Saras: the AGM approves 2010 Annual Report

Milan, 28th April 2011: – The AGM of Saras S.p.A. met today and approved:

- **Saras S.p.A. separate Financial Statements as of 31 December 2010 and the decision to carry forward the net loss of EUR 110,086,524;**
- **changes to the following articles of the "AGM Regulations": Article 2 (Participation in the AGM), Article 10 (Duration of contributions), Article 11 (Answers and follow-ups) and Article 18 (Election of Directors and Statutory Auditors);**
- **the purchase plan of own shares (the "Buyback Plan") and the disposal of the shares purchased under the "Buyback Plan";**
- **no distribution of dividends for 2010.**

Saras S.p.A. Annual Report 2010

The AGM of Saras S.p.A. approved the separate Financial Statements for the year ended 31st December 2010, and decided to carry forward the net loss of EUR 110,086,524.

Revenues in FY 2010 stood at EUR 7,502 ml, up 64% vs. FY 2009. This increase can be primarily explained when considering higher prices for oil products, as well as the increase in the quantity of crude oil processed and products sold directly by Saras.

More specifically, refinery runs stood at 104.7 ml barrels in FY 2010, (corresponding to 14.3 ml tons). This operating performance was 8% higher than same period last year, because the scheduled maintenance activities carried out on the crude distillation units in FY 2009 caused a larger reduction on runs. Moreover, processing activity on behalf of third parties went down to 7% of total runs (vs. 30% in FY 2009), because a contract expired at the end of 2009 was not renewed.

Saras S.p.A. EBITDA was EUR -41 ml, down 153% versus FY 2009. Such result is primarily due to a negative effect of inventories evaluations, as a result of the trend of oil prices during 2010. Furthermore, it should be noted that the average exchange rate USD/EUR stood at 1.326 in FY 2010, versus an average of 1.395 in FY 2009.

Net Result was EUR -110.1 ml, down 241% vs. a profit of EUR 78.0 ml in FY 2009.

CAPEX in FY 2010 was approx. EUR 95 ml (vs. EUR 244 ml in FY 2009), in line with the investment plan scheduled for the year.

Net Financial Position for Saras S.p.A. as of 31st December 2010 was negative for EUR 501 ml, compared to EUR -345 ml as of 31st December 2009. The year on year change in NFP can be explained primarily by the CAPEX of the year and the negative cashflow from operations.

Regarding the Consolidated Annual Report 2010, the results and comments for each business segment are the same as reported in the preliminary figures. For more details, please refer to the Management Discussion, the Consolidated Financial Statements, and the Notes to the Consolidated Financial Statements.

Changes to the "AGM Regulations"

Pursuant to the new provisions introduced by Legislative Decree 27 of 27th January 2010, which transposed into Italian law Directive 2007/36/EC, relating to the exercise of certain rights of shareholders in listed companies, and by Legislative Decree 39 of 27th January 2010, which transposed into Italian law Directive 2006/43/EC, relating to the statutory auditing of annual and consolidated financial statements, The AGM of Saras S.p.A. approved the amendment of the "AGM Regulations", to bring them into compliance with the new regulatory provisions.

Legislative Decree 39 of 27th January 2010 included amendments to article 155 et seq. of the TUF, using new terminology to define the auditing activity – which is no longer defined as the "audit" but as the "statutory audit" – and to identify the individuals who carry it out – now defined as "statutory auditor" and "statutory audit firm" rather than "auditing company". Therefore the AGM approved the amendment of Article 2 of the "AGM Regulations" to bring it up to date with the new terminology introduced by Legislative Decree 39 of 27th January 2010.

Legislative Decree 27 of 27th January 2010 introduced article 127-ter to the TUF, pursuant to which: (i) shareholders may also submit questions about agenda items before the shareholders' meeting; (ii) responses must be provided to these questions no later than during the meeting; and (iii) a response is not required "when the information requested is already available in *'question and answer'* form in the relevant section of the company's website". Therefore the AGM approved the amendment of Article 10 of the "AGM Regulations", to allow the period of time available to each speaker to be set while taking account of the questions submitted before the meeting, and the amendment of Article 11, to ensure that questions submitted before the meeting, which have not been responded to before the meeting and which do not regard information already available in *'question and answer'* form on the company's website, are responded to by the end of the discussion of the item agenda to which they refer.

