Eni operates in the exploration and production of hydrocarbons in Italy, North Africa, West Africa, the North Sea and the Gulf of Mexico. It also operates in areas with great development potential such as Latin America, Australia, the Middle and Far East and the Caspian Sea.

In 2001, Eni produced 1,369,000 boe per day and, at December 31, 2001, it had estimated proved reserves of 6,929 million boe. Eni is pursuing an aggressive growth strategy aimed at achieving a daily production target in excess of 1.7 million boe by 2005, which corresponds to an annual increase of approximately 6% over next four years. Production growth will be pursued by developing in areas where Eni has a consolidated presence and through the start up of important projects in Libya, Kazakhstan, the deep offshore of West Africa, Iran and Venezuela. Eni intends to rationalize its assets portfolio in order to increase its value by focusing on strategic areas with the highest growth potential. Exploration efforts will be concentrated in areas with high mineral potential, capable of providing the highest returns, such as the Caspian Sea, Russia, the deep offshore of the Gulf of Mexico, Brazil, West Africa and the border areas of the North Sea. Eni will continue to improve its performance by reducing operating costs and overhead and searching for synergies.

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**STRATEGIES**

- Keep strong production growth rates
- Rationalize and optimize portfolio
- Select exploration projects
- Intensify actions for efficiency improvement

**ROACE**

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<tbody>
<tr>
<td>ROACE</td>
<td>26.7</td>
<td>24.9</td>
<td>26.4</td>
<td>33.1</td>
<td>18.2</td>
<td>13.1</td>
<td>18.2</td>
</tr>
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</table>
**Main Results**

- Daily hydrocarbon production peaked at 1,369,000 boe, representing a 15.3% increase resulting from the contribution of the acquisition of Lasmo and internal growth, which offset in part the decrease related to declines. In April 2002 daily production amounted to 1,462,000 boe. The 15.3% increase launches Eni towards the daily production target of 1.7 million boe set for 2005 which Eni can attain by developing assets in its portfolio.

- In Kazakhstan in February 2001, Eni was named single operator of the North Caspian Sea project in the Kazakh offshore (Eni’s interest 14.28%). This project represents an extremely important industrial feat in the oil industry. Following the discovery made in July 2000, in 2001 two other wells were drilled which confirmed the area’s high mineral potential. By the end of 2001, a third well – the second appraisal well – was under way.

- Eni completed the process of integration of Lasmo, thus reaching a benefit estimated at about euro 100 million on an annual basis, 25% more than expected at the time of the acquisition. Lasmo’s daily production in 2001 (201,000 boe) increased by 6% over 2000 and is expected to reach 260,000 boe in 2003.

- In Block 15 (Eni’s share 20%), located offshore Angola the Kizomba A project started for the development of the Hungo and Chocalho fields with recoverable reserves amounting to approximately one billion barrels of oil. This is the most important project in the West African offshore. Expected expenditure amounts to about dollar 3.2 billion. Production is expected to start in late 2004 peaking at 250,000 barrels/day in 2005.

- In Iran, Eni signed agreements with the national company NIOC for the development of the two Darquain oil fields (Eni is operator with a 60% interest) on the coast of the Persian Gulf and of the Balal oil field (Eni’s interest 38.25%) in the Persian Gulf offshore. Production is expected to start in 2003 in the first field and late 2002 in the second.

- In Nigeria authorization was granted for the construction of a 450-megawatt power plant fired with associated natural gas. The plant (Eni’s interest 20%) will be located in the area of the Niger Delta and entails a total expenditure of dollar 312 million.

- In Russia Eni signed an agreement with Astrakhannefteprom for the acquisition of 50% of the Severo Astrakhansky license in a highly promising area at the mouth of the river in the Astrakhan region. Eni will act as operator.

- In Norway Eni obtained an exploration license (Eni’s interest 30%) for the exploration of Block 35/1, located in the North Viking Graben in the North Sea.

- In 2001 production started in important hydrocarbon fields: Elgin/Franklin in the United Kingdom (Eni’s interest 21.86%), Foukanta/Mwafi offshore Congo (Eni is operator with a 65% interest), Okono offshore Nigeria (Eni is operator with a 100% interest), Kuito-phase 3 (Eni’s interest 20%) and Nenba Nord (Eni’s interest 9.8%) both offshore Angola, and Val d’Agri-phase 2 (Eni is operator with a 71% interest) in Italy.

