

## **Saudi Aramco Agrees to Acquire Remaining 50 Percent Stake in ARLANXEO Joint Venture from LANXESS**

***Purchase of the synthetic rubber and elastomer company would further diversify Saudi Aramco's downstream portfolio, strengthen capabilities along petroleum and chemicals value chains***

**Amsterdam, Netherlands; August 8, 2018** – Saudi Aramco, a world leading integrated energy and chemicals company, and leading specialty chemicals company, LANXESS, today announced Saudi Aramco's proposed acquisition of LANXESS's interest in ARLANXEO, a Netherlands-based specialty chemicals joint venture between Saudi Aramco and LANXESS launched in 2016.

Saudi Aramco's proposed purchase of LANXESS's 50% share in ARLANXEO, valued at €1.5 billion on an enterprise value basis, would result in Saudi Aramco owning 100% of ARLANXEO, diversify Saudi Aramco's downstream portfolio at an opportune time, and strengthen Saudi Aramco's capabilities across the entire petroleum value-chain.

Saudi Aramco's Senior Vice President of Downstream, Abdulaziz M. Al-Judaimi, noted that the proposed acquisition is key to Saudi Aramco's strategy to become the world's foremost integrated energy and chemicals company.

"The proposed purchase underscores Saudi Aramco's strategy to further diversify our downstream portfolio and strengthen our capabilities across the entire petroleum and chemicals value chain. Notably the acquisition will accelerate our growth into C4-based chemicals including butadiene and isobutylene," Al-Judaimi said.

ARLANXEO is a world-class synthetic rubber and elastomer products company that supplies leading tire and auto-parts to manufacturers around the globe. As a fully owned subsidiary of Saudi Aramco, ARLANXEO will accelerate the development of growth opportunities in the Kingdom, leveraging the strong feedstock position of Saudi Aramco.

In addition, ARLANXEO will enhance Saudi Aramco's sustainability efforts to optimize tire performance-related fuel consumption, which could potentially result in a savings of as much as seven percent. This will complement Saudi Aramco's fuel/engine R&D strategy, which is focused on increasing mileage efficiency and reducing engine emissions in the future. This is well aligned with Saudi Aramco's overarching downstream strategy, which aims to drive value across the hydrocarbon chain by expanding and integrating its portfolio and partnerships, and creating additional revenue streams.

Under Saudi Aramco's 100% ownership, ARLANXEO would continue to serve the development, production, marketing, sale and distribution of specialty chemicals and synthetic rubber products, principally for the high-volume global tire and automotive industries. ARLANXEO would maintain its current base in Maastricht, the Netherlands.

The proposed transaction has been approved by the Boards of Directors of both Saudi Aramco and LANXESS. Subject to the receipt of all regulatory approvals and consultation with the competent employee representative bodies, Saudi Aramco and LANXESS are targeting December 31, 2018 for the completion of the transaction.

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#### **About Saudi Aramco**

*Saudi Aramco is a world leader in integrated energy and chemicals. We are driven by the core belief that energy is opportunity. From producing approximately one in every eight barrels of the world's crude oil supply to developing new energy technologies, our global team is dedicated to creating a positive impact in all that we do. We focus on making our resources more sustainable and more useful. This promotes long-term economic growth and prosperity around the world. Saudi Aramco subsidiaries and affiliates have operated in the U.S. for more than 60 years. Visit us at [www.saudiaramco.com](http://www.saudiaramco.com).*

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