

**INVITATION TO TENDER FOR THE ACQUISITION OF VINYLS ITALIA S.P.A.'S BUSINESSES UNITS UNDER
EXTRAORDINARY ADMINISTRATION**

Whereas:

- a) by an order dated 7 August 2009, the Court of Venice, on the favorable opinion of the "*Ministro per lo Sviluppo Economico*" (Minister for Economic Development) referred to in Art. 29 of the Italian Legislative Decree no. 270/99 (hereinafter also called "the Decree"), declared the opening of the procedure of Extraordinary Administration of VINYLS ITALIA SPA;
- b) by the decree dated 13/17 August 2009, the above mentioned Minister for Economic Development appointed the undersigned Mr. Francesco Appeddu, Mr. Mauro Pizzigati, Mr. Giorgio Simeone as Special Administrators of VINYLS ITALIA SPA UNDER EXTRAORDINARY ADMINISTRATION;
- c) on 20 November 2009, the Special Administrators submitted to the Minister for Economic Development the plan for the sale of the Business Units owned by VINYLS ITALIA SPA UNDER EXTRAORDINARY ADMINISTRATION (the "Plan", incorporated with the documents submitted on 19.01.2010, 15.04.2010 and 25.05.2010), where they have also, according to the art. 54 and ss. Of "Prodi Bis" law:
 - (i) defined the perimeters of the Business Units to be sold;
 - (ii) described briefly how to implement the procedure of sale;
- d) after consulting the Monitoring Committee, on 08.06.2010 the Minister for Economic Development has approved the Plan submitted by the Special Administrators and on 06.08.2010 the modification requested on 20.07.2010;
- e) on 09.08.2010 The Minister has authorized the Administrators to start the procedure for the sale of the business units of "Vinyls Italia S.p.A. in a.s."

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Now therefore, the undersigned Mr. Franco Appeddu, Mr. Mauro Pizzigati and Mr. Giorgio Simeone, in their capacity as Vinyls Italia S.p.A.'s Special Administrators and in accordance with the Plan.

call

all interested parties to submit an Irrevocable Offer to buy VINYLS ITALIA S.P.A.'s businesses units (mentioned below) and to provide also the estimated employment rates, under the following conditions and timetable:

1. Business Units for sale

1.1. The sale procedure involves the following Business Units:

1) Porto Marghera Plant is located in the multicompany site for petrochemical industry of the same name in via della Chimica and is made up of a plant for the production of Vinyl Chloride monomer obtained from ethylene and dichloroethane as raw materials, named CV 22, with an annual capacity of about 270 Kt/year, and the corresponding facilities and services, such as treatment systems, laboratory, maintenance and logistics facilities, etc. necessary for the activity; a plant for the production of Suspension Polyvinyl Chloride (S-PVC), named CV 24, with an annual capacity of about 170 Kt/year and the corresponding facilities and services necessary for the management of the activity in accordance with existing regulations and under procedures subject to quality and environmental certification.

2) Ravenna Plant is located in the multicompany site for petrochemical industry of the same name in via Baiona and is made up of a plant for the production of Suspension Polyvinyl Chloride (S-PVC) with an annual capacity of about 140 Kt/year and the corresponding facilities and services, such as treatment systems, laboratory, maintenance and logistics facilities, etc. necessary for the management of the activity in accordance with existing rules and under procedures subject to quality and environmental certification.

3) Porto Torres Plant (Sassari) is located in the multicompany site for petrochemical industry of the same name in the industrial estate of La Marinella and is made of a plant for the production of Vinyl Chloride monomer obtained from ethylene and dichloroethane as raw materials, named Chlorine Derivatives Plant with an annual capacity of about 120 Kt/year, and a plant for the production of Emulsion Polyvinyl Chloride, named PVC /E plant, with an annual capacity of about 65 Kt/year. Both plants are equipped with the corresponding facilities and services, such as treatment systems, laboratory, maintenance and logistics facilities, etc. necessary for the management of the complex activity in accordance with existing regulations and under procedures subject to quality and environmental certification.

4) Central Facility, existing within the Porto Marghera Plant, in via della Chimica 5, for the Coordination and Monitoring of the activities, Personnel Management and Administration, Planning, Supply Chain, Customer Service, Logistics Technical Service, product support, Commercial Structure, Administrative Structure, Finance and Audit, Research and Analysis Laboratories for micropollutants, Purchasing and Contract Central Department.

1.2. Vinyls Italia S.p.A.'s current employees are 370, divided as follows:

in Porto Marghera no. 205 employees;

in Ravenna no. 45 employees;

in Porto Torres no. 120 employees.

