



Partnership with TOTAL and Group Organization

Alessandro Garrone
Group CEO

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Forward-looking statements

This document contains certain forward-looking information that is subject to a number of factors that may influence the accuracy of the statements and the projections upon which the statements are based.

There can be no assurance that the projections or forecasts will ultimately prove to be accurate; accordingly, the Company makes no representation or warranty as to the accuracy of such information or the likelihood that the Company will perform as projected.



Description of the transaction

- **ERG** and **TOTAL** signed an agreement to enter into an important partnership (“JV”) in the Italian integrated downstream sector
 - ✓ TOTAL Italia will be merged into ERG PETROLI in exchange for 49% of its shares
 - ✓ ERG Petroli will be renamed TOTAL ERG
 - ✓ As a result ERG will retain a 51% stake in the JV after merging
- JV does not include either ERG Petroli’s retail/wholesale assets in Sicily or TOTAL Italia's aviation/upstream assets
- TOTAL ERG will operate under a co-branding arrangement (2 logos and 2 brands) and will be managed by the parties in accordance with a co-governance agreement
- Based on EV agreed between the parties (on a cash/debt free basis), TOTAL will recognise an economic value of €65mn to obtain its target equity stake of 49%
- Final values will take into account NWC and NFP contributed by the two parties
- Closing expected on October 1st 2010, subject to customary Antitrust clearance



TOTAL ERG: rationale

- **Strengthening ERG's competitive** positioning in both retail and wholesale businesses while gaining access to the highly profitable Specialties segment
- **Significant synergies** from both a cost and revenue standpoint through the merger of the two complementary entities
- **Strategic partnership** with one of the world's leading OIL industry players, potentially allowing for further development in the future
- **Sharing of ERG's presence in the inland refinery business** represented by Rome and Treccate refineries
- **ERG will maintain a key industrial role** in the integrated downstream sector through its 51% interest in TOTAL ERG



Two complementary entities: perimeter of the JV¹

Marketing (2008 data)

Retail	ERG			TOTAL			JV		
	# PV	kmc	Avg T ² (mc)	# PV	kmc	Avg T ² (mc)	# PV	kmc	Avg T ² (mc)
Company owned	1,164	1,494	1,283	837	1,052	1,256	2,001	2,545	1,272
Dealer owned	524	512	977	828	872	1,053	1,352	1,383	1,023
Motorways	23	155	6,745	54	278	5,146	77	433	5,623
Total	1,711	2,161	1,263	1,719	2,201	1,280	3,430	4,362	1,272

Market share	6%	6%	12%
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Wholesale - ktons	ERG	TOTAL	JV
Total	1,618	1,542	3,160
LPG	93	100	193
Diesel	1,028	955	1,983
Fuel Oil	323	161	484
Bitumen	115	242	357
Lube	11	48	59
Other	48	36	83

Refining

	ERG		TOTAL		JV	
	kbpd	Nelson index	kbpd	Nelson index	kbpd	Nelson index
Trecate	38	6.2	--	--	38	6.2
Rome	22	4.7	56	4.7	78	4.7
Total	60	5.7	56	4.7	116	5.2

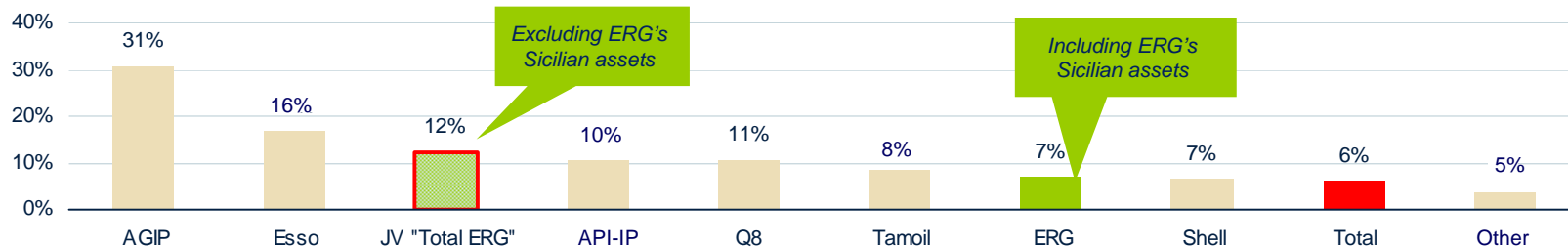
Note

- 1 The perimeter shown does not include ERG's Sicilian assets, which will be carved out before closing, as detailed in the following pages. As for ERG, the perimeter includes logistic assets as well as equity participations.
- 2 Average yearly throughput



