



# Exane BNP Paribas European Seminar

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[eni.com](http://eni.com)



# 2010-2013 Strategy

Alessandro Bernini, CFO

## eni 2004-2009: a stronger company

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- **E&P: enhanced portfolio**
  - Leading production growth +200kboe/d
  - Best in class lifting costs per barrel of \$7.3
  - 10 billion boe of new resources added
- **G&P: from local to international**
  - Doubled international sales to ~60 bcm
  - Steadily growing profits: Ebitda proforma adj >2%/y
  - Value creation from regulated assets: TSR +65%
- **R&M: more focused presence**



## E&P 2010-2013: build on enhanced portfolio

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- More production >2.5%/y
- More giants +400 kboed
- More operatorship +1.5 mmoed



**Profitable  
growth**

## G&P 2010-2013: leverage on European leadership

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- Grow gas sales +14 bcm
- Strengthen market share >22% in EU
- Preserve profitability ~€4.4 bln Ebitda/y

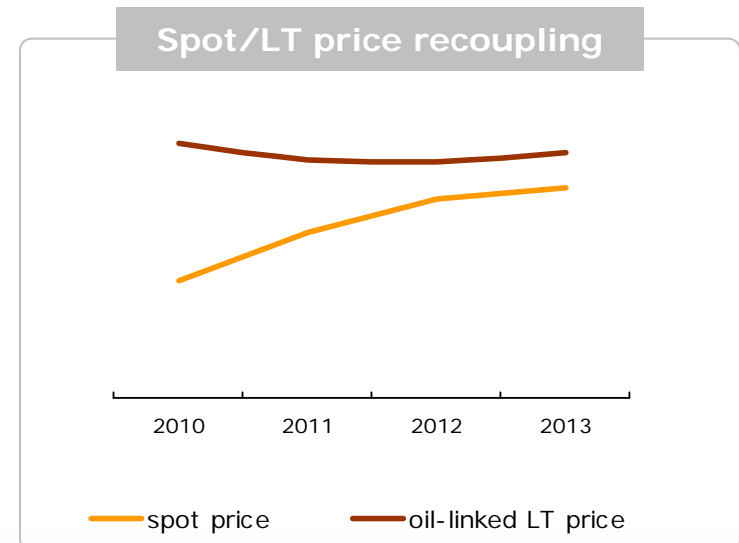
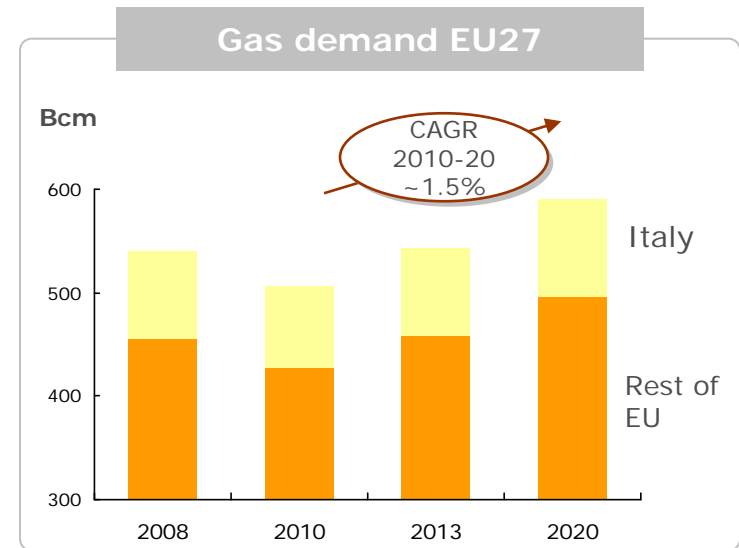


