is to strengthen the pharmaceutical chemicals operation as the core business of this sector. For general fine chemicals, Sumitomo Chemical will focus on new product development and greater operating efficiencies.

5.2.4 IT-Related Chemicals Sector

Since this Sector was established in 2001, Sumitomo Chemical has demonstrated a strong commitment to the expansion and enhancement of its IT-related business. The growing popularity of LCD televisions, in particular, is bringing significant growth to the LCD market, generating strong demand for colour filters, polarizing films and other materials used in LCD manufacturing. Sumitomo Chemical has close and longstanding relationships with the largest users of these products.

5.2.5 Agricultural Chemicals Sector

Sumitomo Chemical's strength in the Agricultural Chemicals Sector stems, above all, from its highly advanced R&D capabilities. In the field of agricultural chemicals and household insecticides, Sumitomo Chemical is one of the leading companies in the world in terms of the number of new products launched in the 1980-2002 period, after Bayer, Syngenta and BASF. In addition, Sumitomo Chemical is expanding its businesses globally and strengthening them by pursuing acquisitions as well as alliances with other companies, both in Japan and overseas. In FY2001, Sumitomo Chemical acquired the household insecticide business of Aventis Crop Science of France, in order to expand and strengthen its operations in this sector. In FY2002, Sumitomo Chemical acquired the agrochemical operations of Takeda Chemical Industries, Ltd. in Japan and established a joint venture to further reinforce its agrochemical business.

Sumitomo Chemical contributes to enhancing of the quality of life in Africa by providing Olyset Net - anti-malaria mosquito bed net – a proprietary product utilizing the company's public hygene technology accumulated over many years.

5.2.6 Pharmaceuticals Sector

Sumitomo Chemical is engaged in the pharmaceuticals business, mainly through its subsidiaries. A significant recent development is the merger of Sumitomo Pharmaceuticals and Dainippon Pharmaceutical Co., Ltd to establish Dainippon Sumitomo Pharma Co., Ltd, which was completed in October 2005. The newly formed company ranks among Japan's top 10 pharmaceutical firms in terms of domestic ethical drug sales. It combines the superior R&D capabilities of the former companies, with an abundant pipeline of drugs in development especially for central nervous system disorders and diabetes.

6. Project Financing

6.1 Overview

The total Project Cost amounts to US$9,872 million. The Project Costs have been funded with equity and senior debt up to a maximum debt-to-equity ratio at the physical completion date of 65:35.

Equity shall be provided in the form of contributions to share capital, Founding Shareholders' subordinated loans and pre-completion net revenues (those revenues will be generated from the initial start-up of the Company's operation during the second half of 2008G).

Funds from the senior lenders are provided under four separate facilities (the "Term Facilities"). The Term Facilities comprise an Overseas Investment Loan ("OIL") provided by Japan Bank for International Cooperation ("JBIC Facility"), a loan provided by the Public Investment Fund ("PIF") of the Kingdom of Saudi Arabia ("PIF Facility"), a US$ commercial term loan provided by a group of international, regional and local banks (the "Commercial Facility") and an Islamic facility (the "Islamic Facility") provided by a group of regional and local Islamic banks. Arrangements between the senior lenders are governed by a common terms agreement and an inter-creditor agreement.

6.2 Sources and Uses of Funds

The sources and uses of funds can be summarized as follows:

Exhibit 6-1: Sources of Funds

Source	Amount (US$ million)	Amount (SAR million)	(%)
Equity Funding			
Saudi Aramco or affiliates equity subscription	876.00	3,285.00	8.87%
Sumitomo Chemical or affiliates equity subscription	876.00	3,285.00	8.87%
Subordinated loans from the Founding Shareholders and pre-completion net revenue	**1,069.00**	**4,009.00**	**10.83%**
IPO Proceeds (net of IPO-related expenses)	**1,211.00**	**4,541.00**	**12.27%**
Total equity, subordinated loans and IPO proceeds	**4,032.00**	**15,120.00**	**40.84%**
Commercial Debt Funding			
JBIC overseas investment loan (OIL)	2,500.00	9,375.00	25.32%
PIF facility	1,000.00	3,750.00	10.13%
Commercial facility by international, regional or local lenders	1,740.00	6,525.00	17.63%
Islamic facility by local and regional Islamic banks	600.00	2,250.00	6.08%
Total senior debt	**5,840.00**	**21,900.00**	**59.16%**
Total Funds	**9,872.00**	**37,020.00**	**100.00%**

Source: Petro Rabigh

Exhibit 6-2: Estimated Use of Funds

Use	Amount (US$ million)	Amount (SAR million)	(%)
Acquisition of Refinery (at book value on the date of transfer)	230.00	862.50	2.33%
Capital Expenditure	7,940.70	29,777.63	80.43%
Petro Rabigh funding of IWSPPCo	868.30	3,256.12	8.80%
Fees & Interest During Construction	833.00	3,123.75	8.44%
Total	**9,872.00**	**37,020.00**	**100%**

Source: Petro Rabigh

The following table summarizes the amounts spent on the project as of 31 August 2007G:

Exhibit 6-3: Funds Spent on the Project as of 31 August 2007G

Use	Amount (SAR million)
Construction in progress	16,846.90
Petro Rabigh funding of IWSPPCo	2,059.50
Fees & Interest During Construction	379.10
Others	804.80
Total	**20,090.30**

Source: Petro Rabigh

The following table summarizes the key milestones in the history of the Company:

Exhibit 6-4: Key Milestones

Milestone	Timing
Signing of joint venture agreement	1 August 2005
Signing of water & energy conversion agreement	7 August 2005
Initial Public Offering	5 January 2008
IWSPP scheduled project commercial operation date	1 June 2008
Initial Rabigh complex commercial operations date	October 2008
Scheduled Physical Completion Date	1 July 2009
Scheduled Financial Completion Date	31 December 2009

Source: Petro Rabigh

6.2.1 Term Facilities

Senior debt amounting to USD 5,840.00 million is provided from the following sources:

- US$ 2,500 million from JBIC OIL
- US$ 1,000 million from PIF
- US$ 1,740 million through Commercial Facility
- US$ 600 million through Islamic Facility

JBIC OIL

JBIC has entered into an agreement to make available to Petro Rabigh a loan facility in an aggregate amount not exceeding two thousand five hundred million (US$ 2,500,000,000) U.S. dollars for funding the payment of Project Costs. This facility is available from 29 March, 2006 up to and including the earlier of the physical completion date or 1 July 2010. Petro Rabigh is obligated to repay all outstanding amounts in full on or before 20 December 2021.

PIF Facility

PIF has entered into an agreement to make available to Petro Rabigh a loan facility in an amount of one thousand million (US$ 1,000,000,000) U.S. dollars for funding the payment of Project Costs. This facility is available from 29 March, 2006 up to and including the earlier of the physical completion date or 1 July 2010. Petro Rabigh is obligated to repay all outstanding amounts in full on or before 20 December 2021.

Commercial Facilities

The Commercial Facility participants have entered into agreements to make available to Petro Rabigh a loan facility in an aggregate amount equal to one thousand seven hundred and forty million (US$ 1,740,000,000) U.S. dollars for funding the payment of Project Costs. This facility is available from 29 March, 2006 up to and including the earlier of the physical completion date or 1 July 2010. Petro Rabigh is obligated to repay all outstanding amounts in full on or before 20 December 2020.

Islamic Facilities

The Islamic Facility participants have entered into agreements to make available to Petro Rabigh a facility in an aggregate amount equal to six hundred million (US$ 600,000,000) U.S. dollars to assist in the financing of the Project through the construction of certain assets and the lease thereof to Petro Rabigh. The lease of the assets will commence upon delivery of the constructed assets and expires on 20 December 2020.

6.2.2 Common Terms Agreement (the "CTA") and the Islamic Facility Agreement (the "IFA")

The CTA is signed by Petro Rabigh, Japan Bank for International Cooperation ("JBIC"), Calyon as intercreditor agent (the "Intercreditor Agent"), Sumitomo Mitsui Banking Corporation as JBIC facility agent ("JBIC Facility Agent"), Saudi Hollandi Bank as onshore security agent (the "Onshore Security Agent"), Citicorp Trustee Company Limited as offshore security trustee and agent (the "Offshore Security Trustee and Agent"), Riyad Bank as onshore account bank (the "Onshore Account Bank"), Citibank, N.A. as offshore account bank (the "Offshore Account Bank") and certain commercial bank lenders. The CTA sets out certain common terms which apply to the JBIC Facility and the Commercial Facility. The IFA is signed by, among others, Petro Rabigh, the Islamic Facility Participants, Gulf International Bank B.S.C. as Islamic facility agent and the Intercreditor Agent and sets out certain common terms which apply to the Islamic Facility.

6.3 Completion Dates and Shareholder Support

6.3.1 Completion Guarantees

Saudi Aramco and Sumitomo Chemical provide the Offshore Security Trustee with Completion Guarantees each dated 15 March 2006 and are effective until the Financial Completion Date scheduled on 31 December 2009. Those Guarantees cover all loans of the Company.

Saudi Aramco Completion Guarantee

Saudi Aramco guarantees to the Offshore Security Trustee and Agent the due and punctual payment by the Company of fifty percent (50%) of the relevant percentage of each guaranteed obligation if certain events of default occur, are continuing and have not been waived in accordance with the Intercreditor Agreement or the relevant senior debt has been duly accelerated in accordance with the Intercreditor Agreement as a result of such event of default.

Sumitomo Chemical Completion Guarantee

Sumitomo Chemical guarantees to the Offshore Security Trustee and Agent the due and punctual payment by the Company of fifty percent (50%) of the relevant percentage of each guaranteed obligation if certain events of default occur, are continuing and have not been waived in accordance with the Intercreditor Agreement or the relevant senior debt has been duly accelerated in accordance with the Intercreditor Agreement as a result of such event of default.

6.4 Common Security Package

The Term Facilities have been secured by way of the following agreements in favor of the Lenders and IFA participants:

- Share pledge over the shares held by Saudi Aramco and Sumitomo Chemical in Petro Rabigh;
- A pledge over the Refinery and all associated plant, equipment, machinery and buildings and any proceeds of sale of any part or all of such pledged assets;
- An assignment of onshore project contracts and construction contracts;
- An assignment and pledge of onshore project accounts;
- An assignment over offshore project accounts;
- An assignment of insurances;
- An assignment of offshore project and construction contracts;
- Direct agreements in respect of certain project agreements, including the Marketing Agreements; and
- Notices of assignment in respect of the feedstock supply agreements.

There is a number of events where the above security package could be enforced such as:

- If Petro-Rabigh does not pay any principal, commission or fees within five (5) business days of its due date;
- If any representation or warranty made or repeated by Petro-Rabigh under any finance document is or proves to have been untrue in any material respect; and
- If Petro-Rabigh breaches any project document or any authorisation, where such breach could reasonably be expected to have a material adverse effect on the Company.

6.5 Other Intercreditor Arrangements

The Intercreditor Agreement has been entered into on 2 March 2006 between, amongst others, Petro Rabigh, Saudi Aramco, Sumitomo Chemical, the Intrecreditor Agent, the Islamic Facility Agent, JBIC, the Onshore Security Agent, the Offshore Security Trustee and Rabigh Arabian Water and Electricity Company. Pursuant to the Intercreditor Agreement, each of Saudi Aramco and Sumitomo Chemical covenants, among other things, that it will at all times during the term of the Term Facilities, own directly, and not on behalf of any other person at least thirty seven point five per cent. (37.5%) of the ownership interests in the Company.

6.6 Founding Shareholders’ Credit Facility

On 2 March 2006, Petro Rabigh, Saudi Aramco and Sumitomo Chemical signed a credit facility agreement making a $1,654,845,430 facility available to Petro Rabigh to develop, design, construct and operate the Project. Repayment is upon demand of Saudi Aramco and Sumitomo Chemical (please refer to “Legal Information” section for more details).

7. Corporate Structure

7.1 Directors

The Company's Board of Directors (the "Board") is comprised of eight (8) members of which each Founding Shareholder has appointed three Directors. After the first 5 years, the Board of Directors will be selected by the Shareholders of the Company for terms of 3 years. The current Board of Directors is as follows:

Exhibit 7-1: Board of Directors

Title	Name	Nationality	Age	Shares	Ownership
Chairman (non-executive)	Abdulaziz F. Al-Khayyal	Saudi	53	-	-
Vice Chairman (non-executive)	Hiromasa Yonekura	Japanese	70	-	-
Executive Director	Saad F. Al-Dosari	Saudi	57	-	-
Chief Financial Officer (Executive)	Toshiki Matsumura	Japanese	54	-	-
Non-Executive Director	Osamu Ishitobi	Japanese	63	-	-
Non-Executive Director	Motassim A. Al-Ma'ashouq	Saudi	46	-	-
Independent Director	Ahmad Al-Humaid	Saudi	70	-	-
Independent Director	Saud Al-Ashgar	Saudi	70	-	-

Source: Petro Rabigh

7.2 Resumes of Directors

The following is a brief profile of the current Board members:

Mr. Abdulaziz F. Al-Khayyal, Chairman. Abdulaziz F. Al-Khayyal is Senior Vice President, Industrial Relations, Saud Aramco. He was appointed to this position in September 1, 2007. As head of the Industrial Relations business line, he is responsible for many of the company's most vital support operations, including human resources and training, safety and security, government and public relations, community services, and medical services. Al-Khayyal joined the company in 1981 as an engineer. He has held a variety of managerial positions in oil and gas operations and maintenance. In 1991, he was appointed Director of Personnel, and in 1993 he was appointed President of Saudi Petroleum International, Inc., New York. In 1994, he was appointed President of the Petron Corporation, Saudi Aramco's refining joint venture in the Philippines. On his return to the Kingdom, Al-Khayyal was appointed Vice President of Sales and Marketing, and then Vice President, Employee Relations and Training, and then Vice President, Corporate Planning, in 1998. In 2000, he was appointed Senior Vice President, International Operations. In 2003, he became Senior Vice President, Refining, Marketing and International. In 2004, Mr. Al-Khayyal was appointed to the Board of Directors of Saudi Aramco and to PetroRabigh in 2005. Al-Khayyal is a graduate of the University of California, Irvine, where he received a B.S. degree in Mechanical Engineering in 1977 and a Master's degree in Business Administration in 1979. He attended the company's Management Development Seminar in 1986 and the Advanced Management Program at the University of Pennsylvania in 1995.

Mr. Hiromasa Yonekura, Vice Chairman. He graduated from Faculty of Law, Tokyo University in 1960 and MA from Department of Economics in Duke University. He completed his PhD Course in 1965 from the same university. Yonekura joined Sumitomo Chemical Company Limited in 1960. He has held various positions in Sumitomo Chemical, through 1969-1972, he was appointed as a Representative for Sumitomo Chemical in New York Office. In 1972, he worked in Planning & Development Department until 1983 where he has appointed as a Manager for the Foreign Department. From 1986 until 1991, he was the Manager of Corporate Planning Office then he was elected to be a Member of Board of Directors and Appointed General Manager for the Organic Chemicals Division. Then he was appointed as a General Manager for Basic Chemicals Administration Office and in charge of Organic Chemicals Division. In 1993, he assumed the position of General Manager for Basic Chemicals Administration Office. In 1994, Yonekura was appointed to be the General Manager for Planning and Coordination Offices of Basic Chemicals Sector and Petrochemicals and Plastics Sector until 1995 where he was appointed as a Managing Director. In 1998, he was appointed as a Senior Managing Director in charge of Corporate Planning and Coordination Office until 2000 where he was appointed as a President.

Mr. Saad Fahad Al-Dosari, Executive Director. Mr. Al-Dosari is the President, CEO and a Member of the Board of Directors of Petro Rabigh since late 2005 after over 30 years of experience in various organisations within Saudi Aramco. He began his service with Saudi Aramco in October 1973 as an Engineer in the Consulting Services Department after graduating from the University of Petroleum and Minerals in Mechanical Engineering. He attended the Columbia University Executive Program in 1994. In 1977, he was selected to go on an OOK program where he obtained a Master's Degree in Management Science from Fairleigh Dickinson University, USA. After his return in 1979, Al Dosari worked for the Organisation and Industrial Engineering Department and later for Ras Tanura Refining and Modernization Project Department. From 1985 until 2005 he moved through different departments in Project Management as Manager and General Manager including a two year assignment as Purchasing Manager for Aramco Services Company (ASC) in Houston, USA.

Mr. Toshiki Matsumura, Chief Financial Officer (Executive). He graduated from Faculty of Law, Kyoto University with a Bachelor degree in 1975. He joined Sumitomo Chemical in 1975. In 1987, he was seconded to Petrochemical Corporation of Singapore (Pte) Ltd until 1990 where he was seconded to the Polyolefin Company (Singapore) Pte. Ltd. He was appointed to Deputy Manager for the Basic Chemicals Administration Office in 1993 and as a General Manager for Corporate Planning & Coordination Office in 2003. In 2005, he became the General Manager for Rabigh Project Office, and then he was assigned as an Executive Officer and seconded to Rabigh Refining and Petrochemical Company.

Mr. Osamu Ishitobi, Non-Executive Director. He graduated from Department of Mathematical Engineering & Information Physics, Faculty of Engineering, University of Tokyo with a Bachelor degree in 1967 and Master in Chemical Engineering in 1969. Ishitobi joined Sumitomo Chemical since 1969. In 1993, he was appointed as a Manager for the Corporate Planning Office for one year then he managed the Planning and Coordination Office for the Petrochemicals & Plastics Sector. Then he was promoted to be Director and General Office Manager until 2000 where he became Director and General Manager for the Petrochemical Division. From 2001 to 2005, he assumed various positions as a Director and General Manager for the Petrochemicals Division, concurrently General Manager for the Polymer Products and Market Development Department, Managing Executive Officer and most recently as a Director, Senior Managing Executive Officer.

Mr. Motassim A. Al-Ma'ashouq, Non-Executive Director, Saudi Aramco's Treasurer. He graduated from the University of London with an MA in Economics, and also completed the Executive Program at Stanford University in 1999. He started his career with Saudi Aramco in the Corporate Planning Organization in 1984, working in the Business Analysis group. In 1996, Al-Ma'ashouq was appointed as a Vice President of Corporate Planning and Board Director of Petron Corporation (Saudi Aramco's joint venture in the Philippines) and in 1998 he assumed the position of Vice President of Marketing for Petron. In 1999, Al-Ma'ashouq was appointed as a President and CEO of Petrolube (Saudi Arabian lubricating oil company) in Jeddah and in 2000 he returned to Petron Corporation in the Philippines as the President and CEO. From 2001 to 2002, he was the Chairman of the Philippines Institute of Petroleum, an industry association representing the oil companies in the Philippines. In September 2003, Al-Ma'ashouq joined Saudi Aramco's Treasury as head of corporate finance, insurance and assets management. Since May 2005 to date, Al-Ma'ashouq is serving as the Treasurer of Saudi Aramco.

Mr. Ahmad S Al Humaid, Independent Director. Mr. Humaid joined Saudi Aramco in 1952 as an office clerk in Ras Tanura, and after spending nine years in clerical and maintenance jobs, he was sent to the United States for training for one year. On his return he was made Foreman in the Scheduling and Transportation Department in Ras Tanura for a year before returning to the United States for a three-year training stint, beginning in 1964. Returning to Saudi Arabia in 1967, Mr. Humaid was steadily promoted, attaining the rank of Superintendent of the Transportation Department in Ras Tanura. After a developmental assignment in Dhahran, Mr. Humaid became Superintendent of Equipment Services in 1970. From 1973 to 1978, he served as Superintendent for Equipment Services and Industrial Maintenance in Dhahran and then in Udhailiyah Producing, Mubarraz Producing and Dhahran Producing. After serving as Director of Employee Relations from 1978 to 1980, Mr. Humaid completed the Executive Program at the University of Virginia in Charlottesville and then spent two years on a development assignment for Employee Relations Policy & Planning. He then was promoted to General Manager of Employee Relations in 1982, after which he spent a year as General Manager of Pipelines. In 1984, he returned to Employee Relations as a Vice President, and in 1986, became Vice President for Employee Relations & Training. From 1988 to 1991, Mr. Humaid served as Vice President of Government Affairs. He capped his career by serving as Senior Vice President of Industrial Relations from 1991 to 1997, before retiring in 1997. Mr. Humaid holds a B.S. degree in Industrial Management from Armstrong College, Berkeley, California, in the U.S.A in 1967G.

Mr. Saud A. Al-Ashgar, Independent Director. Mr. Al-Ashgar joined Saudi Aramco in 1964 as a Process Engineer in Ras Tanura. From 1966 to 1969 he served as a Design Engineer on Refinery Modifications and as a Maintenance Engineer. He then served as a Refinery Planner for one year at Oil Supply Planning and Scheduling (OSPAS) in Dhahran before returning to Ras Tanura as Foreman for the North Refinery, Relief Foreman for the South Refinery, and Superintendent for the South Refinery. After a two-year special assignment, Mr. Al-Ashgar was appointed Chief Engineer for Northern Area Operations from 1978 to 1979. He then served as Manager of Technical Services. In 1980, Mr. Al-Ashgar became Manager of Engineering Services at the Aramco Overseas Company (AOC) in the Netherlands. He completed the Program for Senior Executives at the Massachusetts Institute of Technology in Cambridge and then was named President of AOC. Returning to Saudi Arabia in 1982, Mr. Al-Ashgar was appointed Executive Director of Engineering Services before being promoted to Vice President of Engineering Services. From 1984 through 1988, he served as Vice President for Planning before being called to a special assignment. In 1988, he was named Vice President and then Senior Vice President of Operations Services. In 1993, Mr. Al-Ashgar was appointed Senior Vice President of Manufacturing Supply and Transport. He concluded his career as Senior Vice President of International Operations, serving from 1995 until 1997 when he retired. Mr. Al-Ashgar holds a B.S. degree in Chemical Engineering from the University of Texas, in the U.S.A in 1964G.

