



SARAS

Investor presentation



December 2015





Important Notice

Saras Group's Annual Financial Results and information are audited.

In order to give a better representation of the Group's operating performance, and in line with the standard practice in the oil industry, the operating results (EBITDA and EBIT) and the Net Result are provided also with an evaluation of oil inventories based on the LIFO methodology (and not only according to FIFO methodology adopted by IFRS). The LIFO methodology does not include revaluations and write downs and it combines the most recent costs with the most recent revenues, thus providing a clearer picture of current operating profitability. Furthermore, the non-recurring items and the "fair value" of the open positions of the derivative instruments are also excluded, both from the operating results and from the Net Result. Operating results and Net Result calculated as above are called respectively "comparable" and "adjusted" and they are not subject to audit or limited review.

DISCLAIMER

Certain statements contained in this presentation are based on the belief of the Company, as well as factual assumptions made by any information available to the Company. In particular, forward-looking statements concerning the Company's future results of operations, financial condition, business strategies, plans and objectives, are forecasts and quantitative targets that involve known and unknown risks, uncertainties and other important factors that could cause the actual results and condition of the Company to differ materially from that expressed by such statements. This presentation has been prepared solely by the company.

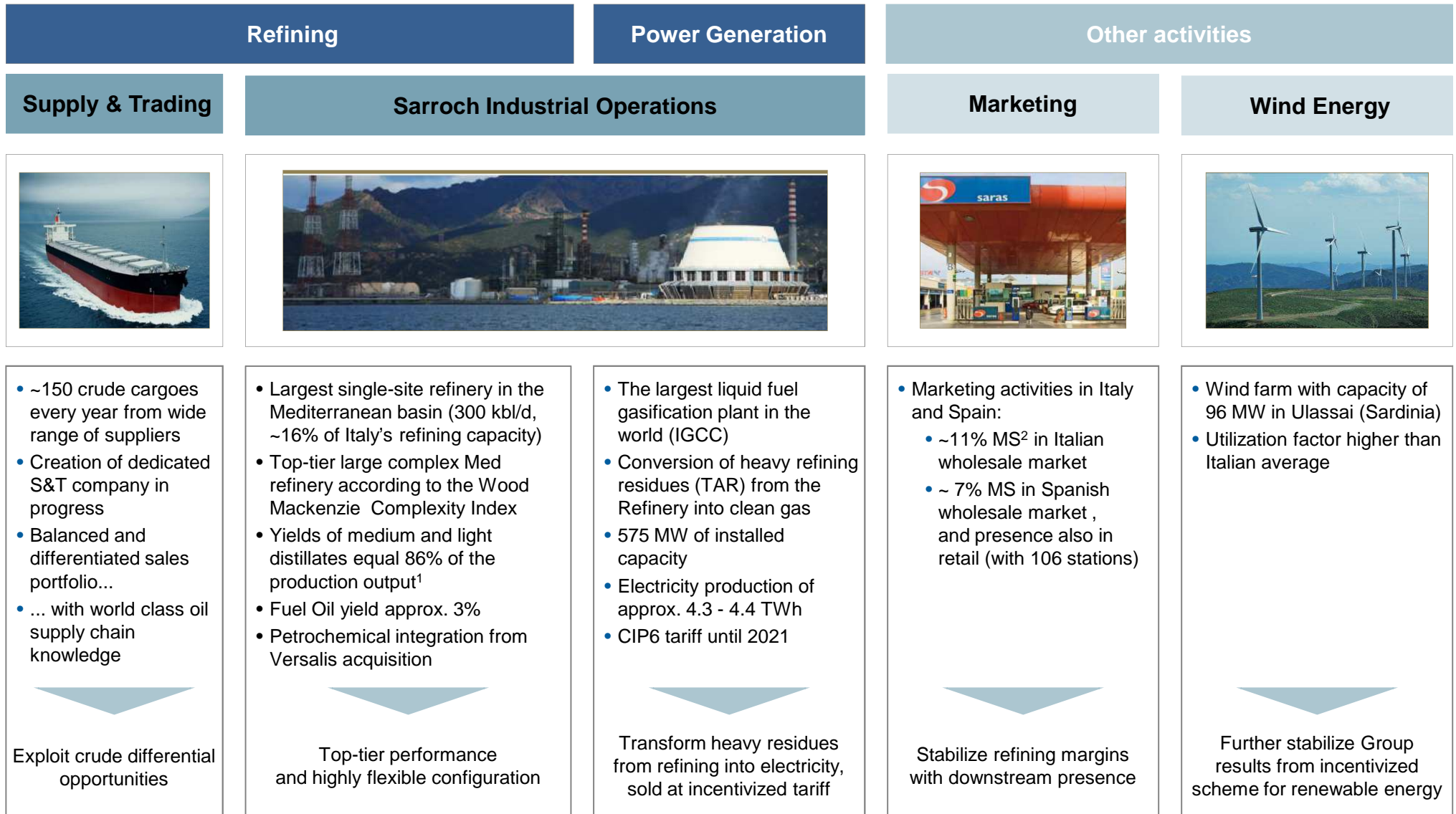


Saras investment thesis: our value proposition





1 Downstream player focused on Refining and Power Generation



1. Net of C&L
2. Market Share



2 Saras ideally positioned to exploit the new market cycle for EU refining

Favorable refining economics expected to stay

Structural changes strengthened the EU refining market in the mid term

- More balanced oil prices, robust supply
- Increase in heavy crude production
- Improving product demand
- Rationalization of EU refining capacity
- Correction of market distortions
- Widening of product differentials
- Stronger US Dollar

Benefits for typical EU refiners

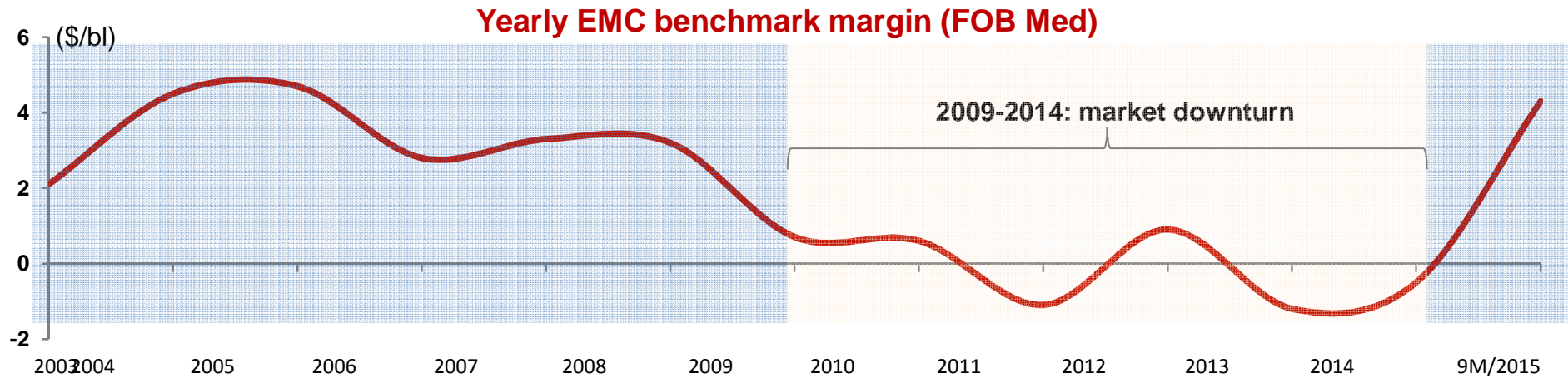
- Higher refining margins
- EU refineries essential to regional supply chain
- Lower impact of fixed costs in EUR



Saras' differentiating factors

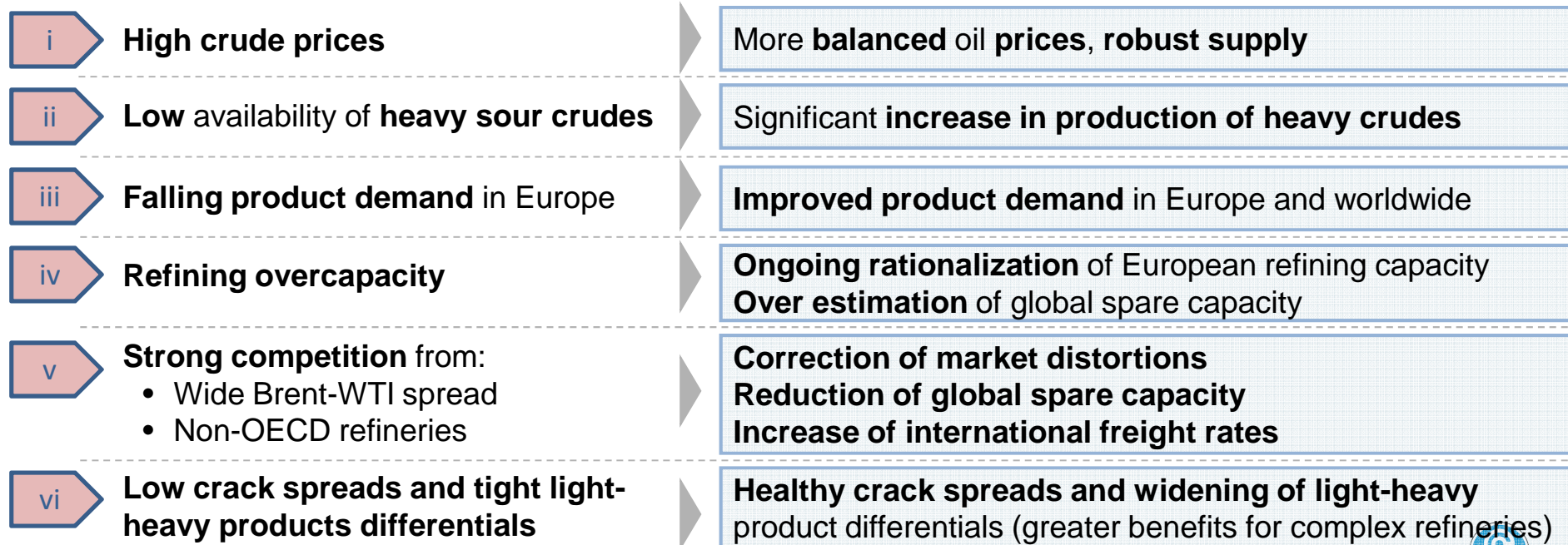
- Flexibility to source the most profitable crudes
- Asset capability to process multiple types of crudes
- Conversion to high-value product mix
- Steeper decrease of "consumption & loss" costs
- Track record in delivery of improvement initiatives

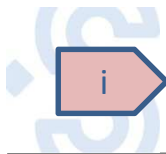
2 The new market cycle derives from 6 key structural changes



Market Downturn from 2009 to 2014

New Market Cycle from 2015 onwards

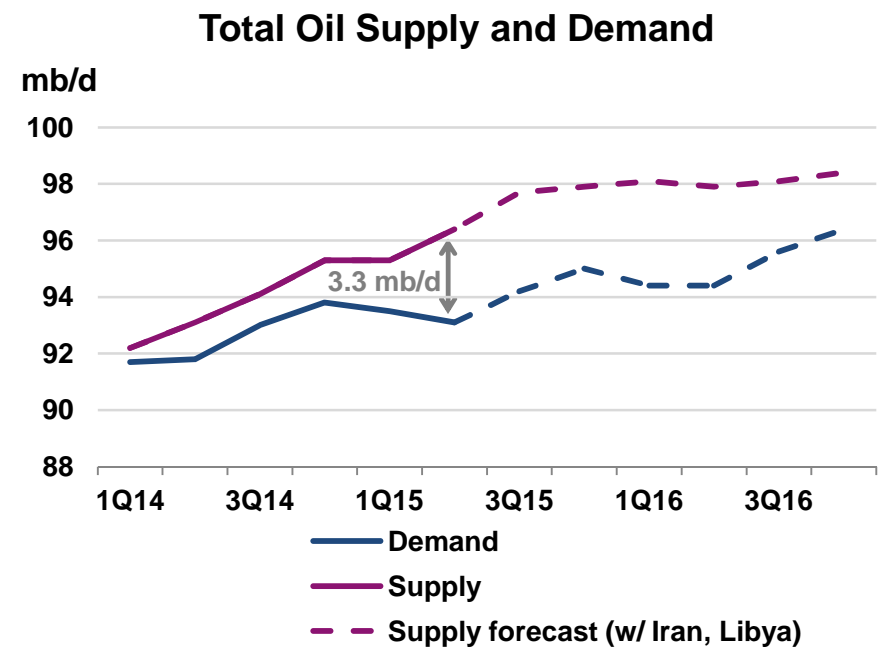
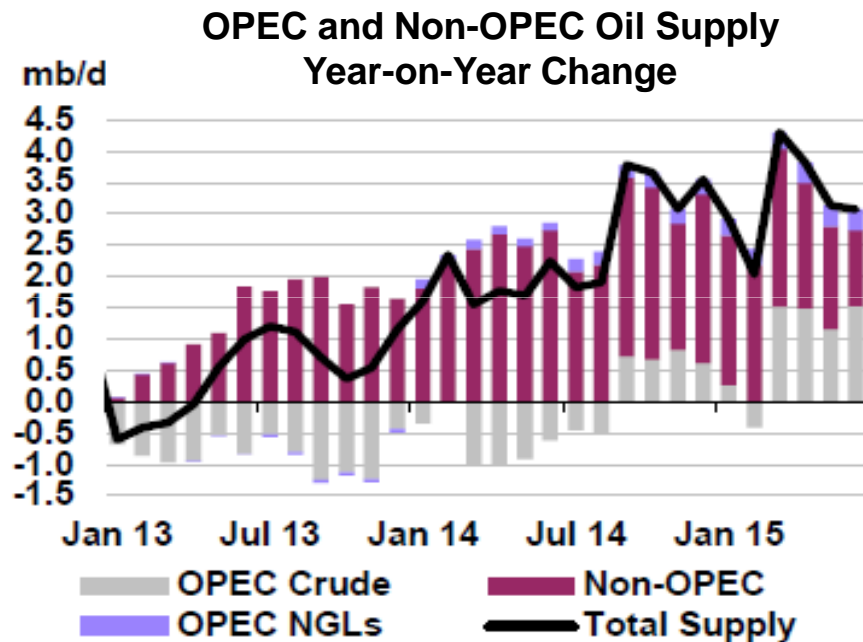




More balanced oil prices driven by a robust oil supply

Strong supply growth came from both OPEC and non-OPEC producers...

...and the robust supply is expected to persist, due to production growth and mitigating disruptions



Forecasts indicated >1 mb/d oversupply in 2016, even before the announcement of Iran agreement



Significant increase of non-standard grades (heavy sour, heavy acidic, etc.)

Canada

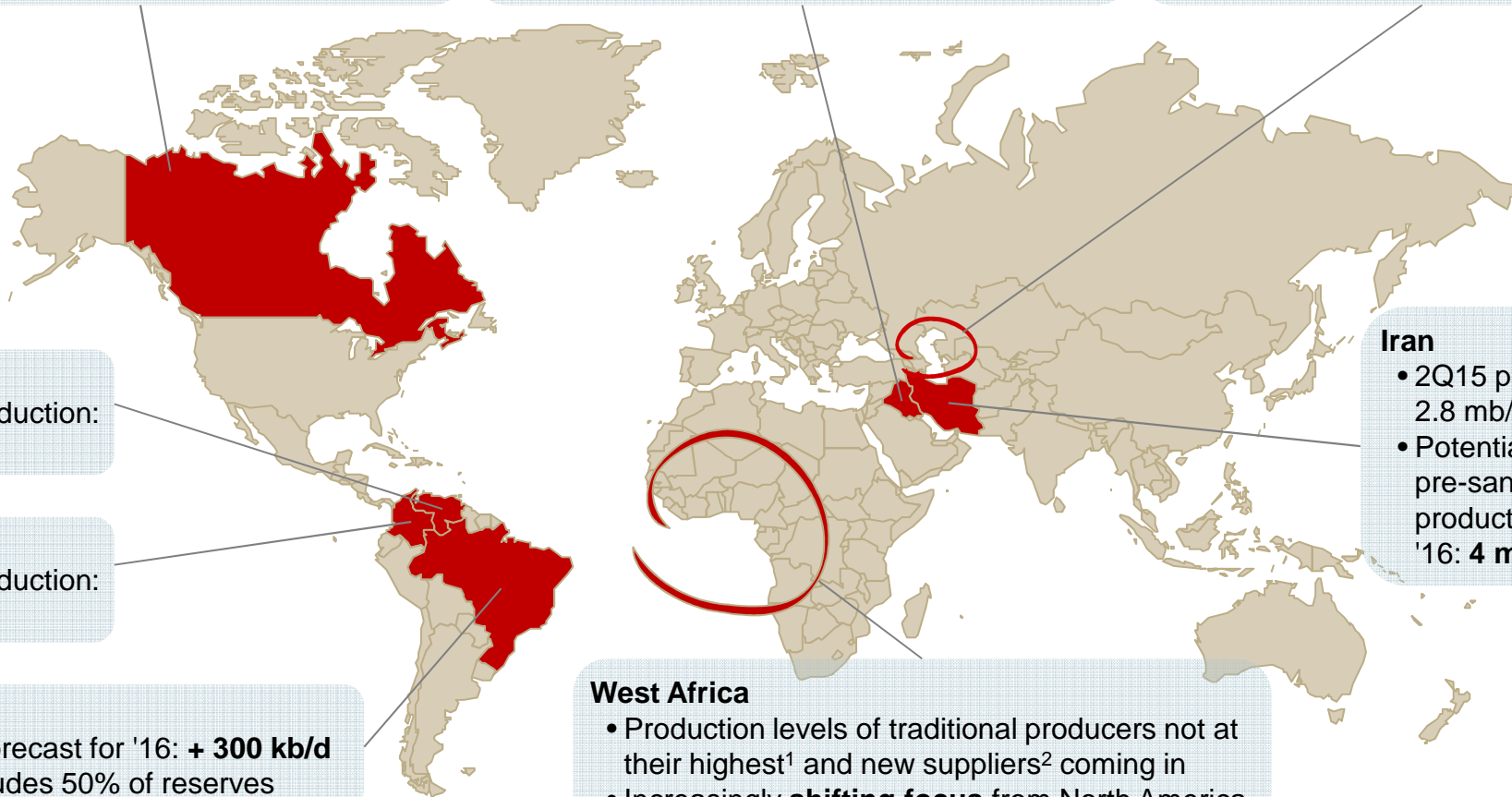
- Growth forecast for '16: **+ 200 kb/d**
- **New pipelines** to enter in operation:
 - 1.1 mb/d from Alberta to Montreal
 - 1.5 mb/d from Alberta to USGC

Iraq

- Growth forecast for '16: **+ 300 kb/d**
- **New pipelines** from Kurdistan to Med **active**
- New **Basrah heavy** production on stream

Caspian region

- Increase in **CPC production**
- Development of **Kazak crudes** (e.g. Kashagan and condensates)
- Increase of **Turkmenistan** production



Venezuela

- 2Q15 production: 2.4 mb/d

Colombia

- 2Q15 production: 1.0 mb/d

Brazil

- Growth forecast for '16: **+ 300 kb/d**
- Heavy crudes 50% of reserves

Iran

- 2Q15 production: 2.8 mb/d
- Potential **return to pre-sanction production level by '16: 4 mb/d**

West Africa

- Production levels of traditional producers not at their highest¹ and new suppliers² coming in
- Increasingly **shifting focus** from North America to **Europe and Asia**

1. E.g. Nigeria, Angola

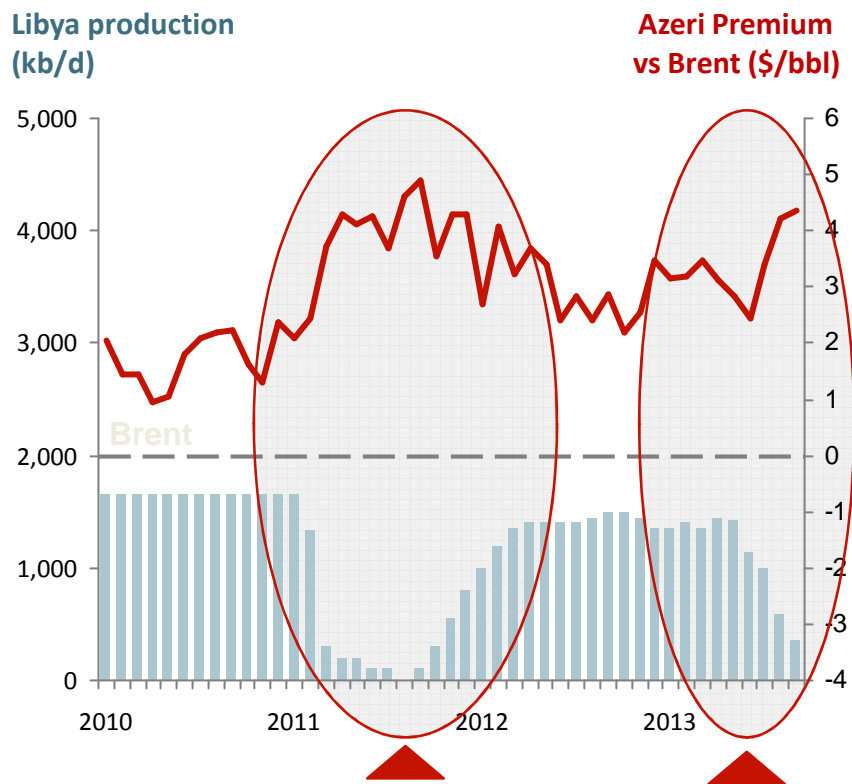
2. E.g. Congo, Gabon and Mauritania

Source: IEA



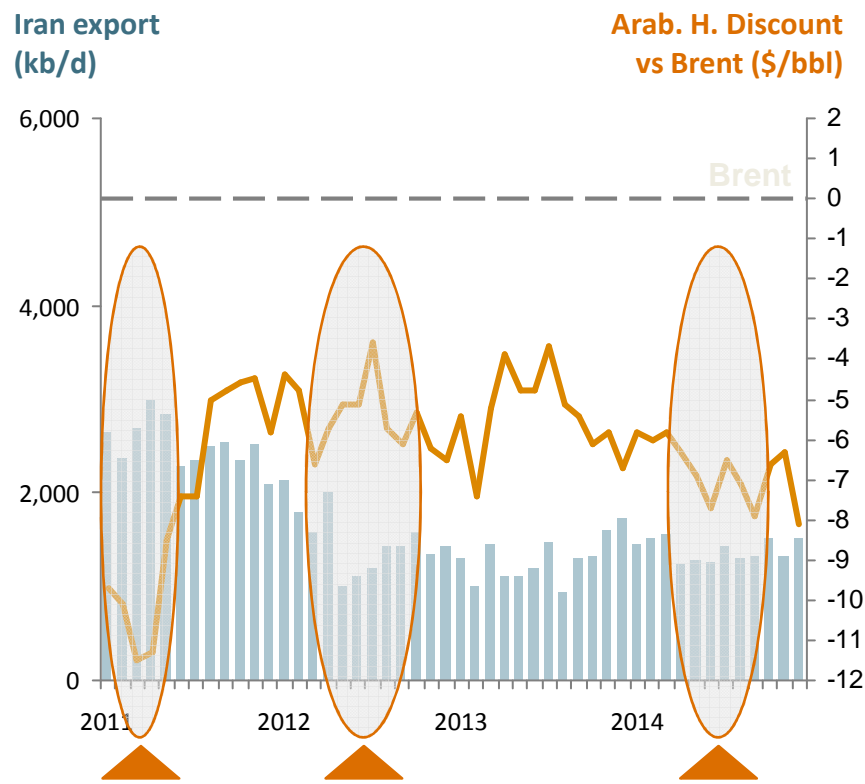
Supply changes drive relative premiums/discounts, leading to opportunities

Azeri premium vs Libyan production



Azeri Light premium increasing when alternative Libyan grades not available in the Med market

Arabian Heavy discount vs Iranian export



Arabian Heavy discounts intensify as alternative Iranian grades become more abundant

Source: IEA, Platts

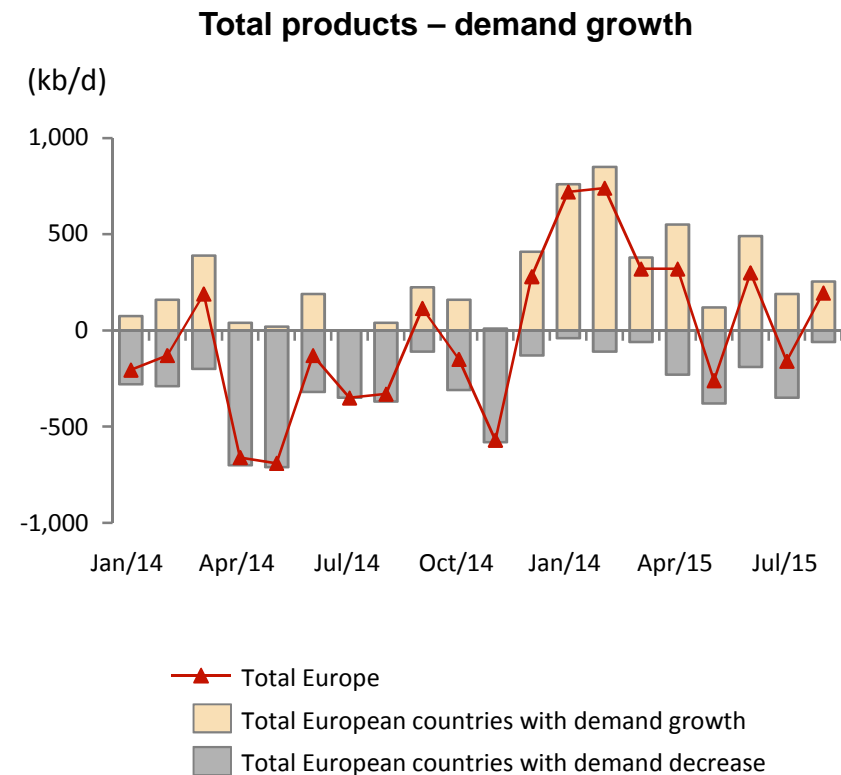
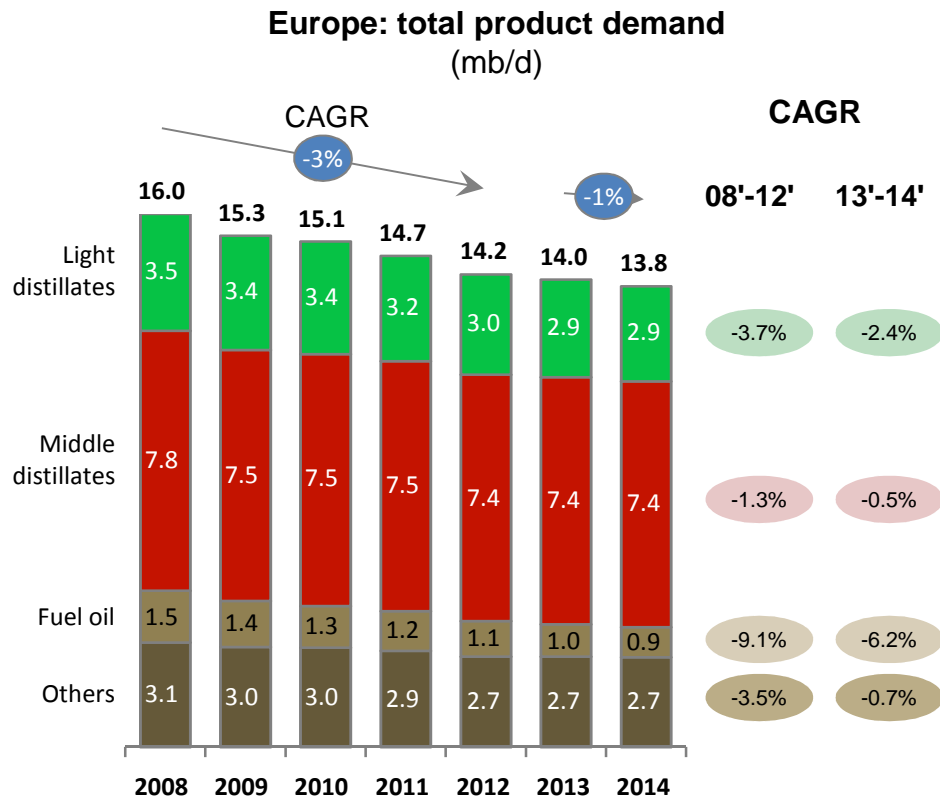


iii

2015 is appearing as the inflection point of product demand

Sharp drop in Europe's total demand until 2012, stabilization in 2013-2014...