**A prize  
asset**

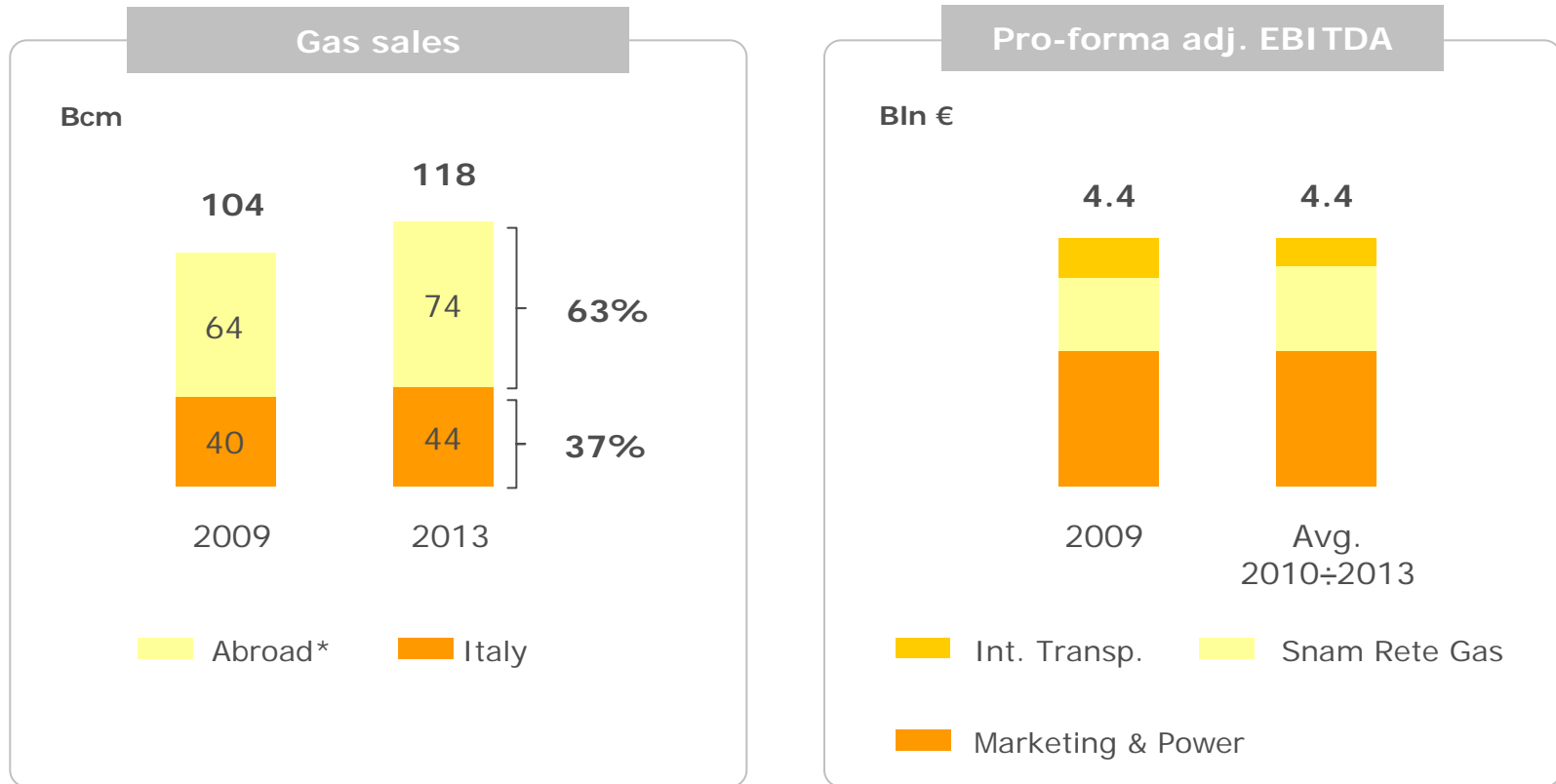
# 2010-2013 and beyond: gas demand recovery and growth

- Recovery of European gas demand by 2013
- Expected reduction of spot gas price discount vs long-term contracts
- Renegotiation or revision of long term supply contracts in progress

**Long term contracts as a competitive edge**



# 2010-2013: leveraging on European leadership



**Preserve profitability**



\* Including E&P gas sold in Europe and Gulf of Mexico

- Improve cost position
- Grow market share in Italy
- Upgrade of marketing network



**Managing  
market  
weakness**



## 2010-2013: managing market weakness

### Refining

- Operational improvement
  - Process Utilization Index: +10 pp
- Selective increase of complexity
  - Middle distillate yield: +2 pp
- Flexibility enhancement
  - Spot crude supply: +15 pp

### Marketing

- Growth in European retail market share
  - Italy +2.5 pp
  - Selected European countries
- Upgrade marketing network
  - Rebranding
  - New loyalty programme
  - Develop non oil

