

Myanmar



Energy, Society, Sustainability

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Enrico Mattei - Eni's Chairman in 1953

Enrico Mattei: it's their oil

"It's their oil", said Enrico Mattei in 1957.

Eni's first Chairman is often remembered as "the man of the future" due to his ability to imagine what would come to pass and thus create a valuable legacy for those who would follow him.

He believed that energy resources belong first and foremost to the oil-producing countries and that the most profitable arrangements would arise out of the shared interests of all the actors involved. Mattei's great success lay in his passion for challenges, his strategic vision, his powers of innovation, respect for others, spirit of cooperation and confidence in new generations.

It was his firm conviction that dialogue and respect for cultures constitute the cornerstones for long term partnerships and mutual growth. From a perspective of sixty years, it is possible to see that Mattei's values have endured and his philosophy still forms part of Eni's corporate philosophy. His guiding principles are today captured in the modern concept of sustainable development.



Claudio Descalzi - Eni's CEO

Claudio Descalzi: living in the world

The principles created and established by Enrico Mattei remain part of Eni's genetic code. Of particular significance, reflected in both the company's global strategic thinking and its relationship with the communities in which it operates, is the importance of dialogue.

Such dialogues commence even before the company becomes established in a new territory and through the pursuit of dialogue it is possible to establish the conditions for living together. For Eni, living in the world means integration and sharing of mutual benefits. It also means the creation of a powerful engine that has made Eni's worldwide development possible.

Sharing has allowed us to grow and to contribute to our host's growth. We see it as imperative to develop relationships with nations, environments, cultures and people with which we interact and in which we live. Eni has, over many years, developed an organizational culture, without parallel, which is designed to build lasting, long-term relationships within the territories in which we operate.



Eni in Myanmar

Eni was one of the first international Oil and Gas companies to enter Myanmar when the market was opened up to foreign investment following the removal of international sanctions in 2012. Since then, the country has embarked on a process of economic growth which has also involved the energy sector. We have four exploration licenses, two offshore and two onshore, and we are one of the leading investors in Myanmar with a key role in the energy sector.

Exploration & Production

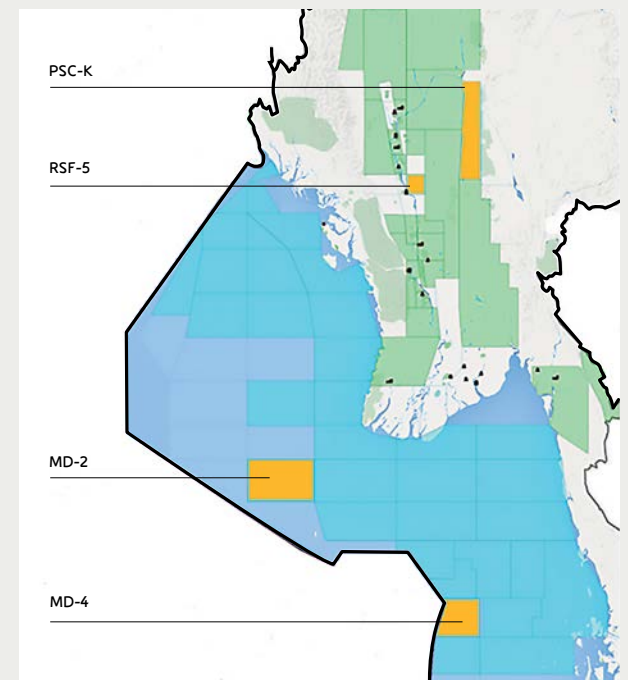
With its entry into Myanmar Eni strengthened its presence in Far East, a dynamic region where significant growth in the production of hydrocarbons is expected.

In 2013 the Ministry of Energy in Myanmar issued international tenders for the award of licenses with the aim of developing oil and gas resources, still largely unexplored.

As a result of participation in these bids, Eni was awarded two onshore exploration licenses (blocks RSF-5 and PSC-K) and two offshore exploration licenses (blocks MD-04 and MD-02). With these four exploration licenses Eni is one of the companies with the most extensive area coverage in square kilometers operated in the country.



Myanmar (Burma)



Onshore activities: blocks RSF-5 and PSC-K

In July 2014, Eni signed two Production Sharing Contracts (PSC) for the exploration of the onshore blocks RSF-5 and PSC-K. The joint venture is composed of Eni (operator with 90%), through Eni Myanmar, and the local company Burmese Myanmar Production and Exploration Company Ltd (10%).

