2012-2015 Strategy

15 March 2012

eni.com

eni: well-positioned to deliver a decade of sustainable growth

	2011	2012-2015	2021
E&P	▪ Libya restart ▪ Strengthened resource base	▪ Confirmed growth profile ▪ Start-up of giants with long plateau ▪ Increased investment in exploration	▪ A decade of sustainable growth
G&P	▪ Improved supply ▪ Growth in key markets	▪ Recover profitability in a difficult market ▪ Consolidate competitiveness of supply ▪ Focus on key segments and markets	▪ Strong position to benefit from market recovery
R&M Chemicals	▪ Streamlined operations	▪ Continued efficiency ▪ Integration of refinery system, consolidation of marketing ▪ Refocusing chemicals portfolio on added-value products	▪ Selective presence in R&M ▪ Competitive player in Chemicals

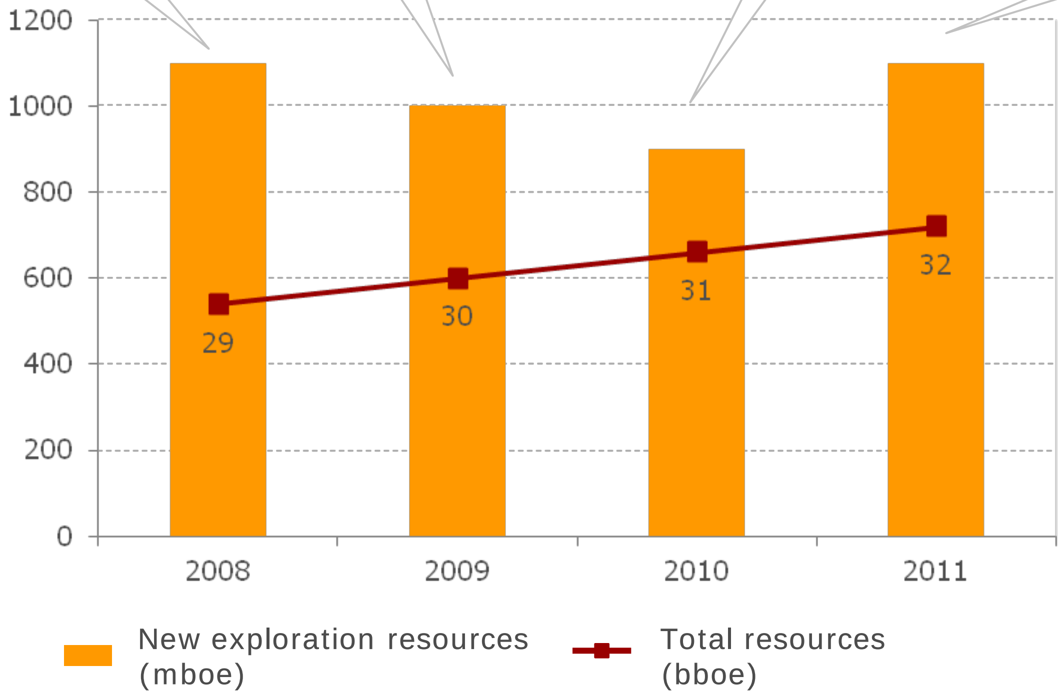
E&P: consistent exploration success …

- Sangos-Ngoma (Angola)
- Kitan (JPDA)
- Culzean (UK)

- Sankofa (Ghana)
- Perla (Venezuela)
- Cabaca Norte (Angola)
- Area D (Libya)
- Heidelberg (US)

- Perla (Venezuela)
- Jangkrik (Indonesia)
- Sankofa (Ghana)
- Cabaca Sud Est
- Mpungi (Angola)

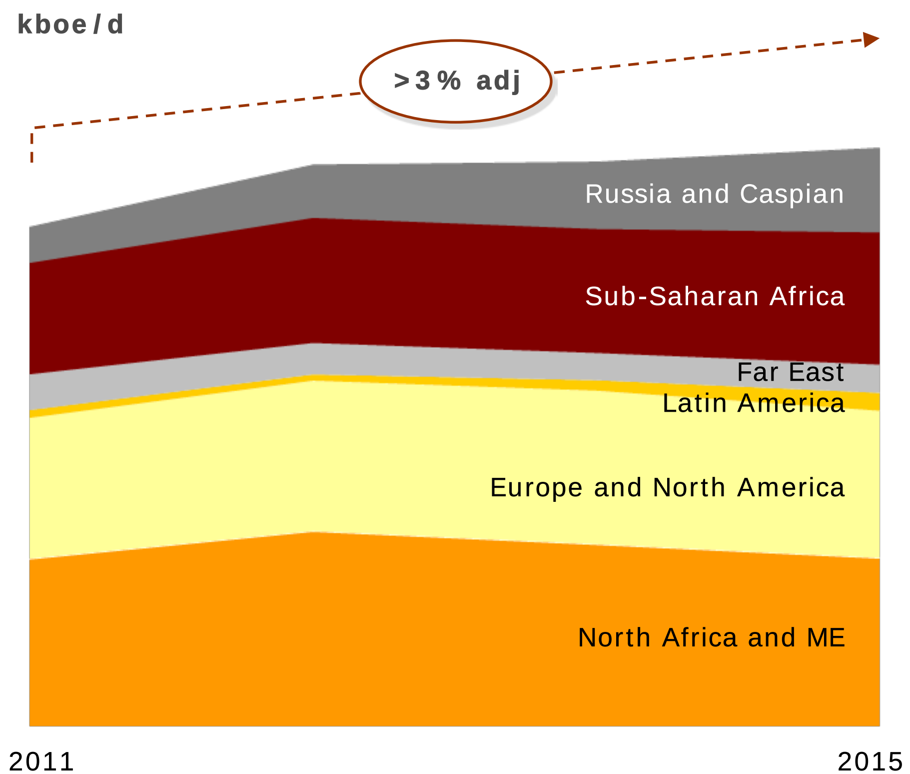
- Mamba South (Mozambique)
- Skrugard (Norway)
- Hadrian Nord (US-GOM)
- Jangkrik NE (Indonesia)
- Lira 1 (Angola)
- Gye Nyame 1 (Ghana)



2008-2011 ~4bn boe of new exploration resources

… drives organic growth, in the plan period…

Production growth



>3% CAGR 2011-15
in a higher oil price scenario

- Strong contribution from exploration successes
- Confirmed focus on giant, conventional projects
- Increased exposure to oil
- Best-in-class operating costs
- IRR of new projects over 20%

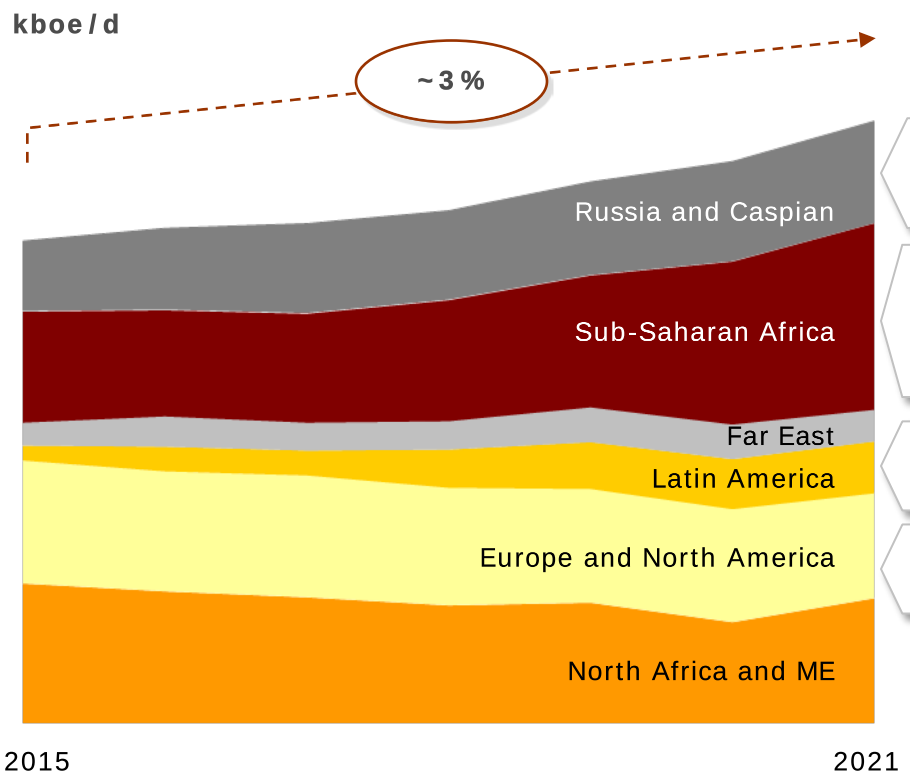
CAGR

Adjusting for force majeure in Libya in 2012 (180k boe/d)

Brent 2011-13: 90 USD/bl; 2014-15: 85 USD/bl

... and beyond

Production growth



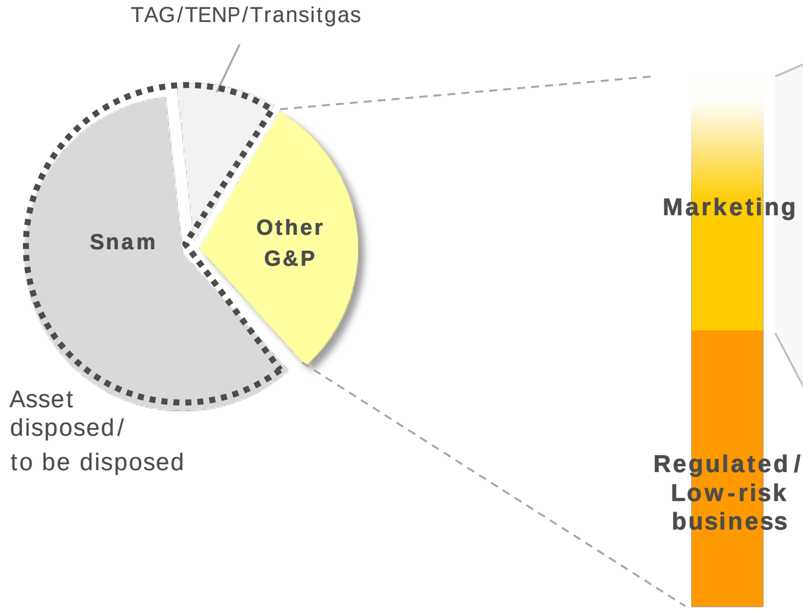
Price scenario: 85$/bbl 2015; +2%/year afterwards

- Yamal giants, Kashagan ramp up, further potential from Kashagan development
- Major contribution from Angola Block 15/06 and Mozambique, additional exploration potential
- Junin 5 & Perla FF developments
- Resilient contribution driven by Barents Sea

2015-21 CAGR increased from 2% to 3%

G&P: positioned to tackle difficult short term scenario...

