



## Business Description

The ERG Group, also through its own subsidiaries and joint ventures with primary international operators, operates in the following segments:

### Refining & Marketing

The Group is active in the segment of **Coastal Refining** through the joint venture with LUKOIL that controls the ISAB refinery in Priolo, one of the main sites in the Mediterranean both in terms of capacity (320 thousand barrels/day) and in terms of complexity (Nelson index 9.3). The current 40% will decrease to 20% during 2012 following the partial exercise of the put option announced on 31 January 2012 with a view to reducing exposure in the refining sector.

ERG is present in the **Integrated Downstream**, through TotalErg, joint venture with Total, with a network of approximately 3,400 sales outlets (approximately 12% of the market share) and fuel sales of 4 million m<sup>3</sup>/year, and through ERG Oil Sicilia (EOS), 100% owned by ERG, operating in the retail and wholesale markets in Sicily.

TotalErg also operates in the **Refining** segment (Raffineria di Roma, wholly owned, and Raffineria Sarpom of Trecate, with a 26% share).

### Power & Gas

The Group is active in the production of electric energy and steam and as wholesaler on the markets for energy and natural gas. ERG's main investments in the segment are:

- **ISAB Energy S.r.l.:** company owning a plant (528 MW), fuelled by synthesis gas obtained from a process of gasification of asphalt originating from the ISAB Refinery in Priolo (Sicily);
- **ERG Power S.r.l.:** this company owns the North Plant (480 MW) located in the industrial site of Priolo, comprising a combined cycle plant fuelled by natural gas and a counter-pressure steam plant.

Projects undergoing authorisation:

- **Ionio Gas S.r.l.:** a joint venture with Shell Energy Italia for the development of a liquefied natural gas regasification plant in the Priolo industrial site.
- **ERG Rivara Storage S.r.l.:** (15% ERG, 85% Independent Gas Management - Independent Resources Group): company for the construction and operation of an underground natural gas storage site in Rivara in the Municipality of San Felice sul Panaro – Modena.

### Renewable Energy Sources

Through the subsidiary ERG Renew, ERG operates in the sector of the generation of electricity from renewable sources with a wind power of 552 MW in operation at 31 March 2012, of which 64 in France. It is also active in the development of new initiatives in Eastern Europe through LUKERG Renew, joint venture between ERG Renew and LUKOIL.

ERG Renew is completing the wind farm in Ginestra (40 MW, of which 32 MW already in operation as at 31 March 2012) and it is continuing the work for the construction of the wind farm in Amaroni (22.5 MW), expected to start production by the end of 2012. Moreover, in January, an agreement was reached through LUKERG for the acquisition of a wind farm of 40MW in Bulgaria, which will be finalised in the coming months.