Good afternoon, and welcome to our first half 2016 results presentation.

In the first half of this year, we continued to execute our strategy and perform in line with our plan.

In particular:

In E&P, we were able to fully offset the shut down of Val d’Agri and disruptions in Nigeria, even managing to increase production by 0.5% YoY, thanks to the flexibility coming from our exploration and the pipeline of new start-ups and ramp ups, that will continue in the next couple of years.

Production growth contributed to an overall positive ebit of almost half a billion euro despite Brent being below 40$ per barrel and the depressed gas price.

Exploration has already beaten the full year target with 550 million boe of new resources discovered in the 1st half.

In Mid-downstream, we recorded about €400m of EBIT with all segments delivering positive results.

In Refining, we continued the restructuring programme, confirming the breakeven guidance for 2016 of 4.5 $/bbl.

The Chemicals sector delivered its 3rd consecutive semester of strong results thanks to the optimization of our operations and the positive market environment.

In G&P, we recorded a positive result in the 1st half of the year and we continued to progress in the turnaround plan that targets structural breakeven from 2017.
Capex was reduced by 17% in the 1st half, confirming our target to reduce this by 20% for the full year when we will benefit from the completion of some major projects in Angola, Kazakhstan and Norway.

Overall, in the first half of 2016, the company generated an operating cash flow of 3.1 billion euro.

For the full year, we are in line with the planned operating coverage of capex at $50 per barrel.

In E&P, H1 production was 1734 kboe/d, 0.5% ahead of last year. This result was achieved notwithstanding the shut-down of Val D'Agri, that weighed in for 33 kboed, and additional disruptions in Nigeria for 13 kboed.

Our performance, partially supported by the PSA effect, has been mainly driven by our startups and ramp ups:

- in Angola, where block 15/06 has already reached a plateau of 90 kbopd
- in Norway, where Goliat has successfully completed the ramp-up to above 100 kbopd and
- in Egypt, where in only 10 months after discovery, we raised Nooros production to today’s more than 70 kboed

Looking forward, we expect the restart of the Val d’Agri field in the coming weeks and we plan to have Kashagan back on stream in October.

Thanks to our performance in the first half and further growth, we confirm the full year guidance of 1.76 million boe a day.

In Exploration we have already beaten the Full Year target.

We were targeting to find 400 m boe of resources at $2.3/boe. After six months we have already discovered in excess of 500 million boe at around 60 $cents/boe.

Main contributions come from the Zohr appraisal phase and the major gas and condensate discoveries in the Egyptian shallow waters, confirming our strategy of re-focusing on near field activities that provide fast-track production.

The new Nidoco wells and the Baltim South West 1 well enhanced the hydrocarbon potential of what we call the “Great Nooros area”, now estimated to hold about 3 tcf of gas in place.
The Nooros field, discovered in July 2015, is already producing 70 kboed and is expected to reach 130 Kboed by October.

In the 1st Half we have also continued the appraisal on Zohr with 3 wells all with positive results that confirm the world class potential of this supergiant.

Zohr 2 has been tested confirming the great production potential and reservoir characteristics. We are currently drilling the fifth well in the southern part of the structure.

During the 1st half we invested 4.9 billion euros, a reduction of 17% against the first half 2015. This trend is in line with our guidance of reducing 2016 capex by 20%.

The start ups of Goliat and Kashagan, along with the completion of the most capital intensive activities of projects that will start-up in 2017, will slow the spending pace in the coming months.

This capex reduction is even more remarkable if we take into account that we will deliver a growth in excess of 5% in 2017 thanks to a pipeline of material start ups.

We are on a track on 8 major new projects, that will expand our cash generation with an overall equity production of around 500 kboed in the next three years.

This new production is almost entirely operated and characterized by a high oil content.

And now a few comments on the economic results.

The economic result was heavily impacted by the negative scenario in oil, accounting for a 31% fall in Brent and a 37% in the gas price in Italy, and refining margin that came down by 32%, with an overall EBIT reduction of € 2.8 billion versus last year.

In addition, one-offs related mainly to the Val D’Agri shutdown and G&P impacted by a further 500 million euros.

