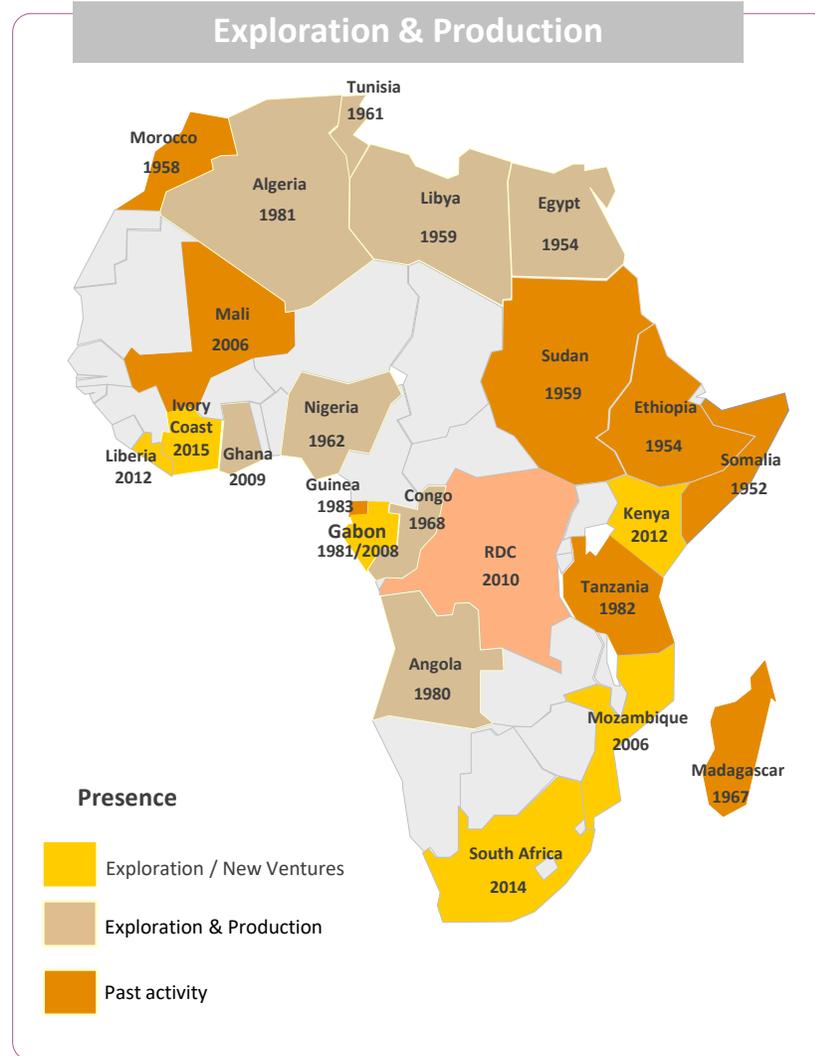


Sub-Saharan Africa
The challenge of equal development

Panel I: The change of business model, training and local networks

Milan, 12 April 2018

Eni in Africa, a long history...



Africa Overview ¹

- Population > **1.2 billion** (15% of the world)
- Real GDP Growth Rate 2016: **2.1%**
- Proved reserves Oil **125 Bbbls**; Gas **18 Tcm**
- Production Oil **8 Mbbbl/d**; Gas **204 bcm**
- Access to electricity in SSA \approx **37%**
- Access to electricity in NA \approx **97%**

