SARAS SpA

SOCIETE GENERALE
EUROPEAN REFINING CONFERENCE

UBS
EUROPEAN MID-CAP OIL CONFERENCE

LONDON, MARCH 2007

Disclaimer

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.

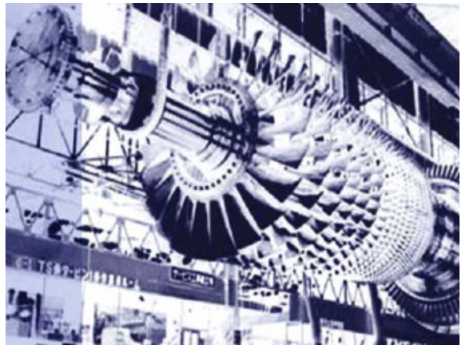
Saras in brief

REFINING

300,000 b/d

IGCC POWER GENERATION

560 MW

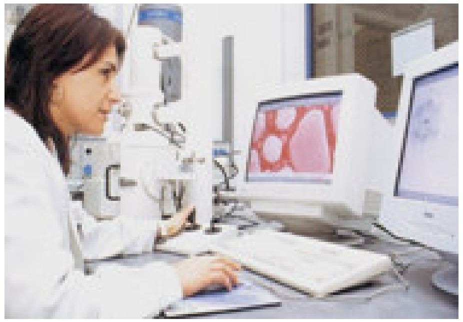


MARKETING

3,000,000 ton/y

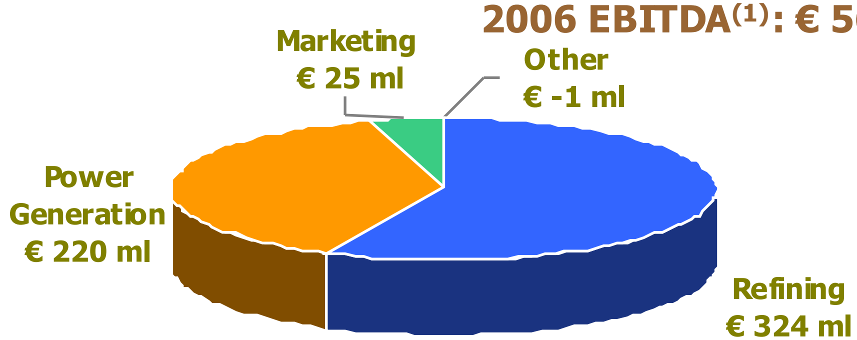
WIND POWER

84 MW



INDUSTRIAL SERVICES

2006 EBITDA(1): € 568 ml



(1) IFRS proforma data (considering Sarlux fully consolidated with line by line method as of 1th Jan 2005)

