

**3/30/10
LUNCH &
LEARN:
ALASKA'S
OFFSHORE,
MEGA
PROMISE....**

Alaska's Offshore

Mega Promise

Mega Uncertainty

House Resources - Lunch & Learn

March 30, 2010

Cam Toohey, Shell

Alaska Government Affairs Manager

**Draft Proposed Program
2007 - 2012
Outer Continental Shelf
Alaska Planning Areas**

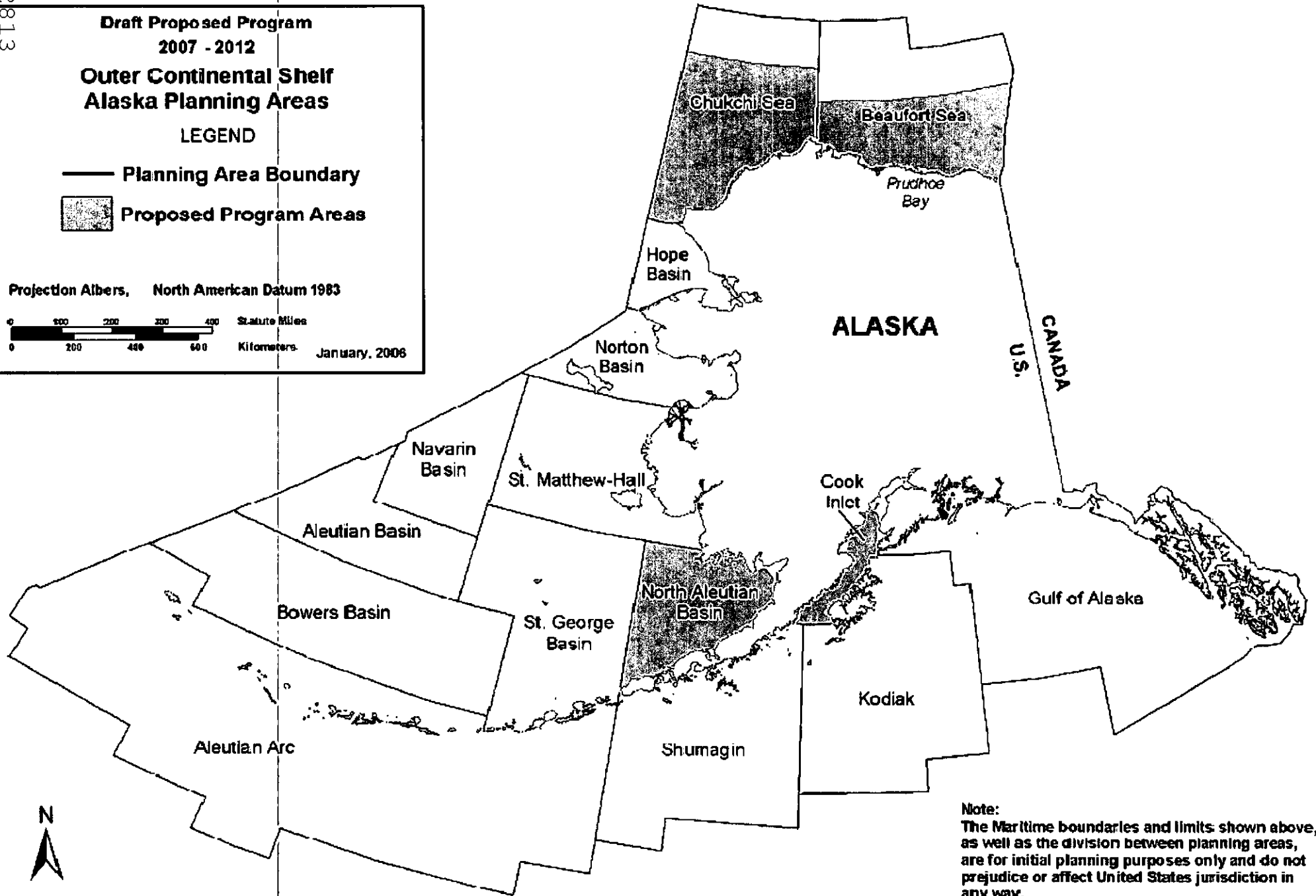
LEGEND

-  Planning Area Boundary
-  Proposed Program Areas

Projection Albers, North American Datum 1983



January, 2006

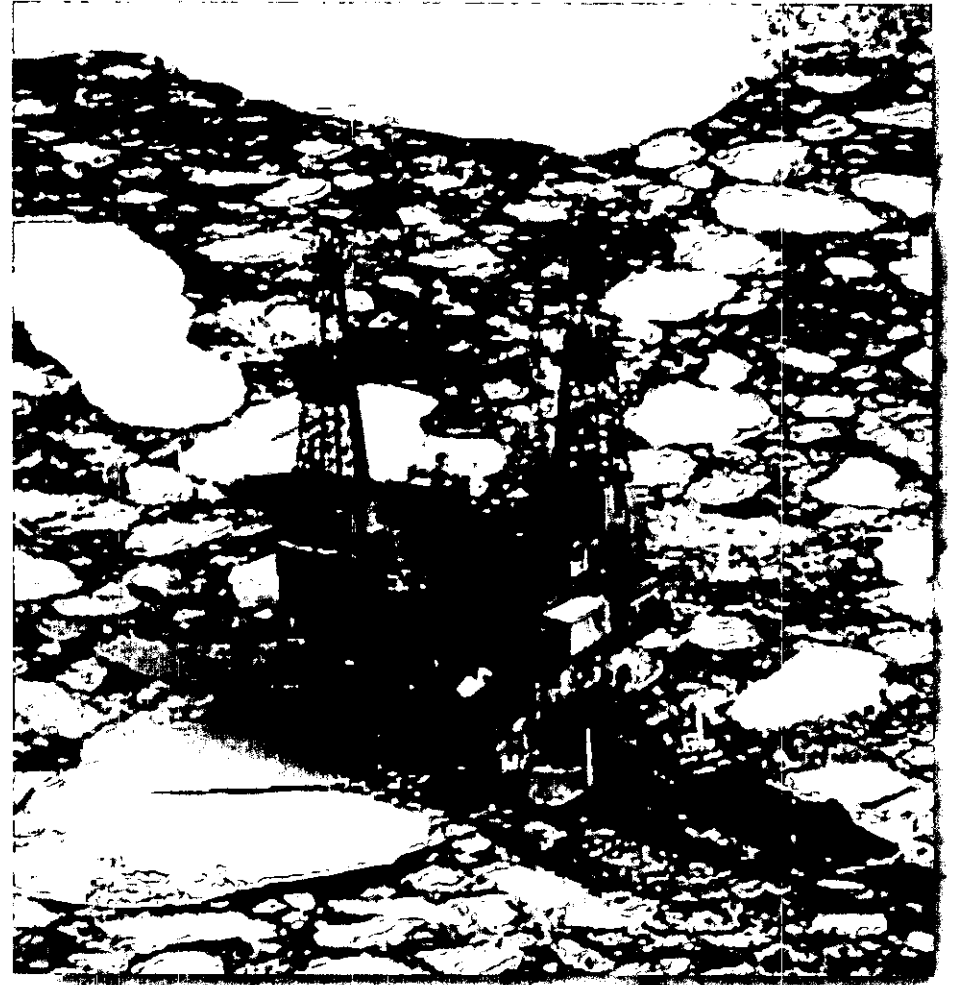


Note:
The Maritime boundaries and limits shown above, as well as the division between planning areas, are for initial planning purposes only and do not prejudice or affect United States jurisdiction in any way.

Alaska Offshore: Mega Potential

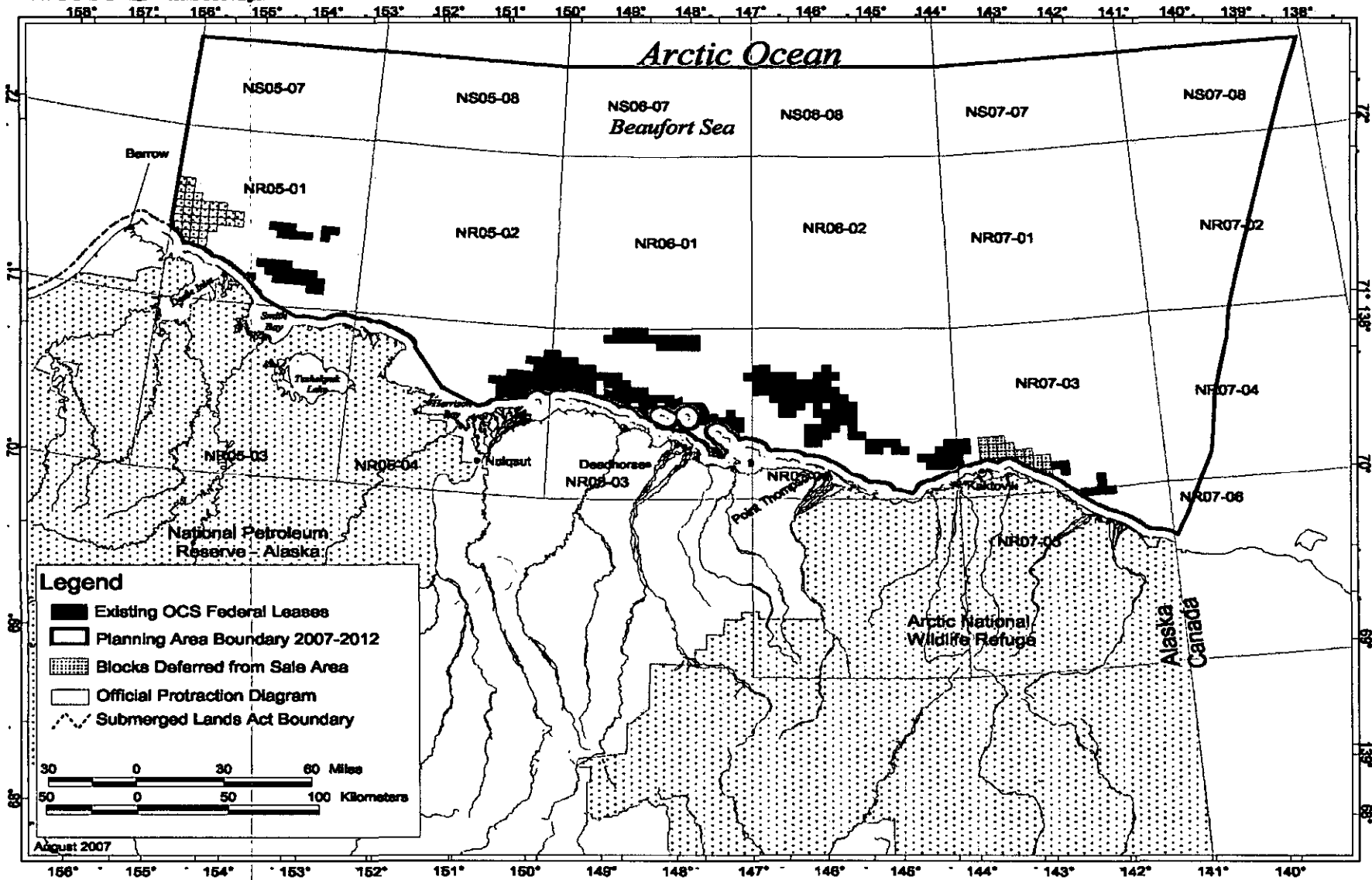
- 25 Billion barrels of Oil
– 120 TCF Natural Gas*
- Successor to North Slope Production
- US Imports 60% of oil and 20% Natural Gas

*Numbers for Chukchi and Beaufort are based on MMS mean estimates.



