

MIRA INFORM REPORT

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|----------------------|------------|
| Report No. : | 534209 |
| Report Date : | 12.10.2018 |

IDENTIFICATION DETAILS

| | |
|--------------------------------|--|
| Name : | SAUDI ARAMCO SHELL REFINERY CO LTD |
| Registered Office : | Madinat Al Jubail Al Sinaiyah Street, Jubail Industrial City, P O Box: 10088 & 10025, Jubail 31961 |
| Country : | Saudi Arabia |
| Date of Incorporation : | 02.03.1982 |
| Com. Reg. No.: | 2055000925, Jubail |
| Legal Form : | Joint Stock Company |
| Line of Business : | Owners and operators of a petroleum refinery |
| No. of Employees : | 725 |

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :

A+

| Credit Rating | Explanation | Rating Comments |
|---------------|-------------|--|
| A+ | Low Risk | Business dealings permissible with low risk of default |

| | |
|----------------------------|---------|
| Status : | Good |
| Payment Behaviour : | Regular |
| Litigation : | Clear |

NOTES:

Any query related to this report can be made on e-mail: while quoting report number, name and date.

ECGC Country Risk Classification List

| Country Name | Previous Rating (30.06.2018) | Current Rating (30.09.2018) |
|--------------|---------------------------------|--------------------------------|
| Saudi Arabia | A2 | A2 |

| Risk Category | ECGC Classification |
|----------------------|------------------------|
| Insignificant | A1 |
| Low Risk | A2 |
| Moderately Low Risk | B1 |
| Moderate Risk | B2 |
| Moderately High Risk | C1 |
| High Risk | C2 |
| Very High Risk | D |

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SAUDI ARABIA - ECONOMIC OVERVIEW

Saudi Arabia has an oil-based economy with strong government controls over major economic activities. It possesses about 16% of the world's proven petroleum reserves, ranks as the largest exporter of petroleum, and plays a leading role in OPEC. The petroleum sector accounts for roughly 87% of budget revenues, 42% of GDP, and 90% of export earnings.

Saudi Arabia is encouraging the growth of the private sector in order to diversify its economy and to employ more Saudi nationals. Approximately 6 million foreign workers play an important role in the Saudi economy, particularly in the oil and service sectors; at the same time, however, Riyadh is struggling to reduce unemployment among its own nationals. Saudi officials are particularly focused on employing its large youth population.

In 2017, the Kingdom incurred a budget deficit estimated at 8.3% of GDP, which was financed by bond sales and drawing down reserves. Although the Kingdom can finance high deficits for several years by drawing down its considerable foreign assets or by borrowing, it has cut capital spending and reduced subsidies on electricity, water, and petroleum products and recently introduced a value-added tax of 5%. In January 2016, Crown Prince and Deputy Prime Minister MUHAMMAD BIN SALMAN announced that Saudi Arabia intends to list shares of its state-owned petroleum company, ARAMCO - another move to increase revenue and outside investment. The government has also looked at privatization and diversification of the economy more closely in the wake of a diminished oil market. Historically, Saudi Arabia has focused diversification efforts on power generation, telecommunications, natural gas exploration, and petrochemical sectors. More recently, the government has approached investors about expanding the role of the private sector in the health care, education and tourism industries. While Saudi Arabia has emphasized their goals of diversification for some time, current low oil prices may force the government to make more drastic changes ahead of their long-run timeline.

Source : CIA

SUMMARY

| | |
|--------------------------------|--|
| Company Name | : SAUDI ARAMCO SHELL REFINERY CO LTD |
| Trading As | : SASREF |
| Country of Origin | : Saudi Arabia |
| Legal Form | : Joint Stock Company |
| Registration Date | : 2 nd March 1982 |
| Commercial Registration Number | : 2055000925, Jubail |
| Membership Number | : 512 |
| Issued Capital | : SR 1,600,000,000 |
| Paid up Capital | : SR 1,600,000,000 |
| Total Workforce | : 725 |
| Activities | : Owners and operators of a petroleum refinery |
| Financial Condition | : Undetermined |
| Payments | : Regular |

COMPANY NAME

SAUDI ARAMCO SHELL REFINERY CO LTD

TRADING AS

SASREF

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Street : Madinat Al Jubail Al Sinaiyah Street
Area : Jubail Industrial City

PO Box : 10088 & 10025

Town : Jubail 31961
Country : Saudi Arabia

Telephone : (966-13) 3572000 / 3572233 / 3572572
Facsimile : (966-13) 3580150 / 3573142 / 3572525 / 3572435
Email : info@sasref.com.sa

Premises

Subject operates from a large suite of offices and a refining plant that are owned and located in the Industrial Area of Jubail.

