Good afternoon and welcome to our 4 year plan strategy update.

For the presentation I will be joined by Massimo Mondazzi, eni’s Chief Financial and Risk Officer, and for the Q&A session by eni’s management team.

I would like to start by giving you a broader context, highlighting what we have already done in 2014, when eni’s transformation started.

The first step was to change our organization, from a divisional model to a fully integrated one.

Secondly, we deeply reviewed our company’s cost structure and implemented a strategic program, that allowed us to:

• achieve positive results in G&P, one year in advance
• progress the turnaround of R&M and chemicals
• beat our cash flow growth target
• and lower our leverage

This was done months ahead of the oil downturn, putting the company in a stronger position to face this challenging scenario...

... a scenario that has been characterized by a rapid decline in oil price of more than 50% with respect to the average of the last 4 years. In this context, our assumptions for this year foresee a Brent price of 55$/bl.

This downturn has already stimulated a material reaction of the industry, such as:

• an average cut of upstream expenditures in the range of 10 to 15%,
• and a lower level of drilling in unconventional, with about a 40% drop in the US

This is a drop in spending that could result in a potential supply shortage in the mid to long term, as an effect of the decline rate of the existing production that we estimate at 5% per year.
On the other side, oil demand will be stimulated by the lower prices and could return to the historical growth rate of more than 1%, increasing the request of new production. It is difficult to precisely predict when the market will completely re-balance, but our assumption is that the oil price will return to a level between 80 and 90 $/bl at the end of the period.

This material change in the oil price makes our transformation process even more necessary, and our objective is to complete our 4Y plan with the priorities of cash and value growth, a sustainable shareholder return and a robust balance sheet.

In practical terms:
- in E&P, we will continue to grow, leveraging on our distinctive exploration, a diversified portfolio of 70 projects and our development approach aimed at minimizing time to market
- In Mid-downstream, we will complete our turnaround, reaching structural breakeven in the next two years, and we will continue to improve capex, opex and G&A cost efficiency. While we are focused on carrying out these strategic actions, on the other hand we have also to take into account the current weak scenario.

For this reason, we are giving priority to significant additional efforts on capex and cost reduction in all of our businesses while preserving our E&P growth. And then, as a last step, we are also re-basing the dividend.

I will propose to my Board to pay, for 2015, a floor dividend of 0.8 €/share, while confirming for the following years a progressive distribution policy in line with our earnings growth. The dividend floor has been defined in order to:
- reach a sustainable pay out ratio earlier in the plan,
- achieve cash neutrality, including disposals, next year
- and organically in 2017. The progressive distribution policy will be assessed from 2016. Massimo will provide later in the presentation further details.

And now, our main operating targets, that we confirm as being very strong.

In Upstream:
- In the 4 year plan, our production will continue to increase substantially, with an average growth rate of 3.5%.
- Exploration in the short term will be more focused on near field wells and appraisals
- Upstream efficiency remains a key target, and we plan to keep this at the top of our historical trend.

In G&P, we will continue to report positive results in 2015 and we confirm a structural positive EBIT and operating cash flow from 2016.

In R&M, we reduced capacity by 30%, and we will continue until we reach a 50% capacity cut. R&M will reach EBIT and operating cash flow breakeven this year, while the Refining sector will follow in 2017.

In Chemicals, last year we completed the rationalization of our sites. EBIT and operating cash breakeven is confirmed next year.

These results will be achieved investing 17% less than the previous plan, equivalent to 9.5 bn €. On top of this, our efficiency programme will generate a structural reduction of 2 bn € in g&a costs over the next 4 years.

Thanks to these actions, in the next couple of years, our cash from operations will entirely cover our capex, which was re-set at 12 bn € per year.

In the last two years of the plan, we expect an increase of operating cash flow by 40%, underpinned by an improvement in all our businesses. As a consequence, the capex coverage will grow to 140%.
In particular this year, we will manage the lower availability of cash due to the weak scenario, through the reduction of:

• Capex by 14%
• Opex per barrel by 7%, and
• G&A costs up to 500 mln € per year, doubling last year’s saving

And now I’ll give you more details on the main businesses.

Let’s start, talking about e&p.

On exploration, which remains one of our strategic drivers, the successes of the past 7 years have increased eni’s potential by more than 10 billion boe, corresponding to a growth of 35% in our resource base.

The resources come not only from the major find in Mozambique, but also from discoveries in many other basins such as Angola, Congo, Indonesia and Ghana, Gabon, Egypt and Ecuador.

Leveraging on these results, our exploration plan has been shaped to face this challenging context:

• by shifting focus to proven plays and near field exploration, where we plan to drill 70% of our wells
• by reducing Capex by 35% this year and by 25% over the period • And with the objective of delivering 2 bn barrels of discovered resources in the 4year plan at a very competitive cost of 2.6$/boe.

In the meantime, our acreage of 300.000 sqkm will be further enlarged, which puts us in a position to restart a new exploration cycle. And now, moving to production...

The depth and quality of our portfolio allows us to confirm a substantial production increase. We are assuming an average growth rate of 3.5% in the plan period, including a major level of contingency.

Our growth is based on the contribution of 16 major start ups, which together with the ramp-ups, will add more than 650 kboed in 2018, 75% of which will be produced from onshore or shallow water fields.

This new production is 90% sanctioned and 84% operated, and will bring an additional cumulative cash flow of 19 bn euro in the plan period.

This year, thanks to the contribution of last year’s ramp-ups and many material start-ups, we will have a stronger growth with an increase of 5% versus last year’s level.

Up to 2024, we expect to continue to grow at an average rate above 3.5%, thanks to the contribution of our larger legacy assets, which account for more than 3 billion barrels of equity reserves.

