

Press Release

ERG acquires control of EnerTAD

Genoa, October 16th 2006 – As from today ERG is the majority shareholder of EnerTAD with a 51% shareholding, whilst Alerion maintains its 17% interest.

As part of the agreements reached between Alerion and ERG on July 27th and August 3rd this year – already the subject of previous joint press releases of the same dates – purchase by ERG of the stakes owned in EnerTAD by the TAD Group via Fintad International and Tadfin has been formalised at a price of € 3.10 per share. The acquisition has been completed following receipt of the formal consent of all the TAD Group's creditor banks.

In addition, ERG and Alerion have, today, signed the accompanying agreements that will regulate their common investment in EnerTAD. Other items agreed in the July agreement have been definitively formalised – in particular, stipulation of the call option contract in ERG's favour on the entire stake owned by Alerion at a cost of € 0.70 per share, in line with market valuations. The option can be exercised until the end of December 2007 at a price of €3.10 per share.

EnerTAD, a company listed on the Milan Stock Exchange, generates electricity from wind sources with an installed capacity of 77 MW and an Italian market share of 4.5%. Its business plan for the 3-year period 2006-2009 envisages further growth to reach a total capacity of 350 MW, of which 133 MW already authorised and 50 MW at an advanced stage of the approval process.

ERG, via ERG CESA Eolica, generates electricity from wind sources with an installed capacity of 31 MW. The investment plan envisages achievement, by the end of 2008, of total capacity of 300 MW, of which 161 MW already authorised.

Alerion, via its subsidiary Alerion Energie Rinnovabili, owns, by means of special-purpose vehicles, 65 MW of wind-generated capacity already authorised and 90 MW at an advanced stage of authorisation. Its investment plan envisages achievement, by the end of 2009, of total capacity of 250 MW.

For further information

ERG SpA

Jonathan Gibson
Investor Relations
Ph. +39 010 240 15 13
e-mail: jgibson@erg.it
www.erg.it

Alessandra Mariotti
Press Office
Ph.+39 06 500 923 28
Mobile +39 335 80 53 395
e-mail: stampa@erg.it

Alerion Industries SpA

Federico Caporale
General Affairs Manager
federico.caporale@alerion.it
Ph. +39 02.778890.1
Fax. +39 02.778890.282

Carlo Bruno Associati

Carlo Bruno
Claudio Albanese
c.albanese@carlobrunoassociati.com
Ph. +39 02.890 55 101
Fax +39 02.890 55 112