

Gas & Power

Key performance indicators ^(*)

		2009	2010	2011	2012	2013
Employees injury frequency rate	(No. of accidents per million of worked hours)	3.15	3.97	2.44	1.84	1.31
Contractors injury frequency rate		2.32	4.00	5.22	3.64	1.81
Net sales from operations ^(a)	(€ million)	29,272	27,806	33,093	36,200	32,124
Operating profit		1,914	896	(326)	(3,219)	(2,992)
Adjusted operating profit		2,022	1,268	(247)	354	(663)
<i>Marketing</i>		1,721	923	(657)	47	(837)
<i>International transport</i>		301	345	410	309	174
Adjusted net profit		892	1,267	252	473	(246)
EBITDA proforma adjusted		2,975	2,562	949	1,316	6
<i>Marketing</i>		2,334	1,863	257	858	(311)
<i>International transport</i>		641	699	692	458	317
Capital expenditure		207	265	192	225	232
Worldwide gas sales ^(b)	(bcm)	103.72	97.06	96.76	95.32	93.17
LNG sales ^(c)		12.9	15.0	15.7	14.6	12.4
Customers in Italy	(million)	6.88	6.88	7.10	7.45	8.00
Electricity sold	(TWh)	33.96	39.54	40.28	42.58	35.05
Employees at year end	(number)	5,147	5,072	4,795	4,752	4,514
Direct GHG emissions	(mmttonnes CO ₂ eq)	12.40	13.41	12.77	12.70	11.16
Customer satisfaction index (CSS) ^(d)	(%)	83.7	87.4	88.6	89.8	90.4
Water consumption/withdrawals per KWheq produced (EniPower)	(cm/kWheq)	0.015	0.013	0.014	0.012	0.017

(*) Following the divestment of the Regulated Businesses in Italy, results of the Gas & Power Division include Marketing and International transport activities. Reference periods have been restated accordingly.

(a) Before elimination of intragroup sales.

(b) Include volumes marketed by the Exploration & Production Division of 2.61 bcm (6.17, 5.65, 2.86 and 2.73 bcm in 2009, 2010, 2011 and 2012 respectively).

(c) Refer to LNG sales of the Gas & Power Division (included in worldwide gas sales) and the Exploration & Production Division.

(d) 2013 figure is calculated as the average of the CSS detected by the AEEG in the first half of 2013 and the result detected by the Eni satisfaction survey in the second half of 2013.

Performance of the year

In 2013 the positive trend in employees and contractors injury frequency rates was confirmed, with a reduction of 28.9% and 50.1%, respectively.

In 2013, adjusted net loss was €246 million, decreasing by €719 million from 2012 reflecting worsening competitive environment determining a fall of sale prices and margins in Italy, the effects of which were exacerbated by minimum off-take obligations provided by long-term supply contracts.

Eni gas sales (93.17 bcm) were down by 2.3% compared to 2012. When excluding the effect of the divestment of Galp, gas sales were broadly in line with the previous year. Eni's sales in the domestic market increased by 1.08 bcm driven by higher

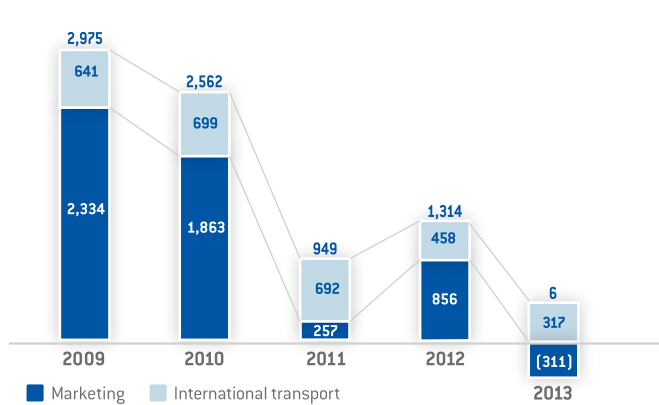
spot sales and by higher sales to importers in Italy (up 1.94 bcm). This positive trend was more than offset by slightly lower volumes marketed in the main European markets (down 5.61 bcm), particularly in Benelux, Iberian Peninsula and the UK due to declining demand and competitive pressure.

Electricity sales of 35.05 TWh decreased by 7.53 TWh from 2012, down 17.7%.

In 2013 capital expenditure of €232 million mainly concerned the revamping activities of the cogeneration plant of Bolgiano and the development of its heating cable system (€39 million), the flexibility and upgrading of combined cycle power stations (€82 million) as well as gas marketing initiatives (€88 million).

