

Paolo Scaroni
ENI, CEO
Piazzale Enrico Mattei 1
00144 Rome, Italy

cc: Sabina Ratti
ENI Vice President, Sustainability

July 22nd, 2010

Dear Paolo Scaroni

We are writing to express our concerns regarding information included in the “Sustainability” section of your website relating to disclosure of information about Eni’s activities in the Republic of Congo and dialogue with stakeholders (See: http://www.eni.com/en_IT/sustainability/pages/eni-republic-congo.shtml#a_erapetrolio & http://www.eni.com/en_IT/sustainability/sust-relations-stakeholders/world-associations/world-associations-NGO.shtml)¹.

In November 2009, the Heinrich Böll Foundation (HBF), together with Congolese non-governmental organizations and their international partners who are monitoring investments in the country and also ENI investor the Fondazione Culturale Responsabilità Etica (FCRE), published a report titled “Energy Futures? Eni’s investments in tar sands and palm oil in the Republic of Congo”. The report analyzed in detail these proposed investments by your company.

Our concerns were subsequently reiterated in a meeting with ENI senior management ENI at your headquarters in San Donato Milanese on 2 December 2009, in which non-governmental organizations were able to participate thanks to the request of the FCRE. While we welcome your company’s responsiveness in meeting with us, it should also be noted that the meeting took place at FCRE’s request and that the assertion on your website that there was no direct contact with any of the organizations supporting the report is incorrect. ENI was invited to participate in the report’s Milan launch but declined the invitation. We believe that inaccurate reporting of our interaction to date is not in the interests of either party.

More substantively, it is the view of HBF and its partners that, contrary to the statements on your website, we have not yet received “detailed background to all issues raised” in our report, including regarding the technologies to be used for the project, its status, and ENI’s own assessment of the potential environmental and social risks of these investments. For this reason, we asked our partner FCRE to raise our outstanding concerns again at ENI’s Annual General Meeting in Rome on 29 April 2010 (the submission is included in the documentation for the AGM).

To follow up, we are thus writing directly to you as CEO of ENI in the spirit of transparency and of the “proactive and open dialogue” referred to on your website. We are asking you to

address the ongoing concerns about the actual and potential environmental and social impacts of ENI's current operations in the Republic of Congo, particularly in relation to the investments in tar sands and palm oil announced in 2008.

Specifically, we are requesting the following (as summarized in the "Recommendations" section of our November 2009 report and according to the latest information at our disposal):

- 1 Full disclosure on your website of the Environmental and Social Impact Assessment (ESIA) for the pilot project for the extraction of bitumen for road surfacing (Dionga B quarry). On your website, you state that the ESIA for Dionga B was "completed and presented in January 2010 to the relevant ministries and validated by the Ministerial Environmental Commission". We believe that best practice also dictates that such documents are made available publicly and in order to be fully accessible, in both French and English. Publication of an executive summary in the relevant local language(s) spoken by communities in the vicinity of the project would also be highly desirable.

On your website you further state that the project is being pursued "to study the feasibility of using tar sands for the surfacing of roads in Congo" and that the project will last "a few months and foresees subsequent environmental recovery". Could you confirm that the quarry project is not related to exploration studies being undertaken for extraction of bitumen for oil production? Could you also publish ENI's environmental recovery plan for the quarry project?

- 2 Disclosure on your website of the project timetable and all information pertaining to development of the tar sands project, including all baselines studies completed to date. We note that on your website you state that oil production activities are still at the exploration stage and we appreciate, as outlined by senior management during the December meeting, that this entails inherent uncertainty.

However, we note from your website that you have already carried out a number of studies on the resource.

We also note that you list on your website, among recent activities, "The opening of the Col du Lac Kitina tar sands mine" and "the opening of the Dionga – Carrière B tar sands mine". Given the public concern existing internationally regarding both the climate and local environmental and social impacts of existing tar sands investment in Canada, we believe that the appropriate response in terms of the Congo project is one of transparent disclosure of the existing data at your disposal, particularly as pertains to your assessment of the management of social and environmental impacts of tar sands development in Congo.

This includes clarification of the precise nature of the "extraction technologies appropriate to the local ecosystem" under consideration. Given that you state that "the techniques under consideration in no case foresee open-cast mining activities, or the creation of tailing ponds, both of which are considered high risk in terms of impact and are characteristic of Canadian tar sand activities", we would appreciate clarification of the precise nature of the "mining activities" that ENI is engaged in at the Dionga B and Col du Lac Kitina sites. According to our partner, the Justice and Peace Commission

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Pointe-Noire, ENI has stated locally that it is no longer exploring the resource at the Col du Lac Kitina site due to the environmental sensitivity of the area and is concentrating its efforts on the site at Dionga A. If this information is correct, we believe that it could only reflect positively on ENI if it was disclosed publicly.