Nabeel M. Al-Amudi, Secretary to the Board of Petro Rabigh. He graduated from Stanford University in 1995 with a Bachelor of Science in Chemical Engineering and worked for three years at Saudi Aramco as a process engineer, including the startup of the Ras Tanura Refinery Expansion Project. He graduated in 2001 from Harvard Law School with a Doctorate of Jurisprudence and has been working at Saudi Aramco's Law Department since 2002. Mr. Al-Amudi has been involved with the Rabigh Project since its inception and was appointed as the Secretary of the Board at the first Board of Director's meeting.

7.3 Senior Management

Petro Rabigh's management is comprised of qualified and experienced members. The ordinary business of the Company will be managed by the management team, which will include, among others, a Chief Executive Officer who has the ultimate responsibility in managing the Company's day-to-day operation and directly reports the performance to the Board.

Saudi Aramco appointed the current Chief Executive Officer, Mr. Saad Fahad Al-Dosari, whereas Sumitomo Chemical appointed the current Chief Financial Officer, Mr. Toshiki Matsumura.

Exhibit 7-2: Senior Management

Title	Name	Nationality	Age	Shares	Ownership
Chief Executive Officer and President	Saad F. Al-Dosari	Saudi	57	-	-
Manufacturing Sr Vice President	Yasuhiko Kitaura	Japanese	56	-	-
Engineering Vice President	Abdulaziz H. Mutwalli	Saudi	47	-	-
Market Development Vice President	Noriaki Takeshita	Japanese	49	-	-
Human Resources Vice President	Osama O. Fakih	Saudi	51	-	-
General Administration General Manager	Sami A. Iskandrani	Saudi	45	-	-
Chief Financial Officer	Toshiki Matsumura	Japanese	54	-	-

Source: Petro Rabigh

7.4 Resumes of Senior Management

The following is a brief profile of the current senior management of Petro Rabigh:

Mr. Saad F. Al Dosari, Chief Executive Officer and President, as mentioned earlier.

Mr. Yasuhuko Kitaura, Manufacturing Sr. Vice President. He graduated with a Bachelor from Department of Synthetic Chemistry, Faculty of Engineering in University of Tokyo. In 1974, Kitaura joined Sumitomo Chemical and assigned to the Manufacturing Department in Chiba Works. Since then he worked in the Gas Section Manufacturing Department and in the Technical Department then in 1984 he was appointed as Assistant Manager for Technical Department. In 1985, he was seconded to Sumitomo Chemical America Inc, after 4 years he assigned as Deputy Manager for Basic Chemical Administration Department. Kitaura worked as a Senior Engineer in the Manufacturing Department for Chiba Works then as a Manager for Planning & Coordination Office in the Petrochemical & Plastic Sector. In 1999, he was appointed as a General Manager for Planning & Coordination Office in the Petrochemicals and Plastics Sector. He was seconded again to Sumitomo Chemical America Inc. in 2002 for 2 years then he assigned to Rabigh Project Office. In 2005, he was seconded to Rabigh Refining and Petrochemical Company and was assigned to Administrative & Accounting Department, Chiba works.

Mr. Abdulaziz H. Mutwalli, Engineering Vice President. Mr. Mutwalli graduated with Bachelor of Science in Chemical Engineering from King Fahd University of Petroleum and Minerals. He joined Saudi Aramco in 1993 as part of the Samarec/Aramco Merger Team in Yanbu Petromin Refinery. He, then, supervised Manufacturing Planning and Operations Engineering Units in Jeddah Refinery in 1994. In 1996, he was appointed as Operations Superintendent in Ras-Tanura Refinery and then as a Refining Consultant in the Technical Support and Services Department. In 2002, he managed the Facilities Planning Department and as a coordinator to Gas Facilities Planning Division. In 2007, he was appointed as the Vice President of the Engineering Department.

Mr. Noriaki Takeshita, Market Development Vice President. He graduated from Faculty of Law in University of Tokyo with a Bachelor in 1982 where he joined Sumitomo Chemical Co., Ltd directly. In 1996, he was appointed as Deputy Manager for Planning and Coordination Office in the Petrochemicals and Plastics Sector. Takeshita was dispatched to Petrochemical Corporation of Singapore (Pte) Ltd. He managed Planning and Coordination Office in the Petrochemicals and Plastics Sector from 2003. In 2004, he was assigned to Manager, Rabigh Project Office until 2005 when he was seconded to Rabigh Refining and Petrochemical Company.

Mr. Osama Fakih, Human Resources Vice President. He graduated from Portland State University with a Bachelor in Mathematics and got a Diploma in Data Processing and Computer Programming from Western Business College in 1983. He joined Saudi Aramco in 1991 as a Personnel Advisor for one year then he appointed as a Supervisor in the Support Services Department. In 2003, he was appointed as a Manager of Industrial Relations until 2006 where he appointed to a special assignment with the Personnel Department to establish External HR Support Group Division and the Personnel Services Centers.

Mr. Sami A. Iskandrani, General Administration General Manager. Iskandrani holds a Bachelor in Industrial Management from the University of Petroleum and Minerals in Dhahran. In 1983, he joined Bechtel Power Co. as a cost analyst for a pre-graduate university program. Upon graduation in 1984, Mr. Iskandrani joined Saudi Aramco as planning and program analyst for 10 years and then as a superintendent for the Refinery planning, training and support division. He occupied many positions in Saudi Aramco and Petro Rabigh starting from 2001 such as the assistant to vice president, Western region refining, supply and distribution, the Rabigh community and office services administrator and then the Petro Rabigh's general manager for general administration.

Mr. Toshiki Matsumura, Chief Financial Officer, as mentioned earlier.

7.5 Corporate Governance

Petro Rabigh is committed to high standards of corporate governance that are generally in compliance with CMA's Corporate Governance standards. The Company has a clear division of responsibilities between the Board and Executive Management of the Company.

Key roles of the Board include defining the Company's mission, goals, and strategic objectives, providing strategic guidelines and assuring the efficiency and effectiveness of the overall planning system.

The Board is responsible for appointing the key personnel of the Company, and ensuring that all necessary resources are available and developed in the best way possible. The Board continuously assesses the Company's business activities, accomplishments and investments.

The Company adopts effective internal control systems in all its departments and currently has two committees in place to review the Company's operations within their particular areas of expertise and present their reports on their findings and suggestions to the Board.

7.5.1 Audit Committee

The audit committee oversees financial, risk management and internal controls aspects of the Company's operations. Its responsibilities include the review and discussion of the Company's interim and annual financial statements. The internal audit committee oversees the Company's external auditors and reviews the effectiveness of external and internal audit and has the authority to engage such external experts, as it feels necessary to fulfill its obligations of stewardship on the financial affairs of the Company.

The audit committee has the responsibility of reviewing the effectiveness of the Company's system of internal controls, accounting information systems and finance department competencies and capabilities in light of compliance with generally accepted accounting standards.

The duties and responsibilities of the audit committee also include the following:

- Recommend the appointment of external auditors and ensure that the required access to the Company's books, records and personnel is provided to such external auditors.
- Approve and direct internal audit plans.
- Supervise the preparation of the financial statements.

Exhibit 7-3: Internal Audit Committee Members

Role	Name
Chairman	Osamu Ishitobi
Member	Moatassim Al-Ma'ashouq
Member	Will be appointed by the Board after the IPO
Member	Will be appointed by the Board after the IPO

Source: Petro Rabigh

7.5.2 Remuneration, Nomination and Compensation Committee

The Remuneration, Nomination and Compensation Committee will decide on how the Board's performance is to be evaluated and propose objective performance criteria, subject to the approval of the Board.

The main duties of the Remuneration, Nomination and Compensation Committee include, among other things, the following:

- Recommending nomination of the independent Directors to the Board.
- Annually reviewing the requirements of the skills needed of independent Directors and generating a description of the capabilities and qualifications required for the independent Directors on the Board and the time that a Director should dedicate to the Board's functions.
- Verifying annually the independence of the independent Directors and the absence of any conflict of interests if the Director serves as in an incumbent director on the board of directors of any other company.
- Recommend to the Board clear policies for the remuneration for the Directors and senior executive officers using performance criteria.

Exhibit 7-4: Remuneration, Nomination and Compensation Committee Members

Role	Name
Chairman	Saad F. Al-Dosari
Member	Moatassim Al-Ma'ashouq
Member	Osamu Ishitobi
Member	Toshiki Matsumura

Source: Petro Rabigh

7.6 Services Contracts

The members of Petro Rabigh's Board have been appointed through the General Assembly. The Board members responsibilities are governed by the Company's Bylaws. The following is a summary of the service contracts, duties and responsibilities of the Board members and the Chief Executive Officer.

7.6.1 Chairman of the Board

Duties and Responsibilities:

- Ensure the clarity of the Board's functions, framework of duties and the basis for the division of responsibilities.
- Ensure the clarity and precision of the Board's business plan and priority of topics brought before the Board.
- Ensure that the Board's responsibilities adhere by and fulfill the vision and strategy of the Company.
- Lead the Board in selecting a chief executive who will be responsible for the administration of the Company.
- Support the Executive Committee through administrative guidance and performance evaluation.
- Vote over the appointment of senior management and executive officers.
- Assess the performance of the Board members.

7.6.2 Directors

Duties and Responsibilities:

- Participate in the overall direction and planning of the Company's future plans.
- Ensure effective implementation of policies and objectives of the Company.
- Participate in determining the Company's priorities and monitor the effective and efficient utilization of the Company's assets.
- Vote over the appointment of senior management and executive officers.
- Assist in evaluation and assessment of the executive officers and Board members.
- Assess the Board's own performance.

Duration

The Directors duration of service is determined in accordance with the Company's Bylaws. The Founding Shareholders have appointed the first Board for a term of 5 years by providing for such appointment in the by-laws. After the first five years, the Board will have duration of three years.

7.6.3 Chief Executive Officer

Duties and Responsibilities:

- Managing both the administrative and technical aspect of the Company.
- Optimizing resource utilization.
- Achieving objectives and meeting targets.
- Coordinating and planning with the different divisions to meet budget targets.
- Recommending and implementing policies and strategies to achieve the objectives of the Company.
- Monitoring on the Company's activities and providing administrative and technical support to the senior management.
- Communicating decisions of the senior management and the Board and monitoring their implementation.
- Supporting the strategic planning division.
- Supporting quality control activities and fostering a quality oriented culture.
- Executing Chairman and Board resolutions.

Duration

The CEO was appointed for a period of five (5) years from October 2005. The extension of such service will be subject to the review and the approval of the Board of Directors.

7.7 Declaration in Respect of Directors and Key Officers

The Directors, Chief Executive Officer, Chief Financial Officer, the Company's top management and Secretary of the Board declare that they:

- Have not at any time been declared bankrupt or been subject to bankruptcy proceedings
- Except as disclosed in "Services Contracts" section (page 48) of the Prospectus, do not themselves, nor do any relatives or affiliates, have any material interest in any written or verbal contract or arrangement in effect or contemplated at the time of the Prospectus, which is significant in relation to the business of the Company.

7.8 Remuneration of Directors and Senior Management

The Directors and the Executive Management do not have any powers enabling them to vote on remuneration to themselves during the general assembly meetings. The Directors and Senior Management of the Company do not have any powers to borrow from the Company or vote on any contract or proposal in which they have a material interest. In addition, the Directors did not receive any remunerations or benefits in kind from the Company as compensation for their role in the Board of Directors.

7.9 Employees Share Plan

Attracting talent and retaining it is becoming a challenge; therefore, Petro Rabigh is proposing an employee share scheme, since it considers its employees as a major component of the Company's asset and their loyalty is a key issue to capitalize on. This incentive will be for employees who are projected to be on Petro Rabigh direct payroll by January 1, 2008, and no later then December 31, 2010.

This scheme has been designed in which the Company will allocate 1,000 shares (from the IPO shares) to each employee and award these shares after a five-year service with Petro Rabigh. Total exposure will be around SAR 37.5 million. In addition, the shares will be in the name of Petro Rabigh direct hire employees and will be managed by a designated Saudi Bank in an open ended share mutual fund. The Company will pay for the shares during the subscription period.

8. Operational and Support Function

Petro Rabigh will own and operate the Refinery facilities except for (a) the crude oil pipeline and related storage tanks, which will be owned and operated by Saudi Aramco and (b) the ethane and butane pipelines, which will be owned by Petro Rabigh, but operated and maintained by Saudi Aramco. Certain utilities, power, process and potable water and other services, may be provided by one or more third parties.

Saudi Aramco owns the Marine Terminal and residential community in and nearby the Rabigh industrial site and a third party or Saudi Aramco is expected to operate and manage these facilities going forward.

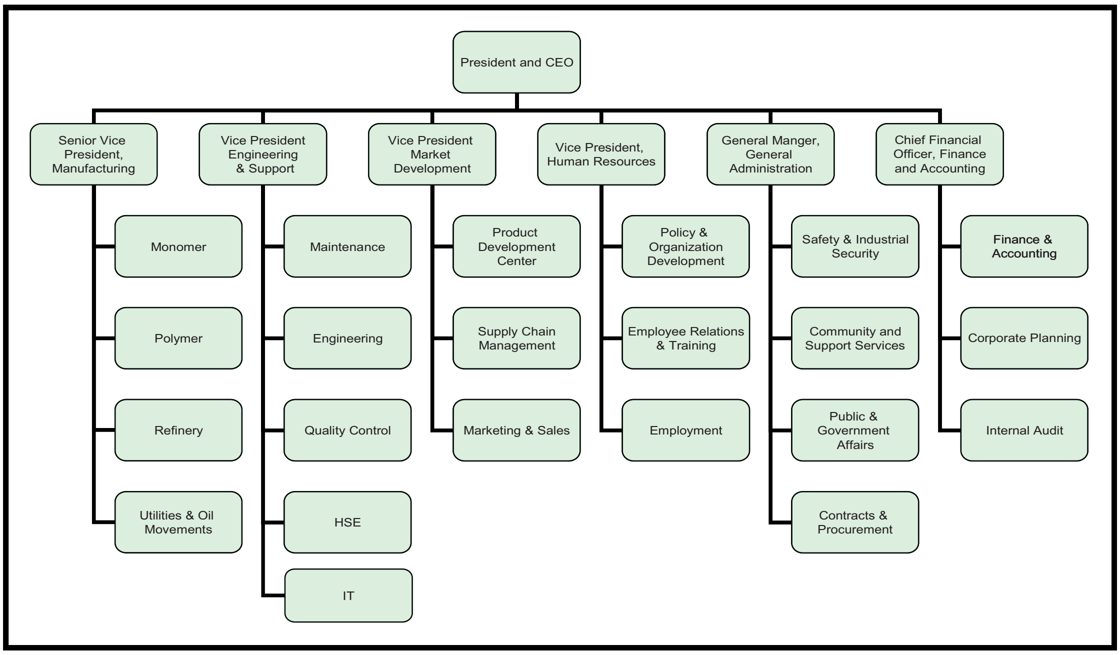
8.1 Organizational Structure

8.1.1 Petro Rabigh Organizational Structure

Saudi Aramco has agreed to sell and deliver directly to the Company in 2008 after the start up of the new facilities in the Project, free of any liens, Saudi Aramco's ownership, right, interest in and title to the Rabigh Refinery plant, its spares and consumables, the Rabigh Refinery Plant books, records and intellectual property and the hydrocarbon inventory assets on the date of transfer. Saudi Aramco has also agreed to assign all contracts and warranties it enjoys in connection with the Rabigh Refinery to the benefit of the Company.

The organization structure of the Company is as follows:

Exhibit 8-1: Petro Rabigh Organization Structure



Source: Petro Rabigh

The following is a brief description of the main functions of Petro Rabigh:

- **Manufacturing:**
  1. Manufacture petrochemical products, such as Easy Process Polyethylene, Linear Low Density Polyethylene, High Density Polyethylene, Polypropylene, Propylene Oxide and Ethylene Glycol;
  2. Refine crude oil into gasoline, diesel oil and fuel oil; and
  3. Provide the electricity and water necessary for manufacturing and refining operations as well as arrange of the distribution of the petrochemical products.
- **Engineering and Support**
  4. Plan, design and conduct maintenance works on facilities/systems/equipment of all the plants, routinely, periodically and in a preventive way;
  5. Provide technical and engineering support for manufacturing-related facilities from viewpoints of facility maintenance, facility improvement and operations assistance;
  6. Conduct necessary analytical works to guarantee that all petrochemical and refining products meet the specifications; and

7. Provide policy, information and guidance on health, safety and environment issues in order to protect employees, facilities and the environment.

- **Market Development**

8. Conduct studies, research and analysis on the polymer products to respond to the needs and requests of the end-users;

9. Manage and control product logistics for meeting all the customers requirements; and

10. Develop the market of petrochemicals and conduct sales activities in the GCC countries and beyond.

- **Human Resources ("HR")**

11. Implement activities for recruitment, selection, employment and placement of employees as well as provide supporting services for all HR related issues;

12. Design the schemes for training and development of employees and implement the appropriate programs; and

13. Develop the HR policies and procedures to apply all employees so that they are fairly evaluated and rewarded.

- **General Administration**

14. Protect the plants, facilities and employees of the Company through security, safety and fire-protection activities;

15. Provide various services to maintain the living/working conditions in the residential compound and office buildings;

16. Provide materials procurement services and contracting jobs necessary for operations and business activities; and

17. Contact governmental agencies on various industrial issues and implement the public relations activities to properly communicate what the Company is aiming to do.

- **Finance and Accounting**

18. Conduct proper financial arrangements and transactions to meet the Company's operational requirements including a capital investment project;

19. Control accounting systems and procedures while ensuring proper application, reviewing and endorsing various statements/reports related to general, financial, tax accounting;

20. Prepare and control the annual budget and other business plans for the Company's operation, and evaluate its performance; and

21. Provide technical and operational services on IT issues.

8.2 Operations and Maintenance

The Project will benefit from the facilities and operations of the Refinery, which provides an established operation and management organisations skills base.

8.2.1 Existing Founding Shareholders' Experience

Both Founding Shareholders have significant experience in the operating and managing of major process industry complexes, both nationally and internationally. In addition, both Founding Shareholders have experience in the operation of international joint venture projects and Petro Rabigh will therefore benefit from the respective refinery and petrochemicals experience, established procedures, opportunities for training and technical support of the Founding Shareholders.

8.2.2 Maintenance Philosophy

The existing maintenance department covers the routine planned maintenance activities, condition monitoring and response to unplanned equipment and instrument failures. The department is organized into four sections covering the field maintenance group, the fabrication shop, planning and scheduling and the turnaround and inspection team. The maintenance group is considered to be appropriately staffed, highly motivated and proactive in dealing with the routine maintenance activities of the Refinery. The maintenance department has been directly involved with the rehabilitation and upgrading of the facility.

The maintenance program is based upon both a planned and predictive maintenance regime, in order to minimize the required downtime and optimize the maintenance expenditure, consistent with good industry practice. A full Refinery shutdown of 35 days was completed in 2004 for turnaround and inspection works and it will continue to apply a 5-year (or more) turnaround cycle. The Refinery is thus considered to be operated and maintained at a level consistent with international and industry standards and the O&M procedures are appropriate to support the long-term operations and obligations of the Project.

8.2.3 Future Plans

Operation, maintenance and engineering training are planned for the period from January 2006 to September 2007 at the Chiba Works' petrochemical plants of Sumitomo Chemical. Quality control training is planned for February 2007 to April 2008 at Sumitomo Chemical's Chiba Works and other locations. On-site training began in November 2006 and will be carried out until December 2007 at the Refinery. A single total site shutdown was planned during October 2007 for turnaround and inspection ("T&I"), in order to conduct maintenance work to ensure equipment quality and avoid additional expenditures.

8.3 Manpower Requirements

As of 17 October 2007, the Company had 1,619 employees of which 1,245 were Saudis. The following table summarizes the number of employees per function:

Exhibit 8-2: Petro Rabigh Employees Breakdown

Function	Saudis	Non-Saudis	Total	Saudization Percentage
Manufacturing	560	173	733	76.4%
Engineering & Support	322	123	445	72.4%
Market Development	38	18	56	67.9%
Human Resources	27	11	38	71.0%
General Administration	279	17	296	94.2%
Finance & Accounting	18	27	45	40.0%
President & Executives	1	5	6	16.6%
Total	**1,245**	**374**	**1,619**	**76.9%**

Source: Petro Rabigh

8.3.1 Operation Staffing Plan

The staffing and training plan for the Project is being developed. It is expected that the following basic principles will be adopted:

- The operations and maintenance staff employed at the Refinery will be transferred to Petro Rabigh and will receive the necessary training to operate the expanded complex.
- Starting in June 2007, additional staffing recruitments were authorized. As of 17 October 2007, 1,245 were hired from the local market and 374 were hired from foreign labor markets. 258 additional employees are required to reach the initial recruitment level of 1,877 during the second half of 2008G. 335 apprentice employees were given a 14 month foundation training course as necessary to support operational requirements.

