



## Press release

### **EDISON WILL IMPORT TWO BILLION CUBIC METERS OF NATURAL GAS A YEAR FROM ALGERIA**

**Signed a Sale and Purchase Agreement for the period 2008-2019. The new supply contract will sustain Edison to implement its industrial plan**

Milan, September 21<sup>st</sup>, 2006 – Edison and Sonatrach (Algeria's national hydrocarbons company) have signed a Sale and Purchase Agreement for the supply of two billion cubic meters of natural gas a year.

Natural gas will be delivered to Italy through the new capacity made available on the Transmed pipeline following Phase I of TTPC reinforcement. Deliveries will begin between June and October 2008, in accordance with the completion of the pipeline upgrade, and will end in 2019.

The signature of this agreement is the result of a long cooperation process and represents an important milestone in the already consolidated relationship between Edison and Sonatrach. The long term contract will strengthen the ties between the two companies and enlarge the areas of mutual cooperation, which is progressively evolving in the wider light of the EU energy policy and cooperation with Algeria.

The Hydrocarbons Operations provide momentum for Edison's future growth. Edison's specific goal is to become Italy's second-largest operator in the hydrocarbon field as well, and to be recognized as an international player in this industry.

The new supply contract will increase Edison's supply portfolio and will sustain the Company to implement its industrial plan and reach the objective of 19 billion cubic meters of natural for a 20% share of the Italian natural gas market by 2011.



Among Edison other projects that will ensure gas medium and long term supplies in Italy, the development of the Rovigo regasification terminal, the only such facility currently under construction in Italy. When the terminal goes on stream in 2008, it will enable the Group to import natural gas in liquefied status.

Edison is also developing an additional terminal in Tuscany and gas pipelines linking Italy with Algeria (Galsi) and Greece (Igi) and. These infrastructural projects will provide Edison and Italy with more diversified and reliable sources of natural gas, diversifying its supply sources, increasing security and gaining access to competitively priced natural gas.

Thanks to these new initiatives, Italy could become a crucial natural gas hub for all of Europe, making Edison a protagonist in this expanding market.

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