



Eni Exploration & Production in Kazakhstan

September 2015



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Eni milestones in Kazakhstan

1992

Eni acquired the exclusive right to negotiate the development of Karachaganak field under PSA regime

1993

The Kazakhstan Caspyi Shelf Consortium Agreement was signed, providing 11 blocks in the North Caspian Sea with acreage 5.500 km²

1997

Both the Karachaganak Final Production Sharing Agreement (FPSA) and the North Caspian Sea Production Sharing Agreement (NCSPSA) were signed

1998

Eni appointed co-operator with BG for Karachaganak field
Offshore Kazakhstan International Operating Company N.V. (OKIOC) was established by International Consortium

to explore and produce hydrocarbons at the Kashagan field

1999

Karachaganak Phase 2 of development started

2000

Kashagan field discovery

2001

A subsidiary of Eni, Agip Caspian Sea B.V, selected as sole operator under NCSPSA. Such role was delegated to Agip Kazakhstan North Caspian Operating Company N.V. (Agip KCO)

President of the Republic of Kazakhstan, Nursultan Nazarbayev, opened a new power station at the Karachaganak Processing Complex (KPC)

2002

Kalamkas field discovery

2003

Aktoty and Kairan fields' discovery

The Karachaganak Phase 2 of development completed. President of Kazakhstan, Nursultan Nazarbayev, inaugurated "First Oil" of Phase 2

2004

Approval of the Kashagan Development Plan and Budget

2005

National Company "KazMunayGas" officially entered the Kashagan Project

2009

NCOC became operator under the NCSPSA with Agip KCO maintaining the responsibility as designated agent for Kashagan Phase 1 development until commercial production

2012

National Company "KazMunayGas" officially entered Karachaganak Joint Venture

2014

North Caspian Operating Company N.V. appointed as a single entity operator of the NCSPSA activities

Eni and National Company "KazMunaiGas" signed strategic agreement which defines principal terms of cooperation for the joint development of the Isatay block located in the Kazakhstan Sector of the Caspian Sea and construction of a ship building and ship repair yard in Kuryk - Mangistau region

2015

"KazMunaiGas" and Eni finalized an agreement that defines the commercial terms of the transfer to Eni of 50% of the subsoil use rights in the Isatay offshore block

Eni projects

Eni is one of the first international oil and gas companies to enter Kazakhstan at the beginning of the 90s. Over the years, Eni has maintained a strong presence in the Republic's energy industry, holding important stakes in two of the country's largest projects: Eni is co-operator of the Karachaganak field and the partner in the North Caspian Sea Production Sharing Agreement (NCSPSA).

Kashagan

Eni holds a 16,81% working interest in NCSPSA, which defines terms and conditions for the exploration and development of the Kashagan field discovered in the Northern section of the contractual area in the year 2000 over an undeveloped area extending for 4,600 square kilometers.

Due to the magnitude combined with technical and environmental complexities, the Kashagan field will be developed in phases by North Caspian Operating Company New Venture (NCOC N.V.), the current sole operator of the PSA.

Other discoveries in the area include also the fields of Kalamkas, Aktoty and Kairan.

Karachaganak

Located onshore in West Kazakhstan, Karachaganak field was discovered in 1979 and is one of the world's largest gas and condensate fields.

Operations are conducted by the Karachaganak Petroleum Operating Consortium (KPO) with Eni and BG as co-operators.

In 2014 the production of the Karachaganak field averaged 242 kbb/d of liquids and 909 mmcf/d of natural gas.

Delivering on sustainable value

Eni considers sustainability a driver in the process of continuous improvement that guarantees results over time, while reinforcing its business performance and reputation.

It is committed to taking action aimed at promoting respect for people and their rights, the environment and more generally, the broader interests of the communities in which it operates.

It conducts its activities by taking full account of the interests of the stakeholders, aware that dialogue and shared objectives are the way to create reciprocal value.

Environment

An innovative environmental monitoring system was implemented in 2014. The project designed by Eni provides for the application of a mobile underwater vehicle (AUV) able to realize an environmental monitoring and asset integrity at the production facility.

