ARABIA SAUDITA
Opportunità di business nei settori dell’oil&gas, engineering e costruzioni

Milano, 25 gennaio 2012

An Italian Success Story
in the
Kingdom of Saudi Arabia

Daslav Brkic
Vice President
E&C Business Development
Saipem Highlights
Leading Global EP(I)C General Contractor

- Designed and built:
  - Over 90 grass roots complexes, 1,700 process units
  - Over 120,000 km of land pipelines, sealines and trunklines
  - In the last decade, more than 100 offshore EPIC projects, including groundbreaking deepwater achievements

- High quality drilling player onshore and in niches offshore
- Drilled over 7,300 wells of which 1,800 offshore

- Full service EP(I)C provider

- Distinctive ‘frontier focus’ in Oil & Gas industries

- Most modern, technologically advanced offshore construction fleet

- 2010 Revenues 11.2 B€
  End-of-June 2011 Backlog 20.5 B€

- 40,000 employees, of which 7,000 Engineers & Project Managers

- Operating in more than 70 countries, more than 50 permanent establishments, employees from 123 nationalities

- Key local employer and investor in strategic markets

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Saipem E&C: Complete Range of EPC/EPIC Services

- Targeting even the most challenging and technologically advanced projects, offshore and onshore
- Emphasis on maximizing local presence and content
- Superior capabilities for harsh, remote and difficult environments
- Customized project and contracting solutions

EPC  LSTK  EPIC  T&I  Cost-plus  Convertible  Lease & Operate
Saipem Business Model
Supply of **complex solutions** for even the largest and most challenging EP(I)C projects utilizing our **global integrated network** of **skills** and **assets**

- **Strong Project Management**
- **High-tech fleet**, unique in global markets
- **State-of-the-art know-how** and top quality **engineering**
- **Broad, well-rooted, sustainable presence in strategic markets** worldwide
- **Local content maximization**
- **Major emphasis on HSEQ culture**

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Saipem E&C Growth Strategy

**Excel in all steps of the oil & gas value chain, onshore and offshore, as well as in selected diversified businesses**

**Oil & Gas Production and Processing**
- Upstream
- Subsea Field Development
- Offshore Fixed Facilities
- Platform Inst. & Decom.
- Floaters

**Pipelines**
- Oil Refining
- Gas Liquefaction
- Gas-to-Liquids
- Gas-to-Solids

**Gas**
- Gas-to-Solids

**Offshore**
- Offshore
- Offshore Fixed Facilities

**Onshore**
- Onshore
- Offshore

**Infrastructures**
- Maritime Works
- Maintenance & Operations
- Offshore Wind Farms

**Environment & Renewables**
- Environment & Renewables

**Petrochemicals**
- Petrochemicals

**Power**
- Power

**LNG**
- LNG Regasification

**IGCC**
- IGCC Integrated Gasification and Combined Cycle
Saipem in the K.S.A.
A more than 40 years long history of achievements

- Pipelines
- Oil & Gas Production Plants
- Oil Refineries
- Drilling operations
- Offshore units
- Maintenance & operations

Khurais Field Development Program
The World Largest Oil and Gas Project
In mid 2000, Saudi Aramco had embarked on a massive investment program in new gas and oil production capacity ......

...... within the E&C industry constraints at that time

Source: Saudi Aramco (2007)
Successful Saipem performance with Saudi Aramco had been instrumental in establishing a tangible track record on “mega-projects”

- **Khurais Crude Contract (KCC)**: 2006 - 2009
- **Khurais Utilities Contract (KUC)**: 2006 - 2009
- **Qurayyah Sea Water treatment**: 2008 - Ongoing
- **Qatif Central Processing Facilities**: 2005 - 2008
- **Khursaniya Central Processing Facilities**: 2002 - 2004
- **Manifa Central Processing Facilities**
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Khurais Program Overview (Overview)

- Fully Integrated
- $10B
- Program to Produce
- Oil: 1.2 MBPSD
- Gas: 315 MMSCFD
- NGL: 70 KBCD

