

Saras SpA



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Press Release

Milan, 12th June 2006

SARAS: ALL UNITS FULLY OPERATIONAL AFTER TURNAROUND

Saras S.p.A. has today announced that its programmed major turnaround was completed by end of May, as planned. The plants involved are one of the three topping units, one of the two vacuum distillation units, the continuous catalytic reformer (CCR) and, in sequence, the two hydrocracking units.

This shutdown has been used also to perform major improvements to the units, with a total financial commitment of about 50 million euro. The work carried out on the T2 topping unit and on the V2 vacuum distillation unit will enable to double the time required between major turnarounds to six and three years respectively. The CCR, after six years in operation, has been significantly upgraded in order to improve reliability, increase throughput capacity by 5% and hydrogen production capacity by 10%.

The two hydrocracking units, MHC1 and MHC2 have undergone ordinary maintenance. Both units' catalysts have been replaced with latest generation catalysts which because of enhanced hydrogen availability will increase production of diesel fuel with 2009 specifications.

The complexity of the work involved has required the presence of up to 2200 workers or contractors. Notwithstanding this exceptional workload, during the whole period, using three independent trains has enabled the company to maintain runs at 65% of total capacity, while the gasification unit for power generation (Sarlux) has continued to operate at full capacity.

The performance of the plants, which are running at full capacity, is in line with expectations.

- ends -

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THE SARAS GROUP

The Saras Group, whose operations were launched by Angelo Moratti in 1962, works in the energy industry and is a leading Italian and European crude oil refiner. It sells and distributes petroleum products in the domestic and international markets. The Group also operates in electric power production and sale through the Sarlux and Parchi Eolici Ulassai joint-ventures.

The Group, with around 1,600 employees, had pre-tax revenues totalling about €5.2 billion, in 2005, with gross operating margin of €570 million and net profit of €293 million.¹

Saras' operations are mainly centred at the Sarroch refinery near Cagliari on the southern coast of Sardinia. Sarroch is the largest refinery in the Mediterranean by production capacity,² one of Western Europe's six *supersites*³ and one of the region's most sophisticated refineries.⁴ The refinery's capacity⁵ is approximately 15 million tonnes per year, representing about 15% of Italy's total capacity.⁶ Sarlux owns an IGCC power plant with gross capacity of 575 megawatts and annual production exceeding 4 billion kWhours, all of which is sold to the GRTN (the Italian entity that manages the national grid), thereby providing an important contribution to satisfying electric power requirements in Sardinia.

¹ Source: 2005 IFRS consolidated financial statements of the Saras Group.

² Source: *Oil & Gas Journal*, December 2005.

³ The word "supersite" refers to a strategic site of large size, competitive on a major scale and integrated with petrochemical processing (Source: Wood Mackenzie)

⁴ Source: Wood Mackenzie

⁵ Actual capacity: "technical-balanced" capacity, supported by secondary processing plants fit for the production of petrol and gas oils. Source: Unione Petrolifera Italiana, Economic Energy and Oil Statistics, November 2005.

⁶ Source: Wood Mackenzie

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