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Irving Oil and Repsol YPF sign definitive agreements on Canaport™ LNG_{LP} Project

Saint John, NB - Irving Oil Limited and Repsol YPF, S.A. announced today that they have entered into definitive agreements to develop an LNG import and regassification terminal in Saint John, New Brunswick, Canada . The agreements form a new company, Canaport™ LNG_{LP}, which will construct, own and operate the terminal.

The Canaport™ LNG_{LP} terminal will initially be capable of delivering 1 billion cubic feet per day of regassified LNG into the market, as provided in its existing permit. Repsol will be responsible for providing all of the LNG and will hold the capacity of the terminal. Irving Oil will market the regassified LNG in Atlantic Canada, and Repsol will market the regassified LNG elsewhere in Canada and in the USA .

The parties have nearly completed front end engineering design for the terminal, and plan to request proposals for engineering, procurement and construction (EPC) contracts during July of this year. The terminal will be operational, delivering regassified LNG into the marketplace, during 2008.

This agreement is a key element for Repsol YPF's LNG projects in the Atlantic Basin , one of the principle vectors of growth for the 2005-2009 period as outlined in Repsol YPF's Strategic Plan.

Repsol YPF considers this to be a very important step in completing its integrated LNG value chain, ensuring secure supplies of natural gas to key markets in the USA and Atlantic Canada, both areas where there is a growing demand for natural gas.

Irving Oil is very pleased to be partnering with Repsol, a company that has a strong international reputation and is a world leader in the LNG industry. Irving Oil sees the Canaport™ LNG_{LP} terminal as central to meeting the increasing demand for natural gas in the US Northeast and Atlantic Canada. This is a significant milestone in Southern New Brunswick 's growth as an important energy hub.



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About Repsol

Repsol YPF is an integrated international oil and gas company, operating in more than 25 countries and leader in Spain and Argentina. It is one of the ten major private oil companies in the world and the largest private energy company in Latin America in terms of assets. It has a hydrocarbon production of more than 1.1 million bep/day and its oil and gas reserves total more than 5.4 billion barrels of oil equivalent. These reserves are located mostly in Latin America and North Africa. Repsol YPF's refining capacity is more than 1.2 million barrels per day, and the Company markets its oil products through a wide network of more than 6,600 sales outlets. Repsol YPF is a company that is both admired and oriented towards the customer and the creation of value, with a firm belief in technological innovation and committed to the environment and the community.

About Irving Oil

Founded in 1924, Irving Oil is a privately owned energy processing, transporting and marketing company with a history of long-term relationships. Irving Oil's 280,000 barrel per day refinery is predominantly an export refinery, and accounts for 50 per cent of Canada's total petroleum product exports. The Irving Oil Refinery is years ahead of environmental regulations, regularly selling ultra-clean gasoline into the California market, the most environmentally-stringent market in the world. Irving Oil is also the region's largest purchaser of liquid petroleum gas. Irving Canaport™ is a petroleum-receiving terminal situated in the most densely industrialized region north of Boston and is closer than the Gulf Coast to ports in Venezuela, Brazil, the North Sea and West Africa. In addition to being linked to the Irving Refinery by pipelines, Irving Canaport™ is also connected to the Bayside and Coleson Cove Power Plants by pipelines. The total nameplate capacity of these two power plants is 1,325 megawatts.

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