



SARAS First Quarter 2007 Results

11th May, 2007



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.



AGENDA

- **Highlights**
- **Market overview**
- **Segment reviews**
- **Financial overview**
- **Strategy**
- **Outlook**
- **Q&A**



- **Adjusted net income¹ EUR 71 ml**, up 7%, both on Q1/06 and Q4/06
- **Proforma comparable EBITDA² EUR 155 ml**, up 8% EUR 143.6 ml in Q1/06 and up 11% vs EUR 138.9 ml in Q4/06
- Saras refining&power margin at 10.4 \$/bl (9.2 \$/bl in Q4/06):
 - ✓ *refining margin 6.7 \$/bl with EMC benchmark at 3.0 \$/bl, rebounded from Q4/06 lows of 5.6 \$/bl*
 - ✓ *IGCC power margin 3.7 \$/bl (3.6 \$/bl in Q4/06)*
- **Net debt (NFP) decreased to EUR 135 ml** from EUR 285 ml at end 2006
- Good performance from Power Generation and Marketing segment

EUR ml	1Q/07	1Q/06	Var.%	4Q/06
EBITDA Comparable	155.0	143.6	8%	138.9
EBIT Comparable	115.0	104.4	10%	95.2
Adjusted Net Income	71.0	66.3	7%	66.2

Q1/06 figures are proforma

1. reported net income adjusted by differences between inventories at LIFO and inventories at FIFO net of taxes, change of derivatives fair value net of taxes and non recurring items net of taxes

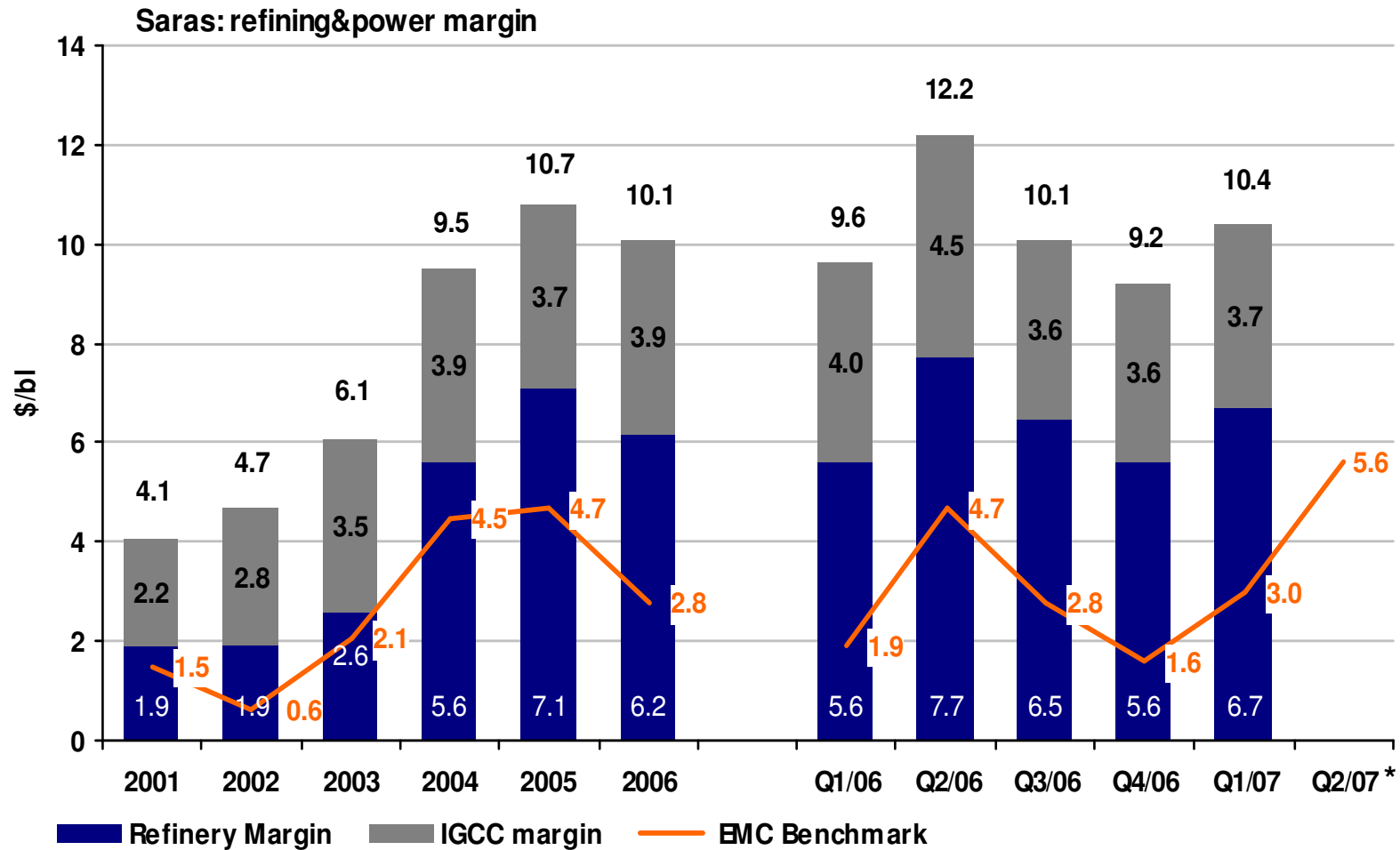
2. calculated using IFRS accounting principles and evaluating inventories at LIFO