saipem
## Khurais Contracts Characteristics

<table>
<thead>
<tr>
<th></th>
<th>KUC - Utilities</th>
<th>KCC - Crude</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Size</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Value</td>
<td>B € 1.1</td>
<td>1.05</td>
</tr>
<tr>
<td>Engineering</td>
<td>Man-hours 704,000</td>
<td>480,000</td>
</tr>
<tr>
<td>Duration</td>
<td>months 34</td>
<td>33</td>
</tr>
<tr>
<td><strong>Sections</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Injection</td>
<td>System, Utilities System</td>
<td>4 GOSPs, Inlet/Outlet Facilities, Flare/Pond Area</td>
</tr>
<tr>
<td></td>
<td>Converted into LSTK</td>
<td>LSTK</td>
</tr>
<tr>
<td><strong>Procurement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volume Concrete</td>
<td>M € 490</td>
<td>525</td>
</tr>
<tr>
<td>Equipment</td>
<td>m³ 97,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Steel Structures</td>
<td>tons 4,500</td>
<td>12,000</td>
</tr>
<tr>
<td>Piping</td>
<td>tons 26,000</td>
<td>18,000</td>
</tr>
<tr>
<td>El./Instr. Cables</td>
<td>km 2,400</td>
<td>22,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3,000</td>
</tr>
<tr>
<td><strong>Construction</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value Manpower at</td>
<td>M € 530</td>
<td>440</td>
</tr>
<tr>
<td>peak SMH</td>
<td>6100</td>
<td>6000</td>
</tr>
<tr>
<td>Duration</td>
<td>8,900,000</td>
<td>5,200,000</td>
</tr>
<tr>
<td></td>
<td>months 26</td>
<td>28</td>
</tr>
</tbody>
</table>

(2) 2 out of 4 contracts awarded to Saipem

An Italian Success Story in the Kingdom of Saudi Arabia
SAIPEM: A REAL EP+C INTEGRATED APPROACH

SAIPEM CAPABILITY

CONSTR. MANAG.

Direct Hiring

SUBCONTRACTORS

NEW VISION

INTEGRATED EP&C TEAM

STANDARD APPROACH

CONST. MANAG.

SUBCONTRACTORS

SAIPEM: A REAL EP+C INTEGRATED APPROACH

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Saipem in K.S.A. Today

> 2000 Long Term Employees
(Plus > 10000 direct employees at “mega-project” peaks and > 20000 employees from subcontractors)

<table>
<thead>
<tr>
<th>Saudi Arabian Saipem Ltd. - Since 1976</th>
<th>Snamprogetti Saudi Arabia Ltd. - Since 1981</th>
</tr>
</thead>
<tbody>
<tr>
<td>116 Head Office</td>
<td>93</td>
</tr>
<tr>
<td>480 E&amp;C(Offshore + Onshore)Projects</td>
<td>454</td>
</tr>
<tr>
<td>1037 Drilling(Offshore + Drilling)</td>
<td>--</td>
</tr>
<tr>
<td><strong>1633 Total</strong></td>
<td><strong>547</strong></td>
</tr>
</tbody>
</table>

Management, Commercial, Human Resources, ICT, Operations (E&C and Drilling), Procurement, Logistics, Engineering, QA/QC, Asset Management, Project Control, Training, HS&E

International 65% 7% 28%
Saudi
Western

International 68% 15% 17%
Saudi
Western

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Permanent Project Support Facilities in K.S.A. (1/3)
Onshore Fabrication Yard & Construction Support Office at Dammam

- Fabrication Area: 142,000 Sqm
  - Covered Work Area: 8,000 Sqm
  - Painting Shelter Area: 3,400 Sqm
  - Sandblasting Area: 3,600 Sqm
  - Office Area: 5,000 Sqm
- Warehouse Area: 55,000 Sqm
  - Covered Area: 3,360 Sqm
- Annual production capacity: about 14,000 ton
- Annual welding capacity: about 960,000 dia-inch
- Manpower capacity: 162,500 man hours/month
- Distance to the closest port: 32km
- Accommodation camp and logistic base (for up to 600 people)
Permanent Project Support Facilities in K.S.A. (2/3)
Offshore Fabrication Yard & Construction Support Office at Dammam

- **LAYDOWN AREA**
  Over 30,000 Sq.m. Covered areas, to perform fabrication activities and store project materials.

- **HEAVY WELDING LINE**
  Dimension; 22 meter X 210 meter.
  Two (2) Gantry crane, with total capacity of 100 tons.
  Two (2) submerged arc welding.
  Two (2) Movable shelters for welding and 2 movable shelter for painting/blasting activity.

- **PREFABRICATION WORKSHOPS**
  23,000 M2 area split in four different bays and equipped with 13 overhead cranes with capacity of 10 ton to 60 ton.

- **PAINTING/BLASTING WORKSHOPS**
  2,500 sq. m of covered area organized in Three (3) workshops; out of which two (2) are dedicated to priorities for painting and 1 for blasting activities.

- **ASSEMBLY AREA FOR JACKET /DECKS**
  300,000 sq. m area, ground reinforced, backfilled and equipped with full underground utilities.
  Actual occupation capacity up to 8 Jacket and Decks in parallel.
  Area expansion possibility of 300,000 sq. m for additional works.

- **LOAD –OUT AREA**
  Six (6) meter water depth draft. Jetty has been reinforced for heavy load of 50 ton/m2. Length of Jetty 414 meters to accommodate various sizes of cargo barges and vessels.