- Exploration activities produced excellent results: Eni made new discoveries in the Gulf of Mexico (Yosemite - natural gas - Eni’s interest 50%; Trident - oil - Eni’s interest 8.5%), in Pakistan (Rehmat - gas - Eni’s share 38%), Angolan deep offshore (Tombua-1 - oil in Block 14 - Eni’s interest 20%; Mavacola 1 and Marimba 2 in Block 15 - Eni’s interest 20%), Nigerian offshore (Bonga SW1 - Eni’s interest 12.5%), in Australia (Blacktip-1 - gas - Eni’s interest 30%), in Norway in the Barents Sea (in the Goliath oil field -
Eni’s interest 25%; Marvin - Eni’s interest 30%), in the offshore of Congo (Awa-Marine-1 - oil - Eni’s interest 72%), in Mauritania (Chinguetti-1 - oil and gas - Eni’s interest 35%), in Indonesia (Ranggas - oil and gas - Eni’s interest 20%) south China offshore (HZ 19-2-1 and HZ 19-1-1 - oil - Eni’s interest 16.3%), Algeria (EOR-1 in El Ouar II permit - Eni’s interest 66.67% and Rome 1 in Block 403d - Eni’s interest 100%), Tunisia (HDA N-1 - oil - Eni’s interest 50%) as well as in Italy (Migianico - oil - Eni’s interest 100%; Fauzia and Quarto - gas - Eni’s interest 60% and 66.7%).

Increases in proved reserves have led to a 282% replacement ratio (142% excluding the effect of the acquisition of Lasmo).

Efficiency improvement actions and integration with acquired companies allowed Eni to achieve cost reductions of about euro 137 million.

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### Main financial data

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<tr>
<td>Net sales from operations</td>
<td>5,664</td>
<td>6,578</td>
<td>6,897</td>
<td>5,206</td>
<td>6,840</td>
<td>12,308</td>
<td>13,860</td>
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<td>Operating income (1)</td>
<td>2,094</td>
<td>2,612</td>
<td>2,590</td>
<td>594</td>
<td>2,834</td>
<td>6,603</td>
<td>5,984</td>
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<td>Exploration expenditure</td>
<td>396</td>
<td>555</td>
<td>677</td>
<td>755</td>
<td>816</td>
<td>3,452</td>
<td>4,149</td>
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<tr>
<td>Acquisition of proved and unproved properties</td>
<td>5</td>
<td>292</td>
<td>95</td>
<td>103</td>
<td>752</td>
<td>67</td>
<td>67</td>
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<tr>
<td>Development costs and capital goods</td>
<td>1,184</td>
<td>816</td>
<td>1,550</td>
<td>2,024</td>
<td>1,880</td>
<td>2,312</td>
<td>3,142</td>
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<td>Financial investments</td>
<td>10</td>
<td>199</td>
<td>0</td>
<td>7</td>
<td>10</td>
<td>2,511</td>
<td>4,149</td>
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</table>

(1) For 1996 it does not include the effect of the change in writedown criteria of tangible and intangible assets (SFAS 121) for euro 123 million.

