



PRESS RELEASE

Study of an Infrastructure to Import the Natural Gas Needed to Support the Growth of the European Energy Market

**A STUDY FOR A NEW “ALGERIA-SARDINIA-ITALY”
GAS PIPELINE GETS UNDER WAY**

The feasibility of the project will be assessed by GALSI, a newly established company headed by Renato Pozzi, Technical Manager of Edison Gas.

Milan, February 5, 2003 – A feasibility study for the construction of a new “Algeria-Sardinia-Italy” gas pipeline got under way following the establishment of GALSI S.p.A., which was incorporated in Milan on January 29, 2003 by the stockholders Edison Gas S.p.A., Enelpower S.p.A. (Enel’s engineering arm), Eos Energia S.p.A. (an energy trader controlled by Hera S.p.A.), Sonatrach S.p.A. (Algeria’s national hydrocarbons company) and Wintershall AG (a German energy company that is part of the BASF Group). Renato Pozzi, Technical Manager of Edison Gas, was named GALSI’s Chairman.

The study will assess the feasibility of building a new gas pipeline to bring Algerian gas to Italy. This project, which will link Algeria and the Italian mainland via the Island of Sardinia, has great strategic value for the development of an Italian natural gas distribution system. Moreover, the pipeline will optimize the flow of gas supplies, support the growth of the European energy market and make natural gas accessible to users in Sardinia.

The first meeting of GALSI's Board of Directors is tentatively scheduled for the middle of February. Items on the Agenda include the appointment of a Chief Executive Officer, the preparation of an organizational chart and the drafting of a business plan.

GALSI, which is based in Milan at Edison's Foro Buonaparte headquarters, is owned 40% by Sonatrach S.p.A., 20% by Edison Gas S.p.A., 15% each by Enelpower S.p.A. and Wintershall AG, and 10% by Eos Energia S.p.A.

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