2011-2014 Strategy

10 March 2011
update on Libya

- Personnel safety first priority
- Some assets in operation, mainly gas
- Facilities on “hot standby” – ready to restart quickly
- Payback on existing investments already achieved
- Limited investments in the plan period
- Limited contribution to plan period growth (plateau volume achieved)
Libya: impacts on eni 2011 outlook

**Negatives**

**E&P**
- Lower contribution from production

**G&P**
- Higher supply costs

**Positives**

**E&P**
- Higher oil price scenario

**G&P**
- Lower ToP prepayments

Negative impacts fully offset
E&P: a solid pipeline to support growth

Well-positioned to grow:
- Industry-leading low decline rate
- Strong pipeline of project start-ups
- Focus on giant projects with long plateau volumes

Raised 4-yr target to >3% CAGR
longer term upside: promising growth opportunities

Unconventional gas in East Europe
- Poland

Venezuela full field developments
- Junin 5
- Perla

Sub-Saharan Africa
- East Africa
- Gulf of Guinea

Russian giants
- Samburgskoye
- Urengoskoye
- Yaro and others

Pacific gas
- China gas shale
- Indonesia gas (CBM, Jangkrik)
- Australia
G&P: tackling short term challenges....

**Proforma Ebitda**

Ebitda sustained by:
- Regulated and low-volatility businesses
- Volume and market share growth

~30% of Ebitda from activities subject to demand and price volatility

~70% of Ebitda from low market risk activities

**Short term scenario**

- Demand recovery
- Spot price increase
- LT contract renegotiation

Support profitability in market turbulence
... to benefit from medium-term recovery opportunities

- European demand growth and additional opportunities from fuel switching
- Continuous decline of European domestic production
- Limited new LNG capacity for the Atlantic basin
- Global competition for additional supply

Return to normalised profitability by 2014
R&M: enhanced efficiency in a difficult market

- Limited improvements expected in refining scenario
- Doubling efficiency target to €200m
- Increase flexibility of supply slates
- Improve integration of Italian refining system
- Marketing profitability growth (retail and wholesale)

EBIT
€200m in 2014
at 2010 scenario
eni’s key assets: enhanced value creation prospects

- **Snam**
  - Limited impact from EU gas directive
  - Continuing profitability enhancement

- **Saipem**
  - Delivering outstanding results
  - Key synergies with upstream operations

- **Galp**
  - Great financial investment
  - Additional upside potential
Exploration & Production

Claudio Descalzi, COO
2010: achieved key milestones for future growth

**Iraq**

**Zubair**
- Sanction of Rehabilitation Plan
- 20 kboed booked in Q4
- First Major to enter cost recovery phase

**Venezuela**

**Perla**
- Gas in place over 16 tcf

**Junin-5**
- Set up of *empresa mixta*
- Reserves booked: 100Mboe

**Angola bl. 15/06**

**Sangos & Ngoma**
- Project sanctioned
- Start up in 2013

**East Hub**
- 400 Mboe of gross recoverable resources

**Russia**

**Sambursgkoye**
- Project FID Q3 2011
- Start-up by 2012

**Yaro Yakhinsky**
- Project FID Q1 2012
enhanced asset base: the foundation of long-term growth

2010 total resources*

- **Bln boe**: 31
- 2P reserves: **6%**
- Other reserves/resources: **94%**
- **Brent ($/boe)**: 79
- **Life Index** (years): 47

By type

- Others: **7%**
- Onshore: **41%**
- Offshore: **33%**
- Deepwater: **6%**
- Arctic: **13%**

By area

- North Africa: **21%**
- America: **19%**
- Europe: **16%**
- Other: **14%**
- Central Asia/Russia: **10%**
- West Africa: **10%**

* P1 + P2 + P3 + Contingent Resources + Risked exploration
2011-2014: accelerating growth

Production

CAGR >3%

1,815

>2,050

2010

2014

$/bl

79.5

70

CAGR 2011-14 sensitivity

~3%

>2.5%

2%

80$

90$

100$

price scenario 2011-14: 70$/bbl flat
growth based on low decline rate....

- **20% of total 4Y plan capex**
- **1,300 actions in 4Y plan**
  ~ 500 infilling & workover
  ~ 800 facilities’ upgrading

- **reducing decline rate**
  ~ 220 kboed @ 2014
- **value generation**
  IRR >40%
  payback < 24 months
... and a strong pipeline of new start-ups

### 15 major projects for growth

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<td>Burun Phase 2</td>
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<td>√</td>
<td>FID</td>
<td>2011</td>
<td>2014</td>
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### Production @ 2014

- **630 kboe/d**
  - Others: 10%
  - FID @2011: 23%
  - Already sanctioned @2010: 67%
more operatorship...

