

أرامكو السعودية  
Saudi Aramco



# The World's Reliable Energy Supplier

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Washington, DC  
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# Today's Presentation

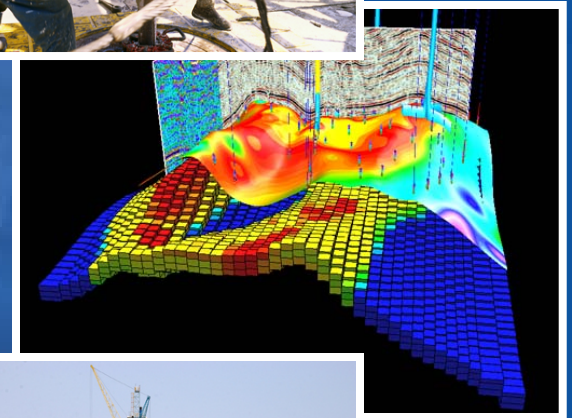
- Changes in market landscape
- Upstream developments
- Gas developments
- Domestic economic development and diversification
- Strengthening the company's capabilities
- Summary

# Changes in the Oil Market Landscape

- Record demand and prices in 2004 / 2005
- Demand growth increasingly non-OECD-based; data quality an issue
- OECD supply base maturing
- Uncertainty and other issues impact some important producing areas, e.g. Iraq, FSU
- Investments lag in refining and infrastructure
- Reduced global spare capacity in production, shipping and refining
- Mismatch between available crude quality, product specifications and refinery configurations
- Markets impacted by refining bottlenecks, product specs and financial speculators

# Saudi Aramco: The Role We Play

- 260 billion barrels: one-quarter of the world's proven crude oil reserves
- 85 Fields & 320 reservoirs; reserve depletion only 28 percent
- Five grades of crude oil
- Lowest finding and development costs
- High reserve/production ratio
- Significant areas of the Kingdom offer large additional potential
- Potential to add substantially to reserve base



