

ENI SPA
Form 6-K
September 02, 2009
Table of Contents

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 August 2009

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 Form 40-F

(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 No

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

TABLE OF CONTENTS

Press Release dated August 7, 2009

Interim Consolidated Report as of June 30, 2009 (accompanied by a report of the independent auditors and by an up-dating about the legal proceeding regarding TSKJ consortium)

Table of Contents

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: August 31, 2009

Table of Contents

Interim consolidated financial report as of June 30, 2009

Rome, August 7, 2009 - Eni's interim consolidated financial report as of June 30, 2009, approved by Eni Board of Directors on July 30, 2009 is available to the public from today in the Company's principal office and has been filed with the Italian Commission for securities and exchanges and the Italian Exchange. The interim report is accompanied by a report of the independent auditors. Interim results confirm those publicly released on July 31, 2009.

Information about developments occurred in the legal proceeding regarding the TSKJ consortium subsequently to July 30, 2009 is included in the Notes to the condensed consolidated interim financial statements, under the heading "Guarantees, commitments and risks".

Eni's interim consolidated financial report as of June 30, 2009 is downloadable from Eni's website, www.eni.it. Shareholders can receive a hard copy of Eni's interim report, free of charge, by filling in the request form found in Publications section or by emailing a request to segreteriasocietaria.azionisti@eni.it or to investor.relations@eni.it.

Company contacts:

Press Office: +39 02.52031875 - +39 06.5982398

Shareholder freephone: 800940924

Switchboard: +39-0659821

ufficio.stampa@eni.it

segreteriasocietaria.azionisti@eni.it

investor.relations@eni.it

Website: www.eni.it

Table of Contents

Contents

Table of Contents

Contents

Table of Contents

Interim Consolidated Report as of June 30, 2009

Contents

Operating and financial review	2 <u>Highlights</u>
	5 <u>Statistic recap</u>
	Operating Review
	7 <u>Exploration & Production</u>
	15 <u>Gas & Power</u>
	23 <u>Refining & Marketing</u>
	28 <u>Petrochemicals</u>
	30 <u>Engineering & Construction</u>
	Financial review and trend information
	32 <u>Financial review</u>
	32 <u>Profit and loss account</u>
	51 <u>Summarized Group Balance Sheet</u>
	56 <u>Summarized Group Cash Flow Statement and Change in net borrowings</u>
	62 <u>Risk factors and uncertainties</u>
	71 <u>Outlook</u>
	72 <u>Subsequent events</u>
	73 <u>Transactions with related parties</u>
	74 <u>Other information</u>
	75 <u>Glossary</u>
Condensed Consolidated Interim Financial Statements	79 <u>Financial Statements</u>
	87 <u>Basis of presentation and Use of accounting estimates</u>
	89 <u>Notes to the condensed consolidated interim financial statements</u>
<u>Management's certification</u>	123
<u>Report of Independent Auditors</u>	124

"Eni" means the parent company Eni SpA and its consolidated subsidiaries

Contents

ENI OPERATING AND FINANCIAL REVIEW / HIGHLIGHTS

Highlights

Financial Highlights

In the first half of 2009 Eni reported net profit of euro 2.74 billion, down 59.5% from a year earlier. On an adjusted basis, net profit amounted to euro 2.66 billion, down 49.8%, driven by a weaker operating performance which was dragged down by the economic downturn.

Cash flow amounting to euro 7.62 billion was used to fund the financing requirements associated with capital expenditure (euro 6.84 billion), the completion of the Distrigas acquisition (euro 2.05 billion) so as to support continued growth in the business and the payment of the remaining dividend for the fiscal year 2008 (euro 2.36 billion). The capital structure is sound as expressed by a level of net borrowings to total equity of 0.37.

Based on the first half of 2009 results and taking into account the projected full-year results and outlook, the interim dividend proposal to Eni Board of Directors will amount to euro 0.50 per share (euro 0.65 in 2008). The interim dividend is payable from September 24, 2009, being the ex-dividend date September 21, 2009.

Operational Highlights

Oil and natural gas production for the first half of 2009 amounted to 1,756 kboe/d, representing a decrease of 1.6% from the first half of 2008 mainly due to OPEC production cuts (down approximately 30 kboe/d), continuing security issues in West Africa and mature field declines. These negatives were partly offset by organic growth in Angola, Congo, the Gulf of Mexico, Egypt and Venezuela as well as the positive price impact reported in the Company's PSAs.

Eni's worldwide natural gas sales were 52.81 bcm, down 0.26 bcm or 0.5% from a year earlier, reflecting weaker European gas demand, mainly in Italy, caused by the economic downturn. The negative impact of the economic downturn was partly offset by the contribution of Distrigas (up 8.53 bcm).

Strategic developments

The half year has seen significant progress on a number of fronts, in particular in delivering progress on our stated strategy in Exploration & Production and Gas & Power divisions. Of particular note are developments in Russia, Africa, and in our European Gas business.

Russia

Eni and Gazprom have agreed upon a new scope of work in the development project of the South Stream pipeline, aimed at increasing its transport capacity from an original amount of 31 billion cubic meters per year to 63 billion cubic meters, as part of a framework agreement signed between Italy and Russia on May 15, 2009. Eni and Gazprom confirmed their full commitment to developing the project which, if the ongoing feasibility study provides a positive outcome, will build a new route to supply Russian gas to Europe, increasing both security and diversification of gas sources to Europe.

On May 15, 2009 Eni and its Italian partner Enel in the 60-40% owned joint-venture OOO SeverEnergia signed a preliminary agreement with Gazprom regarding a call option arrangement on a 51% interest in the venture. OOO SeverEnergia is the parent company of three Russian upstream companies which are presently engaging in

exploration and development activities of gas reserves in the Yamal Nenets region, in Siberia. On June 5, 2009, the parties signed the relevant binding agreement. Total cash consideration from this transaction is anticipated to amount

Contents**ENI OPERATING AND FINANCIAL REVIEW / HIGHLIGHTS**

to \$1.5 billion (Eni's share being \$900 million) and will be paid by Gazprom in two tranches: (i) the first one is due on the transfer of the shares and is expected to occur in the third quarter of 2009 with the transaction effective from the same date; (ii) the second tranche is due by end of the first quarter of 2010. As a result of the transaction, Eni's interest in OOO SeverEnergiya will be equal to 29.4%. The parties also agreed to move forward with the development plan of the Samburskoye field, targeting to achieve first gas by June 2011 and to ramp production up to a plateau of 150,000 boe/d within two years. In the next 90 days, the parties will define a plan to obtain all the authorizations, including the extensions of the mineral licenses by the Russian authority regulating the exploitation of the Country's mineral resources. A number of amendments granting license extension have been already obtained.

On April 7, 2009 Gazprom exercised its call option to purchase a 20% interest in OAO Gazprom Neft held by Eni, based on the existing agreements between the two partners. Total cash consideration amounting to euro 3,070 million (\$4,062 million, increasing to approximately euro 3.16 billion or \$4.2 billion when including the 2008 dividend) was paid by Gazprom on April 24, 2009. The 20% interest in Gazprom Neft was acquired by Eni on April 4, 2007 as part of a bid procedure for the assets of bankrupt Russian company Yukos. The exercise price of the call option is equal to the bid price (\$3.7 billion) as adjusted by subtracting dividends distributed and adding the contractual yearly remuneration of 9.4% on the capital employed and financing collateral expenses. At the same time, Eni and Gazprom signed new cooperation agreements targeting certain development projects to be conducted jointly in Russia and other Countries of interest.

Africa

On May 12, 2009 Eni and Egypt's Ministry of Petroleum signed a cooperation agreement to develop new hydrocarbon plays. Eni intends to adopt its comprehensive cooperation model in pursuing new ventures whereby the traditional oil business is integrated by activities aimed at satisfying the energy needs of host Countries and supporting them in reaching high standards of social and economic development.

On February 9, 2009 Eni signed three agreements as part of the Memorandum of Understanding signed in August 2008 with Angola's state oil company Sonangol. These agreements provide for: (i) a feasibility study to assess the economics of the utilization of associated gas in feeding a grass-root onshore power plant; (ii) a joint study to evaluate and collect data on certain Angolan onshore basins in view of identifying possible upstream opportunities; (iii) the design of a number of educational and training projects targeting Angolan professionals in the field of development of energy resources.

European Gas

On March 19, 2009 the mandatory tender offer on the minorities of Distrigas was finalized. Shareholders representing 41.617% of the share capital of Distrigas, including the second largest shareholder Publigaz SCRL with a 31.25% interest, tendered their shares. The squeeze-out of the residual 1.14% of the share capital was finalized on May 4, 2009. Finally, Distrigas shares have been delisted from Euronext Brussels. The total cash consideration amounting to euro 2,045 million was determined based on the same price paid to Distrigas main shareholder, Suez, on October 2008 to acquire the controlling stake of 57.243%. As of June 30, 2009, Eni owns the entire share capital of Distrigas, except for one share with special powers owned by the Belgian State.

Contents

ENI OPERATING AND FINANCIAL REVIEW / HIGHLIGHTS

Other developments: gas developments in USA, Italian oil & gas properties divestment, Pakistan, exploration success and award of new exploratory acreage

On May 18, 2009 Eni signed a strategic alliance with Quicksilver Resources Inc., an independent US natural gas producer. Based on the terms of the agreement, Eni will acquire a 27.5% interest in the Alliance area, in Northern Texas, covering approximately 53 square kilometers, with gas shale reserves at an average depth of 2,300 meters. Quicksilver will retain the 72.5% of the interests and operatorship of the alliance properties. This transaction, effective April 1, 2009, was finalized on June 19, 2009, for cash consideration amounting to \$280 million. Expected production from the acquired assets will amount to 4,000 boe/d net to Eni for the full year 2009, ramping up to approximately 10,000 boe/d by 2011.

Eni launched the divestment of marginal upstream assets, expected to be finalized by end of the year.

On March 18, 2009 Eni signed a Protocol for Cooperation with the government of Pakistan to develop a number of important upstream, midstream and downstream projects in the Country. Eni will provide its expertise as well as new technologies developed in the field of exploring for and developing hydrocarbon fields.

Eni continued to achieve exploration success in the Gulf of Mexico, North Sea and offshore Indonesia.

Eni was awarded operatorship and a 40% participating interests in new exploration licenses (PL 533 and PL 529) as well as a 30% interest in the PL 532 license (operated by StatoilHydro) in the Barents Sea.

Reorganization of the regulated business in the Italian gas sector

On June 30, 2009 the parent company Eni SpA concluded the sale of the entire share capital of its fully-owned subsidiaries Italgas SpA and Stocaggi Gas Italia SpA to its subsidiary Snam Rete Gas. The transaction, which was approved by the Eni's Board of Directors in February 2009, included cash consideration amounting to euro 4,509 million (euro 2,922 million and euro 1,587 million, respectively). Snam Rete Gas funded the transaction by means of: (i) a share capital increase amounting to euro 3.5 billion, which was entirely subscribed to by minorities and Eni for their respective shares; and (ii) arranging medium and long-term financing. The main impact expected on Eni's consolidated financial statements are: (i) as of June 30, 2009 a decrease of euro 1.54 billion was reported in the Group consolidated net borrowings and a corresponding increase in total equity as a consequence of the pro-quota subscription of the Snam Rete Gas capital increase by minorities; (ii) a decrease in Eni's net profit equal to 45% of the aggregate net profit of Italgas and Stogit is expected to be reported in the consolidated profit and loss for the third quarter of 2009, with a corresponding increase in net profit pertaining to minorities.

Disclaimer

This report contains certain forward-looking statements in particular under the section "Outlook" regarding capital expenditures, development and management of oil and gas resources, dividends, share repurchases, allocation of future cash flow from operations, future operating performance, gearing, targets of production and sale 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

Edgar Filing: ENI SPA - Form 6-K

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 of operations and changes in net borrowings for the first half of the year cannot be extrapolated for the full year.

- 4 -

Contents**ENI INTERIM CONSOLIDATED REPORT / STATISTIC RECAP****Financial highlights**

2008		(euro million)		First Half	
		2008	2009	Change	% Ch.
108,082	Net sales from operations	55,388	42,008	(13,380)	(24.2)
18,517	Operating profit	11,970	6,372	(5,598)	(46.8)
21,608	Adjusted operating profit ^(a)	11,471	6,303	(5,168)	(45.1)
8,825	Net profit ^(b)	6,758	2,736	(4,022)	(59.5)
10,164	Adjusted net profit ^{(a)(b)}	5,296	2,661	(2,635)	(49.8)
21,801	Net cash provided by operating activities	9,950	7,621	(2,329)	(23.4)
14,562	Capital expenditures	6,759	6,844	85	1.3
4,305	Acquisition of investments and businesses ^(c)	1,949	2,214	265	13.6
217	R&D expenditures	126	117	(9)	(7.1)
116,673	Total assets at period end	109,044	112,171	3,127	2.9
20,837	Debts and bonds at period end	21,323	19,873	(1,450)	(6.8)
48,510	Shareholders' equity including minority interests at period end	43,889	50,209	6,320	14.4
18,376	Net borrowings at period end	16,565	18,355	1,790	10.8
66,886	Net capital employed at period end	60,454	68,564	8,110	13.4

(a) For a detailed explanation of adjusted profits (net and operating), that do not include inventory gain/loss and special items, see paragraph "Reconciliation of reported operating profit and reported net profit to results on an adjusted basis".

(b) Profit attributable to Eni shareholders.

(c) Net of acquired cash.

Summary financial data

2008			First Half		% Ch.
			2008	2009	
	Net profit				
2.43	- per ordinary share ^(a)	(EUR)	1.85	0.76	(1.09) (58.9)
7.15	- per ADR ^{(a)(b)}	(USD)	5.66	2.02	(3.64) (64.3)
	Adjusted net profit				
2.79	- per ordinary share ^(a)	(EUR)	1.45	0.73	(0.72) (49.7)
8.21	- per ADR ^{(a)(b)}	(USD)	4.44	1.94	(2.50) (56.3)
	Return On Average Capital Employed (ROACE) ^(c)				
15.7	- reported	(%)	23.6	8.9	(14.7)
17.6	- adjusted	(%)	19.7	13.0	(6.7)
0.38	Leverage		0.38	0.37	(0.01)

(a) Fully diluted. Ratio of net profit and average number of shares outstanding in the period. Dollar amounts are converted on the basis of the average EUR/USD exchange rate quoted by ECB for the period presented.

(b) One American Depositary Receipt (ADR) is equal to two Eni ordinary shares.

(c) Calculated on a 12-month period ending on June 30, 2009, on June 30, 2008 and on December 31, 2008.

Key market indicators

First Half

Edgar Filing: ENI SPA - Form 6-K

2008		2008	2009	Change	% Ch.
96.99	Average price of Brent dated crude oil ^(a)	109.14	51.60	(57.54)	(52.7)
1.471	Average EUR/USD exchange rate ^(b)	1.530	1.332	(0.198)	(12.9)
65.93	Average price in euro of Brent dated crude oil	71.33	38.74	(32.59)	(45.7)
6.49	Average European refining margin ^(c)	5.93	4.47	(1.46)	(24.6)
8.85	Average European refining margin Brent/Ural ^(c)	8.64	5.09	(3.55)	(41.1)
4.41	Average European refining margin in euro	3.88	3.36	(0.52)	(13.4)
4.6	Euribor-three-month euro rate	(%) 4.7	1.7	(3.0)	(63.8)
2.9	Libor-three-month dollar rate	(%) 3.0	1.0	(2.0)	(66.7)

(a) In USD per barrel. Source: Platt's Oilgram.

(b) Source: ECB.

(c) In USD per barrel FOB Mediterranean Brent dated crude oil. Source: Eni calculations based on Platt's Oilgram data.

Contents**ENI INTERIM CONSOLIDATED REPORT / STATISTIC RECAP****Summary operating data**

2008			2008	First Half		
				2009	Change	% Ch.
Exploration & Production						
1,797	Production of hydrocarbons	(kboe/d)	1,784	1,756	(28)	(1.6)
1,026	- Liquids	(kbbbl/d)	1,005	1,000	(5)	(0.5)
4,424	- Natural gas	(mmcf/d)	4,472	4,344	(128)	(3.1)
Gas & Power						
104.23	Worldwide gas sales	(bcm)	53.07	52.81	(0.26)	(0.5)
6.00	- of which E&P sales ^(a)	(bcm)	3.32	2.95	(0.37)	(11.1)
85.64	Gas volumes transported in Italy	(bcm)	45.38	38.10	(7.28)	(16.0)
29.93	Electricity sold	(TWh)	15.37	15.35	(0.02)	(0.1)
Refining & Marketing						
35.84	Refining throughputs on own account	(mmtonnes)	17.65	16.65	(1.00)	(5.7)
58	Conversion index	(%)	56	59	3	5.4
12.67	Retail sales of petroleum products in Europe ^(b)	(mmtonnes)	6.27	5.86	(0.41)	(6.5)
5,956	Service stations in Europe at period end ^(b)	(units)	6,373	6,018	(355)	(5.6)
2,502	Average throughput of service stations in Europe ^(b)	(kliters)	1,210	1,206	(4)	(0.3)
Petrochemicals						
7,372	Production	(ktonnes)	4,136	3,254	(882)	(21.3)
4,684	Sales of petrochemical products	(ktonnes)	2,677	2,118	(559)	(20.9)
68.6	Average plant utilization rate	(%)	77.3	66.0	(11.3)	(14.6)
Engineering & Construction						
13,860	Orders acquired	(euro million)	5,471	5,068	(403)	(7.4)
19,105	Order backlog at period end	(euro million)	16,191	19,015	2,824	17.4
78,880	Employees at period end	(units)	76,360	78,268	1,908	2.5

(a) E&P sales include volumes marketed by the Exploration & Production division in Europe (1.83, 1.32 and 3.36 bcm for the first half of 2008, 2009 and the full year 2008, respectively) and in the Gulf of Mexico (1.49, 1.63 and 2.64 bcm for the first half of 2008, 2009 and the full year 2008, respectively).

