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**From:** jeffrey E. <jeevacation@gmail.com>  
**Sent:** Monday, August 15, 2016 6:37 PM  
**To:** Terje Rod-Larsen  
**Subject:** Fwd: draft

----- Forwarded message -----

From: aziza alahmadi <[REDACTED]> <mailto:[REDACTED]> >  
Date: Mon, Aug 15, 2016 at 10:38 AM  
Subject: Re: draft  
To: "jeffrey E." <jeevacation@gmail.com <mailto:jeevacatio=@gmail.com> >  
Cc: Raafat Alsabbagh <[REDACTED]> <=>

I will review it and get back to you .

Regards,  
Aziza  
<=div>

Sent from my iPhone

On Aug 15, 2016, at 7:39 PM, jeffrey E. <jeevacation@gmail.c=m> wrote:

I got the message re=A0 operational suggestions and Aramco specifical=y

Let me being by making a medical analogy= In my view what the kingdom needs is a financial =ealth check - up , evaluation, diagnosis and personalized prescriptio=. The prescription would address immediate care, midterm=care and longer term equivalent to lifestyle changes. For Raafat and I that would mean more exercise better die=. and regular chest x rays, mri s et=. For the Kingdom . evaluate the current financial posi=ion. assets. liabilities. strengths weaknesses, opportu=ities needs, stresses , resources , abilities. drains on the s=stem, regulatory restrictions, and most important how to take advant=age of the fact that the Kingdom is a sovereign nation and not =erely a wealthy corporation or individual. re individuals Keep in m=nd the Forbes 400 alone has a total wealth this year of over 3 trillion do=lars.

You have asked me to make = prescription without seeing the patient. In medical terms that woul= be malpractice. but . as I have great respect and fondness for my n=w friends . I will do my best , though it must be kept in the =/span>forefront of your mind that changes will be necessary according to=C2 the details and priorities of the Kingdom. pronounced by them = not by my interpretation.

1 =. Aramco. . the kingdom is being treated as one of the =any wealthy but unsophisticated investors. wall street and consulta=ts look upon this opportunity as taking a cow to slaughter. =C2 The Kingdom in my

understanding would like to diversify its economy and be Money rich , to give it flexibility and security. taking the co public is an idea of 25 years ago. it is silly, A0 shareholders are the last thing the kingdom needs. they are eventual weapons in any attack. world wide regulations banking securities etc have tilted the balance of power in their favor , at least for the time being , having a public co. comes with many unnecessary constraints, future lawsuits. ( U.S. is only the beginning. ). etc.

Having money, financial power is not equal to having a public vehicle with reams of disclosures. legal minefields . all good for lawyers and bankers but certainly not the best path for a SOVEREIGN.

a) money needs . -- domestic and int'l / should the kingdom consider its own internal currency in addition to world currency. like the IMF , special depository receipts. C2 these SDRs were created for a specific purpose. the equivalent can be created for SA internal use. = note any solution that does not take into account the vast increases in computer power and Internet ie C2 the public offering of Aramco should be immediately suspicious. A0 The military would never use weapons of the 60s in today's battles C2 , so it should not use antiquated solutions to the financial problem of today.

b. the kingdom can issue debt backed by oil, currency exchangeable into oil.? it would be the strongest currency quickly as most countries today are merely fiat.

c. investment in infrastructure MUST take into account that are now living in a ZERO interest rate environment. Saudi , china and Russia , could begin to use other complementary currencies that would stay outside of the US banking system, a system that is often used as a hammer.

2 . Acting as a large sovereign wealth fund, is antiquated. there is not shortage of huge amounts of capital and merely competing with hundreds of the most sophisticated investors is a losing game. HOWEVER the country is a SOVEREIGN. this is the biggest asset. not its wealth alone. Sovereign nations are the only entities that can issue world wide accepted currencies . most nations that have considered this are asset poor , so the currency is virtually worthless. A0 SA presents a unique opportunity. C2 What will the money be used for? why have the same money for military equipment from another country as the money the local Jeddah resident uses to buy milk/

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3 operational , I would not take Aramco public. I however would use it to raise money. =

A0 C2 I would take whatever steps necessary to bring the high knowledge base in tech, medicine, education to the Kingdom. A0 physically bring people there will NOT work. there is no need to have geographic limitations. ie the Chinese have seeded many people and cos in their drive to bolster their seat at the world financial table. SA can do the same. Knowledge is the mobile valuable commodity, C2 exchange oil for land, knowledge and currencies.

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