All these negative elements have been partially compensated by performance improvements, driven by a lower cost base as well as efficiency gains in the mid-downstream segments, which brought a €1 billion improvement, allowing us to reach a positive ebit of €770 million

At net level, we recorded a negative result of around €250 million penalized as already anticipated, by the higher tax rate paid on positive results in PSAs.

In terms of cash generation, in the first half we generated €3.1bn of operating cash flow, in spite of the weak price environment and the Val d’Agri production shutdown, reaching a leverage of 0.26.
We expect to improve cash generation in the second half with Goliat now at plateau, the return of Val D’Agri, the start up of Kashagan, the growing production in Egypt and other supporting actions.

Capital expenditures in the second half will benefit from the roll-off of recent large projects that have reached plateau, and a further optimization in the supply chain.

These factors allow us to reiterate our guidance to cover capex from operating cash flow at 50 $/bl.

To sum up, based on the first half’s operating performance we update our targets as follows:

• In E&P in 2016 we confirm our production at 1.76 million boe per day and raise our exploration target by 50% to 600 Mboe

• We confirm the 20% capex reduction of 2016 while targeting a production growth of more than 5% in 2017.

• In G&P, 2016 EBIT will be negative due to the lack of positive contribution from the Gasterra arbitration but FCF will be largely positive. Structural breakeven from 2017 is confirmed

• In R&M, we confirm the refining sector’s breakeven at 4.5 $/bbl in 2016 and we target to be both EBIT and FCF positive.

• Finally, in Chemicals we expect the business to be both EBIT and Free Cash Flow positive in 2016

Based on this, I will propose to my Board an interim dividend of 40 €/cents per share.

Thank you.

Together with the CEO and Company management, we are now ready to answer your questions.

Q&A Q2 2016 Eni SpA Earnings Call - Final
29 July 2016

CORPORATE PARTICIPANTS
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Rob West, Redburn Partners, Analyst

John Rigby, UBS, Analyst

QUESTIONS AND ANSWERS

Oswald Clint, Analyst, Bernstein

OSWALD CLINT, ANALYST, BERNSTEIN: Yes, thank you very much. Good afternoon, I just wanted to ask a bit more about the gas and power and the implications of the GasTerra deal. I think you’ve given some comments there. But, is there anything more we need to know about that? Are there any other conclusions to deals that are included in 2017 guidance, or that structural
breakeven next year is not dependent on any further gas contract deals? That's the first question.

And then secondly, just on gearing, I think, obviously, it still looks pretty good. I think you say below 30% or 0.3 is still dependent on asset divestment deals progressing I think through this year into next year. So, maybe an update on those particular divestments, please. Thank you.

CLAUDIO DESCALZI, CEO, ENI SPA: Okay. Umberto Vergine, that is in charge of gas and power, is going to answer on the first question.

UMBERTO VERGINE, CHIEF MIDSTREAM GAS & POWER OFFICER, ENI SPA: Well, the GasTerra arbitration outcome has, as we have seen, significantly impacted on 2016 because we have not cashed in the retroactive payments. The GasTerra negotiation on this contract is not over. Basically, we are now starting a new price review based on a different concept than the one that we have submitted so far. So, the GasTerra price is not defined by the present arbitration award.

Yes, certainly, the 2000 guidance is impacted by the outcome of other negotiations. We have a number of negotiations ongoing, as we always indicated, on a number of counterparts. And as a matter of fact, we have already achieved in some cases a positive result, like the reduction of the take or pay, like having today about 65% of our portfolio already have index. The process is not completed and is a fundamental step in order to bring our business at breakeven.

For next year, we expect to see, therefore, a contribution by the renegotiation on the long-term contract, contribution about cost reduction on transportation cost, on our logistic cost. We expect to have like we have the first half this year, positive contribution from our operating activity. And we have always a continuous good result from the retail business.

CLAUDIO DESCALZI: A few comments about the leverage and how we are resilient about the situation of today, then I give the floor to Massimo to talk about M&As and what we are doing. I -- we analysed the first months. And we see that we has been for the industry very tough in terms of oil price, gas price. The refining margin for the first time was not [on] the cycle to the oil price because we had a very low refining margin.

