

**2019 Second Quarter Results
and Half Year Results
July 26th 2019**

Presentation

Speaker:

Claudio Descalzi - CEO

Good afternoon and welcome to Eni's first half results.

In the first half of 2019 we continued to consolidate our strategy and enhance our cash generation.

Operating and Free Cash flow growth are the most remarkable achievements.

We generated 6.8 Bln € of operating cash flow, a 23% growth versus 2018 in a lower gas price scenario.

With capex at 3.8 Bln €, we generated an organic free cash flow before working capital of 2.9 Bln €, almost doubling the 1.5 Bln € of our dividend needs in the period.

Thanks to this strong cash performance we reduced our debt to below 8 bln €, the lowest level since 2006. This corresponds to a leverage of 15% at the end of June.

Upstream production was 1.83 Mboed. We continue to deliver high value production and with the ramp-ups in Egypt, Ghana and Angola and the start up of new field in Mexico we almost compensated the impact of the conclusion of the Intisar gas contract that weighted for around 6%.

Exploration continues to create new opportunities for future developments. During 1st half we discovered around 350 Mln boe of resources at an exploration cost of 1.4 \$/boe.

In the coming months we plan further exploration activities in Mexico, Egypt, Norway and Angola.

G&P performance is robust, notwithstanding the low gas and LNG price scenario, thanks to the portfolio optimization activity, and the growth in the retail customer base.

In Downstream we are continuing to improve the resilience of our operating assets with the ongoing start up of the bio-refinery in Gela and the expected re-start of EST in Sannazzaro.

Results were impacted by weak product demand and high cost of feedstock, in particular for medium-heavy crudes, and maintenance activities that were anticipated because of the weak scenario.

On renewables we are consolidating our pipeline of initiatives from Algeria to Pakistan, Kazakhstan, Australia and Tunisia and we keep developing our Italian projects.

We are continuing to lower our production carbon footprint with a reduction of 2.3% of our GHG emissions per barrel versus last year, in line with plans.

Production, in the 1st half reached 1.83 mln boed.

1st half 2019 output was impacted:

- by a reduction of 111 kboed for the end of Intisar gas contract, and 19 kboed for price effect and portfolio;
- and positively for 66 kboed by start-ups and ramp-ups, like Zohr, better performance of some fields such as OCTP Oil in Ghana and Abo in Nigeria, and higher assets' availability for 28 kboed.

Production in the second half of the year will speed up, benefitting from recent start ups of Mexico Area 1, Trestakk in Norway and Berkine Oil in Algeria.

The future growth will be supported by the ramp up of Zohr to plateau level, and the enhanced contribution of Kashagan after the end of maintenance.

Production in Q3 is expected to grow between +2.5 and 3% vs Q2.

For the full year we expect production between 1.87 and 1.88 Mboed, mainly depending on the demand for Jangkrik LNG, and assuming a flat contribution of 40 kboed from Venezuela.

On a comparable basis, upstream EBIT grew by 5% thanks to the increased quality of our production mix, as demonstrated by the dollar realization prices of our sales, which remained constant despite the weaker scenario.

On exploration and new developments, Block 15/06 in Angola continues to deliver outstanding results.

In the last few months we made 3 material discoveries in Agogo, Ndungu, Agidigbo fields and yesterday we announced the result of the appraisal of Agogo that confirms the best estimate of 650 million

barrels of oil in place with further upside in the northern sector of the field that will be tested with additional appraisal activity.

The last five discoveries made in one year add up to 1.8 Bln barrel of oil in place to the already existing resources, bringing the amount of discoveries in the Block to about 4 Bln barrel of oil in place.

Future developments will be fast-tracked, relying on existing FPSOs in West and East hubs, extending the current plateau production of 150 kboed, at a very competitive development cost per barrel.

According to this, we confirm the start-up of the first well of Agogo by the end of the year.

Moreover, further appraisals in the Agogo field could justify the development of a new stand alone hub.

In Egypt we successfully drilled 5 wells of which 4 are near field discoveries:

- The first discovery was Nour that we drilled in the 1st quarter.
- Then we made 2 oil discoveries in the Western Desert
- and 1 gas discovery in the Nile Delta.
- In the Gulf of Suez we found a new structure on the Sidri South prospect that holds up to 200 MMbbl of oil in place.

