

## Presentation script

Good afternoon Ladies and Gentlemen, and welcome to our first quarter results presentation. Here with me is Stefano Cao and together we will be pleased to answer your questions at the end of the presentation.

In the first quarter of 2008 the Brent price reached new highs averaging 97 \$ per barrel and increasing by approximately 68% compared to the first quarter of 2007.

The European refining margin averaged 3.8\$/bbl, increasing by 25% compared to the first quarter of 2007. The margins realized by our own refineries underperformed the trend of the benchmark indicators: this is because our refineries yields are less geared to diesel products, which performed strongly, and more weighted on fuel oil which quoted at a strong discount vs diesel.

Finally, the euro showed an appreciation of 14% versus the US dollar compared to the same period of last year.

*As usual, I would like to remind you that Eni's results are affected by several issues, including the seasonal factor affecting the demand for natural gas and petroleum products used for residential heating, the demand for which is highest in the first quarter of the year, the coldest months, and lowest in the third quarter, the warmest months. Therefore, Eni's operating profit and change in net debt in the first quarter cannot be extrapolated for the full year.*

Having said this, I am very pleased to announce record quarterly adjusted results. Indeed, adjusted net profit amounted to 3.1 billion euro up around 14% if compared to the same period of 2007. In US dollar terms the adjusted net profit increased by 23%

This trend is mainly a result of the stronger operating performance.

Adjusted operating profit increased by almost 13% compared to the first quarter of 2007, totalling 5.9 billion euro. In US dollar terms the adjusted operating profit posted a 24% increase versus the first quarter of 2007.

This result mainly reflects the stronger upstream result that was partially compensated by the weak performance achieved in Refining & Marketing and Petrochemical divisions.

Let's now look in more detail at each division's business performance.

As regards E&P, hydrocarbon production, in the first quarter of 2008, increased by 3.6% compared to the same period of 2007, averaging one million seven hundred and ninety six thousand barrels per day (1,796 kboe/d).

The increase is the result of:

- the contribution from the assets acquired in Congo and the Gulf of Mexico (+93 kboe/d)
- the Burren Energy acquisition (+25 kboe/d)
- the start up of Mondo in Angola and Semman and Denise in Egypt.

These positive elements were partially offset by the impact of PSA that accounted for 78 thousands barrels per day. Net of PSA effect production was up more than 8%.

I can confirm the guidance on production that we provided during the strategy presentation for the full year 2008.

First quarter adjusted operating profit amounted to 4.4 billion euro, up 40% compared to the first quarter of 2007, mainly as a consequence of higher production sold [1] and the higher realization prices denominated in US dollars [Oil (+58%) & Gas (+28%) [2]]. It is worth saying that liquids realizations were negatively affected by the expected impact of the commodity hedging contracts we entered into, to hedge the cash flow related to part of the reserves acquired in 2007. This impact reduced realizations on liquids by approximately 4.3 dollars per barrel on average in the quarter [3]. Furthermore,

the result was negatively impacted by:

- the appreciation of the euro versus the US dollar [4];
- higher operating costs and DD&A[5];

and

- increased exploration capex which, as you know, we treat as cost incurred in the quarter [6].

[1] It accounted for +700 mln euro

[2] It accounted for +2,000 mln euro

[3] It accounted for -250 million euro

[4] It accounted for -630 mln euro

[5] It accounted for -250 mln euro (opex €60 mln; DD&A 190)

[6] It accounted for -260 million euro.

As for the Gas & Power division, overall gas volumes sold, both consolidated and associated, increased by more than 7% in the first quarter of 2008, totalling around 29 bcm (27 bcm in 1Q 07). In particular:

- gas sales in Italy, including self consumptions, slightly increased to 17 bcm as a result of higher volumes sold to powergen and to residential due to the colder weather conditions as well as increased gas release. These positive elements were offset by the lower volumes sold to wholesalers and industrials also as a result of the increasing competitive pressure.
- International gas sales increased by more than 17%, totalling 12 bcm (10 bcm 1Q07). The increase reflects the higher volume sold in Europe (+1.21 bcm) also as a consequence of the colder weather as well as the increased opportunistic LNG sales to the Asian markets (+0.24 bcm).

Gas & Power adjusted operating profit amounted to 1.6 billion euro, down 6% from the same period in 2007 (1.7 billion euro).

The decrease is due to the weaker results of the marketing business that was partially offset by improved results in the regulated business.

