ENI SPA
Form 20-F
April 12, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) or (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

Commission file number: 1-14090

Eni SpA

(Exact name of Registrant as specified in its charter)

Republic of Italy

(Jurisdiction of incorporation or organization)

1, piazzale Enrico Mattei - 00144 Roma - Italy

(Address of principal executive offices)

Massimo Mondazzi
Eni SpA
1, piazza Ezio Vanoni
20097 San Donato Milanese (Milano) - Italy
Tel +39 02 52041730 - Fax +39 02 52041765

(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
Shares	**New York Stock Exchange***
American Depositary Shares	**New York Stock Exchange**
(Which represent the right to receive two Shares)	* Not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the annual report.

Ordinary shares of euro 1.00 each

3,634,185,330

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Note - Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant have submitted electronically and posted on their corporate Web sites, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark if the registrant is a large accelerated filer, an accelerated filer, or a non accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP	International Financial Reporting Standards as issued by the International Accounting Standards Board	Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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Certain disclosures contained herein including, without limitation, information appearing in "Item 4 Information on the Company", and in particular "Item 4 Exploration & Production", "Item 5 Operating and Financial Review and Prospects" and "Item 11 Quantitative and Qualitative Disclosures about Market Risk" contain forward-looking statements regarding future events and the future results of Eni that are based on current expectations, estimates, forecasts, and projections about the industries in which Eni operates and the beliefs and assumptions of the management of Eni. Eni may also make forward-looking statements in other written materials, including other documents filed with or furnished to the U.S. Securities and Exchange Commission (the "SEC"). In addition, Eni s senior management may make forward-looking statements orally to analysts, investors, representatives of the media and others. In particular, among other statements, certain statements with regard to management objectives, trends in results of operations, margins, costs, return on capital, risk management and competition are forward looking in nature. Words such as expects , anticipates , targets , goals , projects , intends , plans , believes , seeks , estimates , variations of such words, and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict because they relate to events and depend on circumstances that will occur in the future. Therefore, Eni s actual results may differ materially and adversely from those expressed or implied in any forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in this Annual Report on Form 20-F under the section entitled "Risk factors" and elsewhere. Any forward-looking statements made by or on behalf of Eni speak only as of the date they are made. Eni does not undertake to update forward-looking statements to reflect any changes in Eni s expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any further disclosures Eni may make in documents it files with the SEC.

CERTAIN DEFINED TERMS

In this Form 20-F, the terms "Eni", the "Group", or the "Company" refer to the parent company Eni SpA and its consolidated subsidiaries and, unless the context otherwise requires, their respective predecessor companies.
All references to "Italy" or the "State" are references to the Republic of Italy, all references to the "Government" are references to the government of the Republic of Italy. For definitions of certain oil&gas terms used herein and certain conversions, see "Glossary" and "Conversion Table".

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Consolidated Financial Statements of Eni, included in this Annual Report, have been prepared in accordance with IFRS issued by the International Accounting Standards Board (IASB).

Unless otherwise indicated, any reference herein to "Consolidated Financial Statements" is to the Consolidated Financial Statements of Eni (including the Notes thereto) included herein.

Unless otherwise specified or the context otherwise requires, references herein to "dollars", "$", "U.S. dollars", "US$" and "USD" are to the currency of the United States, and references to "euro", " " and "EUR" are to the currency of the European Monetary Union.

Unless otherwise specified or the context otherwise requires, references herein to "Division" and "segment" are to Eni s business activities: Exploration & Production, Gas & Power, Refining & Marketing, Engineering & Construction, Chemical and Corporate and Other activities.

References to Versalis or Chemical are to Eni s chemical activities engaged through its fully-owned subsidiary Versalis and Versalis controlled entities.

STATEMENTS REGARDING COMPETITIVE POSITION

Statements made in "Item 4 Information on the Company" referring to Eni s competitive position are based on the Company s belief, and in some cases rely on a range of sources, including investment analysts reports, independent market studies and Eni s internal assessment of market share based on publicly available information about the financial results and performance of market participants. Market share estimates contained in this document are based on management estimates unless otherwise indicated.

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GLOSSARY

A glossary of oil&gas terms is available on Eni s web page at the address eni.com. Below is a selection of the most frequently used terms.

Financial terms

Leverage	A non-GAAP measure of the Company s financial condition, calculated as the ratio between net borrowings and shareholders equity, including non-controlling interest. For a discussion of management s view of the usefulness of this measure and its reconciliation with the most directly comparable GAAP measure which in the case of the Company refers to IFRS, see "Item 5 Financial Condition".
Net borrowings	Eni evaluates its financial condition by reference to "net borrowings", which is a non-GAAP measure. Eni calculates net borrowings as total finance debt less: cash, cash equivalents and certain very liquid investments not related to operations, including among others non-operating financing receivables and securities not related to operations. Non-operating financing receivables consist of amounts due to Eni s financing subsidiaries from banks and other financing institutions and amounts due to other subsidiaries from banks for investing purposes and deposits in escrow. Securities not related to operations consist primarily of government and corporate securities. For a discussion of management s view of the usefulness of this measure and its reconciliation with the most directly comparable GAAP measure which in the case of the Company refers to IFRS, see "Item 5 Financial condition".
TSR (Total Shareholder Return)	Management uses this measure to asses the total return of the Eni share. It is calculated on a yearly basis, keeping account of changes in prices (beginning and end of year) and dividends distributed and reinvested at the ex-dividend date.

