



Eni and PDVSA advance in Orinoco project

Caracas, 15 July 2011 – The Minister of Energy and Petroleum of Venezuela and President of PDVSA, Rafael Ramírez and Eni's CEO Paolo Scaroni, met yesterday in Caracas to discuss the significant joint projects between PDVSA and Eni in Venezuela.

In particular, the primary topic of discussion was the development of the Junín 5 heavy oil block, located in the Faja of Orinoco, which holds 35 billion barrels of certified oil in place and is operated by two mixed enterprises (*PetroJunín* for the upstream and *PetroBicentenario* for the downstream) owned 60% PDVSA, 40% Eni.

The development plan calls for an early production phase of 75,000 barrels of oil per day starting in late 2013, and a full phase of 240,000 barrels of oil per day in 2018, along with the construction of a new refinery on the coast, in Jose.

In yesterday's meeting PDVSA and Eni also discussed options to anticipate the early production start up in late 2012 using synergies with existing PDVSA facilities to transport an initial gross production of 7 to 10 kbopd. *PetroJunín* expects to award the main engineering contracts for the EP phase (processing facilities and pipelines) and the drilling contracts in 3Q 2011. It is anticipated that approximately 10 wells will be drilled this year. In addition, by year end the award of the engineering contract for the downstream (refinery) is also planned.

Eni agreed to finance PDVSA's share of development costs for Junín 5's early production phase up to a total of \$1.5 billion USD.

As a social project to help the country, Eni will dedicate a tranche of the Junín 5 bonus and make additional financing to PDVSA for a combined total of \$500 million USD, dedicated to fund a power station to be built in the Güiria peninsula.

In Venezuela, Eni is co-operator with a 50% stake, in the Cardon IV Operating Company which manages the offshore block where the super-giant Perla gas field is located. Perla has over 16 Tcf of estimated gas in place (2.9 billion barrels of oil equivalent). *Cardon IV* completed the FEED for the early production phase (300 MMscf/d) and is discussing a gas sales agreement with PDVSA.

Eni is also present in Venezuela through its participation in *Petrosucre* (PDVSA 74%, Eni 26%), the company which operates the Corocoro oil field.

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