

---

## Saipem wins USD 1.8 billion contract

*Friday, 27 Mar, 2009*

MEED reported that the JV of Algeria's state run energy company Sonatrach and Italy's ENI have awarded Italy's Saipem a USD 1.8 billion construction contract for the development of the Menzel Ledjmet East field in the southeast of the country.

The lump sum turnkey contract covers engineering, procurement and construction of the natural gas gathering systems, processing plant and related export pipelines from the field, along with future developments of the associated Central Area Field Complex.

Saipem won the onshore contract ahead of Japan's JGC Corporation, UAE based Petrofac International and Canada's SNC Lavalin.

Saipem was favorite for the award as it is 43% owned by ENI, which is developing the field with Sonatrach. The facilities will provide a processing capacity of 350 million cubic feet a day of gas and 35,000 barrels a day of liquids. The facilities are located in the Berkine Basin, about 1,000 kilometers southeast of Algiers.

ENI took control of a 75% stake in the MLE field in September 2008 after buying Canada's First Calgary Petroleum which was developing the field for USD 865 million. It estimates the acquisition will increase its reserves by about 190 million barrels of oil within its Algerian asset portfolio on a proven plus probable reserves basis.

(Sourced from MEED)

For more news visit at [www.steelguru.com](http://www.steelguru.com)