And for us, we have to add also the Val d'Agri, the four months. For four months now, we are not in production, has been really a stress test. I think that we really passed through a quite tough situation.

And if you look at what we have done, we -- practically, we have been able to compensate partially, but a price effect of EUR2.8 billion, then Val d'Agri and gas and power effect of EUR500 million. And we produced an additional [out of budget] of EUR1 billion working on cost, on production. We recovered practically all the production we lost. So, we can confirm the budget.
And we have been able in this very, very particular period to have a leverage that is now at 26%. That is the best in the industry. So, I think that that is very -- for me, is a very important signal, yes, because that means that the fundamental, the structure, the basic elements of our industrial profile are absolutely robust and that, now, I hope that is going to be better. Also, the price is lower, we are going to have a lot of new production. So, I'm really confident about the future.

And now, Massimo can elaborate on the M&A.

MASSIMO MONDAZZI, CHIEF FINANCIAL & RISK MANAGEMENT OFFICER, ENI SPA: Hi, Oswald. I'm sure you understand that I cannot elaborate in detail on the disposal divestment plan. But, let me say that, up to now, we don't have any reason to revise our guidance in terms of disposals, even in the first -- you know -- you remember the guidance we gave during our strategy presentation last March. In particular, we don't have any reason to modify the guidance related to the first two years, so what we expect to divest in 2016, 2017.

The processes ongoing are, you understand, a bit complex. We cannot announce anything until the final signature. But, negotiations are ongoing and, [as we say], are very well advanced.

OSWALD CLINT: Very useful. Thank you.

OPERATOR: Biraj Borkhataria, RBC Capital Markets.

BIRAJ BORKHATARIA, ANALYST, RBC CAPITAL MARKETS: Hi, thanks for taking my question. I had a couple on exploration. Obviously, that seems to perform better than expectations, and you've upgraded the guidance there. I was wondering if you could just give us a quick run through on the key wells that you're drilling in the second half of the year.

The related question to that, would any of the prospects you're drilling in the second half of the year be potential fast-track options, which would imply potential upside to your production target? Thanks.

CLAUDIO DESCALZI: Luca is going to answer for the explorations.

LUCA BERTELLI, CHIEF EXPLORATION OFFICER, ENI SPA: Okay. So, in the second half, we will continue exploration near-field drilling in Great Nooros area, where we expect positive results coming. And this means that we could add quick production in a shorter time. As you see there, [on top of] Nooros is real impressive, what we achieve in one year. We will further continue appraising Zohr discoveries. And we have some further drilling in Indonesia last quarter this year that could add some additional potential. So, we are optimistic about the guidance we updated.

BIRAJ BORKHATARIA: Thanks. Very helpful.

OPERATOR: Thomas Adolff, Credit Suisse.
THOMAS ADOLFF, ANALYST, CREDIT SUISSE: Good afternoon. Just got a few questions. And I want to go back to the disposal plan. And your target is EUR7 billion over the next four years, 80% of which is fronted loaded. I know you said gas retail is not part of the plan. But, then again, one of your competitors decided to include specialty chemicals in the plan when it wasn't initially because the market for selling upstream assets is obviously challenging, and you don't want to leave value on the table. So, I guess my question is, is gas retail still off the table?

And the second question I had, just -- I know you can't really go into details on your current discussions on Mozambique LNG, on the disposal side, again. But, you previously said you were going to monetize 15% to 20%. And I believe the intention now is to monetize a little bit more than that. And I wondered why you're now planning on selling a bit more and whether you're also willing to give up operatorship if the partner is technically very capable.

And a final question on Zohr, you've drilled four wells. The fifth is ongoing. And I believe you said it's looking perhaps better than expected. So, I wondered whether you're still sticking with your initial resource estimate. Thank you.

CLAUDIO DESCALZI: So, first point related to the retail gas, first of all, we are not in the need now to sell the retail gas. We said at the very beginning that is -- should be done in an opportunistic way. So, it's not -- we don't need now. We are more focused on the -- what we call the dual exploration, so this exploration asset where we found large and giant fields and a lot of research, and we have a high stake. So, that is our priority.

