2012 – 2015 Strategy

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Paolo Scaroni

Good afternoon ladies and gentlemen, and welcome to our strategy presentation.

This afternoon, we will give you an update on our prospects and targets in each of our main divisions.

But before we do that, I would like to highlight how Eni has consolidated its position over the past years, and why we are now about to enter a period of rapid growth which will last not just for the next four years but for the next decade.

In E&P, the restart of our activities in Libya is leading to a fast recovery in our 2012 production. In 2011, we have also made significant progress on key projects, including the FIDs of giant fields in Venezuela and Russia, adding certainty and visibility to our near-term growth prospects.

But the key reason why Eni is stronger than a year ago is the success of our exploration in Norway, West Africa and Mozambique, which will drive our strong growth to 2021 and beyond.

Turning now to our mid and downstream businesses, over the last year we have taken further steps to increase our competitiveness in what remains a challenging market context.

In G&P, we have concluded contract renegotiations with our two main suppliers, Sonatrach and Gazprom. We will leverage on our improved cost and flexibility to continue to build our European market footprint, a strategy which will position us well to recover profitability as the market tightens.

In R&M and Chemicals, we have further streamlined our operations and have targeted additional cost savings and optimisations in each business; in Chemicals, in particular, we are also targeting a number of initiatives which will significantly improve our competitiveness.

Let me now take you through our strategy and targets in more detail.

In E&P, our consistent track record of exploration success over the past years is the key driver of our growth.

While 2011 has been an extraordinary year in terms of the size and potential of new discoveries, it is not an outlier in terms of results: over the past four years, we have discovered around 4 billion boe of new resources, almost double our cumulated production of 2.5bn boe, with a progressive strengthening of our resource base to 32bn boe.

Meanwhile, with unit exploration costs of around 1,7$/boe over the past four years, our exploration success supports our capacity to deliver sustainable returns on new projects under almost any oil-price scenario, and an IRR in excess of 20% at our plan scenario of 90$ for 2012 and 2013, and 85$ thereafter.

Our consistent performance confirms the effectiveness of our exploration strategy, with its focus on proven basins and a select number of high-potential frontier themes. Building on this success, over the next four years we will increase our exploration efforts to further strengthen the basis of our long-term growth.

Lets now take a closer look at our upstream growth profile.

Between now and 2015, we will add around 700kboe/d of new production through over 60 major start ups, including three of our fields in the Yamal Peninsula, Goliat in Norway, Perla and Junin 5 in Venezuela, Block 15/06 in Angola and Kashagan, which we are on track to start-up by the end of 2012.

Of the total new production which will come onstream by 2015, around 70% comes from exploration, while the remaining 30% comes from the acquisition of undeveloped resources, in particular our fields in the Yamal Peninsula and Junin 5.

This solid pipeline of projects will lead to average production growth of at least 3% a year to 2015, at our plan scenario of 90$/bbl for 2012 and 2013 and 85$/bbl thereafter, and normalising 2011 production for the Libya impact.

Increased scale and the focus on oil, compared to gas, over the plan period, will drive an increase in cashflow per boe of above 10% to 2015.

Looking beyond 2015, following the discovery in Mozambique we have raised our long-term growth target from 2% to 3% a year.

Africa will continue to be the backbone of our production and growth in the next ten years, driven by growth in Angola, the start-up of Mozambique – expected by 2018 - and further exploration potential in existing and new countries, including Ghana and Togo .

Meanwhile, in North Africa, production will continue to be resilient, with low natural decline.

Other key growth hubs will be:

- Russia, where between 2015 and 2021 we will start up two more Yamal giants;
- Kazakhstan, with the ramp up of Kashagan and further potential from our development at Karachaganak.
- And thirdly Venezuela, where the full-field development of Perla and Junin 5 will contribute around 180kboe/d of production by 2021.

In Europe and North America, we will see a broadly unchanged production level, with high natural decline compensated by new projects, and in particular the Skrugard and Havis start ups in the Barents Sea which will contribute around 70k boe/d by 2021.

All of this adds up to the strongest project pipeline in our history. Claudio will give you some additional detail later on this afternoon, but given the breadth of the portfolio we will also organise a specific upstream seminar in the early autumn.

