



Eni signs an agreement with the Republic of Kazakhstan for the settlement of existing disputes and the entry of KMG in the KPO consortium

San Donato Milanese (Milan), 14 December 2011 – Today in Astana, the companies forming the Karachaganak Petroleum Operating B.V consortium (KPO): Eni (co-operator 32,5%), BG Group (co-operator 32,5%), Chevron (20%) and Lukoil (15%), signed a binding agreement with the Republic of Kazakhstan for the settlement of all the existing disputes and the entry of the national oil company KazMunaiGaz (KMG) in the consortium.

The agreement signed today represents a further step forward towards the strengthening of the cooperation between the parties to support the future development phases of the field that will result in a material increase of the current production.

KMG will acquire a 10% stake in the project which will be released pro rata by all the members of the consortium for a net consideration of 1 billion dollars. The payment will be financed through a loan provided by the consortium to the Republic of Kazakhstan. The loan will be secured and re-paid from the revenues on the 10% equity interest acquired by KMG.

As part of the agreement the Republic of Kazakhstan will allocate up to 2 million metric tons per year of preferential capacity rights in the CPC for transportation of liquids produced by the Karachaganak field until the end of the concession agreement in 2037.

The transaction is expected to be completed and to become effective by the 30th of June 2012.

Karachaganak is a liquid and gas giant field with recoverable reserves of 5 bboe. In 2010, production of the Karachaganak field averaged 228 kbbl/d of liquids (65 net to Eni) and 812 mmcf/d of natural gas (237 net to Eni).

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