ENI SPA
Form 6-K
November 02, 2011
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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

For the month of October 2011

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: Deputy Corporate Secretary

Date: October 31, 2011

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MOODY S REDUCES ENI S RATING

San Donato Milanese (MI), October 6, 2011 Rating agency Moody s lowered Eni s long-term corporate credit rating to 'A1' (outlook negative) from 'Aa3'. Moody s confirmed the P-1 short term credit rating.

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NOC and Eni restart Greenstream pipeline

San Donato Milanese (MI), October 13, 2011 NOC (National Oil Corporation) Libya and Eni through Greenstream BV Libyan Branch, the gas transportation Joint Venture Company (NOC 50%, Eni 50%), have initiated today testing activities for the release of natural gas into the Greenstream pipeline, which connects the treatment plant of Mellitah on the Western part of the Libyan coast to Gela in Italy.

The volumes of gas shipped during the testing period mark the preliminary restart of the pipeline operations after eight months of stoppages due to the conflict in Libya.

The first tests are run with 3 million cubic meters of gas per day, produced by the Wafa field, located about 500 km South West of Tripoli in the Libyan desert; the field largely supply the Libyan gas domestic market used for power generation. Wafa field has been producing gas during the entire period of the conflict allowing electricity supply to the local population.

NOC and Eni, equal partners in the Greenstream BV company, operator of the pipeline, as well as in the Mellitah Oil & Gas Company, operator of production fields in Libya, have been working together, during the past months, to progressively restore production activities in all their participated fields in Libya.

Mellitah Oil & Gas, NOC and Eni are currently working together to restart, during the month of November, both the gas production from the offshore platform of Sabratah, located 110 km from the Libyan coast in the Bahr Essalam gas field, and the associated treatment and processing facilities at the Mellitah Complex.
Bahr Essalam field is an important source of gas supply for Greenstream and resuming production will trigger a gradual increase of the volumes availability.

The restart of the Greenstream is the result of excellent cooperation between NOC and Eni, and represents the first major milestone reached by Eni's strong commitment to bring greater energy security to Italy.

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ENI INCREASES THE MAMBA SOUTH GAS DISCOVERY IN MOZAMBIQUE BY 50%

San Donato Milanese (Milan), October 27, 2011 Eni announces that the discovery of gas made in the exploratory prospectus of Mamba South 1, Area 4 offshore Mozambique, is about 50% larger than what announced by the Company on October 20. During deepening of the well, it encountered a new separated pool that contains a potential of up to 7.5 Tcf of gas in place in clean sands from the Eocene age. The new sequence has about 90 m of gross gas pay and has also been successfully cored.

The well will be now drilled to the total depth of about 5,000 meters after which Eni will move to drill the second commitment well, Mamba North 1, located about 22 km north of Mamba South 1 location.

It is expected that the unprecedented potential of Tertiary Play existing in area 4 will be further defined in the forthcoming appraisal campaign.

Eni has already begun the front end activities to timely market the gas both internationally and locally.

Eni considers that this discovery can lead to a potential of up to 22.5 Tcf of gas in place in the Mamba South Area.

Eni is the operator of Offshore Area 4 with a 70-percent participating interest. Co-owners in the area are Galp Energia (10 percent), KOGAS (10 percent) and ENH (10 percent, carried through the exploration phase).

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ENI ANNOUNCES RESULTS FOR THE THIRD QUARTER AND THE NINE MONTHS OF 2011

Rome, October 27, 2011 - Eni, the international oil and gas company, today announces its group results for the third quarter and first nine months of 2011 (unaudited).[1]

Financial Highlights

Adjusted operating profit: euro 4.61 billion in the quarter (up 12%); euro 13.71 billion in the nine months (up 9%);
Adjusted net profit: euro 1.79 billion in the quarter (up 7%); euro 5.43 billion in the nine months (up 5%);
Net profit: euro 1.77 billion in the quarter (up 3%); euro 5.57 billion in the nine months (down 3%);
Cash flow: euro 2.61 billion in the quarter; euro 11.2 billion in the nine months.

Operational Highlights

Hydrocarbon production still affected by the Libyan disruptions: down by 13.6% in the third quarter of 2011 to 1.47 mmboe/d (down by 12.4% in the nine months). When excluding price effects and the impact of lower Libyan output, production for the quarter was unchanged (down 0.8% in the nine months);
Gas sales: down by 3.4% for the third quarter of 2011 to 17.96 billion cubic meters (up by 4.4% in the nine months);
GreenStream pipeline restarted and resumed production in Libya;
Signed commercial arrangements with Gazprom to secure a final investment decision for the development of the giant Samburgskoye gas field;
Signed a preliminary agreement with GDF to acquire an interest of 10.4% in the Elgin/Franklin field off the UK section of the North Sea where Eni already participates;
Started new oil and gas fields in Egypt and Australia in the quarter, which add to 8 start-ups since the beginning of the year;

Made the giant Mamba gas discovery offshore Mozambique containing a potential of up to 22.5 TCF of gas in place.

Paolo Scaroni, Chief Executive Officer, commented:
"Eni delivered excellent results in the quarter. I am very pleased by the fast resumption of hydrocarbon production in Libya and the restart of the GreenStream pipeline. We have strengthened our portfolio thanks to the agreements with Gazprom which initiate the development of our upstream operations in Siberia, and to our continued exploration successes, most recent of which was in Mozambique where we made the largest hydrocarbon discovery in Eni's history."

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(1) This press release represents the quarterly report prepared in compliance with Italian listing standards as provided by Article 154-ter of the Italian code for securities and exchanges (Testo Unico della Finanza).

