ENI SPA
Form 6-K
June 05, 2007
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN ISSUER
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of May 2007

Eni S.p.A.
(Exact name of Registrant as specified in its charter)

Piazzale Enrico Mattei 1 - 00144 Rome, Italy
(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F x Form 40-F o

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2b under the Securities Exchange Act of 1934.)

Yes o No x

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

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorised.

Eni S.p.A.

Name: Fabrizio Cosco
Title: Company Secretary

Date: May 31, 2007

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Eni convenes Board of Directors

San Donato Milanese, 4 May 2007 - Eni s Board of Directors will be held on 10 May 2007 in San Donato Milanese (Milan) to examine Eni s Quarterly Report at 31 March 2007.

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ENI ANNOUNCES RESULTS FOR THE FIRST QUARTER OF 2007

2007-2010 PRODUCTION GROWTH TARGET RAISED FROM 3% TO 4%

- **Adjusted net profit: down by 9.3% to euro 2.68 billion**
- **Reported net profit: down by 13% to euro 2.59 billion**
- **Cash flow: euro 5.56 billion**
- **Spending on capital and exploration projects was up by 50% to euro 2 billion**
- **Oil and gas production: down by 5.1% to 1.73 million boe/d. Full year production expected to be in line with 2006**
- **Gas sales: down by 9.8% to 28.1 bcm due to mild weather conditions. Full year gas sales expected to be higher than 2006**
- **Production growth target for 2007-2010 period raised from 3% to 4% following the acquisitions in the Gulf of Mexico, Congo and Alaska**
- **Important acquisitions also in Russia, Central-East Europe and Angola**

San Donato Milanese, May 11, 2007 - Eni, the international oil and gas company today announces its group results for the first quarter of 2007 (unaudited).

Paolo Scaroni, Chief Executive Officer, commented:
The first quarter 2007 was affected by weaker oil prices, a strong euro, and low seasonal gas and product sales due to unusually mild weather conditions. Despite these, Eni managed to deliver excellent results among the best in the European oil & gas sector. In the first months of 2007 we undertook a successful acquisition campaign purchasing attractive oil assets which will make an important contribution to our growth strategy in the following years.

Fourth Quarter 2006		**First Quarter 2006**	**First Quarter 2007**	**% Ch.**
	Summary Group results (million euro)			
3,957	Operating profit	5,595	5,105	(8.8)
4,776	Adjusted operating profit [(a)]	5,533	5,253	(5.1)
1,520	**Net profit** [(b)]	**2,974**	**2,588**	**(13.0)**
0.41	- per ordinary share (euro) [(c)]	0.80	0.70	(12.5)
1.06	- per ADR ($) [(c) (d)]	1.92	1.83	(4.7)
2,355	**Adjusted net profit** [(a) (b)]	**2,954**	**2,680**	**(9.3)**
0.64	- per ordinary share (euro) [(c)]	0.79	0.73	(7.6)
1.65	- per ADR ($) [(c) (d)]	1.90	1.91	0.5

(a) For a detailed explanation of adjusted operating profit and net profit see page 16.

(b) Profit attributable to Eni shareholders.

(c) Fully diluted. Dollar amounts are converted on the basis of the average EUR/USD exchange rate quoted by the ECB for the periods presented.

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

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Financial highlights

- Adjusted operating profit was euro 5.25 billion, down 5.1% from a year ago and dragged down by weaker operating performance of the Exploration & Production division due primarily to the negative impact of the euro s appreciation against the dollar (up 9%), lower production volumes sold, and lower realisations. This was partly offset by an improved operating performance delivered by Eni s downstream businesses and the Engineering & Construction division;
- Adjusted net profit was down 9.3% to euro 2.68 billion, mainly as a result of the reduced operating profit and higher net financial expenses owing to losses on the fair value evaluation of certain financial derivative instruments;
- Net cash provided by operating activities stood at euro 5.56 billion, allocated as follows: euro 2.01 billion to capital expenditure, euro 203 million to the repurchase of own shares and euro 2.92 billion to reduce net borrowings;
- Capital expenditure of euro 2.01 billion, up 50.2% from a year ago, related mainly to development of oil and gas reserves, exploratory projects and the upgrade of both the international and domestic gas transportation infrastructure, and refineries;
- Return on Average Capital Employed (ROACE)[1] calculated on an adjusted basis for the twelve-month period ending March 31, 2007 was 22.7% (21.8% for the twelve-month period ending March 31, 2006);
- Ratio of net borrowings to shareholders equity including minority interest leverage[1] decreased to 0.09 from 0.16 at the end of 2006.

