



PRESS RELEASE

Projected investment of US\$ 370 million

ENEL: ENTRY INTO ARGENTINE MARKET

Enelpower to build and operate two power plants producing a total of 500 MW

Rome, February 17, 2000 – Enelpower (the Enel Group's engineering and construction arm) is to build and operate two combined cycle power plants in Argentina providing 500 MW.

Construction of the two plants, to be located in the provinces of Cordoba and Tucuman (in the center of the country), will take around two and a half years, with entry into service due for the beginning and end of 2003, respectively.

The plants, each with a capacity of about 240 MW, will be fuelled by Argentine gas, to be purchased under long-term contracts with local suppliers.

“The projects will require total investment of about US\$ 370 million, including the infra-structural works” pointed out Managing Director, Luigi Giuffrida, “Enelpower will be responsible for overall management of plant operations and for the necessary engineering and construction works.”

On completion, the plants will be operated via two companies in which Enelpower and Inepar Energia (a Brazilian energy company) will hold 33.3% each, with the remaining 33.3% of the Tucuman and Cordoba plants to be owned by Fat Lyf (an Argentine electricity company) and Gecor (an electricity company operating in the province of Cordoba), respectively.

The energy produced will be sold on the open market in Argentina, with the possibility of exporting a part of the output to Brazil.

The Argentine electricity market, deregulated along the lines of the British model in 1992, foresees dispatching via a pool supplying energy to the national grid according to the degree of efficiency principle.

Demand for electricity through the national grid starts at 6,000 MW, rising to 13,000 MW at peak periods. Forecast annual growth in demand has been set at around 5%.