... and clear growth trends appear in 2015



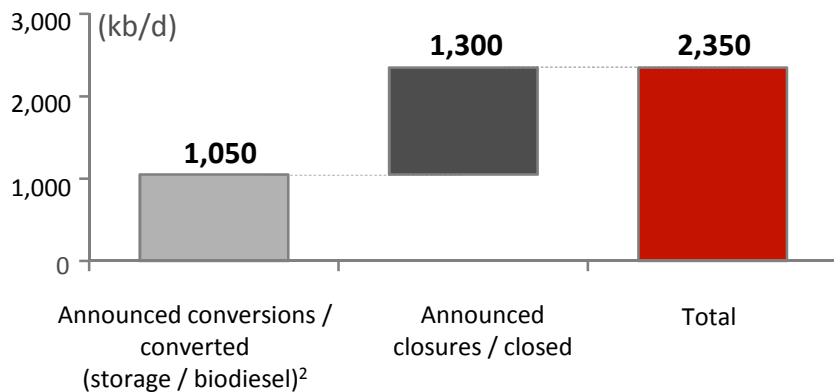
Source: BP Statistical Review, JBC Energy, IEA, JODI, SuDeP



Significant impact of ongoing European refineries rationalization

Closures and conversions in OECD Europe (2009-2015)

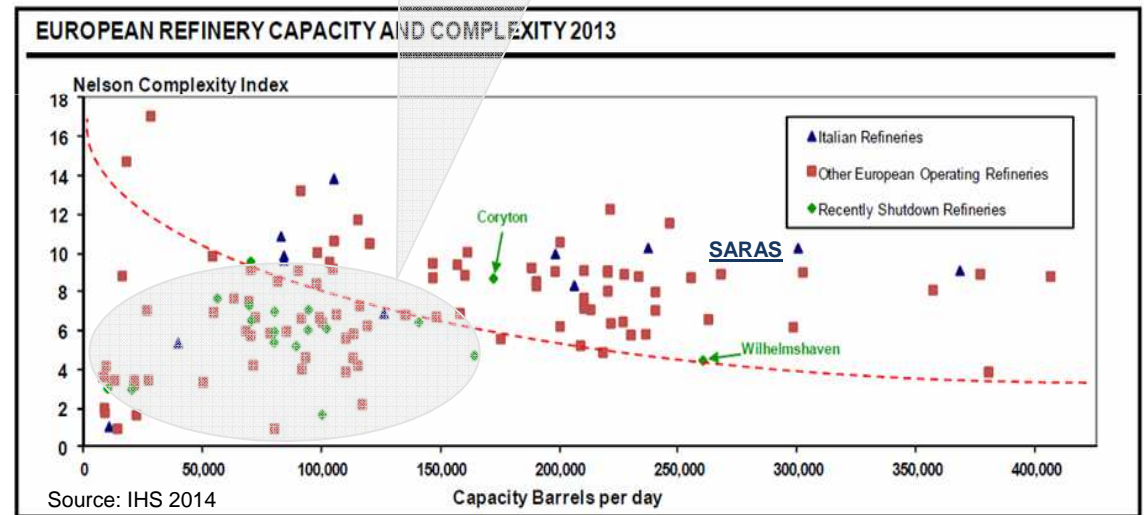
Source: BCG



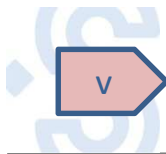
	Teesside (Petroplus)		Arpechim (Petrom)
	Dunkirk (Total)		Harburg (Shell)
	Reichstett (Petroplus)		Berre (LyondellBasell)
	Cremona (Tamoil)		Petit-Couronne (Petroplus)
	Roma (TotalERG)		Coryton (Petroplus)
	Milford Haven (Murphy Oil)		Stanlow (Essar) ¹
	Wilhelmsh. (Hestya)		Paramo (Unipetrol/PKN)
	Mantova (MOL)		Collombey (Tamoil)
	Venezia (Eni)		Lischansk (Rosneft)
	La Mede (Total)		Lindsey (Total) ¹
	Gela (Eni)		

1. Shutdown of 1 CDU only
 2. Includes conversion to oil storage terminal or logistic hub for oil products

- Majority of recently shutdown refineries had low complexity and small distillation capacity (less than 100,000 bl/day)
- Refineries under the red spotted line will continue to face the hardest competitive pressure

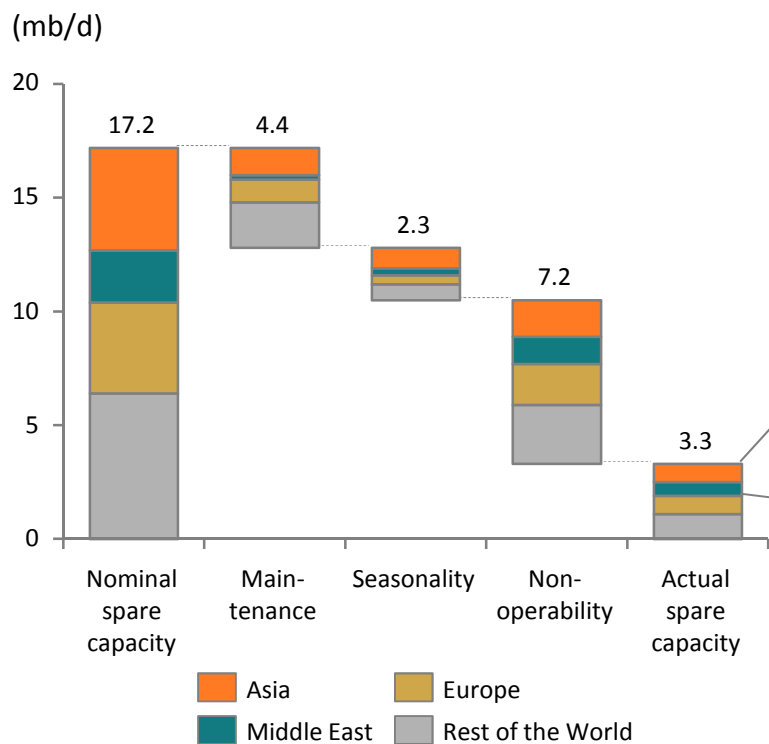


Large and complex refineries are the best positioned in the European competitive context

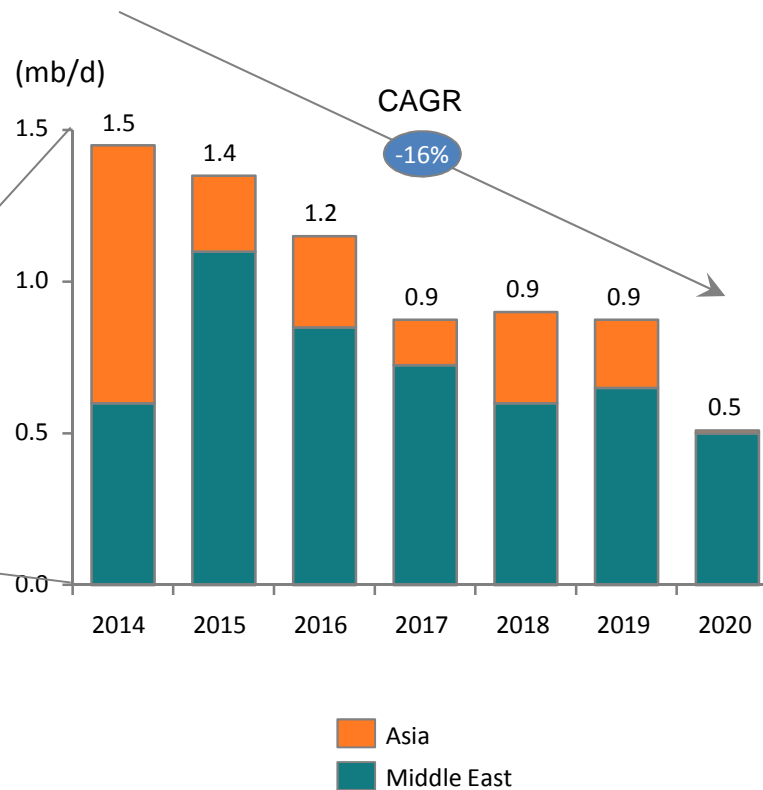


Spare capacity over-rated, and expected to decrease in the mid-term

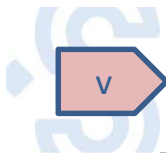
Actual spare capacity significantly lower than nominal spare capacity (2014)



Local demand growth to outpace capacity additions in Asia & Middle East



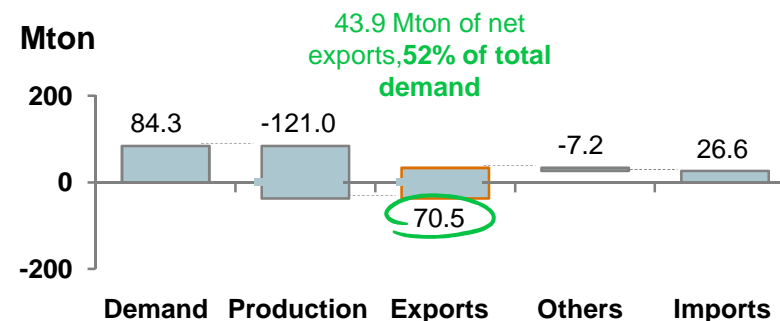
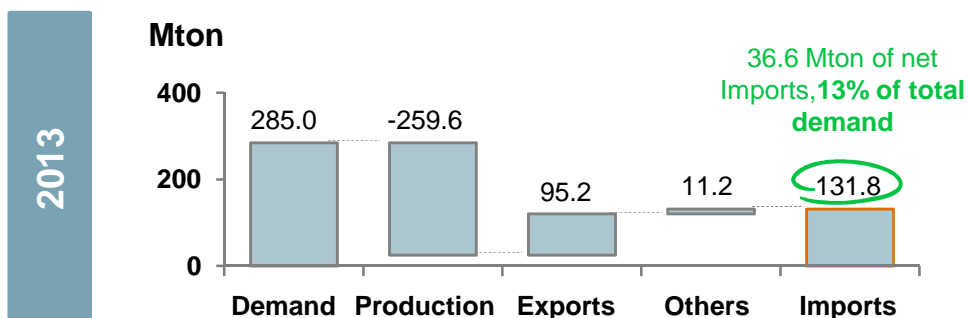
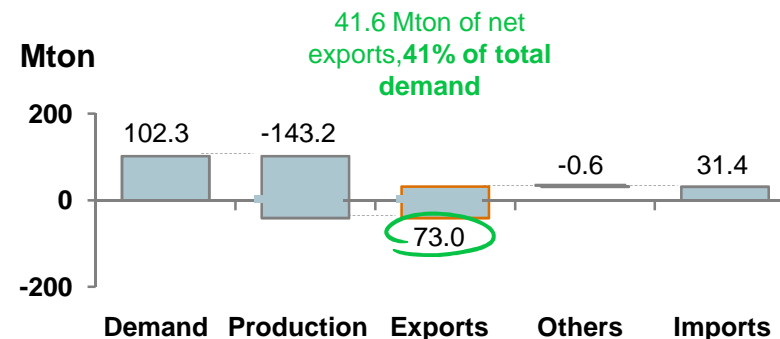
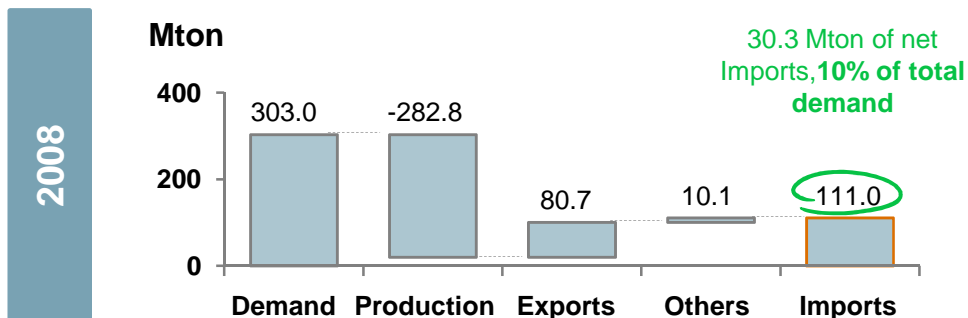
Additions of refinery capacity in Asia and Middle East dedicated to meet local demand



EU historically unable to meet regional demand for diesel/gasoil

Europe is short of Gasoil/Diesel...

... and long in Gasoline¹

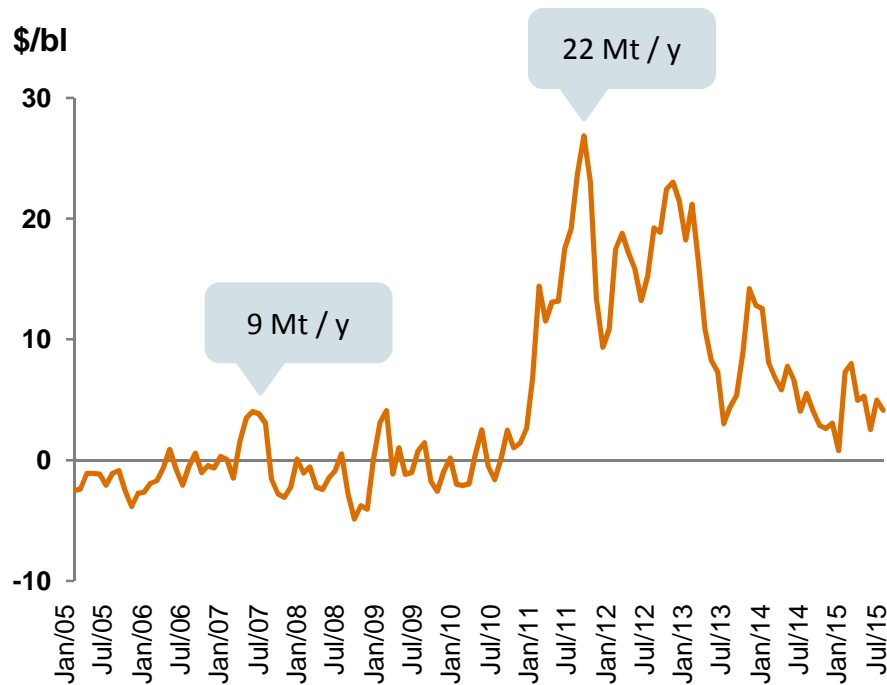


1. Total gasoline: motor gasoline + aviation gasoline + gasoline type jet fuel
2. Includes Transfers, Stock change, Intl. Marine bunkers, Statistical difference
Note: graph refers to 2013 Annual data; Source: IEA Oil Information 2014



US refineries advantaged by WTI price distortions, which are now fading

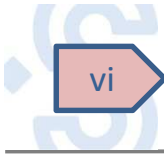
Brent-WTI spread



Legend: xx # Mt of middle distillates exported from USA towards Europe, on yearly basis

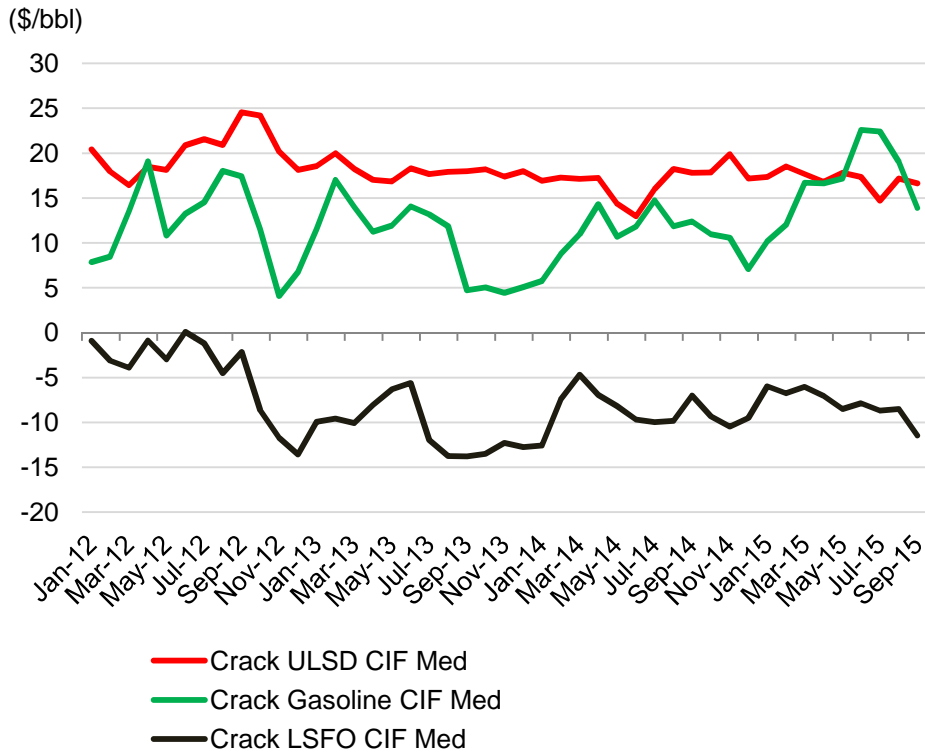
Factors to mitigate distortion

- Debottlenecking of logistics in US & Canada
- Increase of US internal demand in a context of already saturated refining capacity...
- ... with possible open-up of US crude exports

