ENI SPA
Form 6-K
June 06, 2011
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN ISSUER
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of May 2011

Eni S.p.A.
(Exact name of Registrant as specified in its charter)

Piazzale Enrico Mattei 1 - 00144 Rome, Italy
(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F x Form 40-F o

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2b under the Securities Exchange Act of 1934.)

Yes o No x

(If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): ________)

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Eni in 2010

Fact Book 2010

Press Release dated May 5, 2011

Press Release dated May 6, 2011

Notice of Shareholders Meeting Resolutions

Press Release dated May 19, 2011

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorised.

Eni S.p.A.

Name: Antonio Cristodoro
Title: Deputy Corporate Secretary

Date: May 31, 2011

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"Eni in 2010" report comprises an extract of the description of the business, the management s discussion and analysis of financial condition and results of operations and certain other Company information from Eni s Annual Report for the year ended December 31, 2010. It does not contain sufficient information to allow as full an understanding of financial results, operating performance and business developments of Eni as "Eni 2010 Annual Report". It is not deemed to be filed or submitted with any Italian or US market or other regulatory authorities.
You may obtain a copy of "Eni in 2010" and "Eni 2010 Annual Report" on request, free of charge (see the request form on Eni s web site **eni.com** under the section "Publications").
"Eni in 2010" and "Eni 2010 Annual Report" may be

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 regulations; development and use of new technologies; changes in public expectations and other changes in business conditions; the actions of competitors and other factors discussed elsewhere in this document.

As Eni shares, in the form of ADRs, are listed on the New York Stock Exchange (NYSE), an Annual Report downloaded from Eni s web site under the section "Publications".

All financial data presented in this report is based on consolidated financial statements prepared in accordance with IFRS.
For definitions of certain financial and operating terms see "Frequently used terms" section, on page 52.

This report contains certain forward-looking statements particularly those regarding capital expenditures, 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.

on Form 20-F has been filed with the US Securities and Exchange Commission in accordance with the US Securities Exchange Act of 1934.
Hard copies may be obtained free of charge (see the request form on Eni s web site **eni.com** under the section "Publications"). Eni discloses on its Annual Report on Form 20-F significant ways in which its corporate governance practices differ from those mandated for US companies under NYSE listing standards.
The term "shareholder " in this report means, unless the context otherwise requires, investors in the equity capital of Eni SpA, both direct and/or indirect.

Eni shares are traded on the Italian Stock Exchange (Mercato Telematico Azionario) and on the New York Stock Exchange (NYSE) under the ticker symbol "E".

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2010 has been a very good year for **Eni**. We have delivered a solid set of financial and operational achievements, laying the foundations for our future growth.

The Exploration & Production Division reported an outstanding performance.

In Iraq, we achieved a major milestone in the rehabilitation of the giant Zubair oilfield, increasing production by more than 10% compared to the initial rate. This has enabled us to start recovering our costs and earning the remuneration fee. The next development phase targets a production plateau of 1.2 mmbbl/d, which will be achieved by 2016.

In Venezuela we established a joint venture with PDVSA to develop the giant Junin 5 field, which has certified oil in place of 35 billion barrels and which we expect to start up in 2013. Appraisal activities performed in 2010 also confirmed Perla as a major gas discovery one of the most significant in recent years and the largest ever in Venezuela with gas in place of over 14,000 billion cubic feet. We will fast-track Perla, targeting start-up in 2013.

New discoveries have been one of the highlights of the year, with explorations successes in Indonesia, Brazil and Angola as well as Venezuela.

2010 also marked Eni s entry in new high-potential Countries and plays such as the Democratic Republic of Congo, with the acquisition of a 55% stake and the operatorship of the Ndunda onshore exploration block; Togo with two blocks in the Tano Basin in the Gulf of Guinea; and Poland where we acquired exploration licenses in highly prospective shale gas plays.

Our new strategic agreements, pivotal to our industrial plan, are based on our commitment to cooperate with partnering Countries, local companies and communities as well as to our endorsement of sustainable development.

The Gas & Power Division suffered from a challenging trading environment in the European market. Supply exceeded demand, depressing spot gas prices at continental hubs which have increasingly been adopted as benchmarks for sales contracts outside Italy. This affected our margins, as spot prices fell well below our

Financial performance

In 2010, net profit attributable to Eni s shareholders was euro 6.32 billion. Adjusted net profit was euro 6.87 billion, an increase of 32% from 2009, reflecting the excellent operating performance of the Exploration & Production Division (up 46% from 2009). The Engineering & Construction Division also reported a robust performance (up 18%). The Refining & Marketing and Petrochemical Divisions reduced their operating losses by 52% and 73%, respectively. These positives more than offset the sharp decline in the Gas & Power Division s performance, driven by poor results in the Marketing business.

Return on Average Capital Employed (ROACE) calculated on an adjusted basis was 10.7%. Cash inflows for the year mainly comprised cash flow from operations of euro 14.69 billion and disposal proceeds of euro 1.11 billion. These inflows enabled **Eni** to partially fund outflows associated with capital expenditures of euro 13.87 billion to support organic growth and exploration activities, dividends to **Eni** shareholders amounting to euro 3.62 billion, and dividends to non-controlling interests, mainly relating to Snam Rete Gas and Saipem, amounting to euro 0.51 billion. The ratio of net borrowings to total equity was virtually unchanged at 0.47.

The results achieved in 2010 enable us to propose a dividend of euro 1.00 per share to the Annual General Shareholders Meeting, of which euro 0.50 was paid as an interim dividend in September 2010.

In **Exploration & Production** Division we achieved an outstanding financial and operational performance. Adjusted net profit reached euro 5.6 billion, up 44%

average purchase cost which is mainly indexed to the price of oil.

We have taken steps to preserve the competitiveness of our merchant gas business, first among which is the renegotiation of gas purchase contracts with our suppliers.

The Refining & Marketing Division improved its performance in spite of a harsh trading environment and unprofitable refining margins.