We are working meanwhile on the retail gas to make it more efficient and create a real company and a diversified business. So, we are going to look at that in an opportunistic way as an additional upside potential that we have in our end.

For Mozambique, we have been clear from the beginning that we're going to sell about 50% of our 20 or 25 in terms of percentage points, so 50% of our stakes. And we are working on that.

Our model is to remain and keep the operatorship or keep, in any case, a clear control on the asset, is the asset that we discovered. We've also got other exploration blocks in Mozambique. We have a strong knowledge. We have been with Anadarko the first company to believe in this area that is a super green area -- it was. So, that is what we wanted to do and what we -- want to continue to do.

Zohr, we are not in a position to make an update on the resources, it has been I think very positive. The north of the block is, as we said, better than expected. But, we're not now ready to deliver new figures.

THOMAS ADOLFF: Thank you.

OPERATOR: Irene Himona, Societe Generale.
IRENE HIMONA, ANALYST, SOCIETE GENERALE: Thank you. Good afternoon. I had two questions, please. Firstly, on Val d'Agri, the plant was stopped. And you then say that you worked on upgrading it. And you will restart it very soon. I wonder if you can share with us what problem was an issue, what the reason for stopping it was. And I'm just wondering if there's any read through for other operations, if there's any systemic risk, or was this a one-off completely?

And my second question is on the reorganization you announced today of internal control and risk management. I wonder if you can share with us what sparked the reorganization and what your objectives are in this. Thank you.

CLAUDIO DESCALZI: So, for Val d'Agri, the reason was [relating] to the water injection and some interpretation of the water content. We expressed clearly our position. We are using, we used, we are using, and we are going to use international standards. So, I exclude that this kind of event can be replicated in other operations.

What we have done, we just made a marginal, so marginal changes to the -- our process for a different segregation of the water coming from the gas, but that's all. And so, I don't -- I think, really, that there is no impact because what we are doing in Val d'Agri is what we are doing, and not us, but all the companies are doing in the -- all water injection in every field. So, that is -- I don't think that is any problem.

The reorganization is really a maintenance. So, we made three different kinds of move. The first one is the risk management, integrated risk management, that is reporting to me, has been moved for a while with the CFO, and now is -- we updated the structure. And now, he's reporting to me. And that is my -- following the bylaw of the Company, is my direct responsibility.

We have been a little bit more innovative for the compliance because we created a focal and central point for the compliance. And that is -- that means they -- we put together, we are putting together the compliance of all the different kind of units. And we are working. It is (inaudible) because it will be finalized in the next month, at the moment will be with Massimo that the Human Resources is working on these initiatives and, before the end of the year, will report to me.

The third point is Versalis. So, Versalis now is reporting to me. We are working very hard to create the Versalis. I think the first results in the last one-half year are very successful because Versalis first lost -- has a negative EBIT for 20 years and with some also negative cash flow. And now, in the last one-half years, the EBIT is positive or breakeven. And now, for the first time, we are also free cash flow. That means that they made their investment. And they have also free cash flow.

So, we want to follow very closely to finalize the transformation that started a few years ago. And for that reason, we decided with the Board to have this unit reporting to me.
IRENE HIXONA: Thank you very much.

OPERATOR: Hamish Clegg, BofA Merrill Lynch.

HAMISH CLEGG, ANALYST, BOFA MERRILL LYNCH: Good afternoon, gentlemen. A few quick -- how are you doing -- questions from my side. First of all, just on Kashagan, while we've heard from Shell already this week that it's all on schedule, just wondered if you'd give us a tiny bit of colour on the commissioning. You mentioned earlier this year that it would be starting commissioning in the summer months, where it's easier to install the pipes. Love to get a very quick update.

Secondly, on Versalis, with the deal falling through, could you really tell us if Versalis is still up for sale now that we're including it back in the forecast and maybe why the deal fell through?

