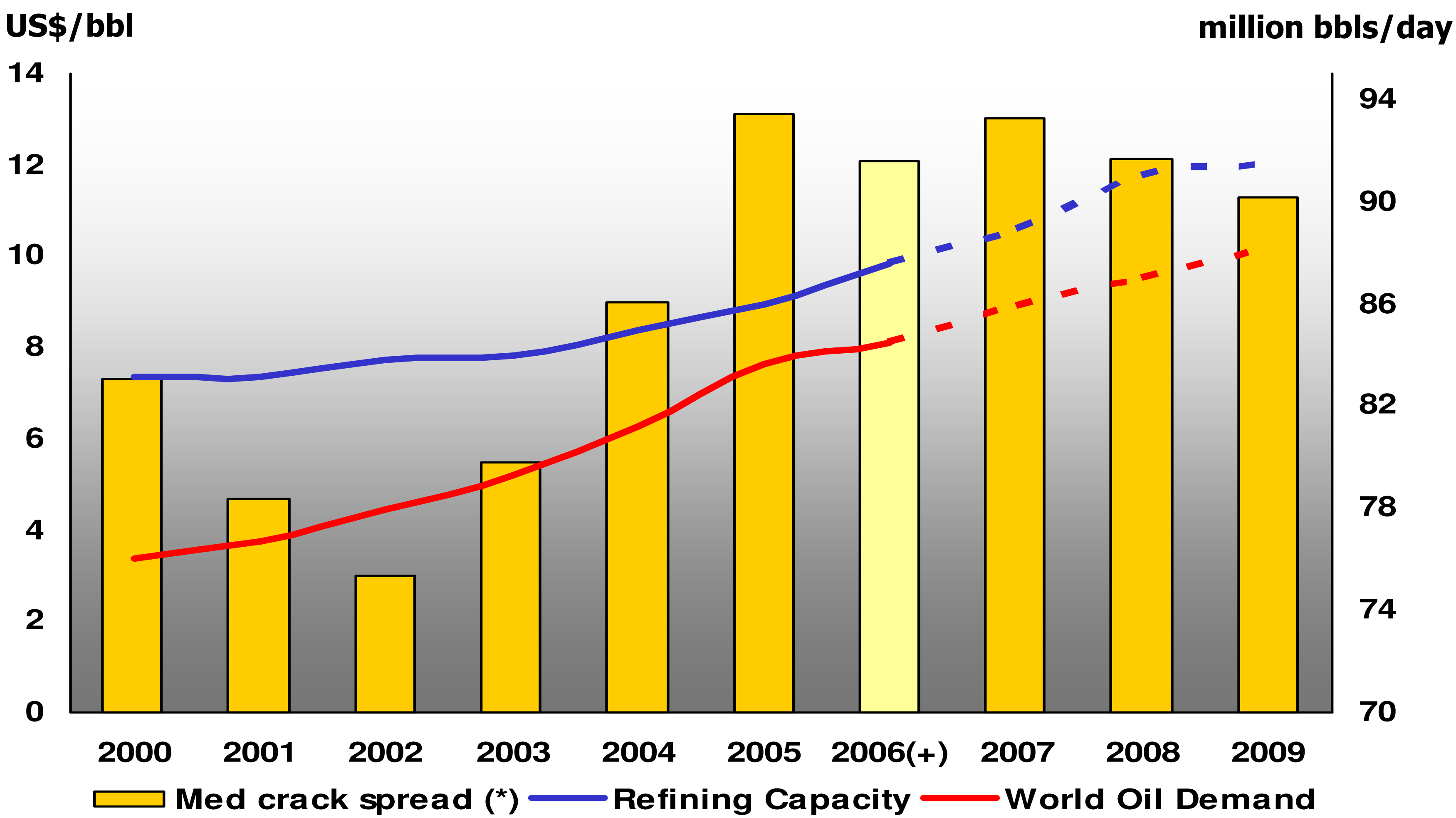
SARAS
Roadshow

November-December 2006

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 startegies, 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.

World Refining context



(+) up to 17/11/2006

(*) 2/3 ULSD crack spread vs Brent + 1/3 Unleaded Gasoline crack spread vs Brent

Source: Saras elaboration on EMC data

World Refining context: Medium term outlook

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)

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....

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. <VLO.N>, ... 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. ....

