



Galsi initiates the authorisation process for pipeline construction ***Presented today the application for building and operation permits and the statement of eco-compatibility for the Italian section of the pipeline***

MILAN, 31 July 2008 – Galsi, the company responsible for the development, construction and operation of the new import pipeline linking Algeria to Tuscany via Sardinia, today applied to the Ministry for Economic Development for permits to build and operate the Italian section of the pipeline, formally opening the authorisation process. The application also includes a request to the Ministry of the Environment (MATTM) and the Ministry of Cultural Heritage for approval of the assessment of the pipeline's impact on the environment and natural habitat.

The procedures involve an examination of documentation consisting of project plans and designs and the environmental impact study which Galsi delivered to the competent authorities, together with a request for a statement of conformity of the works with environmental protection standards. The permitting process will conclude with the issue of ministerial authorisation to begin construction in accordance with the agreement signed last November between Galsi and Snam Rete Gas.

The opening of the authorisation phase represents a further major step forward for the Galsi project following identification of the final route for the pipeline, completion of the basic infrastructure engineering, definition of the compressor stations and the environmental impact study carried out in July of last year by D'Appolonia. Identifying the optimal route, in particular for the undersea sections, required a massive deployment of technology and highly specialised engineers to map the precise geomorphology of the seabed between Olbia and Piombino.

Overall Galsi will stretch 596 km across Italian territory. A first undersea section of 45 km will land south of Porto Botte. It will then cross Sardinia for 272 km before dropping undersea to reach Tuscany near Piombino where it will connect to the Italian gas network. The pipeline will pass through 40 Sardinian towns as well as Piombino in Tuscany, and will have 38 branches supplying gas to towns and industrial areas.

The full Galsi documentation including the environmental impact study may be viewed from today on the web site of the Ministry of the Environment and at the offices of the Region of Sardinia, Tuscany and the URTAT of Leghorn.

Created in 2003 as a 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 Sfiris (11.6%).

Company references

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