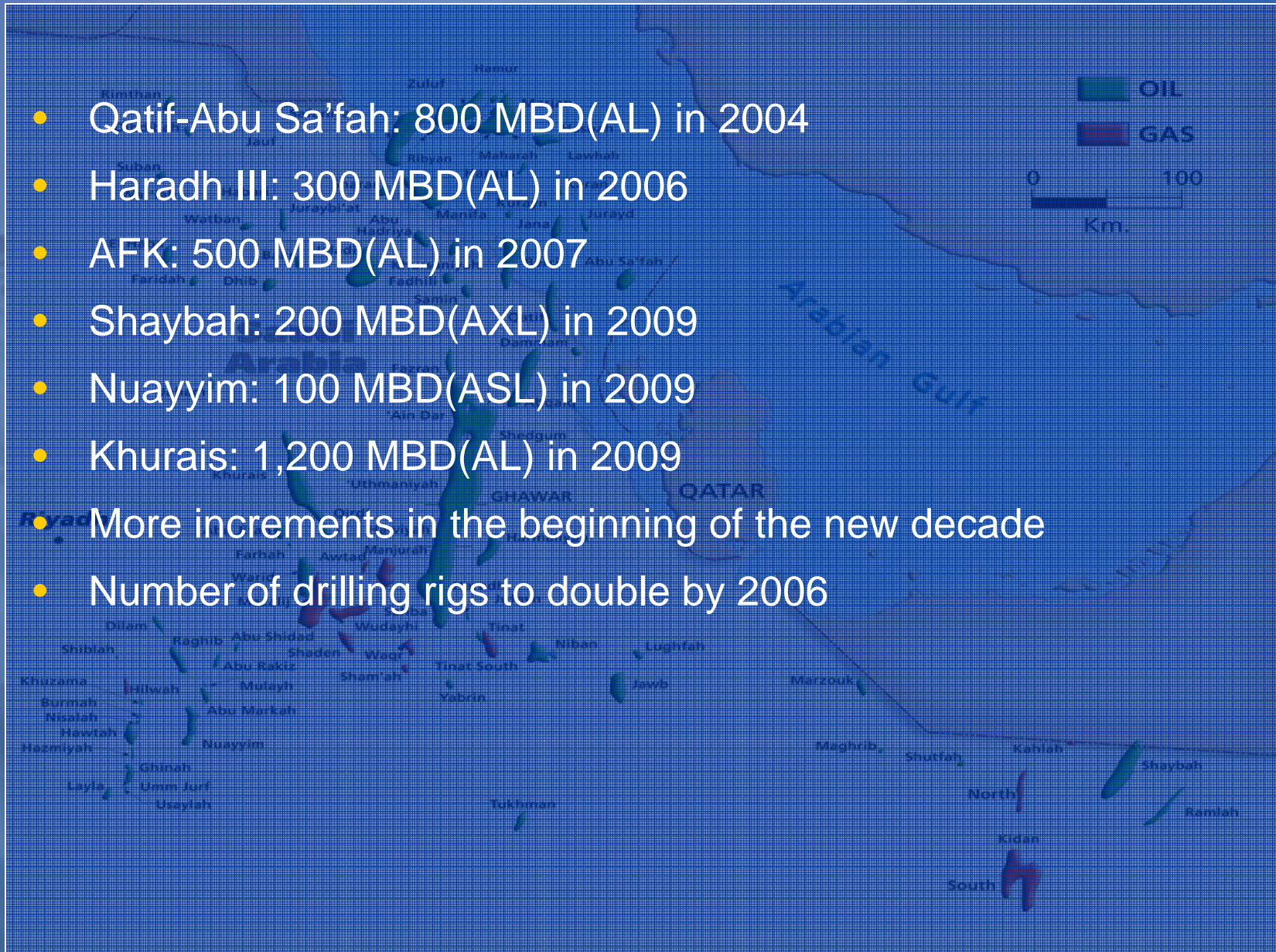
# Reliable and Responsible Energy Supplies

- Strong Reserve Base
  - Well over 100 years of production when massive base of proven reserves is supplemented by vast additional potential
  - Long-term view of reservoir management
  - Cutting-edge technologies
- Robust Infrastructure
  - Spare capacity in pipelines, terminals and other midstream infrastructure
  - Built-in flexibilities & redundancies
  - Large and modern shipping fleet
  - Growing international downstream presence
  - Seventy years of demonstrated reliable performance
- Proactive Response to Market Conditions
  - Maintaining 1.5 to 2 MMBD excess capacity above forecast production
  - Major crude increments, expanding capacity to 12 MMBD
  - Scenarios to boost capacity to 15 MMBD
  - New Refineries in-Kingdom and outside to handle heavier crudes