Saras: a superior refinery

- **Supersite with superior margins: achieved margins around 10 $/bl even in unfavourable market scenario**
  - ✓ Has recently become second most complex supersite in WE (*)
  - ✓ Nelson complexity(**) included 100% Sarlux ownership and Petrochemical : **9.7**
  - ✓ Full integration with IGCC power plant
  - ✓ Processing contracts provide effective hedge due to embedded option during downtrends but allow to capture large part of upside
- **Ability to run "difficult" crudes**
  - ✓ Profitable opportunities from increasingly frequent discoveries of new "difficult" crude
  - ✓ Saras is to the best of our knowledge the first Western refinery to have recently experimented new extremely challenging African crudes
- **Focus on growth opportunities**
  - ✓ High return organic growth strategy
    - IRR well above 20%
    - Low execution risk
    - Complexity to remain well above peers: **10.3** Nelson complexity in 2009

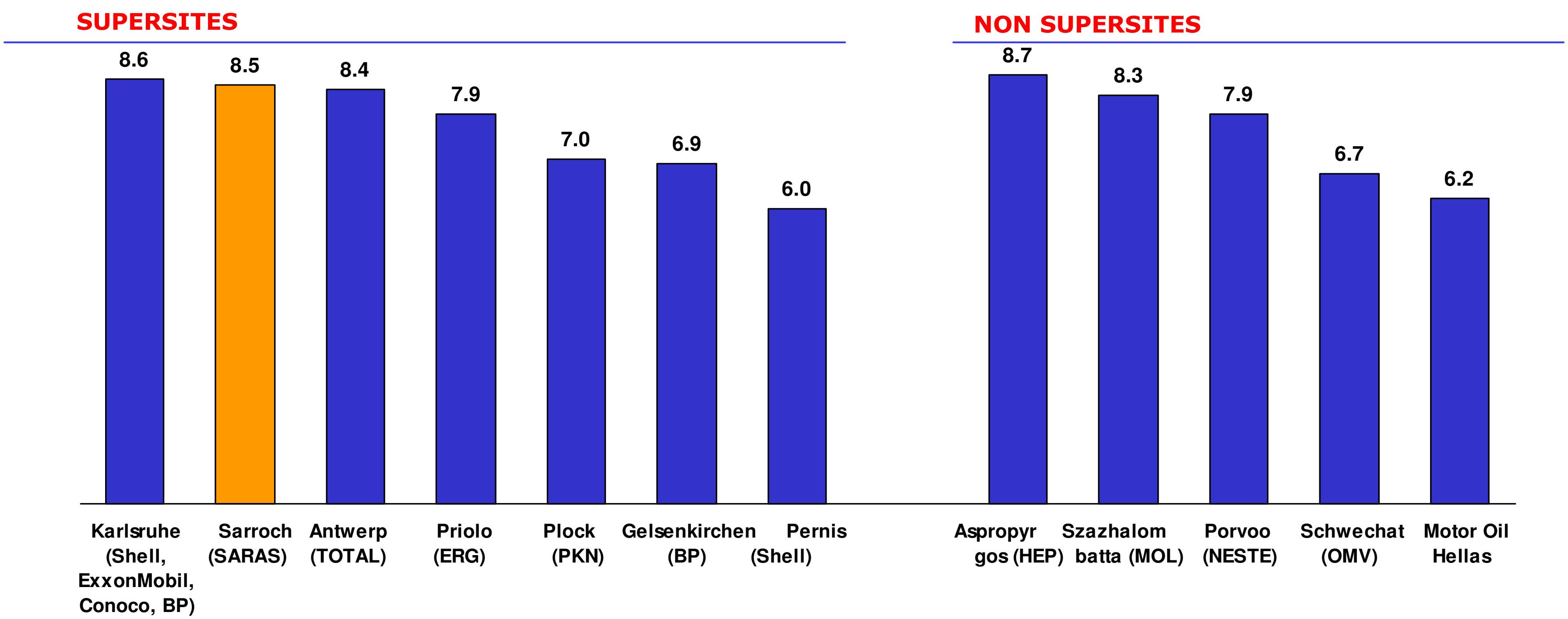
(*) Source: Wood Mackenzie, February 2006 "*High complexity means that a refinery has had a continuous historical capital investment and as a result should have an above average yield quality and hence higher value products".* **(**Wood Mackenzie**)**

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

Complexity

WoodMackenzie: complexity indexes for the major European refineries

All Data from WoodMac Downstream Online (data as of end 2005) except for:
Saras: anticipation of end 2006 (includes 100 % IGCC plant)
ERG: anticipation of 2007 configuration (includes 51% IGCC plant)