And thirdly, just on gas and power, gas and power tends to be a slightly less volatile division within many of your peers. And we see quite a lot of volatility in earnings. I know the GasTerra arbitration is not ideal. But, could you maybe explain couple of things which are, will this become more stable in the coming years as and when you reach the plan, and can you define what structural breakeven means?

And then just finally -- and the last question, I promise -- on Zohr, one of the things I noticed is that you've recently been in negotiations with Cyprus. And you also mentioned earlier on the call that the north of the block has been better than expected. Do we have any potential really [crossed] opportunities outside the block and in Cyprus? Do you feel this structure maybe continues?

CLAUDIO DESCALZI: So, Antonio Vella will answer about cash again.

ANTONIO VELLA, CHIEF UPSTREAM OFFICER, ENI SPA: Okay. So, the pipeline rehabilitation activities are progressing ahead of schedule. And the overall progress as of today is 95% versus the 91% planned. So, the entire pipeline, welding, and laying has been completed. We are close to complete all the hydraulic tests of the pipe. We anticipated to restart the production in October with a short ramp up to reach a plateau level around 230 of gross production within the end of the year.

CLAUDIO DESCALZI: So, Versalis, I have to say that the future of Versalis is in the end of Versalis. What we are going to do with Versalis depends on what Versalis is able to do. I gave very straight and clear targets to Versalis. I want a company that is able to produce the cash to justify the investment.

For that reason, now, it's reporting to me. We have a close contact with the management. At the moment, we consolidate again Versalis into Eni. So, that means that there's no discussion. But, that means that Versalis has to demonstrate to be a company that is able to win the challenge and to get the result.
So, they are very motivated. The last year was a year of negotiation. It's a wonderful company in terms of proprietary technologies and market position and also optimization now, products, and competencies and R&D.

I said that is not our core business. But, it's close to us in terms of history. It's close to us in terms of position and close to our refineries. And I want really to understand if they can get these results. Again, to get these results, then we'll see. So, now, in the next months and the next year, the focus is to improve the efficiency and improve the result.

For the gas and power, Umberto is going to answer to your questions.

UMBERTO VERGINE: Yes, thank you. You are certainly right to say that gas and power seems always much more volatile than any other business. But, I would like to stress one aspect that the impact of negotiation or arbitration or even portfolio, like take or pay or recovery or take or pay, is always giving a disproportionate effect on a single year when one of these events occurs, creating therefore somehow a mask to what is the underlying business activity.

And when we say that we confirm our guidance for next year based on basically three pillars, one that is the good performance of the division that, as I said, is not really evident when you have lack of one-offs of the size of the one that we had in this half of the year.

Then we are continuously working on bringing our cost of supply line with the market prices. And we are controlling the optimization of our logistic cost. Those are certainly big objectives. But, they are the objectives on which we are always working. And we believe that the progress that we've achieved so far is leading us in that direction. I hope that this somehow qualitatively answered to your question.

HAMISH CLEGG: Could you just, on that one, just define what structural breakeven means?

UMBERTO VERGINE: The structural breakeven means for us to have basically aligned our --- I mean, to have positive results from our commercial activity and to have --- align our supply gas cost to market condition, so even the future renegotiation becomes maintenance and not a major turnaround as we're doing at the moment.

HAMISH CLEGG: But, is that breakeven EBIT, cash flow?

UMBERTO VERGINE: EBIT. We're talking about EBIT. And in fact, in this half, our guidance for the cash flow, even for this year, is extremely positive. We will be just below EUR1 billion, and this without having cashed in the GasTerra outcome of the arbitration, this due to other initiatives that we have been able to put into place, also as a mediation to that.

HAMISH CLEGG: Okay. So, I think the last is just Cyprus-Zohr.
CLAUDIO DESCALZI: Yes, Cyprus and Zohr. So, we are discussing with Cyprus authority. We are in Cyprus. And we are discussing with the -- in the last period also because there is a bid round ongoing. So, it's not because of Egypt.

As we said at the very beginning and we stated, when we talk about the gas at Zohr, there is not any kind of overlap or any Egyptian Zohr structure that is in the Cyprus border. So, that is quite clear. We are interested to work with Cyprus because we have three blocks. And now, we offer four other blocks, as you know. So, that is the reason why we are discussing with them.

