Natural Resources

The Natural Resources Business Group is committed to build up in a sustainable way, the value of Eni's Oil & Gas upstream portfolio, with the objective of reducing its carbon footprint by scaling up energy efficiency and expanding production in the natural gas business, and its position in the wholesale market. Furthermore, it is focused on the development of projects of capture and compensation of CO_2 emissions and forests conservation (REDD+). The Business Group, in addition to the Exploration & Production business, includes also the result of natural gas wholesale marketing and LNG, and the activities of environmental reclamation and requalification implemented by the subsidiary company Eni Rewind.

€**1.55** bln

Exploration & Production Adjusted operating profit

€**326** mln

GGP Adjusted operating profit **+69% vs. 2019** higher than expected

1.73 mln boe/day

Hydrocarbon production in line with the guidance revised in response to COVID-19

400 mln boe

New equity exploration resources at a competitive unit cost of 1.6 $/boe

1.5 mln tons CO_2eq.

Offset emissions by the Forestry REDD+

11.4 mln tons CO_2eq.

Net Carbon footprint upstream **-23% vs. 2019**

Exploration & Production

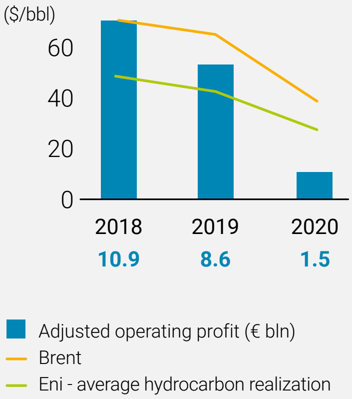
1.73 mmboe/d
Hydrocarbons production in line with the guidance updated following to the COVID-19 pandemic

6.9 bboe
Net proved reserves in 2020
96% three-year average all sources replacement ratio

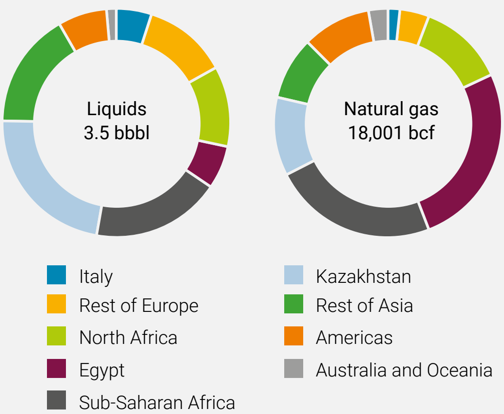
400 mmboe
New equity resources discovered at a competitive cost of 1.6 \$/barrel

1.5 mmtonnes CO_2eq.
Offset emissions by the Forestry REDD+

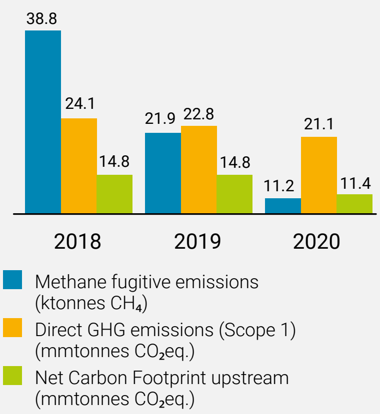
Scenario vs. Performance



Reserves 2020



Towards net zero emissions



KEY PERFORMANCE INDICATORS

		2020	2019	2018
TRIR (Total Recordable Injury Rate)	(total recordable injuries/worked hours) X 1,000,000	0.28	0.33	0.30
of which: employees		*0.18*	*0.18*	*0.29*
contractors		*0.31*	*0.37*	*0.30*
Profit per boe[(a)(b)]	(\$/boe)	3.8	7.7	6.7
Opex per boe[(c)]		6.5	6.4	6.8
Cash flow per boe		9.8	18.6	22.5
Finding & Development cost per boe[(b)(c)]		17.6	15.5	10.4
Average hydrocarbon realization		28.92	43.54	47.48
Hydrocarbons production[(c)]	(kboe/d)	1,733	1,871	1,851
Net proved hydrocarbons reserves	(mmboe)	6,905	7,268	7,153
Reserves life index	(years)	10.9	10.6	10.6
Organic reserves replacement ratio	(%)	43	92	100
Employees at year end	(number)	9,815	10,272	10,448
of which outside Italy		*6,123*	*6,781*	*6,971*
Direct GHG emissions (Scope 1)[(d)]	(mmtonnes CO_2eq.)	21.1	22.8	24.1
GHG emissions (Scope 1)/operated hydrocarbons gross production[(d)(e)]	(tonnes CO_2eq./kboe)	20.0	19.6	21.4
Methane fugitive emissions[(d)]	(ktonnes CH_4)	11.2	21.9	38.8
Volumes of hydrocarbon sent to routine flaring[(d)]	(billion Sm^3)	1.0	1.2	1.4
Net Carbon Footprint upstream (GHG emissions Scope 1 + Scope 2)[(f)]	(mmtonnes CO_2eq.)	11.4	14.8	14.8
Oil spills due to operations (>1 barrel)[(d)]	(barrels)	882	988	1,595
Re-injected production water[(d)]	(%)	53	58	60

(a) Related to consolidated subsidiaries.
(b) Three-year average.
(c) Includes Eni's share of equity-accounted entities.
(d) Calculated on 100% operated assets.
(e) Hydrocarbon gross production from fields fully operated by Eni (Eni's interest 100%) amounting to 1,009 mmboe, 1,114 mmboe and 1,067 mmboe in 2020, 2019 and 2018, respectively.
(f) Calculated on equity basis and included carbon sink.

Performance of the year

- Total recordable injury rate (TRIR) was 0.28, down by 15%, confirming Eni's commitment to reduce injuries in each of its operations.
- Direct GHG emissions (Scope 1) of the operated assets reported a decrease of 7% for an activity declines due to sanitary emergency.
- Direct GHG emissions (Scope 1)/operated hydrocarbon gross production: increased by 2% vs. 2019 due to lower productions connected to the pandemic crisis and lower gas demand in Egypt, which productions are associated to a low emission intensity.
- Methane fugitive emissions of the operated assets were down by 49% from 2019 mainly due to the finalization of the monitoring and maintenance programs as well as production declines. The overall reduction with respect to 2014 is 90%, achieving in advance the 80% reduction target set by 2025.
- Net Carbon Footprint upstream (GHG emissions Scope 1 + Scope 2 accounted for on an equity basis) decreased by 23% compared to 2019 due to lower productions connected to the pandemic crisis, and first allowance of carbon credits to offset GHG emissions.
- Volumes of hydrocarbon sent to routine flaring of the operated assets decreased by 14% from 2019, thanks to the zero process flaring achieved in July in Angola, at the West Hub site, and the production shutdown due to force majeure at the Bu-Attifel and El-Feel fields in Libya.
- Oil spills due to operations: down by 10% compared to 2019 leveraging on to the technical measures adopted in the operating activities.

- Re-injected production water decreased from the full year of 2019 (down by 8.9%), due to the standstills occurred in Libya, as well as technical issues in Congo at the Loango and Zatchi fields and in Nigeria at the Ebocha field.
- In 2020, the E&P segment reported an adjusted operating profit of €1,547 million with a decrease of 82%, affected by a depressed scenario due to the COVID-19 pandemic which impacted both hydrocarbons realized prices and production. Particularly, lower sales volumes were driven by capex optimizations intended to preserve the Company's cash flows, from the production cuts implemented by the OPEC+ agreement and falling gas demand.
- Oil and natural gas production was 1.73 million of boe/d, down by 7% from 2019. Net of price effects, the decline was due to COVID-19 impacts and related OPEC+ production cuts, as well as lower gas demand, mainly in Egypt. Production start-ups/ramp-ups of 109 kboe/d and portfolio contributions in Norway were partly offset by lower volumes in Libya, driven mainly by an expected contractual trigger, as well as mature field declines.
- Net proved reserves at December 31, 2020 amounted to 6.9 bboe based on a reference Brent price of 41 $/barrel. The all-sources replacement ratio was 43%; 96% three-year average all sources replacement ratio. The reserves life index was 10.9 years (10.6 years in 2019).

Path to decarbonization

- Within the Eni's long-term target to reach carbon neutrality, the projects in the start-up phase for the CO_2 geological capture and sequestration using depleted fields as well as reusing in other production cycle are the main decarbonization drivers in the upstream and other business. In particular Eni was awarded by the UK Oil and Gas Authority a license for building a carbon storage project in the Liverpool Bay supporting the decarbonization process in the North-West England and North Wales industrial areas. In Italy, Eni has launched a plan to build a hub for the capture and storage of CO_2 in depleted fields off the coast of Ravenna which will be designed to store 500 mmtonnes. These projects are the fruit of Eni's core expertise and research for innovative solutions in order to tackle climate change. Leveraging on the development of CCS projects, the target is to reach a storage capacity of 7 mmtonnes/year in 2030.
- Launched initiatives focusing on the forest's protection, conservation and sustainable management, mainly in developing Countries, by means of the REDD+ projects, as a part of Eni's decarbonization process. In particular, in November 2020, was achieved the first allowance of carbon credits by the REDD+ Luangwa Community Forest Project (LCFP) to offset GHG emissions equivalent to 1.5 million tonnes of CO_2. Eni continues to evaluate further initiatives in different Countries by means of partnerships with governments and international players in Africa, Latin America and Asia. The long-term target is a progressive growth of these initiatives to support an annual carbon credit portfolio offsetting over 40 million tonnes of CO_2 by 2050.

Exploration activity

- Exploration activity achieved excellent results in 2020 despite the capex reduction of approximately 50% from 2019. Added 400 mmboe of new resources at a competitive cost of 1.6 $/barrel. Exploration is still a distinctive approach of Eni's upstream model, maintaining a solid track record of production replacement with resources discovered equal to over 6 bboe in the last seven years, well above than the cumulative production in the period, at a unit cost lower than 1.5 $/barrel.
- Achieved near-field exploration successes ensuring a fast contribution to cash flows. In this context, main near-field discoveries were in Egypt and then in Tunisia, Norway, Algeria and Angola, where the Agogo appraisal well estimated 1 billion boe in place. Significant results reached also in frontier exploration area with the Mahani gas and condensate discovery in the onshore of the Emirate of Sharjah (UAE), just one year since the signing of the contracts, the appraisal of the Ken Bau field offshore Vietnam, which allowed to outline a giant field, and the Saasken discovery, offshore Mexico, which strenght Eni's activity in the Country. These exploration successes create opportunities to early monetization fuelling the dual exploration model.

- Reloading exploration portfolio in 2020. Acquired new acreage in Albania, Oman, the United Arab Emirates, Angola, Indonesia, Norway with JV Vår Energi, and Egypt covering approximately 23,600 square kilometers. In addition, renewed exploration licenses in Kenya, as part of long-term partnership with the Country for access to energy and decarbonization.
- In 2020 exploration expenses were €510 million (€489 million in 2019) and included the write-off of unsuccessful wells amounting to €314 million (€214 million in 2019), which also related to the write-off of unproved exploration rights, if any, associated to projects with negative outcome. The write-off of expenses related to unsuccessful drilling activities mainly concerned projects in Libya, the United States, Angola, Egypt, Oman, Mexico and Lebanon. In addition, 86 exploratory drilled wells are in progress at year-end (46.0 net to Eni).

Development activity

- Achieved production start-up of the following projects:
  - in Algeria, with the gas project in the Berkine North area (Eni's interest 49%) levaraging on a fast-track development;
  - in Congo, with the Nené Marine phase 2B project in the Marine XII block (Eni operator with a 65% interest);
  - in Angola, with the Agogo oil field in the operated offshore Block 15/06, in just 9 months from discovery, leveraging on the synergies with the existing FPSOs in the area;
  - in January 2021, in the onshore Sharjah Emirate, with start-up of the Mahani gas and condensate discovery in the Area B concession (Eni's interest 50%), just two years after signing the concession agreement and one year since discovery.
- Development expenditure amounted to €3.1 billion, directed mainly outside Italy, in particular in Egypt, Indonesia, the United Arab Emirates, the United States, Angola, Mexico, Iraq and Kazakhstan.
- In the year marked by the COVID-19 pandemic crisis, Eni implemented effective measures in several areas to protect the health of its employees and contractors and to manage the pandemic impact on local communities in Italy and abroad. Eni operated in synergy with governments, institutions, United Nations agencies and local and international NGOs to prevent and tackle the expansion of the COVID-19 pandemic. In particular, Eni provided protective and hygiene sanitary supplies, medical equipment for intensive care, activated awareness campaigns, sustained the logistics activities of the international Task Forces, as well as implemented initiatives in support of the most vulnerable populations. Furthermore, in the foreign Countries, Eni implemented different specific initiatives such as in the Luanda, Huila and Namibe area in Angola, in the Koilou department in Congo, at the Multi-Disciplinary Medical Center of Nur-Sultan in Kazakshtan, in the Maputo area in Mozambique and in the Tabasco area in Mexico.
- The Africa Program targets to contribute the local socio-economic development with initiatives to support economic diversification by means of training programs in the agricultural-food and agro-business areas and to facilitate access to the labor market in a path of economic growth, inclusive and sustainable at the same time, in line with the United Nations 2030 Agenda. In 2020, activities of the Pilot Project started up at the Okuafo Pa center, opened in 2019, in Ghana, in order to set-up the model to be replicated in other Countries. The project provides for defining to access micro-credit facilities and the use of funds, in cooperation with Cassa Depositi e Prestiti, and for the development of agricultural activities with the support of Bonifiche Ferraresi. During the year, 800 people benefited from the training program.
- In 2020, overall R&D expenditure amounted to €59 million (€71 million in 2019); a total of 8 new patents were filed. During the year the main technologies application concerned tools, software and hardware to improve and optimize energy and operational efficiency in production activities. In particular, technologies were applied to optimize the development and exploration drilling activities, such as in Mozambique, Mexico, Oman, Vietnam and Indonesia; application tools to enhance the efficiency of hydrocarbons production and transportation activities, such as in operated activities in Angola, Algeria and Egypt; technologies to guarantee efficient monitoring and asset integrity of plants, such as in Italy, Angola, Libya, Algeria, Egypt, Indonesia, Mexico and Ghana; as well as applications to reduce the exploration risk by means of tools to allow a better analysis of the subsoil, such as in Egypt, Vietnam, Mexico and Norway.

RESERVES

OVERVIEW

The Company has adopted comprehensive classification criteria for the estimate of proved, proved developed and proved undeveloped oil and gas reserves in accordance with applicable US Securities and Exchange Commission (SEC) regulations, as provided for in Regulation S-X, Rule 4-10. Proved oil and gas reserves are those quantities of liquids (including condensates and natural gas liquids) and natural 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, 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.
Oil and natural gas prices used in the estimate of proved reserves are obtained from the official survey published by Platt's Marketwire, except when their calculation derives from existing contractual conditions. Prices are calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period. Prices include consideration of changes in existing prices provided only by contractual arrangements.
Engineering estimates of the Company's oil and gas reserves are inherently uncertain. Although authoritative guidelines exist regarding engineering criteria that have to be met before estimated oil and gas reserves can be designated as "proved", the accuracy of any reserves estimate is a function of the quality of available data and engineering and geological interpretation and evaluation. Consequently, the estimated proved reserves of oil and natural gas may be subject to future revision and upward and downward revisions may be made to the initial booking of reserves due to analysis of new information. Proved reserves to which Eni is entitled under concession contracts are determined by applying Eni's equity interest to total proved reserves of the contractual area, until expiration of the relevant mineral right. Eni's proved reserves entitlements under PSAs are calculated so that the sale of production entitlements cover expenses incurred by the Group for field development (Cost Oil) and recognize a share of profit set contractually (Profit Oil). A similar scheme applies to service contracts.

RESERVES GOVERNANCE

Eni retains rigorous control over the process of booking proved reserves, through a centralized model of reserves governance. The Reserves Department of the Exploration & Production segment is in charge of: (i) ensuring the periodic certification process of proved reserves; (ii) updating the Company's guidelines on reserves evaluation and classification and the internal procedures; and (iii) providing training of staff involved in the process of reserves estimation. Company guidelines have been reviewed by DeGolyer and MacNaughton (D&M), an independent petroleum engineering company, which has stated that those guidelines comply with the SEC rules[1]. D&M has also stated that the Company guidelines provide reasonable interpretation of facts and circumstances in line with generally accepted practices in the industry whenever SEC rules may be less precise. When participating in exploration and production activities operated by other entities, Eni estimates its share of proved reserves on the basis of the above guidelines.
The process for estimating reserves, as described in the internal procedure, involves the following roles and responsibilities: (i) the business unit managers (geographic units) and Local Reserves Evaluators (LRE) are in charge with estimating and classifying gross reserves including assessing production profiles, capital expenditure, operating expenses and costs related to asset retirement obligations; (ii) the petroleum engineering department and the operations unit at the head office verify the production profiles of such properties where significant changes have occurred and operating expenses, respectively; (iii) geographic area managers verify the commercial conditions and the progress of the projects; (iv) the Planning and Control Department provides the economic evaluation of reserves; and (v) the Reserves Department, through the Headquarter Reserves Evaluators (HRE), provides independent reviews of fairness and correctness of classifications carried out by the above mentioned units and aggregates worldwide reserves data.

(1) The reports of independent engineers are available on Eni website eni.com section Publications/Integrated Annual Report 2016.

The head of the Reserves Department attended the "Politecnico di Torino" and received a Master of Science degree in Mining Engineering in 2000. He has more than 20 years of experience in the oil and gas industry. Staff involved in the reserves evaluation process fulfil the professional qualifications requested by the role and comply with the required level of independence, objectivity and confidentiality in accordance with professional ethics. Reserves Evaluators qualifications comply with international standards defined by the Society of Petroleum Engineers.