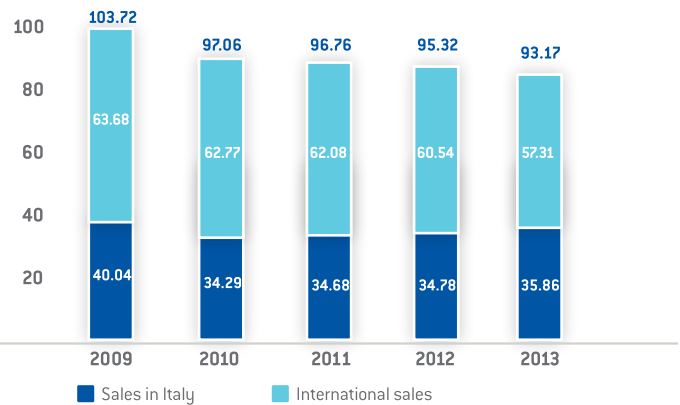
Adjusted proforma EBITDA

(€ million)



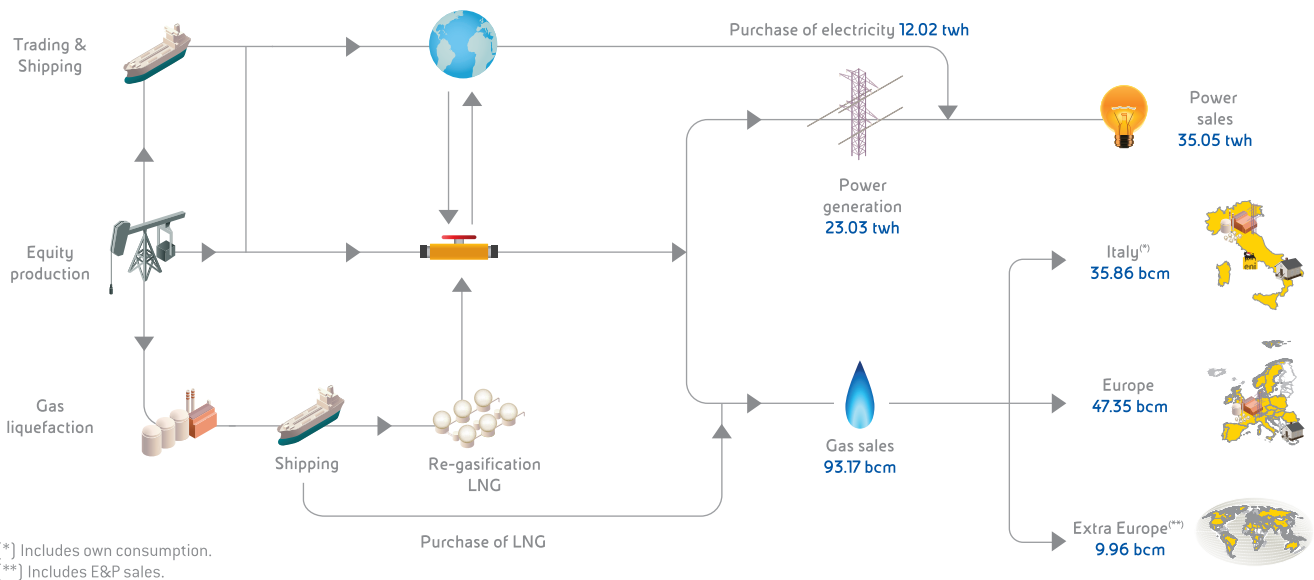
Worldwide gas sales

(bcm)



Gas & Power value chain

Eni's Gas & Power segment engages in all phases of the natural gas value chain: supply, trading and marketing of natural gas and LNG. This segment also includes power generation and marketing of electricity. Eni's leading position in the European gas market is ensured by a set of competitive advantages, including our multi-Country approach, long-term gas availability, access to infrastructures, market knowledge and a strong customer base, in addition to long term relations with producing countries. Furthermore, integration with our upstream operations provides valuable growth options whereby the Company targets to monetize its large gas reserves.



(*) Includes own consumption.
 (**) Includes E&P sales.

1. Marketing

1.1 Natural gas

Supply

The supply of natural gas is a free activity where prices are determined by free negotiations of demand and supply involving natural gas resellers and producers.

In order to secure mid and long-term access to gas availability, Eni has signed a number of long-term gas supply contracts with key producing countries that supply the European gas markets. These contracts have been ensuring approximately 80 bcm of gas availability from 2010 (including the Eni Gas & Power nv/sa portfolio of supplies and excluding Eni's other subsidiaries and affiliates) with a residual life of approximately 14 years and a pricing mechanism that indexed to the cost of gas to the price of crude oil and its derivatives (gasoil, fuel oil, etc.).

