

REGULATION OF THE MEETING OF STOCKHOLDERS IN ENAGAS, S.A.

1. PURPOSE, APPLICATION AND FORCE OF THIS REGULATION

The purpose of this Regulation is to regulate the Enagás Stockholders' Meeting, establishing the rules for its organization and operation.

The power to approve and amend the Regulation belongs to the Stockholders' Meeting. Once approved, the Regulation shall be posted on the Company Web page and shall be applied as of the first Stockholders' Meeting after the Stockholders' Meeting approving the Regulation.

The Board of Directors of Enagás must take the measures necessary to ensure that the provisions hereof are disseminated among the stockholders and the investing public. The Board of Directors may furthermore propose amendments of the Regulation to the Stockholders' Meeting when, in the opinion of the Board of Directors, that course is advisable or necessary. In that case the Board shall enclose with its proposal a report justifying the said amendment.

This Regulation complements the discipline applicable to the Stockholder's Meeting in current commercial Legislation and the Company By-laws. Should there be any discrepancy between the terms hereof and the terms of the Company By-laws, the By-laws shall always prevail.

2. POWERS OF THE STOCKHOLDERS' MEETING

The powers of the Stockholders' Meeting under the Corporations Act and the Company By-laws encompass the following affairs:

Approval, should the Stockholders' Meeting so decide, of the Annual Accounts of Enagás, S.A., and the Consolidated Annual Accounts of Enagás, S.A., and the subsidiaries thereof, likewise the management of the Board of Directors and the profit-distribution proposal.

Appointment and removal of Directors, likewise ratification or revocation of provisional appointments to the Board made by the Board itself.

Appointment and reelection of the Account Auditors.

Derivative acquisition of treasury stock.

Bond issuing, capital increase or reduction, transformation, merger, spin-off split, dissolution of the Company and generally any amendment of the Company By-laws.

Authorization for the Board of Directors to increase the capital stock under the terms of article 153.1.b. of the Corporations Act.

Decision on affairs submitted by the Board of Directors for authorization.

Approval and amendment of its Regulation.

Any other decision attributed by law to the Stockholders' Meeting.

3. TYPES OF MEETINGS

Stockholders' Meetings may be:

Annual Stockholders' Meetings

The Annual Stockholders' Meeting must necessarily be held within the first six months of each fiscal year to deal with resolutions submitted for consideration and at least:

- a)** To evaluate the Company management.
- b)** To approve the accounts of the preceding fiscal year, if in order.
- c)** To decide upon the distribution of profits.

Extraordinary Stockholders' Meetings

All Stockholders' Meetings other than the above shall be deemed Extraordinary.

General Stockholders' Meetings

A General Stockholders' Meeting may be held in the terms and conditions laid down in current legislation when all capital stock is in attendance and the persons attending agree unanimously to hold such a Stockholders' Meeting.

4. POWER TO CALL THE STOCKHOLDERS' MEETING. GIVING OF NOTICE AND THE CONTENTS THEREOF

The duty to call Stockholders' Meetings, be they Annual or Extraordinary, belongs to the Board of Directors, which must draw up the Agenda, including the business that must be approved by the Stockholders' Meeting.

Without prejudice of the above, the Board must necessarily call an Extraordinary Stockholders' Meeting whenever petitioned by a number of partners holding at least five percent of the capital stock, who shall state in their petition the business to be discussed. In this case, the Meeting must be called for within the thirty days following the date when the Board of Directors is petitioned through the offices of a Notary to call the Meeting.

The Stockholders' Meeting shall be called by the Board of Directors by means of a notice meeting the requirements of publicity and advance notice set in current rules and the By-laws.

In addition to the applicable requirements under the law and the By-laws, in order to achieve maximum dissemination and to give the stockholders sufficient time to seek and obtain complementary information about the items on the Agenda, the Board of Directors shall strive to have the notice announced farther in advance than the law requires and published in a larger number of media outlets than that which legally constitutes the vital minimum, save where this is not possible due to emergency or other circumstances beyond the control of the Board at the time. Moreover the announcement of the Meeting may be repeated on a date close to the Meeting as a reminder.