### Main operating data

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<tbody>
<tr>
<td>Proved hydrocarbon reserves (mn boe)</td>
<td>4,318</td>
<td>4,675</td>
<td>5,073</td>
<td>5,255</td>
<td>5,534</td>
<td>6,008</td>
<td>6,929</td>
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<tr>
<td>oil reserves (mn bbls)</td>
<td>2,402</td>
<td>2,484</td>
<td>2,844</td>
<td>2,881</td>
<td>3,137</td>
<td>3,422</td>
<td>3,948</td>
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<tr>
<td>natural gas reserves (mn boe)</td>
<td>1,916</td>
<td>2,191</td>
<td>2,229</td>
<td>2,374</td>
<td>2,397</td>
<td>2,586</td>
<td>2,881</td>
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<tr>
<td>Daily hydrocarbon production (th boe/d)</td>
<td>982</td>
<td>984</td>
<td>1,021</td>
<td>1,038</td>
<td>1,064</td>
<td>1,187</td>
<td>1,369</td>
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<tr>
<td>oil production (th bbls/d)</td>
<td>612</td>
<td>614</td>
<td>646</td>
<td>653</td>
<td>674</td>
<td>748</td>
<td>857</td>
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<tr>
<td>natural gas production (th boe/d)</td>
<td>370</td>
<td>370</td>
<td>375</td>
<td>385</td>
<td>390</td>
<td>439</td>
<td>512</td>
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<tr>
<td>Reserve life index (years)</td>
<td>11.9</td>
<td>13.1</td>
<td>13.6</td>
<td>13.4</td>
<td>14.0</td>
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<td>13.7</td>
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</table>
In 2001, Eni’s hydrocarbon production in Italy totaled 308,000 boe/day and represented 22% of Eni’s total production. Eni’s exploration and development interests in Italy are concentrated in the Po Valley, the Adriatic Sea, the Southern Apennines and Sicily. In 2001, natural gas production totaled 239,000 boe/day and represented approximately 78% of Eni’s hydrocarbon production in Italy. Eni’s principal natural gas fields are located in the Adriatic Sea (Barbara, Angela/Angelina, Porto Garibaldi, Agostino and Cervia/Arianna, Clara Complex and Bonaccia which collectively accounted for 49% of Eni’s natural gas production in Italy) and in the Ionian Sea (Luna, which accounted for 9%). In 2001 the Naomi/Pandora, Emiliano, Camilla and Porto Corsini Mare Sud gas fields in the Adriatic offshore started production with an output of approximately 8,000 boe/day. In 2001, Eni’s production of oil in Italy totaled 69,000 barrels per day. Eni’s two major fields, Villafortuna in the Po Valley and Aquila in Puglia offshore represented 50% of Eni’s total production in Italy (60% in 2000). The Val d’Agri fields increased their share of production from 11% in 2000 to 17.5% in 2001. In December 2001 daily production from Val d’Agri peaked at 45,000 barrels due to the entry into service of the Monte Alpi pipeline which carries oil from the Viggiano oil center to Eni’s Taranto refinery. Other relevant fields are Rospo in the Adriatic Sea, Vega offshore Sicily, Gela and Ragusa in Sicily. In March 2002, Eni entered an agreement for the sale of the 25% interest held in the Gorgoglione concession in Basilicata, where the Tempe Rossa field is located, subject to approval from relevant authorities. The achievement of full production of the Val d’Agri fields will offset declines of mature fields and will enable Eni to increase its daily hydrocarbon production in Italy from the present 308,000 boe level to a peak of 330,000 boe in 2003.
Eni has been present in Algeria since 1981; its principal oil producing fields are located in the Bir Rebaa area. Oilfields operated by Eni accounted for approximately 6% of Algeria's annual production in 2001. In 2001 oil production started at the HBN field where Eni increased its share from 25.5% to 34.63% after the acquisition of Lasmo, producing 16,000 barrels/day net to Eni. The achievement of full production at the HBN field, the expected startup in 2003 of production from the ROD field and the development of Lasmo fields acquired in 2001 (in particular the second development phase of HBNS and its satellite fields) will generate an increase in daily oil production from the present level of 35,000 barrels/day to over 80,000 by 2004.

Eni has been present in Egypt since 1954 and is the leading international operator. In 2001, Egypt's total annual hydrocarbon production peaked at 418,000 boe/day (180,000 boe net to Eni); fields operated by Eni accounted for 33% of this amount. Oil and condensate production accounts for over 50% of Eni's producing activities and comes mainly from the Belayim and Ashrafi fields in the Gulf of Suez and from the Melehia field located in the Western Desert. Eni's principal natural gas producing interests are concentrated in the Nile Delta, onshore the El Qar'a and Abu Madi fields and offshore, the El Temsah, Port Fouad (former North Port Said), Ras El Barr and Baltim fields. In 2001, natural gas daily production amounted to 83,000 boe (net to Eni) and production started at the Temsah NW field in the Temsah concession (Eni's share 25%). Daily production from this field is expected to reach over 62,000 boe of natural gas (20,000 net to Eni) and about 20,000 barrels of condensates (7,000 net to Eni) in 2002.
In the medium term the increase in production of these fields, besides offsetting the natural decline of mature oil producing fields, will lead to an increase in daily production from the present 180,000 boe level to over 190,000 in 2004.

