



# Sanford C. Bernstein Strategic decisions conference 2010

September 21<sup>st</sup>, 2010

# disclaimer

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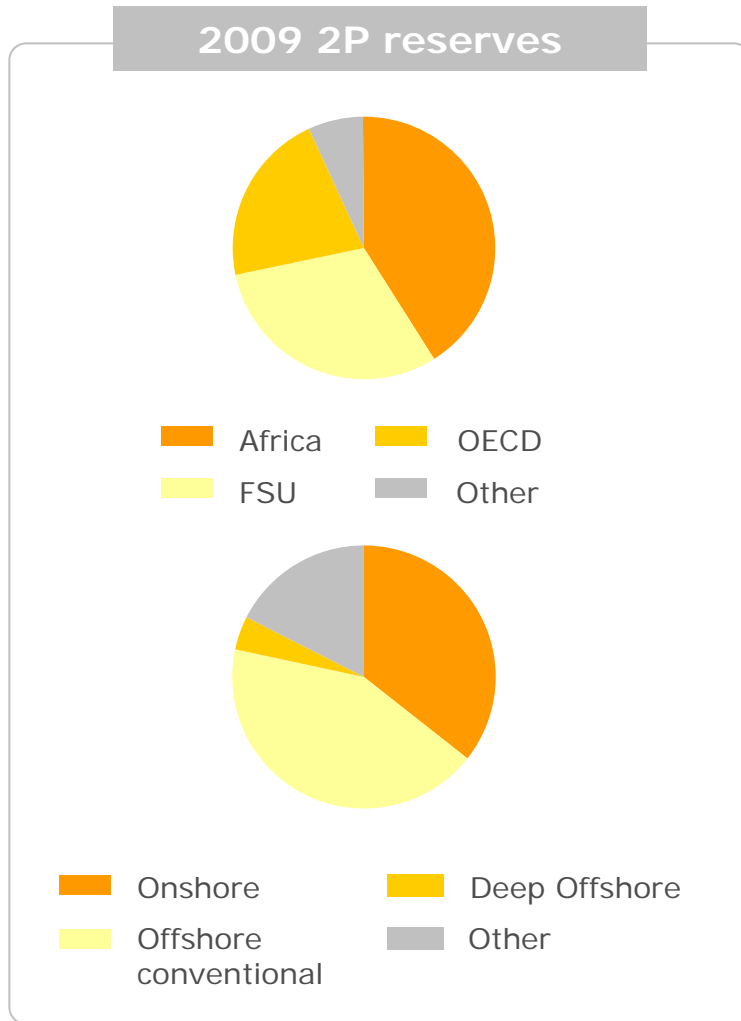
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- **E&P: build on enhanced portfolio**
  - More production
  - More giants
  - More operatorship
  
- **G&P: leverage on European leadership**
  - Grow gas sales
  - Strengthen market share
  - Preserve profitability
  
- **R&M: limit exposure**
  - Improve cost position
  - Grow market share in Italy
  - Upgrade of marketing network



