

SAIPEM S.p.A.
GENERAL SHAREHOLDERS' MEETING
APRIL 16/26, 2010

Resolution proposal by the Board of Directors on items 1 and 2 of the Meeting Agenda.

1) SAIPEM S.P.A. STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2009, CONSOLIDATED FINANCIAL STATEMENTS, REPORTS BY THE DIRECTORS, THE STATUTORY AUDITORS AND THE EXTERNAL AUDITORS.

2) ALLOCATION OF THE NET PROFIT.

(The Annual Report 2009 has been lodged with the Company's Headquarters, Borsa Italiana S.p.A. and posted on Saipem's website).

"Messrs. Shareholders,

You are invited to approve Saipem's Statutory Financial Statements at December 31, 2009 and the proposal to allocate the company's net profit for the year, amounting to Euro 490,072,384.52 as follows:

- Euro 76,357,670.73 to cover the deficit generated by the merger by incorporation of Snamprogetti S.p.A.;
- to the Shareholders, a dividend on the shares in circulation on the ex-coupon date, exclusive of treasury shares held by the Company on that day, of Euro 0.55 per ordinary share and Euro 0.58 per savings share;
- retained earnings of the remaining amount after the merger deficit allocation and dividend distribution.

You are also asked to approve the proposal to pay-out dividends from May 27, 2010; ex-coupon date: May 24, 2010".

SAIPEM S.p.A.
GENERAL SHAREHOLDERS' MEETING
APRIL 16/26, 2010

Proposal by the Board of Statutory Auditors on item 3 of the Meeting Agenda, submitted by the Board of Directors to the approval of the Shareholders' Meeting..

3) PROPOSAL PUT FORWARD BY THE BOARD OF STATUTORY AUDITORS TO REVOKE FOR “OBJECTIVE” CAUSE THE AUDIT MANDATE CONFERRED ON PRICEWATERHOUSECOOPERS S.P.A. AND CONFER A NEW AUDIT MANDATE ON RECONTA ERNST & YOUNG S.P.A.

“Messrs. Shareholders,

This proposal is in compliance with and for the purposes of art. 159, 2nd paragraph, of Law 59/98, and art. 146 of Issuers' Regulations adopted by Consob (resolution no. 11971/99 and subsequent amendments and addenda – “Issuers' Regulations”).

To ensure that audit activities are carried out efficiently and effectively for the Company and its Group (the “Saipem Group”), we propose the early revocation of the audit assignment of PricewaterhouseCoopers S.p.A. (“PwC”).

We wish to stress that the reason for the revocation is not in any way connected with the activities or PwC's conduct in the performance of the work or their professionalism.

The rationale underlying our proposal is the structure – which you are all

aware of - of the Saipem Group and specifically - on one hand - the fact that Saipem is part of the larger Group whose parent company is Eni S.p.A. ("Eni Group" and "Eni" respectively) and – on the other hand – the specific role and business nature, with its own peculiarities and issues, within Eni Group's dynamic.

As you know, PWC's audit appointment by the parent company Eni shall expire, as it reaches its maximum duration allowed by law, with the approval of the Financial Statements at December 31, 2009 (i.e. at the next Shareholders' meeting) and cannot be renewed, whereas PWC's audit appointment by the Company shall expire, when it reaches its maximum duration allowed by law, with the approval of the Financial Statements at December 31, 2012. Thus, at the next Shareholders' meeting Eni shall have to appoint a different Audit company to Saipem's, since it cannot renew the mandate of the current audit company for three years from the end of the previous mandate, pursuant to art. 159, 4th paragraph, of Law Decree 58/1998.

In light of the above, there will be a misalignment, both in subjective terms and in terms of duration, of audit appointments by Eni and the Company.

We deem such a misalignment inappropriate, especially when considering cost rationalization and efficiency in Group dynamics as well as the need to ensure that you Shareholders and the general public receive information regarding the Company that is as accurate and timely as possible.

The provisions of art. 155, 156, 165 and 165 bis of Law Decree 58/1998 state that the organic responsibility of the external auditors of the parent company for the audit of the consolidated financial statements and the legislator's will to have a common auditor for controlled companies, in order to guarantee consistent evaluations and in-depth knowledge of the Group and increased coordination in information flows.

In practice, shortcomings and inadequacies in Group audits often stem

from the plurality of auditors and the ensuing difficulties in coordination and exchange of information between them, which may generate delays and increase the risk of serious information misalignments. Therefore, aligning the audit term with Eni is deemed expedient for operational reasons as well as the fact that it would guarantee an efficient and effective audit performance leading to a more correct and accurate representation and evaluation of financial information.

