LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a Shareholder of **Hindustan Oil Exploration Company Limited**. If you require any clarifications about the actions to be taken, you should consult your stockbroker or investment consultant or the Manager/Registrar to the Offer. In case you have sold your Shares, please hand over this Letter of Offer, the accompanying Form of Acceptance, Form of Withdrawal and Transfer Deed to the member of the stock exchange through whom the said sale was effected.

Eni UK Holding plc (*Acquirer or Eni Holding*)
a public limited company incorporated under the laws of England and Wales
Registered Office: Eni House, 10 Ebury Bridge Road, London SW1W 8PZ
Tel: +44 020 7344 6000; Fax: +44 020 7344 6044

AND

Eni S.p.A. (***PAC 1 or Eni***)
a company incorporated under the laws of Italy
Registered Office: Piazzale Enrico Mattei 1, Rome, Italy
Tel: +39 0659821; Fax: +39 0659822141

AND

Burren Energy India Limited (***PAC 2 or BEIL***)
a company incorporated under the laws of England and Wales
Registered Office: Kierran Cross, 11 Strand, London WC2N 5HR
Tel: +44 207 4841900; Fax: + 44 207 4841910

AND

Burren Shakti Limited (***PAC 3 or BSL***)
a company incorporated under the laws of Bermuda
Registered Office: Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda
Tel: +1 441 295 1422; Fax: +1 441 292 4720

(PAC 1, PAC 2 and PAC 3 are hereinafter referred to as ***Persons Acting in Concert*** or ***PAC***.)
MAKE A CASH OFFER AT Rs.144.2/- PER FULLY PAID UP EQUITY SHARE TO ACQUIRE
26,115,455 Shares of Rs.10/- each representing 20% of the voting equity capital of
Hindustan Oil Exploration Company Limited (*Company or HOEC*)
having its registered office at
'HOEC House', Tandalja Road, Vodadara 390020. Tel: +91 265 2330766; Fax: +91 265 2333567

ATTENTION

a) This Offer is being made pursuant to and in accordance with Regulations 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereof.

b) This Offer is not subject to a minimum level of acceptance by Shareholders of Hindustan Oil Exploration Company Limited.

c) The Offer is subject to the receipt of approval from (i) the Foreign Investment Promotion Board (***FIPB***) and (ii) the Reserve Bank of India (***RBI***) for the acquisition of Shares by the Acquirer. The Acquirer shall make an application to the FIPB and RBI as required in this regard.

d) Besides the above approvals from the FIPB and the RBI, no other statutory approvals are required to acquire the Shares tendered pursuant to the Offer. The Acquirer will not proceed with the Offer in the event that any statutory approval that is required (i.e. the approvals from the FIPB and the RBI) is not obtained in terms of Regulation 27 of the SEBI (SAST) Regulations.

e) In case of delay in the receipt of any statutory approval(s), SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to Shareholders who have validly tendered their Shares, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of wilful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.

f) If there is any upward revision in the Offer Price by the Acquirer prior to or on the last date for revising the Offer Price viz., 10 July 2008, or if the Offer is withdrawn, you will be informed by way of another public announcement in the same newspapers where the Public Announcement had appeared. The Acquirer would pay such revised price for all the Shares validly tendered at any time during the Offer and accepted under the Offer.

g) Shareholders who have accepted the Offer by tendering the requisite documents in terms of this Letter of Offer shall have the option to withdraw acceptance tendered by them up to 16 July 2008, i.e. three (3) working days prior to the date of closure of the Offer 21 July 2008.

h) There has been no competitive bid as of the date of this Letter of Offer.

i) The Public Announcement, this Letter of Offer, Form of Acceptance and Form of Withdrawal should also be available on SEBI's website (www.sebi.gov.in) from the Offer opening date viz. 2 July 2008.

j) The Form of Acceptance, Form of Withdrawal and Transfer Deed are enclosed with this Letter of Offer.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
ROTHSCHILD **NM Rothschild & Sons (India) Private Limited** 407-408, Level 4, Ceejay House, Dr. Annie Besant Road, Worli, Mumbai- 400 018 **Telephone**: +91 22 4081 7000 **Fax**: +91 22 4081 7001 **Email**: Dheeraj.Mehta@rothschild.co.in **Contact Person**: Mr. Dheeraj Mehta	INTIME SPECTRUM REGISTRY LIMITED **Intime Spectrum Registry Limited** C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai 400 078 **Telephone**: +91 22 2596 0320 **Fax**: +91 22 2596 0328/29 **Email**: hoec.openoffer@intimespectrum.com **Contact Person**: Ms. Awani Thakkar

OFFER OPENS ON : 2 JULY, 2008	OFFER CLOSES ON : 21 JULY, 2008

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Day of Week	Date
Public Announcement Date	**Thursday**	**24 April 2008**
Specified Date	Thursday	24 April 2008
Last date for a competitive bid	**Thursday**	**15 May 2008**
Date by which Letter of Offer will be dispatched to Shareholders	Thursday	26 June 2008
Date of opening of the Offer	**Wednesday**	**2 July 2008**
Last date for revising the Offer Price/ number of Shares	**Thursday**	**10 July 2008**
Last date for withdrawing acceptance from the Offer	**Wednesday**	**16 July 2008**
Date of closure of the Offer	**Monday**	**21 July 2008**
Last date of communicating rejection/ acceptance and payment of consideration for accepted Shares	**Tuesday**	**5 August 2008**

RISK FACTORS

i. Acceptance of the Shares tendered in the Offer is subject to receipt of the approval from the FIPB and the RBI. In the event that either the FIPB or the RBI does not grant approval, the Offer would stand withdrawn in terms of the SEBI (SAST) Regulations. For further details, see paragraph 8 of this Letter of Offer.

ii. In the event that either (a) regulatory approval is not received in a timely manner, (b) there is any litigation related to the Offer, or (c) SEBI instructs the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public Shareholders of the Company whose Shares have been accepted in the Offer as well as the return of Shares not accepted by the Acquirer may be delayed.

iii. The Shares tendered in the Offer will lie to the credit of a designated escrow account, till the completion of the Offer formalities. The Acquirer makes no assurance with respect to the market price of the Shares both during the Offer Period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.

iv. Shareholders should note that after the last date of withdrawal i.e. 16 July 2008, the Shareholders who have lodged the Shares would not be able to withdraw them even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered Shares and documents would be held by the Registrar to the Offer, until such time as the process of acceptance of tenders and the payment of consideration is completed.

v. The Acquirer makes no assurance with respect to the financial performance of the Company or any of its subsidiaries.

vi. The Acquirer makes no assurance with respect to its investment/divestment decisions relating to its proposed shareholding in the Company.

vii. Hardy Oil & Gas Plc (***Hardy Oil***) filed Civil Appeal No. 2057 of 2006 (***Civil Appeal 2057***) under Section 15Z of the SEBI Act, 1992 before the Supreme Court of India against SEBI and the Promoters. Pursuant to the Civil Appeal 2057 Hardy Oil alleged that it was aggrieved by the order dated 8 March 2006 passed by the Securities Appellate Tribunal (***SAT***), dismissing Appeal No. 132/2005 filed by Hardy Oil challenging the acquisition of control of the Company by the Promoters in alleged violation of the SEBI (SAST) Regulations. Hardy Oil also moved an application for interim relief praying *inter alia* for restraining the Promoters from taking any further steps to consolidate/increase their shareholding in the Company, from exercising voting rights in respect of the 26% stake then held by the Promoters and restraining the Promoters from alienating any portion of the 26% stake then held by them or creating in any way third rights in respect of such stake.

viii. HOEC's Promoters received a showcase notice dated 26 May 2006 from SEBI seeking an explanation as to why a penalty under SEBI Act, 1992 should not be imposed on them in relation to an alleged violation of Regulation 22(7) of the SEBI (SAST) Regulations with respect to the appointment of Directors on the Board of the Company. On 25 August 2006, SEBI imposed a penalty on the Promoters in this respect. The Promoters, however, filed an appeal before the SAT challenging the order of SEBI. The SAT vide its order dated 7 November 2006 allowed the appeal filed by the Promoters and set aside the order of SEBI imposing penalty against the Promoters.

Hardy Oil filed Civil Appeal No. 242 of 2007 before the Supreme Court of India against SEBI and Promoters (***Civil Appeal 242***) being aggrieved by the order dated 7 November 2006 passed by the SAT. Since Hardy Oil was not a party before the appeal filed by the Promoters before the SAT, Hardy Oil filed an application before the Supreme Court of India seeking permission to file Civil Appeal 242. The Supreme Court vide order dated 15 January 2007 granted permission to Hardy Oil to file Civil Appeal 242 and issued notice to SEBI and the Promoters and tagged Civil Appeal 242 with Civil Appeal 2057.

SEBI has also filed a Civil Appeal No. 361 of 2007 before the Supreme Court of India against the Promoters (Civil Appeal 361) challenging the order dated 7 November 2006 passed by the SAT. Hardy Oil filed an application for impleadment in Civil Appeal 361. The Supreme Court of India vide order dated 9 February 2007 admitted Civil Appeal 361 and allowed the impleadment of Hardy Oil and tagged Civil Appeal 361 with Civil Appeal 242 already pending before the Supreme Court of India.

Civil Appeal 361 is pending and would come up for hearing in due course. The Acquirer cannot provide any certainty that Civil Appeal 361 will not delay the completion of the Offer.

On 14 March 2008, Hardy Oil unilaterally filed two separate applications before the Supreme Court of India seeking permission to withdraw Civil Appeal 2057 and Civil Appeal 242 respectively. The Supreme Court of India has vide order dated 14 March 2008 granted leave to withdraw the Appeals and dismissed both Civil Appeal 2057 and Civil Appeal 242 as withdrawn.

Hardy Oil also filed an application before the Supreme Court of India for deleting its name from Civil Appeal 361. The Supreme Court has vide order dated 29 April 2008 permitted the deletion of the name of Hardy Oil as a party from Civil Appeal 361.

ix. One M Z Khan has filed two applications in Civil Appeal 361 for impleadment and for directions respectively. The application for impleadment has been filed on the ground that M Z Khan had originally filed a complaint before SEBI along with Hardy Oil, however since Hardy Oil was pursuing the matter, M Z Khan did not file an appeal. Since Hardy Oil has withdrawn its appeals, M Z Khan should be impleaded as a party in Civil Appeal 361. The application for directions prays for directions against SEBI to restrict the Acquirer from making any public offer in respect of HOEC and restrict any exercise of control or voting rights by the Acquirer pursuant to its takeover of Burren. The Supreme Court of India has vide order dated 29 April 2008 issued notice in both the applications filed by M Z Khan and asked SEBI and the Promoters to file reply within two weeks. The applications would be listed in July 2008.

The Acquirer cannot provide any certainty that the applications filed by M Z Khan will be not allowed by the Supreme Court of India and/or that the Supreme Court of India could pass an order restraining the Acquirer from proceeding with the Offer.

The risk factors set forth above pertain to the Offer and are not in relation to the present or future business or operations of the Company or its subsidiaries or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Shareholder in the Offer. Shareholders of the Company are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

TABLE OF CONTENTS

1. DEFINITIONS

Acquirer	Eni UK Holding plc
Auditor	PricewaterhouseCoopers S.p.A. having its office at Rome, Largo Angelo Fochetti 29-00154, Italy
Burren	Burren Energy plc, a limited company registered in England and Wales and having its registered address at 2nd Floor, Kierran Cross, 11 Strand, London WC2N 5HR
Burren Energy India Limited	A private limited company registered in England and Wales and a wholly owned subsidiary of Burren
Burren Shakti Limited	A private limited company registered in Bermuda and a wholly owned subsidiary of Burren
BSE	The Bombay Stock Exchange, Mumbai
BBL	Barrels of oil
BOE	Barrels of oil equivalent
CDSL	Central Depository Services Limited
DP	Depository Participant
Eni Holding	Eni UK Holding plc, a public limited company incorporated under the laws of England and Wales with its registered office located at Eni House, 10 Ebury Bridge Road, London SW1W 8PZ
Eni Group	Eni S.p.A. and its consolidated subsidiaries
Eni S.p.A. or Eni	A company incorporated under the laws of Italy and having its registered office address at Piazzale Mattei, 1, 00144 Rome
Eligible Person(s)	All owners (registered or unregistered) of Shares (other than the Acquirer, PACs any time before the closure of the Offer
Euros/€	Euros, the currency of 13 European Union (***EU***) member states
FEMA	Foreign Exchange Management Act, 1999
FII	Foreign Institutional Investor
FIPB	Foreign Investment Promotion Board of India

Form of Acceptance	Form of Acceptance cum Acknowledgement
Global Acquisition	The cash offer by Eni for the entire issued and to be issued ordinary share capital of Burren. Burren, through its subsidiaries (Burren Energy India Limited and Burren Shakti Limited) holds 35,453,679 equity shares of the Target Company representing approximately 27.17% of the issued and paid-up equity share capital of the Target Company.
HOEC or Company or Target Company	A public limited company incorporated in India and having its registered office at "HOEC House", Tandalja Road, Vadodara – 390020, Gujarat, India
Letter of Offer	Means this offer document dated 25 June 2008
Manager/Manager to the Offer	NM Rothschild & Sons (India) Private Limited
NRI(s)	Non resident of India (as defined under FEMA)
NSE	The National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies (as defined under FEMA)
Offer	Open offer for the acquisition of up to 26,115,455 Shares at the Offer Price
Offer Size	26,115,455 Shares of the Target Company
Offer Price	Rs.144.2/- (Rupees one hundred and forty four and 20 paise only) per Share
Offer Period	2 July 2008 to 21 July 2008
Offer Closing Date	21 July 2008
PAN	Permanent Account Number
Persons Acting in Concert or PACs	Burren Energy India Limited, Burren Shakti Limited and Eni S.p.A.
Pound/£	Pound, the legal currency of Great Britain
Promoters	Burren Energy India Limited and Burren Shakti Limited, being the current promoters of HOEC
PSC	Production Sharing Contracts

Public Announcement/PA	Announcement of the Offer made by the Acquirer on 24 April 2008
Rs.	Indian Rupees, the legal currency of India
RBI	Reserve Bank of India
Registrar/Registrar to Offer	Intime Spectrum Registry Limited
SEBI	The Securities and Exchange Board of India
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
Share(s)	Fully paid-up equity shares of face value of Rs. 10/- each in the capital of the Company
Shareholders	Shareholders of the Target Company
Specified Date	24 April 2008
Stock Exchanges	BSE and NSE
US Dollars/$	United States Dollars ($), the lawful currency of the United States of America

CURRENCY OF PRESENTATION

Please note that all financial data contained in this Letter of Offer has been rounded off to Rupees Lacs, except where stated otherwise.

Certain financial details contained in the Letter of Offer are denominated in currencies other in Indian Rupees. Any conversion from Euros (€) to Indian Rupees (Rs.) has been done solely for convenience purposes using the RBI reference exchange rate of 1 Euro=Rs. 58.12 as on 31 December 2007 and any conversion from US Dollars ($) to Indian Rupees (Rs.) has been done for convenience purposes using the RBI reference exchange rate of US$ 1 = Rs. 39.41 as on 31 December 2007 as given by the RBI and any conversion from GPB Sterling (£) to Indian Rupees (Rs.) has been done for convenience purposes using the RBI reference rate of £1 = Rs.78.74 as on 31 December 2007 as given by the RBI. (Source: www.rbi.org.in).

2. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER, the PACs OR THE COMPANY OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE-DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER – NM ROTHSCHILD & SONS (INDIA) PRIVATE LIMITED HAS SUBMITTED A DUE-DILIGENCE CERTIFICATE DATED 7 MAY 2008 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER".

3. DETAILS OF THE OFFER

3.1 BACKGROUND OF THE OFFER

a) The Offer is being made by the Acquirer in accordance with Regulations 10 and 12 of the SEBI (SAST) Regulations, pursuant to the Global Acquisition, which (in turn) resulted in the indirect acquisition of a 27.17% interest in the Target Company as more particularly mentioned in paragraph 3.1 b) below. The Offer is subject to the receipt of certain approvals as more fully set forth in the paragraph entitled "Statutory Approvals" (paragraph 8.1 below).

b) On 30 November 2007 it was announced that Eni and Burren had reached agreement on the terms of a recommended cash offer to be made by Eni Holding to acquire the entire issued and to be issued ordinary share capital of Burren. Burren is a public limited company incorporated in England and Wales with its registered office at 2nd Floor, Kierran Cross, 11 Strand, London WC2N 5HR, United Kingdom. Burren has been delisted from the London Stock Exchange with effect from 29 February 2008. BEIL, a PAC to this Offer, is a "promoter" of the Target Company and a wholly-owned subsidiary of Burren. BEIL is a private limited company incorporated in England and Wales with its registered office at Kierran Cross, 11 Strand, London WC2N 5HR. BSL, a PAC to this Offer, is also a "promoter" of the Target Company and a subsidiary of Burren. BEIL holds 12,766 Shares representing 0.01% of the paid up equity share capital of the Target Company and BSL holds 35,440,913 Shares representing 27.16% of the paid up equity share capital of the Target Company. No specific consideration was allocated for the indirect interest in the Target Company under the Global Acquisition.

c) Eni Holding does not directly hold any Shares in the Company as of the date of the Public Announcement.

d) The Acquirer and the Target Company have not received any direction from SEBI prohibiting them from dealing in securities in terms of directions issued under section 11B of the SEBI Act, 1992 or any other regulations made under the SEBI Act, 1992.

e) In accordance with Regulation 22(7) of the SEBI (SAST) Regulations, the Acquirer will not appoint any Director to the Board of Directors of the Target Company during the Offer Period. The Acquirer reserves the right to reconstitute the Board of Directors of the Target Company following the completion of the Offer.

3.2 DETAILS OF THE PROPOSED OFFER

a) The Public Announcement dated 24 April 2008 was made in the following newspapers, in accordance with Regulation 15 of the SEBI (SAST) Regulations:

Publication	Editions
The Economic Times	All English editions
Navbharat Times	All editions
Sandesh	Vadodara edition

(The Public Announcement is also available at SEBI's website, www.sebi.gov.in)

b) The Acquirer is making the Offer to acquire upto 26,115,455 Shares of the face value of Rs. 10 each, representing in aggregate 20% of the share capital of the Target Company in terms of Regulation 21(1) of the SEBI (SAST) Regulations, at a price of Rs.144.2/- per Share payable, in cash, subject to the terms and conditions mentioned hereinafter. The Acquirer will acquire all the Shares of the Target Company that are validly tendered as per the terms of the Offer upto a maximum of 26,115,455 Shares.

c) The Offer is not conditional on any minimum level of acceptance by the Shareholders.

d) There are no partly paid up Shares.

e) This is not a competitive bid and there has been no competitive bid as at the date of this Letter of Offer.

f) The Acquirer and the PACs have not acquired any Shares of the Target Company after the date of the Public Announcement and up to the date of the Letter of Offer through open market purchases or otherwise.

3.3 OBJECT OF THE OFFER AND ACQUIRER'S FUTURE PLANS FOR THE COMPANY

a) The Offer to the Shareholders is being made pursuant to the acquisition of Burren by Eni Holding, resulting in the indirect acquisition of 27.17% of the paid up equity share capital of the Target Company and is being made in accordance with Regulations 10 and 12 of the SEBI (SAST) Regulations.

b) Except to the extent that may be required (i) in the ordinary course of business of the Target Company and/or (ii) for the purposes of restructuring, rationalising and/or streamlining various operations, assets, liabilities, investments, businesses or otherwise of the Target Company, the Acquirer does not have any plans to dispose of or otherwise encumber any assets of the Company in the next two (2) years. Other than in the ordinary course of business, the Acquirer undertakes that it shall not sell, dispose of or otherwise encumber any substantial asset of the Company except with the prior approval of Shareholders of Company.

c) The Acquirer is making the Offer as a means of participating in India's fast-growing oil exploration market through a substantial investment in the Company. The Acquirer, a subsidiary of one of the world's major oil and gas companies, is willing to contribute industry experience and expertise in order to assist the Company in growing its upstream petroleum business.

4. BACKGROUND OF THE ACQUIRER AND PACS

4.1 ENI UK HOLDING PLC

a) The Acquirer is a public limited company incorporated under the laws of England and Wales with its registered office located at Eni House, 10 Ebury Bridge Road, London SW1W8PZ, Tel: +44 020 7344 6000, Fax: +44 020 7344 6044.

b) The Acquirer is a wholly owned subsidiary of Eni S.p.A. and forms part of the Eni Group. Eni S.p.A. is amongst the PACs with the Acquirer (see below). The Acquirer and the PACs have not entered into any agreement between them with regard to the offer/acquisition of Shares in the Target Company.

c) The Acquirer was incorporated on 15 November 2007. The Acquirer is a wholly-owned subsidiary of Eni S.p.A. formed for the purpose of making an offer for Burren and has not conducted any activities since its incorporation other than in connection with the offer for Burren under the Global Acquisition, purchase of the shares of Burren and the current mandatory Offer for the Target Company. As on the date of PA, the paid up capital of the Acquirer is £50,000 comprising of 50,000 equity shares of £1 each. Since the Acquirer was recently formed, it is not under any obligation under the laws of the United Kingdom applicable to the Acquirer to prepare any financial statements for the period ending on 31 December 2007. The first audited financial statements of the Acquirer will be as of 31 December 2008 and for the period from incorporation to 31 December 2008.

d) Eni, headquartered in Piazzale Enrico Mattei 1, Rome, Italy, is one of the largest integrated energy companies in the world with a market capitalisation, as on 24 April 2008, of approximately €97 billion. Eni, together with its consolidated subsidiaries, is engaged in the oil and gas, electricity generation, petrochemicals, oilfield services and engineering industries. Eni and its subsidiaries have operations in approximately 70 countries and had 75,862 employees as of 31 December 2007.

e) The provisions of Chapter II of SEBI (SAST) Regulations are not applicable to the Acquirer. However, since the offer made by Eni Holding pursuant to the Global Acquisition became wholly unconditional on 1 February 2008, the Acquirer filed disclosures under 7(1) of the SEBI (SAST) Regulations with the Stock Exchanges.

f) The shares of the Acquirer are not listed on any stock exchange. The shareholding pattern of the Acquirer is as follows:

Sr.No	Shareholder's Category	No. and Percentage of shares held
1.	Promoters of the Acquirer	
	(a) Eni Lasmo Plc, a company incorporated under the laws of England and Wales and having its registered office at 10 Ebury Bridge Road, London SW1W 8PZ	49,999 equity shares of £1 each
	(b) Eni UK Limited, a company incorporated under the laws of England and Wales and having its registered office at 10 Ebury Bridge Road, London SW1W 8PZ	1 equity share of £1
2.	FII/Mutual-Funds/FIs/Banks	NIL
3.	Public	NIL
	Total Paid Up Capital	50,000 equity shares of £1 each, comprising 100% of the share capital of Eni Holding

g) The Board of Directors of the Acquirer comprises of 6 Directors as at the date of the Public Announcement. Their details are as under:

Name	Designation & Appointment Date as Director	Experience and Qualification	Residential Address
Stefano Cao	Director (21/11/2007)	He is Chief Operating Officer of Eni Exploration & Production Division since 2000. He started his career in Saipem in 1976. In 1996 he was appointed Managing Director and Chief Operating Officer of Saipem S.p.A. and in 1999 he became Chairman of the company. He is also President of Assomineraria and since 2007 he is an Independent Director of Telecom S.p.A. Qualification- Degree in Mining Engineering, Chief Operating Officer Eni S.p.A. Exploration & Production Division	Via Pietro Calvi, 24 Milano 20129 Italy
Nicholas Mark Keenan	Director (21/11/2007)	Legal Manager Eni UK Limited Qualification- Bachelor of Economics and Bachelor of Laws; Diploma in Financial Markets from the Australian Securities Institute.	104 Lauderdale Mansions Lauderdale Road London W9 1NF UK
Luigino Lusuriello	Director (21/11/2007)	With 20 years of experience in Eni, he covered relevant positions in Italy and abroad such as Directeur Général of Eni Congo and Regional Vice President Australasia, Russia. He is on the Board of Directors of various companies. Since 2007 he is the Managing Director of Eni UK Limited. Qualification- Degree in Mechanical Engineering, Genoa University, Managing Director , Eni UK Limited.	708 The View 20 Palace Street London SW1E 5BA UK
Marco Mangiagalli	Director (21/11/2007)	Chief Financial Officer, Eni S.p.A. Qualification – Degree in Economics, Milan Bocconi University.	Viale Casiraghi, 145 Sesto San Giovanni 20099 Italy

Name	Designation & Appointment Date as Director	Experience and Qualification	Residential Address
Massimo Mantovani	Director (21/11/2007)	Chief Legal Officer, Eni S.p.A. Qualification – Law Degree "Università Statale di Milano", Master in Law (LLM) University of London.	Via Triulziana, 36C San Donato Milanese 20097 Italy
Marco Talamonti	Director (21/11/2007)	In Eni since 1995, he has developed deep knowledge in Business Administration, Finance, Planning & Control and M&A and extensive experience abroad. Most recently he has held the position of Finance Director of Eni Algeria. Currently, he is Finance Director of Eni UK Limited and Eni Lasmo Plc. He is Member of several Boards of Directors. Qualification – Degree in Business Administration, Master in banks' financial risk analysis.	64 Eustace Queenstown Road Chelsea Bridge Wharf London SW8 4NT UK

h) None of the Directors of the Acquirer have acquired any Shares during the preceding 12 months.

i) None of the Directors of the Acquirer are on the Board of the Target Company. Pursuant to Regulation 22(9) of the SEBI (SAST) Regulations, the Acquirer shall ensure that its "representatives" recuse themselves and do not participate in any matter concerning or relating to the Offer including any preparatory steps leading to the Offer. Although Atul Gupta and Finian O' Sullivan are Directors of the Target Company and Atul Gupta is still bound by a temporary contractual arrangement with Burren (such arrangements are intended to operate on a transitionary basis following completion of the Global Acquisition), a subsidiary of the Acquirer, Atul Gupta and Finian O' Sullivan were appointed to the Board of Directors of the Target Company prior to completion of the Global Acquisition which, in turn, resulted in the acquisition of Burren by the Acquirer. Following completion of the Global Acquisition, neither Finian O' Sullivan or Atul Gupta has a mandate or instructions to represent the interests of Eni Group in the Board of the Target Company.

j) Summary financial information of the Acquirer as of 31 December 2007 and for the period from incorporation (i.e. 15 November 2007) to 31 December 2007 is included in the tables below. For the period commencing from its incorporation (i.e. 15 November 2007) until 31 December 2007, the Acquirer did not engage in any operating activities and, as a result, did not generate any operating revenue but incurred financial expenses.

   As the Acquirer was incorporated on 15 November 2007, it has not prepared financial statements as of and for the period from incorporation to 31 December 2007. The first audited financial statements of the Acquirer will be as of 31 December 2008 and for the period from incorporation to 31 December 2008. The financial information presented below has been extracted from the audited reporting package of the Acquirer which has been examined by PricewaterhouseCoopers LLP to the extent required for the preparation of the audited financial statements of Eni S.p.A.

Profit and Loss Statement	For period from incorporation to 31 December 2007	
	£ million	Rs Lacs
Income from operations	0	0
Other Income	0	0
Total Income	0	0
Total Expenditure	0	0
Profit Before Depreciation Interest and Tax	0	0
Depreciation	0	0
Interest	- 1.3	-1,024
Profit Before Tax	- 1.3	-1,024
Provision for Tax	0	0
Profit After Tax	- 1.3	-1,024

Balance Sheet Statement	As at 31 December 2007	
	£ million	Rs Lacs
Sources of Funds		
Paid up share capital	0	0
Reserves and Surplus (excluding revaluation reserves)	- 1.3	-1,024
Networth	- 1.3	-1,024
Secured loans	0	0
Unsecured loans	434.6	342,204
Total	**433.3**	**341,180**
Uses of funds		0
Net fixed assets	0	0
Investments	434.4	342,046
Net current assets	- 1.1	-866
Total miscellaneous expenditure not written off	0	0
Total	**433.3**	**341,180**

Other Financial Data	As at 31 December 2007 and for period from incorporation to 31 December 2007
Dividend (£/share)	NA
Earnings per Share (***EPS***) (£)	- 26.5 (Rs. - 2,086.6)
Return on Net Worth (%)	Not meaningful
Book Value per Share (£)	- 25.5 (Rs. - 2,007.8)

(1) EPS = Profit After Tax/ No. of shares outstanding; (2) Return on Net Worth = Profit after Tax / Net Worth at year-end; (3) Book Value per share = Net Worth /No. of shares outstanding

k) The Acquirer did not have any major contingent liabilities as of 31 December 2007. There are no court proceedings or litigations pending against the Acquirer. Based on information available to date, and taking into account existing risk provisions, the Acquirer believes that none of the proceedings or litigations involving Eni S.p.A. should have a material adverse effect on the financial position of the Acquirer or the Offer.

l) The significant accounting policies of Eni Holding are the same adopted by Eni S.p.A. as mentioned in paragraph 4.2 m) below.

m) As previously stated, the Acquirer was incorporated on 15 November 2007. For the period from the date of incorporation until 31 December 2007, the Acquirer did not engage in any operating activities and as a result did not generate any operating revenue but incurred financial expenses.

n) The Acquirer does not directly hold any Shares in the Target Company. However, since the offer made by Eni Holding pursuant to the Global Acquisition became wholly unconditional on 1 February 2008, the Acquirer indirectly acquired a 27.17% interest in the Target Company and disclosed such indirect acquisition to the Stock Exchanges under Regulation 7(1) of the SEBI (SAST) Regulations out of abundant caution.

o) The Acquirer is not a listed company.

p) The following is the list of companies that are promoted by the Acquirer. The Acquirer became the promoter of these companies as a result of the Global Acquisition.

