ENI IN EGYPT

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Anna R



We are an energy company.

- **13 15** We concretely support a just energy transition, with the objective of preserving our planet
- 7 12 and promoting an efficient and sustainable access to energy for all.
 9 Our work is based on passion and innovation,
 - on our unique strengths and skills,
- **5** 10 on the equal dignity of each person,recognizing diversity as a key value for human development,on the responsibility, integrity and transparency of our actions.
 - We believe in the value of long-term partnerships with the Countries and communities where we operate, bringing long-lasting prosperity for all.

The mission represents more explicitly the Eni's path to face the global challenges, contributing to achieve the SDGs determined by the UN in order to clearly address the actions to be implemented by all the involved players.

Global goals for a sustainable development

The 2030 Agenda for Sustainable Development, presented in September 2015, identifies the 17 Sustainable Development Goals (SDGs) which represent the common targets of sustainable development on the current complex social problems. These goals are an important reference for the international community and Eni in managing activities in those Countries in which it operates.



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ENI IN THE WORLD

Eni is a global energy company present in 68 Countries with over 30,000 people, operating along the entire value chain. The companu's Mission clearly expresses the commitment of Eni to play a decisive role in the just transition for a low-carbon future that guarantees efficient and sustainable access to energy for all in order to contribute to the achievement of the Sustainable Development Goals (SDGs). This commitment is confirmed by the transformation path that Eni has been pursuing for some years, and which saw in 2020 an acceleration. In fact, in February 2021, was announced the commitment to achieve net zero emissions by 2050, through the full decarbonisation of products and processes.



COUNTRIES WITH ENI'S PRESENCE

COUNTRIES OF PRESENCE (2019: 66)



- **EXPLORATION** & PRODUCTION
- GLOBAL GAS & LNG PORTFOLIO
- REFINING & MARKETING AND CHEMICALS (VERSALIS)
- ENI GAS E LUCE, POWER (ENIPOWER) & RENEWABLES

EUROPE

ALBANIA AUSTRIA BELGIUM CYPRUS CZECH REPUBLIC DENMARK FRANCE GERMANY GREECE GREENLAND HUNGARY IRELAND ITALY MONTENEGRO NORWAY POLAND PORTUGAL ROMANIA SLOVAK REPUBLIC SLOVENIA SPAIN SWEDEN SWITZERLAND THE NETHERLANDS THE UNITED KINGDOM TURKEY

AFRICA



ASIA AND OCEANIA

AUSTRALIA BAHRAIN CHINA INDIA INDONESIA IRAQ JAPAN KAZAKHSTAN LEBANON MYANMAR OMAN PAKISTAN QATAR RUSSIA SAUDI ARABIA SINGAPORE SOUTH KOREA TAIWAN THE UNITED ARAB EMIRATES TIMOR LESTE TURKMENISTAN VIETNAM





€ 157 MILLION TOTAL EXPENDITURE ON RESEARCH AND DEVELOPMENT IN 2020

91% FRESHWATER REUSED IN 2020 0.36 TOTAL RECORDABLE INJURY RATE (TRIR) OF THE WORKFORCE IN 2020

57 BILLION SM³ GAS SOLD TO DOMESTIC MARKETS IN 16 COUNTRIES IN 2020

ENI BUSINESS MODEL

Eni organically combines its business plan with the principles of environmental and social sustainability, extending its range of action along three pillars:

- 1. operational excellence;
- 2. carbon neutrality by 2050;
- 3. alliances for development.

I. First of all, Eni business is constantly focused on operational excellence. This translates into an ongoing commitment to valuing people, safeguarding both the health and safety of people and asset integrity, protecting the environment, integrity and respect for human rights, resilience and diversification of activities and ensuring sound financial discipline. These elements allow the company to seize the opportunities related to the possible evolutions of the energy market and to continue on the path of transformation.

2. Second, Eni's business model envisages a decarbonisation path towards carbon neutrality based on an approach oriented to emissions generated throughout the life cycle of energy products and on a set of actions that will lead to the total decarbonisation of processes and products by 2050. This path, achieved through existing technologies, will allow Eni to totally reduce its carbon footprint, both in terms of net emissions and in terms of net carbon intensity.

