ENI SPA
Form 6-K
March 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 February 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: February 28, 2007

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PRESS RELEASE

Eni signs with Nigeria LNG the agreement for the purchase of 2 billion cubic meters per year of liquefied natural gas (LNG)

San Donato Milanese (Milan), 12 February 2007 Eni signed today a twenty years Sale and Purchase Agreement (SPA) with Nigeria LNG (NLNG) Limited for the acquisition of 1.375 Million Tonnes per year (equivalent to approximately 2 billion cubic meters per year) of liquefied natural gas (LNG). LNG volume sold to Eni will be part of the volume which would be produced from the expansion plant in Bonny named "NLNG T7" which is expected to come into operation in 2012.

Nigeria LNG is a Nigerian Joint Venture company whose shareholders are Nigerian National Petroleum Corporation (49%), Shell (25.6%), TotalFinaElf (15%) and Eni (10.4%).

LNG will be delivered by Nigeria LNG to the terminal of Cameron, Louisiana, where Eni already holds a re-gasification capacity of some 6 bcm/year, and will be sold to the US market. The volumes of LNG delivered to Eni through this agreement represent some 17% of the whole production of Bonny s Train 7 expansion.

This agreement will make a further sizeable contribution to Eni supplies' portfolio, enabling the company to strengthen its activities in the USA and its role as leading player in the global LNG market .

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PRESS RELEASE

Eni acquires operated assets by Maurel & Prom in Congo for a total amount of US $ 1,434 million

Eni enhances its presence in Congo

San Donato Milanese (Milan), 22 February 2007 - Eni acquires large portion of the Congolese activities operated by Maurel & Prom, a French upstream company, listed on Euronext Paris Stock Exchange, and active in Africa, Europe and South America.

The transaction includes all Maurel & Prom interests in the producing fields of M Boundi (48.6%) and Kouakouala A (66%), the production concession of Kouakouala B, C, D (50%) as well as most of the interests in the Kouilou (50%) exploration permit. All assets are located onshore in Congo.

The agreed price for the transaction is US $ 1,434 million, which includes the exploration asset for US $ 80 million.

The net equity production of the M Boundi field is expected to be 17,000 bopd in 2007 and to grow to approximately 28,000 bopd in 2010, with an average increase of 18% per year in the 2007/2010 period, as a result of the implementation of a water injection program.

This giant field holds 1.4 billion boe of volume of original oil in place and produces a high quality oil (39 °API).

Through this acquisition, Eni s entitlement production in Congo will increase from the 67,000 bpd recorded in 2006 to about 100,000 bpd in 2010 and the 2P equity reserves will increase by 126 million boe ($ 10.7 per barrel).

The deal is consistent with Eni s strategy of acquiring hydrocarbons reserves and production in legacy countries where it plays an important role as operator and where it can add value by applying its core competencies.

The transaction is subject to the partners waiver of their pre-emption right on the M Boundi Field and to the approval by the Congolese authorities.

Eni has been active in Congo since 1968 with exploration and development activities in which it has invested a total of US $3.9 billion. Overall production at December 31, 2006 was 407 million boe.

Banca Leonardo acted as financial advisor to Eni.

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ENI ANNOUNCES PRELIMINARY RESULTS FOR THE FOURTH QUARTER AND FULL YEAR 2006

RECORD EARNINGS AND CASH FLOW

Full year dividend proposal: euro 1.25 per share, up 13.6% (includes interim dividend of euro 0.60 per share paid in October 2006)
Adjusted net profit: down 1.7% to euro 2.35 billion for the fourth quarter and up 12.5% to euro 10.41 billion for 2006
Net profit: down 27.8% to euro 1.52 billion for the fourth quarter and up 4.9% to euro 9.22 billion for 2006
Cash Flow: euro 1.78 billion for the fourth quarter and euro 17 billion for 2006
Total shareholder return [a]: 14.8% in 2006
Oil and natural gas production was stable in the quarter; up 2% year on year
Gas sales in Europe were down 1.5% in the quarter; up 4% year on year

San Donato Milanese, February 23, 2007 - Eni, the international oil and gas company today announces its group results for the fourth quarter and for 2006 (unaudited).

