

ERG S.p.A.

Ordinary Shareholders' Meeting of 23 April 2009

Agenda

1. Statutory Financial Statements for the period ended 31 December 2008 and Management Report: resolutions consequent thereto. Presentation of the Consolidated Financial Statements at 31 December 2008
2. Appointment of the Board of Directors, having first determined the number of members, and fixing of the relative fee for the year 2009
3. Resolution pursuant to Article 2401, first paragraph, of the Italian Civil Code and Article 22 of the company's Articles of Association concerning the reconstitution of the Board of Statutory Auditors
4. Audit engagement pursuant to Article 159 of legislative decree no. 58 dated 24 February 1998
5. Authorisation for the purchase and disposal of treasury shares

Report of the Board of Directors pursuant to Article 3 of Ministerial Decree no. 437 of 5/11/1998

Dear Shareholders,

We submit for your attention the following considerations:

Point 1.

Financial Statements for the period ended 31 December 2008 and Management Report: resolutions consequent thereto. Presentation of the Consolidated Financial Statements at 31 December 2008

Reference is made to the Management Report included in the documentation pertaining to the Statutory Financial Statements at 31/12/2008 which will be made available to Shareholders and to the public within the terms provided by law.

Reference is also made to the Management Report included in the

documentation pertaining to the Consolidated Financial Statements at 31/12/2008 which will be made available to Shareholders and to the public within the terms provided by law.

Point 2.

Appointment of the Board of Directors, having first determined the number of members, and fixing of the relative fee for the year 2009

The Ordinary Shareholders' Meeting on 28 April 2006 appointed the Company's Board of Directors, for a term of office due to expire on the date of the Shareholders' Meeting to approve the Financial Statements for the second financial period following that underway at the time of the shareholders' resolution.

The expiry of the existing Board of Directors will therefore coincide with the date of the Shareholders' Meeting to approve the Financial Statements at 31 December 2008.

It will consequently be necessary, on such occasion, to appoint a new Board of Directors, after fixing the number of its members.

We set out below the provisions contained in Article 15 of the Company's Articles of Association:

- "1. The Company is managed by a Board of Directors comprising no less than 5 and no more than 15 members.*
- 2. The Shareholders' Meeting shall establish the number of Board members, within the aforesaid limits and until determined otherwise by way of a new resolution.*
- 3. The members of the Board of Directors shall be elected on the basis of lists presented by shareholders, on which the candidates must be listed with a sequential number.*

The lists presented by shareholders, accompanied by the personal and professional characteristics of candidates, must be lodged at the company's registered office, as shall also be mentioned in the convocation notice, at least 15 days prior to the date set for the meeting in first convocation.

The lists may only be presented by shareholders who, either individually or with other shareholders, represent the percentage of share capital established in accordance with the CONSOB Regulation prevailing as at the date of convocation of the Shareholders' Meeting,

to be specified in the convocation notice for the Shareholders' Meeting convened to elect the Board of Directors.

In order to demonstrate possession of the number of shares required for presentation of the lists, Shareholders must submit and/or deliver to the Company's registered office, at the time of presenting the list, copy of the certificates issued by their respective intermediaries, in accordance with the law and regulations.

Each shareholder may present or participate in the presentation of only one list and each candidate may be included in only one list, under penalty of ineligibility.

Each list must contain a number of candidates not to exceed the maximum number of directors specified in the first paragraph of this article.

The lists shall indicate which Directors satisfy the independence requirements laid down by article 147-ter, paragraph 4, of the Consolidated Law on Finance. At least one candidate per list, or two candidates in the case of a board with more than seven members, must have the aforesaid independence requirements.

All candidates must possess the requisites of honourableness laid down for the members of Control Bodies by current legislation, as well as the requisites of professionalism required for the position in question.

Together with each list, within the term indicated above, individual candidates must lodge a declaration accepting the candidature and declaring, under their own responsibility, the non-existence of motives for ineligibility or incompatibility, as well as the possession of requisites as required under applicable legislation, and providing information, where appropriate, describing their independence.

