



SNAM RETE GAS UPDATES ITS 2009-2012 STRATEGIC PLAN

- **Consolidated investment plan: 6.4 billion euro in the 2009-2012 period**
- **RAB: average annual increase of approximately 4.5% in the 2009- 2012 period**
- **Efficiency programme linked to the integration with Stogit and Italgas: planned a reduction of around 40 million euro in 2010 and of around 80 million annually in 2012, in real terms, compared to the 2008 controllable fixed costs**

San Donato Milanese, December 3 2009: – Snam Rete Gas CEO, Carlo Malacarne, today presents to the financial community an update of the 2009-2012 Strategic Plan, which has been adjusted taking into account the integration plan with Stogit and Italgas, approved by the Company's Board of Directors chaired by Alberto Meomartini.

“In a business environment characterised by a clear and transparent regulatory framework, as confirmed by the (recent) new regulation for the transport business, Snam Rete Gas confirms its strategy focused on investment and efficiency as drivers of value creation and growth in the medium and long term,” Snam Rete Gas CEO, Carlo Malacarne, commented. He added, *“The integration of Stogit and Italgas allows us to further enhance our strategic business model through the execution of an investment plan of 6.4 billion euro for the 2009-2012 period and an efficiency programme which is expected to reach 80 million euro of annual savings, in real terms, in 2012, compared to the 2008 controllable fixed costs. These elements, supported by a sound and efficient capital structure, allow us to confirm our commitment to deliver attractive and sustainable returns to our shareholders.*

2009-2012 Capex update

The integration of Stogit and Italgas allows Snam Rete Gas to confirm a sound and significant investment plan aimed at developing the gas system in Italy and enhancing the company's growth opportunities in the medium and long term.

The combined investment plan for the 2009-2012 period is set at approximately 6.4 billion euro, of which 1.4 billion will be spent in 2009.

The main guidelines for each business investment plan are the following:

Transport and regasification:

- meet the requirements of gas demand in the medium and long term and increase the flexibility and security of the gas transport system in Italy;
- continue to improve the quality of the transport service;
- contribute to the creation of a European gas hub.

The planned investments will allow the company to extend the national transport network by around 1,200 km, which is a circa 4% increase on the 2008 year end network of more than 31,000 km, and to increase the installed capacity of the compression stations that will reach 855 MW, up 3% compared to 830 MW in 2008.

Distribution:

- consolidate and optimise the portfolio of concessions with the aim of maximizing profitability;
- improve the quality of the gas distribution service.



The projects included in the plan are structured to allow the company to continue to develop the distribution business and should lead to a rise in the number of current users with an increase of around 7% in the gas meters installed, which should exceed 6 million in 2012.

Storage:

- improve the overall flexibility and security of the storage system through an increase in both the modulation and peak capacity;
- support the liquidity of the gas system in Italy.

The investments in the storage business are expected to deliver a 30% increase in the modulation capacity in the period considered (from 8.6 billion standard cubic meters in 2008 to around 11 billion standard cubic meters in 2012) and to a 10% increase in the peak capacity.

With the execution of the four-year investment plan, the value of the company's "Regulated Asset Base" (RAB), assuming a 2% inflation rate and on the basis of the current regulatory framework, is expected to grow at an annual average rate of 4.5% until 2012.

Efficiency programme

The integration of Stogit and Italgas will allow the Company to achieve savings estimated at 40 million euro in 2010 and 80 million euro annually in 2012 (calculated in real terms on the 2008 controllable fixed costs), on the basis of the current business perimeter.

The main areas through which the company plans to achieve these savings are:

- business operations, with the implementation of the best operating and technological standards throughout the group;
- the centralization of the main services, such as administration and finance, personnel, logistics, facility management and real estate;
- the centralization of the procurement department, which will optimize the terms and conditions of the supply agreements;
- the integrated management of the ICT services.

Shareholders Returns

On October 19, Snam Rete Gas distributed a 0.06 euro per share 2009 interim dividend, to be considered as around one third of the total 2009 dividend per share.

The Company also confirms the sustainability of the current dividend policy for the medium and long term..

The considerable investment plan and the sustainability of the dividend policy do not put at any risk the soundness and efficiency of the company's capital structure.

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.



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This press release relating to the consolidated results at 30 September 2009 (unaudited) is also available on the Snam Rete Gas website at www.snamretegas.it.