Legislative Decree 27 of 27th January 2010 introduced the *"record date"* mechanism which, while it recognises the eligibility to attend and vote at the shareholders' meeting of parties who are recorded as shareholders "at the end of the accounting day of the seventh open market day preceding the date set for the shareholders' meeting", does not rule out that a party eligible to attend and vote may no longer be a shareholder at the date of this meeting and consequently does not allow any "blocking" of shares. Therefore the AGM approved the amendment of Article 18 of the "AGM Regulations" in order to eliminate references to "blocked" shares.

Buyback of own shares

AGM of Saras S.p.A authorised the following matters:

(i) a "share buyback programme", up to a maximum number of 72,423,602 ordinary shares of Saras S.p.A., to be implemented also in several stages as appropriate, and to take place in the twelve months following the expiry of the "buyback programme" previously approved by the AGM on the 27th April 2010 (which means, in the twelve months following the 27th October 2011);

(ii) the disposal of the shares purchased under the above "share buyback programme", to be done also in several stages as appropriate, pursuant to Article 2357 of the Italian Civil Code, Article 132 of the Legislative Decree no. 58/1998 (the Italian Financial Services Act, also know as "TUF") and related norms, and Article 2357-ter of the Italian Civil Code.

The share buyback programme shall not alter the Group's current growth plans, and it represents a good opportunity to maximise value creation for shareholders. Purchased shares may be used to take advantage of any investment opportunities and they will therefore be held in treasury.

Dividend

Coherently with the negative *adjusted* net result posted by Saras Group in FY 2010, and in line with our dividend policy, the AGM deliberated no dividends distribution for the financial year 2010.

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THE SARAS GROUP

The Saras Group, whose operations were started by Angelo Moratti in 1962, has approximately 2,200 employees and total revenues of about 8.6 billion Euros as of 31st December 2010. The Group is active in the energy sector, and is a leading Italian and European crude oil refiner. It sells and distributes petroleum products in the domestic and international markets, directly and through the subsidiaries Saras Energia S.A. (in Spain) and Arcola Petrolifera S.p.A. (in Italy). The Group also operates in the electric power production and sale, through the subsidiaries Sarlux S.r.l. and Parchi Eolici Ulassai S.r.l. (PEU). In addition, the Group provides industrial engineering and scientific research services to the oil, energy and environment sectors through the subsidiary Sartec S.p.A., and it operates in the information services sector through the subsidiary Akhela S.r.l..

More in details, Saras refinery operations take place in the Sarroch refinery (near Cagliari), on the southern coast of Sardinia. With a capacity of approximately 15 million tons per year (110 million barrels), representing about 15% of the total refining capacity in Italy, the Sarroch plant is regarded as one of the main refineries in the Mediterranean area, in terms of production capacity and asset complexity. Sarlux owns an IGCC (Integrated Gasification Combined Cycle) plant, with installed capacity of 575MW, and electricity production exceeding 4 billion kWh per year, all of which is sold to the GSE (Gestore dei Servizi Energetici - www.gse.it). The wind park, owned by PEU and situated in Ulassai (Sardinia), has been recently re-powered and it will achieve its full capacity of 96MW already during the second quarter of 2011. Finally, the Marketing segment sells approximately 4 million tons of oil products through the subsidiaries Arcola Petrolifera and Saras Energia, and it also manages two coastal tank farms owned by the Group (Arcola (Italy) – capacity of 200,000 cubic metres, and Cartagena (Spain) – capacity of 112,000 cubic metres), a biodiesel plant with 200,000 tons per year capacity, located in Cartagena, and a retail network of 124 service stations primarily located along the Spanish Mediterranean Coast.