Eni's supply portfolio



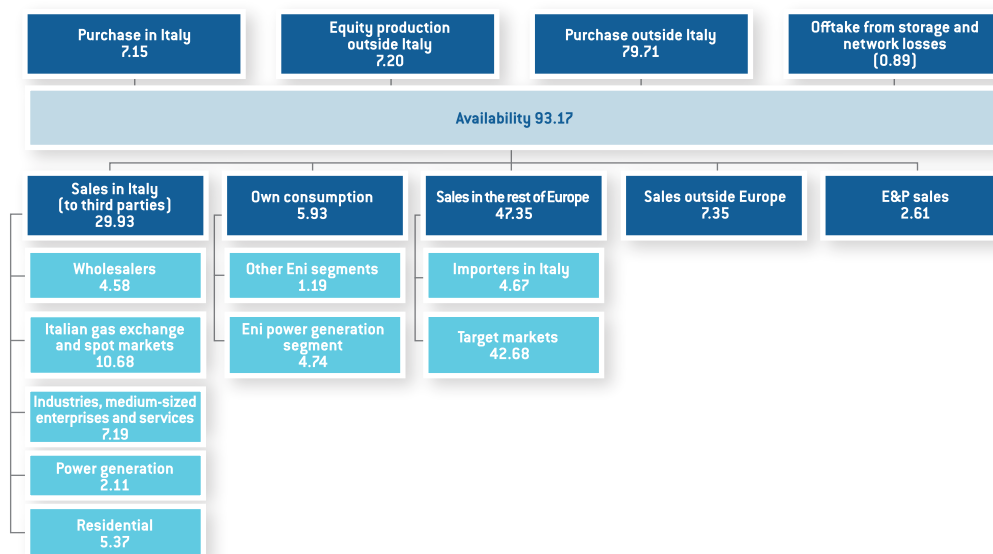
Eni could also leverage on the availability of natural gas deriving from equity production, the access to all phases of the LNG chain (liquefaction, shipping and regasification) and to other gas infrastructures, and by trading and risk management activity. Eni's long-term gas requirements are met by natural gas from a total of 18 Countries, where Eni also holds upstream activities and by access to European spot markets.

In 2013, Eni's consolidated subsidiaries supplied 93.17 bcm of

natural gas, representing a decrease of 2.15 bcm, or 2.3% from 2012. Gas volumes supplied outside Italy (78.52 bcm from consolidated companies), imported in Italy or sold outside Italy, represented approximately 92% of total supplies, were substantially in line with 2012 (down 0.62 bcm or 0.8%) due to higher volumes purchased in Russia (up 9.76 bcm) and the Netherlands (up 1.09 bcm), completely offset by lower volumes purchased in particular in Algeria (down 5.14 bcm), Norway (down 2.97 bcm) and Libya (down 0.77 bcm).

Eni's availability of natural gas

(bcm)



Marketing in Italy and Europe

Eni operates in a liberalized market where energy customers are allowed to choose the supplier of gas and, according to their specific needs, to evaluate the quality of services and offers. Overall, Eni supplies approximately 2,600 clients including large businesses, power generation utilities, wholesalers and distributors of natural gas for automotive use. Residential users are about 8 million and include households, professionals, small and medium sized enterprises, and public bodies located all over Italy, and approximately 2 million customers in European

