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*Eni is a major integrated energy company, committed to growth in the activities of finding, producing, transporting, transforming and marketing oil and gas. The company has global operations in more than 70 countries and employs nearly 79,000 people.*

*Listed on both the Italian and the New York Stock Exchange, in 2008 eni reported consolidated revenues of 108 billion euros and net profit of 8.8 billion euros.*

*Sustainability is an integral part of eni's culture. The company's work is focused on people, on contributing to the development and well-being of the communities with which it works, on environmental protection, on investing in technological innovation and mitigating the risks of climate change, by promoting and investing in energy efficiency.*

*Since 2007 eni has started to publish its Sustainability Report, which represents a true innovation in the way the company reports to its stakeholders and aims at implementing concrete actions to improve sustainability performance.*

*In 2008 eni was recognised as the supersector leader among the oil & gas companies included in the Dow Jones Sustainability Index World. A success in addition to the inclusion in the Dow Jones Sustainability Index STOXX and the confirmation in the FTSE4Good Index and the CDP Climate Disclosure Leadership Index.*

# eni's activities



*Eni's activities comprise five businesses:  
exploration & production, gas & power, refining & marketing,  
petrochemicals and engineering & construction.*

## exploration & production

**Eni** explores and produces oil and natural gas in Italy, North and West Africa, the North Sea, the Gulf of Mexico, Latin America, Australia and in high-potential areas such as the Caspian Sea, the Middle and Far East, India, Russia and Alaska. In 2008 hydrocarbon production averaged the record level of 1.797 million boe/day, up 3.5% over 2007. Proved hydrocarbon reserves at December 31, 2008 totalled 6.6 billion boe (Russian assets at 30%), with a life index of 10 years.



## gas & power

**Eni** operates in the supply, transport, regasification, distribution and marketing of natural gas and in electricity generation and sales in Italy and abroad, by means of a unique integrated business model.

In 2008 it sold over 104 billion cubic meters of natural gas (mostly in Italy, Europe and the US and including upstream sales and internal consumption) and approximately 30 terawatt-hours of electricity.

## refining & marketing

**Eni** operates in oil product refining and marketing mainly in Italy and Europe. With the **agip** brand, it is the Italian market leader in the distribution sector. In 2008 overall sales totalled 50.68 million tons of refined products. In the same period, refining throughputs were 35.84 million tons.



## petrochemicals

**Polimeri europa** (**eni** 100%) operates in the production and sale of a wide portfolio of petrochemicals and holds a significant market share in Europe where it has state-of-the-art plants all equipped with innovative technology in every area of production. It also makes use of an efficient distribution network worldwide. In 2008 production amounted to 7,372 thousand tons.

## engineering & construction

**Saipem** (42,9% owned by **eni**) is a leader in the provision of engineering, procurement, project management and construction services for the oil & gas industry, with unique capabilities in designing and executing large scale offshore and onshore projects. **Saipem** has extensive expertise in operating in conventional and deep offshore as well as in remote areas. It has proven competences in gas monetization and heavy oil exploitation. Order backlog at December 31, 2008 stood at a record level of 19,105 million euros.

# eni's milestones in egypt

1955

**Eni's** subsidiary **ieoc** makes the first oil discovery, the Belayim onshore field in the Sinai region, in the Gulf of Suez.

1957

Further positive results from exploration lead to the setting up of the company COPE (now Petrobel), with the participation of **ieoc** and the State petroleum agency (now EGPC).

With this innovative agreement, for the first time the producer country shares the management and the control of operations.

1961

Another first for **eni** with the discovery of the first Egyptian offshore field, Belayim Marine, which today is still the country's largest oil reserve.

1967

Discovery of the first natural-gas field in Egypt in the Nile Delta, with reserves of over 80 billion cubic meters.

**Eni's** activities in Egypt have been marked by a number of successes, resulting in major energy projects that have fostered the country's economic development.

Egypt is one of the most important countries in the Middle East, and has always played a strategic role as a bridge between Europe, Asia and Africa. Today **eni** is one of the leading international players in the country, thanks to a long-standing and fruitful collaboration with the Egyptian institutions.



## 1981

Acquisition of the Meleiha concession in the Western Desert. In order to further develop the activities of the joint operating company, the company Agiba Petroleum is set up.