In Ghana in CTP-Block 4, we discovered Akoma with a volume in place up to 650 bcf of gas and 20 mmbbl of condensate. This Block has further additional upside. The field is only 12 km from Sankofa and, after appraisal, will be put into production with a subsea tie-in to the existing FPSO.

Finally in Vietnam we proved the presence of gas and condensate in the Ken Bau prospect in Block 114, a significant potential with an estimated net reservoir thickness in excess of 100m that will be target for future appraisals.

During the first half of 2019 we discovered 350 mln boe equity.

This result allows us to raise our guidance to more than 600 mln boe of discovered resources for the full year.

Eni is the first international company to start production in Mexico.

In Area 1 we drilled 5 wells (100% success rate) before submitting the Development Plan, increasing the oil in place to over 2 billion barrels.

We fast tracked the Early Production Phase and we achieved the start up in June 2019, less than one year from the approval of the Development Plan.

We are planning to have an FPSO production start-up by 1H 2021 and then reach a production plateau of 100,000 boed.

This is only the first step in the country.

We have recently increased our exploration portfolio by 6 blocks in shallow and deep water with a stake between 40 to 80%.

In the Second Half of 2019 we plan to drill 2 exploration wells.

Also in this first half, with a lower price, Upstream further improved its cash generation.

Upstream Cash Flow From Operations (including working capital) was 5.6 bln €, 6% higher than last year, while gas prices were materially lower.

On a comparable basis, the growth of Cash Flow From Operations amounts to 13%.

With Capex at 3.3 bln €, we generated an organic free cash flow in E&P of 2.3 bln €.

Moving to Mid-Downstream,

G&P EBIT was robust at 418 mln €, in particular:

- GLP reached 253 mln € thanks to an effective optimization of our activity, which also benefitted from market dynamics. These positive gas and power performances offset the lower contribution of LNG in a low global price scenario;
- Retail delivered a result of 165 mln €, a 28% increase versus last year thanks to international development and stronger commercial initiatives in Italy.

This performance confirms our full year G&P guidance of 500 mln € EBIT.

The Refining and marketing result was positive in a scenario impacted by the narrow differential of Urals due to OPEC cuts and Druzhba pipeline contamination.

Marketing was the driver of the result with a contribution of around 250 mln €.

The start up of Gela Bio-plant along with the re-start of EST and the completion of the maintenance activities will allow us to capture the full benefit of IMO effects.

Finally, Versalis was impacted by the operating upset in Priolo which returned to full operation at the end of June. Net of this effect, Versalis would have been at breakeven despite the weaker scenario.

Before detailing the financial results of this period I would like to highlight our progress in terms of decarbonization plan.

We have a strong commitment to deploy a strategy based on lower emissions per barrel in upstream, higher contribution from renewables, bio-businesses and circular economy initiatives.

In renewables we have 7 projects in 4 continents in execution, expected to be completed by year end, for an overall installed renewables capacity of 190 MW by year end.

Thanks to the start-up of Gela, our bio-refineries reach a treatment capacity of around 1 mln ton per year.

Emissions per barrel were lowered by 2.3% in the first half versus last year and by 22% versus 2014, in line with our long term target.

Coming to the financial results...

Cash Flow From Operations before working capital was 6.8 bln €, 23% higher than last year's result.

On a comparable basis - in terms of scenario, IFRS 16, and excluding one/off negative items, mainly affecting 2018 - cash flow growth remains robust at 9%.

As anticipated, working capital showed a strong recovery in the Q2 of more than 1 bln € due to the traditional gas seasonality.

1st Half CAPEX at 3.8 bln €, in line with 2018 1st Half, and further optimization and efficiencies, allow us to improve our capex guidance to below 8 bln €.

Overall, in this semester, we generated an organic free cash flow before working capital of 2.9 bln €.

Cash Flow From Operations and Free Cash Flow are growing in line with our yearly expectations.

And finally a brief summary of our full year guidance.

We are expecting better results in exploration discoveries and a lower amount of capex.

Due to the weak scenario for oil differentials and margins, we are revising R&M EBIT to around 500 mln €.

