

SNAM RETE GAS PRESENTS ITS 2008-2011 BUSINESS PLAN

- **Investments to develop the transportation system of approximately € 4.3 billion for the four years to achieve an increase in transportation capacity of approximately 25%**
- **RAB: average annual increase of approximately 5% in the four years**
- **Operating efficiency: continuing focus on controllable fixed costs; already down 15% in real terms in the second regulatory period**
- **Dividend policy:**
 - **2007 DPS of €0.21, up €0.02 on 2006**
 - **2008 DPS increase, in line with 2007, is considered sustainable**
 - **interim dividend payment confirmed**

San Donato Milanese, 13 February 2008 – The CEO, Carlo Malacarne, presented the 2008-2011 business plan today approved by the company's board of directors chaired by Alberto Meomartini.

Carlo Malacarne, CEO, said: *“Snam Rete Gas confirms its strategy to ensure growth and returns to its shareholders through its substantial and disciplined programme of capital expenditure and through continued operating and financial efficiency. “The company plans its infrastructure efficiently to ensure the transport capacity and the necessary system flexibility to meet the increasing demand for natural gas in the coming years. Forecasted consumption is 94 billion cubic metres for 2011 and is estimated to reach 104 billion cubic metres by 2015. Our ability to create value is confirmed by our dividend policy which ensures a sustainable return for investors at the highest level in the utilities sector”.*

The key strategic guidelines for the next four years are:

Development of the transportation network

The company plans to invest a total amount of € 4.3 billion (€ 4.2 billion in the period from 2007 to 2010), approximately €1 billion of which is to be spent in 2008. The projects to be carried out are part of a development programme necessary to meet the transportation requirements expected for 2015.

Certain key projects starting during the four year business plan will be completed in subsequent years and will entail annual investments of more than €1 billion through to 2015.

Based on the current regulatory framework, approximately 55% of the investment planned in the 2008-2011 period is expected to be remunerated with a 3% premium over the base return set by the Electricity and Gas Authority (6.7%) for a period of 10 or 15 years. The company's estimated Regulated Asset Base (RAB) at the end of 2007 is approximately €12 billion. Completion of the programmed investment covered by the 2008-2011 business plan will lead to an increase in RAB of approximately 5% annually until 2011.

The investment plan pursues the company's objective to develop infrastructure in line with the expected gas market growth. Led by the consumption in the thermoelectric sector, the market should see an increase in gas demand from approximately 87 billion cubic metres in 2007 to approximately 94 billion cubic metres in 2011, to become 104 billion cubic metres in 2015 and 114 billion cubic metres in 2020.

The main infrastructure projects envisaged in the plan relate to:

- upgrading the transportation network along the south-north line with the planned third pipeline in Sicily and Calabria, the Tyrrhenian sealine and the Adriatic network. This project also includes the construction of two new compression stations in Sicily and Abruzzo, as well as the upgrading of the Enna plant;
- upgrading of the Po valley infrastructure (east-west pipeline) aimed at increasing supplies towards north west Italy from the south and north east;
- increasing regasification capacity of the Panigaglia LNG terminal from 3.5 billion cubic metres/year to 8 billion cubic metres/year.

Projects that will enter into operations during the four years plan will enable an increase in transportation capacity of approximately 25%.

Snam Rete Gas is proactively involved in the definition and development of the Italian section of the Galsi project, one of the most important projects for the supply of natural gas in Italy, as it should provide for the import of natural gas with a new pipeline. The large capital expenditure necessary for the project is currently planned beyond the period covered by the 2008-2011 business plan.

Operating efficiency

Snam Rete Gas has achieved its operating efficiency target for the second regulatory period in 2007, one year before planned, leading to a significant decrease in controllable fixed costs in real terms of 15%. Given the planned increase in the length of the pipeline network and in overall compression power, the cost reduction is pursued through optimisation of the transportation system control and maintenance activities and the ongoing rationalisation of the organisational processes and structures.

Dividend policy

The board of directors intends to propose to the next shareholders meeting the distribution of a dividend of €0.21 per share for 2007 (+10.5% on 2006), €0.08 of which was already distributed as interim dividend in October 2007. The remaining €0.13 per share will be payable from 22 May 2008 (ex dividend date 19 May 2008).

Given the company's forecast performance and financial position, a further €0.02 increase in the dividend per share, equal to the increase that will be proposed to the shareholders for 2007, will also be sustainable in 2008.

The 2008 interim dividend will be payable from 23 October 2008 (ex dividend date 20 October 2008) and the amount will be decided by the board of directors based on the 2008 half year results.

Snam Rete Gas's Chief Financial Officer, Antonio Paccioretti, in his position as manager responsible for the preparation of financial reports, certifies pursuant to paragraph 2, article 154-bis of the Legislative Decree n. 58/1998, that data and information disclosures in this press release correspond to the company's evidence and accounting books and entries.

Disclaimer

This press release includes forward-looking statements. Such statements by their very nature are subject to risk and uncertainty as they depend on the fact that certain events and developments will take place. The actual results may differ from those communicated due to different reasons, such as foreseeable trends in demand, offer and natural gas prices, general macro-economic conditions, the effect of new energy and environment legislation, the successful development and implementation of new technologies, changes in the stakeholders' expectations and other changes in business conditions.

Background

Snam Rete Gas is the market leader of the Italian natural gas transportation and dispatching sector. It has been designing, constructing and monitoring a network of more than 31,000 kilometres of pipeline, with ten compression stations, eight supervision units and 55 maintenance centres for sixty years. It is the only Italian operator active in the regasification of liquefied natural gas (LNG).

It transported over 83 billion cubic metres of gas in 2007 on behalf of approximately 65 shippers.

It has been listed on the Milan stock exchange since December 2001 and has a current market capitalisation of approximately € 9 billion.

Documentation for the Analyst Presentation will be available on line at the company's website www.snamretegas.it, in the Investor Relations section, once this Presentation starts. A press conference will also be held after presentation to the analysts.

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This press release is also posted on the website www.snamretegas.it.