For the purpose of allocating the Directors to be elected, consideration shall not be given to the lists that have failed to reach a number of votes such as to represent a percentage of shareholding equal to at least half of that required for their presentation.

4. *All parties entitled to vote may do so for only one list.*

The Directors shall be elected as follows:

- a) *from the list that obtains the majority of votes expressed by the Shareholders shall be drawn, based on their sequential order of listing, a number of Directors equal to the number of members to*

be elected less one, subject to the provision set forth in paragraph 5 concerning the appointment of independent Directors;

- b) the remaining Director shall be drawn from the minority list that obtains the highest number of votes;*
- c) in case of presentation of only one list, or in case the other lists fail to reach the required quorum, the Directors shall be elected based on the list presented or having reached the quorum up to the number of candidates presented therein.*

5. *In any case, the candidate or, where the board has more than seven members, the first two candidates belonging to the list obtaining the highest number of votes, according to their order of appearance on the list in question, who satisfy the independence requirements, shall be considered elected.*

Independent Directors who, following their appointment, cease to have the independence requirements as set forth by article 147-ter, paragraph 4, of the Consolidated Law on Finance, must immediately notify the Board of Directors and shall, in any case, forfeit their office.

6. *The Directors shall remain in office for a period of three financial years and their term shall expire as of the date of the shareholders' meeting convened to approve the financial statements pertaining to the last year of their office.*

Directors may be re-elected.

In case one or more Directors should vacate their office, steps shall be taken as provided by law. However, in the event that, for whatsoever reason, prior to expiry of their mandate, the majority of Directors appointed by the Shareholders' Meeting should vacate their office, the entire Board shall be dissolved and the Shareholders' Meeting must be urgently convened by the Directors still in office for the reconstitution thereof. The Board shall nevertheless remain in office in order to perform only duties of ordinary administration pending the resolution of the Shareholders' Meeting regarding its renewal and pending acceptance on the part of the majority of the new Directors."

The list of candidates for the office of Board Director will be made available to the public, fifteen days prior to the meeting, at the company's registered office, at Borsa Italiana S.p.A. and on the website www.erg.it.

The Shareholders' Meeting is also called upon to resolve on the

remuneration to be allocated to individual Board members and to the members of the Board committees, to be valid until approval of the 2009 Financial Statements.

The Shareholders' Meeting is furthermore called upon to resolve on the additional remuneration to be allocated to Directors, not employed by the Group, who do not hold positions within the Board and are members of one or more advisory Committees set up within ERG S.p.A..

Attendees are reminded that it is normal procedure for the Shareholders' Meeting to determine on annual basis for each financial year the remuneration to be paid to each member of the Board of Directors and the additional fee to be paid to each member of the board committees.

For the 2008 financial period, the Shareholders' Meeting had resolved a fee of Euro 50,000 for the members of the Board of Directors, Euro 25,000 for the members of the Remuneration Committee (now the Nominations and Remuneration Committee) and Euro 35,000 for the members of the Internal Control Committee.

Point 3.

Resolution pursuant to Article 2401, first paragraph, of the Italian Civil Code and Article 22 of the company's Articles of Association concerning the reconstitution of the Board of Statutory Auditors

On 4 March 2009 Standing Auditor Fabrizio Cavalli tendered his resignation with effect from the Shareholders' Meeting to approve the financial statements for the period ended 31 December 2008.

The need has therefore arisen, pursuant to Article 2401, first paragraph, of the Italian Civil Code, to reconstitute the Board of Statutory Auditors by appointing a Standing Auditor.

In conformity with the provisions set forth by Article 22, paragraph 16, of the Articles of Association, the resolution will be taken by majority vote.

The "*curricula vitae*" of candidates for the position of Standing Auditor will be lodged with the company's registered office and published on the website www.erg.it fifteen days prior to the meeting.

Point 4.

Audit engagement pursuant to Article 159 of legislative decree no. 58

dated 24 February 1998

The audit engagement for the three-year period 2006/2008 conferred by your Company on Reconta Ernst & Young with resolution of the shareholders' meeting on 28 April 2006 will expire with the approval of the financial statements at 31 December 2008.

