Investor Day
Fit for complexity
Eni’s unique business model
2014-2016 STRATEGY EXECUTION
A DISTINCTIVE MODEL FOR VALUE GENERATION
FOCUS ON NEW PROJECTS
FPSO ready to sail off for Block 15/06

2014-2016 strategy execution
A challenging scenario

Brent | $/bl

-60%

EU gas demand | bcm

-16%

OECD EU refining

Hub volumes

25% 74%*

* Jan-Oct 2016

Oil demand  Refining margin
Strategy execution and main milestones

**Transformation into a fully integrated O&G**
- Take-or-pay renegotiations
- Reduced refining capacity
- Dividend rebased
- Refining and Chemicals back to EBIT breakeven
- Galp and Snam disposals
- Zohr FID
- Saipem deconsolidation

**Upstream enhancement**
- Launch Capex and opex saving plan
- Upstream growth +10%
- Noroos and Zohr discoveries

**Restructuring mid-downstream**
- G&A savings
- Upstream growth +10%
- Noroos and Zohr discoveries
- Gas renegotiation
- New organisation
- G&A savings
- Mid-downstream FCF positive
- Kashagan start-up
- Coral Eni Investment approval
- Zohr disposal
  - 10% stake to BP
  - 30% stake to Rosneft

**Cost efficiency**
- Capex -33%
- Opex -23%
- G&A -33% (vs. 2014)

**2014**
- New organisation

**2015**
- Launch Capex and opex saving plan
- Upstream growth +10%
- Noroos and Zohr discoveries

**2016**
- Goliath start-up
- Capex -33%
- Opex -23%
- G&A -33% (vs. 2014)

**PROFITABLE GROWTH**
Transformation into a fully integrated O&G company

Eni 2014

Consolidated companies
- Saipem 43%
- Versalis 100%

On equity accounting
- 8.5% Snam
- 16% Galp

Eni 2016

Consolidated company
- Versalis 100%

On Equity accounting
- 30.5% Saipem

SUPPORT FUNCTIONS

CASH IN FROM TRANSFORMATION
€ 10Bln

SAVING FROM REORGANIZATION
€700 Mln/YEAR

CORPORATE HOLDING

Exploration & Production DIVISION
- Support Functions

Gas & Power DIVISION
- Support Functions

Refining & Marketing DIVISION
- Support Functions

Energy Solutions

Transformation into a fully integrated O&G
Upstream enhancement
Restructuring mid-downstream
Cost efficiency
Restructuring mid-downstream

Gas & Power
ToP recovery | € bln

Refining
Break-even margin EBIT adj | $/bl

Chemicals
EBIT result | € bln

ToP Recovery
Make-up gas

ToP recovery | € bln

2013 2014 - 2016

0 0,5 1 1,5 2

2013 2016 exp.

7.5 4.2

2013 2016 exp.

-0.4 0.3
Cash flow generated by mid-downstream restructuring

Δ CFFO 2014-2016 vs 2011-2013: ~€ 9 Bln
Delivering on upstream enhancement

**Production | kboed**

- 2013: 1550 kboed
- 2016 exp.: 1850 kboed

**Operating Cash Flow | € bln**

- 2013: €12 bln
- 2016 exp.: €16 bln

**Cash flow per barrel | $/boe**

- 2013: 109 $/b
- 2016 exp.: 109 $/b

**Historical record of production and enhanced cash flow**
Improving portfolio cost structure

New projects breakeven | $/boe

Technical costs | $/boe

-30%
Cost optimization

**Group Capex | € bln**

-33%

**Upstream Opex | $/boe**

**G&A costs | € bln**

-33%

**Cumulative cost saving € 10 Bln**
An effective strategy to halve cash neutrality

**Price of cash neutrality**

<table>
<thead>
<tr>
<th>Year</th>
<th>Price of cash neutrality</th>
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</thead>
<tbody>
<tr>
<td>2013</td>
<td>127 $/boe</td>
</tr>
<tr>
<td>2014</td>
<td>50 $/boe</td>
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<tr>
<td>2015</td>
<td>40 $/boe</td>
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-60%

**Cumulative Operating Cash Flow**

<table>
<thead>
<tr>
<th>Year</th>
<th>Cumulative Operating Cash Flow</th>
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<tbody>
<tr>
<td>2011-13</td>
<td>Avg. Brent: 110 $/bl</td>
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<tr>
<td>2014-16</td>
<td>Avg. Brent: 64 $/bl</td>
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</table>

* Organic coverage of Capex through CFFO
A distinctive model for value generation
A distinctive strategy on exploration

Main drivers of exploration strategy

- Unconventional Focus On Conventional plays
- Ownership and high stake
- Early mover approach
- Risk diversification on multiple plays
- Rapid Resource conversion
Key metrics of our success

Cumulative discovered resources | bln boe

Accelerating conversion to reserves and economic value | bln boe

- Cumulative discovered resources:
  - 2008: 0
  - 2009: 1
  - 2010: 2
  - 2011: 4
  - 2012: 7
  - 2013: 10
  - 2014: 13

- Yearly additions:
  - 2008: 0
  - 2009: 1
  - 2010: 2
  - 2011: 3
  - 2012: 6
  - 2013: 9
  - 2014: 10