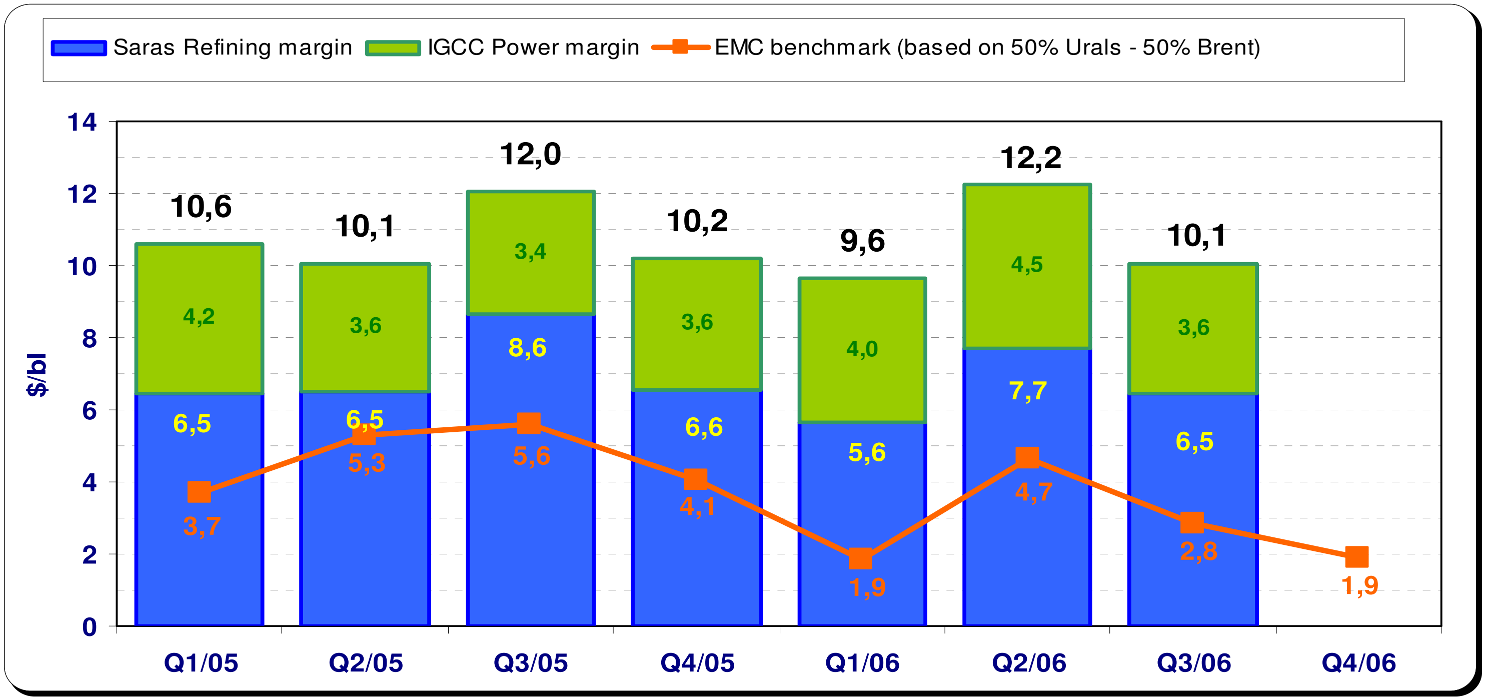
CAPACITIES (Mton/y)

Karlsruhe	Sarroch	Antwerp	Priolo	Plock	Gelsenkirchen	Pernis	Aspropyrgos	Szazhalombatta	Porvoo	Schwechat	Motor Oil Hellas
14,9	15,0	17,4	14,6	16,9	12,6	20,4	6,7	8,0	10,0	9,2	5,2