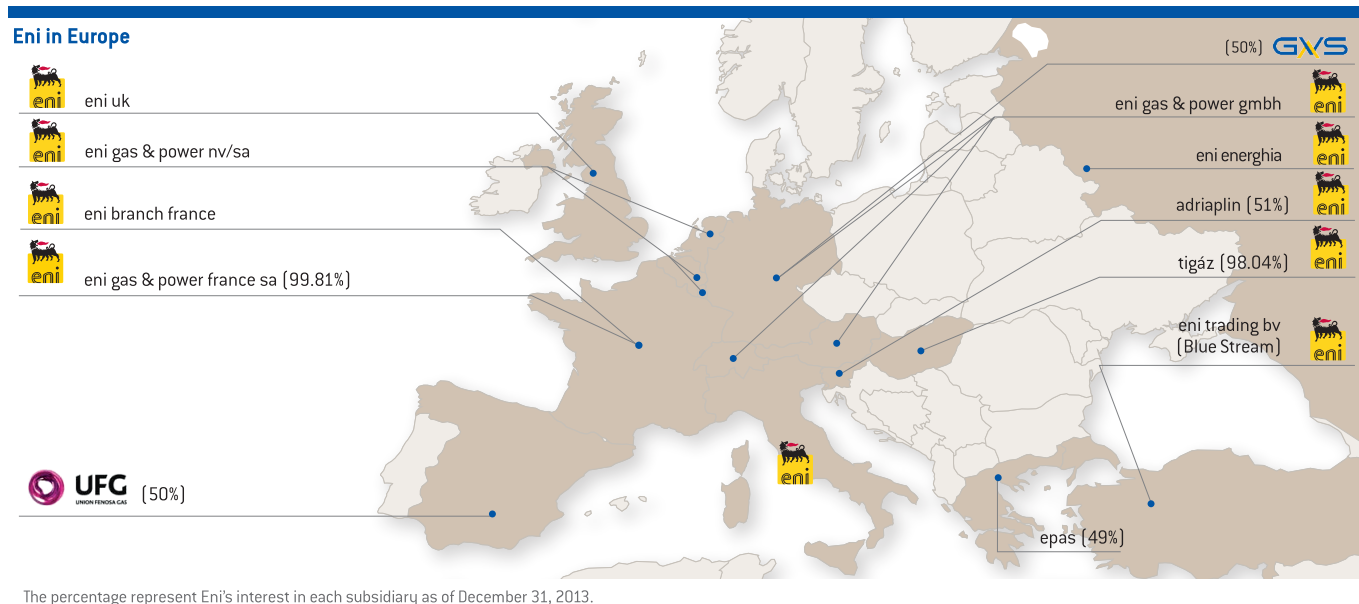
Countries. In a context characterized by a six percentage points structural drop of demand in the Italian market (down by 1% in the European Union) with the Eni's expectation for 2017 of approximately 490 bcm, in line with 2013, lower than the projection of about 600 bcm developed in 2008, Eni intends to recover profitability in gas sales, renegotiating the cost position in order to reach price alignment with the new market conditions, developing an innovative supply addressed to large segment and growing in retail segment leveraging on service quality and dual offer expansion.

Sales and market shares on the Italian gas market	2012		2013		% Ch. 2013 vs 2012
	Volumes sold	Market share (%)	Volumes sold	Market share (%)	
Italy to third parties	28.35	37.8	29.93	42.7	5.6
Wholesalers	4.65		4.58		(1.5)
Italian gas exchange and spot markets	7.52		10.68		42.0
Industries	6.93		6.07		(12.4)
Medium-sized enterprises and services	0.81		1.12		38.3
Power generation	2.55		2.11		(17.3)
Residential	5.89		5.37		(8.8)
Own consumption	6.43		5.93		(7.8)
TOTAL SALES IN ITALY	34.78	46.4	35.86	51.2	3.1
Gas demand ^(a)	74.91		70.10		(6.4)

(a) Source: Italian Ministry of Economic Development.

Gas sales by market	(bcm)	2009	2010	2011	2012	2013
ITALY		40.04	34.29	34.68	34.78	35.86
Wholesalers		5.92	4.84	5.16	4.65	4.58
Gas release		1.30	0.68			
Italian gas exchange and spot markets		2.37	4.65	5.24	7.52	10.68
Industries		7.58	6.41	7.21	6.93	6.07
Medium-sized enterprises and services		1.08	1.09	0.88	0.81	1.12
Power generation		9.68	4.04	4.31	2.55	2.11
Residential		6.30	6.39	5.67	5.89	5.37
Own consumption		5.81	6.19	6.21	6.43	5.93
INTERNATIONAL SALES		63.68	62.77	62.08	60.54	57.31
Rest of Europe		55.45	54.52	52.98	51.02	47.35
Importers in Italy		10.48	8.44	3.24	2.73	4.67
European markets		44.97	46.08	49.74	48.29	42.68
<i>Iberian Peninsula</i>		6.81	7.11	7.48	6.29	4.90
<i>Germany/Austria</i>		5.36	5.67	6.47	7.78	8.31
<i>Benelux</i>		15.72	15.64	13.84	10.31	8.68
<i>Hungary</i>		2.58	2.36	2.24	2.02	1.84
<i>UK/Northern Europe</i>		4.31	4.45	4.21	4.75	3.51
<i>Turkey</i>		4.79	3.95	6.86	7.22	6.73
<i>France</i>		4.91	6.09	7.01	8.36	7.73
<i>Other</i>		0.49	0.81	1.63	1.56	0.98
Extra European markets		2.06	2.60	6.24	6.79	7.35
E&P in Europe and in the Gulf of Mexico		6.17	5.65	2.86	2.73	2.61
WORLDWIDE GAS SALES		103.72	97.06	96.76	95.32	93.17

A review of Eni's presence in key European markets is presented below:



Benelux

Through a direct presence and the integration with its affiliate Distrigas, Eni holds a key position in the Benelux Countries (Belgium, the Netherlands and Luxembourg), in particular in Belgium, which are a strategic hub of the continental gas spot market in Western Europe, thanks to their central position and high level of interconnectivity with the gas transit networks of Central and Northern Europe. In 2013, sales in Benelux were mainly directed to industrial companies, wholesalers and power generation and amounted to 8.68 bcm, down by 1.63 bcm, or 15.8%, due to declining gas demand and rising competitive pressure in particular in the wholesalers segment.

