



**PROPOSAL FOR AGREEMENTS AT THE
ORDINARY GENERAL MEETING OF
SHAREHOLDERS 2004**

POINTS 1 AND 3-7 OF THE AGENDA

FIRST CALL: 29 APRIL 2004
SECOND CALL: 30 APRIL 2004

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| AGENDA |
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1. Review and approval, where applicable, of the Annual Accounts and Management Report for both Enagas S.A. and its Consolidated Group, of the Proposed Profit Distribution for Enagas S.A., and of the Performance of its Board of Directors, for the financial year 2003.
2. Establishment of the number of Directors and, where applicable, ratification, appointment, renewal or re-election of Board members.
3. Modification of Article 27 of the Company Statutes (attendance, representation and voting rights at General Meetings) and of Article 31 (shareholder's right to information) in order to adapt them to the stipulations of Law 26/2003, of 17 July, and the introduction of a new Article 6 (b), modification of Article 8 (shareholder's rights) and the insertion of a temporary regulation, in order to include the limitations on shareholding and exercising of the right to vote stipulated in Law 62/2003 of 30 December in the Company Statutes.
4. Approval of new Regulations for the General Shareholders' Meeting.
5. Approval of the salary for members of the Board of Directors for the financial year 2004.
6. Appointment or re-election of an Auditor for the Company and for its Consolidated Group for the financial year 2004.
7. Delegation of powers to complement, carry out, execute, rectify and formalise the decisions adopted by the General Shareholders' Meeting.

FIRST AGREEMENT

Review and approval, where applicable, of the Annual Accounts and Management Report for both Enagas S.A. and its Consolidated Group, of the Proposed Profit Distribution for Enagas S.A., and of the Performance of its Board of Directors, for the financial year 2003.

It is proposed that Ordinary General Shareholders' Meeting adopt the following agreements:

- "To approve the Annual Accounts (Balance, Profits and Loss Account and Report) and the Management Report for the financial year between 1 January and 31 December 2003 for Enagas S.A. and its Consolidated Group.
- To approve the Board of Directors' administration for the 2003 financial year.
- To approve the application of the results for Enagas S.A. for the 2003 financial year, which show a net profit of 138,962,134.55 Euros and 25 cents, according to the distribution proposal formulated by the Board of Directors:

| <u>Distribution</u> | <u>Euros</u> |
|----------------------|-----------------------|
| Legal Reserves | 778,054.87 |
| Dividend | 71,009,734.82 |
| Voluntary Reserves | 67,174,344.86 |
| Total Results | 138,962,134.55 |

- To make payment of a complementary dividend for the sum of 42,361,623.62 Euros. Payment of the dividend will be made on 7 July 2004.

This figure is the result of deducting the interim dividend for the financial year, the sum of 71,009,734.82 Euros, from the total interim dividend for the financial year agreed by the Board of Directors on 20 November 2003 and paid to shareholders on 8 January 2003.

The dividend for the financial year proposed for approval in accordance with the above paragraph is the pre-tax sum of 0.29744 Euros per share, with shareholders responsible for taxes.

After deduction of the interim dividend that has already been paid, which was 0.12000 Euros gross per share, the sum pending payment is 0.17744 Euros per share, from which the legally proper taxes will be deducted.”

THIRD AGREEMENT

Modification of Article 27 of the Company Statutes (attendance, representation and voting rights at General Meetings) and of Article 31 (shareholder's right to information) in order to adapt them to the stipulations of Law 26/2003, of 17 July, and the introduction of a new Article 6 (b), modification of Article 8 (shareholder's rights) and the insertion of a temporary regulation, in order to include the limitations on shareholding and exercising of the right to vote stipulated in Law 62/2003 of 30 December in the Company Statutes.

The statutory modifications currently proposed are justified by the need to comply faithfully and punctually with the new legal reforms introduced by the Law 26/2003 of 17 July, concerning transparency in listed public limited companies, and Order ECO/3722/2003, of 26 December. It is also necessary to comply with the requirements imposed by Law 62/2003, of 30 December, concerning fiscal, administrative and company order.

Modification of two of the rules in the Statutes is proposed in order to include the contents of Law 26/2003. Firstly, modification of article 27 of the Company Statutes is considered necessary in order to regulate, by statutory means, the use of new technologies for the exercising by shareholders of their rights of information, attendance, voting and representation, and the various means available to the shareholder to exercise these rights. A regulation concerning voting in cases of a public request for representation obtained by an administrator is included, which also specifically states that shareholders carrying out long-distance voting must be considered as present for the purposes of constitution of the Meeting

Secondly, it is considered necessary to modify article 31 of the Company Statutes, determining the rules for effectively exercising the right to information, distinguishing between requests referring to points included in the Agenda and others referring to clarifications of information accessible to the public notified to the Securities and Investments Board since the previous meeting.