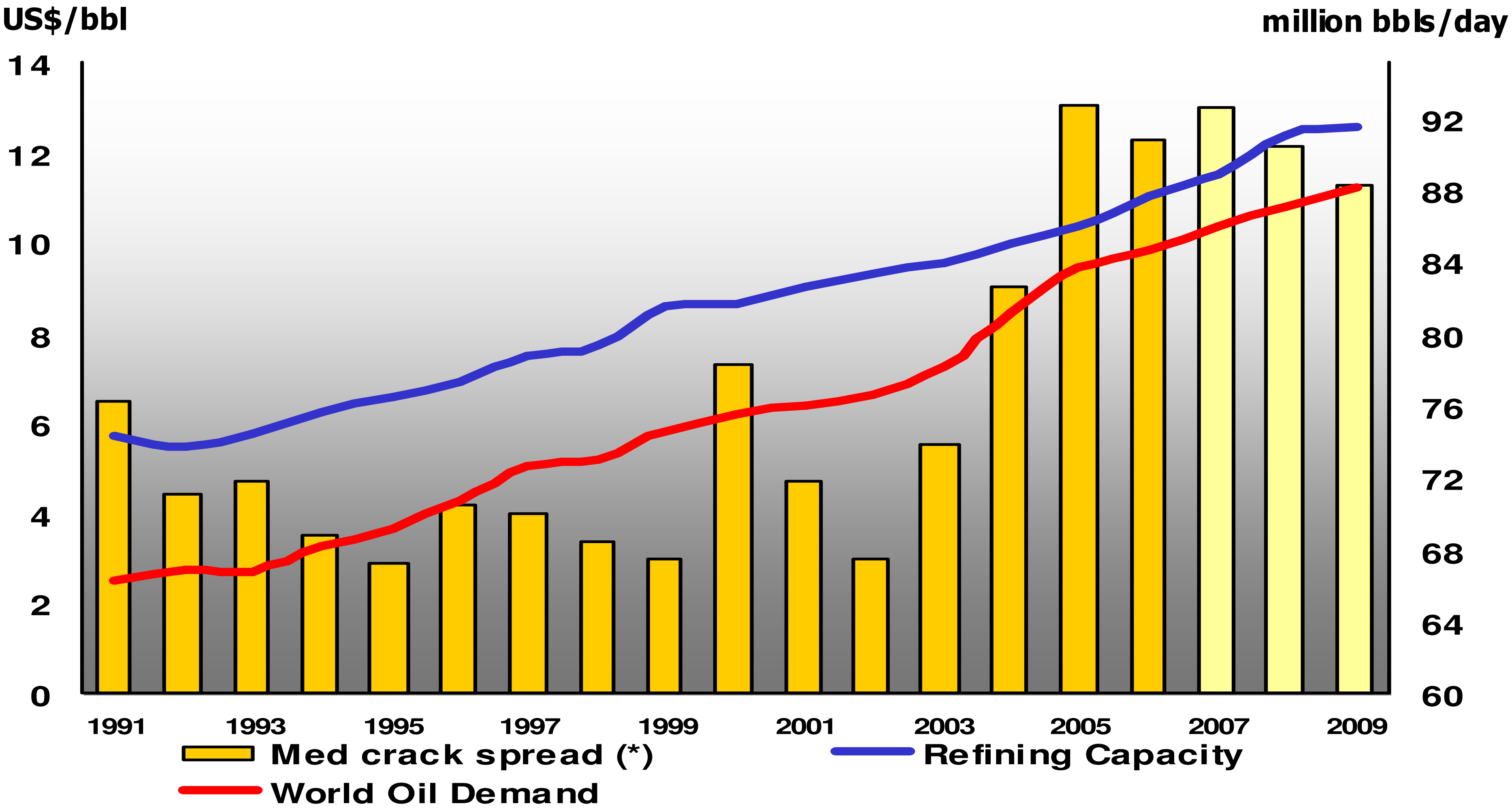
Investment Highlights

- Saras is **mainly focused in refining** and is one of the **major diesel producer** in the Med area
- **Track record of superior margins** thanks to full integration with power generation and petrolchemical operations
- **Strong fundamentals for the refining industry** support medium term outlook for the company
- Power generation from a regulated asset (CIP6) provides the group with stable cashflows
- Marketing activities based in the high diesel demand regions of northern Italy and Spain
- Investing in renewable sources: 84 MW wind park in Sardinia benefiting from green certificates
- **Strong balance-sheet** sets the base of our growth strategy
- **Attractive dividend policy**

- Further developments from
  - ✓ organic growth with € 600 ml capex planned in 2006-2009 for refinery upgrade adding $ 210-300 ml/y of EBITDA
  - ✓ 200,000 t/y biodiesel plant in Spain (Q1/08)
  - ✓ pipeline of wind farm projects
  - ✓ careful scrutiny of possible core business M&A opportunity

- Refining context
- Saras' competitive position
- Outlook and strategy

World Refining context



(*) 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

World Refining context: tight supply/demand balance to continue

- **Steady growth of demand, focused on light and middle distillates**
- **Need for sophisticated (and expensive) secondary units to be built alongside new distillation capacity in order to meet the severe product quality specifications**
- **New build costs up significantly**
  - ✓ Shortage of skilled manpower
  - ✓ Construction capacity limited
- **Bulk of new capacity for the next years in high growth markets (developing countries)**
- **Supply growth from "opportunistic" players challenged by increasing costs and threats of shifting economics**
- **Announcements of projects being delayed (Valero, Conoco, Sunoco, Kuwait, ExxonMobil)**

20:56 03Nov06 -Valero priced out of new refinery buys -exec By Erwin Seba HOUSTON, Nov 3 (Reuters) - Leading U.S. refiner Valero Energy Corp. Valero can reap returns of 20 percent when it upgrades its existing refineries, but paying $20,000 per barrel for a refinery will only yield profits in the range of 8 percent, Edwards said during a speech at a refining conference in Houston. ....

ENERGY COMPASS 23Feb07:
ExxonMobil and state Qatar Petroleum (QP) have shelved their Palm natural gas-to-liquids(GTL) project in the Mideast Gulf state, after more than a decade of planning and engineering and development work.
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.

21:03 02Nov06 -UPDATE 1-Conoco could defer Wilhelmshaven expansion-CEO

By Janet McGurty NEW YORK, Nov 2 (Reuters) - 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. "It could make sense to defer some projects," Chief Executive Jim Mulva told attendees of the Merrill Lynch Energy Conference in New York. ....

02Nov06 -UPDATE 1-Sunoco reviews refinery growth plans as costs soar

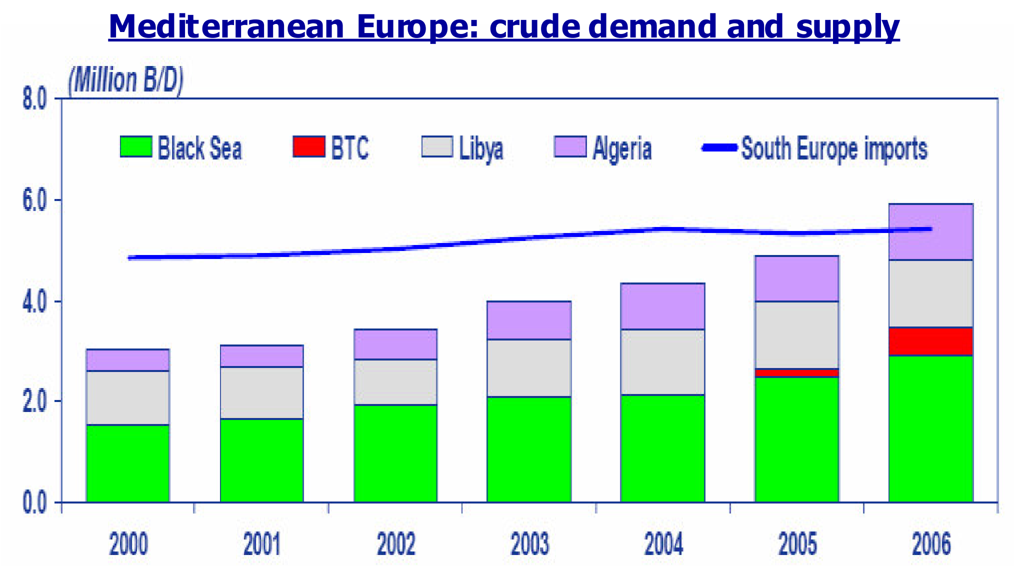
By Robert Campbell NEW YORK, Nov 2 (Reuters) - Oil refiner Sunoco Inc. <SUN.N> is reviewing its expansion plans after the cost of a $300 million expansion project at its Philadelphia, Pennsylvania, refinery jumped by a third in less than a year, the company said in a filing with securities regulators on Thursday....

