CLAUDIO DESCALZI (CEO)

Good morning and welcome to our strategy presentation.

Today is a turning point for us.

We are going to present to you the new Eni.

This is something that we have been working-on for the last 6 years.

And... we are going to show to you the roadmap that will take our company towards 2050.

Our strategy is to maximise value creation in the changing energy environment, leveraging mainly our existing assets, including technologies and competencies.

The new Eni will be a much more sustainable company, able to thrive in the energy transition, delivering both profitable energy and a major carbon footprint reduction.

To measure our carbon footprint, we will utilize a fully comprehensive methodology that considers scopes 1, 2 and 3 emissions, from all energy products traded by our company.

We have set our target at 2050, beyond the current IEA Sustainable Development Scenario, which is our best reference for the goals of the Paris agreement.

The description of our roadmap to 2050 will form the core of this presentation.

After that, we will present the 2020-2023 action plan, which is the first step on the longer journey. Then we will conclude with last year’s results.

Let’s start with our long-term journey.

Eni’s evolution is part of a process we started in 2014, before the downturn. Today, we have a more efficient, resilient and profitable upstream business, a restructured mid-downstream and a much-strengthened financial structure.

Technological innovation, including the use of supercomputing and digitalization tools, has always been a cornerstone of our strategy:
• In upstream, we made our operations even more efficient and safe, while in exploration we further enhanced our results thanks to algorithms and modelling we developed in-house;

• In the mid-downstream, we developed technologies in the circular economy and bio-products. The two bio-refineries now running in Venice and Gela are clear proof of the success of this model.

The progress realized over the last 6 years puts Eni in the ideal position to maximise the economic opportunities arising from a changing energy market, while delivering a deep reduction in scope 1,2 and 3 carbon emissions.

Actions will be based on 4 firm principles.

First, the 17 UN SDGs are at the heart of our mission and underpin how we operate in each business. In this presentation, we will provide a particular focus on climate change.

Second, we will reinforce our business portfolio by becoming even more integrated in the energy market, from production to the final sale of conventional, bio and renewable products.

Third, we will continue to focus on capital discipline to maintain a strong balance-sheet and to sustain our cash flow generation.

And fourth, we will maintain our progressive shareholder remuneration policy as a keystone of our capital allocation going forward.

These 4 principles are the basis of our business strategy and drive the evolution of our portfolio.

In the following slides, we will illustrate the key strategies and targets to 2035 and 2050 in each business.

These targets provide an indication of the trajectory of our businesses. We will update these targets annually as the market evolves.

However, the carbon footprint reduction targets given today are fixed.

Our long-term journey starts from a solid platform. Our strategies and targets will leverage our existing assets and what our people have developed and deployed in the last 6 years in terms of new technologies and competencies.

Let’s look now at the evolution of each business, starting from the upstream.

In terms of resilience, we will continue to confine our exposure to conventional resources, focusing on operational integrity, cost optimization and time to market.

Additional details will be disclosed in the four year plan.

In terms of carbon targets, we confirm that we will almost halve (-43%) our operational carbon intensity by 2025 vs 2014 and we will reach net zero scope 1 and 2 emissions by 2030.

Along this path, in 2019 we already achieved, 6 years in advance, the target to reduce our operated methane emissions by 80% and we are well on track to reach zero process gas flaring by 2025.

Coming to flexibility, this will be even more essential in the future.

Production is confirmed at an average annual growth rate of 3.5% to 2025 at which point it will reach the plateau, followed by a flexible decreasing trend, mainly in oil.
This production profile will be even more sustainable considering that we will increase the share of gas to around 85% in 2050 and that our gas to power chain will take advantage from CCS projects and forestry, offsetting up to 40 Mtons of CO2 per year.

Moreover our production will be supplied by a growing contribution from short payback projects.

This chart is crucial to showing the resilience of our portfolio of 3P risked reserves, in terms of breakeven price at which expected returns equal the cost of capital.

On this basis, our reserves are projected to break even at a flat average Brent price of 20 $/bl, with a range from below 10 $ to just 35 $/bl for the most expensive.

It means that the entire 3P reserves can be profitably produced at 35 $/bl, generating an overall return that is much higher than the cost of capital.

Our current 3P reserves portfolio is not only resilient but also very flexible.

Assuming a flat Brent price of 50 $/bl and a PSV gas price of 5 $ per mmbtu, by 2035, we would cash-in 94% of the total NPV and produce 85% of risked volumes.

Such a profile leaves great flexibility in adapting to any sudden changes in market dynamics and technological breakthroughs.

In addition, our future production profile, mainly gas, will likely be higher than that expected from the existing reserves profile.

Therefore, we will be able to modulate our capex plans and tailor our production profile to market requirements, without incurring the risk of stranded assets.

Moving now to renewables, we intend to become a major global integrated operator with an installed capacity of more than 55 GW by 2050.

We have the required geographical scale and the skills to simultaneously manage complex projects worldwide.

We will extract additional value by building an integrated green power value chain, which will leverage our already significant presence in the retail business.

In particular, we project:

- around 70% of installed capacity in OECD countries, where the expansion will be linked with our retail and industrial clients,
- whilst the remaining 30% in non-OECD countries will be mainly sold to State Companies, thus complementing our traditional energy offering, mainly gas.

We will keep investing in our own R&D, including new generation PV and marine wave energy.

Growth in Retail Gas & Power will be closely linked to our expansion in renewables.

This business will benefit from the growth in equity renewable energy and equity bio products. This will allow us to fulfill the growing demand for sustainable energy and support an expansion in sales to more than 20 million customers by 2050.

The key areas of growth will be in northern Mediterranean countries, the United States and Australia where we plan a significant expansion in renewables and bio-methane.
Our offer will be enhanced by high value-added services such as distributed photovoltaic and storage, charging stations and home services which are already yielding very positive results.

Midstream will increasingly be the link and the optimization engine between the production and sale of our gas, power and zero carbon products, providing logistics and commercial opportunities to increase the value of our equity flows.

Bio-methane and renewables, whose weight is increasing in Eni’s portfolio, will be the main products traded by Midstream, together with our gas equity production, while the non-equity gas supply will shrink.

Midstream will continue to manage the group’s gas to power capacity.

CCS projects will make the feed gas carbon neutral, reinforcing the role of gas as the best suitable partner for renewable energy.

For CCS, in Italy, we have a unique opportunity in the Ravenna area, thanks to the combination of depleted offshore gas fields with infrastructures still in operation, together with our onshore power plants and other industrial sites nearby.

The storage capacity is huge, ranging between 300 and 500 Mton.

This scale, coupled with the possibility of reusing existing facilities and the proximity of emitting plants, will allow us to keep costs very competitive.

We plan to complete the technical studies and the necessary verifications on the regulatory framework by 2025 and then move to execution.

Based on the experience of this Italian project and of other ongoing initiatives in the UAE and UK, we will assess further projects worldwide aiming at reducing the carbon footprint of our gas production.

The target is to reinject from these further international initiatives more than 5 million tons per year for an overall capacity of more than 10 million tons per year.

To complement the large emissions’ reduction planned through industrial transformation and CCS initiatives, Eni will develop and participate in REDD+ projects to preserve primary and secondary forests and biodiversity, supporting the UN Sustainable Development Goals.

So far, we have set-up partnerships or discussions with governments and international developers in Zambia, Mozambique, Vietnam, Mexico, Ghana, Angola and DRC.

We target to have in place projects to absorb around 20 Mton/y of CO2 by 2030 and more than 30 Mton/y by 2050, that together with the CCS reinjection targets, allows us to reach more than 40 Mtons per year of storage and offsetting capacity.

Eni’s Refining business will evolve in the medium to long-term based upon 3 main pillars:

- First, Bio refining: our bio capacity, which is based on a profitable and proven technology, is expected to grow to 5 MTPA by 2050, supplied by second and third generation feedstock and completely palm oil free by 2023.

New investments will be projected in the most attractive worldwide markets such as the Middle and Far East, Europe for bio-jet fuels, and the US. Based on our experience with our existing bio assets, we expect returns in the range of 15%.
Second, the progressive conversion of our Italian sites: the conversion will be driven by Italian market demand with new plants being developed to produce hydrogen, methanol, bio-methane and products from waste, with existing and proprietary technologies.

Third, Ruwais: this will be the only traditional refinery running in the long term, thanks to its scale, efficiency and location. Eni and its partners will continue to improve the refinery’s configuration, enhancing flexibility and reducing carbon footprint.

We will see a profound evolution of the Marketing business in the next 30 years.

The sales mix in our service stations is expected to be 100% blue, green and bio by 2050, all from equity production.

As in the Refining business, the pace of evolution will respond to demand trends for new energy sources.

Together with the changing product mix, we will offer our clients a broader range of services improving retention and margins.