Let’s now turn to G&P.

The timing and terms of the disposal of our stake in Snam will be addressed later in this presentation and, I am sure, in Q&A. However, I would like to take this opportunity to highlight how the perimeter of our G&P division is going to change, following deconsolidation of Snam and of our interests in international pipelines TAG, TENP and Transitgas.

The resulting business will be made up of two main parts. The first is a semi-regulated business, which is composed of our other international pipelines and some local distribution. This part of G&P, which in 2011 accounted for around €600m of proforma ebitda, will provide steady profitability over the coming years.

The second is our gas and power marketing business, which has a strong and diversified portfolio of long-term gas supply contracts, power generation capacity of around 5.5GW, and a leading position in the European gas market.

This is the portion of G&P which has been affected by the negative market environment – including the continued availability of lower priced LNG spot cargoes and a significant fall in demand, in particular in the second half of 2011.

In this difficult and volatile market, the key issue is supply. Long-term contracts are essential to guarantee stable supplies to our customers. But they also need to be different from what they used to be; the price needs to be competitive with spot gas, volumes need to offer the flexibility to cope with demand volatility, and terms need to adapt when market conditions change.

These are the pillars along which we have renegotiated with the Libyan NOC, in 2010, with Sonatrach in 2011 and with Gazprom in 2012. We will continue to work on improving the competitiveness of our supply portfolio, opening talks with Statoil in the second part of the year.

Meanwhile, our improved cost position will sustain growth and consolidate our position in European retail, on the back of over 1 million net new clients added in 2011. Over the past year we have also worked to enhance our trading capabilities; the people in the offices next door work in close contact with all of our divisions to capture the benefits of market volatility and price differentials in different markets.

While we expect that the current market weakness will continue to put pressure on our merchant business in the first part of the plan period, we are confident that from 2014-2015 onwards the European gas market will tighten again.

On the demand front, we see a recovery and then long-term growth in volumes, driven by economic development and fuel switching to gas, in line with the European objective of reducing CO_2 emissions. In total, we expect EU demand to increase from around 500 Bcm to over 560bcm by 2015, and to close to 600 Bcm if we look forwards to 2020.

At the same time, we see European supply tightening. Domestic gas production will decline from the current 173bcm by around 3% a year, to 156bcm by 2015 and 130bcm by 2020. LNG imports will level off after the peak in 2011, with capacity growth being absorbed by strong demand in the Far East and Latin America. And traditional European suppliers, in particular in Northern Africa, will struggle to increase exports because of strong domestic demand.

In this context, our diversified long-term supply portfolio, our increased equity gas and our market leadership in key European countries will be significant competitive advantages, leading to growing profitability in G&P.

Turning now to R&M, our refining business continues to face a difficult environment with stable or declining demand for products and persistent overcapacity, especially in our core Mediterranean market.

We expect the scenario in Europe to show limited improvements from now to 2015. Simple refineries will likely come under pressure from tightening product quality regulations, driving a 15% reduction in refining capacity and a modest improvement in refining margins.

In this context, our strategy to return to profitability is fully based on self help measures.

We are working to support margins through:

- The full exploitation of conversion capacity – with the start-up of our EST plant in Sannazzaro and extensive integration of our refining system;
- greater supply flexibility, to take advantage of opportunities in the pricing of different crudes;
- and enhanced, integrated trading operations.

We will continue to focus on cost reductions, and in particular on energy saving, and labour and maintenance costs.

Meanwhile, we will consolidate the profitability of our marketing business, leveraging on the rebranding of our network, the full automation of stations and the opportunity to expand non oil activities offered by the liberalization process in Italy.

Overall these actions will improve refining and marketing results by around 550m euro by 2015, at the same scenario we experienced in 2011, with over €400m coming from the refining segment.

While we do not usually spend much time on Eni's Chemicals business, this year I would like to give you a little more detail because we have launched a turnaround strategy.

This business, accounting for around €2 bn, or 2.5% of our capital employed, has always been weak, with a fragmented industrial footprint. On top of this, in recent years the European chemicals sector has suffered from increasing price pressure on base chemicals, with ethylene production costs a multiple of those in the Middle East. As a result, despite cumulated efficiency gains of €360m between 2006 and 2011, in positive market conditions our Chemicals business makes limited profits, while in negative market cycles it absorbs cash.