## 1983

Discovery of the Port Fouad gas field offshore the Nile Delta in the vicinity of Port Said. **ieoc** subsequently discovers many other gas fields in the Mediterranean offshore.

## 1987

Further acquisition of exploration permits in the Western Desert, which will become another major source of oil.

## 1988

Introduction of the “gas clause” in the Production Sharing Agreements (PSAs), aimed at enhancing the exploration of natural gas resources and the development of the fields discovered. The clause will give EGPC the opportunity to develop the domestic market and export projects.



**Eni** started operating in Egypt in 1955, with the acquisition of shares of the company **ieoc**, which became fully owned in 1961. This stemmed from the effective understanding between Enrico Mattei, **eni**'s President, and Gamal Abdel-Nasser, President of the Republic of Egypt. The encounter between **eni** and Egypt came at a time when modern oil exploration had just started and called for efforts and a strong commitment to assess the country's potential.

1993

Extension of the Petrobel leases (Sinai and Abu Madi) until 2020.

2001

Intersinai gas pipeline. The gas from the Nile Delta Petrobel fields is delivered through the Sinai region, thus favoring its growth; today it reaches Jordan.

2004

Startup of operations in the Damietta LNG plant, constructed and run by SEGAS (**eni** 40%). The plant processes gas from the Nile Delta fields and LNG is shipped mainly to Spain. Startup of a new United Gas Derivatives Co. plant (**eni** 33.3%) in Port Said, for LPG/propane production and condensate extraction from rich gas. LPG and condensates are utilized on the local market.

2005

**leoc** maintains a leading position in gas exploration by acquiring new exploration blocks.

Natural gas is Egypt's big challenge for the new millennium, being an invaluable resource for the economic development of the country and for exports. Moreover, it gives **eni** a great opportunity to implement integrated projects that encompass the entire gas value chain, starting from huge investments in the exploration for new oil and gas reserves mainly in deep Oligocene reservoirs.

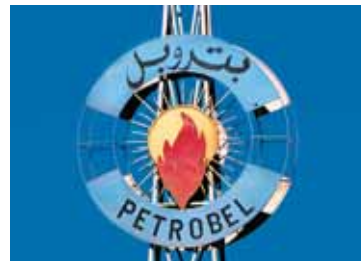


# 2006

**ieoc** signs a Framework Agreement to construct the second liquefaction train in Damietta together with its partners.

# 2008

**ieoc** achieves its record production of 624,000 boe/day of which 542,000 boe/day operated production.



**eni in egypt**

#### eni spa

**ieoc spa**

100%

#### eni international bv

**ieoc exploration bv**

100%

#### Non-Profit Operating Companies

**El Fayrouz Petroleum Company**

50%

**Petrobardawil**

30%

**Ashrafi**

50%

**ieoc production bv**

100%

#### Non-Profit Operating Companies

**Petrobel**

50%

**Medgas**

25%

**Nidoco**

37.5%

**PetroSaid**

50%

**PetroDelta**

37.5%

**PetroTemsah**

25%

**Agiba Petroleum**

40%

**Ashpetco**

50%

**Ras Qattara**

37.5%

**Rampetco**

22.5%

**Thekah**

25%

**Torsina**

12.5%

**Rapetco**

25%

#### Downstream Companies

**United Gas Derivatives**

33.3%

**Eigtec**

40%

**Segas**

40%

# main operations



*Eni has been operating in Egypt for almost 55 years, working successfully in oil and gas exploration and production through branches in Egypt of its subsidiaries **ieoc exploration bv**, **ieoc production bv**, and **ieoc spa**. **ieoc** performs exploration directly and coordinates development and production operations through operating companies jointly set up with the Egyptian General Petroleum Corporation (EGPC) and Egyptian Natural Gas Holding Company (EGAS). Shares of said operating companies are held equally by EGPC or EGAS (50%) and **ieoc** and its partners of international oil companies, if any (collectively 50%).*



## gulf of suez - abu rudeis

## nile delta - abu madi mediterranean offshore

**ieoc** holds 57 licenses (52 of which are operated), for a total acreage of 26,335 square kilometers. These licenses are distributed in the country's three main hydrocarbon provinces: the Gulf of Suez/Red Sea, the Nile Delta/Mediterranean offshore and the Western Desert. **Eni's** objective is to guarantee a substantial increase in gas reserves in the Mediterranean.