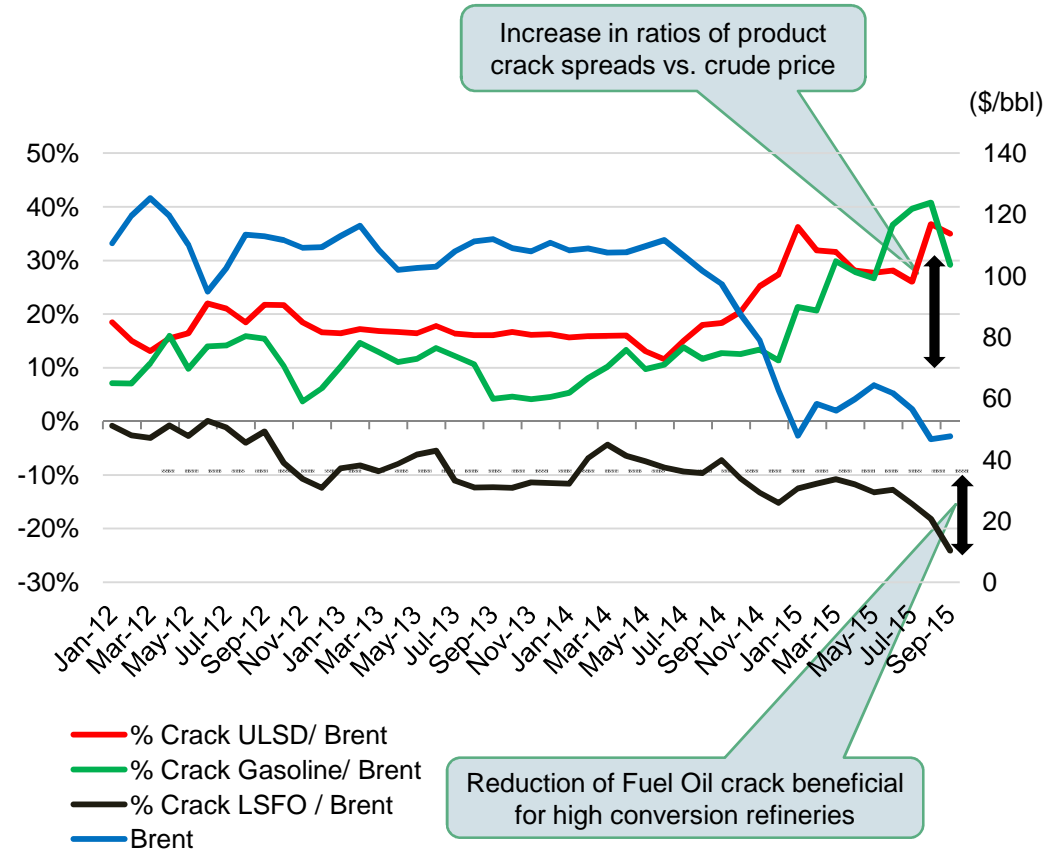


Healthy crack spreads and wider light-heavy product differentials

Product Cracks CIF Med



Product Cracks CIF Med as % of Brent Dated

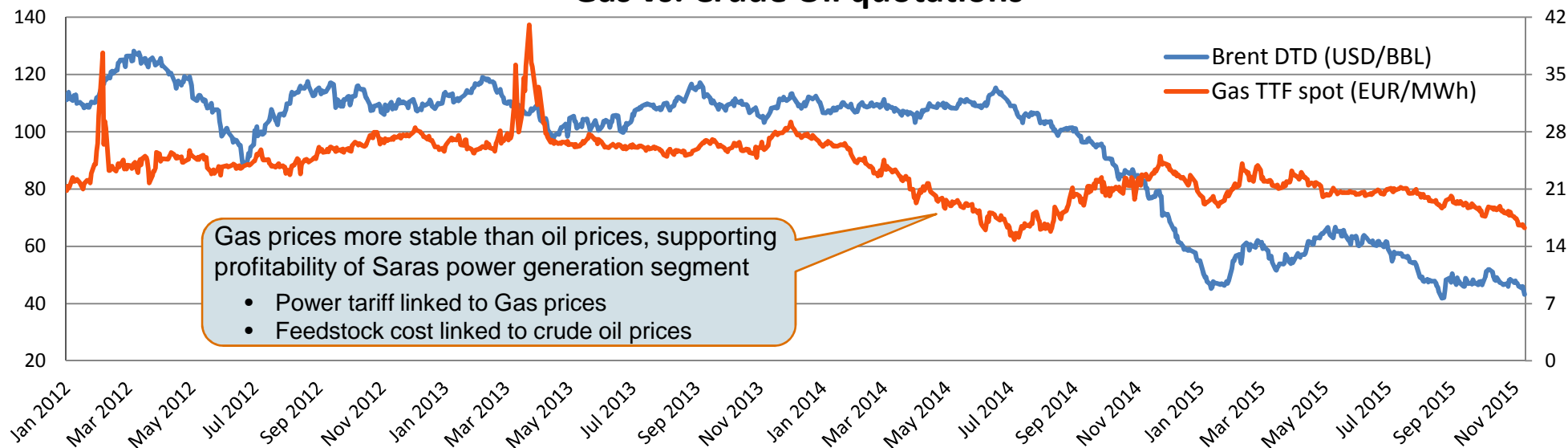


Note: Updated until October 5th, 2015

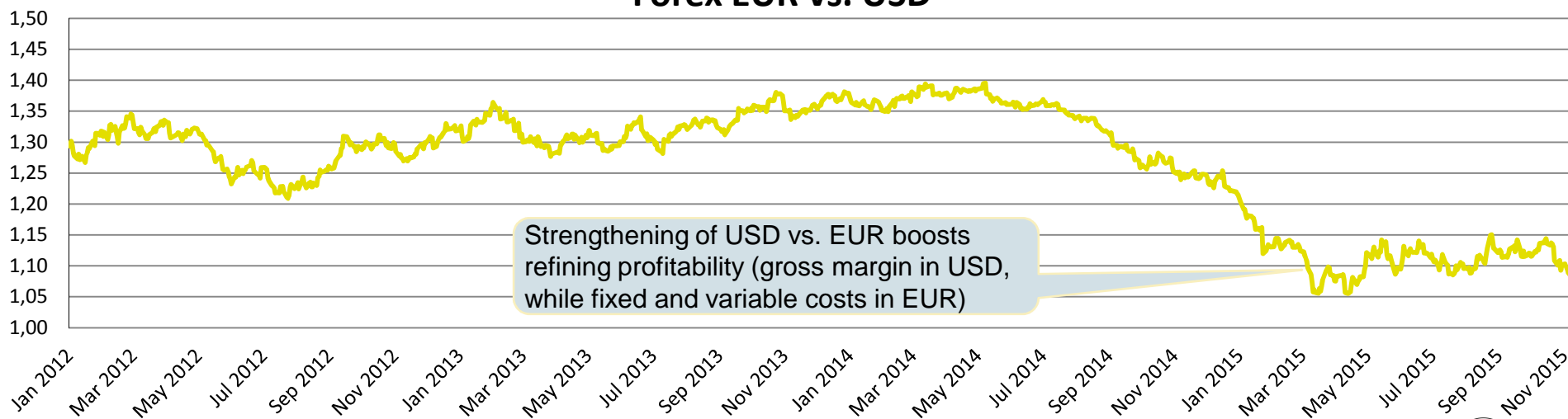


Favourable changes in USD/EUR Forex and Gas vs. Crude oil prices

Gas vs. Crude Oil quotations



Forex EUR vs. USD

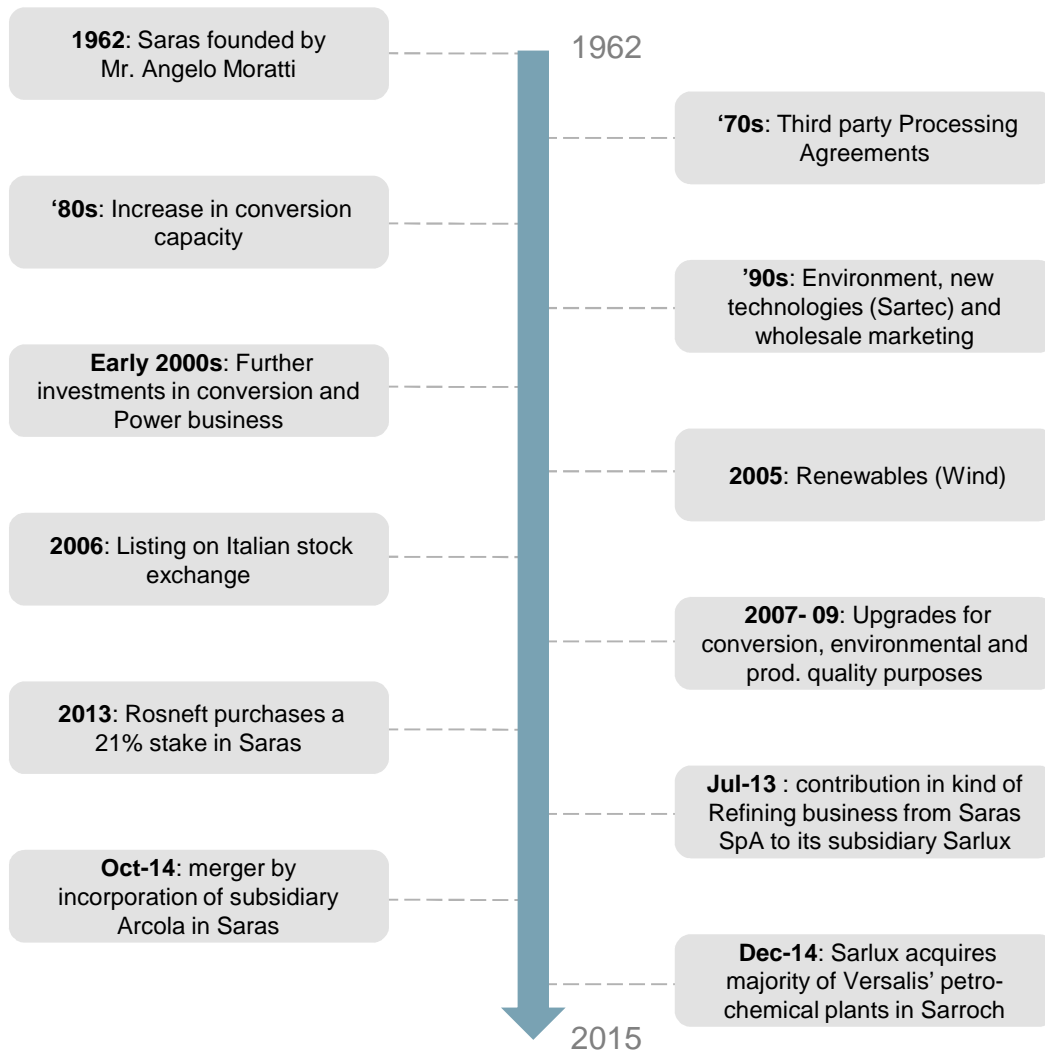


Note: Updated until 12th November, 2015

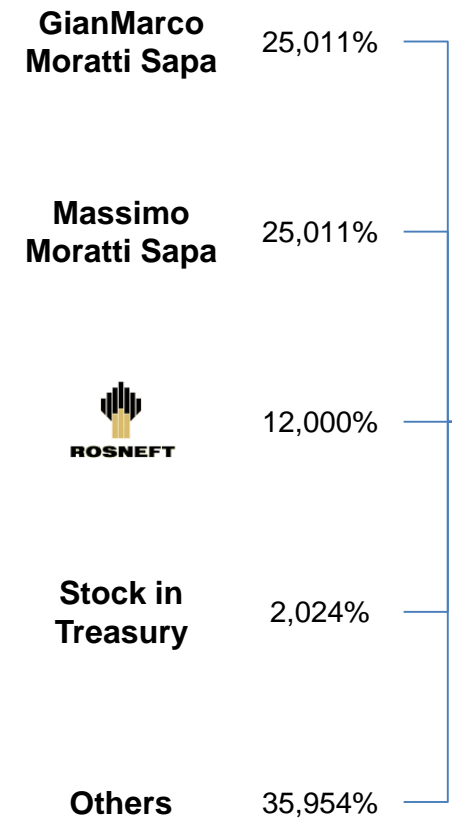


50 years of stable strategic direction and committed shareholders

Saras history...



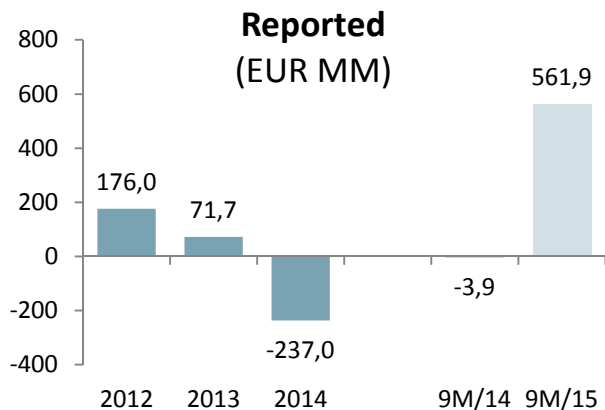
... and shareholder structure¹



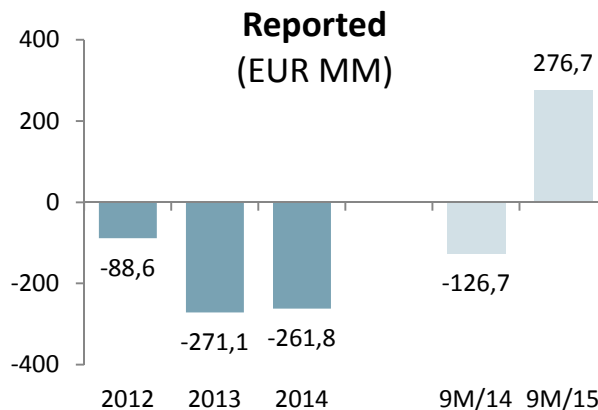


Leverage under control throughout cycles

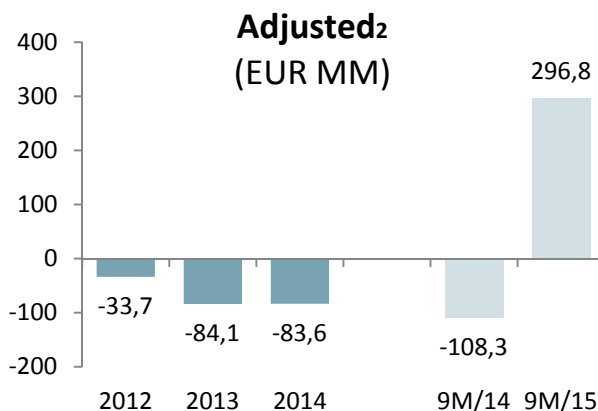
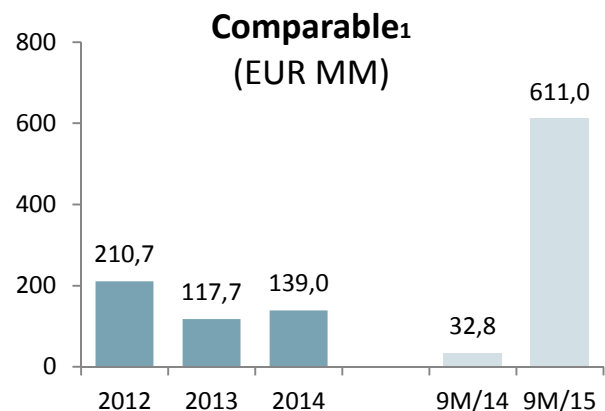
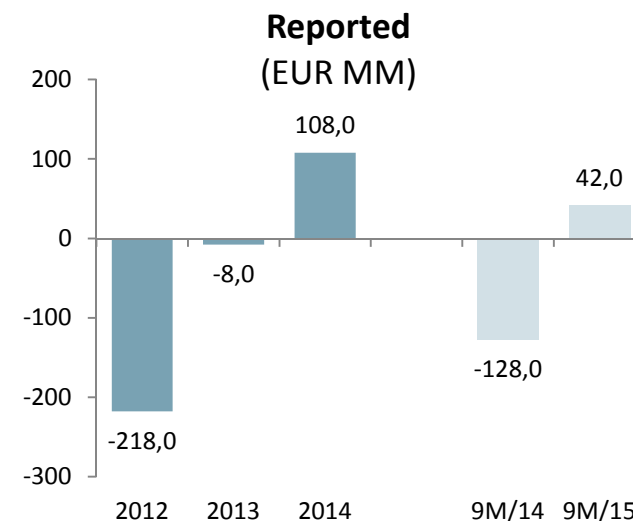
EBITDA



Net Result



Net Financial Position



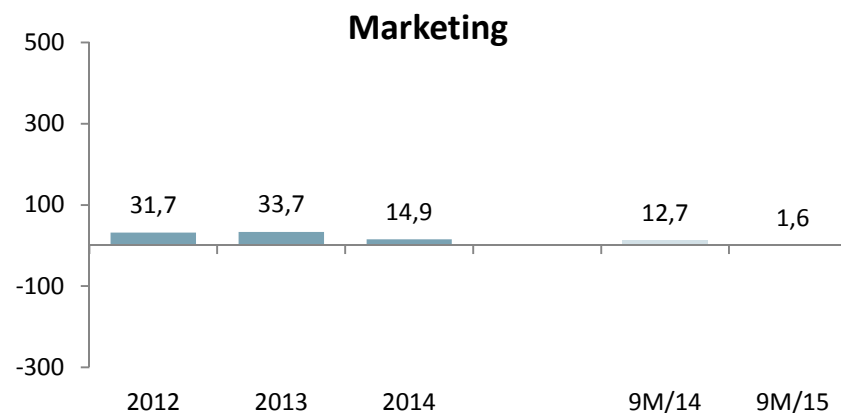
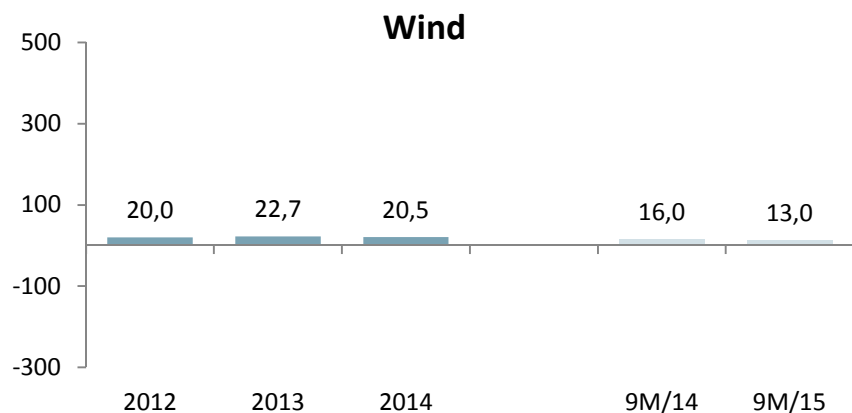
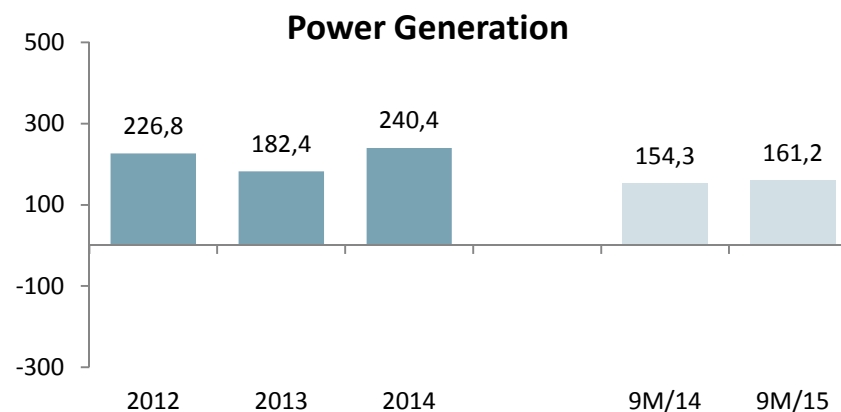
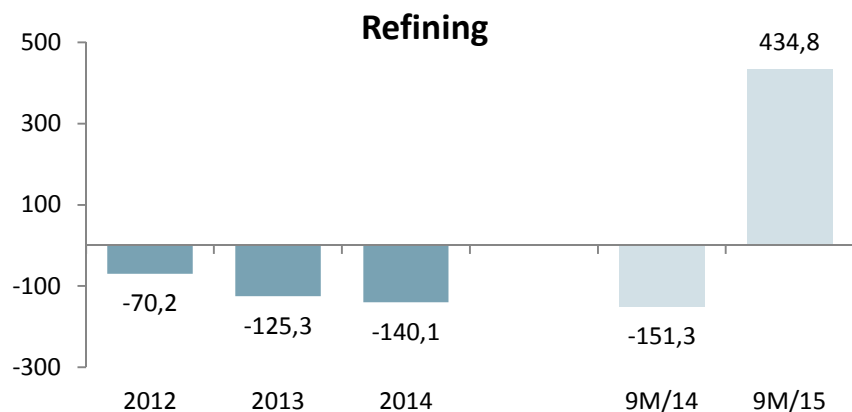
	2012	2013	2014	9M/14	9M/15
Financial Gearing³	18%	1%	0	5%	0
NFP/ EBITDA⁴	1.2x	0.1x	0x	3x	N/A

1. Calculated using IFRS principles, deducting non recurring items, fair value of open positions of the derivative instruments, and based on the LIFO methodology (which doesn't include devaluation and revaluation of oil inventories). Comparable operating results (EBITDA and EBIT) include also the realized results of derivative instruments used for hedging on crude oil and products and net Forex results
2. Adjusted for differences between LIFO and FIFO inventories net of taxes, fair value of open positions of the derivative instruments net of taxes, and non-recurring items net of taxes
3. Net financial Position / Equity
4. Reported EBITDA 1-year rolling



3 Profitability at segment level: stable Power and Wind contribution

Comparable EBITDA¹ (EUR MM)



1. Calculated using IFRS principles, deducting non recurring items, fair value of open positions of the derivative instruments, and based on the LIFO methodology (which doesn't include devaluation and revaluation of oil inventories). Comparable operating results (EBITDA and EBIT) include also the realized results of derivative instruments used for hedging on crude oil and products and net Forex results



4

The 5 key strengths of the Saras site in Sarroch, Sardinia

Largest single-site in the Mediterranean

↳ **300k** barrels / day of refining capacity

• **Top-tier Mediterranean site** in terms of **complexity** and **size** (Nelson Complexity Index = 10.0 and WoodMacKenzie Index = 9.5 following Versalis' acquisition)

↳ **1%** LPG

↳ **86%** Light and middle distillates

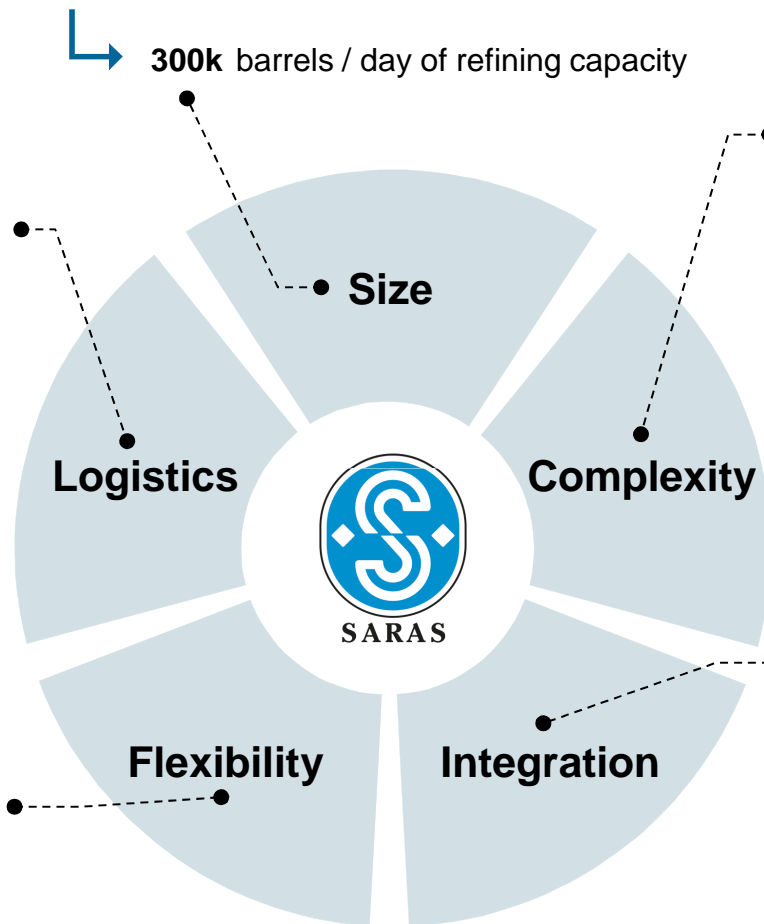
↳ **3%** Fuel Oil (~ **full conversion**¹)

• **Fully integrated power generation Plant (IGCC)**

↳ **10%** Heavy residues from refining transformed into **electricity, hydrogen and steam**

Petchem integrated processes

↳ **Added value** due to Versalis petrochemical plant acquisition



SARAS

Size

Complexity

Integration

Flexibility

Logistics

13 berths for cargoes (up to VLCC size)

4+ million cubic meters of storage (16% of national coastal refinery cap.)

↳ **Trading-oriented hub** with primary location in the middle of Med, enabling logistic costs optimization

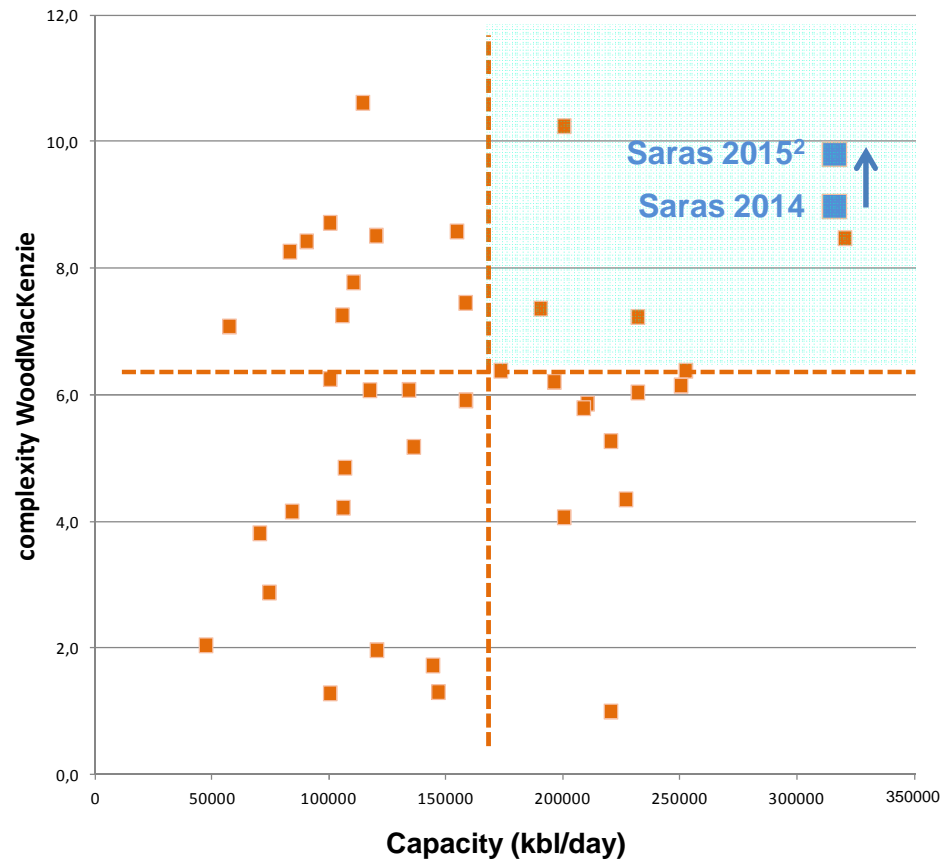
36 different crudes processed in 2014, from a wide range of grades

↳ **Exploitation of crude differentials**

1. Yields in 2014 equaled to: 1% LPG, 28% Gasoline & Petchems, 58% Middle Distillates, 10% TAR (IGCC feed) and 3% Fuel Oil



Mediterranean refineries mapped by complexity index¹ and capacity (2014)



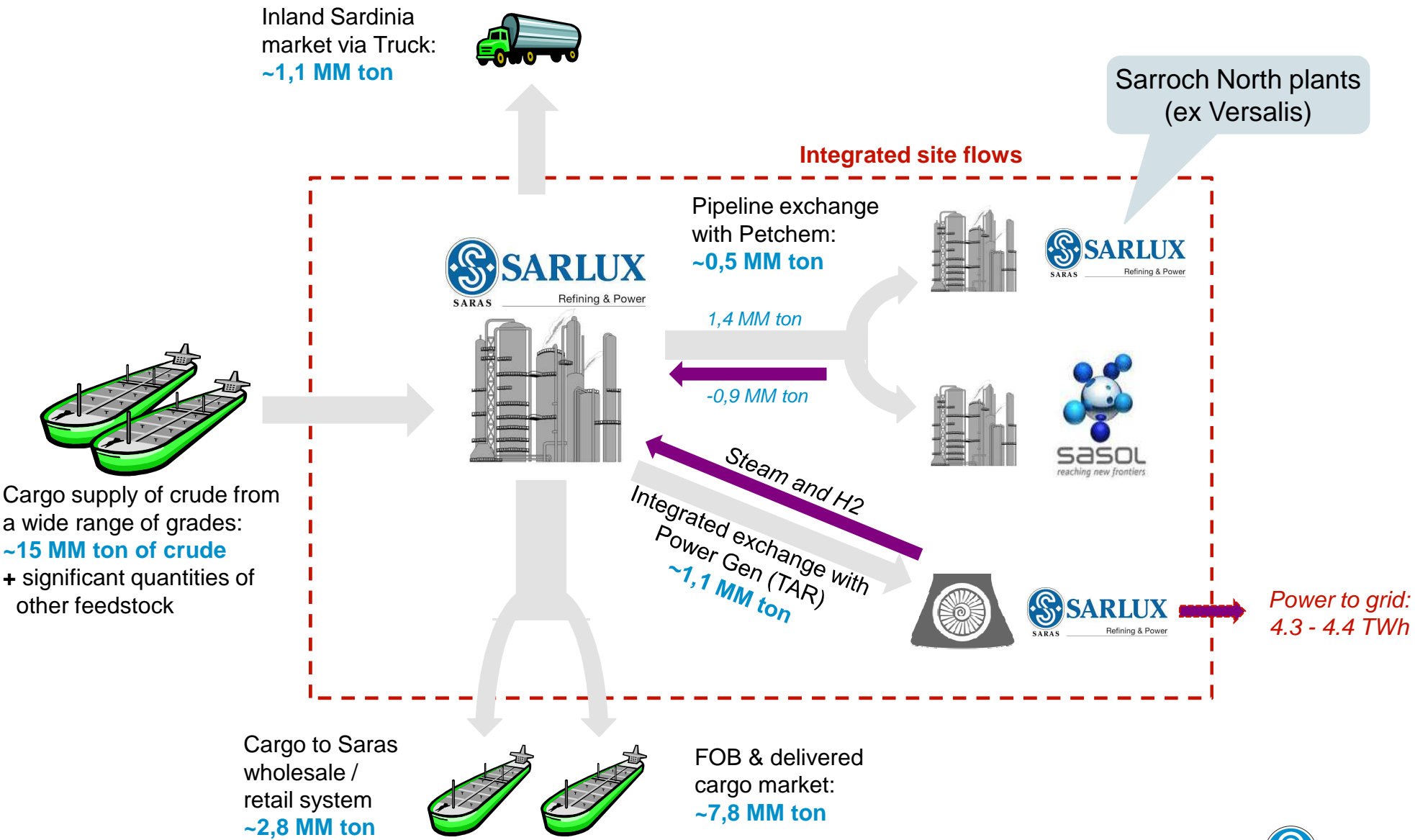
Index that measures the degree to which refineries are equipped with conversion capacity to transform heavier residue streams into lighter fractions

Top-tier refineries are able to compete in global markets and are well positioned to fully capture favorable market cycles

1. Wood Mackenzie index
 2. Saras calculation based on WoodMackenzie methodology, to account for the acquisition of Versalis petrochemical plant

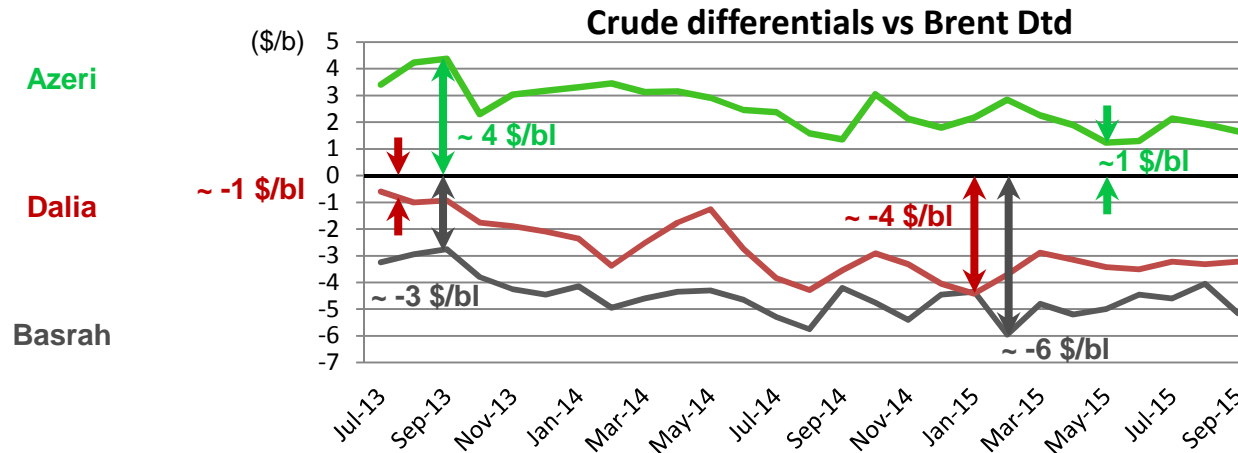
4 Integrated site with Power Generation and Petrochem upgrade

Integration

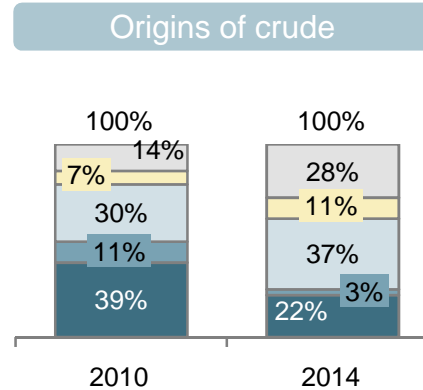
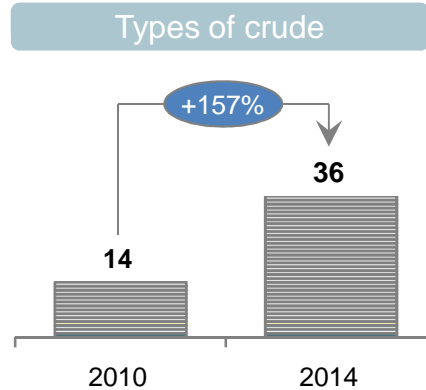


Saras' crude flexibility and integrated approach to Supply Chain Management are strong competitive advantages...

