

Fans Bitter & Odalheim for eni



eni e&p in Norway

August 2012



eni

eni.com



eni norge has been in Norway since 1965 and are one of the main operators on the shelf. Today, we are well-established in all the three main areas on the shelf: the North Sea, the Norwegian Sea and the Barents Sea.



eni in Norway

The most significant single event during first half year 2012 was the production start up of the Marulk field. On the 2nd of April 2012 the first gas flowed from the field. This is a milestone in **eni norge**'s history as Marulk becomes our first field in operation on the Norwegian continental shelf. 2011 was a busy year with the start up of drilling the Marulk production wells, preparing for the first **eni norge**-operated field in production. Another milestone was achieved on November 15th in South-Korea, when the Goliat FPSO was lifted into dry dock and the installation of almost 300 prefabricated blocks and equipment started. 2011 proved to be a solid year for Norway as an oil and gas nation, it also became the strongest year for **eni norge** since

the company was established in 1965. Creating ripple effects in the north of Norway was a key condition set by the Norwegian Parliament when approving the Goliat Plan for Development and Operation. Years before start up, Goliat is already producing ripple effects at a national, regional and local level, beyond what many had expected. For the development phase of Goliat, 65 percent of the contract value has been awarded to Norwegian based contractors, all won in international competition. As for local and regional content it is still early days, but several major contracts have been awarded to companies in the north. During 2012 and 2013 contracts will be awarded to prepare for the operational phase of the Goliat.



Goliat FPSO under construction in Ulsan: June 2012

MAJOR PLAYER ON THE NORWEGIAN CONTINENTAL SHELF

eni norge is an active participant in 51 licences and operator of 13 production licences in the North Sea, Norwegian Sea and Barents Sea.

12 licences in the Barents Sea

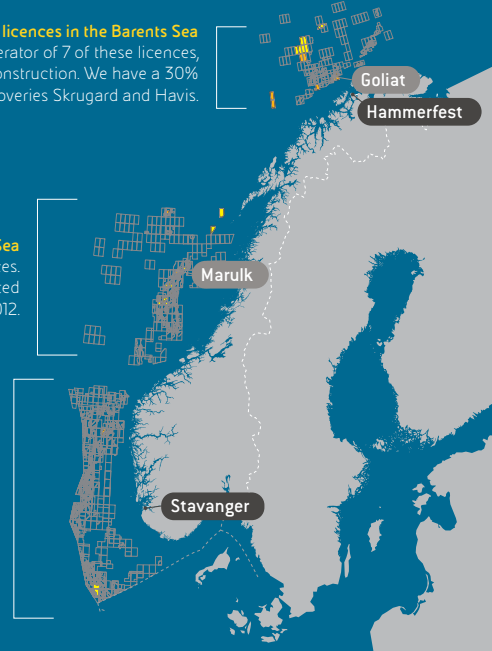
eni norge is the operator of 7 of these licences, whereof Goliat is under construction. We have a 30% share in the promising discoveries Skrugard and Havis.

33 licences in the Norwegian Sea

We are operator in 5 of the licences. Production on the **eni norge**-operated field Marulk started in April 2012.

6 licences in the North Sea

We are operator in one licence, and own shares in Ekofisk. Ekofisk is a significant contributor in this area.



As 2011 proved to be a solid year for Norway as an oil and gas nation, it also became one of the strongest years for **eni norge** since the company was established in 1965. Not only did revenues reach more than 21 billion NOK, during the year, reserves were replaced with a ratio of 200%, mainly due to the discovery of Skrugard in the Barents Sea, of which **eni norge** holds 30%.

eni's milestones in Norway

1963

Norway declared its sovereignty of the Norwegian continental shelf and its rights to submarine natural resources. The first seismic exploration licences were granted.

1964

Base North Sea Agreement - Phillips, Petrofina and **eni** set up the "Phillips Group" for exploration, development and production in the North Sea, with Phillips as operator.

1965

eni's subsidiary, Norsk Agip A/S, set up as a limited company in Oslo. The first Norwegian production licences were granted. The Phillips Group was awarded 3 licences.

1969

The Phillips Group made the first important Norwegian discovery of a small gas field (Cod).

1971

Ekofisk Field started producing the first Norwegian oil with an **eni** share of 13.04%. This marked the opening of a number of fields, where the company has been an important partner:

- Cod Field and Vest Ekofisk Field started producing (1977);
- Tor Field started producing (1978);
- Albuskjell Field, Edda Field and Eldfisk Field started producing (1979).

