



**SARAS
Investor Update**

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.



CORE BUSINESS



Saras is a pure play refiner

- 300,000 bl/day *supersite*
- Diesel oriented
- Very low fuel oil production
- Ability to run “unconventional” difficult crudes
- Strategically located in the middle of the Med
- Track record of superior margins
- Marketing activities based in the high diesel demand regions of Italy and Spain

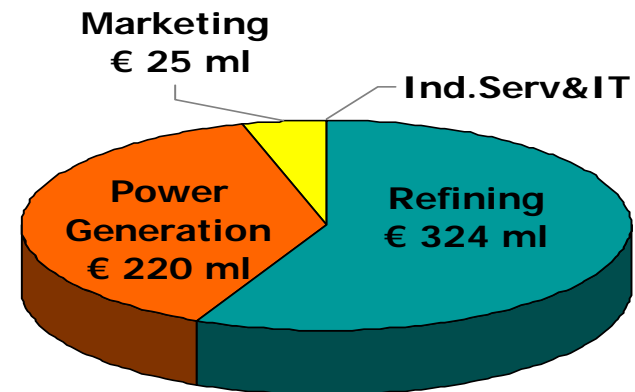


OTHER ACTIVITIES



Investing also in renewable energy

- 84 MW wind farm in the south of Sardinia
 - ✓ pipeline of projects in the permitting phase
- 200,000 tons/year biodiesel plant under construction in Spain
 - ✓ in operations in the first half of 2008
- Industrial services and IT supporting Group activities