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Financial Highlights

Third Quarter 2010	Second Quarter 2011	Third Quarter 2011	% Ch. 3 Q. 11 vs 10		Nine months 2010	Nine months 2011	% Ch.
				SUMMARY GROUP RESULTS (euro million)			
4,084	3,810	4,504	10.3	Operating profit	13,236	13,952	5.4
4,106	4,003	4,613	12.3	Adjusted operating profit [a]	12,565	13,715	9.2
1,724	**1,254**	**1,770**	**2.7**	**Net profit** [b]	**5,770**	**5,571**	**(3.4)**
0.48	0.35	0.49	2.1	- per share (euro) [c]	1.59	1.54	(3.1)
1.24	1.01	1.38	11.3	- per ADR ($) [c] [d]	4.18	4.33	3.6
1,678	**1,436**	**1,795**	**7.0**	**Adjusted net profit** [a] [b]	**5,167**	**5,429**	**5.1**
0.46	0.40	0.50	8.7	- per share (euro) [c]	1.43	1.50	4.9
1.19	1.15	1.41	18.5	- per ADR ($) [c] [d]	3.76	4.22	12.2

(a) For a detailed explanation of adjusted operating profit and net profit see paragraph "Reconciliation of reported operating and net profit to results on an adjusted basis" page 25.
(b) Profit attributable to Eni s shareholders.
(c) Fully diluted. Dollar amounts are converted on the basis of the average EUR/USD exchange rate quoted by the ECB for the periods presented.
(d) One ADR (American Depositary Receipt) is equal to two Eni ordinary shares.

Adjusted operating profit

Eni reported adjusted operating profit for the third quarter of 2011 at euro 4.61 billion, up by 12.3% from the year-earlier quarter. This was due to improved operating performance in the Exploration & Production Division (up 19.3%) driven by a strong oil price environment, partly offset by the impact associated with a lowered Libyan output. Also the Engineering & Construction segment posted higher results (up 5.4%) on the back of a stronger turnover and increased margins on works, while a slightly better trading environment helped the Refining & Marketing Division recoup some losses (up 85.7%). These positive trends were partially offset by poor performance reported by the Gas & Power Division (down 21.1% from a year ago) as gas margins declined into negative territory due to strong competitive pressures in addition to oversupply in the marketplace and sluggish demand growth. The Division s performance did not take into account the possible benefits associated with ongoing renegotiations of the Company s long-term gas purchase contracts which may become effective earlier than end of September 2011. Also the Petrochemical Division reported a lower operating performance driven by high costs for oil-based feedstock which were only partially transferred to end prices. For the first nine months of 2011, the Group reported improved operating profit compared to the first nine months of 2010 (up by 9.2% to euro 13.71 billion) on the back of better performances reported by the Exploration & Production and, to a lesser extent, the Engineering & Construction segment, partly offset by weak trends in the Company s downstream gas, refining and petrochemical businesses.

Adjusted net profit

Adjusted net profit for the third quarter of 2011 was euro 1.79 billion, an increase of 7% compared with the third quarter of 2010. Improved operating performance reported in the quarter was partly absorbed by higher net finance charges (down by euro 508 million) which were affected by negative fair value evaluation of certain interest and exchange rate derivatives that did not meet the formal criteria for hedge accounting. Furthermore, the Group consolidated adjusted tax rate rose by seven percentage points due to higher taxable profit recorded by subsidiaries in the Exploration & Production Division and a changed tax regime for certain Italian subsidiaries which provided for an increase of four percentage points in the Italian windfall tax levied on energy companies now at 10.5 percentage points (the so-called Robin Tax) and its extension to gas transport and distribution companies with retroactive effects to the beginning of the year.

Adjusted net profit of the first nine months of 2011 was euro 5.43 billion (up 5.1% from the first nine months of 2010) reflecting the same drivers as in the quarterly review.

Capital expenditure

Capital expenditure amounted to euro 2,929 million for the quarter and euro 9,544 million for the first nine months, mainly relating to continuing development of oil and gas reserves, the upgrading of rigs and offshore vessels in the Engineering & Construction segment and of the gas transport infrastructures.

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Cash flow

In the third quarter of 2011 net cash generated by operating activities amounted to euro 2,609 million (euro 11,205 million in the first nine months). Proceeds on disposals amounted to euro 231 million mainly relating to the divestment of Eni s gas distribution activities in Brazil. These inflows were used to fund part of the financing requirements associated with capital expenditure incurred in the period and payment of the interim dividend 2011 to Eni s shareholders for euro 1,884 million. As a result, net borrowings[2] as of September 30, 2011 amounted to euro 28,273 million, representing an increase of euro 2,154 million from December 31, 2010, and of euro 2,295 million from June 30, 2011.

Financial Ratios

Return on Average Capital Employed (ROACE)[3] calculated on an adjusted basis for the twelve-month period to September 30, 2011 was 10.4% (10.6% at September 30, 2010).
Ratio of net borrowings to shareholders equity including non-controlling interest leverage[3] was 0.49 at September 30, 2011, below the level achieved at December 31, 2010 (0.47). The ratio was positively influenced by net profit for the period and currency translation differences which improved compared to the situation at June 30, 2011. These effects were overcome by increased net borrowings and dividend payment.

Operational highlights and trading environment

Third Quarter 2010	Second Quarter 2011	Third Quarter 2011	% Ch. 3 Q. 11 vs 10			Nine months 2010	Nine months 2011	% Ch.
1,705	**1,489**	**1,473**	**(13.6)**	**Production of oil and natural gas**	(kboe/d)	**1,768**	**1,548**	**(12.4)**
948	793	793	(16.4)	- Liquids	(kbbl/d)	979	828	(15.4)
4,203	3,867	3,773	(10.1)	- Natural gas	(mmcf/d)	4,377	3,997	(8.9)
18.60	**21.00**	**17.96**	**(3.4)**	**Worldwide gas sales**	(bcm)	**68.30**	**71.29**	**4.4**
10.70	**9.66**	**9.55**	**(10.7)**	**Electricity sales**	(TWh)	**29.31**	**28.89**	**(1.4)**
3.19	**2.90**	**3.03**	**(5.0)**	**Retail sales of refined products in Europe**	(mmtonnes)	**8.81**	**8.57**	**(2.7)**

