

ERGA (Enel Group): ACQUIRES CENTRAL AMERICAN COMPANY, ENERGIA GLOBAL INTERNATIONAL

Second acquisition in the renewable energy sector. Erga enters Latin America

Rome, May 2, 2001 – Erga, the Enel Group company that produces energy from renewable sources, today announced the agreed acquisition of Energia Global International, Ltd. (EGI), a company operating in the field of renewable energy in Central and South America. The Company is to pay close on US\$ 73 million, in addition to the repayment of around US\$ 37 million of debt regarding projects in progress and about US\$ 124 million of EGI debt to be taken on by Erga.

EGI currently operates two hydroelectric plants and a wind farm in Costa Rica, with a total installed capacity of 54 MW, and two hydroelectric plants in Chile, with a capacity of 88 MW. The company is constructing a 14 MW hydroelectric plant in Guatemala and planning for a further two plants, with a total capacity of 90 MW, in Costa Rica and Guatemala is near to completion.

EGI represents Erga's second large acquisition in the renewable energy field in the space of six months. In December 2000, Erga completed the purchase of the US company, CHI Energy, Inc., for a total of around US\$ 170 million.

On completion of the acquisition, EGI's operations are to be managed by CHI Energy, through which Erga operates in North and Latin America.

EGI has overall power capacity of 246 megawatts (MW) in Latin America, including plants either under construction or at the development stage. Its acquisition of EGI underlines Erga's commitment to extending its portfolio of renewable energy sources and taking advantage of growth opportunities in the global green energy market.

Forecasts published by the Energy Information Administration, a US government agency, reveal that world energy consumption is due to grow by 59% over the next 20 years. Around half of this increase is expected to take place in Asia and Central and South America, where rapid economic development will lead to large-scale demand for energy. Environmental concerns, combined with the declining cost of renewable energy sources and the ability of such sources to meet the needs of many rural areas of Latin America, should provide ample opportunity for future expansion.

“The acquisition of EGI,” commented Paolo Pietrogrande, Erga’s Managing Director “is a further important step towards implementing the global growth strategy adopted by Erga and Enel in the renewable energy field. When, only a few months ago, we acquired CHI, we demonstrated our intention of strengthening our worldwide presence in the green energy sector. The same factors that led us to acquire CHI, namely the growing demand for clean energy, make EGI an attractive base from which to expand into Latin America. The deal not only confirms Erga’s position as the biggest producer of energy from renewable sources in the world, but provides the possibility to open up new and growing areas of activity. With CHI Energy, Erga has already achieved a number of significant results, such as the entry into service of a 30MW wind farm in Minnesota, the acquisition of a biogas plant in Montreal, the

award of the contract to build a wind farm on Newfoundland in Canada and the sale of environmental credits”.

Robert L. Pratt, the founder and Managing Director of EGI, noted that “We are very pleased to join the Enel Group’s stable of renewable energy companies. Since EGI’s foundation, we have striven to increase the use of renewable energy, creating, for example, one of the largest wind farms in Latin America. Working with Erga and CHI, and bringing our knowledge of the territory and the technologies available to bear, we will be able to develop better and innovative clean energy solutions for Latin America, whilst grasping the opportunities for growth that the region offers”.

The deal, which is subject to approval from the relevant authorities, is expected to be completed by the second quarter of 2001.

Energia Global International, Ltd.

EGI has been involved in the development and operation of renewable energy plants in Central and South America since 1991. Its registered office is currently based in Bermuda, whilst the headquarters of its largest associated companies, Central American Power Services and Energia Global de Costa Rica, are based in Wakefield, Massachusetts and San Jose, Costa Rica. In addition to its plants that run on renewable energy sources in Costa Rica, Chile, and its projects in Costa Rica and Guatemala, EGI holds a minority interest in Compania de Luz Electrica de Santa Ana, S.A. (CLESA), one of El Salvador’s four electricity distribution companies. EGI’s largest shareholders have been to-date: TECO Power Services, a subsidiary of TECO Energy, Inc., AIG – General Electric Capital Latin American Infrastructure Fund, Energy Investors Funds and International Finance Corporation.

Erga S.p.A.

Erga is the world’s largest producer of energy from renewable sources with more than 2,300 MW of on-stream production capacity in Italy, the US and Canada. The Company is planning to install further capacity of 800 MW through the construction of hydroelectric, geothermal and wind-powered plants. Erga is a world leader in the development and production of energy from renewable sources. Erga operates in North and Latin America via its 1005 owned subsidiary, CHI Energy Inc., based in Stamford, Connecticut. CHI was acquired by Erga in 2000. CHI’s diversified portfolio of renewable sources includes hydroelectric, biomass, exhaust emissions, wind and other clean energy technologies. For further information on Erga, you can visit our web site at www.enel.it/erga.