



upstream seminar

London - June 7, 2010

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agenda

- **Overview** Claudio Descalzi
- **Operations** Antonio Vella – *EVP Operations*
- **Development** Antonio Panza – *SVP Development*
- **Exploration** Luca Bertelli – *SVP Exploration and Unconventional*
- **Focus on key projects**
 - Guido Michelotti – *EVP North Africa and Middle East*
 - Roberto Casula – *EVP Sub-Saharan Africa*
 - Marco Alverà – *EVP Russia, Northern Europe and Americas*
 - Massimo Mondazzi – *EVP Central Asia and Pacific*
- **Focus on Iraq** Claudio Descalzi
- **Closing remarks** Claudio Descalzi



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a focused set of priorities

Unlocking upside from 30 Bboe resources for profitable growth

Legacy areas

- Africa, OECD, FSU
- Established relationship with hosting countries
 - Synergies
 - Extensive geological knowledge

Giants

- Scale
- Cost effectiveness
- Long lasting plateau

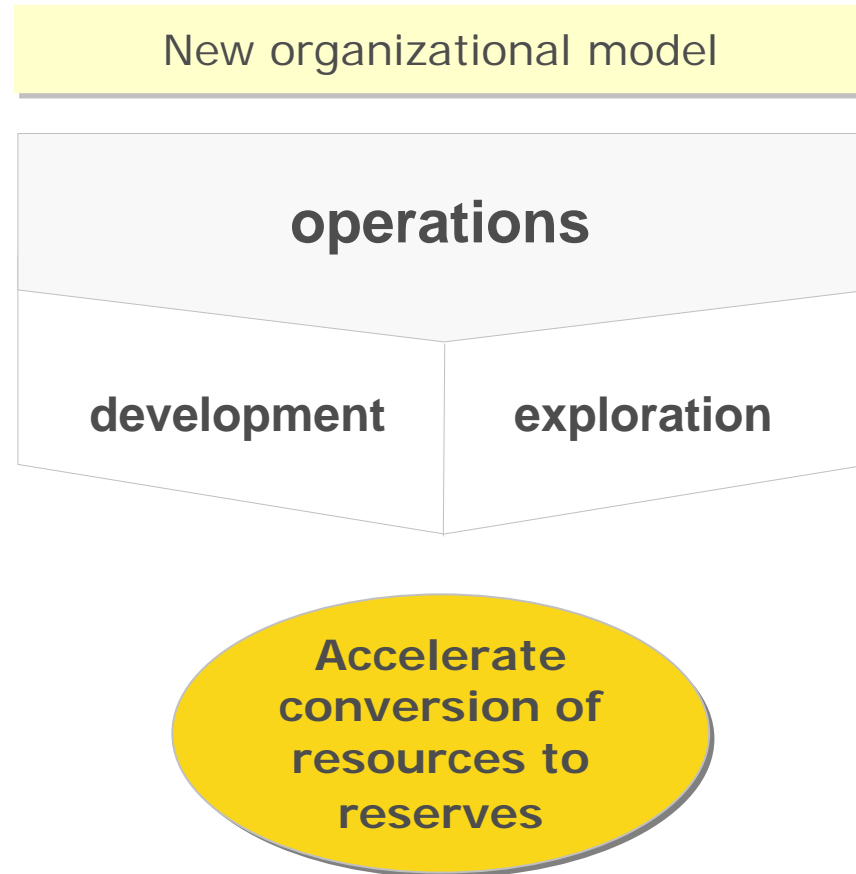
Exploration

- Balanced risk
- On shore & shallow water
- Drivers
- Fast track
 - Integrated approach

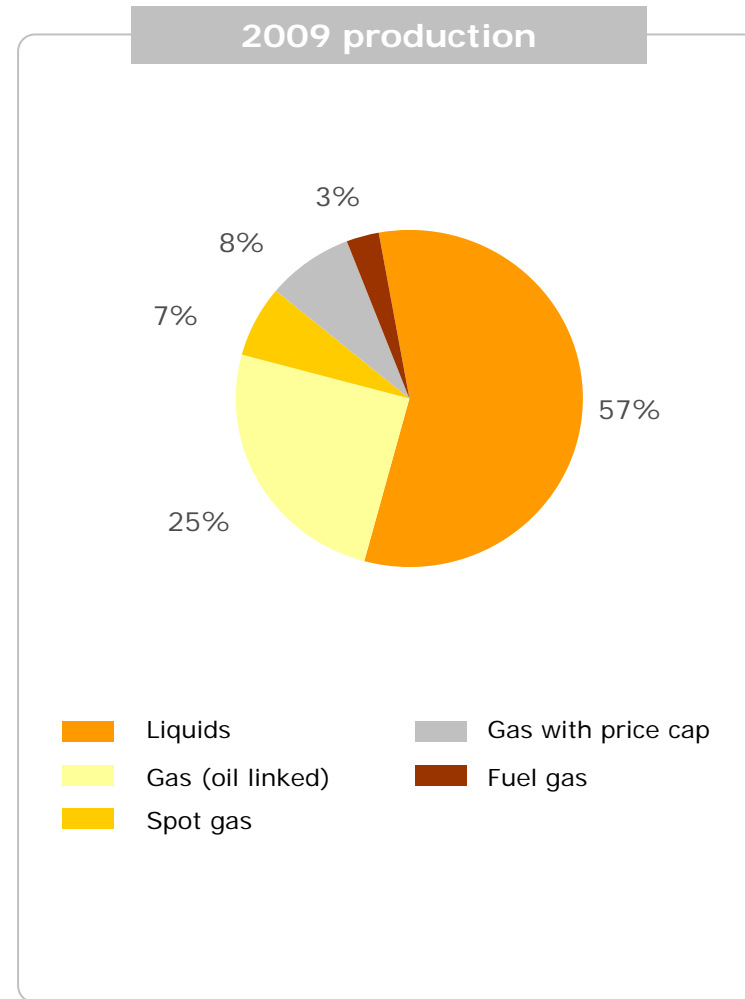
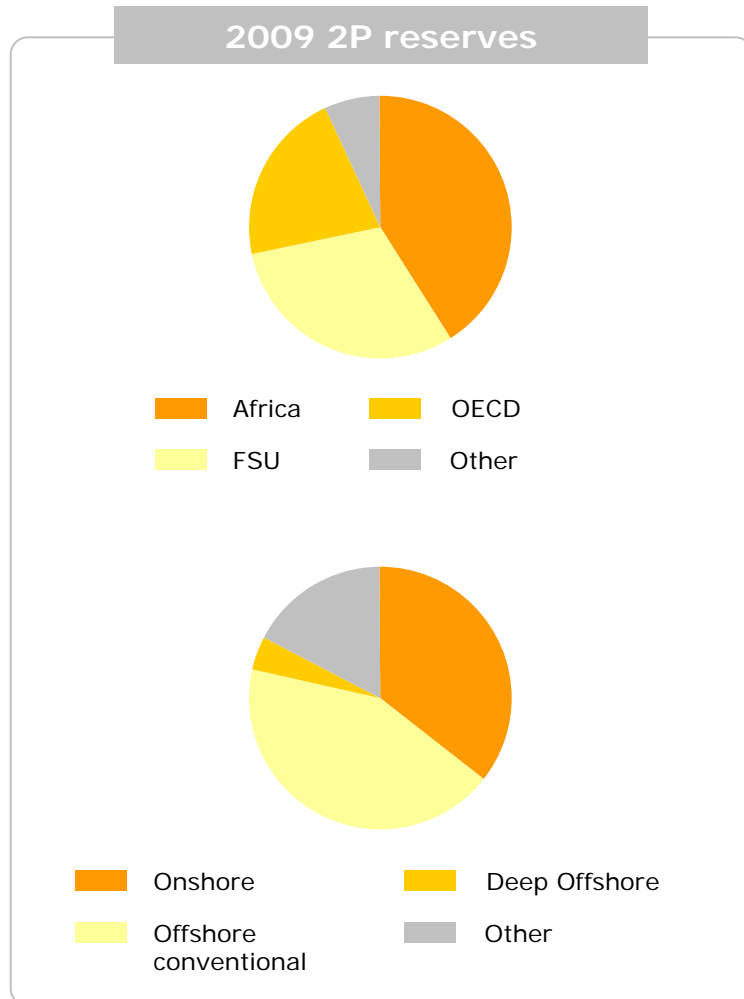


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develop existing resources

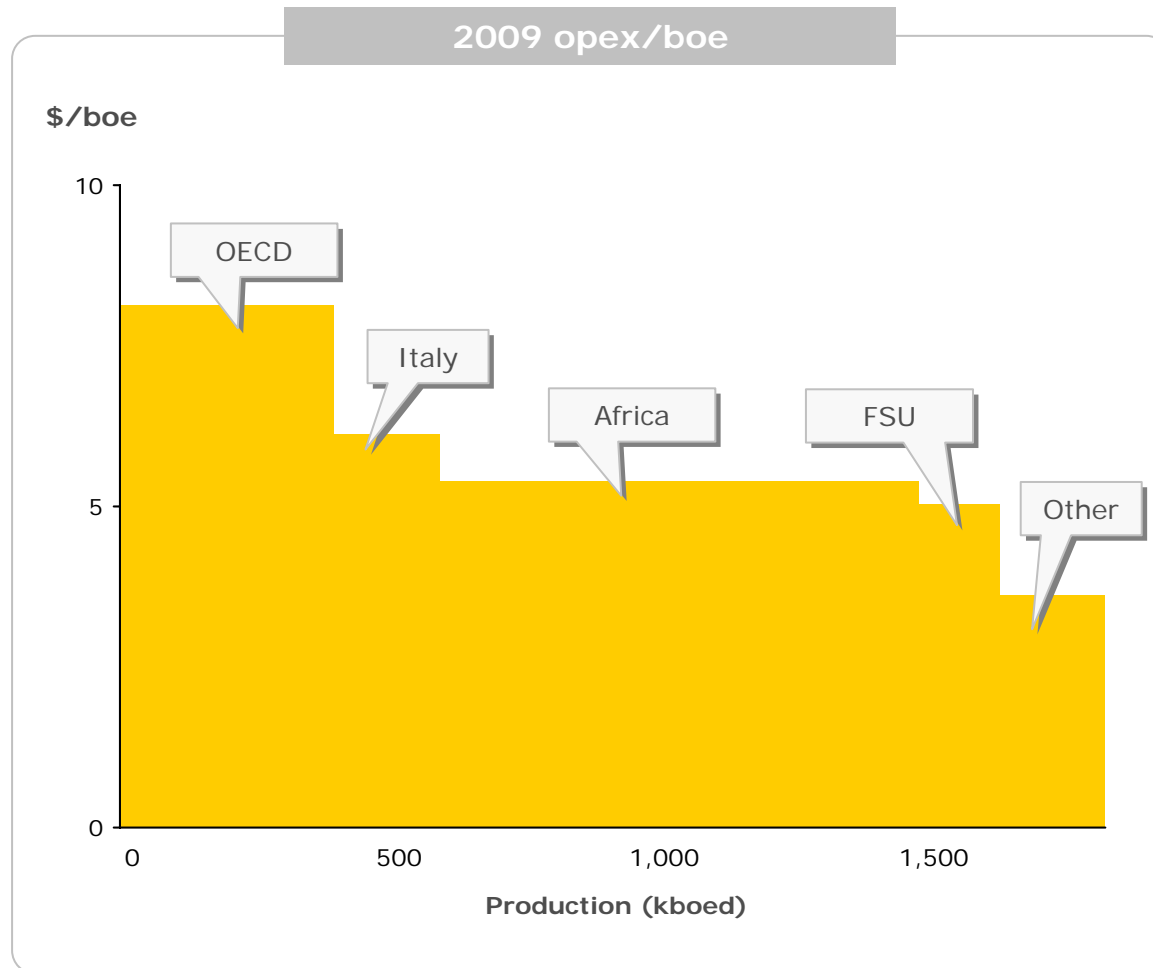


balanced portfolio leveraged to oil price



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low cost per barrel

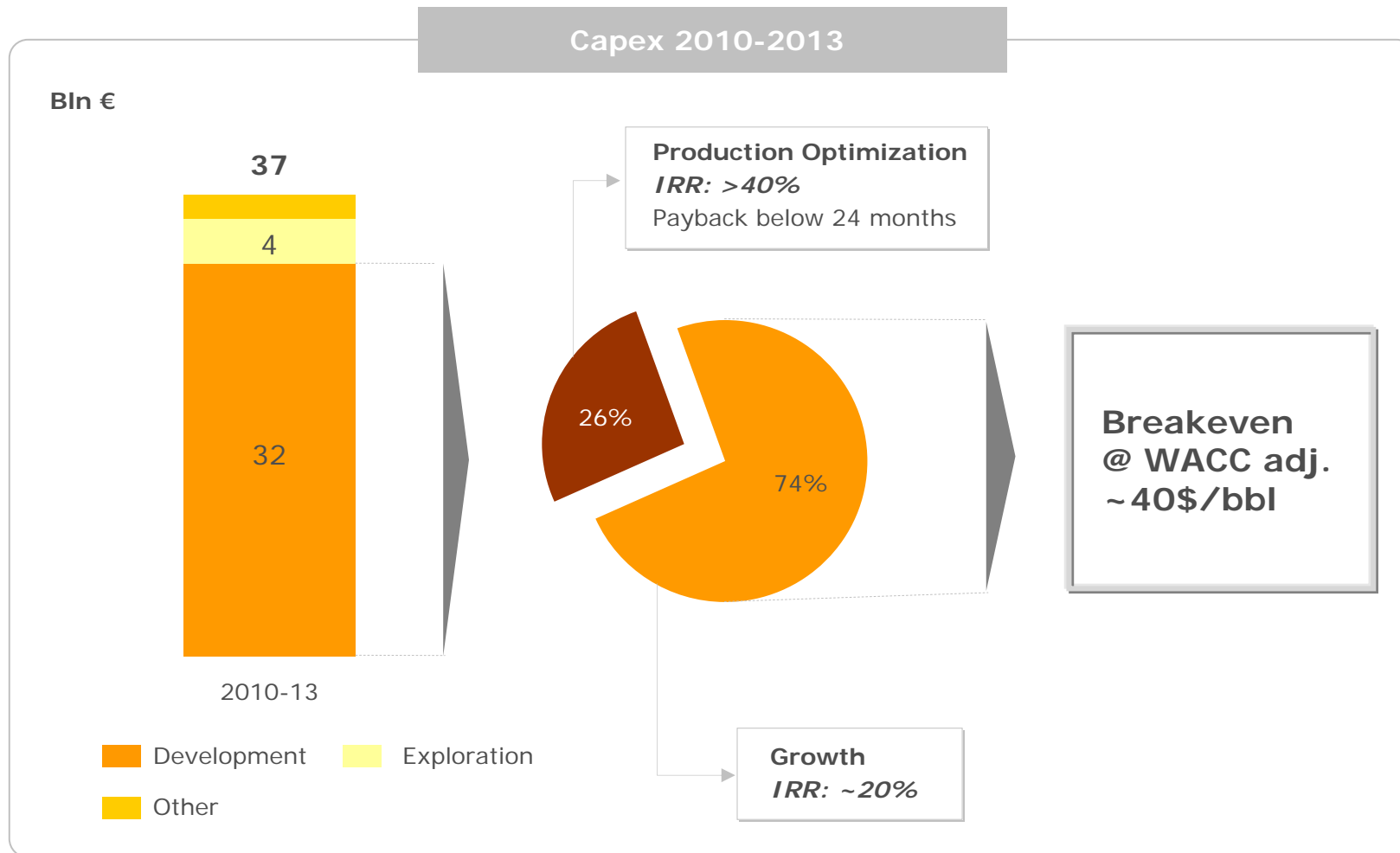


- Leading production costs in the industry
- Exposure to Africa, Italy and FSU
- Continuing focus on cost efficiency