8.3.2 Key Operating Units

Saudi Aramco and Sumitomo Chemical will second experienced personnel and provide specific training and support for the individual licensed and non-licensed units.

8.4 Technical Services Agreements

There are technical services agreements with both Saudi Aramco and Sumitomo Chemical covering services to Petro Rabigh during construction and initial operating periods such as security, safety, training, market seeding, community, policies and regulation development and organisation. These agreements also cover the ongoing technical support needed for continuous operation and ongoing enhancements such as refining process know-how provided by Saudi Aramco, petrochemical know-how provided by Sumitomo Chemical and marketing technical services, engineering and safety best practices and training provided by both Founding Shareholders. See "*Legal Information*" section of the Prospectus for more information on the agreements.

9. Legal Information

9.1 The Company

Petro Rabigh was established as a limited liability company under Commercial Registration number 4602002161, dated 15 Sha'ban 1426H (corresponding to 19 September 2005G). The Company was converted to a joint stock company pursuant to the Minister of Commerce and Industry's Resolution No. (262/Q) dated 22/10/1428H (corresponding to 3/11/2007G). The Company is also licensed by Saudi Arabian General Investment Authority with license number 495/A dated 14/5/1426H (corresponding to 21 June 2006G). Prior to the conversion, the Company was equally owned by Saudi Aramco and Sumitomo Chemical.

9.2 Share Capital

The Company's Founding Shareholders are Saudi Aramco and Sumitomo Chemical. The shareholders of the Company before and after the Offering are as follows:

Exhibit 9-1: Petro Rabigh Ownership Structure

	Pre-Offering			Post-Offering		
Shareholder	**Shares**	**%**	**Capital (SAR)**	**Shares**	**%**	**Capital (SAR)**
Saudi Aramco	328,500,000	50.0%	3,285,000,000	328,500,000	37.5%	3,285,000,000
Sumitomo Chemical Company	328,500,000	50.0%	3,285,000,000	328,500,000	37.5%	3,285,000,000
Total Founding Shareholders	657,000,000	100.0%	6,570,000,000	657,000,000	75.0%	**6,570,000,000**
Public	-	-	-	219,000,000	25.0%	2,190,000,000
Total	**657,000,000**	**100.0%**	**6,570,000,000**	**876,000,000**	**100.0%**	**8,760,000,000**

Source: the Company

9.3 Technology and Licensing

The Project has selected licensors with extensive industry experience and world class reputation to provide technologies for use at the Rabigh Complex. The licensors selected for the proprietary process units and the open art units are presented as follows:

Exhibit 9-2: Technology and Licensing

Process Unit	Technology
Vacuum Distillation Unit	Non-licensed
VGO Hydrotreater	Axens
HOFCC Unit	Stone & Webster International
Ethane Cracker	Stone & Webster International
Unsaturated Gas Plant	Stone & Webster International
C_4 Alkylation	STRATCO Dupont
C_4 Isomerisation & Splitting	Axens
Butene-1 Unit	Axens
Hydrogen Production Unit	Non-licensed
Sulphur Recovery Unit	Jacobs
Sulphuric Acid Unit	MECS
Sour Water Stripper	Non-licensed
Amine Regeneration Unit	Non-licensed
New Petrochemicals Units:	
HDPE	Basell
EPPE	Sumitomo Chemical
LLDPE	Sumitomo Chemical
PP (Homo)	Sumitomo Chemical
PP (Block)	Sumitomo Chemical
Propylene Oxide	Sumitomo Chemical
Mono Ethylene Glycol	Shell Research Limited

Source: Petro Rabigh

The licensors have demonstrated expertise and performance in their respective technologies and are recognized internationally as developers and suppliers to the process industries. The open art (non-licensed) units are consistent with the normal industry practice for such units. More detail on each licensor follows:

9.3.1 Axens

Axens NA is a subsidiary of L'Institut Français du Pétrole ("IFP") and was formed in 2001 through the merger of IFP's technology licensing division with Procatalyse Catalysts & Adsorbents. Axens is a refining, petrochemical and natural gas market focused company, offering products including processes, catalysts, adsorbents and equipment. Axens is backed by nearly fifty years of research and development and industrial success.

9.3.2 Basell

Basell is the world's largest producer of polypropylene and advanced polyolefin products, a leading supplier of polyethylene and catalysts, and a global leader in the development and licensing of polypropylene and polyethylene processes. Basell, has manufacturing facilities around the world and has research and development activities in Europe, North America and the Asia-Pacific region.

9.3.3 Jacobs

Jacobs Engineering Group Inc. is a reputable engineering company that provides a range of services including third party licensed technologies and engineering, construction operations and maintenance services throughout the world.

9.3.4 MECS

Monsanto Enviro-Chem Systems, Inc. ("MECS") provides a range of technologies, including sulphuric acid.

9.3.5 Shell

Shell is a global group of energy and petrochemicals companies, operating in over 145 countries, and is best known to the public for service stations and for exploring and producing oil and gas onshore and offshore. Shell also produce and sell petrochemical building blocks to industrial customers.

9.3.6 Stone & Webster International

Stone & Webster International Inc., part of the Shaw Group, provides engineering, design and construction services for power, process, environmental, infrastructure and industrial projects worldwide. Stone & Webster International Inc. has proprietary process technology to provide solutions for petrochemical, refining and gas processing applications for the global process engineering and construction market.

9.3.7 STRATCO

STRATCO, a DuPont Company, was founded in 1928 and provides engineering design, equipment and research and development for the grease, petrochemical and chemical industries. The development, design, fabrication and operation of STRATCO process equipment is backed by more than 76 years of experience. STRATCO and several major oil companies co-developed the Alkylation process.

9.3.8 Sumitomo Chemical

Sumitomo Chemical Co., Ltd., is Japan's third largest chemicals producer and one of the world's leading chemical companies. Approximately, one-third of the company's sales come from petrochemicals such as polypropylene, polyethylene and elastomers.

9.4 Summary of Material Contracts and Agreements

9.4.1 Related Party Agreements

The Asset Transfer Agreement ("ATA")

Scope: The Company has entered into the ATA, dated 21 February 2006, with Saudi Aramco, under which Saudi Aramco will transfer to the Company the Rabigh Refinery assets and the hydrocarbon inventory assets on the Refinery transfer date, which is the date of start-up of the first of the new core facilities or any other date as the parties may agree.

Price. On the Refinery transfer date, a provisional transferred assets purchase price (not to exceed $400,000,000 and agreed at the date of the agreement to be $230,000,000) will be paid to Saudi Aramco on the Refinery transfer date, to be adjusted within 30 business days following the Refinery transfer date if no net asset statement setting out the transferred assets purchase price has been agreed by the contracting parties or within five business days following the date on which such net asset statement has been agreed by the contracting parties. In addition, within 60 days following the Refinery transfer date, Saudi Aramco shall receive the hydrocarbon inventory assets purchase price calculated by multiplying the quantity of the hydrocarbon inventory assets as at the Refinery transfer date by the price for each class of such assets, as such price shall be determined by an independent auditor.

Indemnification: The ATA provides for indemnities by both contracting parties to each other, in connection with breaches of representations or other terms of the ATA, as well as detailed indemnification rules and procedures. The Company's remedies in respect of a breach of the ATA (including the warranties), except for fraud, are limited to such indemnification, subject to the overall cap of the transferred assets purchase price. The maximum liability that Saudi Aramco may incur in respect of all claims under the ATA is capped at the transferred assets purchase price, with no liability for warranty claims below certain minimum thresholds.

Termination: The ATA may be terminated by mutual agreement or, at the Company's election, following a force majeure event that impedes the asset closing for a continuous period of one year.

Governing law and disputes: The ATA shall be governed by the laws of the Kingdom and disputes shall be subject to arbitration in London pursuant to the ICC Rules, with certain specified and agreed items to be determined by an expert.

Ethane Feedstock Supply Agreement ("ESA")

Scope: The Company has entered into the ESA, dated 28 January 2006, with Saudi Aramco, under which Saudi Aramco will supply the Company with all of its requirements of ethane feedstock (not to exceed ninety-five million standard cubic feet per day (95MMSCFD) of ethane feedstock, subject to the production policies of the Kingdom) solely for use in the Rabigh Project.

Term: 20 years commencing on the date by which the joint venture agreement between Saudi Aramco and Sumitomo Chemical shall have become effective and the pipeline facilities used to supply ethane feedstock shall have been properly constructed and shall be ready for testing and start-up. The term is renewable for another ten years, subject to the agreement of the contracting parties.

Price: The price payable by the Company to Saudi Aramco for the ethane feedstock supplied under the ESA has been fixed for the period from the effective date through 31 December 2015. Thereafter, the price shall be the price commonly applied by Saudi Aramco to industrial customers in the Kingdom.

Default: The following shall be considered events of default under the ESA: (i) failure by the Company to pay for ethane feedstock; (ii) termination by Saudi Aramco of the COSA under certain Sections thereof; (iii) breach by the Company of some of the warranties provided under the ESA; (iv) failure by Saudi Aramco to deliver ethane feedstock for a continuous period of two quarters, absent a force majeure event, a shutdown or the action or inaction of the Company; or (v) the insolvency, bankruptcy or dissolution of the Company, provided that Saudi Aramco shall not have a right to terminate the ESA if such insolvency, bankruptcy or dissolution is due to Saudi Aramco's unjustified failure to deliver the ethane feedstock. Each contracting party may exercise its respective termination rights only following the occurrence of an event of default, the expiration of the applicable cure period and the delivery of the requisite notice of termination.

Failure to lift: If, for four consecutive quarters, the actual average daily quantity lifted in each quarter is less than the average daily forecast quantity for reasons other than force majeure events, shutdowns or the action or inaction of Saudi Aramco, then Saudi Aramco may elect, in its discretion, to reduce the maximum daily quantity to be sold to the Company to an amount equal to the Company's actual daily average purchases of ethane feedstock over the previous four consecutive quarters.

Liability: Saudi Aramco will use its best efforts to supply and deliver ethane feedstock to the Company, but shall not be liable to the Company for any loss, claim, damage, judgment or award arising out of the failure to deliver ethane feedstock under the ESA. The Company shall have no liability for failure to lift and purchase ethane feedstock which arises as a result of a shutdown. In no event shall any of the contracting parties be liable to the other for special, indirect or consequential losses.

Governing law and disputes: The ESA shall be governed by the laws of the Kingdom and disputes shall be subject to arbitration in London pursuant to the ICC Rules, with certain specified and agreed items to be determined by an expert.

Crude Oil Feedstock Supply Agreement ("COSA")

Scope: The Company has entered into the COSA, dated 28 January 2006, with Saudi Aramco, under which Saudi Aramco will supply the Company with all of its requirements of crude oil (not to exceed 400,000 bpd of crude oil, subject to availability) solely for use in the Rabigh Project.

Term: 30 years commencing on the date by which the joint venture agreement between Saudi Aramco and Sumitomo Chemical shall have become effective and the Refinery transfer date shall have occurred). The term is extendable by agreement.

Price: The price at which Saudi Aramco will sell the Crude Oil to the Company will be calculated based on several variable market markers that reflect, among other things, the prices of the Refined Products and the market destinations for the refined products to be manufactured from the crude oil, as well as a through-put fee (fixed) for the use of Saudi Aramco's Rabigh crude oil pipeline for the delivery of the crude oil to the Company's facilities.

Default: The following shall be considered events of default under the COSA: (i) failure by the Company to pay for crude oil; (ii) breach by Saudi Aramco of some of the warranties made under the COSA; (iii) failure by Saudi Aramco to deliver crude oil for a continuous period of two quarters, absent a force majeure event, a shutdown or the action or inaction of the Company; (iv) failure by the Company to take delivery for a continuous period of two quarters absent a force majeure event, a shutdown or the action or inaction of Saudi Aramco; or (v) the insolvency, bankruptcy or dissolution of the Company, provided that Saudi Aramco shall not have a right to terminate the COSA if such insolvency, bankruptcy or dissolution is due to Saudi Aramco's unjustified failure to deliver crude oil. Each of the contracting parties may exercise its respective termination rights only following the occurrence of an event of default, the expiration of the applicable cure period and the delivery of the requisite notice of termination.

Liability: Saudi Aramco will use its best efforts to supply and deliver crude oil to the Company, but shall not be liable to the Company for any loss, claim, damage, judgment or award arising out of the failure to deliver crude oil under the COSA. The Company shall have no liability for failure to lift and purchase crude oil which arises as a result of a shutdown. In no event shall any of the contracting parties be liable to the other for special, indirect or consequential losses.

Governing law and disputes: The ESA shall be governed by the laws of the Kingdom and disputes shall be subject to arbitration in London pursuant to the ICC Rules, with certain specified and agreed items to be determined by an expert.

Butane Feedstock Supply Agreement ("BSA")

Scope: The Company has entered into the BSA, dated 28 January 2006, with Saudi Aramco, under which Saudi Aramco will supply the Company with all of its requirements of butane feedstock solely for use in the Rabigh Project (not to exceed 12,000 bpd of butane feedstock, subject to the production policies of the Kingdom) solely for use in the Rabigh Project.

Term: 20 years commencing on the date by which the joint venture agreement between Saudi Aramco and Sumitomo Chemical shall have become effective and the pipeline facilities used to supply ethane feedstock shall have been properly constructed and shall be ready for testing and start-up. The term is renewable for another ten years, subject to the agreement of the contracting parties.

Price: The price per metric ton of butane feedstock payable by the Company to Saudi Aramco under the BSA shall be determined following an agreed formula that takes into account, inter alia, the fixed rate for domestic liquefied petroleum gas (LPG) quoted by Saudi Aramco and which is capped until 2011. Thereafter, the price shall be the price commonly applied by Saudi Aramco to industrial customers in the Kingdom

Default: The following shall be considered events of default under the BSA: (i) failure by the Company to pay for butane feedstock; (ii) termination by Saudi Aramco of the COSA under certain provisions thereof; (iii) breach by the Company of some of the warranties provided under the BSA; (iv) failure by Saudi Aramco to deliver butane feedstock for a continuous period of two quarters, absent a force majeure event, a shutdown or the action or inaction of the Company; or (v) the insolvency, bankruptcy or dissolution of the Company, provided that Saudi Aramco shall not have a right to terminate the BSA if such insolvency, bankruptcy or dissolution is due to Saudi Aramco's unjustified failure to deliver the butane feedstock. Each of the contracting parties may exercise its respective termination rights only following the occurrence of an event of default, the expiration of the applicable cure period and the delivery of the requisite notice of termination.

Failure to lift: If the Company fails to lift the forecasted quantities, Saudi Aramco may exercise any of the following two remedies: (i) if, for reasons other than unplanned shutdowns, force majeure events or the action or inaction of Saudi Aramco, the Company's actual lifting for two consecutive quarters is less than 95% of the aggregate of the forecasted daily quantities nominated for each such quarter, Saudi Aramco may reduce the Company's forecasted quantities for each quarter in the immediately following quarter by an amount not to exceed the average of the shortfall from daily forecast quantities for the aforementioned two consecutive quarters; and (ii) if, for four consecutive quarters, the actual average daily quantity lifted in that quarter is less than the average daily forecast quantity for such quarter for reasons other than force majeure events, shutdowns or the action or inaction of Saudi Aramco, then Saudi Aramco may elect, in its discretion, to reduce the maximum daily quantity to be sold to the Company to an amount equal to the Company's actual daily average purchases of butane feedstock over the previous four consecutive quarters.

Liability: Saudi Aramco will use its best efforts to supply and deliver butane feedstock to the Company, but shall not be liable to the Company for any loss, claim, damage, judgment or award arising out of the failure to deliver butane feedstock under the BSA. The Company shall have no liability for failure to lift and purchase butane feedstock which arises as a result of a shutdown. In no event shall any of the contracting parties be liable to the other for special, indirect or consequential losses.

Governing law and disputes: The BSA shall be governed by the laws of the Kingdom and disputes shall be subject to arbitration in London pursuant to the ICC Rules, with certain specified and agreed items to be determined by an expert.

Technical Services Agreements

Scope: The Company has entered into services agreements with both Saudi Aramco on 8 May 2006 and with Sumitomo Chemical on 27 May 2006 to cover services to the Company during construction and initial operations such as security, safety, training, market seeding, community, policies and regulation development and organisation. These agreements also cover the ongoing technical support needed for continuous operation and ongoing enhancements such as refining process know-how provided by Saudi Aramco, petrochemical know-how provided by Sumitomo Chemical and marketing technical services, engineering and safety best practices and training provided by both Founding Shareholders.

Term: An initial period of five years, starting on 1 August 2005, plus consecutive additional periods of one year each, unless terminated by either party by giving notice to the other party.

Price: The Company shall pay Saudi Aramco and Sumitomo Chemical the price specified in each service authorization for services to be provided.

Termination: If Sumitomo Chemical is in default of its material obligations and does not remedy such default within a period of 45 days and Sumitomo Chemical is not diligently endeavouring to remedy such default, the Company may terminate the service agreement with Sumitomo Chemical by giving notice to do so not earlier than 30 days after the expiry of the original 45 day period.

If Saudi Aramco is in default of its material obligations and does not remedy such default within a period of 45 days and Saudi Aramco is not diligently endeavouring to remedy such default, the Company may terminate the service agreement with Saudi Aramco by giving notice to do so not earlier than 30 days after the expiry of the original 45 day period.

If the Company is in default of its payment obligations and does not remedy such default within a period of 45 days and the Company is not diligently endeavouring to remedy such default, the other may terminate its respective service agreement by giving notice to do so not earlier than 30 days after the expiry of the original 45 day period.

Governing law and disputes: The service agreements shall be governed by the laws of the Kingdom and disputes shall be subject to arbitration in London pursuant to the ICC Rules, with certain specified and agreed items to be determined by an expert.

Marketing Agreements

Polypropylene Marketing Agreement (PPOMA) and other Marketing Agreements

The PPOMA is an agreement between Sumitomo Chemical and the Company. The other Marketing Agreements between Sumitomo Chemical and the Company and all Marketing Agreements between Saudi Aramco and the Company are on substantially the same terms as the PPOMA described below:

Purpose: Pursuant to the agreement, Sumitomo Chemical has the exclusive right to lift and market the product in all territories except the Company territory. Sumitomo Chemical shall also provide, at its own expense, certain technical services to promote the marketing of the product.

Term: Each petrochemical Marketing Agreement to which Sumitomo Chemical is a party has a ten year term whereas each Marketing Agreement to which Saudi Aramco is a party has a five year term, from the accumulated production date, which shall be with respect to the PPOMA, the date on which either of the two propylene units has produced in aggregate 3,000 tonnes of product. The corresponding figures for the other Marketing Agreements are as follows:

- Linear Low Density Polyethylene Marketing Agreement (LLDPMA): 5,000 tonnes;
- High Density Polyethylene Marketing Agreement (HDPMA): 2,500 tonnes;
- Easy Processing Polyethylene marketing Agreement (EPPMA): 2,000 tonnes;
- Propylene Oxide Marketing Agreement (POMA): 2,000 tonnes; and
- Mono Ethylene Glycol Marketing Agreement (MEGMA): 5,000 tonnes.

Thereafter, contracting parties must agree on extending the existing arrangement for another five years or have Saudi Aramco lift and market 50% of the product should no agreement be reached.

Price: Sumitomo Chemical shall pay the Company the selling price per tonne agreed with the final customer less a marketing fee.

Termination: The PPOMA may be terminated by either contracting party: (i) immediately upon termination of the joint venture agreement between Saudi Aramco and Sumitomo Chemical or (ii) following the insolvency, bankruptcy, dissolution (whether voluntary or otherwise) of the other party, provided that Sumitomo Chemical shall not have the right to terminate the PPOMA if such insolvency, bankruptcy or dissolution results from Sumitomo Chemical's failure to lift the product. The Saudi Aramco EPPMA, HDPMA, LLDPMA, MEGMA, PPOMA and POMA all contain a sub-clause stating that the agreement may be terminated by written notice by either party if the renewal discussion period expires and mutually acceptable arrangements are in place. The POMA contains a further clause which states that if Saudi Aramco fails to comply with its obligations in the propylene oxide agreement, dated 11 March 2006, between Saudi Aramco and Sumitomo Chemical, the POMA may also be terminated.

Governing law and disputes: The Agreements are governed by the laws of the Kingdom and disputes shall be subject to arbitration in London pursuant to the ICC Rules, with certain specified and agreed items to be determined by an expert.

Refined Products Lifting and Marketing Agreement ("RPLMA")

The RPLMA is between Saudi Aramco and the Company. The RPLMA between Sumitomo Chemical and the Company is on substantially the same terms.

Purpose: Pursuant to the agreement, Saudi Aramco will lift and market globally on behalf of the Company the refined products produced at the Rabigh Complex.

Term: Ten years. Thereafter, Saudi Aramco, Sumitomo Chemical and the Company must agree on extending the existing arrangement for another five years or have Sumitomo lift 50% of the refined products should no agreement be reached.