- **CIP6:** with reference to Saras' legal action aimed at challenging resolution n. 24906 dated 15/11/2006 from the "Autorità per l'energia elettrica e il gas" (Italian Energy Authority) on 10/05/2007 the administrative tribunal **ruled in Saras' favour**
- Saras has been **short-listed for the acquisition of I.E.S. S.p.A.**, an Italian independent refiner whose assets include a 57,000 bl/day refinery in Mantua and about 150 retail stations in Italy



Refining & Power Margin



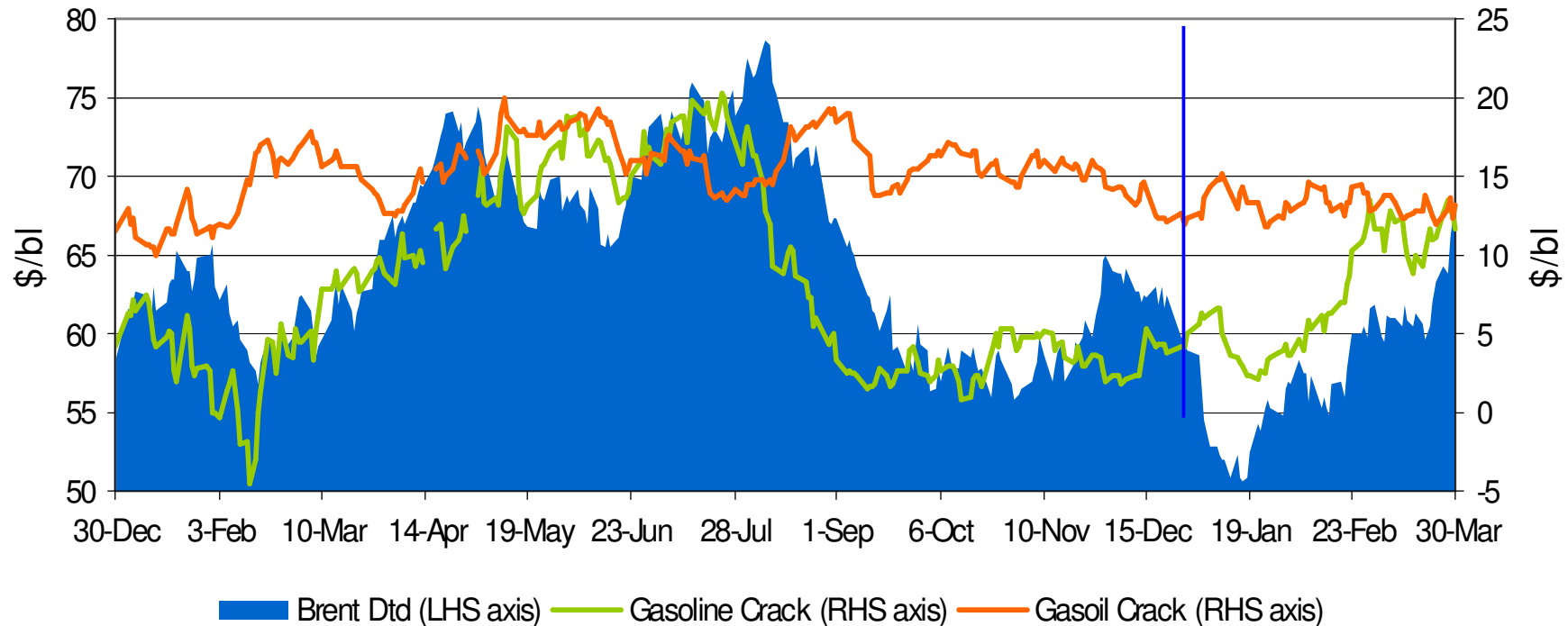
* Q2/07 as of 5 May 2007



Market Overview



2006-07: Brent Dtd and Gasoline/ Gasoil crack spread versus Brent
Source Platt's



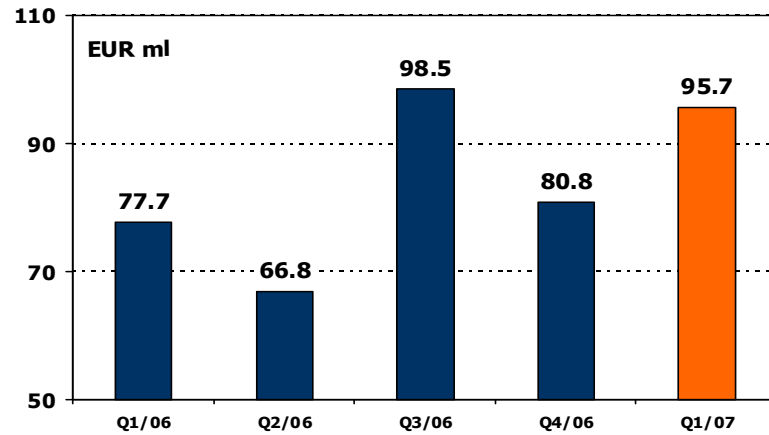
- Early start of driving season boosted gasoline crack spread
- Diesel crack spread less volatile than gasoline, although adversely affected by abnormally mild winter

A photograph of an industrial refinery or chemical plant. The image shows several tall, dark distillation columns and a complex network of pipes and structural steel. The scene is set against a bright, overcast sky. The overall tone is industrial and somewhat somber due to the dark colors of the equipment.

