Saipem

Eni GROUP

Press Release

Saipem wins new US$ 600 million offshore contract in Brazil

The Eni Group subsidiary will provide an FPSO vessel for the Golfinho field development. The contract was awarded by Petrobras.

San Donato Milanese (Milan), 26 July 2005 - Saipem has signed a preliminary agreement with the Brazilian Company Petrobras for the provision and management of an FPSO (Floating Production Storage and Offloading)[1] vessel for the development of the Golfinho field Module 2, located in 1,400 meters of water in the Espirito Santo basin, offshore Brazil.

The contract, which has a total value of approximately US$ 600 million[2], is for nine years plus three one-year extension options.

Saipem will convert an oil tanker into an FPSO vessel with a storage capacity of 1,600,000 barrels and an oil production capacity of 100,000 barrels of oil per day. The FPSO will be delivered in early 2007, when the first oil is expected. 7% of the construction phase investments and 85% of the operational phase investments will be made in Brazil.

Golfinho Module 2 FPSO is the first contract won by Saipem on a standalone basis in the high growth leased FPSO market.

[1] *Floating production, storage and offloading*: floating production system with storage and oil loading plant.
[2] Amount related to the non-discounted value of revenues associated to the firm contract period

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