Now, more colour on the economic and financial strength of our assets. Eni’s new projects are resilient to a low oil price with an average breakeven of 45$/barrel. Our low break-even portfolio is based upon a very competitive cost structure, coming from:

• Exploration costs below 2 dollars per barrel
• Opex at around 8 dollars per barrel,
• Average development costs lower than 20 dollars per barrel

Since 2009, the average breakeven of the new projects has increased by only 10 dollars, notwithstanding the doubling of the oil price and the constant growth of costs. Our upstream financial metrics stand out at the top of the industry, and we expect a net cash per barrel of almost 30 dollars, and a self financing ratio at around 140% in the last two years of the plan.

I would like now to highlight some of our developments that will provide a major contribution to the 4YP growth.

First, Goliat is close to the production start up, after the sail away of the FPSO from Korea one month ago. The vessel will reach Norway in April and will start the final commissioning phase.
First oil is expected in July, with a rapid ramp up to the equity plateau rate of 65 kboed. Perla phase 1 is progressing as planned and the start up is expected in next quarter. The production plateau is 17 kboed and two further phases of development will raise equity production to 75 kboed in 2020.

In Block 15/06 in Angola, we are developing two hubs. The West Hub, currently producing from the Sangos field, will benefit from additions of other fields every 8 months over the period.

In the same block, the East hub will start-up in 2017, contributing to an overall block equity production of 45 kboed at the end of the period.

OCTP is a fast track deep offshore development in Ghana with a Time to Market of just 4 years. We took the FID in December and production start-up is targeted in 2017. The project will reach an equity production of about 40 kboed in 2019.

Jangkrik field will start in 2017 with an equity plateau of 40 kboed to supply the Bontang LNG. And finally, Kashagan where the JV is progressing with the replacement of the pipelines. Most of the material is already onsite and the operator will start to lay the new pipes next month. The plan is to complete the activities by the end of 2016.

And now, a closer look at ... two major developments in our plan. Marine XII in Congo is the best example of our integrated approach to exploration and development.

With the discoveries of Nenè, Minsala and Litchnedjili we proved that, with advanced technology and innovative geological concepts, it is feasible to unlock material upside also in mature acreage.

And then, with a simple and pragmatic development approach, it is possible to reach first oil just 11 months after discovery.

The huge potential of this play is now about 5.5 billion boe of resources and we expect further upsides from the completion of the appraisal of Minsala and the drilling of two additional prospects.

In Nenè, we expect FID for the second phase by the end of 2015. In addition, later this year, Litchendjili will start oil and gas production. At the end of this decade, we will achieve an overall equity production of 150 kboed.

In Mozambique, our Coral development will be the first LNG plant in the country and the first phase of the Area 4 development.

This project is a Floating LNG with a capacity of 2.5 Million tonnes per year. We expect to receive technical offers and commercial bids in May, and the FID by Q3 this year. On the gas marketing activities we are in advanced stage of negotiations and we expect to agree the key terms in the coming weeks.

Production start up is planned for the end of 2019 with a peak equity contribution of about 40 kboed.

This will be only the first milestone of a multi-year programme of investment. Coral will be followed by the Mamba field with 2 onshore trains for 10 Mton per year. We will submit the plan of development in the second half of 2015, followed by the finalization of binding agreements for the LNG sales and project financing. We expect to receive bids by the end of this year.

Equity production from the Mamba first phase is foreseen at 120 kboed at the beginning of the next decade.

In G&P we will complete the transformational plan that we accelerated last year. In 2014, we reversed the previous year’s losses and reported a positive result of 300 mln €. We aligned 70% of our supply to hub indexes and reduced volumes of Take or Pay by 55%.

We will continue to grow profitability by leveraging on:

• first, the completion of contract renegotiations to ensure full alignment to market conditions

• second, the right-sizing of the operating and logistics cost base with a saving of 300 mln €/year from 2018 compared to 2014 levels
• then, the expansion of the retail customer base by 16% to reach more than 11 million clients at the end of the plan
• finally, actions will be taken on the contractual margin in the B2B segment, where we sell about 50 bcm/y. With these actions, and thanks to the full recovery of the prepaid gas balance for a total amount of 1.3 billion €, we will generate a cumulative operating cash contribution of 3bn € over the period. As regards EBIT, we will reach a structural positive result from 2016, with a growth to 800 million € in 2018.

As regards the scenario of the refining sector, in Europe the process of capacity shrinkage is still underway to offset the large decline in demand, which has seen a 30% reduction since 2008.

We assume that the current improvements in margins are temporary, as linked to the recent oil price drop. In the future, refining margins will be compressed by stronger competition from the US, Russia and the Middle East.

We have already achieved material improvements in this sector and we will complete the turnaround. Our plan is based on 3 key pillars that will deliver an adjusted EBIT improvement of 600 mln €:
• first of all, the reduction of refining capacity up to 50% vs 2012, confirming our previous guidance;
• Secondly, continuous operational improvements, thanks to the ramp up of the “Eni Slurry Technology” plant in Sannazzaro and more efficiency in existing plants, and the enhancement of the positive performance in marketing, through: developing premium segments, rationalizing costs and restructuring our international presence.

These actions will bring forward the adjusted EBIT break-even by one year to 2015 and confirm a cumulative operating cash contribution of over 1.5 billion € in the plan period.

In the refining sector we will complete the rightsizing programme.

Since 2012, we have achieved a reduction of 30% from an initial capacity of 800 thousand barrels per day, with:
- the conversion of the Venice plant into a green refinery,
- the shut down of Gela - a major milestone in the repositioning strategy and the sale of our stake in the Czech refinery.