RESERVES INDEPENDENT EVALUATION

Eni has its proved reserves audited on a rotational basis by independent oil engineering companies[2]. The description of qualifications of the persons primarily responsible for the reserves audit is included in the third-party audit report[3]. In the preparation of their reports, independent evaluators rely, upon information furnished by Eni without independent verification, with respect to property interests, production, current costs of operations and development, sales agreements, prices and other factual information and data that were accepted as represented by the independent evaluators. These data, equally used by Eni in its internal process, include logs, directional surveys, core and PVT (Pressure Volume Temperature) analysis, maps, oil/gas/water production/injection data of wells, reservoir studies, technical analysis relevant to field performance, development plans, future capital and operating costs.
In order to calculate the net present value of Eni's equity reserves, actual prices applicable to hydrocarbon sales, price adjustments required by applicable contractual arrangements and other pertinent information are provided by Eni to third party evaluators. In 2020 Ryder Scott Company and DeGolyer and MacNaughton provided an independent evaluation of approximately 36%[4] of Eni's total proved reserves at December 31, 2020[5], confirming, as in previous years, the reasonableness of Eni internal evaluation[6].
In the 2018-2020 three-year period, 92% of Eni total proved reserves were subject to an independent evaluation. As at December 31, 2020, Balder in Norway and Merakes in Indonesia were the main Eni property, which did not undergo an independent evaluation in the last three years.

MOVEMENTS IN NET PROVED RESERVES

Eni's net proved reserves were determined taking into account Eni's share of proved reserves of equity-accounted entities. Movements in Eni's 2020 proved reserves were as follows:

	(mmboe)	Consolidated subsidiaries	Equity-accounted entities	Total
Estimated net proved reserves at December 31, 2019		**6,287**	**981**	**7,268**
Extensions, discoveries, revisions of previous estimates and improved recovery, excluding price effect		220	57	**277**
Price effect		18	(24)	**(6)**
Reserve additions, total		238	33	**271**
Production of the year		(541)	(93)	**(634)**
Estimated net proved reserves at December 31, 2020		**5,984**	**921**	**6,905**
Reserves replacement ratio, all sources	(%)			**43**

Net proved reserves as of December 31, 2020 were 6,905 mmboe, of which 5,984 mmboe of consolidated subsidiaries. Net additions to proved reserves were 271 mmboe (included the effect an updating of the natural gas conversion factor; up by 67 mmboe) and derived from:

(i) extensions and discoveries were up by 47 mmboe, mainly due to the final investment decision made for the Bredaiblikk project in Norway and the Mahani field in the United Arab Emirates. This field started-up in January 2021;

(2) From 1991 to 2002, DeGolyer and MacNaughton; from 2003, also Ryder Scott. In 2018, the Societé Generale de Surveillance (SGS) Company also provided an independent certification.
(3) The reports of independent engineers are available on Eni website eni.com section Publications/Annual Report 2020.
(4) The share of reserve subjected to independent evaluation increases to 37% also including the third-party evaluation provided by the Gaffney Cline company on the reserves of the Angola LNG project (Eni's interest 13.6%) required by the shareholders of the consortium operating company.
(5) Includes Eni's share of proved reserves of equity accounted entities.
(6) The reports of independent engineers are available on Eni website eni.com section Publications/Annual Report 2020.

(ii) revisions of previous estimates were up by 219 mmboe, and mainly derived from the progress in development activities of several fields, including Zubair in Iraq, Kashagan and Karachaganak in Kazakhstan and Merakes in Indonesia;
(iii) improved recovery of 5 mmboe mainly related to the Burun project in Turkmenistan.

Net additions were marginally impacted by negative price effects of 6 mmboe in 2020. The decrease of Brent reference price used in the reserve estimation process (down to 41 $/barrel in 2020 compared to 63 $/barrel in 2019) leading to reduce proved reserves by 124 mmboe, due to the removal of volumes of reserves which have become uneconomical in this environment. There was also an offsetting positive addition due to net higher reserves entitlements under PSA contracts of 118 mmboe because of the cost recovery mechanism.

The organic and all sources reserves replacement ratio[7] was 43%.

The reserves life index was 10.9 years (10.6 years in 2019).

For further information, please see the additional information on Oil & Gas producing activities required by the SEC in the notes to the consolidated financial statements.

PROVED UNDEVELOPED RESERVES

Proved undeveloped reserves as of December 31, 2020 totaled 2,005 mmboe, of which 1,064 mmbbl of liquids mainly concentrated in Africa and Asia and 4,992 bcf of natural gas mainly located in Africa. Proved undeveloped reserves of consolidated subsidiaries amounted to 837 mmbbl of liquids and 4,703 bcf of natural gas. Movements in Eni's 2020 proved undeveloped reserves were as follows:

(mmboe)	
Proved undeveloped reserves as of December 31, 2019	**2,114**
Additions	(206)
Extensions and discoveries	40
Revisions of previous estimates	53
Improved recovery	4
Proved undeveloped reserves as of December 31, 2020	**2,005**

In 2020, Eni matured 206 mmboe of proved undeveloped reserves to proved developed reserves due to progress in development activities, production start-ups and project revisions. The main reclassifications to proved developed reserves are related to the following fields/projects: Zohr in Egypt, Zubair in Iraq, Area 1 in Mexico, Umm Shaif/Nasr concession in the United Arab Emirates and Karachaganak in Kazakhstan.

For further information, please see the additional information on Oil & Gas producing activities required by the SEC in the notes to the consolidated financial statements.

In 2020, capital expenditures amounted to approximately €4.2 billion.

Reserves that remain proved undeveloped for five or more years are a result of several factors that affect the timing of the projects development and execution, such as the complex nature of the development project in adverse and remote locations, physical limitations of infrastructures or plant capacity and contractual limitations that establish production levels. The Company estimates that 0.5 bboe of proved undeveloped reserves have remained undeveloped for five years or more at the balance sheet date and unchanged from 2019. The proved undeveloped reserves that have remained undeveloped for five years or more at the balance sheet date mainly related to:

(i) the Zubair field in Iraq (0.15 bboe), where development of PUDs has been conditioned by the drilling of additional production and injection wells to be linked to the production facilities, which were already completed to achieve the full field production plateau of 700 kboe/d;
(ii) certain Libyan gas fields (0.25 bboe) where development completion and production start-ups are planned according to the delivery obligations set forth in a long-term gas supply agreement currently in force;
(iii) other fields in Italy and Egypt (0.1 bboe), where development activities are in progress.

(7) Organic ratio of changes in proved reserves for the year resulting from revisions of previously reported reserves, improved recovery, extensions and discoveries, to production for the year. All sources ratio includes sales or purchases of minerals in place. A ratio higher than 100% indicates that more proved reserves were added than produced in a year. The Reserves Replacement Ratio is not an indicator of future production because the ultimate development and production of reserves is subject to a number of risks and uncertainties. These include the risks associated with the successful completion of large-scale projects, including addressing ongoing regulatory issues and completion of infrastructure, as well as changes in oil and gas prices, political risks and geological and environmental risks..

ESTIMATED NET PROVED HYDROCARBONS RESERVES[(a)]

	Liquids (mmbbl)	Natural gas (bcf)	Hydrocarbons (mmboe)	Liquids (mmbbl)	Natural gas (bcf)	Hydrocarbons (mmboe)	Liquids (mmbbl)	Natural gas (bcf)	Hydrocarbons (mmboe)
Consolidated subsidiaries		2020			2019			2018	
Italy	**178**	**348**	**243**	**194**	**752**	**333**	**208**	**1,199**	**428**
Developed	*146*	*280*	*199*	*137*	*657*	*258*	*156*	*980*	*336*
Undeveloped	*32*	*68*	*44*	*57*	*95*	*75*	*52*	*219*	*92*
Rest of Europe	**34**	**208**	**73**	**41**	**262**	**89**	**48**	**320**	**106**
Developed	*31*	*194*	*68*	*37*	*242*	*82*	*44*	*300*	*99*
Undeveloped	*3*	*14*	*5*	*4*	*20*	*7*	*4*	*20*	*7*
North Africa	**383**	**2,201**	**798**	**468**	**2,738**	**974**	**493**	**2,890**	**1,022**
Developed	*243*	*1,014*	*434*	*301*	*1,374*	*553*	*317*	*1,447*	*582*
Undeveloped	*140*	*1,187*	*364*	*167*	*1,364*	*421*	*176*	*1,443*	*440*
Egypt	**227**	**4,692**	**1,110**	**264**	**5,191**	**1,225**	**279**	**5,275**	**1,246**
Developed	*172*	*4,511*	*1,022*	*149*	*4,777*	*1,033*	*153*	*3,331*	*764*
Undeveloped	*55*	*181*	*88*	*115*	*414*	*192*	*126*	*1,944*	*482*
Sub-Saharan Africa	**624**	**3,864**	**1,352**	**694**	**4,103**	**1,453**	**718**	**3,506**	**1,361**
Developed	*469*	*1,751*	*799*	*519*	*1,858*	*863*	*551*	*1,871*	*895*
Undeveloped	*155*	*2,113*	*553*	*175*	*2,245*	*590*	*167*	*1,635*	*466*
Kazakhstan	**805**	**2,003**	**1,182**	**746**	**1,969**	**1,108**	**704**	**1,989**	**1,066**
Developed	*716*	*2,003*	*1,093*	*682*	*1,969*	*1,046*	*587*	*1,846*	*925*
Undeveloped	*89*		*89*	*64*		*62*	*117*	*143*	*141*
Rest of Asia	**579**	**1,589**	**879**	**491**	**1,349**	**742**	**476**	**1,217**	**700**
Developed	*297*	*674*	*424*	*245*	*685*	*372*	*252*	*822*	*403*
Undeveloped	*282*	*915*	*455*	*246*	*664*	*370*	*224*	*395*	*297*
Americas	**224**	**175**	**256**	**225**	**240**	**268**	**252**	**277**	**302**
Developed	*143*	*109*	*162*	*148*	*186*	*182*	*143*	*154*	*170*
Undeveloped	*81*	*66*	*94*	*77*	*54*	*86*	*109*	*123*	*132*
Australia and Oceania	**1**	**474**	**91**	**1**	**507**	**95**	**5**	**651**	**125**
Developed	*1*	*315*	*60*	*1*	*322*	*61*	*5*	*452*	*87*
Undeveloped		*159*	*31*		*185*	*34*		*199*	*38*
Total consolidated subsidiaries	**3,055**	**15,554**	**5,984**	**3,124**	**17,111**	**6,287**	**3,183**	**17,324**	**6,356**
Developed	***2,218***	***10,851***	***4,261***	***2,219***	***12,070***	***4,450***	***2,208***	***11,203***	***4,261***
Undeveloped	***837***	***4,703***	***1,723***	***905***	***5,041***	***1,837***	***975***	***6,121***	***2,095***
Equity-accounted entities									
Rest of Europe	**400**	**510**	**496**	**424**	**772**	**567**	**297**	**360**	**363**
Developed	*176*	*415*	*254*	*219*	*597*	*330*	*154*	*276*	*205*
Undeveloped	*224*	*95*	*242*	*205*	*175*	*237*	*143*	*84*	*158*
North Africa	**12**	**14**	**14**	**12**	**14**	**16**	**11**	**14**	**14**
Developed	*12*	*14*	*14*	*12*	*14*	*16*	*11*	*14*	*14*
Undeveloped									
Sub-Saharan Africa	**18**	**364**	**87**	**10**	**287**	**63**	**12**	**310**	**68**
Developed	*15*	*170*	*47*	*7*	*88*	*23*	*8*	*57*	*17*
Undeveloped	*3*	*194*	*40*	*3*	*199*	*40*	*4*	*253*	*51*
Americas	**30**	**1,559**	**324**	**31**	**1,648**	**335**	**37**	**1,716**	**352**
Developed	*30*	*1,559*	*324*	*31*	*1,648*	*335*	*32*	*1,716*	*347*
Undeveloped							*5*		*5*
Total equity-accounted entities	**460**	**2,447**	**921**	**477**	**2,721**	**981**	**357**	**2,400**	**797**
Developed	***233***	***2,158***	***639***	***269***	***2,347***	***704***	***205***	***2,063***	***583***
Undeveloped	***227***	***289***	***282***	***208***	***374***	***277***	***152***	***337***	***214***
Total including equity-accounted entities	**3,515**	**18,001**	**6,905**	**3,601**	**19,832**	**7,268**	**3,540**	**19,724**	**7,153**
Developed	***2,451***	***13,009***	***4,900***	***2,488***	***14,417***	***5,154***	***2,413***	***13,266***	***4,844***
Undeveloped	***1,064***	***4,992***	***2,005***	***1,113***	***5,415***	***2,114***	***1,127***	***6,458***	***2,309***

(a) Effective January 1, 2020, the conversion rate of natural gas from cubic feet to boe has been updated to 1 barrel of oil = 5,310 cubic feet of gas (it was 1 barrel of oil = 5,408 cubic feet of gas).

DELIVERY COMMITMENTS

Eni, through consolidated subsidiaries and equity-accounted entities, sells crude oil and natural gas from its producing operations under a variety of contractual obligations. Some of these contracts, mostly relating to natural gas, specify the delivery of fixed and determinable quantities.
Eni is contractually committed under existing contracts or agreements to deliver in the next three years mainly natural gas to third parties for a total of approximately 623 mmboe from producing assets located mainly in Algeria, Australia, Egypt, Ghana, Indonesia, Kazakhstan, Libya, Nigeria, Norway and Venezuela.
The sales contracts contain a mix of fixed and variable pricing formulas that are generally indexed to the market price for crude oil, natural gas or other petroleum products. Management believes it can satisfy these contracts from quantities available from production of the Company's proved developed reserves and supplies from third parties based on existing contracts. Production is expected to account for approximately 93% of delivery commitments. Eni has met all contractual delivery commitments as of December 31, 2020.

OIL AND GAS PRODUCTION

In 2020, oil and natural gas production averaged 1,733 kboe/d, down by 7% from 2019. Net of price effects, the decline was due to COVID-19 impacts and related OPEC+ production cuts, as well as lower gas demand, mainly in Egypt. This performance was driven by production start-up/ramp-up in Algeria and Mexico, better contribution of Kazakhstan, as well as portfolio contributions in Norway. These positives were partly offset by the lower volumes reported in Libya since during the year a contractual parameter already envisaged in the contract has been triggered and will be applied going forward, lower entitlements/spending and force majeure, as well as mature field declines.
Liquids production amounted to 843 kbbl/d, down by 6% from 2019. The reduction in Libya, the COVID-19 impacts and related OPEC+ cuts, as well as the mature fields decline are partly offset by portfolio contributions and production growth in Mexico, due to the ramp-up of Area 1, Angola for the start-up of Agogo, Congo due to the Nenè phase 2B start-up, Algeria and Kazakhstan.
Natural gas production amounted to 4,729 mmcf/d, down by 11% from 2019. Lower production in Libya and lower natural gas demand impact in certain areas (mainly in Egypt), as well as LNG demand were partly offset by the growth in Algeria, due to the start-up of the Berkine gas project, and Kazakhstan.
Oil and gas production sold amounted to 575.2 mmboe. The 59.1 mmboe difference over production (634.3 mmboe in 2020) mainly reflected volumes of natural gas consumed in operations (45.4 mmboe), changes in inventory levels and other variations. Approximately 67% of liquids production sold (300.1 mmbbl) was destined to Eni's Refining & Marketing business. About 19% of natural gas production sold (1,461 bcf) was destined to Eni's Global Gas & LNG Portfolio segment.

ANNUAL OIL AND NATURAL GAS PRODUCTION[(a)(b)(c)]

	Liquids (mmbbl)	Natural gas (bcf)	Hydrocarbons (mmboe)	Liquids (mmbbl)	Natural gas (bcf)	Hydrocarbons (mmboe)	Liquids (mmbbl)	Natural gas (bcf)	Hydrocarbons (mmboe)
Consolidated subsidiaries		2020			2019			2018	
Italy	**17**	**116**	**39**	**19**	**137**	**45**	**22**	**155**	**50**
Rest of Europe	**8**	**58**	**19**	**8**	**64**	**20**	**41**	**162**	**71**
Croatia								4	1
Norway							33	88	49
United Kingdom	8	58	19	8	64	20	8	70	21
North Africa	**41**	**278**	**93**	**61**	**419**	**138**	**56**	**474**	**144**
Algeria	19	56	30	23	41	30	24	38	31
Libya	21	218	61	37	374	106	31	431	111
Tunisia	1	4	2	1	4	2	1	5	2
Egypt	**24**	**440**	**106**	**27**	**551**	**129**	**28**	**445**	**110**
Sub-Saharan Africa	**80**	**249**	**127**	**91**	**227**	**133**	**89**	**185**	**123**
Angola	33	22	37	37	25	42	41	31	46
Congo	18	48	27	22	54	32	24	55	34
Ghana	9	32	15	9	36	15	5	7	7
Nigeria	20	147	48	23	112	44	19	92	36
Kazakhstan	**40**	**103**	**60**	**36**	**100**	**55**	**35**	**97**	**52**
Rest of Asia	**32**	**170**	**64**	**32**	**184**	**66**	**28**	**202**	**65**
China				1		1	1		1
Indonesia		91	17		113	21	1	137	26
Iraq	11	28	17	10	29	15	10	14	13
Pakistan		28	5		37	7		39	7
Timor Leste	1	17	4						
Turkmenistan	3	2	3	3	2	3	2	10	4
United Arab Emirates	17	4	18	18	3	19	14	2	14
Americas	**21**	**36**	**28**	**20**	**24**	**24**	**19**	**43**	**27**
Ecuador				2		2	4		4
Mexico	4	4	5	1	1	1			
Trinidad & Tobago								13	2
United States	17	32	23	17	23	21	15	30	21
Australia and Oceania		**33**	**6**	**1**	**51**	**10**	**1**	**42**	**8**
Australia		33	6	1	51	10	1	42	8
	263	**1,483**	**542**	**295**	**1,757**	**620**	**319**	**1,805**	**650**
Equity-accounted entities									
Angola	1	36	8	2	35	8	1	32	7
Norway	42	134	68	27	66	40			
Tunisia	1	1	1	1	2	1	1	2	1
Venezuela	1	77	15	1	70	14	3	81	18
	45	**248**	**92**	**31**	**173**	**63**	**5**	**115**	**26**
Total	**308**	**1,731**	**634**	**326**	**1,930**	**683**	**324**	**1,920**	**676**

(a) Includes Eni's share of equity-accounted equities.
(b) Includes volumes of hydrocarbons consumed in operations (45.4, 45.4 and 43.5 mmboe in 2020, 2019 and 2018, respectively).
(c) Effective January 1, 2020, the conversion rate of natural gas from cubic feet to boe has been updated to 1 barrel of oil = 5,310 cubic feet of gas (it was 1 barrel of oil = 5,408 cubic feet of gas). The effect of this update on production expressed in boe was approximately 6 mmboe for the full year of 2020. Other per-boe indicators were only marginally affected by the update (e.g. realized prices, costs per boe) and also negligible was the impact on depletion charges. Other oil companies may use different conversion rates.

