

**ENI BBI LIMITED**

**DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2009**

**REGISTERED OFFICE**

**Eni House  
10 Ebury Bridge Road  
LONDON SW1W 8PZ**

**Registered Number: 02556415**

THURSDAY



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29/04/2010

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COMPANIES HOUSE

# **ENI BBI LIMITED**

## **DIRECTORS AND REGISTERED OFFICE**

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### **BOARD OF DIRECTORS**

F Castiglioni  
M Talamonti  
N Keenan

### **SECRETARY AND REGISTERED OFFICE**

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

### **CHARTERED ACCOUNTANTS AND STATUTORY AUDITORS**

PricewaterhouseCoopers LLP  
32 Albyn Place  
ABERDEEN AB10 1YL

**REGISTERED IN ENGLAND NO: 02556415**

**DIRECTORS' REPORT**

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The directors present their report and the audited financial statements of the company for the year ended 31 December 2009

**Principal activity**

The company has interests in a number of onshore US production leases

The operational performance of the company during the year was satisfactory and management anticipates that this will continue to be the status in the coming year

**Results for the year**

The results for the year are set out on page 7 of the financial statements. A loss after tax for the year ended 31 December 2009 of £21,000 was transferred to reserves (2008 profit after tax - £301,000 was transferred to reserves)

**Dividends**

The directors do not recommend the payment of a dividend (2008 - £nil)

**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 S.p.A.

**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 Eni S.p.A. Group annual report, which is publicly available.

**Post balance sheet events**

There have been no events after the balance sheet date.

**Directors**

The present directors of the company are listed on page 1 and have held office throughout the year with the following exceptions:

- L Lusuriello resigned as director on 15 June 2009
- J Michell resigned as director on 22 January 2010
- F Castiglioni was appointed as director on 15 June 2009
- N Keenan was appointed as director on 22 January 2010

## **DIRECTORS' REPORT**

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### **Directors Interests**

The directors are aware of their duties under sections 171 to 177 of the Companies Act 2006. In performing their duties during the year, the directors acted having regard to those matters considered under section 172 of the Companies Act 2006. Furthermore, the directors do not have any related-party transactions and actual or potential interest in proposed transactions to declare other than by virtue of their directorships in other affiliated group companies.

### **Financial instruments**

Details on the use of financial instruments and financial risk management are included in the relevant notes in the financial statements.

### **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' 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 Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing these financial statements, the directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board (IASB). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**DIRECTORS' REPORT**

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**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

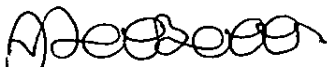
**Elective Regime**

Elective resolutions pursuant to the Companies Act 1985 (as amended), to dispense with the obligation to appoint auditors on an annual basis, with the requirement to hold Annual General Meetings and to lay accounts before the company at general meetings, were passed prior to 1 October 2007. These provisions became the default position under the Companies Act 2006

**Auditors**

Due to the Eni Group policy of rotating auditors every nine years, PricewaterhouseCoopers LLP will not be re-appointed. Following a formal tender process by the Eni Group, Ernst & Young LLP were selected as their replacement. Ernst & Young indicated their willingness to act and their appointment will be proposed at the next directors' Meeting/General Meeting

By order of the Board



**F. Dal Bello**  
Secretary

18 March 2010

**Independent auditors' report to the members of Eni BBI Limited**

We have audited the financial statements of Eni BBI Limited for the year ended 31 December 2009 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Change in Shareholder's Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## ENI BBI LIMITED

### INDEPENDENT AUDITORS' REPORT

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#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Mark Higginson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Aberdeen  
18 March 2010

## ENI BBI LIMITED

### INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

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	<i>Notes</i>	<u>2008</u> <u>£'000</u>	<u>2009</u> <u>£'000</u>
Other income	3	<u>156</u>	<u>94</u>
<b>Total revenue</b>		<b>156</b>	<b>94</b>
Foreign exchange (losses) / gains	4	230	(86)
Other expenses	5	<u>(85)</u>	<u>(29)</u>
<b>Operating (loss) / profit</b>		<b>301</b>	<b>(21)</b>
Taxation	6	<u>-</u>	<u>-</u>
<b>(Loss) / profit for the year</b>		<b><u>301</u></b>	<b><u>(21)</u></b>

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

The company has not disclosed a statement of comprehensive income as there were no changes in equity during the period, other than changes resulting from transactions with owners in their capacity as owners



**ENI BBI LIMITED**

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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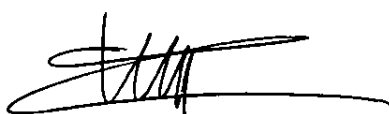
	<i>Share Capital £'000</i>	<i>Retained Deficit £'000</i>	<i>Shareholders' Total Equity £'000</i>
Balance at 1 January 2008	1,200	(657)	543
Profit for the year	-	301	301
Balance at 31 December 2008	1,200	(356)	844
Loss for the year	-	(21)	(21)
<b>Balance at 31 December 2009</b>	<b>1,200</b>	<b>(377)</b>	<b>823</b>

**BALANCE SHEET  
AS AT 31 DECEMBER 2009**

<b>Assets</b>	<i>Notes</i>	<b>2008 £'000</b>	<b>2009 £'000</b>
<b>Current assets</b>			
Cash and cash equivalents	7	911	879
<b>Total assets</b>		<b>911</b>	<b>879</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	8	67	56
<b>Total liabilities</b>		<b>67</b>	<b>56</b>
<b>Shareholders' equity</b>			
Ordinary shares	9	1,200	1,200
Retained deficit	10	(356)	(377)
<b>Total shareholders' equity funds</b>		<b>844</b>	<b>823</b>
<b>Total shareholders' equity and liability</b>		<b>911</b>	<b>879</b>