2011 EBITDA pro-forma adjusted*
(€ mln)



- TMPC, TTPC, Greenstream, BSPC, other regulated business
- Stable profitability and cash flow throughout the plan

Marketing: facing difficult scenario

- Slower than expected demand growth
- Spot/LT differential remains significant in 2012

eni 2012-2015 strategy

- Leverage on more competitive supply portfolio to grow market share in Italy and key European markets
- Further increase exposure to more resilient retail segment
- Capture benefits of market volatility through enhanced trading capabilities

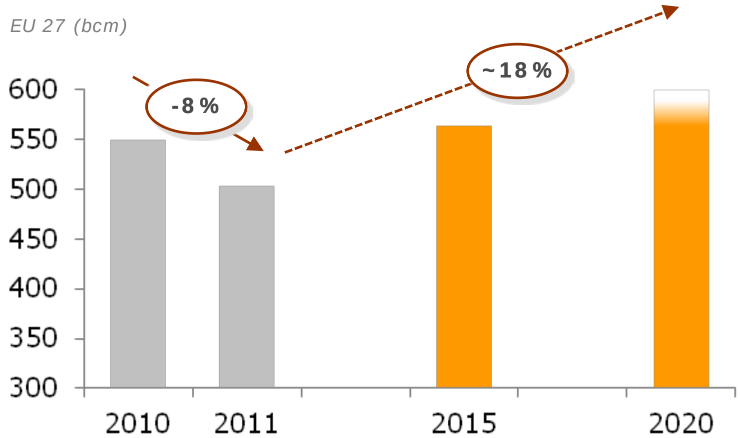
Gradual recovery in profitability

* Adjusted for outcome of renegotiations and Libya impact

… and capture medium-term recovery opportunities

Long-term scenario

European demand recovery:



- Economic growth
- Energy/environmental policies

Tightening supply capacity:

- Increasing Far East demand
- Increasing MENA domestic gas consumption
- Declining European domestic production
- Limited LNG capacity for the Atlantic basin

- **Strong European market position**
  - Consolidated brand
  - Expertise in innovative offering structure
- **Diversified and flexible supply portfolio**
  - Competitive cost position in tightened market
  - Increased equity gas supply
- **New profit opportunities**
  - Enhanced LNG presence
  - Cross-regional and cross-commodities synergies in trading

Well positioned to capture additional growth

R&M: increasing efficiency and complexity

- Refining: a cyclical business in a difficult short term scenario
- Increased focus on complexity and efficiency to benefit from potential scenario recovery
  - EST completion by 2012
  - Increased system integration
  - Exploit flexibility and asset-backed trading

Optimisation & efficiency + €400m

- Marketing: confirming profitability
  - Consolidation of Italian leadership
  - Network enhancement and automation
  - Expansion of non-oil activities

Italian retail market share >30%

Chemicals: a new turnaround strategy

Enhanced differentiation

- Increase revenues from added value products from <30% to >40%

International expansion

- > 10% of revenues from outside Europe by 2015
- Licensing, production alliances/JVs

More efficient and integrated

- Savings >€200m by 2015

Regaining competitiveness within chemicals business

2015 target

> €400m of EBIT at constant scenario

enhanced value creation opportunities from non-core listed assets

Snam

Separation by September 2013

Process evaluated on 3 criteria:

- Benefits to **eni** shareholders
- Protection of the interests of Snam shareholders
- Consolidation of **eni** balance sheet

Galp

Non-core shareholding

High potential business, with exciting positions in Brazil, Mozambique

Upside from market value recovery

Exploration & Production

Claudio Descalzi

E&P strategic goals and drivers

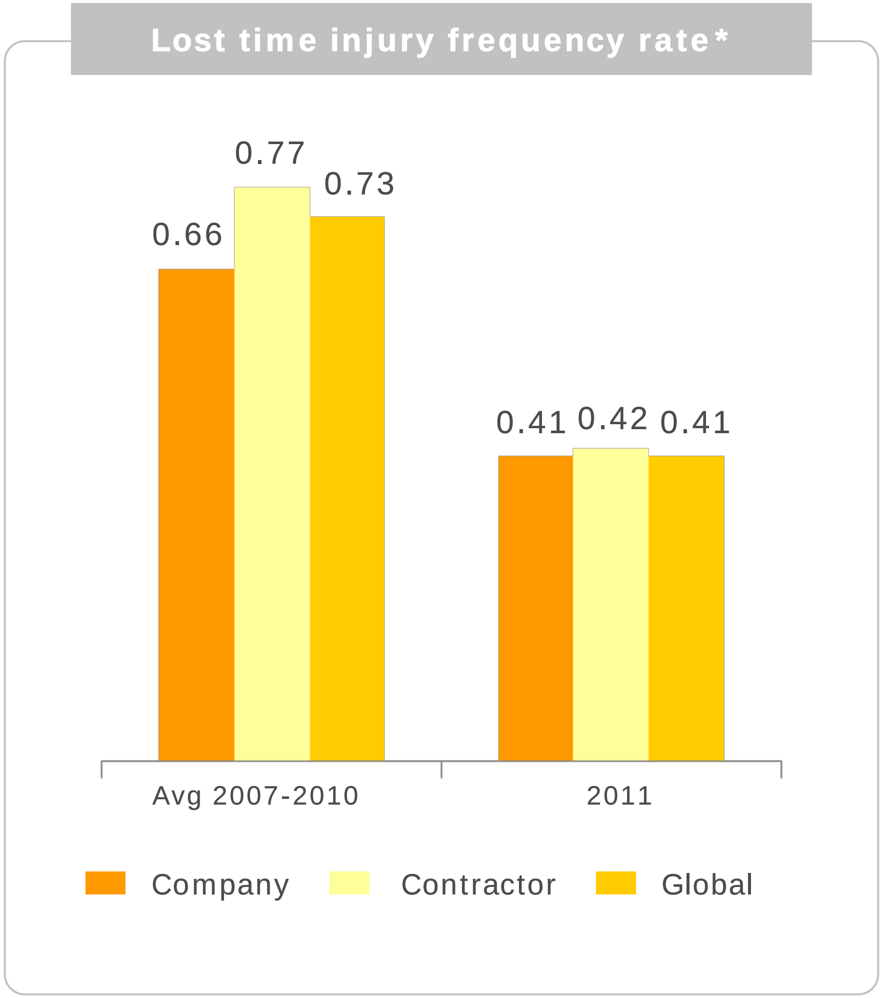
Organic growth & value creation

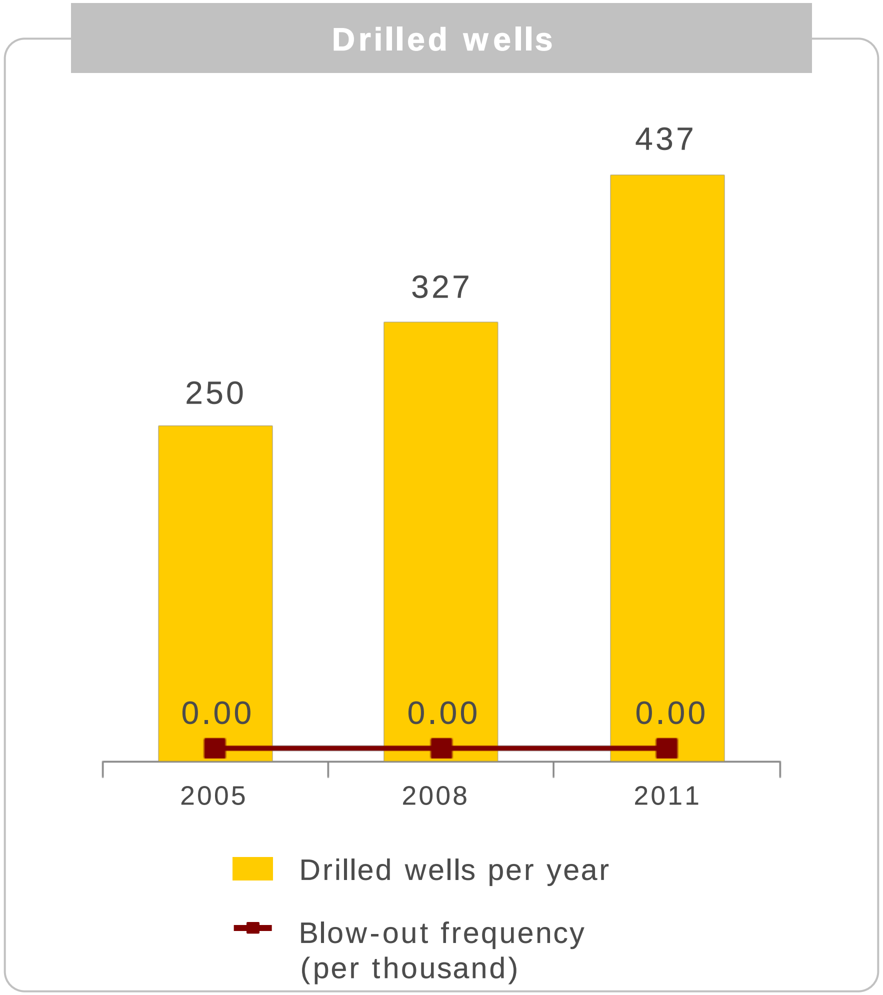
- Strong focus on exploration strategy and execution
- Fast time-to-market of exploration discoveries
- Rapid and efficient development of project pipeline
- Effective reservoir management and production optimization activities
- Leading-edge technology to fight depletion of giant fields

Managing uncertainties

- Consolidate and deploy competencies and technology
- Increase direct control of assets through operatorship
- Maintain geographical diversification
- Phase financial exposure in large-scale, complex projects