Business terms

AEEGSI (Authority for Electricity Gas and Water) formerly AEEG (Authority for Electricity and Gas)	The Regulatory Authority for Electricity Gas and Water is the Italian independent body which regulates, controls and monitors the electricity, gas and water sectors and markets in Italy. The Authority s role and purpose is to protect the interests of users and consumers, promote competition and ensure efficient, cost-effective and profitable nationwide services with satisfactory quality levels.
Associated gas	Associated gas is a natural gas found in contact with or dissolved in crude oil in the reservoir. It can be further categorized as Gas-Cap Gas or Solution Gas.
Average reserve life index	Ratio between the amount of reserves at the end of the year and total production for the year.
Barrel/BBL	Volume unit corresponding to 159 liters. A barrel of oil corresponds to about 0.137 metric tons.
BOE	Barrel of Oil Equivalent. It is used as a standard unit measure for oil and natural gas. The latter is converted from standard cubic meters into barrels of oil equivalent using a certain coefficient (see "Conversion Table").

Concession contracts	Contracts currently applied mainly in Western countries regulating relationships between states and oil companies with regards to hydrocarbon exploration and production. The company holding the mining concession has an exclusive on exploration, development and production activities and for this reason it acquires a right to hydrocarbons extracted against the payment of royalties on production and taxes on oil revenues to the state.
Condensates	Condensates is a mixture of hydrocarbons that exists in the gaseous phase at original reservoir temperature and pressure, but that, when produced, is in the liquid phase at surface pressure and temperature.
Consob	The National Commission for listed companies and the Stock Exchange of Italy.
Contingent resources	Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies.
Conversion capacity	Maximum amount of feedstock that can be processed in certain dedicated facilities of a refinery to obtain finished products. Conversion facilities include catalytic crackers, hydrocrackers, visbreaking units, and coking units.

Conversion index	Ratio of capacity of conversion facilities to primary distillation capacity. The higher the ratio, the higher is the capacity of a refinery to obtain high value products from the heavy residue of primary distillation.
Deep waters	Waters deeper than 200 meters.
Development	Drilling and other post-exploration activities aimed at the production of oil&gas.
Enhanced recovery	Techniques used to increase or stretch over time the production of wells.
EPC	Engineering, Procurement and Construction.
EPCI	Engineering, Procurement, Construction and Installation.
Exploration	Oil and natural gas exploration that includes land surveys, geological and geophysical studies, seismic data gathering and analysis and well drilling.
FPSO	Floating Production Storage and Offloading System.
FSO	Floating Storage and Offloading System.
Infilling wells	Infilling wells are wells drilled in a producing area in order to improve the recovery of hydrocarbons from the field and to maintain and/or increase production levels.
LNG	Liquefied Natural Gas obtained through the cooling of natural gas to minus 160 °C at normal pressure. The gas is liquefied to allow transportation from the place of extraction to the sites at which it is transformed back into its natural gaseous state and consumed. One tonne of LNG corresponds to 1,400 cubic meters of gas.
LPG	Liquefied Petroleum Gas, a mix of light petroleum fractions, gaseous at normal pressure and easily liquefied at room temperature through limited compression.
Margin	The difference between the average selling price and direct acquisition cost of a finished product or raw material excluding other production costs (e.g. refining margin, margin on distribution of natural gas and petroleum products or margin of petrochemical products). Margin trends reflect the trading environment and are, to a certain extent, a gauge of industry profitability.
Mineral Potential	(Potentially recoverable hydrocarbon volumes) Estimated recoverable volumes which cannot be defined as reserves due to a number of reasons, such as the temporary lack of viable markets, a possible commercial recovery dependent on the development of new technologies, or for their location in accumulations yet to be developed or where evaluation of known accumulations is still at an early stage.
Mineral Storage	According to Legislative Decree No. 164/2000, these are volumes required for allowing optimal operation of natural gas fields in Italy for technical and economic reasons. The purpose is to ensure production flexibility as required by long-term purchase contracts as well as to cover technical risks associated with production.

Modulation Storage	According to Legislative Decree No. 164/2000, these are volumes required for meeting hourly, daily and seasonal swings in demand.
Natural gas liquids (NGL)	Liquid or liquefied hydrocarbons recovered from natural gas through separation equipment or natural gas treatment plants. Propane, normal-butane and isobutane, isopentane and pentane plus, that were previously defined as natural gasoline, are natural gas liquids.
Network Code	A code containing norms and regulations for access to, management and operation of natural gas pipelines.
Over/Under lifting	Agreements stipulated between partners which regulate the right of each to its share in the production for a set period of time. Amounts lifted by a partner different from the agreed amounts determine temporary Over/Under lifting situations.
Possible reserves	Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.
Probable reserves	Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.
Primary balanced refining capacity	Maximum amount of feedstock that can be processed in a refinery to obtain finished products measured in BBL/d.
Production Sharing Agreement (PSA)	Contract in use in African, Middle Eastern, Far Eastern and Latin American countries, among others, regulating relationships between states and oil companies with regard to the exploration and production of hydrocarbons. The mineral right is awarded to the national oil company jointly with the foreign oil company that has an exclusive right to

	perform exploration, development and production activities and can enter into agreements with other local or international entities. In this type of contract the national oil company assigns to the international contractor the task of performing exploration and production with the contractor s equipment and financial resources. Exploration risks are borne by the contractor and production is divided into two portions: "Cost Oil" is used to recover costs borne by the contractor and "Profit Oil" is divided between the contractor and the national company according to variable schemes and represents the profit deriving from exploration and production. Further terms and conditions of these contracts may vary from country to country.
Proved reserves	Proved oil&gas reserves are those quantities of oil&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 unweighted 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. Reserves are classified as either developed and undeveloped. Proved developed oil&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, and through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well. Proved undeveloped oil&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.
Reserves	Reserves are estimated remaining quantities of oil&gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.
Reserve life index	Ratio between the amount of proved reserves at the end of the year and total production for the year.
Reserve replacement ratio	Measure of the reserves produced replaced by proved reserves. Indicates the company s ability to add new reserves through exploration and purchase of property. A rate higher than 100% indicates that more reserves were added than produced in

