Good morning, and welcome to our first half results and strategy update presentation.

Before opening the Q&A session, I would like to give you a brief update on the status of the Strategic Plan.

Last year we launched a deep transformation of the company by focusing on the upstream business, restructuring the mid-downstream and delivering an extensive program of cost efficiency.

The strength of today’s results confirms that we are well ahead of the plan.

In the 1st half of the year:

- E&P increased production by 9%, the highest growth rate since the early 2000s. This is thanks to the timely start-ups, the steady contribution from legacy assets and contract renegotiation driven by the oil price drop.
- In Middownstream, results were positive and are further improving. R&M and Chemicals returned to profit after 8 years, and this is a major milestone in our turnaround plan.
- Capex is in line with target and opex per barrel is reduced by 10%, exceeding our guidance of a 7% saving.

This will further enhance the efficiency of our operations and results. The most significant achievement of our action plan has been cash generation. Despite the 50% reduction in the oil price, in the first half of this year, we generated the same amount of Cash Flow From Operations
as in 1H of 2014, 5.7 billion €, funding almost all of our capex. In E&P, H1 production was 1726 kboe/d, 9% higher compared to 2014.

This is thanks to:

• production optimization in the existing fields
• start-ups in the Gulf Of Mexico, Congo, Angola, UK and Norway, and
• contract renegotiations On this last point, I would like to highlight the agreement reached in Egypt.

This agreement brings immediate benefits in terms of production growth and improved gas pricing for new projects, such as the fast-track development of the recent Noroos discovery, which will start up in a few months.

In the second quarter, production in Libya remained steady. In early July, we started up the Perla gas field in Venezuela. It is currently in ramp up and will contribute 40 kboed in this first stage of the project. And in a few weeks, we will complete the commissioning of Goliat, which will add 65 kboe/d. The 2015 start ups, together with the ramp ups from 2014, will contribute 170 kboe/d to our production. Considering this strong performance, we upgrade our production guidance to over 7% growth versus the original target of 5%.

In Exploration, in the first six months, we drilled 15 wells and discovered 300 mln boe of resources, in Libya, Egypt and Indonesia, and in the pre-salt plays of West Africa. These results confirm our strategy of focusing on near field activity and appraisals.

The unit exploration cost of 1.7 dollars per boe reinforces Eni’s industry leading position in this core sector.

This first half has been successful also in re-loading our exploration opportunities with more than 25,000 square kms of new acreage in Myanmar, UK, Norway, Ivory Coast, Egypt and we signed an important agreement for the Isatay block in Kazakhstan.

These results make us confident to exceed our original target of 500 million boe of discovered resources.

In the mid-downstream, we recorded positive results in G&P, R&M and Chemicals for the second quarter in a row, as a result of the execution of the restructuring plan and a better scenario. EBIT improvement is clearly visible, with an increase of 900 million euro versus the first half of 2014.

The EBIT improvement represents around one third of the strong cash performance amounting to an overall 3.4 B€. The remaining two thirds comes from further optimization of working capital.
including recovery of overdue, factoring and other items. Thanks to the restructuring plan and considering current market conditions, we are further enhancing two parts of our guidance:

- We will bring the breakeven of the Chemical business forward by one year
- Furthermore, we will anticipate the economic breakeven of our Refineries, originally planned in 2017, to this year. This is a consequence of the improved breakeven margin from 7.5 to 5.3 $/bl, which is half way towards the 4YP target of 3 $/bl.

For G&P, a positive economic result in 2015 is due to the conclusion of the ongoing arbitration and we will confirm the structural breakeven of this segment from 2016. As stated during our last presentation, cost efficiency is one of the major objectives and we are fully committed to this and the results here are already showing very encouraging progress, beyond the initial targets.

We lowered our upstream opex by 10% to 7.3 dollars per barrel, exceeding our original guidance, on the back of structural initiatives in logistics, contract renegotiations, maintenance, energy efficiency and also more highly efficient production. In H1 we reduced our overall capital expenditure by 10% compared to last year, and we confirm the original guidance of cutting capex by 14% for the full year, excluding the impact of the recent Egyptian renegotiation.

Finally, in G&A, we delivered € 500 million of structured cost savings, fully benefitting from the cost saving programme we launched in May 2014.

These actions give us a cash improvement of €1.4 billion.

In the first half of 2015 we significantly improved the industrial performance of all sectors.