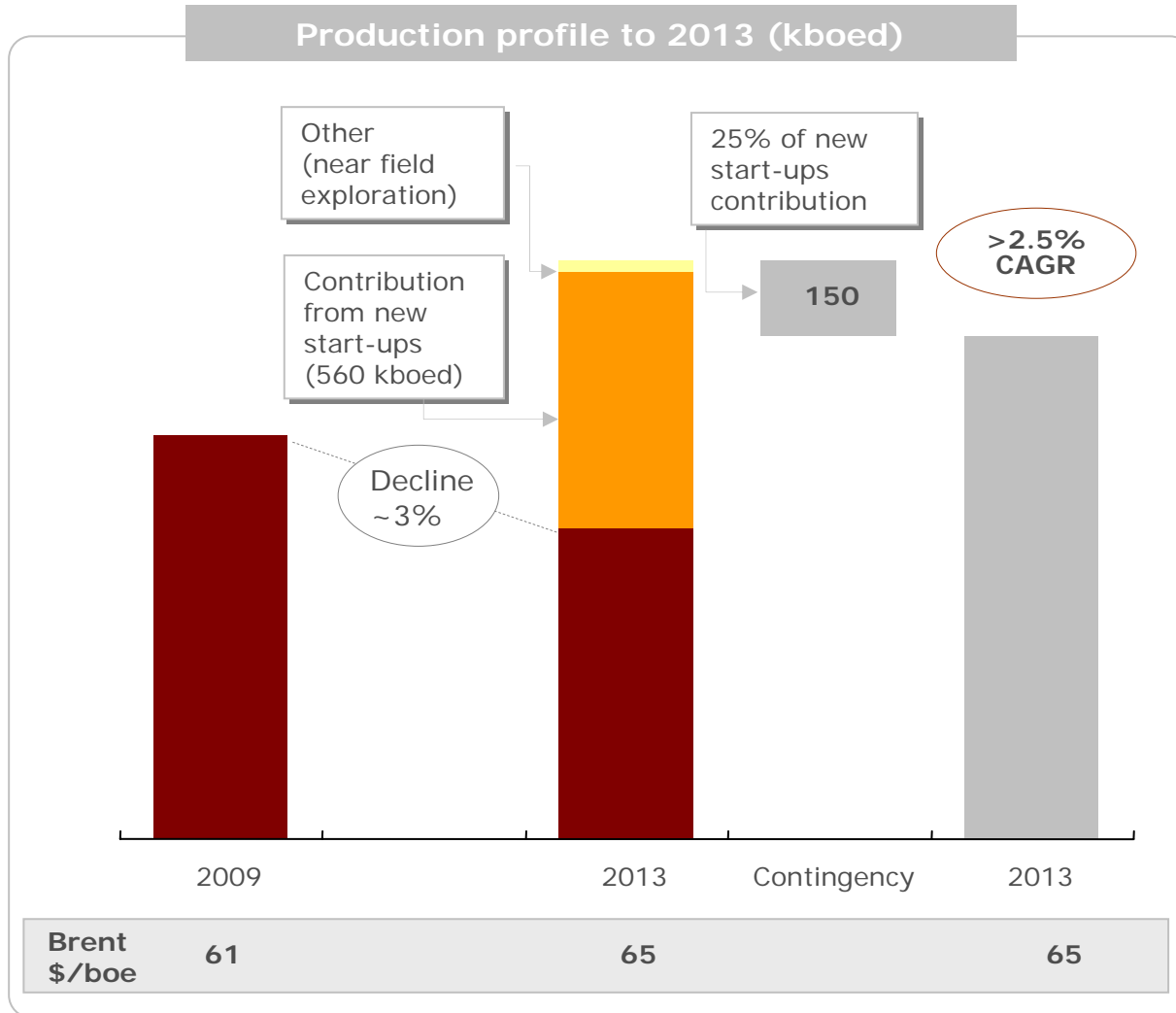
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rich portfolio of high return projects

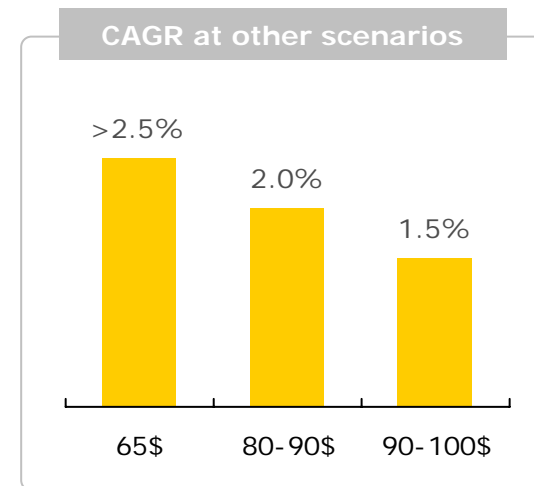


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high visibility on organic growth

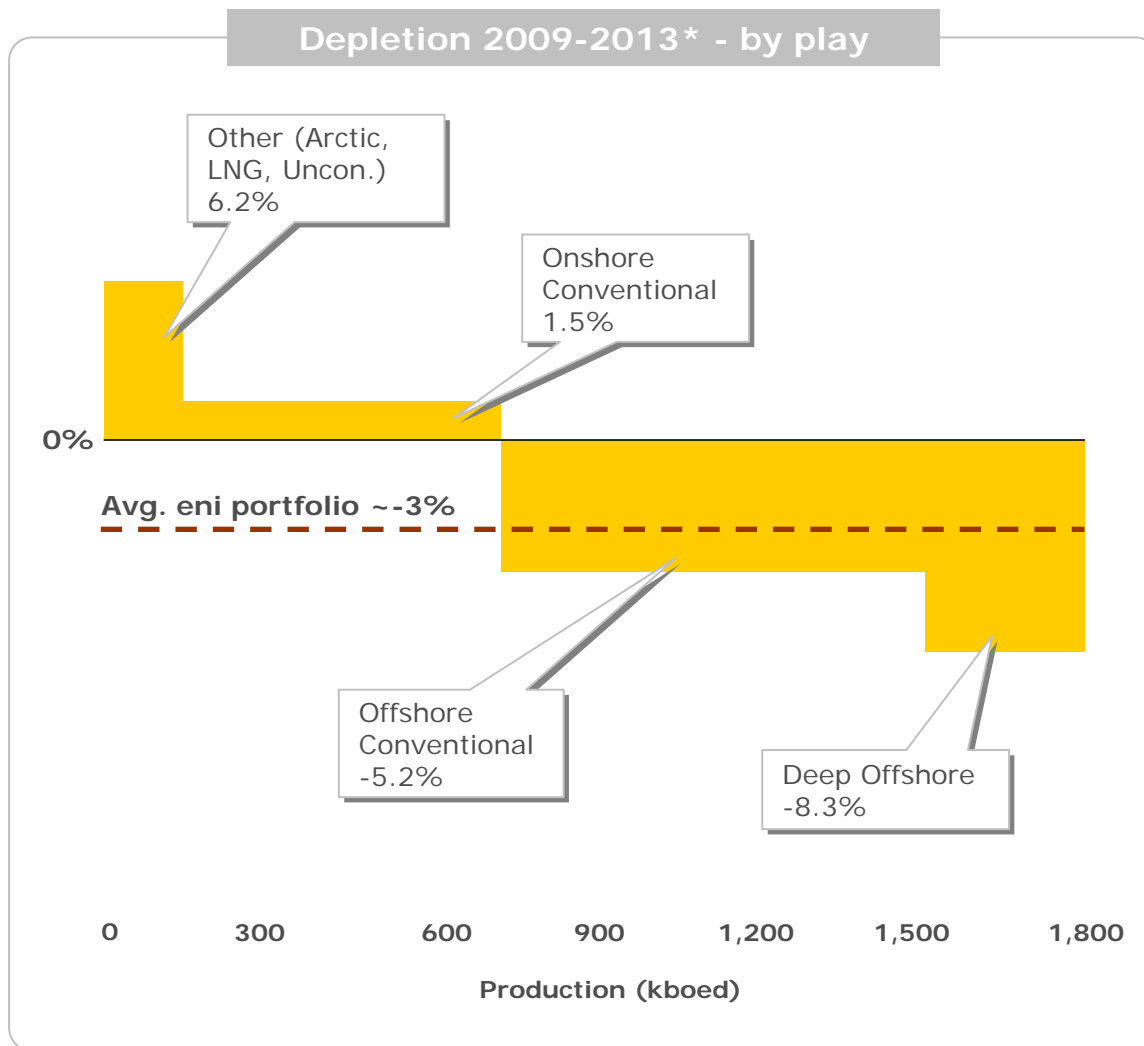


- Low decline rate
- Visible and strong pipeline of projects
- Large contingencies applied



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low depletion rate



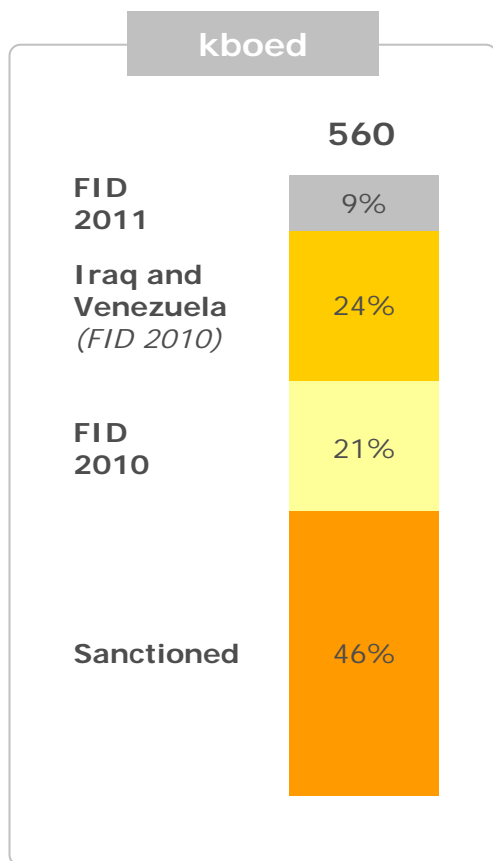
- Portfolio exposed to:
 - Giant projects
 - Young basins
 - Conventional plays

- Depletion per region
 - Africa: -1%
 - OECD: -5.4%
 - Rest of the world: -2.9%



* Excluding new greenfield start-ups, based on 2009 producing fields

solid pipeline of projects

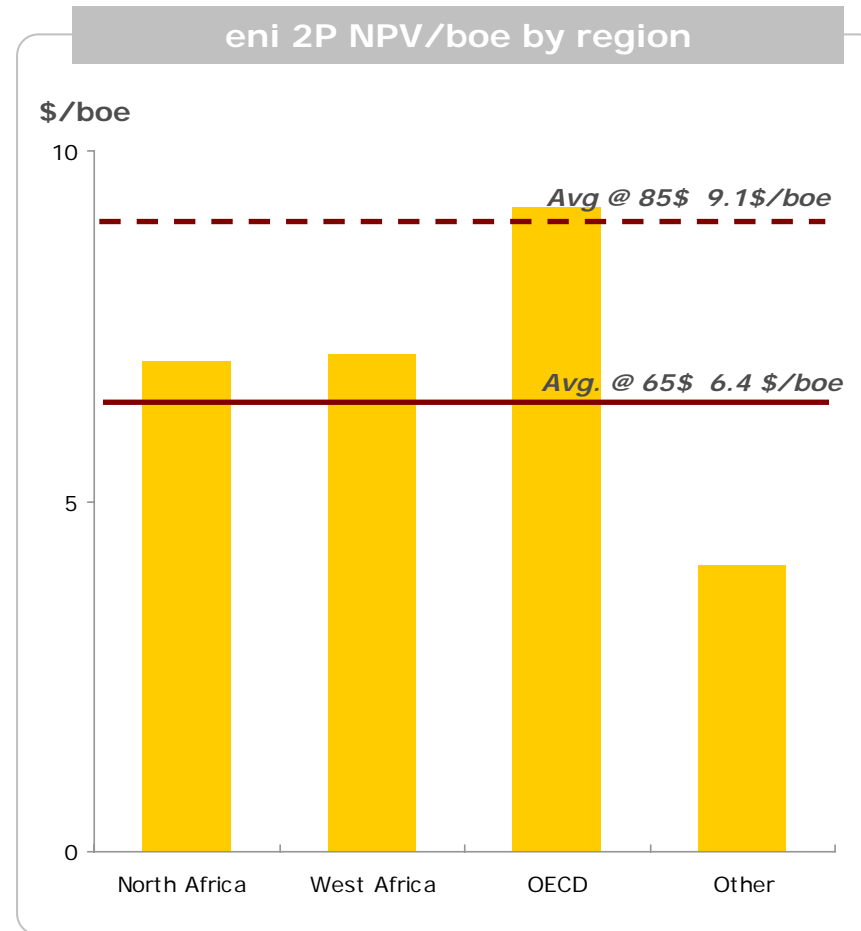
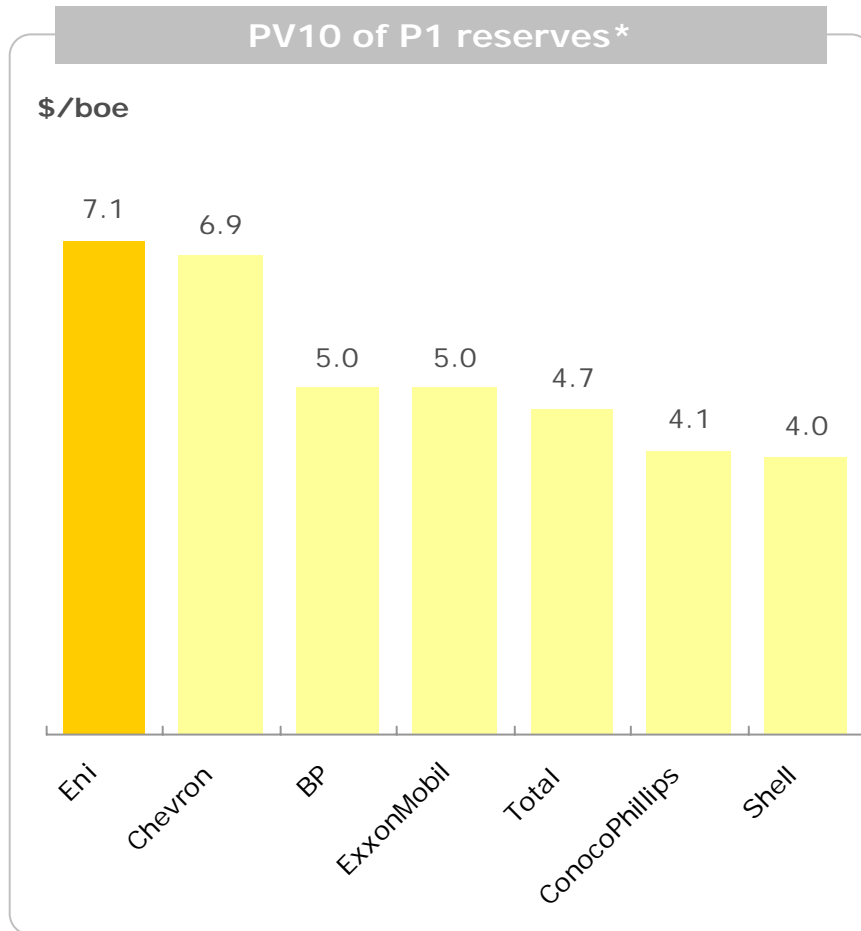


16 major projects for growth					
Project	Country	Op.	Status	Start-up	Peak Production 100% (kboed)
Zubair	Iraq	✓	FID 2010	2010	1,200
Perla and Junin 5	Venezuela	✓	FID 2010-11	2013	375
Val D'Agri Ph. 2	Italy	✓	FID 2010	2010	42
Samburgskoye	Russia	✓	FID 2010	2011	145
Jasmine	UK		FID 2010	2012	86
Block 15/06	Angola	✓	FID 2010	2012	90
M'Boundi Gas	Congo	✓	Sanctioned	2010	22
CAFC	Algeria	✓	Sanctioned	2011	67
Kitan	Australia	✓	Sanctioned	2011	40
Mavacola / Clochas	Angola		Sanctioned	2011	120
MLE	Algeria	✓	Sanctioned	2011	55
Nikaitchuq	USA	✓	Sanctioned	2011	26
Kashagan EP	Kazakhstan	✓	Sanctioned	2012	450
Angola LNG	Angola		Sanctioned	2012	176
El Merk	Algeria		Sanctioned	2012	146
Goliat	Norway	✓	Sanctioned	2013	94

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



leading value per barrel



* 2009 SEC @ 59.9\$/bbl scenario

**Focus on fast-track conversion
of resources to reserves**



- short time-to-market
- cost effective
- low risk



**2010-2013
replacement ratio
> 120%**

from resources to reserves

Resources

- >8 Bboe P3 + Contingent
- Vast project development opportunities:
 - Kashagan Phase 2
 - Hubs block 15/06
 - Kutei basin CBM
 - Hadrian, Stones, Kodiak
 - Junin Phase 2
 - Yaro, Yevo
 - Libyan gas
 - Egyptian gas
 - Nigerian gas/LNG

Exploration potential

- >9 Bboe risked exploration
- Exploration strategy:
 - 70% near field/proven basins
 - 30% frontier/new plays
- Key prospects:
 - West Africa
 - Australia
 - Barents Sea
 - Kazakhstan