(b) First half 2008 and full year 2008 data include downstream activities in the Iberian Peninsula divested to Galp in October 2008.

Contents

ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW

Exploration & Production

Key performance indicators ^(a)

2008	(euro million)	First Half	
		2008	2009
33,042	Net sales from operations ^(b)	17,721	11,828
16,239	Operating profit	9,043	4,152
17,222	Adjusted operating profit	9,252	4,237
7,900	Adjusted net profit	4,073	1,916
	Results also include:		
7,488	- amortization and depreciation	3,233	3,471
	- of which:		
2,057	exploration expenditures	1,056	920
1,577	amortization of exploratory drilling expenditures and other	806	770
480	amortization of geological and geophysical exploration expenses	250	150
9,281	Capital expenditures	4,364	4,907
1,918	- of which: exploration expenditures ^(c)	981	732
30,362	Adjusted capital employed, net	22,763	30,489
29.2	Adjusted ROACE	(%) 34.2	21.6
	Production ^(d)		
1,026	Liquids ^(e)	(kbbbl/d) 1,005	1,000
4,424	Natural gas	(mmcf/d) 4,472	4,344
1,797	Total hydrocarbons	(kboe/d) 1,784	1,756
	Average realizations		
84.05	Liquids ^(e)	(\$/bbl) 95.71	48.30
8.01	Natural gas	(\$/mmcf) 7.29	6.05
68.13	Total hydrocarbons	(\$/boe) 73.11	42.83
10,891	Employees at period end	(units) 10,429	11,055

(a) From January 1, 2009, results of the gas storage business are reported within the Gas & Power segment reporting unit following restructuring of Eni's regulated gas businesses in Italy. Prior period results have been restated accordingly.

(b) Before elimination of intragroup sales.

(c) Includes exploration bonuses.

(d) Includes Eni's share of equity-accounted entities.

(e) Includes condensates.

Mineral right portfolio and exploration activities

As of June 30, 2009, Eni's mineral right portfolio consisted of 1,243 exclusive or shared rights for exploration and development in 39 Countries on five

and the North Sea. In Italy net acreage (22,655 square kilometers) increased by 2,246 square kilometers mainly due to the new leases acquired.

continents for a total net acreage of 439,605 square kilometers (415,494 at December 31, 2008). Of these 42,367 square kilometers concerned production and development (39,244 at December 31, 2008). Outside Italy net acreage (416,950 square kilometers) increased by 21,865 square kilometers mainly due to the acquisition of new exploration leases in Algeria, Yemen

In the first half of 2009, a total of 37 new exploratory wells were drilled (22 of which represented Eni's share), as compared to 64 exploratory wells completed in the first half of 2008 (31 of which represented Eni's share). Overall commercial success rate was 37% (36.4% net to Eni), as compared to 38.2% (46% net to Eni) in the first half of 2008.

- 7 -

Contents**ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW****Oil and natural gas interests**

	December 31, 2008		June 30, 2009		Number of interests
	Gross exploration and development acreage ^(a)	Gross exploration and development acreage ^(a)	Net exploration and development acreage ^(a)	Net development acreage ^(a)	
Italy	25,522	28,241	22,655	12,445	169
Outside Italy	732,976	753,734	416,950	29,922	1,074
North Africa					
Algeria	2,921	19,593	17,272	1,229	37
Egypt	26,335	24,256	8,918	2,549	59
Libya	36,375	36,375	18,164	994	13
Mali	193,200	193,200	128,801		5
Tunisia	6,464	6,464	2,274	1,558	11
	265,295	279,888	175,429	6,330	125
West Africa					
Angola	20,492	20,492	3,323	1,397	55
Congo	15,655	15,589	8,189	1,013	25
Gabon	7,615	7,615	7,615		6
Nigeria	44,049	44,049	8,574	6,533	50
	87,811	87,745	27,701	8,943	136
North Sea					
Norway	11,771	11,186	3,507	123	51
United Kingdom	5,207	5,472	1,557	929	90
	16,978	16,658	5,064	1,052	141
Caspian Area					
Kazakhstan	4,933	4,933	880	453	6
Turkmenistan	200	200	200	200	1
	5,133	5,133	1,080	653	7
Rest of the world					
Australia	60,486	49,482	20,694	891	16
Brazil	1,389	1,389	1,067		2
China	899	899	192	103	3
Croatia	1,975	1,975	988	988	2
East Timor	12,224	12,224	9,779		5
Ecuador	2,000	2,000	2,000	2,000	1
India	24,425	25,749	9,630	416	10
Indonesia	28,605	25,929	15,858	1,064	11
Iran	1,456	1,456	820	820	4

Edgar Filing: ENI SPA - Form 6-K

Pakistan	35,938	35,819	18,788	615	21
Russia	6,636	6,504	3,812	3,812	5
Saudi Arabia	51,687	51,687	25,844		1
Trinidad & Tobago	382	382	66	66	1
United States	11,478	11,251	6,526	907	556
Venezuela	1,556	1,556	614	145	3
Yemen	3,911	23,296	20,560		2
	245,047	251,598	137,238	11,827	643
Other countries	6,311	6,311	1,363	1,117	9
Other countries with only exploration activity	106,401	106,401	69,075		13
Total	758,498	781,975	439,605	42,367	1,243

(a) Square kilometers.

- 8 -

Contents

ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW

Production

Oil and natural gas production for the first half of 2009 (1,756 kboe/d) decreased by 28 kboe/d from the first half of 2008 (down 1.6%) mainly due to OPEC production cuts (down approximately 30 kboe/d), continuing security issues in Nigeria, lower production uplifts associated with weak European gas demand and mature field declines. Those negatives were partially offset by continuing production ramp-up in Angola, Congo, the Gulf of Mexico, Egypt and Venezuela, and the positive price impact reported in the Company's PSAs (up approximately 60 kboe/d).

The share of oil and natural gas produced outside Italy was 90% (89% in the first half of 2008).

Liquids production was 1,000 kbbbl/d, a decrease of 5 kbbbl/d from the first half of 2008, or 0.5%. Mature fields declines, mainly in Italy and in the North Sea, were partly offset by production increases achieved in Angola,

benefiting from production ramp-up at the Saxi-Batuque fields (Eni's interest 20%), Congo, due to the development of the Ikalou-Ikalou Sud (Eni's interest 100%) and Awa Paloukou fields (Eni's interest 90%), and Venezuela, due to the Corocoro (Eni's interest 26%) production start-up, as well as higher entitlements reported in the Company PSAs as a result of lower oil prices.

Natural gas production (4,344 mmcf/d) decreased by 128 mmcf/d, or 3.1%, mainly in Italy, Nigeria and Libya. Increases were recorded in the Gulf of Mexico, due to lower facility downtime, and in Congo, due to the start-up of the M Boundi field gas project (Eni operator with a 83% interest).

Oil and gas production sold amounted to 308.4 mmboe. The difference over production (317.8 mmboe) reflected volumes of natural gas consumed in operations (9.4 mmboe).

2008		2008	First Half		% Ch.
			2009	Change	
Production of oil and natural gas ^{(a) (b)}					
1,797	(kboe/d)	1,784	1,756	(28)	(1.6)
199	Italy	205	171	(34)	(16.6)
645	North Africa	639	581	(58)	(9.1)
335	West Africa	315	337	22	7.0
237	North Sea	243	237	(6)	(2.5)
123	Caspian Area	131	133	2	1.5
258	Rest of the world	251	297	46	18.3
632.0	Oil and natural gas sold ^(a)	313.9	308.4	(5.5)	(1.8)
Production of liquids ^(a)					
1,026	(kbbbl/d)	1,005	1,000	(5)	(0.5)
68	Italy	71	55	(16)	(22.5)
338	North Africa	340	297	(43)	(12.6)
289	West Africa	269	299	30	11.2
140	North Sea	143	134	(9)	(6.3)
81	Caspian Area	86	86		
110	Rest of the world	96	129	33	34.4

Edgar Filing: ENI SPA - Form 6-K

2008		2008	First Half		% Ch.
			2009	Change	
	Production of natural gas ^{(a) (b)}				
4,424	(mmcf/d)	4,472	4,344	(128)	(3.1)
750	Italy	770	666	(104)	(13.6)
1,762	North Africa	1,718	1,632	(86)	(6.1)
261	West Africa	261	220	(41)	(25.0)
558	North Sea	574	588	14	6.3
245	Caspian Area	261	269	8	14.3
849	Rest of the world	888	969	81	8.0

(a) Includes Eni's share of production of equity-accounted entities.

(b) Includes production volumes of natural gas consumed in operations (299 and 284 mmcf/d in the first half of 2009 and 2008, respectively, and 281 mmcf/d in 2008).

Contents

ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW

Main exploration and development projects**NORTH AFRICA**

Algeria In 2009, relevant authorities confirmed the acquisition of the operatorship of the Kerzaz exploration area (Blocks 319a, 321a and 316b) covering a gross acreage of 16,000 square kilometers. Activity start-up is expected in 2009.

Main projects underway are the following: (a) the MLE and CAFC integrated project for the development of Block 405b (Eni's interest 75%) purchased in 2008 from Canadian company First Calgary. The project provides for the construction of a treatment plant with a capacity of 350 mmcf/d of NGL and 35 kbb/d of oil. Production start-up is expected in 2011 with a production plateau of approximately 30 kboe/d net to Eni by 2012; (b) the Rom Integrated project, designed to develop the reserves of the Rom Main, ZEA and ROM Nord fields. The project provides for the construction of a new oil treatment plant with start-up in 2012. Current production of 14 kboe/d is expected to reach 32 kboe/d by 2012; (c) the El Merk Synergy project (Eni's interest 12.25%), with the construction of a new treatment plant with a capacity of 600 mmcf/d of NGL and 65 kbb/d of oil on two trains and production plateau of about 11 kbb/d net to Eni. In the first half of 2009 nearly all EPC contracts of the project have been awarded. Start-up is expected in 2012.

The Algerian hydrocarbon Law No. 05 of 2007 introduced a higher tax burden for the national oil company Sonatrach that requested to renegotiate the economic terms of certain PSAs in order to restore the initial economic equilibrium. Eni signed an agreement for Block 403 while negotiations are ongoing for production Blocks 401a/402a (Eni's interest 55%) and development Block 208 (Eni's interest 12.25%). At present, management is not able to foresee the final outcome of such renegotiations.

Egypt In May 2009, Eni and Egypt's Ministry of Petroleum signed a cooperation agreement to increase and widen cooperation in development activities and start joint activities in training and knowledge management. The agreement has extended the terms of the Belayim field (Eni's interest 100%) in the Gulf of Suez till 2030. The two partners have also agreed to jointly evaluate a number of industrial initiatives to

production facilities. Production is expected to peak at 81 mmcf/d in 2009.

Main projects underway are the following: (i) the second phase at the Denise field through the drilling of additional wells to be linked to the dedicated Denise B platform; (ii) the finalization of the basic engineering for the upgrading of facilities at the Belayim field to recover residual reserves.

Upgrading of the el Gamil compression plant progressed by adding new capacity.

Eni and the partners of the Damietta LNG plant have planned to double the capacity of this facility through the construction of a second train with a treatment capacity of 265 bcf/y of gas. Eni will provide 88 bcf/y to the second train for a period of twenty years. The project is awaiting to be sanctioned by the Egyptian authorities. The reserves have been already identified which are destined to feed the second train, including any additional amounts that must be developed to meet the Country's domestic requirements under existing laws.

Libya The plans for the monetization of gas reserves ratified in the strategic agreements between Eni and NOC are underway: (i) upgrading of plants and facilities of the Western Libyan Gas project (Eni's interest 50%) in order to increase gas production by 35 bcf/y. Additional 71 bcf/y will be on-stream by 2014 through the installation of a new platform on structure A and an upgrading of the Mellitah plant; (ii) maintaining production profiles at the Wafa and Bahr Essalam fields through increasing compression capacity and drilling additional wells.

Other ongoing development activities concern the A-NC118 field (Eni's interest 50%) linking it via pipelines to the Wafa/Mellitah plant and the valorization of associated gas of the Bouri field (Eni's interest 50%). Purified gas will be shipped by sealine to the nearby Sabratha platform, from here to the Mellitah plant and exported through the GreenStream pipeline.

Tunisia Development activities progressed at the production platform of the Maamoura (Eni's interest 49%) and Baraka (Eni's interest 49%) fields. Start-up is expected in 2009 with production peaking at 11 kboe/d in 2011.

monetize the natural gas reserves at high depths.
In 2009, in the offshore area of the Nile Delta the
Thekah gas field was started up by linking it to existing

The ongoing development projects mainly regarded the
optimization of production at the Adam (Eni's interest
25%), Djebel Grouz (Eni's interest 50%) and Oued Zar
(Eni's interest 50%) fields, located in the Southern desert
area.

- 10 -

Contents**ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW****WEST AFRICA**

Angola In February 2009, Eni signed three agreements as part of the Memorandum of Understanding signed in August 2008 with Angola's state oil company Sonangol. These agreements provide for: (i) a feasibility study to assess the economics of the utilization of associated gas in feeding a grass-root onshore power plant; (ii) a joint study to evaluate and collect data on certain Angolan onshore basins in view of identifying possible upstream opportunities; (iii) the design of a number of educational and training projects targeting Angolan professionals in the field of development of energy resources.

In May 2009 the Mafumeira field located in Block 0 in Cabinda-Area A (Eni's interest 9.8%) was started up with production peaking at 33 kbb/d in 2012.

Within the activities for reducing gas flaring, projects progressed at the Takula and Nemba fields in Block 0. Flaring-down on Takula is expected in to be completed in 2009. Gas currently flared will be re-injected in the field; condensates will be shipped via a new pipeline to the Malongo treatment plant to be converted into LPG. Development activities at the Nemba field are planned including the drilling of gas injection wells and the installation of a new production platform. Start-up is expected in 2011.

Development at the Landana and Tombua oil fields in offshore Block 14 (Eni's interest 20%) progressed. Early production is ongoing in the north area of Landana that was linked to the Benguela/Belize-Lobito/Tomboco facilities. Production is expected to peak at 135 kbb/d (24 net to Eni) in 2011 at the end of drilling program.

Congo In June 2009, Eni acquired a 2.9% stake in the M Boundi operated field (Eni's interest 83%) from Courrat company. Activities on this field moved forward with the revision of the production schemes and layout to plan application of advanced recovery techniques and a design to monetize associated gas. In the first half of 2009, Eni signed a long term agreement to supply associated gas from M Boundi field to fire the Koilou potassium plant owned by Canadian company MagIndustries and doubled the existing Djeno power plant (Eni's interest 50%).

In addition a new 450 MW power station (Eni's interest 20%) will be fired with the associated natural gas from M Boundi as foreseen in the cooperation agreement signed by Eni and the Republic of Congo in 2008.

plant (Eni's interest 10.4%), the development of gas reserves continued for increasing capacity at the Obiafu/Obrikom plant as well as the installation of a new treatment plant and transport facilities for carrying 155 mmcf/d net to Eni of feed gas for 20 years. To the same end the development plan of the Tuomo gas field has been progressing along with its linkage to the Ogbainbiri treatment plant.

In Blocks OML 120/121 (Eni operator with a 40% interest), the Oyo oil discovery is under development. The project provides for the installation of an FPSO unit with treatment capacity of 40 kbb/d and storage capacity of 1 mmbbl. Production start-up is expected in 2009.

Development of the Forcados/Yokri oil and gas field progressed as part of the integrated associated gas gathering project aimed at supplying gas to the Bonny liquefaction plant. Completion is expected in 2009.

NORTH SEA

Norway Exploration activities yielded positive results in Prospecting License 128 (Eni's interest 11.5%) with the Dompap gas discovery at a depth of approximately 2,750 meters. Appraisal activities are underway.

In May 2009 following an international bid procedure Eni was awarded the operatorship of exploration licenses PL 533 (Eni's interest 40%) and PL 529 (Eni's interest 40%) in addition to a 30% stake in PL 532 in the Barents Sea.

In January 2009, production of the Yttergyta field (Eni's interest 9.8%) started-up at 81 mmcf/d with the completion of development activities.

In July 2009, the Tyrihans field (Eni's interest 6.23%) was started up through synergies with the production facilities of Kristin (Eni's interest 8.25%). Current production of 3 kboe/d was reached in coincidence with the production decline of Kristin which makes spare capacity available to process production from Tyrihans. In Prospecting License 229 (Eni operator with a 65% interest) appraisal activities of the Goliath oil discovery are underway. The project is progressing according to schedule. Start-up is expected in 2013 with production plateau at 100 kbb/d. The final investment decision is expected in the second half of 2009.

United Kingdom Exploration activities yielded positive results in Block 22/25a (Eni's interest 16.95%) with the

Nigeria In Blocks OML 60, 61, 62 and 63 (Eni operator with a 20% interest) within the activities aimed at guaranteeing production to feed the Bonny liquefaction

gas and condensate Culzean discovery near the Elgin/Franklin producing field (Eni's interest 21.87%). Study of development activities is underway. Development activities concerned: (i) infilling actions at the Elgin/Franklin, Mac Culloch (Eni's interest 40%), Jade (Eni's interest 7%) and Magnus (Eni's interest 5%) fields

- 11 -

Contents**ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW**

targeted to maintain production levels; (ii) progressing activities at the Burgley discovery (Eni's interest 21.92%) with start-up expected in 2010.

Pre-development activities are underway at the following discoveries: (i) the Jasmine gas field in the J-Block (Eni's interest 33%) with expected start-up in 2012; (ii) the Laggan-Tormore gas field (Eni's interest 20%) located in the Shetland Islands with expected start-up in 2013; (iii) the Kinnoul oil and gas field in Block 16/23 (Eni's interest 16.67%) to be developed in synergy with the production facilities of the Andrew field (Eni's interest 16.21%) with expected start-up in 2011.

CASPIAN AREA

Kazakhstan - Karachaganak Ongoing development activities concerned: (i) the completion of the fourth treatment unit which will enable to increase export of oil volumes to European markets. Currently non-stabilized oil production is delivered to the Orenburg terminal; (ii) the construction of the Uralsk Gas Pipeline. This new infrastructure, with a length of 150 kilometers, will link the Karachaganak field to the Kazakhstan gas network. Start-up is expected in 2009.

