



## Saipem strengthens its offshore drilling fleet: purchase option exercised for the Santorini drillship

*Milan (Italy), December 5, 2022* - Saipem has exercised its purchase option concerning the seventh-generation Santorini drillship, which is already operating within the Saipem fleet by way of a long-term charter agreement signed with Samsung Heavy Industries in 2021.

The exercise price of the purchase option is 230 million USD, to be paid by the end of 2022.

The Santorini, whose construction was completed in 2021, is a technologically advanced vessel, equipped with two seven-cavity Blow Out Preventers (BOP), the highest standard for ultra-deepwater drillships, state-of-the-art operations automation systems, and the latest solutions to optimise environmental impact.

The vessel is currently in operation in the United States (Gulf of Mexico) for the execution of a contract with Eni expiring in the third quarter of 2023.

After the Saipem 10000 and Saipem 12000, the fruitful collaboration with Samsung Heavy Industries is once again reaffirmed.

The investment decision is based on an expected return on investment (IRR) of over 15%, with a payback period of five years, estimated on the basis of the existing contract (covering most of the next financial year) and the Santorini's commercial prospects.

The backlog of Saipem's offshore drilling activity to date amounts to more than 1.5 billion Euro, the highest value in the last six years. Existing contracts (including optional periods) result in a fleet commitment about 80% for 2023 and about 60% for 2024.

The results and business prospects are determined by:

- the favourable trend in demand in the offshore drilling segment and in particular deepwater. The significant growth of the deepwater market now offers interesting opportunities for the deployment of the fleet, both in markets where Saipem is traditionally present (such as Africa and the Mediterranean), and in segments where the supply of ultra-deepwater drilling rigs is already close to saturation (such as the Gulf of Mexico);
- the level of daily market rates for seventh-generation drillships, which continue to show a robust growth trend; according to the most authoritative sources, average market rates are estimated at around 400 thousand USD per day in 2022 and are expected to grow to levels above 450 thousand USD per day by 2025<sup>1</sup>;

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<sup>1</sup> Average daily average rates per seventh-generation drillship (estimates as of November 2022; sources: Fearnley, Pareto, Esgian)

- ongoing commercial discussions with major clients in areas of potential use of the Santorini, for which developments are expected in the short term;
- the limited availability of technologically advanced assets such as the Santorini, in a global market environment where demand for drillships significantly exceeds supply, with a trend expected to strengthen.

The investment in the Santorini will be financed entirely from available cash.

The guidance of approximately 300 million Euro net debt (post-IFRS 16) at the end of 2022 is confirmed.

#### Conference call and webcast

The operation announced in this press release will be presented tomorrow, December 6, 2022, at 10:00 CET time during a conference call held by management and open to financial analysts and investors. The conference call can be followed via webcast by connecting to the Company's website [www.saipem.com](http://www.saipem.com) and clicking on the designated banner on the home page, or via the URL <https://edge.media-server.com/mmc/p/vdbdj7vq>

A presentation will be shown during the webcast conference call, which can be downloaded, approximately 30 minutes before the scheduled start time from the webcast window or from the "Investor Relations/Quarterly Results and Documentation" section of [www.saipem.com](http://www.saipem.com). The presentation will also be made available at the authorized storage mechanism "eMarketSTORAGE" ([www.emarketstorage.com](http://www.emarketstorage.com)) and on the website of Borsa Italiana SpA ([www.borsaitaliana.it](http://www.borsaitaliana.it)).

*Saipem is an advanced technological and engineering platform for the design, construction and operation of safe and sustainable complex infrastructure and plants. Saipem has always been oriented towards technological innovation and is currently committed, alongside its clients, on the frontline of energy transition with increasingly digitalised tools, technologies and processes that were devised from the outset with environmental sustainability in mind. It is listed on the Milan stock exchange and operates in 70 countries around the world with 32 thousand employees from 130 different nationalities.*

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