Looking forward, we will complete the conversion of Gela into a green plant by 2017, and we will reduce our capacity up to 50% leveraging on commercial agreements with third parties and through disposals. The additional contribution from the ongoing projects, as well as the efficiency programme will bring our refining break-even margin into the region of 3 $/bl – more than halving the 2014 level.

Even our less complex refineries in Italy are already at breakeven assuming a 4 $/bl margin. In the Chemical business, we expect to reach breakeven in 2016.

Since 2012, the rationalization of the old plants has reduced eni’s exposure to commodity businesses by 30%.

The restructuring of the loss making sites was carried out either through the shut down of plants or the reconversion into new “high value product” lines.

The EBIT improvement of 500 mln € over the plan period is mainly driven by:
• the rationalization of critical sites
• the refocusing of the product portfolio, both on the traditional and “green” segments, and
• the international development, with partnerships with major players, such as Petronas in Malaysia and Lotte in South Korea And now to Massimo, to present our financial strategy
Massimo Mondazzi

Thank you Claudio.

Our financial strategy is based upon 5 key pillars which are designed to make us more resilient in the current environment enabling us to grow more profitably and enhancing our cash generation versus the previous plan.

The first pillar is capex which will be cut by 17%, at constant FX rate versus the previous plan. We have also designed our plan to maintain the highest level of flexibility, with just around half of capex already sanctioned.

Secondly, we will operate more efficiently cutting group G&A costs and operating expenditures, mainly upstream which are already the lowest in the sector.

These actions, together with our continuous active portfolio management, will allow us to maintain a robust balance sheet and consequently supporting our commitment to an “A” category credit rating and to pay competitive and sustainable dividends going forward. Our total capex plan is €47.8 bn, a reduction of 17% (or €9.5 bn) versus the previous four year projection.

In Upstream, which represents 90% of our future investments, capex will be cut by 13% without affecting our robust plan of growth.

In E&P we will reduce development costs by 12% leveraging on the flexibility of our portfolio, enhanced by our significant recent discoveries.

In particular, we will give priority to lower intensity projects, brown-field developments and infilling wells mainly in Congo, Angola and Egypt, while we will re-schedule spending in some larger projects.

This re-scheduling will account for half of the overall reduction, while the remaining will be determined by contracts renegotiations.

Exploration will cut its spending by 25% versus the previous plan without compromising our target of full reserves’ replacement. In particular in the first two years we will focus on the assessment of recent discoveries and reload our acreage to support, later on, a new cycle of frontier wells. One fifth of the exploration saving will be related to contract renegotiations.

In terms of lowering our supply chain costs, we have been active since Q42014 in renegotiating upstream contracts and we are seeing signs of reductions, for some items, in the order of 20%.

In mid-downstream we are cutting expenditure by 40% thanks to:
• the shutdown and conversion of sites, as part of the turnaround plan
• the disposals of assets under development, such as South Stream

Finally, our capex programme has been designed to be flexible, with around half of spending not yet sanctioned. This proportion grows through the plan period giving us further options should the weak market scenario continue.

As well as on capex, we continue to improve our efficiency in operations.

In 2014 our upstream opex was $ 8.3/boe and this is expected to be the lowest unit cost amongst peers. Nevertheless, we will continue our focus on it targeting a further reduction by 7% versus the old plan.

The already identified areas to extract the additional savings are logistics and working on preemptive maintenance to reduce downtime from 6,2% to 5,7%, this is equivalent to 10 kboed of additional production free of costs per year. The lower energy scenario will be the third factor to achieve the target reduction in costs.
On G&A, cuts are focused on external costs, with the highest contributions coming from IT, Communications, HR and Finance activities.

Last July we announced a two step programme aimed at structurally reducing our 2.1 billion euro of G&A cost base by one quarter.

We have already achieved the first step with a €250 million reduction in 2014, and we confirm our plan of an additional €250m target, to give us total structural savings of €500m from 2015.

An additional strategic pillar of the plan is our active portfolio management.

One year ago we launched a 9 billion euro disposals’ program for 2014-17 and last July we raised that target to 11 billion euro.

By selling assets for 3,7 billion euro in 2014 we already executed one third of that plan, that now we foresee to complete and enhance with an additional 1 billion euro by 2018.

The largest contributor, with more than 50% of the total amount, will be the dilution of our excess stakes in recent material discoveries, in line with our “dual exploration model”.

These assets, the value of which is only marginally reduced by the current scenario are recording strong interest for their high quality, size, favorable location, competitive cost structure and for the opportunity we are offering to enter into new, high potential geological plays.

The sales of remaining stakes in Galp and Snam, respectively in 2015 and 2016, are expected to contribute at current market price for around one quarter of the overall programme, or about 40% of the proceeds net of tax in the first two years.

Finally, we will rationalize our position on mature upstream and non-core mid-downstream assets. The overall disposal plan is front loaded, with 70% of disposals expected by the end 2016.

Lastly Saipem, as already announced, we decided to postpone the deconsolidation process due to the increased volatility in the oil & gas markets.

While it remains a strategic objective, it is not included in this projection. In the interim, we will continue to provide financial support to Saipem.

And now moving to cash generation. It is solidly based on the clear actions in our four year plan.

In 2015-16 cash flow from operations, at the price of 63 $/bl implied in our scenario, will average around 12 billion euro, fully covering our capex. At the same time we will continue to proceed with disposals In the following two years, assuming 63$/bl flat, the growth in upstream and the return to structural profitability of the mid-downstream will raise our operating cash by 25%. In addition, we expect a further €1 bn per year from disposals.

In 2017-18, considering our average scenario of 85$, we expect an additional operating cash increase of 15%, bringing the overall improvement of CFFO to 40% vs 2015-2016.

All in all, at our scenario assumption, we will generate a cumulative free cash flow of more than 16 billion euro over the four year plan.

