

BOARD OF STATUTORY AUDITORS REPORT TO THE CONSOLIDATED FINANCIAL STATEMENTS

Distinguished Shareholders:

the Consolidated Financial Statements of ERG S.p.A. were provided to us in compliance with the 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 Standard Board (IASB) and adopted by the European Union.

In accordance with Legislative Decree 39 of 27 January 2010 and with Article 41 Paragraph 2 of Legislative Decree 127 of 9 April 1998, the duty of verifying the legal compliance of the Consolidated Financial Statements and their consistency with the results of the accounting and consolidation records is assigned to the Independent Auditor. Our oversight activity was conducted in accordance with the principles of conduct of the Board of Statutory Auditors issued by the Italian National Councils of Professional and Certified Public Accountants and it pertained in particular to:

- verification of the existence and adequacy, within the organisation of ERG S.p.A., of a function responsible for transactions with subsidiary and associated companies;
- examination of the Group's composition and shareholdings, to assess the determination of the scope of consolidation and its change from the previous financial statements;
- obtainment of information on the activity carried out by subsidiary companies and on the transactions having major financial and economic significance within the Group's relationships through the information received from the Directors of ERG S.p.A., from the Independent Auditor and from the Statutory Auditors of subsidiary companies.

As a result of the oversight activity on the Consolidated Financial Statements, we certify that:

- the determination of the consolidation area and the selection of the subsidiaries' consolidation principles are in accordance with the IFRS;
- law provisions pertaining to the preparation and set-up of the financial statements and of the Report on Operations were followed;
- we supervised the adequacy of the provisions issued by the cognisant function of ERG S.p.A. to obtain the flow of data necessary for consolidation, viewing the information provided by the subsidiaries, subject to legal control by their respective boards of statutory auditors;
- the financial statements match the facts and information whereof the Board of Statutory Auditors has become aware in the performance of its supervisory duties and in the exercise of its control and inspection powers;
- we agreed with the reasons, indicated in the Note to the Consolidated Financial Statements whereby, in accordance with the indications of IAS 39 and based on a study by independent experts, the put option recognised by LUKOIL for the 51% share in ISAB S.r.l. was not evaluated at "fair value";
- the Note to the Consolidated Financial Statements provides the information prescribed by Paragraph 134 of International Accounting Standard 36 – impairment of assets, on whose application the joint document Bank of Italy/CONSOB/ISVAP no. 4 of 3 March 2010 called attention. The Board of Statutory Auditors acknowledges that it examined the document prepared and illustrated to the Internal Control Committee by an independent expert, which contains the analyses conducted and the results obtained in the impairment test activity on the value of the intangible assets (and goodwill) of ERG Renew S.p.A., recorded in the Consolidated Financial Statements of ERG S.p.A. as of 31 December 2010. The

- assessments were carried out on a going concern basis and with the assumptions indicated in the Plan prepared by the management. The Board of Statutory Auditors deemed reasonable the main assessment hypotheses and hence agreed with the results;
- the Group's Report on Operations is consistent with the data and results of the Consolidated Financial Statements and provides ample information on the Group's economic and financial performance and on the risks to which the Group is exposed as well as on the significant events occurred after the ending date of the year, which did not have impacts on the 2010 financial statements (public tender offer on all shares not owned of ERG Renew S.p.A. and partial exercise of the put option on the 11% share of ISAB S.r.l.);
 - 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 Regulations 11971/1999 with subsequent amendments and additions and with Article 154-bis of Legislative Decree 58/1998 (CFA).

The Independent Auditor issued, on 15 March 2011, the report in accordance with Articles 14 and 16 of Legislative Decree 39/2010, which states that the Consolidated Financial Statements as of 31 December 2010 comply with international financial reporting standards – IFRS – and are prepared in a clear manner and represent in a truthful and fair way the balance sheet, the Income Statement and the statement of cash flows of the ERG Group for the year ended on that date.

Genoa, 16 March 2011

The Board of Statutory Auditors
Mario Pacciani (Chairman)
Paolo Fasce (Standing Auditor)
Lelio Fornabaio (Standing Auditor)