2016-2019 Strategy Presentation

Succeeding in the downturn and fuelling long-term growth

London, 18 March 2016
Strategy execution is well advanced

**STRATEGIC PILLARS**

- **Transformation**
  - into a fully integrated O&G

- **Profitable growth**

- **Restructuring**
  - mid-downstream

**COST EFFICIENCY**

- **Take-or-pay renegotiations**
- **Reduced refining capacity**
- **Dividend rebased**
- **Capex -17% Opex -13% (vs 2014)**
- **Saipem deconsolidation**
- **Zohr FID**
- **Galp and Snam disposals**
- **Goliat start-up**

**MILESTONES**

- **2014**
  - New organisation
  - G&A savings
  - Reduced refining capacity
  - Dividend rebased

- **2015**
  - Refining and Chemicals back to breakeven
  - Upstream growth +10%
  - Zohr discovery

- **2016**
  - Reduced refining capacity
  - Saipem deconsolidation
  - Zohr FID
  - Galp and Snam disposals
  - Goliat start-up

**Unlock value and enhance financial solidity**
Managing the trade-offs of a longer downturn

Oil price and cost variations

-24% UCCI

-70% Brent

Brent price | $/bbl

old scenario

new scenario

Short-term Cash Balance

Growth Long-term
A unique portfolio for a balanced strategy

- New discoveries enhance portfolio optionality
- Simplified and phased execution of conventional projects
- Dual exploration model and transformation
- Efficient operating model and optimized supply chain

New projects’ cost structure | $/boe

-30%

Full life cost of new projects portfolio

Short-term Cash Balance Growth Long-term
Safety and carbon footprint – our top priorities

**Total Recordable Injury Rate**

- **2013/2015 -52%**

<table>
<thead>
<tr>
<th>Year</th>
<th>eni</th>
<th>peers average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1.2</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>0.8</td>
<td></td>
</tr>
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</table>

**GHG emissions | TCO₂ eq/toe**

- **GHG reduction 2025 vs 2014: -43%**

- **-2%/y**
- **-3.5%/y**
- **-4%/y**

Total Recordable Injury Rate = n. of TRI/mln of worked hours
Excluding Saipem
Eni’s 4YP targets

**Efficient and valuable growth**
- 2015-19 production CAGR >+3%
- Upstream Capex –18% vs previous plan
- Exploration resources 1.6 bln boe @ $2.3/boe

**Restructuring**
- G&P in structural breakeven from 2017
- Refining breakeven at $3/bbl margin
- Cumulative G&A savings of €2.5 bln through 2019

**Transformation**
- Non core business disposals
- Dual exploration model
- New 4YP disposal target €7 bln

**CFFO coverage of capex 2016 @ $50**
**CFFO coverage of capex and dividend from 2017@ $60**
Eni’s unique exploration track record

**Cumulative discovered resources** | bln boe

- **Yearly additions**
- **Cumulative**

<table>
<thead>
<tr>
<th>Year</th>
<th>Yearly Additions</th>
<th>Cumulative</th>
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<tbody>
<tr>
<td>2008</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>2009</td>
<td>10.5</td>
<td>11.9</td>
</tr>
<tr>
<td>2010</td>
<td>10.5</td>
<td>22.4</td>
</tr>
<tr>
<td>2011</td>
<td>10.5</td>
<td>32.9</td>
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<tr>
<td>2012</td>
<td>10.5</td>
<td>43.4</td>
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<tr>
<td>2013</td>
<td>10.5</td>
<td>53.9</td>
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<tr>
<td>2014</td>
<td>10.5</td>
<td>64.4</td>
</tr>
<tr>
<td>2015</td>
<td>10.5</td>
<td>74.9</td>
</tr>
</tbody>
</table>

**Discoveries vs production 2008-15** | bln boe

- **Discoveries 2008-15**
- **Discoveries / production ratio**

<table>
<thead>
<tr>
<th>Year</th>
<th>Discoveries</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2.4</td>
<td></td>
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<tr>
<td>2009</td>
<td>0.4</td>
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<td>2010</td>
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<tr>
<td>2011</td>
<td>0.4</td>
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</tr>
<tr>
<td>2012</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>1.0</td>
<td></td>
</tr>
</tbody>
</table>