During the year the integrated program for the management of biodiversity in the Ural Delta (Ural River Park Project - URPP) was completed which is actually the first private-public cooperation project of this kind in the Caspian region. The program was launched by Eni under the sponsorship of the Environment and Water Resources Kazakh Authority and aimed to protect the environment and ecosystems in the Caspian area.

In June 2014 the project received an official UNESCO designation to be included in the Man and Biosphere Program.

Education

Eni has always demonstrated a great commitment towards the development of scientific and technological skills at the academic institutions of the countries in which it operates.

In 2012 Eni and the "Nazarbayev University Research and Innovation System" (NURIS), with the support of Eni Corporate University,



have stipulated an agreement for the establishment of an "Eni Research Laboratory in Environmental Engineering". The project is promoting the development of the specific educational programs and scientific and technological skills, with the focus on solar energy engineering and material structure.

Promotion of health

For Eni the promotion of wellbeing in local communities represents an important tool for improving its effectiveness as a partner in development. The construction of two Sports Centers in Mangistau region were sponsored by Eni. The first one in Kyzyltobe village was completed in summer 2013, the second in Baskudyk village - in 2014. Both sport complexes are suitable for boxing, basketball, volleyball, gymnastic and many other activities and will become the center of sport and cultural life in the area.

Annual children reception in Italy

An established and traditional Eni program dedicated to young people is the annual reception for Kazakh children in the renowned Italian sea resort of Cesenatico, on the shore of Adriatic Sea. Every year since 1999, over 160 Kazakh children from disadvantaged

families have the opportunity to spend time in the pleasant environment of the Adriatic coast, participate in diverse health and entertainment events and take excursions to different Italian cities and historical sites.

Overall, about 2.000 children have visited the camp.

Eni also contributes to the sustainable development of the regions through its partnership in Kashagan and Karachaganak projects.

To date, the value of investments into social infrastructure projects in Western Kazakhstan Oblast amounts to over US\$ 275 million. A large number of new schools, kindergartens, hospitals, as well as social and community-purpose buildings have been constructed in recent years. Hundreds of kilometers of roads were also laid.

The social infrastructure program in Atyrau and Mangistau Regions, where Kashagan operations are located, covers the construction of schools, kindergartens, sport facilities, and other infrastructure designed to benefit the community including the building of roads, the supply of electric power, gas and water. To date, investments in social projects have exceeded US\$ 440 million.



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Eni at a glance

Eni is an integrated energy company employing more than 84,000 people in 83 Countries in the world. Eni engages in oil and natural gas exploration, field development and production, as well as in the supply, trading and shipping of natural gas, LNG, electricity, fuels and chemical products.

Through refineries and chemical plants, Eni processes crude oil and other oil-based feedstock to produce fuels, lubricants and chemical products that are supplied to wholesalers or through retail networks or distributors.

Furthermore, Eni operates in engineering, oilfield services and construction both offshore and onshore, focusing on the execution of technologically-advanced mega-projects mainly located in frontier areas.

Eni's strategies, resource allocation processes and conducting of day-by-day operations underpin the delivery of sustainable value to all of our stakeholders, respecting the Countries where the company operates and the people who work for and with Eni.

Integrity in business management, support the Countries development, operational excellence in conducting operations, innovation in developing competitive solutions, inclusiveness of Eni's people and development of know-how and skills, integration of financial and non-financial issues in the company's plans and processes drive Eni in creating sustainable value. These elements lead to wise investment choices, prevention of risks and the achievement of strategic objectives in the short, medium and long term.

In 2015, Eni confirmed its presence in the Dow Jones Sustainability indices and in the FTSE4Good Sustainability index in the June half-yearly review.

Main figures for 2014

- adjusted net profit: € 3,707 mln
- cash flow from operations: € 15,110 mln
- net borrowings: € 13,685 mln
- dividends paid to shareholders: € 4,006 mln
- leverage: 0.22
- hydrocarbon proved reserves: 6.60 bln boe
- hydrocarbon production: 1,598 kboe/d
- worldwide gas sales: 89.17 bcm
- retail oil products sales in Europe: 9.21 mmttonnes
- service stations in Europe: 6,220



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