



Rome, May 16th 2004 – ERG CESA Eolica is the name of the company founded in April 2004 as part of the 50:50 joint venture agreement between ERG Power & Gas, an ERG Group company operating in the production of electrical energy, and CESA, a global leader in the field of wind power.

The company plans to build wind farms in Italy, with a generating capacity of approximately 300 MW.

## ***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 its subsidiary company ERG Raffinerie Mediterranee, into which the ISAB Sud and ISAB Nord refineries in Priolo Gargallo (Syracuse) have been merged, ERG manages one of the largest and most efficient refining complexes in Europe (capacity of 380,000 bbl/day) 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 its subsidiary ERG Petroli ERG manages the marketing and logistics divisions; furthermore, ERG Petroli owns important shareholdings in two refineries: one in Trecate, near Milan, and one near Rome (capacity of 55,000 bbl/day). 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 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 its subsidiary ERG Power & Gas ERG manages and develops the production and marketing of electrical power, steam and gas. In particular, ISAB Energy (51% ERG Power & Gas), certified ISO 14001, owns a power station with a capacity of 528 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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