Paolo Scaroni, Chief Executive Officer, commented:

Full year 2006 results were a record, driven by continued improvements in performance and consistent execution of our strategy, in a broadly favourable trading environment. I am particularly pleased that the total shareholder return came in at an excellent 14.8%, one of the highest among our peers. Our disciplined approach to growth is the cornerstone of delivering superior results that generate attractive long term returns for our shareholders.

Fourth Quarter 2005	Third Quarter 2006	Fourth Quarter 2006	% Ch. 4Q 06 vs 05		Full Year 2005	Full Year 2006	% Ch.
				Summary Group results (million euro)			
4,396	4,828	3,957	(10.0)	Operating profit	16,827	19,327	14.9
4,931	5,127	4,776	(3.1)	Adjusted operating profit (1)	17,558	20,490	16.7
2,105	**2,422**	**1,520**	**(27.8)**	**Net profit** (2)	**8,788**	**9,217**	**4.9**
0.56	0.66	0.41	(26.6)	- per ordinary share (euro) (3)	2.34	2.49	6.6
1.34	1.67	1.06	(20.4)	- per ADS ($) (3)(4)	5.81	6.26	7.7
2,396	**2,620**	**2,355**	**(1.7)**	**Adjusted net profit** (1)(2)	**9,251**	**10,412**	**12.5**
0.64	0.71	0.64		- per ordinary share (euro) (3)	2.46	2.81	14.4
1.52	1.81	1.65	8.4	- per ADS ($) (3)(4)	6.12	7.07	15.5

(1) For a detailed explanation of adjusted operating profit and net profit see page 19.

(2) Profit attributable to Eni shareholders.

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

(4) One American Depositary Share is equal to two Eni ordinary shares.

(a) The Total Shareholder Return is a measure of the total return of a share calculated on a yearly basis, based on the change in price from the beginning and end of year, and dividends distributed and reinvested at the ex dividend date.

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Financial highlights

Fourth Quarter

- Adjusted net profit was euro 2.35 billion, slightly down from a year ago (down 1.7%). Adjusted operating profit of euro 4.78 billion decreased 3.1% from a year ago, due to the negative impact of the 8.5% appreciation of the euro versus the dollar, higher exploratory expenses, and a weak refining performance. On the positive side, the Gas & Power and Petrochemical divisions posted better operating results.
- Net borrowings increased by euro 2.91 billion in the quarter to euro 6.76 billion, as cash needs for capital expenditure of euro 2.94 billion, the payment of an interim dividend of euro 2.21 billion and the repurchase of 4.33 million of own shares at a cost of euro 105 million exceeded net cash generated by operating activities[1] of euro 1.78 billion and a reduction in net borrowings as a result of exchange rate differences.

Full Year

- Revenues were up 16.8% to euro 86.10 billion.
- Adjusted net profit was euro 10.41 billion, up 12.5% from a year ago. This reflects a better operating performance (up 16.7% to euro 20.49 billion), partly offset by a higher Group tax rate on an adjusted basis, up 2.7 percentage points (from 46% to 48.7%).
- Net cash generated by operating activities totalled euro 17 billion allocated as follows: euro 7.83 billion to capital expenditure and euro 5.85 billion to shareholder distribution in terms of dividends and share repurchase. The balance combined with the positive impact of exchange rate differences contributed to a euro 3.71 billion reduction in net borrowings.
- Repurchase of own shares: a total of 53.13 million of own shares were purchased at a cost of euro 1,241 million. Since the inception of the share repurchase programme, a total of 335 million of own shares were repurchased at a cost of euro 5,512 million, reducing by approximately 8% the number of shares outstanding and boosting 2006 earnings per share by the same amount.
- At year-end, the ratio of net borrowings to shareholders equity including minorities decreased to 0.16 from 0.27 at year-end 2005.
- Return on average capital employed (ROACE)[2] calculated on an adjusted basis for the twelve-month period ending December 31, 2006 was 22.7% (20.5% in 2005).

2006 Dividend

The Board of Directors intends to submit to the Annual Shareholders Meeting the proposal of distributing a cash dividend of euro 1.25 per share[3] for 2006, up 13.6% as compared to 2005 (euro 1.10 per share). Included in this annual payment is euro 0.60 per share which was distributed as interim dividend in October 2006. The balance of euro 0.65 per share is payable on June 21, 2007 to shareholders on the register on June 18, 2007.

