



Eni reaches agreement with partners to amicably resolve the disputes affecting Union Fenosa Gas allowing the restart of the Damietta liquefaction plant in Egypt

Cairo, 27 February 2020 - Eni signed today a series of agreements with the Arab Republic of Egypt (ARE), the Egyptian General Petroleum Corporation (EGPC), the Egyptian Natural Gas Holding Company (EGAS) and the Spanish company Naturgy, which pave the way for the restart the Damietta liquefaction plant in Egypt by June 2020.

The liquefaction plant's owner is the company SEGAS, which is 40% owned by Eni through Union Fenosa Gas (50% Eni and 50% Naturgy). The plant has a capacity of 7.56 billion cubic meters per year, but has been idle since November 2012.

Also thanks to the fast time to market of Eni's new natural gas discoveries, especially the ones in the Zohr and Nooros fields, Egypt has regained its full capacity to meet domestic gas demand and can allocate surplus production for export through its LNG plants.

The agreements provide for the amicable resolution of the pending disputes of Union Fenosa Gas and SEGAS with EGAS and ARE, and the subsequent corporate restructuring of Union Fenosa Gas, whose assets will be divided between the shareholders Eni and Naturgy.

In particular, the participation of Union Fenosa Gas in the Damietta plant (80%) will be transferred 50% to Eni and 30% to EGAS. The resulting shareholding of SEGAS will therefore be Eni 50%, EGAS 40% and EGPC 10%. Eni will also take over the contract for the purchase of natural gas for the plant and will receive corresponding liquefaction rights, thus increasing the volumes of LNG in its portfolio by 3.78 billion cubic meters per year, which will be available on an FOB basis, with no destination restrictions.

As regards Union Fenosa Gas' assets outside Egypt, Eni will take over the commercial activities of natural gas in Spain, strengthening its presence in the European gas market.

Today's operation strengthens Eni's presence in the East Mediterranean, a key region for the supply of natural gas – a fuel that is instrumental for the energy transition. It allows to reinforce Eni's strategic objectives in terms of growth of its LNG portfolio, in particular in Egypt, where the Company is the main gas producer.

The effectiveness of the agreements is subordinated to the occurrence of certain conditions precedent.

The agreement is of primary relevance for all the parties involved and resolves all pending disputes. In particular, Egypt continues along the path of valorization of the important energy resources developed in the country by Eni and reactivates a strategic asset for the country, while Eni completes an important reorganization of its portfolio of activities in the Mediterranean area.

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