HSE results



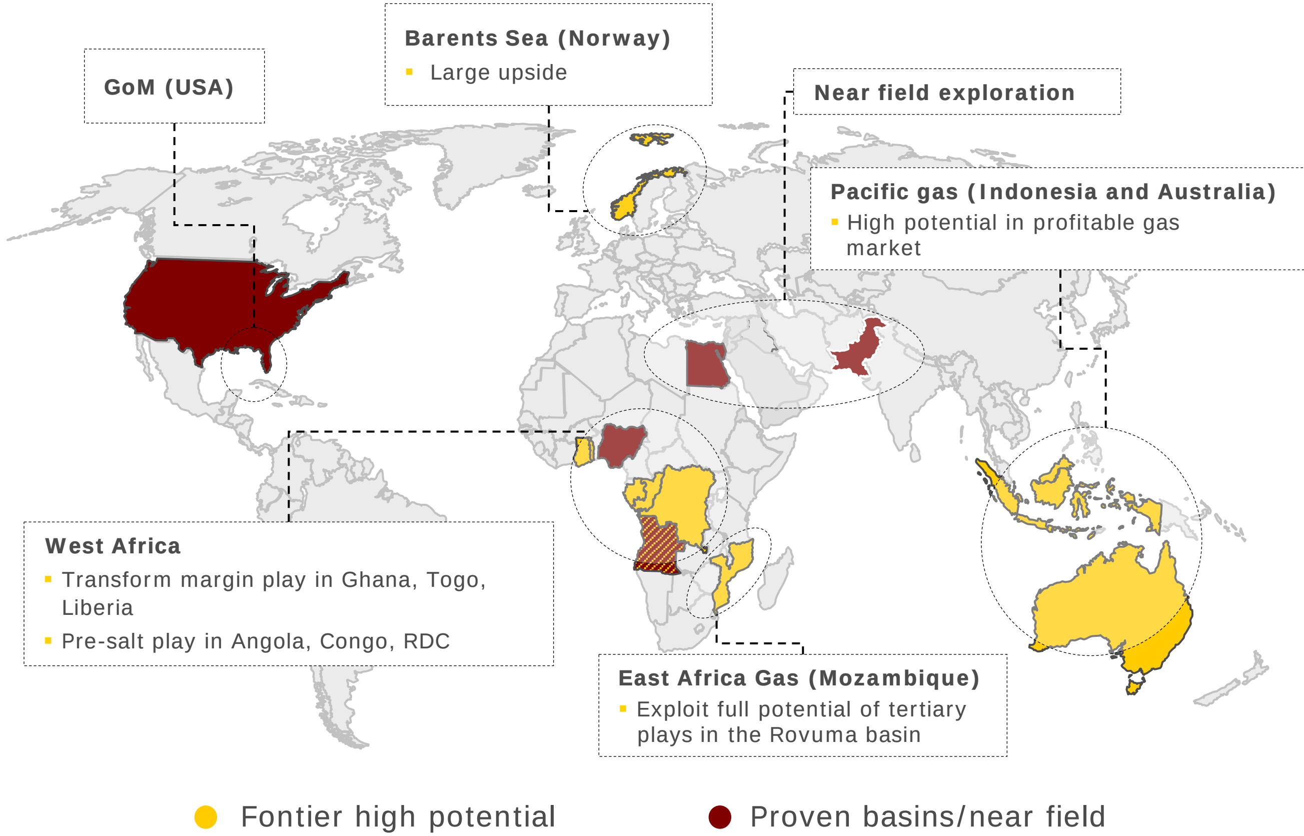


* n. of LTI/Mln of worked hours

exploration objectives

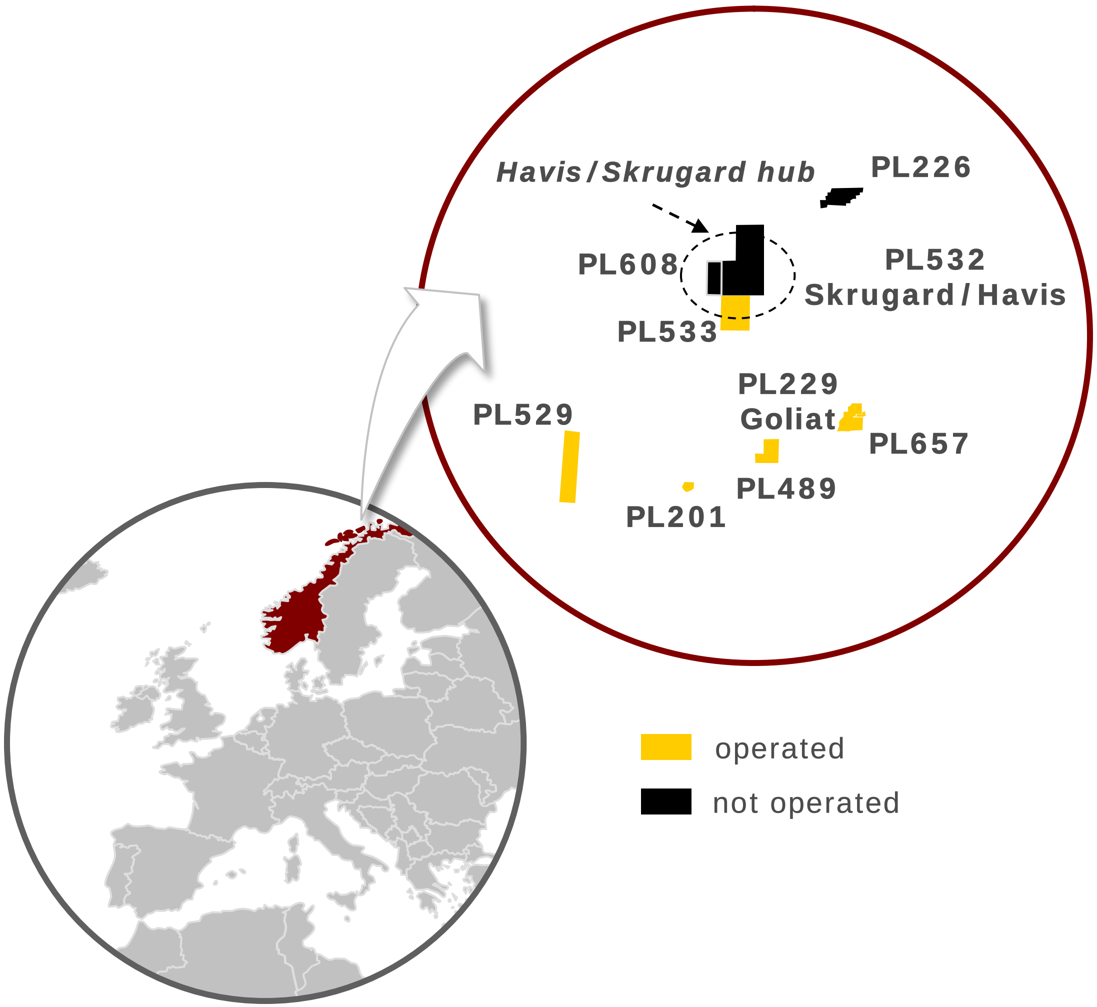
Drivers

- Materiality and cost-effectiveness
- Short time to market
- Focus on emerging basins



Maintaining leadership on discovered volumes and unit exploration costs

focus on exploration: Norway - Barents sea



Discoveries

- 500 Mbbl of recoverable oil in Skrugard and Havis

2012-2015 work program

- Resources upside in the area: 500 mboe
- 8 wells in the Barents Sea: €220m equity investments

Synergies

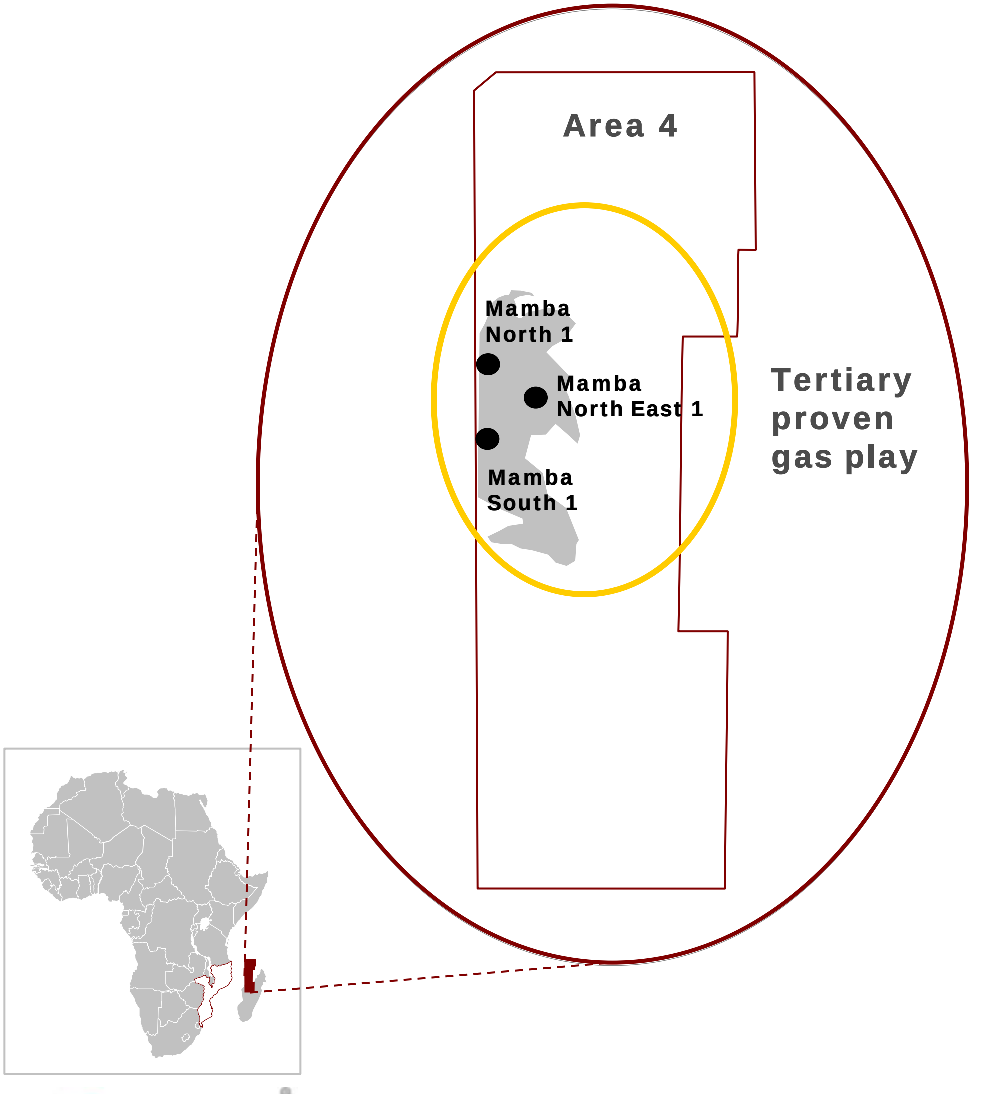
- Havis/Skrugard hub servicing 50 km radius
- Onshore services

Additional prospectivity

- 12 blocks for an acreage of 4,600 sqkm
- With Statoil, maintain leadership position in the next round

eni

focus on exploration: Mozambique – Rovuma basin



Mamba discovery

- Gas in place estimate at 30 Tcf
- High gas quality
- Expected rate in production configuration up to 140 mmsfcd per well

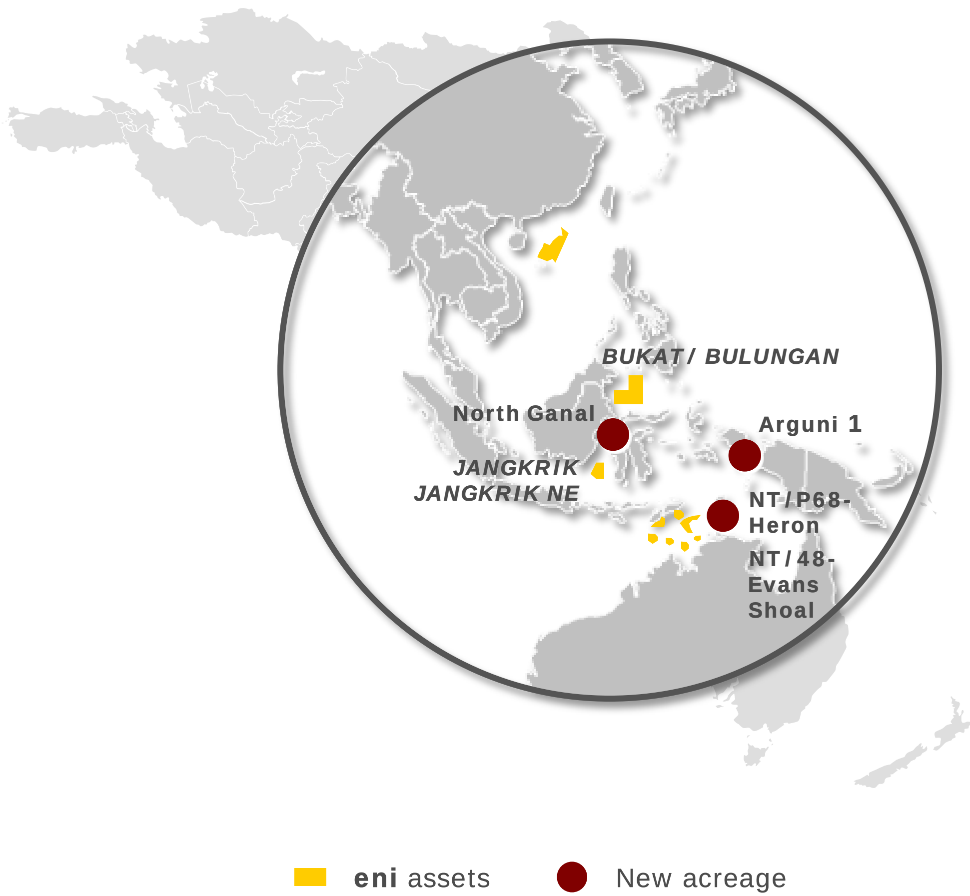
2012-2015 work program

- Up to 8 exploration and appraisal wells
- 2,000 sqkm of 3D and 2,100 sqkm 2D seismic
- €400m expected equity investments