# New Crude Oil Increments

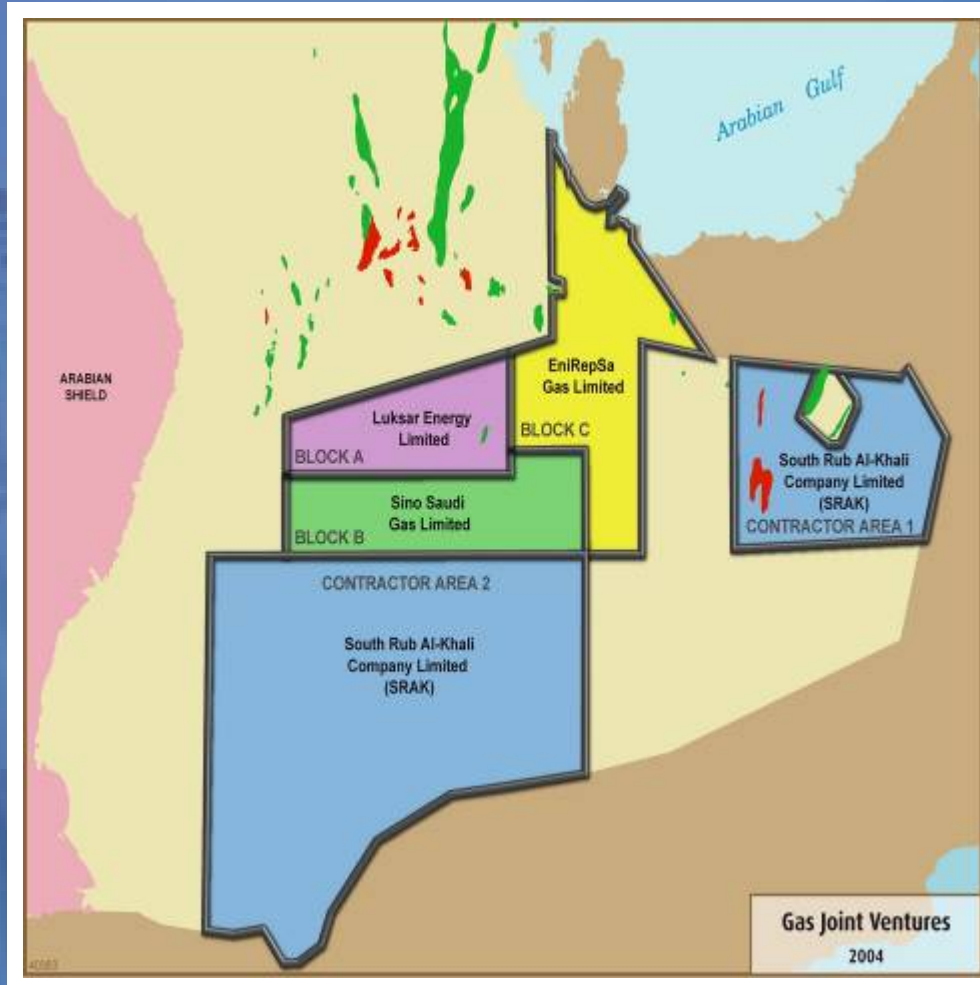
- Qatif-Abu Sa'fah: 800 MBD(AL) in 2004
- Haradh III: 300 MBD(AL) in 2006
- AFK: 500 MBD(AL) in 2007
- Shaybah: 200 MBD(AXL) in 2009
- Nuayyim: 100 MBD(ASL) in 2009
- Khurais: 1,200 MBD(AL) in 2009
- More increments in the beginning of the new decade
- Number of drilling rigs to double by 2006



# Highlights of our Exploration Program

- Ambitious Exploration Program Targeting *BOTH* Oil and Gas
  - On-shore and off-shore
  - Maximize liquid reserve addition and at minimum replace forecast liquid production
  - Identify 5 TCF of non-associated gas reserves per year
- A Stepped-up Level of Activities
  - 100 exploratory wells, 90 delineation wells
  - 7 seismic crews and 20 Million Vibration Points
- Gas Exploration Program through New Joint Ventures
  - 9 seismic crews currently active in Rub' Al-Khali
  - New prospects identified
  - 27 wildcats to be drilled by 2009

# The Kingdom's Natural Gas Initiative



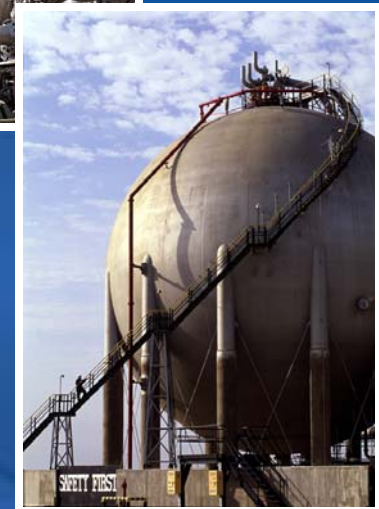


# Gas System Expansion

- Close to \$9 billion of new capital investment by 2010
- Khursaniyah Gas Plant in 2007
- Hawiyah NGL Recovery Plant in 2008
- Hawiyah Gas Plant expansion project in 2008
- Ju'aymah fractionation capacity expansion in 2008
- East / West Gas and NGL pipeline capacity increases in 2007
- Yanbu' Gas Plant expansion in 2008
- Expansion of the Master Gas System to accommodate future gas discoveries

