



Presentation to investors



Last update 10th September 2007



SARAS IN A SNAPSHOT page 4

- Saras in brief
- Refining&Power margin
- Competitive positioning
- Refining context
- Margins stability
- Growth strategy
- Maintenance schedule

MARKET OVERVIEW page 19

Historical data

- Supply-demand balance
- Stocks
- Commodity prices
- Cracks and differentials
- Oil market outlook
 - Supply-demand balance
 - Recent news

BUSINESS SEGMENTS page 36

- Refining
- IGCC Power generation
- Marketing
- Wind

FINANCIALS page 61

- Financial targets
- Group Financials
- Segment financials
- Key ratios
- Sensitivities
- Market multiples
- Analysts estimates

OTHER page 75

- Board of Directors and Top management
- Management compensation
- Corporate governance
- Personnel
- HSE

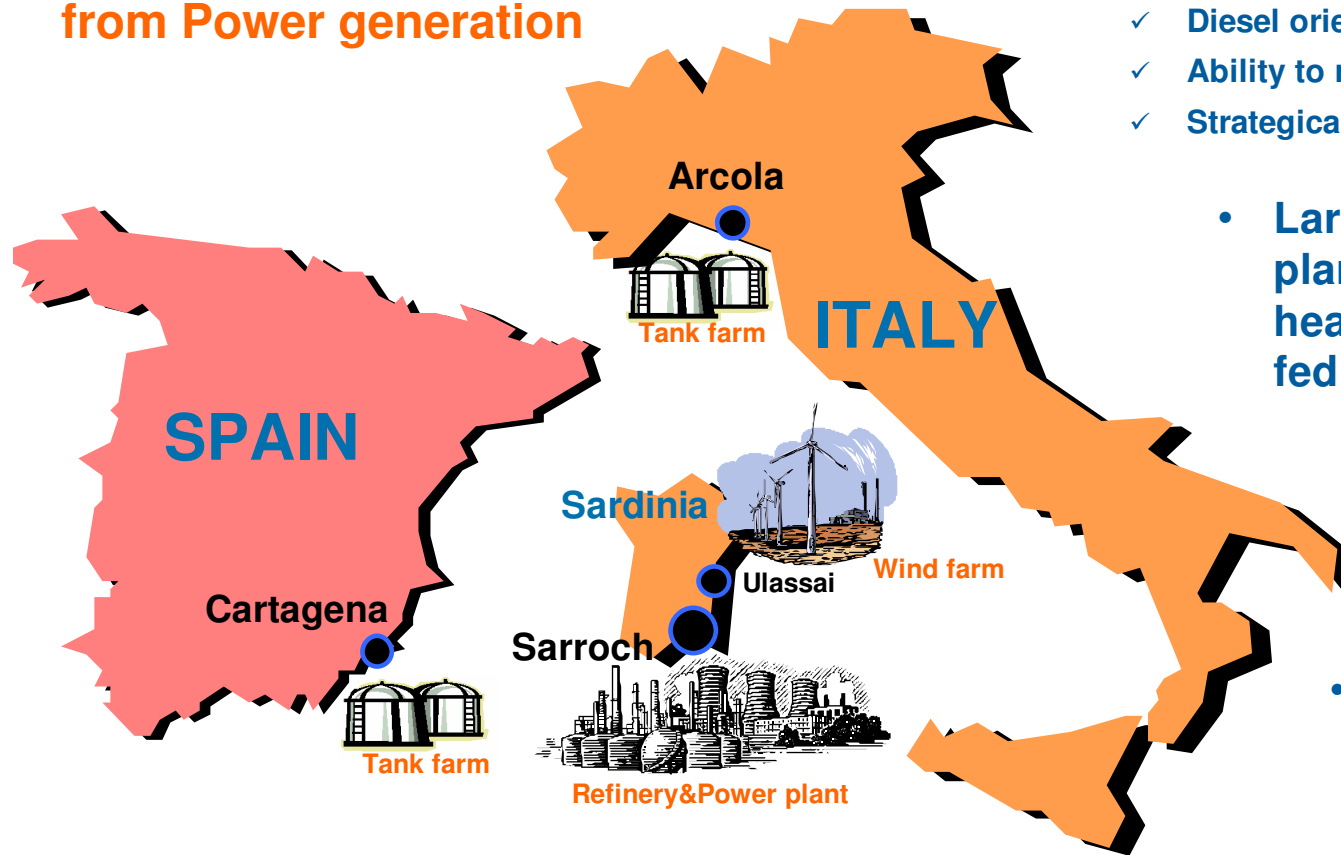


Certain statements contained in this presentation are based on the belief of the Company, as well as factual assumptions made by any information available to the Company. In particular, forward-looking statements concerning the Company's future results of operations, financial condition, business strategies, plans and objectives, are forecasts and quantitative targets that involve known and unknown risks, uncertainties and other important factors that could cause the actual results and condition of the Company to differ materially from that expressed by such statements.

- 
- **Saras in a snapshot**
 - **Market overview**
 - **Business segments description**
 - **Financials**
 - **Other**



Saras is a pure play refiner with stabilization of returns coming from Power generation

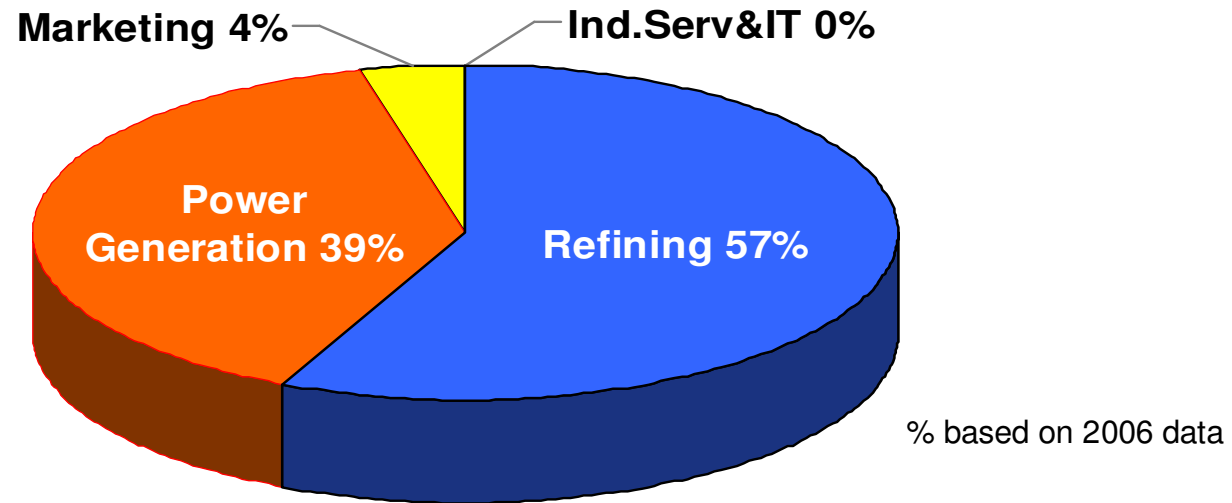


- 300,000 bl/day 2nd largest *supersite** in Europe integrated with petrochemical
 - ✓ Diesel oriented (diesel yield > 50%)
 - ✓ Ability to run “unconventional” difficult crudes
 - ✓ Strategically located in the middle of the Med
- Largest liquid fuel gasification plant in the world converting heavy bottoms into clean gas fed into a 560 MW CCGT
 - ✓ fuel oil yield ~5%
- Track record of superior site margins
- Marketing activities based in the high diesel demand regions of Italy and Spain
- Investing also in renewable energy
 - ✓ 84 MW wind farm in Sardinia

* By complexity: source WoodMackenzie



EBITDA by business segment



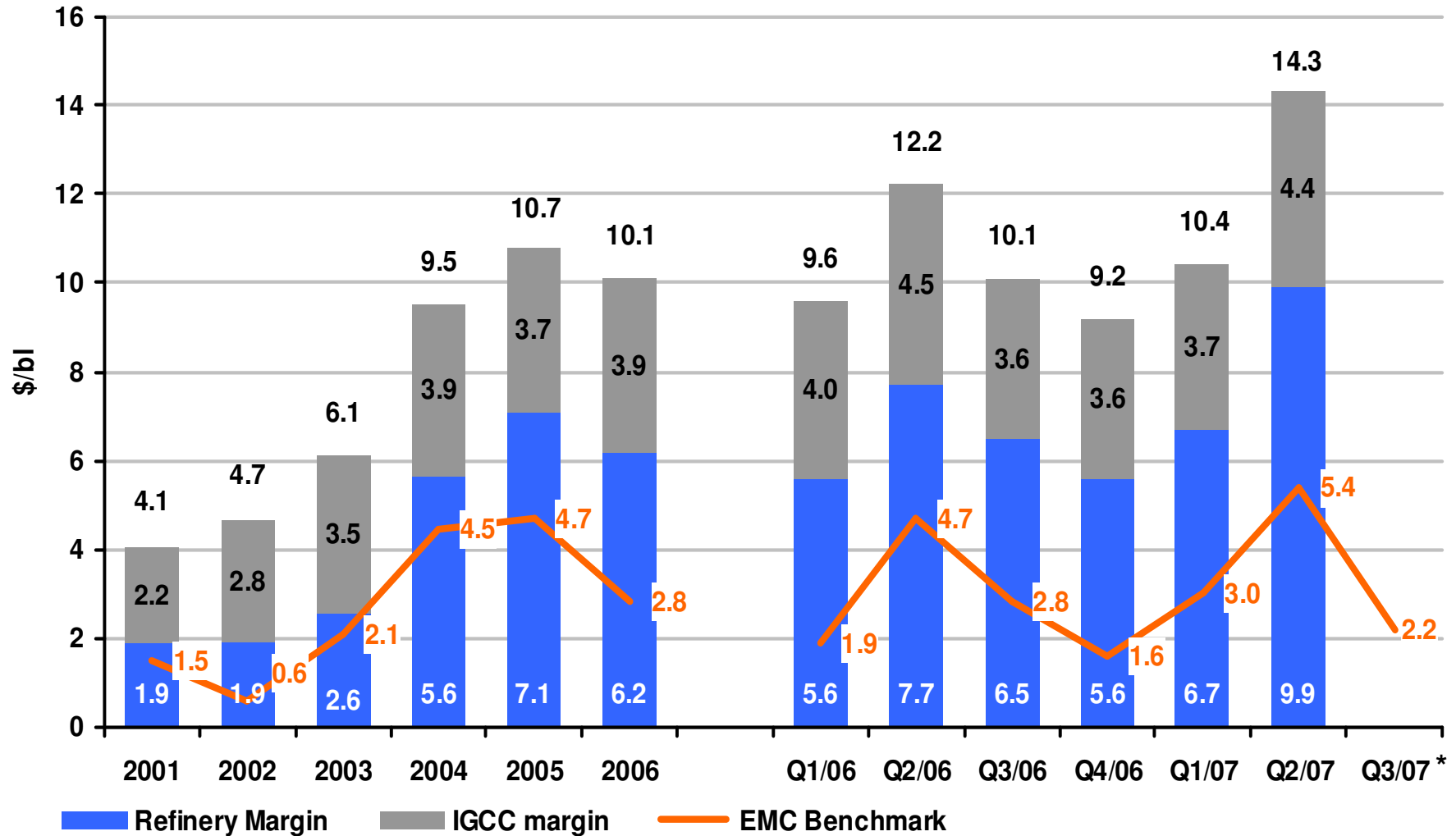
EUR ml	H1/07	2006
<i>REFINING</i>	237	324
<i>POWER GENERATION</i>	106	220
<i>MARKETING</i>	13	25
<i>OTHER</i>	-1	-1
Group Comparable¹ EBITDA	354	568
WIND ² (100%)	15	26

1. Calculated evaluating inventories at LIFO

2. Joint Venture Consolidated under the equity method (Saras share 70%)



Track record of superior margins



* Q3/07 as at 7 September 2007



Saras' competitive positioning

Saras ideally placed to fully benefit from today's context

- **300,000 bl/day supersite**

- ✓ high complexity (Nelson 9.6*)
- ✓ high conversion capacity (#1 in Europe)
- ✓ integrated with petrochemical

Ability to fully exploit the current trend in refining margins



- **Diesel oriented** (yield > 50%),

- ✓ total high value products yield greater than 80%

- **Very low fuel oil production** (~5%)

- ✓ Gasification plant converting the heavy bottoms into clean gas then used in a CCGT

Ideal product yield to fully benefit from the projected evolution of products demand

- **Marketing activities based in the high diesel demand regions of Italy and Spain**

- **Ability to run "unconventional" crudes** that normally trade below parity

- **Strategically located in the middle of the Med**

Flexibility and geographical location allow a further optimization of crude oil slate

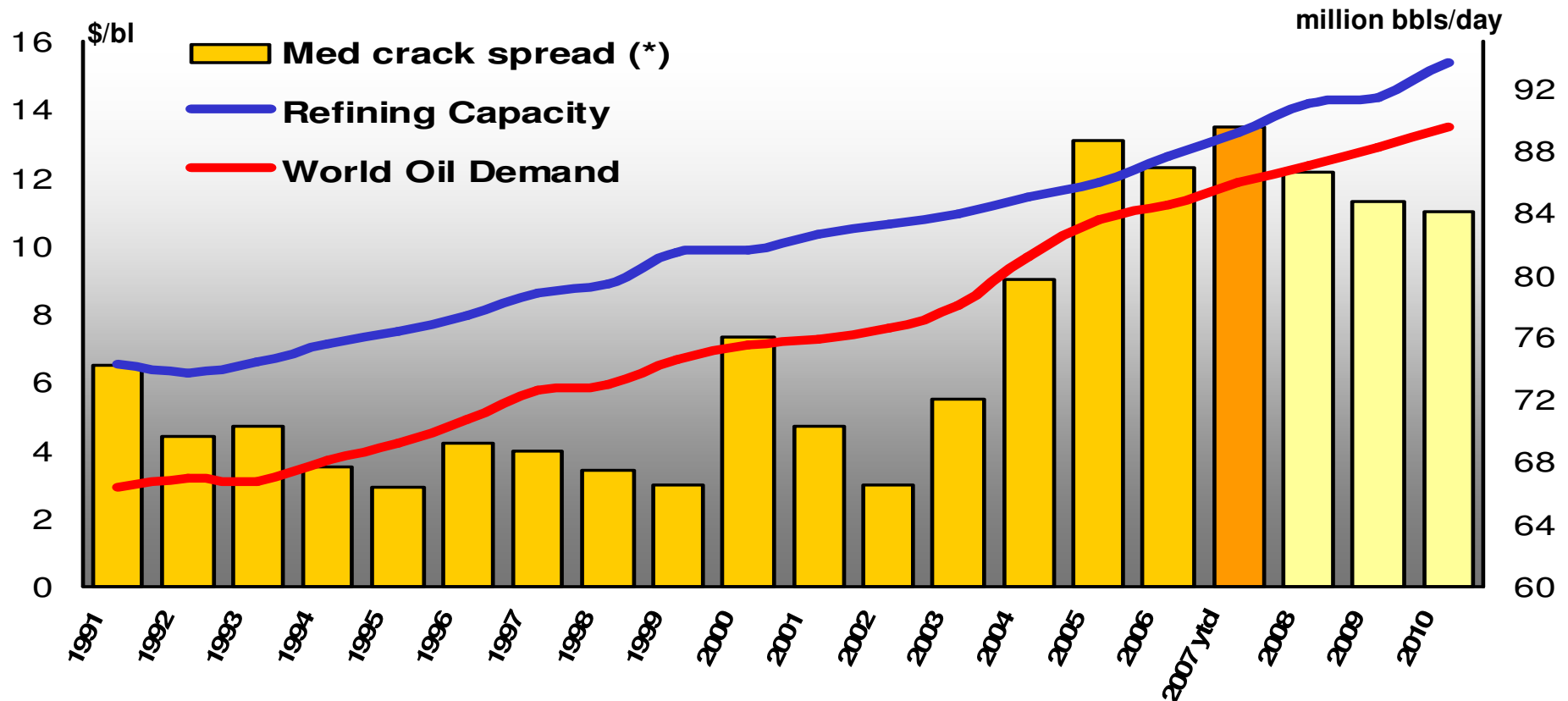
- **Stabilization of returns through Power generation and processing contracts**

Electricity sold under long term contract with price linked to crude and oil products prices



Strong mid-term margin prospect

- Soaring costs and delays in refinery new builds are supporting the duration of the tight supply/demand balance
- Need for sophisticated (and expensive) secondary units to be built alongside new distillation capacity in order to meet the severe product quality specifications
- Steady growth of demand, focused on light and middle distillates

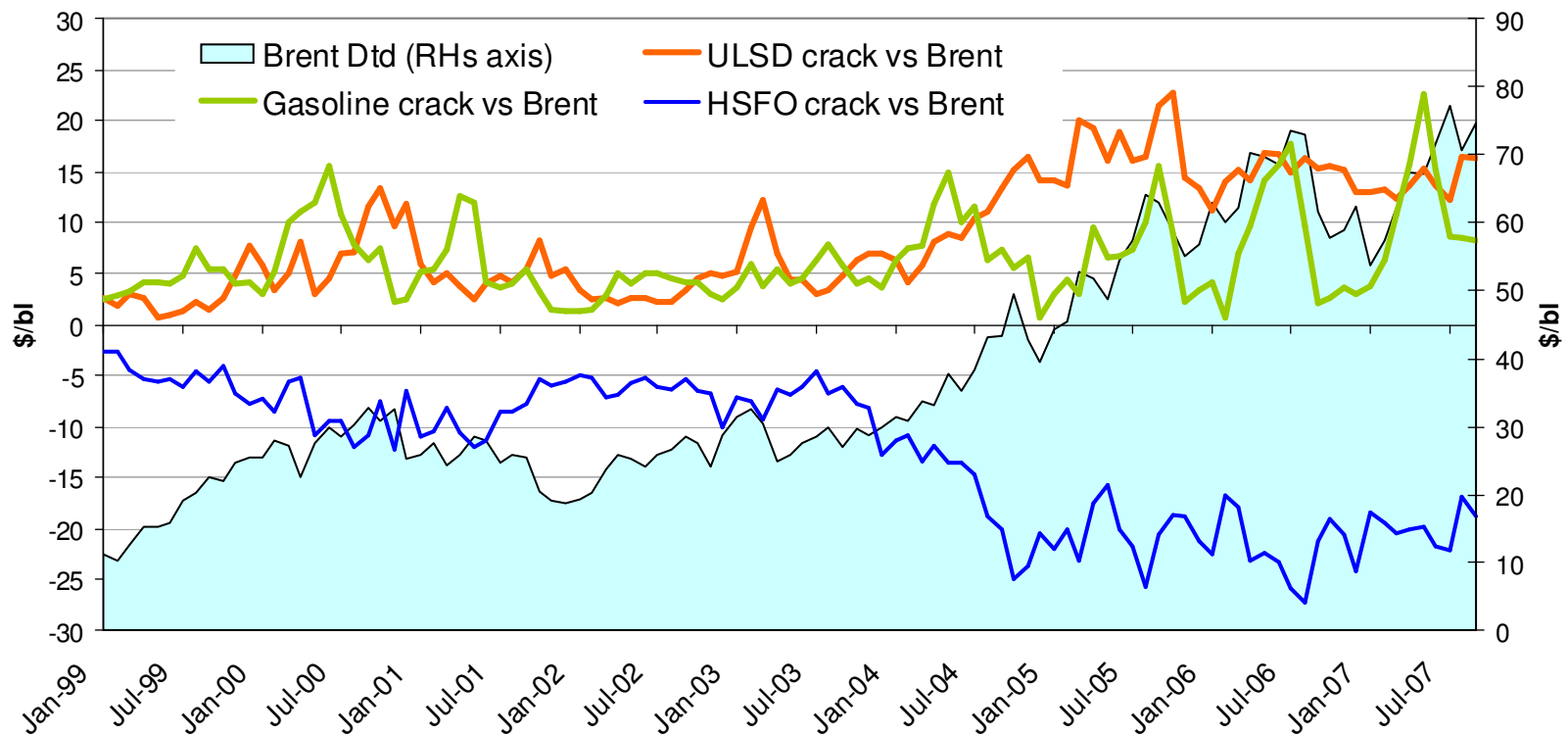


(*) 2/3 ULSD crack spread vs Brent + 1/3 Unleaded Gasoline crack spread vs Brent
Source: Saras elaboration on BP statistical review and EMC data for forecast



Light product demand strength is key

- world diesel and gasoline demand steadily growing as high as 2.0-2.5% pa, while fuel oil consumption continues to decline (with benefits for complex refineries vs simple ones)
- the value of middle and light distillates boosted by growing demand and tightening of environmental specifications
- ongoing discussions for bunker fuel switch to gasoil could further boost demand of middle distillates in the next decade

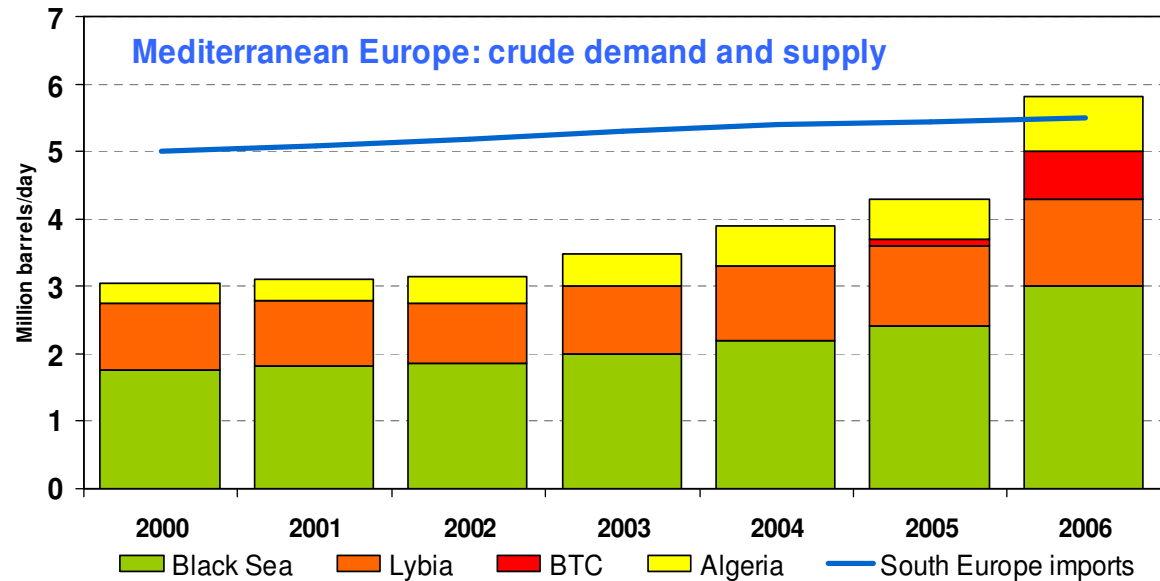




The Med : the ideal position for complex and diesel oriented refineries

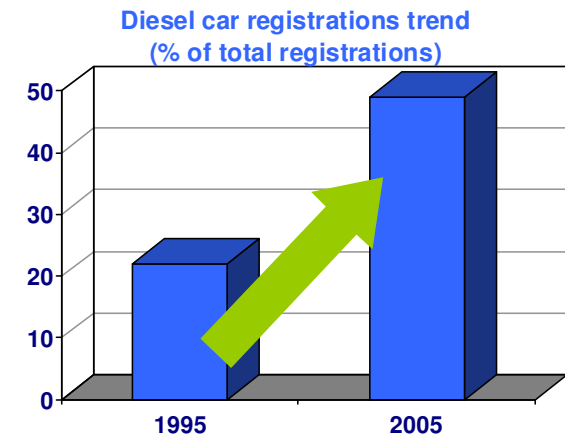
CRUDE

- The Med crude slate is forecast to become sweeter and lighter, an exception to world average
- The Med is becoming a net crude exporter with a positive pressure on prices



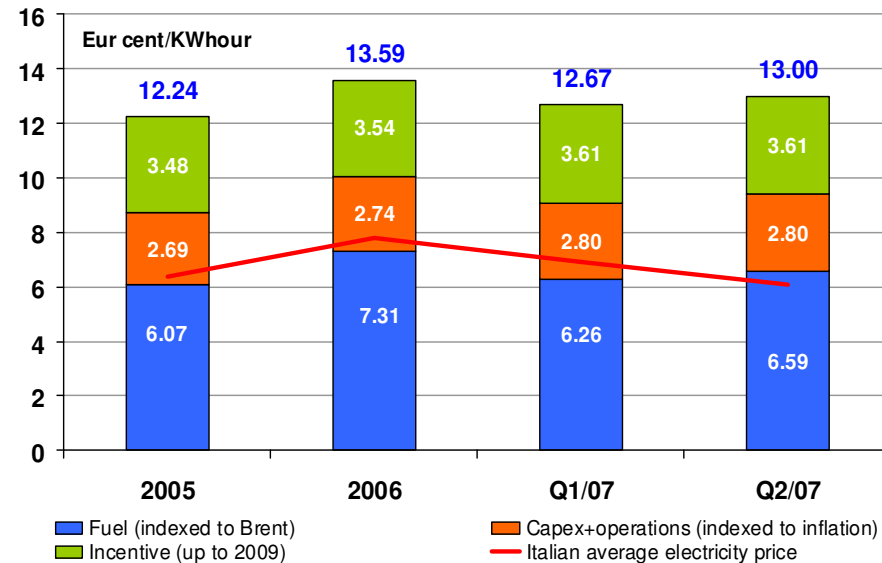
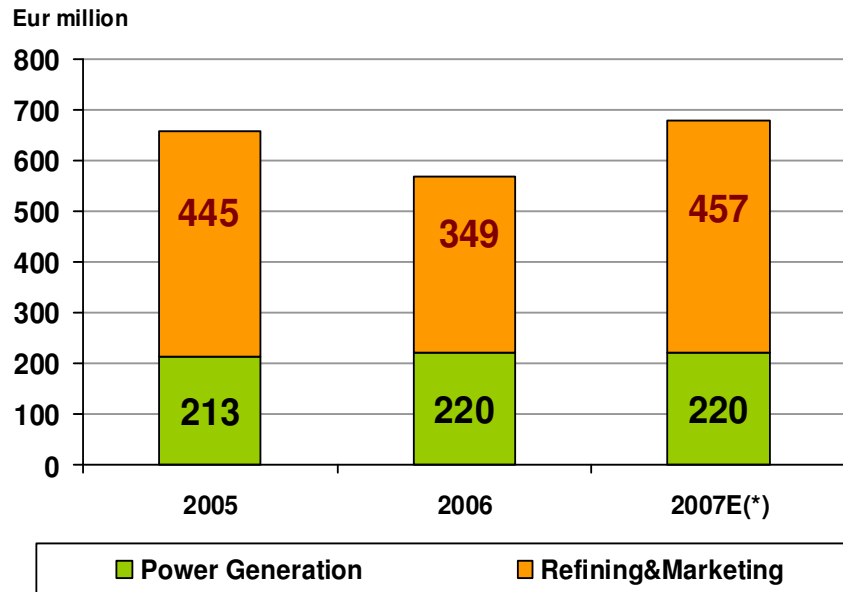
PRODUCTS

- Diesel demand becoming more difficult to satisfy in Europe: new car registrations show a continuous growth of diesel-powered cars at the expense of gasoline-fuelled vehicles
- Deficit of diesel growing by about 2.5 million tons per year while surplus of gasoline growing by about 1.5 million tons per year





Power EBITDA essentially flat until 2021 Power tariff indexed to oil prices



- Power tariff set by law until 2021 and indexed to oil prices (CIP6/92 law)
- EBITDA substantially flat until 2021 due to the linearization procedure required by IFRS accounting rules

(*) Bloomberg consensus



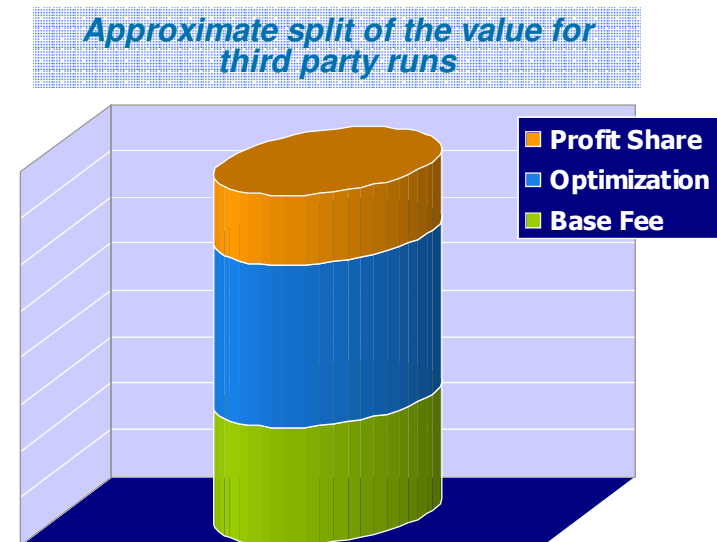
Saras is also a provider of refining services through processing contracts

A processing contract is an agreement to process third party crude oil under predetermined conditions (i.e. product yields, processing fee, storage and delivery terms).

