

SEPTEMBER 12, 2005

Canaport™ LNG_{LP} begins construction on LNG regassification terminal

Saint John, NB - The initial phase of construction for the Canaport™ LNG_{LP} project begins this week at Irving Canaport. Clearing of the site was completed in May 2005. The initial construction phase involves site excavation and leveling, and is the precursor to full-scale construction.

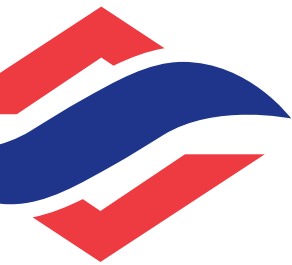
Front end engineering design for the project is now complete, and Canaport™ LNG_{LP} issued a request for proposals for engineering, procurement and construction (EPC) earlier this summer. Onshore construction is scheduled to begin in Spring 2006.

Irving Oil Limited and Repsol YPF, S.A. announced in June that they had formed a new partnership, Canaport™ LNG_{LP}, which will construct, own and operate the LNG regassification terminal in Saint John. The Canaport™ LNG_{LP} terminal will be operational in 2008, initially delivering 1 billion cubic feet per day of regassified LNG into the market.



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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.

For a photo of the Canaport™ LNG LP site, please see media contact below:

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