Eni e&p in Africa ²

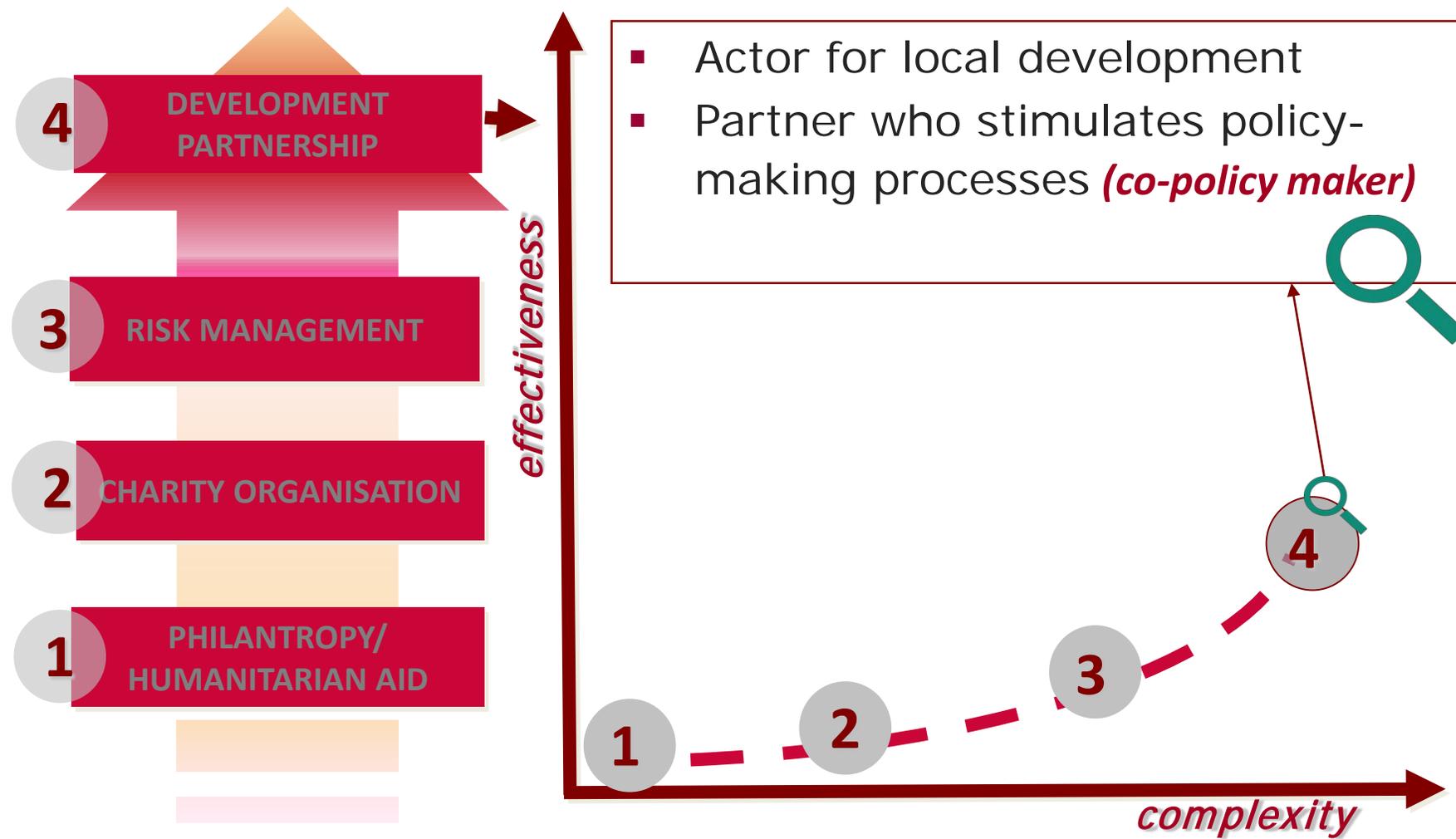
- E&P countries **8**
- Exploration countries **6**
- Total gross acreage **310,984 Sq.km**
- 2016 oil & gas Production **986 Kboe/d**
- Reserves Life Index > **11 Years**

(1) Eni – World Oil & Gas Review 2017 IMF- World Economic Outlook 2017 IEA, World Energy Outlook 2015

(2) Eni Spa – E&P Division official figures



Proactive stakeholders' engagement



The *dual flag/win-win* approach

For the Company

- Non-technical risks mitigation
- First choice as best business partner
- Reputational value
- Leadership culture
- Improved stakeholder relationship

For the host Country

- Human development
- Technology innovation
- Local content
- Socio-economic development
- Environment protection



Our distinctive approach to sustainability comes from history

1950s – 1960s

“Mattei formula”

“Eni model”

