ENI SPA
Form 6-K
June 07, 2012
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

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

June 6, 2012

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

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

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

Form 20-F x Form 40-F o

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

Yes o No x

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

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SIGNATURES

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

Eni S.p.A.

Name: Antonio Cristodoro
Title: Head of Corporate Secretary's Staff Office

Date: June 6, 2012

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DISCLOSURE STATEMENT

For the sale of shareholding equal to 30% minus one share

of the voting share capital of Snam S.p.A.

Prepared pursuant to Article 5 of the Regulation adopted by Consob with Resolution no. 17221 of 12 March 2010, as amended by Resolution no. 17389 of 23 June 2010 and pursuant to Article 71 of the Regulation adopted by Consob with Resolution no. 11971 of 14 May 1999, as amended and supplemented.

June 2012

This disclosure statement has been published at the registered office of Eni S.p.A., on the website of Eni S.p.A. (www.eni.com), and on the website of Borsa Italiana S.p.A. (www.borsaitaliana.it) on 6 June 2012.

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Highlights of the Issuer

Eni Group

(Euro million)	Full year 2011	
	Consolidated Financial Statements	Pro-Forma Financial Statements
Consolidated operating profit	17,435	15,351
Consolidated net profit (*)	6,860	6,452
- *per share* (Euro)	*1.89*	*1.78*
Net capital employed	88,425	75,823
Shareholders' equity	60,393	62,506
of which: - Eni's shareholders	55,472	59,315
- non-controlling interest	4,921	3,191
Net borrowings	28,032	13,317
Leverage	0.46	0.21
ROACE (%)	9.7	10.4
Average number of shares outstanding (million)	3,622.6	3,622.6

(*) Attributable to Eni's shareholders.

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DEFINITIONS

The definitions of the key terms used in this Disclosure Statement are as follows:

"**AEEG**"	Autorità per l Energia Elettrica e il Gas ("Regulatory Authority for Electricity and Gas"), with registered office at Via dei Crociferi no. 19, Rome.
"**Shares**"	The total of 1,013,590,481 ordinary shares of SNAM, with a nominal value of Euro 1.00 or the number of SNAM shares that at the Closing Date represent 30% less 1 share of the voting shares of SNAM to be sold to CDP.
"**Borsa Italiana**"	Borsa Italiana S.p.A., with registered office at Piazza degli Affari no. 6, Milan.
"**CDP**"	Cassa Depositi e Prestiti S.p.A., with registered office at Via Goito no. 4, Rome; Tax Identification Number ("*codice fiscale*") and Rome Companies Register no. 80199230584.
"**Closing**"	Execution of the Transaction, through transfer of ownership of the Shares and payment of the first tranche of the Consideration.
"**Internal Control Committee**"	The ENI Internal Control Committee, all of whose members are independent and unrelated non-executive directors, which is designated by the Related Parties Procedure as the committee responsible for the examination of related party transactions not concerning remunerations and for expressing a justified opinion on the interest of the Company to execute the transactions as well as on the convenience and substantial correctness of the relative conditions.
"**Consob**"	The Commissione Nazionale per le Società e la Borsa (i.e. the Italian securities and exchange commission), with registered office at Via G.B. Martini no. 3, Rome.
"**Agreement**"	The agreement for the purchase and sale of the Shares that must be negotiated and executed by

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	15 June 2012, between ENI, in its capacity as seller, and CDP, in its capacity as buyer.
"**Consideration**"	The consideration owed by CDP for the purchase of the Shares, in the amount of Euro 3.47 for each of the Shares and for a total of Euro 3,517,158,969.08, currently referable to no. 1,013,590,481 shares.
"**Closing Date**"	The date on which the Closing will take place, which will be the later of the following dates: (*i*) 15 October 2012 or (*ii*) within five business days after satisfaction of the last of the conditions precedent for the Closing.
"**Disclosure Statement**"	This disclosure statement prepared (*i*) pursuant to Article 71 of the Issuers Regulation and Article 5 of the Related Parties Regulation and Related Parties Procedure, and (*ii*) in compliance with Outline ("*Schema*") 3 in Appendix 3B of the Issuers Regulation and Appendix 4 of the Related Parties Regulation.
"**DPCM**"	The Decree of the President of the Council of Ministers issued on 25 May 2012 pursuant to Article 15 of Law Decree no. 1 of 24 January 2012.
"**Issuer**", "**ENI**" or "**Company**"	Eni S.p.A., with registered office at Piazzale Mattei no. 1, Rome; Tax Identification Number ("*codice fiscale*") and Rome Companies Register no. 00484960588.
"**ENI Group**"	ENI and its consolidated subsidiaries taken as a whole.
"**Mediobanca**"	Mediobanca Banca di Credito Finanziario S.p.A., with registered office at Piazzetta Enrico Cuccia no. 1, Milan, Tax Identification Number ("*codice fiscale*") and Milan Companies Register no. 00714490158, entered in the Register of Banks and Bank Groups at no. 10631.0, parent company of the "Mediobanca" bank group.
"**Morgan Stanley**"	Morgan Stanley Bank International Limited, Milan Branch, with registered office at Palazzo

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	Serbelloni, Corso Venezia no. 16, Milan, Taxpayer Identification Number ("codice fiscale") and Milan Companies Register no. 13255350152.
"**Transaction**"	The transaction described in this Disclosure Statement, concerning the sale of the Shares by ENI to CDP.
"**Related Parties Procedure**" or "**Procedure**"	The "*Management System Guideline Operazioni con interessi degli amministratori e sindaci e Operazioni con Parti Correlate*" ("Management System Guideline Transactions Involving the Interests of the Directors and Statutory Auditors and Transactions with Related Parties") approved by the ENI Board of Directors on 18 November 2010, as amended on 19 January 2012.
"**Rothschild**"	Rothschild S.p.A., with registered office at Via Santa Radegonda no. 8, Milan Tax Identification Number ("*codice fiscale*") and Milan Companies Register no. 09682650156.
"**Issuer Regulation**"	The Regulation adopted by Consob with Resolution no. 11971 of 14 May 1999, as amended and supplemented.
"**Related Parties Regulation**"	The Regulation entitled "Measures Governing Related Party Transactions," adopted by Consob with Resolution no. 17221 of 12 March 2010, as amended.
"**SNAM**"	SNAM S.p.A., with registered office at Piazza Santa Barbara no. 7, San Donato Milanese (MI), Tax Identification Number ("*codice fiscale*") and Milan Companies Register no. 13271380159.
"**SNAM Group**"	SNAM and its consolidated subsidiaries taken as a whole.
"**Term Sheet**"	The preliminary binding agreement made by ENI and CDP on 30 May 2012, which describes the principal terms of the Transaction and the principal conditions for negotiating and stipulating the Agreement.

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"**Consolidated Finance Law**" or "**TUF**"	Italian Legislative Decree no. 58 of 24 February 1998, as amended and supplemented.

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INTRODUCTION

This disclosure statement (the "**Disclosure Statement**") has been prepared by Eni S.p.A. (the "**Issuer**", "**ENI**" or the "**Company**") pursuant to (*i*) Article 71 of the Regulation adopted by Consob with Resolution no. 11971 of 14 May 1999, as amended and supplemented (the "**Issuers Regulation**") and (*ii*) Article 5 of the Regulation adopted by Consob with Resolution no. 17221 of 12 March 2010, as amended and supplemented, entitled "Measures Governing Related Party Transactions" (the "**Related Parties Regulation**") and the "*Management System Guideline Operazioni con interessi degli amministratori e sindaci e Operazioni con Parti Correlate*" ("Management System Guideline Transactions Involving the Interests of the Directors and Statutory Auditors and Transactions with Related Parties") approved by the ENI Board of Directors on 18 November 2010, as amended on 19 January 2012 (the "**Related Parties Procedure**" or the "**Procedure**").

This Disclosure Statement has been prepared in relation to the sale, by the Company to Cassa Depositi e Prestiti S.p.A. ("**CDP**"), of a total of 1,013,590,481 (onebillionthirteenmillionfivehundred ninetythousandfourhundredeighty-one) shares in SNAM S.p.A. ("**SNAM**") the company that owns 100% of the share capital of Snam Rete Gas S.p.A., GNL Italia S.p.A., Stoccaggi Gas Italia S.p.A. (abbreviated as Stogit S.p.A.) and Italgas S.p.A., the four operating companies that operate and develop the natural gas transport, regasification, storage and distribution activities or the other number of SNAM shares that at the Closing Date represent 30% less 1 share of the voting shares of SNAM (the "**Transaction**").

As announced to the market on 30 May 2012, the Transaction implements the provisions of the Decree of the President of the Council of Ministers issued on 25 May 2012 (the "**DPCM**").

The DPCM was issued pursuant to Article 15 of Law Decree no. 1 of 24 January 2012 (converted into Law no. 27 of 24 March 2012), pursuant to which ENI must divest SNAM in accordance with the divestiture guidelines (so-called "ownership unbundling") set out in Article 19 of Legislative Decree no. 93 of 1 June 2011, and in accordance with the criteria, terms and conditions defined in the DPCM specifically to ensure the complete independence of SNAM from the largest natural gas production and sale company. More specifically, the DPCM requires that ENI reduce its current shareholding in SNAM pursuant to Article 19 of Legislative Decree no. 93 of 1 June 2011 as soon as market conditions allow, but no later than eighteen months after the effective date of the statute converting Law Decree no. 1 of 24 January 2012 into law[1] (25 September 2013), for the purpose of transferring control pursuant to Article 2359, paragraph 1 of the Italian Civil Code of SNAM, in view of maintaining a stable core shareholding in SNAM sufficient to guarantee the development of strategic activities and protect the public utility service provided by the company, on the one hand, and more diffused shareholdings by investors, on the other hand.

In particular, the DPCM provides that: (*i*) in view of maintaining a stable core shareholding in SNAM, ENI shall sell no less than 25.1% (twenty-five point one per cent) of the share capital of SNAM to CDP in one or more tranches through direct negotiations, as soon as market conditions allow and consistently with the provisions of Article 15 of Law Decree no. 1 of 24 January 2012; (*ii*)

(1) The conversion Law no. 27 of 24 March 2012, published in the Gazzetta Ufficiale della Repubblica Italiana ("Official Gazette of the Republic of Italy") on 24 March 2012, came into force on 25 March 2012 (pursuant to Article 1 of that statute).

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in view of guaranteeing the greatest possible number of shareholders in SNAM after the sale envisaged at item (*i*), ENI shall sell its remaining shareholding in SNAM to the market and institutional investors through transparent and non-discriminatory sales procedures; *(iii)* beginning on the deadline date stipulated in Article 15 of Law Decree no. 1 of 24 January 2012 (converted into Law no. 27 of 24 March 2012), or, if earlier, beginning on the date of loss of control by ENI over SNAM, pursuant to Article 2359, paragraph 1, of the Italian Civil Code, the voting rights associated with the shares acquired through acts, transactions or agreements executed in any form, as well as those that might already be directly or indirectly owned by gas and/or electric power producers or suppliers or by companies that control them, or are controlled by or associated with them pursuant to the Italian Civil Code, or any nominating authority attributed to them are limited, pursuant to the provisions of Article 19, paragraphs 1, letters (b) and (c), and 2 of Legislative Decree no. 93 of 1 June 2011.

