



Saipem Contracting Algérie: court orders fine of €34,000 and release of €82 million in GK3 contract award trial in Algeria

San Donato Milanese, February 2, 2016 - the Court of Algiers today passed sentence in the first instance of the "Sonatrach 1" trial involving Saipem Contracting Algérie, a Saipem Group company registered in Algeria, in relation to the bid procedure for the award in 2009 of the GK3 contract. Specifically, the Court:

- ordered Saipem Contracting Algérie to pay a fine equivalent to approximately €34,000 for allegedly "*inflating prices on contracts awarded by a public company engaged in industrial and commercial activities, taking advantage of the authority or influence of representatives of said company*", an offence punishable under Algerian law; and
- granted Saipem Contracting Algérie's request to unfreeze two current bank accounts in local currency belonging to the company, which have been blocked since 2010 in connection with the "Sonatrach 1" trial, and which hold in total the equivalent of approximately €82 million.

Saipem Contracting Algérie will assess the reasons given by the Court and will appeal to the Court of Cassation against the first instance verdict, as it firmly believes no price inflation above market rates occurred. Pursuant to Algerian law, presentation of the appeal fully suspends payment of the fine. The Court of Algiers rejected the request by the Algerian State Treasury to claim for damages. Sonatrach, the client on the GK3 contract, has reserved the right to claim payment of the damages allegedly suffered in a separate civil proceeding. At present, no such claim has been presented to the civil courts and no amount has been specified in relation to the damages allegedly suffered.

Saipem is one of the world leaders in drilling services, as well as in the engineering, procurement, construction and installation of pipelines and complex projects, onshore and offshore, in the oil & gas market. The company has distinctive competences in operations in harsh environments, remote areas and deepwater. Saipem provides a full range of services with "EPC" and "EPCI" contracts (on a "turn-key" basis) and has distinctive capabilities and unique assets with a high technological content.

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