Operational highlights and trading environment

Fourth Quarter 2006			First Quarter 2006	First Quarter 2007	% Ch.
	Key operating data				
1,796	**Production of hydrocarbons**	(kboe/d)	**1,827**	**1,734**	**(5.1)**
1,079	Liquids	(kbbl/d)	1,143	1,030	(9.9)
4,132	Natural gas	(mmcf/d)	3,920	4,061	3.6
26.93	**Worldwide gas sales**	(bcm)	**31.20**	**28.14**	**(9.8)**
1.06	*of which: upstream sales*		*1.12*	*1.07*	*(4.5)*
7.79	Electricity sold	(TWh)	7.73	7.61	(1.6)
3.13	Retail sales of refined products in Europe	(mmtonnes)	2.93	2.88	(1.7)

- Oil and natural gas production for the quarter averaged 1.73 mmboe/d, a decrease of 5.1% compared with the first quarter of 2006. This result was impacted by the loss of production at the Venezuelan Dación oilfield (down 60 kbbl/d) which was a result of the unilateral cancellation of the service agreement for the field exploitation by the Venezuelan State Oil Company PDVSA effective April 1, 2006, and the continuing social unrest in Nigeria. When factoring in these two events, production was at similar levels to the first quarter of 2006. Increases in productivity in Libya, Kazakhstan and the Gulf of Mexico were offset by mature fields in decline, particularly in Italy, and by facility shutdowns;
- Eni s worldwide natural gas sales were down 9.8% to 28.1 bcm due to lower European gas demand owing to unusually mild winter weather, partially offset by a growth achieved in some target markets (in particular Spain and Turkey);
- The trading environment was affected by lower oil prices with Brent crude prices averaging $57.75 per barrel, down 6.5% compared to the first quarter of 2006, and the appreciation of the euro over the dollar (up 9.0%).

These negatives were partially offset by: (i) favourable trends in energy and exchange rate parameters used in determining purchase and selling prices of natural gas; (ii) an increase in refining margins on the Brent crude marker (up 3.7%), and (iii) higher sales margins on petrochemical products.

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(1) Non-GAAP financial measures disclosed throughout this press release are accompanied by explanatory notes and tables to help investors to gain a full understanding of said measures in line with guidance provided for by CESR recommendation No. 2005-178b. See pages 22 and 23 for leverage, net borrowings and ROACE, respectively.

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Portfolio developments

- Gulf of Mexico: Eni acquired interests in exploration and production activities owned by Dominion Resources. Following this deal, Eni expects its proved and probable reserves in this region to increase by 222 mmboe and a 75,000 boe/day additional oil and gas production in the period 2007-2010 on average, starting from July 1, 2007. Eni will retain operatorship of most of the exploration and production assets acquired.
- Acquisition of gas assets ex-Yukos: as part of the strategic alliance signed with Gazprom, Eni in partnership with Enel (60% Eni, 40% Enel) was awarded 100% of OAO Arctic Gas Company, ZAO Urengoil Inc, OAO Neftegaztechnologia which own large hydrocarbon reserves, mostly gas reserves. Eni also acquired 20% of OAO Gazprom Neft. Gazprom has an option to acquire a 51% interest in these acquired companies and the entire 20% interest in OAO Gazprom Neft.
- Acquisition of operated assets in Congo: Eni acquired interests in exploration and production onshore activities operated by Maurel&Prom in Congo. This will increase Eni s proved reserves of 126 mmboe and a 28,000 boe/day additional hydrocarbon production is expected in 2010.
- Acquisition of a retail station network in Central-East Europe: Eni purchased 102 retail fuel stations from ExxonMobil Central Europe located in Czechia, Slovakia and Hungary, and related additional marketing activities.
- Acquisition of an additional interest in Nikaitchuq field in Alaska, achieving a 100% interest. The ongoing field development, with start-up planned late in 2009, is expected to produce additional proved and probable reserve of approximately 70 mmboe.
- Memorandum of Understanding with Sonangol for the acquisition of a 13.6% interest in the Angola LNG Limited Consortium (A-LNG) committed to build a LNG plant with a 5 mmtonnes capacity.

