



SARAS S.p.A.

PROSPECTUS DRAWN UP IN ACCORDANCE WITH ARTICLE 84-BIS OF CONSOB REGULATION 11971 OF 14 MAY 1999 AS AMENDED IN RESPECT OF THE PLAN TO GRANT BONUS SHARES IN THE COMPANY TO EMPLOYEES OF THE SARAS GROUP, TO BE SUBMITTED FOR APPROVAL TO THE ORDINARY SHAREHOLDERS' MEETING OF SARAS S.P.A. ON 27 APRIL 2007, PURSUANT TO ARTICLE 114-BIS LEGISLATIVE DECREE 58 OF 24 FEBRUARY 1998.

Milan, 12 April 2010

Introduction

Following the expiry of the employee share plan for the previous three-year period 2007-2009, the Board of Directors of Saras S.p.A. (“Saras” or the “Company”) decided on 25 March 2010, following a proposal from the Remuneration Committee, to submit for approval to the Company's ordinary shareholders’ meeting, pursuant to article 114-bis of Legislative Decree 58 of 24 February 1998 (the “TUF”), a plan to grant ordinary Saras shares (the “Plan”) to the employees of the company and its Italian subsidiaries, and the related regulation.

The ordinary shareholders’ meeting to approve the Plan is scheduled for 27 April 2010, at 3:30 p.m. (first call), with second call, if necessary, on 28 April 2010, at 10:30 a.m., at the same venue.

The aim and purpose of the Plan, which was devised and proposed by the Remuneration Committee, are to:

- (a) establish a link between incentives based on financial instruments and other salary components consistent with practices adopted by listed companies in Italy;
- (b) introduce a medium-term incentive scheme capable of creating a strong link between salaries, business results and value creation for shareholders;
- (c) align the conduct of Beneficiaries with the interests of shareholders and stimulate their performance, thereby promoting ongoing improvement in the Company's business results and share performance;
- (d) create incentives for the Beneficiaries to remain with the Group.

The Plan covers the medium term and relates to the allotment of bonus ordinary shares (“Shares” or, individually, “Share”) in the Company, in accordance with terms and conditions that take into account the Saras share performance.

This Prospectus is drawn up and its paragraphs numbered in line with the instructions contained in Schedule 7 of Annex 3A of Issuers' Regulation 11971 approved by CONSOB resolution of 14 May 1999, as subsequently supplemented and amended (the “Issuers' Regulation” or “IR”).

Information relating to decisions adopted by the Board of Directors in implementation of the Plan, subject to its approval by the Company's shareholders and in compliance with the general criteria laid down thereby, will be provided in accordance with legal and regulatory procedures and terms, with particular reference to article 84-bis, paragraph 5 of the IR.

The Plan is to be regarded as “of particular significance” as set out by article 114-bis, paragraph 3 of the TUF and article 84-bis, paragraph 2 of the Issuers' Regulation.

This Prospectus is available for public inspection at the Company's head office and administrative office, and at Borsa Italiana S.p.A., and is also available on the Company's website (www.saras.it).

Definitions

For the purposes of this Prospectus, the terms and expressions listed below have the following meanings:

“Shares”

The ordinary shares of the Company;

“Beneficiaries”

The managers of the Company (who qualify as senior managers) and its subsidiaries (senior managers and any directors identified by the Company's Board of Directors);

“Prospectus”

This document, drawn up in accordance with article 84-bis, paragraph 1 of the IR;

“Group”

SARAS S.p.A. and its subsidiaries;

“Allotment Date”

This is the date on which the Board of Directors will meet to approve the Group's consolidated financial statements for the years ending 31 December 2010, 2011 and 2012 respectively;

“Plan”

The plan to allot bonus shares in the Company to the management of the Saras Group, subject to approval by the ordinary shareholders' meeting to be held on 27 April 2010;

“Regulations”

The regulations governing the Plan, subject to approval by the ordinary shareholders' meeting to be held on 27 April 2010;

“Company”

SARAS S.p.A.;

“Subsidiaries”

Subsidiaries of the Company.

Terms in upper case for which no definition is given here are understood to be defined in the Plan.

1. Intended recipients

1.1. The sole recipient of the Plan who also serves as a member of the Board of Directors of the Company or of the Subsidiaries is Dario Scaffardi. It should be noted, moreover, that Mr. Scaffardi is a beneficiary of the Plan exclusively in his capacity as General Manager of the Company, as Company Directors are not included among its recipients.

