MEDGAZ

PRESS RELEASE

MEDGAZ Generates Employment in Almeria

- **Training has been provided to 15 unemployed youths with a commitment to hire 60% of the students.**
- **MEDGAZ expects to create 100 direct jobs in the operational phase of the gas pipeline, half of which will be in Almeria.**

At a ceremony held today, the General Manager of MEDGAZ, Juan Antonio Vera, and the regional government's Provincial Delegate for Employment, Francisca Pérez Laborda, handed out diplomas to the 15 students who completed the Professional Development and Occupational Training (FPO) course in Almeria. This joint initiative between the Andalusian regional government and MEDGAZ is aimed at training young unemployed persons to become chemical plant operators. The agreement includes a commitment from MEDGAZ to hire at least 60% of those who successfully finish the course.

Lasting a total of six months — from September 2008 to March 2009 — the course involved 474 instructional hours and 200 practical training hours. Theoretical training focused on chemical plant operations and instrumentation and control. The course content and study plan also included modules on job market access and placement, risk prevention and environmental awareness. In addition to this training, daily one-hour English and French lessons were provided to meet the particular requirements of the positions available in MEDGAZ.

Between January and March 2009, on-the-job training was offered at CEPSA's Gibraltar-San Roque Refinery in Cádiz. Students were given the opportunity to work with chemical components, control chemical processes, learn about and use proper safety and environmental protection standards in manufacturing, prepare facilities and operate auxiliary services for chemical processes.

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Nine women and six men took part in the course, 53% of whom were under 25 years of age. More than half of the participants are graduates and the rest have had vocational training (FP 1 and FP II in Spain). At least 60% will join MEDGAZ's workforce in the operational phase of the gas pipeline.

During the diploma-presentation ceremony, Juan Antonio Vera said he was highly satisfied with the results of the course, which for MEDGAZ meant "taking a further step forward in our contributions towards sustainable development and the social, cultural and economic progress of the province of Almeria."

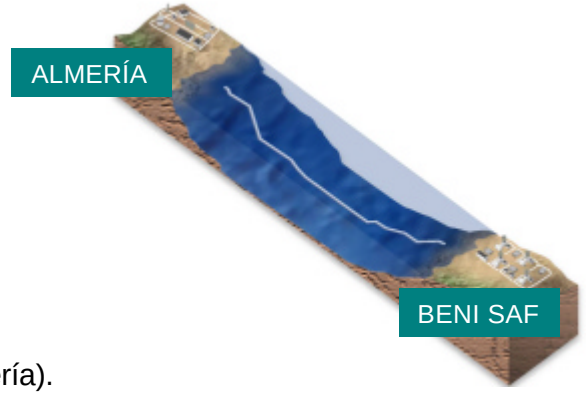
From the start, MEDGAZ has been committed to generating value in Almeria through the creation of local employment. As part of its hiring policies, MEDGAZ has striven to offer more opportunities to youths and women. Out of its current workforce of 20 employees, over 50% are women. MEDGAZ plans to create 100 direct jobs in the operational phase, half of which will be in Almeria, where the head offices and control room are located.

MEDGAZ is the company in charge of building and operating the Algerian-European Pipeline, via Spain. With an initial capacity of 8 BCM/year, MEDGAZ will transport natural gas from Beni Saf on the Algerian coast up to landfall in Almeria beginning in the second half of 2009. Its start-up will improve security of supply, provide a more direct and therefore cost-effective way of delivering gas to southern Europe and make a positive contribution towards the targets set out in the Kyoto Protocol through the use of cleaner energies such as natural gas.

PRESS RELEASE

Timeline

- December 2006: MEDGAZ SA makes Firm Investment Decision (FID).
- February 2007: MEDGAZ SA awards EPC contracts.
- February 2007: Piping manufacture begins in Japan.
- June 2007: Pipe coating begins in Kuantan, Malaysia.
- July 2007: Groundbreaking and trenching work starts in Beni Saf, Algeria.
- September 2007: Groundbreaking and trenching work starts in Almeria.
- October 2007: First pipe shipment arrives in Almeria.
- December 2007: Second pipe shipment arrives at port of Almeria.
- February 2008: MEDGAZ receives third and final pipe shipment at the port of Almeria.
- March 2008: MEDGAZ starts up construction phase of subsea pipeline (in shallow waters).
- June 2008: MEDGAZ completed the pipelay operations in shallow waters (up to a depth of 550 meters)
- August 2008: MEDGAZ is awarded ISO 9001 quality certification.
- August-November 2008: MEDGAZ undertakes deepwater pipelay work.
- December 2008: MEDGAZ completes construction of sub-sea gas pipeline.



MEDGAZ: Technical Features

- Capacity: 8 BCM/year (8 billion m^3/year).
- Length: 210 kilometers (between Beni Saf and Almería).
- Diameter: 24 inches (610 millimeters).
- Maximum water depth: 2,160 meters.
- Land facilities: Compressor Station (Algeria) and Receiving Terminal (Almeria)
- Investment: €900 million
- Start-up: 2009.
- Shareholders: SONATRACH (36%), CEPSA (20%), IBERDROLA (20%), ENDESA (12%) and GAZ DE FRANCE SUEZ (12%).

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