The third guideline refers to alliances for the promotion of development through the enhancement of the resources of the Countries where it operates, promoting access to electricity and promoting Local Development Programmes (LDPs) with a broad portfolio of initiatives in favour of communities. This distinctive approach, referred to as Dual Flag, is based on collaborations with other internationally recognized players in order to identify the needs of communities in line with the National Development Plans and the United Nations 2030 Agenda. Eni is also committed to creating job opportunities and transferring its know-how and expertise to its local partners.

Eni's business model is developed along these three pillars by leveraging internal expertise, the development and application of innovative technologies and the digitalization process.

A fundamental element of the business model is the Corporate Governance system, inspired by the principles of transparency and integrity, outlined further in the Governance section.

5

VALUE CREATION FOR STAKEHOLDERS

Through an integrated presence all along the energy value chain



ENIS' ACTIVITIES

Eni is a global energy company that operates along the entire value chain: from exploration, development and extraction of oil and natural gas, to generation of electricity from cogeneration and renewable sources, traditional and bio refining and chemicals, to the development of circular economy processes. Eni extends its reach to end markets, selling gas, electricity and products to retail and business customers and local markets.

Both CO_2 capture and storage initiatives and forest conservation projects (REDD+ initiatives) will be implemented to absorb residual emissions.

Consolidated expertise, technologies and geographical distribution of assets are Eni's levers to strengthen its presence along the value chain. Along this path, Eni has committed to becoming a leading company in the production and sale of decarbonised energy products, increasingly customeroriented, through:

→Bio-refineries where production capacity is expected to grow to 5-6 million tonnes by 2050; Eni will be palm-oil free by 2023, with an increasing input of raw materials from waste and scrap that will account for around 80% of the total in 2024 compared to 20% today;

- → Circular economy with increased use of biomethane, waste products and recycling of end products;
- →Efficiency and digitalisation in operations and customer services;
- →Renewables with an increase in capacity to 60 GW by 2050, fully integrated with Eni's customers;
- →Blue and green hydrogen to power Eni biorefineries and other highly energyintensive industrial activities;
- →Natural or artificial carbon capture to absorb residual emissions through REDD+ forest conservation initiatives and CCS projects.

Gas, which in the long term will account for more than 90% of Eni's production, will be an important support for intermittent sources in the energy transition.







ENI IN EGYPT



A LONG SUCCESSFUL HISTORY IN COUNTRY

1954

Eni starts operating in Egypt with the acquisition of shares of the company International Egyptian Oil Company (IEOC), which will become fully owned in 1961.

1980

Introductions of the "gas clause" in the Production Sharing Agreements, aimed at enhancing the exploration of natural gas resources and the development of the fields discovered.

1955

Belayim onshore field, the first oil discovery in the Sinai region – Gulf of Suez.

1981 & 1987

Acquisition of Meleiha Concession in the Western Desert, Agiba Petroleum is set up to further develop the activities in the area.

1961

Belayim Marine offshore oil discovery Gulf of Suez.

1967

First natural gas discovery in Egypt in the Nile Delta, with reserves of over 80 billion cubic meters.

1978

The Compagnie Orientale des Pétroles d'Egypte (COPE), established for the exploitation of oil fields in the Sinai changes its company name to Belaym Petroleum Company (Petrobel).

1983

Discovery of the Port Fouad gas field in the offshore of the Nile Delta.

1996

Eni joins with a 40% share the establishment of Gastec, a company set to develop a network of CNG stations and CNG vehicle conversion centers.

2001

Intersinai gas pipeline. The gas from Nile Delta's Petrobel fields is delivered to the Sinai region, thus favoring its growth and further export to Jordan.

2004

Start-up of operations of Damietta LNG plant, built and run by SEGAS (Eni 40%). Start-up of a United Gas Derivatives Co.'s plant (UGDC - Eni 33.3%) in Port Said, for NGL extraction (LPG, propane and condensates) from rich gas. LPG and condensates are utilized in the local market.