In Chemicals, we will follow two main strategies:

- First, in the conventional business, we will focus on specialties, producing to a large extent high performance polymers;
- Second, we are developing circular economy solutions, to produce chemicals from renewables and advanced recycled plastics.

Versalis will deploy different technologies, from mechanical to chemical plastic recycling.

Through pyrolysis technology we will transform plastics that are unsuitable for mechanical recycling, producing new polymers identical to those produced from virgin fossil feedstock.

Moreover, within an integrated platform, we will leverage also synergies with Refining’s gasification technology, to recover value from all plasmix fractions.

As a result, our chemicals business at 2050 will be smaller but much less exposed to market downturns.

The evolution and transformation of our portfolio and activities will have a huge impact also in terms of emissions reduction.

To measure our emissions, we have adopted a fully comprehensive approach, along the value chain, taking into account the GHG emissions from all energy products traded by our organization.

Therefore, we include all emissions:
- scope 1, 2 and 3;
- from all the hydrocarbons produced or bought from third parties, in all businesses inside Eni’s energy portfolio; and
- measured both on an absolute basis and in terms of intensity per unit of energy product sold.

We have built our methodology based on a Lifecycle approach, reviewed by experts from academia and with the application of the methodology independently verified by a 3rd party assurance provider.

This methodology goes beyond the existing disclosure standard for scope 1, 2 and 3 emissions, creating a framework for tracking GHG emissions related to our company’s full activities.
More details on the methodology are available in a document attached to this presentation and we are ready to answer any in-depth questions during the afternoon session dedicated to this topic.

As a result of our strategy:

- Absolute lifecycle GHG emissions will drop by around 30% in 2035 and 80% by 2050, which exceeds the IEA SDS scenario that we consider as a benchmark for the goals of the Paris Agreement. These results are based on our fully comprehensive methodology and are therefore not comparable with other methodologies.

Our carbon footprint reduction will be driven by:

- Increased share of gas in a decreasing upstream production;
- Focus on equity gas products in G&P, shrinking non-equity products;
- Conversion of existing European refineries into bio-refineries and circular economy projects; and
- CCS projects and forestry capturing up to 40 Mtons per year of CO2.

All these actions are fully in our control, and this explains our confidence in achieving these targets.

- Net carbon intensity will drop by around 15% by 2035 and 55% by 2050, benefitting also from the expansion of renewables capacity and carbon free products sold to our customer base, in particular with a retail growing from 9 to 20 million customers. This will make Eni’s overall energy offering highly sustainable.

In addition, our strategy will allow us to achieve scope 1 and 2 net zero carbon footprint for the Eni Group by 2040.

Before entering into the 4 year plan, I would like to summarize our long term roadmap.

We are shaping our future based on an industrial transformation underpinned by:

- a resilient and flexible upstream business;
- valuable growing integrated business lines in bio and renewable sectors;
- our established global energy market presence;
- new technologies, skills and the commitment of our people, to move safely along this crucial journey; and
- all of this has been taken into account in the revised long term incentive scheme and will be reflected in a new organizational structure that we will implement in the coming months.

To conclude: the Eni you know has established an unrivalled reputation for exploration excellence and operational integrity and efficiency, thanks to a sharp focus on risk mitigation.

This roadmap to 2050 introduces a new dimension in today’s fast changing energy market: sustained economic returns, while focusing on driving down climate transition risk, for the benefit of all our stakeholders.

And now let’s move to the 4 Year Plan.
Our four year plan has been developed in coherence with our long term strategy, and it will focus on sustainable growth driven by organic value creation.

In the Upstream our production will grow at an annual rate of 3.5% and will be 16% higher in 2023.

In the same year, the mid-downstream will more than triple its operating result versus 2019, with an aggregate contribution of 2 bln €.

We will continue to intensify our efforts in decarbonisation, increasing our plan investments by one third to 4 bln €. This will be devoted to renewable growth, circular economy and other initiatives in emissions’ reduction, including flaring down, minimization of methane emissions, CCS and CCUS projects.

All of these activities will together deliver a stronger, more sustainable Eni, with 23 bln € of organic free cashflow in the period and a cash neutrality that is expected to decrease by over 10 $ per barrel in 2023.

Let’s now have a look at each of the businesses.

In upstream, we will continue to grow organically, keeping capex stable at around 6 bln € per year, whilst retaining significant flexibility, with around half of capex uncommitted in the 2022-2023 period.

Following our strategy of diversification, we are developing new major projects in the Middle East, Mexico, Norway, Angola and Mozambique.

At our scenario we will generate in the four year plan an operating cash flow of over 50 bln €, equivalent to a Free cash flow of around 25 bln €, which is double our dividend needs.

Meanwhile, we will further enhance the sustainability of our portfolio, by reducing carbon intensity by 38% by 2023 versus the 2014 baseline, well in-line with our target for a 43% reduction by 2025.

All these results come from an organic and integrated low-cost model, that is based, first of all, on our exploration...

Exploration is crucial in making our portfolio diversified and resilient. In the plan period, we will focus on promising proven basins in the Middle East, Mexico, Norway and the Far East.

The Middle East will be a region with an extensive exploration campaign. Just last month we announced a high potential discovery in the Emirate of Sharjah, achieved only one year after the signature of the concession agreement.

We will continue exploration activities in Norway and in Mexico, a region with a large offshore unexplored potential. Here during the last 24 months we drilled 6 wells with a Commercial Rate Of Success of 100%, and we developed the first field of Area 1, just 11 months from the approval of the Plan of Development. This month we also announced an important discovery in Block 10, that contains between 200 and 300 million barrels of oil in place.

In Block 15/06 in Angola we had further success with the Agogo 3 well, which increased the size of the field to 1 Bln barrels of oil in place.
In the four year plan 80% of our exploration investments will be in high POS areas, proven basins and near field, mainly onshore and in shallow water with a faster exploration cycle.

We target to discover 2.5 bln boe in the plan period with a Unit Exploration Cost of 1.5 $.

In development and operations, in the last 6 years we delivered extraordinary results in terms of time to market and production growth.

In this period, if we consider our operated projects that have taken FID, our time to market is around 3.5 years, which is half the industry average.

Our Finding & Development and production costs have been constantly low versus peers and we are firmly committed to continue this performance.

Coming to production, new project start-ups and ramp-ups will account for 800 kboe/d of new production by 2023. Of this:

- around 50% is from new start-ups in the plan;
- around 20% is related to the ramp up of recent start-ups; and
- an additional 30% is related to expansion projects of existing fields.

In the period, we will put 17 major projects into production and we will operate over 70% of our equity.

In 2020, we will grow to reach a production level of around 1.9 mln boe/d.

Turning to upstream cash generation, at a constant 2020 scenario, free cash flow in 2020 will be higher than 2019, once we exclude the contribution from the second extraordinary dividend from Var Energi.

By 2023 upstream cash flow will increase to 6.3 bln €, over double the yearly dividend need of the company.

This is thanks to the contribution coming from:

- Zohr production at plateau in Egypt;
- the new production, from our exploration successes, coming on stream mainly in Mexico, Angola and Mozambique;
- and also the new volumes from the UAE.

The disciplined capex spending of around 6 bln € per year and the growth in Cash Flow from Operations will allow us to cover the upstream capex at 34 $/bbl in the four year plan.

Turning to the mid-downstream, we plan to triple operating income by 2023 versus last year and deliver 4 bln € of cumulative free cash flow in the four year period.

The key areas of focus will be:

- In retail gas & power, the growth of our customer base and the integration of new services in our commercial offer;
- In midstream gas & power the growth of the LNG portfolio;
- In refining, the optimization of our industrial assets and the transformation of some selected Italian sites.
Through the deployment of proprietary and innovative technologies, we will develop industrial circular solutions, extracting value from organic and inorganic waste and biomasses.

In particular:

- From organic waste we will produce bio-oil that can be used directly for marine operations. By 2023 we will build “Waste to fuel” plants with a total treatment capacity of 600,000 tonnes;
- from non-recyclable plastics we will produce hydrogen or methanol.

In chemicals, we will pursue products from recycled plastics and renewable feedstock.

Gas and Power will deliver a growing contribution in the plan: 2023 EBIT will be around 800 mln € with a cumulative Free Cash Flow of 2.1 Bln € during the plan.

By 2023, 40% of the EBIT result will come from Midstream, where we will continue to optimize our gas supply portfolio, reduce logistic costs and increase LNG contracted volumes to 16 MTPA in 2025.

The value of flexibility in the portfolio was demonstrated in 2019 when the results benefitted from exceptional levels of market spreads, which we have not assumed in 2020.

Under the same circumstances, we are ready to replicate these results.

We see power as an important contributor to our results and our strategic ambitions in the long term.

The remaining 60% of the EBIT result will come from Retail, that will almost double last year’s EBIT to around 500 mln € by the end of the Plan.

Let’s look at this business in detail.

In the retail segment our customer offer is growing to include more services.