HAMISH CLEGG: Thank you so much.

OPERATOR: Massimo Bonisoli, Equita SIM.

MASSIMO BONISOLI, ANALYST, EQUITA SIM: Thank you. And good afternoon, gentlemen. Three questions, the first on Nigeria, if you can give us some colour on current production levels there, considering the stoppages over the past few months.

The second question, on Venezuela, could you give us an update on the receivable in the balance sheet there, [and second], on the situation in that country?

And the third, in the effect of -- on your mid-term business plan of re-inclusion of Versalis, sorry to be back again on Versalis, just some number on the sustaining CapEx, considering Q2 CapEx was pretty low. Thank you.

CLAUDIO DESCALZI: Antonio Vella's going to answer about Nigeria's situation and production.

ANTONIO VELLA: So, recently, we concluded part of the repairing of the sabotage we have got last couple of weeks. The (inaudible) to the Nigeria LNG is on stream regularly, as volume on the [gas] agreement. The oil production is ramping up slowly. And we hope that no additional sabotage to come on stream again in the months from now.

CLAUDIO DESCALZI: You want to say something also about Venezuela?

ANTONIO VELLA: Okay. So, in Venezuela, mainly, we are talking about Cardon and Perla field. As you know, it's in production since last year. And concerning the delay on payment invoice, we are negotiating with PDVSA. We are in an advanced stage on a securitization agreement. And the securitization agreement has got three pillars, one, the export of gas in Colombia, which we expect to deliver gas on the third quarter, and the condensate production allocated to the joint venture. And a securitization is ongoing, the negotiation.

We hope that, by August, September, to sign this securitization agreement. And then our default will be resolved.
CLAUDIO DESCALZI: Okay. Now, for Versalis, we have our Managing Director of Versalis Daniele Ferrari that can answer to the question.

DANIELE FERRARI, MANAGING DIRECTOR, VERSALIS, ENI SPA: Yes, for in terms of sustaining CapEx for Versalis, for the remaining of the year, we are planning to have a number around EUR85 million. And this is, as Mr. Descalzi was saying before, entirely covered by our cash flow generation.

MASSIMO BONISOLI: Thank you.

OPERATOR: Giuseppe Rebuzzini, Fidentiis.

GIUSEPPE REBUZZINI, ANALYST, FIDENTIIS: Good afternoon, gentlemen. Thank you for taking my question. I've got three questions. The first is about the sensitivity you gave about the operating profit to the Brent price. If we look at the second quarter results, that does not appear to be valid anymore. Could you please give us some more insight about that or some additional colour about this sensitivity?

The second question is a follow up on GasTerra. To be more detailed, if I may, will there be any P&L or cash flow impact in the second half of 2016 out of the result of the arbitration? I mean, are you going to make a EUR1 billion provision for following the result of the arbitration?

The third question is again on the gas and power. Could you please give us a bit more colour about the negative performance in the second quarter in particular, maybe looking at the different parts of the business, retail, midstream, LNG, and so on? Thank you very much.

MASSIMO MONDAZZI: So, Giuseppe, about the sensitivity, on annual basis, we can confirm, as far as the Brent sensitivity, every $1 in change, plus or minus, would represent a reduction increase of around EUR200 million. I'm talking about the cash flow effect.

In terms of SERM, so our refining margin, every $1 changed would represent a change in our cash flow of around EUR170 million in terms of cash flow. On top of this, much more difficult to be predicted, there are changes also on the gas price because one of the reasons why we have lost some cash in the first half this year has been the drop in the -- price in Europe and mainly in Italy. So, our production, gas production in Italy is sold based on this price.

And also, the Libyan production that come to Italy some way is affected by this change. I don't have a precise number of this. But, I would say that this effect applied to the first half would be in the range of -- wow, around EUR300 million of negative effect.

Just to give you the reference number in terms of gas price, to give you the guidance, we are talking about PSV, so an Hub Italian price that first semester was
EUR246 per 1,000 standard cubic meter. In the first semester 2016, we registered EUR154 per 1,000 standard cubic meter.

