PRESS RELEASE
Terni, December 28th, 2012

TERNIENERGIA: connected to the grid the pyrogasification plant of Borgosesia (VC)

- The cogeneration power plant will process about 8,000 tons per year of biomass (virgin wood)
- The energy recovery is powered by a 850 electric kW cogeneration unit and by 1,100 thermal kW, with an annual production of 5.4 GWh of energy

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TerniEnergia, a company active in the renewable energy sector, energy efficiency and waste management, listed on Star Segment of Borsa Italiana, announces that today the pyrogasification plant fueled by biomass (virgin wood) located in the municipality of Borgosesia (VC) has been connected to the grid. The cogeneration plant will treat 8,000 tons / year of virgin wood for energy and heat recovery with a planned investment around of Euro 5 million.

The plant designed and supplied by Pyrox Italia Srl, partner of Pyrox GmbH, transforms the wood waste into syngas for feeding a high-efficiency motor which, connected to a generator, produces energy with atmospheric emissions well below the limits of law, contributing to the achievement of national objectives expected to increase of 17% in the production of energy from renewable sources by 2020.

The phase of energy recovery is powered by a General Electric Jembacher cogeneration unit fed with syngas that generates 850 electrical kW and 1,100 thermal kW. The expected energy recovery from biogas production is equal to 5.4 GWh / year and the plant will enter into the feed-in tariff of 0.28 Euro / kWh recognized to the plants powered by renewable sources.

Stefano Neri, Chairman and Ceo of TerniEnergia, commented as follows:

"With the connection to the grid of Borgosesia plant, TerniEnergia achieves another target among those listed in the strategic development of the Group, with its entrance in the treatment and recovery of energy from biomass. The full operation of the plant in Piemonte allows us to broaden the portfolio of assets on national scale in the power generation sector, compared to the initiatives already undertaken in the photovoltaic field and bio-digestion plant of the organic fraction of municipal solid waste."
TerniEnergia has completed, therefore, on time its investment plan for 2012 respecting the terms set out in the business plan, even in a high criticality macroeconomic business cycle. The pyrogasification plant of Borgosesia, finally, is a positive example of technological innovation, enhancement of local supply chains and reduction of the environmental impact, thanks to an unusual business model that has enabled the integration and development of synergies with the Piedmont fields."

The operation of the pyrogasification plant of TerniEnergia is divided into four phases: drying of the wood, gasification through a pyrolysis process, gas cooling and cleaning and - finally - the combustion of syngas in a combined-cycle engine that produces electricity and heat. The plant of Borgosesia is proposed as an avant-garde model also with respect to relations with the region and local supply chains, with the aim of fostering the system at zero kilometers, while maintaining the full value of the supply chains of wood hauling and collection at the local level. In this context have to be included the collaborations established with UNCEM Piemonte, Institute for Wood Plants and Environment - IPLA, and local companies to directly strengthen relations with forest owners and operators in the sector.

This press release is also available on the Company’s website www.ternienergia.com.

TerniEnergia, a company incorporated in September of 2005 and part of Terni Research Group, operates in renewable energy sector and is active in the photovoltaic field. TerniEnergia operates as system integrator, with a turn-key offer of industrial sized photovoltaic plants, on behalf of third parties and on its own mainly through joint venture companies with EDF EN Italia S.p.A. and other leading national players. The Company intends to strengthen its sale activity of energy produced form solar source. TerniEnergia operates in the waste management sector, recovery of the material and energy, development and production of technologies. In particular, the Company is active in the recovery of tires out of use, in the treatment of biodegradable waste through the implementation of biogdigesters, management of plant for the biological depuration; decommissioning of industrial plants, recovery of demolition metals and cleaning of industrial sites; development and production of technological apparatus. TerniEnergia, through its controlled company Lucos Alternative Energies, operates in the development of energy efficient plantsboth through EPC scheme and FTT scheme (Financing Through Third Parties), pursuing the objectives of increasing energy production from renewable sources, of energy saving and reduction of emissions as set forth by environmental European policy. TerniEnergia is listed on STAR segment of Borsa Italiana S.p.A.

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