Price: Saudi Aramco shall pay the Company (i) for all refined products sold in markets other than the Kingdom, the actual realized export netback price; or (ii) for each refined product grade lifted for sale in the Kingdom (a) when the total volume of all such domestic market sales of such grade represents less than seventy-five percent (75%) of the total volume of such refined product grade lifted by Saudi Aramco during one month, the actual realized weighted average export netback price for that refined product grade lifted for export during the same one month period; or (b) when the total volume of all such domestic market sales of such grade represents 75% or more of the total volume of such refined product grade lifted for sale by Saudi Aramco during one month, the price calculated pursuant to a formula contained in the agreement, less, in each case, a refined products marketing fee.

Termination: The RPLMA may be terminated by either contracting party (i) immediately upon termination of the joint venture agreement between Saudi Aramco and Sumitomo Chemical or (ii) following the insolvency, bankruptcy, dissolution (whether voluntary or otherwise) of the other contracting party, provided that Saudi Aramco shall not have the right to terminate the RPLMA if such insolvency, bankruptcy or dissolution results from Saudi Aramco's failure to lift refined products.

Governing law and disputes: The Agreements are governed by the laws of the Kingdom and disputes shall be subject to arbitration in London pursuant to the ICC Rules, with certain specified and agreed items to be determined by an expert.

The counterparties to each of the above-mentioned Marketing Agreements are either Sumitomo Chemical or Saudi Aramco, both shareholders of the Company.

Construction Period Support Agreement

Scope: The Company has entered into the construction period support agreement, dated 9 July 2006, with Saudi Aramco, which agreement contains the terms and conditions under which Saudi Aramco will provide certain support services to the Company.

Term: The agreement shall remain in full force and effect until, and shall terminate on, the Refinery transfer date.

Termination: The agreement shall terminate on the occurrence of any of the following: (i) the Refinery transfer date or (ii) prior to the Refinery transfer date, on (a) termination by Saudi Aramco of the Land Lease Agreement; (b) termination by the Company following a force majeure event; (c) the occurrence of any of the dissolution events in the joint venture agreement between Saudi Aramco and Sumitomo Chemical and the completion of the winding-up and dissolution of the Company; or (d) failure by the Company to maintain the required insurances, which failure has not been rectified within 30 days after notice from Saudi Aramco.

Governing law and disputes: The ESA shall be governed by the laws of the Kingdom and disputes shall be subject to arbitration in London pursuant to the ICC Rules, with certain specified and agreed items to be determined by an expert.

Land Lease Agreements (“LLA”)

Scope: The Company has entered into the LLA, dated 1 November 2005, with Saudi Aramco, under which Saudi Aramco will grant, subject to certain reservations and limitations, the following rights to the Company: (i) exclusive rights of access, use and occupation over the new construction areas, (ii) certain exclusive and non-exclusive rights of access, use and occupation over the Rabigh Complex site, (iii) a right-of-way over the Rabigh desalination site, and (iv) a right-of-way over the pipeline corridor.

Term: 99 years, with possibility of renewal by agreement between the contracting parties.

Rent: Prior to the Refinery transfer date, there will be no rent. After that, a fixed rent per square meter, subject to adjustment based on the then-current industrial rates in the industrial cities of Yanbu and Jubail, will be charged.

Default: The following shall constitute events of default under the LLA: (i) the completion of the dissolution of the Company; (ii) the Company abandons the new construction area, or the construction or operation of the Rabigh Complex or, following the Refinery transfer date, the Rabigh Complex site, absent a force majeure event; or (iii) the Company fails to pay Rent or any other amount of money due to Saudi Aramco under the LLA. Saudi Aramco may by written notice to the Company terminate the LLA if within 180 days of the receipt of a written notice of the occurrence of an event of default from Saudi Aramco the Company fails to remedy such event of default or fails to provide evidence satisfactory to Saudi Aramco that such event of default will be corrected within a period acceptable to Saudi Aramco.

Governing law and disputes: The LLA shall be governed by the laws of the Kingdom and disputes shall be subject to arbitration in London pursuant to the ICC Rules, with certain specified and agreed items to be determined by an expert.

Environmental Liability Indemnification Agreement (“ELIA”)

Scope: The Company has entered into the ELIA, dated 1 November 2005, with Saudi Aramco and Sumitomo Chemical, which agreement sets forth the indemnification obligations with respect to environmental liabilities arising out of the Rabigh Project and from Saudi Aramco's operation of the Rabigh Refinery.

Term: The agreement will expire on the tenth anniversary of the date on which the Land Lease Agreement shall terminate or the Company shall cease to be the lessee under the Land Lease Agreement and, with respect to any part of the Rabigh terminal site or the Rabigh terminal facilities, the tenth anniversary of the terminal lease surrender date (with respect to such part, the date on which such part of the Rabigh terminal facilities or the Rabigh terminal site is surrendered by the Company to Saudi Aramco).

Indemnification by Saudi Aramco: Pursuant to the terms of the ELIA, Saudi Aramco will indemnify the Company and Sumitomo Chemical for the following: (i) any noncompliance of the existing Rabigh refinery plant contained in the updated baseline environmental assessment; (ii) any pre-existing environmental condition; (iii) any environmental condition at or arising from the (a) crude oil storage area, (b) ownership or operation of the crude oil pipeline, (c) crude oil supply and export activities undertaken by Saudi Aramco or its contractors at the Rabigh Complex site; or (iv) exercise by Saudi Aramco or its contractors of its reservations; (v) any environmental condition at or arising from the Rabigh industrial site; (vi) any environmental condition at or arising from the area of land subject to the pipeline corridor; (vii) any environmental condition at or arising from the Rabigh desalination plant prior to the date such assets are acquired by the Company; (viii) any Saudi Aramco construction environmental condition; and (ix) any environmental condition at or arising from the pipeline facilities to the extent such environmental condition is caused by the negligence or willful misconduct of, or breach of a certain pipelines operation and maintenance agreement by, Saudi Aramco or its contractors in connection with Saudi Aramco’s operation and maintenance of the pipeline facilities which occurs during the period of time that Saudi Aramco is contracted with the Company to operate and maintain the pipeline facilities.

Indemnification by the Company: Pursuant to the terms of the ELIA, the Company will indemnify Saudi Aramco and Sumitomo Chemical for the following: (i) any environmental condition to the extent resulting from acts, omissions or occurrences at or arising from the Rabigh Complex or some other sites or any events thereon (except the pipeline facilities) after the Refinery transfer date but on or prior to the Land Lease Agreement termination date and with respect to any part of the Rabigh terminal facilities or the Rabigh terminal site, after the Refinery transfer date but on or prior to the terminal lease surrender date in respect of such part; (ii) any pre-existing environmental condition following the expiration of the term of certain Saudi Aramco indemnity obligations (i.e., ten years following the Refinery transfer date); (iii) any Company construction and operation environmental condition; (iv) any environmental condition at or arising from the pipeline facilities on or prior to the Land Lease Agreement termination date; (v) any environmental condition to the extent resulting from the transportation of products from the Rabigh Complex by the Company or its contractors for sale in the Kingdom or for export overseas; (vi) any environmental condition at or arising from the Rabigh IWSPP on or prior to the Land Lease Agreement termination date; and (vii) any environmental condition at or arising from the Rabigh desalination plant after such assets are acquired by the Company but on or prior to the Land Lease Agreement termination date.

Governing law and disputes: The LLA shall be governed by the laws of the Kingdom and disputes shall be subject to arbitration in London pursuant to the ICC Rules, with certain specified and agreed items to be determined by an expert.

The Terminal Lease Agreement ("TLA")

Scope: The Company has entered into the TLA, dated 2 March 2006, with Saudi Aramco, under which Saudi Aramco grants, subject to certain reservations and limitations, the following rights to the Company: (i) non-exclusive rights of access, use and occupation over the Rabigh terminal site and the Rabigh terminal facilities and (ii) exclusive rights of access, use and occupation over the Rabigh terminal site and the Rabigh terminal facilities.

Term: An initial period of 30 years, with possibility of renewal by agreement between the contracting parties.

Rent: Prior to the Refinery transfer date, there will be no rent. After that, a fixed rent per square meter, subject to adjustment based on the then-current industrial rates in the industrial cities of Yanbu and Jubail, will be charged.

Default: The following shall constitute events of default under the TLA: (i) the completion of the dissolution of the Company; (ii) the Company abandons the Rabigh Complex site or the Rabigh terminal site or a material portion of the Rabigh terminal facilities, absent a force majeure event; (iii) the Company fails to pay rent or any other amount of money due to Saudi Aramco under the TLA (in either case, within a maximum period of six months after such payment shall have become due); or (iv) any willful and material breach by the Company of its obligation to carry out loading and unloading operations at the Rabigh terminal site and/or the Rabigh terminal facilities at the request in writing of Saudi Aramco after the Rafinery transfer date. Saudi Aramco may by written notice to the Company terminate the TLA if within 180 days of the receipt of a written notice of the occurrence of an event of default from Saudi Aramco the Company fails to remedy such event of default or fails to provide evidence satisfactory to Saudi Aramco that such event of default will be corrected within a period acceptable to Saudi Aramco.

Governing law and disputes: The LLA shall be governed by the laws of the Kingdom and disputes shall be subject to arbitration in London pursuant to the ICC Rules, with certain specified and agreed items to be determined by an expert.

The constitute assembly should approve the above agreements without taking into consideration the votes of the related parties.

Credit Facility Agreement ("CFA")

Scope: The Company has entered into the CFA with Saudi Aramco and Sumitomo Chemical (the "Lenders"), under which Saudi Aramco and Sumitomo Chemical have agreed, on the terms and subject to the conditions of the CFA, to grant to the Company a loan facility in a maximum aggregate amount of one thousand six hundred and fifty-four million eight hundred and forty-five thousand four hundred and thirty Dollars (US$1,654,845,430) for the development, design, construction and operation of the integrated petroleum refining and petrochemical project to be located at Rabigh ("Loan Facility").

Term: the commitment of each of the Lenders in respect of the Loan Facility shall automatically be cancelled on 1st of July 2011.

Conditions to Drawdown: any advances from the loan facility will be made by the Lenders to the Company if, among other things, each of the lenders has received a promissory note in accordance with the CFA in respect of such Advance and no event of default is continuing or would result from the making of the proposed advance.

Repayment: The Company undertakes to repay the advances under the Loan Facility or any commission to and upon demand of the Lenders.

Promissory Notes: The Company shall deliver to each Lender on or before each proposed drawdown date, a note denominated in United States Dollars in an amount equal to such Lender's proportion of the principal amount of each such advance under the Loan Facility to be advanced on that drawdown date. The Company shall also deliver to each Lender, with respect to each advance under the Loan Facility on or prior to the commencement of each Commission Period, a note denominated in United States Dollars in an amount specified by such Lender as being such Lender's proportion of the actual amount of commission which such Lender calculates would accrue in United States Dollars with respect to that advance.

9.4.2 Other Material Contracts and Agreements

In addition to the Related Party Agreements described in Section 9.4.1, the Company has entered into certain financing agreements described in Section 6.2 (*Sources and Uses of Funds*) and Section 6.6 (*Founding Shareholders' Credit Facility*), as well as certain technology licensing agreements described in Section 9.3 (*Technology and Licensing*) that may be material.

9.5 Litigation and Contingent Liabilities

The Directors and Management of Petro Rabigh confirm that the Company is not involved, as of the date of this Prospectus, in any litigation, arbitration or administrative proceedings that would, individually or in aggregate, have a material adverse effect on its financial condition and result of operations. Save as set out in "Project Financing" section, The Company has no other contingent liabilities or guarantees.

9.6 Insurance

The Company has entered into various insurance policies effecting a range of insurance coverage which the Company believes is appropriate for the Company's business.

9.7 Working Capital

The Directors are of the opinion that the Company and its subsidiaries will have sufficient working capital immediately following the date of publication of the Prospectus. No material change in financial, trading position or nature of the activities has happened since the date of the latest audited financial statements until the date of this Prospectus. In addition, the Company confirms that is has no capital under option.

9.8 Commissions

The Board of Directors and the Management of the Company confirm that the Company has not paid or given any commissions, discounts, brokerages, or other non-cash compensation granted within the two years immediately preceding the application for listing in connection with the issue or sale of any securities by the Company.

9.9 Continuity of Business

The Board of Directors of the Company confirm that there has been no interruption in the business of the Company which may have or have had a significant effect on its financial position in the last 12 months. In addition, there has been no material adverse change in the financial or trading position of the Company in the past two financial years preceding the listing year and during the period from the end of the period covered in the external auditors' report up to and including the date of approval of this prospectus.

9.10 Loans by the Company to its Directors

Pursuant to the Regulations for Companies, the Company may not extend loans to its directors, senior executives, or guarantee loans extended to a third party.

9.11 Mortgage

The Board of Directors and Management of the Company confirm that the assets of the Company have been pledged in favour of the financing institutions pursuant to the Term Facilities (please see "*Project Financing*" section). The Founding Shareholders have provided the lenders with completion guarantees until the financial completion date on 31 December 2009G.

Other than the above, there is no other debt instrument that is guaranteed, unguaranteed, secured or unsecured.

9.12 Commitments of the Board Members

The Company's Board members confirm their compliance with articles (69) and (70) of the Companies' Regulations which stipulate that a director may not have any interest, whether directly or indirectly, in the transactions or contracts made for the account of the Company, nor participate in any business competitive with that of the Company, except with an authorization from the General Assembly.

9.13 Restrictions of Board of Directors

Pursuant to the Regulations for Companies and the Bylaws of the Company, the board of directors of the Company are subject to the following voting restrictions:

a) a director may not vote on any contract on which he has a vested interest;

b) a director may not vote on the recommendations for bonuses granted to them during the general assemblies; and

c) a director may not obtain loans from the Company.

9.14 Declaration by the Board of Directors in Connection with the Financial Statements

Section 11 of this prospectus (Management Discussion and Analysis) was prepared by the management of the Company and was approved by the Board of Directors of the Company. Except for what is stated in this Prospectus, the management of the Company confirms that there has been no material change in the financial statements or forecasts since the date of this prospectus. The management shall be fully responsible for the accuracy and authenticity of the financial analysis and information provided in the financial statements. The management further confirms that it has conducted all necessary procedures and made a full and fair disclosure of the financial statements and that there is no information or other documentation which, if not disclosed, could render the financial statements and information set forth therein misleading.

9.15 Dissolution and Liquidation of the Company

Upon the expiry of the term of the Company or its dissolution prior to the expiry of its term, the extraordinary general assembly may, upon the recommendation of the Board of Directors, decide the method of liquidation, appoint one or more liquidators and specify their powers and fees, all in accordance with the Regulations for Companies. The powers of the Board of Directors shall cease upon the Company’s approval of its liquidation. However, the Board of Directors shall continue to conduct its authorities in managing the Company until a liquidator is appointed. The Company’s administrative departments shall maintain their powers to the extent that they do not interfere with the powers of the liquidators.

10. Management Discussion & Analysis of Financial Condition & Results of Operations

The following discussion and analysis of Petro Rabigh's financial condition and results of operations is based upon and should be read in conjunction with Petro Rabigh's audited financial statements for the period from 19 September 2005 to 31 December 2006 and for the half year ended 30 June 2007 and the notes thereto, each of which have been audited by KPMG Al Fozan & Al Sadhan, a member firm of KPMG International, and included elsewhere in this Prospectus.

The Management's Discussion and Analysis of Financial Condition and Results of Operations section contains forward-looking statements that involve risks and uncertainties. Actual results for Petro Rabigh could differ materially from those contemplated by these forward looking statements as a result of various factors, including those discussed below and elsewhere in this Prospectus, particularly in the "Risk Factors" section.

10.1 Director's Declaration for Financial Information

The Directors declare that the financial information presented in the Prospectus are extracted without material change from Petro Rabigh's audited financial statements for the period from 19 September 2005 to 31 December 2006 and for the half year ended 30 June 2007, which have been prepared in accordance with the Standard of General Presentation and Disclosure issued by the Ministry of Commerce and in compliance with the accounting standards issued by the Saudi Organization for Certified Public Accountants.

The Directors declare that there has been no material adverse change in the financial or trading position of Petro Rabigh during the period from 19 September 2005 to 30 June 2007, in addition to the period from 1 July 2007 up to and including the date of this Prospectus. The Directors further declare that Petro Rabigh will have sufficient funds to meet the working capital requirements for 12 months after the Initial Public Offering.

10.2 Accounting policies

Petro Rabigh's audited financial statements are prepared under the historical cost convention using the accrual basis of accounting and the going concern concept. The financial statements have been prepared in accordance with the Standard of General Presentation and Disclosure issued by the Ministry of Commerce and in compliance with the accounting standards issued by the Saudi Organization for Certified Public Accountants.

The preparation of Petro Rabigh's audited financial statements requires management to make estimates and judgments. Petro Rabigh's principle accounting policies are set out in the notes to Petro Rabigh's audited financial statements.

10.3 Results of Operations

Petro Rabigh incorporated as a limited liability company in 2005 and is currently in the "plant construction and the pre-operational" phase. It has not yet commenced its commercial activities, therefore gross income generated in 2006 and 2007 comprises of interest income and foreign currency gains. Petro Rabigh expects to commence commercial operation during the second half of 2008. The following table shows various sources of non-operating income and expenses during 19 September 2005 to 30 June 2007:

Exhibit 10-1: Historical Non-Operating Financial Performance

	From 19 September 2005 to 31 December 2006 (Audited)	For the half year ended 30 June 2007 (Audited)
	SAR	SAR
Interest income, net	79,186,106	19,840,778
Foreign currency gains/ (losses)	6,023,438	(11,734,976)
Gross income	**85,209,544**	**8,105,802**
General and administrative expenses	(260,058,521)	(163,398,139)
Net loss	**(174,848,977)**	**(155,292,337)**

Source: Audited financial statements

10.3.1 Gross income

Gross income comprises of interest income and foreign currency gains/ losses.

- Interest income derived from short term investment placed in time deposits and is recognized on an accruals basis.
- Transactions denominated in foreign currencies are translated into US dollars 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 re-valued at prevailing exchange rates as at 31 December 2006 and as at 30 June 2007. Forward foreign exchange contracts are entered to hedge a foreign currency liability and are initially measured at cost and subsequently re-measured at fair value. The gain or loss on re-measurement to fair value is recognized in the statement of income.

10.3.2 General and administration expenses

The main drivers of general and administration expenses for the period from 19 September 2005 to 31 December 2006 and for the half year ended 30 June 2007 are as follows:

Exhibit 10-2: General and administration expenses

	From 19 September 2005 to 31 December 2006 (Audited)		For the half year ended 30 June 2007 (Audited)	
	SAR	%	SAR	%
Salaries and other staff benefits	20,372,794	7.8%	110,923,935	67.9%
Professional fees	104,664,881	40.2%	3,489,851	2.1%
Recruitment, apprentice and training expenses	65,986,035	25.4%	6,461,520	4.0%
Shareholders' charges	43,167,968	16.6%	21,453,851	13.1%
Others	25,866,843	9.9%	21,068,982	12.9%
Total	**260,058,521**	**100%**	**163,398,139**	**100%**

Source: Audited financial statements

Since Petro Rabigh is under construction phase, general and administration expenses mainly comprises of professional fee and recruitment expenses. During half year ended 30 June 2007, salaries expenses increased due to increase in number of employees. Shareholders are being reimbursed expenses incurred by them. Other expenses mainly include travel & transportation, printing and stationary, rent expenses etc.

10.4 Balance Sheet

The following table provides the details of the assets, liabilities and shareholders' equity as at 31 December 2006 and 30 June 2007:

Exhibit 10-3: Historical balance sheet

	As at 31 December 2006 (Audited)	As at 30 June 2007 (Audited)
	SAR	SAR
Non-current assets	8,171,967,510	18,381,345,157
Current assets	2,998,967,423	1,077,181,178
Total assets	**11,170,934,933**	**19,458,526,335**
Current liabilities	1,952,033,910	2,137,417,650
Non-current liabilities	6,768,750,000	11,081,250,000
Shareholders' equity	2,450,151,023	6,239,858,685
Total liabilities and equity	**11,170,934,933**	**19,458,526,335**
Current ratio	1.54	0.50
Liabilities to equity ratio	3.56	2.12

Source: Audited financial statements

10.4.1 Non-current Assets

Non-current assets comprises of construction in progress and long-term investments.

10.4.2 Construction in progress

Construction in progress represents expenses incurred for the development, construction and preparation of Petro Rabigh'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.

10.4.3 Long-term investments

Long-term investments are recorded at cost. Petro Rabigh has entered into a series of agreements with Rabigh Arabian Water and Electricity Company (RAWEC), a Saudi limited liability company (with a capital of SR 5 million, of which Marubeni Corporation owns 30%) formed to construct, operate and subsequently transfer an electricity co-generation and desalination plant at Rabigh and with RAWEC's developers & financiers. Through these agreements, Petro Rabigh will provide a portion of the finance for RAWEC's plant construction through drawdown over the construction and plant preparation period. Petro Rabigh will have a 1% equity stake in RAWEC in accordance with the Shareholders Agreement. In addition, Petro Rabigh is to provide a total amount of USD 868.3 million of loan finance under a Facilities Agreement. The investment in RAWEC at the balance sheet dates comprised the following:

Exhibit 10-4: Long-term investments

	As at 31 December 2006	As at 30 June 2007
	SAR	SAR
Equity participation	8,383,043	8,383,043
Long term loans	322,807,275	1,665,278,655
Total investment in RAWEC	**331,190,318**	**1,673,661,698**

Source: Audited financial statements

Under the Facilities Agreement, the loans carry interest rate at 5.765% per annum and repayments are scheduled to be made by RAWEC in monthly instalments from 30 June 2008 to 30 November 2023.