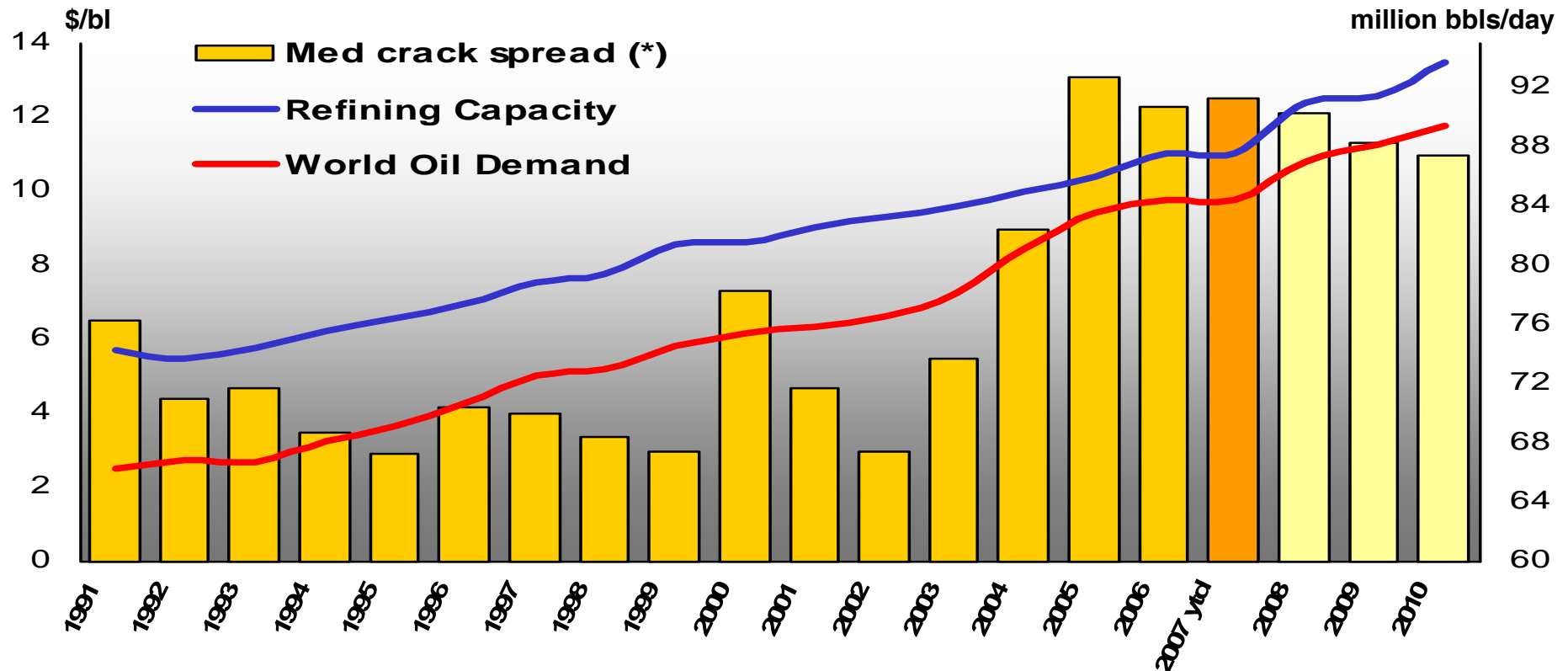
2006 Group EBITDA: EUR 568 ml

2006 Wind EBITDA: EUR 25 ml



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



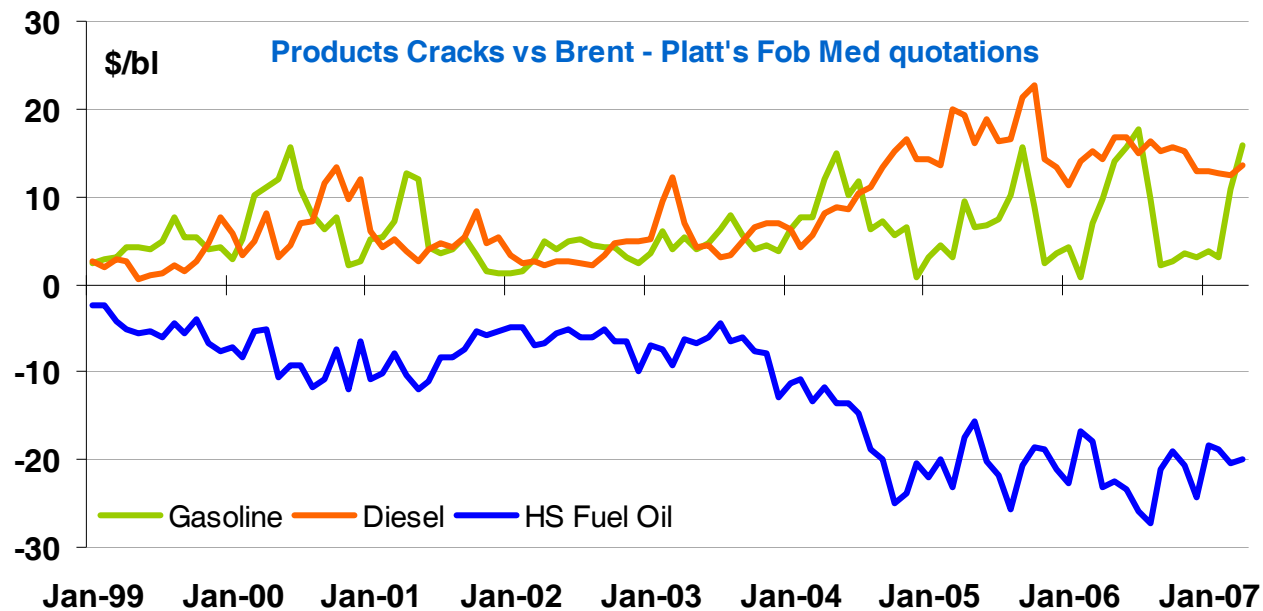
(*) 2/3 ULSD crack spread vs Brent + 1/3 Unleaded Gasoline crack spread vs Brent

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 2.2-2.5% pa, while fuel oil consumption continues to decline
- 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