Our Petrochemicals Division also achieved better operating results compared to the previous year. We will improve the prospects of this business by launching an environment-friendly industrial project for the reconversion of the Porto Torres site.

The Engineering & Construction segment again delivered an excellent performance, further enhancing its strong commercial franchise.

In the field of new technologies, we reconfirmed our commitment to produce hydrocarbons in an ever more efficient and safe manner, and develop renewable energy sources. An achievement worthy of note is the inauguration of the Solar Frontiers Centre in Massachusetts, in partnership with the MIT.

We have been confirmed in the main sustainability indexes and have enrolled in the new Global Compact LEAD Program of the United Nations, which will bring together global companies with excellent sustainability track records. **Eni** will also provide its expertise as international energy company to the preparation of the Rio+20 World Conference.

In 2011, the global economic recovery looks stronger, despite signs of volatility and uncertainty deriving from ongoing tensions in Libya, a Country with which **Eni** has long-standing relationships. Our thoughts are with the Libyan people at this difficult time, and we offer our sincerest hopes of a rapid return to order and stability so as to resume our common growth and development path.

Against this backdrop we reaffirm our strategic focus on growth and efficiency. We will deliver strong production growth, both in the next four years and beyond, and overcome challenges in the Gas & Power segment by strengthening our leadership in European markets, whilst preserving a sound financial position.

compared to 2009, driven by a favorable trading environment for oil prices and the depreciation of the euro against the dollar. Oil and gas production was a record 1,815 kboe/d, 1.1% higher than in 2009. This growth was driven by the timely delivery of all 12 of our planned start-ups, which contributed 40 kboe/d of new production in 2010 and will account for 230 kboe/d at peak. The all sources replacement ratio of reserves was 125%, rising to 135% at constant prices, corresponding to a reserve life index of 10.3 years at December 31, 2010 (10.2 years in 2009).

Over the course of the year we added approximately 0.9 billion boe to our resource base thanks to successful exploration activities in Venezuela, Angola, Indonesia and Brazil, at the very competitive cost of 1.5 $/bbl. The Junin 5 project in Venezuela and acquisition of new acreage in the Democratic Republic of Congo, in Togo and in shale gas in Poland further enhanced our upstream portfolio.

We target an average annual production increase of more than 3% in the 2011-2014 plan, based on our $70 per barrel Brent price scenario and return of the Libyan production to its normal rate at some point in the future. Growth will be fuelled by our strong pipeline of projects, with 15 new major fields and other projects planned to start production in the four-year period. Planned start-ups will add 630 kbbl/d of new production by 2014. The booking of new reserves will enable us to replace reserves produced in the period, keeping the reserve life index stable. In the longer term, we expect to drive production growth leveraging on our giant fields, particularly Kashagan, Junin, Perla, Goliath, MLE-CAFC, Russian projects, Block 15/06 in Angola and unconventional opportunities. We will pursue the maximization of returns through selective exploration, the reduction in the time to market of our projects, and growing the share of operated production which through the deployment of **Eni** standards and technologies enables us to deliver tighter cost control and a better monitoring of operating risks.

After delivering solid returns for many years, in 2010 the **Gas & Power** Division posted a 12% decline in profits compared to 2009. Marketing activities reported sharply lower results (adjusted operating profit was down 57%) owing to heightened competitive pressure. Sales in Italy declined by 14% (down approximately 6 bcm), corresponding to a market share decline of ten percentage points. Sales in target European markets maintained a growth trend, with volumes up 2.5% (up 1 bcm). Short-term prospects remain challenging, while in the next four years we expect a gradual recovery in fundamental trends.
We are tackling this challenging environment by developing our business model and implementing new pricing and risk management strategies to preserve profitability. In Italy, we will regain volumes and market share by leveraging on differentiated marketing initiatives, excellent customer service, the repositioning of our "luce e gas" brand and value-creating management of our assets (transport capacity, modulation, and supply). In Europe we will continue to pursue an aggressive growth strategy in our main target markets, in particular France, Germany and Austria.
We target a substantial recovery in profitability by 2014, even taking into account the expected divestment of our international pipelines. The achievement of this target will be supported by the renegotiation of our long-term supply contracts, with new pricing terms and contractual flexibility ensuring the competitiveness of our cost position. In the Regulated businesses in Italy, our industrial strategy aims at maximizing efficiency and implementing a capital expenditure program to combine outstanding service quality and steady growth in returns.

Compared to 2010, the **Refining & Marketing** Division reduced its adjusted net loss by 75% to euro 49 million. In the context of weak refining margins caused by excess capacity, low demand and high feedstock costs, the improvement was driven by greater efficiency and We plan to increase volume throughputs to 37 million tonnes by 2014 (up 2 million from 2010) and plant utilization rate to 90%. In marketing we will boost sales by approximately 10% in the next four years and increase our market share, leveraging on a network of modern and efficient service stations, which will be revamped in design and style. Sales and market share targets will also be supported by promotional campaigns, targeted pricing actions and an enhanced non-oil offer.
The re-branding of the Italian network with the **Eni** brand will be completed by 2014. Abroad, we will grow selectively in Central Eastern Europe and France leveraging on the consolidation of the network acquired in Austria, commercial initiatives and the opening of new service stations.

The **Engineering & Construction** segment reported adjusted net profit of nearly euro 1 billion, up 11% compared to 2009, driven by revenue growth and the higher profitability of projects. The order backlog at year end reached a record euro 20.5 billion. Saipem is an established leader in the area of oilfield services, particularly in executing large EPC projects. Its strong competitive position is underpinned by distinctive skills in engineering and project management, the availability of a world class fleet that will be fully upgraded by 2012 and the local content of operations. In the next four years we target steady growth in revenues and profits.

Polimeri substantially improved from a year earlier, reducing its adjusted net loss by 75% to euro 85 million. The improvement was driven by increased sales volumes on the back of a recovery in demand, efficiency enhancements and higher margins. **Eni** aims to recover profitability and generate free cash flow in the 2012-2013 period, leveraging on increasing efficiency, selective investments to optimize the yields and consumption of our crackers, the upgrading of plants in areas of excellence (elastomers) and opportunities to develop environment-friendly projects. An improving commercial performance will support margins, also with the contribution of licensing activities.