The introduction of a new article 6 b), modification of article 8 and the addition of a temporary regulation are statutory modifications aimed directly and exclusively at complying with the contents of the twentieth additional regulation of Law 34/1998, of 7 October, concerning the

Hydrocarbon Sector, in the wording of article 92 of Law 62/2003, of 30 December. By virtue of this regulation, it is necessary to introduce the limitation on participation in the Enagas share capital and the suspension of voting rights of shareholders who have not complied with this limitation, as well as the inclusion in the Company Statutes of the temporary regime included in Law 62/2003, in order to allow adaptation by those who currently have a higher participation, in that these are situations created prior to the law coming into force.

In accordance with the terms of article 144 of the Public Limited Companies Law currently in force, the Enagas Board of Directors, at its meeting on 18 March 2004, issued a report justifying the proposals for modification of the Company Statutes submitted to the General Meeting for its approval. The entire text of this document is available to shareholders, with the documentation attached to the announcement of the meeting.

By virtue of the above, adoption of the following agreement is proposed to the General Shareholders' Meeting

- "To include a new article 6 b) in the Statutes and modify articles 8, 27 and 31 of the Company Statutes, and add a Single Temporary Regulation, all with the following literal content:

**ARTICLE 6 B.- LIMIT ON PARTICIPATION
IN SHARE CAPITAL**

The sum of any shareholder's direct or indirect holding in the company's share capital may not exceed five percent.

Voting rights pertaining to shares or other securities possessed by shareholders in Enagas S.A. exceeding the maximum percentage mentioned in the previous paragraph will be suspended until the shareholding figure is within this limit.

ARTICLE 8. – SHAREHOLDERS' RIGHTS.

Shares confer the status of shareholder and the following rights on their legitimate owner:

- a) That of participating in company earnings and in the assets arising from liquidation.
- b) That of preferential treatment in the issue of new shares or bonds that are convertible into shares.
- c) That of attending and voting at General Meetings and challenging company agreements.
- d) That of information.

The right to vote may not be exercised by shareholders in default of payment of calls on share capital. Neither may it be exercised by shareholders who do not comply with the limit established in article 6 b), of the Statutes, although only with regard to shares exceeding the limit in the latter case. The sum of these shares will be deducted from the share capital for purposes of calculating the quorum.

Shareholders in default will not have the right to receive dividends or to preferential subscription for new shares or convertible bonds. However, once the sum of calls on share capital has been paid, with the interest owing, the shareholder may request payment of non-prescribed dividends, but may not request preferential subscription if the deadline for this has already expired.

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| <p style="text-align: center;">ARTICLE 27. ATTENDANCE AT GENERAL MEETINGS, REPRESENTATION AND VOTING RIGHTS</p> |
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Shareholders who possess 100 shares, which must be registered in the appropriate accounts register of the entities belonging to Securities Clearing and Settlement Service - *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores* (IBERCLEAR) - or the organisation replacing it five days before General Meetings are to be held, may attend Meetings and vote at them. Shareholders who do not hold the aforementioned number of shares may form groups and confer representation on another person, with each shareholder's shares able to accumulate in their own right and in representation.

All shareholders with attendance and voting rights, in accordance with these stipulations of this article, may exercise these rights with regard to the points included on the Agenda of any type of General Meeting, attending personally and voting at the Meeting, as well as by post, recognised electronic signature or any other electronic medium, or any other long-distance means of communication which meets the legal or regulatory requirements established, providing that the identity of the person exercising their right to vote is duly guaranteed.

Shareholders with attendance rights may be represented at the General Meeting by another person, even if the latter is not a shareholder. This representation must be conferred in writing and for every meeting in particular, by post, recognised electronic signature or any other electronic medium, or any other long-distance means of communication admitted by law, providing that in all cases, the identity of the person acting in representation is duly guaranteed.

In cases where the request for representation is public, the stipulations of article 107 of the Public Limited Companies Law will be applicable.

The representation conferred will always be revocable, and personal attendance by the represented party at the Meeting will be taken as revocation.

The Regulations of the General Meeting will give details of the means and requirements for the correct exercising of attendance, voting and representation rights, and the authorised procedures to those ends.

In accordance with the General Meeting Regulations, and in all cases respecting the legal requirements in the subject, it will be the responsibility of the Board of Directors to determine the point at which shareholders may exercise their vote or confirm representation via electronic means or other long-distance means of communication, taking the situation of the technical resources for this into consideration.

Shareholders carrying out long-distance voting must be considered as present for the purposes of constitution of the Meeting."

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| ARTICLE 31. RIGHT TO INFORMATION. |
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Shareholders may ask the administrators for the information or clarifications that they deem necessary concerning the matters contained in the Agenda or formulate the questions that they deem pertinent in writing until the

seventh day before the Meeting. Shareholders may request information or clarifications or formulate questions regarding the information accessible to the public provided by the Company to the Securities and Investments Board since the previous General Meeting.

