Fact Book 2011

Mission

We are a major integrated energy company, committed to growth in the activities of finding, producing, transporting, transforming and marketing oil and gas. Eni men and women have a passion for challenges, continuous improvement, excellence and particularly value people, the environment and integrity.

Countries of activity

EUROPE
Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom, Ukraine

AFRICA
Algeria, Angola, Congo, Côte d'Ivoire, Democratic Republic of Congo, Egypt, Equatorial Guinea, Gabon, Ghana, Libya, Mali, Mauritania, Morocco, Mozambique, Nigeria, Togo, Tunisia

ASIA AND OCEANIA
Australia, Azerbaijan, China, India, Indonesia, Iran, Iraq, Kazakhstan, Kuwait, Malaysia, Myanmar, Oman, Pakistan, Papua-New Guinea, Philippines, Qatar, Russia, Saudi Arabia, Singapore, Sirya, Taiwan, Thailand, Timor Leste, Turkmenistan, the United Arab Emirates, Vietnam, Yemen

AMERICAS
Argentina, Bolivia, Brazil, Canada, Colombia, Dominican Republic, Ecuador, Mexico, Peru, Suriname, Trinidad & Tobago, the United States, Venezuela

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Eni's Fact Book is a supplement to Eni's 2011 Annual Report and is designed to provide supplemental financial and operating information.
It contains certain forward-looking statements in particular under the section "Outlook" regarding capital expenditure, development and management of oil and gas resources, dividends, allocation of future cash flow from operations, future operating performance, gearing, targets of production and sale growth, new markets, and the progress and timing of projects. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements, depending on a variety of factors, including the timing of bringing new fields on stream; management's ability in carrying out industrial plans and in succeeding in commercial transactions; future levels of industry product supply; demand and pricing; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; development and use of new technology; changes in public expectations and other changes in business conditions; the actions of competitors and other factors discussed elsewhere in this document.

May 8, 2012

Periodical updates will be available on the web site: www.factbook.eni.com

Eni in 2011

Eni is an integrated company engaged in the energy chain.
Eni's strong presence in the gas market and in the liquefaction of natural gas, our skills in the power generation and refinery activities, strengthened by world class skills in engineering and project management, allow us to catch opportunities in the market and to realize integrated projects.

In 2011, adjusted net profit was €6.97 billion, up 1.5% from a year ago driven by an excellent performance reported by an excellent performance reported by the Exploration & Production Division on the back of a recovery in crude oil prices. This positive helped the Company withstand the impact of the production shut down in Libya and the sharp contraction in results of the Company's downstream businesses dragged down by the economic downturn.

Return on Average Capital Employed (ROACE) calculated on an adjusted basis was 9.9%.
Net cash generated by operating activities amounted to €14.38 billion. Proceeds from divestments amounted to €1.9 billion. These inflows enabled the Company to fund the major part of the financing requirements associated with capital expenditure and other investments of €13.8 billion and shareholders' remuneration.

The ratio of net borrowings to total equity was 0.46 at year end (0.47 at December 31, 2010).

The Board of Directors suggested to the Shareholders' Meeting the distribution of a dividend of €1.04 per share for 2011 full year.

In 2011, the injury frequency rate decreased by 22% and 15.9% relating to employees and contractors respectively, compared to the previous year. This positive trend progressed for the sixth consecutive year.
In 2011, Eni continued its commitment in incident prevention also by means of training programs on safety and emergency prevention.

In 2011, the Exploration & Production Division reported adjusted net profit amounting to €6.87 billion (up 22.6% from 2010). Liquids and gas production was 1,581 kboe/d, down by 12.9% from 2010, mainly due to a lowered output in Libya. Estimated net proved reserves at December 31, 2011, were 7.09 bboe. All sources reserves replacement ratio was 142%. Excluding price effect, the replacement ratio would be 159%. The reserves life index is 12.3 years (10.3 years in 2010).

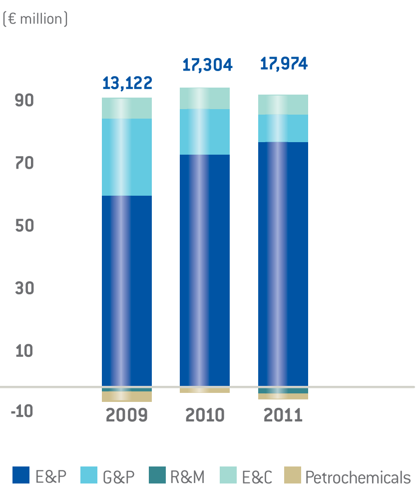
In 2011, the Gas & Power Division reported adjusted net profit of €1.54 billion, down 39.8% from 2010 due to a sharply lower operating performance of the Marketing business (adjusted operating profit was down €1.28 billion) negatively impacted by weak domestic demand (down 6%), and mounting competitive pressures fuelled by oversupply which squeezed selling margins and reduced volumes opportunities. The performance was also impacted by the disruption in Libyan gas availability which negatively impacted the supply mix and reduced sales to importers. Sales in Italy were basically stable (up 1.1%) despite declining demand. Sales in target European markets increased by approximately 8%.

In 2011, the Refining & Marketing segment reported adjusted operating loss of €262 million worsening by €213 million from 2010, reflecting unprofitable refining margins due to rising costs for oil-based feedstock and for energy utilities linked to the former that could not be transferred to prices at the pump, also due to weak demand and excess capacity in the Mediterranean basin. Marketing results were positive but shrinking due to the decline in retail and wholesale demand for products and high competitive pressure. Despite a decline in retail sales in Italy (down 3%) Eni's average retail market share for 2011 was 30.5%, up from 2010 due to commercial initiatives and a strong brand name.

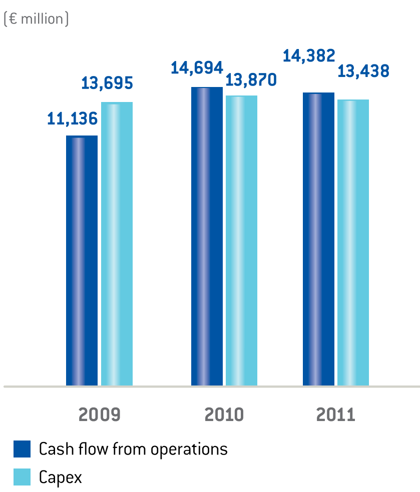
In 2011, the Engineering & Construction sector achieved an adjusted net profit amounting to €1.1 billion and a flow of new orders that allowed to keep its order backlog to a record of over €20 billion.

In 2011, the sector reported a significant increase in adjusted net loss (€208 million, down €123 million) from 2010, due to lower cracker margins and lower sales volumes, in particular of commodity production. Niche business segments of elastomers and styrenes improved their profitability due to their higher technological content.

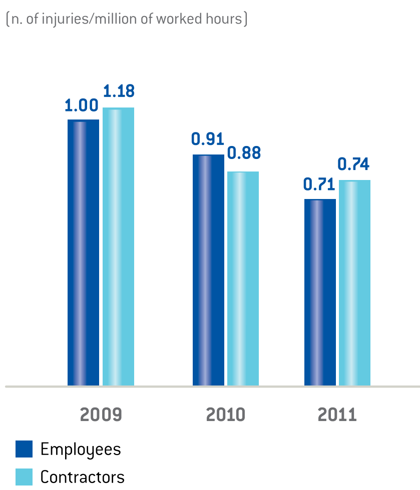
Adjusted operating profit



Cash flow from operations and capex



Injury frequency rate



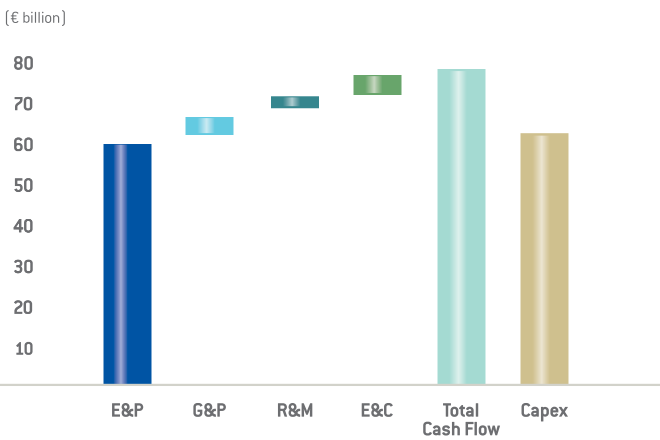
Eni's strategy

The oil&gas industry is coping with a complex scenario featured by the global economic slowdown, particularly in the Euro-zone, and volatile market conditions for energy commodities. In the medium to long-term the main challenges will be driven by rising competitive pressures in accessing reserves by new players, stricter regulation addressing environmental preservation and mitigation of the climate risk, a growing importance of renewable sources as well as the role of unconventional resources in satisfying energy need.
Against this backdrop, Eni confirms its growth strategy and the adoption of a sustainable business model founded on the pillars of innovation, excellence, inclusiveness, integration, responsibility and cooperation in a framework of straightforward rules of corporate governance.
Eni believes that a sustainable business conduct contributes to both the achievement of industrial performance, and the mitigation of political, financial and operational risks. This strengthens Eni's role as a trustworthy and reliable partner, who is ready to capture new opportunities in the marketplace and able to manage the complexities of the environment.
Eni believes that those drivers will help the Company to create value to its shareholders and stakeholders.

Eni has designed its industrial plan for the four-year period 2012-2015 along the following strategic guidelines: growing profitable oil and gas production in the upstream, strengthening market leadership in the European gas market, improving downstream oil efficiency, refocusing petrochemical operations and retaining top spots among the best-in-class engineering and construction players in the most technologically advanced segments.

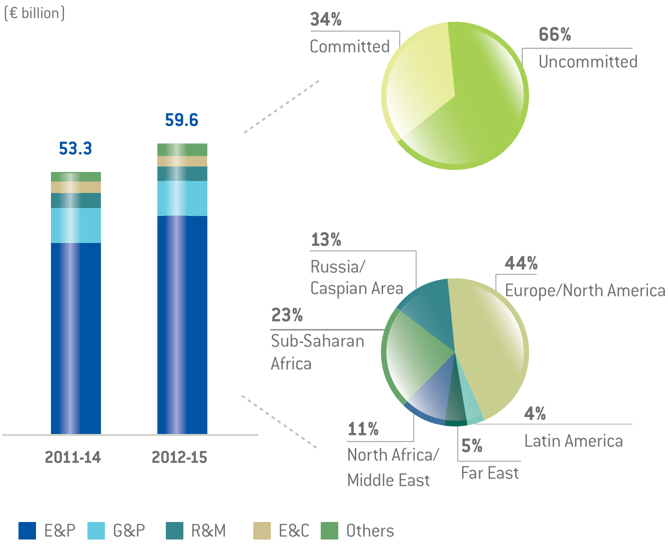
In the medium-term, Eni intends to preserve a solid capital structure while continuing to invest to fuel profitable growth and reward investors. Management is targeting a net debt to equity ratio of less than 0.4 by the end of the plan period which takes into account a capital expenditure plan of €59.6 billion, of which 75% dedicated to upstream activities. Eni's ability to generate strong operating cash flows, investment selection and capital efficiency will underpin the Company's financial structure.

Cash flow * 2012-2015



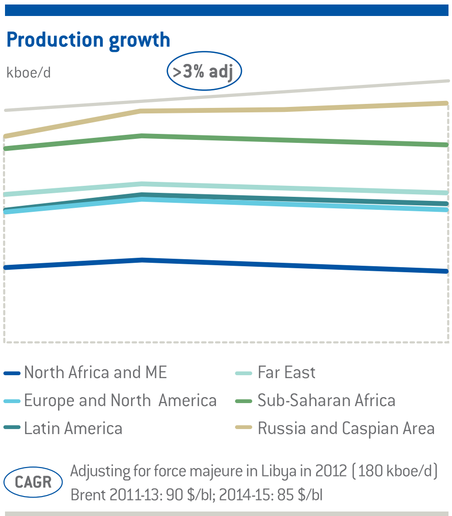
* @ 90$/bl in 2012-13; 85$/bl in 2014-15

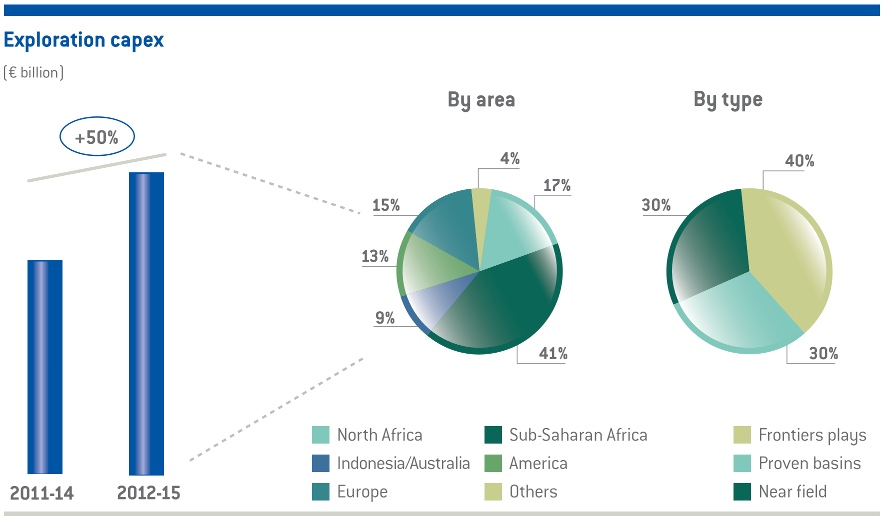
2012-2015 capex plan



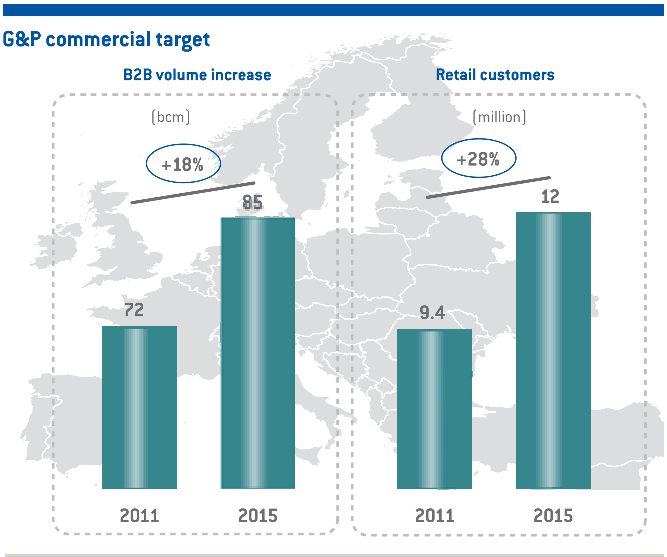
Business strategies and targets

In the **Exploration & Production** Division, Eni intends to deliver organic production growth with increasing returns and reserve replacement. The Company's value proposition in its upstream operations will leverage on strengthening our leadership in core areas, increasing the volume of operated production and retaining a strong portfolio of long-term plateau fields. Eni will pursue further growth options by developing unconventional plays, gas-to-LNG projects and integrated gas projects. Eni's growth trajectory will be supported by its ongoing commitment in establishing and consolidating its partnerships with key host Countries, leveraging the Eni co-operation model.
Management expects that continuing technological innovation and competence build-up will drive production growth and increasing rates of reserve recovery, developing drilling techniques to be applied in complex environment, marginal fields and deep/ultra deep offshore areas.
Management is targeting to increase hydrocarbon production to 2.03 mmboe/d by 2015 at an average rate of more than 3% over the next four years. Growth will be fuelled by increasing flows from Eni's core areas (in Sub-Saharan Africa in particular in Mozambique, Venezuela, Barents Sea, Yamal Peninsula in Russia, Kazakhstan, Iraq and Indonesia) leveraging Eni's vast knowledge of reservoirs and geological basins, as well as technical and producing synergies.
Eni's exploration activity will play a vital role in securing access to new resources and the long-term business sustainability and we are planning to step-up expenditures over the next four-year plan compared to our previous capital budget (an increase of approximately €2 billion). Management plans to achieve a sound balance between exploration projects in legacy areas vs. high risk/high reward basins. Eni intends to drive higher returns and manage the operational risk in its upstream operations by reducing the time-to-market of its portfolio of resources, increasing total volumes of operated production, as operatorship is seen to be the safest way to control risks, as well as selectively picking partners in non-operated joint-projects. Eni plans to monetize its reserves of associated gas in particular in Algeria, Angola, Congo, Iraq, Italy, Libya,





Nigeria, Norway and Turkmenistan, targeting to cut the level of gas flaring by 80% from 2007 levels over the next four-years plan. Management is ready to invest approximately €4 billion to achieve that target.

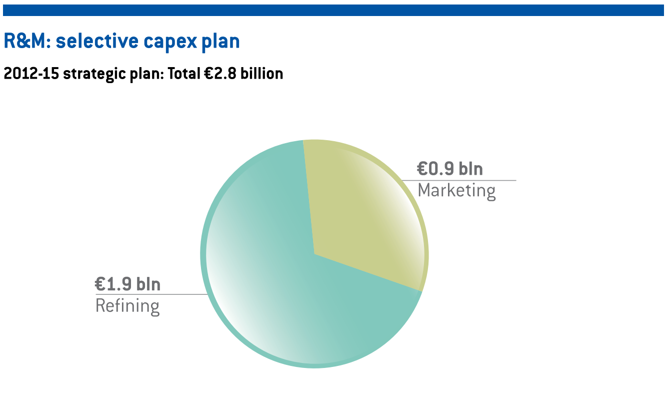


In the **Gas & Power** Division, Eni plans to strengthen its leadership in the European gas markets in spite of increasing competitive pressures, oversupply and weak gas spot prices. Management intends to leverage on: (i) the renegotiation of the economic conditions of Eni's key supply contracts in order to improve the competitiveness of Eni's gas portfolio; (ii) extracting value from Eni's logistics assets and its presence at the continental hubs; (iii) developing an international commercial platform and a multi-Country approach; (iv) boosting LNG sales; (v) enhancing of Eni's gas and power commercial offer, continuing service improvement and customer care through the adoption of systems and processes which best suit customers' needs, mainly in retail markets.
We target to recover a fair level of profitability in the G&P Marketing business.

Regulated businesses in Italy are committed to develop additional transport and storage capacity, focusing on improving infrastructure reliability and flexibility as well as efficient operations.
In particular, EniPower is planning to upgrade the energy efficiency at proprietary plants in order to retain an index of CO_2 emissions below the target level of 415 gCO_2/kWheq.
Eni will continue pursuing the OHSAS 18001 certification for its health and safety management systems at all its plants.

In the **Refining & Marketing** Division, Eni will strive to regain profitability against the backdrop of a depressed trading environment. Eni will boost its refining operations by means of optimizations and integration of refinery cycles and cost and energy efficiencies.
Eni will pursue strict capital discipline by focusing on projects intended to upgrade the complexity and reliability of our refineries, and to improve the environmental performance.
In marketing operations, considering a weak demand outlook for fuels, management plans to strengthen Eni's leadership in the Italian retail market leveraging on commercial initiatives to best suit customers' needs, a differentiated offer, process automation, enhancing non-oil activities, retaining customers and strengthening our brand. Abroad, Eni will grow selectively in target European markets and divest marginal assets.

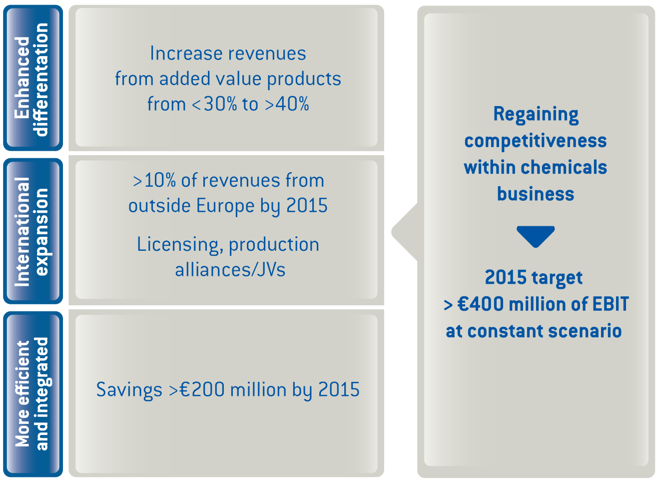
Management plans to improve results of the Refining & Marketing Division by over €500 million within 2015, excluding any change in market context, through efficiency improvements. Eni expects to grow middle distillate yields to 50% (vs. 47% in 2011) and,
in marketing, we are targeting a market share up to 30% in the Italian retail sector. Energy saving programs will be strengthened by implementing the Energy Management System at refinery plants in accordance with the ISO 50001 international standard.
Eni will also invest €25.6 million to reduce SO_x and NO_x emissions by 2013 on a comparable production basis.



To cope with the structural challenges of **Petrochemical** business, management is implementing a strategic shift targeting to restore the economic equilibrium of the business over the medium-term. This new strategy features a gradual reduction of the exposure to the unprofitable, commoditized businesses in favour of growing the

Company's presence in niche productions, particularly elastomers and specialties which have shown good profitability. Eni will pursue this goal by reconverting and restructuring loss-making plants, improving plant integration and flexibility, as well as optimization projects. Eni intends to growth its presence in green chemistry leveraging its joint venture project at Porto Torres in Sardinia which targets the restructuring of an obsolete plant into a modern and advanced facility for the production of environmentally-friendly chemicals. The licensing of Eni's proprietary technologies will support the establishment of strategic alliances with international partners. Over the next four years, Eni will make capital expenditure amounting to €1.7 billion, targeting plant upgrading and enhancement in the best positioned businesses, mainly in elastomers.
In the medium term Eni plans to break-even business results.

Petrochemicals: a new turnaround strategy

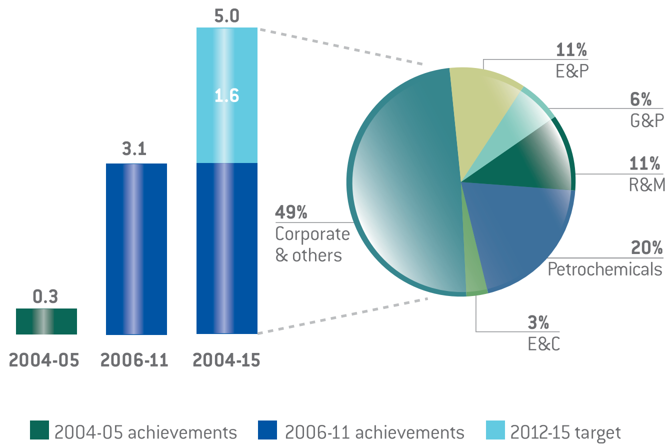


Engineering & Construction segment will consolidate its leading position in the Offshore and Onshore businesses leveraging the EPIC-oriented business model and outstanding relationships with the Majors and NOCs. Saipem will continue focusing on the execution of technologically-advanced mega-projects mainly located in frontier areas and complex environments, carefully selecting business opportunities. The upgrading of a world-class drilling and construction offshore fleet, the availability of an important construction yard in Indonesian targeting offshore projects, as well as the expenditures made to boost local assets and logistic centres in key areas (in particular in Brazil) will support the competitive advantages.

Management believes that the achievement of Eni's projected targets and expected returns will be underpinned by Eni's operational excellence, synergies from integration and the development of integrated risk management capabilities intended to extract value from Eni's assets. Operational excellence thanks to Eni's know-how and distinctive competences endorses a preventive business conduct when managing the environmental footprint of Eni's operations and risks to employees and communities' health and safety. Continuing improvement in efficiency through innovation of business processes will enable the Company to reduce the energy intensity of its productions, optimize plants activities and achieve economies of scale in centralized services.

Efficiency programme

(€ billion)



Integration will enable Eni to capture joint opportunities in the marketplace, reaping the benefits of synergies and maximizing asset returns. Particularly, the new business unit Eni trading will develop integrated risk management activities with a view of better coping with the increasingly volatile commodity markets.

Main data

Key financial data	Italian GAAP		IFRS							
(€ million)	2002	2003	2004	2005	2006	2007	2008	2009	2010	**2011**
Net sales from operation	47,922	51,487	57,498	73,692	86,071	87,204	108,082	83,227	98,523	**109,589**
Operating profit	8,502	9,517	12,399	16,664	19,336	18,739	18,517	12,055	16,111	**17,435**
Special items			*(448)*	*(1,210)*	*88*	*(620)*	*936*	*(345)*	*(881)*	***(1,113)***
Profit (loss) on stock			*631*	*1,942*	*1,059*	*885*	*2,155*	*1,412*	*2,074*	***1,652***
Adjusted operating profit	8,959	9,958	12,582	17,396	20,483	19,004	21,608	13,122	17,304	**17,974**
Exploration & Production	*5,428*	*5,973*	*8,202*	*12,649*	*15,521*	*13,770*	*17,222*	*9,484*	*13,884*	***16,077***
Gas & Power	*3,373*	*3,661*	*3,448*	*3,783*	*4,117*	*4,414*	*3,564*	*3,901*	*3,119*	***1,946***
Refining & Marketing	*312*	*584*	*923*	*1,210*	*794*	*292*	*580*	*(357)*	*(171)*	***(535)***
Petrochemicals	*(48)*	*(54)*	*263*	*261*	*219*	*116*	*(398)*	*(426)*	*(113)*	***(276)***
Engineering & Construction	*298*	*311*	*215*	*314*	*508*	*840*	*1,041*	*1,120*	*1,326*	***1,443***
Other activities	*(208)*	*(236)*	*(223)*	*(296)*	*(299)*	*(207)*	*(244)*	*(258)*	*(205)*	***(226)***
Corporate and financial companies	*(196)*	*(281)*	*(187)*	*(384)*	*(244)*	*(195)*	*(282)*	*(342)*	*(265)*	***(266)***
Impact of unrealized intragroup profit elimination			*(59)*	*(141)*	*(133)*	*(26)*	*125*		*(271)*	***(189)***
Net profit	4,593	5,585	7,059	8,788	9,217	10,011	8,825	4,367	6,318	**6,860**
Adjusted net profit	4,923	5,096	6,645	9,251	10,401	9,569	10,164	5,207	6,869	**6,969**
Net cash provided by operating activities	10,578	10,827	12,500	14,936	17,001	15,517	21,801	11,136	14,694	**14,382**
Capital expenditures and investments	9,414	13,057	7,815	7,560	7,928	20,502	18,867	16,018	14,280	**13,798**
Capital expenditures	*8,048*	*8,802*	*7,499*	*7,414*	*7,833*	*10,593*	*14,562*	*13,695*	*13,870*	***13,438***
Investments	*1,366*	*4,255*	*316*	*146*	*95*	*9,909*	*4,305*	*2,323*	*410*	***360***
Shareholders' equity including non-controlling interest	28,351	28,318	35,540	39,217	41,199	42,867	48,510	50,051	55,728	**60,393**
Net borrowings	11,141	13,543	10,443	10,475	6,767	16,327	18,376	23,055	26,119	**28,032**
Net capital employed	39,492	41,861	45,983	49,692	47,966	59,194	66,886	73,106	81,847	**88,425**
Exploration & Production	*17,318*	*17,340*	*16,770*	*19,109*	*17,783*	*23,826*	*31,302*	*32,455*	*37,646*	***42,024***
Gas & Power	*12,488*	*15,617*	*19,554*	*20,075*	*19,713*	*21,333*	*21,614*	*24,754*	*27,346*	***27,760***
Refining & Marketing	*5,093*	*5,089*	*5,081*	*5,993*	*5,631*	*7,675*	*7,379*	*8,105*	*8,321*	***9,188***
Petrochemicals	*2,130*	*1,821*	*2,076*	*2,018*	*1,953*	*2,228*	*1,915*	*1,774*	*1,978*	***2,252***
Engineering & Construction	*2,335*	*2,119*	*2,403*	*2,844*	*3,399*	*4,313*	*5,022*	*6,566*	*7,610*	***8,217***
Corporate financial companies and other activities	*128*	*(125)*	*277*	*2*	*(95)*	*294*	*24*	*(192)*	*(527)*	***(393)***
Impact of unrealized intragroup profit elimination			*(178)*	*(349)*	*(418)*	*(475)*	*(370)*	*(356)*	*(527)*	***(623)***
Return On Average Capital Employed (ROACE) (%)										
Reported	13.7	15.6	16.6	19.5	20.2	20.5	15.7	8.0	10.0	**9.7**
Adjusted			15.9	20.5	22.6	19.4	17.6	9.2	10.7	**9.9**
Leverage	0.39	0.48	0.29	0.27	0.16	0.38	0.38	0.46	0.47	**0.46**

Key market indicators	2002	2003	2004	2005	2006	2007	2008	2009	2010	**2011**
Average price of Brent dated crude oil [a]	24.98	28.84	38.22	54.38	65.14	72.52	96.99	61.51	79.47	**111.27**
Average EUR/USD exchange rate [b]	0.946	1.131	1.244	1.244	1.256	1.371	1.471	1.393	1.327	**1.392**
Average price in euro of Brent dated crude oil	26.41	25.50	30.72	43.71	51.86	52.90	65.93	44.16	59.89	**79.94**
Average European refining margin [c]	0.80	2.65	4.35	5.78	3.79	4.52	6.49	3.13	2.66	**2.06**
Average European refining margin Brent/Ural [c]	1.40	3.40	7.03	8.33	6.50	6.45	8.85	3.56	3.47	**2.90**
Euribor - three-month euro rate (%)	3.3	2.3	2.1	2.2	3.1	4.3	4.6	1.2	0.8	**1.4**

(a) In US dollars per barrel. Source: Platt's Oilgram.
(b) Source: ECB.
(c) In US dollars per barrel FOB Mediterranean Brent dated crude oil. Source:Eni calculations based on Platt's Oilgram data.

Selected operating data		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Corporate											
Employees at period end	(number)	80,540	76,529	71,572	71,773	72,850	75,125	78,094	77,718	79,941	**78,686**
of which: - women		*10,274*	*11,155*	*10,326*	*10,620*	*10,841*	*10,977*	*12,221*	*12,564*	*12,754*	***13,185***
- outside Italy		*39,329*	*36,678*	*32,691*	*34,036*	*35,818*	*38,634*	*41,971*	*42,633*	*45,967*	***45,516***
Female managers	(%)	10.9	10.9	12.5	12.4	13.5	14.1	16.0	17.0	17.7	**18.2**
Employee injury frequency rate	(number of injuries/million of worked hours)	4.74	3.79	3.99	2.74	2.45	1.93	1.45	1.00	0.91	**0.71**
Contractor injury frequency rate		4.71	4.12	7.84	2.59	1.54	1.45	1.40	1.18	0.88	**0.74**
Oil spills	(barrels)	2,198	857	7,813	6,908	6,151	6,731	4,749	6,259	4,269	**7,295**
Oil spills due to sabotage and terrorism		n.a.	n.a.	n.a.	1,810	7,014	2,608	2,286	15,288	18,695	**6,127**
GHG emission	(mmtonnes CO_2 eq)	52.84	52.27	58.34	61.85	60.72	67.25	62.01	57.69	60.64	**51.10**
R&D expenditures [a]	(€ million)	175	238	257	204	222	208	217	207	221	**191**
Exploration & Production											
Proved reserves of hydrocarbons at period end	(mmboe)	7,030	7,272	7,218	6,837	6,436	6,370	6,600	6,571	6,843	**7,086**
Reserve life index	(years)	13.2	12.7	12.1	10.8	10.0	10.0	10.0	10.2	10.3	**12.3**
Hydrocarbons production	(kboe/d)	1,472	1,562	1,624	1,737	1,770	1,736	1,797	1,769	1,815	**1,581**
Gas & Power											
Sales of consolidated companies (including own consumption)	(bcm)	66.14	71.39	76.49	82.62	85.76	84.83	89.32	89.60	82.00	**84.37**
Sales of Eni's affiliates (Eni's share)	(bcm)	2.40	6.94	5.84	7.08	7.65	8.74	8.91	7.95	9.41	**9.53**
Total sales and own consumption (G&P)	(bcm)	68.54	78.33	82.33	89.70	93.41	93.57	98.23	97.55	91.41	**93.90**
E&P gas sales [b]	(bcm)			4.70	4.51	4.69	5.39	6.00	6.17	5.65	**2.86**
Worldwide gas sales	(bcm)	68.54	78.33	87.03	94.21	98.10	98.96	104.23	103.72	97.06	**96.76**
Electricity sold	(TWh)	6.74	8.65	16.95	27.56	31.03	33.19	29.93	33.96	39.54	**40.28**
Refining & Marketing											
Throughputs on own account	(mmtonnes)	37.73	35.43	37.69	38.79	38.04	37.15	35.84	34.55	34.80	**31.96**
Balanced capacity of wholly-owned refineries at period end	(kbbl/d)	504	504	504	524	534	544	737	747	757	**767**
Sales of refined products [c]	(mmtonnes)	52.24	50.43	53.54	51.63	51.13	50.15	49.16	45.59	46.80	**45.02**
Retail sales in Europe [c]	(mmtonnes)	13.71	14.01	14.40	12.42	12.48	12.65	12.03	12.02	11.73	**11.37**
Service stations at year end [c]	(units)	10,762	10,647	9,140	6,282	6,294	6,440	5,956	5,986	6,167	**6,287**
Average throughput per service station	(kliters/y)	1,674	1,771	1,970	2,479	2,470	2,486	2,502	2,477	2,353	**2,206**
Petrochemicals											
Production	(ktonnes)	7,116	6,907	7,118	7,282	7,072	8,795	7,372	6,521	7,220	**6,245**
of which: - Basic petrochemicals		*4,304*	*4,014*	*4,236*	*4,450*	*4,275*	*5,688*	*5,110*	*4,350*	*4,860*	***4,101***
- Polymers		*2,812*	*2,893*	*2,882*	*2,832*	*2,797*	*3,107*	*2,262*	*2,171*	*2,360*	***2,144***
Average plant utilization rate	(%)	74.3	71.3	75.2	78.4	76.4	80.6	68.6	65.4	72.9	**65.3**
Engineering & Construction											
Orders acquired	(€ million)	7,852	5,876	5,784	8,395	11,172	11,845	13,860	9,917	12,935	**12,505**
Order backlog at year end	(€ million)	10,065	9,405	8,521	10,122	13,191	15,390	19,105	18,370	20,505	**20,417**

(a) Net of general and administrative costs.
(b) Includes E&P gas sales in Europe (4.70, 4.51, 4.07, 3.59, 3.36, 2.57, 2.33 and 2.29 bcm in 2004, 2005, 2006, 2007, 2008, 2009, 2010 and 2011, respectively) and in the Gulf of Mexico (0.62, 1.80, 2.64, 3.60, 3.32 and 0.57 in 2006, 2007, 2008, 2009, 2010 and 2011, respectively).
(c) 2008-2009 data do not include downstream activities in the Iberian Peninsula divested to Galp in October 2008.

Share data		Italian GAAP		IFRS							
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net profit [a]	(€)	1.20	1.48	1.87	2.34	2.49	2.73	2.43	1.21	1.74	**1.89**
Dividend	(€)	0.75	0.75	0.90	1.10	1.25	1.30	1.30	1.00	1.00	**1.04**
Dividend pertaining to the year [b]	(€ million)	2,833	2,828	3,384	4,086	4,594	4,750	4,714	3,622	3,622	**3,695**
Cash flow	(€)	2.76	2.87	3.31	3.97	4.59	4.23	5.99	3.07	4.06	**3.97**
Dividend yield [c]	(%)	5.2	5.1	4.9	4.7	5.0	5.3	7.6	5.8	6.1	**6.6**
Net profit per ADR [d]	(US$)	2.52	3.72	4.66	5.81	6.26	7.49	7.15	3.36	4.62	**5.27**
Dividend per ADR [d]	(US$)	1.71	1.83	2.17	2.74	3.14	3.56	3.82	2.79	2.65	**2.90**
Cash flow per ADR [d]	(US$)	5.79	7.22	8.96	9.40	11.53	11.60	17.63	8.56	10.77	**11.05**
Dividend yield per ADR [c]	(%)	5.8	5.0	5.0	4.7	5.0	5.3	7.6	5.8	6.1	**6.6**
Pay-out	(%)	62	51	48	46	50	47	53	83	57	**55**
Number of shares at period-end representing share capital	(million shares)	4,001.8	4,002.9	4,004.4	4,005.4	4,005.4	4,005.4	4,005.4	4,005.4	4,005.4	**4,005.4**
Average number of share outstanding in the year [e] (fully diluted)	(million shares)	3,826.9	3,778.4	3,771.7	3,763.4	3,701.3	3,669.2	3,638.9	3,622.4	3,622.5	**3,622.7**
TSR	(%)	13.1	4.3	28.5	35.3	14.8	3.2	(29.1)	13.7	(2.2)	**5.1**

(a) Calculated on the average number of Eni shares outstanding during the year.
(b) Amounts due on the payment of the balance of 2011 dividend are estimated.
(c) Ratio between dividend of the year and average share price in December.
(d) One ADR represents 2 shares. Net profit, dividends and cash flow data were converted using average exchange rates. Dividends data were converted at the Noon Buying Rate of the pay-out date.
(e) Calculated by excluding own shares in portfolio.

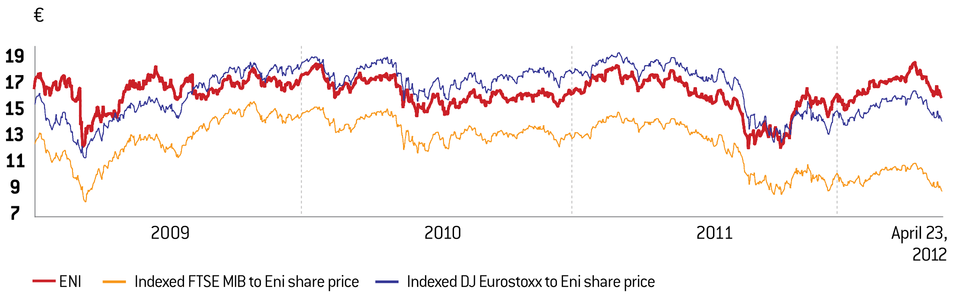
Share Information		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Share price - Milan Stock Exchange											
High	(€)	17.15	15.75	18.75	24.96	25.73	28.33	26.93	18.35	18.56	**18.42**
Low	(€)	12.94	11.88	14.72	17.93	21.82	22.76	13.80	12.30	14.61	**12.17**
Average	(€)	15.29	13.64	16.94	21.60	23.83	25.10	21.43	16.59	16.39	**15.95**
End of the period	(€)	15.15	14.96	18.42	23.43	25.48	25.05	16.74	17.80	16.34	**16.01**
ADR price [a] - New York Stock Exchange											
High	(US$)	82.11	94.98	126.45	151.35	67.69	78.29	84.14	54.45	53.89	**53.74**
Low	(US$)	60.90	66.15	92.35	118.50	54.65	60.22	37.22	31.07	35.37	**32.98**
Average	(US$)	72.20	77.44	105.60	134.02	59.97	68.80	63.38	46.36	43.56	**44,41**
End of the period	(US$)	78.49	94.98	125.84	139.46	67.28	72.43	47.82	50.61	43.74	**41.27**
Average daily exchanged shares	(million shares)	19.4	22.0	20.0	28.5	26.2	30.5	28.7	27.9	20.7	**22.9**
Value	(€ million)	295.4	298.5	338.7	620.7	619.1	773.1	610.4	461.7	336.0	**355.0**
Number of shares outstanding at period end [b]	(million shares)	3,795.1	3,772.3	3,770.0	3,727.3	3,680.4	3,656.8	3,622.4	3,622.4	3,622.5	**3,622.7**
Market capitalization [c]											
EUR	(billion)	57.5	56.4	69.4	87.3	93.8	91.6	60.6	64.5	59.2	**58.0**
USD	(billion)	60.4	71.1	94.9	104.0	123.8	132.4	86.6	91.7	79.2	**75.0**

(a) Effective January 10, 2006 a 5:2 stock split was made. Previous period's prices have not been restated.
(b) Excluding treasury shares.
(c) Number of outstanding shares by reference price at period end.

Data on Eni share placement		1995	1996	1997	1998	2001
Offer price	(€/share)	5.42	7.40	9.90	11.80	13.60
Number of share placed	(million shares)	601.9	647.5	728.4	608.1	200.1
of which through bonus share	(million shares)		1.9	15.0	24.4	39.6
Percentage of share capital [a]	(%)	15.0	16.2	18.2	15.2	5.0
Proceeds	(€ million)	3,254	4,596	6,869	6,714	2,721

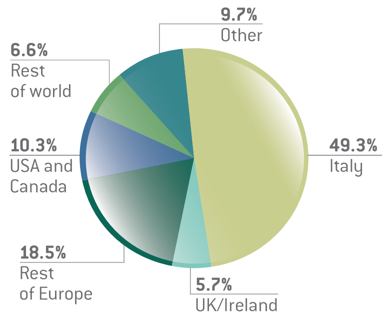
(a) Refers to share capital at December 31, 2011.

Eni share price Milan (December 31, 2008 - April 23, 2012)



Source: Eni calculation based on REUTERS data.

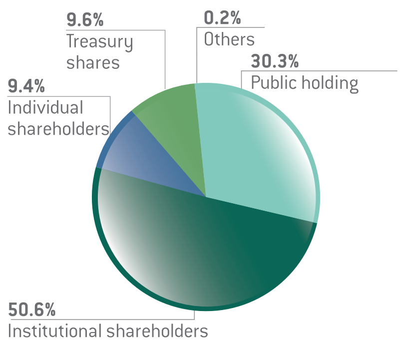
Shares distribution by geographic area [*]



Eni ADR price in New York (December 31, 2008 - April 23, 2012)

Source: Eni calculation based on REUTERS data.

Distribution of shareholders by type [*]

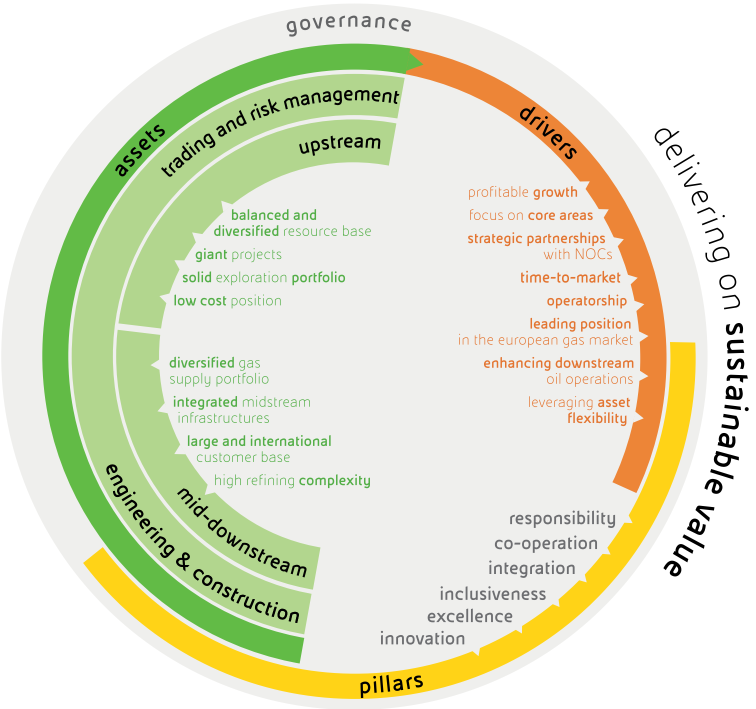


(*) As of September 22, 2011 being 2011 interim dividend payment date.

How we operate

Eni's Business model

Eni's excellent strategic positioning and competitive advantages leverage on a business model for the creation of sustainable value founded on a wealth of distinctive assets, guidelines for industrial actions (drivers) deriving from strategic management choices consistent with the long-term nature of the business. Cooperation, integration, innovation, inclusion of all Eni people, excellence and responsibility inspire Eni's operations in the continuous interaction with all stakeholders in a framework of stringent and clear rules of governance.



In the deployment of its activities, Eni built important relations with the external world in order to maintain a constructive confrontation aimed at the diffusion and development of best practices. This has enabled Eni to be seen as a reliable and competitive partner. This approach is based on the respect of universal principles such as the protection of human rights, the adoption of the highest standards of work, the respect of the environment and communities, and the fight against corruption. In addition to this, Eni is oriented at seizing business opportunities while taking account the development of the socio-economic contexts in which it operates.

The respect for universal principles incorporated in Eni's business model is expressed mainly in **responsibility** towards applicable laws and the adoption of best standards, the **inclusion** of all its people through fair and non discriminating policies, **excellence** in operations with the adoption of quality systems and advanced technologies. **Integration**, **innovation** and **cooperation** are the competitive drivers allowing Eni to stand out in the oil&gas industry, to consolidate its presence in Countries that are not always characterized by political stability and at the same time to contribute to the development goals of the United Nations.

Cooperation in the development of the territories where we work, expresses the ability to understand local needs and the willingness to contribute to their fulfilment. Eni is committed to provide concrete response to problems and requirements of the Countries where it operates, in synergy with the development strategies of these Countries and with reference to the Millennium Goals.

The cooperation model with producing Countries, or rather the will to invest with a long-term prospective and the flexibility of offering solutions to the requirements of the Countries, has been an integral part of corporate strategy from the very beginning. This is now transforming into ever greater integration among the Company development projects and the development of growth opportunities in the territories where Eni is hosted.

Integration of all activities along the energy supply chain is a source of crucial synergies for facing market challenges and ensuring competitive advantages. The integrated approach enables greater flexibility in managing relation with producing Countries, to whom Eni proposes solutions that each and every time are adapted to the specific requirements for technology, infrastructure and economic growth of the local society.

Innovation is a key element for accessing new energy resources, improving recovery from the subsoil and the efficiency of its use, ensuring respect for and responsible use of natural resources. Eni's commitment to technological research is aimed at reducing the time-to-market for new scientific discoveries in the traditional oil&gas sectors, at enhancing renewable energy, and at developing innovative methods of environmental conservation.

Excellence in running the operations hinges on making use of best practices, quality systems, advanced technologies and safety systems to ensure full respect for the community and the environment. Environmental responsibility is a basic pillar of sustainable operations, in particular as concerns the environmental impact on health and well-being of communities living in the affected areas. Among the projects carried out by Eni are the reduction of polluting emissions and of greenhouse gases (by means of increased efficiency and flare down projects), the reduction in fresh water consumption, the provision of assessments on ecosystem and biodiversity protection.

Inclusion of all Eni people, with their broadly expressed diversity combines with health and safety protection in the workplace, as well as their personal development and involvement in the Company's goals. Thanks to the skills of its employees and to their diversity, which Eni enhances inside its corporate structure, to its ability to integrate with different local contexts, Eni ensures a distinctive offering with significant advantages in terms of competitiveness.

Responsibility in terms of commitment to transparency in the business management, in the fight against corruption, and in the respect for human rights in every sphere of our work is a requisite for effective contribution toward the development of Countries and societies. As concerns human rights, Eni promotes their respect in all its operations and extends this to all its supply chain and to all its stakeholders. The respect of international standards is essential especially in Countries where rules and values for the protection and safeguard of human rights are not implemented. Eni is also engaged in the fight against corruption. Anti-corruption regulations are applied to all corporate levels through an articulated and homogenous system of rules based on the principles of integrity and transparency that have been extended along the entire value chain to promote a sustainable business and full respect of stakeholders.

Safety		2007	2008	2009	2010	2011
Injury frequency rate	(number of injuries/million of worked hours)	1.62	1.42	1.11	0.89	**0.73**
- employees		1.93	1.45	1.00	0.91	**0.71**
- contractors		1.45	1.40	1.18	0.88	**0.74**
Fatality index	(fatal injuries/one hundred million of worked hours)	2.97	2.68	1.33	4.64	**1.89**
- employees		1.00	2.43	0.85	6.40	**1.15**
- contractors		4.04	2.81	1.65	3.48	**2.34**
Safety expenditures and investments	(€ thousand)	446,597	425,593	514,773	283,501	**349,229**
Professional illnesses reported	(number)	109	83	127	184	**135**
Health and hygiene expenditure and investments	(€ thousand)	53,762	68,561	80,896	57,756	**81,192**

Spending for the territory	(€ million)	2007	2008	2009	2010	2011
Total spending for the territory:		**85.9**	**86.5**	**98.6**	**108.0**	**101.8**
- project investments		58.1	69.4	70.4	75.4	**69.3**
- short-term investments and donations		2.7	0.5	1.2	4.5	**1.1**
- association membership fees		0.9	1.5	1.5	1.7	**1.6**
- contributions to the Eni Foundation		8.0	0.0	5.0	5.0	**3.0**
- sponsorships for the territory		12.9	11.8	16.6	17.6	**22.9**
- contributions to the Eni Enrico Mattei Foundation		3.3	3.3	3.9	3.9	**3.9**

Employment		2007	2008	2009	2010	2011
Employees as of December 31	(number)	**75,125**	**78,094**	**77,718**	**79,941**	**78,686**
- men		*64,148*	*65,873*	*65,154*	*67,187*	*65,501*
- women		*10,977*	*12,221*	*12,564*	*12,754*	*13,185*
Employees abroad by type		38,634	41,971	42,633	45,967	**45,516**
- locals		*31,279*	*33,233*	*33,483*	*35,835*	*34,801*
- Italian expatriates		*2,386*	*2,769*	*2,771*	*3,123*	*3,208*
- International expatriates (including TCN)		*4,969*	*5,969*	*6,379*	*7,009*	*7,507*
Senior Managers employed		1,532	1,594	1,562	1,574	**1,586**
- of which women		*108*	*134*	*149*	*155*	*160*
Managers/Supervisors employed		11,700	12,527	12,893	13,350	**13,298**
- of which women		*1,761*	*2,124*	*2,310*	*2,479*	*2,545*
Employees		36,231	36,895	37,295	37,885	**39,296**
- of which women		*8,804*	*9,619*	*9,720*	*9,567*	*9,961*
Workers employed		25,662	27,078	25,968	27,132	**24,506**
- of which women		*304*	*344*	*385*	*553*	*519*
Local employees abroad by professional category		31,279	33,233	33,483	35,835	**34,801**
- senior managers		*230*	*245*	*224*	*228*	*228*
- managers/supervisors		*2,668*	*2,900*	*3,138*	*3,461*	*3,476*
- employees		*14,407*	*14,864*	*15,533*	*16,269*	*17,529*
- workers		*13,974*	*15,224*	*14,588*	*15,877*	*13,568*
Training hours	(thousand hours)	2,797	2,960	3,097	3,114	**3,327**

Procurement by geographical area 2011		Africa	Americas	Asia	Italy	Rest of Europe	Oceania
Number of suppliers used	(number)	**6,356**	**4,111**	**4,649**	**14,067**	**7,407**	**276**
Total procurement:	(€ million)	**8,351**	**2,283**	**6,125**	**13,682**	**3,456**	**379**
- in goods	(%)	14.7	36.3	10.3	26.1	24.5	19.0
- in works		29.5	8.7	36.2	15.1	7.7	1.5
- in services		39.3	50.8	45.0	51.7	60.7	79.1
- unidentifiable		16.5	4.2	8.4	7.1	7.1	0.4

Local procurement 2011 by Country

% procurement on local market	Countries
0 - 25%	Portugal, Peru, Pakistan, Malaysia, Luxembourg, Germany, Libya, Venezuela, Austria, Czech Republic, Slovenia, China, Spain, Poland, Russian Federation.
25 - 50%	Kazakhstan, Republic of Congo, Angola, France, United Kingdom, Algeria, Tunisia, Switzerland, Gabon, Hungary.
50 - 75%	Italy, Nigeria, Iraq, Saudi Arabia, Australia, Indonesia, Iran, India, Ghana, Croatia, Romania.
75 - 100%	United States, Egypt, Norway, Canada, Brazil, Mexico, Ecuador, Singapore, Belgium, Netherlands, Argentina.

Relations with suppliers		2007	2008	2009	2010	2011
Procurement by macro-class	(€ million)	23,208	30,026	35,205	32,626	**34,275**
Supplier concentration top 20	(%)	18	24	25	18	**20**
Suppliers used	(number)	26,270	29,416	35,113	33,961	**34,064**
Qualification cycles carried out during the year		19,058	15,936	22,108	33,700	**29,362**
Suppliers subjected to qualification procedures including screening on human rights		5,784	6,174	8,388	10,643	**12,300**
% procurement from suppliers subjected to qualification procedures including screening on human rights	(%)	83	89	87	89	**91**

Relations with customers		2007	2008	2009	2010	2011
R&M Customer satisfaction						
Customer satisfaction index	(likert scale)	8.22	8.14	7.93	7.84	**7.74**
Clients involved in the survey	(number)	33,692	22,609	10,711	30,618	**30,524**
G&P Customer satisfaction						
Customer satisfaction index	(%)	n.a.	75.3	83.7	87.4	**91.0**
Average Panel (G&P) [a]		n.a.	84.9	87.0	87.4	**89.8**

(a) Referred to companies representing more than 50% of the gas market and totalling over 50,000 customers.

Technological innovation		2007	2008	2009	2010	2011
R&D expenditures	(€ million)	205	329	279	268	**237**
- R&D expenditures net of general and administrative costs		208	217	207	221	**191**
Tangible value generated by R&D activities [a]		n.a.	n.a.	362	540	**492** [b]
Personnel employed in R&D activities (full time equivalent)	(number)	1,001	1,123	1,019	1,019	**925**
Existing patents		8,122	8,049	7,760	7,998	**8,784**

(a) Figures refer to E&P, R&M and Polimeri Europa activities and had been measured since 2009, when the measurement process started.
(b) The figure is net of benefits related to the increase of reserves.

Operating efficiency		2007	2008	2009	2010	2011
Direct GHG emissions	(tons CO_2eq)	67,246,179	62,013,146	57,694,175	60,642,340	**51,099,412**
- of which CO_2 from combustion and process	(tons)	39,252,511	37,389,394	36,587,311	39,006,120	**36,014,381**
- of which CO_2 equivalents from flaring	(tons CO_2eq)	20,070,000	16,535,835	13,839,353	13,834,988	**9,553,894**
- of which CO_2 equivalents from CH_4 (methane)		5,733,668	5,697,220	5,085,309	5,461,211	**4,498,120**
- of which CO_2 equivalents from venting		2,190,000	2,390,697	2,182,202	2,340,021	**1,033,017**
CO_2eq emissions/100% net operated hydrocarbon production	(tons CO_2eq/toe)	0.292	0.265	0.245	0.245	**0.206**
CO_2eq emissions/kWheq (EniPower)	(kg CO_2eq/kWheq)	0.400	0.402	0.410	0.407	**0.410**
CO_2eq emissions/gas distributed (Italgas)	(tons CO_2eq/mmcm)	96.29	93.04	87.68	92.86	**87.00**
CO_2eq emissions/uEDC (R&M)	(tons CO_2eq/kbbl/SD)	n.a.	1,297	1,240	1,284	**1,230**
NO_x (nitrogen oxide) emissions	(tons NO_2eq)	111,824	113,952	112,263	107,724	**98,117**
SO_x (sulphur oxide) emissions	(tons SO_2eq)	62,980	47,163	45,988	50,085	**37,940**
NMVOC (Non-Methane Volatile Organic Compounds) emissions	(tons)	87,889	80,923	75,392	68,490	**46,228**
TSP (Total Suspended Particulate) emissions		4,567	4,230	3,973	3,783	**3,297**
Energy used/net 100% operated hydrocarbon production	(GJ/toe)	1.387	1.481	1.746	1.934	**1.958**
Total water withdrawals	(mmcm)	3,370.77	3,028.06	2,844.75	2,791.47	**2,583.87**
Total production and/or process water extracted	(mmcm)	48.34	52.93	59.67	61.15	**58.16**
- of which re-injected		14.73	14.88	23.32	27.11	**25.18**
Total recycled and/or reused water	(mmcm)	n.a.	460.93	490.22	544.63	**521.39**
Total number of oil spills [a]	(number)	367	382	308	330	**418**
Total volume of oil spills [a] [b]	(barrels)	9,337	7,024	21,547	22,964	**13,422**
- of which from sabotage and terrorism		2,608	2,286	15,288	18,695	**6,127**
- of which from accidents		6,729	4,738	6,259	4,269	**7,295**
Waste from production activities	(tons)	1,543,619	1,253,750	1,158,645	1,452,717	**1,324,808**
Hazardous waste from production activities		393,028	487,607	440,244	497,092	**477,558**
Non hazardous waste from production activities		1,150,591	766,143	718,401	955,625	**847,250**
Waste from reclamation activities to be disposed of or recovered/recycled	(tons)	6,862,915	9,209,054	10,180,216	10,490,267	**10,863,767**
Environmental expenditures and investments	(€ thousand)	1,062,850	1,080,707	1,324,066	1,006,777	**1,006,711**

(a) For the E&P sector only oil spills of more than one barrel are considered.
(b) For 2009 the total volume of spills does not include the Engineering & Construction sector.