Name	Place of incorporation	Shareholding	Principal business
Burren Energy Plc	United Kingdom	100%	Holding Company
Burren Energy Services Limited	United Kingdom	100%	Service Company
Burren Energy New Ventures Limited	United Kingdom	100%	Oil exploration and production
Burren Energy (Buguruslan) Limited	Cyprus	100%	Holding Company
Burren Energy Drilling Services Limited	United Kingdom	100%	Dormant
Burren Energy (Bermuda) Limited	Bermuda	100%	Holding Company
Burren Energy Congo Limited	British Virgin Islands	100%	Oil exploration and production
Burren Resources Petroleum Limited	Bermuda	100%	Oil exploration and production
Burren Energy (Egypt) Limited	United Kingdom	100%	Oil exploration and production

Name	Place of incorporation	Shareholding	Principal business
Burren Energy (Oman) Limted	United Kingdom	100%	Oil exploration and production
Burren Energy (Yemen) Limited	United Kingdom	100%	Oil exploration and production
Burren Energy India Limited	United Kingdom	100%	Holding Company
Burren Shakti Limited	Bermuda	100%	Holding Company
Burren (Cyprus) Holdings Limited	Cyprus	100%	Holding Company
Burren Energy Ship Management Limited	Cyprus	100%	Ship management
Burren Energy Shipping and Transportation Limited	Cyprus	100%	Shipping
Burren Energy Shipping and Transportation (Samara) Limited	Russia	100%	Shipping
Burren Energy Limited	Cyprus	100%	Holding Company
Astrakan Gas and Oil Company	Russia	54%	Oil exploration and production

4.2 ENI S.P.A.

a) Eni S.p.A. is incorporated under the laws of Italy with its registered office located at Piazzale Enrico Mattei 1, Rome, Italy. Eni S.p.A., the former Ente Nazionale Idrocarburi, a public law agency, established by Law No. 136 of 10 February 1953, was transformed into a joint stock company by Law Decree No. 333 published in the Official Gazette of the Republic of Italy No. 162 of 11 July 1992 (converted into law on 8 August 1992, by Law No. 359, published in the Official Gazette of the Republic of Italy No. 190 of 13 August 1992). The shareholders' meeting of 7 August 1992 resolved that the company be called "Eni".

b) Eni is registered at the Companies Register of Rome, tax register identification number 00484960588, R.E.A. Rome No. 756453.

c) Eni is one of the largest integrated energy companies in the world. It is listed on both the Italian Stock Exchange and the New York Stock Exchange. On 24 April 2008, Eni had a market capitalisation of approximately €97 billion. Eni, together with its consolidated subsidiaries, is engaged in the oil and gas, electricity generation, petrochemicals, oilfield services and engineering industries. Eni and its subsidiaries have operations in approximately 70 countries and had 75,862 employees as of 31 December 2007. An overview of the principal divisions of Eni is set out below:

Exploration and Production

The Eni Group operates in the exploration and production of hydrocarbons mainly in Italy, North Africa, West Africa, the North Sea, the Gulf of Mexico, the Caspian Sea and Russia.
In 2007, the Eni Group hydrocarbon production averaged 1,736 thousand BOE per day and, at 31 December 2007, the Eni Group estimated proved reserves totalled 6,370 million BOE with a life index of 10 years.

Gas and Power

Eni Gas & Power division is engaged in all phases of the gas business: supply, transport, distribution and marketing, resulting in a fully integrated business model. A significant installed power generation capacity of approximately 4.9 gigawatts as of 31 December 2007 enables the Eni Group to extract further value from gas, diversifying its commercial outlets. In 2007, the Eni Group's worldwide gas sales totalled 98.96 billion cubic metres (including own consumption, Eni's share of sales of affiliates and volumes sold by E&P).

Refining and Marketing

The Eni Group is amongst the foremost companies in the refining business and in the marketing of refined products in Italy and holds important market shares in some European countries. In 2007, refining throughputs were 37.15 million tonnes. The balanced refinery capacity of Eni Group's refineries totalled 748 thousand barrels per day as of 31 December 2007. The Eni Group's retailing market share for refined products in Italy through its Agip-branded network of service stations was 29.2 per cent. and sales of refined products totalled 50.15 million tonnes, of which 28.05 million tonnes were in Italy.

Petrochemicals

Through Polimeri Europa S.p.A. and its subsidiaries, the Eni Group operates in olefins and aromatics, basic intermediate products, polyethylene, polystyrenes and elastomers. In 2007 Eni Group sold 5.5 million tonnes of petrochemical products.

Engineering and Construction

The Eni Group operates in engineering, oilfield services and construction both offshore and onshore through Saipem S.p.A., a company listed on the Italian Stock Exchange (of which Eni owns 43 per cent.). Through Saipem S.p.A. and its subsidiaries (including Snamprogetti S.p.A.), the Eni Group operates in the field of offshore construction, in particular fixed platform installation, subsea pipe laying and floating production systems and onshore construction. Through Saipem S.p.A. and its subsidiaries, the Eni Group also provides offshore and onshore drilling services and engineering and project management services to the oil and gas, refining and petrochemical industries.

d) The Acquirer is a wholly owned subsidiary of Eni S.p.A.

e) The provisions of chapter II of SEBI (SAST) Regulations are not applicable to Eni S.p.A. However, since the offer made by the Acquirer pursuant to Global Announcement became wholly unconditional on 1 February 2008, the Acquirer filed disclosures under 7(1) of the Takeover Regulations with the Stock Exchanges.

f) As of 24 April 2008, the following persons hold more than 2% of the voting share capital of Eni:

Name of shareholder	Number of shares held	% of share capital
Ministry of Economy and Finance, Government of Italy	813,443,277	20.3%
Cassa Depositi e Prestiti S.p.A.	400,288,338	10.0%

g) Shareholding pattern of Eni S.p.A.:

The shares of Eni S.p.A. are traded on the Italian and New York stock exchanges and, therefore, Eni S.p.A. has a widely dispersed shareholder base. As of the date of the last dividend payment (25 October 2007), Eni S.p.A. had approximately 325,000 shareholders. A substantial majority of the share capital of the Company is held by institutional and public shareholders.

As of the date of the PA, the total paid up capital of Eni S.p.A. was €4,005,358,876 comprising of 4,005,358,876 equity shares with par value of €1 each. As of 24 April 2008 the closing price of Eni S.p.A. on the Italian Stock Exchange was €24.26.

h) Brief financial information of Eni S.p.A. derived from the audited consolidated financial statements is as follows:

Profit and Loss Statement	For the year ended 31 December 2007		For the year ended 31 December 2006		For the year ended 31 December 2005	
	€ million	Rs.Lacs	€ million	Rs.Lacs	€ million	Rs.Lacs
Income from operations	87,256	50,713,000	86,105	50,044,000	73,728	42,851,000
Other Income	2,070	1,203,000	1,686	980,000	1,712	995,000
Total Income	89,326	51,916,000	87,791	51,024,000	75,440	43,846,000
Total Expenditure	- 61,979	-36,022,000	- 61,140	-35,535,000	- 51,918	-30,175,000
Profit Before Depreciation Interest and Tax	27,347	15,894,000	26,651	15,490,000	23,522	13,671,000
Depreciation	- 7,236	-4,206,000	- 6,421	-3,732,000	- 5,781	-3,360,000
Interest	- 83	-48,000	161	94,000	- 366	-213,000
Profit Before Tax	20,028	11,640,000	20,391	11,851,000	17,375	10,098,000
Provision for Tax	-9,219	-5,358,000	- 10,568	-6,142,000	- 8,128	-4,724,000
Profit After Tax	10,809	6,282,000	9,823	5,709,000	9,247	5,374,000
Pertaining to Eni	10,011	5,818,000	9,217	5,357,000	8,788	5,108,000
Pertaining to minority interest	798	464,000	606	352,000	459	267,000

Balance Sheet Statement	As at 31 December 2007		As at 31 December 2006		As at 31 December 2005	
	€ million	Rs.Lacs	€ million	Rs.Lacs	€ million	Rs.Lacs
Sources of Funds						
Paid up share capital	4,005	2,328,000	4,005	2,328,000	4,005	2,328,000
Reserves and Surplus (excluding revaluation reserves)[1]	42,422	24,656,000	40,398	23,479,000	37,079	21,550,000
Networth	42,867	24,914,000	41,199	23,945,000	39,217	22,793,000
Secured loans	198	115,000	231	134,000	251	146,000
Unsecured loans	19,632	11,410,000	11,468	6,665,000	12,747	7,409,000
Total	**62,697**	**36,439,000**	**52,898**	**30,744,000**	**52,215**	**30,347,000**
Uses of funds						
Net fixed assets[2]	57,204	33,247,000	50,521	29,363,000	50,401	29,293,000
Investments[3]	7,034	4,088,000	5,051	2,936,000	5,361	3,116,000
Net current assets[4]	12,071	7,016,000	10,562	6,139,000	8,094	4,704,000
Total miscellaneous expenditure not written off[5]	-13,612	-7,911,000	-13,236	-7,693,000	-11,641	-6,766,000
Total	**62,697**	**36,439,000**	**52,898**	**30,744,000**	**52,215**	**30,347,000**

Other Financial Data	As at and for the year ended 31 December 2007		As at and for the year ended 31 December 2006		As at and for the year ended 31 December 2005	
	€	Rs.	€	Rs.	€	Rs.
Dividend (€/share)	1.30	75.56	1.25	72.65	1.10	63.93
Earnings per Share (***EPS***) (€)	2.73	158.67	2.49	144.72	2.34	136.00
Return on Net Worth (%)	25.2	25.2	23.8	23.8	23.6	23.6
Book Value per Share (€)	11.68	679.02	11.13	646.94	10.42	605.65
Average number of fully diluted shares outstanding (million)	3,669.2		3,701.3		3,763.4	

(1) EPS = Profit After Tax pertaining to Eni / Average No. of fully diluted shares outstanding; (2) Return on Net Worth = Profit after Tax / Net Worth at 31 December; (3) Book Value per share = Net Worth as of 31 December /Average No. of fully diluted shares outstanding

i) Eni S.p.A. and its subsidiaries are party to a number of civil actions and administrative proceedings arising in the ordinary course of business. Based on information available to

[1] Reserves and surplus (excluding revaluation reserves) is calculated as net worth excluding paid up share capital and minority interest plus treasury shares.

[2] Net fixed assets is calculated as the sum of the net book value of property, plant and equipment, intangible assets, other assets and inventories – compulsory stock as at 31 December.

[3] Investments is calculated as the sum of equity accounted investments, other investments and financial assets.

[4] Net current assets is calculated as the sum of current assets less current liabilities (excluding short term borrowings and the current portion of long term borrowings).

[5] Total miscellaneous expenditure not written off is defined as the sum of deferred tax assets, other non-current assets and assets held for sale less the sum of provisions for risks and charges, employee benefit liabilities, deferred tax liabilities, other non-current liabilities and liabilities held for sale.

date, and taking into account the existing risk provisions, Eni S.p.A. believes that the foregoing should not have an adverse effect on the financial position of Eni.

Following is a description of the most significant proceedings currently pending; unless otherwise indicated below, no provisions have been made for these legal proceedings as Eni S.p.A. believes that negative outcomes are not probable or because the amount of the provision cannot be estimated reliably.

Environment

Criminal proceedings

ENI S.p.A.

(i) Subsidence. The Court of Rovigo performed investigations concerning a subsidence phenomenon allegedly caused by hydrocarbon exploration and extraction activities in the Ravenna and North Adriatic area both on land and in the sea. Eni S.p.A. constituted an independent and interdisciplinary scientific commission, composed of prominent and highly qualified international experts of subsidence caused by hydrocarbon exploration and extraction activities, with the aim of verifying the size and effects and any appropriate actions to reduce or to neutralize any subsidence phenomenon in the area. This commission produced a study which denies the possibility for any risk for human health and for damage to the environment. It also states that no example is known anywhere in the world of accidents that caused harm to the public safety caused by subsidence induced by hydrocarbon production. The study also shows that Eni S.p.A. employs the most advanced techniques for the monitoring, measuring and control of the soil. This proceeding is in the first level hearing stage. The Veneto Region, other local bodies and two private entities have been acting as plaintiffs. Eni S.p.A. was admitted as a defendant in order to claim its own responsibilities. The Court decided that the proceeding must be heard by the Court of Ravenna.

(ii) Alleged damage. In 2002, the public prosecutor of Gela started a criminal investigation in order to ascertain alleged damage caused by emissions of the Gela plant, owned by Polimeri Europa S.p.A., Syndial S.p.A. (formerly EniChem S.p.A.) and Raffineria di Gela S.p.A. The Judge for the preliminary hearing dismissed the accusation of adulteration of foodstuff, while the proceeding for the other allegations remain underway.

(iii) Negligent fire in the refinery of Gela. In June 2002, in connection with a fire at the refinery of Gela, a criminal investigation began concerning negligent fire, environmental crimes and crimes against natural beauty. First degree proceedings ended with an acquittal sentence. In November 2007 the public prosecutor of Gela and of Caltanissetta filed an appeal against this decision.

(iv) Investigation of the quality of ground water in the area of the refinery of Gela. In 2002, the public prosecutor of Gela started a criminal investigation concerning the refinery of Gela to ascertain the quality of ground water in the area of the refinery. Eni S.p.A. is charged with having breached environmental rules concerning the pollution of water and soil and of illegal disposal of liquid and solid waste materials. The preliminary hearing phase was closed for one employee who would stand trial, while for the other plaintiffs, the preliminary hearing phase is not yet completed.

(v) Intentional poisoning (Priolo). In March 2002, the public prosecutor of Siracusa started an investigation concerning the activity of the refinery of Priolo in order to ascertain whether infiltrations of refinery products into the deep water-bearing stratum used for human consumption purposes in the Priolo area had occurred. The Court entrusted a company specialized in this field with the task of verifying the cause, origin and extension of the alleged infiltration. For protective purposes, remedial actions have been taken in order to: (i) create safety measures and clean-up the polluted area; (ii) reallocate wells for drinking water in an area farther from and higher than the industrial site; and (iii) install a purification system for drinkable water. In September 2007 the judge for the preliminary investigation filed a request to dismiss this proceeding.

(vi) Negligent fire (Priolo). The public prosecutor of Siracusa started an investigation against certain Eni S.p.A. managers who were previously in charge of conducting operations at Priolo refinery (Eni S.p.A. divested this asset in 2002) in order to ascertain whether they acted with negligence in connection with a fire that occurred at the Priolo plants on 30 April and 1-2 May 2006. After preliminary investigations the public prosecutor requested the opening of a proceeding against the mentioned managers for negligent behavior. The hearing date for the opening of the proceeding has been set.

ENIPOWER S.p.A.

(i) Unauthorized waste management activities. In 2004 the public prosecutor of Rovigo started an investigation for alleged crimes related to unauthorized waste management activities in Loreo relating to the samples of soil used during the construction of the new EniPower power station in Mantova. The prosecutor requested the CEO of EniPower and the managing director of the Mantova plant at the time of the alleged crime to stand trial.

(ii) Air emissions. The public prosecutor of Mantova started an investigation against two managers of the Mantova plant in connection with air emissions by the new power plant.

SYNDIAL S.p.A. (FORMER ENICHEM S.p.A.)

Criminal action started by the public prosecutor of Brindisi. In 2000, the public prosecutor of Brindisi started a criminal action against 68 persons who are employees or former employees of companies that owned and managed plants for the manufacture of dichloroethane, vinyl chloride monomer and vinyl polychloride from the early 1960s to date, some of which were managed by EniChem from 1983 to 1993. At the end of the preliminary investigation, the public prosecutor asked for the dismissal of the case in respect of the employees and the managers of EniChem. Plaintiffs presented oppositions and the prosecutor confirmed the request to dismiss the case, rejecting such oppositions.

Civil and administrative proceedings

SYNDIAL S.p.A. (FORMER ENICHEM S.p.A.)

(i) Pollution caused by the activity of the Mantova plant. In 1992, the Ministry of Environment summoned EniChem S.p.A. (now Syndial S.p.A.) and Montecatini S.p.A. before the Court of Brescia. The Ministry requested, primarily, environmental remediation for the alleged pollution caused by the activity of the Mantova plant from 1976 until 1990, and provisionally, in case there was no possibility to remediate, the payment of environmental damages. Parties agreed on a settlement by which Edison quantified compensation for environmental damage freeing from any obligation Syndial, which purchased the plant in 1989. The proceeding continues for the settlement of alleged damage pertaining to the residual 1989-1990 period.

(ii) Summon before the Court of Venice for environmental damages caused to the lagoon of Venice by the Porto Marghera plants. On 13 December 2002, EniChem S.p.A. (now Syndial S.p.A.), jointly with Ambiente S.p.A. (now merged into Syndial S.p.A.) and

European Vinyls Corporation Italia S.p.A., was summoned before the Court of Venice by the Province of Venice. The province requested compensation for environmental damages that were not quantified, caused to the lagoon of Venice by the Porto Marghera plants, which were already the subject of two previous criminal proceedings against employees and managers of the defendants. EVC Italia and Ineos presented an action to be indemnified by Eni's Group companies in case the alleged pollution is proved.

(iii) Claim of environmental damages, caused by industrial activities in the area of Crotone, commenced by the President of the Regional Council of Calabria. On 14 April 2003, the President of the Regional Council of Calabria, as Delegated Commissioner for Environmental Emergency in the Calabria Region, started an action against EniChem S.p.A. (now Syndial S.p.A.) related to environmental damages for approximately €129 million and damages for €250 million (plus interest and compensation) in connection with loss of income and damage to property allegedly caused by Pertusola Sud S.p.A. activities (merged into EniChem) in the area of Crotone. In addition, the Province of Crotone is acting as plaintiff, claiming environmental damages for €300 million. With a decision of May 2007, the Court of Milan declared the invalidity of the power of proxy conferred to the Delegated Commissioner to act on behalf of the Calabria Region with the notice served to Syndial S.p.A. and decided the liquidation of expenses born by the defendant. The Province of Crotone appealed this decision. On 21 October 2004, Syndial was convened before the Court of Milan by the Calabria Region which is seeking to obtain a condemnation of Syndial for a damage payment, should the office of the Delegated Commissioner for Environmental Emergency in the Calabria Region cease during this proceeding. The Calabria Region requested a damage payment amounting to €800 million as already requested by the Delegated Commissioner for the environmental emergency in the Calabria Region in the proceeding started in 2003. This new proceeding is in the preliminary investigation stage. The unification of this proceeding with the one requested by the Ministry of Interior Affairs has been requested. The Judge has not yet responded to this request. In 2006, the Council of Ministers, Ministry for the Environment and Delegated Commissioner for Environmental Emergency in the Calabria Region represented by the State Lawyer requested Syndial to appear before the Court of Milan in order to obtain the ascertainment, quantification and payment of damage (in the form of land, air and water pollution and therefore of the general condition of the population) caused by the operations of Pertusola Sud S.p.A. in the Municipality of Crotone and in surrounding municipalities. The local authorities requested the ascertainment of Syndial's responsibility as concerns expenses borne and to be borne for the cleanup and reclamation of sites, currently quantified at €129 million. This proceeding concerns the same matter and damage claim as the proceedings started by the Delegated Commissioner for Environmental Emergency in the Calabria Region and the Calabria Region against Syndial in 2003 and 2004, respectively.

(iv) Summon for environmental damage caused by DDT pollution in the Lake Maggiore. A proceeding is pending before the Court of Turin by which the Minister of the Environment summoned Syndial S.p.A. and requested environmental damage for €2,396 million in relation to alleged DDT pollution at Lake Maggiore caused by the Pieve Vergonte plant. On 1 March 2006, the State Lawyer, in an attempt to settle the case proposed Syndial to pay 10% of this claim corresponding to €239 million. This settlement attempt failed. The Italian Ministry enacted a ministerial decree providing for the: (i) upgrading of a hydraulic barrier to protect the site; and (ii) presentation of a project for the environmental remediation of Lake Maggiore. Syndial opposed this decree before an Administrative Court. The Council of State suspended the enactment of the ministerial decree. The proceeding of the Administrative Court is pending.

(v) Action started by the Municipality of Carrara for the remediation and reestablishment of previous environmental conditions at the Avenza site and payment of the environmental damage. The Municipality of Carrara started an action before the Court of Genova requesting Syndial S.p.A. to remediate and restore previous environmental conditions at the Avenza site and the payment of certain environmental damage which cannot be cleaned up plus further damage of various types (i.e. damage to the natural beauty of this site). This request is related to an accident that occurred in 1984, as a consequence of which EniChem Agricoltura S.p.A. (later merged into Syndial S.p.A.), at the time owner of the site, carried out safety and remediation works. The Ministry of the Environment joined the action and requested environmental damage payment – from a minimum of €53.5 million to a maximum of €93.3 million – to be broken down among the various companies that ran the plant in the past. In fact, Syndial summoned Rumianca S.p.A., Sir Finanziaria S.p.A. and Sogemo S.p.A., who ran the plant in previous years, in order to be guaranteed. A report made by an independent expert charged by the Judge was filed with the Court. The findings of this report quantify the residual environmental damage at €15 million. A final decision on this proceeding is pending.

(vi) Ministry for the Environment - Augusta harbor. The Italian Ministry for the Environment with various administrative acts ordered companies running plants in the petrochemical site of Priolo to perform safety and environmental remediation works in the Augusta harbor. Companies involved include Eni subsidiaries Polimeri Europa and Syndial. Pollution has been detected in this area primarily due to a high mercury concentration which is allegedly attributed to the industrial activity of the Priolo petrochemical site. Polimeri Europa opposed the said administrative acts, objecting in particular the way by which remediation works have been designed and information on concentration of pollutants has been gathered. The Regional Administrative Court of Catania with its decision of July 2007 annulled the decision made by the Service Conference of the Ministry of the Environment concerning Priolo and the Augusta harbour. The Ministry and the municipalities of Augusta and Melilli filed a claim with the Administrative Court of the Sicilia Region. In January 2008 the Regional Court of Catania accepted the two claims, while the decision of the Administrative Court of Lazio is still pending.

Other judicial or arbitration proceedings

SYNDIAL S.p.A. (FORMER ENICHEM S.p.A.)

(i) Serfactoring: disposal of receivables. In 1991, Agrifactoring S.p.A. commenced proceedings against Serfactoring S.p.A., a company 49% owned by Sofid S.p.A. which is controlled by Eni S.p.A. The claim relates to an amount receivable of €182 million for fertilizer sales (plus interest and compensation for inflation), originally owed by Federconsorzi to EniChem Agricoltura S.p.A. (later Agricoltura S.p.A. - in liquidation), and Terni Industrie Chimiche S.p.A. (merged into Agricoltura S.p.A. - in liquidation), that has been merged into EniChem S.p.A. (now Syndial S.p.A.). Such receivables were transferred by Agricoltura and Terni Industrie Chimiche to Serfactoring, which appointed Agrifactoring as its agent to collect payments. Agrifactoring guaranteed to pay the amount of such receivables to Serfactoring, regardless of whether or not it received payment on the due date. Following payment by Agrifactoring to Serfactoring, Agrifactoring was placed in liquidation and the liquidator of Agrifactoring commenced proceedings in 1991 against Serfactoring to recover such payments (equal to €182 million) made to Serfactoring based on the claim that the foregoing guarantee became invalid when Federconsorzi was itself placed in liquidation. Agricoltura and Terni Industrie Chimiche brought counterclaims against Agrifactoring (in liquidation) for damages amounting to €97 million relating to acts carried out by Agrifactoring S.p.A. as agent. The amount of these counterclaims has subsequently been reduced to €46 million following partial payment of the original receivables by the liquidator of Federconsorzi and various setoffs. These proceedings, which have all been joined, were decided with a partial judgment, deposited on 24 February 2004; the request of Agrifactoring has been rejected and the company has been ordered to pay the sum requested by Serfactoring and damages in favor of Agricoltura, to be determined following the decision. Agrifactoring appealed this partial decision, requesting in particular the annulment of the first step judgment, the reimbursement of €180 million from Serfactoring along with the rejection of all its claims and the payment of all proceeding expenses. The judge of the Court of Rome, responsible for the determination of the amount of damages to be paid to Serfactoring and Agricoltura decided on 18 May 2005 to suspend this determination until the publication of the decision of the Court of Appeals. On argument, Serfactoring and Syndial requested that the final decision Court return the case to its original court. The Court of Cassation accepted the appeal and the return of the case to its original court.

ENI S.p.A.

(i) Fintermica Fintermica presented a claim towards Eni S.p.A. concerning the management of the Jacorossi joint venture with reference to an alleged abuse of key roles played by Eni S.p.A. in the joint venture thus damaging the other partner's interest and the alleged dilatory behavior of Syndial in selling its interest in the joint venture to Fintermica. The parties decided to start an arbitration on the matter. The examining phase has started.

SNAM PROGETTI S.p.A.

(i) CEPAV Uno and CEPAV Due Eni S.p.A. holds interests in the CEPAV Uno (50.36%) and CEPAV Due (52%) consortia that in 1991 signed two contracts with TAV S.p.A. for the construction of two railway tracks for high speed/high capacity trains from Milan to Bologna (under construction) and from Milan to Verona (in the design phase). With regard to the project for the construction of the line from Milan to Bologna, an *Addendum* to the contract between CEPAV Uno and TAV was signed on 27 June 2003, redefining certain terms and conditions of the contract. Subsequently, the CEPAV Uno consortium requested a time extension for the completion of works and a claim amounting to €800 million. CEPAV Uno and TAV failed to solve this dispute amicably. CEPAV Uno notified TAV requesting arbitration as provided for under the terms of the contract on 27 April 2006. With regard to the project for the construction of the tracks from Milan to Verona, in December 2004, CEPAV Due presented the final project, prepared in accordance with Law No. 443/2001 on the basis of the preliminary project approved by an Italian governmental authority (CIPE). As concerns the arbitration procedure requested by CEPAV Due against TAV for the recognition of costs incurred by the Consortium in the 1991-2000 period plus suffered damage, in January 2007, the arbitration committee came to a partial decision in support of CEPAV Due confirming the claim of the Consortium to recover costs incurred in connection with design activities performed until 2000 in addition to damage arising from the belatedly convened meeting of interested local authorities by TAV. A technical survey is underway to establish an evaluation of the compensation to be awarded to the Consortium as requested by the arbitration committee for the final resolution. In April 2007, the consortium filed an appeal against law decree No. 7 of 31 January 2007 converted into law No. 40/2007 of 2 April 2007, revoking the concessions awarded to TAV with the Regional Administrative Court of Latium. In a Decision published on 12 July 2007, this Regional Court suspended the revocation provided by law No. 40/2007 and requested the judgment of the European Court of Justice on the dispute between the provisions of said law and the European Treaty. TAV committed itself not to request the reimbursement of advances paid until the decision of the European Court.

Antitrust, EU Proceedings, Actions of the Authority for Electricity and Gas and of Other Regulatory Authorities

Antitrust

ENI S.p.A.

(i) Abuse of dominant position of Snam verified by the Italian Antitrust Authority. In March 1999, the Italian Antitrust Authority concluded its investigation started in 1997 and: (i) verified that Snam S.p.A. (merged in Eni S.p.A. in 2002) abused its dominant position in the market for the transportation and primary distribution of natural gas relating to the transportation and distribution tariffs applied to third parties and the access of third parties to infrastructure; (ii) fined Snam for €2 million; and (iii) ordered a review of these practices relating to such abuses. Snam believes it has complied with existing legislation and appealed the decision with the Regional Administrative Court of Lazio requesting its suspension. On 26 May 1999, stating that these decisions are against Law No. 9/1991 and the European Directive 98/30/EC, this Court granted the suspension of the decision. The Authority did not appeal this decision. The decision on the merit of this dispute is still pending before the same Administrative Court.

(ii) Formal assessment started by the Commission of the European Communities for the evaluation of alleged participation to activities limiting competition in the field of paraffin. On 28 April 2005, the Commission of the European Communities started a formal assessment to evaluate the alleged participation of Eni S.p.A. and its subsidiaries in activities limiting competition in the field of paraffin. The alleged violation of competition would have consisted in: (i) the determination of and increase in prices; (ii) the subdivision of customers; and (iii) exchange of 134 trade secrets, such as production capacity and sales volumes. This proceeding is at the preliminary investigation stage following the communication of a statement of objections by the European Commission. Eni accrued a provision against this proceeding.

