

ENI BB LIMITED

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2008**

Registered number: 261640

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COMPANIES HOUSE

ENI BB LIMITED

DIRECTORS AND REGISTERED OFFICE

DIRECTORS

L Lusuriello
M Talamonti
J Michell

SECRETARY AND REGISTERED OFFICE

F Dal Bello
Eni House
10 Ebury Bridge Road
LONDON SW1W 8PZ

AUDITORS

PricewaterhouseCoopers LLP
32 Albyn Place
ABERDEEN AB10 1YL

REGISTERED IN ENGLAND NO: 261640

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 31 December 2008.

Principal activity

The company's principal activity during the year was that of an investment holding company.

Results and dividends

The company's income statement is set out on page 6. The company's profit for the year was £14,000 (2007 loss – £80,000). The directors do not propose the payment of a dividend on ordinary shares (2007 - £nil).

Company development

The company's subsidiary Eni BBH Limited was put into members' voluntary liquidation in 2004, and was dissolved on 22 February 2008. It is the directors' current intention that Eni BB Limited will be retained as a dormant company in the future.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

The directors manage these risks at a group level in conjunction with the ultimate UK parent company, Eni UK Limited. For this reason, the directors believe that a discussion of the company's risks would not be appropriate for an understanding of the development, performance or position of its business. The principal risks and uncertainties of the ultimate parent company and its subsidiaries, including those of the company, are discussed in the directors' report of Eni UK Limited.

Key performance indicators

Key Performance Indicators are established each year in a business plan which covers a number of strategic, operational, HSE and finance objectives for the operations of the Eni Group in the United Kingdom. The business plan is approved at Eni Group level, and Key Performance Indicators of the Eni Group are disclosed in the Group annual report, which is publicly available.

Directors

The present directors of the company are listed on page 1 and have held the office throughout the year.

Supplier payment policy

It is the policy of the company to make payment to suppliers within thirty days of receipt of invoice and to:

- agree the terms of payment at the start of business with that supplier
- ensure that suppliers are aware of the terms of payment
- and pay in accordance with its contractual and other legal obligations

In the view of the directors, payments during the year have been made in accordance with this policy.

DIRECTORS' REPORT

Statement of directors' responsibilities respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State that the financial statements comply with IFRSs as adopted by the European Union;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditors

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Elective Regime

An elective resolution to dispense with the obligation to appoint auditors on an annual basis pursuant to Section 386 of the Companies Act 1985 (as amended) was passed on 11 December 2002 and as this election was in force before 1 October 2007, under the Companies Act 2006 PricewaterhouseCoopers LLP is deemed reappointed as the company's auditors for the next financial year.

In addition, the company dispensed with the requirement to hold Annual General Meetings or to lay accounts before the company in General Meeting pursuant to Sections 366A and 252 of the Companies Act 1985 (as amended) respectively. Although these sections were repealed under the Companies Act 2006 from 1 October 2007, the provisions of the company prior to this date are not affected.

By order of the Board


F. Dal Bello
Secretary

03 March 2009

INDEPENDENT AUDITORS' REPORT

Independent auditors' report to the members of Eni BB Limited

We have audited the financial statements of Eni BB Limited for the year ended 31 December 2008 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Change in Shareholders' Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

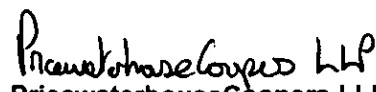
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 December 2008 and of its profit and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Aberdeen
03 March 2009

ENI BB LIMITED**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	2007 £'000	2008 £'000
Other service costs and expenses	12	(100)	-
Operating loss		(100)	-
Interest payable and similar charges	4	(1)	(1)
Interest receivable	5	21	15
Profit / (loss) before taxation		(80)	14
Taxation	6	-	-
Profit / (loss) for the year		(80)	14

The current and prior year results have been derived wholly from continuing operations.