Exploration & Production

Key performance indicators

		2007	2008	2009	2010	2011
Employees injury frequency rate	(No. of accidents per million hours worked)	0.57	0.84	0.49	0.72	**0.41**
Contractors injury frequency rate		0.92	0.93	0.59	0.48	**0.41**
Fatality index	(No. of fatalities per 100 million hours worked)	2.34	3.54	1.77	7.90	**1.83**
Net sales from operations [a]	(€ million)	26,920	33,042	23,801	29,497	**29,121**
Operating profit		13,433	16,239	9,120	13,866	**15,887**
Adjusted operating profit		13,770	17,222	9,484	13,884	**16,077**
Adjusted net profit		6,328	7,900	3,878	5,600	**6,866**
Capital expenditure		6,480	9,281	9,486	9,690	**9,435**
Adjusted capital employed, net at year end		23,826	30,362	32,455	37,646	**42,024**
Adjusted ROACE	(%)	30.4	29.2	12.3	16.0	**17.2**
Profit per boe [b]	($/boe)	14.19	16.00	8.14	11.91	**16.98**
Opex per boe [b]		4.99	5.45	5.77	6.14	**7.28**
Cash Flow per boe		25.79	32.25	23.70	25.52	**31.65**
Finding & Development cost [c]		43.44	28.79	28.90	19.32	**18.82**
Average hydrocarbons realizations [d]		53.17	68.13	46.90	55.60	**72.26**
Production of hydrocarbons [d]	(kboe/d)	1,736	1,797	1,769	1,815	**1,581**
Estimated net proved reserves of hydrocarbons [d]	(mmboe)	6,370	6,600	6,571	6,843	**7,086**
Reserves life index [d]	(years)	10.0	10.0	10.2	10.3	**12.3**
All sources reserves replacement ratio [d]	(%)	90	135	96	125	**142**
Employees at year end	(units)	8,376	10,236	10,271	10,276	**10,425**
of which: *outside Italy*		*4,446*	*6,182*	*6,388*	*6,370*	***6,628***
Oil spills	(bbl)	6,729	4,738	6,259	3,820	**2,930**
Oil spills from sabotage and terrorism		2,608	2,286	15,288	18,695	**6,127**
Produced water re-injected	(%)	30	28	39	44	**43**
Direct GHG emissions	(mmtonnes CO_2eq)	36.31	33.21	29.73	31.20	**23.59**
of which: *from flaring*		*20.07*	*16.54*	*13.84*	*13.83*	***9.55***
Community investment	(€ million)	59	65	67	72	**62**

(a) Before elimination of intragroup sales.
(b) Consolidated subsidiaries.
(c) Three-year average.
(d) Includes Eni's share of equity-accounted entities.

Performance of the year

In 2011, employee and contractor injury frequency rate declined by 43.1% and 14.6% from 2010, respectively.

- Greenhouse gas emissions (total and from flared) reported a steep decline reflecting the completion of certain gas recovery projects in Nigeria and the reduction associated gas to feed the ramp-up of two turbo-generators in a power plant in Congo. Performance for the year was also impacted by lowered Libyan activities.
- In 2011, the E&P Division reported an excellent performance amounting to €6,866 million of adjusted net profit (up 22.6% from 2010), reflecting higher oil prices and the rapid recovery of Libyan output.
- Return on average capital employed calculated on an adjusted basis was 17.2% in 2011 (16% in 2010).

Giant discovery in Mozambique

The volume of natural gas discovered beyond expectation in Mozambique will lead to a new significant development opportunities in Far East Countries with an energy demand growth at fast pace. The Mamba South, Mamba North and Mamba North East exploration wells were drilled in Area 4 of the offshore Rovuma basin showing the mineral potential of gas in place up to 40 tcf. This is the largest operated discovery in the Company's exploration history.

Agreement with Rosneft

On April 25, 2012, Eni and Rosneft signed a strategic cooperation agreement to jointly develop exploration licenses in the Russian offshore of the Barents Sea and the Black Sea. Under the agreement, joint ventures (Eni 33.33%) will explore for and develop the Fedynsky and Tsentralno-Barentsvesky licenses offshore the Barents Sea and the Zapadno-Cernomorsky license offshore the Black Sea. These licenses are estimated to hold recoverable resources of 36 billion boe. Technology exchange is a key element of the strategic partnership.

Restarted Libyan operations

The rapid restart of Eni's Libyan operations reduced the impact of the Revolution on 2011 results. Production at Eni's Libyan sites is currently flowing at approximately 240 kboe/d and management is targeting to achieve the pre-crisis production plateau of 280 kboe/d and full ramp-up by the second half of 2012.

Start-up of Perla project in Venezuela

Signed a Gas Sales Agreement for developing the giant Perla gas discovery, containing over 17 tcf of gas in place with the Venezuelan national oil company PDVSA. The development plan provides for three phases, targeting production of approximately 9 tcf until 2036 or 1.2 mmcf/d at peak. The gas produced will be used locally and exported. The investment plan for the first development phase is estimated at $1.4 billion at 100%.

Portfolio

In spite of the year 2011 was marked by the Libyan crisis, the management continued to pursue our long-term growth strategy. Leveraging its established co-operation model, focusing on core areas and capturing opportunities in high risk/high reward basins, Eni laid foundations for a new development stage:

- Signed with PetroChina and Sinopec a framework agreement to promote joint projects in conventional and unconventional hydrocarbon plays in China and outside China. A similar agreement has been signed with Sonatrach to explore for and develop unconventional hydrocarbons in Algeria, particularly shale gas plays.
- Signed a Memorandum of Understanding with South Africa's State-owned oil company PetroSA to promote common opportunities to jointly expand operations in conventional and unconventional hydrocarbons in South Africa and in Africa. Eni will also ensure long-term LNG supplies as well as flows of refined products to support the Country's economic development.
- Acquired from Cadogan Petroleum plc an interest in two licenses for exploration and development in areas included in the Dniepr-Donetz basin in Ukraine.
- Reached an agreement with MEO Australia to farm-in the Heron and Blackwood gas discoveries in the NT/P-68 permit, located in the Timor Sea. In addition, Eni acquired a 32.5% stake in the Evans Shoal gas discovery.
- Awarded the Arguni I and the North Ganal operated gas exploration contracts located onshore and offshore Indonesia, respectively.
- Awarded the operatorship of the PL657 license (Eni's interest 80%) located in the Barents Sea nearby the Goliat operated field (Eni's interest 65%).
- Signed with the Angolan authority the Production Sharing Contract to explore Block 35 (Eni operator with a 30% interest) located in an offshore high mineral potential basin.

New agreement of Karachaganak field in Kazakhstan

On December 14, 2011, the Republic of Kazakhstan and the contracting companies in the Final Production Sharing Agreement (FPSA) of the giant Karachaganak gas-condensate field reached an agreement to settle all pending claims. The agreement, effective from June 30, 2012 on satisfaction of conditions precedent, involves Kazakhstan's KazMunaiGas (KMG) acquiring a 10% interest in the project. This will be done by each of the contracting companies transferring 10% of their rights and interest in the Karachaganak FPSA to KMG.

Production

In 2011, Eni reported liquids and gas production of 1,581 kboe/d, down by 12.9% from 2010, mainly due to a lowered output in Libya. Performance was also negatively impacted by lower entitlements in the Company's Production Sharing Agreements (PSAs) due to higher oil prices with an overall effect of approximately 30 kboe/d from 2010. Net of this effect and the above mentioned loss of Libyan output, production for the year was in line with 2010.

- In the year oil spills from accidents declined by 23% from 2010, due to significant prevention activities undertaken.
- In the year start-ups were achieved at eleven oil and gas fields which are expected to add approximately 80 kboe/d at plateau to Eni's medium-term production.
- Made final investment decisions to develop large projects such as the jointly-operated Samburgskoye and Urengoskoye giant gas fields in Siberia, in addition to the above mentioned Perla project, as well as projects in Norway and the Gulf of Mexico which are expected to add 140 kboe/d at plateau in 2015.

Reserves

Estimated net proved reserves at December 31, 2011, were 7.09 bboe (up 3.6% from 2010) based on a 12-month average Brent price of $111 per barrel. All sources reserves replacement ratio was 142%. Excluding price effect, the replacement ratio would be 159%. The reserves life index is 12.3 years (10.3 years in 2010).

Capital expenditure

In 2011, capital expenditure amounted to €9,435 million to enhance assets in well established areas of Africa, the Gulf of Mexico and Central Asia. Exploration expenditure amounted to €1,210 million (up 19.6% from 2010) to execute a selective campaign with the completion of 56 new exploratory wells (28 net to Eni) and an overall commercial success rate of 42% (38.6% net to Eni). In addition 17 exploratory wells drilled are in progress at year end (9.9 net to Eni).

- Exploration successes in the year contributed to increase our resource base by 1.1 bboe. New resources were, in addition to the above mentioned Mozambique discovery, the appraisal of Perla giant field in Venezuela, significant discoveries of Jangkrik North East (Eni operator with a 55% interest) in Indonesia and Skrugard/Havis (Eni's interest 30%) in the Barents Sea, the appraisal/discovery wells in Block 15/06 (Eni operator with a 35% interest) in the Angolan offshore, as well as other successes in the Gulf of Mexico, Ghana, Egypt, Pakistan, the United Kingdom and Nigeria.
- Development expenditure was €7,357 million to fuel the growth of major projects in Norway, Kazakhstan, Algeria, the United States, Italy, Congo and Egypt.
- In 2011 overall R&D expenditure of Exploration & Production Division amounted to approximately €90 million (€98 million in 2010).

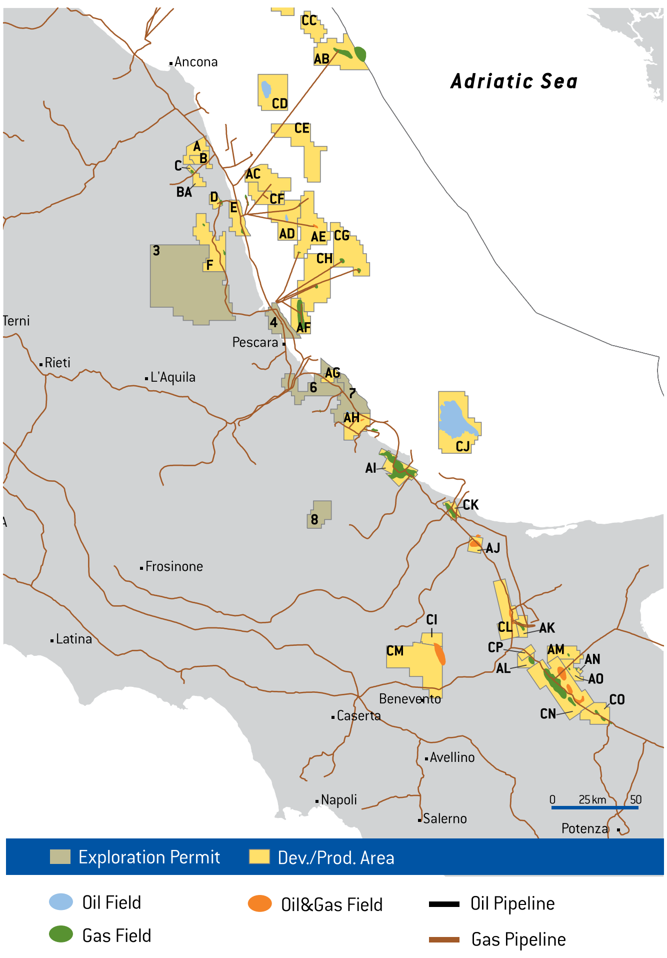
Activity areas

Italy

Eni has been operating in Italy since 1926. In 2011, Eni's oil and gas production amounted to 186 kboe/d. Eni's activities in Italy are deployed in the Adriatic Sea, the Central Southern Apennines, mainland and offshore Sicily and the Po Valley, on a total acreage of 21,648 square kilometers (16,872 net to Eni). Eni's exploration and development activities are regulated by concession contracts.
During the year, Eni finalized the purchase of an additional interest in the Annamaria field (Eni's interest 100%).
In the R&D area, 11 applications of new technologies and four projects have been developed and applied on Italian assets. Cooperation projects are underway with sixteen academic and research institutions in Italy with an overall expenditure of approximately €9 million.

Adriatic Sea

Production Fields in the Adriatic Sea accounted for 46% of Eni's domestic production in 2011. Main fields are Barbara, Angela-Angelina, Porto Garibaldi, Cervia and Bonaccia (for an overall production of approximately 270 mmcf/d). Production is operated by means of 71 fixed platforms (3 of these are manned) installed on the main fields, to which satellite fields are linked by underwater infrastructures. Production is carried by sealine to the mainland where it is input in the national gas network.
During the year, Eni renewed the VI Cooperation Agreement over the 2011-2014 period with the city of Ravenna to protect the coastline area.



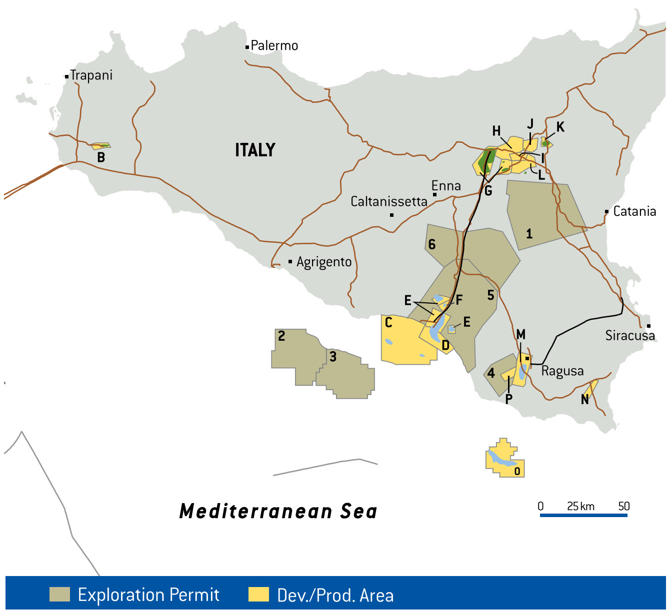
Development In 2011, production started-up at the Guendalina field (Eni's interest 80%) flowing at the initial rate of approximately 3 kboe/d. Other activities for the year concerned sidetrack and workover activities on Calpurnia, Daria (Eni's interest 51%), Barbara and Clara Nord (Eni's interest 51%) fields for the production optimization. Proprietary technology has been successfully applied on the Clara Est field for the characterization of thin layer fields and it identified approximately 3 mmboe of additional hydrocarbon volumes.

Central-Southern Apennines

Production Eni is the operator of the Val d'Agri concession (Eni's interest 60.77%) in the Basilicata Region in Southern Italy, resulting from the unitization of the Volturino and Grumento Nova concessions made in late 2005. Production from the Monte Alpi, Monte Enoc and Cerro Falcone fields is fed by 24 production wells and is treated by the Viggiano oil center with an oil capacity of 104 kbbl/d. Oil produced is carried to Eni's refinery in Taranto via a 136-kilometer long pipeline. Gas produced is treated at the Viggiano oil center and then delivered to the national grid system. In 2011, the Val d'Agri concession produced 95 kboe/d (52 kboe/d net to Eni) representing 28% of Eni's production in Italy.
Within the Intent Protocol with the Basilicata Region, the Environmental Observatory of Val d'Agri for the monitoring of the quality of health and the environment in the area has been inaugurated.
In 2011, production started-up at the Capparuccia field (Eni's interest 95%) with an initial production at approximately 4 kboe/d.
Development Development activities progressed at the Val d'Agri concession with the linkage of Cerro Falcone to the oil treatment center and sidetrack activity as well as upgrading of production facilities. During the year, upgrading activities of compression plants and treatment facilities were performed at the Crotone plants.
Exploration Exploration activity concerned the survey of mineral potential in the area.

Sicily

Production Eni is the operator of 14 production concessions onshore and offshore in Sicily. Its main fields are Gela, Ragusa, Giaurone, Fiumetto and Prezioso, which in 2011 accounted for 11% of Eni's production in Italy.
Development Development activities concerned: (i) completion of development activities at the Tresauro field (Eni's interest 45%); and (ii) sidetrack and workover activities on Gela field.



Rest of Europe

Croatia

Eni has been present in Croatia since 1996. In 2011, Eni's production of natural gas averaged approximately 30 mmcf/d. Activities are deployed in the Adriatic Sea near the city of Pula over a developed and undeveloped area of 1,975 square kilometers (987 square kilometers net to Eni).
Exploration and production activities in Croatia are regulated by Production Sharing Agreements (PSAs).
Production The main producing gas fields are Annamaria, Ivana, Ika & Ida, Ana, Vesna, Irina, Marica and Katarina and are operated by Eni through a 50/50 joint operating company with the Croatian oil company INA. Production is carried by sealine and sold on the Italian and Croatian market.

Norway

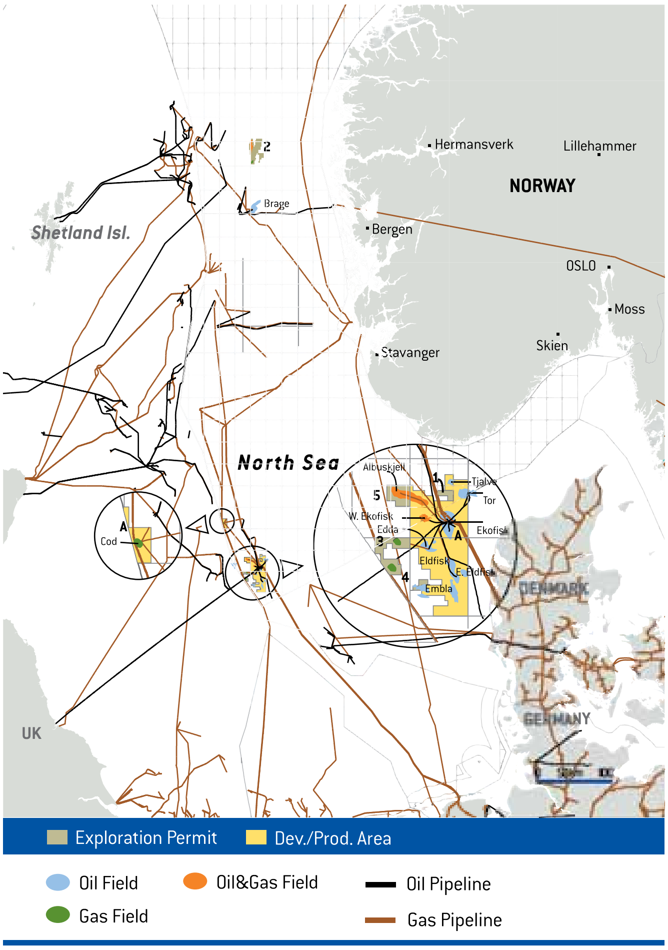
Eni has been operating in Norway since 1965. Eni's activities are performed in the Norwegian Sea, in the Norwegian section of the North Sea and in the Barents Sea over a developed and undeveloped acreage of 8,100 square kilometers (2,335 square kilometers net to Eni). Eni's production in Norway amounted to 131 kboe/d in 2011.
Exploration and production activities in Norway are regulated by Production Licenses (PL). According to a PL, the holder is entitled to perform seismic surveys and drilling and production activities for any given number of years with possible extensions.

Norwegian Sea

Production Eni currently holds interests in 8 production areas. The principal producing fields are Asgaard (Eni's interest 14.82%), Kristin (Eni's interest 8.25%), Heidrun (Eni's interest 5.24%), Mikkel (Eni's interest 14.9%), Tyrihans (Eni's interest 6.2%) and Morvin (Eni's interest 30%) which in 2011 accounted for 76% of Eni's production in Norway. The gas produced in the area is collected at the Asgaard facilities, carried by pipeline to the Karsto treatment plant and then delivered to the Dornum terminal in Germany. Liquids recovered in the area mainly through FPSO units are sold FOB.
The development plan of the Morvin field has been completed with a production peak of 22 kboe/d reached in the year.
Development Development activities progressed to put in production discovered reserves near the Asgaard field with the Marulk development plan (Eni operator with a 20% interest). Production started-up in early days of April 2012 and is expected to reach approximately 20 kboe/d (4 kboe/d net to Eni) on average during the year.
Exploration Eni holds interests in 33 prospecting licences ranging from 5 to 70%, 5 of these are operated.

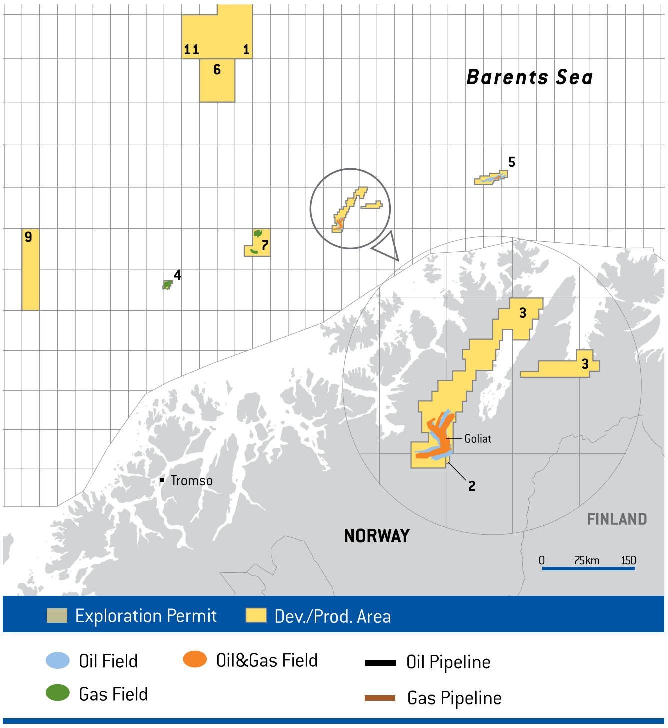
Norwegian section of the North Sea

Production Eni holds interests in 4 production licenses. The main producing field is Ekofisk (Eni's interest 12.39%) in PL 018, which in 2011 produced approximately 32 kboe/d net to Eni and accounted for 24% of Eni's production in Norway. Production from Ekofisk and satellites is carried by pipeline to the Teesside terminal in the United Kingdom for oil and to the Emdem terminal in Germany for gas.
Development Ongoing activities aimed at maintaining and optimizing production at the Ekofisk field by means of infilling wells, the development of the South Area, upgrading of existing facilities and optimization of water injection.
Exploration Eni holds interests in 6 prospecting licences ranging from 12 to 45%, one of them as operator.



Barents Sea

Eni is currently performing exploration and development activities in the Barents Sea. Eni is operator of Prospecting License 201 (Eni's interest 66.67%), 489 (Eni's interest 40%), 229-229B (Eni's interest 65%), 529 (Eni's interest 30%), 533 (Eni's interest 40%) and hold a 30% interest in Prospecting License 393 and 532 as well as in PL 226 (Eni's interest 31%).
Exploration activities yielded positive results with the Skrugard and Havis oil and gas discoveries with recoverable reserves estimated at approximately 500 mmbbl at 100% in the PL 532 license. Both fields are planned to be put in production by means of a fast-track synergic development.
Eni was awarded three exploration licenses: (i) the PL 657 license (Eni operator with an 80% interest) in January 2012. In case of exploration success, the project will benefit from the nearby facilities of the Goliat operated field (Eni's interest 65%) thus significantly reducing time to market; (ii) in May 2011, the PL 608 (Eni's interest 30%) license located near the Skrugard oil discovery and the PL 226B license (Eni's interest 31%) located in high mineral potential basin.
Operations have been focused on developing the Goliat discovery made in 2000 at a water depth of 370 meters in PL 229. The project was sanctioned in 2009 and is progressing according to schedule. Start-up is expected at the end of 2013 with a production plateau at 100 kbbl/d. Subsea facilities were completed and an FPSO unit is in progress.
During the year, Eni signed an intent protocol with Norwegian Authorities for the protection of biodiversity in the Goliat area.
Within the procedures for coping with possible emergencies, Eni developed standards for testing dispersants and beach cleaners that



could be used in case of oil spills near the coast. These emergency standards will be included in Norwegian laws and later presented internationally. In addition, Eni strengthened its cooperation and partnerships with Norwegian academic institutions for an upgrading of training activities for local professionals and technicians to be employed at the Goliat field and for the management of oil spills.

Ukraine

In July 2011, Eni acquired from Cadogan Petroleum plc an interest in two licenses for exploration and development in areas included in the Dniepr-Donetz Basin. Eni acquired 30% with an option to increase its participation to up to 60% in the Pokrovskoe exploration license and the acquisition of 60% interest in the Zagoryanska license.

United Kingdom

Eni has been present in the United Kingdom since 1964. Eni's activities are carried out in the British section of the North Sea, the Irish Sea and certain areas East and West of the Shetland Islands over a developed and undeveloped acreage of 2,899 square kilometers (1,014 square kilometers). In 2011, Eni's net production of oil and gas averaged 80 kboe/d, the portion of liquids being 50%. Exploration and production activities in the United Kingdom are regulated by concession contracts.

Production Eni holds interests in 13 production areas; in the Hewett Area, Eni is operator with an 89% interest. The other main fields are Elgin/Franklin (Eni's interest 21.87%), West Franklin (Eni's interest 21.87%), Liverpool Bay (Eni's interest 53.9%), J Block Area (Eni's interest 33%), Andrew (Eni's interest 16.21%), Flotta Catchment Area (Eni's interest 20%) and MacCulloch (Eni's interest 40%), which in 2011 accounted for 83% of Eni's production in the UK.

Development Main development activities concerned: (i) the construction of production platform and drilling activities at the gas and liquids Jasmine field (Eni's interest 33%) with start-up expected at the end of 2012; (ii) Phase 2 development plan of the West Franklin field with the construction of a well-head platform and linkage to the Elgin/Franklin treatment plant. Drilling activities are progressing with start-up expected in 2013; (iii) development activities at the oil and gas Kinnoul field (Eni's interest 16.67%). The drilling of producing subsea wells has been completed while the linkage to the production facilities of the Andrew field is in progress. Start-up is expected in 2013; and (iv) concept definition activities for the Mariner heavy oil field proceed with target to submit the Field Development Plan and sanction the project early in 2013.

Exploration Eni holds interests in 43 exploration blocks ranging from 5 to 100%, in 5 of these Eni is operator. Exploration activities yielded positive results with the appraisal of Culzean discovery continuing (Eni's interest 16.95%), near the Elgin/Franklin producing field.

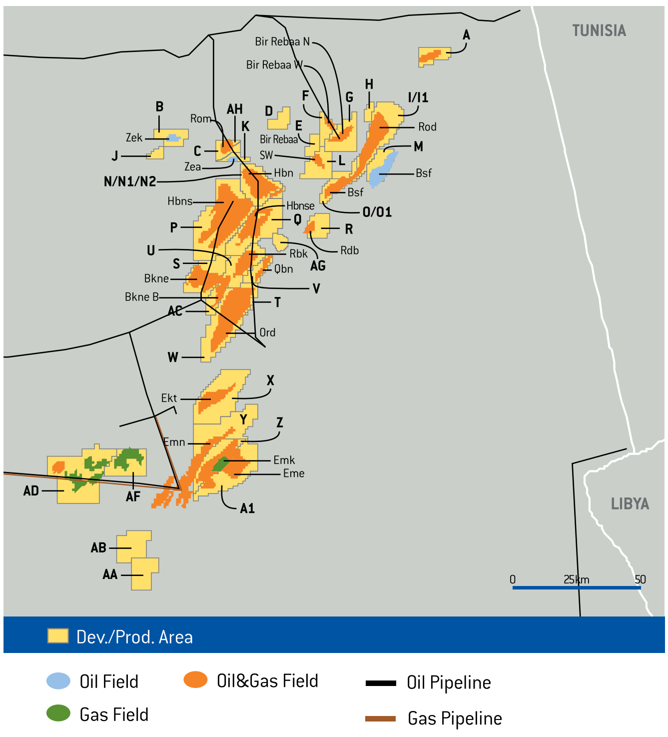
North Africa

Algeria

Eni has been present in Algeria since 1981. In 2011, Eni's oil and gas production averaged 72 kboe/d. Operating activities are located in the Bir Rebaa area in the South-Eastern Desert and include the following exploration and production blocks: (i) Blocks 403a/d (Eni's interest up to 100%); (ii) Block Rom North (Eni's interest 35%); (iii) Blocks 401a/402a (Eni's interest 55%); (iv) Blocks 403 (Eni's interest 50%) and 404a (Eni's interest 12.25%); (v) Blocks 208 (Eni's interest 12.25%) and 405b (Eni's interest 75%) with ongoing development activities; (vi) Block 212 (Eni's interest 22.38%) with discoveries already made; and (vii) Blocks 316b, 319a and 321a (Eni operator with a 49% interest) in the Kerzaz area with ongoing exploration activities. Developed and undeveloped acreage of Eni's interests in Algeria was 19,619 square kilometers (9,065 square kilometers net to Eni).

In April 2011, Eni signed a cooperation agreement with Sonatrach to explore for and develop unconventional hydrocarbons, particularly shale gas plays.

Exploration and production activities in Algeria are regulated by Production Sharing Agreements (PSAs) and concession contracts.



Blocks 403a/d and Rom North

Production Production in the area comes mainly from the HBN and Rom and satellite fields and represented approximately 20% of Eni's production in Algeria in 2011. Production from Rom and Satellites (Zea, Zek and Rec) is treated at the Rom Central Production Facilities (CPF) and sent to the BRN treatment plant for final treatment, while production from the HBN field is treated at the HBN/HBNS oil center at the Groupment Berkine.

Development A new multiphase pumping system is under finalization in compliance with applicable Country law to reduce gas flaring by 2012.

Blocks 401a/402a

Production Production from this area is supplied mainly by the ROD/SFNE and satellite fields and accounted for approximately 25% of Eni's production in Algeria in 2011. Infilling activities are being performed in order to maintain the current production plateau.

Block 403

Production The main fields in the area are BRN, BRW and BRSW which accounted for approximately 18% of Eni's production in Algeria in 2011.

Block 405b

Development Activities in the area concerned the joint development MLE and CAFC, assets acquired from Canadian company First Calgary in 2008. The final investment decision was sanctioned for both projects (MLE in 2009; CAFC in April 2010). The MLE development plan foresees the construction of a natural gas treatment plant with a capacity of 350 mmcf/d and of four export pipelines with linkage to the national grid system. These facilities will also receive gas from the CAFC field. Production start-up is expected in 2012.

The CAFC project provides the construction of an oil treatment plant and will also benefit from synergies with MLE production facilities. Gas and oil production start-up of CAFC field are expected in 2012 and 2014, respectively.

The overall Block 405b will target a production plateau of approximately 33 kboe/d net to Eni by 2015.

Block 208

Development Block 208 is located south of Bir Rebaa. The El Merk project is designed to jointly develop this block and adjoining blocks operated by other companies. The final investment decision was reached in 2009. The project is progressing with the drilling activities and the construction of treatment facilities. The development program provides for the construction of a gas treatment plant with a capacity of approximately 600 mmcf/d, two oil trains with a capacity of 65 kbbl/d and three export pipelines with linkage to the national system for an overall production of approximately 11 kbbl/d. Start-up is expected in 2013.

Egypt

Eni has been present in Egypt since 1954 and is the first international oil operator with a production amounting to 236 kboe/d net to Eni in 2011 and accounted for 15% of Eni's total annual hydrocarbon production. Developed and undeveloped acreage in Egypt was 15,836 square kilometers (5,898 square kilometers net to Eni). Eni's main producing liquid fields are located in the Gulf of Suez, primarily in Belayim field (Eni's interest 100%) and in the Western Desert mainly Melehia concession (56% interest) and Ras Qattara (75% interest). Gas production mainly comes from the operated or participated concession of North Port Said (Eni's interest 100%), El Temsah (50% interest), Baltim (50% interest) and Ras el Barr (50% interest, non operated) and all located in the offshore the Nile Delta. In 2011, production from these main concessions accounted for approximately 91% of Eni's production in Egypt.

In July 2011, Eni and the Egyptian Authorities reaffirmed their upstream commitment in the Country, particularly in the Western Desert, the Mediterranean Sea and the Sinai Basins. Agreed plans foresee drilling additional producing wells and the fast track of recent discoveries as well as an exploration plan including the drilling of 12 wells.

Development of proprietary technologies progressed with the Eni Circulation Device technology to enhance hydraulic control in drilling activities, an innovative enhanced recovery technique (acoustic simulation) and a system for consolidating sands to keep production sand free.

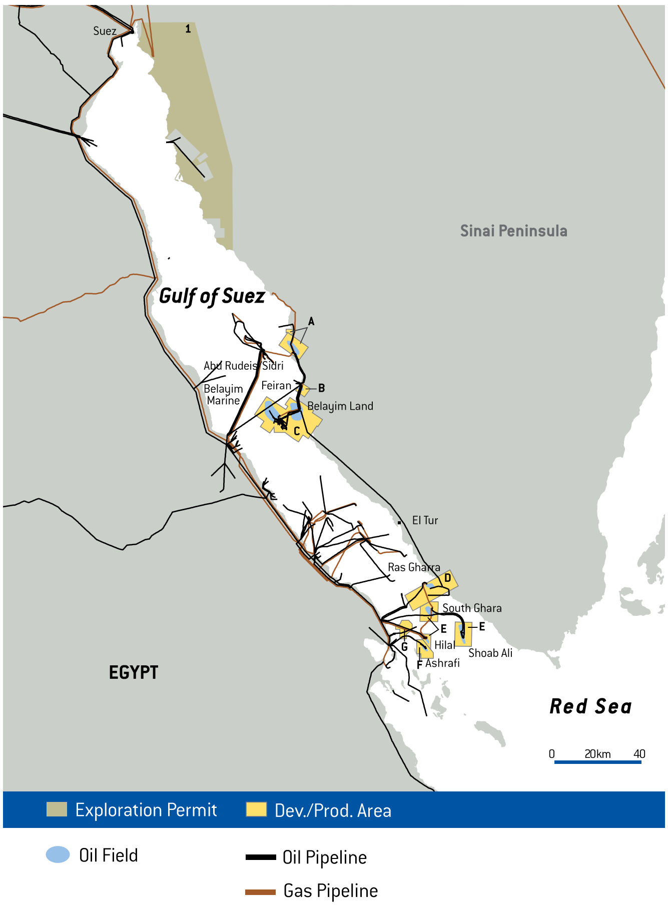
Exploration and production activities in Egypt are regulated by Production Sharing Agreements.

Gulf of Suez

Production Production mainly comes from the Belayim field, Eni's first large oil discovery in Egypt, which produced approximately 59 kbbl/d net to Eni in 2011.

Development Infilling activities and basic engineering activities continued for the upgrading of water injection facilities to recover remaining reserves of the Belayim field.

Exploration Exploration activities yielded positive results with near field activities in the Belayim concession with three oil discovery wells (BB-10, BLNE-1 and EBLS-1) that were linked to the existing facilities.

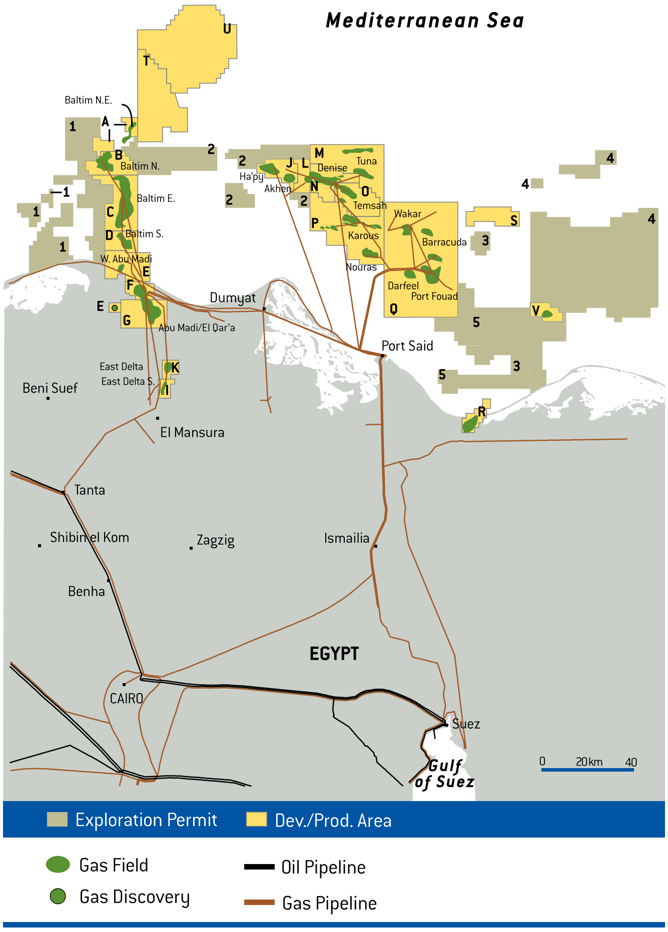


Nile Delta

North Port Said

Production Eni's production for the year amounted to 31 kboe/d net to Eni (approximately 140 mmcf/d of gas and 4 kbbl/d of condensates). Part of the production of this concession is supplied to the NGL (natural gas liquids) plant owned by United Gas Derivatives Co (Eni's interest 33%) with a treatment capacity of 1.1 bcf/d of natural gas and a yearly production of 380 ktonnes of propane, 305 ktonnes of LPG and 1.5 mmbbl of condensates. A plan is being studied for upgrading the plant's capacity to 1.3 bcf/d.

Development Ongoing development activities aim at supporting current gas production levels. Upgrading progressed at the El Gamil compression facility to support the North Port Said, el Temsah and Ras el Barr production concessions.



Baltim

Production In this concession, Eni's production for the year amounted to approximately 20 kboe/d net to Eni (approximately 106 mmcf/d of gas and 3 kbbl/d of condensates).

Development Upgrading was completed at the Abu Madi plant to increase the compression capacity supporting Belayim production.

Ras el Barr

Production This concession contains three fields: Ha'py, Akhen and Taurt. Eni's production in 2011 amounted to approximately 177 mmcf/d net to Eni.

El Temsah

Production This concession includes the Temsah, Denise and Tuna fields. Eni's production in 2011 amounted to approximately 63 kboe/d (approximately 318 mmcf/d of gas and approximately 6 kbbl/d of condensates) net to Eni. In 2011 production was started-up at the Denise B field, the second development phase of the homonymous field with the drilling of 3 other subsea wells linked to the production facilities in the area flowing initially at 7 kboe/d net to Eni. Production peak is expected at 14 kboe/d in 2012.
Natural gas production of this concession is supplied to the Damietta natural gas liquefaction plant owned by Unión Fenosa Gas, with 35 bcf/y of feed gas for a 20-year period.

Development Main activities of the year were: (i) the upgrading of the El Gamil plant by adding new compression capacity to support production; (ii) the Seth project (Eni's interest 50%). The development activity provides the drilling of two wells and the installation of production platform. Start-up is expected in 2012.

Exploration in the Nile Delta

This area shows a relevant mineral potential. Exploration activities yielded positive results with near field activities in the Abu Madi West (Eni's interest 75%) development lease with Nidoco West and Nidoco East gas discoveries. The linkage to the existing facilities was completed.

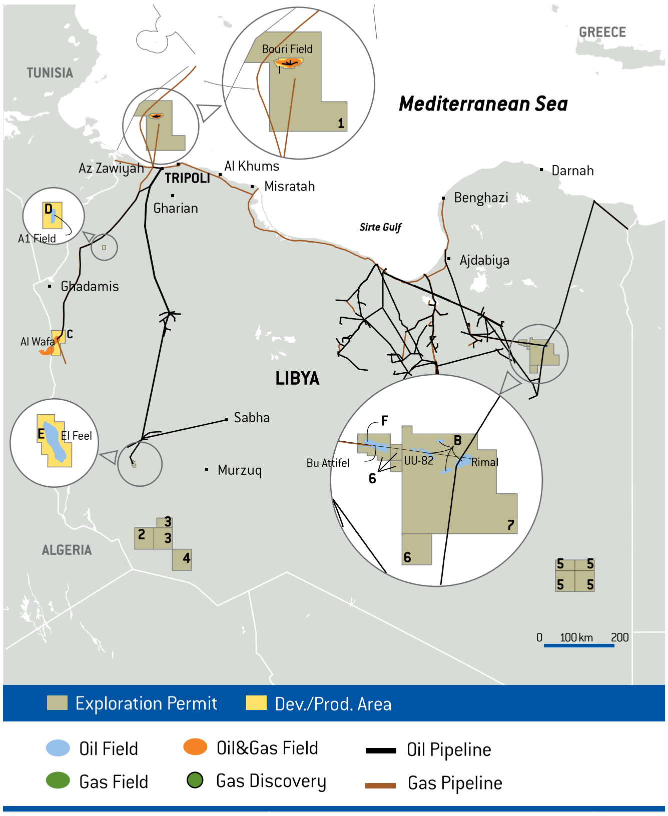
Western Desert

Production Other operated production activities are located in the Western Desert, in particular in the Melehia (Eni's interest 56%), Ras Qattara (Eni's interest 75%), West Abu Gharadig (Eni's interest 45%) and West Razzak (Eni's interest 80%) development permits containing mainly oil. Concessions in the Western Desert accounted for approximately 5% of Eni's production in Egypt in 2011.

Exploration Exploration activities yielded positive results with near field activities in the: (i) Meleiha development lease with the Aman SW, Dorra-1X and Melehia North-1X oil wells that were started-up; and (ii) East Kanayis concession (Eni's interest 100%) with the Qattara Rim-3 and Qattara North-1 oil discoveries.

Libya

Eni started operations in Libya in 1959. In 2011, Eni's oil and gas production averaged 112 kboe/d. Production activity is carried out in the Mediterranean offshore facing Tripoli and in the Libyan Desert area, over a developed and undeveloped acreage of 26,634 square kilometers (13,295 square kilometers net to Eni). Onshore contract areas are: (i) Area A consisting in the former concession 82 (Eni's interest 50%); (ii) Area B, former concessions 100 (Bu Attifel field) and the NC125 Block (Eni's interest 50%); (iii) Area E with El Feel (Elephant) field (Eni's interest 33.3%); and (iv) Area F with the former Block NC118 (Eni's interest 50%). Offshore contract areas are: (i) Area C with the Bouri oil field (Eni's interest 50%); and (ii) Area D with Blocks NC41 and NC169 (onshore) including the Western Libyan Gas Project (Eni's interest 50%). In the exploration phase, Eni is operator in the Kufra area (186/1, 2, 3 & 4) and in the contract Areas A, B and D.
Exploration and production activities in Libya are regulated by Exploration and Production Sharing contracts (EPSA). The licenses of Eni's assets in Libya expire in 2042 and 2047 for oil and gas properties, respectively.
In 2011, the situation of conflict forced Eni to shut down almost all its producing facilities including exports through the GreenStream



gas pipeline for a period of approximately 8 months, with the sole exception of certain gas fields to support local production of electricity for humanitarian purposes. Gas export via the GreenStream pipeline has been re-opened in October and export gas has subsequently been increased from November when Bahr Essalam field re-started operations. Management is targeting to achieve the pre-crisis production plateau of 280 kboe/d and full ramp-up by the second half of 2012.

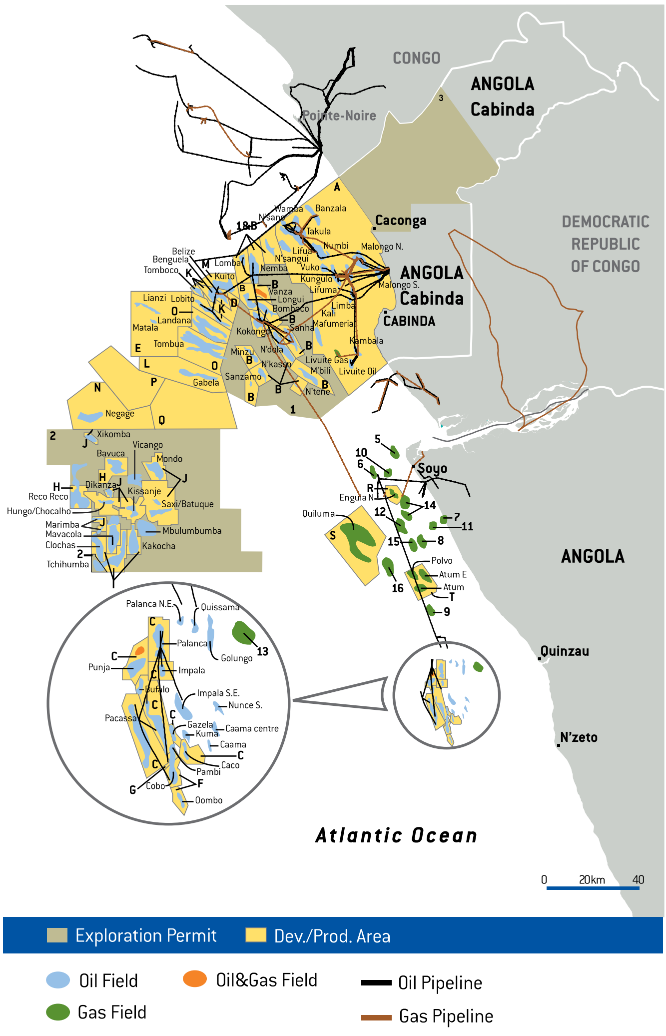
Tunisia

Eni has been present in Tunisia since 1961. In 2011, Eni's production amounted to 18 kboe/d. Eni's activities are located mainly in the Southern Desert areas and in the Mediterranean offshore facing Hammamet, over a developed and undeveloped acreage of 6,464 square kilometers (2,274 square kilometers net to Eni).
Exploration and production in this Country are regulated by concessions.
Production Production mainly comes from operated Maamoura and Baraka offshore blocks (Eni's interest 49%) and the Adam (Eni operator with a 25% interest), Oued Zar (Eni operator with a 50% interest), MLD (Eni's interest 50%) and El Borma (Eni's interest 50%) onshore blocks.
Development Optimization of production was carried out at the Adam, Djebel Grouz (Eni's interest 50%), Oued Zar and El Borma fields.
Exploration An exploration campaign, geological and geophysical studies started in the area for assessing the residual mineral potential of conventional and unconventional gas resources.

Sub-Saharan Africa

Angola

Eni has been present in Angola since 1980. In 2011, Eni's production averaged 102 kboe/d. Eni's activities are concentrated in the conventional and deep offshore over a developed and undeveloped acreage of 24,996 square kilometers (6,218 square kilometers net to Eni).
The main producing blocks with Eni's participation are: (i) Block 0 in Cabinda (Eni's interest 9.8%) north of the Angolan coast; (ii) Development Areas in the former Block 3 (Eni's interest ranging from 12% to 15%) in the offshore of the Congo Basin; (iii) Development Areas in the former Block 14 (Eni's interest 20%) in the deep offshore west of Block 0; and (iv) Development Areas in the former Block 15 (Eni's interest 20%) in the deep offshore of the Congo Basin.
In the exploration and development phase, Eni is operator of Block 15/06 (Eni's interest 35%).
Eni also holds interests in other non producing concessions, in particular in the Lianzi Development Area (Block 14K/A IMI Unit Area - Eni's interest 10%), in Block 3/05-A (Eni's interest 12%), in onshore Cabinda North (Eni's interest 15%) and in the Open Areas of Block 2 awarded to the Gas Project (Eni's interest 20%) (see below).



In January 2011, Eni was awarded the right to explore and the operatorship of the deep offshore Block 35, with a 30% interest. The agreement foresees the drilling of 2 commitment wells to be carried out in the first 5 years of the exploration phase. This deal was approved by the relevant authorities.
Exploration and production activities in Angola are regulated by concessions and PSAs.

Block 0

Production Block 0 is divided into Areas A and B. In 2011, production from this block amounted to 364 kbbl/d (approximately 36 kbbl/d net to Eni). Oil production from Area A, deriving mainly from the Takula, Malongo and Mafumeira fields amounted to approximately 23 kbbl/d net to Eni. Production of Area B derives mainly from the Bomboco, Kokongo, Lomba, N'Dola, Nemba and Sanha fields, and amounted to approximately 13 kbbl/d net to Eni.
Development Within the activities for reducing gas flaring in Block 0, activity progressed at the Nemba field in Area B. Completion is expected in 2013 reducing flared gas by approximately 85%. Other ongoing projects include: (i) the completion of linkage and treatment facilities at the Malongo plant; and (ii) the installation of a second compression unit at the Nemba platform in Area B.
In the Area A the concept definition phase has been completed for the further development of the Mafumeira field. Project sanctioning is expected in 2012 with start-up in 2015.
Infilling activities are underway on the whole block in order to contrast natural decline.

Block 3

Production Block 3 is divided into three production offshore areas. In 2011, production from this block amounted to 65 kbbl/d (approximately 5 kbbl/d net to Eni).
Development Concept Definition studies are underway in the Punja and Caco-Gazela discoveries.

Block 14

Production In 2011, Development Areas in former Block 14 produced approximately 193 kbbl/d (approximately 23 kbbl/d net to Eni), accounting for approximately 18% of Eni's production in Angola. It is one of the most fruitful areas in the West African offshore, recording 9 commercial discoveries to date. Its main fields are: (i) Kuito, started-up in 1999, flowing at approximately 3 kbbl/d net to Eni in 2011; (ii) Landana and Tombua, started-up in 2009, flowing at approximately 9 kboe/d net to Eni. Production is supported by a Compliant Piled Tower provided with treatment facilities; (iii) Benguela-Belize/Lobito-Tomboco, started-up in 2006, flowing at approximately 11 kbbl/d net to Eni. Production from these fields is supported by a Compliant Piled Tower provided with treatment facilities for Benguela-Belize and an underwater linkage system for Lobito-Tomboco. Oil produced is treated at the Malongo plant. Associated gas of Landana/Tombua and Benguela-Belize/Lobito-Tomboco will be re-injected in the Nemba reservoir and later it will be delivered via a transport facility under construction to the A-LNG liquefaction plant (see below). Start-up is expected in 2014.
Development Concept Selection activities are underway in the recent Malange and Lucapa discoveries. Concept Definition studies are underway in the Lianzi field.

Block 15

Production Development Areas in former Block 15 produced on average 453 kbbl/d (approximately 34 kbbl/d net to Eni) in 2011. This is considered the most interesting area in the West African offshore with recoverable reserves estimated at 2.55 bbbl of oil. Production derives mainly from the Kizomba discovery area with: (i) the Hungo/Chocalho fields, started-up in August 2004 as part of phase A of the global development plan of the Kizomba reserves; (ii) the Kissanje/Dikanza fields, started-up in July 2005, as part of Phase B. In 2011, these fields operated by FPSO unit yielded production of approximately 272 kbbl/d (approximately 16 kbbl/d net to Eni). Other fields in Block 15 are Mondo, Saxi/Batuque and Xikombo fields which produced approximately 159 kbbl/d (approximately 17 kbbl/d net to Eni) in 2011. In the medium-term, production plateau will be supported by phased development of satellite discoveries.
Development Main projects underway concerned: (i) the satellites of Kizomba Phase 1, with start-up expected before by mid 2012 and peaking production at 100 kbbl/d (approximately 21 kbbl/d net to Eni) in 2013; and (ii) drilling activity at the Mondo and Saxi/Batuque fields to finalize their development plan.
The subsea facility of the Gas Gathering project has been completed and will provide for the collection of all the gas of the Kizomba, Mondo and Saxi/Batuque fields to be delivered to the A-LNG liquefaction plant.

Block 15/06

Exploration activities yielded positive results with: (i) the significant gas and condensates Lira discovery; and (ii) the Mukuvo-1 oil discovery and the Cinguvu-2 and Cabaça South East-3 appraisal wells containing oil. The discoveries of Block 15/06 increased the potential resources to be developed within two projects: the West Hub project, sanctioned in 2010, and the East Hub. Drilling and commitment activities were completed in advance of scheduled terms also thanks to the application of proprietary technologies. Eni Deep water dual casing running (e-dwdc™), Depth velocity analysis and Eni Circulation Device allowed enhancing the safety of drilling operations in deep water by means of accurate hydraulic control of the well and the real-time updating of subsurface data.
The West Hub project includes the development of the Sangos, N'Goma and Cinguvu discoveries which increases the potential of the hub up to more 200 mmbbl. Planned activity concerned drilling of 16 subsea wells (10 producers and 6 injectors) and linkage to an FPSO unit with a capacity of 100 kbbl/d. Associated gas will be re-injected in the reservoir. Start-up is expected in 2014 with a peaking production at 80 kbbl/d.
The East Hub project intends to develop the Cabaça North e South-East discoveries with potential resources estimated at more 230 mmbbl. Development activity provides for the drilling of 23 subsea wells and the installation of an FPSO unit with a capacity of 100 kbbl/d. Start-up is expected in 2015. Further development phases are planned to start-up nearby discoveries.

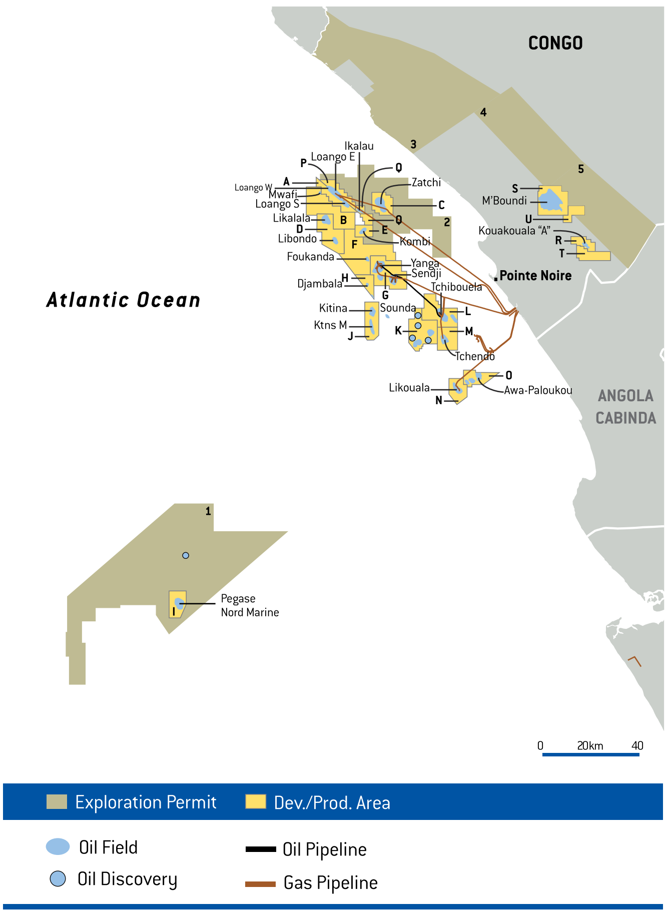
The LNG business in Angola

Eni holds a 13.6% interest in the Angola LNG Limited (A-LNG) consortium responsible for the construction of an LNG plant with a processing capacity of approximately 1.1 bcf/d of natural gas and produce 5.2 mmtonnes/y of LNG and over 50 kbbl/d of condensates and LPG. The project has been sanctioned by relevant Angolan Authorities. It envisages the development of 10,594 bcf of gas in 30 years. Exports start-up is expected in the second quarter of 2012. LNG may be delivered to the United States market at the re-gasification plant in Pascagoula (Eni's capacity amounting to approximately 205 bcf/y) in Mississippi. A joint company has been established to assess further possible marketing opportunities.
In addition, Eni is part of the Gas Project, a second gas consortium with the Angolan national company and other partners that will explore further potential gas discoveries to support the feasibility of a second LNG train or other marketing projects to deliver gas and associated liquids. Eni is technical advisor with a 20% interest.
This Gas Project covers Block 2 and agreement provides for a possible awarding of blocks 1, 3, 15 and 15/06, the Lower Congo Basin located in the Angolan offshore. Exploration activities yielded positive results in

the Block 2 with the Garoupa-2 and Garoupa Norte 1 appraisal gas and condensates wells.
A project is underway for the upgrade of primary health care services in the Luanda area by means of the rehabilitation of structures providing them with new equipment, among which a new center of nutrition and a network of day care centers. In addition Eni supported vaccination campaigns in cooperation with the local health center also organizing training sessions for local personnel.