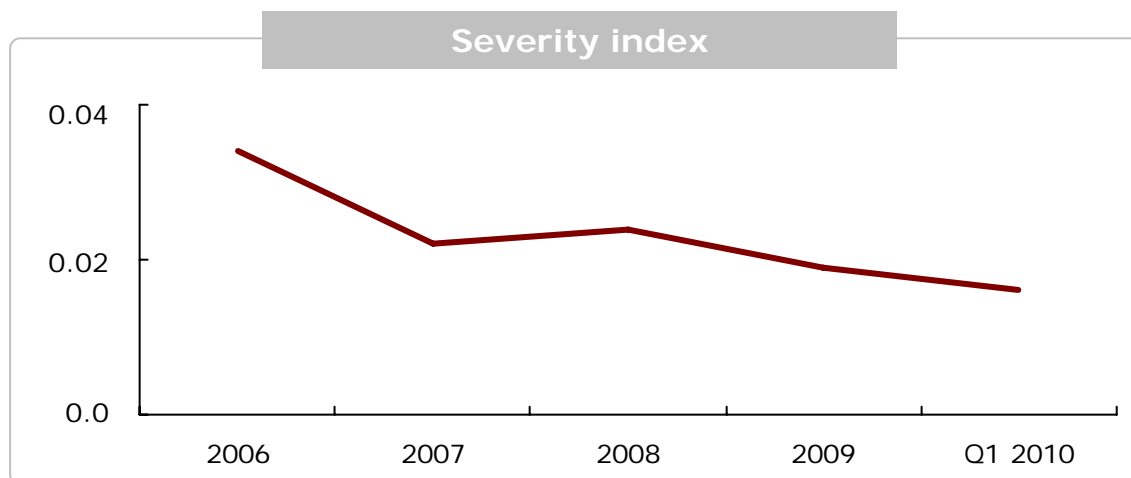
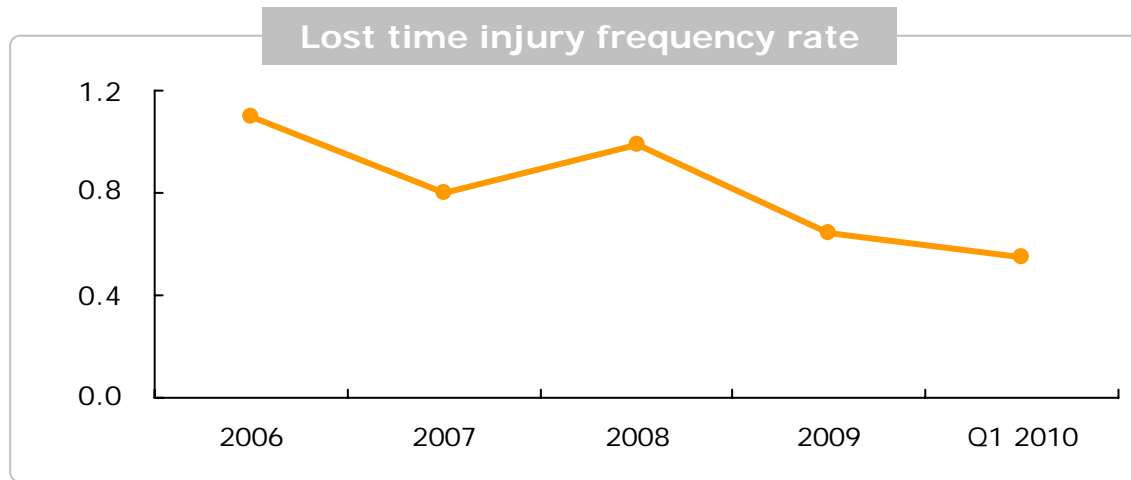
organized to maximise value, growth and upside

		North Africa and Middle East	Sub-Saharan Africa	Americas Russia and Northern Europe	Southern Europe	Central Asia and Far East
		G. Michelotti	R. Casula	M. Alverà	G. Tannoia	M. Mondazzi
Value Growth Upside	Operations A. Vella					
	Development A. Panza					
	Exploration L. Bertelli					



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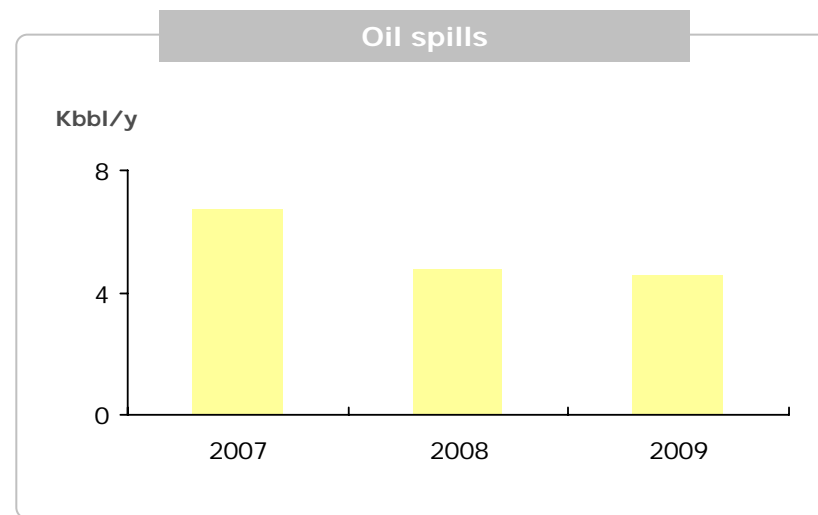
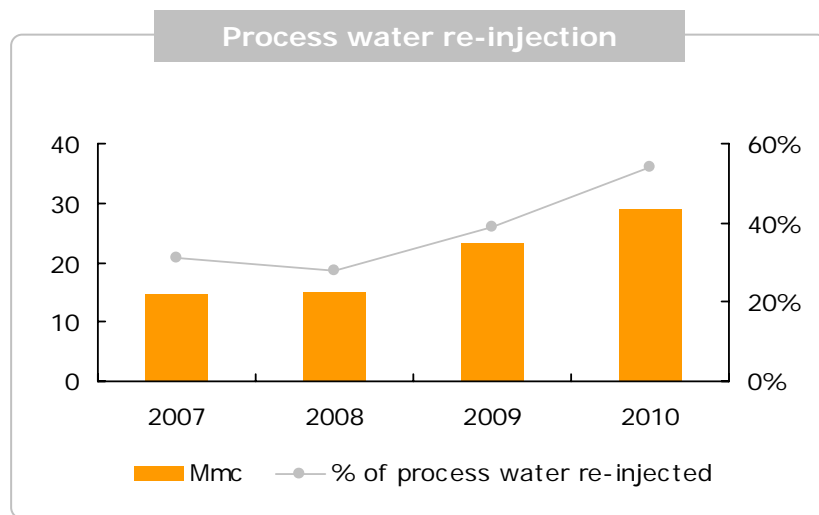
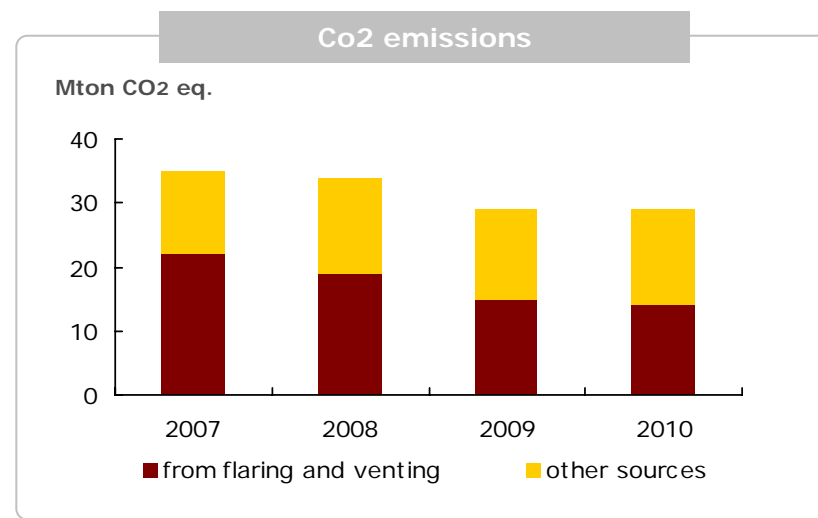
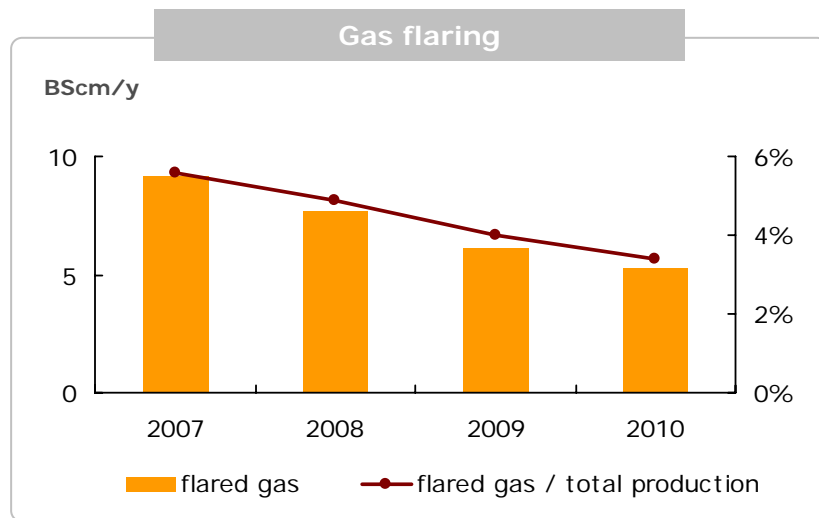
HSE performance



- Prevention and preparedness
- Strong focus on the human factor
- Control on contractors



HSE performance



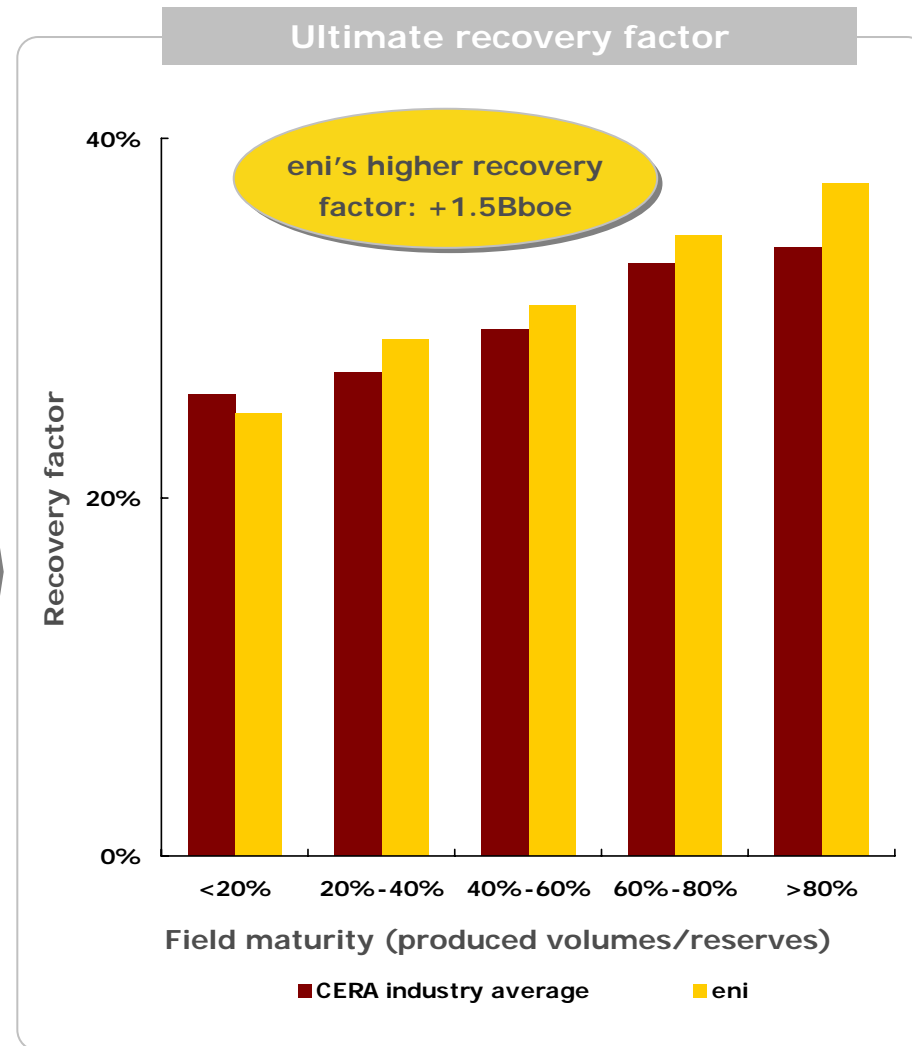


Operations

Antonio Vella, EVP Operations

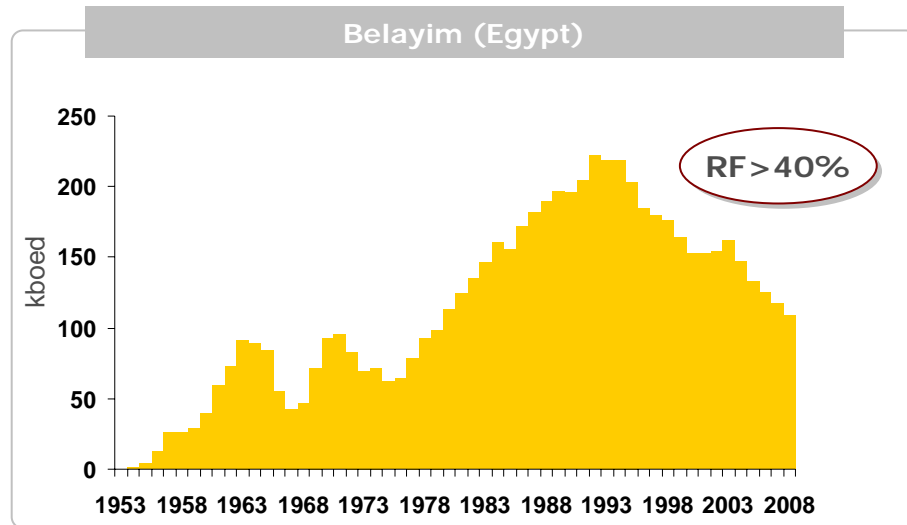
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operations centred on the reservoir



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field management track record

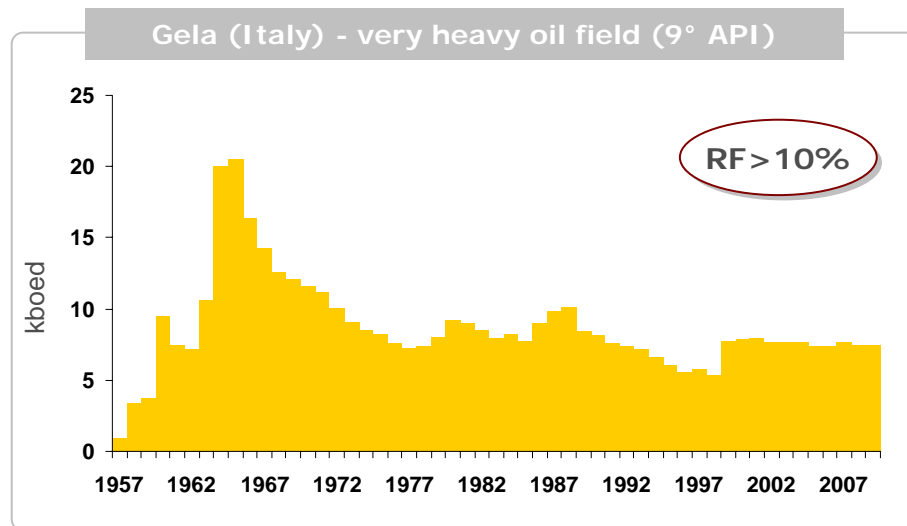


Management history:

- Secondary recovery through water injection
- Artificial lift
- Aggressive infilling and WO campaign
- Horizontal wells
- New seismic acquisition

Ongoing actions:

- Water injection optimization
- Tertiary recovery pilot
- Radial drilling activity
- Near field exploration



Management history:

- Cold production
- Artificial lift and diesel injection
- WO campaign (water shut-off)
- Horizontal wells
- Cross-well seismic

Ongoing actions:

- Multi-lateral wells
- Enhanced recovery pilot
- Intelligent completion



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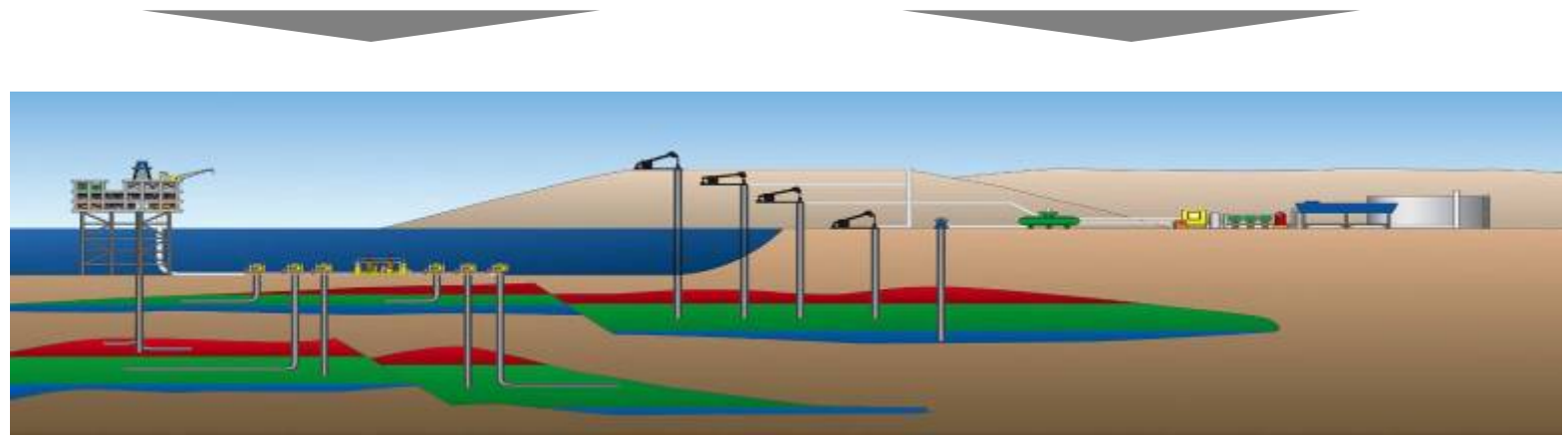
asset integrity