This Disclosure Statement, published on 6 June 2012, is available to the public at the registered office of the Company, located at Piazzale Mattei, 1 Rome, on the Company website www.eni.com, in the sections "*Publications", "Investor Relations"* and *"Governance*", and on the Borsa Italiana S.p.A. website www.borsaitaliana.it.

The following documents are published as appendices to this Disclosure Statement and on the Company website, pursuant to Outline no. 3 of Appendix 3B of the Issuers Regulation (entitled "Outline Disclosure Statement for Significant Acquisitions or Disposals of Equity Investments, Business Units, Assets, and Subscription in Specie") and Article 5(5) of the Related Parties Regulation: (*i*) the unanimous opinion issued by the Internal Control Committee on the of the Company in including the Transaction and on convenience and substantial correctness of the relative conditions; (*ii*) the fairness opinion issued by the independent expert Rothschild S.p.A., in support of the Internal Control Committee, attesting to the fairness of the consideration agreed for sale of the SNAM shares in the Transaction; (*iii*) the fairness opinions issued by the advisors Mediobanca S.p.A. and Morgan Stanley Bank International Limited, Milan Branch, in support of the ENI Board of Directors, attesting to the fairness of the consideration agreed for sale of the SNAM shares in the Transaction, and (*iv*) the independent auditor s report on its analysis of the pro-forma consolidated balance sheet and income statement for the financial year ended at 31 December 2011.

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1. WARNINGS

The principal risks and uncertainties associated with the Transaction, which may significantly impact on the activity of the Issuer, and those connected to its nature of related party transaction are summarised as follows.

The contents of the Warnings must be read together with the other information provided in the Disclosure Statement.

1.1 Risks associated with potential conflicts of interest arising from the Transaction with a related party

At the date of this Disclosure Document, ENI is under the de facto control of the Italian Ministry of Economy and Finance ("Ministero dell Economia e delle Finanze" or "**MEF**") which owns a direct shareholding of 3.934% and an indirect shareholding of 26.369%, through CDP, which is controlled in turn by MEF due to the latter s 70% shareholding in CDP.

Consequently, based on the above, it is pointed out that the Transaction counterparty CDP is a related party of ENI pursuant to Article 2(a) (i) and (ii) of the Procedure adopted by the Company, insofar as at the date of this Disclosure Statement it owns a shareholding in ENI sufficient to exercise significant influence on the latter as well as being subject, with ENI, to the MEF's common control.

The Transaction is a related party transaction of greater importance pursuant to the Consob Regulation and the Company Procedure; consequently, it is subject to the rules set out in Article 5 of such Procedure.

The Internal Control Committee which is the committee of independent and unrelated directors responsible for giving a justified opinion on the interest of the Company in concluding the Transaction and on convenience and substantial correctness of the relative conditions pursuant to the Procedure has been promptly informed, pursuant to Article 5 of the Procedure, of the terms and conditions of the Transaction and has also participated in the discovery process and negotiations through receipt of a complete and prompt series of information. The Internal Control Committee has therefore unanimously expressed its favourable opinion on the Transaction itself. This opinion is attached to this Disclosure Statement as Appendix "A".

The Transaction does not expose ENI to specific risks associated with potential conflicts of interest, other than those that are typically associated with related party transactions.

1.2 Risks or uncertainties of the Transaction that can materially influence the Issuer s activity

1.2.1 Risks or uncertainties related to the Transaction

Following the transaction, Eni will dispose of its regulated businesses in the Italian gas sector. This is a risk factor to the Company as those businesses, by their very nature, have

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ensured stable results and cash flow over time. Management believes that the changed business portfolio of Eni with greater exposure to the activity of exploration and production of hydrocarbons, will make ENI Group results of operations and cash flow more strictly correlated to the business cycle and volatility in oil and other energy commodity prices.

Moreover, management believes that following the divestment of the regulated gas businesses the ENI business portfolio will become more comparable to other major integrated international oil companies. This may increase the attractiveness of the ENI share to those investors who are interested to have full exposure to the oil sector as opposed to the ENI business portfolio before the Transaction, which was characterized by the significant weight of its utility component.

1.2.2 Risks associated with the preparation of pro-forma financial statements

The Section 4 of the Disclosure Statement, presents the pro-forma consolidated balance sheet at 31 December 2011 and the pro-forma consolidated income statement at 31 December 2011 of ENI, and the related explanatory notes (the "**Pro-Forma Consolidated Financial Statements**"). The Pro-Forma Consolidated Financial Statements have been prepared to represent the principal effects of the Transaction. In particular, the Pro-Forma Consolidated Financial Statements, which have been reviewed by the Eni s public independent accounting firm Reconta Ernst & Young S.p.A., which issued its report on 6 June 2012, have been prepared to furnish on the basis of accounting policies consistent with those adopted by the Issuer to prepare its statutory financial reporting in compliance with applicable laws and regulations, the principal effects of the Transaction on the assets, liabilities, economic and financial position of the ENI Group, as if it had taken place: (*i*) on 31 December 2011, with respect to balance sheet; and (*ii*) on 1 January 2011, with respect to profit and loss.

Since pro-forma data are prepared to retroactively reflect the effects of subsequent transactions due to close in subsequent reporting periods, they are subject to certain limits notwithstanding compliance with commonly accepted accounting rules and use of reasonable assumptions. Therefore, please note that: (*i*) given that such pro-forma financial statements are based on assumption, the pro-forma results and equity do not necessarily correspond with those which would have actually and finally been determined in the event that the Transaction and the relevant economic and capital effects were actually incurred at the dates taken as references for the preparation of the pro-forma figures; (*ii*) the pro-forma financial statements do not reflect the changed prospects of the Issuer, insofar as they were prepared in such a way as to only represent the identifiable and reliably measurable effects of the Transaction and the related financial and economic transactions, without taking into account the potential effects which can be associated with revised management s plans and policies and operational decision following the Transaction.

Furthermore, considering the different purposes of the pro-forma financial statements with regard to the historic financial statements and the different methods used to calculate the effects of the Transaction and the related financial and economic transactions with regard to the balance sheet and the profit and loss account, investors are urged to review the Pro-

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Forma Consolidated Financial Statements, without seeking accounting relationships between the pro-forma profit and loss account and the pro-forma balance sheet. Lastly, investors may want to consider that the Pro-Forma Consolidated Financial Statements do not intend to represent a forecast of the future results of the ENI Group; consequently, investors shall not use those pro-forma statements for financial projection purpose.

2. INFORMATION ON THE TRANSACTION

2.1 Summary description of the terms and conditions of the Transaction

As announced to the market on 30 May 2012 and illustrated hereinabove, the Transaction implements the provisions of Article 1, paragraph 1 and 2, of the DPCM, which mandates Eni to dispose of no less than 25.1% (twenty-five point one per cent) of the share capital of SNAM in favour of CDP by means of a direct sale transaction, also in one or more tranches.

In this context, ENI and CDP have entered into a binding preliminary agreement (the "**Term Sheet**") that describes the principal terms of the Transaction and principal conditions for negotiating and making a purchase and sale agreement to complete and execute the sale by ENI to CDP of 30% less one share of the voting shares of SNAM (the "**Agreement**").

The parties have agreed on a fixed price of Euro 3.47 per share. The total consideration, Euro 3,517,158,969.08, shall be paid by CDP in three tranches, in the amounts and by the dates specified in subsection 2.1.2 hereunder. From the Closing Date to the date of payment, interest will accrue at rates in line with the prevailing market conditions on the tranches after the first tranche.

The Closing of the Transaction, which may occur on or after 15 October 2012, is expected to take place by the end of 2012, and is subject to certain conditions precedent including, in particular, antitrust approval.

2.1.1 Description of the company target of the Transaction

The target company of the Transaction is SNAM S.p.A., with registered office at Piazza Santa Barbara no. 7, San Donato Milanese (MI), fully subscribed and paid-in share capital of Euro 3,571,187,994, represented by 3,571,187,994 ordinary shares having a par value of Euro 1.00, entered in the Milan Companies Register with Tax Identification Number ("*codice fiscale*") 13271380159.

Pursuant to Article 10 of the Legislative Decree no. 93 of 1 June 2011 the company complies with the provisions of the so-called "Independent Transmission Operator" (ITO) set forth by chapter IV of the Directive 2009173/EC of 13 July 2006. In relation to this, on 5 December 2011 and effective from 1 January 2012 the following was resolved: (*i*) the change of the name from "Snam Rete Gas S.p.A." to "Snam S.p.A." of the company which owns 100% of the share capital of the four companies responsible for operation and development of natural gas transport, regasification, storage and distribution activities (Snam Rete Gas S.p.A., GNL Italia S.p.A., Stogit S.p.A. and Italgas S.p.A.); (*ii*) the contribution of the

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"transport, dispatch, remote control and metering of natural gas" going concern to a new company that has taken the name of Snam Rete Gas S.p.A. as at 1 January 2012.

The target company of the Transaction operates almost all of the Italian natural gas transport network, the re-gasification terminal at Panigaglia, an extensive local distribution network, and storage deposits and related facilities.

Italian transport activity

As a result of their nature as public utilities, transport and re-gasification activities are regulated by the Authority for Electricity and Gas ("**AEEG**") which sets tariffs and determines the terms and conditions for access to the provided services, the technical quality of the services, the method used to calculate rates, and the return on invested capital. This renders transport a low-risk business capable of delivering stable returns.

Snam Rete Gas S.p.A. (a fully-owned subsidiary of SNAM) is the principal natural gas transport operator in Italy, with 32,010 kilometres of pipelines on national territory (about 94% of the entire national transport system).

SNAM s network includes:

- a 9,080 kilometre long national transport network, mainly composed of large diameter high-pressure trunk lines that carry natural gas from the system entry points import lines and the principal Italian natural gas fields to the interconnection points with regional transport networks and storage sites. Natural gas from outside Italy is fed onto the national pipeline network at seven entry points, which are located at the interconnections with import pipelines (Tarvisio, Gorizia, Passo Gries, Mazara del Vallo and Gela) and the LNG regasification terminals (Panigaglia and Cavarzere); and

- a 22,930 kilometre long regional transport network, made of pipelines whose diameter and operating pressure are generally lower than those on the national network. The regional pipeline network moves natural gas in limited areas, generally within a single region, supplying gas to industrial and thermoelectric customers and urban gas distribution networks.

The SNAM transport system is served by: (*i*) eleven compressor stations with a total power of 883.7 MW, used to increase gas pressure in pipelines to the level required for its flow; (*ii*) four marine terminals linking offshore pipelines with onshore pipelines located at Mazara del Vallo (Province of Trapani), Messina, Favazzina (Province of Reggio Calabria) and Palmi (Province of Reggio Calabria). Snam Rete Gas S.p.A. manages 22 interconnection and dispatching nodes and 568 plants areas containing pressure reduction and regulation units on the Italian transport network. These plants are used to regulate natural gas flows over the national network and interconnect pipelines operating at different pressures. Snam Rete Gas S.p.A. dispatches natural gas from an operating central that remotely monitors and controls operations on the transport network.