Synergies

- Unitization of Mamba complex with Area 1
- Evaluation of additional stand-alone resources in Area 4

focus on exploration: Pacific Area



Discoveries

- ~700 Mboe already discovered in Australia and Indonesia

2012-2015 work program

- Resources upside: ~500 Mboe
- 24 wells: €300m equity investments

Synergies

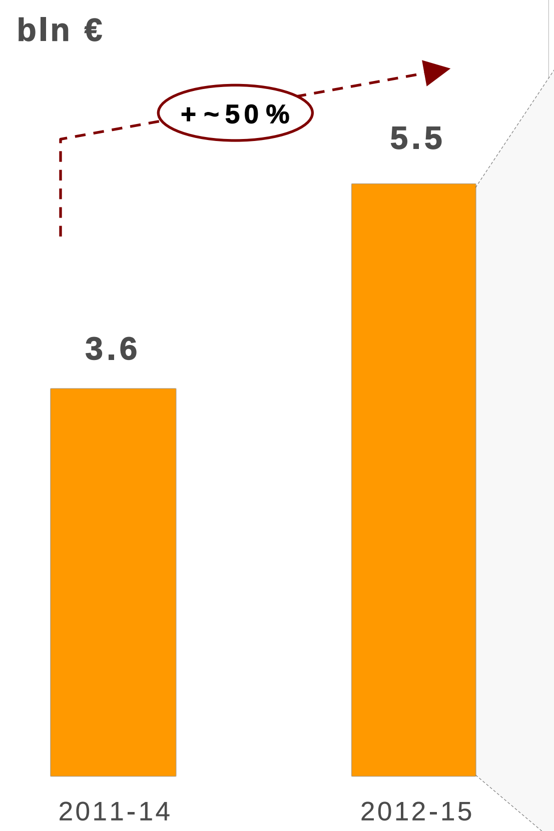
- Indonesia: Jangkrik hub
- Australia: upstream development and synergies with LNG facilities