Supporting growth and profitability for shareholders
We expect to make capital expenditures amounting to euro 53.3 billion over the next four-year plan to fuel

operational enhancement. The Marketing business achieved good results: in Italy, successful commercial initiatives offset a difficult trading environment (lower consumption and strong competition), while we continued to grow sales in selected European markets. Over the next four years, we target a substantial improvement in the profitability and free cash generation of our refining operations against the backdrop of continuing weakness in the trading environment. Our strategy in refining will leverage on selective capital expenditures to increase the complexity and flexibility of our refineries, particularly by completing and starting up the EST project at the Sannazzaro site. This will enable us to capture opportunities offered by demand for middle distillates and to process low quality feedstock. Margin recovery will be underpinned by cost efficiencies and the integration of refinery cycles.

growth and value creation. This plan represents a slight increase compared to the previous one due to new initiatives in E&P (particularly new projects in Angola and additional activities Iraq). Cash flow from operations and planned divestment proceeds will enable us to fund our capital expenditure program and remunerate our shareholders, while at the same time strengthening our balance sheet. Our cost reduction program, which has delivered savings of euro 2.4 billion from 2006 to date, is expanded by euro 1.7 billion of further savings, targeting cumulated savings of euro 4.1 billion by 2014.

In conclusion, 2010 was a successful year for **Eni**. We progressed on our strategy focused on growth and efficiency, and laid the foundations for our future growth. In the next four years, while the global economy is expected to progressively recover, we expect that **Eni** thanks to its excellent strategic position will deliver industry-leading results, and create sustainable value for its shareholders and stakeholders.

March 10, 2011

In representation of the Board of Directors

Chairman

Chief Executive Officer

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		2008	2009	2010
(euro million, unless otherwise specified)				
Net sales from operations		108,082	83,227	98,523
Operating profit		18,517	12,055	16,111
Adjusted operating profit		21,608	13,122	17,304
Net profit attributable to Eni s shareholders		8,825	4,367	6,318
Adjusted net profit attributable to Eni s shareholders		10,164	5,207	6,869
Net cash provided by operating activities		21,801	11,136	14,694
Capital expenditures and investments		18,867	16,018	14,280
Capital expenditures		*14,562*	*13,695*	*13,870*
Investments		*4,305*	*2,323*	*410*
Cash dividends to Eni s shareholders		4,910	4,166	3,622
Research and development costs		217	207	221
Total assets at year end		116,673	117,529	131,860
Debts and bonds at year end		20,837	24,800	27,783
Shareholders' equity including non-controlling interest at year end		48,510	50,051	55,728
Net borrowings at year end		18,376	23,055	26,119
Net capital employed at year end		66,886	73,106	81,847
Return On Average Capital Employed (ROACE)	(%)			
Reported		15.7	8.0	10.0
Adjusted		17.6	9.2	10.7
Leverage		0.38	0.46	0.47

Eni at a glance

n **Business portfolio**

market. We intend to cope with ongoing challenges by renegotiating better economic conditions in our long-term gas supply contracts and deploying our new pricing and risk management strategies designed to preserve the value of our assets and improve margins.

Eni is a major integrated energy company, committed to growth in the activities of finding, producing, transporting, transforming and marketing oil and gas. We have three major businesses:

n Our Exploration & Production business delivered an outstanding performance in 2010, laying foundations for our future growth. Looking forward, we intend to achieve strong production growth with increasing returns leveraging on the quality of the assets in portfolio, a robust pipeline of capital projects and well-established relationships with host Countries. We will pursue the maximization of returns by our continued focus on cost efficiency and operational excellence and reduction in the time to market of our projects. Increasing operatorship will help us deliver on costs and time schedule while better monitoring technical risks through the deployment of our technologies and internal standards and procedures.

n Our Gas & Power business performance in 2010 was hit by heightened competitive pressures and oversupply conditions in the European gas

Through these levers, we are targeting to regain volumes and market share on the Italian market and expand our presence in key European markets. By 2014, we see the business to return to its normalized profitability also thanks to the steady performance of our regulated businesses.

n Our Refining & Marketing business is tackling with a poor refining environment and stagnant demand for fuels in Italy and Western Europe. Over the medium term we will continue pursuing our strategy of cost efficiency, selective capital expenditures and network upgrading targeting to recover profitability and enhance free cash flow generation.

Finally, through Saipem, we boast a very strong competitive position in the market of services to the oil and gas industries. A record order backlog, availability of a world class fleet and a set of distinctive skills underpin our expectations for better returns and growth going forward.

This integrated business model represents a distinctive and unique set of assets, underpinned by the Company s operating and capital efficiency.

Volume summary		2008	2009	2010
Exploration & Production				
Estimated net proved reserves at year end [a]				
- Liquids	(mmbbl)	3,335	3,463	3,623
- Natural gas	(bcf)	18,748	17,850	17,882
- Total hydrocarbons	(mmboe)	6,600	6,571	6,843
Average reserve life index	(year)	10.0	10.2	10.3
Oil and natural gas production [a]				
- Liquids	(kbbl/d)	1,026	1,007	997
- Natural gas	(mmcf/d)	4,424	4,374	4,540
- Total hydrocarbons	(kboe/d)	1,797	1,769	1,815
Gas & Power				
Worldwide gas sales	(bcm)	104.23	103.72	97.06
- of which E&P sales [b]	(bcm)	6.00	6.17	5.65
LNG sales [c]	(bcm)	12.0	12.9	15.0
Customers in Italy	(million)	6.63	6.88	6.88
Gas volumes transported in Italy	(bcm)	85.64	76.90	83.32
Electricity sold	(TWh)	29.93	33.96	39.54
Refining & Marketing				
Refining throughputs on own account	(mmtonnes)	35.84	34.55	34.80
Conversion index	(%)	58	60	61
Balanced capacity of refineries	(kbbl/d)	737	747	757
Retail sales of petroleum products in Europe	(mmtonnes)	12.03	12.02	11.73
Service stations in Europe at period end	(units)	5,956	5,986	6,167
Average throughput of service stations in Europe	(kliters)	2,502	2,477	2,353