Cost reduction €100 mln by 2013

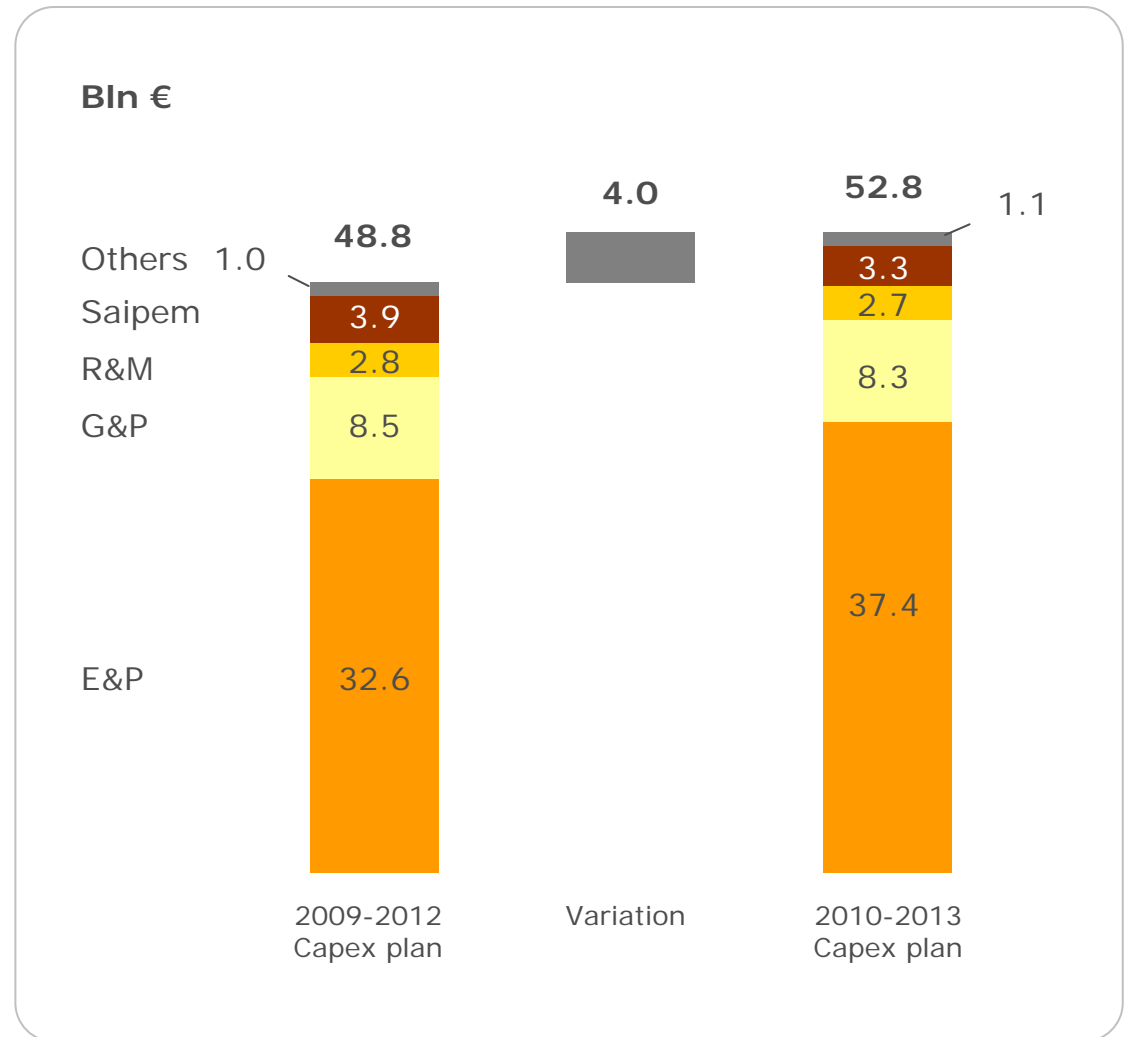
**Free cash flow positive from 2012**



# capex 2010-2013: fueling long term growth

## Upstream focus: 70%

- Commitment on giant projects: ~50%
- Devoted to sustain growth beyond 2013: 35%



# Cash allocation priorities

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1

**Maintain financial discipline**

2

**Fund our capex programme for future growth**

3

**Dividend**



**Under eni's four-year oil price assumption,  
we are committed to pay a €1 a share  
dividend for 2010, and thereafter growing  
it in line with OECD inflation**



# Exploration & Production

Claudio Descalzi, COO

[eni.com](http://eni.com)

## Unlocking upside from 30 Bboe resources for profitable growth

### Legacy areas

Africa, OECD, FSU

- Established relationship with hosting countries
- Synergies
- Extensive geological knowledge

### Giants

- Scale
- Cost effectiveness
- Long lasting plateau

### Exploration

Balanced risk

- On shore & shallow water
- Drivers
- Fast track
  - Integrated approach



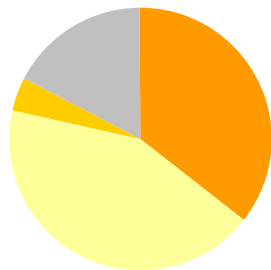
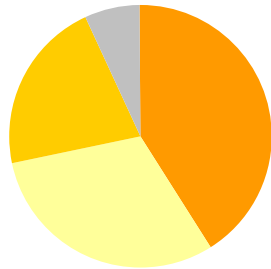
# develop existing resources

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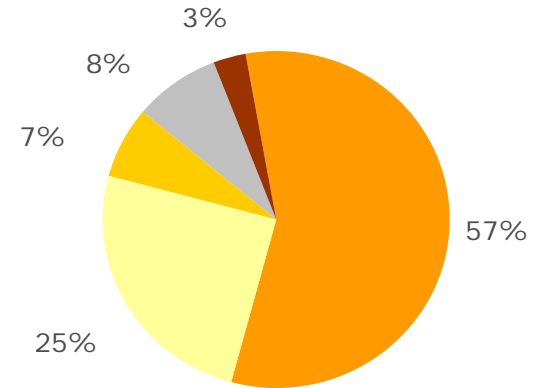