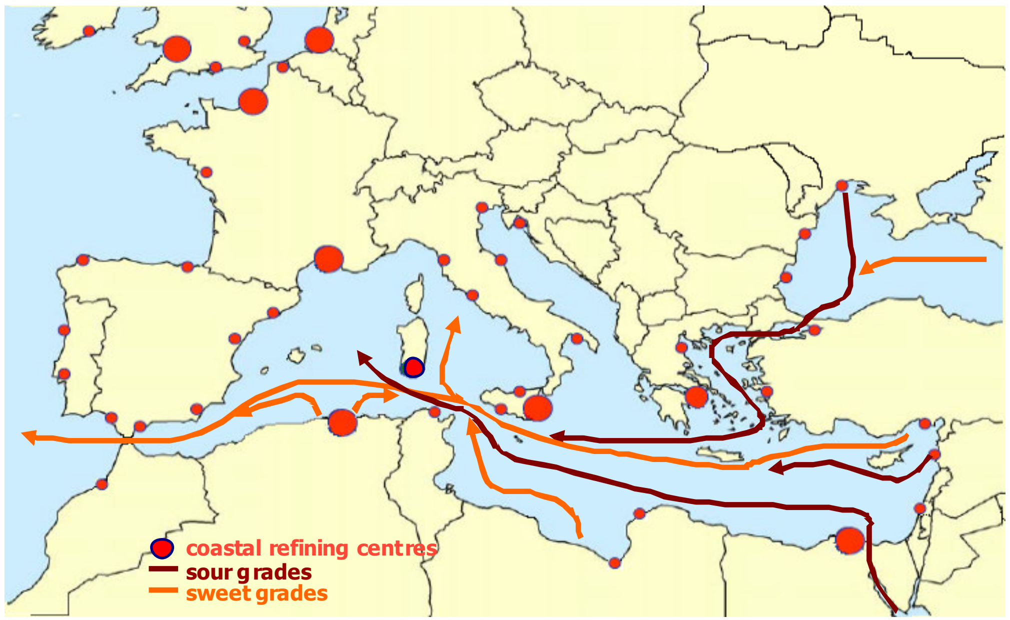
ENERGY COMPASS Dec06:
Kuwait's Al-Zour refinery could be scrapped
Rising costs could doom Kuwait's proposed Al-Zour refinery, which may be scrapped after bids submitted in December were much higher than Kuwait National Petroleum Co. (KNPC) envisaged..... ...But when the nine bids for the four packages were submitted on Dec. 17, Project Director Ahmad al-Jeemaz said they were "way above" expectations.

Major trends in Med crude market

- Supply of indigenous crude in the Med is constantly increasing
- The Med is becoming a net crude exporter
- The Med crude slate is forecast to become sweeter and lighter, an exception to world average
- The Med is expected to become a "crude-buyers" market

The right place to be for complex and flexible refiners



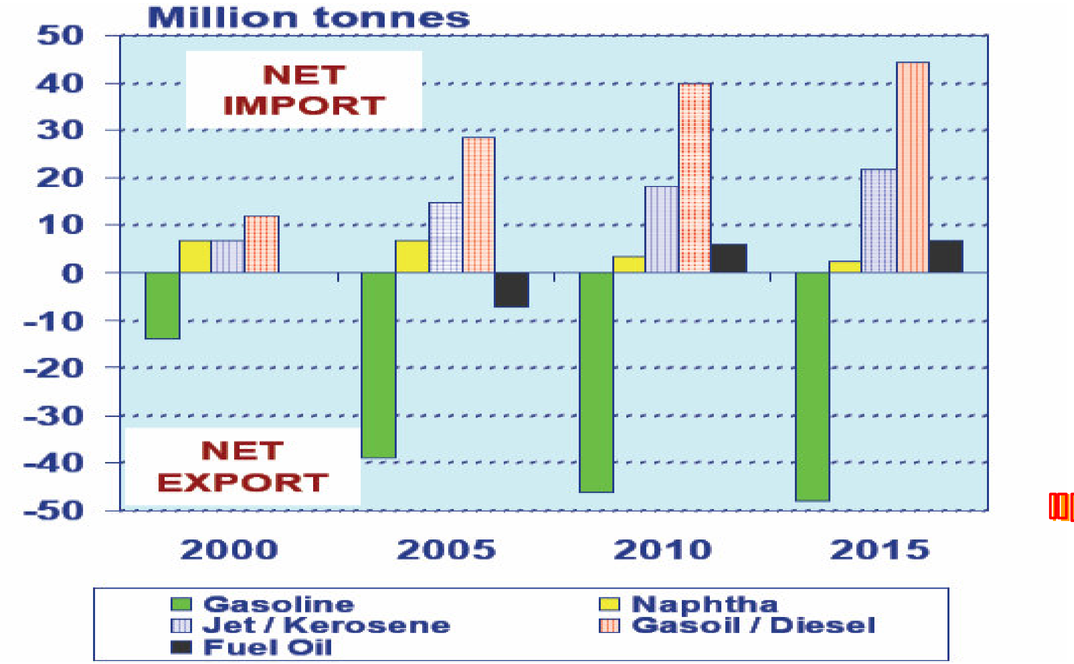


Source: Purvin&Gertz

Major trends in Med products markets

- In western Europe Diesel represents 25% of total oil products demand and 50% of transport fuels
- 70% of Diesel demand comes from the commercial transport sector
- New registrations show a continuous growth of diesel-powered cars at the expense of gasoline-fuelled vehicles

Mediterranean Europe: diesel and gasoline balance



Source: Purvin&Gertz

- Future diesel growth will also be influenced by the switch of non-road diesel (now used for instance in the agricultural sector) to 10 ppm sulphur specification (i.e. road diesel) that probably will be required by EU legislation sometime after 2010.
- Discussion also going on for potential switch of bunker fuels to gasoil

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

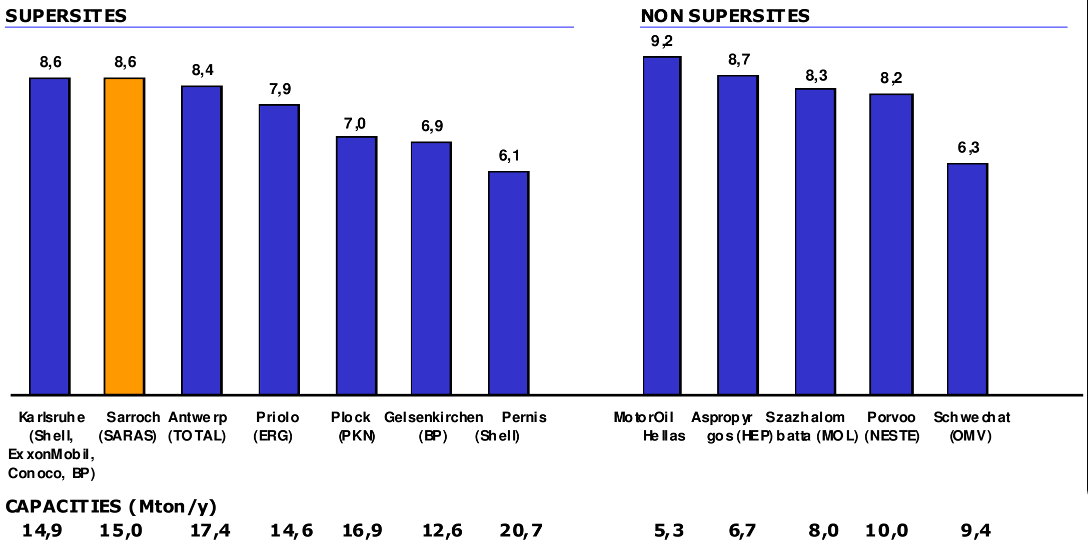
- Refining context
- Saras’ competitive position
- Outlook and strategy

