



## **Enagás plans to invest between €2.2 and €3Bn in new projects included in the 2008-2016 Spanish Power and Gas Plan**

- **This investment comes on top of the €5Bn contemplated under Enagás' 2007-2012 Strategy Plan**
- **The gas system will be structured with six major natural gas transport axes**

Enagás estimates that the new projects to be developed under the 2008-2016 Spanish Power and Gas Plan, approved today by the Spanish cabinet, imply investment by the Company in 2013-2016 of between €2.2 and 3Bn, depending on the final investment earmarked for the development of planned new storage facilities.

These investments come on top of the €5Bn contemplated in the Company's 2007-2012 Strategic Plan, announced on 7 May.

Enagás will request permission to perform the main new infrastructure work for the basic network envisaged under the Plan. The main transport pipeline related works include the new Galicia-Madrid axis, duplication of the Haro-Burgos-Madrid pipeline, splitting the Valle del Ebro pipeline and the direct connection between the Huelva plant and the Ruta de la Plata. In terms of regasification, Enagás will request authorisation to extend the Huelva (to 1,650,000 m<sup>3</sup>/h and a 6<sup>th</sup> tanker berth) and El Musel (to 1,000,000 m<sup>3</sup>/h and 3<sup>rd</sup> and 4<sup>th</sup> tankers) regasification facilities, and to analyse and develop new underground storage structures.

As Technical System Operator and the main transport operator within the Spanish gas system, Enagás collaborated actively throughout the entire planning process with the Ministry for Industry, Tourism and Trade and with the regional governments on analysing and defining the configuration for the gas system and the new infrastructure necessary to guarantee supply quality and continuity in view of forecast demand. According to the Plan, current demand will grow throughout the forecast period (2008-2016) at a compound average annual rate of around 5%.



Peak demand for natural gas, which determines the need for new gas infrastructure and the need to extend existing facilities, is expected to increase by around 80% during the period relative to the last record recorded on 17 December.

To meet forecast growth in demand, the gas system's intake capacity must be increased very significantly in 2008-2016. Of great significance in this regard is the new Medgaz international connection with Algeria, expected to come on stream in 2009, the new El Musel regasification plant, slated for 2011, and the commissioning of two new underground storage facilities in Yela and Castor.

The Plan also envisages increased capacity at the international connection with France. The new connection via Catalonia, conditional upon infrastructure work in France, is particularly significant in terms of capacity.

LNG storage capacity is expected to double over the period to over 4.5 million m<sup>3</sup>. This will give each plant between 9 and 11 days of autonomy, significantly enhancing the system's supply continuity and rendering the main suppliers more flexible from an operational standpoint.

Further, under the new Plan the gas system will be structured by three major transport axes running north to south (Ruta de la Plata, Central Axis and the Levante Axis), in turn interconnected by another three axes running east to west (Ebro Axis, Eje Zamora-Algete and the Transversal Axis), and will directly connect the Reganosa plant with the central mainland.

Enagás rates the design and scale envisaged for the gas system under the new 2008-2016 Plan very favourably and believes it will enable it to meet demand for natural gas in the residential and manufacturing segments and as a source to generate power.

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