# E&P: more reserves

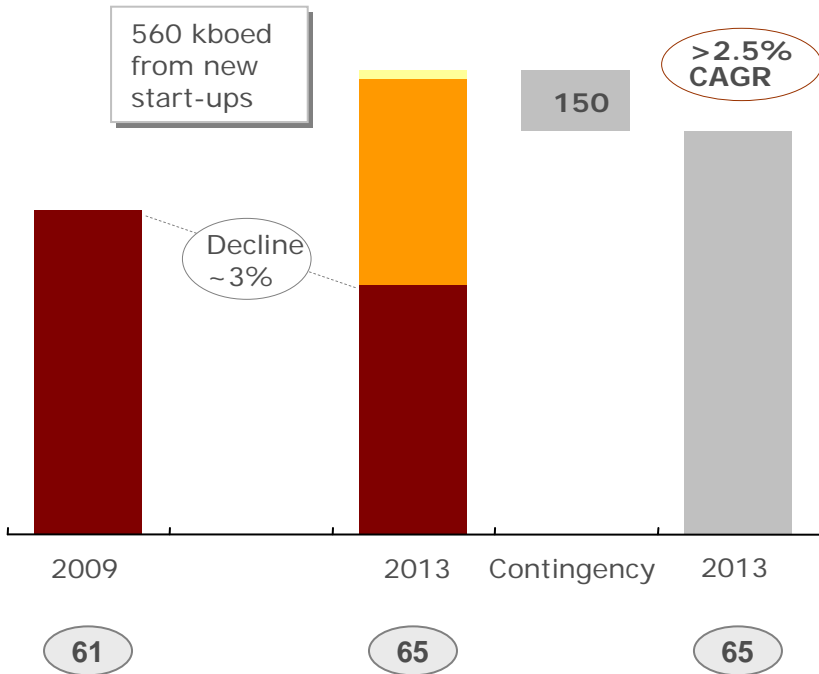


- Balanced portfolio in:
  - Legacy areas
  - Giant fields
  - Conventional plays

**Unlocking upside  
from 30 Bboe  
resources**

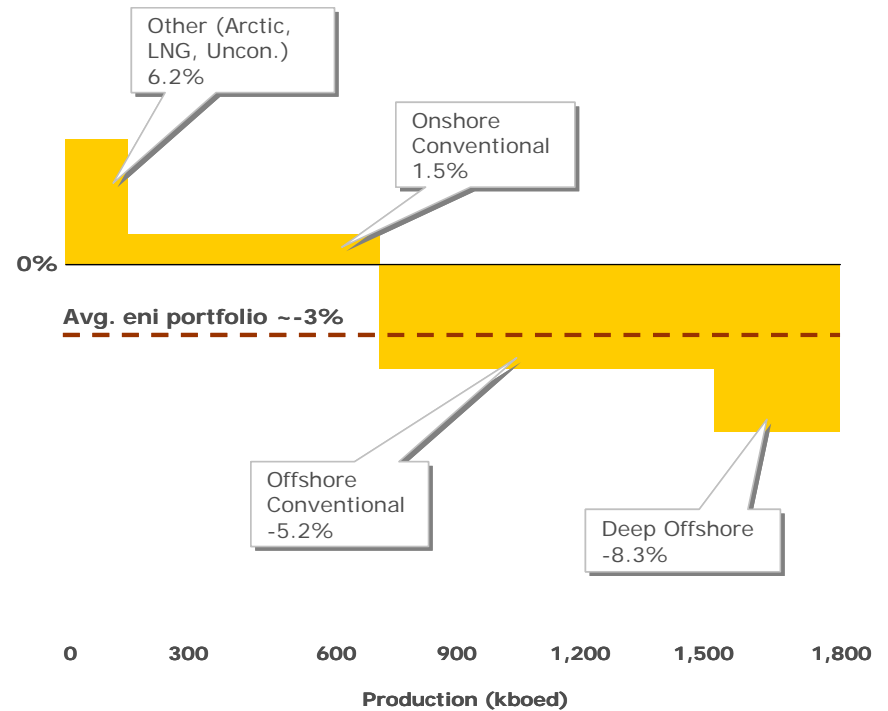
# more production

Production profile to 2013 (kboed)