JV Positioning in the Italian Downstream Market

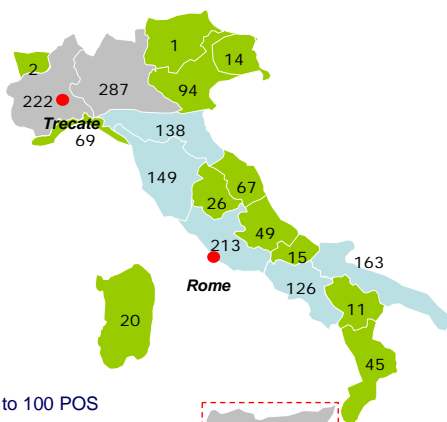
Italian market: main operators' market shares in 2008



Note: 2008 Industry data; 9M 2009 market share of the combined entity is estimated at nearly 13%

ERG's network (2008)

Number of SS: 1,711 + 262
Market Share: 6%
Sales: kmc 2,161

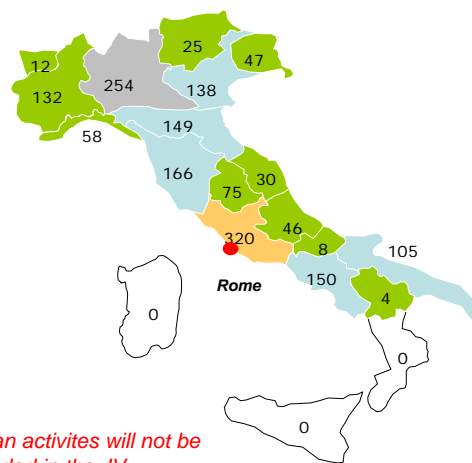


- Up to 100 POS
- 100 – 200 POS
- 200 – 300 POS
- Over 300 POS

- Trecate Refinery (ERG 25.9% - Esso 74.1%): 147 kbpd
- Rome Refinery (ERG 28.125% - TOTAL ITALIA 71.875%): 78 kbpd

Total's network (2008)

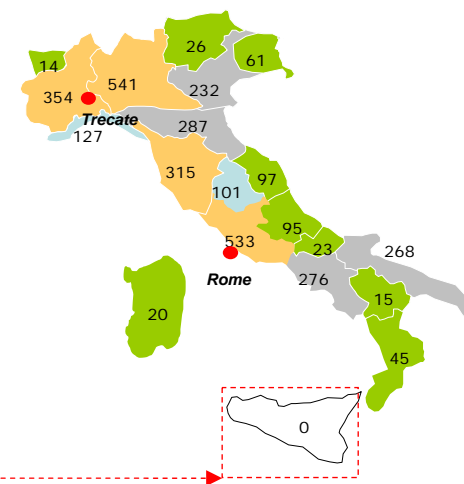
Number of SS: 1,719
Market Share: 6%
Sales: kmc 2,201



ERG's Sicilian activities will not be included in the JV

JV's network

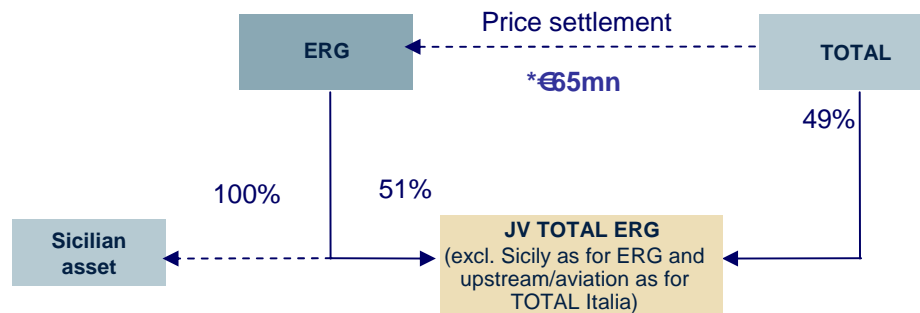
Number of SS: 3,430
Market Share: 12%
Sales: kmc 4,362





Cash compensation

- EV of **€777mn** for ERG Petroli (excluding Sicily) agreed between the parties
- On the basis of such Enterprise Value, TOTAL will recognize an economic value of about **€65mn** in order to obtain its 49% equity stake in the JV
- Final cash compensation will be established by taking into account the NWC, NFP and the value of accounting assets and liabilities actually contributed by the merging companies
- Implied EV/Ebitda of the two entities approximately 5x according to adjusted historical data (TOTAL Italia marketing EBITDA higher than ERG Petroli, vice versa in the Inland Refining)



