



Press release

Rome, 3 March 2005 - ERG and Eni have reached an agreement for ERG to purchase the 28% shareholding in ERG Raffinerie Mediterranee and ERG Nuove Centrali (ERG NuCe) owned by Eni.

As a result of this transaction ERG owns 100% of ERG Raffinerie Mediterranee and ERG NuCe.

The cost of this acquisition, amounting to Euro 106 million, is in line with that envisaged for the put and call options exercisable by ERG and Eni before the end of 2006.

The decision to exercise the option was agreed jointly by the two companies as part of the negotiations that have definitively concluded the transfer of the Eni refinery in Priolo to ERG Raffinerie Mediterranee.

The crude oil processing contracts and supply contracts with Eni's petrochemical activities will continue until their expiry date of 31 December 2006.

The operation is part of Eni's strategy to reduce its refining capacity located in areas far from its retail markets.

Obtaining 100% control of ERG Raffinerie Mediterranee fits into the ERG Group's strategy to develop further the Priolo/Melilli industrial site. Indeed, once the important investment plan regarding the improvement and integration of the ISAB Impianti Sud and Impianti Nord refineries is completed, the ERG Med refinery will be able to optimise its configuration and will thereby become one of the leading operators in the European refining sector.

Business Description

ERG is the largest independent Group operating in the energy and petroleum sectors in Italy, quoted on the Stock Exchange since October 1997. It is active in crude oil processing, the distribution of petroleum products and power generation. Today it accounts for approximately 22% of the national refining capacity and is the second largest sector operator in Italy. ERG sales on the domestic market account for 9% of the national consumption of petroleum products. ERG Group activities are divided into three business areas:

- **Coastal refining:** via the subsidiary company ERG Raffinerie Mediterranee (ERG Med), into which the ISAB Sud and ISAB Nord (ex AgipPetroli) refineries in Priolo Gargallo (Syracuse) have been merged, ERG manages one of the largest and most efficient refining complexes in Europe and is the largest Italian exporter of petroleum products (mainly diesel and gasoline). ERGMed also supplies products to other oil companies operating in the country. The ISAB Sud Refinery is certified ISO 14001.
- **Integrated downstream:** via the subsidiary ERG Petroli (100% owned by ERG) ERG manages the marketing and logistics divisions; furthermore, ERG Petroli owns important shareholdings in two refineries: one in Treccate, near Milan, and one near Rome. The ERG logistics system is one of the largest in Italy and is strategically positioned to allow the distribution of petroleum products throughout the country. The distribution of transport petroleum products in Italy is carried out via a network of some 2,000 service stations, which account for around 7% of the domestic market. ERG Petroli also sells gasoline, diesel, fuel oil, bitumen and LPG on the wholesale market, via a network of wholesalers in Italy and Switzerland. ERG Petroli also operates in the retail and wholesale markets in Spain, via its subsidiary ERG Petroleos (100% ERG Petroli).
- **Power Generation:** via the subsidiary ERG Power & Gas (100% ERG), ERG manages and develops the production and marketing of electrical power, steam and gas market. In particular, ISAB Energy, certified ISO 14001, produces electricity via a power station with a capacity of 524 MW, which uses as its fuel syngas deriving from the gasification of residues from the ISAB Sud refinery. Projects are already underway for the repowering of the two power plants inside the ISAB Sud and Nord refineries to 99 MW and 450 MW respectively. They will have natural gas as a feedstock.

ERG is one of the 400 global "stocks worth owning" (12 are Italian) for investors for the year 2004: this is the result of the sixth Forbes magazine global roster.

ERG forms part of the new Kempen Capital Management/SNS Asset Management SRI Index which groups together, at a European level, the companies with the very highest standards and practice in the three areas of business: ethics, human resources and environment.

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