1975

Export of Ekofisk oil to Teesside in England through a new pipeline.

1977

Export of Ekofisk gas to Emden in Germany through a new pipeline. **eni** awarded its first operatorship. Engineering department moved to Sandnes.

1980/1999

- The Norwegian Sea (north of the 62nd parallel) opened up for exploration activities. The company becomes a partner in more fields (1980);
- Tommeliten Gamma Field started producing (1988);
- Embla Field started producing (1993);
- Heidrun Field started producing (1995);
- Norne Field started producing (1997);
- Ekofisk II in production (1998);
- Åsgard Field started producing (1999).

2000

Goliat first oil discovery in the Barents Sea - **eni** operator.

2002

Acquisition of Fortum Petroleum AS.

2003

Mikkel Field started producing. Norsk Agip A/S and Fortum Petroleum AS merged and changed name to **eni norge**.

2005

Kristin Field and Urd Field started producing. Significant increase in the Goliat Field reserves.

2006

Goliat Project Organisation established. Goliat was planned to be **eni norge**'s first operated field in production.

2008

eni norge opened a district office in Hammerfest in northern Norway. Marulk appraisal and exploration activities in the Norwegian Sea and the North Sea.

2009

The Goliat PDO approved by the Norwegian authorities. Uttergryta Field and Tyrhans Field started producing.

2010

The Marulk PDO approval by the Norwegian authorities. The Morvin Field started producing by end 2010.

2011

Start up of production drilling Marulk. Goliat FPSO construction starts in the dry-dock. Installation of all Goliat subsea templates. Skrugard /Havis discovery in the Barents Sea. **eni norge** awarded two partnerships in the Barents Sea in the 21st licencing round.

2012

2nd April: Marulk started producing. Other significant activities scheduled for 2012. Construction work started for new offices in Hammerfest. Installation of subsea flow-lines and control umbilicals and tie-ins to the subsea templates. Completion of the FPSO hull and topside assembly. Modification of the existing high voltage overhead lines onshore in Hammerfest. Delivery of a new standby safety vessel named Esvagt Aurora. Exploration activity and production drilling of Goliat in the Barents Sea.


Key figures 2011

statement of income

	(million NOK)
operating revenues	21,532
operating expenditures	5,902
operating profit	15,630
ordinary result before tax	15,278
tax on ordinary result	10,783
annual profit	4,495

production

	(thousand boe/day)
production	131



eni norge has been part of the Norwegian petroleum industry since its beginning in 1965. Safe operations with a minimum impact on the environment, creating value for society and our owners, are our goals.

main operations

The dedicated and highly skilled people in our organisation are the most important tools in achieving our goals. An active policy of searching for new resources while ensuring optimum production from existing fields creates a firm basis for a continued positive development of our company: as of June 2012 eni norge is the operator of 13 licences and manages interests in a total of 51 licences.

exploration

eni norge is continuously participating in exploration activities on the Norwegian continental shelf. In 2010 and 2011, together with the operator Statoil, eni norge made two new discoveries in the Norwegian Sea -- Fossekall (oil) in PL128, and Flyndretind (oil and gas) in PL 473. As operator, eni norge drilled the Lunde well in PL 489 in the Barents Sea. eni norge has also a 30% participating interest in the Statoil-operated Skrugard discovery in 2011 in the Barents Sea. Two applications were submitted to the authorities in connection with the 21st Round, and in May 2011 eni norge was awarded two new licences - PL 608 and PL 226B in the Barents Sea. eni norge plans to drill a number of wells in the Barents Sea in 2012, both as an operator and non-operator.

development

eni norge will during 2012 complete the development of the Marulk Field. The Goliat development in the Barents Sea is well under way. Subsea systems are being placed at the sea bottom, the FPSO is under construction in South-Korea and production drilling will commence in the autumn of 2012. The Skrugard/Havis discoveries are in an early phase of conceptual studies for development. eni norge is also partner in the redevelopment of Ekofisk and Eldfisk. In the Norwegian Sea, eni norge is involved in a new subsea gas compression project at Åsgard and participate in the Skuld development which will be tied back to the Norne FPSO.

production

eni norge's interests on the Norwegian continental shelf range from Ekofisk in the south of the North Sea to the Nucula prospect in the Barents Sea. Main production comes from the Ekofisk area in the North Sea (the fields Ekofisk, Eldfisk, Embla and Tor) as well as Åsgard, Kristin, Mikkel, Norne, Urd and Heidrun in the Norwegian Sea.

looking north

eni operates in three arctic areas - Russia, USA and Norway. Marulk and Goliat are part of eni's long-term commitments in the North and in the arctic areas.

