2016 results and 2017-2020 strategy

A year of records
Our path to long term value
Highlights 2016: a year of records

**UPSTREAM**
- Exit rate at 1.86 Mboe/d
- Exp: 1.1 Bboe @ UEC $0.6/boe
- Organic RRR: 193%
- Zohr 40% disposal
- 2017 startups ahead of schedule

**MID-DOWNSTREAM**
- FCF: €2.3 bln
- EBIT adj. R&M+Chem €0.6 bln
- G&P set to breakeven in 2017

**EFFICIENCY**
- € 3 bln saving (vs 2015):
  - Capex: - € 2.2 bln (-19%)
  - Opex: $ 6.2 /boe (-14%)
  - G&A: -€ 150 mln

**FINANCIALS**
- CFFO: € 8.3 bln
- CFFO = CAPEX @ $46 /bbl
- Leverage 24%*

* proforma including 40% of Zohr disposal

BEATING TARGETS AND FUELLING GROWTH
HSE OUR TOP PRIORITY
Exploration successes fuelling future production

Cumulative discovered resources 2014-2016 | bln boe

2016
3.4
25%
50%
P2/P3 + contingent
Short cycles assets

2015
2.1
25%
70%
Disposed/ under disposal
Long life production assets

2014
1.8
25%
0%
FID/ Under FID in 4YP

AVG 2014-2016 UEC < $1 /BOE

2016 RRR | %

193*

Peers

35

Avg 2014-16

150%

55%

Peers: Total, Chevron, Statoil, BP, Shell, Conoco Philips, Exxon

*139%, considering 40% of Zohr disposal
2017 start ups ahead of schedule

**East Hub – Angola**

- **IN PRODUCTION**
- **8th February 2017**
- **Execution Time 39 months**
- **FID**
- **100% Start-up**

**Project details**

- Eni working interest: 37%
- Hydrocarbon: oil
- Gross Volumes in place Block 15/06 (West + East) > 1.2 bln boe
- Peak production Bl 15/06 (West + East) 100%: 150 kboe/d

**OCTP – Ghana**

- **Execution Time 30 months**
- **FID**
- **85% Start-up June 2017**

**Project details**

- Eni working interest: 44%
- Hydrocarbon: oil & gas
- Gross Volumes in place: 750 mln boe
- Peak production 100%: 85 kboe/d

**JANGKRIK - Indonesia**

- **Execution Time 42 months**
- **FID**
- **95% Start-up June 2017**

**Project details**

- Eni working interest: 55%
- Hydrocarbon: gas
- Gross Volumes in place: 470 mln boe
- Peak production 100%: 80 kboe/d
Zohr: countdown to first gas

- **Aug. 2015**: Discovery
- **Feb. 2016**: FID
- **Feb. 2017**: Future Gas

**Exploration & development**
- Zohr 1
- Zohr 2
- Zohr 3
- Zohr 4
- Zohr 5
- Zohr 6
- Zohr 7

**Reservoir studies**
- Engineering & Proc.
- Long Lead Items
- Onshore

**Construction & Installation**
- Site preparation
- Start piling
- Start sealine laying
- Progress 50%

**Dates**
- **Feb. 2016 – Site preparation**
- **Feb. 2017 – Onshore Plant**
- **Feb. 2017 – Platform**

**Timeline**
- 2.3 years from discovery

**December 2017**
Strong cash generation from mid-downstream

EBIT adj | € mln

<table>
<thead>
<tr>
<th>2015</th>
<th>2016</th>
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<tr>
<td>569</td>
<td>193</td>
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Mid-downstream

CFFO | € bln

<table>
<thead>
<tr>
<th>2015</th>
<th>2016</th>
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<tbody>
<tr>
<td>3.1</td>
<td>3.0</td>
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ALL BUSINESSES FREE CASH FLOW POSITIVE
Relentless focus on cost efficiency

**Group Capex** | € bln

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Change</th>
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<td>2015</td>
<td>11.5</td>
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<tr>
<td>2016</td>
<td>9.3</td>
<td>-19%</td>
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**Opex** | $/boe

<table>
<thead>
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<th>Year</th>
<th>Value</th>
<th>Change</th>
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<tr>
<td>2015</td>
<td>7.2</td>
<td>-14%</td>
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<tr>
<td>2016</td>
<td>6.2</td>
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**G&A** | € Mln

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Change</th>
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<tbody>
<tr>
<td>2015</td>
<td>1445</td>
<td>-10%</td>
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<tr>
<td>2016</td>
<td>1296</td>
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</table>