All the other guidance remains unchanged and we are now ready, together with Eni's top management, to answer your questions.

ENI H1 2019 RESULTS
"Q&A"
Friday, July 26, 2019, 12:00 CEST

CORPORATE PARTICIPANTS

Claudio Descalzi, Chief Operating Officer
Massimo Mondazzi, Chief Finance Officer
Alessandro Puliti - Chief Upstream Officer
Luca Bertelli - Chief Exploration Officer
Giuseppe Ricci- Chief Refining & Marketing Officer
Cristian Signoretto- Chief Midstream Gas & Power Officer
Alberto Navarretta- CFO of Versalis

CONFERENCE CALL PARTICIPANTS

Clint Oswald – Bernstein
Adolff Thomas – Credit Suisse
Borkhataria Biraj – Royal Bank of Canada
Himona Irene – Societe Generale
Rigby John – UBS
Kenney Jason – Santander
Syme Alastair – Citi
Kuplent Christopher – Bank of America
Hodee Bertrand – Kepler Cheuvreux
Bonisoli Massimo – Equita
Pozzi Alessandro – Mediobanca
Rainforth Lydia – Barclays

OPERATOR: So we will now begin the question-and-answer session. The first question comes from Mr. Clint Oswald of Bernstein.

Oswald Clint, Bernstein

First question I wanted to ask, please, on Goliath. It's been a while since we asked about it. But looking at some of the monthly data, it feels quite erratic. It feels like it's struggling to get up to plateau capacity. Is

that fair? Are there some issues at that particular field?

And then secondly, again, on the upstream, please. The tax rate obviously, quite high in the second quarter, 66%. And -- but you talked about Mexico, Norway, Algeria, ramping up in the second half, so I guess, some of those are also quite high taxed areas. Can you just talk about the tax rate evolution for the rest of the year? Should we see it go back down towards 60% or sub-60%? Or is this new level, potentially, something we have to consider?

Claudio Descalzi, CEO: Thank you. So for Goliat, Alessandro Puliti, the Head of E&P will deliver the answer and then Massimo will talk about the tax rate.

Alessandro Puliti, Chief Upstream Officer: So regarding Goliat production, our expected equity for 2019 is 21,000 boe that is equivalent to 46,000 boe gross. Production this year accounts for two main shutdowns. One that occurred in May and lasted 7 days and another in September for 20 days for statutory maintenance activities. All in all, production has been affected during the year by downtimes of our gas compressor, which should be fixed during the shutdown turnaround in September.

Massimo Mondazzi, CFO: So as you know, 2Q tax rate is always the highest along the year because of Italian seasonal business. This quarter -- this metric has been emphasized by mainly two factors. First of all, the worst scenario, mainly gas, this is affecting definitely the Italian business plus the upstream business, including the gas exported from Libya and refining margin. And together with this, what we had is a non-optimized set up of some Italian plants, mainly Sannazzaro refinery and the Priolo chemical plant that has been shut down beginning this year.

Assuming the second half of this year that the Italian assets are back to normality, and Priolo is already done, Sannazzaro is ongoing, and the scenario similar to the one that we experienced in the first half this year, so more or less EUR200 per 1,000 tonne cubic meter, \$66 per barrel Brent and a refining margin a bit higher than what we experienced in the first half. So we are still forecasting a \$4.5 as an average full year. We confirm a full year consolidated tax rate at 60%. So the increase in the tax rate in E&P is mainly due to the gas part of the E&P business related to the European gas price trend. But let me finally give you a quick note on the cash tax rate, because in the second quarter this year, the cash tax rate has been 33%, a bit lower than the 35% we recorded last year of the same period, confirming that the tax rate increase has been driven mainly by non-cash item. And the full year 2019 cash tax rate is expected -- is in the range of 30%, confirming the guidance that we already gave.

OPERATOR: The next question is from Mr. Thomas Adolff of Crédit Suisse.

Thomas Adolff, Credit Suisse

Two questions for me, please. Just firstly, could you speak about the dual exploration model. You've announced 20% sale in Merakes and you don't really say how much for. Can you comment on it and whether these proceeds are also incorporated in your CapEx guidance.