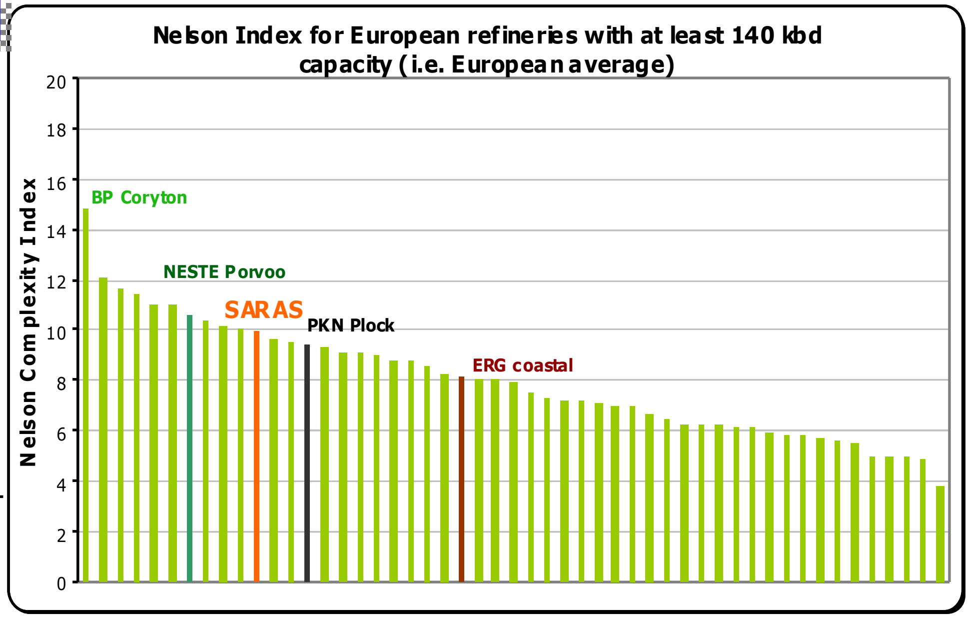
Saras is

- **One of the largest supersites in Europe (WoodMac 8.6* ; Nelson 9.7**)**
  - ✓ **running up to 5 different crudes simultaneously**
  - ✓ **able to exploit opportunities from increasingly frequent discoveries of new "difficult" crude**
  - ✓ **to the best of our knowledge the first Western refinery to have recently experimented new extremely challenging African crudes**

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

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



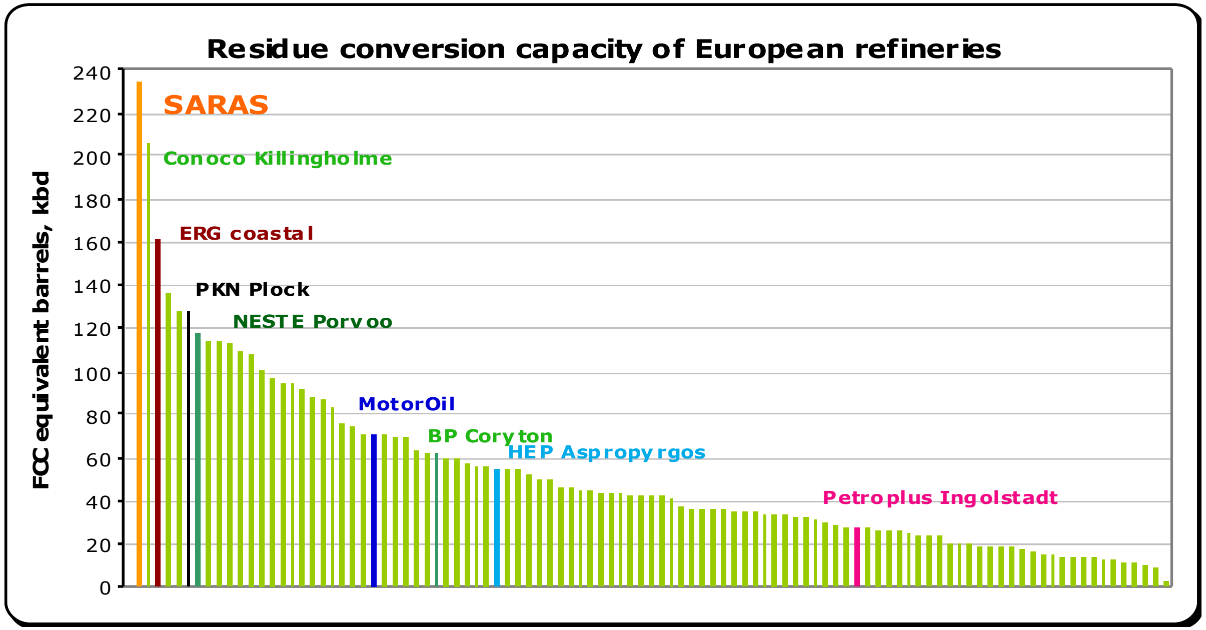


(*) note for Saras: reported from WM is 7.9 but does not include full ownership of IGCC plant

(**) Source: Saras elaboration on Oil&Gas Journal (1976, 2004) methodology including IGCC and petrochemical