Law Decree 58/1998 also provides that the parent company's auditors perform an in-depth assessment of the audits carried out by their subsidiaries' external auditors, i.e. a direct audit of subsidiaries' accounts, and not merely a review of data provided by subsidiaries pertaining to the consolidated financial statements. Specifically, art. 165, paragraph 1-bis provides that the *"firm appointed to audit the accounts of a listed parent company shall be entirely responsible for the audit of the consolidated accounts of the group"* and as such must carry out all necessary activities to ensure that financial information of subsidiary companies appearing in the Group consolidated statements are correct, having certain powers of acknowledgement and inquiry, coupled with specific responsibilities of the auditors and managers of other Group companies.

The role and responsibilities of the Group's auditors are of major importance for the audit of Eni's consolidated financial statements, and particularly for the representation within them of Saipem Group's statements. In fact, as you know, the Saipem Group represents a significant proportion of the Eni Group in various respects, which are all relevant to the organization and performance of audit activities.

Firstly, from a financial standpoint, the Saipem Group generates in excess of 8% of Eni Group's revenues and net profit and more than 10% of its business.

Furthermore, the business and organizational peculiarities imply specific

information requirements and a highly complex organization in constant evolution over many years. In this scenario, some areas of the consolidated and statutory financial statements of the Saipem Group have specific risk profiles and therefore require particular attention and consideration in addition to constant monitoring by the auditors. We refer specifically to contract work in progress and revenues from operations, financial derivatives, current and non-current financial liabilities, inter-company transactions and the process of consolidation.

These characteristics (namely peculiarities in the areas of contract work in progress, where contracts have highly articulated and complex structures involving several companies of the Saipem Group, and subject to the relevant influence of evaluations) are not exceptional circumstances but, as stated above, business characteristics peculiar to the Saipem Group which may require significant attention from Eni Group auditors especially in periods approaching the overall closure of audit activities for the Eni Group itself, especially since, as shown by the standard procedure of recent years, the audit opinion on the Saipem Group consolidated financial statements is finalised shortly before that of the Eni Group.

This tight time differential, already extremely critical with a single auditor for the Eni and Saipem Groups, would, in the case of an audit mandate misalignment, pose severe objective criticalities which could delay, or even hinder – if not prevent – Eni's auditors from performing and completing audit procedures of documents, re-audit and/or re-performance activities planned to certify audits carried out by Saipem's auditors and result in the latter being forced to answer – in an extremely tight timeframe – numerous and exhaustive queries posed by Eni's auditors, pursuant to art. 165, paragraph 1-bis, of Law Decree 58/1998.

The aforementioned scenario makes it therefore expedient, if not strictly necessary, to terminate the mandate of PwC and simultaneously appoint the

audit company which will be nominated by Eni.

This would enable both audit mandates to be aligned in subjective terms and in terms of duration, allowing a more organic performance of audit activities and increased efficiency and effectiveness of the relevant procedures.

The procedure we will follow to effect the early termination of the contract is the revocation “for cause”, which is the only regulatory option for the early termination of audit contracts.

We have already informed the Board of Directors at the meeting of December 10, 2009 and later at the meeting of March 10, 2010. Furthermore, we informed PwC, in a letter dated February 18, 2010, of our intentions, explaining the underlying reasons behind them, which we wish to stress are in not in any way related with the work or level of professionalism shown in the performance of their audits. PwC sent us their observations on March 1, 2010, declaring that they acknowledge and understand the considerations we put forward in our letter and that they would not object to an early revocation of their mandate.

* * *

“Messrs. Shareholders,

You have been asked to revoke the audit mandate of PricewaterhouseCoopers S.p.A.; this implies, pursuant to art. 159, 2nd paragraph, of Law 59/1998, the simultaneous appointment of a different audit company for the years 2010-2018. We remind you that the tender issued by Eni S.p.A. for the selection of their own external audit company and the main audit company for the Group, including Saipem, had identified Reconta Ernst & Young, as the tenderer of the best offer, when compared to those presented by the other two tenders Deloitte & Touch and KPMG.

The company is part of the Ernst & Young international network, which provides professional audit, corporate finance, fiscal, legal and organizational consultancy services; the overall network comprises 140,000

human resources operating out of 700 offices in 140 countries worldwide.

All phases of the tender process have been supervised by Saipem's Board of Statutory Auditors, which has approved them.