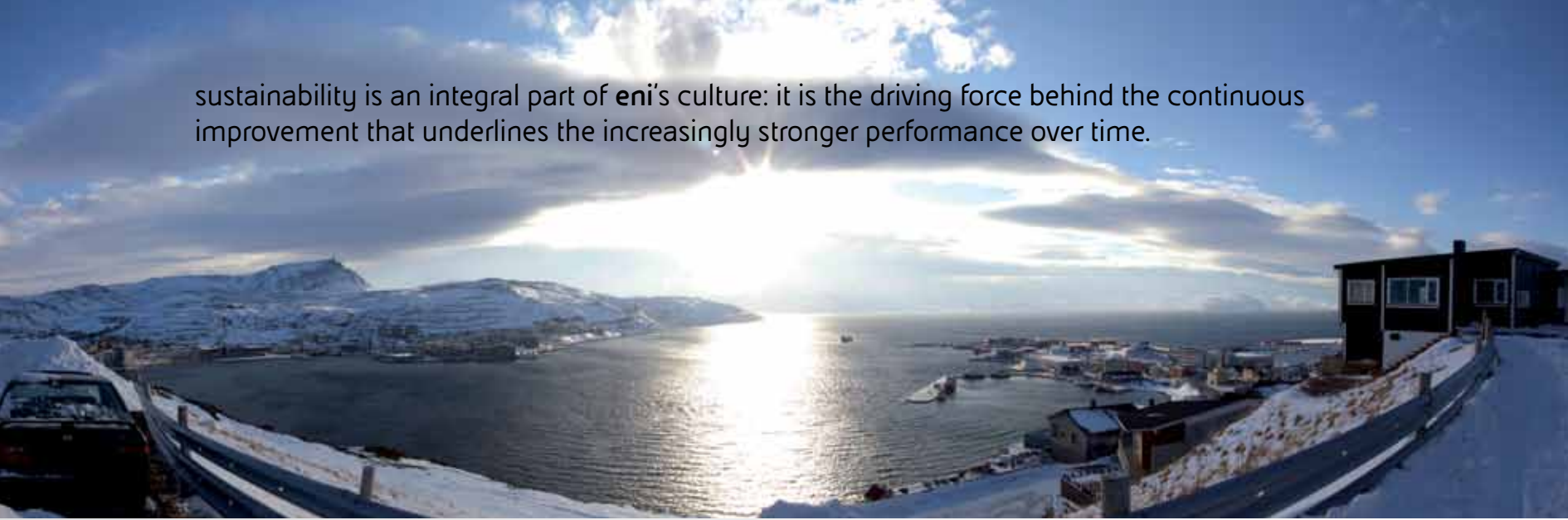
Thanks to our operatorships at Goliat and Marulk, eni norge will contribute to what many people want for the northern areas of Norway: new skills and expertise, development and employment. For the company, looking north is looking at opportunities - both challenging and stimulating. The operation of Goliat will create spin-off and employment opportunities for many years. When the Goliat Field is in production, about 100 people will be directly employed to work offshore. In addition, the operational office in Hammerfest will have many direct and indirect employment opportunities.

Goliat

The Goliat Field (PL 229) represents national petroleum history, being the first oil field development in the Norwegian part of the Barents Sea. Goliat has two separate main reservoirs, both containing oil with an overlying gas cap. The field will be developed using subsea wells linked to a cylindrical FPSO. The estimated life time for the field is 15-20 years.

Marulk

The Marulk Field (PL 122) is an important milestone for eni norge. On 2nd April 2012 Marulk came into production. Marulk is the first eni norge-operated field to come on stream on the Norwegian continental shelf. Marulk is a gas and condensate field situated about 30 km southwest of Norne FPSO. Marulk will make use of existing infrastructure, thus contributing to increased life time production at Norne.



sustainability is an integral part of **eni's** culture: it is the driving force behind the continuous improvement that underlines the increasingly stronger performance over time.

sustainability

eni's work is focused on people and on the contribution to the development and the well-being of the communities the company works with. High on our agenda are environmental protection, investing in technological innovation and mitigating the risks of climate change, by promoting and investing in energy efficiency. As part of such action, **eni** has introduced an integrated and global system for managing sustainability, which represents a distinctive and independent approach to the issue. **eni norge's** core activities are oil and gas exploration, discovery and production. Our commercial operations are based on the Company's values. Low risk, a good working environment, skill-enhancing initiatives and technological development connected with core activities and environmental protection are significant criteria for success. At the same time we want our activities both to provide opportunities and to be of significance to the local communities in which they take place.

people

eni norge has continued to strengthen its organisation, through an increase in the number of employees and in the level of know-how, particularly for the Goliat Project. As of June 2012 **eni norge** employs more than 600 people of many different nationalities. A good mix of locals and men and women from the **eni** group and a balanced age structure has been a separate target.