Saras' processing contracts are grade specific and focused on certain families for which Saras has specific need/interest.

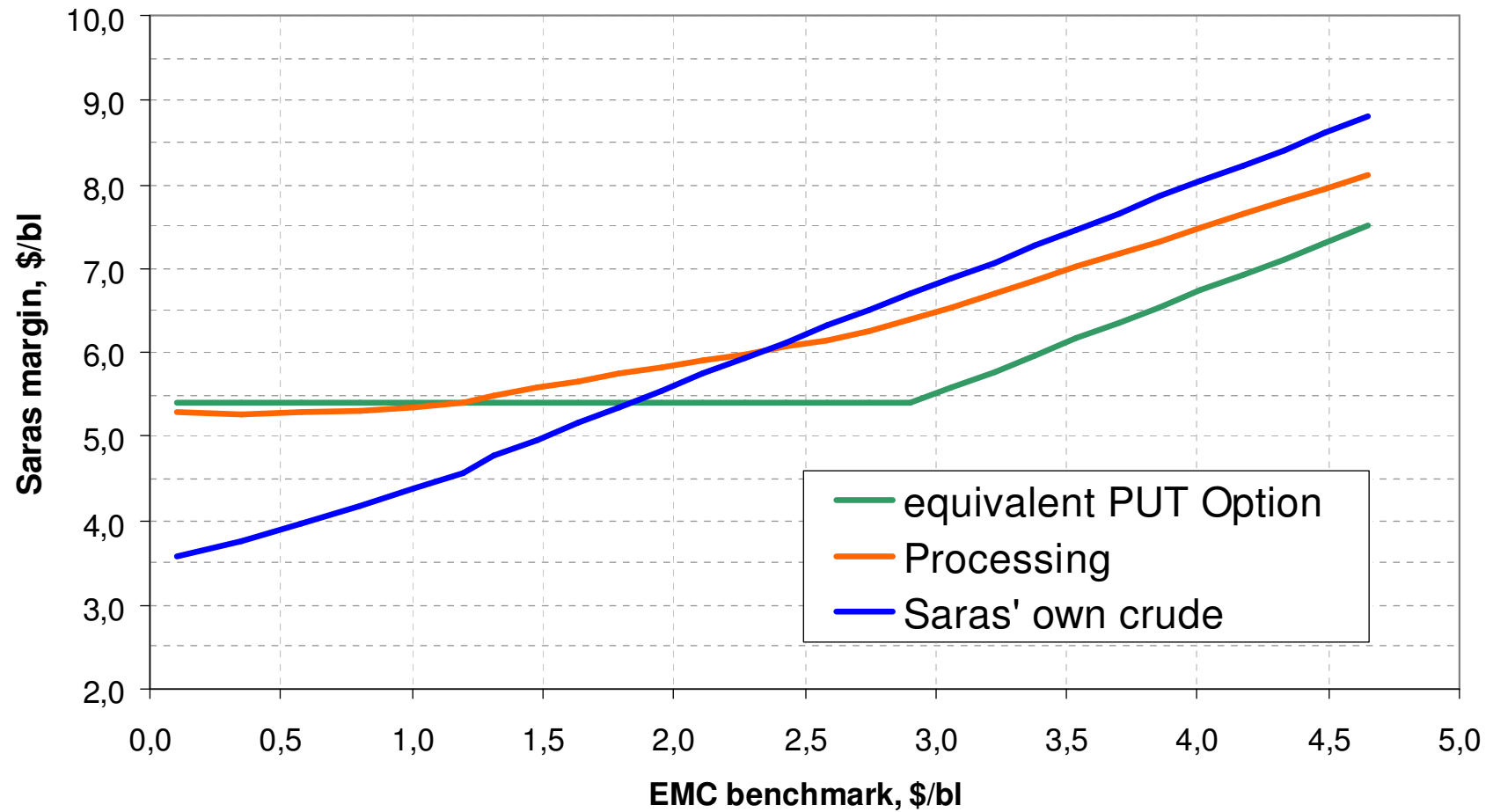
Advantages of processing:

- ✓ Access to special crude oils otherwise difficult to acquire
- ✓ Long term stability of supply
- ✓ Reduced working capital
- ✓ Stabilization of returns (equivalent to a put option on the refining margins at fraction of cost)





Efficient protection in case of margin downturn





High return and low risk organic growth strategy

- **Saras has a track record of “no regret” upgrading of the refinery**
 - ✓ lower investment risk (addition rather than step change)
 - ✓ synergies with existing units, thanks to a long term view
- **CAPEX approx EUR 600 million in the period 2006-2009 (of which half is maintain capacity) with the following goals:**
 - ✓ Increase conversion capacity (+350,000 tons/year of diesel by end of 2007)
 - ✓ additional runs thanks to increased time interval between major overhauls
 - ✓ Increase capacity of running “unconventional” difficult crudes
- **Expected refining margin improvement of 1.8-2.4 \$/bl by 2009 (1.2 \$/bl already achieved in 2006/2007) with a positive impact on EBITDA of US\$ 210-300 ml (US\$ 120 million already achieved in 2006/2007)**
- **After tax project IRR higher than 20%**



organic growth strategy: further details

		Impact on refining margin	Impact on refining EBITDA	CAPEX for refining
2006	INCREASE CONVERSION CAPACITY + 200,000 TONS PER YEAR OF DIESEL	+ 0.5-0.7 \$/bl	+ \$ 50-70 ml	EUR 130 ml
2007	+ 150,000 TONS PER YEAR OF DIESEL (starting from Q3)	+ 0.5-0.6 \$/bl	+ \$ 50-60 ml	EUR 150 ml
2008	INCREASE REFINERY RUNS + 700,000 TONS		+ \$ 30-50 ml	EUR 150 ml
2009	HEAVY UP OF CRUDE SLATE - 2 deg API	+ 0.6-0.8 \$/bl	+ \$ 60-80 ml	EUR 170 ml
	IMPROVE ENERGY EFFICIENCY - 75,000 tons of C&L	+ 0.2-0.3 \$/bl	+ \$ 20-30 ml	
TOTAL		+ 1.8-2.4 \$/bl	+ \$ 210-300 ml	EUR 600 ml

After tax project IRR > 20 %



Strong balance sheet sets the base of our external growth strategy

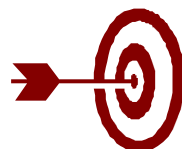
IN OUR CORE BUSINESSES

M&A opportunities in:

- ✓ **Refining in Europe:** assets and companies possibly available for sale are potential targets
- ✓ **Marketing & Oil logistics:** selective acquisitions to improve competitive position in specific areas (Spanish Med and Italy)

● IN RELATED SECTORS

- ✓ **WIND:** pipeline of projects in the permitting phase
- ✓ **BIODIESEL:** 200,000 tons/year plant operational from 2008 (investment EUR 35 mil) to comply with new European regulations by 2010
- ✓ **GAS EXPLORATION:** committed about EUR 10 ml for seismic tests. Encouraging preliminary results, final results by end 2008.



BASIS FOR INVESTMENT: Stringent investment criteria:

- PROJECT IRR AFTER TAX 10-% 20% depending on business sector
- No growth for growth's sake
- EPS accretive from day 1




Major maintenance schedule

Impact of maintenance minimized by multi train configuration

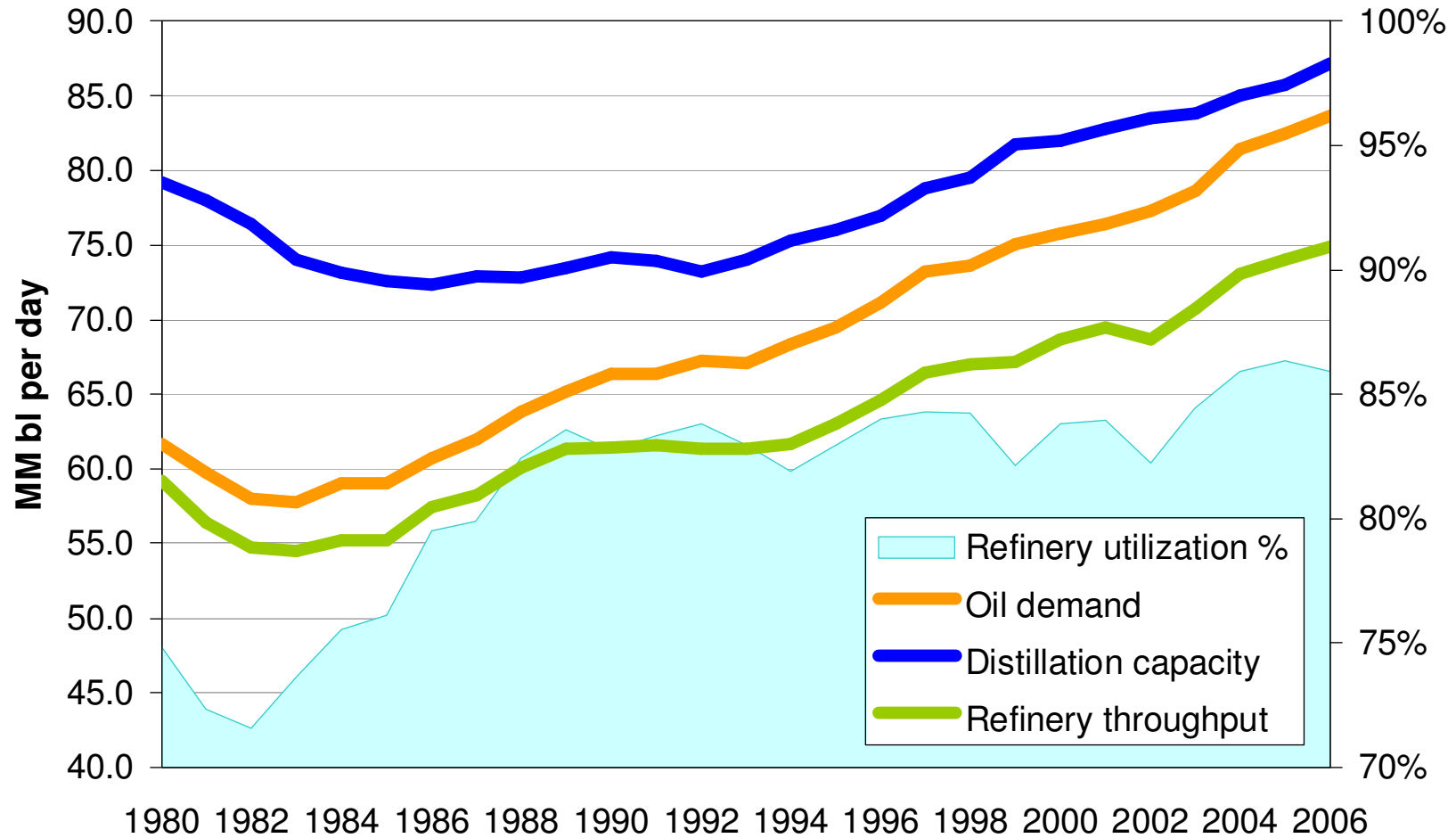
		Q1/07 actual	Q2/07 actual	Q3/07 expected	Q4/07 expected	2007 expected	2008 expected
REFINERY							
PLANT			1 crude dist. 1 vacuum visbreaker	1 MHC	1 crude dist.	2 crude dist 1 vacuum MHC visbr	
Estimated runs	million tons million bbl	3.81 27.8	3.41 24.9	3.70-3.80 27.0-27.7	3.35-3.45 24.5-25.2	14.3-14.5 104-106	15.0-15.2 110-111
Additional loss on EBITDA due to lower conversion capacity	USD million		7	7		14	
IGCC							
PLANT			1 gasifier 1 turbine		1 gasifier 1 turbine	2 gasifier 2 turbine	
Estimated power production	Millions of MWh	1.215	0.934	1.1-1.2	1.0-1.1	4.2-4.6	4.2-4.6

- 2007 refinery maintenance schedule will affect refinery runs and also marginally conversion, no major maintenance in 2008
- Maintenance on IGCC power plant will have negligible impact on IFRS EBITDA since scheduled maintenance cycles and related production changes are included in the linearization procedure required by IFRS accounting principles

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World Oil Demand and Refining Capacity

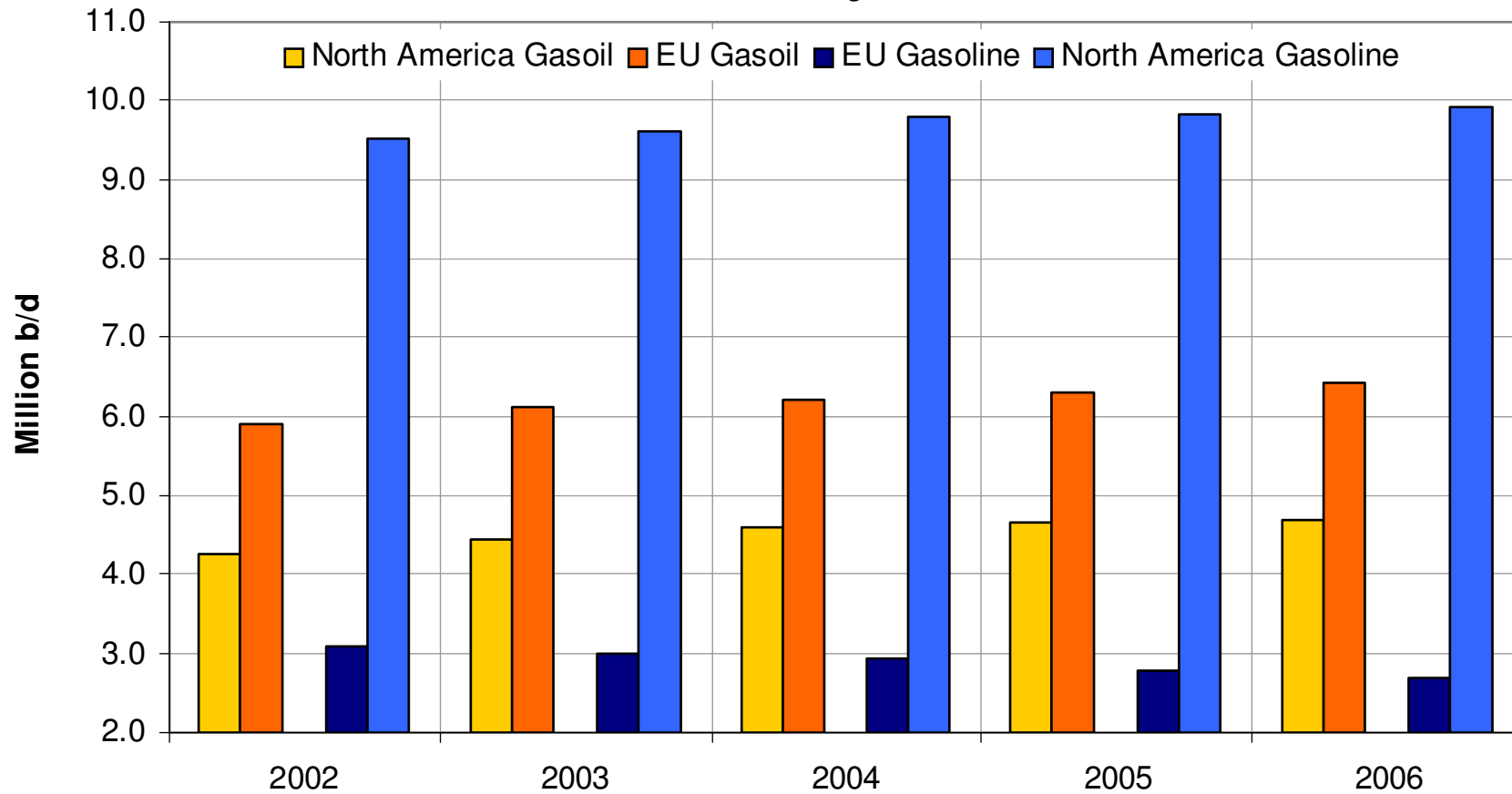




USA and Europe: product demand pattern

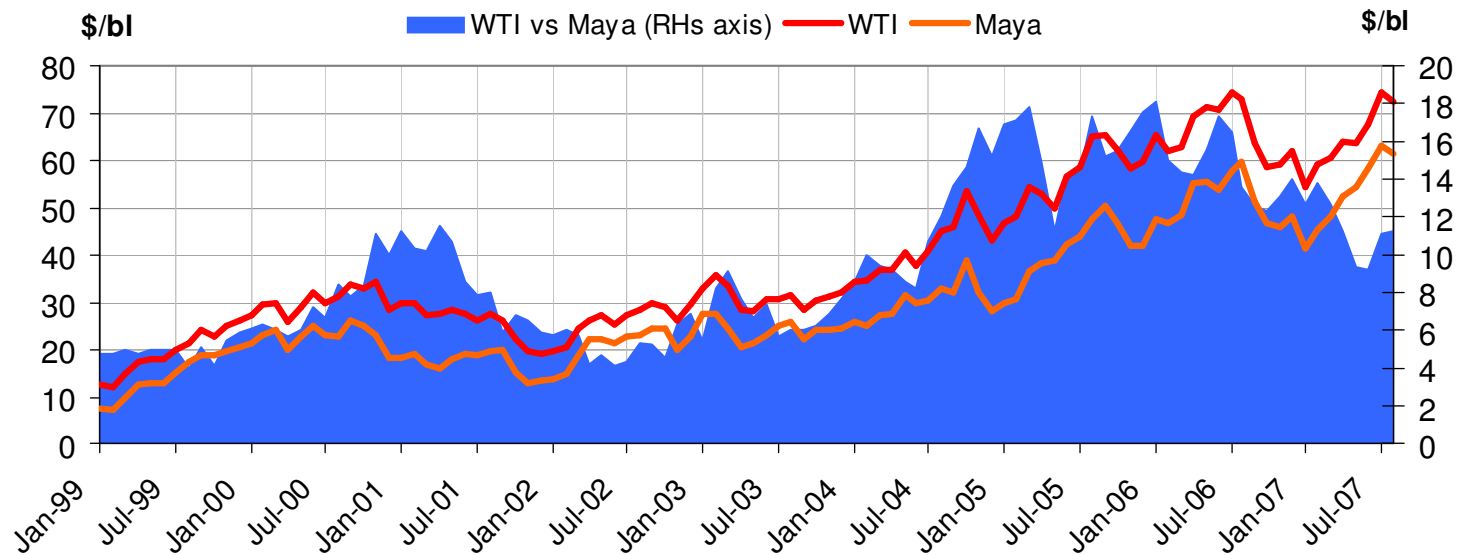
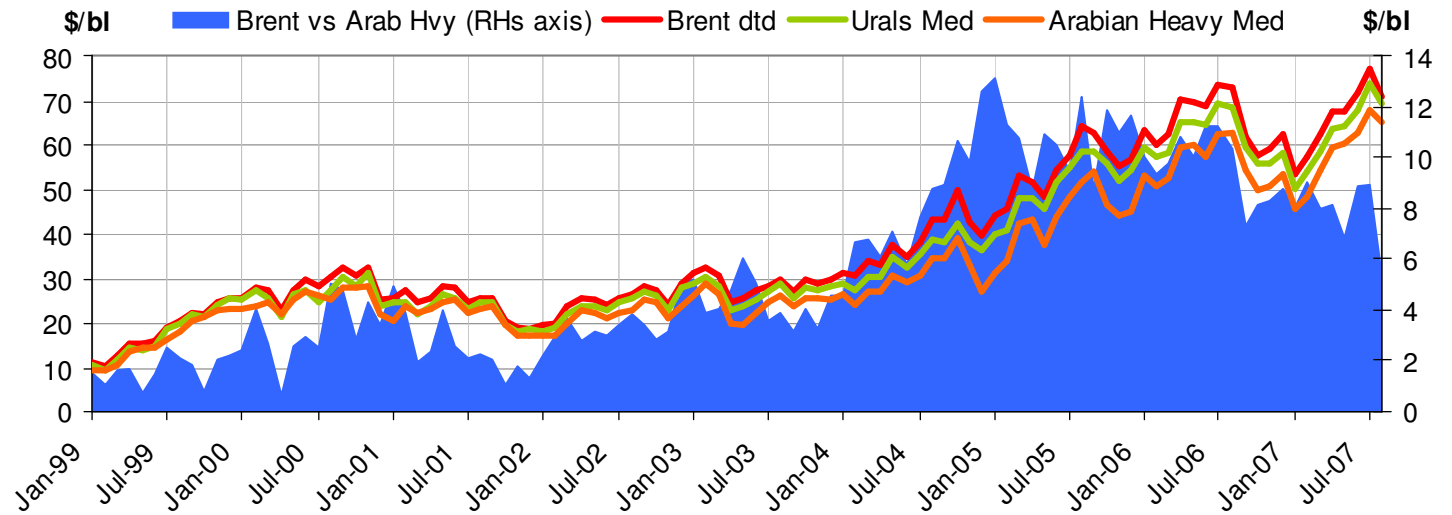
US and Europe demand by products

source EMC World Refining Outlook, 2006





Crude prices

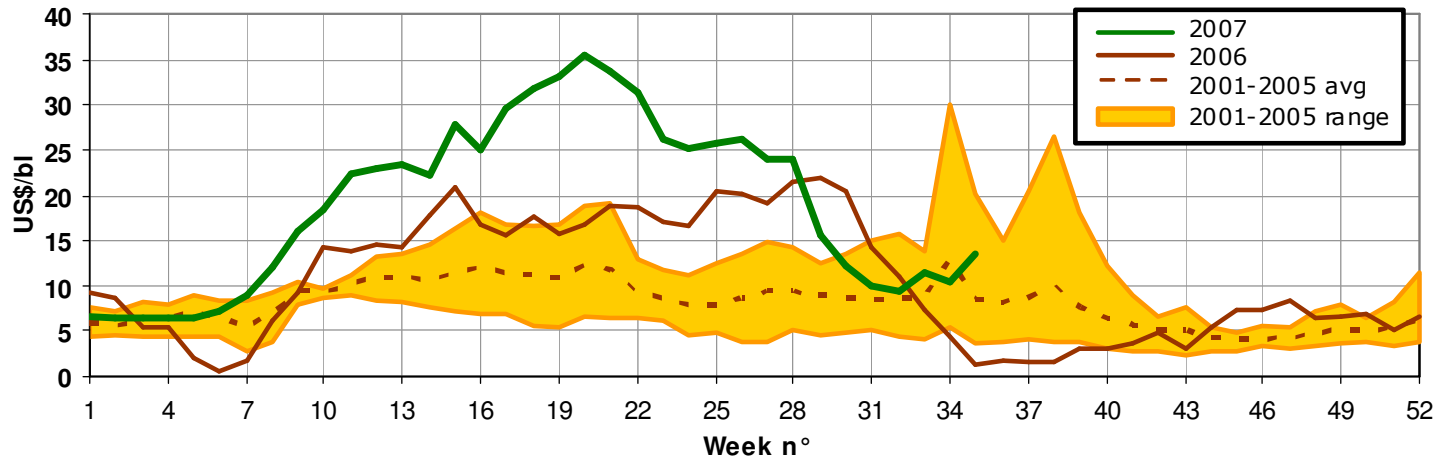


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Platt's

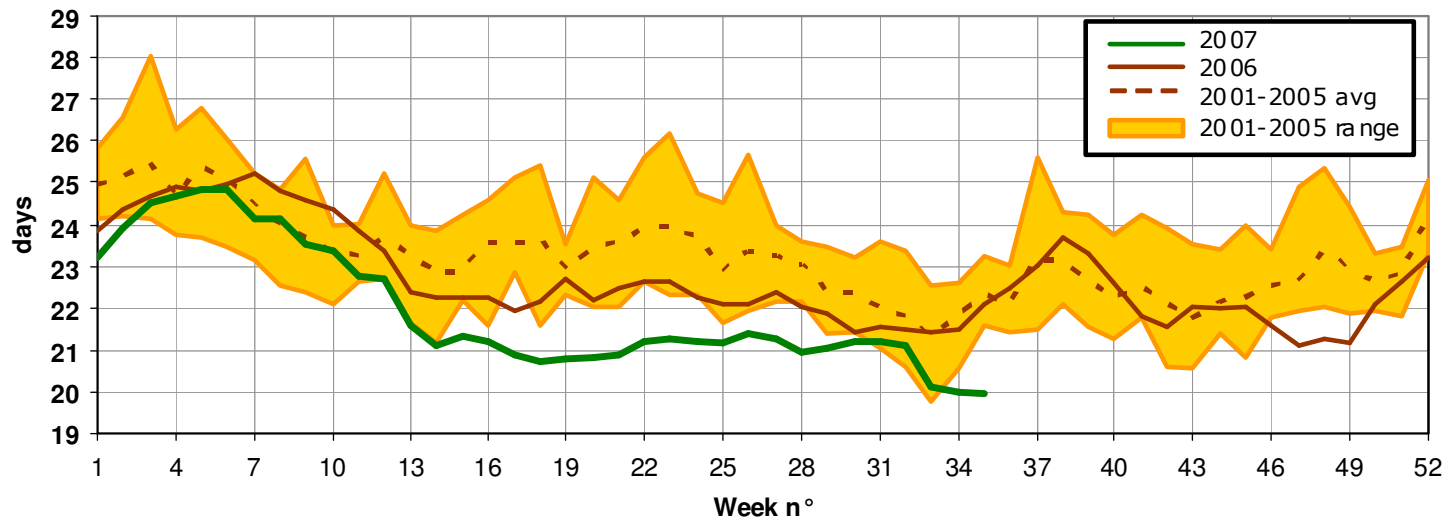


US market: gasoline crack spreads & stocks

USA: Gasoline Crack spread vs WTI (Nymex)