The appointment comprises, for each year of the nine-year mandate:

- the complete audit of the annual statutory financial statements;
- audit of accounts during the year;
- the complete audit of the annual consolidated financial statements;
- the limited audit of the half-year report.

Consob's notification no. 96003556 of April 18, 1996 indicates as a main parameter for the selection of an external audit company that "the resources employed for the audit and certification be appropriate, in terms of both quality and quantity, to achieve the pre-set objective" and recommends that the choice be made taking into account the specific technical experience of the auditors of the sector in which the Company operates and that the number of man-hours they estimated is adequate.

Due to the nature and peculiarity of this mandate, it was deemed expedient to adopt the criteria of the "most economically advantageous offer" since it enables to evaluate the technical and qualitative aspects of offers received.

The final score allocated to the offers was the combination of the technical score and the price offered (method of the best integrated price).

The best offer that was selected was the one which offered the lowest "integrated price".

For the technical evaluation, 5 criteria were identified; each criteria was allocated a score based on the weight associated with each criteria.

The scoring model comprises the following parameters:

- professional services already rendered or ongoing;
- network, i.e. being able to ensure that the same methods are applied in all countries of operations;
- approach focused on quality and tailoring the audit proposal to

Saipem's requirements, and the professional profile of resources;

- overall man-hours estimated for the performance of the audit assignment;
- man-hours estimated for the audit of internal controls, pursuant to the Sarbanes Oxley Act.

In order to apply the "lowest integrated price method", a supplementary percentage was calculated to be added to fees tendered, based on the scores obtained from the technical evaluation.

No supplement was added to the tender presented by Reconta Ernst & Young, since it obtained the best score in technical and qualitative terms.

Tenders were ranked based on the overall offers made for the Saipem Group as well as the aforementioned parameters, as follows:

Lowest integrated price method	D&T	KPMG	REY
Fees from offers	47,943,152	35,843,338	39,001,978
Technical score	2.10	2.82	3.72
Supplementary %	65.3%	36.3%	-
Supplement to fees	31,306,878	13,011,132	-
Integrated fees	79,250,030	48,854,470	39,001,978
Final ranking	3°	2°	1°

Man-hours and fees requested by Reconta Ernst & Young for the audit mandate are detailed as follows:

Audit of the Statutory Financial Statements of Saipem S.p.A.

- *annually for the period 2010 - 2011*

<u>Category</u>	<u>Man-hours</u>	<u>(%)</u>	<u>Hourly fee</u>	<u>Fee</u>
Partner	1,166.00	10%	144.96	169,023.36
Manager	4,081.00	35%	89.28	364,351.68
Senior	3,498.00	30%	51.84	181,336.32
Assistant	2,915.00	25%	26.88	78,355.20
	<u>11,660.00</u>			<u>793,066.56</u>

- *annually for the period 2012 – 2013*

<u>Category</u>	<u>Man-hours</u>	<u>(%)</u>	<u>Hourly fee</u>	<u>Fee</u>
Partner	1,049.40	10%	144.96	152,121.02
Manager	3,672.90	35%	89.28	327,916.51
Senior	3,148.20	30%	51.84	163,202.69
Assistant	2,623.50	25%	26.88	70,519.68
	<u>10,494.00</u>			<u>713,759.90</u>

- *annually for the period 2014 - 2018*

<u>Category</u>	<u>Man-hours</u>	<u>(%)</u>	<u>Hourly fee</u>	<u>Fee</u>
Partner	991.10	10%	144.96	143,669.86
Manager	3,468.85	35%	89.28	309,698.93
Senior	2,973.30	30%	51.84	154,135.87
Assistant	2,477.75	25%	26.,88	66,601.92
	<u>9,911.00</u>			<u>674,106.58</u>

Periodic audits as per art. 155 paragraph 1 letter a) of Law 58/1998

- *annually for the period 2010 - 2011*

<u>Category</u>	<u>Man-hours</u>	<u>(%)</u>	<u>Hourly fee</u>	<u>Fee</u>
Partner	135.70	10%	144.96	19,671.07
Manager	474.95	35%	89.28	42,403.54
Senior	407.10	30%	51.84	21,104.06
Assistant	339.25	25%	26.88	9,119.04
	<u>1,357.00</u>			<u>92,297.71</u>