Saras is

- The Nelson complexity index mainly reflects mechanical complexity and, as a consequence, construction and maintenance costs: therefore it's certainly related with replacement cost, but we don't believe that it's the most appropriate way to measure profitability
- In the current and forecast European refining business environment, hydroskimming capacity earns no or very low margins. **Refining margins are largely the result of the capability to convert atmospheric residue into lighter products**



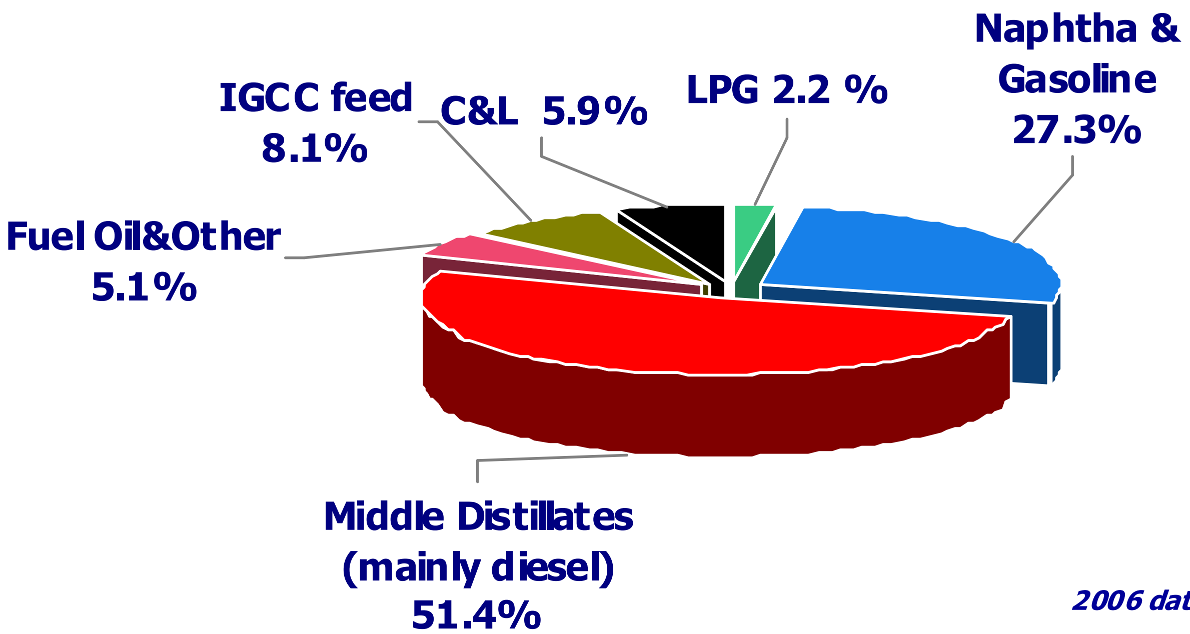
- To capture this, another important metrics for refineries is the **FCC Equivalent index**, that expresses the conversion capacity compared to the one achieved by an FCC of identical capacity

NOTES:
Saras: 100% IGCC included, petrochemical integration excluded
ERG: coastal refining data, 51% IGCC included, capacities as from recent company presentations (new 2007 configuration), new FCC feed pretreatment included
NESTE: 2007 diesel project included

Source for capacities and complexity indexes: OGJ Worldwide Refining Survey
Source for FCC equivalent Indexes and IGCC complexity Index: Wood Mackenzie

Saras is

- a Diesel oriented refinery



2006 data

Saras is

- **also a provider of refining services through processing contracts**

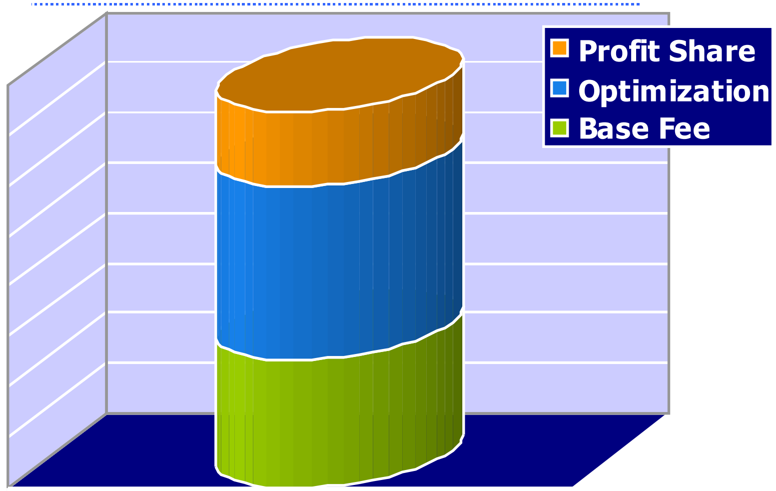
A processing contract is an agreement to process third party crude oil under predetermined conditions (i.e. product yields, processing fee, storage and delivery terms)

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

Advantages of processing:

- ✓ Allows Saras to retain the highest portion of the refining margin upside with an efficient protection against downturns (an equivalent put option on the financial market would be more expensive)
- ✓ Access to special crude oils otherwise difficult to acquire
- ✓ Long term stability of supply
- ✓ Synergies from optimal blend of crude oils and optimization of production
- ✓ Reduced working capital