We will increase the offer of green energy to all our customers, with our final target, as presented in the long term plan, to deliver 100% green electricity.

Our Customer base in core countries will grow by 15% to around 11 million, driven by the doubling of the power segment customer base in Italy, France, Greece and the entry into other Mediterranean countries.

The result will be an EBITDA per customer growing by one third in 2023 vs 2019 with the additional services accounting for around 20% by the end of the plan.

In 4 years, we expect the retail business to generate around 1.5 bln € of organic free cash flow.

In Refining & Marketing, we expect to increase production and results thanks to:

- the full availability of our European refining capacity, with the upcoming start-up of EST and the optimization of our refining processes for IMO 2020;
- the exploitation of the full potential of ADNOC Refining, where capacity will reach 1.1 Mb/d;
- Bio-refineries at full capacity; and
- a resilient Marketing, where we will focus on high margin segments, increasing the contribution of premium products, with the target to increase our network in Europe, mainly in Germany and France. Moreover we will diversify our supply promoting sustainable mobility by offering LNG, hydrogen and electricity.
In terms of EBIT, we expect to improve significantly versus last year’s result, reaching an EBIT of 900 mln € in 2020, including the ADNOC pro-forma contribution.

We expect to generate 2.6 bln € of organic Free Cash Flow in the plan.

Bio refineries represent an important example of in-house developed technology that we have now deployed to an industrial scale.

We will work further on this capability, ramping up the Gela bio-refinery to full capacity by year end.

As well as expanding capacity we will also diversify feedstocks to become Palm Oil free by the end of the plan.

The palm oil substitution will improve both sustainability and profitability of our green refineries, which have an IRR of around 15%.

With the growing demand for bio products, we look to deploy this technology further in Italy and in new markets.

And now our renewables business.

We will continue to grow during the plan, with an overall capacity of 3 GW installed by 2023 delivered largely organically, investing around 2.6 bln €.

In addition to our distinctive pipeline of brownfield projects, we plan to expand our presence in developed markets.

We will be increasingly integrated along the power value chain, from green power generation to the final market, where our priority is to provide renewable energy to our retail customers. We will also expand our base to commercial and industrial clients.

Looking at our geographical footprint:

- In Italy, we will keep expanding the Progetto Italia, our industrial conversion project that generates power from renewables on reclaimed industrial areas;
- we also recently entered the US market where we aim to develop 1 GW of projects in the next 4 years; and
- we will reinforce our presence in Africa, Australia and Kazakhstan, as well as exploring new emerging Asian markets.

The business will deliver stable cash flows in the long term, with expected returns for our projects spanning from an unlevered base of 7% to double digit IRRs through group synergies and financial leverage.

Thank you for your attention. Now I leave the floor to Massimo.

MASSIMO MONDAZZI (CFO)

Thank you Claudio and good morning to everyone.

In this final part of the presentation we will go through the details of the financials of the four year plan followed by a brief overview of the 2019 results and the remuneration policy.

Financial efficiency through rigorous capital discipline is a key cornerstone of our strategy.
We plan to invest less than €8 Bln per year with total 4 year plan capex lower than €32 Bln. We will maintain a high degree of flexibility with around 60% of 2022 and 2023 capex not committed yet.

The upstream investment plan is well diversified geographically with activities in Africa, Middle East, America and Asia.

Upstream will account for 80% of total capex in 2020 gradually decreasing to around 70% in 2023.

This leaves space for Green activities that are expected to grow from 5% in 2020 to around 20% in 2023. In the plan we will spend in green projects 4 bln €, €1bn more than envisaged in the previous four year plan.

The others category mainly refers to stay in business activities in G&P, R&M and Chemicals and falls from 15% this year to 10% at the end of plan.

Upstream projects in execution covering around 800 thousand barrels per day of new production by 2023, have a breakeven Brent price that allows for a return equal to the WACC on a full life basis of 23$/bbl down from 25 $/bbl last year.

These projects remain resilient and competitive under both low hydrocarbon prices and a high CO2 cost sensitivities.

With 20% lower hydrocarbon prices, corresponding to less than 50$ Brent in 2020, the Internal Rate of Return remains a robust 23%, only 2 percentage points down from 25% at Eni scenario.

When applying the IEA Sustainable Development Scenario, that projects a CO2 cost in 2040 in excess of 200 dollars per ton, the impact on the IRR of the major projects in execution is very limited with a reduction of 0.7 percentage points even assuming the CO2 costs are non-deductible and non-recoverable.

Turning now to the cash generation.

In 2020 Cash flow from operations before working capital is expected at 11.5 bln €, higher than the Cash Flow recorded in 2019, when adjusted for the different scenario and excluding the benefit of the 2nd Var Energi dividend in 2019; the improved performance is driven by Upstream, R&M and retail gas activities.

2023 cash flow will increase by more than 3 bln € versus 2020 with a strong contribution from all businesses. The drivers will be:

- The valuable production growth in Egypt, Angola, Mexico, Mozambique and the UAE accounting for around 2 bln €
- Customer base growth in retail gas & power,
- The expansion of LNG activities, the reduction of the logistic costs and the optimization of the gas portfolio in midstream gas & power,
- as well as in Refining, the Ruways plants at regime, the EST plant in operation and increased throughput from the Bio refineries.

Organic free cash flow will continue to grow at a robust pace with an average CAGR in excess of 20%. As a result, the cash neutrality to cover working capital, capex and dividends will improve from less than 60 $/barrel in 2020 down to 45 $/barrel by the end of the plan period.

Now I would like to give you a brief overview of our achievements in 2019.

The transformation undertaken in recent years allowed us to deliver strong operating and financial results, in spite of geopolitical turmoil and the challenging scenario.
Furthermore we achieved significant milestones in terms of geographical and business diversification.

In the upstream, 2019 EBIT, assuming a constant scenario and perimeter, improved by around 600 mln €, thanks to the record production and the improved mix.

Notwithstanding the difficult operating environment in Libya and Venezuela and depressed gas demand, we delivered:

- A new production record of 1.87 mln boe/d in line with our guidance;
- the 4 planned start-ups that along with ramp-ups contributed with over 250 kboe/d of new production;
- over 800 mln boe of new exploration resources at a Unitary Cost of 1.5 $, which confirms our capability to discover future reserves at a very competitive cost; and
- an all sources RRR of 117%, thanks to the new FIDs in the period.

In Norway, Vår Energi is now the second largest operator in the country. This is an important step in our strategy in expanding in OECD countries with growth potential.

In Mid – downstream:

- G&P performance was strong with an EBIT of 650 mln €, the highest level since 2010, driven by:
  - an improved gas and power portfolio which benefitted from elevated spreads and volatility in Europe, offsetting weakness in the LNG segment, and
  - a 38% increase in Eni Gas and Luce profitability, thanks to the organic addition of over 200,000 new customers, the offer of new services and further efficiency gains.
- In the downstream we took an important step in diversifying our footprint with the entry into ADNOC Refining, a world class asset with strong potential.

Overall our R&M business delivered positive results, despite a difficult scenario for refining and some assets not operating at full potential. The performance of Chemicals was impacted by weak margins and demand.

In renewables, we moved ahead reaching 200 MW of installed capacity in Italy, Kazakhstan, North Africa, Australia and Pakistan. In addition we recently signed a strategic deal to accelerate our development in the US market, one of the key areas for our future expansion.

Finally, in 2019, we decreased our Upstream GHG intensity by 9% versus 2018 for an overall reduction of 27% versus our 2014 baseline, well on track with our 2025 target.

The overall positive business results delivered an operating cashflow before working capital of 12.1 bln €, generating 1 bln € of excess free cash flow after funding:

- net capex of 7.7 bln €, and our
- increased 2019 shareholder remuneration, including the buyback, of €3.4 bln which was 16% higher than the previous year.

Leverage post IFRS16 was 36% corresponding to 24% before IFRS16.

And now let me focus on our remuneration policy.

The policy we announced last year is confirmed.

On this basis and considering the progress we have made in enhancing our portfolio in 2019, the valuable growth ahead of us and our solid financial position, we are pleased to announce:
• A 2020 dividend of 89 euro cents per share, that represents an increase of 3.5%, in line with our commitment to a progressive remuneration policy and
• the continuation of the buyback programme with a capital allocation of 400 mln € for this year.

Thank you very much for your attention.
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Rats Martin  Morgan Stanley
Good morning, ladies and gentlemen, and welcome to the ENI Strategy conference call Q&A session, hosted by Mr. Claudio Descalzi, Eni’s CEO of the company and top management. (Operator Instructions)

I would now like to hand the conference over to Mr. Descalzi to begin. Please go ahead, sir.

CLAUDIO DESCALZI, CEO, GM & DIRECTOR, ENI S.P.A.:
Welcome, everybody, to our strategy presentation. And I hope that you had the possibility to see our video and read our press release. And now we are ready to answer your questions. Thank you.

