

Saudi Arabian Oil Company (Saudi Aramco) Prospectus

A joint stock company by virtue of Council of Ministers Resolution No. 180 dated 1/4/1439H (corresponding to 19 December 2017G), with commercial registration No. 2052101150 dated 11/7/1439H (corresponding to 28 March 2018G).

Offering of 3,000,000,000 ordinary shares of Saudi Aramco, representing 1.5% of its share capital, at a Final Offer Price of SAR 32 per share.

Offering Period: 18 days starting on 20/3/1441H (corresponding to 17 November 2019G) and ending on 7/4/1441H (corresponding to 4 December 2019G).

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Saudi Arabian Oil Company (Saudi Aramco) ("Saudi Aramco") was originally established in the Kingdom of Saudi Arabia (the "Kingdom") by virtue of Royal Decree No. M/8 dated 4/4/1409H (corresponding to 13 November 1988G) as a company wholly owned by the Government of the Kingdom (the "Government") with a fully paid share capital of sixty billion Saudi Riyals (SAR 60,000,000,000). It became a Saudi joint stock company on 14/4/1439H (corresponding to 1 January 2018G) by virtue of the Bylaws, which were approved by Council of Ministers Resolution No. 180 dated 1/4/1439H (corresponding to 19 December 2017G). Saudi Aramco is registered in the city of Dhahran under commercial registration No. 2052101150 dated 11/7/1439H (corresponding to 28 March 2018G). The current share capital of Saudi Aramco is sixty billion Saudi Riyals (SAR 60,000,000,000), consisting of two hundred billion (200,000,000,000) ordinary shares with no par value (the "Shares"), and is wholly owned by the Government. For more information, see Section 4.4 (*Corporate History and Evolution*).

Offering Period: The offering period for the Institutional Subscribers (as defined below) begins on 20/3/1441H (corresponding to 17 November 2019G) and closes at the end of 7/4/1441H (corresponding to 4 December 2019G) (the "**Book-Building Period**") and the offering period for the Individual Investors (as defined below) begins on 20/3/1441H (corresponding to 17 November 2019G) and closes at the end of 1/4/1441H (corresponding to 28 November 2019G) (the "**Retail Offering Period**").

This offering (the "**Offering**") is the initial public offering of the Shares and consists of a sale by the Government (the "**Selling Shareholder**") of 3,000,000,000 Shares (collectively, the "**Offer Shares**" and each an "**Offer Share**"). The Offer Shares will be offered at a price of SAR 32 per Share (the "**Final Offer Price**"). The Offer Shares represent 1.5% of the Company's share capital. The Offering shall be restricted to the following two groups of investors:

Tranche (A) (Institutional Subscribers): institutional subscribers comprise the institutional investors eligible to participate in the book building process as specified under the Book-Building Instructions (as defined herein) and other terms and conditions set forth in this Prospectus (collectively, the "**Institutional Subscribers**" and each an "**Institutional Subscriber**") (for further details, see Sections 1 (*Definitions and Abbreviations*) and 18 (*Subscription Terms and Conditions*)). The Selling Shareholder and Saudi Aramco, in their full discretion and in consultation with the Joint Financial Advisors and the Joint Global Coordinators (each as defined herein), shall determine the number and percentage of Offer Shares which will be allocated to the Institutional Subscribers.

Tranche (B) (Individual Investors): individual investors comprise Saudi Arabian nationals, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom and any GCC national, in each case who has a bank account with one of the Receiving Entities (collectively, the "**Individual Investors**" and each an "**Individual Investor**"). Subscription of a person in the name of his divorcee shall be deemed invalid, and if a transaction of this nature has been proved to have occurred, then the regulations shall be enforced against such person. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted. The Selling Shareholder and Saudi Aramco, in their full discretion and in consultation with the Joint Financial Advisors and the Joint Global Coordinators, shall determine the number and percentage of Offer Shares which will be allocated to the Individual Investors.