	the period. The ratio should be averaged on a three-year period in order to reduce the distortion deriving from the purchase of proved property, the revision of previous estimates, enhanced recovery, improvement in recovery rates and changes in the amount of reserves in PSAs due to changes in international oil prices.
Ship-or-pay	Clause included in natural gas transportation contracts according to which the customer is requested to pay for the transportation of gas whether or not the gas is actually transported.
Strategic Storage	According to Legislative Decree No. 164/2000, these are volumes required for covering lack or reduction of supplies from extra-European sources or crises in the natural gas system.
Take-or-pay	Clause included in natural gas supply contracts according to which the purchaser is bound to pay the contractual price or a fraction of such price for a minimum quantity of gas set in the contract whether or not the gas is collected by the purchaser. The purchaser has the option of collecting the gas paid for and not delivered at a price equal to the residual fraction of the price set in the contract in subsequent contract years.
Upstream/Downstream	The term upstream refers to all hydrocarbon exploration and production activities. The term downstream includes all activities inherent to the oil&gas sector that are downstream of exploration and production activities.

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ABBREVIATIONS

mmCF	= million cubic feet	ktonnes	= thousand tonnes
BCF	= billion cubic feet	mmtonnes	= million tonnes
mmCM	= million cubic meters	MW	= megawatt
BCM	= billion cubic meters	GWh	= gigawatthour
BOE	= barrel of oil equivalent	TWh	= terawatthour
KBOE	= thousand barrel of oil equivalent	/d	= per day
mmBOE	= million barrel of oil equivalent	/y	= per year
BBOE	= billion barrel of oil equivalent	E&P	= the Exploration & Production segment
BBL	= barrels	G&P	= the Gas & Power segment
KBBL	= thousand barrels	R&M	= the Refining & Marketing segment
mmBBL	= million barrels	E&C	= the Engineering & Construction segment
BBBL	= billion barrels		

CONVERSION TABLE

1 acre	= 0.405 hectares	
1 barrel	= 42 U.S. gallons	
1 BOE	= 1 barrel of crude oil	= 5,492 cubic feet of natural gas
1 barrel of crude oil per day	= approximately 50 tonnes of crude oil per year	
1 cubic meter of natural gas	= 35.3147 cubic feet of natural gas	
1 cubic meter of natural gas	= approximately 0.00643 barrels of oil equivalent	
1 kilometer	= approximately 0.62 miles	
1 short ton	= 0.907 tonnes	= 2,000 pounds
1 long ton	= 1.016 tonnes	= 2,240 pounds
1 tonne	= 1 metric ton	= 1,000 kilograms = approximately 2,205 pounds
1 tonne of crude oil	= 1 metric ton of crude oil	=

approximately 7.3 barrels of crude oil (assuming an API gravity of 34 degrees)

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PART I

Item 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

NOT APPLICABLE

Item 2. OFFER STATISTICS AND EXPECTED TIMETABLE

NOT APPLICABLE

Item 3. KEY INFORMATION

Selected Financial Information

The Consolidated Financial Statements of Eni have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB). The tables below present Eni selected historical financial data prepared in accordance with IFRS as of and for the years ended December 31, 2011, 2012, 2013, 2014 and 2015.

Eni s results of operations and cash flow as at and for the twelve months ended December 31, 2015 have been prepared in addition to the consolidated basis, stating separately continuing operations from discontinued operations, the latter accounted for in accordance to IFRS 5. Discontinued operations comprise:

The Engineering & Construction operating segment which is managed by Eni s subsidiary Saipem SpA. On January 22, 2016, there was the closing of the preliminary agreements signed on October 27, 2015 with the Fondo Strategico Italiano (FSI). Those include the sale of a 12.503% stake of the share capital of Saipem to FSI and the concurrent enter into force of a shareholder agreement with Eni, which was intended to establish joint control over the former Eni subsidiary. Therefore effective for the full year, Saipem revenues and expenses and cash flow have been classified as discontinued operations and its assets and liabilities have been classified as held for sale. In addition as provided by IFRS 5, Eni s net assets in Saipem have been aligned to the lower of their carrying amount and fair value given by the share price at the reporting date.

The Chemical segment managed by Eni s wholly-owned subsidiary Versalis SpA. As of the reporting date, negotiations were underway to define an agreement with an industrial partner who, by acquiring a controlling stake of Versalis, would support Eni in implementing the industrial plan designed to upgrade this business. Therefore, effective for the full year, likewise Saipem, Versalis revenues and expenses and cash flow have been classified as discontinued operations and its assets and liabilities have been classified as held for sale. In addition, Eni s net assets in Versalis have been aligned to the lower of their carrying amount and their fair value based on the transaction that is underway.

Comparative results of operations and cash flow for the year 2014 and 2013 have been restated accordingly as dictated by IFRS 5.

Also the selected historical financial data for the years 2012 and 2011 have been restated accordingly.

All such data should be read in connection with the Consolidated Financial Statements and the related notes thereto included in Item 18.