Without considering the scenario and the Saipem portfolio reassessment, we have achieved an EBIT improvement of € 800 million.

In E&P, we increased our result by almost 600 million Euro, thanks to higher production, and lower opex, development costs and exploration expenditures.

In Mid-downstream, as a result of the restructuring, all segments improved their performance.

In the first half, we generated €5.7bn of operating cash flow, which is the same as in the first half of 2014, a remarkable result taking into account the $50 fall in Brent and a lower performance in the Engineering & Construction business.

This strong operating cashflow, almost funding the current capital expenditures, makes us even more confident in confirming the target to fully cover our capex during 2015/2016, in a price environment of around 60 $/bl. 600 mln € of disposals have already been cashed-in during the first half of the year, and further negotiations are underway. We confirm the overall target announced in March.

In June, leverage was 26%, including the 2014 dividend payment, and well under our limit of 30%.
To sum up, based on the first half’s robust operating performance we are upgrading our 2015 targets:

- In E&P we raise our production growth from 5% to 7%
- We will be Ebit positive in G&P
- We anticipate the breakeven of Refining by 2 years at the current scenario
- In Chemicals, given the current market trend, we will reach breakeven, one year earlier
  we are well on track to achieve cash neutrality in the 2015-16 low price environment.

And finally, thanks to these positive results I will propose to my Board an interim dividend of 40 eurocents per share.

Thank you.

Together with the CFO and Company management, we are now ready to answer your questions.

Questions and Answers

Corporate participants
Claudio Descalzi - Eni S.p.A, CEO
Massimo Mondazzi - Eni S.p.A, CFRO
Antonio Vella - Eni S.p.A, Chief Upstream Officer
Roberto Casula - Eni S.p.A, Chief Development, Operations & Technology Officer
Umberto Vergine - Eni S.p.A, Chief Midstream Gas & Power Officer
Luca Bertelli - Eni S.p.A, Chief Exploration Officer

Conference call participants
Theeapan Jothilingam - Nomura, Analyst
Oswald Clint - Sanford Bernstein, Analyst
Thomas Adolff - Credit Suisse, Analyst Jon Rigby - UBS, Analyst
Irene Himona - Societe Generale, Analyst
Dario Michi - Banca Akros, Analyst Martijn Rats - Morgan Stanley, Analyst Alastair
THEEPAN JOTHILINGAM, ANALYST, NOMURA: Firstly, congratulations on the progress in refining and chemicals. I have three questions. Firstly, just working capital, we saw another release and I was just wondering if you could clarify how much is left in terms of the benefits from the gas prepayments.

Secondly, could you give us any indication on how the negotiations are going with GasTerra?

Thirdly, Claudio, I think you’ve talked about deconsolidating the debt with Saipem as a priority. Clearly, the more recent update suggests that there is more stretch on Saipem's balance sheet. So I want to know how you would think about potentially having to participate in a potential rights issue at Saipem. Thank you.

CLAUDIO DESCALZI, CEO, ENI S.P.A: Thank you, so gas?

In respect of our take- or- pay position, first of all, thanks to our closed agreement, we will not incur any more in the take or pay, and we will continue to recover the advance paid for contractual volume that were not collected in the past.

Regarding this, at the end of 2014 the value of the take- or- pay gas was, on cash basis, EUR1.3 billion. We expect to reduce it by the end of this year EUR200 million/EUR300 million. This remaining value will be also easily recover during the remaining plan period.

With what relate to GasTerra, on the GasTerra arbitration that is in relation to two of the three contracts we have done. The first arbitration award is expected by the end of this year or early next year.

Thank you. Now, on Saipem, first of all, let me say that after the presentation of yesterday, I think that today Saipem management is taking the right steps with a very strong action in terms of cost efficiency, a refocalization, a restructure, in terms of industrial activities.
As you know, we have to wait until September to have a full vision of the business plan, and then we'll see.

I think that Saipem remain one of the first strong contractors in the sector, and covering engineering, construction and offshore/onshore. I am really confident that they can recover very quickly.

On our position, as a shareholder, you know that our target is to deconsolidate the debt, and we are working on that. I don't want to make any additional comment. Thank you.

OPERATOR: Mr. Oswald Clint, Sanford Bernstein.

