



Eni expands its presence in UAE with the award of a majority stake and operatorship in Offshore Block 3, one of Abu Dhabi's largest offshore exploration concessions

The block has been awarded following Abu Dhabi's second competitive block licensing round aimed to unlock value from its substantial hydrocarbon resources

Abu Dhabi (UAE), 21 December 2020 - Eni signed today a Concession Agreement for the acquisition of a 70% stake in the Exploration Offshore Block 3, leading a consortium including a wholly owned subsidiary of Thailand's PTT Exploration and Production Public Company Limited (PTTEP) with the remaining 30% stake.

Offshore Block 3, located in the north-west offshore of the Abu Dhabi Emirate, is the largest area to be awarded among those blocks that were offered for commercial bidding by ADNOC in May 2019 as part of Abu Dhabi's second competitive block licensing round.

Under the terms of the agreements, Eni will operate the concession to explore for oil and gas and appraise the existing discoveries in the block, which covers an area of approximately 11,660 square kilometers. The exploration phase of the agreement has a maximum period of up to 9 years and, subject to successful exploration, an overall concession term will extend to 35 years from commencement of the exploration phase for development and production phases in which ADNOC has the option to hold a 60% stake.

New state of the art 3D seismic data has already been acquired for a part of the block, which is in close proximity to existing large oil and gas producing and under development fields, in part participated by Eni, and that is estimated to have a

promising potential. The near-field nature of the exploration targets will allow to exploit the synergies with the nearby existing infrastructure.

The exploration concession agreement was signed by His Excellency Dr. Sultan Ahmed Al Jaber, UAE Minister of Industry and Advanced Technology and ADNOC Group CEO; Claudio Descalzi, CEO of Eni; and Phongsthorn Thavisin, CEO of PTTEP.

H.E. Dr. Al Jaber said: “This concession award reinforces ADNOC and Eni’s growing partnership across our value chain and deepens our relationship with Thailand’s PTTEP, one of the key markets for our crude oil and products. This again validates our targeted approach to value-add partnerships that contribute the right combination of capital, technology, capabilities and market access to accelerate the development of Abu Dhabi’s hydrocarbon resources. Despite volatile market conditions, we are making very good progress in delivering Abu Dhabi’s second competitive block bid round, underscoring our world-class resource potential and the UAE’s stable and reliable investment environment. We continue to welcome partners that share our vision to sustainably unlock value from our hydrocarbon resources for our mutual benefit, as we deliver on our 2030 strategy and enable long-term returns to the UAE.”

Claudio Descalzi, Eni CEO, said: “This award follows the one achieved by the same consortium in 2019 for offshore exploration Blocks 1 and 2 and represents a further important step towards the realisation of Eni’s strategy to become a leading actor in the development and production in Abu Dhabi, a leading region for the oil and gas industry, while contributing through its expertise in exploration to add further resources and exploit all potential synergies with the surrounding fields. It also further strengthens our relationship with our valuable partner PTTEP. Offshore Block 3 represents a challenging opportunity that can unlock significant value thanks to exploration and appraisal of shallow and deep reservoirs”.

Phongsthorn Thavisin, PTTEP CEO, said: “This concession award offers another great opportunity for PTTEP to strengthen collaboration with world class strategic partners Eni and ADNOC. The consortium will bring capabilities, experiences and technology to accelerate the development of Offshore Block 3, as well as Offshore Blocks 1 and 2, and lead to a successful discovery. The strategic partnership has been established

to jointly contribute to the petroleum development in UAE and be part of the growing industry. Such approach aims to sustainably increase both petroleum reserves and production in the future.”

Eni has been present in Abu Dhabi since 2018 with a 10% stake in the Umm Shaif and Nasr Offshore concession plus a 5% stake in the Lower Zakum concession as well as 25% stake in Ghasha concession that is approaching final FID. Current equity production is around 50,000 bbl/day, in line with the current quotas agreed by OPEC+ members. In 2019 Eni was awarded in the first Abu Dhabi competitive bid round two offshore exploration concessions, Offshore Blocks 1 and 2. Eni is also a shareholder with a 20% equity interest in ADNOC Refining. Eni in the UAE is also present in the Emirate of Sharjah and Ras Al Khaimah.

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