SARAS

Investor presentation

October 2017

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), because LIFO methodology does not include end-of-period revaluations and write-downs. Furthermore, the non-recurring items for nature, relevance and frequency, as well as the "*fair value*" of the open positions of the derivative instruments used for oil and Forex 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. Major downstream player focused on **refining and power generation**
2. Ideally positioned to exploit **favourable market fundamentals**
3. Capable of keeping **leverage under control** throughout the cycles

SARAS

4. **5 key strengths of Saras site:** size, complexity, integration, flexibility and logistics
5. **Strong track record in delivering** improvement projects
6. Unlocking shareholders' value through **ongoing initiatives**

1 Downstream player focused on Refining and Power Generation

Refining

Supply & Trading

- ~150 crude cargoes every year from wide range of suppliers
- Supply & Trading company operating in Geneva since Jan 2016
- Balanced and differentiated sales portfolio...
- ... with world class oil supply chain knowledge

Exploit market opportunities for both crude oils & products

Sarroch Industrial Operations (strictly integrated refinery and power plant)

- Largest single-site refinery in the Mediterranean basin (300 kbl/d, ~16% of Italy's refining capacity)
- Top-tier large & complex Med refinery, according to Nelson and Wood MacKenzie Indexes
- Yields of medium and light distillates exceed 80% of the production output (net of C&L)[1]
- Fuel Oil yield approx. 6%
- Petrochemical integration

Top-tier performance, thanks to high complexity and flexible configuration

Power Generation

- Largest liquid fuel gasification plant in the world (IGCC)
- Conversion of heavy refining fractions (TAR) to clean gas
- 575 MW of installed capacity
- Electricity production of approx. 4.2 - 4.4 TWh
- CIP6 tariff until 2021

Transform heavy refining fractions (TAR) into electricity, sold at incentivized tariff

Other activities

Marketing

- Marketing activities in Italy and Spain:
  - ~8% MS[2] in Italian wholesale market
  - ~ 10% MS in Spanish wholesale market , and presence also in retail (with ~100 stations)

Stabilize refining margins with downstream presence

Wind Energy

- Wind farm with capacity of 96 MW in Ulassai (Sardinia)
- Utilization factor higher than Italian average

Further stabilize Group results, with incentivized scheme for renewable energy

1. C&L = Consumption & Losses
2. Market Share

1 Over 50 years of stable strategic direction and committed shareholders

Saras history...

1962

1962: Saras founded by Mr. Angelo Moratti

'70s: Third party Processing Agreements

'80s: Increase in conversion capacity

'90s: Environment, new technologies (Sartec) and wholesale marketing

Early 2000s: Further investments in conversion and Power business

2005: Renewables (Wind)

2006: Listing on Italian stock exchange

2007- 09: Upgrades for conversion, environmental and prod. quality purposes

2013: Rosneft purchases a 21% stake in Saras

Jul-13 : contribution in kind of Refining business from Saras SpA to its subsidiary Sarlux

Oct-14: merger by incorporation of subsidiary Arcola in Saras

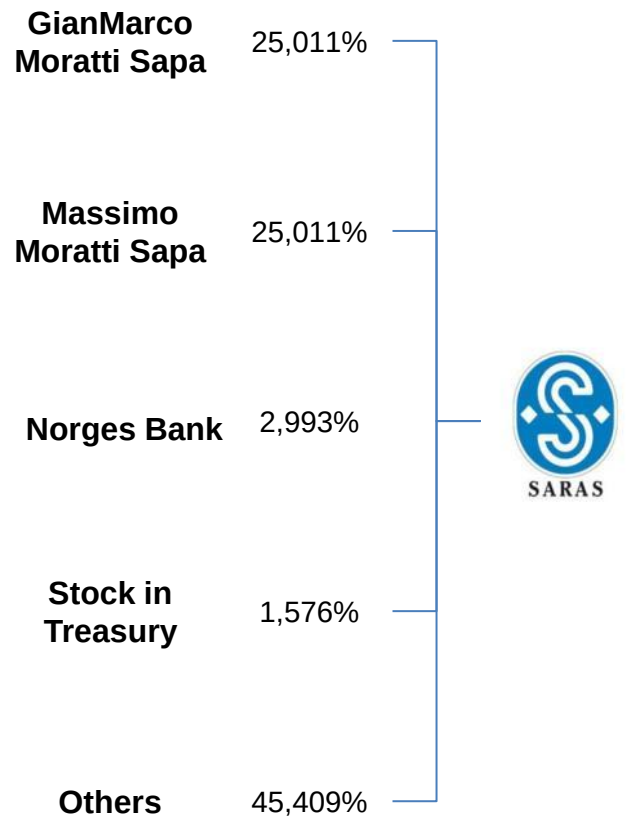
Dec-14: Sarlux acquires majority of Versalis' petro-chemical plants in Sarroch

Jan-16: Saras Trading SA fully operational in Geneva

Jan-17: Rosneft sold the remaining 12% stake in Saras

2017

... and shareholder structure[1]



1. As of October 2017

2 Saras ideally positioned to exploit current market cycle for EU refining

Favourable refining economics expected to continue

Starting in 2015, structural changes strengthened the EU refining, and favourable economics are expected to continue in 2017 and beyond

- More balanced oil prices, robust supply
- Improving product demand
- Rationalization of EU refining capacity
- Correction of market distortions
- Robust product differentials
- Strong US Dollar

Benefits for typical EU refiners

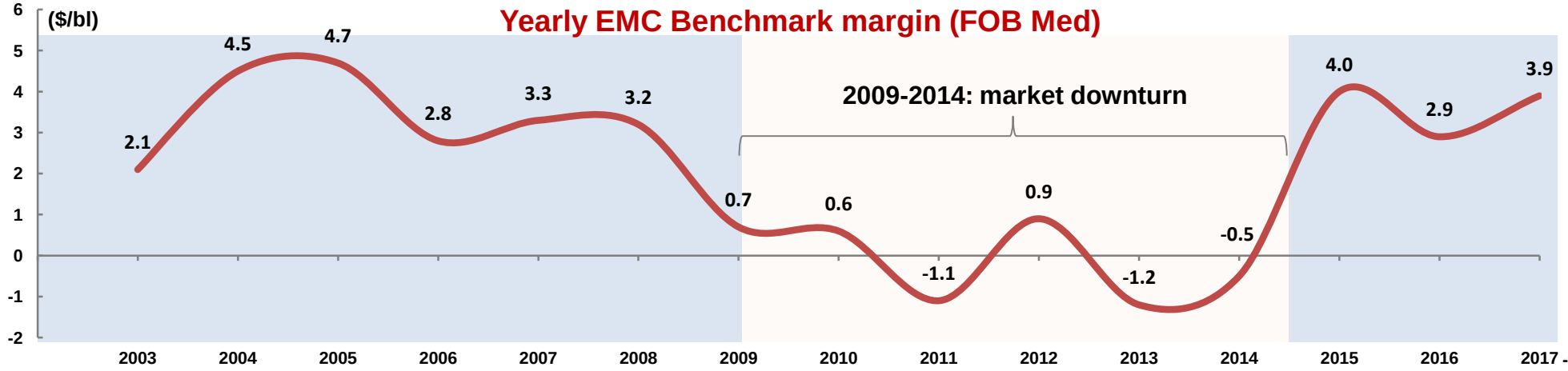
- Healthy refining margins
- EU refineries essential to regional supply chain
- Low impact of fixed costs in EUR

+

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

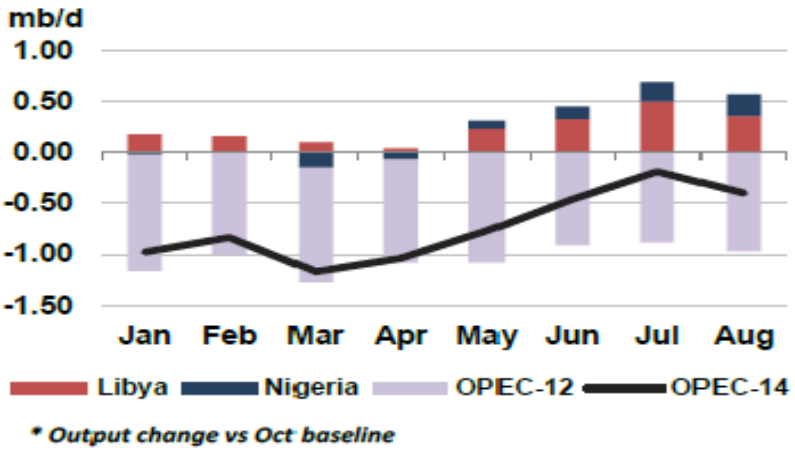


Market Downturn from 2009 to 2014	New Market Cycle from 2015 onwards
i **High crude prices**	More **balanced** oil **prices**, **robust supply**
ii **Low** availability of **heavy sour crudes**	Availability **of heavy crudes**
iii **Falling product demand** in Europe	**Improving product demand** in Europe and worldwide
iv **Refining overcapacity**	**Rationalization** of European refining capacity **Over estimation** of global spare capacity
v **Strong competition** from: • Wide Brent-WTI spread • Non-OECD refineries	**Correction of market distortions** **Reduction of global spare capacity** **Increase of international freight rates**
vi **Low crack spreads and tight light-heavy products differentials**	**Healthy crack spreads and wider light-heavy** product differentials (greater benefits for complex refineries)

OPEC compliance to the agreed production cuts high so far…

Table 5 - 8: OPEC crude oil production based on *secondary sources*, tb/d

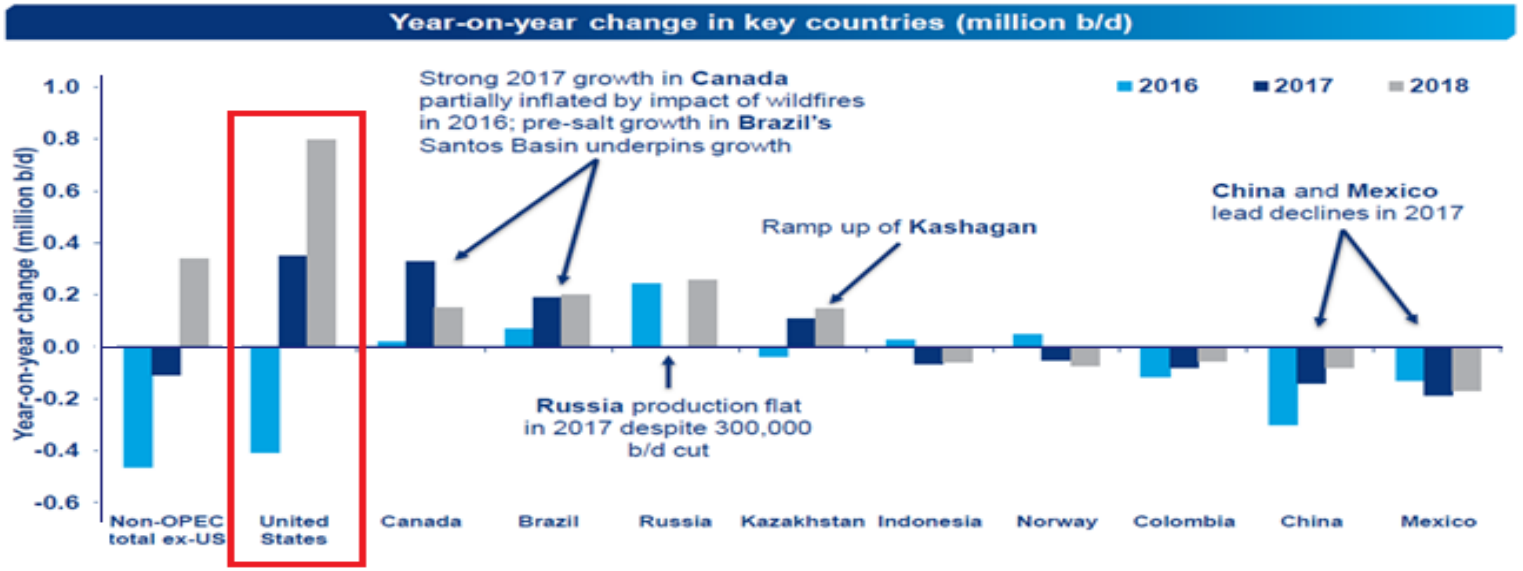
	2015	2016	4Q16	1Q17	2Q17	Jun 17	Jul 17	Aug 17
Algeria	1,107	1,090	1,091	1,052	1,055	1,060	1,061	1,065
Angola	1,755	1,725	1,623	1,632	1,649	1,666	1,638	1,646
Ecuador	543	546	542	530	528	529	537	537
Equatorial Guinea	185	164	162	147	140	140	148	148
Gabon	225	220	211	200	202	198	206	173
Iran, I.R.	2,836	3,518	3,741	3,796	3,793	3,817	3,830	3,828
Iraq	3,961	4,390	4,604	4,449	4,454	4,498	4,471	4,448
Kuwait	2,764	2,853	2,874	2,712	2,708	2,709	2,702	2,702
Libya	404	390	574	656	709	848	1,003	890
Nigeria	1,839	1,557	1,553	1,511	1,616	1,710	1,723	1,861
Qatar	663	656	642	625	613	615	614	616
Saudi Arabia	10,142	10,406	10,541	9,884	9,953	10,035	10,032	10,022
UAE	2,906	2,975	3,079	2,935	2,910	2,917	2,921	2,901
Venezuela	2,375	2,159	2,057	2,002	1,962	1,955	1,950	1,918
Total OPEC	**31,704**	**32,650**	**33,295**	**32,131**	**32,295**	**32,697**	**32,834**	**32,755**



Sources:
OPEC Secretariat and IEA

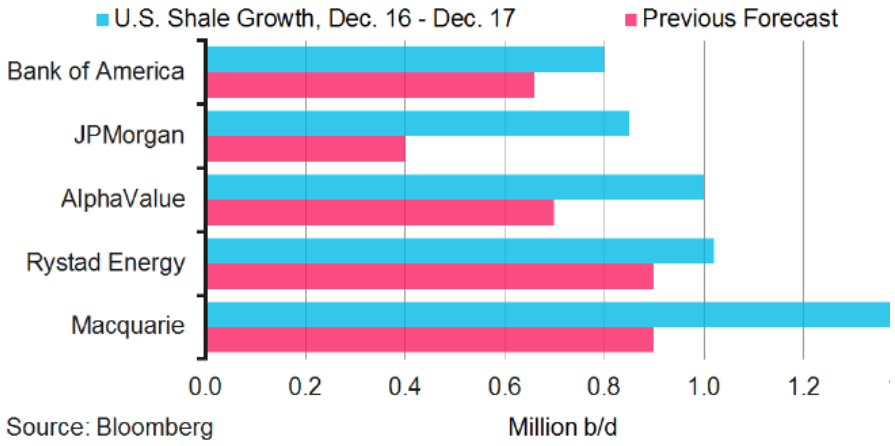
- OPEC compliance quite high…
  …but from a very high baseline in Q4/16
- When looking at the difference versus FY/16 average production, the volumes reduction is only 350 tb/d
- Moreover Libya and Nigeria (which are exempt from cuts) are increasing their production

...but USA, along with other producers, keep the market well supplied



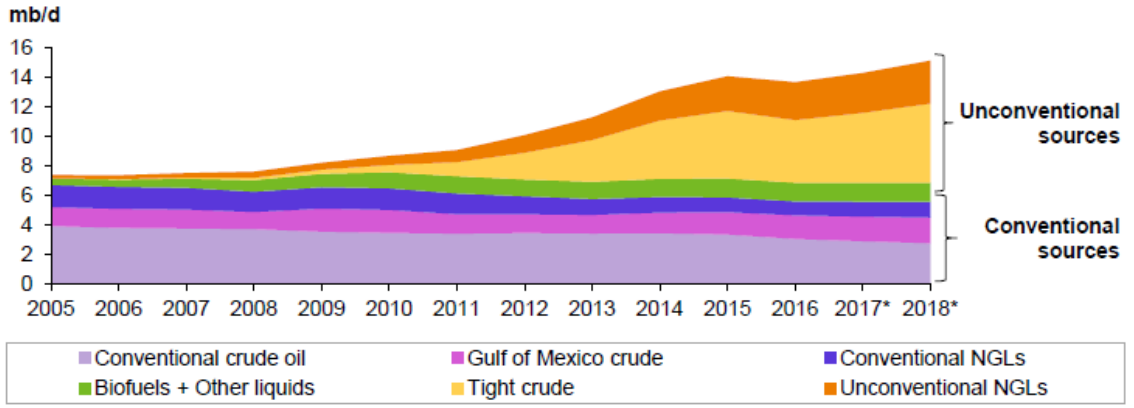
Bloomberg Briefs May 18, 2017

OPEC's Pyrrhic Victory



Source: Bloomberg

Graph 5 - 8: US monthly liquids production breakdown

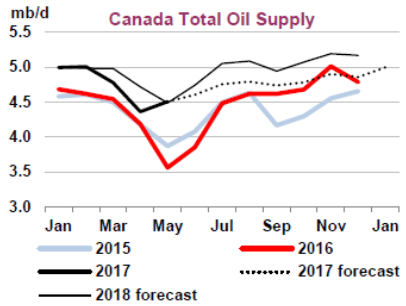


*Note: * 2017 and 2018 = Forecast.*

Sources:
Wood Mackenzie, Bloomberg and OPEC Secretariat

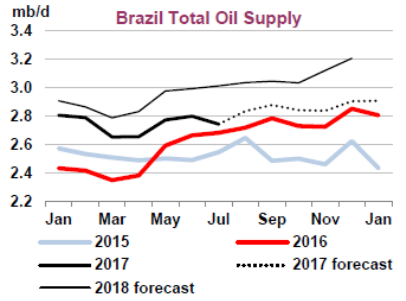
ii Availability of non-standard grades (heavy sour, heavy acidic, etc.)