# balanced portfolio leveraged to oil price

2009 2P reserves

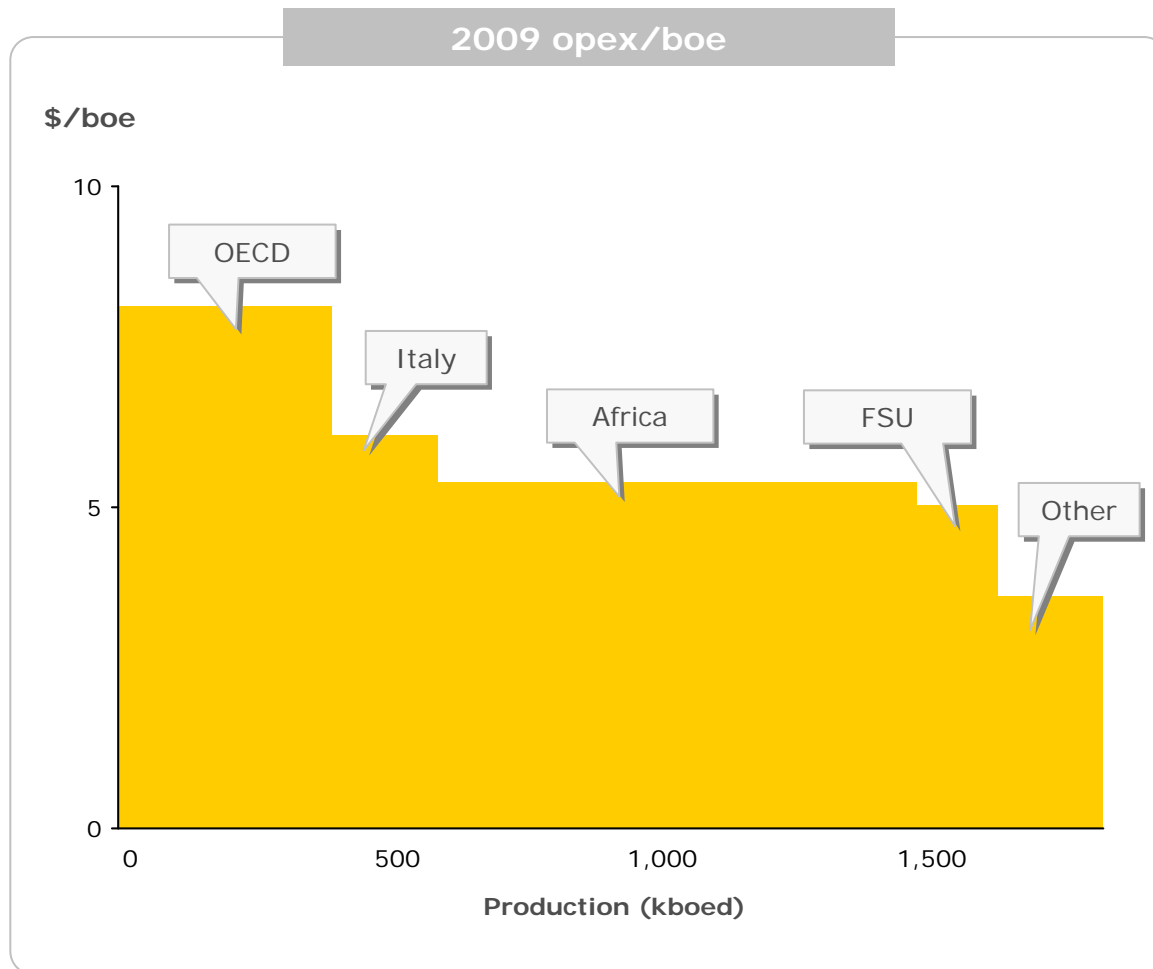


2009 production



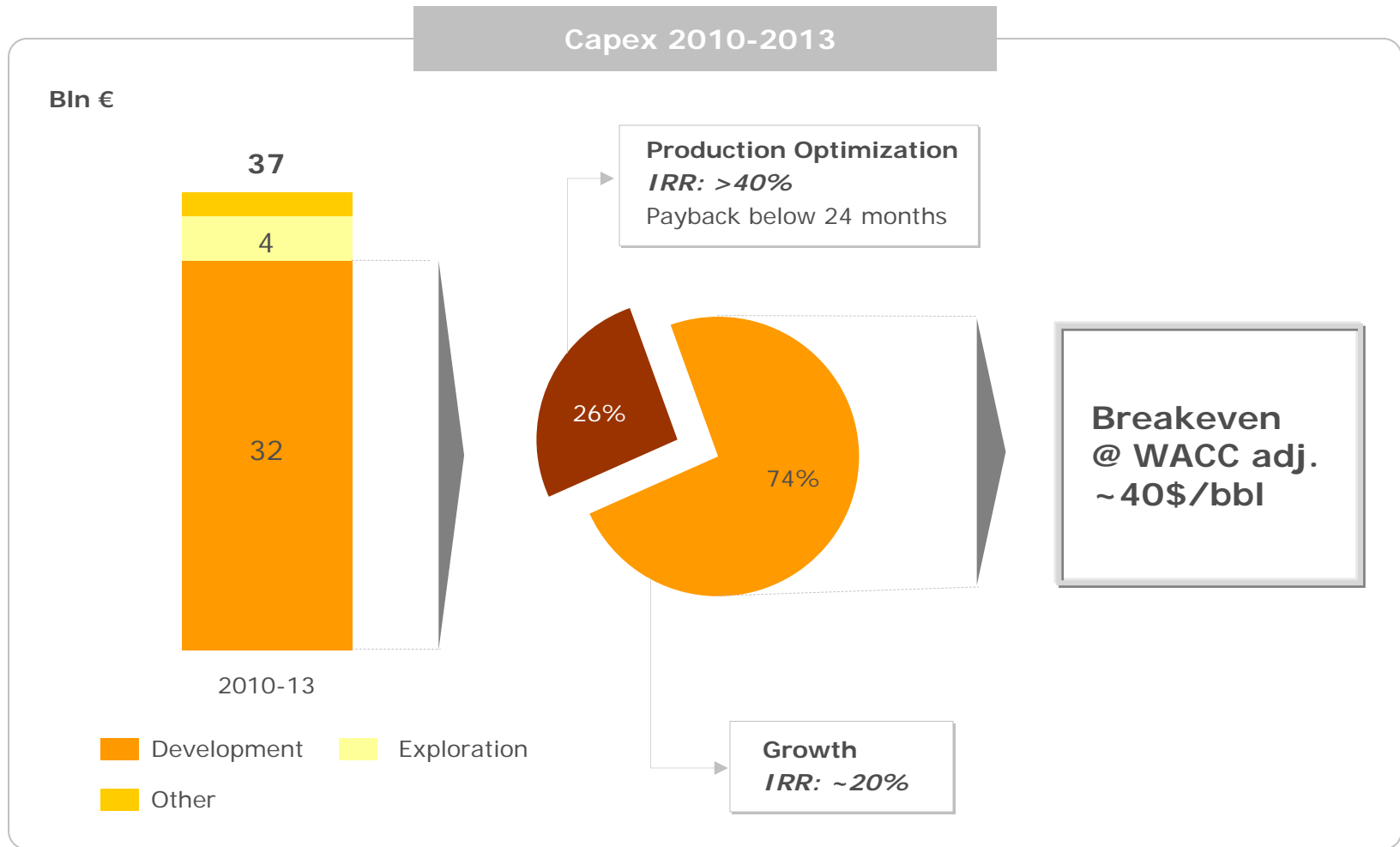


# low cost per barrel

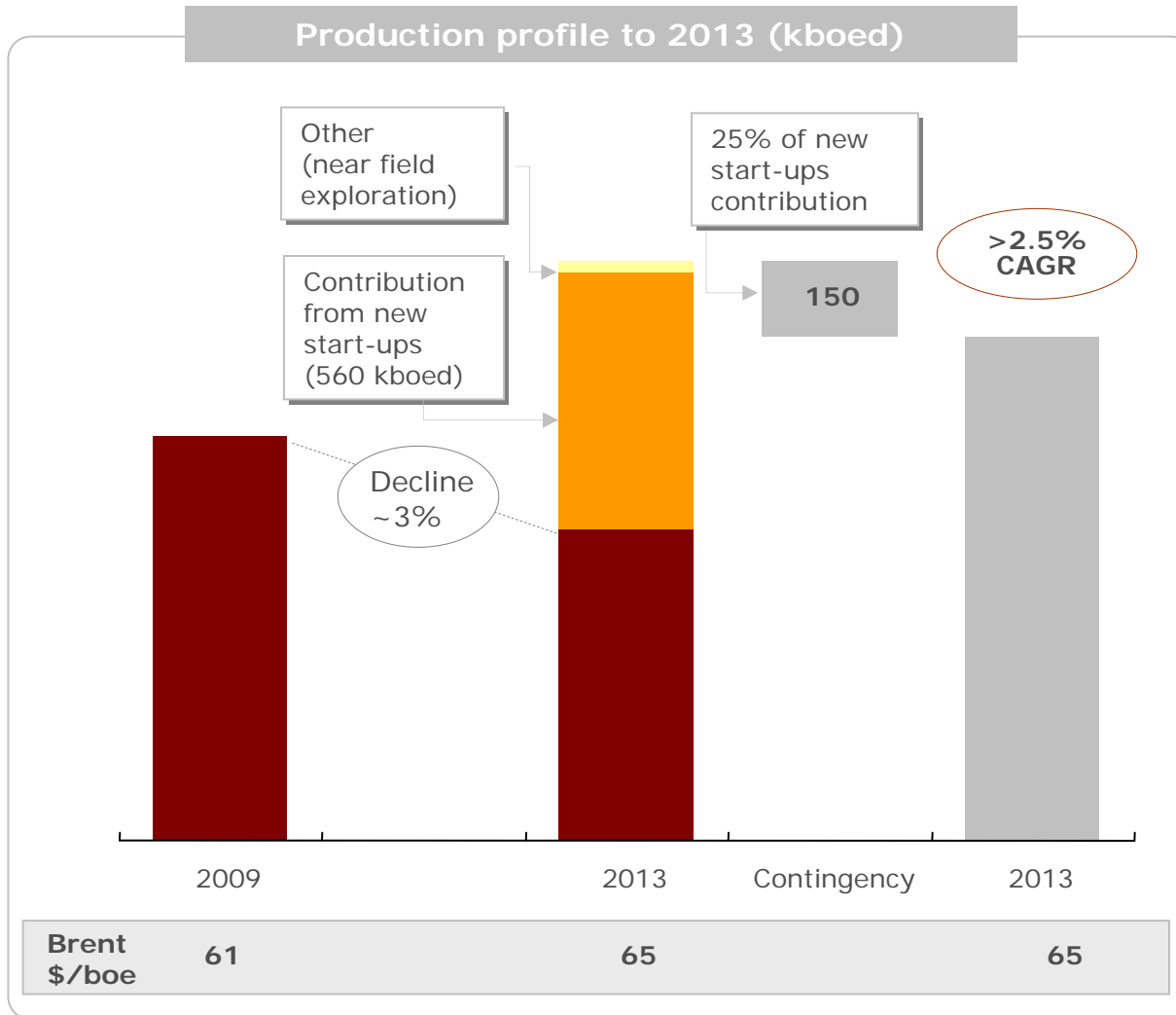


- Leading production costs in the industry
- Exposure to Africa, Italy and FSU
- Continuing focus on cost efficiency

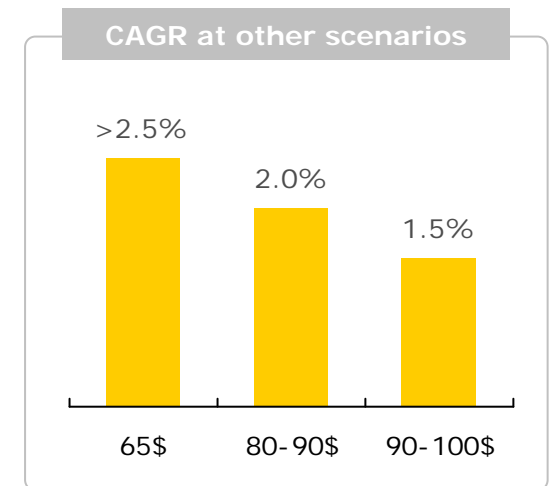
# rich portfolio of high return projects



