



Press Release

BEH, DEPA AND EDISON: PROJECT DEVELOPMENT AND SHAREHOLDERS' AGREEMENT TO BUILD GREECE-BULGARIA PIPELINE (IGB) PROCEED

A step forward on realizing the IGB to enhance the energy security Balkan area

Planned investments for 140 million Euro

Thessaloniki, March 4, 2010 - **BEH** (Bulgarian Energy Holding) and **IGI Poseidon SA** (equal owned joint venture between **DEPA**, the Greek Public Gas Corporation, and **Edison**) have finalised today the agreement for the establishment of the **Asset Company** (50% BEH and 50% IGI Poseidon SA) **to realize the new gas pipeline IGB (Interconnector Greece-Bulgaria) between Greece and Bulgaria.**

After the formal approvals by the companies involved, the preparatory engineering activities to building the pipeline will start. The **IGB** will transport new gas from the Southern Corridor to Bulgaria and the Balkan countries. The Southern Corridor includes the **ITGI pipeline linking Turkey, Greece and Italy** enabling Europe to import about 10 billion cubic meters of gas a year from Caspian and Middle Eastern areas.

With a **transport capacity of 3-5 billion cubic meters of gas a year**, IGB pipeline will be 160 km long connecting Komotini (Greece) and Stara Zagora (Bulgaria). The IGB will enable Bulgaria to diversify its supply routes by accessing new sources from the Caspian area (e.g. Azerbaijan) through Greece.

The investments forecasted amount to totally Euro 140 million, with the possibility to access to the **funds of the European Economic Recovery Plan of the European Union for about Euro 45 million**. The pipeline is forecasted to be operational starting 2013.

“The agreement further strengthens the strategic value of the ITGI as the most advanced project for the opening of the Southern Corridor. Thanks to the new spur to Bulgaria, the ITGI acquires a strong regional importance enabling South East Europe to access new routes and sources of supply. The project also confirms Edison's presence as a key player in the energy sector in South East Europe”, said **Umberto Quadrino, Edison's CEO**.

“The IGB pipeline will provide natural gas to Bulgaria and through Bulgaria to South East Europe and will diversify the sources of supply into the region both in the form of pipeline gas from the Caspian region, and LNG through existing and future LNG terminals in Greece, thus making Greece into a crucial energy hub and DEPA a key regional player”, said **Harry Sachinis, Chairman & CEO of DEPA.**

“The Project for gas Interconnection Greece-Bulgaria is a real step towards diversification of supply and strengthening the energy security of the country and the region in the medium term, opening a route for supplies from new sources”, said **Mrs. Galina Tosheva, Executive Director of Bulgarian Energy Holding.** “This is a priority project for us taking also into account the possibilities for development of the regional market and setting market interaction on a competitive basis, which will be beneficial not only for energy security but will undoubtedly benefit final energy resource consumers. Connecting the gas transmission systems of Greece and Bulgaria will create opportunities for flexible solutions containing high added value”.

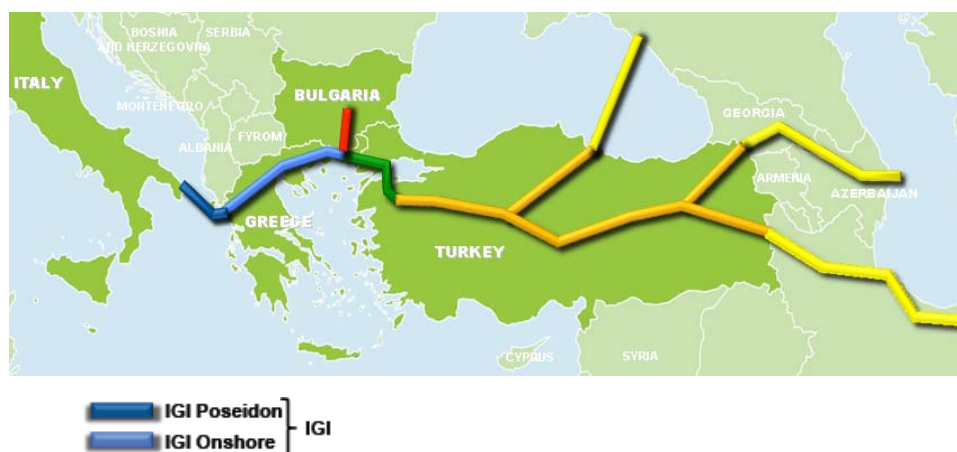
Background information on the Southern Corridor ITGI (Interconnector Turkey-Greece-Italy)