The six legs of the eni model

Business & technology development & transfer

Oil & gas integration

Access to energy and infrastructures

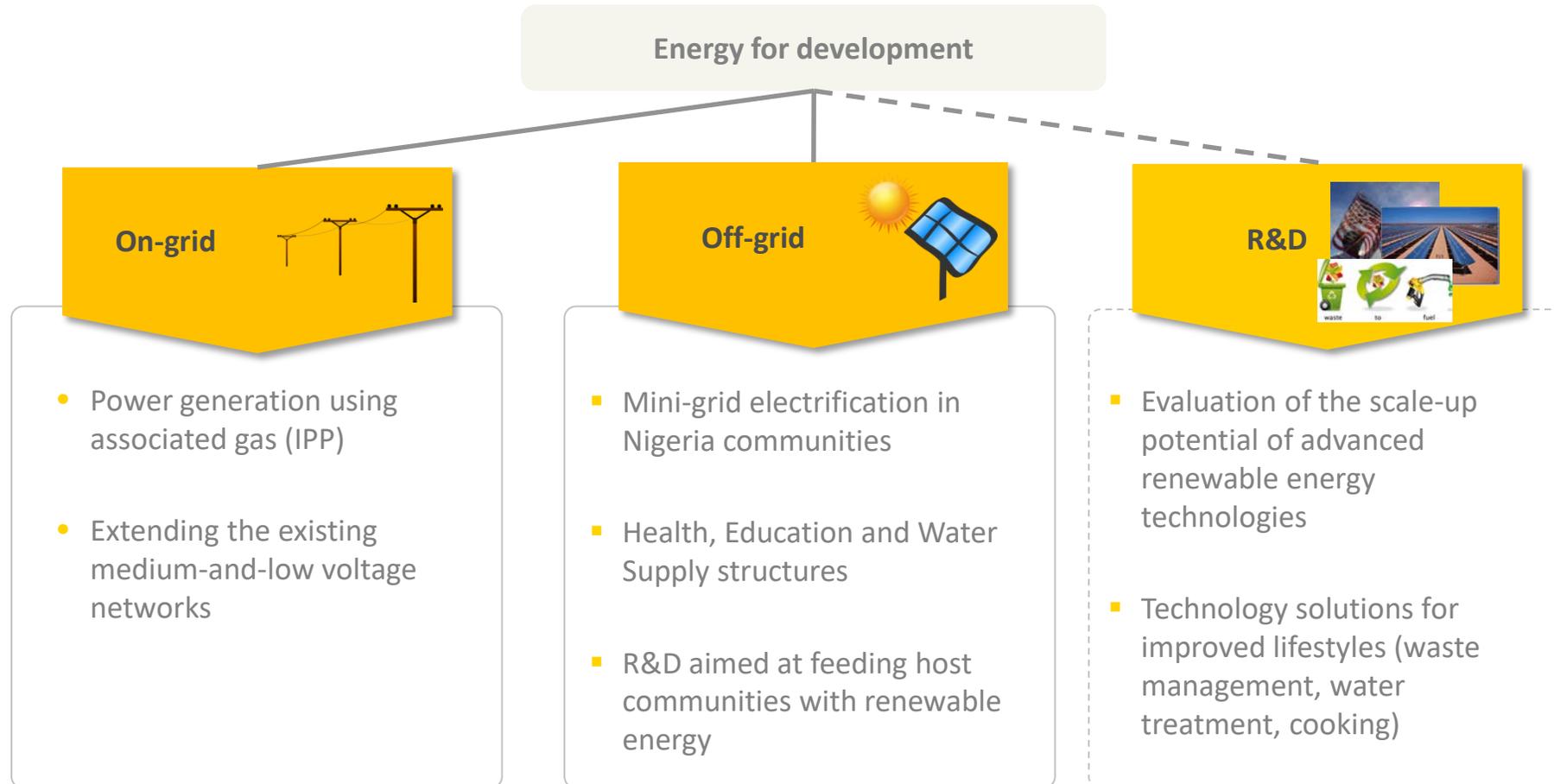
To be local

**Local development
(agriculture, health, education)**

International partnership



Eni's solutions in Sub-Saharan Africa



Energy Solutions: new integrated business to generate extra value

BROWNFIELD PROJECTS



Replacing fossil fuels in O&G power generation, saving diesel and making available extra gas for sale

- Egypt
- Algeria
- Tunisia
- Pakistan

INTEGRATED PROJECTS



Providing renewable power to large-scale integrated initiatives (midstream, downstream, chemical)

- Italy
- Egypt
- Integrated gas/RES projects

GREENFIELD PROJECTS



Exploiting countries contractual, operational and fiscal synergies to create extra value in developing, executing and operating greenfield projects

- Egypt
- Kazakhstan
- Tunisia
- Ghana
- Pakistan

UNIQUE BUSINESS MODEL THAT LEVERAGES ON EXISTING ASSETS AND CORE ACTIVITIES TO CREATE NEW BUSINESS OPPORTUNITIES AND SIGNIFICANT EXTRA VALUE



Main issues for the implementation of Solar Projects in emerging markets

REGULATORY



- Long term strategies not translated into measurable objectives
- Lack of RE specific policies & regulations
- Unclear regulations & permitting
- PPA: existing tariffs but no specific RES provisions
- Low tariffs

FINANCE



- PPA in local currency
- Currency risk
- Exchange of local currency
- Country rating for Project Financing
- Off-taker's financial reliability
- Commercial risk coverage
- Need for dedicated financial instruments

LAND & GRID ACCESS



- Insufficient transmission capacity
- Reliability of grid infrastructure
- Negotiation of Grid Access Agreement
- Rules for land control
- Fair compensation agreements

Making business in emerging markets: what's needed, what helps

Technical Assistance

- Regulatory reforms
- Permitting
- Skills

Standards & Guidelines

- Contracts - PPAs
- Tenders
- O&M

Dedicated Financial Instruments

- Project bankability
- Infrastructure finance
- Guarantees
- Consistent definition of political & commercial risk

Public-Private dialogue

- Political commitment / Stability
- Engagement with governments
- Transparency