Approximate split of the value for third party runs

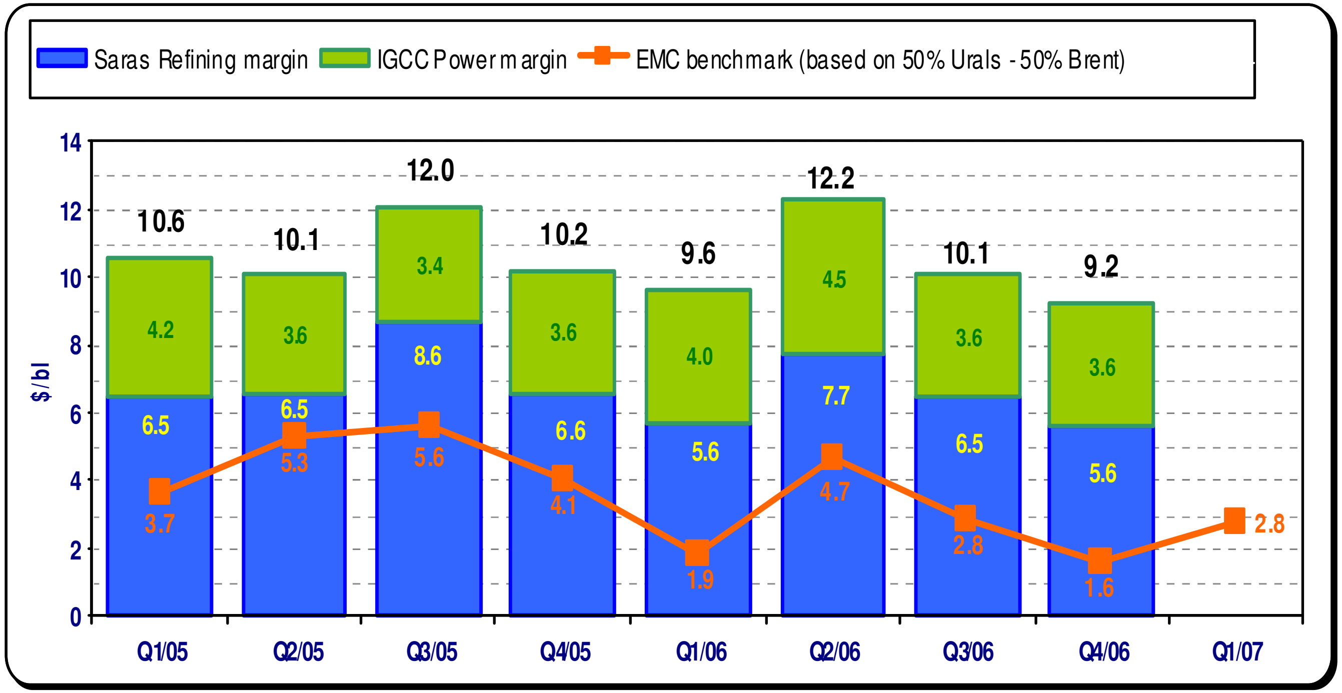


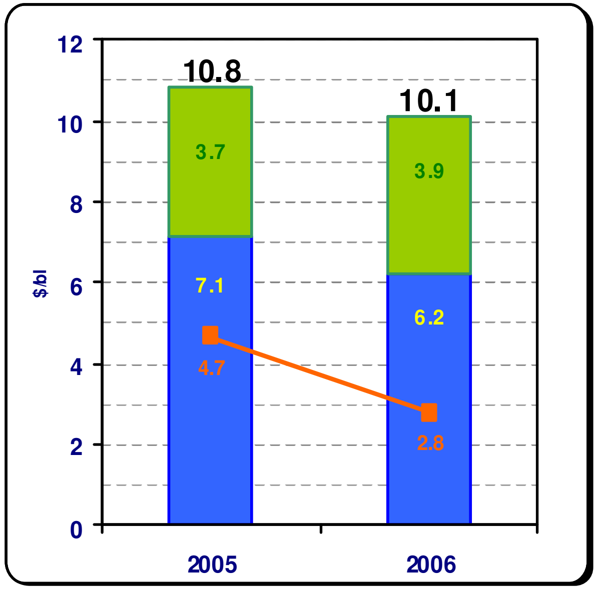
Track record of superior margins

$/bl	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07
EMC benchmark (based on 50% Urals - 50% Brent)	3.7	5.3	5.6	4.1	1.9	4.7	2.8	1.6	2.8
Saras refining margin	6.5	6.5	8.6	6.6	5.6	7.7	6.5	5.6	
IGCC power margin	4.2	3.6	3.4	3.6	4.0	4.5	3.6	3.6	
Saras refining&power margin	10.6	10.1	12.0	10.2	9.6	12.2	10.1	9.2	

Q2/06: loss of **1.2 $/bl** on refining margin due to reduced conversion for major maintenance

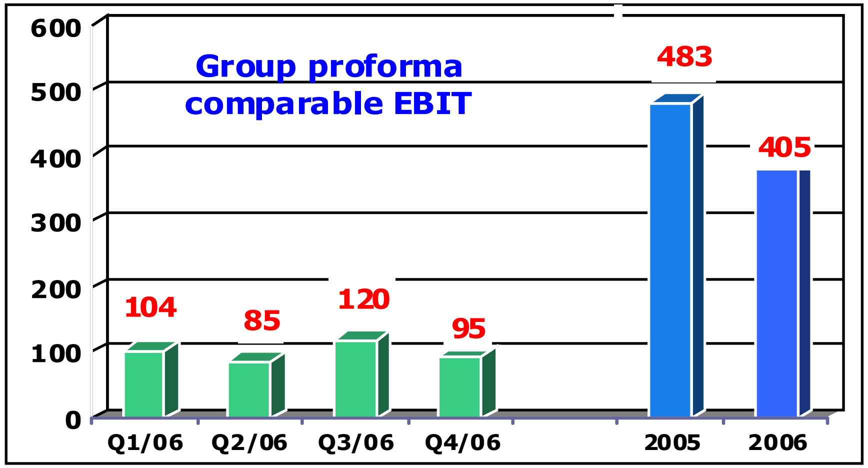
Q3/06: loss of **0,6 $/bl** on refining margin due to unplanned CCR shutdown