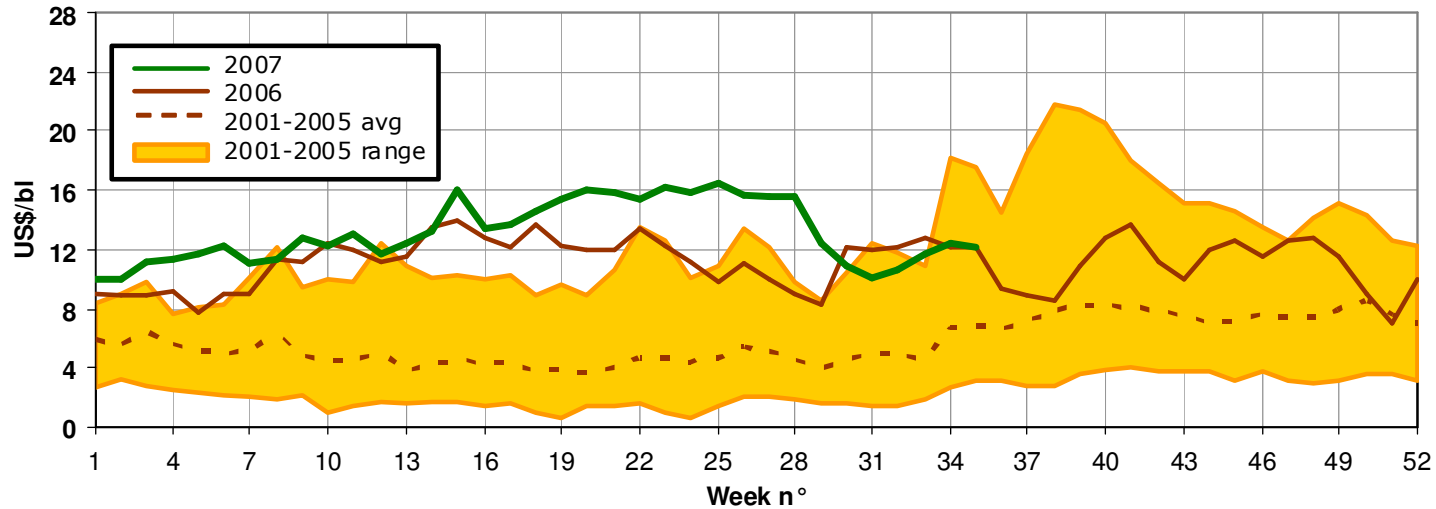
USA: Gasoline stocks (demand fwd cover)



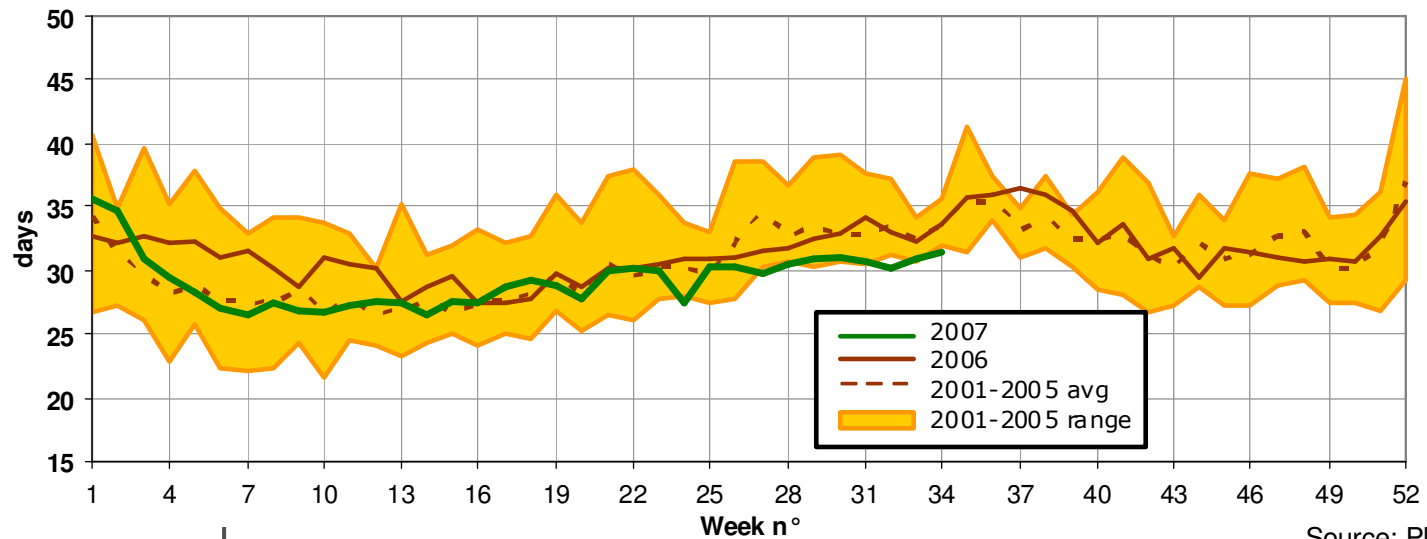


US market: distillates crack spreads & stocks

USA: Distillate Crack spread vs WTI (Nymex)



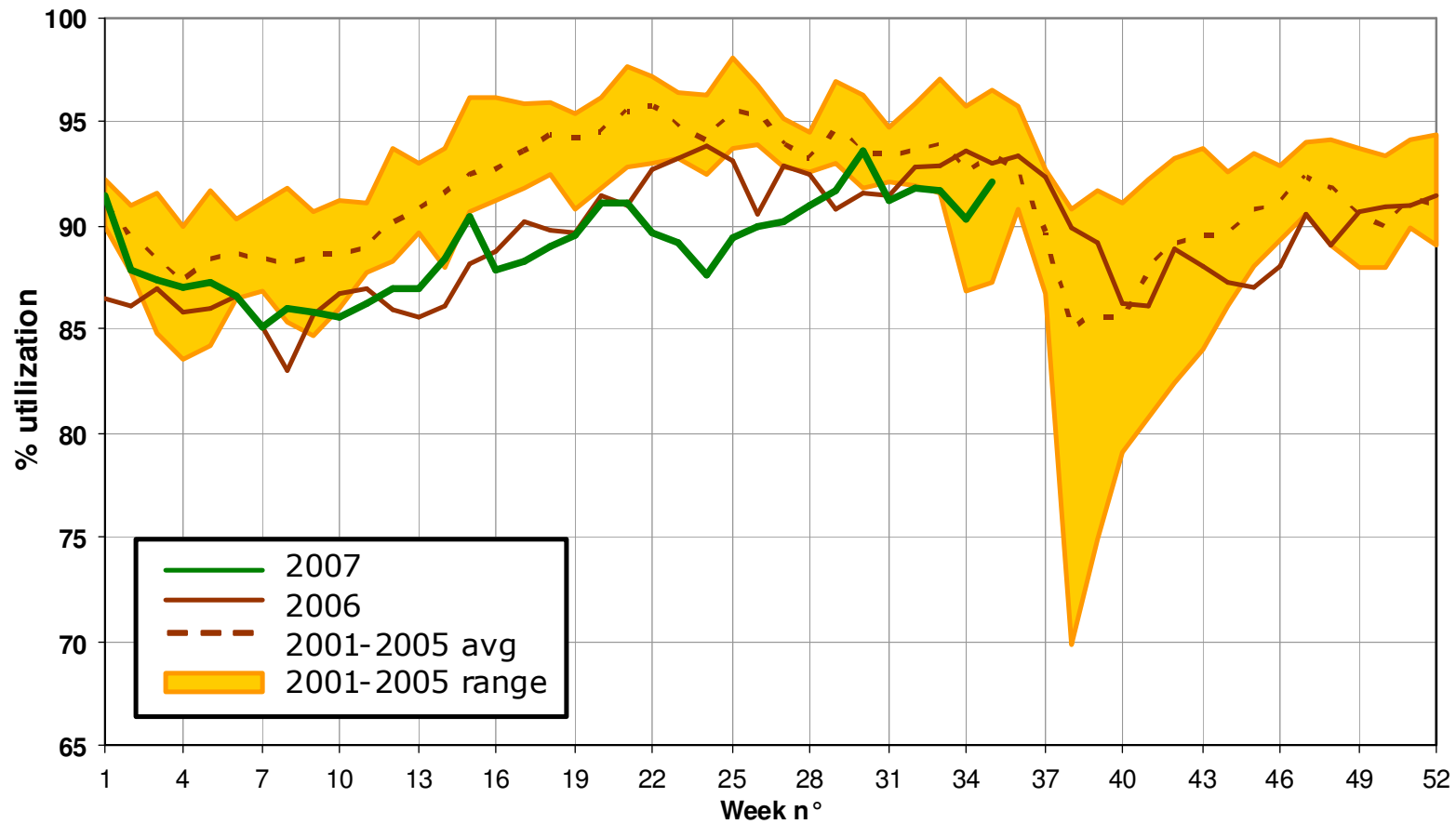
USA: Distillates stocks (demand fwd cover)





US market: refinery utilization

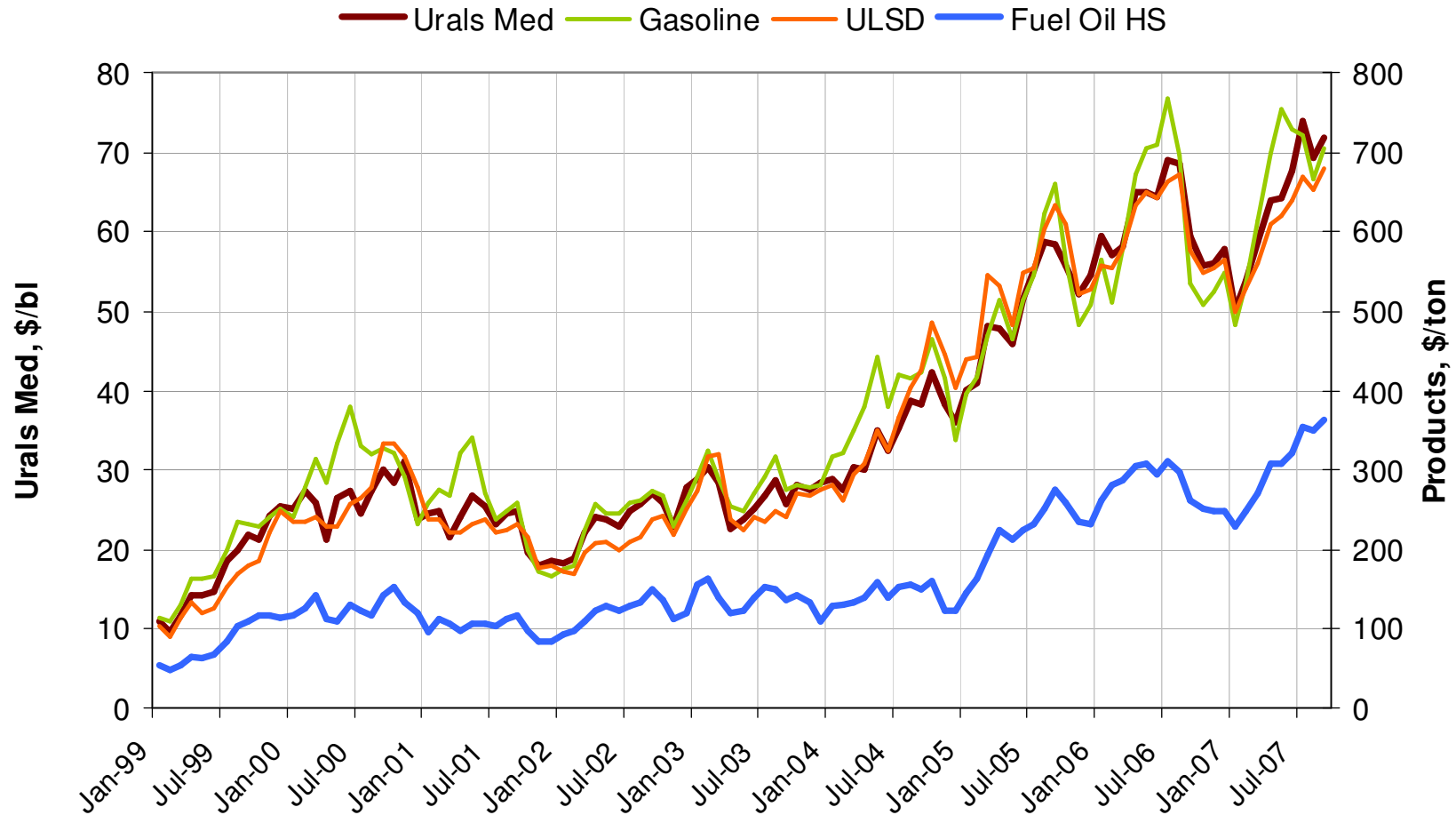
USA: Refinery utilization



Source: DOE



Europe Med: Crude and Products prices



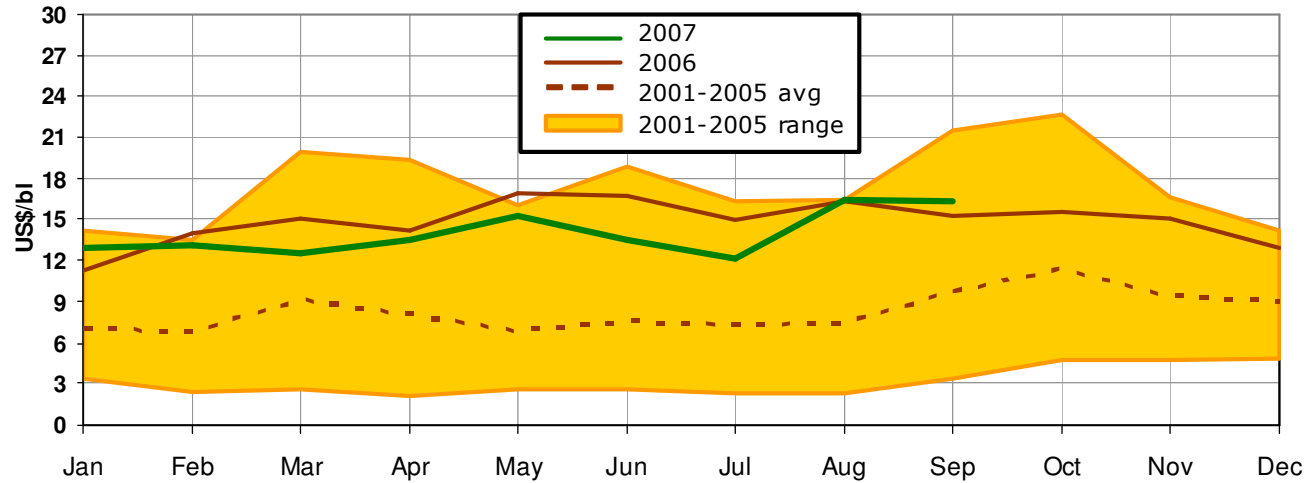
Source: Platt's



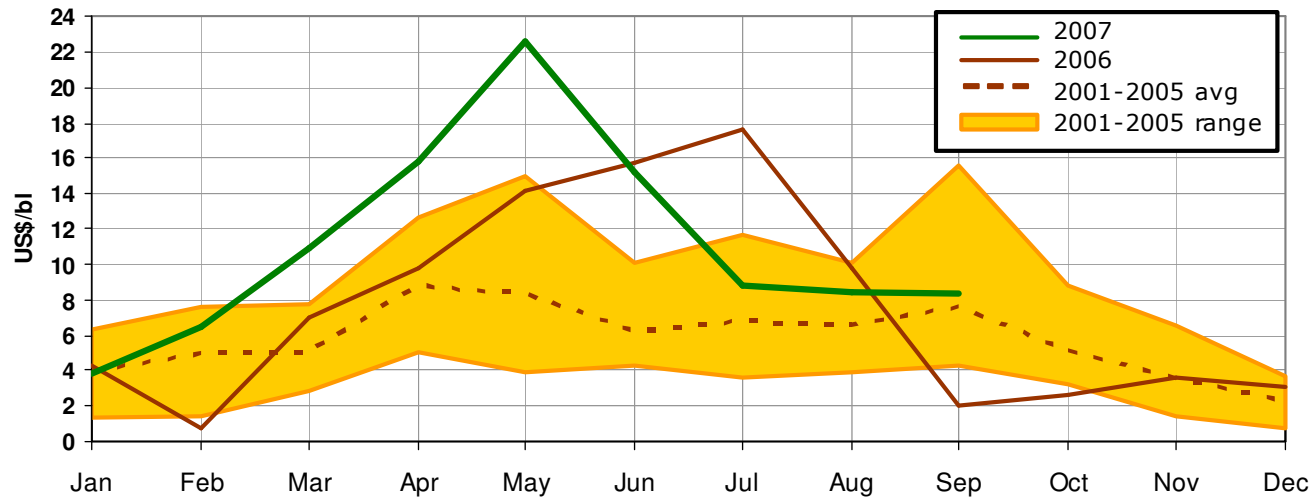
Med market: gasoline and diesel crack spreads

Monthly averages

Med: Diesel Crack spread vs Brent



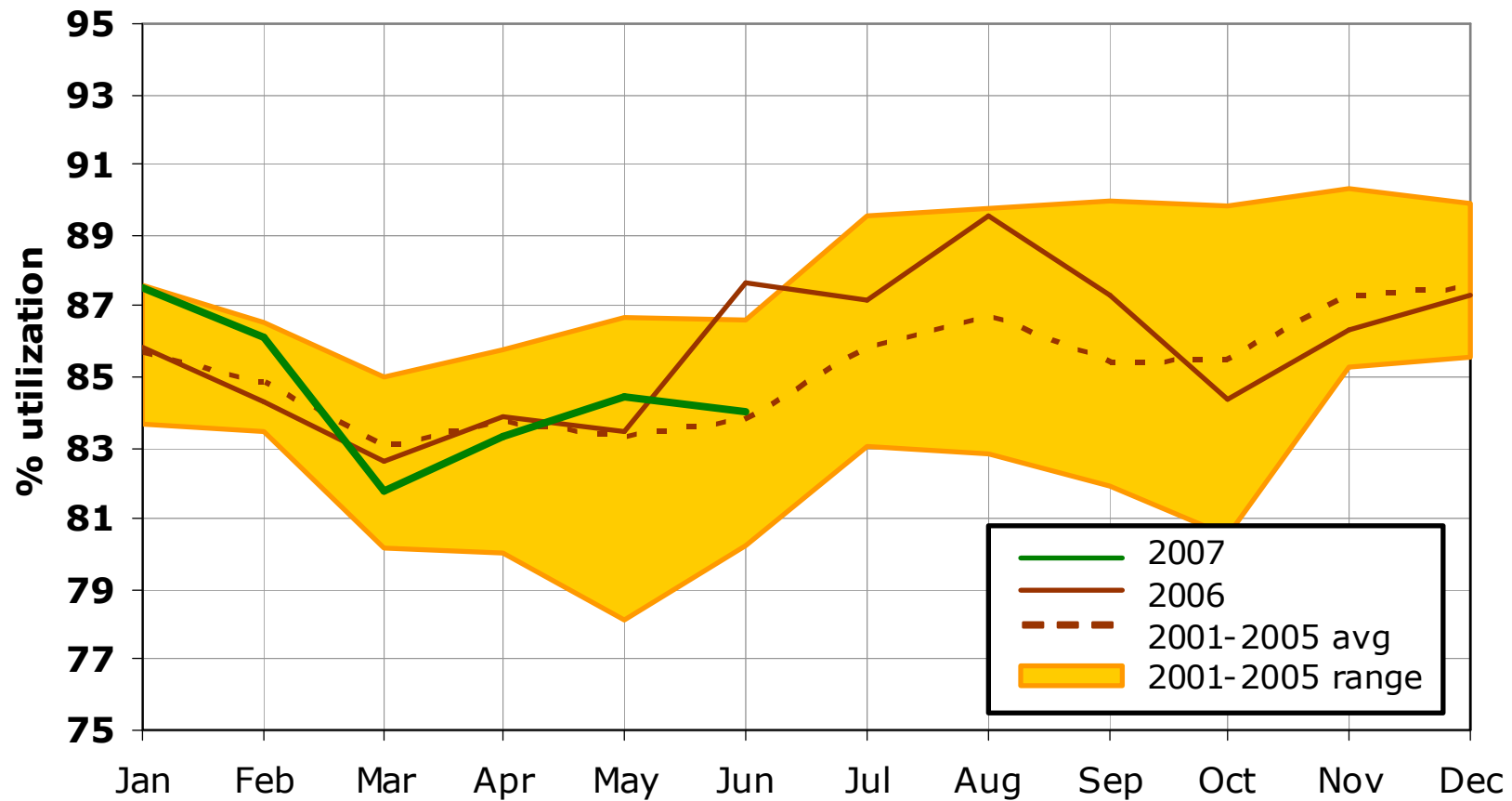
Med: Gasoline Crack spread vs Brent





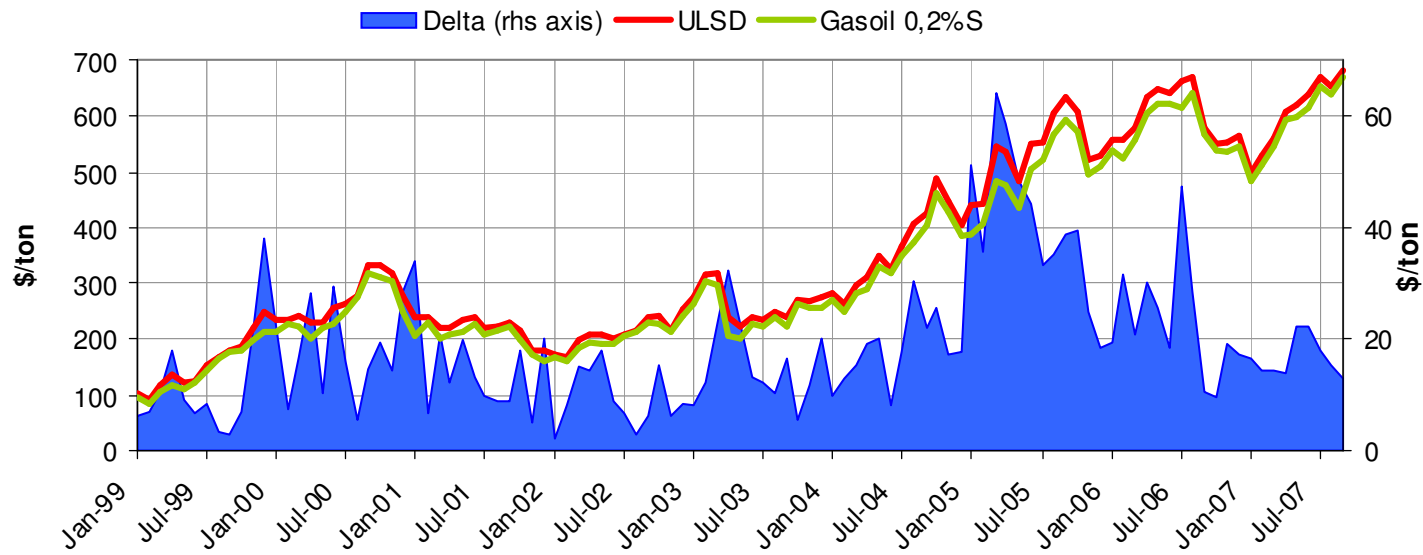
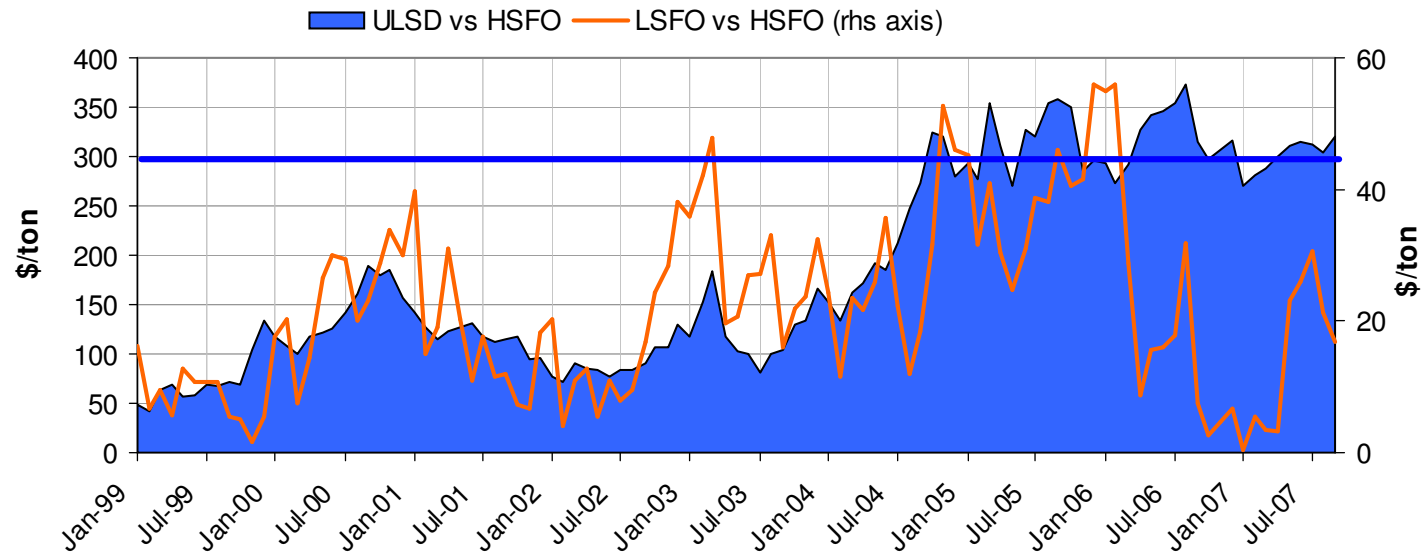
European market: refinery utilization