DAILY OIL AND NATURAL GAS PRODUCTION[(a)(b)(c)]

	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)
Consolidated subsidiaries	2020			2019			2018		
Italy	**47**	**316.6**	**107**	**53**	**376.4**	**123**	**60**	**426.2**	**138**
Rest of Europe	**23**	**159.1**	**52**	**23**	**174.6**	**55**	**113**	**444.9**	**194**
Croatia								11.4	2
Norway							89	241.8	134
United Kingdom	23	159.1	52	23	174.6	55	24	191.7	58
North Africa	**112**	**758.4**	**255**	**166**	**1,149.2**	**379**	**154**	**1,299.1**	**392**
Algeria	53	152.5	81	62	111.8	83	65	105.5	85
Libya	56	594.4	168	101	1,025.8	291	86	1,180.3	302
Tunisia	3	11.5	6	3	11.6	5	3	13.3	5
Egypt	**64**	**1,203.0**	**291**	**75**	**1,509.0**	**354**	**77**	**1,218.5**	**300**
Sub-Saharan Africa	**218**	**679.0**	**345**	**249**	**621.2**	**363**	**244**	**505.4**	**337**
Angola	89	58.2	100	102	67.3	113	111	84.2	127
Congo	49	131.1	73	59	147.7	87	65	150.3	92
Ghana	24	87.6	41	24	97.9	42	15	19.3	18
Nigeria	56	402.1	131	64	308.3	121	53	251.6	100
Kazakhstan	**110**	**282.2**	**163**	**100**	**272.4**	**150**	**94**	**265.2**	**143**
Rest of Asia	**88**	**465.0**	**176**	**86**	**502.7**	**179**	**77**	**550.7**	**177**
China	1		1	1		1	1		1
Indonesia	1	248.5	48	2	308.1	59	3	376.5	71
Iraq	31	76.3	45	27	78.7	41	28	36.7	34
Pakistan		76.8	15		101.2	19		106.1	20
Timor Leste	2	46.8	10						
Turkmenistan	7	6.2	9	7	6.0	8	6	27.2	11
United Arab Emirates	46	10.4	48	49	8.7	51	39	4.2	40
Americas	**57**	**97.1**	**75**	**55**	**66.8**	**68**	**52**	**118.9**	**75**
Ecuador				6		6	12		12
Mexico	12	10.9	14	4	2.8	4			
Trinidad & Tobago								35.7	7
United States	45	86.2	61	45	64.0	58	40	83.2	56
Australia and Oceania		**91.0**	**17**	**2**	**139.6**	**28**	**2**	**114.3**	**23**
Australia		91.0	17	2	139.6	28	2	114.3	23
	719	**4,051.4**	**1,481**	**809**	**4,811.9**	**1,699**	**873**	**4,943.2**	**1,779**
Equity-accounted entities									
Angola	4	98.8	23	4	97.3	23	3	89.2	19
Indonesia								2.2	1
Norway	116	365.0	185	74	182.4	108			
Tunisia	2	2.9	2	3	3.4	3	3	4.4	4
Venezuela	2	211.0	42	3	192.0	38	8	221.7	48
	124	**677.7**	**252**	**84**	**475.1**	**172**	**14**	**317.5**	**72**
Total	**843**	**4,729.1**	**1,733**	**893**	**5,287.0**	**1,871**	**887**	**5,260.7**	**1,851**

(a) Includes Eni's share of equity-accounted equities.
(b) Includes volumes of hdrocarbons consumed in operations (124, 124 and 119 kboe/d in 2020, 2019 and 2018, respectively).
(c) Effective January 1, 2020, the conversion rate of natural gas from cubic feet to boe has been updated to 1 barrel of oil = 5,310 cubic feet of gas (it was 1 barrel of oil = 5,408 cubic feet of gas). The effect on production has been 16 kboe/d in the full year 2020.

PRODUCTIVE WELLS

In 2020, oil and gas productive wells were 8,255 (2,806.9 of which represented Eni's share). In particular, oil productive wells were 6,744 (2,135.7 of which represented Eni's share); natural gas productive wells amounted to 1,511 (671.2 of which represented Eni's share). The following table shows the number of productive wells in the year indicated by the Group and its equity-accounted entities in accordance with the requirements of FASB Extractive Activities Oil & Gas (Topic 932).

PRODUCTIVE OIL AND GAS WELLS[(a)]

	2020			
	Oil wells		Natural gas wells	
(units)	Gross	Net	Gross	Net
Italy	**205.0**	159.2	**396.0**	341.6
Rest of Europe	**633.0**	109.5	**183.0**	48.6
North Africa	**612.0**	258.1	**127.0**	67.9
Egypt	**1,233.0**	527.3	**144.0**	44.3
Sub-Saharan Africa	**2,589.0**	524.8	**194.0**	24.1
Kazakhstan	**207.0**	56.7	**1.0**	0.3
Rest of Asia	**1,012.0**	369.5	**180.0**	60.8
Americas	**253.0**	130.6	**284.0**	81.6
Australia and Oceania			**2.0**	2.0
	6,744.0	**2,135.7**	**1,511.0**	**671.2**

(a) Includes 1,369 gross (349.0 net) multiple completion wells (more than one producing into the same well bore). Productive wells are producing wells and wells capable of production. One or more completions in the same bore hole are counted as one well.

DRILLING ACTIVITIES

EXPLORATION

In 2020, a total of 28 new exploratory wells were drilled (13.8 of which represented Eni's share), as compared to 31 exploratory wells drilled in 2019 (16.3 of which represent Eni's share) and 24 exploratory wells drilled in 2018 (15.6 of which represented Eni's share).
The following tables show the number of net productive, dry and in progress exploratory wells in the years indicated by the Group and its equity-accounted entities in accordance with the requirements of FASB Extractive Activities - Oil & Gas (Topic 932). The overall commercial success rate was 28% (30% net to Eni) as compared to 36% (47% net to Eni) in 2019 and 62% (66% net to Eni) in 2018.

EXPLORATORY WELL ACTIVITY

	Net wells completed[(a)]						Wells in progress at Dec. 31[(b)]	
	2020		2019		2018		2020	
(units)	productive	dry[(c)]	productive	dry[(c)]	productive	dry[(c)]	gross	net
Italy				0.5	1.8			
Rest of Europe	0.8	0.4	0.3	1.4		0.5	**16.0**	3.3
North Africa	0.5	1.5	0.5			0.5	**9.0**	7.5
Egypt	0.7	1.5	4.5	1.5	1.7	1.5	**15.0**	11.8
Sub-Saharan Africa	0.1	0.9	0.5	0.9	0.4		**33.0**	17.8
Kazakhstan		1.1						
Rest of Asia	0.8	0.9		1.7	2.2	2.6	**11.0**	4.5
Americas		0.6			4.0		**1.0**	0.8
Australia and Oceania				0.5			**1.0**	0.3
	2.9	**6.9**	**5.8**	**6.5**	**10.1**	**5.1**	**86.0**	**46.0**

(a) Includes number of wells in Eni's share.
(b) Includes temporary suspended wells pending further evaluation.
(c) A dry well is an exploratory, development, or extension well that proves to be incapable of producing either oil or gas sufficient quantities to justify completion as an oil or gas well.

DEVELOPMENT

In 2020, a total of 182 development wells were drilled (57.4 of which represented Eni's share) as compared to 241 development wells drilled in 2019 (85.4 of which represented Eni's share) and 209 development wells drilled in 2018 (80.2 of which represented Eni's share).
The drilling of 58 development wells (14.2 of which represented Eni's share) is currently underway.
The following tables show the number of net productive, dry and in progress development wells in the years indicated by the Group and its equity-accounted entities in accordance with the requirements of FASB Extractive Activities - Oil and Gas (Topic 932).

DEVELOPMENT WELL ACTIVITY

	Net wells completed(a)						Wells in progress at Dec. 31	
	2020		2019		2018		2020	
(units)	productive	dry(b)	productive	dry(b)	productive	dry(b)	gross	net
Italy			3.0		3.0			
Rest of Europe	2.8		3.3		2.8	0.3	24.0	5.0
North Africa	4.3		5.0	1.1	9.6	0.5	3.0	1.5
Egypt	23.2		33.5		30.7		3.0	1.4
Sub-Saharan Africa	1.2		7.0		7.3	0.1	5.0	0.9
Kazakhstan	0.3		0.9		0.9			
Rest of Asia	23.2	0.4	27.3	2.2	21.9		17.0	3.4
Americas	2.0		2.1		2.3		6.0	2.0
Australia and Oceania					0.8			
	57.0	0.4	82.1	3.3	79.3	0.9	58.0	14.2

(a) Includes number of wells in Eni's share.
(b) A dry well is an exploratory, development, or extension well that proves to be incapable of producing either oil or gas sufficient quantities to justify completion as an oil or gas well.

ACREAGE

In 2020, Eni performed its operations in 42 Countries located in five continents. As of December 31, 2020, Eni's mineral right portfolio consisted of 798 exclusive or shared rights of exploration and development activities for a total acreage of 336,449 square kilometers net to Eni (357,854 square kilometers net to Eni as of December 31, 2019). Developed acreage was 26,359 square kilometers and undeveloped acreage was 310,090 square kilometers net to Eni.
In 2020, main changes derived from: (i) the entry in Albania and new leases mainly in Oman, the United Arab Emirates, Angola, Indonesia, Norway and Egypt for a total acreage of approximately 23,600 square kilometers; (ii) the total relinquishment of licenses mainly to Somalia, Myanmar, Indonesia, Pakistan and Gabon covering an acreage of approximately 47,500 square kilometers; (iii) interest increase mainly in Myanmar and Australia for a total acreage of approximately 4,800 square kilometers; and (iv) partial relinquishment in Algeria, Cyprus and Egypt for approximately 2,300 square kilometers.
Eni's investment in developed and undeveloped acreage is comprised of numerous concessions, leases and blocks. The terms and conditions under which the Company maintains exploration and/or production rights to the acreage are property-specific, contractually defined and vary significantly from property to property. Work programs are designed to ensure that the exploration potential of any property is fully evaluated before expiration. In some instances, Eni may elect to relinquish acreage in advance of the contractual expiration date if the evaluation process is complete and there is not a business basis for extension. In cases where additional time may be required to fully evaluate acreage, Eni has generally been successful in obtaining extensions. The scheduled expiration of leases and concessions for undeveloped acreage over the next three years is not expected to have a material adverse impact on the Company.
The gross undeveloped acreages that will expire in the next three years are related to exploration leases, blocks, concessions in: (i) Rest of Asia, in particular in Oman, Russia, Vietnam and Myanmar; (ii) North Africa, in particular in Morocco and Libya; and (iii) Sub-Saharan Africa, in particular in Kenya, Mozambique and South Africa. In most cases extension or renewal options are contractually defined and may or may not be exercised in according on the results of the studies and the planned activities. Management believes that a significant amount of acreage will be maintained following extension or renewal.

OIL AND NATURAL GAS INTERESTS

	December 31, 2019	December 31, 2020						
	Total net acreage[(a)]	Number of Interest	Gross developed acreage[(a)(b)]	Gross undeveloped acreage[(a)]	Total gross acreage[(a)]	Net developed acreage[(a)(b)]	Net undeveloped acreage[(a)]	Total net acreage[(a)]
EUROPE	**38,028**	**312**	**15,284**	**63,741**	**79,025**	**9,335**	**30,506**	**39,841**
Italy	**13,732**	**129**	**9,578**	**7,220**	**16,798**	**7,951**	**5,681**	**13,632**
Rest of Europe	**24,296**	**183**	**5,706**	**56,521**	**62,227**	**1,384**	**24,825**	**26,209**
Albania		1		587	587		587	587
Cyprus	14,557	7		25,474	25,474		13,988	13,988
Greenland	1,909	2		4,890	4,890		1,909	1,909
Montenegro	614	1		1,228	1,228		614	614
Norway	4,213	136	4,799	20,868	25,667	772	5,481	6,253
United Kingdom	1,120	34	907	773	1,680	612	363	975
Other Countries	1,883	2		2,701	2,701		1,883	1,883
AFRICA	**163,625**	**255**	**48,458**	**232,341**	**280,799**	**12,333**	**116,834**	**129,167**
North Africa	**31,873**	**71**	**12,213**	**55,419**	**67,632**	**5,312**	**25,721**	**31,033**
Algeria	5,572	49	6,742	3,982	10,724	2,818	1,914	4,732
Libya	13,294	11	1,963	24,673	26,636	958	12,336	13,294
Morocco	10,755	1		23,900	23,900		10,755	10,755
Tunisia	2,252	10	3,508	2,864	6,372	1,536	716	2,252
Egypt	**7,613**	**57**	**5,638**	**14,984**	**20,622**	**2,109**	**5,275**	**7,384**
Sub-Saharan Africa	**124,139**	**127**	**30,607**	**161,938**	**192,545**	**4,912**	**85,838**	**90,750**
Angola	3,744	47	8,158	13,146	21,304	1,035	4,604	5,639
Congo	1,471	21	1,164	1,320	2,484	678	628	1,306
Gabon	4,107	3		2,931	2,931		2,931	2,931
Ghana	579	3	226	930	1,156	100	395	495
Ivory Coast	3,724	4		3,747	3,747		3,372	3,372
Kenya	43,948	6		50,677	50,677		43,948	43,948
Mozambique	4,349	10		25,304	25,304		4,349	4,349
Nigeria	6,642	32	21,059	8,206	29,265	3,099	3,340	6,439
South Africa	22,271	1		55,677	55,677		22,271	22,271
Other Countries	33,304							
ASIA	**142,696**	**69**	**12,994**	**271,271**	**284,265**	**3,343**	**151,502**	**154,845**
Kazakhstan	**2,160**	**7**	**2,391**	**3,853**	**6,244**	**442**	**1,505**	**1,947**
Rest of Asia	**140,536**	**62**	**10,603**	**267,418**	**278,021**	**2,901**	**149,997**	**152,898**
Bahrain	2,858	1		2,858	2,858		2,858	2,858
China	13	4	68		68	11		11
Indonesia	15,955	13	2,605	18,672	21,277	1,029	13,155	14,184
Iraq	446	1	1,074		1,074	446		446
Lebanon	1,461	2		3,653	3,653		1,461	1,461
Myanmar	14,147	3		13,750	13,750		10,015	10,015
Oman	49,918	3		102,016	102,016		58,955	58,955
Pakistan	3,779	13	3,442	2,443	5,885	886	1,427	2,313
Russia	17,975	2		53,930	53,930		17,975	17,975
Timor Leste	1,620	4		2,612	2,612		1,620	1,620
Turkmenistan	180	1	200		200	180		180
United Arab Emirates	10,387	10	3,214	28,976	32,190	349	18,331	18,680
Vietnam	18,553	4		23,908	23,908		20,956	20,956
Other Countries	3,244	1		14,600	14,600		3,244	3,244
AMERICAS	**10,703**	**157**	**2,267**	**15,274**	**17,541**	**1,020**	**8,699**	**9,719**
Mexico	3,106	10	14	5,455	5,469	14	3,092	3,106
United States	1,935	134	992	952	1,944	509	689	1,198
Venezuela	1,066	6	1,261	1,543	2,804	497	569	1,066
Other Countries	4,596	7		7,324	7,324		4,349	4,349
AUSTRALIA AND OCEANIA	**2,802**	**5**	**328**	**3,180**	**3,508**	**328**	**2,549**	**2,877**
Australia	2,802	5	328	3,180	3,508	328	2,549	2,877
Total	**357,854**	**798**	**79,331**	**585,807**	**665,138**	**26,359**	**310,090**	**336,449**