Canada
- **New pipelines**:
  - **1.1** mb/d (Alberta-Montreal)
  - **1.5** mb/d (Alberta-USGC)

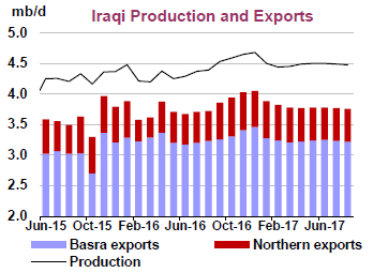


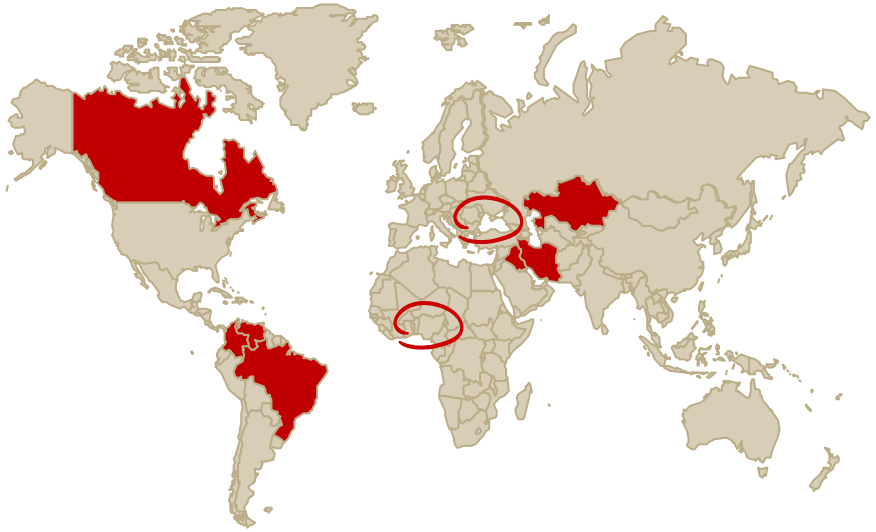
West Africa
- **Shifting focus** from North America **to Europe & Asia**

Brazil
- 2017 volumes well above 2016 despite maintenance
- Heavy crudes ~50% of reserves

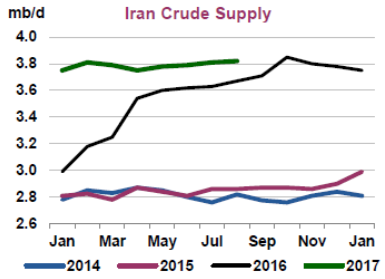


Iraq
- **New pipelines** from Kurdistan to Med
- New **Basrah heavy oil** available since 2016

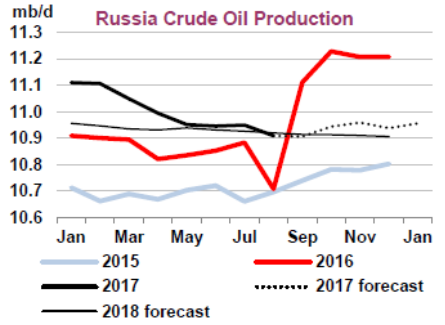




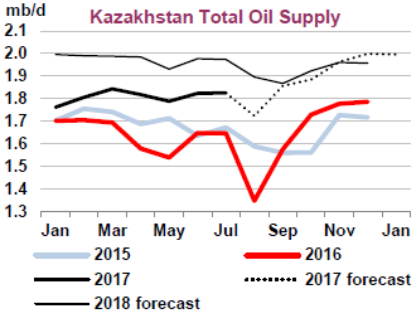
Iran
- **Returning to** pre-sanction levels (**~3.8mb/d**)



Russia
- Output at post-Soviet highs



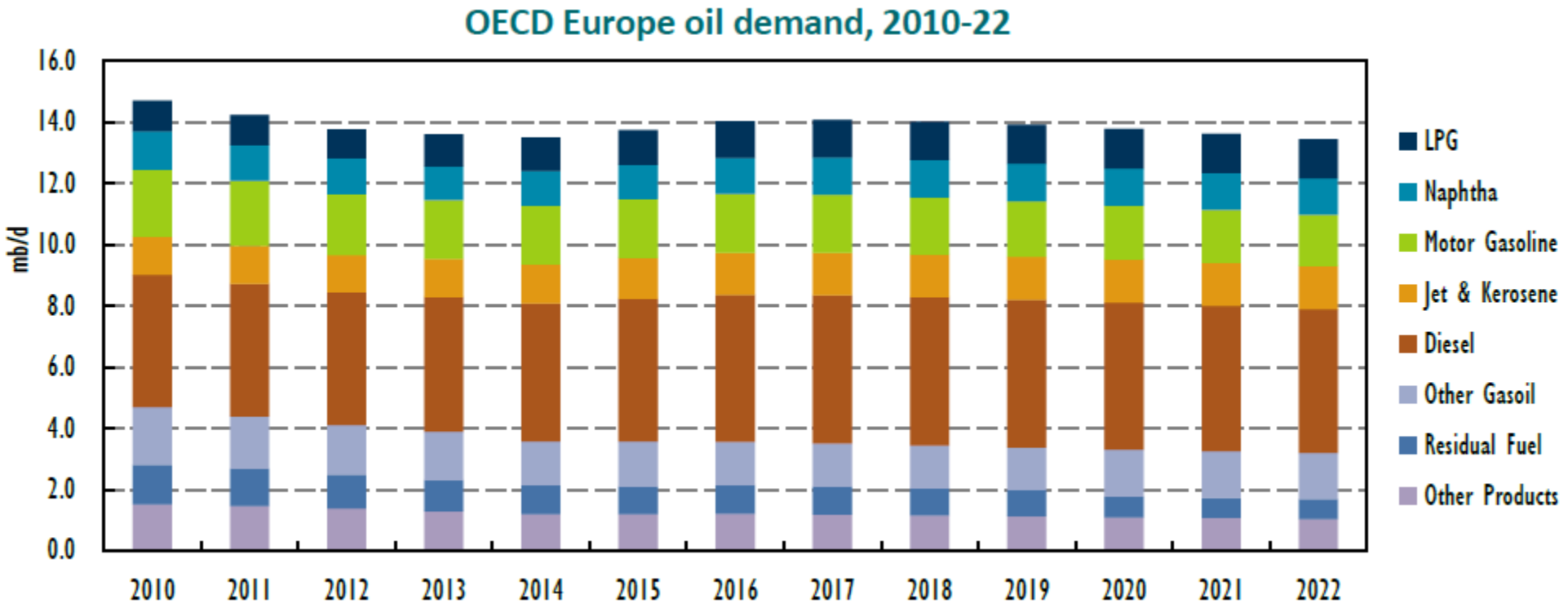
Caspian region
- Increased **CPC** production
- Development of **Kazakh and Turkmenistan** crudes (Kashagan, condensates)



Source: IEA

iii 2014 is the inflection point of product demand

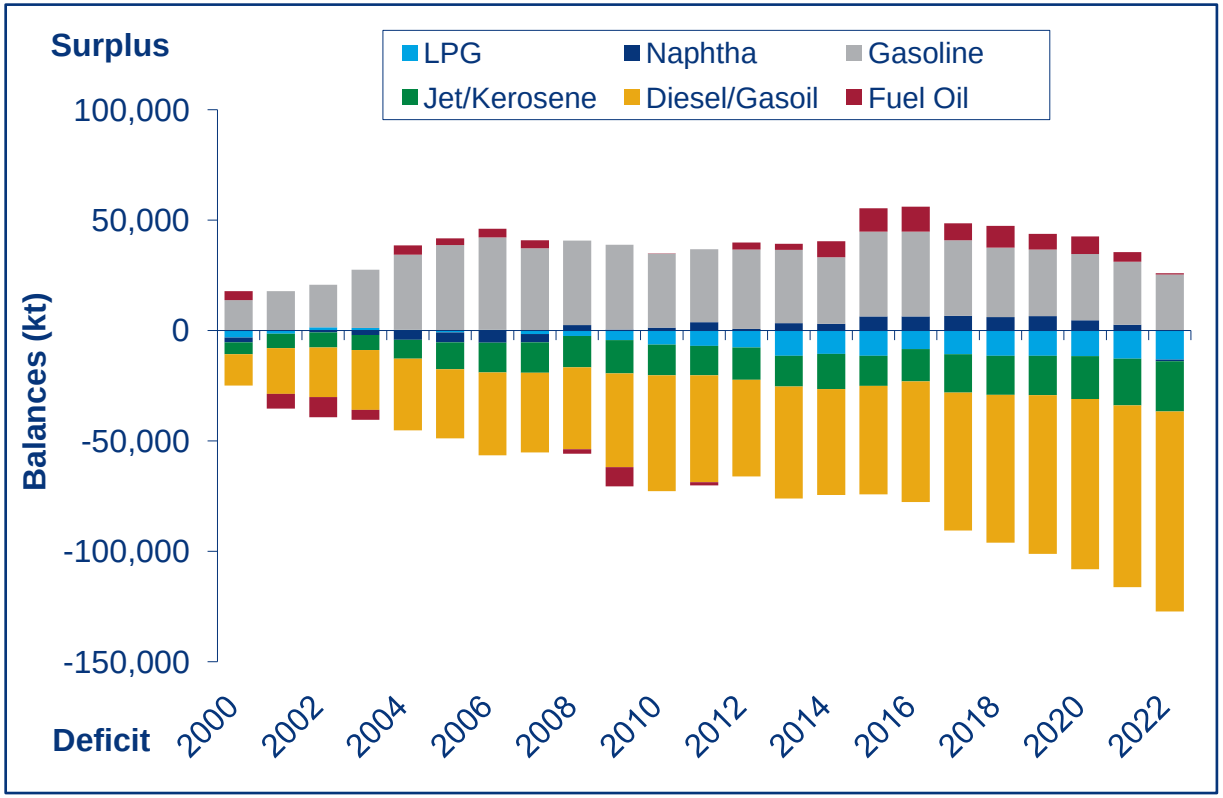
Sharp drop in Europe's total demand until 2014
followed by growth in 2015-16, and stable mid term outlook



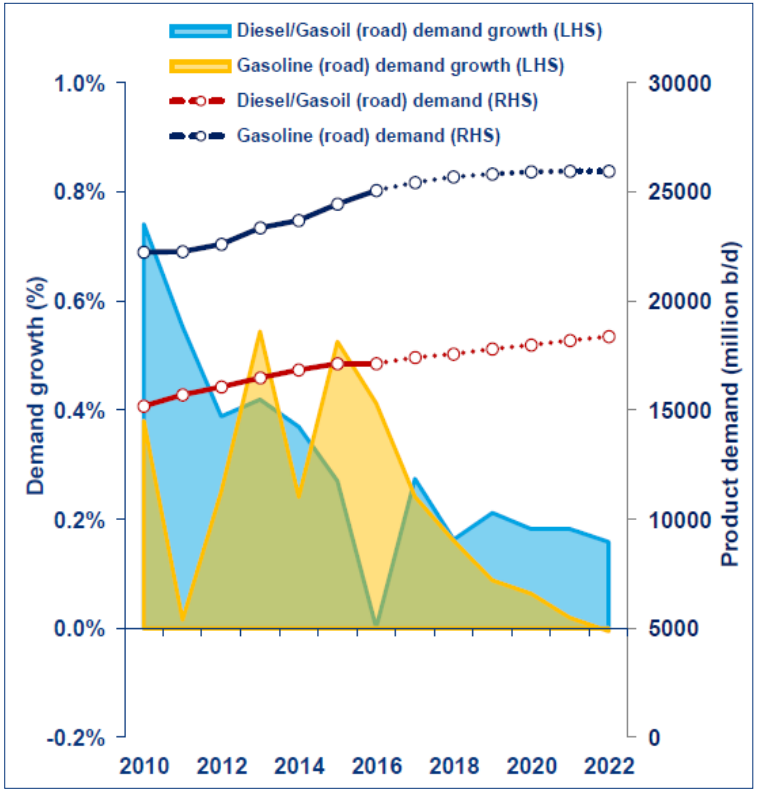
Source: IEA

iii EU refining system historically unbalanced (diesel deficit & gasoline surplus)

EU Diesel/Gasoil shortage and Gasoline length expected to continue…



…and diesel road transportation growth expected stronger than gasoline



Source: WoodMacKenzie

iii Robust diesel demand growth driven by freight transport

Global Diesel Demand in 2017 ['000 b/d}	EU28	USA	Africa	Asia	Middle East	FSU and Eastern Europe	Americas excl. USA	World
Gasoline Demand	1,759	8,997	1,062	6,923	1,708	1,082	3,512	**25,043**
Total Gasoil/Diesel Demand	5,453	3,991	1,665	9,187	2,164	2,214	3,292	**27,966**
Transport Diesel Demand (Passenger)	*1,564*	*129*	*442*	*1,393*	*167*	*325*	*103*	***4,125***
Transport Diesel Demand (Freight)	*2,197*	*2,317*	*663*	*4,179*	*947*	*976*	*1,848*	***13,127***
Other Gasoil Demand	*1,691*	*1,544*	*560*	*3,615*	*1,050*	*913*	*1,341*	***10,714***

Global Diesel Demand in 2025 - Base Case (1) ['000 b/d]	EU28	USA	Africa	Asia	Middle East	FSU and Eastern Europe	Americas excl. USA	World
Gasoline Demand	1,387	8,036	1,342	8,379	2,006	1,089	3,913	**26,152**
Total Gasoil/Diesel Demand	4,765	3,919	1,981	10,065	2,327	2,367	3,550	**28,973**
Transport Diesel Demand (Passenger)	*1,240*	*136*	*573*	*1,650*	*201*	*373*	*122*	***4,297***
Transport Diesel Demand (Freight)	*2,130*	*2,390*	*860*	*4,950*	*1,141*	*1,120*	*2,138*	***14,729***
Other Gasoil Demand	*1,395*	*1,392*	*547*	*3,465*	*985*	*873*	*1,289*	***9,947***

(1) Assuming EU diesel car sales' share decreasing from approx. 50% in 2016 to 24% in 2025

Source: JBC Energy SuDeP

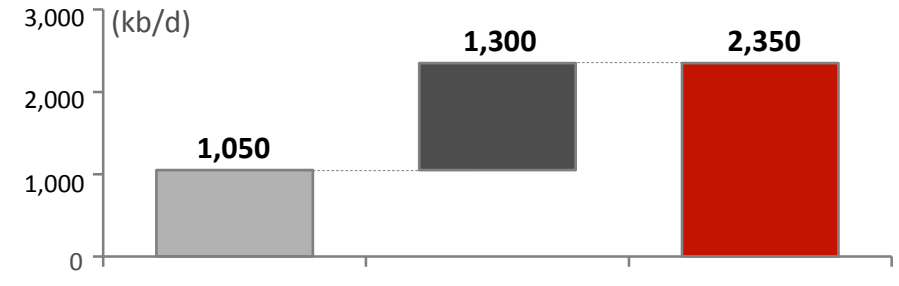
Transport Diesel passenger representing a small portion of total demand, set to stay strong on the basis of a robust diesel car fleet

Total gasoil /diesel demand underpinned by freight demand growth

iv Significant impact of European refineries rationalization

Closures and conversions in OECD Europe (2009-15)

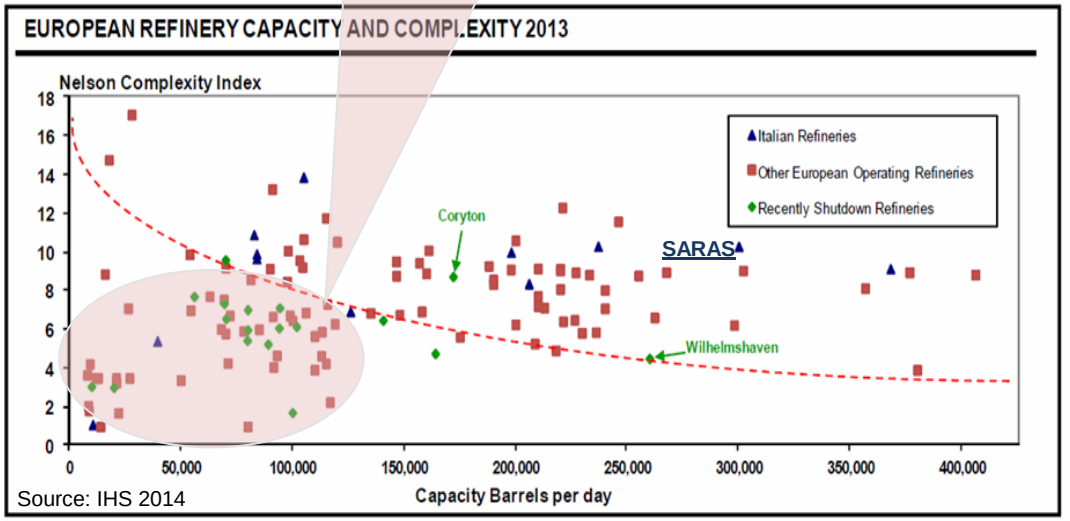
Source: BCG



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

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

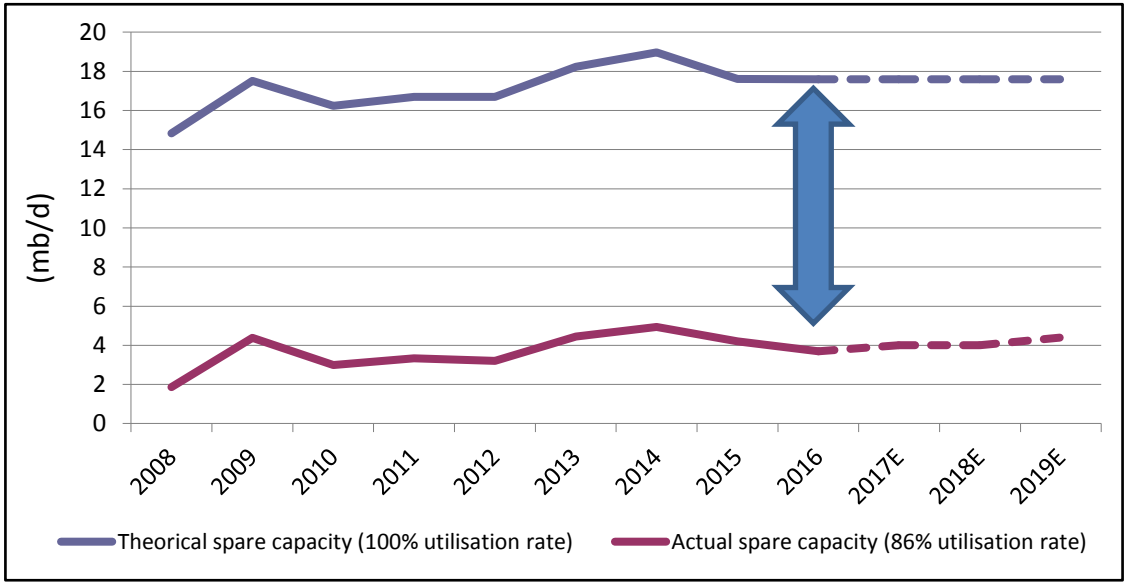
- **Majority of recently shutdown refineries had low complexity and small distillation capacity (less than 100,000 bl/day)**
- **Refineries under the red spotted line will continue to face the hardest competitive pressure**