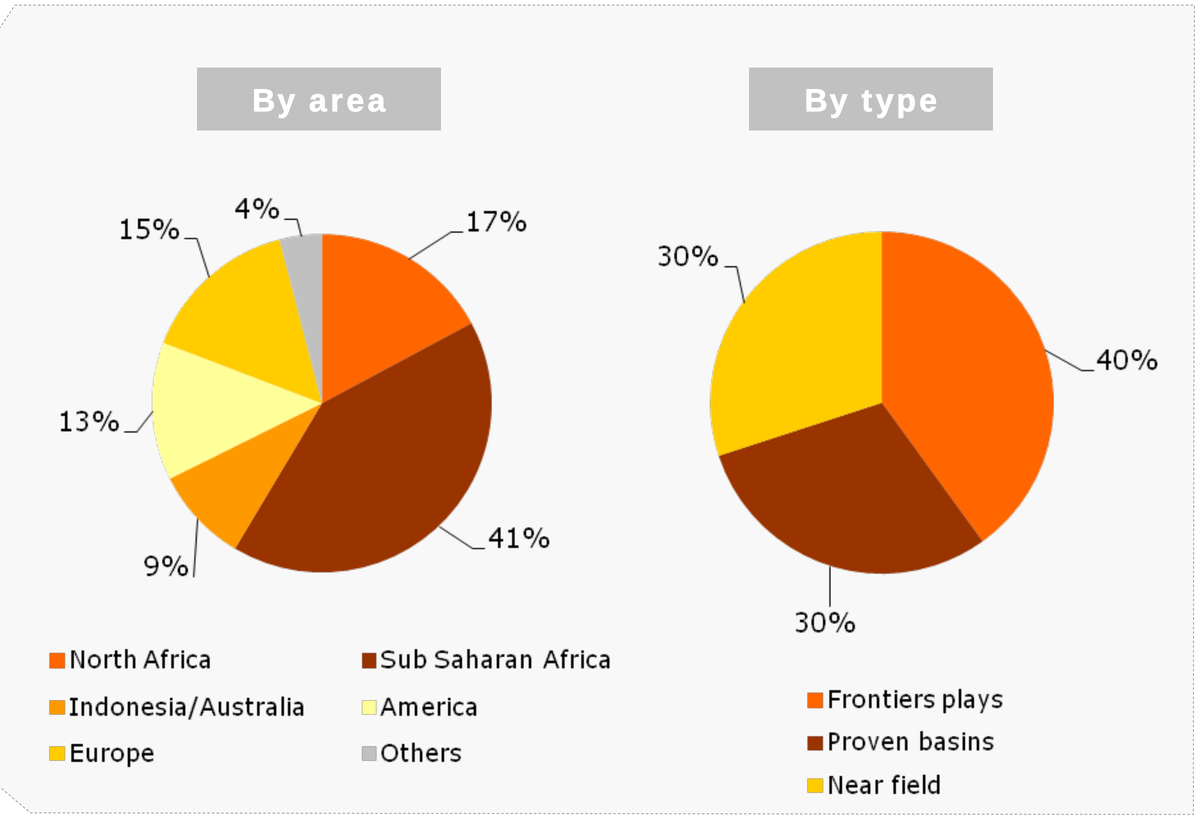
Additional prospectivity

- 16,000 sqkm of new acreage added in 2011

exploration capex

2012-2015

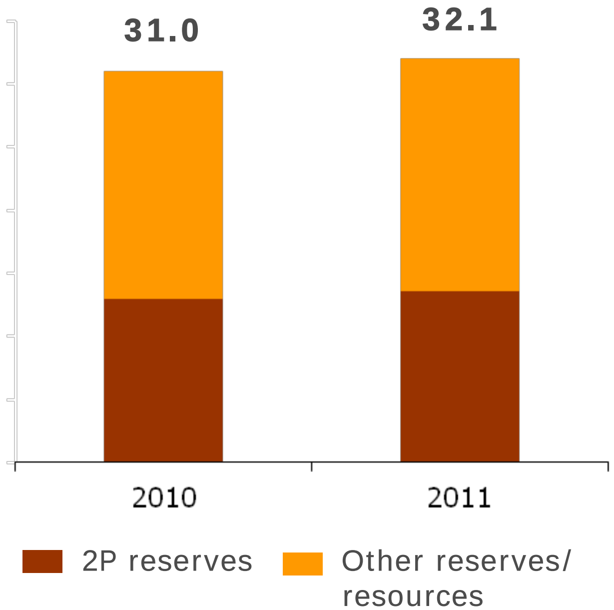




time to market: from resources to production…

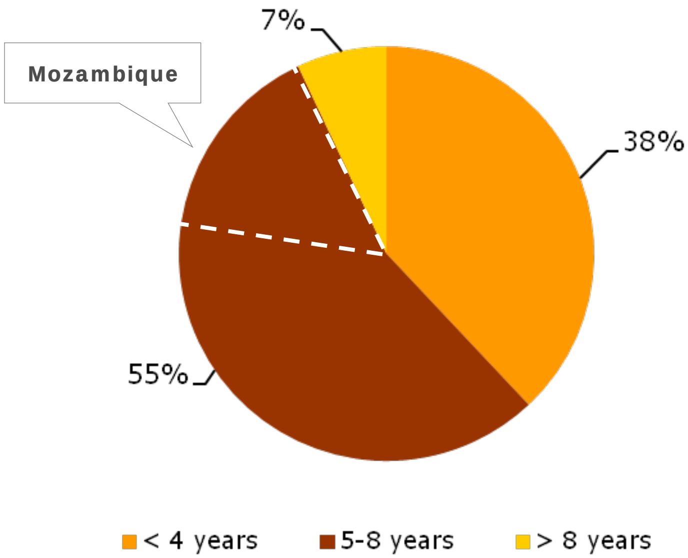
Total resources*

bln boe



	2010	2011
Brent ($/boe)	79	111
Life index (years)	47	50

2009-2011 discoveries

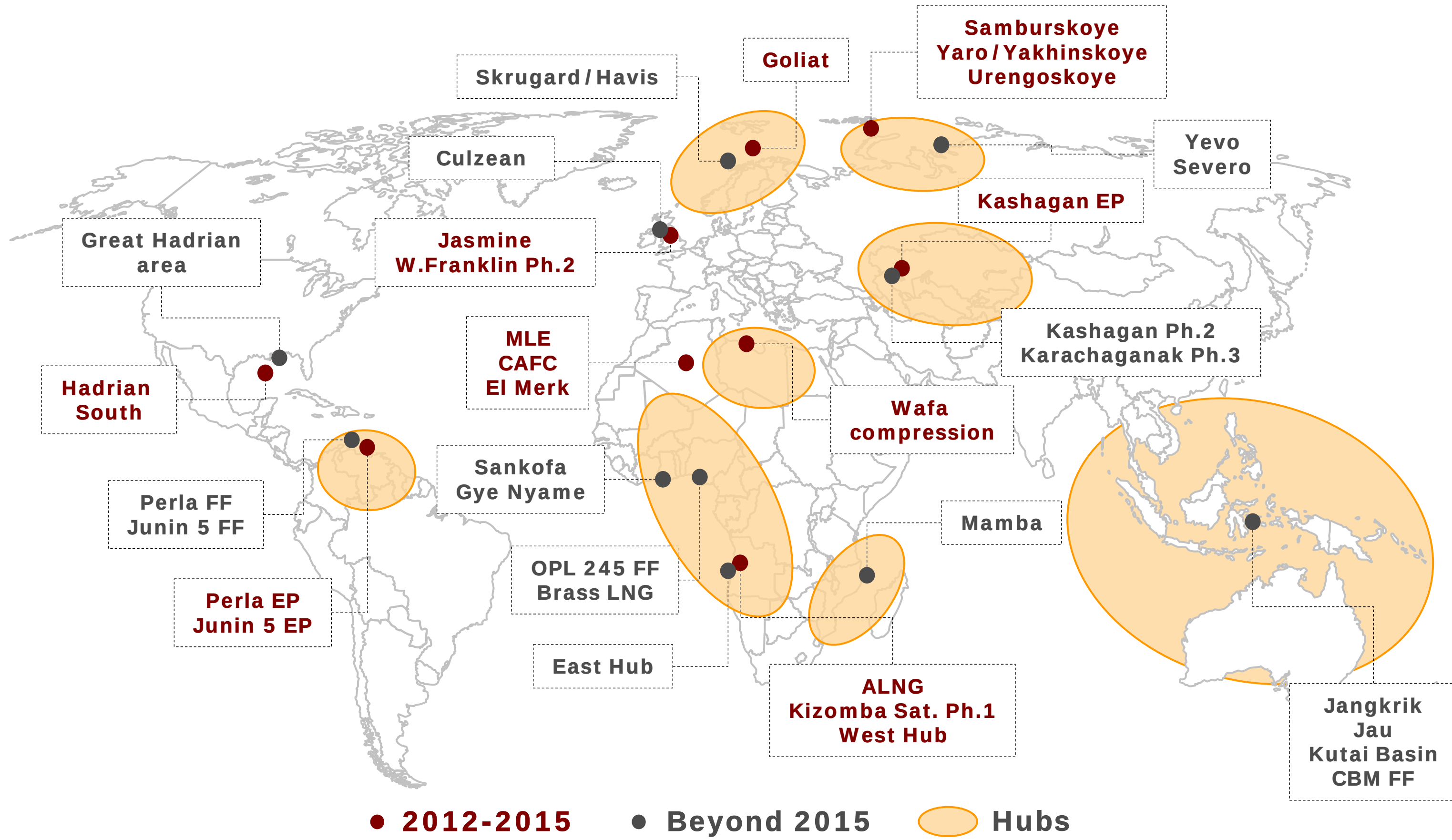


90% with first oil in production in <8 years

* P1 + P2 + P3 + contingent resources + risked exploration

… through identified and solid start-ups

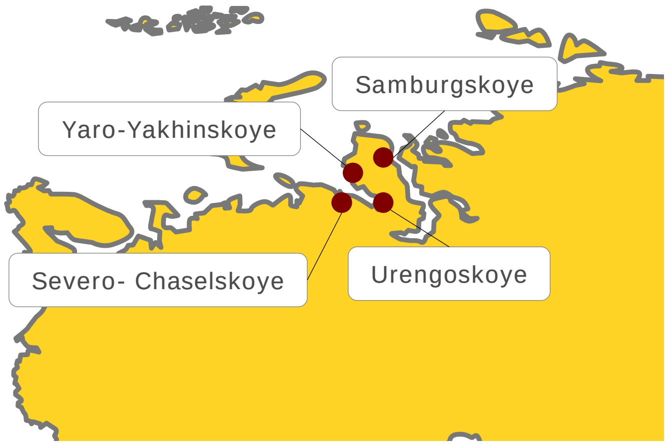
Main start-ups



4-year plan start-ups: ~700 kboed @ 2015

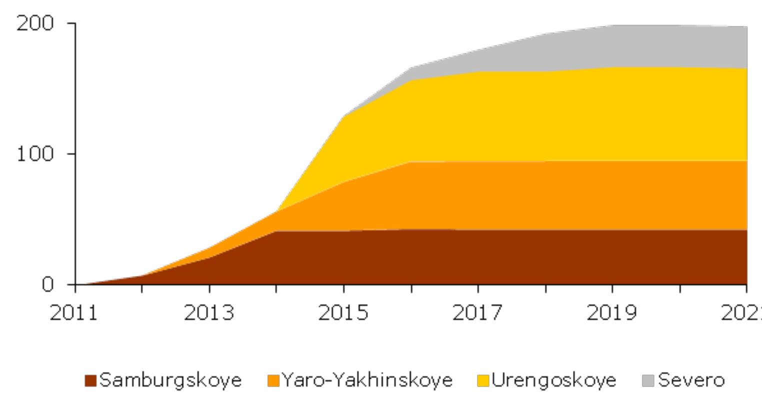
Yamal Nenets region: new gas giants

Samburgskoye



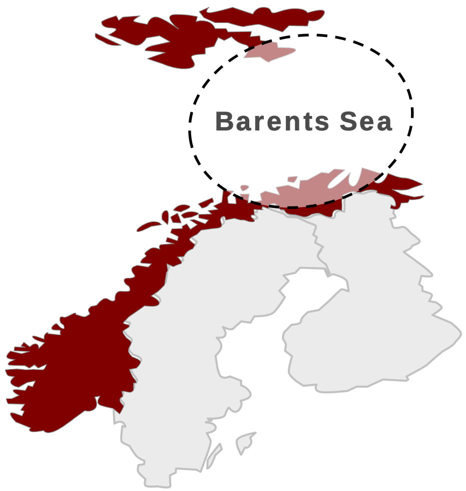
- Samburgskoye and Urengoskoye sanctioned in 2011
  - GSA signed with Gazprom
- Samburgskoye start up confirmed 2012

Production (kboed, equity)



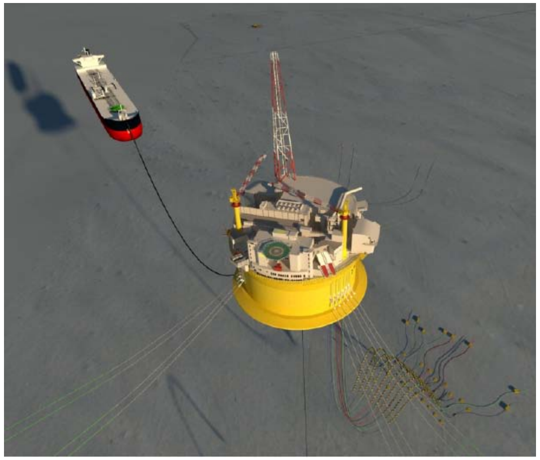
Barents Sea: Goliat first oil development

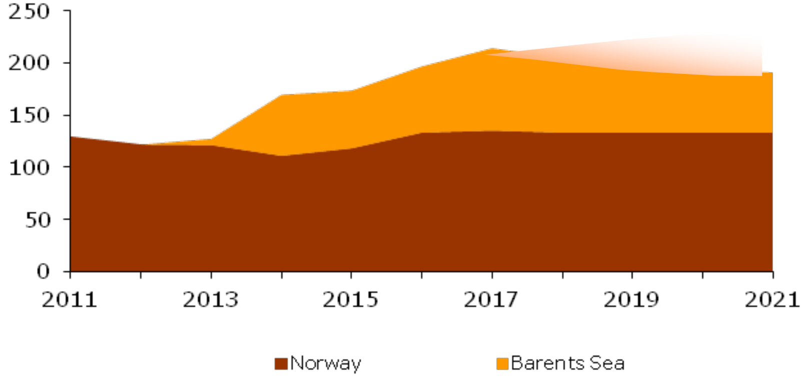
Goliat



- First oil development in the Barents Sea
- Subsea templates installation campaign completed in 2011 and ready for drilling
- FPSO delivery in 2013

Production (kboed, equity)





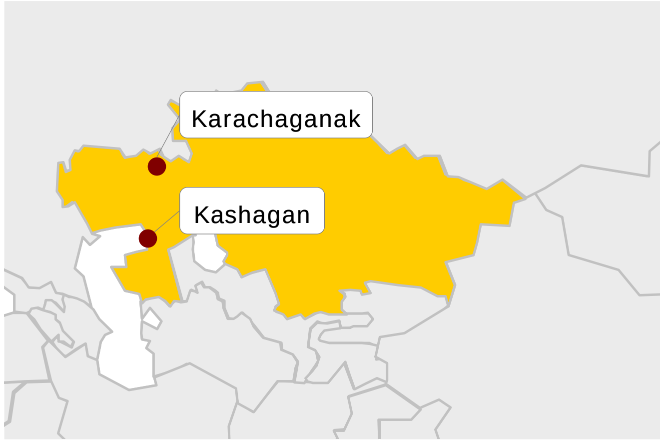
Kazakhstan: near-term growth and significant long-term potential

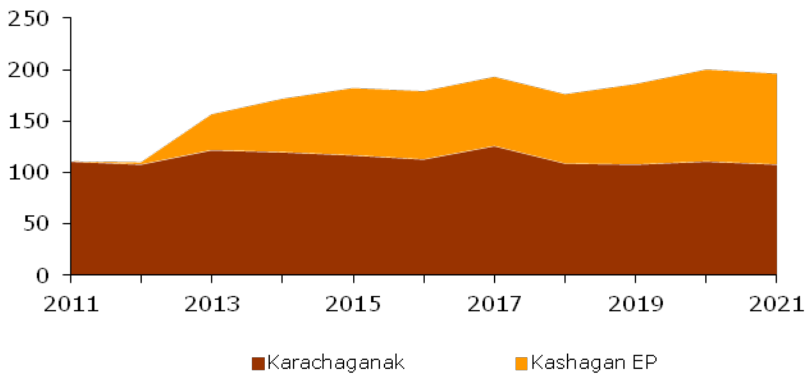
Kazakhstan

- Kashagan EP
  - Construction completion and commissioning ongoing
  - Tranches 1&2 progress for KCP: 99%, in line with commercial production start up within 2012

- Karachaganak
  - Previous development phases currently producing >100 kboed equity
  - Agreed settlement with Republic of Kazakhstan

Production (kboed, equity)



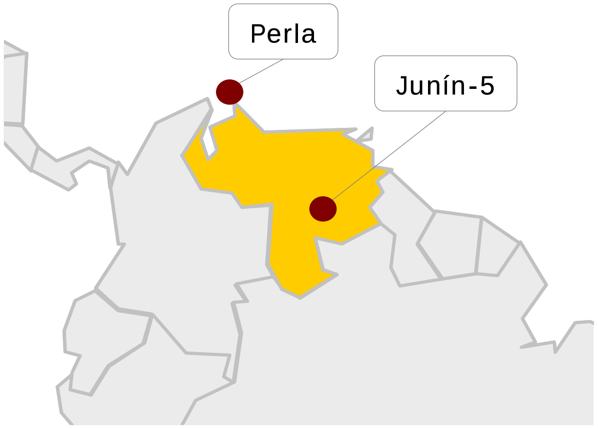


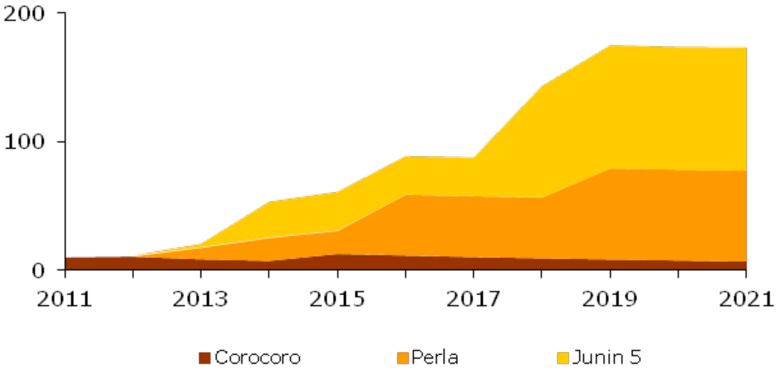
Venezuela: super giants with long-term plateau

Venezuela

- Perla
  - Gas Sales Agreement and FID for Phase 1 achieved in 2011
  - Phase 1: construction and installation of three offshore platforms, 60-km pipeline to shore, onshore processing facility
- Junìn EP
  - Finalizing all the major engineering contracts
  - Seeking anticipated early production in 2012, using synergies with PDVSA existing facilities

Production (kboed, equity)



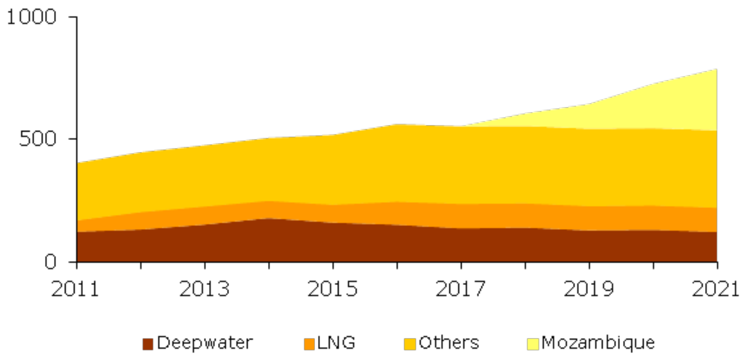


Sub-Saharan: legacy area with further growth prospects

Block 15/06 West Hub

- Development of Sangos, Ngoma, Cinguvu fields (1,250-1,450m water depth)
- 16 wells (10 producers, 6 injectors)
  - First drilling campaign: ongoing
- FPSO will be delivered in 1Q 2014