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

MAIN PRODUCING ASSETS (GROUP SHARE IN %) AND THE YEAR IN WHICH ENI STARTED OPERATIONS

ITALY		(1926)	Operated	**Adriatic and Ionian Sea**	Barbara (100%), Annamaria (100%), Clara NW (51%), Hera Lacinia (100%) and Bonaccia (100%)
				Basilicata Region	Val d'Agri (61%)
				Sicily	Gela (100%), Tresauro (45%), Giaurone (100%), Fiumetto (100%), Prezioso (100%) and Bronte (100%)
REST OF EUROPE	**Norway**[a]	(1965)	Operated	Goliat (45.40%), Marulk (13.97%), Balder & Ringhorne (62.87%) and Ringhorne East (48.88%)	
			Non-operated	Åsgard (15.41%), Mikkel (33.79%), Great Ekofisk Area (8.65%), Snorre (12.96%), Ormen Lange (4.43%), Statfjord Unit (14.92%), Statfjord Satellites East (10.16%), Statfjord Satellites North (17.46%), Statfjord Satellites Sygna (14.67%) and Grane (19.78%)	
	United Kingdom	(1964)	Operated	Liverpool Bay (100%) and Hewett Area (89.3%)	
			Non-operated	Elgin/Franklin (21.87%), Glenelg (8%), J Block (33%), Jasmine (33%) and Jade (7%)	
NORTH AFRICA	**Algeria**[b]	(1981)	Operated	Sif Fatima II (49%), Zemlet El Arbi (49%), Ourhoud II (49%), Blocks 403a/d (from 65% to 100%), Block ROM North (35%), Blocks 401a/402a (55%), Block 403 (50%) and Block 405b (75%)	
			Non-operated	Block 404 (12.25%) and Block 208 (12.25%)	
	Libya[b]	(1959)	Non-operated	**Onshore contract areas**	Area A (former concession 82-50%), Area B (former concession 100/Bu-Attifel and Block NC 125-50%), Area E (El-Feel - 33.3%) and Area D (Block NC 169-50%)
				Offshore contract areas	Area C (Bouri - 50%) and Area D (Block NC 4 -50%)
	Tunisia	(1961)	Operated	Maamoura (49%), Baraka (49%), Adam (25%), Oued Zar (50%), Djebel Grouz (50%), MLD (50%) and El Borma (50%)	
EGYPT[b][c]		(1954)	Operated	Shorouk (Zohr - 50%), Nile Delta (Abu Madi West/Nidoco - 75%), Sinai (Belayim Land, Belayim Marine and Abu Rudeis - 100%), Meleiha (76%), North Port Said (Port Fouad - 100%), Temsah (Tuna, Temsah and Denise - 50%), Southwest Meleiha (100%), Baltim (50%), Ras Qattara (El Faras and Zarif - 75%), West Abu Gharadig (Raml - 45%) and West Razzak (100%)	
			Non-operated	Ras el Barr (Ha'py and Seth - 50%) and South Ghara (25%)	
SUB-SAHARAN AFRICA	**Angola**	(1980)	Operated	Block 15/06 (36.84%)	
			Non-operated	Block 0 (9.8%), Development Areas in the Block 3 and 3/05-A (12%), Development Areas in the Block 14 (20%), Lianzi Development Area in the Block 14 K/A IMI (10%) and Development Areas in the Block 15 (18%)	
	Congo	(1968)	Operated	Nené Marine (65%), Litchendjili (65%), Zatchi (55.25%), Loango (42.5%), Ikalou (85%), Djambala (50%), Foukanda (58%), Mwafi (58%), Kitina (52%), Awa Paloukou (90%), M'Boundi (83%) and Kouakouala (75%)	
			Non-operated	Pointe-Noire Grand Fond (29.75%) and Likouala (35%)	
	Ghana	(2009)	Operated	Offshore Cape Three Points (44.44%)	
	Nigeria	(1962)	Operated	OMLs 60, 61, 62 and 63 (20%) and OML 125 (100%)	
			Non-operated[d]	OML 118 (12.5%)	
KAZAKHSTAN[b]		(1992)	Operated[e]	Karachaganak (29.25%)	
			Non-operated	Kashagan (16.81%)	
REST OF ASIA	**United Arab Emirates**	(2018)	Non-operated	Lower Zakum (5%), Umm Shaif and Nasr (10%) and Area B - Sharjah (50%)	
	Indonesia	(2001)	Operated	Jangkrik (55%)	
	Iraq	(2009)	Non-operated[f]	Zubair (41.56%)	
	Pakistan	(2000)	Operated	Bhit/Bhadra (40%) and Kadanwari (18.42%)	
			Non-operated	Latif (33.3%), Zamzama (17.75%) and Sawan (23.7%)	
	Turkmenistan	(2008)	Operated	Burun (90%)	
AMERICAS	**Mexico**	(2019)	Operated	Area 1 (100%)	
	United States	(1968)	Operated	**Gulf of Mexico**	Allegheny (100%), Appaloosa (100%), Pegasus (85%), Longhorn (75%), Devils Towers (75%) and Triton (75%)
				Alaska	Nikaitchuq (100%) and Oooguruk (100%)
			Non-operated	**Gulf of Mexico**	Europa (32%), Medusa (25%), Lucius (8.5%), K2 (13.4%), Frontrunner (37.5%) and Heidelberg (12.5%)
				Texas	Alliance area (27.5%)
	Venezuela	(1998)	Non-operated	Perla (50%), Corocoro (26%) and Junín 5 (40%)	

(a) Assets held by the Vår energi equity-accounted entities (Eni's interest 69.85%).
(b) In certain extractive initiatives, Eni and the host Country agree to assign the operatorship of a given initiative to an incorporated joint venture, a so-called operating company. The operating company in its capacity as the operator is responsible of managing extractive operations. Those operating companies are not controlled by Eni.
(c) Eni's working interests (and not participating interests) are reported. This include Eni's share of costs incurred on behalf of the first party accordingly to the terms of PSAs inforce in the Country.
(d) As partners of SPDC JV, Eni holds a 5% interest in 17 onshore blocks and in 1 conventional offshore block and with a 12.86% in 2 conventional offshore blocks.
(e) Eni and Shell are co-operators.
(f) Eni is leading a consortium of partners including international companies and the national oil company Missan Oil within a Technical Service Contract as contractor.

MAIN EXPLORATION AND DEVELOPMENT PROJECTS

Eni's exploration and production activities are conducted in many Countries and are therefore subject to a broad range of legislation and regulations. These cover virtually all aspects of exploration and production activities, including matters such as license acquisition, production rates, royalties, pricing, environmental protection, export, taxes and foreign exchange. The terms and condition of the leases, licenses and contracts under which these Oil & Gas interests are held vary from Country to Country. These leases, licenses and contracts are generally granted by or entered into with a government entity or state company and are sometimes entered into with private property owners. These contractual arrangements usually take the form of concession agreements or production sharing agreements:

Concessions contracts. Eni operates under concession contracts mainly in Western Countries. Concessions contracts regulate relationships between States and oil companies with regards to hydrocarbon exploration and production activity. Contractual clauses governing mineral concessions, licenses and exploration permits regulate the access of Eni to hydrocarbon reserves. The company holding the mining concession has an exclusive right on exploration, development and production activities, sustaining all the operational risks and costs related to the exploration and development activities, and it is entitled to the productions realized. As a compensation for mineral concessions, pays royalties on production (which may be in cash or in-kind) and taxes on oil revenues to the state in accordance with local tax legislation. Both exploration and production licenses are granted generally for a specified period of time (except for production licenses in the United States which remain in effect until production ceases): the term of Eni's licenses and the extent to which these licenses may be renewed vary by area. Proved reserves to which Eni is entitled are determined by applying Eni's share of production to total proved reserves of the contractual area, in respect of the duration of the relevant mineral right.

Production Sharing Agreement (PSA). Eni operates under PSA in several of the foreign jurisdictions mainly in African, Middle Eastern, Far Eastern Countries. 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 (technologies) 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. Pursuant to these contracts, Eni is entitled to a portion of a field's reserves, the sale of which is intended to cover expenditures incurred by the Company to develop and operate the field. The Company's share of production volumes and reserves representing the Profit Oil includes the share of hydrocarbons which corresponds to the taxes to be paid, according to the contractual agreement, by the national government on behalf of the Company. As a consequence, the Company has to recognize at the same time an increase in the taxable profit, through the increase of the revenues, and a tax expense. Proved reserves to which Eni is entitled under PSAs are calculated so that the sale of production entitlements should cover expenses incurred by the Group to develop a field (Cost Oil) and recognize the Profit Oil set contractually (Profit Oil). A similar scheme applies to some service contracts.

ITALY

In December 2020, Eni signed with Saipem a Memorandum of Understanding to identify and develop jointly decarbonization initiatives and projects in the Country. In particular, the agreement provides for: (i) a collaboration in decarbonization projects in Italy focused on capture, transport, reuse and storage of CO_2 produced by the industrial activity; and (ii) initiatives related to Green Deal Strategy to tackle climate change and to achieve of CO_2 reduction targets at national, European and world level.

Within Eni's long-term strategy to minimize carbon footprint, a program was launched to build a hub for the capture and storage of CO_2 (Carbon Capture and Storage - CCS) in depleted fields off the coast of Ravenna which will be de-

signed to store 500 million tonnes of CO_2. The development program includes: (i) a pilot project with expected start-up in 2022, following all necessary authorizations; (ii) a full development phase expected to commence in 2026. The planned activities will benefit on the expected synergies on development cost due to the infrastructure in place and in addition to be significant impacted on the technology and competence areas.
In the Adriatic Sea, development activities in 2020 mainly concerned maintenance and production optimization at offshore gas fields to recover the residual mineral potential. The decommissioning plan to plug & abandon non-productive wells and remove non-productive platforms progressed in the year in compliance with applicable Italian laws; a total of five offshore platforms are currently in the authorization process to be removed. In the circular economy initiatives, a program in collaboration with national research institutions was launched to redevelop asset in the decomissioning phase. In particular activities started up to convert an offshore platform into a marine science park. Within the VIII Agreement with the Municipality of Ravenna, activities progressed with: (i) environmental protection projects at the coastline areas; (ii) energy efficiency measures; (iii) programs to support employment, including mentoring and training initiatives; and (iv) completion of environmental monitoring studies.
During the year, maintenance and production optimization activities project were completed at the Viggiano Oil Center in the Val d'Agri concession (Eni operator with a 61%). The concession expired in October 2019 and activities have continued since then in accordance with the prorogation regime. Applications have been timely filed with Italian administrative Authority to obtain a ten-year extension of the concession based on the same work program as in the original concession award.
In 2020 the Energy Valley project activities progressed and includes a number of initiatives relating to environmental sustainability, innovation and enhancement of the area: (i) Mini Blue Water project on circular economy, for treatment, recover and reuse of water production at the Viggiano Oil Center as well as installation of photovoltaic plants supporting oil production facilities; (ii) environmental and biodiversity monitoring plan. In particular, the opening of the Center of Environmental Monitoring to manage and spread data collected; and (iii) the CASF project to support the technological development and competence in the agro-food sector in the area. In 2020, upgrading of certain areas was completed and other initiatives was launched to support the agricultural, biomonitoring and teaching with a positive impact on local employment.
In addition, within the memorandum agreement with the Basilicata Region including environmental, social and sustainable development programs, initiatives progressed with defined activities of the Gas Agreement. Activities include a grant to support the gas consumption in 11 Municipalities of Val d'Agri and for energy efficiency programs.
In Sicily, following the Memorandum of Understanding for the Gela area, signed with the Ministry of Economic Development in November 2014, progressed with: (i) development activities of the Cassiopea offshore gas fields (Eni's interest 60%). The project, through a significant reduction of the environmental impact, expects to achieve the carbon neutrality target. The activities provide the transportation of natural gas produced by offshore wells through a subsea pipeline to a new onshore treatment and compression plant, that will be realized in certain reclaimed area of the Gela Refinery; (ii) the sustainable development initiatives supported by local institutions. In particular, the Macchitella Lab project was launched to support youth employment and small and medium-sized local enterprises with the start-up of the redevelopment programs.
In addition, progressed the initiatives of the Memorandum of Understanding signed at the end of 2019 with the Ministry of Environment. Activities, which will be implemented in the next years, include the redevelopment programs of certain productive areas, environmental remediation projects as well as innovative projects developed by Eni's proprietary technologies to capture and reuse of CO_2.

REST OF EUROPE

Norway Exploration activity yielded positive results with: (i) the Tordis NE and Lomre oil discoveries in the PL089 block (Eni's interest 11.24%); (ii) the Enniberg oil and and gas discovery in the 971 license (Eni's interest 13.97%) in the North Sea, located near the Balder production field (Eni's interest 62.87%); and (iii) in March 2021, new oil discovery in the PL532 license (Eni's interest 21%) in the Barents Sea and in the PL 090/090I license (Eni's interest 17%), located in the northern North Sea, respectively.
The mineral interest portfolio increases were as follows: (i) in 2020 seven exploration licenses were acquired as operator and ten licenses in partnership. The licenses are distributed over the three main sections of the

Norwegian continental shelf; and (ii) in 2021 ten exploration licenses were awarded, of which two as operator in the North Sea and three as operator in the Barents Sea. The licenses are located near-fields already in production or development.
Development activities concerned: (i) the Johan Castberg sanctioned project (Eni's interest 20.96%) with start-up expected in 2023; and (ii) the Balder X sanctioned project (Eni operator with a 62.87% interest) in the PL 001 license, located in the North Sea. The Balder project scheme provides for drilling additional productive wells, to be linked to an upgraded FPSO unit that will be relocated in the area. Production start-up is expected in 2022.
In 2020, the Breidablikk project was sanctioned with start-up expected in 2024. The development activities include the drilling of 23 productive wells that will be linked to existing facilities. Leveraging on high energy and operational efficiency technologies, the project development will minimize direct emissions.

United Kingdom In January 2021, Eni was awarded a 100% interest in the exploration license P2511 in the North Sea.
In October 2020 Eni was awarded by the UK Oil & Gas Authority a license, lasting six years, for building a carbon storage project in the Liverpool Bay area. The project includes the reutilization and refurbishment of Eni's depleted fields with a target of storing 3 million tonnes per year of CO_2. Activity start-up is expected in 2025. Eni is expected to coordinate the storage and transportation phase from existing industries and future hydrogen production sites in the area, within the HyNet North West integrated project. The project will contribute to the UK's carbon neutrality targets by 2050. In the year concept selection activities started up and signed CO_2 capture agreement with existing industries in the area. In addition, Eni signed a cooperation agreement with other upstream partners for the Net Zero Teeside (Eni's interest 20%) and North Endurance Partnership (Eni's interest 16.7%) projects. These integrated projects will allow to achieve the decarbonization target of the Teeside industrial area, in the north east UK, by means of the capture, transportation and storage of CO_2. Start-up is expected in 2026 with a carbon capture and storage of 4 million tonnes per year.
In March 2021, the UK Research and Innovation (UKRI), Country's authority for research and innovation, will fund the CCS projects developed by Eni and other partners: (i) the HyNet North West integrated project with approximately £33 million (£21 million net to Eni); and (ii) the Net Zero Teeside and North Endurance Partnership projects with approximately overall £52 million (£9 million net to Eni). The grants will finance 50% of the ongoing design studies and accelerate the final investment decision for all projects, expected in 2023.

NORTH AFRICA

Algeria Exploration activities yielded positive results with the BKNES-1 near-field oil discovery well (Eni's interest 49%) in the Berkine North area.
During the year, gas production was started at the Berkine North complex (Eni's interest 49%) leveraging a fast-track development intended to valorize the existing gas reserves. The development program included the drilling of four producing wells that were linked to the existing facilities, as well as the laying of a pipeline connecting the producing field to the MLE treatment plant in Block 405b (Eni's interest 75%). The upgrading of the MLE treatment plant was completed in the year and is expected to reach a gross peak production of 60 kboe/d leveraging also the production of the Block 403 (Eni's interest 50%) and of the Berkine North area by the end of 2021.
Other development activities mainly concerned production optimization in the operated Blocks 403a/d and ROM Nord (Eni's interest 35%), Blocks 401a/402a (Eni's interest 55%), Block 403, Block 405b and Block 404 (Eni's interest 12.25%).

EGYPT

In 2020 the award of the exploration block West Sherbean (Eni's interest 50%) in the onshore Nile Delta was ratified.

Exploration activities yielded positive results with near-field discoveries in the operated areas: (i) the Nidoco NW-1 in the Abu Madi West concession (Eni's interest 75%) and Bashrush gas discoveries (Eni's interest 37.5%) in the Great Nooros Area; (ii) the SWM-A-6X oil discovery well in the South West Meleiha concession (Eni's interest 100%). The production start-up was achieved during the year; and (iii) the southern extension of the Arcadia field through the Arcadia 9 oil discovery well in the Meleiha concession (Eni's interest 76%) and already in production.
The new discoveries confirm the positive track-record of Eni's exploration in the Country leveraging on the continuous technology progress in exploration activities that allows to re-evaluate the residual mineral potential in mature production areas. The development activities related to the discoveries started up in production or whit start-up expected in 2021 will leverage on the synergies with the existing facilities confirming the effectiveness of the incremental exploration strategy focused on high-value opportunities with fast time-to-market to support production level and cash flow in the short-term.
In 2020 development activities concerned: (i) the drilling of infilling wells in the production fields located in the Sinai area (Eni operator with a 100% interest) and Meleiha Complex (Eni operator with a 76% interest); (ii) the development of near-field discoveries made in the year which were readily put into production in the Arcadia South, Meleiha, South West Meleiha and Baltim SW (Eni's interest 50%) operated fields. In particular, the Baltim SW project includes a full field development phase with the drilling of two additional productive wells; and (iii) maintenance activities and extensive asset integrity programs at the onshore and offshore facilities of the Sinai, Western Desert and Mediterranean assets.
Development activities progressed at the Zohr project, targeting to ramp-up the field production capacity and concerned: (i) the drilling of two additional productive wells and linked to onshore production facility, reaching a gross production capacity of 3,200 mmscf/d; (ii) optimization and upgrading activities of the subsea facilities and of the onshore treatment plant.
As of December 31, 2020, the aggregate development costs incurred by Eni for developing the Zohr project and capitalized in the financial statements amounted to $5.5 billion (€4.5 billion at the EUR/USD exchange rate of December 31, 2020). Development expenditure incurred in the year were €73 million. As of December 31, 2020, Eni's proved reserves booked at the Zohr field amounted to 771 mmboe.
Within the social responsibility initiatives, the programs defined by the Memorandum of Understanding signed in 2017 are currently to be implemented. The agreement, which supports the development activities of the Zohr project, defines two intervention projects to be implemented in four years. The first, already completed, included the renovation of the El Garabaa hospital, located nearby the onshore Zohr production facilities, and the supply of necessary medical equipment. The second project, for an overall expense of $20 million, includes three socio-economic and health programs to support local communities in the Zohr and Port Said areas. In particular, two initiatives concerned the implementation of: (i) Health Care Center provides health services to approximately 60,000 people; and (iii) Youth Center provides programs to support youth, also with professional training services. The related activities have been completed and the two structures were handed to the local Authorities. The third project, which is part of education and technical training, is being defined. Expected activities start-up in 2021.

