PROGRESS OF THE MERGER PROJECT

Paris, March 29, 2006 – SUEZ and Gaz de France have adopted and are carrying out an action plan to implement their merger project. The plan is coordinated by a steering committee and organized into several task forces:

➢ The steering committee, co-chaired by Jean-François Cirelli and Gérard Mestrallet, has been taking place each week since the merger was announced. The Committee establishes broad guidelines for the merger and approves the work of the task forces.

➢ Task forces are divided into two broad areas: the first dealing with the actual merger process, and the second handling integration of the two groups. The task forces are organized by key focus areas, such as employee relations, operations, legal and financial issues. Their work is carried out in strict compliance with the rules and standards of fair competition, business ethics and confidentiality. Employees of both groups participate in the task forces.

In the meantime, the CEOs of the two groups continue their round of information meetings. They were received by the Prime Minister of Belgium and by the European Competition Commissioner, and were heard by the Commission for Economic Affairs of the French National Assembly.

In addition, discussions are being held with the trade unions under the auspices of the French Ministry of Economy and Finance, while information exchanges proceed with representatives of the two groups’ employee associations.

Highlighting the satisfactory progress of the merger's project, Gérard Mestrallet and Jean-François Cirelli commented: “Since the announcement of our merger, work on our action plan has been steady and uninterrupted. The quality and ambitious nature of our industrial project, along with the obvious complementarities of our two groups, have been acknowledged. All preparations are on track with the announced schedule and will be completed by the Extraordinary General Meeting of Shareholders called in December 2006 to approve the two groups' merger.”
SUEZ, an international industrial Group, designs sustainable and innovative solutions for the management of public utility services as a partner of public authorities, businesses and individuals. The Group aims to answer essential needs in electricity, natural gas, energy services, water and waste management. SUEZ is listed on the Brussels, Luxembourg, Paris, New York and Zurich stock exchanges and is represented in the major international indices: CAC 40, BEL 20, DJ STOXX 50, DJ EURO STOXX 50, Euronext 100, FTSE Eurotop 100, MSCI Europe and ASPI Eurozone. The Group employs 157,650 people worldwide and achieved revenues of 41.5 billion in 2005, 89% of which were generated in Europe and in North America.

GAZ DE FRANCE is a major energy player in Europe. The leading European natural gas supplier, the Group has more than 53,000 employees, recorded net sales of €22.4 billion in 2005, and serves 13.8 million customers, including 11 million in France. Listed on the Paris Stock Exchange since July 2005, the Group joined the CAC 40 share index and the Dow Jones Stoxx 600 in September 2005.