In 2008, the Kazakh authorities approved a tax decree enacting a new duty tax on crude oil exports. In January 2009 the rate applied for the determination of that charge was cleared. In the same month the authorities enacted a new tax code that does not affect the profitability of this project taking into account that certain clauses in the PSA regulating the activities at the field provide the stability of the tax burden for the ventures.

REST OF WORLD

Australia Development activities are underway at the Blacktip gas field (Eni operator with a 100% interest). The development strategy envisages installation of a platform that will be linked to an onshore treatment plant. Start-up is expected in the second half of 2009, peaking at 26 bcf/y in 2010. Natural gas production is destined to supply a power station.

Indonesia Exploration activity yielded positive results with the Jangkrik discovery located in the Muara Bukay Block (Eni's interest 55%) in the offshore of Borneo. Eni is also involved in the ongoing joint development of

develop a number of important upstream, midstream and downstream projects in the Country. The deal is part of Eni's growth strategy by identifying new resources. Eni will provide its expertise as well as new technologies developed in the field of exploring for and developing hydrocarbon fields.

Russia On April 7, 2009 Gazprom exercised its call option to purchase a 20% interest in OAO Gazprom Neft held by Eni based on the existing agreements between the two partners. Total cash consideration amounting to euro 3,070 million (\$4,062 million at the exchange rate of that date) (for further details on this deal, see paragraph "Net working capital" in the balance sheet section of the financial review and trend information). On May 15, 2009, Eni and its Italian partner Enel in the 60-40% owned joint-venture OOO SeverEnergiya signed a preliminary agreement with Gazprom regarding a call option arrangement on a 51% interest in the venture. OOO SeverEnergiya is the parent company of three Russian upstream companies which are presently engaging in exploration and development activities of gas reserves in the Yamal Nenets region, in Siberia. On June 5, 2009, the parties signed the relevant binding agreement. Total cash consideration from this transaction is anticipated to amount to \$1.5 billion (Eni's share being \$900 million) and will be paid by Gazprom in two tranches (for further details on this deal, see paragraph "Fixed assets" in the balance sheet section of the financial review and trend information).

The parties also agreed to move forward with the development plan of the Samburskoye field, targeting to achieve first gas by June 2011 and to ramp production up to a plateau of 150 kboe/d within two years. In the next 90 days, the parties will define a plan to obtain all the authorizations, including the extensions of the mineral licenses, from the Russian authority regulating the exploitation of the Country's mineral resources. The amendments for some licenses have been issued. Eni and Gazprom signed new cooperation agreements targeting certain development projects to be conducted jointly in Russia and other Countries of interest.

United States - Gulf of Mexico Offshore exploration activities yielded positive results in the following blocks: (i) Block Green Canyon 859 (Eni's interest 12.5%) with the oil and gas Heidelberg-1 discovery at a

the five discoveries in the Kutei Deep Water Basin area (Eni's interest 20%). Gas production will be treated at the Bontang LNG plant.

depth of 9,163 meters; (ii) near to the Longhorn field (Eni's interest 75%) with the Leo appraisal well that will be linked to the existing production facilities.
In May 2009, Eni signed a strategic alliance with

Pakistan In March 2009, Eni signed a Protocol for Cooperation with the government of Pakistan to

- 12 -

Contents**ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW**

Quicksilver Resources Inc, an independent US natural gas producer, to acquire a 27.5% interest in the Alliance area, in the Fort Worth basin, in Texas. The acquisition for cash consideration amounting to \$280 million includes gas shale¹ production assets with 40 mmbbl of resources base. Production plateau at 10 kboe/d net to Eni is expected in 2011.

The development plan of the Appaloosa discovery (Eni's interest 100%) was sanctioned. Start-up is expected in 2010 with production peaking at 7 kboe/d.

In July 2009, production started-up at the Thunderhawk field, in block Mississippi Canyon 734 (Eni's interest 25%), through the drilling of underwater wells and linkage to a semi submersible production unit with a treatment capacity of 45 kbbbl/d of oil and about 71 mmcf/d of natural gas.

Development activities are nearing completion at the Longhorn field (Eni's interest 75%) with the installation of a fixed platform linked to 3 underwater wells.

Start-up is expected in the third quarter of 2009 with production peaking at 29 kboe/d (about 20 net to Eni).

United States - Alaska Ongoing activities concerned the phased development plan of the Nikaitchuq field (Eni's interest 100%). The project provides for the drilling of onshore and offshore wells and linkage to a treatment plant to be built at Olitok point. First oil is expected in 2010 with production plateau at 26 kboe/d.

Italy Development activities concerned in particular: (i) optimization of producing fields by means of sidetrack and work over activities (Cervia, Giovanna, Antares, Luna and Barbara fields); (ii) continuation of drilling in the Val d'Agri concession.

Other development activities were: (i) linkage to the Val d'Agri oil treatment plant of the first 3 wells in the Cerro Falcone area. Start-up is expected in October 2009 at approximately 6 kboe/d; (ii) the development of the Annamaria B and Tresauero fields. Start-up of Annamaria B is expected in 2009 with production peaking at 4 kboe/d at Annamaria B. Start-up is expected in the second half of 2009 at Tresauero field; (iii) the development of the Guendalina field with start-up in 2010 and production peaking at 3 kboe/d.

(1) Shale gas is a continuous natural gas reservoir contained within fine grained rocks, dominated by shale.

Contents

ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW

Capital expenditures

Capital expenditures of the Exploration & Production division (euro 4,907 million) concerned development of oil and gas reserves (euro 3,651 million) directed mainly outside Italy, in particular Kazakhstan, Egypt, Congo, the United States and Angola. Development expenditures in Italy concerned well drilling program and facilities upgrading in Val d'Agri as well as sidetrack and infilling activities in mature fields.

About 96% of exploration expenditures that amounted to euro 732 million were directed outside Italy in particular Libya, the United States, Egypt

and Indonesia. In Italy, exploration activities were conducted mainly in the offshore of Sicily.

Acquisition of proved and unproved property concerned mainly the acquisition of a 27.5% stake in the Quicksilver Resources assets and the extension of Eni's mineral rights in Egypt, following the agreement signed in May 2009 with Egypt's Ministry of Petroleum.

As compared to the first half of 2008, capital expenditures increased by euro 543 million, up 12.4%, due to higher development expenditures mainly in the United States, Australia, Congo, Italy and Kazakhstan.

2008		(euro million)			
		2008	First Half 2009	Change	% Ch.
836	Acquisition of proved and unproved property	621	477	(144)	(23.2)
626	North Africa	601	225		
210	West Africa	13	73		
	Rest of world	7	179		
1,918	Exploration	981	732	(249)	(25.4)
135	Italy	71	26	(45)	(63.4)
398	North Africa	213	234	21	9.9
460	West Africa	139	117	(22)	(15.8)
214	North Sea	148	57	(91)	(61.5)
28	Caspian Area	7	15	8	..
683	Rest of world	403	283	(120)	(29.8)
6,429	Development	2,729	3,651	922	33.8
570	Italy	259	359	100	38.6
1,246	North Africa	542	674	132	24.4
1,717	West Africa	780	931	151	19.4
505	North Sea	212	265	53	25.0
997	Caspian Area	435	529	94	21.6
1,394	Rest of world	501	893	392	78.2
98	Other expenditures	33	47	14	42.4
9,281		4,364	4,907	543	12.4

- 14 -

Contents

ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW

Gas & Power

Key performance indicators ^(a)

2008	(euro million)	First Half	
		2008	2009
37,062	Net sales from operations ^(b)	16,971	17,468
4,030	Operating profit	2,425	2,116
3,564	Adjusted operating profit	2,295	2,053
1,309	<i>Marketing</i>	1,106	987
1,732	<i>Regulated businesses in Italy</i>	933	859
523	<i>International transport</i>	256	207
2,655	Adjusted net profit	1,659	1,485
4,310	Adjusted pro-forma EBITDA	2,583	2,541
2,271	<i>Marketing</i>	1,534	1,558
1,284	<i>Regulated businesses in Italy</i>	680	644
755	<i>International transport</i>	369	339
2,058	Capital expenditures	969	751
22,273	Adjusted capital employed, net	20,892	23,614
12.2	Adjusted ROACE	(%) 15.4	11.1
104.23	Worldwide gas sales	(bcm) 53.07	52.81
6.00	<i>of which: E&P sales</i> ^(c)	3.32	2.95
85.64	Gas volumes transported in Italy	(bcm) 45.38	38.10
29.93	Electricity sold	(TWh) 15.37	15.35
11,692	Employees at period end	(units) 11,685	11,623

(a) From January 1, 2009, results of the gas storage business are reported within the Gas & Power segment reporting unit, within the regulated businesses results, following restructuring of Eni regulated gas businesses in Italy. As of that date, the results of the regulated businesses in Italy, therefore include results of the Transport, Distribution, Regasification and Storage activities in Italy. Results of the Power generation activity are reported within the Marketing business as it is ancillary to the latter. Prior period results have been restated accordingly.

(b) Before elimination of intragroup sales.

(c) Exploration & Production sales in Europe and in the Gulf of Mexico.

NATURAL GAS

Supply of natural gas

In the first half of 2009 Eni's consolidated subsidiaries, including Distrigas share amounting to 8.22 bcm, supplied 44.07 bcm of natural gas with a 1 bcm decrease from the first half of 2008, down 2.2%. Excluding the contribution of Distrigas, lower gas sales in particular in Italy related to the economic downturn, determined

a decline in gas volumes supplied outside Italy of 8.66 bcm mainly (i) from Russia (down 2.74 bcm); (ii) from Algeria (down 2.63 bcm); (iii) supplies destined to the Hungarian market (down 1.33 bcm); (iv) from the Netherlands (down 1.09 bcm). Supplies in Italy (3.48 bcm) declined by 0.56 bcm from the first half of 2008, or 13.9%, due to lower domestic production.

Contents**ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW****Supply of natural gas**

2008	(bcm)	First Half			
		2008	2009	Change	% Ch.
8.00	ITALY	4.04	3.48	(0.56)	(13.9)
22.91	Russia	12.65	9.91	(2.74)	(21.7)
19.22	Algeria (including LNG)	10.65	8.02	(2.63)	(24.7)
9.87	Libya	5.02	4.83	(0.19)	(3.8)
9.83	Netherlands	4.25	5.39	1.14	26.8
6.97	Norway	2.98	6.10	3.12	..
3.12	United Kingdom	1.47	1.50	0.03	2.0
2.84	Hungary	1.67	0.34	(1.33)	(79.6)
0.71	Qatar (LNG)		1.50	1.50	..
4.07	Other supplies of natural gas	1.39	2.35	0.96	69.1
2.11	Other supplies of LNG	0.95	0.65	(0.30)	(31.6)
81.65	OUTSIDE ITALY	41.03	40.59	(0.44)	(1.1)
89.65	Total supplies of Eni's consolidated subsidiaries	45.07	44.07	(1.00)	(2.2)
(0.08)	Offtake from (input to) storage	0.33	1.75	1.42	..
(0.25)	Network losses and measurement difference	(0.12)	(0.13)	(0.01)	8.3
89.32	AVAILABLE FOR SALE BY ENI'S CONSOLIDATED SUBSIDIARIES	45.28	45.69	0.41	0.9
8.91	Available for sale by Eni's affiliates	4.47	4.17	(0.30)	(6.7)
6.00	E&P volumes	3.32	2.95	(0.37)	(11.1)
104.23	TOTAL AVAILABLE FOR SALE	53.07	52.81	(0.26)	(0.5)

Take-or-pay

In order to meet the medium and long-term demand for natural gas, in particular in the Italian market, Eni entered into long-term purchase contracts with producing Countries. The residual average life of the Company's supply portfolio currently amounts to approximately 20.5 years. Such contracts, which generally contain take-or-pay clauses, will ensure a total of approximately 62.4 bcm/y of natural gas by 2010. Despite the fact that an increasing portion of natural gas volumes is planned to be sold outside Italy, management believes that in the long-term unfavorable trends in Italian natural gas demand and supply, also due to the increase in import capacity (pipeline upgrading and new LNG plants) that took place in 2008 and the closing of projects in progress or publicly announced by Eni and third parties, as well as the evolution of Italian regulations in the natural gas sector, represent risk factors to the fulfillment of Eni's obligations in connection with its take-or-pay supply contracts (see "Risk factors and uncertainties" below).

Sales of natural gas

In the first half of 2009 natural gas sales were 52.81 bcm, a decrease of 0.26 bcm from the first half of 2008, down 0.5%, driven by lower gas demand in Europe, particularly in Italy, caused by the economic downturn. This negative was partly offset by the contribution of the Distrigas acquisition (up 8.53 bcm). Sales included own consumption, Eni's share of sales made by equity-accounted entities and upstream sales in Europe and in the Gulf of Mexico.

Sales volumes on the Italian market declined by 7.49 bcm, or 26.2%, to 21.11 bcm driven by significantly lower supplies to the power generation business (down 4.04 bcm) and, to a lesser extent, to industrial customers (down 1.12 bcm) dragged down by a deep fall in industrial production, and to wholesalers (down 0.70 bcm) due also to competitive pressure. Lower sales to power generation customers were also caused by greater use of water basins in the production of electricity thus replacing gas-fired production. Sales volumes to the

The purchase of Belgian company Distrigas (for details on this deal see "Main development projects for the first half of 2009" below) has entailed a significant expansion of Eni's supply portfolio with an addition of long-term supplies of approximately 14.7 bcm (Norway, the Netherlands and Qatar) having a residual life of a maximum of 19 years.

residential sector registered a slight increase (up 0.15 bcm).

International sales were up 7.23 bcm, or 29.5%, to 31.70 bcm, mainly benefiting from the contribution of Distrigas (up 8.53 bcm). Organic growth was achieved in the French market (up 0.62 bcm) where ongoing marketing initiatives and a growing customer base

- 16 -

Contents

ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW

helped boost sales, and in Northern Europe (up 0.51 bcm). Lower sales volumes resulted from lower sales to importers in Italy (down 1.07 bcm) reflecting the economic downturn in the domestic market and lower consumption in Europe, in particular in the Iberian Peninsula (down 0.38 bcm), Turkey (down 0.32 bcm) and Hungary (down 0.13 bcm).

Sales to markets outside Europe (0.92 bcm) declined by 0.22 bcm from the first half of 2008.

E&P sales in Europe and in the United States (2.95 bcm) decreased by 0.37 bcm, down 11.1%, in particular in Europe.

Gas sales by market

2008		(bcm)	First Half			
			2008	2009	Change	% Ch.
52.87	ITALY		28.60	21.11	(7.49)	(26.2)
7.52	Wholesalers		4.45	3.75	(0.70)	(15.7)
3.28	Gas release		2.12	0.65	(1.47)	(69.3)
1.89	Italian gas exchange and spot markets		0.52	0.39	(0.13)	(25.0)
10.64	Industries		5.80	4.69	(1.11)	(19.1)
9.59	<i>Industries</i>		5.21	4.09	(1.12)	(21.5)
1.05	<i>Medium-sized enterprises and services</i>		0.59	0.60	0.01	1.7
17.69	Power generation		9.04	5.00	(4.04)	(44.7)
6.22	Residential		3.72	3.87	0.15	4.0
5.63	Own consumption		2.95	2.76	(0.19)	(6.4)
51.36	INTERNATIONAL SALES		24.47	31.70	7.23	29.5
43.03	Rest of Europe		20.01	27.83	7.82	39.1
11.25	Importers in Italy		6.84	5.77	(1.07)	(15.6)
31.78	European markets		13.17	22.06	8.89	67.5
7.44	<i>Iberian Peninsula</i>		3.63	3.25	(0.38)	(10.5)
5.29	<i>Germany-Austria</i>		2.65	2.68	0.03	1.1
4.57	<i>Belgium</i>			7.26	7.26	..
2.82	<i>Hungary</i>		1.59	1.46	(0.13)	(8.2)
3.21	<i>Northern Europe</i>		1.47	1.98	0.51	34.7
4.93	<i>Turkey</i>		2.64	2.32	(0.32)	(12.1)
2.66	<i>France</i>		1.03	2.36	1.33	..
0.86	<i>Other</i>		0.16	0.75	0.59	..
2.33	Extra European markets		1.14	0.92	(0.22)	(19.3)
6.00	E&P in Europe and in the Gulf of Mexico		3.32	2.95	(0.37)	(11.1)
104.23	WORLDWIDE GAS SALES		53.07	52.81	(0.26)	(0.5)

Gas sales by entity

2008		(bcm)	First Half			
			2008	2009	Change	% Ch.
89.32	Total sales of subsidiaries		45.28	45.69	0.41	0.9
52.82	Italy (including own consumption)		28.57	21.11	(7.46)	(26.1)

Edgar Filing: ENI SPA - Form 6-K

35.61	Rest of Europe	16.32	24.20	7.88	48.3
0.89	Outside Europe	0.39	0.38	(0.01)	(2.6)
8.91	Total sales of Eni's affiliates (net to Eni)	4.47	4.17	(0.30)	(6.7)
0.05	Italy	0.03		(0.03)	..
7.42	Rest of Europe	3.69	3.63	(0.06)	(1.6)
1.44	Outside Europe	0.75	0.54	(0.21)	(28.0)
6.00	E&P in Europe and in the Gulf of Mexico	3.32	2.95	(0.37)	(11.1)
104.23	WORLDWIDE GAS SALES	53.07	52.81	(0.26)	(0.5)

- 17 -

Contents**ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW****POWER****Power Generation**

Eni's electricity generation sites are located in Ferrara, Erbognone, Ravenna, Livorno, Taranto, Mantova, Brindisi and Ferrara.

In the first half of 2009, electricity production was 11.22 TWh, down 1.06 TWh or 8.6% from the first half of 2008, due mainly to lower production at the Ferrara, Erbognone, Ravenna, Brindisi and Livorno plants, affected by lower demand on the domestic market (down 8%) related to the economic downturn. These declines were offset in part by increased production at the Ferrara plant (Eni's interest 51%), in connection with the coming on line of two new 390 megawatt combined cycle units, and at the Mantova plant.