This will supplement the production plans aimed at encouraging the domestic and export markets. Exploration is committed to find reserve

**ieoc's** most important oil production operations are at Abu Rudeis, in the Gulf of Suez. The Petreco Oil Center has a 260,000 barrels/day treatment capacity, and gathers some 125,000 barrels/day from onshore and offshore fields - Belayim Marine, Belayim Land, Abu Rudeis, Feiran, Sinai, Dal and Ras Garra - all operated by Petrobel. Petreco is connected to the Feiran

The Nile Delta region is Egypt's most prolific gas basin. In 1967 **ieoc** discovered the first gas field in the country, Abu Madi, one of the largest in Egypt. Over the years, other significant gas discoveries have been made and put on production by **eni**: the onshore East Delta and El Qar' a as well as the offshore Port Fouad, Wakar, Darfeel, Baltim East, Baltim North, Temsah, Denise and Denise South fields. Moreover, in other licenses, **ieoc** shares with BP the offshore discoveries of

to reduce the decline in the oil production both in the Gulf of Suez and in the Western Desert. Today **ieoc** is the leading producer in Egypt, accounting for about 30% of the gross annual hydrocarbon production, more specifically, 35% of liquids and 29% of gas. **Eni's** companies operate 522,000 boe/day. Today **ieoc's** equity totals nearly 240,000 boe/day, the highest performance in the company's almost 55 years of activity. 45% of this figure regards oil and condensates.

tank farm and marine terminal, with a storage capacity of 2 million barrels. Agiba Petroleum, the other **ieoc** operating company, produces about 48,000 barrels/day of oil, of which 6,600 barrels/day from the Ashrafi and West Ashrafi offshore fields in the Gulf of Suez and nearly 41,700 barrels/day from Melehia and several other fields in the Western Desert.

Ha'py, Akhen and Taurt in the Ras El Barr concession as well as the most recent important discovery of Satis in North El Burg concession that is opening the high-potential Oligocene play in the Mediterranean. At the end of 2008 total production from the North Port Said, Temsah and Baltim concessions reached around 43 million cubic meters/day. In 2009, El Fayrouz and Thekah Fields were put on production with a rate of 22,000 barrels/day of oil equivalent.



# gas industry development



**Eni** has always believed in the potential of the Egyptian gas and has actively promoted the use of this energy source for industrial development and electricity generation. Thanks to the farsighted policy adopted by the Egyptian government since the late 80's, the country has become one of the Mediterranean's biggest gas producers. Egypt has managed to meet a growing domestic demand and has arranged major gas export projects to meet the increasing worldwide LNG and gas demand. Eni is cooperating with Egypt to make the country the focal point of the Mediterranean gas market.

**Eni** holds a 50% stake in Union Fenosa Gas which has entrusted the Egyptian affiliate, the Spanish Egyptian Gas Company - SEGAS, with the responsibility for the construction and operation of the LNG (Liquefied Natural Gas) plant within the port area of Damietta. EGAS and EGPC hold a 20% overall interest in SEGAS. The Damietta plant is the largest single-train LNG facility worldwide with a design capacity of around 5 million tons of LNG a year. The plant produced the first LNG in December 2004, and loaded the first cargo in January 2005. The Damietta LNG plant has been the first ever in Egypt, thus allowing the country to join the selected club of LNG exporting countries. The Damietta LNG partners evaluating the opportunity to expand the existing plant.



**Eni**, through **eni international** bv, holds a 33.33% stake in United Gas Derivatives Co. (UGDC) that has constructed an NGL (Natural Gas Liquids) extraction plant near the El Gamil production facility. Operated by Petrobel the feed gas from the offshore fields will meet the requirements of both petroleum product exports and of the domestic market, and will reduce imports of LPG/propane and condensates. All the propane produced by UGDC is exported while LPG and condensates are sold on the local market.

The plant, which treated the first gas in September 2004, has an 11.5 billion cubic meter/year treatment capacity, for an annual production of 430,000 tons of LPG (Liquefied Petroleum Gas), 329,000 tons of propane and 1.29 million barrels of condensates.