UMBERTO VERGINE: The award of the arbitration on the GasTerra to contract was in June. And all the potential impact on 2016 has been reported in the first-half result. And therefore, we don't have anything to consider for the second part of the year.

About the performance of gas and power on the second quarter compared to second quarter 2015, we have a lower result for about EUR260 million. But, if we consider that, this year, we had a much lower positive impact from retroactive factors or one-off factors, like we had last year, basically, for makeup gas and for deliveries from our suppliers, this difference between the two quarters is EUR92 million.

And this difference doesn't come from retail because retail activity was substantially stable between the two quarters and of the two years. But, it comes from midstream. And this is almost all related to the decrease of the LNG price that we had this year across the international market and the fact that, for us, some of our sales contracts that were signed few years ago in the Far East have expired.

Overall, these components also play an impact in the first-half results. But, if we compare first half to first half, we would be actually, again, removing the one-off and the retroactive effect basically substantially unchanged with last year.

GIUSEPPE REBUZZINI: Okay. Thank you very much.

OPERATOR: Rob West, Redburn Partners.

ROB WEST, ANALYST, REDBURN PARTNERS: Thanks. Thanks very much. I'd like to ask two, please. The ramp up at Nooros has got quite significant volumes coming through. And I have to confess I don't actually know much about the mechanics of that project and what you're doing. I was hoping you could spell out a bit just what is the actual work that has to take place to ramp those volumes further, clearly using existing infrastructure. If you'd just give us more of an idea, so give us a sense of the cost associated with that, that would be great.

And then secondly, just got one on Iraq, where it looks like there's also a higher contribution of volumes there. Could you split that out for us in terms of what's ongoing [TSE] volumes and whether there was any cost recovery barrels coming through that number, and how you expect that to evolve over the remainder of the year? Thanks.

CLAUDIO DESCALZI: So, I'll try to give you an answer by Nooros. You said that we didn't say a lot about Nooros because Nooros, it was so fast that we didn't have time to talk about it. So, it was really a very fast project. But, that is coming from our strategy. So, we said -- and that said, we said four, five years ago that we want to go conventional. We want to go close to our facility. We want to discover oil and
gas that can -- we can find and put in production very quickly. We don't want to have stranded resources that are supergiant, but we take 40 years to take in production.

And that is the result. This new big field has been discovered at the same time of Zohr. Zohr was so big that nobody talked about Nooros. And Nooros, very quickly, that is shallow water. Shallow water is more offshore, but has some -- also some horizon onshore, is now something that we grow very quickly.

The wells are very, very, very fast. We have already all the facility, Abu Madi facility, (inaudible) facility close to that. So, the project is -- sounds very easy because you have just to drill a well, drill a well that takes a few weeks, one, two weeks. And then you have to complete the well and lay down the pipe. And sometimes, you have already pipe because the grid is very present there. And then you reach very quickly, a few kilometres, the existing facilities.

Now, the -- we saw with 0.5 TcL, 1 TcL, then 2 TcL, have now 3 TcL. We have now -- I think that we can go farther. And also, in the future, the future development will be very easy because, also, if you have to start with a first platform and then use other existing gas terminal, treatment terminal, you have to remember that, in any situation very similar in Congo, we discovered Nenè, and we realized the platform, and we started production after seven months.

So, I think that we got now very good skill in this fast-track development. The costs are very low. Yes, costs are absolutely low. Remember that our exploration cost for this year was set at $2.3 per barrel. And now, we are -- at the moment, our cost per barrel is $0.60 because we discovered a huge amount of reserves.

And the reserves that we discovered are already in production. Nooros started its production in September, discovered in July last year. And as I said in the presentation, in October, it's going to produce 130,000 barrels per day. That is the reason why we could compensate very quickly Val d'Agri. That is the reason why we can confirm our guidance.

So, the project will be developed in this way, for sure. We are going in the next phase, but in parallel and with existing cash flow to develop as a platform, we already have also the gas treatment system. So, I think that we're going to have very, very good news, very good return. And we have to consider that is not just -- it's well gas, but we have also condensate. So, that is in brief the story of Nooros.