(iii) Ascertainment by the European Commission of the level of competition in the European natural gas market. As part of its activities to ascertain the level of competition in the European natural gas market, with Decision No. C(2006)1920/1 of 5 May 2006, the European Commission informed Eni S.p.A. on 16 May 2006 that Eni S.p.A. and its subsidiaries were subject to an inquiry under Article 20, paragraph 4 of the European Regulation No. 1/2003 of the Council in order to verify the possible existence of any business activities breaching European rules in terms of competition and intended to prevent access to the Italian natural gas wholesale market and to subdivide the market among a few operators in the activity of supply and transport of natural gas. Officials from the European Commission conducted inspections at the headquarters of Eni S.p.A. and of certain Eni S.p.A. subsidiaries and collected documents. Similar actions have been performed by the Commission also against the main operators in natural gas in Germany, France, Austria and Belgium. In April 2007, the European Commission made known its decision to start a further stage of inquiry, as elements collected so far induced the suspicion that Eni S.p.A. adopted behaviours leading to "capacity hoarding and strategic underinvestment in the transmission system leading to the foreclosure of competitors and harm for competition and customers in one or more supply markets in Italy". In the same documents, the Commission states that "It is important to note that the initiation of proceedings does not imply that the Commission has conclusive proof of an infringement. It only signifies that the Commission will conduct an in-depth investigation of the case as a matter of priority".

(iv) TTPC. In April 2006, Eni S.p.A. filed a claim before the Regional Administrative Court of Lazio against the decision of the Italian Antitrust Authority of February 15, 2006 stating that Eni S.p.A.'s behavior pertaining to implementations of plans for the upgrading of the TTPC pipeline for importing natural gas from Algeria represented an abuse of dominant position under Article 82 of the European Treaty and fined Eni S.p.A.. The initial fine amounted to €390 million and was reduced to €290 million in consideration of Eni S.p.A.'s commitment to perform actions favouring competition including the upgrade of the gasline. Eni S.p.A., accrued a provision with respect to this proceeding. With a decision filed on 29 November 2006, the Regional Administrative Court of Lazio partially accepted Eni S.p.A.'s claim, annulling such part of the Authority's decision where the fine was quantified. Eni S.p.A. is waiting for the filing of the motivations of the Court decision to ascertain the impact of said decision. Pending this development, the payment of the fine has been voluntarily suspended. In 2007, the Regional Administrative Court of Lazio accepted in part Eni S.p.A.'s claim and cancelled the quantification of the fine based on the Antitrust Authority's inadequate evaluation of the circumstances presented by Eni S.p.A. Eni S.p.A. filed an appeal with the Council of State, as did the Antitrust Authority and TTPC. Pending the final outcome, Eni S.p.A. awaits for the determination of the amount of the fine to be paid.

POLIMERI EUROPA S.p.A. and SYNDIAL S.p.A.

(i) Inquiries in relation to alleged anti-competitive agreements in the area of elastomers. In December 2002, inquiries were commenced concerning alleged anti-competitive agreements in the area of elastomers. These inquiries were commenced concurrently by European and U.S. authorities. With regards to the CR, in March 2007, the Commission sent to Eni, Polimeri Europa and Syndial a statement of objections, thus opening the second phase of this proceeding. In December 2007, the European Commission dismissed Syndial's position on CR and inflicted to Eni S.p.A. and Polimeri a fine amounting to €132.2 million. The two companies have filed an appeal with the EU Court of First Instance against this decision and, at the same time, paid the fine in March 2008. Investigations about other elastomers products resulted in the ascertainment of Eni having infringed European competition laws in the field of synthetic rubber production (BR and ESBR). On 29 November 2006, the Commission fined Eni S.p.A. and its subsidiary Polimeri Europa for an amount of €272.25 million. Eni S.p.A. and its subsidiary filed claims against this decision before the European Court of First Instance in February 2007. The Commission filed a counter-appeal. Pending the outcome, Polimeri Europa presented a bank guarantee for €200 million paid the residual amount of the fine. In August 2007, Eni S.p.A. presented request for a negative ascertainment with the Court of Milan aimed at proving the inexistence of alleged damages suffered by tire manufacturers. With regard to NBR, an inquiry is underway also in the U.S., where class actions have also been started. On the federal level, the class action was abandoned by the plaintiffs. The federal judge has yet to acknowledge this abandonment. With regard to other products under investigation in the U.S., settlements were reached with both relevant U.S. antitrust authorities and the plaintiffs acting through a class action. Eni S.p.A. recorded a provision for these matters.

Regulation

Inquiry of the Italian Authority for Electricity and Gas regarding information to clients about the right to pay amounts due for natural gas sales in instalments.

With Decision No. 228/07, the Italian Authority for Electricity and Gas commenced a formal inquiry regarding information to clients about the right to pay amounts due for the natural gas sales in instalments in order to possibly impose the interruption of behaviour allegedly infringing the clients' rights and impose a fine. Eni S.p.A. accrued a provision for this proceeding.

DISTRIBUIDORA DE GAS CUYANA SA

Formal investigation of the agency entrusted with the regulations for the natural gas market in Argentina (*Enargas*). Enargas started a formal investigation on some operators, among them Distribuidora de Gas Cuyana SA, a company controlled by Eni S.p.A.. Enargas stated that the company improperly applied conversion factors to volumes of natural gas invoiced to customers and requested the company to apply the conversion factors imposed by local regulations from the date of the default notification (31 March 2004) without prejudice to any damage payment and fines that may be decided after closing the investigation. In April 2004 the company filed a defensive memorandum. On 28 April 2006 the company formally requested the acquisition of documents from Enargas in order to have access to the documents on which the allegations are based.

Tax Proceedings

ENI S.p.A.

ICI Pineto

With a formal assessment presented by the Municipality of Pineto (Teramo) in December 1999, Eni S.p.A. has been accused of not having paid a municipal tax on real estate for the period from 1993 to 1998 on four oil platforms located in the Adriatic Sea which constitute, territorial waters in front of the coast of Pineto. Eni S.p.A. was requested to pay a total of approximately €17 million including interest and a fine Eni S.p.A. filed a claim against this request stating that the sea where the platforms are located is not part of the municipal territory and the tax application as requested by the municipality lacked objective fundamentals. The claim has been accepted in the first two degrees of judgment at the Provincial and Regional Tax Commissions. But the final decision Court cancelled both judgments declaring that a municipality can consider requesting a tax on real estate in the sea facing its territory and with the decision of February 2005 sent the proceeding to another section of the Regional Tax Commission in order to judge on the matters of the proceeding. On 22 February 2007 the Commission held the hearing and the filing of the judgement is pending. On 28 December 2005, the Municipality of Pineto presented the same request for the same platforms for the years 1999 to 2004. The total amount requested from Eni is €24 million including interest and penalties. Eni S.p.A. filed a claim against this request which was accepted by the first degree judge with a decision of 4 December 2007.

Agip Karachaganak BV

Claims concerning unpaid taxes and relevant payment of interest and penalties.

In July 2004, the relevant Kazakh authorities informed Agip Karachaganak BV and Agip Karachaganak Petroleum Operating BV, shareholder and operator of the Karachaganak contract, respectively, on the final outcome of the tax audits performed for fiscal years 2000 to 2003. Claims by the Kazakh authorities concern unpaid taxes for a total of $43 million, net to Eni, and the anticipated offsetting of value added tax (***VAT***) credits for $140 million, net to Eni, as well as the payment of interest and penalties for a total of $128 million. Both companies filed a counter-claim. With an agreement reached on 18 November 2004, the original amounts were reduced to $26 million net to Eni S.p.A. that includes taxes, surcharges and interest. Meetings continue regarding the residual matters. Eni S.p.A. recorded a provision for this matter.

Agip KCO

In December 2007, the Kazakh tax authority filed a notice of tax assessment for fiscal years 2004 to 2006 to Agip KCO, operator of the Kashagan contract. Allegedly unpaid taxes, including interest and penalties, amount to approximately $235 million net to Eni and relate to unpaid amounts and inapplicable deductions on VAT and the default in applying certain withholding taxes on payments to foreign suppliers. The same notice also informs the companies which are parties to the Kashagan contract that further assessments are pending on undeductible costs for $188 million net to Eni S.p.A. and higher taxable income of Kazakh organizations for $48 million net to Eni. The company filed an appeal. Eni S.p.A. made a provision on this matters.

Court Inquiries

(i) Enipower. In June 2004 the Milan Public Prosecutor started inquiries into contracts awarded by Eni S.p.A.'s subsidiary EniPower and on supplies from other companies to EniPower. It emerged that illicit payments were made by EniPower suppliers to a manager of EniPower who was immediately dismissed. The Court presented EniPower (commissioning entity) and Snamprogetti (contractor of engineering and procurement services) with notices of process in accordance with existing laws regulating administrative responsibility of companies (Legislative Decree No. 231/2001). In its meeting of 10 August 2004, Eni S.p.A.'s Board of Directors examined the aforementioned situation and Eni S.p.A.'s CEO approved the creation of a task force in charge of verifying the compliance with Group procedures regarding the terms and conditions for the signing of supply contracts by EniPower and Snamprogetti and the subsequent execution of works. The Board also advised divisions and departments of Eni to fully cooperate in every respect with the Court. From the inquiries performed, no default in the organization emerged, nor deficiency in internal control systems. External experts have performed inquiries with regard to certain specific aspects. In accordance with its transparency and firmness guidelines, Eni S.p.A. will take the necessary steps in acting as plaintiff in the expected legal action in order to recover any damage that could have been caused to Eni S.p.A. by the illicit behavior of its suppliers and of their and Eni S.p.A. employees. In the meantime, preliminary investigations have found that both EniPower and Snamprogetti are not to be considered defendants in accordance with existing laws regulating administrative responsibility of companies (Legislative Decree No. 231/2001). In August 2007, Eni was notified that the Public Prosecutor requested the dismissal of EniPower S.p.A. and Snamprogetti S.p.A., while the proceeding continues against former employees of these companies and employees and managers of the suppliers under the provisions of Legislative Decree No. 231/2001. Eni S.p.A, EniPower and Snamprogetti presented themselves as plaintiffs in the preliminary hearing.

(ii) Trading. An investigation is pending regarding two former Eni S.p.A. managers who were allegedly bribed by third parties to favor the closing of certain transactions with two oil product trading companies. Within such investigation, on 10 March 2005, the public prosecutor of Rome notified Eni S.p.A. of two judicial measures for the seizure of documentation concerning Eni's transactions with the said companies. Eni S.p.A. is acting as plaintiff in this proceeding. Due to the lack of evidence supporting this charge in a trial, the Public Prosecutor filed a request for dismissing this proceeding.

(iii) TSKJ Consortium - Investigations of SEC and other Authorities. Regarding the inquiries of the U.S. Securities and Exchange Commission (***SEC***) and other authorities on the TSKJ consortium in which Eni's subsidiary Snamprogetti has a 25% stake (Eni's interest in Snamprogetti is 43.54%) in relation to the construction of natural gas liquefaction facilities at Bonny Island in Nigeria, no relevant developments are to be reported in addition to what was stated in Eni S.p.A.'s 2006 Annual Report.

(iv) Gas Metering. On 28 May 2007, a seizure order (in respect to certain documentation) was served upon Eni and other Group companies as part of a proceeding brought by the Public Prosecutor at the Courts of Milan. The order was also served upon five top managers of the Group companies in addition to third party companies and their top managers. The investigation alleges behavior which breaches Italian criminal law, starting from 2003, regarding the use of instruments for measuring gas, the related payments of excise duties and the billing of clients as well as relations with the Supervisory Authorities. The allegation regards, *inter alia*, the offence contemplated by Legislative Decree of 8 June 2001, No. 231, which establishes the liability of the legal entity for crimes committed by its employee in the interests of such legal entity, or to its advantage. Accordingly, notice of the start of investigations was served upon the Eni S.p.A. group companies (Eni, Snam Rete Gas and Italgas) as well as third party companies. The aforementioned Eni Group companies are cooperating with the Judicial Authorities in the investigations.

(v) Agip KCO NV. In November 2007, the public prosecutor of Kazakhstan informed Agip KCO of the start of an inquiry of an alleged fraud in the assignation of a contract to the Overseas International Constructors GbbH in 2005.

j) The consolidated financial statements of Eni S.p.A. have been prepared in accordance with International Financial Reporting Standards (***IFRS***) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (***EU***) pursuant to Article 6 of the EC Regulation No. 1606/2002 of the European Parliament and Council of July 19 2002 and in accordance with Article 9 of Legislative Decree No. 38/2005. Details of the significant accounting policies used in the preparation of the consolidated financial statements are included in the notes to the consolidated financial statements.

Use of accounting estimates

The consolidated financial statements of Eni S.p.A. 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 including discussion and disclosure of contingent liabilities. Estimates made are based on complex or subjective judgments and past experience of 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 consolidated financial statements are in relation to the accounting for oil and natural gas activities, specifically in the determination of proved and proved developed reserves, impairment of fixed assets, intangible assets and goodwill, asset retirement obligations, business combinations, pensions and other post-retirement benefits, recognition of environmental liabilities and recognition of revenues in the oilfield services construction and engineering businesses. Although Eni S.p.A. uses its best estimates and judgements, actual results could differ from the estimates and assumptions used. A summary of significant estimates follows.

Oil and gas activities

Engineering estimates of Eni S.p.A. oil and gas reserves are inherently uncertain. Proved reserves are the estimated volumes of crude oil, natural gas and gas condensates, liquids and associated substances which geological and engineering data demonstrate can be produced with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Although there are authoritative guidelines regarding the engineering criteria that must be met before estimated oil and gas reserves can be designated as "proved", the accuracy of any reserve estimate is a function of the quality of available data and engineering and geological interpretation and judgment.

Field reserves will only be categorized as proved when all the criteria for attribution of proved status have been met. At this stage, all booked reserves will be classified as proved undeveloped. Volumes will subsequently be reclassified from proved undeveloped to proved developed as a consequence of development activity. The first proved developed bookings will occur at the point of first oil or gas production. Major development projects typically take one to four years from the time of initial booking to the start of production. Eni S.p.A. reassesses its estimate of proved reserves periodically. The estimated proved reserves of oil and natural gas may be subject to future revision and upward and downward revision may be made to the initial booking of reserves due to production, reservoir performance, commercial factors, acquisition and divestment activity and additional reservoir development activity. In particular, changes in oil and natural gas prices could impact the amount of Eni S.p.A.'s proved reserves as regards the initial estimate and, in the case of PSC and buy-back contracts, the share of production and reserves to which Eni S.p.A. is entitled. Accordingly, the estimated reserves could be materially different from the quantities of oil and natural gas that ultimately will be recovered.

Oil and natural gas reserves have a direct impact on certain amounts reported in the financial statements. Estimated proved reserves are used in determining depreciation and depletion expenses and impairment expense. Depreciation rates on oil and gas assets using the UOP basis are determined from the ratio between the amount of hydrocarbons extracted in the quarter and proved developed reserves existing at the end of the quarter increased by the amounts extracted during the quarter. Assuming all other variables are held constant, an increase in estimated proved developed reserves for each field decreases depreciation, depletion and amortization expense. Conversely, a decrease in estimated proved developed reserves increases depreciation, depletion and amortization expense. In addition, estimated proved reserves are used to calculate future cash flows from oil and gas properties, which serve as an indicator in determining whether or not property impairment is to be carried out. The larger the volumes of estimated reserves, the lower is the likelihood of asset impairment.

Impairment of assets

Eni S.p.A. assesses its property, plant and equipment and intangible assets, including goodwill, for possible impairment if there are events or changes in circumstances that indicate the carrying values of the assets are not recoverable. Such indicators include changes in Eni Group's business plans, changes in commodity prices leading to unprofitable performance and, for oil and gas properties, significant downward revisions of estimated proved reserve quantities. Determination as to whether and how much an asset is impaired involves management estimates on highly uncertain matters such as future commodity prices, the effects of inflation and technology improvements on operating expenses, production profiles and the outlook for global or regional market supply and demand conditions for crude oil, natural gas, commodity chemicals and refined products. The amount of an impairment loss is determined by comparing the book value of an asset with its recoverable amount. The recoverable amount is the greater of fair value net of disposal costs and value in use. The estimated value in use is based on the present values of expected future cash flows net of disposal costs. The expected future cash flows used for impairment reviews are based on judgmental assessments of future production volumes, prices and costs, considering available information at the date of review and are discounted by using a rate related to the activity involved. For oil and natural gas properties, the expected future cash flows are estimated, principally, based on developed and non-developed proved reserves including, among other elements, production taxes and the costs to be incurred for the reserves yet to be developed. The estimated future level of production is based on assumptions on: future commodity prices, lifting and development costs, field decline rates, market demand and supply, economic regulatory climates and other factors. Oil, natural gas and petroleum products prices used to quantify the expected future cash flows are estimated based on forward prices prevailing in the marketplace for the first four years and management's long-term planning assumptions thereafter. Previously, expected future cash flow estimates were entirely based upon management's planning assumptions.

Goodwill and other intangible assets with indefinite useful life are not subject to amortization. Eni S.p.A. tests such assets at the cash-generating unit level for impairment on an annual basis and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value below its carrying amount. In particular, goodwill impairment is based on the determination of the fair value of each cash-generating unit to which goodwill can be attributed on a reasonable and consistent basis.

A cash generating unit is the smallest aggregate on which Eni S.p.A., directly or indirectly, evaluates the return on the capital expenditure. If the recoverable amount of a cash generating unit is lower than the carrying amount, goodwill attributed to that cash generating unit is impaired up to that difference; if the carrying amount of goodwill is less than the amount of impairment, assets of the cash generating unit are impaired on a pro-rata basis for the residual difference.

Asset retirement obligations

Obligations to remove property, plant and equipment and restore land or seabed require significant estimates in calculating the amount of the obligation and determining the amount required to be recorded at present in the consolidated financial statements. Estimating future asset retirement obligations is complex. It requires management to make estimates and judgments with respect to removal obligations that will come to term many years into the future and contracts and regulations are often unclear as to what constitutes removal.

In addition, the ultimate financial impact of environmental laws and regulations is not always clearly known as asset removal technologies and costs constantly evolve in the countries where Eni S.p.A. operates, so do political, environmental, safety and public expectations. The subjectivity of these estimates is also increased by the accounting method used that requires entities to record the fair value of a liability for an asset retirement obligation in the period when it is incurred (typically, at the time the asset is installed at the production location). When liabilities are initially recorded, the related fixed assets are increased by an equal corresponding amount. The liabilities are increased with the passage of time (i.e. interest accretion) and any change of the estimates following the modification of future cash flows and discount rate adopted. The recognized asset retirement obligations are based on future retirement cost estimates and incorporate many assumptions such as: expected recoverable quantities of crude oil and natural gas, abandonment time, future inflation rates and the risk-free rate of interest adjusted for the company's credit costs.

Business combinations

Accounting for business combinations requires the allocation of the purchase price to the various assets and liabilities of the acquired business at their respective fair values. Any positive residual difference is recognized as "goodwill". Negative residual differences are credited to the profit and loss account. Management uses all available information to make these fair value determinations and, for major business acquisitions, typically engages an independent appraisal firm to assist in the fair value determination of the acquired assets and liabilities.

Environmental liabilities

Together with other companies in the industries in which it operates, Eni S.p.A. is subject to numerous EU, national, regional and local environmental laws and regulations concerning its oil and gas operations, production and other activities; they include legislations that implement international conventions or protocols. Environmental costs are recognized when it becomes probable that a liability has been incurred and the amount can be reasonably estimated.

The management, considering the actions already taken and insurance policies to cover environmental risks and provision for risks accrued, does not expect any material adverse effect on Eni S.p.A.'s consolidated results of operations and financial position as a result of such laws and regulations. However, there can be no assurance that there will not be a material adverse impact on Eni S.p.A.'s consolidated results of operations and financial position due to: (i) the possibility of an unknown contamination; (ii) the results of the ongoing surveys and other possible effects of statements required by Decree No. 471/1999 of the Ministry of Environment concerning the remediation of contaminated sites; (iii) the possible effects of future environmental legislations and rules; (iv) the effects of possible technological changes relating to future remediation; and (v) the possibility of litigations and the difficulty of determining Eni S.p.A.'s liability, if any, as against other potentially responsible parties with respect to such litigations and the possible insurance recoveries.

Employee benefits

Defined benefit plans and other long-term benefits are evaluated with reference to uncertain events and based upon actuarial assumptions including, among others, discount rates, expected rates of return on plan assets, expected rates of salary increases, medical cost trends, estimated retirement dates and mortality rates. The significant assumptions used to account for pensions and other post-retirement benefits are determined as follows: (i) discount and inflation rates reflect the rates at which benefits could be effectively settled, taking into account the duration of the obligation. Indicators used in selecting the discount rate include rates of annuity contracts and rates of return on high quality fixed-income investments (such as government bonds). The inflation rates reflect market conditions observed country by country; (ii) the future salary levels of the individual employees are determined including an estimate of future changes attributed to general price levels (consistent with inflation rate assumptions), productivity, seniority and promotion; (iii) healthcare cost trend assumptions reflect an estimate of the actual future changes in the cost of the healthcare related benefits provided to the plan participants and are based on past and current healthcare cost trends including healthcare inflation, changes in healthcare utilization and changes in health status of the participants; (iv) demographic assumptions such as mortality, disability and turnover reflect the best estimate of these future events for individual employees involved, based principally on available actuarial data; and (v) determination of the expected rates of return on assets is made through compound averaging. For each plan, the distribution of investments among bonds, equities and cash and their specific average expected rate of return is taken into account. Differences between expected and actual costs and between the expected return and the actual return on plan assets routinely occur and are called actuarial gains and losses. Eni S.p.A. applies the corridor method to amortize its actuarial losses and gains. This method amortizes on a pro-rata basis the net cumulative unrecognized actuarial gains and losses at the end of the previous reporting period, that exceed 10% of the greater of: (i) the present value of the defined benefit obligation; and (ii) the fair value of plan assets, over the average expected remaining working lives of the employees participating in the plan. Additionally, obligations for other long-term benefits are determined by adopting actuarial assumptions. The effect of changes in actuarial assumptions or a change in the characteristics of the benefit are taken to profit or loss in their entirety.

Contingencies

In addition to accruing the estimated costs for environmental liabilities, asset retirement obligation and employees benefits. Eni S.p.A. 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 judgments.

Revenue recognition in the Engineering & Construction segment

Revenue recognition in the Engineering & Construction segment is based on the stage of completion of a contract as measured on the cost-to-cost basis applied to contractual revenues. Use of the stage of completion method requires estimates of future gross profit on a contract by contract basis. The future gross profit represents the profit remaining after deducing costs attributable to the contract from revenues provided for in the contract. The estimate of future gross profit is based on a complex estimation process that includes identification of risks related to the geographical region, market conditions in that region and any assessment that is necessary to estimate with sufficient precision the total future costs as well as the expected timetable. Requests of additional incomes, deriving from a change in the scope of work, are included in the total amount of revenues when it is probable that the customer will approve the variation and the related amount. Claims deriving for instance from additional costs incurred for reasons attributable to the clients are included in the total amount of revenues when it is probable that the counterparty will accept them.

k) **Comparison of results**

2007

Eni's consolidated net profit attributable to the company for 2007 was €10,011 million, an increase of €794 million from 2006, or 8.6%, primarily due to lower income taxes (down €1,349 million) mainly reflecting: (i) an adjustment to deferred tax assets and liabilities for Italian subsidiaries relating to certain amendments to the Italian tax regime, including a lower statutory tax rate, enacted by the 2008 Budget Law; (ii) an increase in net income from investments, up €340 million, mainly due to net gains on the divestment of interests in certain associates of the Engineering & Construction division. These positive factors were partly offset by a lower reported operating profit (down €459 million) mainly in the Exploration & Production division and higher net finance charges (up €244 million).

Eni's total income was €89,326 million an increase of €1,535 million from 2006, or 1.7%, primarily due to higher revenues for 2007, primarily reflecting higher activity levels in the Engineering & Construction division and higher realizations on oil and natural gas in dollar terms, partially offset by the impact of the appreciation of the euro versus the dollar (up 9.2%), a decline in the hydrocarbon production sold and lower products volumes sold, as well as the negative trend of energy parameters to which gas prices are contractually indexed in the Gas & Power division. Eni also recorded an increase of €340 million from investments due to better results from certain equity-accounted entities and gains on divestments.

2006

Eni's consolidated net profit attributable to the company for 2006 was €9,217 million, up €429 million compared to 2005, or 4.9%. This increase reflected a better operating profit (up €2,500 million, or 14.9%), partially offset by a higher group tax rate, which rose from 46.8% to 51.8%. The increase in the group tax rate was recorded mainly in the Exploration & Production division due to: (i) the Algerian windfall tax on upstream earnings effective as from 1 August 2006 (with an overall impact of €328 million, of which €149 million pertaining to taxation for the period and €179 million pertaining to the deferred tax impact); (ii) an increase in the supplemental tax rate implemented by the British Government, applicable to profit before taxes earned by operations in the North Sea, effective as from 1 January 2006, affecting both current taxation and deferred tax liabilities (with an overall impact of €198 million of which €107 million, pertaining to taxation for the period and €91 million pertaining to the deferred tax impact).

Eni's total income was €87,791 an increase of €12,351 million from 2005, or 16.4%, primarily reflecting higher product prices in all of Eni's main operating segments, higher volumes sold of hydrocarbons and natural gas and higher activity levels in the Engineering & Construction division, offset in part by the negative impact of the appreciation of the euro versus the dollar (up 1%).

2005

Eni's consolidated net profit attributable to the company for 2005 was €8,788 million, a €1,729 million increase from 2004, or 24.5%, driven by a €4,428 million increase in operating profit (up 35.7%) mainly recorded in particular in the Exploration & Production segment due to an increase in realizations in dollars (Brent up 42.3%) and higher sales volumes of oil and natural gas (up 38.3 million BOE, or 6.7%). These positives were offset in part by higher environmental provisions (€532 million), a risk provision relating to a fine imposed on 15 February 2006 by the Italian Antitrust Authority for allegedly anti-competitive behaviour in the natural gas sector (€290 million) and the estimated impact of the application of Decision No. 248/2004 of the Authority for Electricity and Gas affecting natural gas prices to residential customers and wholesalers in Italy (€225 million) in force from 1 January 2005.

The increase in operating profit was offset in part by higher income taxes (up €2,606 million).

Eni's total income was €75,440 million an increase of €15,698 million from 2004, or 26.3%, reflecting primarily higher product prices and volumes sold in all of Eni's main operating segments.

l) **Status of Corporate Governance**

Eni's organisational structure follows the traditional model of Italian companies in which management is exclusively entrusted to the Board of Directors, which is central to Eni's corporate governance system. Monitoring functions are entrusted to the Board of Statutory Auditors while the audit of the financial statements is entrusted to the external Auditors appointed by the shareholders' meeting. The Board of Directors delegates specific powers to the Chairman and the CEO, who are the representatives of the company, and determines the compensation related to their powers. In accordance with internationally accepted principles of corporate governance, the Board of Directors established committees with consulting and proposing functions.

Eni has complied with the Borsa Italiana Corporate Governance Code guidelines in respect of corporate governance and adopted a Corporate Governance Code (***Eni Code***).

The Board of Directors: competence, delegation of power and composition

In addition to exclusive competencies entrusted by law, the Board of Directors of Eni has retained the following powers, among others, in addition to those that cannot be delegated under applicable laws:

1. Establishing Eni Group's corporate governance system and rules, guidelines of the organizational, administrative and accounting structure of Eni S.p.A. of most important controlled subsidiaries and of the remaining entities of the Eni Group. Establishing, in particular the guidelines of the internal control system, in order to ensure the identification, measurement, management and monitoring of the main risks faced by Eni and its subsidiaries.
2. Establishing, on the recommendation of the Chief Executive Officer, company and group strategies and objectives, including sustainability policies. Examining and approving the company's and group's strategic, operational and financial plans, the strategic agreement to be signed by the company, the budgets, the interim quarterly and half-yearly reports and the sustainability report to be submitted to the shareholders' meeting.
3. Receiving from the relevant Board members reports informing the Board of activities carried out in exercising the powers attributed and receiving every half-yearly updates from the board committees on their activities.
4. Evaluating and approving transactions to be executed by the Eni Group that have a significant economic, patrimonial and/or financial impact, with particular attention to situations in which Board members hold an interest on their own behalf or on behalf of third parties and related party transactions. The Board ensures the principle of operational autonomy with specific regard to the listed companies of the Eni Group.
5. Appointing and revoking the Chief Operating Officers and attributing powers to them. Appointing and revoking the person in charge of internal control and resolving his/her compensation in line with the company's remuneration policies.
6. Establishing the criteria for top management's compensation and implements the stock incentive plans approved by the shareholders.
7. Examining and deciding on proposals submitted by the Chief Executive Officer with respect to voting powers and to the appointment of members of the management and control bodies of the most important controlled subsidiaries. With specific regard to the shareholders' meetings of listed companies of the Eni Group, the Board ensures the observance of the corporate governance rules regarding the shareholders' meetings.

Pursuant to Article 23.2 of the by-laws, Eni's Board decides on mergers by incorporation and proportional demergers of at least 90 per cent. directly owned subsidiaries; establishment and winding up of branches; amendments to the by-laws in order to comply with applicable legislation.