Regasification

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SNAM owns the LNG regasification terminal located at Panigaglia (Province of La Spezia, Liguria) through its subsidiary GNL Italia S.p.A. This terminal can re-gasify 17,500 cubic metres of LNG per day. Consequently, it can feed over 3.5 billion cubic meters of natural gas per year onto the Italian transport network when operating at full capacity.

Distribution

Distribution involves the transportation of natural gas through local networks that normally operate at low pressure to residential, commercial and small industrial customers in urban contexts. Through Italgas S.p.A. and other subsidiaries, SNAM distributes natural gas in 1,330 towns and cities over approximately 50,300 kilometres of pipelines, supplying 5.9 million customers with 7.64 billion cubic metres of natural gas in 2011. Just like transport and regasification, distribution activity as well, being a public utility, is regulated by the AEEG, which determines, *inter alia*, the methods used to calculate tariffs and return on invested capital. Gas distribution activities are operated under concession agreements whereby local public administrations award the service of gas distribution. In accordance with the provisions of the relevant legislation, natural gas distribution concessions will no longer be issued by individual municipalities but exclusively by the multi-municipality minimum geographical areas (known as "Ambiti Territoriali Minimi - ATEM", or local areas).

Storage

SNAM operates natural gas storage in Italy under concession arrangements through Stogit S.p.A. Storage services are provided through eight operating concessions, with an aggregate modulation capacity of 10 billion cubic metres. Four of these concessions are located in Lombardia (Brugherio, Ripalta, Sergnano and Settala), three in Emilia-Romagna (Cortemaggiore, Minerbio and Sabbioncello) and one in Abruzzo (Fiume Treste). These storage sites consist in gas fields previously utilised for the production of natural gas that have been adequately converted with proper infrastructure and facilities linking them to the national network. Gas is injected into and subsequently drawn from this storage system in compliance with the technical and operating constraints at each site.

Follows the illustration of the SNAM Group s structure at the date of this Disclosure Document.

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Additional information is available on the company s website www.snam.it.

2.1.2 Terms and conditions of the Transaction

Purpose of the Transaction

The purpose of the Transaction is the sale by ENI to CDP of no. 1,013,590,481 (one billion thirteen million five hundred ninety thousand four hundred eighty-one) shares, or the other number of SNAM shares representing 30% less one share of the voting shares of SNAM at the Closing Date (the "**Shares**")[2].

Transfer of property of the Shares will be made in full and in a single instance on the Closing Date, upon payment of the consideration pursuant to the terms and conditions set out hereunder.

Consideration

ENI and CDP have agreed to a price of Euro 3.47 (three point forty-seven) per share and, therefore, a total of Euro 3,517,158,969.08 (three billion five hundred seventeen million one hundred fifty-eight thousand nine hundred sixty-nine point zero eight), currently relating to no. 1,013,590,481 shares (the "**Consideration**").

The Consideration shall be paid by CDP in three tranches, in the amounts and by the due dates set out hereunder:

(2) At the date of the Disclosure Document, the voting share capital of SNAM is represented by no. 3,378,634,943 shares.

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(i) the first tranche of Euro 1,758,579,484.54 (one billion seven hundred fifty-eight million five hundred seventy-nine thousand four hundred eighty-four point five four), to be paid at the Closing Date;

(ii) the second tranche of Euro 879,289,742.27 (eight hundred seventy-nine million two hundred eighty-nine thousand seven hundred forty-two point two seven), to be paid by 31 December 2012; and

(iii) the third tranche, for the balance of the consideration owed, in the amount of Euro 879,289,742.27 (eight hundred seventy-nine million two hundred eighty-nine thousand seven hundred forty-two point two seven), to be paid by 31 May 2013,

without prejudice to the possibility for CDP to anticipate the payment of the tranches with respect to the dates indicated above.

From the Closing Date to the date of payment, interest will accrue at rates in line with the prevailing market conditions on the tranches that mature after the first tranche.

Should SNAM distribute dividends and/or reserves after issuance of the DPCM, the portion of these amounts attributable to the Shares shall be returned by ENI to CDP at the Closing Date.

Principal terms and conditions of the Agreement

ENI and CDP agreed to implement the Agreement no later than 15 June 2012. The Agreement shall reflect the terms and conditions agreed in the Term Sheet and provide for the customary clauses used in transactions consisting in the transfer of controlling equity interests in listed companies.

The Agreement shall also contain certain representations and warranties made by ENI in respect of ENI itself (including, *inter alia*, those concerning the full and exclusive property of the Shares, the temporary exercise of the rights pertaining to the Shares, and the achievement by ENI of all authorisations necessary for it to transfer the Shares). Moreover, the Agreement shall provide a series of warranties concerning SNAM as defined by ENI and CDP in the Term Sheet, concerning, *inter alia*, the 2011 consolidated financial annual report, pending litigation, the agreements and the infra-group relationships and the absence of change of control clauses in agreements or concessions additional to those which are available to CDP.

Property of the Shares shall be transferred and the first tranche of the total consideration shall be paid (the "**Closing**") on the later of the following dates (the "**Closing Date**"): (*i*) 15 October 2012 or (*ii*) within five business days after satisfaction of the last of the conditions precedent set out at sub-indents (a), (b) and (c) hereunder, without prejudice to the provisions of sub-indent (a) hereunder and on the assumption that the circumstances envisaged under sub-indent (d) shall not have occurred by the Closing Date.

The Closing of the Transaction is conditional upon the satisfaction of the following conditions precedent:

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(a) issuance of the authorisations or approvals necessary to execute the Closing pursuant to antitrust law and the other regulatory provisions governing the transfer of Shares itself, it remaining understood that the fulfillment of the obligations related to the transfer of ownership pursuant to the combined provisions of Article 15 of Law Decree no. 1 of 24 January 2012 (converted into Law no. 27 of 24 March 2012) and Article 19 of Legislative Decree no. 93 of 1 June 2011, in relation to the Transaction shall not constitute a condition for the Closing, and the antitrust approvals shall be deemed granted even if they are conditional upon the implementation of measures and/or remedies of a structural or other nature. It is also understood that if, after giving notice of the combination, antitrust approval has not been granted on the basis of the foregoing by 15 December 2012, notwithstanding satisfaction of the other conditions precedent for Closing of the Transaction, ENI and CDP unless the Antitrust Authority ("Autorità Garante della Concorrenza e del Mercato") has issued a suspension order pursuant to Article 17 of Law no. 287/1990 or the European Commission has the prerogative of examining the combination they will still be obligated to execute the Closing by 31 December 2012. If the aforementioned approval is specifically denied, this condition shall be considered unfulfilled and the Agreement shall be deemed definitively cancelled and in any event unenforceable;

(b) resignation of the three directors on the SNAM Board of Directors who are employees of ENI and designated by ENI itself, after CDP grants them full indemnity with the exception of fraud and/or gross negligence, and subsequent co-optation, pursuant to Article 2386 of the Italian Civil Code, of three directors designated by CDP; and

(c) failure by the relevant institutions, entities or authorities to adopt or publish legislative, administrative or judicial acts or measures intended or such to preclude or limit, either wholly or partially, even on a transitional basis, the possibility of executing the Transaction at the terms and conditions set out in the Term Sheet.

Since the Board of Directors of SNAM convened the Extraordinary Shareholders' Meeting for 30 and 31 July 2012 (respectively, in first, second and third call), the Closing of the Transaction is subject to the approval by the Shareholders' Meeting of SNAM, by and no later than 1 August 2012, of a resolution concerning the cancellation of all the treasury shares held, with the exception of those used in the stock option plans.

Finally, ENI and CDP committed to negotiate in good faith for a reasonable amendment of the terms and conditions of the Agreement should certain extraordinary and unforeseeable events occur between the execution date of the Agreement and the Closing date such as to cause an exceptional and enduring alteration in the financial markets as a whole or cause prejudice to the infrastructure owned by SNAM and/or its subsidiaries.

2.1.3 Criteria for determining the consideration of the Transaction and evaluations on its fairness in relation to market values for similar transactions

Determination of the consideration of the Shares

As previously mentioned, the agreed amount of the Consideration is Euro 3.47 (three point four seven) per share and, therefore, a total of Euro 3,517,158,969.08 (three billion five hundred seventeen million one hundred fifty-eight thousand nine hundred sixty-nine point

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zero eight), to be paid by CDP in three tranches, for the amounts and at the due dates specified in subsection 2.1.2 hereinabove.

From the Closing Date to the date of payment, interest will accrue at rates in line with the prevailing market conditions on the tranches after the first tranche.

Should SNAM distribute dividends and/or reserves after issuance of the DPCM, the portion of these amounts attributable to the Shares shall be returned by ENI to CDP at the Closing Date.

Mediobanca S.p.A. ("**Mediobanca**") and Morgan Stanley Bank International Limited, Milan Branch ("**Morgan Stanley**"), acting as advisors, have issued, on request of the Company, a fairness opinion on the fairness of the consideration agreed for the sale of the Shares. Complete copies of the fairness opinions that have been independently prepared and issued by the advisors, Mediobanca and Morgan Stanley, are attached to this Disclosure Statement as Appendix "B" and Appendix "C". Reference is made here to their contents for a more detailed understanding of what is illustrated below.

In turn, the Internal Control Committee decided at its 22 May 2012 meeting to rely on the assistance of an independent expert, Rothschild S.p.A. ("**Rothschild**") in relation to the sale of the Shares by ENI to CDP for its evaluation pursuant to the Company Procedure.

To this end, the Internal Control Committee has asked the Company, in accordance with the provisions of the Procedure governing the transmission of information, to send Rothschild the documents necessary for preparation of its own fairness opinion on the consideration for sale of the Shares.

Appraisal methods

In the performance of their engagement consisting in the evaluation of the fairness, from a financial perspective, of the consideration for sale of the Shares, the advisors Mediobanca and Morgan Stanley (jointly referred to as the "**Advisors**") and the independent expert Rothschild have applied different appraisal methods that are normally used in best practices both inside and outside Italy.

The results that each of the Advisors and the independent expert have separately reached, by applying the methods indicated below, are briefly summarised here for illustrative purposes only.

The fairness opinions issued by the Mediobanca and Morgan Stanley Advisors on 30 May 2012 are attached to this Disclosure Document as respectively Appendix "B" and Appendix "C".

The fairness opinion issued by Rothschild, the independent expert appointed by the Internal Control Committee on 29 May 2012 is attached to this Disclosure Document as Appendix "D".

Appraisal methods used by Mediobanca

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Mediobanca has adopted the following as its principal appraisal methods: (*i*) observations of Stock Exchange Prices for SNAM stock and (*ii*) the Discounted Cash Flow ("DCF") method. Mediobanca has also adopted the following control methods: (*i*) the Market Multiples Method and (*ii*) the Comparable Transactions Method.

The method based on observation of Stock Market Prices has been applied taking into account the official price of SNAM stock at 25 May 2012, the date on which the DPCM was published, and the weighted average values for the daily volumes of the official price of SNAM stock calculated on the basis of one, three and six month time horizons prior to the DPCM publication date (inclusive). The surveyed stock prices, as applicable, have been adjusted to reflect payment of Euro 0.14 on 21 May 2012 for the balance of the ordinary dividend on 2011 net profit. Consequently, the estimated share price range for SNAM common stock lies between Euro 3.19 and Euro 3.37.