OSWALD CLINT, ANALYST, SANFORD BERNSTEIN: Two questions. First one, just on the contingency that you have inbuilt into your production guidance, for this year and the next couple of years, seems to be, obviously, in excess of what's playing out. Can you just remind us what types of factors you build in there and what could - - certainly if they don't play out in the second half, it seems like there might be scope for volumes going up much higher. Would that be fair to say?
And also, secondly on Venezuela, Perla clearly, becomes a bit more material to you over the next few years. Can you just talk about ensuring payment, the gas sales, or what's the mechanism for ensuring you get paid there? Obviously, Saipem, this week, speaking about not being paid in Venezuela, so just want to know how ENI expects to get paid there for that gas. Thank you.

CLAUDIO DESCALZI: Thank you. So contingency in production. We took, at the very beginning of the year, a very high contingency. We released part of this contingency, not all, because we have still possibly geopolitical issues. It's clear that if everything continues like now with the new entry, new startups and ramp ups from 2014, we have still some good quantity of production that we are going to release by the end of the year. With some possible - - possible - - upside potential also in terms of cash and EBIT.

For Venezuela. It's true, Venezuela - - Perla is doing very well. They are in a ramp-up, and a very positive rampup in terms of production from each well. So production is doing very well.

Payment. Until now, I have to say that we don't have any outstanding payment in Venezuela. We have been repaid by all our - - the (inaudible) on the projects. We have securitization, not only a guarantee, so normally what - - or what it's worth that a payment, or they pay a cash payment or they pay through crude. I think that Perla gas is an essential step for Venezuela, because Venezuela bought gas from Colombia, and now really they have all the gas they need for the domestic project.

So I am confident, because we put in place the right mechanism. And I am confident because,
until now, Venezuela has been always punctual in payment.

OSWALD CLINT: Very clear, thank you.

OPERATOR: Mr. Adolff Thomas, Credit Suisse.

THOMAS ADOLFF, ANALYST, CREDIT SUISSE: I have three questions, I'm afraid. Just the first one on your legacy assets. Just remind us how much you've spent to maintain your base business in upstream, and presumably you haven't really cut it year on year. You stated earlier that your portfolio decline rate is actually improving. I believe your target before was about 5%, now you see 4%. Perhaps if you can talk about how you're achieving that and just some details. Just going back to Oswald's question on contingencies.

Just wanted to get a sense for how much it is. Is it 80 to 100 kbd and how much of that did you actually produce in the first half of the year?

Sticking to production, I wonder whether you can quantify the benefits from the Egyptian contract renegotiations, in terms of volume and cash uplift.

Finally, if I may, just on the disposal target over the full-year plan, you aim at EUR8 billion, which obviously doesn't factor in the potential gas retail sale or Saipem. I wonder whether, from a seller's perspective, what you're seeing on the bid to ask spread, whether that's actually narrowing and whether that's actually a function of the seller making some concessions. Thank you.

And what progress are you making on those targets? Thank you.

CLAUDIO DESCALZI: Thank you. We start from legacy assets that - - I think that you touch a very important point, because we got a lot of improvement and also satisfaction about these assets. That is part of our strategy.

When we talk about legacy assets and we talk about production optimization, we continue working on existing asset and also continue working not just from a production point of view, but also from an appraisal and aspiration point of view. So when we have an asset we don't stop looking at it just as a producer unit, but something more. That is an example in Egypt where we increased drastically all our sales. The same in Angola, the same in Congo, in Nigeria, Algeria. I think that we have so many examples where we can increase production from the existing asset. That is really our philosophy, is our culture.

About the cost; I think that investing in the existing asset is one of the secrets of our low OpEx. Now, we succeed also in the reduction of our OpEx and we reached $7.6 per barrel that I think is the best in the industry. And that's because working on these assets means that you can use
synergy with the existing facilities, infrastructures, knowledge; and you can be faster to have your production; and also, much less expensive. You ask me the secret. I tell you part of the secret; I cannot disclose all of the secret.

In terms of contingency, I already answered. I don’t want to say more than what I said. I just said that we release 50% of our contingency. We have still a huge amount of production.

I want to disclose now it's - - clearly, that is something that we hope that we can release at the end of year, when maybe we are going to release partially a 20%/25% in the third quarter and the rest at the end. But we want to be very prudent on that.

On Egypt, I ask Antonio Vella to answer to your question.

ANTONIO VELLA, CHIEF UPSTREAM OFFICER, ENI S.P.A: The contribution of the renegotiation with Egypt, year to date, is going to be 24,000 barrels.