The administrators are obliged to provide the information requested in the previous paragraph, in writing, until the day that the General Meeting is held.

At the General Meeting, shareholders in the company may verbally request the information or clarifications that they consider appropriate regarding matters contained in the Agenda, and if it is impossible to satisfy the shareholder's right at that time, the administrators will be obliged to provide this information in writing within seven days of the Meeting ending.

The administrators will be obliged to provide the information requested under these stipulations of the three paragraphs above, except in cases where in the opinion of the President, publication of the information requested may prejudice company interests.

No information may be withheld when the request is supported by shareholders representing at least a quarter of the share capital.

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| SINGLE TEMPORARY REGULATION |
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The stipulations of article 6 b), and the limitation contained in the second section of article 8 of these Statutes, will not be applicable to shareholders who at the time when these articles were included in the Company Statutes, had a shareholding in the Enagas share capital which exceeded the limit mentioned in the aforementioned article 6 b). However, these shareholders must reduce their shareholding, adapting it to the maximum permitted by the Statutes, before 1 January 2007."

FOURTH AGREEMENT

Approval of new Regulations for the General Shareholders' Meeting, including new legislation approved in the area.

As a result of the new measures introduced by the Transparency Law 26/2003 of 17 July, the Board of Directors of Enagas has felt it necessary to approve new Regulations for the General Shareholders' Meeting in order to include the new legislation detailed below in the text approved at the last General Shareholders' Meeting, as well as adapting the company statutes to the regulatory demands contained in it.

The main modifications introduced in the new text are a reorganisation and development of the rights of shareholders in the fields of information, attendance, voting and representation, in the interests of the Company's increased transparency.

The Enagas shareholders will be able to exercise their vote or delegation by means of postal or electronic correspondence, or any other means of long-distance communication with the due safety measures.

Shareholders will also have more and better means of obtaining information regarding the matters included in the Agenda of the General Meeting, with the administrators' obligation to provide information being extended to the days after the Meeting.

It is proposed that General Shareholders' Meeting adopt the following agreement:

- **"To approve Regulations for the Enagas General Meeting, the contents of which are listed below:**

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| <p style="text-align: center;">REGULATIONS OF THE GENERAL SHAREHOLDERS MEETING OF ENAGAS, S.A.</p> |
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1.- OBJECTIVE, APPLICATION AND VALIDITY OF THESE REGULATIONS

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PRESIDENCY
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18.- CASES OF TEMPORARY SUSPENSION AND EXTENSION

18.1.- TEMPORARY SUSPENSION

18.2.- EXTENSION

1.- OBJECTIVE, APPLICATION AND VALIDITY OF THESE REGULATIONS

The objective of these Regulations is to regulate the General Shareholders' Meeting of Enagas, S.A. (hereafter Enagas), establishing the regime for their organisation and procedure, with regard to the rules relating to calling the meeting, preparation, information, attendance, procedure and exercising of political rights, in order to facilitate information and participation by shareholders in the company's decision-making.

Authority for the approval and modification of the Regulations lies with the General Shareholders' Meeting. Once approved, the Securities and Investments Board will be notified, registration in the Commercial Registry will be requested, the Regulations will be included on the Company's website and will take effect starting from the first General Meeting held after its approval.

Despite the above, the Board of Directors will be responsible for establishing the exact date upon which the means for exercising voting and representation rights established in articles 9 to 11 of these Regulations are applicable, taking the state and development of means of attendance and voting by electronic and telematic means into account. In any event, this agreement will respect the deadlines established by Law 26/2003, of 18 July. The decision of the Board of Directors in this regard will be subject to the corresponding proposal for the modification of the Board Regulations, without prejudice to it being effective from the moment at which it is published on the Company's website and in the announcement of the General Meeting.

The Enagas Board of Directors, complying with the applicable legal and regulatory norms and the regulations contained in the Company Statutes and in these Regulations, must take the necessary measures to ensure the dissemination of the contents of these Regulations among shareholders and the investing public. The Board of Directors may also propose the modification of these Regulations to the General Meeting when it considers this advisable or necessary, accompanying this proposal with a report justifying this modification.

These Regulations complete the discipline applicable to the General Meeting under the terms of the mercantile legislation currently in force, and the Company Statutes. In the event of any discrepancy between the

stipulations of these Regulations and the Company Statutes, the stipulations of the Statutes will always prevail.

As part of its responsibilities, the Board of Directors, before each Meeting is held, and the Committee of the Meeting, once it is validly constituted, will resolve any doubts arising from the application of these Regulations in accordance with general criteria of interpretation of juridical rules and the spirit and purpose of the Company Statutes.

2.- GENERAL MEETING

The General Meeting is the meeting of shareholders which deliberates and takes a majority decision on affairs for which it is responsible, observing the legally established formalities and requirements, expressing the company's will in the form of agreements. All shareholders, including those in disagreement and absent shareholders, will be subject to the agreements of the General Meeting, without prejudice to the right of separation.