Eni launched its brand in retail gas and power market in Belgium. The Eni brand substituted the local operators ones acquired in the past few years with the aim of becoming one of the major retail operators in France and Belgium while consolidating its leadership on the Belgian business market.

France

Eni sells natural gas to industrial clients, wholesalers and power generation as well as to the retail and middle market segments. Eni is present in the French market through its direct commercial activities and through its subsidiary Eni Gas & Power France sa. In 2013, sales in

France amounted to 7.73 bcm (8.36 bcm in 2012), a decrease of 0.63 bcm, or 7.5%, from 2012.

In 2012, Eni launched its brand in the gas retail market in France, with the aim of becoming one of the major retail operators in France. In the next four-year period, Eni intends to increase sales in the Country into retail segment.

Germany/Austria

Eni is present in the German natural gas market through its associate GVS (Gasversorgung Süddeutschland GmbH - Eni 50%) which sold approximately 5.24 bcm in 2013 (2.62 bcm being Eni's share), and through a direct marketing structure which sold in 2013 approximately 5.44 bcm in Germany and 0.25 bcm in Austria. In 2013, sales in Germany/Austria market amounted to 8.31 bcm, an increase of 0.53 bcm, or 6.8%, from a year ago.

Spain

Eni operates in the Spanish gas market through a direct marketing structure that markets its portfolio of LNG and the joint venture Unión Fenosa Gas (UFG) (Eni's interest 50%) which mainly supplies natural gas to industrial clients, wholesalers and power generation utilities. In 2013, UFG gas sales in Europe amounted to 4.58 bcm (2.29 bcm Eni's share). UFG holds an 80% interest in the Damietta liquefaction plant, on the Egyptian coast (see below), and a 7.36% interest in a liquefaction plant in Oman. In addition, it holds interests in the Sagunto (Valencia) and El Ferrol (Galicia) re-gasification plants (42.5% and 18.9%, respectively). In 2013, Eni sales in Spain amounted to 4.90 bcm.

Turkey

Eni sells gas supplied from Russia and transported via the Blue Stream pipeline. In 2013, sales amounted to 6.73 bcm, a decrease of 0.49 bcm, or 6.8% from 2012.

UK/Northern Europe

Eni through its subsidiary North Sea Gas & Power (Eni UK Ltd) markets in the UK the equity gas produced at Eni's fields in the North Sea and operates in the main continental natural gas hubs (NBP, Zeebrugge, TTF). In 2013, sales amounted to 3.51 bcm, a decrease of 26.1% from a year ago.

1.2 LNG

Eni is present in all phases of the LNG business: liquefaction, shipping, re-gasification and sale through operated activities or interests in joint ventures and associates. The LNG business registered a good profitability, leveraging on the growing energy demand in Asia and South America. In the next years Eni intends to increase sales in premium markets, redirecting the availability through portfolio optimization and an higher integration with the upstream segment.

Eni's main assets and projects in the LNG business are described below.

Qatar

Through its subsidiary Eni Gas & Power nv/sa, Eni increased its development opportunities in the LNG business with access to new supply sources mainly from Qatar, under a 20-year agreement with RasGas (owned by Qatar Petroleum with a 70% interest and ExxonMobil with a 30% interest) and the Zeebrugge LNG terminal on the Western coast of Belgium.

Pascagoula

This project is part of an upstream development project related to the construction of an LNG plant in Angola designed to produce

5.2 mtonnes of LNG (approximately 7.3 bcm/y) destined to the North American market in order to monetize part of the Company's gas reserves. As part of the downstream leg of the project, Eni signed a 20 year contract with Gulf LNG to buy 5.8 bcm/y of the re-gasification capacity of the plant near Pascagoula in Mississippi. The start-up of the re-gasification facility commenced in the fourth quarter of 2012.

At the same time Eni USA Gas Marketing Llc entered a 20-year contract for the purchase of approximately 0.9 bcm/y of re-gasified gas downstream the terminal owned by Angola Supply Services, a company whose partners also own Angola LNG. Due to the negative prospects for marketing in the USA, Eni, through its subsidiary and the other shareholders have drafted a new development plan for the contract that minimizes the supplies to the US market and directs them to other more profitable options.