To tackle this issue, we have devised a strategy based on three main pillars.

- **The first** is a refocusing of the business, increasing our presence in added-value products such as elastomers, styrenics, resins and EVA, where we have a leading market position in Europe. Demand for these products is expected to grow in coming years, and margins are resilient even at higher feedstock prices. In this segment, we target an increase in sales of 50% to 2015, by which time added-value products will make up over 40% of our revenues. .
- **The second** pillar of our strategy is international expansion, building a presence in emerging markets – especially in Asia and Latin America - through licensing agreements, production alliances and joint ventures. We target a doubling of extra-European sales to around €700m by 2015.
- And **the third** is further efficiency and capacity rationalisation. As well as energy saving and further integration of our production cycles, we are planning to close or convert loss-making sites, cutting our polyethylene capacity by 20% and supporting our refocusing on added-value products.

We have already begun to implement this approach with a project to build an innovative, bio-based chemicals complex on the site of a structurally loss-making basic chemicals plant in Sardinia. This will give us a leading position in the bio-based chemicals market.

All of these actions will deliver over €400m of additional ebit by 2015 at the scenario we experienced in 2011. And this efficient and refocused business, with its exposure to more profitable and defendable markets, will be able to better offset negative cycles and capture the benefits of the positive swings.

To reflect the new strategy we have renamed the business Eni Versalis. It will be expertly led by Daniele Ferrari, who joins us with 25 years of experience at ICI and Huntsman, and who will be happy to answer your questions during the Q&A session.

Turning now to our listed non core assets, over the past year we have progressed in our strategy of unlocking value.

With regards to our 53% stake in Snam, currently worth almost 7 billion euro at market values, our exit will be regulated through a government decree to be issued by the end of May, and will be completed at the latest by September 2013.

In terms of how the separation will occur, we do not yet have clarity on the contents of the decree, and will of course update the market when we do. However, the position of Eni's Board is that the disposal process will need to meet three criteria.

First, it will need to be friendly for Eni's shareholders, by which we mean a deal which recognizes the full value of our stake in Snam.

Secondly, it will need to protect the interests of Snam's shareholders, by limiting the possible overhang on Snam shares.

Thirdly, it will need to strengthen Eni's balance sheet in view of our extraordinary growth prospects, building on exceptional exploration success.

With regards to our stake in Galp, we re-iterate that being a co-controlling shareholder in a listed company, where much of the value is in a minority holding, is not part of our strategic objectives. That said, we are in no rush to sell. This is an asset with great potential, particularly with regards to its positions in Brazil and Mozambique, and we are pleased that the market is starting to value its growth prospects. In this context, we are talking to our partners to find a an agreed disposal option within our shareholder agreement, which expires in March 2014.

This concludes my overview of Eni's strategy and targets. I will now hand you over to Claudio for a closer look at E&P.

Claudio Descalzi

Thank you Paolo.

Good afternoon ladies and gentlemen.

Let me start by reinforcing our priorities and our strategic drivers.

Our focus is on exploration and the timely conversion of resources into reserves and production, and at the same time on fighting depletion and enhancing the recovery factor in existing fields through continuous reservoir management.

The key to meeting these goals and mitigating risks is the development and consolidation of critical skills and technologies, which we leverage through increasing operatorship.

We remain highly focused on strong HSE performance.

This year, we registered a further improvement in our safety indices. Our LTIF index was down by 40% compared to the average of the previous four years.

On drilling, despite the significant increase in the number of operated wells, which have nearly doubled since 2005, we recorded zero blow-outs in the last 8 years.

Continuous improvement on safety is our first priority.

We put strong commitment on initiatives to promote individual awareness on safety, including training and strict follow up on execution.

We are delivering more than two-hundred thousand hours per year of training, drills and simulations and assessment of our people’s HSE capabilities.

And now I will give you some detail on our growth strategy.

I will focus first on exploration, where our recent successes and high potential exploration assets are the foundation of organic growth for the next decade and beyond, and then I will update you on our main development projects.

