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Eni will reduce its share in Snam Rete Gas



The idea of reducing Eni's gas transport and stocking business seemed to be absolutely out of question just one or two years ago. However, much has changed in this last year and, even though timetable is not clear yet, the decision seems to be made: Eni is going to decrease its share in Snam Rete Gas to 20-30%, according to sources related to the group, confirming the rumours reported by Corriere della Sera on Saturday.

All in all, Eni seems to be going along, at least partly, with the increasingly insistent pressures of "rebel" funds, such as Knight Vinke and regulators, by reducing not only its transport business, but also its stocking activities. In fact, the new Snam RG, which encompasses also Italgas and Stogit, is aimed at introducing assets onto the market, probably two or three fields.

The idea is considering grants which are very close to expiry date. Moreover, the six-legged Dog seems to move in the direction of producing a reduced quantity of new stocking capacity. Stogit would therefore carry out a consolidation process, while great projects are unlikely to be put into practice.

Finally, SuperSnam is apparently on the way to retrieving its historical name: Snam. This was the name of the glorious national company of methane pipelines founded in 1941 and flowed into Eni Gas & Power Division sixty years later, in 2001.

Meanwhile, SuperSnam's internal reorganisation is essentially completed and starting from 1 April Stogit, Italgas and Gni Italia will become Snam's divisions.

Eni's Board of Directors has softened its position over last year, after having opposed for years, with no compromises, the Authority's requests to disinvest. In January CEO Paolo Scaroni announced that there are no dogmas about reducing Eni's stake in Snam RG; the declaration was not either denied a few days after, when Mr. Scaroni, answering to a new letter from Knight Vinke, pointed out that there is no hurry in carrying out the operation and that an immediate disinvestment is likely to be a bad deal.

In a note to La Staffetta Quotidiana, Snam Rete Gas denied that the company is going to sell fields and confirmed its 6.4 billion investment plan for the period 2009-2012. Of this sum, roughly 1.2 billions will be destined to stocking business in order to increase the current 8.9 billion cubic metre modulation capacity per year to approximately 11 billion cubic metres per year in 2012.