Each Individual Investor who subscribes to the Offer Shares must submit a Retail Subscription Form and must subscribe for Offer Shares in multiples of ten (with a minimum subscription of ten Offer Shares) at the highest price set forth in the Offer Price Range (the "**Retail Subscription Price**"). Each Individual Investor will be required to specify in the Retail Subscription Form the number of Offer Shares to which such Individual Investor is willing to subscribe at the Retail Subscription Price and whether, if the Final Offer Price is lower than the Retail Subscription Price, such person elects (1) to have any surplus subscription amount resulting from the difference between the Retail Subscription Price and the Final Offer Price refunded in cash by crediting the account of such Individual Investor or (2) to be considered for an allotment of additional Offer Shares. To the extent an Individual Investor elects to be considered for an allotment of additional Offer Shares, but such allotment is not made by the Company and the Selling Shareholder in their full discretion and in consultation with the Joint Financial Advisors and the Joint Global Coordinators, the remaining surplus subscription amount will be refunded in cash by crediting the account of such Individual Investor. Individual Investors must specify their choice in the Retail Subscription Form, including, in the case of fractional Shares, an amount with respect to such fractional Shares (i.e. if there are no additional Shares allocated, the remaining surplus subscription amount will be refunded by crediting the account of such Individual Investors). For further details, see "*Key Dates and Subscription Procedures*" on page xxxii and Section 18 (*Subscription Terms and Conditions*).

Each Eligible Retail Bonus Investor (as defined herein) who continuously and uninterrupted holds Offer Shares for 180 days from (and including) the first date that the Shares begin trading on the Saudi Stock Exchange (the "**Exchange**" or "**Tadawul**") (the "**Bonus Holding Period**") will be entitled to receive one Share (each a "**Bonus Share**") for every ten allocated Offer Shares so held, up to a maximum of 100 Bonus Shares. The Bonus Shares will be allocated from Shares owned by the Selling Shareholder. No person will have any rights with respect to the Bonus Shares until the Bonus Shares have been deposited into the account of such person. For more information, see Section 18.1.6 (*IPO Retail Incentive – Bonus Shares*).

In connection with the Offering, the Stabilising Manager (as defined herein) may effect transactions to stabilise the market price of the Shares to the extent permitted by the Stabilisation Instructions (as defined herein). Such transactions may be effected on the Exchange and may be undertaken at any time during the period commencing on the date of the commencement of trading of the Shares on the Exchange and ending no later than 30 calendar days thereafter (the "**Stabilising Period**"). However, the Stabilising Manager is under no obligation to undertake any stabilising transactions and such stabilisation, if commenced, may be discontinued at any time without prior notice. The Stabilising Manager will disclose any allocation of over-allotments and price stabilisation processes undertaken in connection with the Offering to the extent required by the Stabilisation Instructions.

In order to allow the Stabilising Manager to cover short positions resulting from any over-allotments, the Selling Shareholder will grant the Stabilising Manager an option (the "**Over-allotment Option**") pursuant to which the Stabilising Manager may purchase an additional number of Shares equal to up to 15% of the total number of Shares sold in the Offering (the "**Over-allotment Shares**") at the Final Offer Price. The Over-allotment Option will be exercisable in whole or in part upon notice by the Stabilising Manager at any time during the Stabilising Period. The Over-allotment Shares will be the same class and have all the same rights as the Offer Shares, including with respect to all dividends and other distributions, and will be traded on the Exchange on the same terms and conditions as the Offer Shares.

Saudi Aramco has one class of ordinary Shares. Each Share entitles its holder to one vote, and each shareholder has the right to attend and vote at the General Assemblies (as defined herein). In addition, each holder of Shares will be entitled to receive any dividends declared by Saudi Aramco from (and including) the date of announcement of the final allocation of Offer Shares to Institutional Subscribers and Individual Investors referred to in Table 4 (*Expected Offering Timeline*). For more information, see Section 8 (*Dividend Distribution Policy and Dividends Framework*).

The Government is the only Substantial Shareholder of Saudi Aramco because it owns all the Shares as at the date of this Prospectus. For further information, see Table 3 (*Selling Shareholder and the ownership interests in the Company pre- and post-Offering*).