Last year was very positive for our exploration.

We drilled 56 wells, of which about 80% were successful, and we have added 1.1 billion barrels of new resources. We also continued to rejuvenate our portfolio by adding new acreage, notably in Indonesia, Australia and Angola.

Looking forward to the next four years, our strategic guidelines remain unchanged. We will continue to focus on assets with high materiality and fast time to market, concentrating on plays where we have experience and good knowledge of the geological model. These include:

- West African themes such as the transform margin in Ghana and Togo, and the pre-salt in Angola, Congo, DRC

- The East African tertiary plays
- The Barents Sea

We are also renewing our portfolio in new basins close to areas with high demand growth.

Our exploration portfolio will continue to deliver industry-leading results.

Over the next four years we aim to discover about 1 billion barrels equivalent of resources per year, at an average Unit Exploration Cost of 2 $/boe.

Let’s take a closer look at three of our most promising exploration targets.

The first is the Barents Sea, where eni with Statoil is the only Operator present in all three large oil discoveries of Goliat, Skrugard and Havis.

The second Skrugard appraisal well found about 80 meters of hydrocarbon column, confirming a world-class discovery, and the Havis and Skrugard complex accounts today for more than 500 million barrels of recoverable resources.

Following these major successes, we believe we have cracked the geological code in this part of the basin, and are confident in a significant resource upside.

We will unlock this through an aggressive exploration program, with at least 8 further wells in the next four years, and a 220 million euro investment.

We will maintain our leadership in this exciting exploration frontier, leveraging on our strong asset base.

Lets now turn to Mozambique.

Mamba, in Area 4 of the Rovuma Basin, is a transformational discovery. We estimate the resources found with the first two wells at about 30 TCF of gas in place or 5.4 Billion barrels of oil equivalent.

The test of Mamba North 1, the first performed in the area, confirmed excellent reservoir and well production characteristics. In a final completion configuration, production per well is expected to reach over 140 million cubic feet a day, approximately 25 kboe/d.

The gas is high-quality, lean and without sour components.

The resources we identified are sufficient for a first stage of development; the first step will be the unitization with Area 1 structures and then a definition of a common Plan Of Development.

To assess the exploration upside, we plan to drill 6-8 further wells and acquire further seismic data in the areas around Mamba, investing 400 million euro in the next couple of years. The objective is to validate an additional 4 or 5 structures, most of which are entirely in Area 4.

And now some detail on the Pacific Basin. In Australia and Indonesia, building on the 700 million boe already discovered we are expanding our portfolio and fast tracking the evaluation of recently acquired exploration assets, including:

- the Arguni 1 block and North Ganal in Indonesia, and

- Evans Shoal, Heron and Blackwood in Australian offshore.

Our work program in the area over the next four years encompasses 24 wells and 300 million euros of capex, with the objective of fast tracking developments with synergies to existing LNG facilities.

A good example of this approach is the extended Jangkrik area, which has reached 4 TCF of gas in place through the Jangrik and Jangkrik NE1 discoveries.

The development plan was approved by local authorities at the end of last year. We foresee the Fid by 2013 and we target the start up by 2016.

As a result of the sizeable blocks already secured, over the next four years we will increase our level of activity to 300 wells from the 240 scheduled in the previous plan.

This will increase our exploration investments to 5,5 billion Euros.

About 20% of this capex will be dedicated to appraisal campaigns, to expedite the time to market of the significant discoveries.

In geographical terms, 60% of the capex will be concentrated in Africa, which will continue to provide the backbone of our production in future. We are also increasing our exposure to the Far East, which will account for about 10%. Europe will absorb about 15%, mainly focused on Norway.

Compared to our previous plan, we have increased the share of exploration capex devoted to frontier areas from 30 to 40%.

Our successful track record on exploration will further consolidate our resource base in the long term.

However, discovering resources is not the only challenge of the industry.

The second and possibly the most complex challenge nowadays is converting resources into reserves and then production – and achieving this in a timely manner, with an efficient use of capital and with a strong technical focus to guarantee efficient and reliable production over time.