# Leveraging Natural Gas

- Leveraging gas resources as a driver of industrialization
  - Feedstock for petrochemicals prioritized
- The Kingdom is a leading producer of methanol, ammonia, MTBE, ethylene and propylene
  - Capacity to double over next few years
- Second highest per-capita gas intensity compared to leading energy-intensive OECD countries
- Continued expansion of upstream and downstream

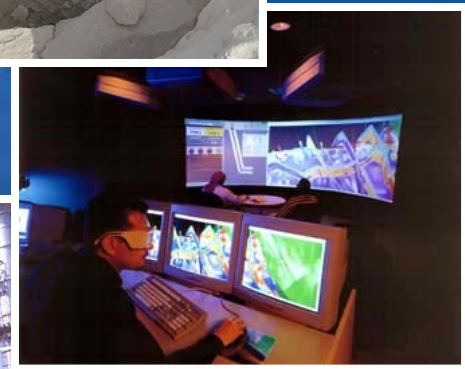
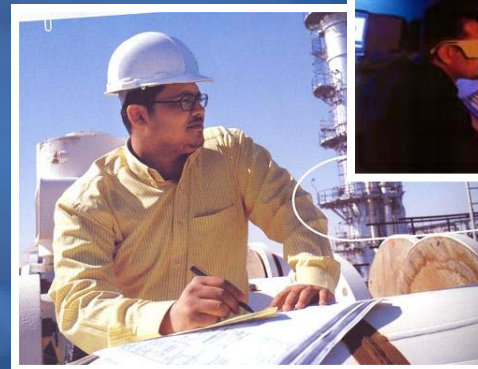


# Development and Diversification of the National Economy

- Tri-dimensional Corporate Strategic Direction
  - International
  - National
  - Commercial
- New Business Development Organization
  - Rabigh Refinery & Petrochemical Complex
  - Other refinery/petrochemical integration opportunities under study
  - Investing in domestic export refineries
  - Partnering with domestic mining, manufacturing, services and support industries
  - Targeting opportunities for creation of industrial clusters