Questions and Answers

OPERATOR: (Operator Instructions) The first question is from Mr. Oswald Clint at Bernstein.

OSWALD C. CLINT, SENIOR RESEARCH ANALYST, SANFORD C. BERNSTEIN & CO., LLC., RESEARCH DIVISION: Thank you very much, Claudio and Massimo. So Claudio, obviously, a very radical, very detailed plan today, which, I guess, has a headline of combining economic sustainability and environmental sustainability. And obviously, it's very ESG friendly. I guess from our side, at the moment, there is a lot of evidence that very ESG friendly corporate strategies actually do deliver better investment returns, at least from an equity perspective. So my question here is, could you perhaps give us the top three risks or concerns that you have as you lay out this plan today in terms of executing it successfully? And that comes on the back of your last five years of, let's say, fixing ENI and some of the challenges you've had to overcome just through the last five years? That's the first question, perhaps, and my second question is really around the indicated organizational changes and especially things like phasing away from hydrocarbon-based refinery footprint in Europe, plus also some of the big impairments you had in the fourth quarter. So I'm really thinking about, can you talk about or give us some indication of the magnitude of restructuring charges that investors
may have to think about as you roll out this changed portfolio?

So I’d like to say, first of all, that this evolution or transformation of our business called new ENI, it’s something that we started 6 years ago at the end of 2014. So it’s not something that’s coming overnight. And we work a lot from a technological point of view. So we have our technology that can, maybe, be one of the risks. But this plan has been built, and also from an engineering point of view, on the existing technology, our own technology, that we have developed.

One evidence, one proof, as we said during our videos is the two biorefineries. We transformed, we restructured two existing refineries into biorefineries. And then we have the circular economy. The biorefineries -- just now they are running, they have a very good internal rate of return, because we talk about 15%. So the technological risk, that can be seen as a possible risk, at this moment is not. We have just possible upsides with new technology that we are going to develop.

Another no risk, I can say, is the flexibility. Because our assets, not just in terms of technologies and competencies, are very flexible, starting from the upstream. So the 3P reserves risk that we showed is very flexible with a very low average price, of $20 per barrel. And so we have the flexibility to move in this area and move our CapEx in relation to the market. So that is an additional point.

Clearly, we aim to increase now our number of customers, because the final aim is to reach our customers with products that are low- or even zero carbon footprint. So the increasing of customers is a point that we already did. We start from a very good point. We have about 9 million customers. And in a couple of years, in 3 years, we want to reach 11 million. So we can grow gradually in the next 30 years to reach more than 20 million customers. That is a very important point for the scope to reach everybody with a new zero-carbon product.

One point that we have to work on is the growth of renewables. The growth of renewables that we started as a brownfield growth when we did some good steps in the past. Now it’s going to became in a different way, and is really linked to our gas and power retail. So it’s really the integration between the retail and the development of the new product. That it’s not just renewables but also biomethane, for example, that is not a product that our Eni Gas e Luce is selling, is another important point.

About risk in the regulatory framework. We have regulation in place, but clearly, we have to tailor-made, adapt it to each single country. In Italy, we had some good results in the transformation of our refineries. Now we
have to work on the CCS, because we have a big capacity, and CCS that we have in Italy is one of the most important steps to be able to have a blue electricity, a blue hydrogen, because you can capture CO2 and create products that are carbon free. But we have the reservoir, we have the depleted field and we have the capacity. So we have to work.

And as we said, we are working up to the 2025, that is our date to be set up with the regulation for the carbon capture and sequestration.

And we don’t have risk from a capital point of view, because in all our simulations, the capital are quite in line with the investment that we made in the last 6 year. We don’t see any peak of capital to develop this strategy. From the refinery point of view, from the circular economy, from a renewable point of view, so I think that is not a big risk. And for that, we have all the tools, all the technologies, our people very motivated because they participated in the last 6 years in this transformation. So I don’t see a big risk and for that reason, we are very confident to be able to develop this strategy successfully.

So the organization, we said that we, clearly, all this transformation is based on big integration of all our businesses, and is going to cover all the businesses. So we have to tailor-made a new organization that can improve also in the best practices and in the communications and all the standards, for our existing business, that are going to be transformed.

So before the end of the year, in the next months, we’re going to go to our Board, present a new organization and then we go public and we present to our investors and to our analysts, the new organization, but it’s something that we are going to deploy during 2020.

MASSIMO MONDAZZI, CFO, ENI S.P.A.:

Oswald, Massimo speaking. As far as the impairment, the impairment we made, are mainly related to technical reasons, some of them due to changes in the fiscal regime, royalties in Nigeria and in Italy, and overall, they are related to upstream and refinery. So nothing to do with the restructuring of something like this, but mainly technical reason.

OSWALD C. CLINT, SENIOR RESEARCH ANALYST, SANFORD C. BERNSTEIN & CO., LLC., RESEARCH DIVISION:

Excellent, thank you

OPERATOR:

The next question is from Alessandro Pozzi of Mediobanca. Please go ahead sir.
I have two questions, the first one is you have some significant target reductions in CO2 emissions, especially in intensity. And the intensity, I think, is going to go down quite a lot after 2035. I was wondering if you can maybe give us some color on the initiatives and the step you need to take to achieve that reduction in emission intensity? That’s the first question.

So I’ll start, say with a few words about the intensity, then maybe Massimo can complete so some of our colleagues. Clearly, the intensity is in relation with the growth of our renewables and all of our products, so that our target in renewables that it’s achievable is to reach more than 55 gigawatts of capacity. And that is one of the main reasons why we are able to reduce by 55% the emission intensity.

The plan is flexible, clearly. We have targets for each year, and the investment and also the geography where we are going to develop these renewables, that will be for the 70% in OECD countries and for the 30% non-OECD countries. The strong increase of renewables, different kind of renewables, is one of the reason of this good target for reduction of carbon intensity.

So Alessandro, the main drivers for the intensity reduction certainly will be the growth in the renewable capacity, the switch from fossil products to products without any fossil content, such as the biomethane and the hydrogen and the, what we call, the other blue energies that could be free of CO2, thanks to CCS initiative. You have seen that in our plan, we are projecting at least 10 million ton per year of capacity of injection that will turn our gas production that we said will be the most important element in our hydrocarbon production by 2050, much less CO2 productive on this respect.

On top of this, the forestry initiatives will complement such a package. Overall, in terms of carbon sink, we are projecting something in the range of 40 million tons per year, including the 10 million ton I just mentioned from the CCS.

Okay. And my second question is on production. I believe you mentioned that it could plateau in 2025, followed by a flexible potential decline, especially the oil part of your production. I was wondering how we should think about total production from ENI beyond 2025? And if there’s any decline, what sort of decline you may have?
CLAUDIO DESCALZI: And so we said that we reached our plateau. So that is peak or plateau then we remain stable and then decreasing. So that is clearly related to the market conditions, market opportunities. Clearly, we are going to reduce our oil content and we are going to keep increasing our gas production. So the final target will be to reduce. So the value around the 2025 will be almost the same, then we’re going to reduce, and the oil production will be reduced.

We have different figures clearly, because we run all the modeling with all the sensitivities. And because of the big flexibility we have, we don’t like to give now exact figures. We have just to think about the flexibility we have, the tools we have. And also when we reach this plateau, we have free CapEx that we can invest in the growth on the other business. So creating new returns on the growing buyer in green business. So that is the model that we detail with all the sensitivities. But at the moment, that is what we can say.

OPERATOR: Next question is from Jason Gammel of Jefferies.

JASON GAMMEL, MD & SENIOR EQUITY RESEARCH ANALYST, JEFFERIES LLC, RESEARCH DIVISION: Yes. I just wanted to come back to the renewables business growing in the OECD countries. I would expect that, that’s going to be relatively competitive to enter those markets. And so I was hoping that you could elaborate a little bit further on some of the very specific skill sets and advantages that you would bring to be successful in these competitive markets?

And then my second question is around the hydrogen value chain. I was hoping you could talk a little bit about what price of carbon might be necessary to make blue hydrogen and CCS, in general, competitive today?

CLAUDIO DESCALZI: So our renewables, Luca Cosentino that is in charge of the division for renewables, can give you some answer about your question.

LUCA COSENTINO, EVP OF ENERGY SOLUTIONS DEPARTMENT, ENI S.P.A.: Yes, thank you for that question. So we expect, as you said, that the competition in the market, in the European market and in general OECD countries, will be very strong. However, we start from a very strong position because, as you know, we have like more than 10 million clients already in Italy and in France, and we expect to expand this customer base in the next year. So we have a very deep knowledge of the European, and in general, the evolved power markets, and we think that this will be a very strong advantage for our expansion.