Exploration & Production

Eni reported liquids and gas production of 1,473 kboe/d for the third quarter of 2011 down by 13.6% from the third quarter of 2010 reflecting disruptions in the Libyan output as Eni s producing sites continued to be shut down in the quarter, with the exception of the Wafa field to support local production of electricity. Eni resumed activities in Libya at the end of the quarter by restarting the Abu-Attifel field.
Performance for the quarter was also negatively impacted by lower entitlements in the Company s PSAs due to higher oil prices with an overall effect of 37 kboe/d compared to the year-earlier quarter (approximately 35 kboe/d from the first nine months of 2010), in addition to the above mentioned loss of Libyan output amounting to an estimated 200 kboe/d (down by an estimated 180 kboe/d for the first nine months of 2011). Net of those effects, production for the quarter was unchanged from the third quarter of 2010, while it was down by 0.8% in the first nine months of 2011, helped by production growth achieved in Norway, Italy and Egypt.

Gas & Power

In the third quarter of 2011 Eni s gas sales were 17.96 bcm, a decrease of 3.4% compared with the third quarter of 2010 which reflected sharply lower off-takes by Italian importers (down 70.1%) due to the disruption of Libyan gas supplies. Also volumes marketed on the domestic market fell by 0.31 bcm, down 4.7%, dragged down by lower spot sales and weak consumption of gas-fired power plants. Those declines were partly offset by volumes gains in

European markets (up by 2.7% in the third quarter of 2011) mainly driven by growth registered in Turkey and increased LNG sales in South America and Japan. In the first nine months of 2011 natural gas sales increased by 4.4% from the previous year. This increase was supported by client additions and increases in Eni s Italian market share and growth recorded in the European gas markets, which more than offset lower off-takes from Italian importers.

(2) Information on net borrowings composition is furnished on page 34.
(3) Non-GAAP financial measures disclosed throughout this press release are accompanied by explanatory notes and tables to help investors gain a full understanding of said measures in line with guidance provided for by CESR Recommendation No. 2005-178b. See pages 34 and 35 for leverage and ROACE, respectively.

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Refining & Marketing

In the third quarter of 2011, refining margins of the Mediterranean area recorded a slight recovery (the TRC Brent was up by 37.3% to $2.9 dollar per barrel from the third quarter of 2010; down by 27.8% from the first nine months of 2010), reversing the negative trend of previous quarters. However, refining margins remained at unprofitable levels in an extremely volatile environment. Eni s complex cycles were helped by improved ratio of prices of the main distillates to the cost of the fuel oil. These positive factors were partly absorbed by rising oil-linked costs for plant utilities.

In the third quarter of 2011, Eni s sales volumes on the Italian retail market decreased by 2.2% from a year ago (down by 2.3% in the first nine months of 2011), while a higher reduction was recorded in fuel consumption. The market share for the period increased by 0.5 percentage points to 31.2% compared to the same year-earlier period. Also retail sales on European markets were weaker in the quarter due to lower demand and higher competitive pressure (down by 12.1% in the quarter; down by 3.8% in the first nine months) with reductions in Austria, Germany, France and Eastern Europe.

Currency

Results of operations for the third quarter and first nine months of 2011 were negatively impacted by the appreciation of the euro vs. the US dollar (up by 9.5% and 6.9% in the quarter and in the first nine months of 2011, respectively).

Update on the Libyan situation

The environment in Libya has been progressively stabilizing recently. In August and September a number of contacts took place between Eni and the Interim Transitional National Council in order to identify terms and conditions for quick and complete resumption of Eni s activities in the Country, including the restart of the GreenStream pipeline, transporting gas from Libya to Italy. Following these contacts, Eni in collaboration with the management of the Libyan Oil Company, NOC, defined a recovery plan covering all productive sites and installations. The Abu Attifel field was the first to start production. Eni s offices in Tripoli also re-opened. More importantly, operations for the restart of the GreenStream pipeline are progressing with a target to gradually resume export to Italy. Considering that no damage has been reported at Eni s production plants and transportation facilities, management believes that it is likely that oil production will flow at the pre-crisis plateau in about twelve months, while gas volumes ramp-up will be achieved in less time, estimated in few months. Eni and the Libyan counterparts confirmed the validity of the existing petroleum contracts.

Business developments

Indonesia

In the first Indonesian International Bid Round 2011, Eni, as operator of a consortium including other international oil companies has been awarded the North Ganal Block, located offshore East Kalimantan. Eni will be the operator of the PSC (Production Sharing Contract), which will be signed by the end of the year. The North Ganal Block covers an area of 2,432 square km in the Kutei Basin, a prolific hydrocarbon area. The North Ganal deal involves the drilling of 1 well and the carrying out of 200 km of 2D seismic survey during the first 3 years of exploration.

North Sea

In September 2011 Eni signed a preliminary agreement with GDF SUEZ to acquire a 10.4% interest in the Elgin-Franklin field, located in the UK North Sea basin, adding to the current interest of 21.8%. The transaction is worth euro 590 million. This acquisition will complement Eni s portfolio in this area, leveraging existing asset knowledge. The agreement is subject to certain conditions including another oil company waiving to its pre-emption right on the interest sold by GDF SUEZ.

Brazil

On July 30, 2011, with the approval of the relevant Brazilian Authorities, Eni finalized the divestment of its 100% interest in Gas Brasiliano Distribuidora, a company that markets and distributes natural gas in Brazil, to Petrobras Gàs, a fully owned subsidiary of Petróleo Brasileiro ("Petrobras"). Total cash consideration amounted to $271 million.

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Belgium

In July 2011, Eni signed an agreement with NV Nuon Energy for acquiring the subsidiary Nuon Belgium NV. The company supplies gas and electricity to the industrial and residential segments in Belgium. The agreement is subject to the approval of the relevant Authorities. The expected cash consideration amounts to approximately euro 210 million.

