

la Repubblica

TRANSLATION: Extract from Paolo Scaroni interview in La Repubblica (Affari & Finanza) 25.01.10

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What is Eni's competitive position compared to the other oil majors?

In terms of barrels produced we are now ahead of Conoco Phillips and are just behind Total. We do, however, have something that none of the other oil majors has, that is to say the Gas & Power division, which, I would add, kept Eni afloat during the years when its E&P division was losing money.

Some shareholders, led by Knight Vinke, believe that the gas [utility] should be deconsolidated ...

The Gas & Power business can be divided into two parts: one is made up of the international pipeline and regulated businesses, now brought under one roof within Snam Rete Gas; the other is trading, where we are the European leader with a 22% market share.

So will you sell this business, as Knight Vinke and the regulators want, or not?

With respect to trading, my answer is "no". This business gives us privileged relationships with Russia, Algeria, Egypt and Libya, and if we are the leading producers in some of these countries it is because we are large purchasers of their gas. If I were to sell the gas [trading] business I would handicap our E&P business in four countries that are key for us.

And what about the regulated business?

I do not wish to be dogmatic about this. Snam Rete Gas has just acquired Italgas and Stogit and its value does not yet reflect this. However, had we sold it in 2005, as some were asking us to do, we would have obtained less than 50% of its value today. Nevertheless, as I was saying, there are no sacred cows in this area, but we must wait until the game is over with Brussels before considering the alternatives.

Knight Vinke argues that Eni's value would increase without the gas [utility] ...

Well thought out arguments are always useful ... the outcome of this debate needs to meet both the long term interests of the Company and those of the shareholders.