Transportation

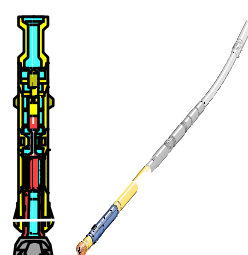
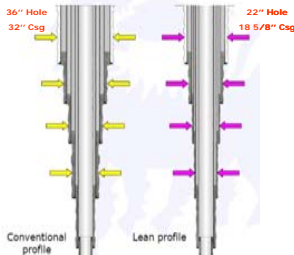
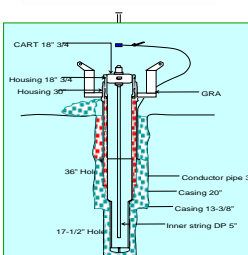
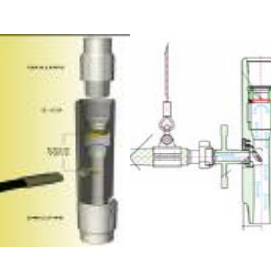
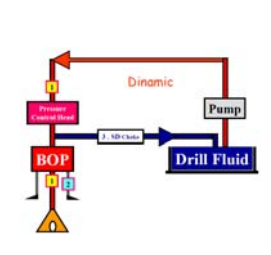
- Flow assurance
- Pipeline inspection
- Drag reducer
- Debottlenecking

Plant & facilities

- Design oriented towards operating efficiency
- Plant shut-down optimization
- New technologies
- Innovative solutions



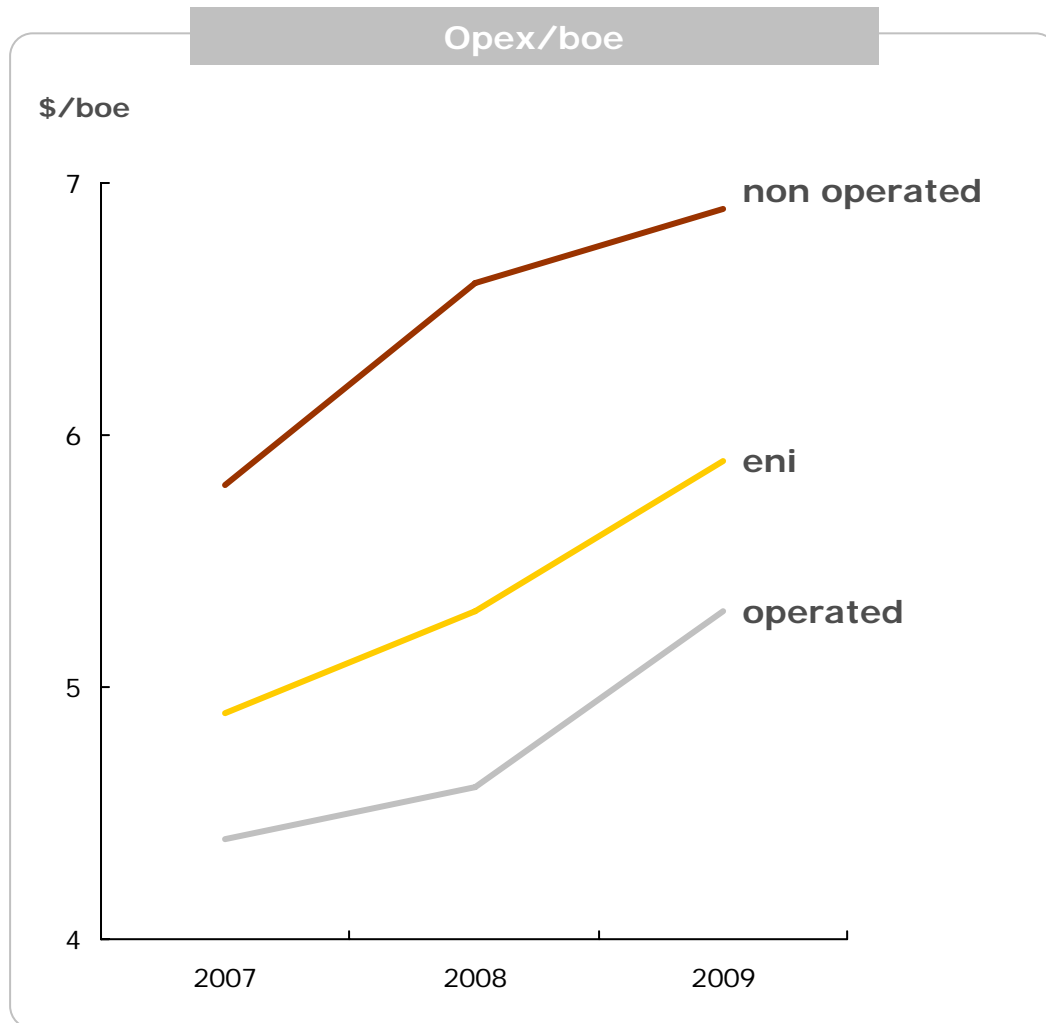
leadership in drilling technologies

<p>Pioneered with international contractors the concept of Automatic Drilling</p> 	<p>x-lp extreme lean profile</p> 	<p>e-dwdc eni deep water dual casing</p> 	<p>e-cd eni circulating device</p> 	<p>e-nbd eni near balance drilling</p> 
1994	2000	2001	2005	2009



43 patented drilling technologies to increase safety and efficiency

value of operatorship



- Stricter cost control
- Shorter time-to-market
- Synergies
- Organisational unit dedicated to non-operated assets

new gas conversion factor

- 50 new gas fields started up from 2004 to 2009
- Re-measurement of calorific values for 230 fields in production



**New gas
conversion factor:
6.36 Boe/1,000 m³**

**Impact on full year reported production: +26 kboed
No impact on value and targets**



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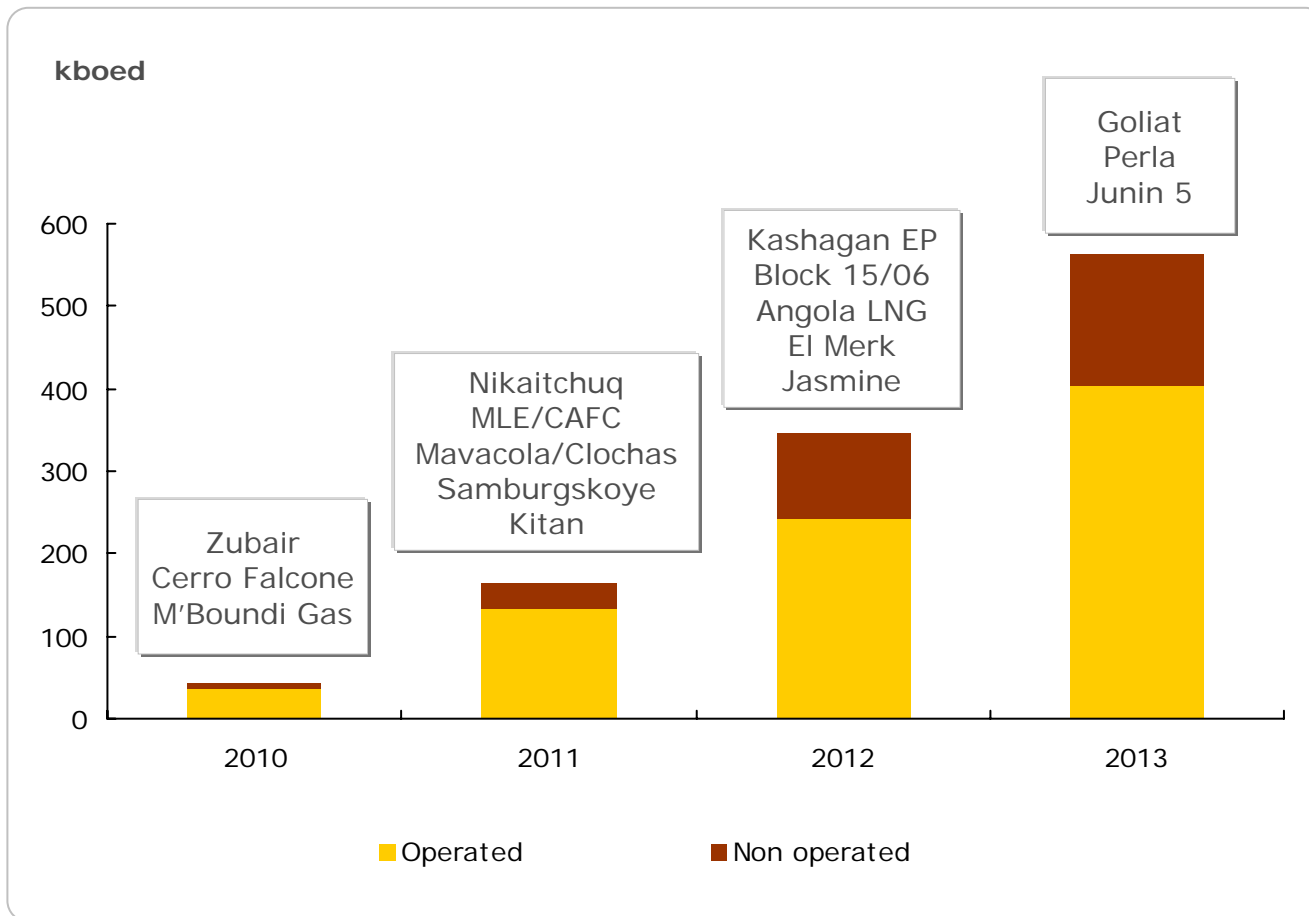


Development

Antonio Panza, SVP Development

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growth fuelled by development projects



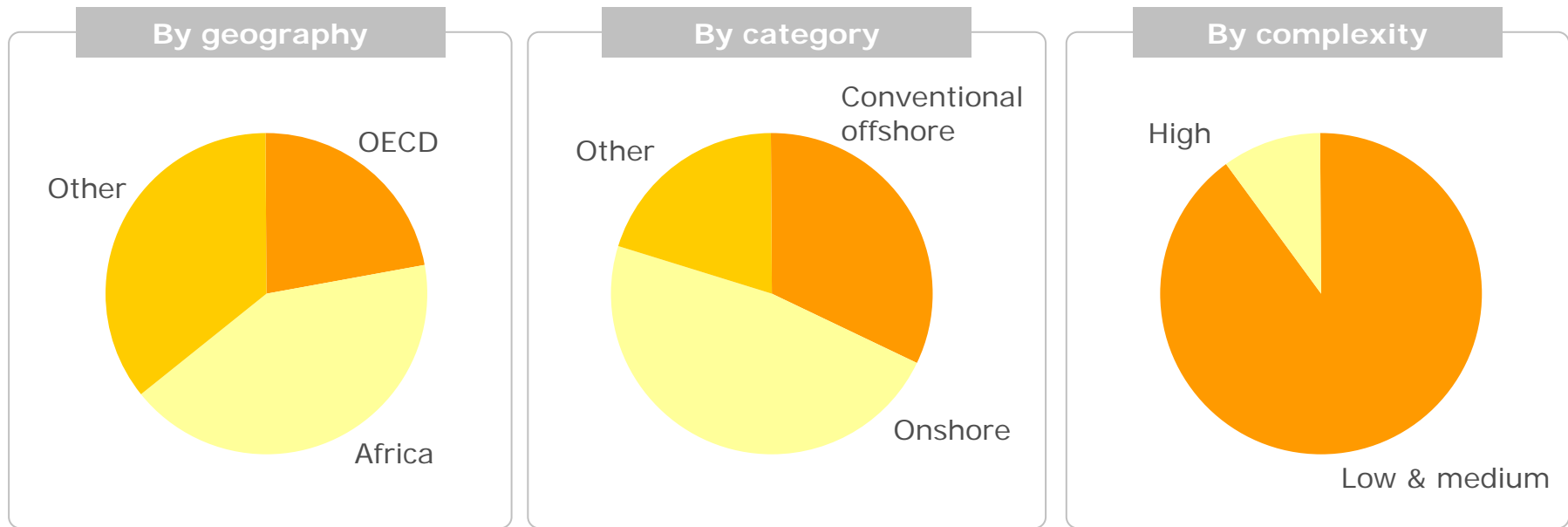
- 41 start-ups planned by 2013
- 31 operated

**560 kboed
of new equity
production
by 2013**



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development projects profile 2010-2013

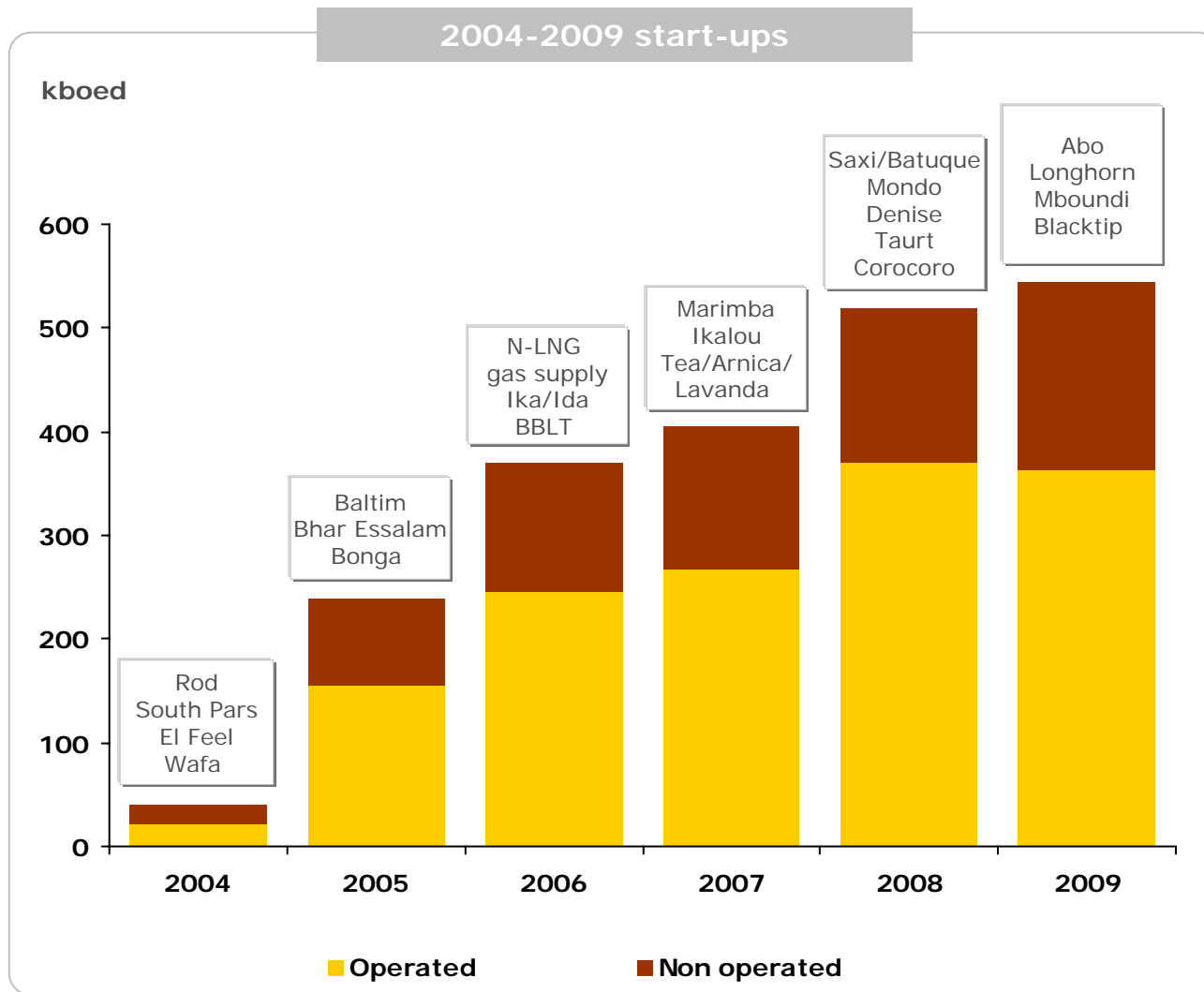


- Exposure to Africa
- Largely conventional
- Low complexity



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strong track-record of project delivery



- 54 projects started in 6 years
- 26 operated
- 29 further projects sanctioned

543 kboed of equity production in 2009



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further improving project delivery



standardization

- Block 15/06
 - Design concept replication
 - Combining drilling and installation campaigns
 - Market leverage