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

iv Actual spare capacity largely over-rated

Actual spare capacity is significantly lower than Theoretical one, when factoring in planned and unplanned maintenance, seasonality, as well as other non-operability issues



Global refining capacity and runs

	2015	2016	2017	2018	2019
Total capacity	97.2	97.7	99.0	100.3	101.8
Refinery runs	79.9	80.7	81.3	82.0	82.7
Estimated spare capacity	4.2	3.7	4.0	4.0	4.4

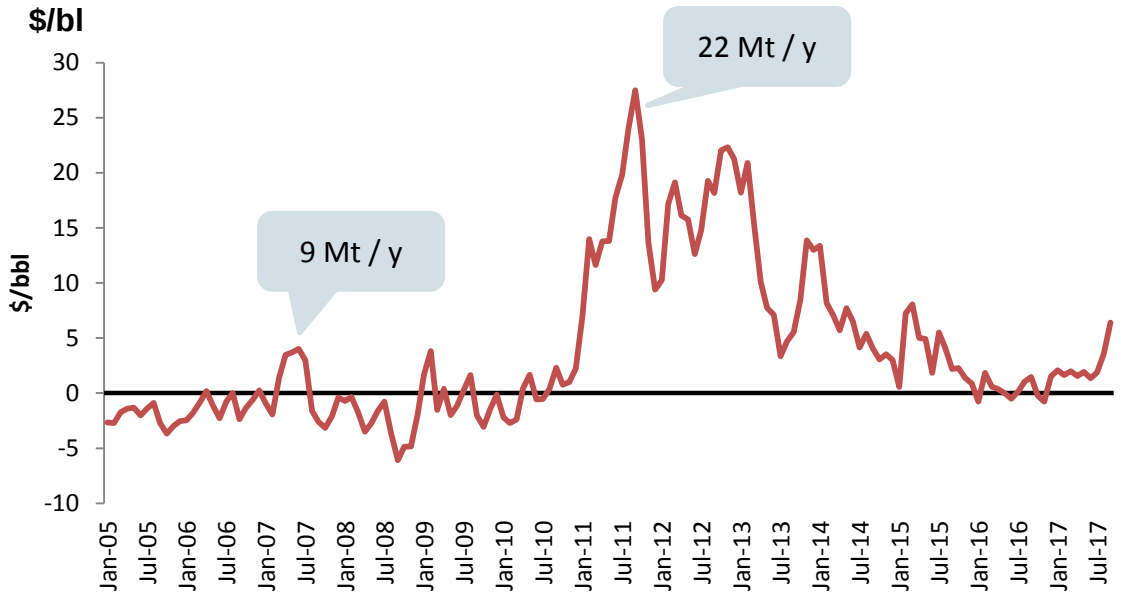
Sources:
IEA "2016 Medium-Term Oil Market Report",
BP Statistics and Credit Suisse Research

- The IEA in its 2016 Medium-Term Oil Market Report stated: *"Nearly two thirds of of global spare capacity is now in non-OECD countries where refineries are under-utilised for various reasons, ranging from war and conflict to poor state equipment making profitable operations impossible"*

- Actual spare capacity forecasted at approx. 4 mb/d in the mid term, assuming that the global system could run with average utilisation rate of 86% (i.e. slightly higher than the Golden Age average, which was equal to 85%)

v US refineries advantaged by WTI price distortions, which have now faded

Brent-WTI spread



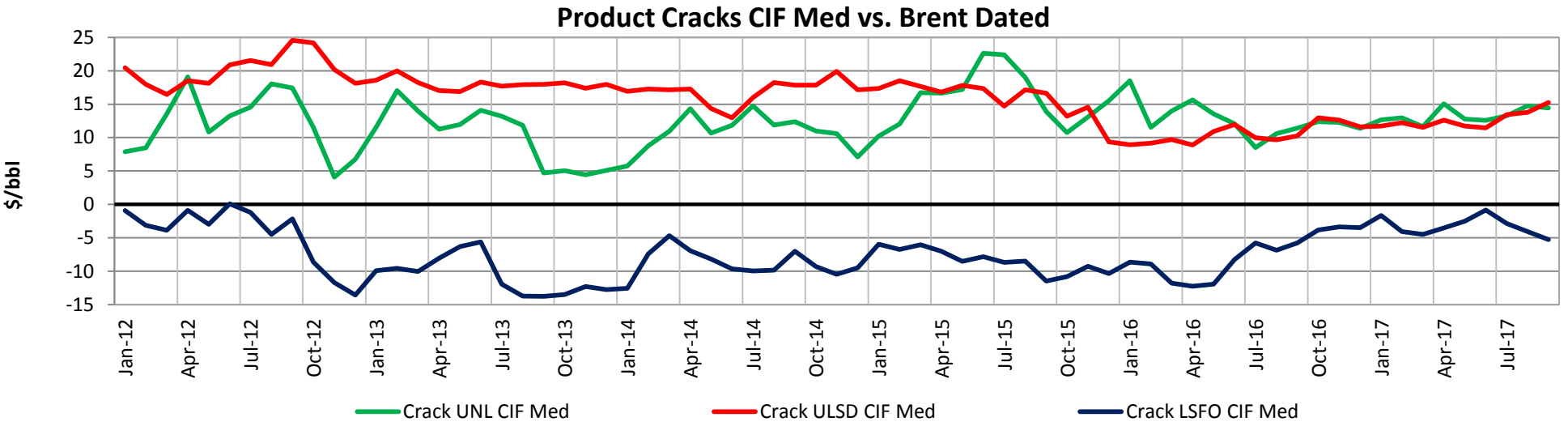
Legend: xx # Mt of middle distillates exported from USA towards Europe, on yearly basis

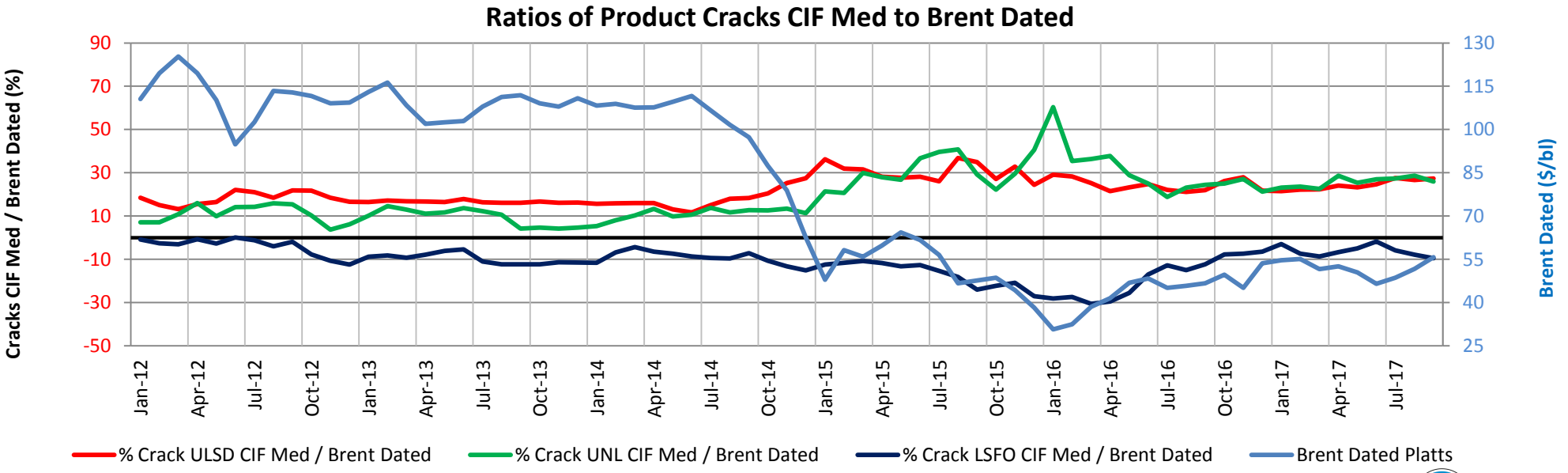
Factors which contributed to correct the distortion

- Debottlenecking of logistics in US & Canada
- Growing US domestic demand
- Lifting of crude exports ban

Sources: Bloomberg and Platts, Sept 29h 2017

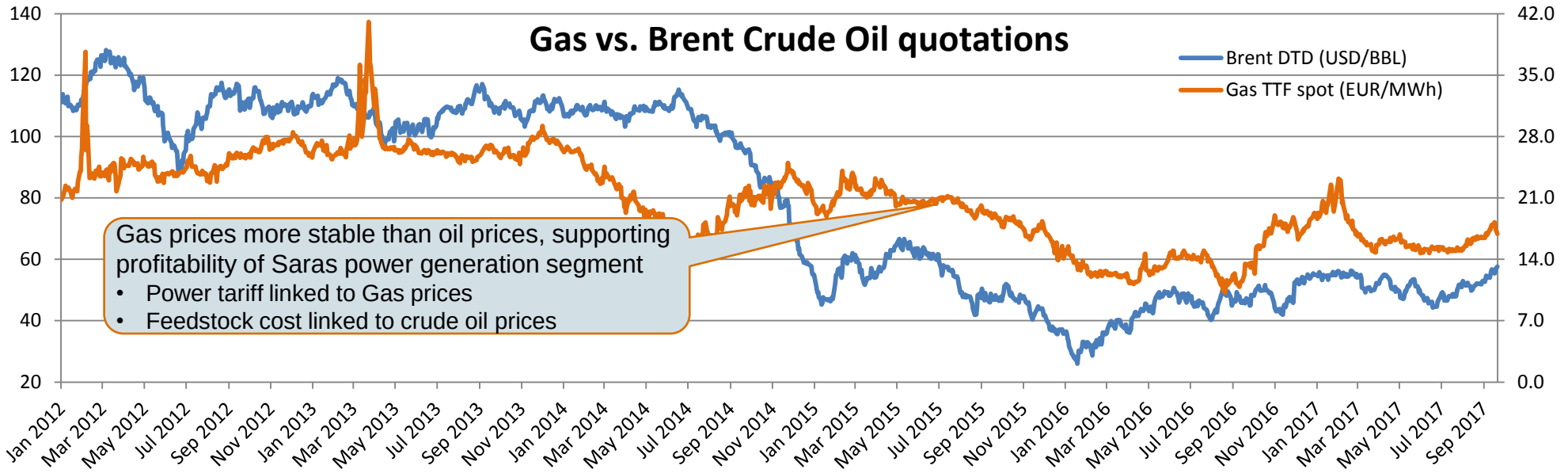
Healthy crack spreads

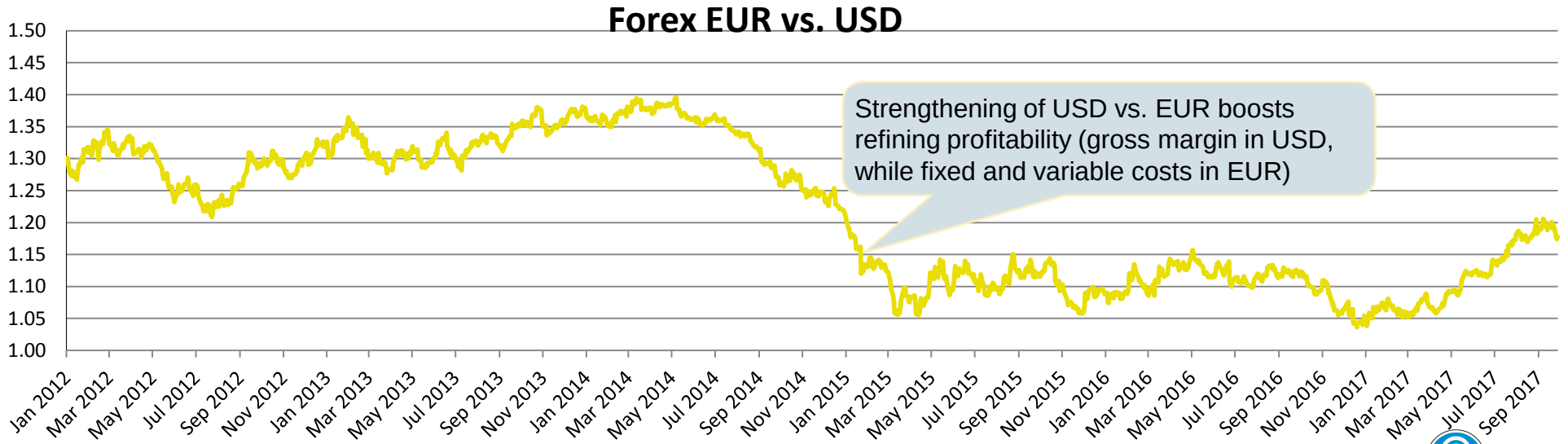




Note: Updated until Sept 28h, 2017

2 Favourable trends in USD/EUR and Gas vs. Crude oil prices

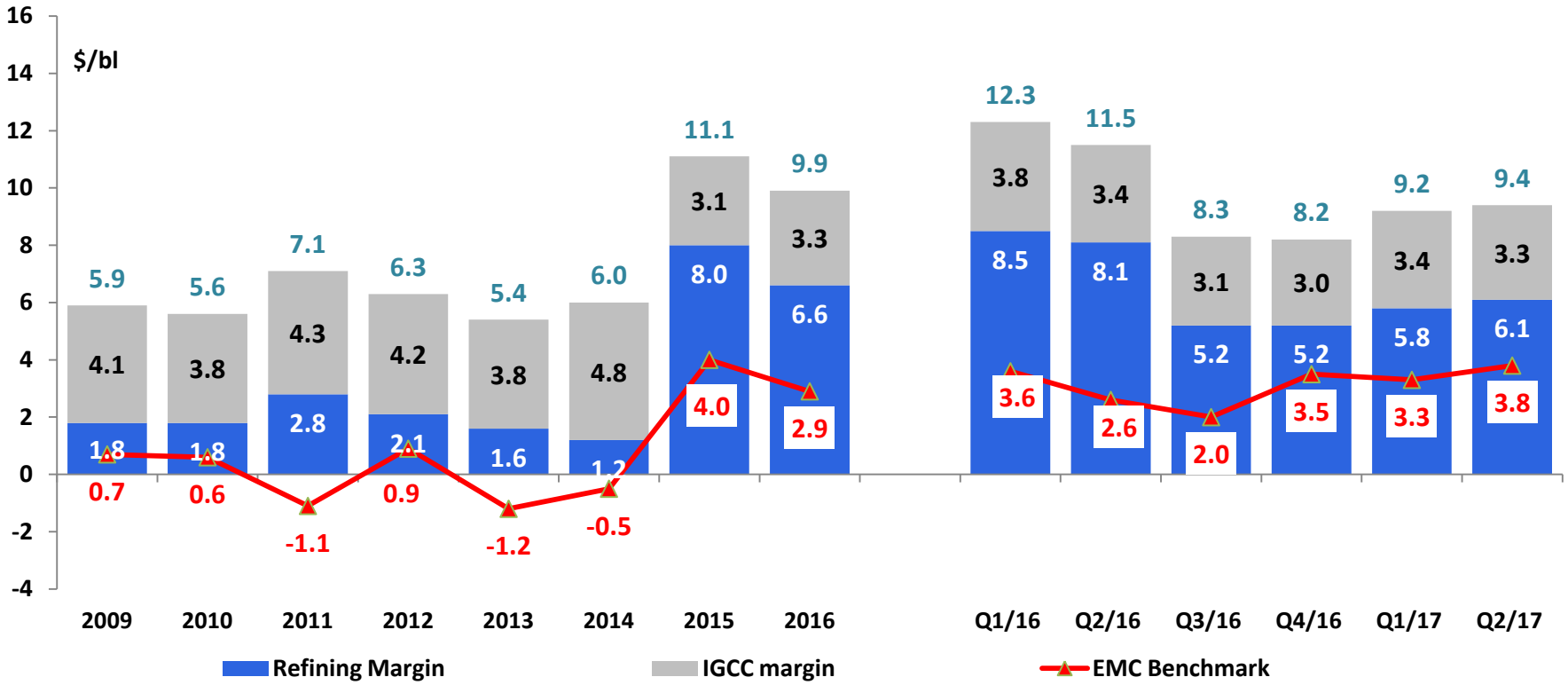




Note: Updated until Sept 28th, 2017

3 Saras profitability driven by company's strengths and market fundamentals

Saras margins and EMC benchmark ($/bl)



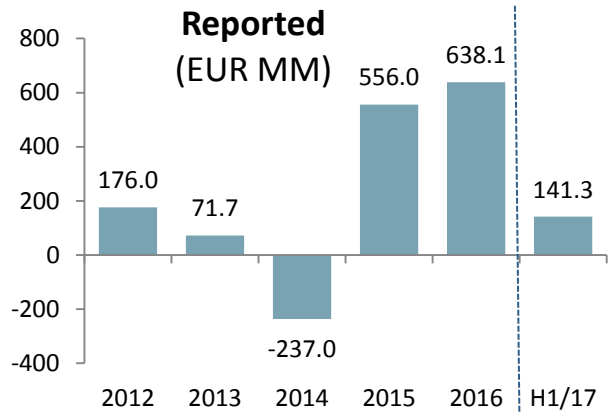
Refining margins: (*comparable* Refining EBITDA + Fixed Costs) / Refinery Crude Runs in the period
IGCC margin: (Power Gen. EBITDA + Fixed Costs) / Refinery Crude Runs in the period
EMC benchmark: margin calculated by EMC (Energy Market Consultants) based on a crude slate made of 50% Urals and 50% Brent

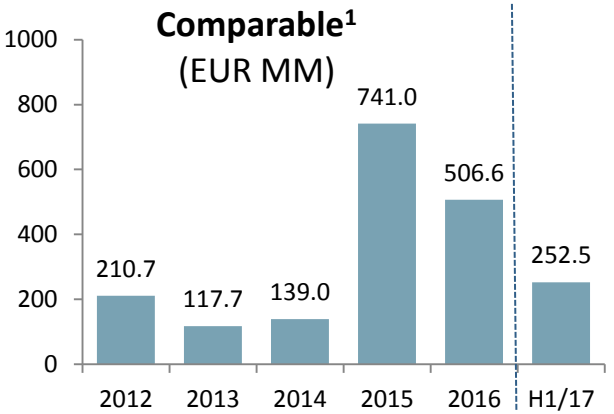
Saras' margin has a significant premium over the EMC Benchmark

Refining margins for 2016 and 2017 refer to Refining comparable EBITDA calculated with the new criteria of determination of the comparable figures

