



Azule Energy, Angola's new largest independent oil and gas producer, begins operations

- *Formation of joint venture, owned 50:50 by bp and Eni, complete*
- *Combines both companies' Angolan upstream, LNG and solar businesses*

San Donato Milanese (Milan), 2 August 2022 - bp and Eni are pleased to confirm that Azule Energy, the new 50/50 independent joint venture combining the two companies' Angolan businesses, has been officially established.

Azule Energy is now Angola's largest independent equity producer of oil and gas, holding 2 billion barrels equivalent of net resources and growing to about 250,000 barrels equivalent a day (boe/d) of equity oil and gas production over the next 5 years. It holds stakes in 16 licences (of which 6 are exploration blocks) and a participation in Angola LNG JV. Azule Energy will also take over Eni's share in Solenova, a solar company jointly held with Sonangol, and the collaboration in the Luanda Refinery.

Azule Energy boasts a strong pipeline of new projects that are scheduled to come on stream over the next few years, growing organically from exploration discoveries. These include the Agogo Full Field and PAJ oil projects in Blocks 15/06 and 31 respectively, and the New Gas Consortium (NGC), the first non-associated gas project in the country, which will support the energy needs of Angola's growing economy and strengthen its role as a global LNG exporter. The JV also holds significant exploration acreage in excess of 30,000 sqkm in Angola's most prolific basins, allowing it to leverage proximity with existing infrastructures.

Azule Energy's leadership team draws on experience and expertise from both parent companies. The leadership team will report to a six-person board comprising three bp and three Eni representatives, reflecting the ownership share of the company. All bp Angola and Eni Angola staff have joined Azule Energy.

Eni and bp share common goals for Azule Energy in achieving environmental and sustainability ambitions. They believe that combining their efforts will create more efficient operations and offer the potential for increased investment, job creation and growth in Angola. They anticipate Azule Energy's new independent, integrated operating model will unlock significant cost savings, mainly from operational synergies in logistics and technology.

The JV incorporation takes place after the pending conditions were met, among them having secured a third-party financing of \$2.5 billion in the form of Pre-Export Financing, and after receiving regulatory approvals.

Bernard Looney, bp's chief executive, said: "The formation of Azule Energy is an important step for bp, Eni and Angola. Combining our Angolan businesses and drawing on both bp's and Eni's expertise, it will continue to safely and efficiently develop Angola's resilient hydrocarbon resources and pursue new opportunities in oil and gas and other energies. Azule

Energy continues our commitment to Angola and will create real value for both the companies and the country.”

Claudio Descalzi, CEO of Eni, said: "This is an important milestone for Eni, marking a step forward in Eni’s strategy of enhancing all our best assets. A new, strong entity is born, which combines our experience, skills and technologies with those of our partner bp, putting them at the service of the development of Angolan energy resources, with a priority commitment to environmental protection and the growth of local economy."

Adriano Mongini, CEO of Azule Energy, said: “I feel honored to be the first CEO of the company. Together with a highly competent and motivated leadership team we are committed to develop the full potential of the company portfolio of development and exploration opportunities. With finance discipline and focus on HSE, Azule Energy will maximize the value of the assets for the benefit of Angola and the of the shareholders.”

Health, safety and environmental performance, project delivery and production efficiency will be priority areas for the new venture. Azule Energy will maintain access to world-class technologies and best practices through focused technical support from Eni and bp. It will also continue bp’s and Eni’s social investment commitments in Angola.

After announcing the intent to form the joint venture in May 2021, bp and Eni worked closely with the Angolan government, and Azule Energy’s formation was subject to all customary governmental and other approvals.

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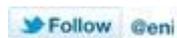
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Notes to editors

- *Azule Energy is an incorporated joint venture owned equally by Eni and bp that combines the two companies' Angolan businesses.*
- *The main assets now transferred to Azule Energy are:*
 - *From bp: operated Blocks 18 and 31 offshore Angola, and non-operated stakes in blocks 15, 17, 18/15, 29 and NGC, and a participation in Angola LNG JV.*
 - *From Eni: operated Blocks 15/06, Cabinda North, Cabinda Centro, 1/14, 28 and soon NGC. In addition, stakes in non-operated blocks 0 (Cabinda), 3/05, 3/05A, 14, 14 K/A-IMI, 15 and participations in Angola LNG and, prospectively, Solenova JVs.*
- *In 2021 bp's total production in Angola was approximately 100,000 boe/d. Eni's total production in Angola was approximately 100,000 boe/d. Both bp's and Eni's equity share of Azule Energy's production is expected to be approximately 100,000 boe/d.*
- *The value of the bp gross assets that are the subject of this transaction as at 31 December, 2021 was approximately \$6.8 billion and in the year ended 31 December 2021, the assets generated a pre-tax profit of approximately \$1.1 billion.*
- *The value of the Eni gross assets that are the subject of this transaction as at 31 December, 2021 was approximately \$7.3 billion and in the year ended 31 December, 2021, the assets generated a pre-tax profit of approximately \$0.5 billion.*
- *Under the terms of the agreement each of bp and Eni will receive a 50% shareholding in Azule Energy. Hydrocarbon production, GHG emissions and reserves will be reported on an equity share basis.*