Upon completion of the Offering, the Selling Shareholder will retain a controlling interest in Saudi Aramco. The Selling Shareholder will receive all of the proceeds of the Offering and will reimburse Saudi Aramco for all fees, costs and expenses it incurs in connection with the Offering. For further details, see Section 9 (*Use of Proceeds*).

Pursuant to the OSCO Rules (as defined herein), the Substantial Shareholder (who is also the Selling Shareholder) will be prohibited from disposing of its Shares for a six month lock-up period starting from the commencement of trading of the Shares on the Exchange (the "**Statutory Lock-up Period**"), subject to limited exceptions described in Section 17 (*Waivers*). In addition, the Listing Rules will prohibit Saudi Aramco from listing additional Shares for a period of six months after the commencement of trading of the Shares on the Exchange. Furthermore, the Selling Shareholder will be restricted from disposing of any Shares, and the Company will be restricted from issuing additional Shares, by the terms of the Underwriting Agreement and the Coordination Agreement (each as defined herein) for a contractual period of twelve months after commencement of trading of the Shares on the Exchange (the "**Contractual Lock-up Period**"), in each case subject to certain exceptions. The transfer of Bonus Shares by the Selling Shareholder to Eligible Retail Bonus Investors as described in this Prospectus will not be subject to the Contractual Lock-up Period, after the expiry of the Statutory Lock-up Period. For further details, see Sections 15.4 (*Contractual Lock-up Period*) and 18.7 (*Lock-up Period*).

Prior to the Offering, there has been no public market for the Shares in the Kingdom or elsewhere. Saudi Aramco has submitted an application for registration and offer of the Shares to the Capital Market Authority of the Kingdom Saudi Arabia (the "**CMA**"), and an application for listing of the Shares on the Exchange, together with all required documents. All relevant regulatory and corporate approvals required to conduct the Offering have been granted, including approvals pertaining to the publication of this Prospectus, and all supporting documents have been submitted to the CMA. It is expected that trading in the Shares will commence on the Exchange after all relevant legal requirements and procedures have been completed (for further details, see "*Key Dates and Subscription Procedures*" on page xxxii). Saudi Arabian nationals, non-Saudi Arabian nationals resident in the Kingdom who own an investment account with an Authorised Person (as defined herein), and companies, banks, and investment funds established in the Kingdom or in countries of the GCC, as well as GCC nationals, will be permitted to trade in the Shares after their trading commences on the Exchange. Moreover, Qualified Foreign Investors will be permitted to trade the Shares in accordance with the QFI Rules and Foreign Strategic Investors will be permitted to trade the Shares in accordance with the FSI Instructions (all as defined herein). Furthermore, non-Saudi nationals who are not resident in the Kingdom and institutions incorporated outside the Kingdom (other than Qualified Foreign Investors and Foreign Strategic Investors) (collectively, the "**Foreign Investors**" and each a "**Foreign Investor**") will be permitted to acquire an economic interest in the Shares by entering into a swap agreement with an Authorised Person. Under such swap agreements, the Authorised Person will be the registered legal owner of such Shares.

Investment in the Offer Shares involves certain risks and uncertainties. For a discussion of certain factors to be considered in connection with an investment in the Offer Shares, see "Important Notice" on page 1 and Section 2 (*Risk Factors*).

Joint Financial Advisors



This Prospectus includes information provided as part of the application for registration and offer of securities in compliance with the OSCO Rules issued by the CMA and the application for listing of securities in compliance with the Listing Rules (as defined herein). The Directors (as defined herein), 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. The CMA and the Exchange do not take any responsibility for the contents of this Prospectus, do not make any representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus.

For purposes of the Offering in the Kingdom, (i) this Prospectus is an unofficial English translation of the official Arabic Prospectus and is provided for information purposes only and (ii) the Arabic Prospectus published on the CMA's website (www.cma.org.sa) remains the only official, legally binding version and shall prevail in the event of any conflict between the two versions.

This Prospectus is dated 12/3/1441H (corresponding to 9 November 2019G).