In accordance with Article 27 of Eni's by-laws, the Chairman of Eni's Board chairs shareholders' meetings and oversees the implementation of decisions made by it. The Board of Directors and the Chief Executive Officer report timely to the Board of Statutory Auditors, at least every two months and, in any case, at the Board of Director's meetings, on activities and major transactions of Eni and its subsidiaries.

In accordance with Article 17 of Eni's by-laws, the Board of Directors is composed of three to nine members. The ordinary shareholders' meeting determines the number of Directors within the aforementioned limits. As per Article 6, paragraph 2, letter d of Eni's by-laws the Minister of Economy and Finance, in agreement with the Minister of Economic Development, may appoint one member of the Board without voting rights.

The Minister of Economy and Finance and the Minister for Economic Development chose not to appoint such member.

According to Law No. 474 issued on 30 July 1994, Article 17 of the by-laws states that shareholders representing at least 1 per cent. of voting shares, alone or together with other shareholders, and the Board of Directors have the right to present lists for the appointment of Directors.

The Board of Directors of Eni currently in office consists of nine members, appointed by the shareholders' meeting on June 10, 2008 for a three year period.

The table below sets forth the names of the members of the Board of Eni, their positions and the year when each was initially appointed as a Director.

Roberto Poli, Paolo Scaroni, Paolo Andrea Colombo, Paolo Marchioni, Mario Resca and Pierluigi Scibetta were candidates in the list presented by the Ministry of Economy and Finance; Alberto Clô, Francesco Taranto and Marco Reboa were candidates in the list presented by institutional investors coordinated by Aletti Gestielle S.G.R. S.p.A.

Name, position, year first appointed to Board of Directors	
Roberto Poli	Chairman, 2002
Paolo Scaroni	CEO, 2005
Alberto Clô	Director, 1999
Paolo Andrea Colombo	Director, 2008
Paolo Marchioni	Director, 2008
Marco Reboa	Director, 2005
Mario Resca	Director, 2002
Pier Luigi Scibetta	Director, 2005
Francesco Taranto	Director, 2008

The details of the current Directors are as under:

Name	Designation & Appointment Date as Director	Experience and Qualification	Residential Address
Roberto Poli	Chairman, Eni S.p.A. since May 2002	He is currently the President of Poli e Associati S.p.A., a consulting firm for corporate finance, mergers, acquisitions and reorganizations. He is also a partner of one of the most important firms for corporate finance and legal affairs. He is currently director of Mondadori S.p.A., Fininvest S.p.A., Merloni Termosanitari S.p.A., Coesia S.p.A., Maire Technimont S.p.A. and Perennius Capital Partners SGR S.p.A. From 1966 to 1998 he was a professor of Business Finance at the Università Cattolica of Milan. He has been an advisor for extraordinary finance operations for some of the most important	Corso Italia 22/2 Milano 20122 Italy

Name	Designation & Appointment Date as Director	Experience and Qualification	Residential Address
		companies in Italy. He has also been Chairman of Rizzoli-Corriere della Sera S.p.A and Publitalia S.p.A. Qualification - Degree in Business Economics, University of Florence.	
Paolo Scaroni	CEO of Eni since June 2005	He is a member of the Board of Assicurazioni Generali, of LSEG plc (London Stock Exchange Group and of Veolia Environnement (Paris). He is also a member of the Board of Overseers of Columbia Business School (New York) and of the Board of Fondazione Teatro alla Scala. He was Chairman of Alliance Unichem plc. (UK) from 2005 to July 2006. In November 2007 he was made a member of the prestigious Légion d'honneur of France. For a year following business school, he was an associate at McKinsey & company. From 1973 until 1985, he held a series of positions with Saint Gobain, culminating with his appointment as President of the Saint Gobain flat glass division. In 1985, Paolo Scaroni became CEO of Techint. During his time at Techint, he was also Vice President of Falck and executive Vice President of SIV, a joint venture between Techint and Pilkington plc. He joined Pilkington in 1996 and was CEO until May 2002. From May 2002 to May 2005 he was CEO of Enel, Italy's leading electricity utility. Qualification - Degree in Economics, Milan's Bocconi University; MBA from Columbia Business School.	Viale Majno 12 Milano 20129 Italy
Alberto Clô	Director of Eni S.p.A. since May 1999	He is an indepedent director of Atlantia S.p.A., Italcementi S.p.A. and De Longhi S.p.A. He is currently Associate Professor of Industrial Economics at Bologna University.	Via Castiglione 25 Bologna 40124 Italy

Name	Designation & Appointment Date as Director	Experience and Qualification	Residential Address
		In 1980 he founded the magazine "Energia", of which he is the editor. He is the author of many books and more than 100 essays and articles on industrial and energy economics and contributes to a number of newspapers and business magazines. In 1995 and 1996 he was Minister of Industry and Minister of Foreign Trade ad interim. He was also President of the EU Board of Industry and Energy Ministers during Italy's six-month Presidency. In 1996 he was awarded the title of Knight of Great Cross of the Italian Republic. Qualification - Degree in Political Science, Bologna University.	
Paolo Andrea Colombo	Director of Eni S.p.A. since June 2008	He is a full professor of Accounting and Financial Reporting at the Bocconi University, Milan. With Arnaldo Borghesi, he is the proprietor of Borghesi Colombo & Associati, a consultancy specializing in corporate finance, extraordinary transactions, strategy and corporate governance. He is a Director of Mediaset, Interbanca, Ceresio Sim and Versace, and an auditor of Aviva Vita, Sirti, A.Moratti S.a.p.a., Humanitas Mirasole, Credit Agricole Assicurazioni Italia. He has been an Eni S.p.A. statutory auditor since May 2002 and Chairman of the Board of Statutory Auditors since May 2005. He has been a Director since June 2008. Qualification - Degree in Business Economics, Milan's Bocconi University.	Via Ippolito Nievo 10 Milano 20145 Italy
Paolo Marchioni	Director of Eni S.p.A. since June 2008	He is a qualified lawyer specializing in penal and administrative law. He acts as a consultant to government agencies and business organizations on business, corporate, administrative and local government law.	Via Raffaello Sanzio 22/A Stresa (VB) 28838 Italy

Name	Designation & Appointment Date as Director	Experience and Qualification	Residential Address
		He was Mayor of Baveno (Verbania) from April 1995 to June. From October 2001 to April 2004 he was a director of C.i.m S.p.A of Novara (merchandise interport center), and from December 2002 to December 2005 a director and executive committee member of Finpiemonte S.p.A. In 2005 he was appointed as director of Consip S.p.A. In 2005 he was appointed as director of Consip S.p.A. Qualification - Degree in Law, Università Statale of Milan.	
Marco Reboa	Director of Eni S.p.A. since May 2005	He is a chartered accountant, public auditor and Professor of Law at the Libero Istituto Universitario Carlo Cattaneo di Castellanza. He is the editor of "Rivista dei Dottori Commercialisti" and is a professional advisor in Milan. He is the author of several publications on corporate governance, economic and legal issues. He is currently a board member of Seat PG S.p.A., Interpump Group S.p.A. and IMMSI S.p.A.. He is chairman of the Board of Statutory auditor of Luxottica Group S.p.A. and auditor of Gruppo Lactalis Italia S.p.A. and Egidio Galbani S.p.A. Qualification - Degree in Business Administration, Milan's Bocconi University.	Via Medici 9 Milano 20123 Italy
Mario Resca	Director of Eni S.p.A. since May 2002	He is the Chairman of the American Chamber of Commerce. He is the Chairman of Italia Zuccheri S.p.A. (formerly Eridania S.p.A.), Casinò di Campione d'Italia and Confimprese; director of Mondadori S.p.A. and British Telecom Italia S.p.A. and Vice Chairman and Venture Partner of McDonald's Development Italia, Inc. As a graduate he worked for the Chase Manhattan Bank. In 2002 he	Via B. Marcello 51 Milano 20124 Italy

Name	Designation & Appointment Date as Director	Experience and Qualification	Residential Address
		was appointed Knight of Labour. In 1974 he was appointed director of Biondi Finanziaria (Fiat Group) and from 1976 to 1991 he was partner of Egon Zehnder. In this period he was appointed director of Lancôme Italia and of companies belonging to the Rizzoli-Corriere della Sera Group and Versace Group. From 1995 to 2007 he was Chairman and CEO of McDonald's Italia. He also served as Chairman of Sambonet S.p.A. and Kenwood Italia S.p.A. and was a founding partner of Eric Salmon & Partners. Qualification - Degree in Economics, Milan's Bocconi University.	
Pierluigi Scibetta	Director of Eni S.p.A. since May 2005	He is a chartered accountant and auditor and has been appointed director and auditor at a number of public bodies and companies. He is Professor of Environmental Economics at the University of Perugia. He is the author of numerous studies and essays in political economics and administrative law and a professional advisor. In 2003 he was appointed director of the Istituto Superiore per la previdenza e la sicurezza del lavoro - I.S.P.E.S.L. (the State Agency for employee safety) and of Gestore del Mercato Elettrico S.p.A. Qualification - Degree in Economics, University La Sapienza, Rome.	Piazza Mazzini 27 Roma 00195 Italy
Francesco Taranto	Director of Eni S.p.A. since June 2008	He has held many managerial posts in the asset management field, notably director of securities funds at Eurogest from 1982 to 1984, and general director of Interbancaria Gestioni from 1984 to 1987. After moving to the Prime group (1987 to 2000), he was chief executive officer of the parent	Via Fra Gerolamo Savonarola 4 Milano 20149 Italy

Name	Designation & Appointment Date as Director	Experience and Qualification	Residential Address
		company for a long period. He has also been a member of the steering council of Assogestioni and of the corporate governance committee for listed companies formed by Borsa Italiana. He was a director of Enel from October 2000 to June 2008, and is currently a director of: Banca Carige, Cassa di Risparmio di Firenze, Unicredit Xelion Banca, Pioneer Global Asset Management (Unicredito group), Kedrios and Alto Partners. Qualification - Degree in Economics & Commerce, Catholic University of Milan.	

On 11 June 2008, Eni's Board of Directors, in accordance with the provisions of Eni Code, determined that seven out of its nine members were independent, specifically: Non-Executive Directors Alberto Clô, Paolo Andrea Colombo, Paolo Marchioni, Marco Reboa, Mario Resca, Francesco Taranto and Pierluigi Scibetta. On the same date, the Board of Directors verified that all of its members possessed the requirement of honour prescribed for Statutory Auditors.

The Board of Statutory Auditors, pursuant to the Eni Code, verifies the proper application of the criteria and procedures adopted by the Board to evaluate the independence of its members.

Pursuant to Article 2391 of the Italian Civil Code, the Directors must inform the other Directors and the Board of Statutory Auditors of any interest they may have, whether directly or on behalf of third parties, in any of Eni's transactions. During each meeting of the Board of Directors, the Chairman expressly asks the Directors to declare any potential interests in any of the transactions on the agenda.

Board committees

The Board has instituted three committees, composed by its members, with proposal and advisory functions. Their composition, tasks and functioning are defined by the Board of Directors in respect of the criteria established by the Eni Code.

They are: a) the Internal Control Committee, b) the Compensation Committee and c) the Oil-Gas Energy Committee. These Committees are composed almost exclusively of independent Directors. The composition of the Board's committees is as follows:

Internal Control Committee: Marco Reboa (Chairman, independent), Francesco Taranto (independent), Pierluigi Scibetta (independent) and Paolo Marchioni (independent).

Compensation Committee: Mario Resca (Chairman, independent), Francesco Taranto (independent), Alberto Clô (independent) and Paolo Andrea Colombo (independent).

Oil-Gas Energy Committee: Alberto Clô (Chairman, independent), Marco Reboa (independent), Mario Resca (independent), Paolo Andrea Colombo (independent) and Pier Luigi Scibetta (independent).

Board of Statutory Auditors

The Board of Statutory Auditors, in accordance with Article 149 of Legislative Decree No. 58/1998 (***TUF***), monitors: (i) compliance with laws and with Eni's memorandum of association; (ii) respect of the principles of proper administration; (iii) adequacy of the company's organizational structure, for the parts covered by its responsibility, of the company's internal control system and administration and accounting systems as well as the reliability of the latter in fairly representing the management of the company; (iv) adequacy of instructions conveyed by the parent company to its subsidiaries according to Article 114, paragraph 2 of the afore mentioned decree; and (v) the actual implementation of corporate governance rules foreseen by the codes of conduct prepared by market regulators and the associations the company belongs to and that the company publicly declares to respect.

In accordance with the Eni Code, in line with the Borsa Italiana Code, the Board of Statutory Auditors monitors the independence of the external auditing firm, verifying both the compliance with the provisions of applicable laws and regulations governing the matter, and the nature and extent of services other than the accounting control provided to Eni by the auditing firm and the entities belonging to its network.

According to the TUF, the Board of Statutory Auditors drafts a proposal regarding the appointment of the external Auditors and their fee to be submitted to the shareholders' meeting for approval.

The Board of Directors in its meeting of 22 March 2005, in accordance with SEC Rule 10A-3(c) (3) for foreign companies listed on the New York Stock Exchange, elected the Board of Statutory Auditors to fulfil the role of the audit committee in U.S. companies under the Sarbanes-Oxley Act and SEC rules, within the limits set by Italian legislation from 1 June 2005. On 15 June 2005, the Board of Statutory Auditors approved the regulation for carrying out the functions attributed to the audit committee under U.S. laws and amended the regulation on 30 March 2007.

The Board of Statutory Auditors is comprised of five Auditors and two alternate Auditors, appointed by the shareholders' meeting for a three-year term.

On 10 June 2008, Eni's shareholders' meeting appointed the following Statutory Auditors for a three year period:

Ugo Marinelli (Chairman), Roberto Ferranti, Luigi Mandolesi, Tiziano Onesti and Giorgio Silva. Francesco Bilotti and Pietro Alberico Mazzola are alternate Auditors. A curriculum of these Auditors is published on Eni's website.

Roberto Ferranti, Luigi Mandolesi, Tiziano Onesti and Francesco Bilotti were candidates in the list presented by the Ministry of Economy and Finance; Ugo Marinelli, Giorgio Silva and Pietro Alberico Mazzola were candidates in the list presented by institutional investors coordinated by Aletti Gestielle S.G.R. S.p.A.

Statutory Auditors are appointed in accordance with Eni's by-laws with a list vote; at least two Auditors and one substitute are chosen from minority candidates.

The shareholders' meeting elects the Chairman of the Board of Statutory Auditors, a member elected from a list other than the one obtaining the majority of votes. In accordance with the TUF, Statutory Auditors have to possess the specific requirements of independence, professionalism and honour as prescribed by a regulation of the Minister of Justice.

The following table sets forth the names, positions and year of appointment of the members of the Board of Statutory Auditors of Eni.

Name, Position, Year First Appointed to Board of Statutory Auditors

Ugo Marinelli	Chairman, 2008
Roberto Ferranti	Auditor, 2008
Luigi Mandolesi	Auditor, 2008
Tiziano Onesti	Auditor, 2008
Giorgio Silva	Auditor, 1999
Francesco Bilotti	Alternate Auditor 2005
Piero Alberico Mazzola	Alternate Auditor, 2008

External auditors

As provided for by Italian law, the external Auditors must be a chartered company appointed by the shareholders' meeting. Eni's external Auditors, PricewaterhouseCoopers S.p.A., were appointed by the ordinary shareholders' meeting for two consecutive three-year terms, in 2001 and 2004 respectively, the latter ending with the shareholders' meeting approving financial statements for 2006. On 24 May 2007 Eni's shareholders' meeting confirmed the extension of the audit engagement of PricewaterhouseCoopers S.p.A. for the three financial years ending 31 December 2007, 2008 and 2009 in accordance with Italian law.

Special Powers of the State (Golden Share)

Under Italian laws, the State, acting through the Minister of Economy and Finance in agreement with the Minister of Economic Development, holds certain special powers in connection with any transfer of a controlling interest in certain state-owned companies operating in public service sectors, including Eni. The law places no limit on the duration of such special powers. Such powers are to be exercised in accordance with EU principles.

m) None of the Directors of Eni S.p.A. have acquired any Shares during the preceding 12 months.

n) None of Directors of Eni S.p.A. are on the Board of the Target Company.

o) In Italy, unlike India, there is no requirement to appoint a Compliance Officer. However, the following persons within Eni divide the equivalent functions of a Compliance Officer among themselves each according to respective attributions : (i) Roberto Ulissi, Senior VP for Corporate Affairs and Governance, Company Secretary; he can be reached at "Eni S.p.A.", 1, Piazzale Enrico Mattei, Rome, 00144. Telephone: +39 659824075; Fax: +39 659825693; Email: roberto.ulissi@eni.it and (ii) Marco Mangiagalli, Chief Financial Officer; he can be reached at "Eni S.p.A.", 1, Piazzale Enrico Mattei, Rome, 00144. Telephone: +39 65982323; Fax: +39 65982264; Email: marco.mangiagalli@eni.it.

p) Main merger/demerger executed in the last three years were as follows:
In April 2007 Eni purchased in partnership with Enel (Eni 60%, Enel 40%) a 100% interest in three Russian companies as part of the liquidation procedure of bankrupt Russian company Yukos. The acquired entities are engaged in exploration and development of large predominantly gas reserves, amounting to approximately 2.5 billion BOE of resources net to Eni according to a 30% interest determined assuming Gazprom exercises its call option to acquire a 51% stake in the three companies. Through the same transaction Eni also purchased a 20% stake in the oil and gas company OAO GazpromNeft. Eni granted Gazprom a call option to purchase the 20% stake in OAO GazpromNeft. The cash consideration for these transactions amounted to €3.7 billion net to Eni.
In April 2007 Eni agreed to acquire the Gulf of Mexico upstream activities of Dominion Resources, for a cash consideration of €3.5 billion. The transaction closed on 2 July 2007 and included production, development and exploration assets mainly located in the Gulf of Mexico.

In May 2007, Eni acquired exploration and production assets from the French company Maurel & Prom, for a cash consideration of approximately €1 billion.
In November 2007 Eni announced the terms of a recommended cash offer to acquire the entire issued share capital of the UK-based oil company Burren. Total cash consideration was approximately €2.4 billion. The offer was declared wholly unconditional on 1 February 2008 and the squeeze-out process completed on 27 March 2008.

q) The following is the list of companies promoted by Eni S.p.A as at the 31 December 2007

Name	Place of incorporation	Shareholding
Exploration & Production Division		
Eni Angola SpA	Italy	100.00%
Eni East Africa SpA	Italy	100.00%
Eni Mediterranea Idrocarburi SpA	Italy	100.00%
Eni Timor Leste SpA	Italy	100.00%
Ieoc SpA	Italy	100.00%
Società Oleodotti Meridionali - SOM SpA	Italy	70.00%
Società Petrolifera Italiana SpA	Italy	99.96%
Stoccaggi Gas Italia SpA - Stogit SpA	Italy	100.00%
Tecnomare - Società per lo Sviluppo delle Tecnologie Marine SpA	Italy	100.00%
Agip Caspian Sea BV	Netherlands	100.00%
Agip Energy and Natural Resources (Nigeria) Ltd	Nigeria	100.00%
Agip Karachaganak BV	Netherlands	100.00%
Agip Oil Ecuador BV	Netherlands	100.00%
Eni AEP Ltd	UK	100.00%
Eni Algeria Exploration BV	Netherlands	100.00%
Eni Algeria Ltd Sàrl	Luxemburg	100.00%
Eni Algeria Production BV	Netherlands	100.00%
Eni Ambalat Ltd	UK	100.00%
Eni America Ltd	USA	0.07%
Eni Angola Exploration BV	Netherlands	100.00%
Eni Angola Production BV	Netherlands	100.00%
Eni Australia BV	Netherlands	100.00%
Eni Australia Ltd	UK	100.00%
Eni BB Petroleum Inc	USA	100.00%
Eni Bukat Ltd	UK	100.00%
Eni Bulungan BV	Netherlands	100.00%
Eni China BV	Netherlands	100.00%
Eni Congo Holding BV	Netherlands	100.00%
Eni Congo SA	Congo	99.99%

Name	Place of incorporation	Shareholding
Eni Croatia BV	Netherlands	100.00%
Eni Dación BV	Netherlands	100.00%
Eni Denmark BV	Netherlands	100.00%
Eni Elgin/Franklin Ltd	UK	100.00%
Eni Energy Ltd - in liquidation	UK	100.00%
Eni Energy Russia BV	Netherlands	100.00%
Eni Ganal Ltd	UK	100.00%
Eni Gas & Power LNG Australia BV	Netherlands	100.00%
Eni Grand Maghreb BV	Netherlands	100.00%
Eni India Ltd	UK	100.00%
Eni Indonesia Ltd	UK	100.00%
Eni International NA NV Sàrl	Luxemburg	100.00%
Eni Investments Plc	UK	100.00%
Eni Iran BV	Netherlands	100.00%
Eni Ireland BV	Netherlands	100.00%
Eni JPDA 03-13 Ltd	UK	100.00%
Eni JPDA 06-105 Pty Ltd	Australia	100.00%
Eni Krueng Mane Ltd	UK	100.00%
Eni Lasmo Plc	UK	99.99%
Eni LNS Ltd	UK	100.00%
Eni Mali BV	Netherlands	100.00%
Eni Marketing Inc	USA	100.00%
Eni MHH Ltd - in liquidation	UK	100.00%
Eni Middle East BV	Netherlands	100.00%
Eni Middle East Ltd	UK	100.00%
Eni MOG Ltd - in liquidation	UK	100.00%
Eni Morocco BV	Netherlands	100.00%
Eni Muara Bakau BV	Netherlands	100.00%
Eni Norge AS	Norway	100.00%
Eni North Africa BV	Netherlands	100.00%
Eni Oil Algeria Ltd	UK (Nord)	100.00%
Eni Oil do Brasil SA	Brazil	100.00%
Eni Oil & Gas Inc	USA	100.00%
Eni Oil Holdings BV	Netherlands	100.00%
Eni Pakistan Ltd	UK	100.00%
Eni Pakistan (M) Ltd Sàrl	Luxemburg	100.00%
Eni Papalang Ltd	UK	100.00%
Eni Petroleum Co Inc	USA	100.00%
Eni Petroleum US Llc	USA	100.00%
Eni PetroRussia BV	Netherlands	100.00%
Eni Popodi Ltd	UK	100.00%
Eni Rapak Ltd	UK	100.00%

Name	Place of incorporation	Shareholding
Eni Resources Ltd - in liquidation	UK	100.00%
Eni Securities Ltd	UK	100.00%
Eni TNS Ltd	UK	100.00%
Eni Trading BV	Netherlands	100.00%
Eni Transportation Ltd	UK	100.00%
Eni Trinidad and Tobago Exploration BV	Netherlands	100.00%
Eni Trinidad and Tobago Ltd	Trinidad & Tobago	100.00%
Eni TTO Ltd	UK	100.00%
Eni Tunisia BEK BV	Netherlands	100.00%
Eni Tunisia BV	Netherlands	100.00%
Eni UFL Ltd - in liquidation	UK	100.00%
Eni UHL Ltd	UK	100.00%
Eni UKCS Ltd	UK	100.00%
Eni UK Holding Plc	UK	100.00%
Eni UK Ltd	UK	100.00%
Eni ULT Ltd	UK	100.00%
Eni ULX Ltd	UK	100.00%
Eni USA Gas Marketing Llc	USA	100.00%
Eni USA Inc	USA	100.00%
Eni US Operating Co Inc	USA	100.00%
Eni Venezuela BV	Netherlands	100.00%
Ieoc Exploration BV	Netherlands	100.00%
Ieoc Production BV	Netherlands	100.00%
Lasmo Sanga Sanga Ltd	Bermuda	100.00%
Nigerian Agip Exploration Ltd	Nigeria	100.00%
Nigerian Agip Oil Co Ltd	Nigeria	100.00%
OOO 'Eni Energhia'	Russia	100.00%
Gas & Power Division		
Acqua Campania SpA	Italy	47.61%
Compagnia Napoletana di Illuminazione e Scaldamento col Gas SpA	Italy	99.69%
Eni Gas Transport Deutschland SpA	Italy	100.00%
Eni Hellas SpA	Italy	100.00%
EniPower Mantova SpA	Italy	86.50%
EniPower SpA	Italy	100.00%
EniPower Trasmissione SpA	Italy	100.00%
GNL Italia SpA	Italy	55.59%
LNG Shipping SpA	Italy	100.00%
Siciliana Gas SpA	Italy	100.00%

Name	Place of incorporation	Shareholding
Snam Rete Gas SpA	Italy	55.59%
Società EniPower Ferrara Srl	Italy	51.00%
Società Italiana per il Gas pA	Italy	100.00%
Toscana Energia Clienti SpA	Italy	79.22%
Adriaplin Podjetje za distribucijo zemeljskega plina doo Ljubljana	Slovenia	51.00%
Distribuidora de Gas Cuyana SA	Argentina	45.60%
Eni Gas & Power GmbH	Germany	100.00%
Eni Gas Transport International SA (ex Eni Gas & Power CH SA)	Switzerland	100.00%
Eni G&P France BV	Netherlands	100.00%
Eni G&P Trading BV	Netherlands	100.00%
Gas Brasiliano Distribuidora SA	Netherlands	100.00%
GreenStream BV	Netherlands	75.00%
Inversora de Gas Cuyana SA	Argentina	76.00%
Société de Service du Gazoduc Transtunisien SA - Sergaz SA	Tunisia	66.67%
Société pour la Construction du Gazoduc Transtunisien SA - Scogat SA	Tunisia	100.00%
Tigáz-Dso Földgázelosztó kft	Hungary	50.08%
Tigáz Tiszántúli Gázszolgáltató Zártkörûen Mûködõ Részvénytársaság	Hungary	50.08%
Trans Tunisian Pipeline Co Ltd	Channel Islands	100.00%
Refining & Marketing Division		
AgipFuel Nord SpA (ex CAM Petroli Srl)	Italy	100.00%
AgipFuel SpA	Italy	100.00%
Agip Rete SpA	Italy	100.00%
Costiero Gas Livorno SpA	Italy	65.00%
Ecofuel SpA	Italy	100.00%
Eni Trading & Shipping SpA	Italy	100.00%
Petrolig Srl	Italy	70.00%
Petroven Srl	Italy	68.00%
Praoil Oleodotti Italiani SpA	Italy	100.00%
Raffineria di Gela SpA	Italy	100.00%
Agip Austria GmbH	Austria	75.00%
Agip Benelux BV	Netherlands	100.00%

Name	Place of incorporation	Shareholding
Agip Ceská Republika Sro	Czech Republic	100.00%
Agip Deutschland GmbH	Germany	100.00%
Agip Ecuador SA	Ecuador	100.00%
Agip España SA	Spain	100.00%
Agip France Sàrl	France	100.00%
Agip Hungaria Zrt	Hungary	99.40%
Agip Lubricantes SA	Argentina	100.00%
Agip Oil Ceská Republika Sro	Czech Republic	100.00%
Agip Oil Slovensko Spol Sro	Slovakia	100.00%
Agip Olaj Magyarország Kft	Hungary	100.00%
Agip Portugal Combustiveis SA	Portugal	100.00%
Agip Romania Srl	Romania	100.00%
Agip Schmiertechnik GmbH	Germany	100.00%
Agip Slovenija doo	Slovenia	100.00%
Agip Slovensko Spol Sro	Slovakia	100.00%
Agip Suisse SA	Switzerland	100.00%
American Agip Co Inc	USA	100.00%
Esain SA	Ecuador	100.00%
Petrochemicals		
Polimeri Europa SpA	Italy	100.00%
Dunastyr Polisztirolgyártó Zártkoruen Mukodo Részvénytársaság	Hungary	100.00%
Polimeri Europa Benelux SA	Belgium	100.00%
Polimeri Europa France SAS	France	100.00%
Polimeri Europa GmbH	Germany	100.00%
Polimeri Europa Ibérica SA	Spain	100.00%
Polimeri Europa UK Ltd	UK (Nord)	100.00%
Engineering & Construction		
Saipem SpA	Italy	43.42%
Energy Maintenance Services SpA	Italy	43.42%
Engineering & Management Services SpA	Italy	43.42%
Intermare Sarda SpA	Italy	43.42%
Saipem Energy International SpA	Italy	43.42%
Saipem FPSO SpA	Italy	43.42%
Saipem Projects SpA	Italy	43.42%
Snamprogetti SpA	Italy	43.42%
Snamprogetti Sud SpA	Italy	43.42%