Outlook for 2007

The outlook for Eni in 2007 remains positive, with key business trends for the year as follows:
- **Production of liquids and natural gas** is forecast to remain at the same level as 2006 (in 2006 oil and gas production averaged 1.77 mmboe/d). Additional production expected in the second half of the year from acquired properties in the Gulf of Mexico and Congo and the expected build-up in gas production in Libya will enable Eni to recover the first quarter decline in production due to escalating social unrest in Nigeria and the loss of the Dación oilfield in Venezuela;
- **Sales volumes of natural gas worldwide** are expected to increase by 1% over 2006 (actual sales volumes in 2006 were 97.48 bcm). Major increases are expected in certain target markets in the Rest of Europe, mainly in the Iberian Peninsula, the North of Europe, France and Germany/Austria markets;
- **Sales volumes of electricity** are expected to slightly increase from 2006 (actual volumes in 2006 were 31.03 TWh);
- **Refining throughputs on Eni s account** are forecast to slightly decrease from 2006 (actual throughputs in 2006 were 38.04 mmtonnes) due to expiration of a processing contract at the Priolo refinery owned by a third party late in 2006, to be offset by higher throughputs expected at the Gela, Livorno and Taranto refineries;
- **Retail sales of refined products** are expected to slightly increase from 2006 (actual volumes sold in 2006 were 12.48 mmtonnes). Increases are expected on both the Italian and European markets due to the entry into service of new outlets, and also following the acquisition of stations in target markets.

In 2007 management expects Eni s capital expenditure on exploration and capital projects to amount to approximately euro 10.5 billion, representing a 34% increase over 2006. Approximately 86% of this capital expenditure programme is expected to be deployed in the Exploration & Production, Gas & Power and Refining & Marketing divisions. Furthermore, acquisitions of assets and interests amounting to euro 9.2 billion are forecast for 2007, mainly related to: (i) the agreed purchase of ex-Yukos assets; (ii) the other agreements which are expected to be finalised by the end of the year, including the purchase of upstream assets in the Gulf of Mexico and Congo, and a retail station network in the Central-Eastern Europe. Assuming Gazprom exercises its call options to purchase a 20% interest in OAO Gazprom Neft and a 51% interest in ex-Yukos gas assets from Eni, net cash outflows used in investing activities will decrease to euro 16.2 billion.

On the basis of the expected cash outflows for this capital expenditure and acquisition programme, and shareholders remuneration, also assuming a 55$/barrel scenario for the Brent crude oil, Eni foresees its leverage to range from 0.3 to 0.4 by the end of the year, depending on the exercise of the above mentioned call options by Gazprom.

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Disclaimer
Due to the seasonality in demand for natural gas and certain refined products and the changes in a number of external factors affecting Eni s operations, such as prices and margins of hydrocarbons and refined products, Eni s results from operations and changes in net borrowings for the first quarter cannot be extrapolated on an annual basis.

Cautionary statement
This press release, in particular the statements under the section Outlook , contains certain forward-looking statements particularly those regarding capital expenditure, development and management of oil and gas resources, dividends, 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 changes in business conditions; the actions of competitors and other factors discussed elsewhere in this document.

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This press release and Eni s Report on Group Results for the first quarter 2007 (unaudited) are also available on the Eni web site: www.eni.it .

About Eni
Eni is one of the leading integrated energy companies in the world operating in the oil and gas, power generation, petrochemicals, engineering and construction industries. Eni is present in 70 countries and is Italy s largest company by market capitalisation.

