

Saipem awarded E&C contracts for approximately \$4 billion:

- **Onshore E&C contracts in Saudi Arabia:**
 - **Two EPC contracts for the Jazan Integrated Gasification Combined Cycle project**
 - **EPC contract for the de-bottlenecking and doubling up of the Shedgum-Yanbu Pipeline**
- **Offshore E&C EPCI contract in Brazil for the Lula Norte, Lula Sul and Lula Extremo Sul Project**

San Donato Milanese (Milan), 7 May 2014 – Saipem has won four new Engineering & Construction contracts, onshore in Saudi Arabia and offshore in Brazil, for a total amount of approximately \$4 billion.

Saipem has been awarded by Saudi Aramco three contracts in Saudi Arabia for onshore engineering and construction activities.

Two EPC contracts relevant to the Jazan Integrated Gasification Combined Cycle project are to be located near the city of Jizan, in southwestern Saudi Arabia.

Package 1 contract comprises the Gasification Unit, the Soot/Ash Removal Unit, the Acid Gas Removal and the Hydrogen Recovery Units. Package 2 contract includes six Sulphur Recovery Unit (SRU) Trains and relevant Storage Facilities.

The scopes of work of both packages include engineering, procurement, construction, pre-commissioning, assistance to commissioning and performance tests of the concerned facilities. These two packages are part of the current Saudi Aramco development of the largest gasifier-based power facility built in the world, adjacent to its new Jazan Refinery & Terminal project. The power plant will be based on gasification technology and the primary feedstock to the power plant will be the vacuum residue produced in the refinery as well as high sulfur fuel oil. The power plant will serve the refinery power needs and export a large amount of power to the national grid.

As part of the Jazan Economic City, Saudi Aramco's Jazan Refinery and Terminal Project is part of its strategic intent to facilitate a diversified and sustainable expansion of Saudi Arabia's economy and enable a globally competitive and vibrant Saudi energy sector. The Jazan Refinery and Terminal Project itself will provide more than 1,000 direct jobs in addition to 4,000 indirect jobs.

Furthermore, Saudi Aramco has awarded to Saipem an EPC contract for the Loops 4 & 5 of the Shedgum-Yanbu' Gas Pipeline, linking Shedgum to Yanbu' .



The scope of work of this third contract includes detailed design, engineering, procurement, installation, commissioning and start up assistance for two pipelines, which will be completed in the second half of 2017.

In Brazil, Petrobras has awarded to Saipem an EPCI contract for the Lula Norte, Lula Sul and Lula Extremo Sul Project, to be developed in the Santos Basin Pre-Salt Region, approximately 300 kilometres off the coasts of the Rio de Janeiro and São Paulo States.

The scope of work includes engineering, procurement, fabrication and installation of three offshore pipelines, with related terminations (PLETs) and Free Standing Hybrid Risers (FSHRs) for the gas export systems to be installed in the Lula field in water depths up to 2,200 meters. The marine activities will be performed mainly by the Saipem FDS2 within the first half of 2016.

Saipem will use its yard, currently under development in Guarujá for the fabrication of the Risers system and the associated Subsea equipment. The project will be delivered in the third quarter of 2016.

Umberto Vergine commenting these new contracts said: “Winning these contracts is certainly a great success for Saipem: the contracts in Saudi Arabia represent the first large onshore projects won in 2014 and confirm our competitiveness in complex onshore projects with significant technological edge. The new Lula offshore contract proves that our entry strategy and our investments to become a big player in Brazil start to pay off. In both cases we have, exactly at the right time, secured important contracts in two of our target countries, for two of our key clients. This is extremely encouraging for more success in the future”.

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.

Website: www.saipem.com

Switchboard: +39-025201

Shareholders Information

Saipem S.p.A., Via Martiri di Cefalonia, 67 - 20097 San Donato Milanese (MI), Italy

Institutional relations and communication:

Tel.: +39-02520.34088

E-mail: media.relations@saipem.com

Relations with institutional investors and financial analysts:

Tel.: +39-02520.34653

Fax: +39-02520.54295



saipem

E-mail: investor.relations@saipem.com

Media relations:

Barabino & Partners

Tel: +39-0272023535

Cell: +39-3282668196

E-Mail: a.brambilla@barabino.it

RLM Finsbury

Tel: +44 (0)20 7251 3801

E-Mail: saipem@rlmfinsbury.com