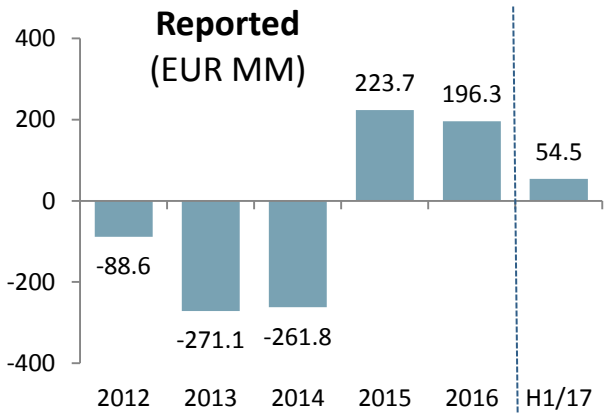
3 2017 started on a positive tone

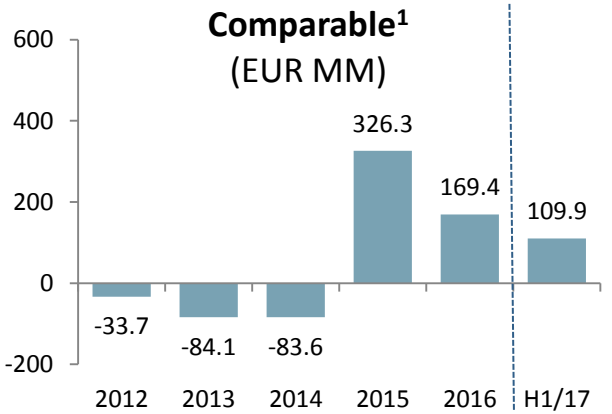
EBITDA



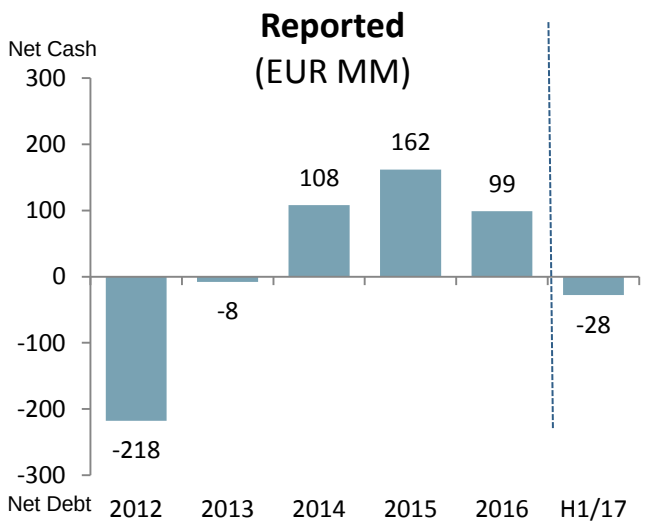


Net Result





Net Financial Position

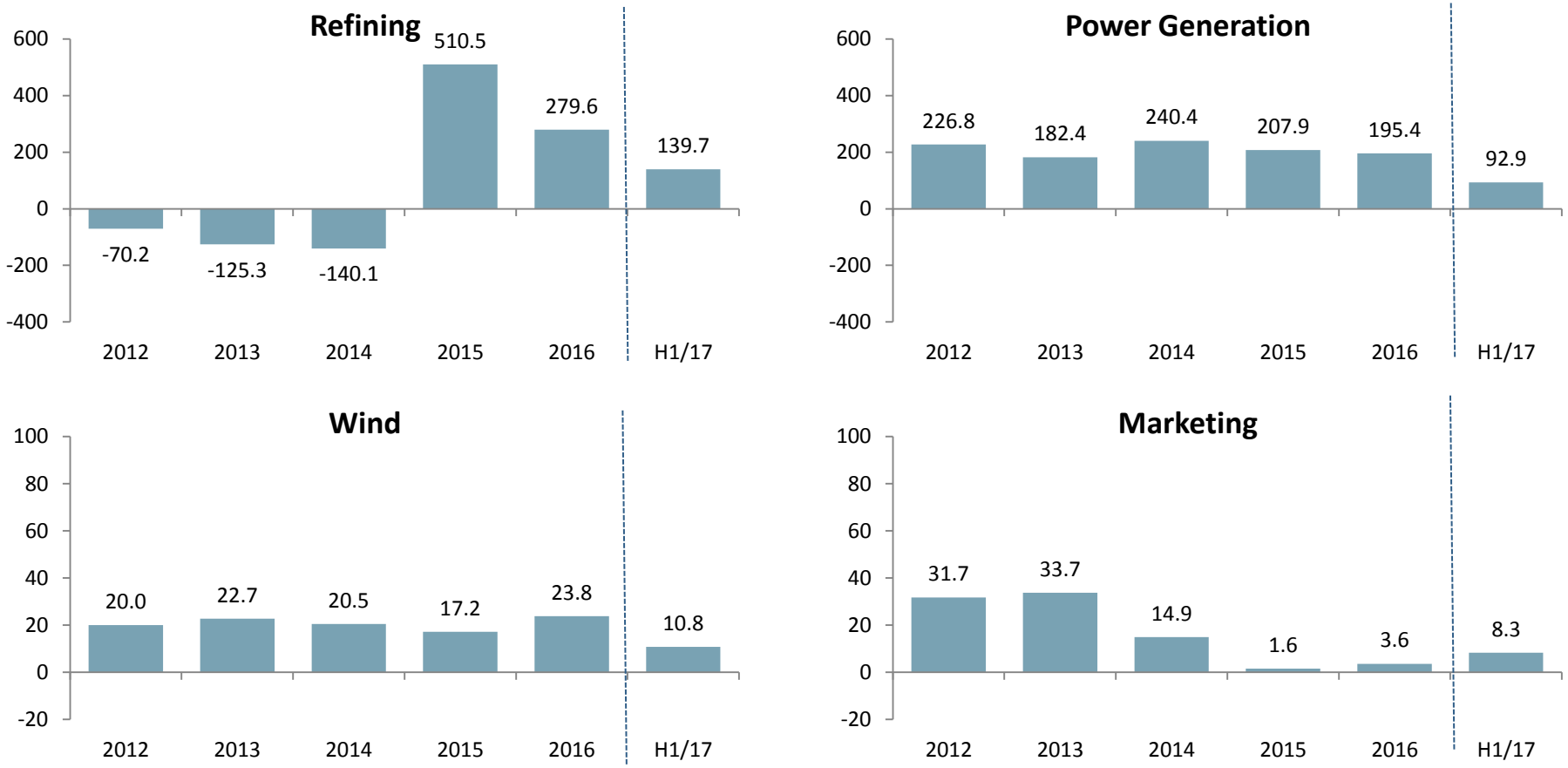


	2012	2013	2014	2015	2016	H1/17
Financial Gearing[2]	18%	1%	0	0	0	3%
NFP/ EBITDA	1.2x	0.1x	0x	0x	0x	0x

1. Until 2016 "Comparable" results evaluated oil inventories based on LIFO methodology (while IFRS accounting principles adopt FIFO methodology) and did not include non-recurring items and "fair value" of the open positions of the derivative instruments on oil and Forex. From H1/17 "comparable" EBITDA and the Net Result are displayed valuing inventories with FIFO methodology, excluding unrealised inventories gain and losses, due to changes in the scenario, by valuing beginning-of-period inventories at the same unitary value of the end-of-period ones. Moreover the realised and unrealised differentials on oil and exchange rate derivatives with hedging nature which involve the exchange of physical quantities, are reclassified in the operating results. Non-recurring items by nature, relevance and frequency and derivatives related to physical deals not of the period under analysis, are excluded by the operating results and the Net Result (*for more details please refer to slide 62*).
2. Net financial Position / Equity

Profitability at segment level: stable Power and Wind contribution

Comparable EBITDA[1] (EUR MM)



1. Until 2016 "Comparable" results evaluated oil inventories based on LIFO methodology, and did not include non-recurring items and "fair value" of the open positions of the derivative instruments on oil and Forex. From H1/17 results are displayed valuing inventories with FIFO methodology, excluding unrealised inventories gain and losses, due to changes in the scenario, by valuing beginning-of-period inventories at the same unitary value of the end-of-period ones. Moreover the realised and unrealised differentials on oil and exchange rate derivatives with hedging nature which involve the exchange of physical quantities, are reclassified in the operating results. Non-recurring items by nature, relevance and frequency and derivatives related to physical deals not of the period under analysis, are excluded. (*for more details please refer to slide 62*)

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

Largest single-site in the Mediterranean

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

Size

13 berths for cargoes (up to VLCC size)

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

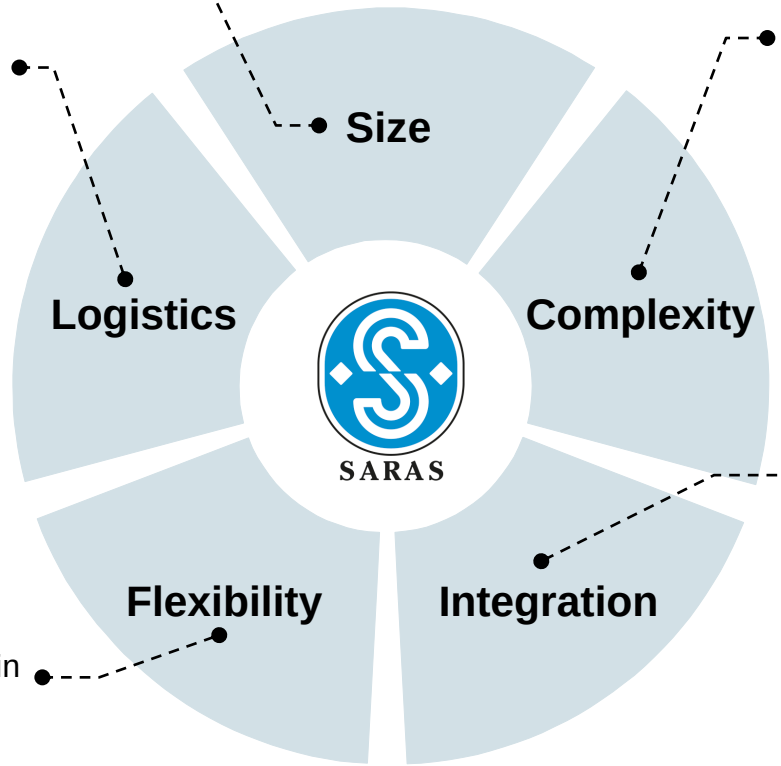
→ **Trading-oriented hub** with primary location in the middle of Med, enabling logistic costs optimization

Logistics

Top-tier Mediterranean site in terms of **complexity** and **size**

→ Nelson Complexity Index = 10.0 and WoodMacKenzie Index = 9.5 following Versalis' acquisition

Complexity



Fully integrated power generation Plant (IGCC)

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

Integration

Petchem integrated processes

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

Flexibility

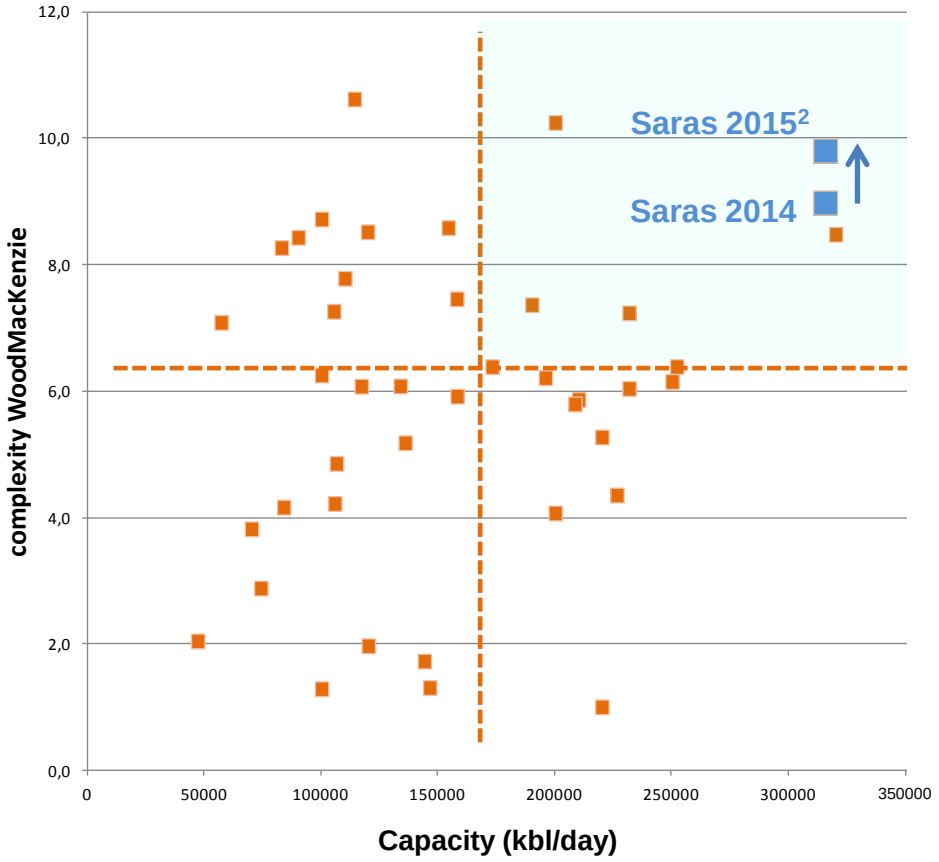
Approx. 35 different crudes processed in 2016, from a wide range of grades

→ Exploitation of crude differentials

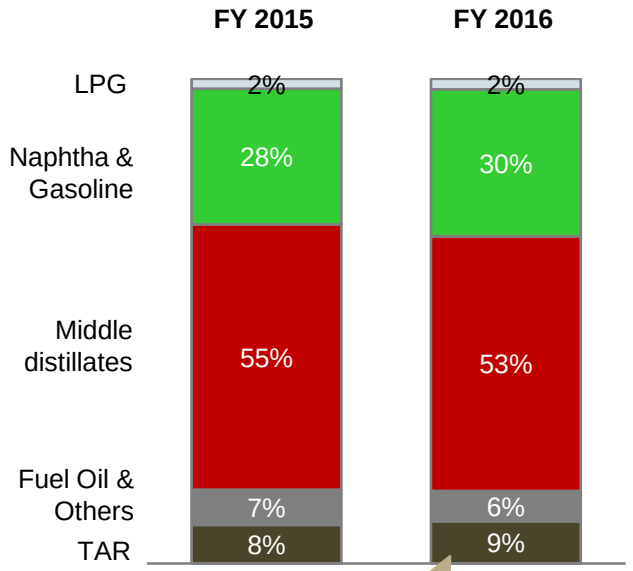
4 Top-tier large & complex refiner among Mediterranean players

Med refineries by complexity index[1] and capacity

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



Output yields[3]



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

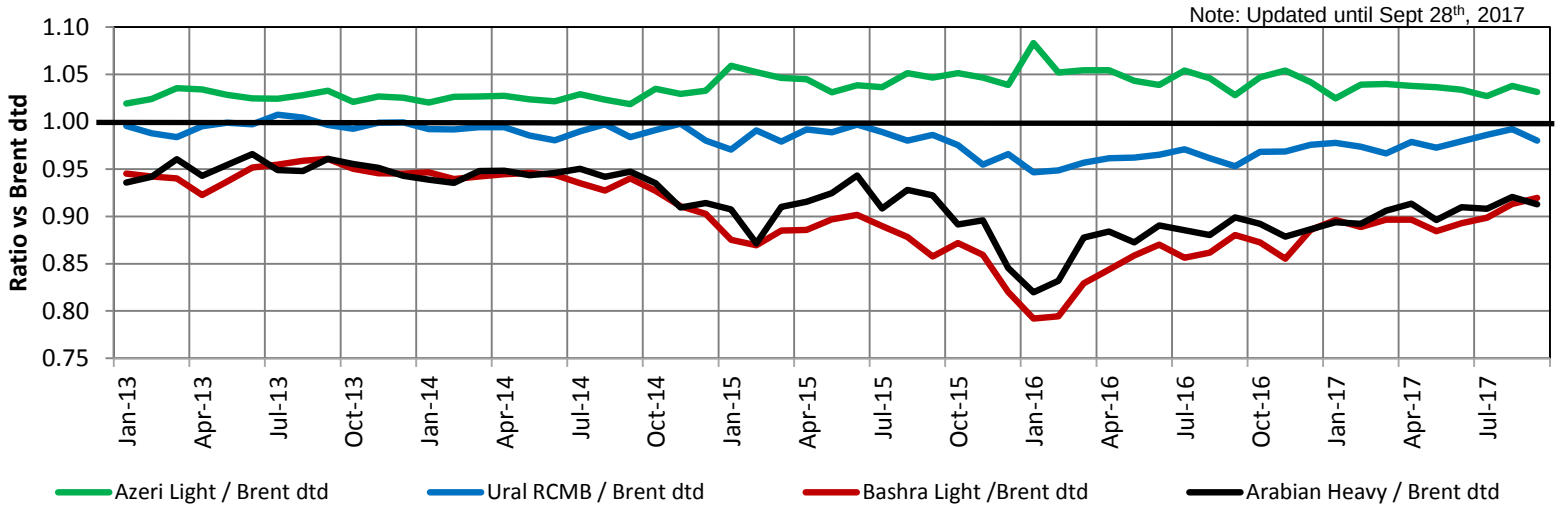
Top-tier refineries compete in global markets and are well positioned to fully capture favorable market cycles

~85% of output are light & middle distillates

1. Wood Mackenzie index
2. Saras calculation based on WoodMackenzie methodology, to account for the acquisition of Versalis petrochemical plant
3. Product Yields are calculated net of "C&L"

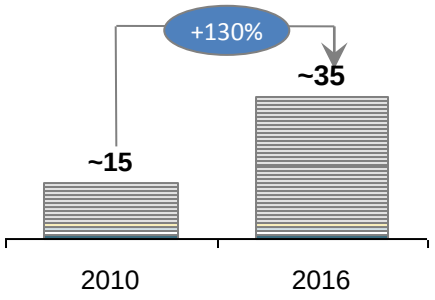
4 Crude flexibility & Supply Chain Integration: strong competitive advantages