- Competences & know how
- Cost efficiency
- HSE rules
- Technical standards

**Operated production**

100% and equity

**Mboed**

- 2009: 2.5
- 2010: 2.8
- 2014: 4.4

- 12% CAGR

**Improved performance & risk management**
... and more giant projects

Contribution from new giants

Main start-ups

* gross reserves > 300 Mboe and material equity stake
long term growth: solid and balanced exploration portfolio

Capex 2011-14

- ~ 3.6 Bln €
- 30% frontier & new basins
- 40% proven basins & plays
- 30% near field

frontier high potential
proven basins
strategic position in unconventional projects

- Low entry costs
- Profitable gas market
- Developed infrastructures
- Technology transfer from US market
high-return capex plan

Capex 2011-2014

- **Growth projects**
  - IRR: ~23%
  - PSA ~65%

- **Production optimization**
  - IRR: >40%
  - Payback below 24 months

IRR

- **Growth projects**
  - IRR: ~23%
  - New projects breakeven at 45$/bl

- **Production optimization**
  - IRR: >40%
  - Payback below 24 months

Bln €

- 2010-13:
  - Development: 31.7
  - Exploration: 3.6
  - Other: 2.1

- 2011-14:
  - Development: 33.7
  - Exploration: 3.6
  - Other: 1.8

+4.3%

+4.3% growth in capex
short time-to-market crucial for returns

Time-to-market of resources discovered in 2008-2010

- **Australia – Kitan**
  - 2.5 years
  - Discovery date: 2008
  - Start-up: 2011

- **Venezuela – Perla**
  - 3 years
  - Discovery date: 2010
  - Start-up: 2013

- **Angola – Block 15/06**
  - 4 years
  - Discovery date: 2008-10
  - Start-up: 2013
confirmed leadership in efficiency

**Opex**

<table>
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<tr>
<th>Year</th>
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<td>19.3</td>
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**F&D cost**

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<tr>
<td>08-10</td>
<td>19.3</td>
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</table>
leading cash generation and value

Cash Flow

$ /boe

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<th>Year</th>
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<th>07-09</th>
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<tr>
<td>Brent</td>
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$ /boe

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<th>11-14</th>
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<td>26.7</td>
<td>26.7</td>
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<tr>
<td>West Africa</td>
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<tr>
<td>OECD</td>
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<tr>
<td>Other</td>
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en 2P NPV/boe by region

$ /boe

<table>
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<th>Region</th>
<th>Avg. @ 70$</th>
<th>Avg. @ 100$</th>
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<td>7.5 $/boe</td>
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<td>West Africa</td>
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<tr>
<td>Other</td>
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Brent avg ($/boe)

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<th>Avg</th>
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<td>07-09</td>
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<tr>
<td>08-10</td>
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* XOM, CVX, COP, BP, RDS, TOT, eni. 2010 only eni, RDS, TOT and COP
E&P operating model

**Assets**
- Giants
- Conventional
- Balanced exploration

**Actions**
- Time to market
- Production optimization
- Operatorship
- Technology

**Goals**
- Long term growth
- Profitability
Gas & Power

Domenico Dispenza, COO
European gas market 2011-2014: a gradual rebalancing

**Key trends 2011-2014 (bcm)**

- **North America**
  - No significant import
  - No export in 2014 horizon

- **Europe**
  - Gas demand recovery and production decline

- **Japan and Korea**
  - Strong demand and import growth. Contract renewals in progress

- **Latin America**
  - Growing demand and import requirements

- **Middle East**
  - Strong growth in demand reducing export growth potential

- **China and India**
  - Strong growth in demand almost completely met by new imports

- **Indonesia and Malaysia**
  - Declining production and export potential
G&P targets 2011-2014: recovering profitability

Marketing & Power
- Supply cost improvement
- 5% CAGR of sales in Italy and key European markets
- Development of integrated trading activities
- Continuous attention to efficiency

Regulated business
- Resilient profitability despite disposal of European pipelines

Pro-forma adj. EBITDA

<table>
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<tr>
<th>Bln €</th>
<th>2010</th>
<th>2014</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>3.8</td>
<td>4.2</td>
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</table>

- International Transport
- Snam
- Marketing & Power
growth driven by international expansion ...