**ENI**

In 2004 the first production is expected from the Wafa field at an initial level of 39,000 boe/day. In 2005 the first production is expected from Structure C of permit NC-41. These initiatives will lead to an increase in daily hydrocarbon production from the present level of 87,000 boe to approximately 200,000 boe in 2005.

**LIBYA**

Eni has been present in Libya since 1959 and is the leading international operator, with oil fields operated by Eni accounting for approximately 14% of Libya’s annual oil production. Eni’s principal producing interests are located in two areas: onshore in the Bu-Attifel field, where Eni is operator with a 50% interest, and offshore in the Bouri field, where Eni is operator with a 30% interest. In the second half of 2003 the startup of the Elephant oil field in the NC-174 permit is expected. Eni became operator of this field after the purchase of Lasmo increasing its interest in the development phase from 16.67 to 33.34%. Production is expected to peak at 150,000 barrels/day (35,000 net to Eni) in 2006. In 2004 the first production is expected from the Wafa field at an initial level of 39,000 boe/day. In 2005 the first production is expected from Structure C of permit NC-41. These initiatives will lead to an increase in daily hydrocarbon production from the present level of 87,000 boe to approximately 200,000 boe in 2005.

**TUNISIA**

Eni has been present in Tunisia since 1961; its main producing interests are in the El Borma oil field and in the oil and gas Hammouda and Oued Zar fields. In 2001 the development of the natural gas project at Oued Zar (Eni’s interest 50%) was completed with a production of 3,000 boe/day, doubling gas production of the field (1,500 net to Eni). In the next four years hydrocarbon production in Tunisia is expected to decline slightly from the present level of 15,000 boe/day.
Angola

Eni has been present in Angola since 1980. Eni’s main oil producing interests are located offshore in Blocks 14, 1, 3 and 0 with 20, 50, 15 and 9.8% share respectively. In Block 14 in late 2001 the third development phase of the Kuito field started and this will allow an increase in production from the present 60,000 barrels/day to a peak of 95,000 barrels/day by the second half of 2002 (12,000 and 16,000 respectively net to Eni). In Block 14 exploration confirmed the size of the Landana field and appraisal is ongoing for the full definition of the potential of the recently discovered Benguela, Belize, Tomboco, Lobito and Tombua fields. In area B of Block 0 in the fourth quarter of 2001 production started at the Nemba Nord platform, which increased daily production from 42,000 to 45,000 barrels net to Eni. Eni participates with a 20% interest in Block 15 with recoverable reserves amounting to approximately 2.7 billion barrels of oil, in this area in 2001 development of the Kizomba A project started. This is the most important project in West Africa and aims at starting production at the Hungo and Chocalho, fields, which hold recoverable reserves of about one billion barrels. Production is expected to start in late 2004 and to peak in 2005 at 250,000 barrels/day (43,000 net to Eni). The increase in production at Kuito and development of the Benguela-Belize field in Block 14 and of the Kizomba A project in Block 15 will double the present production level of 64,000 barrels/day by 2005.

Congo

Eni has been present in Congo since 1968 and is the second largest international oil producer, with oil fields operated by Eni accounting for approximately 26% of Congo’s total oil production.

(1) Amounts of hydrocarbons included in different categories of reserves (proved, probable and possible), without considering their different degree of uncertainty.
in 2001. Eni’s principal oil producing interests in Congo are the Kitina, Foukanda and Mwafi fields, where it acts as operator, and Loango, Zatchi and the Pointe Noire Grand Fond fields. In July 2001, production started at the Foukanda and Mwafi fields (Eni’s interest 65%) only three years from their discovery (March 1998) and reached a level of 6,000 barrels/day, in 2001, while a peak of 17,000 barrels/day is expected in 2003. Production growth in these fields will allow Eni to increase daily oil production from the present level of 69,000 barrels to a peak of 80,000 barrels in 2003.

**GABON**
Eni has operated in Gabon since 1981; its only producing interest is the Limande oil field (80% interest) located off the southern coast of the country; its production is expected to remain at about 2,000 barrels/day in the next four years.