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008**

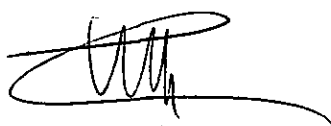
	<i>Share Capital</i>	<i>Other Reserves</i>	<i>Retained Earnings/ (deficit)</i>	<i>Shareholders' Equity</i>
	<i>£'000</i>	<i>£'000</i>	<i>£' 000</i>	<i>£' 000</i>
Balance at 1 January 2007	-	370	35	405
Net Loss for 2007	-	-	(80)	(80)
Balance at 31 December 2007	-	370	(45)	325
Net Profit for 2008	-	-	14	14
Balance at 31 December 2008	-	370	(31)	339

**BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Notes	2007 £'000	2008 £'000
Assets			
Current assets			
Cash and cash equivalents	7	573	589
Trade and other receivables	11	2	-
Total assets		<u>575</u>	<u>589</u>
Liabilities			
Current liabilities			
Accrued liabilities and provisions	12	<u>250</u>	<u>250</u>
Total liabilities		<u>250</u>	<u>250</u>
Shareholders' equity			
Other reserves	9	370	370
Retained deficit	10	<u>(45)</u>	<u>(31)</u>
Total shareholders' equity		<u>325</u>	<u>339</u>
Total shareholders' equity and liability		<u>575</u>	<u>589</u>

The financial statements from page 6 to 14 were approved by the Board on 03 March 2009

On behalf of the Board



M Talamonti
Director

ENI BB LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	2007 £'000	2008 £'000
Cash flows from operating activities			
Profit/ (loss) for the year		(80)	14
Adjustments for:			
Interest receivable	5	(21)	(15)
Interest payable	4	1	1
Decrease/(Increase) in trade and other receivables		(2)	2
Increase in provisions		100	-
Cash generated from / (used in) operations		<u>(2)</u>	<u>2</u>
Interest received		21	15
Interest paid		<u>(1)</u>	<u>(1)</u>
Net cash flow from operating activities		<u>18</u>	<u>16</u>
Net increase in cash and cash equivalents		<u>18</u>	<u>16</u>
Cash and cash equivalents at 1 January		555	573
Cash and cash equivalents at 31 December	7	<u>573</u>	<u>589</u>

STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below.

General Information

The company is a limited liability company incorporated and domiciled in the UK.

Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC Interpretations endorsed by the European Union (EU) and with those parts of the Companies Act 1985, applicable to companies reporting under IFRS. The financial statements have been prepared under the historic cost convention.

- **Standards, amendments and interpretations effective in 2008 but not relevant**

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2008 but they are not relevant to the company's operations:

- IFRIC 12, 'Service concession arrangements';
- IFRIC 13, 'Customer Loyalty programmes';
- IFRIC 14, 'IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction';
- IFRIC 11, 'Group and treasury Share-based payments'.

- **Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company**

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2009 or later periods, but the company has not early adopted them:

- IAS 23 (Amendment), 'Borrowing costs' - This amendment will not have any impact on the financial statements;
- IAS 1, 'Presentation of financial statements' - Management is assessing the affects of the revised disclosure requirements of this standard; although no material impact on the financial statements is anticipated;
- IAS 27, 'Consolidated and separate financial statements' - This standard is still subject to endorsement by the EU. There is no anticipated impact on the Group financial statements of this amendment.

- **Standards, amendments and interpretations to existing standards that are not yet effective and not relevant for the company's operations**

The interpretations to existing standards have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2009 or later periods, but they are not relevant for the company's operations:

- IFRS 8, 'Operating segments';
- IFRS 2, 'Amendment vesting conditions/cancellations';
- Amendment to IFRS 1*, 'First time adoption of IFRS' and IAS 27*, 'Consolidated and separate financial statements'
- IAS 32, 'Amendment puttable financial instruments';
- IFRS 3*, 'Business combinations'.

* Not yet endorsed by the EU

STATEMENT OF ACCOUNTING POLICIES

Interest income

Interest income is recognised on a time proportion basis.

Cash and cash equivalents

Cash and cash equivalents include the company's current bank accounts and short-term deposits. Deposits held with Eni Co-ordination Centre are included in this classification.

Taxation

The tax expense represents the tax currently payable. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Related party transactions

The company has complied with the requirements of International Accounting Standard ("IAS") 24 – Related party transactions in these financial statements. Transactions with related parties are disclosed in each relevant note.

Provisions

Provisions are recognized when: (i) there is a current obligation (legal or constructive), as a result of a past event; (ii) it is probable that the settlement of that obligation will result in an outflow of resources embodying economic benefits; and (iii) the amount of the obligation can be reliably estimated.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date or to transfer it to third parties at that time.

