

Saipem Contracting Algérie: today's decision of the Algerian Court of Cassation in the proceedings in Algeria concerning the award in 2009 of the GK3 contract

San Donato Milanese, July 17, 2019 - On February 2, 2016, Saipem informed that, on that same date, the Tribunal of Algiers had pronounced a first instance judgment in the "Sonatrach 1" proceedings against Saipem Contracting Algérie, a company of the Saipem group registered in Algeria, in relation to the bid procedure for the award in 2009 of the GK3 contract.

In particular, Saipem informed that the Tribunal of Algiers:

- had fined Saipem Contracting Algérie 4 million Algerian dinars, equal at the current exchange rate to around 30,000 euros, as allegedly responsible for the facts sanctioned by Algerian law in the event of *"inflating price 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"*; and
- had decided to unfreeze two current bank accounts of Saipem Contracting Algérie in local currency, which had been frozen since 2010 in relation to the "Sonatrach 1" proceedings, and whose total balance, at current values, is equivalent to about 71 million euros.

Moreover, all the effects of the aforementioned decision of the Tribunal of Algiers on February 2, 2016 remained suspended due to the appeal against the same decision before the Court of Cassation by Saipem Contracting Algérie and by the Algerian Public Prosecutor.

With the judgement handed down today, the Algerian Court of Cassation has fully overruled the decision of the Tribunal of Algiers, meaning that the Tribunal of Appeal of Algiers will have to rule on the matter following a new trial. The future Tribunal of Appeal's decision can be challenged before the Algerian Court of Cassation.

The reasons for today's judgement of the Algerian Court of Cassation are not yet available and are expected to be published in September 2019.

The proceedings in question are described in the "Legal Proceedings" section of the 2018 Annual Report (pages 180-81).

Saipem is a leading company in engineering, drilling and construction of major projects in the energy and infrastructure sectors. It is "One-Company" organized in five business divisions (Offshore E&C, Onshore E&C, Offshore Drilling, Onshore Drilling and XSIGHT, dedicated to conceptual design). Saipem is a global solution provider with distinctive skills and competences and high-tech assets, which it uses to identify solutions aimed at satisfying customer requirements. Listed on the Milan Stock Exchange, it is present in over 70 countries worldwide and has 32 thousand employees of 120 different nationalities.

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