Article 159, first paragraph, of the Consolidated Law on Finance, as amended by Article 3, paragraph 16 of Legislative Decree No. 303 dated 29 December 2006, requires the audit engagement to be conferred by the Shareholders' Meeting upon justified proposal by the supervisory body.

Below we set out such proposal, to which you are therefore referred.

“ To the ERG S.p.A.

Shareholders' Meeting

Subject: Conferment of the engagement to audit the statutory and consolidated financial statements of ERG SpA for the period 2009 – 2017, pursuant to Article 159 of Legislative Decree No. 58 dated 24 February 1998

Dear Shareholders,

The signing of the report setting out its opinion on the company's 2008 statutory financial statements marks the expiry of the engagement assigned by the Shareholders' Meeting on 28 April 2006 to the auditing firm Reconta Ernst & Young SpA.

The regulatory framework in such connection was amended by Legislative Decree 303 of 29 December 2006, which introduced, among the most important changes with regard to auditing activity, the engagement of the auditing firm upon “justified proposal by the supervisory body”.

The ERG SpA Board of Statutory Auditors has therefore carried out, in agreement and with the support of the competent corporate functions and in particular with the Manager Responsible for preparing the company's financial reports and the Administration, Finance and Control Division, the activity considered appropriate in order to formulate its justified proposal and, more specifically, it has:

- reviewed the engagement proposals submitted by the auditing firms KPMG SpA, PricewaterhouseCoopers SpA, Deloitte & Touche SpA and BDO Sala Scelsi Farina Società di Revisione per Azioni;*
- selected the auditing firms KPMG SpA, PricewaterhouseCoopers SpA, Deloitte & Touche SpA, as having the requisites (organisations in Italy*

and Genoa, customers that include listed companies and companies belonging to the sector) necessary to guarantee a service such as that required by the company;

- *met with representatives of the individual firms for an illustration of the proposals, during which the following aspects, in particular, were considered in greater detail:*
 - *organisations in the relevant locations, experience matured in the sector, main customers, with special reference to listed companies;*
 - *methodological audit approach and technical support tools;*
 - *qualifications of the dedicated team, composition of professional resources and hours assigned to performance of the engagement;*
 - *attention to issues concerning Corporate Governance and analysis of the internal control system;*
 - *audit engagement fees.*

The Board of Statutory Auditors has acknowledged that the auditing firms:

- *have obtained from the previous auditor, Reconta Ernst & Young SpA, all additional information deemed useful regarding the company and the number of hours and composition of resources used to perform the reviews of the statutory and consolidated financial statements, also receiving confirmation of the information acquired at the offices of ERG SpA;*
- *have estimated the professional resources and hours to be assigned to the engagement, in accordance with Article 145-bis of Legislative Decree 58/98, insofar as concerns:*
 - *the dimension, composition and riskiness of the most significant equity, economic and financial aspects of the financial statements pertaining to the company assigning the engagement, as well as the risk profiles associated with the process of consolidating the data relating to the group companies;*
 - *the technical preparation and experience required to perform auditing tasks;*
 - *the need to guarantee, in addition to the material execution of the audits, an adequate activity of supervision and guidance, in observance of the standards and criteria established by CONSOB pursuant to Article 162, paragraph 2, letter a) of Legislative Decree 58/98.*

With regard to the determination of fees, an important factor albeit not a

priority, concerning which however there is not a major difference between the various proposals, the Board of Statutory Auditors has ascertained the observance of requirements set forth by Article 159, paragraph 7, letter a) of Legislative Decree No. 58 dated 24 February 1998 (Consolidated Law on Finance) and Article 145-bis of the Regulation implementing the Consolidated Law on Finance (CONSOB resolution No. 11971 of 14 May 1999 and subsequent amendments).

The significant discounts granted on the hourly rates is explained by the strong interest in setting up a long-term professional relationship with a prestigious company and, as confirmed by the auditing firms in question, does not imply a reduction in the number of hours estimated and/or changes to the composition of the professional resources used, which might compromise the required quality of the work as illustrated during the presentation of the proposals.