We have the competence now. We have a number of partnerships already in place for this. So we believe that we have all the elements in order to be successful for the growth in OECD markets in the next years.
MASSIMO MONDAZZI: Talking about hydrogen. So as long as we wait for, I would say, a technological evolution in producing green hydrogen, our expectation next year is definitely related to the blue hydrogen production linked to the CCS project. And the first CCS project we have in mind is the one that we described in our presentation, the Ravenna project. Ravenna project represents a significant opportunity for us because of a lot of advantages, including the huge storage capacity in reservoir that are very well-known because we produced from these reservoirs for many years in a conventional area. And close to the plant onshore that produces CO2, including the power plants.

So all combined, the scale, the possibility to reuse existing facilities, allow us to project a very competitive cost, even these days in producing a blue hydrogen. Definitely, we will need some time in projecting it to get the authorization, because an authorization is still in place at European and Italian level. But being the first project that, I would say, for planning purposes, we expect that the authorization process would take some time. So that's reason why we believe that the start-up of this project will take 4-5 years before the execution.

As executed, and considering the capacity of reinjection of at least 5 million tons per year, the corresponding amount of hydrogen that could be produced on a competitive way at that time will be in the range of 1 million ton per year.

OPERATOR: The next question comes from Alastair Syme of Citi.

ALASTAIR R SYME, MD AND GLOBAL HEAD OF OIL AND GAS RESEARCH, CITIGROUP INC, RESEARCH DIVISION: Can I ask on Slide 36, you show the future upstream returns of the portfolio. And you say in your scenario you see 25% post-tax rate of return. And then clearly, that reflects a business that's got a steep tradition in building this confidence in upstream. The returns that you think you can get by not investing in this, do you think that you can constantly compare with this rate of return?

MASSIMO MONDAZZI: Okay. So definitely, the numbers that we are able to disclose on the existing upstream portfolio are the ones that you mentioned. On top of this, I would like to remind even the production profile related to the existing 3P reserves that has been presented in the longer-term strategy. And you have seen that this portfolio is very resilient and flexible. Resilient because the breakeven is very low, so we'll be in a position to produce all of these reserves at a maximum Brent price of $35, while we'll be in the position to produce quite all the NPV by 2035.

I'm stressing the flexibility on the timing concepts, because definitely, as we are a capital intensive company, definitely, we have to look forward,
and see the signal from the energy market. By definition, it's expected to be an evolving market in the medium and long term. So that's the reason why we are preparing ourselves to have a differentiated portfolio, retaining our position in the strong upstream business, but preparing, too, in the position to supply our customers with different products.

On this respect, definitely, the new businesses will have different characteristics in terms of how capital-intensive they are. And definitely, the portfolio we are reshaping today is definitely less capital-intensive versus upstream. And because of the typology of these businesses itself and the geography, too, I assume that even the risks associated with the new businesses would be different. So all these should be included into such a comparison between what we see today in the existing upstream portfolio and what would be the return for additional investment.

On top of this so this refers to the evaluation of the future businesses, business by business. So for planning purposes, we are using what you can see on the market in terms of expectations, in terms of return from renewables, for we are experiencing a 15% return now on biorefineries. So I'm talking about the internal rate of return, that are double digit, too, not only single digit.

But what is most important is that the evolution of the portfolio as is designed in our strategy will have an additional value that is the integration. So the portfolio we are designing would be much more integrated than the existing one. Because every new business or at the businesses today already present, that will take an additional growing weight in our portfolio, will be developed in a very strict relationship with the others.

So the renewables, together with the clients is an example, Refinery plus chemical is another one, the strict link between the new gas development together with CCS, together with power, to be served to our clients CO2 free are another one. So what we really expect from this kind of evolution in our portfolio will be an additional value from this integration.

CLAUDIO DESCALZI: Just to complete what Massimo said, he touched all the main points. You have to see to this new energy, not looking at the single internal rate of return of the different business, it's a completely different situation. You have to look at the powerful of the strength of a company that can really link together and stay together and creating new, strong alliance and free much more power from this integration.

And that means that we’re are reducing cost, capital investment. We are reducing the risk, but we are not reducing the internal return on capital,
we are increasing the return on capital. So that is something that with the
time we can go deeper. But the strength of this plan that is an industrial
plan, that takes advantage of all the different strengths and opportunities
of each single business that now we put together, we are on the value
chain. So if you compare the 2023, it is not comparable. The new business,
at the end of the day, considering also the carbon tax that, in the future,
we are going to have, we will be really much more resilient, less costly and
really looking forward for a new Eni.

ALASTAIR R SYME:
So perhaps if I can stick up on that, because the point about carbon tax, if
you’re taking a view on the future because also on that Slide 36, you’ve
got the impact, the returns impact from the IEA sustainable development
scenario. So to a rate of return from mid-20s to mid-teens, which is where
you’re saying the renewables portfolio it kind of competes, you are
essentially implying, that the IEA development scenario must increase by
tenfold, is that the implication?

MASSIMO MONDAZZI:
Yes. So the impact we are showing in our sensitivities refer to the existing
projects. And the existing projects definitely are -- really very well, I would
say, resilient and protected, also because of the duration of the production
profile. But definitely, the more we go distance towards 2050 and the
higher will be the risk of a deeper and higher impact from CO2 certificate
that could cost definitely much more. So this is the risk someway, we
cannot ignore, and we have to deal with.

But just to conclude, definitely, what we are doing, we are talking about a
thirty year planning exercise that it’s quite a difficult one, definitely. But that
is not because it’s difficult that we are not going through such an exercise.
And the results that we can see up to now performing this calculation
based on the element that we described, give us a lot of comfort. Because
if you remember the principles that we put at the very beginning of our
presentation that include the solidity in our balance sheet, together with
the progressive remuneration policy. What I can say that we are testing
such principles, even using a stressed scenarios, such as a scenario of $50
Brent and a $5/MBTU gas constant from now to 2050.

And in this respect, I can say that the principle, so the exercise gives us
reasonable expectations that the principles can be met.

OPERATOR:
The next question is from Mr. Massimo Bonisoli of Equita.

MASSIMO BONISOLI, ANALYST, EQUITA SIM S.P.A., RESEARCH
If I may comment, it’s a very impressive plan. I have 2 questions. One of
the key success factor of ENI over the past few years was the ability to
explore and discover hydrocarbons. How do you expect to continue to
create value through this unique asset at ENI? And the second question is
DIVISION: considering the very recent gas price drop, are you considering the eventual delay of the gas project in Mozambique? And if you can remember the economics of gas in terms of breakeven of the project.

CLAUDIO DESCALZI: So, exploration is there and will be there, it is our strength. Exploration is not just our strength, also the capability to fast time-to-market and fast time-to-value, and that is linked to our development and engineering and technology. So exploration will be more focused on -- we are going to have more optionality. We can be more focused on areas where we are even more sure to not just get gas but also able to connect very quickly and give value to this gas. Because one of the aim is to, in any case, work with our equity, shrinking the third-party gas. So exploration will be there, it’s very powerful tool, a powerful tool to open new countries. And for sure, we are not going to make a so strong capital for Eni weaker, that is clearly a very important point for all our people first and for our investors.

The Mozambique. Mozambique, our Coral project is on its way and we already sold the gas, so it’s robust and will be really right by the end of 2022. For the rest of the unitized area, Exxon is working. I think, they are working for the FID by the end, I think, of this year. Clearly, what you said about the gas price is a very important point. So what we want from this project is a strong cost reduction. Because with this, we need the cost of this project to be reduced to be able to have a price that can reach the market making money.

So I think that the only point now is to be able to reduce costs on the Mamba project, that is in the end a JV but as I did mention it’s in the hands of the operator and we are helping them to go ahead with this strategy.

OPERATOR: The next question is from Biraj Borkhataria of RBC.

BIRAJ BORKHATARIA, DIRECTOR, CO-HEAD OF EUROPEAN ENERGY RESEARCH TEAM & LEAD ANALYST, RBC CAPITAL MARKETS, RESEARCH DIVISION: Thank you for taking my questions, I have two please. The first one on the renewables target, 15 gigawatt ambition by 2030, still looks quite substantial. Could you just confirm whether that’s a gross or net target? And also, can you comment on how you’re seeing the opportunity set today and the level of return for the various elements of that, like solar and wind?

And then the second question, just going back to Alastair’s comment on Slide 36. The majority of your CapEx is still going to be upstream, going forward. And with those very low breakeven, should that at some point should result in a higher return on capital. So could you just outline what return on capital could you expect to generate by the end of the plan period in 2023, and just confirm that’s higher than the cost of capital.
LUCA COSENTINO: Yes. So the 55 gigawatts is certainly a very challenging objective for us. But there are at least 4 main reasons why we strongly believe that this objective can be met. First of all, we will have a very significant geographical expansion with respect to the current distribution of our projects because we will expand in Europe, and especially in France in Greece in Spain, in the U.K., in the Balkan Region. We will expand a lot of our activities in the U.S., in Australia. And also, we have a number of projects in non-OECD countries. So wide spread distribution of our project. That's the first point.