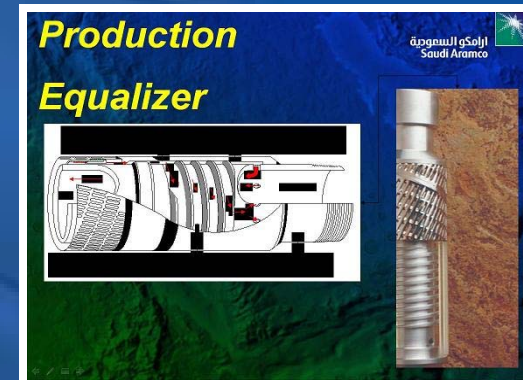
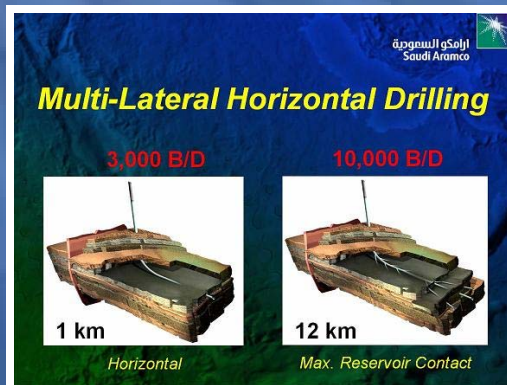
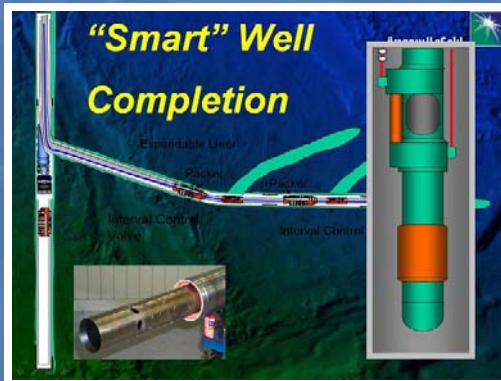
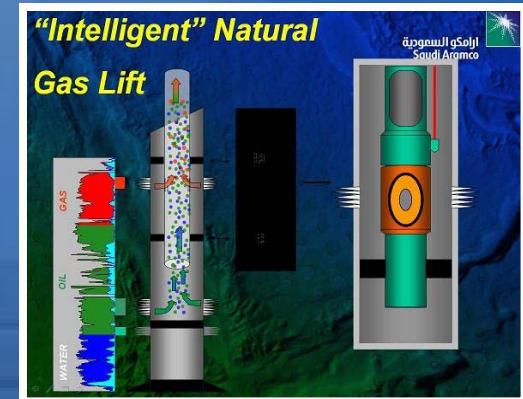
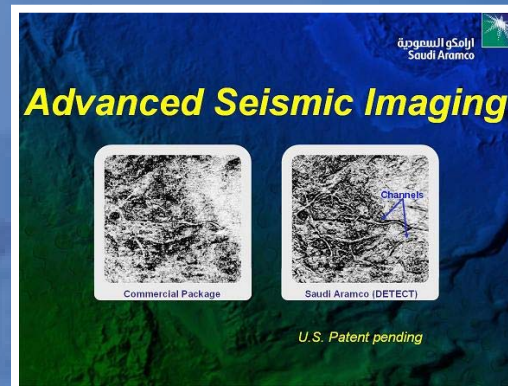
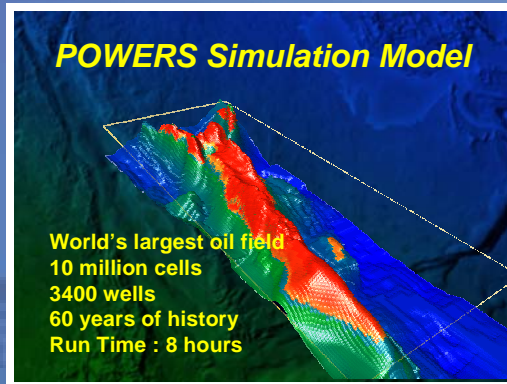
# Constantly Adapting and Strengthening the Company

- Building a world-class workforce
- Streamlining business processes
- Raise level of strategic thinking across the Company
- Sharpening planning process
- Engaging in best practices, aiming for “Best-in-Class” performance
- Building a strong technology base, both in-house and in cooperation with others





# Development and Utilization of Advanced Technology





# Research and Developments Efforts

- State-of-the-art Research & Development Center
- 83 patents filed, 41 patents granted
- Portfolio of 87 in-house projects and 104 with external partners
- Wide spectrum of technologies
  - Crude oil and product desulfurization
  - Water treatment
  - Corrosion
  - Non-destructive testing
  - Process automation
  - Environmental control
  - Other specialties

# Industry Cooperation and Collaboration

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Universities, Consortia and Joint Industry Projects,  
Service Companies, and Oil Field Operators

# The World's Reliable Energy Supplier

- Rapidly moving ahead on both oil and gas fronts
- Proven capacity to provide energy for many decades to come
- Investing in upstream, midstream, and downstream: building spare capacity and expanding infrastructure
- Investing in people, technology and business processes
- Partnering with others to expand operations and tackle industry challenges
- Solidifying our role as the world's most reliable energy supplier, maintaining concurrent focus on industrialized and developing economies



Thank you