1.2. The Managers of the Company (senior managers) and of Subsidiaries (senior managers and directors) who, on the Allotment Date, have an existing employment relationship with the Company and/or the Subsidiaries.

1.3. Beneficiaries of the Plan

in their capacity as persons holding management positions within the Company, as stated in article 152-sexies letter c)-c.2) of the IR, are:

- Dario Scaffardi (General Manager) (see point 1.1 above);

not applicable; it should be noted that the Company has no holdings in subsidiaries that represent more than 50% of its own assets.

c) not applicable;

1.4. Description and numbering, divided by category:

a) Beneficiaries defined as managers with regular access to privileged information and powers to adopt management decisions which could affect the Company's development and future prospects, pursuant to article 152-sexies paragraph 1, letter c)-c.2) of the IR, are:

b) not applicable;

c) not applicable;

d) not applicable.

2. 2. Reasons for adopting the Plan

2.1 and 2.1.1. The aim and purpose of the Plan are to:

- (a) establish a link between incentives based on financial instruments and other salary components consistent with practices adopted by listed companies in Italy;
- (b) introduce a medium-term incentive scheme capable of creating a strong link between salaries, business results and value creation for shareholders;

- (c) align the conduct of Beneficiaries with the interests of shareholders and stimulate their performance, thereby promoting ongoing improvement in the Company's business results and share performance;
- (d) create incentives for the Beneficiaries to remain with the Group.

2.2 and 2.2.1. The performance indicators considered for the purposes of the Plan are set forth in point 4.5 below.

2.3. 2.3. and 2.3.1 In order to determine the maximum number of Shares to distribute to each Beneficiary, reference is made to the best market practice of leading listed companies comparable to the Company. In addition, please refer to point 4.5 below.

2.4. Not applicable.

2.5. Assessments of significant tax and accounting implications had no bearing on the preparation of the Plan.

2.6. Not applicable.

3. Approval process and timeframe for granting the instruments

3.1. Under the Plan, the Company shareholders' meeting will grant the Board of Directors, with sub-delegation authority, all powers necessary and proper to execute the Plan.

3.2. On the basis of the information provided in the previous point, the body responsible for the administration and implementation of the Plan is the Board of Directors of the Company. It has full operating powers and powers of delegation to manage the Plan, including, for example, powers to introduce any possible change to the Plan's Regulations in order to adapt it following resolutions passed by the Company's shareholders' meeting.

3.3. There are no pre-established procedures to automatically review the Plan in the light of any changes to the Plan's basic objectives. However, the number of Shares and any other essential terms of the Regulations may be subject to adjustments or corrections to reflect any mergers, spin-offs, recapitalisations or other extraordinary transactions performed by the Company, including any new Share issues made thereby (for purposes other than to service the Plan), or, should the occasion arise, following future legislative or regulatory amendments; any such adjustments or corrections, in the absence of manifest errors, will be final and binding for the Beneficiaries.

3.4. The Plan envisages the allotment to Beneficiaries of bonus Shares already held by the Company or to be purchased on the basis of a resolution passed by the shareholders' meeting in accordance with the applicable legislative and regulatory provisions.

3.5. The terms and conditions of the Plan and of the Regulations pertaining thereto were drawn up by the Remuneration Committee (comprising Messrs: Gilberto Callera, independent director, Mario Greco, independent director and Gabriele Previati, non-executive director)

assisted by external consultants. Meetings of the Remuneration Committee may be attended by anyone whose presence is deemed appropriate by the Committee, provided that no directors take part in meetings of the Committee when proposals on their remuneration are put forward.

3.6. On 25 March 2010, the Plan was approved by the Company's Board of Directors, following the recommendations made by the Remuneration Committee meeting held on 25 March 2010, and will be submitted for approval to the shareholders' meeting on 27 April 2010.

3.7. Not applicable.

3.8. The market price of the Shares, on 25 March 2010, was EUR 1.979.

3.9. It was deemed unnecessary to put in place safeguards of the kind stated in Schedule 7 in Annex 3A of the IR because the overlap between the grant of the Right to Receive shares (as stated in point 4.5 below) and the public disclosure of privileged information will have no impact on the recipients of the Plan, since delivery of the Shares will be postponed to a later date. Please refer to point 4.3 below.