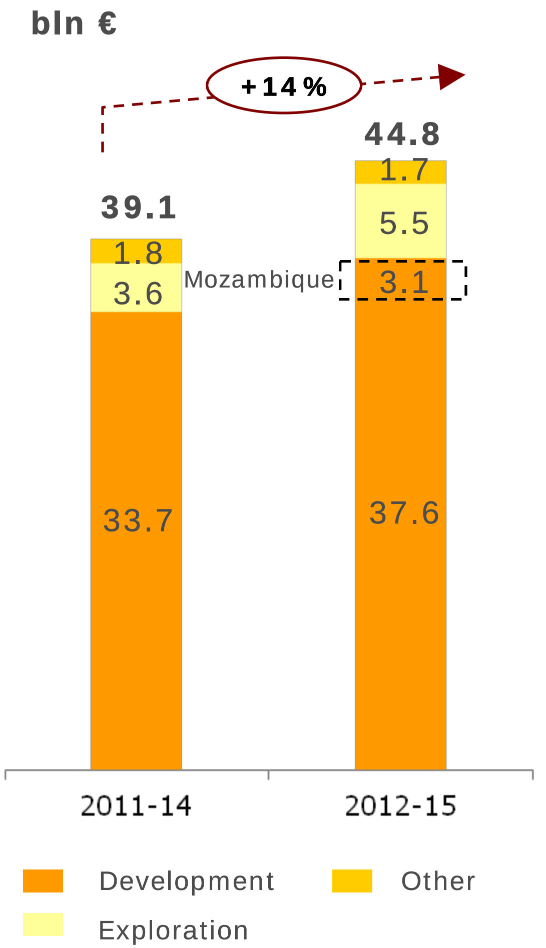
Production* (kboed, equity)



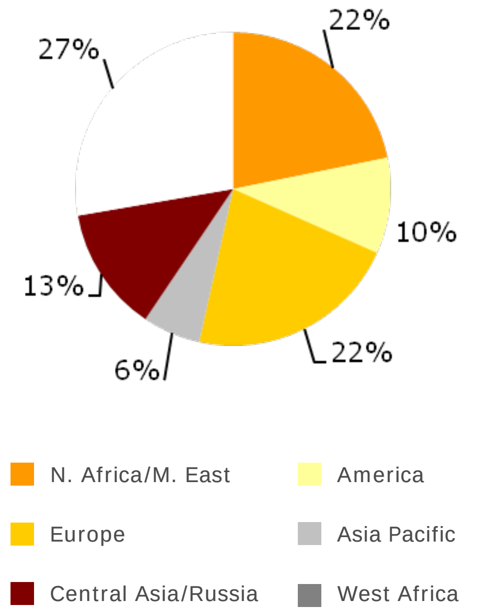
* exploration potential excluded

investment plan

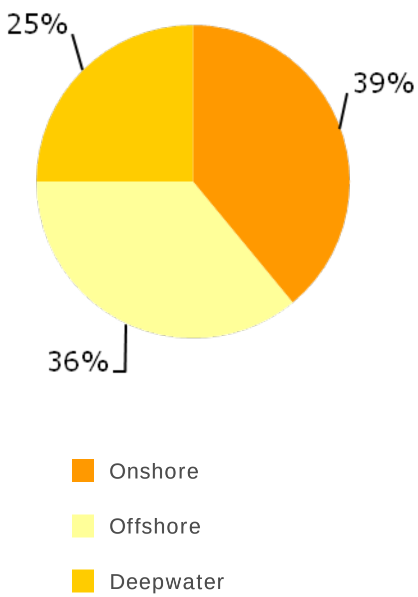
Capex 2012-2015



By area

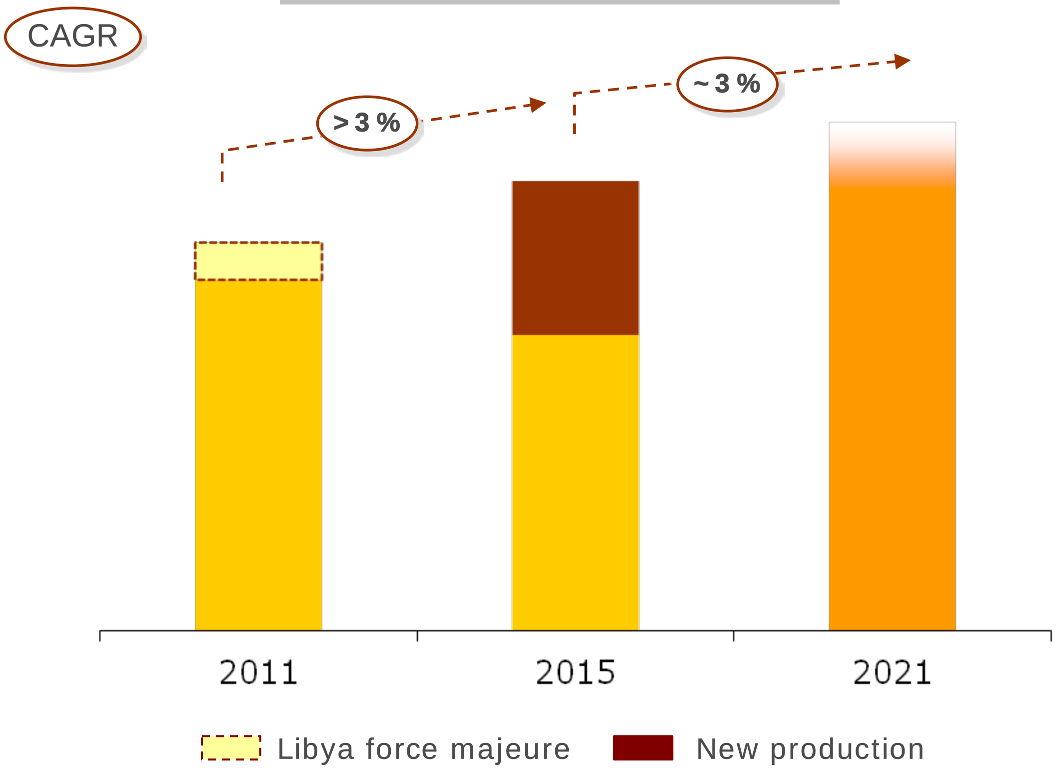


By type



our commitment: production

Organic production growth



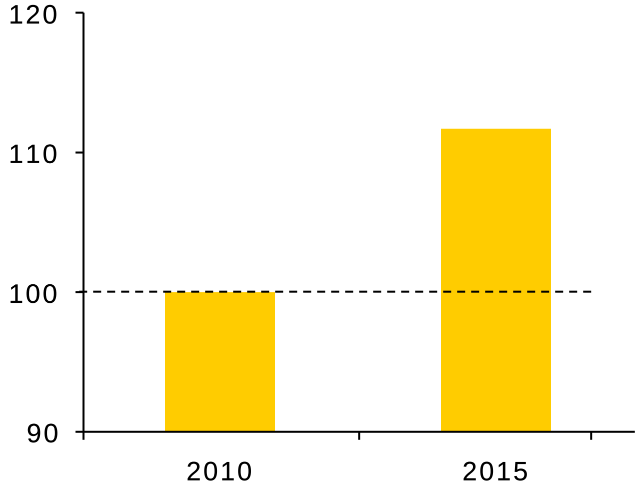
	2012/2013	2014/2015	2015 →
Brent ($/boe)	**90**	**85**	**+2%**

- Strong production growth of over 3% a year to 2015 adjusted for Libya in 2011
- Resilient to oil price increases: 2011-2015 CAGR at 100$/bbl ~3%
- Long-term growth target raised from ~2% to ~3%

our commitment: value

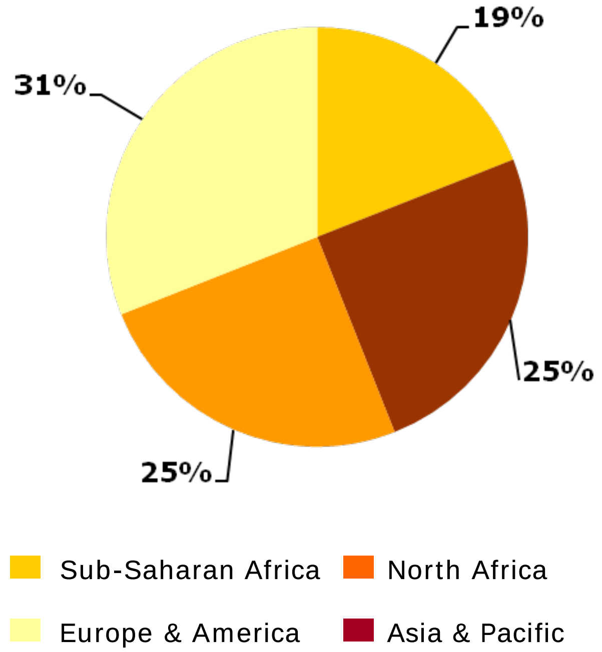
Cash flow

CF / boe (%)



Brent avg ($/boe) **85** **85**

NPV 2P by areas



Solid cash generation

Gas & Power

Umberto Vergine

European gas market: a difficult short term environment…

Supply

- Increasing capacity from Russia (North Stream)
- Availability of lower-priced make up gas
- No additional LNG capacity from Qatar
- Continued domestic production decrease

Demand

- Weak economic situation in Europe impacting industrial clients
- Increased competition in powergen from renewable sources
- Relatively stable demand from residential customers

Persisting oversupply in Europe in the near term

Spot-LT price differential remains significant

Continuing competitive pressure

... gradually rebalancing in the medium term

Europe

- Demand recovery (+60bcm 2015 vs. 2011)
- Domestic production decline (-17 bcm)
- Marginal shale gas contribution
- Increased interconnectivity opens new market opportunities (11 new projects)

Americas

- North American production continues to expand
- Effect of North American exports limited and subject to regulatory uncertainty
- Increasing Latin American demand for spot LNG

Pacific Basin

- Demand escalation in emerging markets (+89 bcm)
- New high-cost liquefaction capacity from Australia (+15 bcm) fully absorbed in the region
- Premium prices attract supply from Atlantic basin

Mena

- Increasing domestic consumption in North Africa
- Qatari production at 2011 levels

Progressive tightening in European market to 2015

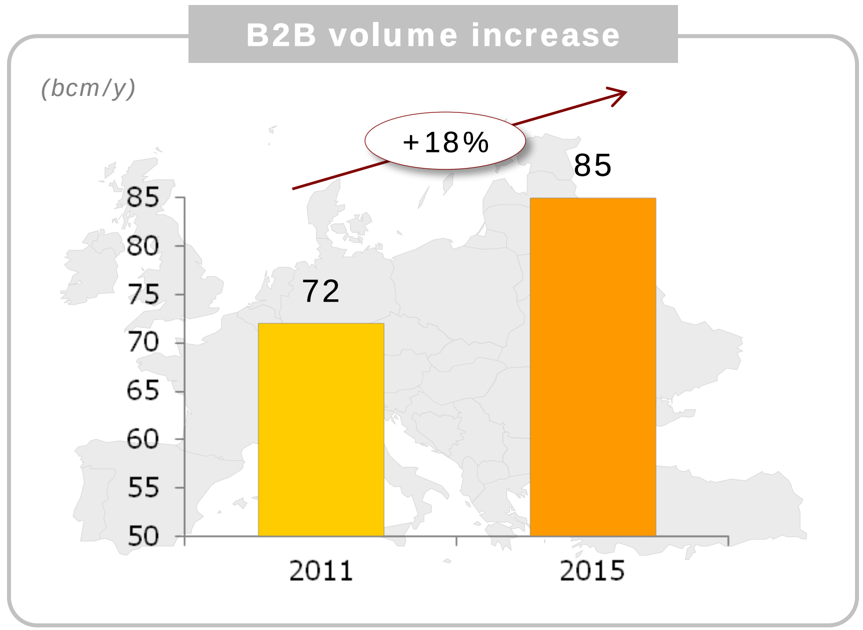
Further market improvement beyond

eni strategy: building on a more competitive supply portfolio …

	Price	+	Flexibility	=	Market reflectivity
Objective	• Alignment between **eni** cost position and average costs of supply in the market		• Improved and faster responsiveness to market changes		• **Foundation for competitive positioning in the market**
Implementation	• Negotiation of market-like prices in long-term contract price revisions		• Reduction of minimum volumes, possibility to reopen negotiations if required		

... to grow sales to business customers...

