



## Press release

### **EDISON: NEW GAS DISCOVERY IN ALGERIA**

**The third well drilled in the Reggane Nord block discovered gas with a flow rate of 763.000 m3/d**

**Gas discovered in the Carboniferous level for the first time in this area**

**The new discovery reinforces the possibilities of a commercial declaration for the Reggane North area by 2008**

Milan, 16 May 2006 – Edison, in joint venture with Repsol YPF, RWE Dea and Sonatrach has successfully drilled and tested another gas discovery in Reggane Nord in the Algerian desert. The KL-2 exploration well is in a new structure called Kahlouche, and follows upon the recently announced successful drilling of two other wells in the Reggane Basin.

“This discovery is the third in few months and confirms the potentiality of this exploration area”, Umberto Quadrino, Chief Executive Officer of Edison, commented. “The discovery could reinforce the possibility that gas reserves could be declared commercial in 2008”.

This latest discovery is in addition to last month’s news that the consortium had successfully drilled two new wells in the Reggane Basin, the RG-5 (delineation) well yielding a preliminary production rate of 636,000 m3/day and the SLI-1 (exploration), with a preliminary production rate of 100,000 m3/day.

The KL-2 well tested gas at a depth of 3,983 meters in the Lower Devonian (Siegenian) geological formation at a rate of 763,000 m3/day (choke 32/64” and a well-head pressure of 4,081 psi). For the first time in this area, the same well also tested gas at a depth of 2,360 meters in the Carboniferous (Tournasian) level at a rate of 483,000 m3/day (choke 32/64” and a well-head pressure of 2,649 psi).

Reggane Nord comprises the blocks 351c-352c in the Reggane Basin, situated in Algeria’s Sahara Desert. The area of these blocks is about 8,566 km2. The Joint Venture of these blocks is formed by a consortium led by Repsol YPF (33,75%, Operator), RWE Dea (22,50%), Edison (18,75%) and the national Algerian company Sonatrach (25%). Edison and its foreign partners won these blocks in the competitive



III Bidding Round for Exploration Blocks called for the Energy and Mines Ministry and Sonatrach in 2002.

The consortium is implementing an ambitious exploration and delineation plan in Algeria in 2006 and 2007, and which includes the drilling of at least eight more wells (two in the current year). Also included is an additional seismic programme of 650 km of 2D that is already in progress.

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