

## Saipem: Decision of the arbitrators on the LPG dispute with Sonatrach

*San Donato Milanese (MI), December 22, 2017* - The ICC International Court of Arbitration has notified the parties of the decision of the arbitral tribunal in the dispute ongoing since March 2014 between, on the one hand, Saipem SA and Saipem Contracting Algérie SpA (collectively "Saipem") and, on the other, Sonatrach, in connection with the contract for the construction in Algeria of a plant for the 'extraction des liquides des gaz associés Hassi Messaoud et séparation d'huile' (project "LPG"), the contract for which was entered into on 12 November 2008.

In the decision relating to the LPG arbitration the arbitrators awarded to Sonatrach - in a decision taken by majority vote - compensation in respect of a counterclaim for loss of production in an amount, including interests, of approximately 135 million USD on the basis of an alleged gross negligence which Saipem denies.

Saipem will review the reasons for the decision and reserves its rights in respect of any further recourse against the award.

The decision of the arbitrators to award the above-mentioned counterclaim - in the absence of a positive result in the further legal actions which Saipem reserves the right to take - will result in costs in an amount equal to such counterclaim in the 2017 financial report, costs which have not been budgeted for in the economic guidance.

The LPG arbitration - together with other 3 arbitrations ongoing between Saipem and Sonatrach (in one instance also with First Calgary Petroleum LP) - is described in detail in Saipem's Interim Financial Report 2017.

*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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