The financial statements from page 7 to 15 were approved by the Board on 18 March 2010

On behalf of the Board



**M Talamonti**  
Director

**ENI BBI LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	<i>Notes</i>	2008 £ '000	2009 £ '000
<b>Cash flow from operating activities</b>			
Net (loss) / profit		301	(21)
<b>Adjustments for.</b>			
Increase/(decrease) in payables	8	30	(11)
<b>Cash generated (used in)/from continuing operations</b>		<u>331</u>	<u>(32)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>331</u>	<u>(32)</u>
<b>Cash and cash equivalents at 1 January</b>		<u>580</u>	<u>911</u>
<b>Cash and cash equivalents at 31 December</b>	7	<u>911</u>	<u>879</u>

**STATEMENT OF ACCOUNTING POLICIES**

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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 preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union, IFRIC Interpretations and the Companies Act 2006 as applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention

- **Standards, amendments and interpretations effective in 2009 but not relevant**
  - IFRS 2, 'Amendment to vesting conditions and cancellations',
  - IFRS 8, 'Operating segments', and
  - IAS 32, 'Amendment puttable financial instruments'
- **The company has adopted the following new and amended IFRSs as of 1 January 2009**
  - IFRS 7, 'Financial instruments – Disclosures' (amendment) – effective 1 January 2009,
  - IAS 1 (revised), 'Presentation of financial statements' – effective 1 January 2009, and
  - IAS 23 (Amendment), 'Borrowing costs' - This amendment had no impact on the financial statements
- **Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company**
  - IAS 38 (amendment), 'Intangible Assets',
  - IFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations', and
  - IAS 1 (amendment), 'Presentation of financial statements'
- **Standards, amendments and interpretations to existing standards that are not yet effective and not relevant for the company's operations**
  - IFRS 2 (amendments), 'Group cash-settled share-based payment transaction' (effective from 1 January 2010),
  - IFRS 3 (revised), 'Business combinations' (effective from 1 July 2009),
  - IAS 27 (revised), 'Consolidated and separate financial statements' (effective from 1 July 2009), and
  - IFRIC 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009)

**Financial instruments**

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables and cash and cash equivalents in the balance sheet.

**STATEMENT OF ACCOUNTING POLICIES**

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**Taxation**

The tax expense for the period comprises current tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**Foreign currencies**

The company's functional currency is US Dollars and presentation currency is sterling.

Transactions denominated in a foreign currency are converted to sterling at rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated at the rates ruling at the balance sheet date. The resulting exchange gains or losses are recognised in the income statement. The year-end exchange rate of GBP Sterling to US Dollar is 0.6165 (2008 – 0.6844).

**Revenue recognition**

Revenue is recognised when the amount can be reliably measured, and it is probable that future economic benefits will flow to the company.

*Other income*

Other income comprises revenue from the provision of services, and other miscellaneous income. This income is recognised when the services are provided.

**Cash and cash equivalents**

Cash and cash equivalents include the company's current bank accounts and short-term deposits. Deposits held with the Eni Coordination Center S.A. are included in this classification.

**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.

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 2009 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 Directors and employee information**

None of the directors received any emoluments in respect of their services to the company during the year (2008 - £nil) and the company had no employees (2008 - nil)

**3 Other income**

	2008 £ '000	2009 £ '000
Third parties	156	94

**4 Foreign exchange (losses) / gains**

	2008 £ '000	2009 £ '000
Foreign exchange losses		
Third parties	(20)	(90)
Foreign exchange gains		
Third parties	250	4
	230	(86)

**5 Other expenses**

	2008 £ '000	2009 £ '000
Third parties	85	29

This year and last year's 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 £500 (2008 - £ 462)

## NOTES TO THE FINANCIAL STATEMENTS

**6 Taxation**

The tax effect of the profit at the standard rate of corporation tax in the UK of 28% (2008 – 28.5%) is explained below

	2008 £'000	2009 £'000
<b>Profit before taxation</b>	<b>301</b>	<b>(21)</b>
Taxation on (loss) / profit @ 28% (2008 – 28.5%)	<b>86</b>	<b>(6)</b>
Group relief surrendered / (claimed) for no consideration	<b>(86)</b>	<b>6</b>
<b>Total tax charge for the period</b>	<b>-</b>	<b>-</b>

The company has agreed to surrender, for no consideration, taxable losses under Section 402 Taxes Act 1988, to other group companies to cover UK taxable profits of the group for the year

**7 Cash and cash equivalents**

	2008 £ '000	2009 £ '000
Third parties	<b>911</b>	<b>879</b>

**8 Trade and other payables**

	2008 £ '000	2009 £ '000
Trade payables third parties	-	<b>3</b>
Affiliate Companies	<b>67</b>	<b>53</b>
Eni Australia Limited	<b>67</b>	<b>56</b>

**9 Share capital**

	<b>Authorised</b>		<b>Allotted, called up and fully paid</b>	
	<b>2008 Number</b>	<b>2009 Number</b>	<b>2008 £ '000</b>	<b>2009 £ '000</b>
Ordinary shares of £1 each	5,000,000	5,000,000	1,200	1,200

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.

**ENI BBI LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

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**10 Retained deficit**

	<u>2008</u> <u>£ '000</u>	<u>2009</u> <u>£ '000</u>
At 1 January	(657)	(356)
(Loss) / profit for the year	<u>301</u>	<u>(21)</u>
<b>At 31 December 2009</b>	<u>(356)</u>	<u>(377)</u>