

April 18, 2012

## **Completion Guarantee Lifted for Petro Rabigh Project Financing**

Rabigh Refining and Petrochemical Company (Petro Rabigh), jointly founded by Sumitomo Chemical and Saudi Aramco, is operating an integrated refinery and petrochemicals complex (the Rabigh Project) in Rabigh, Saudi Arabia. In undertaking the Rabigh Project, Petro Rabigh had entered into project financing agreements with a syndicate of banks, and Sumitomo Chemical provided a financial completion guarantee in that connection. As certain requirements imposed under the financing agreements in respect of the complex's consecutive operational performance and Petro Rabigh capabilities of debt repayment came to be satisfied recently, Sumitomo Chemical was released from its completion guarantee, effective April 17, 2012.

A financial completion guarantee is an arrangement whereby sponsors (investing companies) for a given project guarantee full repayment of a loan to its lender on behalf of the project company, with the guarantee obligation lasting until, following the completion of plant construction, the project company becomes able to verify its capabilities of continuously generating cash flow at a level allowing the debt repayment through stable plant operation.

In March 2006, Petro Rabigh signed the project financing agreements with the Japan Bank for International Cooperation (JBIC), the Public Investment Fund (PIF) of Saudi Arabia and other financial institutions to receive an aggregate loan of US\$5.8 billion, which accounts for about 60% of the total project cost amounting to approximately US\$10 billion. Concurrently, under contract with the syndicate of banks, Sumitomo Chemical and Saudi Aramco each offered a financial completion guarantee, corresponding to half the total amount of the loan, respectively.

Petro Rabigh already commenced making the scheduled repayment of the debt principal in June 2011, and the outstanding debt as of April 2012 stands at approximately US\$5.5 billion. Going forward, the company will repay the balance of the loan out of cash flow generated from its operating activities, without having recourse to the sponsors' creditworthiness.

Sumitomo Chemical will continue to support Petro Rabigh so that the company will be able to keep stable operation and achieve sustained growth in the years ahead.

## Company Profile of Petro Rabigh

Company Name: Rabigh Refining & Petrochemical Company

Location: Rabigh, The Kingdom of Saudi Arabia

Establishment: September 2005

President & CEO: Ziad S. Al-Labban

Capital: SAR 8,760 million (as of April 1, 2012)

Shareholding Ratio: Sumitomo Chemical 37.5%, Saudi Aramco 37.5%, Saudi Arabian public investors 25%

Major Business: Manufacture and sale of refined petroleum products and petrochemicals

Number of Employees: 2,944 (as of December 31, 2011)