Market volatility and variations of discounts / premiums for crudes

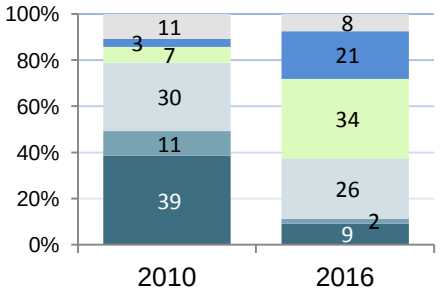


Change in variety of crudes processed and origin of crudes purchased

Crude grades



Origins of crude



North Africa | North Sea | FSU | Middle East | West Africa | Others

- **Saras flexible refinery is capable of processing multiple grades of crude**
  - Overcome supply disruptions
  - Exploit opportunities in differentials
- **Its central location allows for a geographically diversified supply**
  - Flexibility in crude origin
  - Supply optimization

... which allow Saras to overcome supply disruptions and exploit market opportunities

4 Fully-integrated industrial site, with Power Generation & Petrochemical

Inland Sardinia market via Truck:
~1,1 MM ton

Sarroch North plants (ex Versalis)

Integrated site flows

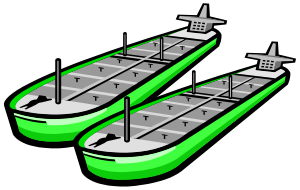
Pipeline exchange with Petchem:
~0,5 MM ton

1,4 MM ton

-0,9 MM ton

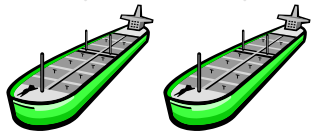
Steam and H2

Integrated exchange with Power Gen (TAR)
~1,1 MM ton



Cargo supply of crude from a wide range of grades:
~15 MM ton of crude
+ significant quantities of other feedstock

Power to grid:
4.2 ÷ 4.4 TWh

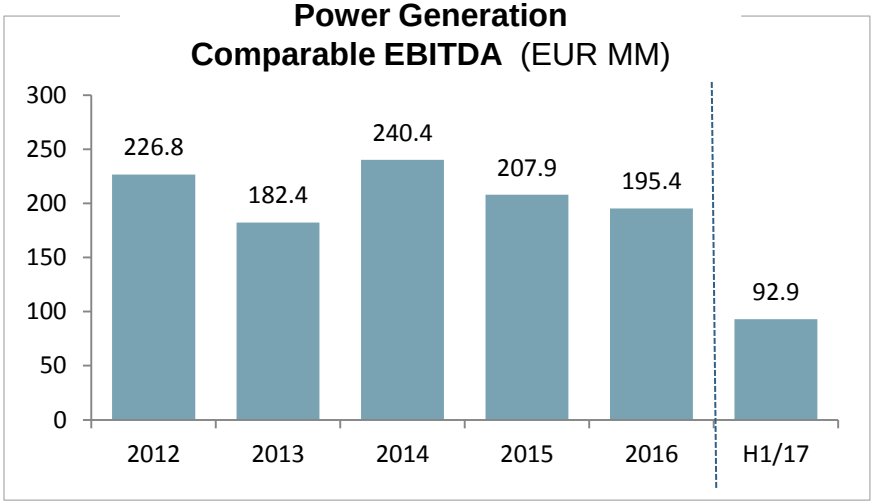


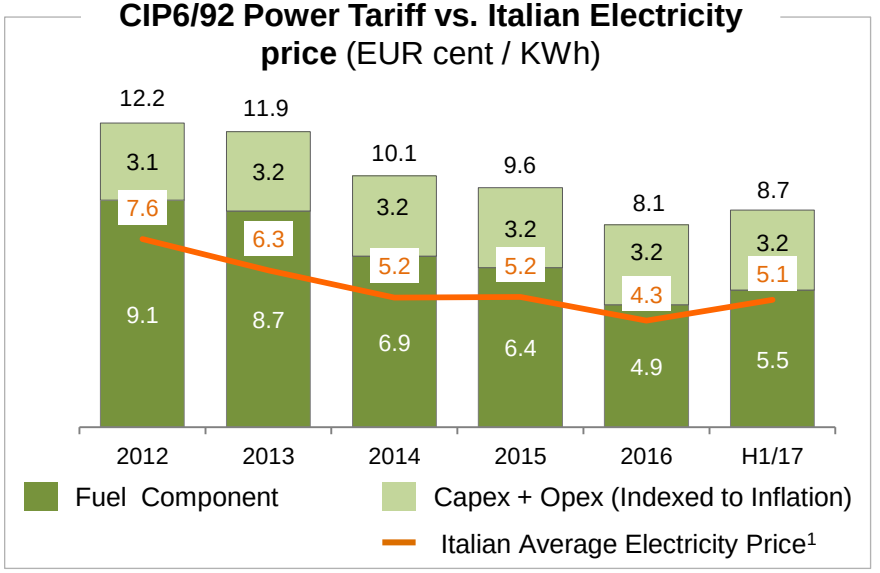
Cargo to Saras wholesale / retail system
~2,8 MM ton

FOB & delivered cargo market:
~7,8 MM ton

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 CO_2 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**





1. The Italian average electricity price (PUN) can be found on the GME website: **www.mercatoelettrico.org**

5 Operational Excellence program: main areas of intervention

2010-2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 onwards

Industrial Focus

Yield	• Yield Optimization • Give Aways reduction
Energy Efficiency	• Flare losses reduction to 0.1% • Decrease steam/fuel consump • Energy certificates
Asset Mgmt	• Efficiency in routine maint. • Turnaround management
Other Costs	• Fixed costs reduction • Reduction of utilities costs

Supply&Trading

- Processed crudes flexibility
- Reduction of inventory level
- New trading Business Model

New initiatives

- #digitalSaras program

SCORE

- SCORE Project Perf. Optimization
- Trading Company in Geneva
- Saras Capabilities Strengthening

Organization and Governance

- New organizational model
- Personnel cost reduction (turnover management, overtime control, etc.)

HSE

- Injury index down from 7 to 1
- SOx emissions down 20%
- BBS (Behaviour Based Safety) Project

Asset Upgrade

- MHC2 Revamping
- Upgrade of IGCC turbines

Versalis deal

- Sarroch site strengthening plan
- Versalis assets/resources integration

6 Track record of improvement projects which enhanced shareholders' value

Integration with petrochemical plants (ex Versalis)

- **Benefits from petrochemical:**
  - ✓ Maximisation of naphtha runs in reforming unit, to exploit strong 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

Continuous strengthening of capabilities

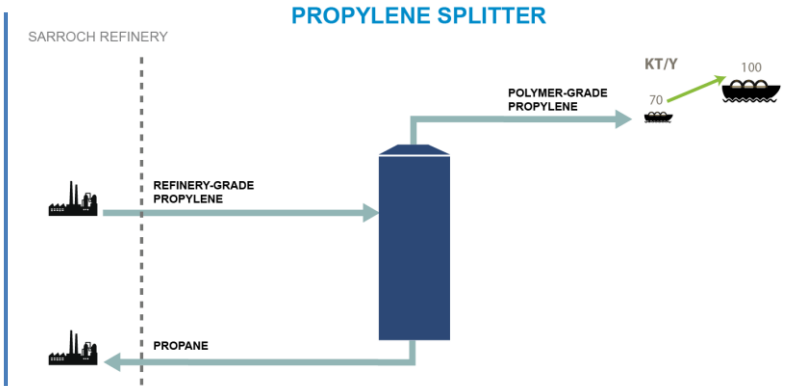
- **Internal capability building program**
- **External talent sourcing for Senior / Middle Management**
- **World-class consulting**

Supply Chain Integration and Trading Company in Geneva

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

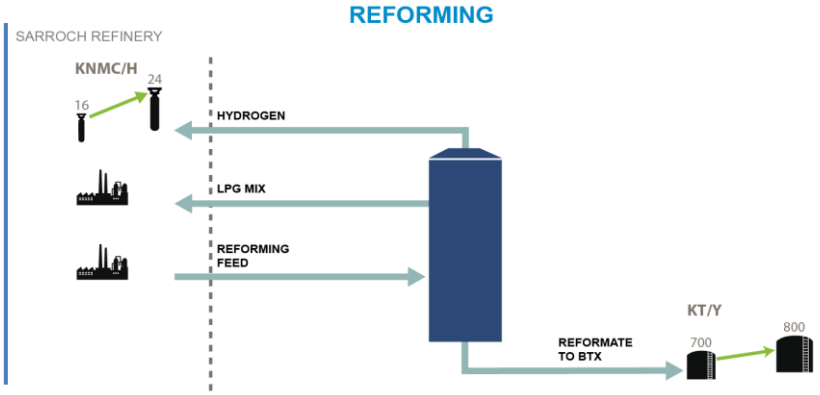
6.1 Benefits from pet-chem integration (ex Versalis plants)

PROPYLENE SPLITTER

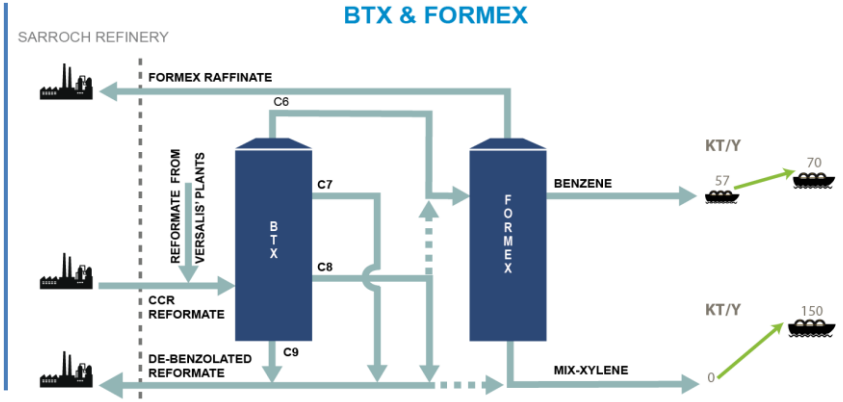


In petroleum refining, **Propylene** is a product of the fluid catalytic cracking (FCC). It can be sold directly (as “refinery-grade”) or upgraded to “polymer-grade” specifications. In particular, in the “refinery-grade” specs, the Propylene content is usually 70-75%, while “polymer-grade” specs require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

REFORMING



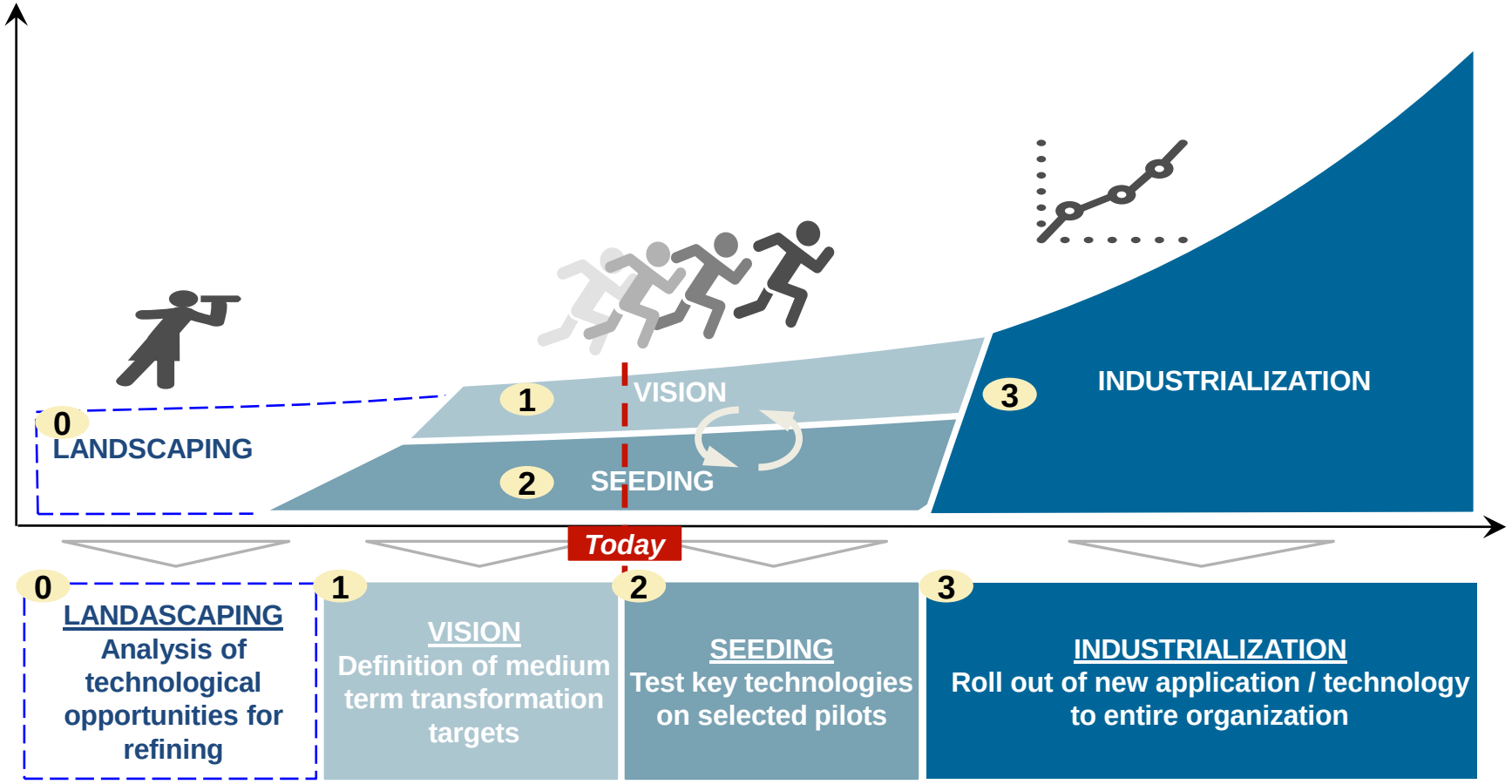
BTX & FORMEX



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

Recently launched program #digitalSaras to enhance efficiency and know-how

A 3-steps digital transformation journey from vision to industrialization



6.2 3 digital domains within Saras, with ~100 projects identified

Domains of the Saras digital transformation program

Asset Operations and Maintenance advanced management

Asset

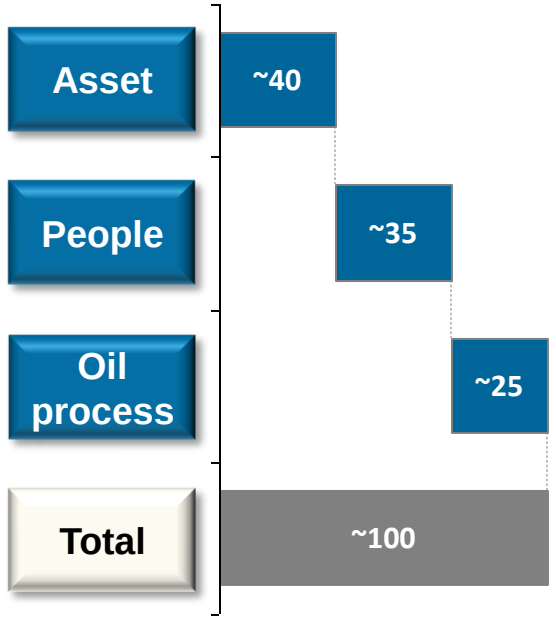
People

Field force productivity and safety improvement

Oil process

Oil process & supply chain optimization

Landscaping



8 priority pilots already launched, and currently being developed with Agile methodology, as the first step for digital transformation and cultural change

Selected examples of the Pilots under implementation

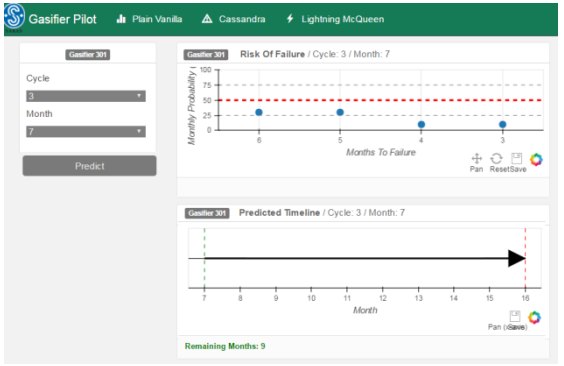
Asset

IGCC cycle optimization

IGCC generates ~EUR 200M of EBITDA every year...

...and the gasifier is the most critical equipment of the IGCC operational cycle

Machine learning algorithm to predict failure and simulate IGCC cycle optimization



People

Digitalization of field workforce

~2000 workers every day within Saras' refinery...

...performing manual and repetitive activities on the fields

Simplified process and digital tools to increase workers productivity and safety

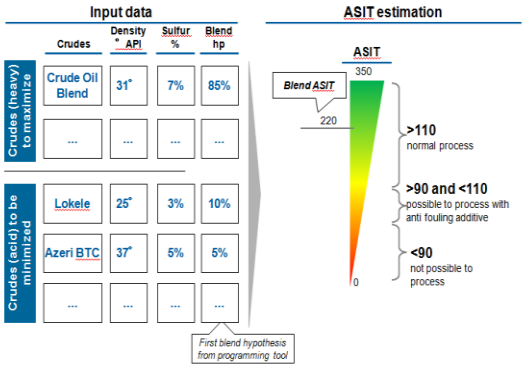
Oil process

Crude compatibility prediction

> 40 crudes processed every year by Saras' refinery…

…with crude oil blending being key process for margin maximisation

Advance analytics tool to predict blending compatibility



Business Plan 2017 – 2020 and subsequent update

Business Plan 2017 – 2020 main assumptions *(released on Feb 27th, 2017)*

Business Plan Market Scenario

		2017E	2018E	2019E	2020E
Brent Dated	$/bl	52.5	55.0	60.0	65.0
Gasoline *crack spread*	$/bl	10.0	10.0	10.0	10.0
ULSD *crack spread*	$/bl	11.0	11.5	12.8	15.0
LS Fuel Oil *crack spread*	$/bl	-13.0	-13.0	-13.0	-15.0
Exchange Rate	€/$	1.10	1.15	1.15	1.19

Note: Market Scenario assumed in Business Plan based on IHS Markit forecast (Nov. 2016) and Reuters Poll for Exchange Rate

Business Plan Operations & Fixed Costs

		2017E	2018E	2019E	2020E
Refinery Crude Runs	Mtons	Approx. 14 ÷14.5			
Refinery other feedstock	Mtons	Approx. 1.0÷1.5			
IGCC Power production	TWh	Approx. 4.2÷4.5			
Total Fixed costs (Refining + Power)	€ M	Approx. 360÷370			

Outlook for crude oil markets

Global oil supply expected to remain robust over the plan period

- OPEC to be offset by ramping-up E&P activities in US (light sweet) and in North-Eastern Caspian Sea (light sweet crude and condensates from Kashagan), as well as production increases in Libya and Nigeria

Outlook for "light sweet – heavy sour" price differential

- Shrinking in 2017 due to OPEC production cuts (mainly heavy-sour), and increase of light sweet supply
- Material widening in 2019-20, driven by "IMO – Marpol VI" regulations:
  - ✓ From Jan. 2020 bunker fuel maximum allowed Sulphur percentage down from 3.5% to 0.5%
  - ✓ Heavy and medium sour crude oils expected to increase their discounts vs. Brent
  - ✓ Increase in premium of light sweet crude oils (more suitable to produce bunker fuel at 0.5% Sulphur)

Tightening environmental regulation…IMO - Marpol VI is the last step

Environmental regulation progressively tightening

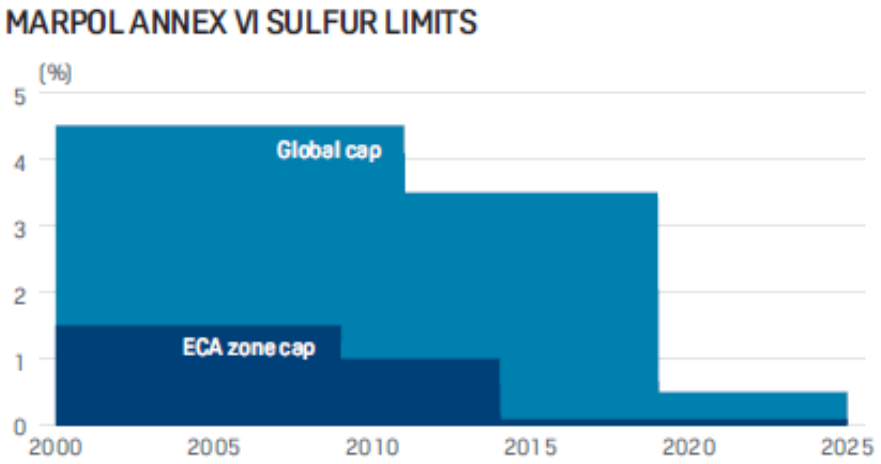
- EU Fuel Quality Directive, Clean Air For Europe Regulation, etc.