Name	Place of incorporation	Shareholding
Andromeda Consultoria Tecnica e Representações Ltda	Brazil	43.42%
BOSCONGO SA	Congo	43.42%
BOS Investment Ltd	UK	43.42%
BOS - UIE Ltd	UK	43.42%
Delong Hersent - Estudos, Construções Maritimas e Participações, Unipessoal Lda	Portugal	43.42%
Entreprise Nouvelle Marcellin SA	France	43.42%
ER SAI Caspian Contractor Llc	Kazakhstan	43.42%
ERS - Equipment Rental & Services BV	Netherlands	21.71%
European Marine Contractors Ltd	UK	43.42%
European Marine Investments Ltd	UK	43.42%
European Maritime Commerce BV	Netherlands	43.42%
Frigstad Discoverer Invest Ltd	British Virgin Islands	43.42%
Frigstad Discoverer Invest (S) Pte Ltd	Singapore	43.42%
Global Petroprojects Services AG	Switzerland	43.42%
Hazira Cryogenic Engineering & Construction Management Private Ltd	India	23.83%
Hazira Marine Engineering & Construction Management Private Ltd	India	43.42%
Katran-K Llc	Russia	43.42%
Moss Arctic Offshore AS	Norway	43.42%
Moss Maritime AS	Norway	43.42%
Moss Maritime Inc	USA	43.42%
Moss Offshore AS	Norway	43.42%
North Caspian Service Co	Kazakhstan	43.42%
Petrex SA	Peru	43.42%
Petromar Lda	Angola	30.40%
PT Saipem Indonesia	Indonesia	43.42%
Saibos Construções Maritimas Ltda	Portugal	43.42%
Saigut SA De Cv	Mexico	43.42%
Saimexicana SA De Cv	Mexico	43.42%
Saipem America Inc	USA	43.42%
Saipem Asia Sdn Bhd	Malaysia	43.42%

Name	Place of incorporation	Shareholding
Saipem Contracting Algerie SpA	Algeria	43.42%
Saipem Contracting (Nigeria) Ltd	Nigeria	42.53%
Saipem do Brasil Serviçõs de Petroleo Ltda	Brazil	43.42%
Saipem Holding France SAS	France	43.42%
Saipem India Project Services Ltd	India	43.42%
Saipem International BV	Netherlands	43.42%
Saipem Logistics Services Ltd	Nigeria	43.42%
Saipem Luxembourg SA	Luxemburg	43.42%
Saipem (Malaysia) Sdn Bhd	Malaysia	17.97%
Saipem Mediteran Usluge doo	Croatia	43.42%
Saipem Misr for Petroleum Services SAE	Egypt	43.42%
Saipem (Nigeria) Ltd	Nigeria	38.83%
Saipem Perfuraçoes e Construçoes Petroliferas Lda	Portugal	43.42%
Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal Lda	Portugal	43.42%
Saipem (Portugal) - Gestão de Participações SGPS Sociedade Unipessoal SA	Portugal	43.42%
Saipem SA	France	43.42%
Saipem Services México SA De Cv	Mexico	43.42%
Saipem Services SA	Belgium	43.42%
Saipem Singapore Pte Ltd	Singapore	43.42%
Saipem UK Ltd	UK	43.42%
SAS Port de Tanger	France	43.42%
Saudi Arabian Saipem Ltd	Saudi Arabia	26.05%
Services et Equipements Gaziers et Petroliers SA	France	43.42%
Snamprogetti Canada Inc	Canada	43.42%
Snamprogetti France Sàrl	France	43.42%
Snamprogetti Ltd	UK	43.42%
Snamprogetti Lummus Gas Ltd	Malta	42.99%
Snamprogetti Management Services SA	Switzerlans	43.42%
Snamprogetti Netherlands BV	Netherlands	43.42%
Snamprogetti Romania Srl	Romania	43.42%
Snamprogetti Saudi Arabia Ltd	Saudi Arabia	43.42%

Name	Place of incorporation	Shareholding
Snamprogetti USA Inc	USA	43.42%
Société de Construction d'Oleoducs Snc	France	43.42%
Sofresid Engineering SA	France	43.42%
Sofresid SA	France	43.42%
Sonsub AS	Norway	43.42%
Sonsub International Pty Ltd	Australia	43.42%
Sonsub Ltd - in liquidation (ex Sonsub Ltd)	UK	43.42%
Star Gulf FZ Co	United Arab Emirates	43.42%
Varisal - Serviços De Consultadoria e Marketing Lda	Portugal	21.71%
Other activities		
Syndial SpA - Attività Diversificate	Italy	100.00%
Ing. Luigi Conti Vecchi SpA	Italy	100.00%
Corporate and financial Companies		
Agenzia Giornalistica Italia SpA	Italy	100.00%
Eni Coporate University SpA	Italy	100.00%
EniServizi SpA	Italy	100.00%
Padana Assicurazioni SpA	Italy	99.72%
Serfactoring SpA	Italy	100.00%
Servizi Aerei Spa	Italy	100.00%
Società Finanziamenti Idrocarburi - Sofid - SpA	Italy	99.61%
Banque Eni SA	Belgium	100.00%
Eni Coordination Center SA	Belgium	100.00%
Eni Insurance Ltd	Ireland	100.00%
Eni International Bank Ltd – in liquidation	Bahamas	100.00%
Eni International BV	Netherlands	100.00%
Eni International Resources Ltd	UK	100.00%

Following the Global Acquisition, the companies promoted by the Acquirer and listed under paragraph 4.1(p) are also promoted by Eni S.p.A.

Eni S.p.A is the promoter of three Indian entities. Details for the same are given below:

Saipem India Project Services Ltd

Date of incorporation: 1 December 2005
Nature of Business: Engineering onshore construction
Brief financial information:

Profit and Loss Statement	For the year ended 31 March 2005	For the year ended 31 March 2006	For the year ended 31 March 2007	For the 9 months ended 31 December 2007
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs.Lacs
Equity capital	20	20	470	470
Reserves (excluding revaluation reserves)	160	990	900	860
Total income	3,250	5,390	4,920	6,600
Profit after tax (PAT)	140	(130)	(300)	260
Eni's net profit	60	(60)	(130)	110
Earning per share (EPS)	3.03	(2.83)	(0.28)	0.24
Net asset value (NAV)	1,940	3,450	3,210	4,550
Eni Ownership	43.26%	43.54%	43.42%	43.42%

The company is not classified as a sick industrial company.

Hazira Cryogenic Engineering & Construction Management Private Ltd

Date of incorporation: 1 December 2005
Nature of Business: LNG Engineering
Brief financial information:

Profit and Loss Statement	For the year ended 31 December 2005	For the year ended 31 December 2006	For the year ended 31 December 2007
	Rs.Lacs	Rs.Lacs	Rs.Lacs
Equity capital	1	1	1
Reserves (excluding revaluation reserves)	(330)	(810)	60
Total income	2,820	810	190
Profit after tax (PAT)	(480)	870	(350)
Eni's net profit	(110)	210	(80)
Earning per share (EPS)	(0.11)	0.21	(0.08)
Net asset value (NAV)	3,570	1,160	460
Eni Ownership	23.74%	23.89%	23.83%

The company is classified as a sick industrial company.

Hazira Marine Engineering and Construction Management Private Ltd

Date of incorporation: 1 December 2005

Nature of Business: LNG Engineering

Brief financial information:

Profit and Loss Statement	For the year ended 31 December 2005	For the year ended 31 December 2006	For the year ended 31 December 2007
	Rs.Lacs	Rs.Lacs	Rs.Lacs
Equity capital	1	1	1
Reserves (excluding revaluation reserves)	480	150	260
Total income	790	490	60
Profit after tax (PAT)	(330)	530	70
Eni's net profit	(140)	230	30
Earning per share (EPS)	(0.14)	0.23	0.03
Net asset value (NAV)	1,970	1,790	1,170
Eni Ownership	43.26%	43.54%	43.42%

The company is classified as a sick industrial company.

4.3 BURREN ENERGY INDIA LIMITED

a) BEIL is a private limited company incorporated on 22 December 2004 in England and Wales with its registered office at Kierran Cross, 11 Strand, London WC2N 5HR.

b) Other than holding shares in BSL and in the Target Company, BEIL has no other activities.

c) Following the Global Acquisition, BEIL is a wholly owned subsidiary of the Acquirer.

d) Except as mentioned below, the Acquirer has been informed that BEIL has complied with its disclosure obligations under Chapter II of the SEBI (SAST) Regulations:

- On 14 February 2005 BEIL entered into a Share Purchase Agreement with Unocal International Corporation to acquire the entire share capital of Unocal Bharat Limited (***UBL*** now renamed as BSL). On 15 February 2005 BEIL launched a public announcement for a further 20% of the share capital of HOEC pursuant to its obligations under the SEBI (SAST) Regulations. However, in so far as the Acquirer is aware, a disclosure under Regulation 7(1) was not made by BEIL at the time.
- Since September 2005 BEIL has been designated a "promoter" of HOEC. Accordingly, with effect from April 2006, BEIL has complied with its disclosure obligations under Regulations 8(1) and 8(2) of Chapter II of the SEBI (SAST) Regulations within 21 days from the financial year end. Based on the information available to the Acquirer, it appears that BEIL inadvertently failed to make a disclosure under Regulation 8(2) within 21 days of the "record date" of HOEC for the purposes of declaration of dividend for the year 2006. HOEC has not declared a dividend in the year 2007. Accordingly, BEIL was not obliged to make a disclosure under Regulation 8(2) in 2007.

SEBI may initiate action against all relevant parties for non-compliance with Chapter II of the SEBI (SAST) Regulations.

e) Shareholding pattern of BEIL:

Sr.No	Shareholder's Category	No. and Percentage of shares held
1.	Burren Energy plc	2 issued equity shares of £1 each representing 100% of the issued share capital of BEIL. Authorised share capital amounts to 1000 ordinary shares of £1 each.
2.	FII/Mutual-Funds/FIs/Banks	NIL
3.	Public	NIL
	Total Paid Up Capital	2 issued equity shares of £1 each

f) The Board of Directors of BEIL comprised 3 Directors as at the date of the Public Announcement. Their details are as under:

Name	Designation & Appointment Date as Director	Experience and Qualification	Residential Address
Franco Conticini	Director (01/02/2008)	He has almost 30 years of experience in Eni. He held the positions of Exploration Manager in Eni Norge and in Eni Oil do Brazil. Since 2006, he is General Manager of Eni India. Qualification – Degree in Geological Sciences, General Manager, Eni India	Via Ariosto, 6 Rodano (MI) 20090 Italia
Luigino Lusuriello	Director (01/02/2008)	With 20 years of experience in Eni, he covered relevant positions in Italy and abroad such as Directeur Général of Eni Congo and Regional Vice President Australasia, Russia. He is on the Board of Directors of various companies. Since 2007, is Managing Director of Eni UK Limited. Qualification - Degree in Mechanical Engineering from Genoa University, Managing Director, Eni UK Limited	708 The View 20 Palace Street London SW1E 5BA UK
Marco Talamonti	Director (01/02/2008)	In Eni since 1995, he has developed deep knowledge in Business Administration, Finance, Planning & Control and M&A and extensive	64 Eustace Queenstown Road Chelsea Bridge Wharf

Name	Designation & Appointment Date as Director	Experience and Qualification	Residential Address
		experience abroad. Most recently he has held the position of Finance Director of Eni Algeria. Currently, he is Finance Director of Eni UK Limited and Eni Lasmo Plc. He is Member of several Boards of Directors. Qualification - Degree in Business Administration, Master in banks' financial risk analysis.	London SW8 4NT UK

g) None of the Directors of BEIL have acquired any Shares during the preceding 12 months.

h) None of the Directors of BEIL are on the Board of the Company.

i) BEIL is not a listed company.

j) The authorised share capital of BEIL comprises £1000 divided into 1000 shares of £1 each. The issued share capital of BEIL is 2 shares of £1 each both held by Burren.

k) Brief audited financial details of BEIL are as follows:

Profit and Loss Statement	For the year ended 31 December 2007		For the year ended 31 December 2006		For the year ended 31 December 2005	
	$million	Rs.Lacs	$ million	Rs.Lacs	$ million	Rs.Lacs
Income from operations	0	0	0	0	0	0
Other Income	0	0	0	0	0	0
Total Income	0	0	0	0	0	0
Total Expenditure	- 0.1	-39	- 0.1	-39	- 0.8	-315
Profit Before Depreciation Interest and Tax	- 0.1	-39	- 0.1	-39	- 0.8	-315
Depreciation	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Profit Before Tax	- 0.1	-39	- 0.1	-39	- 0.8	-315
Provision for Tax	0	0	0	0	0	0
Profit After Tax	- 0.1	-39	- 0.1	-39	- 0.8	-315

Balance Sheet Statement	As at 31 December 2007		As at 31 December 2006		As at 31 December 2005	
	$million	Rs.Lacs	$ million	Rs.Lacs	$ million	Rs.Lacs
Sources of Funds						
Paid up share capital	0	0	0	0	0	0
Reserves and Surplus (excluding revaluation reserves)	- 1.0	-394	- 0.9	-355	- 0.8	-10
Networth	- 1.0	-394	- 0.9	-355	- 0.8	-10

Balance Sheet Statement	As at 31 December 2007		As at 31 December 2006		As at 31 December 2005	
	$million	Rs.Lacs	$ million	Rs.Lacs	$ million	Rs.Lacs
Secured loans	0	0	0	0	0	0
Unsecured loans	0	0	0	0	0	0
Total	- 1.0	-394	- 0.9	-355	- 0.8	-10
Uses of funds						
Net fixed assets	0	0	0	0	0	0
Investments	26.0	10,247	26.0	10,247	26.0	260
Net current assets	- 27.0	-10,641	- 26.9	-10,602	- 26.8	-270
Total miscellaneous expenditure not written off	0	0	0	0	0	0
Total	- 1.0	-394	- 0.9	-355	- 0.8	-10

Other Financial Data	As at and for the year ended 31 December 2007	As at and for the year ended 31 December 2006	As at and for the year ended 31 December 2005
Dividend ($/share)	0	0	0
Earnings per Share (***EPS***) ($)	- 68,796 (Rs. - 2,711,250)	- 47,482 (Rs. - 1,871,265)	- 383,309 (Rs. - 15,106,208)
Return on Net worth (%)	Not meaningful	Not meaningful	Not meaningful
Book Value per Share ($)	- 499,584 (Rs. - 19,688,605)	- 430,788 (Rs. - 16,977,355)	- 383,307 (Rs. - 15,106,129)

l) BEIL's 2007 financial statements did not report any contingent liabilities.

m) The significant accounting policies of BEIL, as per the audited financial statements for the year ended as at 31 December 2007 are as follows:

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (***IFRS***) as adopted for use in the EU and therefore comply with Article 4 of the EU IAS Regulation. The financial statements have been prepared on a historic cost basis except for the revaluation of certain financial instruments. The principal accounting policies adopted are set out below.

(b) Investment in subsidiary companies

Investments in subsidiary companies are stated at cost less provision for impairment. Consolidated financial statements have not been prepared, as BEIL is exempt from the obligation to prepare consolidated financial statements under section 228(1) of the Companies Act 1985. These financial statements present information about the BEIL and not its group.

(c) Foreign currencies

Transactions in currencies other than US dollars (***Foreign Currencies***) are recorded in US dollars at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated into US dollars at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

(d) Taxation

The tax expense represents the sum of tax currently payable and deferred tax.
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 not taxable. BEIL's liability for current tax is calculated using the tax rate that has been enacted or substantively enacted by the balance sheet date.
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.
The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(e) Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

(f) Other investments

Other investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

Investments are classified as either held for trading or available-for-sale, and are measured at subsequent reporting dates at fair value. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in net profit or loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period. Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss.

(g) Revenue recognition

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(h) Financial instruments

Financial assets and financial liabilities are recognised at fair value on the balance sheet when BEIL becomes a party to the contractual provisions of the instrument.

n) The only activity of BEIL is to hold the participations in BSL and HOEC. As these participations during the years ending as at 31 December 2005, 2006 and 2007 distributed an amount of dividend not sufficient (or nothing at all) to cover administrative expenses of the BEIL in the same period, the profit after tax has been negative.

o) BEIL was a wholly owned subsidiary of Burren and was formed for the purposes of acquiring the entire share capital of UBL (now renamed as BSL) which, in turn, held 15,231,633 equity shares of the Target Company representing 26.01% of the paid up equity share capital of the Target Company. Pursuant to the acquisition of the entire share capital of UBL on 15 February 2005, BEIL made a public announcement to acquire a further 20% of the paid-up share capital of the Target Company and, following this public announcement, acquired 5,745 Shares in the Company. On 27 October 2006, BEIL was allotted 1,915 Shares pursuant to the rights offer approved by the Board of HOEC on 4 May 2006. On 20 July 2007, the Board of Directors of the Target Company approved a rights issue for an amount not exceeding Rs.615 crores. BEIL applied for and was allotted 5,106 Shares as per its pro-rata entitlement under the rights issue in the Target Company. Save in relation to holding shares of BSL and the Target Company, BEIL has no other business or operational activities.

4.4 BURREN SHAKTI LIMITED

a) BSL was incorporated on 19 July 1996 as a private limited company incorporated in Mauritius and was formerly known as UBL. In January 2004 the country of incorporation of BSL was transferred from Mauritius to Bermuda. BSL's registered address is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. On 14 February 2005, BEIL acquired the entire shareholding in UBL from Unocal International Corporation.

b) BSL is a wholly owned subsidiary of Burren. Other than holding Shares in the Target Company, BSL has no activities.

c) Following the Global Acquisition, BSL is a wholly owned subsidiary of the Acquirer.

d) Except as mentioned below, the Acquirer has been informed that BSL has complied with its disclosure obligations under Chapter II of the SEBI (SAST) Regulations:

   Since September 2005 BSL has been designated a "promoter" of HOEC. Accordingly, with effect from April 2006, BSL has complied with its disclosure obligations under Regulations 8(1) and 8(2) of Chapter II of the SEBI (SAST) Regulations within 21 days from the financial year end. Based on the information available to the Acquirer, it appears that BSL inadvertently failed to make a disclosure under Regulation 8(2) within 21 days of the "record date" of HOEC for the purposes of declaration of dividend for the year 2006. HOEC has not declared a dividend in the year 2007. Accordingly, BSL was not obliged to make a disclosure under Regulation 8(2) in 2007. SEBI may initiate action against all relevant parties for non-compliance with Chapter II of the SEBI (SAST) Regulations.

e) BSL was a wholly owned subsidiary of BEIL. Following completion of the offer made by Eni Holding for Burren pursuant to the Global Acquisition, Burren and BSL is now part of the Eni Group.

f) Shareholding pattern of BSL:

Sr.No	Shareholder's Category	No. and Percentage of shares held
1.	Promoters (i.e. BEIL)	653,000 issued equity shares of $100 each comprising 100% of the share capital of BSL. Authorised share capital amounts to 700,000 shares of $100 each.
2.	FII/Mutual-Funds/FIs/Banks	NIL
3.	Public	NIL
	Total Paid Up Capital	$65,300.000

g) The Board of Directors of BSL comprises 3 Directors as at the date of the Public Announcement. Their details are as under:

Name	Designation & Appointment Date as Director	Experience and Qualification	Residential Address
Franco Conticini	Director (01/02/2008)	He has almost 30 years of experience in Eni. He held the positions of Exploration Manager in Eni Norge and in Eni Oil do Brazil. Since 2006, he is General Manager of Eni India. Qualification - Degree in Geological Sciences, General Manager Eni India.	Via Ariosto, 6 Rodano (MI) 20090 Italia
Santo Laganà	Director (01/02/2008)	In Eni for almost 30 years, he covered relevant managerial positions such as Managing Director of Agiba (Egyptian branch)and Regional Manager West Africa. He is Member of several Board of Directors. Since 2006, he is Regional Manager India and Pakistan. Qualification - Degree in Mining Engineering, Post graduate Degree in Petroleum Engineering, Regional Manager India and Pakistan.	Via Mazzini, 5 Zelo Buon Persico Lodi Italia

Name	Designation & Appointment Date as Director	Experience and Qualification	Residential Address
Luigi Piro	Director (01/02/2008)	With an experience of over 20 years in Eni, he was Project Director for Darquain Project (Iran) and Managing Director of Eni Angola. Since 2007, he is Regional Vice President Iran, Saudi Arabia, China and Qatar. Qualification - Degree in Petroleum Engineering from Politecnico University of Turin, Regional Vice President Iran, Saudi Arabia, China and Qatar.	Via Strasburgo, 5B San Donato Milanese Italia

h) None of the Directors of BSL have acquired any Shares during the preceding 12 months.

i) None of the Directors of BSL are on the Board of the Company.

j) BSL is not a listed company.

k) The authorised share capital of BSL amounts to 700,000 shares of $100 each. The issued share capital of BSL is 653,000 shares of $100 each.

l) Brief audited financial details of BSL are as follows:

Profit and Loss Statement	For the year ended 31 December 2007		For the year ended 31 December 2006		For the year ended 31 December 2005	
	$million	Rs.Lacs	$million	Rs.Lacs	$million	Rs.Lacs
Income from operations	0	0	0	0	0	0
Other Income	0	0	0.3	118	0.3	118
Total Income	0	0	0.3	118	0.3	118
Total Expenditure	- 0.1	-39	0	0	0	0
Profit Before Depreciation Interest and Tax	- 0.1	-39	0.3	118	0.3	118
Depreciation	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Profit Before Tax	- 0.1	-39	0.3	118	0.3	118
Provision for Tax	0	0	0	0	0	0
Profit After Tax	- 0.1	-39	0.3	118	0.3	118

Balance Sheet Statement	As at 31 December 2007		As at 31 December 2006		As at 31 December 2005	
	$million	Rs.Lacs	$million	Rs.Lacs	$million	Rs.Lacs
Sources of Funds						
Paid up share capital	65.3	25,735	65.3	25,735	65.3	25,735
Reserves and Surplus (excluding revaluation reserves)	- 45.1	17,774	- 45.0	17,735	- 45.4	17,892
Networth	20.2	7,961	20.3	8,000	19.9	7,843
Secured loans	0	0	0	0	0	0
Unsecured loans	0	0	0	0	0	0
Total	**20.2**	**7,961**	**20.3**	**8,000**	**19.9**	**7,843**
Uses of funds		0		0		0
Net fixed assets	0	0	0	0	0	0
Investments	29.5	11,626	29.5	11,626	19.6	7,725
Net current assets	- 9.3	-3,665	- 9.2	-3,626	0.3	118
Total miscellaneous expenditure not written off	0	0	0	0	0	0
Total	**20.2**	**7,961**	**20.3**	**8,000**	**19.9**	**7,843**

NOTE:
As referred to in paragraph 4.4(o), the only activity of BSL is to hold the participations in HOEC. Accordingly, BSL has nil fixed assets.

Other Financial Data	As at and for the year ended 31 December 2007	As at and for the year ended 31 December 2006	As at and for the year ended 31 December 2005
Dividend ($/share)	NA	NA	NA
Earnings per Share (***EPS***) ($)	- 0.1 (Rs. - 3.9)	0.5 (Rs. 19.7)	0.5 (Rs. 19.7)
Return on Net Worth (%)	- 0.4%	1.7%	1.4%
Book Value per Share ($)	31.0 (Rs. 1,221.7)	31.1 (Rs. 1,225.7)	30.5 (Rs. 1,202.0)

m) BSL's 2007 financial statements did not report any contingent liabilities.

n) The significant accounting policies of BSL, as per the audited financial statements for the year ended 31 December 2007 are as follows:

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (***IFRS***) as adopted for use in the EU and therefore comply with Article 4 of the EU IAS Regulation. The financial statements have been prepared on a historic cost basis except for the revaluation of certain financial instruments. The principal accounting policies adopted are set out below.

(b) Foreign currencies

Transactions in currencies other than US dollars (***Foreign Currencies***) are recorded in US dollars at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated into US dollars at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

(c) Trade receivables

Trade receivables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

(d) Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

(e) Investments

Other investments are recognised and de-recognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

Available-for-sale Investments are measured at subsequent reporting dates at fair value. Gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period. Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss.

(f) Revenue recognition

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

(g) Financial instruments

Financial assets and financial liabilities are recognised at fair value on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

o) The only activity of BSL is to hold the participations in HOEC. Contrary to the years 2005 and 2006, in 2007 HOEC has not distributed any dividends and therefore BSL recorded a loss for the year due to administrative expenses. In 2005 and 2006 the dividends received from HOEC amounted in both the years to $0.3 million.

p) BSL is a wholly owned subsidiary of Burren. Following the completion of the Global Acquisition made by Eni Holding for Burren, BSL is now part of the Eni Group. Other than holding Shares in the Target Company, BSL has no other activities. On 27 October 2006, BSL was allotted 5,982,915 Shares pursuant to the rights offer approved by the Board on 4 May 2006. On 20 July 2007, the Board of Directors of the Target Company approved a rights issue for an amount not exceeding Rs.615 crores. BSL applied for and was allotted 14,176,365 Shares as per its pro-rata entitlement under the rights issue in the Target Company. Save in relation to holding Shares of the Target Company, BSL has no other business or operational activities.

5. DISCLOSURE IN TERMS OF REGULATION 21(2)

Pursuant to the Offer, the public shareholding is not expected to fall to a level below the limit for continuous listing specified under applicable law. The Acquirer and PACs undertake to maintain the public shareholding as required for continuous listing specified under applicable law.

6. BACKGROUND OF THE TARGET COMPANY

a) The Company is a public limited company incorporated in India under the Companies Act, 1956 on 22 September 1983 (Registration No. 30926 of 1983). HOEC transferred its registered office from Maharashtra to Gujarat in 1996 and the Registrar of Companies, Gujarat issued a certificate of registration on 11 June 1996. The registered office of the HOEC is at "HOEC House", Tandalja Road, Vadodara - 390020, Gujarat, India, Telephone: +91 265 2330766 and Fax: +91 265 2333567. The corporate address of HOEC is at 'Lakshmi Chambers', 192, St. Mary's Road, Alwarpet, Chennai – 600018. Telephone: +91 44 66229000; Fax: +91 44 66229011.

b) The Company was established by HT Parekh and was the first private sector company to enter into oil exploration, a highly capital intensive business. HOEC as the first private sector exploration and production company, explores, develops and produces hydrocarbon resources within and outside India by integrating and optimising the collective output of people and technology with respect to available resources.

c) The Company is engaged in the exploration, development and production of oil and natural gas in India, both onshore and offshore and elsewhere. As of the date of the PA, HOEC had participating interests in seven oil and gas fields in India, which are in various phases of exploration, development or production, and out of which the Target Company operates five fields.

d) The Company has entered into PSC with the Government of India (***GoI***) and other partners in connection with each oil and gas asset awarded. Presently the Company has entered into PSCs for the following exploration and production assets:

S. No.	Asset	Current Parties to the Agreement	Date of execution
Cauvery Basin			
1.	CY-OS-90/1 (PY-3)	GoI; ONGC; HEPI; TPL; and HOEC	30 December 1994
2.	PY-1	GoI and HOEC	6 October 1995
Cambay Basin			
3.	CB-ON-7	GoI; ONGC; GSPCL; and HOEC	12 April 2000
4.	Asjol	GoI; GSPCL and HOEC.	3 February 1995
5.	North Balol	GoI; GSPCL; Heramec; and HOEC	23 February 2001
6.	CB-OS-1	GoI; ONGC; TPL; and HOEC	19 November 1996

S. No.	Asset	Current Parties to the Agreement	Date of execution
Assam Basin			
7.	AAP-ON-94/1	GoI; OIL; IOC and HOEC	30 June 1998

e) The Company has a portfolio of onshore and offshore blocks in India. The onshore blocks are located in Cambay basin in the state of Gujarat and Assam Arakan basin in state of Assam. It has three offshore assets of which two assets are located in the Cauvery basin on the east coast of India, and one in Gulf of Cambay on the west coast of India.

f) HOEC's oil and gas assets in India are in the various phases of exploration, development and production. The details of these assets and the participating interest held by the Company in each of these assets and the operatorship position is summarised below:

Production Sharing Contracts *	Offshore/ Onshore	Partners	Operator	Current Phase	HOEC's Participating Interest	
					Exploration Phase	Development & Production Phase
Cauvery Business Unit						
CY-OS-90/1 (PY-3)	Offshore	ONGC; HEPI; TPL	HEPI	Production	-	21.00%
PY-1	Offshore	-	HOEC	Development	-	100.00%
Cambay Business Unit						
Asjol	Onshore	GSPCL	HOEC	Production(1)	-	50.00%
CB-ON-7 (Palej)	Onshore	ONGC; GSPCL	HOEC	Production(2)	50.00%	35.00%**
North Balol	Onshore	GSPCL; Heramec	HOEC	Production	-	25.00%
CB-OS-1	Offshore	ONGC; TPL	ONGC	Development/ Appriasal	57.11%	38.07%**
Assam Business Unit						
AAP-ON-94/1 (Assam)	Onshore	IOC; OIL	HOEC	Exploration	40.32%	25.90%**

(1) Exploration upside under evaluation.

(2) Pramoda field on production and two discoveries are under appraisal/ development.