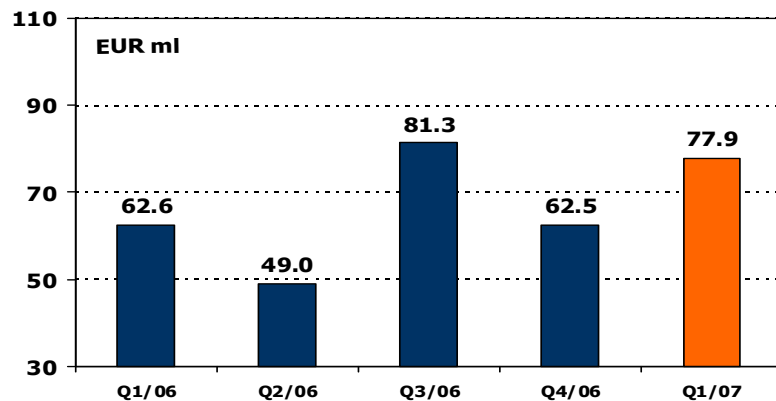
**Segment Reviews
Q1/07**



Comparable EBITDA



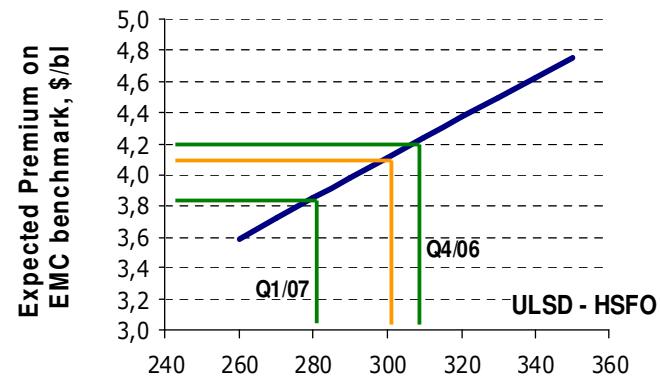
Comparable EBIT



	2005	2006
Comparable EBITDA	421.5	323.8
Comparable EBIT	348.2	255.4

- Refinery margin 6.7 \$/bl vs 5.6 \$/bl both in Q1/06 and Q4/06
 - ✓ EMC benchmark was 3.0 \$/bl vs 1.6 in Q4/06 and 1.9 \$/bl in Q1/06
 - ✓ Actual premium vs benchmark in Q1 was 3.7 \$/bl
 - ✓ Premium marginally impacted by lower ULSD-HSFO differential

	Q1/07	Q4/06	Q3/06	Q2/06	Q1/06
ULSD vs HSFO \$/ton	280	307	347	339	287



- Crude runs in Q1/07: 27.8 Mbl or 3.8 million tons (309,000 b/d) in line with previous quarter

PRODUCTION

		Q1/07	Q4/06	2006
LPG	thousand ton	84	60	312
	yield	2.2%	1.5%	2.2%
NAPHTHA + GASOLINE	thousand ton	1,029	1,055	3,893
	yield	27.0%	27.1%	27.3%
MIDDLE DISTILLATES	thousand ton	1,986	2,011	7,350
	yield	52.1%	51.6%	51.4%
FUEL OIL & OTHERS	thousand ton	182	275	725
	yield	4.8%	7.1%	5.1%
TAR	thousand ton	306	263	1,152
	yield	8.0%	6.8%	8.1%

CRUDE OIL SLATE

		Q1/07	Q4/06	2006
Light extra sweet		40%	38%	43%
Light sweet		3%	9%	5%
Medium sweet		0%	2%	1%
Light sour		0%	0%	0%
Medium sour		31%	23%	23%
Heavy Sour		27%	28%	28%
Average crude gravity	°API	32.4	32.4	32.9



Fixed and Variable costs

REFINERY	Q1/07	Q4/06	2006
refinery runs (Mbl)	27.8	28.4	104.3
exchange rate	1.31	1.29	1.26
refining IFRS LIFO EBITDA (M€)	95.7	80.8	321.7
EBITDA margin (\$/bl)	4.5	3.7	3.9
fixed costs (\$/bl)	2.2	1.9	2.4
variable costs (\$/bl)	1.5	1.6	1.8
IGCC	Q1/07	Q4/06	2006
refinery runs (Mbl)	27.8	28.4	104.3
exchange rate	1.31	1.29	1.26
Sarlux IFRS EBITDA (M€)	53.7	52.0	220.0
EBITDA margin (\$/bl)	2.5	2.4	2.6
fixed costs (\$/bl)	1.2	1.2	1.2
variable costs (\$/bl)	0.8	0.7	0.7