Track record of superior margins

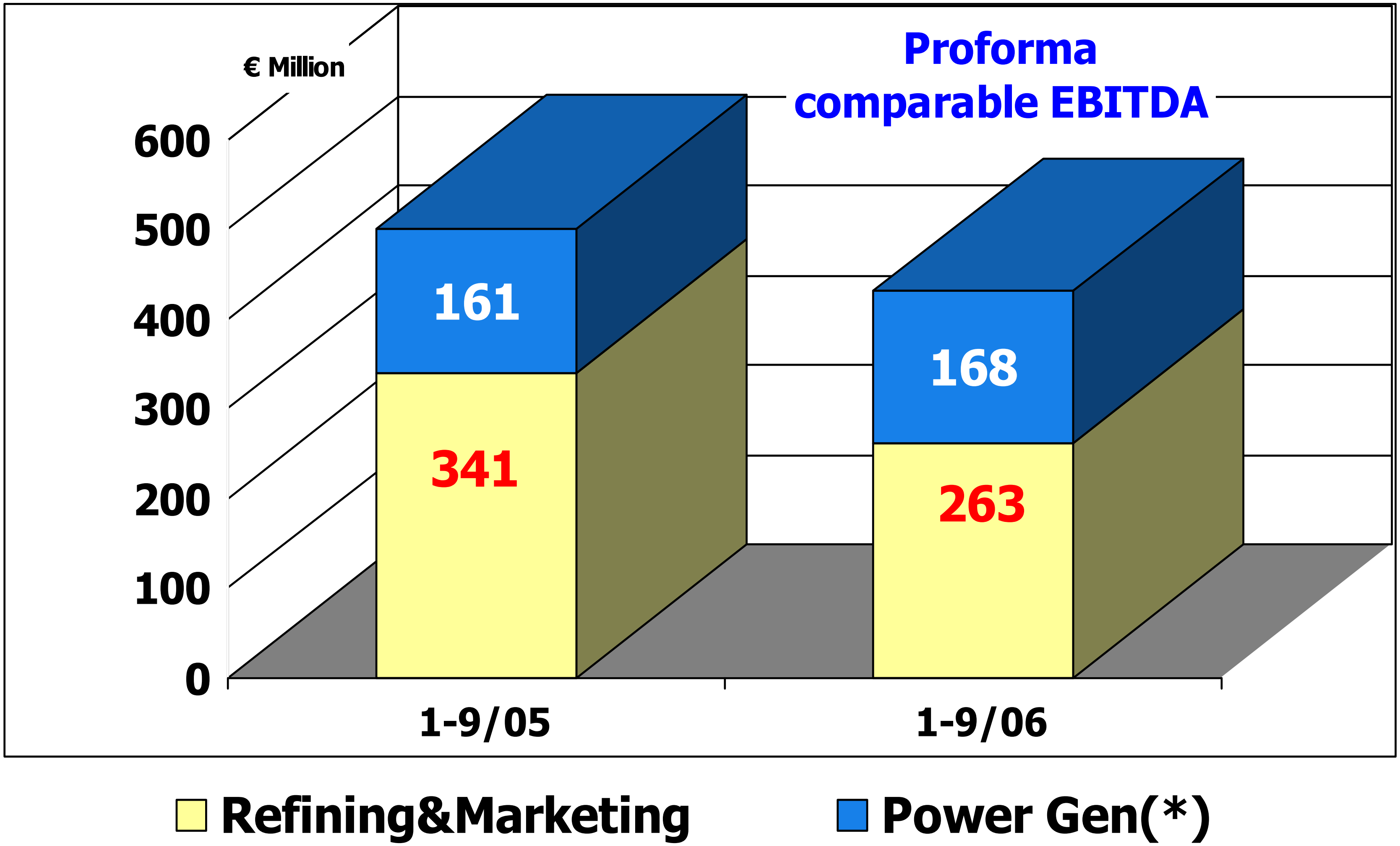
$/bl	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06
EMC benchmark (based on 50% Urals - 50% Brent)	3,7	5,3	5,6	4,1	1,9	4,7	2,8	1,9
Saras refining margin	6,5	6,5	8,6	6,6	5,6	7,7	6,5	
IGCC power margin	4,2	3,6	3,4	3,6	4,0	4,5	3,6	
Saras refining&power margin	10,6	10,1	12,0	10,2	9,6	12,2	10,1	