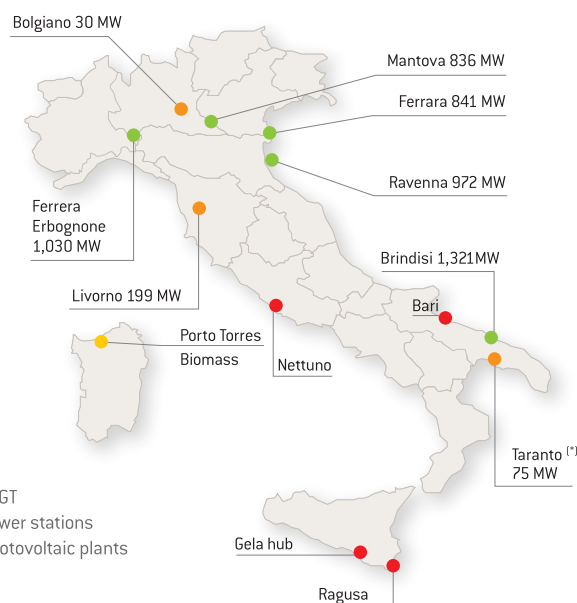
1.3 Power generation

Eni's power generation activity is conducted in the Ferrera Erbognone, Ravenna, Livorno, Taranto, Mantova, Brindisi, Ferrara and in Bolgiano. In 2013, power production was 23.03 TWh, down 2.64 TWh, or 10.3% from 2012.

As of December 31, 2013, installed operational capacity was 5.3 GW (5.3 GW as of December 31, 2012).

Electricity trading, to increase availability of electricity, lowered by 28.9% to 12.2 TWh due to lower purchases on the market. In 2013 power sales (35.05 TWh) were directed to the free market (82%), the Italian power exchange (6%), industrial sites (9%) and others (3%). Compared with 2012, electricity sales were down by 17.7%, due to lower volumes traded on the Italian power exchange and declining sales to wholesales, partly offset by higher sales to retail customers.

EniPower plants and sites in Italy

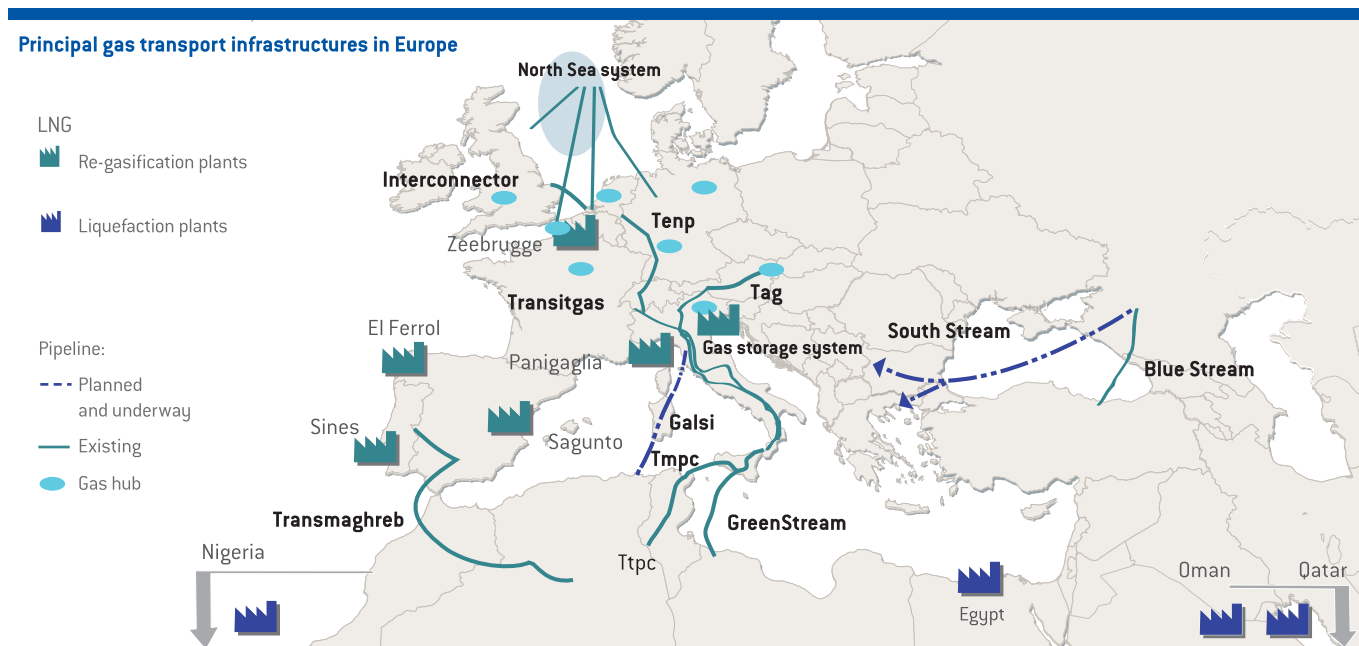


Installed and operational generation capacity as of December 31, 2013: 5.3 GW

Fully installed capacity (2017): 5.4 GW

The combined cycle gas fired technology (CCGT) ensures a high level of efficiency and low environmental impact. In particular, management estimates that for a given amount of energy (electricity and steam) produced, using the CCGT technology instead of conventional power generation technology, the emission of carbon dioxide is reduced by about 5 mtonnes, on an energy production of 26.5 TWh.