Starting with this quarter we will present the breakdown of the Gas and Power result in three segments:

- Marketing which includes the marketing activity in Italy and internationally as well as the power generation business.
- Regulated business in Italy which refers to Snam Rete Gas and Italgas activities.

And finally,

- International transport.

G&P adjusted proforma Ebitda for the first quarter of 2008 amounted to 1.8 billion euro. This compares to 1.9 billion euro in the first quarter of 2007.

Marketing result decreased by 9%. This performance was driven by the fact that the first quarter of 2007 benefited from the reversal of a provision of around 140 million related to the 248 resolution. Furthermore in the first quarter of 2008 we accounted for a weaker trend in energy parameters due to the mismatch between purchase and sales prices indexation to the oil price that has affected essentially the sales to wholesalers and residential segments in Italy. These negative effects were partially offset by the appreciation of the euro versus the US dollar and the higher volumes sold also as a result of the colder weather conditions.

The Regulated business generated 477 million euro up 11% versus the first quarter of 2007. The increase is due to the higher volume distributed as a result of the colder weather condition as well as to efficiency gains and the incentives provided on the new investments in the transportation network.

Finally international transportation [1] showed a substantially flat trend versus the first quarter of 2007.

[1] the blue stream contribution has been moved to the marketing segment due to the fact that this pipeline is fully dedicated to the gas sales in Turkey.

The R&M division adjusted operating profit decreased by around 75%, as a result of the weak refining scenario due to the appreciation of the euro vs the US dollar [1] and the higher utilities costs [2]. It is worth saying that the margins realized by our own refineries underperformed the trend of the benchmark indicators because our refineries yields are less geared to diesel products, which performed strongly and more weighted on fuel oil which quoted at a strong discount vs diesel.

In marketing the greater contribution from retail marketing in Italy, also as a result of the higher market share [3], was partially offset by the weaker performance of the wholesale segment.

[1] It accounted for - 50 million euro

[2] It accounted for -43 million euro; utilities costs = steam and electricity with costs driven by oil products quotations.

[3] It accounted for +18 million euro; market share 29.8% in 1Q08 vs 28.3% in 1Q07.

In the first quarter of 2008 the Petrochemical business (Polimeri Europa) posted an adjusted operating loss of 68 million euro, compared to a 122 million euro profit in 2007; this loss is due to the negative base chemical margins resulting from higher feedstock costs.

In the Oil Field Services & Engineering sector, first quarter adjusted operating profit amounted to 214 million euro, versus 176 million euro in 2007; the increase is attributable to higher results across all business lines.

The Other Activities segment reported an operating loss of 46 million euro substantially flat year on year.

And finally,

Corporate Activities posted an adjusted operating loss of 73 million euro; the weaker performance versus the first quarter 2007 is due to higher ICT and communication costs.

During the first quarter of 2008 operating cash flow of 4.8 billion euro and divestments totalling 0.3 billion euro funded 3.1 billion euro of capex, 1.8 billion euro mainly related to the completion of the Burren acquisition and a share buy back of around 200 million euro.

At the end of March, the net financial debt decreased to 15.6 billion euro bringing our debt to equity ratio to 0.35.

Let me underline that on the basis of our revised oil price for 2008 of 88 \$ per barrel and no additional extraordinary transactions, the net debt to equity ratio at the end of the year will be in line with the December 2007 level, or below, should Gazprom exercise the options on the 20% stake in Gazprom Neft and on the 51% stake in the former Yukos gas assets.

Coming to the end of my presentation let me comment on capex.

In the first quarter of 2008 capital expenditure amounted to 3.1 billion euro up 55% on a like for like basis.

This was mainly due to higher expenditures in all our core businesses.

In particular:

- Upstream showed a 55% increase (+756 million euro) mainly as a consequence of higher exploration expenses in the Gulf of Mexico, Angola, Egypt, and Libya as well as increased development in Egypt, Kazakhstan, Gulf of Mexico and Angola. Furthermore we accounted for 324 million euro related to the acquisition of proved and unproved property in Libya following the agreement signed last October.
- Engineering & Oilfield Services showed a 70% increase related to the construction of new offshore drilling units and other vessels.
- G&P's higher capex are related to the upgrading of the Italian and international transportation network.
- Finally R&M posted a 11% capex increase referred to the ongoing refinery upgrading programme.

For the full year we expect an overall capex of approximately 13.3 billion euro. This level is fully in line with the 2008 budget and the four year capex plan we announced last February.

Thank you for your attention and now Stefano and I are pleased to answer to any questions you may have.