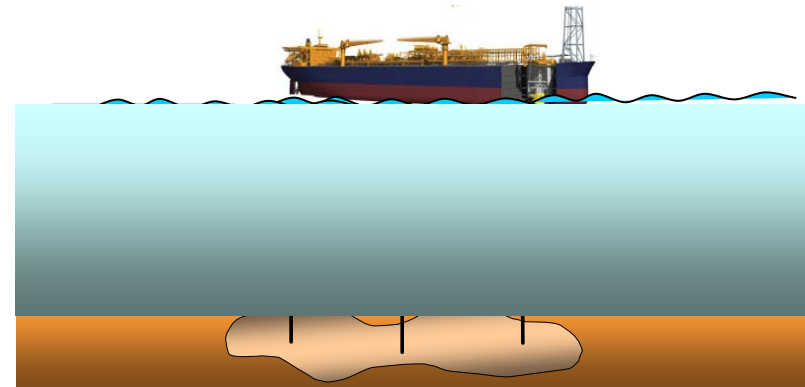
- Perla
 - Design concept replication
 - Equipment standardization
 - Framework Agreements



synergies



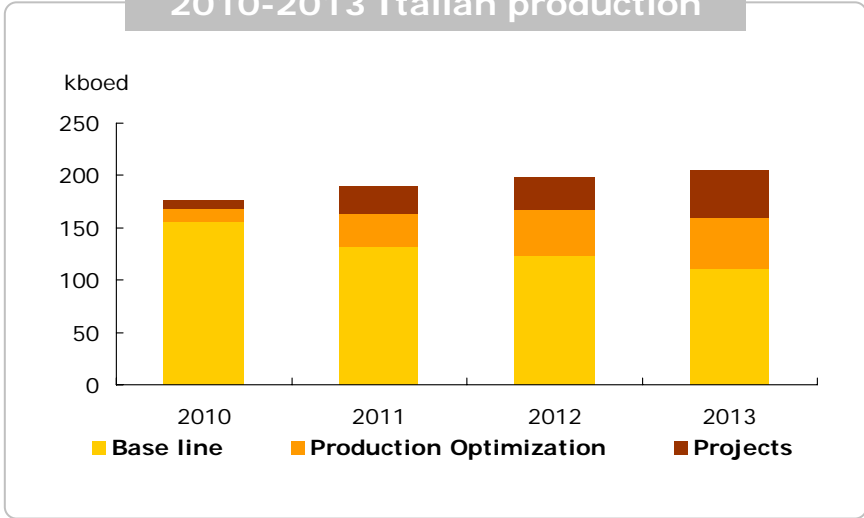
- MLE/CAFC
 - Gas train sharing
 - Common infrastructure and utilities
 - Common export system



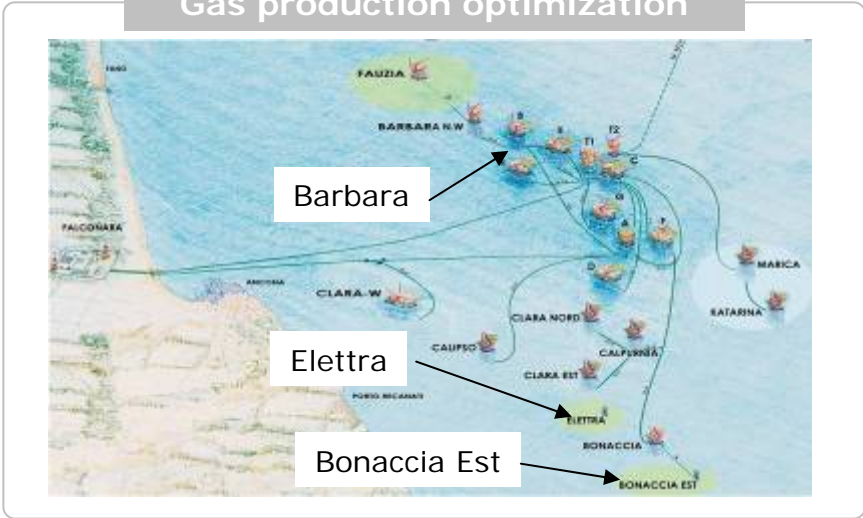
- Kitan
 - FPSO redeployment
 - Operating cost optimization

Italy: leveraging on historical presence

2010-2013 Italian production



Gas production optimization



Val D'Agri Phase 2



Offshore Ibleo



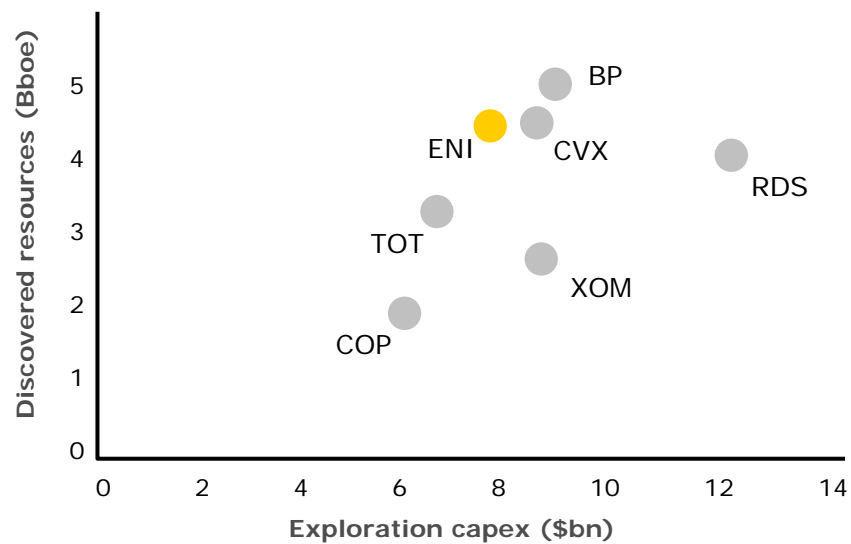


Exploration and Unconventional

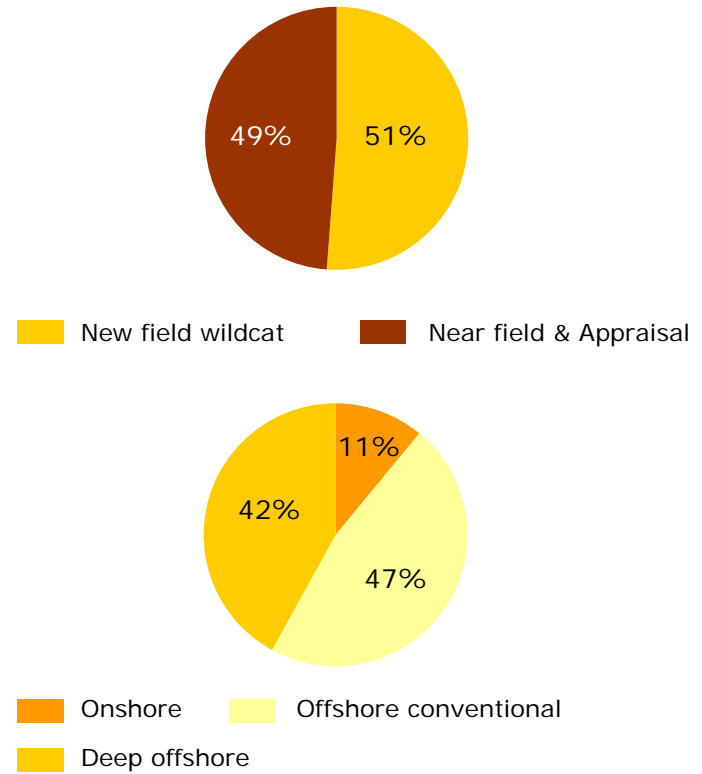
Luca Bertelli, SVP Exploration and Unconventional

exploration performance

Discovered resources vs. capex 2002-2007*



2005-09 contingent resources distribution



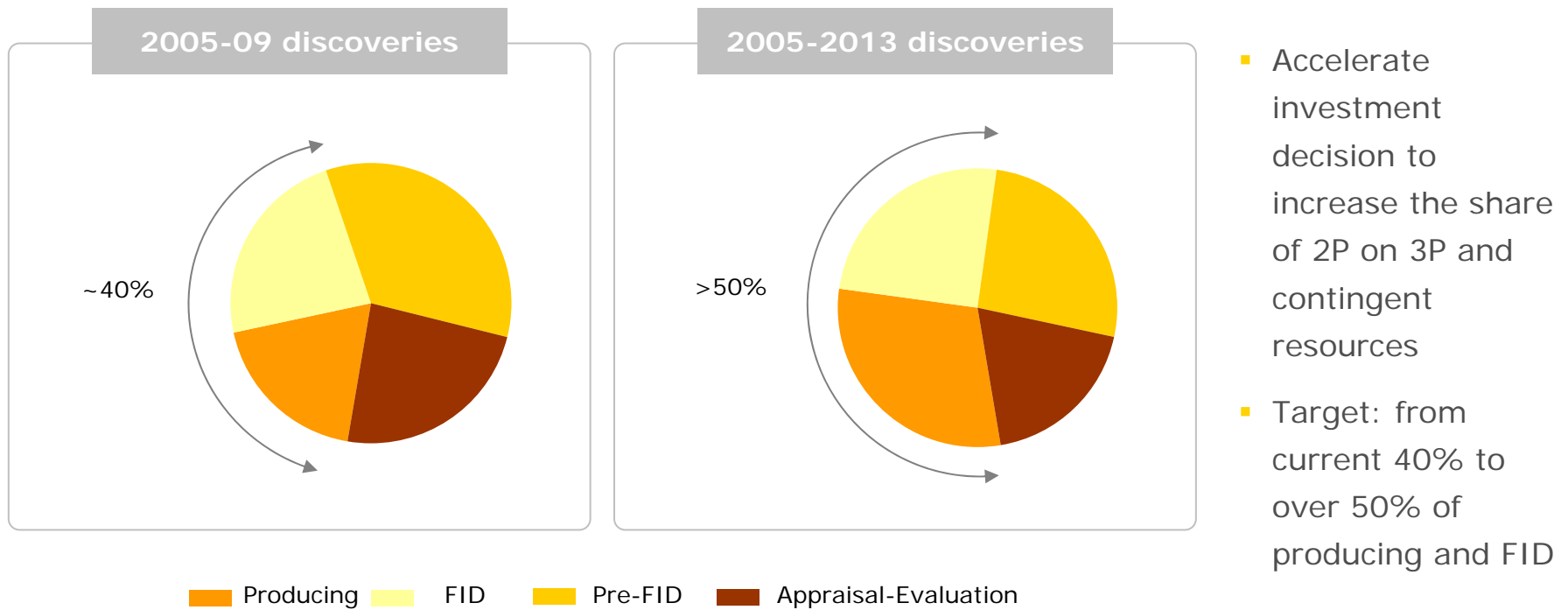
Leading performance in discoveries and costs



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* Sources - Resources: IHS; Costs: Wood-Mac; eni: internal data for resources

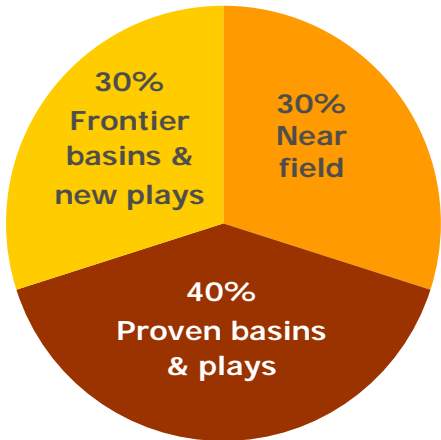
eni exploration - time to market performance



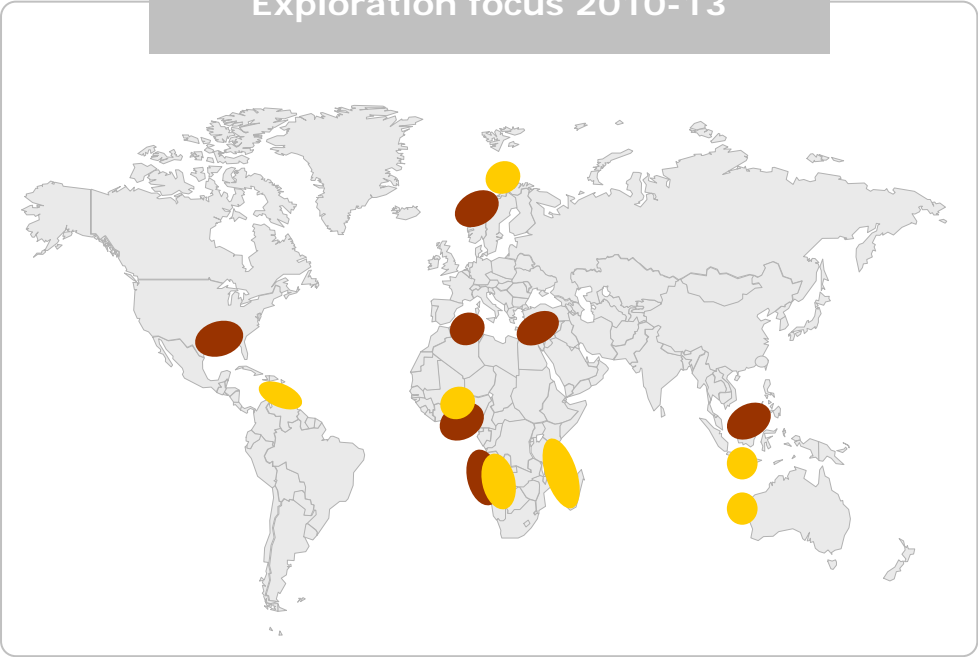
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exploration strategy: a diversified and balanced portfolio

