

imported as electrical power. There are however many situations, both logistically and geographically, that may favour the use of renewable energy, reducing the import of conventional energy and enhancing sustainability of operations. Saipem has developed a series of studies, taking into account different types of renewables. For example, options were studied and defined for the exploitation of water heads typically present in hydraulic loops of refineries and petrochemical plants for the production of hydro-electric power (at zero carbon footprint) resulting in a lower need to import energy. While other studies were carried out on the oil extraction fields, in which steam injection is used for Enhanced Oil Recovery (EOR), and steam is usually produced from the combustion of fossil fuels, thus contributing to increase the carbon footprint of oil production. The alternative use of Concentrated Solar Power (CSP) was studied, resulting in a more sustainable approach to EOR.

Continuous improvement for remediation - Saipem owns specific knowledge in the field of environmental protection and remediation, applied either in specific remediation projects for clients or in EPC projects and continuously improved through innovation. Among the latest achievements, it is worth mentioning the development of a SoilGis software to define the propagation ('Fate and Transport') of contaminants deriving from accidental oil spills and chemical releases in the soil to ensure prompt and efficient containment and remediation actions.

Engaging employees and energising innovation

Since 2003, with the institution of the **Innovation Trophy**, Saipem has sought to reward employees who bring their innovative spirit, advantages and concrete results to the Company. Since its inception, attention was mostly directed towards technology development and several hundred proposals respecting the main criteria that define innovations (originality, resulting benefits, spirit of initiative) were received. A few of them have laid out Saipem's most important successes in the recent past. It was decided to launch a new edition in recent years that would also target innovation developed outside of the traditional R&D/technology development efforts by awarding Management Process innovations.

Finally in 2015, a new special prize was introduced for technology innovation to acknowledge the sustainability value of Company operations.

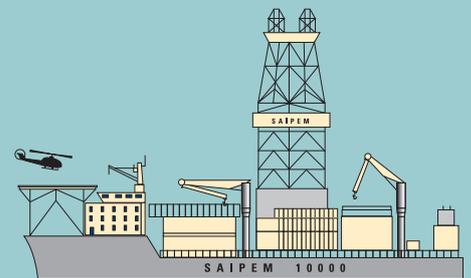
Beside these efforts, Saipem has recently encouraged other forms of innovation, i.e. promoting innovative behaviour for the day-to-day operations of the Company. A new initiative was launched at the end of 2015, called 'Idea Innovation Challenge' (IIC), to encourage new innovative ideas through collaboration and knowledge sharing using crowd-sourcing tools. The IIC involves all Saipem people in the innovation process, allowing them to propose their own ideas to solve real specific business challenges.

Saipem's Drilling flagship

At year-end 2015, the Saipem offshore drilling fleet consisted of 15 vessels: 7 deepwater units for operations at depths exceeding 1,000 metres (the drillships Saipem 10000 and Saipem 12000 and the semi-submersible drilling rigs Scarabeo 5, Scarabeo 6, Scarabeo 7, Scarabeo 8 and Scarabeo 9), 1 for mid water operations at depths of up to 500 metres (the semi-submersible Scarabeo 3), two high specification jack-ups for operations at depths of up to 375 feet/114 metres (Perro Negro 7 and Perro Negro 8), 4 standard jack-ups for activities at depths up to 300 feet/91 metres (Perro Negro 2, Perro Negro 3, Perro Negro 4 and Perro Negro 5) and one barge tender rig (TAD).

Saipem 10000

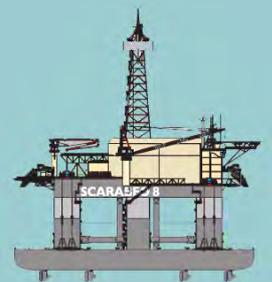
5th generation ultra deepwater drillship, can operate up to around 3,000 metres underwater and drill up to approximately 10,000 metres in depth. The ship



has an integrated, automated control and monitoring system. The drillship is designed to function as an integrated unit allowing all systems including propulsion, power management, power generation, fluid flow systems, fluid storage systems and drilling systems to be monitored and controlled via a single integrated monitoring and control network. The unit is 'zero pollution' certified.

Scarabeo 8

Last generation semisubmersible drilling unit, it represents the state-of-the-art of harsh environment and unmanned operation drilling units. The unit complies with Norwegian regulations and standards and holds the Basic DNV Winterization class notation level. Scarabeo 8 is classified to operate with a dynamic positioning DP3 system or moored thrusters assisted. The unit is designed to be 'zero pollution' and 'zero discharge' in compliance with the strictest environmental regulations.



Perro Negro 8

Self-elevating, non-propelled drilling platform, suitable for worldwide drilling operations. It is rated for 350 feet water depth and has a drilling depth capability of 30,000 ft. The jacking structures consist of three columns, connected to the hull around the *leg well* at the lower side and by means of bracings at the top above the main deck.