2015

Announcement of two important gas discoveries, Nooros field in the Abu Madi West development lease in the Nile Delta and Zohr, a world class giant field in Shorouk Concession Agreement. The Zohr discovery is considered to be the largest in the Mediterranean.

2016

Baltim SW field gas discovery.

2017

- November Gas production record of 1.1 billion cubic feet per day (bcfd) in Nooros.
- December first gas from Zohr.

2018

- In September Zohr production reaches
 2 bcfd, one year ahead of Plan of
 Development (PoD).
- Agiba reaches a historic milestone in Western Desert area: 500 MMbbls as oil cumulative production.

2019

- New Gas discoveries in the East Mediterranean Offshore (Nour) and in the Nile Delta Onshore (EL Qara NE).
- Baltim SW: first gas achieved in September 2019.

2020

- Two gas discoveries in the Nile Delta conventional offshore, Bashrush in North El Hammad Concession and Nidoco NW 1 in the Great Noroos Area.
- Arcadia South oil discovery in the Western Desert with a production contribution of about 10,000 bopd in less than 3 months.
- First Eni Station for the sale of liquid fuels and non-fuel products and services inaugurated in Port Said in cooperation with Gastec.

2021

- Thanks to the gas discoveries of Zohr and Nooros, Damietta liquefaction plant restarted operation in March 2021 (Eni 50%).
- IEOC historical production record of 1 million barrel of oil equivalent.

EXPLORATION & PRODUCTION

Eni's activities in Egypt have been marked by several successes, resulting in major energy projects that have fostered the Country's economic development. Eni is operating through its subsidiary leoc that directly performs exploration activity while development and production operations are carried out through joint operating companies, namely Petrobel and Agiba, set up with the Egyptian General Petroleum Corporation (EGPC). Eni also holds a 33.33% stake in United Gas Derivatives Co. ("UGDC") in joint venture with BP and GASCO with the mission to treat gas in order to extract LPGs, condensates and propane. leoc holds 57 licenses (48 of which are operated) for a total acreage of 22,906 square kilometers (100%). These licenses are distributed in three main hydrocarbon provinces: The Gulf of Suez/Red Sea, the Nile Delta/Mediterranean offshore and the Western Desert. The company is the Country's main producer with an equity production (2020) of approximately 300.000 barrels of oil equivalent per day. leoc exploration efforts over the last years have been aimed to unlock further potential contributing to the rise of national gas production.

RENEWABLE ENERGY AND DECARBONIZATION PROJECTS

Eni and the Egyptian Authorities have agreed on a common strategy to implement a series of renewable energy projects to promote the development of a more sustainable energy mix in Egypt. In 2021 a pilot photovoltaic plant to generate electricity for domestic use was launched at the Abu Rudeis field. The plant, which produces about 950 kWh per day, will reduce the amount of CO2 emitted by about 200 tons per year. The initial pilot program was developed to evaluate the potential for a wider rollout at other Eni assets in Egypt, with an aim to reduce the reliance on gas for electricity generation, and the associated carbon emissions. In addition, in 2021 a memorandum of understanding with the Egyptian Electricity Holding Company and the Egyptian Natural Gas Holding Company to assess the technical and commercial feasibility of projects for the production of green and blue hydrogen in the Country was signed."

DAMIETTA LNG

Damietta liquefied natural gas (LNG) plant in Egypt was brought on-stream in 2004 while the first cargo departed in 2005. The plant is owned by SEGAS, company owned by Eni (50%), EGAS (40%) and EGPC (10%), and has a capacity of 7.56 billion cubic meters per year. The purchase of Egyptian LNG consolidates Eni's integrated development strategy by increasing volumes and flexibility in the portfolio, in synergy with its upstream assets. Damietta plant contributes, together with the rapid entry into production of Eni's recent natural gas discoveries, especially from the Zohr and Nooros fields, to Egypt's regained full capacity of meeting domestic gas demand and allocating excess production for export through LNG facilities

DOWNSTREAM

Eni is present in the Egyptian Retail market through Gastec, a company established in 1996 to promote the use of Natural Gas as fuel for the automotive sector. Gastec is the Egypt's market leader with a market share of 48,47% in terms of CNG sales and 48% in terms of vehicle conversion to CNG. Gastec is working jointly with Eni to build an important network of integrated stations under the brand Eni for the sale of liquid fuels, lubricants and non-oil products and services. The development program is very ambitious with a target of 45 integrated stations planned by the end of 2025. Moreover, in 2020 Eni started to distribute Eni branded lubricants also wholesale through Gastec.

