2010-2013 STRATEGY

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Speakers:

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Ladies and Gentlemen,

Welcome to our 2010 strategy presentation.

I am particularly proud of the fact that Eni has, over the last five years, been the fastest growing of all the major international oil companies. Our production has increased from 1.6 million boe/d to 1.8 million boe/d, a growth of 1.7% a year, against a net decline reported by our peer group over the same period. Today, I will focus on what underpins that success, and what we will be doing to ensure that our out-performance continues over the next four years of our plan.

We have a distinctive and unique set of assets, and we have therefore pursued a deliberately differentiated strategy from our peers. In 2005, when I took over as CEO, most of our peers were focused mainly on oil and gas; had much larger refining businesses than Eni; and were pursuing very popular investment projects at the time such as tar sands. Some market commentators felt that to succeed we should emulate some of these larger peers through divestment of some significant parts of our business such as Snam Rete Gas and Saipem, building a larger refining capacity, and investing in Canadian tar sands projects.

We felt that our differences could in fact become our strengths. Our plan was clear – we wanted to build our production organically and through selective acquisitions in areas that we knew and which had an attractive E&P potential. We believed then, as we continue to believe today, that our gas presence in Europe was a strategic differentiator which should be invested in. And we would continue to limit and rationalise our refining capacity.

After 5 years what did we achieved?

First, an enhanced E&P portfolio made up of highly attractive, large scale, low cost oil and gas resources.

We have maintained best-in-class lifting costs per barrel, extending our leadership on costs every year. This has been driven by:

- increased operatorship – we operate an additional 300 kboe/d, bringing our total operated production to 2.5 million kboe/d;
- our growing exposure to giant fields
- and our greater focus on low-cost legacy countries,

And our strengthened resource base of 30 billion boe - 10 billion more than in 2004 – will provide a powerful platform for our future growth.

Second, we have successfully transformed G&P from a local Italian player to a truly European market leader.

In 2004, when we were at the first stage of evolution from the former Italian gas monopoly, Italy accounted for around 70% of our sales. Today, we are the European leader with a European market share of 21%. International sales have doubled, and Italy now accounts for under 40% of our sales.

This transformation has also been delivered profitably: our ebitda has grown by an average of over 2% a year since 2004.

Our regulated businesses have meanwhile performed very well as expected. Our decision to maintain our shareholding in these assets has been extremely rewarding, delivering a total shareholder return in the five year period in excess of 65%. We remain confident it will create further value in the near future.

Turning to E&C, Saipem remains a core part of our strategy. By merging it with Snamprogetti in 2006, we have created in Saipem a leading player which has more than doubled sales and tripled profits to become the recognised world leader in oil services. In the last five years, Saipem has delivered a shareholder return of 210%.

But our strategy hasn't just been about growth. In refining and petrochemicals, where our capital employed was 16%, about one third of our peers, we have worked to become even smaller, and we are at 13%.

And on cost efficiency too we have delivered impressive results, saving up to 1.6 billion euro. In relative terms, this makes an outstanding result.
So, we are proud to be different, and we aim to continue to build on these distinctive qualities as we move forward.

Over the next four years, eni will continue to pursue growth leveraging on its unique integrated model.

Within E&P, our existing asset base provides a strong platform for growth among our peers, and we will continue to look for ways to enhance this. The industry challenges over the next four years will be securing access to resources and executing increasingly difficult projects. In this context, our strengthened portfolio and our strong pipeline of giant fields will drive growth, while our integration with G&P will contribute to provide access to fresh resources in the most attractive regions for oil globally.

In Gas & Power, we will continue to leverage on our highly attractive leading European position. We expect to see gas demand recovering from its current lows and long-term consumption growing. Gas is the cleanest fossil fuel and will be increasingly used to combine economic development with environmental protection. As the European leader, we are ideally placed to benefit from this growing market.

And in Refining, weak trading conditions will continue. In this context, we see our small exposure as an advantage. We will cope with this challenging environment by improving our cost position, while continuing to keep tight control over capital employed.

Three operational elements will underpin our strategy over the plan period.
First, we will continue to look for ways to integrate our assets, in particular between E&P and G&P.
Second, we will continue to drive forwards our efficiency programme and this plan sets out some new targets that will contribute to our future profitability.
And third, we will continue to be financially disciplined, focusing on growing profitably and operating within our own investment guidelines.

So let me now speak more specifically about each of our businesses and the targets that we are setting here today.

In E&P, we will build on our strengthened resource base of 30 billion boe, and our ability to access further resources in Africa, Venezuela and the Caspian region, to deliver average annual organic growth of more than 2.5% during the plan period and above 2% between 2013 and 2016.