Engineering & Construction				
Orders acquired	(euro million)	13,860	9,917	12,935
Order backlog at period end	(euro million)	19,105	18,730	20,505
Employees at period end	(units)	78,094	77,718	79,941

(a) In 2010, Eni updated the natural gas conversion factor from 5,742 to 5,550 standard cubic feet of gas per barrel of oil equivalent. This update reflected changes in Eni s gas properties that took place in recent years and was assessed by collecting data on the heating power of gas in all Eni s 230 gas fields on stream at the end of 2009. The effect of this update on production expressed in boe was 26 kboe/d for the full year 2010 and on the initial reserves balances as of January 1, 2010, amounted to 106 mmboe. Prior-year converted amounts were not restated. Other per-boe indicators were only marginally affected by the update (e.g. realization prices, costs per boe) and also negligible was the impact on depletion charges. Other oil companies may use different conversion rates.

(b) E&P sales include volumes marketed by the Exploration & Production Division in Europe (3.36, 2.57 and 2.33 bcm in 2008, 2009 and 2010, respectively) and in the Gulf of Mexico (2.64, 3.60 and 3.32 bcm in 2008, 2009 and 2010, respectively).

(c) Refers to LNG sales of the Gas & Power Division (included in worldwide gas sales) and the Exploration & Production Division.

n Strategy

Against the backdrop of a strengthening global economy in spite of volatility and uncertainty associated with geo-political developments in Libya, Japan and elsewhere, Eni s strategy of growth and value remains unchanged:

- to select and implement the best capital and investment opportunities;
- to preserve a solid capital structure;
- to pursue capital and operating efficiency;
- to manage risks;
- to leverage research and innovation;
- to apply the highest ethical principles of business conduct;
- to promote the sustainability of the business model.

Select and implement the best capital and investment opportunities

The achievement of Eni s growth targets is supported by a disciplined and selective approach when making investment decisions. Once an investment opportunity has been identified, it is carefully evaluated based on our medium and long-tem scenario for the macroeconomic environment and commodity prices that reflects our management s view of the fundamentals underlying the expected trends for oil and products prices. The Company selects and executes such capital projects able to generate attractive returns and deliver shareholders value. The same approach applies when acquiring an asset or a corporation. Acquisitions go through a rigorous appraisal process to test whether a deal is accretive to shareholders value and its strategic rationale i.e. fit with our existing asset portfolio. With these tools, we are implementing a capital expenditure plan of euro 53.5 billion to profitably growth our businesses in the next four years at our long-term Brent price scenario of 70 dollar a barrel.

Preserve a solid financial structure

Eni intends to preserve a solid capital structure targeting an optimal mix between net borrowings and shareholders equity, at the same time continuing to invest to fuel profitable growth and rewarding investors. Eni s ability to generate strong operating cash flows, disciplined approach to investments, capital efficiency and business strategy underpin our solid financial

Manage risks

Eni has developed internal policies and guidelines aiming at effectively identifying, assessing and managing risks in order to minimize their impact on the value of the Company s assets. Our primary sources of risk are the nature and scope of our operations, the trading environment and the geographic diversity of the business. Firstly, we have adopted proven management systems to achieve the highest operating and safety standards to preserve the environment and protect health and safety of our workers, third parties and the communities involved by our activity, ensuring at the same time compliance with all applicable laws and regulations. Our integrated HSE management system encompasses a full cycle of planning, executing, controlling and evaluating HSE performances of our operations so as to foster a continuing learning process to minimize risks. Secondly, we manage risks deriving from the trading environment, including risks from the exposure to movements in commodity prices, interest rates and foreign currency exchange rates, in a way to achieve a tolerable level of exposure to potential losses in earnings or assets value in accordance with our conservative financial policies. Finally, due to the scale and reach of our Company, we are exposed to unfavorable socio-political developments in many of our Countries of operations. While we acknowledge that certain risks are unavoidable, we are deeply convinced that establishing constructive relationships with host Countries institutions, representatives and communities is the best way to uphold profitable operations.

Leverage research and innovation

Meeting global energy demand needs requires us to develop new technologies designed to create sustainable competitive advantages. We have consistently invested significant amounts of resources in excess of euro 0.2 billion per year for many years to date and we plan to continue investing steadily in R&D with euro 1.1 billion in the next four years. We have successfully developed incremental innovations supporting our businesses competitive positions, particularly in exploring for and enhancing the recovery rate of hydrocarbons and production process enhancement. We also intend to strengthen our long-term options in renewable sources of energy and environmental preservation which could potentially lead to breakthroughs.

structure. In accordance with these guidelines, we are targeting a net debt to equity ratio of less than 0.40 by the end of the plan period at our Brent price scenario of 70 dollar a barrel.

Pursue capital and operating efficiency
Eni is committed to pursuing high levels of operating and capital efficiency. We attain this by applying industry best practices and effective management systems to all of our operations, building on core competencies and continuously updating and improving internal processes. We have stepped up our efforts to streamline our organization by reducing decision-making levels and centralizing responsibilities over business supporting processes to reap economies of scale resulting in significant savings in our procurement and ICT optimization and rationalization. Integration across our businesses enables Eni to both pursue joint opportunities in the marketplace and achieve synergies from the vertical and physical integration of our facilities, so as to maximize value and returns from our assets. We improve our profitability by implementing cost control initiatives, enhancing product margins by promoting customer-oriented business policies and reducing the cost-to-serve, also leveraging long-standing relationship with key suppliers and partners to obtain competitive contractual conditions.

