



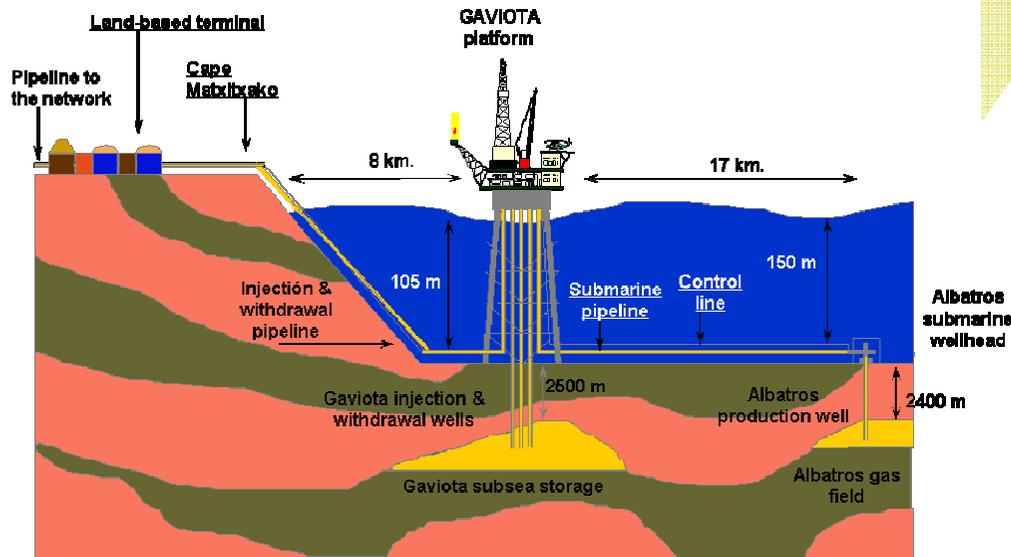
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# Acquisition of Repsol's stake in U.G.S of Gaviota

▶ April 8th, 2010

# Location and description of assets



- ▶ Gaviota is an "off-shore" gas storage, near Bermeo (Vizcaya), included in the Regulated Basic Network.
- ▶ Royal Decree 1804/2007 (December 2007), transformed part of the oil concessions "Gaviota I" and "Gaviota II", in a concession to operate the underground storage. The time allowed was 30 years, renewable for two additional periods of 10 years.
- ▶ At present, the storage has the following characteristics:
  - Surface area: 4,229 Ha.
  - Operational capacity: 979 Mm<sup>3</sup>.
  - Injection Capacity: 4.5 Mm<sup>3</sup>/day.
  - Extraction Capacity: 5.7 Mm<sup>3</sup>/day.



- ▶ Enagas buys Repsol **stake of 82%** in Gaviota storage.
  - ▶ **Amount: € 70.5 million(\*)**.
  - ▶ **EBITDA 2010e multiple: 7X**
  - ▶ **IRR after tax : 8%**
- (\*) There is a commitment by Enagas to pay an additional 16.4 million if the Ministry of Industry, Tourism and Trade approves the project to expand the storage capacity.

ACQUISITION CONSISTENT WITH :

Enagas Core business

Leverage Objectives

Profitability Objectives



## 2009 Gaviota P&L (\*)

Million euros	100% Asset	82% Asset
Revenues	31.67	25.97
EBITDA	12.27	10.07
EBIT	4.23	3.47
Net Profit	4.21	3.45

(\*)Source : Enagas estimates. Gaviota is an asset of RIPSA, a subsidiary of Repsol.

- ▶ Consolidation date for Enagas: 1/1/2010
- ▶ Lifetime extension: January 2019

*The transaction is accretive in terms of profit since the first year*

- ▶ After the transaction, ownership of Gaviota is composed of Enagas, with 82% and Murphy Spain Oil Company, branch in Spain, with the remaining 18%.
- ▶ Enagas will maintain current staff as well as 3<sup>rd</sup> party operation and maintenance contracts in market conditions.
- ▶ Mandatory Planning 2008-2016 envisages the extension of Underground Gas Storage of Gaviota (ALGA 1600), as follows:
  - Operational capacity increase to 1,558 Mm<sup>3</sup>.
  - Injection capacity increase to 10 Mm<sup>3</sup>/day.
  - Extraction capacity increase to 14 Mm<sup>3</sup>/day.
- ▶ To Enagas, who was appointed TSO by Royal Decree Law 6 / 2009, dated 30 April, the investment is aligned with its strategy of acquiring 3<sup>rd</sup> party natural gas basic network regulated assets compatible with Company's objectives of profitability and indebtedness.
- ▶ The closing is subject to obtaining the relevant administrative and competition authorizations.



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+34 91 709 93 30  
[investors@enagas.es](mailto:investors@enagas.es)