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



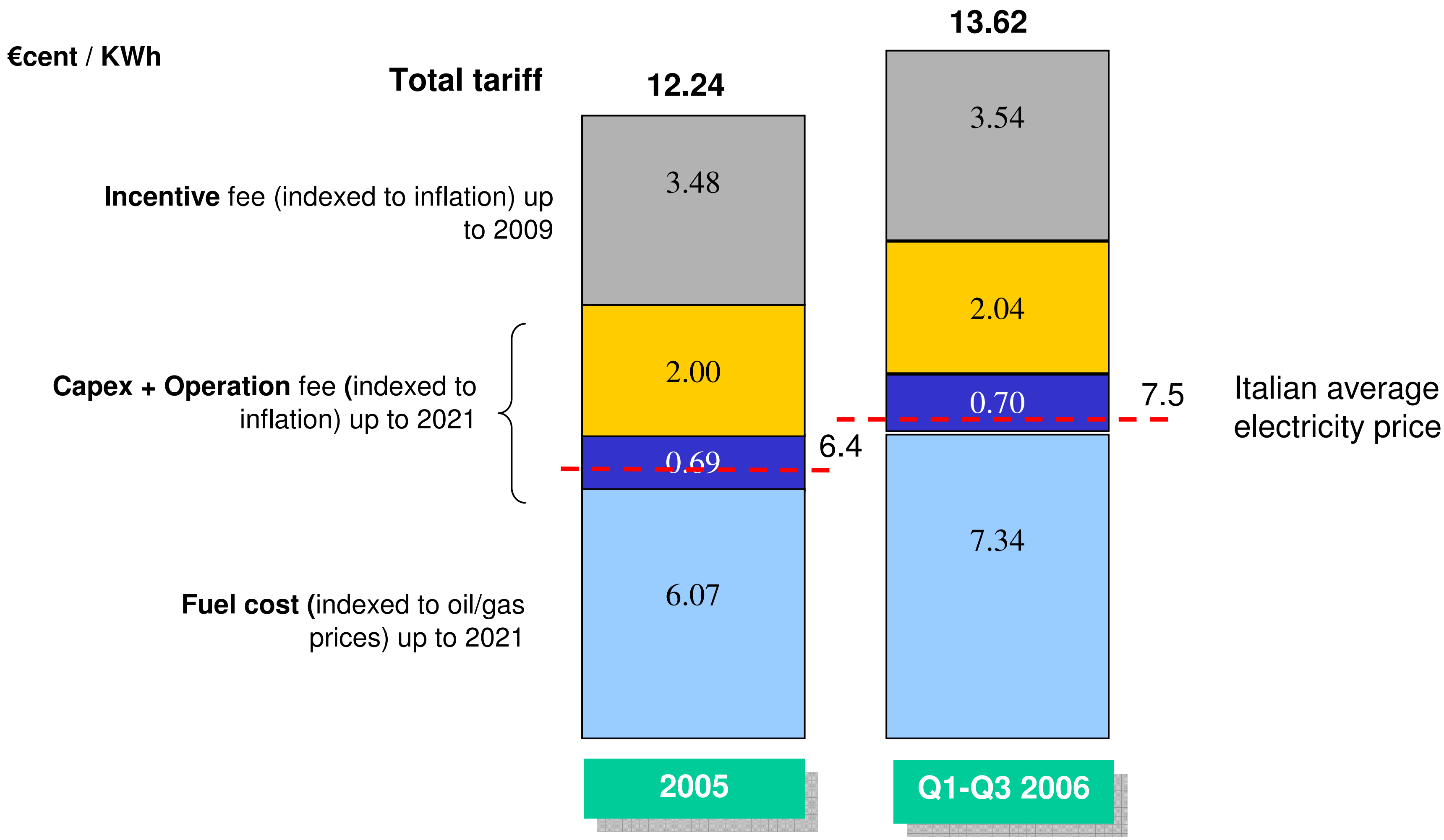
- **The EMC benchmark is published on the company website and updated weekly**

Margins stability: influence of Power



(*) Substantially flat until 2021 due to IFRS linearization

CIP6 tariff


€cent / KWh
Total tariff
12.24
13.62
Incentive fee (indexed to inflation) up to 2009
Capex + Operation fee (indexed to inflation) up to 2021
Fuel cost (indexed to oil/gas prices) up to 2021
3.48
2.00
0.69
6.07
3.54
2.04
0.70
7.34
6.4
7.5
Italian average electricity price
2005
Q1-Q3 2006

2006E Full Year Outlook

- **Refining margins:**
  - ✓ margins started to recover at beginning of November confirming our view that the recent dip in refining margins will not continue in the long term.
- **Proforma adjusted net income** for 2006 should exceed 2005.
- **Refinery plant at normal capacity during Q4** except for:
  - ✓ visbreaker: routine cleaning of unit completed during the month of October with an impact on Q4 EBITDA of less than 5 M€.
- **IGCC plant:**
  - ✓ routine shutdown of 1 out of 3 trains completed in October, one gasifier will undergo a routine shut down in November. Estimated power production in the quarter is about 1,050 MWh. No impact on IFRS EBITDA since maintenance cycles are already included in the linearization process required by IFRS accounting principles.