Apply the highest principles of business conduct
The Company endorses high business and ethical standards in managing the Group s activity in the belief that they are an essential prerequisite for success. These standards are set in our Code of Ethics which is designed to provide all Eni employees with guidelines for appropriate business conduct. Corporate governance, business integrity, honesty, accountability, internal control and respect for human rights are the standards underpinning Eni s global reputation and ability to create shareholders value.

Promote the sustainability of the business model
Sustainable development is at the heart of Eni s priorities. We wish to make a positive contribution to social and economic development wherever we operate, strengthen the value of our intangible assets and keep the trust of our stakeholders. To attain all these goals, we have integrated sustainability targets and actions into our management, planning and development processes. We are committed to empowering our people, improving leadership skills, strengthen important relationships with local partners as part of a cooperation model that aims at developing host Countries, through the valorization of local resources, exploitation of specific skills, as well as the realization of projects and the definition of cooperation agreements. On the back of our strong performance in every field of sustainability, we have been confirmed as one of the best oil and gas companies in the Dow Jones Sustainability Index.

Shareholder information		2008	2009	2010
Net profit attributable to Eni:				
- per share [a]	(euro)	2.43	1.21	1.74
- per ADR [a] [b]	(US$)	7.15	3.36	4.62
Adjusted net profit attributable to Eni:				
- per share [a]	(euro)	2.79	1.44	1.90
- per ADR [a] [b]	(US$)	8.21	4.01	5.04
Dividend:				
- per share [c]	(euro)	1.30	1.00	1.00
- per ADR [b]	(US$)	3.82	2.79	2.65
Pay-out	(%)	53	83	57
Dividend yield [d]	(%)	7.6	5.8	6.1
Number of shares outstanding:				
- at year end	(million)	3,622.4	3,622.4	3,622.5
- average (fully diluted)	(million)	3,638.9	3,622.4	3,622.5
Market capitalization [e]	(euro billion)	60.6	64.5	59.2
Market quotations for common stock on the Mercato Telematico Azionario (MTA)				
High	(euro)	26.93	18.35	18.56
Low	(euro)	13.80	12.30	14.61
Average daily close	(euro)	21.43	16.59	16.39
Year-end close	(euro)	16.74	17.80	16.34
Market quotations for ADR on the New York Stock Exchange				
High	(US$)	84.14	54.45	53.89
Low	(US$)	37.22	31.07	35.37
Average daily close	(US$)	63.38	46.36	43.56
Year-end close	(US$)	47.82	50.61	43.74
Average daily traded volumes	(million of shares)	28.7	27.9	20.7
Value of traded volumes	(euro million)	610.4	461.7	336.0

(a) Ratio of net profit and average number of shares outstanding in the year, assuming dilution. Dollar amounts are converted on the basis of the average EUR/USD exchange rate quoted by the ECB for the periods presented.
(b) One ADR (American Depositary Receipt) is equal to two Eni ordinary shares.
(c) Dividend per share pertaining to the year. This dividend is paid in two tranches. An interim dividend is paid in the same year, as approved by the Board; the balance to the full year dividend is paid in the following calendar year (after approval by the Annual Shareholders Meeting).
(d) Ratio of dividend for the period to the average price of the Eni shares recorded on the Italian Stock Exchange in December.
(e) Number of outstanding shares by references price at year end.

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		2008	2009	2010
Net sales from operations [(a)]	(euro million)	33,042	23,801	29,497
Operating profit		16,239	9,120	13,866
Adjusted operating profit		17,222	9,484	13,884
Adjusted net profit		7,900	3,878	5,600
Capital expenditures		9,281	9,486	9,690
of which: *exploration expenditures* [(b)]		*1,918*	*1,228*	*1,012*
Adjusted capital employed, net		30,362	32,455	37,646
Adjusted ROACE	(%)	29.2	12.3	16.0
Average realizations				
- Liquids	($/bbl)	84.05	56.95	72.76
- Natural gas	($/mmcf)	8.01	5.62	6.02
- Total hydrocarbons	($/boe)	68.13	46.90	55.60
Production [(c) (d)]				
- Liquids	(kbbl/d)	1,026	1,007	997
- Natural gas	(mmcf/d)	4,424	4,374	4,540
- Total hydrocarbons	(kboe/d)	1,797	1,769	1,815
Estimated net proved reserves [(c) (d)]				
- Liquids	(mmbbl)	3,335	3,463	3,623
- Natural gas	(bcf)	18,748	17,850	17,882
- Total hydrocarbons	(mmboe)	6,600	6,571	6,843
Reserve life index [(d)]	(years)	10.0	10.2	10.3
All sources reserve replacement ratio net of updating the natural gas conversion factor [(c) (d)]	(%)	135	96	125

(a) Before the elimination of intragroup sales.
(b) Includes exploration bonuses.
(c) Includes Eni s share of equity-accounted entities.

(d) In 2010, Eni updated the natural gas conversion factor from 5,742 to 5,550 standard cubic feet of gas per barrel of oil equivalent. This update reflected changes in Eni s gas properties that took place in recent years and was assessed by collecting data on the heating power of gas in all Eni s 230 gas fields on stream at the end of 2009. The effect of this update on production expressed in boe was 26 kboe/d for the full year 2010 and on the initial reserves balances as of January 1, 2010 amounted to 106 mmboe. Prior-year converted amounts were not restated. Other per-boe indicators were only marginally affected by the update (e.g. realization prices, costs per boe) and also negligible was the impact on depletion charges. Other oil companies may use different conversion rates.

2010 Highlights

Status of Our Libyan Operations

From February 22, 2011, liquids and natural gas production at a number of fields in Libya and supplies through the GreenStream pipeline have been halted as a result of ongoing political instability and conflict in the Country. Facilities have not suffered any damage and such standstills do not affect Eni s ability to ensure natural gas supplies to its customers. Eni is technically able to resume gas production at or near previous levels once the situation stabilizes. The overall impact of the Libyan political instability and conflict on Eni s results of operations and cash flows will depend on how long such situation will last as well as on their outcome, which management is currently unable to predict. From April 2011, Eni s oil and natural gas production was flowing at a rate ranging from 50 to 55 kbbl/d, down from the expected level of approximately 280 kbbl/d. Current production consists of gas that is entirely delivered to local power generation plants.