ROB WEST: Thanks for the story.

CLAUDIO DESCALZI: And now, after the story of Nooros, now Antonio Vella's talking -- will talk about the story of Iraq.

ANTONIO VELLA: Yes, thank you. So, Zubair production today is moving between [340,000 to 350,000] barrels per day. And concerning any payment for Eni, I think we have no overdue. And we are recovering. We already recovered the quarter one.
We already on planning to recover the quarter two. And then we're preceding for the third one. Until now, things are moving quite well.

ROB WEST: If my line happens to be still open, just could you address that specific question around, is there cost recovery coming through that volume you're booking right now? And maybe say how big that is.

CLAUDIO DESCALZI: That is very simple. You talk about Iraq as a PSE. It's not a PSE. It's a service contract. So, we recover our cost then. We have a fixed remuneration that can stay between $1.6 and $2.2 per barrel. So, that's all. So, the split is very easy to do because we have a baseline. Above the baseline, that was 180,000 barrels per day. Above the baseline, you make the difference. And that you apply $2 per barrel. And the rest is to recover your cost. But, it's not a PSE.

ROB WEST: I think I meant TSE as in technical service.

CLAUDIO DESCALZI: Sorry, I -- .

ROB WEST: -- I wasn't clear. But, I'll take that one off line. Thank you.

CLAUDIO DESCALZI: Okay. Thank you very much. Okay. If there is no other question, thank you very much. No other question?

OPERATOR: Yes, I'm sorry, sir. There is another question, the last I hope.

CLAUDIO DESCALZI: No, I hope. No, we -- why you hope? Please don't hope.

OPERATOR: No, I'm very sorry.

CLAUDIO DESCALZI: I -- you presume.

OPERATOR: I used the 'bad' word up until now. John Rigby, UBS.

JOHN RIGBY, ANALYST, UBS: Knew it was me. That's why she was saying she hoped it was the last question. Had just a couple of follow ups. Just on Mozambique, can you just confirm or describe the mechanics between your intention to sanction the floating LNG -- I think in the second half of this year, I think you said 3Q actually before now -- and the sales process? Are those two interlinked in any way? Is one contingent on the other or the other way around?

And then just to go back on Kashagan, fast ramp up, as you indicated, until the end of the year. Are there any plans to take the field down again next year for any kind of maintenance or whatever, sort of shakedown, or anything happening, or can we expect it to move reasonably even up to plateau and then hold? Thanks.

CLAUDIO DESCALZI: Roberto Casula is going to answer about Mozambique and Antonio about Kashagan.
ROBERTO CASULA, CHIEF DEVELOPMENT, OPERATIONS & TECHNOLOGY OFFICER, ENI SPA: Well, actually, there is no link between sale process and project activities. Project activities are progressing on both fronts, the offshore with Coral South floating LNG project and the onshore. As you said, we are targeting the FID by the end of 2016, fourth quarter. And this process is well advanced. So, it will continue while the other exercise is taking place.

ANTONIO VELLA: Concerning Kashagan, as I told you, 230,000 barrels gross production will be reached by the end of the year. And therefore, we were going to stabilize production for a few months to allow the partial depletion of the field before the start-up of the gas injection on mid-2017 to reach the full field plateau, as you know, 370,000 barrels oil production. We don't expect any shutdown during 2016.

JOHN RIGBY: An exit rate for 2017 would be at the nominal peak, the 370,000 for the year.

ANTONIO VELLA: Yes, mid-2017, we will reach 370,000 oil production.

JOHN RIGBY: Okay. Brilliant. Thank you very much.

ANTONIO VELLA: Thanks.

OPERATOR: No more questions at the moment.

FRANCESCO GATTEI, SCENARIOS, STRATEGIC OPTIONS AND INVESTOR RELATIONS EXECUTIVE VICE PRESIDENT, ENI SPA: Okay. Thank you very much. Thank you to all, and we have closed the conference call. Bye.

OPERATOR: Ladies and gentlemen, the conference is over. Thank you for calling Eni.

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