As to the application of the DCF method, carried out by Mediobanca, the analysis has led to the estimate of a share price range per SNAM share comprised between Euro 3.24 and Euro 3.56.

Mediobanca has also analysed the price-to-earnings multiples of comparable listed companies operating in the European regulated utilities sector to verify the principal methods indicated hereinabove. When applying this method, Mediobanca has estimated a share price range per SNAM share comprised between Euro 2.82 and Euro 3.02.

As an additional verification methodology, Mediobanca has also analysed the implicit multiples for transactions completed in Europe concerning the transfer of the controlling stake in similar sectors as those of SNAM, with regard to type of activity and risk profile. When applying this method, Mediobanca has estimated a share price range per SNAM share comprised between Euro 3.15 and Euro 3.74.

Appraisal methods used by Morgan Stanley

Morgan Stanley has adopted the Discounted Cash Flow ("DCF") method as its principal appraisal method and as verification methods (*i*) the analysis of the market prices of SNAM common stock for the periods prior to 25 May 2012, (*ii*) the market multiples for companies comparable to SNAM, (*iii*) the multiples of recent similar transactions, and (*iv*) the examination of the target price indicated in research published by analysts covering SNAM stock.

When applying the DCF method, Morgan Stanley has estimated a share price range per SNAM share comprised between Euro 3.18 and Euro 3.61.

The market price analysis is based on observation of the weighted average volumes of official prices for SNAM common stock during the periods prior to 25 May 2012 (date of the DPCM publication), inclusive. The surveyed stock prices, as applicable, have been adjusted to reflect payment of Euro 0.14 on 21 May 2012 for the balance of the ordinary dividend on 2011 net profit.

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This analysis reported the following values: (*i*) official price of Euro 3.19 per share as at 25 May 2012 ; (*ii*) average of Euro 3.27 per share at one month; (*iii*) average of Euro 3.37 per share at three months, and (*iv*) average of Euro 3.32 per share at six months.

As another control method, Morgan Stanley has analysed the market multiples of listed companies operating in the regulated utilities sector that are most comparable to SNAM.

When applying this method, Morgan Stanley has estimated a share price range per SNAM share comprised between Euro 2.82 and Euro 3.33.

Moreover, when using these control methods, Morgan Stanley has also analysed the implicit multiples in selected merger and acquisition transactions involving companies operating in the European regulated utilities sector since 2008.

When applying this method, Morgan Stanley has estimated a share price range per SNAM share comprised between Euro 3.11 and Euro 3.75.

Finally, as an additional verification parameter, Morgan Stanley has analysed the target prices indicated in research published between 14 February 2012 and 21 May 2012 by financial analysts that track SNAM stock. This analysis has indicated a target price range between Euro 3.40 and Euro 4.30.

Appraisal methods used by Rothschild

Rothschild has used the Discounted Unlevered Cash Flow ("DCF") method as its principal appraisal method. Furthermore, it has used SNAM stock prices prior to publication of the DPCM, the current market multiples for companies comparable to SNAM, the multiples of recent comparable transactions, and the value of SNAM infrastructure recognised by the regulator as verification methods.

Rothschild has performed analysis based on the Business Plan when applying its principal appraisal method (DCF) in order to calculate the present value of discounted operating cash flows. When applying this method, Rothschild has estimated a share price range per SNAM share comprised between Euro 3.10 (three point one zero) and Euro 3.43 (three point four three).

As its first control method, Rothschild analysed SNAM stock prices during the twelve months prior to publication of the DPCM, determining the following weighted averages for SNAM price volumes in different periods: (*i*) Euro 3.37 (three point three seven) at twelve months, (*ii*) Euro 3.31 (three point three one) at six months, (*iii*) Euro 3.36 (three point three six) at three months, and (*iv*) Euro 3.26 (three point two six) at one month.

As another control method, Rothschild has examined certain listed companies operating in the regulated gas transport and electricity infrastructure sector considered to be most comparable with SNAM, applying the EV/RAB, EV/EBITDA and P/E multiples derived from these analyses to the relevant financial figures of SNAM. When applying this method, Rothschild has estimated a share price range per SNAM share comprised between Euro 2.91 (two point nine one) and Euro 3.43 (three point four three).

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Rothschild has examined the public financial data of companies involved in recent mergers and acquisitions in the European gas infrastructure sector as an additional verification method, applying the EV/RAB multiple deriving from this analysis to the RAB (regulatory asset base) of SNAM. When applying this method, Rothschild has estimated a share price range per SNAM share comprised between Euro 2.79 (two point seven nine) and Euro 3.37 (three point three seven).

Finally, Rothschild has also analysed the RAB value recognised by the Italian regulator, by calculating the value of equity linked to RAB ("Equity RAB"). Application of this method has resulted in an estimate of Euro 3.17 (three point one seven) for Equity RAB.

2.1.4 Allocation of the sale proceeds

The Issuer intends to use the proceeds of the Transaction to reduce net borrowings thus strengthening the balance sheet. The strengthened financial position of ENI and a business portfolio more consistent with that of other integrated major oil companies following the divestment of the regulated gas activities will underpin the Issuer s cash requirements in the ordinary course of the business, considering the Issuer s plans to invest material amounts of funds in the research and production of hydrocarbons in future years.

2.2 Reasons, purpose and benefits of the Transaction

As mentioned in the introduction and communicated to the market on 30 May 2012, the Transaction implements the provisions of Article 1, paragraph 1 and 2, of the DPCM.

The DPCM was issued pursuant to Article 15 of Law Decree no. 1 of 24 January 2012, converted with amendments as Law no. 27 of 24 March 2012, entitled "*Urgent Measures for Competition, Infrastructure and Competitiveness,*" pursuant to which *"In order to introduce full independence of regulated transport, storage, regasification and distribution services from other competing activities in the energy sector, the rules, terms and conditions followed by SNAM S.p.A. are regulated by decree of the President of the Council of Ministers, as proposed by the Minister of Economic Development, in concert with the Minister of Economic Affairs and Finance, after consulting with the Electric Power and Gas Authority* ["Autorità per l energia elettrica e il gas"], *to be issued by 31 May 2012, for adoption within eighteen months after the conversion law of this decree enters into force, of the divestiture plan envisaged in Article 19 of Legislative Decree 93 of 1 June 2011, issued in implementation of Directive 2009/73/EC*."

In financial terms, the arm s length cash sale will allow ENI to record a gain on its investment and improve its financial flexibility. Furthermore, the loss of control over SNAM and consequent deconsolidation of its finance debt will further improve the net financial position of ENI and related debt ratio, bringing it in line with competitor and helping to strengthen the ENI balance sheet in view of its previously announced growth strategies.

The Advisors have confirmed the fairness of the Consideration. As illustrated in more detail in subsection 2.1.3 hereinabove.

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2.2.1 Reasons for the Transaction, particularly with regard to the Issuer s operating objectives

As illustrated hereinabove, the Transaction is intended to implement the statutory measures indicated in subsection 2.2. Consequently, ENI will concentrate on its other businesses after selling the Shares.

2.3 Relations with SNAM and CDP

2.3.1 Related Parties involved in the Transaction

At the date of this Disclosure Statement, ENI is subject to the de facto control of MEF, which holds a direct shareholding of 3.934% and an indirect shareholding, through the CDP, of 26.369%, which is controlled in turn by MEF through its 70% shareholding in CDP.

Consequently, the counterparty CDP is a related party of ENI in the Transaction pursuant to Article 2(a) (i) and (ii) of the Procedure adopted by the Company, insofar as it holds a stake in ENI that allows for a significant influence on the latter at the date of this Disclosure Statement, as well as being subject, with ENI, to the MEF s common control.

According to the Consob Regulation and the Procedure adopted by the Company, the Transaction is a transaction with related parties of greater importance, as it is above the relevant thresholds applied to sale transactions pursuant to the Procedure.

2.3.2 Relevant relationships maintained by the Issuer either directly or indirectly through its subsidiaries, with the company target of the Transaction and existing at the time the Transaction is completed

At the date of this Disclosure Statement, the Company is a party to relevant agreements with SNAM and its subsidiaries, which become effective, are amended or terminated in the event of a change of control. In particular:

- short-term loans granted by ENI to SNAM which, as at 31 December 2011, amount in aggregate to approximately Euro 2,787 million;

- guaranties issued in the interest of SNAM and its subsidiaries by ENI or by banks having recourse against ENI itself, which, as at 31 December 2011, amount in aggregate to approximately Euro 85 million;

- medium-long term loans granted by ENI to SNAM which, as at 31 December 2011, amount in aggregate to approximately Euro 8,412 million;

- Interest Rate Swaps (IRS) of SNAM with ENI, whose nominal value, as at 31 December 2011, amounts in aggregate to approximately Euro 6,435 million.

Other agreements concern: (*i*) the provision of services by the Issuer for which, in the event of a change in control, SNAM might have to seek other counterparties to provide those services; and (*ii*) the terms and conditions to implement the Legislative Decree no. 130 issued on 13 August 2010 aiming at increasing competition in the natural gas market.

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The commercial transactions between ENI and SNAM mainly concern natural gas transport, regasification, distribution and storage services furnished by SNAM, which will continue to be operated by SNAM pursuant to the terms of applicable laws and regulations and as reflected in the existing contractual agreements today in force.

For further details refer to the 2011 Annual Report of Snam S.p.A. Notes to the consolidated financial statements.

2.3.3 Relevant relationships and agreements between the Issuer, its subsidiaries, the executives[3] and members of the board of directors of the Issuer and the entity to which the Shares are sold

At the date of this Disclosure Statement, based on the declarations made by the persons to whom this may concern, there are no relationships nor relevant agreements between ENI, its subsidiaries, the managers and the members of the board of directors of ENI, on one side and CDP, on the other side.

2.3.4 Impact of the Transaction on the remuneration of members of the board of directors of the Company and/or of its subsidiaries

The Transaction does not trigger any change in the compensation of members of the board of directors of ENI nor of any of its subsidiaries.

2.3.5 Members of the board of directors and board of statutory auditors, general managers and executives of the Company parties to the Transaction (if any)

No members of the board of directors and board of statutory auditors, general managers and executives of the Company are involved in the Transaction as related parties.

2.3.6 Procedure for approval of the Transaction

Activity of the ENI Internal Control Committee

Article 5 of the Company Procedure envisages that the Internal Control Committee or one or more of its members delegated by that committee be involved in the negotiations and document review of transactions of greater importance through the receipt of complete and prompt information, with the right to request information and make comments to the delegated bodies and persons authorised to conduct negotiations or document review.

Moreover, Article 5 of the Procedure envisages that the transactions of greater importance with related parties be approved by the Company Board of Directors, after obtaining a favourable opinion from the Internal Control Committee, which must give its opinion on the Company s interest in carrying out the Transaction, as well as the convenience and substantial correctness of its conditions.

Relying on the organisational resources of the Issuer, the Committee, wholly composed of independent and non-related directors, has selected an adequately independent and professional expert to assist the Committee in assessing the Transaction.

(3) Defined as the managers with strategic responsibilities.