○ Brent \$/bl year average

Depletion 2009-2013 - by play

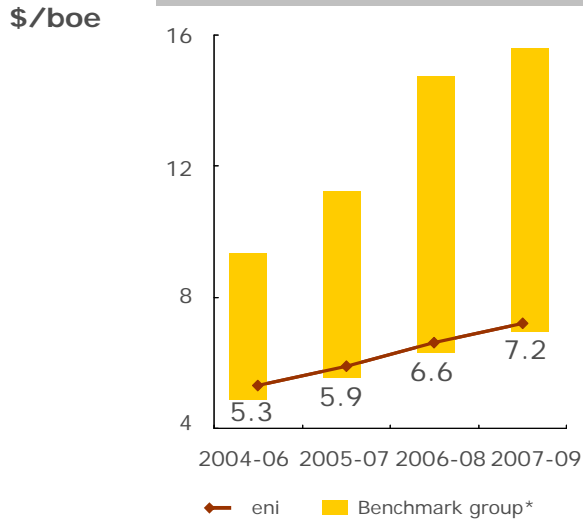


>500 kboed or 90% of new equity production @ 2013 sanctioned by 2010

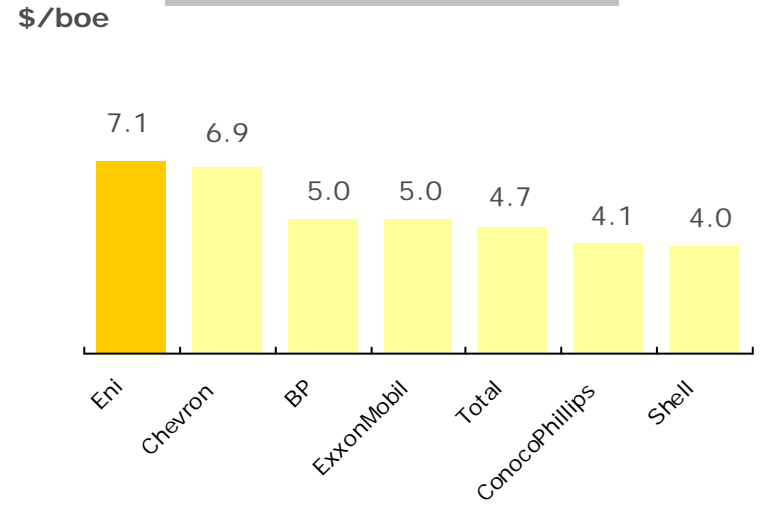


# more value

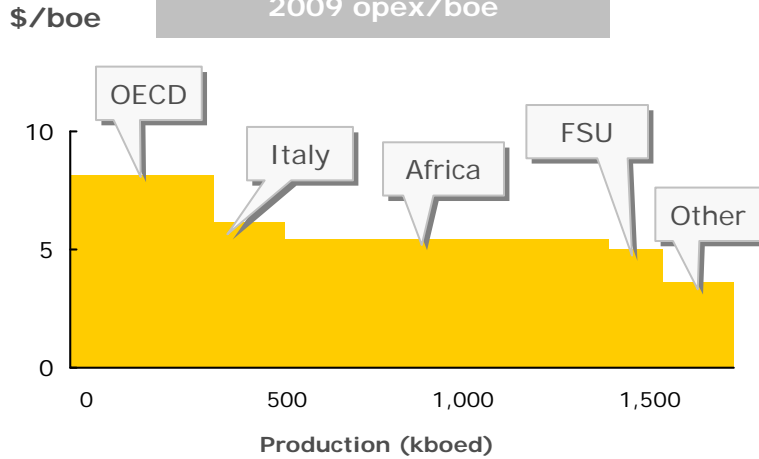