CLAUDIO DESCALZI: So I'm going to elaborate a little bit more on the answer. I think that Egypt agreement is a crucial one, because it open up something that is new. I mean that the price is low. We are able in a very proactive and friendly way, to reopen some contracts in term of gas price and that is essential to give value to all our discoveries that we did in the past. So with a different price we can develop without any problems, and that was part of the achievement. I think that we can say that this kind of achievement of the gas can open up about 1.5 tcf/2 tcf for additional gas to be produced there. That is good for us, but is good mainly for Egypt, that is really seeking for gas. And the other point is also on the oil part. So we were able to also increase a perimeter in the contract to be able to invest more and recover the investment also at a very low price scenario.

Disposal, Massimo Mondazzi will answer on the disposal.

MASSIMO MONDAZZI, CFO, ENI S.P.A: Hi, Massimo speaking. So as far as disposal, as said, we are confirming our overall target of EUR8 billion in the four- year plan. Up to now we got EUR600 million, mainly Nigeria. We are going on disposing the Snam and Galp, and [Imi] shares, so please keep this this position, as we say, with an high level of certainty. And as far as the E&P assets, a certain number of discussion are going on and we are quite comfort about the expectation, the final expectation. This is why, as I said before, we are confirming the overall guideline.

THOMAS ADOLFF: Thank you very much.

OPERATOR: Jon Rigby, UBS.
JON RIGBY, ANALYST, UBS: I just wanted to ask a question about your CapEx and the activities around it.

CLAUDIO DESCALZI: Can you speak louder, because we hardly hear you, sorry.

JON RIGBY: Sorry, Claudio. It's not often I get asked to speak louder. Just to repeat, I wanted to ask a question about CapEx. I think about one or two years ago, maybe two years ago, you began to talk about how you were pulling in more expertise—engineering expertise back into the business of Eni; and that you wanted to take more responsibility for greater portions of the development supply chain and the development of projects themselves. So I wonder whether you could just update on that.

And then in the context of your experience in that and also what you're seeing in the contractor market, and the general cost to the industry, where you see potential for the number—the four-year CapEx number you spoke about earlier this year?

I recognize we're only a few months after that, but clearly the market is moving very quickly. So I just wonder whether you could talk about both your own self-help around CapEx spending or CapEx? And also, the market impact on your projections of six months ago. Thanks.

CLAUDIO DESCALZI: I'm going to answer the first question. Then Roberto Casula that's in charge of [environment], engineering and technology will answer to the second one. So for improvement and our moving on, on the restructuring on our engineering department, I think that we are practically at the end. We are three big hubs of engineering. We are running also the feed for the engineering and we are also participating in [detail] engineering. But essentially, we got the first big result of this change in the structure—in the constructor structure, because the first big example is the Block 15/06 the West Hub, and very, very soon the East Hub, where we run practically as main contractor with different packages.

And that create the condition, not only to respect the budgets, but also to develop a deeper shore—a ultradeeper shore field developed in less than four years starting from the sanction of the project.

The second example is Congo. That we put in production and we run practically directly all the different phase in 11 months after the discovery. We are going to continue to work like that. So really we are putting our people on the driving seat as main contractor and most of our project are run like that.
Also, we see in the first half of this year, 11 projects to start up. So it means that on a timely manner that is an impact of the last three years of refocusing and the restructuring our development sector. So, Roberto can answer on the cost and CapEx.

ROBERTO CASULA, CHIEF DEVELOPMENT, OPERATIONS & TECHNOLOGY OFFICER, ENI S.P.A: Yes, thank you, Claudio. Well, the answer is yes, we do see a reaction in the supply chain. As you probably remember we started an intense renegotiation activity of many contracts. Actually the basket is the 1,400 contracts. The main savings are, in particular, in the area of the rigs - offshore premier rigs with operating rates which are 30%/35% lower; also, for the logistic services associated to it. This clearly has been captured in our plan. So we can say that the value we have given you on the occasion of the leadership meeting is certainly confirm and is already applied into our 2015 investment. I remember you that is - for the overall plan is in the range of $1 billion. This activity has been combined also with retendering activity, which gave us outstanding result, for instance, on the occasion of the development of Ghana oil and gas project.

So overall, the answer is yes, in particular, as I said, for the drilling activities.