**Block GN-ON-90/3 has been abandoned by the consortium under the force majeure clause of the PSC and hence not included in the asset summary; the matter is under arbitration.*

*** In accordance with the provisions of the respective PSCs, the licensee has a right to acquire an additional 30% participating interest in the development and production phase as compared to its participating interest in the exploration phase. As a result the participating interest of the non licensee partners decreases in the development and production phase. The said right has been exercised by the licensee in respect of the block CB-ON-7 (Palej) and CB-OS-1.*

g) Share capital structure of the Company on the date of the PA i.e. 24 April 2008 is as under:

	No. of Shares/voting rights	% of Shares/voting rights
Fully paid-up equity Shares	130,493,289	100%
Partly paid-up equity Shares	NIL	NIL
Total paid-up equity Shares	130,493,289	100%
Total voting rights in HOEC	130,493,289	100%

NOTE:

As on the date of the PA, the issued share capital of HOEC comprised of 130,577,275 Shares. Out of the 130,577,275 Shares issued, 32,975 Shares were forfeited and 51,011 Shares were held in abeyance. Accordingly, 130,493,289 Shares of HOEC have been subscribed and paid up.

h) Details of changes in the current share capital of the Company since incorporation are as follows:

Date of allotment	No. of equity shares allotted	%	Face value (Rs.)	Issue price (Rs.)	Cumulative paid-up capital (Rs.)	Consid-eration	Reasons for allotment	Status of compliance with SEBI (SAST) Regulations or other applicable laws
20 September 1983	190	100	100	100	19,000	Cash	Initial subscribers to the MoA	Yes
25 June 1984	49,810	99.62	100	100	5,000,000	Cash	Private placement	Yes
28 April 1986	73,020	59.36	100	100	12,302,000	Cash	Rights issue	Yes
19 November 1986	20,000	13.98	100	100	14,302,000	Cash	Rights issue	Yes
18 December 1986	5,000	3.38	100	100	14,802,000	Cash	Rights issue	Yes
18 February 1987	1,980	1.32	100	100	15,000,000	Cash	Rights issue	Yes
23 April 1987	20,000	11.76	100	100	17,000,000	Cash	Private placement	Yes
15 May 1987	25,000	12.82	100	100	19,500,000	Cash	Private placement	Yes
9 June 1987	10,000	4.88	100	100	20,500,000	Cash	Private placement	Yes
29 June 1987	10,000	4.65	100	100	21,500,000	Cash	Private placement	Yes
17 July 1987	10,000	4.44	100	100	22,500,000	Cash	Private placement	Yes
21 July 1987	2,500	1.10	100	100	22,750,000	Cash	Private placement	Yes
31 July 1987	2,500	1.09	100	100	23,000,000	Cash	Private placement	Yes
1987 – 1988	20,000	8	100	100	25,000,000	Cash	Private placement	Yes
4 May 1988	5,000	1.96	100	100	25,500,000	Cash	Private placement	Yes
19 May 1988	15,075	5.58	100	100	27,007,500	Cash	Private placement	Yes
21 July 1988	5,000	1.82	100	100	27,507,500	Cash	Private placement	Yes
22 August 1988	5,000	1.79	100	100	28,007,500	Cash	Private placement	Yes

Date of allotment	No. of equity shares allotted	%	Face value (Rs.)	Issue price (Rs.)	Cumulative paid-up capital (Rs.)	Consid-eration	Reasons for allotment	Status of compliance with SEBI (SAST) Regulations or other applicable laws
29 August 1988	3,000	1.06	100	100	28,307,500	Cash	Private placement	Yes
2 January 1989	15,000	5.03	100	100	29,807,500	Cash	Private placement	Yes
3 January 1989	10,000	3.25	100	100	30,807,500	Cash	Private placement	Yes
10 January 1989	10,000	3.14	100	100	31,807,500	Cash	Private placement	Yes
23 January 1989	10,000	3.05	100	100	32,807,500	Cash	Private placement	Yes
18 February 1989	10,000	2.96	100	100	33,807,500	Cash	Private placement	Yes
24 February 1989	10,000	2.87	100	100	34,807,500	Cash	Private placement	Yes
7 March 1989	10,000	2.79	100	100	35,807,500	Cash	Private placement	Yes
15 March 1989	10,000	2.72	100	100	36,807,500	Cash	Private placement	Yes
16 March 1989	10,000	2.64	100	100	37,807,500	Cash	Private placement	Yes
20 May 1989	25,000	6.20	100	100	40,307,500	Cash	Private placement	Yes
8 June 1989	5,000	1.23	100	100	40,807,500	Cash	Private placement	Yes
30 June 1989	20,000	4.67	100	100	42,807,500	Cash	Private placement	Yes
29 August 1989	25,000	5.52	100	100	45,307,500	Cash	Private placement	Yes
12 December 1989	26,000	5.43	100	100	47,907,500	Cash	Private placement	Yes
28 December 1989	Sub-division of 479,075 equity share of Rs.100 each into 4,790,750 Equity Shares of Rs.10 each.							
8 March 1990	210,000	4.20	10	10	50,007,500	Cash	Private placement	Yes
28 March 1990	9,900,000	66.44	10	10	149,007,500	Cash	Equity Shares allotted pursuant to a public issue	Yes
21 November 1990	2,300	0.02	10	10	149,030,500	Cash	Private placement	Yes
27 March 1991	96,500	0.64	10	10	149,995,500	Cash	Private placement	Yes
18 April 1991	1,200	0.01	10	10	150,007,500	Cash	Equity Shares allotted to employees of our Company	Yes
21 December 1992	14,963,142	49.94	10	20	299,638,920	Cash	Rights issue	Yes
21 December 1992	1,500	0.01	10	20	299,653,920	Cash	Equity Shares allotted to employees of our Company	Yes
24 February 1993	23,000	0.08	10	20	299,883,920	Cash	Rights issue	Yes
4 June 1993	6,185	0.02	10	20	299,945,770	Cash	Rights issue	Yes
1 October 1993	300	0.00	10	20	299,948,770	Cash	Rights issue	Yes
1994 – 1995	700	0.00	10	20	299,955,770	Cash	Rights issue	Yes
7 April 1995	700	0.00	10	20	299,962,770	Cash	Rights issue	Yes

Date of allotment	No. of equity shares allotted	%	Face value (Rs.)	Issue price (Rs.)	Cumulative paid-up capital (Rs.)	Consid-eration	Reasons for allotment	Status of compliance with SEBI (SAST) Regulations or other applicable laws
23 June 1995	(2,600)	0.01	10	10	299,936,770	Cash	Shares forfeited	Yes
21 November 1995	200	0.00	10	10	299,938,770	Cash	Forfeiture of equity shares annulled	Yes
2 July 1997	13,500,000	31.04	10	25	434,938,770	Cash	Preferential allotment of Equity Shares to: Hardy Oil and Gas (Nederland) B.V.; Housing Development Finance Corporation Limited; and Infrastructure Leasing and Finance Services Limited	Yes
17 October 1998	15,281,633	26.00	10	52.5	587,755,100	Cash	Preferential allotment of Equity Shares to Unocal Bharat Limited (now known as BSL)	Yes
4 February 1999	(30,575)	0.05	10	10	587,449,350	Cash	Shares forfeited	Yes
27 October 2006	19,567,733	24.99	10	76	4,957,057,1000	Cash	Rights issue	Yes
24 January 2008	52,180,621	39.99	10	117	1,304,932,890	Cash	Rights issue	Yes

i) The Shares are listed on the NSE and BSE. Shares are frequently traded on NSE and BSE and most frequently traded on NSE. As on 24 April 2008, the closing price of the Shares on NSE was Rs.141.25/- per Share.

j) There are no partly paid-up Shares or outstanding convertible instruments as at date of the PA.

k) Except as specified below, the Company has complied with applicable provisions of Chapter II of SEBI (SAST) Regulations within the specified time:

- Regulation 6(2) in 1997 where there was a delay of 132 days on account of it being the Company's first disclosure; and
- Regulation 8(3) in 2000 where there was a delay of 173 days on account of inadvertent non-disclosure due to oversight.

SEBI may initiate action against all relevant parties for non-compliance with Chapter II of the SEBI (SAST) Regulations.

l) The Company has confirmed to the Acquirer that it is in compliance with the listing agreements of the various stock exchanges on which it is listed and as on the date of the PA, no punitive action has been initiated against the Company by the stock exchanges where its Shares are listed.

m) The Board of Directors of the Company as at the date of PA is as follows:

Name	Designation & Appointment Date as Director	Experience and Qualification	Residential Address
R. Vasudevan	Non-Executive Chairman (11 June 1997)	B.A. (Hons) (Economics) degree from the University of Madras, an M.A. (Economic Statistics) degree from the University of Delhi and has also completed M.P.A. (Development Economics) from Harvard University, Boston, U.S.A He has held various senior level positions in the ministries of the GoI including in the Prime Minister's Office, Ministry of Steel and Ministry of Petroleum and Natural Gas. He retired as Secretary to the GoI, Ministry of Power. He was also a founder director of Small Industries Development Bank of India.	E-262, Greater Kailash-I, New Delhi – 110 048, India
Deepak. S. Parekh	Non-Executive Director (10 October 1994)	Fellow of the Institute of Chartered Accountants (England and Wales). He joined Housing Development and Finance Corporation Limited (***HDFCL***) in 1978 and was inducted as a whole time director of HDFCL in 1985. Subsequently, in 1993, he was appointed as the Executive Chairman of HDFCL. He has been a member of various committees set up by the GOI, especially in the field of finance and capital markets. Further, he is Non-Executive Chairman of	9, Darbhanga Mansion, 12, Carmichael Road, Mumbai 400026, India

Name	Designation & Appointment Date as Director	Experience and Qualification	Residential Address
		Infrastructure Development Finance company Ltd., Siemens Ltd. & Glaxo Smithkline Pharmaceuticals Limited. He is a recipient of the Padma Bhushan award.	
Finian O'Sullivan	Non-Executive Director (14 February 2005)	Degree in geology and geophysics from the University College Galway and pursued an international career spanning 17 years in geophysics and seismic acquisition with organizations such as Chevron, Geophysical Systems and Olympic Oil and Gas. He was the President of Burren Energy plc.	Tangley House, Southdown Road, Shawford, Hampshire, SO21 2BY, United Kingdom
Rahul Bhasin	Non-Executive Director (20 April 2006)	Post-Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. He is the Managing Partner of Baring Private Equity Partners (India) Pvt. Ltd., a Senior Partner of Baring Private Equity Partners International and is also a member of the Investment Committee of the Baring Vostok Private Equity Fund. He has served as the Chairman of Mphasis Limited. He worked for eight years with Citicorp, ending his tenure as Vice President – Global Asset Management. He is a member of the "CEO Forum" at the Economist Corporate Network.	A-2/16, Safdarjung Enclave, Delhi – 110 029
Atul Gupta	Managing Director (1 August 2006)	Degrees in Chemical Engineering from	43 Loveday Road, London

Name	Designation & Appointment Date as Director	Experience and Qualification	Residential Address
		Cambridge University and Petroleum Engineering from Heriot-Watt University. He has approximately 21 years of experience in the industry and has previously worked for organisations such as Charterhouse Petroleum, Petrofina and Monument involved in oil and gas production operations. He joined HOEC as a non executive director on 14 February 2005 and became the managing director on 1 August 2006. He was the Chief Operating Officer of Burren Energy plc.	W13 9JT United Kingdom
Manish Maheshwari	Joint Managing Director (1 August 2006)	B.E. (Hons.) in Chemical Engineering, and Masters in Business Administration from SGBS, U.K. He has been with the Company for about three years. Prior to HOEC, he has worked with a Danish Development Financial Institution and Tata Group including upstream oil and gas venture. He has over 18 years of experience in the industry.	New no. 21, Old no. 11, 3rd Street, Abhirampuram, Chennai – 600 018

NOTE:

Atul Gupta and Finian O'Sullivan were appointed to the Board of HOEC on 14 February 2005. At the time these appointments were made Atul Gupta and Finian O'Sullivan were members of the Board of Directors of BEIL. These appointments are currently under litigation before the Supreme Court pursuant to Civil Appeal 361 filed by SEBI against the SAT order dated 7 November 2006. Although following the Global Acquisition Atul Gupta is no longer on the Board of Directors of BSL and BEIL, it should be noted that he is still bound by a temporary contractual arrangement with Burren (such arrangements are intended to operate on a transitionary basis following completion of the Global Acquisition) which, in turn, is a holding company of BSL and BEIL.

n) The total Promoter shareholding in the Company, as at 31 March 2008, is 35,453,679 Shares representing 27.17%, as follows:

Shareholder	No of Shares	% of Total equity capital
BSL	35,440,913	27.16
BEIL	12,766	0.01

o) The Company has not been involved in any merger/de-merger/spin-off in the last three years. For the avoidance of doubt, it should be noted that on 31 March 2008, the Company announced that it relinquished its interest in the Block CY-OSN-97/1. The Company had 80% participating interest in this asset.

p) Brief audited financials of the Company:

Profit & Loss Statement (in Rs. Lacs)	For Nine months ended on 31 December 2007	FY 2007	FY 2006	FY 2005
Income from operations	3,994.3	9,439.3	7,989.0	6,901.2
Other Income	1,146.1	1,489.9	546.9	691.9
Total Income	**5,140.4**	**10,929.3**	**8,535.9**	**7,593.1**
Total Expenditure	1,781.9	9,586.4	4,935.6	448.4
Profit Before Depreciation Interest and Tax	**3,358.5**	**1,342.8**	**3,600.4**	**7,144.7**
Depreciation	417.2	764.9	779.5	880.6
Interest	614.9	558.5	214.1	163.0
Profit Before Tax	**2,326.4**	**19.4**	**2,606.8**	**6,101.1**
Provision for Tax	661.5	-228.0	857.6	2,252.8
Profit After Tax	**1,664.9**	**247.4**	**1,749.2**	**3,848.4**

NOTE:
9-month figures based on information certified by the statutory auditors of the Target Company, Deloitte, Haskins & Sells (India), but note that this information is not audited.

Balance Sheet Statement (in Rs. Lacs)	FY 2007	FY 2006	FY 2005
Sources of funds			
Paid up Share Capital	7,832.9	5,876.1	5,876.1
Reserves and Surplus (excluding revaluation reserves)	31,200.5	18,240.7	17,161.3
Net-worth	39,033.4	24,116.8	23,037.4
Secured loans	13,209.5	1,630.0	2,750.0
Unsecured loans	-	-	-
Total	**52,242.9**	**25,746.8**	**25,787.4**
Uses of funds			
Net fixed assets	31,752.0	18,537.8	13,581.9

Balance Sheet Statement (in Rs. Lacs)	FY 2007	FY 2006	FY 2005
Investments	6,942.8	50.5	543.0
Net current assets	13,548.1	7,155.6	11,656.7
Miscellaneous expenditure not written off	0.0	2.9	5.8
Total	**52,242.9**	**25,746.8**	**25,787.4**

NOTE:

Pending an audit, a certified 9-month balance sheet for HOEC cannot be prepared since HOEC has a number of unincorporated joint ventures which need to be consolidated for this purpose. Accordingly, balance sheet statement for HOEC as of 31 December 2007 has not been mentioned.

Other Financial Data	FY 2007	FY 2006	FY 2005
Dividend (%)	0	10%	10%
Earning Per Share (***EPS***) (Rs.)	0.35	2.74	6.55
Return on Net-worth	0.63%	7.25%	16.70%
Book Value Per Share (Rs.)	49.84	41.05	39.22

q) Comparison of Results:

	FY 2007 Vs 2006	FY 2006 Vs 2005	FY 2005 Vs 2004
Total Income	Total income was higher due to higher price realization and higher production as compared to the previous year: the average sale price rose by 8% to $62.05/BBL (2005-06: 57.46/BBL. Production on working interest basis during the year was 503,408 BOE, 9% higher than in previous year.	Total income up due to higher price realization as compared to the previous year: the average sale price rose by 37.43% to $ 57.46/BBL (2004-05: 41.81/BBL.	Total income up due to higher price realization and higher production: the average sale price rose by 48.37% to $ 41.81/BBL (2003-04: 28.18/BBL). Production on working interest basis during the year was 489,503 BOE, 51% higher than in previous year, on account of drilling and bringing the replacement well PD-3S located in the PY-3 field, on production.

	FY 2007 Vs 2006	FY 2006 Vs 2005	FY 2005 Vs 2004
Profit After Tax	Profit after tax lower than previous year primarily on account of the write-off of the unsuccessful exploration costs pertaining to Vinayaka-1 and Subhan-1 wells in block CY-OSN-97/1 to the extent of INR 930.3 million; this is as per the accounting policy (Successful Effort Method) followed by the Company.	Profit after tax lower than the previous year primarily on account of the write-offs of unsuccessful exploration costs pertaining to Lakhi-1 well in block AAP-ON-94/1 drilled by premier oil, PRS-4 well in block CB-ON-7 and past exploration cost in CB-OS-1 incurred by BG.	Profit after tax increased over the previous year mainly due to increase in the production and higher oil price realisation.

r) If the Offer is fully subscribed, the shareholding pattern of the Company prior to and following the purchase of Shares under the Offer is as set out in the table below :

Shareholders' category	Shareholding & Voting rights prior to the acquisition and Offer (A)		Shares/ Voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations (B)		Shares/Voting rights agreed to be acquired through In the event Offer is fully subscribed (C)		Shareholding/ Voting rights after the acquisition and Offer	
Promoters' Group								
Parties to the SPA	-	-	-	-	-	-	-	-
Other promoters	-	-	-	-	-	-	-	-
Acquirer- Eni UK Holding plc	0	0%	0	0%	26,115,455	20%	26,115,455	20%
PACs- BEIL	12,766	0.01%	0	0%	0	0%	12,766	0.01%
BSL	35,440,913	27.16%	0	0%	0	0%	35,440,913	27.16%
Eni S.p.A	0	0%	0	0%	0	0%	0	0%
Total (1)	35,453,679	27.17%	0	0%	26,115,455	20%	61,569,134	47.17%
Institutional Investors								
Mutual Funds & UTI	6,959,097	5.33%	NIL	NIL	NIL	NIL	This will depend on response from and within each category of 2.	
Banks, Financial Institutions, Insurance Companies	178,072	0.14%	NIL	NIL	NIL	NIL		
FII's	8,308,403	6.37%	NIL	NIL	NIL	NIL		
Others	4,886,540	3.74%	NIL	NIL	NIL	NIL		
Total (2)	20,332,112	15.58%						

Shareholders' category	Shareholding & Voting rights prior to the acquisition and Offer (A)		Shares/ Voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations (B)		Shares/Voting rights agreed to be acquired through In the event Offer is fully subscribed (C)		Shareholding/ Voting rights after the acquisition and Offer	
Non Institutional Shareholders								
Private Corporate Bodies	25,777,584	19.75%	NIL	NIL	NIL	NIL	This will depend on response from and within each category of 3.	
Indian Public	40,384,551	30.95%	NIL	NIL	NIL	NIL		
NRIs/OCBs	1,430,371	1.10%	NIL	NIL	NIL	NIL		
Others	7,114,992	5.46%	NIL	NIL	NIL	NIL		
Total (3) :	74,707,498	57.25%						
Grand Total (1+2+3)	**130,493,289**	**100%**	**35,453,679**	**27.17%**	**26,115,455**	**20%**		

NOTE*:*

Shareholding pattern as on 31 March, 2008 (Source: NSE website). As on the date of the PA, the issued share capital of HOEC comprised of 130,577,275 Shares. Out of the 130,577,275 Shares issued, 32,975 Shares were forfeited and 51,011 Shares were held in abeyance. Accordingly, 130,493,289 Shares of HOEC have been subscribed and paid up. The Offer has been made for 20% of the issued share capital (i.e. 130,577,275 Shares) amounting to 26,115,455 Shares.

s) Details of changes in the shareholding of the Promoters of the Target Company (including status of compliance with the SEBI (SAST) Regulations and other applicable regulations) are set out below:

S.No.	Name	Date	Resultant No. of Equity Share held	Method of allotment	Build-up (%)	Compliance with SEBI (SAST) Regulations or other applicable law
1	BSL	14-Feb-05	15,281,633	Indirect Acquisition	26.014%	Yes
2	BEIL	14-Nov-05	5,745	Acquisition under Takeover Code	26.023%	Yes
3	BSL	27-Oct-06	5,982,915	Allotment under Rights Issue	27.161%	Yes
4	BEIL	27-Oct-06	1,915	Allotment under Rights Issue	27.163%	Yes
5	BSL	24-Jan-08	14,176,365	Allotment under Rights Issue	27.165%	Yes

S.No.	Name	Date	Resultant No. of Equity Share held	Method of allotment	Build-up (%)	Compliance with SEBI (SAST) Regulations or other applicable law
6	BEIL	24-Jan-08	5,106	Allotment under Rights Issue	27.169%	Yes
			35,453,679		**27.169%**	

t) The details of the corporate governance for the Company are as follows:

Corporate Governance

The Company has complied with SEBI guidelines in respect of corporate governance. Corporate governance is administered through the Board and the Committees of the Board. The Company has three committees constituted by its Board, these are: (i) the Audit Committee; (ii) the Compensation and Remuneration Committee; and (iii) the Shareholders/ Investor Grievance Committee.

The Company has adopted separate codes viz. 'Code of Conduct of Board of Directors of the Company' and 'Code of Conduct for the Senior Management of the Company'. The Board of Directors, senior management *inter alia* including employees who are below the senior management level but instrumental in the critical operations/functions are also covered under the said code.

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has also adopted the Code of Conduct for Prevention of Insider Trading. A brief description of each of the above committees' of the Board is as follows:

(i) Audit Committee

The Audit Committee comprises of Rahul Bhasin (Chairman), R. Vasudevan and Atul Gupta. The Audit Committee has met six times during the course of Fiscal 2007 and four times upto February 2008 in Fiscal 2008. The details of attendance of members of the Audit Committee in the meetings held in Fiscal 2007 and upto February 2008 in Fiscal 2008 are:

Financial year	Fiscal 2008 (upto Feb.08)	Fiscal 2007
Meetings Held	**4**	**6**
Atul Gupta	4	4
R. Vasudevan	4	6
Rahul Bhasin	4	6

Scope and terms of reference

The terms of reference of the Audit Committee are to review financial reporting process, reports of the internal Auditors, internal control systems and quarterly/annual financial statements. The Audit Committee also meets the Auditors and internal Auditors to discuss their findings, suggestions and other matters and hold discussions with them periodically. The Audit Committee also reviews the financial statements of the subsidiary of HOEC. The scope of the activities of the Audit Committee is as prescribed by Section 292A of the Companies Act as well as Clause 49 II of the Listing Agreement entered into with the Stock Exchanges.

(ii) Compensation and Remuneration Committee

Compensation and Remuneration Committee comprises R. Vasudevan (Chairman), Rahul Bhasin, Finian O'Sullivan and Atul Gupta.

The committee has met three times during the course of Fiscal 2007 and three times upto February 2008 in Fiscal 2008.

Scope and terms of reference
The committee has been set up to review the overall compensation structure and related policies of the Company with a view to attract, motivate and retain employees. The committee determines the Company's policies on remuneration packages payable to Whole Time/Managing Directors including performance bonus and perquisites and also reviews the compensation levels vis-à-vis other companies and the industry.

(iii) Shareholders/ Investor Grievance Committee (*SIGC*)

Shareholders/Investor Grievance Committee comprises R.Vasudevan (Chairman), Atul Gupta and Manish Maheshwari.

The Shareholders/Investor Grievance Committee has met four times during the course of Fiscal 2007 and four times upto February 2008 in Fiscal 2008. The details of attendance of meetings held are:

Financial year	Fiscal 2008 (upto Feb.08)	Fiscal 2007
Meetings Held	**4**	**4**
Atul Gupta	4	3
Manish Maheshwari	4	2**
R. Vasudevan	4	4
Rakesh Jain	NA	1*

* member upto 31 July 2006
** member w.e.f. 1 August 2006

Scope and Terms of Reference
In terms of the requirement of Clause 49 of the Listing Agreement, the Shareholders/Investor Grievance Committee was constituted specifically to look into the shareholders/investors complaints pertaining to transfer and transmission of shares, issue of duplicate shares, non-receipt of balance sheet, dividends etc.

Details Of General Body Meetings

Location and Time where last three Annual General Meetings were held:

Year	Location	Date	Time
2004-2005	"Chandarva", WelcomHotel Vadodara, R.C.Dutt Road, Alkapuri, Vadodara – 390 007.	22 September 2005	11.30 a.m.
2005-2006	"Tropicana Hall" Taj Residency Vadodara, Akota Gardens, Vadodara–390 020.	28 September 2006	10.30 a.m.
2006-2007	"Chandarva", WelcomHotel Vadodara, R.C.Dutt Road, Alkapuri, Vadodara – 390 007.	28 September 2007	10.30 a.m.

The Company has complied with all mandatory requirements of corporate governance norms as enumerated in clause 49 of the listing agreements with stock exchanges.

u) Contingencies of the Company are as follows:

Particulars	2006-2007	2005-2006	2004-2005
(i) Counter Guarantees of Bank Guarantees	284,976,510	133,936,443	49,909,014
(ii) Corporate Guarantee for Housing Loan to Employees	609,746	3,115,705	3,797,500
(iii) Estimated amount of Contracts remaining to be executed on capital account and not provided for (Excluding Company's share of joint ventures' commitments and including Rs.133,498,500 (previous year Rs.136,823,000) in respect of a farm-in consideration for acquisition of participating right, in one of the joint ventures)	141,157,927	139,851,359	377,163,359
(iv) Claims against the Company not acknowledged as Debt			
- Dispute with contractors under arbitration	3,232,488	23,788,903	37,765,544
- Income tax demands under appeal	298,149,494	126,889,428	88,439,817
(v) The GoI had encashed the Performance Bank Guarantee of Rs.10,149,000 for PG Block abandoned by the consortium under the *force majeure* clause of the PSC. The GoI has also raised an additional demand of Rs.260,108,897 (including interest) (previous year Rs.237,800,752). The Company has been legally advised that the actions of the Government are not justified. The Company has initiated legal proceeding as per the provisions of the PSC in the matter. Pending the outcome of this, provision has been made in this regard to the extent of Rs.10,149,000 (Previous Year Rs.10,149,000).	260,108,897	237,800,752	215,493,000

v) Pending litigation involving the Company

Pending litigation and disputes involving the Company are set forth below.

(a) Income Tax

There are disputes relating to the income tax assessment of the Company. The total amount of assessable income disputed in appeals filed by/against the Company, relating to the income tax liability for various assessment years (***AY***) is as per details set out below. The primary issues, which form the principal points of dispute between the Company and the revenue department have been described below.

Disallowance of deduction under Section 80-IB (9) of the IT Act (*Note: Proceedings filed by the Target Company.*)

Under Section 80-IB-(9) of the IT Act, an entity which is engaged in the business of commercial production of mineral oil (includes both crude oil and natural gas) can claim a deduction for an amount equal to 100% of the profits for a period of seven consecutive years including the initial assessment year. The Company has in various assessment years claimed benefit under the said Section and the revenue department has allowed deduction in terms of the aforesaid Section. However, in assessment year 2003-2004 and the assessment year 2004-2005, the assessing officer has disallowed the deduction claimed by the Company under the said provision. The disallowance is primarily on account of the assessing officer's claim that the Company has not manufactured/produced any mineral oil and thereby is not entitled to claim any benefit under the Section.

Disallowance of exploration expenses (*Note:Proceedings filed by the Target Company.*)

The Company has been claiming deduction on account of exploration expenses under the provisions of Section 42 of the IT Act. In some of the assessment years the assessing officer has disallowed deduction on account of exploration expenses and imposed liability primarily on the following grounds: i.e. the assessing officer has contended that the surrender of the block has not been accepted by the government and/or the commercial production from the block has not commenced. The Company has challenged the said disallowance before various forums details of which are as follows:

AY 2004-2005: *(Note: Proceedings filed by the Target Company.)*

The assessing officer has through an order dated 22 December 2006 *inter alia* disallowed the claim of the Company for deduction under Section 80-IB(9) of the IT Act amounting to Rs.257.08 million. The assessing officer has further disallowed expenditure amounting to Rs.2.16 million under Section 14A of the IT Act. The assessing officer has further disallowed expenditure amounting to Rs.11.88 million towards short recovery of expenses. The Company has preferred an appeal with the Commissioner of Income Tax-Appeals (***CIT-A***) in January 2007 against the order and the matter is pending adjudication.

AY 2003-2004: *(Note: Proceedings filed by the Target Company.)*

The assessing officer has through an order dated 2 November 2005 disallowed the claim of the Company for deduction under Section 80-IB(9) of the IT Act amounting to Rs.234.26 million. The Company has preferred an appeal with the CIT-A on 21 December 2005 against the said order. The CIT-A vide his order dated 31 October 2006 disallowed the claim of the Company for deduction under Section 80-IB(9) of the IT Act. The Company has preferred an appeal before the ITAT in December 2006 and the matter is pending adjudication.

(b) **Enforcement Directorate** *(Note: Proceedings filed against the Target Company.)*

Ms. Sheela Bhatia (a NRI) held shares (share certificates no. 304 573 to 304579 and 73984 to 73990) of the Company. The complainant, Ashok Kriplani was the power of attorney holder for Ms. Sheela Bhatia. Kriplani pledged the said shares with Annamalai Finance Limited (***AFL***), who subsequently enforced the pledge and got the shares transferred in its own name. Kriplani filed a complaint against the Company and the transferee with the Enforcement Directorate, FEMA, on the grounds that the said shares were held by Ms. Sheela R Bhatia were transferred in the name of AFL, a resident Indian, without RBI approval and in contravention of Section 19(1)(d) read with Section 49 of the FEMA.

