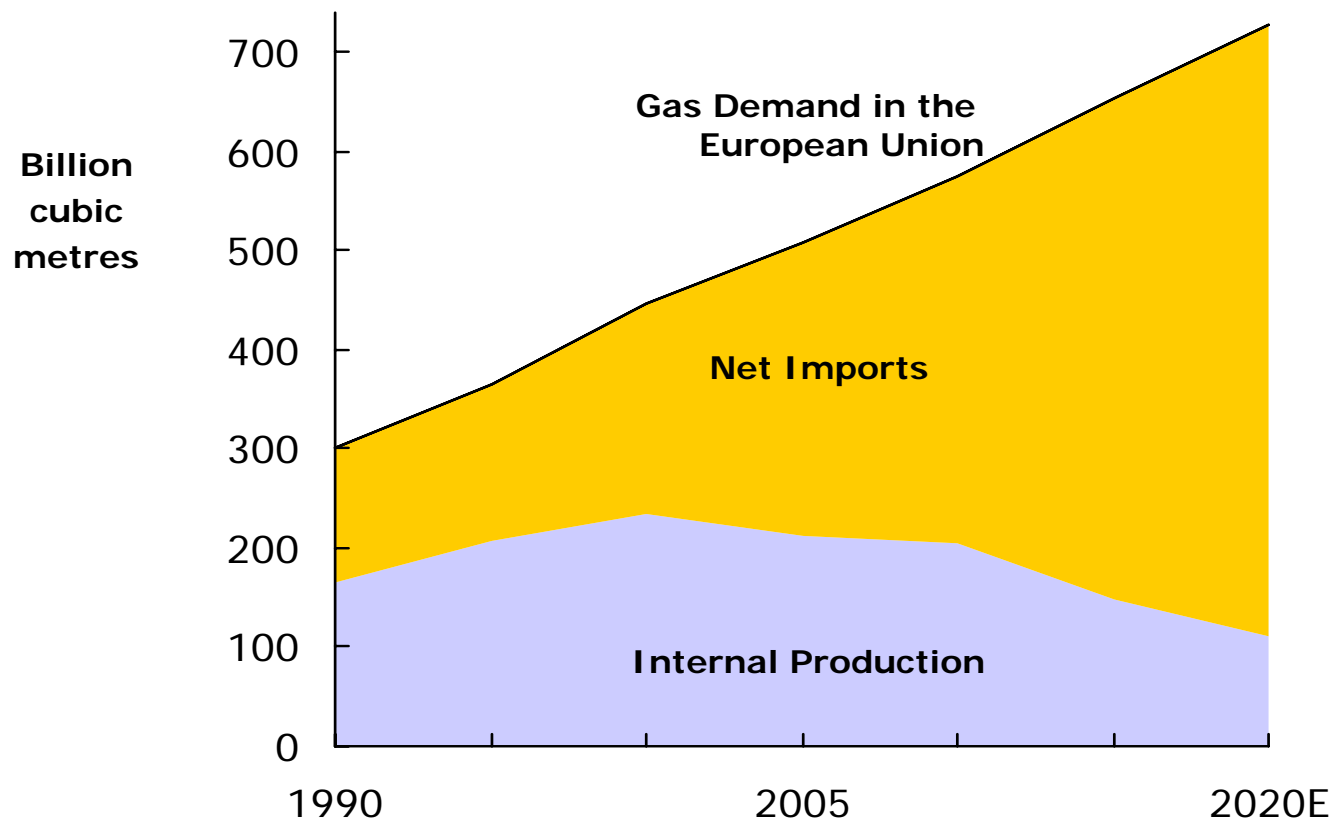


The South Stream project

Rome, 23 June 2007



Gas in the European Union: growing demand, decreasing internal production



Imports could increase by 220 bln cubic metres from 2015



* Countries considered: EU 25 (excluding Cyprus, Estonia, Latvia, Lithuania, Malta, Slovenia) and Switzerland. Source: IEA historical figures, forecasts by Eni Department of Studies



The South Stream Project

- New gas pipelines from Russia to the European Union across the Black Sea
- The transport capacity will be defined following market and technical analyses
- More than 900 km in the offshore section at a maximum water depth of over 2,000 metres starting from Beregovaya, the same starting point of the Blue Stream pipeline (successfully built by Gazprom, Eni and Saipem)
- Two different onshore routes following entry in Bulgaria
- Use of the most advanced technologies in compliance with environmental standards
- Saipem has already started a preliminary study:
 - first cost estimate in line with the LNG chain
 - project completion in less than 3 years (transit deals excluded)



The route through the Black Sea



The South Stream: a Project for the European Union

- Increase gas import capacity for the European Union
- Expansion of the EU gas transport network
- Better interconnection between Eastern and Western Europe
- Improved flexibility of the EU gas system
- Project submitted to the European Commission and to countries involved
- South Stream will not interfere with other ongoing projects across Europe

A significant step towards strengthening security
of energy supply for the European Union



A further step in implementing the agreements between Eni and Gazprom

- The project is part of the agreement reached by Eni and Gazprom in November 2006
- Eni and Gazprom will:
 - study technical and economic feasibility
 - carry out the necessary analysis of the political and regulatory framework
- Gazprom will guarantee gas supplies with conditions that ensure the financial viability of the project
- Eni and Gazprom will carry out market studies to evaluate marketing opportunities along the routes and in the end markets
- Potential for Eni to monetize its gas production in Russia

**An integrated project which further strengthens the alliance
between Eni and Gazprom**



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