**OVERALL COST OPTIMISATION 2016 vs 2015 € 3 BLN**

* Including JV financing
Best-in-class for financial discipline

Net debt | € bln

YE 2015 pro-forma Saipem

| 11.7 |

Net Cash Flow

1.0

YE 2016 pro-forma Zohr

| 13.0 |

Disposals pre tax (incl Zohr)

2.6

Dividends

2.9

2016 Leverage vs 2013

2016 Leverage [%]

Ye 2015 pro-forma Saipem

22%

Ye 2016 pro-forma Zohr

24%

2016 Leverage and change vs 2013

Change since 2013 (% points)

0 5 10 15 20 25 30 35 40 45

20 30 40 50 60 70

Peers: Total, Chevron, Statoil, BP, Shell, Conoco Philips, Exxon

Peers adopting scrip dividend

Eni

24
An outstanding result in 2016

CFFO = CAPEX
$ 46 /bbl

vs targets $ 50 /bbl

SLASHING CASH NEUTRALITY SINCE 2013

2016 Cash balance | € bln

CFFO*: 8.3
Capex*: 8.7

* pro-forma, considering the sale of 40% of Zohr and Val d’Agri effect
Exploration and long term organic growth are the engine of our strategy

Resources
- High impact and conventional exploration
- Long term organic growth
- Integrated with E&P assets and close to final market

Operations
- High level of operatorship
- Design to cost
- Fast track

Value
- Upstream and G&P integration
- Enhancement in the downstream
- Active portfolio management

BUILDING A HIGH MARGIN PORTFOLIO
Best positioned to capture upside

**Upstream**
- Production growth CAGR 3%
- Exploration resources 2-3 bln boe

**Mid downstream**
- G&P breakeven in 2017
- Refining breakeven at $3/bbl margin in 2018

**Efficiency**
- Capex vs previous plan: -8%
- New projects BEP around $30/bbl

**Financials**
- New 4YP disposal target ~€ 5-7 bln
- 4YP CFFO € 47 bln

Free cash flow

4YP avg capex cash neutrality* $ < 45 /bbl

2016 Avg. 2017-2020

Brent $/Bl

43.7 2016

70 2020

*CFFO capex coverage
A rich set of exploration opportunities

2-3 BLN BOE EQUITY RESOURCES

Gas – 55%
Oil – 45%
A large portfolio for the long term

**New EXPLORATION successes...**

- Bouri ph2
- Nyonie
- Evan Shoal
- Mamba T3-4
- Eldfisk ph2
- IDD
- Bonga North
- Kashagan ph2
- Karachaganak EP
- Etan & Zabazaba
- A&E structures Libya
- Mamba T1-2
- Perla Ph.2
- Bonga SW
- Mamba T3-4
- Kashagan CC01
- Baltim SW
- Johan Castberg
- Nenè ph2B
- Coral FLNG
- Argo cluster

...to **PRODUCTION**

FID before 2020

FID 2020+
An unrivalled inventory

**CAGR 2016-2020** 3%

**CAGR 2020-2025** 3%

- **Italy**
  - Argo Cluster
- **Libya**
  - Bahr Essalam Ph.2
  - A&E structures
- **Norway**
  - Johan Castberg
  - Kashagan CC01 - Karachaganak Ph. 3
- **Kazakhstan**
- **Indonesia**
  - Jangkrik
  - Merakes
- **Venezuela**
  - Perla Ph.2
- **Ghana**
  - OCTP
- **Congo**
  - Nenè Ph.2A
- **Angola**
  - West hub
    - Ochigufu
    - Vandumbu
  - East hub
- **Mozambique**
  - Coral
  - Mamba T1-T2
  - Coral & Mamba future phases
- **Egypt**
  - Zohr
  - Baltim SW

**New projects/ramp ups**

- **2016**
- **2017**
- **2020**
- **2025**

**2016**  
**2017**  
**2020**  
**2025**

**CAGR 2016-2020** 3%

**CAGR 2020-2025** 3%
High quality long term cash flow

Cash flow per barrel | $/boe

- Legacy: 12 $/boe
- 4YP start up: 27 $/boe
- 4YP start up: 29 $/boe
- Brent $/bl: 43.7, 57.5, 67.5
Gas demand continuous growth and market rebalancing

**Supply/Demand LNG | Mtpa**

- ~ 55 Mtpa (12-15 LNG trains)
- ~ 135 Mtpa (30-40 LNG trains)