Targeting a 40-30-30 exploration capex allocation

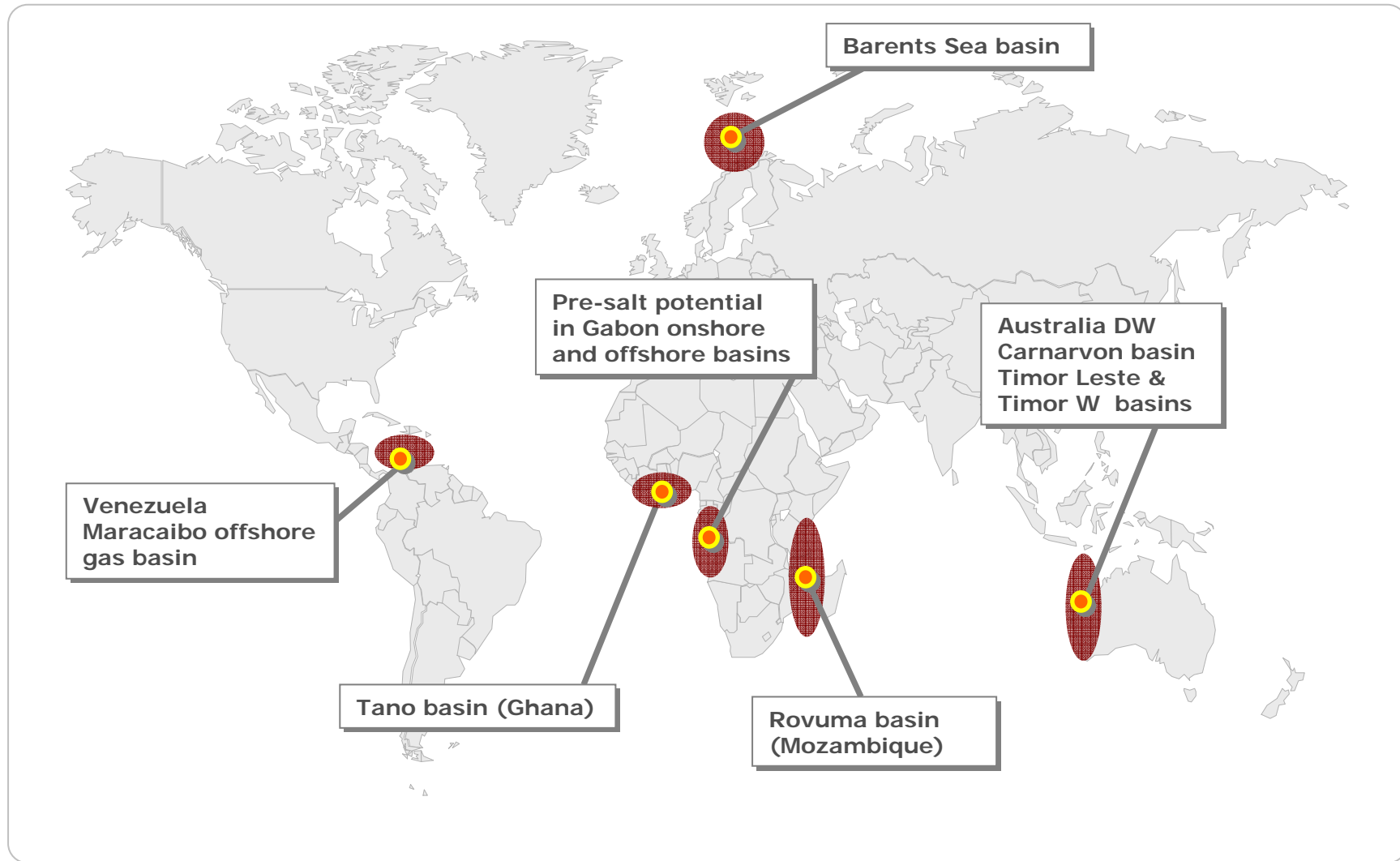


Exploration focus 2010-13



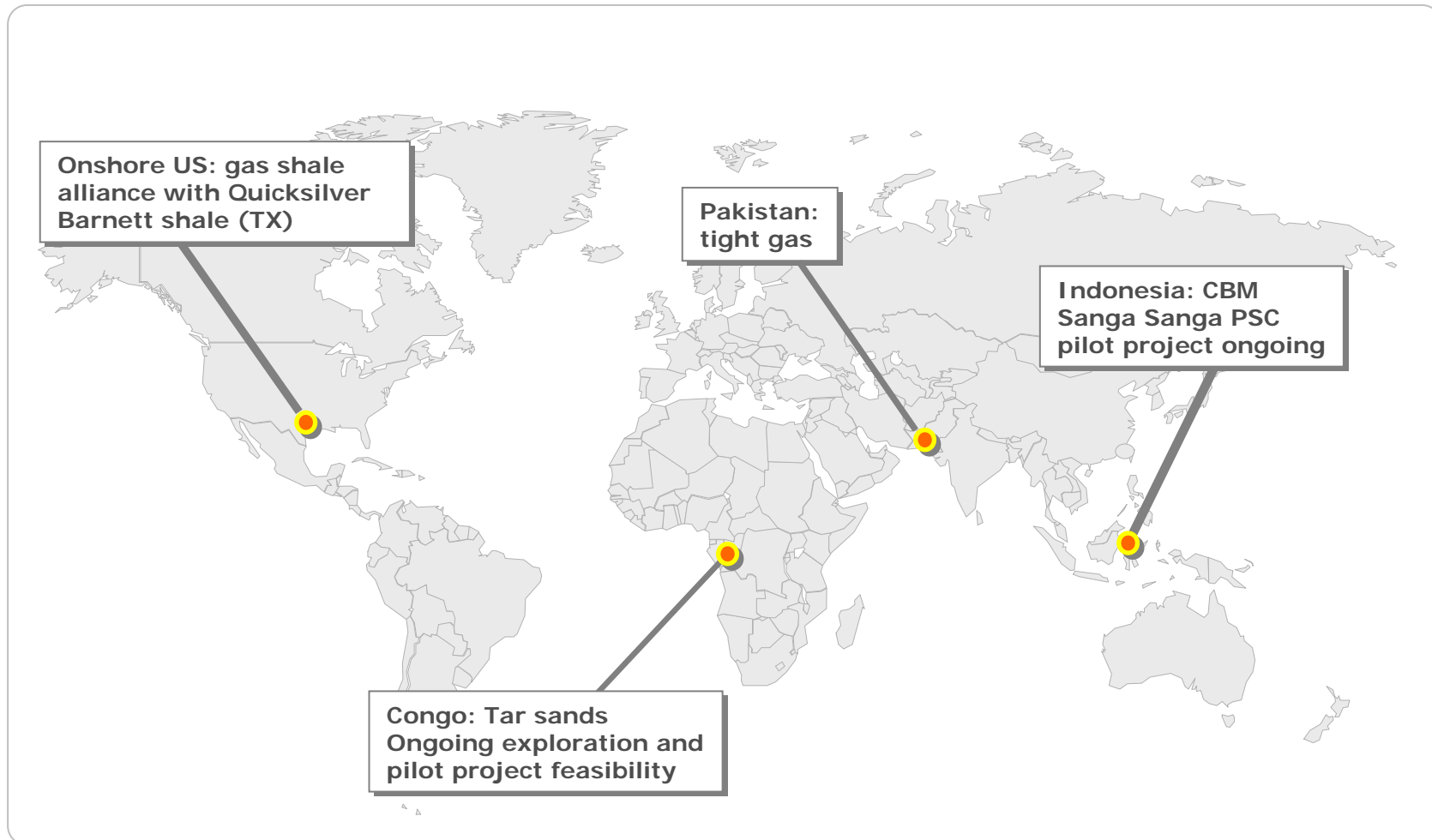
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frontier basins & new plays



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2010-13 unconventional focus

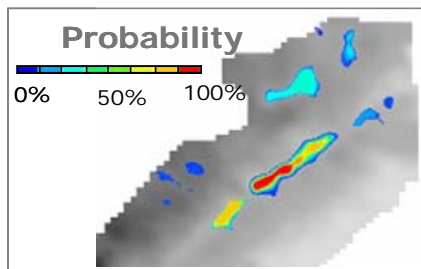


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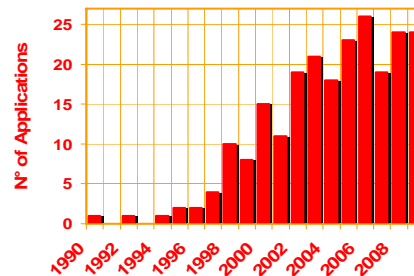
leading edge proprietary technologies

eni petroleum system modelling

Probabilistic ranking of prospects

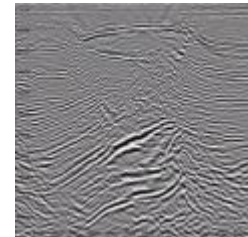


3D PSM models

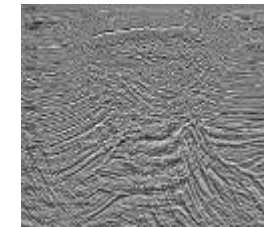


eni depth imaging toolkit

Eni RTM



PSDM



**Improve geological model
De-risk frontier exploration**

**Unlock material resources in
complex geological settings and
revitalize proven basins**



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North Africa

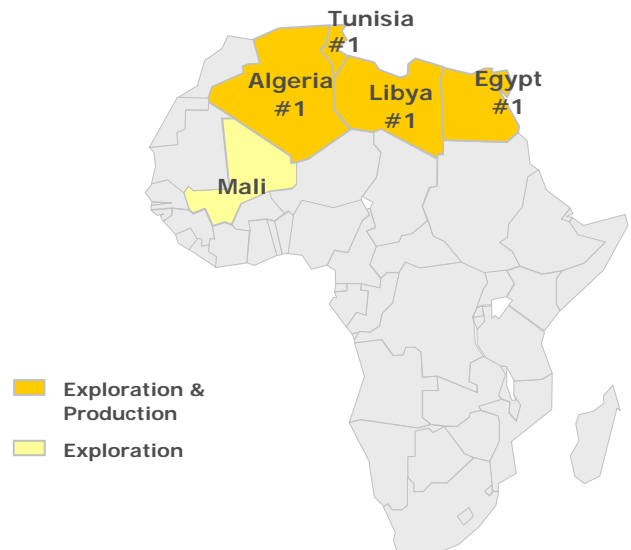
Guido Michelotti, EVP North Africa and Middle East

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North Africa overview

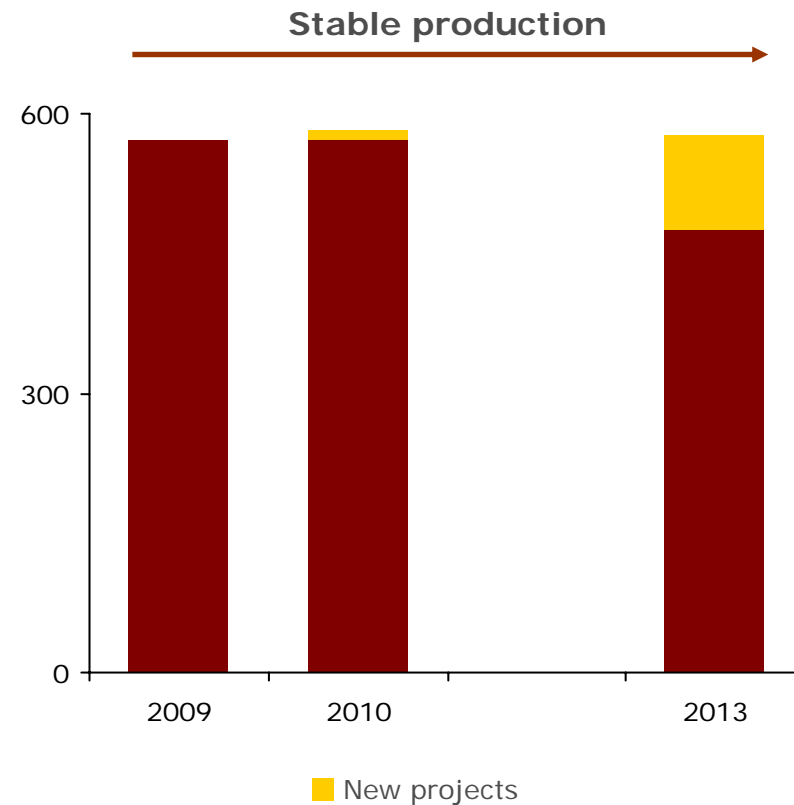
Key challenges (2010-2013)

- Mitigating the decline of giant, but mature fields through:
 - Production optimization
 - Greenfield projects



North African equity production

kboe/d



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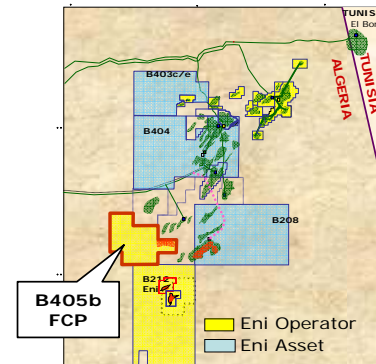
Algeria: MLE/CAFC development project

Block 405b (Eni 75%, Sonatrach 25%)

- **MLE:** 13 new and 10 re-entry wells; gas gathering system; gas plant for 350 MM Scfd
- **CAFC:** 56 new wells; gas and water injection; gas, oil and water gathering system, oil treatment plant

Common facilities

- Central Processing Facilities (CPF), infrastructure and utilities
- Export pipelines for gas, LPG and condensates from CPF to Gassi Touil. Oil pipeline to Hassi Berkine central storage
- New Base de Vie & Industrial base



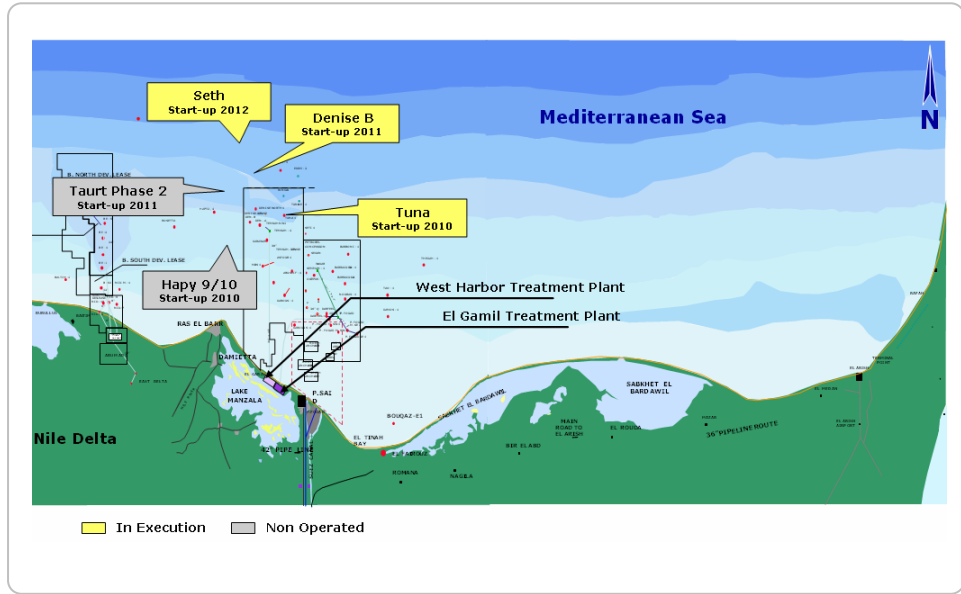
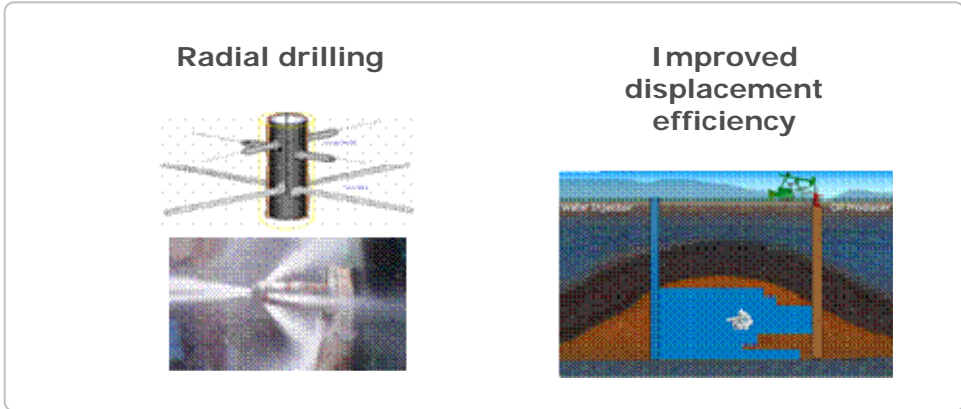
Project (100%)	MLE	CAFC
Contract type	PSA	PSA
Capex	1.5 \$bn	2.0 \$bn
Reserves	240 Mboe	340 Mboe
Peak Prod.	55 kboed	64 kboed
Start-up	Nov. 2011	Nov. 2011 (Gas), Dec. 2012 (Oil)
Progress	32%	FEED contract signed in April 2010



Egypt strategic guidelines

- Manage decline through new technologies and EOR
- Develop gas discoveries in the Mediterranean by 2012
 - 352 Mboe of reserves*
 - production plateau of 123 kboed*
- Exploration
 - re-focus on Western Desert
 - new themes in Mediterranean offshore

**Oil leases
in Gulf of Suez
extended till 2030**



* Data at 100%



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Sub-Saharan Africa

Roberto Casula, EVP Sub-Saharan Africa

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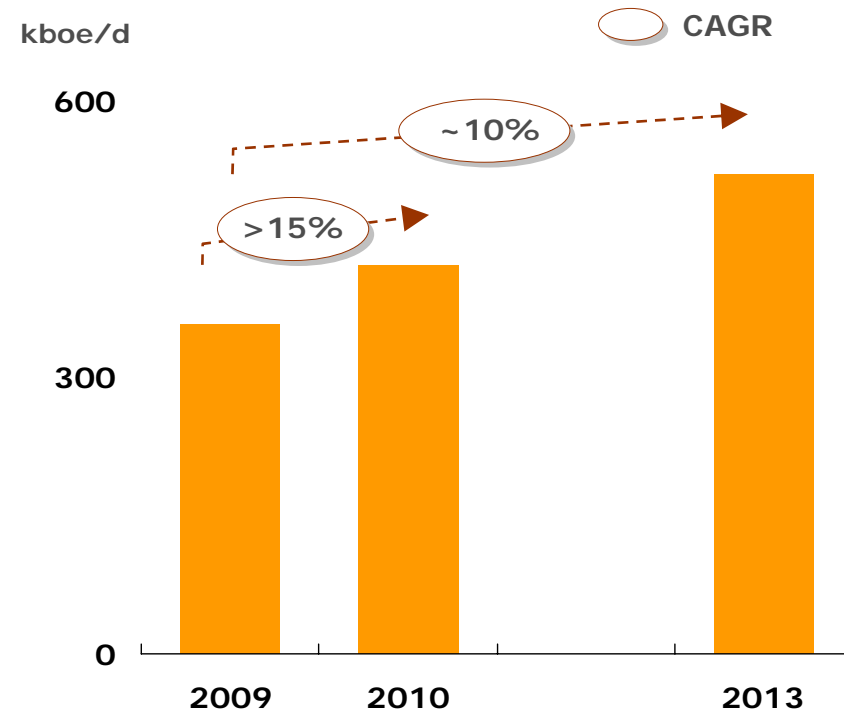
Sub-Saharan Africa overview

Pillars/drivers

- Focus on growth (+5.4% 2000-09)
- New start-ups
- Flaring down and domestic gas utilization
- Cooperation and sustainability projects



Equity production 2009-2013



+9% CAGR in gross operated production 2009-2013



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update on Nigeria

- 2nd operator in Nigeria onshore (land and swamp)
- Leader in flaring reduction and gas monetization
- Shifting focus towards new opportunities in offshore oil
- Continuing to monitor the developing situation on the Petroleum Industry Bill
- Managing security challenges