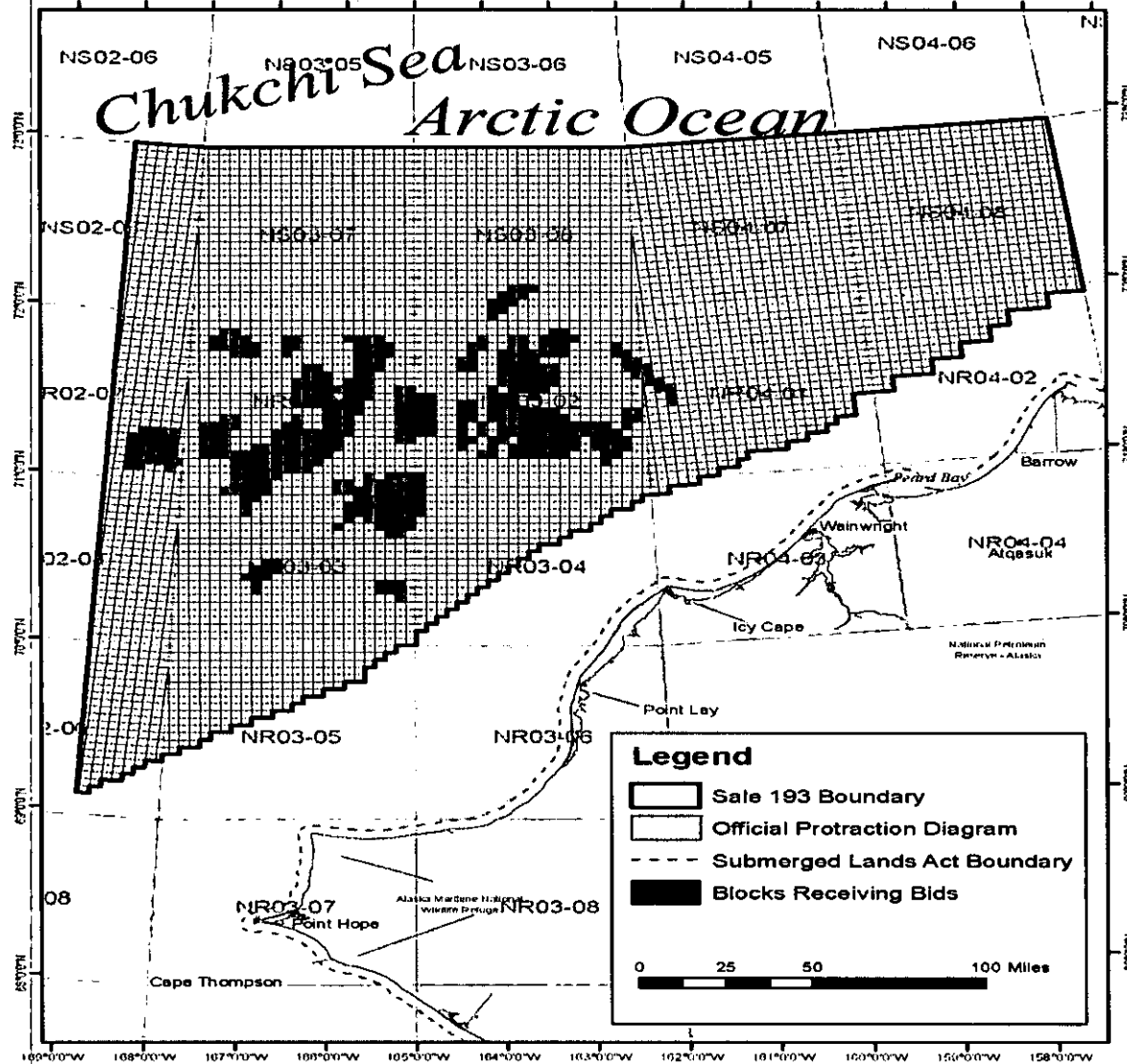
Beaufort Sea

MMS U.S. Department of the Interior
Minerals Management Service
Alaska OCS Region



Chukchi Sea

MMS U.S. Department of the Interior
Minerals Management Service
Alaska OCS Region



Mega Benefits to Alaska & Nation

ISER & Northern Economics 2009 Findings:

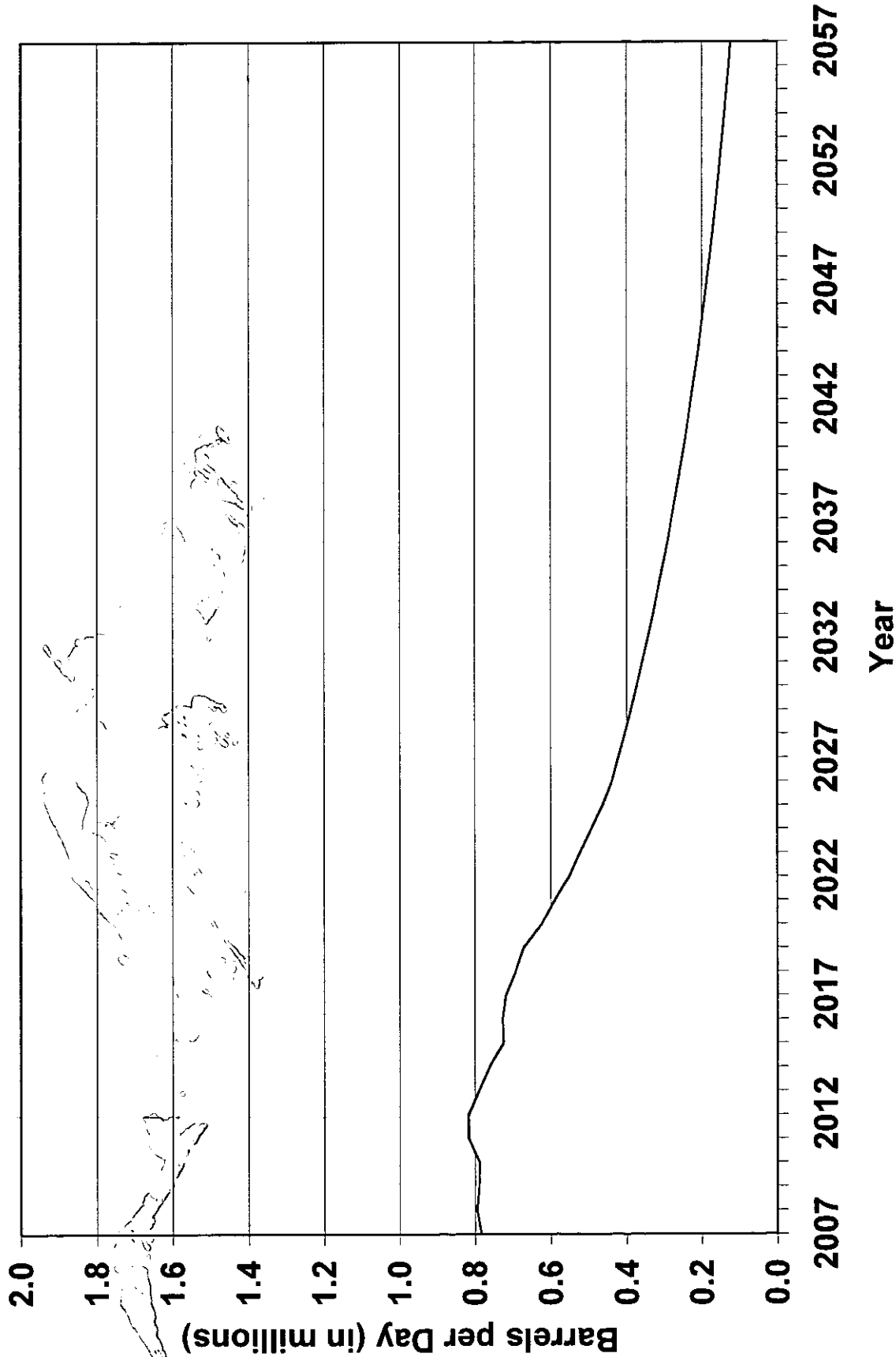
- 35,000 jobs over project life
- Extend the life for Trans-Alaska Pipeline
- Gas reserves for Gasline to Lower 48 States
- Domestic energy security