**NIGERIA**
Eni has been present in Nigeria since 1962. The fields operated by Eni accounted for approximately 8% of Nigeria’s oil production in 2001. Eni’s principal producing interests in Nigeria are in four onshore Blocks (OML 60, 61, 62 and 63) in the Niger Delta, where it acts as operator with a 20% interest, and in the offshore OML 116 block (former OPL 472 Agbara) and OML 119 (former OPL 91), where it participates through service contracts. In December 2001 production started at the Okono field in this block and in 2003 production will start in the Okpoho field; in 2005 production at the two fields is expected to reach a peak of 16,000 barrels/day, net to Eni. Eni signed a PSA for the exploration of offshore Block 244, where Eni is operator with a 90% interest. Plans
provide for a seismic campaign and the drilling of two exploration wells. Eni's activities in Nigeria include a 5% interest in NASE, the largest oil joint venture in the country relating to hydrocarbon production from 43 onshore blocks; through NASE Eni also holds a 12.86% interest in five offshore blocks. Eni holds a 10.4% share in the Nigeria LNG Company a consortium managing the Bonny liquefaction plant for the treatment and export of liquefied natural gas.

The plant is currently being upgraded with the construction of a third treatment train which will increase total capacity from 7.6 to 11.4 billion cubic meters/year of LNG by 2003. With the assignment, in March 2002, of the contracts for the fourth and fifth treatment trains, the plant will increase its overall production capacity up to 21.8 billion cubic meters per year of LNG. Work will be completed by the end of 2005 and with this initiative Eni's quota of the total gas reserves committed to the liquefaction plant amounts to 44 billion cubic meters.

The startup of the deep offshore Bonga and Abo fields and of the EA, Yokri and Cawthorne Channel projects as well as the increase in liquefied natural gas volumes treated at Bonny's plant will lead to an increase in Eni's production from the present level of 98,000 boe/day to over 160,000 boe/day by 2005.
Norwegian Sea
Denmark
Finland
Sweden
NORWAY
Baltic
Sea
Gulf
of
Bothnia

Norway
Eni has operated in Norway since 1964. Eni’s principal producing interests in the North Sea are located in the Ekofisk field (12.39% interest) and in the Norwegian Sea in the Aasgard (7.9% interest) and Norne (6.9% interest) fields. In 2001, production of the Ekofisk, Aasgard and Norne fields accounted for 62 and 38% respectively of Eni’s production in Norway (57 and 34% in 2000). Hydrocarbon production is expected to increase from the present level of 84,000 boe/day to the peak of 100,000 boe/day in 2002, which will be maintained also in 2003.

United Kingdom
Eni has been present in the United Kingdom since 1964. Eni’s principal producing interests in the United Kingdom are located in the B-Block (average interest 60%) and in the T-Block (which contains the Thelma, Tiffany and Tony fields), where Eni increased its interest from 47.48% to 77.48% after a purchase. In these Eni is operator, while other important fields are the J-Block (33%), Hewett (27.35%), Ninian (12.94%), Magnus (5%) and Thames (23.3%), along with Lasmo fields such as McCulloch (40%), Andrew (16.21%), Hamilton (45%), Lennox (45%), Douglas (45%) and Cook (20%). In 2001, production from the T-Block and the J-Block accounted for 9 and 8% of Eni’s total hydrocarbon production in the United Kingdom, respectively. In 2001 production of oil and gas started at the Elgin and Franklin fields at a yearly level of 14,000 boe/day net to Eni. Eni’s asset portfolio is undergoing a rationalization process which provides for the sale of marginal assets. In March 2002 Eni sold a 12.4% interest in the Banff oil field, a 19.5% interest in the Hudson oil field and a 19% interest in the Otter oil field, a 9.3% interest in the Pickerill gas field as well as associated interests in the Brent Pipeline System and Sullom Voe Terminal and exploration licenses.
Production increases at Elgin and Franklin and at Lasmo fields will lead to an increase in hydrocarbon production from the present level of 202,000 to a peak of over 210,000 boe/day in 2003.

**NORTH SEA**

**NETHERLANDS**  
Eni, present in the Netherlands due to the acquisition of Lasmo, is operator with a 37.53% interest in the Markham natural gas field which in 2001 produced 2,000 boe/day.

**REST OF THE WORLD**

**CHINA**  
Eni has been present in China since 1983; it holds a 16.3% interest in the CACT Consortium, the largest oil producer in the Chinese offshore, which produced 89,000 barrels/day in 2001 (12,000 net to Eni). The development of fields recently discovered in the consortium area will offset the decline of mature fields keeping daily production at the present level in the next four years.