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M'Boundi project



M'BOUNDI FIELD

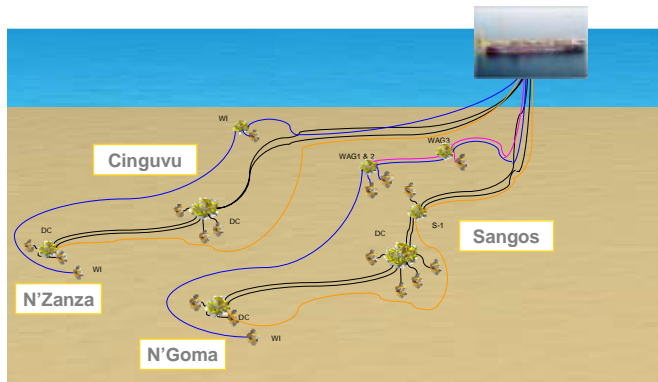
▪ Eni share	83% (operated)
▪ Contract type	PSA
▪ Capex (100%)*	3.8 \$bn
▪ Reserves (100%)	360 Mboe
▪ Peak Production (100%)	85 kboed
▪ Start-up	Gas 2010 – Water 2010
▪ Progress	70%

- Oil production enhancement: 110 producers and 86 injectors
- Sea water intake system and 24" pipeline to M'boundi for (up to) 240 kbwpd water injection
- Compression of 2 Mcm/d gas to supply 300 MW power plant in Djeno and re-injection of up to 2 Mcm/d associated gas. Separation of condensates
- Rehabilitation of the high voltage electrical grid Pointe Noire – Brazzaville



* Full life

Angola block 15/06 – west hub



▪ Eni share	35% (operated)
▪ Contract type	PSA
▪ Capex (100%)*	3.1 \$bn
▪ Reserves (100%)	160 Mboe
▪ Peak Production (100%)	90 kboed
▪ Start-up	2012
▪ Progress	Pre-FID phase

- Potential development of 4 offshore deepwater fields (Sangos, Ngoma, Cinguvu & Nzanza) with a total of 18 wells (12 producers and 6 water/gas injectors wells)
- Oil exported through turret moored FPSO - 100 kbopd treatment capacity and 1.7 Mbbls liquid storage
- FID expected to be finalized and approved by YE2010
- Planned time to market: 4 years



* Full life – full development case



Focus on Venezuela and Arctic projects

Marco Alverà, EVP Russia, North Europe and Americas

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Junin 5: a conventional development



Producing fields in Orinoco oil belt

- PDVSA-eni: 60%/40%; concession-like structure (royalties at 33%)
- Reserves: >2.5 billion bbl
- Early production 75 kbbl/d, start up 2013
- Long-term plateau 240 kbbl/d, start up 2018
- 1,500 wells at 1.6 M\$ each
- New refinery built on the coast at Jose
- Competitive unit capex cost ~\$7/bbl (including refinery)
- Products sold on international markets
- Final approval expected in June
- Tax: upstream 50%; downstream 34%



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Perla: a giant discovery



- Joint operatorship PDVSA (35%), Eni (32.5%) and Repsol (32.5%)*
- Water depth 60 m; 50 km from coast
- Concession structure (royalties at 20%)

- >9 tcf reserves with further upside potential
- Discovered in 2009
- Early production targeted in 2H 2013 at 300 Mscf/d
- Full field potential >1 bcf/d
- Perla 3 & 4 appraisal wells planned for 2H 2010

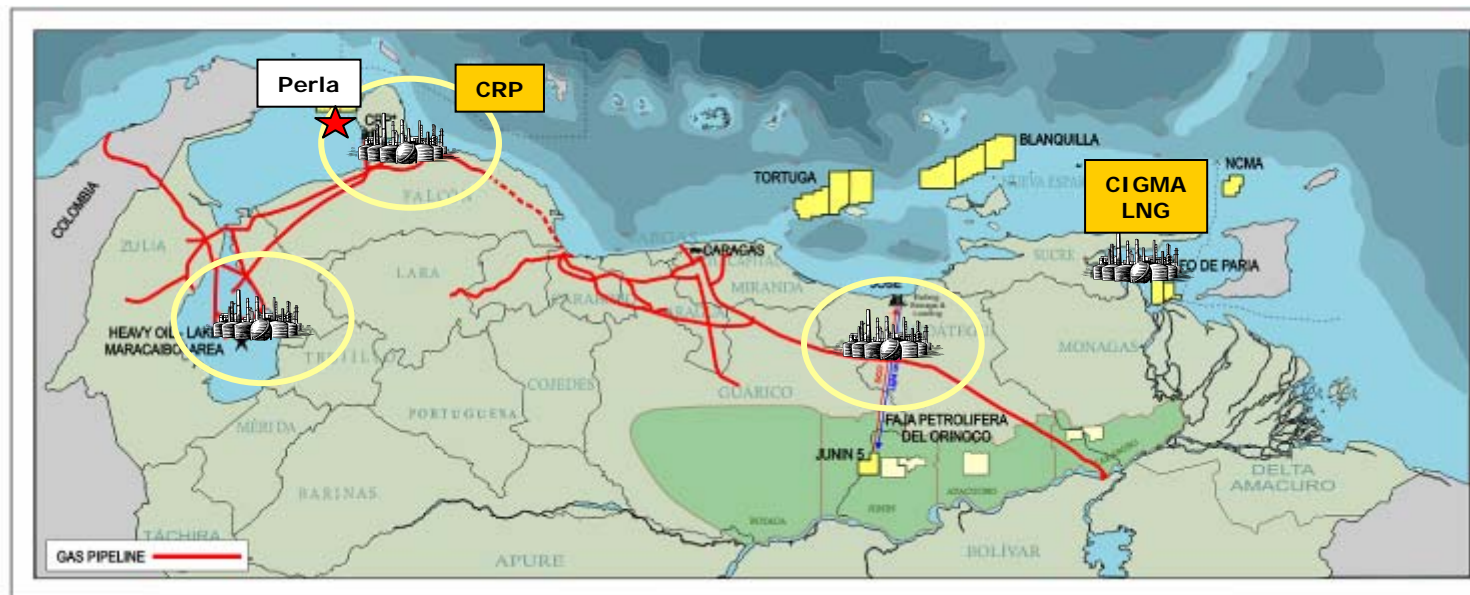


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* post PDVSA back-in

Venezuelan gas market: large domestic potential

- Early production to feed the CRP complex (50 km south-east of Perla) which includes 3 currently oil-fuelled refineries
- Domestic market can absorb all of Perla gas. Options to be analysed:
 - Gas feed for EOR projects (steam injection) and/or petrochemical in the Lake Maracaibo area
 - Use for heavy oil upgraders in Faja projects (synergies with Junín 5)
 - Power generation plants (4x1000 MW plants planned to be built in the country by 2016)
 - Export markets via pipeline or CNG (to the Caribbean) or LNG



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Arctic projects



 Exploration activity

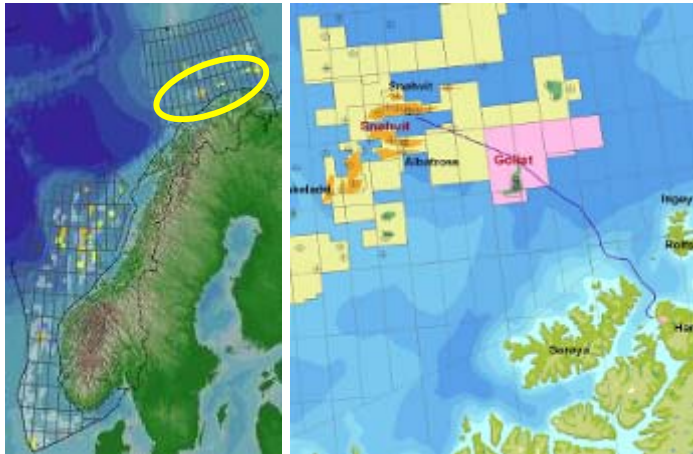
Arctic challenges

- Harsh weather conditions
- Limited infrastructure
- Environmental vulnerability
- Specific technologies needed:
 - Bundled/insulated pipelines
 - Seismic on ice and under ice



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Goliat



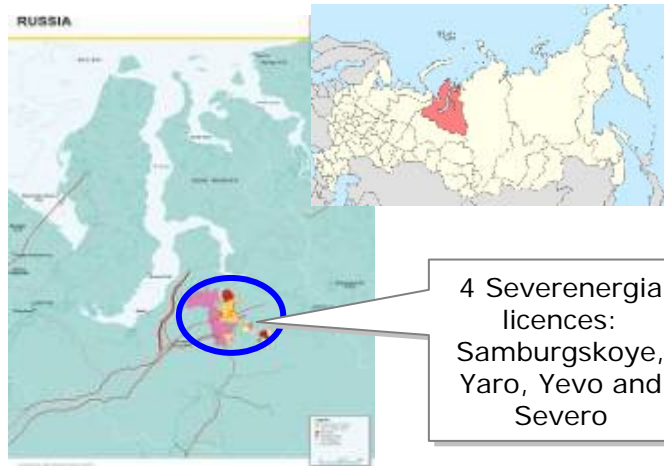
- Eni share 65% (operated)
- Contract type Concession
- Capex (100%)* 5.2 \$bn
- Reserves (100%) 175 Mboe
- Peak Production (100%) 94 kboed
- Start-up November 2013
- Progress 4.3 %

- Offshore subsea arctic project
- 22 wells to be drilled, 8 subsea templates, circular design FPSO
- Power supply from shore to reduce CO2 emissions
- Associated gas strategy: re-injection vs export



* Full life

Severenergia: Samburgskoye development



▪ Eni share	29.4%
▪ Contract type	Concession
▪ Capex (100%)*	2.4 \$bn
▪ Reserves (100%)	851 Mboe
▪ Peak Production (100%)	145 kboed
▪ Start-up	2011
▪ Progress	80% (facilities)

- Land arctic project
- 146 wells to be drilled and 3 gas/condensate production trains
- Gas and condensate offtake commercial agreements
- Complex JV and local legislation constraints



* Full life

Nikaitchuq



- Eni share 100% (operated)
- Contract type Concession
- Capex (100%)* 1.9 \$bn
- Reserves (100%) 187 Mboe
- Peak Production (100%) 26 kboed
- Start-up 2011
- Progress 77% (onshore)

- Offshore/Onshore arctic project
- 30 horizontal wells to be drilled from an island
- 22 horizontal wells from onshore pads
- Buried pipeline bundle including pipe-in-pipe
- Independent processing facility (40 kbbls/d) with spare capacity
- State-of-the-art oil spill prevention and HSE programs



* Full life



Kazakhstan and Far East

Massimo Mondazzi EVP Central Asia and Pacific Region

eni.com

Kashagan



▪ Eni share	16.81%
▪ Contract type	PSA
▪ Capex EP* (100%)	32 B\$
▪ Start-up EP	4Q 2012
▪ EP production @ 2013	370 kboed
▪ 3P Reserves (100%)	ca. 14 Bboe
▪ Peak Production (100%)	1.5 Mbbbl/d

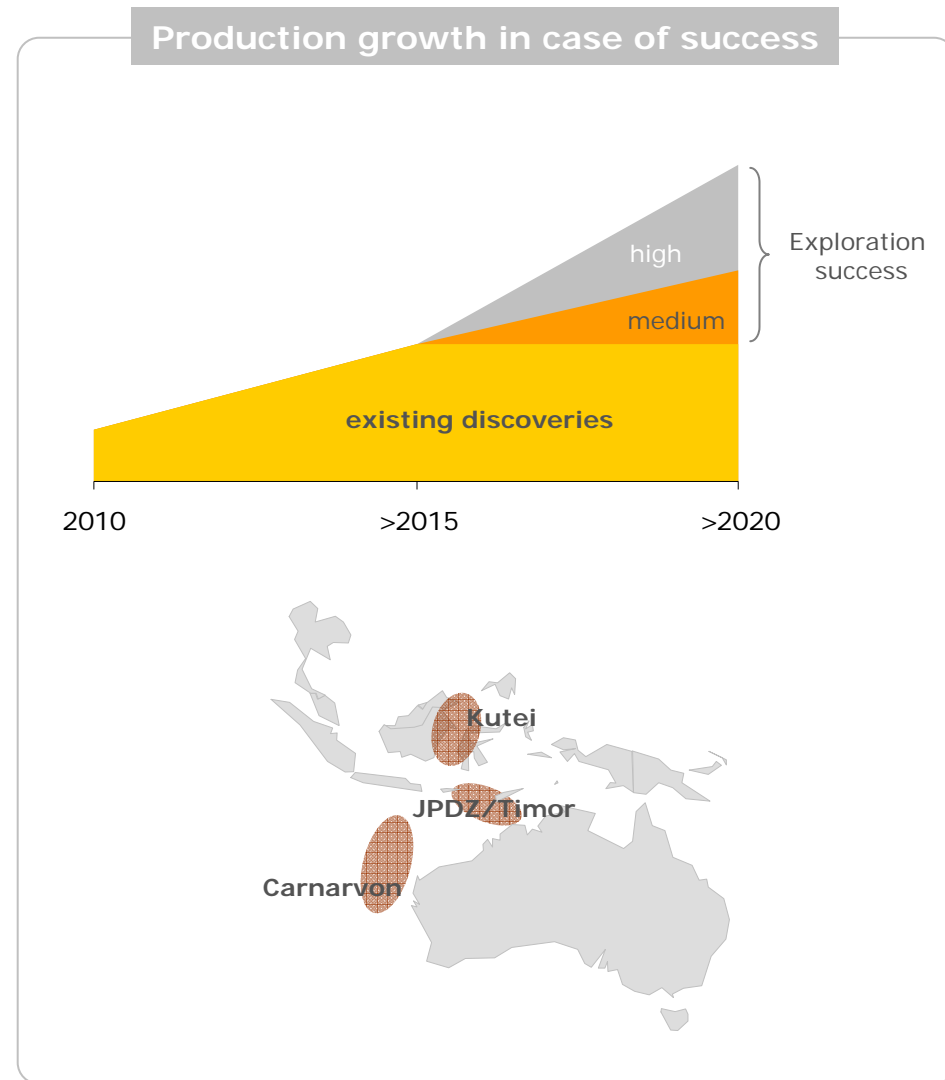
- Challenges: high pressured reservoir, H2S, shallow water and harsh conditions
- Details of progress (T1&2) @ April 2010:
 - Offshore 78%
 - Onshore 90%



* Experimental Program

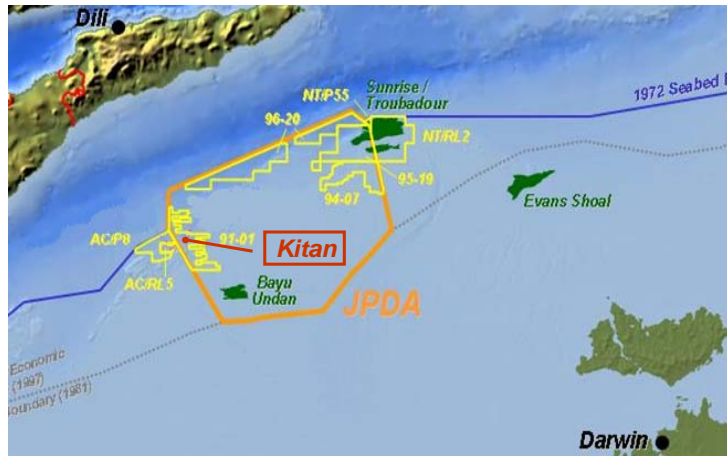
Far East potential

- New phase of transformational growth through exploration
- Near term activity in 3 main basins
 - 10 wells within 2011
 - > 1bn boe of net equity risked potential
- Unconventional in Indonesia



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Kitan



- Eni share 40% (operated)
- Contract type PSA
- Capex (100%) 475 M\$
- Reserves (100%) 30 Mboe
- Peak Production (100%) 40 kboed
- Start-up 3Q 2011

- Short time to market: start-up 3 years from the declaration of commerciality
- Technical and operational synergies connected to possible new developments from prospects in the area



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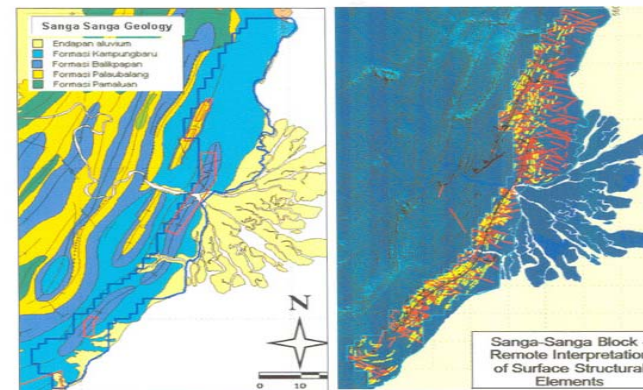
Indonesia CBM



- Eni share 37.8% (joint operatorship)
- Contract type PSA
- Resources (100%) ~5 TCF
- Peak Production (100%) Up to 90 kboed in 2016
- Pilot production start-up 2011

- World's first CBM to LNG project
- Synergies from existing production and treatment facilities in Sanga Sanga and Bontang LNG plant