Congo

Eni has been present in Congo since 1968. In 2011, production averaged 108 kboe/d net to Eni. Eni's activities are concentrated in the conventional and deep offshore facing Pointe Noire and onshore covering a developed and undeveloped acreage of 9,516 square kilometers (5,020 square kilometers net to Eni). Eni's main operated oil producing interests in Congo are the Zatchi (Eni's interest 65%) and Loango (Eni's interest 50%), Ikalou (Eni's interest 100%), Djambala, Foukanda and Mwafi (Eni's interest 65%), Kitina (Eni's interest 35.75%), Awa Paloukou (Eni's interest 90%), M'Boundi (Eni's interest 83%), Kouakouala (Eni's interest 75%), Zingali and Loufika (Eni's interest 100%) fields.
Other relevant producing areas are a 35% interest in the Pointe Noire Grand Fond, PEX and Likouala permits. In the exploration phase, Eni also holds interests in the Mer Très Profonde Sud deep offshore block (Eni's interest 30%), the Noumbi onshore permit (Eni's interest 37%) and the Marine XII offshore permit (Eni operator with a 65% interest).
In 2011, Eni signed with the local authorities a Memorandum of Understanding to improve people living conditions in the M'Boundi area. The integrated project concerns health, education, environmental and economic development.



Exploration and production activities in Congo are regulated by Production Sharing Agreements.
Production Production is provided mainly by the M'Boundi (43 kboe/d), Awa Paloukou (6 kboe/d), Zatchi (9 kboe/d), Loango (6 kboe/d), Ikalou (6 kboe/d), Foukanda, Djambala and Mwafi and Kitina (overall 7 kboe/d) fields and by non-operated fields located in production PEX, Pointe Noire Grand Fond and Likouala (overall 24 kboe/d) permits.
In 2011, production started-up at the Libondo offshore field in the PEX permit with production of approximately 3 kboe/d net to Eni.
Development Activities on the M'Boundi field moved forward with the application of advanced recovery techniques and a design to monetize associated gas within the activities aimed at zero gas flaring by 2012. In addition starting from 2009, Eni finalized long-term agreements to supply associated gas from the M'Boundi field to feed three facilities in the Pointe Noire area: (i) the under construction potassium plant, owned by the Canadian Company MAG Industries; (ii) the existing Djeno power plant (CED - Centrale Electrique du Djeno) with a 50 MW generation capacity; (iii) the recently built CEC Centrale Electrique du Congo power plant (Eni's interest 20%) with a 300 MW generation capacity. These facilities will also receive in the future gas from the offshore discoveries of the Marine XII permit. In 2011, M'Boundi supply to the CEC and CED power plants was approximately 106 mmcf/d (17 kboe/d net to Eni). The RIT project progressed for the rehabilitation of the power grid from Pointe Noire to Brazzaville within the integrated project to monetize gas in Congo.
Other activities in the area concerned the optimization of producing fields by means of new technologies: (i) a drilling technique to increase the well-reservoir contact area at the Loango field with an additional volumes of approximately 300 bbl/d; (ii) in the Zatchi field, a system for consolidating sands to keep production sand free.
The zero gas flaring has been achieved at the offshore Kitina field following the completion of the second phase of the water alternate gas project.
Within the cooperation agreement, a project concerns the development and extraction of unconventional oil from the Tchikatanga and Tchikatanga-Makola oil sands deposits. The two deposits cover an area of 1,790 square kilometers and are deemed to contain significant amounts of resources based on a recent survey. Eni plans to monetize heavy oils extracted from these sands also through the possible application of its proprietary Eni Slurry Technology (EST). This technology can totally abate heavy residues and maximize light products. The project will also benefit from synergies resulting from the close proximity of the M'Boundi operated field.

Ghana

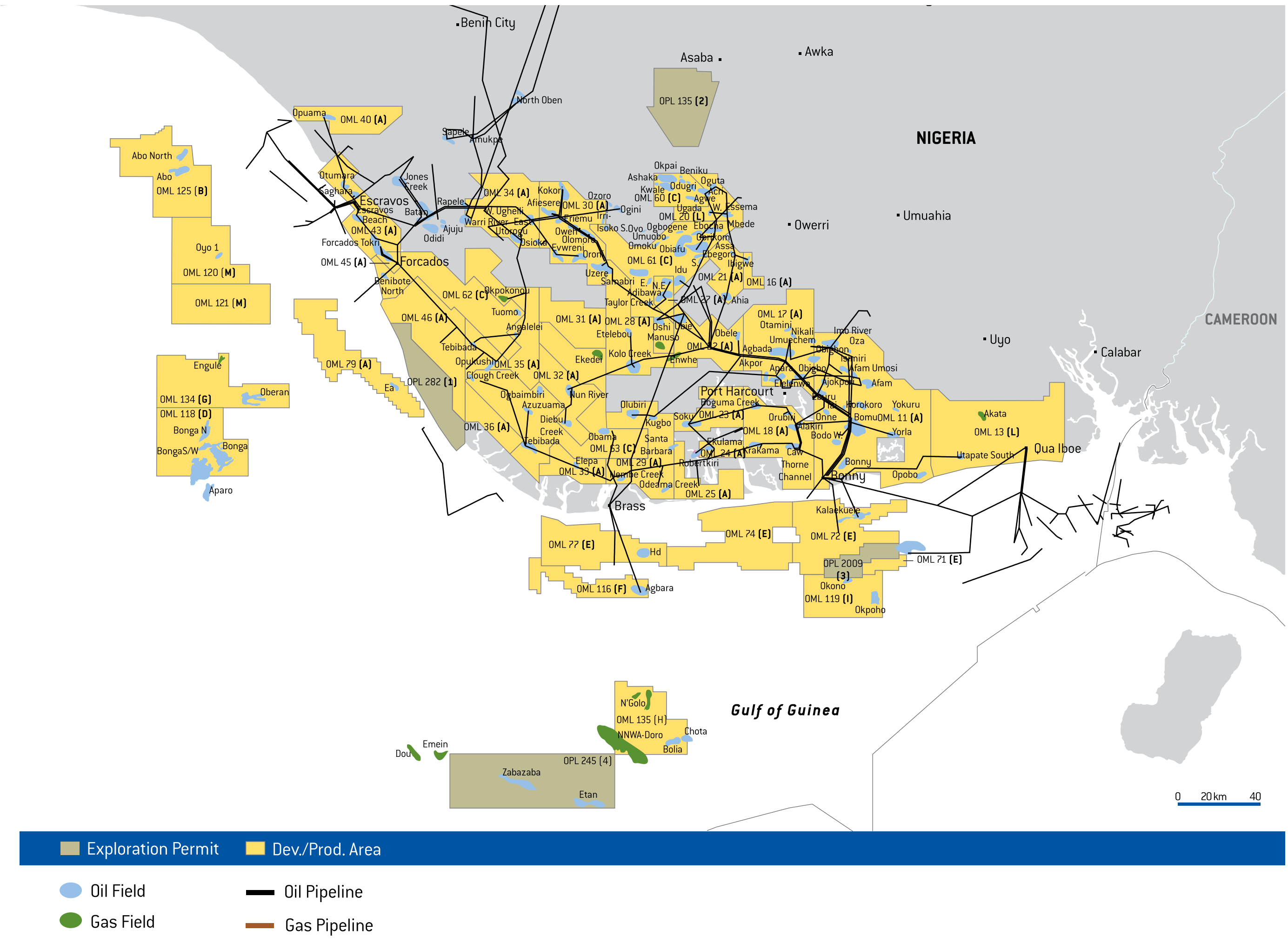
Eni has been present in Ghana since 2009, following the acquisition of the Offshore Cape Three Points South and Offshore Cape Three Points (Eni operator with a 47.2% interest) exploration permits.
Exploration activities yielded positive results with the Sankofa-2 appraisal well and the Gye Nyame discovery, both containing gas and condensates in the Offshore Cape Three Points licence. Exploration success was boosted by the application of proprietary technologies in the area of seismic imaging and drilling, such as Eni Circulation Device enhancing hydraulic control of activities. Possible development synergies are under evaluation.
During 2011 a project started for the fishing community of the Jomoro District that provides for better access to health services, support to local economy and training programs for improving management of economic activities by women and young people.

Mozambique

Eni has been present in Mozambique since 2006, following the acquisition of the Area 4 block (Eni operator with a 70% interest) located in the offshore Rovuma Basin.
Exploration activities yielded positive results with the following giant gas discoveries: (i) the Mamba South 1 exploration well with mineral potential estimated at 22.5 tcf in place; (ii) the Mamba North 1 with mineral potential estimated at 7.5 tcf; and (iii) the Mamba North East 1 with mineral potential estimated at 10 tcf. Exploration success was boosted by the application of proprietary technologies in the area of seismic imaging. Wells have been drilled with Eni's proprietary technique deep water dual casing (e-dwdc™).
The volume of natural gas discovered beyond expectation in Mozambique will lead to a new significant development opportunities in Far East Countries with an energy demand growth at fast pace. This is the largest operated discovery in the Company's exploration history.
In a final completion configuration, production per well is expected to reach over 140 mmcf/d (approximately 25 kboe/d).
In the next two years up to 8 additional wells are expected to be drilled in the nearby areas in order to monetize the high potential of the Mamba reservoir, investing €400 million.

Nigeria

Eni has been present in Nigeria since 1962. In 2011, Eni's oil and gas production averaged 160 kboe/d over a developed and undeveloped acreage of 40,625 square kilometers (8,491 square kilometers net to Eni) located mainly in the onshore and offshore of the Niger Delta.
In the development/production phase Eni is operator of onshore Oil Mining Leases (OML) 60, 61, 62 and 63 (Eni's interest 20%) and onshore and offshore OML 125 (Eni's interest 85%) and OMLs 120-121 (Eni's interest 40%), holding interests in OML 118 (Eni's interest 12.5%) as well as in OML 119 and 116 Service Contracts.
As partners of SPDC JV, the largest joint venture in the Country, Eni also holds a 5% interest in 28 onshore blocks and a 12.86% interest in 5 conventional offshore blocks.
In the exploration phase Eni is operator of offshore Oil Prospecting Leases (OPL) 244 (Eni's interest 60%), OML 134 (former OPL 211 - Eni's interest 85%) and onshore OPL 282 (Eni's interest 90%) and OPL 135 (Eni's interest 48%). Eni also holds a 12.5% interest in OML 135 (former OPL 219).
In 2011, Eni optimized its producing asset portfolio: (i) the purchase from GEC Petroleum Development Co (GDPC) a 49% interest in Block OPL 2009 in addition to the awarding from the Nigerian Government a 50% interest in Block OPL 245 as well as relative license and operatorship; (ii) the divestment of a 5% interest in blocks OML 26 and OML 42; and (iii) the finalization of the divestment of a 40% interest in blocks OML 120 and 121. The transaction is subject to the approval of relevant authorities.
During the year facilities to supply electricity in eight villages located in the Niger Delta area were completed with a total expenditure of €1 million. The project provides for the construction of required infrastructure for reaching 17 additional local communities.



Exploration and production activities in Nigeria are regulated mainly by Production Sharing Agreements and concession contracts as well as service contracts, in two blocks, where Eni acts as contractor for state-owned company.

Blocks OMLs 60, 61, 62 and 63

Production Onshore licences OMLs 60, 61, 62 and 63 produced 66 kboe/d and accounted for 42% of Eni's production in Nigeria in 2011. Liquid and gas production is supported by the NGL plant at Obiafu-Obrikom with a treatment capacity of approximately 1 bcf/d and by the oil tanker terminal at Brass with a storage capacity of approximately 3.5 mmbbl. A large portion of the gas reserves of these four OMLs is destined to supply the Bonny liquefaction plant (see below). Another portion of gas production is employed in firing the combined cycle power plant at Kwale-Okpai with a 480 MW generation capacity.
In 2011, supplies to this power station were an overall amount of approximately 70 mmcf/d, corresponding to approximately 11 kboe/d (approximately 2 kboe/d net to Eni). This project is part of the Nigerian government and Eni's plans for the reduction of carbon dioxide emissions and qualifies as CDM (Clean Development Mechanism) as provided for by the Kyoto Protocol.
Development Activities aimed at guaranteeing production to feed gas to the Bonny liquefaction plant and flaring down progressed. As part of supply to the Bonny liquefaction plant, the compression and gas export capacity at the Obiafu/Obrikom plant was increased to ensure 170 mmcf/d net to Eni of feed gas for 20 years for sixth train. To the same end the development plan progressed at the Tuomo field with early-production start-up in 2012. Flaring down projects were completed at the Kwale and Obiafu/Obrikom production unit as well as the Ebocha oil center over the 2010-2011 period. The program includes also upgrading of the flowstation at the Idu field and the Ogbainbiri treatment plant with completion expected in 2012.

Block OML 118

Production The Bonga oil field produced approximately 14 kbbl/d of oil net to Eni in 2011. Production is supported by an FPSO unit with a 225 kbbl/d treatment capacity and a 2 mmbbl storage capacity. Associated gas is carried to a collection platform on the EA field and, from there, is delivered to the Bonny liquefaction plant.

Block OML 119

Production Production derived mainly from the Okono/Okpoho fields which yielded approximately 7 kbbl/d of oil net to Eni in 2011. Production is supported by an FPSO unit with an 80 kbbl/d treatment capacity and a 1 mmbbl storage capacity. Phase 2A project progressed to develop 23 mmbbl additional resources. Planned activity provides for the drilling of 2 subsea wells and the linkage to the existing FPSO unit. Start-up is expected in 2012.

Block OML 125

Production The Abo field production amounted to approximately 21 kbbl/d of oil net to Eni in 2011. Production is supported by an FPSO unit with a 45 kbbl/d capacity and an 800 kbbl storage capacity.

Block OPL 245

With almost 500 mmbbl of already discovered reserves, this deep-offshore block includes the largest undeveloped mineral resources potential in the Country. Eni's activities concerned exploration and pre-development phases. Eni's commitment is for a fast track development with an early-production of the Zabazaba and Etan fields in 2014. The preliminary development scheme provides for the installation of an FPSO unit with a capacity of 120 kboe/d, the drilling of 28 wells and the construction of transportation facilities to Bonny LNG plant.
Exploration commitment concerned the appraisal of already discoveries.

SPDC Joint Venture (NASE)

In 2011, production from the SPDC JV accounted for approximately 30% of Eni's production in Nigeria (47 kboe/d). The Forcados/Yokri oil and gas field is under development as part of the integrated associated gas gathering project aimed at supplying gas to the domestic market through Escravos-Lagos pipeline system. First gas is expected in 2013. In block OML 28 within the integrated oil and natural gas project in the Gbaran-Ubie area, the drilling program progressed. The development plan provides for the construction of a Central Processing Facility (CPF) with treatment capacity of approximately 1 bcf/d of gas and 120 kbbl/d of liquids.
Exploration activities yielded positive results in Block OML 36 with the Opugbene 2 appraisal well containing natural gas and condensates.

The LNG business in Nigeria

Eni holds a 10.4% interest in Nigeria LNG Ltd responsible for the management of the Bonny liquefaction plant, located in the Eastern Niger Delta. The plant has a design treatment capacity of approximately 1,236 bcf/y of feed gas corresponding to a production of 22 mmtonnes/y of LNG on six trains. The seventh unit is being engineered as it is in the planning phase. When fully operational, total capacity will amount to approximately 30 mmtonnes/y of LNG, corresponding to a feedstock of approximately 1,624 bcf/y.
Natural gas supplies to the plant are provided under gas supply agreements with a 20-year term from the SPDC joint venture and the NAOC JV, the latter operating the OMLs 60, 61, 62 and 63 blocks with an overall amount at the end of 2011 of 2,797 mmcf/d (267 mmcf/d net to Eni corresponding to approximately 48 kboe/d).
LNG production is sold under long-term contracts and exported to European and American markets by the Bonny Gas Transport fleet, wholly owned by Nigeria LNG Co.
Eni holds a 17% interest in Brass LNG Ltd Company for the construction of a natural gas liquefaction plant to be built near the existing Brass terminal, 100 kilometers west of Bonny. This plant is expected to start operating in 2017 with a production capacity of 10 mmtonnes/y of LNG corresponding to 590 bcf/y (approximately 60 net to Eni) of feed gas on two trains for 20-years. Supplies to this plant will derive from the collection of associated gas from nearby producing fields and from the development of gas reserves in the onshore OMLs 60 and 61. The venture signed preliminary long-term contracts to sell the whole LNG production capacity. Eni acquired 1.67 mmtonnes/y of LNG capacity (corresponding to approximately 81 bcf/y). LNG will be delivered to the United States market mainly at the re-gasification plant in Cameron, in Louisiana, USA. Eni's capacity amounts to approximately 201 bcf/y. Front end engineering activities progressed. The final investment decision is expected in 2012.

Kazakhstan

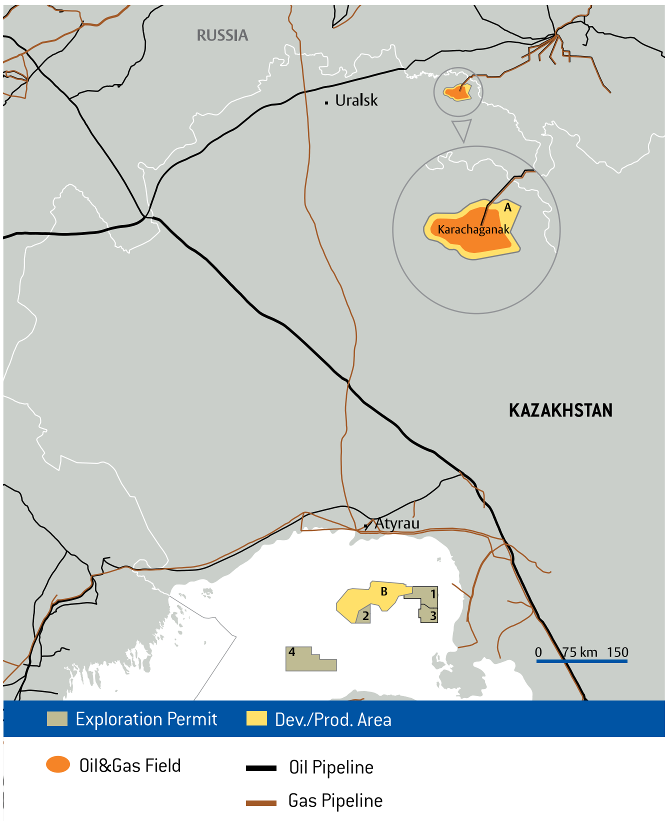
Eni has been present in Kazakhstan since 1992 where the Company co-operates the Karachaganak producing field and is a partner of the consortium of the North Caspian Sea PSA to develop the Kashagan field.

Kashagan

Eni holds a 16.81% working interest in the North Caspian Sea Production Sharing Agreement (NCSPSA). The NCSPSA defines terms and conditions for the exploration and development of the Kashagan field which was discovered in the Northern section of the contractual area in the year 2000 over an undeveloped area extending for 4,600 square kilometers. Management believes this field contains a large amount of hydrocarbon resources which will eventually be developed in phases.
The exploration and development activities of the Kashagan field and the other discoveries made in the contractual area are executed through an operating model which entails an increased role of the Kazakh partner and defines the international parties' responsibilities in the execution of the subsequent development phases of the project. The North Caspian Operating Company (NCOC) BV participated by the seven partners of the consortium has taken over the operatorship of the project. Subsequently development, drilling and production activities have been delegated by NCOC BV to the main partners of the Consortium: Eni has retained the responsibility for the development of Phase 1 of the project (the so-called "Experimental Program") and the onshore part of Phase 2.
The Consortium is currently focused on completing Phase 1 and starting commercial oil production. Management estimates that Phase 1 was 90% completed as of end of December 2011. Tranches 1 and 2 of the scope of work which target commercial production start-up reached approximately 98% at the end of the year. The Consortium continues to target the achievement of first commercial oil production by the end of 2012 or in the early 2013.
The project Phase 1 (Experimental Program) as sanctioned by the partners of the venture targets an initial production capacity of 150 kbbl/d. In 2014, the second train of treatment and compression facilities for gas re-injection will be completed and come online enabling to increase the production capacity up to 370 kbbl/d. The partners are planning to further increase available production capacity up to 450 kbbl/d by installing additional gas compression capacity for re-injection in the reservoir. The partners intend to submit the scheme of this additional gas compression activity to the relevant Kazakh Authorities in the course of 2012 in order to obtain approval to start the engineering design. The partners are currently assessing the Phase 2 of the development of the Kashagan field with a view of optimizing the development lay-out. The review is expected to be completed by 2012. However, taking into account that future development expenditures will be incurred over a long time horizon and subsequently to the production start-up, management does not expect any material impact on the Company's liquidity or its ability to fund these capital expenditures. In addition to the expenditures for developing the field, further capital expenditures will be required to build the infrastructures needed for exporting the production to international markets.
Eni continues its commitment in the protection of the environment and ecosystems in the Caspian area with the completion of the first phase of the integrated program for the management of biodiversity. Eni's Ural River Park project is nearing completion and Eni's aim is to include it in the Man and Biosphere Program of UNESCO under the patronage of the Kazakh Ministry for Environmental Protection.
Eni's Extreme Lean Profile (x-Lpt™) proprietary technology has been applied in drilling operations allowing to reduce costs and the environmental impact in drilling activities. In addition, Eni applied for the first time in a development well, an innovative safety valve installed in the casing and made with special steel resistant to corrosive conditions related of field fluids.

Karachaganak

Located in West onshore Kazakhstan, Karachaganak is a giant liquid and gas field with recoverable reserves of 5 bboe. Operations are conducted by the Karachaganak Petroleum Operating consortium (KPO) and are regulated by a PSA lasting 40 years, until 2037. Eni and British Gas are co-operators of the venture with a 32.5% interest each. On December 14, 2011, the Republic of Kazakhstan and the contracting companies of Karachaganak Final Production Sharing Agreement (FPSA) reached an agreement to settle all pending claims. The agreement, effective from June 30, 2012 on satisfaction of conditions precedent, involves Kazakhstan's KazMunaiGas (KMG) acquiring a 10% interest in the project. This will be done by each of the contracting companies transferring 10% of their rights and interest in the Karachaganak FPSA to KMG. The contracting companies will receive $1 billion net cash consideration ($325 million being Eni's share). In addition the agreement provides for the allocation of an extra nominal capacity of 2 million tonnes of oil per annum capacity for the Karachaganak project in the Caspian Pipeline Consortium export pipeline. The effects of the agreement on profit and loss, reserve and production entitlements will be recognized in the 2012 financial statements.
Production In 2011, production of the Karachaganak field averaged 239 kbbl/d of liquids (64 net to Eni) and 784 mmcf/d of natural gas (231 net to Eni). This field is developed by producing liquids from the deeper layers of the reservoir and re-injecting the associated gas in the higher layers. Approximately 85% of liquid production are stabilized at the Karachaganak Processing Complex (KPC) with a capacity of approximately 240 kbbl/d and exported to Western markets through the Caspian Pipeline Consortium (Eni's interest 2%) and the Atyrau-Samara pipeline. The remaining volumes of non-stabilized liquid production and associated raw gas not re-injected in the reservoir are marketed at the Russian terminal in Orenburg.
Development The fourth liquids stabilization train has been completed



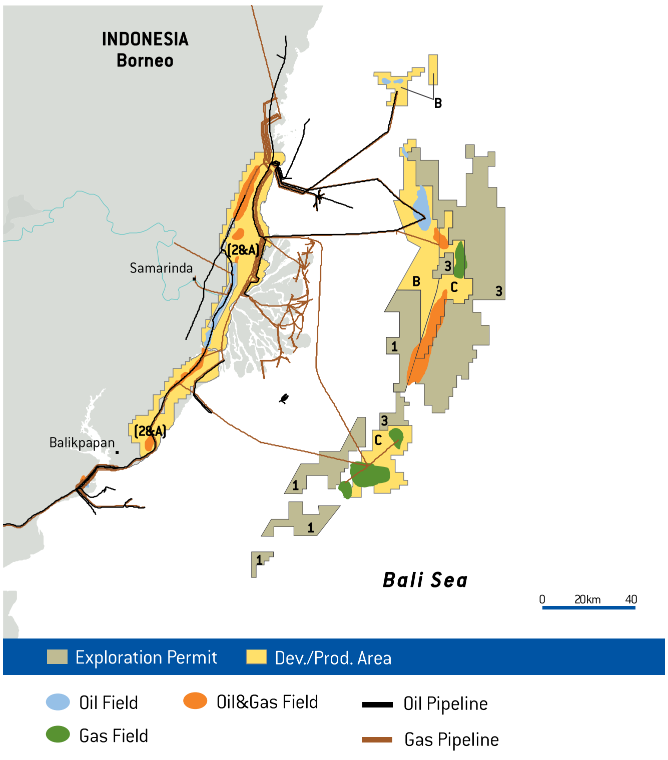
and allowed to increase export oil volumes through the Caspian Pipeline Consortium.
Phase 3 of the Karachaganak project is currently under study. The project is aimed at further developing gas and condensates reserves by means of the installation of gas treatment plant and re-injection facilities to increase gas sales and liquids production. The development plan is currently in the phase of technical and marketing discussion to be presented to the relevant Authorities.
In the area of water and energy management Eni is carrying out projects to support local communities. In particular the construction of the Aksai-Uralsk gas pipeline was completed. Other planned activities include: (i) facilities to increase drinking water availability in the Berezovka area; and (ii) construction of a power grid with the linkage to the Uralsk power station with a 54 MW generation capacity.

Rest of Asia

China
Eni has been present in China since 1984. In 2011, Eni's production amounted to 8 kboe/d. Activities are located in the South China Sea over a developed and undeveloped acreage of 5,526 square kilometers (5,365 square kilometers net to Eni).
In January 2011, Eni signed a Memorandum of Understanding with the national oil company PetroChina to promote common opportunities to jointly expand operations in conventional and unconventional hydrocarbons in China and outside China. The parties will also cooperate in the field of advanced technology, with a special focus on the exploitation of unconventional oil and gas resources. In July 2011, a similar agreement has been signed with Sinopec.
In April 2012, Eni and China National Offshore Oil Corporation (CNOOC) signed a Production Sharing Contract for the exploration of Block 30/27, which has a high exploration potential and is located in one of the most attractive areas in the Chinese offshore. The agreement foresees the acquisition seismic 3D data and the drilling of 1 commitment well to be carried out in the first year of the exploration phase. Eni will be the Operator of the project, with a 100% interest. In the case of a discovery, CNOOC has a back-in right of up to 51%.
Exploration and production activities in China are regulated by Production Sharing Agreements.
Production Hydrocarbons are produced from the offshore Blocks 16/08 and 16/19 through eight platforms connected to an FPSO. Natural gas production from the HZ21-1 field is delivered through a sealine to the Zhuhai Terminal and sold to the CNOOC. Oil is mainly produced from HZ25-4 field (Eni's interest 49%). Activity is operated by the CACT-Operating Group (Eni's interest 16.33%).

India
Eni has been present in India since 2005 and is performing exploration and development activities over a developed and undeveloped acreage of 25,570 square kilometers (9,206 square kilometers net to Eni). In 2011, Eni's production amounted to 4 kboe/d.
Eni's main fields in production/development are located in the offshore Cauvery Basin near the south-eastern coast.
Production Production mainly comes from the PY-1 gas field which is part of the assets belonging to Hindustan Oil Exploration Co Ltd (Eni's interest 47.18%) acquired within the Burren acquisition. Gas production is sold to the local national oil company.

Indonesia
Eni has been present in Indonesia since 2001. Eni's production amounted to 18 kboe/d, mainly gas, in 2011. Activities are concentrated in the Eastern offshore and onshore East Kalimantan, offshore Sumatra, and offshore/onshore areas of West Timor, over a developed and undeveloped acreage of 28,841 square kilometers (17,719 square kilometers net to Eni) in 12 blocks.
In 2011, Eni was awarded two operated gas exploration licenses: (i) the Arguni I block with a 100% interest located onshore and offshore in the Bintuni Basin near a liquefaction facility. The agreement foresees seismic data acquisition and the drilling of 2 commitment wells to be carried out in the first three years of exploration phase; and (ii) the North Ganal block, located offshore Indonesia near the relevant Jangkrik discoveries and the Bontang liquefaction terminal, in a consortium with other international oil companies. The commitment activities provide for the seismic data acquisition and the drilling of one well in the first three years.
Exploration and production activities in Indonesia are regulated by PSAs.
Production Production consists mainly of gas and derives from the Sanga Sanga permit (Eni's interest 37.81%) with seven production fields. This gas is treated at the Bontang liquefaction plant, one of the largest in the world, and is exported to the Japanese, South Korean and Taiwanese markets.
Development In 2011, the development plan of the operated Jangkrik (Eni's interest 55%) and Jau (Eni's interest 85%) gas fields has been approved by relevant authorities. Planned development activities at the Jangkrik offshore field include drilling of production wells, installation of a Floating Production Unit for gas and condensate treatment and construction of a transport facility connecting to the existing onshore network linked to the Bontang liquefaction plant for gas, while condensates will be supplied to the treatment plants in the area. Start-up is expected in 2016.



The Jau offshore project provides for the drilling of production wells and the linkage to onshore plants via pipeline. Start-up is expected in 2016.
The exploration activities related to the coal bed methane project progressed at the Sanga Sanga PSC. Pre-development activities are underway exploiting the synergy opportunities provided by the existing production and treatment facilities also including the Bontang LNG plant. Start-up is expected in 2013. In November 2011, Eni signed with the national power company PT Perusahaan Listrik Negara a Memorandum of Understanding to supply approximately 494 kcf/d of CBM gas for at least 5 years (corresponding to approximately 180 mmcf/y) to feed a power plant. The contract is in the process of being finalized.
Within the activities carried out by Eni in support of local communities, medical and surgical interventions were directed to children in the area of East Kalimantan, near the Bukat permit (Eni operator with a 66.25% interest).
Exploration Exploration activities yielded positive results with Jangkrik North East gas discovery in the Muara Bakau block (Eni operator with a 55% interest), located in the Kutei basin.

Iran

The formal hand over of operations to local partners at the Darquain project is almost completed. This was the sole Eni operated project in the Country. When the final hand over of operations will be completed, Eni's involvements essentially will consist of being reimbursed for its past investments.

Iraq

Eni has been present in Iraq since 2009 and is performing development activities over a developed acreage of 1,074 square kilometers (352 square kilometers net to Eni). Production comes from Zubair oil field (Eni's interest 32.8%) with a production of 7 kbbl/d net to Eni in 2011.
Exploration and production activities in Iraq are regulated by a Technical Service Contract.
The project, lasting 20-years term with a further 5 years extension,

foresees to gradually increase production to a target plateau level of 1.2 mmbbl/d by 2016 and provides for two phases: (i) Rehabilitation plan aimed at improving current operations and reducing production decline as well as appraisal of both producing and undeveloped discovered reservoirs; and (ii) Enhanced Redevelopment Plan allowing to reach target plateau.
The Water Agribusiness pilot project started in the Zubair area.
The program is aimed at implementing a sustainable agricultural production model based on the reuse of water in agricultural activities creating producing units with low management costs also by means of higher energy efficiency. In addition the program aims at creating an international benchmark development model that will increase investment opportunities and promote employment.

Pakistan

Eni has been present in Pakistan since 2000. In 2011, Eni's production averaged 58 kboe/d mainly of gas. Activities are located onshore covering a developed and undeveloped acreage of 22,953 square kilometers (9,289 square kilometers net to Eni).
Exploration and production activities in Pakistan are regulated by concessions (onshore) and PSAs (offshore).
Production Eni's main permits in the Country are Bhit (Eni operator with a 40% interest), Sawan (Eni's interest 23.68%) and Zamzama (Eni's interest 17.75%) which, in 2011, accounted for approximately 81% of Eni's production in Pakistan.
Development Main development activities were aimed at reducing natural decline in: (i) the Bhit field where the installation of a compression facility was completed. Drilling activities and optimization of current production are underway to extend production plateau; (ii) the Zamzama field where the first phase of the Front End Compression project has been completed. Two additional wells will be drilled in 2012; and (iii) the Miano Front End Compression (Eni's interest 15%) and Badhra Field Compression (Eni operator with a 40% interest) projects have been completed in 2011.
As a part of activity to support local communities, medical centers and drinking water distribution facilities have been built in the Bhit, Badhra and Kadanwari areas.
The innovative proprietary algorithms application for processing seismic data, such as the Common Reflection Surface Stack (e-crs™) allowed to improve the reservoir structure knowledge thus positioning successfully the Badhra 6 well.
Exploration Exploration activity yielded positive results with: (i) the Kadanwari-27 exploration well, in the homonymous permit (Eni's interest 18.42%) which yielded up to approximately 50 mmcf/d of gas in test production; (ii) the Lundo discovery and Tajjal 4 appraisal well in the Gambat permit (Eni's interest 23.7%). The latter start-up is expected in 2012; and (iii) the Misri Bhambroo exploration well located in the SW Miano II permit (Eni's interest 33.3%).

Russia

Eni has been present in Russia since 2007 following the acquisition of Lot 2 in the Yukos liquidation procedure. In particular, acquired assets included three Russian companies operating in the exploration and development of natural gas reserves: OAO Arctic Gas Co, ZAO Urengoil Inc and OAO Neftegaztechnologia. In September 2009, Eni and its Italian partner Enel in the 60-40% owned joint venture completed the divestment of the 51% stake in the venture to Gazprom based on the call option exercised by the Russian company. The three companies

managed by the subholding OOO SeverEnergia (Eni's interest 29.4%) own 4 exploration/development blocks located in the Yamal Nenets region, with significant predominantly gas resources estimated in 1.6 bboe: (i) OAO Arctic Gas Company owns two exploration licences, Sambursky and Yevo-Yakhinsky including seven gas and condensates fields currently in the appraisal/development phase. Main fields are Samburgskoye, Urengoiskoye and Yevo. The Samburgskoye field has been the first to be developed. In September 2011, Eni signed a contract whereby Gazprom commits to purchase volumes of gas produced by the Samburgskoye field. The agreement secured a final investment decision for the field development and in April 2012, Eni started production with an expected peak production of approximately 43 kboe/d (approximately 14 kboe/d, net to Eni). In the year, the Final Investment Decision of the onshore gas and condensate Urengoskoye field was sanctioned. Start-up is expected in 2014; (ii) ZAO Urengoil Inc owns exploration and development licences for the Yaro-Yakhinskoye gas and condensates field. The development plan is in the process of being approved by relevant Authorities. Start-up is expected in 2012; and (iii) OAO Neftegaztechnologia owns the exploration and development licence of the Severo-Chaselskoye field.
Full production plateau estimated at an overall 200 kboe/d is expected in 2019 following two additional start-ups of Yevo and Severo fields in 2018.

Turkmenistan

Eni started its activities in Turkmenistan with the purchase of the British company Burren Energy plc in 2008. Activities are focused in the Western part of the Country over a developed area of 200 square kilometers net to Eni, splitted into four development areas. In 2011, Eni's production averaged 11 kbbl/d.
Exploration and production activities in Turkmenistan are regulated by PSAs.
Production Eni is operator of the Nebit Dag producing block (with a 100% interest). Production derives mainly from the Burun oil field. Oil production is shipped to the Turkmenbashi refinery plant. Eni receives, by means of a swap with the Turkmen Authorities, an equivalent amount of oil at the Okarem field, close to the South coast of the Caspian Sea. Eni's entitlement is sold FOB. Associated natural gas is used for own consumption and gas lift system. The remaining amount is delivered to Turkmenneft, via national grid.

America

Ecuador

Eni has been present in Ecuador since 1988. Operations are performed in Block 10 (Eni's interest 100%) located in the Oriente Basin, in the Amazon forest over a developed acreage of 1,985 square kilometers net to Eni. In 2011, Eni's production averaged 7 kbbl/d.
Exploration and production activities in Ecuador are regulated by a service contract, due to expire in 2023.
Production Production derives from the Villano field, started-up in 1999. Production is carried out by means of a Central Production Facility linked by pipeline to the storage facility located in the Pacific Coast. Main development activities were aimed at reducing natural production decline.

Trinidad & Tobago

Eni has been present in Trinidad and Tobago since 1970. In 2011, Eni's production averaged 57 mmcf/d (10 kboe/d). Activity is concentrated offshore North of Trinidad over a developed acreage of 382 square kilometers (66 square kilometers net to Eni).
Exploration and production activities in Trinidad and Tobago are regulated by PSAs.
Production Production is provided by the Chaconia, Ixora, Hibiscus, Ponsettia, Bougainvillea and Heliconia gas fields in the North Coast Marine Area 1 Block (Eni's interest 17.3%). Production is supported by two fixed platforms linked to the Hibiscus processing facility. Natural gas is used to feed trains 2, 3 and 4 of the Atlantic LNG liquefaction plant on Trinidad's cost and sold under long-term contracts.
LNG production is manly sold in the United States. Additional cargoes are sent to alternative destinations on a spot basis.

United States

Eni has been present in the USA since 1968. Activities are performed in the Gulf of Mexico, Alaska and more recently onshore in Texas.
Developed and undeveloped acreage covers 8,982 square kilometers (5,123 square kilometers net to Eni). In 2011, Eni's oil and gas production averaged 98 kboe/d.
Exploration and production activities in the USA are regulated by concessions.

Gulf of Mexico

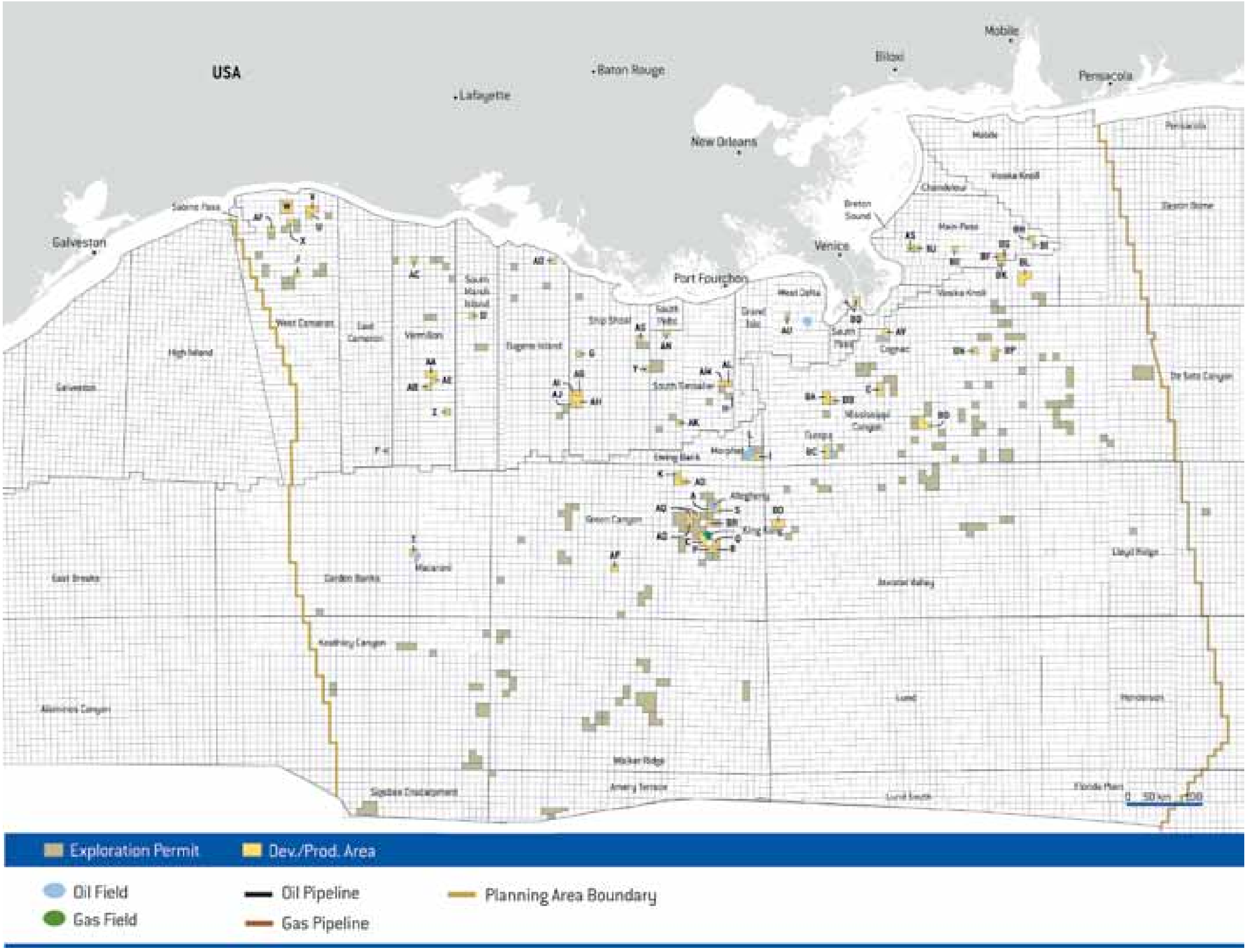
Eni holds interests in 307 exploration and production blocks in the conventional and deep-offshore in the Gulf of Mexico, of which 191 are operated by Eni.
Production The main fields operated by Eni are Allegheny, Appaloosa and Morpeth (Eni's interest 100%), Longhorn-Leo, Devils Towers and Triton (Eni's interest 75%) as well as King Kong (Eni's interest 54%) and Pegasus (Eni's interest 58%). Eni also holds interests in the Medusa (Eni's interest 25%), Europa (Eni's interest 32%), and Thunder Hawk (Eni's interest 25%) fields.
In 2011, production started at the Appaloosa field with a production of 7 kbbl/d through linkage to the Corral operated platform with a treatment capacity of 33 kbbl/d net to Eni.
Development Main activities included work-over activities at the Goldfinger (Eni's interest 100%) and Spiderman (Eni's interest 36.7%) fields as well as the drilling of development wells in the Triton field.
Exploration Exploration activities yielded positive results in the offshore block KC919 (Eni's interest 25%) with Hadrian North appraisal well containing oil and natural gas resources. The discovery allowed approving the development of the Greater Hadrian Area project.

Texas

Development The development activity progressed at the Alliance area (Eni's interest 27.5%), in the Fort Worth basin in Texas. This area, including gas shale reserves, was acquired in 2009 following a strategic alliance Eni signed with Quicksilver Resources Inc. Production plateau at 9 kboe/d net to Eni is expected in 2012.

Alaska

Eni holds interests in 135 exploration and development blocks with interests ranging from 10% to 100%, for 59 of these blocks Eni is the operator.
Production The Ooguruk offshore oil field (Eni's interest 30%) produced 7 kbbl/d (approximately 2 kbbl/d net to Eni) in 2011. Production is treated at the onshore DS-3H plant.
In 2011, production started at the Nikaitchuq operated field (Eni's interest 100%), located in North Slope basins offshore Alaska, with resources of 220 million barrels. Drilling continues as scheduled. Start-up was achieved with application innovative technologies: (i) Eni



proprietary Circulation Device that allowed maximizing the horizontal part of wells also at low depths; (ii) completion by means of distributed temperature sensing and injection control devices to enhance the recovery factor; and (iii) the first installation in the world of a submerged electrical pump completely extractible without employing workover plants. Development plan completion is expected in 2014 with an average production plateau at approximately 21 kbbl/d net to Eni in 2016.

Venezuela

Eni has been present in Venezuela since 1998. In 2011, Eni's production averaged 9 kbbl/d. Activity is concentrated in the Gulf of Venezuela, in the Gulf of Paria and onshore in the Orinoco Oil Belt, over a developed and undeveloped acreage of 2,427 square kilometers (914 square kilometers net to Eni).

Exploration and production of oil fields are regulated by the terms of the so-called Empresa Mixta. Under the new legal framework, only a company incorporated under the law of Venezuela is entitled to conduct petroleum operations. A stake of at least 60% in the capital of such company is held by an affiliate of the Venezuela state oil company, PDVSA, preferably Corporación Venezuelana de Petróleo (CVP).

Production Production derives from the Corocoro oil field (Eni's interest 26%) located in the Gulf of Paria West. In 2012 with the start-up of the Central Production Facility, Eni foresees to exceed current peak production of 42 kbbl/d (approximately 11 kbbl/d net to Eni). The subsequent development phase will allow reaching production of over 51 kbbl/d in 2015.

Development Planning activities progressed at the Junin 5 field (Eni's interest 40%) with 35 bbbl of certified heavy oil in place, located in the central part of the Orinoco Belt. First oil is expected in 2012 with a production plateau in the first phase of 75 kbbl/d, targeting a long-term production plateau of 240 kbbl/d to be reached in 2018. The project provides the construction of a refinery with a capacity of 350 kbbl/d that will allow also the treatment of intermediate streams from other PDVSA facilities. In 2011, upstream engineering contracts related to the processing plants were awarded. Start-up of drilling activity is expected in 2012. Eni agreed to finance part of PDVSA's development costs for the early production phase up to $1.5 billion. In addition, Eni will secure a tranche of the Junin 5 bonus and an additional financing to PDVSA for a total of $500 million to fund the construction of a power station in the Guiria peninsula, confirming its commitment to sustainable development.

Exploration Pre-development and appraisal activities were completed at the large Perla gas field, located in the Cardon IV block (Eni's interest 50%) in the Gulf of Venezuela. The results of Perla 4 and 5 appraisal wells exceeded the initial resource estimation to more than 16,000 bcf. PDVSA owns a 35% back-in right to be exercised in the development phase, and at that time Eni will hold a 32.5% joint controlled interest in the company. The final investment decision for the first development

phase was sanctioned in the year and a Gas Sale Agreement was signed. EPC contracts for the project are being awarded. In addition, as part of the activities to support local communities, Eni started to build schools in the coastal area of the block.
The early production phase includes the utilization of the already successfully drilled wells and the installation of production platforms linked by pipelines to the onshore treatment plant. The target production of approximately 300 mmcf/d is expected in 2014. The development of Perla is currently planned to continue with two more phases by means of the drilling of additional wells and the upgrading of treatment facilities to reach a plateau production of 1,200 mmcf/d.
Eni is also participating with a 19.5% interest in the Gulfo de Paria Centrale offshore oil exploration block, where the Punta Sur oil discovery is located and with a 40% interest in Punta Pescador and Gulfo de Paria Ovest, the latter coinciding with the Corocoro oil field area.

Australia and Oceania

Australia

Eni has been present in Australia since 2001. In 2011, Eni's production of oil and natural gas averaged 28 kboe/d. Activities are focused on conventional and deep offshore fields over a developed and undeveloped area of 50,520 square kilometers (25,647 square kilometers net to Eni).
The main production blocks in which Eni holds interests are WA-33-L (Eni's interest 100%), WA-25-L (Eni operator with a 65% interest) and JPDA 03-13 (Eni's interest 10.99%) and JPDA 06-105 (Eni operator with a 40% interest). In the exploration phase Eni holds interests in 10 licenses (of which one with a 100% interest).
In May 2011, Eni signed an agreement with MEO Australia Ltd to farm-in the Heron and Blackwood gas discoveries in permit NT/P-68, located in the Timor Sea. Eni acquired a 50% stake and operatorship in the first gas discovery by financing exploration activities relating to the drilling of two appraisal wells. Eni was granted an option to earn a 50% stake in Blackwood discovery by performing seismic surveys and drilling one well in the area. The agreement also provides an option to acquire an additional 25% in both the discoveries by financing the development plan required to reach a final investment decision.
In November 2011, Eni acquired a 32.5% stake in the Evans Shoal gas discovery in the Timor Sea with approximately 7 tcf of volumes of gas in place.

Exploration and production activities in Australia are regulated by concession agreements, whereas in the cooperation zone between Timor Leste and Australia (Joint Petroleum Development Area - JPDA) they are regulated by PSAs.

Block WA-25-L

Production The Wollybutt oil field, started-up in 2003, produced approximately 3 kbbl/d (approximately 2 kbbl/d net to Eni) in 2011. Production is supported by horizontal wells and operated by an FPSO unit.

Block JPDA 03-13

Production The liquids and gas Bayu Undan field, started-up in 2004, and produced 190 kboe/d (approximately 13 kboe/d net to Eni) in 2011. Liquid production is supported by 3 treatment platforms and an FSO unit. Production of natural gas is mostly carried by a 500-kilometer long pipeline and is treated at the Darwin liquefaction plant which has a capacity of 3.2 mmtonnes/y of LNG (equivalent to approximately 173 bcf/y of feed gas). LNG is sold to Japanese power generation companies under long-term contracts.

Block WA-33-L

Production The Blacktip gas field (Eni's interest 100%), started-up in 2009, and produced approximately 21 bcf/y in 2011. The project is supported by a production platform and carried by a 108-kilometer long pipeline to an onshore treatment plant with a capacity of 42 bcf/y. Natural gas extracted from this field will be sold under a 25-year contract signed with Power & Water Utility Co.

Block JPDA 06-105

Production In October 2011, production started at the Kitan oil field (Eni operator with a 40% interest) located between Timor Leste and Australia. Start-up was achieved by means of: (i) the completion of drilling activities in the deep offshore, whose positioning has been optimized with the application of innovative methods for seismic data developed by Eni (Depth Velocity Analysis, e-dvaTM and Reverse Time Migration); (ii) the linkage to an FPSO plant (Floating Production Storage and Offloading). Peak production of over 40 kbbl/d is expected in 2012.

Estimated net proved hydrocarbons reserves by geographic area [a] (mmboe)

(at December 31)	Italy [b]	Rest of Europe	North Africa	Sub-Saharan Africa	Kazakhstan [c]	Rest of Asia [d]	America	Australia and Oceania	Total
2007									
Estimated net proved hydrocarbons reserves	**747**	**638**	**1,897**	**1,100**	**1,061**	**514**	**280**	**133**	**6,370**
Consolidated subsidiaries	*747*	*638*	*1,879*	*1,095*	*1,061*	*198*	*259*	*133*	*6,010*
Equity-accounted entities			*18*	*5*		*316*	*21*		*360*
Developed	**534**	**537**	**1,198**	**769**	**494**	**172**	**158**	**63**	**3,925**
Consolidated subsidiaries	*534*	*537*	*1,183*	*766*	*494*	*127*	*158*	*63*	*3,862*
Equity-accounted entities			*15*	*3*		*45*			*63*
Undeveloped	**213**	**101**	**699**	**331**	**567**	**342**	**122**	**70**	**2,445**
Consolidated subsidiaries	*213*	*101*	*696*	*329*	*567*	*71*	*101*	*70*	*2,148*
Equity-accounted entities			*3*	*2*		*271*	*21*		*297*
2008									
Estimated net proved hydrocarbons reserves	**681**	**525**	**1,939**	**1,154**	**1,336**	**579**	**254**	**132**	**6,600**
Consolidated subsidiaries	*681*	*525*	*1,922*	*1,146*	*1,336*	*265*	*235*	*132*	*6,242*
Equity-accounted entities			*17*	*8*		*314*	*19*		*358*
Developed	**465**	**417**	**1,242**	**831**	**647**	**212**	**140**	**62**	**4,016**
Consolidated subsidiaries	*465*	*417*	*1,229*	*827*	*647*	*168*	*133*	*62*	*3,948*
Equity-accounted entities			*13*	*4*		*44*	*7*		*68*
Undeveloped	**216**	**108**	**697**	**323**	**689**	**367**	**114**	**70**	**2,584**
Consolidated subsidiaries	*216*	*108*	*693*	*319*	*689*	*97*	*102*	*70*	*2,294*
Equity-accounted entities			*4*	*4*		*270*	*12*		*290*
2009									
Estimated net proved hydrocarbons reserves	**703**	**590**	**1,937**	**1,163**	**1,221**	**545**	**279**	**133**	**6,571**
Consolidated subsidiaries	*703*	*590*	*1,922*	*1,141*	*1,221*	*236*	*263*	*133*	*6,209*
Equity-accounted entities			*15*	*22*		*309*	*16*		*362*
Developed	**490**	**432**	**1,278**	**804**	**614**	**183**	**181**	**122**	**4,104**
Consolidated subsidiaries	*490*	*432*	*1,266*	*799*	*614*	*139*	*168*	*122*	*4,030*
Equity-accounted entities			*12*	*5*		*44*	*13*		*74*
Undeveloped	**213**	**158**	**659**	**359**	**607**	**362**	**98**	**11**	**2,467**
Consolidated subsidiaries	*213*	*158*	*656*	*342*	*607*	*97*	*95*	*11*	*2,179*
Equity-accounted entities			*3*	*17*		*265*	*3*		*288*
2010									
Estimated net proved hydrocarbons reserves	**724**	**601**	**2,119**	**1,161**	**1,126**	**612**	**373**	**127**	**6,843**
Consolidated subsidiaries	*724*	*601*	*2,096*	*1,133*	*1,126*	*295*	*230*	*127*	*6,332*
Equity-accounted entities			*23*	*28*		*317*	*143*		*511*
Developed	**554**	**405**	**1,237**	**817**	**543**	**182**	**167**	**117**	**4,022**
Consolidated subsidiaries	*554*	*405*	*1,215*	*812*	*543*	*139*	*141*	*117*	*3,926*
Equity-accounted entities			*22*	*5*		*43*	*26*		*96*
Undeveloped	**170**	**196**	**882**	**344**	**583**	**430**	**206**	**10**	**2,821**
Consolidated subsidiaries	*170*	*196*	*881*	*321*	*583*	*156*	*89*	*10*	*2,406*
Equity-accounted entities			*1*	*23*		*274*	*117*		*415*
2011									
Estimated net proved hydrocarbons reserves	**707**	**630**	**2,052**	**1,104**	**950**	**886**	**624**	**133**	**7,086**
Consolidated subsidiaries	*707*	*630*	*2,031*	*1,021*	*950*	*230*	*238*	*133*	*5,940*
Equity-accounted entities			*21*	*83*		*656*	*386*		*1,146*
Developed	**540**	**374**	**1,194**	**746**	**482**	**134**	**188**	**112**	**3,770**
Consolidated subsidiaries	*540*	*374*	*1,175*	*742*	*482*	*129*	*162*	*112*	*3,716*
Equity-accounted entities			*19*	*4*		*5*	*26*		*54*
Undeveloped	**167**	**256**	**858**	**358**	**468**	**752**	**436**	**21**	**3,316**
Consolidated subsidiaries	*167*	*256*	*856*	*279*	*468*	*101*	*76*	*21*	*2,224*
Equity-accounted entities			*2*	*79*		*651*	*360*		*1,092*

(a) From April 1, 2010, Eni has updated the natural gas conversion factor from 5,742 to 5,550 standard cubic feet of gas per barrel of oil equivalent.
(b) Including approximately 749, 746, 769, 767 and 767 billion of cubic feet of natural gas held in storage at December 31, 2007, 2008, 2009, 2010 and 2011, respectively.
(c) Eni's proved reserves of the Kashagan field were determined based on Eni working interest of 16.81% since December 31, 2008 and 18.52% in 2007.
(d) Includes a 29.4% stake of the reserves of the three equity-accounted Russian companies participated by joint venture 000 SeverEnergia, owned by Eni (60%) and its Italian partner Enel (40%) which on September 23, 2009, completed the divestment of the 51% stake in the venture to Gazprom in line with the call option arrangement.