Air quality is more and more a relevant theme for the public opinion

- Despite representing only 4% of global oil demand, marine bunker accounts for approx. 40% of sulphur emissions from oil use

IMO decision to implement tighter limits on bunker emissions as of 1st Jan 2020, in accordance with "MARPOL Annex VI" Regulations**, is the last regulatory measure aiming at reducing sulphur emissions**

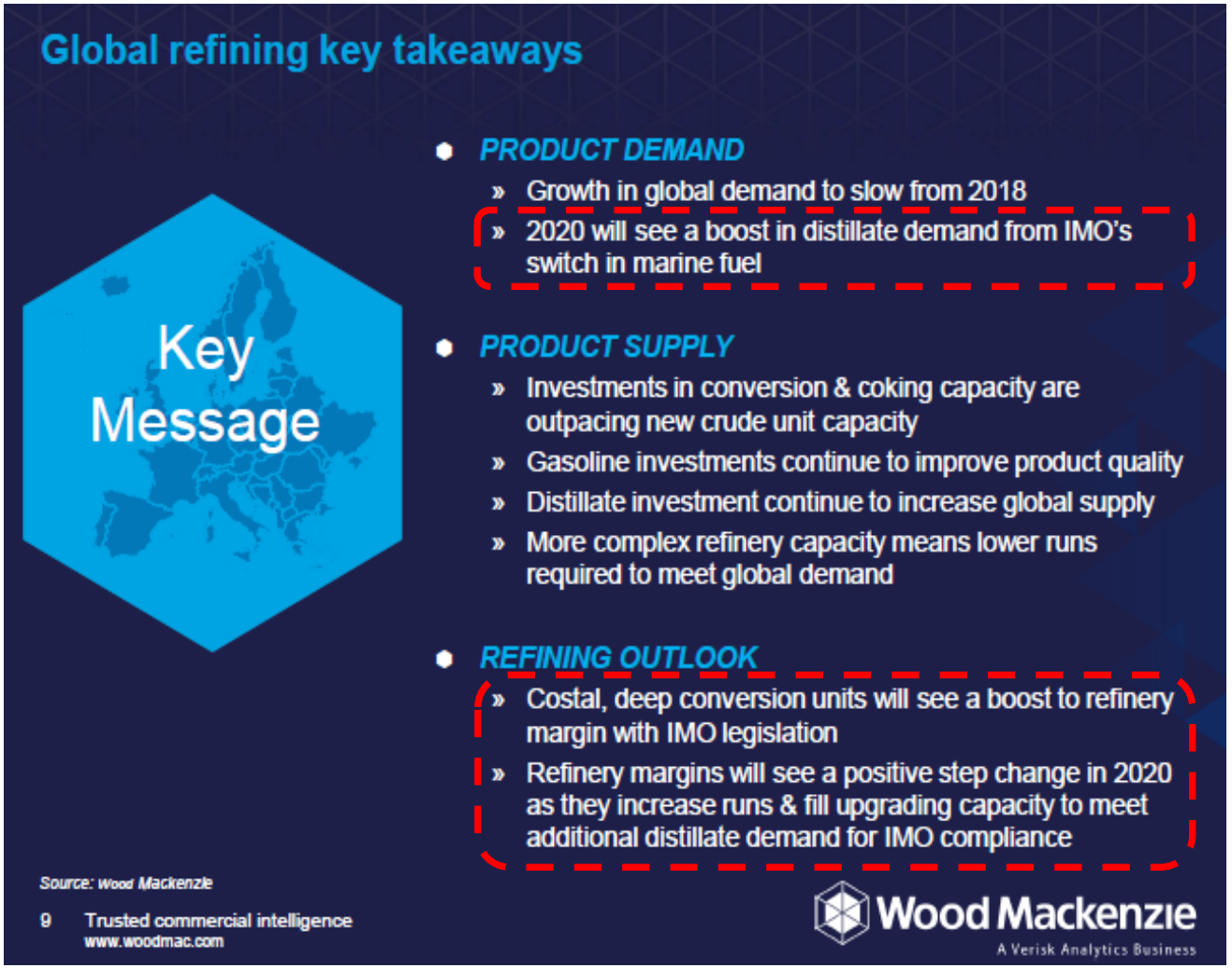
Lower bunker fuels emission cap by 2020



IMO has set a global limit for sulphur in fuel oil used on board ships of 0.5% from 1st January 2020, compared to current limit of 3.5%. Shippers can meet lower sulphur emission standards by:

- Using low-sulphur compliant fuel oil
- Using alternative fuels (i.e. gas or methanol)
- Installing scrubbers which clean the emissions before they are released in the atmosphere

Positive scenario triggered by IMO regulation, and…



According to Wood Mackenzie, a leading independent market consultancy, IMO regulation will trigger:

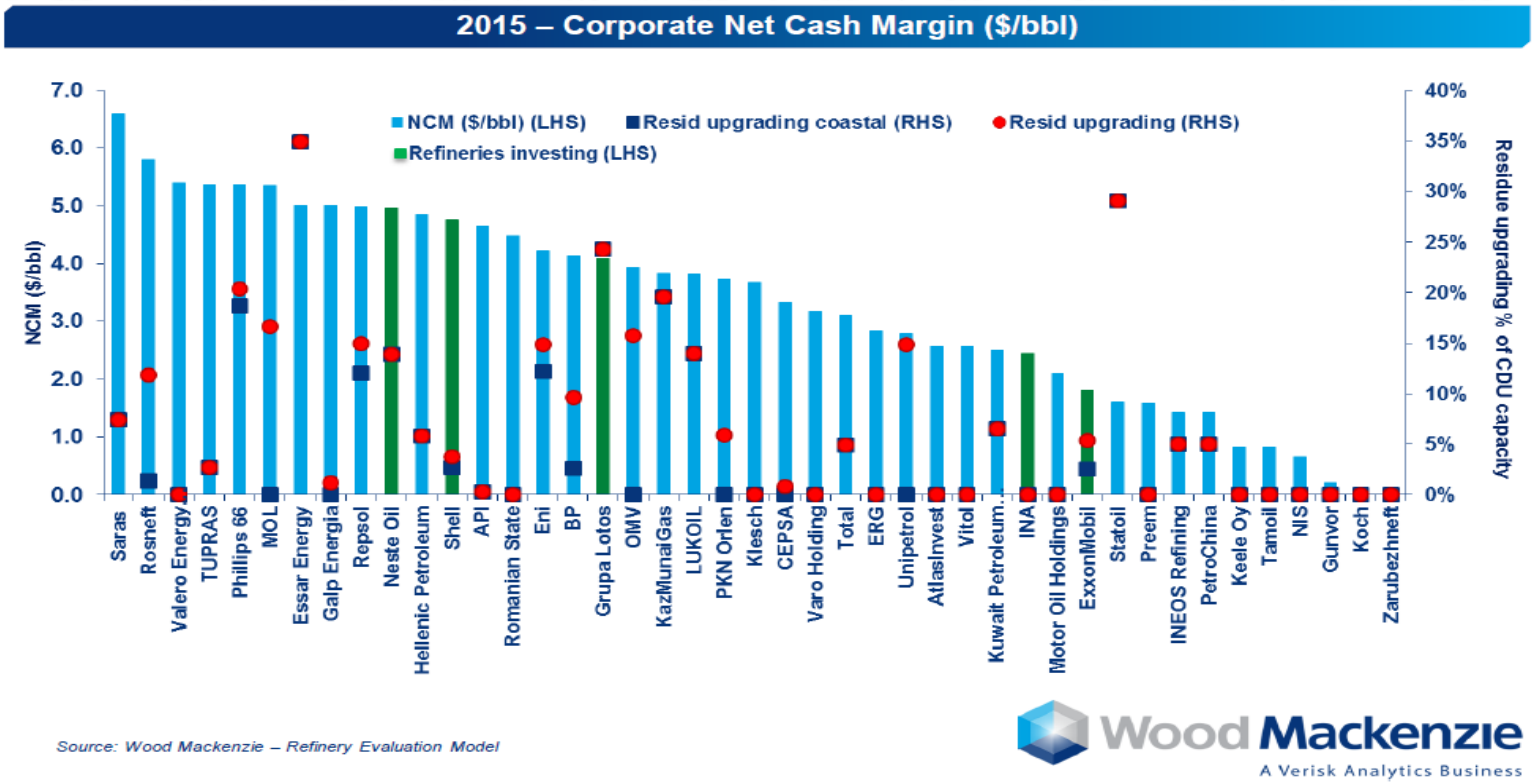
- Large increase in marine gasoil demand in 2020 (sustained through 2025)
- Relevant investment in conversion and coking capacity for lower complexity refineries (to find ways to dispose of Fuel Oil production)

Refining outlook is positive:

- Margins will see a positive step change in 2020
- Costal, deep conversion units most favoured

…Saras ideally placed to exploit market development

The MARPOL VI legislation will provide support for Europe's deep conversion units



Source: Wood Mackenzie – Refinery Evaluation Model

Wood Mackenzie
A Verisk Analytics Business

Saras is ideally placed to play this scenario:

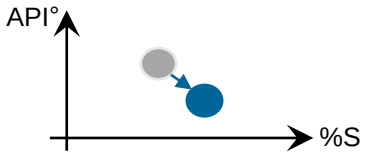
- Widening of "heavy-sour / light-sweet" differential will **increase Saras premium to EMC Benchmark margin**
- **Transformational investments are not necessary:** Saras IGCC plant already efficiently converts heavy part of the barrel into precious electricity, as well as steam and hydrogen which are sent back to the refinery

Specific upgrades of existing units to further boost profitability

Visbreaking revamping

150 -200 M€ CAPEX

- **Final decision on investment** aimed at consolidating the site's operational configuration & Group's profitability after the CIP/6 expiry **to be taken in 2018**
- Recent developments of "IMO – Marpol VI" regulations outline a long-term scenario with progressively widening discounts for heavy sour crude oils
- Under this scenario the **revamping of the Visbreaking Unit would:**
  - **Enable production of cheaper feedstock (i.e. heavier TAR)**
  - **Increase the % of heavy sour crude oils in the refinery feed**
- Expected benefits from **revamping of the Visbreaking Unit:**
  - **1 IGCC power train dedicated to self-consumption**, leading to savings for system and dispatching charges for the refinery
  - **Higher runs of heavy sour crude oils in the refinery**, leading to cheaper cost of refinery feedstock

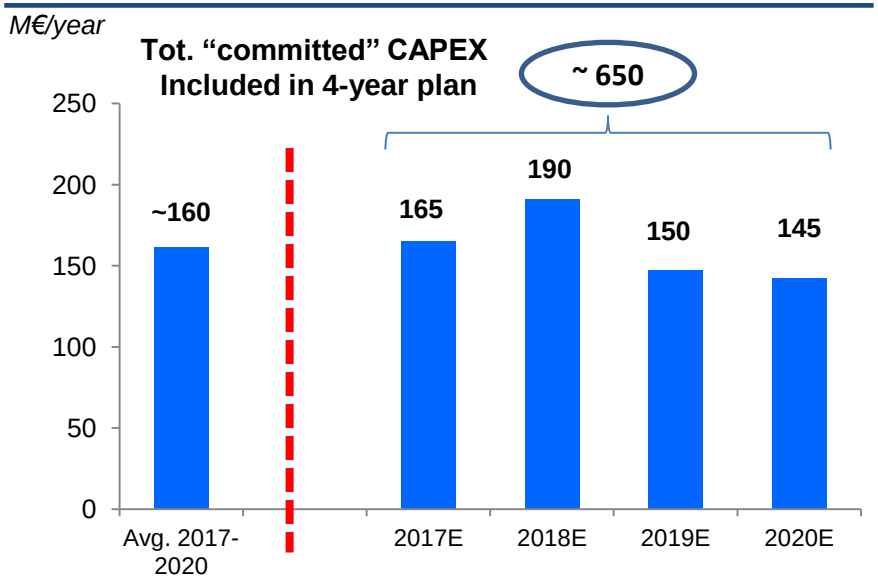


Heavier and sour slate

~1.0TWh self consumed
+ ~3.6 TWh sold

Saras Improvement Initiatives and CAPEX Plan

Business Plan Group "committed" CAPEX[1]

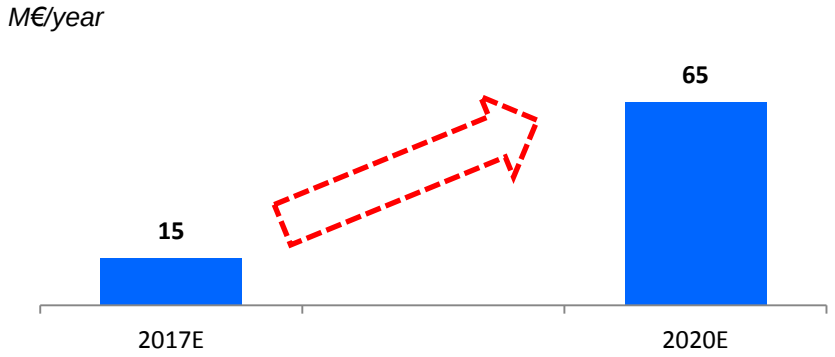


1. Further "non-committed" CAPEX refer to a portfolio of additional refinery upgrades, to be evaluated on a yearly basis

Main development CAPEX included in Plan

- **Logistics upgrades:** jetty upgrade for berthing of larger vessels, and extensions of crude oil lines
- **Northern plants:** BTX revamping, Splitter improvements, and power station upgrade
- **Southern plants:** FCC oxygen enrichment, Chiller for LPG recovery on fuel gas network, other minor works
- **Energy efficiency:** New FCC blower and power recovery unit (Expander); internal power grid reconfiguration; new steam and fuel gas interconnection between Northern & Southern plants

Expected EBITDA from Improvement Initiatives



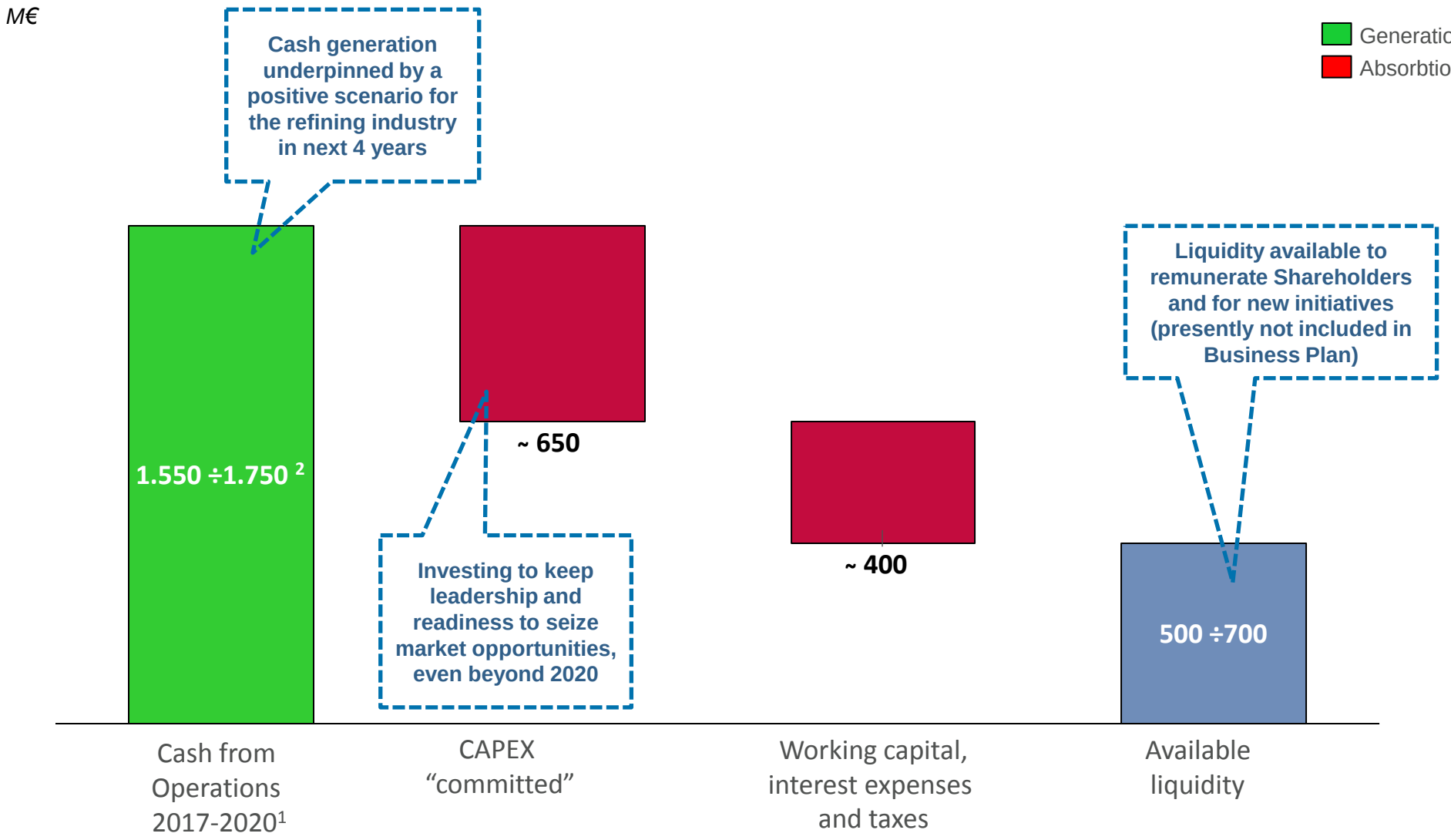
Operational Improvements included in Plan