- 3 Disclosure of the timetable and status of the palm oil project, including information on the two pilot project areas identified and disclosure of any baseline studies/ESIAs carried out. In compliance with the best international practice, ENI should outline how it intends to ensure that local communities are fully informed and adequately consulted regarding development of the palm oil project (see below).

Overall, the disclosure of full data on your proposed tar sands and palm oil investments would illustrate ENI's commitment to international best practice in terms of managing environmental and social risks, as outlined in your sustainability policies. We further note that the European Community has been a party to the Aarhus Convention since May 2005 and the Convention's norms could be considered "best practice" for those European companies with an element of public ownership, such as ENI.

- 4 Publication on your website of a timetable and plan for organizing "free, informed and continuous consultation" with local communities in Congo with regard to both the tar sands and palm oil projects, as per ENI's *Human Rights Guidelines*. We note that a public conference was held at Hinda on 17 April 2010 for all of the stakeholders affected by the quarry project, during which a presentation was made of the EIA and the pilot quarry project, as well as the plans for subsequent recovery of the terrain after the work is completed. We would recommend that ENI publish a report of this conference on its website, as well as the full presentation given by ENI including the EIA.

We also welcome the fact that ENI has been engaging more frequently with our partner, the Justice and Peace Commission, Pointe-Noire, with regard to activities carried out at the quarry site (Dionga B) and their impacts on local communities. However, there is ongoing concern from our local partners that no public information has yet been disclosed in Congo on the tar sands or palm oil projects, including to communities potentially affected. Respect for affected communities' rights means that they should be fully informed of your company's activities in this area and involved in the elaboration of ESIAs from the outset, along with representatives of local NGOs.

- 5 Disclosure of data related to current and past emissions from gas flaring at the Mboundi field, including data on atmospheric concentrations of the elements released (as outlined on p. 31 of our report) and of ENI's Health Impact Assessment for the M'Boundi area, including underlying epidemiological data. We believe the extremely high levels of flaring from the M'Boundi field represent a violation of the right to health of the local communities – as is evident from the concerns raised by local communities over its impacts on their health - and a serious reputational risk for your company. This issue was discussed with ENI senior management in December 2009 and the issue was raised again by FCRE in its submission to ENI's 2010 AGM.

At our meeting in December 2009, ENI management representatives helpfully clarified that the company had no reason not to disclose data on the composition of gas flared,

the quantity of gas vented/flared and the results of air analysis at MBoundi but stated that they were concerned Congolese authorities might object. Given the public interest in this issue, they undertook to write to the Congolese Ministry of Hydrocarbons along with our local NGO partner, Rencontre pour la paix et les droits de l'homme (RPDH), to ask for this data to be released. To date, it is unclear whether and when ENI intends to implement this commitment. Finally, we note that there is no detailed action plan published on your website for gas flaring reduction in Congo, despite your admirable aspiration to reduce emissions to zero by 2012, in accordance with Congolese law.

- 6 Publication of a breakdown of beneficiaries of the energy produced at the new electricity plant constructed by ENI at Djeno. On your website, you state that the energy produced “will be used to provide steady and reliable supplies to meet both the present and future civil and industrial needs of the country”. In light of this, we believe you should disclose further information relating to the users of the energy produced, including on industrial beneficiaries.

Overall, we trust that our concerns will lead not just to improved disclosure of information on the specific investments in Congo but will be useful in terms of reviewing your overall communications strategy with stakeholders, including investors, local and international civil society actors and affected communities.

We thank you for your cooperation and look forward to your response in the hope that our exchange will result in increased transparency on ENI's investments in Congo for the benefit of those citizens that may be affected and in the interests of investors and other stakeholders internationally.

Yours sincerely,

Heinrich Boell Foundation, Germany

BankTrack

Campagna per la Riforma della Banca Mondiale, Italy

Fondazione Culturale Responsabilità Etica, Italy

Friends of the Earth Europe

Justice and Peace Commission Pointe Noire, Republic of Congo

Misereor, Germany

Platform, UK

Rencontre pour la Paix et les Droits de l'Homme, Republic of Congo

Rainforest Action Network, USA

Secour Catholique, France

ⁱ The specific reference is contained in the *Community Engagement* section: “The extreme sensitivity of oil extraction, gas flaring and tar sand and palm oil activities has led the international community to examine Eni’s operations, especially by some [environmental associations](#) (the Böll Foundation, Friends of Earth, Rain Forest Action) and human rights organisations (Responsabilità Etica, CRBM, Bank Track, Commission J&P, Misereor, RPDH, Secours Catholique). Eni has responded to all such interlocutors with transparency, providing detailed background to all issues raised.” There is also a reference to this dialogue on: http://www.eni.com/en_IT/sustainability/sust-relations-stakeholders/world-associations/world-associations-NGO.shtml.