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Press
Release

ENI AND ENEL SIGN STRATEGIC AGREEMENT ON CO₂ CAPTURE

The two companies are joining forces to implement Italy's first project for the capture, transport and geological sequestration of carbon dioxide (CO₂). Enel is to build a CO₂ capture and liquefaction plant in Brindisi, whereas Eni will inject the liquefied gas within the Stogit exhausted field at Cortemaggiore (Piacenza).

Rome, 21 October 2008 – At the Headquarters of the Ministry of the Environment, in the presence of the Minister of the Environment Stefania Prestigiacomo, Eni CEO Paolo Scaroni and Enel CEO Fulvio Conti signed a strategic cooperation agreement today to develop technologies for the capture, transport and geological sequestration of carbon dioxide (CO₂) and for the joint construction of Italy's first project in this area.

The most reliable forecasts suggest that power generation will continue to require fossil fuels for many decades. Modern technologies allow to increase significantly the efficiency of thermal power stations and to lower drastically emissions of particulates, sulphur dioxide and nitrogen oxides, but the problem of atmospheric emissions of gases that are believed to contribute to the "greenhouse" effect, like CO₂, produced during combustion, still remains to be solved.

Eni and Enel have thus decided to join forces in order to develop an initial integrated pilot project to test the entire process, from CO₂ capture and its injection underground up to the monitoring and checks of the stability and safety of the deposit.

At the same time of the signature of the agreement, Eni, Enel and the Environment Ministry signed a Memorandum of Understanding aimed at the verification and diffusion of CO₂ capture techniques and at the promotion of renewable sources.

Minister **Stefania Prestigiacomo** commented: "This agreement between Eni and Enel goes in the right direction: the characterization of environmental friendly technologies that can reduce significantly atmospheric emissions of greenhouse gases. The Government's commitment is to support and promote these experimentations that represent an important contribution towards the need to reduce greenhouse gases in the global energy scenario and especially for countries like Italy that will not be able to do without hydrocarbons in the medium to long term. Our project to define a programme agreement with the main Italian industrial companies goes towards the same goal. Our project is aimed at spotting the lines of sustainable action towards the reduction and containment of the greenhouse houses and at foreseeing investments for an increased use of renewable sources."

Fulvio Conti, Enel CEO, commented: "Today's agreement involves the two major Italian energy groups in the creation of the best solutions to fight climate change in a way that

is effective and safe. These joint efforts offer Italy an opportunity to lead in the development of the most innovative technologies, which are attracting the attention of the major European and US energy companies and of international institutions. Those technologies can also be exported to large coal consuming countries such as China and India".

Paolo Scaroni, Eni CEO, remarked "Our commitment is to implement a technology that will revolution the world of energy: capture, transport and sequestration of CO₂ from coal-fired power generation. As a final result, we will be able to use freely coal for power production whilst offering a significant contribution on three fields: the environment, through the segregation of carbon dioxide from the atmosphere; the safety of energy supply, through the utilization of a resource which is widespread in our planet; and, last but not least, the final consumer, who will benefit from low-cost electricity".

The pilot project results from the integration of two projects launched independently by both companies. Enel is completing Italy's first industrial CO₂ capture plant, capable of removing 2.5 tonnes of gas per hour, at the Brindisi thermal power station. The pilot plant will be ready in the autumn of 2009. On the other hand, Eni started to implement a project which is aimed at injecting about 8,000 tonnes of CO₂ per year at the Stogit exhausted field at Cortemaggiore (Piacenza).

The integration of the two projects entails the creation, in Brindisi, of a system for the capture and liquefaction of CO₂ and for its transport to the Cortemaggiore site. The underground injection is set to start in the autumn of 2010. In order to gain experience in the pipeline transport of CO₂ as well, Enel and Eni have also decided to lay a pilot dense-phase CO₂ transport line at the Brindisi site.

The integrated project will also allow to develop skills over the whole CO₂ capture, transport and sequestration process chain, to be applied subsequently to large-scale demo projects, whose implementation is strongly encouraged by the European Commission. In order to achieve this goal, the agreement also foresees that Enel and Eni will undertake a detailed feasibility study for the construction of a large-scale integrated demo plant for an Enel's clean-coal power station to be proposed as a candidate for the demonstrative European programme.

Enel and Eni will also prepare a joint study of the Italian CO₂ storage potential. During the implementation of these activities, Enel and Eni will also rely on the cooperation initiatives already in place with the main Italian research bodies and institutes which are already active in the field.

Along with research into high-efficiency solar power and nuclear power, CO₂ capture, transport and sequestration is currently one of the most promising solutions for achieving a balance among diverse and equally crucial needs: having sufficient energy to meet the needs of human development (almost 2 billion people in the world have no electricity) at competitive costs and without harming the environment.