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The process of selecting an expert unrelated to ENI or to the Transaction counterparty pursuant to transparent and non-discriminatory criteria led to three companies being invited to submit a bid for the engagement and a concurrent statement on any potential conflicts of interest. The conflict of interest statement issued in compliance with the provisions of Annex 4 of the Consob Regulation envisages that the following be indicated: (*i*) any economic, equity and financial relationships with the ENI Group, the MEF, companies subject to common control and CDP itself; (*ii*) any economic, equity and financial relationships with the directors of the companies specified in item (*i*); (*iii*) any conflicts of interest that might compromise their independence in giving the fairness opinion. Such three companies have also been required to undertake not to accept other engagements that might trigger a conflict of interest with the engagement from the Internal Control Committee for 60 days after issuing their fairness opinion (the "cooling off period").

The bids received were opened in the presence of representatives of the Issuer and the Committee, after having examined the bids and held separate meetings with the candidates, unanimously decided on 22 May 2012 to grant Rothschild the engagement based on the following reasons: (*i*) detailed knowledge of the sector and the parties involved in the Transaction (ENI, SNAM and CDP); (*ii*) previous work as financial advisor on behalf of the Committee.

The independent expert selected by the Committee attended the negotiations with the counterparty, acquiring all evidence and documentation as necessary to discharge its mandate.

The independent expert, Rothschild, issued its reasoned opinion on 29 May 2012, attesting to the financial fairness for ENI of the consideration offered by CDP for the sale of the SNAM shares. That opinion is attached to this Disclosure Statement as Appendix "D".

On the same day, in compliance with the provisions of Article 5 of the Procedure, (*i*) having acknowledged that the Transaction satisfies the provisions of the DPCM, issued pursuant to Article 15 of Law Decree no. 1/2012, which requires ENI to sell no less than 25.1% of the share capital of SNAM to the CDP in one or more tranches through direct negotiations; (*ii*) having examined the opinion issued by the independent expert on the financial fairness of the Transaction, and (*iii*) on the basis of the information subsequently acquired by the independent expert Rothschild and the Company during the course of negotiations, the Internal Control Committee unanimously issued its opinion on the interest of ENI in concluding the Transaction and on convenience and substantial correctness of its conditions. That opinion is attached to this Disclosure Statement as Appendix "A".

Approval of the Transaction by the ENI Board of Directors

During the meeting of 30 May 2012, the Board of Directors, having received the favourable opinion of the Internal Control Committee concerning the interest of the Company to complete the Transaction, and concerning the convenience and substantial correctness of the relevant terms and conditions, unanimously approved the transfer to CDP of a shareholding of SNAM equal to 30% minus one share at the price of Euro 3.47 per share, according to the terms and modalities specified in the Term Sheet and the additional documentation submitted, as well as with respect to the provisions set out in the DPCM,

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delegating to the Chief Executive Officer the necessary managing powers for the finalization of the sale and purchase agreement and any other agreements, acts and documents relating or functional to the Transaction.

2.4 Documents available to the public and places where they may be consulted

This Disclosure Statement and its Appendices are published at the registered office of ENI, Piazzale Enrico Mattei no. 1, Rome, on the Issuer s website www.eni.com, in the sections "Publications", "Investor Relation" and "Governance" and on the website of Borsa Italiana S.p.A. (www.borsaitaliana.it).

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3. ECONOMIC AND CAPITAL IMPACTS OF THE TRANSACTION

3.1 Economic and capital effects of the Transaction

The sale of the Shares qualifies as a transaction of greater importance between related parties pursuant to the Consob Regulation and the Procedure adopted by the Company, insofar as the considered Transaction exceeds the relevant threshold of 5% applicable to disposals (i.e. the consideration and asset thresholds), specifically in regard to the fact that:

the relevant consideration threshold stands at 5.5%, on the basis of the ratio of the consideration to be paid for the Transaction and the market capitalization of ENI at 31 March 2012;

the relevant assets threshold stands at about 15%, on the basis of the ratio between the total assets of SNAM and the total assets of ENI.

Reference is made to Section 4 for an illustration of the operating and equity effects of the Transaction on profit and loss, assets and liabilities and financing.

3.1.1 If, pursuant to Article 5, paragraph 2, of the Consob Regulation, the significance of the Transaction stems from the combination of several transactions carried out during the year with the same related party, or with parties related both to the latter and to the Company, the information given hereinabove must refer to all such transactions

This hypothesis does not apply to the Transaction.

3.2 Significant effects of the Transaction on key factors that influence and characterise the Issuer s activity, and the type of business performed by the Issuer

The Issuer will exit the regulated activities of the gas business (transport, re-gasification, distribution and storage) once the Closing occurs. These activities represent an autonomous business unit, being subject to regulation by an independent body, the AEEG, and geographically concentrated in Italy.

ENI will continue supplying and selling natural gas inside and outside Italy and generating and selling electric power through its *Gas & Power Division.* ENI will continue using the natural gas transport, re-gasification, distribution and storage services provided by SNAM.

The results of the Gas & Power Division will be more exposed to the volatility of energy commodity prices, changes in demand and competitive pressure. Additional effects of the Transaction on the ENI business portfolio are described in Section 1, subsection 1.2 "*Risks or uncertainties stemming from the Transaction that can materially condition the Issuer s activity*".

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3.3 Possible impacts of the Transaction on the strategies pursued in the commercial, financial and centralised service relationships between ENI Group companies

The transaction in question has no implications for the commercial relations between ENI and SNAM, with specific regard to the provision of transport, regasification, distribution and storage of natural gas, which will continue to be provided pursuant to the terms set forth by the applicable law and reflected in the existing contractual agreements.

Moreover, the companies that operate transport, distribution, storage and LNG activities have been functionally separate from gas production and sale activities since 2008, pursuant to AEEG Resolution no. 11/07. In addition, clauses have been added to the bylaws of these companies in view of fulfilling the objectives of neutrality, non-discrimination and efficiency in the management of infrastructure and commercially sensitive information. The "Independent Transmission Operator" (ITO) model envisaged in the Third European Directive was enacted in Italian law in 2011. Although maintaining control of the companies that operate transport activities and own distribution networks is allowed under that model, it guarantees the decision-making and functional independence of the transporters.

Following the Transaction, ENI will no longer provide SNAM and its subsidiaries with financial services (i.e. short and medium or long-term financing, interest rate swaps and guarantees).

The strategic plan 2012-2015, announced to the market in March 2012, does not specify objectives in reference to SNAM and its subsidiaries, insofar as it is based on the guidelines of growing profitable oil and gas production in the upstream, strengthening market leadership in the European gas market, improving downstream oil efficiency, refocusing petrochemical operations and retaining top spots among the best-in-class engineering and construction players in the most technologically advanced segments.

The strategic plan 2012-2015 calls for capital expenditure of Euro 59.6 billion which, excluding the contribution of SNAM, is reduced by Euro 6.2 billion (to Euro 53.4 billion). Furthermore, the Transaction involves a significant improvement in Group leverage (ratio of net borrowings and shareholders equity) compared with what is indicated in the strategic plan as the target for 2015.

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4. CONSOLIDATED PRO-FORMA FINANCIAL STATEMENTS OF THE ISSUER

4.1 Introduction

The pro-forma consolidated balance sheet and profit and loss account (the "**Pro-Forma Consolidated Financial Statements**") of ENI as of 31 December 2011 and for the year then ended and the related explanatory notes that also include the pro-forma reclassified consolidated balance sheet, are presented in this section. These Pro-Forma Consolidated Financial Statements retroactively apply the effects of the Transaction and the financial transactions related or consequent to it.

On the basis of the International Financial Reporting Standards ("IFRSs"), the Transaction involves: (*i*) the loss of control by ENI over SNAM and its deconsolidation; (*ii*) the recognition of its residual equity interest at its market value (at the date of the loss of control) and its classification as an available-for-sale asset by virtue of its being a "financial investment"[4].

The Pro-Forma Consolidated Financial Statements have been prepared on the basis of the Issuer s consolidated financial statements for the year ended 31 December 2011 (the "Consolidated Financial Statements 2011") included in the Annual Report 2011, by applying the pro-forma adjustments reflecting the impacts of the Transaction and the financial transactions related or consequent to it, as illustrated hereunder.

The Consolidated Financial Statements 2011 were audited by Reconta Ernst & Young S.p.A., which issued its report on 4 April 2012.

Reference is made to notes 1, 2 and 3 in the Section "Consolidated Financial Statements" of the Annual Report 2011 for a description of the recognition and measurement criteria applied in preparing the Consolidated Financial Statements 2011.

The Pro-Forma Consolidated Financial Statements are presented on the basis of the presentation format used in the Annual Report 2011. The pro-forma reclassified consolidated balance sheet, which is derived from the Consolidated Financial Statements 2011, is presented by using the same reclassified format used in the Operating and Financial Review of the Annual Report 2011.

The pro-forma consolidated data have been determined by making the appropriate pro-forma adjustments to the historic values of the Consolidated Financial Statements 2011 to reflect retroactively the significant effects of the Transaction and their consequent impact on the balance sheet and profit and loss account.

On the basis of the instructions set out in Consob Notice no. DEM/1052803 of 5 July 2011, the pro-forma adjustments have been made by adopting the general rule whereby any transactions reflected in the balance sheet amounts are assumed to have been occurred at the end of the reference period (31 December 2011), while those reflected in the profit and

(4) In particular, pursuant to the provisions of Article 2 of the DPCM, after ENI loses control over SNAM, the equity stakes held by ENI in SNAM are subject to the limitations on their shareholder rights as set out in the ownership unbundling model pursuant to Legislative Decree no. 93/2011. In this regard, the retained shareholding is qualified as a financial investment.

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loss account are assumed to have occurred at the beginning of the reference period (1 January 2011).

Pro-forma financial statements are furnished to assist investors and market participants in assessing the continuing effects of the Transaction on the operating performance and financial position of the Issuer. *Inter alia*, these effects improve the leverage (ratio of net debt and shareholders equity of the Group and non-controlling interests), since the loss of control by ENI over SNAM triggers: (*i*) the early repayment of ENI financing receivables due from SNAM, thus reducing Eni s consolidated net borrowings, and (*ii*) the increase in shareholders equity of ENI due to the gains recorded on divesting a shareholding in Snam and revaluing the residual shareholding.

The pro-forma amounts do not reflect perspective data, insofar as they were prepared in such a way as to only represent the identifiable and reliably measurable effects of the Transaction and the related economic and capital impacts, without taking into account the potential effects which can be associated with revised management s plans and policies and operational decisions following the Transaction.

The Pro-Forma Consolidated Financial Statements of ENI indicated hereunder show:

the consolidated balance sheet at 31 December 2011 and the consolidated profit and loss account for the year ended at 31 December 2011 in the first column ("ENI Consolidated Financial Statements 2011");

deconsolidation of the SNAM group and, for the balance sheet, recognition of the net equity of the Snam Group attributable to ENI in the line item "Other investments" in the second column ("Snam Deconsolidation");

balances and revenues and expenses deriving from transactions between the ENI Group and the SNAM group, which are eliminated in the 2011 Consolidated Financial Statements as intercompany transactions, in the third column ("Intercompany transactions");

the capital and economic impacts of the sale in the fourth column ("Effects of the Transaction");

the Pro-Forma Consolidated Balance Sheet as of 31 December 2011 and the Pro-forma Consolidated Profit and Loss Account for the year ended 31 December 2011 resulting from the sum of the adjustments reported in the previous columns in the fifth column ("Eni Pro-Forma Consolidated Financial Statements 2011") .