3.- TYPES OF MEETING

The General Shareholders' Meeting may be Ordinary or Extraordinary. In both cases, the General Meeting will be governed by the rules established in the applicable legislation, in the Company Statutes and these Regulations.

3.1.- ORDINARY GENERAL MEETING

The Ordinary General Meeting must necessarily meet during the first six months of each financial year to adopt the agreements for which it is responsible and are submitted for its consideration, and at least the following:

- a)** To approve the administration of the company, where appropriate.
- b)** To approve the accounts of the previous financial year, if appropriate.
- c)** To decide upon the application of the result.

3.2.- EXTRAORDINARY GENERAL MEETING

All General Meetings other than the above will be considered Extraordinary.

3.3.- UNIVERSAL MEETING

A Universal Meeting may be held under the terms and conditions stipulated by the applicable legislation, when the entire share capital attends and those attending unanimously agree to hold the Meeting.

The contents of these Regulations will be applicable to the Meeting with the adaptations that are applicable as a result of the nature of Meeting.

4.- POWERS OF THE MEETING

The powers of the General Meeting, in accordance with the Public Limited Companies Law and with the Company Statutes, are as follows:

- a)** To approve, where applicable, the Annual Accounts and Consolidated Annual Accounts of the Enagas Group, and the administration of its Board of Directors and the proposal for application of results.
- b)** To name and dismiss Directors, and to ratify or revoke appointments of Directors made due to co-optation by the Board.
- c)** To name and re-elect Accounts Auditors.
- d)** To authorise operations involving the company's own shares.
- e)** To agree to the issue of bonds, the increase or reduction of share capital, the transformation, merger or separation of the Company, and in general, any modification to the Company Statutes.
- f)** To authorise, where necessary, the Board of Directors to increase the share capital in accordance with the stipulations of article 153.1.b of the Public Limited Companies Law.
- g)** To decide upon matters submitted for its approval by the Board of Directors, in accordance with the law.
- h)** To approve and modify its Regulations.
- i)** Any other decision for which it is legally responsible.

When exercising its powers, the Meeting will not interfere with the powers and functions of the Board of Directors.

5.- ANNOUNCEMENT OF THE MEETING

5.1.- POWER AND OBLIGATION TO CALL

The announcement of the General Meeting, whether Ordinary or Extraordinary, is the responsibility of the Board of Directors, who will prepare the Agenda, including matters to be approved by the General Meeting.

The Board must call an Ordinary General Meeting in the first six months of every financial year.

The Board may call a General Meeting when it considers this to be in the Company's interests.

Meetings will also be called in the other cases anticipated by law.

Without prejudice to the above, the Board must call an Extraordinary General Meeting when so required by a number of shareholders representing at least five percent of the share capital, with the matters to be dealt with stated in the request. In this case, the Meeting must be called to be held within 30 days of the date upon which the Board of Directors has been required by legal process to call it.

5.2.- PUBLICITY AND ANNOUNCEMENT OF THE MEETING

5.2.1.- TIME AND TYPE OF PUBLICITY

The announcement of the General Meeting will be published by an announcement in the Official Bulletin of the Commercial Registry and in one of the newspapers with the highest circulation in the province at least fifteen days before the date set for the meeting, except in cases of merger or separation, in which case the announcement must be made at least one month in advance.

Prior to the publication of the announcement, the Company will notify the Securities and Investments Board, the Stock Markets and other markets in which the Company's shares are listed, and member organisations of the corresponding system for registration, compensation and liquidation of stocks.

The text of the announcement will also be available through the Company's web site.

As well as the legal and regulatory requirements mentioned above, in order to obtain the maximum dissemination and enable shareholders to have sufficient time to request and obtain complementary information pertaining to the points on the Agenda, the Board of Directors will endeavour that the announcement is made prior to be legally established period, and that the announcement is published in a greater number of media land the essential minimum, unless this is impossible for reasons of urgency or other circumstances beyond the Board's control. The announcement of the Meeting may also be repeated, on a date close to the Meeting, as a reminder that it is to be held.

5.2.2.- CONTENTS OF THE ANNOUNCEMENT

The announcement will mention the date and venue of the Meeting on first call, and all the matters for discussion included on the Agenda. The date at which the Meeting will be held on second call may also be mentioned. There must be a period of at least twenty-four hours between the first and second meeting.

If the duly called General Meeting is not held on first call, and the announcement of the date of the second call has not taken place, this must be announced with the same publicity requirements as the first call, within fifteen days of the date of the Meeting that has not been held and eight days before the meeting date.

In order that shareholders may adequately exercise their right to information, the announcement will mention the place and time at which the documents submitted for the Meeting's approval are to be placed at their disposition, as well as other compulsory documents or those determined by the Board of Directors, as well as the shareholder's right to request free dispatch of all the aforementioned documents, in accordance with article 7.1 of these Regulations.

