



Galsi and Snam Rete Gas confirm commitments to build new gas pipeline from Algeria to Italy via Sardinia

Milan, 30 September 2008 – Galsi and Snam Rete Gas today signed an agreement that confirms the mutual commitment to, and sets out the conditions for, the construction of the Italian section of the new pipeline importing gas from Algeria to Italy, via Sardinia.

The Galsi project includes the international undersea section, from the Algerian coast to the south of Sardinia near Cagliari, and the Italian section comprising the overland section crossing Sardinia (to the Olbia area) and a new undersea section to Tuscany (near Piombino), where the pipeline will be connected to the Italian national transport network.

The pipeline will be approximately 900 kilometres in length overall, of which 600 km will be offshore and at a maximum depth of around 2800 metres between Algeria and Sardinia. The initial transport capacity will be 8 billion cubic metres a year.

In particular, the agreement signed today, which follows the Memorandum of Understanding of 7 November 2007 and lies in the framework of the subsequent inter-governmental agreement between Italy and Algeria signed on 14 November 2007, addresses the development, realization and start-up of the Italian section of the project. According to the agreement, Galsi will develop the engineering and obtain the main permits and authorisations required, and Snam Rete Gas will build the pipeline and subsequently manage the gas transport activities.

The agreement reached confirms the commitment of Galsi (41.6% Sonatrach, 20.8% Edison, 15.6% Enel, 10.4% Hera Trading, 11.6% Sardinia Region) and Snam Rete Gas to invest extensive resources in the construction of one of the biggest natural gas procurement projects in Italy's history and one that represents, over and above the new technological challenge, the first step towards a methane supply for Sardinia, a region that currently does not have natural gas available.

This agreement represents another strategic stage in the process of opening up the gas market in Italy and in Europe, since it will allow the importation and sale of natural gas along a new route and allow new operators to embark on the Italian market.

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This press release is also available on the websites www.snamretegas.it and www.edison.it.

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