Major maintenance schedule

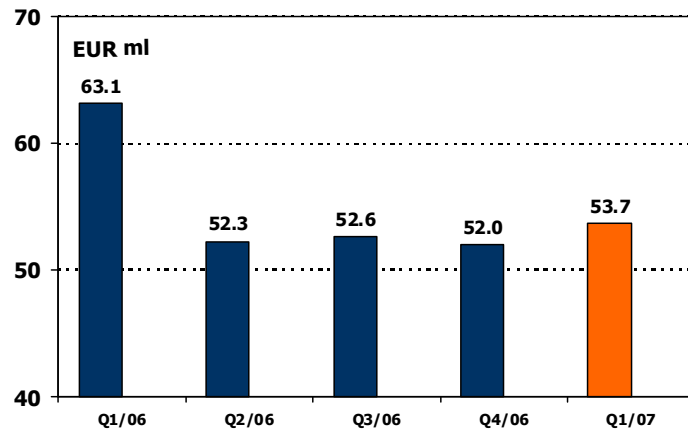
REFINERY	Q2/07	Q3/07	Q4/07	2007	2008
PLANT	1 Topping 1 Vacuum Visbreaking		1 Topping 1 MHC		
estimated RUNS (Mton)	3.25-3.35	3.70-3.80	3.35-3.45	14.0-14.4	15.0-15.2
estimated RUNS (Mbl)	23.7-24.5	27.0-27.7	24.5-25.2	102-105	110-111
additional estimated loss on EBITDA (Million \$)	7-10		7-10	14-20	

IGCC POWER PLANT	Q2/07	Q3/07	Q4/07	2007	2008
PLANT	1 gasifier 1 turbine		1 gasifier 1 turbine		
estimated power prod. (MWh)	1.0-1.1	1.1-1.2	1.0-1.1	4.2-4.6	4.2-4.6

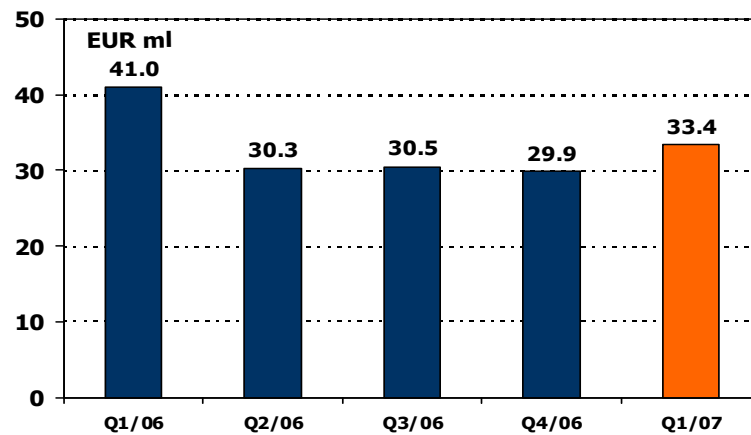
- 2007 maintenance schedule will affect refinery runs and also marginally conversion; no major maintenance in 2008
- Maintenance on IGCC power plant **will have negligible impact on IFRS EBITDA** since maintenance cycles already included in the linearization procedure required by IFRS accounting principles



EBITDA



EBIT

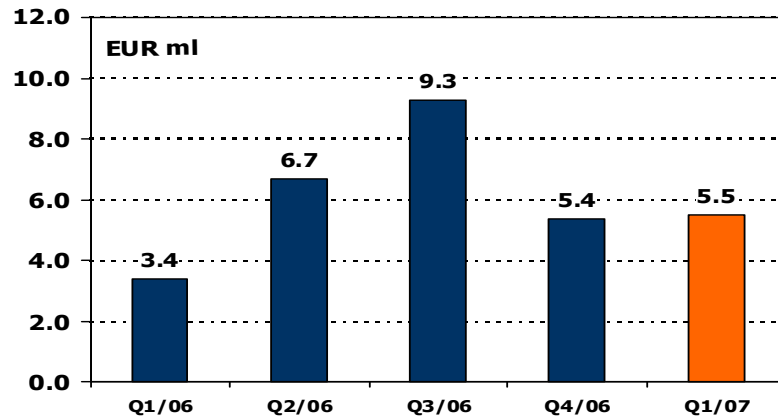


- Electricity production at record high of 1,215,000 MWh, up 5% vs Q1/06
- Power tariff -5% vs Q1/06 due to lower crude prices
- EBITDA in line with expectations
- Italian GAAP EBITDA EUR 85.6 ml vs EUR 79.5 in Q1/06

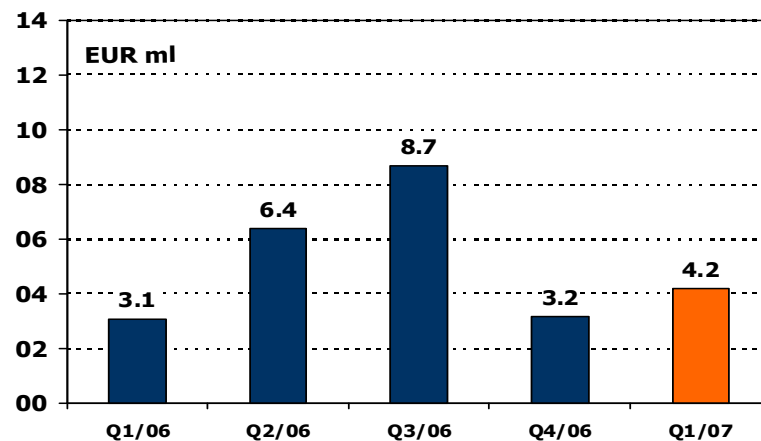
EUR ml	2005	2006
EBITDA	213.4	220.0
EBIT	120.4	131.7