Development projects in Iraq and Venezuela

Achieved an increase in production by more than 10% above the initial production rate of approximately 180 kbbl/d at the giant Zubair oilfield thus beginning cost recovery for its work on the field, including recognition of remuneration fee. Eni, with a 32.8% share, is leading the consortium in charge of redeveloping the Zubair field over a 20-year period, targeting a production plateau of 1.2 mmbbl/d in the next six years.

Established a joint-venture with the Venezuelan National Oil Company PDVSA for the development of the giant Junin 5 oilfield, located in the Orinoco Oil Belt with certified volumes of oil in place of 35 billion barrels. First oil is expected in 2013 at an initial rate of 75 kbbl/d, targeting a long-term production plateau of 240 kbbl/d to be reached in 2018.

Appraisal activities performed in 2010 confirmed Perla as a major gas discovery, one of the most significant in recent years and the largest ever in Venezuela, with volumes of gas in place of over 14,000 bcf. The partners are planning fast track of Perla through an early production phase of approximately 300 mmcf/d, targeted to start-up by 2013.

Portfolio

Reached an agreement with Cadogan Petroleum plc for the acquisition of an interest in two exploration and development licenses located in the Dniepr-Donetz basin, in Ukraine. This agreement is part of the development of cooperation initiatives in hydrocarbon exploration and production in the Country also reaffirmed in a Memorandum of Understanding with the Ukrainian Ministry of Ecology and Natural Resources.

Acquired a 55% stake and operatorship in the Ndunda Block located in the Democratic Republic of Congo.

Awarded operatorship of two offshore Blocks (Eni s interest 100%) in the Dahomey Basin as part of its

Sanctioned the West Hub project to readily put in production the oil discoveries made in offshore Block 15/06 (Eni operator with a 35% interest), located in Angola. Start-up is expected in 2013 with production peaking at 22 kbbl/d.

Awarded new exploration leases in Pakistan and Venezuela.

As part of the rationalization of its upstream portfolio, Eni divested its subsidiary Società Padana Energia to Gas Plus. The divested subsidiary includes exploration leases and concessions for developing and producing oil and natural gas in Northern Italy.

2010 Performance

In 2010, the E&P Division reported an excellent performance amounting to euro 5,600 million of adjusted net profit, representing an increase of 44.4% from 2009. This was driven by higher oil realizations in dollar terms, the depreciation of the euro against the dollar and higher volumes sold.

Return on average capital employed calculated on an adjusted basis was 16% in 2010 (12.3% in 2009).

Reported oil and natural gas production for the full year was a record 1,815 kboe/d. Production grew by 1.1%, excluding the effect of the updated gas conversion factor. Production growth was driven by the timely delivery of all the 12 planned start-ups, particularly the agreements with the Government of Togo to develop the Country s offshore mineral resources.

Acquired Minsk Energy Resources operating 3 licenses in the Polish Baltic Basin, a highly prospective shale gas play. Drilling operations are expected to start in the second half of 2011 with a total exploration commitment of 6 wells.

Awarded rights to explore and the operatorship of deep offshore Block 35 in Angola, with a 30% interest. This deal is subject to the approval of the relevant authorities.

Signed a Strategic Framework Agreement with the Egyptian Ministry of Petroleum for new upstream and downstream initiatives.

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.

Signed with the Government of Ecuador new terms for the service contract for the Villano oilfield, due to expire in 2023. Under the new agreement, the operated area is enlarged to include the Oglan oil discovery, with volumes in place of 300 mmbbl. Development will be achieved in synergy with existing facilities.

Zubair field in Iraq, and production ramp-ups at fields which were started-up in 2009 for a total increase of 40 kboe/d in 2010. These start-ups will account for 230 kboe/d of production at peak.

Estimated net proved reserves at December 31, 2010, were 6.84 bboe (up 2.5% from 2009 on comparable basis) based on a 12-months average Brent price of $79 per barrel. The all sources reserve replacement ratio was 125%, net of the gas conversion factor update. Also excluding the price effect, the replacement ratio would be 135%. The reserve life index is 10.3 years (10.2 years in 2009).

In 2010, capital expenditures amounted to euro 9,690 million to enhance assets in well established areas of Africa, the Gulf of Mexico and Central Asia. Exploration activities (euro 1,012 million) achieved a number of successes such as the appraisal activity at the large Perla gas discovery in Venezuela and oil discoveries in Block 15/06 located in the Angolan offshore basin. Further discoveries were made in the North Sea, Egypt, Pakistan, Indonesia, Nigeria and Brazil, through Galp (Eni s interest 33%).

Development expenditures were euro 8,578 million to fuel the growth of major projects in Kazakhstan, Congo, the United States, Algeria, Egypt and Norway.

Strategies

Eni s Exploration & Production business boasts a strong competitive position in a number of strategic oil and gas basins in the world, namely the Caspian Region, North and West Africa, Venezuela and Iraq. Eni s strategy is to deliver organic production growth with increasing returns over the medium to long-term leveraging on a high-quality portfolio of assets with ample exposure to highly competitive giant projects, a strong projects pipeline, and long-standing relationships with key host Countries. We intend to drive higher returns in our upstream operations by reducing the time to market of our projects, tightly controlling operating costs, and deploying our technologies and competencies to manage technical risks. We plan to increase total volumes of operated production as operatorship will support achievement of those objectives. Consistent with the long-term nature of the business, strategic guidelines for our Exploration & Production Division have remained basically unchanged in the years, as follows:

n **Maintain strong profitable production growth**
n **Ensure medium to long-term business sustainability focusing on reserve replacement**
n **Develop new projects to fuel future growth**
n **Consolidate the industry-leading position on costs**

In order to carry out these strategies, Eni intends to invest approximately euro 39.1 billion to explore for and develop new reserves over the next four years. Exploration projects will account for approximately euro 3.6 billion. Approximately euro 1.8 billion will be spent to build transportation infrastructures and LNG projects through equity-accounted entities.