Market volatility and variations of discounts / premiums for crudes



Change in variety of crudes processed and origin of crudes purchased



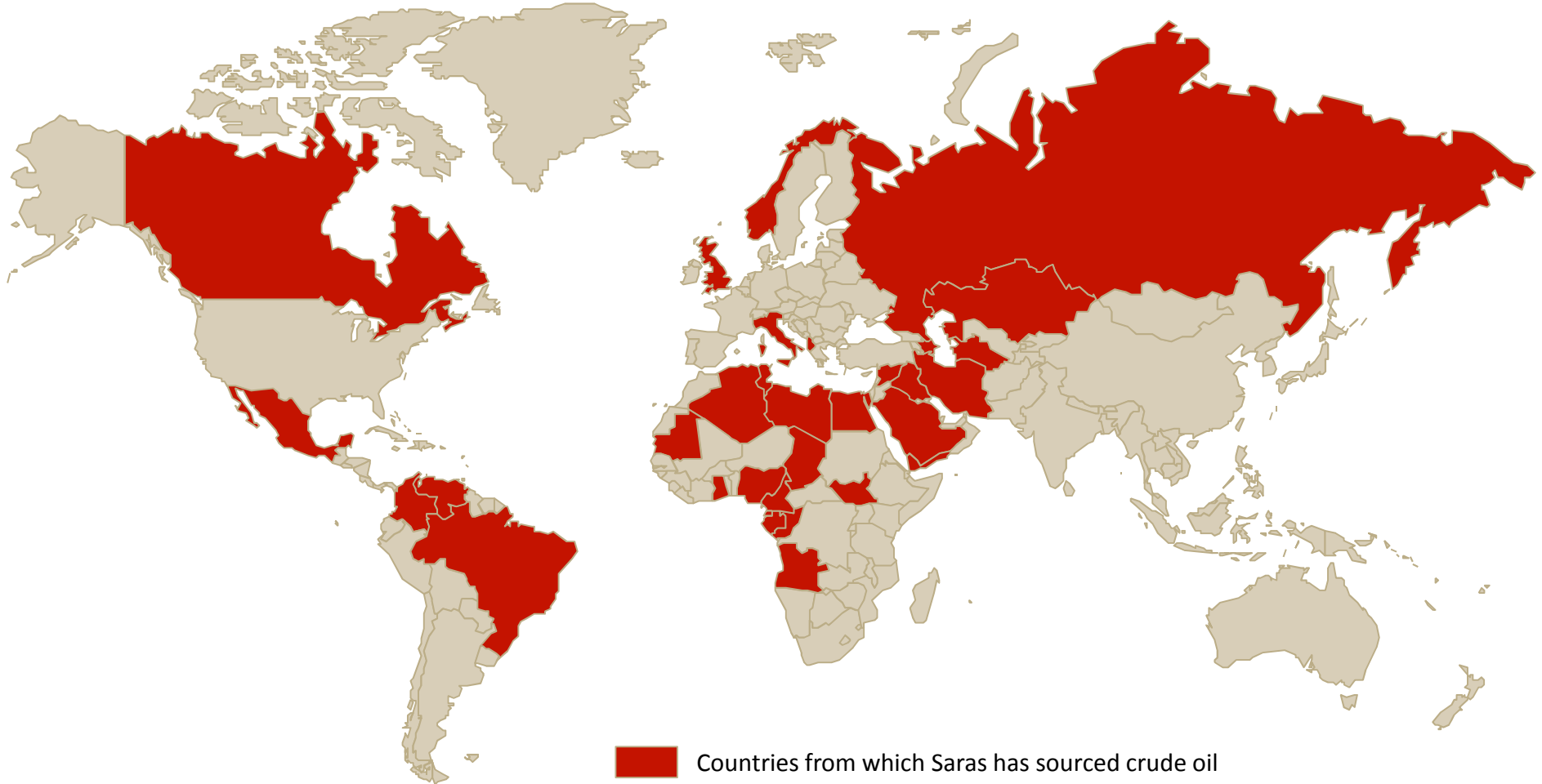
- Flexible asset capable of processing multiple crude types
 - Exploit opportunities in crude differentials
- Central hub with diversified supply from all over the world
 - Flexibility in crude origin and optimization of supply

... which allowed Saras to overcome major supply disruptions and exploit market opportunities



4 Crude sourcing from 30+ countries all over the world

Flexibility



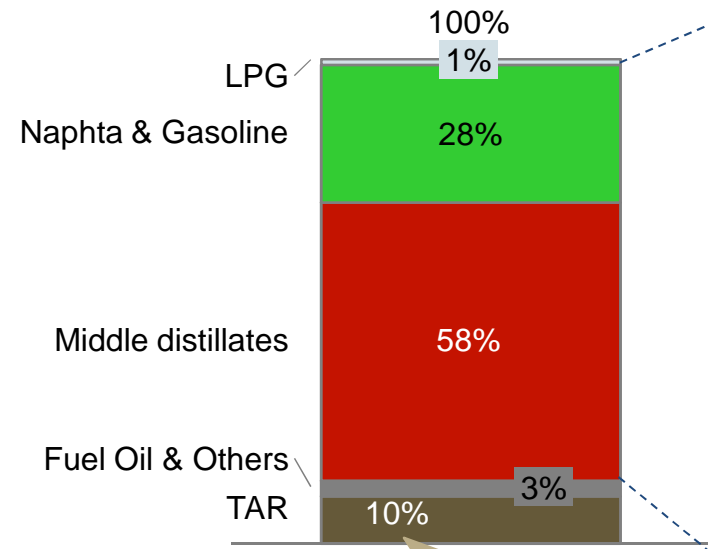
Note: Certain countries have been/are subject to embargoes. Saras always acts in full compliance with applicable regulations. Therefore, it has not/is not sourcing crude oil from embargoed countries during the relevant periods.





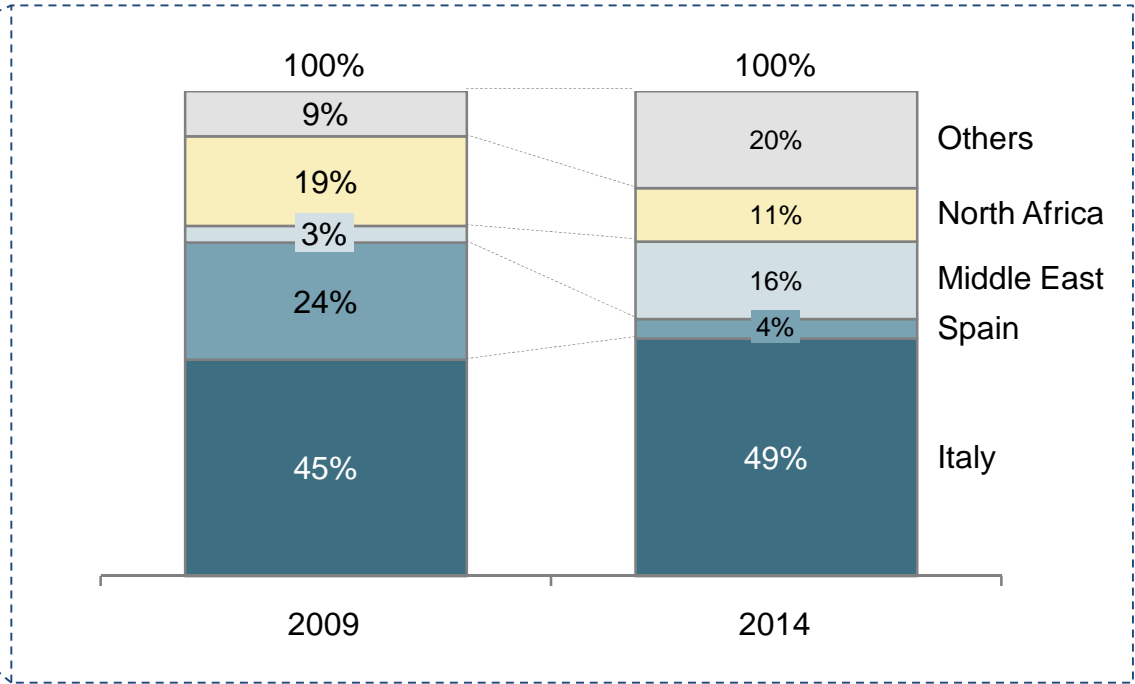
4 86% of output are light & middle distillates, sold to various markets

Output yields (2014)



Heaviest stream of output sent to Power Generation unit (IGCC) for electricity production

Total product sales by geography



Flexibility in blending and logistics enables access to multiple markets

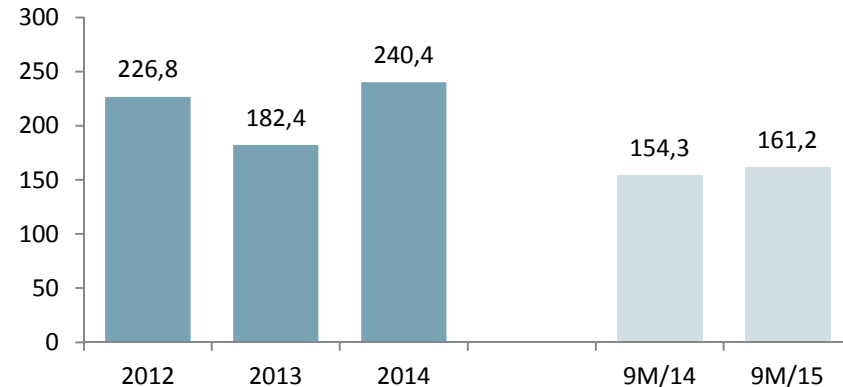
1. Product Yields are calculated net of "C&L"



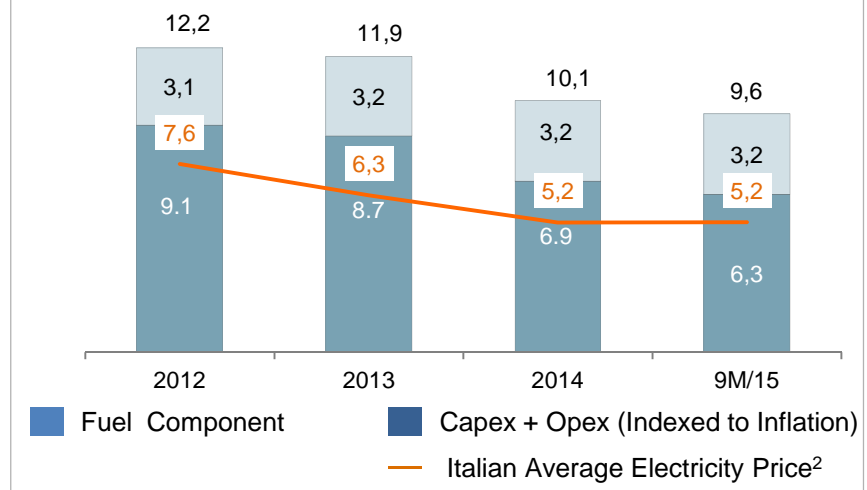
4 Power Generation: strong and stable contribution to Group EBITDA

- IGCC economics are stable and based on attractive regulated contract (CIP6/92)
- The CIP6/92 contract with National Grid operator (GSE) enjoys priority of dispatching and full CO₂ cost reimbursement until April 2021
- **In the scenario post 2021, Saras' IGCC plant is ideally positioned to fully capture the opportunities arising from high sulfur, heavy crude productions**

Power Generation Comparable EBITDA¹ (EUR MM)

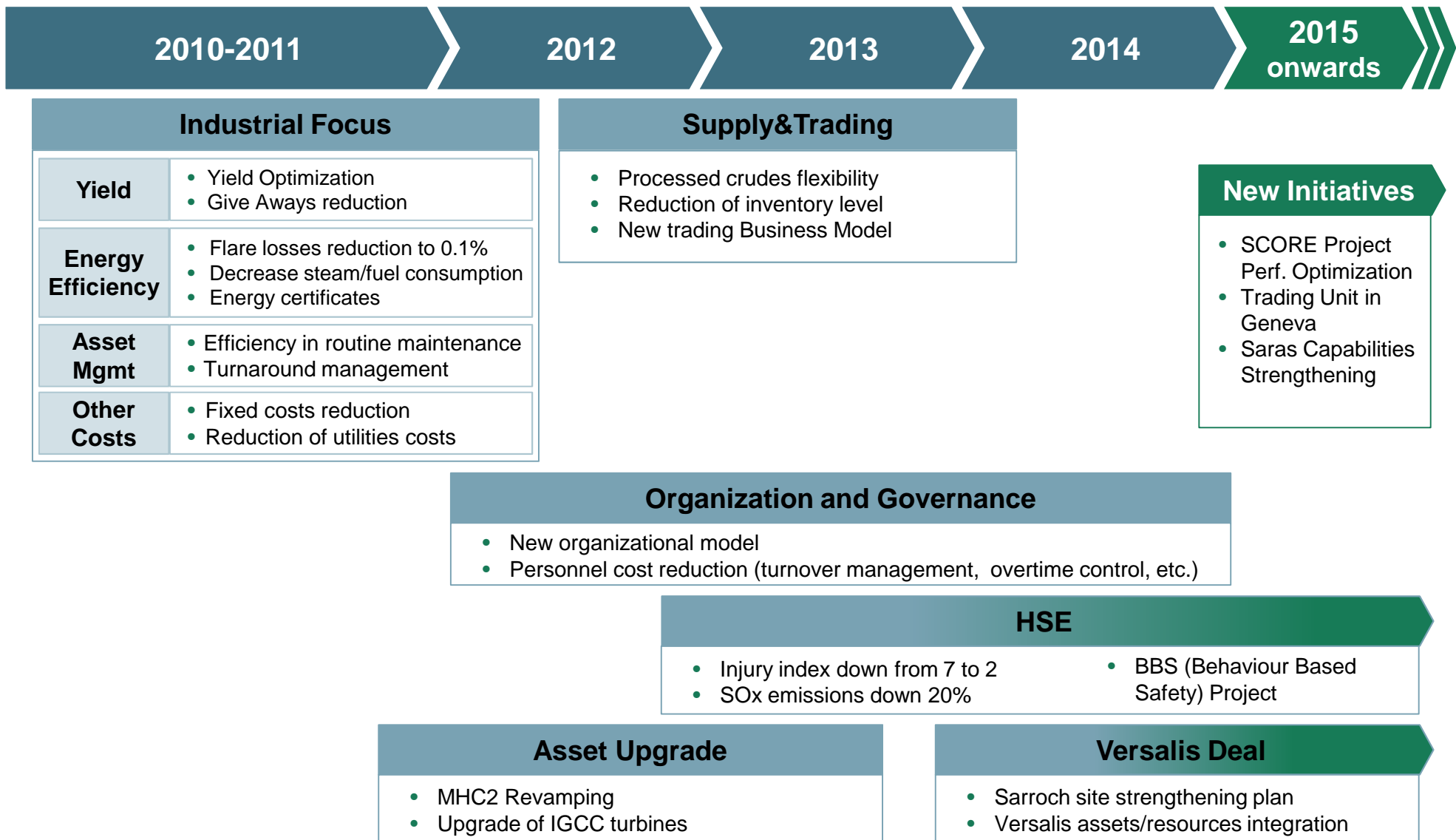


CIP6/92 Power Tariff vs. Italian Electricity price (EUR cent / KWh)



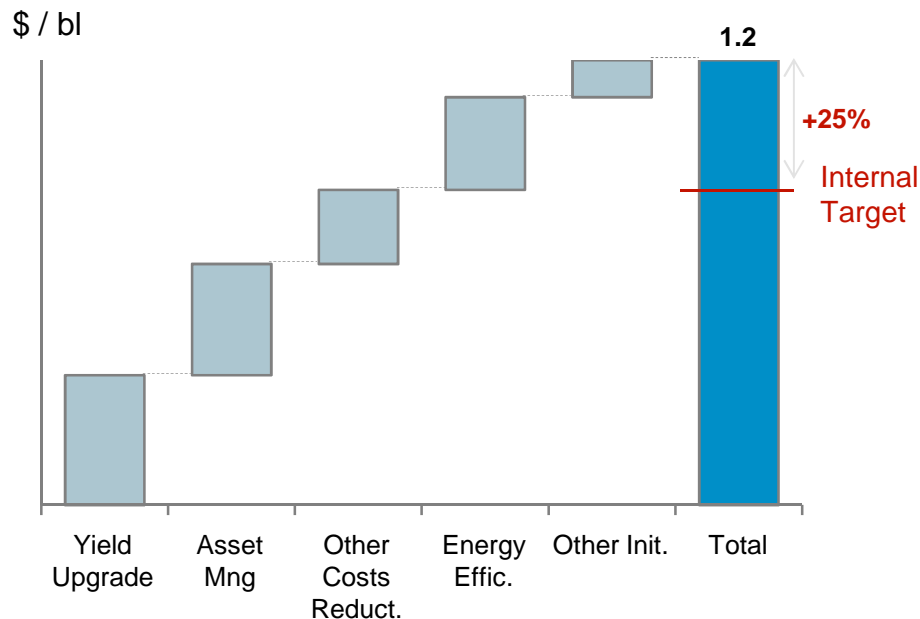
1. Comparable EBITDA for the Power Generation segment is coincident with IFRS EBITDA
 2. The Italian average electricity price (PUN) can be found on the GME website: www.mercatoelettrico.org

5 Focus Operational Excellence program: main areas of intervention



**2009-2014 Focus Operational Excellence:
~25% over-achievement v.s. program target...**

**... and very effective delivery of complex
and large-scale projects during 2013-2014**



Total margin upgrading : ~1.2 \$/bl



MHC2 Revamping in 2013

- Respect of budget (time and costs)
- Performance over the target



FCC 5-year turnaround in 2014

- Completion 3 days ahead of schedule and within budget
- Strong operating performance



Versalis Acquisition in 2014

- Complex deal completed within schedule overcoming potential roadblocks
- Smooth transition and good operating performance



6 ...and a series of new initiatives to further unlock shareholder value

Acquisition of Versalis petrochemical plants

- **Benefits expected from the acquisition in excess of EUR 10 ml of EBITDA/y, due to:**
 - ✓ Maximisation of naphtha runs in reforming unit, to exploit a ~100 \$/ton of gasoline premium
 - ✓ ~15% increase of propylene splitter throughput to maximize yield of Polymer Grade Propylene
 - ✓ Optimisations of production cycles and energy integration
 - ✓ Cost optimisations (procurement, material management, 3rd party services, etc.)
 - ✓ Further potential from the possible direct sales of upgraded of petchem feedstock
- **No significant CAPEX required on the units acquired**

"SCORE Project" Performance Optimization

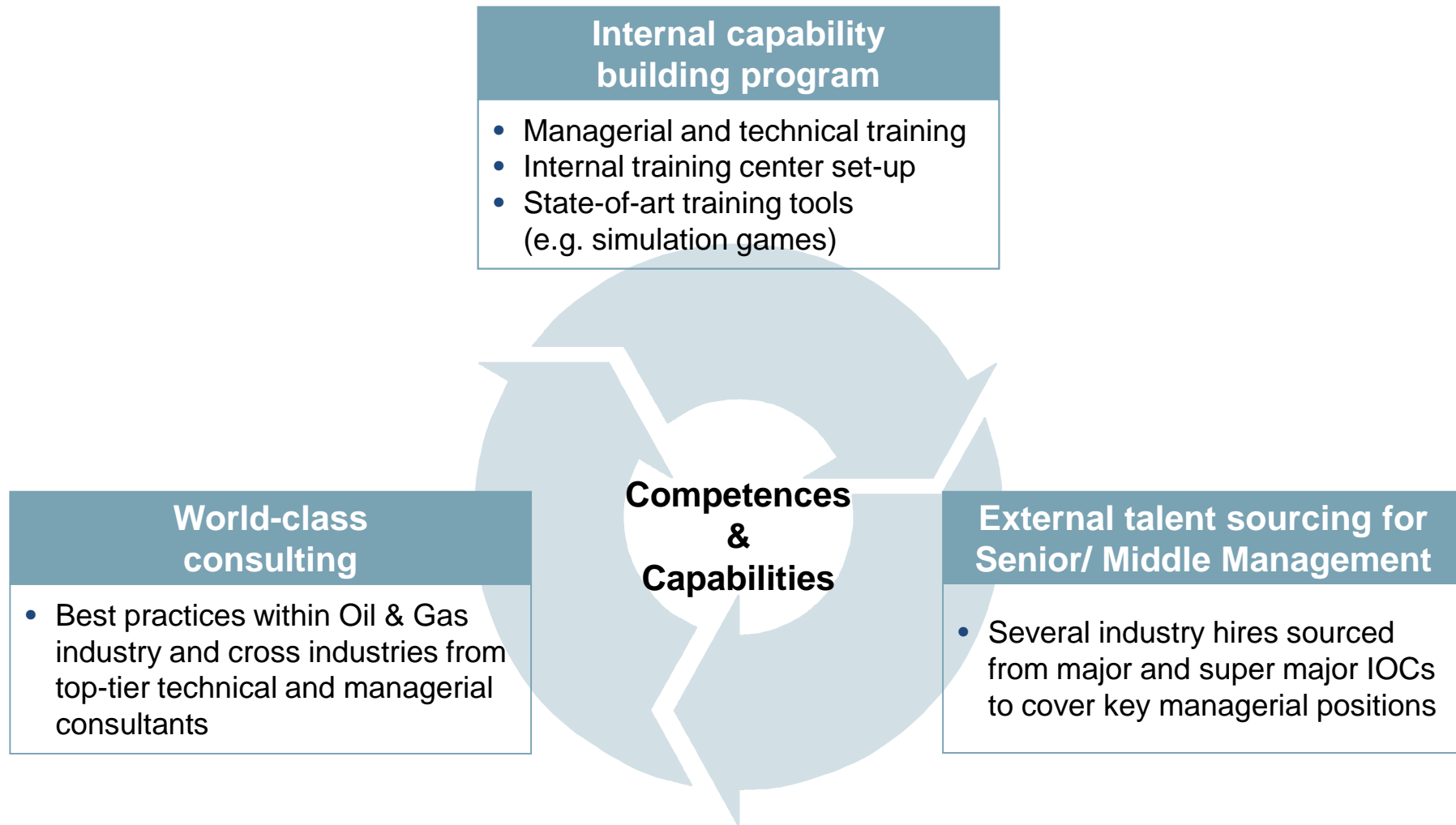
- **Higher integration and economic driven optimization of supply chain and refinery processes**
 - ✓ To boost optimization decision making and rationalisation of assets / models

Trading Unit in Geneva

- **Front office specialization in the trading activities in Geneva, a key European hub**
 - ✓ Proximity to the key players in oil trading / deals opportunities generators
 - ✓ Better access to specialized workforce and timely information

