



Press Release

EDISON: MAJOR STEP FORWARD FOR THE GALSI NATURAL GAS PIPELINE

The Shareholders' Meeting of Galsi Spa agrees to launch a 30-million-euro capital increase and approves Galsi's transformation into a development, guidance and management company

Edison's Roberto Potì is confirmed as Chairman

Milan, December 20, 2006 – Galsi's shareholders convened today for an Extraordinary Meeting under the chairmanship of Roberto Potì. They agreed to launch a **30-million-euro** capital increase and approved an amendment to the Bylaws that enables Galsi to evolve **from a research company into a development, guidance and management company**.

By providing the company with the financial resources needed to start the executive phase of the project, the resolutions approved today **significantly speed up** the development of the Galsi project, which involves the construction of a natural gas pipeline that will connect Algeria, Sardinia and Tuscany.

The new governance structure adopted by the company calls for Roberto Potì (who represents Edison, the company's second largest shareholder) and Mohamed Yousfi (who represents Sonatrach, the company's largest shareholder) to continue serving as Chairman and Chief Executive Officer, respectively.

The new pipeline will run approximately 900 kilometers, more than 300 of which will be in water over 2,500 meters deep, between Algeria and Sardinia. **It will have a transmission capacity of 8 billion cubic meters a year**, part of which will be used to meet Sardinia's natural gas needs. The balance will be fed into the Italian natural gas transmission network.



Edison is Galsi's main Italian shareholder. Additional shareholders include Sonatrach, Algeria's national hydrocarbon company, as well as other Italian (Enel, Hera, Sfirs and Progemisa) and international (Wintershall) companies.

Under an agreement signed on November 15, 2006, Edison has secured the supply of 2 billion cubic meters of natural gas a year for 15 years, starting on the date when the Galsi pipeline becomes operational.

The Hydrocarbons Operations will continue to provide momentum for Edison's future growth. Edison's goal is to consolidate its role as a **leading operator in the hydrocarbon field** and to strengthen its position as an international player in this industry. Other Edison projects that will increase the supply of natural gas over the medium and long term include 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 liquefied natural gas (LNG).

Edison is also developing a natural gas pipeline that will link Italy with Greece (IGI) and an additional regasification terminal. These infrastructural projects will enable Edison and Italy to diversify their supply sources, increasing security and allowing access to competitively priced natural gas.

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