



Saipem receives award notification for two E&C onshore and offshore contracts for Al-Zour New Refinery Project in Kuwait

San Donato Milanese (Milan), August 27, 2015 – Saipem has received award notification by the Kuwait National Petroleum Corporation (KNPC) for Package 4 and Package 5 of the Al-Zour New Refinery Project (NRP), located 90 km south of Kuwait City, for a total amount of approximately \$1.3 billion, Saipem share.

The Al-Zour NRP will be one of the largest oil-refining plants in the world, with refining output capacity of 615,000 barrels per day. The NRP will use a combination of conventional and proprietary licensed hydro-processing technologies to convert light and heavy crudes into low sulphur fuel oil (LSFO) and lighter products. The refinery has the strategic goal of supplying both Kuwaiti and global demand for ultra low-sulphur petroleum products. Part of the production will support Kuwait's Ministry of Electricity & Water for its LSFO demand.

The NRP has been divided into five major EPC packages. Package 4, for which Saipem has received award notification in joint venture with Essar Projects Limited, consists of Engineering, Procurement, Construction, Pre-Commissioning and Assistance during Commissioning/Start-up/Performance Testing for the tankages, related road works, buildings, pipe racks, pipelines, water systems and control systems for the Al-Zour refinery. Package 4 will be completed by the beginning of 2019.

Package 5, for which Saipem has received award notification in joint venture with Hyundai Engineering & Construction and SK Engineering & Construction, consists of the Offshore Maritime Export Facilities for the Al-Zour NRP. The scope of work includes Engineering, Procurement, Construction, Pre-Commissioning and Assistance during Commissioning/Start-up/Performance Testing for a Solids Pier, Sulfur Pelletizing/Conveying, Subsea Outfall Lines, a Construction Dock, an Offshore Sea Island and a Small Boat Harbor. Package 5 will be completed by the second half of 2019.

Stefano Cao, Saipem CEO, commented: *"Saipem's selection for the Al-Zour refinery is very encouraging news. At a slow time for new oil & gas investments, Saipem has leveraged its strong competence in the downstream sector and its consolidated track record in the Middle East to secure a significant addition to its backlog"*.

Saipem's selection by KNPC is the latest in a number of awards in the downstream segment, achieved thanks to the company's extensive know-how developed through the execution of 37 complete grass-roots refineries as well as hundreds of refining complexes and units all over the world.



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Saipem operates in the Engineering & Construction and Drilling businesses, with a strong bias towards oil & gas-related activities in remote areas and deep waters. Saipem is a leader in the provision of engineering, procurement, project management and construction services with distinctive capabilities in the design and execution of large-scale offshore and onshore projects, and technological competences such as gas monetization and heavy oil exploitation.

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