**International prices | $/MMbtu**

NEW LNG REQUIRED EARLY NEXT DECADE
A turning point for G&P

<table>
<thead>
<tr>
<th></th>
<th>Ebit adj</th>
<th>€ mln</th>
</tr>
</thead>
<tbody>
<tr>
<td>avg 2017-18</td>
<td>~300</td>
<td></td>
</tr>
<tr>
<td>avg 2019-20</td>
<td>&gt; 600</td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td></td>
<td></td>
</tr>
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</table>

4YP Action plan

- Gas supply contracts aligned to the market
- Logistic costs reduction
- Equity gas/LNG monetization

CUMULATIVE CFFO € 2.6 BLN IN THE 4YP
Extracting value from integration

- Maximizing value of equity gas
- Developing a competitive LNG portfolio
- Leadership position in European and emerging markets

Focus on LNG sales | Mtpa

A PORTFOLIO PLAYER INTEGRATED WITH UPSTREAM
Downstream: building on the restructuring

**Refining & Marketing**

Breakeven Refining margin | $/bl

- 7.5
- 4.2
- 3

2013  | 2016  | 2018 onwards

**EBIT +€ 300 Mln self help**

- 2016 @ constant scenario
- 2020

**Scenario upside**

- EBIT 2020
- € 900 Mln

**SERM**

- 4.2
- 5.5

**EBIT Chemicals | € Mln**

- 2016: 300
- 4YP avg: 300

**4YP CUMULATIVE CFFO > € 4.5 BLN**
Capex plan

Capex allocation 2017-20

IRR (%)

- Mid-downstream + New energies ≈ 10
- Production optimization > 20
  Mandatory
- Development of new production 15-20
- Exploration

CAPEX 2017 VS 2016 -18%

55% UNSANCTIONED IN 2019-20

* Excluding JV financing and post SEM application @ constant FX;
** E&P post portfolio
Our enhanced disposal programme

- Proved successful portfolio mgmt
- Dual exploration model
- E&P portfolio rationalization
- Further financial flexibility

Disposal | € bln

- 2013-16: 18
- 2017-20: 5-7

40% Zohr

2013-16

2017-20
Cash Flow plan

€ Bln

- E&P
- Growth & efficiency
- scenario
- disposal
- other

avg 17-18

avg 19-20

CAPEX

Brent $/Bl

57

67
Remuneration - dividend policy confirmed

Competitive distribution policy progressive with underlying earnings growth and scenario

<table>
<thead>
<tr>
<th>Floor dividend cash sustainability</th>
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</thead>
<tbody>
<tr>
<td>Cash neutrality</td>
</tr>
<tr>
<td>$50/bbl including disposals in 2016 ✓✓</td>
</tr>
<tr>
<td>$60/bbl organic in 2017 ✓</td>
</tr>
<tr>
<td>&lt;$60/bbl organic 2018-20 ✓</td>
</tr>
<tr>
<td>Additional financial flexibility ✓</td>
</tr>
</tbody>
</table>

2017 DIVIDEND €0.8/SHARE (FULLY CASH)
Our pathway to long term value

Unrivalled exploration
Fast cash generation
Low breakeven portfolio
Highly leveraged to oil price
Strong balance sheet
BACK UP
New energy solutions

2017-2030 Guidelines

- Significant growth of installed capacity
- Technology neutral, with focus on hybrid projects
- Technological and geographical synergy with other Eni business lines

Target IRR 8-12%*

Energy Solutions installed capacity

* After financing and considering synergies with upstream
### Assumptions and sensitivity

<table>
<thead>
<tr>
<th>4YP Scenario</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brent dated ($/bl)</td>
<td>55</td>
<td>60</td>
<td>65</td>
<td>70</td>
</tr>
<tr>
<td>FX avg (€/$)</td>
<td>1.08</td>
<td>1.13</td>
<td>1.15</td>
<td>1.20</td>
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<tr>
<td>Std. Eni Refining Margin ($/bl)</td>
<td>4.0</td>
<td>4.0</td>
<td>4.3</td>
<td>5.5</td>
</tr>
<tr>
<td>NBP ($/mmbtu)</td>
<td>5.2</td>
<td>5.3</td>
<td>5.5</td>
<td>5.5</td>
</tr>
<tr>
<td>Cracker Contribution Margin (€/ton)</td>
<td>270</td>
<td>260</td>
<td>254</td>
<td>255</td>
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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>
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</thead>
<tbody>
<tr>
<td>Brent (-1$/bl)</td>
<td>-0.3</td>
<td>-0.2</td>
<td>-0.2</td>
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<tr>
<td>Std. Eni Refining Margin (+1$/bl)</td>
<td>+0.2</td>
<td>+0.1</td>
<td>+0.2</td>
</tr>
<tr>
<td>Exchange rate €/$ (+0.05 $/euro)</td>
<td>-0.4</td>
<td>-0.2</td>
<td>-0.2</td>
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# Main start ups