* Note: cash adjustment based on EV at signing; the final price mechanism will also reflect actual NWC, NFP and the value of other assets and liabilities contributed to the JV by the two entities as of the merger reference date



Valuation

- ERG Group's valuation is often based on a “*sum of the parts*” approach, thus providing an indicative estimate of the value of ERG's contribution to the JV
- Consensus valuation is lower than that agreed between the parties, which does not include expected synergies or the value of Sicilian assets

Broker	Date	Value (€m)
Unicredit	nov-09	571
Santander	nov-09	671
Natixis Securities	nov-09	746
Intesa Sanpaolo	nov-09	809
Equity Sim	nov-09	460
Chevreux	nov-09	692
Goldman Sachs	nov-09	592
UBS	nov-09	528
Morgan Stanley	nov-09	400
Intermonte	nov-09	820
Min		400
Average (including Sicily)		629
Median		632
Max		820
Agreed valuation of ERG's perimeter (excluding Sicily)		777



Synergies

- Expected significant synergies mainly driven by:
 - ✓ **Economies of scale** in both Retail and Wholesale
 - ✓ **Efficiency** in Logistics, Maintenance and Procurement
 - ✓ **Structure optimization** and re-organization

- A detailed action plan including one-off costs as well as additional capex for re-branding will be developed following Antitrust clearance
- JV start-up and one-off costs to be limited and mainly arising from the retail network re-branding to be carried out in the future
- Inland refinery exposure will be managed by the JV, according to the future evolution of the OIL industry scenario



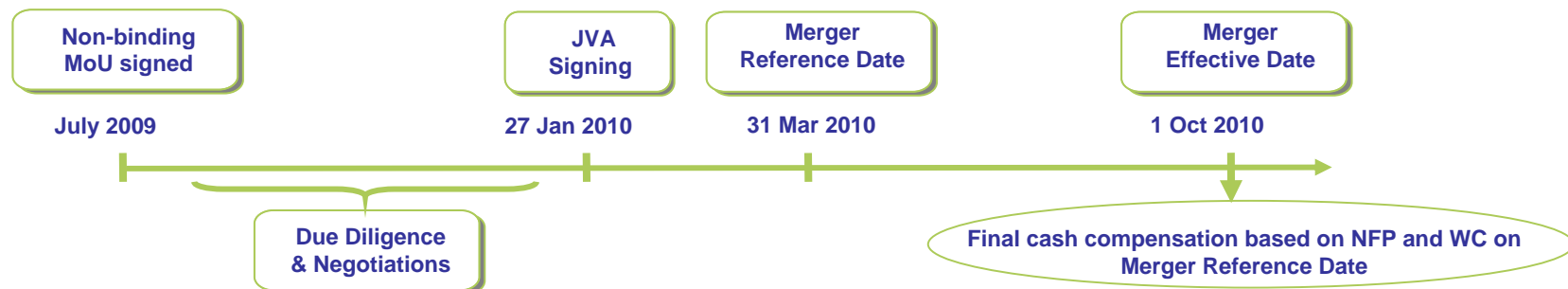
Governance: Main Items and Timetable

Governance

- Existence of a non-competition provision in Italy (excluding Sicily)
- 3 year lock-in period
- The BoD consists of 6 members, 3 appointed by ERG and 3 by TOTAL
- The SHA will last for a 30-year period and will be extended automatically for a period of 10 years

Expected merger timetable (subject to Antitrust clearance)

- Prior to 31 March 2010 (merger reference date), ERG Petroli and TOTAL Italia will carve out their going concerns not included in the JV
- By 9 July 2010 the BoDs of ERG and TOTAL will meet to approve the Merger Plan
- By the end of July 2010 the shareholders of ERG Petroli and TOTAL Italia will be required to approve the merger
- The merger deed will become effective as of October 1st 2010. The merger will be backdated from January 1st 2010 for tax and accounting purposes.