Power available in the first half of 2009 was substantially in line with the same period of 2008 due to the effect of

the growth in electricity trading activity (up 1.04 TWh from the first half of 2008 or 33.7%) as a consequence of lower purchase prices.

At June 30, 2009, installed capacity was 5.3 GW.

Electricity sales

In the first half of 2009, sales of electricity (15.35 TWh) were substantially in line with the first half of 2008 (down 0.02 TWh or 0.1%) and were directed to the free market (81%), the Italian electricity exchange (10%) and industrial sites (9%). Increased marketing activities, contrasting declines in production, supported increased sales on the free market that concerned in particular sales to wholesalers and, to a lower extent, to retail customers. These increases were offset by a decline in sales to large customers due to the economic downturn.

Purchases and availability of electricity

2008			2008	First Half 2009	Change	% Ch.
4,530	Purchases of natural gas	(mmcm)	2,350	2,202	(148)	(6.3)
560	Purchases of other fuels	(ktoe)	302	251	(51)	(16.9)
23.33	Power generation	(TWh)	12.28	11.22	(1.06)	(8.6)
10,584	Steam	(ktonnes)	5,410	5,067	(343)	(6.3)

Electricity sales

2008		(TWh)	2008	First Half 2009	Change	% Ch.
23.33	Power generation		12.28	11.22	(1.06)	(8.6)
6.60	Trading of electricity		3.09	4.13	1.04	33.7
29.93			15.37	15.35	(0.02)	(0.1)
22.89	Free market		11.76	12.44	0.68	5.8
3.82	Italian Exchange for electricity		1.80	1.48	(0.32)	(17.8)
2.71	Industrial plants		1.39	1.43	0.04	2.9
0.51	Other		0.42		(0.42)	..
29.93	Electricity sales		15.37	15.35	(0.02)	(0.1)

Transport and regasification of natural gas

Volumes of gas transported in Italy (38.10 bcm) decreased by 7.28 bcm, or 16.0%, from the first half of

2008 due to lower demand for gas, whose effects were offset in part by higher amounts input in the domestic network destined to domestic storage.

Gas volumes transported in Italy

2008		(bcm)	First Half			
			2008	2009	Change	% Ch.
51.80	Eni		27.23	20.04	(7.19)	(26.4)
33.84	On behalf of third parties		18.15	18.06	(0.09)	(0.5)
85.64			45.38	38.10	(7.28)	(16.0)

- 18 -

Contents**ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW**

Natural gas volumes transported on behalf of third parties (18.06 bcm) declined slightly (down 0.09 bcm) from the first half of 2008 or 0.5%.

In the first half of 2009, the LNG terminal in Panigaglia (La Spezia) regasified 0.64 bcm of natural gas (0.91 bcm in the first half of 2008).

Storage

In the first half of 2009, the share of modulation capacity used by third parties was 64%. A total of 4.3 bcm of natural gas were injected into Company's storage system (up 0.9 bcm from the first half of 2008), while 6.1 bcm were withdrawn (up 2.4 bcm from the first half of 2008).

Main development projects for the first half of 2009**Marketing****NATURAL GAS****Finalization of the acquisition of Distrigas**

On March 19, 2009, the mandatory tender offer on the minorities of Distrigas was finalized. Shareholders representing 41.617% of the share capital of Distrigas, including the second larger shareholder Publigaz SCRL with a 31.25% interest, tendered their shares. The squeeze-out of the residual 1.14% of the share capital was finalized on May 4, 2009. Finally, Distrigas shares have been delisted from Euronext Brussels. The total cash consideration amounting to euro 2,045 million was determined based on the same price paid to Distrigas main shareholder, Suez, on October 2008 to acquire the controlling stake of 57.243%.

As of June 30, 2009, Eni owns the entire share capital of Distrigas, except for one share with special powers owned by the Belgian State.

Projects in the Hewett area

Following the recent acquisition of an interest in Hewett Unit, pre-development activities continued for the offshore storage of gas in the Hewett area (Eni's interest 89%) located in the Southern Gas Basin in the North Sea, near the Bacton terminal. Maximum working gas reachable is estimated at 5.6 bcm with a production of

LNG**USA**

Cameron Eni acquired from US company Sempra a share of the regasification capacity of the Cameron plant located on the banks of the Calcasieu River, approximately 15 miles south of Lake Charles in Louisiana. The capacity entitlement amounts to 6.5 bcm/y, equal to a 40% share of the total plant capacity for a duration of 20 years. Production start up is expected in the third quarter of 2009. This transaction will allow Eni to market the natural gas reserves that it is developing in North Africa and Nigeria on the North American market.

Pascagoula Within the upstream project related to the construction of an LNG plant in Angola designed to produce 5.2 mmt tonnes of LNG (approximately 7.3 bcm/y) for the North American market, Eni signed a 20-year contract to buy 5.8 bcm/y on the regasification capacity of the plant under construction near Pascagoula in Mississippi, with start up expected within 2011. At the same time Eni Usa Gas Marketing LLC entered a 20-year contract for the purchase of approximately 0.9 bcm/y of regasified gas downstream the terminal owned by Angola Supply Services, a company whose partners also own Angola LNG.

Regulated businesses in Italy**Sale of Stogit and Italgas to Snam Rete Gas**

On June 30, 2009 the parent company Eni SpA concluded the sale of the entire share capital of its fully-owned subsidiaries Italgas SpA and Stocaggi Gas Italia SpA to its subsidiary Snam Rete Gas. The transaction, which was approved by Eni's Board of Directors in February 2009, included cash consideration amounting to euro 4,509 million (euro 2,922 million and euro 1,587 million, respectively). Snam Rete Gas funded the transaction by means of: (i) a share capital increase amounting to euro 3.5 billion, which was entirely subscribed to by minorities and Eni for their respective shares; and (ii) arranging medium and long-term financing. The main impact expected on Eni's consolidated financial statements are: (i) as of June 30, 2009 a decrease of euro 1.54 billion was reported in the Group consolidated net borrowings and a corresponding increase in total equity as a consequence of the pro-quota subscription of the Snam Rete Gas capital

approximately 60 mmcm/d. Between the end of 2009 and the beginning of 2010 an appraisal well will be drilled whose outcome will provide data to confirm those estimates. The project sanction is expected in the first half of 2010 with start up in 2015.

increase by minorities; (ii) a decrease in Eni's net profit equal to 45% of the aggregate net profit of Italgas and Stogit is expected to be reported in the consolidated profit and loss for the

- 19 -

Contents**ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW**

third quarter of 2009, with a corresponding increase in net profit pertaining to minorities.

As of June 30, 2009 Eni's interest in Snam Rete Gas is equal to 52.54%.

Gas distribution activity in the Rome area

Following the sale by the French company Suez SA (now GdF-Suez SA after their merger) of its Belgium subsidiary Distrigas, Eni agreed to sell to Suez, on the basis of preliminary negotiations with Italgas, the latter's distribution activities in the Rome urban area together with other gas and electricity business assets. On May 29, 2008, the related preliminary agreements were signed, including the sales terms for the gas distribution activities. The final agreement for such gas distribution activities was entered into by Italgas and GdF-Suez on October 30, 2008.

The transaction relates to the business unit which distributes gas in the municipalities of Rome, Fiumicino, Ciampino, Marino, Grottaferrata, Rocca di Papa and Frascati (the concession for Rome expires on December 31, 2009), including the distribution networks (spanning roughly 5,300 km) and the related systems, approximately 1.3 million delivery points (equal to approximately 28% of the users served), together with roughly 800 employees.

The set price, as of December 31, 2008, is euro 1,018 million.

The contract provides that execution of the transaction shall take place with the transfer by Italgas of the business unit to Rete Gas Roma Srl (a newco set up on November 26, 2008 wholly owned by Italgas) and is subject to attainment of approval by the Rome municipal authorities of transfer of the concession before June 30, 2009, which date the buyer may extend to August 31, 2009.

The Rome municipal authorities agreed to the transfer of the concession contract to Rete Gas Roma with its communication No. 1231 of June 25, 2009, acknowledging Italgas' intention to transfer its entire investment in this company to GdF-Suez. The concession covers the distribution of gas in Rome. On July 6, 2009, the mayor of Rome subsequently specified that this communication is the sole document necessary to legitimately and effectively express the municipal authority's consent to the transaction and that the town council would be informed thereof.

However, on July 13, 2009, GdF-Suez informed Italgas that it did not believe that the conditions for transfer of the Rome urban area gas distribution activities had been met in the established timeframe. Therefore, it decided not to continue with finalization of the acquisition as set out in the contract agreed by the parties on October 30, 2008.

Snam Rete Gas is evaluating the contract's content to assess what actions could be taken to best protect its interests.

International Transport**TAG - Russia**

The TAG gasline is undergoing an upgrade designed to increase its transport capacity by 6.5 bcm/y from the current 37.4 bcm/y. A first 3.2 bcm/y portion of the upgrade started-up in October 2008 and was assigned to third parties. The second portion of 3.3 bcm/y is expected to start operating in the fourth quarter of 2009. The allocation of additional capacity for 6.5 bcm has been finalized.

Agreement with Gazprom: the South Stream project

On May 15, 2009, based on agreements between Italy and Russia, the original scope of work of the project to build the South Stream pipeline has been enlarged. If the ongoing feasibility study provides a positive outcome the pipeline will import gas from Russia to Europe through the Black Sea. The new agreement between Eni and Gazprom provides for an increase in transport capacity from 31 to 63 bcm/y.

The South Stream pipeline is expected to be composed by two sections: (i) an offshore section crossing the Black Sea from the Russian coast at Beregovaya (the same starting point of the Blue Stream pipeline) to the Bulgarian coast at Varna; (ii) an onshore section crossing Bulgaria for which two options are currently being evaluated: one pointing North West and another one pointing South West. The second option envisages crossing Greece and the Adriatic Sea before linking to the Italian network.

Accident at the TMPC pipeline

Work is ongoing to restore full operations at one of the TMPC five lines damaged by an oil tanker anchor crossing the Sicily channel on December 19, 2008.

Transport continued on the remaining lines. Settlements and repayment of damage under current insurance are being defined.

- 20 -

Contents

ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW

Regulatory framework

Resolution ARG/gas 159/2008: Tariffs criteria for the 2009-2012 regulated period for the service of gas distribution and measurement and transitional rules for 2009

With resolution ARG 159/2008, the Authority for Electricity and Gas approved a new methodology for determining revenues to natural gas distributing companies that operate through local low pressure networks and serve final customers in the residential and tertiary sector. Starting from January 1, 2009 and for the duration of the three-year regulated period, i.e. until 2012, the resolution provides for the recognition of total revenues for each regulated year amounting to a value that the Authority will set at the time of approving the operators' requests for distribution tariffs and defined as total revenue cap, representing the maximum remuneration recognized by the Authority to each operator for covering costs borne.

In previous years, revenues were determined by applying tariffs set by the Authority to volumes actually distributed to selling companies in the relevant year. The resolution also provides for any positive or negative difference between the total revenue cap and revenues resulting from invoices for actually distributed volumes to be regulated through an equalization device making use of credit/debit cards lodged with the Electricity Equalization Exchange.

As a result of the new mechanism, revenues are no longer related to the seasonality of volumes distributed but are constantly apportioned during the year. The introduction of this new mechanism does not cause a decline in total revenues on a yearly basis.

Legislative Decree No. 78/2009

Within the framework of measures approved to counter the economic downturn, on June 26, 2009, the Italian Council of Ministers approved the so called "Anti-crisis Decree" whose article 3 concerns measures for reducing the cost of energy for companies and households and introduces the obligation for Eni to make new sales at the virtual exchange point for a total of 5 bcm of gas (so called gas release).

In particular the decree provides for these sales to be made under non discriminatory competitive procedures (bids) at the terms and conditions decided with proposal of the Authority for Electricity and Gas. The price paid to Eni will be determined with a decree of the Ministry for Economic Development, as suggested by the Authority, taking into account the average prices on the most relevant European markets and the structure of supply costs borne by Eni. Any positive difference between the sale price determined by the procedure of volume allocation and that determined by the Ministry and the Authority will be destined to industrial final customers that showed a high use rate of gas withdrawals in the past three years according to criteria determined by the Ministry.

The decree provides also that the Authority within 90 days from the entry into force of the same decree: (i) introduces degressive elements in transport tariffs for the next regulated period; (ii) reforms the balancing methods by adopting flexibility mechanisms providing advantages to all final customers, including industrial customers; (iii) promotes the supply of peak services and storage for industrial and power generation customers.

Contents

ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW

Capital expenditures

In the first half of 2009, capital expenditures in the Gas & Power segment totaled euro 751 million and mainly related to: (i) developing and upgrading Eni's transport network in Italy (euro 400 million); (ii) developing and upgrading Eni's distribution network in Italy (euro 144

million); (iii) developing and upgrading Eni's storage capacity in Italy (euro 132 million); (iv) completion of construction of combined cycle power plants (euro 29 million), in particular at the Ferrara site; (v) upgrading plan of international pipelines (euro 20 million).

Capital expenditures

(euro million)

2008		2008	First Half		% Ch.
			2009	Change	
1,750	Italy	766	710	(56)	(7.3)
308	Outside Italy	203	41	(162)	(79.8)
2,058		969	751	(218)	(22.5)
198	Marketing	82	55	(27)	(32.9)
91	Marketing	41	26	(15)	(36.6)
16	Italy	13	5	(8)	(61.5)
75	Outside Italy	28	21	(7)	(25.0)
107	Power generation	41	29	(12)	(29.3)
1,627	Regulated businesses in Italy	712	676	(36)	(5.1)
1,130	Transport	529	400	(129)	(24.4)
233	Distribution	85	144	59	69.4
264	Storage	98	132	34	34.7
233	International transport	175	20	(155)	(88.6)
2,058		969	751	(218)	(22.5)

- 22 -

Contents

ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW

Refining & Marketing

Key performance indicators

2008		(euro million)	First Half	
			2008	2009
45,017	Net sales from operations ^{(a) (b)}		24,240	14,121
(988)	Operating profit		776	287
580	Adjusted operating profit		109	(51)
521	Adjusted net profit		124	(31)
965	Capital expenditures		350	217
8,260	Adjusted capital employed, net		8,490	8,539
6.5	Adjusted ROACE	(%)	2.6	4.1
35.84	Refinery throughputs on own account	(mmt tonnes)	17.65	16.65
58	Conversion index	(%)	56	59
737	Balanced capacity of refineries	(kbb/d)	747	757
12.67	Retail sales of petroleum products in Europe ^(c)	(mmt tonnes)	6.27	5.86
5,956	Service stations in Europe at period end ^(c)	(units)	6,373	6,018
2,502	Average throughput per service station in Europe ^(c)	(kliters)	1,210	1,206
8,327	Employees at year end	(units)	9,468	8,371

(a) From January 1, 2009 Eni adopted IFRIC 13 "Customer Loyalty Programmes" that requires that the award points granted to clients within the related loyalty programmes be accounted as a separate component of the basic transaction, evaluated at their fair value and recognized as revenues when effectively used. Prior period results have been restated accordingly.

(b) Before elimination of intragroup sales.

(c) First half 2008 and full year 2008 data include downstream activities in the Iberian Peninsula divested to Galp in October 2008.

Supply and trading

In the first half of 2009, a total of 32.72 mmt tonnes of crude were purchased by the Refining & Marketing division (28.77 mmt tonnes in the first half of 2008), of which 17.07 mmt tonnes from Eni's Exploration & Production division. Volumes amounting to 9.28 mmt tonnes were purchased under long-term supply contracts with producing countries, while 6.37 mmt tonnes were purchased on the spot market. Approximately 27% of crude purchased in the first half of 2009 came from West Africa, 20% from European and Asian Russia, 15% from the Middle East, 13% from North Africa, 11% from the North Sea, 5% from Italy,

Approximately 17.22 mmt tonnes of crude purchased in the first half of 2009 were resold, up 32.2% from the same period of 2008. In addition, 1.54 mmt tonnes of intermediate products were purchased (1.51 mmt tonnes in the first half of 2008) to be used as feedstock in conversion plants and 6.97 mmt tonnes of refined products (7.42 mmt tonnes in the first half of 2008) were purchased to be sold on markets outside Italy (5.67 mmt tonnes) and on the domestic market (1.29 mmt tonnes) as a complement to available production.

and 9% from other areas.

- 23 -

Contents**ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW**

Purchases		(mmt tonnes)	First Half			
			2008	2009	Change	% Ch.
2008			2008	2009	Change	% Ch.
Equity crude oil						
26.14	Eni's production outside Italy		12.23	15.62	3.39	27.7
3.57	Eni's production in Italy		1.79	1.45	(0.34)	(19.0)
29.71			14.02	17.07	3.05	21.8
Other crude oil						
12.09	Purchases on spot markets		8.67	6.37	(2.30)	(26.5)
16.11	Purchases under long-term contracts		6.08	9.28	3.20	52.6
28.20			14.75	15.65	0.90	6.1
57.91	Total crude oil purchases		28.77	32.72	3.95	13.7
3.39	Purchases of intermediate products		1.51	1.54	0.03	2.0
17.42	Purchases of products		7.42	6.97	(0.45)	(6.1)
78.72	TOTAL PURCHASES		37.70	41.23	3.53	9.4
(1.00)	Consumption for power generation		(0.54)	(0.46)	0.08	(14.8)
(1.04)	Other changes ^(a)		(0.57)	(1.42)	(0.85)	..
76.68			36.59	39.35	2.76	7.5

(a) Includes change in inventories, decrease in transportation, consumption and losses.