The exploration period will last six years and is divided into three phases. Block RSF-5 covers an area of 1,292 km² and is located in the prolific Salin Basin, about 500 kilometres north of Yangon, while block PSC-K has an area of 6,558 km² and is located in the unexplored Pegu Yoma-Sittaung Basin, in the central area of Myanmar. In the first exploratory phase activities will include a 3D seismic survey in block RSF-5 and a 2D seismic survey in the block PSC-K, as well as an aerial gravimetric and magnetometric survey.

Offshore activities: blocks MD-02 and MD-04

In March 2015, Eni signed two contracts (PSC) for the exploration of two offshore blocks, MD-02 and MD-04. In both blocks the joint venture is made up by Eni, operator with 40% through Eni Myanmar, Total E&P Myanmar (40%) and Petrovietnam Exploration Production Corporation Limited (20%).

Block MD-02 is located in the southern part of the Bay of Bengal, in the Rakhine Basin, about 135 kilometres off the coast. The block covers 10,330 km² in water depths ranging between 500 and 2,400 metres.

Block MD-04 is located in the Moattama South Andaman Basin, about 230 kilometres off the coast. The block covers 5,900 km² in water depths ranging between 1,500 and 2,200 metres.

The two blocks will be subject to an initial study period of two years, in which the most relevant activity involves a 2D seismic survey. This first phase it will be followed by exploration activities lasting six years and divided into three phases.





Sustainability

Being sustainable for Eni means conducting our operating activities while creating value for stakeholders and using resources in such a way as to avoid compromising the needs of future generations.

We consider sustainability to be a driver in the process of continuous improvement that guarantees results over time, while reinforcing business performance and reputation.

It is committed to taking actions aimed at promoting respect for people and their rights, the environment and the broader interests of the communities in which we operate.

We conduct our activities by creating relationships that are based on correctness and transparency and continuous dialogue with stakeholders in order to pursue shared objectives for the creation of value and opportunities for sustainable development and being

aware that dialogue and shared objectives are the way to create reciprocal value.

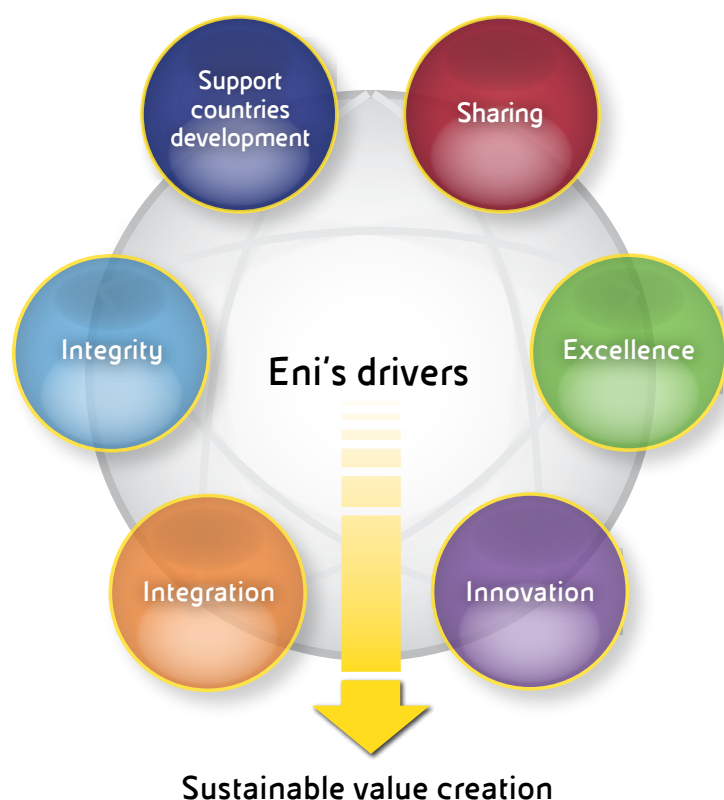
Sustainable value creation

Eni's excellent strategic positioning and competitive advantages leverage on an integrated business model for the creation of sustainable value, founded on a wealth of distinctive assets, strategic guidelines and sustainable drivers deriving from crucial management choices consistent with the long-term nature of the business.

Eni's business model is supported by a framework of clear and straightforward rules of corporate governance and respectful of the highest ethical standards and rigorous risk management.

The six drivers that guide Eni in delivering sustainable value are:

- integrity in business management
- support countries development
- excellence in conducting operations
- innovation in developing competitive solutions to face complexity
- know how and skills sharing and equal opportunities for all Eni's people
- integration of financial and non financial issues in the company plans and processes.