In cases of merger or separation, the announcement must contain the minimum content of the merger or separation project stipulated in article 240 of the Public Limited Companies Law and the right to examine the documentation of the operation proposed under the terms of article 238 of the Public Limited Companies Law.

As well as the measures mentioned above, the announcement of the Meeting may contain the points considered of interest to shareholders, such as the forecast of the meeting being held on first or second call, availability of means of transport, the Shareholder Information Office, website or any other aspect of interest.

6.- VENUE OF THE MEETING

The venue of the Meeting will be made public when the Meeting is announced.

Enagas will endeavour that the venue of the Meeting is a place with easy access, and in any case, will provide the directions that it considers necessary in this respect.

The General Meeting may be held in several rooms when the Committee feels that there are justified reasons for this. In this case, audiovisual means of intercommunication must be installed which ensure the simultaneous and unified nature of the meeting's proceedings.

Simultaneous translation of speeches at the Meeting may take place, when this is justified by the number of those attending who are not Spanish speakers, or when for any other reason, the Committee feels this is appropriate.

In order to ensure that the meeting takes place in an orderly fashion, systems controlling access to the Meeting may be established, and the security measures considered appropriate may be adopted.

In order to encourage the widest possible dissemination of the proceedings of the General Meeting and the agreements adopted the area, access to the media will be provided.

7.- SHAREHOLDER'S RIGHT TO INFORMATION:

7.1.- To permit the exercise of the right to information with regard to the matters to be dealt with at the Ordinary General Meeting, on the date upon which the announcement of the Meeting is made at the Shareholder Information Office, the following documentation will be placed at the shareholders' disposition:

- a)** The full text of the announcement of the General Meeting with the proposals for agreements for adoption, and reports from the Board of Directors, where appropriate, concerning their justification and timeliness, providing that all this is possible.
- b)** The full documentation of the Annual Accounts of Enagas, S.A. and the Consolidated Annual Accounts of Enagas, S.A. and the proposal for application of the results of Enagas, S.A. to the financial year in question.
- c)** The Enagas, S.A. Management Report and the consolidated Management Report for the financial year.
- d)** The Auditors Reports on the Enagas S.A. Consolidated Annual Accounts and Annual Accounts.
- e)** Annual Corporate Governance Report.
- f)** Any other report that must be included or is felt necessary by the Board of Directors.

In the event of an Extraordinary General Meeting being held, the Company will place the documentation necessary for shareholders' information referring to the proposed agreements of the Agenda at their disposition:

Before the General Meeting, the Company will place the following resources at its shareholders' disposition:

- A Shareholder Information Office.
- A free telephone number, specified in the call.
- The Company's website.

Furthermore, the Company will place the following resources at its shareholders' disposition in the minutes of the General Meeting:

The Shareholder Information Office will be at the shareholders' disposition to provide the information necessary for holding the General Meeting.

7.2.- Shareholders may ask the administrators for the information or clarifications concerning for the matters contained in the Agenda that they deem necessary or formulate the questions that they deem pertinent in writing until the seventh day before the Meeting. Shareholders may request information or clarifications or formulate questions regarding the information accessible to the public provided by the Company to the Securities and Investments Board since the previous General Meeting.

The administrators are obliged to provide the information requested in the previous paragraph, in writing, until the day that the General Meeting is held.

At the General Meeting, shareholders in the company may verbally request the information or clarifications that they consider appropriate regarding matters contained in the Agenda, and if it is impossible to satisfy the shareholder's right at that time, the administrators will be obliged to provide this information in writing within seven days of the Meeting ending.

The administrators will be obliged to provide the information requested according to the stipulations of article 112 of the Public Limited Companies Law, except in cases where in the opinion of the President, publication of the information requested may prejudice company interests or legal or statutory regulations or judicial or administrative rulings prevent this.

No information may be withheld when the request is supported by shareholders representing at least a quarter of the share capital.

The information requested in accordance with the stipulations of article 112 of the Public Limited Companies Law will be provided to the shareholder in writing, within the period between the day that the General Meeting is called and that upon which it is held, including the latter, providing the request for information meets the deadlines for exercise and scope determined by the Law and these Regulations. Shareholders must formulate the questions that they deem relevant, the information or

clarifications that they deem necessary, and specifically request an answer from the Company in writing, indicating the address at which they wish to receive this information.

7.3.- Shareholders will have the right to request all the information that they deem relevant orally or in writing, even if this is outside the deadlines established in section 7.2 of these Regulations.

As far as possible, the Company must endeavour to answer verbally during the Meeting or in writing within the period that it deems suitable.