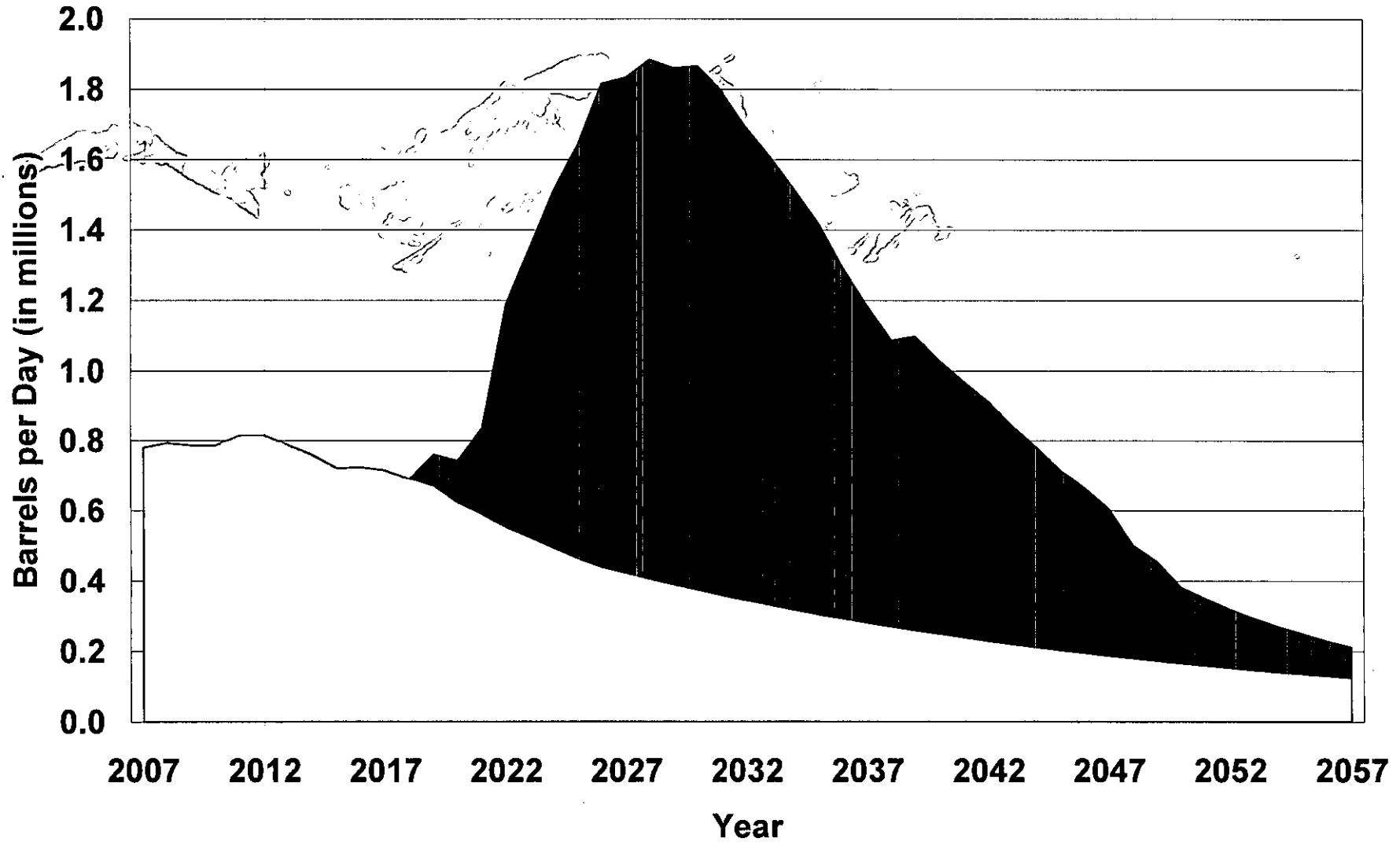
Alaska's Future with OCS: Mega Findings

- Jobs represent a total payroll of \$72 billion (2007\$) over the 50-year period.
- Provides \$5.8 billion direct to State and local government
- **Reduces pipeline tariffs** for onshore production and enables development of marginal oil and gas fields
- Underpin **success of the natural gas pipeline project**

North Slope Oil Production Without OCS



North Slope Oil Production With OCS



□ Baseline ■ OCS Increment

Alaska's OCS: Mega Responsibility

Onshore

Vessels

- Landing craft and utility vessels

Booms



Misc Equipment

- Storage and tools

Near shore

Vessels

- Barge
- Work boats
- Skimming vessel
- Mini barges



Skimmers & Pumps

Booms

Misc Equipment

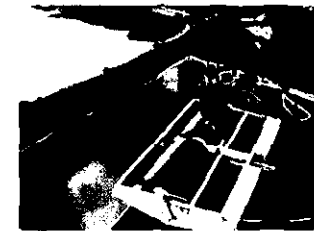
- Decon connex
- Workshop/Tool connex

Offshore

Vessels

- OSRV (Nanuq)
- Arctic Tanker
- Work boats
- Vessel of Opportunity

Skimmers & Pumps



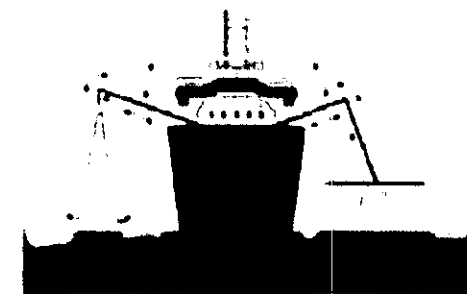
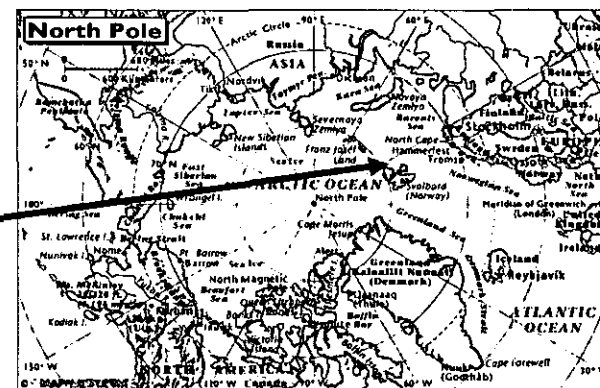
Booms



Alaska's OCS: Mega Study & Research

SINTEF

- Full scale field experiment took place in Barents Sea May 9th – May 25th 2009
- 11 different tests
- A total release of crude oil of over 5000 bls. Treated by burning, mechanical and dispersants.
- Studies of oil slick drift, tests of new mechanical recovery equipment, in-situ burning of oil in broken ice, use of oil spill dispersants on oil weathered in high ice concentrations, and remote sensing systems for monitoring of oil



AOGA

Looking Ahead

SINTEF Highlights

- The released oil was **effectively recovered and treated** by combining different response technologies in different ice conditions.
- **Ice can assist** in confining a spill and reduce further spreading and weathering of oil
- Confirmed a longer "**window of opportunity**" i.e. the time the different clean-up technologies can be used effectively.

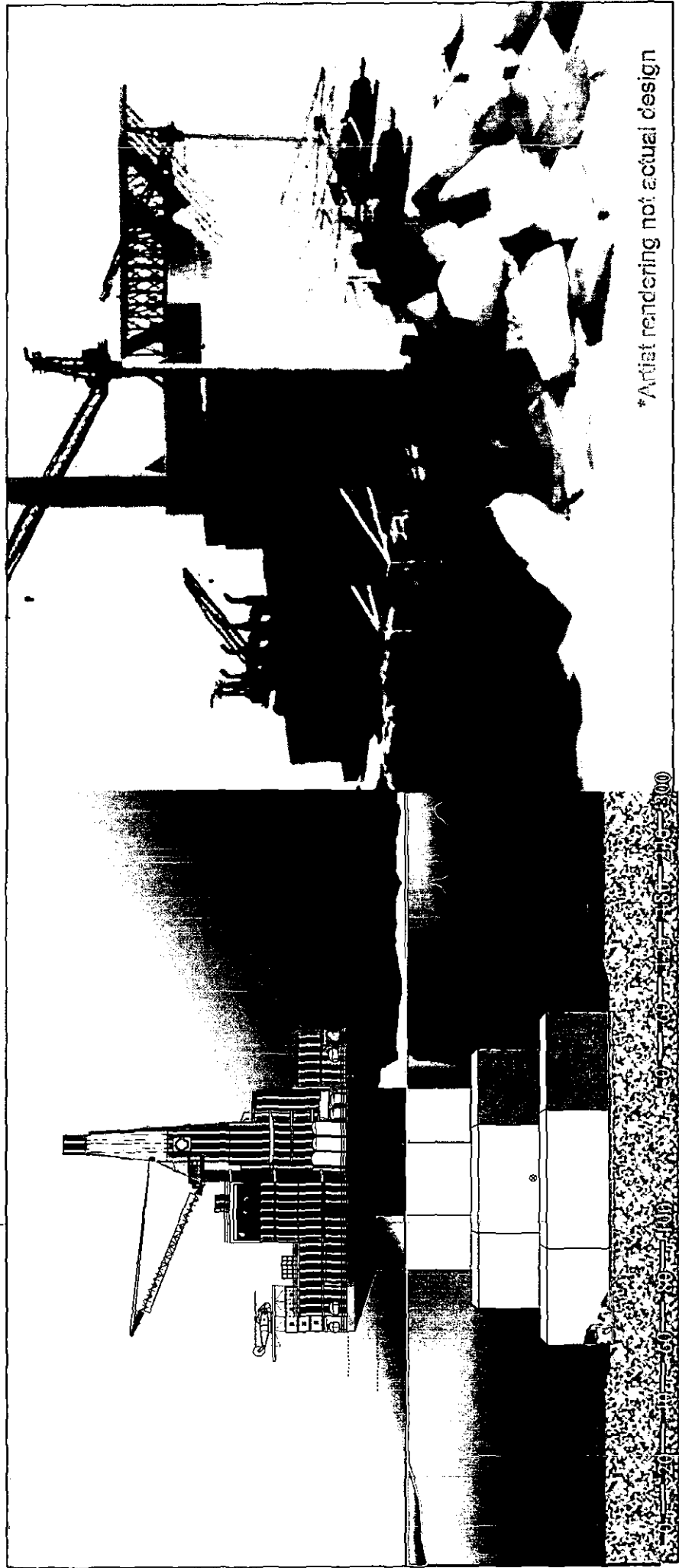


Technical Solutions

- Ice - Cold - Remote

Arctic Class Platforms

- Pack Ice Pressure

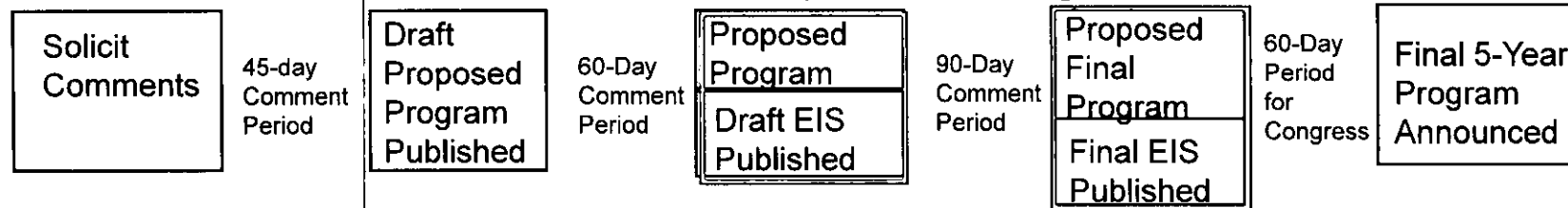


Alaska's OCS: Mega Challenges & Risk

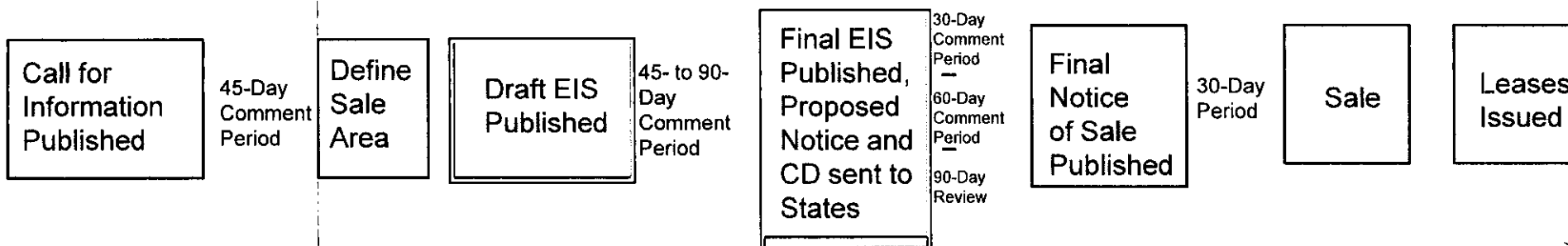
- Short Season
- Lacking Infrastructure
- Logistics
- Ice Class Vessels & Drill Ships
- Investment in Baseline Data
- Permits/Litigation