Agreements with Gazprom

As part of their strategic partnership, in September 2011, Eni and Gazprom signed arrangements to move forward certain projects of joint interest:

- **South Stream Project**
  They agreed on terms and conditions for enlarging the partnership of the South Stream project to include gas operators Wintershall and EDF, each with a 15% interest in the initiative.
- **Elephant oilfield in Libya**
  Gazprom reaffirmed its interest in acquiring half of Eni s stake (33.3%) in the consortium developing the Elephant oilfield in Libya, located in the South-Western desert, around 800 km from Tripoli with a production plateau of over 100 kboe/d.
- **Gas Projects in Siberia**
  They signed a contract whereby Gazprom commits to purchase volumes of gas produced by the joint-venture Severenergia (Eni 29.4%) through the development of the Samburgskoye field. The agreement secured a final investment decision for the field development. Start-up is expected in 2012.

Exploration activities

In the third quarter of 2011, significant exploratory successes were achieved in:

(i) Angola, with the Lira discovery (Eni operator with a 35% interest) containing oil&gas resources, located in offshore Block 15/06;
(ii) Indonesia, with the Jangkrik North East discovery in the offshore block Muara Bakau (Eni operator with a 55% interest);
(iii) Mozambique, where a giant gas discovery was made with the Mamba South 1 offshore well (Eni operator with a 70% interest), located in Area 4 in the Rovuma Basin. The Mamba South 1 discovery well was drilled in two sequential stages. According to field test results, the mineral potential of the area is huge up to 22.5 TCF of gas in place, confirming the Rovuma Basin as a world-class natural gas province. The first exploration well makes it the largest operated discovery in the Company s exploration history.

Main production start-ups

In line with the Company s production plans, production was started at the following main fields:

(i) Denise B (Eni s interest 50%) in the Nile Delta in Egypt, second development phase of the homonymous field, with an initial production of approximately 7 kboe/d;
(ii) Kitan (Eni operator with a 40% interest) located between East Timor and Australia. The Kitan field is being produced through deep water subsea completion wells connected to an FPSO (Floating Production Storage and Offloading) facility and is expected to reach peak production of about 40 kbbl/d.

Divestment of international pipelines

On September 22, 2011 Eni signed a preliminary agreement to divest to Fluxys G its assets in the international gas transport pipelines connecting Northern Europe to Italy. The divested assets include Eni s interests in the entities owning the Transitgas (Switzerland) and TENP (Germany) pipelines and the entities handling capacity entitlements. The expected total consideration amounts to 975 million Swiss francs for the Transitgas gas pipeline and euro 60 million for the TENP gas pipeline. This transaction is part of the commitments agreed with the European Commission on September 29, 2010 and is, therefore, subject to its approval. The divestiture process is expected to be completed by the end of the year. Following the conclusion of the transaction, the ship-or-pay contract signed by Eni with the divested entities will remain in place.

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Outlook

The outlook for 2011 reflects signs of a slowdown in the global economic activity, particularly in the OECD Countries where market participants have been reining on investment decisions and spending. Eni forecasts a steady trend for Brent crude prices, although on a slightly weaker than-anticipated trend which considers progress achieved in stabilizing the Libyan crisis. For its short-term economic and financial projections, Eni is assuming an average Brent price of 111 $/bbl for the full year 2011. Management expects that the European gas market will remain weak against the backdrop of sluggish demand growth, abundant supplies and ongoing competitive pressures. Profitability of gas operators will continue to suffer from negative spreads between spot prices at continental hubs and the oil-linked cost of gas supplies provided in long-term contracts, in spite of the fact that spot prices have recovered throughout the year. Refining margins are expected to remain at unprofitable levels as high feedstock costs and rising oil-linked costs for plant utilities are partially absorbed by refined products prices pressured by sluggish demand and excess capacity. Against this backdrop, management expectations about the main trends in the Company s businesses for 2011 are disclosed below.

- **Production of liquids and natural gas**: is forecast to decline from the level achieved in 2010 (1.815 million boe/d at 80 $/bbl) at the Company s pricing scenario of 111 $/bbl for the full year. The decline is expected as a result of volume losses in Libya following the shutdown of almost all of the Company s production facilities. Assuming an addition from the resumption of Libyan activities in the fourth quarter of 2011 compared to the plateau recorded in the third quarter, management forecasts a 10 percentage point reduction in the expected production plateau for the full year at a constant pricing scenario. Management has been implementing its plans to target production growth in the Company s assets by ramping up fields that were started in 2010, starting up new fields as well as executing production optimizations in particular in Nigeria, Norway, Egypt, Angola and the United Kingdom. In addition to those already achieved in the nine-month period to September 30, 2011, the Company is planning to start new field production in Italy, Egypt and Nigeria in the fourth quarter of the year;
- **Worldwide gas sales**: are expected to grow compared to the level achieved in 2010 (in 2010 actual sales amounted to 97.06 bcm), in spite of expected sales losses at certain Italian importers due disruption of gas supplies from Libya. Management plans to drive volume growth in Italy, leveraging client additions in the power generation, industrial and wholesale segments, as well as regaining significant market share, and capitalizing on organic growth in key European markets. Considering mounting competitive pressure in the gas market, the achievement of the planned volume targets will be underpinned by strengthening the Company s leadership on the European market; marketing actions intended to strengthen the customer base in the domestic market and renegotiating the Company s long-term gas purchase contracts. The cash flow impact associated with lower sales to Italian shippers will be offset by expected lower cash outflows associated with the Company s take-or-pay gas purchase contracts as the Company is planning to meet lower availability of Libyan gas with gas from other sources in its portfolio;
- **Regulated businesses in Italy**: will benefit from the pre-set regulatory return on new capital expenditure and continuing efficiency actions;
- **Refining throughputs on Eni s account**: are expected to decline compared to 2010 (actual throughputs in 2010 were 34.8 mmtonnes). The decline is mainly expected at the Venice refinery due to a weak trading environment forcing the Company to cut production and difficulties in supplying Libyan crude oil. Higher volumes are expected to be processed at the Sannazzaro and Taranto refineries. Also the Company expects to cope with an unfavorable trading environment by stepping up efficiency efforts and optimizing refinery cycles;
- **Retail sales of refined products in Italy and the rest of Europe**: are expected to be slightly lower than in 2010 (11.73 mmtonnes in 2010) against the backdrop of weaker fuel demand. Management plans to counteract that negative trend by leveraging selective pricing and marketing initiatives, developing the "non-oil" business and service upgrade;
- **The Engineering & Construction business**: confirms solid results due to increasing turnover and a robust order backlog.