10.4.4 Current Assets

Current assets consist of cash and cash equivalents (cash in hand, bank balances and short-term deposits with maturity of less than three months), advances to suppliers, prepayments and other current assets. An analysis of current assets as at 31 December 2006 and 30 June 2007 is as follows:

Exhibit 10-5: Current Assets

	As at 31 December 2006	As at 30 June 2007
	SAR	SAR
Cash and cash equivalents	2,080,267,999	489,928,563
Advances to suppliers	902,911,230	560,092,786
Prepayments and other current assets	15,788,194	27,159,829
Total current assets	**2,998,967,423**	**1,077,181,178**

Source: Audited financial statements

Prepayments and other current assets include prepaid custom duties, interest receivable and other receivables.

Current Ratio (Current Assets/ Current Liabilities): The ratio is used to assess Petro Rabigh's short-term liquidity position and has decreased from 1.54 in the year 2006 to 0.50 in 2007.

10.4.5 Current liabilities

Current liabilities consist of accounts payable, zakat & income tax payable, partners' current accounts, accruals and other liabilities. Current liabilities as at 31 December 2006 and 30 June 2007 were as follows:

Exhibit 10-6: Current Assets

	As at 31 December 2006	As at 30 June 2007
	SAR	SAR
Accounts payable	564,419,569	1,584,121,508
Accrued expenses and other current liabilities	122,035,650	263,952,506
Zakat and income tax payable	13,086,668	-
Partners' current accounts	1,252,492,023	289,343,636
Total current liabilities	**1,952,033,910**	**2,137,417,650**

Source: Audited financial statements

Accounts payable relates to suppliers of machineries, spare parts and other related material. Accrued expenses and other current liabilities mainly include retention deposits, withholding tax payable and accruals made in the ordinary course of business.

Zakat and income tax are computed in accordance with Saudi Arabian fiscal regulations, are accrued and charged to retained earnings. Since the partners have agreed to reimburse Zakat and income tax, such amount receivable from the partners are credited to retained earnings. The Zakat charge for this first period of account has been estimated in accordance with DZIT regulations, for accounting periods in excess of 12 months. The estimate is subject to agreement with the DZIT after the Zakat return for the period has been filed. Petro Rabigh has not generated any profit for the period and thus, has not provided for any income tax.

Petro Rabigh's Zakat base is negative and Petro Rabigh is also in a net loss position. Thus, there is no zakat liability for the six-month period ended 30 June 2007. In addition, Petro Rabigh has not generated any profit for the period and thus, has not provided for any income tax. The income tax losses of Petro Rabigh available for offset against future taxable profits amount to approximately USD 23 million (SAR 86.25 million).

Partners' current accounts balances resulted principally from payments made by shareholders on behalf of Petro Rabigh (mainly for project construction).

10.4.6 Non-current liabilities

Non-current liabilities comprises of long-term loans. Petro Rabigh has entered into loan facility agreements, secured through shareholder guarantees, 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 the balance sheet dates are as follows:

Exhibit 10-7: Long-Term Loans

USD	Total facility available	As at 31 December 2006	As at 30 June 2007
Japan Bank for International Cooperation	2,500,000,000	1,700,000,000	2,500,000,000
Commercial banks	1,740,000,000	60,000,000	410,000,000
Public Investment Fund	1,000,000,000	45,000,000	45,000,000
Islamic financial institutions	600,000,000	-	-
Total long-term loans (USD)	**5,840,000,000**	**1,805,000,000**	**2,955,000,000**
Total long-term loans (SAR)	**21,900,000,000**	**6,768,750,000**	**11,081,250,000**

Source: Audited financial statements

The facilities utilized during the period were subject to commission (interest) at rates of between 5.64% and 5.87% as of balance sheet date. 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.

10.4.7 Shareholders' equity

Shareholders' equity as at 31 December 2006 and 30 June 2007 is summarized as follows:

Exhibit 10-8: Shareholders' equity

	As at 31 December 2006	As at 30 June 2007
	SAR	SAR
Share Capital	2,625,000,000	6,570,000,000
Accumulated losses	(174,848,978)	(330,141,315)
Total shareholders' equity	**2,450,151,023**	**6,239,858,685**

Source: Audited financial statements

Prior to conversion to a joint stock company, the registered capital of Petro Rabigh used to consist of 65,700,000 shares (2006: 26,250,000 shares) of SAR 100 each (approx USD 26.67 each). 50% shares owned by Saudi Aramco and remaining 50% shares owned by Sumitomo Chemicals Company.

10.5 Financial Condition, Liquidity and Other Items

The following table analyses the summarized audited cash flows for the period from 19 September 2005 to 31 December 2006 and audited cash flows for the half year ended 30 June 2007.

Exhibit 10-9: Historical Cash Flows

	From 19 September 2005 to 31 December 2006 (Audited)	For the half year ended 30 June 2007 (Audited)
	SAR	SAR
Net cash flow used in operational activities	(407,093,183)	1,324,686,601
Net cash used in investing activities	(8,171,967,510)	(10,209,377,648)
Net cash flow provided by financing activities	10,659,328,691	7,294,351,612
Change in cash and cash equivalents	**2,080,267,998**	**(1,590,339,435)**
Cash and cash equivalents at the beginning of year	-	2,080,267,999
Cash and cash equivalents at the end of year	**2,080,267,998**	**489,928,564**

Source: Audited financial statements

Petro Rabigh has arranged cash flows from financing activities and, used primarily to construction in progress.

10.5.1 Cash Used in Operating Activities

Exhibit 10-10: Operating Cash Flows

	From 19 September 2005 to 31 December 2006 (Audited)	For the half year ended 30 June 2007 (Audited)
	SAR	SAR
Loss for the period	(174,848,977)	(155,292,337)
Zakat paid	-	(13,086,667)
Net changes in working capital	(232,244,206)	1,493,065,605
Net operating cash flows	**(407,093,183)**	**1,324,686,601**

Source: Audited financial statements

Due to non-commencement of operations, Petro Rabigh has not generated any cash flows, rather used cash provided by financing activities to Support general & administration expenses change in working capital. Detail of net changes in working capital is as follows:

Exhibit 10-11: Net changes in working capital

	From 19 September 2005 to 31 December 2006 (Audited)	For the half year ended 30 June 2007 (Audited)
	SAR	SAR
(Increase)/ decrease in advances to suppliers	(902,911,230)	342,818,445
(Increase)/ decrease in prepayments and other current assets	(15,788,193)	(11,371,635)
(Increase)/ decrease in accounts payable	564,419,569	1,019,701,939
Increase/ (decrease) in accrued expenses and other current liabilities	122,035,650	141,916,856
Net change in working capital	**(232,244,206)**	**1,493,065,605**

Source: Audited financial statements

10.5.2 Cash Used in Investing Activities

Exhibit 10-12: Cash used in investing activities

	From 19 September 2005 to 31 December 2006 (Audited)	For the half year ended 30 June 2007 (Audited)
	SAR	SAR
Construction in progress	(7,804,777,192)	(8,866,906,268)
Long term investment	(331,190,318)	(1,342,471,380)
Net investing cash flows	**(8,171,967,510)**	**(10,209,377,648)**

Source: Audited financial statements

Since Petro Rabigh is in construction phase, considerable funds are utilised on commissioning of plant.

10.5.3 Cash Flows from Financing Activities

Exhibit 10-13: Financing cash flows

	From 19 September 2005 to 31 December 2006 (Audited)	For the half year ended 30 June 2007 (Audited)
	SAR	SAR
Issue of share capital	2,625,000,000	3,945,000,000
Long-term loans	6,768,750,000	4,312,500,000
Partners' current accounts	1,265,578,691	(963,148,388)
Net financing cash flows	**10,659,328,691**	**7,294,351,612**

Source: Audited financial statements

Petro Rabigh generated strong cash flows from operations, a significant part of which has been withdrawn by the Foundation (being the owners of Petro Rabigh and its properties) in the form of dividends and drawings as shown in the above table.

10.6 Commitments and contingent liabilities

10.6.1 Forward contracts

At June 30, 2007, Petro Rabigh had an outstanding forward foreign exchange commitment to purchase the equivalent of USD 40,933,566 in a foreign currency (JPY), in respect of settlement of certain foreign currency liabilities.

10.6.2 Long term land lease

Petro Rabigh entered into a marine terminal lease agreement for a period of 30 years with one of its partners, Saudi Aramco, on 2 March 2006. The agreement grants Petro Rabigh certain exclusive rights in respect of the Rabigh Terminal Facilities and the Rabigh Terminal Site. In consideration for the grant by Saudi Aramco to Petro Rabigh of the right to occupy and use the site and facilities, Petro Rabigh shall pay to Saudi Aramco rent in an amount equal to USD 0.27 per square meter per annum of Rabigh Terminal Site (with a total of around USD 184,275 per annum) and USD 5,100,000 (SAR 19,125,000) per annum for the Rabigh Terminal Facilities from the date the Rabigh Refinery is transferred to Petro Rabigh. At present, it is expected that this transfer will occur during the last quarter of year 2008.

10.7 Business risks

10.7.1 Fair value risk

Fair value is the amount of money for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Petro Rabigh's audited financial statements are prepared using historical cost and differences may arise between the book values and fair value estimates.

In the case of cash and cash equivalents, accounts payable and other receivables and payables, fair value is deemed to approximate to book value due to their short-term nature. In the case of borrowings, fair value is based on discounted cash flows. The management believes that the fair values of Petro Rabigh's assets and liabilities are not materially different from book values as stated in Petro Rabigh's audited financial statements.

10.7.2 Credit risk

Credit risk is the risk that one party to a transaction may fail to discharge an obligation and will cause another party to incur a financial loss. The principal financial instruments that subject Petro Rabigh to concentrations of credit risk are accounts receivable. Petro Rabigh does not consider itself exposed to a concentration of credit risk with respect to accounts receivable due to non-commencement of operations. Cash and cash equivalents are placed with banks having sound credit ratings.

10.7.3 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell financial assets quickly at an amount close to their fair values.

10.8 Statement of Management's Responsibility for Financial Information

The Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") has been drafted by the Management of Petro Rabigh and approved by the Board of Directors. Except as set forth in this Prospectus, the Management believes that there has been no material adverse change in the financial position or prospects of Petro Rabigh as of the date of this Prospectus and accepts full responsibility for the authenticity and accuracy of the information and analysis of financial results and confirm, after making all reasonable inquiries, that full and fair disclosure has been made and there are no other information or documents the omission of which make any information or statements therein misleading.

Save as disclosed in "Legal Information" section, the Management declares that there are no mortgages, rights, and charges on Petro Rabigh's properties as of the date of this Prospectus.

11. Dividend Policy

Petro Rabigh intends to make annual dividend payments with a view to maximizing shareholder value commensurate with the Company's earnings, its financial condition, the condition of the markets, the general economic climate, and other factors, including analysis of investment opportunities and reinvestment needs, cash and capital requirements, business prospects, as well as other legal and regulatory considerations. Dividends will be distributed in Saudi Riyal.

Although Petro Rabigh intends to pay dividends to its shareholders, the Company does not make any assurance that any dividend will actually be paid, or any assurance as to the amount, which will be paid in any given year. The distribution of dividends is subject to certain limitations contained in the financing agreements. The Directors of the Company do not expect to distribute any dividends to the Shareholders during the two years following the commencement of the Company's full commercial operations.

The Offer Shares will be entitled to receive dividends declared by the Company after the date of commencement of the Offering Period and during subsequent fiscal years.

12. Company Costs, Capitalization and Indebtedness

The table below sets out the capitalization of Petro Rabigh as derived from the audited financial statements for the period ended 31 December 2006 and the six months ended 30 June 2007. The following table should be read in conjunction with the financial statements of Petro Rabigh, including the notes thereto.

Exhibit 12-1: Capitalization (SAR)

	31 December 2006	30 June 2007
Cash and cash equivalents	**2,080,267,999**	**489,928,564**
Liabilities		
Current	1,952,033,910	2,137,407,650
Non-current	6,768,750,000	11,081,250,000
Total Liabilities	8,720,783,910	13,218,667,650
Partners' equity		
Share capital	2,625,000,000	6,570,000,000
Accumulated losses	(174,848,977)	(330,141,315)
Total Partners' equity	2,450,151,023	6,239,858,685
Total liabilities and Partners' equity	**11,170,934,933**	**19,458,526,335**
Net Liabilities[5]	**6,640,515,911**	**12,728,739,086**
Net Liabilities / Partners' equity	**2.71**	**2.04**

Source: Audited Financial Statements

[5] Net liabilities = total liabilities – cash and cash equivalents

13. Description of Shares

Share Capital

The existing share capital of the Company is SR 6,570,000,000 consisting of 657,000,000 ordinary shares.

Rights of the holders of Shares

Each Share shall give its holder equal rights in the Company's assets and dividends as well as the right to attend and vote at meetings of the General Assembly.

Shareholders Assemblies

A General Assembly duly convened shall be deemed representing all the Shareholders, and shall be held in the city of Jeddah or Rabigh. Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall attend to all matters concerning the Company. The Ordinary General Assembly shall be convened at least once a year, within six (6) months following the end of the Company's fiscal year. Additional Ordinary General Assembly meetings may be convened whenever needed.

The Extraordinary General Assembly shall have the power to amend the Company's Bylaws, except for such provisions as may be impermissible to be amended under the Regulations. Furthermore, the Extraordinary General Assembly may pass resolutions on matters falling within the competence of the Ordinary General Assembly under the same conditions applicable to the latter.

A notice of the date and agenda of the General Assembly shall be published in the Official Gazette and in two widely distributed daily newspapers circulated in or near the city where the Company's head office is located at least twenty-five (25) days prior to the time set for such meeting. Notwithstanding the foregoing, it is sufficient to send invitations by registered mail to all the Shareholders. The notice shall include the agenda of the meeting. However, so long as the Company's Shares remain nominal, notice may be given by registered mail to the Shareholders. A copy of the notice and the agenda of the meeting shall be sent to the responsible authorities within the aforementioned notice period. The Board of Directors shall convene a meeting of the Ordinary General Assembly if requested to do so by the Auditors or by a number of Shareholders representing at least five percent (5%) of the Company's capital. The meeting of the Ordinary General Assembly shall not have a quorum unless attended by Shareholders representing at least seventy-five percent (75%) of the Company's capital. If such quorum cannot be attained at the first meeting, a second meeting shall be convened within the following thirty (30) days. Such notice shall be published in the same manner described above. The second meeting shall be deemed valid irrespective of the number of shares represented. To have a quorum, the meeting of the Extraordinary General Assembly should be attended by Shareholders representing at least seventy-five percent (75%) of the Company's capital. If such requirement in not met in the first meeting, a second meeting shall be convened within the following thirty (30) days. The second meeting shall be considered as having the quorum if attended by a number of Shareholders representing at least one-quarter (1/4) of the Company's capital. The General Assembly shall be presided over by the Chairman of the Board of Directors or, in his absence, the Deputy Chairman of the Board of Directors. The Chairman shall appoint a secretary for the meeting and a canvasser. Minutes shall be prepared for such meeting showing the names of Shareholders present in person or represented by proxy, the number of the shares held by each, the resolutions adopted at the meeting, the number of votes approving or dissenting from such resolutions and a comprehensive summary of the discussions that took place at the meeting. Such minutes shall be regularly recorded after each meeting in a special register to be signed by the Chairman of the meeting, the secretary and the canvasser.

Voting Rights

Each Shareholder owning twenty (20) shares (or more) shall have the right to attend the General Assembly meetings of the Company, and each Shareholder may authorize another Shareholder, other than the members of the Board of Directors or employees of the Company, to attend the General Assembly on his/its behalf. Votes at the meetings of Ordinary and Extraordinary General Assemblies shall be computed on the basis of one vote for each share represented at the meeting. Resolutions of the Ordinary General Assembly shall be adopted by a majority of at least seventy-five percent (75%) of the shares represented thereat.

Resolutions of the Extraordinary General Assembly shall be adopted by a majority vote of at least seventy-five percent (75%) of the shares represented at the meeting.

Each Shareholder shall have the right to discuss the items listed in the General Assembly's agenda and to direct questions to members of the Board and the Auditor in this respect. Members of the Board of Directors or the Auditor shall answer the Shareholders' questions to the extent that do not jeopardize the interest of the Company. Should a Shareholder consider any reply unsatisfactory, he can resort to the General Assembly whose determination by resolution is to be considered as final.

The Shares

Shares of the Company shall be nominal shares and may not be issued at less than their nominal value. Such shares may be issued for a value higher than their nominal value, in which case the difference in value shall be added to the statutory reserve, even if the reserve has reached its maximum limit. A share shall be indivisible vis-à-vis the Company. In the event that a Share is owned by several persons, they shall select one person from amongst them to exercise, on their behalf, the rights pertaining to the Share, and they shall be jointly responsible for the obligations arising from the ownership of the Share. Transfers of Shares shall be governed by and comply with the regulations governing companies listed on Tadawul and pursuant to the Company's Bylaws. Transfers made other than in accordance with the Company's Bylaws shall be void.

Duration of the Company

The duration of the Company shall be 99 years commencing on the date of issuance of the Minister of Commerce and Industry's resolution announcing the conversion of the Company to a joint stock company. The Company's term may always be extended by a resolution of the Extraordinary General Assembly taken at least two (2) years prior to the expiration of the term of the Company.

Dissolution and Winding-up of the Company

Upon the expiry of the Company's term, or if it is dissolved prior to the time set for the expiry thereof for any reason, the Extraordinary General Assembly may, based on a proposal by the Board of Directors, decide the method of liquidation, appoint one or more liquidators and specify their powers and fees. The powers of the Board of Directors shall cease upon the Company's approval of its liquidation. However, the Board of Directors shall remain responsible for the management of the Company until the liquidators are specified. The Company's administrative departments shall maintain their powers to the extent that they do not interfere with the powers of the liquidators.

14. Summary of the Company’s By laws

The following is a summary of the Company’s By-laws. In addition to the Shareholders’ rights mentioned in the By-laws, there are other Shareholders’ rights and responsibilities mentioned under the Companies‘ Regulations issued by the Ministry of Commerce and Industry.

Name of the Company

The name of the Company is “Rabigh Refining and Petrochemical Company”, a Saudi joint stock company.

Objectives of the Company

The Company's objectives permit the Company to engage in 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, which consist of the following:

- polyethylene;
- ethylene glycol;
- polypropylene;
- polypropylene oxide;
- butene-1;
- methyl tertiary butyl ether;
- gasoline;
- naptha;
- diesel; and
- oil.

Duration of the Company

The duration of the Company shall be ninety-nine (99) years commencing on the date of issuance of the Minister of Commerce's resolution announcing the conversion of the Company to a joint stock company. The Company's term may always be extended by a resolution of the Extraordinary General Assembly taken at least two (2) years prior to the expiration of the term of the Company.

Share Capital

Prior to the Offering, the Company's share capital was SR 6,570,000,000 consisting of 657,000,000 shares with a nominal value of SR 10 per share.

Bonds and Sukuk

The Company may issue sukuk or negotiable and indivisible bonds of equal value against the borrowings it contracts in accordance with the Regulations for Companies.

Shares

The Shares are nominal shares and may not be issued at less than their nominal value. However, new Shares may be issued at a value higher than their nominal value, in which case the difference in value shall be added to the statutory reserve of the Company, even if the reserve has reached its maximum limit. A Share shall be indivisible vis-à-vis the Company. In the event that a Share is owned by several persons, they shall select one person from amongst them to exercise, on their behalf, the rights pertaining to the Share, and they shall be jointly responsible for the obligations arising from the ownership of the Share.

Tradability of Shares

The Shares are tradable according to the rules and regulations of the Capital Market Authority except for the shares of the founding shareholders which may only be transferred in accordance with the applicable laws and regulations of the Kingdom of Saudi Arabia.

Shareholders Register

The Shares shall be transferred by being recorded in the Shareholders Register which shall contain the names of the Shareholders, their nationalities, their occupations, their domicile and address, the serial numbers of the shares and the value paid-up on such Shares. An annotation of such recording shall be made on the share certificates. The transfer of title to a Share shall not be effective vis-à-vis the Company or any third party except from the date of such recording in the said Shareholders Register or the completion of the transfer procedures through the Shares Information Computerized system of the Tadawul. The subscription or ownership of the Shares by a Shareholder shall mean the acceptance by the Shareholder of the Company’s Bylaws and his submission to the resolutions duly passed by the General Assembly of the Shareholders in accordance with the Company’s Bylaws, whether the Shareholder was present or absent and whether the Shareholder agreed to such resolutions or objected to them.

Increase of Share Capital

Once it is ascertained to be economically feasible and after obtaining the approval of the competent authorities, the General Assembly may, in an Extraordinary Meeting, adopt a resolution to increase the Company's capital once or several times by issuing new Shares having the same nominal value as the original Shares, provided that the original capital shall have been paid in full, with due consideration to the requirements of the Regulations for Companies. The said resolution shall specify the method of increasing the capital, and the Company's present Shareholders at the time shall have pre-emptive rights to subscribe for the new cash Shares. The said Shares shall be allotted to the original Shareholders who have expressed their desire to subscribe thereto, provided that the number of Shares allotted to them shall not exceed the number of new Shares they have applied for. The remaining new Shares shall be allotted to the original Shareholders who have asked for more than their proportionate share, in proportion to the original Shares they own, provided that that their total allotment does not exceed the number of new Shares they have asked for. Any remaining new Shares shall be offered for public subscription.