SUB-SAHARAN AFRICA

Angola In 2020 Eni was awarded the operatorship with a 60% interest in the offshore Block 28, in the Namibe basin, and a 42.5% interest in the onshore Cabinda Central block.
Exploration activities yielded positive results in the operated Block 15/06 (Eni's interest 36.84%), following a successful appraisal well of the Agogo discovery, with estimated volumes of 1 billion boe in place. The Block 15/06 exploration license was renewed for additional three years. The agreement will allow to assess the possible additional mineral potential of the area.
During the year, production ramp-up was achieved at the Agogo discovery well, connecting it to the Ngoma FPSO (West Hub project). Production started up just nine months after the discovery, confirming Eni's commitment in the fast-track development of the discoveries, that maximizes the projects value leveraging on the synergies with the existing infrastructures.

Other development activities in the operated Block 15/06 concerned: (i) the completion of the subsea production and injection facilities at the Cabaça North & UM 4/5 project; (ii) studies for the full field development of the Agogo field; and (iii) activities related to the Ndungu discovery development.
In October 2020, the unitization agreement of the three Development Areas of Block 14 (Eni's interest 20%) was ratified with the related implementing decree. The agreements provide a new expiration date in 2028 and new development plan of the area as well as increasing entitlement volumes for the cost recovery.
In 2020 the local development initiatives and projects concerned: (i) restructuring of the Beira Nova school in Cabinda; (ii) the installation of two power generation systems from renewables sources at two medical centers in Luanda area; (iii) support to the agricultural development of the area in collaboration with the relevant local Authorities; and (iv) the integrated development project in Huila and Namibe area through water and energy access initiatives, education programs, economic diversification and health protection projects.

Congo In 2020 production start-up was achieved at the Nené phase 2b project in the Marine XII block (Eni operator with a 65% interest) by means of the linkage to the existing production platform in the area. The full field development phase is expected in the second half of 2022.
Development activities concerned the expansion of the CEC power plant (Eni's interest 20%), increasing the electricity generation capacity to 484 MW, with the installation of a third turbine in 2020. Natural gas supply to the plant will be ensured by the Marine XII block production.
The activities of the second phase of the Project Integrated Hinda (PIH) progressed with initiatives to support the economic and agricultural development, access to water, education programs and sanitary service program development. In particular, in the access to water initiatives, 5 additional wells were completed in 2020 achieving a total of 30 water wells for approximately 20,000 people. The activity progressed at the training center in Oyo area, in the north of the Country, with construction activity and equipment supply. Completion is expected in 2021.

Mozambique The development activities of Area 4 offshore (Eni's interest 25%) concerned the Coral South gas project, operated by Eni, and the gas discoveries of Mamba Complex where Eni is expected to coordinate the upstream development and production phase and ExxonMobil the construction and operation phase of natural gas liquefaction facilities onshore.
The sanctioned Coral South project includes the construction, installation and commissioning and of an FPSO vessel linked to six subsea gas producing wells, where the gas will undergo treatment, liquefaction, storage and export, with a capacity of approximately 3.4 mmtonnes/y of LNG. The LNG produced will be sold by the Area 4 Concessionaires to BP under a long-term contract for a period of twenty years, with an option for an additional ten-year term. The project has reached a progress of more than 80% and the production start-up is expected in 2022.
Within the Mamba Complex discoveries, the Rovuma LNG project provides for the development of the straddled reserves of Area 1 according to its independent industrial plan, coordinated with the operator of Area 1 (Total). The development project will include also a part of non-straddled reserves. The project provides the construction of two onshore LNG trains with capacity of approximately 7.6 mmtonnes/y each, fed by 24 subsea wells and facilities for storing and exporting LNG. In 2019, the plan of development (POD) was approved by the relevant Authorities. The Area 4 operators progressed development activities towards a final investment decision (FID).
In 2020, Eni's programs to support the local communities of the Country progressed with: (i) the scholarship programs mainly in Pemba, also through the construction of a school and maintenance activities, as well as training initiatives; (ii) initiatives to promote more sustainable domestic behaviors through clean cooking projects; (iii) biodiversity protection programs and technical-professional training initiatives, also through agreements with institutions and Authorities of the Country; (iv) projects of forests protection and conservation (REDD+ program) with the Government of Mozambique; and (v) health care initiatives, coordinated with the Country's health Authorities, in the Maputo area, by means of specific initiatives on prevention.

Nigeria In January 2021, Eni and the partners divested the onshore production and development block OML 17 (Eni's interest 5%).
Development activities of the operated OMLs 60, 61, 62 and 63 blocks (Eni's interest 20%) concerned: (i) production optimization programs with workover and drilling activities; and (ii) increasing generation capacity of the combined cycle power plant at Okpai. Natural gas production of the area will support the plant capacity. The first phase of the expansion project was completed, reaching an installed capacity of 780 MW.
Other development activities concerned: (i) the drilling of 8 oil wells in the EA offshore field in the Block 79 (Eni's interest 5%); (ii) production optimization programs with workover activity in the Gbaran field in the OML 28 block (Eni's interest 5%) and Forkados Yokri field in the OML 43 block (Eni's interest 5%); (iii) the drilling of 4 oil wells in the western area of the Block 46 (Eni's interest 5%); and (iv) the completion of an additional development well of the offshore Bonga field (Eni's interest 12.5%).
Eni continues the collaboration with the Food and Agriculture Organization (FAO) to foster access to safe and clean water in Nigeria, mainly in the north-east areas, by drilling boreholes powered with photovoltaic systems, both for domestic use and irrigation purposes. In 2020 Eni realized 6 wells to achieve a total of 22 wells, including the other wells completed in 2018-2019. Eni's programs to support local communities progressed with: (i) access to energy initiatives; (ii) economic programs for diversification purposes, in particular with the Green River Project; (iii) professional training and scholarship programs; and (iv) renovation and construction of health centers and supply of medical equipment.
Eni holds a 10.4% interest in the Nigeria LNG Ltd joint venture, which runs the Bonny liquefaction plant located in the Eastern Niger Delta. The plant has treatment capacity of approximately 1,236 bcf/y of feed gas and a production capacity of 22 mmtonnes/y of LNG. Natural gas supplies to the plant are currently provided under a gas supply agreement from the SPDC JV (Eni's interest 5%), TEPNG JV and the NAOC JV (Eni's interest 20%). In 2020, the Bonny liquefaction plant processed approximately 1,135 bcf. LNG production is sold under long-term contracts and exported mainly to American, Asian and European markets by the Bonny Gas Transport fleet, wholly owned by Nigeria LNG.

KAZAKHSTAN

Kashagan The development activities of the Kashagan field (Eni's interest 16.81%) concerned the phased expansion program of production capacity. The first development phase envisages increasing the production capacity up to 450 kbbl/d by upgrading the existing associated gas compression handling. The ongoing activities, sanctioned in 2020, mainly concerned: (i) increasing gas reinjection capacity by means of upgrading the existing facilities; and (ii) delivering a part of gas volumes to a new onshore treatment unit operated by a third party, currently under construction.
As of December 31, 2020, the aggregate costs incurred by Eni for the Kashagan project capitalized in the financial statements amounted to $10 billion (€8.1 billion at the EUR/USD exchange rate of December 31, 2020). This capitalized amount included: (i) $7.4 billion relating to expenditure incurred by Eni for the development of the oil field; and (ii) $2.6 billion relating primarily to accrued finance charges and expenditures for the acquisition of interests in the Consortium from exiting partners upon exercise of pre-emption rights in previous years. Costs incurred in the year were €27 million. As of December 31, 2020, Eni's proved reserves booked for the Kashagan field amounted to 675 mmboe, reporting an increase from 2019 due to a change in a marker Brent price used in the reserves estimation process.

Karachaganak Within the gas treatment expansion projects of the Karachaganak field (Eni's interest 29.25%), activities concerned: (i) the ongoing activities of the Karachaganak Debottlenecking project and the construction of a fourth gas reinjection unit; and (ii) completion of the Front End Engineering Design of the Karachaganak Expansion Project (KEP). This latter project is scheduled to be achieved in several phases. The development program of the first phase, sanctioned at the end of 2020, provides the construction of a sixth injection line, the drilling of three additional injection wells and of a new gas compression unit. Start-up is expected in 2024. Furthermore, the project includes the installation of one additional treatment and compression units.

Eni continues its commitment to support local communities in the nearby area of the Karachaganak field. In particular, activities focused on: (i) professional training; and (ii) realization of kindergartens and schools, maintenance of bridges and roads, construction of sport centers.
As of December 31, 2020, the aggregate costs incurred by Eni for the Karachaganak project capitalized in the financial statements amounted to $4.3 billion (€3.5 billion at the EUR/USD exchange rate of December 31, 2020). Costs incurred in the year were €147 million.
As of December 31, 2020, Eni's proved reserves booked for the Karachaganak field amounted to 507 mmboe, a slightly increase from 2019 mainly due to a change in a marker Brent price used in the reserves estimation process.

REST OF ASIA

Indonesia In 2020, Eni was awarded the operatorship with 40% interest in the West Ganal exploration block.
Development activities are related to the offshore Merakes gas project in the operated East Sepinggan block (Eni's interest 65%). The project foresees the drilling and the completion of five subsea wells, which will be tie-back to the Floating Production Unit (FPU) of the Jangkrik producing field (Eni operator with a 55% interest). Natural gas production will be processed by the FPU and then delivered via pipeline to the onshore plant, which is connected to the East Kalimantan transport system to feed the Bontang liquefaction plant or will be sold on a spot basis in the domestic market. Start-up is expected in 2021.
The activities and initiatives in the fields of access to water and renewable energy progressed to support the local development areas of Samoja, Kutai Kartanegara and East Kalimantan.

Iraq Development activities concerned the execution of an additional development phase of the ERP (Enhanced Redevelopment Plan) at the Zubair field (Eni's interest 41.56%), to achieve a production plateau of 700 kbbl/d. This phase also contemplates utilization of the associated gas for power generation. The production capacity and relevant facilities to treat the targeted production plateau have been already installed; the field reserves will be progressively put into production by drilling additional productive wells over the next few years.
Eni's commitment continues with projects in the fields of education, health, environment and access to water. In particular: (i) started up activities for the construction of a new school in Zubair City; (ii) progressed the revamping of two water plants to achieve the distribution of approximately 30 million liters of drinkable water per day; and (iii) progressed activities for the expansion of Basra Children Cancer and the supply of medical equipment.

Pakistan In March 2021, Eni signed an agreement to divest the entire upstream activity in the Country including interests in eight development and production licenses to Prime International Oil & Gas local company. In particular, the agreement provides the disposal of the Bhit/Badhra (Eni's interest 40%) and Kadanwari (Eni's interest 18.42%) operated fields, as well as the partecipating interest in the Latif (Eni's interest 33.3%), Zamzama (Eni's interest 17.75%) and Sawan (Eni's interest 23.7%) fields.

United Arab Emirates In 2020, Eni awarded the operatorship with a 70% interest in the Block 3, located offshore Abu Dhabi. The exploration commitment for the first phase includes exploration studies, the drilling of exploration and appraisal wells.
In January 2021, production start-up was achieved at the Mahani field located in onshore concession of Area B (Eni's interest 50%) in the Emirate of Sharjah, just one year since discovery in January 2020 and two years after signing the concession agreement. Development activities, sanctioned with the final investment decision, provide the progressive ramp-up with the tie-back of two additional productive wells. Drilling activities were already planned.

AMERICAS

Mexico In February 2020, exploration activities yielded positive results with the Saasken offshore oil discovery in the operated Block 10 (Eni's interest 65%).
The development activities concern the full field development program of the operated license Area 1 (Eni's interest 100%), already in production. Development drilling activities are ongoing and during 2020 were completed producing wells which were linked to the Miztón production platform. A subsequent development phase of the project includes the production start-up of the Amoca discovery by means of the installation of a new leased production platform, currently under construction, as well as the conversion and upgrading of an FPSO unit that will be completed in 2021 including all linking and treatment facilities. Production start-up is expected in 2022. During the year, the FEED phase for these two production platforms started up.
Within the cooperation agreement with the local Authorities to identify initiatives relating to health, education and environment, as well as economic diversification initiatives to support employment, during the year the activities concerned: (i) food supply programs; (ii) restructuring of school buildings and construction of roads; (iii) child medical screening campaigns; (iv) initiatives to support youth employment; and (v) environmental monitoring program. The signed agreements target to define further projects improving the sustainable development in the areas close to Eni's activity in the Country.

FORESTRY PROJECTS

In the decarbonization path, one of the pillars and strategic guidelines of Eni include the forest protection, conservation and sustainable management projects, in particular in developing Countries. The forest projects are considered the most significant at internationally level within climate change mitigation strategies.

The projects including the REDD+ (Reducing Emissions from Deforestation and forest Degradation) scheme are a key lever in this context. The REDD+ scheme was designed by the United Nations (in particular within the UNFCCC - United Nations Framework Convention on Climate Change) and involves conservation forest activities to reduce emissions and improve the natural storage capacity of CO_2, as well as supporting, with a different development model, the local communities through socio-economic projects, in line with sustainable management, forest protection and biodiversity conservation.

In this scheme, Eni's protection forest activities support national governments, local communities and UN agencies in the REDD+ strategies, in line with the NDCs (Nationally Determined Contributions) and National Development Plans and, mainly, the Sustainable Development Goals (SDGs) of UN.

Eni built solid partnerships over time with recognized international developers of REDD+ projects, like BioCarbon Partners, Terra Global, Peace Parks Foundation, First Climate and Carbonsink, which allows to oversee every phase of the projects, from the design to the implementation up to verify the reduction emissions, with an active role in the governance of the project. The Eni's role is essential also to allow the alignment with the highest standards for certification of the carbon emissions reduction and social and environmental effects (such as Verified Carbon Standard - VCS and Climate Community & Biodiversity Standards - CCB), internationally recognized and in line with the qualitative standards, target to be achieved by Eni.

Eni launched the forestry projects by means of the agreement with BioCarbon Partners to became active member in the governance of the Luangwa Community Forests Project (LCFP) in Zambia.

The LCFP covers an area of approximately 1 million hectares, involves over 170,000 beneficiaries, also with economic diversification initiatives, and is currently one of the largest REDD + projects in Africa. The LCFP achieved the CCB (Climate, Community and Biodiversity Standards) "triple gold" issued by international no-profit organization Verra, leader in the carbon credits certifying, for its oustanding social and environmental impact.
Eni committed to purchase carbon credits generated by the LCFP project until 2038. In particular, in November 2020 Eni achieved the first allowance of carbon credits by the project to offset GHG emissions equivalent to 1.5 million tonnes of CO_2.

Eni is currently considering further different initiatives in several countries, by means of partnerships with governments and international developers in Africa (Angola, Democratic Republic of Congo, Ghana, Malawi, Mozambique and Zambia), Latin America (Colombia and Mexico) and Asia (Vietnam and Malaysia). The medium-long term target is a progressive growth of these initiatives and planned to reach a carbon credit portfolio on yearly basis to offset over 6 million tonnes of CO_2 by 2024, over 20 million tonnes of CO_2 in 2030, as well as over 40 million tonnes of CO_2 by 2050.

Global Gas & Lng Portfolio

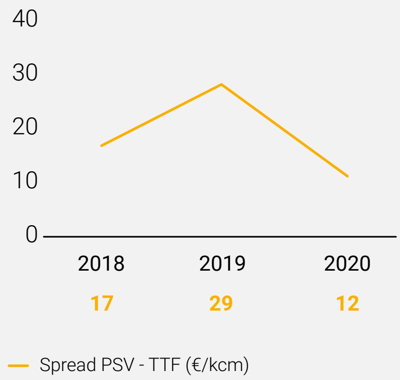
€326 mln
Adjusted operating profit
vs. 2019: +68.9%

112 €/kcm
Average yearly gas price in Italy
vs. 2019: -35%

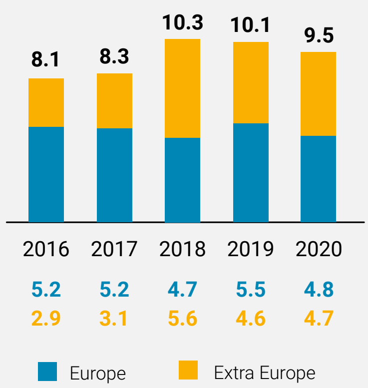
37.30 bcm
Average yearly gas sales in Italy
vs. 2019: -1.8% despite the strong reduction of demand (-5%)

Restarted Damietta liquefaction plant in Egypt, with a **7.56 bcm** annual capacity

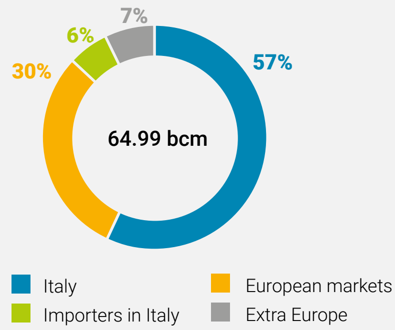
Hubs prices



LNG sales | bcm



Gas sales by area



KEY PERFORMANCE INDICATORS

		2020	2019	2018
TRIR (Total Recordable Injury Rate)	(total recordable injuries/worked hours) x 1,000,000	1.15	0.56	0.51
of which: employees		*0.99*	*0.96*	*0.40*
contractors		*1.37*	*0,00*	*0.69*
Natural gas sales[(a)]	(bcm)	64.99	72.85	76.60
Italy		37.30	37.98	39.17
Rest of Europe		23.00	26.72	29.17
of which: Importers in Italy		*3.67*	*4.37*	*3.42*
European markets		*19.33*	*22.35*	*25.75*
Rest of world		4.69	8.15	8.26
LNG sales[(b)]		9.5	10.1	10.3
Employees at year end	(number)	700	711	734
of which outside Italy		*410*	*418*	*416*
Direct GHG emissions (Scope 1)	(mmtonnes CO_2eq.)	0.36	0.25	0.62

(a) Data include intercomapny sales.
(b) Refers to LNG sales of the GGP segment (included in worldwide gas sales).