Refining**Availability of refined products**

		(mmt tonnes)	First Half			
			2008	2009	Change	% Ch.
2008			2008	2009	Change	% Ch.
ITALY						
25.59	At wholly-owned refineries		12.69	11.62	(1.07)	(8.4)
(1.37)	Less input on account of third parties		(0.74)	(0.25)	0.49	(66.2)
6.17	At affiliated refineries		2.96	2.79	(0.17)	(5.7)
30.39	Refinery throughputs on own account		14.91	14.16	(0.75)	(5.0)
(1.61)	Consumption and losses		(0.79)	(0.80)	(0.01)	1.3
28.78	Products available for sale		14.12	13.36	(0.76)	(5.4)
2.56	Purchases of refined products and change in inventories		1.59	1.17	(0.42)	(26.4)
(1.42)	Products transferred to operations outside Italy		(0.86)	(1.17)	(0.31)	36.0
(1.00)	Consumption for power generation		(0.54)	(0.46)	0.08	(14.8)
28.92	Sales of products		14.31	12.90	(1.41)	(9.9)
OUTSIDE ITALY						
5.45	Refinery throughputs on own account		2.74	2.49	(0.25)	(9.1)
(0.25)	Consumption and losses		(0.13)	(0.13)		
5.20	Products available for sale		2.61	2.36	(0.25)	(9.6)
15.14	Purchases of refined products and change in inventories		5.78	5.70	(0.08)	(1.4)
1.42	Products transferred from Italian operations		0.86	1.17	0.31	36.0
21.76	Sales of products		9.25	9.23	(0.02)	(0.2)
35.84	Refinery throughputs on own account		17.65	16.65	(1.00)	(5.7)
6.98	<i>of which: refinery throughputs of equity crude on own account</i>		3.52	2.67	(0.85)	(24.1)

50.68	Total sales of refined products	23.56	22.13	(1.43)	(6.1)
26.00	Crude oil sales	13.03	17.22	4.19	32.2
76.68	TOTAL SALES	36.59	39.35	2.76	7.5

In the first half of 2009, refining throughputs on own account in Italy and outside Italy were 16.65 mmt tonnes, down 1 mmt tonnes from the first half of 2008, or 5.7%. Volumes processed in Italy decreased by 0.75 mmt tonnes, or 5%, mainly at the Gela plant

due to the extension of planned refinery downtime, and at the Livorno plant as refinery operations were rescheduled to take account of the weak demand for products. Volumes processed outside Italy declined by 250 ktonnes in particular in the Czech Republic

- 24 -

Contents

ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW

and in Germany due to lower utilization of plant capacity in response to weak market conditions and the restructuring of the Ingolstadt facility in Germany. Total throughputs in wholly-owned refineries (11.62 mmt tonnes) decreased 1.07 mmt tonnes, down 8.4%, from the first half of 2008. Approximately 17.9% of volumes of processed crude was supplied by Eni's Exploration & Production segment (21.8% in the first half of 2008) representing a 3.9 percentage points decrease from 2008, equivalent to a lower volume of 0.85 mmt tonnes.

Marketing

In the first half of 2009, sales volumes of refined products (22.13 mmt tonnes) were down 1.43 mmt tonnes from the first half of 2008, or 6.1%, mainly due to the impact of the divestment to Galp of marketing activities in the Iberian Peninsula late in 2008 (down 1.04 mmt tonnes). Excluding this effect, sales volumes of refined products were down approximately 390 ktonnes, or 1.7%, due to lower wholesale sales on the domestic market.

Retail sales in Italy

Despite a decrease recorded in domestic consumption, in the first half of 2009, retail sales on the Italian network (4.41 mmt tonnes) were up approximately 170 ktonnes from the first half of 2008, or 4%, mainly due to marketing activities ("Iperself" sales and fidelity programmes) that sustained a 1.8 percentage point growth in market share from 29.8% to 31.6%. Higher sales mainly regarded gasoil sales, while gasoline sales were substantially in line with the previous period. At

June 30, 2009, Eni's retail network in Italy consisted of 4,461 service stations, 52 more than at December 31, 2008 (4,409 service stations), resulting from the positive balance of acquisitions/releases of lease concessions (67 units), the opening of new service stations (5 units), partly offset by the closing of service stations with low throughput (12 units) and the release of 8 service stations under highway concession.

Average throughput related to gasoline and gasoil (1,216 kliters) registered an increase of 33 kliters from the first half of 2008.

In the first half of 2009, fuel sales of the Blu line high performance and low environmental impact fuel declined due to the sensitivity of demand to prices of these products in an environment of economic downturn and high fuel prices on average. Sales of BluDiesel and its reformulated version BluDieselTech amounted to 290 ktonnes (344 mmliters), and represented 10.2% of gasoil sales on Eni's retail network. At June 30, 2009, service stations marketing BluDiesel totaled 4,105 units (4,095 at 2008 year end) covering approximately 92% of Eni's network. Retail sales of BluSuper amounted to 40 ktonnes (53 mmliters), were in line with the first half of 2008 and covered 2.6% of gasoline sales on Eni's retail network. At June 30, 2009, service stations marketing BluSuper totaled 2,674 units (2,631 at December 31, 2008), covering approximately 60% of Eni's network. Under the "You&Agip" promotional campaign, launched in March 2007 and lasting 3 years, at June 30, 2009, the number of customers that actively used the card in the first half of 2009 amounted to approximately 4.5 million. The average number of cards active each

Products sales in Italy and outside Italy by market

2008		(mmt tonnes)	First Half			
			2008	2009	Change	% Ch.
8.81	Retail		4.24	4.41	0.17	4.0
11.15	Wholesale		5.36	4.66	(0.70)	(13.1)
1.70	Petrochemicals		0.95	0.63	(0.32)	(33.7)
7.26	Other sales		3.76	3.20	(0.56)	(14.9)
28.92	Sales in Italy		14.31	12.90	(1.41)	(9.9)
3.22	Retail rest of Europe		1.61	1.45	(0.16)	(9.9)
3.94	Wholesale rest of Europe		1.92	1.76	(0.16)	(8.3)
0.56	Wholesale outside Italy		0.28	0.21	(0.07)	(25.0)
12.52	Other sales		4.40	5.81	1.41	32.0
20.24	Sales outside Italy		8.21	9.23	1.02	12.4

Edgar Filing: ENI SPA - Form 6-K

49.16		22.52	22.13	(0.39)	(1.7)
1.52	Iberian Peninsula	1.04		(1.04)	..
0.64	<i>of which: Retail</i>	0.42		(0.42)	..
0.88	<i>Wholesale</i>	0.62		(0.62)	..
50.68	TOTAL SALES	23.56	22.13	(1.43)	(6.1)

- 25 -

Contents**ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW****Retail and wholesale sales of refined products**

(mmtonnes)

2008		2008	First Half		% Ch.
			2009	Change	
19.96	Italy	9.60	9.07	(0.53)	(5.5)
8.81	Retail sales	4.24	4.41	0.17	4.0
3.11	Gasoline	1.50	1.50		
5.50	Gasoil	2.65	2.80	0.15	5.7
0.19	LPG	0.09	0.10	0.01	11.1
0.01	Lubricants		0.01	0.01	..
11.15	Wholesale sales	5.36	4.66	(0.70)	(13.1)
4.52	Gasoil	2.12	2.04	(0.08)	(3.8)
0.85	Fuel Oil	0.42	0.39	(0.03)	(7.1)
0.38	LPG	0.18	0.19	0.01	5.6
0.15	Gasoline	0.06	0.06		
0.12	Lubricants	0.06	0.04	(0.02)	(33.3)
1.70	Bunker	0.81	0.67	(0.14)	(17.3)
3.43	Other	1.71	1.27	(0.44)	(25.7)
7.72	Outside Italy (retail+wholesale)	3.81	3.42	(0.39)	(10.2)
2.12	Gasoline	1.05	0.89	(0.16)	(15.2)
3.80	Gasoil	1.87	1.75	(0.12)	(6.4)
0.47	Jet fuel	0.02	0.17	0.15	..
0.23	Fuel Oil	0.11	0.17	0.06	54.5
0.11	Lubricants	0.06	0.05	(0.01)	(16.7)
0.52	LPG	0.26	0.24	(0.02)	(7.7)
0.47	Other	0.44	0.15	(0.29)	(65.9)
27.68		13.41	12.49	(0.92)	(6.9)
1.52	Iberian Peninsula	1.04		(1.04)	..
29.20	TOTAL SALES	14.45	12.49	(1.96)	(13.6)

month was over 3.1 million. Volumes of fuel marketed under this initiative represented over 47% of total volumes marketed on Eni's service stations joining the programme, and 46% of overall volumes marketed on Eni's network.

Retail sales in the Rest of Europe

Excluding the impact of the divestment to Galp of marketing activities in the Iberian Peninsula (down 0.42 mmtonnes), in the first half of 2009 retail sales of refined products marketed in the rest of Europe (1.45 mmtonnes) were down 160 ktonnes from the first half of 2008, or 9.9%, mainly in Germany and Eastern Europe due to a decrease in fuel demand.

At June 30, 2009, Eni's retail network in the rest of Europe consisted of 1,557 units, an increase of 10 units

Wholesale and other sales

In the first half of 2009, sales volumes on wholesale markets in Italy (4.66 mmtonnes) were down 700 ktonnes from the first half of 2008, or 13.1%, reflecting mainly a decrease in jet fuel consumption and in the bunkering market and gasoil sales due to lower industrial consumption reflecting the economic downturn. Sales on wholesale markets in the rest of Europe (1.76 mmtonnes) decreased by 160 ktonnes, or 8.3% (excluding the impact of asset divestments in the Iberian Peninsula), mainly in Germany, Switzerland and in the Czech Republic.

Supplies of feedstock to the petrochemical industry (0.63 mmtonnes) declined by 320 ktonnes due to declining demand.

from December 31, 2008 (1,547 service stations). The network evolution was as follows: (i) a positive balance of acquisitions/releases of leased service station was recorded (up 3 units), with positive changes in Hungary; (ii) 5 service stations were purchased; (iii) 5 new outlets were opened; (iv) 3 low throughput service stations were closed. Average throughput (1,177 kliters) decreased by 92 kliters from the first half of 2008.

Other sales (9.01 mmtonnes) increased by 850 ktonnes, or 10.4%, mainly due to higher cargo market activity.

- 26 -

Contents

ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW

Capital expenditures

In the first half of 2009, capital expenditures in the Refining & Marketing segment amounted to euro 217 million and regarded mainly: (i) refining, supply and logistics (euro 135 million) in Italy, with projects designed to improve the conversion rate and flexibility of refineries, in particular at the Sannazzaro and Taranto refineries, and expenditures on health, safety and

environmental upgrades; (ii) upgrade and restructuring of the retail network in Italy (euro 42 million); (iii) upgrade of the retail network and purchase of service stations in the rest of Europe (euro 23 million).

Expenditures on health, safety and the environment amounted to euro 34.4 million.

Capital expenditures

(euro million)

2008		2008	First Half		% Ch.
			2009	Change	
850	Italy	318	194	(124)	(39.0)
115	Outside Italy	32	23	(9)	(28.1)
965		350	217	(133)	(38.0)
630	Refinery, supply and logistic	251	135	(116)	(46.2)
630	Italy	251	135	(116)	(46.2)
298	Marketing	81	65	(16)	(19.8)
183	Italy	49	42	(7)	(14.3)
115	Outside Italy	32	23	(9)	(28.1)
37	Other	18	17	(1)	(5.6)
965		350	217	(133)	(38.0)

- 27 -

Contents

ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW

Petrochemicals**Key performance indicators**

2008		(euro million)	First Half	
			2008	2009
6,303	Net sales from operations ^(a)		3,519	1,905
(845)	Operating profit		(263)	(454)
(398)	Adjusted operating profit		(216)	(257)
(323)	Adjusted net profit		(162)	(209)
212	Capital expenditures		68	45
7,372	Production	(ktonnes)	4,136	3,254
4,684	Sales of petrochemical products		2,677	2,118
68.6	Average plant utilization rate	(%)	77.3	66.0
6,274	Employees at period end	(units)	6,485	6,158

(a) Before elimination of intragroup sales.

Sales-production-prices

In the first half of 2009, sales of petrochemical products (2,118 ktonnes) decreased by 559 ktonnes from the first half of 2008 (down 20.9%) in all business areas as a result of lower demand for petrochemical products due to a negative market scenario.

Petrochemical production (3,254 ktonnes) decreased by 882 ktonnes from the first half of 2008, or 21.3%. In a context of economic downturn, the steep decline in unit margins and sales determined unexpected outages of some plants, in particular in the phenol/cumene plant at Porto Torres.

Nominal production capacity decreased by approximately 4 percentage points from the first half of 2008, due to the shutdown of the Gela cracker and the phenol/cumene plant at Porto Torres. The average plant

utilization rate calculated on nominal capacity decreased by approximately 11 percentage points from 77.3% to 66%, due to the sharp reductions in production in all main plants. Approximately 41% of total production was directed to Eni's own production cycle (48% in the first half of 2008). Oil-based feedstock supplied by Eni's Refining & Marketing Division covered 21% of requirements (23% in the first half of 2008). Prices of Eni's main petrochemical products decreased on average by 33%, driven by lower oil prices scenario (Brent down 52.7% from the first half of 2008). Decreases were registered in all business: (i) basic petrochemicals, in particular olefins (down 44%), aromatics (down 36%) and intermediates (down 35%); (ii) polyethylene (down 34%) and styrene (down 32%) with decreases in all products; (iii) elastomers (down 14%), in particular polybutadienic (down 23%) and SBR-HS rubbers (down 19%).

Contents**ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW****Product availability**

		(ktonnes)		First Half	
2008		2008	2009	Change	% Ch.
5,110	Basic petrochemicals	2,914	2,175	(739)	(25.4)
965	Styrene and elastomers ^(a)	509	445	(64)	(12.6)
1,297	Polyethylene	713	634	(79)	(11.1)
7,372	Production	4,136	3,254	(882)	(21.3)
(3,652)	Consumption of monomers	(1,973)	(1,350)	623	(31.6)
964	Purchases and change in inventories	514	214	(300)	(58.4)
4,684		2,677	2,118	(559)	(20.9)

Sales

		(ktonnes)		First Half	
2008		2008	2009	Change	% Ch.
2,457	Basic petrochemicals	1,437	1,044	(393)	(27.3)
938	Styrene and elastomers ^(a)	519	432	(87)	(16.8)
1,289	Polyethylene	721	642	(79)	(11.0)
4,684		2,677	2,118	(559)	(20.9)

(a) From January 2009, results of the styrene business are reported within Basic petrochemicals. Prior periods data have been restated accordingly.

Business Areas**Basic petrochemicals**

Basic petrochemicals sales (1,044 ktonnes) decreased by 393 ktonnes from the first half of 2008 (down 27.3%), penalized by a poorer market scenario that negatively affected product demand and lower product availability due mainly to the shutdown of the Porto Torres plant. Main reductions were registered in sales of butadiene (down 71%), phenol (down 70%) and acetone (down 54%).

Production (2,175 ktonnes) declined by 739 ktonnes from the first half of 2008, or 25.4%, due to the shutdown of the phenol/cumene plant at Porto Torres.

Styrene and elastomers

Styrene sales (245 ktonnes) declined by 32 ktonnes from the first half of 2008, (down 11.5%). Sales reductions affected essentially expandable polystyrene (down 20%) and ABS/SAN (down 40%) due to lower demand.

Elastomers sales (187 ktonnes) decreased by 55 ktonnes, down 23%, due to a steep decline in demand, mainly in the automotive sector. Sales decreases were registered

Styrene production (246 ktonnes) decreased by 27 ktonnes, or 10%.

Elastomer production (199 ktonnes) decreased by 37 ktonnes (down 15.6%) due to unexpected outages of plants related to a negative market scenario.

Polyethylene

Polyethylene sales (642 ktonnes) decreased by 79 ktonnes, or 11%, from the first half of 2008, reflecting mainly a decline in demand for all products.

Polyethylene production (634 ktonnes) decreased by 79 ktonnes, or 11.1%, concerned mainly HDPE (down 10.5%) due mainly to the shutdown of Porto Torres, EVA (down 20.3%) due to declining demand, as well as LLDPE (down 15.4%).

Capital expenditures

In the first half of 2009, capital expenditures in the Petrochemicals segment amounted to euro 45 million (euro 68 million in the first half of 2008) and regarded mainly plant upgrades (euro 12 million), environmental protection, safety and environmental regulation

mainly in nitrilic (down 55%), EPR (down 39%) and SBR rubbers (down 25%).

compliance (euro 12 million), upkeeping and rationalization (euro 6 million) and extraordinary maintenance (euro 4 million).

- 29 -

Contents

ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW

Engineering & Construction**Key performance indicators**

2008	(euro million)	First Half	
		2008	2009
9,176	Net sales from operations ^(a)	4,211	4,881
1,045	Operating profit	467	580
1,041	Adjusted operating profit	467	569
784	Adjusted net profit	368	449
2,027	Capital expenditures	977	888
16.8	Adjusted ROACE	(%) 17.1	16.1
13,860	Orders acquired	5,471	5,068
19,105	Order backlog	16,191	19,015
35,629	Employees at period end	(units) 32,184	35,119

(a) Before elimination of intragroup sales.

Activity for the year

Among the main orders acquired in the first half of 2009 were:

- an EPC contract on behalf of the joint venture between Eni and Sonatrach for the construction of facilities for the treatment of natural gas extracted from the Menzel Ledjmet East field and from the future developments of the CAFC (Central Area Field Complex) in Algeria;
- an EPC contract on behalf of Agip KCO as part of the development programme of the Kashgagan field related to the hook-up and commissioning of offshore facilities, as well as activities to be executed in the Kuryk construction yard in Kazakhstan;
- an EPC contract on behalf of Sonatrach for the construction of the GK3-lot 3 gas pipeline that will connect various cities situated in the north-eastern region of Algeria for a total length of approximately 350 kilometers;

- an EPIC contract on behalf of Premier Oil Natuna Sea BV for the construction of two platforms and related infrastructures in the Gajah Baru offshore field in Indonesia;
- an EPC contract on behalf of Sonatrach for the construction of a marine export terminal for the future urea/ammonia plant to be built near Arzew, in Algeria.

Orders acquired in the first half of 2009 amounted to euro 5,068 million, of these projects to be carried out outside Italy represented 93%, while orders from Eni companies amounted to 29% of the total. Order backlog was euro 19,015 million at June 30, 2009 (euro 19,105 million at December 31, 2008). Projects to be carried out outside Italy represented 98% of the total order backlog, while orders from Eni companies amounted to 18% of the total.