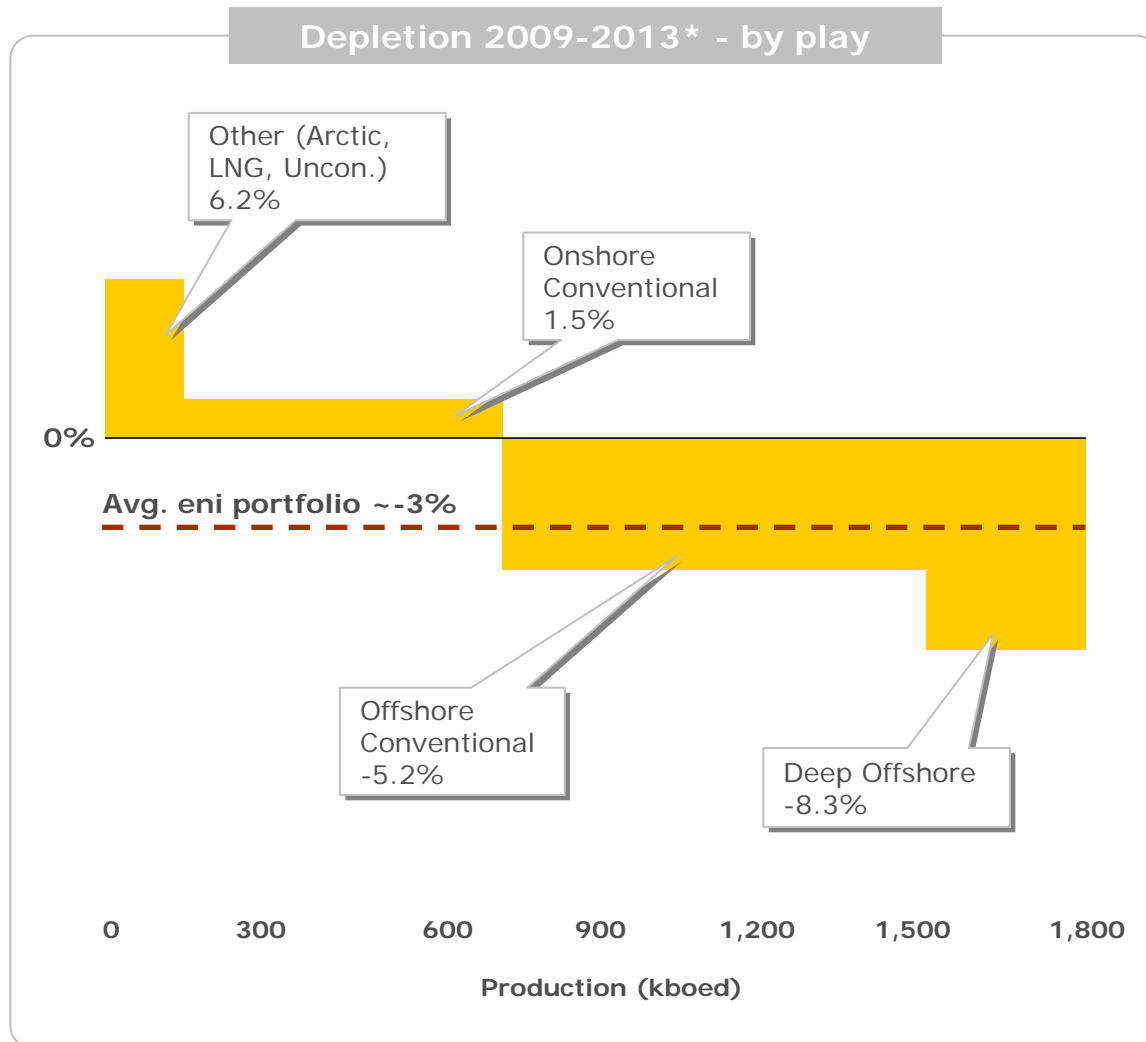
# high visibility on organic growth



- Low decline rate
- Visible and strong pipeline of projects
- Large contingencies applied



# low depletion rate

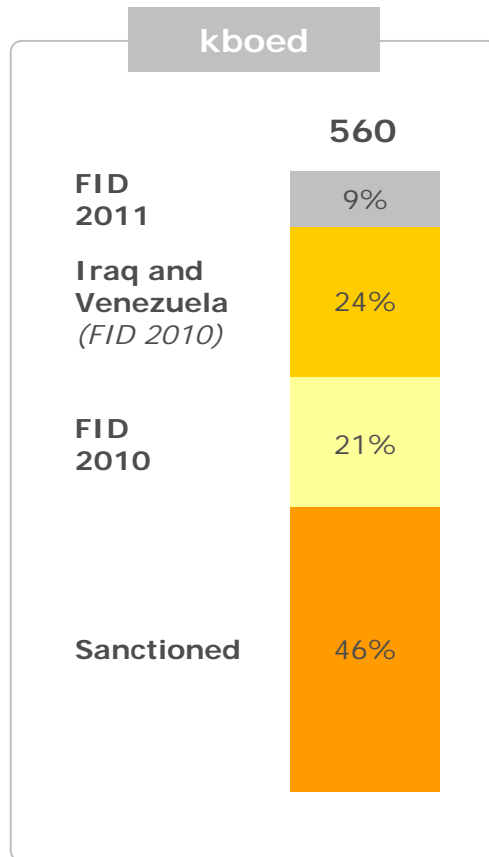


- Portfolio exposed to:
  - Giant projects
  - Young basins
  - Conventional plays
- Depletion per region
  - Africa: -1%
  - OECD: -5.4%
  - Rest of the world: -2.9%



\* Excluding new greenfield start-ups, based on 2009 producing fields

# solid pipeline of projects



16 major projects for growth					
Project	Country	Op.	Status	Start-up	Peak Production 100% (kboed)
<i>Zubair</i>	<i>Iraq</i>	✓	<i>FID 2010</i>	<i>2010</i>	<i>1,200</i>
<i>Perla and Junin 5</i>	<i>Venezuela</i>	✓	<i>FID 2010-11</i>	<i>2013</i>	<i>375</i>
<i>Val D'Agri Ph. 2</i>	<i>Italy</i>	✓	<i>FID 2010</i>	<i>2010</i>	<i>42</i>
<i>Samburgskoye</i>	<i>Russia</i>	✓	<i>FID 2010</i>	<i>2011</i>	<i>145</i>