And secondly I wanted to ask you about 2020. Obviously, upstream production will grow on a year-on-year basis in the second half of this year, but I wondered what exit rate we can expect in 2019 and likely year-on-year production growth in 2020? And then, of course, how that translates into overall group cash flow growth at constant macro. Will there be any growth in cash flow considering you've benefited in 2019 from a special dividend from your Norwegian subsidiary which you won't be getting in 2020. Thank you

Claudio Descalzi, CEO: Thank you. For the dual exploration model, yes, you remarked what happened just yesterday on Merakes. The dual exploration is clearly a consolidated model for Eni. We are performing in different way or by cash or by kind or swapping, so it's working very well and is sustained by a very strong exploration results.

As you remark in the first semester, we made the discovery of these big giants and we have a large stake and that is continuing.

For Merakes, we didn't talk about the impact, clearly, the impact will be in the reduction of CapEx that -- sure that is not yet included because it's something that happened just now, so -- and that will be included in the development looking forward.

And also, obviously that we discover where we own a large stake will support this model looking forward. Now Massimo for the other questions.

Massimo Mondazzi, CFO: It is a bit difficult to give guidance as far as 2020 as this is still premature. Yes, we are benefitting from special dividend from Norway this year which we won't next year, but that won't jeopardize future cashflow as we projected in the four year plan, because this part is already embedded in the projection that we presented March this year.

OPERATOR: The next question is from Biraj Borkhataria of Royal Bank of Canada.

Biraj Borkhataria, RBC

Just a couple of clarifications. So on the Indonesian volumes – could you give some colour on the reduction at Jangkrik? Presumably it's because buyers will prefer spot LNG given where we are in the market. But can you quantify the reduction in production there?

And the second question is one the production guidance, what contingency do you have left for production in the half-year budget?

Cristian Signoretto, Chief Midstream Gas & Power Officer: So on the Indonesia LNG sales, you're right. So we have long term contracts signed on that field which sees buyers actually having difficulties to offtake all the volumes given the situation of the market. So the joint venture has already made up some of these reductions in volumes in trying to sell tenders for selling spot LNG. So we expect a slight reduction in the sales for the second half of the year given the market condition.

Claudio Descalzi, CEO: In term of production, the question related from targeted production, we consider about 10,000 barrel per day on average, possible 10,000 per day that -- for that reason we gave a range for the final target of this year.

In term of contingency, on the second half, we are going to have about 50,000 barrel per day.

OPERATOR: The next question is from Irene Himona of Societe Generale.

Irene Himona, Soc Gen

I had 2 questions, please. Firstly, Kashagan- Is it back into production from maintenance and what is the current capacity, gross and net to Eni please?

And secondly, on R&M Of 500m you expect, given the performance in the first half, what is the split between Refining and Marketing? Also, it seems that obviously refining has been loss making. What margin do you assume in the second half to reverse that?

Claudio Descalzi, CEO: Puliti will answer for Kashagan and Giuseppe Ricci will answer for R&M and the split between R&M result.

Alessandro Puliti, Chief Upstream Officer: Okay. For Kashagan, we confirm the turnaround went well and lasted 10 days less than initially forecasted.

During the turnaround, there was a conversion of two additional wells to gas injectors which allowed for an improvement of production performance, that ramped up to 390 kboepd Our share is 64,000 barrels of oil equivalent

Giuseppe Ricci, Chief Refining & Marketing Officer: About the guidance from EUR0.7 billion to EUR0.5 billion in 2019. This is due to the weaker scenario in the first half and the fact that we have concentrated in the first half- just because of the expected scenario- the maintenance and the turnaround.

We expected to have a bigger recovery in the second half, because the scenario already increased in July and we expect to have good margin and good spread of high-sulphur, low-sulphur crudes in the second half, because of the IMO effect. In addition, we will have in the second half the contribution of Gela bio-refinery in start-up in these days and the start-up of EST plant in Sannazzaro.

We expect a good contribution in marketing this quarter 3Q as the summer driving season. And overall, we expect in the second half more than EUR200 million of contribution from Marketing and slightly less than EUR200 million from Refining overall, traditional and bio.

OPERATOR: The next question is from Jon Rigby of UBS.

