



## Press Release

### **ERG exercises put option on a 20% stake in ISAB**

*Reduced exposure in refining business  
Stronger financial capacity for further development phases*

Genoa, 31 January 2012 – The Board of Directors of ERG S.p.A. today approved the exercise of a put option on 20% of ISAB S.r.l., valued at 400 million Euro (excluding inventory). Following this transaction, LUKOIL will own 80% of ISAB and ERG 20%.

The transaction closing is expected to take place during the second quarter of 2012.

ERG will continue to be represented on the Board of Directors of ISAB and on the management committees, while the Operating Processing Agreement has been temporary amended to be consistent with the new role of ERG in ISAB.

ERG and LUKOIL have also modified the agreements signed in 2008 (see Press Release dated 24 June 2008), with particular reference to ERG's lock-up period for the exercise of its put option on the remaining 20% stake in ISAB, which is extended until 1 October 2013.

A provision has also been included to the effect that, if ERG should exercise its put option on the remaining 20% stake between 1 and 31 October 2013, the parties undertake to finalise the transaction during the period between 15 and 31 December 2013. All other terms and conditions remain unchanged.

Alessandro Garrone, ERG's Chief Executive Officer, commented: "This transaction allows ERG to downsize its presence in the refining business against a background of continuing crisis and to further consolidate the Group's financial structure with a view to supporting its future development projects during a difficult financial period. ERG continues to maintain a significant industrial presence at the Priolo site, where it has important business relations with ISAB as regards its ERG Power and ISAB Energy thermoelectric plants."

*In this transaction, Rothschild has acted as financial advisor and Francesco Novelli (Lawyer), of the Law Firm Grimaldi e Associati, as legal advisor.*

*This press release, concerning the decision by ERG's Board of Directors to approve the exercise of the put option on a 20% stake in ISAB S.r.l., issued at 6.15 pm (CET) on 31 January 2012, has been prepared pursuant to the Regulation implementing Legislative Decree no. 58 of 24 February 1998, adopted by CONSOB under resolution no. 11971 of 14 May 1999, as amended and supplemented. It has been published by Borsa Italiana S.p.A.([www.borsaitaliana.it](http://www.borsaitaliana.it)) and on the Company's website, [www.erg.it](http://www.erg.it).*

#### **Contacts:**

**Alessandra Mariotti** Press Office - tel.: **+39 010 2401364** - Cell. **+39 335 8053395** - e-mail: [stampa@erg.it](mailto:stampa@erg.it)  
**Paolo Merli** Corporate Finance, Control and IR Manager – tel.: + 39 010 2401376 – e-mail: [pmerli@erg.it](mailto:pmerli@erg.it)  
**Matteo Bagnara** IR – tel.: + 39 010 2401423 – e-mail: [mbagnara@erg.it](mailto:mbagnara@erg.it) – [www.erg.it](http://www.erg.it)