The OCS Leasing, Exploration, and Development Process

Prelease

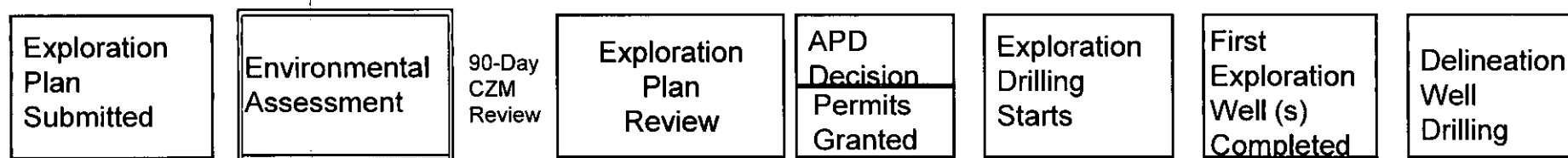


Planning for Specific Sale

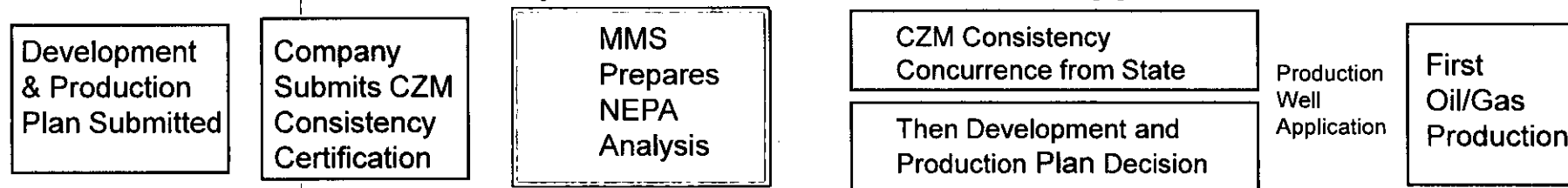


Post Lease

Exploration Plan Approval



Development and Production Plan Approval



Abbreviations: ADP, Application for Permit to Drill; CD, Consistency Determination; CZM, Coastal Zone Management; EIS, Environmental Impact Statement
NEPA, National Environmental Policy Act

Mega Regulatory Challenges - Permits

- Regulation has several layers

Federal

State

Local

- 37 Permits/10 Major
- Regulatory Capacity
- Invites Court action



National Marine Fisheries Service



Minerals Management Service



Environmental Protection Agency



Fish and Wildlife Service



Alaska Dept. of Environmental Conservation



North Slope Borough



Northwest Arctic Borough



Alaska Eskimo Whaling Commission

Mega Stakeholders

- Finding common ground with the people of Alaska
- Hundreds of meetings with stakeholders
- Incorporating feedback
- Revised program



Mega Legal Challenges

- D.C. Circuit Court Remands 5-year Leasing Plan (Chukchi leases)
- Beaufort and Chukchi Exploration Approvals Challenged in the 9th Circuit Court
- Total of 6 Active Legal Challenges

Drilling Should be Allowed

Baseline Science

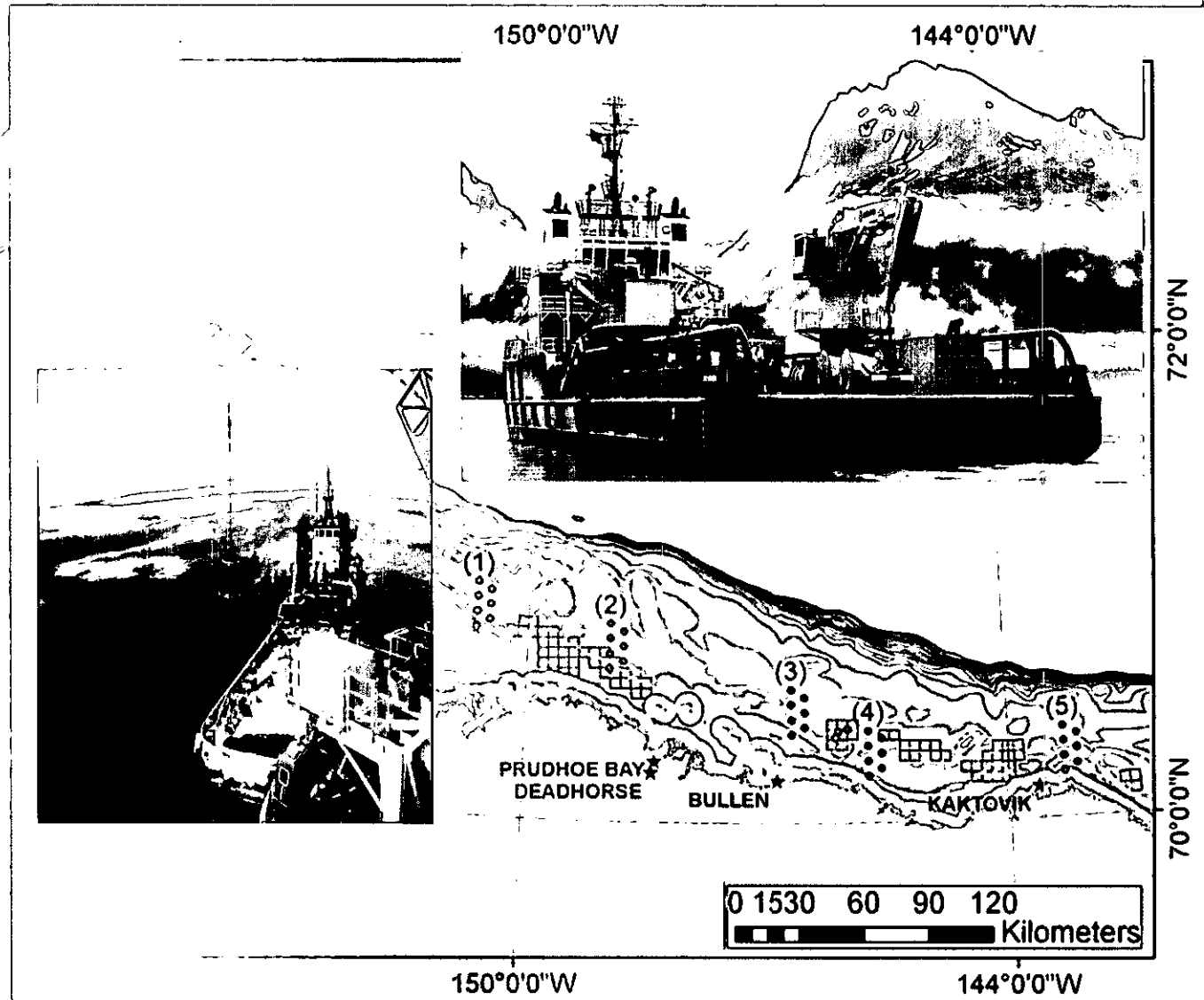
- \$500 Million and growing

Oil Spill Response

- World-Class Contingency Plan

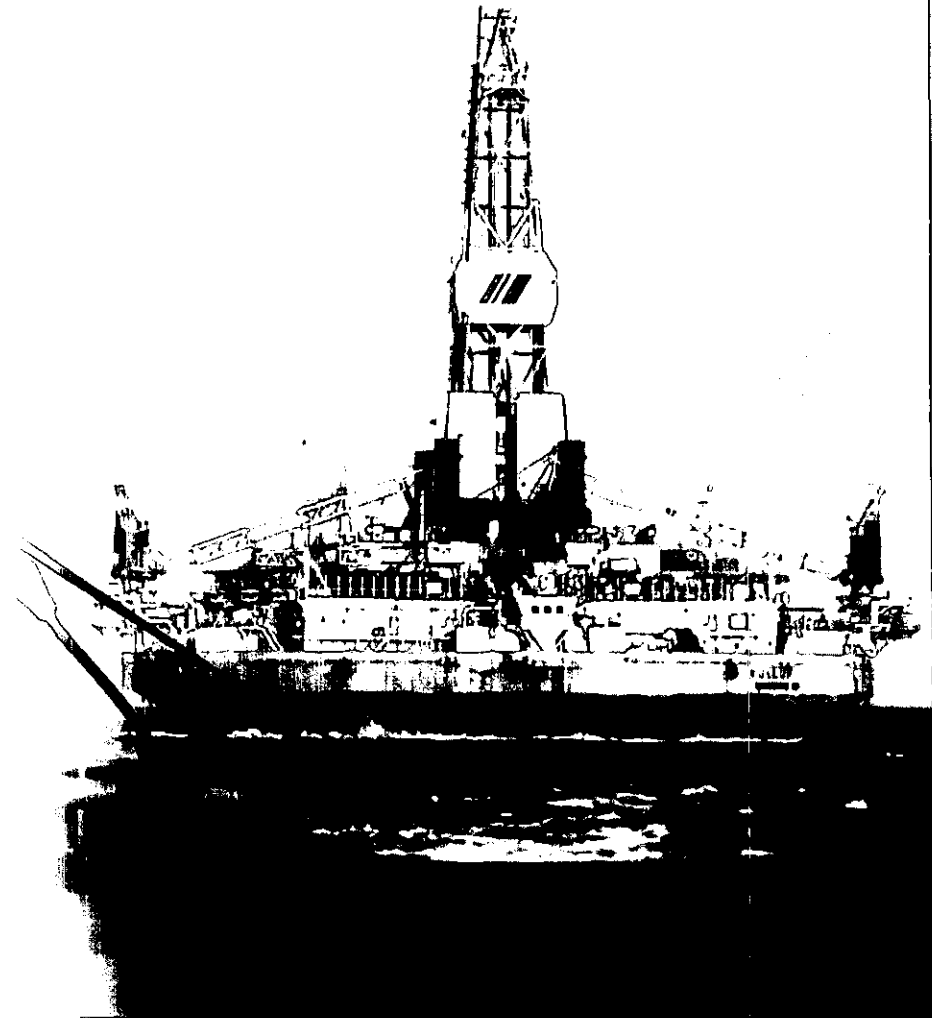
Experience

- Pioneering Alaska Offshore

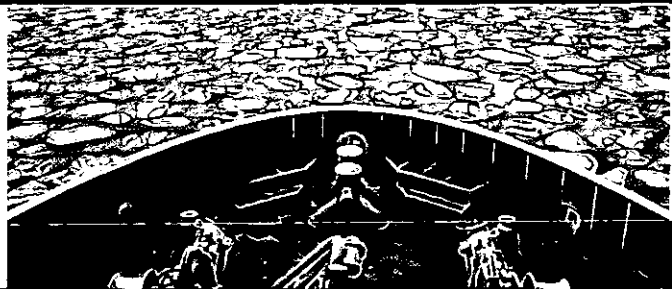


Alaska's Offshore: Mega Promise

- Alaska offshore resources are significant
- Federal lease sales have been held – \$ billions collected
- “Shovel ready” since 2007 but de facto moratoria blocks drilling