The resulting balance sheet will be stronger in time, with the target to keep our leverage within 30% in 2015 and to lower it in the following years as part of our commitment to an “A” rating. And finally, some additional information about our shareholders remuneration policy.

In 2015 we are committed to pay a floor dividend of € 0.8 per share that is consistent with our strategic objectives even at lower oil prices. In the following years our distribution policy will remain progressive with our underlying earnings growth.

In defining this floor dividend we considered two different targets: earnings payout and cash neutrality.

• Our payout ratio is expected to remain higher than 100% in 2015 and 2016 and to drop significantly later on.
• Cash neutrality will be reached, including disposals, next year and organically in 2017.

These projections show the solidity of our floor dividend together with the expectations of a progression looking forward.

Even in the case of a delay in the recovery of oil prices versus our expectations, the operational and financial flexibility embedded in our plan allows us to comply with this commitment.

The buyback is suspended. We will consider to reactivate it when strategic progress and the market scenario will allow for it.

I will now hand back to Claudio for the conclusion.

**Claudio Descalzi**

In conclusion, the main objective of the strategic transformation process we started last May was to make eni a company that is increasingly focused on exploration and production activities, rationalizing its structures, turning around loss making segments and diluting our presence in noncore activities.

This process of change was initiated and implemented quickly, and has immediately brought excellent results in all areas of our business and also in economic and financial terms through obtaining a record level of cash flow in 2014, despite the sharp worsening of the scenario.

We can say that today our Company is more focused and more robust. This is shown by our fouryear targets in terms of:

• strong production growth
• top ranking exploration
• resilience and flexibility of our development options and
• growing economic and financial results, with a cash neutrality at a oil price just above $ 60 in the last two years of the plan.

Because of the scenario, and only after applying a stringent cost optimization process, we decided to rebase the dividend as a part of the transformation effort, anticipating a sustainable payout and ensuring the neutrality of our cash flow in the first two years of the plan.

Ultimately, we are building a much more robust eni which is capable of facing even depressed price scenarios in a sustainable manner while creating value.

I can assure you of my own strong commitment, and that of all of eni’s management, to increasing the value of each individual business and to consequently increasing remuneration for our shareholders.

…..And now let’s open the floor for the Q&A

**Questions and Answers**

**Corporate participants**

Claudio Descalzi - Eni SpA, CEO
Massimo Mondazzi - Eni SpA, CFO & Risk Management Officer
Marco Alverà - Eni SpA, Chief Midstream Gas & Power Officer
Antonio Vella - Eni SpA., Chief Upstream Officer
UNIDENTIFIED COMPANY REPRESENTATIVE: Thank you Claudio. Good afternoon. We are now ready to start with the Q&A session.

Please before asking stand up and state your name. Thank you.

MARTIJN RATS, ANALYST, MORGAN STANLEY: Hi, hello, it’s Martijn Rats, I’m with Morgan Stanley. I wanted to ask you one question with regards to the dividend. A number of other major oil companies in Europe have successfully introduced scrip dividends and I was wondering what drove your decision to do an outright reduction of the headline dividend rather than introduce a scrip?

CLAUDIO DESCALZI, CEO, ENI SPA: I’ll just give your first question then Massimo can go deeper in this. So Massimo said that there are two main points — two main milestones in our policy, we can say policy.

One is to be cash neutral and the other one to have a payout that is lower than 100%. So applying the scrip dividend will just impact our cash that is really quite interesting and good cash and is not impacting the EBIT or the payout. So the net result, that was the reason why we didn’t use it.

MASSIMO MONDAZZI, CFO & RISK MANAGEMENT OFFICER, ENI SPA: Some few flavor on this issue. So what we are doing we are targeting an equilibrium well within the four-year plan on these two parameters so the payout and the cash neutrality. What do we mean by sustainable and normal equilibrium in these two parameters?

First of all the payout equilibrium is the one I have shown in the last slide so what we are targeting within the four-year plan is a payout in the range of — the broad range of 60%, 80% of payout. This is what we
consider sustainable and normal. In terms of cash, cash neutrality, what we are targeting is an organic cash neutrality again to be reached inside well within the four-year plan without disposal.

So what we are expecting to see looking at our scenario and our action in 2017 while the overall cash neutrality including disposal is expected by 2016. To do it, what we are doing is we are I would say taking some additional levers that are operational and financial. What do we mean by operational?

Definitely the amount of uncommitted CapEx is the most important one. I mentioned that half of the CapEx in our plan are today uncommitted and this number is significant even if we are targeting the first two years.

We are talking about uncommitted CapEx that in 2015 will be in the range of 10%, 15% and will be in the range of 30%, 35% in 2016. So it is a material lever still in our hand to match this commitment to comply with the objective.

Financially by definition the first lever would be our leverage that you know is at the end of 2014 0.22. I just said that our target is to remain above -- sorry beyond the floor of 0.3 at the end of 2015 that is I would say the most critical year in the four-year plan. So that’s the first lever.

Secondly what we are ready to do even to apply different levers such as [NI] for example if would be the case. And possibly not in 2015 because our promise is to distribute a EUR0.8 cash dividend but for the future maybe even a scrip would be a good example of additional flexibility. Why we didn’t use the scrip for this plan because the scrip, you know better than me, doesn’t solve the payout issue that again has been fixed by our self as one of the most important parameters in order to fix this dividend policy.

IRENE HIMONA, ANALYST, SOCIETE GENERALE: Thank you. Irene Himona at Societe Generale. You show on your asset disposal chart that over 50% of the sales will be from your exploration, material exploration positions. You mentioned that the value of these is not impacted by the oil price but clearly the ability of potential buyers to fund such acquisitions is impacted by the oil price.