**CROATIA**  
After the first platform, called Ivana A, in the Adriatic offshore started natural gas production in 1999, Eni and Ina, the State-owned Croatian company, in 2000 and 2001 started its satellite platforms, Ivana B, D and E, doubling production. The field is located at a water depth of approximately 43 meters, 40 kilometers west of Pola. Production net to Eni is expected to increase from the present level of 4,000 boe/day to 12,000 boe/day by 2005, through the contribution of the Ika, Ida, Annamaria and Marica fields presently undergoing development.

**ECUADOR**  
The Villano oil field, operated by Eni with a 100% interest is Eni’s first oil producing field in Latin America. In 2001, this field produced 35,000 barrels/day (25,000 net to Eni). This production level is expected to remain stable in the next four years. Construction of OCP pipeline (Eni interest 7.51%) is underway. This new pipeline and the existent SOTE pipeline will ensure transport capacity necessary to meet field production requirements.
Eni has been present in Kazakhstan since 1995. Eni is co-operator with a 32.5% interest together with British Gas of the Karachaganak field. In 2001, production of condensates amounted to 23,000 barrels/day (net to Eni), production of natural gas amounted to 19,000 boe/day (net to Eni). The second development phase of this field is ongoing and it aims at increasing daily production of condensates to 62,000 barrels/day and natural gas production to 35,000 boe/day by 2005.

Eni has been present in Qatar since 1992 with interests in the offshore Alkaliji oil field located in Block 6 (Eni’s interest 45%). The second development phase is ongoing and is expected to bring present production levels (6,000 barrels/day) to a peak of 13,000 barrels/day by 2002.

Eni has been present in the United States since 1966 and holds various mineral rights in the Gulf of Mexico. Eni’s main producing fields are located in the Grand Isle (where Eni is operator with a 100% interest), Mississippi Canyon (Eni’s share 16.46%), Macaroni (34%), Europa (32%) and Allegheny and Morpeth concessions (both operated by Eni with a 100% interest). In March 2002 in Block Green Canyon 516 (Eni’s interest 50%) production of natural gas started in the Yosemite and King Kong fields with the objective of reaching a peak of 25,000 boe (12,000 net to Eni) by the year-end. The development of recently discovered fields will increase daily hydrocarbon production from the present level of 46,000 boe to a peak of over 70,000 in 2004.
**INDONESIA**
Eni is present in Indonesia following the acquisition of Lasmo. Its producing interests are located in the onshore area in east Kalimantan, regulated by the Sanga Sanga PSA (Eni’s interest 38%) operated by Virginia Indonesia Company (VICO) in which Eni holds a 50% interest. This area produces mainly natural gas (about 80%). This gas is treated at the Bontang liquefaction plant, the largest in the world, and is exported to the Japanese, South Korean and Taiwanese markets. Daily hydrocarbon production in the next four years is expected to remain at the present average level of 38,000 boe net to Eni.

**VENEZUELA**
Eni is present in Venezuela following the acquisition of Lasmo and is operator with 100% of the Dacion oil field regulated by a service contract with a 20 year term, in 2001 daily production from this field amounted to 39,000 barrels net to Eni. The development of this field aims at reaching a production peak of 90,000 barrels/day in 2004. In addition Eni holds a 40% interest in the development project of the Corocoro oil field, located in the Paria Gulf between Venezuela and Trinidad.

**PAKISTAN**
Eni has been present in Pakistan since 2000 following the acquisition of British-Borneo and reinforced its position in the country with the
acquisition of Lasmo. Eni’s main natural gas producing field is Kadanwari (18.42%). Other natural gas fields are under development: Bhit (Eni is operator with a 40% interest), Zamzama (Eni’s interest 17.75%), Sawan (Eni’s interest 23.7%) and Miano (Eni’s interest 15.16%). Daily production of natural gas is expected to increase in the next four years from the present level of 2,000 boe to over 30,000 boe in 2005.

LASMO
In 2001, Eni acquired the British company Lasmo Plc through a Public Offering in cash. Total expenditure for the acquisition of 100% of Lasmo’s share capital amounted to euro 5,353 million (including net borrowings of about euro 970 million).