Our objective is to achieve these goals not just through relentless attention in day-by-day activity, but also through specific initiatives. We have fine-tuned our processes and organization to consistently monitor the status and value of resources in the different phases of conversion. For instance,

- we created a dedicated function and allocated a budget to accelerate the appraisal of discovered resources

- we monitor the status of "silent" resources and debottleneck their development, and

- we have identified specific KPIs to monitor resource conversion.

Through these actions, we will be able to develop more than 90% of the exploration successes of the last three years within 8 years of their discovery.

Our focus on exploration and time to market translates into a robust pipeline of projects and start-ups within the plan and beyond, which underpins our goals of long term production growth of over 2 million boe/d by 2015 and around 2.4 million boe/d by 2021, at 85 $/bbl.

Looking at our four year plan in more detail, start ups will contribute around 700 kboe/d of new production by 2015.

Of this, 80% will come from giant fields with long lasting plateau; approximately 75% is already sanctioned; and most of it will be operated directly by us.

The pipeline of projects is geographically diversified, with 20% of new production coming from developments in OECD countries, and 30% from Russia and the Caspian area.

However, while our production is geographically diversified it is also focused on a number of key hubs, with synergies in terms of geological and local expertise, infrastructure and relationships with local communities, and which will give a material contribution to long-term production.

I will now give you an update on the main development hubs.

The first is the Yamal hub in Russia where we have 5 giant gas and condensate fields to develop.

Here, we finalized our gas sales agreements and took the Final Investment Decision on the Samburgskoye field. First phase development progress in February was 91.5%, with the drilling campaign ongoing. First gas is confirmed by the middle of this year.

In Q4 last year we also took FID for the Urengoskoye field. Drilling activities have started. Start-up is expected in 2014.

Activities are progressing also on the Yaro –Yakhinskoye field. Oil production start up is forecast by end of the year, while gas production will start up in 2014.

Lastly, the Severo Field will be in production by the end of 2015 and activities are progressing for the definition of the field development plan.

Overall, our Yamal Hub will provide over 120 kboe/d of production by 2015 and we confirm our expectation of long term plateau production of around 200 kboe/d.

In the Barents Sea, besides exploration activity, the Goliat project is moving forward.

Overall progress at end of January was 38%, with production start-up confirmed for Q4 2013.

Last year we installed the eight subsea templates. This year we will start the drilling campaign with the Scarabeo 8.

Norway will contribute around 160 kboe/d to production by 2015, and around 200 kboe/d in the long term.

Our Kazakhstan hub has two main projects, Kashagan and Karachaganak.

On Kashagan, we are getting close to Commercial Production of the first phase. We are currently undergoing mechanical completion and commissioning.

The overall physical progress to reach Commercial Production was 99% at the end of February.

The 16 wells required for the initial stage of production are already drilled and ready to produce. 4 further wells will be made available for production during the summer.

Startup is expected by the end of the year, with a rate of 75 kboe/d, AND a gradual ramp-up to a capacity of 370 kboe/d by early 2014.

Overall, Kazakhstan will provide 170 kboe/d of production by 2015, and around 200 kboe/d by 2021.

In Venezuela our Perla and Junin 5 projects are progressing well.

With regards to Perla, in December we finalized the commercial agreements and took FID for Phase 1, which will reach production of 300 million scf/d of gas by 2014.

Start-up is expected by next year.

Our priority for the Perla gas is the domestic market. However, we are also evaluating export options in coordination with PdVSA.

For Junin 5, start up is expected by 2014 and we are working with PdVSA to bring forward early production to the end of this year, using existing PdVSA facilities.

Overall, our Venezuela hub will provide 65 kboe/d of production by 2015, and will have a long term plateau of 180 kboe/d.

Finally, Sub-Saharan Africa is an extremely important hub.

Apart from Mozambique, which we already discussed, the key projects for mid and long term growth are:

- Block 15/06 in Angola, where we have started the execution phase for the West Hub and drilled the first four wells.

- OPL 245 in Nigeria, for which we will have an FID by 2014.

- Gas and condensate projects relating to the Sankofa and Gye Nyame discoveries in Ghana, for which we are evaluating both domestic and export options.