<table>
<thead>
<tr>
<th>Main start ups 2017-2018</th>
<th>country</th>
<th>op</th>
<th>start up</th>
<th>Equity peak in 4 YP (kboed)</th>
<th>Working Interest</th>
<th>Liquids/Gas</th>
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</thead>
<tbody>
<tr>
<td>Nenè Ph.2A</td>
<td>Congo</td>
<td>yes</td>
<td>Achieved</td>
<td>20</td>
<td>65%</td>
<td>Liquids</td>
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<tr>
<td>Block 15-16 East Hub</td>
<td>Angola</td>
<td>yes</td>
<td>Achieved</td>
<td>20</td>
<td>37%</td>
<td>Liquids</td>
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<tr>
<td>OCTP Oil</td>
<td>Ghana</td>
<td>yes</td>
<td>1H17</td>
<td>20</td>
<td>56%</td>
<td>Liquids</td>
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<tr>
<td>Jangkrik</td>
<td>Indonesia</td>
<td>yes</td>
<td>2H17</td>
<td>45</td>
<td>55%</td>
<td>Gas</td>
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<tr>
<td>Zohr</td>
<td>Egypt</td>
<td>yes</td>
<td>2H17</td>
<td>175</td>
<td>60%</td>
<td>Gas</td>
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<td>OCTP Gas</td>
<td>Ghana</td>
<td>yes</td>
<td>1H18</td>
<td>20</td>
<td>56%</td>
<td>Gas</td>
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<td>West Hub (Ochigufu)</td>
<td>Angola</td>
<td>yes</td>
<td>1H18</td>
<td>&lt;10</td>
<td>37%</td>
<td>Liquids</td>
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<tr>
<td>Bahr Essalam Ph. 2</td>
<td>Libya</td>
<td>yes</td>
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<td>70</td>
<td>50%</td>
<td>Liquids/gas</td>
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<td>Baltim SW (Barakish)</td>
<td>Egypt</td>
<td>yes</td>
<td>2H19</td>
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<td>West Hub (Vandumbu)</td>
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<td>2H19</td>
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<td>37%</td>
<td>Liquids</td>
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<table>
<thead>
<tr>
<th>Start ups post 2020</th>
<th>country</th>
<th>op</th>
<th>start up</th>
<th>Equity peak (kboed)</th>
<th>Working Interest</th>
<th>Liquids/Gas</th>
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<tr>
<td>Argo Cluster</td>
<td>Italy</td>
<td>yes</td>
<td>&gt;2020</td>
<td>&lt;10</td>
<td>60%</td>
<td>Gas</td>
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<td>Marine XII Full Field</td>
<td>Congo</td>
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<td>30</td>
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<td>Coral FLNG</td>
<td>Mozambique</td>
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<td>&gt;2020</td>
<td>50</td>
<td>50%</td>
<td>Gas</td>
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<tr>
<td>Johan Castberg</td>
<td>Norway</td>
<td>no</td>
<td>&gt;2020</td>
<td>55</td>
<td>30%</td>
<td>Liquids</td>
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<td>Mamba T1-T2</td>
<td>Mozambique</td>
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<td>135</td>
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<td>Gas</td>
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<td>20</td>
<td>10%</td>
<td>Liquids</td>
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<td>Karachaganak EP</td>
<td>Kazakhstan</td>
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<td>&gt;2020</td>
<td>40</td>
<td>29%</td>
<td>Liquids/Gas</td>
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<td>Kashagan CC01</td>
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<td>15</td>
<td>17%</td>
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<td>Loango</td>
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<td>A-E structures</td>
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<td>50%</td>
<td>Liquids/Gas</td>
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<tr>
<td>Perla ph2</td>
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<td>&gt;2020</td>
<td>85</td>
<td>50%</td>
<td>Gas</td>
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<td>Mamba next trains</td>
<td>Mozambique</td>
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<td>&gt;100</td>
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