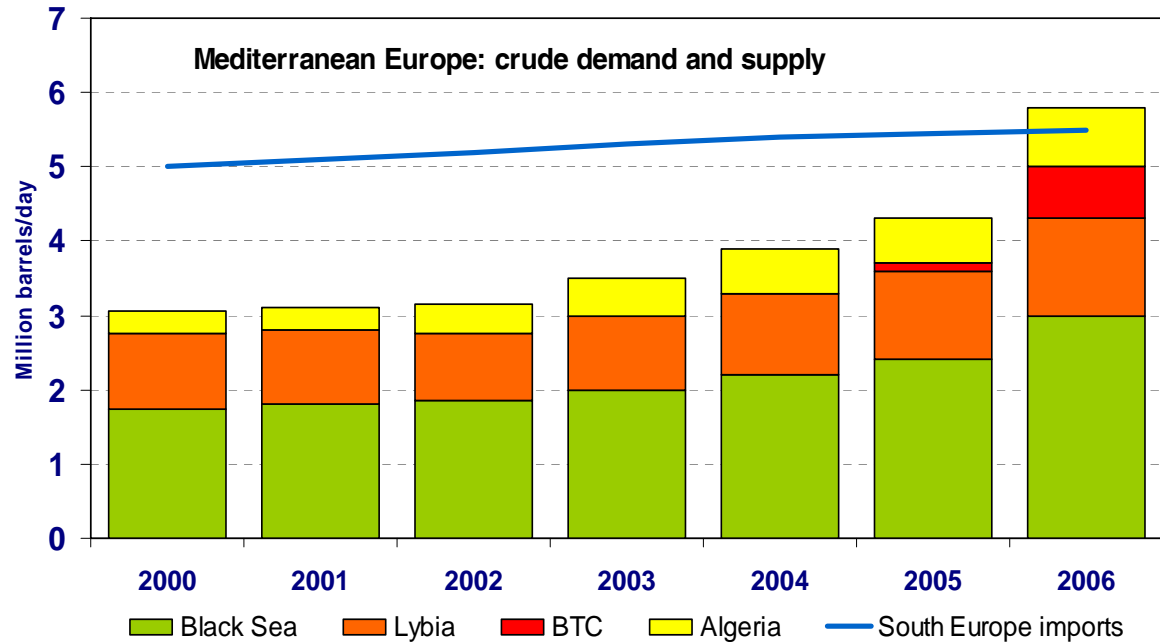




The Med : the ideal position for complex and diesel oriented refineries

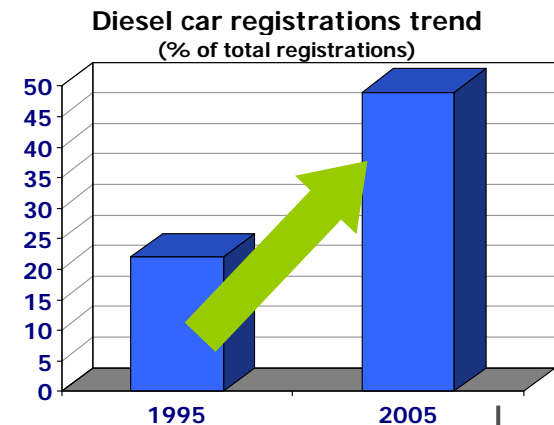
CRUDE

- 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



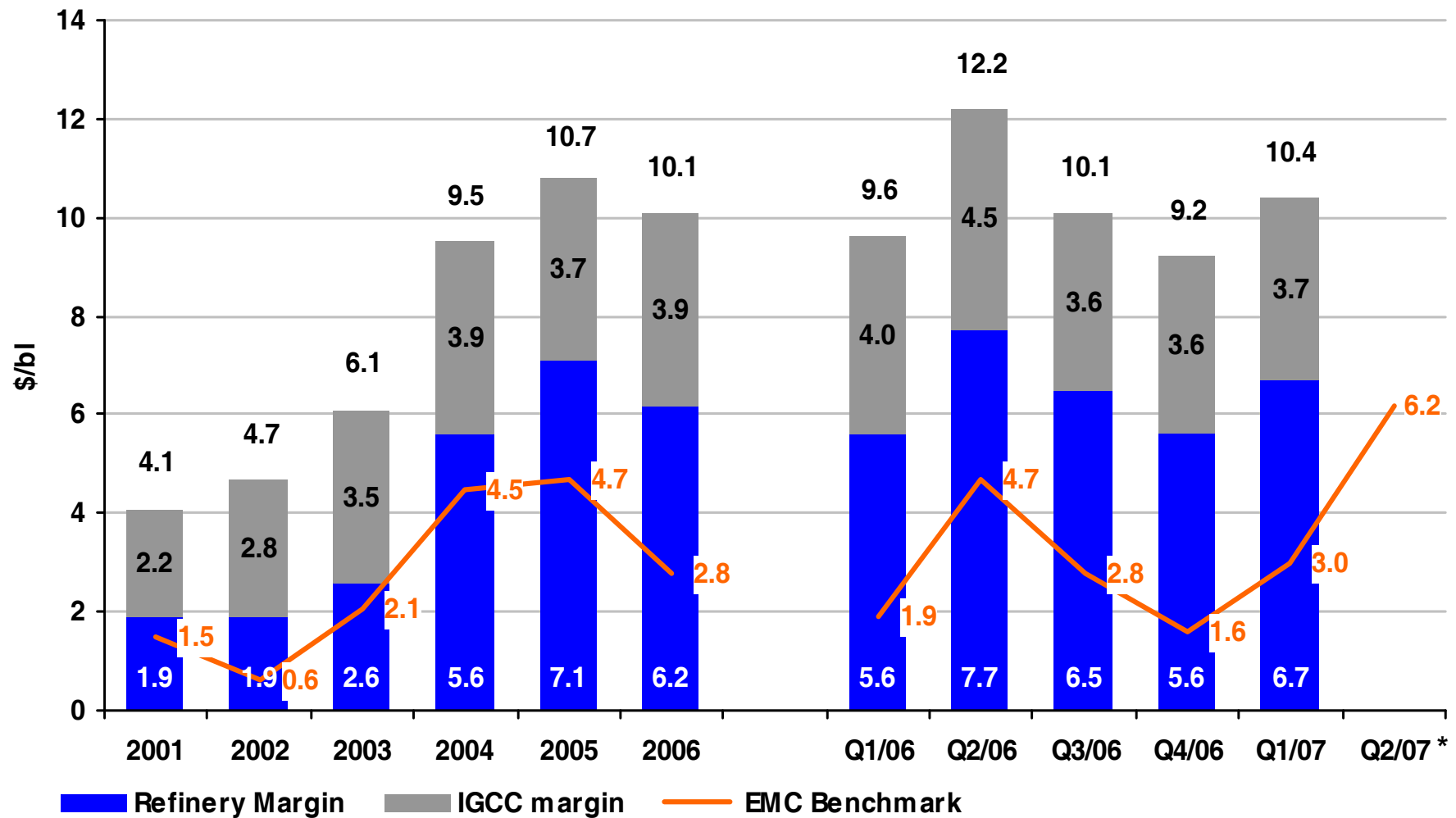


Saras ideally placed to benefit from today's context

- **300,000 bl/day supersite**
 - ✓ high complexity (Nelson 9.6)
 - ✓ high conversion capacity (#1 in Europe)
 - ✓ integrated with petrochemical**Ability to fully exploit 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” difficult crudes** that normally trade below parity
