



Press Release

Snam and Fluxys strengthen cooperation for the development of South-North reverse flow capacity

Zurich, 3 August 2012 – Today Snam and Fluxys have signed a Memorandum of Understanding for developing and marketing reverse flow capacities from south to north between Italy and the UK. With this Memorandum of Understanding, both companies enhance their cooperation in the spirit of the EU Third Energy Package for a further integration of European gas markets. On the same day, Snam and Fluxys also completed the joint acquisition of Eni's stakes in Interconnector (UK), Interconnector Zeebrugge Terminal and Huberator.

Carlo Malacarne, CEO of Snam, commented: "The signing of this MoU fosters our ties with Fluxys, which confirms to be a strategic partner supporting Snam's international development strategy. The creation of the reverse flow capacity, as well as the completion of the acquisition of Eni's stakes in Interconnector (UK), Interconnector Zeebrugge Terminal and Huberator, give concreteness to a more interconnected and flexible European gas market, in line with the evolution of legislative and regulatory framework and with the needs of the gas system's stakeholders."

Walter Peeraer, Fluxys SA Managing Director, said: "With this MoU, we are moving ahead in our cross-border approach based on a strong partnership with Snam. We will work closely together to create a fully bi-directional north/south transmission axis enabling south to north flows between Italy and the UK. Through this reverse flow project with Snam, we will establish a fully functional market providing for easy gas transfers between the gas trading places in Germany, Italy, Belgium, France, the Netherlands and the UK, which will pave the way for deeper market flexibility and liquidity. This fully fits in with our strategy to strengthen security and diversification of supply, promote cross-border flows and connect the gas trading places in the Northwest and the South of Europe."

MoU: coordinated development and marketing of reverse flow capacities

In this Memorandum of Understanding, Snam and Fluxys agree to jointly take actions for the development of physical reverse flows from the Italian-Swiss border at Passo Gries through Switzerland and into Germany. Both companies will evaluate the necessary investments in their respective infrastructure and will discuss the organization of a coordinated market consultation by the end of 2012 to assess the interest for the reverse flow project from Passo Gries to Eynatten at the Belgian border.

Joint acquisition of Eni's stakes

On 3 August Snam and Fluxys also closed the transaction through which each company acquires 50% of Eni's stakes in Interconnector (UK), Interconnector Zeebrugge Terminal and Huberator. This joint acquisition follows the agreement that Fluxys, Snam and Eni reached in February.



Press Release

With the completion of this transaction, Snam and Fluxys acquire the following stakes from Eni's subsidiaries on a 50/50 basis:

- 16.41% stake (5% Eni International BV and 11.41% Distrigas SA) in Interconnector (UK), owner and operator of the subsea pipeline between the UK (Bacton) and Belgium (Zeebrugge) providing a strategic bi-directional link between the UK and the continental gas trading places.
- 51% stake (Distrigas SA) in Interconnector Zeebrugge Terminal SCRL, the terminal and compressor facilities linking the Interconnector pipeline to the Belgian gas transmission system.
- 10% stake (Distrigas SA) in Fluxys SA subsidiary Huberator, operator and provider of hub services in Belgium.

The total consideration for the above mentioned stakes amounts to € 145 million.

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About Snam

Snam is listed on the Milan Stock Exchange and is one of the major European integrated groups in the gas infrastructures business, active in the transmission and dispatching of natural gas, LNG regasification, storage and distribution of natural gas. For more information please visit www.snam.it

About Fluxys

Fluxys is a natural gas transmission infrastructure group operating on the North-Western European market. Fluxys' mission is to contribute to security of supply and the proper functioning of the market by promoting cross-border natural gas flows and transfers between gas trading places. In Belgium, Fluxys builds and operates infrastructure for natural gas transmission, natural gas storage and terminalling of liquefied natural gas. To foster the integration of the North-Western European natural gas market, Fluxys develops in other European countries a set of stakes in and industrial partnerships with companies active in the business of natural gas transmission and terminalling of liquefied natural gas. For more information please visit www.fluxysg.com