*peers = BP, CVX, RDS, REP, TOT, XOM

peers* average: 0.3x
Exploration
Focus on near-term and low-cost options

Near field and incremental exploration

Short Time to Market

Deep Water focused on material opportunities

4YP target | 1.6 bln boe at $2.3/boe (UEC)
Main start-ups in the 4YP

<table>
<thead>
<tr>
<th>Project</th>
<th>Country</th>
<th>Operator</th>
<th>Start Up</th>
<th>Plateau eq. kboed</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOLIAT</td>
<td>Norway</td>
<td>eni</td>
<td>achieved</td>
<td>65</td>
</tr>
<tr>
<td>KASHAGAN</td>
<td>Kazakhstan</td>
<td>eni</td>
<td>2H 16</td>
<td>65</td>
</tr>
<tr>
<td>JANGKRIK</td>
<td>Indonesia</td>
<td></td>
<td>1H 17</td>
<td>40</td>
</tr>
<tr>
<td>MARINE XII</td>
<td>Congo</td>
<td>eni</td>
<td>ongoing</td>
<td>150</td>
</tr>
<tr>
<td>OCTP</td>
<td>Ghana</td>
<td>eni</td>
<td>2H 17</td>
<td>40</td>
</tr>
<tr>
<td>15/06 East hub</td>
<td>Angola</td>
<td></td>
<td>2H 17</td>
<td>45</td>
</tr>
<tr>
<td>ZOHR</td>
<td>Egypt</td>
<td>eni</td>
<td>2H 17</td>
<td>&gt;400</td>
</tr>
</tbody>
</table>
Focus on Zohr

- **Project scheme**
  - Water depth: 1,500 m

- **Highlights**
  - FID in Feb 2016 (6 months after discovery)
  - Start-up from Q4 2017
  - Carbonate reservoir in 1500m water depth
  - 30 Tcf (850 bln m³) OGIP
  - Working interest: 100% eni
  - Plateau 2.7 bcf/d or 500 kboed (eq peak >400 kboed)
  - 20 wells and pipelines to on-shore processing plants
  - Capex < €12 bln (100% W.I.)
  - Sales to local market
Production growth

Oil & gas production | Mboe/d

CAGR 2015-19 >3%

- Goliat
- Mpungi (W.Hub)
- Kashagan
- Meleia deep
- Hapy
- Heidelberg
- Jangkrik East hub
- CAFC oil
- OCTP oil
- Zohr
- OCTP gas
- WLGP debott.
- Bahr Ess. ph2
- Ochigufu (W.Hub)
- CAFC boost
- Loango
- Asfour
- Vandumbu (W.Hub)
- MLE
- one off

Start-ups / Ramp-ups ~ 800 kboed by 2019
Speeding up alignment between cost and prices

-60% -50% -40% -30% -20% -10% -0%

2015 vs 2014

2016 vs 2015

Drillship (DW/UDW)
Jack-up rig
Land rig
Upstream logistic
drilling
ancillary services
EPC onshore
Offshore installation vessels
Line pipe
Umbilicals
SPS

Total cost savings of €3.5 bln in the 4YP

from 2014 to 2017

Total rig fleet reduction
from 109 to 73
(-33%)

Avg daily rigs
rate reduction from $9.2
mln/d to $4.5 mln/d
(-51%)

Renegotiation of
1600 service contracts

2016
Increasing flexibility in our capex plan

**Upstream | € bln**

- 45
- 37*
- 4YP 2015-18 exploration
- 4YP 2016-19 development

**Group**

- 90% upstream
- 10% mid-downstream

**Group Capex net of disposal €37 bln**

*Gross capex before disposals 2015-18 capex plan restated at 2016-2019 FX rates*
A valuable portfolio of new upstream projects

New projects breakeven | $/boe

New projects 2P res | Bep $/boe

Enhancing project profitability

Excluding Kashagan
Completing the turnaround in g&p

- Reduce Legacy Costs
- Supply Contracts renegotiations
- Operation & Logistic
- Retail Systems

Average adj. EBIT | bln €

<table>
<thead>
<tr>
<th>Year</th>
<th>Adj. EBIT</th>
<th>Integrated Sales Channels</th>
<th>LNG portfolio</th>
<th>Retail customer base</th>
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<tr>
<td>2015</td>
<td>-0.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016-17</td>
<td>0.2</td>
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</tr>
<tr>
<td>2018-19</td>
<td>0.8</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CFFO of €2.8 bln in 2016-2019
EBIT positive in 2016
Increasing downstream resilience to scenario

Key pillars

- Full conversion of the barrel to light products (EST Technology)
- 2 green refineries with a capacity of 1160 Kton in 2019
- Fixed cost reduction and logistics rationalization

Portfolio refocusing is completed

CFFO ~ €2.9 bln in 2016-2019

(1) SERM at which the EBIT adj of refineries is at breakeven
Efficiency in operations

peers = BP, CVX, RDS, REP, TOT*, XOM

*no data available for 2015 F&D Costs
Additional flexibility from portfolio management

90% of previous 4YP target achieved in 2015

Pre tax value
Cash flow – 4YP balance

Large flexibility even in a lower-for-longer scenario
Competitive distribution policy progressive with underlying earnings growth and scenario

Floor dividend cash sustainability

Cash neutrality

• $50/bbl including disposals in 2016
• $60/bbl organic from 2017
• <$60/bbl organic 2018-19

