



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Everyone's Smart University

Assignment 1 (Spring 2021)

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Date
Section

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Master of Project
Management

Course Code

(PMG510)

Project Risk Management

Instructions: Saudi Aramco

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1. Risks related to crude oil supply and demand:	
Why is this a risk?	The crude oil supply and demand have direct impact on the price of the oil and that will affect the cashflow for the company and the future investment.
What type of risk is it?	Uncertainty Risk.
What is the likelihood of the risk? How great is the impact?	High Likelihood. High Magnitude.
What strategy or policy does the company use to manage the risk?	Saudi Aramco is a member country of OPEC that origination is to control the production level based on the supply and demand so they can keep the oil price within the acceptable range to face this type of risk.

2. Risks related to operational risks and hazards	
Why is this a risk?	crude oil or gas spills, pipeline leaks and ruptures, storage tank leaks, and accidents involving explosions, fires. These risks could result in damage or destruction of, Saudi Aramco's properties and facilities, death or injury to people
What type of risk is it?	Hazard Risk.
What is the likelihood of the risk? How great is the impact?	High Likelihood. High Magnitude.
What strategy or policy does the company use to manage the risk?	Saudi Aramco has been made preventive action to each hazard that may happen. Also, they are conducting daily and weekly training due to the type of risk they may face.

3. Risks related to licenses, permits and approvals:	
Why is this a risk?	Any failure to licenses, permits and approvals, may interrupt Saudi Aramco's operations and could have a material adverse effect on Saudi Aramco's business, financial position and results of operations.
What type of risk is it?	Compliance Risk.
What is the likelihood of the risk? How great is the impact?	Low Likelihood. High Magnitude.
What strategy or policy does the company use to manage the risk?	Saudi Aramco has been building a tracking system for the work permits in daily basis before starting any work activity. Also, assurance that the relevant authorities will issue any such licenses, permits or approvals in the time frame anticipated by Saudi Aramco

4. Risks related to terrorism, armed conflict and sabotage:	
Why is this a risk?	Terrorism, armed conflict and sabotage materially and adversely affect Saudi Aramco and the market price of the shares.
What type of risk is it?	Hazard Risk
What is the likelihood of the risk? How great is the impact?	Low Likelihood. High Magnitude.
What strategy or policy does the company use to manage the risk?	overall crude oil production and associated gas production was reduced, and Saudi Aramco took several actions to minimize the impact of lower Arabian Light and Arabian Extra Light production by tapping into Saudi Aramco's inventories located outside the Kingdom and swapping grades of deliveries.