



Press release

EDISON: IGI POSEIDON SA, THE COMPANY THAT WILL REALIZE THE ITALY-GREECE NATURAL GAS PIPELINE, IS BORN

Athens, June 11, 2008 – IGI Poseidon SA, the company that will design, develop and manage Greece-Italy natural gas pipeline, which will run 200 kilometers under the sea between the Greek coast and the coast of Apulia, was established today in Athens. This infrastructure, which has already reached an advanced phase of the authorization process both in Greece and in Italy, will be used to import 8 billion cubic meters of natural gas a year from the Caspian Sea Basin, where over 20% of the world's reserves are located, thereby helping diversify the supply sources for Italy and Europe as a whole.

According to shareholders' agreements, IGI Poseidon is a 50-50 joint venture of Edison International Holding (100% Edison) and Depa, Greece's government owned hydrocarbon company. According to agreements, Depa will appoint its current Chairman, Assimakis Papageorgiou, as Chairman of IGI Poseidon and Edison will appoint Edison's Senior Vice President of Development and Chairman of Edison Hellas, Roberto Potì, as Chief Executive Officer.

“With the establishment of IGI Poseidon, we are entering the final phase in the development of the ITGI Project, an energy corridor for the importation of natural gas from the Caspian Basin by way of Turkey and Greece, two countries that share a pipeline connection since November 2007. Edison and Depa will build together the final link in this new natural gas route,” said Potì. *“Construction of the pipeline will start in 2009, once the gas supply contracts have been signed, with completion scheduled for 2012. This pipeline will help improve supply reliability and will increase competition in the natural gas market both in Italy and in Europe.”*

The strategic significance of this infrastructure was emphasized at the government level with the signing of three memoranda of understanding. An initial agreement signed by Italy and Greece in 2005 was later followed by one signed by Italy, Greece and Turkey in July 2007 and by one between Italy and Azerbaijan in December of the same year, thereby completing a political framework in support of the transit corridor.

Acting in part on the strength of these agreements, Edison and Depa have begun negotiations with upstream companies operating in Azerbaijan to secure natural gas



supplies for the new pipeline, in the construction of which Edison and Depa will invest about 500 million euros.

The European Union has assigned the highest priority to the IGI project, declaring it a Project of European Interest.

The Italian government, following a positive ruling issued by the European Union, granted Edison and Depa the right to use the pipeline's entire transmission capacity for a period of 25 years. Under an agreement executed by the two companies, 80% of the transmission capacity will be reserved for Edison, with Depa taking up the remaining 20%.

Edison and Depa agreed to increase the pipeline's transmission capacity by about 1 billion cubic meters, which they will make available to third parties through an Open Season Procedure that will get under way at the end of June. In addition, they will make 10% of the imported gas available to increase trading at the Italian Virtual Trading Point, thereby contributing to the creation of the future Natural Gas Exchange.

Applications for permits to build and operate the IGI gas pipeline have been filed in Italy and Greece. In Italy, local and regional administrations have expressed significant interest in this project and Edison has been working actively with them to define the best conditions for its development. The pipeline is expected to make landfall near the city of Otranto, in an area identified as best suited for this purpose from multiple standpoints.

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