4. The features of the financial instruments

4.1. The Plan allows each Beneficiary to be granted, free of charge, a Right to receive Shares.

4.2. The Plan envisages the allotment of bonus Shares in the years 2010, 2011 and 2012. In addition, Beneficiaries who also participated in the Company's "Stock Grant Plan 2007/2009" and who, on the date of approval of the Plan by the shareholders' meeting, have an existing employment relationship with the relevant Group company, will be offered the possibility (the "Option") of postponing the transfer of the Shares to which they are entitled under the Stock Grant Plan 2007/2009 (the "2007/2009 Shares"), in return for the award of a special bonus in shares payable under this Plan (the "Bonus").

4.3. The Plan is scheduled to end on 31 December 2012, subject to delivery of the Shares under the Plan, in one instalment, in the period between 30 March and 30 June 2013.

4.4. The overall maximum number of Shares to be allotted to the Beneficiaries under the Plan in relation to the entire three-year reference period, in one instalment, by 30 June 2013, is 15,000,000. The overall maximum number of Shares to be granted under the Bonus to Beneficiaries who take up the Option is 1,000,000.

4.5 The number of shares to be allotted is determined according to the following procedure:

(i) for each year of validity of the Plan, the basic number of shares (the "Basic Number of Shares") will initially be identified for each Beneficiary. The Basic Number of Shares is determined, for the year 2010, by the first meeting of the Board of Directors held following approval of the Plan by the shareholders' meeting and, for the two-year period 2011/2012,

by the first meeting of the Board of Directors to be held in each of the two years, in both cases having consulted, where applicable, the Remuneration Committee;

- (ii) the meeting of the Board of Directors to approve the Group's consolidated financial statements for the years ended 31 December 2010, 2011 and 2012 respectively, having consulted, where applicable, the Remuneration Committee, will determine the Shares to be allotted to each Beneficiary, starting from the Basic Number of Shares and with reference to the ratio between factors (a)/(b), as specified below and according to the proportions indicated in table 1 below:

(a) the Total Shareholder Return performance indicator of the Shares (change in the share price by also taking into account any dividends allocated, the “TSR”) relating to each year of the Plan and calculated by using as the starting price the average price of a Share in the fourth quarter of the previous year and as the closing price the average price of a Share in the fourth quarter of the reference year;

(b) the average TSR of a group of comparables (identified by the Board of Directors as the companies Neste Oil, ERG, Polski Koncern Naftowy, Hellenic Petroleum, Motor Oil Hellas, Petroplus), calculated according to the same methods (the “TSR Peers”).

N.B.: a starting price of 100% should be used when calculating the Saras TSR and the Peers TSR.

Table 1

Performance P = TSR Saras / TSR Peers	Individual number of Shares as % Basic Number of Shares
= > 125	200%
120 =< P > 125	180%
115 =< P > 120	150%
110 =< P > 115	130%
105 =< P > 110	115%
102 =< P > 105	105%
98 =< P > 102	100%
95 =< P > 98	95%
90 =< P > 95	90%
85 =< P > 90	85%
80 =< P > 85	80%
75 =< P > 80	75%
70 =< P > 75	70%
< 70	-

For each of the three reference years, on the dates stated in point (ii) above, each Beneficiary will be granted a right by the Board of Directors to receive a number of Shares as previously identified (the “Right to Receive Shares”).

For each of the three reference years, the Company will inform each Beneficiary of the number of Shares to which the aforesaid right refers by registered letter/letter delivered by hand, in both cases acknowledged by receipt, to be sent or made within 45 days of the dates stated in point (ii) above. Each Beneficiary shall notify the Company, on pain of forfeiture, of his/her acceptance of the Right to Receive Shares within 45 days of receipt of such letter, by duly signing and returning the form provided by the Company for this purpose, by registered letter/letter delivered by hand, in both cases acknowledged by receipt.

The Company will deliver to each of the Beneficiaries the Shares to which the Right to Receive Shares, accepted by them, relates, in one instalment, between 30 March and 30 June 2013.

On the delivery date, Beneficiaries who have taken up the Option will receive, in addition to those accrued under this Plan, a number of Shares equivalent to the sum (i) of the number of 2007/2009 Shares and (ii) provided that they have an existing employment or working relationship with the relevant Group company, of the number of Shares under the Bonus (which consists in allotting to such Beneficiaries a maximum number of shares distributed among each of such Beneficiaries to the extent determined by the Company, mindful (a) of the number of Beneficiaries taking up the Option and (b) of the number of 2007/2009 Shares of each of such Beneficiaries).

