Saras Business Plan 2013–2017

Milan, 20th March 2013: Saras S.p.A. presents today to the financial community the Group Business Plan for the period 2013–2017.

The Business Plan is based on market scenarios, elaborated by international consultants who forecast a moderate recovery of the sector, and it is focused on activities aimed at improving energy efficiency and operational effectiveness, as well as pursuing new commercial opportunities. CAPEX will be primarily directed at maintaining industrial plants perfectly operational and safe, while "*growth*" investments are currently not needed, since the Group already retains a leading position within the industry.

Market Scenario

According to the forecasts elaborated by the consultants of the English company called "Energy Markets Consultants" (EMC), during the time horizon of the Business Plan, the EMC Benchmark refining margin (which represents the reference point for refineries located on the coasts of the Mediterranean Sea), shall progressively increase in nominal terms from 1.2 $/bl in 2013, up to 3.1 $/bl in 2017.

Saras refinery, located in Sarroch (Sardinia), has traditionally posted a premium versus the EMC Benchmark margin deriving from the complexity and flexibility of its plants. Indeed, on the one hand, the conversion units of the Sarroch refinery are capable of producing greater yields of high-value refined products versus the yields achievable by the EMC Benchmark refinery. On the other hand, the flexibility of Sarroch distillation units allows Saras refinery to use a feedstock made of cheaper crude oils, when compared to the "50% Brent – 50% Urals" crude oil slate used by the EMC reference refinery. Coherently, in the Business Plan, Saras premium versus the EMC Benchmark margin is expected to be equal to 2.4 $/bl, in line with the historical average realized during the period 2003–2012.

In terms of refinery utilization, according to the Business Plan, Saras shall process 14.3 million tons of crude oil in 2013, which is in line with the average of the period 2006–2012. Subsequently, crude runs shall increase to 15 million tons per year, thanks to the benefits deriving from the completion of the revamping project of the MildHydroCracking2 Unit (MHC2).

Regarding the IGCC power plant operated by the Sarlux S.r.l. subsidiary, the Business Plan forecasts a production of electricity equal to approximately 4.3 TWh per year, to be sold according to CIP/6 tariff.

In the Marketing segment, during the Business Plan horizon, the Group will continue to implement cost reduction initiatives, as well as the rationalisation of its client portfolio and of the working capital. Moreover, during 2013 the Group shall complete the restructuring programme started towards the end of 2012, with the objective of achieving structural improvements to the EBITDA, worth approx. EUR 10 million per year.

Looking at the Wind segment, the Group will proceed with the evaluation of various monetisation alternatives, in particular with regards to new projects currently in the "pipeline".

Finally, regarding Gas Exploration activities, the Group presented in mid March 2013 the Environmental Assessment Procedure (V.I.A.), which stems from the permitting procedure required to start drilling activities in an area located in Sardinia (the "Eleonora" project). According to geological estimates, it is expected to achieve an annual production of 70 up to 170 million cubic meters of natural gas, for a production period of more than 20 years.

CAPEX

The Business Plan does not contain CAPEX dedicated to "*growth*" projects in the Refining and Power Generation segments, with the exception of an investment worth EUR 30 million in 2013, for the completion of the revamping project of the MildHydroCracking2 Unit (MHC2). This decision derives from Saras relevant CAPEX dedicated to upgrades and technological improvements over the past five years, which enabled our plants to achieve a high degree of complexity. As such, no further investments are needed, in the next five years, in order to retain our leading position in the sector.

Regarding the Refining segment, the Business Plan contains "*HSE*" (*Health, Safety and Environment*) and "*maintain capacity*" CAPEX equal to approx. EUR 85 million per year, on average.

Moreover, in the Power Generation segment, the Business Plan contains "*HSE*" and "*maintain capacity*" CAPEX equal to approx. EUR 15 million per year, on average.

Finally, the amount of projected CAPEX in the Business Plan takes into account the increased efficiency of the maintenance scheduling procedures, and the optimisation of procurement, purchasing and construction activities, resulting from the "Project Focus" implementation.

Operational Excellence and Improvement Initiatives

The Business Plan includes a variety of "Project Focus" initiatives planned during 2012, with the objective to achieve an EBITDA increase between EUR 60 and 80 million, once fully implemented in 2015. This corresponds to approx. 0.7–1.0 $/bl improvement for the Saras refining margin, which comes in addition to the historical average premium on the EMC Benchmark (2.4 $/bl, as previously discussed).

The "Focus" initiatives are articulated around two main areas. The first area relates to activities dedicated to increasing energy efficiency and operational performance of various units in the Sarroch refinery, aiming at achieving an EBITDA improvement equal to EUR 45–55 million, once fully implemented in 2015.

The second area of "Focus" initiatives is dedicated to the "Supply & Trading" activities. They include a combination of new commercial opportunities, development of new markets, and "asset back trading" operations, with the objective of increasing EBITDA by approx. EUR 17–27 million, once their implementation shall be completed (2015).

Detailed information are available in the presentation prepared for the financial markets, which is available to the public, together with this press release prepared pursuant to the Regulation implementing Legislative Decree no. 58 of 24th February 1998, adopted by CONSOB under resolution number 11971 of 14th May 1999, as amended and supplemented, on the Company's website (**www.saras.it**), under the section called "Investor Relations".

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DISCLAIMER

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 11.9 billion Euros as of 31st December 2012. 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 subsidiary Saras Energia S.A. in Spain, and the subsidiaries Arcola Petrolifera S.p.A. and Deposito di Arcola S.r.l. in Italy. The Group also operates in the electric power production and sale, through the subsidiaries Sarlux S.r.l. and Sardeolica S.r.l.. 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.. Finally, the Group operates also in the field of exploration for gaseous hydrocarbons.