8.- SHAREHOLDER'S RIGHT OF PARTICIPATION

Shareholders, upon registry of their identity as such, in the manner determined in article 9 of this text, may at all times raise questions of interest to the company or associated with their status as shareholders through the Shareholder Information Office, the free telephone lines placed at their disposition or the e-mail address on the Company's website.

The Company will examine the questions, suggestions and comments from shareholders, and respond to them if they are considered opportune for the smooth running of the Company.

9.- RIGHT OF ATTENDANCE

In accordance with article 27 of the Company Statutes, it is necessary to be the holder of at least 100 shares to attend and vote at a General Meeting, and these must be registered in the appropriate account register five days before the meeting.

Shareholders who do not hold the aforementioned number of shares may form groups for the purposes of attendance, designating the shareholder representing them.

Shareholders with the right to attendance must provide accreditation of this by means of any of the following media:

- A)** Admission and voting cards, which will be issued by Member Organisations of the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR), or the organisation replacing it, duly completed for this purpose.
- B)** The electronic voting and attendance certificate issued by the Organisation responsible for Accounts Entry Registration or by the Authorised Share Deposit-Holder Organisation, duly completed for that purpose.

Shareholders with the right to attendance under the terms stipulated in article 27 of the Company Statutes may attend the General Meeting at the venue shown on the announcement, in their own right or by representation.

In the future, the Board may also propose the right of long-distance attendance for shareholders, providing that the state of technology allows this and that the conditions of security in terms of shareholders' identity, the effectiveness of their rights and the correct procedure of the meeting are guaranteed.

10.- RIGHT TO REPRESENTATION

Every shareholder with the right to attend may be represented at the General Meeting by another person, who need not be a shareholder.

This representation must be conferred in writing and for every meeting in particular, by post, recognised electronic signature or any other electronic medium, or any other long-distance means of communication admitted by law, providing that in all cases, the identity of the person acting in representation is duly guaranteed.

The Board of Directors will determine the electronic or telematic means that may be used to confer representation at each Meeting, in accordance with the terms of this article, taking the state of technology into consideration. These means must comply with the security conditions required to guarantee shareholders' identify, including a recognised electronic signature, and the effectiveness of their rights and the correct procedure of the Meeting, as indicated by the Board of Directors in the announcement of the Meeting and on the Company's website.

Representation is always revocable. Personal attendance at the Meeting will constitute a revocation of the representation conferred and the representative must be notified in good time, in order to prevent him/her from exercising a representation which is not valid.

Physical persons who are not in full possession of their civil rights and legal entities that are shareholders may be represented by those legally representing them, when duly accredited. Both in these cases and in the event that the shareholder delegates the right of attendance, more than one representative at the Meeting will not be admitted.

PUBLIC REQUEST FOR REPRESENTATION

The stipulations of article 107 of the Public Limited Companies Law will be applicable to requests for representation made by the administrators, the organisations responsible for account entry registration, and any other person or public entity, on their own or others' behalf. A public request for representation will be understood to have been made when a single person represents more than three shareholders.

In particular, the document containing the public request for representation must contain or have attached the Agenda, the request for instructions for the exercise of the right to vote and the way in which the representative will vote in the event that precise instructions are not given.

If an administrator makes the request for representation, if this representation is obtained, in the absence of instructions, it will be understood that the vote will be in favour of the proposal made by the Board of Directors with the limitations established in the applicable regulation.

Administrators obtaining a public request for representation may not exercise the right to vote for represented shares in circumstances in which there is a conflict of interests as established by article 114 of the Stock Market Law concerning the following decisions:

- a) Their appointment or ratification as administrator.
- b) Their removal from office or dismissal as administrator.
- c) Legal actions by the company for liability against him/her.
- d) Approval or ratification, where appropriate, of Company transactions with the administrator under discussion, companies controlled by him/her or those that he/she or people acting on his/her behalf represent.

The public request for representation may be made using electronic means in accordance with the regulations formulated on this subject and in the manner established in these Regulations.

11.- RIGHT TO VOTE

11.1.- MEANS OF EXERCISING THE RIGHT TO VOTE

All shareholders with the right to attendance, under the terms of article 27 of the Company Statutes and article 9 of these Regulations, will have the right to vote and may exercise this on their own behalf or by representation, in any of the following ways:

- A)** By personally attending and voting at the Meeting, with the attendance and voting card duly completed and signed for that purpose.
- B)** By post, voting at the Shareholder Information Office, by recognised electronic signature or any other electronic means, and in general,

any other means of long-distance communication permitted by Law, with an electronic attendance and voting certificate attached.

The Board of Directors will determine the electronic or telematic means that may be used to confer representation at each Meeting, in accordance with the terms of this article, taking the state of technology into consideration. These means must comply with the security conditions required to guarantee shareholders' identity, including a recognised electronic signature, and the effectiveness of their rights and the correct procedure of the Meeting, as indicated by the Board of Directors in the announcement of the Meeting and on the Company's website.