Jon Rigby, UBS

So two questions. You reference the scenario in the downstream behind the standardized refining margin deteriorated, and obviously, we can see that and you just referenced light-heavy spreads sweet/sour spreads, et cetera.....Are you able to give me a little more detail on the assumptions that you make around the crude spreads that get you to the standardized margin?

The second question is, can you give some indication on the Abu Dhabi entry. When will that start contributing to your downstream results? I'm assuming that will go through associates in any case, but just when that is likely to complete then start to deliver earnings?

And just one other thing if I could. Can you give some guidance for 2H overall on disposal receipts, I know there is some sort of deferrals, some agreements that are yet to be completed,...So is it possible, can you just remind me what disposal receipts you're expecting in addition to the Merakes one?

Giuseppe Ricci, Chief Refining & Marketing Officer: About the spread, regarding the high sulphur, low sulphur crudes, we had in the first half, a very big spread of \$1.4 per barrel of appreciation of high crudes versus the low crudes. So it is very strange scenario. We expect in the second half an alignment with the budget and in the last part of June, early July, we are seeing this alignment. About ADNOC, we expected the completion by the end of this month, the 31st of July, three months in advance versus what we have expected.

Massimo Mondazzi, CFO : So as far as the disposal in the second half. You noticed this morning that we sold 20% of Merakes and we have some other ongoing small divestiture that will take place in the second part of this year. The overall amount we expect to cash in is in the range of EUR300 million.

Jon Rigby, UBS: Okay. Just to confirm, the ADNOC contribution will be your, sort of, affiliate pickup.

Massimo Mondazzi, CFO : Yes Jon. When we announced the deal, we said that we expected a small contribution starting from 2019 because of the interim dividend to be distributed. The latest from Abu Dhabi, because of the lower scenario even in Middle East and Far East, together with a slower ramp up in the new revamped FCC part of the overall plant, the contribution this year will probably be zero, while we expect still the contribution we announced during the acquisition time starting from 2020.

OPERATOR: The next question is from Jason Kenney of Santander.

Jason Kenny, Santander: Well done on the exploration success year-to-date. I just wondered, could you list maybe the key wells to watch in the second half of 2019 that are going to support the additional 300 or so resource addition.

And on the share buyback – I think, over EUR50 million turning to date, should I be assuming the EUR400 million share buyback within the 2019 timeframe or am I thinking into the first and second quarter of 2020?

Claudio Descalzi, CEO: Luca, for exploration and Massimo, for the buyback.

Luca Bertelli, Chief Exploration Officer: In the second half, we expect to drill two deep water wells in Mexico and we have another other important well offshore Egypt, and we will continue drilling in Angola. So these are the key wells. Taking to account that in the \$350 million barrel of equity declared so far has not considered Vietnam yet. The well just finished and we are evaluating the discovery. So that is in any way a material discovery.

Massimo Mondazzi, CFO: Okay. So as far as the buyback, definitely we confirm the 400 million to be both throughout the -- from now to the remaining part of this year. While, as you know, as far as the Buybacks for 2020 will be decided at our strategy update in March 2020. Looking at the financials, we are projecting pre-IFRS 16 leverage at 15%. Such financial results are encouraging towards a potential continuation of our buyback programme even in 2020

Jason Kenny, Santander: Okay. If I might just follow-up on that point, do you expect leverage at the year-end in a similar level?

Massimo Mondazzi, CFO: As we probably detailed in the strategy, we are going to pay EUR2.77 billion because of the Ruwais 20% acquisition. So based on this and based on the scenario, we expect in the second half of this year, we expect the leverage before the IFRS in the range of 20%, because of the significant amount to be paid for Ruwais and so that should be the ceiling, yes.

OPERATOR: The next question is from Alastair Syme of Citi.

Alistair Syme, Citi: I just had one question, actually. on Iraq, given that you're relatively important player in that country. Could you just talk a little bit about the investment requirement that you are seeing there? I think back in May that you might have mentioned you could invest an additional \$7 billion in CapEx in Zubair. And so, I assume this sort of statement requires better fiscal terms than you're currently getting? If you could just talk about that and what you think the potential of the asset is, please.