2. International transport



Eni has transport rights on a large European network of integrated infrastructure for transporting natural gas, which links key consumption basins with the main producing areas (Russia, Algeria, Libya and the North Sea, including the Netherlands and Norway).

Eni owns capacity entitlements in an extensive network of international high pressure pipelines enabling the Company to import and sell in Italy and in Europe natural gas produced in Russia, Algeria, the North Sea, including the Netherlands and Norway, and Libya. The Company participates to both entities which operate the pipelines and entities which manage transport rights.

A description of the main international pipelines currently participated or operated by Eni is provided below:

- the **TTPC pipeline**, 740-kilometer long, made up of two lines that are each 370-kilometer long with a transport capacity of 33.2 bcm/y and five compression stations. This pipeline transports natural gas from Algeria across Tunisia from Oued Saf Saf at the Algerian border to Cap Bon on the Mediterranean coast where it links with the TMPC pipeline. The pipeline was recently upgraded by increasing compression capacity in order to enable transportation of an additional 6.5 bcm/y. The upgrade was

finalized in 2008 and became fully-operational during 2009;

- the **TMPC pipeline** for the import of Algerian gas is 775-kilometer long and consists of five lines that are each 155-kilometer long with a transport capacity of 33.5 bcm/y. It crosses the underwater Sicily Channel from Cap Bon to Mazara del Vallo in Sicily, the point of entry into the Italian natural gas transport system;
- the **GreenStream pipeline**, jointly-owned with the Libyan National Oil Company, started operations in October 2004 for the import of Libyan gas produced at Eni operated fields Bahr Essalam and Wafa. It is 520-kilometer long with a transport capacity of 11 bcm/y and crosses underwater in the Mediterranean Sea from Mellitah on the Libyan coast to Gela in Sicily, the point of entry into the Italian natural gas transport system.

Eni holds a 50% interest in the **Blue Stream** underwater pipeline (water depth greater than 2,150 meters) linking the Russian coast to the Turkish coast of the Black Sea. This pipeline is 774-kilometer long on two lines and has transport capacity of 16 bcm/y. It is part of a joint venture to sell gas produced in Russia on the Turkish market. These assets generate a stable operating profit, thanks to the transport rights sales, on long-term base.

Supply of natural gas	(bcm)	2009	2010	2011	2012	2013
Italy		6.86	7.29	7.22	7.55	7.15
Outside Italy						
Russia		22.02	14.29	21.00	19.83	29.59
Algeria (including LNG)		13.82	16.23	13.94	14.45	9.31
Libya		9.14	9.36	2.32	6.55	5.78
Netherlands		11.73	10.16	11.02	11.97	13.06
Norway		12.65	11.48	12.30	12.13	9.16
United Kingdom		3.06	4.14	3.57	3.20	3.04
Hungary		0.63	0.66	0.61	0.61	0.48
Qatar (LNG)		2.91	2.90	2.90	2.88	2.89
Other supplies of natural gas		4.49	4.42	6.16	5.43	3.63
Other supplies of LNG		1.34	1.56	2.23	2.09	1.58
		81.79	75.20	76.05	79.14	78.52
Total supplies of Eni's own companies		88.65	82.49	83.27	86.69	85.67
Offtake from (input to) storage		1.25	(0.20)	1.79	(1.35)	(0.58)
Network losses, measurement differences and other changes		(0.30)	(0.11)	(0.21)	(0.28)	(0.31)
AVAILABLE FOR SALE BY ENI'S CONSOLIDATED SUBSIDIARIES		89.60	82.18	84.85	85.06	84.78
AVAILABLE FOR SALE OF ENI'S AFFILIATES		7.95	9.23	9.05	7.53	5.78
E&P volumes in Europe and Gulf of Mexico		6.17	5.65	2.86	2.73	2.61
GAS VOLUMES AVAILABLE FOR SALE		103.72	97.06	96.76	95.32	93.17

Gas sales by entity	(bcm)	2009	2010	2011	2012	2013
Sales of consolidated companies		89.60	82.00	84.05	84.30	83.60
Italy (including own consumption)		40.04	34.23	34.60	34.66	35.76
Rest of Europe		48.65	46.74	44.84	44.57	42.30
Outside Europe		0.91	1.03	4.61	5.07	5.54
Sales of Eni's affiliates (net to Eni)		7.95	9.41	9.85	8.29	6.96
Italy			0.06	0.08	0.12	0.10
Rest of Europe		6.80	7.78	8.14	6.45	5.05
Outside Europe		1.15	1.57	1.63	1.72	1.81
E&P in Europe and in the Gulf of Mexico		6.17	5.65	2.86	2.73	2.61
Worldwide gas sales		103.72	97.06	96.76	95.32	93.17