- Cumulative discovered resources:
  - 2008: 0
  - 2009: 1
  - 2010: 3
  - 2011: 7
  - 2012: 13
  - 2013: 23
  - 2014: 33

- Economic value:
  - 3P or under study: 13
  - FID: 6
  - Under disposal: 4
  - Disposed: 3
Map of exploration discoveries since 2008

- Hadrian/Lucius
- Perla
- Ogfan
- Johan Castberg
- Zohr
- Great Nooros
- Sankofa
- Marine XII
- 15/06
- Coral/Mamba
- Nyonie Deep
- Jangkrik
- Merakes

Oil
Gas
“Designing to cost” from exploration to development

Eni phased / fast track project schedule

- Strong integration from exploration to start-up thanks to leading edge technology
- From a sequential to a parallel approach
- Project phasing to reduce subsurface risks
- 3D reservoir models before exploration well for critical projects
- Continuous reservoir updates and scenarios’ analysis

Traditional project schedule

- Exploration
- Reservoir studies
- Engineering design
- Procurement and operations
Ultra fast-tracking Zohr

ACCELERATED START-UP

- 6 wells + 26” line
- 1 control platform + 1 umbilical
- new onshore plant

RAMP-UP TO PLATEAU

- 14 additional wells + 2 x 30” export lines
- 2 umbilicals + Extension of new onshore plant

PLATEAU EXTENSION

- 5 additional wells + additional 2x30” export lines
- 1 umbilical + Onshore compression
Time-to-market of recent and ongoing main projects

<table>
<thead>
<tr>
<th>Block 15/06 - West Hub Angola</th>
<th>Block 15/06 - East Hub Angola</th>
<th>Jangkrik Indonesia</th>
<th>Perla Venezuela</th>
<th>OCTP Ghana</th>
<th>Marine XII - Nenè Congo</th>
<th>Great Noroos Egypt</th>
<th>Zohr Egypt</th>
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<tr>
<td>Avg Time to Mkt</td>
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<td>Discovery</td>
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<tr>
<td>FID (Final Investment Decision)</td>
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<tr>
<td>Start up</td>
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Project Progress

- Block 15/06 - West Hub Angola: 88%
- Block 15/06 - East Hub Angola: 87%
- Jangkrik Indonesia: 90%
- Perla Venezuela: 100%
- OCTP Ghana: 60%
- Marine XII - Nenè Congo: 65%
- Great Noroos Egypt: 100%
- Zohr Egypt: 35%

Avg Time to Mkt

- Discovery to FID: 2 years vs industry avg 4 years
- FID to Start up: 2.5 years vs industry avg 4.5 years
Contribution to growth and cash flow

2016-2018 CUMULATED CFFO € 7.7 BLN

CFFO € 4.3 bln in 2018 @ $60/bl

Contribution from Block 15/06, Jangkrik, Perla, OCTP, Marine XII, Great Noroos, Zohr, Goliat and Kashagan
Increased upstream capital efficiency

**E&P Capex* vs production**

<table>
<thead>
<tr>
<th>Year</th>
<th>E&amp;P CAPEX</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1000</td>
<td>600</td>
</tr>
<tr>
<td>2016</td>
<td>1100</td>
<td>700</td>
</tr>
<tr>
<td>2017</td>
<td>1200</td>
<td>800</td>
</tr>
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</table>

* Before disposal

**Reserve Replacement Ratio | %**

- **Max**: 131%
- **Min**: -12%

2013 2014 2015
Our strategy to unlock portfolio value

- **Disposed stakes**
  - 20% Mozambique (2013): 3.4 € bln
  - 40% Zohr (2016): 2 € bln

**Further disposals**

- **Galp, Snam, other**
- **Saipem**

Other disposals:
### Conclusion

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<tr>
<th><strong>UPSTREAM</strong></th>
<th><strong>2013</strong></th>
<th><strong>TODAY</strong></th>
</tr>
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<tbody>
<tr>
<td>Production (Mb/d)</td>
<td>1.6</td>
<td>&gt;1.85</td>
</tr>
<tr>
<td>Projects breakeven ($/boe)</td>
<td>45</td>
<td>27</td>
</tr>
<tr>
<td>Inactive capital (bln €)</td>
<td>24</td>
<td>16</td>
</tr>
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<tr>
<th><strong>MID-DOWNSTREAM</strong></th>
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<tr>
<td>LT contracts G&amp;P</td>
<td>80% oil</td>
<td>&gt;70% hub</td>
</tr>
<tr>
<td>Refining breakeven ($/bl)</td>
<td>&gt;8</td>
<td>4.2</td>
</tr>
<tr>
<td>Chemicals ebit</td>
<td>FCF and EBIT negative</td>
<td>Structural break-even and self-financing</td>
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<tr>
<th><strong>CORPORATE &amp; FINANCIALS</strong></th>
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<tr>
<td>Organization</td>
<td>Divisional</td>
<td>Integrated</td>
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<tr>
<td>Business model</td>
<td>Conglomerate</td>
<td>O&amp;G focus</td>
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<td>Capex coverage neutrality ($/boe)</td>
<td>127</td>
<td>50</td>
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