JON RIGBY: Thank you very much.

OPERATOR: Irene Himona, Societe Generale.

IRENE HIMONA, ANALYST, SOCIETE GENERALE: I have two questions. Firstly on the downstream, if you can give us a sense of the cost reductions resulting from your restructuring, or alternatively the benefit to EBIT, excluding the higher industry refining margin. That will be very helpful.

Secondly, on Mozambique, and apologies if you referred to it already, my question was in light of the cost deflation going on, on the contractor side, are you prepared to perhaps delay FID to see where, ultimately, costs will settle? Thank you.

CLAUDIO DESCALZI: Thank you. Massimo is going to answer the first question and Roberto the second one.

MASSIMO MONDAZZI: Irene, Massimo. So just to give you an idea about the cost saving and the better performance in the second half of 2015 versus second- half 2014 refining. The improvement is in the range of EUR200 million. Out of which half is related to the scenario, so the better refining margin. The remaining half is related to, from one side, the health plan in our Sannazzaro refinery, that now is working and giving a significant benefit to the overall EBITA; and the effect of the overall synergies and cost intervention we have made starting from May 2014.
CLAUDIO DESCALZI: Roberto?

ROBERTO CASULA: About Mozambique, our plans are going ahead very well. So there are no changes in terms of plans for FID. Actually, in terms of costs you know that we are running, at the moment, all the major EPC contract tenders. In both cases, I mean onshore and offshore, we have a very good level of competition with three major consortia running in both cases.

So in this area costs through the competition we are quite confident that we will be able to reach the level of costs that allow us to sanction the project. In terms of size of the project, clearly we are talking firstly about Coral. After the summer the plan is to sanction the project. And the good news just received is the approval of the environmental impact assessment. So that means that also the Mozambique authorities are really proactive towards sanctioning of this project. And for Mamba, we already declared we are targeting 2016 for the FID of the onshore development.

UNIDENTIFIED COMPANY REPRESENTATIVE: May be in terms of cost item

CLAUDIO DESCALZI: Commercial.

ROBERTO CASULA: Commercial price, sorry?

UMBERTO VERGINE, CHIEF MIDSTREAM GAS & POWER OFFICER, ENI S.P.A: Regarding the offtake of LNG - - of the floating LNG of Coral, we are in advanced discussion with a professional buyer. We are confident that Coral FID can be reached according to the schedule. Practically a key term agreement for the uptake has been finalized. And this agreement is now the basis for the ongoing negotiation for a binding sales and purchase agreement.

IRENE HIMONA: Thank you very much.

OPERATOR: Dario Michi, Banca Akros.

DARIO MICHI, ANALYST, BANCA AKROS: The first one is a follow-up on the disposals you announced in the business plan. I was wondering if you could confirm the EUR3 billion target for 2015. And, could you please detail the still-missing EUR2.4 billion to reach the announced target?

The second one is on Iran. If you could please tell us your view on the country, the role Eni may have in the future. And according to your perception which is the role the country is going to play in the world oil production in the coming years. Thank you.
MASSIMO MONDAZZI: So in terms of disposals, yes, I confirm that the plan we announced is a front-end loaded plan. So the majority is expected by 2015/2016. I wouldn't announce specific numbers. But as far as 2015 and 2016, you know negotiations are ongoing, and I cannot anticipate if what is under negotiation would be finally closed by the end of 2015, or beginning of 2016. So please, take the overall guidance with some flexibility.

CLAUDIO DESCALZI: So, Iran. As already mentioned before, Iran, we believe that is a very important country in the oil and gas sector, and potentially can play a strong role. I said potentially because, as I say before, they need - - as I said, they need to invest maybe $100 billion more to recover a very strong production. And so it's a question of, as I said, conditions - - contractual conditions, and rapidity in setting up new projects, and we are trying to understand the timeframe. I think that, in many cases, if you look at what is happening now that the industry is cutting 30% of the investment, and we are still in very low scenario. But in a couple of year or three years these cuts will impact the imbalance between demand and supply.

Also, because of very low energy now, demand is growing; gradually, but it's growing. So I think that, in the future, we'll need the Iranian production.

Now, we have got to understand that it is a potentiality, but we don't know now exactly how much they can increase production.

OPERATOR: Martijn Rats, Morgan Stanley.