Contents**ENI INTERIM CONSOLIDATED REPORT / OPERATING REVIEW**

	(euro million)	First Half			
		2008	2009	Change	% Ch.
Orders acquired		5,471	5,068	(403)	(7.4)
Offshore construction		3,419	1,864	(1,555)	(45.5)
Onshore construction		1,055	2,340	1,285	..
Offshore drilling		213	331	118	55.4
Onshore drilling		784	533	(251)	(32.0)
<i>of which:</i>					
- Eni		62	1,478	1,416	..
- Third parties		5,409	3,590	(1,819)	(33.6)
<i>of which:</i>					
- Italy		455	369	(86)	(18.9)
- Outside Italy		5,016	4,699	(317)	(6.3)
	(euro million)	Dec. 31, 2008	June 30, 2009	Change	% Ch.
Order backlog		19,105	19,015	(90)	(0.5)
Offshore construction		4,682	4,349	(333)	(7.1)
Onshore construction		9,201	9,135	(66)	(0.7)
Offshore drilling		3,759	3,804	45	1.2
Onshore drilling		1,463	1,727	264	18.0
<i>of which:</i>					
- Eni		2,547	3,391	844	33.1
- Third parties		16,558	15,624	(934)	(5.6)
<i>of which:</i>					
- Italy		435	294	(141)	(32.4)
- Outside Italy		18,670	18,721	51	0.3

Capital expenditures

In the first half of 2009 capital expenditures in the Engineering & Construction segment (euro 888 million) mainly regarded:

- (i) Offshore: purchase of the lay barge Piper, the construction of a new pipelayer and the ultra-deep water Field Development Ship FDS2 as well as the development of a new fabrication yard in Indonesia;
- (ii) Offshore drilling: construction of the two semi-submersible rigs Scarabeo 8 and 9, the new ultra deep water drillship Saipem 12000 and the jack-up Perro Negro 6;
- (iii) Onshore drilling: construction/development of operating structures;
- (iv) Onshore: the maintenance and upgrading of the existing asset base.

Capital expenditures

(euro million)

First Half

Edgar Filing: ENI SPA - Form 6-K

2008		2008	2009	Change	% Ch.
741	Offshore construction	385	370	(15)	(3.9)
48	Onshore construction	31	13	(18)	(58.1)
785	Offshore drilling	449	408	(41)	(9.1)
424	Onshore drilling	112	97	(15)	(13.4)
29	Other expenditures				..
2,027		977	888	(89)	(9.1)

- 31 -

Contents**ENI INTERIM CONSOLIDATED REPORT / FINANCIAL REVIEW AND TREND INFORMATION****Financial review****PROFIT AND LOSS ACCOUNT**

		(euro million)			
2008		2008	First Half 2009	Change	% Ch.
108,082	Net sales from operations ^(a)	55,388	42,008	(13,380)	(24.2)
728	Other income and revenues	408	501	93	22.8
(80,354)	Operating expenses	(39,506)	(31,597)	7,909	20.0
21	<i>of which non recurring items</i>				
(124)	Other operating income (expense) ^(b)	69	48	(21)	(30.4)
(9,815)	Depreciation, depletion, amortization and impairments	(4,389)	(4,588)	(199)	(4.5)
18,517	Operating profit	11,970	6,372	(5,598)	(46.8)
(640)	Finance income (expense)	(130)	(219)	(89)	(68.5)
1,373	Net income from investments	869	358	(511)	(58.8)
19,250	Profit before income taxes	12,709	6,511	(6,198)	(48.8)
(9,692)	Income taxes	(5,482)	(3,361)	2,121	38.7
50.3	Tax rate (%)	43.1	51.6	8.5	
9,558	Net profit	7,227	3,150	(4,077)	(56.4)
	<i>Attributable to:</i>				
8,825	- Eni	6,758	2,736	(4,022)	(59.5)
733	- minority interest	469	414	(55)	(11.7)

(a) From January 1, 2009 Eni adopted IFRIC 13 "Customer Loyalty Programmes" providing that the award points granted to clients within the related loyalty programmes should be accounted as a separate component of the basic transaction, evaluated at their fair value and recognized as revenues when redeemed. Prior period results have been restated accordingly.

(b) From year 2009, the Company accounts gains and losses on non-hedging commodity derivative instruments, including both fair value re-measurement and settled transactions, as items of operating profit. Adjusted operating profit and net profit only include gains and losses associated with settled transaction, gross and net of the associated tax impact respectively. Prior period results have been restated accordingly.

Net profit

Eni's net profit for the first half of 2009 was euro 2,736 million, a decrease of euro 4,022 million from the first half of 2008, or 59.5%, mainly due to a decline of euro 5,598 million in operating performance (down 46.8%) against the backdrop of a severe economic downturn mainly affecting the Exploration & Production division

introduced a one-percentage point increase in the tax rate applicable to Italian companies engaged in the energy sector and enactment of a supplemental tax rate to be added to the Italian statutory tax rate resulting in higher taxes currently payable amounting to euro 142 million, as well as the circumstance that tax gains related to an adjustment to deferred tax applicable to

results. In addition, the Group results were affected by lower profit reported by equity-accounted entities and a higher consolidated tax rate up from 43.1% to 51.6% mainly due to recently enacted tax regulations that

Italian companies and certain foreign companies, amounting to euro 1 billion were recorded in the first half 2008.

- 32 -

Contents

ENI INTERIM CONSOLIDATED REPORT / FINANCIAL REVIEW AND TREND INFORMATION

Adjusted net profit

		(euro million)			
2008		2008	First Half 2009	Change	% Ch.
8,825	Net profit attributable to Eni	6,758	2,736	(4,022)	(59.5)
723	Exclusion of inventory holding (gain) loss	(783)	(52)	731	
616	Exclusion of special items	(679)	(23)	656	
	<i>of which:</i>				
(21)	- non recurring items				
637	- other special items	(679)	(23)	656	
10,164	Eni's adjusted net profit ^(a)	5,296	2,661	(2,635)	(49.8)

(a) For a detailed explanation of adjusted operating profit and net profit see paragraph "Reconciliation of reported operating profit and reported net profit to results on an adjusted basis".

Eni's adjusted net profit amounted to euro 2,661 million, a reduction of euro 2,635 million from the first half of 2008 (down 49.8%). Adjusted net profit is calculated by excluding an inventory holding profit of euro 52 million and special gains of euro 23 million net, resulting in an overall adjustment equal to a decrease of euro 75 million.

Special items mainly related to re-measurement gains recorded on fair value evaluation of certain

The breakdown of **adjusted net profit** by division is shown in the table below:

		(euro million)			
2008		2008	First Half 2009	Change	% Ch.
7,900	Exploration & Production	4,073	1,916	(2,157)	(53.0)
2,655	Gas & Power	1,659	1,485	(174)	(10.5)
521	Refining & Marketing	124	(31)	(155)	..
(323)	Petrochemicals	(162)	(209)	(47)	(29.0)
784	Engineering & Construction	368	449	81	22.0
(279)	Other activities	(114)	(100)	14	12.3
(539)	Corporate and financial companies	(139)	(466)	(327)	..
76	Impact of unrealized intragroup profit elimination ^(a)	(146)	31	177	..
10,795		5,663	3,075	(2,588)	(45.7)
	<i>of which attributable to:</i>				
631	- Minority interest	367	414	47	12.8
10,164	- Eni	5,296	2,661	(2,635)	(49.8)

(a) This item concerned mainly intragroup sales of commodities, services and capital goods recorded in the assets of the purchasing business segment as of end of the period.

The decline in the Group adjusted net profit mainly reflected lower results reported by:

- The **Exploration & Production** division (down euro 2,157 million, or 53%) reflecting a lower operating performance (down euro 5,015 million, or 54.2%) mainly driven by lower oil and gas realizations in dollar terms (down 49.5% and 16.9%, respectively), lower sales volumes (down 5.5 million boe, or 1.8%) and higher amortization charges. These negatives were partially offset by the positive impact of the depreciation of the euro against the dollar (down 12.9%).

- The **Gas & Power** division (down euro 174 million, or 10.5%) was affected by a weaker operating performance (down euro 242 million, or 10.5%) as marketing and power generation volumes decreased due to lower demand that was affected by the economic slowdown, particularly in Italy. This reduction also reflected a negative impact associated with the settlement of certain non-hedging commodity derivatives resulting in a deeper loss of euro 117 million relating to amounts of gas and electricity that the Gas & Power division expects

- 33 -

Contents**ENI INTERIM CONSOLIDATED REPORT / FINANCIAL REVIEW AND TREND INFORMATION**

to supply at fixed prices in future periods. Under applicable accounting principles, the Company is not allowed to bring forward this derivative impact to the future reporting periods where the associated revenues are expected to be recognized. In order to assist investors in assessing this business trend, the Company discloses as an alternative measure of performance, the Gas & Power EBITDA pro-forma adjusted that is used internally to evaluate underlying performance of the Marketing business (see page 42 below). When measured against this performance indicator, the Gas & Power division reported steady results compared to the first half of 2008. The negative trends in marketing activities were partly offset by favorable trading environment. Also the results of the Regulated businesses in Italy, International transport and equity-accounted entities were lower.

- The **Refining & Marketing** division (down euro 155 million) reported an adjusted operating loss of euro 51 million, down euro 160 million from the first half of 2008, driven by sharply lower refining margin as a result of an unfavorable trading environment. This negative was partially offset by improved results reported by marketing activities in Italy.
- The **Petrochemical** division reported a bigger net loss, down euro 47 million (from euro 162 million to euro 209 million) due to a deteriorating operating performance (down euro 41 million), reflecting lower demand on end-markets negatively affecting both volumes and margins.

The **Engineering & Construction** division showed an opposite trend (up euro 81 million, or 22%) reporting a better operating performance (up euro 102 million) driven by the large number of ongoing oil & gas projects that were started during the upward phase of the oil cycle.

Return On Average Capital Employed (ROACE)

calculated for the 12-month period ending on June 30, 2009 was 13% which compares to 19.7% for the 12-month period ending on June 30, 2008.

Eni's results for the first half were driven by lower oil and gas realizations in dollars (down 41.4% on average) as Brent price was down 52.7% from the first half of 2008. Eni's realized refining margins in dollar terms were sharply lower due to a number of negative market trends. First of all, significantly compressed light-heavy crude differentials due to a reduction in heavy crude supplies from OPEC negatively affected the profitability of Eni's complex refineries. Secondly, the Company's refining operations have experienced in recent months rapid increases in feedstock costs that have not been recovered in full in the final prices of refined products due to weak industry fundamentals; price of middle distillates were particularly impacted. Eni's results were supported by the depreciation of the euro against dollar (down 12.9%).

Analysis of Profit and Loss Account Items**Net sales from operations**

		(euro million)			
2008		2008	First Half 2009	Change	% Ch.
33,042	Exploration & Production	17,721	11,828	(5,893)	(33.3)
37,062	Gas & Power	16,971	17,468	497	2.9
45,017	Refining & Marketing	24,240	14,121	(10,119)	(41.7)
6,303	Petrochemicals	3,519	1,905	(1,614)	(45.9)
9,176	Engineering & Construction	4,211	4,881	670	15.9
185	Other activities	95	47	(48)	(50.5)
1,331	Corporate and financial companies	643	611	(32)	(5.0)

75	Impact of unrealized intragroup profit elimination		(19)	(19)	..
(24,109)	Consolidation adjustment	(12,012)	(8,834)	3,178	
108,082		55,388	42,008	(13,380)	(24.2)

Eni's **net sales from operations** for the first half of 2009 (euro 42,008 million) decreased by euro 13,380 million from the first half of 2008 (down 24.2%) driven by lower commodity prices in dollar terms, partly offset by the depreciation of the euro against the dollar (down 12.9%).

Revenues generated by the Exploration & Production division (euro 11,828 million) decreased by euro 5,893 million (down 33.3%) due to lower realizations in dollar terms (down 49.5% for oil and down 16.9% for gas). Eni's oil realization (48.30 \$/bbl) were supported for

Contents**ENI INTERIM CONSOLIDATED REPORT / FINANCIAL REVIEW AND TREND INFORMATION**

0.79 \$/bbl by the impact of certain commodity derivatives relating to the sale of 21 mmbbl in the first half of 2009 (for more details, see the comment on the Exploration & Production adjusted net profit). Net sales reduction reflected also lower production sold (down 5.5 mmbbl, or 1.8%). These negatives were partly offset by the depreciation of the euro against the dollar.

Revenues generated by the Gas & Power division (euro 17,468 million) increased by euro 497 million, or 2.9%, mainly due to higher average natural gas prices related to time-lags linked to movements in energy parameters as provided in pricing contractual formulae. The increase in gas sales reflecting the contribution of the acquisition of Distrigas (up 8.53 bcm) was more than offset by lower volumes associated with the economic downturn particularly in the Italian market.

Operating expenses

		(euro million)			
2008		2008	First Half 2009	Change	% Ch.
76,350	Purchases, services and other	37,534	29,520	(8,014)	(21.4)
	<i>of which:</i>				
(21)	- non-recurring items				
761	- other special items	190	110	(80)	
4,004	Payroll and related costs	1,972	2,077	105	5.3
	<i>of which:</i>				
91	- provision for redundancy incentives	27	38	11	
80,354		39,506	31,597	(7,909)	(20.0)

Operating expenses reported in the first half of 2009 decreased by euro 7,909 million to euro 31,597 million from the first half of 2008 (down 20%).

Purchases, services and other (euro 29,520 million) decreased by euro 8,014 million (down 21.4%) due to lower supply costs of oil and petrochemical feedstocks negatively affected by energy parameters, partially offset by the depreciation of the euro against the dollar.

Purchases, services and other include euro 110 million of **special items**, relating mainly to receivables losses, and environmental and other risk provisions. In the

Revenues generated by the Refining & Marketing division decreased by euro 10,119 million (down 41.7%) to euro 14,121 million. The reduction was mainly driven by lower commodity prices and lower volumes sold (down 6.1%), partially offset by the depreciation of the euro against the dollar.

Revenues generated by the Petrochemical division (euro 1,905 million) decreased by euro 1,614 million (down 45.9%) from the first half 2008 due to lower sale prices (down 33% on average) and lower volumes sold (down 20.9%) associated with negative demand conditions.

Revenues generated by the Engineering & Construction division (euro 4,881 million) increased by euro 670 million (up 15.9%) from the first half 2008 due to the large number of ongoing oil & gas projects that were started during the upward phase of the oil cycle.

first half of 2008, special items amounting to euro 190 million regarded environmental and risk provisions and receivables losses.

Payroll and related costs (euro 2,077 million) increased by euro 105 million (up 5.3%) due to higher unit labor cost in Italy and outside Italy, an increase in the average number of employees outside Italy, following the consolidation of Distrigas in the Gas & Power division, as well as increased personnel in the Engineering & Construction and Exploration & Production businesses due to higher activity levels.

Contents**ENI INTERIM CONSOLIDATED REPORT / FINANCIAL REVIEW AND TREND INFORMATION****Depreciation, depletion, amortization and impairments**

		(euro million)			
2008		2008	First Half 2009	Change	% Ch.
6,678	Exploration & Production	3,046	3,262	216	7.1
797	Gas & Power	366	477	111	30.3
430	Refining & Marketing	218	197	(21)	(9.6)
117	Petrochemicals	64	48	(16)	(25.0)
335	Engineering & Construction	154	216	62	40.3
3	Other activities	1	1		
76	Corporate and financial companies	35	40	5	14.3
(14)	Impact of unrealized intragroup profit elimination	(6)	(7)	(1)	
8,422	Total depreciation, depletion and amortization	3,878	4,234	356	9.2
1,393	Impairments	511	354	(157)	(30.7)
9,815		4,389	4,588	199	4.5

Depreciation, depletion and amortization charges (euro 4,234 million) increased by euro 356 million, up 9.2%, mainly in the Exploration & Production division (up euro 216 million), in connection with rising development amortization charges reflecting the consolidation of assets acquired in 2008, and increased expenditures to develop new complex fields. These negatives were partly offset by the depreciation of the euro against the dollar.

The breakdown of impairment charges by division is shown in the table below:

		(euro million)			
2008		2008	First Half 2009	Change	% Ch.
810	Exploration & Production	187	209	22	11.8
1	Gas & Power				
299	Refining & Marketing	149	52	(97)	(65.1)
279	Petrochemicals	172	89	(83)	(48.3)
	Engineering & Construction	3			
4	Other activities		4	4	..
1,393		511	354	(157)	(30.7)

Operating profit

The breakdown of reported operating profit by division is provided below:

		(euro million)			
2008		2008	First Half 2009	Change	% Ch.