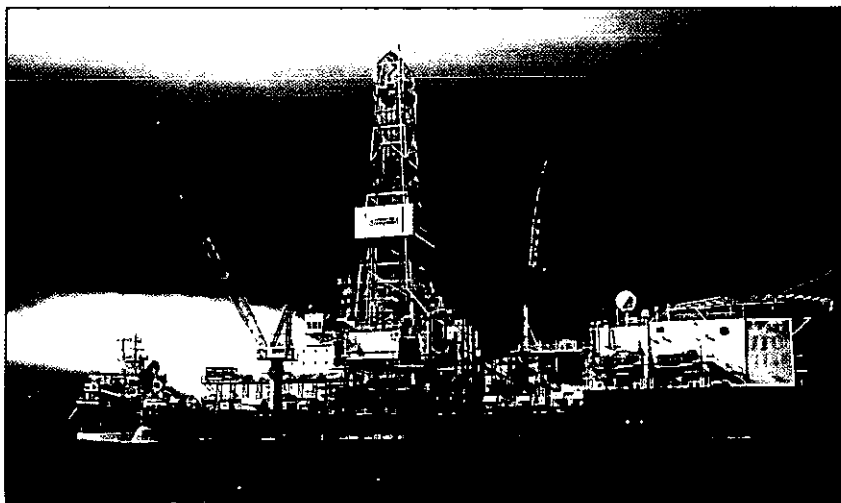


OCS Yes



Alaska Oil and Gas Association

Alaska's Offshore: The Next Prudhoe Bay



Nearly four decades after oil was discovered on the North Slope, Alaskans are on the leading edge of a new frontier of oil and gas development that could be as large as the first.

Beneath the water and seafloor that cover Alaska's offshore, known as the Outer Continental Shelf, or "OCS", the most promising undeveloped hydrocarbon basins in North America are believed to exist. In addition to providing thousands of jobs for Alaskans, exploration and development of Alaska's Chukchi, Beaufort and North Aleutian basins could underpin Alaska's economy and provide energy security for a nation desperate for domestic supplies of hydrocarbons.

The US Minerals Management Services conservatively estimates the federal waters adjacent to the State of Alaska contain 25 billion barrels of oil and 122 trillion cubic feet of natural gas. More than a dozen companies have invested over \$3 billion in recent years on Alaska OCS leases. They hope to replace declining global oil reserves by utilizing the latest technology and world class experience.

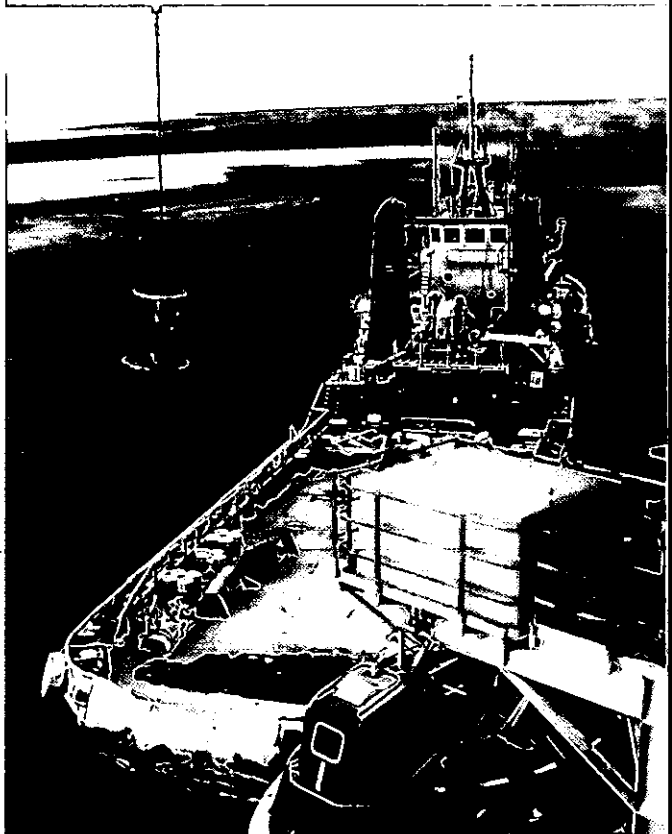
With global demand for oil & natural gas expected to increase 50 percent by 2030 it's critical that energy companies have access to domestic hydrocarbons – including Alaska's OCS where known

(continued on page 2)

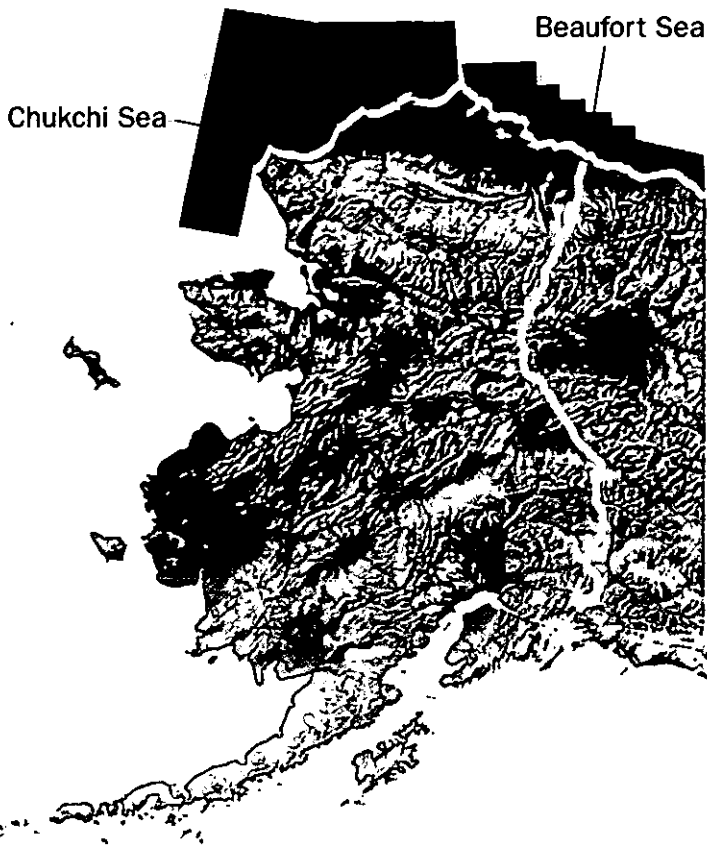
Special Edition - Offshore Drilling

In This Issue:

The Next Prudhoe Bay	1
OCS Revenue	2
What's in it for Alaska?	3
Spill Response.....	4
Timeline of Development.....	5
Attend the OCS Hearing.....	6



Top left: Drill Ship "Frontier Discovery" – one of the few drill ships ready to work in the Arctic. Above: Killabuk support Vessel.



Alaska's Offshore: The Next Prudhoe Bay *(continued from page 1)*

resources can play a crucial role in helping the U.S. meet the energy challenge. Today, about 65 percent of the US oil supply and nearly 20 percent of its natural gas supply are imported. The current trend threatens to undermine our economy and national security.

Regardless of the current world economic crisis, the pressure is very much on to develop new energy resources to meet the growing global energy demand for a more technology dependent world population. While renewable energy will be a part of the world's energy supply in the 21st Century, the hard truth is fossil fuels are at the heart of our energy system and will be for the foreseeable future. Those willing to take on the huge risks in developing both conventional and alternative development projects should be rewarded with access to new reserves in the OCS.

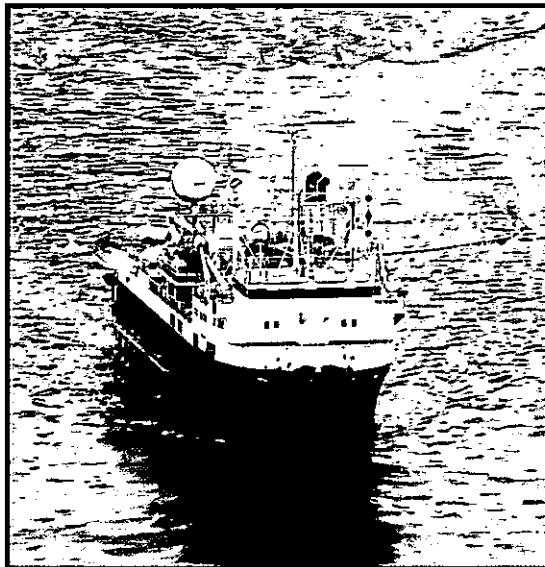
As the Department of Interior considers opening up new OCS areas to leasing, it's critical that Alaskans continue to demonstrate their strong support for responsible development of our offshore resources. The offshore is Alaska's next Prudhoe Bay. ♦

Offshore Update

Alaska Already Receiving Revenue From Offshore Activity

Although the state of Alaska does not receive direct tax revenue from development of its offshore resources in the Outer Continental Shelf (OCS), the state does receive federal funds through a program called the Coastal Impact Assistance Program (CIAP). This program is implemented by the Department of Interior's Minerals Management Service (MMS) and is one of the many benefits from offshore development including local job development and indirect tax revenue (See "OCS Development: What's in it for Alaska").

Due to the successful Chukchi Sea lease sale this past February, these funds have been increased from \$2.5



"MV Gilavar" – shooting seismic in the Chukchi Sea.

million each of the last two years, to between \$29 million and \$41.2 million in 2009 and 2010. "Alaska plays a vital role in supporting our nation's offshore energy program," said former MMS Director Randall Luthi. "The CIAP program provides a means of sharing oil and gas revenues with local communities that are engaged in the hard work of supplying America's energy needs."