Overall, we expect the Sub Sahara to provide 500 kboe/d of production by 2015 and something in the region of 750 kboe/d in the longer term, with a sizeable contribution from Mozambique.

These enhanced exploration and development plans will be fuelled by investments of almost 45 billion Euros over the next four years, an increase of 14% on the last plan.

The increase is largely driven by Mozambique, which between exploration and development accounts for over 3 billion euros of capex, and projects in the Barents Sea. It also reflects our increasing exploration activity in Ghana and Indonesia, and the new developments of OPL 245 in Nigeria and Hadrian in the Gulf of Mexico.

This capex will generate strong returns going forward.

The Break Even Price for our overall portfolio of ongoing projects is 45 $/boe, while the internal rate of return of our start ups over the next four years is more than 20% at our plan scenario.

As a final – and essential – remark, let me summarize the expected results of our program of activities, in terms of production and value.

First, we will deliver sustainable production growth at the high end of our industry.

Our growth to 2015 will be at least 3% a year on average. This target includes contingencies and asset rationalizations of over 200 kboe/d, higher than ever before.

Our growth will be resilient in the context of higher than forecast oil prices.

At 100 $ per barrel, we would deliver growth in the region of 3% a year on average to 2015, compared to our previous plan growth rate of 2% to 2014 at the same scenario.

Secondly, as well as growth we will generate value.

Our cash flow per barrel is already one of the highest in the industry, underpinned by an efficient cost position.

Last year we had one of the best unit exploration costs in the industry, 1,2 $/boe and down from the last three years average of 1.9 $/boe.

The same applies to opex, where between 2009 and 2011 we registered an industry-leading average of 6,3 $/boe.

Starting from this excellent base, the scale and characteristics of our projects will enable us to grow cash-flow per barrel even further at a flat 85 $/bbl scenario.

To sum up: our exploration results underpin a project portfolio which is the strongest in the last decade.

We will deliver the value of this portfolio leveraging on operatorship, development and deployment of new technologies and continuous focus on time to market.

Thank you for your attention, I will now hand over to Umberto.

Umberto Vergine

Thank you Claudio.

As Paolo mentioned, the European gas market will remain complex in the short term, but we expect it to gradually rebalance and improve in the medium and long term.

Let's look at the short term first.

In terms of supply, over the next 12-24 months we expect a slight increase compared to last year.

While we do not see growth in LNG imports from Qatar, since it has already reached its planned production target, gas supply will increase due to the resumption of Greenstream.

Furthermore, additional volumes might be imported via the new North Stream capacity. This increase in imports will be partially compensated by the decrease in European domestic production, which will reduce supply by around 10bcm over the next two years.

Meanwhile, demand growth is expected to be sluggish owing to the weak economic situation, which will particularly impact industrial gas demand, and increasing competition from renewables in power generation.

The combination of slightly higher supply and sluggish demand will result in continuing oversupply to the European market. Despite the benefit from renegotiations, in the short term we therefore expect spot gas to remain at a discount to long-term oil-linked supply, resulting in continuing competitive pressure on the market.

Looking beyond the next 12-24 months however, we expect the European market to rebalance and then show further improvements.

This will be driven by three key trends.

- The first one is demand growth, especially in the Pacific area, where - between now and 2015 – consumption will increase by 16%, or around 90bcm. This will largely absorbe the new LNG production coming onstream in the region and attract some of the Qatari supply which is currently being delivered to Europe. Furthermore, South America and the Middle East will see an increase in demand for spot LNG cargos, which also absorb some of the supply from Europe.

- The second one is that North America will continue to be an island in gas terms. US domestic production will grow, but we expect exports to be limited and subject to regulatory constraints as the US government may not want to encourage an increase in domestic gas prices.

- The third trend is rising import requirements in Europe, which will increase by almost 80bcm to 2015 through the combination of growing demand and declining domestic production. Given the marginal expected contribution of European shale gas by that time and the tightening of the LNG market, we expect additional import requirements to be mainly satisfied by pipeline gas under long-term contracts.

Over the next four years we also expect the internal European gas market to become more integrated, thanks to the construction of new interconnection. Easier gas circulation will create additional commercial and trading opportunities for companies, like Eni, with diversified supply contracts and market positions.