ENIPROGETTI

The company, 100% controlled by Eni, provides engineering and construction services. EniProgetti Egypt was established in 2008 mainly to deal with projects in the Middle East and the North Africa region. 56 employees (96% of which are Egyptians) are currently working to support, technically and project management wise Eni and other client developments.

ENI IN PORT SAID, AN INTEGRATED SUSTAINABLE APPROACH

Eni's mission is inspired by the 17 UN SDGs. The company wants to play a primary role toward a just transition providing energy access for everyone, while being environmentally and socially just. Port Said represents the model where Eni is pursuing this vision in Egypt. In Port Said, where Zohr, El Gamil, UGDC onshore plants are located, the company has set its strategy on an evolution of a business model strongly focused on longterm value creation. Deeply integrated to its industrial activities which contribute to SDG 7 (affordable and clean energy), Eni - in partnership with development actors - carries out interventions aiming at alleviating poverty, enhancing technical education and access to decent jobs, supporting the healthcare system, fostering youth participation and other issues that people and local authorities believe need urgent action.

SUSTAINABILITY AND LOCAL DEVELOPMENT



The presence of Eni in Egypt has been always guided by the idea of supporting the country toward energy independence and human development. With the type of agreement introduced by the "*Mattei formula*", Egypt have got the direct participation to the good use of its natural resources. Ensuring equal ownership and investing in community development have always been at the core of Eni's strategy in the country. Today, Eni is a major actor of development, contributing to Egypt Vision 2030 and the 17 UN SDGs.

Now, the matter is to use the oil to serve the good politics, aimed at the wellbeing of those whom the resource belong to

Enrico Mattei, 22nd Nov 1957

Sustainability is a fundamental part of Eni's business, as we want to play our role in working toward the UN's 17 SDGs for 2030, Claudio Descalzi (CEO), 7th July 2020

Eni and Egypt have a long-standing relationship, started in 1954 and consolidated over the years thanks to the joined hard work of both parties at all level. Today, like yesterday, the action of Eni contributes to the human development: yesterday against colonialism, today toward the global challenges by embracing the concept of *just transition*, providing energy access for everyone, while being environmentally and socially just. Eni plays a fundamental role in access to electricity, thus contributing to SDG7 (*affordable and clean energy*) and addressing the Energy-Poverty nexus in Egypt: Company's gas production represents 60% of the entire gas volume in the country, while gas is the main source of electricity generation. Always guided by the *dual-flag* principle, Eni works to ensure equal ownership, capacity building of the workforce and transfer of

12M usd

BUDGET FOR SUSTAINABILITY INITIATIVES, 2021-2024

58M USD INVESTED IN TRAINING AND CAPACITY BUILDING

40,000 DIRECT BENEFICIARIES OF SUSTAINABILITY INITIATIVES IN PORT SAID

technology, while investing in community development.

Over the last 20 years, Eni has supported Egyptian authorities and public services providers, moving toward a development approach. The one implemented in Port Said represents a good practice that can be replicated.

Here, where Zohr, El Gamil and UGDC onshore plants are located, the company has set its strategy on an evolution of a business model strongly focused on longterm value creation. Deeply integrated to its industrial activities, Eni – in partnership with development agencies – carries out interventions aiming at alleviating poverty, enhancing technical education and access to decent jobs, supporting the healthcare system, fostering youth participation. Those intervention have directly targeted about 40,000 people, while producing indirect benefits for the entire population of Port Said.

Zohr ATS.