Lifting costs



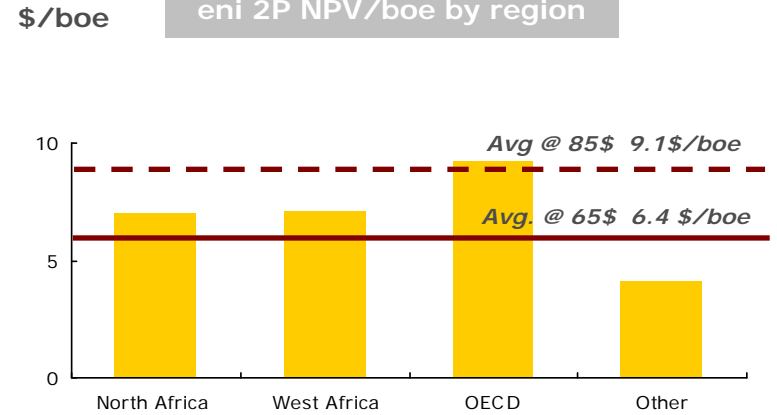
PV10 of P1 reserves\*\*



2009 opex/boe

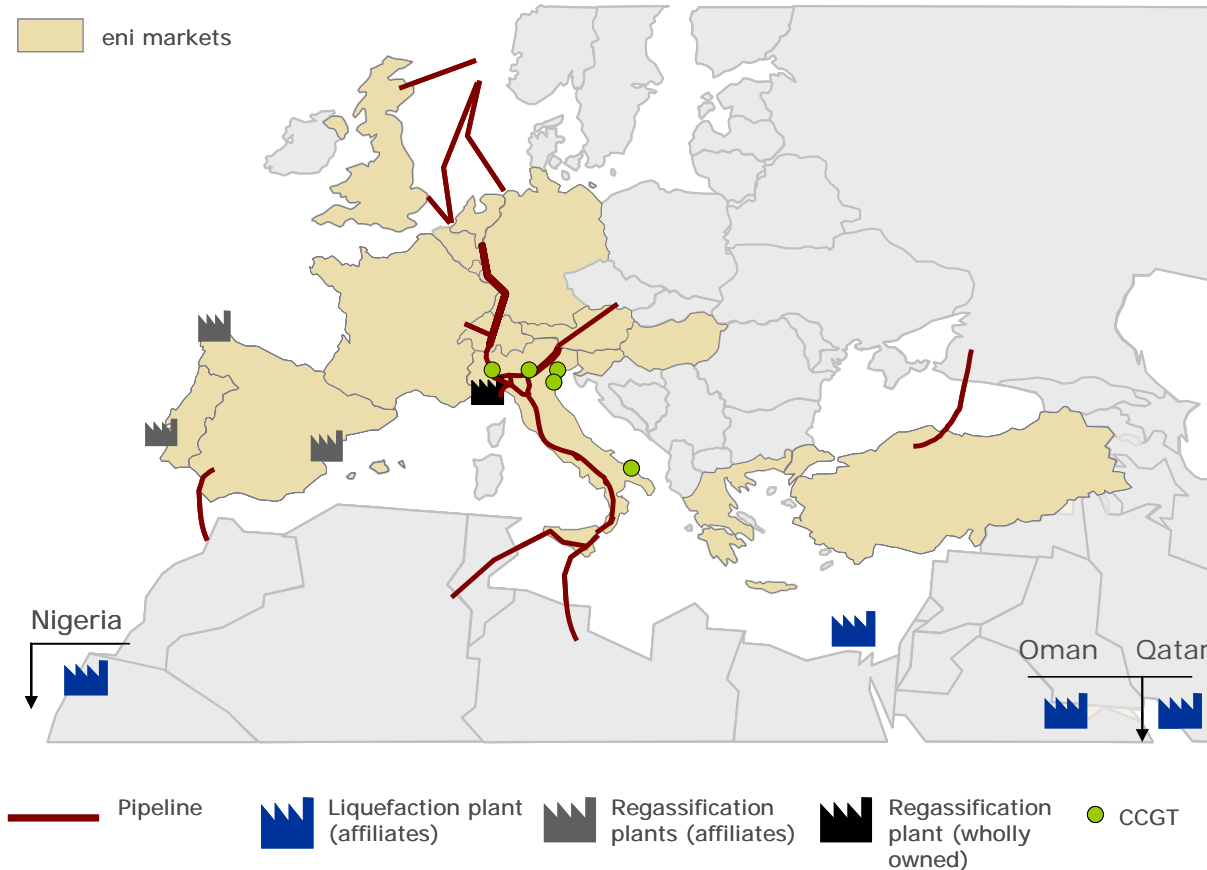


eni 2P NPV/boe by region



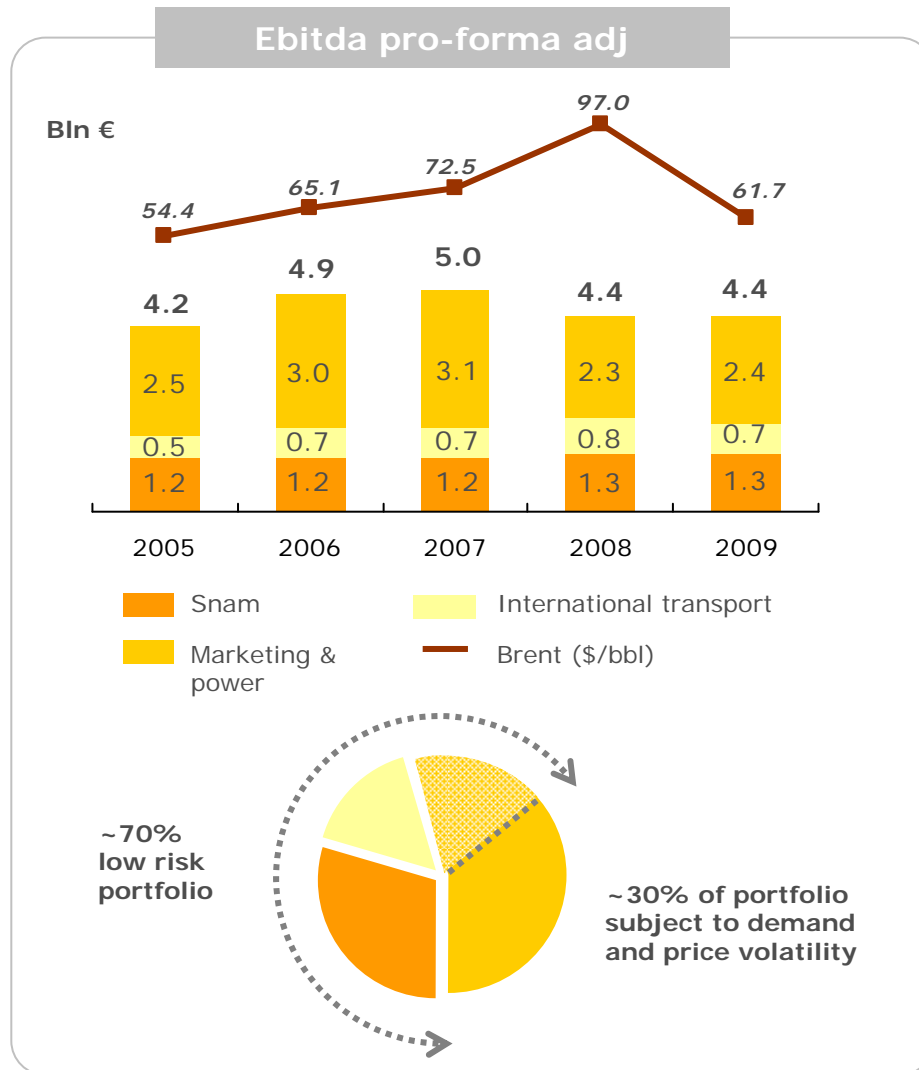
\* XOM, CVX, COP, BP, Shell, Total, eni  
\*\* 2009 SEC @ 59.9\$/bbl scenario

# G&P overview



- Leading European utility with gas sales of over 100 Bcm in 2009
- Leader in European transport capacity
- Largest regulated business in the Italian gas sector
- Installed power capacity of 5.3 GW

