



MAY 22, 2007

FOREIGN POLICY

Cabinet condemns violence in Lebanon

In its weekly meeting yesterday, the Cabinet expressed regret regarding the violence incurred by the refugees at the Nahr Al-Barid camp, noting that it threatens Lebanese security and stability. The Cabinet also reaffirmed the Kingdom's support for the preservation of Lebanon's sovereignty, unity, stability and territorial integrity.

King Abdullah pays state visit to Morocco

King Abdullah bin Abdulaziz paid a state visit to Morocco this past week at the invitation of King Mohamed VI. During the visit – King Abdullah's first to Morocco since ascending the throne – the two countries signed a number of agreements to boost cooperation in political, economic, investment, tourism, culture and education areas.

In a joint communiqué at the conclusion of the visit, King Abdullah and King Mohamed reaffirmed their support for the Arab Peace Initiative as the means to bring a just and comprehensive resolution to the Arab-Israeli conflict. They urged the international community to respect the democratic choices of the Palestinian people and support the national unity government there.

Concerning Iraq, they stressed the importance of Iraq's unity, sovereignty and independence. They expressed support for the regional and international efforts to promote national reconciliation in Iraq.

On other issues, the two kings called for national reconciliation in Lebanon and an end to the bloodshed in Somalia. They also expressed support for the Sudanese government's efforts to bring stability to Darfur. In addition, they underscored the importance of a Middle East free of weapons of mass destruction, and denounced terrorism in all its forms.

SAUDI ARABIA

SABIC to buy GE Plastics for \$11.6 billion

The Saudi Basic Industries Corporation has agreed to acquire the plastics division of General Electric Co. for \$11.6 billion. The deal is subject to regulatory approvals, and is expected to be completed by 3Q 2007.

SABIC previously acquired DSM Petrochemicals in Europe and Huntsman Petrochemicals in Britain. In both of those cases, existing management teams continued to manage the business and were given SABIC support in implementing investment and growth initiatives.

Based in Houston, SABIC Americas has operated in the U.S for more than 20 years. The company currently has more than 200 employees in the US through its own operations and a joint venture in New Jersey, plus another 500 who are employed indirectly through suppliers. With the acquisition, SABIC will employ some 30,000 people in the US.

Two new oil wells discovered in the Eastern Province

Two new oil fields have been discovered by Saudi Aramco. The two fields are located southeast of Ghawar in the Eastern Province.

The Mabruk-1 well is located approximately 18 miles southeast of Ghawar. It tested oil in the Hadriya reservoir at 10,300 feet, flowed 5,600 barrels per day of Arabian heavy crude and 2 million standard cubic feet per day of gas at 1,200 psi, numbers that are expected to increase once normal production begins. Mabruk-1 is the first discovery in the Hadriya reservoir.

The Dirwazah-1 well, approximately 43 miles southeast of Ghawar, tested oil in the Arab D reservoir at 9,500 feet. It flowed 5,569 bpd of Arabian light crude, with 2.8 million scfd of gas at 600 psi wellhead pressure on a one-inch choke.