Maintain Strong Production Growth

Our global oil and gas operations are conducted in 43 countries, including Italy, Libya, Egypt, Norway, the UK, Angola, Congo, Nigeria, the USA, Kazakhstan, Russia, Algeria, Australia, Venezuela and Iraq. Eni s strategy is to deliver strong profitable production growth via organic developments, leveraging on the planned start-ups of 15 major fields and other minor projects over the next four years and material expenditures to support the current plateau at our producing fields.
We project that new field start-ups will add approximately 630 kboe/d to the Company s production level in 2014 at the Brent scenario of $70 per barrel flat in the next four years. The most important production start-ups are planned in Angola, Norway, Russia, Kazakhstan, Algeria and Venezuela and will be mainly focused on conventional plays onshore or shallow water. We have a good level of visibility on those new projects as most of them have been already sanctioned. Most of these new projects are giant fields which will account for 80% of new production by 2014. These giants, which optimization. We plan to dedicate strong efforts to this area by executing a huge infilling and work-over campaign, and applying our advanced recovery technologies and reservoir management capabilities. According to our plans, this will deliver around 220 kboe/d of additional production in 2014 which otherwise would have been lost through natural depletion.
We intend to enhance the profitability of our upstream operations by:

selective exploration,
reducing the time to market of our projects,
increasing our share of operated production.

We are making strong progress in reducing the time to developing and marketing our exploration resources. We plan to fast track to production in less than four years 50% of the 3.1 bbbl of resources we discovered in the last three years, which compares positively with the 35% achieved in the previous period.
We plan to extend our operated production by adding 1.6 mmboe/d of gross production by 2014, reaching 4.4 mmboe/d by the end of the plan period. Operatorship will enable us to deliver on time schedules and cost

include Kashagan, Junin 5, Perla, Goliat, MLE-CAFC, Russian projects, Block 15/06 in Angola, are expected to enhance growth and value generation due to their long-term production plateau, cost efficiencies and synergies. Thanks to their contribution, we expect that our pipeline of new projects will break-even at 45 $/bbl. A second leg of our growth strategy is to sustain the current plateau at producing fields by counteracting natural field depletion and production budgets and better manage the technical risk by deploying Eni standards and technologies in drilling and completion. Those drivers will help the Company absorb the impact on costs driven by sector-specific inflation expected in the next four years and growing complexity of projects.

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Our long-term growth prospects are also underpinned by the strategic position which we are building in unconventional gas. We are working on interesting prospects in the Far East, Eastern Europe and North Africa, areas with large resources bases, profitable gas markets, existing infrastructure and suitable environmental characteristics. Particularly, in China we signed a framework agreement with PetroChina to exploit the huge mineral potential of shale gas which exists in the Country. In Indonesia our coal-bed methane projects is progressing to start in 2012, leveraging on existing plant and export infrastructures for LNG. In Pakistan, we are assessing development of a tight gas reservoir with promising potential, considering a well established market and infrastructures for gas. Finally, we entered the shale gas area in Poland where we acquired three licenses in 2010 and we plan to start drilling operations in 2011.

n Production: 2010 and outlook

Eni reported record oil and natural gas production for the full year at 1,815 kboe/d. On a comparable basis, production showed an increase of 1.1% driven by organic growth. The share of oil and natural gas produced outside Italy was 90% (90% in 2009).

Oil and natural gas production (a) (b) (c)

	2008			2009			2010		
	Liquids (kbbl/d)	**Natural gas** (mmcf/d)	**Hydrocarbons** (kboe/d)	**Liquids** (kbbl/d)	**Natural gas** (mmcf/d)	**Hydrocarbons** (kboe/d)	**Liquids** (kbbl/d)	**Natural gas** (mmcf/d)	**Hydrocarbons** (kboe/d)
Italy	**68**	**749.9**	**199**	**56**	**652.6**	**169**	**61**	**673.2**	**183**
Rest of Europe	**140**	**626.7**	**249**	**133**	**655.5**	**247**	**121**	**559.2**	**222**
Croatia		68.7	12		95.5	17		45.3	8
Norway	83	264.8	129	78	273.7	126	74	271.6	123
United Kingdom	57	293.2	108	55	286.3	104	47	242.3	91
North Africa	**338**	**1,761.6**	**645**	**292**	**1,614.2**	**573**	**301**	**1,673.2**	**602**
Algeria	80	18.5	83	80	19.7	83	74	20.2	77
Egypt	98	818.4	240	91	793.7	230	96	755.1	232
Libya	147	907.6	306	108	780.4	244	116	871.1	273
Tunisia	13	17.1	16	13	20.4	16	15	26.8	20
West Africa	**289**	**260.7**	**335**	**312**	**274.3**	**360**	**321**	**441.5**	**400**
Angola	121	28.1	126	125	29.3	130	113	31.9	118

Congo	84	12.7	87	97	27.3	102	98	67.9	110
Nigeria	84	219.9	122	90	217.7	128	110	341.7	172
Kazakhstan	**69**	**244.7**	**111**	**70**	**259.0**	**115**	**65**	**237.0**	**108**
Rest of Asia	**49**	**426.2**	**124**	**57**	**444.8**	**135**	**48**	**463.9**	**131**
China	6	10.9	8	7	8.2	8	6	6.7	7
India					3.7	1	1	36.6	8
Indonesia	2	99.7	20	2	104.8	21	2	94.4	19
Iran	28		28	35		35	21		21
Iraq							5		5
Pakistan	1	315.6	56	1	328.1	58	1	326.2	59
Turkmenistan	12		12	12		12	12		12
America	**63**	**311.5**	**117**	**79**	**424.7**	**153**	**71**	**396.0**	**143**
Ecuador	16		16	14		14	11		11
Trinidad & Tobago		54.6	9		67.0	12		63.6	12
United States	42	256.9	87	57	357.7	119	50	332.4	110
Venezuela	5		5	8		8	10		10
Australia and Oceania	**10**	**42.2**	**17**	**8**	**48.6**	**17**	**9**	**95.7**	**26**
Australia	10	42.2	17	8	48.6	17	9	95.7	26
Total	**1,026**	**4,423.5**	**1,797**	**1,007**	**4,373.7**	**1,769**	**997**	**4,539.7**	**1,815**
Oil and natural gas production net of updating the natural gas conversion factor	**-**	**-**	**1,797**	**-**	**-**	**1,769**	**-**	**-**	**1,789**

(a) In 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 (318, 300 and 281 mmcf/d in 2010, 2009 and 2008, respectively).
(c) Includes Eni s share of equity-accounted entities production.

