

ENEL-NEK SIGN MEMORANDUM OF UNDERSTANDING FOR DEVELOPMENT OF BULGARIAN AND SOUTH-EASTERN EUROPEAN ELECTRICITY MARKET

Document forms basis of agreement for the operation and modernisation of the Maritza III lignite power plant

Sophia, March 5, 2003 – Enel Chairman, Piero Gnudi, and Vasil Anastasov, the Managing Director of the Bulgarian state electricity company, NEK, today signed a Memorandum of Understanding (MoU) designed to strengthen Italo-Bulgarian cooperation in the energy field, and ensure development of the electricity market in both Bulgaria itself and in south-eastern Europe as a whole. The event was attended by the two countries' foreign ministers, Franco Frattini and Solomon Passy.

“This document,” commented Piero Gnudi, “forms the basis of the agreement signed by Enel and Nek for the creation of a joint venture to repower and operate the Maritza East III lignite plant in southern Bulgaria, which plays a strategic role in the supply of the country’s electricity”.

The MoU establishes that the joint objective of Enel and Nek in implementing the Maritza III project is to improve the competitiveness of the Bulgarian electricity market, thus enabling it to make a significant contribution to meeting the electricity needs of south-eastern Europe.

The parties have also agreed that the Maritza III project will form the starting point for further cooperation between Italy and Bulgaria in the energy field, above all with regard to aspects of environmental protection and safeguards. The potential for other joint projects to be undertaken by Enel and Nek is therefore to be assessed.

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