



## **Saras Energia acquires ERG Petróleos service stations in Spain**

**Roma, 29<sup>th</sup> October 2008** - Saras Energia S.A. (Saras Group), and ERG Petróleos S.A. (ERG Group), have signed today a contract for the purchase of 81 service stations from ERG Petróleos, located in Spain.

The 81 stations have an average sale volume of 2.5 million litres per year, in line with the average Spanish sale volumes.

The operation, expected to be closed in Q1 2009, has been concluded for a total consideration of EUR 42 million, and it will be financed with Saras Group own resources.

Saras CEO, Mr. Massimo Moratti, declares that: “the purchase of the Spanish network of service stations from ERG is part of Saras Group growth and consolidation strategy, whose objective is to strengthen its presence in the Spanish market, in particular along the Spanish Mediterranean coast, in line with the industrial plan for 2008-2011. Approximately 80% of the service stations are located in the regions of Catalonia, Valencia (Levante), Zona Centro, Andalusia and Extremadura. Therefore, Saras Energia will generate important synergies by integrating the new stations with the logistics already owned and operated on the Spanish Mediterranean coast.”

ERG CEO, Mr. Alessandro Garrone, comments that: “the operation is part of the multi-energy politics followed by the ERG Group, oriented towards the optimisation of the capital invested in the various business areas, also through the dismissal of non-strategic activities, such as the service station’s network in the Spanish market. The operation was concluded at satisfactory levels, in line with market values.”

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## THE SARAS GROUP

The Saras Group, whose operations were launched by Angelo Moratti in 1962, works in the energy industry and is a leading Italian and European crude oil refiner. It sells and distributes petroleum products in the domestic and international markets directly and through the subsidiaries Saras Energia S.A. in Spain and Arcola Petrolifera S.p.A. in Italy. The Group also operates in the electric power production and sale through the subsidiary Sarlux S.r.l. and the Parchi Eolici di Ulassai S.r.l.. In addition the Group provides industrial engineering and scientific research services to the oil, energy and environment sectors through the subsidiary Sartec S.p.A. and operates in the information services sector through the subsidiary Akhela S.r.l..

The Group, with about 1,900 employees, during 2007 reported total revenues of about EUR 6.7 billion, an operating profit of EUR 509 million and net profit of EUR 323 million.

Saras' operations are mainly centred at the Sarroch refinery near Cagliari on the southern coast of Sardinia. Sarroch is one of the largest refinery in the Mediterranean by production capacity and one the most complex in Europe. The refinery's actual capacity is 15 million tonnes per year (110 million barrels), representing about 15% of Italy's total capacity. Sarlux owns a combined cycle power plant with gross capacity of 575 megawatts and annual production exceeding 4 billion KWhours, all of which is sold to the GSE (the Italian entity that manages renewable sources).

## THE ERG GROUP

ERG, quoted on the Milan Stock Exchange, is active in crude oil processing (second largest operator in Italy, with approximately 19% of the national refining capacity), the distribution of petroleum products and power generation. ERG sales in Italy account for 9% of the national consumption of petroleum products. ERG Group activities are divided as follows:

- **Coastal refining:** via its subsidiary company ERG Raffinerie Mediterranee, ERG manages the ISAB refinery in Sicily, (about 320,000 bbl/day), one of the largest sites in the Mediterranean area.
- **Integrated downstream:** via its subsidiary ERG Petroli, ERG manages the marketing and logistics divisions; ERG Petroli owns important shareholdings in two refineries in Trecate (Milan) and Rome (ERG share 60,000 bbl/day). The retail network (some 2,000 service stations) accounts for around 7% of the domestic market.
- **Thermoelectric Power Generation:** via its subsidiary ERG Power & Gas, ERG produces and sells thermoelectric power and steam. ISAB Energy (51% ERG Power & Gas) produces electricity from refinery residue via a power station with a capacity of 528 MW. NuCE (100% ERG Power & Gas) owns a power plant (current capacity of about 150 MW) inside the ISAB refinery, which is currently under repowering. At the end of this project the power plant will have a total capacity of about 480 MW and natural gas as feedstock. Ionio Gas (50% ERG Power & Gas) is a 50:50 joint venture with Shell Energy Italia for the development of a LNG regasification plant in Sicily.
- **Renewable Energy Sources:** ERG generates electricity from renewable sources through its subsidiary ERG Renew (77.4% owned by ERG), listed on the Milan stock exchange, which has an installed capacity of 134 MW (79 MW in Italy and 55 MW in France). The company also has a further 37.5 MW at commissioning stage, 168 MW under construction, 73 MW authorised and 227 MW being developed to reach an overall target of 700 MW. ISEA and Ecopower have a capacity of about 3 MW in the mini-hydropower sector.