Performance of the year

- In 2020, the total recordable injury rate (TRIR) of the workforce amounted to 1.15, due to two minor events.
- Direct GHG emissions (Scope 1) increased by 48% compared to 2019, due to a higher number of production restarts following the discontinued trend in gas demand and venting emissions for maintenance actions developed at Sergaz plants.
- Eni worldwide gas sales amounted to 64.99 bcm, down by 10.8% compared to 2019 (down by 7.86 bcm). Eni's sales in Italy (37.30 bcm) decreased by 1.8% compared to 2019 (37.98 bcm).
- LNG sales amounted to 9.5 bcm representing a decrease of 5.9% compared to 2019.

Restart of Damietta liquefaction plant

In February 2021, restarted LNG production at the Damietta liquefaction plant (Eni's interest 50%), coherently with a series of agreements finalized in March 2021 with the Arab Republic of Egypt (ARE) and the Spanish partner Naturgy for the resolution of all pending issues and restart the terminal, which was shut down in 2012. Thanks to these agreements, Eni will take over the contracts for the purchase of natural gas for the plant, receiving the corresponding liquefaction rights and will allow Eni to directly enter the Spanish gas market, strengthening its presence in the European gas.
The restart of the plant, with a capacity of 7.56 billion cubic meters per year, enables Eni to strengthen its strategic objectives in terms of growth of its LNG portfolio and presence in the Eastern Mediterranean region.

NATURAL GAS

SUPPLY OF NATURAL GAS

In 2020, Eni's consolidated subsidiaries supplied 62.16 bcm of natural gas, down by 8.26 bcm or by 11.7% from the full year 2019.

Gas volumes supplied outside Italy from consolidated subsidiaries (54.69 bcm), imported in Italy or sold outside Italy, represented approximately 88% of total supplies, decreased by 10.16 bcm or by 15.7% from the full year 2019. This mainly reflected lower volumes purchased in the Netherlands (down by 3.01 bcm), in Russia (down by 1.87 bcm), Algeria (down by 1.44 bcm), in Libya (down by 1.42 bcm), partly offset by higher purchases in Norway (up by 0.76 bcm). Supplies in Italy (7.47 bcm) increased by 34.1% from the full year 2019.

SUPPLY OF NATURAL GAS

(bcm)	2020	2019	2018	Change	% Ch.
Italy	**7.47**	**5.57**	**5.46**	**1.90**	**34.1**
Russia	22.49	24.36	26.10	(1.87)	(7.7)
Algeria (including LNG)	5.22	6.66	12.02	(1.44)	(21.6)
Libya	4.44	5.86	4.55	(1.42)	(24.2)
Netherlands	1.11	4.12	3.95	(3.01)	(73.1)
Norway	7.19	6.43	6.75	0.76	11.8
United Kingdom	1.62	1.75	2.21	(0.13)	(7.4)
Indonesia (LNG)	1.15	1.58	3.06	(0.43)	(27.2)
Qatar (LNG)	2.47	2.79	2.56	(0.32)	(11.5)
Other supplies of natural gas	5.24	7.90	5.50	(2.66)	(33.7)
Other supplies of LNG	3.76	3.40	1.97	0.36	10.6
OUTSIDE ITALY	**54.69**	**64.85**	**68.67**	**(10.16)**	**(15.7)**
TOTAL SUPPLIES OF ENI'S CONSOLIDATED SUBSIDIARIES	**62.16**	**70.42**	**74.13**	**(8.26)**	**(11.7)**
Offtake from (input to) storage	0.52	0.08	0.08	0.44	..
Network losses, measurement differences and other changes	(0.03)	(0.22)	(0.18)	0.19	86.4
AVAILABLE FOR SALE BY ENI'S CONSOLIDATED SUBSIDIARIES	**62.65**	**70.28**	**74.03**	**(7.63)**	**(10.9)**
Available for sale by Eni's affiliates	**2.34**	**2.57**	**2.57**	**(0.23)**	**(8.9)**
TOTAL AVAILABLE FOR SALE	**64.99**	**72.85**	**76.60**	**(7.86)**	**(10.8)**

In 2020, main gas volumes from equity production derived from: (i) certain Eni fields located in the British and Norwegian sections of the North Sea (3 bcm); (ii) Italian gas fields (2.8 bcm); (iii) Libyan fields (1 bcm); (iv) Indonesia (0.6 bcm); and (v) the United States (0.3 bcm).
Supplied gas volumes from equity production were 7.7 bcm representing around 12% of total volumes available for sale.
The available for sale by Eni's affiliates amounted to 2.34 bcm (down by 8.9% compared to 2019) and mainly referred to supplied volumes from Oman, United States and Spain.

SALES

In a 2020 scenario characterized by a raising competitive pressure and lower gas demand (about down by 5% and 3% in Italy and in the European Union, respectively, compared to 2019), natural gas sales amounted to 64.99 bcm (including Eni's own consumption, Eni's share of sales made by equity-accounted entities), down by 7.86 bcm or 10.8% from the previous year due to the economic downturn caused by the COVID-19 pandemic, with lower volumes marketed to thermoelectric and industrial segments.

GAS SALES BY ENTITY

(bcm)	2020	2019	2018	Change	% Ch.
Total sales of subsidiaries	**62.58**	**70.17**	**73.68**	**(7.59)**	**(10.8)**
Italy (including own consumption)	37.30	37.98	39.17	(0.68)	(1.8)
Rest of Europe	21.54	25.21	27.42	(3.67)	(14.6)
Outside Europe	3.74	6.98	7.09	(3.24)	(46.4)
Total sales of Eni's affiliates (net to Eni)	**2.41**	**2.68**	**2.92**	**(0.27)**	**(10.1)**
Rest of Europe	1.46	1.51	1.75	(0.05)	(3.3)
Outside Europe	0.95	1.17	1.17	(0.22)	(18.8)
WORLDWIDE GAS SALES	**64.99**	**72.85**	**76.60**	**(7.86)**	**(10.8)**

Sales in Italy (37.30 bcm) decreased by 1.8% from 2019 mainly driven by lower sales to thermoelectrical and industrial segments, partly offset by higher sales to hub. Sales to importers in Italy (3.67 bcm) decreased by 16% from 2019 due to the lower availability of Libyan gas.
Sales in the European markets amounted to 19.33 bcm, a decrease of 13.5% or 3.02 bcm from 2019. Sales in the Extra European markets of 4.69 bcm decreased by 3.46 bcm or 42.5% from the previous year, due to lower volumes in the United States and lower LNG sales in the Far East markets.

GAS SALES BY MARKET

(bcm)	2020	2019	2018	Change	% Ch.
ITALY	**37.30**	**37.98**	**39.17**	**(0.68)**	**(1.8)**
Wholesalers	12.89	13.08	14.67	(0.19)	(1.5)
Italian gas exchange and spot markets	12.73	12.13	12.49	0.60	4.9
Industries	4.21	4.62	4.40	(0.41)	(8.9)
Power generation	1.34	1.90	1.50	(0.56)	(29.5)
Own consumption	6.13	6.25	6.11	(0.12)	(1.9)
INTERNATIONAL SALES	**27.69**	**34.87**	**37.43**	**(7.18)**	**(20.6)**
Rest of Europe	**23.00**	**26.72**	**29.17**	**(3.72)**	**(13.9)**
Importers in Italy	3.67	4.37	3.42	(0.70)	(16.0)
European markets:	19.33	22.35	25.75	(3.02)	(13.5)
Iberian Peninsula	*3.94*	*4.22*	*4.65*	*(0.28)*	*(6.6)*
Germany/Austria	*0.35*	*2.19*	*1.93*	*(1.84)*	*(84.0)*
Benelux	*3.58*	*3.78*	*5.29*	*(0.20)*	*(5.3)*
United Kingdom	*1.62*	*1.75*	*2.22*	*(0.13)*	*(7.4)*
Turkey	*4.59*	*5.56*	*6.53*	*(0.97)*	*(17.4)*
France	*5.01*	*4.47*	*4.95*	*0.54*	*12.1*
Other	*0.24*	*0.38*	*0.18*	*(0.14)*	*(36.8)*
Extra European markets	**4.69**	**8.15**	**8.26**	**(3.46)**	**(42.5)**
WORLDWIDE GAS SALES	**64.99**	**72.85**	**76.60**	**(7.86)**	**(10.8)**

LNG

LNG SALES

(bcm)	2020	2019	2018	Change	% Ch.
Europe	4.8	5.5	4.7	(0.7)	(12.7)
Outside Europe	4.7	4.6	5.6	0.1	2.2
TOTAL LNG SALES	**9.5**	**10.1**	**10.3**	**(0.6)**	**(5.9)**

In 2020, LNG sales (9.5 bcm, included in the worldwide gas sales) decreased by 5.9% from 2019 and mainly concerned LNG from Qatar, Nigeria, Indonesia and Oman and marketed in Europe, China, Pakistan and Taiwan.

INTERNATIONAL TRANSPORT ACTIVITY

Eni, as shipper, has transport rights on a large European and North African networks for transporting natural gas in Italy and Europe, which link key consumption basins with the main producing areas (Russia, Algeria, the North Sea, including the Netherlands, Norway, and Libya).
The Company participates to both entities which operate the pipelines and entities which manage transport rights. The main international pipelines currently participated or operated by Eni are: i) the TTPC pipeline, 740-kilometer long which transports natural gas from Algeria; ii) the TMPC pipeline for the import of Algerian gas is 775-kilometer long; iii) the GreenStream pipeline for the import of Libyan gas (520-kilometer long); and iv) Eni holds an interest in the Blue Stream underwater pipeline linking the Russian coast to the Turkish coast of the Black Sea. These assets generate a steady operating profit thanks to the sale of transport rights mainly on a long-term basis.

Environmental activities

78 %
Recovered waste vs. recoverable waste
vs. 2019: +19 p.p.

6 mln cm
Groundwater treated in 2020
vs. 2019: +20%

Awarded by ArcelorMittal of the contract for design reclamation works at former Ilva site in Taranto

Started initiatives outside Italy to support upstream activities

Reclamation activities

Reclamation activities are by Eni Rewind, the environmental Eni's company through an integrated end to end model which ensures the supervision of reclamation process by planning projects from the early stages in accordance with local institutions and stakeholders, and the enhancement and reuse of resources in order to make them available for sustainable initiatives, in Italy and abroad. Eni Rewind applies the most advanced technologies, paying particular attention to on-site and in-site solutions to maximize efficacy and efficency of the actions.

In 2020, Eni Rewind expands the scope of its activities beyond the group, with the awarding by ArcelorMittal of the contract for design the reclamation works at former Ilva site in Taranto. The agreement also covers specialist assistance with the process for the authorities' approval for securing the plant. Furthermore, through "Progetto Rinnovabili per l'Italia", have been identified the reclaimed lands in the industrial areas where to install photovoltaic, biomass plants and concentrated solar power stations.

In 2020, a 31MW photovoltaic park was started in Porto Torres area. The produced energy is addressed in part to the local industrial activities, allowing to avoid emissions of approximately 26 ktonnes per year of CO_2. During the year, another area was identified for the construction of a 34 MW photovoltaic park, in the design phase.
In addition, the activities related to the project "Ravenna Ponticelle" were carried on and provide, through an environmental intervention of permanent safety and subsequent redevelopment, the construction of: (i) a photovoltaic plant; (ii) a bio-remediation and land recovery plant with a biological laboratory; and (iii) a multipurpose platform created with another local player for the management of up to 60 ktonnes per year of special waste deriving from environmental and production activities in line with the European directives of the sector.

Water & Waste Management

The activity is developed by Eni Rewind and is focused on treatment of water at the Eni's sites, through an integrated system of interception and conveying of groundwater to treatment plants for their purification. Currently, 42 water treatment plants are in operation and managed in Italy, with approximately 36 million cubic meters of treated water in 2020. During the year, the automation and digitization of groundwater treatment plants were finalized, through the completion of remote control for the main plants. Initiatives of recovery and reuse of treated water were carried on aimed at the production of demineralized water for industrial use and relating to the operational plans of reclamation of contaminated sites. In 2020, after treatment, approximately 6 million cubic meter of water were reused.
Activities for the application of Blue Water technology continue at the Val d'Agri Oil Center in Viggiano. The project is finalized to the treatment and recovery of production water extracted from the oil field for an industrial reuse. The project is under authorization. In addition, almost the overall waste are managed, from both environmental rehabilitation activities and the Group's production activities in Italy, through the application of the best technologies to minimize environmental impacts. In 2020, about 1.7 million tons of waste were managed, with a share of recovered waste compared to the effective recoverable waste, amounting to approximately 78%. In the year, initiatives were also implemented outside Italy, including training and knowledge sharing programs, particularly in Iraq, Nigeria, Egypt, Tunisia, Kazakhstan, Turkmenistan and Angola to support the ongoing upstream activities in these countries. Furthermore, in January 2021 was signed a Memorandum of Understanding with the National Authority for oil and the gas of the Kingdom of Bahrain with the target of identifying and promoting joint initiatives for management, recovery and reuse of the country's water, soil and waste resources.

Waste to Fuel

The target of recovery and reuse of resources is realized also through the development of the proprietary technology Waste to Fuel, which permits to transform FORSU (Organic fraction of municipal solid waste) in water and bio oil. Bio oil can be addressed to maritime transport, considering its low-sulphur content, or to help the production of advanced biofuels, while the recovered water can be used for industrial uses. The first application of this technology is ongoing at Gela plant, through a pilot plant started in 2018.
The construction of a plant with industrial scale is planned at Porto Marghera, in a reclaimed property's area. The plan includes the realization of a system with a treatment capacity up to 150 ktons/year of FORSU. During the year, were started the procedures to obtain the authorizations of the project which includes collaboration with local industrial and productive players in a perspective of synergy with the local context..

Energy Evolution

The Business Group Energy Evolution is engaged on the evolution of the businesses of power generation, transformation and marketing of products from fossil to bio, blue and green. In particular, it is focused on growing power generation from renewable energy and biomethane, it coordinates the bio and circular evolution of the Company's refining system and chemical business, and it further develops Eni's retail portfolio, providing increasingly more decarbonized products for mobility, household consumption and small enterprises. The Business Group includes results of the Refining & Marketing business, chemical business managed by Versalis SpA and its subsidiaries, retail gas and power managed by Eni gas e luce and the activities of power generation from thermoelectric plants and renewables.