Decrease of Share Capital

The Company may, based on certain justifiable causes, reduce its capital if it proves to be in excess of the Company's needs or if the Company sustains losses. This decision must be made through a resolution adopted by the General Assembly in an Extraordinary Meeting, and requires the approval of the Minister of Commerce and Industry. Such resolution shall be issued only after taking into account the auditor's report on the reasons calling for such reduction, the obligations to be fulfilled by the Company and the effect of the reduction on such obligations, with due consideration to the provision of the Regulations for Companies. The resolution shall provide for the manner in which the reduction shall be made. If the capital reduction is due to its being in excess of the Company's needs, then the Company's creditors must be invited to express their objection thereto within sixty (60) days from the date of publication of the reduction resolution in a daily newspaper published in a city near where the Company's head office is located. Should any creditor object and present to the Company evidentiary documents of such debt within the time limit referred to above, then the Company shall pay such debt, if already due, or present an adequate guarantee of payment if the debt is due on a later date.

Constitution of the Board of Directors

The Company shall be managed by a Board of Directors composed of eight (8) members to be appointed by the Ordinary General Assembly for a term of three years. As an exception to the foregoing, the Founding Shareholders have appointed the Company's first Board of Directors for a term of five (5) years commencing as of the date of the Ministerial Resolution declaring the Company's conversion from a limited liability company to a joint stock company.

Qualification Shares

Each member of the Board of Directors shall be a holder of a number of the Company's shares having a nominal value of no less than ten thousand Saudi Riyals (SAR 10,000). Such shares shall be deposited in a bank designated by the Minister of Commerce and Industry within thirty (30) days from the date of the appointment of the director

Vacancies

Membership on the Board of Directors shall be terminated in respect of a Director upon the expiration of the Director's appointment period, or resignation of the Director, or death of the Director, or if he is removed from his office by a resolution passed by seventy five percent (75%) of the shares represented at an Ordinary General Assembly meeting or if he is convicted of an offence involving dishonesty, fraud or moral turpitude, or if he becomes bankrupt or makes any arrangement or compounds with his creditors. Termination of membership shall also occur if the Director became unsuitable for membership under any law or regulations prevailing or applicable in Saudi Arabia.

Authority of the Board

Without prejudice to the powers conferred on the General Assembly, the Board of Directors shall be vested with full powers to manage the business of the Company, to set its objectives, policies, and the level of its investments and to supervise its affairs within and outside Saudi Arabia.

The Board of Directors is empowered, for example and without limitation, to:

- approve (i) the refined products annual marketing plan; (ii) the refined products annual production plan; (iii) the petrochemical products annual marketing plan; and (iv) the petrochemical products annual production plan, in each case, as submitted and recommended to the Board of Directors by the marketing committee;
- resolve ant deadlock in respect of any committee matter referred to the Board of Directors;
- approve, amend or modify the Company's annual business plan;
- approve, amend or modify the Company's annual operating plan;
- adopt resolution with respect to (i) borrowings (including borrowings which exceed three (3) years) in amounts in excess of seven million five hundred thousand Saudi Riyals (SR 7,500,000) for any single borrowing as well as borrowings from Shareholders on a commercial basis; (ii) any lending by the Company, (iii) the issuance or repurchase of bonds or sukuks; (iv) the issuance of any guarantees, (v) the sale of any of the Company's assets, mortgaging them or pledging them as collateral in amounts greater than seven million five hundred thousand Saudi Riyals (SR 7,500,000), or (vi) the write-off of any accounts receivable in excess of seven million five hundred thousand Saudi Riyals (SR 7,500,000);

- establish branches, offices and agencies of the Company;
- approve or amend internal Company policies and define the responsibilities of and delegation of powers and authority to senior officers of the Company (particularly the Chief Executive Officer, the Chief Financial Officer and such other senior officers as the Board of Directors may determine);
- adopt resolutions making proposals to the Shareholders, including any appointment or dismissal of the Company's independent Auditors or any approval or modification from time to time of the Company's accounting and tax policies;
- approve the agenda of the General Assembly;
- approve the settlement of any litigation, arbitration or any judicial or administrative proceedings involving the Company where the amount of such settlement is in excess of five million Saudi Riyals (SR 5,000,000) or its equivalent in another currency;
- approve any joint venture or affiliated venture, or agree to amend or modify the material terms thereof;
- create, dissolve and appoint members to, committees of the Board of Directors and/or approve the scope of delegation of responsibility to such committees;
- create, designate or change the position of, senior officers or appoint or remove senior officers;
- approve any capital expenditure by the Company in excess of seven million five hundred thousand Saudi Riyals (SR .7,500,000) or its equivalent in another currency if such capital expenditure is not otherwise included in the Company's annual business plan or annual operating plan;
- recommend to the Shareholders any additional amount to be retained as an additional reserve;
- approve, modify or amend any agreement in connection with, and the entry of the Company into, transactions with Shareholders or related persons; and
- recommend that the General Assembly approve the Company's annual financial statements.

Remuneration of Board Members

Directors shall be paid in accordance with the Company's Bylaws and as determined by the Ordinary General Meeting of Shareholders in accordance with the official decisions and instructions issued in this regard, within the limits of the provisions of the Regulations for Companies and the laws or regulations complementary thereto. Directors may in addition be paid an attendance and transportation allowance as determined by the Board of Directors and the regulations and decisions issued in this respect.

Chairman, Deputy Chairman, Chief Executive Officer and Secretary of the Board

The Board of Directors shall appoint a Chairman, a Deputy Chairman and a Chief Executive Officer from among its members. The Chairman (and in his absence the Deputy Chairman) shall have the powers to convene the Board to meet and preside over its meetings.

The Chief Executive Officer shall manage the Company on a day-to-day basis and shall also be authorized to represent the Company in its relationship with others and before judicial bodies, Government departments, Notaries Public, courts of law, Commissions for settlements of disputes, Boards of Arbitration, Directorate of Civil Rights, Police Departments, Chambers of Commerce and Industry; to sign and execute all agreements, certificates and instruments of the Company, including articles of association and winding-up resolutions, as well as any and all other contracts, deeds, and declarations, before public notaries or other official bodies, loan agreements with government financial funds and institutions and commercial banks and financial institutions, guarantees, mortgages, leases, and terminating them; to collect entitlements and settle obligations on behalf of the Company; to buy, sell, make and accept transfers, receive, deliver, rent, lease, collect and make payments, and to participate in tenders; to open bank and credit accounts and to withdraw and deposit from the same; to issue instruments, checks and all negotiable instruments; to authorize or delegate some or all of these powers to any other person or persons to do or cause to be done any act mentioned hereinabove, and to revoke such authorization or delegation in whole or in part.

The Board of Directors shall appoint a corporate secretary from among its members or others, and shall specify his duties, remuneration and term of service. The corporate secretary's duties shall include having the proceedings and resolutions of the Board of Directors written in minutes and recorded in a special register, intended for the said purpose, as well as maintaining and keeping such register.

The term of the office of the Chairman, the Deputy Chairman, the Chief Executive Officer and the corporate secretary – if the secretary is a Board member – shall not exceed their respective term of service as Directors. The term of the Chairman, the Deputy Chairman, the Chief Executive Officer and the corporate secretary may be renewed; provided, however, that the terms of the Chairman and the Deputy Chairman may be renewed only once.

Board Meetings

The Board of Directors shall be convened at least twice a year upon an invitation by the Chairman. Such call shall be made in writing and sent by registered mail or hand delivery or telex not less than two (2) weeks prior to the date set for the meeting, unless otherwise agreed by the Directors. The Chairman of the Board shall call for a meeting if so requested by any two (2) Directors.

Quorum and Representation

A meeting of the Board of Directors shall be valid only if attended by at least six (6) members (or five (5) members where the resolution to be passed is to fill a vacancy on the Board). All Board resolutions, to be adopted, shall require the approval of at least six (6) members (or five (5) members where the resolution to be passed is to fill a vacancy on the Board).

Minutes of Meetings

The Board deliberations and resolutions shall be drawn in minutes to be signed by the Board Chairman (or, when the Deputy Chairman is presiding, the Deputy Chairman) and the Secretary. Such minutes shall be recorded in a special register to be signed by the Board Chairman (or, when the Deputy Chairman is presiding, the Deputy Chairman) and the Secretary.

Conflicts of Interest

Members of the Board of Directors must declare to the Board of Directors any personal interest, whether direct or indirect, in any proposal, transaction or contract made for the account of the Company. Such declaration must be recorded in the minutes of the Board meeting, and the interested Board member shall not participate in voting on the resolution to be adopted in this respect.

General Meeting of Shareholders

A General Assembly meeting duly convened shall be deemed representing all the Shareholders, and shall be held in the city of Jeddah or Rabigh.

Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall attend to all matters concerning the Company. The Ordinary General Assembly shall be convened at least once a year, within six (6) months following the end of the Company's fiscal year. Additional Ordinary General Assembly meetings may be convened whenever needed.

The Extraordinary General Assembly shall have the power to amend the Company’s By laws, except for such provisions as may be impermissible to be amended under the Regulations. Furthermore, the Extraordinary General Assembly may pass resolutions on matters falling within the competence of the Ordinary General Assembly under the same conditions applicable to the latter.

A notice of the date and agenda of the General Assembly shall be published in the Official Gazette and in two widely distributed daily newspapers circulated in or near the city where the Company's head office is located at least twenty-five (25) days prior to the time set for such meeting. Notwithstanding the foregoing, it is sufficient to send invitations by registered mail to all the Shareholders. The notice shall include the agenda of the meeting. However, so long as the Company’s Shares remain nominal, notice may be given by registered mail to the Shareholders. A copy of the notice and the agenda of the meeting shall be sent to the responsible authorities within the aforementioned notice period. The Board of Directors shall convene a meeting of the Ordinary General Assembly if requested to do so by the Auditors or by a number of Shareholders representing at least five percent (5%) of the Company’s capital. The meeting of the Ordinary General Assembly shall not have a quorum unless attended by Shareholders representing at least seventy-five percent (75%) of the Company’s capital. If such quorum cannot be attained at the first meeting, a second meeting shall be convened within the following thirty (30) days. Such notice shall be published in the same manner described above. The second meeting shall be deemed valid irrespective of the number of shares represented. To have a quorum, the meeting of the Extraordinary General Assembly should be attended by Shareholders representing at least seventy-five percent (75%) of the Company’s capital. If such requirement in not met in the first meeting, a second meeting shall be convened within the following thirty (30) days. The second meeting shall be considered as having the quorum if attended by a number of Shareholders representing at least one-quarter (1/4) of the Company’s capital. The General Assembly shall be presided over by the Chairman of the Board of Directors or, in his absence, the Deputy Chairman of the Board of Directors. The Chairman shall appoint a secretary for the meeting and a canvasser. Minutes shall be prepared for such meeting showing the names of Shareholders present in person or represented by proxy, the number of the shares held by each, , the resolutions adopted at the meeting, the number of votes approving or dissenting from such resolutions and a comprehensive summary of the discussions that took place at the meeting. Such minutes shall be regularly recorded after each meeting in a special register to be signed by the Chairman of the meeting, the secretary and the canvasser.

Voting Rights

Each Shareholder owning twenty (20) shares (or more) shall have the right to attend the General Assembly meetings of the Company, and each Shareholder may authorize another Shareholder, other than the members of the Board of Directors or employees of the Company, to attend the General Assembly on his/its behalf. Votes at the meetings of Ordinary and Extraordinary General Assemblies shall be computed on the basis of one vote for each share represented at the meeting. Resolutions of the Ordinary General Assembly shall be adopted by a majority of at least seventy-five percent (75%) of the shares represented thereat.

Resolutions of the Extraordinary General Assembly shall be adopted by a majority vote of at least seventy-five percent (75%) of the shares represented at the meeting.

Each Shareholder shall have the right to discuss the items listed in the General Assembly's agenda and to direct questions to members of the Board and the Auditor in this respect. Members of the Board of Directors or the Auditor shall answer the Shareholders' questions to the extent that do not jeopardize the interest of the Company. Should a Shareholder consider any reply unsatisfactory, he can resort to the General Assembly whose determination by resolution is to be considered as final.

Appointment of Auditor

The Company shall have one or more auditors to be selected from among the certified public auditors licensed to practice accountancy in Saudi Arabia. The Company's Auditor shall be appointed annually and its compensation shall be fixed by the General Assembly. The General Assembly may further reappoint the same auditor. The Founding Shareholders have appointed KPMG as the Company's first Auditor for the Company's first financial year following its conversion to a joint stock company.

Access to Records

The Auditor shall have access at all times to the Company's books, records and any other documents, and may request information and clarification as it deems necessary. It may further check the Company's assets and liabilities.

Auditor's Report

The Auditor shall submit to the annual General Assembly a report showing to what extent the Company has enabled it to obtain the information and clarifications it has requested and what it has discovered of violations of the Regulations for Companies and the Company's Bylaws and its opinion as to whether the Company's accounts are accurate.

Financial Year

The Company's fiscal year shall commence as on 1st January and expire on 31st December of each Gregorian year. However, the Company's first fiscal year shall cover the period commencing as of the date of issuance of the Ministerial Resolution announcing the conversion of the Company to a joint stock company and expiring on 31st December of the following year.

Annual Accounts

The Board of Directors shall prepare at the end of each of the Company's fiscal years an inventory of the Company's assets and liabilities on such date, the Company's balance sheet and profit and loss statements, a report on the Company's activities and its financial position for the preceding year and its proposals as to the distribution of the net profits. The Board of Directors shall perform the foregoing at least sixty (60) days prior to the convening of the annual Ordinary General Assembly. The Board of Directors shall put such documents at the Auditor's disposal at least fifty-five (55) days prior to the time set for convening the annual General Assembly meeting. The Chairman of the Board of Directors shall cause the Company's balance sheet, profit and loss account, a comprehensive summary of the Board of Directors' report and the full text of the Auditor's report to be published in a newspaper circulated in a city near where the Company's head office is located, and shall send copies of such documents to the Companies Department at the Ministry of Commerce of Industry at least twenty-five (25) days prior to the date set for convening the General Assembly.

Distribution of Annual Profits

After deducting all general expenses and other costs, the Company's annual net profits shall be allocated as follows:

a) Ten percent (10%) of the annual net profits shall be set aside to form a statutory reserve. Such setting aside may be discontinued by the Ordinary General Assembly when said reserve totals one-half (1/2) of the Company's capital.

b) The Ordinary General Assembly may, upon request of the Board of Directors, set aside a percentage of the annual net profits to form an additional reserve to be allocated for the purpose or purposes decided by the Ordinary General Assembly.

c) The balance shall be distributed to the Shareholders unless the Ordinary General Assembly votes to retain any such distributable profits in the Company.

Distribution of Dividends

The profits to be distributed among the Shareholders shall be paid at such place and times as determined by the Board of Directors, in accordance with the instructions issued by the Ministry of Commerce and Industry.

Company Losses

If the Company's losses total three-quarters (3/4) of its capital, then the Board of Directors shall call a meeting of the Extraordinary General Assembly to consider whether the Company shall continue to exist or be dissolved prior to the expiry of the period specified in the Company's Bylaws. In all cases the Extraordinary General Assembly's resolution shall be published in the Official Gazette.

Disputes

Each Shareholder shall have the right to file a liability action, on behalf of the Company, against the members of the Board of Directors if they have committed a fault which has caused some particular damage to such Shareholder, provided that the Company’s right to file such action shall still be valid. The Shareholder shall notify the Company of his/its intention to file such action.

Dissolution and Winding-Up of the Company

Upon the expiry of the Company's term, or if it is dissolved prior to the time set for the expiry thereof, the Extraordinary General Assembly shall, based on a proposal by the Board of Directors, decide the method of liquidation, appoint one or more liquidators and specify their powers and fees. The powers of the Board of Directors shall cease upon the Company’s approval of its liquidation. However, the Board of Directors shall remain responsible for the management of the Company until the liquidators are specified. The Company's administrative departments shall maintain their powers to the extent that they do not interfere with the powers of the liquidators.

15. Use of Proceeds

The total proceeds from the Offering are estimated at SAR 4,599 million, of which around SAR 58 million will be applied towards issue expenses, which include the fees of the Financial Advisor, legal advisor, reporting accountants and underwriting fees. The Company will receive all net proceeds of SAR 4,541 million.

The IPO proceeds will be used to finance the general operations of the Company. For details of sources and uses of funds, please refer to section (6.2).

16. Underwriting

The Company and the Underwriters (names appear in the table below) have entered into an underwriting agreement in connection with the Offering prior to the commencement of the Subscription Period. The agreed principal terms of the underwriting agreement are set out below.

16.1 Sale and Underwriting of the Offer Shares

Under the terms of the underwriting agreement:

a) The Company undertakes to each underwriter that, on the first business day after the CMA approves the allocation of the Offer Shares following the end of the Subscription Period, it will:
   - sell and allocate the Offer Shares to any applicant or institutional investor whose application for Offer Shares has been accepted by a Receiving Bank; and/or
   - sell and allocate to the underwriters any Offer Shares that are not purchased by successful applicants or institutional investors pursuant to the Offering; and

b) Each underwriter undertakes to the Company that, on the allocation date, it will purchase the Offer Shares that are not subscribed for by successful applicants in the proportions stated below:

Underwriter	Number of Offer Shares Underwritten
The Saudi British Bank	52,380,952
Riyad Bank	52,380,952
Al-Rajh Banki	28,559,524
National Commercial Bank	28,559,524
Al-Bilad Bank	28,559,524
Samba Financial Group	28,559,524

The Company has committed to satisfy all terms of the underwriting agreement.

16.1.1 Commission and Expenses

The Company will pay to the underwriters an underwriting fee based on the total value of the Offering.

17. Subscription Terms and Conditions

All Subscribers must carefully read the subscription terms and conditions prior to completing the subscription application form, since the execution of the subscription application form constitutes acceptance and agreement to the subscription terms and conditions.

17.1 Subscription to Offer Shares

The Founding Shareholders are soliciting applications from Subscribers for acquiring the Offer Shares. A signed subscription application form submitted to any of the Selling Agents represents a legally binding agreement between the Founding Shareholders and the Subscriber.

Prior to the IPO, the Founding Shareholders owned 100% of the issued share capital of the Company. The offering is directed at and may be accepted by:

- Category (A) institutional investors (the "Institutional Investors"): this category includes certain institutions that were approached by the Lead Manager upon consultation with the Company based on certain criteria set forth by the Capital Market Authority ("CMA"). Institutional Investors are initially allocated 109,500,000 shares representing 50% of the Offering.
- Category (B) retail investors (the "Retail Investors"): this category includes Saudi individuals only. A divorced or widow Saudi female with children from a non-Saudi husband can also subscribe on behalf of her children to the benefit of her account. Retail Investors are initially allocated 109,500,000 shares representing 50% of the Offering.

The Lead Manager has the right to reduce the number of shares allocated to Institutional Investors to 54,750,000 shares representing 25% of the Offering in the event there is sufficient demand by Retail Investors or in any other event upon CMA's consent. As a result, the number of shares offered to Retail Investors could increase by 54,750,000 shares to a total of 164,250,000 shares.

Potential investors may obtain both the main and mini prospectuses in addition to the subscription application form from the following banks:

SABB ساب	**The Saudi British Bank**	(P.O. Box 9084, Riyadh 11413)
NCB الأهلي	**National Commercial Bank**	(P.O. Box 3555, Jeddah 21481)
بنك البلاد BANK ALBILAD	**Bank Albilad**	(P.O. Box 140, Riyadh 11411)
بنك الجزيرة BANK ALJAZIRA	**Bank Aljazira**	(P.O. Box 6277, Jeddah 21442)
بنك الرياض riyad bank	**Riyad Bank**	(P.O. Box 22622, Riyadh 11614)
البنك السعودي الفرنسي Banque Saudi Fransi	**Banque Saudi Fransi**	(P.O. Box 56006, Riyadh 115554)
البنك السعودي الهولندي Saudi Hollandi Bank	**Saudi Hollandi Bank**	(P.O. Box 1467, Riyadh 11431)
البنك السعودي للاستثمار The Saudi Investment Bank	**The Saudi Investment Bank**	(P.O. Box 3533, Riyadh 11431)
البنك العربي الوطني arab national bank	**Arab National Bank**	(P.O. Box 9802, Riyadh 11423)
samba سامبا	**Samba Financial Group**	(P.O. Box 833, Riyadh 11421)
Al Rajhi Bank مصرف الراجحي	**Al Rajhi Banking and Investment Corporation**	(P.O. Box 28, Riyadh 11411)

The Selling Agents will commence receiving subscription application forms at their branches throughout Saudi Arabia from 26/12/1428H (corresponding to 5/1/2008G) to 3/1/1429H (corresponding to 12/1/2008G). Once the subscription application form is signed and submitted, the Selling Agents will stamp it and provide the Subscriber a copy of the completed subscription application form. In the event the information provided in the subscription application form is incomplete or inaccurate, or not stamped by the Selling Agents, the subscription application form will be considered void.