The notice shall state the date and place of the meeting at first adjournment and all business listed on the Agenda for discussion. Furthermore it shall give the date when the stockholders shall meet at second adjournment if in order. First and second adjournment must be separated by at least twenty-four hours.

For the proper exercise of the right to information, to which all stockholders are entitled, the notice shall furthermore record the place where and hours when stockholders may gain access to the documents to be submitted for their approval at the Meeting, the Management Report, the Account Auditors' Report, the Report on Corporate Governance, the Environmental Report and all other reports that are mandatory or determined by the Board of Directors, likewise the stockholders' power to ask to have all the aforementioned documents sent to them free of charge. This shall all be as provided for in section 5 of this Regulation below.

Should the duly called Stockholders' Meeting fail to be held at first adjournment and the date of the second not have been scheduled in the notice, the date of the second must be announced, with the same publicity requirements as the first, within the fifteen days following the date of the Meeting that was not held and eight days prior to the new meeting date.

A copy of the notice calling a Stockholders' Meeting shall be posted on the Company Web page. Furthermore a copy shall be sent to the stock markets where the shares are listed, and the institutions belonging to the securities-registration, -clearing and -settlement system shall be notified.

In addition to all the points mentioned above, the notice of the Stockholders' Meeting may contain any items considered of interest to the stockholders, such as the announcement that the Stockholders' Meeting shall be held at first or second adjournment, transportation arrangements, the Stockholder Information Office, Web page, etc.

5. STOCKHOLDERS' RIGHT TO PARTICIPATION AND INFORMATION

The Board of Directors shall especially ensure that the stockholders may exercise their right of participation and their right to obtain the Company information to which article 112 of the Corporations Act refers in full, satisfactory fashion.

To that end, before the Stockholders' Meeting is held, the Company shall make the following resources available to the stockholders:

A Stockholder Service Office, where stockholders may consult the available information.

A toll-free telephone number, specified in the notice of the Stockholders' Meeting, where stockholders may inquire into the pertinent information.

The Company Web page, where the items of information that are public shall be posted.

To enable the exercise of the right of information with regard to the business to be discussed at the Stockholders' Meeting, and immediately after the publication of the announcement of the Stockholders' Meeting, the following documents shall be made available to the stockholders at the Stockholder Service Office:

Full text of the notice of the Stockholders' Meeting with the proposed resolutions and reports by the Board of Directors, where in order, on the grounds and advisability of such resolutions, provided that all this is possible.

Documents comprising the Annual Accounts of Enagás, S.A., and the Consolidated Annual Accounts of Enagás, S.A., and its subsidiaries, likewise the proposed distribution of the profits of Enagás, S.A., for the fiscal year in question.

Management report on Enagás, S.A., and the Consolidated Management Report for the fiscal year.

Auditors' Reports on the Consolidated Annual Accounts and the Annual Accounts of Enagás, S.A.

Annual Corporate Governance Report.

Environmental Report.

Any other reports that it is mandatory to include or that the Board of Directors has decided to include.

Furthermore the Company shall make the above documents available to the stockholders during the Stockholders' Meeting.

At all times the stockholders, after having confirmed their identity as such, may, through the Stockholder Service Office or the Company Web page, raise questions of interest for the Company or questions associated with their capacity as stockholders. Once the Stockholders' Meeting is called and up to five days before the date for which it is scheduled to be held, Stockholders may use the same channels to submit comments or suggestions in writing in regard to the proposals listed on the Agenda.

The Company shall examine the stockholders' questions, suggestions and comments, and whenever possible individual or group answers shall be posted on the Company Web page, or, should the Board of Directors consider it in order, they shall be discussed at the Stockholders' Meeting even if not included on the Agenda.

In addition to the right to submit suggestions or questions to the Stockholders' Meeting, stockholders may apply in writing before the Stockholders' Meeting or orally during the Stockholders' Meeting for such reports or clarifications as they see fit concerning the business on the Agenda. The Board of Directors must oblige, save in cases where in the Chairman's opinion it would harm Company interests to make the information public. This exception shall not be in order when the request is supported by stockholders representing at least one-fourth of the capital.