Estimated net proved liquids reserves by geographic area (mmbbl)

(at December 31)	Italy	Rest of Europe	North Africa	Sub-Saharan Africa	Kazakhstan [a]	Rest of Asia [b]	America	Australia and Oceania	Total
2007									
Estimated net proved liquids reserves	**215**	**345**	**894**	**730**	**753**	**94**	**159**	**29**	**3,219**
Consolidated subsidiaries	*215*	*345*	*878*	*725*	*753*	*44*	*138*	*29*	*3,127*
Equity-accounted entities			*16*	*5*		*50*	*21*		*92*
Developed	**133**	**299**	**662**	**513**	**219**	**41**	**81**	**26**	**1,974**
Consolidated subsidiaries	*133*	*299*	*649*	*511*	*219*	*35*	*81*	*26*	*1,953*
Equity-accounted entities			*13*	*2*		*6*			*21*
Undeveloped	**82**	**46**	**232**	**217**	**534**	**53**	**78**	**3**	**1,245**
Consolidated subsidiaries	*82*	*46*	*229*	*214*	*534*	*9*	*57*	*3*	*1,174*
Equity-accounted entities			*3*	*3*		*44*	*21*		*71*
2008									
Estimated net proved liquids reserves	**186**	**277**	**837**	**791**	**911**	**157**	**150**	**26**	**3,335**
Consolidated subsidiaries	*186*	*277*	*823*	*783*	*911*	*106*	*131*	*26*	*3,243*
Equity-accounted entities			*14*	*8*		*51*	*19*		*92*
Developed	**111**	**222**	**624**	**580**	**298**	**97**	**81**	**23**	**2,036**
Consolidated subsidiaries	*111*	*222*	*613*	*576*	*298*	*92*	*74*	*23*	*2,009*
Equity-accounted entities			*11*	*4*		*5*	*7*		*27*
Undeveloped	**75**	**55**	**213**	**211**	**613**	**60**	**69**	**3**	**1,299**
Consolidated subsidiaries	*75*	*55*	*210*	*207*	*613*	*14*	*57*	*3*	*1,234*
Equity-accounted entities			*3*	*4*		*46*	*12*		*65*
2009									
Estimated net proved liquids reserves	**233**	**351**	**908**	**777**	**849**	**144**	**169**	**32**	**3,463**
Consolidated subsidiaries	*233*	*351*	*895*	*770*	*849*	*94*	*153*	*32*	*3,377*
Equity-accounted entities			*13*	*7*		*50*	*16*		*86*
Developed	**141**	**218**	**669**	**548**	**291**	**52**	**93**	**23**	**2,035**
Consolidated subsidiaries	*141*	*218*	*659*	*544*	*291*	*45*	*80*	*23*	*2,001*
Equity-accounted entities			*10*	*4*		*7*	*13*		*34*
Undeveloped	**92**	**133**	**239**	**229**	**558**	**92**	**76**	**9**	**1,428**
Consolidated subsidiaries	*92*	*133*	*236*	*226*	*558*	*49*	*73*	*9*	*1,376*
Equity-accounted entities			*3*	*3*		*43*	*3*		*52*
2010									
Estimated net proved liquids reserves	**248**	**349**	**997**	**756**	**788**	**183**	**273**	**29**	**3,623**
Consolidated subsidiaries	*248*	*349*	*978*	*750*	*788*	*139*	*134*	*29*	*3,415*
Equity-accounted entities			*19*	*6*		*44*	*139*		*208*
Developed	**183**	**207**	**674**	**537**	**251**	**44**	**87**	**20**	**2,003**
Consolidated subsidiaries	*183*	*207*	*656*	*533*	*251*	*39*	*62*	*20*	*1,951*
Equity-accounted entities			*18*	*4*		*5*	*25*		*52*
Undeveloped	**65**	**142**	**323**	**219**	**537**	**139**	**186**	**9**	**1,620**
Consolidated subsidiaries	*65*	*142*	*322*	*217*	*537*	*100*	*72*	*9*	*1,464*
Equity-accounted entities			*1*	*2*		*39*	*114*		*156*
2011									
Estimated net proved liquids reserves	**259**	**372**	**934**	**692**	**653**	**216**	**283**	**25**	**3,434**
Consolidated subsidiaries	*259*	*372*	*917*	*670*	*653*	*106*	*132*	*25*	*3,134*
Equity-accounted entities			*17*	*22*		*110*	*151*		*300*
Developed	**184**	**195**	**638**	**487**	**215**	**34**	**117**	**25**	**1,895**
Consolidated subsidiaries	*184*	*195*	*622*	*483*	*215*	*34*	*92*	*25*	*1,850*
Equity-accounted entities			*16*	*4*			*25*		*45*
Undeveloped	**75**	**177**	**296**	**205**	**438**	**182**	**166**		**1,539**
Consolidated subsidiaries	*75*	*177*	*295*	*187*	*438*	*72*	*40*		*1,284*
Equity-accounted entities			*1*	*18*		*110*	*126*		*255*

(a) Eni's proved reserves of the Kashagan field were determined based on Eni working interest of 16.81% since December 31, 2008 and 18.52% in 2007.
(b) Includes a 29.4% stake of the reserves of the three equity-accounted Russian companies participated by joint venture OOO SeverEnergia, owned by Eni (60%) and its Italian partner Enel (40%) which on September 23, 2009, completed the divestment of the 51% stake in the venture to Gazprom in line with the call option arrangement.

Estimated net proved natural gas reserves by geographic area (bcf)

(at December 31)	Italy [a]	Rest of Europe	North Africa	Sub-Saharan Africa	Kazakhstan [b]	Rest of Asia [c]	America	Australia and Oceania	Total
2007									
Estimated net proved natural gas reserves	**3,057**	**1,675**	**5,766**	**2,124**	**1,770**	**2,404**	**696**	**598**	**18,090**
Consolidated subsidiaries	*3,057*	*1,675*	*5,751*	*2,122*	*1,770*	*880*	*696*	*598*	*16,549*
Equity-accounted entities			*15*	*2*		*1,524*			*1,541*
Developed	**2,304**	**1,364**	**3,077**	**1,471**	**1,580**	**753**	**442**	**213**	**11,204**
Consolidated subsidiaries	*2,304*	*1,364*	*3,065*	*1,469*	*1,580*	*530*	*442*	*213*	*10,967*
Equity-accounted entities			*12*	*2*		*223*			*237*
Undeveloped	**753**	**311**	**2,689**	**653**	**190**	**1,651**	**254**	**385**	**6,886**
Consolidated subsidiaries	*753*	*311*	*2,686*	*653*	*190*	*350*	*254*	*385*	*5,582*
Equity-accounted entities			*3*			*1,301*			*1,304*
2008									
Estimated net proved natural gas reserves	**2,844**	**1,421**	**6,324**	**2,086**	**2,437**	**2,430**	**600**	**606**	**18,748**
Consolidated subsidiaries	*2,844*	*1,421*	*6,311*	*2,084*	*2,437*	*911*	*600*	*606*	*17,214*
Equity-accounted entities			*13*	*2*		*1,519*			*1,534*
Developed	**2,031**	**1,122**	**3,548**	**1,444**	**2,005**	**657**	**340**	**221**	**11,368**
Consolidated subsidiaries	*2,031*	*1,122*	*3,537*	*1,443*	*2,005*	*439*	*340*	*221*	*11,138*
Equity-accounted entities			*11*	*1*		*218*			*230*
Undeveloped	**813**	**299**	**2,776**	**642**	**432**	**1,773**	**260**	**385**	**7,380**
Consolidated subsidiaries	*813*	*299*	*2,774*	*641*	*432*	*472*	*260*	*385*	*6,076*
Equity-accounted entities			*2*	*1*		*1,301*			*1,304*
2009									
Estimated net proved natural gas reserves	**2,704**	**1,380**	**5,908**	**2,212**	**2,139**	**2,301**	**631**	**575**	**17,850**
Consolidated subsidiaries	*2,704*	*1,380*	*5,894*	*2,127*	*2,139*	*814*	*629*	*575*	*16,262*
Equity-accounted entities			*14*	*85*		*1,487*	*2*		*1,588*
Developed	**2,001**	**1,231**	**3,498**	**1,468**	**1,859**	**756**	**506**	**565**	**11,884**
Consolidated subsidiaries	*2,001*	*1,231*	*3,486*	*1,463*	*1,859*	*539*	*506*	*565*	*11,650*
Equity-accounted entities			*12*	*5*		*217*			*234*
Undeveloped	**703**	**149**	**2,410**	**744**	**280**	**1,545**	**125**	**10**	**5,966**
Consolidated subsidiaries	*703*	*149*	*2,408*	*664*	*280*	*275*	*123*	*10*	*4,612*
Equity-accounted entities			*2*	*80*		*1,270*	*2*		*1,354*
2010									
Estimated net proved natural gas reserves	**2,644**	**1,401**	**6,231**	**2,245**	**1,874**	**2,391**	**552**	**544**	**17,882**
Consolidated subsidiaries	*2,644*	*1,401*	*6,207*	*2,127*	*1,874*	*871*	*530*	*544*	*16,198*
Equity-accounted entities			*24*	*118*		*1,520*	*22*		*1,684*
Developed	**2,061**	**1,103**	**3,122**	**1,554**	**1,621**	**774**	**437**	**539**	**11,211**
Consolidated subsidiaries	*2,061*	*1,103*	*3,100*	*1,550*	*1,621*	*560*	*431*	*539*	*10,965*
Equity-accounted entities			*22*	*4*		*214*	*6*		*246*
Undeveloped	**583**	**298**	**3,109**	**691**	**253**	**1,617**	**115**	**5**	**6,671**
Consolidated subsidiaries	*583*	*298*	*3,107*	*577*	*253*	*311*	*99*	*5*	*5,233*
Equity-accounted entities			*2*	*114*		*1,306*	*16*		*1,438*
2011									
Estimated net proved natural gas reserves	**2,491**	**1,427**	**6,210**	**2,287**	**1,648**	**3,718**	**1,897**	**604**	**20,282**
Consolidated subsidiaries	*2,491*	*1,425*	*6,190*	*1,949*	*1,648*	*685*	*590*	*604*	*15,582*
Equity-accounted entities		*2*	*20*	*338*		*3,033*	*1,307*		*4,700*
Developed	**1,977**	**995**	**3,087**	**1,441**	**1,480**	**552**	**393**	**491**	**10,416**
Consolidated subsidiaries	*1,977*	*995*	*3,070*	*1,437*	*1,480*	*528*	*385*	*491*	*10,363*
Equity-accounted entities			*17*	*4*		*24*	*8*		*53*
Undeveloped	**514**	**432**	**3,123**	**846**	**168**	**3,166**	**1,504**	**113**	**9,866**
Consolidated subsidiaries	*514*	*430*	*3,120*	*512*	*168*	*157*	*205*	*113*	*5,219*
Equity-accounted entities		*2*	*3*	*334*		*3,009*	*1,299*		*4,647*

(a) Including approximately 749, 746, 769, 767 and 767 billion of cubic feet of natural gas held in storage at December 31, 2007, 2008, 2009, 2010 and 2011, respectively.
(b) Eni's proved reserves of the Kashagan field were determined based on Eni working interest of 16.81% since December 31, 2008 and 18.52% in 2007.
(c) Includes a 29.4% stake of the reserves of the three equity-accounted Russian companies participated by joint venture OOO SeverEnergia, owned by Eni (60%) and its Italian partner Enel (40%) which on September 23, 2009, completed the divestment of the 51% stake in the venture to Gazprom in line with the call option arrangement.

Oil and natural gas production by Country [a] [b]	(kboe/d)	2007	2008	2009	2010	2011
Italy		**212**	**199**	**169**	**183**	**186**
Rest of Europe		**270**	**249**	**247**	**222**	**216**
Croatia		9	12	17	8	5
Norway		137	129	126	123	131
United Kingdom		124	108	104	91	80
North Africa		**594**	**645**	**573**	**602**	**438**
Algeria		88	83	83	77	72
Egypt		238	240	230	232	236
Libya		252	306	244	273	112
Tunisia		16	16	16	20	18
Sub-Saharan Africa		**327**	**335**	**360**	**400**	**370**
Angola		136	126	130	118	102
Congo		69	87	102	110	108
Nigeria		122	122	128	172	160
Kazakhstan		**112**	**111**	**115**	**108**	**106**
Rest of Asia		**108**	**124**	**135**	**131**	**112**
China		8	8	8	7	8
India				1	8	4
Indonesia		20	20	21	19	18
Iran		26	28	35	21	6
Iraq					5	7
Pakistan		52	56	58	59	58
Russia		2				
Turkmenistan			12	12	12	11
America		**95**	**117**	**153**	**143**	**125**
Brazil						1
Ecuador		16	16	14	11	7
Trinidad & Tobago		10	9	12	12	10
United States		69	87	119	109	98
Venezuela			5	8	11	9
Australia and Oceania		**18**	**17**	**17**	**26**	**28**
Australia		18	17	17	26	28
Total outside Italy		**1,524**	**1,598**	**1,600**	**1,632**	**1,395**
		1,736	**1,797**	**1,769**	**1,815**	**1,581**
of which equity-accounted entities		***18***	***20***	***23***	***25***	***26***
Angola		*5*	*3*	*3*	*3*	*4*
Brazil						*1*
Indonesia		*6*	*6*	*6*	*6*	*6*
Russia		*2*				
Tunisia		*5*	*6*	*6*	*5*	*6*
Venezuela			*5*	*8*	*11*	*9*

Oil and natural gas production sold [c]	(mmboe)	2007	2008	2009	2010	2011
Oil and natural gas production		633.7	657.5	645.7	662.3	**577.0**
Change in inventories other		(3.5)	(7.6)	(3.8)	(3.4)	**(7.4)**
Own consumption of gas		(18.8)	(17.9)	(19.1)	(20.9)	**(21.1)**
Oil and natural gas production sold		**611.4**	**632.0**	**622.8**	**638.0**	**548.5**
Oil	(mmbbl)	370.28	370.24	365.20	361.30	**302.61**
- of which to R&M Division		*227.68*	*194.64*	*224.98*	*206.41*	***190.65***
Natural gas	(bcf)	1,385	1,503	1,479	1,536	**1,367**
- of which to G&P Division		*510*	*480*	*444*	*432*	***423***

(a) From April 1, 2010, Eni has updated the natural gas conversion factor from 5,742 to 5,550 standard cubic feet of gas per barrel of oil equivalent.
(b) Includes volumes of gas consumed in operations (321, 318, 300, 281 and 296 mmcf/d, in 2011, 2010, 2009, 2008 and 2007, respectively).
(c) Includes 7.7 mmboe of equity-accounted entities production sold in 2011 (8, 7.1, 5.7 and 5.3 mmboe in 2010, 2009, 2008 and 2007, respectively).

Liquids production by Country (kbbl/d)	2007	2008	2009	2010	**2011**
Italy	**75**	**68**	**56**	**61**	**64**
Rest of Europe	**157**	**140**	**133**	**121**	**120**
Norway	90	83	78	74	80
United Kingdom	67	57	55	47	40
North Africa	**337**	**338**	**292**	**301**	**209**
Algeria	85	80	80	74	69
Egypt	97	98	91	96	91
Libya	142	147	108	116	36
Tunisia	13	13	13	15	13
Sub-Saharan Africa	**280**	**289**	**312**	**321**	**278**
Angola	132	121	125	113	95
Congo	67	84	97	98	87
Nigeria	81	84	90	110	96
Kazakhstan	**70**	**69**	**70**	**65**	**64**
Rest of Asia	**37**	**49**	**57**	**48**	**34**
China	6	6	7	6	7
India				1	
Indonesia	2	2	2	2	2
Iran	26	28	35	21	6
Iraq				5	7
Pakistan	1	1	1	1	1
Russia	2				
Turkmenistan		12	12	12	11
America	**53**	**63**	**79**	**71**	**65**
Brazil					1
Ecuador	16	16	14	11	7
United States	37	42	57	49	48
Venezuela		5	8	11	9
Australia and Oceania	**11**	**10**	**8**	**9**	**11**
Australia	11	10	8	9	11
Total outside Italy	**945**	**958**	**951**	**936**	**781**
	1,020	**1,026**	**1,007**	**997**	**845**
of which equity-accounted entities	***12***	***14***	***17***	***19***	***19***
Angola	*5*	*3*	*3*	*3*	*3*
Brazil					*1*
Indonesia	*1*	*1*	*1*	*1*	*1*
Russia	*2*				
Tunisia	*4*	*5*	*5*	*4*	*5*
Venezuela		*5*	*8*	*11*	*9*

Oil and natural gas production available for sale [a] [b] (kboe/d)	2007	2008	2009	2010	**2011**
Italy	208	195	165	178	181
Rest of Europe	263	242	239	214	209
North Africa	573	627	554	582	420
Sub-Saharan Africa	318	325	349	386	354
Kazakhstan	109	108	113	104	102
Rest of Asia	102	119	130	126	106
America	93	116	150	141	124
Australia and Oceania	18	16	16	26	27
	1,684	**1,748**	**1,716**	**1,757**	**1,523**
of which equity-accounted entities	***16***	***19***	***21***	***23***	***23***
North Africa	*5*	*5*	*5*	*5*	*5*
Sub-Saharan Africa	*4*	*3*	*3*	*3*	*3*
Rest of Asia	*7*	*6*	*5*	*5*	*4*
America		*5*	*8*	*10*	*11*

(a) From April 1, 2010, Eni has updated the natural gas conversion factor from 5,742 to 5,550 standard cubic feet of gas per barrel of oil equivalent.
(b) Do not include natural gas consumed in operation (321, 318, 300, 281 and 296 mmcf/d, in 2011, 2010, 2009, 2008 and 2007, respectively).

Natural gas production by Country [a] (mmcf/d)	2007	2008	2009	2010	2011
Italy	**789.7**	**749.9**	**652.6**	**673.2**	**674.3**
Rest of Europe	**647.2**	**626.7**	**655.5**	**559.2**	**537.9**
Croatia	52.5	68.7	95.5	45.3	29.9
Norway	271.1	264.8	273.7	271.6	284.0
United Kingdom	323.6	293.2	286.3	242.3	224.0
North Africa	**1,474.2**	**1,761.6**	**1,614.2**	**1,673.2**	**1,271.5**
Algeria	18.8	18.5	19.7	20.2	19.0
Egypt	811.2	818.4	793.7	755.1	800.7
Libya	629.6	907.6	780.4	871.1	423.2
Tunisia	14.6	17.1	20.4	26.8	28.6
Sub-Saharan Africa	**274.2**	**260.7**	**274.3**	**441.5**	**508.0**
Angola	25.1	28.1	29.3	31.9	34.7
Congo	11.4	12.7	27.3	67.9	119.1
Nigeria	237.7	219.9	217.7	341.7	354.2
Kazakhstan	**237.9**	**244.7**	**259.0**	**237.0**	**231.0**
Rest of Asia	**408.9**	**426.2**	**444.8**	**463.9**	**430.1**
China	11.0	10.9	8.2	6.7	5.0
India			3.7	36.6	19.6
Indonesia	105.4	99.7	104.8	94.4	84.3
Pakistan	292.5	315.6	328.1	326.2	321.2
America	**240.3**	**311.5**	**424.7**	**396.0**	**334.0**
Trinidad & Tobago	58.9	54.6	67.0	63.6	56.7
United States	181.4	256.9	357.7	332.4	277.3
Australia and Oceania	**41.5**	**42.2**	**48.6**	**95.7**	**97.8**
Australia	41.5	42.2	48.6	95.7	97.8
Total outside Italy	**3,324.2**	**3,673.6**	**3,721.1**	**3,866.5**	**3,410.3**
	4,113.9	**4,423.5**	**4,373.7**	**4,539.7**	**4,084.6**
of which equity-accounted entities	***37.5***	***35.6***	***38.3***	***35.6***	***34.0***
Angola	*0.7*	*0.6*	*0.7*	*0.8*	*1.9*
Indonesia	*32.2*	*30.5*	*32.1*	*28.9*	*25.7*
Tunisia	*4.6*	*4.5*	*5.5*	*5.9*	*6.4*

Natural gas production available for sale [b] (mmcf/d)	2007	2008	2009	2010	2011
Italy	763	725	630	648	648
Rest of Europe	607	588	608	517	498
North Africa	1,357	1,661	1,503	1,559	1,169
Sub-Saharan Africa	220	204	213	365	422
Kazakhstan	222	227	241	221	212
Rest of Asia	380	396	417	436	398
America	232	304	416	385	323
Australia and Oceania	38	38	46	91	93
	3,819	**4,143**	**4,074**	**4,222**	**3,763**
of which equity-accounted entities	***28***	***26***	***29***	***27***	***24***
North Africa	*1*	*1*	*8*	*3*	*4*
Sub-Saharan Africa	*1*				
Rest of Asia	*26*	*24*	*26*	*24*	*20*

(a) Includes volumes of gas consumed in operations (321, 318, 300, 281 and 296 mmcf/d, in 2011, 2010, 2009, 2008 and 2007, respectively).
(b) Do not include natural gas consumed in operation.

Average realizations	2007		2008		2009		2010		2011	
Liquids	Consolidated subsidiaries	Equity-accounted entities	Consolidated subsidiaries	Equity-accounted entities	Consolidated subsidiaries	Equity-accounted entities	Consolidated subsidiaries	Equity-accounted entities	Consolidated subsidiaries	Equity-accounted entities
($/bbl)										
Italy	62.47		84.87		56.02		72.19		101.20	
Rest of Europe	70.84		71.90		56.46		67.26		97.56	97.18
North Africa	68.39	14.56	85.38	14.70	56.42	14.60	70.96	16.09	97.63	17.98
Sub-Saharan Africa	69.77	70.72	91.58	98.40	59.75	56.85	78.23	77.78	110.09	108.92
Kazakhstan	59.34		79.06		52.34		66.74		98.68	
Rest of Asia	66.60	31.41	75.29		55.34	9.01	75.20	57.05	101.09	74.98
America	66.37		88.88	86.42	55.66	56.41	72.84	71.70	101.15	93.03
Australia and Oceania	71.23		82.80		50.40		73.00		98.05	
	67.94	**20.97**	**84.31**	**56.04**	**57.02**	**44.43**	**72.95**	**58.86**	**102.47**	**84.78**
Natural gas										
($/kcf)										
Italy	8.58		13.06		9.01		8.71		11.56	
Rest of Europe	6.71		10.55		7.06		7.40		9.72	10.65
North Africa	4.61		7.15		5.79		6.87		5.95	5.39
Sub-Saharan Africa	1.21		1.50		1.66		1.87		1.97	
Kazakhstan	0.41		0.53		0.45		0.49		0.57	
Rest of Asia	4.04	8.48	5.05	12.40	4.09	7.44	4.35	9.87	5.27	15.68
America	6.69		8.81		4.05		4.70		4.02	
Australia and Oceania	5.94		9.59		8.14		7.40		7.38	
	5.40	**8.08**	**7.99**	**11.91**	**5.62**	**6.81**	**6.01**	**8.73**	**6.44**	**13.89**
Hydrocarbons										
($/boe)										
Italy	54.03		78.46		53.17		56.60		77.26	
Rest of Europe	57.95		67.15		49.53		56.00		79.03	66.14
North Africa	50.70	13.61	64.91	13.86	45.47	13.19	55.06	13.53	64.85	20.87
Sub-Saharan Africa	62.36	70.72	81.77	98.40	54.61	56.85	66.35	77.78	88.02	108.92
Kazakhstan	38.98		51.30		33.65		42.24		62.87	
Rest of Asia	38.96	43.43	48.85	69.22	38.21	41.80	42.45	55.04	51.51	85.80
America	54.23		70.41	86.42	39.29	56.32	47.84	71.70	60.28	93.03
Australia and Oceania	57.72		71.43		48.63		52.51		61.00	
	53.29	**33.11**	**68.21**	**60.50**	**46.90**	**42.82**	**55.59**	**56.10**	**72.20**	**83.15**

Eni's Group	2007	2008	2009	2010	2011
Liquids ($/bbl) [a]	67.70	84.05	56.95	72.76	102.11
Natural gas ($/kcf)	5.42	8.01	5.62	6.02	6.48
Hydrocarbons ($/boe)	**53.17**	**68.13**	**46.90**	**55.60**	**72.26**

(a) Eni's average liquids realizations decreased by $1.50/bbl in 2011 ($1.33/bbl, $0.03/bbl and $4.13/bbl in 2010, 2009 and 2008, respectively) due to the settlement of certain commodity derivatives relating to the sale of 9 mmbbl (28.5 mmbbl, 42.2 mmbbl and 46 mmbbl in 2010, 2009 and 2008, respectively). This deal terminated a multi-year derivative transaction the Company entered into in order to hedge exposure to the variability in cash flows on the sale of a portion of the Company's proved reserves for an original amount of approximately 125.7 mmbbl in the 2008-2011 period.

Net developed and undeveloped acreage (square kilometers)	2007	2008	2009	2010	2011
Europe	**32,055**	**30,511**	**31,607**	**29,079**	**26,023**
Italy	20,664	20,409	22,038	19,097	**16,872**
Rest of Europe	11,391	10,102	9,569	9,982	**9,151**
Africa	**227,932**	**249,672**	**158,749**	**152,671**	**137,220**
North Africa	62,886	31,088	46,011	44,277	**30,532**
Sub-Saharan Africa	165,046	218,584	112,738	108,394	**106,688**
Asia	**80,339**	**93,710**	**125,641**	**112,745**	**55,284**
Kazakhstan	959	880	880	880	**880**
Rest of Asia	79,380	92,830	124,761	111,865	**54,404**
America	**12,804**	**12,043**	**11,523**	**11,187**	**10,209**
Australia and Oceania	**41,361**	**29,558**	**20,342**	**15,279**	**25,685**
Total	**394,491**	**415,494**	**347,862**	**320,961**	**254,421**

Principal oil and natural gas interests at December 31, 2011

	Commencement of operations	Number of interests	Gross developed [a] [b] acreage	Net developed [a] [b] acreage	Gross undeveloped [a] acreage	Net undeveloped [a] acreage	Types of fields/acreage	Number of producing fields	Number of other fields
EUROPE		**286**	**17,324**	**11,216**	**24,007**	**14,807**		**138**	**101**
Italy	**1926**	**151**	**10,927**	**9,055**	**10,721**	**7,817**	**Onshore/Offshore**	**83**	**72**
Rest of Europe		**135**	**6,397**	**2,161**	**13,286**	**6,990**		**55**	**29**
Croatia	1996	2	1,975	987			Offshore	9	3
Norway	1965	50	2,262	337	5,838	1,998	Offshore	16	16
Poland	2010	3			1,968	1,968	Onshore		
United Kingdom	1964	74	2,110	807	789	207	Offshore	29	10
Ukraine	2011	2	50	30	49	15	Onshore	1	
Other countries		4			4,642	2,802	Offshore		
AFRICA		**270**	**67,154**	**20,167**	**200,957**	**117,053**		**276**	**136**
North Africa		**112**	**31,781**	**13,877**	**36,772**	**16,655**		**101**	**59**
Algeria	1981	39	2,261	815	17,358	8,250	Onshore	28	13
Egypt	1954	52	5,109	1,837	10,727	4,061	Onshore/Offshore	41	26
Libya	1959	10	17,947	8,951	8,687	4,344	Onshore/Offshore	11	15
Tunisia	1961	11	6,464	2,274			Onshore/Offshore	21	5
Sub-Saharan Africa		**158**	**35,373**	**6,290**	**164,185**	**100,398**		**175**	**77**
Angola	1980	68	4,636	625	20,360	5,593	Onshore/Offshore	47	32
Congo	1968	26	1,835	1,012	7,681	4,008	Onshore/Offshore	25	4
Dem. Republic of Congo	2010	1			478	263	Onshore		
Gabon	2008	6			7,615	7,615	Onshore/Offshore		
Ghana	2009	2			5,144	1,885	Offshore		
Mali	2006	1			32,458	21,640	Onshore		
Mozambique	2007	1			12,956	9,502	Offshore		
Nigeria	1962	46	28,902	4,653	11,723	3,838	Onshore/Offshore	103	41
Togo	2010	2			6,192	6,192	Offshore		
Other countries		5			59,578	39,862	Onshore		
ASIA		**74**	**17,478**	**5,893**	**100,759**	**49,391**		**39**	**31**
Kazakhstan	**1992**	**6**	**324**	**105**	**4,609**	**775**	**Onshore/Offshore**	**1**	**5**
Rest of Asia		**68**	**17,154**	**5,788**	**96,150**	**48,616**		**38**	**26**
China	1984	10	200	39	5,326	5,326	Offshore	11	
India	2005	13	206	109	25,364	9,097	Onshore/Offshore	5	1
Indonesia	2001	12	1,735	656	27,106	17,063	Onshore/Offshore	7	15
Iran	1957	4	1,456	820			Onshore/Offshore	3	
Iraq	2009	1	1,074	352			Onshore	1	
Pakistan	2000	18	8,781	2,582	14,172	6,707	Onshore/Offshore	9	1
Russia	2007	4	3,502	1,030	1,495	439	Onshore		9
Timor Leste	2006	4			8,087	6,740	Offshore		
Turkmenistan	2008	1	200	200			Onshore	2	
Other countries		1			14,600	3,244	Offshore		
AMERICA		**460**	**5,979**	**3,052**	**15,602**	**7,157**		**68**	**20**
Brazil	1999	2	1,513	50	745	745	Offshore	1	
Ecuador	1988	1	1,985	1,985			Onshore	1	1
Trinidad & Tobago	1970	1	382	66			Offshore	7	
United States	1968	442	1,721	853	7,261	4,270	Onshore/Offshore	58	15
Venezuela	1998	6	378	98	2,049	816	Onshore/Offshore	1	3
Other countries		8			5,547	1,326	Offshore		1
AUSTRALIA AND OCEANIA		**16**	**1,980**	**1,045**	**49,304**	**24,640**		**4**	**2**
Australia	2001	15	1,980	1,045	48,540	24,602	Offshore	4	2
Other countries		1			764	38	Offshore		
Total		**1,106**	**109,915**	**41,373**	**390,629**	**213,048**		**525**	**290**

(a) Square kilometers.
(b) Developed acreage refers to those leases in which at least a portion of the area is in production or encompasses proved developed reserves.

Capital expenditure	(€ million)	2007	2008	2009	2010	2011
Acquisition of proved and unproved properties		**96**	**836**	**697**		**754**
North Africa		11	626	351		**57**
Sub-Saharan Africa			210	73		**697**
Rest of Asia				94		
America		85		179		
Exploration		**1,659**	**1,918**	**1,228**	**1,012**	**1,210**
Italy		104	135	40	34	**38**
Rest of Europe		195	227	113	114	**100**
North Africa		373	379	317	84	**128**
Sub-Saharan Africa		246	485	284	406	**482**
Kazakhstan		36	16	20	6	**6**
Rest of Asia		162	187	159	223	**156**
America		505	441	243	119	**60**
Australia and Oceania		38	48	52	26	**240**
Development		**4,643**	**6,429**	**7,478**	**8,578**	**7,357**
Italy		461	570	689	630	**720**
Rest of Europe		429	598	673	863	**1,596**
North Africa		948	1,246	1,381	2,584	**1,380**
Sub-Saharan Africa		1,343	1,717	2,105	1,818	**1,521**
Kazakhstan		733	968	1,083	1,030	**897**
Rest of Asia		238	355	406	311	**361**
America		345	655	706	1,187	**831**
Australia and Oceania		146	320	435	155	**51**
Other expenditure		**82**	**98**	**83**	**100**	**114**
		6,480	**9,281**	**9,486**	**9,690**	**9,435**

Reserves life index [a]	(years)	2007	2008	2009	2010	2011
Italy		9.7	9.3	11.4	10.9	**10.4**
Rest of Europe		6.5	5.8	6.6	7.4	**8.0**
North Africa		8.8	8.2	9.3	9.6	**12.8**
Sub-Saharan Africa		9.2	9.5	8.9	7.9	**8.2**
Kazakhstan		26.0	32.9	29.0	28.7	**24.5**
Rest of Asia		13.2	12.8	11.1	12.8	**21.7**
America		8.1	5.9	5.0	7.2	**13.6**
Australia and Oceania		19.7	21.0	21.5	13.1	**12.8**
		10.0	**10.0**	**10.2**	**10.3**	**12.3**

Reserves replacement ratio, all sources [a]	(%)	2007	2008	2009	2010 [b]	2011
Italy		25	10	136	107	**75**
Rest of Europe		30	-	174	102	**136**
North Africa		36	118	99	167	**58**
Sub-Saharan Africa		76	142	106	90	**58**
Kazakhstan		-	776	-	-	**-**
Rest of Asia		791	248	-	212	**771**
America		474	40	144	273	**647**
Australia and Oceania		-	75	112	5	**163**
		90	**135**	**96**	**125**	**142**

(a) Includes a 29.4% stake of the reserves of the three equity-accounted Russian companies participated by joint-venture OOO SeverEnergia, owned by Eni (60%) and its Italian partner Enel (40%) which on September 23, 2009, completed the divestment of the 51% stake in the venture to Gazprom in line with the call option arrangement.
(b) Net of updating the natural gas conversion factor.

Exploratory wells activity

	Net wells completed						Wells in progress at Dec. 31 [a]	
	2009		2010		2011		2011	
(units)	Productive	Dry [b]	Productive	Dry [b]	Productive	Dry [b]	Gross	Net
Italy		1.0		0.5			6.0	4.4
Rest of Europe	4.1	0.2	1.7	1.1	0.3	0.7	21.0	6.5
North Africa	4.8	3.8	9.3	8.1	6.2	3.4	21.0	15.7
Sub-Saharan Africa		2.7	2.3	4.7	0.6	2.6	63.0	18.6
Kazakhstan							13.0	2.3
Rest of Asia	2.3	3.9	1.0	2.8	0.2	7.6	16.0	6.9
America	1.0	3.8		6.3	2.5		11.0	3.3
Australia and Oceania	0.8	1.4	1.0	0.4		1.4		
	13.0	**16.8**	**15.3**	**23.9**	**9.8**	**15.7**	**151.0**	**57.7**

Development wells activity

	Net wells completed						Wells in progress as of Dec. 31	
	2009		2010		2011		2011	
(units)	Productive	Dry [b]	Productive	Dry [b]	Productive	Dry [b]	Gross	Net
Italy	18.3		23.9	1.0	25.3		3.0	2.0
Rest of Europe	12.5		2.9	0.2	3.3	0.3	18.0	3.9
North Africa	40.7	0.4	44.3	0.3	55.9	1.1	27.0	12.5
Sub-Saharan Africa	35.8	1.9	28.0	2.5	28.2	1.0	28.0	6.6
Kazakhstan	3.8		1.8		1.3		13.0	2.2
Rest of Asia	38.6	4.3	41.7	1.8	39.2	2.5	12.0	5.4
America	15.6	1.0	27.6	0.5	27.6		17.0	6.9
Australia and Oceania	2.2		1.5		0.4			
	167.5	**7.6**	**171.7**	**6.3**	**181.2**	**4.9**	**118.0**	**39.5**

Productive oil and gas wells at Dec. 31, 2011 [c]

	2011			
	Oil wells		Natural gas wells	
(units)	Gross	Net	Gross	Net
Italy	237.0	191.5	630.0	546.5
Rest of Europe	414.0	63.3	207.0	93.1
North Africa	1,357.0	651.8	144.0	56.0
Sub-Saharan Africa	2,952.0	562.6	479.0	32.1
Kazakhstan	89.0	28.9		
Rest of Asia	602.0	381.5	849.0	328.7
America	152.0	79.8	344.0	113.2
Australia and Oceania	7.0	3.8	14.0	3.3
	5,810.0	**1,963.2**	**2,667.0**	**1,172.9**

(a) Includes temporary suspended wells pending further evaluation.
(b) A dry well is an exploratory, development, or extension well that proves to be incapable of producing either oil or gas sufficient quantities to justify completion as an oil or gas well.
(c) Includes 2,304 gross (741.7 net) multiple completion wells (more than one producing into the same well bore). Productive wells are producing wells and wells capable of production. One or more completions in the same bore hole are counted as one well.

Gas & Power

Key performance indicators

		2007	2008	2009	2010	2011
Employee injury frequency rate	(No. of accidents per million hours worked)	7.37	5.30	3.85	3.74	**2.33**
Contractors injury frequency rate		16.34	12.24	9.48	8.24	**8.38**
Net sales from operations [a]	(€ million)	27,793	37,062	30,447	29,576	**34,731**
Operating profit		4,465	4,030	3,687	2,896	**1,758**
Adjusted operating profit		4,414	3,564	3,901	3,119	**1,946**
Marketing		*2,284*	*1,309*	*1,721*	*733*	***(550)***
Regulated businesses in Italy		*1,685*	*1,732*	*1,796*	*2,043*	***2,112***
International transport		*445*	*523*	*384*	*343*	***384***
Adjusted net profit		3,127	2,648	2,916	2,558	**1,541**
EBITDA pro-forma adjusted		5,029	4,310	4,403	3,853	**2,565**
Marketing		*3,061*	*2,271*	*2,392*	*1,670*	***364***
Regulated businesses in Italy		*1,248*	*1,284*	*1,345*	*1,486*	***1,535***
International transport		*720*	*755*	*666*	*697*	***666***
Capital expenditure		1,511	2,058	1,686	1,685	**1,721**
Adjusted capital employed, net at year end		21,364	22,273	25,024	27,270	**27,660**
Adjusted ROACE	(%)	15.2	12.2	12.3	9.8	**5.6**
Worldwide gas sales [b]	(bcm)	98.96	104.23	103.72	97.06	**96.76**
LNG sales [c]		11.7	12.0	12.9	15.0	**15.7**
Customers in Italy	(million)	6.61	6.63	6.88	6.88	**7.10**
Gas volumes transported in Italy	(bcm)	83.28	85.64	76.90	83.31	**78.30**
Electricity sold	(TWh)	33.19	29.93	33.96	39.54	**40.28**
Employees at year end	(units)	11,893	11,692	11,404	11,245	**10,907**
Direct GHG emissions	(mmtonnes CO_2eq)	15.58	14.60	14.60	15.79	**14.75**
Customer satisfaction index (PSC)	(%)	n.a.	75.3	83.7	87.4	**91.0**
Water consumption/withdrawals per kWheq produced (EniPower)	(cm/KWeq)	0.015	0.015	0.015	0.013	**0.014**

(a) Before elimination of intragroup sales.
(b) Include volumes marketed by the Exploration & Production Division of 2.86 bcm (5.39, 6.00, 6.17 and 5.65 bcm in 2007, 2008, 2009 and 2010, respectively).
(c) Refer to LNG sales of the G&P Division (included in worldwide gas sales) and the E&P Division.

Performance of the year

Agreement with Gazprom

In March 2012, within their strategic partnership Eni and Gazprom signed an agreement on the revision of long-term natural gas supply contracts from Russia to Italy with retroactive effect from January 2011. The parties also discussed the execution of a detailed plan for the commencement of construction of the South Stream gas pipeline with the Final Investment Decision (FID) to be taken by November 2012.

Divestment of international pipelines

In 2011, Eni finalized the divestment of its interests in importing pipelines of natural gas from Northern Europe (TENP and Transitgas) and Russia (TAG) as part of the agreements signed on September 29, 2010 with the European Commission. Total consideration amounted to approximately €1.5 billion. Eni's ship-or-pay contracts will be unaffected.

Belgium

In January 2012, Eni finalized the acquisition of Nuon Belgium NV and Nuon Power Generation Wallon NV, companies marketing gas and electricity mainly to residential and professional customers in Belgium, for an outlay of €214 million.

Divestment of interest in Interconnector

On February 22, 2012, Snam and Fluxys G signed a preliminary agreement to purchase Eni's 16.41% interest in Interconnector (UK) Limited, its 51% interest in Interconnector Zeebrugge Terminal SCRL and its 10% interest in Huberator SA for a total consideration of €150 million. These companies own and operate the subsea gas pipeline that provides a bi-directional link between the UK (Bacton) and Belgium (Zeebrugge) hubs. IZT and Huberator are Belgian companies: IZT owns the Belgian compressor terminal at the Interconnector in Zeebrugge, and Huberator offers trading-related services in the Zeebrugge Gas Hub. The completion of the transaction is subject to certain conditions precedent and is expected to occur by the second half of 2012.

The injury frequency rate continued to improve (down 38% from 2010) thanks to enhanced training, information and sensitization of workers.

With regard to sales to residentials in Italy, Eni's customers satisfaction score (checked twice a year by the Authority for electricity and gas) increased to 91.0 (basis 100) in the first half of 2011 from an average 89.8 registered by the reference utility panel.

In 2011, adjusted net profit was €1,541 million, down 39.8% from 2010 due to a sharply lower operating performance of the Marketing business negatively impacted by weak demand and mounting competitive pressures fuelled by oversupply which squeezed selling margins and reduced volumes opportunities. The performance was also impacted by the disruption in Libyan gas availability, as well as by the unfavorable trends in energy parameters and unusual winter weather. Furthermore, the results reflected only a part of the benefits associated with the renegotiations of the supply contracts, certain of which have been finalized after 2011 year-end. These lower results were partly offset by the positive operating performance delivered by the International transport and Regulated businesses in Italy.

Adjusted ROACE was 5.6% (9.8% in 2010).

Worldwide gas sales were basically stable at 96.76 bcm supported by commercial initiatives, despite lower consumption and competitive pressure. We grew in many European Countries and in international LNG sales, while offtakes from importers into Italy of Libyan gas fell sharply and sales fell in Belgium.

Electricity sales of 40.28 TWh increased by 0.74 TWh from 2010, up 1.9%.

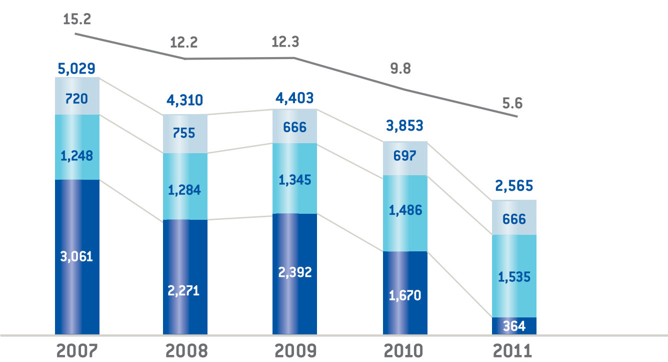
Natural gas volumes transported in Italy were 78.30 bcm, a decline of 6% from 2010 due to a steep decline in gas demand in Italy.

Capital expenditure amounted to €1,721 million for the development and upkeep of transport and distribution networks in Italy, increasing storage capacity and upgrading and improvement of efficiency standards in power generation.

In 2011, total R&D expenditure amounted to €2 million, net of overhead costs.

EBITDA pro-forma adjusted

(€ million)

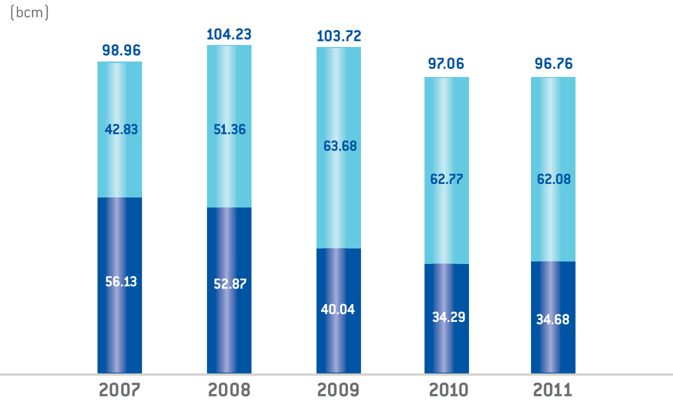


Marketing | Regulated businesses in Italy | International transport

Adjusted ROACE (%)

Worldwide gas sales

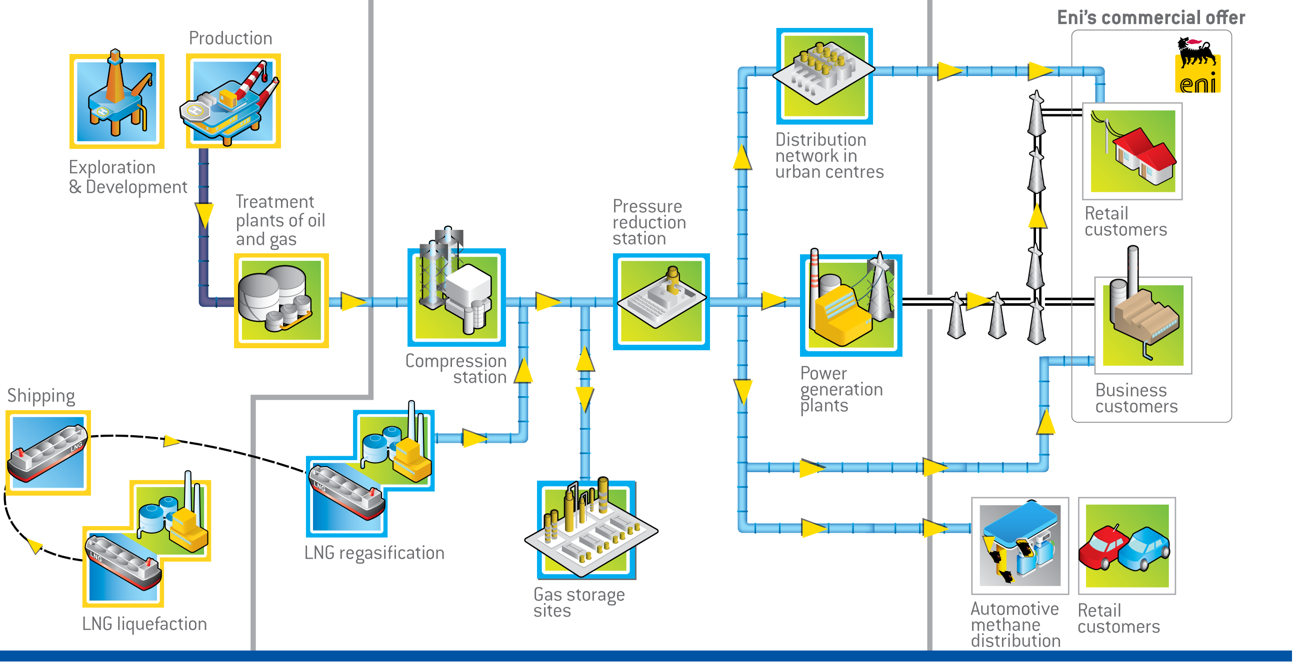
(bcm)



Sales in Italy | International sales

Gas & Power value chain

	Supply Free access at market prices	Infrastructure Services with a regulated tariff system	Sales and trading Free access at market prices
Natural Gas	• Equity gas and long-term supply contracts • LNG: - supply - liquefaction - shipping	• Transport network (Europe and Italy) • Storage (depleted gas fields) • LNG regasification • Dispatching • Metering • Distribution	• Wholesalers • Industries • Power generation • Residential • Spot market
Power	• Power purchase (power exchange, trading) • Power generation	• Power stations • CCGT power stations • Photovoltaic sites	• Free market • Power exchange • Other



Eni's Gas & Power segment engages in all phases of the natural gas value chain: supply, trading and marketing of natural gas and electricity, gas infrastructures, and LNG supply and marketing. This segment also includes power generation activity, ancillary to the marketing of electricity. Eni's leading position in the European gas market is ensured by a set of competitive advantages, including our multi-Country approach, long-term gas availability, access to infrastructures, market knowledge and a strong customer base. Furthermore, integration with our upstream operations provides valuable growth options whereby the Company targets to monetize its large gas reserves.

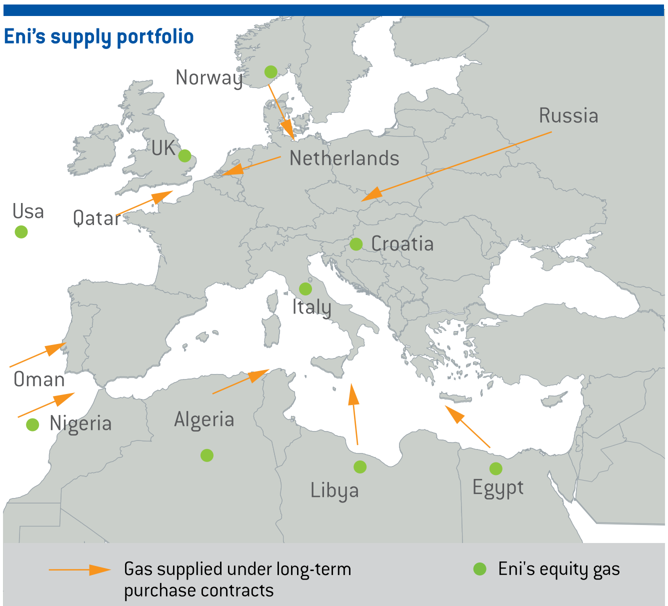
1. Marketing

1.1 Natural gas

Supply

The supply of natural gas is a free activity where prices are determined by free negotiations of demand and supply involving natural gas resellers and producers.

Eni's supply portfolio



In order to secure long-term access to gas availability, particularly with a view of supplying the Italian gas market, Eni has signed a number of long-term gas supply contracts with key producing Countries that supply the European gas markets. These contracts have been ensuring approximately 80 bcm of gas availability from 2010 (including the Distrigas portfolio of supplies and excluding Eni's other subsidiaries and affiliates) with a residual life of approximately 17 years and a pricing mechanism that indexed the cost of gas to the price of crude oil and its derivatives (gasoil, fuel oil, etc.).

Further competitive advantages are represented by the availability of natural gas deriving from equity production, the access to all phases of the LNG chain (liquefaction, shipping and regasification) and to other gas infrastructures, and by trading and risk management activity.

Eni's long-term gas requirements are met by natural gas from a total of 12 Countries, where Eni also holds upstream activities and by access to European spot markets.

In 2011, Eni's consolidated subsidiaries supplied 83.38 bcm of natural gas, representing an increase of 0.89 bcm, or 1.1% from 2010. In 2011, main gas volumes from equity production derived from: (i) Italian gas fields (6.7 bcm); (ii) certain Eni fields located in the British and Norwegian sections of the North Sea (2.4 bcm); (iii) the United States (2.2 bcm); and (iv) other European areas (Croatia with 0.3 bcm). Supplies from equity production fell sharply at the Wafa and Bahr Essalam fields (to 0.6 bcm) in Libya due to the conflict in the Country; in 2010 these two fields supplied 2.5 bcm net to Eni. Considering also direct sales of the Exploration & Production segment and LNG supplied from the Bonny liquefaction plant in Nigeria, supplied gas volumes from equity production were approximately 18 bcm representing 18% of total volumes available for sale.

Marketing in Italy

Eni operates in a liberalized market where energy customers are allowed to choose the supplier of gas and, according to their specific needs, to evaluate the quality of services and offers. With regard to the retail market in Italy, the Authority for Electricity and Gas regulates and defines the tariff system for those customers who have not chosen their supplier on the free market, mainly residentials and small enterprises. The Italian market includes four segments of customers: large businesses, the power generation sector, wholesalers and residential customers. Large businesses and power generation utilities are directly linked to the regional natural gas network. Wholesalers mainly include local selling companies that resell natural gas to residential customers through low pressure distribution networks. Residential customers include households (also referred to as the retail market), the tertiary sector (mainly commercial outlets, hospitals, schools and local administrations) and small businesses (also referred to as the middle market) located in large metropolitan areas and urban centers. Overall, Eni supplies approximately

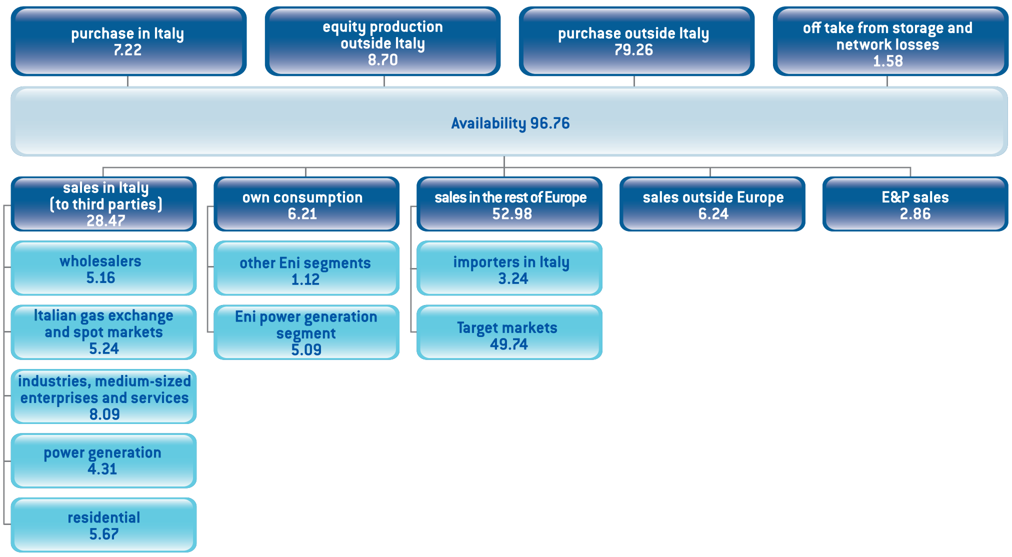
Sales and market shares on the Italian gas market (bcm)	2010		2011		
	Volumes sold	Market share (%)	Volumes sold	Market share (%)	% Ch. 2011 vs 2010
Italy to third parties	**28.10**	**33.8**	**28.47**	**36.6**	**1.3**
Wholesalers	4.84		5.16		6.6
Gas release	0.68				
Italian gas exchange and spot markets	4.65		5.24		12.7
Industries	6.41		7.21		12.5
Medium-sized enterprises and services	1.09		0.88		(19.3)
Power generation	4.04		4.31		6.7
Residential	6.39		5.67		(11.3)
Own consumption	**6.19**		**6.21**		**0.3**
TOTAL SALES IN ITALY	**34.29**	**41.3**	**34.68**	**44.6**	**1.1**
Gas demand [a]	**83.10**		**77.84**		**(6.3)**

(a) Source: Italian Ministry of Economic Development.

3,000 clients including large businesses, power generation utilities, wholesalers and distributors of natural gas for automotive use. Residential users are 7.10 million and include households, professionals, small and medium sized enterprises, and public bodies located all over Italy.
In 2011, sales of natural gas were 96.76 bcm, down 0.30 bcm or 0.3%. Despite a 6% decline in natural gas demand, sales volumes on the Italian market were substantially stable, to 34.68 bcm (up 0.39 bcm, or 1.1%) due to the positive effect of market initiatives that led to higher sales to industrial customers (up 0.80 bcm), wholesalers (up 0.32 bcm) and to the power generation segment (up 0.27 bcm). Sales on the Italian exchange for gas and spot markets increased by 0.59 bcm. Lower sales volumes to the residential segment (down 0.72 bcm) reflected the impact of unusual weather conditions on seasonal sales and competitive pressures.

Eni's availability of natural gas

(bcm)



Gas sales by market (bcm)	2007	2008	2009	2010	2011
ITALY	**56.13**	**52.87**	**40.04**	**34.29**	**34.68**
Wholesalers	10.01	7.52	5.92	4.84	**5.16**
Gas release	2.37	3.28	1.30	0.68	
Italian gas exchange and spot markets	1.90	1.89	2.37	4.65	**5.24**
Industries	11.77	9.59	7.58	6.41	**7.21**
Medium-sized enterprises and services	1.00	1.05	1.08	1.09	**0.88**
Power generation	17.21	17.69	9.68	4.04	**4.31**
Residential	5.79	6.22	6.30	6.39	**5.67**
Own consumption	6.08	5.63	5.81	6.19	**6.21**
INTERNATIONAL SALES	**42.83**	**51.36**	**63.68**	**62.77**	**62.08**
Rest of Europe	**35.02**	**43.03**	**55.45**	**54.52**	**52.98**
Importers in Italy	10.67	11.25	10.48	8.44	**3.24**
European markets	24.35	31.78	44.97	46.08	**49.74**
Iberian Peninsula	*6.91*	*7.44*	*6.81*	*7.11*	***7.48***
Germany/Austria	*5.03*	*5.29*	*5.36*	*5.67*	***6.47***
Benelux		*4.77*	*15.72*	*14.87*	***11.95***
Hungary	*2.74*	*2.82*	*2.58*	*2.36*	***2.24***
UK/Northern Europe	*3.15*	*3.21*	*4.31*	*5.22*	***6.10***
Turkey	*4.62*	*4.93*	*4.79*	*3.95*	***6.86***
France	*1.62*	*2.66*	*4.91*	*6.09*	***7.01***
Other	*0.28*	*0.66*	*0.49*	*0.81*	***1.63***
Extra European markets	**2.42**	**2.33**	**2.06**	**2.60**	**6.24**
E&P in Europe and in the Gulf of Mexico	**5.39**	**6.00**	**6.17**	**5.65**	**2.86**
WORLDWIDE GAS SALES	**98.96**	**104.23**	**103.72**	**97.06**	**96.76**

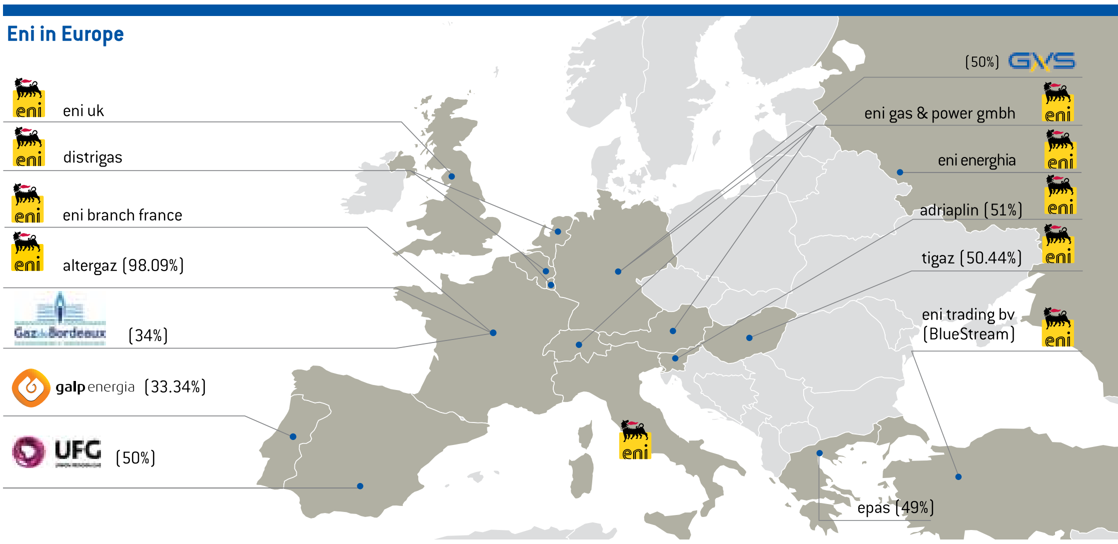
Marketing in the rest of Europe

Despite a challenging market scenario and rising competitive pressure, Eni intends to organically grow in particular in certain European key market such as France, Germany/Austria and Benelux, leveraging on our competitive cost-position, our multi-Country approach and on a pan-European commercial platform.