KEY PRINCIPALS

| <u>Name</u> | <u>Position</u> |
|--------------------------------|-----------------|
| • Mohamed Y Al Qahtani | Chairman |
| • Abdulaziz Abdullah Al Ahmadi | Vice Chairman |
| • Hussain A Al Qahtani | President |
| • Roelof Heezen | Vice President |

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| | |
|------------------------|--------------------|
| • Patrick Van Daele | Director |
| • Zaki A Al Musharraf | Director |
| • Greg Williams | Director |
| • Michael Noll | Director |
| • Mohamed F Al Ahmari | Director |
| • Andrew Crow | Director |
| • Abdullah Al Mansour | Director |
| • Majdi Al Qahtani | Board Secretary |
| • Qassem Al Sheikh | General Manager |
| • Nabil Mohamed Bassam | Finance Manager |
| • S I Al Hussein | Operations Manager |

LEGAL FORM & OWNERS

Date of Establishment : 2nd March 1982

History : Subject was originally established in 1979 under the name of "Petromin Shell Refinery Co" with the following shareholders:

- General Petroleum & Mineral Organisation (Petromin)
- Shell Saudi Arabia (Refining) Ltd

On 1st July 1993, and following an order by Royal Decree, Saudi Aramco took control of the net assets of the General Petroleum & Mineral Organisation (Petromin) and subsequently the business was re-organised and re-registered under the current style of "Saudi Aramco Shell Refinery Co Ltd (Sasref)".

Legal Form : Joint Stock Company

Commercial Reg. No. : 2055000925, Jubail

Membership No. : 512

VAT Registration No. : 300000053600003

Issued Capital : SR 1,600,000,000

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Paid up Capital : SR 1,600,000,000

| <i>Name of Shareholder (s)</i> | <i>Percentage</i> |
|---|-------------------|
| <ul style="list-style-type: none">Saudi Arabian Oil Company (Saudi Aramco) Saudi Aramco Compound PO Box: 5000 Dhahran 31311 Tel: (966-13) 8754915 / 8756110 Fax: (966-13) 8738490 / 8738190 | 50% |
| <ul style="list-style-type: none">Royal Dutch Shell Plc Netherlands | 50% |

OPERATIONS

Activities: Owners and operators of a petroleum refinery located in Jubail.

The refinery, which started operation in 1985 with a total investment of SR 6 billion, makes use of advanced technology for the refining of more than 300,000 bpd of crude oil. It also produces various derivatives of petroleum like naphtha, kerosene, petrol, gas oil, sulphur, liquid petroleum gas, fuel oil and diesel. The refinery's products are also used as fuel and primary raw stock in petrochemical companies.

The refinery consists of two crude distillation units, a hydro cracker unit and aromatics, and has two 5 megawatts (each) turbo generators and another 34 megawatts by co-generation in the TGU that supply power to the complex. Around 24 megawatts are imported from the Saudi Electricity Company. Marafiq supplies the potable and sea cooling water while SABIC supplies Nitrogen to the refinery facility. Saudi Aramco supplies Arabian Light Crude feedstock and natural gas by pipeline to the refinery.

Subject's product range includes Benzene, Fuel Oil, Gas Oil, Kerosene, Naphtha, Sulphur and Mogas component.

On 14th December 2009 SASREF inaugurated the refurbished central control room and the instrumentation master plan project. The ceremony ribbon was cut by the chairman of SASREF Board Mr. Abdulrahman F Al-Wuhaib in the presence of SASREF board of directors and management team, and from Yokogawa Middle East (YME), Mr. Akira Ogawa, President and CEO. The project is the second and final phase implementation of the Instrumentation Master Plan (IMP) program. The program is based on ensuring business continuity and reliable operations at SASREF's plants for the next decade.

On 1st February 2010, Saudi Aramco Shell Refinery Co. (SASREF) signed a lump-sum turnkey contract with JGC-Gulf International Company Limited, to carry out the Engineering, Procurement and Construction (EPC) to implement a project of two units to improve SASREF environmental performance. The project involves a state of the art technology to build industrial facilities that would help bring down the refinery emissions to meet the environmental regulations of the Royal Commission. On start up SASREF Sulphur dioxide emission will be less than 250 part per million. This will make SASREF's emission the lowest of its kind in kingdom.

