



Press Release

ERG Renew enters the UK wind power market

Project acquired for the construction of a 45 MW wind farm

Genoa, 29 February 2016 - ERG Renew has acquired from TCI Renewables ("TCI") a 100% equity interest in Brockaghboy Windfarm Ltd, ("BWF") a company holding authorisations to build a wind farm, in the county of Londonderry, Northern Ireland with capacity of approximately 45 MW and electricity output, when fully operational, estimated at around 150 GWh per year, corresponding to about 3,300 equivalent hours and about 71 kt of avoided CO2 emission. (the "Wind Farm").

ERG Renew expects to commence construction of the Wind Farm during the second quarter of 2016 with a view to completion of construction at the end of the first quarter of 2017.

The overall investment for implementation of the Wind Farm is estimated at around 60 million Pounds (around 80 million Euro) which already includes the initial consideration amount paid to acquire BWF.

The project meets the conditions for accrediting under the current incentive mechanisms (NIRO) and related "grace period", subject to the draft bill being finalised by the UK parliament.

Based on the agreements with TCI, upon completion of construction and NIRO accreditation, a possibility is provided for to sell BWF to third parties. ERG Renew will be entitled to submit to TCI, a proposal for maintaining ownership. Should TCI not accept this proposal, and only in the event that higher offers from third parties are received and accepted, BWF will be sold and the capital gain will be calculated and shared on the basis of the agreed contractual terms.

This transaction allows ERG Renew to enter the UK wind power market as set forth in ERG's 2015-2018 Business Plan, via an innovative and flexible contractual structure, that provides an opportunity to enhance the industrial skills developed by ERG Renew and optimise value creation.

This press release, issued at 7.45 am (CET) on 29 February 2016, has been prepared pursuant to the Issuers' Regulations. It is available to the public at the offices of Borsa Italiana S.p.A., on the "Nis-Storage" authorised storage mechanism (www.emarketstorage.com) and on the Company's website (www.erg.it) in the section "Media/Press releases".

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