	Year ended December 31,				
	2011	2012	2013	2014	2015
	(euro million except data per share and per ADR)				
CONSOLIDATED PROFIT STATEMENT DATA					
Net sales from continuing operations	90,978	109,412	98,547	93,187	67,740
Operating profit (loss) by segment from continuing operations					
Exploration & Production	15,887	18,470	14,868	10,766	(144)
Gas & Power	(323)	(3,129)	(2,923)	64	(1,258)
Refining & Marketing	(276)	(1,260)	(1,534)	(2,107)	(552)
Corporate and Other activities	(746)	(641)	(736)	(518)	(497)
Impact of unrealized intragroup profit elimination and other consolidation adjustments (1)	(26)	(607)	(1,808)	(620)	(330)
Operating profit (loss) from continuing operations	14,516	12,833	7,867	7,585	(2,781)
Net profit (loss) attributable to Eni from continuing operations	4,675	2,097	3,472	101	(7,680)
Net profit (loss) attributable to Eni from discontinued operations	2,185	5,693	1,688	1,190	(1,103)
Net profit (loss) attributable to Eni	6,860	7,790	5,160	1,291	(8,783)
Data per ordinary share (euro) (2)					
Operating profit (loss):					
- basic	4.01	3.54	2.17	(0.17)	(0.77)
- diluted	4.01	3.54	2.17	(0.17)	(0.77)
Net profit (loss) attributable to Eni basic and diluted from continuing operations	1.29	0.58	0.96	0.03	(2.13)
Net profit (loss) attributable to Eni basic and diluted from discontinued operations	0.60	1.57	0.46	0.33	(0.31)
Net profit (loss) attributable to Eni basic and diluted	1.89	2.15	1.42	0.36	(2.44)
Data per ADR ($) (2) (3)					
Operating profit (loss):					
- basic	11.16	9.10	5.77	(0.46)	(1.71)
- diluted	11.16	9.10	5.77	(0.46)	(1.71)
Net profit (loss) attributable to Eni basic and diluted from continuing operations	3.59	1.48	2.55	0.08	(4.73)
Net profit (loss) attributable to Eni basic and diluted from discontinued operations	1.68	4.04	1.22	0.88	(0.69)
Net profit (loss) attributable to Eni basic and diluted	5.26	5.53	3.77	0.96	(5.42)

(1) This item pertains to intragroup sales of commodities and capital goods recorded in the assets of the purchasing business segment as of the end of the reporting period.

(2) Euro per share or U.S. dollars per American Depositary Receipt (ADR), as the case may be. One ADR represents two Eni shares. The dividend amount for 2015 is based on the proposal of Eni s management which is submitted to approval at the Annual General Shareholders Meeting scheduled on May 12, 2016.

(3) Eni s financial statements are stated in euro. The translations of certain euro amounts into U.S. dollars are included solely for the convenience of the reader. The convenient translations should not be construed as representations that the amounts in euro have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange. Data per ADR, with the exception of dividends, were translated at the EUR/USD average exchange rate as recorded by in the Federal Reserve Board official statistics for each year presented (see the table on page 5). Dividends per ADR for the years 2011 through 2014 were translated into U.S. dollars for each year presented using the Noon Buying Rate on payment dates, as recorded on the payment date of the interim dividend and of the balance to the full-year dividend, respectively.

The dividend for 2015 based on the management s proposal to the General Shareholders Meeting and subject to approval was translated as per the portion related to the interim dividend (euro 0.80 per ADR) at the Noon Buying Rate recorded on the payment date on October 7, 2015, while the balance of euro 0.80 per ADR was translated at the Noon Buying Rate as recorded on December 31, 2015. The balance dividend for 2015 once the full-year dividend is approved by the Annual General Shareholders Meeting is payable on May 25, 2016 to holders of Eni shares, being the ex-dividend date May 23, 2016, while ADRs holders will be paid on June 7, 2016.

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	As of December 31,				
	2011	2012	2013	2014	2015
	(euro million except data per share and per ADR)				
CONSOLIDATED BALANCE SHEET DATA					
Total assets	142,945	140,192	138,341	146,207	134,792
Short-term and long-term debt	29,597	24,192	25,560	25,891	27,776
Capital stock issued	4,005	4,005	4,005	4,005	4,005
Minority interest	4,921	3,357	2,839	2,455	1,916
Shareholders equity - Eni share	55,472	59,060	58,210	59,754	51,753
Capital expenditures from continuing operations	11,909	12,805	11,584	11,264	10,775
Weighted average number of ordinary shares outstanding (fully diluted - shares million)	3,623	3,623	3,623	3,610	3,601
Dividend per share (euro) [1]	1.04	1.08	1.10	1.12	0.80
Dividend per ADR ($) [1] [2]	2.73	2.82	2.99	2.65	1.77

(1) Euro per share or U.S. dollars per American Depositary Receipt (ADR), as the case may be. One ADR represents two Eni shares. The dividend amount for 2015 is based on the proposal of Eni s management which is submitted to approval at the Annual General Shareholders Meeting scheduled on May 12, 2016.

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Selected Operating Information

The tables below set forth selected operating information with respect to Eni s proved reserves, developed and undeveloped, of crude oil (including condensates and natural gas liquids) and natural gas, as well as other data as of and for the years ended December 31, 2011, 2012, 2013, 2014 and 2015.

	Year ended December 31,				
	2011	2012	2013	2014	2015
Proved reserves of liquids of consolidated subsidiaries at period end (mmBBL)	3,134	3,084	3,079	3,077	3,372
of which developed	*1,850*	*1,762*	*1,831*	*1,847*	*2,100*
Proved reserves of liquids of equity-accounted entities at period end (mmBBL)	300	266	148	149	187
of which developed	*45*	*44*	*35*	*46*	*48*
Proved reserves of natural gas of consolidated subsidiaries at period end (BCF)	15,582	14,190	14,442	14,808	14,302
of which developed	*10,363*	*8,965*	*8,542*	*8,342*	*8,899*
Proved reserves of natural gas of equity-accounted entities at period end (BCF)	4,700	6,767	3,726	3,737	3,993
of which developed	*53*	*424*	*34*	*120*	*1,402*
Proved reserves of hydrocarbons of consolidated subsidiaries at period end (mmBOE)	5,940	5,667	5,708	5,772	5,975
of which developed	*3,716*	*3,394*	*3,387*	*3,366*	*3,720*
Proved reserves of hydrocarbons of equity-accounted entities at period end (mmBOE)	1,146	1,499	827	830	915
of which developed	*54*	*122*	*40*	*67*	*303*
Average daily production of liquids (KBBL/d) (1)	845	882	833	828	908
Average daily production of natural gas available for sale (mmCF/d) (2)	3,763	4,118	3,868	3,782	4,284
Average daily production of hydrocarbons available for sale (KBOE/d) (2)	1,523	1,631	1,537	1,517	1,688
Hydrocarbon production sold (mmBOE)	548.5	598.7	555.3	549.5	614.1
Oil and gas production costs per BOE (2)	10.86	10.82	12.19	12.00	9.18
Profit (loss) per barrel of oil equivalent (3)	16.98	15.95	15.46	9.90	(3.20)

(1) Referred to Eni s subsidiaries and its equity-accounted entities. Natural gas production volumes exclude gas consumed in operations (321, 383, 451, 442 and 397 mmCF/d in 2011, 2012, 2013, 2014 and 2015, respectively).