By their very nature, the pro-forma amounts only offer a limited view of the perspective results of operations and capital structure of the Issuer, since pro-forma data are prepared to give a retroactive view of the effects of transactions due to close in subsequent reporting periods, notwithstanding compliance with commonly accepted accounting rules and use of reasonable assumptions.

Investors are urged to consider the following issues in order to proper assess the information provided by the pro-forma financial statements:

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since these pro-forma financial statements have been prepared based on certain assumptions, the pro-forma amounts do not necessarily coincide with those that would have been effectively determined on a final basis if the Transaction and its impact on the balance sheet and profit and loss account had actually occurred at the reference dates used to prepare the pro-forma data;

the pro-forma data do not reflect the changed outlook of the Issuer, as they were prepared in such a way as to only represent the identifiable and reliably measurable effects of the Transaction and the related impacts on the profit and loss and the balance sheet, without taking into account the potential effects which can be associated with revised management s plans and policies and operational decisions following the Transaction.

Furthermore, considering the different purposes of the pro-forma figures compared to the purposes of the historic financial statements and the different methods used to calculate the effects of the Transaction and the related impacts with regard to the balance sheet and the profit and loss account, investors are urged to separately review the Pro-Forma Consolidated Financial Statements without seeking accounting relationships between the pro-forma profit and loss account and the pro-forma balance sheet.

Lastly, investors may want to consider that the Pro-Forma Consolidated Financial Statements do not intend to represent a forecast of the future results of the ENI Group; consequently, investors shall not use these pro-forma statements for financial projection purposes.

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4.2 Pro-forma Consolidated Balance Sheet

(Euro million)	Eni Consolidated Financial Statements 2011	Pro-forma adjustments: Snam Deconsolidation	Pro-forma adjustments: Intercompany transactions	Pro-forma adjustments: Effects of the Transaction	Eni Pro-Forma Consolidated Financial Statements 2011
ASSETS					
Current assets					
Cash and cash equivalents	1,500	(2)	1	3,517	5,016
Other financial assets held for trading or available for sale	262				262
Trade and other receivables	24,595	(1,509)	11,869		34,955
Inventories	7,575	(207)			7,368
Current tax assets	549	(37)	34		546
Other current tax assets	1,388	(10)	5		1,383
Other current assets	2,326	(38)	331		2,619
	38,195	**(1,803)**	**12,240**	**3,517**	**52,149**
Non-current assets					
Property, plant and equipment	73,578	(12,016)			61,562
Inventory - compulsory stock	2,433	(149)			2,284
Intangible assets	10,950	(4,094)			6,856
Equity-accounted investments	5,843	(384)			5,459
Other investments	399	2,465		476	3,340
Other financial assets	1,578				1,578
Deferred tax assets	5,514	(555)			4,959
Other non-current receivables	4,225	(107)	62		4,180
	104,520	**(14,840)**	**62**	**476**	**90,218**
Assets held for sale	**230**				**230**
TOTAL ASSETS	**142,945**	**(16,643)**	**12,302**	**3,993**	**142,597**
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Short-term debt	4,459	(2,787)	2,788		4,460
Current portion of long-term debt	2,036	(1,612)	1,612		2,036
Trade and other payables	22,912	(1,319)	709		22,302
Income taxes payable	2,092	(193)	18	128	2,045
Other taxes payable	1,896	(25)	9		1,880
Other current liabilities	2,237	(136)	270		2,371
	35,632	**(6,072)**	**5,406**	**128**	**35,094**
Non-current liabilities					
Long-term debt	23,102	(6,801)	6,800		23,101
Provisions for contingencies	12,735	(527)			12,208

Provisions for employee benefits	1,039	(107)			932
Deferred tax liabilities	7,120	(457)		22	6,685
Other non-current liabilities	2,900	(949)	96		2,047
	46,896	**(8,841)**	**6,896**	**22**	**44,973**
Liabilities directly associated with assets held for sale	**24**				**24**
TOTAL LIABILITIES	**82,552**	**(14,913)**	**12,302**	**150**	**80,091**
SHAREHOLDERS' EQUITY					
Non-controlling interest	**4,921**	**(1,730)**			**3,191**
Eni shareholders' equity:					
Share capital	4,005				4,005
Reserve related to the fair value of cash flow hedging derivatives net of tax effect	49				49
Other reserves and net profit	60,055			3,843	63,898
Treasury shares	(6,753)				(6,753)
Interim dividend	(1,884)				(1,884)
Total Eni shareholders' equity	**55,472**			**3,843**	**59,315**
TOTAL SHAREHOLDERS' EQUITY	**60,393**	**(1,730)**		**3,843**	**62,506**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**142,945**	**(16,643)**	**12,302**	**3,993**	**142,597**

4.2.1 Snam Deconsolidation

The column "Snam Deconsolidation" represents the exclusion of the Snam group, consolidated on a line-by-line basis at 31 December 2011, from consolidation of the ENI

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Group, and consequent recognition of the net equity of the Snam Group attributable to ENI within the line item "Other investments" for Euro 2,465 million. The reported amounts represent the SNAM group as a stand alone entity, and thus include transactions with both third parties and the ENI Group companies, as well as the other adjustments made upon consolidation of SNAM in ENI[5].

4.2.2 Intercompany transactions

The third column of the pro-forma consolidated balance sheet at 31 December 2011, labelled "Intercompany transactions," includes balances for intercompany transactions between the ENI Group and the SNAM group, which were eliminated upon preparation of the Annual Report 2011 being intercompany transactions. Due to the SNAM deconsolidation, such transactions have been considered third-party transactions.

The most significant pro-forma adjustment is represented by the increase in "Trade and other receivables" for Euro 11,869 million, consisting mainly of financing receivables granted by ENI to SNAM amounting to Euro 11,199 million (eliminated as intercompany balance from the consolidated financial statements of the ENI Group at 31 December 2011). These financial receivables and related financial instruments amounting to Euro 259 million have been classified as current because the current financing agreements between ENI and SNAM call for early repayment in case ENI cease to control SNAM. Moreover, the line items "Short-term debt" for Euro 2,787 million, "Current portion of long-term debt" for Euro 1,612 million, "Long-term debt" for Euro 6,800 million represent the restoration of Snam Group financing payables due to ENI at 31 December 2011, eliminated upon consolidation within the ENI Group and reported in the column "Snam Deconsolidation".

4.2.3 Effects of the Transaction

The column "Effects of the Transaction" includes the effects on equity of the sale to CDP of 30% less 1 share of the voting shares capital of SNAM:

the change in the line item "Other reserves and net profit" regard the gain net of taxes, in the amount of Euro 2,102 million calculated as the difference between the consideration for the Transaction, amounting to Euro 3,517 million reported in the line item "Cash and cash equivalents", and the book value of the corresponding portion of the net equity of the SNAM group attributable to ENI that is being sold, amounting to Euro 1,332 million. The tax effect associated with the gain is reported in the line item "Income taxes payable," in the amount of Euro 83 million, calculated as the difference between the consideration for the Transaction and the tax base of the sold shareholding in SNAM;

(5) In order to present the SNAM group as a stand alone entity, the net equity recorded within the line item "Other investments" (Euro 2,465 million) must not be considered. This amount represents Eni s net interest in the SNAM group before the effects of the Transaction.

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the increase in the book value of the residual shareholding in SNAM for Euro 1,808 million, reported in the line item "Other reserves and net profit" for Euro 1,741 million net of the related tax effect reported in the line items "Income taxes payable" for Euro 45 million and "Deferred tax liabilities" for Euro 22 million. This increase in the book value of the residual shareholding in SNAM was recorded pursuant to the applicable international reporting standards, which require that in case of loss of control over an investee with retention of a non-controlling interest the book value of that residual interest be stated at its fair value. This fair value represents the new carrying amount of the residual interest retained and the basis for subsequent application of the applicable measurement criteria. The increase in the value of the residual shareholding retained in SNAM was calculated by considering the market price of SNAM shares at 31 December 2011, i.e. Euro 3.41 per share.

Consequently, the change in the line item "Other investments", totalling Euro 476 million, is the difference between the revaluation of the residual shareholding in SNAM (Euro 1,808 million) and the book value of the portion of net equity of the SNAM group attributable to ENI that is being sold (Euro 1,332 million).

The tax effect associated with the gain on disposal and revaluation of the residual shareholding reflects the "Participation Exemption" treatment of SNAM, whereby these gains are taxed at the IRES (corporate income tax) rate of 38% within the limit of 5% of their amount.

The total effect of the aforementioned pro-forma adjustments to shareholders equity is an increase of Euro 3,843 million.

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4.3 Pro-forma Consolidated Profit and Loss Account

(Euro million)	Eni Consolidated Financial Statements 2011	Pro-forma adjustments: Snam Deconsolidation	Pro-forma adjustments: Intercompany transactions	Pro-forma adjustments: Effects of the Transaction	Eni Pro-Forma Consolidated Financial Statements 2011
REVENUES					
Net sales from operations	109,589	(3,590)	2,086		108,085
Other income and revenues	933	(71)	69		931
Total revenues	**110,522**	**(3,661)**	**2,155**		**109,016**
OPERATING EXPENSES					
Purchases, services and other	79,191	(699)	2,155		80,647
Payroll and related costs	4,749	(345)			4,404
OTHER OPERATING (CHARGE) INCOME	**171**				**171**
DEPRECIATION, DEPLETION, AMORTIZATION AND IMPAIRMENTS	**9,318**	**(533)**			**8,785**
OPERATING PROFIT	**17,435**	**(2,084)**			**15,351**
FINANCE INCOME (EXPENSE)					
Finance income	6,379	(4)	261		6,636
Finance expense	(7,396)	248	(261)	114	(7,295)
Derivative financial instruments	(112)	253			141
	(1,129)	**497**		**114**	**(518)**
INCOME (EXPENSE) FROM INVESTMENTS					
Share of profit (loss) of equity-accounted investments	544	(44)			500
Other gain (loss) from investments	1,627	(4)			1,623
	2,171	**(48)**			**2,123**
Profit before income taxes	**18,477**	**(1,635)**		**114**	**16,956**
Income taxes	(10,674)	771		(43)	(9,946)
Net profit	**7,803**	**(864)**		**71**	**7,010**
Attributable to:					
- Eni's shareholders	**6,860**	**(479)**		**71**	**6,452**
- Non-controlling interest	943	(385)			558
	7,803	**(864)**		**71**	**7,010**

Earnings per share attributable to Eni's shareholders (Euro per share)				
Basic	1.89	(0.13)	0.02	1.78
Diluted	1.89	(0.13)	0.02	1.78

4.3.1 Snam Deconsolidation

As previously illustrated in subsection 4.2.1, the column "Snam Deconsolidation" represents exclusion of the SNAM group, previously consolidated on a line-by-line basis in 2011, from the scope of consolidation of the ENI Group.