**Eni**, through **eni international** bv, holds a 40% stake in GASTECH (Egyptian International Gas Technology), a company that has been operating in the downstream sector to reduce pollution in large urban areas since 1996.



# sustainability



*Conducting operational activities in a responsible manner is a fundamental part of **eni**'s way of doing business. **Eni** has been operating in Egypt in full compliance with international standards and conventions, pursuing growth, innovation and promoting open and transparent relations with partners, public institutions and local stakeholders. **Eni**'s objective has also been to contribute to the country's sustainable development.*

## eni's people

After almost 55 years of business in Egypt, most of the 5,000 people working in the companies in which **eni** participates are nationals. Many of them hold key managerial positions, and a significant number of Egyptians work overseas in other **eni's** international companies. Thanks to its long-standing tradition in technical and management training, the company has actively contributed to strengthening the country's level

## environment

For what concerns the environment, several actions have been implemented aimed at reducing impact and make up for the potential damage generated during the early stage of development.

Thanks to this effort many results, such as reduction of gas flaring and use of recycling compressors, have been achieved. Moreover waste water production decreased through injection into abandoned reservoirs and continuous waste disposal in line with

## sustainable energy

In 2008, important projects were launched in Egypt with the promotion of renewable energy sources with a total investment of € 520 thousand. The two-year pilot project, Wind Farm, aims at producing eolic energy in Abu Rudeis. In 2008, a Wind Farm was created and connected to the existing central power plant. The Solar Project, in the Western Desert, has provided for the connection of solar panels to the existing electric system thus guaranteeing the continuity of energy supply to the production plants.

**Eni** promotes the use of natural gas as a viable low

## relations with the territory

In health care **eni's** numerous initiatives included the restoration of the hemodialysis ward of the "Umberto I" Hospital in Cairo, the contribution to the Higher Medical Council of the Petroleum Sector, the support for the creation of the Intensive Care Unit of the International Children's Cancer Hospital in the Sayida Zeniab district of Cairo, which treats children from the whole Middle East. **ieoc** supports GIE's (Gruppo Italiani Egitto) activities, fostering different initiatives such as orphanage centers providing children of the poorest areas with better living conditions and access to education. Recently the sponsoring of Caritas projects has also supported the improvement in the most needy children's educational and sanitary conditions and of the Leper Hospital. Moreover **ieoc** has financed the PLC (Programmable Logic

of expertise and knowledge in the field of energy. As evidence of **eni's** commitment to continuously improve Health and Safety standards and integrate them across its activities worldwide, in the past two years several achievements have been reached. **ieoc** and its operating companies, Petrobel and Agiba, have developed an Occupational Health Management System that is now in the implementation phase.

national and international standards. Operations are continuously assessed to reduce HSE risks to "As Low As Reasonably Possible", including transportation risk that for the E&P industry is one of the greatest. **Eni's** approach to continuous improvement allowed **ieoc** to obtain the ISO 14001 and OHSAS 18001 certification and to add to the certifications already obtained by Agiba and Petrobel two new certified locations.

emission energy source and employs the most advanced technologies to reduce pollution. A Memorandum of Understanding for a feasibility study focused on the use of combined cycles in some power plants in Egypt, in order to enhance their efficiency and save natural gas has been signed in April 2008. The application of technologies envisaged in the MoU will lead to energy savings of more than 20% (in terms of non-consumed natural gas) and bring significant environmental benefits. The Phase 1 of the Feasibility study will be concluded in April 2009 and presented to the Authorities.

Controller) laboratory at the Don Bosco Institute of Cairo in order to provide students with better job opportunities in the Egyptian market.

Recent initiatives have also included an assessment, conducted in collaboration with the Department of Healthcare of the Matrouh area (East Obayed operational area with a population of 322,341 inhabitants), which underlined the need for a laboratory for biochemical's and emathological analysis. **ieoc** has identified the best equipment and organized training activities for people employed in the laboratory. In 2008 the equipment and the laboratory were delivered to the Matrouh Hospital. Other initiatives included the sponsoring of El Eksas School in Al Fayoum and the conservation study of the Saint Catherine Basilica's roof.





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