OECD Europe: Refinery utilization



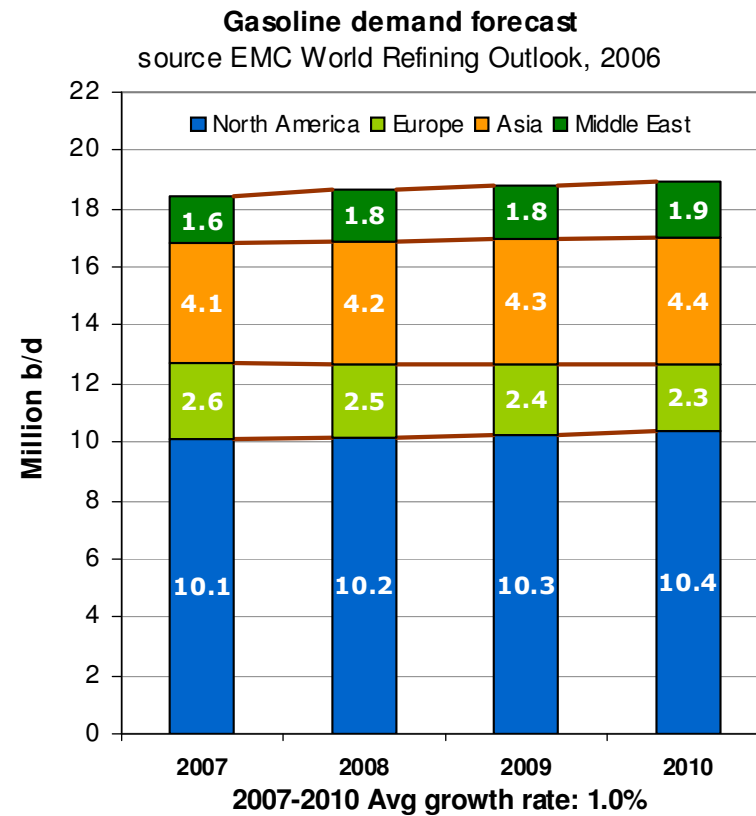
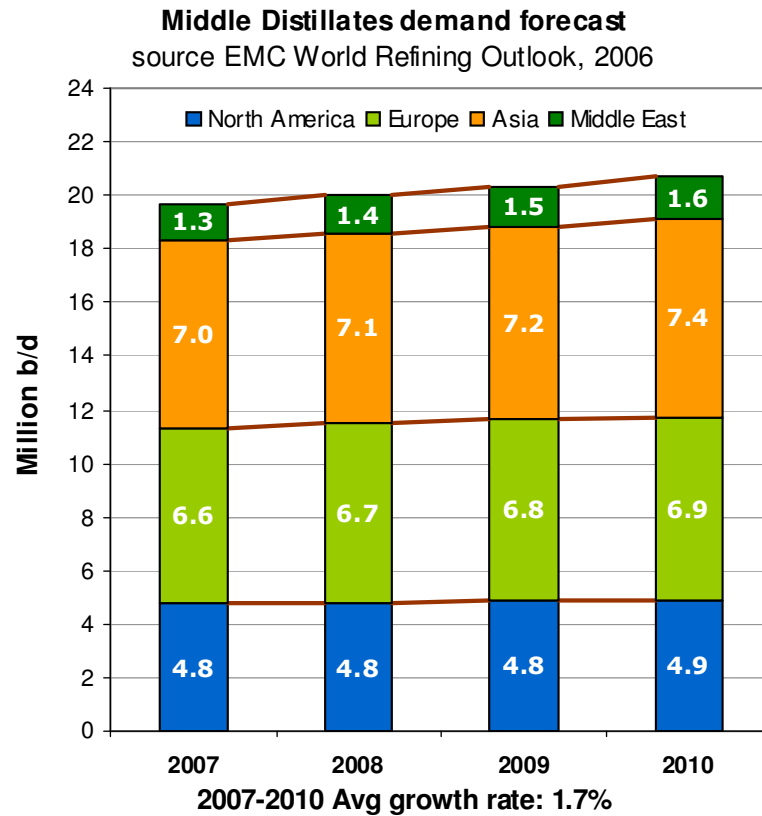


Europe Med: product differentials





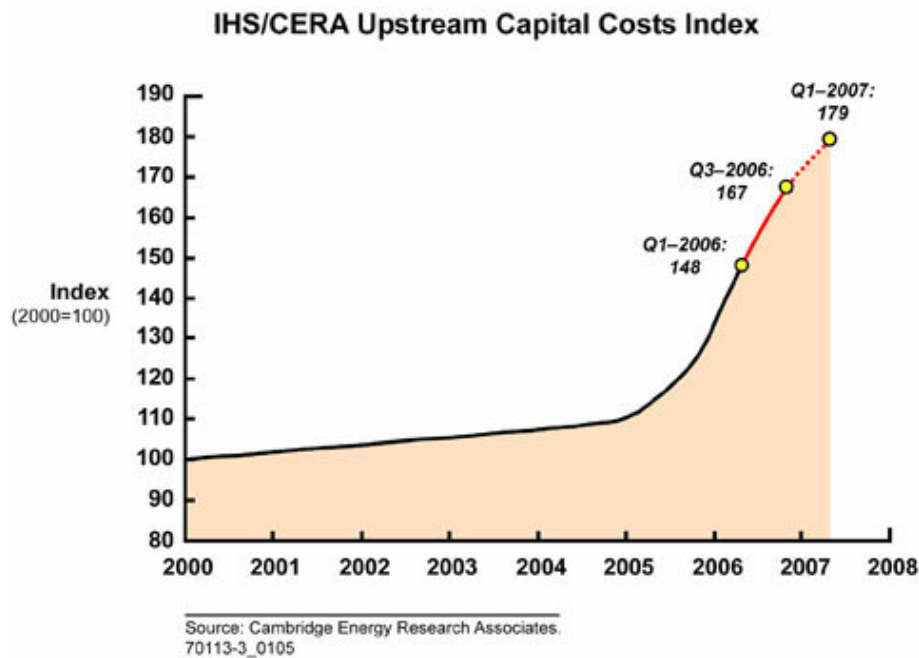
Product demand forecast





Refining Industry: capital costs & investments

Rising construction costs have made new projects unprofitable



US PPI IRON&STEEL

1982=100



Source BLOOMBERG



European Refining Industry: investments in distillation and conversion

REFINERY	PROCESSING UNITS AND COMMENTS
BILBAO (REPSOL)	Coker (40 kbd). Declared completion: 2009
CARTAGENA (REPSOL)	Distillation (110 kbd), Hydrocracker (50 kbd), Coker (60 kbd). Declared completion: 2009
CASTELLON (BP)	Coker (20 kbd). Declared completion: 2009
TARANTO (ENI)	Hydrocracker (18 kbd). Declared completion: 2009
ELEFSIS (HELLENIC PETROLEUM)	Coker (20 kbd), Hydrocracker (40 kbd). Planned for 2010
SINES (GALP)	Distillation (50 kbd). Planned for 2010

Sources: Purvin&Gertz, Emc (World Refining Outlook 2006)



Refining Industry: relevant news about investment plans

DATE	REFINERY or COMPANY	NEWS	SOURCE
2 Nov '06	ConocoPhillips	ConocoPhillips Corp. said it is re-evaluating the deep conversion expansion project at its 260,000 barrel per day refinery in Wilhelmshaven, Germany, due to shifting economics	Reuters
2 Nov '06	Sunoco	Oil refiner Sunoco Inc. is reviewing its expansion plans after the cost of a \$300 million expansion project at its Philadelphia, Pennsylvania, refinery jumped by a third in less than a year	Reuters
Dec '06	Al-Zour (Kuwait)	Kuwait's Al-Zour refinery could be scrapped: rising costs could doom Kuwait's proposed Al-Zour refinery, which may be scrapped after bids submitted in December were much higher than Kuwait National Petroleum Co. (KNPC) Envisaged	Energy Compass
19 Feb '07	Pertamina	Plans to build new refineries in Indonesia (with Aramco, KNPC, Petronas and Sinopec) cancelled as costs soared	Reuters
23 Feb '07	ExxonMobil	ExxonMobil and state Qatar Petroleum (QP) have shelved their Palm natural gas-to-liquids(GTL) project in the Mideast Gulf state. Qatari Energy Minister Abdullah al-Attiyah said high costs forced cancellation of the 154,000 b/d complex. Project inflation had pushed the price tag from an initial \$7 billion in 2004 to more than \$15 billion, according to industry sources.	Energy Compass



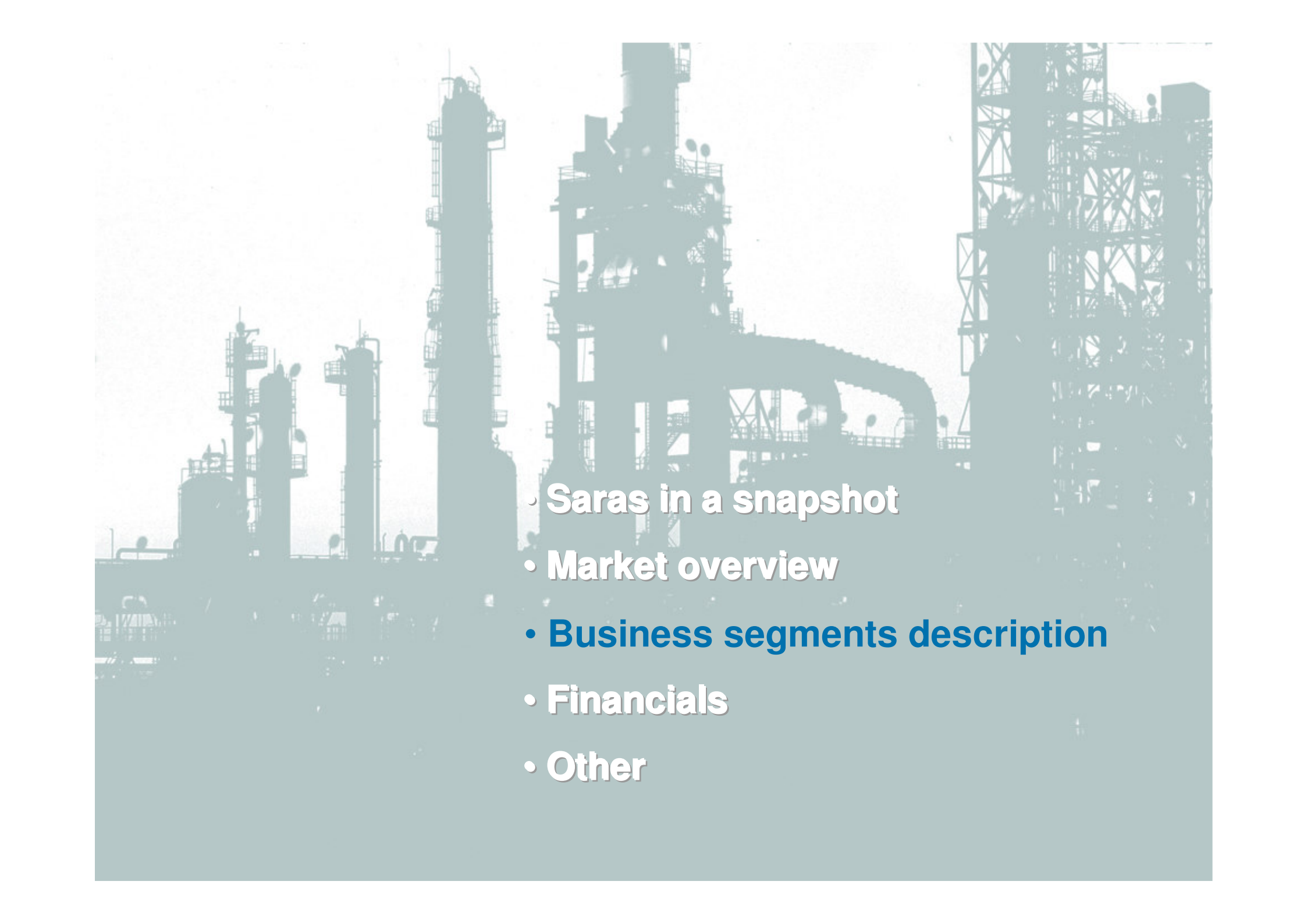
Refining Industry: relevant news about investment plans

DATE	REFINERY or COMPANY	NEWS	SOURCE
6 Mar '07	Sonangol	Angola's state owned company is seeking to cut the cost of a new 200,000 b/d refinery, after the decision to end talks with Sinopec for a \$3.7 billion project	Bloomberg
Apr' 07	ConocoPhillips	Fujairah refinery: Abu Dhabi's International Petroleum Investment Co. may scale down a planned refinery in the UAE amid concerns that partner ConocoPhillips will pull out because of soaring costs. A pre-feasibility study for the Fujairah refinery came in recently with a cost of around \$11 billion, up from original estimates of \$5 billion- \$6 billion	Energy Compass
22 June '07	Qatar Petroleum	Qatar agreed to build a 150,000 b/d refinery on Tunisia's east coast. A joint committee will study technical specifications for the \$2 billion plant over the next six months, with a start-up targeted for 2011	Energy Compass
15 June '07	Saudi Aramco	State owned oil company, plans to build a 400,000 barrel-a-day refinery that will cost as much as \$8 billion, The East Coast refinery will be built at Ras Tanura, Saudi Arabia, and is scheduled to be completed by January 2012 and will process Arabian heavy crude	Middle east economic digest
22 June '07	Al-Zour (Kuwait)	The stalled 615,000 b/d project was relaunched with \$12 billion budget and with new construction terms (cost-reimbursable basis). Planned statrup for 2011	Energy Compass
22 June '07	Philippines	RD Shell looks set to upgrade rather than expand its 110,000 b/d Tabangao refinery; initial estimates for the upgrade have already risen above \$300 ml from initial \$100-200 ml	Energy Compass



Refining Industry: relevant news about investment plans

DATE	REFINERY or COMPANY	NEWS	SOURCE
4 Lug '07	Petrol Ofisi / Ceyhan	Turkish fuel retailer Petrol Ofisi said it would invest \$4.5 billion in building a refinery in the Mediterranean port city of Ceyhan for which it received permission late last month	Reuters
27 Aug '07	Qatar petroleum/ Technip	Technip Awarded a Front-End Engineering Design Contract for a 250,000 bbl/day Grassroots Refinery in Qatar + a crude oil pipeline from the Al Shaheen field to Messaieed (90km offshore and 110km onshore), as well as other required import/export facilities. The facilities are scheduled to be operational by the end of 2011.	Bloomberg

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Sarroch refinery: structure and Nelson complexity index

Process Unit	Capacity (barrels per calendar day)	Nelson Complexity Factor	Complexity barrels
Atmospheric Distillation	300,000	1.0	300,000
Vacuum Distillation	105,000	2.0	210,000
Visbreaking	41,000	2.75	112,750
Distillate Cracking (FCC)	86,000	6.0	516,000
Cat Reforming (CCR)	29,000	5.0	145,000
Distillate Hydrocracking	105,000	6.0	630,000
Hydrotreating	107,000	2.5	267,500
Alkylation	8,000	10.0	80,000
Oxygenates (TAME)	6,000	10.0	60,000
Hydrogen/PSA (MMcfd)	62,000	1.0	62,000
TOTAL COMPLEXITY		7.9	2,383,250
Gasification	20,000	12.0	240,000
TOTAL with Gasification		8.7	2,623,250
BTX Plant	12,000	15.0	180,000
Semi-regenerative Reformer	17,000	5.0	85,000
TOTAL with Gasification & PetChem		9.6	2,888,250

Supersites and non-supersites ranking (source: WoodMackenzie)

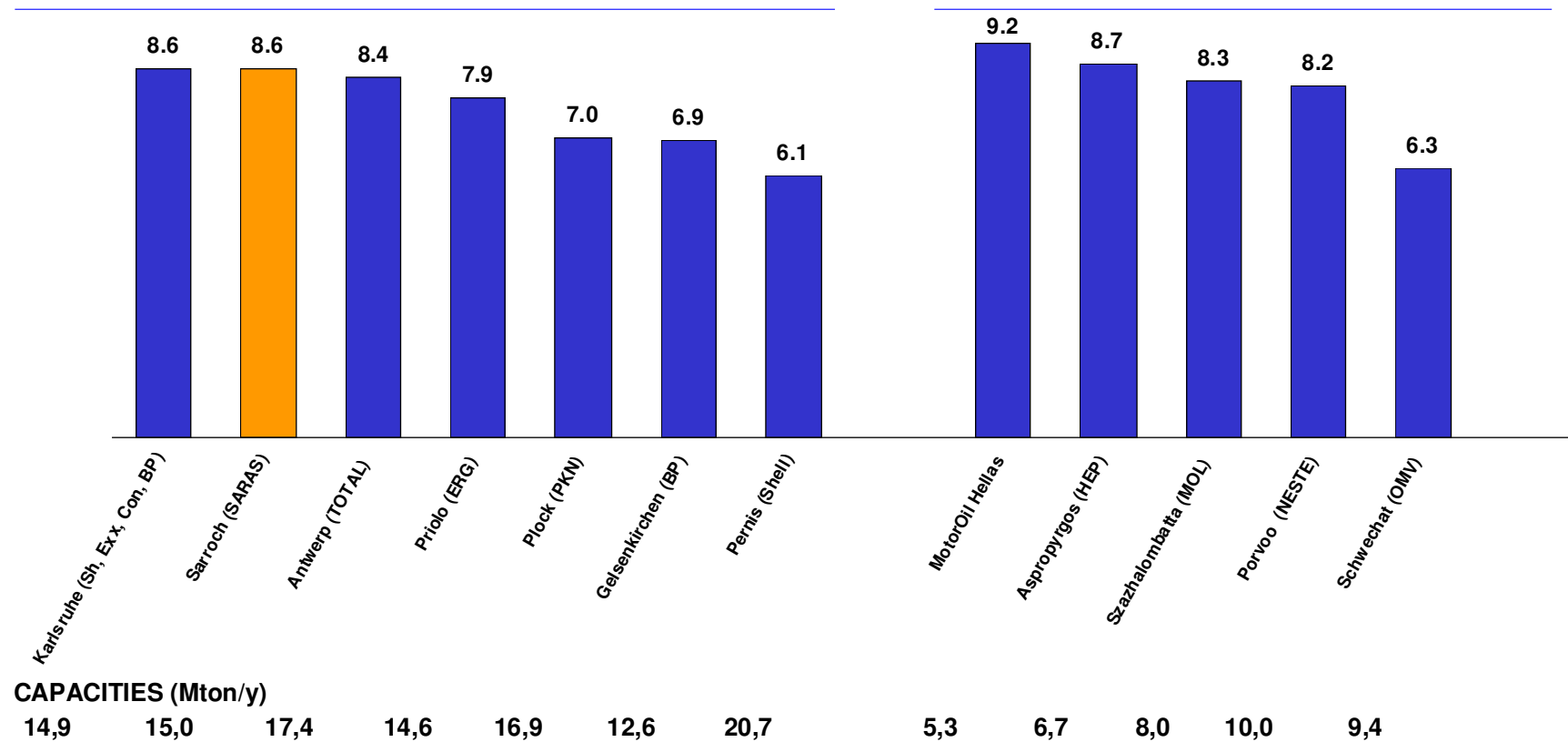
WoodMackenzie: complexity indexes for the major European refineries (*)

All Data from WoodMac Downstream Online (data available as of February 2007):

(*) **Note for Saras:** reported complexity by WoodMac is 7.9 but does not include full ownership of IGCC and is based on 313 kbcd capacity

We are restating Saras complexity (under WoodMac methodology) considering 100% IGCC ownership and a capacity of 300 kbcd

SUPERSITES



Sarroch refinery: storage and marine terminal

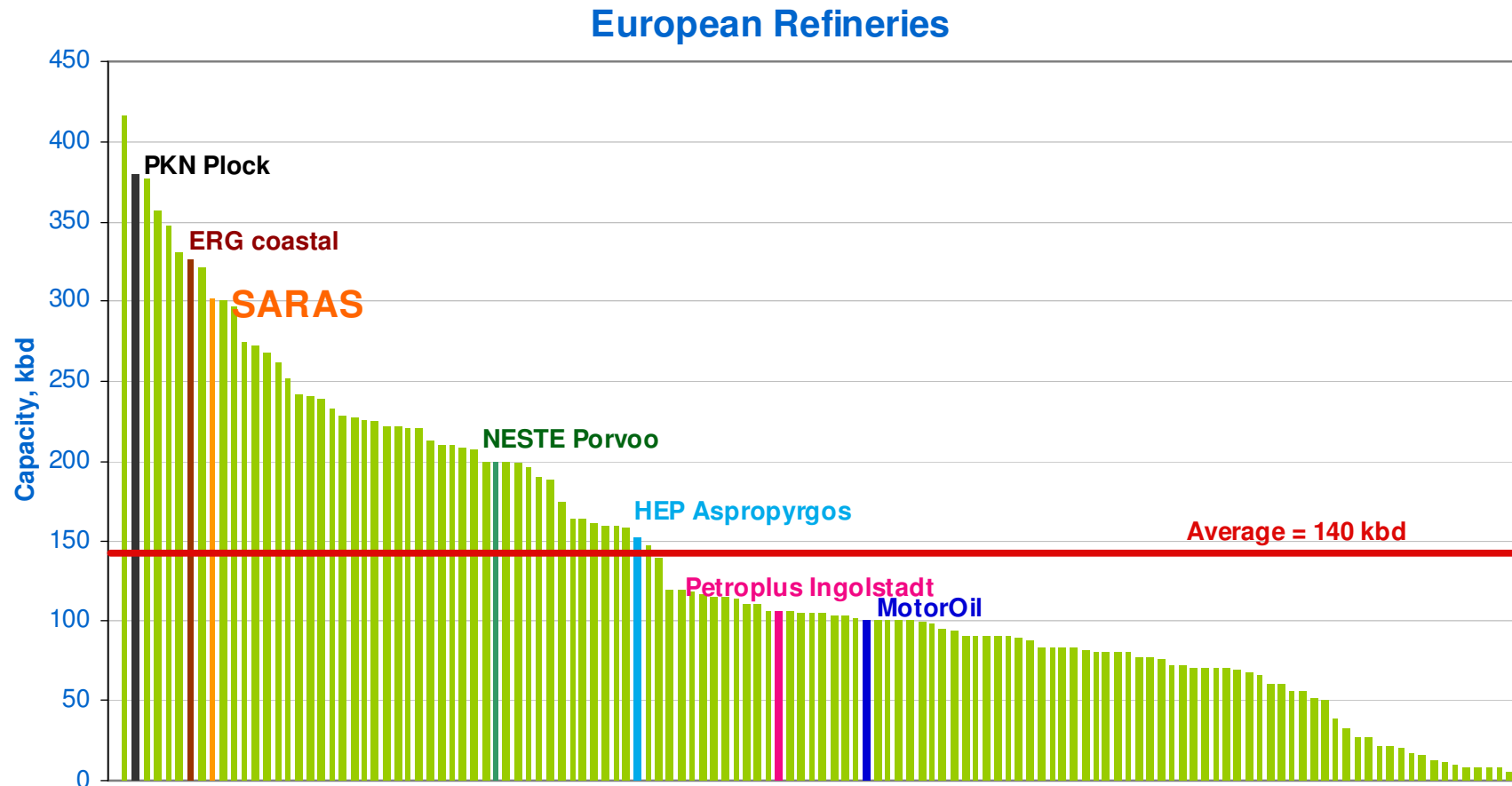
	Nr. of tanks	barrels	Cubic metres
CRUDE OIL	13	8,114,100	1,290,000
GASOLINE	35	5,012,500	796,900
KEROSENE	11	713,900	113,500
GASOIL	35	4,365,260	694,000
FUEL OIL	31	5,541,490	881,000
LPG AND PENTANES	37	375,500	59,700
TOTAL	162	24,122,800	3,835,100

