



Press Release

SIGNING OF AN ITALY-GREECE INTRA-GOVERNMENT AGREEMENT ON THE INTERCONNECTOR-GREECE-ITALY ("IGI") GAS PIPELINE TO BE BUILT BY EDISON AND DEPA

The new gas pipeline will be completed in 2010: It will help Italy diversify its natural gas supply sources and gain reliability and competitiveness.

Lecce, November 4, 2005 – At a meeting held today in Lecce in Southern Italy, Mr. Hilmi Güler, Turkey's Energy Minister, Mr. Claudio Scajola, Italy's Industry Minister and Mr. Dimistri Sioufas, Greece's Minister for Development signed an Italy-Greece intra-government agreement that provides a key starting point for construction of the IGI pipeline between Italy and Greece. The pipeline will be constructed by Edison and its Greek partner, Depa.

With the collaboration of Botas, Turkey's national gas company, this new infrastructure will be connected to Turkey's pipeline network. As a result, the new pipeline will enable Italy to import between 8 and 10 billion cubic meters of natural gas a year from the Caspian Basin and the Middle East, which between them have more than 20% of the world's reserves. With the IGI pipeline, Italy will be able to diversify its natural gas supply sources and increase national competitiveness. .

"We are extremely pleased with the signing of this intra-government agreement between Italy and Greece and with the interest that Turkey has shown in this project, as they constitute key developments in the process of building the IGI gas pipeline," said Umberto Quadrino, Edison's Chief Executive Officer. "This new infrastructure will enable us to buy natural gas on competitive terms for our domestic customers and for our power plants that use combined-cycle technology, the most efficient and environmentally friendly technology available today. By 2010, more than 60% of the electric power produced in Italy will come from power plants fueled with natural gas — hence the strategic importance of this project. Greater availability of competitively priced natural gas will also help Italy become a transit hub for exports of natural gas to Northern Europe."



Construction of the Italy-Greece gas pipeline will begin in 2007, with completion scheduled for 2010. This project will require investment of approximately 950 million euros. Approximately 600 million euros will be invested directly by Depa for the portion of the pipeline that will be located in Greece. Approximately 350 million euros will be invested by Poseidon, a 50-50 joint venture that will be established by Edison and Depa, to build the underwater segment between Italy and Greece. Subsequently, Botas will also be offered an opportunity to invest in the joint venture.

The IGI Project has already been reviewed by the European Union, which considers it one of five priority schemes for the development of a trans-European energy system and has provided financial support for the development of technical and financial feasibility studies. In Italy, local and regional governments have also expressed significant interest in this project and Edison will cooperate actively with them to define the best conditions for the construction of the project.

The IGI pipeline will have a length of about 800 kilometres, 600 kilometres of which will be built by Depa in Greece. The remaining 200 kilometres will run under the sea between Greece and Apulia. This infrastructure project will have virtually no visual impact. The section of the pipeline that will reach into Apulia will be completely underground. The gas metering station, which will be the size of a small house and garden, will be the only visible structure. Moreover, the facility will have no impact on the environment, since nothing will be released into the atmosphere or the sea.