

For Immediate Release

Saudi Arabian Oil Company
Sumitomo Chemical Company, Limited

**Saudi Aramco and Sumitomo Chemical sign joint venture agreement to
Form the Rabigh Refining and Petrochemical Co. (Petro-Rabigh)**

DHAHRAN, SAUDI ARABIA (August 1, 2005) – The Saudi Arabian Oil Company (Saudi Aramco) and Sumitomo Chemical Co., Ltd. (Sumitomo Chemical) today signed an agreement to become joint venture partners in the development of a large, integrated refining and petrochemical complex in the Red Sea town of Rabigh, on the Kingdom's west coast.

The joint venture agreement follows the successful completion of a joint feasibility study, during which both companies performed front end engineering design and verified the viability of the project. The joint feasibility study began on May 9, 2004, when Saudi Aramco and Sumitomo Chemical signed a memorandum of understanding to launch the effort.

The project has moved to an early phase of execution with the recent award of multiple engineering, procurement and construction (EPC) contracts. When completed in late 2008, the Rabigh Project will be one of the largest integrated refining and petrochemical projects ever to be built at one time. A total of 2.4 million tons of petrochemical solids and liquids, along with large volumes of gasoline and other refined products, will be produced. Also, this project has created third-party investment opportunities in Saudi Arabia's private sector for utilities and other related infrastructure.

For Saudi Aramco and Sumitomo Chemical, the project represents an opportunity for the world's largest producer of hydrocarbons to partner with a leading world-class petrochemical producer.

It presents an opportunity for increased industrialization in Saudi Arabia and a platform for broad downstream conversion industry development in the Kingdom. This Project represents a concrete example of the Kingdom's strategy of attracting foreign investment to expand its economy and provide increased job opportunities for Saudi nationals. It is also consistent with the objective of creating opportunities for private local investment in service and other related industries.

Through this joint venture, Sumitomo Chemical, a major producer of polyolefins, will secure a reliable and stable supply of feedstock to strengthen its medium- and long-term competitiveness. This project constitutes an important step forward in enhancing the global competitiveness of the company's petrochemical operations. Although Sumitomo Chemical has been operating a large-scale

complex in a petroleum-refining center, Singapore, since 1984, the Rabigh project is the company's first step to establish a foothold in an oil and gas-producing country, thereby assuring stable feedstock supply for its operations. The project will, therefore, open a new stage in Sumitomo Chemical's worldwide business strategy.

Background

Saudi Aramco currently owns and operates a topping refinery at Rabigh with a nominal crude distillation capacity of 400,000 barrels per day. The existing site and infrastructure will serve as the base platform for the development of the Rabigh Project.

Saudi Aramco studied various upgrade alternatives for the refinery since the company became its owner in June, 1995. These studies led to the conclusion that the best alternative to capture the synergies of the existing large crude capacity, together with significant investment in site and infrastructure, would be to expand the site into a large, fully-integrated refinery and petrochemical complex.

Agreement of the Parties

Saudi Aramco and Sumitomo Chemical have agreed to form a Saudi Arabian limited liability joint venture company with equal ownership. Saudi Aramco and Sumitomo Chemical successfully negotiated the joint venture to implement the Rabigh Project in parallel with the joint feasibility study, which confirmed the Project's technical, marketing and economic viability, as well as its capital and operating costs, among other factors. The new Company will be called the Rabigh Refining and Petrochemical Company, or for short Petro-Rabigh.

The Project

In addition to contributing its world-class capabilities in hydrocarbon production and refining, and its decades-long experience of collaboration with the Kingdom's petrochemicals industry, Saudi Aramco will supply the Rabigh Project with crude oil, ethane and butane and will market the refined products produced by the Rabigh Project. Sumitomo Chemical will provide its extensive and proprietary petrochemical technology and marketing base to the venture.

The initial plans for the Project include, as the centerpiece of the expanded site, a high olefins yield fluid catalytic cracker complex integrated with a world scale, ethane based cracker, producing approximately 1.3 million tons per year of ethylene, 900,000 tons per year of propylene, and 60,000 barrels per day of gasoline as well as other refined products. Downstream petrochemical units are to be included to convert all of the olefin production to downstream products.

The following olefin derivative units are included in the project configuration:

- 1) Sumitomo's proprietary Easy Processing Polyethylene (EPPE) unit.
- 2) An LLDPE unit.
- 3) An HDPE unit.
- 4) Two polypropylene units, producing a full range of polypropylene polymers – homopolymer, block copolymer, random and terpolymer.
- 5) A propylene oxide unit utilizing Sumitomo's proprietary technology.
- 6) A Mono-Ethylene Glycol (MEG) unit.
- 7) A Butene-1 unit.

The joint feasibility study has confirmed the Project's attractiveness supported by its economies of scale, synergies between refining and petrochemicals, available infrastructure as well as the positive outlook of petrochemical products.

The companies have awarded several EPC contracts for the major process plants and the utilities facilities, as well as retaining a Project Management Services Contractor and other necessary advisors to proceed with the execution of the project on an expedited basis. Construction will commence during the first quarter of 2006.

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Note to editors: Additional information about Saudi Aramco or Sumitomo Chemical can be found on the following websites:

www.saudiaramco.com

www.sumitomo-chem.co.jp/english/