



Press release

Utilities contract renewal signed with ISAB

Genoa, 6 August 2021 – ERG, through its subsidiary ERG Power Generation S.p.A, has reached today an agreement with ISAB (Lukoil Group) to amend and extend to 2032 the supply contract currently in place for the entire energy requirements of the ISAB refinery in Priolo Gargallo, which was due to expire on 31 March 2025. On an annual basis, ERG's CCGT plant will supply around 150 GWh of electricity and around one million tonnes of steam to ISAB, the main consumer at the Priolo site.

ERG Power S.r.l.'s CCGT thermoelectric plant, which started operating in 2010, is located within the multi-company industrial site at Priolo-Melilli (SR). It consists of a combined-cycle power plant (CCGT), a low-impact, high-efficiency cogeneration system powered by natural gas, with an installed capacity of 480 MW and an estimated annual output of about 2.5-3.0 TWh. Thanks to major revamping investments currently being completed on the steam system of one of the two modules, the plant will receive Energy Efficiency Credits (EECs) since it will operate under the new High-Efficiency Cogeneration regime starting from the end of 2021, when the new steam turbine is expected to be initially powered up.

The extension of the contract entails the commitment for the CCGT to supply, with greater efficiency and flexibility, the entire electricity and steam requirements of the ISAB refinery.

Paolo Merli, CEO of ERG, commented: *"In addition to confirming our well-established relationship with ISAB, the agreement we entered into today is particularly noteworthy as it enables us to stabilise the plant's long-term cash flows while ensuring the sustainability of the cogeneration investment and the supply of energy to ISAB more efficiently and flexibly, optimising the refinery's operations. Finally, the transaction is also a positive sign for the Priolo site, a strategic energy hub."*

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