In 2011, sales on target markets in Europe of 49.74 bcm showed a positive trend, increasing by 7.9%, except for Benelux where competitive pressure, in particular in the wholesalers segment, reduced Eni's sale portfolio. The main increases were recorded in Turkey, due to increased off-takes by Botaş, France also due to the consolidation of Altergaz, UK/Northern Europe, Germany/Austria and the Iberian Peninsula.

A review of Eni's presence in key European markets is presented below.

Eni in Europe



2012-2015 Targets

- Increase of volume sales and market share in Italy
- Organic growth in Europe and expansion of sales in key markets of France, Germany/Austria and Benelux

The percentage represents Eni's interest in each subsidiary as of December 31, 2011.

Benelux

Eni holds a key position in the Benelux Countries (Belgium, the Netherlands and Luxembourg), in particular in Belgium, which are a strategic hub of the continental gas spot market in Western Europe, thanks to their central position and high level of interconnectivity with the gas transit networks of Central and Northern Europe. In 2011, sales in Benelux were mainly directed to industrial companies, wholesalers and power generation and amounted to 11.95 bcm (14.87 bcm in 2010), down by 2.92 bcm, or 19.6%, due to rising competitive pressure, in particular in the wholesalers segment.
In January 2012, in order to consolidate its position in Belgium, Eni finalized the acquisition of Nuon Belgium NV and Nuon Power Generation Wallon NV, two companies engaged respectively in marketing gas and electricity mainly to residential and professional customers in the Country, and in managing a project aimed to build a CCGT power plant at Seneffe in Belgium.

France

Eni sells natural gas to industrial clients, wholesalers and power generation as well as to the retail and middle market segments. Eni is present in the French market through its direct commercial activities and through its subsidiary Altergaz (Eni's interest being 98.09% as of December 31, 2011). Furthermore, Eni holds a 34% interest in Gaz de Bordeaux SAS (with a 17% direct interest and a further 17% held by Altergaz) which is engaged in selling natural gas in the municipality of Bordeaux. In 2011, sales in France amounted to 7.01 bcm (6.09 bcm in 2010), an increase of 0.92 bcm, or 15.1%, from a year ago.

Germany/Austria

Eni is present in the German natural gas market through its associate GVS (Gasversorgung Süddeutschland GmbH - Eni 50%) which sold approximately 4.68 bcm in 2011 (2.34 bcm net to Eni), and through a direct marketing structure which sold in 2011 approximately 3.23 bcm in Germany and 1.34 bcm in Austria. In 2011, sales in Germany/Austria market amounted to 6.47 bcm, an increase of 0.80 bcm, or 14.1%, from a year ago.

Iberian Peninsula

In 2011, total sales in the Iberian Peninsula amounted to 7.48 bcm, an increase of 0.37 bcm, or 5.2%, from a year ago.

Spain. Eni operates in the Spanish gas market through a direct marketing structure that markets its portfolio of LNG and Unión Fenosa Gas (UFG) (Eni's interest 50%) which mainly supplies natural gas to industrial clients, wholesalers and power generation utilities. In 2011, UFG gas sales in Europe amounted to 4.88 bcm (2.44 bcm Eni's share). UFG holds an 80% interest in the Damietta liquefaction plant, on the Egyptian coast (see below), and a 7.36% interest in a liquefaction plant in Oman. In addition, it holds interests in the Sagunto (Valencia) and El Ferrol (Galicia) re-gasification plants (42.5% and 18.9%, respectively). In 2011, Eni sales in Spain amounted to 5.79 bcm representing a slight increase from a year ago.

Portugal. Eni operates on the Portuguese market through its affiliate Galp Energia (Eni's interest 33.34%) which sold approximately 5.49 bcm in 2011 (1.83 bcm net to Eni).

Turkey

Eni sells gas supplied from Russia and transported via the Blue Stream pipeline. In 2011, sales amounted to 6.86 bcm, an increase of 2.91 bcm, or 73.7% from a year ago.

UK/Northern Europe

Eni through its subsidiary Eni UK Ltd markets in the UK the equity gas produced at Eni's fields in the North Sea and operates in the main continental natural gas hubs (NBP, Zeebrugge, TTF). In 2011, sales amounted to 6.10 bcm, an increase of 16.9% from a year ago.

Deborah Gas Storage Project in the Hewett area, UK
Eni has progressed in developing the Gas Storage Project on the Deborah field in the Hewett area located in the Southern Gas Basin in the North Sea, near the Bacton terminal. The Deborah Gas Storage Project is designed to provide the UK and North Western Europe markets with 4.6 bcm of working gas. Over the last two years significant progress has been made by completing the Front End Engineering Design ("FEED"), obtaining most of the necessary approvals including the agreement with The Crown Estate, the Gas Storage Licence from the Department of Energy and Climate Change ("DECC") and relevant permits from the North Norfolk District Counsel on the Bacton terminal.
In addition, the UK government has recently designated as strategic for the Country the need to develop storage infrastructures, also to support the development of power generation from renewable sources, which need an adequate production back-up from combined cycle plants in order to mitigate the risk associated to consumption peaks and the related price increases.
Eni believes that recent positions taken by the UK authorities are very important and encouraging for the Deborah storage project.
Thus, Eni together with other gas storage developers has started contacts with UK authorities to investigate any capacity mechanism that can reduce any possible risk associated to gas storage projects in the UK. FID on the project will depend on the outcome of said contacts with the UK governmental authorities and potential co-investors.

1.2 LNG

Eni is present in all phases of the LNG business: liquefaction, shipping, re-gasification and sale through operated activities or interests in joint ventures and associates. Eni's presence in the business is tied to the Company's plans to develop its large gas reserve base in Africa and elsewhere in the world. The LNG business has been deeply impacted by the economic downturn and oversupply affecting the European gas market, as well as by structural modifications in the US market where large availability of gas from unconventional sources have reduced the Country's dependence on gas imports via LNG.
Eni's main assets and projects in the LNG business are described below.

Egypt
Eni, through its interest in Unión Fenosa Gas, owns a 40% interest in the Damietta liquefaction plant with a capacity of approximately 5 mmtonnes/y of LNG which equates to a feedstock of 7.56 bcm/y of natural gas out of which the Gas & Power segment interest is up to 2.2 bcm/y to be marketed in Europe.

Spain
Eni through Unión Fenosa Gas holds a 21.25% interest in the Sagunto re-gasification plant, near Valencia, with a capacity of 8.8 bcm/y and a LNG storage capacity of 450,000 cm which will be increased to 600,000 cm after the ongoing construction of a fourth tank. At present, Eni's re-gasification capacity entitlement amounts to 1.9 bcm/y of gas.
Eni through Unión Fenosa Gas also holds a 9.45% interest in the El Ferrol re-gasification plant, located in Galicia, with a treatment capacity of approximately 3.6 bcm/y, of which 0.34 bcm/y being Eni's capacity entitlements. The LNG storage capacity of the plant is 300,000 cm in two tanks.

United States
Cameron. The Cameron LNG terminal is situated 18 miles from the Gulf of Mexico along the Calcasieu Channel in Hackberry, Louisiana. The facility where Eni owns a capacity entitlement to treat LNG commenced operations in the third quarter of 2009. In consideration of a changed demand outlook, on March 1, 2010, Eni renegotiated certain terms of the contract with US company Cameron LNG, relating to the farming out of a share of re-gasification capacity of the Cameron terminal.
The new agreement provides that Eni will be entitled to a daily send-out of 572,000 mmbtu (approximately 5.7 bcm/y) and a dedicated storage capacity of 160 kcm, giving Eni more flexibility in managing seasonal swings in gas demand. Furthermore, keeping account of the current oversupply of the US gas market, the Brass project (West Africa) for developing gas reserves to fuel the Cameron plant has been rescheduled with start-up in 2017.

Pascagoula. This project is part of an upstream development project related to the construction of an LNG plant in Angola designed to produce 5.2 mmtonnes of LNG (approximately 7.3 bcm/y) destined to the North American market in order to monetize part of the Company's gas reserves. As part of the downstream leg of the project, Eni signed a 20-year contract with Gulf LNG to buy 5.8 bcm/y of the re-gasification capacity of the plant near Pascagoula in Mississippi. The start-up of the re-gasification facility commenced in the fourth quarter of 2011, while the upstream project in Angola has yet to be started up.
At the same time Eni USA Gas Marketing Llc entered a 20-year contract for the purchase of approximately 0.9 bcm/y of re-gasified gas downstream the terminal owned by Angola Supply Services, a company whose partners also own Angola LNG.

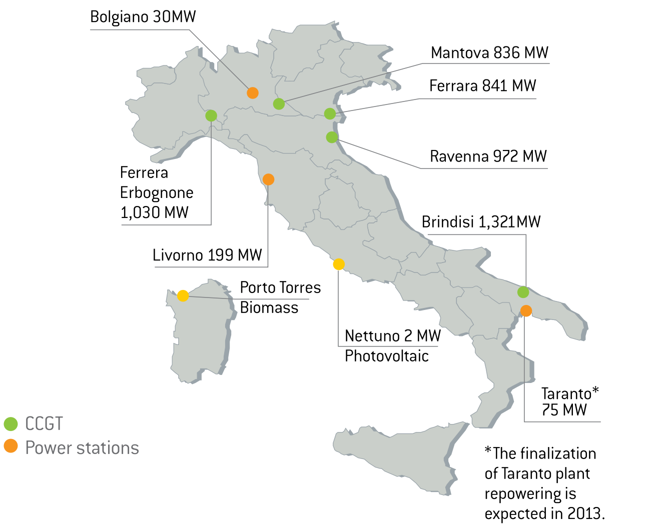
Qatar
Through its subsidiary Distrigas, Eni increased its development opportunities in the LNG business with access to new supply sources mainly from Qatar, under a 20-year agreement with RasGas (owned by Qatar Petroleum with a 70% interest and ExxonMobil with a 30% interest) and the Zeebrugge LNG terminal on the western coast of Belgium.

1.3 Power generation

Eni's power generation activity is conducted in the Ferrera Erbognone, Ravenna, Livorno, Taranto, Mantova, Brindisi, Ferrara and in Bolgiano plants, as well as in certain photovoltaic sites in Italy.
In 2011, power production was 25.23 TWh, down 0.40 TWh, or 1.6% from 2010, mainly due to lower production at the Brindisi plant, partly offset by increases at the Ravenna and Ferrara plants.
As of December 31, 2011, installed operational capacity was 5.3 GW[1] (5.3 GW in 2010).
Power availability in 2011 was supported by growth in electricity trading activities (up 1.14 TWh, or 8.2%) due to higher volumes traded on the Italian power exchange benefitting from lower purchase prices.
The power generation development plan mainly refers to the revamping of the Bolgiano plant (Eni 100%), the upgrading of the Taranto plant (Eni 100%), as well as the construction of a bio-mass power plant within the project for the remediation of the Porto Torres site. Development activities are currently underway also at the Ferrara plant (Eni 100%).

(1) Capacity available after completion of dismantling of obsolete plants.

EniPower plants and sites in Italy



Installed and operational generation capacity as of December 31, 2011: 5,036 MW
Fully installed capacity (2016): 5.4 GW

The combined cycle gas fired technology (CCGT) ensures a high level of efficiency and low environmental impact. In particular, management estimates that for a given amount of energy (electricity and steam) produced, using the CCGT technology instead of conventional power generation technology, the emission of carbon dioxide is reduced by about 5 mmtonnes, on an energy production of 26.5 TWh.

2. International transportation and Regulated businesses in Italy

Eni has transport rights on a large European network of integrated infrastructure for transporting natural gas, which links key consumption basins with the main producing areas (Russia, Algeria, Libya and the North Sea).

In Italy, Eni operates the major part of the national transport network, a number of gas underground storage deposits and related facilities, a re-gasification plant in Panigaglia and can rely on an extended system of local distribution networks.

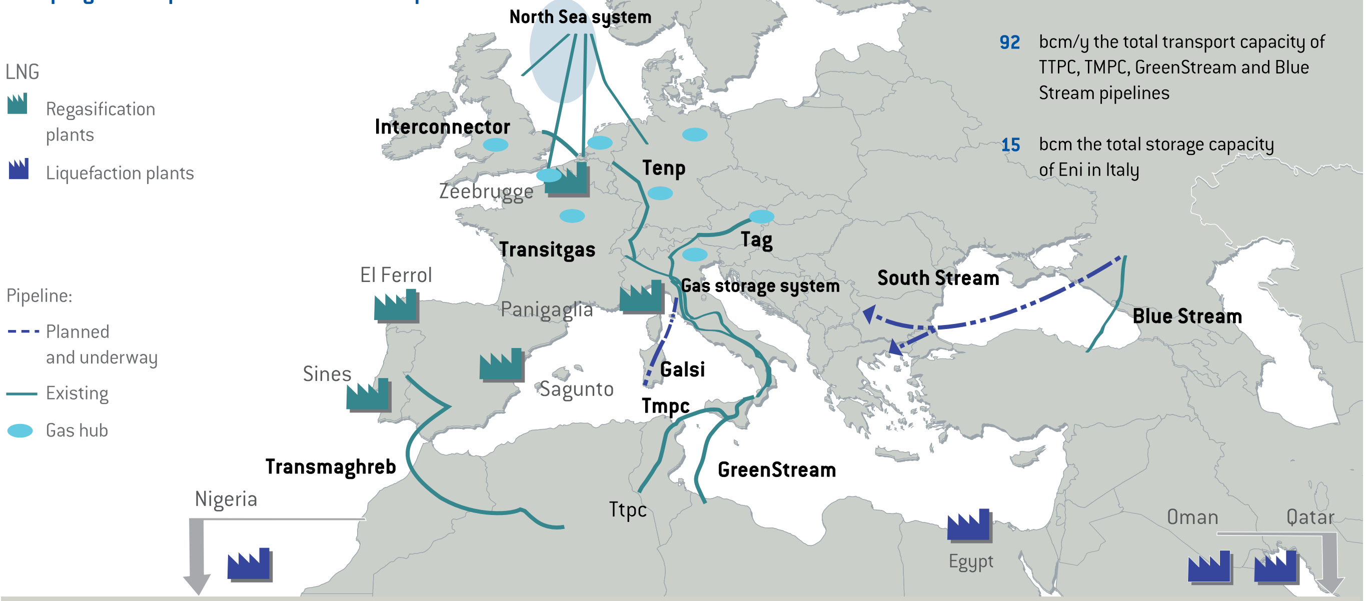
2.1 International transportation

Eni owns capacity entitlements in an extensive network of international high pressure pipelines enabling the Company to import to Italy natural gas produced in Russia, Algeria, the North Sea, including the Netherlands and Norway, and Libya. The Company participates to both entities which operate the pipelines and entities which manage transport rights. The structure of the Company's interests in these entities has significantly changed in 2011 following the divestment of Eni's interests in importing pipelines of natural gas from Northern Europe (TENP and Transitgas) and Russia (TAG) and related carrier companies, as part of the agreements signed on September 29, 2010 with the European Commission to settle an antitrust proceeding related to alleged anti-competitive behavior in the natural gas market. The divestments will not affect Eni's contractual gas transport rights.

A description of the main international pipelines currently participated or operated by Eni is provided below:

- the **TTPC pipeline**, 740-kilometer long, made up of two lines that are each 370-kilometer long with a transport capacity of 33.2 bcm/y and five compression stations. This pipeline transports natural gas from Algeria across Tunisia, from Oued Saf Saf at the Algerian border to Cap Bon on the Mediterranean coast where it links with the TMPC pipeline. The pipeline was recently upgraded by increasing compression capacity in order to enable transportation of an additional 6.5 bcm/y. The upgrade was finalized in 2008 and became fully-operational during 2009;
- the **TMPC pipeline** for the import of Algerian gas is 775-kilometer long and consists of five lines that are each 155-kilometer long with a transport capacity of 33.5 bcm/y. It crosses the underwater Sicily Channel from Cap Bon to Mazara del Vallo in Sicily, the point of entry into the Italian natural gas transport system;
- the **GreenStream pipeline**, jointly-owned with the Libyan National Oil Company, started operations in October 2004 for the import of Libyan gas produced at Eni operated fields Bahr Essalam and Wafa. It is 520-kilometer long with a transport capacity of 8 bcm/y (expandable to 11 bcm/y) and crosses underwater in the Mediterranean Sea from Mellitah on the Libyan coast to Gela in Sicily, the point of entry into the Italian natural gas transport system. From February 22, 2011 to October 2011, in consideration of the crisis in Libya, supplies of

Principal gas transport infrastructures in Europe

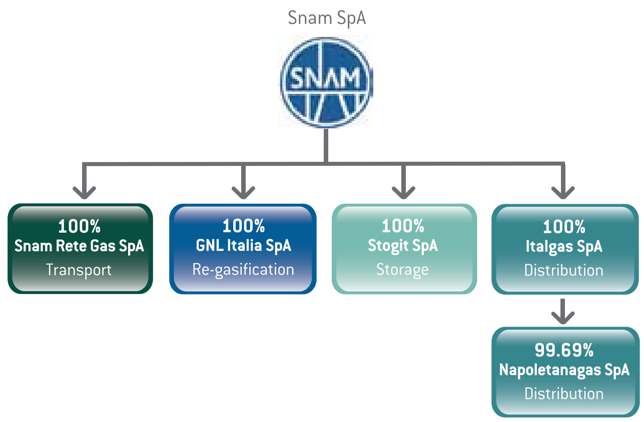


natural gas through the GreenStream pipeline have been suspended. Operations restarted late in October 2011;
- Eni holds a 50% interest in the **Blue Stream** underwater pipeline (water depth greater than 2,150 meters) linking the Russian coast to the Turkish coast of the Black Sea. This pipeline is 774-kilometer long on two lines and has transport capacity of 16 bcm/y.

2.2 The South Stream project

In September 2011, Eni and Gazprom within their strategic partnership signed a series of agreements in areas of common interest including the development of the South Stream project through the definition of terms for the participation to the project of gas operators Wintershall and EDF, each with a 15% stake. Gazprom and Eni hold 50% and 20% interests, respectively. In March 2012, terms for the commencement of construction of the gas pipeline were also agreed with the Final Investment Decision (FID) expected by November 2012.

Reorganization of Regulated businesses in Italy



2.3 Regulated businesses in Italy

Reorganization of regulated businesses in Italy

Implementing the so-called Third Energy Package, on December 5, 2011 with effect from January 1, 2012, "Snam Rete Gas SpA" changed its company name in "Snam SpA". At the same date Snam SpA transferred the "transportation, dispatch, remote control and metering of natural gas" business unit to a new company that from January 1, 2012, took the name of Snam Rete Gas SpA. The reorganization of Regulated businesses in Italy based on Snam SpA as holding the 100% interest in the four companies operating the transport, re-gasification, storage and distribution of natural gas, intends to build an organizational model meeting the new legal provisions on the unbundling of transport activities as provided by Italian laws implementing European Directive No. 2009/73/EC.

Infrastructure

Eni, through Snam SpA (Eni's interest being 52.53%), which is listed on the Italian Stock Exchange, operates most of the Italian natural gas transport network, a re-gasification terminal located in Panigaglia, an extensive local distribution network and gas underground storage deposits and related facilities.

Major pricing elements for regulated activities

	TRANSPORTATION	REGASIFICATION	STORAGE	DISTRIBUTION
End of regulatory period	- December 31, 2013	- September 30, 2012	- December 31, 2014	- December 31, 2012
Calculation of net invested capital recognised for regulatory purposes (RAB)	- Revalued historical cost	- Revalued historical cost	- Revalued historical cost - Deduction of restoration costs recognised	- Revalued historical cost - Parametric method for centralised assets
Return on net invested capital recognised for regulatory purposes (pre-tax WACC)	- 6.4% (transportation) - 6.9% (metering)	- 7.6%	- 6.7%	- 7.6% (distribution) - 8% (metering)
Incentives on new investments	- 1% over 5 years (on safety investments) - 2% over 7/10 years (on capacity upgrade investments) - 3% over 10/15 years (on entry capacity upgrade investments)	- 2% over 8 years (on expanding existing terminals by less than 30%) - 3% over 16 years (on expanding existing terminals by more than 30%)	- 4% over 8 years (on upgrading existing capacity) - 4% over 16 years (on developing new storage fields)	- 2% over 8 years (on replacing cast-iron pipes and renovating odorisation systems)
Efficiency factor (X FACTOR)	- 2.1% on operating costs	- 0.5% on operating costs	- 0.6% on operating costs	- 3.2% on distribution operating costs - 3.6% on metering operating costs
Gas demand	- 15% of revenues exposed to change in demand	- 10% of revenues exposed to change in demand	- No exposure to change in demand	- No exposure to change in demand

Italian transport activity

In light of their nature of public services, transport and re-gasification activities are regulated by the Authority for Electricity and Gas which determines the methods for calculating tariffs and fixing the return on capital employed. This makes transport a low risk business capable of delivering stable returns.

Snam Rete Gas (Snam 100%) is the main operator of natural gas transport in Italy with 32,010 kilometers of high and low pressure pipelines. Eni's network comprises:

- a national transport network extending 9,080 kilometers, made up of high pressure trunk-lines mainly with a large diameter, which carry natural gas from the entry points to the system – import lines, storage sites and main Italian natural gas fields – to the linking points with regional transport networks. Gaslines can be laid underground, with maximum diameter of 1,400 mm carrying gas at a pressure between 24 and 75 bar, or underwater crossing the Messina Strait, with diameter between 500 and 650 mm and pressure up to 115 bar. Natural gas coming from outside Italy is input in the national grid at 7 entry points, corresponding to the interconnections with import pipelines (Tarvisio, Gorizia, Gries Pass, Mazara del Vallo, Gela) and LNG regasification terminals (Panigaglia and Cavarzere). Storage fields are connected to the transport network at 2 virtual entry/exit points to the storage hubs. Natural gas leaving the national grid is carried on the regional network to the delivery points where it is offtaken by customers; and
- a regional transport network extending over 22,930 kilometers, made up of smaller lines, generally operated to a lower pressure, and allowing the transport of natural gas to large industrial complexes, power stations and local distribution companies in the various local areas served.

The major pipelines interconnected with import trunk-lines that are part of Eni's national network are:

for natural gas imported from Algeria (Mazara del Vallo delivery point):

- two lines with a 48/42-inch diameter, each approximately 1,500-kilometer long, including the smaller pipes that cross underwater the Messina Strait, connect Mazara del Vallo on the southern coast of Sicily where they link with the TMPC pipeline carrying Algerian gas, to Minerbio (near Bologna). This pipeline is undergoing upgrades with the laying of a third line with a 48-inch diameter and 583-kilometer long (of these 525 kilometers are already operation). At the Mazara del Vallo entry point the available transport capacity, which is measured at the beginning of each thermal year starting on October 1, is approximately 105 mmcm/d;

for natural gas imported from Libya (Gela delivery point):

- a 36-inch diameter line and 67-kilometer long linking Gela, the entry point of the GreenStream underwater pipeline, to the national network near Enna along the trunk-line transporting gas coming from Algeria. Transport capacity at the Gela entry point is approximately 38 mmcm/d;

for natural gas imported from Russia (Tarvisio and Gorizia delivery points):

- two lines with 42/36/34-inch diameters extending for a total length of approximately 900 kilometers connecting the Austrian network at Tarvisio. This facility crosses the Po Valley reaching Sergnano (near Cremona) and Minerbio (near Bologna). This pipeline has been upgraded by the laying of a third 264-kilometer long line with a diameter from 48 to 56 inches. The pipeline transport capacity at the Tarvisio entry point amounts to approximately 119 mmcm/d plus the transport capacity available at the Gorizia entry point of approximately 5 mmcm/d;

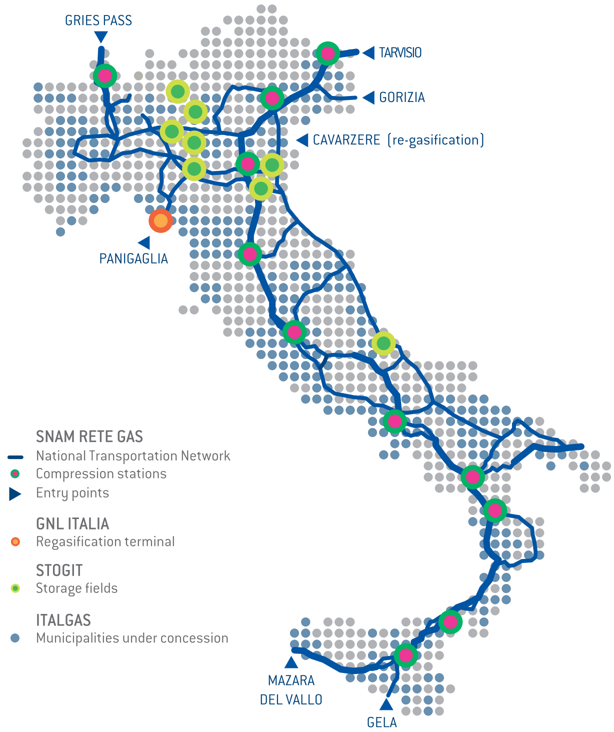
for natural gas imported from the Netherlands and Norway (Gries Pass delivery point):

- one line, with a 48-inch diameter and 177-kilometer long that extends from the Italian border at Gries Pass (Verbania), to the node of Mortara, in the Po Valley. The pipeline transport capacity at the Gries Pass entry point amounts to 64 mmcm/d;

for natural gas coming from the Panigaglia LNG terminal:

- one line, with a 30-inch diameter and 170-kilometer long that links

Gas infrastructures in Italy as of December 31, 2011



Transport capacity in Italy (mmcm/d)	2010-2011 Thermal year			2011-2012 Thermal year		
Entry points	Available capacity	Awarded capacity	Saturation (%)	Available capacity	Awarded capacity	Saturation (%)
Tarvisio	119.2	110.3	92.5	118.8	109.9	92.5
Mazara del Vallo	105.0	98.9	94.2	105.0	88.2	84.0
Gries Pass	64.8	55.0	84.9	64.4	61.7	95.8
Gela	35.2	34.3	97.4	37.6	21.9	58.2
Cavarzere (LNG)	26.4	24.6	93.2	26.4	24.6	93.2
Panigaglia (LNG)	13.0	7.2	55.4	13.0	11.4	87.7
Gorizia	4.8	0.5	10.4	4.8	0.6	12.5
	368.4	**330.8**	**89.8**	**370.0**	**318.3**	**86.0**

the Panigaglia terminal to the national transport network near Parma. The pipeline transport capacity at the Panigaglia entry point amounts to 13 mmcm/d; and

for natural gas coming from the Rovigo Adriatic LNG terminal:

- a 36-inch diameter connection at the Minerbio junction with the Cavarzere-Minerbio pipeline belonging to Edison Stoccaggio SpA, which receives gas from the LNG terminal located offshore of Porto Viro. The pipeline transport capacity at the Cavarzere entry point amounts to 26 mmcm/d.

Eni's transport system also includes: (i) eleven compressor stations with a total power of 883.7 MW used to increase gas pressure in pipelines to the level required for its flow; and (ii) four marine terminals linking underwater pipelines with the on-land network at Mazara del Vallo and Messina in Sicily and Favazzina and Palmi in Calabria. The interconnections managed by Snam Rete Gas in the Italian transport network are guaranteed by 22 linkage and dispatching nodes and by 568 plant units including pressure reduction and regulation plants. These plants allow the regulation of the flow of natural gas in the network and guarantee the connection of pipes working at different pressures.
Snam Rete Gas also provides dispatching services through a central operating plant that monitors and controls the operations of the transport network, receiving data from approximately 3,000 plants, of which over 1,500 are remotely controlled and are located all over Italy.
In 2011, volumes of natural gas input in the national grid (78.30 bcm) decreasing by 5.01 bcm from 2010 due to declining domestic demand.
Eni transported 43.18 bcm of natural gas on behalf of third parties, down 4.68 bcm from 2010, or 9.8%.
Eni, through its subsidiary GNL Italia, operates the regasification terminal of Panigaglia (La Spezia, Liguria). At full capacity, this terminal can regasify 17,500 cm of LNG per day and input 3.5 bcm/y into the Italian transport network.
In 2011, the LNG terminal in Panigaglia re-gasified 1.89 bcm of natural gas (1.98 bcm in 2010).

Distribution

Distribution involves the delivery of natural gas to residential and commercial customers in urban centers through low pressure networks. The Company's subsidiary Italgas and other subsidiaries operate in the distribution activity in Italy serving 1,330 municipalities through a low pressure network consisting of approximately 50,300 kilometers of pipelines supplying 5.9 million customers and distributing 7.64 bcm in 2011.
Distribution activities are considered a public service and therefore are regulated by the Authority for Electricity and Gas which determines the methods for calculating tariffs and fixing the return on capital employed.
Distribution activities are conducted under concession agreements whereby local public administrations award the service of gas distribution to companies. In accordance with the provisions of the relevant legislation, tenders for new natural gas distribution concessions will no longer be issued by each municipality but exclusively by the multi-municipality minimum geographical areas (known as "Ambiti Territoriali Minimi - ATEM", or local areas).

Storage

Eni through Stoccaggi Gas Italia SpA, operates in natural gas storage in Italy. Storage services are provided through 8 operating concessions, 4 of which are located in Lombardia (Brugherio, Ripalta, Sergnano e Settala), 3 in Emilia Romagna (Cortemaggiore, Minerbio e Sabbioncello) and 1 in Abruzzo (Fiume Treste). These storage sites are depleted gas fields and have been converted to storage by means of proper infrastructure and facilities that link them to the national grid. In particular, the storage system is managed in order to allow the optimal injection of gas and its supply in respect of technical and management constraints.
Storage services are provided by means of:

- storage fields;
- wells;
- linkage facilities;
- compression stations;
- treatment plants.

Storage fields contain cushion gas and working gas. Cushion gas is the amount of gas necessary for the field's operation and is the minimum indispensable volume present or injected in the field at the beginning of storage, that needs to be always present in the field. Working gas is the volume of gas produced and injected cyclically during the year. Storage activity consists of two separate phases:

- injection of gas underground;
- offtake of previously injected gas.

Injection of gas in the fields, through storage wells, usually taking place between April and October, is achieved through compression plants that increase the pressure of gas taken from the national distribution network.
Gas offtake, usually taking place between November and the following March, is achieved through treatment plants required to bring gas back to the marketing specifications.
In 2011, 7.78 bcm (down 0.22 bcm from 2010) were input to the Company's storage deposits, while 7.53 bcm of gas were off-taken (slightly lower than one year ago). In 2011, storage capacity amounted to 15 bcm, of which 5 were destined to strategic storage. The share of storage capacity used by third parties was 78% (71% in 2010).

Supply of natural gas (bcm)	2007	2008	2009	2010	2011
Italy	**8.65**	**8.00**	**6.86**	**7.29**	**7.22**
Outside Italy					
Russia	23.44	22.91	22.02	14.29	**21.00**
Algeria (including LNG)	18.41	19.22	13.82	16.23	**13.94**
Libya	9.24	9.87	9.14	9.36	**2.32**
Netherlands	7.74	9.83	11.73	10.16	**11.02**
Norway	5.78	6.97	12.65	11.48	**12.30**
United Kingdom	3.15	3.12	3.06	4.14	**3.57**
Hungary	2.87	2.84	0.63	0.66	**0.61**
Qatar (LNG)		0.71	2.91	2.90	**2.90**
Other supplies of natural gas	2.20	4.07	4.49	4.42	**6.16**
Other supplies of LNG	2.32	2.11	1.34	1.56	**2.34**
	75.15	**81.65**	**81.79**	**75.20**	**76.16**
Total supplies of Eni's own companies	**83.80**	**89.65**	**88.65**	**82.49**	**83.38**
Offtake from (input to) storage	1.49	(0.08)	1.25	(0.20)	**1.79**
Network losses, measurement differences and other changes	(0.46)	(0.25)	(0.30)	(0.11)	**(0.21)**
AVAILABLE FOR SALE BY ENI'S CONSOLIDATED SUBSIDIARIES	**84.83**	**89.32**	**89.60**	**82.18**	**84.96**
Available for sale of Eni's affiliates	**8.74**	**8.91**	**7.95**	**9.23**	**8.94**
E&P volumes	**5.39**	**6.00**	**6.17**	**5.65**	**2.86**
GAS VOLUMES AVAILABLE FOR SALE	**98.96**	**104.23**	**103.72**	**97.06**	**96.76**

Gas sales by entity (bcm)	2007	2008	2009	2010	2011
Sales of consolidated companies	**84.83**	**89.32**	**89.60**	**82.00**	**84.37**
Italy (including own consumption)	56.08	52.82	40.04	34.23	**34.60**
Rest of Europe	27.86	35.61	48.65	46.74	**45.16**
Outside Europe	0.89	0.89	0.91	1.03	**4.61**
Sales of Eni's affiliates (net to Eni)	**8.74**	**8.91**	**7.95**	**9.41**	**9.53**
Italy	0.05	0.05		0.06	**0.08**
Rest of Europe	7.16	7.42	6.80	7.78	**7.82**
Outside Europe	1.53	1.44	1.15	1.57	**1.63**
E&P in Europe and in the Gulf of Mexico	**5.39**	**6.00**	**6.17**	**5.65**	**2.86**
Worldwide gas sales	**98.96**	**104.23**	**103.72**	**97.06**	**96.76**

LNG sales (bcm)	2007	2008	2009	2010	2011
G&P sales	**8.0**	**8.4**	**9.8**	**11.2**	**11.8**
Italy	1.2	0.3	0.1	0.2	
Rest of Europe	5.6	7.0	8.9	9.8	**9.8**
Extra European markets	1.2	1.1	0.8	1.2	**2.0**
E&P sales	**3.7**	**3.6**	**3.1**	**3.8**	**3.9**
Liquefaction plants:					
Bontang (Indonesia)	0.7	0.7	0.8	0.7	**0.6**
Point Fortin (Trinidad & Tobago)	0.6	0.5	0.5	0.6	**0.4**
Bonny (Nigeria)	2.0	2.0	1.4	2.2	**2.5**
Darwin (Australia)	0.4	0.4	0.4	0.3	**0.4**
	11.7	**12.0**	**12.9**	**15.0**	**15.7**

Electricity sales (TWh)	2007	2008	2009	2010	2011
Free market	20.73	22.89	24.74	27.48	**26.87**
Italian Exchange for electricity	8.66	3.82	4.70	7.13	**8.67**
Industrial plants	2.81	2.71	2.92	3.21	**3.23**
Other [a]	0.99	0.51	1.60	1.72	**1.51**
Power sales	**33.19**	**29.93**	**33.96**	**39.54**	**40.28**
Power generation	**25.49**	**23.33**	**24.09**	**25.63**	**25.23**
Trading of electricity [a]	**7.70**	**6.60**	**9.87**	**13.91**	**15.05**

(a) Include positive and negative imbalances.

EniPower power stations	Installed capacity as of December 31, 2011 [a]	Fully installed capacity (2016) [b]	Effective/planned start-up	Technology	Fuel
Power stations	(MW)	(GW)			
Brindisi	1,321	1.3	2006	CCGT	gas
Ferrera Erbognone	1,030	1.0	2004	CCGT	gas/syngas
Livorno	199	0.2	2000	Power station	gas/fuel oil
Mantova	836	0.9	2005	CCGT	gas
Ravenna	972	1.0	2004	CCGT	gas
Taranto	75	0.1	2000	Power station	gas/fuel oil
Ferrara	841	0.8	2008	CCGT	gas
Bolgiano	30	0.1	2012	Power station	gas
Photovoltaic sites	2		2011-2015	Photovoltaic	photovoltaic
Porto Torres			2016	Cogeneration power station	biomass
	5,306	**5.4**			

(a) Capacity available after completion of dismantling of obsolete plants.
(b) Installed and operational generation capacity.

Power generation		2007	2008	2009	2010	2011
Purchases						
Purchases of natural gas	(mmcm)	4,860	4,530	4,790	5,154	**5,008**
Purchases of other fuels	(ktoe)	720	560	569	547	**528**
- of which steam cracking		137	131	82	103	**99**
Production						
Power generation	(TWh)	25.49	23.33	24.09	25.63	**25.23**
Steam	(ktonnes)	10,849	10,584	10,048	10,983	**14,401**
Installed generation capacity	(GW)	**4.9**	**4.9**	**5.3**	**5.3**	**5.3**

Gas volumes transported [a] and regasified in Italy	(bcm)	2007	2008	2009	2010	2011
Gas volumes transported		83.28	85.64	76.90	83.31	**78.30**
Gas volumes regasified		2.38	1.52	1.32	1.98	**1.89**

(a) Include amounts destined to domestic storage.

Transport infrastructure

Route	Lines	Length of main line	Diameter	Transport capacity [a]	Pressure min-max	Compression stations
ITALY	(units)	(km)	(inch)	(mmcm/d)	(bar)	(No.)
Mazara del Vallo-Minerbio (under upgrading)	2/3	1,480	48/42 - 48	105.0	75	7
Tarvisio-Sergnano-Minerbio	3	434	42/36, 34 and 48/56	118.8	58/75	3
Passo Gries-Mortara	1/2	177	48/34	64.4	55/75	1

	Lines	Total Length	Diameter	Transport capacity [b]	Transit capacity [c]	Compression stations
OUTSIDE ITALY	(units)	(km)	(inch)	(bcm/y)	(bcm/y)	(No.)
TTPC (Oued Saf Saf-Cap Bon)	2 lines of km 370	740	48	34.0	33.2	5
TMPC (Cap Bon-Mazara del Vallo)	5 lines of km 155	775	20/26	33.5	33.5	
GreenStream (Mellitah-Gela)	1 line of km 520	520	32	8.0	8.0	1
Blue Stream (Beregovaya-Samsun)	2 lines of km 387	774	24	16.0	16.0	1

(a) Transport capacity refers to the capacity at the Entry Point connected to the import pipelines.
(b) Includes both transit capacity and volumes of natural gas destined to local markets and withdrawn at various points along the pipeline.
(c) The maximum volume of natural gas which is input at various entry points along the pipeline and transported to the next pipeline.

Distribution of natural gas in Italy		2007	2008	2009	2010	2011
Volumes distributed	(bcm)	7.44	7.63	7.73	8.15	7.64
to Eni		*5.66*	*6.33*	*6.26*	*6.30*	*5.59*
to third parties		*1.78*	*1.30*	*1.47*	*1.85*	*2.05*
Installed network	(km)	48,746	49,410	49,973	50,307	50,301
Active meters	(contracts)	5,598,677	5,676,105	5,770,672	5,848,478	5,896,611
Municipalities served	(units)	1,318	1,320	1,322	1,330	1,330

Storage		2007	2008	2009	2010	2011
Total storage capacity:	(bcm)	**13.6**	**13.7**	**13.9**	**14.2**	**15.0**
- of which strategic storage		*5.1*	*5.1*	*5.0*	*5.0*	*5.0*
- of which available storage		*8.5*	*8.6*	*8.9*	*9.2*	*10.0*
Available capacity:	(%)					
- share utilized by Eni		*44*	*39*	*30*	*29*	*22*
- share utilized by third parties		*56*	*61*	*70*	*71*	*78*
Total offtake from (input to) storage:	(bcm)	**9.27**	**11.57**	**16.52**	**15.59**	**15.31**
- input to storage		*4.00*	*6.30*	*7.81*	*8.00*	*7.78*
- offtake from storage		*5.27*	*5.27*	*8.71*	*7.59*	*7.53*
Total customers	(No.)	**44**	**48**	**56**	**60**	**104**

Capital expenditures	(€ million)	2007	2008	2009	2010	2011
Italy		**1,219**	**1,750**	**1,564**	**1,575**	**1,661**
Outside Italy		**292**	**308**	**122**	**110**	**60**
		1,511	**2,058**	**1,686**	**1,685**	**1,721**
Marketing		**238**	**198**	**175**	**248**	**184**
Marketing		63	91	102	133	97
Italy		*13*	*16*	*12*	*40*	*45*
Outside Italy		*50*	*75*	*90*	*93*	*52*
Power generation		175	107	73	115	87
Regulated businesses in Italy		**1,031**	**1,627**	**1,479**	**1,420**	**1,529**
Transport		691	1,130	919	842	898
Distribution		195	233	278	328	337
Storage		145	264	282	250	294
International transport		**242**	**233**	**32**	**17**	**8**
		1,511	**2,058**	**1,686**	**1,685**	**1,721**

Refining & Marketing

Key performance indicators

		2007	2008	2009	2010	2011
Employee injury frequency rate	(No. of accidents per million hours worked)	3.57	2.88	3.18	1.77	**2.02**
Contractors injury frequency rate		4.31	3.45	4.35	3.59	**3.21**
Net sales from operations [a]	(€ million)	36,349	45,017	31,769	43,190	**51,219**
Operating profit		686	(988)	(102)	149	**(273)**
Adjusted operating profit		292	580	(357)	(171)	**(535)**
Adjusted net profit		294	521	(197)	(49)	**(262)**
Capital expenditure		979	965	635	711	**866**
Adjusted capital employed, net at year end		7,149	8,260	7,560	7,859	**8,600**
Adjusted ROACE	(%)	4.6	6.5	(2.6)	(0.6)	**(3.1)**
Refinery throughputs on own account	(mmtonnes)	37.15	35.84	34.55	34.80	**31.96**
Conversion index	(%)	56	58	60	61	**61**
Balanced capacity of refineries	(kbbl/d)	748	737	747	757	**767**
Retail sales of petroleum products in Europe [b]	(mmtonnes)	12.65	12.03	12.02	11.73	**11.37**
Service stations in Europe at year end [b]	(units)	6,440	5,956	5,986	6,167	**6,287**
Average throughput per service station in Europe [b]	(kliters)	2,486	2,502	2,477	2,353	**2,206**
Retail efficiency index	(%)	1.49	1.56	1.61	1.53	**1.50**
Employees at year end	(units)	9,428	8,327	8,166	8,022	**7,591**
Direct GHG emissions	(mmtonnes CO_2eq)	8.42	7.74	7.29	7.76	**7.23**
SO_x (sulphur oxide) emissions	(ktonnes SO_2eq)	26.19	23.18	21.98	28.05	**23.07**
NO_x (nitrogen oxide) emissions	(ktonnes NO_2eq)	7.59	7.38	7.35	7.96	**6.74**
Water consumption rate	(cm/tonnes)	36.25	36.29	35.99	28.36	**31.07**
Customer satisfaction index	(likert scale)	8.22	8.14	7.93	7.84	**7.74**

(a) Before elimination of intragroup sales.
(b) 2007 data include downstream activities in the Iberian Peninsula divested to Galp in October 2008.

Performance of the year

The injury frequency rate for Eni employees increased by 14% from 2010: in 2011, 26 accidents occurred.

In 2011, NO_x and SO_x emissions significantly declined (down 15% and down 18%, respectively) from 2010, due to the use of natural gas to replace fuel oil and to energy saving measures.

In 2011, this segment reported an adjusted net loss of €262 million worsening by €213 million from 2010, reflecting unprofitable refining margins due to rising costs for oil-based feedstock and for energy utilities linked to the former that could not be transferred to prices at the pump, also due to weak demand and excess capacity in the Mediterranean basin. Marketing results were positive but shrinking due to the decline in retail and wholesale demand for products.

Return on average capital employed on an adjusted basis was a negative 3.1% (-0.6% in 2010).

In 2011 refining throughputs were 31.96 mmtonnes (down 8.2% from 2010). In Italy, processed volumes decreased by 8.7%, reflecting the decision to cut throughputs at the Venice plant in response to an unfavorable market scenario and the impact of planned standstills at the other plants. Outside Italy, Eni's refining throughputs decreased by 5.3% in particular in the Czech Republic as a consequence of the relevant planned downtime at the Litvinov refinery.

Retail sales in Italy of 8.36 mmtonnes decreased by 3.1%, driven by lower consumption of gasoil and gasoline in an unfavorable market scenario with high competitive pressure. Eni's average retail market share for 2011 was 30.5%, up 0.1 percentage points from 2010.

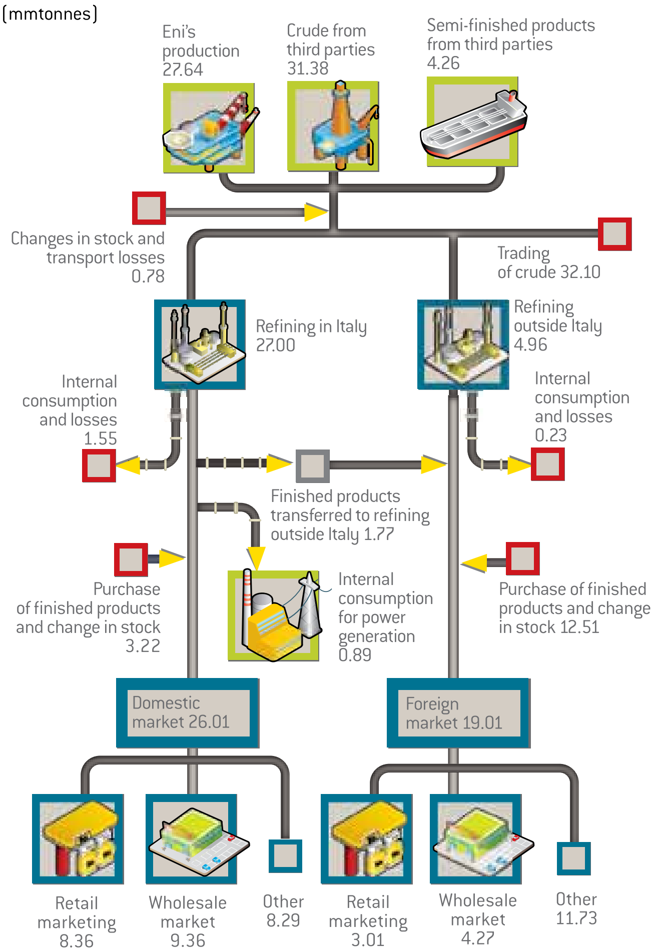
Retail sales in the rest of Europe of 3.01 mmtonnes were down by 2.9% from 2010. Volume additions in Austria, reflecting 2010 acquisitions were offset by lower sales in Germany due to certain lease contract terminations, in France due to the rationalization of the network of service stations and in Eastern Europe due to declining demand.

Capital expenditure of €866 million related mainly to projects designed to improve the conversion capacity and flexibility of refineries, logistics, upgrade of the fuel distribution network in Italy and in the rest of Europe and initiatives in the field of health, safety and the environment.

In 2011, total expenditure in R&D in the Refining & Marketing Division amounted to approximately €32 million, net of general and administrative costs. In the year, 8 patent applications were filed.

Production cycle of refined products in 2011

(mmtonnes)



Activities

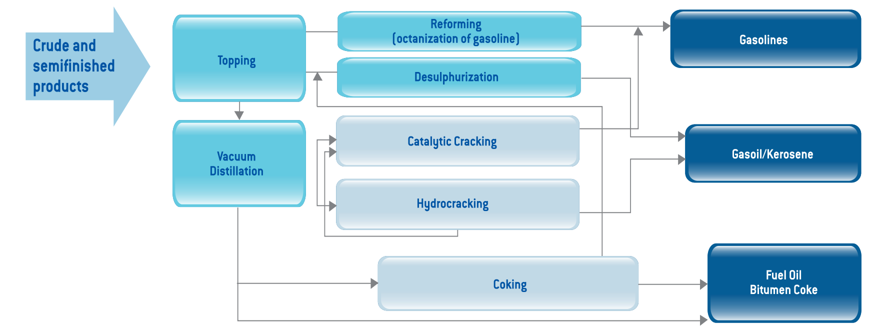
1. Refining

Eni, through its Refining & Marketing Division, is the leader operator in Italy in refining, with its five wholly owned refineries (Sannazzaro, Livorno, Porto Marghera, Taranto and Gela), and in marketing of petroleum products. In the rest of Europe Eni also holds interests in certain refining poles and is active in retail and wholesale sales in Central/Eastern Europe Countries.
As of December 31, 2011, Eni's refining system had total refinery capacity (balanced with conversion capacity) of approximately 38.3 mmtonnes (equal to 767 kbbl/d) and a conversion index of 61%. In 2011, total refinery throughputs were 31.96 mmtonnes, of which 27 mmtonnes in Italy and 4.96 outside Italy.
Total throughputs in wholly-owned refineries were 22.75 mmtonnes, down by 2.95 mmtonnes from 2010, or 11.5%, determining a refinery utilization rate of 79%, declining from 2010 consistent with the unfavorable scenario. Approximately 22.3% of processed crude volumes was supplied by Eni's Exploration & Production segment (15.8% in 2010) representing a 6.5 percentage point increase from 2010.

Italy

Eni's refining system in Italy is composed of five wholly-owned refineries and a 50% interest in the Milazzo refinery in Sicily. Each of Eni's refineries in Italy have operating and strategic features that aim at maximizing the value associated to the asset structure, the geographic positioning with respect to end markets and the integration with Eni's other activities.

Scheme of the refining cycle



The capacity of complex plants determines the flexibility level of refineries that allows to partially disengage the quality and mix of outputs from properties of processed inputs. The higher the complexity of a plant, the wider the content of heavy molecules and impurities of feedstocks, that lead, however, to an high percentage of light and high quality final products (mainly gasolines and gasoils).

Crude oil that needs to be carried to the refinery by means of pipelines or over long distances by tanker ships undergoes processing for the separation of its components. In refineries crude oil is warmed to a temperature of approximately 400° C so that it turns into vapour. Oil vapours are injected in fractionating columns, also called distillation towers, where they flow upward through a series of plates and cool. At various temperatures they condense and return to a liquid state. While cooling and falling they separate in various hydrocarbon fractions (gasoil, kerosene, naphtha, gasoline, methane, ethane, propane and butane, fuel oil, lubricants, paraffin, wax and bitumen).

Refining system in 2011

	Ownership share	Distillation capacity (total)	Distillation capacity (Eni's share)	Primary balanced refining capacity (Eni's share)	Conversion index	Fluid catalytic cracking - FCC	Residue conversion	Go-Finer	Mild Hydro-cracking/ Hydro-cracking	Visbreaking/ Thermal cracking	Coking	Distillation capacity utilization rate (Eni's share)	Balanced refining capacity utilization rate (Eni's share)
	(%)	(kbbl/d)	(kbbl/d)	(kbbl/d)	(%)	(kbbl/d)	(kbbl/d)	(kbbl/d)	(kbbl/d)	(kbbl/d)	(kbbl/d)	(%)	(%)
Wholly-owned refineries		**685**	**685**	**574**	**64**	**69**	**42**	**37**	**29**	**89**	**46**	**66**	**79**
Italy													
Sannazzaro	100	223	223	190	59	34	12		29	29		80	94
Gela	100	129	129	100	142	35		37			46	50	65
Taranto	100	120	120	120	72		30			38		83	83
Livorno	100	106	106	84	11							67	85
Venice	100	107	107	80	20					22		38	51
Partially owned refineries [a]		**874**	**245**	**193**	**51**	**167**	**25**		**99**	**27**		**88**	**101**
Italy													
Milazzo	50	248	124	80	76	45	25		32			89	119
Germany													
Vohburg/Neustadt (Bayernoil)	20	215	43	41	36	49			43			92	92
Schwedt	8.33	231	19	19	42	49				27		105	105
Czech Republic													
Kralupy and Litvinov (Ceska Rafinerska)	32.4	180	59	53	30	24			24			79	88
Total		**1,559**	**930**	**767**	**61**	**236**	**67**	**37**	**128**	**116**	**46**	**72**	**85**

(a) Capacity of conversion plant is 100%.

Sannazzaro: the refinery has balanced refining capacity of 190 kbbl/d and a conversion index of 59%. Management believes that this unit is among the most efficient refineries in Europe. Located in the Po Valley, it mainly supplies markets in North-Western Italy and Switzerland. The high degree of flexibility and conversion capacity of this refinery allows it to process a wide range of feedstock. From a logistical standpoint this refinery is located along the route of the Central Europe Pipeline, which links the Genoa terminal with French speaking Switzerland. This refinery contains two primary distillation plants and relevant facilities, including three desulphurization units. Conversion is obtained through a fluid catalytic cracker (FCC), two hydrocrackers (HdCK), which enable middle distillate conversion and a visbreaking thermal conversion unit with a gasification facility using the heavy residue from visbreaking (tar) to produce syn-gas to feed the nearby EniPower power plant at Ferrera Erbognone. Eni is developing a conversion plant employing the Eni Slurry Technology with a 23 kbbl/d capacity for the processing of extra heavy crude with high sulphur content producing high quality middle distillates, in particular gasoil, and reducing the yield of fuel oil to zero. Start-up of this facility is scheduled by the end of 2012. In addition the Short Contact Time-Catalytic Partial Oxidation project is underway for the production of hydrogen.

Taranto: the refinery has balanced refining capacity of 120 kbbl/d and a conversion index of 72%. This refinery can process a wide range of crude and other feedstock. It principally produces fuels for automotive use and residential heating purposes for the Southern Italian markets. Besides its primary distillation plants and relevant facilities, including two units for the desulphurization of middle distillates, this refinery contains a two-stage thermal conversion plant (visbreaking/thermal cracking) and an RHU conversion plant for the conversion of high sulphur content residues into valuable products and catalytic cracking feedstocks. It processes most of the oil produced in Eni's Val d'Agri fields carried to Taranto through the Monte Alpi pipeline (in 2011, a total of 2.5 mmtonnes of this oil were processed).

Gela: the refinery has balanced refining capacity of 100 kbbl/d and a conversion index of 142%. This refinery is located on the southern coast of Sicily and is integrated with upstream operations as it processes heavy crude produced from Eni's nearby offshore and onshore fields in Sicily. Its high conversion level is ensured by an FCC unit with go-finer for feedstocks upgrading and two coking plants enabling conversion of heavy residues topping or vacuum residues. The power plant of this refinery also contains residue and exhaust fume treatment plants (so-called SNO_x) which allow full compliance with the tightest environmental standards, removing almost all sulphur and nitrogen composites coming from the coke burning-process. An upgrade of the Gela refinery is underway by means of a refurbishment of its power plant, substantially renewing pet-coke boilers, aimed at increasing profitability maximizing synergies deriving from the integration of refining and power generation.

Livorno: the refinery, with balanced refining capacity of 84 kbbl/d and a conversion index of 11%, manufactures mainly gasoline, fuel oil for bunkering and lubricant bases. Besides its primary distillation plants, this refinery contains two lubricant manufacturing lines. Its pipeline links with the local harbor and with the Florence storage sites by means of two pipelines optimizes intake, handling and distribution of products.

Venice: the refinery, with balanced refining capacity of 80 kbbl/d and a conversion index of 20%, this refinery supplies mainly markets in North-Eastern Italy and Austria. Besides its primary distillation plants, this refinery contains a two-stage thermal conversion plant (visbreaking/thermal cracking) designed to increase yields of valuable products.

Milazzo: jointly-owned by Eni and Kuwait Petroleum Italy, the refinery has balanced primary refining capacity of 80 kbbl/d (Eni's share) and a conversion rate of 73%. It is located on the northern coast of Sicily and is provided with two primary distillation plants, one unit of fluid catalytic cracking (FCC), one hydrocracking unit for the conversion of middle distillates (HdCK) and one unit devoted to the residue treatment process (LC-Finer).

