

BOARD OF STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Distinguished Shareholders,

the consolidated financial statements of ERG S.p.A. for the year 2011 were delivered to us within the terms prescribed by law, together with the Report on Operations, and they were prepared in accordance with the International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB) and adopted by the European Union.

In accordance with Legislative Decree no. 39 of 27 January 2010 and with Article 41 Paragraph 2 of Legislative Decree no. 127 of 9 April 1991, the Independent Auditors have the duty to verify whether the consolidated financial statements comply with the law and match the accounting and consolidation entries. Our supervisory activity was carried out in compliance with the standards of behaviour of the Board of Statutory Auditors promulgated by the National Board of Chartered Accountants and in particular it pertained to:

- verification of the existence and adequacy, within the organisation of ERG S.p.A., of a function responsible for relations with subsidiaries and affiliates;
- examination of the Group's composition and equity interests, in order to assess the determination of the consolidation area and its change relative to the previous financial statements;
- obtainment of information on the activity carried out by the subsidiaries and on the transactions with the most relevance in financial and economic terms within the Group, through the information received from ERG S.p.A. directors, from the Independent Auditors and from the Statutory Auditors of the subsidiaries.

Following the supervisory activity on the consolidated financial statements, we undertake that:

- the determination of the scope of consolidation and the selection of the principles whereby investee companies are consolidated are in accordance with IFRS;
- the laws regulating the preparation and arrangement of the financial statements and of the Report on Operations were obeyed;
- we verified the adequacy of the instructions given by the cognisant function of ERG S.p.A. for the obtainment of the flow of data necessary for consolidation, viewing the information provided by the subsidiaries, subject to regulatory verification by their respective Boards of Statutory Auditors;
- the financial statements match the facts and information of which the Board of Statutory Auditors became aware in the performance of its supervisory duties and in the exercise of its oversight and inspection powers;
- we approved the reasons, indicated in the Notes to the consolidated financial statements, why, in accordance with the indications of IAS 39 and on the basis of a dedicated study prepared by independent experts, the put option recognised by LUKOIL with respect to the 40% of ISAB Srl was not measured at fair value;
- the Notes to the consolidated financial statements provide the information prescribed by paragraph 134 of accounting standard IAS 36 – Impairment of assets, whose application was stressed by Bank of Italy/CONSOB/Isvap Document no. 4 of 3 March 2010. The Board of Statutory Auditors examined the document prepared and illustrated to the Internal Control Committee by an independent expert, containing the analyses made and the results obtained in the impairment test activity, which uncovered an impairment of the goodwill and fixed assets referred to the CCGT plant with respect to the values recorded

in the consolidated financial statements of ERG S.p.A. as at 31 December 2011. The assessments were carried out with the going concern assumption and in the hypotheses that the assumptions indicated in the updated Plan prepared by the Management of the Company would hold true. The Board of Statutory Auditors deemed the main assessment hypotheses reasonable, and therefore approved the results;

- the Group's Report on Operations is consistent with the data and results of the consolidated financial statements and it provides ample disclosure on the Group's economic-financial performance and on the risks to which the Group is exposed, as well as on significant events occurred after the ending date of the financial year, which did not have any impact on the 2011 financial statements and, in particular, on the partial exercise of the put option on the 20% equity interest in ISAB S.r.l. and on the entry through LUKERG Renew, joint venture between ERG Renew and LUKOIL-Ecoenergo, into the Bulgarian wind power market with a significant share.

The Chief Executive Officer and the Manager responsible for preparing the company's financial reports issued the certification, in accordance with Article 81-ter of CONSOB Regulation no. 11971/1999 with subsequent amendments and additions and with Article 154-bis of Legislative Decree 58/1998 (Consolidated Finance Act).

On 13 March 2012, the Independent Auditors issued the report in accordance with Articles 14 and 16 of Legislative Decree 39/2010, declaring that the consolidated financial statements as at 31 December 2011 are in accordance with the IFRS, and with the regulations promulgated to implement Article 9 of Legislative Decree no. 38/2005, and they are prepared clearly and they represent truthfully and fairly the financial situation, the income and expenses and the cash flows of the ERG Group for the year that ended on that date.

Genoa, 14 March 2012

The Board of Statutory Auditors
Mario Pacciani (Chairman)



Paolo Fasce (Standing Auditor)



Lelio Fornabaio (Standing Auditor)