Enforcement Directorate, FEMA, notified the Company through a letter dated 02 July 2003 (T-4/460/DZ/2002/AD (DLV)/Call Notice/EO (BJ) 2013), that adjudication proceedings were being initiated against the Company. Thereafter, through a letter dated 27 April 2004 the Company was informed that the adjudication proceedings had been initiated and personal hearing had been fixed for 10 May 2004. AFL filed its response on 20 April 2004 and the Company filed its response on 19 August 2004. Thereafter, the Company received a notice dated 13 April 2005 from the Assistant Director of Enforcement requiring the Company to appear before the Enforcement Directorate on 26 April 2005. The Company has appeared before the relevant authority and made its oral submissions. The matter is pending adjudication.

(c) Civil Suits/Arbitration

(i) **PSC dated 29 March 1993** *(Note: Proceedings filed by the Target Company and counter claims filed against the Target Company.)*

A dispute arose in relation to block GN-ON-90/1 granted to the Company vide PSC dated 29 March 1993, on the issue of *inter alia*, the acquisition, processing and interpretation of seismic data over a period of three years. The Company (acting as the operator) furnished a performance bank guarantee of Rs.10,149,000 dated 20 October 1996 in favour of the GoI.

The Company could not perform its obligations under the said PSC as 'force majeure' conditions prevailed in the areas of operation being the districts of Karimnagar, Warrangal and Adilabad in the State of Andhra Pradesh. In addition, certain statutory licenses, which were required for performance of obligations under the PSC, were not made available to the Company within reasonable time from the "Effective Date" under the PSC. The GoI invoked the said performance bank guarantee, on grounds of non-performance.

The Company initiated arbitration proceedings against the GoI and ONGC as the licensee under the PSC in accordance with the arbitration clause contained therein. In the arbitration, the Company has contended that since 'force majuere' conditions continued to exist in the area of performance of the PSC, the Company was excused from performance of its obligations under the PSC in accordance with its provisions. A consequential relief of declaration, that the PSC was null and void due to the existence of 'force majuere' conditions, has also been sought by the Company. Further, the Company has sought recovery of the amounts covered under the performance bank guarantee that was encashed by the GoI.

The GoI and ONGC have resisted the claims of the Company essentially on the ground that the conditions existing in the areas of operation under the PSC did not amount to 'force majeure' under the terms of the PSC. In addition, the GoI and ONGC have also raised a counter claim of Rs.123,934,140 along with interest at the rate of 24% thereon against the Company. The counter claim made by the GoI and ONGC has been disputed by the Company *inter alia*, on the ground that the counter claims are time barred besides being without any merit. The seat of the arbitration proceedings is Delhi and the arbitration has been conducted under the provisions of the Arbitration and Conciliation Act, 1996. The hearing to the arbitration has been concluded and award is awaited.

(ii) **Gas Sales and Transportation Agreement (*GSTA*) dated 7 July 2003**

(Note: Proceedings filed against the Target Company.)

The Company received a notice dated 14 April 2005 from GAIL (India) Limited (***GAIL***) in relation to performance of a Gas Sales and Transportation Agreement (***GSTA***) dated 7 July 2003 between the HOEC and GAIL. The GSTA had expired on 28 September 2004 due to non-satisfaction of the conditions precedent by GAIL within the requisite timeframe.

Subsequently, in July 2005 GAIL filed a petition against HOEC, (Arbitration Application No. 161 of 2005) under Section 11(6) of the Arbitration and Conciliation Act, 1996 before the Delhi High Court for appointment of arbitral tribunal without giving notice of arbitration to HOEC. The Delhi High Court vide order dated 29 July 2005 disposed of the said petition of GAIL observing that both parties shall appoint their respective nominee arbitrators.

GAIL and HOEC nominated their respective arbitrators and both the arbitrators have appointed the chairman. The arbitral tribunal passed an order dated 7 June 2006 disposing the application filed by GAIL for interim measures. The arbitral tribunal deferred the decision on merits of the application of GAIL. However, the arbitral tribunal passed an interim order *inter alia* that HOEC is not prevented from proceeding ahead in completion of the PY-1 project but whatever HOEC does pending the arbitration proceedings, would be subject to the ultimate award to be passed by the arbitral tribunal. HOEC has been ordered to keep third parties informed of the aforesaid order. The written pleadings before the tribunal have been completed by both the parties and the oral submissions of the parties were concluded on 26 March 2007 and 27 March 2007. HOEC has also filed written submissions before the arbitral tribunal. HOEC announced on 18 February 2008 that the arbitral tribunal passed a final award in favour of GAIL by granting specific performance of the GSTA. HOEC intends to appeal against the award and has time to do so till 15 May 2008.

(iii) **JOA dated 29 August 2001 between the Company and Mosbacher**

(Note: Proceedings filed against the Target Company.)

DIOG has filed applications before the High Court of Madras for restraining the Company, from invoking any provision of the JOA dated 29 August 2001 executed between the Company and Mosbacher to the detriment of DIOG, in furtherance of the letters dated 9 February 2007 and 14 March 2007 for cash calls payable by Mosbacher issued by the Company till the conclusion of the arbitration proceedings. The High Court of Madras vide its order dated 27 March 2007, granted an ex-parte ad-interim injunction for a period of two weeks i.e. till 10 April 2007 in favour of DIOG, restraining the Company from invoking any provisions of the JOA.

During the pendency of the applications before the High Court of Madras, DIOG issued a notice dated 11 June 2007 to the Company invoking the arbitration under the JOA and also appointed its nominee arbitrator. The Company has vide a reply dated 11 July 2007 appointed its nominee arbitrator.

At the hearing on 21 July 2007 before the High Court of Madras, the application for interim relief filed by DIOG was disposed off with observations that DIOG may approach the arbitral tribunal for the interim relief and the interim injunction granted vide order dated 27 March 2007 shall continue for six weeks from the date of constitution of the arbitral tribunal.

The arbitral tribunal has been constituted on 25 September 2007 and DIOG made an application for interim measures before the arbitral tribunal on 16 October 2007. The arbitral tribunal has vide an order dated 7 November 2007 extended the order passed by High Court of Madras until 30 days after the final award in the arbitration. The procedural timetable would be finalised by the arbitral tribunal and the arbitration proceedings would be conducted accordingly.

(d) **Share transfer related litigation** (*Note: proceedings filed against the Target Company.)*

There are 36 cases relating to disputes of title/ownership of the Company's equity shares pending before various courts/arbitral tribunals/forums authorities in India. The cases *inter alia* relate to instances wherein the title of the Company's equity shares is under dispute and the transferor or the transferee has either: (a) intimated the Company about loss of share certificates; (b) approached appropriate authorities for a declaration that the plaintiffs are the bona fide owners of the equity shares and sought injunction (permanent or interim) against transfer of such share certificates and sought damages and costs in certain instances; or (c) filed complaint before the relevant authority. Further, the Company has issued 'Stop Transfer' directions in all instances where the courts have issued injunction orders against transfer of the disputed equity shares. The Company has not received communication/correspondence from the courts/authorities or counter parties in relation to the above mentioned cases for a considerable period of time. Hence, the Company is unable to provide the updated status of these cases.

(e) **Labour** (*Note: Proceedings filed against the Target Company.*)

There is one labour case pending before the Labour Court, Vadodara in relation to claims of back wages and reinstatement.

(f) **Litigation involving HOEC's Promoters** *(Note: Where relevant, proceedings have been filed against the Target Company.)*

Please refer to risk factors (vii), (viii) and (ix) on pages 4 and 5.

w) The compliance officer of the Company is Vikash Jain, the Company Secretary. The compliance officer can be reached at 'Lakshmi Chambers', 192, St. Mary's Road, Alwarpet, Chennai – 600018. Telephone: +91 44 66229000; Fax: +91 44 66229011; Email: hoecshare@hoec.com

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 JUSTIFICATION OF OFFER PRICE

a) The Shares are listed on the NSE and BSE. The Shares were, during the relevant period, most frequently traded on the NSE (*Source: NSE website, www.nseindia.com*) within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations. The Shares of the Target Company were, during the relevant period, not infrequently traded on BSE *(Source: BSE website, www.bseindia.com)* within the meaning of Regulation 20 (5) of the SEBI (SAST) Regulations.

b) On 20 July 2007 the Board of Directors of the Target Company approved a rights issue for an amount not exceeding Rs.615 crores. On 7 November 2007, the Rights Issue and Allotment Committee under the authority of the Board of Directors of the Target Company fixed the issue price at Rs.117 (one hundred and seventeen only) per Share and the entitlement ratio at 2 new Shares of the Target Company for every 3 Shares held. The Acquirer has been informed that BEIL and BSL applied for and were allotted their pro-rata entitlement under the rights issue.

c) The annualised trading turnover during the six months preceding the PA i.e. 24 April 2008 and the Global Acquisition i.e. 30 November 2007 in each of the Stock Exchanges is detailed below:

(i) For the six months preceding the date of the PA i.e. 24 April 2008

Name of Stock Exchange	Total number of Shares traded during the preceding six calendar months ended 31 March 2008	Weighted average number of listed Shares	Annualized trading turnover (in terms of % of total listed Shares)	Trading Status in terms of the SEBI (SAST) Regulations
NSE	178,073,427	96,262,802	370%	Frequently traded
BSE	99,283,391	96,262,802	206%	Frequently traded

(Source: various Stock Exchanges)

(ii) For the six months preceding the date of the Global Acquisition i.e. 30 November 2007

Name of Stock Exchange	Total number of Shares traded during the preceding six calendar months ended 30 November 2007	Weighted average number of listed Shares	Annualized trading turnover (in terms of % of total listed Shares)	Trading Status in terms of the SEBI (SAST) Regulations
NSE	58,413,160	78,312,668	149%	Frequently traded
BSE	43,486,421	78,312,668	111%	Frequently traded

(Source: various Stock Exchanges)

d) The Offer Price of Rs.144.2/- (Rupees one hundred and forty four and twenty paise only) per Share is justified in terms of Regulation 20(4)* and Regulation 20(12) of the SEBI (SAST) Regulations as it is the highest of the following:

(a)	The negotiated price	N/A**
(b)	The highest price paid by the Acquirer and the PACs for acquisition of Shares of the Target Company during the 26 week period prior to the date of the PA i.e. 24 April 2008	Rs.117***
(c)	The average of the weekly high and low of closing prices of the Shares of the Target Company on NSE for the 26 weeks preceding the date of the PA i.e. 24 April 2008	Rs.124.0
(d)	The average of the daily high and low of Shares of the Target Company on NSE for the two weeks preceding the date of the PA i.e. 24 April 2008	Rs.144.2
(e)	The highest price paid by the Acquirer and the PACs for acquisition during the 26 week period prior to the date of Global Acquisition i.e. 30 November 2007	N/A
(f)	The average of the weekly high and low of closing prices of the Shares of the Target Company on NSE for the 26 weeks preceding the date of the Global Acquisition i.e. 30 November 2007	Rs. 113.7
(g)	The average of the daily high and low prices of the Shares of the Target Company on NSE for the two weeks preceding the date of the Global Acquisition i.e. 30 November 2007	Rs. 117.4

* Regulation 20(12) of the SEBI (SAST) Regulations states that the offer price for indirect acquisition or control shall be determined with reference to the date of the public announcement for the parent company and the date of public announcement for acquisition of shares of the target company, whichever is higher, in accordance with Regulation 20(4) or 20(5) (as the case may be).

** There has not been any negotiated price under any agreement for acquisition of Shares of the Target Company by the Acquirer and/or the PACs.

*** For details please refer to paragraph 7.1(b).

e) The price and volume data of the Target Company on NSE.

(i) For the 26 week period prior to the date of the PA i.e. 24 April 2008 is as under:

Week #	End date	High (Rs.)	Low (Rs.)	Avg. (Rs.)	Volume
1	31-Oct-07	114.0	109.0	111.5	1,434,115
2	7-Nov-07	126.3	114.8	120.5	2,624,082
3	14-Nov-07	126.4	116.5	121.4	1,896,173

Week #	End date	High (Rs.)	Low (Rs.)	Avg. (Rs.)	Volume
4	21-Nov-07	127.2	108.1	117.7	3,565,229
5	28-Nov-07	128.0	107.6	117.8	4,692,814
6	5-Dec-07	156.0	125.8	140.9	26,411,287
7	12-Dec-07	151.9	142.9	147.4	8,471,841
8	19-Dec-07	170.5	149.8	160.1	23,869,826
9	26-Dec-07	169.9	162.6	166.2	7,738,875
10	2-Jan-08	164.5	159.0	161.7	12,825,355
11	9-Jan-08	159.9	150.0	154.9	8,443,755
12	16-Jan-08	147.1	140.2	143.6	7,812,889
13	23-Jan-08	142.3	80.5	111.4	7,757,450
14	30-Jan-08	115.5	89.1	102.3	9,345,817
15	6-Feb-08	105.9	97.1	101.5	7,979,606
16	13-Feb-08	102.2	92.6	97.4	6,677,321
17	20-Feb-08	112.3	107.7	110.0	8,516,941
18	27-Feb-08	113.4	109.2	111.3	4,738,859
19	5-Mar-08	111.4	99.7	105.5	4,525,552
20	12-Mar-08	106.1	95.4	100.8	4,632,079
21	19-Mar-08	103.0	91.7	97.3	3,264,303
22	26-Mar-08	99.7	94.8	97.2	2,876,242
23	2-Apr-08	119.3	98.3	108.8	10,053,337
24	9-Apr-08	135.0	117.3	126.2	15,519,657
25	16-Apr-08	149.4	134.4	141.9	16,087,863
26	23-Apr-08	154.5	142.4	148.4	10,745,001
		26 weeks average		**124.0**	**8,557,933**

(Source: NSE website)

(ii) For the two weeks preceding to the date of PA i.e. 24 April 2008 is as under:

Day #	Dates	High (Rs.)	Low (Rs.)	Avg. (Rs.)	Volume for the day
1	10-Apr-08	142.1	130.4	136.2	5,007,944
2	11-Apr-08	138.7	131.2	135.0	2,383,041
3	15-Apr-08	150.5	132.1	141.3	4,985,892
4	16-Apr-08	153.5	142.0	147.7	3,710,986
5	17-Apr-08	147.9	140.5	144.2	1,638,163
6	21-Apr-08	147.5	142.0	144.7	1,002,993
7	22-Apr-08	156.4	143.0	149.7	5,508,842
8	23-Apr-08	157.5	151.4	154.5	2,595,003
		2 weeks average		**144.2**	**3,354,108**

(Source: NSE website)

(iii) For the 26 weeks preceding the date of Global Acquisition i.e. 30 November 2007 is as under:

Week #	End date	High (Rs.)	Low (Rs.)	Avg. (Rs.)	Volume
1	7-Jun-07	122.7	112.2	117.4	6,482,893
2	14-Jun-07	119.0	112.5	115.7	1,941,186
3	21-Jun-07	116.5	113.8	115.2	1,318,841
4	28-Jun-07	119.1	112.3	115.7	1,349,533
5	5-Jul-07	119.5	114.1	116.8	1,602,137
6	12-Jul-07	147.3	116.6	131.9	5,584,456
7	19-Jul-07	141.5	134.4	137.9	2,179,013
8	26-Jul-07	133.6	114.6	124.1	1,631,131
9	2-Aug-07	115.7	104.6	110.2	727,061
10	9-Aug-07	109.7	102.6	106.1	1,317,181
11	16-Aug-07	107.5	103.2	105.3	503,689
12	23-Aug-07	102.7	91.1	96.9	510,703
13	30-Aug-07	102.0	94.0	98.0	526,526
14	6-Sep-07	107.0	101.9	104.4	707,984
15	13-Sep-07	115.5	105.9	110.7	1,911,545
16	20-Sep-07	113.6	111.8	112.7	696,430
17	27-Sep-07	116.4	112.4	114.4	1,105,555
18	4-Oct-07	112.8	106.4	109.6	566,020
19	11-Oct-07	107.8	98.7	103.2	789,950
20	18-Oct-07	115.6	105.6	110.6	1,929,983
21	25-Oct-07	117.8	102.8	110.3	1,650,758
22	1-Nov-07	115.6	109.0	112.3	1,648,876
23	8-Nov-07	126.3	114.8	120.5	2,538,324
24	15-Nov-07	127.2	116.5	121.9	2,155,541
25	22-Nov-07	123.6	107.6	115.6	3,534,460
26	29-Nov-07	128.0	107.6	117.8	6,423,708
		26 weeks average		**113.7**	**1,974,365**

(Source: NSE website)

(iv) For the two weeks preceding the date of the Global Acquisition i.e. 30 November 2007 is as under:

Day #	End Date	High (Rs.)	Low (Rs.)	Avg. (Rs.)	Volume
1	16-Nov-07	138.5	119.3	128.9	1,515,020
2	19-Nov-07	128.0	119.4	123.7	471,549
3	20-Nov-07	125.0	113.0	119.0	497,403
4	21-Nov-07	118.8	106.3	112.5	503,353
5	22-Nov-07	115.5	105.1	110.3	547,135
6	23-Nov-07	111.5	107.0	109.3	285,380
7	26-Nov-07	115.0	109.0	112.0	220,891
8	27-Nov-07	112.0	108.5	110.3	157,190
9	28-Nov-07	131.1	109.5	120.3	3,482,218
10	29-Nov-07	134.0	122.0	128.0	2,278,029
		2 weeks average		**117.4**	**995,817**

(Source: NSE website)

f) In the opinion of the Manager to the Offer and the Acquirer, the Offer Price of Rs.144.2 per Share is justified in terms of Regulations 20(4) and 20(12).

g) If the Acquirer, PACs or any advisor, broker, or any other financial institution acting as their agent acquires Shares in the open market or through negotiation or otherwise, after the date of PA and until the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all acceptances received under the Offer. However, no acquisition will be made by the Acquirer, PACs or any advisor, broker, or any other financial institution acting as their agent in the open market during the last seven (7) working days prior to the Offer Closing Date.

h) The Acquirer, PACs and any advisor, broker, or any other financial institution acting as their agent shall not acquire, during the Offer Period, any Shares in the Target Company except in compliance with the SEBI (SAST) Regulations and the details of such acquisitions, including numbers, percentage, price, broker (if any), mode of acquisition and time of execution, shall be disclosed to the Stock Exchanges and to the Manager to the Offer within 24 hours thereof, in terms of the Regulation 22(17). As per Regulation 22(17), the Stock Exchanges shall forthwith disseminate such information to the public.

i) There is no non-compete agreement or payment of non-compete fee to any person by the Acquirer in connection with the Offer.

7.2 FINANCIAL ARRANGEMENTS

a) The total funding requirement for the acquisition of up to 26,115,455 Shares held by Shareholders of the Company at Rs.144.2 per share is Rs.3,765,848,611. The Acquirer has adequate resources to meet the financial requirements of the Offer in terms of the SEBI (SAST) Regulations and has made firm financial arrangements to meet its obligations in full under the Offer. For this purpose the Acquirer has entered into a multicurrency revolving facility agreement dated 15 April 2008 with Intesa Sanpaolo S.p.A. (***Intesa Sanpaolo***), acting through its London branch, for an amount equal to £80,000,000 (Eighty Million Pounds Sterling) to finance the funding requirement for this Offer.

Additional details noteworthy regarding the Intesa Sanpaolo facility are as follows:

Purpose:	The financing or refinancing (in whole or in part) of the cash consideration payable upon completion of the Offer
Effective Date:	15 April 2008
Final Maturity Date:	19 December 2008
Security:	First demand guarantee granted by Eni S.p.A. (***Parent Guarantee***) in favour of Intesa Sanpaolo
Financial Covenants:	None
Information Covenants:	Financial statements, notification of default, KYC requirements
General covenants:	Pari passu ranking, Eni S.p.A. shareholding and other standard requirements
Events of Default:	Non-payment, breach of other obligations, misrepresentation, insolvency, insolvency proceedings, cessation of business, effectiveness of the multicurrency revolving facility agreement and/or the Parent Guarantee
Governing Law:	English Law
Jurisdiction:	English courts

b) PricewaterhouseCoopers S.p.A., Chartered Accountants, Italian Membership Number: 142,479 (certified Public Accountant (United States of America) issued by the Virginia State Board of Accountancy – Membership no. 13,710) located at Rome, Largo Angelo Fochetti 29-00154, Italy, have vide their letter dated 23 April 2008 confirmed that the Acquirer has adequate financial resources to fulfil its financial obligations arising out of the Offer. The Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfil the obligations under the SEBI (SAST) Regulations.

c) The Hongkong and Shanghai Banking Corporation Limited, having its Indian corporate office at 52/60 Mahatma Gandhi Road, Fort, Mumbai 400 001, acting through its office located at Plot No. 139-140 B, Western Express Highway, Sahar Road Junction, Vile Parle (East), Mumbai – 400 057 (***HSBC*** or ***the Escrow Agent***) has issued a bank guarantee on behalf of the Acquirer in favour of the Manager to the Offer of Rs.559,160,000 which is in excess of the amount required under Regulation 28 of the SEBI (SAST) Regulations (assuming full acceptance) (***Bank Guarantee***).

d) The Acquirer has opened a cash escrow account with HSBC in India bearing account no. 030-498802-001 and deposited Rs.43,934,000, being more than 1% of the total purchase consideration payable under the Offer assuming full acceptance at the aforesaid Offer Price. The Acquirer has confirmed that the funds lying in the aforementioned onshore cash escrow account will be utilized exclusively for the purpose of the Offer. Further, the Escrow Agent has marked a lien on the funds lying in the aforesaid cash escrow account in favour of the Manager to the Offer.

e) The Acquirer have empowered the Manager to the Offer to realize the value in the account maintained with the Escrow Agent.

8. TERMS AND CONDITIONS OF THE OFFER

8.1 STATUTORY APPROVALS REQUIRED FOR THE OFFER

a) This Offer is subject to the approval of the FIPB and RBI, as may be required, for the acquisition of Shares under this Offer and related matters. The Acquirer shall make an application to the FIPB and the RBI, as required, in this regard.

b) To the best of the Acquirer's knowledge, no statutory or regulatory approval other than the aforementioned approvals is required to proceed with this Offer. If any other approvals are required subsequently, the Offer would be subject to such additional approvals being obtained. The Acquirer will have the right to withdraw the Offer in the event the approvals indicated above are refused in terms of Regulation 27(b) of the SEBI (SAST) Regulations.

c) Subject to the receipt of statutory approvals, the Acquirer shall complete all procedures relating to the Offer including payment of consideration within a period of 15 days from the Offer Closing Date to those Shareholders whose share certificates and/or other documents are found valid and in order and are approved for acquisition by the Acquirer. In case of a delay in receipt of the aforementioned statutory or regulatory (including, without limitation, approval from the FIPB and the RBI) approvals, SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to the tendering Shareholders, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if a delay occurs on account of wilful default or neglect or inaction or non-action by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will become applicable.

8.2 OTHER TERMS AND CONDITIONS

a) The Letter of Offer together with the Form of Acceptance will be mailed to the Eligible Persons whose names appear on the Register of Members of the Target Company and to the beneficial owners of the Shares (in dematerialised form) whose names appear on the beneficial records of NSDL or CDSL at the close of business on the Specified Date.

b) Shareholders of the Target Company who hold Shares in physical form and wish to tender their Shares will be required to send the Form of Acceptance, original share certificate(s) and duly signed and stamped transfer deed(s) to the Registrar to the Offer either by hand delivery during normal business hours on weekdays or by registered post on or before the closure of the Offer, i.e. no later than 1700 hours on 21 July 2008, in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance.

c) Beneficial owners holding Shares in dematerialised form who wish to tender their Shares will be required to send their Form of Acceptance to the Registrar to the Offer either by hand delivery during normal business hours on weekdays or by registered post on or before the closure of the Offer, i.e. no later than 1700 hours on 21 July 2008, along with a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance. The credit for the delivered Shares should be received in the special depository account on or before the close of the Offer i.e. no later than 1700 hours on 21 July 2008.

d) The Registrar to the Offer has opened a special depository account under the name and style of "ISRL-HOEC OPEN OFFER ESCROW A/C" with HSBC which is acting as the Depository Participant (***DP***) and is registered with NSDL (DP ID: IN300142, Client ID: 10639245 and ISIN number: INE345A01011). Shareholders of the Target Company having their beneficiary account in CDSL shall use the inter-depository delivery instruction slip for purpose of crediting their Shares in favour of the special depository account with NSDL.

e) All owners (registered or unregistered) of Shares (excluding the Acquirer and the PACs) are eligible to participate in the Offer any time before the closure of the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating acceptance of the Offer with name; address; number of Shares held; number of Shares offered; distinctive numbers; folio number; together with the original share certificate(s); valid transfer deed(s) and the original contract note issued by the broker through whom they acquired their Shares. No indemnity is required from the unregistered owners.

f) The acceptance of the Offer is entirely at the discretion of the Shareholders of the Company. The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and Offer acceptance documents during transit and the Shareholders of the Company are advised to adequately safeguard their interest in this regard.

g) Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

a) Shareholders of the Company who wish to avail of this Offer are free to offer their shareholding in whole or in part and should forward the documents mentioned below to the Registrar to the Offer at its office at Intime Spectrum Registry Limited (Unit: HOEC Open Offer), C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai 400 078, India or to the collection centres listed below either by hand delivery on weekdays or by registered post, on or before the closure of the Offer, i.e. no later than 1700 hours on 21 July 2008 in accordance with the instructions specified in this Letter of Offer and in the Form of Acceptance. Shareholders are advised to ensure that the Form of Acceptance and other documents are complete in all respects, otherwise the same is liable to be rejected. If the Registrar to the Offer does not receive the documents listed below but receives the original share certificates and valid transfer deed from a registered Shareholder, then the Offer will be deemed to have been accepted by such Shareholders. In the case of Shares in dematerialised form, Shareholders are advised to ensure that their Shares are credited in favour of the special depository account before the closure of the Offer. The Form of Acceptance of such Shares in dematerialised form, not credited in favour of the special depository account before the closure of the Offer, will be rejected.

i. For Shares held in physical form:

Registered Shareholders should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the share certificates.
- Original share certificate(s).
- Valid share transfer forms duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Company and duly witnessed at the appropriate place. A blank share transfer form is enclosed along with this Letter of Offer.

Unregistered owners should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein.
- Original share certificate(s).
- Original broker contract note.
- Valid share transfer form(s) as received from the market.
- The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer as buyer will be filled upon verification of the

Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

ii. For Shares held in dematerialised form:

Beneficial owners should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, as per the records of the DP.
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.
- For each delivery instruction, the beneficial owner should submit separate Form of Acceptance.

b) The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar to the Offer and not to the Manager to the Offer, Acquirer, PACs or the Company.

c) In case of non-receipt of the Letter of Offer, the Eligible Persons may send their consent to the Registrar to the Offer on a plain paper stating acceptance of the Offer along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer, i.e. no later than 1700 hours on 21 July 2008.

Persons holding Shares in physical form are required to state the following details: name; address; number of Shares held; distinctive number; folio number and number of Shares offered.

Persons holding Shares in dematerialised form are required to state the following details: name; address; number of Shares held; number of Shares offered; DP name; DP ID; beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the Special Depository Account.

Eligible Persons can also write to the Manager to the Offer requesting for the Letter of Offer and Form of Acceptance and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the closure of the Offer, i.e. no later than 1700 hours on 21 July 2008. Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer. Alternatively, the Letter of Offer and Form of Acceptance will be available on SEBI's website (www.sebi.gov.in), from the date of opening of the Offer. Eligible Persons can download the Form of Acceptance from SEBI website and apply using the same.

d) If the aggregate of the valid responses to the Offer exceeds the Offer size of 26,115,455 Shares, then the Acquirer shall accept the Shares received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. The Shares are compulsorily traded in dematerialised mode and hence the minimum marketable lot is one (1) Share.

e) Shareholders who have sent their Shares for dematerialization need to ensure that the process of getting Shares dematerialised is completed well in time so that the credit in the Special Depository Account is received on or before the date of closure of the Offer, i.e. no later than 1700 hours on 21 July 2008, else their application would be rejected.

f) In case of non-receipt of the aforesaid documents, but receipt of the Shares in the Special Depository Escrow Account, the Acquirer may deem the Offer to have been accepted by the shareholder.

g) While tendering Shares under the Offer, NRIs/OCBs/other foreign Shareholders will be required to submit the previous approvals from the RBI (specific or general) that they would have obtained for acquiring Shares. In case the previous approvals from the RBI are not submitted, the Acquirer reserves the right to reject such Shares tendered.

h) While tendering Shares under the Offer, NRIs/OCBs/FIIs/other foreign Shareholders will be required to submit a copy of PAN document, Tax Clearance Certificate from the

Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961 before remitting the consideration.

In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders on the entire consideration amount payable to such shareholders.

i) As per the provisions of section 196D(2) of the Income Tax Act, 1961 and as amended (***Income Tax Act***), no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115 AD payable to a FII as defined in section 115 AD of the Income Tax Act.

j) In case of resident shareholders tendering their Shares under the Offer, the Acquirer will deduct tax on the interest component (if any) of the consideration payable to such Shareholders exceeding Rs.5,000 per Shareholder at the rate of 22.66% in case of resident corporate shareholders, at the rate of 11.33% in case of resident non-corporate Shareholders. As per the provision of the Income Tax Act, if a resident Shareholder requires that no tax be deducted or tax be deducted at a rate lower than the prescribed rate, then in such an event the resident Shareholder will be required to submit No-Objection Certificate (***NOC***) from the income tax authorities, indicating the rate at which the tax is to be deducted by the Acquirer before remitting the consideration. An individual resident Shareholder can submit a self-declaration in Form 15G or 15H (for non deduction of tax at source), as may be applicable (in duplicate). Non resident shareholders are required to submit a no objection/lower withholding tax certificate for the interest payment otherwise tax shall be deducted at the maximum marginal rate as may be applicable to the category of shareholders.