Continuous strengthening of Saras' capabilities

- **Internal capability building program**
- **External talent sourcing for Senior / Middle Management**
- **World-class consulting**

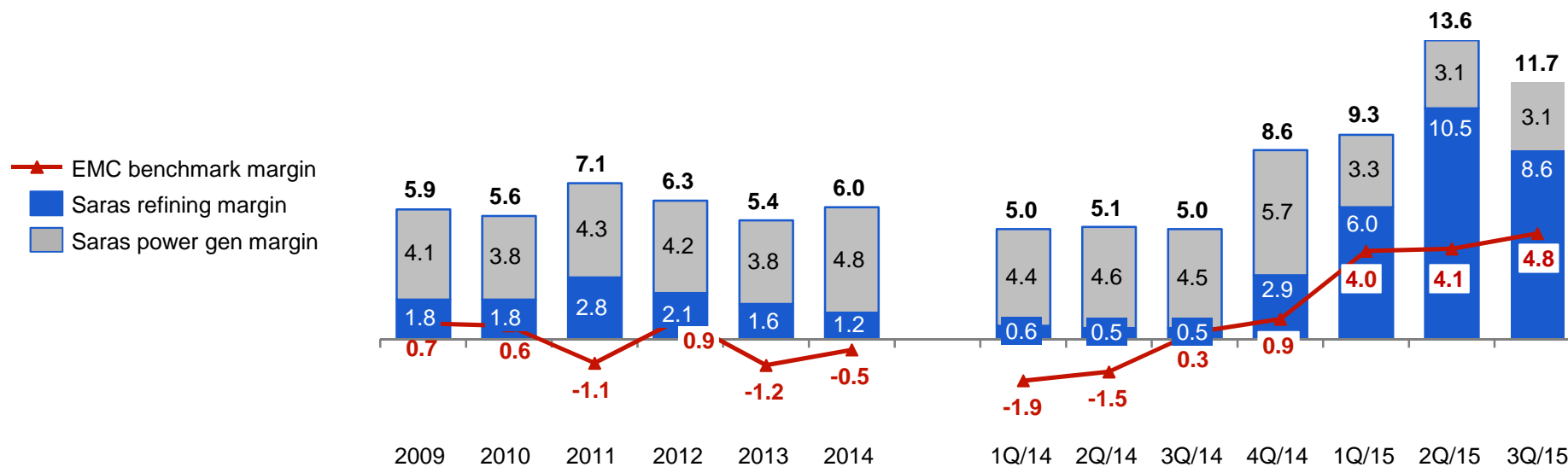


The skills and the commitment of the resources are key factors in establishing competitive performance levels



Saras margin has a significant premium over the EMC benchmark

Saras margins and EMC benchmark (\$/bl)



Refinery margins: (comparable Refining EBITDA + Fixed Costs) / Refinery Crude Runs in the period

IGCC margin: (Power Gen. EBITDA + Fixed Costs) / Refinery Crude Runs in the period

EMC benchmark: margin calculated by EMC (Energy Market Consultants) based on a crude slate made of 50% Urals and 50% Brent

Saras strengths, together with robust market fundamentals, support expectations for strong profitability



Improvement initiatives



Development Capex: low risk investments with quick returns

Initiatives	Selected examples	EBITDA (Steady state) (M€)	Capex (Total) (M€)	Payback (Simple) (years)
Logistics upgrade	Initiatives to improve site flexibility			
	• 2 upgrades of <u>jetty</u> to accommodate larger vessel ¹	5	8	1.5
	• Upgrade of crude <u>oil lines</u> to increase flexibility	4	9	2.0
	• Increased crude <u>oil storage capacity</u>	11	40	3.5
Northern plants improvement	Initiatives to optimize Pet Chem units			
	• Power station <u>turbine upgrade</u>	5	5	1.0
	• Increased <u>hydrogen recovery</u>	7	13	2.0
	• Revamping of main <u>petrochemical plants</u> ²	12	20	1.5
Southern plants improvement	Initiatives to optimize production levels and hydrogen network			
	• FCC <u>oxygen enrichment</u>	2	3	1.5
	• <u>Chiller</u> for LPG recovery on fuel gas network	8	24	3.0
	• Other smaller investments	3	7	2.5
Total		57	~130³	~2.5

1. Including upgrade of island berth to 80k DWT diesel and P3 jetty to 75k DWT gasoline ; 2. Including BTX and splitter;

3.Total investment in business plan 16-19 ~179 M€; not included investments without additional EBITDA (e.g. backlog from previous years) and included investment post 2019



Energy Efficiency: combination of investment opportunities and further operational improvements

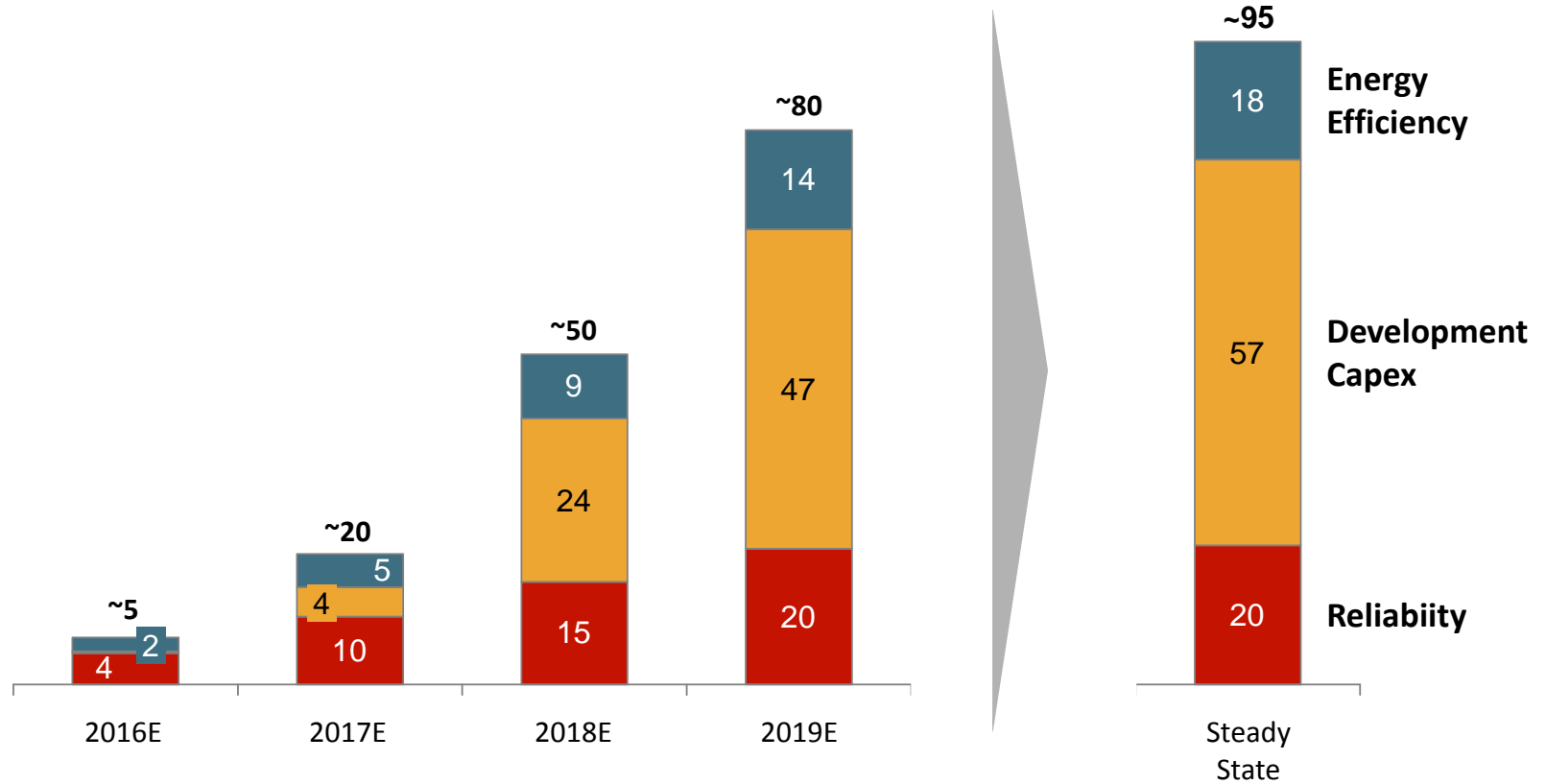
Initiatives	Selected examples	EBITDA (Steady state) (M€)	Capex (Total) (M€)	Payback (Simple) (years)
New investments	Fuel consumption decrease through hot streams recovery in Northern Plants	3	4	1.5
	Technological upgrades of air coolers	2	4	2.0
	Steam consumption reduction through integration in Southern plants: <ul style="list-style-type: none"> Between Topping and Desulfurization Between MHC2 and TAME 	3	10	3.5
	Substitution of CCR heat exchanger with Packinox	1	4	4.0
Sub total		9	22¹	~ 2.5
Operational improvements	Improve steam management across the site: <ul style="list-style-type: none"> Campaign to reduce losses and dis-optimization 			
	Increased focus on heat exchangers' efficiency	9	n.a.	n.a.
	Improved energy performance tracking / control <ul style="list-style-type: none"> To enhance combustion efficiency in furnaces 			
Total		18	~22¹	n.a.

1. Total investment in business plan 2016-2019 ~23 M€; not included investments without additional EBITDA (vs current status and required in any case i.e. replacement of CCR heat exchanger of ~3M€) and included investment post 2019



Expected value to be delivered through the new improvement initiatives

Impact of improvement initiatives on Group EBITDA (M€)



Energy Efficiency and Development Capex detailed in following slides

Note: Steady state reached with all the initiatives implemented



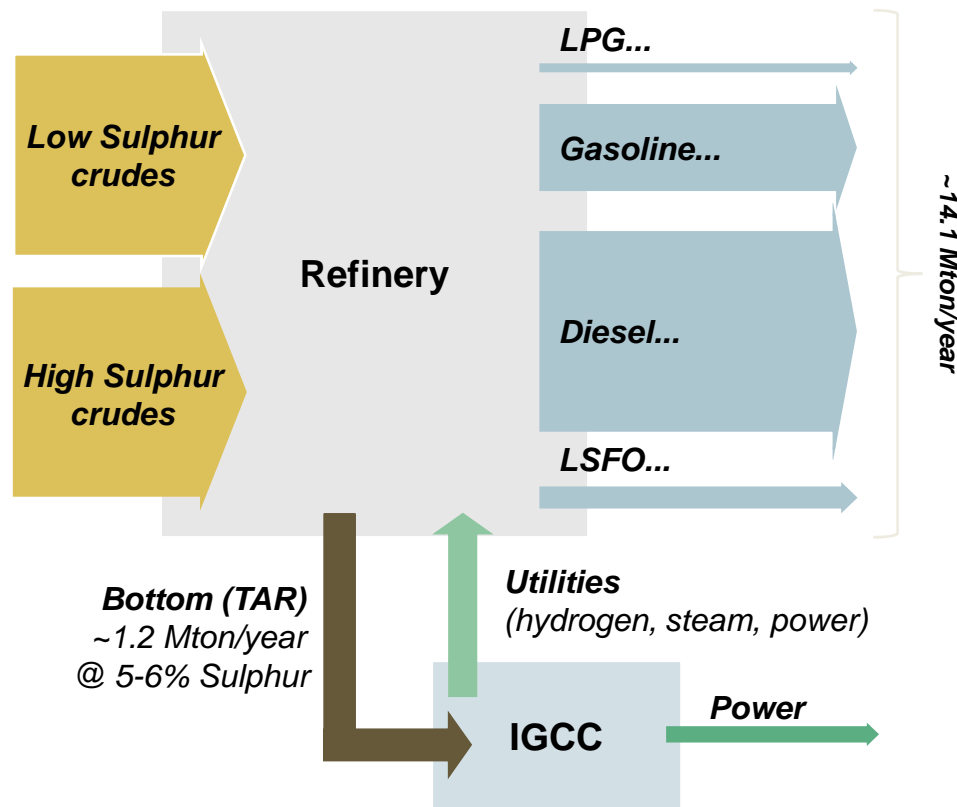
Mid-term site options



IGCC plant is fundamental to ensure bottom-barrel conversion

Sarlux site configuration

IGCC role



IGCC processes High Sulphur (HS) crudes "bottom-of-barrel" and has 3 main outputs:

- Power
- Hydrogen
- Steam...

...making the IGCC very important even after expiry of the CIP6 scheme

- Instrumental to economically process HS crudes and to fully exploit the site assets
- Hydrogen and steam production are necessary for refinery operations
- ~1TWh of power production will be self-consumed to further reduce exposure to power market

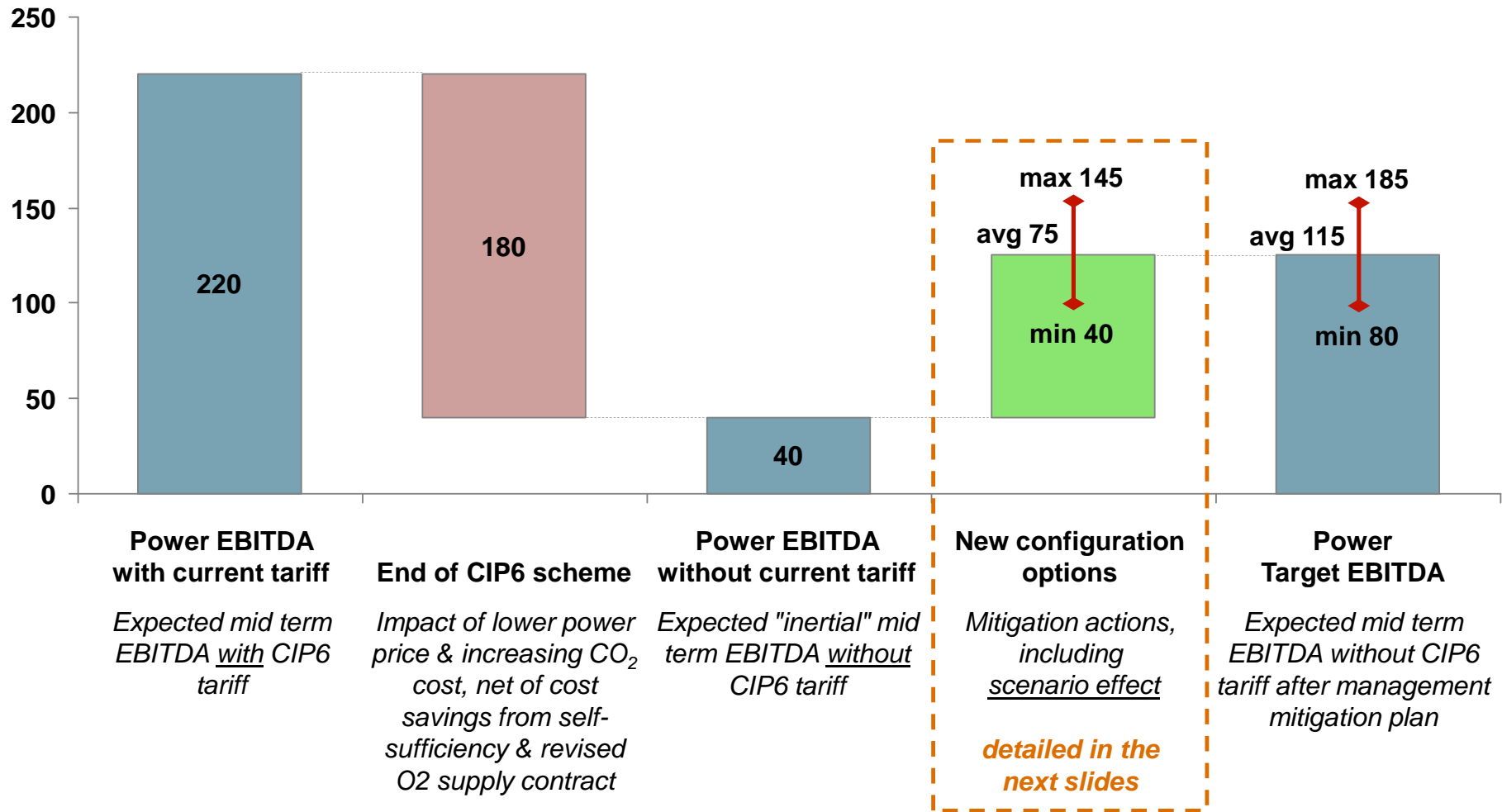
The IGCC operational flexibility will be exploited with an integrated perspective

Note: Arrow width proportional to material flow size, plant surfaces proportional to Nelson Complexity Index. Semifinished products not shown



EBITDA reduction after CIP6 expiry can be significantly mitigated

Mid term Power EBITDA (M€)





Moderate investments sufficient to enable sustainability and future flexibility

Invest the "right" amount to ensure sustainability and maximize company evaluation

- Allow for **future flexibility** in the mid term configuration options

Visbreaking revamp



170M€ CAPEX

Bitumen facilities



60M€ CAPEX

0.5% LSFO bunker



no CAPEX

Investment decisions to be taken in 2018

The current site configuration is robust under different scenarios and hence shareholders investment in a heavy conversion unit is not necessary



Saras can flexibly and effectively react to envisaged market scenarios

Configuration

Refinery runs

Crude slate vs. 2015

Product output (%)

Light & Mid ¹
Heavy ²
IGCC feed

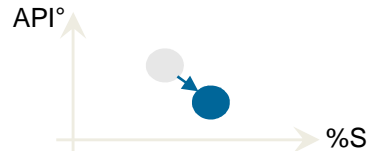
IGCC config. (Power prod, TWh)



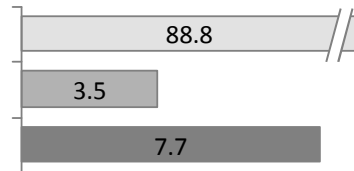
"Oil driven"

- Lower oil price (50\$/bbl)
- Robust Cracks back
- Reduced HS³ discount
- Tolerant EU CO2 policy
- Lower power tariff

15.3 Mt/y



Heavier and sour slate



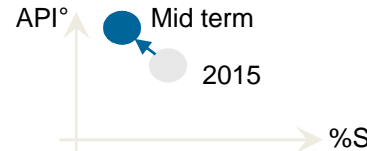
~1.0TWh self consumed
+ ~3.6 TWh sold



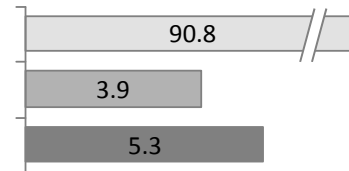
"In the Middle" (in continuity with Business Plan)

- Limited oil rebound (85\$/bbl)
- Crack in line with Plan
- Bitumen at wide discount
- CO2 policy sensitive to EU economic growth
- Power tariff at historical levels

15.0 Mt/y



Lighter /sweeter slate



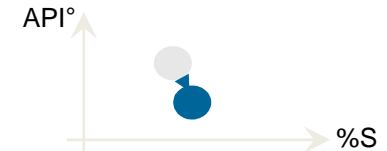
~1.0TWh self consumed
+ ~1.8 TWh sold



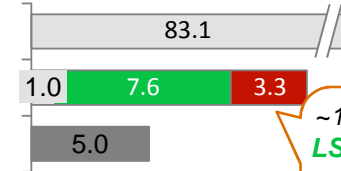
"Environmental Push"

- Lower HSFO price, while Bitumen price stable
- Wider discount on HS³
- New 0.5%LSFO for bunker use
- Strict EU emission policy: high CO2 cost

15.2 Mt/y



Heavier & slightly sourer slate



~1.0TWh self consumed
+ ~1.8 TWh sold

~1000÷1500kt/y
LSFO 0.5% and
up to 500kt
Bitumen
production





1. LPG, Gasolines, ULSD, GO 0.1%; 2. Fuel Oil, Slurry, Bitumen 3. Heavy Sour Crudes



Saras Trading SA



4 areas to fully exploit supply chain opportunities

	Area	Details
	Blending non-standard crudes	Exploit synergies among heavy sour, acidic and heavy condensate grades
	Continuous sourcing of new crude markets	Increase the variety of feedstock / crudes (~40 processed in the last 12 months vs ~15 in 2010)
	Dynamic supply & re-optimization	Promptly react to market changes and re-optimize crude runs
	Exploiting product specs variety/niches	Advanced finished product blending to target specific new / niche markets



Saras Trading SA will fully exploit Saras S&T strengths

Saras' S&T strengths

- 1 Broad Network of Counterparts
- 2 Solid Reputation
- 3 Flexible Physical Assets
- 4 Consolidated Know-how

The new company in Geneva is an **Enabler of the Supply Chain integration...**

... with the additional benefit of entering the **pure trading business, leveraging on history and people**

Expected Benefits





Proximity to key players in the oil trading business and availability of skills

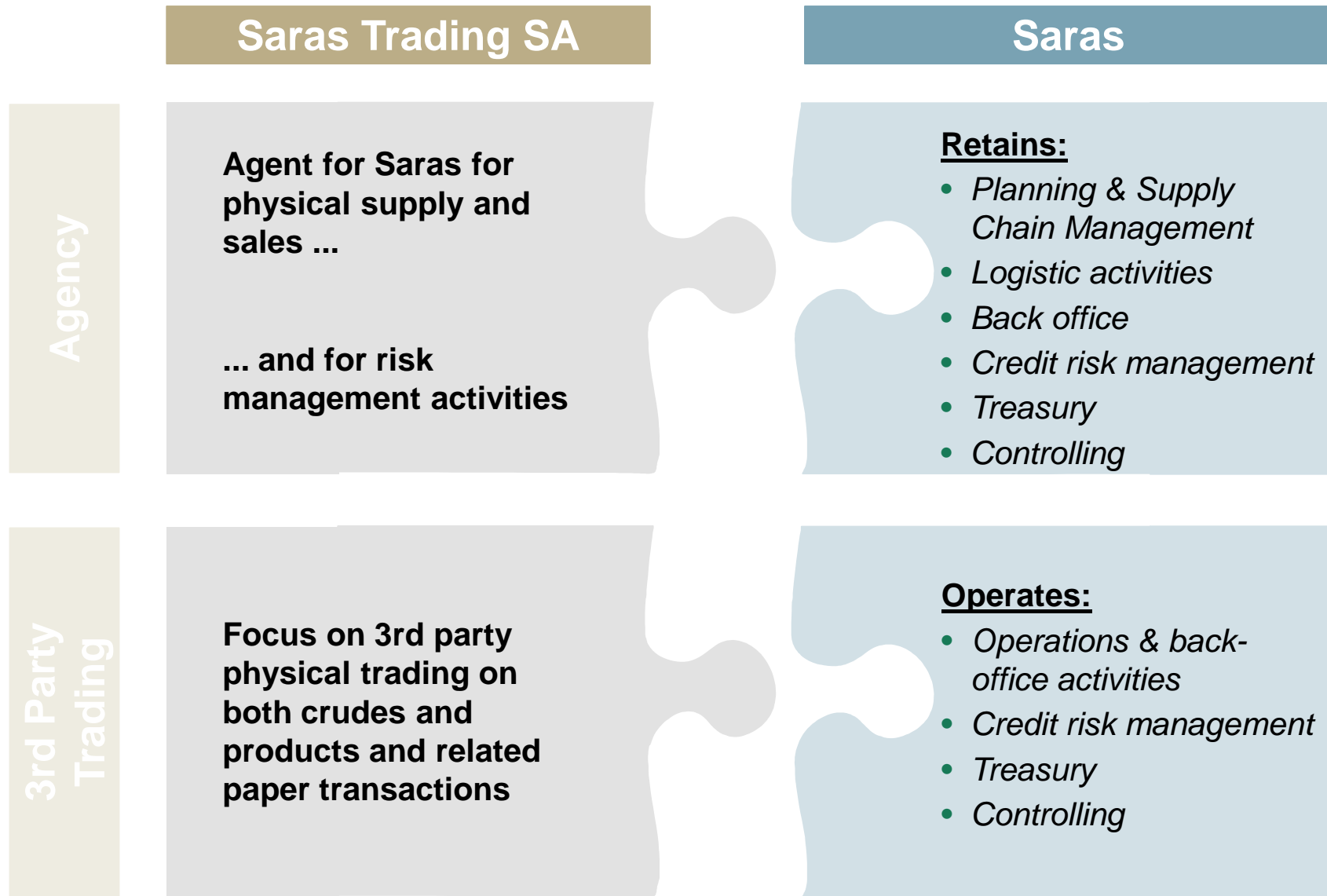


35% of the World's oil is traded in Geneva



Saras Trading SA with **dual role**

Agent to maximize refining results and 3rd party trader to bring in additional earnings





Trading activities built around a **strong history of commercial relationships**

Crude trading

- **Wide supplier base worldwide** (80+ counter-parties) and **Long Term relationships** with main oil producers worldwide



- **Consolidated expertise in heavy/sour crude + growing expertise in African grades**

Products trading

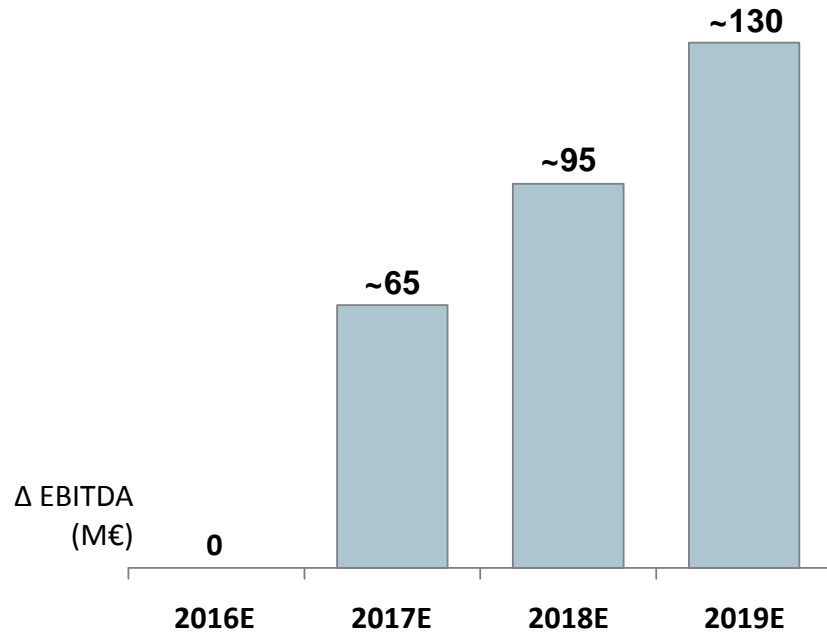
- **Deep knowledge about the Med market**
- **Wide customer base** (100+ counterparties)
- **Major player in clean products market**
 - 11+ Mton/year marketed of Diesel & Gasoline
 - Arbitrage opportunities with Far Eastern, US and Russian producers
- **Diesel and Gasoline supply contracts with Majors, NOCs and Traders...**
- **Logistic network in Italy and Spain**
 - ~20 depots in Italy and Spain
 - Supply optimization agreements with IOCs
 - Well positioned to cover growing shorts in Italy