- **Strategically located in the middle of the Med****Flexibility and geographical location allow to further optimize crude oil slate**
- **Processing contracts****Optimal intrinsic hedging structure and security of supply**



Track record of superior margins



* Q2/07 as of 11 May 2007



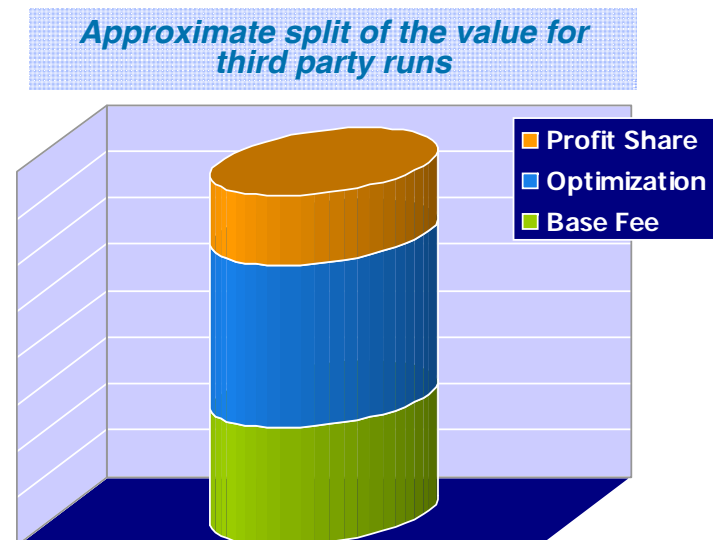
Saras is also a provider of refining services through processing contracts

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.