4.6. Until the moment of delivery, the Right to Receive Shares (and the Shares relating thereto) may not be sold, assigned, or subject to any restriction or in any other way transferred, save by testamentary disposition of the Beneficiary of the Shares or in accordance with inheritance laws.

4.7. Not applicable.

4.8. Delivery of the Shares allotted to each Beneficiary under the Plan will be made even if the employment relationship with the Beneficiary has ceased for whatever reason, in respect of Shares for which the latter was granted the Right to Receive Shares, for one or more of the three reference years, under the Plan. Beneficiaries who have taken up the Option and whose employment with the relevant Group company ceases, for any reason other than retirement, prior to the delivery date of the Shares, will only retain the right to delivery of the 2007/2009 Shares.

4.9. It should be noted that the number of Shares to be allotted to each Beneficiary will only be delivered if on the Allotment Date, the Shares are listed on the Mercato Telematico Azionario (Electronic Stock Market) organised and managed by Borsa Italiana.

4.10. Not applicable.

4.11. Not applicable.

4.12. The anticipated cost to the Company of the Plan is largely equivalent to the cost of the purchase on the market, already made or to be made, of the bonus Shares to be allotted under the Plan, as stated in point 4.5 above, and which is not quantifiable at present, without

prejudice to the overall maximum number of Shares assignable under the Plan as stated in point 4.4 above. The administrative costs of managing the Plan are deemed insignificant.

4.13. Not applicable.

4.14. The Right to Receive Shares confers no shareholder rights on any of the Beneficiaries. Each of the Beneficiaries may only enjoy such rights after delivery of the Shares.

4.15. – 4.23. Not applicable.

4.24. Table 1 contained in Schedule 7 under Annex 3A of the Issuers' Regulation is annexed hereto.

Table in Schedule 7 under Annex 3A of the Issuers' Regulation

Name or category	Title (to be stated for named persons only)	PART 1						
		Financial instruments other than options (stock grant)						
		<u>Section 2</u>						
		Instruments newly allotted on the basis of a Board decision to be put to the shareholders' meeting						
		Date of relevant shareholders' resolution	Description of instrument	Number of financial instruments allotted for each person or category by the Board or competent body	Date of allotment by the Board or competent body	Purchase price of instruments, where applicable	Market price on the allotment date	End of restriction on sale of instruments
<u>MEMBERS OF THE BOARD OF DIRECTORS</u>								
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<u>PERSONS HOLDING SENIOR MANAGEMENT POSITIONS PURSUANT TO ARTICLE 152- SEXIES, PARAGRAPH 1, LETTERS C)-C.2) OF THE IR</u>								
Dario SCAFFARDI	Director and General Manager	--	Right to receive bonus ordinary shares of SARAS S.p.A.	Unavailable	Date of Board Meeting to approve the draft consolidated financial statements for 2010, 2011 and 2012.*	Unavailable	Unavailable	--**

SIGNIFICANT PARTIES PURSUANT TO ARTICLE 152- SEXIES, PARAGRAPH 1, LETTERS C)-C.2) OF THE IR

No. of managers 14			Right to receive bonus ordinary shares of SARAS S.p.A.	Unavailable	Date of Board Meeting to approve the draft consolidated financial statements for 2010, 2011 and 2012.*	Unavailable	Unavailable	--**
<u>SENIOR MANAGERS OF SARAS S.P.A.</u>								
Senior Managers	--	--	Right to receive bonus ordinary shares of SARAS S.p.A.	Unavailable	Date of Board Meeting to approve the draft consolidated financial statements for 2010, 2011 and 2012.*	Unavailable	Unavailable	--**
<u>SENIOR MANAGERS OF SARAS S.P.A. SUBSIDIARIES</u>								
Senior Managers	--	--	Right to receive bonus ordinary shares of SARAS S.p.A.	Unavailable	Date of Board Meeting to approve the draft consolidated financial statements for 2010, 2011 and 2012.*	Unavailable	Unavailable	--**

* The Shares allotted to Beneficiaries, including the 2007/2009 Shares and the Shares to be granted under the Bonus to Beneficiaries who have taken up the Option, will be delivered in one instalment to such Beneficiaries in the period between 30 March and 30 June 2013.

* * The allotted Shares will be physically delivered to the Beneficiaries in the period between 30 March and 30 June 2013. Until the moment of actual delivery, the Right to Receive Shares and the Shares to which such right relates may not be sold, assigned, subject to any restriction, or in any other way transferred, save by testamentary disposition of the Beneficiary.