



Press release

EDISON WILL IMPORT TWO BILLION CUBIC METRES MORE OF NATURAL GAS A YEAR FROM ALGERIA ON THE NEW GALSI PIPELINE

Signed an agreement for a long term gas supply with Sonatrach

**Important step ahead for the Galsi project, in which Edison is the main
Italian shareholder**

The new supply contract will sustain Edison's growth in the gas sector

Algiers, November 15, 2006 – Edison and Sonatrach (Algeria's national hydrocarbons company) today signed an agreement for the supply of two billion cubic meters of natural gas a year, which add to the two billion cubic meters of natural gas a year already signed last September to be delivered to Italy through the new capacity made available on the Transmed pipeline. President of the Republic of Algeria Abdelaziz Bouteflika and Italian Prime Minister Romano Prodi attended the ceremony.

Natural gas will be delivered to Italy through the new Galsi pipeline, whose project is being developed and which should interconnect Algeria, Sardinia and Tuscany. Deliveries would begin in accordance with the completion of the pipeline and will last 15 years. The agreement signed today is an important step ahead for the realization of the Galsi project.

With a 18% stake, Edison is the main Italian shareholder of the Galsi project, which will be realized by a joint venture led by Sonatrach and participated also by other Italian and international operators. The new pipeline will extend approximately 900 kilometres, more than 300 of which in waters over 2500 meters deep, in the Mediterranean Sea between Algeria and Sardinia. The capacity will amount to 8 billion cubic metres per annum, part of which will meet Sardinia needs while the remainder will be conveyed to Italy's system.



“The signature of this agreement further consolidates relationships between Edison and Sonatrach and sustains Edison’s strong growth in the gas sector”, stated Umberto Quadrino, CEO of Edison. “The Galsi pipeline, a strategic project for Italy developed by Edison and Sonatrach in the last years, will also enlarge the areas of mutual cooperation, which is progressively evolving in the wider light of the EU energy policy and cooperation with Algeria”.

The Hydrocarbons Operations provide momentum for Edison’s future growth. Edison’s specific goal is to consolidate its role as a leading operator in the hydrocarbon field and to be recognized as an international player in this industry. Among Edison other projects that will ensure gas medium and long term supplies, the development of the Rovigo regasification terminal, the only such facility currently under construction in Italy, should be mentioned. When the terminal goes on stream in 2008, it will enable the Group to import natural gas in liquefied status (LNG).

Edison is also developing a gas pipeline linking Italy with Greece (Igi) and an additional LNG terminal. These infrastructural projects will provide Edison and Italy with more diversified and reliable sources of natural gas, diversifying its supply sources, increasing security and gaining access to competitively priced natural gas.

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