ITGI comprises three sections:

- the national **Turkish gas grid** which will be upgraded in order to enable the transit of the volumes to Greece and Italy;
- the **Interconnection Turkey-Greece (ITG)**, completed in 2007, with a transport capacity of about 11.5 billion cubic meters of gas a year
- the **Interconnection Greece-Italy (IGI)**, to be built, with a transport capacity of 8 billion cubic meters of gas a year. The pipeline is 800 km and consists of two sections: **IGI Poseidon** (200 km offshore pipeline across the Ionian Sea under development by IGI Poseidon SA, a Joint Venture by Edison and Depa) and **IGI Onshore** (600 km onshore, under development by Desfa, a company controlled by Depa and owner of the Greek Transmission System)

The ITGI represents a new route of supply for the European energy system, able to enhance security and increase the competition on the EU's gas market. **The EU acknowledged the strategic relevance of the ITGI as a Project of European Interest** and included it among the Southern Gas Corridor Projects of the announced European Recovery Plan with a proposal of **100 million Euro of financing.**

ITGI route



EDISON

Founded in 1883, Edison is Europe's oldest energy company. Today it's a leading player in the electric power and hydrocarbons businesses in Italy with an installed capacity of more than 12.000 MW, an annual availability of about 13 billion of cubic meters a year, an annual production of 1.5 billion cubic meters and 1.5 million barrels of oil and reserves of 70 billion cubic meters of natural gas equivalents. Edison operates in more than 10 countries across Europe, Africa and Middle East.

DEPA

The Public Gas Corporation S.A. (DEPA S.A.), founded in 1988, is the company that introduced natural gas to Greece, by implementing a large gas infrastructure investment. The key mission of DEPA is to import natural gas from various sources through gas pipelines and in the form of Liquefied Natural Gas (LNG); to sell natural gas to large, mainly industrial consumers, with an annual consumption of over 10 million cubic meters; to sell natural gas to Gas Supply Companies (EPA), privately owned by 49%; to distribute natural gas to regions where Gas Supply Companies have not yet been established and to sell compressed natural gas (CNG) for transport purposes. DEPA's share capital amounts to 991.2 million Euro. Participating in this by 35% is The Hellenic Petroleum SA company and the remaining 65% belongs to the Greek State. The Public Gas Corporation (DEPA) lies within the jurisdiction of the Ministry of Environment, Energy and Climate Change.

BEH

Bulgarian Energy Holding EAD (former Bulgargaz Holding EAD) is a sole owner joint-stock company with a 100% Bulgarian state ownership. The Holding is managed by a Board of Directors, consisting of 5 members and represented by a Chief Executive Officer. The structure of the Bulgarian Energy Holding EAD includes seven subsidiaries: Mini Maritsa Iztok EAD, Maritsa East 2 TPP EAD, Kozloduy NPP EAD, NEK EAD, Bulgargaz EAD, Bulgartransgaz EAD and Bulgartel EAD, the capital of which is 100% owned by the Holding. Bulgartransgaz EAD, as a daughter company of BEH EAD, is the proprietor and operator of the gas-transmission network on the territory of the country for transmission of natural gas to Turkey, Greece and Macedonia, including also an underground gas storage. The total length of the main gas pipelines is over 2,645 km, out of which over 1,700 km of gas pipelines are representative of the national gas transmission network. The gas transmission network for local consumers and for transit transmission of natural gas also includes 10 compressor stations and 68 gas pressure-reduction stations.

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Duty to notify the public in accordance with Consob decision no. 11971 of 14.5.1999 as amended

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