Sales driven by:
- integrated pan-European platform
- multi country offering
- development of new customised commercial offers

Expansion of direct sales in key markets (incl. France, Germany and Austria)

Maintain leadership position in Benelux
... and Italian market share recovery

**Recovery in business segments:**
- improved competitiveness of eni’s offer
- tailored solutions and customized contracts

**Expansion of retail customer base:**
- new marketing initiatives (new advertising and commercial offer)
- best-in-class customer service
- full geographical coverage through integrated network of agencies and eni energy stores

**Sales in Italy**

<table>
<thead>
<tr>
<th>Year</th>
<th>bcm</th>
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<tbody>
<tr>
<td>2010</td>
<td>32</td>
</tr>
<tr>
<td>2014</td>
<td>44</td>
</tr>
</tbody>
</table>

* Sales to Italian shippers not included
Capex Plan: Increasing Focus on Regulated Businesses

**Regulated Business**
- €6.4 billion with guaranteed returns
  - Improvement of flexibility, reliability and quality of service
  - Development of storage capacity, according to government guidelines

**Merchant Activities**
- €1 billion mainly for power generation
  - Operating flexibility enhancement
  - Maintenance
  - Renewable initiative in Porto Torres

Total capex €7.5 billion

- 86% Snam Rete Gas
- 13% Marketing
- 1% International transport
Refining & Marketing

Angelo Fanelli, COO
weak scenario with limited improvements

- Stable demand
- Refining capacity shut down throughout Europe
- Tightening product quality regulations
- Improving refining margins
- Slight opening of sour-sweet crude differential
- Slow recovery of crack spread
R&M target: return to profitability

**Refining**

- Operational improvement
  - Integration of refining cycles
  - Energy saving: -6% consumption
  - Fuel mix optimizations: coke/natural gas vs fuel oil
  - Logistic rationalization
  - Headcount reduction

- Selective increase of complexity
  - EST project start-up by end-2012
  - Nelson index +0.5 points

- Efficiency improvement: €200m
- EBIT at 2010 scenario:
  - breakeven in 2011
  - €200m in 2014

**Marketing**

- Retail network upgrading
  - New premium products
  - Rebranding
  - Non oil development
  - Improve customer service and quality

- Profitability enhancement
  - New pricing system
  - Efficiency gains
selective capex plan

### Main projects:
- EST in Sannazzaro (breakthrough technology, resilient to scenario changes)
- Logistic infrastructures in Taranto (upstream-downstream integration)
- Retail upgrading and rebranding (short payback)
efficiency programme

- Procurement optimization
- Technology improvements and operational excellence
- Downstream and logistics streamlining
- Labour efficiencies

<table>
<thead>
<tr>
<th></th>
<th>2004-05 achievements</th>
<th>2006-10 achievements</th>
<th>2004-14 target</th>
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<tbody>
<tr>
<td>Bln €</td>
<td>0.3</td>
<td>2.4</td>
<td>4.4</td>
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</table>

- Corporate & others 46%
- E&P 11%
- G&P 11%
- R&M 11%
- Chem. 17%
- E&C 4%

E&P 11%
G&P 11%
R&M 11%
Chem. 17%
E&C 4%
Corporate & others 46%

2004-05 achievements: 0.3 Bln €
2006-10 achievements: 2.4 Bln €
2004-14 target: 4.4 Bln €
## Financial Debt: Low Risk

### 2010 Net Debt

<table>
<thead>
<tr>
<th>Company</th>
<th>Debt (€ billion)</th>
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<tbody>
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<td>Snam Rete Gas</td>
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<td>Lowest risk profile of Eni's portfolio</td>
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<tr>
<td></td>
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<td>Self-financing</td>
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<tr>
<td>Saipem</td>
<td>3</td>
<td>Major vessels almost completed</td>
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<tr>
<td></td>
<td></td>
<td>Strong cash flow</td>
</tr>
<tr>
<td>Eni</td>
<td>13</td>
<td>Mainly PSA exposure</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>26</strong></td>
<td></td>
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### 2011 Guidance (at 70$/bl)

- Divestments ~2 billion
- Net debt to equity down compared to 2010

### Going Forward

- Net debt to equity <40% within the plan period
- Cash neutrality at 40$/boe by 2014
financial debt: high quality

- Extension of debt maturity, privileging bond emissions
- Progressive diversification of holders/countries/currencies
- Fixed rate long-term debt: >70% over the plan period

Data @ year-end 2010
capex 2011-2014

- Upstream focus: >70%
- Selective G&P and downstream investment
- Completion of E&C investment cycle

<table>
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<th>Bln €</th>
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<td>E&amp;P</td>
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a progressive dividend policy

- For 2010 we will propose a €1 a share dividend
- Under eni’s four-year oil price assumption, we will increase our dividend in line with OECD inflation from 2011
Closing remarks

Paolo Scaroni, CEO
strategy 2011-2014: a strengthened growth profile

E&P: faster growth coming through

G&P: solid business with long term upside

R&M: enhanced efficiency in difficult market