The CIAP was established as part of the Energy Policy Act in 2005 to distribute \$250 million annually to six states. In addition to Alaska, Alabama, California, Louisiana, Mississippi and Texas also receive a portion of the funds.

(continued on page 4)

Economic Spotlight

OCS Development: What's In It For Alaska?

Recently, a landmark study was completed that has for the first time quantified the economic benefits to the state of Alaska from potential development of Alaska's Outer Continental Shelf (OCS). The report, "*Economic Analysis of Future Offshore Oil and Gas Development*" was just released by the University of Alaska's Institute of Social and Economic Research (ISER) and Northern Economics. Both respected research organizations teamed up to detail the direct and indirect benefits OCS development could have on Alaska and local communities.



The report estimates the exploration and development of oil and natural gas in the Chukchi Sea, Beaufort Sea, and the North Aleutian Basin would benefit Alaska to the tune of billions of dollars. Just as importantly, offshore activity is expected to create an annual average of 35,000 new jobs with roughly \$72 billion in total payroll over the 50-year life of the projects.

OCS oil and gas development could also benefit the state by lowering tariffs for users of the Trans-Alaska Pipeline System (TAPS) in addition to extending the life of TAPS well beyond the date it would be considered unviable using only onshore reserves. Additionally, with some of the largest untapped reserves of natural gas, Alaska's OCS could also play a critical role in making the Alaskan Gasline a reality.

Patrick Burden, President of Northern Economics, summed up the study's findings by comparing development of Alaska's three untapped basins as having an economic impact similar to Prudhoe Bay. While there are a great number of uncertainties in an economic study projecting out 50 years, both ISER and Northern Economics conservatively assessed these future opportunities against estimated oil and gas reserves put forward by the Minerals Management Service.

Because of the logistical barriers that need to be overcome (some leases are over 60 miles offshore) the pure cost of developing Alaska's resources requires that hydrocarbon pools be significant in size. The result would be a limited number of platforms using directional drilling to ensure the smallest possible footprint.

However the numbers pencil out over the next decade, it is clear activity in Alaska's offshore would provide a much-needed boon to the Alaska economy.

To find out about the full economic benefits of OCS development for Alaska, go to www.northerneconomics.com.

Above right: Oil spill response crews training in Valdez.

Development – Past, Present & Future

The Process to Developing Alaska's Offshore

The Minerals Management Service (MMS) implements a comprehensive series of processes for development of the nation's Outer Continental Shelf (OCS). In Alaska this often takes much longer than other areas of the nation. A very abbreviated description of the process is below.

So – how does it all begin? Individual lease sales cannot be held unless they are included in a 5-year program. Development of the 5-year plan involves preparing a draft and final Environmental Impact Statement (EIS), in preparation of releasing a final program; all the while soliciting public comment a minimum of four different times.

After the 5-year leasing program is adopted, planning begins for individual sales. In preparing for a lease sale, another draft and final EIS is completed, and the area for the sale is defined and published. Again, there are multiple opportunities to comment during this process. Finally, the lease sale is held, followed by the formal issuance of the leases.

Typically the process of developing a 5-year program and planning for a specific lease sale takes approximately 3 years, but in Alaska it has taken much longer. For example, the initial planning for the recent Chukchi Sea lease sale started in 2000, and the lease sale was held in 2008. The process for the North Aleutian Basin lease sale began in 2005, and the lease sale is scheduled for 2011.

Timeline of Chukchi Sea Lease Sale:

- | | |
|--|---|
| 1) Develop 5-Year Program
2000 – Planning for Chukchi Sea Began | 3) Exploration Plan Approval
2010 – First Exploration Well in Chukchi Scheduled for Completion* |
| 2) Plan for Specific Lease Sale
2008 – Chukchi Sea Lease Sale Held | 4) Development & Production Plan Approval
2020 – Estimated First Oil/Gas Production in Chukchi Sea* |

*Assuming all legal and permitting challenges are resolved.

After the leases are awarded, companies then begin obtaining approval of their exploration plans. This requires another environmental assessment, solicitation of public comment, plan review, and the issuance of multiple permits. Once that process is completed, the first exploration well can be drilled. The approval of Alaska's exploration plans continue to

be severely hampered by challenges to permits and various lawsuits. Assuming these legal challenges can be resolved, the first exploration well will be completed in the Chukchi Sea in 2010.

After the exploration well is completed, and assuming the results are positive, the final component in this process is obtaining approval of the development and production plans. Another round of rigorous permitting occurs at this stage with additional opportunities for public comment. Once all of that has been completed, oil and gas production can begin.

A Long History – A Promising Future

OCS development in Alaska is not "uncharted waters." In fact, lease sale activity and exploration drilling have been occurring since the early 1970's. A total of 84 exploratory wells have been drilled in federal OCS waters offshore of Alaska.

In the Beaufort Sea, ten OCS lease sales have been held and 31 exploratory wells have been drilled.

Prior to last year's record-breaking lease sale in the Chukchi Sea which generated \$2.7 billion in bonus bids, MMS conducted four lease sales, and five large prospects were drilled. During those years, over 100,000 line-miles of seismic data were collected.

Details on the history of activity on the Alaska OCS, as well as information on the comprehensive environmental studies program managed by the MMS can be found on the Alaska section of the MMS website at: www.mms.gov/alaska.

In the case of the Chukchi Sea, it is estimated it will take approximately ten years between the completion of the first exploration well, and first production.

So – long story short – the federal government does not rush into lease sales, and it does not just hand over leases to be developed overnight. It could take almost twenty years from the initial planning phase to first production for the Chukchi Sea. This long lead time demonstrates the importance of maintaining schedule certainty.

Currently, Alaska is operating under the 2007-2012 leasing program. To ensure a seamless transition, it is vital that the federal government continue its work on the next 5-year program.

Technology Spotlight

Offshore Oil Spill Response Starts with Prevention

The history of offshore exploration and production operations around the world confirms that large spills are extremely rare events. In 2003 the National Academy of Sciences reported that less than 1 percent of the oil discharges in North American waters are related to the extraction of petroleum, and only a fraction of those are from drilling operations. There has never been an oil spill caused by a blowout from offshore exploration and production drilling in state and federal waters off Alaska or in the Canadian Arctic. According to U.S. Coast Guard classification, there have been no major spills from U.S. exploration or production platforms since 1973. **This is not by luck.** Offshore oil companies have employed the best technology and best practices from around the world to ensure their offshore operations are safe and environmentally responsible.

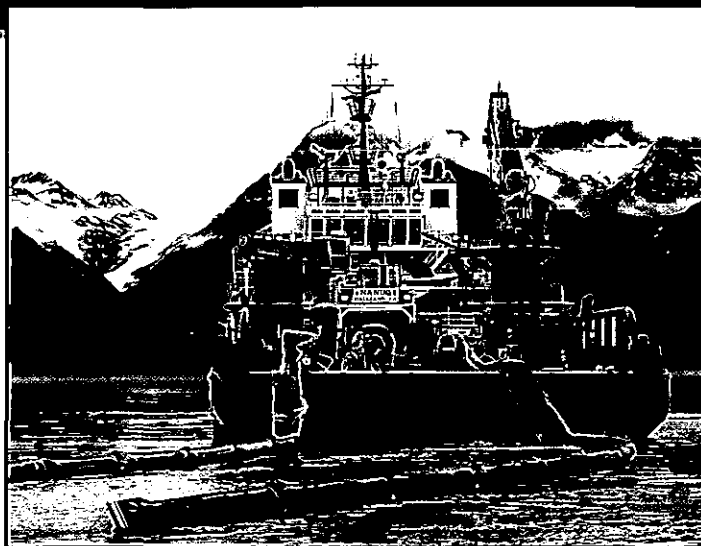
In the unlikely event of a spill, several response techniques are typically employed. They include mechanical recovery, dispersants (chemical agents used to reduce the effect of oil spills by changing the chemical and physical properties of the oil), and controlled in-situ burning (ignition and burning of an oil spill on the surface of the water). Detection and monitoring of oil spills are important components of spill response.

Tracking an oil spill can be accomplished through airplane and helicopter surveys, Forward Looking Infrared Radar (FLIR) systems, Global Positioning Systems (GPS), digital cameras, etc. In addition, tracking buoys and various types of radar reflectors can be launched from vessels on location at the beginning of a spill and at appropriate intervals thereafter to help

(Offshore Update continued from page 2)

The Act requires that all CIAP funding be used for projects and activities for the conservation, protection, or restoration of coastal areas. The funding for Alaska will be shared between the state and eight eligible boroughs, with 65 percent going to the state and the remaining 35 percent going to the boroughs.

“The development of oil and gas resources in the federal waters off the shores of Alaska can contribute



“Nanuq” - an ice class vessel built specifically for spill response in the Arctic.

track the oil. Specialized ice-strengthened beacons have been used successfully for many years to track ice movements over an entire winter season throughout the polar basin.