MARTIJN RATS, ANALYST, MORGAN STANLEY: Two small issues I just wanted to ask you about. With regards to Egypt, could you give any sort of idea about what type of gas price you're now getting for domestic? I know it's improved, but to what level? And also, perhaps a quick word on Kashagan. Not a project that we're talking much about lately, but I assume some of the pipe laying is probably ongoing by now. Still confident in that late 2016 restart?

CLAUDIO DESCALZI: Okay. So Egypt, I cannot disclose the gas price. I just can't give you that. The gas price is not just one gas price, because we have different projects and different kinds of costs of projects. We have deeper shore; we have shallow water; we have onshore. So each project, we discussed and agreed a gas price that makes these projects [economic]. So there is an improvement; an improvement that can give an asset an internal rate of return. Then, as I told you before, can free up about 2 tcf of gas, and that is a huge quantity that Egypt needs.

For Kashagan, I'll leave the floor to Antonio Vella, that can answer.

ANTONIO VELLA: On May 15, one month ahead of schedule, Saipem started the offshore pipe laying activity and progressing quite - - very well until now. The welding on the offshore section, it
also started in May, and we are also here ahead a month. But you know that the expectation is fourth quarter 2016 pipeline ready for [transfer]. Thank you. MARTIJN RATS: Okay. Sounds good, thank you.

OPERATOR: Alastair Syme, Citi.

ALASTAIR SYME, ANALYST, CITI: Two questions, one about the mid- downstream cash flow you show on slide 5. I think you're showing about EUR3 billion in contribution through the first half. If you look at the financial statement, there's about EUR400 million of net income and EUR400 million of depreciation. So how - - what's the balancing item in that cash flow? And secondly, just on your statement on CapEx, I'm getting slightly confused about the reduction in CapEx about what the reference point was. Was that last year first half of 2014, or what's the budget plan? Thank you.

MASSIMO MONDAZZI: Okay. As far as the [2.4] - - the EUR3 billion increase in cash flow, I would say the majority of this comes from the midstream gas and power. That is, I would say, increasing in the level of return from the gas sales, either in the midstream and retail. Then, we are benefiting from, as far as the refining and marketing, the turnaround in the refineries. So we are stopping the refineries losing money.

We are increasing, also thanks to the scenario, the cash produced from the existing facilities.

On top of that, as I just remembered, the [S] plan increased significantly the level of cash produced by the refinery system.

ALASTAIR SYME: Sorry, my question was more about the balancing item on operating cash flow though, because if you take the statement income plus depreciation, you're only getting to around about EUR1 billion, versus the EUR3 billion you show on the chart.

MASSIMO MONDAZZI: Yes, okay. So if we target the - - say, the working capital contribution, if I well understood, definitely, and the recovery of (inaudible) pay in gas. That is, in the first semester, concentrated in the second quarter, is a significant part of that.

And then, we are cashing in - - in the second quarter, we are cashing in the sales of gas made by the retail system. Retail concentrated the amount of gas sold end of, say, the previous year, beginning of the incoming year. In the second quarter, we are cashing in a significant part of these sales.

And then, we are cashing in the increase of products in refinery. You remember that, in the first quarter, we said that we increased the level of stocks in refinery, because of the high level of
margin. So now we are cashing in what has been additionally produced in the first quarter. And this cash in is in the second quarter.

UNIDENTIFIED SPEAKER: [So for - - ]

MASSIMO MONDAZZI: And as far as the CapEx change semester over semester, if we take the exchange rate effect out of the comparison, so like for like; and we exclude, I would say, what has been paid to sign the Egyptian agreement, that is not a cash - - an overall cash item, because we compensated this cash with existing credit we have in country. The decrease is 10%.

CLAUDIO DESCALZI: And 14% year on year.

MASSIMO MONDAZZI: And definitely 14% is a confirmation of the existing guidance for the full year.

CLAUDIO DESCALZI: So with respect to the last year, with respect to 2014 against 2015, 10% half, and 14% full year; that is the summer.

ALASTAIR SYME: Brilliant. Thank you very much for that clarification.

OPERATOR: Massimo Bonisoli, Equita.

MASSIMO BONISOLI, ANALYST, EQUITA SIM: Two clarifications. One is regarding Nigeria. You already made divestments there. Could you elaborate on the strategy for the remaining assets in that country, following some speculation on the press regarding further divestment, and, clearly, the strategy there?