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In February 2010, subject started the commissioning activities of the Ultra - Low Sulfur Diesel project to produce around 100 thousand barrel per day of diesel with Sulphur less than 10 parts per million.

SASREF is a joint venture company of Saudi Aramco and Shell, two of the biggest oil and gas companies in the world. SASREF aspires to be the best petroleum refinery company of the Kingdom of Saudi Arabia, and of Asia and the Middle East.

Shell had brought a number of state of the art refining technologies into SASREF covering hydrocracking, distillation, hydrogen manufacturing and others. This leading edge technology further boosts SASREF's international competitiveness as a firmly established pacesetter refinery.

SASREF has a production capacity of 305,000 barrels per day (b/d); which makes it one of the world's largest export refineries covering two square kilometres.

Its Commercial production began in May 1985, since then SASREF has been producing:

- Chemical feedstock naphtha
- Dual-purpose Kerosene
- Gas Oil (Diesel)
- Fuel Oil
- Benzene (Benzene is used as feedstock by the Saudi Petrochemical Company (SADAF) at its facility in Jubail Industrial City, another Shell JV)
- Liquid Petroleum Gas (LPG)
- Gasoline Component Naphtha (MOGAS)
- Sulphur

More than 200 million tonnes of products have been shipped through the export terminal over the last 24 years. On average one tanker leaves the export terminal each day. SASREF's refined products are pumped through seven dedicated pipelines from the refinery to the Causeway Tank Farm where products are stored in separate tanks for final blending before export. SASREF has the exclusive use of two jetties at the terminal facilities at King Fahad Industrial Port. It has an on-site laboratory manned around the clock to provide quality assurance and product specification.

Production Capacity: 305,000 barrels per day

Import Countries: Europe and the United States of America

Export Countries: Asia and Europe

Subject has a workforce of approximately 725 employees.

FINANCIAL DATA

Companies registered in Saudi Arabia are not legally required to make their accounts public and no financial information was released by the company or submitted by outside sources.

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BANKERS

- National Commercial Bank
PO Box: 58
Jubail 51951
Tel: (966-13) 3612896
Fax: (966-13) 3611750
- Saudi American Bank
Jubail Industrial City
PO Box: 10123
Jubail
Tel: (966-13) 3410433
- Saudi British Bank
Industrial City Branch
PO Box: 10015
Jubail
Tel: (966-13) 3419147

PAYMENT HISTORY

Regular

GENERAL COMMENTS

Established in 1979, Saudi Aramco Shell Refinery Co Ltd (Sasref) owns and operates a petroleum refinery located in Jubail. Sasref's total capacity of 305,000 barrels per day ranks it as one of the largest of refineries.

The subject and its shareholders/owners have been searched in the following databases; Office of Foreign Assets Control (OFAC), United Nations Security Council Sanctions, Australian Sanctions List, US Consolidated Sanctions List, EU Financial Sanctions List and UK Financial Sanctions List and nothing adverse could be found on the exact names listed within the report.

During the course of this investigation nothing detrimental was uncovered regarding subject's operating history or the manner in which payments are fulfilled. As such the company is considered to be a fair trade risk.

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 74.39 |
| UK Pound | 1 | INR 98.30 |
| Euro | 1 | INR 85.90 |
| SAR | 1 | INR 19.67 |

Note: Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

| | |
|-----------------------------|-----|
| Analysis Done by : | VIV |
| Report Prepared by : | NIT |

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RATING EXPLANATIONS

| Credit Rating | Explanation | Rating Comments |
|---------------|------------------|--|
| A++ | Minimum Risk | Business dealings permissible with minimum risk of default |
| A+ | Low Risk | Business dealings permissible with low risk of default |
| A | Acceptable Risk | Business dealings permissible with moderate risk of default |
| B | Medium Risk | Business dealings permissible on a regular monitoring basis |
| C | Medium High Risk | Business dealings permissible preferably on secured basis |
| D | High Risk | Business dealing not recommended or on secured terms only |
| NB | New Business | No recommendation can be done due to business in infancy stage |
| NT | No Trace | No recommendation can be done as the business is not traceable |

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)