10% of the management team are women and the quota of women in the Board of Directors is 29%. In the field of health and safety, in addition to the mandatory Working Environment Committee and the safety delegate arrangement, the company has an occupational health service with emphasis on preventive measures.

protection of the environment

Promoting a good HSEQ culture is part of the company's total management system and **eni norge** has been certified according to ISO 14001 standard. For the development of Goliat and Marulk, **eni norge** is actively using the BAT (Best Available Technology) and ALARP (As Low As Reasonable Practicable) principles in order to adopt technologies that will ensure safe operations with high environmental standard. The Goliat development will be the first oil field to start production in the Barents Sea region. **eni norge** has special focus on biodiversity protection and oil spill contingency in order to reduce the "foot print" of our operations and to have proper oil spill preparedness plan in place. Biodiversity protection entails action in all of **eni's** operational sectors, particularly in exploration and production activities, where it is extremely important to preserve the species and habitats of the impacted eco-systems.

research & development

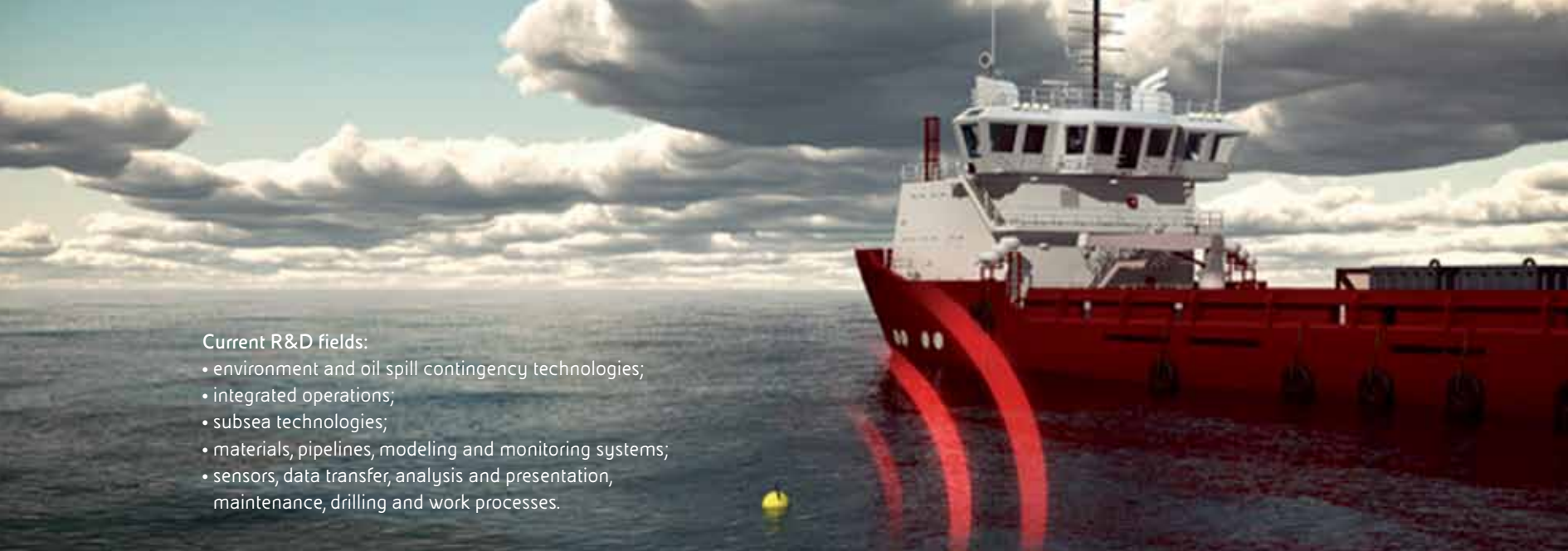
eni norge has supported research & development activities by means of the Norwegian universities, research institutions and small companies over several decades. Through most of these projects strong relationships between Italian and Norwegian professionals have been established, resulting in knowledge sharing, technology transfer and innovation valuable for our industry. Annually, **eni norge** spends around 60 million NOK on research & development activities.

major investments in new technology

Future challenges make technology the main driver of long-term development within the oil and gas industry. **eni** has identified ten key technology platforms which have been assigned high priority when it comes to future investment.