In 2011, management expects capital expenditure to be broadly in line with 2010 (euro 13.87 billion was invested in 2010), these investments will be mainly directed towards developing giant fields, starting production at new important fields in the Exploration & Production Division, refinery upgrading related in particular to the realization of the EST project, completing the program of enhancing Saipem s fleet of vessels and rigs, and upgrading the natural

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gas transport infrastructure. Management expects to invest approximately euro 0.8 billion in new portfolio initiatives. Assuming a Brent price of 111 $/barrel, the proceeds from the divestment of certain assets which are in the final stage of the divestiture procedure and the benefit associated with ongoing renegotiations of the Company's gas purchase contracts, management forecasts that the ratio of net borrowings to total equity (leverage) at year-end will be lower than in 2010.

This press release for the third quarter and the first nine months of 2011 (unaudited) provides data and information on business and financial performance in compliance with Article 154-ter of the Italian code for securities and exchanges ("Testo Unico della Finanza" - TUF). In this press release results and cash flows are presented for the third quarter, the second quarter and the first nine months of 2011 and for the third quarter and the first nine months of 2010. Information on liquidity and capital resources relates to the end of the periods as of September 30, 2011, June 30, 2011, and December 31, 2010. Tables contained in this press release are comparable with those presented in management s disclosure section of the Company s annual report and interim report. Accounts set forth herein have been prepared in accordance with the evaluation and recognition criteria set by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure set forth in Article 6 of the European Regulation (CE) No. 1606/2002 of the European Parliament and European Council of July 19, 2002.
Non-GAAP financial measures and other performance indicators disclosed throughout this press release are accompanied by explanatory notes and tables to help investors to gain a full understanding of said measures in line with guidance provided by recommendation CESR/05-178b.

Eni s Chief Financial Officer, Alessandro Bernini, in his position as manager responsible for the preparation of the Company s financial reports, certifies pursuant to rule 154-bis paragraph 2 of Legislative Decree No. 58/1998, that data and information disclosed in this press release correspond to the Company s evidence and accounting books and records.

Cautionary statement
This press release, in particular the statements under the section "Outlook", contains certain forward-looking statements particularly those regarding capital expenditure, development and management of oil and gas resources, dividends, allocation of future cash flow from operations, future operating performance, gearing, targets of production and sales growth, new markets, and the progress and timing of projects. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements, depending on a variety of factors, including the timing of bringing new fields on stream; management s ability in carrying out industrial plans and in succeeding in commercial transactions; future levels of industry product supply; demand and pricing; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; development and use of new technology; changes in public expectations and other changes in business conditions; the actions of competitors and other factors discussed elsewhere in this document. Due to the seasonality in demand for natural gas and certain refined products and the changes in a number of external factors affecting Eni s operations, such as prices and margins of hydrocarbons and refined products, Eni s results from operations and changes in net borrowings for the first half of the year cannot be extrapolated on an annual basis.

* * *

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* * *

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This press release for the third quarter and the nine months of 2011 (unaudited) is also available on the Eni web site: ***eni.com****.*

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Quarterly consolidated report

Summary results for the third quarter and the nine months of 2011

(euro million)

Third Quarter 2010	Second Quarter 2011	Third Quarter 2011	% Ch. 3 Q. 11 vs 10		Nine months 2010	Nine months 2011	% Ch.
22,704	**24,596**	**26,112**	**15.0**	**Net sales from operations**	**70,410**	**79,487**	**12.9**
4,084	**3,810**	**4,504**	**10.3**	**Operating profit**	**13,236**	**13,952**	**5.4**
28	(240)	(68)		Exclusion of inventory holding (gains) losses	(749)	(977)	
(6)	433	177		Exclusion of special items	78	740	
				of which:			
	69			*- non-recurring items*		*69*	
(6)	*364*	*177*		*- other special items*	*78*	*671*	
4,106	**4,003**	**4,613**	**12.3**	**Adjusted operating profit** [(a)]	**12,565**	**13,715**	**9.2**
				Breakdown by Division:			
3,296	3,826	3,931	19.3	Exploration & Production	9,856	11,877	20.5
446	251	352	(21.1)	Gas & Power	2,342	1,561	(33.3)
14	(114)	26	85.7	Refining & Marketing	(132)	(264)	(100.0)
31	(30)	(80)	..	Petrochemicals	(39)	(122)	..
316	378	333	5.4	Engineering & Construction	948	1,053	11.1
(54)	(60)	(52)	3.7	Other activities	(162)	(157)	3.1
(39)	(69)	(94)	..	Corporate and financial companies	(179)	(247)	(38.0)
96	(179)	197		Impact of unrealized intragroup profit elimination [(b)]	(69)	14	
46	(292)	(462)		Net finance (expense) income [(a)]	(508)	(837)	
178	414	212		Net income from investments [(a)]	699	891	
(2,195)	(2,443)	(2,513)		Income taxes [(a)]	(6,820)	(7,627)	
50.7	*59.2*	*57.6*		*Tax rate (%)*	*53.5*	*55.4*	
2,135	**1,682**	**1,850**	**(13.3)**	**Adjusted net profit**	**5,936**	**6,142**	**3.5**
1,724	**1,254**	**1,770**	**2.7**	**Net profit attributable to Eni s shareholders**	**5,770**	**5,571**	**(3.4)**
16	(170)	(10)		Exclusion of inventory holding (gains) losses	(514)	(654)	
(62)	352	35		Exclusion of special items	(89)	512	
				of which:			
	69			*- non recurring items*		*69*	
(62)	*283*	*35*		*- other special items*	*(89)*	*443*	
1,678	**1,436**	**1,795**	**7.0**	**Adjusted net profit attributable to Eni s shareholders**	**5,167**	**5,429**	**5.1**
				Net profit attributable to Eni s shareholders			
0.48	0.35	0.49	2.1	per share (euro)	1.59	1.54	(3.1)
1.24	1.01	1.38	11.3	per ADR ($)	4.18	4.33	3.6
				Adjusted net profit attributable to Eni s shareholders			
0.46	0.40	0.50	8.7	per share (euro)	1.43	1.50	4.9
1.19	1.15	1.41	18.5	per ADR ($)	3.76	4.22	12.2