Second point, we will concentrate on large-scale projects in order to get materiality for our business. And third point, we will also leverage on selected M&A opportunities of pipelines, for example, or assets or developers, for example, in order to accelerate this growth.

And then last but not least, we will leverage on a number of partnerships like the one that we recently signed in the U.S. with Falck Renewables, but also in Italy with Cassa Depositi e Prestiti, and with other technological and providers or developers. So we believe that this comprehensive set of tools will allow us to grow very significantly in the next years along the plan.

MASSIMO MONDAZZI: As long as your complex question about returns, so I can give you some guidelines. So you mentioned at the end of the plan. I understand the end of the plan at 2023, the overall return I can quantify in terms of ROACE and ROACE expected return will be in the range of 11%, definitely is a mix between the different result from different businesses. The highest definitely would be at the retail without capital invested or very low capital invested, while the others will be growing, such as the renewable, will have a quite low return.

In terms of projects, so in the next 4 years, definitely, the most important projects are the upstream ones. So the numbers we already released about projects are the more relevant to figure out, which is the expected return from investments. On the longer term, in 2050, as we presented, the shape in our portfolio will be slightly different, including the combination between highly capital-intensive businesses and less capital-intensive businesses. So in terms of return, let's say, ROACE doesn't make a great sense.

What I can tell you in terms of indication that comes from our planning assumptions today that, if we measure the cash flow from operation now versus the net capital invested and we compare what we have in our hand today and what we envisage in 2050, for example, or in 2035, in terms of meet date all along the evolution, I do not see significant differences. I mean, by definition, the cash flow from operation expected from
businesses, less capital intensity will be lower, but will be lower also the capital invested. So, the ratio would remain more or less unchanged, giving us the possibility to confirm what I just said in term of principle. So, our solidity of our balance sheet, together with the due respect in our progressive dividend policy.

BIRAJ BORKHATARIA: That's very helpful. Can I just confirm that the 11% return on capital is based on your assumptions in the slide pack, correct?

MASSIMO MONDAZZI: Yes.

OPERATOR: The next question is from Mr. Thomas Adolff of Credit Suisse.

THOMAS YOICHI ADOLFF, HEAD OF EUROPEAN OIL & GAS EQUITY RESEARCH AND DIRECTOR, CREDIT SUISSE AG, RESEARCH DIVISION: I'd like to discuss corporate returns again, and thanks for clarifying the 11% target for 2023. And then just to clarify, the longer-term number that you talked about, did you say that 11% should stay more or less around that level for the 2050 plan. And I wondered, as the business also shifts quite dramatically away from the more capital-intensive and perhaps also the more risky business of exploration and production, how should one think about the shift in the cost of capital of the business as well?

Secondly, perhaps a little more specific question on the near-term and medium-term production, I can see that in 2020, you only expect a small increase in production. And despite the fact that you have acquired the excellent Norwegian assets, which in theory should see we should add 100,000 barrels per day net to ENI, that also, when I look out to 2025, you now have a target of 2.3. This time last year, we presented 2.4. And again, this year, you have the Norwegian asset deal. Last year, you didn’t. So if you can perhaps talk about the changes to this plan versus the plan you had a year ago?

MASSIMO MONDAZZI: Just to clarify, the 11% I gave is the ROACE we expect in 2023 for the whole group. And talking about a future return. I said what I said. So I made reference to the expected cash flow from operations versus the capital employed. Yes I said, that some new businesses, definitely, retail and gas and power businesses growing from 10 to 20 million of clients in 2050 together with, I would say, a bigger marketing what we call today, marketing oil that tomorrow will be marketing of different sources of fuel together with services, renewables that definitely are much more capital-intensive, the other businesses such as hydrogen production that are less capital intensive. So the mix would be overall less capital intensive.

And you correctly mentioned the risk, that definitely should be lower. So the cost of capital should be lower for a lot of reasons because of the geographical spread, that would be much higher than today. Because of
the differentiation in our portfolio. It would be lower because the new businesses, we are entering, or we are expanding are less risky than the upstream for all the reasons, for industrial reason, for geographical reasons and whatever. So definitely, we expect an overall advantage also in terms of cost of capital to supply capital for this investment plan.

CLAUDIO DESCALZI: The upstream questions on production.

ALESSANDRO PULITI, Chief Upstream Officer, ENI S.P.A.: Okay. Regarding 2020 production, we have to say that we have a lower equity production in Libya, because of a contractual trigger on the contract of Area B, where we have a reduction in our cost recovery from 40% to 30%. And this reduction basically almost offsets completely the increase of production that is due to the ExxonMobil, non-operated asset acquisition in Norway.

OPERATOR: The next question is from Mr. Bertrand Hodee of Kepler Cheuvreux.

BERTRAND HODEE, HEAD OF OIL AND GAS SECTOR RESEARCH, KEPLER CHEUVREUX, RESEARCH DIVISION: Yes, so hello thank you for taking my question. I saw in your disclosures that your greenhouse gas emission intensity in terms of ton of CO2 per thousand boe, on an operating basis was down sharply, minus 9% 2019 versus ’18. Would you be able to disclose some number on an equity basis as opposed to an operated basis?

And then I have also a follow-up question on your net greenhouse gas emission target for upstream scope 1 and 2. Can you disclose what would you use in terms of reduction, meaning which way do you believe you would be able to get to a net zero also, which percentage will come from CCS, which percentage will come from reduced flaring or whatever kind of indication you could get to us? Or what would be, I would say, carbon offset inside this net zero target by 2030 in upstream? Thank you.

MASSIMO MONDAZZI: Sorry, I’m checking if we have already available the 9% in equity terms, probably not. So I will let you know, right?

CLAUDIO DESCALZI: Alessandro is going to answer for the upstream.

ALESSANDRO PULITI: So for the upstream, the reduction in terms of CO2 emission intensity and total amount as well, will come from certainly efficiency, first of all, operations. So reduced full consumption for our operations, lowering to the lowest possible the flaring and methane emissions. And then certainly, we will have a component of CCS for sequestration of CO2, and then forestry as well.

CLAUDIO DESCALZI: Just to give you a few figures about this. A very important element in this achievement, clearly, is the methane emissions. And this year, we reached 6-year in advance, 80% of the emission that is one of the most important element. We confirm our reduction of the gas flaring by 2025. The 2
countries where we are still flaring gas, also if you reduce this are Nigeria and Libya. And clearly, we wanted to do better. That is the 2 countries at the moment that are not easy, especially the access for Libya, it’s not easy. But we think that with the work what we are doing on offshore, we were able to reach these 2 targets.

And then as Alessandro said the CCS is another important component and the offset with the forestry that at 2030 account for 20 million tons per year will be the last step to close our carbon-free for the upstream.

OPERATOR: The next question is from Mr. Roberto Ranieri of Banca IMI.

ROBERTO RANIERI, RESEARCH ANALYST, BANCA IMI SPA, RESEARCH DIVISION: Yes, good morning. Thank you for taking my question. I have a question on green chemicals and green chemistry, and one question on the E&P. My first question is on green chemistry and it’s also referring on the last news and press release on the acquisition of 40% of Finproject. I believe it’s going to the right direction of recycling raw materials and producing final products. In that way, you basically are going to enhancing your recycling and your green strategy. And in addition to that, you also capture the margins in the retail market of these products. My question relating to this is if you are developing other further projects or if you are going to develop also a complete other M&A actions in this field. This is my first question.

My second question is on E&P and relating to the gas versus oil mix in the future, reducing oil and enhancing the gas production. Do you think that this change of mixture and hydrocarbon portfolio could lead to some price risk, average price risk for hydrocarbon production given the current gas price reduction in the past few months?

And if I may, the very last question is still on green chemistry. Referring to the CO2 capture, is there any technology available on the market you are studying for the chemical capture of CO2? And from this capture to produce also chemical of specialties? Thank you very much.

CLAUDIO DESCALZI: To be answered by Daniele Ferrari CEO of Versalis. And then I will try to answer to the other question.

DANIELE FERRARI, CEO & DIRECTOR, VERSALIS SPA: Thank you, Claudio, and thank you, Roberto, for the question. Basically, our entry into Finproject is marking 1 of the 3 pillars of the new developments for Versalis. You have heard this morning about continue to create efficiency in our existing units. You’ve heard about the moving to renewables, which is becoming more and more prominent, and clearly, into bioproducts and bioplastics in future. And then the third one is the specialization of our polymers.
Now Finproject is an international company specialized in molding and components. So basically, is the move of the Versalis into a formulated business. Why we are doing that? Because the margin in that business is clearly on the high end of the double-digit, completely different from the one we have today with our intermediates. We try to deploy as much as we can through these new channels. They go into application, which goes from cables, into piping, into fashionable items, furniture. When I think about the sustainability asset you mentioned, I think about also piping for the movement of hydrogen in future in a sustained way, in terms of polyethylene reinforced fibers. I think about encapsulant for the solar panels. So there is a lot of new elements adding to the portfolio of Versalis.