Lasmo’s main assets are located in the British section of the North Sea, in North Africa, Indonesia, Venezuela and Pakistan. With this operation Eni also strengthens its position in key areas in the North Sea and North Africa, establishing a significant presence in the Asian market while expanding its activities as operator in Venezuela. In 2001 Lasmo’s daily production amounted to 201,000 boe and is expected to reach 260,000 boe by 2003. Recoverable reserves acquired amount to 2,080 million boe. Eni’s integration with Lasmo’s operating structure has been completed with a benefit estimated at about euro 100 million on an annual basis.
Eni is among the best positioned companies in the new and most promising mining areas. In the future such areas will give a substantial contribution to the growth in Eni’s reserves and production.

DEEP OFFSHORE

Starting from the excellent competence achieved in past years, Eni developed a comprehensive plan for deep water exploration in various areas in the world. In particular Eni is performing exploration activities in the following areas.

GULF OF GUINEA

Eni acquired mineral rights in several countries. The relative proximity of explored areas to existing transmission infrastructure, combined with the use of technologically advanced equipment, will allow Eni to produce at competitive cost levels. Exploration continues to yield positive results in Angola where three new discoveries were made: one in Block 14 (Tombua-1) and two in Block 15 (Mavacola 1 and Marimba 2). In Congo Eni owns significant interests in two deep water exploration blocks, Mer Profonde Nord, where Eni is operator with a 100% interest, and Mer Très Profonde Sud (Eni’s interest 30%). In Gabon Eni is operator with a 50% share in three offshore permits (M'poto, Chaillu and Meboun). In Nigeria Eni is operator in three blocks OPL 244 (Eni’s interest 90%) and OPL 211 and OPL 316 (Eni’s interest in both is 50.2%), in the latter the Abo oil field is in the development phase. In addition Eni holds a 12.5% interest in two deep water blocks, OPL 219 and OPL 212. In the first one an oil discovery was made with well Bolia IX; in the second block the Bonga oil well is in the development phase, while the Bonga SW oil field was discovered.

MAURITANIA

Eni holds a 35% interest in the area covered by A and B PSAs (Blocks 3, 4 and 5) in the deep offshore of Mauritania at a water depth from 200 to 2,600 meters, where hydrocarbons were found with the Chinguetti-1 well.

GULF OF MEXICO

In the deep offshore of the Gulf of Mexico discoveries were made in the Green Canyon 516 Block (Eni’s interest 50%) with the Yosemite gas well and in the Alaminos Canyon 903 Block (Eni’s interest 8.5%) with the Trident oil well, drilled at a water depth of 2,953 meters, which represents a new world record in drilling. A further appraisal well confirmed the high potential of this area. In the Champlain structure in the Atwater Valley 63 Block a delimitation well was drilled which confirmed the high potential of the field discovered in 2000. Eni increased from 25 to 50% its interest in this Block.

BRAZIL

Eni holds interests in 8 exploration and production licenses in the deep offshore and is operator (with shares from 45 to 100%) in three blocks for a total acreage of 13,888 square kilometers in waters up to 2,800 meters deep.

NORWAY

In 2001 the Norwegian Ministry for Oil and Energy awarded an exploration license for offshore Block 35/1 to a consortium made up of three international oil companies, among which Eni with a 30% interest. In the Barents Sea Eni discovered oil with the Goliath field, operated by Eni with a 25% interest. In the license PL134 (Eni’s interest 30%) a new hydrocarbon discovery was made with the Marvin well.

IRELAND

Eni holds and operates an exploration permit (with a 100% interest) including six offshore blocks at water depths of 1,000-2,000 meters. Eni is also involved in three other exploration permits.

DENMARK (FAROE ISLANDS)

Eni holds and operates two offshore exploration licenses covering an area of 700 square kilometers at 1,000 meter water depth.
CASPIAN SEA
The Caspian Sea is one of the most promising areas in the world for hydrocarbon exploration.

In Kazakhstan in February 2001, Eni was named single operator of the PSA concerning the North Caspian Sea project in the Kazakh offshore. The joint venture is formed by Eni and six international oil companies. The area under contract is made up of 11 blocks covering a total of over 5,500 square kilometers at a depth of 2 to 10 meters. Three wells were drilled in this area, the first two KE-1 and KW-1 about 40 kilometers from one another. Moving on, a large reservoir in the Kashagan structure, approximately 75 kilometers south-east of Atyrau. The third well (KE-2), the first appraisal well, drilled at a depth of over 4,000 meters yielded 7,000 barrels/day in test production and confirmed the importance of the discovery.