The Zohr Applied Technology School of Port Said represents a flagship of technical education in Egypt. Established through a Cooperation Agreement signed by Minister of Petroleum, Ministry of Education and Technical Education (MoE&TE), Port Said Governorate, IEOC, EGAS and Sewedy Electric Foundation, will open in October 2021 with the first 264 students (15-18 year old), to reach 792 by the end of the cycle. At least 5 fields of specialization will be offered: Energy, Electrics, IT, Mechanical maintenance, Heating Ventilation Air Conditioning. More than 20 companies are involved in curriculum development (in line with international standards) and apprenticeship program. Teaching and non-teaching staff are selected and trained. To ensure future sustainability, after the conclusion of the project the Zohr ATS will continue to function under the full coordination of MoE&TE and the management of Sewedy Technical Academy.

Toward a closer integration of sustainability into the business model, Eni's long-term strategy is to replicate the integrated model applied in Port Said in all the other business areas (Western desert, South Sinai, Nile Delta), through innovative and energy-related projects aiming at the social, economic and environmental justice.

CONSOLIDATED COOPERATION OVER THE LAST 20 YEARS

2001

Donation to Italian Hospital in Cairo

2007

Donation to Family Garden Donation to Matrouh Hospital

2009

Sponsorship to Saint Catherine Monastery



Donation to Children Cancer Hospital

2005



2008

Sponsorship to Don Bosco Institute

2010

Contribution for reconstruction of infrastructure in Sinai



2018

Continuous support to the Italian Hospital in Cairo (2018/2021)





Re-Construction of Garabaa Primary Health Care Center

2017

2020

Inauguration of Youth Centre and Health Centre in Port Said







2021

Starting Training for Youths at YC and Technical Education Project (Component 1) in Port Said

2022-2024

Port Said: Continuing Training for Youths at YC & Technical Education Project (Component 2)

Zohr

Zohr is the result of our ability, our technological innovation and our tenacity in pursuing even the most challenging of objectives and we should be very proud of ourselves. This discovery allowed the country to become self-sufficient and change from being an importer of natural gas into an exporter.

Claudio Descalzi

Zohr is the largest gas discovery ever made in Egypt and in the Mediterranean Sea and will satisfy a part of Egypt's natural gas demand for decades to come.Eni has produced its first gas from the giant Zohr field in a record time for a deepwater field, less than two and a half years from the discovery and just 22 months from obtaining the Development Lease reaching a production of 2 bcfd in September 2018, one year ahead of PoD and the production record of 3.2 bcfd on the beginning of 2021.

LOCATED 180 KM (110 MILES) NORTH OF PORT SAID AND 1,500 M WATER DEPTH



ZOHR MILESTONES

2021

Gas production record of 3.2 bcfd on February 2021 and an incredible production average of 3 bcfd over the first quarter of the year

2020

Completion of the first phase of drilling and hook-up of 15 of the 20 wells as per POD, the field potential reached 3.200 MMsofd,

2019

Project completed full onshore scope and required offshore scope (i.e. T5, T6, T7, 2nd 30" Pipeline, 2nd umbilical, additional wells) to reach full plateau of 2,700 MMscfd, that was achieved in August 2019.

2018

Project accelerated ramp up with 4 new onshore treatment units (trains) completed and reaching a production of 2 bcfd in September, one year ahead of PoD schedule. Eni farms out 10% share to Mubadala in the concession.

2017

The huge efforts continue to make an extraordinarily crashed schedule happen. On December 20th, the onshore plant is started up and first gas sold to the domestic market. Eni farm out 10% share to BP and 30% share to Rosneft in the concession.

2016

The business opportunity is defined into a development plan approved and evolved into a development lease in February 2016. Early construction works are immediately kicked off.

2015

Opportunity identified and a wildcut well designed to spud in mid-2015. The giant discovery is made in August 2015 after the well encountered the promising carbonate reservoir.

2014

After Eni won the 2012 bid round, the Egyptian parliament ratifies the concession in January 2014 with Eni holding 100% shares. Plans for the seismic acquisition campaign get started.

