



Eni expands its presence in UAE acquiring a majority stake in two of Abu Dhabi's offshore exploration concessions

The first blocks to be awarded following Abu Dhabi's first-ever open block licensing aimed to unlock value from its substantial hydrocarbon resources

Abu Dhabi (UAE), 12 January 2019 - Eni signed today in Abu Dhabi two Concession Agreements for the acquisition of a 70% stake in the Offshore Block 1 and Offshore Block 2 exploration areas for a duration of 35 years, leading a consortium including Thailand's PTT Exploration and Production Company Limited (PTTEP) with the remaining 30% stake.

The two blocks, located in the north-west of Abu Dhabi Emirate, are the first blocks to be awarded among those that were offered for commercial bidding by the Abu Dhabi National Oil Company (ADNOC) in April 2018 as part of Abu Dhabi's first-ever open block licensing strategy. ADNOC has an option to hold a 60 percent stake, following a commercial discovery.

Under the terms of the agreements, Eni will operate the concessions and invest with PTTEP over AED 844 million (US\$ 230 million) to explore for oil and gas and appraise the existing discoveries in the two blocks, which cover a combined area of approximately 8,000 square kilometers. The exploration phase of the agreement has a maximum period of 9 years and, subject to successful exploration, an overall concession term will extend to 35 years for development and production phases.

The concession agreements were signed by His Excellency, Dr. Sultan Ahmed Al Jaber, UAE Minister of State and ADNOC Group CEO, Claudio Descalzi, CEO of Eni and Phongsthorn Thavisin, President and CEO of PTTEP.

H.E. Dr. Al Jaber said: "These historic agreements on the first blocks to be awarded following a competitive bidding process, represent a major advancement in how Abu Dhabi and ADNOC unlocks and maximizes value from its substantial hydrocarbon resources, in line with the Leadership's directives".

“The awards underline ADNOC’s 2030 smart growth strategy and our targeted approach to engage with value-add partners who can contribute the right combination of capital, technology and capabilities to accelerate the development of Abu Dhabi’s hydrocarbon resources as the company strives to deliver long-term and sustainable returns to the UAE and continues to reliably respond to the world’s growing needs for energy”.

“This award builds on ADNOC’s and Eni’s growing partnerships on various fronts, broadens ADNOC’s strategic partnership base as we add, for the first time, Thailand’s PTTEP, and reinforces the confidence the international community places on the UAE’s stable and secure and investment environment.”

Claudio Descalzi said: “This award represents a new important step towards Eni’s expansion in one of the world leading region for the oil and gas industry, not only by participating in producing fields, but also by exploring new blocks. In particular, Offshore Blocks 1 and 2 are extremely important thanks to the virtuous synergies they will have with Ghasha offshore concession. This further reinforces the partnership between Eni and ADNOC and Eni will make available its exploration expertise and leading edge technology to untap additional resources in the offshore of Abu Dhabi”.

The exploration phase will also see Eni and PTTEP leverage as well as contribute financially and technically to ADNOC’s mega seismic survey, - the world’s largest continuous 3D onshore and offshore seismic survey, that is deploying industry-leading technologies to capture high-resolution three-dimensional (3D) images of complex subsurface structures, up to 25,000 feet below the surface, which will be used to identify potential hydrocarbon reservoirs.

Earlier in 2018, Eni was also awarded a 10 percent stake in the Umm Shaif and Nasr Offshore concession plus a 5 percent stake in the Lower Zakum concession as well as recently a 25 percent stake in Ghasha concession.

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

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