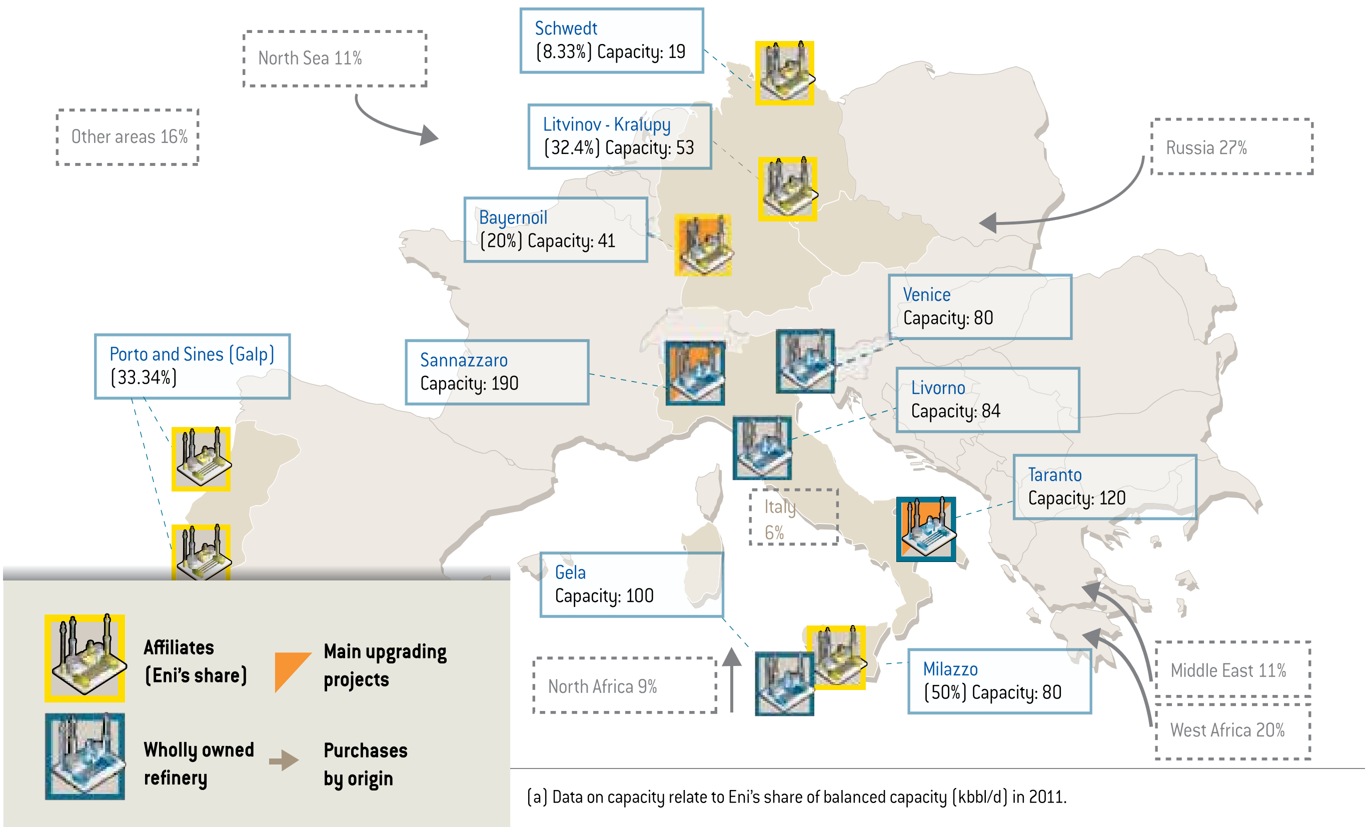
Outside Italy

In Germany, Eni holds an 8.33% interest in the Schwedt refinery and a 20% interest in Bayernoil, an integrated pole that included Vohburg and Neustadt refineries. Eni's refining capacity in Germany amounts to approximately 60 kbbl/d mainly used to supply Eni's distribution network in Bavaria and Eastern Germany. Eni holds a 32.4% stake in Ceska Rafinerska, which includes two refineries, Kralupy and Litvinov, in the Czech Republic. Eni's share of refining capacity amounts to about 53 kbbl/d.
In addition, through its 33.34% interest in Galp, Eni participates two refineries in Portugal: a small one in Porto specialized in the manufacture of lubricant bases and a larger and more complex refinery in Sines integrated with petrochemical productions.

2. Logistics

Eni is a primary operator in storage and transport of petroleum products in Italy with its logistical integrated infrastructure consisting of 20 directly managed storage sites and a network of petroleum product pipelines for the sale and storage of refined products, LPG and crude oil. Eni's logistics model is organized in a hub structure including five main areas. These hubs monitor and centralize the handling of product flows aiming to drive forward more efficiency particularly in cost control of collection and delivery of orders. Eni holds interests in five joint entities established by partnering the major Italian operators. These are located in Vado Ligure-Genova (Petrolig), Arquata Scrivia (Sigemi), Venice (Petroven), Ravenna (Petra) and Trieste (DCT) and aim at reducing logistic cost, and increasing efficiency. Eni operates in the transport of oil and refined products: (i) by sea, through spot and long-term lease contracts of tanker ships; and (ii) on land, through the ownership of a pipeline network extending approximately 1,447 kilometers. Secondary distribution to retail and wholesale markets is effected through third parties who also own their means of transportation.

Eni's refining system [a] and main supply flows



(a) Data on capacity relate to Eni's share of balanced capacity (kbbl/d) in 2011.

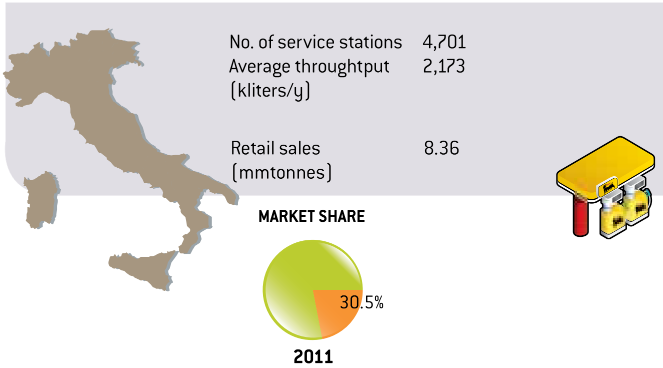
3. Marketing

Retail Italy

In Italy Eni is leader in retail marketing of refined products with a 30.5% market share, up 0.1 percentage point from 2010.
Retail sales in Italy of 8.36 mmtonnes (10.6 billion liters) decreased by approximately 270 ktonnes (10.9 billion liters), or down 3.1%, driven by lower consumption of gasoil and gasoline, particularly in the highway segment which was hit by automotive transport decline.
Average gasoline and gasoil throughput (2,173 kliters) decreased by approximately 149 kliters from 2010.
At December 31, 2011, Eni's retail network in Italy consisted of 4,701 service stations, 159 more than at December 31, 2010 (4,542 service stations), resulting from the positive balance of acquisitions/releases of lease concessions (158 units), the opening of new service stations (14 units), partly offset by the closing of service stations with low throughput (13 units).
The re-branding of Eni's service stations continued in 2011. We plan that by the end of 2012 80% of our proprietary service stations will have been re-branded to the "eni brand". In the context of weak domestic demand for fuels and rising competition, despite a planned reduction of approximately 500 service stations, management plans to preserve the

market share achieved in 2011 (30.5%) by improving service quality, upgrading our outlets, retaining customers by means of innovative marketing actions and segmentation of the offering (in function of payment modalities or quality of the product, enhancing the role of loyalty programs). Great focus will be dedicated to improve efficiency by the automation of part of the network. Finally we expect a growing contribution to profitability by non-oil activities as we intend to expand the quality and range of products and services offered to our customers and pursue continuing innovation in the layout of our stores located at our proprietary outlets.

Retail in Italy - Eni's competitive position



Premium fuels

In 2011, even sales of premium fuels (fuels of the "eni blu+" line with high performance and lower environmental impact), despite the support of strong promotional campaigns, were affected by the decline in domestic consumption and were lower than the previous year.
In particular, sales of eni bludiesel+ amounted to approximately 493 mmtonnes (approximately 592 mmliters) with a decline of approximately 80 ktonnes from 2010 and represented 9% of volumes of gasoil marketed by Eni's retail network. At December 31, 2011, service stations marketing bludiesel+ totaled 4,130 units (4,071 at 2010 year-end) covering approximately 88% of Eni's network.
Retail sales of blusuper+ amounted to 62 ktonnes (approximately 83 mmliters), with a slight decrease from 2010, and covered 2.4% of gasoline sales on Eni's retail network (down 0.2% from a year ago).
At December 31, 2011, service stations marketing blusuper+ totaled 2,703 units (2,672 at December 31, 2010), covering approximately 57% of Eni's network.
Within the development of innovative fuels and bio-fuels, in addition to the mentioned eni blu+ line, Eni is working at new catalysts for desulfuration for the optimization of gasoil quality and, with particular reference to bio-fuels, is studying the use of non food feedstocks – deriving from biomass at the Donegani Research Center – for its Ecofining proprietary technology, identifying new bio-components pro fuel, and evaluating their compatibility with engines.

Promotional actions

you&eni
In 2010, Eni launched the new "you&eni" loyalty points program, which will last 3 years until January 31, 2013. This initiative offers prizes to customers in proportion to their purchases of fuels and convenience items through the accumulation of points on a loyalty card at service stations' stores as well as at the ones of certain partners to the program.

With reference to the promotional initiative, the cards that made at least one transaction in the period were approximately 6.5 million at December 31, 2011. The average number of cards monthly active was approximately 2.6 million. Volumes sold to customers cumulating points on their card were approximately 39% of total throughputs.

Iperself
In 2011, Eni, in addition to its "Iperself" promotional campaign which provides a discount to customers purchasing fuel in self-service stations during closing hours, launched a new promotional campaign denominated "Iperself h24". This promotion provides a discount on the corresponding price at self-service pump during the all day. Jointly with other marketing activities this initiative supported sales against the backdrop of weak demand and increased price elasticity.

Multicard Routex
The Routex Multicard paying card is addressed to professional transport (transporters and car fleets) and provides users with services ranging from delayed payment to discounts on fuel prices, centralized invoicing, reports on consumption and distances covered, in addition to toll paying in highways. This initiative aims at gaining loyalty from customers across Europe as the card can be used in Italy on all Agip branded service stations and, in its international version, on the service stations of all members of the Routex consortium (Aral, BP, OMV and Statoil).

Non-oil

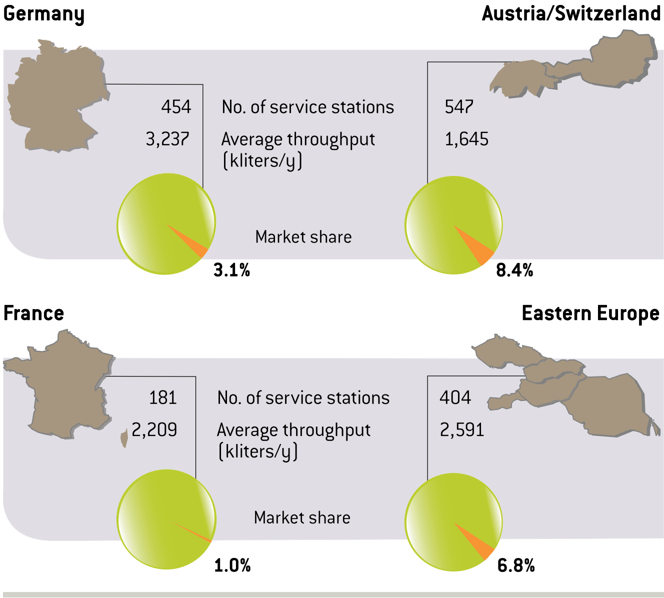
In 2011, Eni continued to be engaged in increasing its supply of non-oil products and services in its service stations in Italy by developing a chain of franchised outlets, in particular: (i) "enicafè", a format present in 350 stations following the upgrading of bars and stores in its network; (ii) "enicafè&shop", a format including corners for the sale of food and car-care products in 200 Eni outlets. In 2011, Eni also launched a new self-service option h24 of food, non-food and personal care products by means of the installation of Eni branded vending machines in 150 outlets with the aim of extending this service to over 1,000 outlets in the next two years.
In 2011, non-oil returns on retail network, including lubricants margins, were €67.4 million.

Retail rest of Europe

In 2011, retail sales of refined products marketed in the rest of Europe (3.01 mmtonnes) were down 2.9% (approximately 90 ktonnes) from 2010. Volume additions in Austria, reflecting the 2010 acquisitions, were offset by lower sales in Germany due to certain lease contract terminations, in France due to the rationalization of service stations with lower throughput and in Eastern Europe due to declining demand.
At December 31, 2011, Eni's retail network in the rest of Europe consisted of 1,586 units, a decrease of 39 units from December 31, 2010 (1,625 service stations). The network evolution was as follows: (i) the closing of 41 low throughput service stations mainly in Austria and France; (ii) the negative balance of acquisitions/releases of lease concessions (17 units) with negative changes in particular in Germany, Austria and Switzerland; (iii) the purchase of 12 service stations, in particular in France and Germany; and (iv) the opening of 7 new outlets. Average throughput (2,299 kliters) decreased by 142 kliters from 2010 (2,441 kliters).
Eni's strategy in the rest of Europe is focused on selectively growing its market share, particularly in Germany and Eastern Countries (e.g. Czech Republic) leveraging on the synergies

ensured by the proximity of these markets to Eni's production and logistics facilities.

Retail rest of Europe - 2011 Eni's competitive position



4. Wholesale Business

Fuels

Eni markets gasoline and other fuels on the wholesale market in Italy, including diesel fuel for automotive use and for heating purposes, for agricultural vehicles and for vessels and fuel oil. Major customers are resellers, agricultural users, manufacturing industries, public utilities and transports, as well as final users (transporters, condominiums, farmers, fishers, etc.). Eni provides its customers with its expertise in the area of fuels with a wide range of products that cover all market requirements. Customer care and product distribution is supported by a widespread commercial and logistical organization presence all over Italy and articulated in local marketing offices and a network of agents and concessionaires.

In 2011, sales volumes on wholesale markets in Italy (9.36 mmtonnes) were down by approximately 90 ktonnes from 2010, or 1%, mainly reflecting a decline in demand from transports and industrial customers due to a generalized slowdown and strong competitive pressure which affected in particular bunkering and bitumen, but also LPG due to unusual weather conditions. Jet fuel and fuel oil sales increased, while gasoil sales dropped starkly in 2011. Eni's wholesale market share for 2011 averaged 28.3%, down 0.9 percentage points from 2010 (29.2%). Supplies of feedstock to the petrochemical industry (1.71 mmtonnes) were basically in line with 2010 recording a slight decline of 10 ktonnes related to lower feedstock supplies due to lowering demand from industrial customers. Sales on wholesale markets outside Italy (3.84 mmtonnes) decreased by 1%, mainly in Hungary, Germany and the Czech Republic, while sales increased in Austria, Switzerland and France. Other sales (18.31 mmtonnes) decreased by 1.29 mmtonnes, or 6.6%, mainly due to lower sale volumes to oil companies.

Eni also markets jet fuel directly at 49 airports, of which 27 are in Italy. In 2011, these sales amounted to 2.1 mmtonnes (of which 1.6 mmtonnes in Italy). Eni is also active in the international market of bunkering, marketing marine fuel mainly in 120 ports, of which 80 in Italy. In 2011, marine fuel sales were 1.98 mmtonnes (1.91 mmtonnes in Italy).

LPG

In Italy, Eni is leader in LPG production, marketing and sale with 601 ktonnes sold for heating and automotive use equal to a 18.9% market share. An additional 214 ktonnes of LPG were marketed through other channels mainly to oil companies and traders. LPG activities in Italy are supported by direct production, availability from 5 bottling plants and 4 owned storage sites, in addition to products imported at coastal storage sites located in Livorno, Naples and Ravenna.

Outside Italy, LPG sales in 2011 amounted to 485 ktonnes of which 384 ktonnes in Ecuador where LPG market share is around 37.5%.

Lubricants

Eni operates seven (owned and co-owned) blending plants, in Italy, Europe, North and South America, Africa and the Far East. With a wide range of products composed of over 650 different blends Eni masters international state-of-the-art know-how for the formulation of products for vehicles (engine oil, special fluids and transmission oils) and industries (lubricants for hydraulic systems, industrial machinery and metal processing). In Italy, Eni is leader in the manufacture and sale of lubricant bases. Base oils are manufactured primarily at Eni's refinery in Livorno. Eni also owns one facility for the production of additives and solvents in Robassomero. In 2011, retail and wholesale sales in Italy amounted to 100 ktonnes with a 23.6% market share. Eni also sold approximately 4 ktonnes of special products (white oils, transformer oil and anti-freeze fluids). Outside Italy sales amounted to approximately 140 ktonnes, of these about 60% were registered in Europe (mainly Spain, Germany, Austria and France).

Oxygenates

Eni, through its subsidiary Ecofuel (Eni's interest 100%), sells approximately 1.7 mmtonnes/y of oxygenates mainly ethers (approximately 5.3% of world demand) and methanol (approximately 0.9% of world demand). About 80% of products are manufactured in Italy in Eni's plants in Ravenna, in Venezuela (in joint venture with Pequiven) and Saudi Arabia (in joint venture with Sabic) and the remaining 20% is bought and resold. Eni also distributes bio-ETBE on the Italian market in compliance with the new legislation indicating the minimum content of bio-fuels. Bio-ETBE is a kind of MTBE that gained a relevant position in the formulation of gasoline in the European Union, due to the fact that it is produced from ethanol from agricultural crops and qualified as bio-component in the European directive on bio-fuels. Starting from March 1, 2010, Italian regulation on bio-fuels content has been changed from 3% to 3.5%.

Through bio-ETBE and FAME blending into fossil fuels Eni covered the compliance within 96% in 2011. From January 1, 2012, the compulsory content of bio-fuels increases to 4.5% from 2011 4%, Eni plans to cover compliance through bio-ETBE, FAME and direct blending of ethanol in gasolines in particular in some extents of Sannazzaro refinery inland.

Supply of oil	(mmtonnes)	2007	2008	2009	2010	2011
Equity crude oil						
Production outside Italy		27.47	26.14	29.84	26.9	**24.29**
Production in Italy		4.10	3.57	2.91	3.24	**3.35**
		31.57	**29.71**	**32.75**	**30.14**	**27.64**
Other crudes oil						
Purchases on spot markets		11.34	12.09	14.94	20.95	**20.44**
Purchases under long-term contracts		16.65	16.11	19.71	17.16	**10.94**
		27.99	**28.20**	**34.65**	**38.11**	**31.38**
Total crude oil purchases		**59.56**	**57.91**	**67.40**	**68.25**	**59.02**
Purchases of intermediate products		3.59	3.39	2.92	3.05	**4.26**
Purchase of products		16.14	17.42	13.98	15.28	**15.85**
TOTAL PURCHASES		**79.29**	**78.72**	**84.30**	**86.58**	**79.13**
Consumption for power generation		(1.13)	(1.00)	(0.96)	(0.92)	**(0.89)**
Other changes [a]		(2.19)	(1.04)	(1.64)	(2.69)	**(1.12)**
		75.97	**76.68**	**81.70**	**82.97**	**77.12**

(a) Include changes in inventories, transport declines, consumption and losses.

Refinery capacity		2007	2008	2009	2010	2011
Primary distillation capacity [a]	(kbbl/d)	910	930	930	930	**930**
Balanced capacity [a]		748	737	747	757	**767**
Refinery throughputs on own account		743	717	480	514	**455**
Distillation capacity utilization rate	(%)	81	81	73	73	**61**

(a) Eni's share.

Availability of refined products	(mmtonnes)	2007	2008	2009	2010	2011
ITALY						
At wholly-owned refineries		27.79	25.59	24.02	25.70	**22.75**
Less input on account of third parties		(1.76)	(1.37)	(0.49)	(0.50)	**(0.49)**
At affiliate refineries		6.42	6.17	5.87	4.36	**4.74**
Refinery throughputs on own account		**32.45**	**30.39**	**29.40**	**29.56**	**27.00**
Consumption and losses		(1.63)	(1.61)	(1.60)	(1.69)	**(1.55)**
Products available for sale		**30.82**	**28.78**	**27.80**	**27.87**	**25.45**
Purchases of refined products and change in inventories		2.16	2.56	3.73	4.24	**3.22**
Products transferred to operations outside Italy		(3.80)	(1.42)	(3.89)	(4.18)	**(1.77)**
Consumption for power generation		(1.13)	(1.00)	(0.96)	(0.92)	**(0.89)**
Sales of products		**28.05**	**28.92**	**26.68**	**27.01**	**26.01**
OUTSIDE ITALY						
Refinery throughputs on own account		**4.70**	**5.45**	**5.15**	**5.24**	**4.96**
Consumption and losses		(0.31)	(0.25)	(0.25)	(0.24)	**(0.23)**
Products available for sale		**4.39**	**5.20**	**4.90**	**5.00**	**4.73**
Purchases of finished products and change in inventories		13.91	15.14	10.12	10.61	**12.51**
Products transferred from Italian operations		3.80	1.42	3.89	4.18	**1.77**
Sales of products		**22.10**	**21.76**	**18.91**	**19.79**	**19.01**
Refinery throughputs on own account		**37.15**	**35.84**	**34.55**	**34.80**	**31.96**
Total equity crude input		**9.29**	**6.98**	**5.11**	**5.02**	**6.54**
Total sales of refined products		**50.15**	**50.68**	**45.59**	**46.80**	**45.02**
Crude oil sales		**25.82**	**26.00**	**36.11**	**36.17**	**32.10**
TOTAL SALES		**75.97**	**76.68**	**81.70**	**82.97**	**77.12**

Production and sales (mmtonnes)	2007	2008	2009	2010	2011
Production:					
Gasoline	8.85	8.32	8.43	7.81	**7.24**
Gasoil	13.91	13.44	13.33	13.63	**12.95**
Jet fuel/kerosene	1.38	1.54	1.42	1.46	**1.41**
Fuel oil	4.89	4.34	4.01	3.75	**2.65**
LPG	0.69	0.71	0.66	0.50	**0.57**
Lubricants	0.64	0.60	0.49	0.67	**0.54**
Petrochemical feedstock	1.89	2.16	2.08	2.59	**2.49**
Other	2.96	2.86	2.28	2.46	**2.33**
Total production	**35.21**	**33.97**	**32.70**	**32.87**	**30.18**
Sales:					
Italy	**28.05**	**28.92**	**26.68**	**27.01**	**26.01**
Gasoline	3.34	3.26	3.17	2.91	**2.78**
Gasoil	9.67	10.03	10.04	9.94	**9.63**
Jet fuel/kerosene	1.97	1.94	1.42	1.45	**1.64**
Fuel oil	0.95	0.85	0.72	0.44	**0.46**
LPG	0.54	0.57	0.57	0.59	**0.60**
Lubricants	0.13	0.13	0.09	0.11	**0.10**
Petrochemical feedstock	1.93	1.70	1.33	1.72	**1.71**
Other	9.52	10.44	9.34	9.85	**9.09**
Rest of Europe	**20.08**	**19.63**	**16.02**	**16.66**	**15.88**
Gasoline	2.14	2.21	1.89	1.85	**1.79**
Gasoil	5.16	5.11	3.55	3.95	**3.71**
Jet fuel/kerosene	0.38	0.47	0.35	0.38	**0.48**
Fuel oil	0.25	0.23	0.29	0.25	**0.23**
LPG	0.13	0.16	0.14	0.12	**0.12**
Lubricants	0.10	0.11	0.08	0.10	**0.09**
Other	11.92	11.34	9.72	10.01	**9.46**
Extra Europe	**2.02**	**2.13**	**2.89**	**3.13**	**3.13**
Gasoline	1.52	1.63	2.51	2.74	**2.62**
LPG	0.36	0.37	0.36	0.37	**0.38**
Lubricants	0.02	0.03	0.02	0.02	**0.02**
Other	0.12	0.10	0.00	0.00	**0.11**
Worldwide					
Gasoline	7.00	7.10	7.57	7.50	**7.19**
Gasoil	14.83	15.14	13.59	13.89	**13.34**
Jet fuel/kerosene	2.35	2.41	1.77	1.83	**2.12**
Fuel oil	1.20	1.08	1.01	0.69	**0.69**
LPG	1.03	1.10	1.07	1.08	**1.10**
Lubricants	0.25	0.27	0.19	0.23	**0.21**
Petrochemical feedstock	1.93	1.70	1.33	1.72	**1.71**
Other	21.56	21.88	19.06	19.86	**18.66**
Total sales	**50.15**	**50.68**	**45.59**	**46.80**	**45.02**

Sales in Italy and outside Italy by market	(mmtonnes)	2007	2008	2009	2010	2011
Retail		8.62	8.81	9.03	8.63	**8.36**
Wholesale		11.09	11.15	9.56	9.45	**9.36**
		19.71	**19.96**	**18.59**	**18.08**	**17.72**
Petrochemicals		1.93	1.70	1.33	1.72	**1.71**
Other markets		6.41	7.26	6.76	7.21	**6.58**
Sales in Italy		**28.05**	**28.92**	**26.68**	**27.01**	**26.01**
Retail rest of Europe		4.03	3.22	2.99	3.10	**3.01**
Wholesale rest of Europe		4.39	3.94	3.66	3.88	**3.84**
Wholesale outside Europe		0.57	0.56	0.41	0.42	**0.43**
		8.99	**7.72**	**7.06**	**7.40**	**7.28**
Other markets		13.11	12.52	11.85	12.39	**11.73**
Sales outside Italy		**22.10**	**20.24**	**18.91**	**19.79**	**19.01**
Total sales [a]		**50.15**	**49.16**	**45.59**	**46.80**	**45.02**

(a) 2007 data include downstream activities in the Iberian Peninsula divested to Galp in October 2008.

Retail and wholesale sales of refined products	(mmtonnes)	2007	2008	2009	2010	2011
Italy		**19.71**	**19.96**	**18.59**	**18.08**	**17.72**
Retail sales		**8.62**	**8.81**	**9.03**	**8.63**	**8.36**
Gasoline		3.19	3.11	3.05	2.76	**2.60**
Gasoil		5.25	5.50	5.74	5.58	**5.45**
LPG		0.17	0.19	0.22	0.26	**0.29**
Other		0.01	0.01	0.02	0.03	**0.02**
Wholesale sales		**11.09**	**11.15**	**9.56**	**9.45**	**9.36**
Gasoil		4.42	4.52	4.30	4.36	**4.18**
Fuel oil		0.95	0.85	0.72	0.44	**0.46**
LPG		0.37	0.38	0.35	0.33	**0.31**
Gasoline		0.15	0.15	0.12	0.16	**0.19**
Lubricants		0.13	0.12	0.09	0.10	**0.10**
Bunker		1.58	1.70	1.38	1.35	**1.26**
Jet fuel		1.95	1.94	1.43	1.46	**1.65**
Other		1.54	1.49	1.17	1.25	**1.21**
Outside Italy (retail + wholesale)		**8.99**	**7.72**	**7.06**	**7.40**	**7.28**
Gasoline		2.29	2.12	1.89	1.85	**1.79**
Gasoil		5.16	3.80	3.54	3.95	**3.82**
Jet fuel		0.38	0.47	0.35	0.40	**0.49**
Fuel oil		0.25	0.23	0.28	0.25	**0.23**
Lubricants		0.09	0.11	0.10	0.10	**0.10**
LPG		0.49	0.52	0.50	0.49	**0.50**
Other		0.33	0.47	0.40	0.36	**0.35**
Total [a]		**28.70**	**27.68**	**25.65**	**25.48**	**25.00**

(a) 2007 data include downstream activities in the Iberian Peninsula divested to Galp in October 2008.

Number of service stations	(units)	2007	2008	2009	2010	2011
Italy		**4,390**	**4,409**	**4,474**	**4,542**	**4,701**
Ordinary stations		4,253	4,273	4,344	4,415	**4,574**
Highway stations		137	136	130	127	**127**
Outside Italy		**2,050**	**1,547**	**1,512**	**1,625**	**1,586**
Germany		672	521	478	455	**454**
France		202	199	196	188	**181**
Iberian Peninsula [a]		371	-	-	-	**-**
Austria/Switzerland		443	458	446	582	**547**
Eastern Europe		362	369	392	400	**404**
Service stations selling Blu products		4,357	4,445	4,822	4,994	**5,179**
"Multi-Energy" service stations		4	4	4	5	**5**
Service stations selling LPG and natural gas		538	537	690	657	**864**
Non-oil sales	(€ million)	144	153	147	136.9	**156**

(a) In October 2008 downstream activities including 371 service stations were sold to Galp.

Average throughput (kliters/no. of service stations)	2007	2008	2009	2010	2011
Italy	2,444	2,470	2,482	2,322	**2,173**
Germany	2,968	2,868	3,167	3,360	**3,237**
France	2,365	2,152	2,193	2,310	**2,209**
Iberian Peninsula [a]	2,910	2,519	-	-	**-**
Austria/Switzerland	1,767	1,763	1,691	1,711	**1,645**
Eastern Europe	2,348	2,832	2,642	2,508	**2,591**
Average throughput	**2,486**	**2,502**	**2,477**	**2,352**	**2,206**

(a) Refers to the first nine months of 2008. In October 2008 downstream activities including 371 service stations were sold to Galp.

Market shares in Italy (%)	2007	2008	2009	2010	2011
Retail	**29.2**	**30.6**	**31.5**	**30.4**	**30.5**
Gasoline	27.3	28.5	29.0	27.9	**27.8**
Gasoil	31.2	32.7	33.8	32.5	**32.6**
LPG (automotive)	18.2	19.1	20.2	21.4	**22.7**
Lubricants	24.3	23.7	21.5	35.7	**27.6**
Wholesale	**29.0**	**30.4**	**27.5**	**29.2**	**28.3**
Gasoil	31.3	31.8	32.0	33.5	**30.8**
Fuel oil	16.2	16.3	17.2	17.8	**25.5**
Bunker	44.0	44.6	40.1	40.4	**33.6**
Lubricants	24.3	25.0	23.3	24.0	**23.6**
Domestic market share	**29.5**	**31.0**	**29.3**	**29.8**	**29.3**

Retail market shares outside Italy (%)	2007	2008	2009	2010	2011
Central Europe					
Austria	7.8	7.0	7.3	7.0	**9.6**
Switzerland	5.9	6.4	6.4	6.5	**6.6**
Germany	4.2	3.8	3.4	3.4	**3.1**
France	1.1	1.1	1.1	1.1	**1.0**
Eastern Europe					
Hungary	7.9	11.6	11.6	11.9	**11.9**
Czech Republic	7.7	11.4	11.3	11.8	**11.6**
Slovakia		10.2	9.2	9.7	**9.8**
Slovenia	2.0	2.1	2.4	2.3	**2.2**
Romania			1.2	1.5	**1.7**

Capital expenditure (€ million)	2007	2008	2009	2010	2011
Italy	**873**	**850**	**581**	**633**	**803**
Outside Italy	**106**	**115**	**54**	**78**	**63**
	979	**965**	**635**	**711**	**866**
Refining, supply and logistic	**675**	**630**	**436**	**446**	**629**
Italy	675	630	436	444	**626**
Outside Italy				2	**3**
Marketing	**282**	**298**	**172**	**246**	**228**
Italy	176	183	118	170	**168**
Outside Italy	106	115	54	76	**60**
Other	**22**	**37**	**27**	**19**	**9**
	979	**965**	**635**	**711**	**866**

Petrochemicals

Key performance indicators

		2007	2008	2009	2010	**2011**
Employee injury frequency rate	(No. of accidents per million hours worked)	3.74	2.57	2.34	1.54	**1.47**
Contractors injury frequency rate		10.25	9.95	8.12	5.94	**4.60**
Net sales from operations [a]	(€ million)	6,934	6,303	4,203	6,141	**6,491**
Basic petrochemicals		*3,582*	*3,060*	*1,832*	*2,833*	***2,987***
Polymers		*3,109*	*2,961*	*2,185*	*3,126*	***3,299***
Other sales		*243*	*282*	*186*	*182*	***205***
Operating profit		100	(845)	(675)	(86)	**(424)**
Adjusted operating profit		116	(398)	(426)	(113)	**(276)**
Adjusted net profit		74	(323)	(340)	(85)	**(208)**
Capital expenditure		145	212	145	251	**216**
Production	(ktonnes)	8,795	7,372	6,521	7,220	**6,245**
Sales of petrochemical products		5,513	4,684	4,265	4,731	**4,040**
Average plant utilization rate	(%)	80.6	68.6	65.4	72.9	**65.3**
Employees at year end	(units)	6,534	6,274	6,068	5,972	**5,804**
Direct GHG emissions	(mmtonnes CO_2eq)	5.65	4.90	4.63	4.69	**4.12**
NMVOC (Non-Methane Volatile Organic Compounds)	(tonnes)	4.07	3.61	3.83	4.71	**4.18**
SO_x (sulphur oxide) emissions	(ktonnes of SO_2eq)	6.97	5.12	4.59	3.30	**3.18**
NO_x (nitrogen oxide) emissions	(ktonnes of NO_2eq)	6.00	5.27	4.78	4.87	**4.14**
Recycled/reused water	(%)	n.a.	n.a.	81.6	82.7	**81.8**

(a) Before elimination of intragroup sales.

Performance of the year

In 2011, injury rates of employees and contractors continued to follow the positive trends of previous years (down 4.5% and 22.6%, respectively).

In 2011, emissions of greenhouse gases NMVOC, SO_x and NO_x decreased due to lower sale volumes and to energy saving interventions performed in the year.

In 2011, the percentage of reused water was approximately 80%, barely unchanged from previous years.

In 2011, the sector reported a significant increase in adjusted net loss (€208 million, down €123 million) from 2010, due to higher supply costs of oil-based feedstock which were not recovered in sale prices on end markets in a context of substantial decrease in demand.

Sales of petrochemical products were 4,040 ktonnes, down 691 ktonnes, or 14.6%, from 2010 due to lower demand.
Petrochemical production volumes were 6,245 ktonnes, decreased by 975 ktonnes, or down 13.5%, due to a decline in demand for petrochemical products in all business, with the only exception of elastomers (up 1%).
In 2011, the average plant utilization rate decreased from 72.9 to 65.3 due to reduced production in a phase of economic slowdown.

Average unit sales prices increased by 20% from 2010 due to the positive impact of the oil price scenario (virgin naphtha prices increased by 31% from 2010).

In 2011, overall expenditure in R&D amounted to approximately €32 million in line with the previous year. A total of new 13 patent applications were filed.

Green Chemistry

In June 2011 Eni, through its subsidiary Polimeri Europa[1], signed a cooperation agreement with Novamont SpA to convert Eni's Porto Torres chemical plant into an innovative bio-based chemical complex to produce bio-plastics and other bio-based products (bio-lubricants and bio-additives) for which significant growth is expected in the medium/long-term. The project will be supported by an integrated supply chain and raw materials of vegetable origin. Novamont will contribute with its technologies and skills in the bio-plastics and bio-based chemical sector. Eni will contribute to the joint entity with its Porto Torres plant, infrastructure and professional staff as well as its industry, technical engineering and commercial know-how in the petrochemical sector. In addition, Eni aims to build a biomass power plant and to carry out a number of projects for the environmental restoration and clean-up

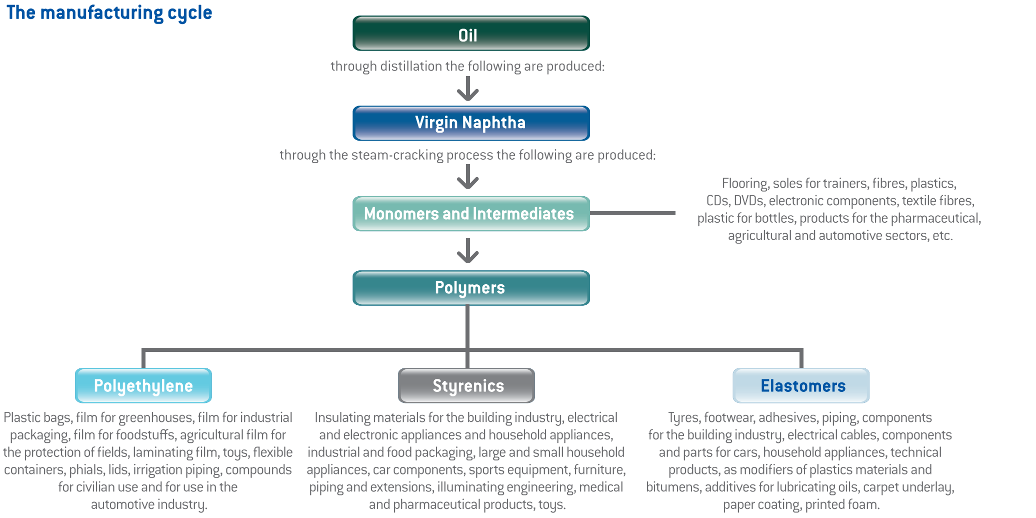
(1) From April 5, 2012 Polimeri Europa SpA changed its company name in Versalis.

activities. Eni plans to make capital expenditures totalling approximately €1.2 billion in the 2011-2016 period to execute the above mentioned projects, directly or through the joint entity.

Activities

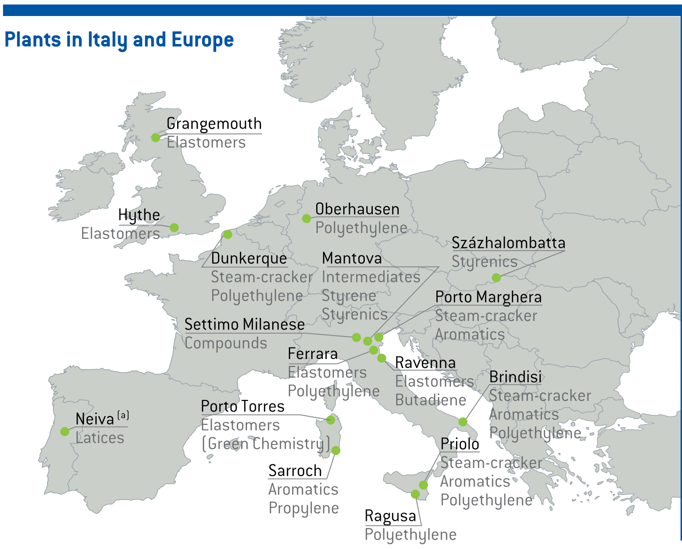
Eni through Versalis performs activities of production and marketing of petrochemical products (basic petrochemicals and polymers), leveraging on a wide range of proprietary technologies, advanced production facilities, as well as a large and efficient retail network present in 18 European Countries. The principal objective of basic petrochemicals is granting the adequate availability of monomers (ethylene, butadiene and benzene) covering the needs of further production processes: in particular olefins production is strictly linked with the polyethylene and elastomers business, aromatics grant the benzene availability necessary to produce intermediate products used in the production of resins, artificial fibres and polystyrene. In polymers business Versalis is one of the most relevant European producers of elastomers, where it is present in almost all the relevant sectors (in particular the automotive industry), polystyrene and polyethylene, whose most relevant use is in flexible packaging.

The manufacturing cycle

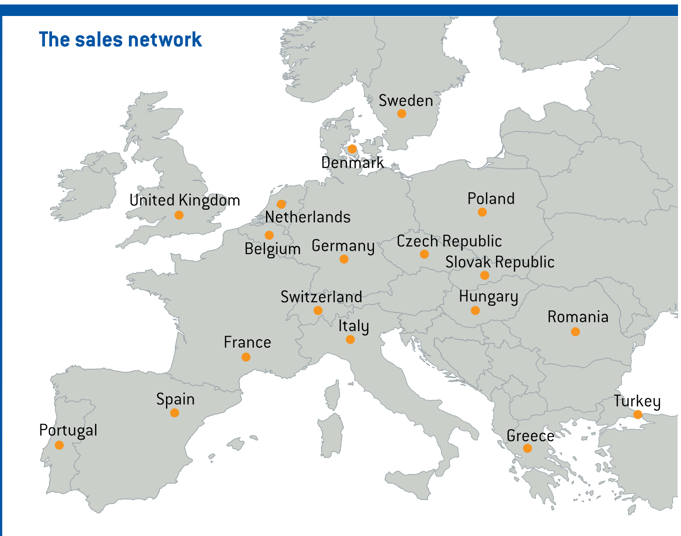


The materials produced by **Versalis** are obtained following a manufacturing cycle which involves several processing stages. Virgin naphtha, a raw material which is a distillation product from petroleum, undergoes thermal cracking also known as steam-cracking. The component molecules split into simpler molecules: monomers (ethylene, propylene, butadiene, etc.) and into blends of aromatic compounds.
The monomers are then reconstituted into more complex molecules: polymers. The following are produced from polymers: polyethylene, styrenes and elastomers used by processing companies to produce a whole variety of products for everyday use. The blends of aromatic compounds, properly treated, are used to produce intermediates, so-called because they are used in the manufacturing of products for everyday use.

Plants in Italy and Europe



The sales network



The activities of Petrochemical division are mainly concentrated in Italy (Brindisi, Ferrara, Gela, Mantova, Porto Marghera, Porto Torres, Priolo, Ragusa, Ravenna, Sarroch, Settimo Milanese) and Western Europe, in France (Dunkerque), Germany (Oberhausen), the United Kingdom (Grangemouth, Hythe), Portugal (Neiva), and Hungary (Szàzhalombatta).

(a) In 2011 Polimeri Europa Portugal SA was sold to third parties.

Business areas

Basic petrochemicals

Basic petrochemicals account for one of the pillars of the petrochemical activities of Versalis, whose products have a range of important industrial uses, such as the production of polyethylene, polypropylene, PVC and polystyrene. They are also used in the production of petrochemical intermediates that converge, in turn, into a range of other productive processes: plastics, rubbers, fibres, solvents and lubricants.

Basic petrochemicals revenues (€2,987 million) increased by €154 million from 2010 (up 5.4%) in all main business segments due to the steep increase in average unit prices (olefins/aromatics up 20%, intermediates up 16%) as a result of an improved scenario, partly offset by lower volumes sold (down 18% on average). In particular, a decline was reported in sale volumes of olefins (ethylene down 22%; butadiene down 57% due to the lack of raw material) and intermediates (down 21% on average, in particular phenol and acetone).

Basic petrochemicals production (4,101 ktonnes) decreased by 759 ktonnes from last year (down 15.6%) due to lower sales/demand of monomers. Lower ethylene production reflected facility downtimes in the Porto Marghera and Porto Torres plants. In addition, intermediates sales decreased (down 14%) due to unavailability of raw material and planned facility downtimes in the Mantova plant. In the intermediates business a new technology was introduced at a pilot scale aimed at eliminating the coproduction of acetone, a dangerous and unwanted co-product.

Polymers

In polymers business, Versalis is active in the production of:

- Polyethylene that accounts for 40% of the total volume of world production of plastic materials. It is a basic plastic material, used as a raw material by companies that transform it into a range of finished goods.
- Styrenics are polymeric materials based on styrenes that are used in a very large number of sectors through a range of transformation technologies. The most common applications are for industrial packaging and in the food industry, small and large electrical appliances, building isolation, electrical and electronic devices, household appliances, car components and toys.
- Elastomers are polymers characterized by high elasticity that allow them to regain their original shape even after having been subjected to extensive deformation. Versalis has a leading position in this sector and produces a wide range of products for the following sectors: tyres, footwear, adhesives, building components, pipes, electrical cables, car components and sealings, household appliances; they can be used as modifiers for plastics and bitumens, as additives for lubricating oils (solid elastomers); paper coating and saturation, carpet backing, moulded foams, adhesives (synthetic latex). Versalis is one of the world's major producers of elastomers and synthetic latex.

In 2011 polymers revenues (€3,299 million) increased by €173 million from 2010 (up 5.5%) due to increases in average unit prices (elastomers up 34%, styrene polymers up 12%; polyethylene up 11%). Sale volumes decreased on average by 11.5% (main decreases were registered in polyethylene, down 16%, lattices down 15%, polybutadiene and thermoplastic rubbers down approximately 9%) due to a steep decline in demand. Sales of ABS and SBR rubbers showed an opposite trend, up 5% and 2%, respectively.
Polymers production (2,144 ktonnes) decreased by 216 ktonnes from 2010 (down 9%), mainly polyethylene (down 15%) due to the delay in the restart of the Dunkerque production lines, planned facility downtimes at Priolo, Ragusa and Gela in the last part of the year as well as decline in demand.

Product availability (ktonnes)	2007	2008	2009	2010	**2011**
Basic petrochemicals	6,274	5,110	4,350	4,860	**4,101**
Polymers	2,521	2,262	2,171	2,360	**2,144**
Production	**8,795**	**7,372**	**6,521**	**7,220**	**6,245**
Consumption and losses	(4,099)	(3,539)	(2,701)	(2,912)	**(2,631)**
Purchases and change in inventories	816	851	445	423	**426**
	5,512	**4,684**	**4,265**	**4,731**	**4,040**

Revenues by geographic area (€ million)	2007	2008	2009	2010	**2011**
Italy	3,327	3,290	2,215	3,131	**3,364**
Rest of Europe	3,231	2,646	1,701	2,632	**2,747**
Asia	190	200	169	139	**182**
Africa	115	88	76	127	**101**
Americas	69	75	39	108	**93**
Other areas	2	4	3	4	**4**
	6,934	**6,303**	**4,203**	**6,141**	**6,491**

Revenues by product	(€ million)	2007	2008	2009	2010	2011
Olefins		2,047	1,763	1,059	1,705	**1,754**
Aromatics		781	679	486	704	**835**
Intermediates		754	618	287	424	**398**
Elastomers		709	754	579	834	**1,062**
Styrenics		718	633	465	695	**741**
Polyethylene		1,682	1,574	1,140	1,597	**1,496**
Other		243	282	187	182	**205**
		6,934	**6,303**	**4,203**	**6,141**	**6,491**

Capital expenditure	(€ million)	2007	2008	2009	2010	2011
Total capital expenditure		**145**	**212**	**145**	**251**	**216**
of which:						
- upkeeping		*29*	*84*	*28*	*59*	**59**
- plant upgrades		*47*	*51*	*58*	*116*	**53**
- HSE		*39*	*41*	*28*	*29*	**46**
- energy recovery					*45*	**42**

Engineering & Construction

Key performance indicators

		2007	2008	2009	2010	2011
Employee injury frequency rate	(No. of accidents per million hours worked)	0.87	0.70	0.40	0.45	**0.44**
Contractors injury frequency rate		0.62	0.38	0.57	0.33	**0.21**
Fatality index	(No. of fatalities per 100 million hours worked)	4.00	2.83	0.86	2.14	**1.82**
Net sales from operations [a]	(€ million)	8,678	9,176	9,664	10,581	**11,834**
Operating profit		837	1,045	881	1,302	**1,422**
Adjusted operating profit		840	1,041	1,120	1,326	**1,443**
Adjusted net profit		658	784	892	994	**1,098**
Capital expenditure		1,410	2,027	1,630	1,552	**1,090**
Adjusted ROACE	(%)	17.1	16.8	15.4	14.0	**13.9**
Orders acquired	(€ million)	11,845	13,860	9,917	12,935	**12,505**
Order backlog		15,390	19,105	18,730	20,505	**20,417**
Employees at year end	(units)	33,111	35,629	35,969	38,826	**38,561**
Employees outside Italy rate	(%)	84.9	84.8	85.6	87.3	**86.5**
Local managers rate		n.a.	n.a.	41.1	45.3	**43.0**
Local procurement rate		n.a.	n.a.	47.0	61.3	**56.4**
Healthcare expenditures	(€ thousand)	13,064	15,436	25,205	19,506	**32,410**
Security expenditures		70,523	57,477	68,954	26,403	**50,541**
Direct GHG emissions	(mmtonnes CO_2eq)	1.07	1.36	1.28	1.11	**1.32**

(a) Before elimination of intragroup sales.

Performance of the year

The percentage of managerial positions covered by local personnel is constantly higher than 40% of total managerial positions, except for Italy and France, reflecting however fluctuations due to the opening of new yards and short-term projects.

The overall amount of procurement was €8,740 million in 2011, of which €6,510 million related to operating projects, 56.4% of which was procured with local suppliers.

In 2011, the injury frequency rate improved from 2010 (down 2% and down 36% for employees and contractors, respectively).

Health and safety expenditures for individual protection equipment and medical assistance increased by 81% from 2010 (from €46 million to €83 million).

In 2011, the Engineering & Construction sector achieved a positive performance with an adjusted net profit amounting to €1,098 million, up €104 million, or 10.5%, from a year ago, mainly due to a higher turnover and increasing project profitability.

Return on average capital employed calculated on an adjusted basis was 13.9% in 2011 (14% in 2010).

Orders acquired amounted to €12,505 million (€12,935 million in 2010), of these projects to be carried outside Italy represented 91%, while orders from Eni companies amounted to 7% of the total.

Order backlog amounted to €20,417 million at December 31, 2011 (€20,505 million at December 31, 2010), of which €9,451 million to be carried out within 2012.

Capital expenditures amounting to €1,090 million (€1,552 million in 2010) mainly regarded the upgrading of the drilling and construction fleet.

In 2011, overall expenditure in R&D amounted approximately to €15 million in line with 2010. A total of 28 new patent applications were filed.

Engineering & Construction Offshore

Saipem is well positioned in the market of large, complex projects for the development of offshore hydrocarbon fields leveraging on its technical and operational skills, supported by a technologically-advanced fleet, the ability to operate in complex environments, and engineering and project management capabilities acquired on the marketplace over recent years. Saipem intends to consolidate its market share strengthening its EPIC oriented business model and leveraging on its satisfactory long-term relationships with the major oil companies and National Oil Companies ("NOCs"). Higher levels of efficiency and flexibility are expected to be achieved by reaching the technological excellence and the highest economies of scale in its engineering hubs employing local resources in contexts where this represents a competitive advantage, integrating in its own business model the direct management of construction process through the creation of a large construction yard in South-East Asia and revamping/ upgrading its construction fleet. Over the next years, Saipem will invest in the upgrading of its fleet, by building a pipelayer and other supporting assets for offshore activity. This capital expenditure will enable Saipem to underpin its operations in deepwater and sub-artic areas.

In 2011, revenues amounted to €4,908 million, increasing by 10.4% from 2010, due to higher levels of activity in Northern Europe, Kazakhstan and Asia Pacific. Orders acquired amounted to €6,131 million (€4,600 million in 2010).

The most significant order awarded in 2011 in Engineering & Construction Offshore construction were: (i) the EPIC contract on behalf of South Oil Co for the expansion of the Basra oil center and related infrastructures in the field of the Iraq Crude Oil Export Expansion - Phase 2 project; (ii) the EPIC contract on behalf of Saudi Aramco for the realization of the offshore infrastructures in the field of the development of the offshore fields Arabiyah and Hasbah in the Arabian section of the Persian Gulf; and (iii) an EPIC contract on behalf of Husky Oil China Ltd for the installation of two subsea pipelines and related production system for the South China Sea.

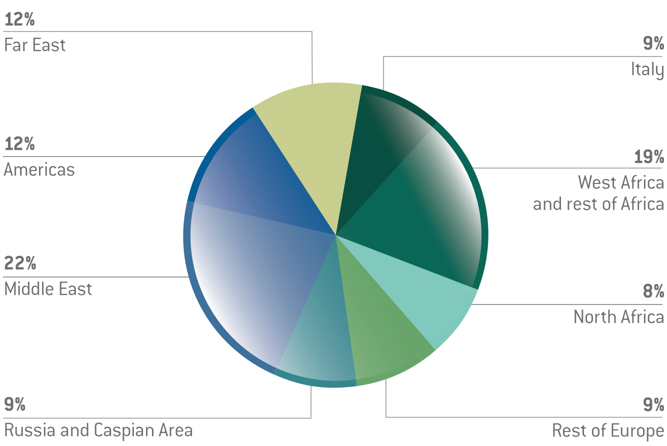
Engineering & Construction Onshore

In the Engineering & Construction Onshore construction business, Saipem is one of the largest operators on turnkey contract base at a worldwide level in the oil&gas segment, especially through the acquisition of Snamprogetti. Saipem operates in the construction of plants for hydrocarbon production (extraction, separation, stabilization, collection of hydrocarbons, water injection) and treatment (removal and recovery of sulphur dioxide and carbon dioxide, fractioning of gaseous liquids, recovery of condensates) and in the installation of large onshore transport systems (pipelines, compression stations, terminals). Saipem preserves its own competitiveness through its technology excellence granted by its engineering hubs, its distinctive know-how in the construction of projects in the high-tech market of LNG and the management of large parts of engineering activities in cost efficient areas. In the medium term, underpinning upward trends in the oil service market, Saipem will be focused on taking advantage of the opportunities arising from the market in the plant and pipeline segments leveraging on its solid competitive position in the realization of complex projects in the strategic areas of Middle-East/Caspian Sea, Northern and Western Africa and Russia.

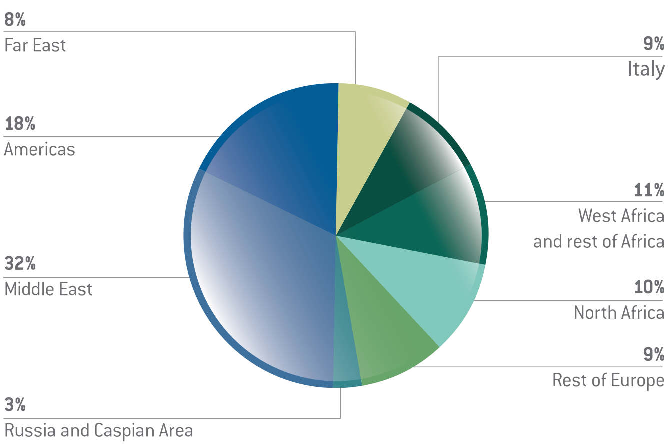
In 2011, revenues amounted to €5,369 million, increasing by 13.6% from 2010, due to higher levels of activity in the Middle East, Canada and Australia.

Orders acquired amounted to €5,006 million (€7,744 million in 2010).
The principal orders awarded in 2011 in Engineering & Construction Onshore were:
(i) the realization of 39 kilometers high-speed/high-capacity railway along the Treviglio-Brescia railway in Northern Italy on behalf of Rete Ferroviaria SpA;
(ii) the EPC contract for the construction of a Secondary Upgrader with a capacity of 43 kbbl/d of Hydrotreated gas oil. The infrastructure will be part of the Horizon Oil Sands Project – Hydrotreater Phase 2 – in Alberta, in the Athabasca Region, Canada; and
(iii) the EPC contract for the realization of a gas pipeline, 42 inches in diameter and 435-kilometer long, which will connect the gas fields in the Bowen and Surat Basins to the Gladstone State Development Area (GSDA), near the city of Gladstone, in the western Australian coast on behalf of Gladstone Operations Pty Ltd.

New contract by geographic area



Backlog by geographic area



Offshore drilling

Saipem is the only engineering and construction contractor that provides both offshore and onshore drilling services to oil companies. In the offshore drilling segment, Saipem mainly operates in West Africa, the North Sea, the Mediterranean Sea and the Middle East and boasts significant market positions in the most complex segments of deep and ultra-deep offshore, leveraging on the outstanding technical features of its drilling platforms and vessels, capable of drilling exploration and development wells at a maximum water depth of 3,600 meters. In order to better meet industry demands, Saipem is finalizing an upgrading program of its drilling fleet providing it with state-of-the-art rigs to enhance its role as high quality player capable of operating also in complex and harsh environments. In particular, in the following years, Saipem intends to complete the building of the Scarabeo 8 and 9, new generation semi-submersible platforms, that have been already rented to Eni through multi-year contracts. In parallel, investments are ongoing to renew and to keep up the production capacity of other fleet equipment (upgrade equipment to the characteristics of projects or to clients needs and purchase of support equipment).

In 2011, revenues amounted to €833 million, increasing by 11.1% from 2010 mainly due to the entry in full activity of the Saipem 10000 and Saipem 12000 drilling vessels and of the Perro Negro 8 jack up.

In 2001 orders acquired amounted to €780 million (€326 million in 2010).
The most significant order awarded in 2011 in Offshore drilling were:
(i) a 24-month extension contract, from August 2012, for the lease of the drilling vessel Saipem 10000 on behalf of Eni;
(ii) a 24-month extension contract, from August 2015, for the lease of the drilling vessel Saipem 12000; and
(iii) a 36- month extension contract for the lease of the jack up Perro Negro 7.

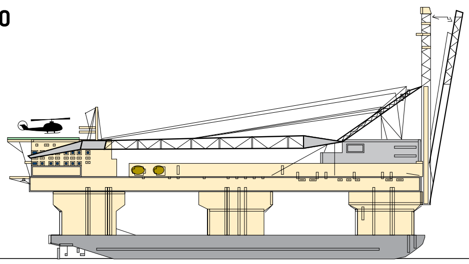
Onshore drilling

Saipem operates in this area as a main contractor for the major international oil companies and NOCs executing its activity mainly in South America, Saudi Arabia, North Africa and, at a lower extent, in Europe. In this area Saipem can leverage its knowledge of the market, long-term relations with customers and synergies and integration with other business areas. Saipem boasts a solid track record in remote areas (in particular in the Caspian Sea), leveraging on its own operational skills and its ability to operate in complex environments.

