



PRICE SENSITIVE

“In the past four years we have transformed the company, delivering on our strategy to strengthen Eni both operationally and financially.

Now, we are entering a renewed phase of strong and enhanced industrial expansion, driven by a deeper business integration and a relentless focus on efficiency and capital discipline.

In a world where there is an emphasis on reducing carbon footprints, we believe that our low-cost resources, global exposure to clean natural gas and our unique business model in renewables will be a distinct competitive advantage.

The dividend increase announced today mirrors our commitment to a progressive remuneration policy, is the result of the business and financial improvements achieved so far as well as our confidence in further value growth”.

Claudio Descalzi, Eni CEO

ENHANCING VALUE THROUGH BUSINESS INTEGRATION AND FINANCIAL DISCIPLINE: DIVIDEND 2018 €0.83 PER SHARE, +3.75% vs 2017

MAIN TARGETS 2018-21

UPSTREAM

- **Exploration: 2 bln boe of new resources**
- **Production: CAGR 3.5% per year; approx. +4% 2018 vs 2017**
- **CAPEX cash neutrality: 40 \$/bbl Brent**
- **New projects average breakeven: < 30 \$/bbl**
- **Cumulated Free Cash Flow: €22 bln**

CEO Descalzi: *“Over the last 4 years, in a low price scenario, we have discovered 4.4 billion barrels and we have considerably increased our exploration licenses three times compared to 2013, and we are ready to open the new exploration campaign based on a potential of 10 billion resources is at our disposal. We intend to invest in exploration approximately € 3.5 billion in the 2018-21 four-year period in over 25 countries. The increase in production will be supported by the growth of existing projects, the launch of new projects and optimization interventions that will contribute in total to about 900 thousand barrels of oil equivalent a day (boed) in 2021. In 2018 the growth of production it will be 4% compared to 2017, higher than the previous guidance”.*

MID-DOWNSTREAM

- **Mid-Downstream**
 - **EBIT end of plan: €2bln**
 - **Free Cash Flow 2018-2021: €4.7 bln**
 - **LNG: 12 MTPA by 2021, 14 MTPA by 2025**
 - **Refining breakeven: 3 \$/bbl by end 2018**
 - **EBIT Versalis: €400 mln in 2021**

NEW ENERGY SOLUTIONS

- **1GWp of renewable new capacity installed by 2021, 5 GWp by 2025**
- **CAPEX 2018-2021: €1.2 billion**

CEO Descalzi: *"We have completed the transformation of mid-downstream businesses and now we are ready for their expansion and growth in value. In the R&M business since 2013 we have halved breakeven by bringing it to less than \$ 4 a barrel in 2017 and we intend to reduce it further to \$ 3/bl at the end of 2018. In Marketing we expect to consolidate our presence in the countries where we operate, all guaranteeing accumulative free cash flow over 2 billion euros in the period 2018-21. Additionally, we will complete the transformation of the second refinery in Italy into a green plant by 2018, making Eni one of the leading producers of green diesel in Europe. In Chemistry we will consolidate our portfolio focusing on high margin*

products and green chemistry. At the same time, the contribution of renewables will grow thanks to a distinctive model based on an integrated approach with the other businesses, investing about 1.2 billion for the development of 1GW of new capacity by 2021, ensuring a yield of around 10%.

DECARBONIZATION

- **Emissions reduction: Upstream GHG intensity emissions index by 2025 decreasing by 43% vs 2014**
- **Resilient and low carbon oil & gas portfolio**
- **Green businesses development: 2018-2021 investments, over €1.8 bln**

CEO Descalzi: "We have a clear decarbonisation strategy that is based on 4 main drivers: the reduction of direct GHG emissions, in all our activities, a low-cost and low-carbon portfolio, the development of projects in the field of renewables, and investment in R&D, that is a fundamental element for achieving maximum efficiency in the decarbonisation process".

FINANCIALS

- **Financial discipline**
 - **Capex: <€32 billion, €7.7 bln in 4YP, (€7.7 bln in 2018)**
 - **Upstream new projects breakeven <30\$/bbl**
 - **Solid financial structure: leverage target 0,20-0,25**
- **Sustainable growth**
 - **Organic cash neutrality after dividend: decreased to 55\$/bbl vs 57 \$/bbl in 2017**
 - **Organic cash neutrality after dividend by end of plan: 50\$/bbl**
- **Shareholder remuneration**
 - **2018 dividend proposal: €0.83 per share (+3.75% vs 2017) full cash**
 - **Share buybacks to be evaluated in case of cash in excess of the leverage target of 20-25%**
 - **Progressive distribution policy based on underlying earnings and free cash flow growth**

CEO Descalzi: *“The results achieved in the period 2014-17 and the expectation of increased cash flows over the course of the plan underpin our proposal to the Board of Directors to increase the dividend by 3.75% to € 0.83 per share. Our rigorous financial discipline and the sustainability of our investments will allow us to reduce our cash neutrality and achieve additional benefits the case of higher oil prices”.*

2018-2021 Strategic Plan

London, March 16, 2018 - Claudio Descalzi, Eni's CEO, today presents the company's 2018-2021 Strategic Plan to the financial community.

Following a successful transformation Eni is stronger, more integrated and positioned well for further growth in the upstream sector. The mid-downstream businesses have been restructured to leave them more financially solid and therefore able to create value even in the presence of low price scenarios. The 2018-21 plan represents the natural evolution of the strategy implemented in previous years and is designed to increase the value of all businesses. On this basis, Eni intends to increase the 2018 dividend to € 0.83 per share, fully paid in cash. The distribution policy will be progressive and based on underlying earnings and free cash flow growth.