Medium Term Growth Strategy: Refining

Plan	Target (base year 2005)	Delivered	notes	Total estimated impact on refining margins/ EBITDA
Increase conversion capacity	**350,000** t/y of ULSD **by 2008**	**200,000** t/y in **Q3/06** (ahead of schedule) **200,000 t/y** of Heating oil converted into ULSD in **Q3/06** (additional achievement) **50,000** t/y of high octane gasoline in **Q3/06**(additional achievement)	**150,000** t/y by **Q3/07** (ahead of schedule)	1.0-1.3 $/bl
Improve energy efficiency	**0.5%** reduction Cons.&Losses by **2009**		Engineering phase	0.25-0.3 $/bl
Heavy up crude slate	**-2 deg API** by **2009**		Engineering phase	0.6-0.8 $/bl
			TOTAL	**1.85-2.4 $/bl**
Increase refinery runs	**15,1** million ton in **2008** (from 14.4 in 2005)		Runs in 2006 similar to 2005 despite significant maintenance	**40-60 M$** per year on EBITDA

- **CAPEX 600 m€ in the period 2006-2009 (roughly half is maintain capacity)**
- **88 m€ (excluding Sarlux) already spent in 2006 with estimate of 110-120 by end of year**
- **Planned CAPEX for 2007 approximately 150 M€**

Medium Term Growth Strategy: Others

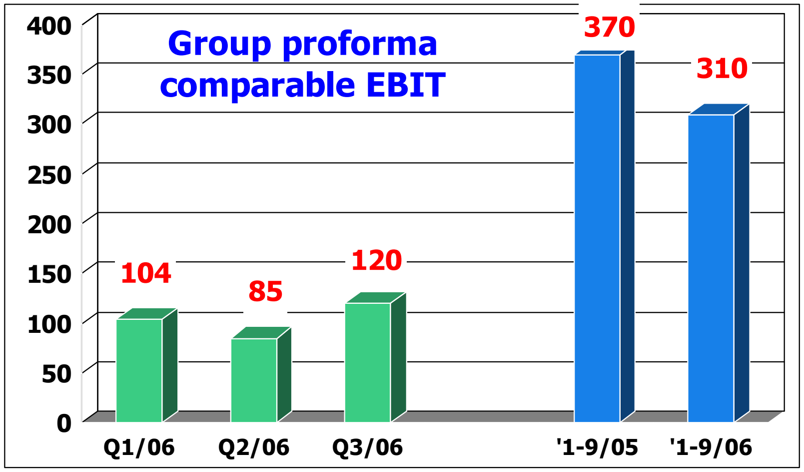
- **Biodiesel**
  - ✓ 200,000 tons/year plant in Cartagena (Spain) operational by beginning Q1/08
  - ✓ Investment of 35-40 M€ totally on Saras balance-sheet (impact on EBIT 10-15 M€/y and expected IRR above 20%)
- **Wind**
  - ✓ Planned addition of 12MW (+14%) at Ulassai are under review because of change in law
  - ✓ Pipeline of projects under development are in the permitting phase
- **Gas exploration**
  - ✓ Saras has licenses to perform 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

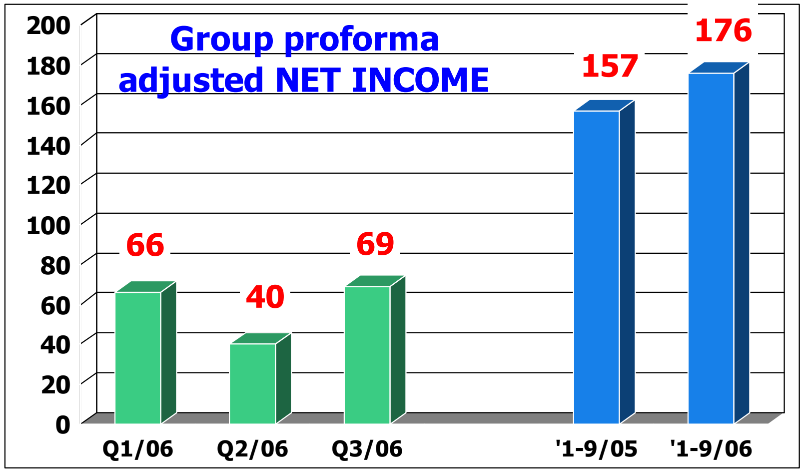
What is beyond?

