



## **Eni finalizes an agreement with Cadogan Petroleum to farm-in two exploration and development licenses in Ukraine**

*San Donato Milanese, 13 April 2011* - Eni has reached an agreement with Cadogan Petroleum plc to farm-in two exploration and development licenses located in the prolific Dniepr-Donetz basin, one of the most promising in Ukraine.

The agreement, which is in line with Eni's strategy of strengthening its position in East Europe, will enable the Company to acquire 30% with an option to increase its participation up to 60% in the Pokrovskoe exploration licence. The company will also acquire a 60% interest in the Zagoryanska licence.

In the initial period, Eni will fund a work program of approximately \$30 million including drilling and seismic re-processing, plus a consideration of a \$38 million payment. Subject to successful results from these programs, the definition of a development plan and the award of the production licences, Eni will pay further amounts of up to \$90 million within the next year.

Cadogan and Eni intend to immediately progress with an appraisal campaign on both blocks to fully evaluate hydrocarbons encountered in previous drilling operations. The planned work program includes a drilling and workover campaign to put up to four wells on stream within the current year and to prepare a full field development plan on the basis of the ongoing studies.

The licenses will be operated through a joint operating structure which has already been agreed by the companies.

This agreement, following the signing of a Memorandum of Understanding with the Ministry of Ecology and Natural Resources of Ukraine on March 25th, confirms Eni's interest in the Country and consolidates its presence in Eastern Europe following its entrance in to Poland in 2010.

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