

MAY 17, 2006

Two Key Milestones Achieved to Propel Canaport™ LNG_{LP} Forward

EPC Contracts Awarded With Final Notice to Proceed Issued, and Pipeline Agreements Reached

Saint John, NB - Canaport™ LNG_{LP}, the partnership between Repsol YPF and Irving Oil, today announced that it has awarded the on-shore and off-shore Engineering, Procurement, and Construction (EPC) contracts to construct the first new liquefied natural gas (LNG) receiving terminal on the East Coast of North America in decades. At the same time, Canaport™ LNG_{LP} issued the final notice to proceed to its contractors to ensure commencement of operations by the end of 2008. Also, Repsol YPF completed its agreements to transport natural gas from the Canaport™ LNG_{LP} Terminal to markets in Canada and the Northeast U.S. via the Brunswick pipeline and an expansion of the Maritimes & Northeast Pipeline system in the U.S.

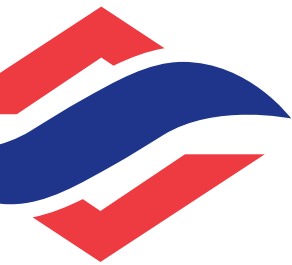
SNC-CENMC, G.P., a partnership between SNC-Lavalin of Montreal, Quebec, and Saipem S.p.A. of Milan, Italy, was awarded the Engineering, Procurement, Construction (EPC) contract for onshore facilities and jetty topsides, providing full procurement and supervisory responsibilities for the onshore portion of the project.

Kiewit-Weeks-Sandwell Partnership, a consortium of Peter Kiewit Sons Co of St. John's, Newfoundland; Weeks Marine of Cranford, New Jersey; and Sandwell Engineering of Vancouver, British Columbia, was awarded the EPC contract for the terminal's offshore facilities, including the receiving pier.

Repsol YPF has appointed Jorge Ciacciarelli, formerly responsible for South American operations for Repsol, as General Manager of Canaport™ LNG_{LP}.

"We value highly the support and efforts of the local, provincial and federal governments in approving the construction of this very important project," says Ciacciarelli, "and we look forward to working closely with the people of Saint John and surrounding area to achieve this important economic milestone not only for this city, but for Atlantic Canada. We are also very proud to be associated with our chosen group of EPC Contractors. They are some of the world's finest, and we are pleased that they have chosen Saint John and Canaport™ LNG_{LP} for their next project, as we undertake the construction of this world-class receiving and regasification terminal that will help attract other investment to this area, enhancing employment opportunities through spin-off industries."

"The LNG market is very competitive, and we continue to believe that Saint John is the right location for a successful LNG project," says Murratte Graves, Project Director for Irving Oil. "With today's announcement, this project continues its momentum towards bringing LNG and an increasingly complex and attractive energy hub to Saint John."



Our EPC contractors bring impressive track records and experience in LNG to this project. We are very pleased to be working with them.”

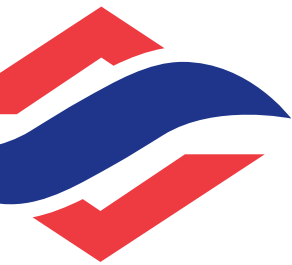
“This is a landmark LNG facility for Canada and for New Brunswick,” said Pierre Duhaime, Executive Vice-President, SNC-Lavalin Group Inc. “The SNC-Lavalin-CENMC partnership is pleased to contribute its recognized EPC expertise in the execution of this large project.”

“The Kiewit-Weeks-Sandwell partnership is delighted to have been selected to be a part of the new Canaport™ LNG_{LP} Terminal near Saint John, NB,” said Rod Hogg, Manager Business Development - Atlantic Region, Peter Kiewit Sons Co. “The partnership looks forward to working on this exciting new project and to providing a world-class marine berthing facility for LNG tankers to deliver their valuable cargos to the North American market.”

Site preparation, blasting, and leveling construction work was completed earlier this spring at the Canaport™ site. The Canaport™ LNG_{LP} Terminal is scheduled to begin operations in late 2008. At commissioning, the terminal will have a send-out capacity of 1 billion cubic feet of natural gas per day (1 BCF/D, or approximately 10 billion cubic meters annually (bcma)), with a peak capacity of 1.2 BCF/D and will be expandable to 2 BCF/D when the market is ready for additional natural gas supplies.

REPSOL YPF

Repsol YPF is an integrated, international oil and gas company based in Madrid, Spain. Operating or present in more than 25 countries, Repsol YPF is one of the world's ten largest oil companies, with a refining capacity of 1.2 million barrels a day. A leader in the global LNG field, Repsol YPF has projects underway in Canada, Algeria, Peru, the Middle East and Mexico, and significant LNG-related investments in Russia, and Trinidad & Tobago. The Stream joint venture between Repsol YPF and Gas Natural is ranked third in the global LNG trade in terms of signed LNG contracts, and the companies are leaders in the Atlantic Basin. Repsol YPF and Gas Natural currently have a fleet of 11 tankers, with two additional tankers signed to join the fleet in 2009, representing around 1.5 million cubic meters in total capacity. Repsol YPF places high values on safety and the environment, and technological innovation, and maintains a resolute commitment to the communities in which they do business. More can be learned at www.repsolypf.com.



IRVING OIL

Founded in 1924, Irving Oil is a privately owned regional refining and marketing company with a history of long-term relationships. Irving Oil's Saint John Refinery is Canada's largest and recently reached production rates in excess of 300,000 barrels per day. The Irving Oil Refinery is predominantly an export refinery, and in 2005 accounted for 64 per cent of Canada's total petroleum product exports to the United States and 19 percent of total United States gasoline imports. Irving Canaport™ was the Western Hemisphere's first deepwater petroleum-receiving terminal and is situated in the most densely industrialized region north of Boston. Irving Canaport™ is situated 65 miles from the US border and is closer to ports in Venezuela, Brazil, the North Sea, and West Africa than Houston is. For more information about Irving Oil, please visit www.irvingoil.com.

Canaport™ LNGLP

Canaport™ LNG Limited Partnership is a partnership between Irving Oil Limited and Repsol YPF. Canaport™ LNGLP is to begin operation as a world-class liquefied natural gas receiving and regasification terminal in late 2008. Situated at Saint John, New Brunswick, Canada, Canaport™ LNGLP will have a send-out capacity of 1.2-billion cubic feet of liquefied natural gas a day, destined for markets in Canada and the northeastern United States. To learn more, please visit www.canaportlng.com.

For a high resolution photo of the Canaport LNG site, click [here](#).

[Canaport™ Locator Map](#)

[Canaport™ LNGLP Community Benefits](#)

[Canaport™ LNGLP Project Timeline](#)

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