Each Subscriber is required to specify the number of Offer Shares applied for in the subscription application form at the Offer Price of SAR 21 per Share. Subscriptions for less than 10 Offer Shares or fractional numbers will not be accepted. Increments are to be made in multiples of 10. The maximum number of shares to be applied for is 1,000,000 shares.

Each Subscriber is required to submit the subscription application form during the Offering Period accompanied by the original and a copy of the national identification card and/or, family identification card, in addition to sufficient funds in an amount equal to the number of Offer Shares applied for multiplied by the Offer Price of SAR 21 per Share. In the event an application is made on behalf of a Subscriber (parents and children only), the name of the person signing on behalf of the Subscriber should be stated in the subscription application form accompanied by the original and a copy of the power of attorney supporting such person's authority to act on the behalf of the Subscriber. The power of attorney must be issued before a notary public for those who are in Saudi Arabia and must be legalized through a Saudi embassy or consulate in the relevant country for those residing outside Saudi Arabia. In the event of subscribing for orphans, the name of the orphan should be stated in the subscription application form accompanied by the original and the copy of proof of custody for orphans. In the event of a Saudi divorcee or widow from a marriage to a non-Saudi subscribing on behalf of her children, her name should be stated in the subscription application form accompanied by the original and a copy of the divorce certificate (in case she is a divorcee) or a copy of the death certificate (in case she is widow). The Selling Agents will verify all copies against the originals and will return the originals to the Subscriber.

One subscription application form should be completed for each head of family applying for himself and members appearing on his family identification card if dependent Subscribers apply for the same number of Offer Shares as the prime Subscriber. In this case: (i) all Offer Shares allocated to the prime Subscriber and dependent Subscribers will be registered in the prime Subscriber's name; (ii) the prime Subscriber will receive any refund in respect of amounts not allocated and paid for by himself and dependent Subscribers, and (iii) the prime Subscriber will receive all dividends distributed in respect of the Offer Shares allocated to himself and dependent Subscribers (in the event the Shares are not sold or transferred). If a wife wants to subscribe for the Shares in her name/account, she must complete a separate subscription application form as a prime subscriber. In such case, applications made by the husbands on behalf of their spouses will be cancelled and the independent application of the wives will be processed by the Selling Agent.

Separate subscription application forms must be used if: (i) the Shares that will be allocated are to be registered in a name other than the name of the prime Subscriber/head of family; or (ii) dependent Subscribers apply for a different quantity of Offer Shares than the prime Subscriber. (iii) the wife subscribes in her name adding allocated Shares to her account (she must complete a separate subscription application form as a prime subscriber). In the latter case, applications made by the husbands on behalf of their spouses will be cancelled and the independent application of the wives will be processed by the Selling Agent.

Each Subscriber agrees to subscribe for and purchase the number of Offer Shares specified in the subscription application form submitted by the Subscriber for an amount equal to the number of Shares applied for multiplied by the Offer Price of SAR 21 per Share. Each Subscriber shall have purchased the number of Offer Shares allotted to him/her upon: (a) delivery by the Subscriber of the subscription application form to the Selling Agents; and (b) payment in full by the Subscriber to the Selling Agents of the total value of Offer Shares subscribed for.

The total value of the Offer Shares subscribed for must be paid in full to a branch of the Selling Agents by authorizing a debit of the Subscriber's account held with the Selling Agent where the subscription application form is being submitted (as instructed by the Saudi Arabian Monetary Agency).

If a submitted subscription application form is not in compliance with the terms and conditions of the Offering, Petro Rabigh shall have the right to reject, in full or in part, such an application. The Subscriber shall accept any number of Shares allocated to him or her.

17.2 Allocation and Refunds

The Selling Agents shall open and operate escrow accounts named "Petro Rabigh IPO". Each of the Selling Agents shall deposit all amounts received by the Subscribers into the escrow accounts mentioned above.

Notification of the final allotment and refund of subscription monies, if any, will be made by 10/1/1429H (corresponding to 19/1/2008G). A maximum of SAR 37.5 million worth of shares will be allocated to Petro Rabigh employees. The allocation to retail subscribers will be conducted in two stages: in the first stage, each subscriber will get a minimum of 10 shares. During the second stage, and in the event there is sufficient demand by retail subscribers, each subscriber for 50 shares or less will get full allocation of his subscription provided that total shares allocated do not exceed total shares offered to retail subscribers (162,464,286 shares). The balance of the Offer Shares (if available) will be allocated on a pro-rata basis. Excess of subscription monies, if any, will be refunded to Subscribers without any charge or withholding by the Selling Agents. Notification of the final allotment and refund of subscription monies, if any, will be made by 10/1/1429H (corresponding to 19/1/2008G).

The Selling Agents will send confirmation/notification letters, to their Subscribers informing them of the final number of Offer Shares allocated together with the amounts, if any, to be refunded. The Selling Agents will also refund to the Subscribers any monies in respect of which no Offer Shares have been allocated to the relevant Subscribers, as provided in the confirmation/notification letters. Subscribers should communicate with the branch of the Selling Agents where they submitted their subscription application form for any further information.

17.3 Acknowledgements

By completing and delivering the subscription application form, the Subscriber:

- accepts that he/she is subscribing for the number of Company's Shares specified in the subscription application form;
- warrants that he/she has read the Prospectus and understood all its contents;
- accepts the Bylaws of the Company and all subscription instructions and terms mentioned in the Prospectus;
- keeps his/her right to sue the Company for damages caused by incorrect or incomplete information contained in the Prospectus, or by ignoring major information that should have been part of the Prospectus and could effect his/her decision to purchase the Shares;
- declares that neither himself nor any of his family members included in the subscription application form has previously subscribed to Petro Rabigh's Shares and the Company has the right to reject all duplicate applications;
- accepts the number of Shares allocated to him and all other subscription instructions and terms mentioned in the Prospectus and the subscription application form; and
- warrants not to cancel or amend the subscription application form after submitting it to the Selling Agents.

17.4 Miscellaneous

The subscription application form and all related terms, conditions and covenants hereof shall be binding upon and inure to the benefit of the parties to the subscription and their respective successors, permitted assigns, executors, administrators and heirs; provided that, except as specifically contemplated herein, neither the subscription application form nor any of the rights, interests or obligations arising pursuant thereto shall be assigned or delegated by any of the parties to the subscription without the prior written consent of the other party.

The Prospectus has been released in both Arabic and English languages. In the event of a discrepancy between the English and Arabic text, the Arabic text of the Prospectus will prevail.

17.5 The Saudi Arabian Stock Exchange (Tadawul)

In 1990, full electronic trading in Saudi Arabia equities was introduced. Tadawul was founded in 2001 as the successor to the Electronic Securities Information System.

The market capitalisation as at 2/10/1428H (corresponding to 24/10/2007G was SAR 1,386,431 billion with 107 listed companies.

Trading on Tadawul occurs through a fully integrated trading system covering the entire process from trade order through settlement. Trading occurs each business day between 11:00 am to 3:30 pm. After close of exchange trading, orders can be entered, amended or deleted from 10:00 am until 11:00 am and from 3:30 pm to 4:30 pm. From 10:00 am new entries and inquiries can be made. For the opening phase (starting at 11:00 am), the system starts opening procedures, it establishes the opening prices and determines orders to be executed according to the matching rules.

Transactions take place through the automatic matching of orders. Each valid order is accepted and generated according to the price level. Market orders (orders placed at best price) are executed first, followed by limit orders (orders place at a price limit), provided that if several orders are generated at the same price, they are executed according to the time of entry.

Tadawul distributes a comprehensive range of information through various channels, including in particular the Tadawul website and Tadawul Information Link. The Tadawul Information Link supplies trading data in real time to information providers such as Reuters.

Exchange transactions are settled on a T+0 basis, meaning that ownership transfer takes place immediately after the trade is executed.

Issuers are required to report all material announcements via Tadawul for onward dissemination to the public. Surveillance and monitoring is the responsibility of Tadawul as the operator of the market. The aim of supervision is to ensure fair trading and an orderly market.

17.6 Trading on Tadawul

It is expected that dealing in the Shares will commence on Tadawul after finalizing the Share allocation process. Tadawul will announce the start date of trading once determined. Dates and times included in this Prospectus are indicative and may be changed or extended subject to the approval of the CMA.

The Shares can only be traded after allocated Shares have been credited to Subscribers' accounts at Tadawul, the Company has been registered in the Official List and its Shares listed on the Saudi Stock Exchange. Pre-trading is strictly prohibited and Subscribers entering into any pre-trading activities will be acting at their own risk. The Company shall have no legal responsibility in such an event.

18. Documents Available for Inspection

The following documents will be available for inspection at Petro Rabigh's head office, between the hours of 8:30 am to 5:00 pm one week prior to and during the Offering Period:

- The Company's commercial registration certificate
- The Company's Bylaws;
- The Shareholders' Resolution concerning the conversion of the Company into a joint stock company and offering the increase in capital to public subscription;
- The Resolution of the Minister of Commerce and Industry No. (262/Q) dated 22/10/1428H (corresponding to 3/11/2007G) declaring the conversion of the company into a joint stock company;
- CMA approval to the Offering;
- Audited financial statements of the Company for the period ended 31 December 2006 and for the six months ended 30 June 2007;
- KPMG's written consent to the inclusion in the Prospectus of their Audit Report for the audited financial statements for the period ended 31 December 2006 and for the six months ended 30 June 2007;
- Written consent from The Law Office of Mohammed A. Al-Sheikh in Association with White & Case LLP, to the reference in the Prospectus to them as legal advisors to the Company.
- Written consent from HSBC Saudi Arabia Limited, to the reference in the Prospectus to them as financial advisor and lead manager to the Company.
- Written consent from Nexant Limited, to the reference in the Prospectus to them as market consultants to the Company.
- Market study
- Valuation report prepared by the Financial Advisor.

19. Appendix 1: Auditors' Letter on Agreed Upon Procedures

KPMG

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Al Ahsa Street
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Riyadh 11663
Kingdom of Saudi Arabia

Telephone +966 1 2914350
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Internet www.kpmg.com

The Shareholders of Rabigh Refining & Petrochemical
Company (under conversion to a joint stock company)
c/o Saudi Aramco – Rabigh Refinery
Executive Office Building, Room 01 and R-552
P.O. Box 177
Rabigh 21911
Kingdom of Saudi Arabia

25 September 2007

Dear Sirs,

Accountants' Verification Letter in relation to an Initial Public Offering ("IPO" or the "Offering") of shares by an issuer with no trading records.

Rabigh Refining & Petrochemical Company ("Petro Rabigh") was formed as a Saudi limited liability company with Commercial Registration Number 4602002161, dated 15 Sha'ban 1426H (corresponding to 19 September 2005G). The share capital of Petro Rabigh is SAR 6,570 million consisting of 65.7 million shares (the "Shares") with a nominal value of SAR 100 each as on 30 June 2007. Petro Rabigh is under conversion from a limited liability company to a joint stock company. We have been appointed by the management of Petro Rabigh as the Reporting Accountants to Petro Rabigh for the purposes of the Offering.

In connection with the Offering, we have performed the procedures agreed with the management of Petro Rabigh vide engagement letter dated 30 May 2007, with respect to reporting on certain financial information included within the Prospectus submitted to the Capital Market Authority ("CMA) on 1 September 2007 ("the Prospectus") for the Offering. The procedures were performed on the audited historical financial statements of Petro Rabigh for the period ended 31 December 2006 and for the half year ended 30 June 2007, and Petro Rabigh's management is solely responsible for the sufficiency of those procedures for its purposes.

Our engagement was undertaken in accordance with the generally accepted auditing standards in respect of agreed upon procedures engagements, as issued by the Saudi Organization for Certified Public Accountants ("SOCPA"). The procedures were performed to report on whether:

- the financial statements and related financial information as set out in the Prospectus have been accurately extracted from and conform to the audited financial statements of Petro Rabigh for the period ended 31 December 2006 and for the half year ended 30 June 2007; and
- the Directors have made their statement, after due and careful enquiry, on the projected funding sources, (including loan facilities, equity contribution and net proceeds from Offering), and uses (including working capital requirements and capital expenditure), covering

KPMG Al Fozan & Al Sadhan, a partnership registered in Saudi Arabia, is a member of KPMG International, a Swiss cooperative.

KPMG

the period of 12 months from the date of the Prospectus (the "Directors' Statement"), as set out in the *'Use of Proceeds'* section of the Prospectus.

Our procedures were as follows:

1. Obtain and read the Prospectus to the Offering and compare to the audited financial statements of Petro Rabigh for the period ended 31 December 2006 and for the half year ended 30 June 2007; and
2. Obtain and read the Directors' Statement in order to assess the reasonableness of the principal assumptions underlying the Directors' Statement, specifically in relation to the projected working capital requirements and capital expenditure for the period of 12 months from the date of the Prospectus.

Based on performance of the above procedures performed, and schedules and information provided and representation made to us by the management of Petro Rabigh, there are no exceptions to be reported. Further we note the following:

- the financial statements and related financial information as set out in the Prospectus have been accurately extracted from and conform to the audited financial statements of Petro Rabigh for the period ended 31 December 2006 and for the half year ended 30 June 2007;
- we have satisfied ourselves that the Directors have made the assertions included in Directors' Statement after due and careful enquiry; in specific the assertions relating to the adequacy of Petro Rabigh's capital for the period of 12 months following the date of the Prospectus; and
- the capital of Petro Rabigh is SAR 6,570 million, which has been contributed by the Founding Shareholders. The share capital will be increased to SAR 8,760 million and the remaining balance will be raised through the Offering.

Since the above procedures do not constitute an audit or a review in accordance with the generally accepted auditing standards issued by SOCPA, we do not express any audit or review assurance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Our letter is solely for the purpose set forth in the first and second paragraphs of this letter and is only for the information of the management of Petro Rabigh. This letter, save as set out in our engagement letter and for use in the Prospectus, should not be used for any other purpose or be distributed to any other parties, except the CMA, HSBC Saudi Arabia Limited and Ministry of Commerce and Industry ("MoCI") without our prior written consent.

Yours faithfully
For KPMG Al Fozan & Al Sadhan

Abdullah H. Al Fozan
Senior Partner
Registration No. 348

20. Audited Financial Statement

The audited financial statement for the period ended 31 December 2006 and the notes thereto incorporated in the Prospectus have been included herein in reliance on the report of KPMG Al Fozan & Al Sadhan, independent auditors of Petro Rabigh for the above stated period.

KPMG Al Fozan & Al Sadhan do not themselves, nor do any of their relatives or affiliates have any shareholding or interest of any kind in the Company. In addition, KPMG Al Fozan & Al Sadhan have given and not withdrawn their written consent to the publication in the Prospectus of the Audited Financial Statement and the Management's Discussion and Analysis of Financial Condition and Result of Operations.

RABIGH REFINING AND PETROCHEMICAL COMPANY L.L.C.

(Limited Liability Company)

FINANCIAL STATEMENTS

for Prospective IPO

For the period from September 19, 2005 to December 31, 2006

together with

AUDITOR'S REPORT

KPMG

KPMG Al Fozan & Al Sadhan
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Kingdom of Saudi Arabia

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AUDITOR'S REPORT

The Directors
Rabigh Refining and Petrochemical Company L.L.C.
Rabigh, Saudi Arabia

We have audited the accompanying balance sheet of Rabigh Refining and Petrochemical Company L.L.C. as at December 31, 2006, and the related statements of income, changes in partners' equity and cash flows for the period from September 19, 2005 to December 31, 2006 presented in U.S. Dollars and Saudi Riyals ("the IPO Financial Statements") and the attached notes from 1 through 13 which form an integral part of the IPO Financial Statements.

The IPO Financial Statements have been prepared by the Company, in addition to the statutory financial statements prepared in accordance with Article 175 of the Regulations for Companies on which we have already issued an unqualified audit opinion dated April 16, 2007, for the purposes of submission to the Capital Market Authority in relation to the Company's proposed Initial Public Offer of shares. They have been submitted to us together with all the information and explanations which we required. Our audit was conducted in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other procedures as we considered necessary to obtain a reasonable degree of assurance to enable us to express an opinion on the IPO Financial Statements.

In our opinion, the IPO Financial Statements referred to above present fairly, in all material respects, the financial position of Rabigh Refining and Petrochemical Company L.L.C. as at December 31, 2006, and the results of its operations, changes in partners' equity and cash flows for the period then ended in accordance with generally accepted accounting standards in Saudi Arabia.

We confirm that no adjustments have been made by management, other than the presentational currency translation between US Dollars and Saudi Riyals, in compiling these financial statements from those on which we had issued our earlier audit opinion, and which comply with the requirements of the Regulations for Companies and the Company's Articles of Association with respect to the preparation and presentation of the financial statements.

For KPMG Al Fozan & Al Sadhan:

Tareq Abdulrahman Al Sadhan
License No. 352

KPMG Al Fozan & Al Sadhan

Re-signed August 14, 2007 (as of April 16, 2007)

Jeddah, Saudi Arabia

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RABIGH REFINING AND PETROCHEMICAL COMPANY L.L.C.

(Limited Liability Company)

BALANCE SHEET

As at December 31, 2006

	Note	USD	SAR
ASSETS			
Current assets			
Cash and cash equivalents		554,738,133	2,080,267,999
Advances to suppliers		240,776,328	902,911,230
Prepayments and other current assets	3	4,210,185	15,788,194
Total current assets		**799,724,646**	**2,998,967,423**
Non-current assets			
Construction in progress	2.5	2,090,873,918	7,840,777,192
Long term investment	4	88,317,418	331,190,318
Total non-current assets		**2,179,191,336**	**8,171,967,510**
Total assets		**2,978,915,982**	**11,170,934,933**
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable		150,511,885	564,419,569
Accrued expenses and other Current liabilities	5	32,542,840	122,035,650
Zakat and income tax	6	3,489,778	13,086,667
Partners' current accounts	7	333,997,873	1,252,492,024
Total current liabilities		**520,542,376**	**1,952,033,910**
Non-current liabilities			
Long-term loans	8	1,805,000,000	6,768,750,000
Total liabilities		**2,325,542,376**	**8,720,783,910**
PARTNERS' EQUITY			
Share capital	9	700,000,000	2,625,000,000
Accumulated losses		(46,626,394)	(174,848,977)
Total partners' equity		**653,373,606**	**2,450,151,023**
Total liabilities and partners' equity		**2,978,915,982**	**11,170,934,933**

The accompanying notes 1 through 13 forms
an integral part of these IPO financial statements.

RABIGH REFINING AND PETROCHEMICAL COMPANY L.L.C.

(Limited Liability Company)

STATEMENT OF INCOME

For the period from September 19, 2005 to December 31, 2006

	Note	USD	SAR
Interest income		21,116,295	79,186,106
Foreign currency gains		1,606,250	6,023,438
General and administrative expenses	10	(69,348,939)	(260,058,521)
Net loss for the period		**(46,626,394)**	**(174,848,977)**

The accompanying notes 1 through 13 form
an integral part of these IPO financial statements.

RABIGH REFINING AND PETROCHEMICAL COMPANY L.L.C.

(Limited Liability Company)

STATEMENT OF CHANGES IN PARTNERS' EQUITY

For the period from September 19, 2005 to December 31, 2006

	Share Capital	Accumulated losses	Total
	USD	**USD**	**USD**
Capital contributions	700,000,000	--	700,000,000
Net loss for the period	--	(46,626,394)	(46,626,394)
Zakat and income tax charge for the period	--	(3,489,778)	(3,489,778)
Zakat and income tax reimbursable from partners	--	3,489,778	3,489,778
As at December 31, 2006	**700,000,000**	**(46,626,394)**	**653,373,606**
Represented by:			
Saudi partner's share	350,000,000	(23,313,197)	326,686,803
Foreign partner's share	350,000,000	(23,313,197)	326,686,803
As at December 31, 2006	**700,000,000**	**(46,626,394)**	**653,373,606**
	SAR	**SAR**	**SAR**
	2,625,000,000	**(174,848,977)**	**2,450,151,023**

The accompanying notes 1 through 13 form
an integral part of these IPO financial statements.

RABIGH REFINING AND PETROCHEMICAL COMPANY L.L.C.

(Limited Liability Company)

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM SEPTEMBER 19, 2005 TO DECEMBER 31, 2006

	USD	SAR
OPERATING ACTIVITIES		
Loss for the period	(46,626,394)	(174,848,977)
Changes in working capital:		
Advances to suppliers	(240,776,328)	(902,911,230)
Prepayments and other current assets	(4,210,185)	(15,788,194)
Accounts payable	150,511,885	564,419,569
Accrued expenses and other current liabilities	32,542,840	122,035,650
Net cash flows absorbed by operating activities	**(108,558,182)**	**(407,093,182)**
INVESTING ACTIVITIES		
Construction in progress	(2,090,873,918)	(7,840,777,192)
Long term investment	(88,317,418)	(331,190,318)
Net cash flows used in investing activities	**(2,179,191,336)**	**(8,171,967,510)**
FINANCING ACTIVITIES		
Issue of share capital	700,000,000	2,625,000,000
Long-term loans	1,805,000,000	6,768,750,000
Partners' current accounts, net of Zakat recovery	337,487,651	1,265,578,691
Net cash flows provided by financing activities	**2,842,487,651**	**10,659,328,691**
Net increase in cash and cash equivalents	554,738,133	2,080,267,999
Cash and cash equivalents at end of period	**554,738,133**	**2,080,267,999**

The accompanying notes 1 through 13 form
an integral part of these IPO financial statements.