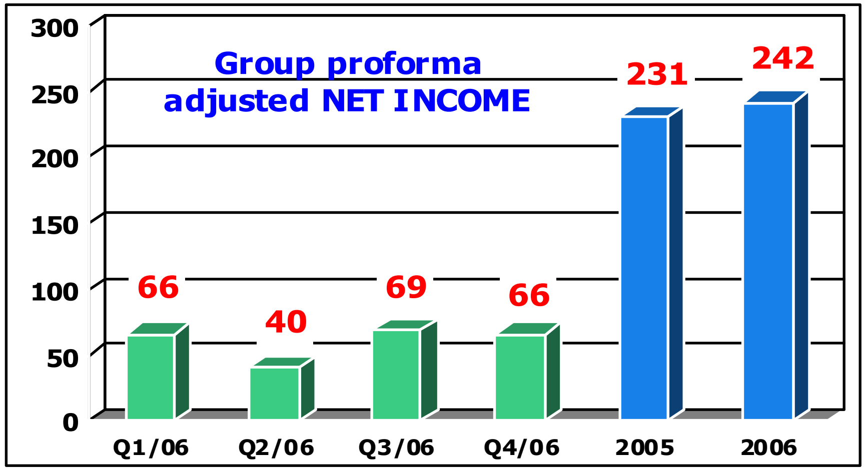


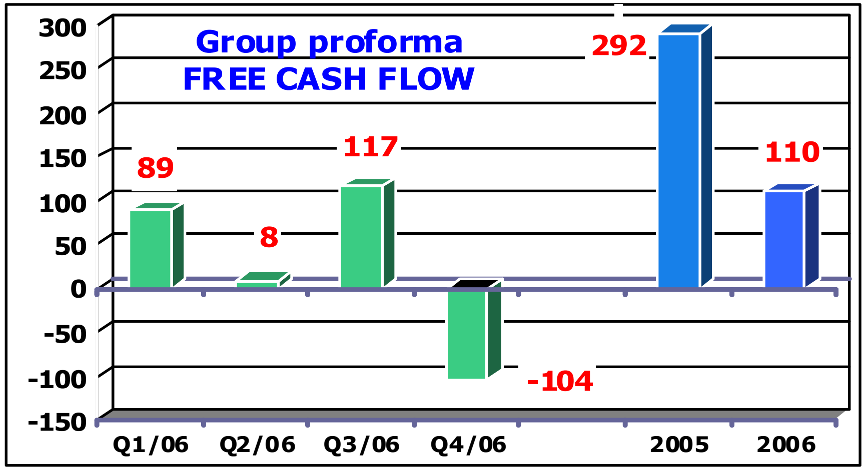


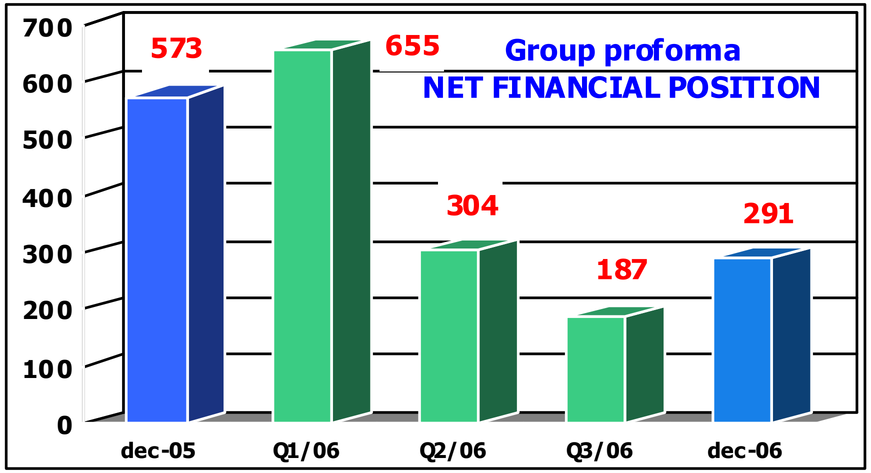
- **The EMC benchmark is published on the company website and updated weekly**