1.3. The market value of Vinyls' land, buildings and plants has been determined by law through surveys commissioned by the Special Administrators, who shall be included in the Check List of the Data Room to be used in compliance with the corresponding Tender Regulations available on the web site of Vinyls Italia S.p.A. in a.s. , www.vinylsitalia.com.

- 1.4 The assessment of the Business Units, including any positive or negative goodwill, is determined by a surveyor appointed by the Special Administrators and shall be included in the Check List of the *Data Room* to be used in compliance with the above mentioned Sale Regulation. Such survey considers the value as a dependent variable on the available Industrial Plans, represented by the single or joint purchase of the different Business Units, including or not Eni's part referred to at paragraph 1.1.B, and in details:
- 1.4.1 transfer of **1A1+1A2+1A3**, surveyed economic value of the Unit:
 - 1.4.2 transfer of **1A1+1A2**, surveyed economic value of the Unit:
 - 1.4.3 transfer of **1A2+1A3**, surveyed economic value of the Unit:
 - 1.4.4 transfer of **1A1**, surveyed economic value of the Unit:
 - 1.4.5 transfer of **1A2**, surveyed economic value of the Unit:
 - 1.4.6 transfer of **1A3**, surveyed economic value of the Unit:
- 1.5 In order to allow the parties interested in the purchasing to have a comprehensive representation of the consistency, composition and condition of the Business Units subject to selling, a Data Room shall be set up at the premises of Vinyls Italia S.p.A. in MARGHERA (Venice), Via della Chimica no. 5. The regulation to be admitted to the Data Room is also available at the following website www.vinylsitalia.com; the Data Room shall be open from **Monday 20 September to Friday 8 October 2010** for the interested parties in accordance with the terms and conditions displayed on the above mentioned website.
- 1.6 On 22 of July ENI S.p.A and the Minister of Economic Development have signed a letter of intent, that will be included in the Check List of the mentioned Data Room, where the following are confirmed:
- a) the availability of ENI S.p.A. to transfer to the purchaser of all the assets of "Vinyls in a.s." linked to the chlorine cycle, the ownership of all its assets related to the same cycle and necessary to complete the integration of the chlorine-PVC cycle in the Porto Marghera, Assemini, Porto Torres, Ravenna and Cirò Marina with the ENI current employees;
 - b) the commitment of the Minister of Economic Development to guarantee that the purchaser of the chlorine assets will continue to operate the plants and the business for at least 4 (four) years since the day of assets transfer;
 - c) the contents of the Agreement signed on 12 November 2009, subscribed, between others, by ENI S.p.A. and by The Minister of Economic Development, regarding the terms for the supply of raw materials and utilities necessary to the start up of the plants and in any case for a period no longer than six months after the start up: such an agreement will be included in the Check List of the Data Room, mentioned above.

2. Necessary subjective requirements for the submission of the Irrevocable Purchase Offer

- 2.1. Offers may be submitted by Italian or foreign natural persons or Italian or foreign entities with legal personality, according to the legislation of their own country, whether they are involved or not involved in shareholder agreements or similar forms of associations ("Group").
- 2.2. Offers may not be submitted by those who, on the submission date of the Irrevocable Offer, are in liquidation or under insolvency procedures or any other procedure that shows a state of insolvency or the termination of business activity or are under forced management.
- 2.3. Offers may not be submitted by persons to be appointed.

3. Minimum content of the Irrevocable Purchase Offer

- 3.1. The parties satisfying the above mentioned requirements may submit the offers for the purchase of the Business Units by forwarding a letter of offer in Italian to **Mr. Francesco Candiani** (Public notary), having his office in Mestre (Venice), Via G. Pepe, 8, appointed by the Special Administrators, for it to be accepted to the procedure, by **22 October at 6:00 p.m.** (Italian time), in a sealed envelope (to be sent by registered mail with acknowledgment of receipt and/or courier and/or delivered by hand) bearing the reference to the "*Offerta Irrevocabile per l'acquisto dei Complessi Aziendali della Società VINYLS ITALIA SPA in amministrazione straordinaria*" ("Irrevocable Offer for the purchase of VINYLS ITALIA SPA's Business Units under Extraordinary Administration"), ("Irrevocable Offer"). The letter of offer shall contain:
 - (i) The Irrevocable Offer for the purchase of the Company's Business Units, (as referred to in point 1) and containing:
 - a. The offered price;
 - b. The level of employment that the party undertakes to ensure for at least two years, under Paragraph 2, Art. 63 of the Italian Legislative Decree.
 - c. The commitment to continue the business activities concerning the sold unit for at least two years.
 - (ii) A short explanation of the reasons for the interest in purchasing and a brief description of the economic, productive and employment aspects of the investment, summarised in a short business plan;
 - (iii) A short description of the activities carried out by the interested person(s), and, if any, the group and/or the parent company, including the main economic and financial data and the indication of any activities undertaken;
 - (iv) name, surname, telephone and fax number and e-mail address of the person designated to receive all the notifications regarding the procedure of sale;

- (v) the signature of the interested person(s). In case of entities with legal personality, the offer shall be signed by their legal representatives accompanied by documentary evidence of their power to sign.