- 11 BERTHS
- 300,000 SDWT VESSELS (MAX)



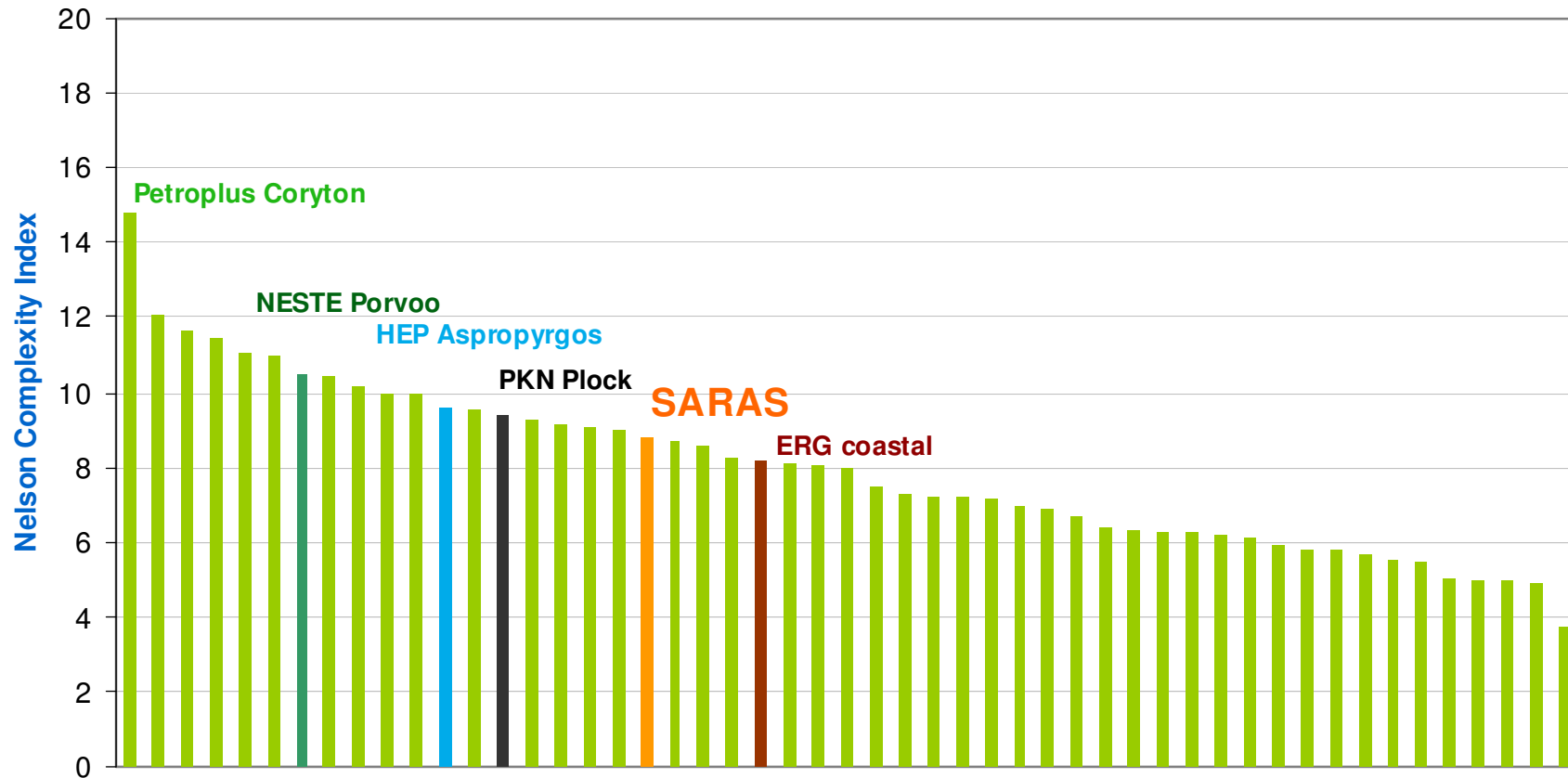


Sarroch refinery: ranking by capacity



Sarroch refinery: ranking by complexity

Nelson Index for European refineries with at least 140 kbd capacity (i.e. European average)



Sarroch refinery: FCC equivalent index

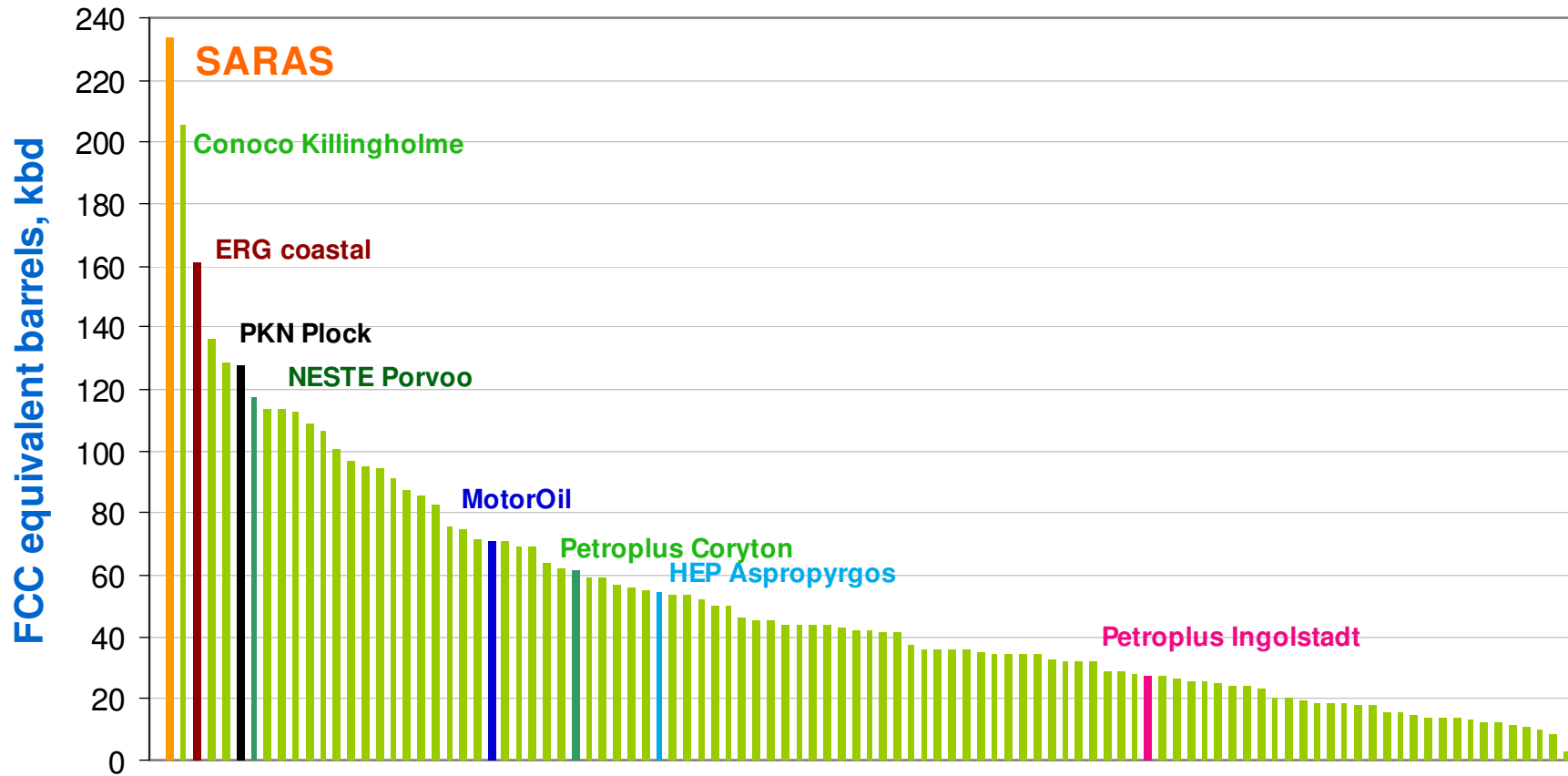
Process Unit	Capacity (barrels per calendar day)	FCC Equivalent Factor %	FCC Equivalent barrels	FCC Equivalent % on Distillation
FCC	86,000	100	86,000	28.6
Visbreaking	41,000	40	16,400	5.5
Distillate Hydrocracking	105,000	80	84,000	28.0
Gasification	20,000	240	48,000	16.0
TOTAL			234,400	78.1

Source: WoodMackenzie



Sarroch refinery: ranking by FCC equivalent conversion installed

Residue conversion capacity of European refineries

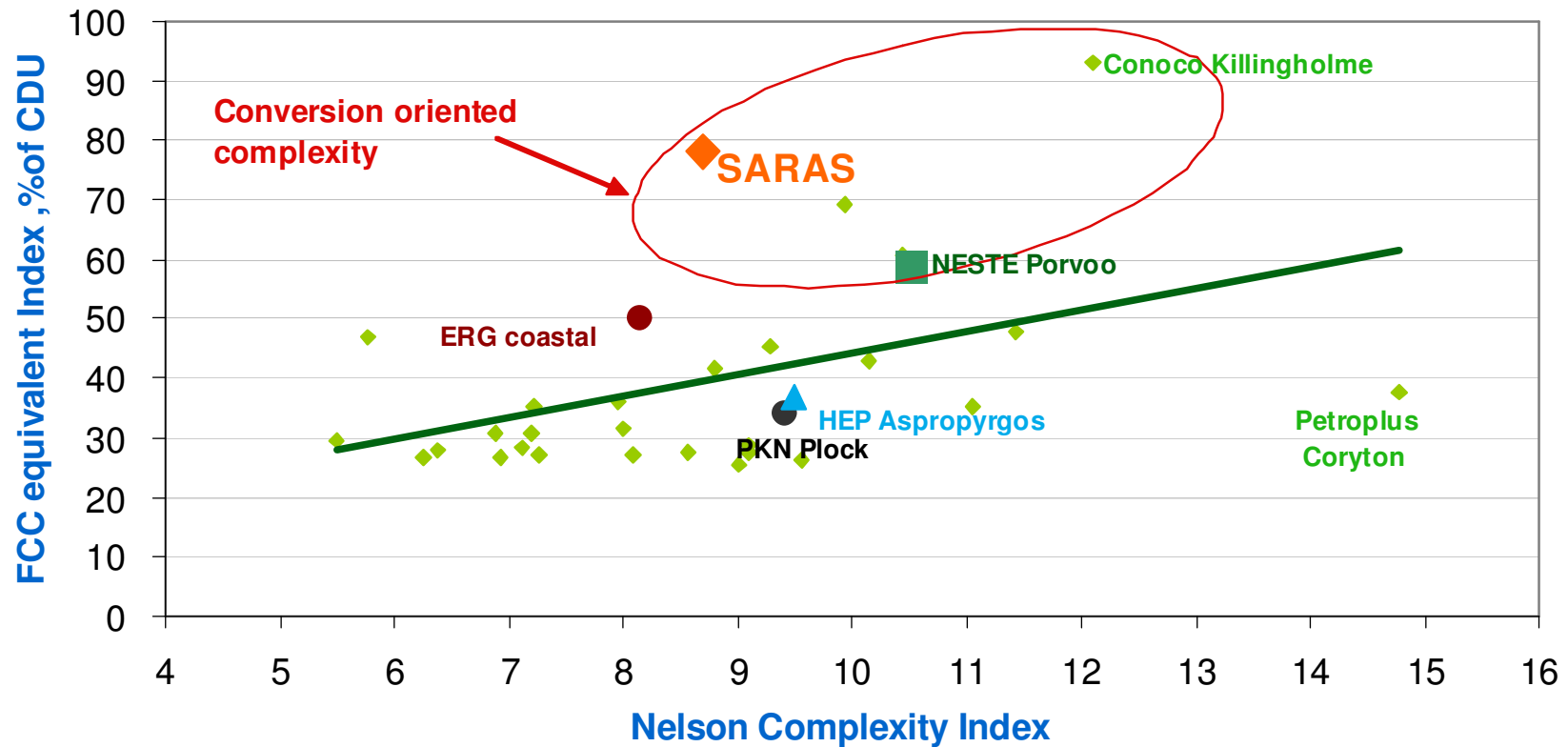


Source: WoodMackenzie



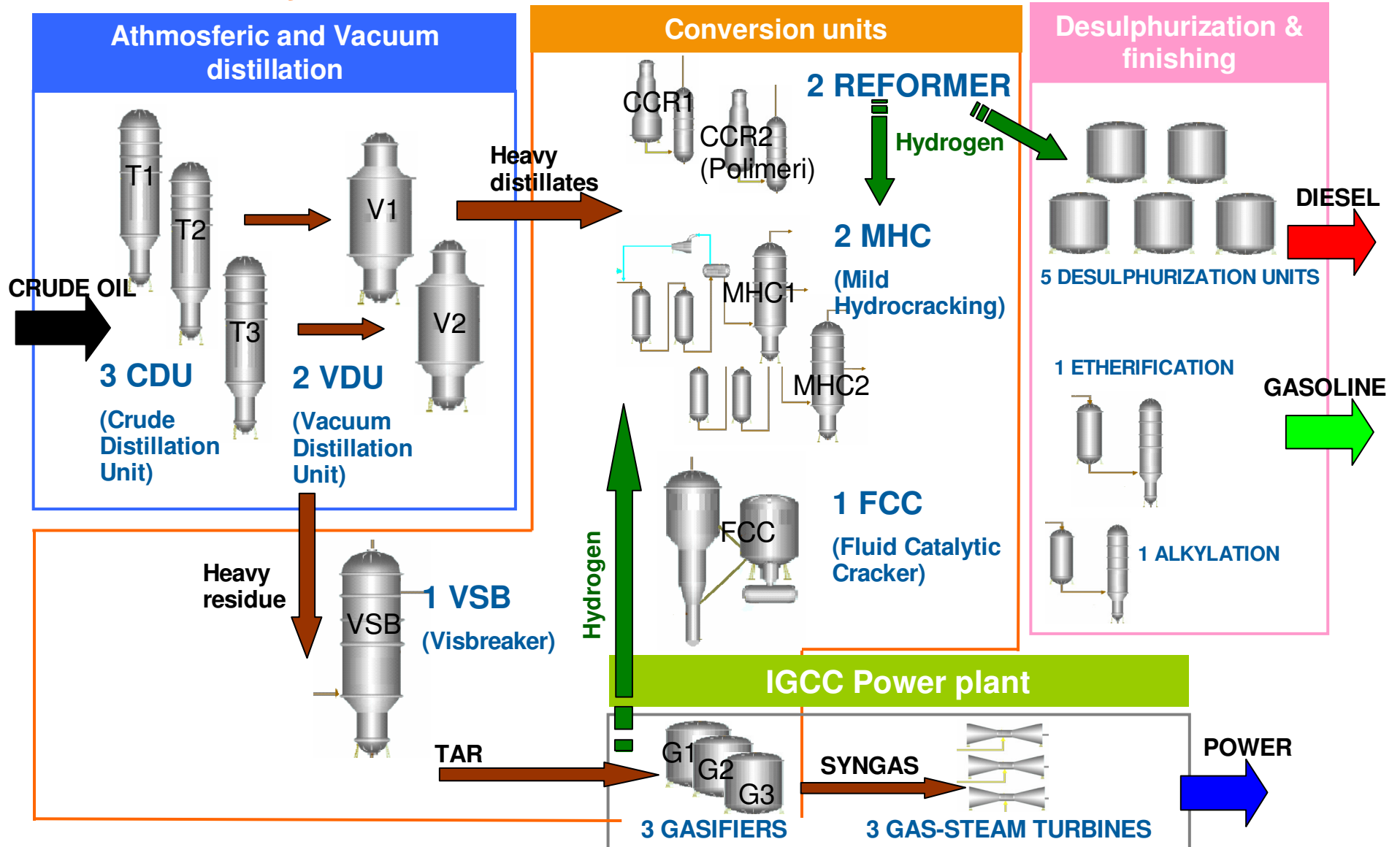
Sarroch refinery: ranking by Nelson/FCC equivalent

European Refineries with at least 140 kbd capacity and 25% FCC equivalent (i.e. European averages)

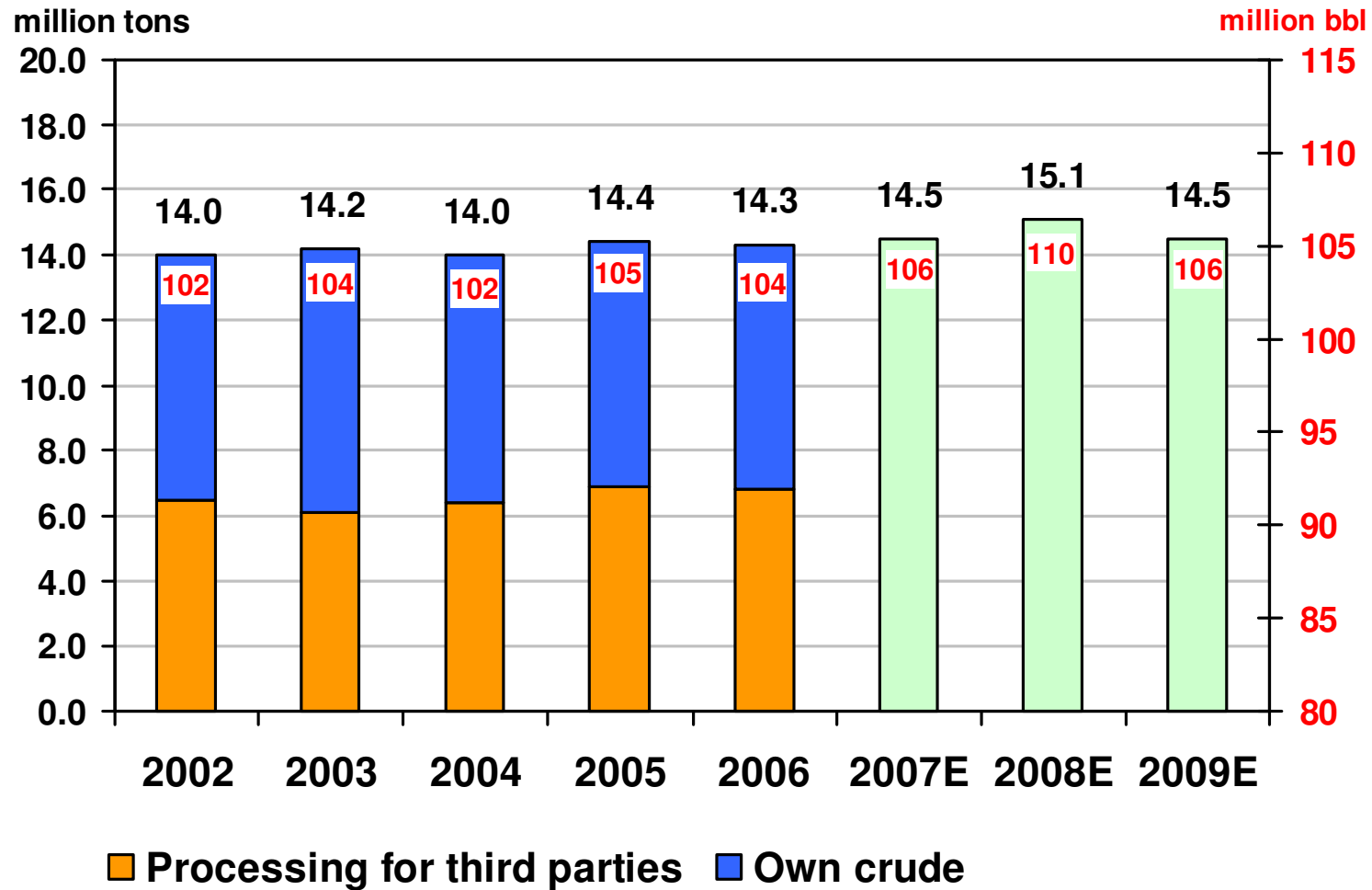




Sarroch refinery: structure



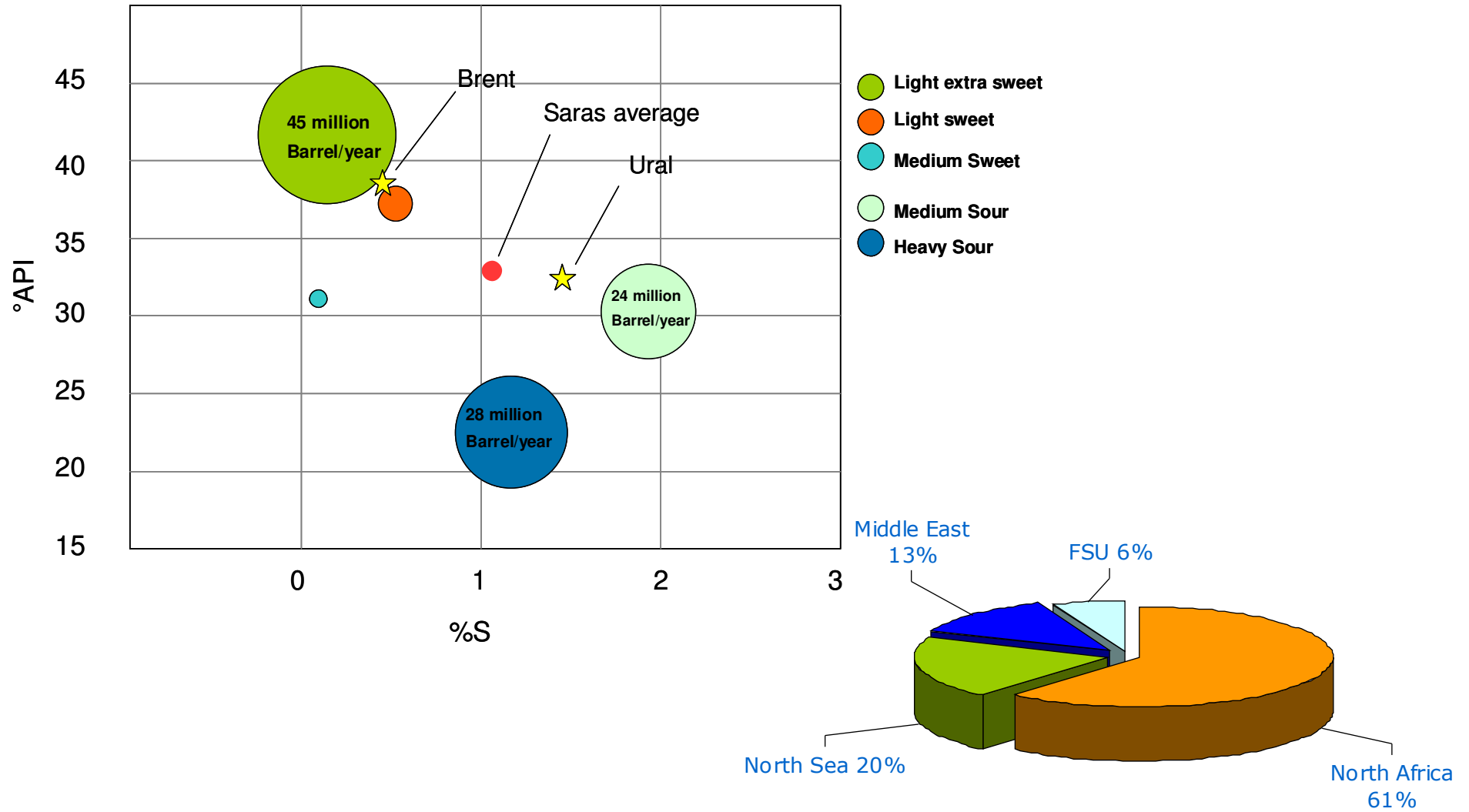
Sarroch refinery: runs



Sarroch refinery reference capacity is 300,000 barrels per calendar day

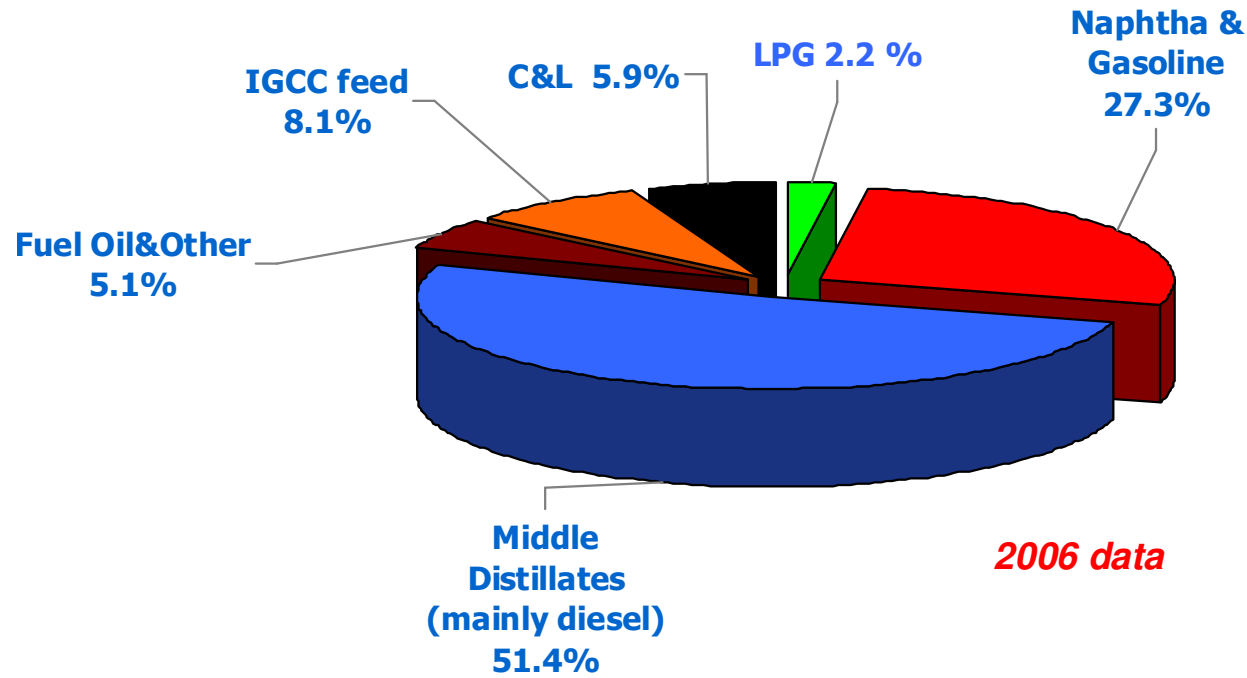


Sarroch refinery: crude oil slate by grade and by origin (2006 data)