(2) Expressed in U.S. dollars. Consists of production costs of consolidated subsidiaries (costs incurred to operate and maintain wells and field equipment including also royalties) prepared in accordance with IFRS divided by production on an available-for-sale basis, expressed in barrels of oil equivalent. See the unaudited supplemental oil&gas information in "Item 18 Notes on Consolidated Financial Statements".

(3) Expressed in U.S. dollars. Results of operations from oil&gas producing activities of consolidated subsidiaries, divided by actual sold production, in each case prepared in accordance with IFRS to meet ongoing U.S. reporting obligations under Topic 932. See the unaudited supplemental oil&gas information in "Item 18 Notes on Consolidated Financial Statements" for a calculation of results of operations from oil and gas producing activities.

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Selected Operating Information *continued*

	Year ended December 31,				
	2011	2012	2013	2014	2015
Sales of natural gas to third parties (1)	77.84	77.87	77.67	76.11	79.06
Natural gas consumed by Eni (1)	6.21	6.43	5.93	5.62	5.88
Sales of natural gas of affiliates (Eni s share) (1)	9.85	8.29	6.96	4.38	2.78
Total sales and own consumption of natural gas of the Gas & Power segment (1)	93.90	92.59	90.56	86.11	87.72
E&P natural gas sales in Europe and in the Gulf of Mexico (1)	2.86	2.73	2.61	3.06	3.16
Worldwide natural gas sales (1)	96.76	95.32	93.17	89.17	90.88
Electricity sold (2)	40.28	42.58	35.05	33.58	34.88
Refinery throughputs (3)	31.96	30.01	27.38	25.03	26.41
Balanced capacity of wholly-owned refineries (4)	574	574	574	404	388
Retail sales (in Italy and rest of Europe) (3)	11.37	10.87	9.69	9.21	8.89
Number of service stations at period end (in Italy and rest of Europe)	6,287	6,384	6,386	6,220	5,846
Average throughput per service station (in Italy and rest of Europe) (5)	2,206	2,064	1,828	1,725	1,754
Employees at period end (number) (6)	28,209	30,350	30,970	29,403	29,053

(1) Expressed in BCM.
(2) Expressed in TWh.
(3) Expressed in mmtonnes.
(4) Expressed in KBBL/d.
(5) Expressed in thousand liters per day.
(6) Relating to continuing operations for all periods presented.

Exchange Rates

The following tables set forth, for the periods indicated, certain information regarding the Noon Buying Rate in U.S. dollars per euro, rounded to the second decimal (Source: The Federal Reserve Board).

	High	Low	Average (1)	At period end
	(U.S. dollars per euro)			
Year ended December 31,				
2011	1.49	1.29	1.39	1.29
2012	1.35	1.21	1.29	1.32
2013	1.38	1.28	1.33	1.38
2014	1.39	1.21	1.33	1.21
2015	1.20	1.05	1.11	1.09

(1) Average of the Noon Buying Rates for the last business day of each month in the period.

	High	Low	At period end
	(U.S. dollars per euro)		
October 2015	1.14	1.10	1.10
November 2015	1.10	1.06	1.06

December 2015	1.10	1.06	1.09
January 2016	1.10	1.07	1.08
February 2016	1.14	1.09	1.09
March 2016	1.14	1.08	1.14

Fluctuations in the exchange rate between the euro and the dollar affect the dollar equivalent of the euro price of the Shares on the Telematico and the dollar price of the ADRs on the NYSE. Exchange rate fluctuations also affect the dollar amounts received by owners of ADRs upon conversion by the Depository of cash dividends paid in euro on the underlying Shares. The Noon Buying Rate on March 31, 2015 was $1.14 per euro 1.00.

Risk factors

The risks described below may have a material effect on our operational and financial performance. We invite our investors to consider these risks carefully.

Eni s operating results and cash flow and future rate of growth are exposed to the effects of fluctuating prices of crude oil, natural gas and oil products

Prices of oil and natural gas have a history of volatility due to many factors that are beyond Eni s control. These factors include among other things:

- global and regional dynamics of oil&gas supply and demand. The price of crude oil has been on a downtrend since the second half of 2014 with oil prices falling from the level of approximately 110 $/BBL (where "BBL" means barrel) by mid-year, down to multi-year lows below the 30-dollar mark in January 2016. For the full year 2015, the benchmark Brent crude oil price averaged 53 $/BBL with a reduction of approximately 50% year-on-year. This decline was driven by structural imbalances in the global oil market on the back of continued oversupplies fuelled by production growth in both Organization of the Petroleum Exporting Countries ("OPEC") and non-OPEC countries, as well as uncertainties about the pace of macroeconomic growth. However, according to our records, demand for fuels held remarkably well in 2015, posting one of the best increase of the latest years, which was spurred by price elasticity and other factors. Looking forward, we believe that there are risks of further price erosion in 2016, as witnessed by trends in crude oil prices in the first months of the year, reflecting continued oversupplies, increased risks of a slowdown in global economic activity, a rise in global stockpiles of crude oil and the return of Iran s oil to the global market as sanctions are being lifted following its nuclear agreement with Western countries. Furthermore, uncertainties exist among market participants about the long-term prospects of the global energy demand also considering the growing political and institutional focus on energy conservation and reduction in Greenhouse Gas ("GHG") emissions;
- global political developments, including sanctions imposed on certain producing countries and conflict situations;
- global economic and financial market conditions;
- the influence of OPEC over world supply and therefore oil prices;

- prices and availability of alternative sources of energy (e.g., nuclear, coal and renewables);
- weather conditions;
- operational issues;
- governmental regulations and actions;
- success in development and deployment of new technologies for the recovery of crude oil and natural gas reserves and technological advances affecting energy consumption; and
- the effect of worldwide energy conservation and environmental protection efforts.

