



Canaport LNG LP Announces Plans to Build Third LNG Tank

Saint John, NB (September 6, 2007) - Canaport LNG LP, the partnership between Repsol YPF and Irving Oil, today announced plans to construct a third 160,000 cubic meter liquefied natural gas (LNG) storage tank alongside its two existing tanks. Presently, the Canaport LNG project, including procurement, engineering and construction is approximately 46 per cent complete.

The addition of the third tank means another 12 months of construction jobs for hundreds of skilled workers. Currently, 95 per cent of workers on the Canaport LNG site come from the Greater Saint John area and New Brunswick. The site averages well over 500 workers on site per day. Construction of the third tank will mean additional building fees for the City of Saint John and continued work for numerous local sub-contractors, as well as many other spin-offs.

The third LNG storage tank strengthens Canaport LNG's ability to provide reliable supplies of natural gas to its customers and will also provide greater flexibility in the scheduling of LNG tankers making deliveries at the terminal.

The third LNG tank was originally approved by the provincial and federal governments under the Environmental Impact Assessment (EIA) completed on the project in August 2004 and will meet or exceed all international and Canadian standards for safety. Like the two existing full-containment tanks currently under construction, the third tank will consist of an inner tank made of high-performance nine per cent nickel steel and an outer tank made of advanced concrete.

"We designed Canaport LNG as a scalable project allowing for the flexibility of future growth," said Jorge Ciacciarelli, General Manager of Canaport LNG. "We are very confident in our decision to proceed with a third tank because it secures reliability of supply for our customers. Now is the perfect time to build the third tank as we have the skilled trades people on site who are working with our contractor and sub-contractors. They've done excellent work and have gained experience from the construction of our first two tanks. The expected completion of these first two tanks makes the timing right to construct the third tank."

Phil Ribbeck, President of Repsol Energy Canada Ltd., indicated that "The third tank at Canaport LNG clearly provides us greater assurance of meeting our customers' needs on both the supply and market sides throughout the year. The flexibility that Canaport LNG now provides is unequalled on North America's East Coast."

"The excellent work that Jorge and the Canaport LNG team have been doing on this project and in the community has given Repsol YPF and Irving Oil the confidence to increase their investment here," said Kenneth Irving. "We're very excited to be working with Repsol YPF and with the Canaport LNG team and pleased that Repsol YPF shares our confidence in New Brunswick as a good place to invest. This investment in a third tank will build on the ability of New Brunswick's energy hub to provide clean and reliable energy; create social, and economic benefits for our community; and help achieve our shared goal of self-sufficiency."

As is the case with the previous two tanks and all of Canaport LNG's other on-shore engineering, procurement and construction (EPC), the new tank will be built by leading global construction/engineering firm SNC-

CENMC, G.P. The firm is a partnership between SNC-Lavalin of Montreal, Quebec, and Saipem S.p.A. of Milan, Italy.

The Canaport LNG 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 could be expanded to 2 BCF/D when the market is ready for additional natural gas supplies.

About LNG - For more than 45 years, Liquefied Natural Gas (LNG) has been safely and securely shipped to LNG terminals in North America. LNG is natural gas that has been cooled to -162°C (-260° F), at which point it becomes a liquid. This cooling process, or liquefaction, reduces its volume by a factor of more than 600 and allows natural gas to be transported efficiently by sea. Once it reaches the regasification terminal, LNG is unloaded from ships where it is stored as a liquid until it is warmed to convert it back to a gaseous form. The natural gas is then sent through pipelines for distribution. LNG is an odorless, non-toxic and non-corrosive liquid. Absent an ignition source, LNG evaporates quickly and disperses, leaving no residue.

About Canaport LNG - Canaport LNG Limited Partnership is a partnership between Irving Oil Limited and Repsol YPF. Canaport LNG 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 LNG will have a peak 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.

About 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 Trinidad & Tobago, the largest supplier of LNG to North America, and other countries around the world.

Repsol YPF and Gas Natural SDG, S.A., in which Repsol YPF holds about one-third of the outstanding shares, formed an LNG joint venture, called Stream, which is ranked third in the global LNG trade. Repsol YPF and Gas Natural currently have a fleet of 11 tankers and will add two additional tankers to the fleet in 2009, representing around 1.5 million cubic meters in total capacity. Repsol YPF places emphasis on always conducting safe operations, protecting the environment, employing technological innovation, and maintaining a resolute commitment to the communities in which it conducts business. More can be learned at www.repsolypf.com.

About Irving Oil - Founded in 1924, Irving Oil is a privately owned regional refining and marketing company with a history of long-term partnerships and relationships. Irving Oil operates Canada's largest refinery, in Saint John, N.B., which is located 65 miles north of the U.S border and has reached production rates in excess of 300,000 barrels per day. The refinery exports over 80 per cent of its production to the U.S., and accounts for 75 per cent of Canada's gasoline exports to the U.S. and 19 per cent of all US gasoline imports. In 2003, Irving Oil became the first oil company to receive a U.S. Environmental Protection Agency Clean Air Excellence Award, for its clean gasoline. Approximately 7,000 people currently work with the company.

For more information about Irving Oil, visit www.irvingoil.com.

TO ARRANGE INTERVIEWS:

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