So my question is if you only achieve the Snam and Galp disposals which is roughly a quarter of your plan, in your oil price scenario, would the EUR0.80 still be a floor for you? Thank you.

CLAUDIO DESCALZI: So just quickly because we try to be short in our answer. So the answer is yes is a floor. Secondly our disposals are risked. We have a very high level of risk and we are quite confident that Galp and Snam will not be the only ones. In any case the answer is yes, there is a floor.

GIUSEPPE REBUZZINI, ANALYST, FIDENTIIS EQUITIES: Giuseppe Rebuzzini from Fidentiis Equities. A couple of questions. The first on the gas and power plan you mentioned a cash flow from operation of EUR3 billion in the plan versus around EUR1 billion last year.

We understand EUR1.3 billion was -- comes from the improvement in working capital basically from the prepaid prepayments. Can you please elaborate on the remaining improvements? Again on gas and power, maybe you’ve given a target of EBIT or EBITDA but I missed. If not can you give us.

Then about Kashagan, if you can please give us the cost for the pipe issue and the ramp up of production after the startup of Kashagan. Thank you.

CLAUDIO DESCALZI: Okay, for gas and power, for EBIT and the additional, if Marco will give an answer then Antonio will give you an answer on Kashagan.
MARCO ALVERA, CHIEF MIDSTREAM GAS & POWER OFFICER, ENI SPA: Thank you Giuseppe for the question. So on the cash flow target of EUR3 billion it’s an improvement compared to the previous plan and it’s about EUR1 billion coming from the take-or-pay recovery, EUR1 billion coming from retail and the other third coming from the other businesses together.

In terms of EBIT the target Claudio gave for 2018 it’s EUR800 million. And again it’s about one-third retail and two-thirds the other businesses.

ANTONIO VELLA, CHIEF UPSTREAM OFFICER, ENI SPA.: Thank you, Marco. For Kashagan as you know the consortia signed a contract for replacing the pipe oil and gas to Saipem and in May we will start the laydown of the first batch of material and by mid of 2016 the installation will be completed. Minor production in 2016 and full ramp up at 370 oil in 2017.

CLAUDIO DESCALZI: Cost, cost, the only question was cost and you answered two other questions.

ANTONIO VELLA: He asked the ramp up it’s $3 billion. Thank you.

LYDIA RAINFORTH, ANALYST, BARCLAYS CAPITAL: It’s Lydia Rainforth from Barclays. A couple of questions if I could both related to the cost base. When you’re looking at a 7% reduction in upstream cost per barrel for this year, what happens after that?

Is it a case of you can continue to change the way you work and continue to bring that cost base down or do you expect to see inflation come back in there? And partly related to that on CapEx, given how much you’re growing production over the period and given what the plans are for production growth beyond 2018, how do you keep that CapEx level flat from the current scenario?

It either implies you’re going to be spending less on the base CapEx or that you’re getting efficiencies out of the growth projects. So can you just walk through those aspects for me?

CLAUDIO DESCALZI: So OpEx what we aim at is structural reduction cost. So for that reason we said that our OpEx will remain steady on the period so around $8 per barrel so this year we reduced 7% and we keep steady.

And for CapEx point of view, in the plan we reduce the CapEx and we grow our production is because we move CapEx from major projects that we didn’t stop, just phased. Like in Iraq, like in Venezuela other projects that we are not operator like in Indonesia, the IDD project or Johan Castberg in Norway that are postponed. So that is a big bunch of CapEx that’s been moved. Being more than what we cut because we use this CapEx – we moved to the field that we recently found and there are oil field, very small, like what we discussed about Congo that in a very short time you can put in production. So the flexibility came from the huge amount of resources that we found.

HAMISH CLEGG, ANALYST, BOFA MERRILL LYNCH: Thank you, it’s Hamish Clegg from Bank of America Merrill Lynch.

My question was just relating to your disposals of Snam and Galp, in this instance that you basically already disposed of them in the form of convertible bonds and I believe Galp will convert in November. I think Snam is due in January. Where they are trading below the strike price how will it effectively work? Will you have to buy the stock and then sell it? Could you maybe talk us through the technicals of those bond converts and how you will deal with that?
MASSIMO MONDAZZI: Okay. We are talking about the remaining stakes that are in the range of 8% for both Snam and Galp related to the convertible bond in which we retain the option to repay the bondholders through shares.

So our let’s say disposal assumptions are based on this contract clause that give us the right to use the share to repay the bondholders. That’s the reason why we consider quite sure the disposal for these two package of stocks.

OSWALD CLINT, ANALYST, SANFORD BERNSTEIN: Hi, it's Oswald Clint at Sanford Bernstein. Maybe just a question on your production guidance, the 3.5% over the four-year plan, it’s longer and probably stronger than some of your peers.

Just talk about your confidence around that number -- the risking that you've attached to that -- you mentioned risk before.

And ultimately when you add up the EBIT growth for all of these divisions it does feel like high-single-digit EBIT growth from the Company. Does that mean you want to grow the dividend, kind of high-single-digit level from here? Thank you.

CLAUDIO DESCALZI: So production, how risky is our production. We as you said we have an important amount of contingencies these years. For this plan we have three times the contingency that we had in the last plan, so it’s quite important, and that’s especially to face geopolitical situation, in this case Libya, that is the main critical point in our production growth.

So our production growth could be higher than that but we kept a quite important level of continuously distributing along the plan. And before I didn't answer about the growth, the long-term growth, and as I said during the presentation our long-term growth will be about 3.5%.

And that's because we have a huge amount of projects, big projects especially in Sub-Saharan Africa but not only also in Indonesia and North Sea and in the Gulf of Mexico. So we have a diversified set of projects. Mozambique is one of them because we have a long-term growth in Mozambique and Congo, Angola and Gabon and Ghana.