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(1) See disclaimer below.

(2) 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 28 and 29 for leverage, net borrowings and ROACE, respectively.

(3) Dividends do not entitle to a tax credit and, depending on the receiver, are subject to a withholding tax on distribution or are partially cumulated to the receiver s taxable income.

Fourth Quarter 2005	Third Quarter 2006	Fourth Quarter 2006	% Ch. 4Q 06 vs 05		Full Year 2005	Full Year 2006	% Ch.
				Key operating data			
1,806	1,709	1,796	(0.6)	Oil and natural gas production (kboe/d)	1,737	1,770	1.9
10,564	7,259	10,406	(1.5)	Natural gas sales in Europe (mmcf/d)	9,076	9,435	4.0
530	*526*	*572*	*8.0*	*- of which upstream sales*	*563*	*544*	*(3.4)*
				Retail sales of refined products in Europe			
247	260	248	0.4	Agip brand (kbbl/d)	248	249	0.4
6.07	6.33	6.07		Electricity sold production (TWh)	22.77	24.82	9.0

Fourth Quarter

Oil and natural gas production for the quarter averaged 1.8 mmboe/d, almost unchanged compared with the fourth quarter of 2005, despite the adverse impact of the loss of production at the Venezuelan Dación oilfield (down 61 kbbl/d) as a consequence of the unilateral cancellation of the service contract for the field by the Venezuelan state oil company PDVSA. Libya, Kazakhstan and the Gulf of Mexico were the main growth areas.

Natural gas sales in Europe were down 1.5% to 10,406 mmcf/d, due to mild weather conditions affecting sales in Italy. This decrease was partly offset by the growth in sales in a number of target European markets and the build-up of supplies of natural gas from Libya.

The trading environment was supported by higher oil prices with average Brent crude prices close to $60 per barrel, up 5% compared to the fourth quarter of 2005, and improved selling margins on natural gas and petrochemical products. These positives were offset in part by the appreciation of the euro over the dollar (up 8.5%) and a steep decline in refining margins on the Brent crude marker (down 56.8%), partly offset by the higher profitability of processed crudes.

Full Year

Oil and natural gas production for the year averaged 1.77 mmboe/d, up 1.9% compared with 2005. This included the loss of production at the Venezuelan Dación oilfield (down 46 kbbl/d) and lower entitlements in certain Production Sharing Agreements (PSAs)[4] and buy-back contracts due to higher oil and gas prices (down 21 kbbl/d). Eni delivered its 3% production growth rate based on a $55 per barrel scenario, as announced in the 2006 quarterly production outlook. Libya, Angola and Egypt were the main growth areas.

Net proved reserves at December 31, 2006 stood at 6.44 bboe (down 6% compare with December 31, 2005), representing 10 years of remaining production at the current rate. Organic proved additions, as calculated by applying a year-end Brent price of $58.93 per barrel, replaced 65% of production. Assuming Brent is constant at $40 per barrel when determining entitlements in PSAs, the three-year average proved reserve replacement ratio would be 106%.

Natural gas sales in Europe were up 4% to 9,435 mmcf/d driven primarily by the growth in sales in a number of target European markets and the build-up of supplies of natural gas from Libya.

Exploration activity: Eni invested euro 1,348 million, a 106% increase compared to 2005, executing a huge exploration campaign leading to the completion of 68 exploratory wells (36 net to Eni) with a commercial rate of success of 43% (49% net to Eni). A further 26 wells are in progress as of the year-end and 152,000 square kilometres of new acreage has been acquired (99% operated by Eni).

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(4) In PSAs the national oil company awards the execution of exploration and production activities to the international oil company (contractor). The contractor bears the mineral and financial risk of the initiative and, when successful, recovers capital expenditure and costs incurred in the year (Cost oil) by means of a

share of production. This production share varies along with international oil prices. In certain PSAs changes in international oil prices also affect the share of production to which the contractor is entitled in order to remunerate its capital employed (Profit oil). A similar scheme applies to buy-back contracts.