The network originally developed with the aim of optimizing the refining operations can now be fully leveraged

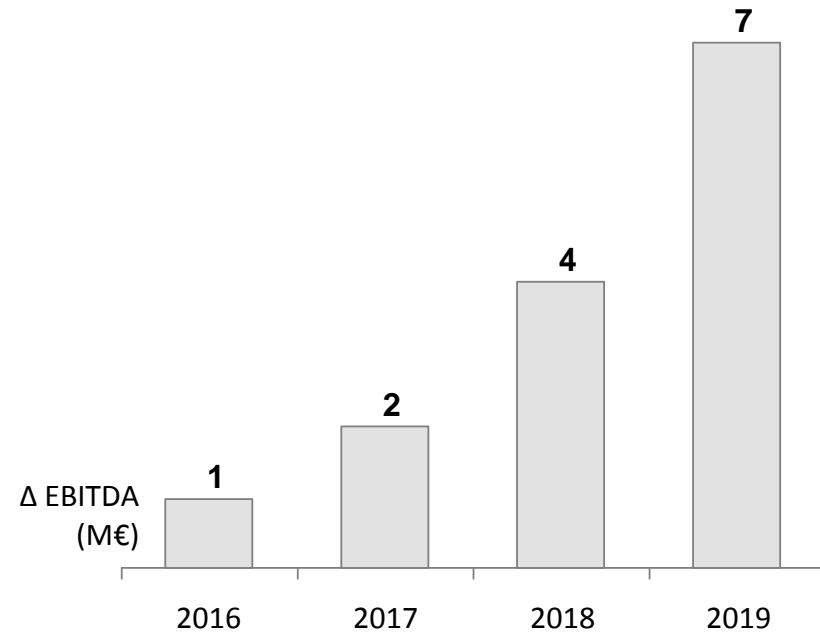


Expected benefits from Saras Trading SA

Enabler of Supply Chain integration
~130M€/y EBITDA in 2019



Additional contribution by 3rd party trading
~7M€/y EBITDA in 2019



Selected new skills and resources to enhance the trading team, advanced risk management and trading tools to support growing activities

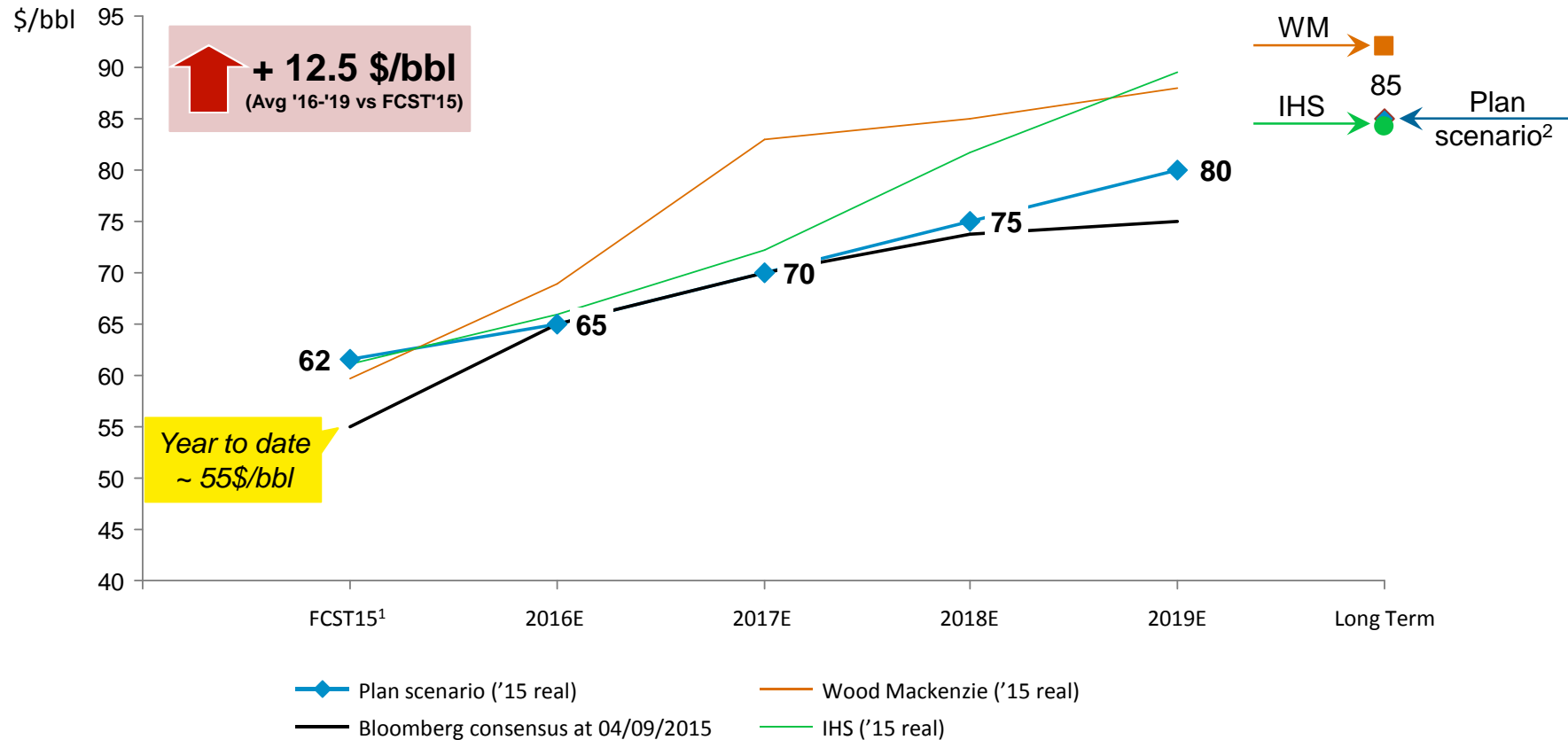


Business Plan 2016 – 2019



Brent price in line with latest Bloomberg Consensus Main assumption of Business Plan Scenario (I/V)

Brent dtd price (\$/bbl)



1. Based on document "Gruppo Saras Risultato Gestionale Confronto Forecast vs Budget 2015 C.d.A. 6 Agosto 2015"

2. Plan scenario bases on IHS, Wood Mackenzie and Bloomberg Consensus

Note: All financial figures in the business plan are expressed in a comparable basis

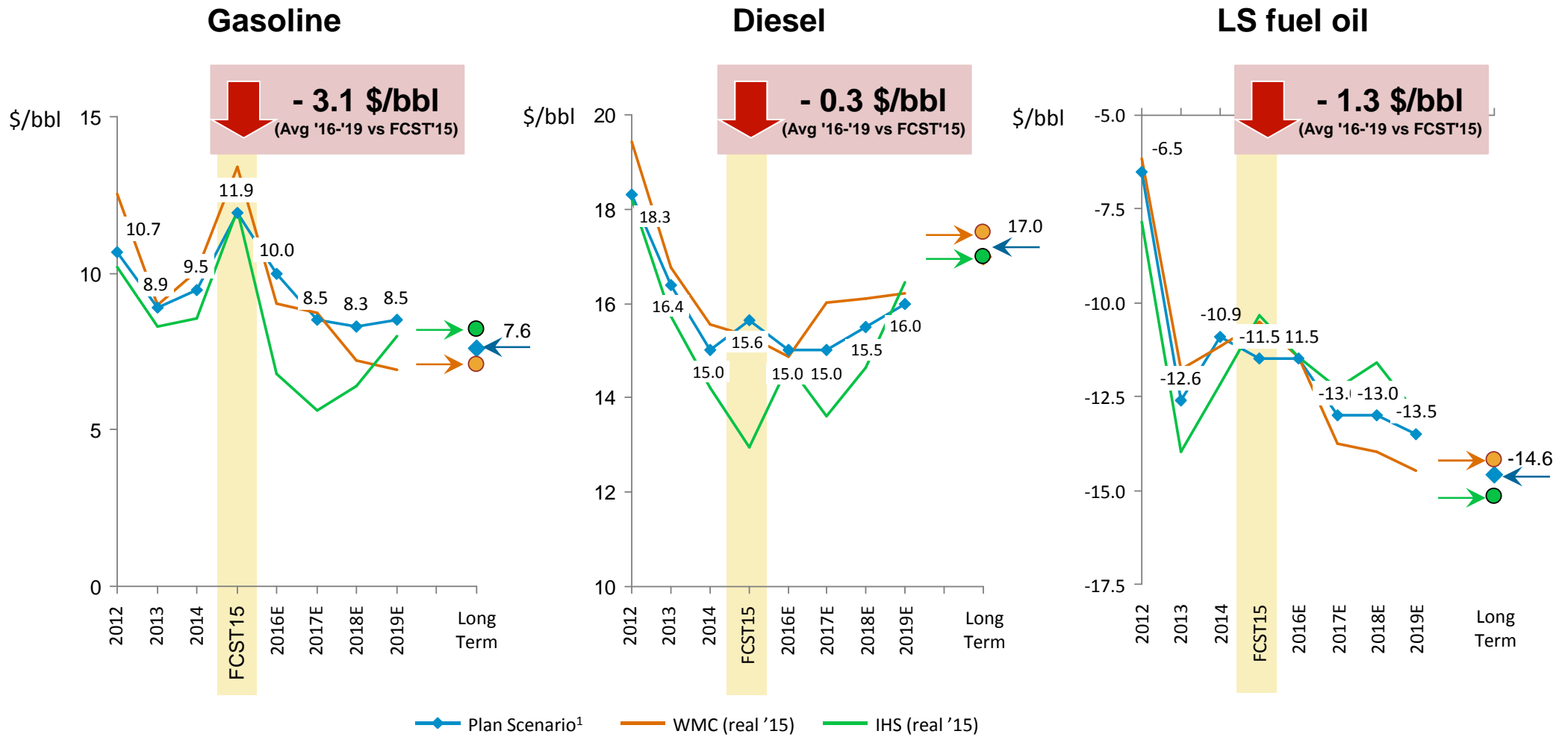
Source: Wood Mackenzie and IHS (July 2015); Bloomberg (September 2015) for consensus



Crack spreads in line with prevailing market forecast

Main assumption of Business Plan Scenario (II/V)

Crack spread FOB MED - (\$/bbl)



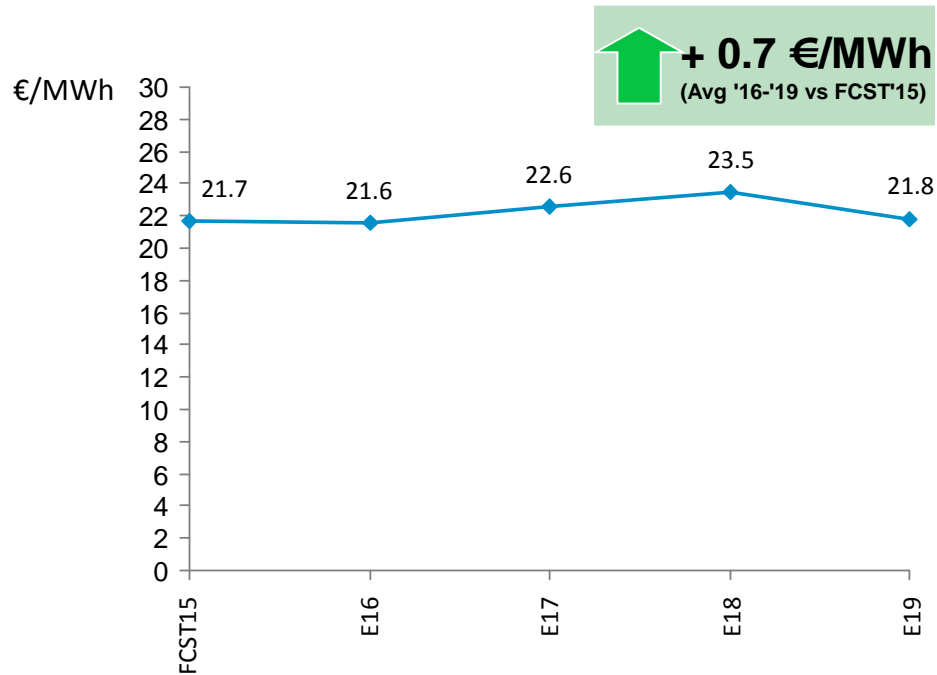
1. Plan Scenario based on IHS, Wood Mackenzie
 Note: Real values at 2015
 Source: Wood Mackenzie and IHS (July 2015)



Gas TTF & exchange rate €/€/\$

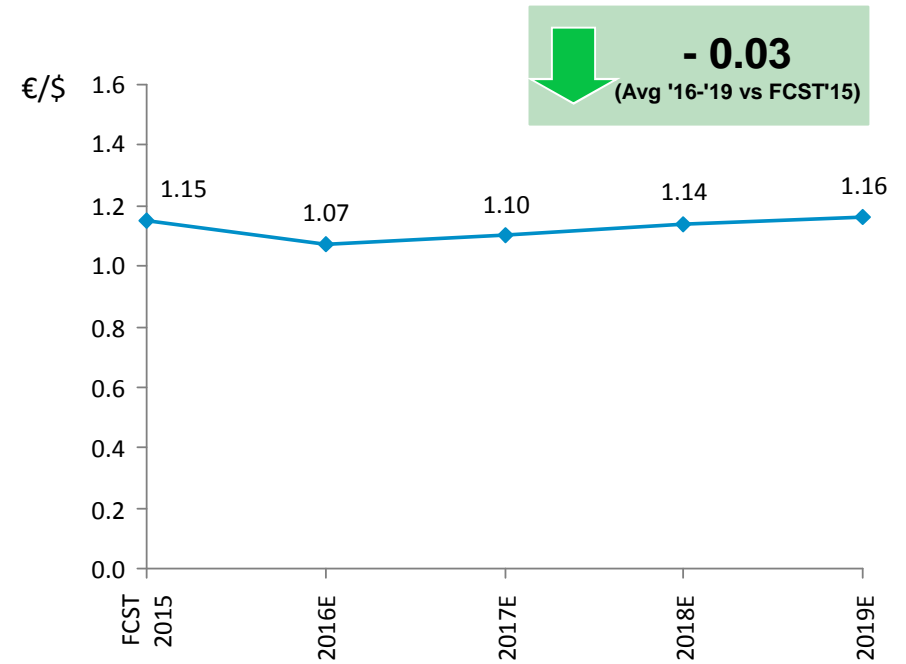
Main assumption of Business Plan Scenario (IV/V)

Gas TTF (€/MWh)¹



Source: Pöyry (TTF)

Exchange rate (€/€/\$)



Source: Reuters Poll

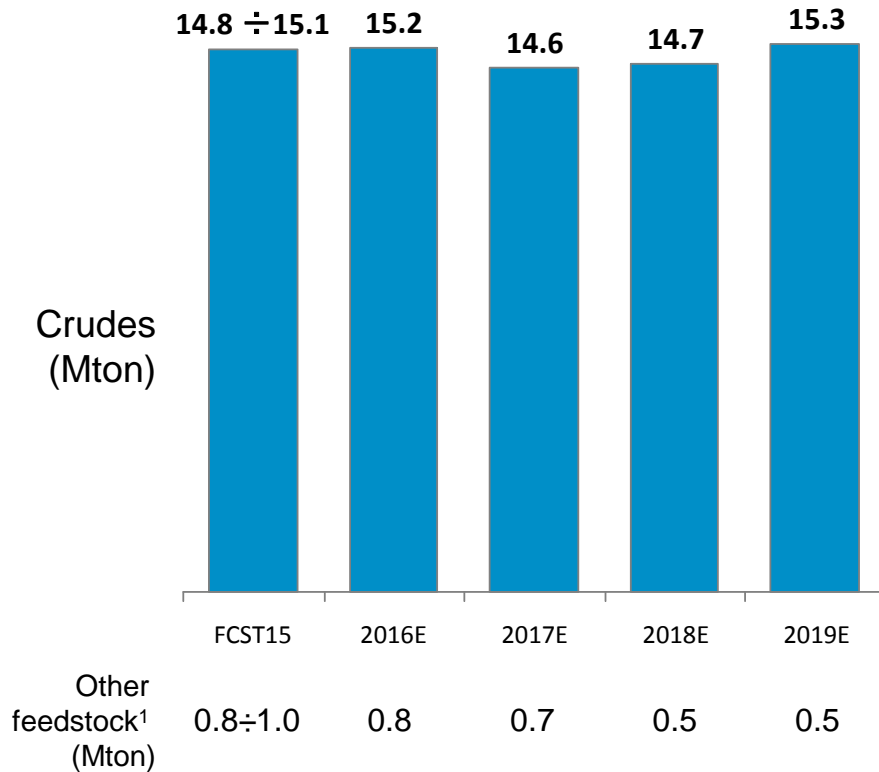
1. Real values (2015 €/MWh)



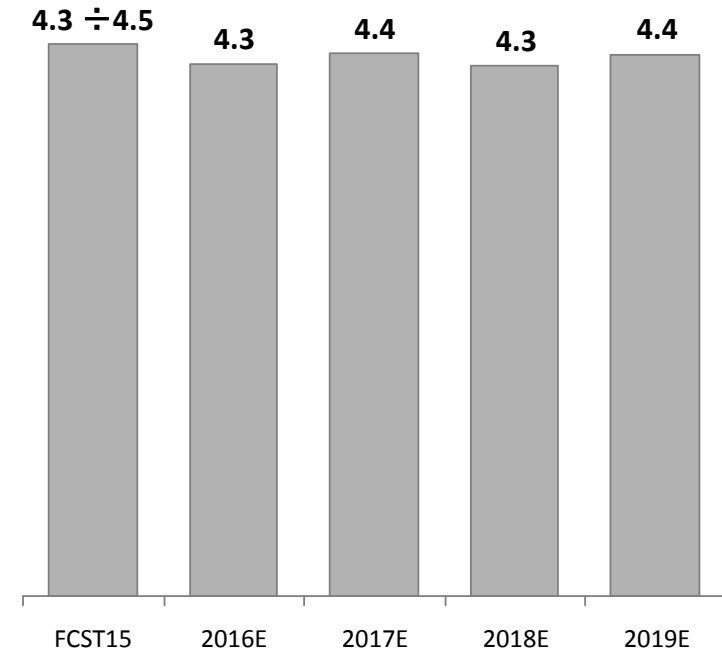
High production levels driven by Plan' scenario

Main assumption of Business Plan Scenario (V/V)

Refinery crude runs (Mton)



Power generation (TWh)



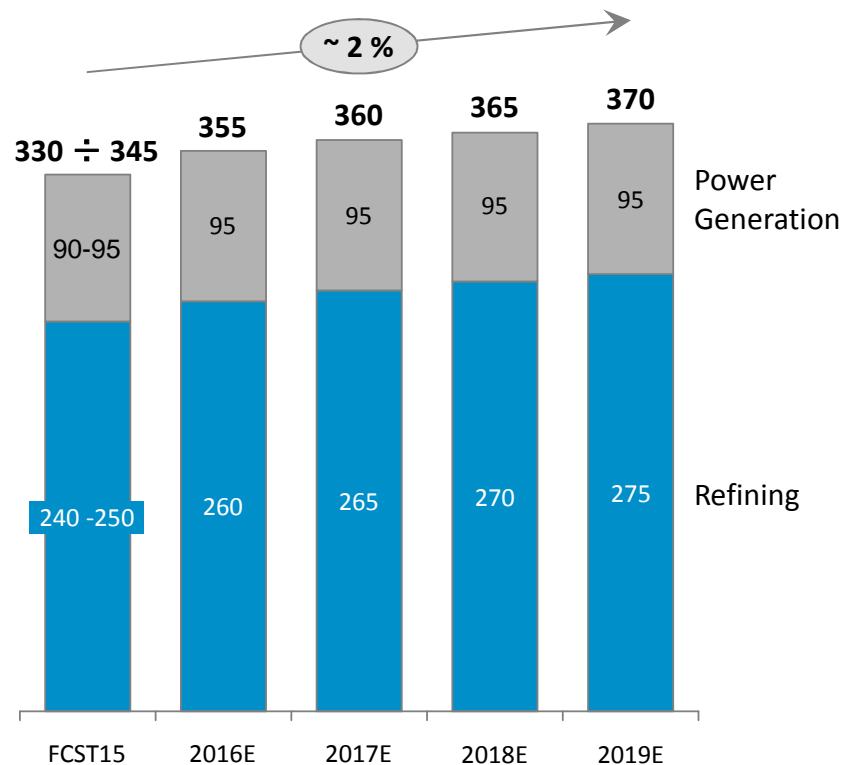
Year on year variations mainly due to maintenance

1. Includes: HVGO HS, Straight run LS and reforming feed



Fixed costs trend linked to the achievements of business plan targets

Refining & Power fixed costs (M€)



We project a modest increase in fixed cost base ...

...driven by slightly higher maintenance costs to improve reliability ...

- In a healthy margin environment, positive trade-off of gross margin vs. maintenance costs

... by increase in environmental requirements ...

... and a incentive scheme for our employees

- Linked to achievement of planned targets

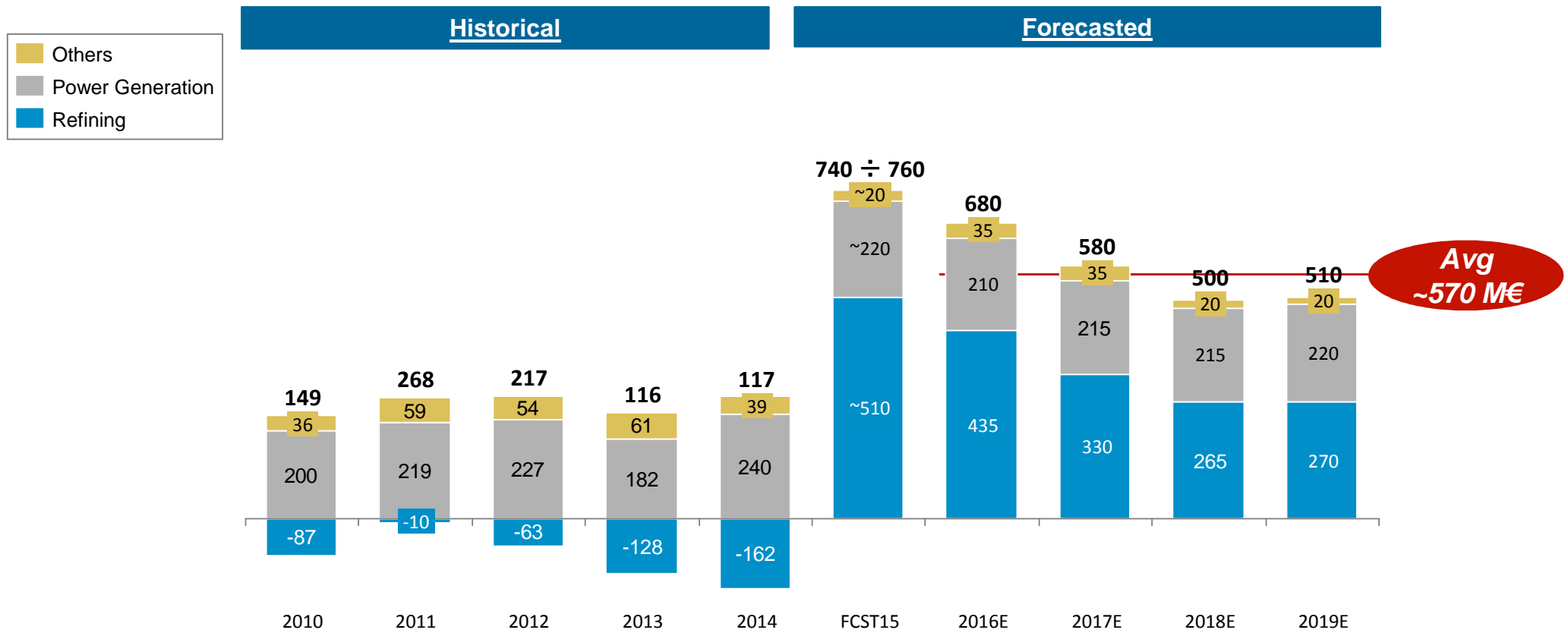
Proven capability to react to scenario's changes keeping costs basically flat

- Review of expenditure priorities
- Labor cost



"Inertial" projection of scenario conditions lead to ~570 M€/y of EBITDA

Group EBITDA (M€)

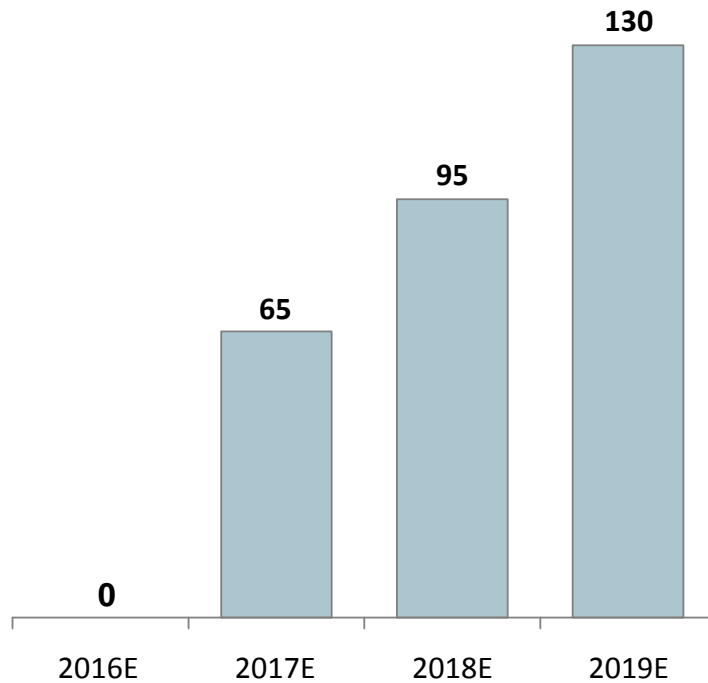


Inertial EBITDA does not include Supply Chain Integration & Improvements Initiatives

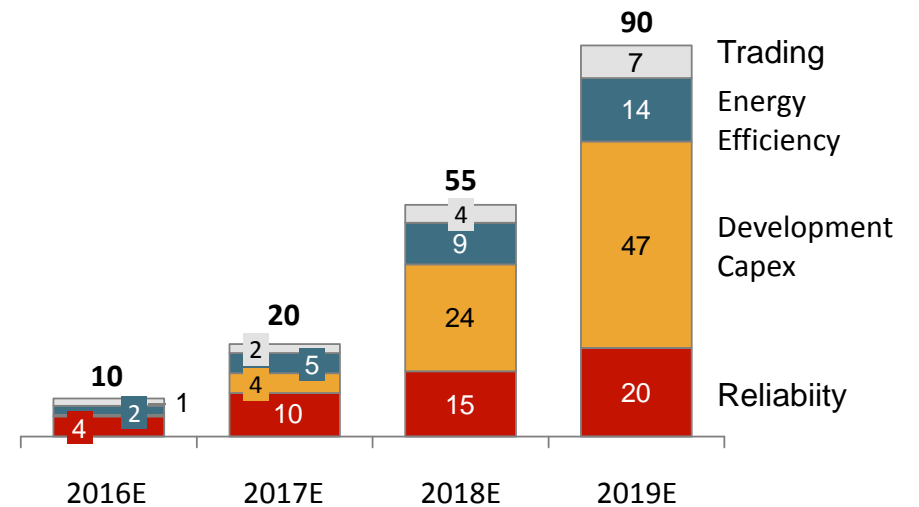


Strong results from Supply Chain Integration & Improvements Initiatives

~ 130 M€/y EBITDA driven by Supply Chain Integration ...