€325 mln

EGL adjusted operating profit
+17% vs. 2019

€550 mln

biorefining+marketing adjusted operating profit
+27% vs. 2019

9.6 mln points of delivery

EGL customer base
+1,6% vs. 2019

1 GW

Renewable installed capacity at advanced stage of development at period end
in line with the Group's targets

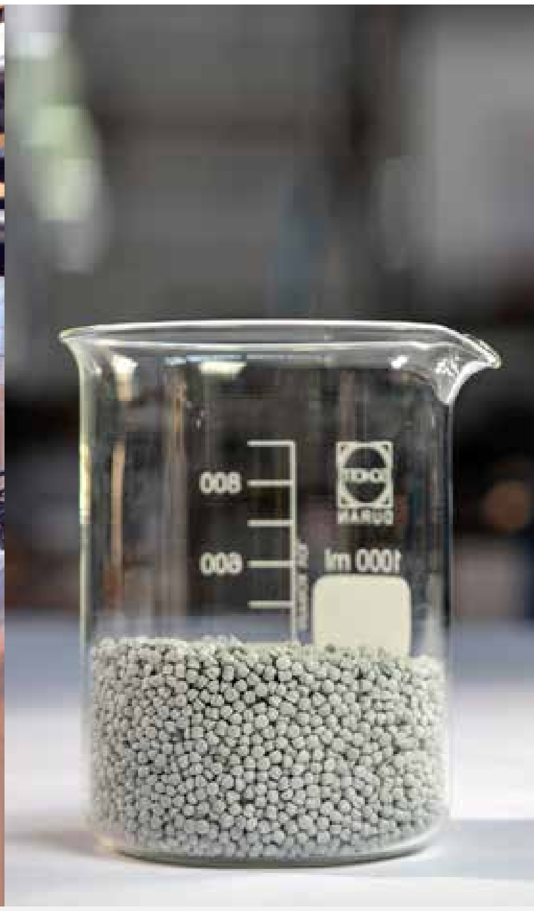
340 GW

Energy production from renewables
more than fourfold vs. 2019

1.1 mmtonnes/y

biorefining capacity at 2020 year-end
2 mmtonnes/y by 2024

Refining & Marketing and Chemicals



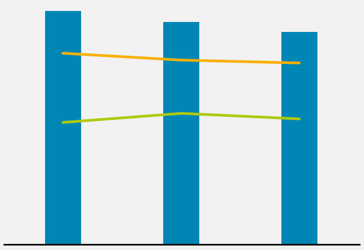
1.1 mmtonnes/y
Biorefinery capacity

6.65 mmtonnes CO_2eq.
Direct GHG emissions (Scope 1)
vs. 2019: -16%

€ 550 mln
Adjusted operating profit biorefining+marketing
vs. 2019: +27%

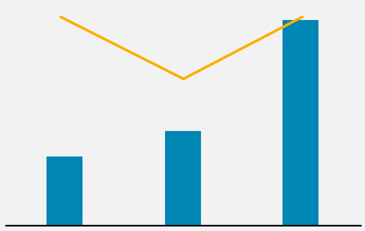
4.34 mmtonnes
Sales of petrochemical products
vs. 2019: +1% despite the decrease of demand

Retail activity in Italy



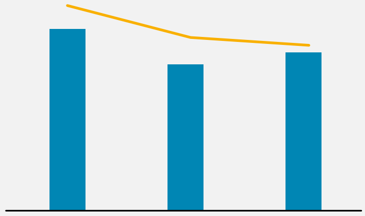
	2018	2019	2020
Service stations (number)	4,223	4,184	4,134
Market share (%)	24.0	23.6	23.3
Retail efficiency index (%)	1.20	1.23	1.22

Biorefineries throughputs



	2018	2019	2020
Bio throughputs (kton)	253	311	710
Average biorefineries utilization rate (%)	63	44	63

Petrochemical production and average plant utilization rate



	2018	2019	2020
Petrochemical production (kton)	9,483	8,068	8,073
Average plant utilization rate (%)	76	67	65

KEY PERFORMANCE INDICATORS

		2020	2019	2018
TRIR (Total Recordable Injury Rate)	(total recordable injuries/worked hours) x 1,000,000	0.80	0.27	0.56
of which: employees		*1.17*	*0.24*	*0.49*
contractors		*0.48*	*0.29*	*0.62*
Bio throughputs	(ktonnes)	710	311	253
Capacity of biorefineries	(mmtonnes/year)	1.1	1.1	0.4
Average biorefineries utilization rate	(%)	63	44	63
Conversion index of oil refineries		54	54	54
Average oil refineries utilization rate		69	88	91
Retail sales of petroleum products in Europe	(mmtonnes)	6.61	8.25	8.39
Service stations in Europe at year end	(number)	5,369	5,411	5,448
Average throughput per service station in Europe	(kliters)	1,390	1,766	1,776
Retail efficiency index	(%)	1.22	1.23	1.20
Production of petrochemical products	(ktonnes)	8,073	8,068	9,483
Sale of petrochemical products		4,339	4,295	4,946
Average petrochemical plant utilization rate	(%)	65	67	76
Employees at year end	(number)	11,471	11,626	11,457
of which: outside Italy		*2,556*	*2,591*	*2,594*
Direct GHG emissions (Scope 1)	(mmtonnes CO_2eq.)	6.65	7.97	8.19
Direc GHG emissions (Scope 1)/refinery throughputs (raw and semi-finished materials)	(tonnes CO_2eq./ktonnes)	248	248	253

Performance of the year

- Total recordable injury rate (TRIR) of the workforce amounted to 0.80 due to an increase in events recorded in the R&M business in Ecuador.
- Direct GHG emissions (Scope 1) reported a decrease of 16% compared to the previous year, mainly due to the decline in refining activities.
- Direct GHG emissions (Scope 1)/refining throughputs (raw and semi-finished materials) were substantially stable in 2020. The trend in GHG emissions was proportional to the reduction of processed materials.
- In 2020 Eni's refining throughputs on own account amounted to 17 mmtonnes (excluding the ADNOC Refining), down by 25% from 2019, due to lower volumes processed in response to a sharply depressed refining scenario and storage saturation, as a consequence of demand backdrop affected by COVID-19 pandemic.
- Production of biofuels from vegetable oil of 0.71 mmtonnes were more than doubled from 2019, driven by the ramp-up of the Gela biorefinery.
- Retail sales in Italy were 4.56 mmtonnes, decreased by 22% from 2019. The market share in 2020 was 23.3% (23,6% in 2019).
- Retail sales in the Rest of Europe (2.05 mmtonnes) were down by 16% compared to 2019, due to the COVID-19 impact on consumptions.
- Sales of petrochemical products amounted to 4.34 mmtonnes, up by 1%, despite the drop in demand.

Gela biorefinery

In 2020, reached full operation at Gela biorefinery, with a five-fold increase in biofuel productions compared to 2019. The ramp-up of the plant is a step forward along the path to decarbonization of Eni's activities thanks to the Ecofining™ proprietary technology. In March 2021, started the Biomass Treatment Unit to expand the range of charges to be processed by the plant, allowing the replacement of palm oil with other sustainable sources.

Circular economy and green chemicals

- Implemented on an industrial scale the technologies of plastic waste recycling thanks to the alliance with Forever Plast in order to develop and market a new range of solid polystyrene products made from reused packaging.
- Signed an agreement with AGR, an Italian company owner of a proprietary technology to treat used elastomers, to develop and market new products and applications in recycled rubber, in collaboration with the EcoTyre Consortium, which manages a national network for the collection and processing of ELTs (End-of-Life Tyres).
- Signed an agreement with COREPLA (National Consortium for the Collection, Recycling and Recovery of Plastic Packaging) to develop effective solutions to reutilize plastics, applying Eni's expertise in the fields of gasification and chemical recycling by means of pyrolysis.
- In 2020, Versalis joined the Circular Plastics Alliance (CPA) to contribute to the European target of using 10 million tonnes of recycled plastic in new products by 2025. The mission of this alliance, promoted by the European Commission, is to promote the recycling of plastic in Europe and at the same time to develop the market of second raw materials.
- Versalis entered the market of agricultural protection, thanks to the alliance with AlphaBio Control, a research and development company engaged in the production of natural formulations for the protection of crops, aimed at the production of herbicides and biocides for the disinfection of plant-based and biodegradable surfaces, using the active ingredients produced from the chemistry from the renewable sources platform of Porto Torres.

Business developments

- Crescentino plant is being upgraded. This strategic hub for the production of electricity and chemical feedstocks from residual biomass, is not in competition with the food supply chain and is based on an advanced proprietary technology. First application of this technology was the production of a bioethanol disinfectant from corn glucose syrup, based on the formulation provided by the WHO for medical applications; restarted the biomass power plant for renewable electricity generation. Studies are ongoing to develop the production process of second-generation sugar bioplastics.
- In July 2020, Versalis finalized the acquisition of a 40% interest in Finproject, a company engaged in the production of high-performance polymers, increasing exposure to products more resilient to the volatility of the chemical. This initiative allows Eni to exploit value from the integration of Finproject's positioning in the market of high value added applications with the industrial and technological leadership of Versalis.

Proprietary technologies

In 2021, Versalis has licensed to Enter Engineering Pte Ltd a low density polyethylene/ethyl vinyl acetate (LDPE/EVA) swing unit to be built as part of a new gas to chemical complex based on MTO-methanol to olefins technology to be located in the Karakul area in the Bukhara region of the Republic of Uzbekistan. Versalis' background and expertise as licensor of its proprietary technologies relies on its enduring R&D and lab & pilot plant testing capabilities, and full-scale operational experience at its own production facilities.

REFINING & MARKETING

SUPPLY AND TRADING

In 2020, were purchased 17.37 mmtonnes of crude (compared with 23.43 mmtonnes in 2019), of which 3.55 mmtonnes by equity crude oil, 10.23 mmtonnes on the spot market and 3.59 mmtonnes by producer's Countries with term contracts. The breakdown by geographic area was as follows: 26% of purchased crude came from the Middle East, 17% from Central Asia, 16% from Russia, 16% from Italy, 8% from West Africa, 7% from North Africa, 4% from North Sea and 6% from other areas.

REFINING

PURCHASES

(mmtonnes)	2020	2019	2018	Change	% Ch.
Equity crude oil	3.55	4.24	4.14	(0.69)	(16.3)
Other crude oil	13.82	19.19	18.48	(5.37)	(28.0)
Total crude oil purchases	**17.37**	**23.43**	**22.62**	**(6.06)**	**(25.9)**
Purchases of intermediate products	0.11	0.26	0.65	(0.15)	(57.7)
Purchases of products	10.31	11.45	11.55	(1.14)	(10.0)
TOTAL PURCHASES	**27.79**	**35.14**	**34.82**	**(7.35)**	**(20.9)**
Consumption for power generation	(0.35)	(0.35)	(0.35)		
Other changes[a]	(0.69)	(2.08)	(1.27)	1.39	66.8
TOTAL AVAILABILITY	**26.75**	**32.71**	**33.20**	**(5.96)**	**(18.2)**

(a) Include change in inventories, decrease due to transportation, consumption and losses.

In 2020, Eni's refining throughputs on own account were 17 mmtonnes decreased by 25.2% from 2019, due to the lower throughputs in Italy, as a result of the depressed refining scenario and storage saturation as consequence of COVID-19 impact on demand. These negatives were partially offset by the restart of the Bayernoil plants and PCK in Germany.
In Italy, the refinery throughputs (14.82 mmtonnes) decreased by 28.4% from 2019 following the depressed refining scenario.
Outside Italy, Eni's refining throughputs on own account were 2.18 mmtonnes, up by approximately 140 ktonnes or 6.9% due to the restart of Vohburg plant and PCK in Germany. Total throughputs in wholly-owned refineries were 12.72 mmtonnes, down by 4.54 mmtonnes or 26.3% compared with 2019.
The refinery utilization rate, ratio between throughputs and refinery capacity, is 69%.
Approximately 21.2% of processed crude was supplied by Eni's Exploration & Production segment, increased from 2019 (18.9%).

BIOREFINERY

The volumes of biofuels processed from vegetable oil were more than doubled from the corresponding period of 2019 with an increase of 0.40 mmtonnes, driven by the production ramp-up at Gela biorefinery.

AVAILABILITY OF REFINED PRODUCTS

(mmtonnes)	2020	2019	2018	Change	% Ch.
ITALY					
At wholly-owned refineries	12.72	17.26	16.78	(4.54)	(26.3)
Less input on account of third parties	(1.75)	(1.25)	(1.03)	(0.50)	(40.0)
At affiliated refineries	3.85	4.69	4.93	(0.84)	(17.9)
Refinery throughputs on own account	**14.82**	**20.70**	**20.68**	**(5.88)**	**(28.4)**
Consumption and losses	(0.97)	(1.38)	(1.38)	0.41	29.7
Products available for sale	**13.85**	**19.32**	**19.30**	**(5.47)**	**(28.3)**
Purchases of refined products and change in inventories	7.18	7.27	7.50	(0.09)	(1.2)
Products transferred to operations outside Italy	(0.66)	(0.68)	(0.54)	0.02	2.9
Consumption for power generation	(0.35)	(0.35)	(0.35)	0.00	0.0
Sales of products	**20.02**	**25.56**	**25.91**	**(5.54)**	**(21.7)**
Bio throughputs	**0.71**	**0.31**	**0.25**	**0.40**	**128.3**
OUTSIDE ITALY					
Refinery throughputs on own account	2.18	2.04	2.55	0.14	6.9
Consumption and losses	(0.17)	(0.18)	(0.20)	0.01	5.6
Products available for sale	**2.01**	**1.86**	**2.35**	**0.15**	**8.1**
Purchases of refined products and change in inventories	3.39	4.17	4.12	(0.78)	(18.7)
Products transferred from Italian operations	0.66	0.68	0.54	(0.02)	(2.9)
Sales of products	**6.06**	**6.71**	**7.01**	**(0.65)**	**(9.7)**
Refinery throughputs on own account	**17.00**	**22.74**	**23.23**	**(5.74)**	**(25.2)**
of which: refinery throughputs of equity crude on own account	*3.55*	*4.24*	*4.14*	*(0.69)*	*(16.3)*
Total sales of refined products	**26.08**	**32.27**	**32.92**	**(6.19)**	**(19.2)**
Crude oil sales	**0.67**	**0.44**	**0.28**	**0.23**	**52.3**
TOTAL SALES	**26.75**	**32.71**	**33.20**	**(5.96)**	**(18.2)**

MARKETING OF REFINED PRODUCTS

In 2020, retail sales of refined products (26.08 mmtonnes) were down by 6.19 mmtonnes or by 19.2% from 2019, due to the COVID-19 crisis which negatively affected sales in Italy and in the rest of Europe.

PRODUCT SALES IN ITALY AND OUTSIDE ITALY

(mmtonnes)	2020	2019	2018	Change	% Ch.
Retail	4.56	5.81	5.91	(1.25)	(21.5)
Wholesale	5.75	7.68	7.54	(1.93)	(25.1)
Petrochemicals	0.61	0.83	0.96	(0.22)	(26.5)
Other sales	9.10	11.24	11.50	(2.14)	(19.0)
Sales in Italy	**20.02**	**25.56**	**25.91**	**(5.54)**	**(21.7)**
Retail rest of Europe	2.05	2.44	2.48	(0.39)	(16.0)
Wholesale rest of Europe	2.40	2.63	2.82	(0.23)	(8.7)
Wholesale outside Europe	0.48	0.48	0.47		
Other sales	1.13	1.16	1.24	(0.03)	(2.6)
Sales outside Italy	**6.06**	**6.71**	**7.01**	**(0.65)**	**(9.7)**
TOTAL SALES OF REFINED PRODUCTS	**26.08**	**32.27**	**32.92**	**(6.19)**	**(19.2)**

Retail sales in Italy

In 2020, retail sales in Italy were 4.56 mmtonnes, with a decrease compared to 2019 (1.25 mmtonnes or down by 21.5%) as consequence of the restrictive measures implemented mainy in the second quarter during the pandemic peak. Average throughput per service station (1,206 kliters) decreased by 380 kliters from 2019 (1,586 kliters). Eni's retail market share of 2020 was 23.3%, slightly down from 2019 (23.6%).
As of December 31, 2020, Eni's retail network in Italy consisted of 4,134 service stations, lower by 50 units from December 31, 2019 (4,184 service stations), resulting from the negative balance of acquisitions/releases of lease concessions (46 units), closure of low throughput stations (3 units) and a decrease of 1 motorway concession.

RETAIL AND WHOLESALES SALES OF REFINED PRODUCTS

(mmtonnes)	2020	2019	2018	Change	% Ch.
Italy	**10.31**	**13.49**	**13.45**	**(3.18)**	**(23.6)**
Retail sales	**4.56**	**5.81**	**5.91**	**(1.25)**	**(21.5)**
Gasoline	1.16	1.44	1.46	(0.28)	(19.4)
Gasoil	3.10	3.95	4.03	(0.85)	(21.5)
LPG	0.27	0.38	0.38	(0.11)	(28.9)
Others	0.03	0.04	0.04	(0.01)	(25.0)
Wholesale sales	**5.75**	**7.68**	**7.54**	**(1.93)**	**(25.1)**
Gasoil	3.11	3.41	3.25	(0.30)	(8.8)
Fuel Oil	0.02	0.06	0.07	(0.04)	(66.7)
LPG	0.18	0.18	0.20	0.00	0.0
Gasoline	0.30	0.47	0.44	(0.17)	(36.2)
Lubricants	0.08	0.08	0.08	0.00	0.0
Bunker	0.63	0.77	0.80	(0.14)	(18.2)
Jet fuel	0.70	1.92	1.98	(1.22)	(63.5)
Other	0.73	0.79	0.72	(0.06)	(7.6)
Outside Italy (retail+wholesale)	**4.93**	**5.55**	**5.77**	**(0.62)**	**(11.2)**
Gasoline	1.13	1.31	1.30	(0.18)	(13.7)
Gasoil	2.73	3.02	3.16	(0.29)	(9.6)
Jet fuel	0.09	0.29	0.33	(0.20)	(69.0)
Fuel Oil	0.13	0.09	0.14	0.04	44.4
Lubricants	0.09	0.09	0.09	0.00	0.0
LPG	0.50	0.50	0.50	0.00	0.0
Other	0.26	0.25	0.25	0.01	4.0
TOTAL RETAIL AND WHOLESALES SALES	**15.24**	**19.04**	**19.22**	**(3.80)**	**(20.0)**

Retail sales in the Rest of Europe

Retail sales in the Rest of Europe were 2.05 mmtonnes, recorded a reduction from 2019 (down by 16%) mainly due to the restrictive measures adopted against COVID-19 in the second quarter during the pandemic peak. At December 31, 2020, Eni's retail network in the Rest of Europe consisted of 1,235 units, increasing by 8 units from December 31, 2019, mainly in Germany and France. Average throughput (1,980 kliters) decreased by 376 kliters compared to 2019 (2,356 kliters).

Wholesale and other sales

Wholesale sales in Italy amounted to 5.75 mmtonnes, decreasing by 25.1% from the full year of 2019, due to the contraction of industrial activity and in particular, for lower sales of jet fuel following a deep crisis of the airlines sector.

Wholesale sales in the Rest of Europe were 2.40 mmtonnes, down by 8.7% from 2019 due to lower sold volumes mainly in Spain, partly offset by higher volumes marketed in Germany for higher product availability due to the restart of Vohburg plant.

Supplies of feedstock to the petrochemical industry (0.61 mmtonnes) decreased by 26.5%. Other sales in Italy and outside Italy (10.23 mmtonnes) decreased by 2.17 mmtonnes or down by 17.5% mainly due to lower volumes sold to oil companies.

CHEMICALS

PRODUCT AVAILABILITY

ktonnes	2020	2019	2018	Change	% Ch.
Intermediates	5,861	5,818	7,130	43	0.7
Polymers	2,212	2,250	2,353	(38)	(1.7)
Production	**8,073**	**8,068**	**9,483**	**5**	**0.1**
Consumption and losses	(4,366)	(4,307)	(5,085)	(59)	(1.4)
Purchases and change in inventories	632	534	548	98	18.4
TOTAL AVAILABILITY	**4,339**	**4,295**	**4,946**	**44**	**1.0**
Intermediates	2,549	2,529	3,095	20	0.8
Polymers	1,790	1,766	1,851	24	1.4
TOTAL SALES	**4,339**	**4,295**	**4,946**	**44**	**1.0**

Petrochemical sales of 4,339 ktonnes slightly increased from 2019 (up by 44 ktonnes, or 1%) thanks to the positive performance reported in the intermediate, styrenics and polyethylene segments due to the accelerated economic recovery in the fourth quarter, mainly in Asia and lower competitive pressure, partly mitigated by the generalized reduction in volumes during the pandemic peak in the second quarter and by the global economic downturn which affected all the main end-markets, particularly the automotive sector, and the subsequent conservative position of operators which induced to decrease storage.