6. RIGHT OF ATTENDANCE AND REPRESENTATION

In order to attend the Stockholders' Meeting, a stockholder must hold a minimum of 100 shares, provided that they are entered in the

proper share book five days prior to the Stockholders' Meeting. Stockholders who do not hold the indicated number of shares may form groups in order to attend, appointing the stockholder who is to represent them.

It shall also be necessary, in order to attend the Stockholders' Meeting, to hold the proper attendance card, which shall be delivered to stockholders through the proper institutions belonging to the securities-registration, -clearing and -settlement system.

The said institutions must send Enagás, S.A., a list of the cards they have issued before the date for which the Stockholders' Meeting is scheduled. Attendance-card registration shall commence two hours before the time the Stockholders' Meeting is scheduled to begin.

The notice of the Stockholders' Meeting shall state when attendance shall be considered closed for the purposes of finding the quorum.

Stockholders with the right to attend may send another person, who need not be a stockholder, to the Stockholders' Meeting with their written proxy drafted especially for each Meeting.

The Stockholders' Meeting attendance credentials issued by the company shall contain a proxy form, without prejudice of the stockholders' right to use any other legally valid mode or means sufficient to show that the proxy's bearer is the stockholders' representative. The proxy form must make allowance for voting separately on each of the resolutions included on the Agenda.

Furthermore the Stockholders' Meeting attendance credentials may contain a document empowering the Chairman of the Board of Directors to vote on the stockholder's behalf.

The voting card must necessarily state how the Chairman is to vote in the event that the stockholder or the stockholders' representative has not stated how the Chairman is to vote.

7. CONSTITUTION OF THE STOCKHOLDER'S MEETING

In order for the Stockholders' Meeting to be validly constituted, at first adjournment it shall be necessary for the stockholders attending in person or by proxy to hold at least twenty-five percent of the subscribed voting capital. At second adjournment the constitution of the Stockholders' Meeting shall be valid regardless of the capital in attendance.

In order for the Annual or Extraordinary Stockholders' Meeting validly to resolve upon the issuance of bonds, capital increases or decreases, the transformation, merger, spin-off split or dissolution of the Company and generally any amendment of the Company By-laws, the attendance of stockholders in person or by proxy holding at least fifty percent (50%) of the subscribed voting capital shall be necessary at first adjournment. At second adjournment the attendance of twenty-five percent (25%) of the subscribed voting capital shall suffice.

8. PROCEDURE OF THE STOCKHOLDERS' MEETING

The Stockholders' Meeting shall be chaired by the Chairman of the Board of Directors and, in his absence, by the stockholder elected in each case by the partners attending the Meeting.

It shall be the task of the Chairman to direct the Meeting, seeing to it that the Meeting takes place correctly and ensuring that the Agenda set in the notice of the meeting is respected.

The Chairman shall be assisted by the Secretary of the Board of Directors; in his absence the Vice Secretary of the Board of Directors shall act, and, when the Vice Secretary is not present, the person appointed by the Stockholders' Meeting itself shall act.

The General Committee of the Stockholders' Meeting shall be comprised of the members of the Board of Directors and, when it has been decided to have a Notary present, the Notary summoned by the Board.

All members of the Board of Directors shall endeavor to attend Stockholders' Meetings. If they are unable to attend for justified reasons, they may have another member of the Board of Directors represent them.

There may be tellers appointed by the Chairman from among the stockholders present. The tellers shall assist the General Committee in drawing up the attendance list and tallying up votes.

Once the session has been called to order, the Secretary shall read out the particulars of the notice of the Stockholders' Meeting and the particulars of attendance on the basis of the attendance list prepared by the General Committee for that purpose, which list shall state the capacity in which or on behalf of whom each person is attending and the number of shares each bears on his own or another's behalf.

The attendance list shall be drawn up on a document, either in a file or recorded on a computer-legible medium. The medium used shall be recorded in the Minutes, and the proper identification proceeding, signed by the Secretary with the approval of the Chairman, shall be attached to the sealed cover of the file or medium.

The summary of the attendance list shall determine the number of stockholders attending in person or by proxy, likewise the amount of capital they hold, specifying how much is held by stockholders who have voting rights. The Vice Secretary of the Board, or the person designated in his absence by the Chairman, shall convey to the General Committee two copies of the said summary signed by himself and a teller, if there are any tellers.

