

Saipem: Letter of Intent for the award of new E&C Offshore work order for the Ramp Up to Plateau phase of the Zohr Field Development Project, worth more than 1.2 billion USD

San Donato Milanese (Milan), December 20, 2018 - Saipem and Petrobel have negotiated an offshore contract addendum worth more than 1.2 billion USD for Engineering, Procurement, Construction and Installation (EPCI) activities in relation to the "Ramp Up to Plateau" phase of the "supergiant" Zohr Field Development Project situated in the Mediterranean Sea off the Egyptian coast.

Petrobel is a 50-50 joint venture between EGPC (Egyptian General Petroleum Corporation) and IEOC (an Eni subsidiary in Egypt) and is in charge of the development of Zohr on behalf of PetroShorouk, a joint venture between EGAS (Egyptian Natural Gas Holding Company) and IEOC, Rosneft, BP and Mubadala Petroleum.

The current addendum to the work includes the installation of a second 30-inch diameter gas export pipeline, infield clad lines, umbilicals and electrical/fiber optic cable, as well as EPCI work for the field development in deep water (up to 1700 metres) of 10 wells.

The Ramp Up to Plateau phase is scheduled to commence in January 2019, in direct continuity with the Optimised Ramp Up phase which has been completed in an outstanding 17-month project execution period from its contract award.

In this new phase of works, Saipem will deploy a range of highly specialised vessels including the Castorone, the latest generation of ultra-deep water pipelayer; the FDS, a subsea field development ship; the Heavy Lift Vessel S7000; the DP3 subsea construction vessel Normand Maximus; the subsea construction vessel Saipem 3000; the pipelay vessel Castoro Sei and the multipurpose Normand Cutter and Far Samson vessels.

Stefano Cao, Saipem CEO, said: *"This further award of works on the Zohr development represents a new recognition of our proven capacity to embrace our client's objectives at the early stages of cooperation and bring them to a conclusion. The innovative assets and technologies already used in the previous phases, and the ability to build solid local partnerships, will also ensure the success of this latest phase".*

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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