During the course of the year we delivered all the 12 start-ups planned for 2010 which will account for 230 kboe/d at peak, thus contributing to our future growth. Main start-ups were: (i) the Zubair giant field (Eni s interest 32.8%), where we achieved timely project milestones by increasing production by more than 10% compared to the baseline of approximately 180 kbbl/d. This allowed us begin the recovery of costs incurred for our work on the field and earn the remuneration fee on every extra barrel produced above the contractual increase. The next development phase targets a production plateau of 1.2 mmbbl/d, which will be achieved by 2016; (ii) Annamaria project (Eni operator with a 90% interest) located in an offshore area between Italy and Croatia, with current production plateau of approximately 40 mmcf/d; (iii) Baraka field (Eni operator with a 49% interest) in Tunisia, with production peak at 7 kboe/d; (iv) Morvin field (Eni s interest 30%) in Norway. Production is expected to peak at 15 kboe/d net to Eni in 2011 when the project is completed; (v) Tuna field (Eni operator with a 50% interest), with a production plateau at approximately 70 mmcf/d net to Eni, and Arcadia discovery (Eni operator with a 56% interest) started-up in the second half of the year, in Egypt; (vi) Rom Integrated in Algeria and M Boundi IPP (Eni s interest 100%) in Congo. Other start-ups were achieved in China, Congo, Nigeria and the United Kingdom.

In spite of 2011 uncertainties due to the Libyan situation, our production outlook remains strong as we plan to increase production at an average rate of more than 3% over the next four years at the Company Brent scenario of $70 per barrel, targeting a production plateau in excess of 2.05 million barrels a day by 2014. Our planning assumptions include resumption of our Libyan operations at their normal rate at some point in the future over the next four years. To achieve that target, we intend:

- to leverage our robust pipeline of projects start-ups, particularly in Angola, Norway, Russia, Kazakhstan, Algeria and Venezuela, most of which is Eni operated;
- to competitively increase production profile at giant fields particularly Belayim in Egypt, Karachaganak in Kazakhstan, Val d Agri in Italy, M Boundi in Congo and Ekofisk in

the Company believes to have the necessary know-how and skills to discover new reserves. A third layer of exploration projects is planned to be executed in high risk/high reward areas including Mozambique, Togo, Ghana and offshore Australia and East Timor where we believe important resources can be discovered. Eni expects to purchase new exploration permits and to divest or exit marginal or non-strategic areas.

As of December 31, 2010, Eni s mineral right portfolio consisted of 1,176 exclusive or shared rights for exploration and development in 43 Countries on five continents for a total acreage of 320,961 square kilometers net to Eni, of which 41,386 square kilometers regarded developed properties. Acquisition of new acreage in the Democratic Republic of Congo, in Togo and in shale gas in Poland further enhanced our upstream portfolio. Leveraging on the strengthening in core areas of Africa, Central Asia and Russia, we increased our portfolio diversity and exposure to less risky areas.

Over the course of the year we added approximately 0.9 bboe to our resource base thanks to successful exploration activities in Venezuela, Angola, Indonesia and Brazil, at the very competitive cost of 1.5 $/bbl. Our asset base is largely made up of conventional projects, geographically diversified, with balanced exposure to the world s most prolific oil-producing cost. Eni s resource base of 31 billion boe will ensure 47 years of

Norway. Production optimization will account for approximately 20% of our capex;

- to develop opportunities in LNG to monetize our wide gas reserve base in particular in West Africa, as well as non conventional resources with a view of supporting long-term growth, in particular in shale gas themes, leveraging on the competencies acquired with Quicksilver in the US.

Actual production volumes will vary from year to year due to the timing of individual project start-ups, operational outages, reservoir performance, regulatory changes, asset sales, severe weather events, price effects under production sharing contracts and other factors.

Ensure medium to long-term Business Sustainability by focusing on Reserve Replacement

Eni intends to pay special attention to reserve replacement in order to ensure the medium to long-term sustainability of the business. Eni will pursue this goal by focusing on well-established areas of presence targeting to extend the plateau of producing fields. Those areas include Egypt, Pakistan, Nigeria, Congo and the Gulf of Mexico where availability of production facilities will enable the Company to readily put in production discovered reserves. Other projects will be executed offshore West Africa, Venezuela and in deepwater plays in the Gulf of Mexico where production at current rates.

Estimated net proved reserves at December 31, 2010, were 6.84 bboe (up 2.5% from 2009 on comparable basis) based on a 12-month average Brent price of $79 per barrel. Additions to proved reserves booked in 2010 derived from: (i) revisions of previous estimates reported in Libya, Nigeria, Egypt, Iraq and Italy; (ii) extensions, discoveries and other factors, with major increases booked in Venezuela, the United Kingdom and Algeria; (ii) improved recovery, mainly reported in Venezuela. In 2010, we also achieved a strong reserve replacement ratio of 125% through fast sanctioning and time to market of new projects. Excluding price effects, the replacement ratio would be 135%. The reserve life index is 10.3 years (10.2 years in 2009).

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Estimated net proved hydrocarbons reserves [a] (mmboe)

	Consolidated subsidiaries								
	Italy	Rest of Europe	North Africa	West Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total consolidated subsidiaries