RABIGH REFINING AND PETROCHEMICAL COMPANY L.L.C.

(Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

1. GENERAL

1.1 Rabigh Refining and Petrochemical Company L.L.C. ("the Company" or "PETRORabigh") is a company registered in Saudi Arabia under Commercial Registration No. 4602002161 issued from Ministry of Commerce, Dammam, on 15-08-1426H (September 19, 2005). The Company was established in the Kingdom of Saudi Arabia, as per ministerial resolution and license of the Saudi Arabian General Investment Authority No. (495/A), dated 14-5-1426H (June 21, 2006)

1.2 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.

1.3 These financial statements are presented as the Company's first statutory financial statements covering the period from September 19, 2005 to December 31, 2006.

1.4 The Company is in plant construction and the pre-operational phase. It has not yet commenced its commercial activities.

2. SIGNIFICANT ACCOUNTING POLICIES

These IPO Financial Statements have been prepared, in addition to the audited statutory financial statements that were issued in April 2007, for the purposes of the Company's management in anticipation of a requirement to lodge with the Capital Market Authority in preparation for a potential Initial Public Offer of shares. They have been prepared in accordance with the Standard of General Presentation and Disclosure issued by the Ministry of Commerce and in compliance with the accounting standards issued by the Saudi Organization for Certified Public Accountants.

2.1 Accounting convention

These IPO Financial Statements are prepared under the historical cost convention using the accrual basis of accounting and the going concern concept.

2.2 Functional and presentation currencies

The Company's functional currency is the U.S. Dollar (USD). These financial statements are presented in both USD and Saudi Riyals (SAR), using a fixed conversion rate of SAR 3.75 to USD 1.

2.3 Interest income

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

2.4 Foreign currency

Transactions denominated in foreign currencies are translated into U.S. dollars 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 December 31, 2006.

Forward foreign exchange contracts are entered to hedge a foreign currency liability and are initially measured at cost and subsequently re-measured at fair value. The gain or loss on re-measurement to fair value is recognized in the statement of income.

2.5 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.

2.6 Long term investment

Long term investment is recorded at cost.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Cash and cash equivalents

Cash and cash equivalents consists of bank balances, cash in hand and short term deposits with a maturity of less than three months.

2.8 Operating leases

Payment under operating leases is recognized in the statement of income on a straight line basis over the period of lease term.

2.9 Zakat and Income Tax

Zakat and income tax are computed in accordance with Saudi Arabian fiscal regulations, are accrued and charged to retained earnings. Since the partners have agreed to reimburse Zakat and income tax, such amount receivable from the partners are credited to retained earnings.

3. PREPAYMENTS AND OTHER CURRENT ASSETS

	USD	SAR
Prepaid customs duties (deposits)	2,027,876	7,604,535
Accrued interest receivable	1,431,473	5,368,024
Prepaid expenses and other receivables	750,836	2,815,635
	4,210,185	**15,788,194**

4. LONG TERM INVESTMENT

The Company has entered into a series of agreements with Rabigh Arabian Water and Electricity Company (RAWEC), a Saudi limited liability company formed to construct, operate and subsequently transfer an electricity co-generation and desalination plant at Rabigh, and with RAWEC's developers and financiers. Through these agreements, the Company will provide a portion of the finance for RAWEC's plant construction through drawdowns over the construction and plant preparation period.

The Company will have a 1% equity stake in RAWEC in accordance with the Shareholders Agreement. In addition, the Company is to provide a total amount of USD 1,064 million of loan finance under a Facilities Agreement.

The investment in RAWEC at the balance sheet date comprised the following:

	USD	SAR
Investment in RAWEC:		
equity participation	2,235,478	8,383,043
long term loans	86,081,940	322,807,275
	88,317,418	**331,190,318**

Under the Facilities Agreement, the loans carry interest rate at 5.675% per annum and repayments are scheduled to be made by RAWEC in monthly installments from June 30, 2008 to November 30, 2023.

5. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	USD	SAR
Retention deposits	18,841,014	70,653,803
Withholding tax payable	11,384,115	42,690,431
Accrued interest payable	1,962,100	7,357,875
Other accruals and credit balances	355,611	1,333,541
	32,542,840	**122,035,650**

6. ZAKAT AND INCOME TAX

(a) Charge for the period

Zakat and income tax charge for the period ended December 31 comprise the following:

	USD	SAR
Zakat	3,489,778	13,086,667
Income tax	--	--
	3,489,778	**13,086,667**

Zakat

The Zakat charge for this first period of account has been estimated in accordance with DZIT regulations, for accounting periods in excess of 12 months. The estimate is subject to agreement with the DZIT after the Zakat return for the period has been filed.

Income tax

The Company has not generated any profit for the period and thus, has not provided for any income tax.

(b) Accrued Zakat and income tax

The movement in accrued Zakat and income tax provision for the period ended December 31 is analyzed as under:

	USD	SAR
Balance at the beginning of the period	--	--
Charge for the period	3,489,778	13,086,667
Payments during the period	--	--
Balance at the end of the period	**3,489,778**	**13,086,667**

The income tax losses of the Company available for offset against future taxable profits amount to approximately USD 23 million.

7. PARTNERS' CURRENT ACCOUNTS

	USD	SAR
Saudi Arabian Oil Company	202,242,771	758,410,391
Sumitomo Chemicals Co.	131,755,102	494,081,633
	333,997,873	**1,252,492,024**

The above balances result principally from payments made by shareholders on behalf of the Company's employees and other charges.

8. LONG TERM LOANS

The Company has entered into loan facility agreements, secured through shareholder guarantees, 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 the balance sheet date, are:

	Total Facility	At December 31 2006	At December 31 2006
	USD	USD	SAR
Japan Bank for International Cooperation	2,500,000,000	1,700,000,000	6,375,000,000
Commercial banks	1,740,000,000	60,000,000	225,000,000
Public Investment Fund	1,000,000,000	45,000,000	168,750,000
Islamic financial institutions	600,000,000	--	--
	5,840,000,000	**1,805,000,000**	**6,768,750,000**

The facilities utilized during the period were subject to commission (interest) at rates of between 5.635% - 5.87% as of balance sheet date. 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.

9. SHARE CAPITAL

The registered capital of the company consists of 26,250,000 shares of SAR 100 each (approx USD 26.67 each). As of December 31, 2006, the shares were held as follows:

	%	Number of Shares	Total Value of Shares	
			(USD)	(SAR)
Saudi Arabian Oil Company	50%	13,125,000	350,000,000	1,312,500,000
Sumitomo Chemicals Company	50%	13,125,000	350,000,000	1,312,500,000
	100%	**26,250,000**	**700,000,000**	**2,625,000,000**

10. GENERAL AND ADMINISTRATIVE EXPENSES

	USD	SAR
Professional fees	27,910,635	104,664,881
Recruitment, apprentice and training expenses	17,596,276	65,986,035
Shareholders' charges	11,511,458	43,167,967
Salaries and other staff benefits	5,432,745	20,372,794
Others	6,897,825	25,866,844
	69,348,939	**260,058,521**

11. CONTINGENT LIABILITIES AND COMMITMENTS

The Company entered into a marine terminal lease agreement for a period of 30 years with one of its partners, 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 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.

12. SUBSEQUENT EVENT

The Company's shareholders have increased their capital contribution by a total of USD 700 million (SAR 2,625 million) in February 2007, raising total capital to USD 1,400 million (SAR 5,250 million).

13. LEASES

The Company has entered into operating leases for office space, office furniture and vehicles. Rental for the period ended December 31, 2006 amounted to USD 600,000 (SAR 2,250,000).

At December 31, the Company's obligations under operating leases are analyzed as under:

	USD	SAR
Payable within one year	800,000	3,000,000
Payable between two and five years	200,000	750,000
Total	**1,000,000**	**3,750,000**

21. Interim Audited Financial Statements

The interim audited financial statement as at and for the six months ended 30 June 2007 and the notes thereto incorporated in the Prospectus have been included herein in reliance on the report of KPMG Al Fozan & Al Sadhan, independent auditors of Petro Rabigh for the above stated period.

RABIGH REFINING AND PETROCHEMICAL COMPANY L.L.C.

(Limited Liability Company)

INTERIM FINANCIAL STATEMENTS

From January 1, 2007 to June 30, 2007

with

AUDITOR'S REPORT

KPMG Al Fozan & Al Sadhan
Jeddah Int'l Business Centre
King Abdullah Road
P O Box 6659
Jeddah 21452
Kingdom of Saudi Arabia

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AUDITOR'S REPORT

The Partners
Rabigh Refining and Petrochemical Company L.L.C.
Rabigh, Saudi Arabia

We have audited the accompanying interim balance sheet of Rabigh Refining and Petrochemical Company LLC. ("PETRORabigh") as at June 30, 2007, and the related statements of income, changes in partners' equity and cash flows for the six-month period then ended and the accompanying notes from 1 through 11 which form an integral part of these financial statements.

These interim financial statements have been prepared by the Company's management and submitted to us, together with all the information and explanations which we required. Our audit was conducted in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other procedures as we considered necessary to obtain a reasonable degree of assurance to enable us to express an opinion on the financial statements.

In our opinion, the interim financial statements referred to above, taken as a whole present fairly the interim financial position of Rabigh Refining and Petrochemical Company LLC as at June 30, 2007 and the results of its operations, changes in partners' equity and cash flows for the six-month period then ended in accordance with generally accepted accounting standards appropriate to the circumstances of the Company.

For KPMG Al Fozan & Al Sadhan:

Tareq Abdulrahman Al Sadhan
License No. 352

KPMG Al Fozan & Al Sadhan
Certified Public Accountants

August 4, 2007
Corresponding to Rajab 21, 1428 H

RABIGH REFINING AND PETROCHEMICAL COMPANY L.L.C.

(Limited Liability Company)

INTERIM BALANCE SHEET

As at June 30, 2007

	Note	USD	SAR
ASSETS			
Current assets			
Cash and cash equivalents		130,647,617	489,928,564
Advances to suppliers		149,358,076	560,092,785
Prepayments and other current assets	3	7,242,621	27,159,829
Total current assets		**287,248,314**	**1,077,181,178**
Non-current assets			
Construction in progress	2.5	4,455,382,256	16,707,683,459
Long term investment	4	446,309,786	1,673,661,698
Total non-current assets		**4,901,692,042**	**18,381,345,157**
Total assets		**5,188,940,356**	**19,458,526,335**
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable		422,432,402	1,584,121,508
Accrued expenses and other Current liabilities	5	70,387,335	263,952,506
Partners' current accounts	7	77,158,303	289,343,636
Total current liabilities		**569,978,040**	**2,137,417,650**
Non-current liabilities			
Long-term loans	8	2,955,000,000	11,081,250,000
Total liabilities		**3,524,978,040**	**13,218,667,650**
PARTNERS' EQUITY			
Share capital	9	1,752,000,000	6,570,000,000
Accumulated losses		(88,037,684)	(330,141,315)
Total partners' equity		**1,663,962,316**	**6,239,858,685**
Total liabilities and partners' equity		**5,188,940,356**	**19,458,526,335**

The accompanying notes 1 through 11 form
an integral part of these interim financial statements.

RABIGH REFINING AND PETROCHEMICAL COMPANY L.L.C.

(Limited Liability Company)

INTERIM STATEMENT OF INCOME

For the period from January 1, 2007 to June 30, 2007

	Note	USD	SAR
Interest income		5,290,874	19,840,778
Foreign currency loss		(3,129,327)	(11,734,976)
General and administrative expenses	10	(43,572,837)	(163,398,139)
Net loss for the period		**(41,411,290)**	**(155,292,337)**

The accompanying notes 1 through 11 form
an integral part of these interim financial statements.

RABIGH REFINING AND PETROCHEMICAL COMPANY L.L.C.

(Limited Liability Company)

INTERIM STATEMENT OF CHANGES IN PARTNERS' EQUITY

For the period from January 1, 2007 to June 30, 2007

	Share Capital	Accumulated losses	Total
	USD	USD	USD
As at January 1, 2007	700,000,000	(46,626,394)	653,373,606
Additional contributed capital	1,052,000,000	--	1,052,000,000
Net loss for the period	--	(41,411,290)	(41,411,290)
As at June 30, 2007	**1,752,000,000**	**(88,037,684)**	**1,663,962,316**
	SAR	**SAR**	**SAR**
	6,570,000,000	**(330,141,315)**	**6,239,858,685**

The accompanying notes 1 through 11 form
an integral part of these interim financial statements.

RABIGH REFINING AND PETROCHEMICAL COMPANY L.L.C.

(Limited Liability Company)

INTERIM STATEMENT OF CASH FLOWS

For the period from January 1, 2007 to June 30, 2007

	USD	SAR
OPERATING ACTIVITIES		
Loss for the period	(41,411,290)	(155,292,337)
Zakat paid	(3,489,778)	(13,086,667)
Changes in working capital:		
Advances to suppliers	91,418,252	342,818,445
Prepayments and other current assets	(3,032,436)	(11,371,635)
Accounts payable	271,920,517	1,019,701,939
Accrued expenses and other current liabilities	37,844,495	141,916,856
Net cash flows from operating activities	**353,249,760**	**1,324,686,601**
INVESTING ACTIVITIES		
Construction in progress	(2,364,508,338)	(8,866,906,268)
Long term investment	(357,992,368)	(1,342,471,380)
Net cash flows used in investing activities	**(2,722,500,706)**	**(10,209,377,648)**
FINANCING ACTIVITIES		
Issue of share capital	1,052,000,000	3,945,000,000
Long-term loans	1,150,000,000	4,312,500,000
Partners' current accounts	(256,839,570)	(963,148,388)
Net cash flows provided by financing activities	**1,945,160,430**	**7,294,351,612**
Net decrease in cash and cash equivalents	**(424,090,516)**	**(1,590,339,435)**
Cash and cash equivalents at beginning of period	**554,738,133**	**2,080,267,999**
Cash and cash equivalents at end of period	**130,647,617**	**489,928,564**

The accompanying notes 1 through 11 form
an integral part of these interim financial statements.

RABIGH REFINING AND PETROCHEMICAL COMPANY L.L.C.

(Limited Liability Company)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

JUNE 30, 2007

1. GENERAL

1.1 Rabigh Refining and Petrochemical Company LLC. ("the Company") is a company registered in Saudi Arabia under Commercial Registration No. 4602002161 issued from Ministry of Commerce, Dammam, on 15-08-1426H (September 19, 2005). The Company was established in the Kingdom of Saudi Arabia, as per ministerial and license of the Saudi Arabian General Investment Authority No. (495/A), dated 14-5-1426H (June 21, 2006)

1.2 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.

1.3 The Company is in plant construction and pre-operational phase. It has not yet commenced its commercial activities.

2. SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared solely for the purposes of the Company's management in anticipation of a requirement to lodge with the Capital Market Authority in preparation for a potential Initial Public Offer of shares. They have been prepared in accordance with the Standard of General Presentation and Disclosure issued by the Ministry of Commerce and in compliance with the accounting standards issued by the Saudi Organization for Certified Public Accountants.

The Company's first statutory financial statements were presented for the period from Commercial Registration on September 19, 2005 to December 31, 2006. No interim financial statements were prepared as at June 30, 2006. Consequently, these interim financial statements do not include any comparative information as at June 30, 2006.

2.1 Accounting convention

These interim financial statements are prepared under the historical cost convention using the accrual basis of accounting and the going concern concept.

2.2 Functional and presentation currencies

The Company's functional currency is the U.S. Dollars (USD). These interim financial statements are presented in both USD and Saudi Riyals (SAR), using a fixed conversion rate of SAR 3.75 to USD 1.

2.3 Interest income

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

2.4 Foreign currency

Transactions denominated in foreign currencies are translated into U.S. Dollars 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 June 30, 2007.

Forward foreign exchange contracts are entered to hedge a foreign currency liability and are initially measured at cost and subsequently re-measured at fair value. The gain or loss on re-measurement to fair value is recognized in the statement of income.

2.5 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Long term investment

Long term investment is recorded at cost.

2.7 Cash and cash equivalents

Cash and cash equivalents consists of bank balances, cash in hand and short term deposits with a maturity of less than three months.

2.8 Operating leases

Payment under operating leases is recognized in the statement of income on a straight line basis over the period of lease term.

2.9 Zakat and Income Tax

Zakat and income tax are computed in accordance with Saudi Arabian fiscal regulations, are accrued and charged to retained earnings. Since the partners have agreed to reimburse Zakat and income tax, such amount receivable from the partners are credited to retained earnings.

3. PREPAYMENTS AND OTHER CURRENT ASSETS

	USD	SAR
Prepaid customs duties (deposits)	2,691,902	10,094,633
Accrued interest receivable	179,660	673,725
Prepaid expenses and other receivables	4,371,059	16,391,471
	7,242,621	**27,159,829**

4. LONG TERM INVESTMENT

The Company has entered into a series of agreements with Rabigh Arabian Water and Electricity Company (RAWEC), a Saudi limited liability company formed to construct, operate and subsequently transfer an electricity co-generation and desalination plant at Rabigh, and with RAWEC's developers and financiers. Through these agreements, the Company will provide a portion of the finance for RAWEC's plant construction through drawdowns over the construction and plant preparation period.

The Company will have a 1% equity stake in RAWEC in accordance with the Shareholders Agreement. In addition, the Company is to provide a total amount of USD 1,064 million of loan finance under a Facilities Agreement.

The investment in RAWEC at the balance sheet date comprised the following:

	USD	SAR
Investment in RAWEC		
equity participation	2,235,478	8,383,043
long term loans	444,074,308	1,665,278,655
	446,309,786	**1,673,661,698**

Under the Facilities Agreement, the loans carry interest rate at 5.765% per annum and repayments are scheduled to be made by RAWEC in monthly installments from June 30, 2008 to November 30, 2023.

5. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	USD	SAR
Retention deposits	56,319,847	211,199,426
Withholding tax payable	8,151,019	30,566,321
Accrued interest payable	4,662,629	17,484,859
Other accruals and credit balances	1,253,840	4,701,900
	70,387,335	**263,952,506**

6. ZAKAT AND INCOME TAX

Zakat

The Company's Zakat base is negative and the Company is also in a net loss position. Thus, there is no zakat liability for the six-month period ended 30 June 2007.

Income tax

The Company has not generated any profit for the period and thus, has not provided for any income tax.

Accrued Zakat and income tax

The movement in accrued Zakat and income tax provision for the six-month period ended June 30 is analyzed as under:

	USD	SAR
Balance at the beginning of the period	3,489,778	13,086,667
Charge for the period	--	--
Payments during the period	3,489,778	13,086,667
Balance at the end of the period	**--**	**--**

The income tax losses of the Company available for offset against future taxable profits amount to approximately USD 44 million.

7. PARTNERS' CURRENT ACCOUNTS

	USD	SAR
Saudi Arabian Oil Company	66,508,124	249,405,465
Sumitomo Chemicals Company	10,650,179	39,938,171
	77,158,303	**289,343,636**

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

8. LONG TERM LOANS

The Company has entered into loan facility agreements, secured through shareholder guarantees, 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 the balance sheet date, are:

	Total Facility	Drawn down June 30, 2007
	USD	USD
Japan Bank for International Cooperation	2,500,000,000	2,500,000,000
Commercial banks	1,740,000,000	410,000,000
Public Investment Fund	1,000,000,000	45,000,000
Islamic financial institutions	600,000,000	--
	5,840,000,000	**2,955,000,000**
	SAR	**SAR**
	21,900,000,000	**11,081,250,000**

The facilities utilized during the period were subject to commission (interest) at rates between 5.635% - 5.9% as of balance sheet date. 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.

9. SHARE CAPITAL

The registered capital of the company consists of 65,700,000 shares of SAR 100 each (approximately USD 26.67 each). As of June 30, 2007, the shares were held as follows:

	%	Number of Shares	Total Value of Shares	
			(USD)	(SAR)
Saudi Arabian Oil Company	50%	32,850,000	876,000,000	3,285,000,000
Sumitomo Chemicals Company	50%	32,850,000	876,000,000	3,285,000,000
	100%	**65,700,000**	**1,752,000,000**	**6,570,000,000**

10. GENERAL AND ADMINISTRATIVE EXPENSES

	USD	SAR
Salaries and other staff benefits	29,579,716	110,923,935
Shareholders' charges	5,721,027	21,453,851
Recruitment, apprentice and training expenses	1,723,072	6,461,520
Professional fees	930,627	3,489,851
Others	5,618,395	21,068,982
	43,572,837	**163,398,139**

11. CONTINGENT LIABILITIES AND COMMITMENTS

Forward contracts

At June 30, 2007, the Company had outstanding forward foreign exchange commitments to purchase the equivalent of USD 40,933,566 in a foreign currency (JPY), in respect of settlement of certain foreign currency liabilities.

Marine terminal lease

The Company entered into a marine terminal lease agreement for a period of 30 years with one of its partners, 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 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.

Operating Leases

The Company has entered into operating leases for office space and furniture, vehicles and living quarters. Rentals for the six-month period ended June 30, 2007 amounted to USD 7,046,332.

At June 30, the Company's obligations under operating leases are analyzed as under:

	USD	SAR
Payable within one year	15,159,467	56,848,001
Payable between two and five years	21,864,575	81,992,156
Total	**37,024,042**	**138,840,158**