All the Shareholders eligible to receive an interest component of the consideration payable exceeding Rs.5,000 per Shareholder would be required to give their PAN for income tax purposes.

k) All Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, PACs, Company and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction may not necessarily be the treatment also for filing return of income.

l) In addition to the address mentioned in paragraph 8(a), the Shareholders of the Company who wish to avail of and accept the Offer can also deliver the Form of Acceptance along with all the relevant documents at any of the collection centres mentioned below in accordance with the procedure as set out in this Letter of Offer. All the centres mentioned herein below would be open as follows:

Name & Address of the collection centre	Tel. No.	Fax No.	Contact Person	Email address	Mode of delivery
Intime Spectrum Registry Limited, C-13, Panalal Silk Mills Compound, L.B.S Marg,Bhandup (W), Mumbai - 400078	022-25960320	022-25960328 /29	Awani Thakkar	awani.punjani@intimespectrum.com	Hand Delivery & Registered Post
Intime Spectrum Registry Limited, 203, Davar House, Next to Central Camera, D N Road, Fort Mumbai - 400001	022-22694127	_	Vivek Limaye	vivek.limaye@intimespectrum.com	Hand Delivery
Intime Spectrum Registry Limited, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380009	079-2646 5179	079-2646 5179 (Telefax)	Hitesh Patel	ahmedabad@intimespectrum.com	Hand Delivery

Name & Address of the collection centre	Tel. No.	Fax No.	Contact Person	Email address	Mode of delivery
Intime Spectrum Registry Limited, 1st Floor, Mahavir Shopping Complex, Above Kids Kemp No. 8 K.G. Road, Bangalore 560009	080-41242623 080-41242624	080-41242623 (Telefax)	Arun Kumar	bangalore@intimespectrum.com	Hand Delivery
Intime Spectrum Registry Limited, First Floor, Jaldhara Complex, Nr. Manisha Society, Old Padara Road, Vadodara - 390015	0265-2250241/ 3249857	0265-2250246 (Telefax)	Jaydeep Mehta	vadodara@intimespectrum.com	Hand Delivery
Intime Spectrum Registry Limited, 59C,Chowringhee Road,3rd Floor, Kolkata - 700020	033-22890539/40	033-22890539/40 (Telefax)	S.P. Guha	kolkata@intimespectrum.com	Hand Delivery
Intime Spectrum Registry Limited, A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110028	011-41410592/93/94	011-41410591	Swapan Naskar	delhi@intimespectrum.com	Hand Delivery

Name & Address of the collection centre	Tel. No.	Fax No.	Contact Person	Email address	Mode of delivery
Intime Spectrum Registry Limited, Block No 202 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411001	020 -26051629 /0084	020 - 26053503 (Telefax)	P. N. Albal	pune@intimespectrum.com	Hand Delivery
C/o SGS Corporate Solutions India Pvt. Limited, Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai-600017	044- 2815 2672, 044-4207 0906	044- 2815 2672 (Telefax)	Solly Soy	chennai@sgs-cs.com	Hand Delivery

The business hours are Monday to Friday 10am to 5pm

m) Shareholders who cannot hand deliver their documents at the collection centres above, may send the same by registered post, at their own risk and cost, to the Registrar to the Offer at their address given below:
Intime Spectrum Registry Limited
(Unit : HOEC Open Offer)
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 India

n) In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, Shareholders who wish to withdraw acceptance tendered by them in the Offer, may do so up to three (3) working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centres mentioned above as per the mode of delivery indicated therein on or before 16 July 2008.

o) The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed with this Letter of Offer. Shareholders should enclose the following:

For Shares held in dematerialised form:

Beneficial owners should enclose

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/copy of the submitted Form of Acceptance in case delivered by Registered A.D.

- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.

For Shares held in physical form:

Registered Shareholders should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/copy of the submitted Form of Acceptance in case delivered by Registered A.D.
- In case of partial withdrawal, valid share transfer form(s) duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Company and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/copy of the submitted Form of Acceptance in case delivered by Registered A.D.
- In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details
  - In case of physical Shares: name; address; distinctive numbers; folio number and number of Shares tendered
  - In case of Shares in dematerialised form: name; address; number of Shares offered; DP name; DP ID; beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account.
- The withdrawal of Shares will be available only for the share certificates/Shares that have been received by the Registrar to the Offer/special depository account.
- The intimation of returned Shares to the Shareholders will be at the address as per the records of the Company or the Depositories as the case may be.
- The Form of Withdrawal should be sent only to the Registrar to the Offer.
- In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Company.
- Partial withdrawal of tendered Shares can be done only by the registered Shareholders/beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.
- Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

p) Payment of consideration will be made by crossed account payee cheque/demand draft and sent by registered post, to those Shareholders/unregistered owners and at their own risk, whose Shares/Share certificates and other documents are found in order and accepted by the Acquirer. In case of joint registered holders, cheques/demand drafts will be drawn in the name of the sole/first named holder/unregistered owner and will be sent to him/her. It is desirable that Shareholders provide bank details in the Form of Acceptance, so that the same can be incorporated in the cheque/demand draft.

q) Unaccepted or withdrawn share certificate(s), transfer form(s) and other documents, if any, will be returned by registered post at the Shareholders'/unregistered owners' sole risk to the sole/first named Shareholder/unregistered owner. Unaccepted or withdrawn Shares held in dematerialised form will be credited back to the beneficial owner's depository account with the respective DP as per the details furnished by the beneficial owner in the Form of Acceptance.

r) The Registrar to the Offer will hold in trust the Share(s)/Share certificate(s), Shares lying in credit of the special depository account, Form of Acceptance, if any, and the transfer form(s) on behalf of the Shareholders/unregistered owner(s) of the Company, who have accepted the Offer, till the cheques/drafts for the consideration and/or the unaccepted Shares/share certificates are despatched/returned.

10. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by Shareholders of the Company at the Mumbai office of the Manager to the Offer, NM Rothschild & Sons (India) Private Limited from 10.30 a.m. to 1.00 p.m. on any day, except Saturdays, Sundays and Holidays, until the Offer closes:

1. Memorandum & Articles of Association and Certificate of Incorporation of the Acquirer;
2. Memorandum & Articles of Association and Certificate of Incorporation of PACs;
3. Memorandum & Articles of Association of the Target Company;
4. Annual reports of the Target Company for the financial years ended 2007, 2006 and 2005;
5. Copy of certified 9 month profit and loss statement of the Target Company for the period ending on 31 December 2007;
6. Published copy of the Public Announcement dated 24 April 2008;
7. Escrow Agreement dated 17 April 2008 between the Acquirer, HSBC and Manager to the Offer;
8. Multicurrency revolving facility agreement dated 15 April 2008 between Intesa Sanpaolo and Eni UK Holding plc;
9. Bank Guarantee dated 23 April 2008 between HSBC and Manager to the Offer;
10. Certificate dated 23 April 2008 from M/S PricewaterhouseCoopers S.p.A., Chartered Accountants, Italian Membership Number: 142479 (certified Public Accountant (United States of America) issued by the Virginia State Board of Accountancy – Membership no. 13710) located at Rome, Largo Angelo Fochetti 29-00154, Italy;
11. SEBI Observation Letter dated 16 June 2008;

12. Copy of FIPB approval for acquiring Shares under the Offer in accordance with SEBI (SAST) Regulations;
13. Copy of the agreement with DP for opening a special depository account; and
14. Copy of letter from HSBC confirming the amount kept in the escrow account and lien in favour of Manager to the Offer.

11. DECLARATION BY ACQUIRER AND PACS

The Acquirer and PACs accept responsibility for the information contained in this Letter of Offer (other than information in relation to the Target Company, which has been compiled from publicly available sources or received from the Target Company, and/or information received from the Registrar to the Offer).

The Acquirer and PACs shall be, severally and jointly, responsible for ensuring compliance with the SEBI (SAST) Regulations.

The Directors of the Acquirer and PACs accept responsibility for the information contained in this Letter of Offer (other than information in relation to the Target Company, which has been compiled from publicly available sources or received from the Target Company, and/or information received from the Registrar to the Offer).

The person signing this Letter of Offer are duly and legally authorised by the Acquirer and/ or PACs (as the case may be) to sign this Letter of Offer.

Eni UK Holding plc	Eni S.p.A.	Burren Energy India Limited	Burren Shakti Limited
Sd/-	Sd/-	Sd/-	Sd/-
Massimo Mantovani	Marco Mangiagalli	Marco Talamonti	Luigi Piro
Authorised Signatory	Authorised Signatory	Authorised Signatory	Authorised Signatory
	Sd/-		
	Stefano Cao		
	Authorised Signatory		
Date: 25 June 2008	Date: 25 June 2008	Date: 25 June 2008	Date: 25 June 2008

Encl:
1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal
3. Transfer deed for Shareholders holding Shares in physical form

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FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
(Please send this Form of Acceptance-cum-Acknowledgement with enclosures to Intime Spectrum Registry Limited at any of the collection centers as per the mode of delivery mentioned in the Letter of Offer)

to be filled in by the shareholder)
Folio No. / DP ID Client ID No. of Shares held

From

Name:
Address:

OPEN OFFER TO THE SHAREHOLDERS OF Hindustan Oil Exploration Company Limited	
OPENS ON	WEDNESDAY, JULY 02, 2008
LAST DATE OF WITHDRAWAL	WEDNESDAY, JULY 16, 2008
CLOSES ON	MONDAY JULY 21, 2008

Tel. No.: Fax. No.:

To,
Eni UK Holding Plc
C/o Intime Spectrum Registry Limited
(Unit : HOEC Open Offer)
C-13, Pannalal Silk Mills Compound
L B S Marg, Bhandup (W),
Mumbai -400 078

Dear Sirs,

Sub: Offer to acquire 26,115,455 Shares of Rs.10/- each representing 20% of the voting equity capital of Hindustan Oil Exploration Company Limited ("HOEC" / "Target Company") by Eni UK Holding Plc ("Eni Holding" or the "Acquirer"), Eni S.p.A, ("PAC1" or "Eni"), Burren Energy India Limited ("PAC2" or "BEIL") and Burren Shakti Limited ("PAC3" or "BSL") at a price of Rs.144.20 (Rupees One Hundred Forty Four and Twenty Paise Only) per fully paid up equity share ("Offer Price") payable in cash.

I/We refer to the Letter of Offer dated June 25, 2008 for acquiring the equity shares held by me/us in Hindustan Oil Exploration Company Limited.
I/We, the undersigned, have read the Letter of Offer, understood its contents and unconditionally accept the terms and conditions and procedures as mentioned therein.

SHARES HELD IN PHYSICAL FORM
I/We, accept the Offer and enclose the original Share certificate(s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below.

Sr. No.	Folio No.	Certificate No.	Distinctive Nos.		No. of Shares
			From	To	
				TOTAL	

Please attach additional sheets of paper and authenticate the same if the space is insufficient.
SHARES HELD IN DEMAT FORM

I/We, holding Shares in demat form, accept the Offer and enclose a photocopy of the Delivery Instructions duly acknowledged by my/ our DP in respect of my/our Shares as detailed below.

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Shares

I/We have done an "Off-market" transaction for crediting the Shares to the special depository account with **HSBC, India** opened by the Registrar to the Offer with NSDL styled **"ISRL-HOEC OPEN OFFER ESCROW A/C"** whose particulars are:

DP Name: The Hongkong and Shanghai Banking Corp. Ltd.	DP ID: IN300142	CLIENT ID: 10639245

Shareholders having their beneficiary account with CDSL will have to use inter-depository slip for the purpose of crediting their Shares in favour of the special depository account opened with NSDL.

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Acknowledgement Slip: Hindustan Oil Exploration Company Limited – Open Offer
(to be filled by the shareholder) (subject to verification)

Folio No./DP ID **Client ID** **Sr. No.**
Received from Mr./Ms./M/s.____
Form of Acceptance along with:
(Please √ whichever is applicable)

☐ Physical Shares: No. of Shares ______________ No. of certificates enclosed___________

☐ Demat Shares: Copy of the delivery instruction for ____________ number of shares

Signature of Official ___________________________ Date of Receipt _____________________

STAMP OF COLLECTION CENTRE

Payments for accepted Shares/credits for unaccepted Shares will be dispatched /credited by July 15, 2008, subject to receipt of regulatory approvals, if any needed.

Enclosures (Please √ as appropriate, if applicable)

☐ POWER OF ATTORNEY	☐ Previous RBI approvals for holding the shares of HOEC hereby tendered in the Offer.
☐ No Objection Certificate & Tax Clearance Certificate under Income Tax Act, 1961, for NRIs/OCBs/foreign and other non resident shareholders as applicable	☐ Corporate authorisation in case of companies along with Board Resolution and specimen signatures of authorised signatories, copy of Memorandum and Articles of Association ☐ Death Certificate/ Succession Certificate
☐ Others (please specify): _____________	☐ Photo copy of the PAN. of all the holders

For NRIs/OCBs/foreign and other non resident shareholders: I/We confirm that the Shares of Hindustan Oil Exploration Company Limited are held by me/us on
☐ Investment/Capital Account OR ☐ Trade Account. **(Please √ whichever is applicable in your case)**

I/We confirm that the Shares of **Hindustan Oil Exploration Company Limited**, which are being tendered herewith by me/us under the Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We note and understand that the original Share certificate(s) and valid Share transfer deed(s) will be held in trust for me/us by the Registrar to the Offer until the time the purchase consideration as mentioned in the Letter of Offer and/or the unaccepted Shares/ Share certificates are dispatched or credited back to the beneficial owners' DP accounts.

I/We also note and understand that the purchase consideration will be paid only after verification of the documents and signatures.

I/We authorise the Acquirer to send by registered post / speed post the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned above.

I/We note and understand that the Shares would lie in the special depository account until the time payment of purchase consideration as mentioned in the Letter of Offer is made.

I/We authorise the Acquirer to accept the Shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorise the Acquirer to return to me/us, equity share certificate(s) in respect of which the Offer is not found valid/not accepted.

So as to avoid fraudulent encashment in transit, shareholder(s) holding shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. In case of shares tendered under demat / electronic form, bank account details will be obtained from the depository and accordingly payment will be issued.

Name of the Bank		Branch		City	
Account Number		Savings / Current / Others (please specify)			

Yours faithfully,

Signed and Delivered

	FULL NAME(S) OF THE HOLDER	PAN	SIGNATURE(S)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all holders must sign. In case of body corporate, the company seal should be affixed

Place: Date:

-- **Tear along this line** --

All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your Reference Folio No./DPID/Client ID:

Intime Spectrum Registry Limited
(Unit: Hindustan Oil Exploration Company Limited – Open Offer)
C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400 078
Tel: +91-22- 25960320 Fax: +91-22- 25960328 / 25960329
Contact Person: Ms. Awani Thakkar
Email: hoec.openoffer@intimespectrum.com

INSTRUCTIONS

1. In the case of dematerialised Shares, the shareholders are advised to ensure that their Shares are credited in favour of the special depository account, before the Offer Closing Date i.e.July 21, 2008. The Form of Acceptance-cum-Acknowledgement of such demat Shares not credited in favour of the special depository account, before the Offer Closing Date will be rejected.
2. Shareholders should enclose the following :

   I. For equity shares held in physical form:-

   - Registered shareholders should enclose
     - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the Share certificates.
     - Original Share Certificate(s).
     - Valid transfer deed(s) / form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Hindustan Oil Exploration Company Limited and duly witnessed at the appropriate place. Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a Magistrate/Notary Public/ Bank Manager under their Official Seal. The details of the buyer should be left blank failing which the same will be invalid under the Offer. The details of the buyer will be filled upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance. Shareholders holding physical Shares can also contact the Registrar to the Offer at any of their collection centres at the address given in the Letter of Offer to obtain a blank share transfer deed.

     In case of non receipt of the aforesaid documents, but receipt of the original Share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to be accepted.
   - Unregistered owners should enclose
     - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
     - Original Share Certificate(s).
     - Original broker contract note.
     - Valid Share transfer deed(s) as received from market. The details of buyer should be left blank failing which, the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered shareholders.

     All other requirements for valid transfer will be preconditions for valid acceptance.

   II. For equity shares held in demat form:-

   Beneficial owners should enclose
     - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
     - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP in favour of special depository account as per the instruction in the Letter of Offer.

   In case of non receipt of the aforesaid documents, but receipt of the credit in the escrow depository account, the Offer shall be deemed to be accepted
3. The Share certificate(s), share transfer deed(s) and the Form of Acceptance-cum-Acknowledgement should be sent only to the Registrar to the Offer and not to the Manager to the Offer or the Acquirer or PAC or HOEC.
4. Shareholders having their beneficiary account with L CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their Shares in favour of the special depository account with.NSDL
5. Shareholders tendering Shares in the Offer are required to give their Permanent Account No. / General Index Register No. at the box provided and attach a photo copy of the PAN. The Acquirer also reserves the right to reject such tenders from shareholders, where the details of PAN is not submitted.
6. While tendering Shares under the Offer, NRIs/ OCBs/ foreign and other non resident shareholders will be also required to submit the RBI approvals, if any (specific or general) that they would have obtained for acquiring Shares. In case the RBI approvals are not submitted, the Acquirer reserves the right to reject the Shares tendered.
7. Non resident shareholders should enclose No Objection Certificate/Tax Clearance Certificate from the Income Tax Authorities under Income Tax Act, 1961, indicating the tax to be deducted by the Acquirer before remittance of consideration otherwise tax will be deducted at the maximum marginal rate as may be applicable to the category of the shareholder on the entire consideration amount payable. The Acquirer also reserves the right to reject such tenders from non-resident shareholders, where the aforesaid No-Objection Certificate/ Tax Clearance Certificate is not submitted.
8. Shareholders are advised to indicate the bank account details at the appropriate place in the Form of Acceptance-cum-Acknowledgement and the consideration cheque would be made to the bank account of the sole/ first shareholder. The payment would be made at par to all the shareholders.
9. Rejection of Shares

   If the Shares are rejected for any of the following reasons, the Shares will be returned to the sole / first named holder(s) along with all the documents received from them at the time of submission. Please note that the following list is not exhaustive.

   a. The signature(s) of the holder(s) do not match with the specimen signature(s) as per the records of HOEC;
   b. The transfer deed is not complete or valid ;
   c. The relevant documents, as applicable, mentioned above at 2 and in addition at 5, 6 and 7 are not submitted with the Form of Acceptance-cum-Acknowledgement. The Acquirer also reserves the right to reject such tenders from shareholders, where the relevant documents are not submitted.
10. All documents / remittances sent by or to shareholders will be at their own risk. Shareholders of HOEC are advised to adequately safeguard their interests in this regard. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement.
11. Neither the Acquirer, the PAC, the Manager to the Offer, the Registrar to the Offer or HOEC will be liable for any delay/loss in transit resulting in delayed receipt/ non-receipt by the Registrar to the Offer of your Form of Acceptance-cum-Acknowledgement or for the failure to deposit your Shares to the special depository account or submission of original physical Share certificates due to inaccurate/incomplete particulars/instructions on your part, or for any other reason.
12. Applicants who cannot hand deliver their documents at the collection centers, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078 so as to reach the Registrar to the Offer before the close of business hours on the Offer Closing Date.
13. The Form of Acceptance-cum-Acknowledgement and the related documents should be submitted by way of hand delivery at any of their collection centres of Intime Spectrum Registry Limited which are as follows: (a) Mumbai: Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400 078., Tel No.: 022-25960320 , Fax No022-25960328 -329; Intime Spectrum Registry Limited, 203, Davar House, Next to Central Camera, D N Road, Fort, Mumbai - 400 001, Tel No.: 022-22694127, Fax No022-25960328 -329 (b) Ahmedabad: Intime Spectrum Registry Limited, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009 , Telefax No: 079-2646 5179, (c) New Delhi: Intime Spectrum Registry Limited, A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110 028, Tel No.: 011-41410592/ 93/ 94, Fax No.: 011-41410591, (d) Kolkata: Intime Spectrum Registry Limited, 59C,Chowringhee Road,3rd Floor, Kolkata -700020, Tel No.: 033-22890539 / 40, Fax No.: 033-22890539/40, (e) Bangalore: Intime Spectrum Registry Ltd.,1st Floor, Mahavir Shopping Complex, Above Kids Kemp No. 8 K.G.Road, Bangalore 560 009, Tel No.: 080-41242624, Fax No.: 080-41242623 (f) Vadodra: Intime Spectrum Registry Ltd., First Floor, Jaldhara Complex, Nr. Manisha Society, Old Padara Road, Vadodara -390015, Tel No.: 0265-2250241, Fax No.: 0265-2250246 (g) Pune: Intime Spectrum Registry Limited, Block No 202 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001, Tel No.: 020 -26051629, Fax No.: 020 -26053503 (h) Chennai: C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai- 600 017, Tel No.: 044- 2815 2672, Fax No.: 044- 2815 2672

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FORM OF WITHDRAWAL
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to Intime Spectrum Registry Limited at the collection centre where the original Form of Acceptance was tendered)

OPEN OFFER TO THE SHAREHOLDERS OF Hindustan Oil Exploration Company Limited	
OPENS ON	WEDNESDAY, JULY 02, 2008
LAST DATE OF WITHDRAWAL	WEDNESDAY, JULY 16, 2008
CLOSES ON	MONDAY JULY 21, 2008

to be filled in by the shareholder)

From:

Name:

Address:

Tel. No.: Fax. No.:

To,
Eni UK Holding Plc
C/o Intime Spectrum Registry Limited
(Unit : HOEC Open Offer)
C-13, Pannalal Silk Mills Compound
L B S Marg, Bhandup (W),
Mumbai -400 078

Dear Sirs,

Sub: **Sub: Offer to acquire 26,115,455 Shares of Rs.10/- each representing 20% of the voting equity capital of Hindustan Oil Exploration Company Limited ("HOEC" / "Target Company") by Eni UK Holding Plc ("Eni Holding" or the "Acquirer"), Eni S.p.A, ("PAC1" or "Eni"), Burren Energy India Limited ("PAC2" or "BEIL") and Burren Shakti Limited ("PAC3" or "BSL") at a price of Rs.144.20 (Rupees One Hundred Forty Four and Twenty Paise Only) per fully paid up equity share ("Offer Price") payable in cash- Withdrawal of shares tendered under the Offer**

I/We refer to the Letter of Offer dated June 25, 2008 for acquiring the equity shares held by me/us in **Hindustan Oil Exploration Company Limited.**

I/We, the undersigned, have read the Letter of Offer, understood its contents and unconditionally accept the terms and conditions and procedures as mentioned therein.

I/We have also read the procedure for withdrawal of Shares tendered by me/us in the Offer as mentioned in the Letter of Offer and unconditionally agree to the terms and conditions mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/we further authorise the Acquirer to return to me/us, tendered Share certificate(s)/Share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our Shares from the Offer, no claim or liability shall lie against the Acquirer/ Manager to the Offer/Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at the collection center where the Form of Acceptance was tendered on or before the last date of withdrawal.

I/We note that the Acquirer/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the Shares held in physical form and also for the non-receipt of Shares held in the dematerialised form in the DP account due to inaccurate/incomplete particulars /instructions.

I/We also note and understand that the Acquirer shall return original share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents, signatures and beneficiary position data as available from the Depository from time to time, respectively. The particulars of tendered original share certificate(s), which I / we wish to withdraw are detailed below:

Sr. No.	Folio No.	Certificate No. Tendered	Distinctive Nos.		No. of Shares
			From	To	
			Withdrawn		
				TOTAL	

(In case of insufficient space, please use an additional sheet and authenticate the same)

I/We holding the following Shares in dematerialised form, have tendered the Shares in the Offer and had done an "Off-market" transaction for crediting the Shares to the special depository account with **HSBC, India** at NSDL styled **"ISRL-HOEC OPEN OFFER ESCROW A/C"** whose particulars are:

DP Name: The Hongkong and Shanghai Banking Corp. Ltd.	**DP ID: IN300142**	**CLIENT ID: 10639245**

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by the Depository Participant.

--- **Tear along this line** ---

Acknowledgement Slip: Hindustan Oil Exploration Company Limited – Open Offer

(to be filled by the shareholder) (subject to verification) **Sr. No.**

Received from Mr./Ms./M/s.______________ ____

Physical Shares: Folio No. _______________ / Demat Shares: Client ID ____________________; DP ID _________________________

Form of Withdrawal for withdrawal of:

☐ Physical Shares: No. of Shares tendered - _______ No. of Shares withdrawn-___________

☐ Demat Shares: No. of Shares tendered - _________ No. of Shares withdrawn-___________

(Please √ whichever is applicable)

STAMP OF COLLECTION CENTRE

Signature of Official _____________________Date of Receipt__________________________________

The particulars of the account from which my/our Shares have been tendered and the Shares withdrawn are as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Shares tendered	No. of Shares withdrawn

I/We note that the Shares will be credited back only to that depository account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard.
I/We confirm that the particulars given above are true and correct.
In case of dematerialised Shares, I/we confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

Yours faithfully,
Signed and Delivered

	FULL NAME(S) OF THE HOLDER	SIGNATURE(S)	VERIFIED AND ATTESTED BY US. PLEASE AFFIX THE STAMP OF DP (IN CASE OF DEMAT SHARES)/ BANK (IN CASE OF PHYSICAL SHARES)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all holders must sign. In case of body corporate, the company seal should be affixed and necessary Board resolution should be attached.

Place: Date:

INSTRUCTIONS

1. Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the collection center where the original Form of Acceptance was tendered on or before the last date of withdrawal i.e., Wednesday, July 16, 2008.
2. Shareholders should enclose the following:-

I. FOR SHARES HELD IN DEMAT FORM:-

Beneficial owners should enclose
- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.

II. FOR SHARES HELD IN PHYSICAL FORM:-

- Registered Shareholders should enclose:
  - Duly signed and completed Form of Withdrawal.
  - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.

  In case of partial withdrawal, valid share transfer deed(s) for the remaining equity shares (i.e. shares not withdrawn) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Hindustan Oil Exploration Company Limited and duly witnessed at the appropriate place. Further the transfer deed should be valid for transfer.
  Shareholders holding physical Shares can also contact the Registrar to the Offer at any of their collection centres at the address given in the Letter of Offer to obtain a blank share transfer deed.
- Unregistered owners should enclose:
  - Duly signed and completed Form of Withdrawal.
  - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.

3. The withdrawal of equity shares will be available only for the equity share certificates/the equity shares that have been received by the Registrar to the Offer/ special depository escrow account.
4. The intimation of returned equity shares to the shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.
5. The Form of Withdrawal should be sent only to the Registrar to the Offer.
6. In case of partial withdrawal of equity shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company. The facility of partial withdrawal is available only to registered shareholders.
7. Shareholders holding equity shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.
8. The Form of Withdrawal and other related documents should be submitted at the collection center where the original Form of Acceptance was tendered.
9. Collection centres of Intime Spectrum Registry Limited which are as follows: (a) Mumbai: Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400 078., Tel No.: 022-25960320 , Fax No022-25960328 -329; Intime Spectrum Registry Limited, 203, Davar House, Next to Central Camera, D N Road, Fort, Mumbai - 400 001, Tel No.: 022-22694127, Fax No022-25960328 -329 (b) Ahmedabad: Intime Spectrum Registry Limited, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009 , Telefax No: 079-2646 5179, (c) New Delhi: Intime Spectrum Registry Limited, A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110 028, Tel No.: 011-41410592/ 93/ 94, Fax No.: 011-41410591, (d) Kolkata: Intime Spectrum Registry Limited, 59C,Chowringhee Road,3rd Floor, Kolkata -700020, Tel No.: 033-22890539 / 40, Fax No.: 033-22890539/40, (e) Bangalore: Intime Spectrum Registry Ltd.,1st Floor, Mahavir Shopping Complex, Above Kids Kemp No. 8 K.G.Road, Bangalore 560 009, Tel No.: 080-41242624, Fax No.: 080-41242623 (f) Vadodra: Intime Spectrum Registry Ltd., First Floor, Jaldhara Complex, Nr. Manisha Society, Old Padara Road, Vadodara -390015, Tel No.: 0265-2250241, Fax No.: 0265-2250246 (g) Pune: Intime Spectrum Registry Limited, Block No 202 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001, Tel No.: 020 -26051629, Fax No.: 020 -26053503 (h) Chennai: C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai- 600 017, Tel No.: 044- 2815 2672, Fax No.: 044- 2815 2672

-- **Tear along this line** ---

All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your Reference Folio No./DPID/Client ID

Intime Spectrum Registry Limited
(Unit: Hindustan Oil Exploration Company Limited – Open Offer)
C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400 078
Tel: +91-22- 25960320 Fax: +91-22- 25960328 / 25960329
Contact Person: Ms. Awani Thakkar
Email: hoec.openoffer@intimespectrum.com