PRICE SENSITIVE

Eni acquires from ADNOC a 20% equity interest in ADNOC Refining. The two companies consolidate their strong partnership.

- *The acquisition of a stake in this high quality refinery complex represents a 35% increase of Eni's refining capacity*
- *Eni gains access also to a 20% stake in a new to be established Trading JV*
- *The agreed terms of the entire deal include a cash price of approximately $3.3 billion, after deduction of the net debt, and subject to closing adjustments.*
- *The deal makes Eni's portfolio more integrated along the energy value chain and more resilient to the high volatile economic environment*

Abu Dhabi (United Arab Emirates), 27 January 2019 – Eni and ADNOC signed today a Share Purchase Agreement to enable Eni to acquire from ADNOC a 20% equity interest in ADNOC Refining. The signing of the agreement was witnessed by His Highness Sheikh Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces, and Giuseppe Conte, the Italian Prime Minister. The agreements were signed by His Excellency Dr Sultan Ahmed Al Jaber, UAE Minister of State and ADNOC Group CEO, and Claudio Descalzi, Eni CEO. ADNOC also announced today that it sold to OMV a 15% equity interest in ADNOC Refining, with ADNOC retaining the remaining 65%. ADNOC, Eni and OMV also agreed to establish a Trading Joint Venture with the same shareholding of ADNOC Refining.

The agreed terms for the 20% equity interest acquired by Eni include a cash price of approximately $3.3 billion after deduction of the net debt and subject to closing adjustments, which corresponds to an enterprise value of approximately $3.9 billion (Eni share). The acquisition will be completed subject to satisfaction of a number of conditions precedent, including clearance from UAE and other regulatory authorities.

This is one of the largest ever refinery transactions and reflects the scale, quality, and growth potential of ADNOC Refining's assets, coupled with an advantageous location from which to supply markets in

Africa, Asia and Europe. ADNOC Refining operates three refineries in Ruwais (Ruwais East and Ruwais West) as well as Abu Dhabi (Abu Dhabi Refinery), with a total refining capacity in excess of 900 thousand barrel per day.

The Ruwais complex ranks fourth worldwide in terms of capacity and provides for a high conversion factor using “state-of-the art” technologies and a deep conversion process scheme. The complex has already demonstrated a resilient refining margin thanks to its competitive advantage in terms of integration, economy of scale, complexity and efficiency of the plants, proximity to the upstream fields which supply the crude and gas feedstock, and barycentric position to Eastern and Western markets. Furthermore, a development plan is already defined to further improve the complex’s competitiveness and profitability by increasing the flexibility of crude supply and energy efficiency.

Eni will contribute to the technological development of the complex having already matured, in its European refineries, a vast experience in similar processes (such as fluidized catalytic cracking, hydrocracking, residue conversion and desulphurization, coking and others) and in the optimization activities to maximise the margin of refined barrels. This acquisition will allow Eni to further strengthen the resilience of its refining business by reducing the overall Eni’s refining break even target margin by 50% down to around 1,5 $/bl.

Further value will be created as Eni and OMV join ADNOC in setting up a new trading joint venture, with the same equity shareholdings as the ADNOC Refining partnership. Once established, the trading joint venture will be an international exporter of ADNOC Refining’s products, with export volumes equivalent to approximately 70% of throughput. Domestic supply within the UAE will continue to be managed by ADNOC.

His Excellency Dr Sultan Ahmed Al Jaber, UAE Minister of State and ADNOC Group CEO, said: *“We are delighted to partner with Eni and OMV in our refining business and the new trading company. Such partnerships follow our leadership’s wise guidance to unlock and drive greater value across our business. These innovative partnerships will support our ambition of becoming an international downstream leader with the flexibility to respond quickly to shifting market needs and dynamics. They will help enable our objective of unlocking even more value from every barrel of oil we produce. Working closely with our partners, we will also deliver further efficiencies across our operations and improve asset and business performance”*

Eni’s CEO, Claudio Descalzi, said: “*These agreements consolidate our strong partnership with ADNOC. In the space of less than one year, we have been able to create a business hub with world class upstream operations and a material and efficient refinery capacity with further potential growth. This transaction, which allows us to enter the United Arab Emirates’ downstream sector and represents a 35% increase in Eni’s global refining capacity, is in line with our announced strategy to make Eni’’s overall portfolio more geographically diversified, more balanced along the value chain, more efficient and more resilient to cope with market volatility.”*

Eni has been present in the UAE upstream sector since march 2018 when it was awarded a 10 percent interest in ADNOC’s Umm Shaif and Nasr concession and a 5 percent interest in the Lower Zakum concession, followed in November 2018 by the award of a 25 percent interest in the Ghasha Concession, ADNOC’s mega offshore gas project. On 12 January this year Eni was awarded a 70 percent interest in offshore exploration blocks 1 and 2.

In addition to the United Arab Emirates, in the Middle East Eni is also present in Oman, Bahrain, Lebanon and Iraq.

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