Eni's sustainability projects in Myanmar

Alongside its Exploration activities in Myanmar, Eni is engaged since inception in a series of activities in the context of Corporate Social Responsibility (CSR) with programmes related to local content training, health protection and respect of the environment.

Eni is also committed to the development of agricultural and skills of the local communities. For us, dialogue and cooperation are fundamental.



Stakeholder Engagement

We have always adopted a sustainable approach oriented to the local dimension, to accompany the countries in which we operate towards development.

To establish a constructive dialogue with local stakeholders, Eni promotes the sharing of information. Eni Myanmar has taken preventive action that has prompted the immediate involvement of the stakeholders involved in the various phases of the project.

The main purpose of such action is:

- to inform stakeholders about the project's activities
- to take account of stakeholders expectations and create a constructive context
- to foresee potential problems that could impact the project over its lifecycle
- to facilitate the development of positive relations that can represent 'capital' over the life of the project.

Environmental Impact Assessment

Eni Myanmar has conducted a series of studies to identify, assess and mitigate all potential impacts related to the activities foreseen in the operated blocks. These studies were completed in compliance with Myanmar regulations and Eni Standards, and in line with international standards and guidelines.

In the context of the assessment of the environmental impact the main local legislative benchmark was the "Myanmar Environmental Impact Assessment Procedures", approved on 29 December 2015 and replacing the existing legislative proposal of 24 December 2013. Consequently, Eni Myanmar has carried out IEE (Initial Environmental Examination) studies at the offshore MD-2 and MD-4 blocks and ESHIA (Environmental, Social and Health Impact Assessment) studies on the onshore RSF-5 and PSC-K blocks.

Support for Agriculture: Farm Recovery Project

In July 2015, the monsoon depression over the north eastern Gulf of Bengal intensified to become a cyclonic storm called "Komen". As a result, various regions and states in western and northern Myanmar were affected by flooding.

Eni Myanmar in collaboration with AVSI Myanmar, provided support to people affected in the Magway region and promoted a Farm Recovery Project, with the aim of improving nutrition, food security and the livelihoods of the farming families who were victims of the flood disaster, through the provision of agricultural production materials (sesame seeds, chickpeas, peanuts, vegetable seeds, fertilizers and agricultural tools) and technical assistance for some 1,400 beneficiaries. The project started in December 2015 and ended in May 2016.

We also organised technical training events for all beneficiaries to ensure the best use of the materials provided and improve agricultural production by using the correct techniques.

Human rights impact assessment

Respect for human rights is a fundamental element in the overall development of society and territories and consequently of the companies working there.

In 2015, an impact assessment was designed and carried out on human rights related to the activities of the exploratory phase of the onshore RSF-5 block. Along with the Danish Institute for Human Rights we made an initial assessment of the social characteristics of the country (Preliminary Human Rights Impact Mapping) and identified the most representative stakeholders (Stakeholder Mapping and Analysis).

We subsequently carried out field activities, including consultations at major villages affected by exploration activities, which identified major areas for improvement and appropriate actions to mitigate the risks identified. More than hundred and fifty people, representative of the community's social structure, were involved in focus groups and individual interviews.

Local content development: Training

We also promote projects in the field of sustainability, with training programmes and activities for local communities. In the context of cooperation with the Myanmar authorities and the state-owned company Myanma Oil & Gas Enterprise (MOGE), we have organised training programmes aimed at transferring technology know-how to local staff. We sponsored three Masters students in Integrated Petroleum Geosciences at the University of Perugia, four in Energy and Environmental Management and Economics (MEDEA) at the Eni Corporate University (ECU) in Milan and two in Health, Safety and Environment & Quality System (HSE-Q), also at ECU.

We also sponsor specialist technical courses for already qualified staff in Myanmar involving about a hundred people.

The first two courses (Reservoir Geology and Reservoir Seismic) were successfully completed in Nay Pyi Taw in March and July 2016.



Transparency

Myanmar is actively engaged in the process of promoting transparency in the oil sector, a position confirmed by the attribution of the status of EITI candidate country, in 2014, as part of the Extractive Industry Transparency Initiative (EITI), and with which the country has committed itself to satisfying

the requirements by 2017. The first Myanmar EITI Report was published in December 2015, covering the period April 2013 - March 2014.

As foreseen by the transparency commitments, Eni Myanmar voluntarily published payments made for oil and gas initiatives in the year 2015.





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We are an energy company.

We are working to build a future where everyone can access energy resources efficiently and sustainably.

Our work is based on passion and innovation, on our unique strengths and skills, on the quality of our people and in recognising that diversity across all aspects of our operations and organisation is something to be cherished.

We believe in the value of long term partnerships with the countries and communities where we operate.



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