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Summary results for the first quarter

(million euro)

Fourth Quarter 2006		First Quarter 2006	First Quarter 2007	% Ch.
21,416	**Net sales from operations**	**23,584**	**21,913**	**(7.1)**
3,957	**Operating profit**	**5,595**	**5,105**	**(8.8)**
341	Exclusion of inventory holding (gains) losses	(94)	155	
478	Exclusion of special items:	32	(7)	
	of which:			
184	*- non recurring items*			
294	*- other special items*	*32*	*(7)*	
4,776	**Adjusted operating profit**	**5,533**	**5,253**	**(5.1)**
1,520	**Net profit pertaining to Eni**	**2,974**	**2,588**	**(13.0)**
213	Exclusion of inventory holding (gains) losses	(59)	97	
622	Exclusion of special items:	39	(5)	
	of which:			
184	*- non recurring items*			
438	*- other special items*	*39*	*(5)*	
2,355	**Adjusted net profit pertaining to Eni**	**2,954**	**2,680**	**(9.3)**
178	Net profit of minorities	156	155	(0.6)
2,533	**Adjusted net profit**	**3,110**	**2,835**	**(8.8)**
	Break down by division [(a)]			
1,304	Exploration & Production	2,095	**1,409**	(32.7)
873	Gas & Power	879	**1,159**	31.9
115	Refining & Marketing	86	**113**	31.4
141	Petrochemicals	16	**79**	393.8
131	Engineering & Construction	87	**145**	66.7
(85)	Other activities	(58)	**(50)**	13.8
57	Corporate and financial companies	6	**(86)**	..
(3)	Effect of unrealized profit in inventory [(b)]	(1)	**66**	..
	Net profit			
0.41	per ordinary share (euro)	0.80	0.70	(12.5)
1.06	per ADR ($)	1.92	1.83	(4.7)
	Adjusted net profit			
0.64	per ordinary share (euro)	0.79	0.73	(7.6)
1.65	per ADR ($)	1.90	1.91	0.5
3,684.7	Weighted average number of outstanding shares [(c)]	3,726.0	3,679.0	(1.3)
1,778	Net cash provided by operating activities	5,863	5,563	(5.1)
2,944	Capital expenditure	1,340	2,013	50.2

(a) For a detailed explanation of adjusted net profit by division see page 16.

(b) Unrealized profit in inventory concerned intra-group sales of goods and services recorded at period end in the equity of the purchasing business segment.

(c) Assuming dilution.

Trading environment indicators

Fourth Quarter 2006		First Quarter 2006	First Quarter 2007	% Ch.
59.68	Average price of Brent dated crude oil [(a)]	61.75	**57.75**	(6.5)
1.290	Average EUR/USD exchange rate [(b)]	1.202	**1.310**	9.0
46.26	Average price in euro of Brent dated crude oil	51.37	**44.08**	(14.2)
2.18	Average European refining margin [(c)]	2.95	**3.06**	3.7
1.69	Margin Average European refining margin in euro	2.45	**2.34**	(4.5)
3.6	Euribor - three month rate (%)	2.6	**3.8**	46.2
5.3	Libor - three month dollar rate (%)	4.7	**5.3**	12.8

(a) In USD dollars 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.

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Bottom line
Eni s net profit for the first quarter of 2007 was euro 2,588 million, down euro 386 million from the first quarter of 2006, or 13%, due primarily to a lower operating performance (down euro 490 million, or 8.8%) as a result of a decline in the Exploration & Production division, partially offset by a positive performance delivered by Eni's downstream and the Engineering & Construction businesses. This reduction in net profit was also due to higher net financial expenses mainly owing to losses on the fair value evaluation of certain financial derivative instruments.

Eni s adjusted net profit amounted to euro 2,680 million, down 9.3% from the first quarter 2006. Adjusted net profit is arrived at by excluding an inventory holding loss of euro 97 million and special income of euro 5 million net.

Divisional performance
The decline in the Group adjusted net profit was owed to the reduction of adjusted net profit registered in the **Exploration & Production** division (down euro 686 million or 32.7%), due to a weaker operating performance (down euro 1,119 million or 26.3%) which was adversely impacted by the appreciation of the euro over the dollar (9.0%), a decline in production sold (down 9.5 mmboe/d), lower oil realizations in dollars (oil down 3.3%), and higher exploration expenses.