Comparable EBITDA



Comparable EBIT

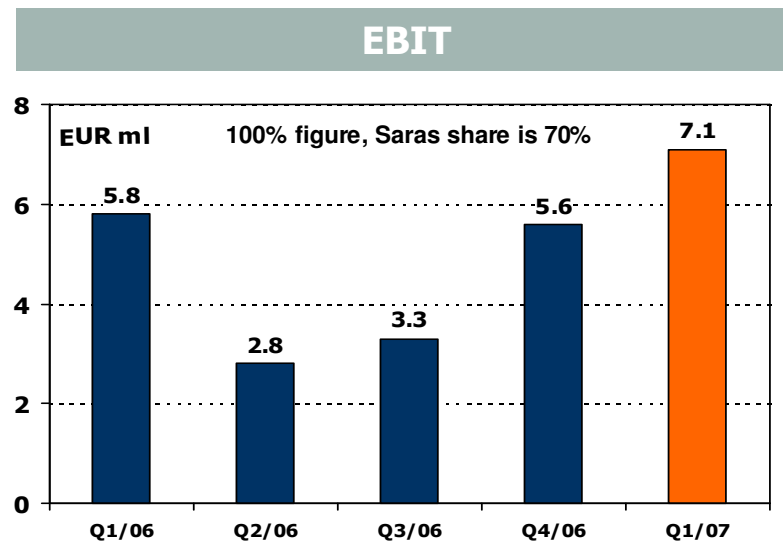
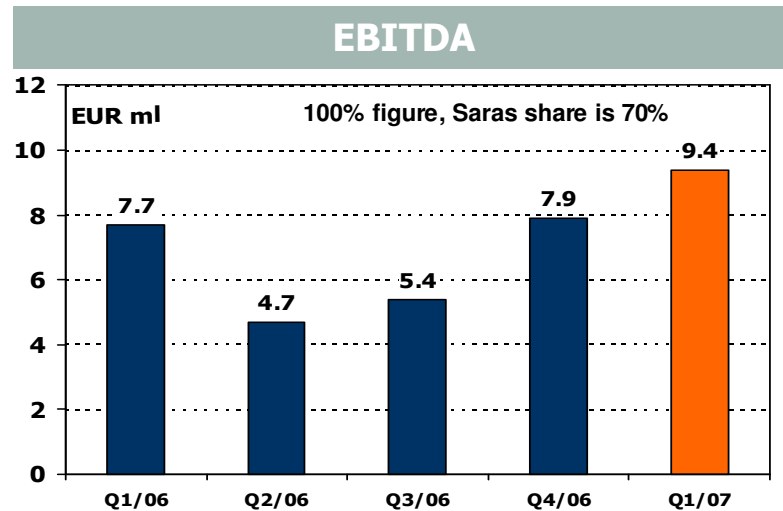


- Q1/07 comparable EBITDA +35% vs Q1/06 despite a weaker margin environment
- Strong increase of sales: +16% versus same period last year driven by our Spanish operations (+26%)
- Market share increased both in Spain and Italy

EUR ml	2005	2006
Comparable EBITDA	23.0	24.8
Comparable EBIT	21.8	21.4



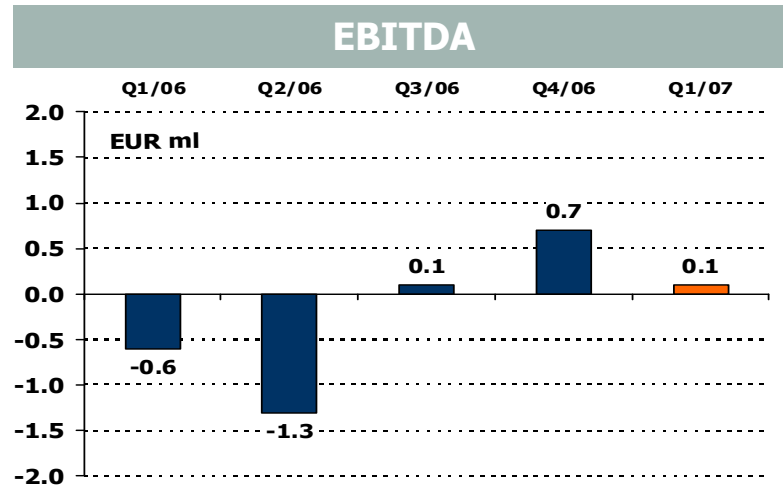
Wind (Saras shareholding 70%)