The right of attendance and vote by means of telematic or electronic means, voting at the Shareholder Information Office, or by any other means of long-distance means of communication to be determined in the future, will meet the legal requirements established as well as the requirements and procedures established by these Regulations for their exercise.

11.2.- REQUIREMENTS FOR THE VALIDITY OF A VOTE

A) Voting by means of personal attendance at the Meeting

In order to exercise their right to vote, shareholders attending the Meeting personally must identify themselves in the following manner, as well as according to the stipulations of article 9 of these Regulations:

If the shareholder is a physical person, by showing their national identity document or passport.

If the shareholder is a legal entity, the representative attending and voting on its behalf must show his/her national identity document or passport, and the document legally accrediting this representation.

B) Voting by long-distance communication systems

In order that votes issued by means of any long-distance communication systems are valid, they must be received by the Company, at the Shareholder Information Office, between the day that the General Meeting is announced and no later than twenty-four hours before the anticipated date and time for the meeting to be held on first call, without prejudice to the Board of Directors being able to agree upon a shorter period.

Shareholders using these means are responsible for proof of the means and time of notification to the Company.

Postal votes will be valid providing that the shareholder sends the Company the attendance and voting card in a closed envelope, clearly showing the shareholder's identity, the number of shares owned, their vote for each point on the Agenda, and their signature and a copy of their national identity document or passport, if the shareholder is a physical person, and a document legally accrediting representation, if the shareholder is a legal entity.

In the event that the shareholder votes using electronic or telematic means, the vote will be valid when their identity is recorded by means of the electronic voting and attendance certificate, using an electronic signature that complies with the appropriate guarantees of authenticity and identification of the shareholder exercising the right to vote, the number of shares owned, and the way in which the shareholder has voted for each point on the Agenda.

If the shareholder decides to vote, personally or through a representative, at the Shareholder Information Office, he/she must present the attendance and voting card clearly showing the shareholder's identity, the number of shares owned, the way in which the shareholder has voted for each point on the Agenda, and his/her signature and must show his/her national identity document or passport, and the document legally accrediting representation where necessary.

11.3.- Shareholders carrying out long-distance voting must be considered as present for the purposes of constitution of the Meeting.

11.4.- Long-distance votes will only be invalid under the following circumstances:

- a) As a result of subsequent and explicit revocation by the same means used for issue, and within the established time limit.
- b) As a result of attendance at the meeting by the shareholder who would have issued it.

Sale of shares, the ownership of which confers the right to vote, at least five days before the date set for the Meeting, will cancel any vote cast prior to the sale.

12.- ORGANISATION AND CONSTITUTION OF THE MEETING

12.1.- CONSTITUTION OF THE MEETING

For the General Meeting to be validly constituted, it will be necessary, in accordance with article 102 of the Public Limited Companies Law and article 25 of the Company Statutes, that the shareholders present or represented possessed at least twenty-five percent (25%) of the subscribed share capital with the right to vote. On its second summons, the constitution of the Meeting will be valid, whatever the share capital attending it.

For the Ordinary or Extraordinary General Meeting to be able to validly agree to the issue of bonds, the increase or reduction of share capital, the transformation, merger or separation or dissolution of the Company, and in general, any modification to the Company Statutes, it will be necessary, in accordance with article 103 of the Public Limited Companies Law and article 26 of the Company Statutes, that the shareholders present or represented possess at least fifty percent (50%) of the subscribed share capital with the right to vote. On its second summons, twenty five percent (25%) of the share capital will be sufficient.

12.2.- PRESIDENCY AND COMMITTEE

PRESIDENCY

The General Meeting will be chaired by the President of the Board of Directors and in his absence, by the shareholder elected by shareholders attending the meeting.

The Meeting will be chaired by its President, ensuring that its procedures are correctly maintained, keeping order in the debate and ensuring that the Agenda established in the announcement is respected. He/she is also responsible for establishing the order of speakers, giving and withdrawing the floor, establishing a maximum time for debate before each vote, putting a reasonable limit on the time for Any Other Business and declaring a subject to have been debated sufficiently.

The President will be assisted by the Secretary of the Board of Directors and in the latter's absence, by the shareholder designated by the Meeting.

If the President or Secretary of the General Meeting has to leave the meeting after it has started, their tasks will be assumed by those people designated in the above paragraphs and the Meeting will continue.

CONSTITUTION OF THE COMMITTEE

The Committee of the General Meeting will be established by the members of the Board of Directors and if his/her presence has been agreed upon, by the Notary invited by the Board.

All members of the Board of Directors must attend the General Meetings. If this is impossible and the reason is justifiable, they may be represented by another member of the Board of Directors.

SCRUTINEERS

One or more scrutineers, who must be chosen from among the shareholders present, may be appointed by the President, when he/she feels this is appropriate.

The scrutineer shareholders will assist the Committee in the preparation of the list of those attending, and where necessary, counting of votes.