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Outlook

Eni will present in detail its strategy, targets and outlook for its 2007-2010 plan at 15:00 CET today.
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 on the same level as 2006 (1.77 mmboe/d in 2006). Mature field decline in Italy and in the North Sea is expected to be offset by a growth in Libya, due to the build-up of the Western Libyan Gas Project;
- **sales volumes of natural gas in Europe** are forecast to increase from 2006 levels (9,435 mmcf/d). Major increases are expected in the Iberian Peninsula, German/Austrian and French markets;
- **sold production of electricity** is expected to increase from 2006 levels (24.82 TWh) due to the ramp-up of production capacity in Brindisi and the planned start-ups of new capacity at the Ferrara power plant;
- **refining throughputs on Eni s account** are forecast to decline slightly from 2006 (761 kbbl/d) due to the termination of the contract for processing certain volumes of crude at the Priolo refinery s facilities owned by a third party, to be offset by higher throughputs expected at Gela, Livorno and Sannazzaro refineries;
- **retail sales of refined products** are expected to slightly increase in Italy due to planned marketing initiatives, and in the rest of Europe due to new acquisitions of service stations in target markets.

In 2007 management expects to increase capital expenditure from the 2006 level (euro 7.83 billion in 2006).

Increases will be apportioned to the development of oil and natural gas reserves, upgrading of refineries and the retail network, and upgrading of natural gas import and transport infrastructure.

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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 fourth 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 the Preliminary Results for the Fourth Quarter and Full Year of 2006 (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 73 countries and is Italy s largest company by market capitalisation.

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Summary results for the fourth quarter and for 2006

(million euro)

Fourth Quarter 2005	Third Quarter 2006	Fourth Quarter 2006	% Ch. 4Q 06 vs 05		Full Year 2005	Full Year 2006	% Ch.
21,506	**20,366**	**21,416**	**(0.4)**	**Net sales from operations**	**73,728**	**86,105**	**16.8**
4,396	**4,828**	**3,957**	**(10.0)**	**Operating profit**	**16,827**	**19,327**	**14.9**
(209)	82	341		Exclusion of inventory holding (gains) losses	(1,210)	88	
744	217	478		Exclusion special items:	1,941	1,075	
				of which:			
290	*21*	*182*		*- non-recurring items*	*290*	*206*	
454	*193*	*296*		*- other special items*	*1,651*	*869*	
4,931	**5,127**	**4,776**	**(3.1)**	**Adjusted operating profit**	**17,558**	**20,490**	**16.7**
2,105	**2,422**	**1,520**	**(27.8)**	**Net profit pertaining to Eni**	**8,788**	**9,217**	**4.9**
(131)	30	213		Exclusion of inventory holding (gains) losses	(759)	33	
422	168	622		Exclusion special items:	1,222	1,162	
				of which:			
290	*19*	*199*		*- non-recurring items*	*290*	*218*	
132	*149*	*423*		*- other special items*	*932*	*944*	
2,396	**2,620**	**2,355**	**(1.7)**	**Adjusted net profit pertaining to Eni**	**9,251**	**10,412**	**12.5**
102	90	178	74.5	Net profit of minorities	459	606	32.0
2,498	**2,710**	**2,533**	**1.4**	**Adjusted net profit**	**9,710**	**11,018**	**13.5**
				Break-down by division:			
1,572	1,958	1,304	(17.0)	Exploration & Production	6,186	7,279	17.7
640	472	873	36.4	Gas & Power	2,552	2,862	12.1
221	257	115	(48.0)	Refining & Marketing	945	629	(33.4)
64	4	141	120.3	Petrochemicals	227	174	(23.3)
118	117	131	11.0	Engineering and Construction	328	400	22.0
(90)	(94)	(85)	(5.6)	Other activities	(297)	(301)	(1.3)
(46)	(16)	57	..	Corporate and financial companies	(142)	54	..
19	12	(3)	..	Unrealized profit in inventory (1)	(89)	(79)	11.2
2,498	**2,710**	**2,533**	**1.4**		**9,710**	**11,018**	**13.5**
				Net profit pertaining to Eni			
0.56	0.66	0.41	(26.6)	- per ordinary share (euro)	2.34	2.49	6.6
1.34	1.67	1.06	(20.4)	- per ADS ($)	5.81	6.26	7.7