All these factors can affect the global balance between demand and supply for oil and prices of oil.

Management believes that a gradual absorption of the supply glut in the medium to long-term may occur, as a result of reduced investments by international oil companies, possible oil-producing countries agreements to curb output, a reduction in OPEC s spare capacity and the probable forcing of less efficient players, such as the operators in the U.S. tight oil production which we believe to have a cost structure no longer sustainable under the current scenario, out of the market. However, management has evaluated a number of risks and uncertainties inherent in such expectations, including structural changes that have been affecting oil industry e.g. the increase in oil supply following U.S. tight oil revolution reduced impact of geopolitical crises and the greater role played by renewable energy sources, as well as risks associated with internationally-agreed measures intended to reduce GHG emissions. Based on this outlook, Eni s management has revised downwards its pricing assumptions of the Brent crude oil marker utilized in each of the periods of the Company s 2016-2019 strategic plan, in particular the long-term reference price has been reduced to 65 $/BBL, down from the 90-dollar scenario utilized in the previous planning assumptions and in evaluating recoverability of the carrying amounts of our oil&gas assets.

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Price fluctuations have had in 2015 and may continue to have a material adverse effect on the Group s results of operations and cash flow. See "Item 5 Operating and Financial Review and Prospects". Lower oil prices from one year to another negatively affect the Group s consolidated results of operations and cash flow, because revenues are price sensitive; such current prices are reflected in revenues recognized in the Exploration & Production segment at the time of the price change, whereas expenses in this segment are either fixed or less sensitive to changes in crude oil prices than revenues. Eni estimates that its consolidated net profit and cash flow vary by approximately euro 0.2 billion for each one-dollar change in the price of the Brent crude oil benchmark with respect to the price scenario assumed in Eni s financial projections for 2016 at 40 $/BBL. Free cash flow is expected to reduce/increase by a corresponding amount.

In addition to the adverse effect on revenues, profitability and cash flow, lower oil&gas prices could result in the debooking of proved reserves, if they become economically unfavorable in this type of environment, and asset impairments. In 2015, we debooked 84 million BOE of proved reserves because decreases in commodity prices shortened the economic lives of certain producing properties and caused certain development projects to become economically unfavorable. In 2015, we recorded impairment losses at our oil&gas properties in the region of euro 5 billion (euro 3.5 billion post-tax) which were mainly driven by our revised outlook for commodity prices.

Depending on the significant and speed of a decrease in crude oil prices, Eni may also need to review investment decisions and the viability of development projects. Lower oil&gas prices over prolonged periods may also adversely affect Eni s results of operations and cash flow and hence the funds available to finance expansion projects, further reducing the Company s ability to grow future production and revenues. In addition, they may reduce returns at development projects, either planned or implemented, forcing the Company to reschedule, postpone or cancel development projects. We are currently planning a capital budget of approximately euro 37 billion in the next four years excluding expenditures associated with our planned disposals, which is significantly lower than our previous financial projections, down by 21% on constant exchange rate basis, to take into account the expected lower cash flow from operations under our reduced price outlook in the years 2016-2019. We are forecasting crude oil prices in the range of 40 to 65 $/BBL in the next four years, which is significantly lower than our previous planning assumption of 55-90 $/BBL. Finally, lower oil prices over prolonged periods may trigger a review of the future recoverability of the Company s carrying amounts of oil&gas properties, resulting in the recognition of significant further impairment charges. In response to weakened oil&gas industry conditions and resulting revisions made to rating agency commodity price assumptions, lower commodity prices may also reduce our access to capital and lead to a downgrade or other negative rating action with respect to our credit rating by rating agencies, including Standard & Poor s Ratings Services ("S&P") and Moody s Investor Services Inc ("Moody s"). These downgrades negatively affect our cost of capital, increase our financial expenses, and may limit our ability to access capital markets and execute aspects of our business plans. See also "Item 18 note 28 Long-term debt and current portion of long-term debt of the Notes on Consolidated Financial Statements".

Eni estimates that movements in oil prices affect approximately 50% of Eni s current production. The remaining portion of Eni s current production is insulated from crude oil price movements considering that the Company s property portfolio is characterized by a sizeable presence of production sharing contracts, where, due to the cost recovery mechanism, the Company is entitled to a larger number of barrels in case of a fall in crude oil prices. (See also the section on the specific risks of the Exploration & Production segment "Risks associated with the exploration and production of oil and natural gas" below).

Because of the above mentioned risks, an extended continuation of the current commodity price environment, or further declines in commodity prices, will materially and adversely affect our business prospects, financial condition, results of operations, cash flows, liquidity, ability to finance planned capital expenditures and commitments and may impact shareholder returns, including dividends and the share price.

In gas markets, price volatility reflects the dynamics of demand and supply for natural gas. Over the latest years, in the face of weak demand dynamics in Europe due to the economic downturn and competition from coal and renewable sources in the production of gas-fired power, gas supplies in Europe have continued to rise. Factors underlying this rise comprise the increased availability of liquefied natural gas ("LNG") on a global scale, which in the future will be fuelled by an expected growth in LNG exports from the U.S., and volumes of contracted supplies of European gas wholesalers under long-term arrangements with take-or-pay clauses. See also the other trends described in the specific risk-factors section of Eni s Gas & Power business below. The increased liquidity of European hubs has put significant downward pressure on spot prices. Eni expects those trends to continue in the foreseeable future due to a weak outlook for gas demand and continued oversupplies. In case Eni fails to renegotiate its long-term gas supply contracts in order to make its gas competitive as market conditions evolve, its profitability and cash flow in the Gas & Power segment would be significantly affected by current downward trends in gas prices.

