

PROJECT FOR THE MERGER BY INCORPORATION OF SNAMPROGETTI SUD S.p.A. INTO SAIPEM S.p.A.

This project for the merger by incorporation of SNAMPROGETTI SUD S.p.A. into SAIPEM S.p.A. was prepared pursuant to art. 2501 – ter of the Italian Civil Code.

Both companies are subject to the direction and coordination of Eni S.p.A.

The company to be merged is a sole shareholder company, fully owned by Saipem S.p.A., the incorporating company. Pursuant to art. 2505 of the Italian Civil Code, the merger will be carried out using the streamlined procedure, i.e. through resolutions of the respective Board of Directors, as provided by the By-laws of both companies.

Rationale behind the merger

The aim of this operation is the simplification of the Group holding structure, improving management efficiency through a reduction in decision-making levels, rationalizing staff positions, increasing onshore business integration and maximising Group synergies.

Provisions of art. 2501 – ter of the Italian Civil Code

This document contains all information required by art. 2501 – ter of the Italian Civil Code, paragraph 1, numbers 1), 2) 6) , 7) and 8); Snamprogetti Sud S.p.A., the company to be merged, is fully owned directly by Saipem S.p.A., the incorporating company, and the ownership will remain unchanged until the merger is completed. Since Saipem S.p.A. is the sole shareholder of Snamprogetti Sud S.p.A., its share exchange ratio has not been estimated, and no share of Saipem S.p.A. will be allocated.

For the purposes of this merger, the reference financial positions for all companies involved are their respective Financial Statements at December 31, 2008, approved by their respective Shareholders' Meeting.

Type, name and registered office of all companies involved in the merger

Incorporating company

Saipem S.p.A. with registered office in San Donato Milanese (Milan), via Martiri di Cefalonia, 67, share capital Euro 441,410,900, is listed on the Milan Register of Companies, fiscal code 00825790157. The Company is listed on the Telematic Stock Exchange.

Company to be merged

Snamprogetti Sud S.p.A. registered office in Vibo Valentia, at Facciolo, fully paid up share capital euro 5,000,040, enrolled in Vibo Valentia's Companies' Register, fiscal code 01688800794.

Deed of incorporation for the incorporating company, and any amendments deriving from the merger

Saipem S.p.A. was incorporated on September 1, 1969 (Deed of Incorporation by Mr Castellini, Notary, Rome, file no. 120712 deed no. 22844). The Deed of Incorporation and the Articles of Association of Saipem S.p.A. are enclosed (appendix A and B respectively).

In view of the fact that the corporate purpose of Saipem S.p.A. already includes that of the company to be merged and that no shares will be issued since the company to be merged are fully owned directly by the incorporating company Saipem S.p.A., no amendments will be made to the Articles of Association of Saipem S.p.A.

Effective date from which operations by the companies to be merged will be posted to the financial statements of the incorporating company

Legally the merger will be effective from the first day of the month following the filing of all documents provided for by art. 2504 of the Italian Civil Code with the Register of Companies'. From an accounting and fiscal standpoint, the merger will be effective from January 1, 2009.

Specific categories of shareholders and/or holders of securities other than shares enjoying preferential treatments, if any

There are no specific categories of shareholders and no preferential treatment is enjoyed by holders of securities other than shares.

Proposed privileges/benefits, if any, to be enjoyed by persons who will be responsible for managing the companies to be merged

No privileges and/or benefits will be enjoyed by persons responsible for managing the companies involved in the merger.

The Deputy Chairman and CEO of Saipem S.p.A.

(Pietro Franco Tali)

The Chairman of Snamprogetti Sud S.p.A.

(Fabio Valli)

BOARD OF DIRECTORS' REPORT ON THE MERGER

The Deputy Chairman and CEO illustrated the Merger Report, compiled in accordance with the criteria of schedule 1, appendix 3A of Consob resolution no. 11971 of 14th May 1999 (forwarded to the Directors and Statutory Auditors on 20th May 2009):

“1.a) Description and rationale behind the merger, with particular emphasis on management objectives of companies involved and programmes formulated to achieve them.

The operation comprises of the merger by incorporation into Saipem S.p.A. (registered office in San Donato Milanese, Via Martiri di Cefalonia n. 67, fully paid up share capital euro 441,410,900, Milan Companies' Register 00825790157), of Snamprogetti Sud S.p.A., sole shareholder company, (registered office in Vibo Valentia, at Facciolo, fully paid up share capital euro 5,000,040, enrolled in Vibo Valentia's Companies' Register, fiscal code 01688800794).

The aforementioned companies are subsidiaries of Eni S.p.A.

The aim of this operation is the simplification of the Group holding structure, improving management efficiency through a reduction in decision-making levels, rationalizing staff positions, increasing onshore business integration and maximising Group synergies.

1.b) Evaluation of companies involved in the merger operation to determine their exchange ratio.

1.c) Exchange ratio and criteria used for its calculation.

1.d) Allocation methods for shares of the incorporating company and their value date.

The merger will be carried out based on the financial statements at December 31, 2008, approved by the shareholders' meetings of both companies

Since Saipem S.p.A. is the sole shareholder of the company to be merged, no financial evaluation was carried out to determine its share exchange ratio, and no share of Saipem S.p.A. will be allocated. Shares and quotas of company to be merged will be cancelled.

1.e) Effective date from which operations by the company to be merged will be posted to the financial statements of the incorporating company.

Operations by the company to be merged will be posted to the financial statements of Saipem S.p.A. from January 1, 2009.

1.f) Fiscal impact of this operation on companies involved in the merger.

The merger will not generate gains, or distribution thereof, and therefore it will have no fiscal impact for either Saipem S.p.A. or the company to be merged.

1.g) Expected composition of relevant shareholders and future control of incorporating company.

The merger will have no impact on the shareholders or the control structure of Saipem S.p.A.

1.h) Impact of the merger on relevant shareholders' agreements, pursuant to art. 122 of Law 58/98, involving shares of companies

involved.

Saipem S.p.A. is not aware of any shareholders agreements.

*1.i) Consideration by the Board of Directors in case of dissenting
Shareholders having recourse to their right of withdrawal.*

1.l) Subjects having the right of withdrawal.

The corporate purpose of Saipem S.p.A. already includes that of the company to be merged and will not therefore need to be amended. Consequently, the right of withdrawal does not apply.

Messrs Directors,

you are invited to:

- approve the Project for the merger by incorporation into Saipem S.p.A. of Snamprogetti Sud S.p.A. based on their respective financial statements at December 31, 2008;
- grant the Deputy Chairman and CEO the necessary powers to carry out this motion, through proxies if necessary and in compliance with current legislation, and to amend it, as and if required by the appropriate Authorities in order for it to be filed with the Register of Companies”.