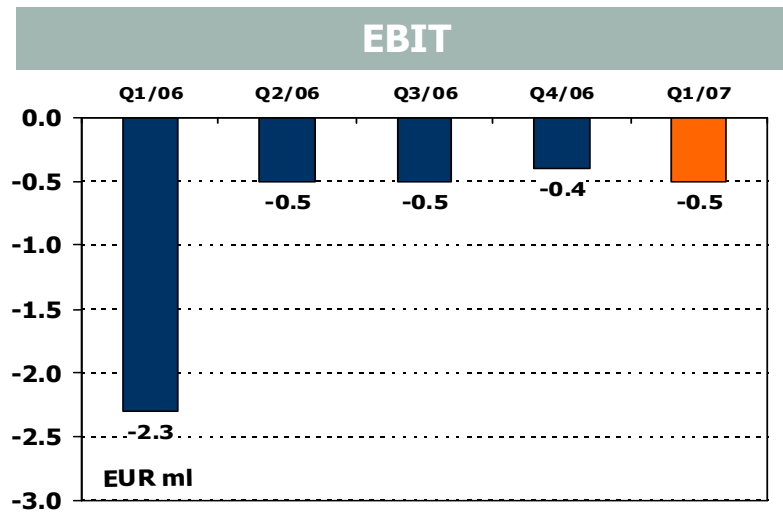
- Electricity sales +4% versus Q1/06
- Power tariff and green certificate prices both increased versus Q1/06 respectively by +2% and +9%
- Net income (100% figure):
 - ✓ EUR 3.8 ml vs EUR 3.4 ml in Q1/06
- Adjusted net income (100 % figure):
 - ✓ EUR 3.4 ml unchanged vs Q1/06



Other Activities



Results close to break-even



EUR ml	2005	2006
EBITDA	(4.3)	(1.1)
EBIT	(7.7)	(3.7)

A photograph of an industrial refinery or chemical plant. The image shows several tall, dark structures, likely distillation columns or towers, with complex piping and scaffolding. The scene is set against a bright, overcast sky. The overall tone is industrial and somewhat somber due to the dark colors of the equipment.

Financial Overview



Key Income Statement Figures

EUR million	Q1/07	Q1/06	var %	Q4/06
EBITDA	145.3	138.1		104.4
Comparable EBITDA⁽¹⁾	155.0	143.6	8%	138.9
Depreciation	(40.0)	(39.2)		(43.7)
EBIT	105.3	98.9		58.7
Comparable EBIT⁽²⁾	115.0	104.4	10%	95.2
Net financial income (expenses)	(23.5)	(0.8)		5.9
Adjustment to the value of financial assets ⁽⁴⁾	2.6	2.4		2.5
Non recurring items ⁽⁵⁾	0.0	0.0		(9.3)
Profit before taxes	84.4	100.5		57.8
Taxes	(33.5)	(37.7)		(22.1)
Net income	50.9	62.8		35.7
Adjusted net income⁽³⁾	71.0	66.3	7%	66.2

Proforma figures for Q1/2006

1. Comparable EBITDA: calculated evaluating inventories at LIFO
2. Comparable EBIT = Comparable EBITDA - depreciation&amortization
3. Adjusted NET INCOME= reported NET INCOME
 - +/- (inventories at LIFO-inventories at FIFO) net of taxes
 - +/- non recurring items net of taxes
 - +/- change in derivatives fair value net of taxes
4. Adjustment to the value of financial assets: joint ventures consolidated by the Equity method (Wind)
5. Non recurring items: includes certain IPO costs in 2006 and other non recurring.



Detail of consolidated net income adjustments

EUR million	Q1/07	Q1/06	Q4/06
Reported net income (A)	50.9	62.8	35.7
(inventories at LIFO- inventories at FIFO) net of taxes	6.1	3.5	22.9
Non recurring items net of taxes	0.0	0.0	6.6
Change in derivatives fair value net of taxes	14.0	0.1	0.8
Total adjustments to reported net income (B)	20.1	3.5	30.4
Adjusted net income (A+B)	71.0	66.3	66.2



Key Cash Flow Figures

CASHFLOW

EUR million	Q1/07	Q1/06	Q4/06
Initial net financial position	(285)	(573)	(187)
Cash flow from operations (a)	185	116	(57)
p/l+ dep&amortization+change in provisions	107	148	93
working capital	78	(32)	(151)
Cash flow from investments (b)	(36)	(27)	(41)
investments in tangible&intangible assets	(36)	(27)	(41)
acquisitions	0	0	0
Cash flow from financing (c)	0	(170)	0
capital increase	0	0	0
dividends	0	(170)	0
Total cash flow from the period (a+b+c)	139	(81)	(98)
Final net financial position	(135)	(655)	(285)



Key Balance Sheet Figures

EUR million	31-Mar-07	31-Dec-06
Current assets	1,682	1,514
cash	395	231
other current assets	1,287	1,282
Non Current assets	1,705	1,707
TOTAL ASSETS	3,387	3,220
Non interest bearing liabilities	1,507	1,410
Interest bearing liabilities	542	525
Sarlux project finance	369	369
Equity	1,336	1,285
EQUITY AND TOTAL LIABILITIES	3,387	3,220
Loans to unconsolidated subsidiaries	13	9
Net financial position (*)	(135)	(285)
NFP/EBITDA (**)	0.22	0.38
LEVERAGE (***)	9%	18%

* Net financial position = Interest bearing liabilities - cash - loans to unconsolidated subsidiaries (wind)