And the second clarification is back on refining and marketing. You mentioned before the improvement from but the operating income was lower quarter on quarter, despite the higher refining margins, maybe as a result of production stoppages.

Could you just elaborate on the underlying profitability, at second quarter, refining business? Thank you.

CLAUDIO DESCALZI: Okay, thank you for the questions. First of all, I answer on Nigeria, and Massimo is going to answer on R&M.

On Nigeria, it’s clear we don’t elaborate or we don’t comment on press speculations. What I can say is that we are focusing on the offshore, so we are developing the offshore - - Nigeria offshore, where we found a lot of - - we have resources.
On the onshore, what happened in the last three/four years, we are selling, we are disposing assets with Shell, and that is what is happening. So we are disposing assets where we are not operator. That's what I can say at the moment. On R&M?

MASSIMO MONDAZZI: On the refinery, yes, you are right. The result in the second quarter has been lower than in the first one. The reason here is some maintenance we had in Milazzo, a significant maintenance in Milazzo, and some maintenance in Sannazzaro. So, if you take this maintenance result out of the result and take into consideration that, you remember, we put in place some hedge on the refining margin that will be over in August with the attempt to anticipate the breakeven of our refinery. If you take all these actions out, the break-even is the real result of our refinery in the second quarter.

MASSIMO BONISOLI: Okay, thank you.

OPERATOR: Neill Morton, Investec Bank plc.

NEILL MORTON, ANALYST, INVESTEC BANK PLC: Two questions please. Firstly, just going back to Alastair Syme’s question, I still get confused on the CapEx. Perhaps just give us what the dollar CapEx number is going to be for 2015 please? I assume most of that CapEx is in dollars.

Maybe just secondly, just from a strategic perspective, I’m a little bit uncertain as to what Eni’s view is with regards to North America shale. Do you want to increase your exposure in the medium term or not? Thank you.

CLAUDIO DESCALZI: Talking about CapEx (inaudible).

MASSIMO MONDAZZI: Sure. Projecting CapEx, when we refer to the 14% reduction, the exchange rate implied in our assumption is $1.12. So that is significantly lower than the average we got in 2014. That’s the reason why I mention the exchange rate you have to take out in order to make a comparison like for like.

CLAUDIO DESCALZI: So for the question about shale oil and North America, first of all, I have to say, that I like North America and also shale oil. But, at the moment, we have other priorities. So our priority is to continue our restructuring. So we want to - - really, to finalize all the points, all the targets we had in terms of projects, in terms of production growth and we are there. In terms of cash neutrality, in terms of a payout where we have a very strong target, and we want also to give value to all the exploration we made. So we have some - - and as we said, we want to continue to keep the good and positive level, R&M, chemicals and gas and power. That are our priorities in the next months and we want to fulfill this.
Then we think about the future, but I think that our future, at the moment, are these priorities.

NEILL MORTON: That's very clear. Thank you.

OPERATOR: Biraj Borkhataria, RBC.

BIRAJ BORKHATARIA, ANALYST, RBC: It was just on exploration. Obviously, a very successful H1, but I was wondering if you would expand a little bit on your exploration activities for the second half of the year and any color on wells to watch? Thanks.

CLAUDIO DESCALZI: Luca Bertelli will answer to this question.

LUCA BERTELLI, CHIEF EXPLORATION OFFICER, ENI S.P.A: The second part of the year we will be mainly active in Congo, Gabon, Angola and Egypt. These are the main activities where we expect results coming in, in the second half.

BIRAJ BORKHATARIA: Thanks.

OPERATOR: Rob West, Redburn.

ROB WEST, ANALYST, REDBURN PARTNERS: This morning's release says retail sales in Italy are expected to be a slight decline compared to 2014. Last quarter I think the wording was that they would remain relatively stable.

I was wondering, can you disaggregate the change for us there? Is that an indication that there's really not any demand elasticity coming through for the driving of the demand of the product in Italy? Or is another part of it, just any specific effect connected with comments about market share last quarter? That was my first question.

And then just secondly, maybe a quick rundown will be quite useful, just 3Q, the big fields in Libya, so Wafa, Mellitah, El Bouri, just, how is the integrity at those holding up and can you give us some reassurance there? That would be great. Thanks.