Claudio Descalzi, CEO: Our investment in Iraq always focuses on Zubair, because we are growing the production, we reach about 500,000 barrel per day. Contractually, we have to reach about 800,000, so we have investments. Our stake is about 39% and that is the investment needed to reach this target. Every quarter we recover our investment. So there is a fast recovery of our investment. Up until now, we don't have outstandings. So we recovered all the money invested until now plus the remuneration. So at the moment we are working on this project. We have other opportunities, especially of the gas and oil, but we are just on the level of studying, nothing else.

Alistair Syme, Citi: Can you just clarify, is there any potential in Zubair to raise the production beyond those the 850,000? I know originally you have been talking about 1.2 million barrels.

Claudio Descalzi, CEO: So the potential internal reserves is there. We are sealed with the contracts, the timing, and then we have some hurdles related to the water injection. We had to find the right balance between the production and the injection. So the oil is there and it can flow. It needs additional

investment. We have already a lot of facility that we can use it with investments, but is linked to contract, it is linked to water and also is linked to the internal rate of return of the investments. So it's linked also to the possibility to improve the condition of the contract

OPERATOR: The next question is from Christopher Kuplent of Bank of America.

Christopher Kuplent, BAML: Just 2 more questions remaining and they're quite lazy because I'm asking you to give a little bit more color on guidance that I think you haven't given us so far. You referenced without that Priolo issues that Versalis was already running at breakeven. Would that be a fair assumption going into the second half of this year?

Secondly, can you give us a little bit of color on what's happening in the other and corporate and intra-group line items that seem to be quite volatile and any hint on whether this is going to correct, more or less stay at historical levels on a full year basis into the second half would be very welcome?

Alberto Navarretta, CFO of Versalis: Yes, the second half was poor in terms of the results with an EBIT negative of EUR28 million. But in this number, you have to consider that we also have some one-off effects resulting from some temporary standstill on our Gela plant. Overall, we can sustain a breakeven in this scenario. So having said that, assuming fairly the same constant scenario for the second half, we are confident to sustain an EBIT breakeven also that we do not expect any major planned maintenance activity for the second half and this also would help us improving.

Massimo Mondazzi, CFO: Now as far as the other items, we do not expect any kind of volatility looking forward to the end of the year. The volatility we recorded in the first and second quarters, you remember was related to the internal gain. So internal transaction between business inside Eni that was not reflected yet towards the external market.

We had some of them ending in the first quarter that has been recovered in the second quarter as expected and as announced, and we do not expect anything like this in the months to come. As far as the other corporate cost, we expect a slight decrease in such a cost, but nothing very much volatile.

OPERATOR: The next question is from Bertrand Hodee, Kepler

So I got one question concerning Libya gas exports to Europe. Massimo, you mentioned that you had an adverse effect on the tax rate in Q2 – can you clarify if European gas prices will stay low in the next quarters with adverse tax rate impact?

And can you confirm that you are making money on those gas exports from Libya to Europe even with a very low prevailing natural gas spot price in Europe?

Massimo Mondazzi, CFO: So the answer to your final question, yes. And the fact that's we are recording such an effect on the tax rate, because you may remember that the Libyan gas contract is the remaining one that is fully related to oil.

So on the upstream side, the gas price is related to Brent. And then, today we're talking about 40% of our gas production that is exported and sold to the European gas market mainly at the hub price. So that's the difference that generated part of the increase in the tax rate.

As I said, if we forecast a gas price in Italy, PSV, in the range of EUR200 per thousand standard cubic meters in the second half, we do not expect any kind of discontinuity in the tax rate that has been confirmed in the range of 60%. Even if the gas price should be a bit lower, to give you an example, may be EUR10 per 1,000 standard cubic meter, I do not expect any significant reflection on the tax rate.

OPERATOR: The next question is from Massimo Bonisoli of Equita.

Massimo Bonisoli, Equita

Two clarifications left. Considering the volatile development in networking capital over the first half. How do you see this development over the rest of the year? And the second, if you can clarify the drivers behind the new CapEx guidance. Is it the result of the farm-out maybe?

Massimo Mondazzi, CFO: So as far as working capital, the volatile trend is mainly related to the seasonality. So nothing special, nothing new and in line with the expectation. Now as far as a June, the stock is a slight absorption of cash in the range of EUR200 million. And what we expect is the same shape all along the second half, up to the year-end. As announced, you know you remember presenting this strategy this year, we expect a slight absorption of cash from working capital in such a range, so EUR100 million, EUR200 million.