They are an international company. They have about 5 or 6 sites outside Italy, in very interesting countries where we are not in, like Vietnam, India, China, Mexico, so interesting growing market. And clearly, they have the renewable possibility, so they can blend and they can manufacture products based on renewable materials and on recycled materials that we are very much into, both mechanical and chemical.

And to answer your second question, whether we are studying in addition to the many technologies that, as a group, we are looking at in terms of carbon capturing, there are niche technologies where you can make ethylene or propylene carbonates with CO2. These are clearly different in terms of sizing to the rest of the projects we are talking here. But they are specialty products that goes into cosmetics or solvent application. So I think we do have a research in this field, and we will update as soon as we have some results.

CLAUDIO DESCALZI: Thank you, Daniele. Also for the demonstration of integration and this change of technology between the different businesses. Talking about the gas. Clearly, if you look at the gas now, the gas is depressed, something that we forecast and will be depressed for next 2, 3 years, maybe 4. Then we know that after the digestion of all the Australian gas and also some new gas, the new LNG from the U.S., the gas market will grow. We have a positive view for the future. So gas will be in all the different scenario, the only hydrocarbon that will grow to 2020, to 2050. So the gas is a good component of the hydrocarbon and also of our production.

You have to remember that our cost, internal development and the operating costs are very low. The gas market is growing. So that is also one of the reason, not just the carbonization that is essential, that gas will be much more resilient than oil in the future. You have to remember that in OECD countries, the oil production is very flat and all the growth is coming
from outside while the gas is growing everywhere. So you don't have to look at today, but you have to look at the future, and that is what we did in our presentation and in our study.

OPERATOR: The next question is from Lydia Rainforth of Barclays.

LYDIA ROSE EMMA RAINFORTH, DIRECTOR & EQUITY ANALYST, BARCLAYS BANK PLC, RESEARCH DIVISION: Just one question, if I could. If I come back to the 55 gigawatt target for 2050, I'm just wondering if you could walk us through a little bit more how you got that, and why you think that is the right number, both just in terms of scale or whether it was designed from a top down, if this is what you wanted in terms of CO2 emissions reduction.

LUCA COSENTINO: Yes. As I said before, I mean we have a comprehensive plan behind this 55 gigawatts. It's not just an objective or an ambition that we set, but there is an underlying plan for that which is based on geographies, it's based on technologies, based on load factors, it's based on a number of points. So the materiality of this plan, we are fairly sure about it. And how to get that, as I explained before, it's a mixture of geographical expansion and partnerships, M&A and other elements like this. And in terms of the other point, I'll leave Massimo to answer.

MASSIMO MONDAZZI: Definitely, Luca, explained why we are confident that we can get to the 55 or even more because we said more than 55 gigawatt. But at the very beginning, we said that one of the most important characteristic of this plan is flexibility. So definitely, we probably can get even more than 55 in order to complement such an exercise, but flexibility means that we have a lot of tools to get to the final result in term of balance sheet solidity, progressive remuneration, getting to the CO2 reduction result that we are announcing today.

So these tools, the balance between the different businesses inside the portfolio, definitely will shift. Maybe that could change going ahead because this would be the good of this flexibility. So all this lever we have to modify our portfolio, getting the best opportunities ahead of us, some of them we see now some of them maybe will appear in the future. So this is the good. So this is the reason why we believe that we feel ourselves comfortable about the final result even if the way we can get there could change from now to the next 20 years.

OPERATOR: The next question is from Martijn Rats of Morgan Stanley.

MARTIJN RATS, MD AND HEAD OF OIL RESEARCH, MORGAN STANLEY, RESEARCH DIVISION: I wanted to ask you two questions. I know it's a bit more than normal, but I hope that will be all right. The first I wanted to ask relates to Slide 19 where you talk about the reduction in carbon emissions. So on the right-hand side, it shows plant reduction intensity of 55% and on the left-hand side
then it shows a reduction in the absolute emissions of 80%. And I guess, one way to get to an absolute reduction of 80% is through a reduction in intensity of 55% and then also a reduction in total energy sold also again of another 55%.

And I was wondering if this is a correct interpretation of this chart or whether there’s something funny with the math here. Because in that scenario, the chart seems to suggest that by 2050, **ENI** will sell 55% less energy than it does today, and that point a large decline.

The second thing I wanted to ask also relates to the same chart. I was wondering why you decided to include an absolute emissions target. I do know that a lot of people are asking for it, but from our perspective, it also prevents you from doing M&A. And in a world where oil demand at some point peaks, I would still say there's nothing wrong with M&A-driven growth. But when you have an absolute emissions target, that becomes very, very difficult. So I was wondering how you see that trade-off?

And then finally, I wanted to ask you about your commodity price assumptions. Basically, they seem very high to me. Now forecasting these things is by no means easy. So I don't want to make too much of it. But the reason why I asked this is that most of the majors present sort of deflationary sort of breakeven. I think breakeven tend to come down over time driven by technology, cost savings, all these things, and that's also what you're presenting today, but then at the same time, show rising commodity prices. And it seems that there is a sort of a degree of inconsistency there. How can you model rising oil price assumptions whilst modeling falling breakevens at the same time? I was hoping that you could give your view on that.

**MASSIMO MONDAZZI:** So Martijn, Massimo speaking. So you’re asking which are the levers that will allow us to reduce our absolute emission by 80%. Certainly, the actions we are envisaging in terms of reducing oil or in, absolute term, reducing the amount of hydrocarbons we handle based on our methodology to measure the emissions, that I don't know if you had the chance to go through the methodology that definitely could be worth. In the afternoon, I would like to remember all of you that there will be a workshop on this respect.

Our methodology includes all the hydrocarbon we deal with, including the hydrocarbon to supply our refineries which we’ve acquired from third parties, the gas we acquired from third party to supply our customers or to be sold on the hub. So definitely, this volume will be reduced over time, with the replacement of additional sources.
CLAUDIO DESCALZI: I would like to highlight that we are going to reduce, shrink the third-party gas that we are buying, and we’re going to increase our equity production. So I don’t want any misunderstanding that, that is a very important content -- the whole component that from the absolute point of view, so that is when we put the absolute is reduce it drastically our Scope 3. Because in our methodology, we put in our chart, also the third-party gas, that we buy from a third part and we sell to a third party. That a big component is the transformation of all our refinery sector in Italy. That is the reason why we are able to reduce so drastically the absolute. And why that is a positive point in our strategy because this kind of asset, this kind of configuration portfolio, allow us to do that. We wanted also to explicit the absolute value of reduction.

MASSIMO MONDAZZI: It's Massimo. In terms of scenario we are assuming. I don’t know if our scenario will be too high or too low, we will see. But what is the most important, I believe, that in all respects, figuring out which is the return in our upstream project or even if we have to measure the expectation in the longer term, we are providing a lot of sensitivities. So anyway, you would be in the position to measure how resilient or flexible are our existing assets or if the assumption we are using in measuring our expectation in the longer term, I mentioned a $50 barrel flat scenario together with a $5 million BTU gas price. So this is the answer, Martijn, no one knows. But we are giving to you a lot of information in order to assess exactly how resilient is and will be our portfolio.

MARTIJN RATS: Okay. And anything on sort of doing M&A whilst having an absolute target for emissions?

CLAUDIO DESCALZI: No M&A. No M&A. There is no M&A for reaching these targets.

OPERATOR: (Operator Instructions) There are no further questions.

PETER SAHOTA: Thank you for your questions. If there are no further questions, we can end the call now.

OPERATOR: I’m sorry, sir. We do have a few questions registered.

PETER SAHOTA: Okay. We’ll take them.

OPERATOR: The next question is from Mr. Lucas Herrmann of Exane.

LUCAS O. HERRMANN: Claudio, the first question is what comes first, demand or supply as regards to renewables business and the build-out. In other words, customer or facility? And I ask not at least because the weight of your customers at the
present time is still very Italian-focused and yet the expansion of the renewables business sounds as though it’s more broadly focused.

And the second question I wanted to ask was about the financial frame and the importance of buyback or returning capital to shareholders as you move towards the middle of this decade. Clearly, as you move away from targeting growth of 3% or 4% per annum in the hydrocarbon business and the amount of capital that’s going to go into that business, it’s going to fall away and should fall away quite materially. I mean, we already see that in the numbers that you’ve given us out through 2023.

At the same time, you’ve been growing your dividend after allowing to buyback at somewhere around 3% in absolute terms per annum. How does all of this fit financially with the model that you’re looking to build 2025 onwards? In short, the question, Claudio, how do you start to allocate capital to each shareholder in the business as we move to the middle of the decade?

CLAUDIO DESCALZI: Okay. Thank you. So we start with your first question. And Alberto Chiarini who is in charge of Eni Gas e Luce will answer.