3,622.5	**3,622.6**	**3,622.7**		**Weighted average number of outstanding shares** [c]	**3,622.4**	**3,622.6**	
2,409	**4,411**	**2,609**	**8.3**	**Net cash provided by operating activities**	**11,548**	**11,205**	**(3.0)**
2,851	**3,740**	**2,929**	**2.7**	**Capital expenditure**	**9,958**	**9,544**	**(4.2)**

(a) Excluding special items. For a detailed explanation of adjusted net profit by Division see page 25.
(b) This item mainly pertained to intra-group sales of commodities, services and capital goods recorded in the assets of the purchasing business segment as of the end of the period.
(c) Fully diluted (million shares).

Trading environment indicators

Third Quarter 2010	Second Quarter 2011	Third Quarter 2011	% Ch. 3 Q. 11 vs 10		Nine months 2010	Nine months 2011	% Ch.
76.86	117.36	113.46	47.6	Average price of Brent dated crude oil [a]	77.14	111.93	45.1
1.291	1.439	1.413	9.5	Average EUR/USD exchange rate [b]	1.316	1.406	6.9
59.54	81.56	80.30	34.9	Average price in euro of Brent dated crude oil	58.62	79.59	35.8
2.09	1.09	2.87	37.3	Average European refining margin [c]	2.63	1.90	(27.8)
2.48	2.20	2.92	17.7	Average European refining margin Brent/Ural [c]	3.42	2.82	(17.5)
1.62	0.76	2.03	25.3	Average European refining margin in euro	2.00	1.35	(32.5)
6.68	9.36	8.74	30.8	Price of NBP gas [d]	5.99	9.06	51.3
0.9	1.4	1.6	79.3	Euribor - three-month euro rate (%)	0.7	1.4	83.8
0.4	0.3	0.3	(23.1)	Libor - three-month dollar rate (%)	0.4	0.3	(19.4)

(a) In USD per barrel. Source: Platt s.
(b) Source: ECB.
(c) In USD per barrel FOB Mediterranean based. Source: Eni calculations based on Platt s data.
(d) In USD per million of btu.

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Group results

Eni reported increased **net profit attributable to Eni s shareholders** for the third quarter of 2011 at euro 1,770 million, up euro 46 million, or 2.7%, from the year-earlier quarter. The increase reflected an improved operating performance (up by 10.3%) mainly due to the better performance from the Exploration & Production, Engineering & Construction and Refining & Marketing Divisions, which were partly offset by weak trends in Eni s downstream gas business and petrochemicals. The quarterly increase in operating profit was partly offset by higher net finance charges (up euro 522 million) mainly due to losses on fair value evaluation through profit and loss of certain derivative instruments on interest and exchange rates which did not meet the formal criteria to be designed as hedges under IFRS. Furthermore, quarterly results were negatively affected by a higher consolidated tax rate up by approximately 8 percentage points, mainly due to: (i) higher taxable profit reported by subsidiaries of the Exploration & Production Division operating outside Italy, and (ii) recently enacted tax provisions for Italian subsidiaries as per Decree No. 148 of September 2011, converting the Law Decree No. 138/2011 pursuant to urgent measures for financial stabilization and economic development. This Law enacted a rate of 10.5 percentage points in the Italian windfall tax levied on energy companies (the so-called Robin Tax), representing an increase of four percentage points from the previous rate, and its extension to gas transport and distribution companies with retroactive effects to the beginning of the year. The increase adds to the ordinary Italian statutory tax rate of 27.5% on corporate profits, bringing the total statutory tax rate to 38%, and a further 3.9% to 4.2% rate provided by an Italian local tax basically levied on a taxable gross margin given by revenues less raw material and services costs as well as amortization charges. As a result of the increased Robin Tax, net profit for the third quarter of 2011 was affected by higher currently payable income taxes amounting to euro 166 million (euro 130 million the impact on the adjusted net profit), including income taxes pertaining to the first half of 2011 (approximately euro 116 million; euro 80 million the impact on the adjusted net profit).

Net profit attributable to Eni s shareholders for the first nine months of 2011 amounted to euro 5,571 million, down euro 199 million from 2010, or 3.4%, due to higher income taxes (down euro 791 million) with an increased Group s tax rate (up by 3.6 percentage points) and increasing net finance charges (down euro 298 million). These negatives were partly offset by a better operating performance (up 5.4%) mainly recorded by the Exploration & Production Division benefiting from higher crude oil prices.

In the third quarter of 2011 **adjusted net profit attributable to Eni s shareholders** amounted to euro 1,795 million, up euro 117 million from the third quarter of 2010, or 7%. In the first nine months of 2011, adjusted net profit was euro 5,429 million, up euro 262 million, or 5.1% from the first nine months of 2010. Adjusted net profit for the quarter was calculated excluding an inventory holding gain amounting to euro 10 million and special charges amounting to euro 35 million, resulting in a positive adjustment of euro 25 million. In the first nine months of 2011, an inventory holding gain of euro 654 million and special charges of euro 512 million resulted in a negative adjustment of euro 142 million.

