



PRICE SENSITIVE

Eni remains committed to its decarbonization strategy, revises long-term prices assumptions, having assessed the disruptions in the trading environment due to COVID-19

- Strategy and implementation actions to reduce the Company's carbon footprint confirmed, and possibly speeded up;
- Long-term prices assumptions for Brent crude oil set at \$60 /barrel (from 2023 onwards, in real terms), compared to \$70/barrel previously

Claudio Descalzi, Eni's CEO, commented:

"We confirm our strategy to become a leader in the decarbonization process, notwithstanding the enduring impacts of the COVID-19 pandemic on the global economy and the Company. We are assessing how to speed up our plans. This ongoing evolution will allow the Company to achieve a better balanced portfolio, reducing the exposure to the volatility of hydrocarbon prices, while progressing towards our targets of sustainability and profitability. Our changed long-term assumptions, reached four months after the outbreak of the COVID-19 pandemic, reflect our current expectations about future prices and will be incorporated in our processes of capital allocation."

Rome, 6 July 2020 – Following the assessment of the disruptions in the trading environment due to Covid-19 pandemic, Eni confirms the long-term strategy presented at the end of February 2020 setting out the evolution of the Company in the next 30 years that will allow Eni to be a leader in the market supplying decarbonised products and actively contributing to the energy transition process, thus combining targets of returns and environmental

sustainability. The market developments linked to the spread of the COVID-19 pandemic have made even more compelling the robustness of our strategic path and of our long-term choices.

The distinctive element of this strategy – as Eni already announced to the market - is the fixed 2050 absolute emissions reduction target of 80% covering all of the Company's products, which is well above the 70% threshold indicated by the IEA in the Sustainable Development Scenario that tracks the reduction of emissions compatible with the Paris Agreement. The even more sustainable evolution of Eni's business model is underpinned by maintaining rigorous financial discipline in capital allocation and a robust capital structure.

Having considered the prospect of the pandemic having an enduring impact on the global economy and the energy scenario, Eni has revised its view of market fundamentals to factor in certain emerging trends. In Particular, the Company has revised its forecast for hydrocarbon prices, which are the main driver of capital allocation decisions and of the recoverability assessment of the book values of Eni's non-current assets.

Revision of the 2020-2024 and long-term pricing scenario

The revised scenario adopted by Eni foresees a long-term price of the marker Brent of 60 \$/barrel in 2023 real terms compared to the previous assumption of 70 \$/barrel. For the years 2020-2022, Brent prices are expected respectively at 40, 48 and 55 \$/barrel (compared to the previous assumptions of 45, 55 and 70 \$/barrel).

The price of natural gas at the Italian spot market "PSV" is estimated at 5.5 \$/mmBTU in real terms 2023 compared to the previous assumption of 7.8 \$/mmBTU. For the years 2020-2022 it is expected respectively at 3.0, 4.6 e 5.2 \$/mmBTU (previously 3.9, 5.1 and 7.3 \$/mmBTU). Long-term refining margins in the Mediterranean area are confirmed slightly lower than 5 \$/barrel.

Impact on the Group's financial statements

Eni's impairment assessments are in progress and it is not possible at this time to precisely determine the impact of the revised impairment testing price assumptions on the group's financial statements.

Based on information available to management and on the current progress of assessments, Eni currently expects to record in the results of the second quarter 2020 estimated non-cash, post-tax impairment charges against non-current assets, including a devaluation of tax credits recorded in connection with tax-losses carryforwards, of € 3.5 billion, plus/minus 20%. At its

mid-point, this estimation represents a limited decrease of around 4% in the value of non-current assets.

Pre-tax impairment charges estimated at € 2.8 billion relate for € 2 billion to upstream assets, with the remaining charges to be recorded in the refining business. Management does not expect any impairment charge against the value of explorations assets triggered by the revision of the pricing scenario.

The reduction in tax credits of € 0.7 billion is due to an impairment loss recorded at tax-losses carryforwards net of the tax effects associated with the charges recorded against the book values of property, plant and equipment.

The ultimate amount of the above mentioned estimated impairment losses are expected to be recorded in Eni's consolidated results for the second-quarter 2020 due to be released on July 30, 2020 and in Eni's interim consolidated financial report for the first half of 2020 due to be published by the first week of August upon completion of a limited review by the Group's Independent external Auditors.

Company Contacts:

Press Office: Tel. +39.0252031875 – +39.0659822030
Freephone for shareholders (from Italy): 800940924
Freephone for shareholders (from abroad): + 80011223456
Switchboard: +39-0659821

ufficio.stampa@eni.com
segreteria.societaria.azionisti@eni.com
investor.relations@eni.com

Web site: www.eni.com