Alberto Maria Chiarini, CEO of Eni Gas e Luce Spa, Eni S.p.A.: Thank you for your question. As you correctly say now, our presence in EGL is mainly in Italy. We have a strong presence, however, in France, and in Greece where we are growing. I think the first concept is that we are looking for synergies. We strongly believe that in the future, going forward towards to 2050, it will be very important to provide green energy, biogas to our customers. Because of that, I would say that the growth of renewables is driven also by customers.

We are well coordinated. I always talk with Luca in order to see which are the countries where we can grow both in renewables and in customers. We have a strong know-how in not only gas and power but also in all the high-value services like demand response, like electric vehicles recharge. And we believe that in the future, to be present in this ecosystem with renewables would be very important. So we will grow together in those markets that we believe are promising.

CLAUDIO DESCALZI: And I just want, sorry Alberto, to make one point about your question about demand and supply. I think in a few years, if you are not able to deliver green products you are going to lose your customer. So that is an essential part of the integration, all we’re able to supply in all different countries. And as we told you, 70% would be in OECD countries. So we are able to deliver this kind of different kind of product without CO2 to respect the scope 3, you are not able not just to grow your customer, you’re going
MASSIMO MONDAZZI: In terms of capital allocation, I believe that the best way to answer qualifying our model is to mention again flexibility. Because we just fixed some pillars in our strategy forward. So we are saying production is going to plateau from 2025, and then we envisage a decline, a flexible decline mainly in oil. How deep would be the decline, the answer because of the flexibilities, we don't know. So it will depend on the existing market, demand, the competition from different businesses in which we would like to enlarge by definition our presence because we believe that a much more balanced portfolio exposed to even different energy sources could be a very good move on this respect, seeing such an evolution in the market looking forward.

So the decline will take place because we announced also the reduction in our footprint as a fixed target. So definitely, we are stating such a target to respect it as we can. So in terms of allocation, how fast would be the reallocation from upstream to the other businesses, it will depend on flexibility. Based on what we see today and the quantities in different businesses we announced today, it could be reasonable to project in 2035 a 50-50 capital allocation, so 50% upstream together with CCS and 50% the other businesses.

LUCAS OLIVER HERRMANN, HEAD OF OIL AND GAS RESEARCH, EXANE BNP PARIBAS, RESEARCH DIVISION: The question in part is, if I think that you've been growing at 3%, 4% per annum or adding broadly 80,000 barrels per annum, and I think that the cost of maturing those barrels, assuming a reserve life of something like 10 years, it says that $3 to $4 billion worth of capital should be falling out of your upstream spend. That is a huge amount of money as regards reinvestments into a project finance renewable model. But where does it go?

MASSIMO MONDAZZI: I'm not saying planning this strategy, that the amount of CapEx will remain the same. We are saying that some businesses in which we are entering in are less capital-intensive. So it could be reasonable to project a lower amount of CapEx looking forward. So it is not a matter of allocation of the same, more or less, EUR 8 billion we are spending today. That is the amount of CapEx we are projecting from now to 2023, the period in which the composition of our portfolio would remain more or less the same. So definitely, one of the possible effect of this strategy will be a reduction going forward in the amount of CapEx we are going to spend annually.

OPERATOR: The next question is from Irene Himona of Societe Generale.

IRENE HIMONA, EQUITY ANALYST, SOCIETE Thank you so much and congratulations on a radical plan to decarbonize without stranded resources. I had a number of questions. Firstly, Massimo,
you just referred to the falling capital intensity. So by 2035, when renewables begin to step-up, what could that EUR 8 billion current annual CapEx be reduced to, please? Secondly, you gave us a sense of the 15% return in the biorefineries today. What level of returns can we expect for the new future integrated renewable projects?

And my final question is on the Ruwais refinery, which is the only conventional asset to be retained. Talking about net, can you talk a little bit about whether you are overcoming the challenges of getting the project to increase the flexibility of the crude feedstock and whether you still expect dividends to start flowing in 2020, please?

MASSIMO MONDAZZI: About how many money we're going to allocate by 2035 in renewable, if I correctly understood, Irene. So I said that, today, what we can envisage in 2035 would be a 50-50 capital allocation, wherein the remaining 50% we include in renewables. I don't want to give you a lot of details from now to 2035. But what I can tell you is that, having in mind the amount of gigawatts we are projecting by 2035, in our planning exercise, we are not projecting any significant cost reduction for renewable projects. So we are just assuming what is the consensus on this respect. So you can definitely come out with a reasonable number to be allocated to renewable from 2025 to 2035 to grow up from 5 to 15 gigawatts of capacity.

And then which kind of return we do expect from biorefineries, we said 15%, and there is no reason to imagine something different because that's the market we see even in the next year. I don't know if Pino would like to elaborate a bit more.

GIUSEPPE RICCI, Chief Refining & Marketing Officer, ENI S.P.A.: Thank you, Massimo. Just a few additional words. Our IRR for the current biorefinery, we expect it to repeat also in the other markets, in the other geographical areas where we expect to develop in the next future. Our strategy is to develop the biorefinery in the areas where we have the opportunity to collect feedstock or where the biofuel market will grow, taking into account also the future development of biojet. That will be a very challenge for the decarbonization of the aviation.

MASSIMO MONDAZZI: Okay. In terms of return from the other businesses, so mainly renewables or biomethane. So talking about the renewables, that probably is the most important. So we said that our expectation from renewable these days in the range of 8%, 12%, targeting brownfields because what we have done up to now has been to develop capacity in places in which we already own the land, we have some synergies that allow us to have a higher return from the investment, even unlevered. But definitely, you notice that what we are announcing today is a bit different, we are announcing a much
bigger expansion in terms of renewables, but by definition, cannot be reached throughout brownfield project only.

So the expectation on this respect should be for planning purposes definitely lower than the range, around 10% we gave for the brownfield folks. So for planning purposes, we’re assuming something in the range of 7% unlevered. And then definitely, you can add all the additional advantages levered, but most important, the value to generate energy in an integrated way. So the most important contribution on top of the 7% that is a sort of floor on this respect would be integration between the generation of this renewable energy throughout the chain to keep our clients, to extract additional value from our clients that we'll have a churn rate that will be definitely lower. As Claudio said before, probably in Europe in ten, fifteen years time, we will lose clients if we do not provide them renewable energy.

So this is definitely the plus we can see. And overall, that’s the reason why we expect a return that would be higher than 7%. And final question on Ruwais.

GIUSEPPE RICCI: On Ruwais we will continue with the project of the CFP, CFP plus, and the other projects that have the goal to increase the flexibility on the feedstock, the efficiency and the possibility to increase also the yields and the capacity of the refinery. In our strategy, where we consider to maintain in the long period, on your ways out of Europe as a traditional refinery, this is a unique opportunity because of the fantastic position, side, the technology content, a possibility to improve the efficiency of these sites. In the mid to long term, we will develop project for the CCS or CCUS, that is another good opportunity because it all concentrated in only one big project. And in a country where is also in progress projects like this.

IRENE HIMONA: If I can just very quickly, Massimo, go to the first question on capital expenditure. In the plan by 2035, what sort of level of group CapEx, if you can indicate, are you seeing, so compared to the EUR 8 billion currently?

MASSIMO MONDAZZI: No, Irene. I don’t want to give you an absolute number. Please, accept I’ve set the proportion. That is a good guess about what we are planning today.

OPERATOR: Gentlemen, at this time, there are no questions registered. Mr. Descalzi, would you like to make any closing remarks, sir?

CLAUDIO DESCALZI: Thank you for the opportunity. I want to reiterate what we said this morning, also during this conference call. We had and we have developed an industrial project that is in the transformation. Clearly, we did that because we felt the need to transform our company because ENI will not
be the same in 10 years, 15 years, 20 years. There is all the market that is changing. All the customers are changing the needs. Their requirements are different. And we work in the last six years really to be able to make an evolution in our business.

I think that the technology is one of the main key to transform our business and generally your business. For that reason, we invested a lot in R&D in technologies. And we are applying our technology. That is a very important strength because that is another important component of flexibility. But we have to remember that under all these figures, there is a clear plan in terms of CapEx, in terms of cash flow, in terms of EBIT. And in terms of a different kind of sensitivities. For that reason, we believe, that we see sensitivities that we run with different kind of prices.

We start from our portfolio. Our portfolio is very flexible, because as I told you we’re considering all the different kind of products that we buy, that we sell. So all our package, we have this big flexibility because we can reduce drastically to our equity, reducing the third-party gas and with the transformation on the refinery.

So I think that we are really building a new ENI. I don’t want that you think that we are depressing the upstream. It’s on the contrary, what we built in the last six, seven years, in the upstream with exploration is giving the flexibility to really modulate our CapEx, to reduce our CapEx at the end of the day, so give more value to our shareholders and stakeholders.

So thank you very much, and we'll see you very soon to explain in details all the good and big work we have done. Thank you.