In 2011, revenues amounted to €724 million, increasing by 9.5% from 2010 mainly due to higher utilization of equipments in South America and entry in operation of new plants in Kazakhstan. Orders acquired amounted to €588 million (€265 million in 2010).
The most significant order awarded in 2011 in Onshore drilling were:
(i) a contract on behalf on Saudi Aramco in Saudi Arabia for the lease of nine rigs with a contract duration from one to three years;
(ii) contracts on behalf of various clients in Peru, Colombia and Bolivia for the lease of fourteen rigs with a contract duration from 4 to 24 months and;
(iii) two contracts on behalf of Ural Oil and Samek for the lease of 2 rigs with a contract duration of 4 and 12 months, respectively.

Construction vessels

SAIPEM 7000



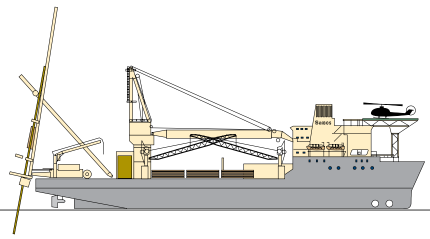
Semi-submersible crane and pipelaying (J-lay) DP vessel. Built in Italy (Trieste) by Fincantieri shipyards (1987).

Dimensions:

Length:	198 m
Breadth:	87 m
Depth to main deck:	45 m
Transit draft:	10.5 m
Operational draft:	27.5 m

Dynamic positioning: DP (AAA) Lloyds Register; IPD 3 R.I.N.a.; Class 3 Norwegian Maritime Directorate. **Power plant:** total power plant 70,000 kW, 10,000 Volt; 12 diesel generators on heavy fuels divided in 4 fire segregated engine rooms; classified UMS. **Ballast system:** computer controlled system with simultaneous capabilities comprising 4 x 6,000 t/h ballast pumps, fully redundant. **Lifting facilities main crane:** 2 twin S 7000 model fully revolving bow mounted Amhoist cranes; main blocks tandem lift: 14,000 t; main block single lift: 7,000 t revolving at 40 m rad./41 m; tieback 6,000 t revolving at 45 m rad./50 m. Lowering capability to 450 m below sea level. Whip hook: 120 t revolving at 150 m rad. **J-Lay system:** pipe diameter range from 4” to 32”; main laying tension system 525 t with tensioners, up to 2,000 t with friction clamps; laying tower angle 90°-110°; number of welding stations: 1; pipe storage capacity up to 6,000 t. **Maximum laying depth:** 3,000 m.

SAIBOS FDS



Multi-purpose monohull dynamically positioned crane and pipelay (J-lay) vessel. Built in Korea by Samsung (2000).

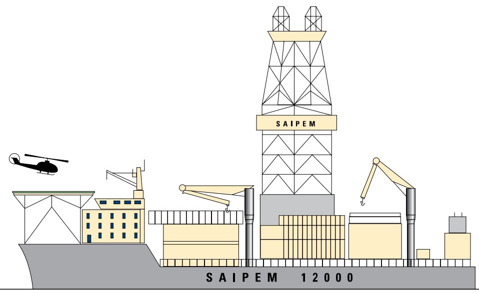
Dimensions:

Length overall:	156 m
Breadth:	30 m
Operational draft:	12.4 m
Displacement:	26,608 t at operating draft
Payload:	4,300 t at 7.40 draft

Dynamic Positioning: Dynpos Autro, Dynpos Autr, 2 DGPS, 2 Lras HIPAP - 2,500 m interfaces available for Taut Wire, Artemis, Fan Beam. **Lifting capabilities:** main crane AM Clyde KPT660: main hook SWL: 600 t at 30 m, 300 t at 55 m; auxiliary cranes: 2 Liebherr CBO3100-50 Litronic SWL 50 t at 20 m, SWL 30 t at 38 m; 2 Liebherr RL-S 20/20 Litronic; starboard side fixed boom SWL 20 t at 20 m, portside telescopic boom SWL 15 t at 16 m. **Pipelay equipment:** 5 work stations + one in option; rigid pipe: 4 pipes string J-lay tower system, SWL 320 t, 3,000 m w.d., max. o.d. 22”; flexible pipe: laying through Gutter and 3 x retractable four tracks tensioners total SWL 270 t, max. i.d. 17”. Assembly station has openings to allow the passage of 4 x 3 x 6 m special items.

Drilling vessels

SAIPEM 12000



Ultra deep water drillship, self-propelled, equipped with EWT (Extended Well Testing). NOV SSGD 5750 drilling plant. Built in Korea by Samsung (2010).

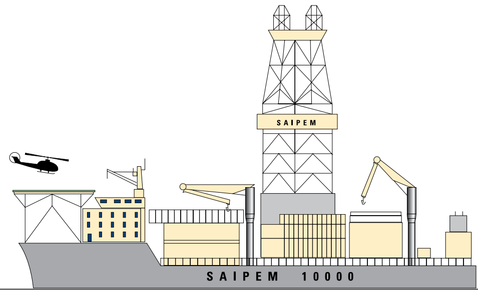
Dimensions:

Length overall:	228 m
Breadth, moulded:	42 m
Depth, moulded:	19 m
Operating draft:	12 m
Displacement:	96,000 t
Variable load:	over 20,000 t
Oil storage capacity:	140,000 bbl

Operating performance:

Drilling depth:	10,000 m
Water depth max:	3,650 m

SAIPEM 10000



Ultra deep water drillship, self-propelled, equipped with EWT (Extended Well Testing). Wirth GH 4500 EG 4200 drilling plant. Built in Korea by Samsung (2000).

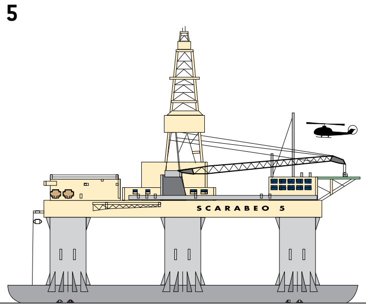
Dimensions:

Length overall:	228 m
Breadth, moulded:	42 m
Depth, moulded:	19 m
Operating draft:	12 m
Displacement:	96,455 t
Variable load:	over 20,000 t
Oil storage capacity:	140,000 bbl

Operating performance:

Drilling depth:	9,200 m
Water depth max:	3,000 m

SCARABEO 5



Semi-submersible drilling platform self-propelled; Emco C3 drilling plant. Built in Italy (Genoa) by Fincantieri shipyards (1990).

Dimensions:

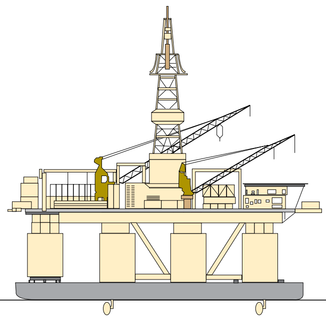
Pontoon length:	111 m
Pontoon breadth:	14.3 m
Pontoon height:	9.5 m
Main hull length:	80.8 m
Main hull breadth:	68.8 m
Main hull depth:	7.3 m

Operating performance:

Dynamic assisted mooring:	up to 900 m w.d.
Dynamic positioned mode:	up to 2,000 m w.d.
Maximum drilling depth:	9,000 m
Water depth max:	2,000 m

4,300 t variable deck load in all conditions, under the most stringent codes.

SCARABEO 7



Semi-submersible drilling platform self-propelled; Wirth SH 3000 EG drilling plant. Built in Turkey by Tusla shipyard (1999) and perfected in Italy (Palermo) by Fincantieri shipyards (1999).

Dimensions:

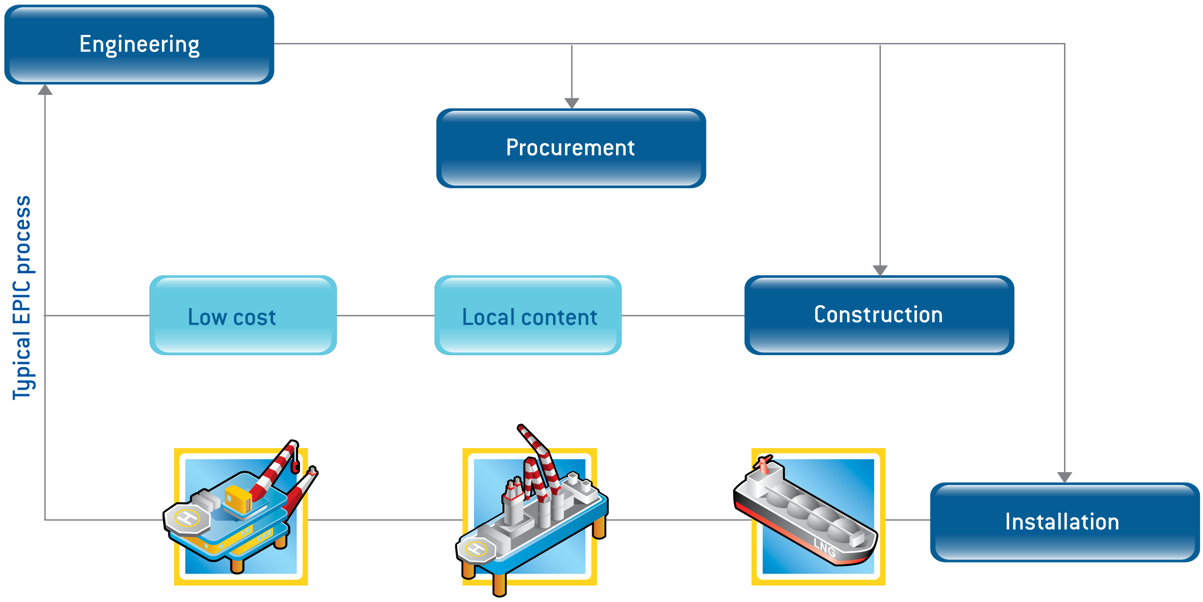
Displacement:	38,100 t
Main deck width:	61.3 m
Main deck length:	77.5 m
Main deck depth:	4.5 m
Variable deck load:	4,000 t

Operating performance:

Drilling depth W/5" DP:	25,000 ft
Drilling depth:	8,000 m
Water depth max:	1,500 m

Positioning system: automatic thruster assisted 8 leg mooring system.

Integrated project management



Main operating data		2007	2008	2009	2010	2011
Offshore pipelines laid	(km)	665	815	1,000	1,365	**1,682**
Onshore pipelines laid	(km)	770	683	716	385	**889**
Offshore structures installed	(t)	187,054	24,835	62,333	46,606	**105,033**
Onshore structures installed	(t)	194,561	163,137	76,543	874,428	**353,480**
Offshore drilling	(km)	123	150	140	130	**178**
Onshore drilling	(km)	657	622	719	881	**985**
Offshore wells drilled	(units)	47	50	54	44	**64**
Onshore wells drilled	(units)	256	241	241	279	**307**

Drilling vessels

Name	Type	Drilling plant	Maximum depth (m)	Drilling maximum (m)	Other
Perro Negro 2	Jack up	Oilwell E 2000	90	6,500	Heliport provided
Perro Negro 3	Jack up	Ideco E 2100	90	6,000	Heliport provided
Perro Negro 4	Jack up	National 110 UE	45	5,000	Heliport provided
Perro Negro 5	Jack up	National 1320 UE	90	6,500	Heliport provided
Perro Negro 6	Jack up	National SSDG 3000	107	9,150	Heliport provided
Perro Negro 7	Jack up	National 1625 UE	115	9,150	Heliport provided
Perro Negro 8	Jack up	NOV SSDG 3000	107	9,100	
Scarabeo 3	Semi-submersible drilling platform helped propulsion system	National 1625 DE	550	7,600	Heliport provided
Scarabeo 4	Semi-submersible drilling platform helped propulsion system	National 1625 DE	550	7,600	Heliport provided
Scarabeo 5	Semi-submersible drilling platform, self-propelled	Emco C 3	1,900	8,000	Heliport provided
Scarabeo 6	Semi-submersible drilling platform, self-propelled	Oilwell E 3000	500	7,600	Heliport provided
Scarabeo 7	Semi-submersible drilling platform, self-propelled	Wirth SH 3000 EG	1,500	8,000	Heliport provided
Saipem 10000	Ultra deep waters drillship, self-propelled, dynamic positioning	Wirth GH 4500 EG	3,000	9,200	Oil storage capacity: 140,000 bbl; heliport provided
Saipem 12000	Ultra deep waters drillship, self-propelled, dynamic positioning	NOV SSDG 5750	3,650	10,000	Heliport provided
Saipem TAD	Tender assisted drilling barge	Bentec 1500 Hp	150	4,877	Heliport provided

Construction vessels

Name	Type	Laying technique	Transport/ lifting capability (t)	Maximum laying depth (m)	Pipelaying maximum diameter (inches)
Saipem 7000	Semi-submersible, self-propelled pipelay and DP vessel capable of lifting structures and J-laying pipelines in deep waters	J	14,000	3,000	32
Saipem FDS	Multipurpose monohull dynamically positioned crane and pipelay (J-lay) vessel utilised for the development of hydrocarbon fields in deep waters	J	600	2,100	22
Saipem FDS 2	Multipurpose monohull dynamically positioned crane and pipelay (J-lay) vessel utilized for the development of hydrocarbon fields in deep waters. The vessel is equipped with a J-lay tower	J, S	2,000	3,000	36
Castoro Sei	Semi-submersible pipelay vessel capable of laying large diameter pipe	S	300	1,000	60
Castoro Sette	Semi-submersible pipelay vessel capable of laying large diameter pipe	S		1,000	60
Castoro Otto	Crane and pipelay vessel	S	2,200	600	60
Saipem 3000	Mono hull, self-propelled DP crane ship, capable of laying flexible pipes and umbilicals in deep waters and lifting structures		2,200		
Bar Protector	Dynamically positioned dive support vessel used for deep waters diving operations and works on platforms				
Semac 1	Semi-submersible pipelay vessel capable of laying pipes in deep waters	S	318	600	58
Castoro II	Derrick/lay barge	S	1,000		60
Castoro 10	Trench/lay barge	S		300	60
Castoro 12	Shallow waters pipelay barge	S		1.4	40
S355	Derrick/lay barge	S	600		42
Crawler	Derrick/lay barge	S	540		60
Castoro 16	Post-trenching and back-filling barge of pipelines operating in ultra-shallow waters			1.4	40
Saibos 230	Derrick pipelay barge equipped with a mobile crane for piling, marine terminals and fixed platforms	S			30
Ersai 1 [a]	Technical pontoon equipped with two crawler cranes, capable of carrying out installations whilst grounded on the seabed		2,100		
Ersai 2 [a]	Work barge equipped with a fixed crane capable of lifting structures		200		
Ersai 3 [a]	Self-propelled workshop/storage barge used as support vessel, with storage space and office space for 50 people				
Ersai 4 [a]	Self-propelled workshop/storage barge used as support vessel, with storage space and office space for 150 people				
Ersai 400 [a]	Accommodation barge for up to 400 people, equipped with antigas shelter for H_2S leaks				
Castoro 9	Launching/cargo barge		5,000		
Castoro XI	Heavy duty cargo barge		15,000		
Castoro 14	Deck cargo barge		10,000		
Castoro 15	Deck cargo barge		6,200		
S42	Deck cargo barge		8,000		
S43	Deck cargo barge				
S44	Launching/cargo barge		30,000		
S45	Launching/cargo barge		20,000		
S46	Deck cargo barge				
S47	Deck cargo barge				
Bos 600	Launching/cargo barge		3,600		
FPSO - Cidade de Vitoria	FPSO unit with a production capacity of up to 100,000 barrels a day				
FPSO - Gimboa	FPSO unit with a production capacity of up to 60,000 barrels a day				
FPSO - Aquila 2	FPSO unit with a production capacity of up to 12,000 barrels a day				

(a) Owned by the Saipem-managed joint venture ER SAI Caspian Contractor Llc.

Profit and loss account	(€ million)	2007	2008	2009	2010	2011
Net sales from operations		87,204	108,082	83,227	98,523	109,589
Other income and revenues		833	728	1,118	956	933
Total revenues		**88,037**	**108,810**	**84,345**	**99,479**	**110,522**
Purchases, services and other		(58,133)	(76,350)	(58,351)	(69,135)	(79,191)
Payroll and related costs		(3,800)	(4,004)	(4,181)	(4,785)	(4,749)
Total operating expenses		**(61,933)**	**(80,354)**	**(62,532)**	**(73,920)**	**(83,940)**
Other operating income (expense)		(129)	(124)	55	131	171
Depreciation, depletion, amortization and impairments		(7,236)	(9,815)	(9,813)	(9,579)	(9,318)
Operating profit		**18,739**	**18,517**	**12,055**	**16,111**	**17,435**
Finance (expense) income		46	(640)	(551)	(727)	(1,129)
Net income from investments		1,243	1,373	569	1,156	2,171
Profit before income taxes		**20,028**	**19,250**	**12,073**	**16,540**	**18,477**
Income taxes		(9,219)	(9,692)	(6,756)	(9,157)	(10,674)
Tax rate (%)		*46.0*	*50.3*	*56.0*	*55.4*	*57.8*
Net profit		**10,809**	**9,558**	**5,317**	**7,383**	**7,803**
Attributable to:						
- Eni's shareholders		**10,011**	**8,825**	**4,367**	**6,318**	**6,860**
- Non-controlling interest		798	733	950	1,065	943
Net profit attributable to Eni's shareholders		**10,011**	**8,825**	**4,367**	**6,318**	**6,860**
Exclusion of inventory holding (gains) losses		(499)	723	(191)	(610)	(724)
Exclusion of special items		57	616	1,031	1,161	833
of which:						
- non-recurring items		*35*	*(21)*	*250*	*(246)*	*69*
- other special items		*22*	*637*	*781*	*1,407*	*764*
Adjusted net profit attributable to Eni's shareholders		**9,569**	**10,164**	**5,207**	**6,869**	**6,969**

Summarized Group Balance Sheet	(€ million)	2007	2008	2009	2010	2011
Fixed assets						
Property, plant and equipment		50,137	55,933	59,765	67,404	73,578
Other assets		563				
Inventories - Compulsory stock		2,171	1,196	1,736	2,024	2,433
Intangible assets		4,333	11,019	11,469	11,172	10,950
Equity-accounted investments and other investments		6,111	5,881	6,244	6,090	6,242
Receivables and securities held for operating purposes		725	1,219	1,261	1,743	1,740
Net payables related to capital expenditures		(1,191)	(787)	(749)	(970)	(1,576)
		62,849	**74,461**	**79,726**	**87,463**	**93,367**
Net working capital						
Inventories		5,499	6,082	5,495	6,589	7,575
Trade receivables		15,609	16,444	14,916	17,221	17,709
Trade payables		(11,092)	(12,590)	(10,078)	(13,111)	(13,436)
Tax payables and provision for net deferred tax liabilities		(4,412)	(5,323)	(1,988)	(2,684)	(3,503)
Provisions		(8,433)	(9,506)	(10,319)	(11,792)	(12,735)
Other current assets and liabilities		(2,653)	(4,544)	(3,968)	(1,286)	281
		(5,482)	**(9,437)**	**(5,942)**	**(5,063)**	**(4,109)**
Equity instruments		**2,476**	**2,741**			
Provisions for employee post-retirement benefits		**(935)**	**(947)**	**(944)**	**(1,032)**	**(1,039)**
Net assets held for sale including related net borrowings		**286**	**68**	**266**	**479**	**206**
CAPITAL EMPLOYED, NET		**59,194**	**66,886**	**73,106**	**81,847**	**88,425**
Shareholders' equity:						
attributable to: - Eni's shareholders [a]		40,428	44,436	46,073	51,206	55,472
- Non-controlling interest		2,439	4,074	3,978	4,522	4,921
		42,867	**48,510**	**50,051**	**55,728**	**60,393**
Net borrowings		**16,327**	**18,376**	**23,055**	**26,119**	**28,032**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**59,194**	**66,886**	**73,106**	**81,847**	**88,425**

(a) Net of own shares in portfolio.

Summarized Group Cash Flow Statement (€ million)	2007	2008	2009	2010	2011
Net profit	**10,809**	**9,558**	**5,317**	**7,383**	**7,803**
Adjustments to reconcile to cash generated from operating profit before changes in working capital:					
- amortization and depreciation and other non monetary items	6,320	8,792	9,117	9,024	**9,095**
- net gains on disposal of assets	(309)	(219)	(226)	(552)	**(1,170)**
- dividends, interest, taxes and other changes	8,850	9,399	6,843	9,368	**10,651**
Changes in working capital related to operations	(1,641)	4,489	(1,195)	(1,720)	**(2,176)**
Dividends received, taxes paid, interest (paid) received during the period	(8,512)	(10,218)	(8,720)	(8,809)	**(9,821)**
Net cash provided by operating activities	**15,517**	**21,801**	**11,136**	**14,694**	**14,382**
Capital expenditures	(10,593)	(14,562)	(13,695)	(13,870)	**(13,438)**
Investments and purchase of consolidated subsidiaries and businesses	(9,665)	(4,019)	(2,323)	(410)	**(360)**
Disposals	659	979	3,595	1,113	**1,912**
Other cash flow related to capital expenditures, investments and disposals	(35)	(267)	(295)	228	**627**
Free cash flow	**(4,117)**	**3,932**	**(1,582)**	**1,755**	**3,123**
Borrowings (repayment) of debt related to financing activities	(479)	911	396	(26)	**41**
Changes in short and long-term financial debt	8,761	980	3,841	2,272	**1,104**
Dividends paid and changes in non-controlling interest and reserves	(5,836)	(6,005)	(2,956)	(4,099)	**(4,327)**
Effect of changes in consolidation and exchange differences	(200)	7	(30)	39	**10**
NET CASH FLOW FOR THE PERIOD	**(1,871)**	**(175)**	**(331)**	**(59)**	**(49)**

Changes in net borrowings (€ million)	2007	2008	2009	2010	2011
Free cash flow	**(4,117)**	**3,932**	**(1,582)**	**1,755**	**3,123**
Net borrowings of acquired companies	(244)	(286)		(33)	
Net borrowings of divested companies		181			**(192)**
Exchange differences on net borrowings and other changes	637	129	(141)	(687)	**(517)**
Dividends paid and changes in non-controlling interest and reserves	(5,836)	(6,005)	(2,956)	(4,099)	**(4,327)**
CHANGE IN NET BORROWINGS	**(9,560)**	**(2,049)**	**(4,679)**	**(3,064)**	**(1,913)**

Net sales from operations (€ million)	2007	2008	2009	2010	2011
Exploration & Production	26,920	33,042	23,801	29,497	**29,121**
Gas & Power	27,793	37,062	30,447	29,576	**34,731**
Refining & Marketing	36,349	45,017	31,769	43,190	**51,219**
Petrochemicals	6,934	6,303	4,203	6,141	**6,491**
Engineering & Construction	8,678	9,176	9,664	10,581	**11,834**
Other activities	205	185	88	105	**85**
Corporate and financial companies	1,313	1,331	1,280	1,386	**1,365**
Impact of unrealized intragroup profit elimination [a]		75	(66)	100	**(54)**
Consolidation adjustment	(20,988)	(24,109)	(17,959)	(22,053)	**(25,203)**
	87,204	**108,082**	**83,227**	**98,523**	**109,589**

(a) This item concerned mainly intragroup sales of commodities, services and capital goods recorded in the assets of the purchasing business segment as of end of the period.

Net sales to customers (€ million)	2007	2008	2009	2010	2011
Exploration & Production	10,640	14,125	10,171	12,947	**10,677**
Gas & Power	27,036	36,189	29,812	28,743	**33,648**
Refining & Marketing	35,073	43,521	30,804	41,845	**48,428**
Petrochemicals	6,571	5,905	3,965	5,898	**6,202**
Engineering & Construction	7,496	7,957	8,349	8,779	**10,510**
Other activities	174	156	64	80	**62**
Corporate and financial companies	214	154	128	131	**116**
Impact of unrealized intragroup profit elimination		75	(66)	100	**(54)**
	87,204	**108,082**	**83,227**	**98,523**	**109,589**

Net sales by geographic area of destination (€ million)	2007	2008	2009	2010	2011
Italy	**37,294**	**42,843**	**27,950**	**47,802**	**33,805**
Other EU Countries	23,074	29,341	24,331	21,125	**35,536**
Rest of Europe	5,507	7,125	5,213	4,172	**7,537**
Africa	8,010	12,331	10,174	13,068	**11,333**
Americas	6,447	7,218	7,080	6,282	**9,612**
Asia	5,840	8,916	8,208	5,785	**10,258**
Other areas	1,032	308	271	289	**1,508**
Total outside Italy	**49,910**	**65,239**	**55,277**	**50,721**	**75,784**
	87,204	**108,082**	**83,227**	**98,523**	**109,589**

Purchases, services and other (€ million)	2007	2008	2009	2010	2011
Production costs - raw, ancillary and consumable materials and goods	44,850	58,662	40,311	48,261	**60,724**
Production costs - services	10,828	13,355	13,520	15,400	**14,034**
Operating leases and other	2,276	2,558	2,567	3,066	**3,113**
Net provisions	573	884	1,055	1,407	**551**
Other expenses	1,101	1,660	1,527	1,309	**1,214**
less:					
capitalized direct costs associated with self-constructed tangible and intangible assets	(1,495)	(769)	(629)	(308)	**(445)**
	58,133	**76,350**	**58,351**	**69,135**	**79,191**

Principal accountant fees and services (€ thousand)	2007	2008	2009	2010	2011
Audit fees	26,383	27,962	30,748	21,114	**22,407**
Audit-related fees	169	152	276	183	**1,034**
Tax fees	81	46	51	166	**26**
All other fees	120	1			
	26,753	**28,161**	**31,075**	**21,463**	**23,467**

Payroll and related costs (€ million)	2007	2008	2009	2010	2011
Wages and salaries	2,906	3,204	3,330	3,565	**3,704**
Social security contributions	690	694	706	714	**760**
Cost related to defined benefit plans and defined contribution plans	161	107	137	164	**158**
Other costs	275	282	342	600	**360**
less:					
capitalized direct costs associated with self-constructed tangible and intangible assets	(232)	(283)	(334)	(258)	**(233)**
	3,800	**4,004**	**4,181**	**4,785**	**4,749**

Depreciation, depletion, amortization and impairments (€ million)	2007	2008	2009	2010	2011
Exploration & Production	5,431	6,678	6,789	6,928	**6,251**
Gas & Power	739	797	981	963	**955**
Refining & Marketing	433	430	408	333	**351**
Petrochemicals	116	116	83	83	**90**
Engineering & Construction	248	335	433	513	**596**
Other activities	4	4	2	2	**2**
Corporate and financial companies	68	76	83	79	**75**
Impact of unrealized intragroup profit elimination	(10)	(14)	(17)	(20)	**(23)**
Total depreciation, depletion and amortization	**7,029**	**8,422**	**8,762**	**8,881**	**8,297**
Impairments	**207**	**1,393**	**1,051**	**698**	**1,021**
	7,236	**9,815**	**9,813**	**9,579**	**9,318**

Operating profit by Division [a] (€ million)	2007	2008	2009	2010	2011
Exploration & Production	13,433	16,239	9,120	13,866	**15,887**
Gas & Power	4,465	4,030	3,687	2,896	**1,758**
Refining & Marketing	686	(988)	(102)	149	**(273)**
Petrochemicals	100	(845)	(675)	(86)	**(424)**
Engineering & Construction	837	1,045	881	1,302	**1,422**
Other activities	(444)	(466)	(436)	(1,384)	**(427)**
Corporate and financial companies	(312)	(623)	(420)	(361)	**(319)**
Impact of unrealized intragroup profit elimination	(26)	125		(271)	**(189)**
	18,739	**18,517**	**12,055**	**16,111**	**17,435**

(a) Environmental provisions incurred by the Parent Company Eni SpA due to inter-company guarantees on behalf of Syndial have been reported within the segment reporting unit "Other Activities".

Non-GAAP measures

Reconciliation of reported operating profit and reported net profit to results on an adjusted basis

Management evaluates Group and business performance on the basis of adjusted operating profit and adjusted net profit, which are arrived at by excluding inventory holding gains or losses and special items. Furthermore, finance charges on finance debt, interest income, gains or losses deriving from the evaluation of certain derivative financial instruments at fair value through profit or loss (as they do not meet the formal criteria to be assessed as hedges under IFRS, excluding commodity derivatives), and exchange rate differences are all excluded when determining adjusted net profit of each business segment. The taxation effect of the items excluded from adjusted operating or net profit is determined based on the specific rate of taxes applicable to each of them. The Italian statutory tax rate is applied to finance charges and income (38% is applied to charges recorded by companies in the energy sector, whilst a tax rate of 27.5% is applied to all other companies). Adjusted operating profit and adjusted net profit are non-GAAP financial measures under either IFRS, or US GAAP. Management includes them in order to facilitate a comparison of base business performance across periods, and to allow financial analysts to evaluate Eni's trading performance on the basis of their forecasting models. In addition, management uses segmental adjusted net profit when calculating return on average capital employed (ROACE) by each business segment.

The following is a description of items that are excluded from the calculation of adjusted results.

Inventory holding gain or loss is the difference between the cost of sales of the volumes sold in the period based on the cost of supplies of the same period and the cost of sales of the volumes sold calculated using the weighted average cost method of inventory accounting.

Special items include certain significant income or charges pertaining to either: (i) infrequent or unusual events and transactions, being identified as non-recurring items under such circumstances; or (ii) certain events or transactions which are not considered to be representative of the ordinary course of business, as in the case of environmental provisions, restructuring charges, asset impairments or write ups and gains or losses on divestments even though they occurred in past periods or are likely to occur in future ones. As provided for in Decision No. 15519 of July 27, 2006 of the Italian market regulator (Consob), non recurring material income or charges are to be clearly reported in the management's discussion and financial tables. Also, special items include gains and losses on re-measurement at fair value of certain non-hedging commodity derivatives, including the ineffective portion of cash flow hedges and certain derivatives financial instruments embedded in the pricing formula of long-term gas supply agreements of the Exploration & Production Division.

Finance charges or income related to net borrowings excluded from the adjusted net profit of business segments are comprised of interest charges on finance debt and interest income earned on cash and cash equivalents not related to operations. In addition, gains or losses on the fair value evaluation of the aforementioned derivative financial instruments, excluding commodity derivatives and exchange rate differences are excluded from the adjusted net profit of business segments. Therefore, the adjusted net profit of business segments includes finance charges or income deriving from certain segment-operated assets, i.e., interest income on certain receivable financing and securities related to operations and finance charge pertaining to the accretion of certain provisions recorded on a discounted basis (as in the case of the asset retirement obligations in the Exploration & Production Division). Finance charges or interest income and related taxation effects excluded from the adjusted net profit of the business segments are allocated on the aggregate Corporate and financial companies.

For a reconciliation of adjusted operating profit and adjusted net profit to reported operating profit and reported net profit see tables below.

2007 (€ million)	E&P	G&P	R&M	Petrochemicals	E&C	Other activities	Corporate and financial companies	Impact of unrealized intragroup profit elimination	Group
Reported operating profit	**13,433**	**4,465**	**686**	**100**	**837**	**(444)**	**(312)**	**(26)**	**18,739**
Exclusion of inventory holding (gains) losses		44	(658)	(6)					**(620)**
Exclusion of special items									
of which:									
Non-recurring (income) charges	**(11)**	**(61)**	**35**	**(2)**	**(4)**	**61**	**(10)**		**8**
Other special (income) charges:	**348**	**(34)**	**229**	**24**	**7**	**176**	**127**		**877**
- environmental charges		15	128			210	12		**365**
- asset impairments	226		58			6			**290**
- risk provisions			9			13			**22**
- provision for redundancy incentives	6	38	31	24	7	18	32		**156**
- re-measurement gains/losses on commodity derivatives	74	(16)	6				83		**147**
- other	42	(71)	(3)			(71)			**(103)**
Special items of operating profit	**337**	**(95)**	**264**	**22**	**3**	**237**	**117**		**885**
Adjusted operating profit	**13,770**	**4,414**	**292**	**116**	**840**	**(207)**	**(195)**	**(26)**	**19,004**
Net finance (expense) income [a]	60	(5)		1		(8)	(25)		**23**
Net income from investments [a]	176	420	126	1	80	5	4		**812**
Income taxes [a]	(7,678)	(1,702)	(124)	(44)	(262)		154	10	**(9,646)**
Tax rate (%)	*54.8*	*35.2*	*29.7*		*28.5*				***48.6***
Adjusted net profit	**6,328**	**3,127**	**294**	**74**	**658**	**(210)**	**(62)**	**(16)**	**10,193**
of which attributable to:									
- Non-controlling interest									**624**
- Eni's shareholders									**9,569**
Reported net profit attributable to Eni's shareholders									**10,011**
Exclusion of inventory holding (gains) losses [b]									**(499)**
Exclusion of special items:									**57**
- non-recurring (income) charges									***35***
- other special (income) charges									***22***
Adjusted net profit attributable to Eni's shareholders									**9,569**

(a) Excluding special items.
(b) Including €110 million related to equity-accounted entities.

2008 (€ million)	E&P	G&P	R&M	Petrochemicals	E&C	Other activities	Corporate and financial companies	Impact of unrealized intragroup profit elimination	Group
Reported operating profit	**16,239**	**4,030**	**(988)**	**(845)**	**1,045**	**(466)**	**(623)**	**125**	**18,517**
Exclusion of inventory holding (gains) losses		(429)	1,199	166					**936**
Exclusion of special items									
of which:									
Non-recurring (income) charges			**(21)**						**(21)**
Other special (income) charges:	**983**	**(37)**	**390**	**281**	**(4)**	**222**	**341**		**2,176**
- environmental charges		12	76			221	120		**309**
- asset impairments	989	1	299	278		5			**1,572**
- gains on disposal of assets	4	7	13	(5)	(4)	(14)	(9)		**(8)**
- risk provisions						4			**4**
- provision for redundancy incentives	8	20	23	8		4	28		**91**
- re-measurement gains/losses on commodity derivatives	(18)	(74)	(21)				52		**(61)**
- other		(3)				2	270		**269**
Special items of operating profit	**983**	**(37)**	**369**	**281**	**(4)**	**222**	**341**		**2,155**
Adjusted operating profit	**17,222**	**3,564**	**580**	**(398)**	**1,041**	**(244)**	**(282)**	**125**	**21,608**
Net finance (expense) income [a]	70	(13)	1	1	1	(39)	(661)		**(640)**
Net income from investments [a]	609	420	174	(9)	49	4	5		**1,252**
Income taxes [a]	(10,001)	(1,323)	(234)	83	(307)		406	(49)	**(11,425)**
Tax rate (%)	*55.9*	*33.3*	*31.0*		*28.1*				***51.4***
Adjusted net profit	**7,900**	**2,648**	**521**	**(323)**	**784**	**(279)**	**(532)**	**76**	**10,795**
of which attributable to:									
- Non-controlling interest									**631**
- Eni's shareholders									**10,164**
Reported net profit attributable to Eni's shareholders									**8,825**
Exclusion of inventory holding (gains) losses [b]									***723***
Exclusion of special items:									**616**
- non-recurring (income) charges									***(21)***
- other special (income) charges									***637***
Adjusted net profit attributable to Eni's shareholders									**10,164**

(a) Excluding special items.
(b) Including €118 million related to equity-accounted entities.

2009 (€ million)	E&P	G&P	R&M	Petrochemicals	E&C	Other activities	Corporate and financial companies	Impact of unrealized intragroup profit elimination	Group
Reported operating profit	**9,120**	**3,687**	**(102)**	**(675)**	**881**	**(436)**	**(420)**		**12,055**
Exclusion of inventory holding (gains) losses		326	(792)	121					(345)
Exclusion of special items									
of which:									
Non-recurring (income) charges					**250**				**250**
Other special (income) charges:	**364**	**(112)**	**537**	**128**	**(11)**	**178**	**78**		**1,162**
- environmental charges		19	72			207			298
- asset impairments	618	27	389	121	2	5			1,162
- gains on disposal of assets	(270)	(6)	(2)		3	(2)			(277)
- risk provisions		115	17			(4)			128
- provision for redundancy incentives	31	25	22	10		8	38		134
- re-measurement gains/losses on commodity derivatives	(15)	(292)	39	(3)	(16)				(287)
- other						(36)	40		4
Special items of operating profit	**364**	**(112)**	**537**	**128**	**239**	**178**	**78**		**1,412**
Adjusted operating profit	**9,484**	**3,901**	**(357)**	**(426)**	**1,120**	**(258)**	**(342)**		**13,122**
Net finance (expense) income [a]	(23)	(15)				12	(525)		(551)
Net income from investments [a]	243	332	75		49	1			700
Income taxes [a]	(5,826)	(1,302)	85	86	(277)		123	(3)	(7,114)
Tax rate (%)	*60.0*	*30.9*	*..*		*23.7*				*53.6*
Adjusted net profit	**3,878**	**2,916**	**(197)**	**(340)**	**892**	**(245)**	**(744)**	**(3)**	**6,157**
of which attributable to:									
- Non-controlling interest									950
- Eni's shareholders									**5,207**
Reported net profit attributable to Eni's shareholders									**4,367**
Exclusion of inventory holding (gains) losses [b]									(191)
Exclusion of special items:									1,031
- non-recurring (income) charges									*250*
- other special (income) charges									*781*
Adjusted net profit attributable to Eni's shareholders									**5,207**

(a) Excluding special items.
(b) Including €48 million related to equity-accounted entities.

2010 (€ million)	E&P	G&P	R&M	Petrochemicals	E&C	Other activities	Corporate and financial companies	Impact of unrealized intragroup profit elimination	Group
Reported operating profit	**13,866**	**2,896**	**149**	**(86)**	**1,302**	**(1,384)**	**(361)**	**(271)**	**16,111**
Exclusion of inventory holding (gains) losses		(117)	(659)	(105)					**(881)**
Exclusion of special items									
of which:									
Non-recurring (income) charges		**(270)**			**24**				**(246)**
Other special (income) charges:	**18**	**610**	**339**	**78**		**1,179**	**96**		**2,320**
- environmental charges	30	25	169			1,145			**1,369**
- asset impairments	127	436	76	52	3	8			**702**
- gains on disposal of assets	(241)	4	(16)		5				**(248)**
- risk provisions		78	2			7	8		**95**
- provision for redundancy incentives	97	75	113	26	14	10	88		**423**
- re-measurement gains/losses on commodity derivatives		30	(10)		(22)				**(2)**
- other	5	(38)	5			9			**(19)**
Special items of operating profit	**18**	**340**	**339**	**78**	**24**	**1,179**	**96**		**2,074**
Adjusted operating profit	**13,884**	**3,119**	**(171)**	**(113)**	**1,326**	**(205)**	**(265)**	**(271)**	**17,304**
Net finance (expense) income [a]	(205)	19			33	(9)	(530)		**(692)**
Net income from investments [a]	274	406	92	1	10	(2)			**781**
Income taxes [a]	(8,353)	(986)	30	27	(375)		96	102	**(9,459)**
Tax rate (%)	*59.9*	*27.8*	*..*		*27.4*				***54.4***
Adjusted net profit	**5,600**	**2,558**	**(49)**	**(85)**	**994**	**(216)**	**(699)**	**(169)**	**7,934**
of which attributable to:									
- Non-controlling interest									**1,065**
- Eni's shareholders									**6,869**

Reported net profit attributable to Eni's shareholders	**6,318**
Exclusion of inventory holding (gains) losses [b]	**(610)**
Exclusion of special items:	**1,161**
- non-recurring (income) charges	***(246)***
- other special (income) charges	***1,407***
Adjusted net profit attributable to Eni's shareholders	**6,869**

(a) Excluding special items.
(b) Including €51 million related to equity-accounted entities.

2011 (€ million)	E&P	G&P	R&M	Petrochemicals	E&C	Other activities	Corporate and financial companies	Impact of unrealized intragroup profit elimination	Group
Reported operating profit	**15,887**	**1,758**	**(273)**	**(424)**	**1,422**	**(427)**	**(319)**	**(189)**	**17,435**
Exclusion of inventory holding (gains) losses		(166)	(907)	(40)					**(1,113)**
Exclusion of special items									
of which:									
Non-recurring (income) charges				**10**		**59**			**69**
Other special (income) charges:	**190**	**354**	**645**	**178**	**21**	**142**	**53**		**1,583**
- environmental charges		10	34	1		141			**186**
- asset impairments	190	145	488	160	35	4			**1,022**
- gains on disposal of assets	(63)	(4)	10		4	(7)	(1)		**(61)**
- risk provisions		77	8			9	(6)		**88**
- provision for redundancy incentives	44	40	81	17	10	8	9		**209**
- re-measurement gains/losses on commodity derivatives	1	45	(3)		(28)				**15**
- other	18	41	27			(13)	51		**124**
Special items of operating profit	**190**	**354**	**645**	**188**	**21**	**201**	**53**		**1,652**
Adjusted operating profit	**16,077**	**1,946**	**(535)**	**(276)**	**1,443**	**(226)**	**(266)**	**(189)**	**17,974**
Net finance (expense) income [a]	(231)	33				5	(932)		**(1,125)**
Net income from investments [a]	624	407	99		95	(3)	1		**1,223**
Income taxes [a]	(9,604)	(845)	174	68	(440)	(1)	410	78	**(10,160)**
Tax rate (%)	*58.3*	*35.4*	*..*		*28.6*				***56.2***
Adjusted net profit	**6,866**	**1,541**	**(262)**	**(208)**	**1,098**	**(225)**	**(787)**	**(111)**	**7,912**
of which attributable to:									
- Non-controlling interest									**943**
- Eni's shareholders									**6,969**

Reported net profit attributable to Eni's shareholders	**6,860**
Exclusion of inventory holding (gains) losses [b]	**(724)**
Exclusion of special items:	**833**
- non-recurring (income) charges	***69***
- other special (income) charges	***764***
Adjusted net profit attributable to Eni's shareholders	**6,969**

(a) Excluding special items.
(b) Including €65 million related to equity-accounted entities.

Breakdown of special items (€ million)	2007	2008	2009	2010	2011
Non-recurring charges (income)	**8**	**(21)**	**250**	**(246)**	**69**
of which:					
estimated charge of the possible resolution of the TSKJ matter			*250*		
curtailment recognized of the reserve for post-retirement benefits for Italian employees	*(83)*				
provisions and utilizations against antitrust proceedings and regulations	*91*				
settlement/payments on antitrust and other Authorities proceedings		*(21)*		*(246)*	***69***
Other special charges (income):	**877**	**2,176**	**1,162**	**2,320**	**1,583**
- environmental charges	365	309	298	1,369	**186**
- asset impairments	290	1,572	1,162	702	**1,022**
- gains on disposal of assets		(8)	(277)	(248)	**(61)**
- risk provisions	22	4	128	95	**88**
- provision for redundancy incentives	156	91	134	423	**209**
- re-measurement gains/losses on commodity derivatives	147	(61)	(287)	(2)	**15**
- other	(103)	269	4	(19)	**124**
Special items of operating profit	**885**	**2,155**	**1,412**	**2,074**	**1,652**
Net finance (expense) income	**(23)**			**35**	**4**
Net income from investments	**(321)**	**(239)**	**179**	**(324)**	**(883)**
of which:					
gain from the sale of stakes in Haldor Topsøe AS and Camom SA	*(290)*				
gain on divestment of GTT (Gaztransport et Technigaz SAS)		*(185)*			
gains from disposal of International Transport assets					***1,044***
gains from disposal of assets				*(332)*	***(78)***
impairments				*28*	***191***
Income taxes	**(658)**	**(1,402)**	**(560)**	**(624)**	**60**
of which:					
taxes on special items of operating profit	*(214)*	*(623)*	*(413)*	*(653)*	***(521)***
tax impact pursuant to Law Decree No. 112 of June 25, 2008 for Italian subsidiaries:		(270)	(27)		
- on inventories		*(176)*			
- on deferred taxes		*(94)*	*(27)*		
tax impact pursuant Budget Law 2008 for Italian subsidiaries		(290)			
adjustment to deferred tax for Italian subsidiaries	(394)				
adjustment to deferred tax for Libyan assets		(173)			
deferred tax adjustment in a Production Sharing Agreement					**552**
impairment on deferred tax assets E&P			72		
other tax items	(50)	(46)	(192)	29	**29**
Total special items of net profit	**(117)**	**514**	**1,031**	**1,161**	**833**
attributable to:					
- Non-controlling interest	*(174)*	*(102)*			
- Eni's shareholders	***57***	***616***	***1,031***	***1,161***	***833***

Adjusted operating profit by Division (€ million)	2007	2008	2009	2010	2011
Exploration & Production	13,770	17,222	9,484	13,884	**16,077**
Gas & Power	4,414	3,564	3,901	3,119	**1,946**
Refining & Marketing	292	580	(357)	(171)	**(535)**
Petrochemicals	116	(398)	(426)	(113)	**(276)**
Engineering & Construction	840	1,041	1,120	1,326	**1,443**
Other activities	(207)	(244)	(258)	(205)	**(226)**
Corporate and financial companies	(195)	(282)	(342)	(265)	**(266)**
Impact of unrealized intragroup profit elimination	(26)	125		(271)	**(189)**
	19,004	**21,608**	**13,122**	**17,304**	**17,974**

Adjusted net profit by Division (€ million)	2007	2008	2009	2010	2011
Exploration & Production	6,328	7,900	3,878	5,600	**6,866**
Gas & Power	3,127	2,648	2,916	2,558	**1,541**
Refining & Marketing	294	521	(197)	(49)	**(262)**
Petrochemicals	74	(323)	(340)	(85)	**(208)**
Engineering & Construction	658	784	892	994	**1,098**
Other activities	(210)	(279)	(245)	(216)	**(225)**
Corporate and financial companies	(62)	(532)	(744)	(699)	**(787)**
Impact of unrealized intragroup profit elimination	(16)	76	(3)	(169)	**(111)**
	10,193	**10,795**	**6,157**	**7,934**	**7,912**
of which attributable to:					
Non-controlling interest	624	631	950	1,065	**943**
Eni's shareholders	**9,569**	**10,164**	**5,207**	**6,869**	**6,969**

Finance income (expense) (€ million)	2007	2008	2009	2010	2011
Income from equity instruments	188	241	163		
Exchange differences, net	(51)	206	(106)	92	**(111)**
Finance income (expense) related to net borrowings and other	(279)	(668)	(612)	(634)	**(817)**
Net income from securities	39	21	3	10	**9**
Financial expense due to the passage of time (accretion discount)	(186)	(249)	(218)	(251)	**(247)**
Income (expense) on derivatives	155	(427)	(4)	(131)	**(112)**
less:					
Finance expense capitalized	180	236	223	187	**149**
	46	**(640)**	**(551)**	**(727)**	**(1,129)**
of which, net income from receivables and securities held for financing operating activities and interest on tax credits	96	78	40	65	**68**

Income (expense on) from investments (€ million)	2007	2008	2009	2010	2011
Share of profit of equity-accounted investments	906	761	693	717	**678**
Share of loss of equity-accounted investments	(135)	(105)	(241)	(149)	**(106)**
Gains on disposals	301	218	16	332	**1,125**
Losses on disposals	(1)	(1)			
Dividends	170	510	164	264	**659**
Decreases (increases) in the provision for losses on investments	2	(16)	(59)	(31)	**(28)**
Other income (expense), net		6	(4)	23	**(157)**
	1,243	**1,373**	**569**	**1,156**	**2,171**

Property, plant and equipment by Division (at year end) (€ million)	2007	2008	2009	2010	2011
Property, plant and equipment by segment, gross					
Exploration & Production	52,780	64,338	71,189	85,494	**96,561**
Gas & Power	24,641	20,729	22,040	22,510	**23,655**
Refining & Marketing	12,421	12,899	13,378	14,177	**14,884**
Petrochemicals	4,918	5,036	5,174	5,226	**5,438**
Engineering & Construction	5,823	7,702	9,163	10,714	**11,809**
Other activities	1,543	1,550	1,592	1,614	**1,617**
Corporate and financial companies	344	391	373	372	**422**
Impact of unrealized intragroup profit elimination	(227)	(355)	(343)	(495)	**(523)**
	102,243	**112,290**	**122,566**	**139,612**	**153,863**
Property, plant and equipment by segment, net					
Exploration & Production	25,751	32,355	34,462	40,521	**45,527**
Gas & Power	15,204	13,038	13,778	13,876	**14,517**
Refining & Marketing	4,495	4,496	4,397	4,766	**4,758**
Petrochemicals	1,099	912	853	990	**960**
Engineering & Construction	3,513	5,154	6,305	7,422	**7,969**
Other activities	82	83	79	78	**76**
Corporate and financial companies	196	212	179	171	**196**
Impact of unrealized intragroup profit elimination	(203)	(317)	(288)	(420)	**(425)**
	50,137	**55,933**	**59,765**	**67,404**	**73,578**

Capital expenditure by Division (€ million)	2007	2008	2009	2010	2011
Exploration & Production	6,480	9,281	9,486	9,690	**9,435**
Gas & Power	1,511	2,058	1,686	1,685	**1,721**
Refining & Marketing	979	965	635	711	**866**
Petrochemicals	145	212	145	251	**216**
Engineering & Construction	1,410	2,027	1,630	1,552	**1,090**
Other activities	59	52	44	22	**10**
Corporate and financial companies	108	95	57	109	**128**
Impact of unrealized intragroup profit elimination	(99)	(128)	12	(150)	**(28)**
	10,593	**14,562**	**13,695**	**13,870**	**13,438**

Capital expenditure by geographic area of origin (€ million)	2007	2008	2009	2010	2011
Italy	**3,246**	**3,674**	**3,198**	**3,044**	**3,587**
Other European Union Countries	1,246	1,660	1,454	1,710	**1,337**
Rest of Europe	469	582	574	724	**1,174**
Africa	3,152	5,153	4,645	5,083	**4,369**
Americas	1,004	1,240	1,207	1,156	**978**
Asia	1,253	1,777	2,033	1,941	**1,608**
Other areas	223	476	584	212	**385**
Total outside Italy	**7,347**	**10,888**	**10,497**	**10,826**	**9,851**
	10,593	**14,562**	**13,695**	**13,870**	**13,438**

Net borrowings (€ million)	Debt and bonds	Cash and cash equivalents	Securities held for non-operating purposes	Financing receivables held for non-operating purposes	Total
2007					
Short-term debt	8,500	(2,114)	(174)	(990)	**5,222**
Long-term debt	11,330			(225)	**11,105**
	19,830	**(2,114)**	**(174)**	**(1,215)**	**16,327**
2008					
Short-term debt	6,908	(1,939)	(185)	(337)	**4,447**
Long-term debt	13,929				**13,929**
	20,837	**(1,939)**	**(185)**	**(337)**	**18,376**
2009					
Short-term debt	6,736	(1,608)	(64)	(73)	**4,991**
Long-term debt	18,064				**18,064**
	24,800	**(1,608)**	**(64)**	**(73)**	**23,055**
2010					
Short-term debt	7,478	(1,549)	(109)	(6)	**5,814**
Long-term debt	20,305				**20,305**
	27,783	**(1,549)**	**(109)**	**(6)**	**26,119**
2011					
Short-term debt	6,495	(1,500)	(37)	(28)	**4,930**
Long-term debt	23,102				**23,102**
	29,597	**(1,500)**	**(37)**	**(28)**	**28,032**

Employees

Employees at year end [a]	(units)	2007	2008	2009	2010	2011
	Italy	3,930	4,054	3,883	3,906	3,797
Exploration & Production	Outside Italy	4,446	6,182	6,388	6,370	6,628
		8,376	10,236	10,271	10,276	10,425
	Italy	9,362	9,029	8,842	8,652	8,422
Gas & Power	Outside Italy	2,531	2,663	2,562	2,593	2,485
		11,893	11,692	11,404	11,245	10,907
	Italy	7,079	6,609	6,467	6,162	5,790
Refining & Marketing	Outside Italy	2,349	1,718	1,699	1,860	1,801
		9,428	8,327	8,166	8,022	7,591
	Italy	5,469	5,224	5,045	4,903	4,750
Petrochemicals	Outside Italy	1,065	1,050	1,023	1,069	1,054
		6,534	6,274	6,068	5,972	5,804
	Italy	4,994	5,420	5,174	4,915	5,197
Engineering & Construction	Outside Italy	28,117	30,209	30,795	33,911	33,364
		33,111	35,629	35,969	38,826	38,561
	Italy	1,172	1,070	968	939	880
Other activities	Outside Italy	-	-	-	-	-
		1,172	1,070	968	939	880
	Italy	4,485	4,717	4,706	4,497	4,334
Corporate and financial companies	Outside Italy	126	149	166	164	184
		4,611	4,866	4,872	4,661	4,518
	Italy	36,491	36,123	35,085	33,974	33,170
Total employees at year end	Outside Italy	38,634	41,971	42,633	45,967	45,516
		75,125	78,094	77,718	79,941	78,686
of which: senior managers		1,532	1,594	1,562	1,574	1,586

(a) In 2010 the method for calculating the number of employees has been changed. Employees are allocated to Italy and abroad according to their permanent employment base. Prior year data have been restated accordingly.

Supplemental oil and gas information

Oil and natural gas reserves

Eni's criteria concerning evaluation and classification of proved developed and undeveloped reserves follow Regulation S-X 4-10 of the US Securities and Exchange Commission and have been disclosed in accordance with FASB Extractive Activities - Oil & Gas (Topic 932). Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible, from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations, prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time. Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an un-weighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions. In 2011, the marker price for Brent was $111 per barrel. Net proved reserves exclude interests and royalties owned by others. Proved reserves are classified as either developed or undeveloped. Developed oil and gas reserves are reserves that can be expected to be recovered through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well. Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion. Since 1991, Eni has requested qualified independent oil engineering companies to carry out an independent evaluation[1] of part of its proved reserves on a rotational basis. The description of qualifications of the person primarily responsible of the reserve audit is included in the third party audit report[2].

In the preparation of their reports, independent evaluators rely, without independent verification, upon data furnished by Eni with respect to property interest, production, current cost of operation and development, sale agreements, prices and other factual information and data that were accepted as represented by the independent evaluators. These data, equally used by Eni in its internal process, include logs, directional surveys, core and PVT (Pressure Volume Temperature) analysis, maps, oil/gas/water production/injection data of wells, reservoir studies and technical analysis relevant to field performance, long-term development plans, future capital and operating costs. In order to calculate the economic value of Eni equity reserves, actual prices applicable to hydrocarbon sales, price adjustments required by applicable contractual arrangements, and other pertinent information are provided. In 2011, Ryder Scott Company and DeGolyer and MacNaughton[2] provided an independent evaluation of almost 32% of Eni's total proved reserves as of December 31, 2011[3], confirming, as in previous years, the reasonableness of Eni's internal evaluations. In the three year period from 2009 to 2011, 85% of Eni's total proved reserves were subject to independent evaluation. As of December 31, 2011, the principal property not subjected to independent evaluation in the last three years is Kashagan (Kazakhstan). Eni operates under Production Sharing Agreements, PSAs, in several of the foreign jurisdictions where it has oil and gas exploration and production activities. Reserves of oil and natural gas to which Eni is entitled under PSA arrangements are shown in accordance with Eni's economic interest in the volumes of oil and natural gas estimated to be recoverable in future years. Such reserves include estimated quantities allocated to Eni for recovery of costs, income taxes owed by Eni but settled by its joint venture partners (which are state-owned entities) out of Eni's share of production and Eni's net equity share after cost recovery. Proved oil and gas reserves associated with PSAs represented 57%, 55% and 49% of total proved reserves as of December 31, 2009, 2010 and 2011, respectively, on an oil-equivalent basis. Similar effects as PSAs apply to service and "buy-back" contracts; proved reserves associated with such contracts represented 2%, 3% and 1% of total proved reserves on an oil-equivalent basis as of December 31, 2009, 2010 and 2011, respectively.

Oil and gas reserve quantities include: (i) oil and natural gas quantities in excess of cost recovery which the company has an obligation to purchase under certain PSAs with governments or authorities, whereby the company serves as producer of reserves. Reserve volumes associated with oil and gas deriving from such obligation represent 0.3%, 0.6% and 0.8% of total proved reserves as of December 31, 2009, 2010 and 2011, respectively, on an oil-equivalent basis; (ii) volumes of natural gas used for own consumption; (iii) the quantities of hydrocarbons related to the Angola LNG plant; and (iv) volumes of natural gas held in certain Eni storage fields in Italy. Proved reserves attributable to these fields include: (a) the residual natural gas volumes of the reservoirs; and (b) natural gas volumes from other Eni fields input into these reservoirs in subsequent periods. Proved reserves do not include volumes owned by or acquired from third parties. Gas withdrawn from storage is produced and thereby removed from proved reserves when sold. Numerous uncertainties are inherent in estimating quantities of proved reserves, in projecting future productions and development expenditures. The accuracy of any reserve estimate is a function of the quality of available data and engineering and geological interpretation and evaluation.