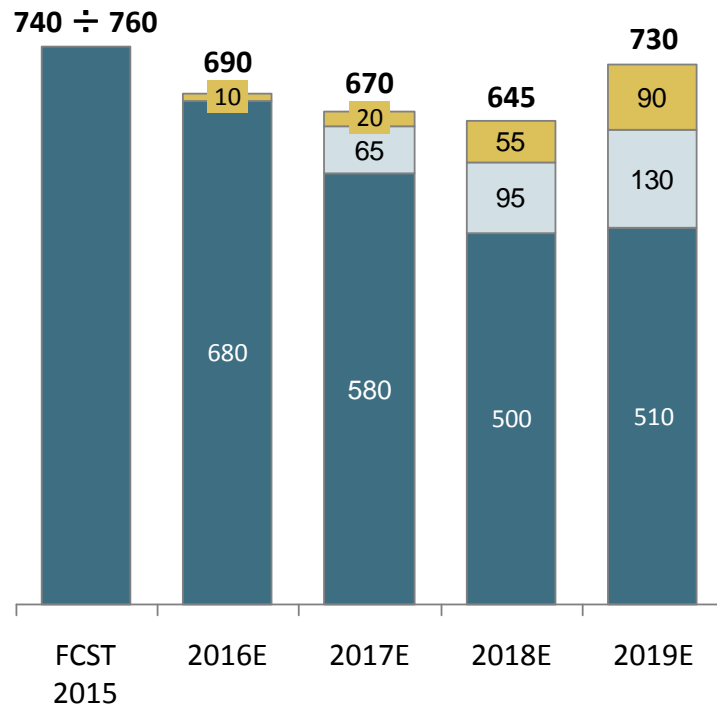
... ~ 90 M€/y EBITDA driven by the Improvement Initiatives



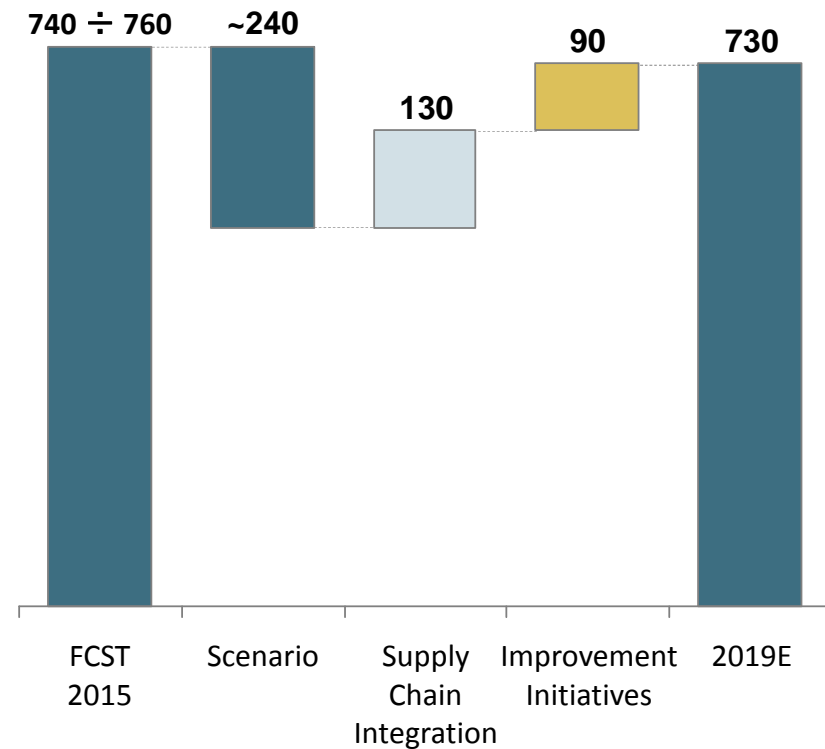


Overall ~730 M€ of Group EBITDA in 2019

Group EBITDA evolution with Supply Chain Integration & Improvement Initiatives



Main components of Δ Group EBITDA '15-'19



"Inertial" **Supply Chain Integration** **Improvement Initiatives**





Other segments

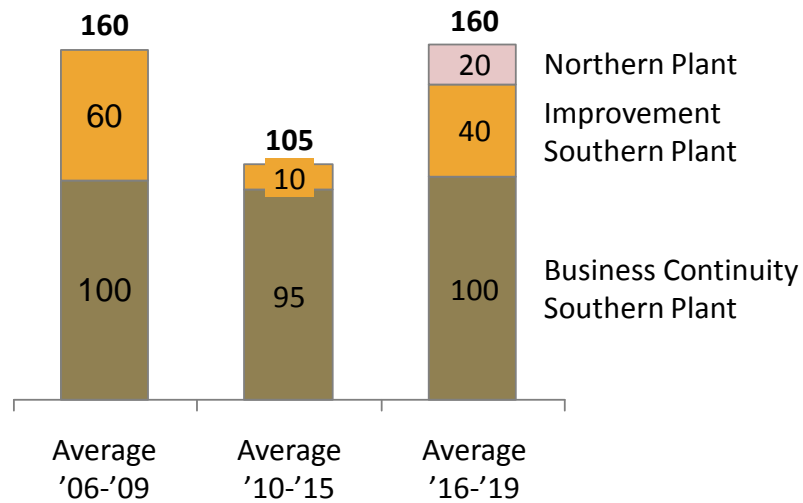
Segment	EBITDA (M€)	Comments												
Marketing	<table><thead><tr><th>Year</th><th>EBITDA (M€)</th></tr></thead><tbody><tr><td>FCST15</td><td>0 ÷ 2</td></tr><tr><td>2016E</td><td>10</td></tr><tr><td>2017E</td><td>10</td></tr><tr><td>2018E</td><td>10</td></tr><tr><td>2019E</td><td>11</td></tr></tbody></table>	Year	EBITDA (M€)	FCST15	0 ÷ 2	2016E	10	2017E	10	2018E	10	2019E	11	<ul style="list-style-type: none">In 2016 expected EBITDA recovery in line with 2H2015 level
Year	EBITDA (M€)													
FCST15	0 ÷ 2													
2016E	10													
2017E	10													
2018E	10													
2019E	11													
Wind	<table><thead><tr><th>Year</th><th>EBITDA (M€)</th></tr></thead><tbody><tr><td>FCST15</td><td>~22</td></tr><tr><td>2016E</td><td>22</td></tr><tr><td>2017E</td><td>22</td></tr><tr><td>2018E</td><td>6</td></tr><tr><td>2019E</td><td>5</td></tr></tbody></table>	Year	EBITDA (M€)	FCST15	~22	2016E	22	2017E	22	2018E	6	2019E	5	<ul style="list-style-type: none">EBITDA negatively affected by expiring incentives on ~80% of production in 2018Assessing opportunity to develop additional ~25-45MW power in Ulassai
Year	EBITDA (M€)													
FCST15	~22													
2016E	22													
2017E	22													
2018E	6													
2019E	5													
Other (Sartec)	<table><thead><tr><th>Year</th><th>EBITDA (M€)</th></tr></thead><tbody><tr><td>FCST15</td><td>0 ÷ 1</td></tr><tr><td>2016E</td><td>2</td></tr><tr><td>2017E</td><td>2</td></tr><tr><td>2018E</td><td>2</td></tr><tr><td>2019E</td><td>2</td></tr></tbody></table>	Year	EBITDA (M€)	FCST15	0 ÷ 1	2016E	2	2017E	2	2018E	2	2019E	2	<ul style="list-style-type: none">Stable EBITDA levels maintaining focus to guarantee high internal service levels and exploit potential non captive upsides
Year	EBITDA (M€)													
FCST15	0 ÷ 1													
2016E	2													
2017E	2													
2018E	2													
2019E	2													



2016-19 investments plan

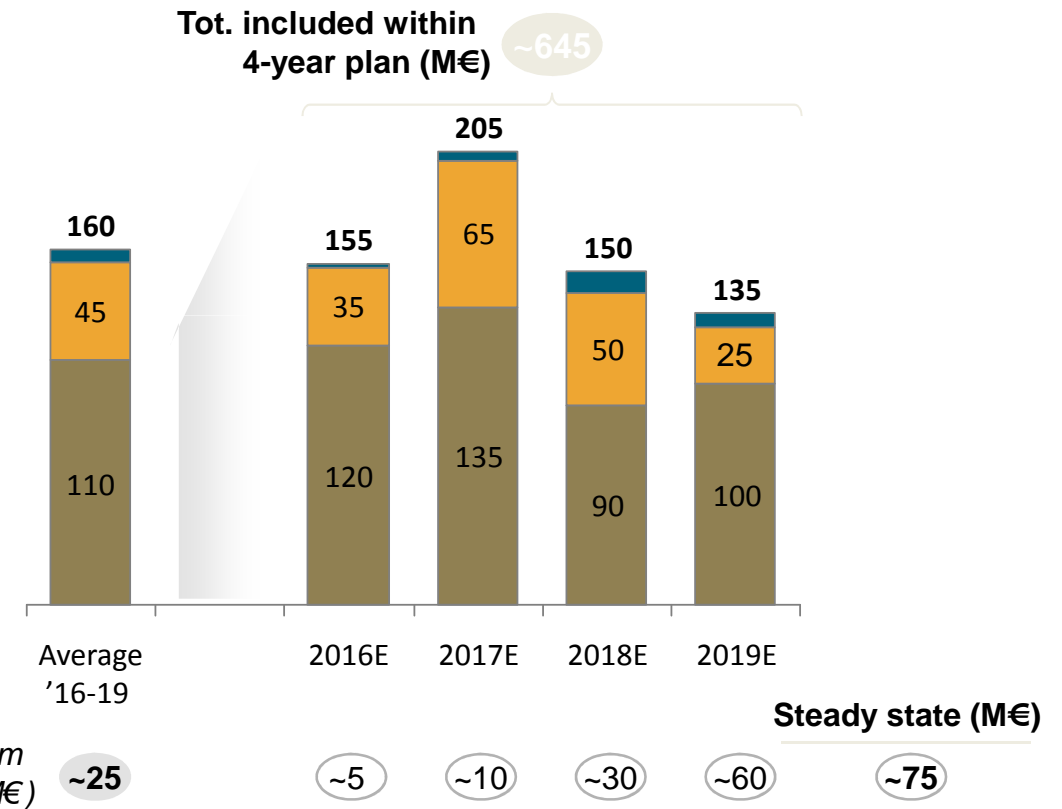
Capex in line with '06-'09 average...

Capital expenditure, M€/year



...to support business continuity and high return development initiatives

Capital expenditure, M€/year



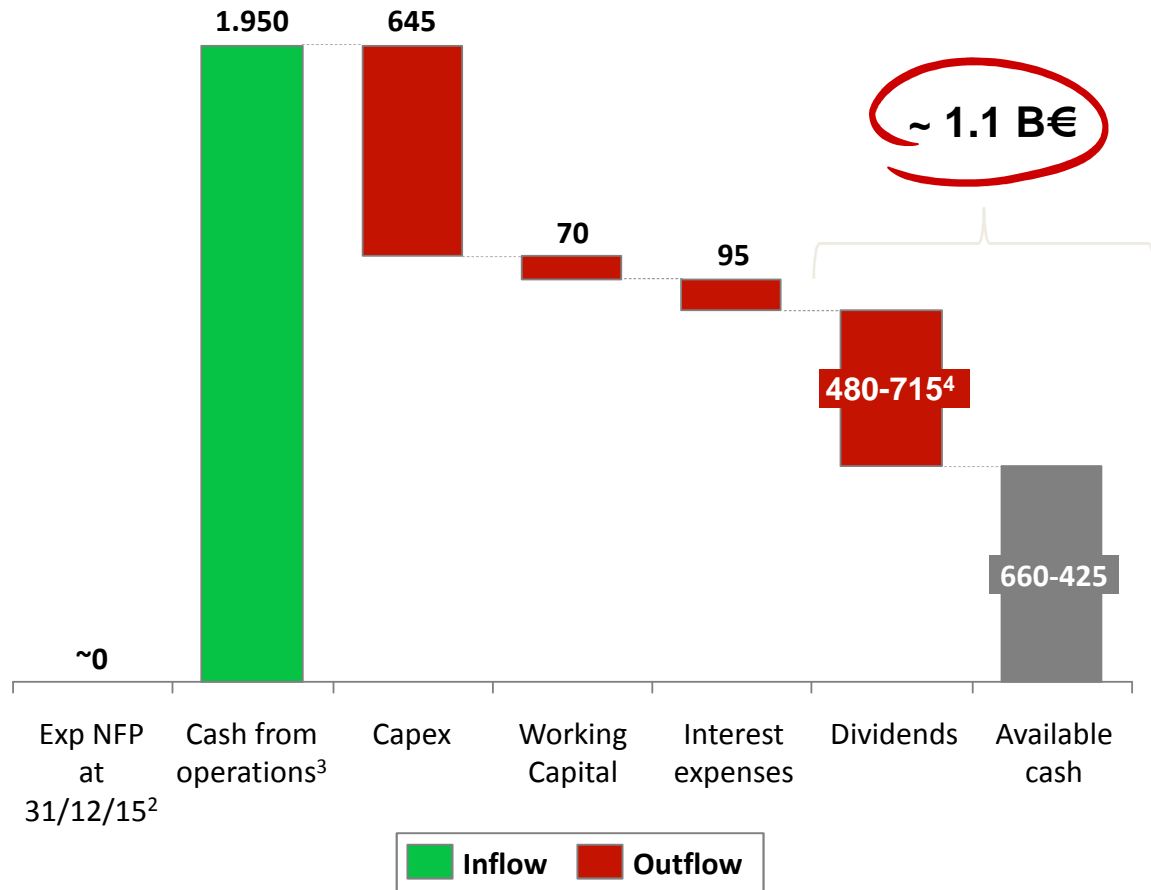
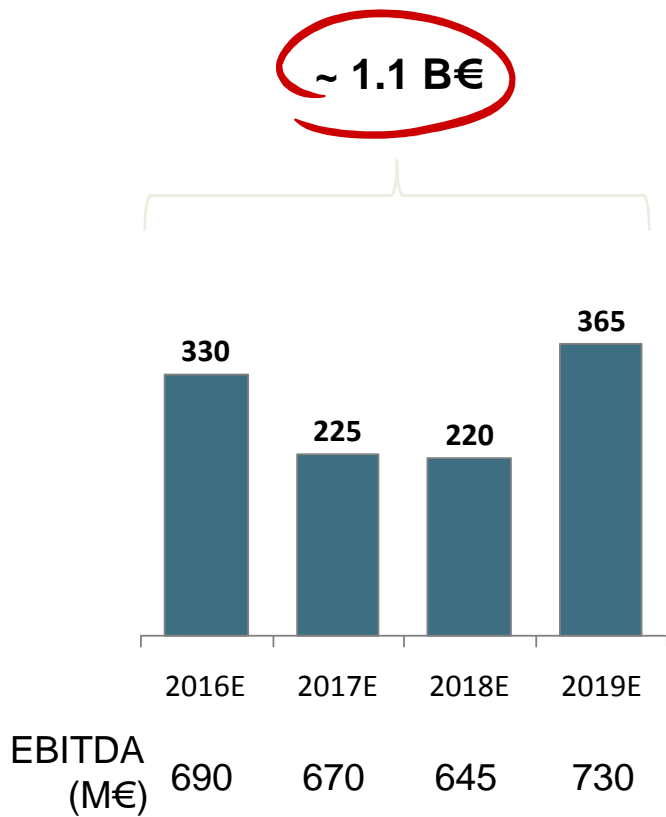
■ Energy efficiency
 ■ Development capex
 ■ Business continuity Northern/Southern Plant



~1.1 B€ of cash generated between 2016 and 2019

Annual cash flow¹ (M€)

Sources and usage of cash – cumulative '15-'19 (M€)



1. Cash flow after investments and interest payments, before dividend distribution;
 2. Based on conservative assumptions, after reduction of Trade Payables related to Iran;
 3. Cash flow from operations = EBITDA – Linearization effect on Power Generation – cash taxes;
 4. 40%÷60% of estimated Adjusted Net Income based on current policy



Deep dive on Saras segments

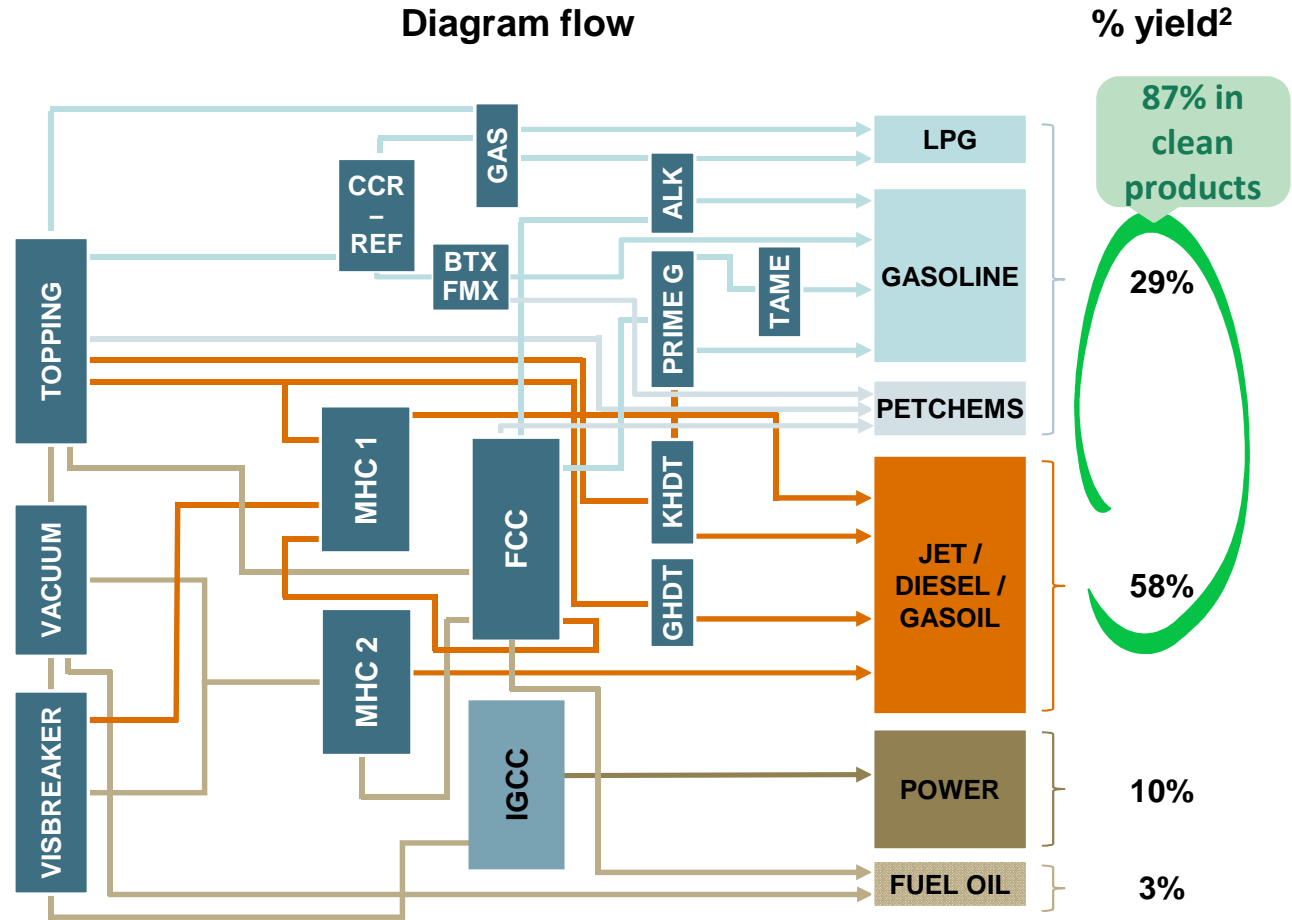
- **Refining**
- Power Generation
- Marketing
- Wind Energy

Group Financials



Complex and well balanced refinery configuration

Key units	# units	Total cap. (kb/d) ¹
TOPPING	3	300
VACUUM	2	105
VISBREAKER	1	41
FCC Fluid Catalytic Crack.	1	90
MHC Mild Hydrocraker	2	120
CCR & REFORMER	2	50
Power Gen (IGCC)	3	20



**High conversion to high-value products:
Petrochemicals, Gasoline, Diesel and Power**

1. Calculated using calendar days
Note: Product Yields are calculated net of consumptions & losses



~4M cm of tank farm capacity and 13 berths



Tank Farm

	#	k cm	k bl
Crude	13	1,290	8,127
Gasoline	60	1,000	6,300
Kerosene	11	114	718
Gasoil	35	694	4,372
Fuel Oil & feedstock	33	885	5,575
LPGs	47	72	454
Total	199	4,055	25, 546



Marine Terminal

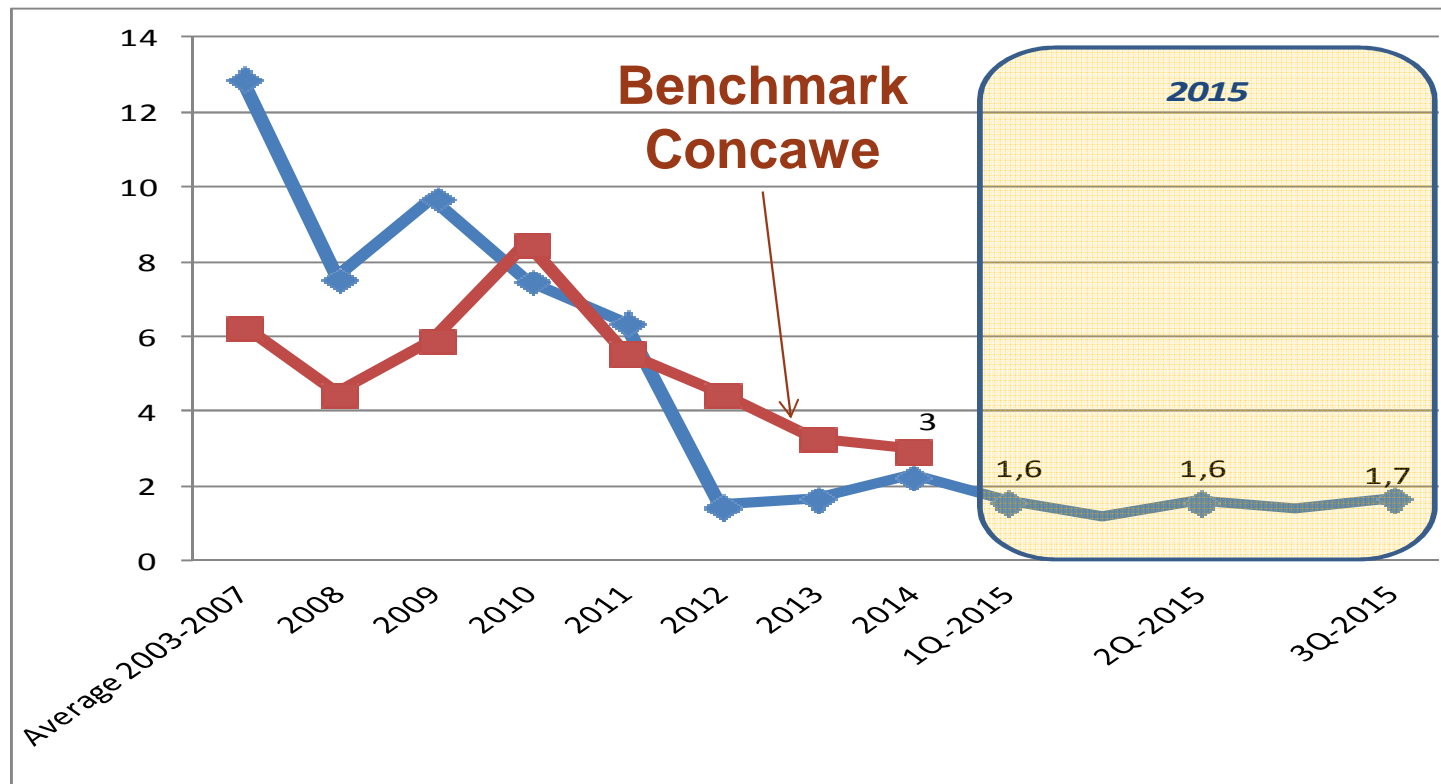
	#	Dwt	m Draft
Deep sea berths for VLCC	2	up to 300,000	20.7
Berths for Products	9	up to 65,000	12
	1	up to 40,000	9.5
	1	up to 6,000	7
Total	13		