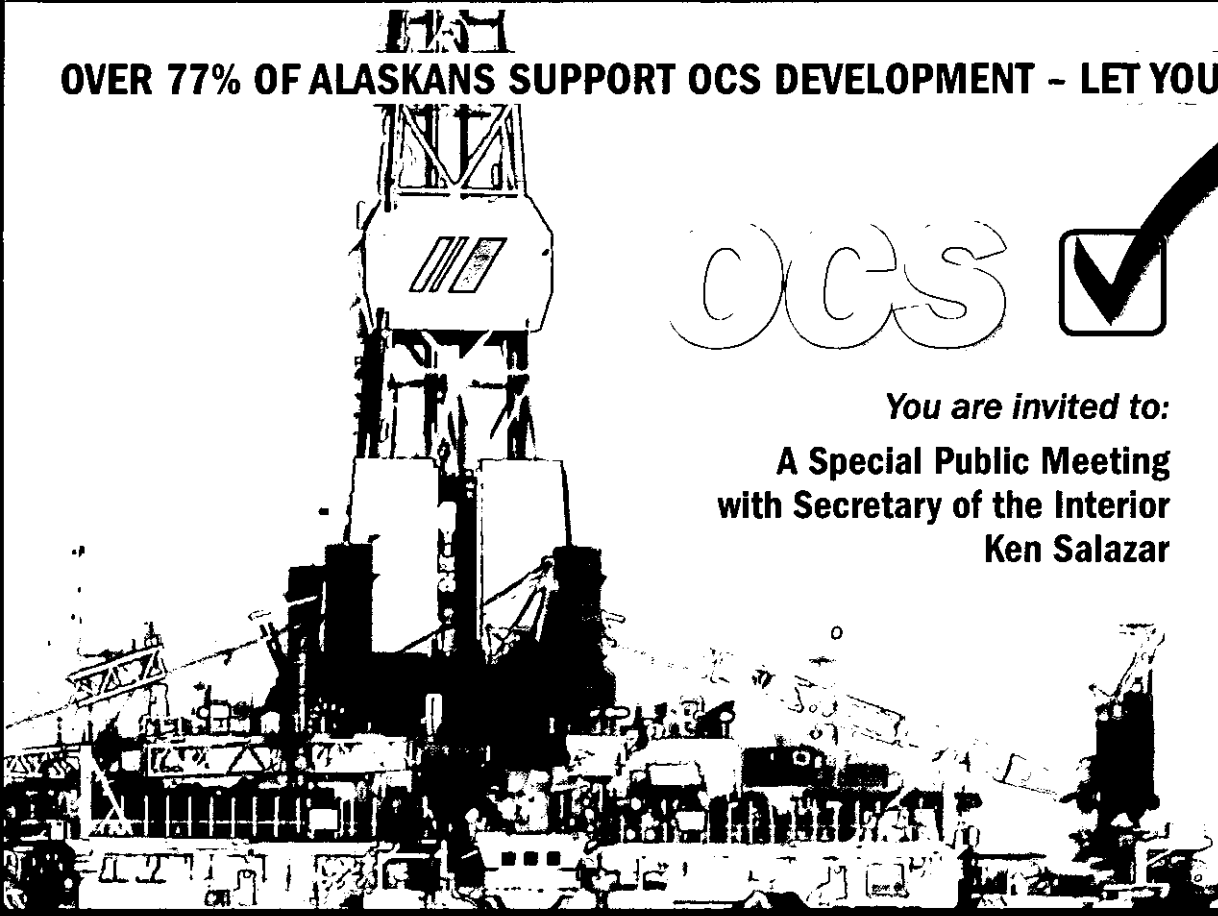
Techniques for detecting and tracking oil under ice include drilling holes and trenches in ice, using Autonomous Underwater Vehicles (AUVs), or surface-operated, portable Ground Penetrating Radar (GPR). Off-the-shelf GPR systems are capable of airborne (helicopter) mapping of oil on the ice surface buried under snow. Alaska Clean Seas (ACS) recently acquired a GPR system to deal with the potential for pipeline spills under the snow in Prudhoe Bay fields.

Industry continues to fund projects that improve the ability to detect oil under ice. The most recent project aims at evaluating a feasibility of Nuclear Magnetic Resonance (NMR) for oil detection under ice. NMR has been used to characterize ground-water aquifers for well logging and reservoir rock core analysis in the oil industry. For applications in oil spill detection, a very important aspect of NMR is that the presence of snow or ice does not interfere with detection, and gives a promise of successful detection of oil under ice. ♦

greatly to the energy supplies of this nation,” Governor Sarah Palin said. “The CIAP funding will provide for important projects benefiting the environment.”

By increasing the CIAP allocation to the state of Alaska, the Federal Government is recognizing the significant contribution Alaska makes to our nation's energy supply and security. This may be the first step in a process that eventually leads to Alaska achieving full revenue sharing status. ♦

OVER 77% OF ALASKANS SUPPORT OCS DEVELOPMENT - LET YOUR VOICE BE HEARD!



OCS



yes

You are invited to:
**A Special Public Meeting
with Secretary of the Interior
Ken Salazar**

**Tuesday, April 14, 2009
Dena'ina Center -
Anchorage, AK
Meeting begins at
9:00 AM**

For more information,
visit www.aoga.org

AOGA straight talk | www.aoga.org

- 6 -

straight talk

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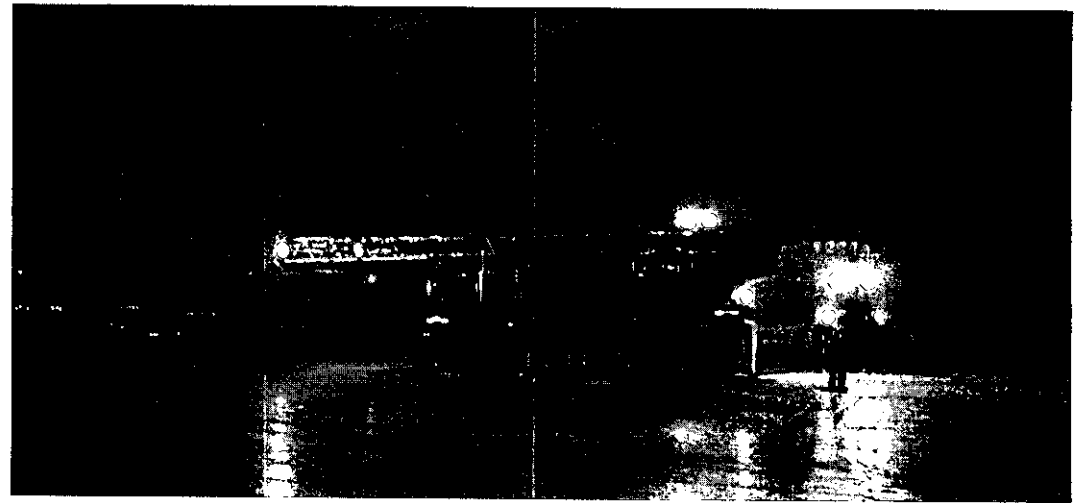
eni e&p in the United States

January 2010

eni

eni.com

Quality in all aspects of business,
company growth, value delivery,
efficiency and outstanding
HSE performance.



exploration and production

67/68

First period of eni exploration
in the US.

79/81

Opening of new eni exploration
& production offices in New York.
Start of activity after farm-in with
Texaco on California and Texas
onshore acreage (1979).
Transfer of the exploration
& production offices to Houston
and subsequent increase of eni's
activity by acquiring exploration
leases offshore Texas and
Louisiana (1981).

91/93

Acquisition of 5 fields (3 operated)
from Freeport McMoRan (1991).
Sale of all onshore assets.
eni fully concentrates its activity
on offshore (1993).

94/96

Start-up of Grand Isle 102 field
(1994).
Start-up of East Breaks 112 field
(1996).

99/2000

Key milestones resulting from
focusing on the Gulf of Mexico
(GoM) deep waters:

- Acquisition of Working
interests in the Macaroni and
Europa Fields (1999) with first
production in 3Q 1999 and 1Q
2000 respectively.
- Acquisition of British Borneo
(2000), including operatorship
of the Allegheny and Morpeth
deepwater fields (100%)
and an exploration lease
portfolio of over 100 blocks.
- Partnering with ExxonMobil
and Texaco to explore over 300
leases.

02/03

Start-up of operated production
in King Kong and Yosemite gas
fields which are tied-back to
Allegheny TLP.
Start-up of the Medusa field
(eni 25%).

04

eni makes 3 commercial
discoveries: Allegheny South
(operated), Ulysses and North
Black Widow, all developed
on a fast track basis.

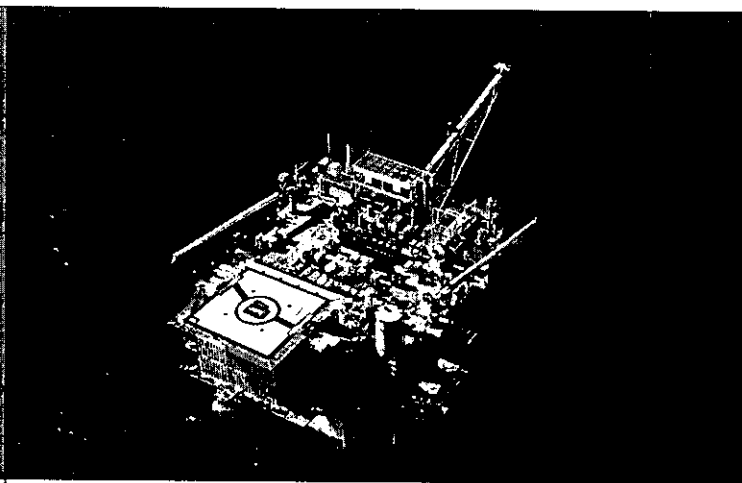


Gulf of Mexico

eni leasehold
 eni operated
 eni non-operated

Deepwater Fields

Oil
 Gas



Alaska

- Commenced production from the Oooguruk field (30%).
- eni sanctions the development, commenced development drilling and acquires 3-D seismic (OBC) for development optimization at the Nikaitchuq field (operated 100%) located on the North Slope. Nikaitchuq is the first development project operated by eni in Alaska.
- eni acquired 18 leases in the Chukchi Sea Federal Lease Sale (4 operated 100%, 14 non-operated 40%).

eni production capacity in the US amounts to 120,000 boe/day with 80% in Deepwater GoM, 15% in Shelf GoM, 3% in Barnett Shale and 2% in Alaska. eni operates over 55% of its equity production.

GoM

- eni owns interests in 369 leases in GoM of which 269 in Deepwater and 100 on Shelf.
- eni upgrades the Crystal Platform and renames it Corral Platform (75% operated) and commences production from Longhorn and Longhorn Phase II (both 75% operated). During development drilling eni discovers deeper Longhorn field pays.
- Appaloosa development is progressing timely for production in 2010.
- Production starts-up at the Thunderhawk field (eni 25%)

- eni participates in discoveries at Heidelberg (12.50%) and appraisal wells at Hadrian and Kodiak (25%)
- eni takes delivery of the newbuild Ensco 8500 rig
- Participation in St. Malo to be developed as Jack/St. Malo project
- Beginning of initial well under Exploration Participation Agreement with Ecopetrol.
- GoM joint venture with GdF Suez

Alaska

- eni owns interests in 172 leases in Alaska, of which 89 located in Federal offshore waters of the Beaufort Sea and Chukchi Sea and 83 being State onshore leases.
- Contingued development drilling at Oooguruk field (30%).
- Ongoing activities concerned the phased development plan of the Nikaitchuq field (eni's interest 100%) located on the North Slope, Alaska.