Moving on to our strategy, supply is the key factor to cope with short term market volatility and to increase profitability when the European market tightens.

It has

1) to be competitive with spot prices,

2) to be flexible on take or pay volumes, and

3) to give both suppliers and buyers the option to renegotiate more frequently if required by market conditions.

We have already made good progress on this front. In the last two years, we have closed contract renegotiations with the Libyan NOC , with Sonatrach and in recent weeks with Gazprom, which between them account for almost 70% of our supply portfolio.

Looking forwards, we will continue to work on the competitiveness and market reflectivity of our portfolio, opening negotiations with Statoil in the second part of this year.

As a result of these actions, we are now in a better position to pursue our strategy. Despite the current market turbulence, we will continue consolidate our market position and gradually recover profitability as the market tightens.

Let me now take you through the key commercial strategies which will drive sales growth over the coming years.

We have two distinct commercial objectives.

The first is to consolidate our leading European position in the business gas market, where we have a well balanced portfolio in terms of geographies, customer segments and contract duration.

Over the plan period, we will increase our sales to industrial, powergen and resellers by 13bcm. We will do this through our strong commercial platform in the largest consuming countries – Italy, France, Germany, UK, Spain, Belgium – an in our new, target markets (Netherlands, Austria and Hungary).

In particular, our growth will be driven by our reliable and increasingly competitive supply portfolio, and our capacity to offer clients tailor-made solutions, with a multi-country approach.

We will leverage our decades of experience in the gas market to provide a wide range of services, including risk management and transport and storage contracts.

Our second commercial objective is to increase our penetration in the European retail segment, increasing our customer base by almost 30% in the next four years.

We are already strengthening our position in this segment. Last year, in Italy we added 500 thousand new contracts, through our dual fuel offer and innovative sales channels.

In Europe, with the acquisition of Altergaz and Nuon, we can now count on a resilient customer base in France and Belgium, highly complementary to our operations in the business segment.

Looking forwards, we will continue to grow in the European retail segment, using our

1) valuable experience gained in the Italian retail market,

2) Our high quality service and customer care,

3) and our multi-channel sales platform (spanning eni branded energy stores, local agencies and online marketing).

The combination of our market view and our actions underpins our target of growing profitability to more satisfactory levels over next four years.

Focusing on marketing and International transport, which in 2011 reported €1bn of proforma adjusted Ebitda, we will see an increase in 2012 driven by the recovery in Libyan supply and the benefits from the closure of the renegotiation with Gazprom, of which a part relate to 2011.

However, our underlying marketing business will continue to face market pressure.

But looking further ahead, the progressive tightening of the European market will result in further growth in our sales and margins. We will also leverage on the flexibility of our portfolio to capture trading opportunities in Europe and in the Far East.

Thank you for your attention and I will now hand you over to Sandro for the financial outlook.

Alessandro Bernini

Thank you Umberto.

Before we move on to our capex and efficiency plans, I will take you through the financial impacts of the deconsolidation of Snam, which will occur before September 2013.

While Snam's leverage is relatively low compared to its regulated peers, it is relatively high compared to the core ENI Oil and Gas activities.

That means that the consolidation – a process which would see ENI accompany Snam to gradually reach financial independence – would by itself lower its gearing.

Indeed, stripping out the €11.2bn of debt attributable to Snam, Eni's 2011 debt to equity ratio declines from 0.46 to 0.30.

If, as well as a deconsolidation of the debt, one assumes a cash inflow broadly in line with the current market value of our 53% stake in Snam, eni's leverage drops to below 0.2x.

The deconsolidation of Snam would also boost Eni's returns on capital invested, from the reported year end level of 9.8% to 10.4% on a see-through basis, and to 11.4% factoring in a cash inflow equal to Snam's market value.

Let's now move on to our capex plan.

Our growth over the next four years will be fuelled by €59.6bn of investments, of which €6.2bn pertain to Snam and will therefore be deconsolidated within the plan period.

On a deconsolidated basis, this represents an increase of €6.4bn compared to last year's plan.

This increase is driven by our enhanced exploration and development plan in E&P and in particular the new, attractive opportunities we identified last year, including a first tranche of the Mamba project and giant developments in Nigeria, Indonesia and the Barents sea.