# leveraging on a resilient business

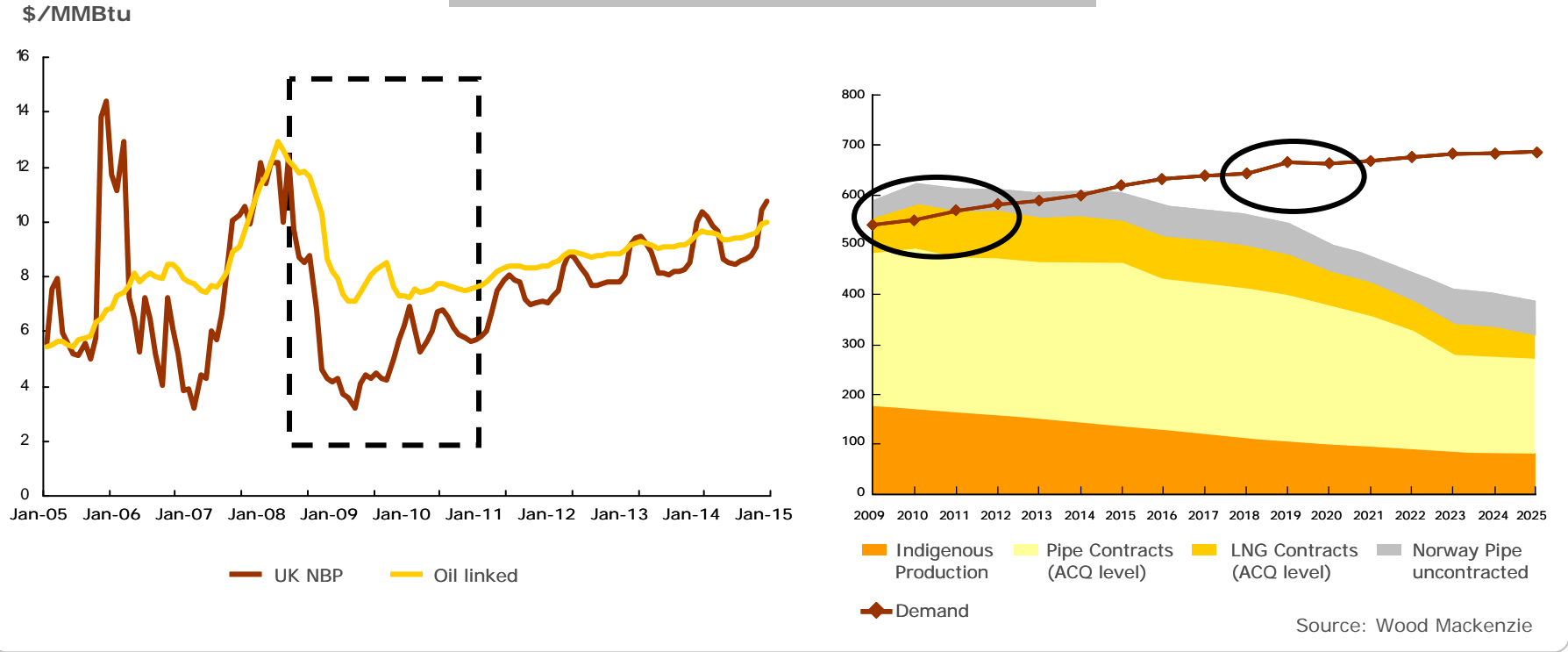


- Stable returns in different oil price scenarios
- ~50% of Ebitda from infrastructure-based businesses with low risk profile and good returns on new investments
- ~20% of Ebitda from very low risk activities marginally affected by market conditions (e.g. capital intensive assets, retail sales, midstream activities)



# coping with a challenging scenario

## Gas prices and supply/demand trends



### Short term

- Gas oversupply
- Spot/LT price decoupling
- Increased competition

### Medium term

- Supply/demand balance
- Spot vs L/T prices recoupling



# R&M: managing market weakness

## Refining

- Operational improvement
  - Process Utilization Index: +10 pp
- Selective increase of complexity
  - Middle distillate yield: +2 pp
- Flexibility enhancement
  - Spot crude supply: +15 pp

## Marketing

- Growth in European retail market share
  - Italy +2.5 pp
  - Selected European countries
- Upgrade marketing network
  - Rebranding
  - New loyalty programme
  - Develop non oil