When the required quorum has been met, the Chairman shall, if in order, proceed to declare the Stockholders' Meeting validly constituted. If a Notary is present at the Company's request to draw up the Minutes of the Stockholders' Meeting, the Notary shall ask those in attendance if they have any reservations or protests to lodge with regard to the Chairman's statements on the particulars of attendance of partners and capital. Any stockholders expressing reservations must show the clerical personnel at the General Committee his attendance card, and the General Committee shall examine the card and correct any errors.

The Chairman, before beginning with his report on the fiscal year and the motions submitted to the Stockholders' Meeting, and to facilitate the progress of the act, shall ask any stockholders desirous of taking the floor to address themselves to the clerks at the General Committee with their attendance card to organize the list of speakers. Those stockholders who fail to state their desire to take the floor at that time may not exercise the power later.

Next the Chairman shall inform the Stockholders' Meeting about the most salient aspects of the fiscal year and the Board's proposals. His presentation may be complemented by persons authorized by him.

After his presentation, the Chairman shall recognize the stockholders who have asked to take the floor, maintaining debate within the limits of the Agenda, save where otherwise provided in articles 131 and 134 of the Revised Corporations Act. It shall be the task of the Chairman to direct debate, and he may reply to stockholders jointly or individually.

The Chairman shall close the debate when he feels that the affair has been sufficiently discussed.

Should any stockholder inquire after data that is not in the Chairman's power at the time or raise an issue requiring unavailable information to be examined or contrasted, whenever possible the endeavor shall be made for that stockholder to receive a satisfactory, adequate reply as soon as possible, and at all events within 30 days of the Stockholders' Meeting.

Forthwith the different motions, read out by the Secretary, shall be put to a vote. The Chairman may decide for the motions to be read out in extract form, provided that stockholders representing the majority of the subscribed voting capital present at the Meeting do not oppose such a course.

Resolutions shall be made with the vote in favor of the majority of the voting capital attending the Meeting in person and by proxy, with the exceptions stated in the Act and the By-laws. Individualized voting shall not be necessary when a vote by acclamation or a show of hands makes the tide of the vote clear and facilitates the smooth operation of the Stockholders' Meeting. This shall not prevent the unfavorable vote of stockholders from being recorded at their own request, for purposes of challenge or for any other reason.

The tellers shall write a note with the results of each vote, including votes issued beforehand and any modification taking place during the course of the Stockholders' Meeting.

Once all motions have been voted upon, the Secretary of the Board shall deliver to the Notary, if a Notary's services are being used, the teller's note with the particulars they have collected on the results of the vote on each motion, and the Chairman shall adjourn the session.

9. ATTENDANCE AND PARTICIPATION BY OTHER PERSONS

The Chairman of the Audit and Enforcement Committee of Enagás, on behalf of the Committee, shall stand at the disposal of the

Stockholders' Meeting to answer any questions therein raised by stockholders concerning matters within the Committee's remit.

The Stockholders' Meeting must be attended by the Company's outside auditor, who shall be notified in advance by the Board of Directors. The Auditor shall speak whenever the Chairman calls upon the Auditor to clarify questions concerning his activity as the Company's outside auditor.

The Board of Directors shall require the attendance of a Notary at the Stockholders' Meeting to draw up the Minutes, pursuant to article 114 of the Corporations Act, whenever it considers that course wise and shall necessarily do so when asked to do so by at least 1% of the capital stock.

The Senior Executives of the Company must also attend Stockholder's Meetings.

10. MINUTES OF THE STOCKHOLDERS' MEETING

The Minutes of the Stockholders' Meeting may be approved by the very same Stockholders' Meeting at adjournment or, in lieu thereof, within fifteen days' time by the Chairman of the Board and two Stockholder Representatives, one on the behalf of the majority and the other on the behalf of the minority. Minutes approved in either of these two fashions shall become enforceable as of the date of their approval.

Should the Stockholders' Meeting have been held with the presence of a Notary, the notarized Minutes shall be considered the Minutes of the Stockholders' Meeting and therefore shall not require approval.