So there are existing production, not just gas but something that we already found. The last question maybe you want to answer about the growing dividend with our EBIT.

MASSIMO MONDAZZI: The only I would say the only answer I could tell you is that the solid base of new projects that are going to production even in this four-year plan and then beyond. The other one that Claudio mentioned that are characterized by very low cost because we are talking about very conventional projects with low cost, give us the full confidence about the capability to have a result coming from the E&P that would be a significant growing one. Secondly the business other than E&P that finally I would say is starting from 2015 we talk about the R&M returning to breakeven and then we’ll be back to a positive earnings in 2016 and 2017. That’s the reason why we are confident about growing that; from an earnings and cash point of view we’ll create enough room to give a positive expectation in terms of dividend growing.

PHILIPP CHLADEK, ANALYST, BLOOMBERG INTELLIGENCE: Philipp Chladek, Bloomberg Intelligence. My question is about the sanctions in Iran.

How would removal of the sanctions and more heavy crude oil in the Mediterranean improve your refining margin? And would you also be interested in reentering Iran or entering Iran upstream? Thank you.
CLAUDIO DESCALZI: So Iran, I didn't expect any question about Iran because they are not so crucial now in our basket. But we are discussing the last outstandings with Iran and it's clear that removing sanctions creates a more easier situation to discuss with Iranians. We are discussing quite well and we hope really to recover these money this year and finish.

To go ahead with Iran again with projects investing in Iran again depends sanction is cleared. That is the first condition. But I think that there is another important condition that is the contract, the petroleum contract that it's clear that we would buy back never, never, and never again that is clear.

The impact on refinery I think that we are going to have as I said a depressed situation for refinery in the Mediterranean Sea especially and then in Europe and that is not due to a possible removal of sanction in Iran. But it's because the reason is excellent products coming from the US in terms of diesel and from the Middle East and China. So that is a more impacting factor on the refinery.

JON RIGBY, ANALYST, UBS SECURITIES: Hi, it's Jon Rigby from UBS. Can I ask two questions, one on the dividend and then one on Saipem?

On the dividend can you confirm that you won't go chasing the dividend up again when the oil price or if the oil price begins to rise beyond your scenario in that you confirm that there is underlying earnings and performance? Because it seems to me that that's one of the problems you got into in the first place and not just yourselves.

The second is will you revisit the dividend payout if you were to sell meaningful parts of the business? Because again is you need to look at underlying dividend and payout to the underlying performance. So I just want to check as we roll forward that there is a degree of consistency expected in the way you pay this dividend now?

Then the second question is on Saipem. You obliquely mentioned it and then moved on and I understand that now is not the time to be doing anything radical with the way the market is.

But can you talk a little bit about what it is you can do right now with it? I think you talked about giving it all the support that it needed. Perhaps you could expand a little on that.

And then perhaps what needs to change for you to start to think about addressing Saipem and the ownership of Saipem and how Saipem looks going forward? Thanks.

CLAUDIO DESCALZI: So for the dividend you can answer, I can answer, I think that we talk about the floor dividend and that is a real floor dividend. So I don't want to say more but that is the answer. For Saipem what is going to happen if we are going to do Saipem and it depends how we're going to do Saipem. Our position on Saipem is clear that as Massimo said in his presentation is in our strategy to deconsolidate Saipem.

We have a double hat for Saipem because we are the main lender, the only lender so it's clear that we want to deconsolidate the debt. And from the other side we are the major shareholder so we want a strong Saipem. So it's clear that I don't want to go in how in the process but I can say that it is strategic that we have a double aim, so we want to do things properly.

And I think that what is going to change when you ask what is going to change if we realize Saipem, that is a good question. I don't know if I have the right answer now but it's clear that is a step change for our Company. And I say that is a step change means that we're going to improve all our financial parameters and also from a shape from our shape and from a strategic point of view our move will be different.

But I cannot tell you exactly what we're going to do. But it is a step change clearly that we want to do. Then about -- so you asked how -- to articulate a little bit more how we can do that, I think that is -- I say everything in my answer. I don't think that there is anything else to add. Thank you.
THEEPAN JOTHILINGAM, ANALYST, NOMURA: Thank you, its Theepan from Nomura. Three questions please. A couple first on CapEx.

Could you just confirm when you see CapEx ramp up in the four-year plan for Mozambique? Secondly just on the dividend just clarification on the split in the dividend for 2015, is it equal -- EUR0.40 for the first half and EUR0.40 for the second half?

And then third question is just on the broader question of the E&P portfolio, Claudio are you happy in terms of the portfolio mix as it stands between liquids, gas, OECD, non-OECD? And then where future projects sit on the cost curve at Eni. Thank you.

CLAUDIO DESCALZI: Thank you. So for I think the first question I think that is Roberto Casula talking about Mozambique and the distribution of CapEx in the four-year plan for the Mozambique and for dividend is Massimo. And I will talk about our geographical distribution and positioning.

ROBERTO CASULA, CHIEF DEVELOPMENT, OPERATIONS & TECHNOLOGY OFFICER, ENI SPA: First of all out of the figure Massimo has shown earlier about the overall CapEx of Eni, the ones that are related to the development projects is EUR28 billion. The impact of Mozambique within the period is less than 20%, is in the range of 18% of this figure. This takes into account the FID of Coral in 2015 and the one of Mamba in 2016.

MASSIMO MONDAZZI: Sorry I'm not sure I correct understood. What you're asking for is how we intend to split the EUR0.8 between the advanced payment in September and then the final payment in 2016? I would say that should be equally split.