- Dedicated and capillary direct sales force to grow position in Italy and key European countries
- Tailor made offers for different segments
- Energy intensive customers
  - Multi-country approach
  - Flexible contractual structures
  - Risk management services
  - Market reflective pricing
- Small and medium enterprises
  - Specific offers to reflect market segmentation
  - High quality post-sale service

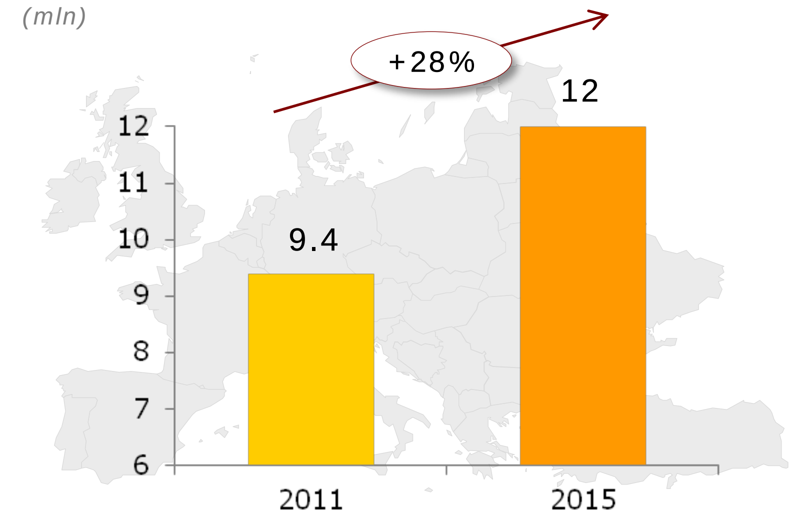


Consolidation of leading position in Europe

... and increase exposure to the retail segment

- Larger retail presence in Italy and Europe
  - Organic growth
  - Selected M&A opportunities
- Well-proven commercial mix
  - Single brand identity
  - Distinctive product portfolio
  - Customer driven innovation
  - Competitive cost to serve
- Well-balanced sales channels
  - Agents
  - Teleselling
  - iweb
  - **eni** energy stores
- *Best In Class* program ongoing
  - Marketing & IT innovation
  - Communication & brand awareness
  - Customer care operations

Retail customers



Increasing penetration into more resilient customer segments

gradual recovery in profitability

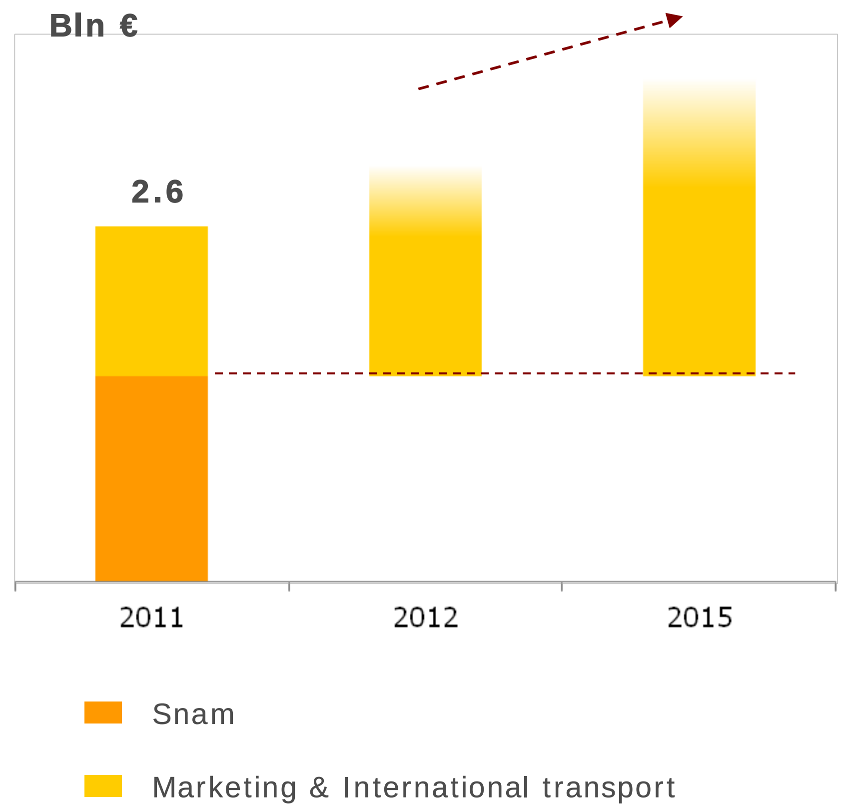
Marketing

- Supply cost improvement
- Benefit from retroactive renegotiations in 2012
- Impact of retail tariff revision in Italy
- Development of integrated trading activities