Edgar Filing: ENI SPA - Form 6-K

16,239	Exploration & Production	9,043	4,152	(4,891)	(54.1)
4,030	Gas & Power	2,425	2,116	(309)	(12.7)
(988)	Refining & Marketing	776	287	(489)	(63.0)
(845)	Petrochemicals	(263)	(454)	(191)	(72.6)
1,045	Engineering & Construction	467	580	113	24.2
(346)	Other activities	(141)	(177)	(36)	(25.5)
(743)	Corporate and financial companies	(107)	(187)	(80)	(74.8)
125	Impact of unrealized intragroup profit elimination	(230)	55	285	
18,517	Operating profit	11,970	6,372	(5,598)	(46.8)

- 36 -

Contents

ENI INTERIM CONSOLIDATED REPORT / FINANCIAL REVIEW AND TREND INFORMATION

Adjusted operating profit

The breakdown of adjusted operating profit by division is provided below:

		(euro million)			
2008		2008	First Half 2009	Change	% Ch.
18,517	Operating profit	11,970	6,372	(5,598)	(46.8)
936	Exclusion of inventory holding (gains) losses	(1,078)	(65)	1,013	
2,155	Exclusion of special items	579	(4)	(583)	
	<i>of which:</i>				
(21)	- non-recurring items				
2,176	- other special items	579	(4)	(583)	
21,608	Adjusted operating profit	11,471	6,303	(5,168)	(45.1)
	Breakdown by division:				
17,222	Exploration & Production	9,252	4,237	(5,015)	(54.2)
3,564	Gas & Power	2,295	2,053	(242)	(10.5)
580	Refining & Marketing	109	(51)	(160)	
(398)	Petrochemicals	(216)	(257)	(41)	19.0
1,041	Engineering & Construction	467	569	102	21.8
(244)	Other activities	(102)	(128)	(26)	(25.5)
(282)	Corporate and financial companies	(104)	(175)	(71)	(68.3)
125	Impact of unrealized intragroup profit elimination	(230)	55	285	
21,608		11,471	6,303	(5,168)	(45.1)

Eni's adjusted operating profit amounted to euro 6,303 million, a reduction of euro 5,168 million from the first half of 2008 (down 45.1%). Adjusted net profit is calculated by excluding an inventory holding profit of euro 65 million and special gains of euro 4 million net, resulting in an overall adjustment equal to a decrease of euro 69 million. This reduction is mainly due to the weaker performance recorded by the following divisions:

Exploration & Production (down euro 5,015 million, or 54.2%) mainly driven by lower oil and gas realizations in dollars (down 49.5% and 16.9%, respectively). Results

an alternative measure of performance, the Gas & Power EBITDA pro-forma adjusted that is used internally to evaluate underlying performance of the Marketing business (see page 42 below). When measured against this performance indicator, the Gas & Power division reported steady results compared to the first half of 2008. Negative trends in marketing activities were partly offset by favorable movements in energy parameters. Regulated Businesses in Italy and International Transport results were lower.

Refining & Marketing (down euro 160 million) reported an adjusted operating loss mainly driven by sharply lower refining margins as a result of an unfavorable trading

for the period were also affected by lower production sales volumes (down 5.5 mmbob) and higher amortization charges. These negatives were partly offset by the depreciation of the euro over the dollar (approximately euro 600 million).

Gas & Power (down euro 242 million, or 10.5%) mainly due to lower results recorded by marketing activities due to a weaker gas and electricity demand, particularly in Italy. This reduction also reflected a negative impact associated with the settlement of certain non-hedging commodity derivatives resulting in a deeper loss of euro 117 million relating to amounts of gas and electricity that the Gas & Power division expects to supply at fixed prices in future periods. Under applicable accounting principles, the Company is not allowed to bring forward this derivative impact to the future reporting periods where the associated revenues are expected to be recognized. In order to assist investors in assessing this business trend, the Company discloses as

environment.

Petrochemicals (down euro 41 million) due to a deteriorating operating performance (down euro 257 million) reflecting lower demand on end-markets, negatively affecting both volumes and margins.

These negatives were partly offset by the better operating performance recorded by the **Engineering & Construction** division (up euro 102 million, or 21.8%) due to the large number of ongoing oil & gas projects that were started during the upward phase of the oil cycle.

Contents**ENI INTERIM CONSOLIDATED REPORT / FINANCIAL REVIEW AND TREND INFORMATION****Finance income (expense)**

		(euro million)		
2008		2008	First Half 2009	Change
(824)	Finance income (expense) related to net borrowings	(401)	(335)	66
(993)	Finance expense on short and long-term debt	(464)	(389)	75
87	Net interest due to banks	36	17	(19)
82	Net income from receivables and securities for non-financing operating activities	27	37	10
(427)	Income (expense) on derivatives	84	48	(36)
206	Exchange differences, net	(10)	(201)	(191)
169	Other finance income and expense	96	147	51
241	Income from equity instruments	118	172	54
99	Net income from receivables and securities for financing operating activities and interest on tax credits	54	19	(35)
(249)	Finance expense due to the passage of time (accretion discount)	(115)	(82)	33
78	Other	39	38	(1)
(876)		(231)	(341)	(110)
236	Finance expense capitalized	101	122	21
(640)		(130)	(219)	(89)

In the first half of 2009, **net finance expenses** increased by euro 89 million to euro 219 million from the first half of 2008 mainly due to deeper exchange rate losses and lower gains recognized in connection with fair value evaluation through profit and loss of certain derivative instruments on exchange rates (from euro 84 million recorded in the first half of 2008 to euro 48 million in the first half of 2009). These negatives were partly offset by lower finance charges on finance debt due to lower interest rates on both euro-denominated

Net income from investments

The table below sets forth the breakdown of net income from investments by division for the first half of 2009:

First Half of 2009	(euro million)	Engineering & Construction				Group
		Exploration & Production	Gas & Power	Refining & Marketing	Engineering & Construction	
Share of gains (losses) from equity-accounted investments		(5)	154	39	17	205
Dividends		110	8	16	2	136
Net gains on disposal					10	10
Other income (expense), net		7				7
		112	162	55	29	358

Net income from investments amounted to euro 358 million and related to: (i) Eni's share of profit of entities

(down 3 percentage points) and dollar loans (down 2 percentage points).

The main financial gain related to the contractual remuneration of 9.4% on the 20% interest in OAO Gazprom Neft, calculated until April 24, 2009, when Gazprom paid for the call option exercised on April 7, 2009. The gain also included the recover of certain financing collateral expenses and other charges for a total amount of euro 172 million (\$229 million at the exchange rate of the payment date).

2008 related to lower profit and dividends from equity or cost-accounted entities in the Gas & Power and

accounted for with the equity method (euro 205 million), mainly in the Gas & Power and Refining & Marketing divisions; (ii) dividends received by entities accounted for at cost (euro 136 million), mainly related to Nigeria LNG Ltd.

The decrease of euro 511 million from the first half of

Exploration & Production segments driven by unfavorable market and price trends, as well as the circumstance that in 2008 a net gain of euro 187 million on the divestment of interests was recorded in the Engineering & Construction segment.

Contents**ENI INTERIM CONSOLIDATED REPORT / FINANCIAL REVIEW AND TREND INFORMATION**

The table below sets forth a breakdown of net income/loss from investments for the periods presented:

		(euro million)		
2008		2008	First Half 2009	Change
640	Share of gains (losses) from equity-accounted investments	411	205	(206)
510	Dividends	270	136	(134)
217	Net gains on disposal	187	10	(177)
6	Other income (expense), net	1	7	6
1,373		869	358	(511)

Income taxes

		(euro million)		
2008		2008	First Half 2009	Change
Profit before income taxes				
1,894	Italy	3,133	2,062	(1,071)
17,356	Outside Italy	9,576	4,449	(5,127)
19,250		12,709	6,511	(6,198)
Income taxes				
313	Italy	406	1,007	601
9,379	Outside Italy	5,076	2,354	(2,722)
9,692		5,482	3,361	(2,121)
Tax rate (%)				
16.5	Italy	13.0	48.8	35.8
54.0	Outside Italy	53.0	52.9	(0.1)
50.3		43.1	51.6	8.5

Income taxes were euro 3,361 million, down euro 2,121 million, or 38.7%, mainly reflecting lower income taxes currently payable by subsidiaries in the Exploration & Production division operating outside Italy due to lower taxable profit. This impact was partly offset by increased taxes currently payable by Italian subsidiaries. This increase related to:

- a supplemental tax rate introduced by an Italian law that enacted the treaty of friendship between the Italian Republic and Libya. This supplemental tax rate is applicable to taxable income of such individual companies that engage in the exploration and production of hydrocarbons, where fixed assets, including both tangible and intangible assets and investments dedicated to oil and

in 2008 a number of tax gains were recorded for a total amount of euro 1 billion, due to adjustment to deferred taxation relating to certain changes in the tax rules: (i) a gain amounting to euro 537 million was recorded following enactment of Law Decree No. 112 of June 25, 2008 (converted into Law No. 133/2008) requesting energy companies in Italy to state inventories of hydrocarbons at the weighted-average cost for tax purposes and to recognize a one-off tax calculated by applying a special rate of 16% on the difference between the amount of year end inventories of oil, gas and refined products stated at the weighted-average cost with respect to the previous tax base of

gas operations exceed 33% of their respective items in the balance sheet, also having a market capitalization in excess of euro 20 billion. In the first half of 2009, this supplemental tax rate resulted in an increased income taxes currently payable amounting to euro 142 million;

- a one-percentage point increase in the tax-rate applicable to Italian companies engaged in the energy sector, pursuant to Law Decree No. 112 of June 25, 2008.

Furthermore, the comparison between the first half 2009 and 2008 is influenced by the circumstance that

inventories based on the last-in-first-out method of inventory accounting; (ii) application of the Italian Budget Law for 2008 that provided an increase in limits whereby carrying amounts of assets and liabilities of consolidated subsidiaries can be recognized for tax purposes by paying a one-off tax calculated by applying a special rate of 6% rate resulting in a net positive impact of euro 290 million in the profit and loss 2008; (iii) finally a gain amounting to euro 173 million was recorded in 2008 related to a renewed tax framework in Libya regarding oil companies whereby the tax base of the Company's Libyan oil properties has been reassessed resulting in the partial utilization of previously accrued deferred tax liabilities.

Contents**ENI INTERIM CONSOLIDATED REPORT / FINANCIAL REVIEW AND TREND INFORMATION**

Adjusted tax rate, calculated as ratio of income taxes to net profit before taxes on an adjusted basis, was 52.1% (52.5% in the first half of 2008).

Divisional performance¹**Exploration & Production^(a)**

		(euro million)			
2008		2008	First Half 2009	Change	% Ch.
16,239	Operating profit	9,043	4,152	(4,891)	(54.1)
983	Exclusion of special items:	209	85		
989	- <i>asset impairments</i>	310	220		
4	- <i>gains on disposals of assets</i>		(167)		
8	- <i>provision for redundancy incentives</i>	2	5		
(18)	- <i>re-measurement gains/losses on commodity derivatives</i>	(102)	27		
	- <i>other</i>	(1)			
17,222	Adjusted operating profit	9,252	4,237	(5,015)	(54.2)
70	Net finance income (expense) ^(b)	32	83	51	
609	Net income (expense) from investments ^(b)	263	113	(150)	
(10,001)	Income taxes ^(b)	(5,474)	(2,517)	2,957	
55.9	Tax rate (%)	57.3	56.8	(0.5)	
7,900	Adjusted net profit	4,073	1,916	(2,157)	(53.0)
	Results also include:				
7,488	amortizations and depreciations	3,233	3,471	238	7.4
	<i>of which:</i>				
2,057	exploration expenditures	1,056	920	(136)	(12.9)
1,577	- <i>amortizations of exploratory drilling expenditure and other</i>	806	770	(36)	(4.5)
480	- <i>amortizations of geological and geophysical exploration expenses</i>	250	150	(100)	(40.0)

(a) From January 1, 2009, results of the gas storage business are reported within the Gas & Power segment reporting unit following restructuring of Eni's regulated gas businesses in Italy. Prior period results have been restated accordingly.

(b) Excluding special items.

In the first half of 2009, the Exploration & Production division reported an **adjusted operating profit** of euro 4,237 million, a decrease of euro 5,015 million from the first half of 2008, down 54.2%, mainly driven by lower oil and gas realizations in dollars (down 49.5% and 16.9%, respectively). Results for the period were also affected by lower production sales volumes (down 5.5 mmbbl) and higher amortization charges taken in connection with development activities. These negatives were partly offset by the depreciation of the euro over

re-measurement gains recorded on fair value evaluation of the ineffective portion of certain cash flow hedges.

Liquids and gas realizations decreased on average by 41.4% in dollar terms to 42.83 \$/bbl in the first half of 2009, driven by lower oil prices (Brent declined by 52.7% in the first half of 2009).

Eni's average oil realizations were increased by 0.79 \$/bbl in the first half, due to the settlement of certain commodity derivatives relating to the sale of 21 mmbbl.

the dollar (approximately euro 600 million).

Special charges excluded by the adjusted operating profit amounted to euro 85 million and comprised impairments of oil & gas properties mainly due to a revision of the commodity price scenario, gains on the divestment of certain exploration and production assets as part of the agreements signed with Suez as well as the

This was part of a derivative transaction the Company entered into to hedge exposure to variability in future cash flows expected from the sale of a portion of the Company's proved reserves for an original amount of approximately 125.7 mmbbl in the 2008-2011 period, decreasing to 58.7 mmbbl by end of June 2009. These hedging transactions were undertaken in connection with the acquisition of oil and gas assets in Congo

- (1) For a detailed explanation of adjusted operating profit and net profit see the paragraph "Reconciliation of reported operating profit and reported net profit to results on an adjusted basis".

Contents

ENI INTERIM CONSOLIDATED REPORT / FINANCIAL REVIEW AND TREND INFORMATION

and in the Gulf of Mexico that were executed in 2007. Excluding this impact, liquid realizations would have been \$47.51 per barrel in the first half of 2009. Eni's average gas realizations decreased by 16.9% in the first

half of 2009, showing a slower pace of decline due to time lags between movements in oil prices and their effect on gas prices as provided by pricing formulae (up 3.8% in the first quarter; down 35.4% in the second quarter).

Liquid		First Half	
		2008	2009
Sales volumes	(mmbbl)	182.6	187.0
Sales volumes hedged by derivatives (cash flow hedge)		23.0	21.0
Average realized price per barrel, excluding derivatives	(\$/bbl)	101.41	47.51
Realized gains (losses) on derivatives		(5.70)	0.79
Average realized price per barrel		95.71	48.30

Gas & Power^(a)

		(euro million)			
2008		2008	First Half 2009	Change	% Ch.
4,030	Operating profit	2,425	2,116	(309)	(12.7)
(429)	Exclusion of inventory holding (gains) losses	(138)	294		
(37)	Exclusion of special items:	8	(357)		
12	- environmental provisions	14	17		
1	- assets impairments				
7	- gains on disposals of assets		(5)		
20	- provisions for redundancy incentives	7	8		
(74)	- re-measurement gains/losses on commodity derivatives	(11)	(377)		
(3)	- other	(2)			
3,564	Adjusted operating profit	2,295	2,053	(242)	(10.5)
1,309	Marketing	1,106	987	(119)	(10.8)
1,732	Regulated business in Italy	933	859	(74)	(7.9)
523	International transport	256	207	(49)	(19.1)
(3)	Net finance income (expense) ^(b)	(8)	(12)	(4)	
420	Net income (expense) from investments ^(b)	233	162	(71)	
(1,326)	Income taxes ^(b)	(861)	(718)	143	
33.3	Tax rate (%)	34.2	32.6	(1.6)	
2,655	Adjusted net profit	1,659	1,485	(174)	(10.5)

(a) From January 1, 2009, results of the gas storage business are reported within the Gas & Power segment reporting unit, within the regulated businesses results, following restructuring of Eni regulated gas businesses in Italy. As of that date, the results of the regulated businesses in Italy therefore include results of the Transport, Distribution, Re-gasification and Storage activities in Italy. Prior period results have been restated accordingly. Results of the Power Generation activities are reported within the Marketing business as it is ancillary to the latter.

(b) Excluding special items.

In the first half of 2009 the Gas & Power division reported **adjusted operating profit** of euro 2,053 million, a decrease of euro 242 million, or 10.5% from the first half of 2008, mainly due to lower results recorded by marketing activities (down euro 119 million, or 10.8%) due to a weaker gas and electricity demand, particularly in Italy. This reduction also reflected a negative impact associated with the settlement of certain non-hedging commodity derivatives resulting in a deeper loss of euro 117 million relating to amounts of gas and electricity that the Gas & Power division expects to supply at fixed prices in future periods. Under applicable accounting principles,

the Company is not allowed to bring forward this derivative impact to the future reporting periods where the associated revenues are expected to be recognized. In order to assist investors in assessing this business trend, the Company discloses as an alternative measure of performance, the Gas & Power EBITDA pro-forma adjusted that is used internally to evaluate underlying performance of the Marketing business (see page 42 below). When measured against this performance indicator, the Gas & Power division reported steady results compared to the first half of 2008.

Contents

ENI INTERIM CONSOLIDATED REPORT / FINANCIAL REVIEW AND TREND INFORMATION

Regulated Businesses in Italy and International Transport results were lower.

Special items excluded from the adjusted operating profit amounted to euro 357 million (euro 368 million gains reported by the marketing business and euro 11 million charges reported by the regulated businesses in Italy) and mainly regarded the re-measurement gains recorded on fair value evaluation of certain non-hedging commodity derivatives (euro 377 million) in marketing activities, environmental provisions and redundancy incentives.

Adjusted net profit for the first half of 2009 was euro 1,485 million, declining by euro 174 million from the first half of 2008 (down 10.5%) due to a weaker operating performance, as well as lower earnings reported by equity-accounted entities, partly offset by lower taxes currently payable.

Marketing

The marketing business reported **adjusted operating profit** of euro 987 million for the first half of 2009, a decrease of euro 119 million, or 10.8%, from the first half of 2008 driven by lower sales volumes reported by consolidated subsidiaries as a result of the economic downturn that particularly hit the Italian market where volumes were down 26.1%. This reduction also reflected a negative impact associated with the settlement of certain non-hedging commodity derivatives resulting in a deeper loss of euro 117 million relating to amounts of gas and electricity that the Gas & Power division expects to supply at fixed prices in future periods. Under applicable accounting principles, the Company is not allowed to bring forward this derivative impact to the future reporting periods where the associated revenues are expected to be recognized. In order to assist investors in assessing this business trend, the Company discloses

Other performance indicators

Follows a breakdown of the pro-forma adjusted EBITDA by business:

2008	(euro million)			
	2008	2009	Change	% Ch.

as an alternative measure of performance, the Gas & Power EBITDA pro-forma adjusted that is used internally to evaluate underlying performance of the Marketing business (see the table below). When measured against this performance indicator, the Gas & Power division reported steady results compared to the first half of 2008.

These negatives were partly offset by the positive trend results associated with favorable movements in energy parameters and the circumstance that certain operating expenses were incurred a year ago particularly related to a claim filed by the Authority for Electricity and Gas which reverted application of a favorable tariff regime on electricity productions.

