



## Press Release

### Partnership in a project to develop a natural gas storage facility

Genoa, 24 April 2008 - Independent Resources (“IRG”) and ERG Power & Gas (“ERG”) have signed a partnership agreement for the development of the natural gas storage facility at Rivara (Modena), in the Po Valley.

For an investment of 9.5 million Euro (25% paid on transaction closing), ERG will receive a 15% equity interest in a newly-formed company (“Newco”), to which all project-related assets will be transferred. ERG will also have a preferential rights to Rivara’s future storage capacity.

The Rivara project, which is expected to play a strategic role within both Italian and wider European gas system, will have a nameplate working gas capacity of 3.2 billion cubic metres and the ability to deliver in excess of 32 million cubic metres of gas per day back into the Italian pipeline system.

The world-leading oilfield services group Schlumberger has been appointed to advise on and manage the development activities.

Subject to obtainment of all necessary authorisations, the facility is scheduled to come on stream in 2013.

The ERG Power & Gas CEO, Raffaele Tognacca, said: “We are delighted by the agreement reached with Independent Resources, which allows our company to achieve a major step forward in implementing its growth strategy as regards the gas market”.

IRG’s Executive Chairman Grayson Nash commented: “We are delighted to have reached this agreement with ERG Power & Gas, with whom we share a common vision for the growth of the Italian gas market”.

## ***Business Description***

ERG, quoted on the Milan Stock Exchange, is active in crude oil processing, the distribution of petroleum products and power generation, steam and gas. Today it accounts for approximately 19% 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. Group activities are divided into three business areas:

- **Coastal refining:** via its subsidiary company ERG Raffinerie Mediterranee, which owns the ISAB Refinery South and North plants in Priolo Gargallo (Syracuse), ERG manages one of the largest and most efficient refining complexes in Europe (capacity of 320,000 bbl/day) and is the largest Italian exporter of petroleum products (mainly diesel and gasoline). ERG Med also supplies products to other oil companies operating in the country. Both the South and North plants of the ISAB Refinery are 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 and one near Rome (combined capacity of 60,000 bbl/day). Through a large logistics system ERG distributes petroleum products throughout the country. The distribution of 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 electricity, steam and gas.
  - *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 plant.
  - *NuCe* (100% ERG Power & Gas ): is the owner of the two power generation plants one inside each of the ISAB Refinery South and North plants with a capacity of 99 MW and 450 MW respectively. Projects are already underway for their repowering. They will have natural gas as a feedstock.
  - *Wind power generation:* Enertad (68% ERG), a company listed on the Milan Stock Exchange, has an installed capacity of 132 MW and an Italian market share of 4.5%. Its business plan for the 4-year period 2007-2010 envisages further growth to reach a total capacity of 390 MW, of which 169 MW already authorised.

Furthermore, ERG Power & Gas has entered into a 50:50 joint venture with Shell Energy Italia for the development of a liquid natural gas regasification plant in the Syracuse area.

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## Independent Resources plc Company Profile

Independent Resources plc (IRG) was founded in June 2005 by three partners: Roberto Bencini, geologist, Grayson Nash, and Stephen Staley, the latter both experts in the energy and financial sectors. In December 2005 the company was listed on the AIM (Alternative Investment Market) a unit of the London Stock Exchange.

The company is engaged in a series of projects which relate to both **the exploration and production of oil and natural gas in Italy and North Africa, and natural gas and CO<sub>2</sub> storage.**

There are two wholly-owned subsidiaries which are developing such projects in Italy:

- **Independent Gas Management srl (IGM)**, a company registered in Italy which is specialized in natural gas storage. IGM is developing the “Rivara” project, which involves the development of an underground natural gas storage site with a working gas storage capacity of approximately 3 billion cubic meters of gas, near Rivara in the Province of Modena.
- **Independent Energy Solutions srl**, operates along two fronts which are very closely aligned: exploration and development of innovative sources of energy and CO<sub>2</sub> sequestration. The company has proposed a project in Roccastrada township, in the Province of Grosseto, which involves two distinct phases of development. The first phase involves the primary extraction of methane from subsurface coal seams using a common technology applied in many parts of the world (CBM), whereas during the second phase CO<sub>2</sub> will be permanently stored within the pores of the coal which have been liberated of methane. The company has obtained clearance from the Tuscan Regional Government, pursuant to its recent deliberations, to proceed with the project’s exploration phase.

In its pursuit of an ideal partner at Rivara, IRG was advised by Banca IMI, Intesa Sanpaolo’s investment bank division. Franco Vigliano led the team of legal advisors from Ashurst, the international law firm.

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