International transport

- Resilient profitability despite disposal of European pipelines

Pro-forma adj. EBITDA



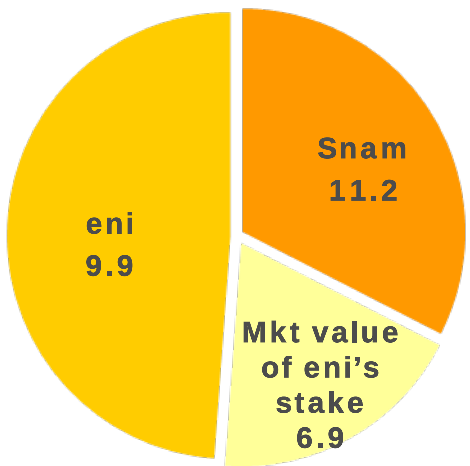
Financial Outlook

Alessandro Bernini, CFO

Snam deconsolidation: a resulting strong capital structure

Net debt

bln €



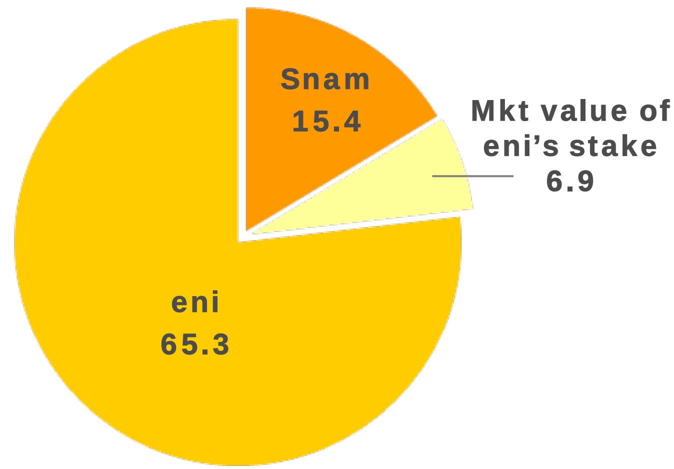
eni D/E 0.46x

Snam deconsolidation 0.30x

Including cash-in <0.20x

Capital employed

bln €



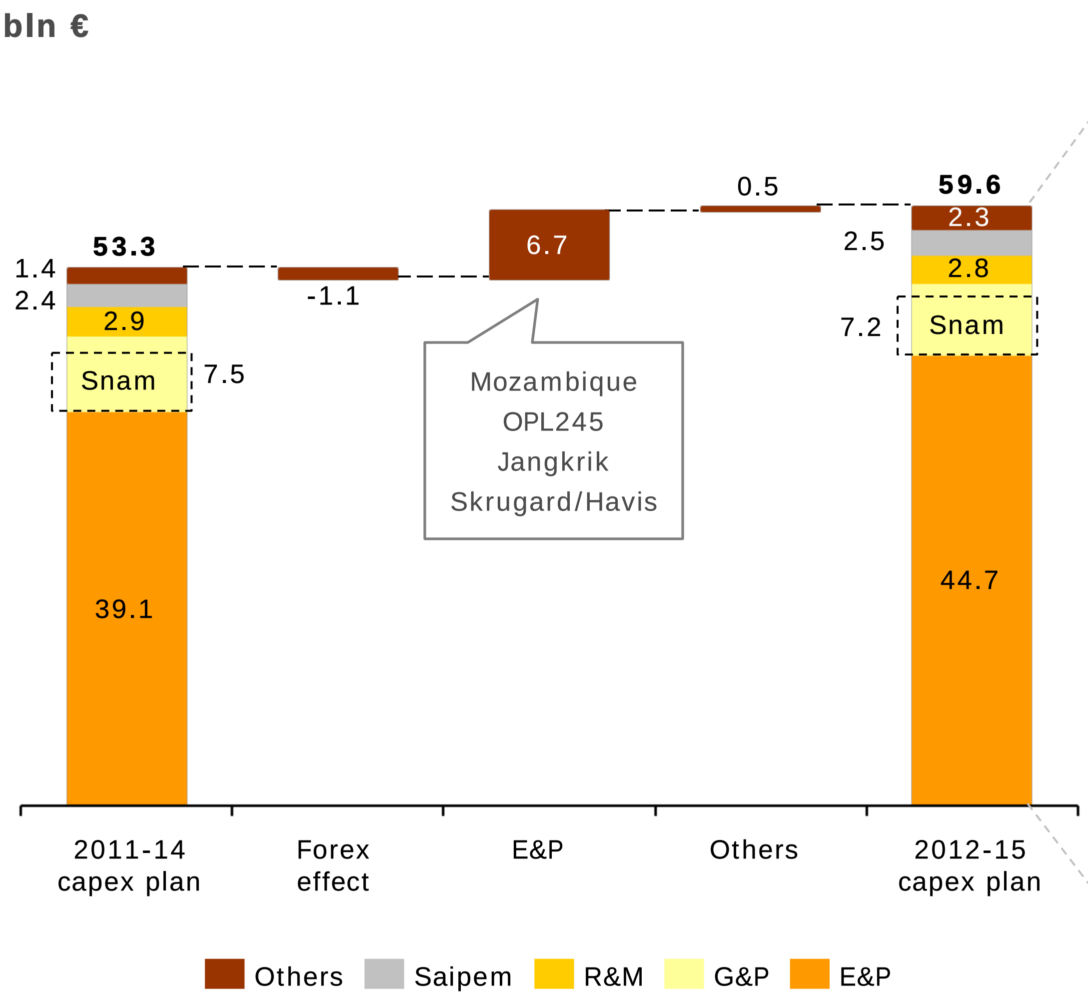
eni ROACE 9.8%

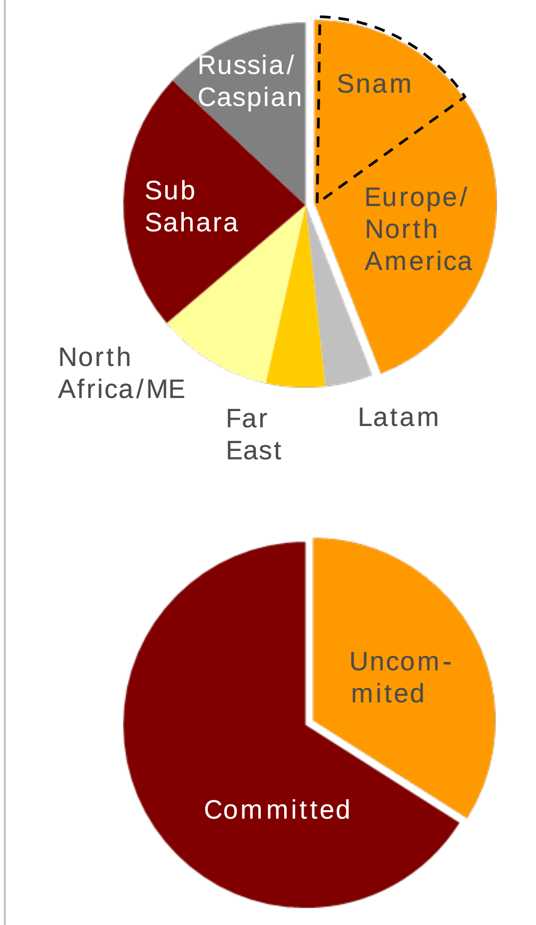
Snam deconsolidation 10.4%

Including cash-in 11.4%

* data at year-end 2011

2012-2015 capex: supporting stronger growth

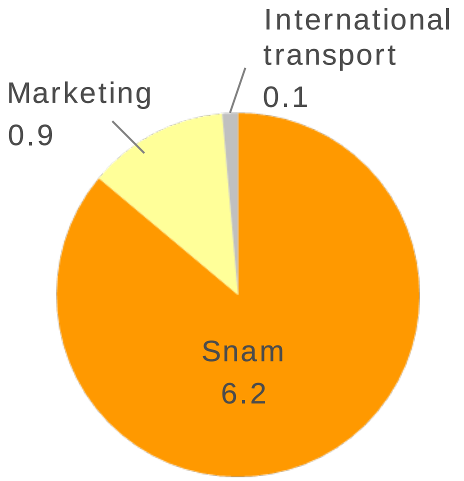




selective capex plan

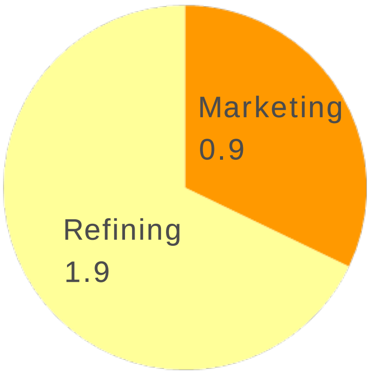
G&P

Total €7.2 bln



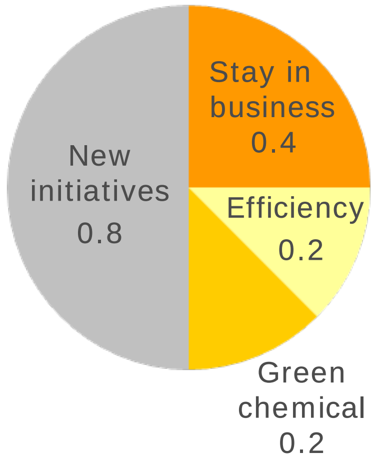
R&M

Total €2.8 bln



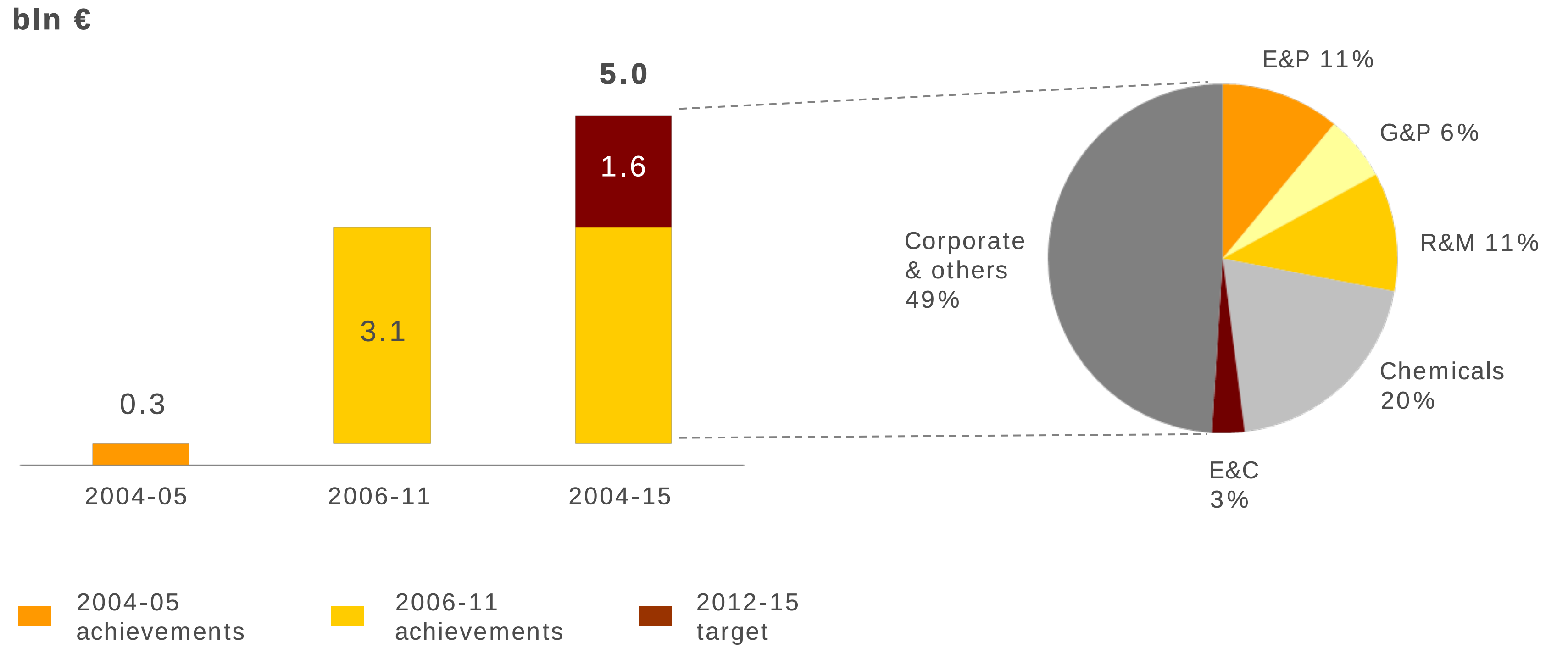
Chemicals

Total €1.6 bln



- **Focus on projects for integration, efficiency and energy saving**
- **Targeted investment to boost organic growth in existing / new profitable businesses**

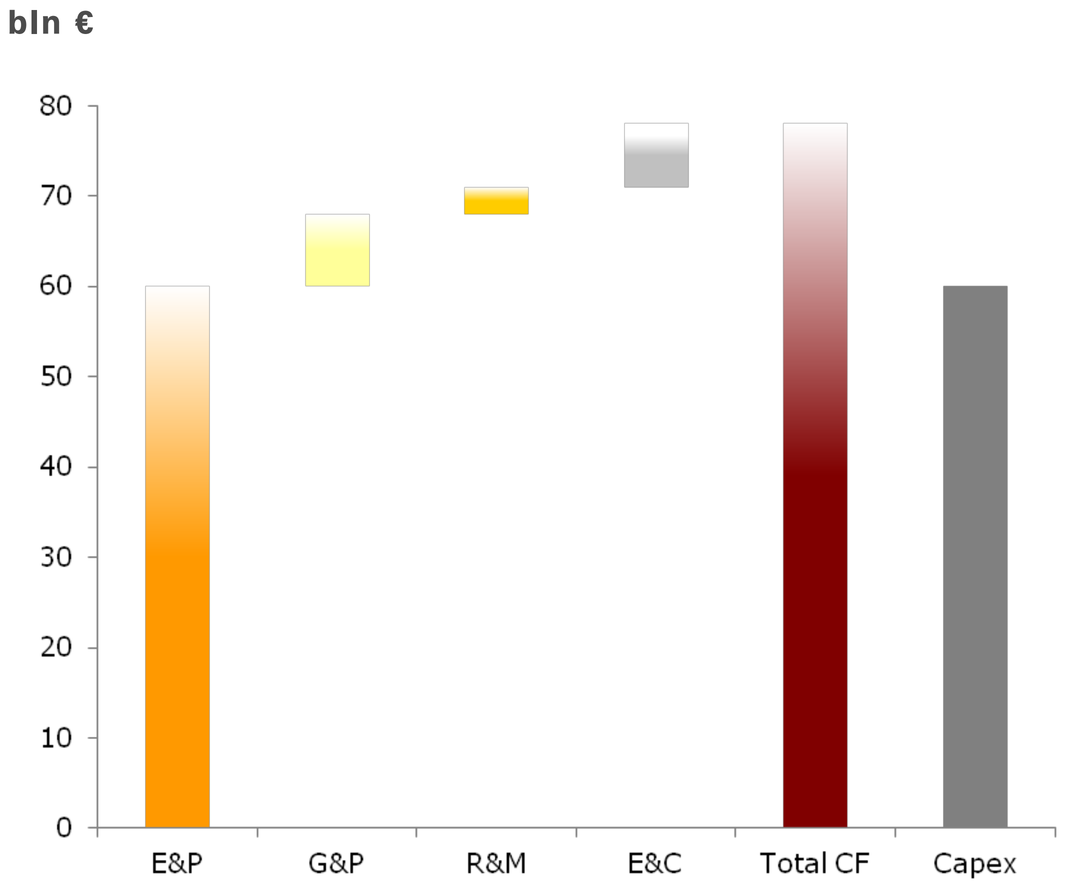
efficiency programme



- Almost €600m of savings achieved in 2011
- 4-year target increased by €600m, mainly in R&M and Chemicals

increasing cash flow to support investments and reduce debt

2012-15 cash flow*



- Organic cash-flow more than covers capex requirements
- Net debt to equity <40% within the plan period at constant perimeter
- Additional cash-inflows expected from disposals
- Impact of Snam deconsolidation on free cash-flow broadly neutral

* @ 90$/bl in 2012-13; 85$/bl in 2014-15

a sustainable dividend policy

- **2011: dividend +4% in line with our policy**
- **Dividend policy of growth in line with inflation sustainable throughout the four-year plan**

Confirmed dividend policy

Closing remarks

Paolo Scaroni, CEO

entering a new growth phase

E&P

A decade of faster, sustainable growth

- Raised production targets to 2015 and beyond
- Increased exploration effort in highly promising basins

G&P

Consolidation of leading position in Europe

- Improved competitiveness of supply
- Medium-term recovery leveraging on secular gas demand growth

R&M Chem

Restructuring potential

- Continuous focus on efficiencies
- Profit enhancement through integration, innovation and portfolio refocusing

Potential value creation from disposals