On conclusion of the above activity, the Board of Statutory Auditors, taking into account:

- the importance of the structure at its Genoa branch ;*
- the auditing activities currently performed at another of the Group's major companies, which is also listed on the stock exchange (ERG Renew Spa);*
- the number of hours estimated, which are more than both those of the other auditing firms and the final number of hours calculated by the previous auditor, and the adequate composition of its professional resources;*

in agreement with the Manager Responsible for preparing the company's financial reports, the ERG SpA "Administration, Finance and Control" Division and the Internal Control Committee, decided to propose to the Shareholders' Meeting to confer the audit engagement for the ERG SpA statutory financial statements and consolidated financial statements for the financial years 2009 – 2017 on the auditing firm Deloitte & Touche SpA.

For completeness of information, we point out that the proposal reviewed referred to the Group businesses and companies summarised below:

Engagement object

- *Review of statutory financial statements (Legislative Decree 58/98)*
 - *ERG SpA, ERG Petroli SpA, ERG Raffinerie Mediterranee SpA, ERG Power & Gas SpA, ERG Nuove Centrali SpA, ISAB Energy Srl*
- *Review of consolidated financial statements (Legislative Decree 58/98)*
 - *ERG SpA*
- *Limited review of Half-yearly Financial Report (Legislative Decree 58/98)*
 - *ERG SpA, ERG Petroli SpA, ERG Raffinerie Mediterranee SpA, ERG Power & Gas SpA, ERG Nuove Centrali SpA, ISAB Energy Srl*
- *Review of statutory financial statements and accounting audit (Art. 2409 bis of the Italian Civil Code)*
 - *Gestioni Europa SpA, ISAB Energy Services Srl*

Estimated number of hours: 8,665 per financial year

Composition of professional resources:

percentage of total hours:

partner: 8%

manager 18 %

Annual fee: Euro 518,000 plus reimbursement of secretariat expenses (calculated on a lump-sum basis as 5% of the fee) and out-of-pocket expenses.

This having been said, the Board of Statutory Auditors, in accordance with Article 159, first paragraph of Legislative Decree No. 58 dated 24 February 1998, proposes to the Shareholders' Meeting to assign to Deloitte & Touche SpA the following engagements relating to ERG SpA for the financial years 2009-2017:

- *Review of the statutory financial statements;*
- *Review of the consolidated financial statements;*
- *Assessment of the regular keeping of accounts and the correct recognition of management-related factors in the accounting records;*
- *Limited audit of the Half-yearly Financial Report.*

The essential elements of the proposal submitted by Deloitte & Touche on 26 February 2009 are as follows:

Estimated number of hours: 1,500 per financial year

Annual fee: Euro 90,000 plus reimbursement of secretariat expenses (calculated on a lump-sum basis as 5% of the fee) and out-of-pocket expenses.

Genoa, 6 March 2009

*The Chairman of the Board of Statutory Auditors
Mario Pacciani”.*

Point 5.

Authorisation for the purchase and disposal of treasury shares

Your Company's Ordinary Shareholders' Meeting, during the past few years, respectively on 29 September 1999, 27 April 2001, 13 February 2002, 29 April 2004, 28 April 2005, 28 April 2006 and 27 April 2007 adopted structured resolutions regarding the purchase and disposal of treasury shares, the last of which, concerning the purchase, had a validity of 12 months and therefore expired on 27 April 2008.

We remind you that at the Shareholders Meeting on 24 April 2008 the Board of Directors did not consider justified a request to the shareholders to authorise the purchase and disposal of treasury shares.

On the other hand, in anticipation of the shareholders' meeting on 23 April next, the Board agreed that it was appropriate to propose for the Shareholders' Meeting to adopt a new resolution authorising the purchase and disposal of treasury shares.

This having been said, the Board of Directors explains the reasons justifying the adoption of a new authorisation resolution on the part of the Shareholders' Meeting:

- regarding purchase

- it is considered appropriate to be able to carry out purchase transactions on ERG's ordinary shares in order to optimise the equity structure with a view to maximising value creation;

- regarding disposal

- it is considered appropriate to have treasury shares available in portfolio in order to optimise financial leverage and however in all other circumstances where the possibility to dispose of shares appears, in the opinion of the administrative body, to be in keeping with the interests of

the Company and the shareholders.

