



Saipem awarded new Engineering & Construction and Drilling contracts worth in total \$750 million

San Donato Milanese (Milan), 27 May 2014 – Saipem has been awarded a new Engineering & Construction contract in the Caucasus region and some new Drilling contracts in the Middle East, for a total value of approximately \$750 million.

In the E&C onshore sector, Saipem has been awarded by the Shah Deniz consortium, in joint venture with Azfen JV, a leading Azerbaijani contractor, the contract for the construction and commissioning of the expansion of the South Caucasus Pipeline in Azerbaijan and Georgia.

The scope of work for this contract includes the construction of a 428km pipeline loop and associated above ground installations, including block valves, a pigging facility and tie-ins in Azerbaijan and Georgia, as well as the construction of a 59km second pipeline loop and associated above ground installations in Georgia. The expanded section of the South Caucasus Pipeline will start approximately 23km from the Sangachal Terminal, located south-west of Baku, in Azerbaijan, and will end in Georgia just south of Tbilisi. The project will be completed by the second quarter of 2018.

Saipem is directly involved in the Shah Deniz Stage 2 development project, following the award last month of an offshore E&C contract worth \$1.8 billion.

In the Drilling sector, Saipem has agreed in the Middle East a one year extension of an existing contract for three onshore rigs starting in the second half of 2014, and has signed new contracts for three onshore rigs starting in the second quarter of 2015 and with a duration of five years. These contracts consolidate Saipem presence in the Middle East as one of the key Drilling Contractors, with a total fleet in the region of 30 rigs.

In addition, in the offshore Drilling, Saipem has agreed a one year extension of the Perro Negro 7 contract, a high specification jack-up capable of operating in water depths of up to 375 feet, also presently working in the Middle East.

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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