The Facility is designed to load-out a completed fabricated offshore facility from the yard to a cargo barge.
Permanent Project Support Facilities in K.S.A. (3/3)

Drilling Services Support Base and Living Facility at Dhahran

- Total Area: 150,000 Sq.m
- Office Space: 850 Sq.m
- Total Warehouse area: 5,450 Sq.m
- Covered Warehouse: 3,024 Sq.m
- Equipment Yard: 90,000 Sq.m
- Workshop Area: 4,880 Sq.m
- Accommodation Camp for 300 Persons
Ongoing Projects in K.S.A. (1/2)

E&C Business Unit (Onshore and Offshore Projects)

**Urea Stand Alone Project**
Engineering, Procurement and Construction of a new plant with a production capacity of 3,250 tons per day of urea, based on the **Snamprogetti™ proprietary technology**, along with associated utilities as well as off-site systems and interconnecting structures with existing plants.

**Arabiyah & Hasbah Offshore & Onshore Facilities**
Engineering, Procurement, Fabrication, Construction / Installation of 13 wellhead platforms, 2 tie-in platforms, 1 injection platform, 260Km-long export truklines and approximately 200 Km of mono-ethylene glycol (MEG) pipelines, 200 Km of subsea electric and control cables 40 km of offshore flowlines. The scope of work also includes the shore approaches and about 120 Km of onshore pipelines.

**Manifa Core Hydrocarbon Production**
Engineering, Procurement and Construction of a new processing infrastructure to handle 900,000bpd of Arabian heavy crude. There will also be production of sour gas, gas condensate (condensate production is estimated at 50,000bpd). Main infrastructures are: 3 Gas/Oil Separation trains (300,000 bpd each), Wet Crude Handling, Crude Stabilization and export. Gas Gathering, compression, treatment and export.

**Long Term Agreement for the Offshore Maintain Potential Program**
The project includes construction, transport and installation of offshore facilities for the Offshore Maintain Potential Program. The agreement has a duration of seven years, with two options for three-year renewals. The scope of work includes Drilling Support Structure (platform Jacket), Production Deck Module (platform deck), Subsea Pipeline and Subsea Power Cable.

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**Client/Location**

<table>
<thead>
<tr>
<th>Client/Location</th>
<th>Client/Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAFCO (affiliate of SABIC)</td>
<td>Jubail</td>
</tr>
<tr>
<td>Saudi Aramco</td>
<td>Offshore</td>
</tr>
<tr>
<td>Saudi Aramco</td>
<td>Manifa</td>
</tr>
<tr>
<td>Saudi Aramco</td>
<td>Offshore</td>
</tr>
</tbody>
</table>
Ongoing Projects in K.S.A. (2/2)

Drilling Business Unit

- **Onshore** - 9 *MEDIUM CLASS RIGS* and 2 *MEDIUM-LIGHT CLASS RIG*

<table>
<thead>
<tr>
<th>Name</th>
<th>Drawworks</th>
<th>Client</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rig-101</td>
<td>NATIONAL 1320 UE, 2000 HP</td>
<td>Aramco</td>
</tr>
<tr>
<td>Rig-102</td>
<td>NATIONAL 1320 UE, 2000 HP</td>
<td>Aramco</td>
</tr>
<tr>
<td>Rig-201</td>
<td>NATIONAL 1320 UE, 2000 HP</td>
<td>Aramco</td>
</tr>
<tr>
<td>Rig-202</td>
<td>NATIONAL 1320 UE, 2000 HP</td>
<td>Aramco</td>
</tr>
<tr>
<td>Rig-5829</td>
<td>NATIONAL 110 UE, 1500 HP</td>
<td>Aramco</td>
</tr>
<tr>
<td>Rig-5846</td>
<td>IDECO E-2100, 2000 HP</td>
<td>Aramco</td>
</tr>
<tr>
<td>Rig-5851</td>
<td>NATIONAL 1320 UE, 2000 HP</td>
<td>Aramco</td>
</tr>
<tr>
<td>Rig-5865</td>
<td>WIRTH, 2000 HP</td>
<td>SRAK</td>
</tr>
<tr>
<td>Rig-5915</td>
<td>LEWCO , 2000 HP</td>
<td>Aramco</td>
</tr>
<tr>
<td>Rig-5962</td>
<td>NATIONAL D2000UEDB, 2000 HP</td>
<td>Aramco</td>
</tr>
<tr>
<td>Rig-5964</td>
<td>LOAD MASTER 770-1500 HP</td>
<td>Aramco</td>
</tr>
</tbody>
</table>

- **Offshore**

<table>
<thead>
<tr>
<th>Name</th>
<th>Specification</th>
<th>Client</th>
</tr>
</thead>
<tbody>
<tr>
<td>PN-5</td>
<td>Self elevating drilling unit, Water depth: 300 ft Drilling depth: 9,114 m Variable load: 2,721 t</td>
<td>Aramco</td>
</tr>
<tr>
<td>PN-7</td>
<td>Self elevating drilling unit, Water depth: 375 ft Drilling depth: 7,600 m Variable load: 1,500 t</td>
<td>Aramco</td>
</tr>
</tbody>
</table>
Thank YOU!