Opportunity of expansion in the storage capacity (gasoil/crude)

Flexibility for simultaneous loadings of multiple products



Total Frequency Index* Sarlux and Contractors

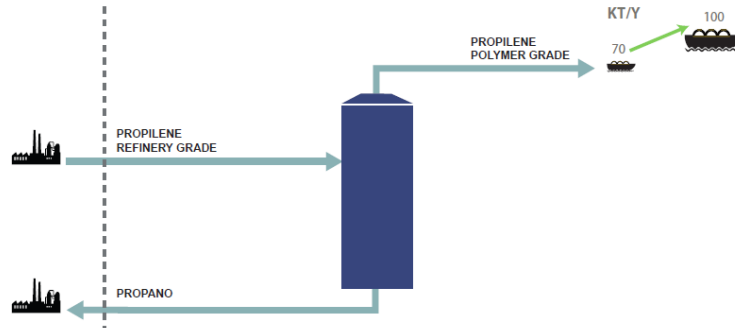


Note: Total Frequency Index: ratio between injuries and medical treatments versus total worked hours in the period



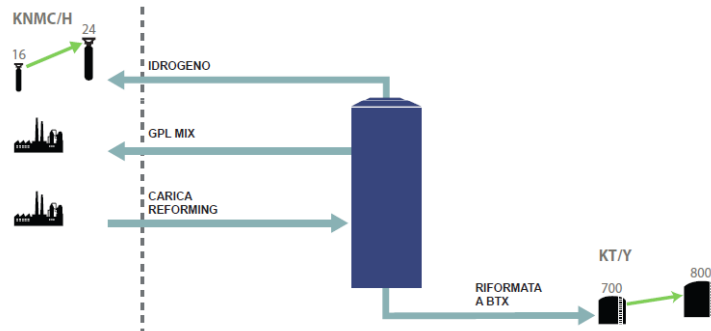
Acquisition of Versalis' plants: benefits from pet-chem integration

PROPYLENE SPLITTER



In petroleum refining, **Propylene** is a product of the fluid catalytic cracking (FCC). It can be sold directly (as “refinery-grade”) or upgraded to “polymer-grade” specifications. In particular, in the “refinery-grade” specs, the Propylene content is usually 70-75%, while “polymer-grade” specs require a Propylene purity higher than 99.5%

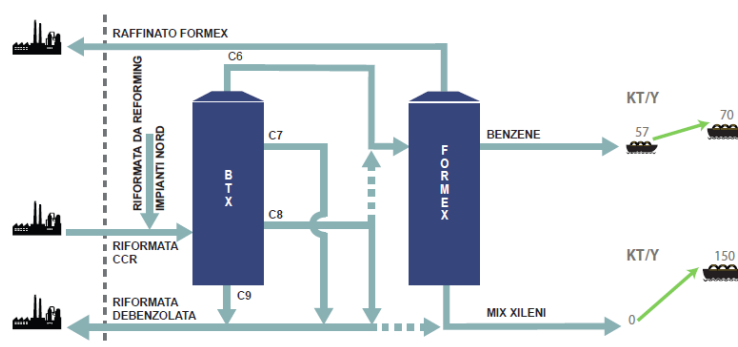
REFORMING



Benzene, Toluene, and Xylene (BTX)

production is based on the recovery of aromatics derived from the catalytic reforming of naphtha. More specifically, the catalytic **reforming** process utilizes as feedstock naphtha that contains non-aromatic hydrocarbons with 6 to 9+ carbon atoms, and typically produces a “Reformate” gasoline containing C6 to C8 aromatics (Benzene, Toluene, mix-Xylene) as well as heavier aromatics containing 9 or more carbon atoms

BTX & FORMEX





Key financial performance of the Refining segment

EUR million	2012	2013	2014	1Q/15	2Q/15	3Q/15
EBITDA	(91.2)	(153.6)	(496.3)	68.3	280.3	37.1
Comparable EBITDA	(70.2)	(125.3)	(140.1)	83.3	196.2	155.4
EBIT	(197.0)	(261.0)	(640.7)	38.2	233.9	9.0
Comparable EBIT	(176.0)	(232.7)	(261.8)	53.1	167.7	123.3
CAPEX	97.0	87.1	124.9	19.1	18.9	18.7
REFINERY RUNS						
Thousand tons	13,309	12,980	12,430	3,705	3,712	3,672
Million barrels	97.2	94.8	90.7	27.0	27.1	26.8
Thousand barrels/day	265	260	249	301	298	291
EMC benchmark	0.9	(1.2)	(0.5)	4.0	4.1	4.8
Saras Refining Margin	2.1	1.5	0.9	6.0	10.5	8.6



Deep dive on Saras segments

- Refining
- **Power Generation**
- Marketing
- Wind Energy

Group Financials

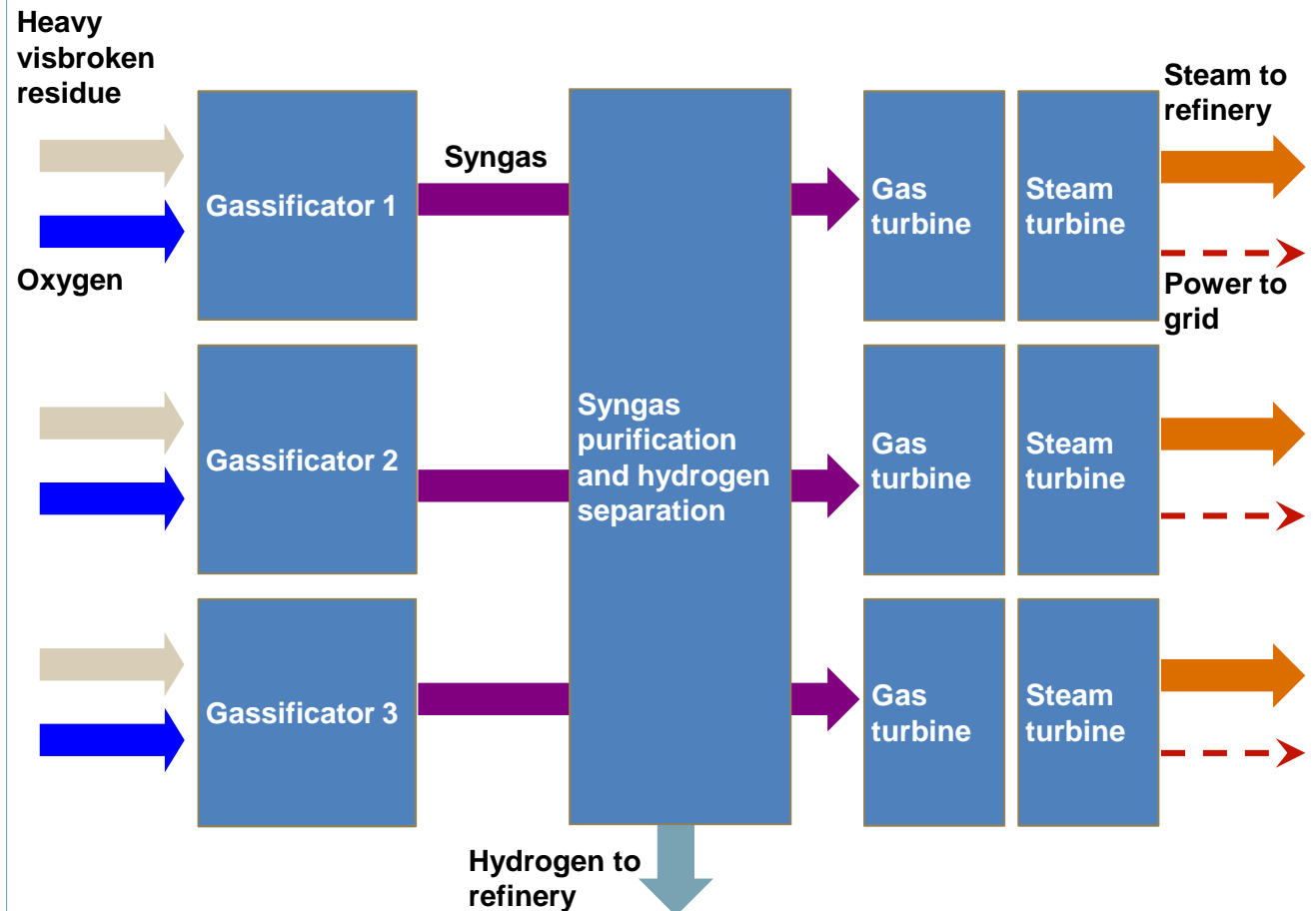


The world's largest oil gasification plant supports Saras' refining business

IGCC

- Two main sections:
 - Gasification
 - Power production
- Three independent trains for gasification and power production
- The power production section comprises of combined cycle gas turbines, with a total design capacity of 575 MW

Simplified Block Diagram





Key financial performance of the Power Generation segment

EUR million	2012	2013	2014	1Q/15	2Q/15	3Q/15
Comparable EBITDA	226.8	182.4	240.4	53.9	55.8	51.5
Comparable EBIT	147.0	109.5	174.7	30.2	31.3	27.2
EBITDA IT GAAP	178.3	184.8	147.9	35.9	52.9	42.7
EBIT IT GAAP	133.2	131.2	85.9	20.7	36.8	26.9
CAPEX	8.7	16.9	6.8	3.2	1.9	1.4
ELECTRICITY PRODUCTION <small>MWh/1000</small>	4,194	4,217	4,353	1,017	1,241	1,150
POWER TARIFF <small>€cent/kWh</small>	12.2	11.9	10.1	9.6	9.6	9.6
POWER IGCC MARGIN <small>\$/bl</small>	4.2	3.8	4.8	3.3	3.1	3.1



Deep dive on Saras segments

- Refining
- Power Generation
- **Marketing**
- Wind Energy

Group Financials




Overview of the Italian and Spanish businesses




Spain: Saras Energia

Spain wholesale

- 114k m³ distillates storage in Cartagena 
- ~7% share of wholesale market

Spain retail

- 93 service stations 
 - 76 fully owned
 - 17 long term leased
- ~200k m³ sold
- Mainly located in the Med tributary, with CLH Depots regional support



Main logistics flows



Italy: Saras SpA



Arcola La Spezia (owned)

- 200k m³ storage for diesel and gasoline 
- ~11% share of wholesale market
- Sea Terminal for up to 50kt DWT 
- Logistics available for bunkering

Transfer depots network (3rd party)

- Logistics efficiently covers all richest northern and central regions
- Regular supply to Genova, La Spezia, Livorno, Civitavecchia, Venezia, Napoli and Ravenna
- Strong position in Livorno, Venice and Civitavecchia

Reaching further downstream

- i.e. resellers, unbranded service stations, supermarket chains, etc...

Sales (ktons)	2012	2013	2014	9M/15
SPAIN	1,584	1,310	1,234	1,044

Sales (ktons)	2012	2013	2014	9M/15
ITALY	2,210	2,342	2,449	1,940

An Integrated MED Market Player Offering Integrated Services





Key financial performance of the Marketing segment

EUR million	2012	2013	2014	1Q/15	2Q/15	3Q/15
EBITDA	18.0	16.0	(4.9)	5.1	(0.3)	(3.2)
Comparable EBITDA	31.7	33.7	14.9	(1.3)	(3.2)	6.1
EBIT	(29.8)	7.6	(14.7)	3.3	(6.7)	(4.7)
Comparable EBIT	19.8	25.3	6.4	(3.1)	(4.7)	4.6
CAPEX	8.2	3.7	3.0	0.2	0.3	0.4
SALES (THOUSAND TONS)						
ITALY	2,210	2,342	2,449	621	640	680
SPAIN	1,584	1,310	1,234	369	342	333
TOTAL	3,794	3,652	3,683	990	981	1,013



Deep dive on Saras segments

- Refining
- Power Generation
- Marketing
- **Wind Energy**

Group Financials



ULASSAI WIND FARM



Sardeolica

Ulassai Wind Farm



- 96 MW (48 Vestas aero-generators), with production ranging from 170 up to 200 GWh per year
- Operations started at the end of 2005
- Green Certificates granted until 2016, then feed-in premium tariff until 2018 (same value as Green Certificates)
- seven more years of feed-in premium tariff (2025) on the last units installed (about 10% of total production)



Key financial performance of the Wind segment

EUR million	2012	2013	2014	1Q/15	2Q/15	3Q/15
Comparable EBITDA	20.0	22.7	20.5	8.6	3.1	1.3
Comparable EBIT	9.7	18.3	15.9	7.3	2.2	0.1
ELECTRICITY PRODUCTION						
MWh	171,050	197,042	171,657	69,019	33,748	20,049
POWER TARIFF						
€cent/kWh	7.1	5.7	4.8	4.9	4.3	5.1
GREEN CERTIFICATES						
€cent/kWh	8.0	8.9	9.7	10.0	10.5	7.7



Deep dive on Saras segments

- Refining
- Power Generation
- Marketing
- Wind Energy

Group Financials



Group Financials – Income Statements

KEY INCOME STATEMENT (EUR ml)	2012	2013	2014	1Q/15	2Q/15	3Q/15
EBITDA	176.0	71.7	(237.0)	135.6	339.2	87.0
Comparable EBITDA	210.7	117.7	139.0	144.2	252.2	214.6
D&A (*)	(244.2)	(425.9)	(47.4)	(57.0)	(78.5)	(55.0)
EBIT	(68.1)	(354.2)	(284.4)	78.6	260.8	32.0
Comparable EBIT	2.6	(75.7)	(61.9)	87.2	196.6	159.6
Interest expense	(28.8)	(27.8)	(40.2)	(8.7)	(11.5)	(7.1)
Other	(23.1)	(1.6)	62.8	35.5	(30.4)	39.5
Financial Income/(Expense)	(51.9)	(29.4)	22.6	26.8	(41.9)	32.4
Profit before taxes	(120.0)	(383.6)	(261.8)	105.4	218.9	64.4
Taxes	31.4	112.5	0.0	(31.2)	(63.0)	(17.8)
Net Result	(88.6)	(271.1)	(261.8)	74.2	155.9	46.6
Adjustments	54.9	186.9	178.2	(19.6)	(23.4)	63.2
Adjusted Net Result	(33.7)	(84.1)	(83.6)	54.5	132.5	109.8

(*) In Q2/13 the revision of the CIP6/92 tariff structure according to Decree Law 69/13 caused a write-off (EUR -232 ml pre-tax) of the contract between Sarlux and the National Grid Operator (GSE); In Q4/14 there was the reversal of the afore-mentioned write-off (EUR +180 ml pre-tax), due to the implementation of new scenarios for the prices of gas and crude oil

DETAILS OF ADJUSTMENT (EUR ml)	2012	2013	2014	1Q/15	2Q/15	3Q/15
Net Result	(88.6)	(271.1)	(261.8)	74.2	155.9	46.6
(LIFO – FIFO) inventories net of taxes	27.0	43.4	293.8	(9.7)	(44.2)	61.3
non recurring items net of taxes	25.3	148.3	(85.7)	0.0	17.3	0.0
Fair value of derivatives' open positions net of taxes	2.6	(4.7)	(29.9)	(9.9)	3.5	1.9
Adjusted Net Result	(33.7)	(84.1)	(83.6)	54.5	132.5	109.8



Group Financials – Balance Sheet

EUR million	31-Dec-12	31-Dec-13	31-Dec-14	30-Sep-15
Current assets	2,209	2,287	2,241	1,888
CCE and financial assets held for trading	342	545	669	611
Other current assets	1,867	1,743	1,571	1,278
Non-current assets	1,731	1,526	1,621	1,427
TOTAL ASSETS	3,940	3,814	3,862	3,315
Current Liabilities	1,817	2,015	2,506	1,557
Short-Term financial liabilities	167	181	550	180
Other current liabilities	1,650	1,834	1,956	1,376
Non-Current Liabilities	926	877	696	821
Long-Term financial liabilities	425	386	277	423
Other non-current liabilities	501	491	419	397
Shareholders Equity	1,197	921	660	938
TOTAL LIABILITIES & EQUITY	3,940	3,814	3,862	3,315



Group Financials – Cash Flow Statement

EUR million	2012	2013	2014	Q1/15	Q2/15	Q3/15
A – CCE at beginning of the period	139.3	303.0	506.8	633.5	659.3	785.7
B – Cash flow generated from / (used in) operating activities	534.3	321.9	149.7	(67.6)	166.3	(69.3)
<i>Of which: changes in WC</i>	404.3	305.6	433.8	(261.2)	(122.1)	(186.9)
C – Cash flow from / (to) investment activities	(52.9)	(63.5)	(106.2)	(22.4)	(35.3)	39.4
<i>Of which: tangible and intangible assets</i>	(105.5)	(106.7)	(121.3)	(22.4)	(35.1)	(20.8)
D – Cash flow generated from / (used in) financing activities	(317.4)	(54.5)	83.2	115.8	(4.5)	(172.8)
<i>Incr./ (Decr.) in mid & long-term borrowings</i>	172.0	0.0	173.7	141.5	(141.5)	49.6
<i>Other flows</i>	(489.4)	(54.5)	(90.5)	(25.6)	137.0	(222.4)
E – Cash flow for the period (B+C+D)	164.0	203.9	126.7	25.8	126.4	(202.7)
F – Net Cash from disposals	(0.4)	0	0	0	0	0
G – CCE at the end of the period	303.0	506.8	633.5	659.3	785.7	583.0



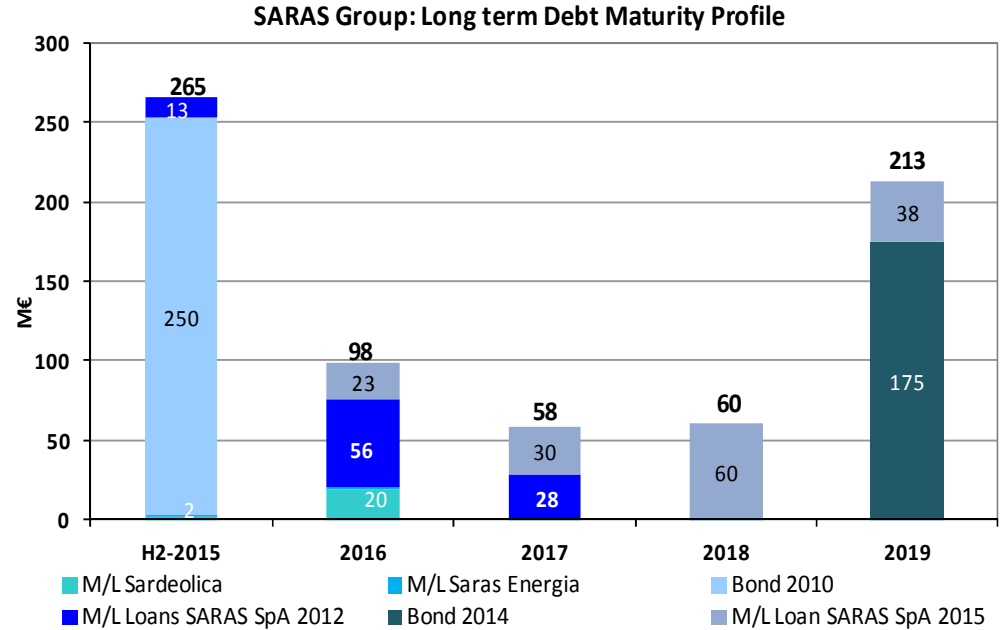
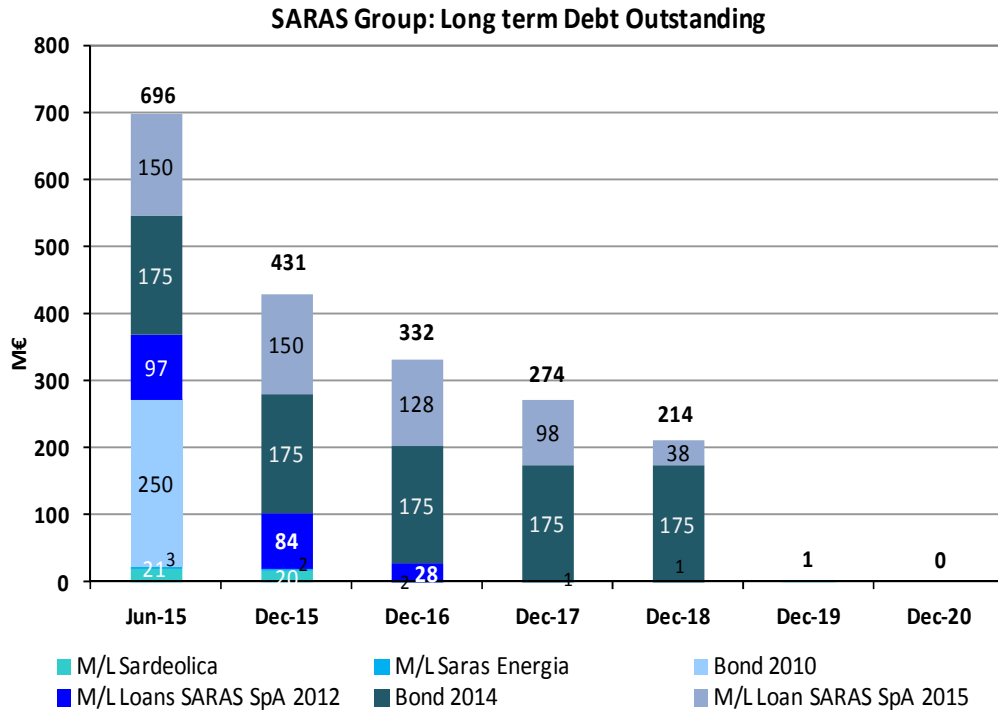
Group CAPEX by segment

CAPEX BY SEGMENT (EUR million)	2012	2013	2014	1Q/15	2Q/15	3Q/15
REFINING	97.0	87.1	124.9	19.1	18.9	18.7
POWER GENERATION	8.7	16.9	6.8	3.2	1.9	1.4
MARKETING	8.2	3.7	3.0	0.2	0.3	0.4
WIND	3.8	0.2	0.6	0.0	0.0	0.1
OTHER ACTIVITIES	1.6	1.7	0.9	0.2	0.2	0.1
TOTAL CAPEX	119.3	109.6	136.3	22.7	21.4	20.6



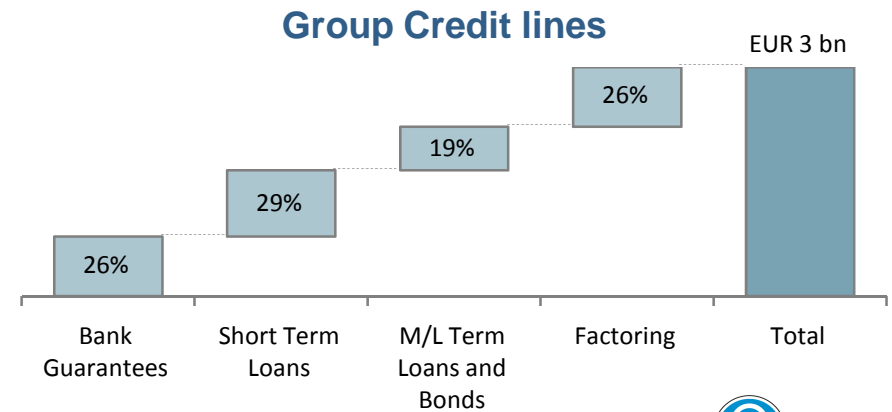
Group Debt Profile and Credit Lines

LONG-TERM DEBT MATURITY PROFILE (as of 30th June 2015)



NOTE: all debt is unsecured, except for Sardeolica's (Project Financing)

➤ Total credit lines of the Group amount to about EUR 3.0 billion (of which EUR 0.7 billion committed)



Risk of changes in prices and cash flows

To mitigate the risks arising from oil prices variations (which impact on the refining margins and on the oil stock value), the company enters into derivative contracts in commodities, which involve the forward buying and selling of crude oil and products.

Exchange rate risk

To reduce both its exchange rate risk in future transactions and the risk inherent in assets and liabilities denominated in a different currency to the functional currency of each entity, the company sets up derivative instruments which consist of the forward buying and selling of foreign currencies (US dollars). Transactions expressed in currencies other than US dollars are not significant and could only have a very low impact on the results for the year.

Interest rate risk

The risks relating to changes in cash flows caused by changes in interest rates arise from loans. The main loan agreements outstanding have been entered into at variable market rates. The company's policy is to use derivative instruments to reduce the risk of changes in interest cash flows.

Credit risk

The market in which the company operates mainly consists of multinational companies operating in the oil industry. Transactions entered into are generally settled in very quickly and are often guaranteed by prime leading banks. Furthermore, loans are systematically and promptly monitored on a daily basis by the Finance department. This risk is minimal and does not constitute a significant variable in the business in which the company operates.

Risks of interruption of production

The complexity and modularity of its systems limit the negative effects of unscheduled shutdowns. The safety plans in place (which are continuously improved) reduce any risks of accident to a minimum: in addition Saras has a major programme of insurance cover in place to offset such risks.