CLAUDIO DESCALZI: So from our positioning, our E&P portfolio, we work a lot in the last four, five years to diversify our positioning and we move in the Far East and we move in other places. We have been very, very strong in Africa so we are not willing to grow in Africa but we were so successful that now our weight in Africa is very, very high, for that reason we are diluting.

But it's clear that we are acquiring new acreage and the new acreage that we are requiring outside Africa, we are in the US, we are in the Gulf of Mexico, we are in Indonesia, in Vietnam, in Myanmar.

So we are increasing our acreage, our exploration for the future in different areas not because we don't like Africa because it is our country but because we are really, really, really strong.

And we are transforming the Company. So we are transforming the Company, we are moving to a different one.

Last year we acquired 140,000 square kilometers of new acreage worldwide and that is it's clear that now we have to run seismic and then interpretation. I think that I'm quite happy, I think that we have to do some additional effort to be in other countries and we are working on that. We are working.

THEEPAN JOTHILINGAM: And a follow-up question. Does this plan give you some flexibility then to participate in M&A and is that 30% and that credit rating sort of a ceiling in terms of where you go to in the four-year plan? Thank you.

MASSIMO MONDAZZI: Well I would say as has been recapped all along this presentation we found so many new resources even very well differentiated from a geographical point of view that we don't have any need to acquire anything to get the result we are showing today. And what I would like to add that even as we said the cost base of what we found is so good, that again there is a good expectation to have a very
wealthy increase in production and in return. So the answer would be we don't have any need so we don't have any projection to do it.

HAMISH CLEGG: Hi, just coming back to ask another question, it's Hamish from Merrill's. You talked at the beginning about the move to being an integrated company. Do you feel your gas and power business really has a position in the integrated Company given potentially the lack of integration and would you consider strategic options in that business especially given the capital intensity of the division, so we do consider that?

Secondly on Mozambique you talked about potentially reducing that stake. Are those negotiations still ongoing and how should we think about the timing of that?

CLAUDIO DESCALZI: Gas and power gave us a lot of satisfaction in the past and now it is changing. But when we talk about core activity we don't consider it oil and gas core activity, the retail gas for example, that where we have a very strong position, very good activity, 10 million clients, large market in Italy, Europe with a good returns.

That could be something that we can consider to treat in a way to increase the value. So give a structure that can really be focused with the right skills to get additional values. The rest of the gas and power either B2B or the long-term contracts we are increasing and improving their position. It's still quite important because you see what Marco said and during the presentation is going to have a good EBIT at the end of the period and we are working it to get more efficient. But it's clear that the retail gas is something that we are going to work on it.

Mozambique, so the dilution in Mozambique is still a target we are working. We see positively and the discussions are quite advanced, in advanced stages. So that is one of the assets that we plan to dilute in our four-year plan.

MARC KOFLER, ANALYST, JEFFERIES: Hi there, it's Marc Kofler from Jefferies. Just had a couple of questions, firstly on Libya.

I'd appreciate if you could give us your thoughts both in terms of current operations but then also how you think about the investment profile, the decisions in terms of the growth that you expect from Libya going forward? And then secondly just to clarify on the upstream growth, does that 3.5%, apologies if I missed it, but does that account for potential disposals going forward?

CLAUDIO DESCALZI: So Libya, Libya first of all we are assuring security for our people and we are assuring also the right standard operating standard because in this situation we have to be focused on our asset. We are protecting our assets from a physical point of view.

Most of our people is offshore. We have still people are leaving people in the field we can say in a safe situation because of the geographical position and also because we create some protection for these fields.

Production has been we had an average production of 240,000 barrels per day in 2014. Last quarter 275,000 barrels per day.

Now we are a little above this production. So we are producing, it's clear that it is a critical production, for that reason we put some high contingency. But from an operational point of view the situation is okay in terms of assets, peoples and a fields and platform.

In the last period the situation I would say from we have more terrorist attack but there are all different parties on the ground started discussing for the first time two months ago and the discussion ongoing. So in the long term we have signs, positive signs of different groups, political groups or ethnic groups or tribes
that are trying to find a solution and that is quite important. That's happened for the first time after four years in January.

Then we have the other side, ISIS, the terrorist attack and that is clearly we are quite concerned about that. So for growth profile possible M&A I think that we are 50% of our sale is from exploration and we have 25% of sales from gas and power and R&M.

We also inside that we have a small percentage of mature assets. So we are selling some mature assets and that is a cleanup of our basket where we are moving out something that became marginal for us and maybe still interesting for the others. So that is a normal routine activity that we're doing.

NEILL MORTON, ANALYST, INVESTEC SECURITIES: Thank you, it's Neill Morton at Investec. I've got to questions.

The first is on Mozambique FID. And I appreciate this is slightly unfair because you haven't yet got the contract cost in from the various bidders. But one of your partners was suggesting earlier this week that they would be very reluctant to go ahead with the project unless costs were very much brought into line.

And given the fact the oil price has only fallen for the past six months or so it doesn't suggest we're yet far enough into the cycle to see meaningful cost deflation. So are you still willing or would you be prepared effectively to delay FID further if those bids don't come in in line with your expectations or are you perhaps too far down the line towards FID?

And then just secondly on chemicals I do appreciate closing capacity moving away from commodity chemicals. But over the past three years the losses in the division have been declining by EUR50 million per annum -- you're minus, [EUR350 million] last year, moving to breakeven in two years' time still feels a bit of a stretch, maybe just reassure us in that regard that you are still on track. Thank you.

CLAUDIO DESCALZI: Thank you for Mozambique. So you gave the chance to clarify. It's clear that when I talk in my presentation I was talking about Coral.

Are you talking about Coral or are you talking about Mamba? Both. So the situation is different. It's clear that Coral there is a commitment is 100% and since we are the operator we have 50%. And we expect to have the bid result in May and we can confirm it's clear that we have to look at the bid result but we have already a preliminary estimation of cost.