A second appraisal well (KE-3) is currently being drilled and a second plant will start drilling the third appraisal well (KE-5) in second quarter of 2002. In September 2001 the project partners signed a purchase and sale agreement with Bp and Statoil in order to purchase in proportional shares the interest of these two companies. When the agreement is finalized, after the granting of authorizations by the relevant authorities, Eni’s share will increase from 14.28 to 16.67%.

In Azerbaijan Eni is operator (with a 25% share) in the offshore Kur Dashi Block, an area of approximately 600 square kilometers. In the Shakh Deniz Block (Eni’s interest 5%), an area of approximately 860 square kilometers in the Caspian offshore, exploration contributed to the definition of the extension of the natural gas and condensates field. The development project for this field is in the starting phase after the conclusion of agreements with the national company Socar and the Turkish company Botas for the sale of natural gas extracted.

Following the acquisition of Lasmo, Eni has a 27.6% interest in the PSA-regulated onshore exploration block in Turkmenistan known as Garashszlyk. At the end of 2001 an exploratory well was drilled to test the mineral potential of the area.

RUSSIA
Eni signed a deal with Astrakhannefteprom Company (a company jointly owned by Regional Government of Astrakhan and the Stroytransgaz company) for the acquisition of 50% of mineral rights of Severo Astrakhansky license, acting as operator. The license concerns an area of high mineral potential of 1,800 square kilometers situated at the mouth of the Volga, on the edges of the great pre-Caspian sedimentary basin of the where important discoveries of oil have been made. Recent exploration activities in the area have indicated the presence of hydrocarbons. Eni will continue its exploration activities in order to determine the mineral potential of the area. The field is located in the vicinity of the Caspian Pipeline Consortium’s oil pipeline in which Eni has a 2% stake.
Exploration activities conducted by Eni in Algeria have given positive results in the El Ouar II permit (formerly Lasmo, Eni’s interest 66.67%), the gas and condensates well EOR-1 and Block P403d (100% Eni) and the oil well Rome 1.

**Australia**
Eni obtained (with a 25% share) an exploration license as operator in the international cooperation area of the Timor Sea. The area covers 2,740 square kilometers at water depths from 80 to 1,300 meters. Natural gas has been discovered in the Blacktip-1 well in Block WA-279-P (30% Eni) of the Bonaparte offshore basin.

**China**
In 2000, Eni obtained an exploration permit in the Qaidam basin, in the central western part of China and signed a Production Sharing Agreement with the national company CNPC, relating to a 7,000 square kilometer area. Two oil discoveries have been made in the South China Sea, in the Pearl River Mouth Basin area in Block CACT 16/19 (16.3% Eni) at wells HZ 19-2-1 and HZ 19-1-1.

**Congo**
A new oil discovery has been made in Block Marine X, operated by Eni with a 72% quota at the Awa-Marine-1 well.

**Croatia**
Through its operating subsidiary INAGIP, Eni (with a 50% interest) operates the Aiza Laura exploration area, located in the Croatian offshore south of Ivana and covering an area of approximately 4,300 square kilometers. The relevant exploration period will expire in 2003. In an area where gas was previously discovered at the Marica well, a second commitment well is being drilled in the Korina structure.

**Indonesia**
Eni has a 20% interest in the PSA that regulates the Rapak area in the East Kalimantan offshore. Hydrocarbons have been discovered with the drilling of three wells in the Ranggas structure in the southern zone of the area.

**Italy**
Exploration activities in Italy have produced positive results with the discovery of an oil well at Miglianico (100% Eni) in the Pescara basin and two gas wells at Fauzia (60% Eni) in the Southern Adriatic offshore and Quarto (66.7% Eni) in the Northern Appenines south of Piacenza.

**Pakistan**
Gas has been discovered at the Rehmat well in the Mubarak permit (38% Eni) in Pakistan, close to the Kadanwari field operated by Eni.

**Tunisia**
Oil has been discovered at the HDA N-1 well, a satellite of the Hammouda field (50% Eni) in Tunisia. The well was immediately attached to existing production facilities.

Eni is present in conventional waters in Guyana, Trinidad & Tobago and Venezuela.