<i>Jasmine</i>	<i>UK</i>		<i>FID 2010</i>	<i>2012</i>	<i>86</i>
<i>Block 15/06</i>	<i>Angola</i>	✓	<i>FID 2010</i>	<i>2012</i>	<i>90</i>
<i>M'Boundi Gas</i>	<i>Congo</i>	✓	<i>Sanctioned</i>	<i>2010</i>	<i>22</i>
<i>CAFC</i>	<i>Algeria</i>	✓	<i>Sanctioned</i>	<i>2011</i>	<i>67</i>
<i>Kitan</i>	<i>Australia</i>	✓	<i>Sanctioned</i>	<i>2011</i>	<i>40</i>
<i>Mavacola / Clochas</i>	<i>Angola</i>		<i>Sanctioned</i>	<i>2011</i>	<i>120</i>
<i>MLE</i>	<i>Algeria</i>	✓	<i>Sanctioned</i>	<i>2011</i>	<i>55</i>
<i>Nikaitchuq</i>	<i>USA</i>	✓	<i>Sanctioned</i>	<i>2011</i>	<i>26</i>
<i>Kashagan EP</i>	<i>Kazakhstan</i>	✓	<i>Sanctioned</i>	<i>2012</i>	<i>450</i>
<i>Angola LNG</i>	<i>Angola</i>		<i>Sanctioned</i>	<i>2012</i>	<i>176</i>
<i>El Merk</i>	<i>Algeria</i>		<i>Sanctioned</i>	<i>2012</i>	<i>146</i>
<i>Goliat</i>	<i>Norway</i>	✓	<i>Sanctioned</i>	<i>2013</i>	<i>94</i>