Financial Highlights



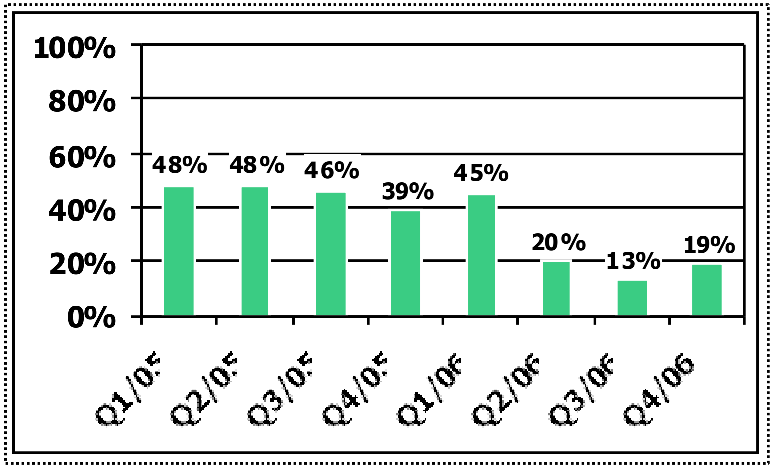




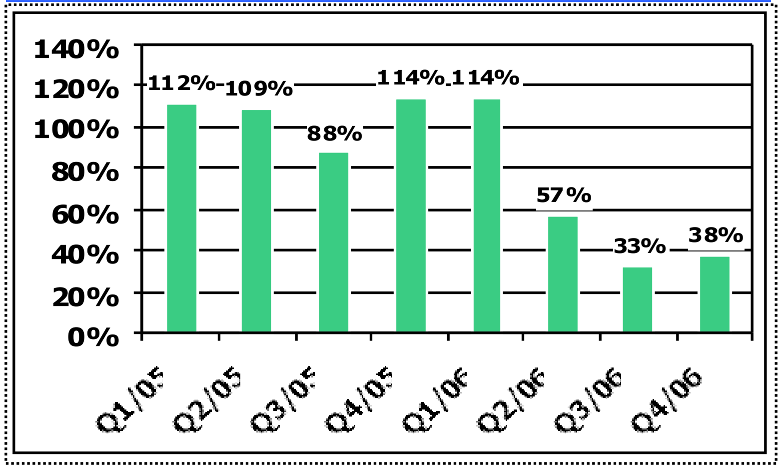


Key ratios

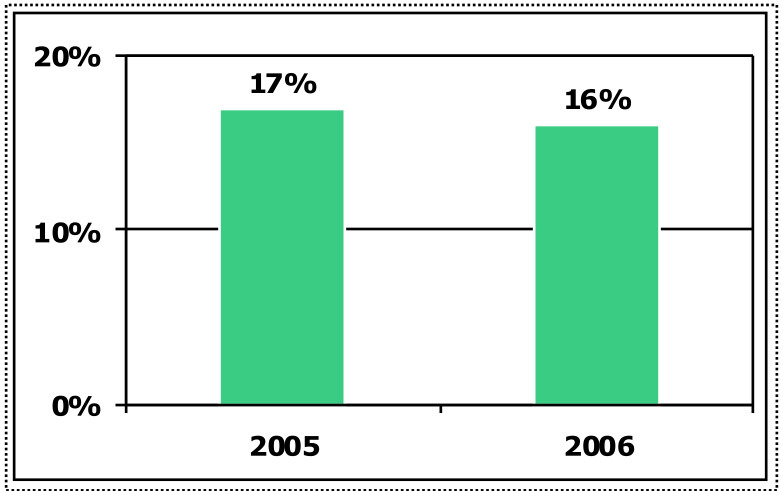
leverage[1] , %



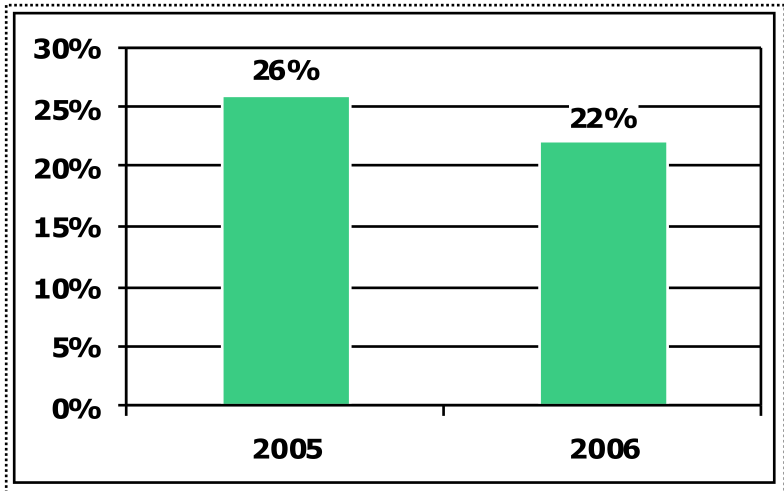
NFP/EBITDA, %



ROACE[2], %



Return on Equity , %

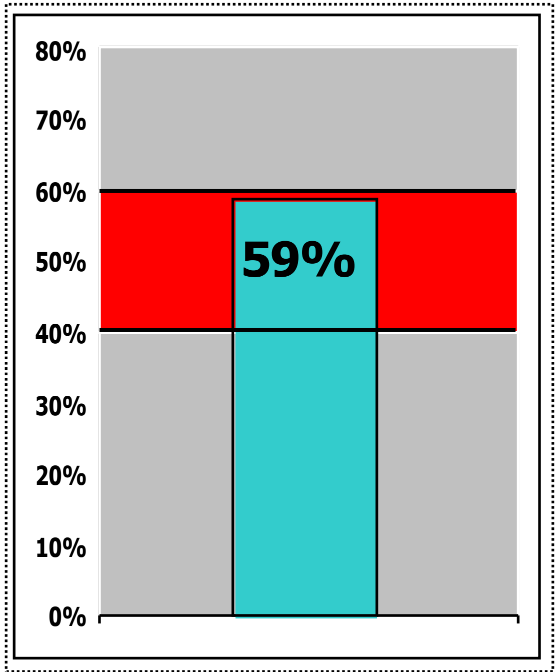


1) NFP/NFP+equity 2) after tax

Attractive dividend policy

The Board of Directors will propose to the Annual General Meeting:

Payout ratio %



Target between 40% and 60%

2006 dividend

0.15 €/share

Payout from adjusted 2006 EPS of € 0.25

Dividend yield on 2007 EPS consensus : above 4%* , one of the highest in the sector

(*) at 4.4 €/share with 2007 EPS consensus at 0.30

- Refining context
- Saras' competitive position
- **Outlook and strategy**

Low risk – high return organic growth strategy

	Impact on refinery margin	Impact on refining EBITDA	CAPEX for refining	
INCREASE CONVERSION CAPACITY + 200,000 TONS PER YEAR OF DIESEL	+ 0.5-0.7 $/bl	+ $ 50-70 ml	€ 133 ml	2006
+ 150,000 TONS PER YEAR OF DIESEL	+ 0.5-0.6 $/bl	+ $ 50-60 ml	€ 150 ml	2007
INCREASE REFINERY RUNS + 700,000 TONS		+ $ 30-50 ml	€ 150 ml	2008
HEAVY UP OF CRUDE SLATE - 2 deg API	+ 0.6-0.8 $/bl	+ $ 60-80 ml	€ 170 ml	
IMPROVE ENERGY EFFICIENCY - 75,000 tons of C&L	+ 0.2-0.3 $/bl	+ $ 20-30 ml		2009
TOTAL	+ 1.8-2.4 $/bl	+ $ 210-300 ml	€ 600 ml	

After tax project IRR > 20 %

Other medium term growth projects

- **Biodiesel**
  - ✓ 200,000 tons/year plant in Cartagena (Spain) operational in Q1/08
  - ✓ Investment of 35-40 M€ totally on Saras balance-sheet (impact on EBIT 10-15 M€/y and expected IRR above 20%)

- **Wind**
  - ✓ Planned addition of 12MW (+14%) at Ulassai are under review because of change in law
  - ✓ Pipeline of projects under development are in the permitting phase

- **Gas exploration**
  - ✓ Saras started in January 2007 seismic tests in Sardinia
  - ✓ Committed **5 to 10 M€** in the period 2007-08 for seismic tests
  - ✓ We have no plans to enter the E&P sector alone; if results are positive we will evaluate which further steps might be taken

What is beyond?

- **Evaluating refinery step change opportunities**
  - ✓ stringent investment criteria
  - ✓ 10% Hurdle rate (after tax) in worst case scenario
- **Careful scrutiny of possible core business M&A opportunity**
  - ✓ strategic fit
  - ✓ financially disciplined approach: “no growth for growth’s sake”
    - EPS accretion
    - compatibility with strong credit profile
- **Ensuring continuation of our Best-in-Class status to maximise value creation**
  - ✓ Accelerating the pace of modernization
  - ✓ Improving operational efficiency
  - ✓ Best practice communication
- **Attractive dividend policy**
  - ✓ payout in the 40-60% range