LNG sales	(bcm)	2009	2010	2011	2012	2013
G&P sales		9.8	11.2	11.8	10.5	8.4
Italy		0.1	0.2			
Rest of Europe		8.9	9.8	9.8	7.6	4.6
Extra European markets		0.8	1.2	2.0	2.9	3.8
E&P sales		3.1	3.8	3.9	4.1	4.0
<i>Liquefaction plants:</i>						
Soyo (Angola)						0.1
Bontang (Indonesia)		0.8	0.7	0.6	0.6	0.5
Point Fortin (Trinidad & Tobago)		0.5	0.6	0.4	0.5	0.6
Bonny (Nigeria)		1.4	2.2	2.5	2.7	2.4
Darwin (Australia)		0.4	0.3	0.4	0.3	0.4
Total LNG sales		12.9	15.0	15.7	14.6	12.4

Power sales	[TWh]	2009	2010	2011	2012	2013
Free market		25.07	27.84	27.25	31.84	28.73
Italian Exchange for electricity		4.70	7.13	8.67	6.10	1.96
Industrial plants		2.92	3.21	3.23	3.30	3.31
Other ^(a)		1.27	1.36	1.13	1.34	1.05
Power sales		33.96	39.54	40.28	42.58	35.05
Power generation		24.09	25.63	25.23	25.67	23.03
Trading of electricity		9.87	13.91	15.05	16.91	12.02

(a) Include positive and negative imbalances.

EniPower power stations	Installed capacity as of December 31, 2013 ^(a)	Fully installed capacity [2017] ^(b)	Effective/planned start-up	Technology	Fuel
Power stations	(MW)	(GW)			
Brindisi	1,321	1.3	2006	CCGT	Gas
Ferrera Erbognone	1,030	1.0	2004	CCGT	Gas/syngas
Livorno	199	0.2	2000	Power Station	Gas/fuel oil
Mantova	836	0.9	2005	CCGT	Gas
Ravenna	972	1.0	2004	CCGT	Gas
Taranto ^(c)	75	0.1	2000	Power Station	Gas/fuel oil
Ferrara	841	0.8	2008	CCGT	Gas
Bolgiano	30	0.1	2012	Power Station	Gas
Photovoltaic sites	4		2011-2015	Photovoltaic	Photovoltaic
	5,308	5.4			

(a) Capacity available after completion of dismantling of obsolete plants.

(b) Installed and operational generation capacity.

(c) In October 2013, divested to Raffneria di Taranto (R&M).

Power generation		2009	2010	2011	2012	2013
Purchases						
Natural gas	(mmcm)	4,790	5,154	5,008	5,206	4,635
Other fuels	(ktoe)	569	547	528	462	449
- of which steam cracking		82	103	99	98	99
Production						
Power generation	(TWh)	24.09	25.63	25.23	25.67	23.03
Steam	(ktonnes)	10,048	10,983	14,401	12,603	10,099
Installed generation capacity	(GW)	5.3	5.3	5.3	5.3	5.3

Transport infrastructure						
OUTSIDE ITALY	Lines	Length	Diameter	Transport capacity ^(a)	Transit capacity ^(b)	Compression stations
	(units)	(km)	(inch)	(bcm/y)	(bcm/y)	(No.)
TTPC (Oued Saf Saf-Cap Bon)	2 lines of km 370	740	48	34.0	33.2	5
TMPC (Cap Bon-Mazara del Vallo)	5 lines of km 155	775	20/26	33.5	33.5	
GreenStream (Mellitah-Gela)	1 line of km 520	520	32	8.0	8.0	1
Blue Stream (Beregovaya-Samsun)	2 lines of km 387	774	24	16.0	16.0	1

(a) Includes both transit capacity and volumes of natural gas destined to local markets and withdrawn at various points along the pipeline.

(b) The maximum volume of natural gas which is input at various entry points along the pipeline and transported to the next pipeline.

Capital expenditure	(€ million)	2009	2010	2011	2012	2013
Italy		85	155	132	174	163
Outside Italy		122	110	60	51	69
		207	265	192	225	232
Market		175	248	184	212	209
Market		102	133	97	81	88
<i>Italy</i>		12	40	45	43	42
<i>Outside Italy</i>		90	93	52	38	46
Power generation		73	115	87	131	121
International transport		32	17	8	13	23
		207	265	192	225	232