Nooros

The Nooros Gas field, located offshore the Nile Delta within the Abu Madi Concession, was discovered in July 2015, production started in august of the same year and reached the record production of 1.14 bcfd, equivalent to some 222,000 barrels of oil equivalent per day (boed) 100, in May 2018.

Baltim SW

The Baltim South West Gas field is located offshore the Nile Delta within the Baltim Concession. The gas, currently produced through four (4) wells through a 28" sealine, is treated at Abu Madi plant operated by Petrobel.

The reservoir was discovered in May 2016 and started-up in September 2019. The production peaked to 420 MMcfd in late May 2020.

Agiba

Agiba is active since 1981 with operations mainly focused in the of Eni's oil and gas concessions located in the Western Desert Area of Egypt, where the recent effort towards new exploration and development activities has brought to unprecedented results. In particular, thanks to the development of a number of discoveries such as Rosa North, Emry Deep, Melehia West Deep, Arcadia South, Agiba, has been able to produce and valorize oil resources amounting to around 128 MMbbls in the period 2014-2020, thus reaching 540 MMbbls as oil cumulative production.

Petrobel

Petrobel has been operating, on behalf of Eni, in Egypt since 1955 a series of oil & gas concessions located in the Mediterranean Sea and Sinai area. The main oil and gas plants are Abu Rudeis, El Gamil, Abu Madi and Zohr.

Thanks to the recent developments of Baltim South West, the final ramp-up of Zohr and the production optimization campaign in the Sinai area, Petrobel has been able to reach the peak production of 922 kboed being the first operating company in the Country.

Petrobel operates in respect of the environmental regulations with zero flaring and is injecting all produced water ensuring a zero-discharge policy as well.

ZOHR

30 TCF POTENTIAL GAS RESOURCES AT THE ZOHR SITE

5.5 BILLION

BARRELS OF OIL EQUIVALENT CORRESPONDING TO THE CUBIC METERS OF THE SUPERGIANT GAS

100 км²

TOTAL EXTENT OF THE ZOHR FIELD, LARGEST IN THE MEDITERRANEAN

2,352 KM² EXPLORATION ACREAGE IN WATER DEPTH

15 WELLS DRILLED AT END 2020

Gas and Electricity Nexus in Egypt: The strategic importance of Eni, particularly Zohr and Nooros Gas Fields

NOOROS

1.1 BCFD RECORD PRODUCTION IN NOVEMBER 2017

210 квоед

BARRELS OF OIL EQUIVALENT CORRESPONDING TO THE CUBIC METERS OF GAS

14 WELLS

CURRENTLY PRODUCING GAS IN THE NOOROS FIELD

ZOHR GAS FIELD

2.0 BCFD PRODUCTION FROM ZOHR FIELD IN SEPTEMBER 2018, ONE YEAR AHEAD OF POD SCHEDULE AND 9 MONTHS AFTER ITS START-UP

3.2 BCFD

(90,6 MILLION OF CUBIC METER/DAY OR 603 KBOED) PRODUCTION RECORD ACHIEVED IN FEBRUARY 2021

15 WELLS CURRENTLY DRILLED

NOOROS GAS FIELD

1.14 BCFD (MORE THAN 32 MILLION

CUBIC METER/DAY OR 213 KBOED) RECORD PRODUCTION IN MAY 2018

14 WELLS CURRENTLY PRODUCING

BALTIM SW GAS FIELD

0.4 BCFD (12 MILLION CUBIC METER/DAY OR 80 KBOED)

14 WELLS CURRENTLY PRODUCING

In 2020 Eni production

represented 65%

of the entire gas

production of Egypt

60% of the total gas of Egypt is used for Electrical Generation

Relevance of gas for country energy generation Eni key contribution for gas to power

Strategic importance of Zohr in ensuring lasting access to power

Eni contributes for about 40% of the electricity generation of the country

Scan to discover more on Eni's activities in Egypt





leoc Exploration BV - Egyptian Branch
 leoc Production BV - Egyptian Branch
 leoc SpA - Egyptian Branch
 Bldg. 200-201 - 2nd Sector - City Centre
 5th Settlement - 11835 - New Cairo
 Egypt