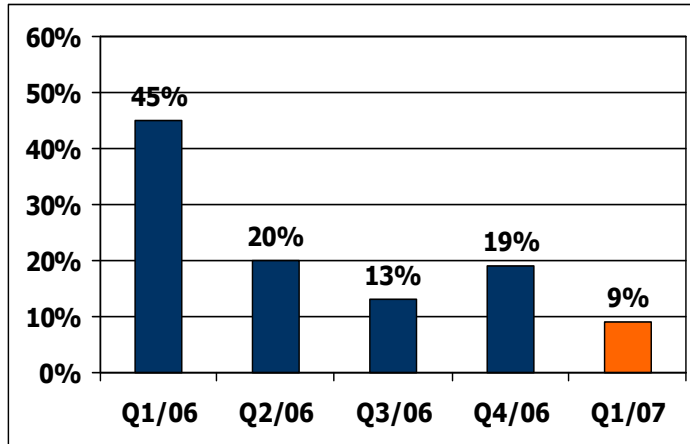
** Calculated using comparable EBITDA figures

*** NFP / (NFP + Equity)

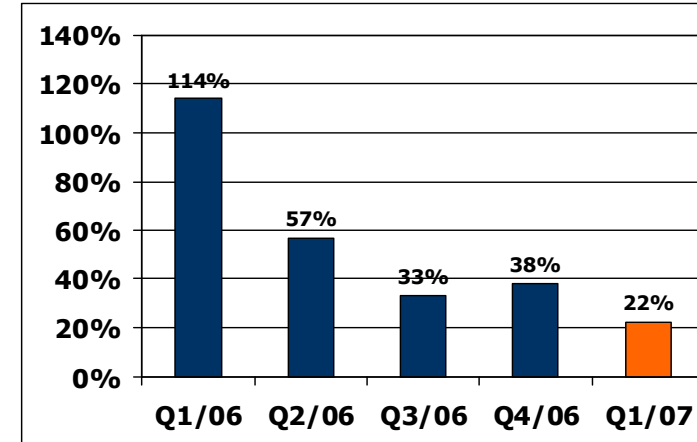


Key Ratios

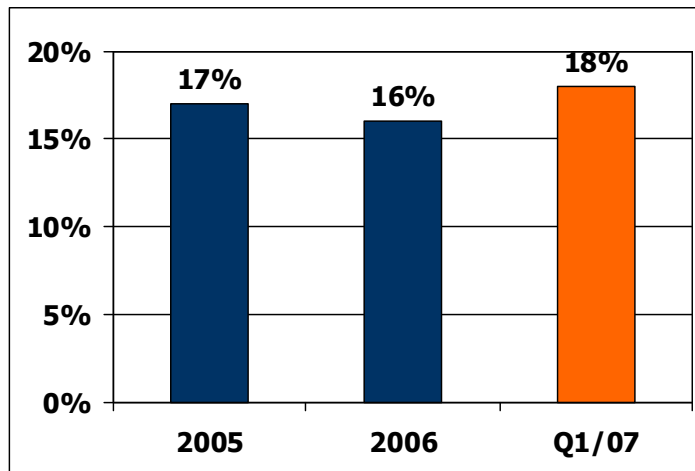
leverage¹ , %



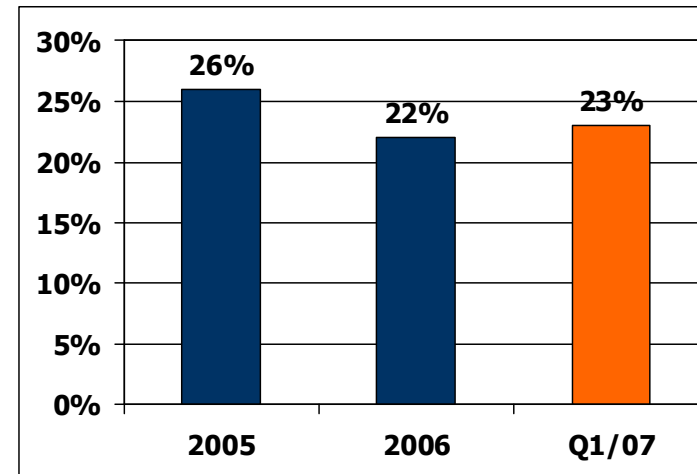
NFP/EBITDA, %



ROACE², %



Return on Equity , %



- 1) $NFP / (NFP + equity)$
- 2) after tax, quarterly figures are 1 year rolling

A photograph of an industrial refinery or chemical plant. The image shows several tall, dark silhouetted structures, including distillation columns and complex piping systems, set against a bright, overcast sky. The structures are interconnected by a network of pipes and walkways. The overall scene is industrial and complex.