In the first nine months of 2011, **special charges in the operating profit** included: (i) impairment charges of mineral assets in the Exploration & Production segment (euro 305 million), as certain gas properties in the USA were impaired due to negative reserve revisions and a reduced outlook for gas prices. In addition capital expenditure made in the period for safety reasons in the Refining & Marketing and Petrochemical Divisions plants was written off, as it related to assets totally impaired in previous reporting periods; (ii) a provision amounting to euro 69 million was accrued with regard to an antitrust proceeding in the European sector of elastomers following a decision by the European Court of Justice; (iii) negative fair value evaluation of certain commodity derivatives which did not meet the formal criteria for hedge accounting provided by IAS 39 (euro 234 million); (iv) environmental provisions and provisions for redundancy incentives (euro 63 million and euro 54 million, respectively). Special gains in the period mainly related to gains on disposal of marginal assets in the Exploration & Production Division.

Results by Division

The increase in the Group adjusted net profit reported in the third quarter of 2011 (up 7%) reflected an improved operating performance (up 12.3%) from the Exploration & Production Division and, to a less extent, the Engineering & Construction and Refining & Marketing Divisions, partly offset by lowered results in the Petrochemical and Gas & Power Divisions. In the first nine months of 2011, the Group adjusted net profit increased by 5.1%, reflecting higher operating profit (up 9.2%) mainly due to better performance reported by the Exploration & Production Division and, to a less extent, the Engineering & Construction segment.

Exploration & Production

In the third quarter of 2011, the Exploration & Production Division reported improved adjusted operating profit, which was up by 19.3% to euro 3,931 million (up 20.5% in the first nine months) driven by higher hydrocarbon realizations in dollars (up by 37.8% and 33.5% on average, in the third quarter and first nine months respectively) reflecting a favorable trading environment. These positives were partly offset by the impact associated with a lowered Libyan output and the appreciation of the euro vs. the US dollar. Adjusted net profit for the third quarter of 2011 was up by 24.5% to euro 1,655 million and by 28.9% to euro 5,172 million for the first nine months of 2011.

Engineering & Construction

The Engineering & Construction segment reported a solid operating performance of euro 333 million and euro 1,053 million in the third quarter and the first nine months of 2011 respectively (up by 5.4% and 11.1%) driven by revenue growth and higher profitability of works executed, mainly in the onshore and drilling offshore businesses. Adjusted net profit increased by 10.5% and 12.8% respectively in the two reporting periods.

Refining & Marketing

In the third quarter of 2011 the Refining & Marketing Division reported adjusted operating profit of euro 26 million, increasing by euro 12 million from the third quarter of 2010, driven by a slightly improved refining margins, and efficiency gains. Results were partly offset by a decreased performance in Marketing activities. Adjusted net profit for the quarter was barely unchanged at euro 44 million.

In the first nine months of 2011 the Refining & Marketing Division reported widening losses amounting to euro 264 million, up euro 132 million from the same period in the previous year. Losses were driven by sharply lower refining margins driven by higher crude oil and oil-linked utilities costs which were only partially transferred to end prices of products pressured by weak industry fundamentals. Marketing results were penalized by weak consumption and rapidly-escalating costs for products not fully transferred in prices at the pump.

Net adjusted loss for the first nine months of 2011 amounted to euro 132 million (compared to the break even recorded in the first nine months of 2010) driven by the weakening operating performance.

Gas & Power

In the third quarter of 2011, the Gas & Power Division reported lower adjusted operating profit which was down by 21.1% from the third quarter of 2010 (down by 33.3% in the first nine months of 2011). The result was negatively affected by a contraction in the performance of the Marketing business which suffered losses in both the third quarter and the nine months of 2011 (down by euro 174 million and euro 934 million from the third quarter and the first nine months of 2010, respectively). The Marketing business was affected by sharply lower gas margins both in Italy and Europe, which were dragged down by strong competitive pressures, oversupply and a weak demand trend negatively impacting selling prices. Also the quarterly performance was impacted by disruption in Libyan gas availability which affected both the supply mix, sales to shippers which import Libyan gas to Italy, as well as by the unfavorable trends in energy parameters. These negatives were partly offset by the renegotiation of a long-term supply contract by Distrigas. The lower results of the Marketing business were partly offset by the better operating performance of the International Transport business (up by 82.8% in the quarter; up by 28.4% in the first nine months) and by the Regulated Business in Italy (up by 6.4% in the quarter; up by 5% in the first nine months). The adjusted net profit of the Division was euro 206 million in the third quarter (down by 53%) and euro 1,208 million in the first nine months (down by 36.9%).

Petrochemicals

In the third quarter of 2011 the Petrochemical Division reported an operating loss of euro 80 million, reversing the year-earlier profit of euro 31 million (down by euro 111 million). In the first nine months of 2011 the operating loss increased by euro 83 million to a loss of euro 122 million. Those trends were negatively impacted by falling product margins, with the cracker margin severely hit by higher supply costs of oil-based feedstock which were not recovered in sales prices on end markets, and a substantial decrease in demand due to expectations for a reduction of prices of petrochemical commodities on the marketplace. Adjusted net loss increased by euro 75 million to a loss of euro 57 million for the quarter (down euro 37 million to a loss of euro 85 million in the first nine months of 2011).

