Snamprogetti Netherlands BV enters agreement with Federal Government of Nigeria

San Donato Milanese (Milan), 20 December 2010 – Snamprogetti Netherlands B.V. has entered into a settlement and non-prosecution agreement with the Nigerian authorities to resolve an investigation into the activities of Snamprogetti Netherlands B.V., as member of the TSKJ consortium (which also includes the US KBR, the French Technip and the Japanese JGC) in connection with contracts to build liquid natural facilities on Bonny Island, Nigeria.

The Federal Government of Nigeria had filed charges against the TSKJ consortium and its four shareholders, including Snamprogetti Netherlands B.V.

Pursuant to the agreement, Snamprogetti Netherlands B.V. agreed to the payment of a criminal penalty of $30 million and of $2.5 million as reimbursement for legal costs and expenses incurred by the Nigerian authorities. The Federal Government of Nigeria agreed to dismiss all charges against Snamprogetti Netherlands BV and to renounce to any civil claims and criminal charges in any jurisdiction.

In the settlement and non-prosecution agreement the Nigerian authorities indicate that the criminal activity with which Snamprogetti Netherlands B.V. was charged ceased by 15 June 2004.

In connection with the 2006 sale of Snamprogetti S.p.A., former controlling entity of Snamprogetti Netherlands BV, to Saipem S.p.A., Eni agreed to indemnify Saipem for losses resulting from the investigations which started in 2004. Therefore, the charges will not impact Saipem's consolidated income statement and balance sheet.

Since the conduct at issue, Snamprogetti Netherlands B.V. has made substantial enhancements to its compliance system, including anti-corruption compliance programs.

Snamprogetti Netherlands BV committed to continuous improvements to its internal compliance program, in line with Saipem Group policies, and to monitor the continuing implementation of the program.

Saipem is organised in three Business Units: Offshore, Onshore and Drilling, with a strong bias towards oil & gas related activities in remote areas and deepwater. Saipem is a leader in the provision of engineering, procurement, project management and construction services with distinctive capabilities in the design and the execution of large scale offshore and onshore projects, and technological competences such as gas monetisation and heavy oil exploitation.

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