



Press release

Galsi and Confindustria Sardegna: “The Galsi pipeline will provide enormous growth opportunities for the entire economy of the island”

The project was discussed this morning in Olbia at a conference organized by Confindustria Sardegna and Galsi

Olbia, 20 February 2010 – At least €200 million in investment potentially available to Sardinian business, over 5,000 workers employed in the building and operation of the local networks, annual energy savings of up to €350 million for industry and a round table to help Sardinian firms ready themselves for the arrival of gas. These were the main points that emerged from this morning’s conference in a packed hall at Olbia University near the Costa Smeralda Airport organised by Confindustria Sardegna and Galsi to explore the economic implications of the Galsi Pipeline.

Taking part in the conference, which was opened by the President of Confindustria Sardegna Massimo Putzu, alongside the heads of the Galsi consortium and Confindustria Sardegna, were the Region of Sardinia, represented by Local Authorities Commissioner Gabriele Asunis, and the President of Sfirs Antonio Tilocca. The meeting also heard a vital contribution from Snam Rete Gas—which has an agreement with Galsi to build the pipeline section from Porto Botte to Piombino—describing the construction stages and the possible opportunities for Sardinian firms. Edgardo Curcio, President of AIEE, the Italian Association of Energy Economists, illustrated the economic implications for Sardinia of the arrival of methane, stressing the benefits in terms of savings, the local economy and improvements to the environment. Finally, the Chairman of ANCE Sardegna Maurizio de Pascale gave a closing address.

The meeting outlined the extremely positive outlook for the island's development, as Galsi CEO Mohamed Yousfi explained: “Sardinia is the only Italian region that is still not connected to the national gas network. Galsi therefore represents a unique opportunity for methanization with clear benefits for the local economy and its inhabitants. The construction of a project on the scale of Galsi is definitely a huge opportunity for business in the areas affected by the works. Even greater in the case in Sardinia, which will directly receive a significant portion of the investments. We must not forget however that the pipeline will deliver its greatest benefits later on, when it is fully operational. The arrival of methane will bring considerable savings in gas bills for industry and the general public and a massive incentive to growth of energy intensive industries”.

The conference not only focused on the economic aspects of the scheme but also laid the basis for an ongoing dialogue between Galsi and Sardinian business, as Confindustria Sardegna Chairman Massimo Putzu made clear: “We have to ensure the broadest possible awareness of the project and provide a full exchange of information with companies on how they can qualify to take part in the work. We want the knock-on effects for the economy to be enjoyed as widely as possible. This is why we have agreed to set up a round table between the Sardinian association members of Confindustria, Ance Sardegna, GALSI and Snam Rete Gas where interested firms can go to find all the information they need. The pipeline is a huge opportunity for the citizens and companies of Sardinia. We have to make every effort to overcome



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the last remaining obstacles and push ahead with construction of the infrastructure. Sardinia cannot afford to miss out on this appointment that we have been waiting for for decades”.

Created in 2003 as an engineering design company, today Galsi is responsible for the development, construction and operation of a new pipeline connecting Algeria to Sardinia and Tuscany stretching over 900 km, of which around 600 km offshore. The initial capacity of the pipeline will be 8 billion cubic meters per year, a portion of which is destined to supply Sardinia with natural gas. Partners to the initiative are the Algerian Sonatrach (which today owns 41.6% of the company) and the Italian company Edison (with 20.8%). Other important Italian operators with a stake in Galsi are Enel (15.6%), Hera Trading (10.4%) and the Region of Sardinia through its subsidiary Sfirs (11.6%).

Contacts:

Galsi press office

Sara Milanesi –

Tel. 02 6597612

Cell. 347.782.11.96

s.milanesi@galsi.it

Confindustria Sardegna

Roberto Saba

Tel. 070 650600

Cell. 3296285510

r.saba@confindustria.sardegna.it