Upstream

In exploration, a key driver of value growth, Eni expects to spend about 3.5 billion euros in the period 2018-2021 targeting 2 billion barrels of new resources at the unit cost of about \$2, drilling around 115 wells in more than 25 countries worldwide and counting on a renewed net acreage of 400 thousand sq. km.

Hydrocarbon production is expected to grow 3.5% a year over the period 2018-2021 thanks to the ramp-up and start-up of new projects, which will contribute about 700 thousand barrels of oil equivalent per day in 2021, and optimization activities that will contribute in 2021 for about 200 thousand barrels of oil equivalent per day.

The success of the exploration strategy and the broad portfolio of new conventional projects with a breakeven of less than \$ 30/barrel, together with a rigorous financial discipline, will generate a cumulative free cash flow of €22 billion in 2018-2021.

Gas and Power

Gas and Power will grow thanks to the following actions:

- Accelerated development of the LNG portfolio, which will reach 12 million tons per year of contracted volumes in 2021, and 14 million by 2025, also through the enhancement of the equity component, increasing from 30% in 2017 to 70% in 2021;
- Enhancement of the gas portfolio in Europe;
- Growth in the retail sector in Europe, which provides for around 11 million customers in 2021, an increase of 25% compared to 2017. Targeting an additional 11 million customers by 2021.

These actions will allow the business to remain structurally positive in the future, achieving EBIT of 800 million in 2021, of which 60% referred to retail and up over the 300 million of 2018. Free cash flow cumulative of 2018-21 of 2,4 billion euros.

Refining & Marketing and Chemicals

In Refining and Marketing Eni aims to achieve strong growth in the Plan period with an EBIT of € 900 million in 2021 and a cumulative free cash flow in 2018-21 of more than €2 billion.

To do this, Eni will undertake the following actions:

- Supply and asset optimization in refining activity;
- Restart of the Sannazzaro EST plant by the end of 2018;
- Increase of the "green" refining capacity: the bio-refinery in Gela will be operational by the end of 2018 and the second phase of development of Venice completed by 2021;

- Consolidate leading marketing position in Italy, leveraging new sustainable mobility initiatives.

In Chemicals, Versalis is expected to achieve an EBIT of approximately €400 million in 2021 thanks to:

- Increasing integration and efficiency, enriching the production portfolio of differentiated products;
- International development, strengthening its presence in Asia, and increasing its commercial presence in the Americas and in the Far East;
- Consolidation of organic chemistry by leveraging new industrial platforms from renewable sources.

New Energy Solutions

The new New Energy Solutions business will grow over the four-year period thanks to a distinctive model based on integration with existing assets and activities and will therefore be able to create new opportunities and value; this distinctive model will reduce energy costs for production facilities, thus making more gas available for local consumption or export. The expected return on these projects will be around 10%. Through the ongoing projects and those already identified, Eni's new energy capacity will increase by approximately 400 MW over the next two years. In the medium to long term, Eni will develop 1 GW of new capacity by 2021, investing 1.2 billion euros, and up to 5 GW by 2025.

Decarbonization Process

Eni has outlined a decarbonisation process and pursues a clear and defined climate strategy, integrated with its business model, based on the following levers:

- Reduction of direct GHG emissions: targeting a reduction in GHG emissions in upstream of 43% compared to 2014 through projects aimed at eliminating process flaring, reducing fugitive emissions of methane and achieving of energy efficiency measures;
- "Low carbon" oil & gas portfolio characterized by conventional projects developed in phases with low CO₂ intensity; the new upstream projects in

execution have break-even points below 30 \$/bl and therefore can be sustainable even in the presence of low carbon scenarios; overall, the Eni portfolio features hydrocarbon resources with a higher incidence of gas, a bridge towards a future with reduced emissions;

- Development of business green through the growing commitment to renewable energy, the development of the second phase of the Venice bio-refinery, the startup of the one of Gela by the end of 2018 and consolidation in green chemistry;
- Commitment to scientific and technological research activities.

The total investment in the four-year period 2018-21 equates to over € 1.8 billion.

Financial strategy

Eni will continue to focus on financial discipline combined with the sustainable growth of industrial projects, in order to accelerate the generation of value for shareholders.

The four-year investment plan, focused on high-value projects with rapid returns, envisages capital expenditure of less than €32 billion, of which more than 80% will be in Upstream. Approximately € 3.5 billion is expected to be invested in the R&M and Chemicals business with an expected return rate of around 10%. By 2021 over 50% of investments will be uncommitted, ensuring wide flexibility.

In a scenario of 60 \$/barrel Brent price, cash generation will grow over the next 4 years, further in the event of higher oil prices. In 2018, at the price of 60\$/bl Brent, Eni will realize an operating cash flow of over 11 billion euro, before the change in working capital, and will increase by over 2 billion € in 2021 for the same scenario.

Eni expects organic dividend cash neutrality of \$55/barrel in 2018, a further reduction to \$50/barrel by the end of the Plan, thanks to the growth in value of all business areas.

In conclusion, this new Plan is characterized by the strong growth of all business lines, sustainable even in challenging scenarios, thanks to the consistency of the actions taken, the boosting integration and financial

discipline. The Plan aims to further strengthen the portfolio of Eni's activities and accelerate the generation of value for shareholders. The remuneration for shareholders will mainly take place through the distribution of dividends, while buy backs will be evaluated in the instance of cash exceeding our leverage target of 20-25%.

For further information on the presentation and to follow the live streaming please visit:

www.eni.com

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