The decline in the adjusted net profit of the Exploration & Production division was partly offset by a higher adjusted net profit reported in the divisions:

- **Gas & Power** (up euro 280 million or 31.9%), as a result of an improved operating performance (up euro 480 million or 40%) reflecting higher natural gas selling margins supported by a favourable trading environment relating particularly to trends in the euro vs. the dollar exchange rate. The division s performance also benefited from positive developments in Italy s regulatory framework. These positives were partly offset by lower natural gas sales (down 2.87 bcm or 10.4%), impacted by lower European gas demand due to the unusually mild weather conditions registered in the first quarter 2007;
- **Refining & Marketing** (up euro 27 million or 31.4%), reflecting an improved refining performance boosted by higher processed volumes and better yields, also in light of lower maintenance shutdowns;
- **Petrochemicals** (up euro 63 million, or 393.8%), due to an improved operating performance (up euro 99 million) reflecting a recovery in product selling margins;
- **Engineering & Construction** (up euro 58 million, or 66.7%), reflecting an improved operating performance (up euro 98 million) against the backdrop of favourable demand trends in oilfield services.

Net borrowings and cash flow
Net borrowings as of March 31, 2007 amounted to euro 3,852 million, decreasing by euro 2,915 million from December 31, 2006. **Net cash provided by operating activities** totalled euro 5,563 million. Main cash outflows related to: (i) capital expenditure totalling euro 2,013 million; (ii) the repurchase of own shares for euro 203 million by Eni SpA and euro 242 million by Snam Rete Gas SpA.

Leverage, the ratio of net borrowings to shareholders equity including minority interest decreased to 0.09, from 0.16 at December 31, 2006.

Repurchase of own shares
From January 1 to March 31, 2007 a total of 8.52 million own shares were purchased by the company for a total amount of euro 203 million (representing an average cost of euro 23.847 per share). Since the inception of the share buy-back programme (September 1, 2000), Eni has repurchased 344 million shares, equal to 8.58% of outstanding capital stock, at a total cost of euro 5,716 million (representing an average cost of euro 16.638 per share).

Capital expenditure

Capital expenditure in the first quarter of 2007 amounted to euro 2,013 million (euro 1,340 million in the first quarter 2006) and related mainly to:

- Development activities (euro 909 million) deployed mainly in Kazakhstan, Egypt, Angola, Italy and Congo and exploration projects (euro 373 million) of which 91% was spent outside Italy, primarily in Norway, Nigeria, Egypt and the United States. In Italy exploration activity related primarily to projects off the coast of Sicily;
- upgrading of natural gas import pipelines to Italy and the development and maintenance of Eni s natural gas transport network in Italy (for an overall amount of euro 144 million).

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- Ongoing construction of combined cycle power plants (euro 47 million);
- Projects aimed at improving flexibility and yields of refineries, including the construction of a new hydrocracking unit at the Sannazzaro refinery (euro 104 million), building of new service stations and upgrading of existing ones (euro 30 million);
- Upgrading of the fleet used in the Engineering & Construction division (euro 227 million).

Post closing events

Upstream asset acquisition in the Gulf of Mexico
On April 30, 2007 Eni agreed to acquire the Gulf of Mexico upstream activity of Dominion, one of the major American energy companies listed on the New York stock exchange at the agreed price equal to US $4,757 million, inclusive of exploration assets for US $680 million.
The transaction, includes production, development and exploration assets located in deepwater Gulf of Mexico. The acquisition will increase Eni s equity production in the Gulf of Mexico from the current 36,000 boepd to more than 110,000 boepd in the second half of 2007 and the proved and probable equity reserves by 222 million boe, at an implied cost per barrel of US $18.4. From 2007-2010 production from the acquired assets is expected to average more than 75,000 boepd.
In addition, Eni will further enhance its portfolio in the Gulf of Mexico thanks to new leases with significant exploration potential; approximately 60% of these leases are operated.
The transaction is subject to government approvals, 30-days notice to holders of certain preferential rights to purchase (which apply to less than 5% of total reserves), and to other customary precedent conditions. Final agreement is anticipated to take place on July 2, 2007.

Yukos asset acquisition
On April 4, 2007 Eni, through its partnership in EniNeftegaz (60% Eni, 40% Enel SpA) acquired Lot 2 in the Yukos liquidation procedure for a total price of $5.83 billion. Lot 2 includes:
100% of OAO Arctic Gas Co
100% of ZAO Urengoil Inc
100% of OAO Neftegaztechnologia.
These three companies own 5 oil and gas fields and condensate fields and parts of 3 others in the Yamal Nenets (YNAO) region, the world s largest gas producing region. Together they have large oil and gas reserves.
Eni and Enel have offered Gazprom an option to acquire 51% participation interest in these assets within two years. In the event that Gazprom exercises its call option, the assets will be operated through a joint venture between Eni and Gazprom which will have access to Eni s most advanced technologies.
Lot 2 also includes:
various minor assets that will be sold or liquidated and
20% of OAO Gazprom Neft which will be wholly owned by Eni.