We will continue to focus on:

growing production from giant projects, which will contribute an additional 400 kboe/d in 2013;

and extending our operatorship. By 2013, we will operate 4 million boe/d – an increase of 1.5 million boe/d compared to today and roughly double our operated production in 2004.

This will consolidate our industry-leading position on costs and further strengthen our capture ratio, with new production breaking even at around 40$/barrel, enabling us to benefit from any further upside in the oil price.

Turning now to G&P, we will add 14 bcm of sales by the end of 2013, growing our overall sales from 104 to 118 Bcm .

We will strengthen our European leadership by leveraging on our scale, long-term and diverse supply sources – including contracts which we have recently and favourably renegotiated - and the trading capabilities consolidated through the Distrigas acquisition.

Our regulated businesses, recently regrouped in SRG, will fully harvest the synergies from integration. They will also deliver value from new investments in transport and storage assets, which enjoy guaranteed returns with a premium on new investments.

The combination of the resilience of our marketing activities and the steady growth of regulated businesses will enable us to maintain solid profits of €4.4bn a year, despite the announced sale of the TAG, TENP and Transitgas pipelines by the end of 2010.

And in Refining, we see weak trading conditions continuing, in particular in terms of low refining margins, although we are beginning to see a reopening of the light-heavy crude spread.

We will cope with this challenging environment by improving our cost position and enhancing flexibility of supply at our main refineries.

In marketing we will continue to strengthen our Central-European position. In Italy we aim to leverage on the rebranding and restyling of our network to deliver a market share increase of over 2 percentage points to 34% by 2013.

As a result of all these actions, our R&M will be cash positive by 2012 even under our bearish market scenario.

That's our strategic focus and our targets for the next four years. Let me now hand over to each of our business heads in turn who will provide more detail on the plan within each of their business areas. Claudio...

Claudio Descalzi

Thank you Paolo.

Good afternoon ladies and gentlemen

2009 was a year of significant achievements in E&P. In a challenging year for the industry, we enhanced the strategic value of our portfolio and strengthened the foundations of our future growth.

We added 3 new giant projects, Junin 5, Perla and Zubair, with a resource potential for eni of more than 1.5 bn boe and up to 180 kboed of extended plateau production

In addition, we delivered all 27 of the start ups planned for 2009: ramp up from these fields - which have a combined expected production of 190 kboed at plateau - will further support our future growth.

During 2009 we also took 3 major FIDs: Goliat, the first oil development in the Barents Sea, for which we have already obtained governmental approval, and in Algeria El Merk and MLE – the first development which comes from the acquisition of First Calgary. These fields will produce around 90 kboed at peak, mostly oil, and contribute above 240 Mboe of 2P reserves.

Exploration has long been a key driver of our strategy: in 2009 we discovered over 1billion boe of resources at an industry leading unit exploration cost of 1.8$/boe.

Finally, our low cost structure enabled us to deliver industry-leading cashflow per barrel.

Our access to giant projects, FIDs and exploration success have all contributed to strengthening our resource base, a long-term strategic objective for eni.

In the last five years, we added 10 billion boe to reach a total of 30 billion boe, extending our resources’ life index by more than ten years to 46 years. These resources are largely related to conventional and low cost plays.

Exploration has played a major role in this strategy: over the last five years we discovered 5 billion barrels, many of which we fast tracked to production.

Last year was particularly rewarding:

Perla was our top strike, but we also achieved very good results in Ghana, which we entered in 2009, Angola and the Gulf of Mexico. We estimate recent exploration will contribute 170 kboed to our 2013 production.

In 2009, we also entered new unconventional plays: gas shales in the US and a large CBM development in Indonesia.

Our strengthened resource base is one of the drivers of our performance going forwards. The other is our leadership in terms of efficiency and cashflow per barrel. We have long been best in class on this front, and expect this trend to continue in the future, enabling us to deliver maximum value as we turn reserves into production.

Our leadership on costs is driven by our focused presence in core legacy areas, which provide low lifting costs and synergies.

It is worth highlighting that at similar Brent conditions, the two last cash-flow averages are in line despite the severe cost inflation and depressed gas prices of last year.

Our strengthened resource base and our industry-leading costs mean we are well placed to deliver profitable growth.

Our goals will be achieved through more production, more giants, and more operatorship. I will now take you through our targets in more detail.

The two pillars of our growth strategy are the low depletion rate of our producing fields and our strong pipeline of project start-ups.

These will drive an average organic production growth of above 2.5% per year between 2010 and 2013 based on our scenario of 65$ per barrel.