Strategy Overview



Organic growth – 2007/2009

- **2-3 \$/bl** refining margin improvement
- **CAPEX approx EUR 600 million** of which half is maintain capacity
- expected after tax project IRR higher than 20%

External growth

- **IN OUR CORE BUSINESSES**
 - ✓ **M&A opportunities in Refining, Marketing, Oil logistics (depots, pipelines,..)**
- **IN RELATED SECTORS**
 - ✓ **WIND:** pipeline of projects in the permitting phase
 - ✓ **BIODIESEL:** 200,000 tons/year plant operational from 2008 (investment 35 m€/IRR>20%)
 - ✓ **GAS EXPLORATION:** committed about EUR 10 ml for seismic tests

BASIS FOR INVESTMENT

- **high fire-power**
- **Stringent investment criteria:**
 - PROJECT IRR AFTER TAX ~ 20%
 - No growth for growth's sake
 - EPS accretive from day 1



Outlook



- **Margins are expected to remain robust in the medium term** due to very tight refining capacity and constantly increasing demand. During the last months we have observed numerous cancellations and delays of projects which aimed to increase refining capacity.
- An early start of the driving season due to mild weather and higher than normal maintenance and outages in US refineries caused **margins to reach the highest levels so far in 2007** at the beginning of Q2/07. **Saras' EMC benchmark averaged 4.7 \$/bl in April and above 9 \$/bl in the first days of May.**
- Processing contracts: all but one have been renewed at improved conditions; negotiations in progress for the remainder.
- In Q2/07 there will be a planned maintenance cycle and upgrading investments that will involve one of the three crude distillation units, one of the two vacuum units and the visbreaker:
 - the estimated impact of the shutdown, in addition to the reduction of crude runs, will be 7-10 million USD
 - as of Q3/07 these investments will increase diesel production by 150,000 tons on a yearly basis and increase reliability
 - gasoline production will not be affected by the maintenance because the gasoline producing units will maintain maximum runs.



- IGCC is also expected to undergo 2 maintenance cycles during Q2 and Q4 but without any impact on EBITDA since maintenance cycles are already included in the linearization procedure required by IFRS.
- Gas exploration: seismic tests in Sardinia are continuing with encouraging preliminary findings; final results are expected by end 2008.
- **Sarlux project finance** renegotiation was concluded during Q1/07. Benefits from Q2/07 will be about EUR 1 million per quarter (about EUR 0.5 ml on interest and balance on EBITDA).
- **CIP6**: Saras' legal action to challenge resolution n. 24906 dated 15th November 2006 of the "Autorità per l'energia elettrica e il gas" (Italian Energy Authority) on 10/05/2007 was resolved in Saras's favour. The ruling by the tribunal might still be appealed by the Authority at the highest administrative level (Consiglio di Stato).



Additional Information

EUR Million		Q1/07	Q1/06	var %	Q4/06
EBITDA		88.5	68.3	30%	55.1
<i>EBITDA comparable</i>		95.7	77.7	23%	80.8
EBIT		70.7	53.2	33%	36.8
<i>EBIT comparable</i>		77.9	62.6	24%	62.5
CAPEX		30.0	22.7		26.0
		Q1/07	Q1/06	var %	Q4/06
REFINERY RUNS	Mton	3,809	3,709	3%	3,895
	Mbl	27.8	27.1	3%	28.4
	Mbl/day	309	301	3%	309
	of which: Processing for own account Mton	2,420	2,012		2,085
	Processing on behalf of third parties Mton	1,389	1,697		1,810
EMC BENCHMARK MARGIN	\$/bl	3.0	1.9	58%	1.6
SARAS REFINERY MARGIN	\$/bl	6.7	5.6	20%	5.6



€ Million		Q1/07	Q1/06	var %	Q4/06
EBITDA		53.7	63.1	-15%	52.0
EBIT		33.4	41.0	-19%	29.9
EBITDA ITALIAN GAAP		85.6	79.5	8%	68.8
EBIT ITALIAN GAAP		72.4	66.3	9%	55.2
NET INCOME ITALIAN GAAP		43.4	39.3	10%	32.4
CAPEX		4.0	0.9		13.0

		Q1/07	Q1/06	var %	Q4/06
ELECTRICITY PRODUCTION	MWh/1000	1,215	1,155	5%	999
POWER TARIFF	c€/KWh	12.67	13.31	-5%	13.49
POWER IGCC MARGIN	\$/bl	3.7	4.0	-8%	3.6

EUR million	Q1/07	Q1/06	var %	Q4/06
EBITDA	9.4	7.7	22%	7.9
EBIT	7.1	5.8	23%	5.6
NET INCOME	3.8	3.4	11%	3.2
Adjusted NET INCOME (*)	3.4	3.4	0%	1.7

(*) *Adjusted* Net Income: Net Income adjusted by non recurring items after taxes and change in the derivatives fair value after taxes

		Q1/07	Q1/06	var %	Q4/06
ELECTRICITY PRODUCTION	MWh	54,910	52,902	4%	39,708
POWER TARIFF	c€/KWh	7.6	7.5	2%	8.2
GREEN CERTIFICATES	c€/KWh	11.9	10.9	9%	12.1



APPROXIMATE CONVERSION FACTORS

From/To Multiply by \longrightarrow	tonnes metric	Barrels	US Gallons	tonnes per year	BTU
tonnes metric	1	7.3	308	-	-
Barrels	0.14	1	42	-	-
US Gallons	0.003	0.02	1	-	-
barrels per day	-	-	-	50	-
MWh	-	-	-	-	3,412,000

Products	tonnes to barrels	barrels to tonnes
LPG	11.6	0.09
Gasoline	8.5	0.12
Gasoil	7.5	0.13
Fuel Oil	6.7	0.15

Source: BP Statistical Review of World Energy