This having been said, we submit for your approval our request for authorisation to both purchase and sell treasury shares subject to the following terms and conditions:

- 1) authorisation, for a period of 12 months with effect from the date of the relative resolution, in accordance with Article 2357 of the Italian Civil Code, to purchase treasury shares up to a revolving limit (intending thereby the maximum number of treasury shares from time to time held in portfolio) of 15,032,000 (fifteen million and thirty-two thousand) ERG ordinary shares having a nominal value of Euro 0.10 each, at a unitary price, including additional purchase charges, to be no more than 30% lower in minimum and no more than 10% higher in maximum with respect to the reference price recorded by the share during the stock exchange session on the day prior to each individual transaction.

Purchases must be carried out in compliance with Article 132 of Legislative Decree no. 58 of 24 February 1998 and in the manners set forth by Article 144-*bis*, 1., letter b) of the Issuers' Regulation and namely "on markets regulated according to the operating procedures established in the rules for the organisation and management of such markets, which do not allow the direct matching of buy orders against predetermined sell orders";

- 2) authorisation, without time limitations, in accordance with Article 2357-*ter* of the Italian Civil Code, to sell treasury shares, in one or more stages, at a unitary price no more than 10% lower in minimum with respect to the reference price recorded by the share during the stock exchange session on the day prior to each individual sale and in any case not below the unitary value per share included in the Company's shareholders' equity as appearing from time to time in the last approved financial statements.

Such price limit will not apply in the case of disposal actions other than sale for which different criteria may be used, in keeping with the objectives pursued and taking account of market practices and the recommendations of Borsa Italiana Spa and CONSOB.

As regards the procedures for disposal of treasury shares we propose that the authorisation permits the adoption of whatever procedures may appear appropriate in relation to the actual objectives to be pursued by way of such disposal.

Shareholders,

If our above proposal meets with your agreement, we invite you to kindly adopt the following resolution:

“The ERG S.p.A. Ordinary Shareholders’ Meeting,

- having reviewed the Explanatory Report of the Board of Directors;
- having regard to the contents of the last approved financial statements,
resolves

1) to authorise the Board of Directors, in accordance with Article 2357 of the Italian Civil Code and therefore for a period of 12 months with effect from the date of this resolution, to purchase treasury shares up to a revolving limit (intending thereby the maximum number of treasury shares from time to time held in portfolio) of 15,032,000 (fifteen million and thirty-two thousand) ERG ordinary shares having a nominal value of Euro 0.10 each, at a unitary price, including additional purchase charges, to be no more than 30% lower in minimum and no more than 10% higher in maximum with respect to the reference price recorded by the share during the stock exchange session on the day prior to each individual transaction. The purchase must be carried out using the distributable profits and available reserves as shown in the last approved financial statements, in accordance with Article 132 of Legislative Decree no. 58 of 24 February 1998 and in the manners set forth by Article 144-*bis*, 1., letter b) of the Issuers’ Regulation and namely “on markets regulated according to the operating procedures established in the rules for the organisation and management of such markets, which do not allow the direct matching of buy orders against predetermined sell orders”;

2) to authorise the Board of Directors, in accordance with Article 2357-*ter* of the Italian Civil Code, without time limitations, to sell treasury shares, in one or more stages and adopting any procedure deemed appropriate in relation to the objective pursued by way of such disposal, at a unitary price no more than 10% lower in minimum with respect to the reference price recorded by the share during the stock exchange session on the day prior to each individual sale and in any case not below the unitary value per share included in the Company’s shareholders’ equity as appearing from time to time in the last approved financial statements.

Such price limit will not apply in the case of disposal actions other than

sale for which different criteria may be used, in keeping with the objectives pursued and taking account of market practices and the recommendations of Borsa Italiana Spa and CONSOB.

- 3) to authorise the Board of Directors to delegate, even to authorised intermediaries, the power to perform the operations relating to the purchase and sale of treasury shares to be carried out under this resolution.

Genoa, 10 March 2009

ERG S.p.A.

The Chairman of the Board of Directors

Edoardo Garrone