Eni offered Gazprom an option to acquire 20% participation interest in OAO Gazprom Neft within two years, at a total price of $3.7 billion, in addition to financial expenses relating to the acquisition. These agreements are an additional step in implementing the Strategic Partnership between Eni and Gazprom signed in November 2006, under which the two companies established an alliance to develop upstream, midstream and downstream energy projects inside and outside of Russia.

Acquisition of the retail station network in Czechia, Slovakia and Hungary
On April 27, 2007 Eni and ExxonMobil Central Europe Holding GmbH signed an agreement for the sale of shares of

Esso spol sro (Esso Czechia), Esso Slovensko spol sro (Esso Slovakia) and ExxonMobil Hungary Kft to Eni. The agreement, subject to the approval by relevant authorities, includes ExxonMobil's retail station network in the three countries, totalling 102 stations and its aviation business at the Prague and Bratislava airports.
Additionally, the lubricants business conducted in these countries by ExxonMobil Petroleum and Chemical, BVBA, Brussels, is included in the transaction.

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Acquisition of 70%, including operatorship, of the Nikaitchuq Field in Alaska

On April 11, 2007 Eni acquired 70% and the operatorship of the Nikaitchuq Field, located on and offshore in the North Slope of Alaska. Eni, which already owned a 30% stake in the field, now retains the 100% working interest. Eni acquired the additional interest and operatorship as the result of an agreement with Kerr-McGee Oil and Gas Corporation, a wholly owned subsidiary of Anadarko Petroleum Corporation.

Nikaitchuq would be the first development project operated by Eni in Alaska. Successful appraisal drilling has been completed, confirming the potential viability of the development project. Plans for a phased development are currently being evaluated with the target of sanctioning the project by year end, and first oil to flow by the end of 2009. The Nikaitchuq project comprises the drilling of approximately 80 wells, out of which 32 are located onshore and the remaining from an offshore artificial island. All wells will then be tied back to a production facility located at Oliktok Point to reach a production of 40,000 b/d. Total investment will amount to approximately $900 million.

Memorandum of Understanding for the acquisition of an interest in Angola LNG Ltd

On April 2, 2007 Eni and Sonangol signed a Memorandum of Understanding for the acquisition of a 13.6% stake in Angola LNG Limited Consortium (A-LNG). This company is responsible for the construction of an LNG plant in Soyo, 300 km north Luanda, with a yearly capacity of 5 million tonnes.

Upon completion of this agreement, Angola LNG Limited s shareholding structure will be as follows: Sonangol 22.8%, Chevron 36.4%, Eni 13.6%, Total 13.6% and BP 13.6%.

The project, for a total investment of approximately $4 billion, has been approved by the Angolan Government and Parliament. It envisages, for 28 years, the development of 220 billion cubic meters of gas, the production of 128 million tons of LNG, 104 million barrels of condensate and 257 million barrels of LPG.

LNG will be directed to the United States market and will be delivered to the re-gasification plant of Pascagoula, in the Gulf of Mexico, in which Eni, following this agreement, will acquire re-gasification capacity of 5 billion cubic meters per year.

Other information

The Board also approved the merger into the parent company of Eni s wholly-owned subsidiaries AgipFuel, Napoletana Gas Clienti and Siciliana Gas. The relevant merger proposals were approved by the Board on March 29, 2007.

Financial and operating information by division for the first quarter 2007 is provided in the following pages.

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Exploration & Production

Fourth Quarter 2006		First Quarter 2006	First Quarter 2007	% Ch.
	Results (million euro)			
6,152	**Net sales from operations**	**7,412**	**6,361**	**(14.2)**
3,141	**Operating profit**	**4,308**	**3,132**	**(27.3)**
54	Exclusion of special items:	(57)		
51	*- asset impairments*			
(7)	*- gains on disposal of assets*	*(57)*		
10	*- provision for redundancy incentives*			
3,195	**Adjusted operating profit**	**4,251**	**3,132**	**(26.3)**
(22)	Net financial incomes (expenses) [a]	(17)	(35	