Esvagt Aurora vessel



Current R&D fields:

- environment and oil spill contingency technologies;
- integrated operations;
- subsea technologies;
- materials, pipelines, modeling and monitoring systems;
- sensors, data transfer, analysis and presentation, maintenance, drilling and work processes.

overview of research projects within the environmental protection

As early as the initial stages of planning of the Goliat development project, **eni norge** has directed its main focus on research and development into environmental matters. Key issues have included environmental monitoring, oils spills, the detection of leakages and waste disposal.

- BioSea II - Environmental Risk Management in the Barents Sea;
- COSPIP - Coastal Oil Spill Preparedness Improvement Programme;
- Arctic Sea Biodiversity ASBD - environmental management tools for decision making primarily in the Lofoten and Barents Sea region;
- ArcticWeb - development of web portal for publicly available environmental data and knowledge related to offshore petroleum developments mainly in the arctic areas;
- Kameleon FireEx KFX - software related to explosion and fire safety design;
- BiotaGuard Arctic/Biota Guard - real time environmental effect monitoring system for offshore oil & gas production

- and exploration operations;
- Environmental Waste Management - northern Norway;
- Barents Sea and arctic regions;
- Barents 2020 Phase 4 - Norwegian/Russian cooperation for common safety standards in the Barents Sea;
- Risk Understanding JIP - understanding of risks associated with operative activities;
- Framework Conditions Affecting the Ability to Uphold and Improve HSE;
- Resilience Based Safety Management and Monitoring;
- North Cape Simulators - Development of Objects and Functionalities for oil spill response training;
- CleanSea (continuous long-term environmental and asset integrity monitoring at sea) - development and testing of AUV based concept;
- Securus/Automatic Oil Spill Detection - cameras for early stage detection regardless of light conditions, temperature and wave height;
- Symbioses - System for biology-based assessments - an ecosystem based impact assessment and management tool for offshore petroleum industry with focus on Lofoten and Barents;
- OilWave - Oil Spill Modelling.

ripple effects social responsibility

Sustainable operations entail generating profits for our shareholders, safeguarding people and the environment, respect for the local communities and managing resources for the benefit of future generations.

sustainable operations

eni norge's core activities involve the exploration for, and discovery and production of, oil and gas. Low levels of risk, a good working environment, skill-enhancing initiatives, technological development linked to our core activities, and environmental protection are our most important success criteria. With the first Norwegian oil-producing field in the Barents Sea in our portfolio, we have committed ourselves in particular to preventive oil spill technology development, combined with environmentally sound operations.

spin-offs for local communities

Our operations shall provide opportunities for the communities where we operate. **eni norge** wishes to make its contribution towards the wellbeing and skills development activities. For this, **eni norge** works to facilitate projects with the aim of providing local industrial development and employment opportunities, and support many cultural and training initiatives.

skills development

- eni norge** wishes to contribute by:
- carrying out an increased proportion of its R&D activities in northern Norway;
 - developing a regional supply industry;
 - enhancing skills levels in local communities;
 - utilising local industrial resources wherever possible and promoting local content;
 - major contracts are subdivided to ensure that smaller companies in northern Norway can participate in the tender processes.



skilled people and new know-how

The Goliat and Marulk projects will provide the people of northern Norway with an opportunity to work in the oil and gas industry.

We are taking an active part in promoting projects in primary and secondary schools, sixth-form colleges, universities and colleges and in various fields of research. Our contributions include:

- skills development initiatives, learning opportunities and joint projects with local schools;
- partnership agreements with upper secondary schools and higher education and research institutes;
- joint working agreements with upper secondary schools in Kirkenes and Hammerfest, and with EnergiCampus Nord;
- collaboration with Statoil linked to apprenticeships which will provide the necessary apprenticeships certificates and qualifications for jobs linked to the Goliat project;

- funding for a digital knowledge dissemination project linked to reindeer husbandry research;
- education grants to students from Finnmark (see separate section);
- information for young people in the Samí language about the petroleum industry;
- Newton room in Hammerfest - a cooperation between the municipality and industry to increase knowledge about science subjects.

