

SAIPEM's presence in:

Angola



Saipem has been present in Angola since the early 1980s through several joint venture companies and local subsidiary businesses:

- **Saipem SA Angolan Branch** (for offshore and onshore E&C activities).
- **Saipem Luxembourg Angola Branches** (for Drilling and FPSO activities).
- **Petromar Lda.**
- **Kwanda Lda** (for Logistic Base, Dock, Warehouse, Workshops, Storage Areas, Accommodations in Soyo).
- **Sagio** (for FPSO Operation and Maintenance).
- **TCPI** (for E&I works).
- **Deepwater Engineering and Technology** (for Engineering and project management services).

Saipem's long-term and deep-rooted presence has played an important role in the evolution of how it operates in the country and the significant long-term investments made by the Company are proof of that as seen in the following:

- **Ambriz Yard** was redeveloped and requalified after 2002. It is used for all types of modules and steel structures utilised in projects for the development of offshore oilfields: platforms, jackets, topsides, decks, piles and subsea structures such as flexible pipes and jumpers.
- **Malongo (Cabinda) fabrication workshop** used for the construction of jackets and decks.
- **Soyo Yard** specialised in the construction of deepwater facilities.

Saipem's activities

Saipem has a strong track record in Angola in executing both offshore and onshore EPCI projects, in performing advanced ultra-deepwater offshore drilling projects and in managing fabrication and operations for all the oil majors present there.

Today Saipem undertakes activities in various areas across the country. Here a list of the main current projects:

- **East Hub Development project:** the scope of work includes the provision of 5 flexible risers and 20 km of rigid flowlines, as well as installing SURF facilities which include umbilical sections, rigid spools, well jumpers and 14 Pipeline End Terminations (PLETs) to be fabricated in Angola.
- **Kaombo FPSO project:** engineering, procurement, installation contract and commissioning of 2 converted turret-moored Floating Production, Storage and

2,307

SAIPEM'S EMPLOYEES

62%

OF WHICH ARE LOCAL

44%

OF MANAGERS ARE LOCAL

Offloading (FPSO) were recently awarded, and a seven-year operations and maintenance contract for the Kaombo Field Development project, located in offshore Block 32.

- **Mafumeira Sul EPCI 2 Offshore Pipeline:** consists of an EPCI project composed of the Fabrication of 2 Tie-In Skids (89 t) and 48 spools Cabinda Gulf Oil Co Ltd (CABGOC) EPCI 2 Offshore (149 t).
- **Girri FPSO Modifications:** the contract includes engineering, procurement, construction, installation and commissioning of modifications to the multiphase pumping systems of the topsides of the Girassol and Dalia FPSOs. Offshore activities started in 2015 mainly using Saipem 3000.
- **Kizomba Satellites Phase 2:** is an E&C contract consisting of the development of Block 15, approximately 150 km off the coast of Angola, at a water depth of approximately 1,350 m.
- **Congo River Crossing:** the scope of work includes EPCI of three subsea pipelines, 20" and 22" in diameter, with a total length of 110 km, in water depths of up to 117 m.

As far as drilling activities are concerned, Saipem has been awarded numerous offshore contracts for the Saipem 12000 and Scarabeo 9 vessels. Saipem 12000 is presently working in local waters for Total and Scarabeo 9 for Eni Angola.

Business outlook

Angola represents a very active market for Saipem. Indeed Saipem is pursuing numerous commercial opportunities, in particular in the offshore market, in the short term with proposal preparation and in many cases negotiations are well under way.

On-the-ground presence

Since the outset of its activities in the country, Saipem has contributed to the local socio-economic and sustainable development through a strong Local Content focus and commitment to know-how transfer, training and health promotion. This can be seen clearly in the programmes described below.

Local Pool of LiHS Trainers in Angola

In October 2015, Petromar achieved autonomy with regards to the delivery of events as part of the Leadership in Health & Safety (LiHS) Programme. This achievement is the final point of a structured process. The LiHS Programme has been implemented in Angola since 2009 through the deployment of several LiHS Workshops and Five Stars courses¹. In 2011, a series of Five Stars Train the Trainer courses (TTT) were delivered to allow the local company to independently deploy Five Stars courses. The most capable individuals were involved in 2013 in an LiHS TTT to become LiHS Facilitators². In the framework of the 'We Want Zero' campaign, a plan to create local pools of trainers was designed in the strategic fabrication yards, including Ambriz. In July 2015, a second LiHS TTT was delivered to selected local employees, who passed their formal assessment and became LiHS Facilitators in October. Meanwhile, the previously trained Five Stars trainers attended a refresher course. **For the first time the entire group of LiHS personnel is composed of Angolans.** This pool of trainers will support all Saipem companies, projects and vessels in the country. Angola can be considered an example of an 'LiHS Hub' replicable in other areas.

6

FIVE STARS TRAINERS

3

LIHS FACILITATORS

Fighting malaria

In 2015, Saipem continued its malaria prevention programme in line with the National Malaria Control Program (NMCP). **The main areas of interventions are: providing prevention measures at all worksites, as well as in the local communities and training local health personnel.**

As part of prevention, the Indoor Residual Spraying (IRS) campaign was carried out in Soyo in 616 households. This consisted in the application of long-lasting insecticides to the walls of houses.

A total of 159 malaria awareness sessions were held in the community by the trained technician and also by nurses before implementing IRS while distributing 2,000 Impregnated Mosquito Nets (ITNs) through the community health posts to the families.

To contribute to increasing the number of skilled local healthcare personnel, the training of laboratory personnel is an essential component for the acquisition of skills for the laboratory diagnosis of malaria and improvement in the management of malaria cases.