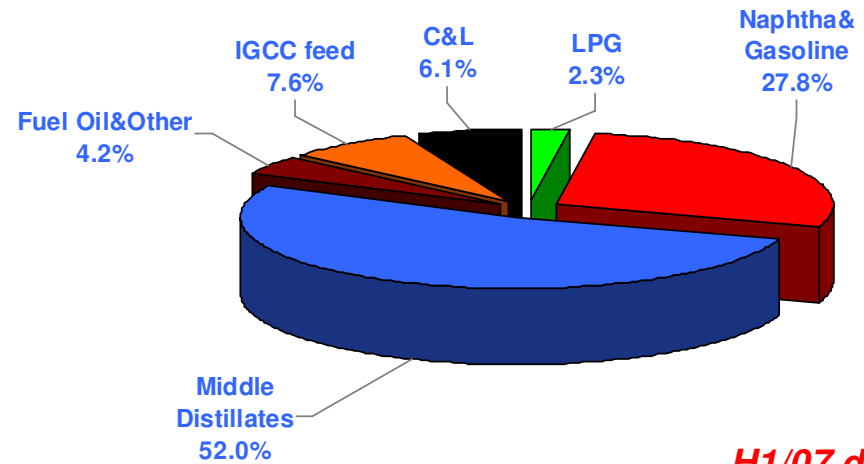




Sarroch refinery: product yields



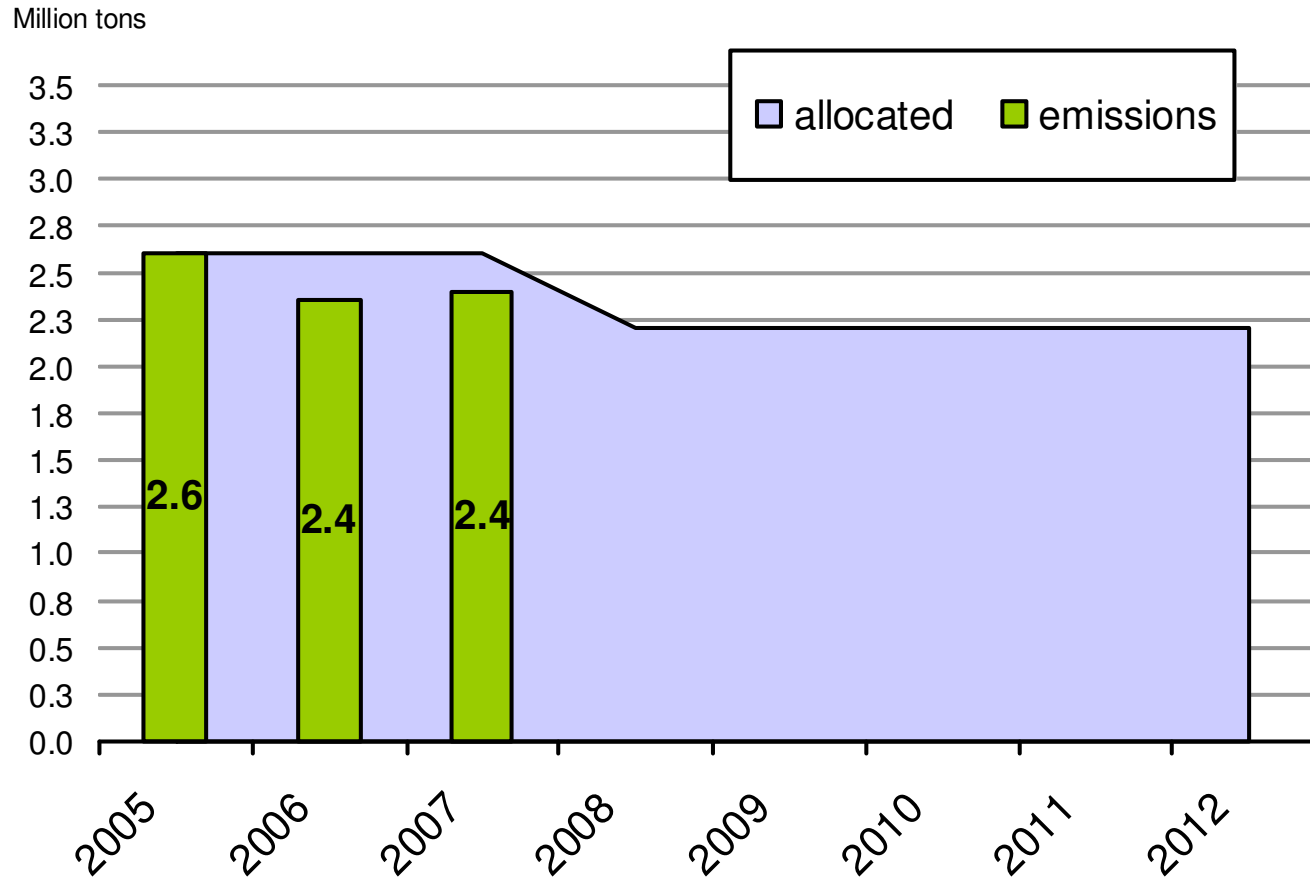
2006 data



H1/07 data



Sarroch refinery Co₂ emissions



Variable and fixed costs

		Q2/07	Q1/07	2006	
Refinery RUNS	Million barrels	24.9	27.8	104.3	
<i>Exchange rate</i>		1.35	1.31	1.26	
Fixed costs	EUR million	42	47	194	
	\$/bl	2.3	2.2	2.4	
				1.0	personnel
				0.6	Maintenance
				0.2	Insurance
				0.6	general expenses
Variable costs	EUR million	30	32	145	
	\$/bl	1.6	1.5	1.8	
				0.5	energy
				0.5	other utilities
				0.5	catalysts
				0.3	other



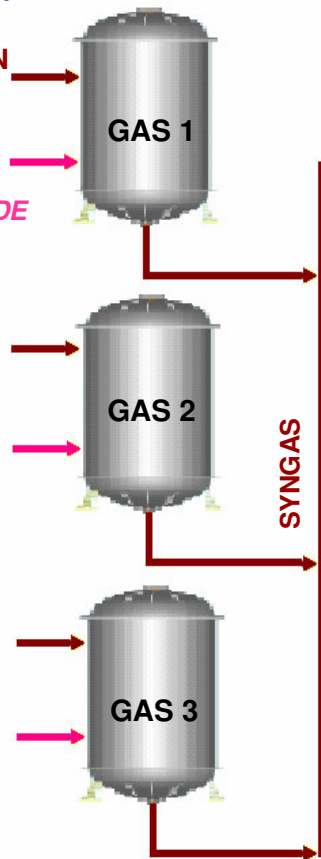
Plant configuration

Deep conversion unit Gasification

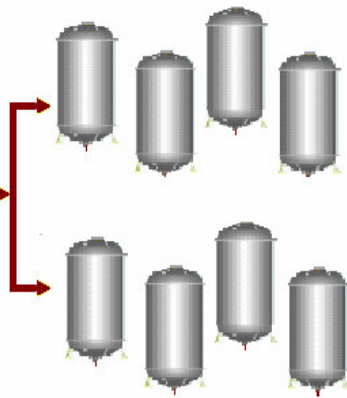
20,000 bcd

HEAVY
VISBROKEN
RESIDUE

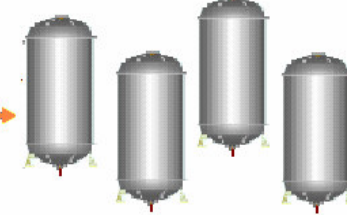
OXYGEN
FROM
AIR LIQUIDE
PLANT



Syngas purification and sulphur removal



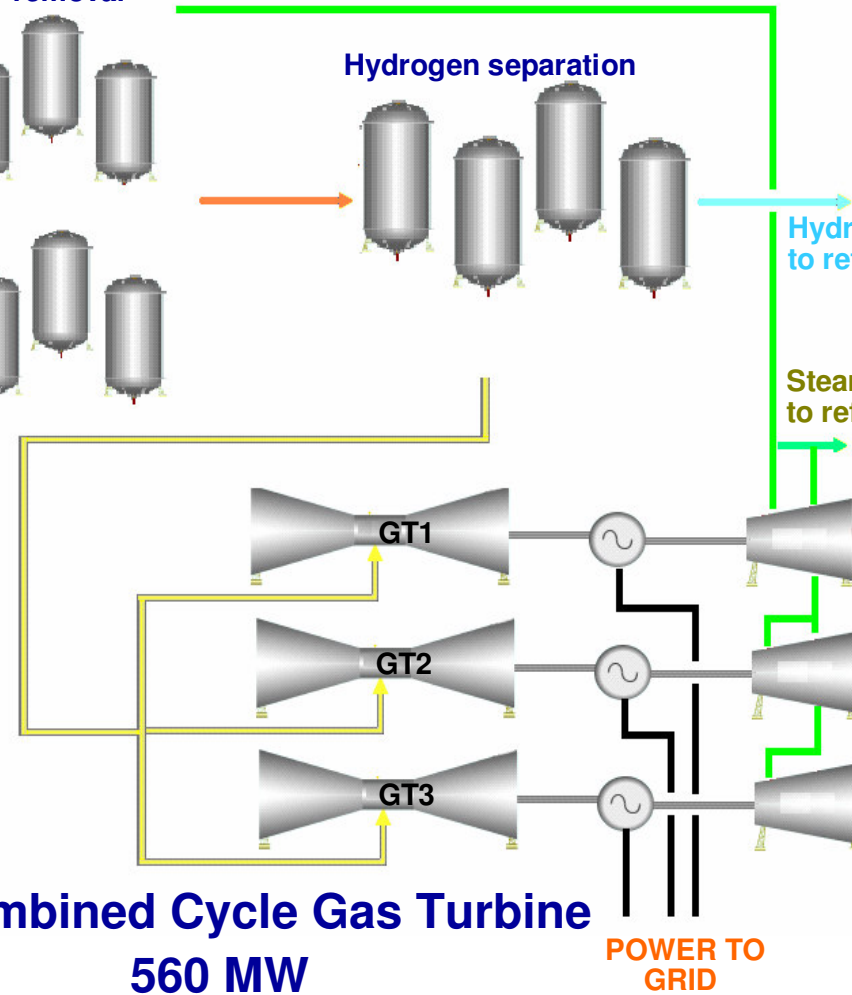
Hydrogen separation



Hydrogen
to refinery

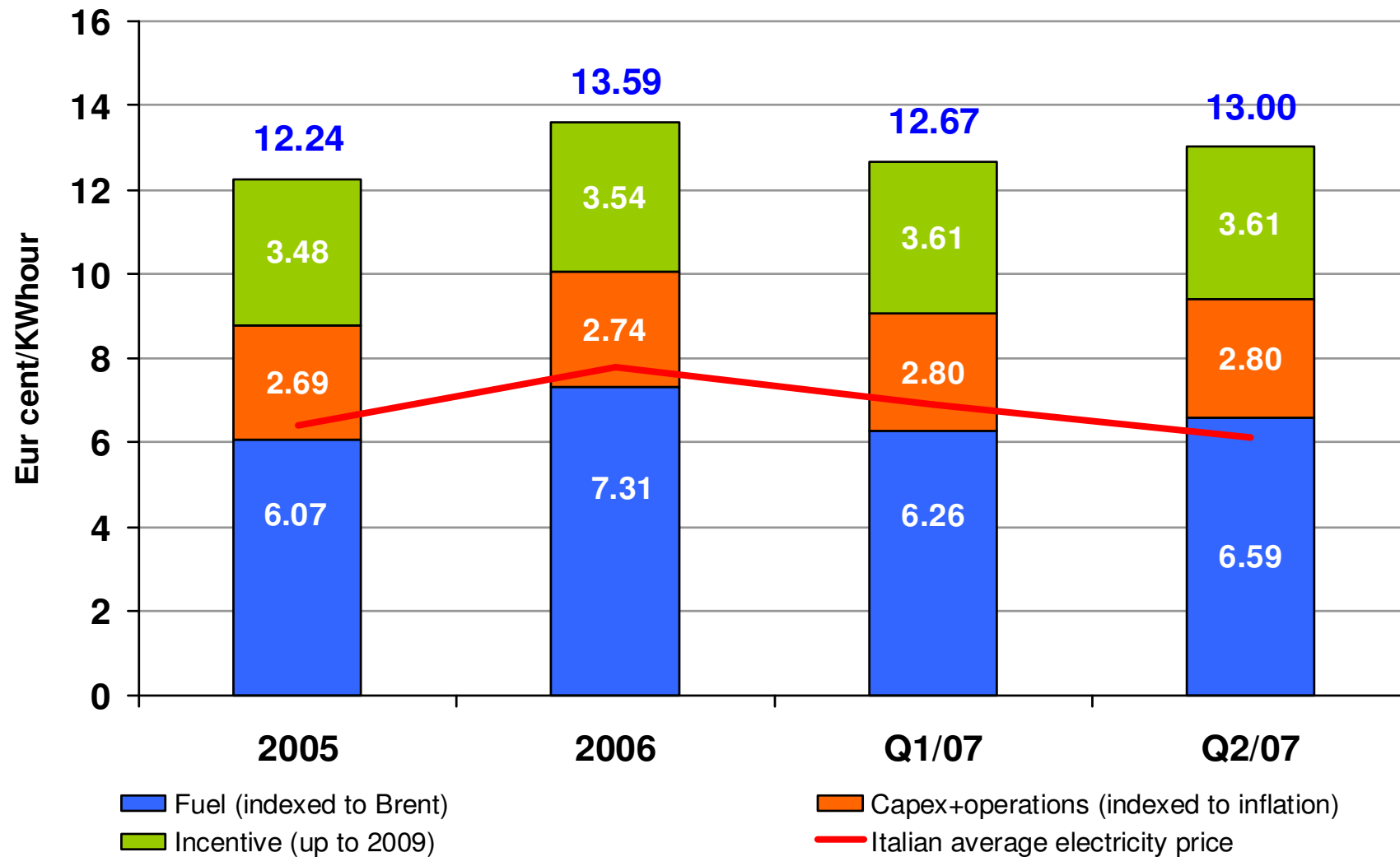
Steam
to refinery

Combined Cycle Gas Turbine 560 MW



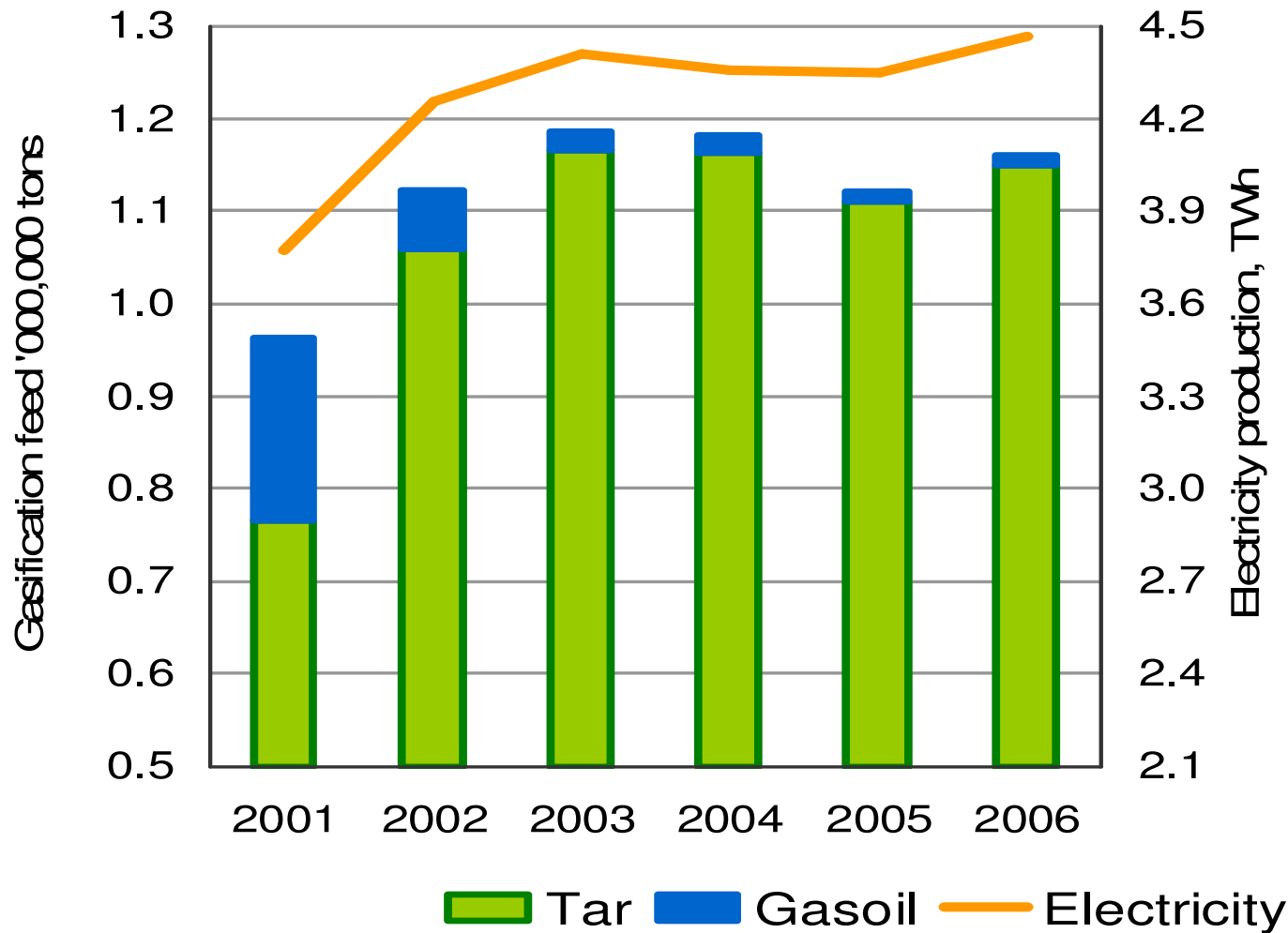


Indexation of power tariff set by law (CIP6/92) up to 2021





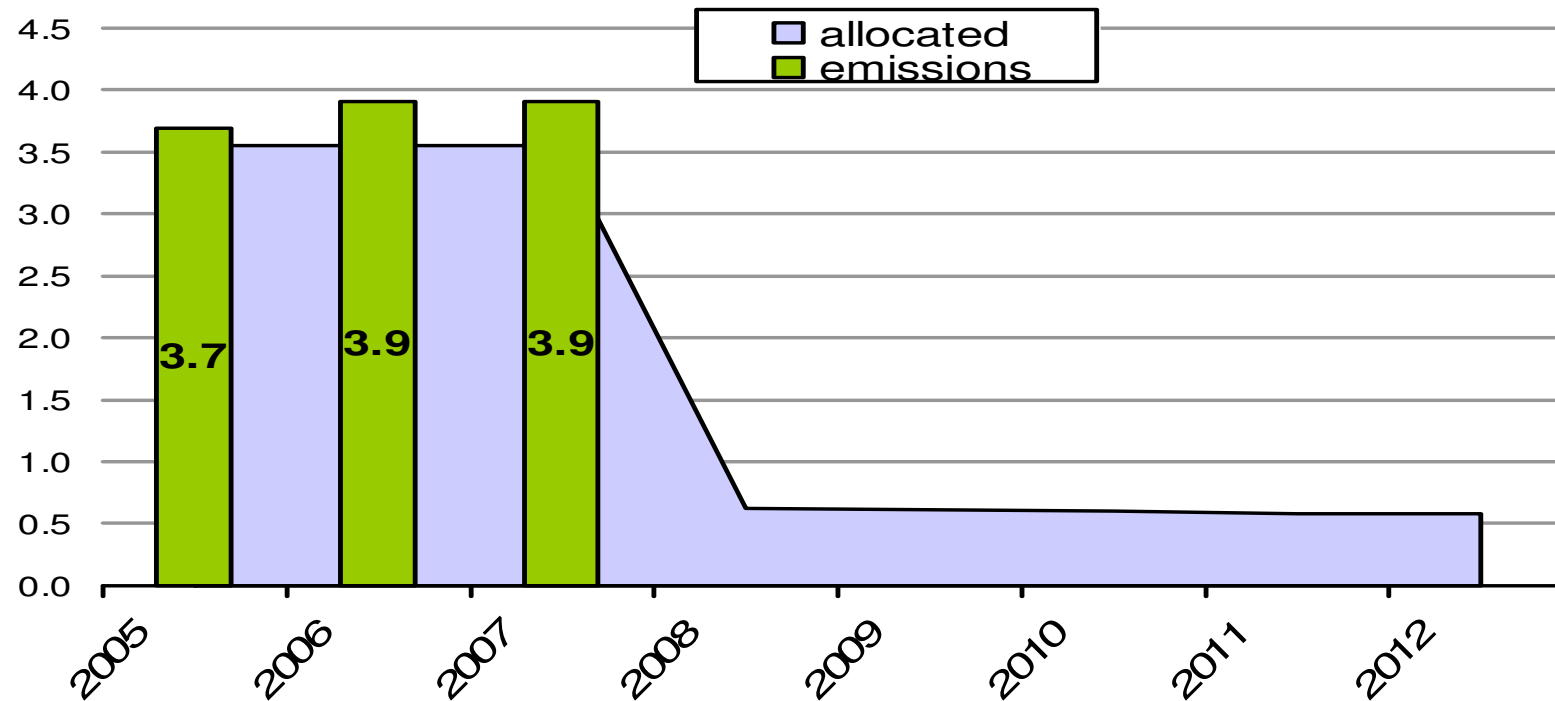
Production & feedstock consumptions





CO₂ emissions

Million tons



- **Article 7bis of CIP6/92 law** state: “the sale price of electricity will be updated in case of changes of regulations implying higher or additional costs for the producers”
- The guidelines of Italian energy authority, issued on 15th November 2006, confirm applicability of article 7bis to the CO₂ related costs and also define reimbursement mechanism.
- Final resolution from the energy authority expected soon

Variable and fixed costs

IT GAAP

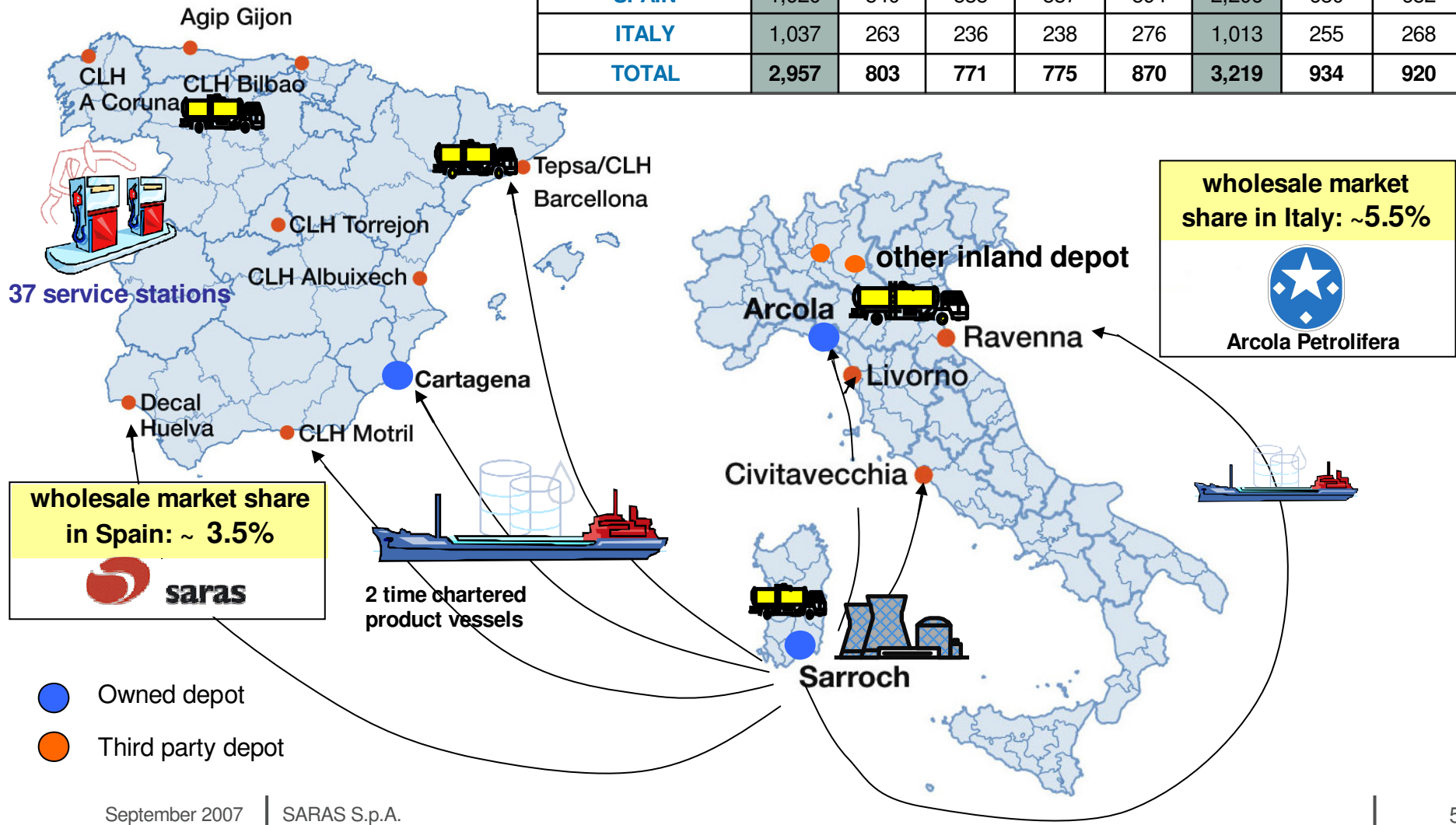
		Q2/07	Q1/07	2006	
Refinery RUNS	Million barrels	24.9	27.8	104.3	
Power production	MWh/1000	934	1,215	4,467	
<i>Exchange rate</i>		<i>1.35</i>	<i>1.31</i>	<i>1.26</i>	
Fixed costs	EUR million	30	25	107	
	EUR/MWh	32	21	24	
	\$/bl	1.6	1.2	1.2	
				0.1	personnel
				0.4	maintenance
				0.7	other and general expenses
Variable costs	EUR million	16	16	65	
	EUR/MWh	18	13	15	
	\$/bl	0.8	0.8	0.8	
				0.3	energy
				0.3	other refinery feedstocks
				0.2	other