ERG Group re-organisation

- In order to seize further opportunities as a **multi-energy group**
- To improve **operating efficiency, leading to cost savings**
- To prepare for the expected **recovery of the global economy**

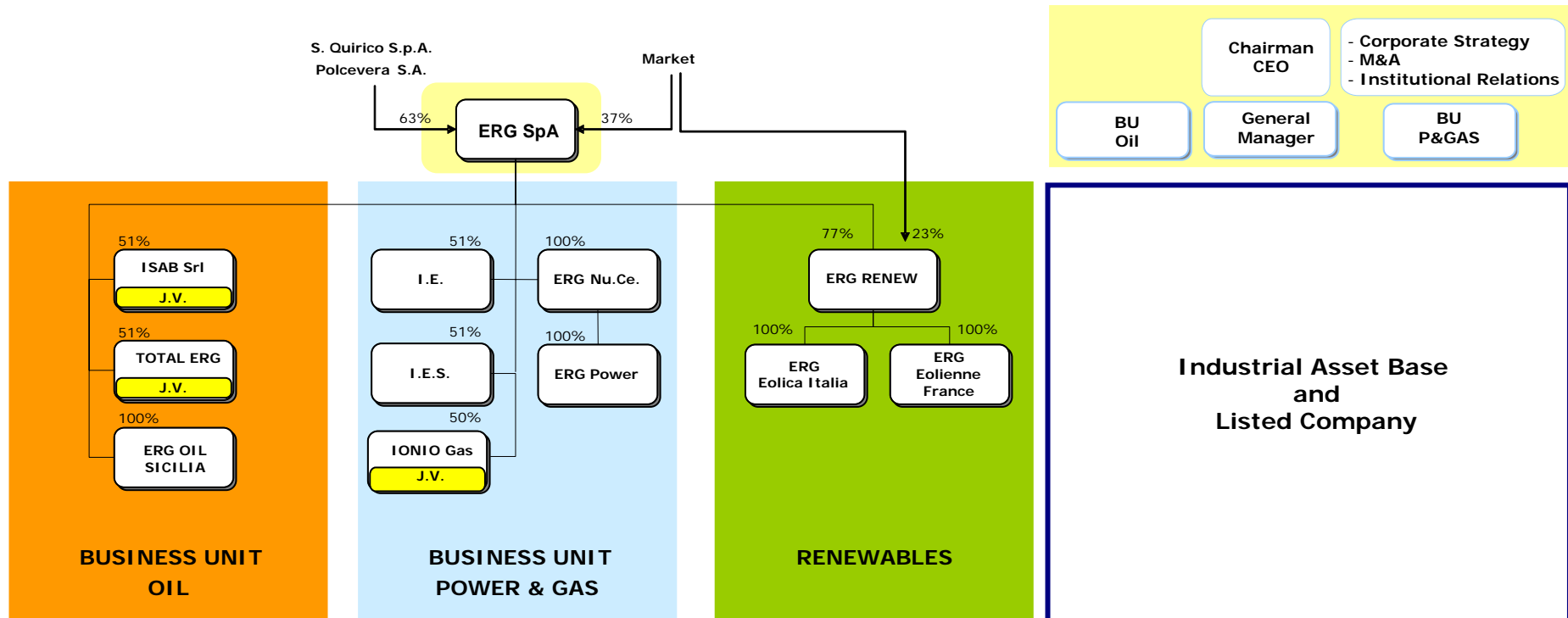
In the first half of 2010 the Group will be re-organised through:

- **Streamlining of overall company structure** by reducing the number of sub-holdings
- **Improvement in business organisation** by creating two business units fully dedicated to OIL and Power&Gas
- **Concentration of OIL and Power&Gas core activities/competencies in ERG**
- **ERG Renew** will be kept as a stand-alone company via which ERG will expand its renewable activities (wind and solar power)



ERG Group after re-organisation

- Ongoing company re-organisation:
 - ✓ consistent with the recent transactions and further potential developments
 - ✓ optimising cost structure and streamlining decision-making process





CEO's Final Remarks

OIL SECTOR: creating value through partnerships with major players

- **Coastal refining:** JV with **LUKOIL** (51% ERG – 49% Lukoil), with a cash-in of about €1.5bn after tax and a PUT option
- **Integrated downstream:** JV with **TOTAL** (51% ERG – 49 % TOTAL) expected to be closed on October 1st 2010

ENERGY: strengthening of asset base ongoing and almost complete in 2010

- **NuCe** plant (480MW) fully operational by 1Q2010 and recently refinanced (P.F. €330mn)
- **ISAB Energy** (528MW) reconstruction to be completed by 2Q2010, with insurance reimbursement (€250mn) fully cashed in
- **ERG Renew:** 2009-2012 Plan on track to reach 369MW by 2012

Group re-organisation: streamlining decision-making on a cost effective basis

Multi-energy strategy moving forward