PETROLEUM GEOLOGY, RESOURCES AND RISK





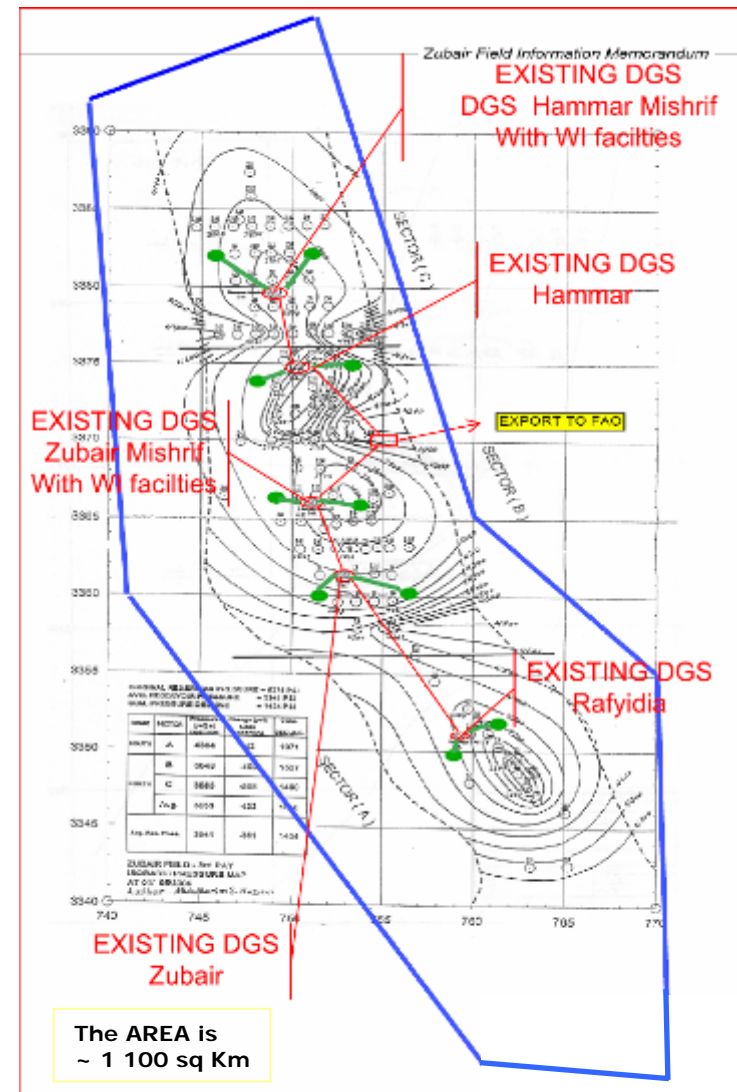
Iraq

Claudio Descalzi, COO E&P Division

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Zubair asset description

- 20 km South-West of Basra; field area is approx. 65 km long and 18 km wide
- First discovered in 1949 with production start-up in 1951; Recovery factor to November 2009: ~7%
- Current production: ~180 kbbl/d
- 5 degassing stations with a total design capacity of 520 kbbl/d
- 182 wells drilled and existing surface facilities
- Oil delivered to FAO and then to Khor al-Amaya terminals (ca. 1.6 M bopd)



Zubair work programme highlights for 2010

**SOC Operator for
the whole of 2010**

**eni will provide
maximum support to
SOC during
operations...**

**...in order to increase
production by 10%
vs. IPR***

- Tie-in 9 already drilled wells
- Drill 12 new producers
- Workovers on 5 wells to install ESP pumps for artificial lift
- Rigless activities
- De-bottlenecking of existing facilities and production enhancement through implementation of new technologies



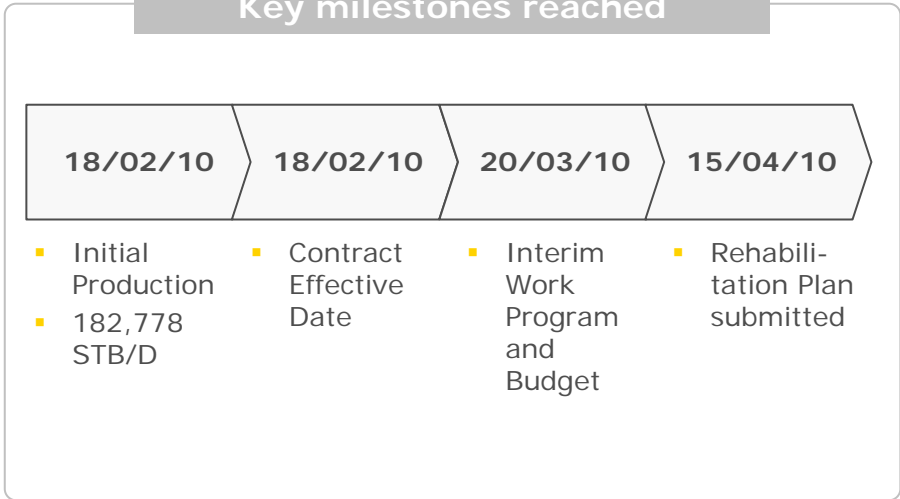
* Initial Production Rate

Zubair development project

Project description

- | | |
|---|---|
| <ul style="list-style-type: none"> ▪ Rehabilitation plan (2011-2013) <ul style="list-style-type: none"> ▪ 46 new wells and 100 workovers ▪ reservoir surveillance ▪ upgrades to increase production to c. 700 kboed
 ▪ Enhanced redevelopment plan (2013-2020) <ul style="list-style-type: none"> ▪ 215 new producers and 124 new injectors, ▪ installation of permanent facilities to support the entire proposed production plateau | <ul style="list-style-type: none"> ▪ Eni share 32.8% ▪ Contract type Technical Service Contract ▪ Duration 20 years ▪ Capex (100%) 20\$ billion ▪ Reserves (100%) 6.5 Bboe ▪ Peak Production (100%) 1,200 kboed |
|---|---|

Key milestones reached



Key contracts to be awarded in 2010

- | | |
|---|---|
| <ul style="list-style-type: none"> ▪ Security services ▪ 3D seismic ▪ Drilling | <ul style="list-style-type: none"> ▪ Lines, pipes, PG, PP ▪ Demining ▪ Oil Tanks |
|---|---|





Closing Remarks

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looking ahead

Focus on conventional

- New plays: pre-salt Africa onshore and offshore
- Domestic gas valorization

Synergic unconventional

- Tar sands in West Africa
- Shale gas in North Africa/East Europe
- CBM in the Pacific area



closing remarks

Organic production growth

Focus on resource conversion

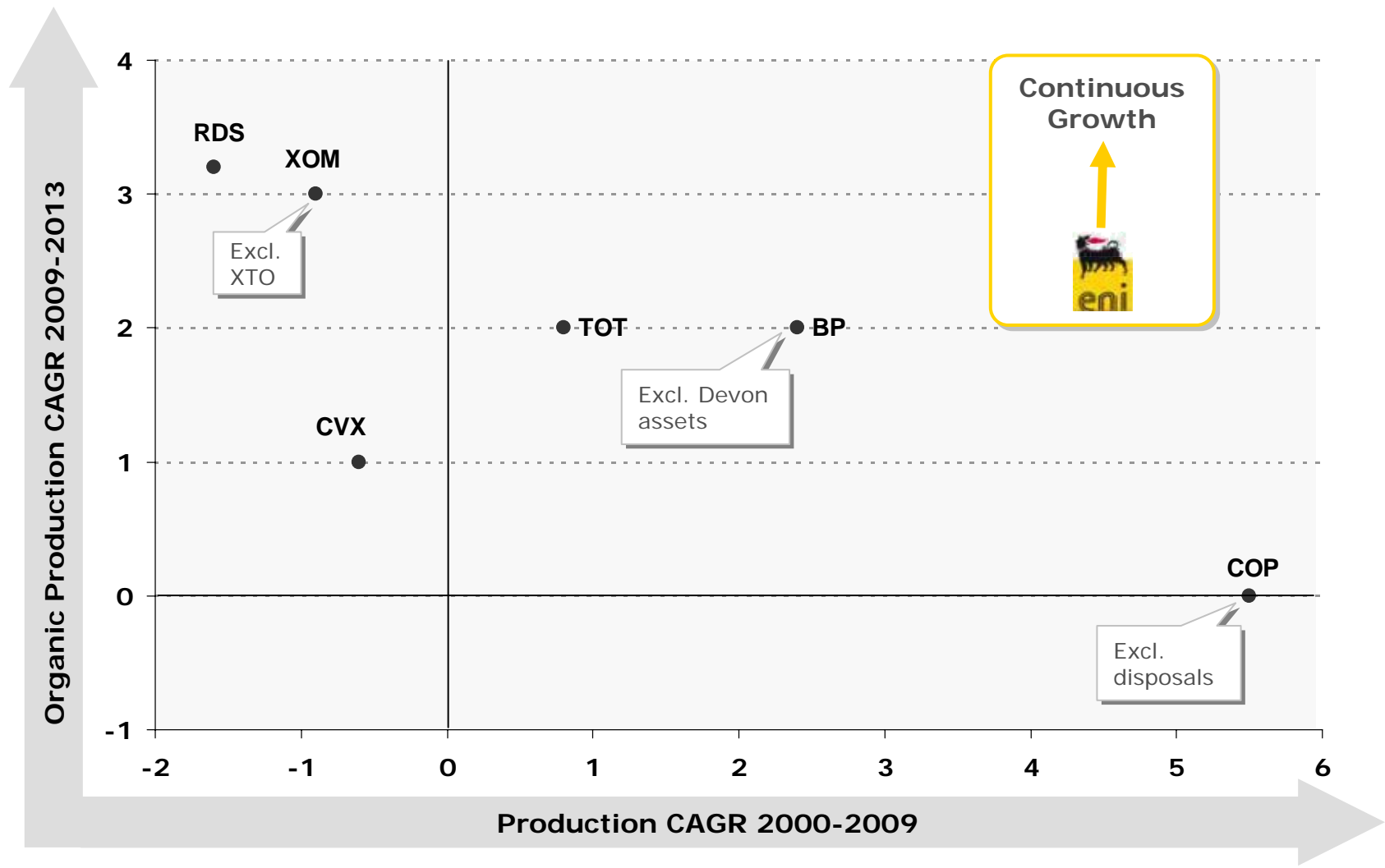
Effective exploration strategy



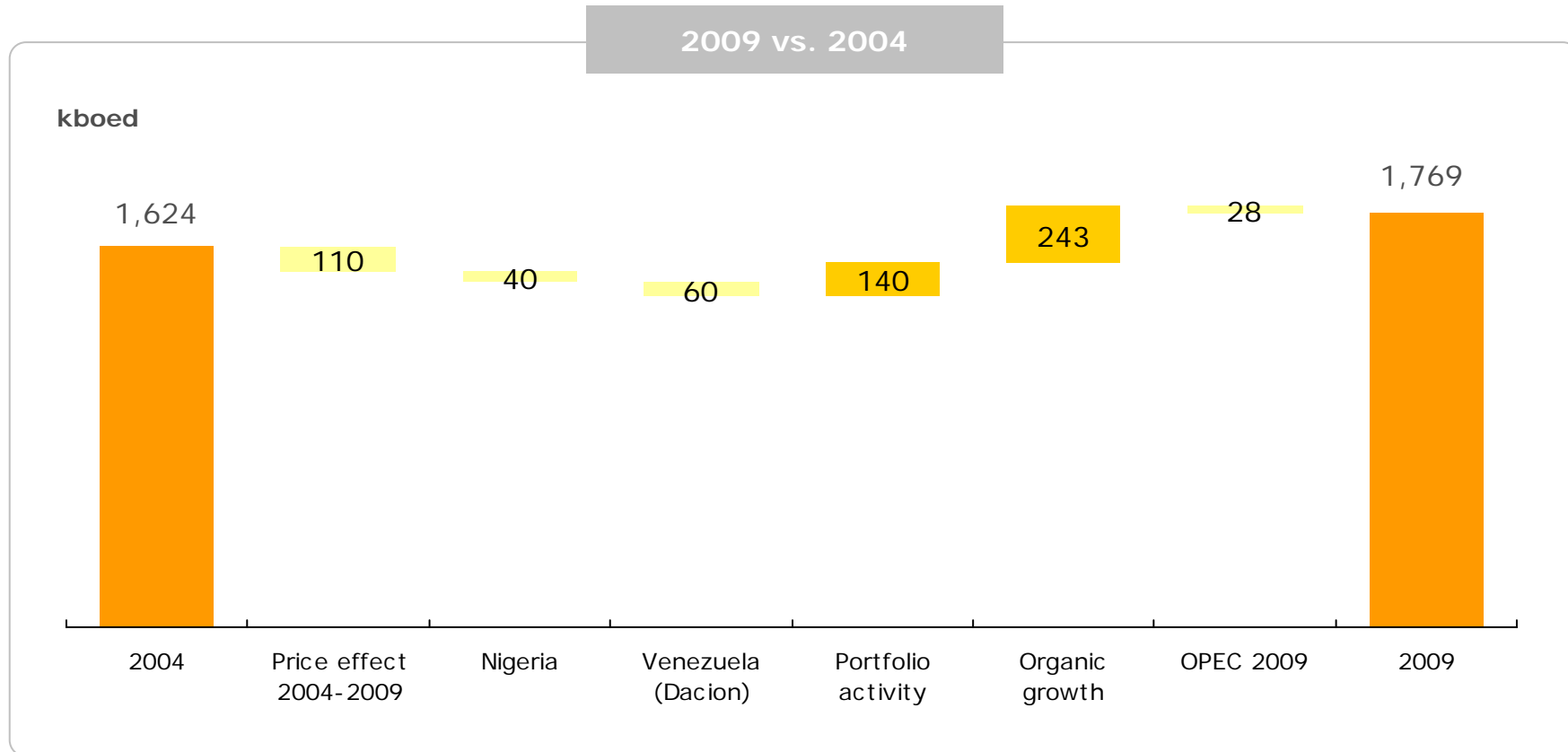


appendix

continuous growth



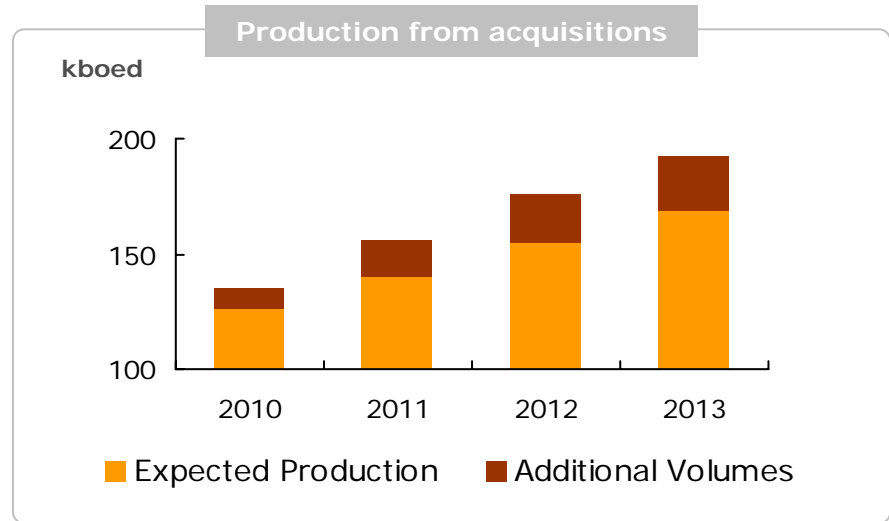
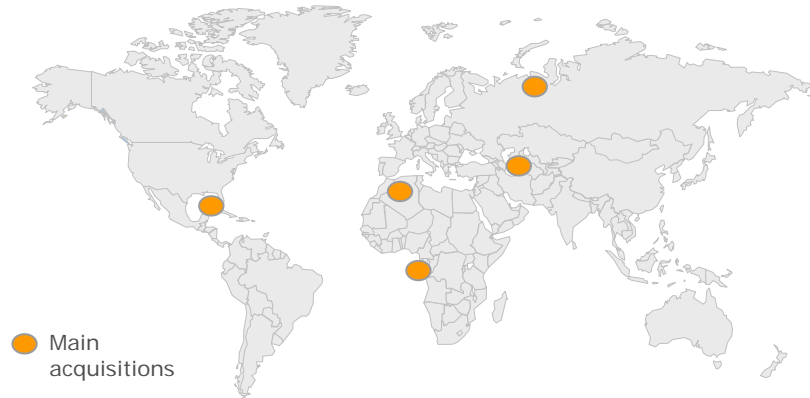
growth in recent years



eni: +1.7% CAGR
peers avg.: -0.4% CAGR



selective portfolio activity



	Assets	Area	Upside after acquisition
Producing assets	Dominion (2007)	GoM	2 new discoveries (Kodiak and Stones)
	M&P (2007)	Congo	M'Boundi recovery factor from 21% to >30%; new gas project
	Burren (2008)	Turkmenistan and Congo	MoU in Turkmenistan
Resource plays	Arcticgaz (2007)	Russia	2 PDO approvals
	First Calgary (2008)	Algeria	FIDs of MLE and CAFC 2009-2010

eni's share of reserves/ resources: ~4bn boe (+50%)