Two thirds of the planned capex for the next 4 years is already committed, increasing visibility on costs and delivery of our project pipeline.

With regards to our other businesses, we have adopted a more selective investment approach, with capex largely concentrated on efficiency programmes and the refocusing of our portfolios on the most attractive segments.

In G&P, assuming the same perimeter we have today, planned investments will mainly relate to regulated businesses, which as you know, have guaranteed returns. Marketing will account for about €1bn of capex, mostly in power generation to increase flexibility and maximise margins.

In R&M, we plan to invest about 2.8 billion €, in line with the previous plan, but with decreasing expenditures on refining . By the end of this year, we will complete the main development project underway in R&M, the EST plant in Sannazzaro, further improving the complexity of our system. Remaining capex will include the rationalization of logistic infrastructures , the rebranding of our service stations and non oil development.

Finally, investments in chemicals will be mainly dedicated to new initiatives expected to boost organic growth in the most profitable segments: these projects represent two thirds of total expenditures, with an attractive IRR of over 20%.

[*On top of the consolidated 1.6 billion euro, we will also invest around 200m in our new bio-based chemical project in Sardinia*.]

Efficiency will continue to be an important part of our strategy.

Since the beginning of the programme, in 2006, we have delivered over 3.1 billion euro in cost savings by streamlining our processes and driving continuous improvement in our operations. Savings achieved in 2011 amounted to over 600 million euros, half of which came from enhanced efficiency at the corporate level.

Our new plan has once again increased our target for cost savings, now expected to be 5 billion euro in total for the 2004-2015 period. This will be achieved through procurement and logistic optimization, energy saving and increased labour efficiencies.

New projects and our strong focus on efficiency will support our cashflow generation over the next four years.

At our plan scenario of $90/bl oil in 2012-13 and $85/bl in the following two years, our strong cash flow from operations will more than fund our increased investments and reduce net debt to well below 40% of equity by 2015. And this target is of course at a constant perimeter, which means excluding the reduction of leverage which would occur as a result of potential disposals and the deconsolidation of Snam.

Meanwhile, exiting Snam will not have a significant impact on Eni's organic free cashflow, as Snam has historically re-invested the entirety of its cashflow from operations to fund capex, and is expected to continue to do so.

As a result, our dividend allocation will not change owing to the deconsolidation of Snam.

Under our plan scenario, we confirm the sustainability of our dividend policy of growth in line with inflation, which aims to preserve the real value of the remuneration to shareholders.

Thank you for your attention. I will now hand you over to Paolo for his closing remarks.

Paolo Scaroni

Thank you Sandro.

In conclusion…

... through a combination of exploration success in E&P and operational progress in each division, we are now in a better position than ever before to deliver long-term growth and value.

E&P will continue to be the main driver of our business, building organic growth from exploration success. We are entering a period of accelerating growth. And our track record of consistently delivering around 1bn boe of new resources a year underpins production potential of over 2.5m boe/d, supporting our growth targets to 2021 and beyond.

In G&P, we have challenging short term market conditions to contend with. But our progress on the cost and flexibility of supply improves our ability to grow in key markets and segments, and we will reap the benefit of these actions as the European market tightens in the medium term.

In R&M, our focus on efficiency in refining and consolidation of our position in marketing will return our operations to profitability. And our Chemicals business will pursue a turnaround strategy with a focus on added value products and high-growth markets.

On top of our robust business objectives, we have the potential to unlock value through the disposal of our non-core listed assets. While disposal options and timings are not yet finalised, monetising our stakes in Galp and Snam would also significantly strengthen our balance sheet.

We consider that a stronger financial structure is appropriate to a business portfolio more focused on E&P. It will give us additional flexibility on our major development projects. And with a high-potential exploration campaign ahead, we will be able to take full advantage of new organic growth opportunities, with attractive returns. What would not change is our prudent approach to M&A; we continue to be focused on bringing our resources to reserves and production.

Taken together, all these actions and opportunities give Eni a clear roadmap to growth and value creation in the years ahead.

Thank you for your attention. We will now be pleased to answer your questions.