Revenues and costs per Megawatt-hour (IT GAAP)

		Q2/07	Q1/07	2006
REVENUES FROM POWER	€/MWh	130.0	126.7	135.9
Incentive (up to 2009)	€/MWh	36.1	36.1	35.4
Other tariff components	€/MWh	93.9	90.6	100.5
REVENUES FROM UTILITIES	€/MWh	13.7	11.7	13.7
FEEDSTOCKS FOR GASIFICATION	€/MWh	(38.7)	(33.9)	(38.1)
VARIABLE COSTS	€/MWh	(18.0)	(13.0)	(14.6)
FIXED COSTS	€/MWh	(32.0)	(21.0)	(24.0)
EBITDA	€/MWh	55.0	70.5	73.0
D&A	€/MWh	(14.5)	(11.0)	(12.1)
EBIT	€/MWh	40.5	59.5	60.9

Logistic of wholesale/retail operations in Italy and Spain

Sales (thousand tons)	2005	Q1/06	Q2/06	Q3/06	Q4/06	2006	Q1/07	Q2/07
SPAIN	1,920	540	535	537	594	2,206	680	652
ITALY	1,037	263	236	238	276	1,013	255	268
TOTAL	2,957	803	771	775	870	3,219	934	920





2 owned depots

Cartagena (Spain): 112,000 cubic meters

Arcola (Italy) : 200,000 cubic meters

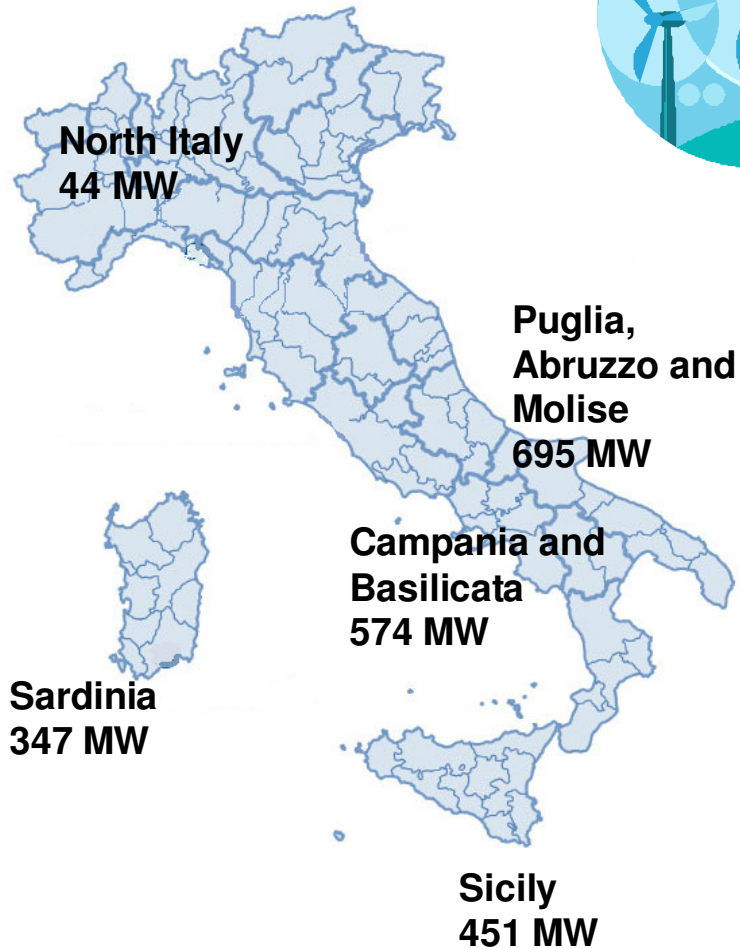


A retail network of 37 high throughput service stations (abt 3.5 million litre per year) located in the Spanish med area



Wind in Italy

Capacity installed end 2006



Wind in Europe

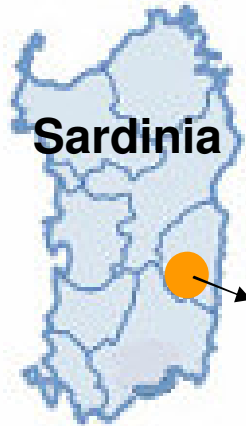
Capacity installed end 2006

	MW
GERMANY	20,622
SPAIN	11,615
DENMARK	3,136
ITALY	2,123
TOTAL EU	48,416

Green Certificates

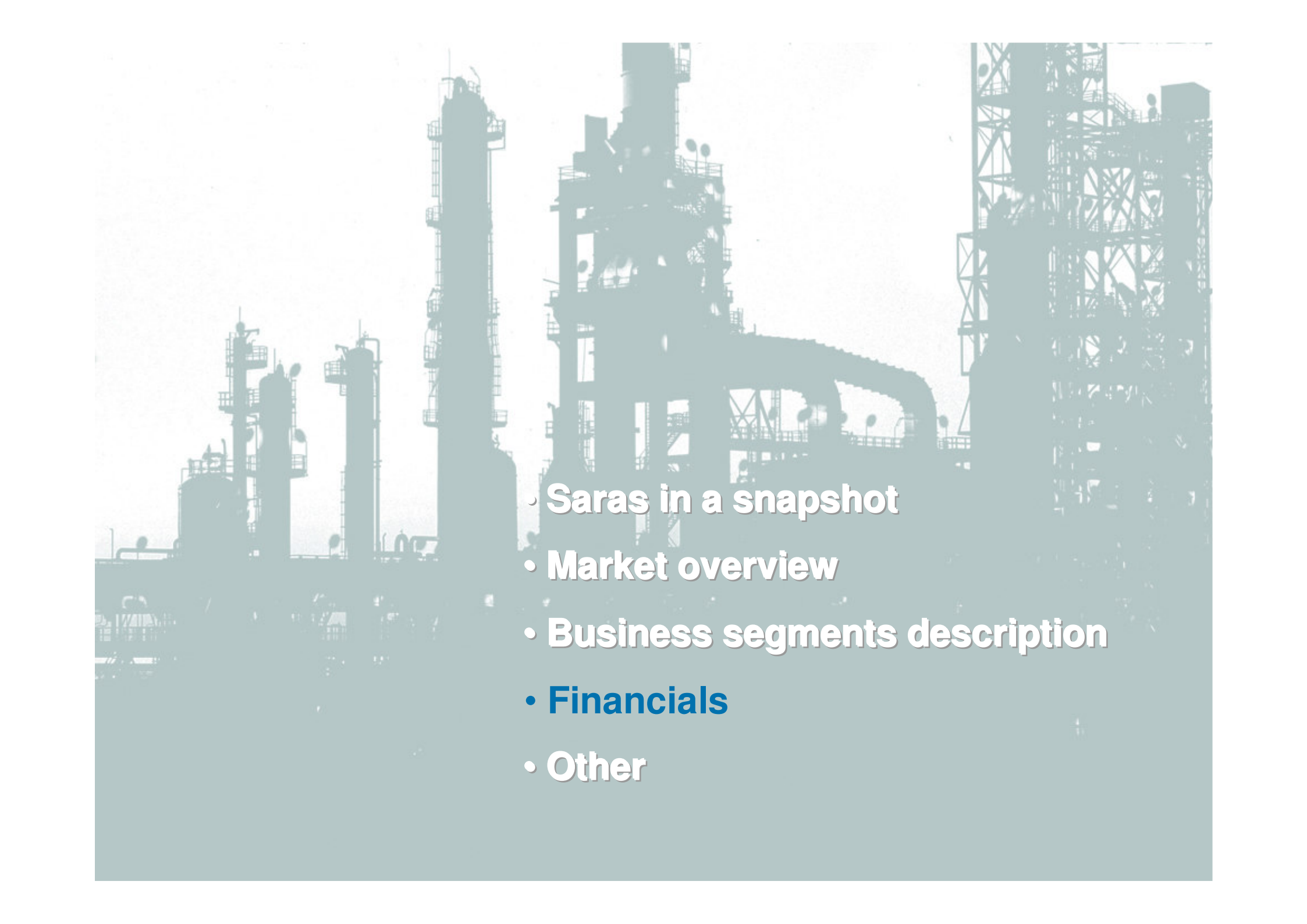
- Electric energy created by renewable energy plants are entitled to receive GC, related to the KWh produced, for the first 12 years of production since their last inspection.
- Said GC are issued by the Administrator with reference to the previous year's effective production or in accordance with the foreseeable quantity of energy that will be produced the following year by the requesting operator.
- Specifically, all operators of the field, whether producers or traders, must possess and subsequently file a certain number of GC equal to 2% of the energy used/produced in the course of the previous year. GC are securities representing renewable energy whose purchase and filing with the Administrator must occur to avoid unlawful use of the energy by the operator. Also noteworthy is the fact that the Administrator issues the GC and is then required to annul them, thus entitling the operators to comply with the above indicated Green Portfolio requirements.
- GC may be traded independently from the related renewable energy. Further, there is no legal limitation on the possibility to freely and repeatedly trade GC before they are annulled by the Administrator. The only limit is given by the need of using certificates representing the past year's production. By way of example, if a GC is issued at the beginning of the year 2001, referring to energy that will be produced in the year 2002, its annulment must occur by March 31, 2003. Therefore, throughout the entire period running from the date of issuance to the date of annulment, operators are entitled to trade GC, privately or within the Energy Stock Market, without any legal limitations whatsoever, except to the possibility of exporting the certificates abroad. In particular, as briefly mentioned above, GC do not necessarily have to be traded in connection with the energy they represent, as long as the relative sale takes place in Italy. Contrarily, GC can be sold abroad only in conjunction with the sale of energy.

Ulassai wind farm



	Q1/06	Q2/06	Q3/06	Q4/06	2006	Q1/07	Q2/07
Electricity production (MWh)	52,902	31,624	33,058	39,708	157,292	54,910	31,789
Power tariff (€cent/MWh)	7.5	6.7	8.1	8.2	7.4	7.6	9.9
Green certificates (€cent/MWh)	10.9	12.1	12.1	12.1	12.1	11.9	11.9

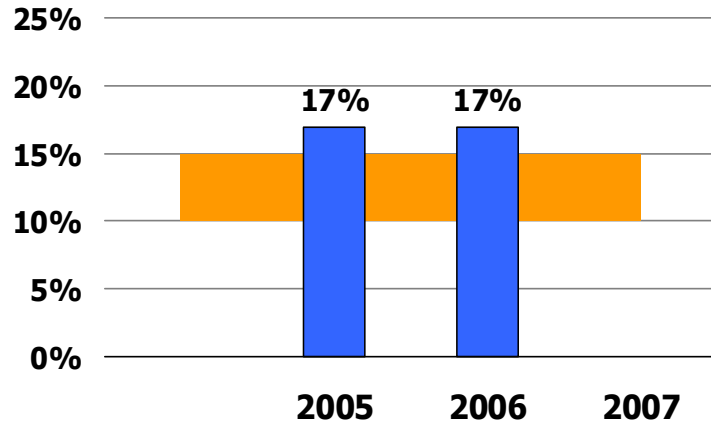
- area of 6,500 acres
- 84 MW (42 Vestas aero generators x 2MW)
- upgradeable to 96 MW
- production of approx 150,000 MWh per year
- investment of EUR 100 million
- joint venture with Backcock&Brown (Saras 70%)
- project finance (equity 15%)
- equity IRR above 50%

- 
- **Saras in a snapshot**
 - **Market overview**
 - **Business segments description**
 - **Financials**
 - **Other**

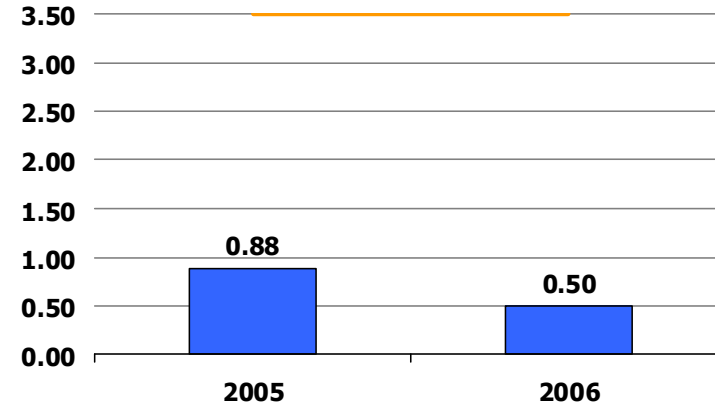


Financial targets

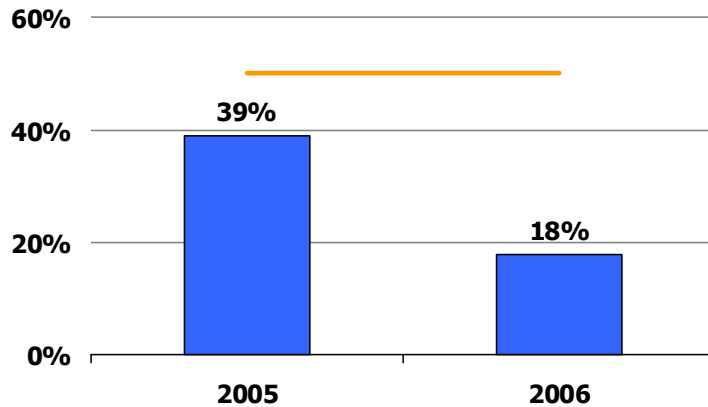
➔ **ROACE – target between 10% to 15% over the cycle**



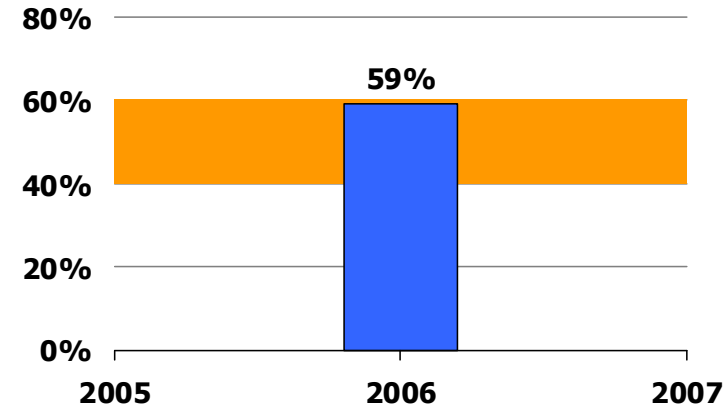
➔ **NFP/EBITDA – less than 3.5**



➔ **Leverage - long term target 50%**



➔ **Payout ratio - between 40% to 60%**



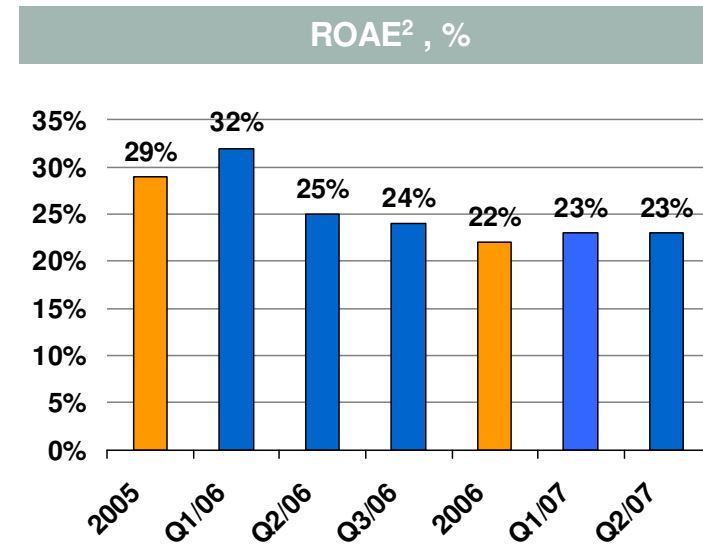
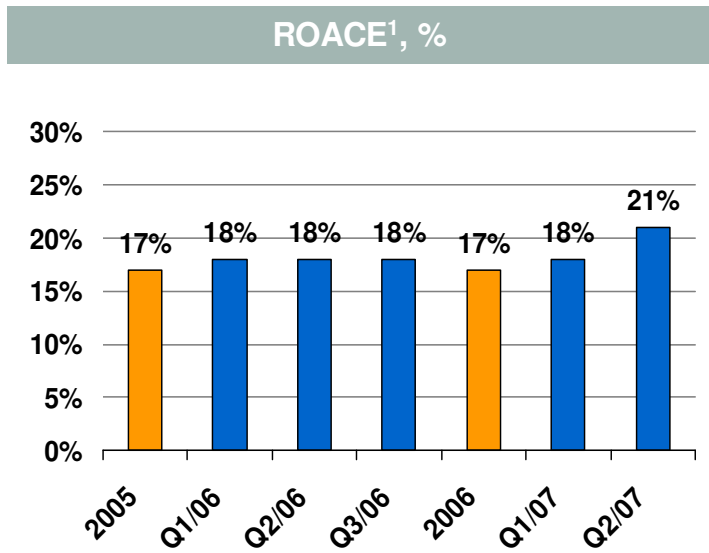
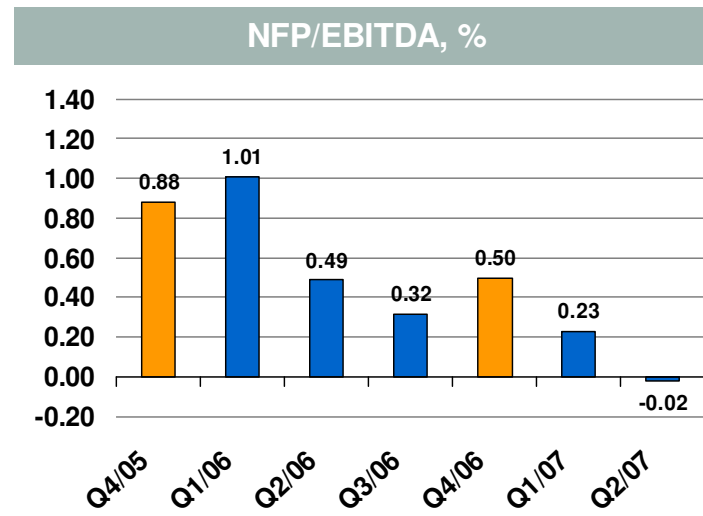
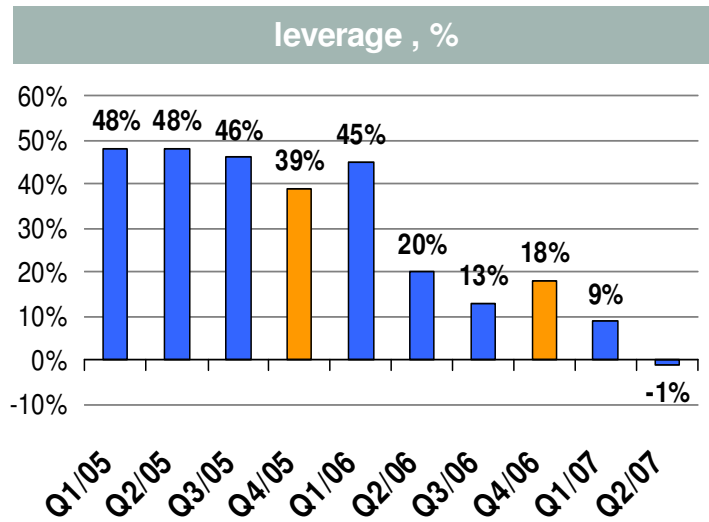
ROACE: return on average capital employed after tax

Leverage: Net debt / (net debt + equity)

Payout: calculated on adjusted net income



Key Ratios



1,2 : quarterly figures are 1 year rolling

Income statement (1)

EUR million

	2005	Q1/06	Q2/06	Q3/06	Q4/06	2006	Q1/07	Q2/07
EBITDA	783.7	138.1	201.2	84.5	102.4	526.2	145.3	265.7
Refining	421.5	77.7	66.8	98.5	80.8	323.8	95.7	140.8
Marketing	23.0	3.4	6.7	9.3	5.4	24.8	5.5	7.2
Power	213.4	63.1	52.3	52.6	52.0	220.0	53.7	52.3
Other activities	-4.3	-0.6	-1.3	0.1	0.7	-1.1	0.1	-1.1
Comparable EBITDA	653.6	143.6	124.5	160.5	138.9	567.5	155.0	199.3
Refining	73.3	15.1	17.8	17.2	18.3	68.4	17.8	17.6
Marketing	1.2	0.3	0.3	0.6	2.2	3.4	1.3	1.2
Power	93.0	22.1	22.0	22.1	22.1	88.3	20.3	20.5
Other activities	3.4	1.7	-0.8	0.6	1.1	2.6	0.6	0.5
Depreciation&amort.	170.9	39.2	39.4	40.5	43.7	162.8	40.0	39.9
EBIT	612.8	98.9	161.8	44.0	58.7	363.4	105.3	225.9
Refining	348.2	62.6	49.0	81.3	62.5	255.4	77.9	123.2
Marketing	21.8	3.1	6.4	8.7	3.2	21.4	4.2	6.0
Power	120.4	41.0	30.3	30.5	29.9	131.7	33.4	31.8
Other activities	-7.7	-2.3	-0.5	-0.5	-0.4	-3.7	-0.5	-1.6
Comparable EBIT	482.7	104.4	85.2	120.0	95.2	404.8	115.0	159.4

Comparable EBITDA : calculated evaluating inventories at LIFO
Comparable EBIT equal to comparable EBITDA less depreciation&amortization

Income statement (2)

EUR million

	2005	Q1/06	Q2/06	Q3/06	Q4/06	2006	Q1/07	Q2/07
EBIT	612.8	98.9	161.8	44.0	58.7	363.4	105.3	225.9
Comparable EBIT	482.7	104.4	85.2	120.0	95.2	404.8	115.0	159.4
Interest expenses	-25.3	-7.3	-9.3	-4.6	-0.8	-22.0	-5.1	-3.2
derivatives gains/losses	-60.0	6.6	-10.6	-3.2	9.3	2.1	3.6	-11.8
derivatives fair value	-8.6	-0.1	-6.7	19.5	-2.6	10.1	-22.0	+5.9
Net Financial expenses	-93.9	-0.8	-26.6	11.7	5.9	-9.9	-23.5	-9.2
Equity interest	-0.4	2.4	1.1	0.5	2.5	6.5	2.6	1.3
Non recurring expenses	0.0	0.0	-12.9	0.0	-9.3	-22.2	0.0	0.0
Profit before taxes	518.5	100.5	123.5	56.4	57.8	338.2	84.4	218.0
Taxes	-212.1	-37.7	-47.7	-22.6	-22.1	-130.1	-33.5	-82.1
Tax rate	40.9%	38.4%	39.0%	40.4%	40.0%	39.2%	40.9%	37.9%
Net income	306.4	62.8	75.8	33.8	35.7	208.1	50.9	136.0
Adjustments	-75.9	3.5	-35.5	35.4	30.3	33.7	20.1	-46.5
Adjusted net income	230.5	66.3	40.3	69.2	66.0	241.8	71.0	89.5
Adjusted EPS	0.26	0.07	0.05	0.07	0.07	0.26	0.07	0.09
Detail of adjustments to net income								
(Invent. at LIFO- inv. at LIFO) net of taxes	-81.6	3.5	-48.1	47.7	22.9	25.9	6.1	-38.7
Non recurring items net of taxes	0.0	0.0	8.1	0.0	6.6	14.7	0.0	-3.5
Change of derivatives fair value net of taxes	5.7	0.1	4.5	-12.3	0.8	-6.9	14.0	-4.3
TOTAL adjustments	-75.9	3.5	-35.5	35.4	30.3	33.7	20.1	-46.5



Balance sheet and net financial position

EUR million

	2005	Q1/06	Q2/06	Q3/06	2006	Q1/07	Q2/07
Current assets	1.409	1.618	1.643	1.654	1.514	1.682	1.672
Cash and other cash equivalents	A 227	261	300	393	231	395	472
Other current assets	1.182	1.356	1.344	1.261	1.282	1.287	1.200
Non current assets	1.684	1.676	1.689	1.707	1.707	1.705	1.723
TOTAL ASSETS	3.093	3.293	3.332	3.361	3.220	3.386	3.396
Non interest bear liabilities	1.376	1.574	1.502	1.520	1.410	1.507	1.598
Interest bear liabilities	B 820	930	618	596	525	542	466
Equity	897	790	1.211	1.245	1.285	1.336	1.331
TOTAL LIABILITIES	3.093	3.293	3.332	3.361	3.220	3.386	3.396
Intercompany to/from unconsolidated subsidiaries	C 19.4	13.6	14.6	15.8	8.5	12.6	5.6
Net financial position (A-B-C)	-573	-655	-304	-187	-285	-135	+12

Cashflow

EUR million

	2005	Q1/06	Q2/06	Q3/06	Q4/06	2006	Q1/07	Q2/07
Initial net financial position	-726	-573	-655	-304	-187	-573	-285	-135
CF FROM OPERATIONS	379	116	54	164	-57	277	185	347
of which working capital	-320	-32	-104	71	-151	-216	78	54
CF FROM INVESTMENTS	-86	-27	-46	-47	-41	-161	-36	-57
in tangible&intangible. assets	-86	-27	-46	-19	-41	-133	-36	-57
acquisitions	0	0	0	-28	0	-28	0	0
CF FROM FINANCING	-140	-170	342	0	0	172	0	-143
capital increase	0	0	342	0	0	342	0	0
dividends	-140	-170	0	0	0	-170	0	-143
TOTAL CASHFLOW	152	-81	351	117	-98	289	149	147
Final net financial position	-573	-655	-304	-187	-285	-285	-135	+12