Use of accounting estimates, judgements and assumptions

The company's Financial Statements are prepared in accordance with IFRS. These require the use of estimates and assumptions that affect the assets, liabilities, revenues and expenses reported in the financial statements, as well as amounts included in the notes there to, including discussion and disclosure of contingent liabilities. Estimates made are based on complex or subjective judgements, past experience and other assumptions deemed reasonable in consideration of the information available at the time. The accounting policies and areas that require the most significant judgements and estimates to be used in the preparation of the Financial Statements are in relation to the provisions for contingencies. Although the company uses its best estimates and judgements, actual results could differ from the estimates and assumptions used.

Eni accrues for all contingencies that are both probable and estimable. These other contingencies are primarily related to litigation and tax issues. Determining appropriate amounts for accrual is a complex estimation process that includes subjective judgements.

NOTES TO THE FINANCIAL STATEMENTS

1 Parent undertakings

The company's immediate parent undertaking is Eni UK Limited.

The company's ultimate parent undertaking, Eni S.p.A, a company incorporated in Italy, will produce consolidated financial statements for the year ended 31 December 2008 which will be available from Eni S.p.A – Exploration & Production Division, Direzioni e Uffici, Via Emilia 1, 20097, San Donato Milanese, PO Box 12069 (20100) Milano.

The parent company of the largest and smallest group into which the company is consolidated is Eni S.p.A.

2 Administrative expenses

This year and last years auditors' remuneration was borne by Eni UK Limited. For the purpose of disclosure, a fair allocation of the audit fee to the company would be £462 (2007 - £ 462).

3 Directors and employees

None of the directors received any emoluments in respect of their services to the company during the year (2007 - £nil) and the company had no employees (2007 – none).

4 Interest payable and similar charges

	2007 £'000	2008 £'000
Bank charges		
Banque Eni S.A.	1	1
	1	1

5 Interest receivable

	2007 £'000	2008 £'000
Bank interests		
Third parties	21	15
	21	15

6 Taxation

	2007 £'000	2008 £'000
Corporation tax	-	-

NOTES TO THE FINANCIAL STATEMENTS

6 Taxation (continued)**Factors affecting the tax charge:**

The tax effect of the profit at the standard rate of corporation tax in the UK of 28.5% (2007- 30%) is explained below:

	2007 £'000	2008 £'000
Profit before taxation	(80)	14
Taxation on profit before taxation @ 28.5% (2007 - 30%)	(24)	4
Expenditure not allowable for tax purposes	30	-
Group relief claimed for no consideration	(6)	(4)
Total taxation	-	-

Other group companies have agreed to surrender, for no consideration, taxation losses under section 402, Taxes Act 1988, sufficient to cover any UK taxable profits of the company for the year.

7 Cash and cash equivalent

	2007 £'000	2008 £'000
Cash at bank		
Eni Banque S.A.	28	28
Third parties	545	561
	573	589

8 Called up share capital

	2007 Number	2008 Number	2007 £	2008 £
Authorised - ordinary shares of 50 pence each	9,532,047	9,532,047	4,766,023.50	4,766,023.50
Allotted, called up and fully paid	2	2	1	1

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for the shareholder and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to its shareholder.

The company regularly reviews its capital structure on the basis of its expected capital requirements in order to achieve the defined strategic objectives and manages its capital accordingly.

The company's capital structure fully satisfies its capital requirements and has no necessity or intention of altering the current position.

NOTES TO THE FINANCIAL STATEMENTS

9 Other reserves

	Capital contribution £'000
At 31 December 2008 & 2007	370

10 Retained deficit

	2007 £'000	2008 £'000
At 1 January	35	(45)
Profit/ (Loss) for the year	(80)	14
At 31 December	(45)	(31)

11 Trade and other receivables

	2007 £'000	2008 £'000
Accrued Income		
Third parties	2	-
	2	-

12 Accrued liabilities and provisions

	2007 £'000	2008 £'000
At 1 January	150	250
Charged to profit and loss	100	-
At 31 December	250	250

Accrued liabilities and provision refer to the potential expenditure required to liquidate the outstanding obligation to a former employee. During 2007 the company was advised that following changes in market conditions the obligation was £250,000 and recognised £100,000 in other service costs and expenses. The liability is expected to be settled in full in 2009.