2010 production will be in line with that of 2009 (assuming the same level of Opec cut and the planned disposals).

Furthermore, our giant projects will enable us to keep an annual growth rate above 2% beyond the plan.

We have one of the lowest depletion rates in the industry for two main reasons:

- Our exposure to Africa, where much of our production comes from giant fields and where we are able to seize extension opportunities which normally follow the first phase of development of these fields; And

- Our reservoir management capabilities, that enable us to fight natural depletion across the world, and particularly in mature areas, through effective production optimization activities.

50% of our production today comes from giant fields, most of which are still in their early phases, with large remaining potential, and continue to contribute to the stability of our production platform.

We will build on this stable platform with our strong pipeline of start-ups.

Over the plan period we will deliver 41 start-ups, distributed between OECD and non-OECD countries. These will contribute around 560 kboed by 2013. 50% of this will come from projects which have already reached FID, rising to 90% if you include FIDs scheduled in 2010.

16 of the new start-ups will be related to giant fields.

These long lasting projects, where eni has a material stake, represent 70% of new production.

Let’s take a closer look at them.

These are the giant projects which will ensure a stable contribution to eni’s production for most of the decade and provide the basis for our growth.

By 2013 their contribution will be around 400 kboed.

Some of them derive from our recent exploration success, such as Perla and Block 15/06, and the majority are operated by eni.

In particular I would like to focus on the new projects in Iraq and Venezuela.

We selected Zubair because of its huge potential, its conventional and straightforward technical development requirements and the fast ramp up of production.

The field development will take place in two phases:

1. the Rehabilitation Plan, which will improve the existing production rate and allow us to gain full knowledge of the reservoir, and

2. The Redevelopment Plan, which will increase production to the 1.2 Mboed target

Based on this plan, equity production will reach 120 kboed in 2013.

In order to achieve these targets, a real integration with local communities aimed at the development of the area will be a crucial component of our strategy.

Lets turn now to Venezuela.

The country’s resource potential is huge and eni has gained access to two major opportunities through exploration and business development.

Two years ago, when we started to evaluate development options for Junin 5 with PDVSA, one of the main constraints was the availability of natural gas.

The discovery of Perla changed that scenario.

We now plan an integrated development which will exploit the synergies between the two fields: we will use gas from Perla to upgrade the heavy oil of Junin 5.

Junin 5 will be developed in two phases. The early production of 75 kboed and a full field development with a plateau of 240.000 b/d. The gross reserves are in excess of 2.5bn barrels.

The appraisal of Perla, the largest gas discovery in South America, is progressing very well. We currently estimate a reserve potential in excess of 8 TCF, but this number might grow even further. We are fast-tracking the development of the field, targeting early production in 2013 of 300 million standard cubic feet per day.

These three giant projects will deliver a combined equity plateau of up to 180 kboed in the mid-long term, supporting the growth targets of our plan as well as growth beyond 2013.

Our production growth to 2013 will also be characterized by increased operatorship. We will add 1.5 million boe day of operated production by 2013, reaching 4 million barrels per day.

Increased operatorship will give us more control over our equity production and the time-to-market of our projects, and enable us to maximise synergies in our operations and improve the efficiency of our performance.

By operating more fields we will continue to build on our strong in-house competences and to invest in our human capital, the fundamental driver of our long-term sustainable growth.

Our long-term growth strategy over the plan period and beyond will be supported by a 37bn€ capex programme, of which 10.5bn€ will be invested in 2010.

The 4bn€ increase compared to the previous plan is due to:

- New projects in Iraq, Venezuela and other countries for 5bn€
- The re-phasing of gas projects, resulting in a reduction of 2bn€, and
- An additional increase of 1bn€ due to changed market conditions in terms of cost inflation and exchange rate.

Overall 40% of the development capex will be spent on projects whose peak production will fall beyond 2013.

Exploration expenses will be reduced by 14% versus the previous plan as a result of the absolute focus placed on the development of those reserves discovered in the last 5 years.

In spite of this reduction we will grow our total resource base, with a reserve replacement ratio of 120% for the period.

In conclusion our strategy, centred on production growth, increasing operatorship and focus on giant projects, is continuing to enhance the value of our business.

Our portfolio is resistant to potential market downturns while being exposed to material upsides under higher price scenarios.

Our new production has an average breakeven price of around 40$.

At a Brent price of 80$, the value of these new barrels increases by over 6bn$, enabling us to capture the upside of positive market trends and maximise the value of our production.

Our future is solid and based on a visible pipeline of new giant fields that will allow us to grow production and build on the value of our existing portfolio.