4.3.2 Intercompany transactions

When preparing the pro-forma consolidated profit and loss account for the year ended 31 December 2011, the pro-forma adjustments pertaining to the economic effects of intercompany transactions between the ENI Group and the SNAM group have been restored and reported in the column "Intercompany transactions," although only for those activities that are expected to continue after the Transaction. The economic effects of these transactions had been eliminated upon consolidation of ENI Group results, while they are restored in the pro-forma consolidated financial statements, because they are considered third-party transactions.

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The pro-forma adjustments are illustrated as follows:

The change in "Net sales from operations," totalling Euro 2,086 million, includes:

- Euro 1,692 million for restoring such revenues of the SNAM group mainly arising from the supply of natural gas transport, re-gasification, storage and distribution services to the ENI Group companies. Those revenues are regulated by the tariffs set by an independent Italian body, the AEEG. These revenues were eliminated during consolidation of ENI Group results, but are included in the "Snam Deconsolidation" column where, analogously to what has been indicated in the pro-forma balance sheet, the amounts associated with the transactions of SNAM as an independent entity are reported;

- Euro 394 million for restoring such revenues of the ENI Group mainly arising from the supply of natural gas to the SNAM group.

The line item "Purchases, services and other," totalling Euro 2,155 million, mainly consists of the costs incurred by the ENI Group for purchasing natural gas transport, storage, re-gasification and distribution services from the SNAM group. Those transactions between the ENI Group and the SNAM group are expected to continue pursuant to the terms of applicable laws and regulations and as reflected in the existing contractual agreements.

The line item "Financial income," totalling Euro 261 million, includes the interest income accrued by the ENI Group from the SNAM group in 2011, arising from the current financing arrangements described hereinabove. The item "Financial expense", totalling Euro 261 million, represents restoration of the SNAM group interest expense due to the ENI Group that were eliminated upon consolidation within the ENI Group, and is reported in the column "SNAM Deconsolidation".

4.3.3 Effects of the Transaction

The column "Effects of the Transaction" includes the on-going economic effects of sale of the shareholding in SNAM and, in particular, the Euro 114 million decrease in financial expense, arising from interest income earned on investing the cash consideration collected by ENI for the Transaction. It has been assumed that the cash consideration be collected effective as at 1 January 2011, thus increasing the line item "Cash and cash equivalents" of the Eni Group. The interest income reported in the pro-forma adjustments was calculated at the weighted average cost of Euro-denominated loans to the Eni Group, amounting to 3.24% for 2011.

The Euro 43 million tax effect associated with the above-mentioned pro-forma adjustment to finance expense derives from a higher taxable income due to the decrease in financial expense to which the statutory tax rate has been applied.

It is worth mentioning that when preparing the Pro-Forma Consolidated Profit and Loss Account 2011 that the deconsolidation of SNAM has carried no impact on the determination of the ENI Group tax liability, since the residual activities in Italy reported positive taxable income in Italy notwithstanding the elimination of the SNAM income taxes when determining Group income tax liability under national tax consolidation rules.

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The Pro-forma Profit and Loss Account for the year ended 31 December 2011 reports a Euro 408 million reduction in net profit attributable to ENI, resulting from the elimination of the contribution made by the SNAM group (Euro 479 million) to ENI net profit, which is partly offset by the Euro 71 million (net of the related tax effect) positive effect due to lower financial expense stemming from the using the cash collected on the sale consideration.

Moreover, pursuant to the rules for preparation of pro-forma data, as established in Consob Notice no. DEM/1052803 of 5 July 2001, the negative pro-forma economic effect on net profit, in the amount of Euro 793 million, does not reflect the Euro 2,102 million gain on the sale (net of the related tax effect) and revaluation of the residual shareholding of Euro 1,741 million (net of the related tax effect), insofar as they are one-off components of the Transaction that will be recognised in the profit and loss account for the period when the Transaction will be executed

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4.4 Pro-forma Reclassified Consolidated Balance Sheet

(Euro million)	Eni Consolidated Financial Statements 2011	Pro-forma adjustments: Snam Deconsolidation	Pro-forma adjustments: Intercompany transactions	Pro-forma adjustments: Effects of the Transaction	Eni Pro-Forma Consolidated Financial Statements 2011
Fixed assets					
Property, plant and equipment	73,578	(12,016)			61,562
Inventory - Compulsory stock	2,433	(149)			2,284
Intangible assets	10,950	(4,094)			6,856
Equity-accounted investments and other investments	6,242	2,081		476	8,799
Receivables and securities held for operating purposes	1,740	(2)			1,738
Net payables related to capital expenditures	(1,576)	445	(73)		(1,204)
	93,367	**(13,735)**	**(73)**	**476**	**80,035**
Net working capital					
Inventories	7,575	(207)			7,368
Trade receivables	17,709	(1,370)	530		16,869
Trade payables	(13,436)	559	(510)		(13,387)
Tax payables and provisions for net deferred tax liabilities	(3,503)	72	(15)	(150)	(3,596)
Provisions	(12,735)	527			(12,208)
Other current assets and liabilities	281	1,119	68		1,468
	(4,109)	**700**	**73**	**(150)**	**(3,486)**
Provisions for employee post-retirement benefits	**(1,039)**	**107**			**(932)**
Net assets held for sale including related liabilities	**206**				**206**
Capital Employed, net	**88,425**	**(12,928)**		**326**	**75,823**
Eni shareholders' equity	55,472			3,843	59,315
Non-controlling interest	4,921	(1,730)			3,191
Shareholders' equity	**60,393**	**(1,730)**		**3,843**	**62,506**
Total debt	29,597	(11,200)	11,200		29,597
Cash and cash equivalents	(1,500)	2	(1)	(3,517)	(5,016)
Securities held for non-operating purposes	(37)				(37)
Financing receivables for non-operating purposes	(28)		(11,199)		(11,227)
Net borrowings	**28,032**	**(11,198)**		**(3,517)**	**13,317**
Total liabilities and shareholders' equity	**88,425**	**(12,928)**		**326**	**75,823**

Leverage	**0.46**	**6.47**			**0.21**

The pro-forma reclassified consolidated balance sheet is shown below to present a summary of:

the financing receivables of ENI towards SNAM for outstanding intercompany loans totalling Euro 11,199 million. Note that, given their classification as current assets, those financing receivables have been reported as a reduction in Eni consolidated net borrowings consistently with the guideline for disclosing the net financial position established by CONSOB in Notice no. DEM/6064293 of 28 July 2006, which

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implements the recommendations of the "Committee of European Securities Regulators" (CESR) of February 2005;

the reduction of ENI Group net borrowings resulting from receipt of the consideration for the Transaction, totalling Euro 3,517 million;

the change in leverage from the Annual Report 2011 figure of 0.46 to the pro-forma amount of 0.21.

4.4.1Assumptions for elaboration of pro-forma data

The accounting standards used to prepare the Pro-Forma Consolidated Financial Statements are the same used to prepare the Consolidated Financial Statements at 31 December 2011 of the ENI Group, i.e. the IFRSs endorsed by the European Commission.

Considering that the Transaction entails the loss of control by ENI over SNAM and its deconsolidation, the assumptions used to prepare the pro-forma balance sheet and profit and loss account are illustrated as follows:

the financial receivables of ENI towards SNAM for outstanding intercompany loans, totalling Euro 11,199 million, have been classified as current because, on the basis of existing agreements, it is expected that they will be repaid early due to the loss of control of ENI over SNAM;

the residual shareholding retained in SNAM is classified among other investments under non-current assets as "available-for-sale financial asset", insofar as it is considered to be a financial investment pursuant to Article 2 of the DPCM;

the transactions between ENI and SNAM mainly pertaining to the supply by SNAM of natural gas transport, storage, re-gasification and distribution services, are expected to continue pursuant to the terms of applicable laws and regulations and as reflected in the existing contractual agreements;

the pro-forma net profit does not include income and expenses related to the provision of headquartered services from Eni to Snam as those services did not have any impact on profit and loss. The relevant lines of business which provided such services were contribute by ENI to SNAM in the course of 2011. As for those centralised services that were not contributed, and which are expected to be discontinued, it is assumed that there will be a corresponding reduction in internal costs of the ENI Group. However, those non-contributed services were immaterial to the operations of both ENI and SNAM;

the reduction reported in financial expense was due to the use of the cash resulting from sale of the shares to CDP to reduce Group net borrowings; the corresponding benefit was calculated at the weighted average cost of Euro-denominated loans to the Eni Group, amounting to 3.24% for 2011 (net of the related tax effect which was calculated by using the statutory tax rate); the deconsolidation of SNAM had no impact when determining the ENI Group tax liability, since the residual activities in Italy reported positive taxable income in Italy notwithstanding elimination of the

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SNAM income taxes when determining Group income tax liability under national tax consolidation rules;

the tax rate used to calculate the tax effects resulting from the pro-forma adjustments was the rate effective as at 31 December 2011, also considering the windfall tax levied on energy companies pursuant to Law no. 7 of 6 February 2009 and Article 81, paragraphs 16 to 18 of Decree Law no. 112 of 25 June 2008, as provided by Decree Law no. 138 of 13 August 2011.

4.5 Historic and pro-forma ratios per share of the ENI Group

		Consolidated Financial Statements 2011	Pro-forma Data
Earnings per share	(Euro/share)	1.89	1.78

The earnings per share are calculated as ratio of the net profit attributable to ENI on a consolidated basis and the average number of outstanding shares in 2011, equal to 3,622.6 million and unchanged in calculation of the pro-forma indicator. The earning per share falls from the Euro 1.89 per share reported in the Consolidated Financial Statements 2011 to Euro 1.78 per share in the Pro-forma Profit and Loss Account due to deconsolidation of the net profit attributable to SNAM (-Euro 0.11 per share).

		Consolidated Financial Statements 2011	Pro-forma Data
Cash flow per share	(Euro/share)	4.73	4.36

The cash flow per share is calculated as ratio of the consolidated net profit plus amortization charges and the average number of outstanding shares in 2011, equal to 3,622.6 million and unchanged in calculation of the pro-forma indicator. The cash flow per share falls from the Euro 4.73 per share reported in the Consolidated Financial Statements 2011 to Euro 4.36 per share in the Pro-forma Profit and Loss Account due to deconsolidation of the cash flow attributable to SNAM (-Euro 0.37 per share).

4.6 Comparative capital ratios of the historic consolidated financial statements and the pro-forma financial statements at 31 December 2011

Leverage

Leverage (ratio of net borrowings and shareholders equity attributable to the Group and non-controlling interests see glossary):

Consolidated Financial Statements 2011	Pro-forma Data
0.46	0.21

The reduction of leverage from 0.46 reported in the ENI Annual Report at 31 December 2011 to the pro-forma value of 0.21 is due to the deconsolidation of the net borrowings of SNAM, totalling Euro 11,198 million at 31 December 2011, to which corresponds financing receivables for the same amount reported by ENI towards SNAM in the pro-forma financial statements. Considering the current nature of this financing receivables, insofar

as the

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existing agreements provide for early repayment if ENI cease to control SNAM, the Issuer has classified those receivables as reduction of its net borrowings, consistently with the guideline on net financial position established by Consob in Notice no. DEM/6064293 of 28 July 2006, which implements the recommendations of the "Committee of European Securities Regulators" (CESR) of February 2005. The leverage also benefits from the increase in shareholders equity attributable to ENI due to the gains resulting from the Transaction.

