



Eni and Progressive Energy join forces to accelerate UK CCS development

Boost for HyNet North West low carbon cluster as Eni and Progressive Energy move forward with carbon capture and storage plans to help UK decarbonisation

London, 27 May 2021 - Eni and Progressive Energy Limited have announced the signing of a framework agreement to further accelerate carbon capture and storage (CCS) within the HyNet North West low carbon cluster project.

Under the agreement, Eni will develop and operate both the onshore and offshore transportation and storage of CO₂ in their Liverpool Bay assets, whilst Progressive Energy will lead and coordinate the capture and hydrogen aspects of the project on behalf of HyNet North West, thereby linking together the sources of CO₂ emissions to Eni's transportation and storage infrastructure.

Memoranda of understanding in respect of the capture and storage of future CO₂ emissions across the region have been signed between Eni and multiple industrial companies who wish to reduce their CO₂ emissions through HyNet North West.

The agreement is a key milestone for the nationally important project. Driving forward the clean fuel transition, HyNet North West will substantially reduce CO₂ emissions and create new green jobs across the North West of England and North Wales, both through the capture and storage of emissions from industry (the element Eni is participating in and leading), and through the supply of low carbon hydrogen as an alternative to fossil fuels.

The HyNet project is essential for UK Government to achieve several objectives within its recently announced 10-Point Plan for a Green Industrial Revolution, as well as the local net zero targets of Cheshire West & Chester in 2045, Liverpool City Region in 2040 and Greater Manchester in 2038.

This agreement is the latest in a run of important milestones for HyNet North West partners as they work to transform the North West into the world's first low carbon cluster. In October 2020, Eni was awarded a CO₂ storage appraisal licence which targets Eni's offshore fields in Liverpool Bay to be utilised as a permanent store for CO₂. Earlier this year Eni established a new company 'Liverpool Bay CCS Limited', a wholly owned affiliate of Eni, to be the entity for future licenced operations under the Government's envisaged regulated regime for CO₂ transport and storage. The project was given a further boost when it secured a funding commitment of £72 million in March 2021. The funding comprised of £33m from UK Research and Innovation (UKRI) through the Industrial Decarbonisation Challenge (IDC) fund, and £39m of contributions from the HyNet consortium.

Philip Hemmens, Eni's Head of North Europe Region Management said: *"Our agreement with Progressive Energy is a critical part of the efforts being made through HyNet North West. Taking advantage of the unique location of our Liverpool Bay infrastructure, next to the industrial heartlands of the North West and North Wales, HyNet will transform one of the most energy-intensive industrial districts in the UK into the world's first low carbon industrial cluster. It will play a crucial role in the target of Net Zero emissions at 2050. The project is fully aligned with Eni's commitment to energy transition, decarbonisation and the circular economy. It will help to ensure that we can play our part in the UK Net Zero targets, delivering value through the re-use of our Liverpool Bay infrastructure for CO₂ storage".*

David Parkin, Director of Progressive Energy and HyNet NW Project Director, said: *"We are extremely pleased to have reached yet another important milestone in the development of the HyNet North West low carbon cluster. The North West industrial cluster stretches from Flintshire and Wrexham, through Cheshire, Liverpool City Region and Greater Manchester into Lancashire. It boasts the largest concentration of advanced manufacturing and chemical production in the UK and is home to the most manufacturing jobs of any UK region. However, this level of industry brings with it an environmental problem – high levels of CO₂ emissions. HyNet is the region's route to the decarbonising of its industry, from as soon as 2025. It will create the UK's first low carbon cluster shaping the region's future as a leader in green growth and clean industrial innovation."*

Notes to Editors

HyNet North West

HyNet North West is a significant clean growth opportunity for the UK. It is a low cost, deliverable project which meets the major challenges of reducing carbon emissions from industry, domestic heat and transport.

HyNet North West is based on the production of hydrogen from natural gas. It includes the development of a new hydrogen pipeline, and the creation of the UK's first carbon capture, and storage (CCS) infrastructure. CCS is a vital technology to achieve the widespread emissions savings needed to meet the 2050 carbon reduction targets.

Accelerating the development and deployment of hydrogen technologies and CCS through HyNet North West positions the UK strongly for skills export in a global low carbon economy.

The North West is ideally placed to lead HyNet. The region has a history of bold innovation, and today, clean energy initiatives are thriving. On a practical level, the concentration of industry, existing technical skill base and unique geology means the region offers an unparalleled opportunity for a project of this kind.

The new infrastructure built by HyNet is readily extendable beyond the initial project, and provides a replicable model for similar programmes across the UK.

The HyNet North West hydrogen and carbon capture and storage project is being developed by a world-class consortium of regionally located partners, Progressive Energy, Cadent, CF Fertilisers, Eni, Essar, Hanson, INOVYN (part of the INEOS Group) and the University of Chester.

www.hynet.co.uk

Eni UK

Eni is an energy company operating in 66 countries worldwide and employing around 32,000 people. Eni's mission is inspired by the UN 2030 Agenda and these values are reflected in its business model, itself based on three pillars of long-term carbon neutrality, operational excellence and the creation of alliances for local development.

Decarbonisation is structurally embedded in Eni's overall strategy with the new target of Net Zero emissions at 2050. Through several projects Eni UK is actively supporting the UK 10 Point Plan.

Eni is active in the UK as operator of the Liverpool Bay Area project in North Wales, for which it was recently awarded a CO₂ appraisal and storage licence by the Oil and Gas Authority. Eni is working in Carbon Capture projects in collaboration with partners on the HyNet North West project and Northern Endurance Partnership (NEP).

In December 2020 Eni entered the UK offshore wind market for electricity production through the acquisition of a 20% stake from Equinor and SSE Renewables of the Dogger Bank project, which, at full capacity, will be the world's largest wind project of its kind.

www.eni.com

Progressive Energy

Progressive Energy are experts in project development and implementation with extensive experience of overcoming the technical and commercial challenges associated with bringing new technologies to market.

The team is passionate about tackling climate change by creating meaningful and deliverable projects. Progressive Energy translate innovative technologies, such as hydrogen and carbon capture, and storage (CCS), into concepts and ideas all the way through to their deployment to make a material difference to climate change.

Progressive Energy leads and coordinates the capture and hydrogen aspects of the project on behalf of Hynet North West. They are also leading a number of supporting projects, including the HyDeploy hydrogen blending project, the HyNet hydrogen supply project and the HyNet industrial fuel switching project.

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