Saipem contributes to the standardisation and harmonisation of malaria laboratory diagnostic techniques present in the country based on international standards set by the World Health Organisation (WHO). Moreover, Saipem organised two initiatives in partnership with 'The Mentor Initiative'³ in Soyo:

- a 10-day training session for 16 Lab Technicians from the Health Unit of the Zaire Province that took place in July 2015;
- a 3-day training course involving 34 nurses according to WHO instructions in June. The course consisted of intensive theoretical and practical sessions that focused on prevention, testing and management of malaria cases.



Lab Technicians during a Malaria awareness session

(1) Phase 3 LiHS programme: a safety intervention training course dedicated to the entire workforce.
 (2) LiHS facilitators are trained to perform the LiHS workshop addressed to management.
 (3) A local NGO committed to promoting health conditions operating mainly in Africa.



Lab Technicians during a Malaria awareness session

In Ambriz the Malaria prevention programme started with the selection of attendees and with purchase of the necessary material for IRS training. At the end of the course, 10 community people were certified as IRS technicians. The initiative included the fumigation campaign involving local households. Due to the noticeable deficiencies which characterise the struggle against malaria in the local rural communities, Saipem selected and trained 20 nurses to manage malaria cases. In addition, a lack of medical equipment in the community health posts was identified; therefore, it was decided to purchase the necessary medical items which will be ordered and distributed.

16

LAB TECHNICIANS TRAINED

54

NURSES TRAINED TO MANAGE MALARIA CASES



Subcontractor Workshop

Saipem is committed to contributing to local economic growth through the active promotion of local subcontractors.

In cooperation with the local Chamber of Commerce (Centro de Apoio Empresarial-CAE), Saipem organised a workshop for subcontractors which also saw the involvement of client representatives. CAE identified a list of potential subcontractors to be invited to the event which was held on July 23, 2015.

The objectives were to:

- identify new potential local subcontractors;
- give local subcontractors a medium-term vision of Saipem activities in the country and encourage their qualification;
- develop collaboration with CAE. Cooperation with CAE was fruitful and can be replicated for future market scouting activities.

About 120 subcontractor representatives actively participated in the workshop which focused on current Kaombo project needs and covered several issues specific to the Oil & Gas industry.

120

SUBCONTRACTOR REPRESENTATIVES
ATTENDED THE WORKSHOP

Increasing awareness on ethical business practices



The HOPE Training session at the Ambriz Yard

The HOPE (Human OPERational Environment) training programme was implemented at the Ambriz Yard on November 26. It consisted of both plenary and group sessions to raise awareness and encourage discussion in a specific socio-cultural environment, to help develop better management understanding of key Human Rights risks and issues for the Oil & Gas industry.

This exercise is expected to be a support for the fulfilment of local stakeholder expectations and requirements and to become familiar with Saipem's existing framework, resources and behaviours in the specific operational areas (including cultural/sustainability factors).

This is a practical way to implement Saipem's statement in the Code of Ethics and in the Company's sustainability principles, besides the Security Policy where respect for Human Rights is an essential part of any contract that Saipem enters into with security service providers. The HOPE Training Programme is going to be replicated in other countries/operating sites in 2016 in accordance with local business needs.

22

PARTICIPANTS

Developing young talents

The Talentissimo programme in France is a consolidated programme launched every year by Saipem SA in Paris and addressed to French engineering schools. In 2015, the Talentissimo programme reached its 9th edition: in total over 600 students and 128 teams have participated until now. Based on real Saipem design case studies, this contest represents a very good opportunity



Selected students attending class

for students to discover the Oil & Gas industry and understand Saipem's activities.

In 2015, Talentissimo was also launched in Angola with the objectives of:

- Enhancing Saipem's recognition at universities and engineering schools.
- Developing student competencies in offshore structural design and offshore piping design thus enhancing their employability.
- Developing a new piping and structural design course in the Angolan engineering schools which their existing curricula lacked.
- Attracting the best students for potential recruitment.

The Angola Talentissimo programme was designed in a slightly different format than the one existing in France. Two preparatory classes for structural design and piping design were organised in order to align the students' skills and knowledge. These preparatory classes, which started in mid-May 2015 and lasted 10 weeks, were carried out by Saipem engineers. After a selection process, 58 of the most motivated students from two Angolan engineering schools (Agostinho Neto and Catholic universities) were selected to take part in the programme.

The students had the opportunity to use state-of-art design tools, becoming familiar with this type of technology that they are likely to find in most of the Oil & Gas companies. The students worked on a design case study under the supervision of a Saipem engineer in small teams.

An award ceremony was organised in Luanda at the end of the programme in October. During this event, the most innovative and interesting reports presented by the student teams were selected by a jury composed of Saipem management and the Clients' representatives. Representatives from the participating universities were present at the ceremony. 4 students from the 2 winning teams were selected for an interview for a 3-month internship programme that will take place in 2016.

58

STUDENTS SELECTED FOR THE PROGRAMME

Saipem launched an agricultural development initiative

Saipem officially launched an agricultural development initiative, Alegria do Ambriz, developed in collaboration with the Municipality. At the opening ceremony held at the project location in Ambriz, the client representatives, the provincial governor and the local authorities were present.

The project, in line with Saipem's strategy of building sustainable value in the communities in which it operates, is being carried out 10 km from the town of Ambriz in the northern part of Angola. The main purpose is to strengthen agricultural activities in the area in order to contribute to the income of family communities of small farmers living near the Quinje lagoon.

The project focuses on increasing agricultural productivity by building up farmers' skills and knowledge, reintroducing agricultural technologies and supporting and strengthening agricultural extension services. Saipem has already repaired roads and prepared the soil for cultivation, as well as built storage and training facilities, and is now installing irrigation systems which will provide each land parcel with water access.

25

FAMILY COMMUNITIES SELECTED



A sign marks Alegria do Ambriz's land