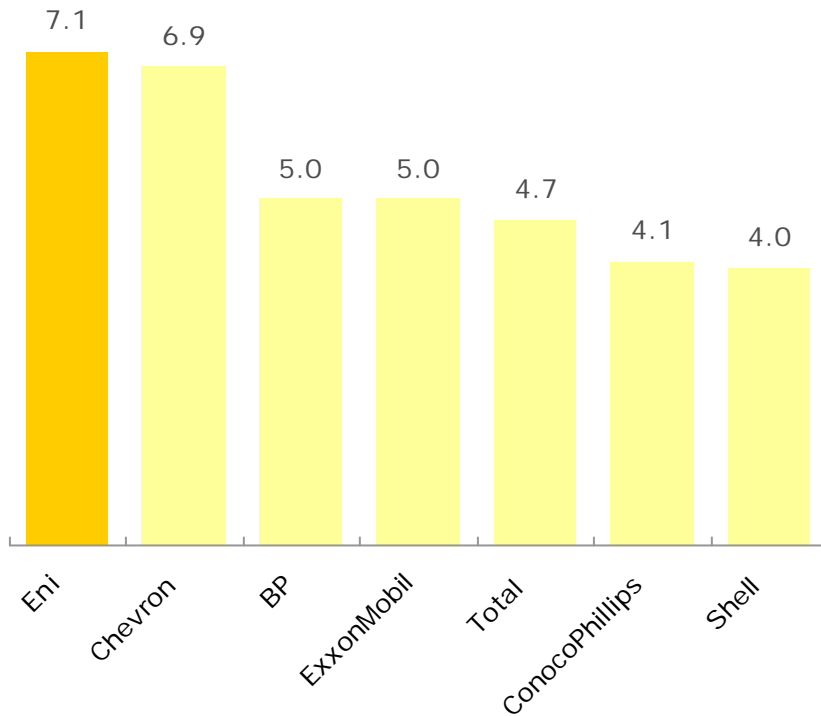
>500 kboed or 90% of new equity production @ 2013 sanctioned by 2010



# leading value per barrel

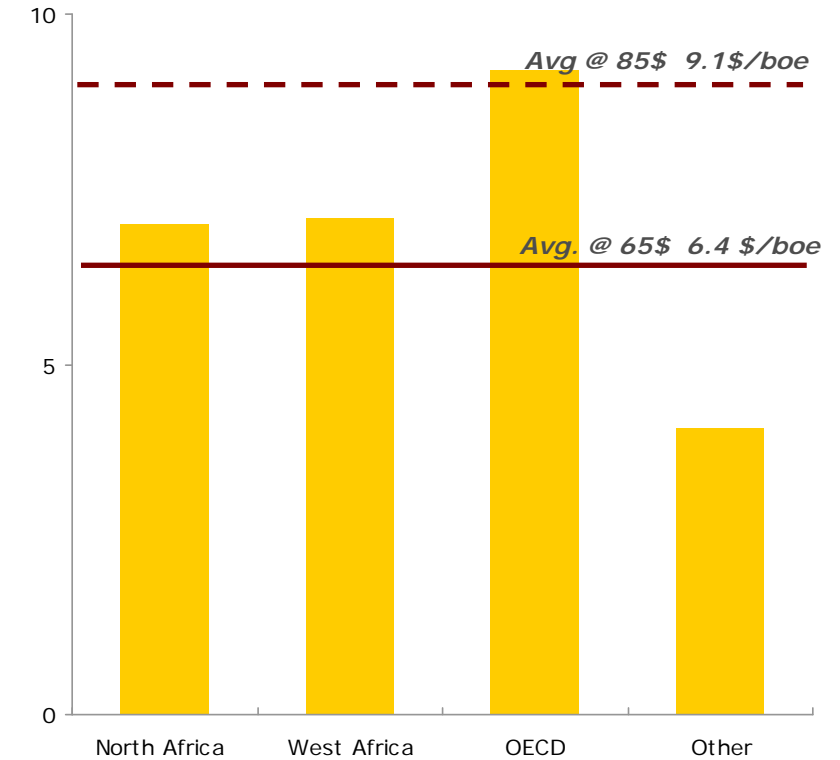
PV10 of P1 reserves\*

\$/boe



eni 2P NPV/boe by region

\$/boe



\* 2009 SEC @ 59.9\$/bbl scenario

# from resources to reserves

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## Resources

- >8 Bboe P3 + Contingent
- Vast project development opportunities:
  - Kashagan Phase 2
  - Hubs block 15/06
  - Kutei basin CBM
  - Hadrian, Stones, Kodiak
  - Junin Phase 2
  - Yaro, Yevo
  - Libyan gas
  - Egyptian gas
  - Nigerian gas/LNG

## Exploration potential

- >9 Bboe risked exploration
- Exploration strategy:
  - 70% near field/proven basins
  - 30% frontier/new plays
- Key prospects:
  - West Africa
  - Australia
  - Barents Sea
  - Kazakhstan