The Group s results from its Refining & Marketing business are primarily dependent upon the supply and demand for refined products and the associated margins on refined product sales, with the impact of changes in oil prices on results of these segments being dependent upon the speed at which the prices of products adjust to reflect movements in oil prices.

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Competition

There is strong competition worldwide, both within the oil industry and with other industries, to supply energy to the industrial, commercial and residential energy markets

Eni faces strong competition in each of its business segments.

In the current uncertain financial and economic environment, Eni expects that prices of energy commodities, in particular oil and gas, will be very volatile, with average prices and margins influenced by changes in the global supply and demand for energy, as well as in the market dynamics. This is likely to increase competition in all of Eni s businesses, which may impact costs and margins. Competition affects license costs and product prices, with a consequent effect on Eni s margins and its market shares. Eni s ability to remain competitive requires continuous focus on technological innovation, reducing unit costs and improving efficiency. It also depends on Eni s ability to get an access to new investment opportunities, both in Europe and worldwide.

In the Exploration & Production segment, Eni faces competition from both international and State-owned oil companies for obtaining exploration and development rights, and developing and applying new technologies to maximize hydrocarbon recovery. Furthermore, Eni may face a competitive disadvantage because of its relatively smaller size compared to other international oil companies, particularly when bidding for large scale or capital intensive projects, and may be exposed to industry-wide cost increases to a greater extent compared to its larger competitors given its potentially smaller market power with respect to suppliers. If, as a result of those competitive pressures, Eni fails to obtain new exploration and development acreage, to apply and develop new technologies, and to control costs, its growth prospects and future results of operations and cash flow may be adversely affected.

In the Gas & Power segment, Eni faces strong competition from gas and energy players to sell gas to the industrial segment, the thermoelectric sector and the retail customers both in the Italian market and in markets across Europe. Competition has been fuelled by ongoing weak trends in demand due to the downturn and macroeconomic uncertainties and continued oversupplies in the marketplace. These have been driven by rising production of LNG on global scale and inter-fuel competition. The use of gas in gas-fired power plants has registered a dramatic decline due to the replacement with coal reflecting cost advantages and a dramatic growth in the adoption of renewable sources of energy (photovoltaic and solar). The large-scale development of shale gas in the United States was another fundamental trend that aggravated the oversupply situation in Europe because many LNG projects that originally targeted the U.S. market ended to supply the already saturated European sector. The continuing growth in the production of shale gas in the United States increased global gas supplies. These market imbalances in Europe were exacerbated by the fact that throughout the last decade and up to a few years ago the market consensus projected that gas demand in the continent would grow steadily until 2020 and beyond driven by economic growth and the increased adoption of gas in firing power production. European gas wholesalers including Eni committed to purchasing large amounts of gas under long-term supply contracts with so-called "take-or-pay" clauses from the main producing countries bordering Europe (namely Russia and Algeria). They also made significant capital expenditures to upgrade existing pipelines and to build new infrastructures in order to expand gas import capacity to continental markets. Long-term gas supply contracts with take-or-pay clauses expose gas wholesalers to a volume risk, as they are contractually required to purchase minimum annual amounts of gas or, in case of failure, to pay the underlying price. Due to the trends described above of the prolonged economic downturn and inter-fuel competition, the projected increases in gas demand failed to materialize, resulting in a situation of oversupply and pricing pressure. As demand contracted across Europe, gas supplies increased, thus driving the development of very liquid continental hubs to trade spot gas. Spot prices at continental hubs have become the main benchmarks to which selling prices are indexed across all end-markets, including large industrial customers, thermoelectric utilities and the retail segment. The profitability of gas operators was negatively impacted by falling sales prices at those hubs, where prices have been pressured by intense competition among gas operators in the face of weak demand, oversupplies and the constraint to dispose of minimum annual volumes of gas to be purchased under long-term supply contracts. Eni does not expect any meaningful improvement in the European gas sector for the foreseeable future. Gas demand will remain weak due to macroeconomic uncertainties and unclear EU policies regarding how to satisfy energy demand in Europe and the energy mix. Additionally, supplies at continental hubs will continue to build given the expected ramp-up of LNG exports from the United States due to steady growth in gas production and ongoing projects to reconvert LNG regasification facilities into liquefaction export units and the start of several LNG projects in the Pacific region and elsewhere. Eni believes that these ongoing negative trends may adversely affect the Company s future results of operations and cash flows, also taking into account the Company s contractual obligations to off-take minimum annual volumes of gas in accordance to its long-term gas supply contracts with take-or-pay clauses.

In its Gas & Power segment, Eni is vertically integrated in the production of electricity via its gas-fired power plants which currently use the combined-cycle technology. In the electricity business, Eni competes with other producers and traders from Italy or outside Italy who sell electricity in the Italian market. Going forward, the Company expects continuing competition due to the projections of moderate economic growth in Italy and Europe over the foreseeable future, also causing outside players to place excess production on the Italian market. The economics of the gas-fired electricity business have dramatically changed over the latest few years due to ongoing competitive trends. Spot prices of electricity in the wholesale market across Europe decreased due to excess supplies driven by the growing production of electricity from renewable sources, which also benefit from governmental subsidies, and a recovery in the production of coal-fired electricity which was helped by a substantial reduction in the price of this fuel on the back of a massive oversupply of coal which occurred on a global scale. As a result of falling electricity prices, margins on the production of gas-fired electricity went into negative territory. Eni believes that the profitability outlook in this business will remain weak in the foreseeable future.