I now will hand you over to Domenico

Domenico Dispenza

Thank you Claudio,

Good afternoon ladies and gentlemen

In 2009 we leveraged on our leading position in the European gas market to grow profits despite the very challenging environment.

The economic crisis caused gas demand to decline worldwide, especially in the power generation and industrial sectors.

Furthermore, the development of unconventional gas production in North America caused the diversion of LNG cargos to Europe exacerbating oversupply in that market.

As a consequence, spot gas prices decoupled from oil prices and therefore from the price of long-term contracts, which are largely linked to oil prices.

The liquidity of the spot gas markets increased strongly, making spot gas a more credible sourcing option.

Notwithstanding the context, eni posted 4.4 billion euro of Ebitda, confirming its excellent profitability in particular in the marketing segment that benefited from the integration with Distrigas and the contribution from power generation.

Looking ahead, we expect the gas market to recover from its current lows, reaching 2008 levels by 2013.

Beyond 2013, demand will continue to grow as gas will remain the fuel of choice in a “low carbon” world: it is globally available, potential reserves are abundant and it is the cleanest fossil fuel.

Within this context, 2010 is the most challenging year in the plan period. The recovery of gas demand will be in its early stages, and European hub prices will remain low. Meanwhile, we expect competitive pressure in Italy to continue as new import infrastructures came on stream.

Gas demand will strengthen in the following years, and by 2011 or 2012 spot gas and long-term contract prices will re-couple – a trend which is reflected in current gas forward prices.

In the context of resumed demand, our large and diversified long-term supply portfolio will remain a key asset, giving us valuable gas availability. Recent renegotiations with producers have added flexibility and price competitiveness to our portfolio, providing a solid foundation for sales and market share growth in the plan period.

Even in the context of slow demand recovery and increased competitive pressure, our leading position in Europe and our large and diverse supply portfolio will enable us to grow sales and maintain profits.

We target sales of 118bcm in 2013, when we will supply more than 22% of the European market, an increase of 14bcm compared to 2009.
Sales growth, coupled with improved flexibility and efficiency, will mitigate the impact of a tougher competitive scenario and drive solid and stable ebitda of €4.4bn a year on average, despite

the sales of TENP, TAG and TRANSITGAS that in 2009 contributed for 200 million euro.

This growth will be driven by the increase of our international sales and the preservation of our leading position in Italy.

In Europe, excluding Italy, we target sales of 59 Bcm in 2013, a 6% growth a year over the next four years, increasing our market share from 12% to 14%.

This will be driven by the increased competitiveness of our portfolio, our multi-country approach in marketing and by the further strengthening of our salesforce in key markets, in particular France, Germany and Benelux.

I am pleased to say that we are achieving significant benefits from the ongoing construction of a fully integrated approach to the market with Distrigas.

In Italy, our target is to maintain market share and to defend profitability in a context of weak demand and increased competition.

We will achieve this by setting up new offer structures that fully match the diversified requirements of our customers, especially for the business segments.

In the retail market we will adopt an approach tailored on local specific conditions, leveraging on the capillarity of our salesforce.

The combined offer of gas and power is a valuable strength of our portfolio and we will leverage on the dual fuel offer to drive sales to both business and retail customers.

Operational efficiency will remain a core focus:

we will further reduce our cost to serve for residential clients by more than 20% and

we will optimize our operating and maintenance costs in power generation.

Our performance in next four years will be supported by €8.3 billion of capex.

Just under 80% of this will be invested in the regulated business, with guaranteed returns.

The remaining €1.8 billion will be dedicated:

€700 million to complete the investment programme in power generation and, in particular, to improve the flexibility of our plants, and

€1.1 billion to the merchant activities abroad, including the development of storage capacity in Europe, a project that will provide G&P with a larger flexibility of supply to support its international expansion programme.

I will now hand you over to Angelo.

Angelo Caridi

Thank you Domenico. Good afternoon Ladies and Gentlemen.

In 2009, R&M posted the worst results in the history of the business.

This is due to an unprecedented market scenario.

In fact, at constant scenario, our operating profits grew by 7%, driven by a robust performance in marketing with a 1 percentage increase of our Italian market share to 31.5% as well as our focus on headcounts and general cost reductions.

However, the business was affected by a double blow:
- TRC margin more than halved compared to 2008 and impacted our performance by 500 million euro;
- Light-heavy crude differential collapsed from 5,1 $/bl to 1,9 $/bl due to the reduced availability of heavy crude oil in the Mediterranean. This impacted our performance by 480 million euro.