Capex by business segment

EUR million

	2005	Q1/06	Q2/06	Q3/06	Q4/06	2006	Q1/07	Q2/07
REFINING	70	26	44	15	23	108	30.2	50.5
MARKETING	14	0	0	1	6	7	4.5	0.8
POWER GENERATION	1	1	2	2	11	16	0.3	5.5
OTHER ACTIVITIES	1	1	0	0	1	2	0.6	0.6
TOTAL CAPEX	86	27	46	19	41	133	35.5	57.4



Refining

EUR million	Q1/06	Q2/06	Q3/06	Q4/06	2006	Q1/07	Q2/07
EBITDA	68.3	137.8	31.0	55.1	292.2	88.5	197.2
Comparable EBITDA	77.7	66.8	98.5	80.8	323.8	95.7	140.8
EBIT	53.2	120.0	13.8	36.8	223.8	70.7	179.6
Comparable EBIT	15.1	17.8	17.2	18.3	68.4	17.8	123.2
CAPEX	23	44	16	23	108	30	51
REFINERY RUNS							
Thousand tons	3.709	2.918	3.764	3.895	14.286	3.809	3.415
Million barrels	27.1	21.3	27.5	28.4	104.3	27.8	24.9
Barrels/day	301	234	299	309	286	309	274
Of which for third parties	46%	55%	47%	46%	48%	36%	40%
EMC benchmark	1.9	4.7	2.8	1.6	2.8	3.0	5.4
Saras refining margin	5.6	7.7	6.5	5.6	6.2	6.7	9.9



Power generation

EUR million	Q1/06	Q2/06	Q3/06	Q4/06	2006	Q1/07	Q2/07
EBITDA	63.1	52.3	52.6	52.0	220.0	53.7	52.3
EBIT	41.0	30.3	30.5	29.9	131.7	33.4	31.8
EBITDA ITALIAN GAAP	79.5	86.8	88.7	68.8	323.8	85.6	51.3
EBIT ITALIAN GAAP	66.3	73.3	75.2	55.2	270.0	72.4	37.9
NET INCOME IT GAAP	39.3	44.0	45.2	32.4	160.9	43.4	22.6
CAPEX	0	2	1	9	12	4	6
ELECTRICITY PRODUCTION Mwh/1000	1,155	1,136	1,147	999	4,467	1,215	934
POWER TARIFF €cent/Kwh	13.31	13.71	12.46	13.49	13.59	12.67	13.00
POWER IGCC MARGIN \$/bl	4.0	4.5	3.4	3.6	3.9	3.7	4.4



Marketing

EUR million	Q1/06	Q2/06	Q3/06	Q4/06	2006	Q1/07	Q2/07
EBITDA	7.3	12.4	0.8	-5.4	15.1	3.0	17.3
Comparable EBITDA	3.4	6.7	9.3	5.4	24.8	5.5	7.2
EBIT	7.0	12.1	0.2	-7.6	11.7	1.7	16.1
Comparable EBIT	3.1	6.4	8.7	3.2	21.5	4.2	6.0
CAPEX	0	0	1	8	9	0	1
SALES (THOUSAND TONS)							
ITALY	263	236	238	276	1,013	255	268
SPAIN	540	535	537	594	2,204	680	652
TOTAL	803	771	775	870	3,217	934	920



Other activities

EUR million	Q1/06	Q2/06	Q3/06	Q4/06	2006	Q1/07	Q2/07
EBITDA	-0.6	-1.3	0.1	0.7	-1.1	0.1	-1.0
EBIT	-2.3	-0.5	-0.5	-0.4	-3.7	-0.5	-1.6
CAPEX	1	0	0	1	1	0	1

Wind

Equity company – Saras share is 70%

EUR million	Q1/06	Q2/06	Q3/06	Q4/06	2006	Q1/07	Q2/07
EBITDA	7.7	4.7	5.4	7.9	25.7	9.4	5.9
EBIT	5.8	2.8	3.3	5.6	17.4	7.1	3.6
NET INCOME	3.4	1.6	0.8	3.2	8.9	3.8	2.0
Adjusted NET INCOME	3.4	1.6	1.4	1.7	8.1	3.4	1.4
ELECTRICITY PRODUCTION Mwh	52,902	31,624	33,058	39,708	157,290	54,910	31,789
POWER TARIFF €cent/Kwh	7.4	6.7	8.1	8.2	7.4	7.6	9.9
GREEN CERTIFICATES €cent/Kwh	12.1	12.1	12.1	12.1	12.1	11.9	11.9



Refining

- **1 \$/bbl of change on our refining margin** affect refining annual EBITDA by roughly 100 USD million or 77 EUR million at 1.30
- **+10 \$/ton ULSD-HSFO**, at constant overall margins, are +5 EUR million worth
- **0.05 change in the EUR/USD exchange rate** affect annual refining EBITDA by roughly 25 EUR million (assuming a Saras refining margin of 7\$/bl)

Power Generation

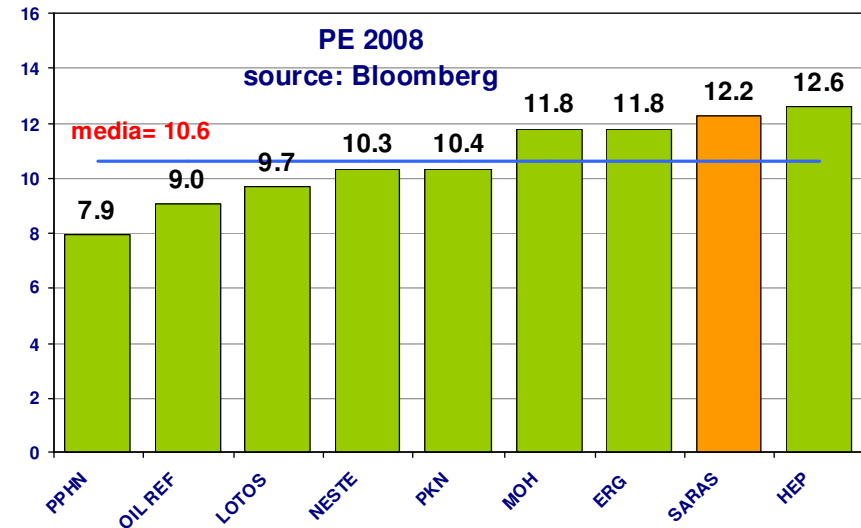
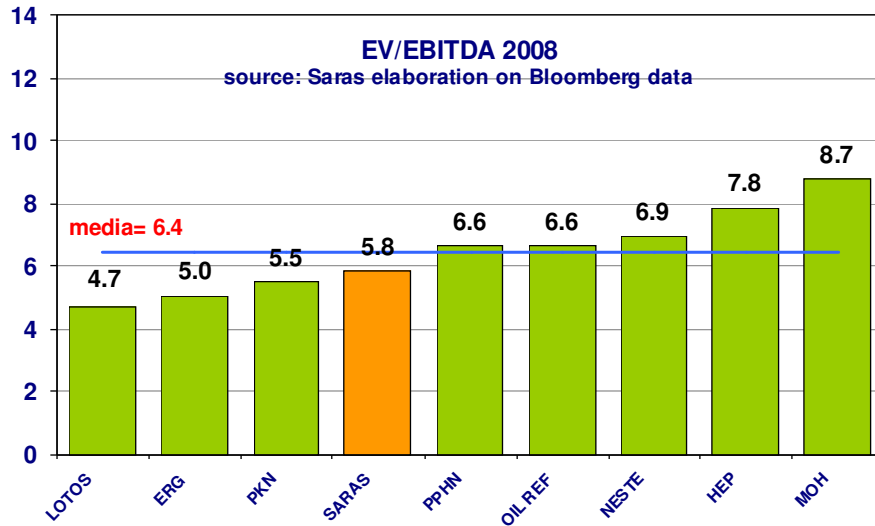
- **+/- 10% of change of crude/product prices** affect annual IT GAAP EBITDA by abt +/- 6.6%
- **EUR/USD exchange rate from 1.30 to 1.20** affect annual IT GAAP EBITDA by roughly +10 EUR million



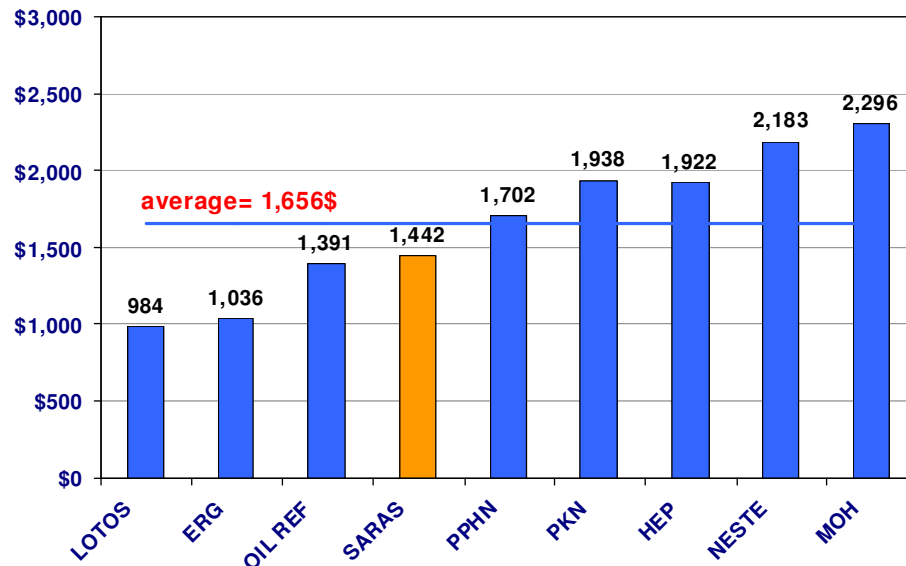
Market multiples

EV/EBITDA – PE – EV per complexity barrel

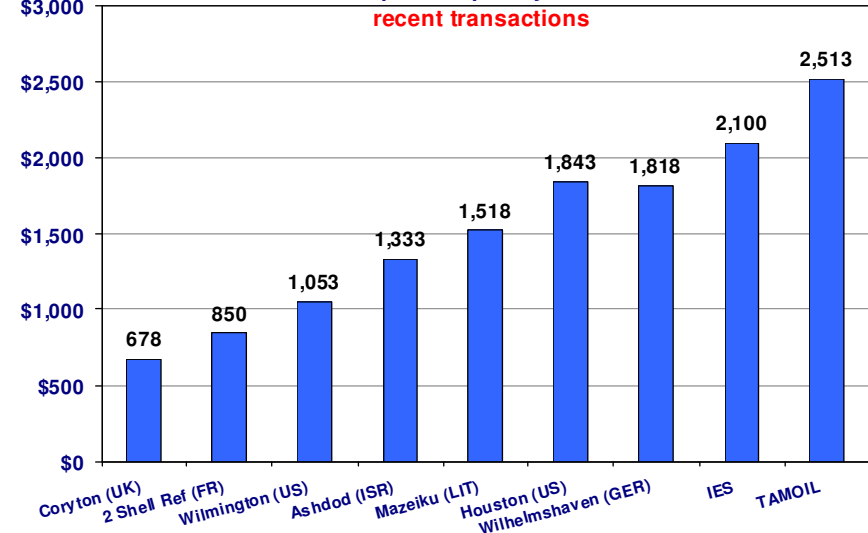
Last update 10th September 2007



EV per complexity barrel



EV per complexity barrel





Analyst recommendations and 2007 / 2008 / 2009 estimates (Bloomberg)

EBITDA	Low	Hi	Mean
2007	659	695	677
2008	597	784	717
2009	559	783	702

EBIT	Low	Hi	Mean
2007	374	534	486
2008	406	621	525
2009	398	578	512

EPS	Low	Hi	Mean
2007	0.31	0.33	0.33
2008	0.28	0.41	0.36
2009	0.35	0.41	0.38

Reported 2007


	Q1	Q2	Q3	Q4	TOTAL
EBITDA	155	199			354
EBIT	115	159			274
EPS	0.07	0.09			0.17

ANALYST RECCOMENDATIONS

BROKER	DATE	CONSENSUS	TARGET PRICE
JPMORGAN	05-Feb-07	OVERWEIGHT	5.00
MORGAN STANLEY	5-set-07	EQUALWEIGHT	4.70
UBS	1-ago-07	BUY	5.25
MERRILL LYNCH	02-Mar-07	NEUTRAL	4.40
CABOTO	15-May-07	ADD	5.00
INTERMONTE	10-ago-07	OUTPERFORM	5.20
BANCA AKROS	14-feb-07	BUY	5.00
UNICREDIT	8-mag-07	BUY	4.95
ACTINVEST	15-Dec-06	BUY	5.36
EUROMOBILIARE	6-lug-07	BUY	5.20
CA CHEUVREUX	31-ago-07	OUTPERFORM	5.30
IXIS	10-ago-07	ADD	4.85
LEHMAN BROTHERS	6-lug-07	OVERWEIGHT	5.20
GOLDMAN SACHS	22-giu-07	NEUTRAL	4.50
MEDIAN TARGET PRICE			5.00

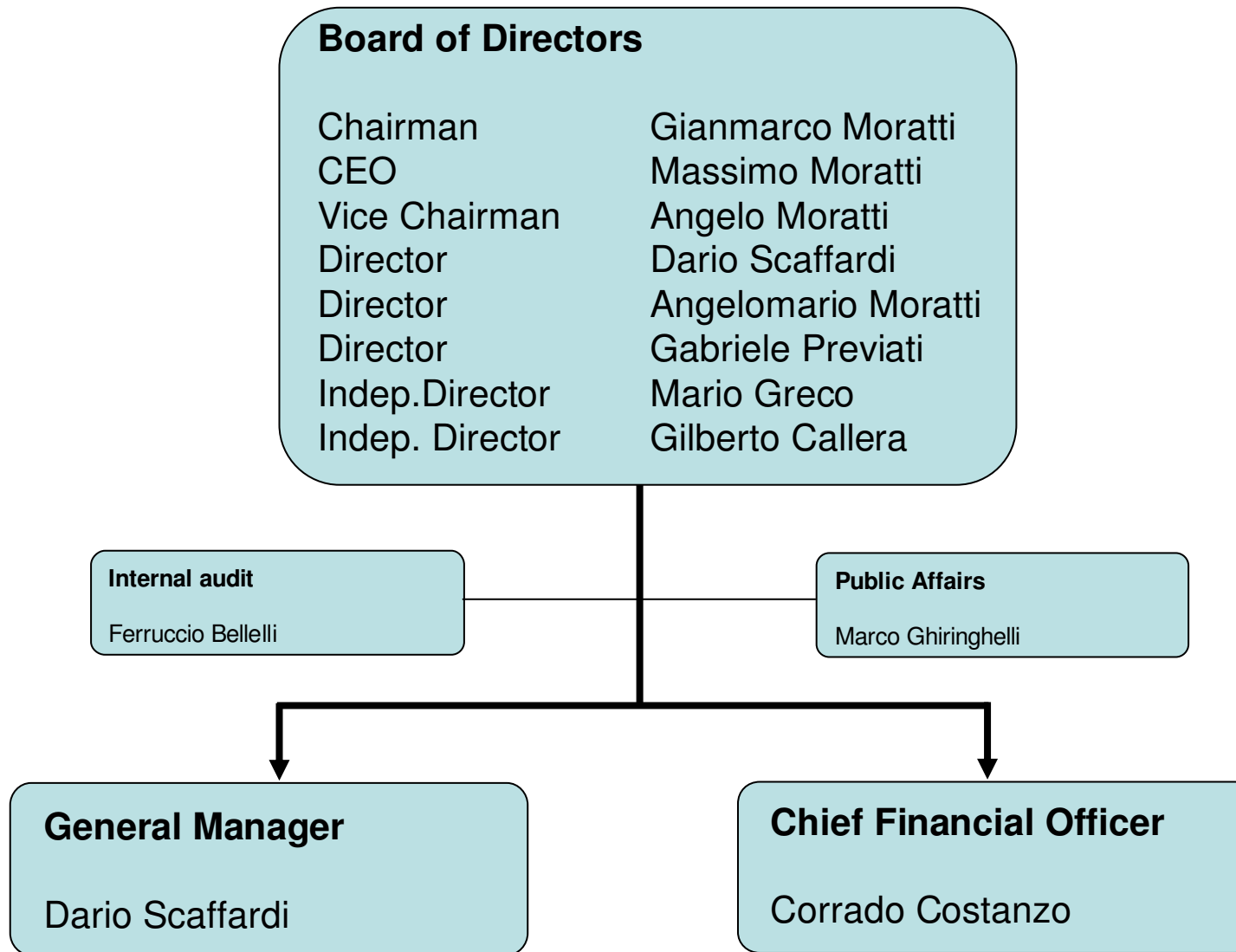


Last update 10th September 2007

- 
- **Saras in a snapshot**
 - **Market overview**
 - **Business segments description**
 - **Financials**
 - **Other**



Board of Directors and Top Management





Annual salary and fringe benefits

Annual incentive bonuses

- based on both Company's financial performance vs budget and individual performance

Medium term Stock grant incentive plan

- period 2007-2009
- based on Saras' stock performance vs peers and Company's financial performance



The Company is structured according to the traditional business administration and audit model as follows:

Board of Directors charged with overseeing business management within which various committees have been set up, namely

- remuneration committee
- internal control committee

the Board includes **two independent non-executive directors**, Mr Mario Greco and Mr Gilberto Callera, who, together with another non-executive director, Mr Gabriele Previati, make up the above mentioned remuneration committee and the internal control committee.

Board of Statutory Auditors charged with supervising the compliance with laws and statutes, and monitoring the adequacy of the organisational structure, the internal control system and the Company's accounting-administrative system.

The Board has nominated the Chairman of the Board of Directors as the executive in charge of surveying internal control system functions.



		2006
Male	80%	1,446
Female	20%	352

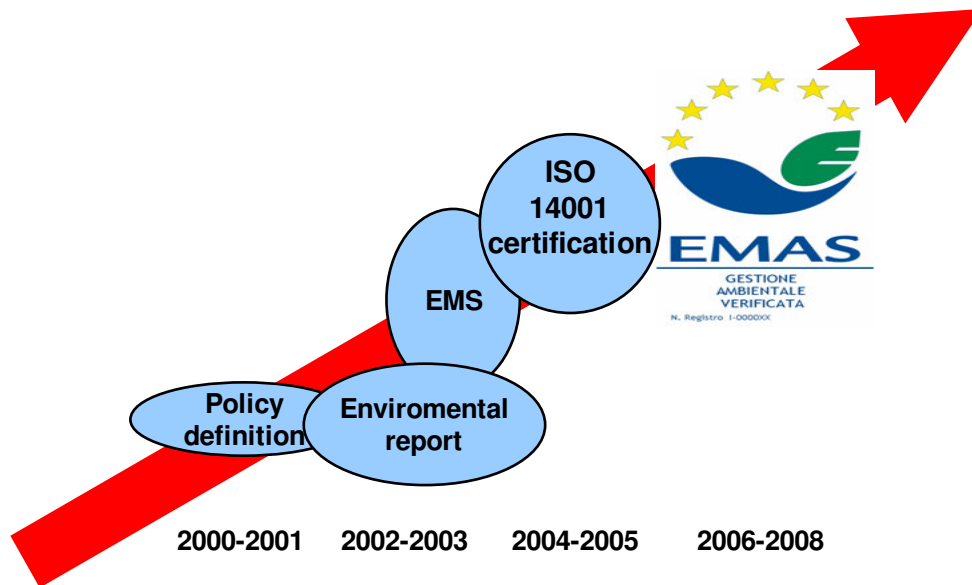
Average age: 40 years

Average time at the company 11 years

The Saras Group has around 1,800 staff. Approximately 80% of these are employed in Sardinia, mostly at the Sarroch refinery. Some 230 people work overseas, in distribution and marketing.

In over 40 years of activity, Saras has successfully built a reputation that has enabled it to attract the best employees, and to develop and retain talented and motivated personnel, who share the company's values of honesty, respect, excellence and responsibility. Saras has promoted these values by creating and constantly improving a safe and stimulating work environment, which encourages respect for the individual and offers attractive opportunities for staff development.

Saras certification pattern



The Eco-Management and Audit Scheme (**EMAS**) is the EU voluntary instrument which acknowledges organisations that improve their environmental performance on a continuous basis. EMAS registered organisations are legally compliant, run an environment management system and report on their environmental performance through the publication of an independently verified environmental statement. They are recognised by the EMAS logo, which guarantees the reliability of the information provided.

The Saras Group has always paid particular attention to the environmental issues connected with its activities. **Investments in environmental and safety initiatives stood at EUR 17.6 million in 2006. This was approximately 16% of total investments made in the year**

Saras' environmental objectives include **transparency of information**. It has always made company data and the results of studies available to the authorities and the public. In keeping with this policy, Saras draws up an *Environment and Safety Report* each year.

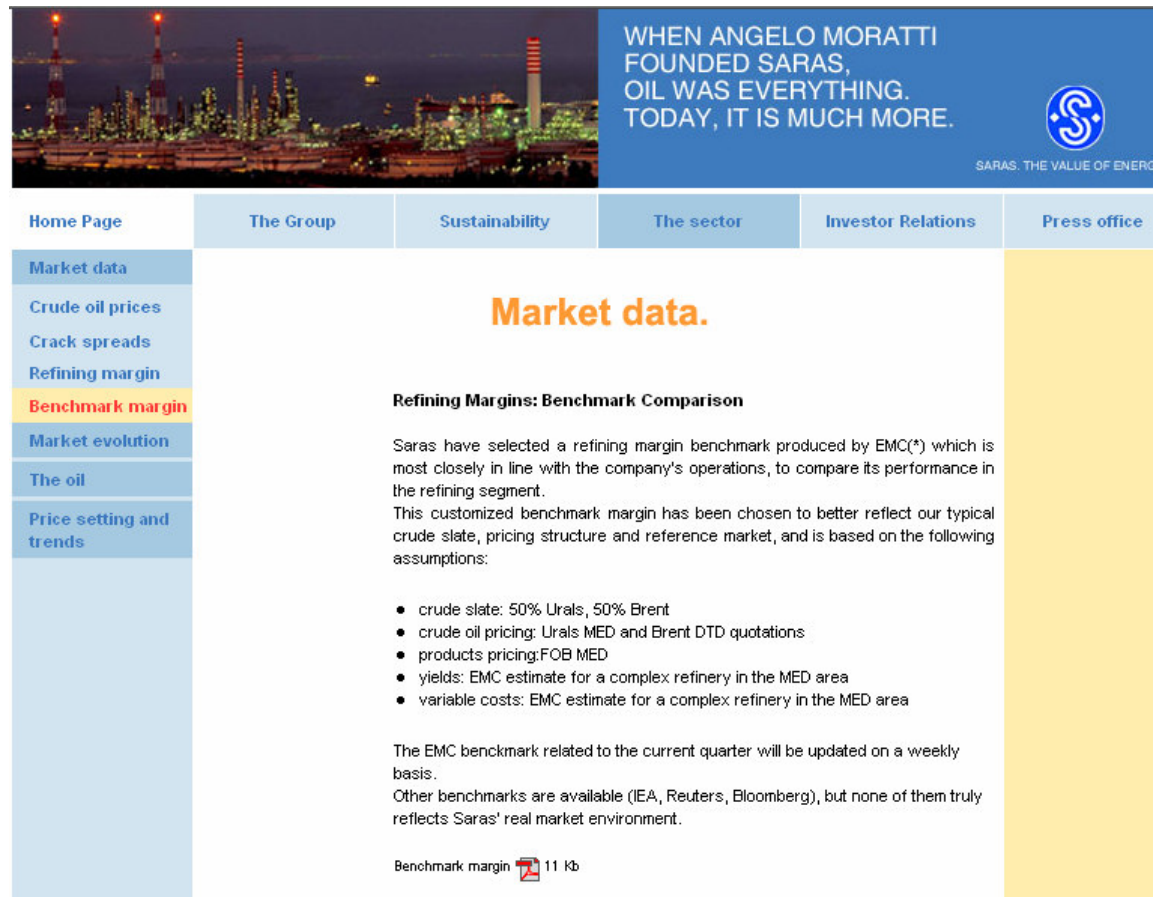
The Saras Group has a programme aimed at ensuring the safety of all its employees at work. The company introduced a specific safety policy in 1996, and since then has achieved positive results in safeguarding both its workers and the environment.

The Group's Safety Management System for the prevention of major accidents was developed pursuant to Legislative Decree 334/99. The main components of this system are a *Safety Report*, an *Internal Emergency Plan* and an *External Emergency Plan*.

www.saras.it

A comprehensive market section updated weekly including:

- EMC margin benchmark
- Crude oil and products prices
- Crack spreads



WHEN ANGELO MORATTI FOUNDED SARAS, OIL WAS EVERYTHING. TODAY, IT IS MUCH MORE.

SARAS. THE VALUE OF ENERGY

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Market data

- Crude oil prices
- Crack spreads
- Refining margin
- Benchmark margin**
- Market evolution
- The oil
- Price setting and trends

Market data.

Refining Margins: Benchmark Comparison


Saras have selected a refining margin benchmark produced by EMC(*) which is most closely in line with the company's operations, to compare its performance in the refining segment.

This customized benchmark margin has been chosen to better reflect our typical crude slate, pricing structure and reference market, and is based on the following assumptions:

- crude slate: 50% Urals, 50% Brent
- crude oil pricing: Urals MED and Brent DTD quotations
- products pricing: FOB MED
- yields: EMC estimate for a complex refinery in the MED area
- variable costs: EMC estimate for a complex refinery in the MED area

The EMC benchmark related to the current quarter will be updated on a weekly basis.

Other benchmarks are available (IEA, Reuters, Bloomberg), but none of them truly reflects Saras' real market environment.

Benchmark margin  11 Kb

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