Claudio Descalzi, CEO: I just want to highlight something on the CapEx guidance, because as we said during the presentation, we've been able to give a new guidance to reduce CapEx that is really a matter of efficiency. It is not cutting, it is really efficiency that is mainly driven by the time to market. When we are able to not just respect but anticipate your project in terms of timing, you spend less, and that's what happened. That happened in Zohr, because we anticipated one year. That is happening in Mexico, because in one year we put in production the field, and that happened also in the Western desert. This is really a matter of efficiency, not just a mere reduction of CapEx but an anticipation of your production.

Massimo Mondazzi, CFO: And nothing to do with the dispositions because dispositions were already included in our budget.

OPERATOR: The next question is from Alessandro Pozzi of Mediobanca.

Alessandro Pozzi, Mediobanca

I have two questions. The first one is on Qatar Petroleum, new farm-out and few licenses in Kenya and that adds to the established partnership you already have in Mexico and Mozambique, just to name a few. I was wondering, which is a likelihood that we're going to see meaningful production from Eni in Qatar at some point in the future.?

On Agogo, I believe you mentioned a 1.8 billion of barrels in place in the block. Just wondering what is the level of resources required maybe to have a new hub in that block?

Claudio Descalzi, CEO: So QP, the when questions depends mainly on the host not on the guest to open the door and let us step in. Clearly, we are already willing to step in and work in Qatar. We worked very well in these three years that we work together, outside Qatar. We buy gas from Qatar. So we know each other very well.

Now there is this tender for the expansion of the plant and we are working very hard and we hope to be able to work in Qatar for the first time and have production over there and not just production but also LNG to export.

When you mention Agogo, I want to clarify, that the 1.8 billion is related to the additional last discoveries including Agogo. Agogo's second appraisal confirmed the 650 million boe that we discovered with the first well, .The second well has been drilled 3 kilometres from the first exploration well and confirmed the discovery and found with further upside. We already have two hubs in the area made before the latest discoveries, of 1.8 -1.7 billion barrel of resources and according to reservoirs the location and distance. The first well that we are going to tie-in, in a record time, is really going to test the reservoir and will give more energy to the existing hub, that has a ceiling of around 150, 160 kbopd. And with all the latest discoveries, we don't want just to give an extension towards the existing facility but we want also to further develop. A development must be studied in terms of number of wells considering that it is a super-giant discovery, therefore it is likely that for such discovery a new hub will be developed. But we need an additional project to understand the reservoir and the number of wells and the final possible cost.

OPERATOR: The final question is from Lydia Rainforth of Barclays.

Lydia Rainforth, Barclays

Two very quick ones actually on the low carbon part of the business. In terms of the CO2 emissions that you've showed coming through. Can you just walk through what is that that you're doing differently now versus previously.

Secondly, with Gela and EST coming back in second half of this year, how do you expect both the margin for those plants to be compared to the wider downstream?

Claudio Descalzi, CEO: We've been working for years to reduce our CO2 emissions, 6 years ago our scope 1 CO2 production was about 65m tonnes per year, now it's 40m tonnes, split equally between upstream and downstream. We work a lot on the upstream because there is room on the flaring down that's been drastically reduced by more than 80% and then we work on the methane emission, where we have a target by 2025 to stop all flaring and reduce additional 80% of the methane emissions.

We are currently also working a lot on circular economy and on renewable energies We are replacing our internal gas consumption through renewables and that is reducing this Scope 1.

The downstream is more resilient to reduce CO2. We are developing CCUS and CCU tech to capture carbon in the downstream. We have a clear target with a commitment by 2030, to offset the Scope 1 in the upstream. It is a working in progress. We hope that next year, when we are ready, we can disclose when we will be carbon-free also in the downstream.

OPERATOR: Gentlemen, would you like to make any closing remarks. There are no questions registered at this time.

Claudio Descalzi, CEO: No. Thank you. We don't. I think that we touched all the points and we don't have any closing remarks. Thank you very much for your attention.

OPERATOR: Ladies and gentlemen, thank you for joining. The conference is now over and you may disconnect your telephone.

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