Additional financial flexibility

2016 Dividend €0.8/share (fully cash)
Conclusions

- Upstream and downstream resilience
- Large portfolio optionality
- Profitable growth

Succeeding in the downturn and capturing long-term value
appendix
### Assumptions and sensitivity

<table>
<thead>
<tr>
<th>4YP Scenario</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
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<tbody>
<tr>
<td><strong>Brent dated ($/bl)</strong></td>
<td>40</td>
<td>50</td>
<td>60</td>
<td>65</td>
</tr>
<tr>
<td><strong>FX avg (€/$)</strong></td>
<td>1.06</td>
<td>1.10</td>
<td>1.15</td>
<td>1.15</td>
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<tr>
<td><strong>Std. Eni Refining Margin ($/bl)</strong></td>
<td>6.0</td>
<td>5.5</td>
<td>5.0</td>
<td>4.5</td>
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<tr>
<td><strong>Henry Hub ($/mmbtu)</strong></td>
<td>2.3</td>
<td>2.6</td>
<td>3.2</td>
<td>3.7</td>
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<tr>
<td><strong>NBP ($/mmbtu)</strong></td>
<td>4.9</td>
<td>5.3</td>
<td>5.5</td>
<td>5.8</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>4YP sensitivity*</th>
<th>Ebit adj (bln €)</th>
<th>Net adj (bln €)</th>
<th>FCF (bln €)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brent (-1$/bl)</strong></td>
<td>-0.3</td>
<td>-0.2</td>
<td>-0.2</td>
</tr>
<tr>
<td><strong>Std. Eni Refining Margin (+1$/bl)</strong></td>
<td>+0.2</td>
<td>+0.1</td>
<td>+0.1</td>
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<tr>
<td><strong>Exchange rate €/$ (+0.05 $/euro)</strong></td>
<td>-0.2</td>
<td>-0.1</td>
<td>-0.02</td>
</tr>
</tbody>
</table>

*average sensitivity in the 4YP. Sensitivity is applicable for limited variations of prices
## Key start-ups

<table>
<thead>
<tr>
<th>project</th>
<th>country</th>
<th>op</th>
<th>start up</th>
<th>Equity (kboed) peak in 4 YP</th>
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</thead>
<tbody>
<tr>
<td>Goliat</td>
<td>Norway</td>
<td>yes</td>
<td>Achieved</td>
<td>65</td>
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<tr>
<td>Nidoco NW</td>
<td>Egypt</td>
<td>yes</td>
<td>Achieved</td>
<td>30</td>
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<td>Heidelberg</td>
<td>USA</td>
<td>no</td>
<td>Achieved</td>
<td>&lt;10</td>
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<tr>
<td>West Hub (Mpungi, Ochigufu, Vandumbu)</td>
<td>Angola</td>
<td>yes</td>
<td>Achieved/2H18/1H19</td>
<td>25</td>
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<tr>
<td>Melelia Deep</td>
<td>Egypt</td>
<td>yes</td>
<td>1H16</td>
<td>&lt;10</td>
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<td>Mafumeira Sul</td>
<td>Angola</td>
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<td>2H16</td>
<td>9,6</td>
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<td>Kashagan EP</td>
<td>Kazakhstan</td>
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<td>2H16</td>
<td>65</td>
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<td>Nenè phase 2A</td>
<td>Congo</td>
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<td>2H16</td>
<td>15</td>
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<td>Happy Subsea</td>
<td>Egypt</td>
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<td>2H16</td>
<td>&lt;10</td>
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<td>CAFC Oil &amp; MLE</td>
<td>Algeria</td>
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<td>1H17 / 2019</td>
<td>30</td>
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<td>Jangkrik</td>
<td>Indonesia</td>
<td>yes</td>
<td>1H17</td>
<td>40</td>
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<td>Block 15-16 East Hub</td>
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<td>2H17</td>
<td>20</td>
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<td>OCTP</td>
<td>Ghana</td>
<td>yes</td>
<td>2H17/1H18</td>
<td>40</td>
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<td>Zohr</td>
<td>Egypt</td>
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<td>2H17</td>
<td>200</td>
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<tr>
<td>Bahr Essalam Ph2</td>
<td>Libya</td>
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<td>1H18</td>
<td>70</td>
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<tr>
<td>Western Libya Gas Project (Debott.)</td>
<td>Libya</td>
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<td>15</td>
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<td>North Port Said Stranded Gas</td>
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<td>2H18</td>
<td>20</td>
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<td>Loango (Further dev.)</td>
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<td>2019</td>
<td>&lt;10</td>
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<tr>
<td>Asfour</td>
<td>Egypt</td>
<td>yes</td>
<td>2019</td>
<td>&lt;10</td>
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