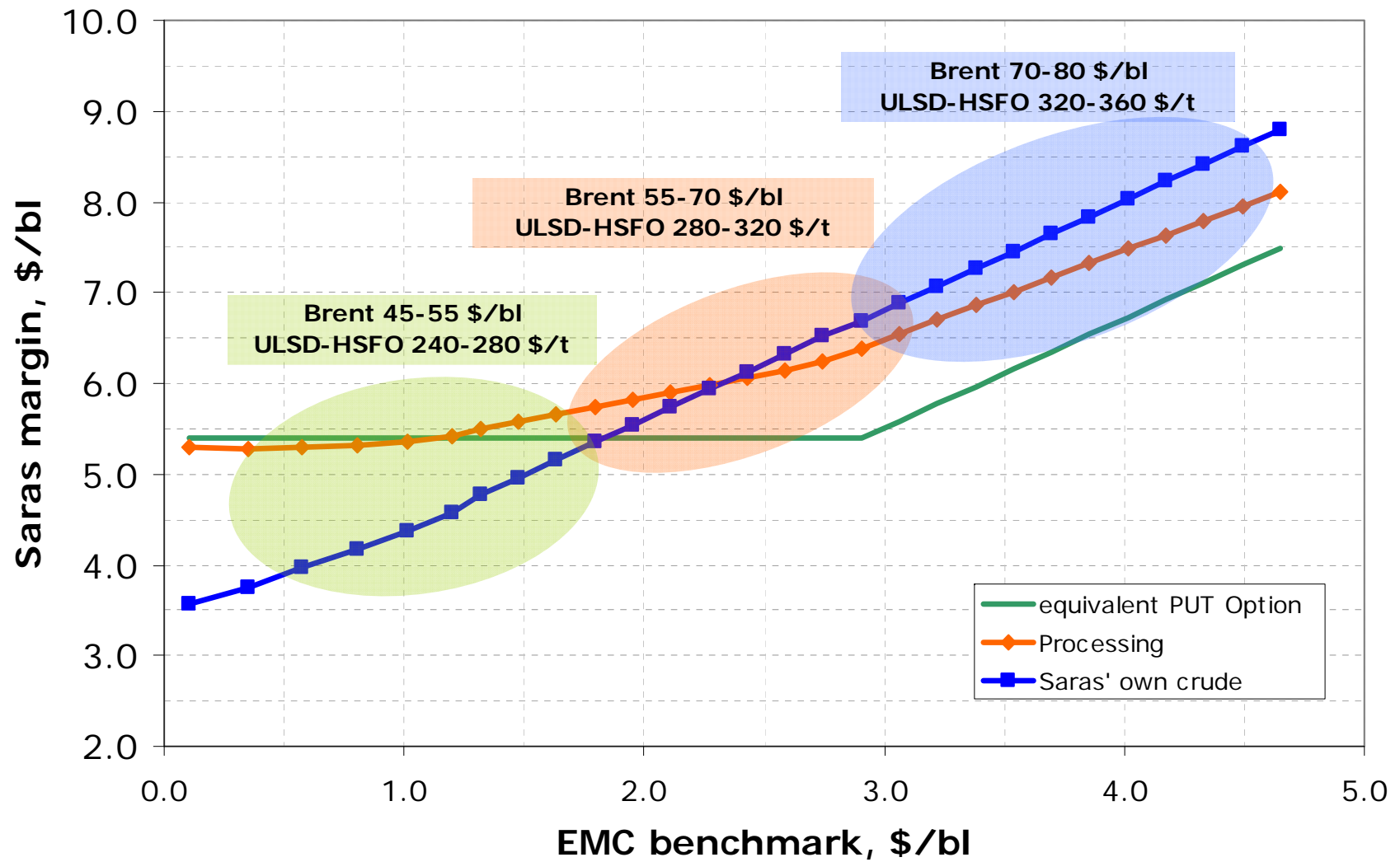
Advantages of processing:

- ✓ Access to special crude oils otherwise difficult to acquire
- ✓ Long term stability of supply
- ✓ Synergies from optimal blend of crude oils and optimization of production
- ✓ Reduced working capital
- ✓ Stabilization of returns (equivalent to a put option on the refining margins)





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 (0.6 \$/bl already achieved in 2006) with a positive impact on EBITDA of US\$ 210-300 ml (US\$ 60 million already achieved in 2006)**
- **After tax project IRR higher than 20%**



Strong balance sheet sets the base of our external growth strategy

IN OUR CORE BUSINESSES

M&A opportunities in:

- ✓ **Refining in Europe:** several assets available for sale, mainly from the oil majors, are potential targets (short listed for IES acquisition, independent refining&marketing company in Italy)
- ✓ **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 /IRR>20%) 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 ~ 20%
- No growth for growth's sake
- EPS accretive from day 1