- *annually for the period 2012 – 2013*

<u>Category</u>	<u>Man-hours</u>	<u>(%)</u>	<u>Hourly fee</u>	<u>Fee</u>
Partner	122.10	10%	144.96	17,699.62
Manager	427.35	35%	89.28	38,153.81
Senior	366.30	30%	51.84	18,988.99
Assistant	305.25	25%	26.88	8,205.12
	<u>1,221.00</u>			<u>83,047.54</u>

- *annually for the period 2014 - 2018*

<u>Category</u>	<u>Man-hours</u>	<u>(%)</u>	<u>Hourly fee</u>	<u>Fee</u>
Partner	115.30	10%	144.96	16,713.89
Manager	403.55	35%	89.28	36,028.94
Senior	345.90	30%	51.84	17,931.46
Assistant	288.25	25%	26.88	7,748.16
	<u>1,153.00</u>			<u>78,422.45</u>

Audit of the Consolidated Financial Statements of Saipem S.p.A.

- *annually for the period 2010 - 2011*

<u>Category</u>	<u>Man-hours</u>	<u>(%)</u>	<u>Hourly fee</u>	<u>Fee</u>
Partner	423.00	10%	144.96	61,318.08
Manager	1,480.50	35%	89.28	132,179.04
Senior	1,269.00	30%	51.84	65,784.96
Assistant	1,057.50	25%	26.88	28,425.60
	<u>4,230.00</u>			<u>287,707.68</u>

- *annually for the period 2012 – 2013*

<u>Category</u>	<u>Man-hours</u>	<u>(%)</u>	<u>Hourly fee</u>	<u>Fee</u>
Partner	380.70	10%	144.96	55,186.27
Manager	1,332.45	35%	89.28	118,961.14
Senior	1,142.10	30%	51.84	59,206.46
Assistant	951.75	25%	26.88	25,583.04
	<u>3,807.00</u>			<u>258,936.91</u>

- *annually for the period 2014 - 2018*

<u>Category</u>	<u>Man-hours</u>	<u>(%)</u>	<u>Hourly fee</u>	<u>Fee</u>
Partner	359.60	10%	144.96	52,127.62
Manager	1,258.60	35%	89.28	112,367.81
Senior	1,078.80	30%	51.84	55,924.99
Assistant	899.00	25%	26.88	24,165.12
	<u>3,596.00</u>			<u>244,585.54</u>

Limited audit of the Consolidated Half-year Report of Saipem S.p.A.

- *annually for the period 2010 - 2011*

<u>Category</u>	<u>Man-hours</u>	<u>(%)</u>	<u>Hourly fee</u>	<u>Fee</u>
Partner	269.10	10%	144.96	39,008.74
Manager	941.85	35%	89.28	84,088.37
Senior	807.30	30%	51.84	41,850.43
Assistant	672.75	25%	26.88	18,083.52
	<u>2,691.00</u>			<u>183,031.06</u>

- *annually for the period 2012 – 2013*

<u>Category</u>	<u>Man-hours</u>	<u>(%)</u>	<u>Hourly fee</u>	<u>Fee</u>
Partner	242.20	10%	144.96	35,109.31
Manager	847.70	35%	89.28	75,682.66
Senior	726.60	30%	51.84	37,666.94
Assistant	605.50	25%	26.88	16,275.84
	<u>2,422.00</u>			<u>164,734.75</u>

- *annually for the period 2014 - 2018*

<u>Category</u>	<u>Man-hours</u>	<u>(%)</u>	<u>Hourly fee</u>	<u>Fee</u>
Partner	228.70	10%	144.96	33,152.35
Manager	800.45	35%	89.28	71,464.18
Senior	686.10	30%	51.84	35,567.42
Assistant	571.75	25%	26.88	15,368.64
	<u>2,287.00</u>			<u>155,552.59</u>

For all audit activities to be carried out in 2010, Reconta Ernst & Young S.p.A. has requested a total fee of Euro 1,356,103 and for the years 2010-2018 a total fee of Euro 10,916,500.

The aforementioned fees, pertaining exclusively to auditing work, were calculated in compliance with the general criteria set forth in art. 145 bis of Issuers' Regulations and are subject to an annual adjustment, equal to 75% of the variation exceeding 6% of the cost of living index (basis January 2010). The cost of living index is that of the country whose currency is on the audit contract (in Italy, the National Statistical Institute ISTAT); the annual adjustments are cumulative and based on contractual fees. Travel and per diem expenses accrued by auditing personnel working outside the auditor's offices will be reimbursed at cost and if reasonable only whenever the audit company does not have offices where the Company is located (Saipem's office in San Donato Milanese is considered to be within the Milan area and will therefore fall within the area of the audit company's Milan office).