We can confirm an FID for the third quarter. Because the commercial side as Marco said and the development side are going quite well. For Mamba it's quite different.

Mamba is going to follow Coral. We're talking about the onshore activities and the same we have to finalize everything in terms of bids that our expectation for the onshore train is December in terms of bid results of first-quarter 2016 within FID in 2016 at the end.

It's clear that for the onshore trains the situation we have to assess the situation in terms of cost. And after we see the result and we hope that in this our guess that the expectation that in these low price scenario also the all the ancillary contracts and the other material will be much reduced and that will be very good for the project.

For chemicals I ask Daniele to give some color and answer to the question. Thank you.

DANIELE FERRARI, CEO, VERSALIS SPA & CHAIRMAN, MATRICA SPA, ENI SPA: Sure, thank you, Claudio.

On chemicals why we feel confident about going on and finish this restructuring because we can see that over the last 18 months we did exactly what we told you that we would have done in Porto Torres, in Porto Maghera and basically dismissing the assets which were not strategic like [Desaro] was a reforming unit attached to the chemical business.
We sold it to the nearby refinery. We started the Porto Torres facilities commissioned in June. The Grangemouth facilities with new functionalized elastomers and we basically see this result coming at the last quarter and the first quarter of this year.

So it’s not anymore scenario is just we being now able to capture the upside of the scenario because we’ve done our homework on the structural side. So we feel comfortable about that. Thank you.

IRENE HIMONA: It’s Irene Himona again at SocGen. You’ve had a tremendously successful run on exploration in recent years but I think there have been serious issues with time to market for some of your flagship projects. So two questions on that.

Firstly can you perhaps share with us what in your planning and development process may have changed to fix that? And secondly that Mozambique's start update is not at risk from that issue. Thank you.

CLAUDIO DESCALZI: Thank you. I really like this question because I’m ready.

Because we work a lot I know that what we got in the last the recent months with the Block 15/06 with the west hub where we had a very good, very, very good time to market and with Nene that we discover 15 months ago and we put in production in 11 months that are the first result of what we have changed in our organization. For that reason I applaud the question because the point that we didn't develop enough in our presentation. What we change it basically and we start in 2011 is to create a new organization using less the EPC contract, so practically moving away from the concept to have a main contractor.

What we thought and now we realized with a good result that we are the main contractor. There is no contractor that working with another contractor and another contractor we want to run the project. We are putting a lot of money.

We want to keep and create a more skill working as a main contractor and that's what we changed. And we changed with all the Angola development, so all the Block 15/06 in the West and East hub is running like that. For that reason it’s running by phases to reduce the risk, it’s running by our people and our people is not just the main contractor.

So talk about conceptual and put it together and link it together all the different contracts. But we are people now for the first time also in the engineering phase, in the construction phase, in the more delicate phase of the commissioning. Angola we put more than 250 people in the commissioning than in Korea.

So that make me more optimistic about the future with respect to what happened in the past and it’s a big step change because we in sourced a lot of people. It’s clear that I prefer to have good people with ownership that run our projects that create efficiency of the labor and use other labor that is not E&I with the same culture the ground project and then without with all the respect for contractors but without any main responsibility in terms of impact delay projects. So that is a big step change and make me very, very confident about the future.

Mozambique, I think I answer most to Mozambique because if we are not efficient in this kind of process Mozambique could be impacted. But we are using this kind of approach also in Mozambique.

So I answer also for Mozambique.

MASSIMO BONISOLI, ANALYST, EQUITA: Massimo Bonisoli from Equita. Just a question on chemicals.

Considering current petrochemical margins and the euro/dollar depreciation would it be possible to see already Versalis break even this year so what would be the mark to market at current petrochemical margins in terms of EBIT of Versalis?

CLAUDIO DESCALZI: Daniele will answer.
DANIELE FERRARI: Thank you. It's an interesting question. I'm obviously very encouraged about the scenario that helped us a little bit last year towards the end of last year but this is now still present and it's discouraging a lot of import from other country into Europe.

Therefore we can play all our strength of the restructuring we have done and maximize into the first quarter and into the rest of the year. So the rest of the world will be for us to make sure that the portfolio that now we can get out of our restructured asset would be useful for developing options in Europe but also develop in new markets outside Europe to rebalance in the future on a more global portfolio. So the answer is yes I'm optimistic about what is going on in 2015.

ALASTAIR SYME, ANALYST, CITI: Hello, it's Alastair Syme from Citi. A very quick question, in your reference scenario $63 oil where do you think you can get return on capital to at the end of this forecast period?

MASSIMO MONDAZZI: The return on capital is expected to grow because definitely if you calculate the return on capital in terms of ROCE, looking at 2015 definitely the number will be quite low. Because what we are doing is we are comparing quite depressed number that in our scenario will be 55% as far as 2015 versus a full capital employed that is coming from a long story of high prices that we experienced in the past. So definitely the ROCE in 2015 is something penalized.

But what we expect is that as the turnaround is going to happen and the price is going to ramp up a little bit we think we are going to be back in more acceptable range of ROCE that will be slightly higher than the weighted cost of capital of Eni. I would say in the second part of the four-year plan.

ALASTAIR SYME: Sorry, what 7%, 8%?

MASSIMO MONDAZZI: It will be currently 6.7%.

ALASTAIR SYME: At the end of the plan?

MASSIMO MONDAZZI: Yes, the second part of the plan. So 2017-2018, assuming a flat Brent price of $63 per barrel. Definitely will be higher if you assume the ramp up we're assuming in our scenario.

CLAUDIO DESCALZI: I think that we can take the last question. No more questions thank you very much. Thank you for your attendance.