Cost reduction €100 mln by 2013

**Free cash flow positive from 2012**



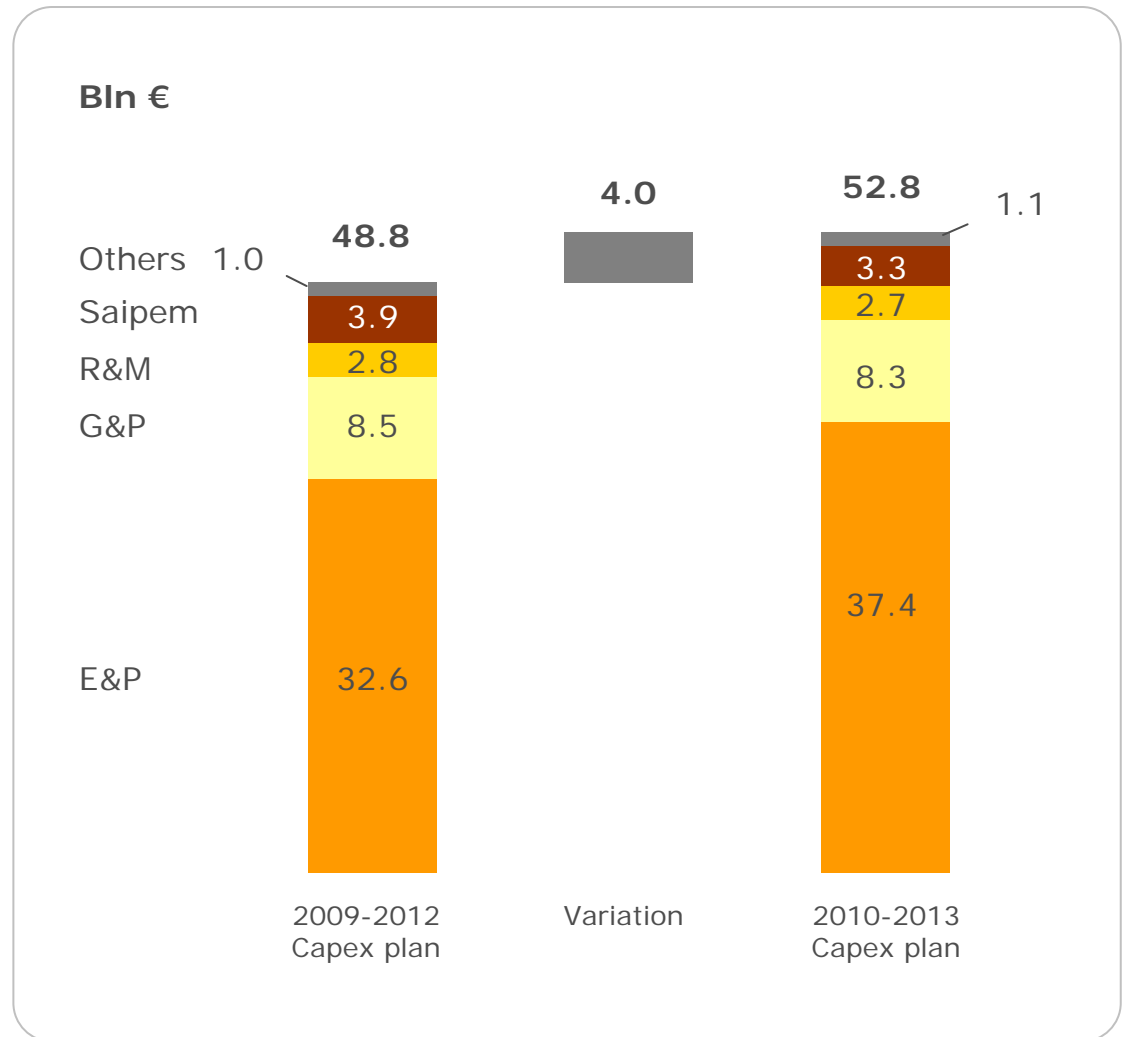
# capex 2010-2013: fueling long term growth

## Upstream focus: 70%

- Commitment on giant projects: ~50%
- Devoted to sustain growth beyond 2013: 35%

## 2010 guidance

- Slight increase vs 2009 due to production optimization and US\$ appreciation



# cash allocation hierarchy

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1

**Maintain financial discipline**

2

**Fund our capex programme for future growth**

3

**Dividend**