sponsorship activities

Projects which received sponsorship funds from **eni norge** in 2011:

- Vitenfabrikken (the Science Factory);
- Stavanger Concert Hall;
- Sandnes Opera and Operetta Company;
- Sami Reindeer Races Federation;
- Ungt Entreprenørskap (Young Entrepreneurs);
- Nordkapp Film Festival 2011;
- Northern Norwegian Women in Politics.



conference

- Terra Madre Arctic Slow Food Conference;
- The Varanger Festival;
- The Sørøya Deep Sea Fishing Competition;
- "Sangkraft Berlevåg" - Italian Opera and Food in Finnmark.

other project funding in northern Norway

- a national seabird information centre in Gjesvær;
- a nature trail at Sørøya;

- dry fish from Sørøya can be produced as a so called Slow Food Presidium;
- the special interest organisation Petro Arctic - for companies wishing to position themselves as suppliers to the oil and gas sector in northern Norway and the Barents Sea;
- the schools' competition "Schoolnet" - an international competition organised by **eni** with the aim of promoting knowledge and cultural awareness across international boundaries. Schools from Finnmark are invited to take part as representatives from Norway.

eni is a major integrated energy company, committed to growth in the activities of finding, producing, transforming, trading and marketing oil and gas. The company has global operations in 85 countries and employs about 79 thousand people.

eni's strong presence in the gas market and in the liquefaction of natural gas, consolidated skills in the power generation and refinery activities, strengthened by world class skills in engineering and project management, allow the company to catch opportunities in the market and to realize integrated projects.

It has adopted a Sustainability model aimed at promoting the respect of people and their rights, of the environment and, more generally, of the widespread interests of communities that reside where it works.

eni's activities

exploration & production

eni explores, develops and produces oil and natural gas mainly in Italy, Norway, North and West Africa, the North Sea, the United States, Latin America, Australia and in high potential areas such as Mozambique, the Caspian Sea, the Middle and Far East, India and Russia.

In 2011 hydrocarbon production averaged the level of 1.581 million boe/day. Net proved reserves at December 2011 amounted to 7.09 billion boe.

gas & power

eni operates in supply, trading and marketing of natural gas and LNG, power generation and electricity sales.

In 2011 overall sales amounted to 96.76 billion cubic meters of natural gas and 40.28 terawatthours of electricity.

refining & marketing

eni operates in oil product refining and marketing mainly in Italy and Europe. With the eni/agip brand, it is the Italian market leader in the distribution sector.

eni guarantees the sustainability of its activities in the long-term providing a coherent framework for innovation development, a risk prevention management strategy as well as considering the stakeholders' interests through dialogue and the sharing of objectives.

Companies listed on the Stock Exchanges are periodically screened to become part of the Sustainability Indexes that signal companies with a good environmental, social and governance performance. In 2011, eni has been included again in the Dow Jones Sustainability World and Europe and the FTSE4Good Indexes.

Since 2010 eni has been relying its communication to young talents from all over the world in various disciplines. The cover art is made by Oda Hveem, born 1984, Master in Visual Communication from Oslo National Academy of Art and Jonas Bødtker, born 1983, Bachelor in Visual Communication from Bergen Academy of Art and Design.

In 2011 retail sales in Europe of refined products totalled 11.37 million tonnes. In the same period, refining throughputs were 31.96 million tonnes.

engineering & construction

saipem (42.9% owned by eni) is a leader in the provision of engineering, procurement, project management and construction services for the oil and gas industry, with unique capabilities in designing and executing large scale offshore and onshore projects. saipem has extensive expertise in operating in conventional and deep offshore as well as in remote areas. Order backlog was €20,417 million at December 31, 2011.

chemicals

versalis (eni 100%) operates in the production and sale of a wide portfolio of chemical products and holds a significant market share in Europe where it has state-of-the-art plants all equipped with innovative technology. It also boasts an efficient distribution network worldwide. In 2011 production amounted to 6,245 ktonnes.



eni spa
Piazzale Enrico Mattei, 1
00144 Rome - Italy
Ph.: +39.06.598.21 - Fax: +39.06.598.221.41
eni.com

eni norge as
Vestre Svanholmen 12, NO-4313 Sandnes
P.O. Box 101 Forus, NO-4064 Stavanger
Norway
Ph.: +47.528.748.00 - Fax: +47.528.749.30
eninorge.com