Barnett Shale - Onshore Texas

- eni acquires a 27.5% interest in the Alliance area in the Fort Worth basin in Texas from Quicksilver Resources Inc.
- Alliance marks eni's entry into its first onshore US unconventional gas play

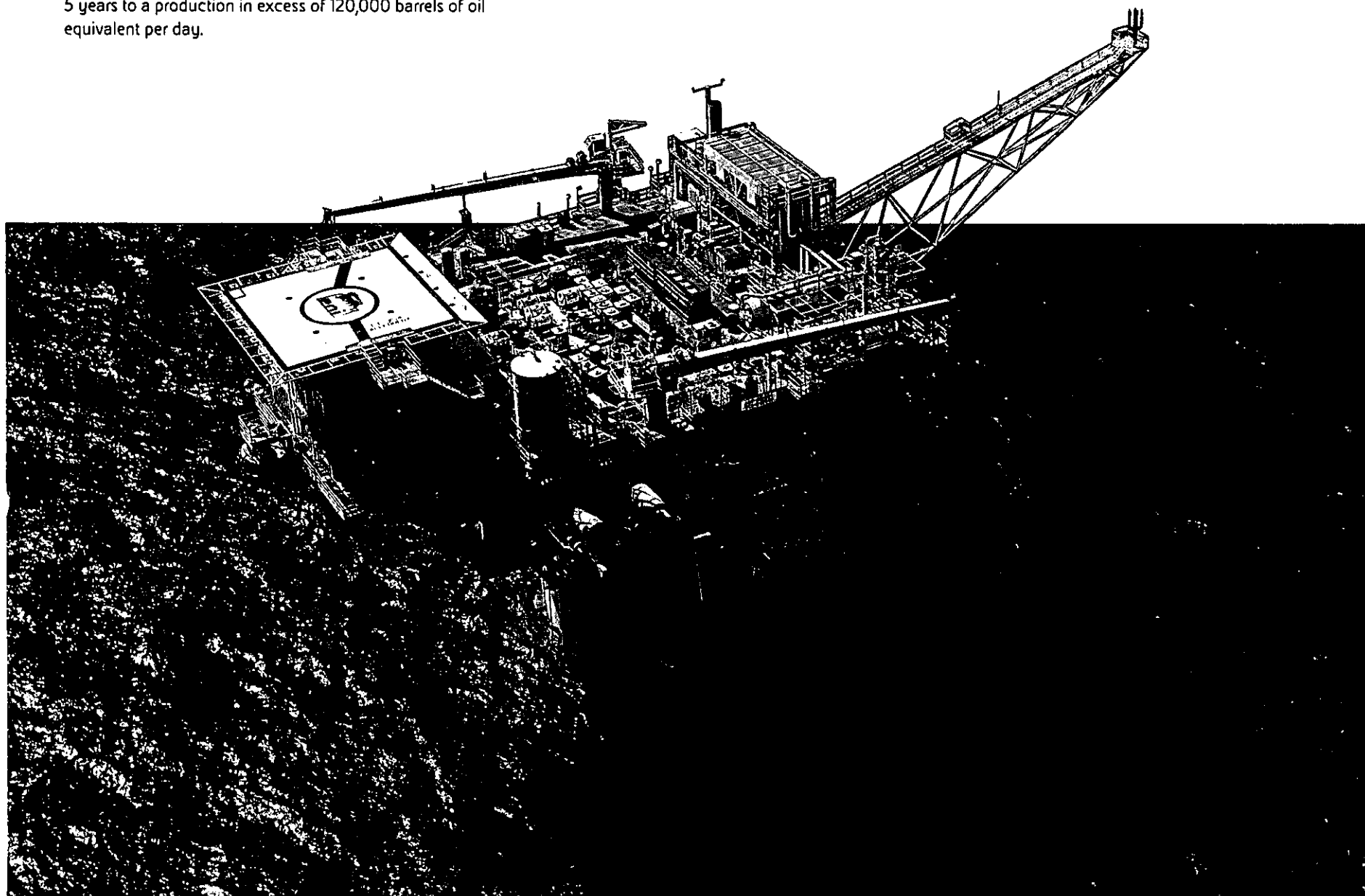
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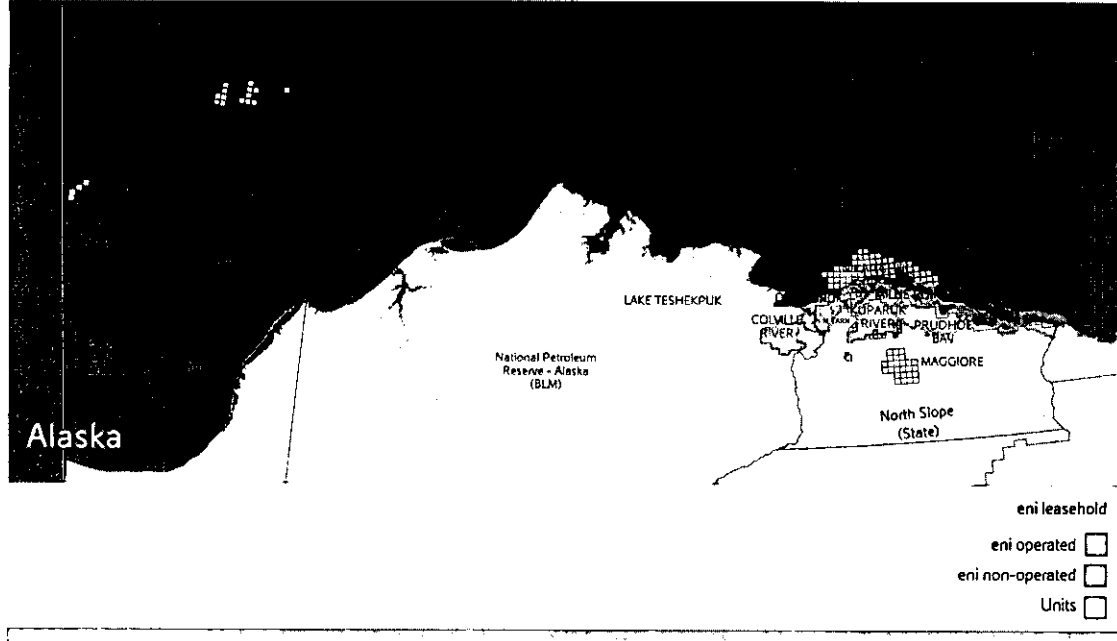
eni has been operating in the US since the late 1960's, and carries out oil and natural gas exploration and production under the name of eni petroleum.

eni petroleum has offices in Houston and Fort Worth (TX), New Orleans (LA) and Anchorage (AK), shore-bases in Port Fourchon and Cameron, Louisiana and interests in numerous shelf and deepwater fields in the Gulf of Mexico (GoM). Net hydrocarbon production has grown significantly over the last 5 years to a production in excess of 120,000 barrels of oil equivalent per day.

eni petroleum is committed to achieving a safe and healthy incident-free workplace and protecting the environment. Since it commenced operations in the US, eni has had no significant environmental events.

In addition, eni's management system has been certified in accordance with an internationally recognized environmental management system standard (ISO 14001), one of the first such awards in the upstream energy sector in the US.





2005

eni acquires 103 leases from Armstrong Oil & Gas in the North Slope of Alaska. The portfolio comprises exploration leases and 2 projects at pre-development stage. In the GoM, production start-up of the K2 (operated) and Ulysses fields.

2006

Production start-up from the Allegheny South (operated) and North Black Widow Discoveries.

- New gas discoveries, Longhorn and Longhorn North (operated), in Central Mississippi Canyon area.
- Start of the exploration campaign in Alaska in the central part of the onshore North Slope region.
- Progress in development activity in the North Slope of Alaska: sanctioned the development of the Ooguruk field (eni 30%) and start-up of the appraisal phase of the Nikaitchuq field (eni 30%).

2007

- eni acquires all GoM assets of Dominion and reaches a net production of approximately 110,000 boe/d (60% operated). The main producing fields acquired are Devil's Tower, Triton and Goldfinger (75% operated) and Front Runner (37.5%).
- eni is now among the leading GoM producers.
- Extensive lease portfolio with a participating interest in approximately 400 leases in the GoM and 150 leases in Alaska.
- eni acquires an additional 70% stake and operatorship of Nikaitchuq project in Alaska from Anadarko.
- Start-up of 3 gas fields connected to Independence Hub: San Jacinto (53.3% operated), Spiderman (36.7%) and Q (50%).
- Sanctioned the development of Longhorn (75% operated) and Pegasus Field (58% operated).
- eni petroleum opens a new office in New Orleans and manages its activity from offices in Houston, New Orleans and Anchorage. A new organization is created consisting of eni and former Dominion staff.

2008

GoM

- GoM Lease Sales: eni participates in 5 different lease sale partnership arrangements, acquiring 37 leases total, all operated.
- eni sanctions the development of the Appaloosa (operated 100%) and Longhorn Phase II (operated 75%) in the Greater Longhorn Area. eni acquires the Crystal Platform as "host" for the Longhorn and Appaloosa projects.
- eni started production at Pegasus (operated 58%); tied into Allegheny TLP (100%).
- eni participates in discoveries at Kodiak (25%) and Stones (15%).
- eni executed an Exploration Participation Agreement with Ecopetrol, the state-controlled oil company of Colombia, to assign interests in at least 5 wells within 2012.

eni is a major integrated energy company, committed to growth in the activities of finding, producing, transporting, transforming and marketing oil and gas. The company has global operations in more than 70 countries and employs more than 78,000 people.

It has adopted a model of sustainability focused on the enhancement and safety of its employees and of the communities it works with, on environmental protection, on technological innovation and research, on fighting climate change and on energy efficiency.

eni has been included in the Dow Jones Sustainability Index World and in the STOXX also for the year 2009 confirming its commitment for a sustainable management at an international level for the third year in a row. Since 2007, eni has been included also in the prestigious index FTSE4Good.

eni's activities

eni's activities comprise five businesses:

exploration & production, gas & power, refining & marketing, engineering & construction and petrochemicals.

exploration & production

eni explores and produces oil and natural gas in Italy, North and West Africa, the North Sea, the Gulf of Mexico, Latin America, Australia and in high potential areas such as the Caspian Sea, the Middle and Far East, India, Russia and Alaska. In the first half of 2009 hydrocarbon production averaged the level of 1.756 million boe/day.

Proved hydrocarbon reserves at December 31, 2008 totalled 6.6 billion boe (Russian assets at 30%), with a life index of 10 years.

gas & power

eni operates in the supply, transport, regasification, distribution and marketing of natural gas and in electricity generation and sales in Italy and abroad. In the first half of 2009 overall sales amounted to 52.81 billion cubic meters of natural gas and 15.4 terawatthours of electricity.

refining & marketing

eni operates in oil product refining and marketing mainly in Italy and Europe. With the eni and agip brands, it is the Italian market leader in the distribution sector.

In the first half of 2009 overall sales totalled 22.13 million tons of refined products.

engineering & construction

saipem (42.9% owned by eni) is a leader in the provision of engineering, procurement, project management and construction services for the oil & gas industry, with unique capabilities in designing and executing large scale offshore and onshore projects. saipem has extensive expertise in operating in conventional and deep offshore as well as in remote areas. Order backlog was €19,015 million at June 30, 2009.

petrochemicals

polimeri europa (eni 100%) operates in the production and sale of a wide portfolio of petrochemicals and holds a significant market share in Europe where it has state-of-the-art plants all equipped with innovative technology. It also makes use of an efficient distribution network worldwide. In the first half of 2009 production amounted to 3,254 thousand tons.



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