The mandate shall entail the performance of services and activities as provided by art 155,156 and 165 of Law Decree 58/1998.

All Reconta Ernst & Young personnel will be led by Pietro Carena, in his capacity as partner responsible for the audit work of Saipem S.p.A. and coordination of Saipem Group audit activities.

The audit of the statutory and consolidated financial statements will be performed in accordance with the audit criteria recommended by Consob.

The reference regulations are the International Financial Reporting

Standards adopted by the European Union, in force at the end of each fiscal year. These principles may be subject to change resulting from either new positions taken by the European Commission vis-à-vis their ratification, or the issue of new principles or interpretations by the relevant authorities. The application of new accounting principles, if any, shall comply with the specific provisional regulations wherever provided or, general IFRS regulations relating to changes to the accounting principles.

Audits as per art. 155, 1st paragraph, letter a) of Law Decree 58/1998 shall be performed quarterly, barring particular circumstances requiring more frequent audits. Periodic audits shall extend beyond December 31, 2018, until a new audit company is appointed.

The audit shall be carried out required under art. 41, paragraph 1 of Law Decree 127 of April 9, 1991, amended by Law Decree 32 of February 2, 2007, relating to verification of the reliability of the financial statements and the correspondence of parent company's accounts with data forwarded by subsidiaries included in the scope of consolidation.

With regard to audits aimed at expressing an opinion on the consistency of the Directors' Report and specifically the Report on Corporate Governance and Ownership Structure, limited to information as per art. 123-bis of Law Decree 58/1998, paragraph 2, letters c), d), f), l), m) and paragraph 2, letter b), with the statutory and consolidated financial statements, pursuant to art. 156, paragraph 4-bis, letter d), of the same Law Decree, the procedures will be applied indicated by accounting principle no. 001 "Opinion on the consistency of the Directors' Report with the Financial Statements" issued by the "Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili" (Council of Professional Accountants) and recommended by CONSOB in February 2009.

The limited audit review on the half-year consolidated report refers to procedures listed in Consob resolution no. 10867 of July 31, 1997.

* * *

Pursuant to and for the purposes of art. 159 paragraph 2 of Law Decree 58/1998, we propose that you approve the following resolution:

“The Shareholders’ meeting of Saipem S.p.A.,

(a) having acknowledged that:

- the audit mandate conferred by Eni S.p.A on PricewaterhouseCoopers S.p.A. shall expire, as it reaches its maximum duration allowed by law, with the approval of the Financial Statements at December 31, 2009 and cannot be renewed, whereas the audit mandate conferred on the same PricewaterhouseCoopers by the Company shall expire, when it reaches its maximum duration allowed by law, with the approval of the Financial Statements at December 31, 2012;
- at the next Shareholders’ meeting Eni shall have to appoint a different Audit company, since it cannot renew the mandate of the current audit company for three years from the end of the previous mandate, pursuant to art. 159, paragraph 4, of Law Decree 58/1998;
- in light of the above, there will be a misalignment, both in subjective terms and in terms of duration, of audit appointments by Eni and the Company,

(b) having deemed that an alignment of audit mandates in terms of duration expedient for operational reasons and since it would guarantee a more efficient and effective audit performance, aimed at providing Shareholders and the general public with information that is as complete, accurate and timely as possible on the Company and its Group;

(c) having reviewed the proposal put forward by the Board of Statutory Auditors regarding the early revocation for “objective” cause of the audit mandate conferred on PricewaterhouseCoopers S.p.A. and having acknowledged the observations expressed by PricewaterhouseCoopers

S.p.A.;

- (d) having stressed that the reasons for the revocation are not in any way related to the activities or conduct of PricewaterhouseCoopers S.p.A. in the performance of the work or their undisputed professionalism;
- (e) having reviewed the proposal put forward by the Board of Statutory Auditors regarding the appointment of Reconta Ernst & Young as Auditors for the years 2010 – 2018.

Resolve:

1. to revoke for “objective” cause the audit mandate conferred on PricewaterhouseCoopers S.p.A. related to the audit of the Statutory Financial Statements of Saipem S.p.A., the Consolidated Financial Statements, periodic accounts audit during the year and the limited audit of the Half-Year Report;
2. to confer a new mandate for the years 2010-2018 for the audit of the Statutory Financial Statements of Saipem S.p.A., the Consolidated Financial Statements, periodic accounts audit during the year and the limited audit of the Half-Year Report on the company Reconta Ernst & Young S.p.A”.