- Steam management across the site
- Increased focus on heat exchangers' efficiency
- Improved energy performance tracking / control

Segments profitability outlook

Segment	Comments
Refining	• **EMC Benchmark margin at 2 ÷2.5 $/bl** (based on reference scenario) • **Saras' premium** to EMC Benchmark **from approx. 3.5 $/bl in 2017 to approx. 4 $/bl in 2020** (including improvement initiatives and additional benefits deriving from Integrated Supply Chain Management)
Power Generation	• **EBITDA of approx. EUR 200M/year** • Electricity produced to be sold according to CIP6/92 tariff
Marketing	• **EBITDA of approx. EUR 10M/year** • Profitability recovery coming from cost rationalization and implementation of initiatives for optimization of sale channels & working capital
Wind	• **EBITDA between EUR 20÷25M in 2017** • **EBITDA between EUR 5÷10M in the period 2018-20,** due to the expiry of incentives on ~80% of the installed capacity

Sources and uses of cash (Cumulated 2017-2020)



1. Cash Flow from operations = EBITDA – Linearization effect on Power Generation – others
2. Variability for Cash Flow generation derives mainly from range assumed for EMC Benchmark margin

Cost Optimisation Programme prudentially not included in the Plan

Cost Optimisation Programme

- Cost optimisation programme started in early 2017
- Effects – **prudentially not included in the Plan** – should compensate a sizeable portion of growing costs associated with environmental regulations and inflationary cost drifts
- Expected savings to be incorporated in subsequent updates of the business plan
- The main areas which will be targeted are the following:

- CAPEX
- General expenses, services and ICT
- Maintenance
- Oxygen, nitrogen, electricity and raw water
- Catalysts, additives, chemicals and global services
- Environmental remediation and waste disposal
- Industrial performance

Approach and main levers

- **Bottom up approach:** project managed and driven by the process owners
- **Focus on reduction of inefficiencies** at all levels
- **Levers to be exploited**: volumes, processes, technological innovation
- **Process reengineering**

Outlook for H2/17

- **Market outlook for H2/17:**
  - **Oil supply set to remain abundant**, albeit with a different mix
    - OPEC production cuts largely offset by resurgent production in US and additional volumes from other countries (i.e. Libya, Nigeria, Kashagan and others)
    - Lower discounts on heavy sour grades (affected by OPEC cuts), and pressure on premia of light sweet grades (due to additional supply)
  - **Oil prices foreseen quite stable** by year end despite the roll over of OPEC cuts until Q1/18 (also as effect of high oil inventories level)
  - **Positive outlook for refined products**
    - Robust gasoline and diesel crack spreads expected to continue
    - High fuel oil crack spread (at maximum level of last 4 years) driven by low supply, look sustainable at least in the short term

- **In H1/17 the extraordinary strength of fuel oil boost the EMC Benchmark** (whose calculation assume high yield of fuel oil) **by approx. 1 $/bl** compared to the **business plan estimates** (3.5 $/bl vs. 2 – 2.5 $/bl), while reducing **Saras premium** (as Saras produces a lower proportion of fuel oil). The total refining margin was in line with business plan estimates but with a different mix.

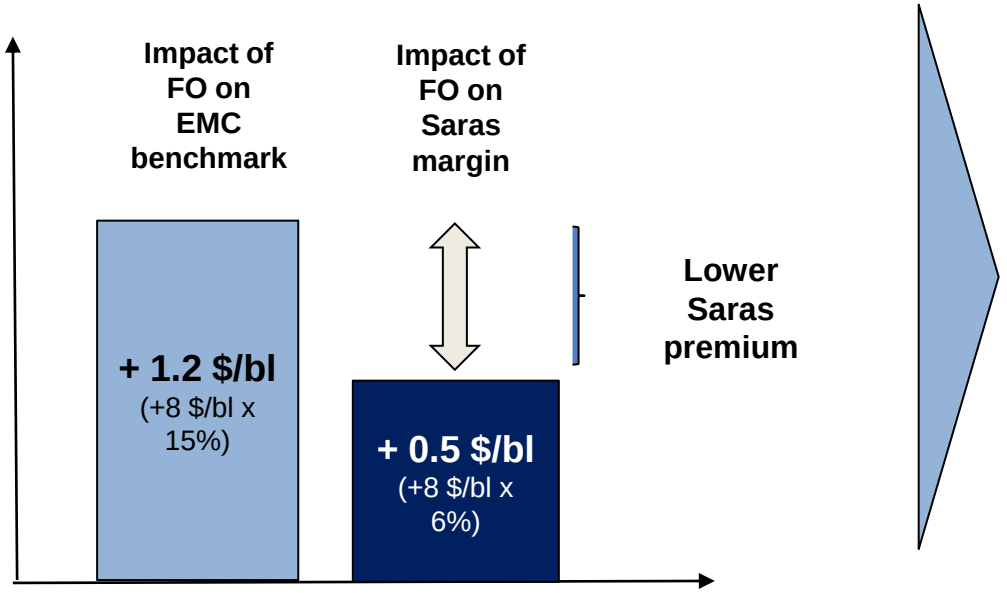
- Assuming that fuel oil crack spread remain at the level reached in H1/17, **for the second part of the year Saras expect to generate a premium on top of the EMC Benchmark higher than the one reached in H1/17,** also considering that nearly all the annual maintenance activity was carried out in the first half of the year.

- **Positive NFP expected by year end:** Cash flow generation in H2/17 expected to cover WC changes (net of inventory changes), CAPEX, Taxes and Financial Expenses

Fuel oil strength impact on EMC Benchmark and Saras margin in H1/17

	EMC Yield	SARAS Yield
Fuel oil	15%	6%

	H1-2016	H1-2017	Difference
LS Fuel oil crack spread ($/bl)	(12)	(4)	+ 8



All else being equal, the strength of fuel oil in H1/17 versus the same period of last year increased EMC Benchmark more than Saras margin

Fuel Oil strength is a positive for refining margins, but it reduces opportunities to generate a premium for complex refineries.

Maintenance schedules for 2017

- **Refinery:** maintenance front-loaded in Q1/17. Activities on VisBreaking “VSB”, cdu “T1” and desulphurisation units “U400” and “U800” in Q1/17 and cdu “RT2” in Q2/17 were carried out according to plans. With regards to the second half of the year, maintenance will involve the, “V1” and “VSB” in Q3/17 and the units “ALKY”, “TAME” and reforming “CCR” in Q4/17

- **IGCC:** the entire scheduled maintenance for the year 2017 was completed during H1/17 (it involved two of the three trains of “Gasifier – combined cycle Turbine” and one “H_2S Absorber” unit in Q1/17 and the third train of “Gasifier – combined cycle Turbine” in Q2/17). Total production of electricity for 2017 is expected between 3.90 ÷4.10 TWh.

		Q1/17	Q2/17	Q3/17 expected	Q4/17 expected	2017 expected
REFINERY						
Crude runs	Tons (M) Barrels (M)	3.4 25.1	3.5 25.4	3.7 ÷ 3.8 27.0 ÷ 28.0	3.7 ÷ 3.8 27.0 ÷ 28.0	14.3 ÷ 14.5 104 ÷ 106
Complementary feedstock	Tons (M)	0.4	0.3	0.3 ÷ 0.5	0.2 ÷ 0.4	1.2 ÷ 1.6
EBITDA reduction due to scheduled maintenance	USD (M)	32	6	7 ÷ 10	1 ÷ 3	46 ÷ 51
IGCC						
Power production	MWh (M)	0.7	1.0	1.1 ÷1.2	1.1 ÷1.2	3.9 ÷4.1

Deep dive on Saras segments

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

Group Financials

Key financial performance of the Refining segment

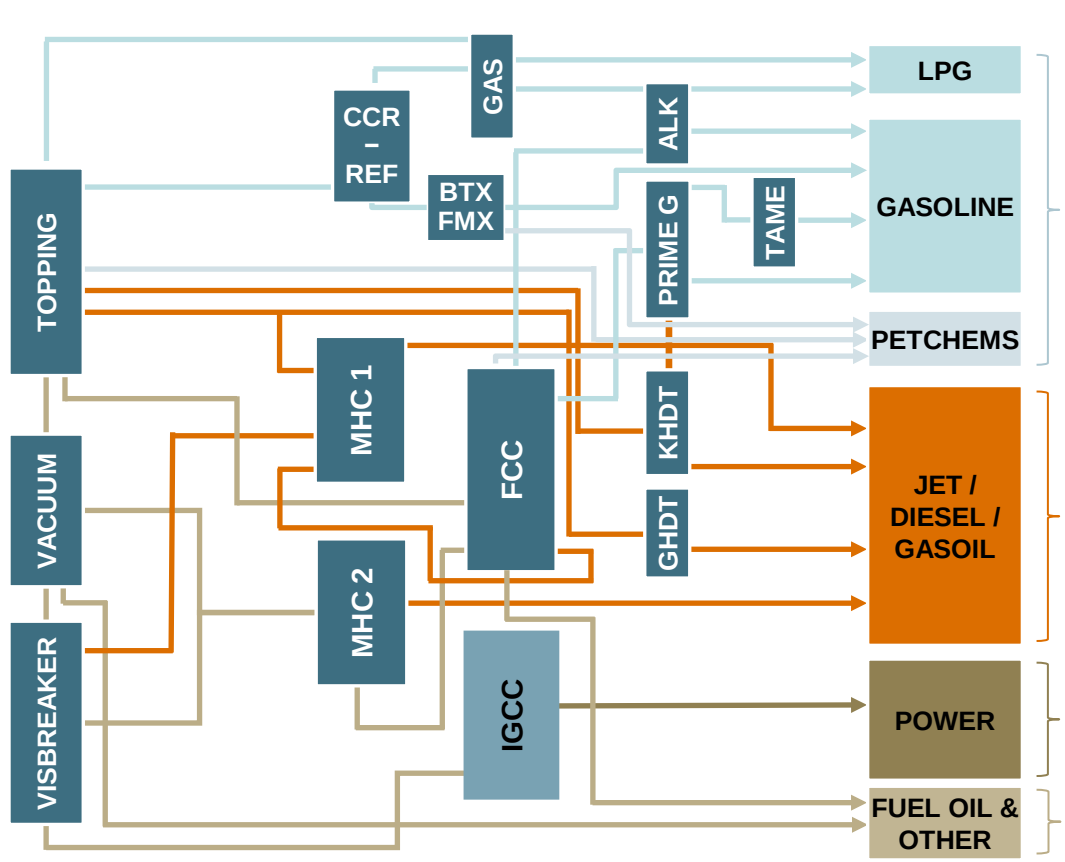
EUR million	2012	2013	2014	2015	2016	H1/17
EBITDA	(91.2)	(153.6)	(496.3)	337.1	418.3	28.2
***Comparable* EBITDA**	**(61.2)**	**(127.5)**	**(140.1)**	**510.5**	**279.6**	**139.7 (*)**
EBIT	(197.0)	(261.0)	(640.7)	204.8	281.5	(27.1)
***Comparable* EBIT**	**(167.0)**	**(234.9)**	**(261.8)**	**396.6**	**162.8**	**84.4 (*)**
CAPEX	**97.0**	**87.1**	**124.9**	**75.0**	**133.6**	**88.0**
REFINERY RUNS						
Crude Oil (ktons)	13,309	12,980	12,430	14,550	12,962	6,917
Crude Oil (Mbl)	97.2	94.8	90.7	106.2	94.6	50.5
Crude Oil (kbl/d)	265	260	249	291	259	279
Complementary feedstock (ktons)	431	390	548	1,026	1,598	674
EMC benchmark	**0.9**	**(1.2)**	**(0.5)**	**4.0**	**2.9**	**3.5**
Saras Refining Margin	**2.1**	**1.6**	**1.2**	**8.0**	**6.6**	**6.0**

(*) Comparable results calculation changed with reference to inventories and derivatives compared to the past from H1/17 .
For more details please refer to slide 62.

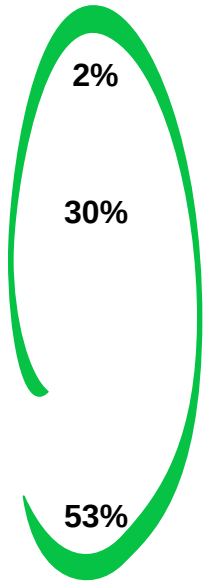
Complex and well balanced refinery configuration

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

Diagram flow



Yields (%)[2]



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

1. Calculated using calendar days
2. Yields are calculated net of "C&L" – values refer to FY 2016

~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**

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

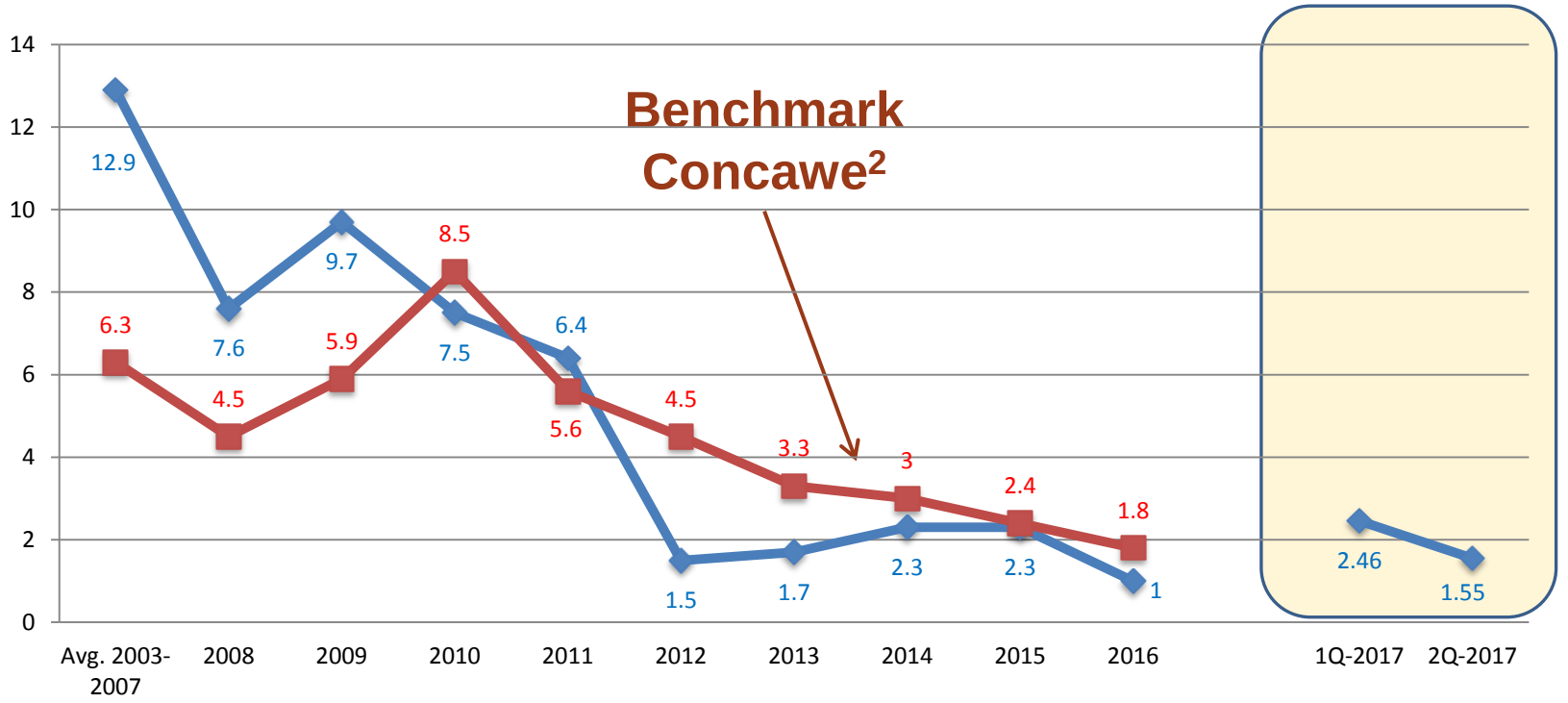
Marine Terminal

	#	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**		

Flexibility for simultaneous loadings of multiple products

Health, Safety and Environment

Total Frequency Index[1] Sarlux and Contractors



1. Total Frequency Index: ratio between injuries and medical treatments versus total worked hours in the period
2. CONCAWE (CONservation of Clean Air and Water in Europe) is a European Organisation for Environment, Health and Safety within the oil industry