Looking ahead we expect the refining environment to continue to be challenging over the next 2-3 years. This is the result of:

Lower demand, affected by increasing energy efficiency and use of bio fuels

New refining capacity in the Middle and Far East, and

Reduced export of gasoline to the US

In this context, we expect persisting weak refining margins although we are beginning to see a reopening of the light-heavy crude spread.

In Refining we will improve operational flexibility through a 15 percentage points increase of the share of spot crude supply as well as through logistics and process optimization in order to select the most profitable slate to satisfy market needs. Furthermore, we will improve our middle distillate yield, achieving 43% leveraging on the new Hydrocracking units recently started up in Sannazzaro e Taranto and thanks to the EST plant in Sannazzaro whose start up is scheduled in 2012.

In marketing, we will further grow our Italian market share to 34% through improvements in the quality and range of our offer including non-oil activities and loyalty programs as well as through the rebranding and restyling of our service stations.

Internationally we will continue to focus in Eastern and Central Europe, where we enjoy significant advantages in terms of supply, logistics and brand awareness.

We have upgraded our efficiency program, with a further cost reduction of 100 million euro by 2013. Savings will be mainly concentrated on labour costs and refinery processes, including energy conservation.

As a result of all these actions, R&M will be cash flow positive from 2012

Overall capex remains in line with the previous 4-year plan but with a different mix between marketing and refining.

The relative weight of marketing has increased from 25% to 40% as a result of the extensive rebranding of our retail network and the new LPG and gas stations.

In refining, around half of the capex will be invested in completing the EST plant, exploiting eni's proprietary technology, which will transform Sannazzaro into a zero fuel oil refinery. A significant share of our programme is devoted to flexibility enhancement through new sulphur treatment plants, hydrogen plants and logistics improvements, that will enable us to differentiate our feedstocks slate and improve our yields.

I will now hand you over to Alessandro.

Alessandro Bernini

Thank you Angelo.

Efficiency has long been a core focus of our strategy.

We launched our efficiency programme in 2006, in the context of a favourable trading environment, streamlining our processes and driving continuous improvement in our operations as a result.

Since 2006, we have delivered 1.3 billion euro of savings, of which almost half came from Corporate, and we reduced overall headcount by 3,400, 8% of total workforce in 2006. In 2009 alone we delivered cost savings of around 400 million euro.

There is still potential for further efficiency. In the four year period, we are targeting 1.1 billion euro of additional efficiency gains through technology improvement, commercial and supply optimization as well as continuous process streamlining.

In 2010, capex will be broadly in line with 2009.

Over the four year plan, capex will increase by 4 billion euro when compared to the previous capex plan. This is due to the new big contracts signed for the development of the Zubair, Junin and Perla fields, confirming our focus on giant and fast track projects that will secure long term production.

Our net financial debt of 23 billion euro can be split into three parts.

Around 10 billion euro belong entirely to Snam Rete Gas which has a stable and solid cashflow that covers its investment needs and contributes to lower the risk profile of eni's portfolio.

The 3 billion euro net debt in Saipem due to the three new drilling vessels that will soon be in operation under long term contracts and will generate a positive free cash flow, starting from 2011.

Finally, 10 billion euro are attributable to eni and mainly linked to development projects under PSAs that have a safe and quick pay back period. (Kashagan accounts for more than 50% of our exposure).

In 2010 we expect to maintain a net debt to equity ratio in line with 2009, while going forward the growing cash flows will progressively reduce this ratio to below 40%.

I now hand you over to Paolo Scaroni for the dividend policy and closing remarks

Dividend policy and closing remarks

Paolo Scaroni

Thank you Alessandro.

Before I conclude, I would like to state what will be our dividend policy going forward.

Our oil-price assumption is $65 a barrel for each of the four years between 2010 and 2013. Under this scenario, we will maintain our dividend at €1 per share in 2010. Starting in 2011 we will grow our dividend in line with OECD inflation.

The energy industry as a whole faces continued challenges in 2010, and the macroeconomic climate in particular is uncertain.

However, I hope you will see from what we have outlined today that eni is well positioned not just to weather these conditions but to thrive in them over the short and medium term.

Our continued growth in Exploration and Production is underpinned by a rich pipeline of giant projects which gives us access to long-life, low-cost reserves. We will continue to have one of the most attractive production profiles in the industry.

Our leadership in European Gas and Power is a great business in itself, cash generative and resilient. This business gives us a fully integrated model which continues to prove a competitive advantage in growing our E&P business.

Our distinctive and attractive asset base, coupled with our focus on efficiency, will enable us to continue to deliver significant value to our shareholders.

I will now open the floor to questions.