In the Refining & Marketing segment, Eni faces strong competition both in the industrial and in the commercial activities. Refining margins have been negatively impacted by declining demand due to growing energy efficiency and the economic downturn, as well as by growing competition from new large scale refineries in the Middle East, benefiting of low production costs. In 2015, refining margins rebounded as a consequence of falling oil price and a recovery in oil products demand. Looking forward, management believes that refining margins will remain under pressure. In 2016, Eni forecasts a lower refining margin than in 2015. In marketing Eni faces the challenges of a growing competition from no logo operators and large retailers, which leverage on the price awareness of the final consumers to increase their market share.

Safety, security, environmental and other operational risks

The Group engages in the exploration and production of oil and natural gas, processing, transportation, and refining of crude oil, transport of natural gas, storage and distribution of petroleum products. By their nature the Group s operations expose Eni to a wide range of significant health, safety, security and environmental risks. The magnitude of these risks is influenced by the geographic range, operational diversity and technical complexity of Eni s activities. Eni s future results from operations and liquidity depend on its ability to identify and mitigate the risks and hazards inherent to operating in those industries.

In the Exploration & Production segment, Eni faces natural hazards and other operational risks including those relating to the physical characteristics of oil and natural gas fields. These include the risks of eruptions of crude oil or of natural gas, discovery of hydrocarbon pockets with abnormal pressure, crumbling of well openings, leaks that can harm the environment and the security of Eni s personnel and risks of blowout, fire or explosion. Accidents at a single well can lead to loss of life, damage or destruction to properties, environmental damage and consequently potential economic losses that could have a material and adverse effect on the business, results of operations, liquidity, reputation and prospects of the Group, including the share price and the dividends.

Eni s activities in the Refining & Marketing segment entails health, safety and environmental risks related to the handling, transformation and distribution of oil and oil products. These risks arise from the inherent characteristics of hydrocarbons, in particular flammability and toxicity. Also environmental risks are involved in the use of oil products, such as GHG emissions, soil and groundwater contaminations.

All of Eni s segments of operations involve, to varying degrees, the transportation of hydrocarbons. Risks in transportation activities depend both on the hazardous nature of the products transported, and on the transportation methods used (mainly pipelines, maritime, river-maritime, rail, road, gas distribution networks), the volumes involved and the sensitivity of the regions through which the transport passes (quality of infrastructure, population density, environmental considerations). All modes of transportation of hydrocarbons are particularly susceptible to a loss of containment of hydrocarbons and other hazardous materials, and, given the high volumes involved, could present a significant risk to people and the environment.

The Company invests significant resources in order to upgrade the methods and systems for safeguarding the safety and health of employees, contractors and communities, and the environment; to prevent risks; to comply with applicable laws and policies; and to respond to and learn from unexpected incidents. Eni seeks to minimize these operational risks by carefully designing and building facilities, including wells, industrial complexes, plants and equipment, pipelines, storage sites and distribution networks, and managing its operations in a safe, compliant and reliable manner. Failure to manage these risks could effectively result in unexpected incidents, including releases or oil spills, blowouts, fire, mechanical failures and other incidents resulting in personal injury, loss of life, environmental damage, legal liabilities and/or damage claims, destruction of crude oil or natural gas wells, as well as damage to equipment and other property, all of which could lead to a disruption in operations. Eni s operations are often conducted in difficult and/or environmentally sensitive locations such as the Gulf of Mexico, the Caspian Sea and the Arctic. In such locations, the consequences of any incident could be greater than in other locations. Eni also faces risks once production is discontinued, because Eni s activities require decommissioning of productive infrastructure and environmental site remediation. Furthermore, in certain situations where Eni is not the operator, the Company may have limited influence and control over third parties, which may limit its ability to manage and control such risks.

Eni s insurance subsidiary provides insurance coverage to Eni s entities, generally up to $1.1 billion in case of offshore incident and $1.5 billion in case of incident at onshore facilities (refineries). In addition, the Company also maintains worldwide third-party liability insurance coverage for all of its subsidiaries. Management believes that its

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insurance coverage is in line with industry practice and sufficient to cover normal risks in its operations. However, the Company is not insured against all potential risks. In the event of a major environmental disaster such as the BP Deepwater Horizon, for example, Eni s third-party liability insurance would not provide any material coverage and thus the Company s liability would far exceed the maximum coverage provided by its insurance. The loss Eni could suffer in the event of such a disaster would depend on all the facts and circumstances of the event and would be subject to a whole range of uncertainties, including legal uncertainty as to the scope of liability for consequential damages, which may include economic damage not directly connected to the disaster.

The occurrence of the events above mentioned could have a material adverse impact on the Group s business, competitive position, cash flow, results of operations, liquidity, future growth prospects, shareholders returns and damage the Group s reputation.

The Company cannot guarantee that it will not suffer any uninsured loss and there can be no guarantee, particularly in the case of a major environmental disaster or industrial accident, that such loss would not have a material adverse effect on the Company.

Risks associated with the exploration and production of oil and natural gas

The exploration and production of oil and natural gas require high levels of capital expenditures and are subject to natural hazards and other uncertainties, including those relating to the physical characteristics of oil&gas fields. The production of oil and natural gas is highly regulated and is subject to conditions imposed by governments throughout the world in matters such as the award of exploration and production leases, the imposition of specific drilling and other work obligations, income taxes and taxes on production, environmental protection measures, control over the development and abandonment of fields and installations, and restrictions on production.

A description of the main risks facing the Company s business in the exploration and production of oil&gas is provided below.

Eni s oil and natural gas offshore operations are particularly exposed to health, safety, security and environmental risks

Eni has material offshore operations relating to the exploration and production of hydrocarbons. In 2015, approximately 52% of Eni s total oil&gas production for the year derived from offshore fields, mainly in Egypt, Libya, Norway, Italy, Angola, the Gulf of Mexico, Congo, United Kingdom and Nigeria. Offshore operations in the