



PRESS RELEASE

Agreement between Eurogas, ACS and Enagás for the Castor underground natural gas storage Project

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Today, **Eurogas Corporation (Eurogas)**, the **ACS Group** and **Enagás** have entered into an agreement that will significantly advance the Castor Project for underground natural gas storage, located in the Castellón province.

By means of that agreement, ACS will increase its ownership in Escal UGS S.L. (the Spanish company developing the project) from 5% to 66.67%. Castor Limited Partnership (CLP), of which Eurogas is a 73.7% owner, will own 33.33% in Escal UGS.

When the Castor underground gas storage starts its operations, ACS will sell to Enagás half of its 66.67% ownership, at which point CLP, ACS and Enagás will each own 33.33% in Escal UGS.

ACS, who until now was the turnkey contractor for the project, shall now be responsible for the development and for the funding of the project until the inclusion of Castor UG in the gas System. Total investment is now estimated at over 1,200 million euros.

Until inclusion of the Castor UGS facility in the System, the board of Escal will have nine directors, allocated as follows: ACS shall have six directors, CLP two and Enagás one. After completion of the facilities and inclusion into the gas System, each party will be allocated seats on a proportionate basis.

The Central Administration has in several occasions emphasized the importance of underground gas storage facilities to count with the necessary stocks to ensure and guarantee the supply of natural gas in Spain.

The Castor underground natural gas storage, with a start-up estimated to take place at the end of 2010 will become the facility of this type with the



largest capacity in the Iberian peninsula and will have a strategic nature as it could supply up to a third of the current daily demand of the system for 50 days.

The future storage will use an oil field in Amposta, located 22 km off-shore from the Castellón coast.

ACS Group is the largest infrastructure and services group in Spain and third largest in the world, with revenues in excess of 20 billion euros. The ACS Industrial Services Group is also among the leading international groups in the creation, construction and operation of energy infrastructures, both in the oil industry as well as in the gas and power sectors.

Enagas is Spain's top natural gas transportation, regasification and storage company, and also is the Technical Manager of the Gas System. Its facilities include over 7,600 km. of high-pressure gas pipeline and three regasification plants, which have a total storage capacity of 1.3 million cubic meters of LNG. It also manages two underground gas storage facilities, Gaviota and Serrablo, and has recently been awarded an concession for the exploitation of the Yela onshore gas storage.

Eurogas Corporation is an independent oil and gas exploration company listed on the TSX Venture Exchange under the symbol EUG and is engaged in development of a major underground storage facility offshore the east coast of Spain, and the exploration and development of oil and gas in Tunisia's Gulf of Gabes.

For further information about the groups, please visit:

www.eurogascorp.com

www.grupoacs.com

www.enagas.es