

ENEL SIGNS TWO NEW AGREEMENTS IN RUSSIA

- *At the Italy-Russia summit in Moscow, Enel signs two memorandums of intent:*
 - *with Inter Rao Ues to promote cooperation in the energy sector in Russia and other countries*
 - *with the Russian Railways RZhD for long-term electricity supply through RusEnergoSbyt.*

Moscow, 6 November 2008 – At the Italy-Russia summit meeting held today in Moscow with the participation of the Italian Prime Minister Silvio Berlusconi, the President of the Russian Federation Dmitry Medvedev and the Russian Prime Minister Vladimir Putin, Enel signed two MoIs (memorandum of intent):

- as Enel with Inter Rao Ues to cooperate on projects in the energy sector both in Russia and other countries
- As RusEnergoSbyt (Res, Joint venture between Enel and ESN) with the Russian Railways RZhD for the long-term supply of electricity indexed to market prices, consolidating their existing relationship.

Fulvio Conti, on signing both MoIs, remarked: *“Today’s agreements - which follow the one recently signed with Gazprom in Rome for the joint development of gas fields in the Urengoy region - strengthen Enel’s position in the strategically important and fast growing Russian energy market, confirming the performance of our current partnerships with major players in this market. The agreement with Inter Rao Ues lays the foundations for joint industrial and commercial initiatives in Russia and neighbouring countries. The agreement with RZhD secures a long-term client and offers a valid outlet for OGK5 generation capacity”.*

More specifically, the MoI with Inter Rao Ues reaffirms cooperation between Enel and the Russian Government discussed by Fulvio Conti and the Deputy Prime Minister Igor Sechin at their meeting on 13 September. It represents an important acknowledgment by Russian institutions of the excellent relationship forged with Enel, which is considered a strategic partner at the international level. Under the terms of the MoI, a joint team will be formed to analyze possible development projects.

In particular, the team will be charged with:

- assessing joint commercial and investment agreements between Enel and Inter Rao Ues in Russia and other countries regarding nuclear and conventional power generation;
- analyzing the evolution of the liberalization process and of the regulatory framework in Russia in order to develop joint proposals to submit to the competent authorities;

- exchanging best practices in the field of energy efficiency and innovation, with specific focus on digital meters, in which Enel has already developed a pilot project in Russia at Belgorod;
- sharing information and best practices in fuel provisioning in Russia and the Community of Independent States (CIS) in order to enhance the security of supply.

Furthermore, Enel and the Russian Railways RZhD signed a MoI of understanding for the long-term supply of electricity indexed to market prices, thereby consolidating their existing relationship. Enel is already the main supplier of power to the Russian Railways RZhD through Res, the joint venture between Enel and the Russian partner ESN. In 2008, Res, the largest energy trader in Russia, supplied two thirds of the Russian Railways RZhD's electricity needs (32 TWh out of a total of 45 TWh).

Under the terms of the MoI, the electricity supply can be extended on a long-term basis with rising volumes. Part of the power involved will be generated by OGK-5, the generation company controlled (Enel owns approximately 56% of OGK-5's share capital) and managed by Enel, thereby strengthening the industrial integration among the various activities of Enel in Russia.