



## Press release

### ERG to exercise put option on 11% of ISAB

Genoa, 31 January 2011 – ERG S.p.A.'s Board of Directors today approved the exercise of the put option on 11% of ISAB S.r.l.

The decision is in accordance with the agreement signed with LUKOIL in 2008 (see press release dated 24 June 2008) to create a Joint Venture for the management of the ISAB refinery in Priolo (Sicily). The agreement includes a put option on ERG's investment to be exercised within 4 years in one or more instalments, no more than once every 12 months.

The 11% stake in ISAB (excluding inventory) to be sold to LUKOIL is valued at 205 million Euro, net of a 15 million Euro reduction, in accordance with subsequent amendments to the original agreement of 24 June 2008 (see press release dated 17 February 2009).

Following the sale, LUKOIL will own 60% of ISAB and ERG 40%. The Company will continue to be managed by the two partners based on existing shareholder agreements with a joint governance structure for all important business matters, including an operating agreement to ensure its efficient and effective operational independence.

Closing is expected by the end of the first quarter of this year.

Alessandro Garrone, ERG's Chief Executive Officer, commented: "the disposal will enable ERG to maintain an industrial role in the coastal refining business in partnership with LUKOIL, in line with the Group's "multi-energy" strategy, whilst further strengthening its financial structure. I am also pleased with ERG and LUKOIL's solid industrial relationship, which in the past few years has allowed us to achieve significant operating efficiency gains through our joint management of the refinery".

*The present press release, concerning ERG Board of Directors' decision to approve the exercise of the put option on 11% of ISAB S.r.l., issued on 31 January 2011 at 7.15 p.m. (CET), has been prepared pursuant to Regulation implementing Legislative Decree no. 58 of 24 February 1998, as adopted by Consob by resolution no. 11971 of 14 May 1999, as amended and supplemented, available at Borsa Italiana S.p.A. ([www.borsaitaliana.it](http://www.borsaitaliana.it)) and on the company website, [www.erg.it](http://www.erg.it).*

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