CLAUDIO DESCALZI: Okay, thank you for your question. Regarding the sales in the oil sector within sector, you're right, we experienced some reduction in sales. This is due to the fact that during this period there has been an increase in refinery [runs] in the country. Therefore, there is a higher competition for the product. So, in the end what we had is a lower sales in retail, but increase in market share in the wholesale protecting our margins in the refinery.
ROB WEST: As a follow-up on that, am I right in thinking that your wholesale refining margins are generally higher dollar per barrel than your retail margin. It seems to vary company by company. I don't know if there's any breakdown rule of thumb you can give around typical marketing margins. It's not something we can break out from your disclosure. Sorry for the follow-up, but that would be useful.

CLAUDIO DESCALZI: Well, I'm sorry, we don't break out the results on the marketing side. Nonetheless, let me say that after years of a slump, of reduction in consumption in Italy, in 2015, we are actually seeing steady and flat consumption. So we can see the (inaudible) in demand is actually reflecting the lower quotations in the market.

ROB WEST: Okay, thanks.

CLAUDIO DESCALZI: Thank you. Okay, now an easier question, Libya. So, so far so good; we can say that we are steady in terms of production. We're not just watching our production. In this period with NOC, with MOG, so the two linear companies, we are protecting all our activities. What about the future? I think that recently, in the last two weeks at the international level, has been put in place a big effort and Libya, after one month of negotiations, reached the first agreement, so has been signed. However, I hope that also other parties can join these agreements and that I see as a positive point, a willingness to find a solution to this conflict. In our position, just to give you a perspective about how we can keep our production on is that, first of all, we are in a western part of the country, and we are in the north and in the south. But most of our production is coming from offshore.

Our bulk - - a substantial part of our production is feeding the Libyan power plants, so it's really feeding all the country and give power and electricity to all the country. That is one of the main reasons why all the main onshore installations are on. So in this area, we experienced until now, that it [was] a peaceful, we can say, environment. And I think that - - I have to say the State company, NOC, is very proactive in maintaining the installation, controlling their production and really doing very well.

So I really hope that we can continue as we did in the last 1.5 years and we can continue with a steady production. That will help us to release finally, at the end of the year, the remaining contingencies. Thank you.

ROB WEST: Thank you.

OPERATOR: Hamish Clegg, Bank of America.
HAMISH CLEGG, ANALYST, BOFA MERRILL LYNCH: The three questions I had for you were, first of all, on your volume guidance, which is great to have a beat and raise. It implies that the second half, however, will be potentially a little bit lower than what we've seen so far in the first half, or at least the average in Q2.

You've mentioned contingency a lot. Is there anything, bar contingency, there that is planned downtime, because it strikes me that your numbers - - your guidance is maybe a little bit low? And could you quantify the PSC impact in raising your guidance and how that's made a difference?

The second question, I appreciate the sensitivity around Saipem. You did mention that it was in your plan to deconsolidate. Could you confirm if - - or at least give us an idea if you expect there to be a debt refinancing at Saipem, as part of their restructuring plan? And then just finally on Coral LNG, I know Irene asked about it already, but the bids must be sitting on your desk. Does this accelerate your ability to negotiate with the buyers? And can we expect to hear something in the third quarter on that?

CLAUDIO DESCALZI: Okay, the first point is I think you remark that in our new guidance, we say above or over 7%. So we increase our guidance and we increase, but we don't say it's 7%; it's above 7%.

We have, in the second half, some maintenance. But as I said all along the Q&A session, we have a contingency. So obviously, if we increase the guidance, we are keeping a conservative or a prudent view on that. So that is the reason about your calculation of a lower production in the second half, in the second period. For Saipem, as I said before, I think we are falling in Saipem. We have a clear objective that we declared to the market. We don't talk about financing or other stuff. It's not at the moment now. It's something that is also related to the listed company and is also related to them to talk about that, because we are talking about the consolidated debt. But it's their debt, so it's something that is related to Saipem. So I don't want to make any comment on that.

On Coral, from a commercial point of view, I ask Umberto Vergine to elaborate a little bit more on that.

UMBERTO VERGINE: As I said before, we are now in an advanced stage of negotiation for the binding sales and purchase agreement. Our target is to complete this activity by the third quarter. But, of course, the final outcome will depend on the ability to quickly progress on this negotiations with the contract part.
HAMISH CLEGG: Very good, thank you so much.

CLAUDIO DESCALZI: Okay, thank you.

OPERATOR: Ladies and gentlemen, the conference is over. Thank you for calling Eni.

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