Deep dive on Saras segments

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

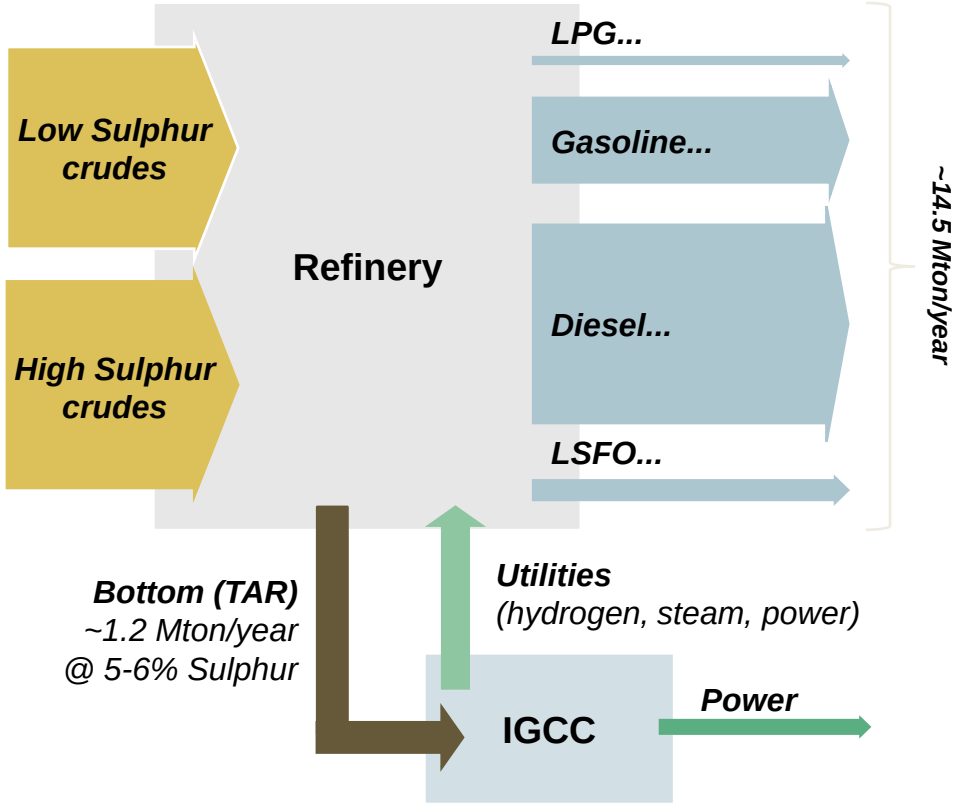
Group Financials

Key financial performance of the Power Generation segment

EUR million	2012	2013	2014	2015	2016	H1/17
***Comparable* EBITDA**	**226.8**	**182.4**	**240.4**	**207.9**	**195.4**	**92.9**
***Comparable* EBIT**	**147.0**	**109.5**	**174.7**	**111.1**	**96.3**	**46.5**
EBITDA IT GAAP	178.3	184.8	147.9	168.2	133.9	28.8
EBIT IT GAAP	133.2	131.2	85.9	105.0	68.6	(0.7)
CAPEX	**8.7**	**16.9**	**6.8**	**9.1**	**9.6**	**11.2**
ELECTRICITY PRODUCTION MWh/1000	**4,194**	**4,217**	**4,353**	**4,450**	**4,588**	**1,755**
POWER TARIFF €cent/kWh	**12.2**	**11.9**	**10.1**	**9.6**	**8.1**	**8.7**
POWER IGCC MARGIN $/bl	**4.2**	**3.8**	**4.8**	**3.1**	**3.3**	**3.3**

Saras IGCC plant is fundamental to convert "*bottom of the barrel*"

Sarlux site configuration



- Three independent trains for gasification and power production, with a total design capacity of 575 MW

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

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

Deep dive on Saras segments

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

Group Financials

Key financial performance of the Marketing segment

EUR million	2012	2013	2014	2015	2016	H1/17
EBITDA	18.0	16.0	(4.9)	(5.1)	9.9	5.7
***Comparable* EBITDA**	**31.7**	**33.7**	**14.9**	**1.6**	**3.6**	**8.3**
EBIT	(29.8)	7.6	(14.7)	(16.3)	4.2	3.1
***Comparable* EBIT**	**19.8**	**25.3**	**6.4**	**(4.7)**	**(2.1)**	**5.3**
CAPEX	**8.2**	**3.7**	**3.0**	**1.2**	**1.4**	**0.5**
SALES (THOUSAND TONS)						
ITALY	2,210	2,342	2,449	2,573	2,298	1,043
SPAIN	1,584	1,310	1,234	1,388	1,787	741
TOTAL	**3,794**	**3,652**	**3,683**	**3,961**	**4,084**	**1,784**

Overview of the Italian and Spanish Marketing businesses

Spain: Saras Energia

Spain wholesale
- 114kmc distillates storage in Cartagena
- ~10% share of wholesale market

Spain retail
- 101 service stations
  - 86 fully owned
  - 15 long term leased
- ~155kmc sold in 2016
- Mainly located in the Med tributary, with CLH Depots regional support

Main logistics flows

Italy: Saras SpA

Arcola La Spezia (owned)
- 200kmc storage for diesel and gasoline
- ~8% 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 (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	2015	2016	H1/17
SPAIN	1,584	1,310	1,234	1,388	1,787	741

Sales (ktons)	2012	2013	2014	2015	2016	H1/17
ITALY	2,210	2,342	2,449	2,573	2,298	1,043

An Integrated MED Market Player Offering Integrated Services

Deep dive on Saras segments

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

Group Financials

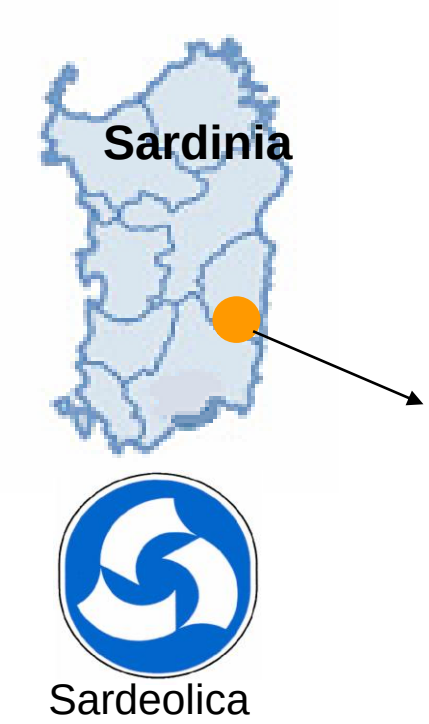
Key financial performance of the Wind segment

EUR million		2012	2013	2014	2015	2016	H1/17
***Comparable* EBITDA**		**20.0**	**22.7**	**20.5**	**17.2**	**23.8**	**10.8**
***Comparable* EBIT**		**9.7**	**18.3**	**15.9**	**12.7**	**19.2**	**8.5**
ELECTRICITY PRODUCTION	MWh	**171,050**	**197,042**	**171,657**	**155,101**	**195,360**	**82,720**
POWER TARIFF	€cent/kWh	**7.1**	**5.7**	**4.8**	**4.8**	**4.0**	**4.8**
FEED-IN PREMIUM TARIFF[1]	€cent/kWh	**8.0**	**8.9**	**9.7**	**10.0**	**10.0**	**10.7**

1. Feed-in Premium Tariff since 1st Jan 2016 – previously Green Certificates

Wind segment

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 31st Dec 2015, and later 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 20% of the installed capacity)**

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	2015	2016
EBITDA	**176.0**	**71.7**	**(237.0)**	**556.0**	**638.1**
***Comparable* EBITDA**	**210.7**	**117.7**	**139.0**	**741.0**	**506.6**
D&A(*)	(244.2)	(425.9)	(47.4)	(245.4)	(246.7)
EBIT	**(68.1)**	**(354.2)**	**(284.4)**	**310.6**	**391.4**
***Comparable* EBIT**	**2.6**	**(75.7)**	**(61.9)**	**518.9**	**279.8**
Interest expense	(28.8)	(27.8)	(40.2)	(34.9)	(30.0)
Other	(23.1)	(1.6)	62.8	68.1	(53.0)
Financial Income/(Expense)	**(51.9)**	**(29.4)**	**22.6**	**33.2**	**(83.0)**
Profit before taxes	**(120.0)**	**(383.6)**	**(261.8)**	**343.7**	**308.4**
Taxes	31.4	112.5	0.0	(120.1)	(112.0)
Net Result	**(88.6)**	**(271.1)**	**(261.8)**	**223.7**	**196.3**
Adjustments	54.9	186.9	178.2	102.7	(26.9)
***Adjusted* Net Result**	**(33.7)**	**(84.1)**	**(83.6)**	**326.3**	**169.4**

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

DETAILS OF ADJUSTMENT (EUR ml)	2012	2013	2014	2015	2016
Net Result	**(88.6)**	**(271.1)**	**(261.8)**	**223.7**	**196.3**
(LIFO – FIFO) inventories net of taxes	27.0	43.4	293.8	75.8	(95.3)
non recurring items net of taxes	25.3	148.3	(85.7)	29.7	45.5
Fair value of derivatives' open positions net of taxes	2.6	(4.7)	(29.9)	(2.8)	22.9
***Adjusted* Net Result**	**(33.7)**	**(84.1)**	**(83.6)**	**326.3**	**169.4**

New methodology to calculate comparable figures (applied from H1/17)

	Previous comparable	New comparable
INVENTORIES	Operating results and Net Result calculated evaluating oil inventories with **LIFO methodology** (based on historical price bands)	Operating results and Net Result calculated evaluating oil inventories with **FIFO methodology,** adjusted for unrealised inventories gain and losses due to changes in the scenario
DERIVATIVES	Classification of derivatives between **closed and open positions**: • Derivatives on oil and forex closed at the end of the period included in the operating result •"Fair value" of the open position of derivatives excluded by the Net Result	Derivatives classified **on their strategy and link with a physical deal of the period**: •Realised and unrealised oil and exchange rate derivatives with hedging nature which involve the exchange of physical quantities reclassified in the operating results •Derivatives related to physical deals not referring to the period under review excluded by operating results and Net Result

	Q1/16	Q1/16 reclassified	Q2/16	Q2/16 reclassified	Q3/16	Q3/16 reclassified	Q4/16	Q4/16 reclassified	2016	2016 reclassified
***Comparable* EBITDA**	124.2	141.9	134.2	151.3	100.5	118.0	147.8	94.9	506.6	506.0
***Comparable* Net Result**	40.2	42.4	50.0	62.1	26.4	32.7	52.8	18.7	169.4	155.9

Group Financials – Income Statements 2016 – 2017

KEY INCOME STATEMENT (EUR million)	Q1/16 reclassified	Q2/16 reclassified	H1/16 reclassified	Q3/16 reclassified	Q4/16 reclassified	2016 reclassified	Q1/17 reclassified	Q2/17	H1/17
EBITDA	**67.8**	**267.3**	**335.0**	**95.7**	**207.4**	**638.1**	**160.4**	**(19.1)**	**141.3**
***Comparable* EBITDA (*)**	**141.9**	**151.3**	**293.2**	**118.0**	**94.8**	**506.0**	**124.0**	**128.5**	**252.5**
D&A	(56.3)	(56.8)	(113.0)	(57.1)	(76.7)	(246.7)	(52.9)	(54.1)	(107.0)
EBIT	**11.5**	**210.5**	**222.0**	**38.6**	**130.7**	**391.4**	**107.5**	**(73.2)**	**34.3**
***Comparable* EBIT (*)**	**85.6**	**94.5**	**180.1**	**61.0**	**38.2**	**279.3**	**71.1**	**73.9**	**145.1**
Interest expense	(6.2)	(7.1)	(13.3)	(10.3)	(6.4)	(30.0)	(3.7)	(1.4)	(5.1)
Other	(1.8)	(17.7)	(19.5)	(0.1)	(33.4)	(53.0)	26.8	28.2	55.0
Financial Income/Expense	**(8.0)**	**(24.8)**	**(32.8)**	**(10.4)**	**(39.8)**	**(83.0)**	**23.1**	**26.8**	**49.9**
Profit before taxes	**3.5**	**185.7**	**189.2**	**28.2**	**91.0**	**308.4**	**130.6**	**(46.4)**	**84.3**
Taxes	(3.7)	(56.0)	(59.7)	(5.8)	(46.6)	(112.0)	(38.5)	8.7	(29.8)
Net Result	**(0.2)**	**129.7**	**129.5**	**22.4**	**44.4**	**196.3**	**92.1**	**(37.6)**	**54.5**
Adjustments	42.7	(67.7)	(25.0)	10.3	(25.7)	(40.4)	(39.6)	95.0	55.4
***Comparable* Net Result (*)**	**42.4**	**62.1**	**104.5**	**32.7**	**18.7**	**155.9**	**52.5**	**57.4**	**109.9**

Net Result Adjustment (EUR million)	Q1/16	Q2/16	H1/16	Q3/16	Q4/16	2016	Q1/17	Q2/17	H1/17
Net Result	**(0.2)**	**129.7**	**129.5**	**22.4**	**44.4**	**196.3**	**92.1**	**(37.6)**	**54.5**
Gain / (Losses) on inventories net of taxes	42.6	(69.4)	(26.7)	9.1	(68.3)	(85.9)	(41.3)	72.6	31.3
Non-recurring items net of taxes	0.0	1.7	1.7	1.2	42.6	45.5	0.0	19.8	19.8
Derivatives related to future deals	0.0	0.0	0.0	0.0	0.0	0.0	1.8	2.5	4.3
***Comparable* Net Result(*)**	**42.4**	**62.1**	**104.5**	**32.7**	**18.7**	**155.9**	**52.5**	**57.4**	**109.9**

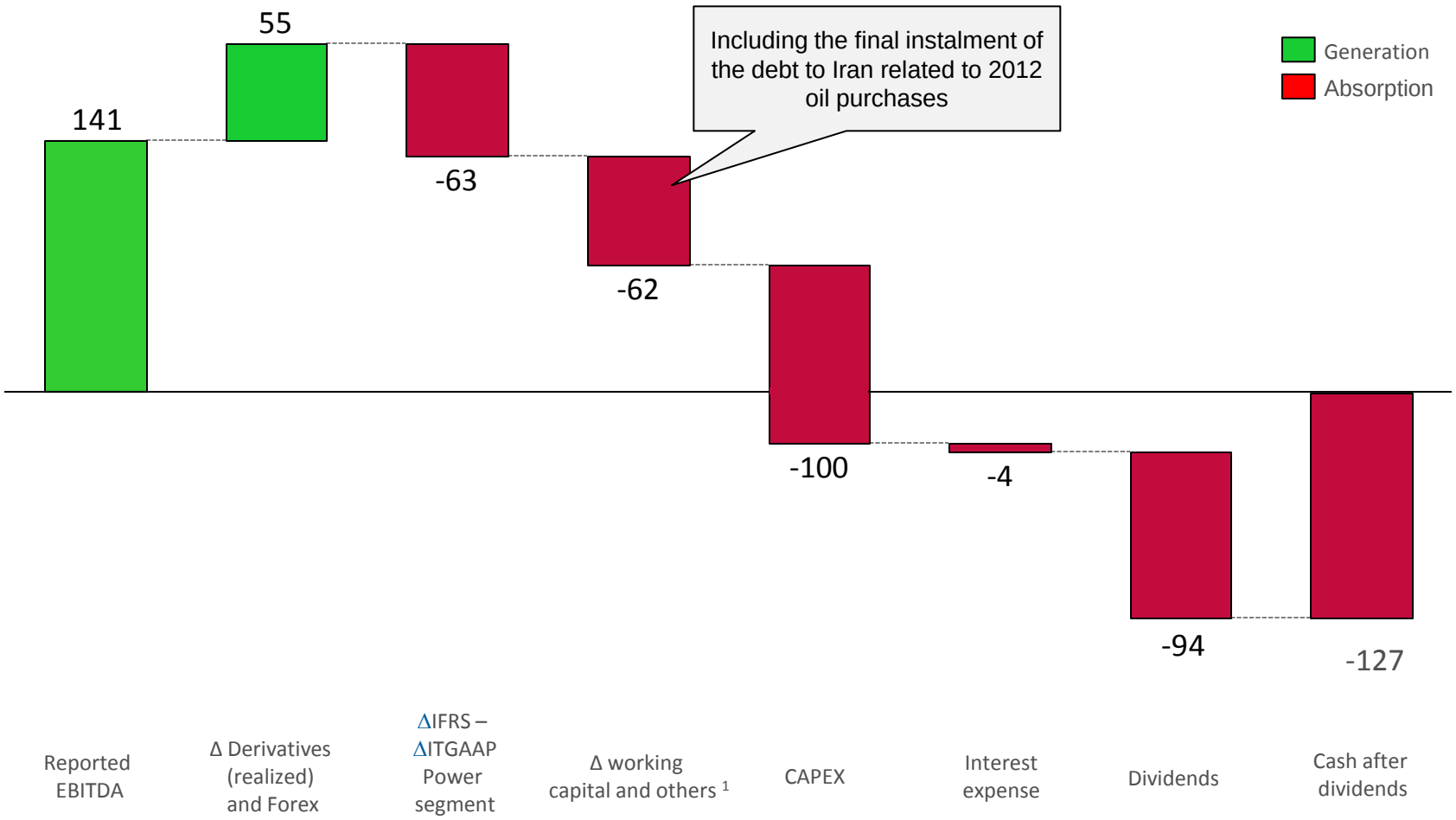
(*) 2016 figures reclassified on the base of the new criteria of determination of the comparable figures

Group Financials – Balance Sheet

EUR million	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15	31-Dec-16	30-Jun-17
Current assets	**2,209**	**2,287**	**2,241**	**1,929**	**1,689**	**1,432**
CCE and financial assets held for trading	342	545	669	883	449	255
Other current assets	1,867	1,743	1,571	1,046	1,241	1,177
Non-current assets	**1,731**	**1,526**	**1,621**	**1,389**	**1,205**	**1,172**
TOTAL ASSETS	**3,940**	**3,814**	**3,862**	**3,318**	**2,894**	**2,604**
Current Liabilities	**1,817**	**2,015**	**2,506**	**1,445**	**1,423**	**1,259**
Short-Term financial liabilities	167	181	550	203	203	178
Other current liabilities	1,650	1,834	1,956	1,242	1,220	1,081
Non-Current Liabilities	**926**	**877**	**696**	**988**	**548**	**460**
Long-Term financial liabilities	425	386	277	586	183	176
Other non-current liabilities	501	491	419	402	365	284
Shareholders Equity	**1,197**	**921**	**660**	**885**	**923**	**885**
TOTAL LIABILITIES & EQUITY	**3,940**	**3,814**	**3,862**	**3,318**	**2,894**	**2,604**

Group Financials – Cash Flow

Cash flow H1/17 (EUR million)



Group CAPEX by segment

CAPEX BY SEGMENT (EUR million)	2012	2013	2014	2015	2016	H1/17
REFINING	97.0	87.1	124.9	75.0	133.6	88.0
POWER GENERATION	8.7	16.9	6.8	9.1	9.6	11.2
MARKETING	8.2	3.7	3.0	1.2	1.4	0.5
WIND	3.8	0.2	0.6	0.3	0.4	0.0
OTHER ACTIVITIES	1.6	1.7	0.9	0.6	0.6	0.3
TOTAL CAPEX	119.3	109.6	136.3	86.2	145.6	99.9

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 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.