Average unit sales prices of the intermediates business decreased by 23,3% from 2019, with aromatics and olefins down by 36.4% and 25.4%, respectively. The polymers reported a decrease of 15% from 2019.

Petrochemical production of 8,073 ktonnes were substantially unchanged from 2019 (up by 5 ktonnes) due to higher production of intermediates business (up by 43 ktonnes), in particular olefins; these higher volumes were partially offset by lower productions of elastomers and polyethylene down by 18 ktonnes and 23 ktonnes from 2019, respectively.

The main decreases in production were registered at the Priolo site (down by 207 ktonnes), due to the prolonged planned shutdown and at Brindisi (down by 33 ktonnes), these reductions were offset by higher volumes at Porto Marghera plant (up by 246 ktonnes).

Nominal capacity of plants slightly decreased from the 2019. The average plant utilization rate calculated on nominal capacity was 65%, decreased from 2019 (67%) following the aforementioned shutdowns.

BUSINESS TRENDS

Intermediates

Intermediates revenues (€1,385 million) decreased by €406 million from 2019 (down by 22.7%) reflecting both the lower commodity prices scenario and the lower product availability due to the standstills occurred in 2020. Sales increased, in particular for aromatics (up by 2.4%), olefins (up by 0.8%) following the higher product availability. Average unit prices decreased by 23.3%, in particular aromatics (down by 36.4%), olefins (down by 25.4%) and derivatives (down by 5.9%). Intermediates production (5,861 ktonnes) registered an increase of 0.7% from 2019. Increases were recorded in olefins (up by 1.7%) and decreases in derivatives (down by 3.9%) and in aromatics (down by 0.8%).

Polymers

Polymers revenues (€1,888 million) decreased by €313 million or 14.2% from 2019 due to the decrease of the average unit prices (down by 15%). The styrenics business benefitted of the increase of volumes sold (up by 4.0%) for higher product availability; decrease of sale prices (down by 16.0%). Polyethylene volumes increased (up by 2.0%) for higher demand. Average prices decreased by 13.4%. In the elastomers business, a decrease of sold volumes (down by 4.6%) was attributable to lattices (down by 8.4%), EPR (down by 6.5%), TPR (down by 4.8%), SBR rubbers (down by 4.6%) and BR (down by 3.0%). Higher styrenics volumes sold (up by 4.0%) were mainly attributable to ABS (up by 7.8 %), expandable polystyrene (up by 5.1%) and compact polystyrene (4.5%), these higher volumes were partly offset by lower sales of styrene (down by 12.7%). Overall, the sold volumes of polyethylene business reported a reported an increase (up by 2.0%) with higher sales of LDPE and EVA (up by 4.6% and 7.3%, respectively), while volumes of LLDPE decreased (down by 2.3%). In addition, average sales prices decreased (down by 13.4%). Polymers productions (2,212 ktonnes) decreased from the 2019 due to the lower productions of elastomers (down by 6.7%), polyethylene (down by 1.9%).

Eni gas e luce, Power & Renewables

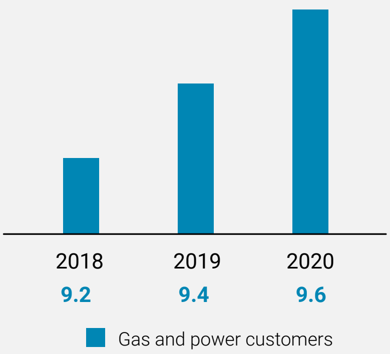
€465 mln
Adjusted operating profit of the segment
vs. 2019: +26%

7.68 bcm
Retail gas sales

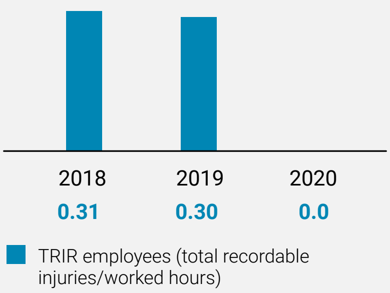
12.49 TWh
Retail power sales to end customers
vs. 2019: +14.4% thanks to the growth of customer portfolio outside Italy

339.6 GWh
Production from renewables increased **more than fivefold vs. 2019**

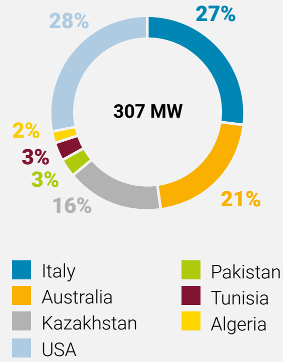
Retail customers
(mln of POD)



Total Recordable Injury Rate (TRIR)
0 injuries among employees



Renewables installed capacity by area



KEY PERFORMANCE INDICATORS

		2020	2019	2018
Total recordable incident rate (TRIR)	(total recordable injuries/worked hours) x 1,000,000	0.32	0.62	0.60
of which: employees		*0.00*	*0.30*	*0.31*
contractors		*0.73*	*0.95*	*1,16*
Eni Gas e Luce				
Retail gas sales	(bcm)	7.68	8.62	9.13
Retail power sales to end customers	(TWh)	12.49	10.92	8.39
Retail customers	(milion of POD)	9.57	9.42	9.19
Power & Renewables				
Power sales in the open market	(TWh)	25.33	28.28	28.54
Thermoelectric production		20.95	21.66	21.62
Energy production from renewable sources	(GWh)	339.6	60.6	11.6
Renewable installed capacity at period end	(MW)	307	174	40
Employees at year end		2,092	2,056	2,056
of which: outside Italy		*413*	*358*	*337*
Direct GHG emissions (Scope 1)	(mmtonnes CO_2eq.)	9.63	10.22	10.47
Direct GHG emissions (Scope 1)/equivalent produced electricity (Eni Power)	(gCO_2eq./kWh eq.)	391	394	402

Performance of the year

- The total recordable injury rate (TRIR) of the workforce amounted to 0.32, 48% better than the previous year. Achieved the target of zero injuries for employees and a remarkable improvement in the contractors' index.
- Direct GHG emissions (Scope 1) reported an improved performance (up by 6% compared to 2019), as a result of lower productions connected to the pandemic crisis and maintenance standstill at the Ferrara plant.
- Direct GHG emissions (Scope 1)/equivalent produced electricity slightly decreased from 2019 (down by 0.7%) following the reduced use of syngas at the Ferrera Erbognone plant, with an improved effect on the emission index.
- Retail gas sales amounted to 7.68 bcm, down by 10.9% compared to 2019. The decrease was mainly due to lower sales marketed to the small and medium enterprises and resellers segments.
- Retail power sales to end customers amounted to 12.49 TWh, recording an increase of 14.4% compared to 2019, leveraging on growth of the customer base outside Italy.
- Power sales in the open market amounted to 25.33 TWh, down by 10.4% following the economic slowdown due to the restrictive measures implemented during the pandemic.
- Energy production from renewable sources amounted to 339.6 GWh, more than a five-fold increase from the comparative period (60.6 GWh in the 2019) due to the entry in exercise of new capacity and the contribution of the acquired assets in the USA.
- As of December 31, 2020, the renewable installed capacity was 307 MW: 80% attributable to photovoltaic plants (including installed storage capacity) and 20% attributable to wind farms.

Retail gas and power business developments

In line with the strategy of digital and technological business development, Eni through its subsidiary Eni gas e luce, acquired a 20% interest in Tate Srl in June 2020, a start-up operating in the activation and management of electricity and gas contracts through digital solutions. Furthermore, in July 2020, was launched a strategic partnership with OVO targeting the residential market in France to raise customer awareness for a responsible use of energy and access to zero-emission technologies leveraging digitalization.

In line with the target to increase the customer portfolio in Europe, in January 2021 was signed an agreement between Eni gas e luce and Grupo Pitma for the 100% acquisition of Aldro Energía with a 250,000 customers portfolio mainly in Spain and Portugal and focused on small and medium-sized enterprises. The transaction is subject to the approval of the relevant authorities.

Transition to sustainable mobility

In line with the strategy of decarbonization and energy transition focused on sale of low carbon products, in February 2021, Eni gas e luce signed an agreement with Be Charge, a company of the Be Power Group SpA, aimed at the development of infrastructure for electric mobility, which provides for the nationwide installation of co-branded public charging stations for electric vehicles that will be powered by renewable energy supplied by Eni gas e luce.

Expansion of renewables business

In 2020, continued the expansion in the international market thanks to the strategic partnership with the Italian Group Falck; in particular, in the USA were developed the following initiatives:

- acquired in March a 49% share of Falck's photovoltaic plants in operation in the Country (57 MW net to Eni);
- finalized in November, the acquisition from Building Energy SpA of 62 MW of operating capacity (30.2 MW net to Eni) in wind and solar plants and a pipeline of wind projects up to 160 MW. Production in operation will avoid more than 93 ktonnes of CO_2 emissions per year;
- acquired in November a 30 MW solar project "ready to build" in Virginia from Savion LLC (14.5 MW net to Eni). The plant will allow to avoid over 33 ktonnes of CO_2 emissions per year.

Started in July a photovoltaic plant at Volpiano (total capacity of 18 MW), with an expected production of 27 GWh/y, avoiding 370 ktonnes of CO_2 emissions over the service life of the plant.

In February 2021, signed an agreement with X-Elio, a Spanish leader company, for the acquisition of three photovoltaic projects located in the Southern region of Spain with a total capacity of 140 MW.

Relating to the wind segment, finalized the acquisition from Asja Ambiente of three wind projects for a total capacity of 35.2 MW expected to produce approximately 90 GWh/y, avoiding around 38 ktonnes of CO_2 emissions per year.

Signed a Sale and Purchase Agreement for the acquisition from Equinor and SSE Renewables of a 20% share of the offshore wind project Dogger Bank (A and B) in the United Kingdom, which will be the largest wind power facility in the world, for a total capacity of 2.4 GW at a full capacity. The construction phase is expected to be completed in 2023-2024. This transaction, finalized at the end of February 2021, will contribute 480 MW to the renewable generation capacity and to Eni's growth targets.

ENI GAS E LUCE

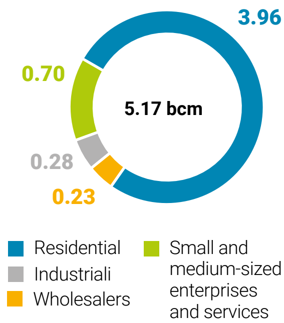
GAS DEMAND

Eni operates in a liberalized market where energy customers are allowed to choose the gas supplier and, according to their specific needs, to evaluate the quality of services and offers. Overall Eni supplies 9.6 million retail clients (gas and electricity) in Italy and Europe. In particular, clients located all over Italy are 7.7 million.

GAS SALES BY MARKET

(bcm)	2020	2019	2018	Change	% Ch.
ITALY	5.17	5.49	5.83	(0.32)	(5.8)
Resellers	0.23	0.33	0.45	(0.10)	(30.3)
Industries	0.28	0.30	0.39	(0.02)	(6.7)
Small and medium-sized enterprises and services	0.70	0.87	0.79	(0.17)	(19.5)
Residential	3.96	3.99	4.20	(0.03)	(0.8)
INTERNATIONAL SALES	2.51	3.13	3.30	(0.62)	(19.8)
European markets:					
France	*2.08*	*2.69*	*2.94*	*(0.61)*	*(22.7)*
Greece	*0.34*	*0.35*	*0.24*	*(0.01)*	*(2.9)*
Other	*0.09*	*0.09*	*0.12*	*0.00*	*0.0*
RETAIL GAS SALES	7.68	8.62	9.13	(0.94)	(10.9)

Gas sales in Italy (bcm)



RETAIL GAS SALES

In 2020, natural gas sales in Italy and in the rest of Europe amounted to 7.68 bcm, down by 0.94 bcm or 10.9% from the previous year. Sales in Italy amounted to 5.17 bcm down by 5.8% compared to 2019, the reduction was mainly due to lower volumes marketed at small and medium enterprises and resellers segments; the reduction reported in the residential segment was mitigated by the positive weather effect mainly in the last quarter of the year.

Sales in the European markets (2.51 bcm) reported a reduction of 19.8% or 0.62 bcm compared to 2019. In France, sales decreased by 22.7% due to lower volumes marketed to industrial customers. In Greece and Slovenia sales were substantially in line with the comparative period.

RETAIL POWER SALES TO END CUSTOMERS

In 2020, retail power sales to end customers, managed by Eni gas e luce and the subsidiaries in France and Greece, amounted to 12.49 TWh, an increase by 14.4% from 2019, due to growth of retail customers portfolio (up by 270,000 customers vs. 2019) and higher volumes sold to the retail and industrial segments in Europe.

POWER

AVAILABILITY OF ELECTRICITY

Eni's power generation sites are located in Brindisi, Ferrera Erbognone, Ravenna, Mantova, Ferrara and Bolgiano. As of December 31, 2020, installed operational capacity of Enipower's power plants was 4.6 GW. In 2020, thermoelectric power generation was 20.95 TWh, substantially in line compared to 2019. Electricity trading (17.09 TWh) reported a decrease of 4.2% from 2019, thanks to the optimization of inflows and outflows of power.

POWER SALES IN THE OPEN MARKET

In 2020, power sales in the open market were 25.33 TWh, representing a reduction of 10.4% compared to 2019, due to economic downturn.

		2020	2019	2018	Change	% Ch.
Purchases of natural gas	(mmcm)	4,346	4,410	4,300	(64)	(1.5)
Purchases of other fuels	(ktoe)	160	276	356	(116)	(42.0)
Power generation	(TWh)	20.95	21.66	21.62	(0.71)	(3.3)
Steam	(ktonnes)	7,591	7,646	7,919	(55)	(0.7)

AVAILABILITY OF ELECTRICITY

	(TWh)	2020	2019	2018	Change	% Ch.
Power generation		20.95	21.66	21.62	(0.71)	(3.3)
Trading of electricity[(a)]		17.09	17.83	15.45	(0.74)	(4.2)
Availability		**38.04**	**39.49**	**37.07**	**(1.45)**	**(3.7)**
Power sales in the open market		**25.33**	**28.28**	**28.54**	**(2.95)**	**(10.4)**

(a) Includes positive and negative imbalances (difference between the electricity effectively fed-in and as scheduled).

RENEWABLES

Eni is engaged in the renewable energy business (solar and wind) through the business unit Energy Solutions aiming at developing, constructing and managing renewable energy producing plant.

Eni's targets in this field will be reached by leveraging on an organic development of a diversified and balanced portfolio of assets, integrated with selective asset and projects acquisitions as well as international strategic partnership.

ENERGY FROM RENEWABLE SOURCES AND INSTALLED CAPACITY AT PERIOD END

		2020	2019	2018	Change	% Ch.
Energy production from renewable sources	(GWh)	339.6	60.6	11.6	279	..
of which: photovoltaic		*223.2*	*60.6*	*11.6*	*162.6*	..
wind		*116.4*			*116.4*	
of which: Italy		*112.2*	*53.3*	*11.6*	*58.9*	..
outside Italy		*227.4*	*7.3*		*220.1*	..
of which: own consumption[(a)]		*23%*	*60%*	*75%*		
Renewable installed capacity at period end	(MW)	307	174	40	133	76.4
of which: photovoltaic		*77%*	*76%*	*100%*		
wind		*20%*	*20%*			
installed storage capacity		*3%*	*4%*			

(a) Electricity for Eni's production sites consumptions.

Energy production from renewable sources amounted to 339.6 GWh (of which 223.2 GWh photovoltaic and 116.4 GWh wind) up by 279 GWh compared to 2019.

The increase in production compared to the previous year benefitted from the entry in operations of new capacity, as well as the contribution of assets already operating in the United States, acquired in 2020.

Follows breakdown of the installed capacity by Country and technology:

RENEWABLE INSTALLED CAPACITY AT PERIOD END (ENI'S SHARE)

(MW)	(technology)	2020	2019	2018
ITALY	fotovoltaic	**84**	**82**	**35**
OUTSIDE ITALY		**160**	**58**	**5**
Algeria	fotovoltaic	5	5	5
Australia	fotovoltaic	64	39	
Pakistan	fotovoltaic	10	10	
Tunisia	fotovoltaic	9	4	
United States	fotovoltaic	72		
Total photovoltaic installed capacity		**244**	**140**	**40**
United States	wind	15		
Kazakhstan	wind	48	34	
Total wind installed capacity		**63**	**34**	**-**
TOTAL INSTALLED CAPACITY AT PERIOD END (INCLUDING INSTALLED STORAGE POWER)		**307**	**174**	**40**
of which installed storage power		*8*	*7*	-
PLANTS IN OPERATION AT PERIOD END		**30**	**15**	**12**

At the end of 2020, the total installed and sanctioned capacity amounted to 1GW: the total installed capacity for the generation of energy from renewable sources amounted to 307 MW (in Eni share and including the storage power), of which about 84 MW in Italy and 223 MW abroad, with 30 plants in operation; the capacity under construction/advanced stage of development amounted to about 0.7 GW and mainly relating to the Dogger Bank A and B offshore wind projects in the UK (480 MW in Eni share) and the new capacity in Kazakhstan (98 MW, of which 48 MW onshore wind and 50 MW solar photovoltaic).