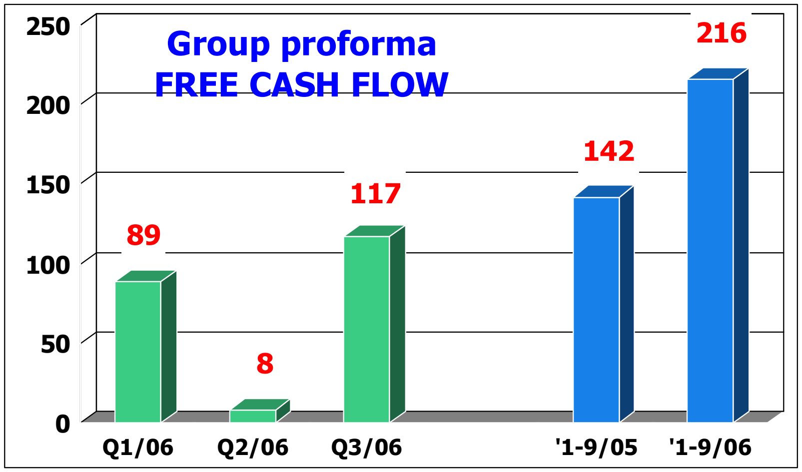
- **Evaluating refinery step change opportunities**
  - ✓ stringent investment criteria
  - ✓ 10% Hurdle rate (after tax) in <u>worst case</u> scenario
- **Careful scrutiny of possible core business M&A opportunity**
  - ✓ strategic fit
  - ✓ financially disciplined approach: “no growth for growth’s 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