(1) From 1991 to 2002, DeGolyer and MacNaughton, from 2003 also Ryder Scott.
(2) The reports of independent engineers are available on Eni website eni.com, section Publications/Annual Report 2011.
(3) Including reserves of equity-accounted entities.

The results of drilling, testing and production after the date of the estimate may require substantial upward or downward revisions. In addition, changes in oil and natural gas prices have an effect on the quantities of Eni's proved reserves since estimates of reserves are based on prices and costs relevant to the date when such estimates are made. Consequently, the evaluation of reserves could also significantly differ from actual oil and natural gas volumes that will be produced.

The following table presents yearly changes in estimated proved reserves, developed and undeveloped, of crude oil (including condensate and natural gas liquids) and natural gas as of December 31, 2009, 2010 and 2011.

Movements in net proved hydrocarbons reserves (mmboe)

2009	Italy [a]	Rest of Europe	North Africa	Sub-Saharan Africa	Kazakhstan	Rest of Asia [b]	America	Australia and Oceania	Total
Consolidated subsidiaries									
Reserves at December 31, 2008	681	525	1,922	1,146	1,336	265	235	132	**6,242**
of which: developed	*465*	*417*	*1,229*	*827*	*647*	*168*	*133*	*62*	***3,948***
undeveloped	*216*	*108*	*693*	*319*	*689*	*97*	*102*	*70*	***2,294***
Purchase of minerals in place				2			24		**26**
Revisions of previous estimates	74	65	76	102	(72)	(26)	44	(2)	**261**
Improved recovery		13	10	14					**37**
Extensions and discoveries	10	79	121	6		44	13	9	**282**
Production	(62)	(91)	(207)	(129)	(43)	(47)	(53)	(6)	**(638)**
Sales of minerals in place		(1)							**(1)**
Reserves at December 31, 2009	**703**	**590**	**1,922**	**1,141**	**1,221**	**236**	**263**	**133**	**6,209**
Equity-accounted entities									
Reserves at December 31, 2008			17	8		622	19		**666**
of which: developed			*13*	*4*		*83*	*7*		***107***
undeveloped			*4*	*4*		*539*	*12*		***559***
Purchase of minerals in place									
Revisions of previous estimates				1		2			**3**
Improved recovery									
Extensions and discoveries			1	14					**15**
Production			(3)	(1)		(1)	(3)		**(8)**
Sales of minerals in place						(314)			**(314)**
Reserves at December 31, 2009			**15**	**22**		**309**	**16**		**362**
Reserves at December 31, 2009	**703**	**590**	**1,937**	**1,163**	**1,221**	**545**	**279**	**133**	**6,571**
Developed	**490**	**432**	**1,278**	**804**	**614**	**183**	**181**	**122**	**4,104**
consolidated subsidiaries	490	432	1,266	799	614	139	168	122	**4,030**
equity-accounted entities			12	5		44	13		**74**
Undeveloped	**213**	**158**	**659**	**359**	**607**	**362**	**98**	**11**	**2,467**
consolidated subsidiaries	213	158	656	342	607	97	95	11	**2,179**
equity-accounted entities			3	17		265	3		**288**

(a) Including approximately 746 and 769 bcf of natural gas held in storage at December 31, 2008 and 2009, respectively.
(b) Proved reserves of equity-accounted entities at year end 2008 include 60% of the three former Yukos companies. From 2009, after the 51% call option exercised by Gazprom, values are reported at 29.4%.

Movements in net proved hydrocarbons reserves (mmboe)									
2010	Italy [a]	Rest of Europe	North Africa	Sub-Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
Consolidated subsidiaries									
Reserves at December 31, 2009	703	590	1,922	1,141	1,221	236	263	133	**6,209**
of which: developed	*490*	*432*	*1,266*	*799*	*614*	*139*	*168*	*122*	***4,030***
undeveloped	*213*	*158*	*656*	*342*	*607*	*97*	*95*	*11*	***2,179***
Purchase of minerals in place									
Revisions of previous estimates	97	34	353	116	(56)	104	13		**661**
Improved recovery			1	1					**2**
Extensions and discoveries		57	39	22		1	2	4	**125**
Production	(67)	(80)	(218)	(145)	(39)	(46)	(48)	(10)	**(653)**
Sales of minerals in place	(9)		(1)	(2)					**(12)**
Reserves at December 31, 2010	**724**	**601**	**2,096**	**1,133**	**1,126**	**295**	**230**	**127**	**6,332**
Equity-accounted entities									
Reserves at December 31, 2009			15	22		309	16		**362**
of which: developed			*12*	*5*		*44*	*13*		***74***
undeveloped			*3*	*17*		*265*	*3*		***288***
Purchase of minerals in place									
Revisions of previous estimates			9	1		10	(1)		**19**
Improved recovery							12		**12**
Extensions and discoveries			1	6			120		**127**
Production			(2)	(1)		(2)	(4)		**(9)**
Sales of minerals in place									
Reserves at December 31, 2010			**23**	**28**		**317**	**143**		**511**
Reserves at December 31, 2010	**724**	**601**	**2,119**	**1,161**	**1,126**	**612**	**373**	**127**	**6,843**
Developed	**554**	**405**	**1,237**	**817**	**543**	**182**	**167**	**117**	**4,022**
consolidated subsidiaries	554	405	1,215	812	543	139	141	117	**3,926**
equity-accounted entities			22	5		43	26		**96**
Undeveloped	**170**	**196**	**882**	**344**	**583**	**430**	**206**	**10**	**2,821**
consolidated subsidiaries	170	196	881	321	583	156	89	10	**2,406**
equity-accounted entities			1	23		274	117		**415**

(a) Including approximately 769 and 767 bcf of natural gas held in storage at December 31, 2009 and 2010, respectively.

Movements in net proved hydrocarbons reserves (mmboe)

2011	Italy [a]	Rest of Europe	North Africa	Sub-Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
Consolidated subsidiaries									
Reserves at December 31, 2010	724	601	2,096	1,133	1,126	295	230	127	**6,332**
of which: developed	*554*	*405*	*1,215*	*812*	*543*	*139*	*141*	*117*	***3,926***
undeveloped	*170*	*196*	*881*	*321*	*583*	*156*	*89*	*10*	***2,406***
Purchase of minerals in place	2								**2**
Revisions of previous estimates	48	94	88	12	(137)	(26)	10	17	**106**
Improved recovery		2	2	2					**6**
Extensions and discoveries	1	13	3	14			40		**71**
Production	(68)	(78)	(158)	(133)	(39)	(39)	(42)	(11)	**(568)**
Sales of minerals in place		(2)		(7)					**(9)**
Reserves at December 31, 2011	**707**	**630**	**2,031**	**1,021**	**950**	**230**	**238**	**133**	**5,940**
Equity-accounted entities									
Reserves at December 31, 2010			23	28		317	143		**511**
of which: developed			*22*	*5*		*43*	*26*		***96***
undeveloped			*1*	*23*		*274*	*117*		***415***
Purchase of minerals in place									
Revisions of previous estimates				37		73	13		**123**
Improved recovery							1		**1**
Extensions and discoveries				19		268	233		**520**
Production			(2)	(1)		(2)	(4)		**(9)**
Sales of minerals in place									
Reserves at December 31, 2011			**21**	**83**		**656**	**386**		**1,146**
Reserves at December 31, 2011	**707**	**630**	**2,052**	**1,104**	**950**	**886**	**624**	**133**	**7,086**
Developed	**540**	**374**	**1,194**	**746**	**482**	**134**	**188**	**112**	**3,770**
consolidated subsidiaries	540	374	1,175	742	482	129	162	112	**3,716**
equity-accounted entities			19	4		5	26		**54**
Undeveloped	**167**	**256**	**858**	**358**	**468**	**752**	**436**	**21**	**3,316**
consolidated subsidiaries	167	256	856	279	468	101	76	21	**2,224**
equity-accounted entities			2	79		651	360		**1,092**

(a) Including approximately 767 and 767 billion cubic feet of natural gas held in storage at December 31, 2010 and 2011.

Movements in net proved liquids reserves (mmbbl)									
2009	**Italy**	**Rest of Europe**	**North Africa**	**Sub-Saharan Africa**	**Kazakhstan**	**Rest of Asia** [a]	**America**	**Australia and Oceania**	**Total**
Consolidated subsidiaries									
Reserves at December 31, 2008	186	277	823	783	911	106	131	26	**3,243**
of which: developed	*111*	*222*	*613*	*576*	*298*	*92*	*74*	*23*	***2,009***
undeveloped	*75*	*55*	*210*	*207*	*613*	*14*	*57*	*3*	***1,234***
Purchase of minerals in place				2					**2**
Revisions of previous estimates	57	40	129	78	(36)	(35)	36	1	**270**
Improved recovery		8	10	15					**33**
Extensions and discoveries	10	74	38	5		44	12	8	**191**
Production	(20)	(48)	(105)	(113)	(26)	(21)	(26)	(3)	**(362)**
Sales of minerals in place									
Reserves at December 31, 2009	**233**	**351**	**895**	**770**	**849**	**94**	**153**	**32**	**3,377**
Equity-accounted entities									
Reserves at December 31, 2008			14	8		101	19		**142**
of which: developed			*11*	*4*		*11*	*7*		***33***
undeveloped			*3*	*4*		*90*	*12*		***109***
Purchase of minerals in place									
Revisions of previous estimates									
Improved recovery									
Extensions and discoveries			1						**1**
Production			(2)	(1)			(3)		**(6)**
Sales of minerals in place						(51)			**(51)**
Reserves at December 31, 2009			**13**	**7**		**50**	**16**		**86**
Reserves at December 31, 2009	**233**	**351**	**908**	**777**	**849**	**144**	**169**	**32**	**3,463**
Developed	**141**	**218**	**669**	**548**	**291**	**52**	**93**	**23**	**2,035**
consolidated subsidiaries	141	218	659	544	291	45	80	23	**2,001**
equity-accounted entities			10	4		7	13		**34**
Undeveloped	**92**	**133**	**239**	**229**	**558**	**92**	**76**	**9**	**1,428**
consolidated subsidiaries	92	133	236	226	558	49	73	9	**1,376**
equity-accounted entities			3	3		43	3		**52**

(a) Proved reserves of equity-accounted entities at year end 2008 include 60% of the three former Yukos companies. From 2009, after the 51% call option exercised by Gazprom, values are reported at 29.4%.

Movements in net proved liquids reserves (mmbbl)

2010	Italy	Rest of Europe	North Africa	Sub-Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
Consolidated subsidiaries									
Reserves at December 31, 2009	233	351	895	770	849	94	153	32	**3,377**
of which: developed	*141*	*218*	*659*	*544*	*291*	*45*	*80*	*23*	***2,001***
undeveloped	*92*	*133*	*236*	*226*	*558*	*49*	*73*	*9*	***1,376***
Purchase of minerals in place									
Revisions of previous estimates	38	17	178	75	(37)	62	2		**335**
Improved recovery			1	1					**2**
Extensions and discoveries		25	13	22			1		**61**
Production	(23)	(44)	(108)	(116)	(24)	(17)	(22)	(3)	**(357)**
Sales of minerals in place			(1)	(2)					**(3)**
Reserves at December 31, 2010	**248**	**349**	**978**	**750**	**788**	**139**	**134**	**29**	**3,415**
Equity-accounted entities									
Reserves at December 31, 2009			13	7		50	16		**86**
of which: developed			*10*	*4*		*7*	*13*		***34***
undeveloped			*3*	*3*		*43*	*3*		***52***
Purchase of minerals in place									
Revisions of previous estimates			8			(6)	(2)		
Improved recovery							12		**12**
Extensions and discoveries							117		**117**
Production			(2)	(1)			(4)		**(7)**
Sales of minerals in place									
Reserves at December 31, 2010			**19**	**6**		**44**	**139**		**208**
Reserves at December 31, 2010	**248**	**349**	**997**	**756**	**788**	**183**	**273**	**29**	**3,623**
Developed	**183**	**207**	**674**	**537**	**251**	**44**	**87**	**20**	**2,003**
consolidated subsidiaries	183	207	656	533	251	39	62	20	**1,951**
equity-accounted entities			18	4		5	25		**52**
Undeveloped	**65**	**142**	**323**	**219**	**537**	**139**	**186**	**9**	**1,620**
consolidated subsidiaries	65	142	322	217	537	100	72	9	**1,464**
equity-accounted entities			1	2		39	114		**156**

Movements in net proved liquids reserves (mmbbl)

2011	Italy	Rest of Europe	North Africa	Sub-Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
Consolidated subsidiaries									
Reserves at December 31, 2010	248	349	978	750	788	139	134	29	**3,415**
of which: developed	*183*	*207*	*656*	*533*	*251*	*39*	*62*	*20*	***1,951***
undeveloped	*65*	*142*	*322*	*217*	*537*	*100*	*72*	*9*	***1,464***
Purchase of minerals in place									
Revisions of previous estimates	34	58	10	14	(112)	(20)	1		**(15)**
Improved recovery		2	2	2					**6**
Extensions and discoveries		9	2	11			17		**39**
Production	(23)	(44)	(75)	(100)	(23)	(13)	(20)	(4)	**(302)**
Sales of minerals in place		(2)		(7)					**(9)**
Reserves at December 31, 2011	**259**	**372**	**917**	**670**	**653**	**106**	**132**	**25**	**3,134**
Equity-accounted entities									
Reserves at December 31, 2010			19	6		44	139		**208**
of which: developed			*18*	*4*		*5*	*25*		***52***
undeveloped			*1*	*2*		*39*	*114*		***156***
Purchase of minerals in place									
Revisions of previous estimates				11		6	11		**28**
Improved recovery							1		**1**
Extensions and discoveries				6		60	4		**70**
Production			(2)	(1)			(4)		**(7)**
Sales of minerals in place									
Reserves at December 31, 2011			**17**	**22**		**110**	**151**		**300**
Reserves at December 31, 2011	**259**	**372**	**934**	**692**	**653**	**216**	**283**	**25**	**3,434**
Developed	**184**	**195**	**638**	**487**	**215**	**34**	**117**	**25**	**1,895**
consolidated subsidiaries	184	195	622	483	215	34	92	25	**1,850**
equity-accounted entities			16	4			25		**45**
Undeveloped	**75**	**177**	**296**	**205**	**438**	**182**	**166**		**1,539**
consolidated subsidiaries	75	177	295	187	438	72	40		**1,284**
equity-accounted entities			1	18		110	126		**255**

Movements in net proved natural gas reserves (bcf)

2009	Italy [a]	Rest of Europe	North Africa	Sub-Saharan Africa	Kazakhstan	Rest of Asia [b]	America	Australia and Oceania	Total
Consolidated subsidiaries									
Reserves at December 31, 2008	2,844	1,421	6,311	2,084	2,437	911	600	606	**17,214**
of which: developed	*2,031*	*1,122*	*3,537*	*1,443*	*2,005*	*439*	*340*	*221*	***11,138***
undeveloped	*813*	*299*	*2,774*	*641*	*432*	*472*	*260*	*385*	***6,076***
Purchase of minerals in place				1			136		**137**
Revisions of previous estimates	97	149	(309)	142	(204)	52	43	(17)	**(47)**
Improved recovery		25							**25**
Extensions and discoveries	1	26	479			2	7	4	**519**
Production	(238)	(239)	(587)	(100)	(94)	(151)	(155)	(18)	**(1,582)**
Sales of minerals in place		(2)					(2)		**(4)**
Reserves at December 31, 2009	**2,704**	**1,380**	**5,894**	**2,127**	**2,139**	**814**	**629**	**575**	**16,262**
Equity-accounted entities									
Reserves at December 31, 2008			13	2		3,000			**3,015**
of which: developed			*11*	*1*		*408*			***420***
undeveloped			*2*	*1*		*2,592*			***2,595***
Purchase of minerals in place									
Revisions of previous estimates			3	3		10	2		**18**
Improved recovery									
Extensions and discoveries				80					**80**
Production			(2)			(12)			**(14)**
Sales of minerals in place						(1,511)			**(1,511)**
Reserves at December 31, 2009			**14**	**85**		**1,487**	**2**		**1,588**
Reserves at December 31, 2009	**2,704**	**1,380**	**5,908**	**2,212**	**2,139**	**2,301**	**631**	**575**	**17,850**
Developed	**2,001**	**1,231**	**3,498**	**1,468**	**1,859**	**756**	**506**	**565**	**11,884**
consolidated subsidiaries	2,001	1,231	3,486	1,463	1,859	539	506	565	**11,650**
equity-accounted entities			12	5		217			**234**
Undeveloped	**703**	**149**	**2,410**	**744**	**280**	**1,545**	**125**	**10**	**5,966**
consolidated subsidiaries	703	149	2,408	664	280	275	123	10	**4,612**
equity-accounted entities			2	80		1,270	2		**1,354**

(a) Including approximately 746 and 769 bcf of natural gas held in storage at December 31, 2008 and 2009.
(b) Proved reserves of equity-accounted entities at year end 2008 include 60% of the three former Yukos companies. From 2009, after the 51% call option excercised by Gazprom, values are reported at 29.4%.

Movements in net proved natural gas reserves (bcf)

2010	Italy [a]	Rest of Europe	North Africa	Sub-Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
Consolidated subsidiaries									
Reserves at December 31, 2009	2,704	1,380	5,894	2,127	2,139	814	629	575	**16,262**
of which: developed	*2,001*	*1,231*	*3,486*	*1,463*	*1,859*	*539*	*506*	*565*	***11,650***
undeveloped	*703*	*149*	*2,408*	*664*	*280*	*275*	*123*	*10*	***4,612***
Purchase of minerals in place									
Revisions of previous estimates	234	48	778	161	(179)	211	41	(18)	**1,276**
Improved recovery									
Extensions and discoveries		177	146			4	5	22	**354**
Production	(246)	(204)	(609)	(161)	(86)	(158)	(145)	(35)	**(1,644)**
Sales of minerals in place	(48)		(2)						**(50)**
Reserves at December 31, 2010	**2,644**	**1,401**	**6,207**	**2,127**	**1,874**	**871**	**530**	**544**	**16,198**
Equity-accounted entities									
Reserves at December 31, 2009			14	85		1,487	2		**1,588**
of which: developed			*12*	*5*		*217*			***234***
undeveloped			*2*	*80*		*1,270*	*2*		***1,354***
Purchase of minerals in place									
Revisions of previous estimates			6	(1)		44	2		**51**
Improved recovery									
Extensions and discoveries			6	34			18		**58**
Production			(2)			(11)			**(13)**
Sales of minerals in place									
Reserves at December 31, 2010			**24**	**118**		**1,520**	**22**		**1,684**
Reserves at December 31, 2010	**2,644**	**1,401**	**6,231**	**2,245**	**1,874**	**2,391**	**552**	**544**	**17,882**
Developed	**2,061**	**1,103**	**3,122**	**1,554**	**1,621**	**774**	**437**	**539**	**11,211**
consolidated subsidiaries	2,061	1,103	3,100	1,550	1,621	560	431	539	**10,965**
equity-accounted entities			22	4		214	6		**246**
Undeveloped	**583**	**298**	**3,109**	**691**	**253**	**1,617**	**115**	**5**	**6,671**
consolidated subsidiaries	583	298	3,107	577	253	311	99	5	**5,233**
equity-accounted entities			2	114		1,306	16		**1,438**

(a) Including, approximately 769 and 767 bcf of natural gas held in storage at December 31, 2009 and 2010, respectively.

Movements in net proved natural gas reserves (bcf)

2011	Italy [a]	Rest of Europe	North Africa	Sub-Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
Consolidated subsidiaries									
Reserves at December 31, 2010	2,644	1,401	6,207	2,127	1,874	871	530	544	16,198
of which: developed	*2,061*	*1,103*	*3,100*	*1,550*	*1,621*	*560*	*431*	*539*	***10,965***
undeveloped	*583*	*298*	*3,107*	*577*	*253*	*311*	*99*	*5*	***5,233***
Purchase of minerals in place	9								**9**
Revisions of previous estimates	80	199	436	(11)	(142)	(38)	51	96	**671**
Improved recovery		3							**3**
Extensions and discoveries	4	18	9	18			131		**180**
Production	(246)	(196)	(462)	(185)	(84)	(148)	(122)	(36)	**(1,479)**
Sales of minerals in place									
Reserves at December 31, 2011	**2,491**	**1,425**	**6,190**	**1,949**	**1,648**	**685**	**590**	**604**	**15,582**
Equity-accounted entities									
Reserves at December 31, 2010			24	118		1,520	22		1,684
of which: developed			*22*	*4*		*214*	*6*		***246***
undeveloped			*2*	*114*		*1,306*	*16*		***1,438***
Purchase of minerals in place		2							**2**
Revisions of previous estimates			(2)	147		372	11		**528**
Improved recovery									
Extensions and discoveries				74		1,150	1,274		**2,498**
Production			(2)	(1)		(9)			**(12)**
Sales of minerals in place									
Reserves at December 31, 2011		**2**	**20**	**338**		**3,033**	**1,307**		**4,700**
Reserves at December 31, 2011	**2,491**	**1,427**	**6,210**	**2,287**	**1,648**	**3,718**	**1,897**	**604**	**20,282**
Developed	**1,977**	**995**	**3,087**	**1,441**	**1,480**	**552**	**393**	**491**	**10,416**
consolidated subsidiaries	1,977	995	3,070	1,437	1,480	528	385	491	**10,363**
equity-accounted entities			17	4		24	8		**53**
Undeveloped	**514**	**432**	**3,123**	**846**	**168**	**3,166**	**1,504**	**113**	**9,866**
consolidated subsidiaries	514	430	3,120	512	168	157	205	113	**5,219**
equity-accounted entities		2	3	334		3,009	1,299		**4,647**

(a) Including, approximately 767 and 767 bcf of natural gas held in storage at December 31, 2010 and 2011, respectively.

Results of operations from oil and gas producing activities [a] (€ million)

2009	Italy	Rest of Europe	North Africa	Sub-Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
Consolidated subsidiaries									
Revenues:									
- sales to consolidated entities	2,274	2,583	1,738	4,386	245	41	808	29	**12,104**
- sales to third parties		540	5,037	586	739	1,208	639	181	**8,930**
Total revenues	**2,274**	**3,123**	**6,775**	**4,972**	**984**	**1,249**	**1,447**	**210**	**21,034**
Operations costs	(271)	(517)	(553)	(749)	(153)	(78)	(273)	(41)	**(2,635)**
Production taxes	(148)		(20)	(445)		(34)			**(647)**
Exploration expenses	(40)	(114)	(319)	(451)	(20)	(204)	(341)	(62)	**(1,551)**
D.D. & A. and Provision for abandonment [b]	(463)	(921)	(956)	(1,502)	(78)	(535)	(1,108)	(186)	**(5,749)**
Other income (expenses)	(125)	(134)	(471)	(467)	(186)	(17)	170	(47)	**(1,277)**
Pretax income from producing activities	**1,227**	**1,437**	**4,456**	**1,358**	**547**	**381**	**(105)**	**(126)**	**9,175**
Income taxes	(467)	(833)	(3,010)	(1,042)	(180)	(67)	(2)	23	**(5,578)**
Results of operations from E&P activities of consolidated subsidiaries [c]	**760**	**604**	**1,446**	**316**	**367**	**314**	**(107)**	**(103)**	**3,597**
Equity-accounted entities									
Revenues:									
- sales to consolidated entities									
- sales to third parties			15	45		49	123		**232**
Total revenues			**15**	**45**		**49**	**123**		**232**
Operations costs			(11)	(7)		(7)	(9)		**(34)**
Production taxes			(3)				(41)		**(44)**
Exploration expenses			(6)	(1)		(8)	(26)		**(41)**
D.D. & A. and Provision for abandonment			(1)	(15)		(35)	(25)		**(76)**
Other income (expenses)			1	6		(11)	(37)		**(41)**
Pretax income from producing activities			**(5)**	**28**		**(12)**	**(15)**		**(4)**
Income taxes			4	(14)		(10)	(20)		**(40)**
Results of operations from E&P activities of equity-accounted entities [c]			**(1)**	**14**		**(22)**	**(35)**		**(44)**

(a) Results of operations from oil and gas producing activities, represent only those revenues and expenses directly associated with such activities, including operating overheads. These amounts do not include any allocation of interest expense or general corporate overhead and, therefore, are not necessarily indicative of the contributions to consolidated net earnings of Eni. Related income taxes are computed by applying the local income tax rates to the pre-tax income from producing activities. Eni is a party to certain Production Sharing Agreements (PSAs), whereby a portion of Eni's share of oil and gas production is withheld and sold by its joint venture partners which are state-owned entities, with proceeds being remitted to the state in satisfaction of Eni's PSA related tax liabilities. Revenue and income taxes include such taxes owed by Eni but paid by state-owned entities out of Eni's share of oil and gas production.
(b) Includes asset impairments amounting to €576 million in 2009.
(c) The "Successful Effort Method" application would have led to an increase of result of operations of €320 million for the consolidated subsidiaries and an increase of €26 million for equity-accounted entities.

Results of operations from oil and gas producing activities (€ million)

2010	Italy	Rest of Europe	North Africa	Sub-Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
Consolidated subsidiaries									
Revenues:									
- sales to consolidated entities	2,725	3,006	2,094	5,314	324	34	1,139	69	**14,705**
- sales to third parties		263	6,604	1,696	890	1,429	562	289	**11,733**
Total revenues	**2,725**	**3,269**	**8,698**	**7,010**	**1,214**	**1,463**	**1,701**	**358**	**26,438**
Operations costs	(278)	(555)	(593)	(902)	(184)	(150)	(292)	(69)	**(3,023)**
Production taxes	(184)		(300)	(700)		(37)			**(1,221)**
Exploration expenses	(35)	(116)	(85)	(465)	(6)	(263)	(204)	(25)	**(1,199)**
D.D. & A. and Provision for abandonment [a]	(621)	(615)	(1,063)	(1,739)	(84)	(696)	(872)	(84)	**(5,774)**
Other income (expenses)	(560)	254	(392)	(219)	(161)	(138)	(45)	(25)	**(1,286)**
Pretax income from producing activities	**1,047**	**2,237**	**6,265**	**2,985**	**779**	**179**	**288**	**155**	**13,935**
Income taxes	(382)	(1,296)	(4,037)	(1,962)	(291)	(119)	(154)	(36)	**(8,277)**
Results of operations from E&P activities of consolidated subsidiaries [b]	**665**	**941**	**2,228**	**1,023**	**488**	**60**	**134**	**119**	**5,658**
Equity-accounted entities									
Revenues:									
- sales to consolidated entities									
- sales to third parties			16	65		69	206		**356**
Total revenues			**16**	**65**		**69**	**206**		**356**
Operations costs			(16)	(9)		(7)	(9)		**(41)**
Production taxes			(3)				(69)		**(72)**
Exploration expenses			(4)	(2)		(4)	(35)		**(45)**
D.D. & A. and Provision for abandonment			(4)	(26)		(25)	(17)		**(72)**
Other income (expenses)			6	12		(10)	(67)		**(59)**
Pretax income from producing activities			**(5)**	**40**		**23**	**9**		**67**
Income taxes			4	(20)		(17)	(33)		**(66)**
Results of operations from E&P activities of equity-accounted entities [b]			**(1)**	**20**		**6**	**(24)**		**1**

(a) Includes asset impairments amounting to €123 million.
(b) The "Successful Effort Method" application would have led to a decrease of €385 million for the consolidated subsidiaries and a decrease of €5 million for equity-accounted entities.

Results of operations from oil and gas producing activities (€ million)

2011	Italy	Rest of Europe	North Africa	Sub-Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
Consolidated subsidiaries									
Revenues:									
- sales to consolidated entities	3,583	3,695	1,956	5,945	411	178	1,634	93	**17,495**
- sales to third parties		514	5,090	1,937	1,268	1,233	132	344	**10,518**
Total revenues	**3,583**	**4,209**	**7,046**	**7,882**	**1,679**	**1,411**	**1,766**	**437**	**28,013**
Operations costs	(284)	(566)	(483)	(830)	(171)	(183)	(364)	(88)	**(2,969)**
Production taxes	(245)		(165)	(853)		(37)			**(1,300)**
Exploration expenses	(38)	(113)	(128)	(509)	(6)	(177)	(136)	(58)	**(1,165)**
D.D. & A. and Provision for abandonment [a]	(606)	(704)	(843)	(1,435)	(112)	(486)	(901)	(103)	**(5,190)**
Other income (expenses)	(562)	142	(508)	(314)	(160)	(151)	125	8	**(1,420)**
Pretax income from producing activities	**1,848**	**2,968**	**4,919**	**3,941**	**1,230**	**377**	**490**	**196**	**15,969**
Income taxes	(761)	(2,043)	(3,013)	(2,680)	(413)	(157)	(184)	(120)	**(9,371)**
Results of operations from E&P activities of consolidated subsidiaries [b]	**1,087**	**925**	**1,906**	**1,261**	**817**	**220**	**306**	**76**	**6,598**
Equity-accounted entities									
Revenues:									
- sales to consolidated entities									
- sales to third parties		2	19	93		89	262		**465**
Total revenues		**2**	**19**	**93**		**89**	**262**		**465**
Operations costs			(11)	(10)		(9)	(17)		**(47)**
Production taxes		(1)	(4)				(113)		**(118)**
Exploration expenses		(6)		(5)		(8)	(9)		**(28)**
D.D. & A. and Provision for abandonment			(1)	(24)		(23)	(21)		**(69)**
Other income (expenses)		(4)	6	11		(20)	(51)		**(58)**
Pretax income from producing activities		**(9)**	**9**	**65**		**29**	**51**		**145**
Income taxes			(4)	(35)		(32)	(4)		**(75)**
Results of operations from E&P activities of equity-accounted entities [b]		**(9)**	**5**	**30**		**(3)**	**47**		**70**

(a) Includes asset impairments amounting to €189 million.
(b) The "Successful Effort Method" application would have led to an increase of €118 million for the consolidated subsidiaries and an increase of €20 million for equity-accounted entities.

Capitalized costs [a] (€ million)

2010	Italy	Rest of Europe	North Africa	Sub-Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
Consolidated subsidiaries									
Proved mineral interests	10,576	10,616	14,051	17,057	1,989	5,552	6,617	1,674	**68,132**
Unproved mineral interests	32	320	570	2,006	39	1,561	1,979	42	**6,549**
Support equipment and facilities	270	33	1,391	716	70	21	53	6	**2,560**
Incomplete wells and other	909	584	2,069	1,089	4,644	107	1,444	84	**10,930**
Gross capitalized costs	**11,787**	**11,553**	**18,081**	**20,868**	**6,742**	**7,241**	**10,093**	**1,806**	**88,171**
Accumulated depreciation, depletion and amortization	(8,020)	(7,771)	(8,558)	(11,067)	(756)	(4,699)	(5,591)	(522)	**(46,984)**
Net capitalized costs consolidated subsidiaries [b] [c]	**3,767**	**3,782**	**9,523**	**9,801**	**5,986**	**2,542**	**4,502**	**1,284**	**41,187**
Equity-accounted entities									
Proved mineral interests			79	191		479	178		**927**
Unproved mineral interests						469			**469**
Support equipment and facilities			7			6	3		**16**
Incomplete wells and other				332		139	197		**668**
Gross capitalized costs			**86**	**523**		**1,093**	**378**		**2,080**
Accumulated depreciation, depletion and amortization			(73)	(103)		(350)	(66)		**(592)**
Net capitalized costs equity-accounted entities [b] [c]			**13**	**420**		**743**	**312**		**1,488**
2011									
Consolidated subsidiaries									
Proved mineral interests	11,356	11,481	15,519	19,539	2,523	6,136	8,976	1,889	**77,419**
Unproved mineral interests	31	325	582	2,893	40	1,543	1,409	204	**7,027**
Support equipment and facilities	285	34	1,442	923	85	41	61	13	**2,884**
Incomplete wells and other	956	1,778	2,755	898	5,333	136	1,029		**12,885**
Gross capitalized costs	**12,628**	**13,618**	**20,298**	**24,253**	**7,981**	**7,856**	**11,475**	**2,106**	**100,215**
Accumulated depreciation, depletion and amortization	(8,633)	(8,582)	(9,750)	(13,069)	(906)	(5,411)	(6,806)	(650)	**(53,807)**
Net capitalized costs consolidated subsidiaries [b] [c]	**3,995**	**5,036**	**10,548**	**11,184**	**7,075**	**2,445**	**4,669**	**1,456**	**46,408**
Equity-accounted entities									
Proved mineral interests		2	80	240		698	330		**1,350**
Unproved mineral interests		44				271			**315**
Support equipment and facilities			8			6	3		**17**
Incomplete wells and other		2	1	1,011		185	223		**1,422**
Gross capitalized costs		**48**	**89**	**1,251**		**1,160**	**556**		**3,104**
Accumulated depreciation, depletion and amortization		(2)	(74)	(131)		(388)	(89)		**(684)**
Net capitalized costs equity-accounted entities [b] [c]		**46**	**15**	**1,120**		**772**	**467**		**2,420**

(a) Capitalized costs represent the total expenditures for proved and unproved mineral interests and related support equipment and facilities utilized in oil and gas exploration and production activities, together with related accumulated depreciation, depletion and amortization.
(b) The amounts include net capitalized financial charges totalling €591 million in 2010 and €614 million in 2011 for the consolidated subsidiaries and €6 million in 2010 and €11 million in 2011 for equity-accounted entities.
(c) The amounts do not include costs associated with exploration activities which are capitalized in order to reflect their investment nature and amortized in full when incurred. The "Successful Effort Method" application would have led to an increase in net capitalized costs of €3,410 million in 2010 and €3,608 million in 2011 for the consolidated subsidiaries and of €76 million in 2010 and €101 million in 2011 for equity-accounted entities.

Costs incurred [a] (€ million)

2009	Italy	Rest of Europe	North Africa	Sub-Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
Consolidated subsidiaries									
Proved property acquisitions			298	27		11	131		**467**
Unproved property acquisitions			54	42		83	43		**222**
Exploration	40	114	317	284	20	159	242	52	**1,228**
Development [b]	742	727	1,401	2,121	1,086	423	858	462	**7,820**
Total costs incurred consolidated subsidiaries	**782**	**841**	**2,070**	**2,474**	**1,106**	**676**	**1,274**	**514**	**9,737**
Equity-accounted entities									
Proved property acquisitions									
Unproved property acquisitions									
Exploration			6	1		9	25		**41**
Development [c]			3	62		94	47		**206**
Total costs incurred equity-accounted entities			**9**	**63**		**103**	**72**		**247**
2010									
Consolidated subsidiaries									
Proved property acquisitions									
Unproved property acquisitions									
Exploration	34	114	84	406	6	223	119	26	**1,012**
Development [b]	579	890	2,674	1,909	1,031	359	1,309	160	**8,911**
Total costs incurred consolidated subsidiaries	**613**	**1,004**	**2,758**	**2,315**	**1,037**	**582**	**1,428**	**186**	**9,923**
Equity-accounted entities									
Proved property acquisitions									
Unproved property acquisitions									
Exploration			4	2		4	35		**45**
Development [c]			7	200		46	114		**367**
Total costs incurred equity-accounted entities			**11**	**202**		**50**	**149**		**412**
2011									
Consolidated subsidiaries									
Proved property acquisitions									
Unproved property acquisitions			57	697					**754**
Exploration	38	100	128	482	6	156	60	240	**1,210**
Development [b]	815	1,921	1,487	1,698	935	385	971	70	**8,282**
Total costs incurred consolidated subsidiaries	**853**	**2,021**	**1,672**	**2,877**	**941**	**541**	**1,031**	**310**	**10,246**
Equity-accounted entities									
Proved property acquisitions									
Unproved property acquisitions									
Exploration		5		5		8	9		**27**
Development [c]		2	3	659		68	154		**886**
Total costs incurred equity-accounted entities		**7**	**3**	**664**		**76**	**163**		**913**

(a) Costs incurred represent amounts both capitalized and expensed in connection with oil and gas producing activities.
(b) Includes the abandonment costs of the assets for €301 million in 2009, €269 million in 2010 and €918 million in 2011.
(c) Includes the abandonment costs of the assets for - €6 million in 2009, - €3 million in 2010 and €15 million in 2011.

Standardized measure of discounted future net cash flows

Estimated future cash inflows represent the revenues that would be received from production and are determined by applying year-end prices of oil and gas for the year ended December 31, 2008, and the average prices during the years ended December 31, 2009, 2010 and 2011 to estimated future production of proved reserves. Future price changes are considered only to the extent provided by contractual arrangements. Estimated future development and production costs are determined by estimating the expenditures to be incurred in developing and producing the proved reserves at the end of the year. Neither the effects of price and cost escalations nor expected future changes in technology and operating practices have been considered.
The standardized measure is calculated as the excess of future cash inflows from proved reserves less future costs of producing and developing the reserves, future income taxes and a yearly 10% discount factor.
Future production costs include the estimated expenditures related to the production of proved reserves plus any production taxes without consideration of future inflation. Future development costs include the estimated costs of drilling development wells and installation of production facilities, plus the net costs associated with dismantlement and abandonment of wells and facilities, under the assumption that year-end costs continue without considering future inflation. Future income taxes were calculated in accordance with the tax laws of the Countries in which Eni operates.
The standardized measure of discounted future net cash flows, related to the preceding proved oil and gas reserves, is calculated in accordance with the requirements of FASB Extractive Activities - Oil & Gas (Topic 932). The standardized measure does not purport to reflect realizable values or fair market value of Eni's proved reserves. An estimate of fair value would also take into account, among other things, hydrocarbon resources other than proved reserves, anticipated changes in future prices and costs and a discount factor representative of the risks inherent in the oil and gas exploration and production activity.

Standardized measure of discounted future net cash flows (€ million)

	Italy	Rest of Europe	North Africa	Sub-Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
December 31, 2009									
Consolidated subsidiaries									
Future cash inflows	26,243	22,057	59,413	33,676	30,273	5,680	7,088	2,973	**187,403**
Future production costs	(4,732)	(6,215)	(7,771)	(9,737)	(6,545)	(1,427)	(1,797)	(529)	**(38,753)**
Future development and abandonment costs	(5,143)	(5,375)	(8,618)	(5,134)	(4,345)	(1,409)	(1,897)	(214)	**(32,135)**
Future net inflow before income tax	**16,368**	**10,467**	**43,024**	**18,805**	**19,383**	**2,844**	**3,394**	**2,230**	**116,515**
Future income tax	(5,263)	(6,621)	(24,230)	(9,894)	(4,827)	(636)	(694)	(563)	**(52,728)**
Future net cash flows	**11,105**	**3,846**	**18,794**	**8,911**	**14,556**	**2,208**	**2,700**	**1,667**	**63,787**
10% discount factor	(5,868)	(1,455)	(9,160)	(3,102)	(10,249)	(520)	(1,162)	(771)	**(32,287)**
Standardized measure of discounted future net cash flows	**5,237**	**2,391**	**9,634**	**5,809**	**4,307**	**1,688**	**1,538**	**896**	**31,500**
Equity-accounted entities									
Future cash inflows			250	427		2,389	652		**3,718**
Future production costs			(147)	(70)		(773)	(261)		**(1,251)**
Future development and abandonment costs			(21)	(137)		(970)	(40)		**(1,168)**
Future net inflow before income tax			**82**	**220**		**646**	**351**		**1,299**
Future income tax			(1)	(45)		(260)	(126)		**(432)**
Future net cash flows			**81**	**175**		**386**	**225**		**867**
10% discount factor			(28)	(80)		(420)	(82)		**(610)**
Standardized measure of discounted future net cash flows			**53**	**95**		**(34)**	**143**		**257**
Total	**5,237**	**2,391**	**9,687**	**5,904**	**4,307**	**1,654**	**1,681**	**896**	**31,757**
December 31, 2010									
Consolidated subsidiaries									
Future cash inflows	30,047	27,973	86,728	45,790	41,053	9,701	8,546	3,846	**253,684**
Future production costs	(4,865)	(7,201)	(12,896)	(13,605)	(6,686)	(3,201)	(2,250)	(611)	**(51,315)**
Future development and abandonment costs	(4,499)	(6,491)	(8,827)	(5,310)	(5,192)	(3,489)	(1,713)	(221)	**(35,742)**
Future net inflow before income tax	**20,683**	**14,281**	**65,005**	**26,875**	**29,175**	**3,011**	**4,583**	**3,014**	**166,627**
Future income tax	(6,289)	(9,562)	(37,108)	(14,468)	(7,213)	(872)	(910)	(805)	**(77,227)**
Future net cash flows	**14,394**	**4,719**	**27,897**	**12,407**	**21,962**	**2,139**	**3,673**	**2,209**	**89,400**
10% discount factor	(7,224)	(1,608)	(13,117)	(3,884)	(14,829)	(419)	(1,392)	(850)	**(43,323)**
Standardized measure of discounted future net cash flows	**7,170**	**3,111**	**14,780**	**8,523**	**7,133**	**1,720**	**2,281**	**1,359**	**46,077**
Equity-accounted entities									
Future cash inflows			498	750		2,893	7,363		**11,504**
Future production costs			(251)	(98)		(972)	(2,676)		**(3,997)**
Future development and abandonment costs			(35)	(128)		(879)	(1,188)		**(2,230)**
Future net inflow before income tax			**212**	**524**		**1,042**	**3,499**		**5,277**
Future income tax			(2)	(69)		(338)	(2,145)		**(2,554)**
Future net cash flows			**210**	**455**		**704**	**1,354**		**2,723**
10% discount factor			(113)	(160)		(515)	(852)		**(1,640)**
Standardized measure of discounted future net cash flows			**97**	**295**		**189**	**502**		**1,083**
Total	**7,170**	**3,111**	**14,877**	**8,818**	**7,133**	**1,909**	**2,783**	**1,359**	**47,160**

Standardized measure of discounted future net cash flows (€ million)

	Italy	Rest of Europe	North Africa	Sub-Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
December 31, 2011									
Consolidated subsidiaries									
Future cash inflows	38,200	37,974	109,825	59,263	50,443	10,403	11,980	5,185	**323,273**
Future production costs	(5,740)	(7,666)	(17,627)	(15,191)	(7,845)	(3,852)	(2,687)	(813)	**(61,421)**
Future development and abandonment costs	(4,712)	(7,059)	(9,639)	(5,734)	(3,705)	(2,842)	(1,836)	(224)	**(35,751)**
Future net inflow before income tax	**27,748**	**23,249**	**82,559**	**38,338**	**38,893**	**3,709**	**7,457**	**4,148**	**226,101**
Future income tax	(9,000)	(15,912)	(46,676)	(23,075)	(9,866)	(1,124)	(2,474)	(1,254)	**(109,381)**
Future net cash flows	**18,748**	**7,337**	**35,883**	**15,263**	**29,027**	**2,585**	**4,983**	**2,894**	**116,720**
10% discount factor	(9,692)	(2,572)	(16,191)	(4,833)	(17,599)	(559)	(1,914)	(1,122)	**(54,482)**
Standardized measure of discounted future net cash flows	**9,056**	**4,765**	**19,692**	**10,430**	**11,428**	**2,026**	**3,069**	**1,772**	**62,238**
Equity-accounted entities									
Future cash inflows		21	649	1,866		6,141	15,067		**23,744**
Future production costs		(5)	(259)	(471)		(1,540)	(4,598)		**(6,873)**
Future development and abandonment costs		(2)	(36)	(147)		(1,247)	(1,754)		**(3,186)**
Future net inflow before income tax		**14**	**354**	**1,248**		**3,354**	**8,715**		**13,685**
Future income tax		(3)	(3)	(189)		(824)	(5,368)		**(6,387)**
Future net cash flows		**11**	**351**	**1,059**		**2,530**	**3,347**		**7,298**
10% discount factor			(183)	(475)		(1,825)	(2,155)		**(4,638)**
Standardized measure of discounted future net cash flows		**11**	**168**	**584**		**705**	**1,192**		**2,660**
Total	**9,056**	**4,776**	**19,860**	**11,014**	**11,428**	**2,731**	**4,261**	**1,772**	**64,898**

Changes in standardized measure of discounted future net cash flows (€ million)

	Total consolidated subsidiaries	Total equity-accounted entities	Total
Standardized measure of discounted future net cash flows at December 31, 2008	**31,452**	**38**	**31,490**
Increase (Decrease):			
- sales, net of production costs	(17,752)	(154)	**(17,906)**
- net changes in sales and transfer prices, net of production costs	4,515	286	**4,801**
- extensions, discoveries and improved recovery, net of future production and development costs	3,587	22	**3,609**
- changes in estimated future development and abandonment costs	(9,915)	(157)	**(10,072)**
- development costs incurred during the period that reduced future development costs	7,401	208	**7,609**
- revisions of quantity estimates	4,686	(113)	**4,573**
- accretion of discount	6,112	29	**6,141**
- net change in income taxes	674	(67)	**607**
- purchase of reserves in-place	161		**161**
- sale of reserves in-place	(7)	81	**74**
- changes in production rates (timing) and other	586	84	**670**
Net increase (decrease)	**48**	**219**	**267**
Standardized measure of discounted future net cash flows at December 31, 2009	**31,500**	**257**	**31,757**
Increase (Decrease):			
- sales, net of production costs	(22,194)	(243)	**(22,437)**
- net changes in sales and transfer prices, net of production costs	24,415	406	**24,821**
- extensions, discoveries and improved recovery, net of future production and development costs	1,926	1,409	**3,335**
- changes in estimated future development and abandonment costs	(6,464)	(386)	**(6,850)**
- development costs incurred during the period that reduced future development costs	8,520	368	**8,888**
- revisions of quantity estimates	12,600	143	**12,743**
- accretion of discount	6,519	53	**6,572**
- net change in income taxes	(11,802)	(1,115)	**(12,917)**
- purchase of reserves in-place			
- sale of reserves in-place	(177)		**(177)**
- changes in production rates (timing) and other	1,234	191	**1,425**
Net increase (decrease)	**14,577**	**826**	**15,403**
Standardized measure of discounted future net cash flows at December 31, 2010	**46,077**	**1,083**	**47,160**
Increase (Decrease):			
- sales, net of production costs	(23,744)	(300)	**(24,044)**
- net changes in sales and transfer prices, net of production costs	40,961	442	**41,403**
- extensions, discoveries and improved recovery, net of future production and development costs	1,580	2,457	**4,037**
- changes in estimated future development and abandonment costs	(3,890)	(392)	**(4,282)**
- development costs incurred during the period that reduced future development costs	7,301	866	**8,167**
- revisions of quantity estimates	1,337	(87)	**1,250**
- accretion of discount	8,640	235	**8,875**
- net change in income taxes	(17,067)	(1,678)	**(18,745)**
- purchase of reserves in-place	37	10	**47**
- sale of reserves in-place	(146)		**(146)**
- changes in production rates (timing) and other	1,152	24	**1,176**
Net increase (decrease)	**16,161**	**1,577**	**17,738**
Standardized measure of discounted future net cash flows at December 31, 2011	**62,238**	**2,660**	**64,898**

Quarterly information

Main financial data [a]

(€ million)	2009 I quarter	II quarter	III quarter	IV quarter	2009	2010 I quarter	II quarter	III quarter	IV quarter	2010	2011 I quarter	II quarter	III quarter	IV quarter	2011
Net sales from operations	23,741	18,267	19,142	22,077	**83,227**	24,804	22,902	22,704	28,113	**98,523**	28,779	24,596	26,112	30,102	**109,589**
Operating income:	3,967	2,405	3,217	2,466	**12,055**	4,847	4,305	4,084	2,875	**16,111**	5,638	3,810	4,504	3,483	**17,435**
Exploration & Production	*2,374*	*1,778*	*2,557*	*2,411*	***9,120***	*3,297*	*3,401*	*3,369*	*3,799*	***13,866***	*4,106*	*3,693*	*3,919*	*4,169*	***15,887***
Gas & Power	*1,253*	*863*	*567*	*1,004*	***3,687***	*1,316*	*592*	*438*	*550*	***2,896***	*910*	*184*	*338*	*326*	***1,758***
Refining & Marketing	*240*	*47*	*34*	*(423)*	***(102)***	*105*	*255*	*(65)*	*(146)*	***149***	*303*	*73*	*32*	*(681)*	***(273)***
Petrochemicals	*(167)*	*(287)*	*(60)*	*(161)*	***(675)***	*36*	*17*	*24*	*(163)*	***(86)***	*108*	*(113)*	*(122)*	*(297)*	***(424)***
Engineering & Construction	*270*	*310*	*274*	*27*	***881***	*291*	*334*	*327*	*350*	***1,302***	*354*	*366*	*304*	*398*	***1,422***
Other activities [b]	*(55)*	*(122)*	*(28)*	*(231)*	***(436)***	*(60)*	*(115)*	*(58)*	*(1,151)*	***(1,384)***	*(27)*	*(138)*	*(79)*	*(183)*	***(427)***
Corporate and financial companies [b]	*(63)*	*(124)*	*(134)*	*(99)*	***(420)***	*(70)*	*(82)*	*(47)*	*(162)*	***(361)***	*(112)*	*(76)*	*(85)*	*(46)*	***(319)***
Unrealized profit intragroup elimination	*115*	*(60)*	*7*	*(62)*		*(68)*	*(97)*	*96*	*(202)*	***(271)***	*(4)*	*(179)*	*197*	*(203)*	***(189)***
Net income	1,904	832	1,240	391	**4,367**	2,222	1,824	1,724	548	**6,318**	2,547	1,254	1,770	1,289	**6,860**
Capital expenditures	3,147	3,697	2,957	3,894	**13,695**	2,779	4,328	2,851	3,912	**13,870**	2,875	3,740	2,929	3,894	**13,438**
Investments	2,039	175	63	46	**2,323**	39	76	186	109	**410**	41	87	92	140	**360**
Net borrowings at period end	16,528	18,355	20,540	23,055	**23,055**	21,052	23,342	25,261	26,119	**26,119**	24,951	25,978	28,273	28,032	**28,032**

(a) Quarterly data are unaudited.
(b) From 2010 certain environmental provisions incurred by the Parent Company Eni SpA due to inter-company guarantees on behalf of Syndial have been reported within the segment reporting unit "Other Activities". Prior-year data have been reclassified to allow result comparability.

Key market indicators

	2009 I quarter	II quarter	III quarter	IV quarter	2009	2010 I quarter	II quarter	III quarter	IV quarter	2010	2011 I quarter	II quarter	III quarter	IV quarter	2011
Average price of Brent dated crude oil [a]	44.40	58.79	68.28	74.57	**61.51**	76.24	78.30	76.86	86.48	**79.47**	104.97	117.36	113.46	109.31	**111.27**
Average EUR/USD exchange rate	1.302	1.362	1.431	1.478	**1.393**	1.384	1.273	1.291	1.359	**1.327**	1.367	1.439	1.413	1.348	**1.392**
Average price in euro of Brent dated crude oil [b]	34.10	43.16	47.71	50.45	**44.16**	55.09	61.51	59.54	63.64	**59.89**	76.79	81.56	80.30	81.09	**79.94**
Average European refining margin [c]	5.34	3.61	2.34	1.24	**3.13**	2.40	3.39	2.09	2.74	**2.66**	1.74	1.09	2.87	2.52	**2.06**
Average European refining margins Brent/Ural [c]	6.28	3.90	2.26	1.80	**3.56**	3.20	4.56	2.48	3.78	**3.47**	3.35	2.20	2.92	3.13	**2.90**
Average European refining margins in euro	4.10	2.65	1.64	0.84	**2.25**	1.74	2.66	1.62	2.02	**2.00**	1.27	0.75	2.03	1.87	**1.48**
Price of NBP gas [d]	6.76	4.26	3.55	4.54	**4.78**	5.61	5.68	6.68	8.29	**6.56**	9.09	9.36	8.74	8.92	**9.03**
Euribor - three-month euro rate (%)	2.0	1.3	0.8	0.7	**1.2**	0.6	0.7	0.9	1.0	**0.8**	1.1	1.4	1.6	1.5	**1.4**
Libor - three-month dollar rate (%)	1.2	0.9	0.4	0.3	**0.7**	0.3	0.4	0.4	0.3	**0.3**	0.3	0.3	0.3	0.5	**0.3**

(a) In US$ per barrel. Source: Platt's Oilgram.
(b) Eni calculation.
(c) In US$ per barrel FOB Mediterranean Brent dated crude oil. Eni elaborations on Platt's Oilgram data.
(d) In US$ per BTU. Source: Platt's Oilgram.

Energy conversion table

Oil

(average reference density 32.35 ƒAPI, relative density 0.8636)

1 barrel	(bbl)	158.987 l oil [a]	0.159 m^3 oil	162.602 m^3 gas 5,800,000 btu		5,550 ft^3 gas
1 barrel/d	(bbl/d)	~50 t/y				
1 cubic meter	(m^3)	1,000 l oil	6.29 bbl	1,033 m^3 gas		36,481 ft^3 gas
1 tonne oil equivalent	(toe)	1,160.49 l oil	7.299 bbl	1.161 m^3 oil	1,187 m^3 gas	41,911 ft^3 gas

Gas

1 cubic meter	(m^3)	0.976 l oil	0.00636 bbl	35,314.67 btu		35,315 ft^3 gas
1,000 cubic feet	(ft^3)	27.637 l oil	0.1742 bbl	1,000,000 btu	27.317 m^3 gas	0.02386 tep
1,000,000 British thermal unit	(btu)	27.4 l oil	0.17 bbl	0.027 m^3 oil	28.3 m^3 gas	1,000 ft^3 gas
1 tonne LNG	(tGNL)	1.2 tep	8.9 bbl	52,000,000 btu		52,000 ft^3 gas

Electricity

1 megawatthour=1,000 kWh	(MWh)	93.532 l oil	0.5883 bbl	0.0955 m^3 oil	96.621 m^3 gas	3,412.14 ft^3 gas
1 teraJoule	(TJ)	25,981.45 l oil	163.42 bbl	25.9814 m^3 oil	26,939.46 m^3 gas	947,826.7 ft^3 gas
1,000,000 kilocalories	(kcal)	108.8 l oil	0.68 bbl	0.109 m^3 oil	112.4 m^3 gas	3,968.3 ft^3 gas

(a) l oil: liters of oil.

Conversion of mass

	kilogram (kg)	pound (lb)	metric ton (t)
kg	1	2.2046	0.001
lb	0.4536	1	0.0004536
t	1,000	22,046	1

Conversion of length

	meter (m)	inch (in)	foot (ft)	yard (yd)
m	1	39.37	3.281	1.093
in	0.0254	1	0.0833	0.0278
ft	0.3048	12	1	0.3333
yd	0.9144	36	3	1

Conversion of volumes

	cubic foot (ft^3)	barrel (bbl)	liter (lt)	cubic meter (m^3)
ft^3	1	0	28.32	0.02832
bbl	5.615	1	159	0.158984
l	0.035311	0.0063	1	0.001
m^3	35.3107	6.2898	10^3	1

Abbreviations

/d	per day
/y	per year
bbbl	billion barrels
bbl	barrels
bboe	billion barrels of oil equivalent
bcf	billion cubic feet
bcm	billion cubic meters
bln liters	billion liters
bln tonnes	billion tonnes
boe	barrels of oil equivalent
EPC	Engineering Procurement Construction
EPIC	Engineering Procurement Installation Construction
FPSO	Floating Production Storage and Offloading
FSO	Floating Storage and Offloading
GWh	gigawatthour
LNG	liquefied natural gas
LPG	liquefied petroleum gas
kbbl	thousand barrels
kboe	thousand barrels of oil equivalent
km	kilometers
ktonnes	thousand tonnes
mmbbl	million barrels
mmboe	million barrels of oil equivalent
mmcf	million cubic feet
mmcm	million cubic meters
mmtonnes	million tonnes
no.	number
NGL	Natural Gas Liquids
PSA	Production Sharing Agreement
TWh	terawatthour

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Publications
Financial Statement pursuant to rule 154-ter paragraph 1
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Annual Report
Annual Report on Form 20-F
for the Securities and Exchange Commission
Fact Book (in Italian and English)
Eni in 2011 (in English)
Interim Consolidated Report as of June 30 pursuant
to rule 154-ter paragraph 2 of Legislative Decree No. 58/1998
Corporate Governance Report pursuant to rule 123-bis
of Legislative Decree No. 58/1998 (in Italian and English)
Remuneration Report pursuant to rule 123-ter
of Legislative Decree No. 58/1998 (in Italian and English)

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