The appointed notary public shall open the envelopes received and give notice of that by drawing up the minutes.

3.2. If the Irrevocable Offer is submitted by a Group (as defined in paragraph 2.1), it shall be signed by the legal representatives in accordance with paragraph 3.1.(v) and shall also indicate the person designated as the agent and recipient of the notifications ("Group Leader"). The documents specified in paragraph 3.1. shall be supplied by each member of the Group.

4. Nature of this invitation to Tender

This notice is an invitation to purchase the Business Units and does not represent a public offering under art. 1336 of the Italian civil code, nor a solicitation of public savings under articles 94 et seq. of the Italian Legislative Decree no. 58 of 24 February 1998.

5. Examination of the binding offers

5.1. The Special Administrators shall make the final choice, and for that purpose they shall reserve the right to assess also the parties' assets and liabilities, financial position and capacity to meet the financial commitments and other commitments arising in the event of the purchase. The choice will be determined under art. 63, paragraph 3 of the above mentioned Legislative Decree, by taking into account, "*...in addition to the value offered, the applicant's reliability and activity continuation plan, the maintenance of the level of employment...*", and also the following additional parameters:

- a) the potential purchaser's industrial characteristics and financial soundness;
- b) the potential purchaser's maintenance of the integrity and uniformity of the business sold and also of the existing operational and commercial synergies;
- c) guarantees made by the potential purchaser concerning the continuation of the business activities and the maintenance of the employment levels;
- d) number of Business Units involved in the offer (on the basis of the guidelines received by the Minister for Economic Development, the Special Administrators shall favour the offers which concern more – or even all - Business Units to be sold and allow the maximum maintenance of Vinyls Italia S.p.A.'s production activity, powers and know how);
- e) guarantees made by the potential purchaser concerning the payment of the purchase price.

Subject to the approval of the Minister for Economic Development and after consulting the Monitoring Committee, Special Administrators shall generally favour the offer allowing the best balance between industrial and employment prospects and satisfaction prospects of the creditors.

- 5.2. The publication of this invitation and the receipt of the Irrevocable Offer do not give rise to any right to the parties submitting the offers to any service whatsoever by the Special Administrators and/or VINYL ITALIA SPA UNDER EXTRAORDINARY ADMINISTRATION. Special Administrators shall reserve the right, at their absolute discretion, without justification and at any time, to: (i) withhold or terminate the sale procedure, temporarily or definitively, against one or more or all the participants to the procedure itself, (ii) amend the sale procedure, (iii) use private treaty negotiation with one or more participants to the procedure, (iv) cancel the negotiation thus initiated, whatever is its progress, and (v) select the purchaser at their absolute discretion, without justification and without bidders having the right to bring any claim against the Special Administrators and/or the Company for the compensation of damages or any form of indemnity.
- 5.3. The processing of the data received shall comply with the provisions of the Legislative Decree No. 196 of 30 June 2003 ("Decree 196/2003"). Under art. 11 of the Decree 196/2003, the processing of data shall be responsive to the criteria of lawfulness and correctness and the rights of the parties expressing interest shall be safeguarded in full in addition to their confidentiality. The processing of data is aimed at ascertaining the suitability of the parties to participate in the sale procedure of the Business Units of VINYL ITALIA SPA UNDER EXTRAORDINARY ADMINISTRATION, in addition to ensuring that said procedure is performed correctly. The Data controllers shall be the Special Administrators in respect of whom the interested parties may exercise their rights pursuant to art. 7 of the Legislative Decree no. 196/2003.
- 5.4. All the notifications concerning this Invitation shall be forwarded to the following address:
- ING. FRANCESCO APEDDU**
PROF. AVV. MAURO PIZZIGATI
AVV. GIORGIO SIMEONE
Special Administrators di VINYL ITALIA S.p.a in Amministrazione Straordinaria
c/o Notaio Dott. Francesco Candiani
Via G. Pepe, 8
30172 Mestre (VE)
n. fax. 041 971845
- 5.5. This invitation and the procedure of sale hereof are governed by the Italian law. Any dispute arising out of or in connection with them shall be submitted to the exclusive jurisdiction of the Court of Venice.
- 5.6. The content of the invitation in Italian language shall prevail over any other version in any other language.

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Venice, 1 September 2010

Special Administrators

Ing. Franco Appeddu

Avv. Mauro Pizzigati

Avv. Giorgio Simeone