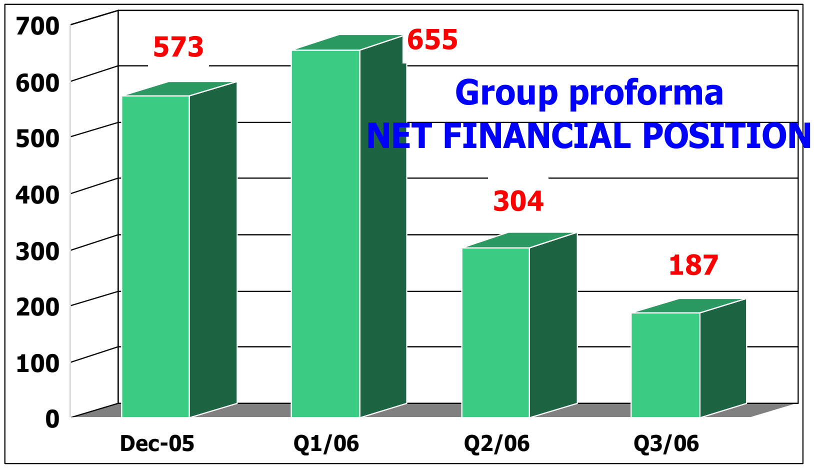

APPENDIX

Financial Highlights









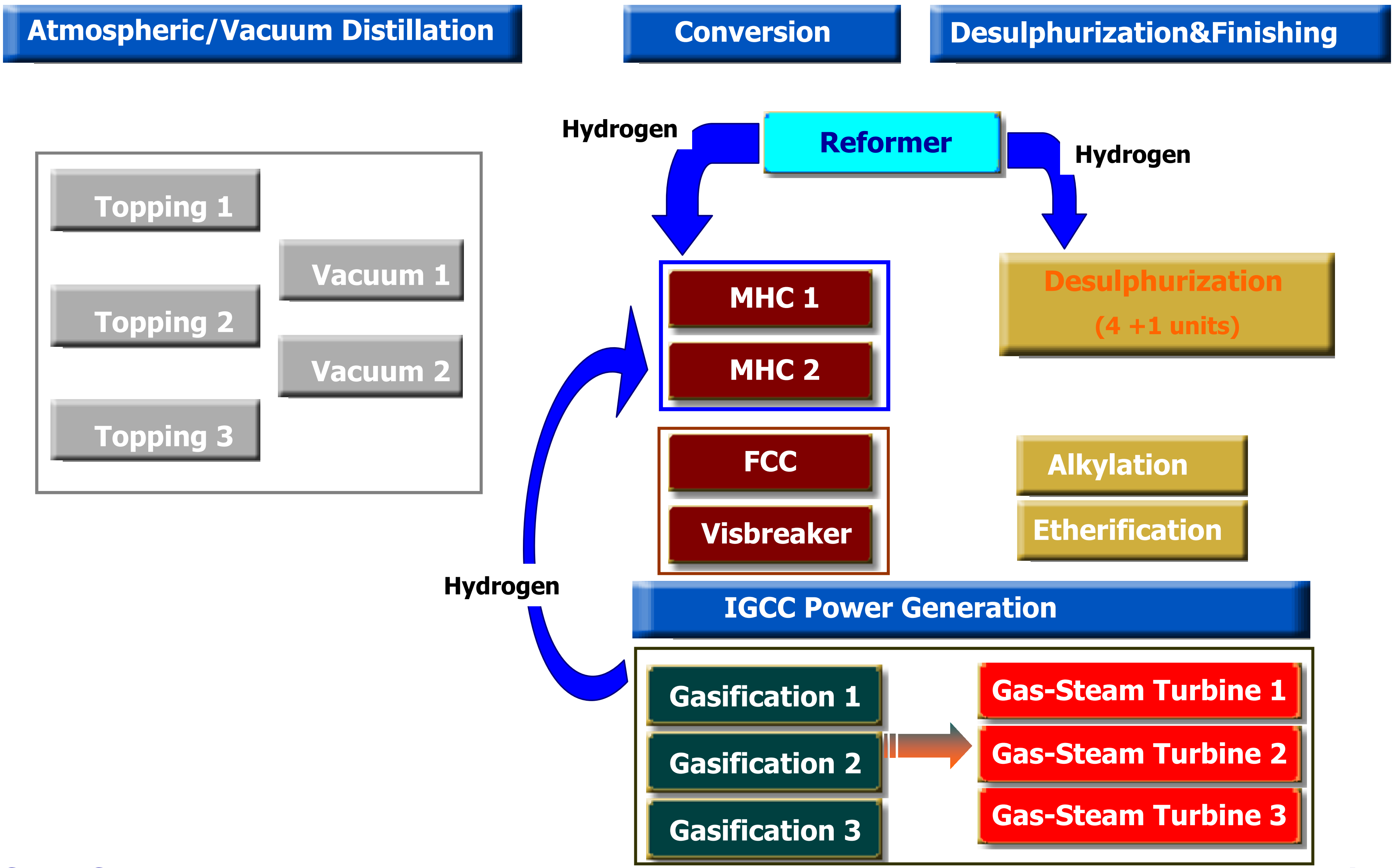
Major maintenance schedule

REFINERY	Q1/07	Q2/07	Q3/07	Q4/07	2007	2008
PLANT		1Topping 1Vaacum Visbreaking		1Topping 1MHC		
estimated RUNS (Mton)	3.65-3.75	3.25-3.35	3.70-3.80	3.35-3.45	14.0-14.4	15.0-15.2
additional estimated loss on CONVERSION (Million $)		7-10		7-10	14-20	

IGCC POWER PLANT	Q1/07	Q2/07	Q3/07	Q4/07	2007	2008
PLANT		1gasifier 1turbine		1gasifier 1turbine		
estimated power prod. (MWh)	1.1-1.2	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

Refining Structure



Fixed and variable costs

REFINERY	Q105	Q205	Q305	Q405	2005	Q106	Q206	Q306
refinery runs (Mbl)	25,3	25,6	26,9	27,5	105,3	27,1	21,3	27,5
exchange rate	1,31	1,26	1,22	1,19	1,24	1,20	1,26	1,27
refining IFRS LIFO EBITDA (M€)	83,6	89,9	147,2	100,8	421,5	77,7	66,8	98,5
EBITDA margin ($/bl)	**4,3**	**4,4**	**6,7**	**4,4**	**5,0**	**3,4**	**3,9**	**4,6**
fixed costs ($/bl)	**2,1**	**2,1**	**2,0**	**2,2**	**2,1**	**2,2**	**3,8**	**1,9**
variable costs ($/bl)	**1,5**	**1,4**	**1,3**	**1,3**	**1,4**	**1,6**	**2,4**	**1,7**

IGCC	Q105	Q205	Q305	Q405	2005	Q106	Q206	Q306
refinery runs (Mbl)	25,3	25,6	26,9	27,5	105,3	27,1	21,3	27,5
exchange rate	1,31	1,26	1,22	1,19	1,24	1,20	1,26	1,27
Sarlux IFRS EBITDA (M€)	59,1	49,6	51,9	52,8	213,4	63,1	52,3	52,6
EBITDA margin ($/bl)	**3,1**	**2,4**	**2,4**	**2,3**	**2,5**	**2,8**	**3,1**	**2,4**
fixed costs ($/bl)	**1,1**	**1,1**	**1,1**	**1,4**	**1,2**	**1,2**	**1,4**	**1,1**
variable costs ($/bl)	**0,8**	**0,7**	**0,7**	**0,6**	**0,7**	**0,7**	**1,2**	**0,9**