



P R E S S R E L A S E

MEDGAZ is pleased to announce that SAIPEM S.p.A has resumed construction of the deepwater section of the gas pipeline. Work was halted on September 17 due to the accident that took place on board the SAIPEM 7000 platform, contracted by the MEDGAZ consortium for the laying of the sub-sea pipeline between Algeria and Spain.

SAIPEM, the Italian oil services group which owns and operates the pipe-lay barge, has repaired the affected area of the platform and guarantees optimal safety conditions for continuing with the pipe-laying operations.

The SAIPEM 7000 will need to lay around 45 kilometers of pipe to complete work on the deepwater section (down to 2,160 meters). This platform is in charge of laying 120 of the 210 kilometers that make up the pipeline.

Another vessel, the Castoro Sei, has already installed, in Spanish waters, the offshore section corresponding to the shallow areas (up to a depth of 550 meters). Once SAIPEM 7000 finishes the deepwater pipe-lay work, the Castoro Sei will repeat the same process in Algerian waters.

Start-up of the Algerian-European gas pipeline via Spain is slated for mid-2009.

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