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Liquidity and capital resources

Summarized Group Balance Sheet[4]

(euro million)	Dec. 31, 2010	June 30, 2011	Sept. 30, 2011	Change vs Dec. 31, 2010	Change vs June 30, 2011
Fixed assets					
Property, plant and equipment	67,404	67,162	70,314	2,910	3,152
Inventories - compulsory stock	2,024	2,370	2,335	311	(35)
Intangible assets	11,172	10,891	10,858	(314)	(33)
Equity-accounted investments and other investments	6,090	6,079	6,331	241	252
Receivables and securities held for operating purposes	1,743	1,746	1,864	121	118
Net payables related to capital expenditures	(970)	(1,130)	(1,333)	(363)	(203)
	87,463	**87,118**	**90,369**	**2,906**	**3,251**
Net working capital					
Inventories	6,589	6,911	8,159	1,570	1,248
Trade receivables	17,221	15,277	16,154	(1,067)	877
Trade payables	(13,111)	(11,293)	(11,750)	1,361	(457)
Tax payables and provisions for net deferred tax liabilities	(2,684)	(3,753)	(4,207)	(1,523)	(454)
Provisions	(11,792)	(11,743)	(11,692)	100	51
Other current assets and liabilities	(1,286)	(180)	(275)	1,011	(95)
	(5,063)	**(4,781)**	**(3,611)**	**1,452**	**1,170**
Provisions for employee post-retirement benefits	**(1,032)**	**(1,064)**	**(1,069)**	**(37)**	**(5)**
Net assets held for sale including net borrowings	**479**	**409**	**240**	**(239)**	**(169)**
CAPITAL EMPLOYED, NET	**81,847**	**81,682**	**85,929**	**4,082**	**4,247**
Shareholders equity					
Eni shareholders equity	51,206	50,942	52,946	1,740	2,004
Non-controlling interest	4,522	4,762	4,710	188	(52)
	55,728	**55,704**	**57,656**	**1,928**	**1,952**
Net borrowings	**26,119**	**25,978**	**28,273**	**2,154**	**2,295**
Total liabilities and shareholders equity	**81,847**	**81,682**	**85,929**	**4,082**	**4,247**
Leverage	**0.47**	**0.47**	**0.49**	**0.02**	**0.02**

The slight appreciation of the euro versus the US dollar as of September 30, 2011 from December 31, 2010 (the EUR/USD exchange rate was 1.350 as of September 30, 2011, as compared to 1.336 as of December 31, 2010, up by 1.1%) reduced net capital employed, net equity and net borrowings by euro 457 million, euro 299 million, and euro 158 million respectively, due to exchange rate translation differences. On the contrary, the depreciation of the euro vs. the US dollar from June 30, 2011 (down by 6.6%), resulted in an increase of net capital employed, net equity and net borrowings of euro 2,309 million, euro 2,075 million, and euro 234 million respectively compared to that date.

Fixed assets amounted to euro 90,369 million, representing an increase of euro 2,906 million from December 31, 2010, reflecting the positive balance of capital expenditure incurred in the period (euro 9,544 million) as well as depreciation, depletion, amortization and impairment charges (euro 6,223 million).

Net working capital amounted to a negative euro 3,611 million, representing an increase of euro 1,452 million from the closing balance as of December 31, 2010. This was due to increasing oil, gas and petroleum products inventories (up euro 1,570 million) impacted by rising oil and product prices on inventories stated at the weighted average cost and increased current and non current other assets and liabilities (up euro 1,011 million) mainly reflecting payment of payables in respect of the Company s gas suppliers outstanding as the end of 2010 due to

(4) The summarized group balance sheet aggregates the amount of assets and liabilities derived from the statutory balance sheet in accordance with functional criteria which consider the enterprise conventionally divided into the three fundamental areas focusing on resource investments, operations and financing. Management believes that this summarized group balance sheet is useful information in assisting investors to assess Eni s capital structure and to analyze its sources of funds and investments in fixed assets and working capital. Management uses the summarized group balance sheet to calculate key ratios such as return on capital employed (ROACE) and the proportion of net borrowings to shareholders equity (leverage) intended to evaluate whether Eni s financing structure is sound and well-balanced.

the take-or-pay position accrued in 2010 (euro 170 million) and a higher balance of receivables and payables from joint-venture partners in the Exploration & Production Division. These increases were partly offset by higher tax payables and net provisions for deferred tax liabilities accrued in the period (down euro 1,523 million). The reduction of trade payables (euro 1,361 million) was absorbed by a similar amount relating to the reduction of trade receivables (euro 1,067 million).

Net assets held for sale including related liabilities (euro 240 million) mainly related to the associate TAG GmbH, and Eni s subsidiaries and associates engaged in gas transport in Germany and Switzerland for which preliminary agreements have been signed to divest them to third parties.

Shareholders equity including non-controlling interest of euro 57,656 million increased by euro 1,928 million from the end of 2010. The comprehensive income for the period of euro 6,171 million which consisted of net profit for the period (euro 6,284 million), partly offset by negative exchange rate translation differences (down euro 299 million) and other items, was partly absorbed by dividend payments to Eni s shareholders (euro 3,695 million, of which euro 1,884 million relating to the 2011 interim dividend) and non-controlling interests, mainly Snam Rete Gas and Saipem (euro 547 million).

Summarized Group Cash Flow Statement[5]

(euro million)

Third Quarter 2010	Second Quarter 2011	Third Quarter 2011		Nine months 2010	Nine months 2011
2,181	**1,500**	**1,825**	**Net profit**	**6,539**	**6,284**
			Adjustments to reconcile net profit to cash provided by operating activities:		
1,642	1,939	2,052	- depreciation, depletion and amortization and other non monetary items	6,045	5,994
(135)	(9)	(48)	- net gains on disposal of assets	(379)	(76)
2,243	2,280	2,641	- dividends, interest, taxes and other changes	7,076	7,828
(1,798)	1,367	(2,082)	Changes in working capital related to operations	(1,685)	(2,444)
(1,724)	(2,666)	(1,779)	Dividends received, taxes paid, interest (paid) received during the period	(6,048)	(6,381)
2,409	**4,411**	**2,609**	**Net cash provided by operating activities**	**11,548**	**11,205**
(2,851)	(3,740)	(2,929)	Capital expenditures	(9,958)	(9,544)
(186)	(87)	(92)	Investments and purchase of consolidated subsidiaries and businesses	(301)	(220)
107	77	231	Disposals	902	334
104	295				