Regulated businesses in Italy

Regulated businesses in Italy reported **adjusted operating profit** of euro 859 million for the first half of 2009, down euro 74 million, or 7.9%, from the same period of 2008 due to weaker results reported by Transport activities (down euro 58 million), caused by a decline in gas demand in Italy, and by the Distribution business (down euro 25 million) which recorded a negative trend mainly driven by the impact of a new tariff mechanism set by the Authority for electricity and gas which provided for elimination of the commodity component of the tariff resulting in a revenue profile that is largely unaffected by seasonal swings in volumes of gas distributed.

The Storage business reported adjusted operating profit of euro 126 million, a slight increase from the first half of 2008 (euro 117 million).

International Transport

This business reported **adjusted operating profit** of euro 207 million for the first half of 2009, represented a decrease of euro 49 million from the first half of 2008 mainly due to the recognition of the costs incurred to repair and restore to full capacity the underwater TMPC pipeline that was damaged in an accident occurred in December 2008.

Edgar Filing: ENI SPA - Form 6-K

4,310	Pro-forma adjusted EBITDA	2,583	2,541	42	(1.6)
2,271	Marketing	1,534	1,558	(24)	1.6
119	<i>of which: +/- adjustment on commodity derivatives</i>	(2)	160		
1,284	<i>Regulated businesses in Italy</i>	680	644	36	(5.3)
755	International transport	369	339	30	(8.1)

EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization charges) on an adjusted basis is calculated by adding amortization and depreciation charges to

adjusted operating profit which is also modified to take into account certain impacts associated with derivative instruments as discussed below. This performance

- 42 -

Contents

ENI INTERIM CONSOLIDATED REPORT / FINANCIAL REVIEW AND TREND INFORMATION

indicator include adjusted EBITDA of Eni's wholly owned subsidiaries and Eni's share of adjusted EBITDA generated by certain affiliates which are accounted for under the equity method for IFRS purposes.

The EBITDA of Snam Rete Gas is included according to Eni's share of equity (55.58% as of June 30, 2009, which takes into account the amount of own shares held in treasury by the subsidiary itself) although being fully consolidated when preparing consolidated financial statements in accordance with IFRS, due to its status of listed company. Also results of Italgas SpA and Stoccaggi Gas SpA are included according to the same share of equity as Snam Rete Gas due to the closing of the restructuring deal which involved Eni's regulated business in the Italian gas sector whereby the parent company Eni SpA divested the entire share capital of the two subsidiaries to Snam Rete Gas.

In order to calculate the EBITDA pro-forma adjusted, the adjusted operating profit of the marketing business has been modified to take into account the impact of the

settlement of certain commodity and exchange rate derivatives that do not meet the formal criteria to be classified as hedges under the IFRS. Those are entered into by the Company in view of certain amounts of gas and electricity that the Company expects to supply at fixed prices in future periods. The impact of those derivatives is allocated to the EBITDA pro-forma adjusted relating to the reporting periods during which those supplies at fixed prices are recognized. Management believes that the EBITDA pro-forma adjusted is an important alternative measure to assess the performance of Eni's Gas & Power division taking account of evidence that this division is comparable to European utilities in the gas and power generation sector. This measure is provided with the intent to assist investors and financial analysts in assessing the Eni Gas & Power divisional performance as compared to its European peers, as EBITDA is widely used as the main performance indicator for utilities. The EBITDA pro-forma adjusted is a non-GAAP measure under IFRS.

Refining & Marketing

		(euro million)			
2008		2008	First Half 2009	Change	% Ch.
(988)	Operating profit	776	287	(489)	(63.0)
1,199	Exclusion of inventory holding (gains) losses	(816)	(467)		
369	Exclusion of special items	149	129		
	<i>of which:</i>				
(21)	Non-recurring items				
390	Other special items:	149	129		
76	- environmental provisions	6	22		
299	- asset impairments	149	52		
13	- gains on disposals of assets		1		
	- risk provisions		15		
23	- provisions for redundancy incentives	6	8		
(21)	- re-measurement gains/losses on commodity derivatives		31		
	- other	(12)			
580	Adjusted operating profit	109	(51)	(160)	..
1	Net finance income (expense) ^(a)				
174	Net income (expenses) from investments ^(a)	64	39	(25)	
(234)	Income taxes ^(a)	(49)	(19)	30	
31.0	Tax rate (%)	28.3		..	
521	Adjusted net profit	124	(31)	(155)	..

(a) Excluding special items.

The Refining & Marketing division reported **adjusted operating loss** of euro 51 million for the first half of 2009, a decrease of euro 160 million from the first half of 2008. The reduction was mainly driven by sharply lower refining margin as a result of an unfavorable

trading environment. Marketing activities delivered an improved operating performance reflecting market share gains posted by the Italian retailing activities supported by effective marketing campaigns and pricing initiatives, partly offset by lower marketed

- 43 -

Contents**ENI INTERIM CONSOLIDATED REPORT / FINANCIAL REVIEW AND TREND INFORMATION**

volumes on both wholesale markets in Italy and retail European markets affected by a weak demand.

Special charges excluded from adjusted operating profit amounted to euro 129 million for the first half of 2009 and mainly related to impairment of goodwill recognized on marketing assets acquired in Central-Eastern Europe, capital expenditure for the period on assets impaired in previous reported years, as well as environmental and other risk provisions and

Petrochemicals

		(euro million)			
2008		2008	First Half 2009	Change	% Ch.
(845)	Operating profit	(263)	(454)	(191)	(72.6)
166	Exclusion of inventory holding (gains) losses	(124)	108		
281	Exclusion of special items:	171	89		
278	- <i>asset impairments</i>	172	89		
(5)	- <i>gains on disposals of assets</i>				
8	- <i>provisions for redundancy incentives</i>		3		
	- <i>re-measurement gains/losses on commodity derivatives</i>		(3)		
	- <i>other</i>	(1)			
(398)	Adjusted operating profit	(216)	(257)	(41)	(19.0)
1	Net finance income (expense) ^(a)				
(9)	Net income (expenses) from investments ^(a)	2		(2)	
83	Income taxes ^(a)	52	48	(4)	
(323)	Adjusted net profit	(162)	(209)	(47)	(29.0)

(a) Excluding special items.

The Petrochemical division reported an **adjusted operating loss** of euro 257 million for the first half of 2009, a decrease of euro 41 million from the first half of 2008 reflecting lower demand on end-markets, negatively affecting both volumes and margins.

Special charges excluded from adjusted operating loss of euro 89 million related mainly to impairment of

Engineering & Construction

		(euro million)			
2008		2008	First Half 2009	Change	% Ch.
1,045	Operating profit	467	580	113	24.2

re-measurement losses recorded on fair value evaluation of certain not hedging commodity derivatives.

Adjusted net loss for the first half of 2009 was euro 31 million (down euro 155 million) mainly due to a lower operating performance (down euro 160 million) and decreased profits reported by equity-accounted entities. These negatives were partly offset by lower income taxes.

assets, in particular the Sicily and Porto Marghera plants for the production of olefins, aromatics and polyethylene, due to an expected unfavorable trading environment in terms of margins/volumes, affected by lower petrochemical products demand and higher competitive pressures, in connection with new available capacity in the Middle-East.

Edgar Filing: ENI SPA - Form 6-K

(4)	Exclusion of special items:		(11)		
(4)	- gains on disposals of assets		(1)		
	- re-measurement gains/losses on commodity derivatives		(10)		
1,041	Adjusted operating profit	467	569	102	21.8
1	Net finance income (expense) ^(a)				
49	Net income (expenses) from investments ^(a)	26	19	(7)	
(307)	Income taxes ^(a)	(125)	(139)	(14)	
28.1	Tax rate (%)	25.4	23.6	(1.8)	
784	Adjusted net profit	368	449	81	22.0

(a) Excluding special items.

Contents

ENI INTERIM CONSOLIDATED REPORT / FINANCIAL REVIEW AND TREND INFORMATION

In the first quarter of 2009, the Engineering & Construction division reported an **adjusted operating profit** increasing by euro 102 million, or 21.8%, to euro 569 million, reflecting a better performance recorded in particular in: (i) the offshore construction due to better contractual conditions; (ii) offshore drilling due to higher activity levels of the Scarabeo 3 as well as of

the Perro Negro 3 and 7 jack-ups and a Tender Assisted Drilling Barge; (iii) onshore construction due to a better operating performance.

Adjusted net profit was euro 449 million, up euro 81 million from the first half of 2008 due to a better operating performance, partly offset by higher income taxes.

Other activities

		(euro million)			
2008		2008	First Half 2009	Change	% Ch.
(346)	Operating profit	(141)	(177)	(36)	(25.5)
102	Exclusion of special items:	39	49		
101	- environmental provisions	28	45		
5	- asset impairments	2	4		
(14)	- gains on disposals of assets		(2)		
4	- risk provision	20	(4)		
4	- provisions for redundancy incentives	1	2		
2	- other	(12)	4		
(244)	Adjusted operating profit	(102)	(128)	(26)	(25.5)
(39)	Net financial income (expense) ^(a)	(12)	28	40	
4	Net income (expense) from investments ^(a)				
(279)	Adjusted net profit	(114)	(100)	14	12.3

(a) Excluding special items.

Corporate and financial companies

		(euro million)			
2008		2008	First Half 2009	Change	% Ch.
(743)	Operating profit	(107)	(187)	(80)	(74.8)
461	Exclusion of special items:	3	12		
120	- environmental provisions				
(9)	- gains on disposals of assets				
28	- provisions for redundancy incentives	11	12		
52	- re-measurement gains/losses on commodity derivatives	1			
270	- other	(9)			
(282)	Adjusted operating profit	(104)	(175)	(71)	(68.3)
(671)	Net financial incomes (expenses) ^(a)	(142)	(318)	(176)	
5	Net income (expenses) from investments ^(a)				
409	Income taxes ^(a)	107	27	(80)	
(539)	Adjusted net profit	(139)	(466)	(327)	..

(a) Excluding special items.

- 45 -

Contents

ENI INTERIM CONSOLIDATED REPORT / FINANCIAL REVIEW AND TREND INFORMATION

NON-GAAP measure**Reconciliation of reported operating profit and reported net profit to results on an adjusted basis**

Management evaluates Group and business performance on the basis of adjusted operating profit and adjusted net profit, which are arrived at by excluding inventory holding gains or losses and special items. Further, finance charges on finance debt, interest income, gains or losses deriving from evaluation of certain derivative financial instruments at fair value through profit or loss as they do not meet the formal criteria to be assessed as hedges under IFRS, excluding commodity derivatives, and exchange rate differences are excluded when determining adjusted net profit of each business segment. The taxation effect of the items excluded from adjusted operating or net profit is determined based on the specific rate of taxes applicable to each of them. The Italian statutory tax rate of 34% is applied to finance charges and income (33% in previous reporting periods). Adjusted operating profit and adjusted net profit are non-GAAP financial measures under either IFRS, or U.S. GAAP. Management includes them in order to facilitate a comparison of base business performance across periods and allow financial analysts to evaluate Eni's trading performance on the basis of their forecasting models. In addition, management uses segmental adjusted net profit when calculating return on average capital employed (ROACE) by each business segment.

The following is a description of items that are excluded from the calculation of adjusted results.

Inventory holding gain or loss is the difference between the cost of sales of the volumes sold in the period based on the cost of supplies of the same period and the cost of sales of the volumes sold calculated using the weighted average cost method of inventory accounting.

Special items include certain significant income or charges pertaining to either: (i) infrequent or unusual

or (ii) certain events or transactions which are not considered to be representative of the ordinary course of business, as in the case of environmental provisions, restructuring charges, asset impairments or write ups and gains or losses on divestments even though they occurred in past periods or are likely to occur in future ones. As provided for in Decision No. 15519 of July 27, 2006 of the Italian market regulator (CONSOB), non recurring material income or charges are to be clearly reported in the management's discussion and financial tables. Also, special items include gains and losses on re-measurement at fair value of certain non-hedging commodity derivatives, including the ineffective portion of cash flow hedges.

Finance charges or income related to net borrowings excluded from the adjusted net profit of business segments are comprised of interest charges on finance debt and interest income earned on cash and cash equivalents not related to operations. In addition gains or losses on the fair value evaluation of abovementioned derivative financial instruments, excluding commodity derivatives, and exchange rate differences are excluded from the adjusted net profit of business segments. Therefore, the adjusted net profit of business segments includes finance charges or income deriving from certain segment-operated assets, i.e., interest income on certain receivable financing and securities related to operations and finance charge pertaining to the accretion of certain provisions recorded on a discounted basis (as in the case of the asset retirement obligations in the Exploration & Production division). Finance charges or interest income and related taxation effects excluded from the adjusted net profit of the business segments are allocated on the aggregate Corporate and financial companies.

For a reconciliation of adjusted operating profit and adjusted net profit to reported operating profit and

events and transactions, being identified as
non-recurring items under such circumstances;

reported net profit see tables below.

- 46 -

Contents**ENI INTERIM CONSOLIDATED REPORT / FINANCIAL REVIEW AND TREND INFORMATION**

(euro million)

First Half 2009

	E&P	G&P	R&M	Petrochemicals	Engineering & Construction	Other activities	Corporate and financial companies	Impact of unrealized intragroup profit elimination	Group	
Reported operating profit		4,152	2,116	287	(454)	580	(177)	(187)	55	6,372
Exclusion of inventory holding (gains) losses			294	(467)	108					(65)
Exclusion of special items:										
- environmental charges			17	22			45			84
- asset impairments		220		52	89		4			365
- gains on disposal of assets		(167)	(5)	1		(1)	(2)			(174)
- risk provisions				15			(4)			11
- provision for redundancy incentives		5	8	8	3		2	12		38
- re-measurement gains/losses on commodity derivatives		27	(377)	31	(3)	(10)				(332)
- other							4			4
Special items of operating profit		85	(357)	129	89	(11)	49	12		(4)
Adjusted operating profit		4,237	2,053	(51)	(257)	569	(128)	(175)	55	6,303
Net finance (expense) income ^(a)		83	(12)				28	(318)		(219)
Net income from investments ^(a)		113	162	39		19				333
Income taxes ^(a)		(2,517)	(718)	(19)	48	(139)		27	(24)	(3,342)
<i>Tax rate (%)</i>		<i>56.8</i>	<i>32.6</i>	<i>..</i>		<i>23.6</i>				<i>52.1</i>
Adjusted net profit		1,916	1,485	(31)	(209)	449	(100)	(466)	31	3,075
<i>of which:</i>										
- adjusted net profit of minority interest										414
- Eni s adjusted net profit										2,661
Eni reported net profit										2,736
Exclusion of inventory holding (gains) losses										(52)
Exclusion of special items										(23)
Eni s adjusted net profit										2,661

(a) Excluding special items.

Contents**ENI INTERIM CONSOLIDATED REPORT / FINANCIAL REVIEW AND TREND INFORMATION**

(euro million)

First Half 2008

	E&P	G&P	R&M	Petrochemicals	Engineering & Construction	Other activities	Corporate and financial companies	Impact of unrealized intragroup profit elimination	Group	
Reported operating profit		9,043	2,425	776	(263)	467	(141)	(107)	(230)	11,970
Exclusion of inventory holding (gains) losses			(138)	(816)	(124)					(1,078)
Exclusion of special items:										
- environmental charges			14	6			28			48
- asset impairments		310		149	172		2			633
- risk provisions							20			20
- provision for redundancy incentives		2	7	6			1	11		27
- re-measurement gains/losses on commodity derivatives		(102)	(11)					1		(112)
- other		(1)	(2)	(12)	(1)		(12)	(9)		(37)
Special items of operating profit		209	8	149	171		39	3		579
Adjusted operating profit		9,252	2,295	109	(216)	467	(102)	(104)	(230)	11,471
Net finance (expense) income ^(a)		32	(8)				(12)	(142)		(130)
Net income from investments ^(a)		263	233	64	2	26				588
Income taxes ^(a)		(5,474)	(861)	(49)	52	(125)		107	84	(6,266)
<i>Tax rate (%)</i>		<i>57.3</i>	<i>34.2</i>	<i>28.3</i>		<i>25.4</i>				<i>52.5</i>
Adjusted net profit		4,073	1,659	124	(162)	368	(114)	(139)	(146)	5,663
<i>of which:</i>										
- adjusted net profit of minority interest										367
- Eni's adjusted net profit										5,296
Eni reported net profit										6,758
Exclusion of inventory holding (gains) losses										(783)
Exclusion of special items										(679)
Eni's adjusted net profit										5,296

(a) Excluding special items.

Contents**ENI INTERIM CONSOLIDATED REPORT / FINANCIAL REVIEW AND TREND INFORMATION**

(euro million)

	E&P	G&P	R&M	Petrochemicals	Engineering & Construction	Other activities	Corporate and financial companies	Impact of unrealized intragroup profit elimination	Group	
Reported operating profit		16,239	4,030	(988)	(845)	1,045	(346)	(743)	125	18,517
Exclusion of inventory holding (gains) losses			(429)	1,199	166					936
Exclusion of special items										
<i>of which:</i>										
Non-recurring (income) charges					(21)					(21)
Other special (income) charges:		983	(37)	390	281	(4)	102	461		2,176
- environmental charges			12	76			101	120		309
- asset impairments		989	1	299	278		5			1,572
- gains on disposals of assets		4	7	13	(5)	(4)	(14)	(9)		(8)
- risk provisions							4			4
- provision for redundancy incentives		8	20	23	8		4	28		91
- re-measurement gains/losses on commodity derivatives		(18)	(74)	(21)				52		(61)
- other			(3)				2	270		269
Special items of operating profit		983	(37)	369	281	(4)	102	461		2,155
Adjusted operating profit		17,222	3,564	580	(398)	1,041	(244)	(282)	125	21,608
Net finance (expense) income ^(a)		70	(3)	1	1	1	(39)	(671)		(640)
Net income from investments ^(a)		609	420	174	(9)	49	4	5		1,252
Income taxes ^(a)		(10,001)	(1,326)	(234)	83	(307)		409	(49)	(11,425)
<i>Tax rate (%)</i>		<i>55.9</i>	<i>33.3</i>	<i>31.0</i>		<i>28.1</i>				<i>51.4</i>
Adjusted net profit		7,900								