ROACE

ROACE (Return on Average Capital Employed, which is the ratio of after-tax profit before financial expense and average net capital employed between the beginning and the end of the period see glossary):

Consolidated Financial Statements 2011	Pro-forma Data
9.7%	10.4%

ROACE increases from 9.7% as reported in the ENI Annual Report at 31 December 2011 to the pro-forma value of 10.4% due to the changed composition of ENI businesses, whereby on one hand the Exploration & Production Division increases its relative weight on the ENI Group capital employed, benefiting from higher-than average returns compared to other ENI Group businesses in the current phase of the economic cycle. On the other hand, the ENI Group pro-forma ROACE is benefiting from the divestment of a capital intensive business characterised by regulated returns that are generally lower than the average for the ENI Group.

Glossary

1.	ROACE
1.1	ROACE is the principal indicator of the return on invested capital used by ENI at the consolidated level. This indicator is obtained as the ratio between the "unlevered" net profit and the average net capital employed during the selected reporting period.
1.2	The unlevered consolidated net profit is obtained from the consolidated net profit (attributable to the Group and non-controlling interests), excluding financial income and expenses net of the related tax effect as determined on a conventional basis with the statutory Italian rate.
1.3	The average net capital employed is calculated as the subtotal of the net employed capital at the beginning of the period and the end of the period.
2.	Net borrowings and leverage
2.1	Net borrowings are calculated in accordance with the principles defined in Consob Notice no. DEM/6064293 of 28 July 2006.

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2.2 In particular, the sum of short-term debt and long-term debt is reduced: (i) by the amount of cash and cash equivalents (i.e. cash and financial assets payable within 90 days); (ii) by the amount of short-term financial receivables and financial instruments not used in operations, which reflect the temporary investment of cash surpluses (financial receivables, financial instruments, etc.) or strictly related to financial payables.

2.3 Leverage represents the principal indicator used by ENI management to measure Group financial position and financial solidity. It is obtained from the exact ratio (end of period values) between net borrowings and consolidated shareholders equity (sum of the shareholders equity attributable to ENI and to non-controlling interests).

4.7 Auditors examination report on the pro-forma consolidated financial data

The examination report of the auditors Reconta Ernst & Young S.p.A. concerning the pro-forma consolidated financial data and the reasonableness of the assumptions used in their preparation, the proper application of the methods applied, as well as the proper accounting principles used in the preparation of such pro-forma data, is attached to this Disclosure Document (as Appendix "E").

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5. BUSINESS OUTLOOK FOR THE ISSUER AND ITS GROUP

5.1 Guidance on trends in the operating performance of the Issuer since the end of the financial year of reference for its last published annual report

In the first quarter of the 2012 ENI Group reported year-on-year growth of 16.3% in net sales from operations, which rose from Euro 28,779 million for the quarter at 31 March 2011, to Euro 33,475 million for the quarter at 31 March 2012. This increase mainly reflected realizations on oil, products and natural gas in dollar terms.

The operating profit of the first quarter of 2012 amounted to Euro 6,834 million in the first quarter of 2012, up Euro 1,196 million (+21.2%) from Euro 5,638 million reported in the first quarter of 2011. This increase was mainly attributable:

(i) to the Gas & Power Division (+63.2%, from Euro 910 million in the first quarter of 2011, to Euro 1,485 million in the first quarter of 2012). The significant increase in the result reflects the economic benefits of renegotiated gas supply contracts, certain of which are effective retroactively to 1 January 2011, and improved supply mix due to the recovery of Libyan supplies;

(ii) to the Exploration & Production Division (+24%, from Euro 4,106 million in the first quarter of 2011, to Euro 5,090 million in the first quarter of 2012). The positive performance was driven by a robust oil environment (12.9% the increase in the benchmark Brent crude price) and the ongoing recovery in Libyan activities.

In the first quarter of 2012, the ENI Group net profit rose by 42%, from Euro 2,547 million in the first quarter of 2011 to Euro 3,617 million in the first quarter of 2012. The result was driven by an improved operating performance as well as by an extraordinary gain amounting to Euro 835 million recorded on Eni s interest in Galp. This was recognized in connection with a capital increase made by Galp s subsidiary Petrogal whereby a new shareholder, Sinopec, subscribed its share by contributing a cash amount fairly in excess of the net book value of the interest acquired. These positive factors were partially offset by higher net finance and exchange rate charges (down Euro 207 million) due to an increased average net finance debt, and fair value losses recorded on certain derivatives on interest rates which did not meet the formal criteria for hedging accounting provided by IAS39. Net profit was also impacted by higher income taxes (down Euro 833 million) reflecting higher taxable profit. However, the Group reported tax rate decreased by approximately one percentage point reflecting the aforementioned extraordinary gain on the Galp interests which was a non taxable item, partly offset by a higher share of taxable profit reported by subsidiaries of the Exploration & Production Division which incurred higher-than average tax rates as well as a changed tax regime for certain Italian subsidiaries as a result of the Italian budget laws enacted in August 2011 which increased by 4 percentage points to 10.5% the Italian windfall tax levied on energy companies (the so-called Robin Tax) and enlarged its scope to include gas transport and distribution companies (an overall amount of Euro 89 million).

At 31 March 2012, net borrowings of the ENI Group totalled Euro 27,426 million, down by Euro 606 million from 31 December 2011 (when they were Euro 28,032 million). The

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debt/equity ratio, including non-controlling interests (leverage) was 0.43 at 31 March 2012 (0.46 at 31 December 2011).

For further information regarding the trend of the first quarter of 2012, please refer to the 2012 First Quarter Results, available on the Company s website www.eni.com, in the section "Publications".

5.2 Reasonable earnings forecast for the current year

The outlook for 2012 is characterised by signs of a continuing economic slowdown, particularly in the euro-zone, and volatile market conditions. International oil prices will be supported by robust demand growth from China and other emerging economies, as well as ongoing geopolitical risks and uncertainties, partly offset by a recovery in the Libyan output. For short-term financial projections, Eni assumes a full-year average price of $113 a barrel for the Brent crude benchmark. Recovery perspectives look poor in the gas sector with gas demand expected to be soft due to slow economic activity and increasing competition from renewables; while the marketplace is well supplied. Against this backdrop, management expects ongoing margin pressures to continue in 2012 and reduced sales opportunities due to rising competition. Management foresees the persistence of a depressed trading environment in the European refining business. Refining margins are anticipated to remain at unprofitable levels due to high costs of oil supplies, sluggish demand and excess capacity. In this context, key volume trends for the year are expected to be the following:

- **Production of liquids and natural gas**: production is expected to grow compared to 2011 (in 2011 hydrocarbons production was reported at 1.58 million boe/d) driven by a progressive recovery in the Company s Libyan output to achieve the pre-crisis level, coming fully online by the second half of 2012. Excluding this important development, management still sees a moderate growth trajectory in production, boosted by new field start-ups at certain large projects in Algeria and offshore Angola and the joint gas development in Siberia. These increases will be partially offset by mature field declines and the impact of the shutdown of the Elgin-Franklin platform in the British section of the North Sea;

- **Worldwide gas sales**: management expects natural gas sales to be roughly in line with 2011 (in 2011, worldwide gas sales were reported at 96.76 bcm and included sales of both consolidated subsidiaries and equity-accounted entities, as well as upstream direct sales in the US and the North Sea). Against the backdrop of widespread weakness in demand, management is targeting to boost sales volumes and market share in Italy and to retain and develop its retail customer base; outside Italy the main engines of growth will be sales expansion in the key markets of France, Germany/Austria and Turkey and opportunities in the Far East. Management intends to leverage on an improved cost position due to the benefits of contract renegotiations, integration of recently-acquired assets in core European markets, development of the commercial offer through a multi-Country platform, and service excellence. Management is also planning to enhance trading activities to draw value from existing assets;

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- **Refining throughputs on Eni s account**: management foresees refinery processed volumes to be in line with 2011 (in 2011 refining throughputs on our own account were reported at 31.96 million tonnes) in response to a negative trading environment. Management is planning to pursue process optimization measures by improving yields, cycle integration and flexibility, as well as efficiency gains by cutting fixed and logistics costs and energy savings in order to reduce the business exposure to the market volatility and achieve immediate benefits on the profit and loss. Enhancement of oil trading activities will help expand industrial margins;

- **Retail sales of refined products in Italy and the rest of Europe**: management foresees retail sales volumes declining from 2011 levels (in 2011, retail sales volumes in Italy and rest of Europe were reported at 11.37 million tonnes) dragged down by an expected sharp contraction in the domestic consumption of fuels. In Italy where a new wave of liberalization promises to spur competition, management intends to preserve the Company s market share by leveraging marketing initiatives tailored to customers needs, the strength of the Eni brand targeting to complete the rebranding of the network, the development of non-oil activities and an excellent service. Outside Italy, the Company will grow selectively targeting stable volumes on the whole;

- **Engineering & Construction**: the profitability outlook for this business remains bright due to an established competitive position and a robust order backlog.

For the full year 2012, management expects a capital budget almost in line with 2011 (in 2011 capital expenditure amounted to Euro 13.44 billion, while expenditures incurred in joint venture initiatives and other investments amounted to Euro 0.36 billion). Management plans to continue spending on exploration to appraise the mineral potential of recent discoveries (Mozambique, Norway, Ghana and Indonesia) and investing large amounts in developing growing areas and maintaining field plateaus in mature basins. Other investment initiatives will target the completion of the EST project in the refining business, and the strengthening selected petrochemical plants. The ratio of net borrowings to total equity leverage is projected to improve from the level achieved at the end of 2011 assuming a Brent price of $113/barrel and the effects of the Transaction.

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STATEMENT OF THE MANAGER CHARGED WITH PREPARING THE COMPANY S FINANCIAL REPORTS

The undersigned Alessandro Bernini in his quality as manager responsible for the preparation of the company s financial reports, pursuant to Article 154-bis, paragraph 2, of Legislative Decree no. 58 of 24 February 1998, certify that data and information contained in this Disclosure Statement, different from the pro-forma figures, correspond to the Company s evidence and accounting books and entries.

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APPENDICES

Appendix "A" Opinion of the Internal Control Committee of Eni S.p.A. issued on 29 May 2012.

Appendix "B" Fairness opinion of Mediobanca S.p.A. on the adequacy of the consideration for the transfer by Eni S.p.A. of the shareholding equal to 30% minus one share of the voting share capital of Snam S.p.A..

Appendix "C" Fairness opinion of Morgan Stanley Bank International Limited, Milan Branch on the adequacy of the consideration for the transfer by Eni S.p.A. of the shareholding equal to 30% minus one share of the voting share capital of Snam S.p.A..

Appendix "D" Fairness opinion of Rothschild S.p.A. in support of the Internal Control Committee on the adequacy of the consideration for the transfer by Eni S.p.A. of the shareholding equal to 30% minus one share of the voting share capital of Snam S.p.A..

Appendix "E" Report of the auditing company on the pro-forma consolidated economic and financial figures.

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