13.- PROCEEDINGS OF THE GENERAL MEETING

13.1.- COMPOSITION OF THE LIST OF THOSE ATTENDING AND BEGINNING OF THE MEETING

Before discussion of the matters on the Agenda begins, a list of those attending will be formulated, showing the type or representation of each, and the number of shares, belonging to them or to others, with which they attend. The summary of the list of those attending will show the number of shareholders, present or represented, as well as the value of the share capital they own, specifying that belonging to shareholders with the right to vote. The Vicesecretary of the Board, or the person designated in their absence by the President, will provide the Committee with two copies of this summary, signed by him/her and by a scrutineer shareholder, if one exists.

Attendance will be considered closed for the purposes of establishing quorum at the time showing in the announcement for the start of the Meeting.

Shareholders or shareholders' representatives arriving late at the venue of the Meeting, after the admission of attendance and voting cards has ended, may attend the meeting, but will not be included in the list of those attending and will therefore not form part of the quorum for voting purposes.

Once the meeting has been opened, the Secretary will read the details of the notification and attendance based on the list of those attending prepared by the Committee for that purpose, and will state the type or representation of each and the number of shares, belonging to themselves or others, with which they attend.

Notwithstanding the above, when the final attendance count has been completed, the General Meeting may be directly constituted in accordance with a provisional quorum, calculated minutes before the appointed time for the beginning of the Meeting, provided that this quorum reaches the legal minimum required for the aforementioned constitution and without prejudice to the Secretary duly recording the definitive quorum, announcing this during the Meeting.

The list of those attending will be made using a document, or a computerised file or medium. The medium used will be recorded in the Minutes, and the appropriate diligence of identification will be shown on the sealed cover of the file or medium, signed by the Secretary with the President's approval.

Once the list of those attending has been formulated, and it has been confirmed that the quorum necessary under the terms of articles 102 and 103 of the Public Limited Companies Law and articles 25 and 26 of the Company Statutes has been met, the President will declare the Meeting to be validly constituted.

If the Notary summoned by the Company to take the Minutes of the Meeting is present, he/she will ask those attending if they have any reservations or complaints concerning the President's statement concerning the details of shareholders and capital attending. Shareholders expressing

reservations must show the Committee's assistants their attendance card, and the latter will check and correct, where appropriate, any error.

Before starting the report on the financial year and the proposals submitted to the General Meeting, the President will ask shareholders who wish to take the floor to notify the Committee's assistants, showing their attendance cards, in order to organise turns to speak, in order to facilitate the meeting's proceedings. Shareholders who do not make their wish to take the floor clear at this point may not do so subsequently.

The President will then report to the Meeting on the most relevant aspects of the financial year and the Board's proposals, with those people authorised by him/her permitted to complete his statement.

13.2.- CONTRIBUTIONS BY SHAREHOLDERS

After the statement has been completed, the President will concede the floor to the shareholders who have requested it, keeping the debate within the limits of the Agenda, except in cases according to the stipulations of article 131 of the Public Limited Companies Law concerning special cases of separation of management or the stipulations of article 134 of the Revised Public Limited Companies Law for exercising the company's liability action.

It is the President's responsibility to chair the debate, and he/she may respond to shareholders jointly or individually. The President will declare this part of the meeting to be ended when the matters raised have in his/her opinion been sufficiently debated.

13.3.- VOTING

The various proposals will be submitted to the vote, being read by the Secretary, unless because of their length, their written text has been placed at the disposition of shareholders, and the President considers this unnecessary. Reading of the proposals may be summarised as a result of a decision by the President, providing that the shareholders representing a majority of the subscribed share capital with a right to vote present at the Meeting do not oppose this.

Agreements must be adopted by a favourable majority vote of the subscribed share capital with the right to vote, present and represented at the Meeting, in accordance with article 93 of the Public Limited Companies Law.

However, for the issue of bonds, the increase or reduction of share capital, the transformation, merger or separation of the Company, and in general, any modification to the Company Statutes, if the meeting is held on second call and when shareholders representing less than fifty percent of the subscribed share capital with the right to vote are present, the Meeting must adopt the agreements with the favourable vote of two-thirds of the subscribed share capital with the right to vote, present or represented.

After reading of the proposal for each agreement by the Secretary, voting will take place. For the purposes of determining the result of voting, the votes cast at the Meeting by the shareholders present and represented and those cast by delegation as a consequence of a public request for representation under the terms of delegation and those cast by postal or electronic mail, by voting at the Shareholder Information Office and by any other means of long-distance communications that complies with the requirements established for it, will be counted.

With regard to the proposals for agreement relating to the points included on the Agenda of the General Meeting, the following will be counted by the Meeting Committee:

- As **votes against**, those corresponding to shares whose owners or representatives have declared that they are voting against by means of notification or expression of their vote to the Notary of the Meeting, to be recorded in the Minutes, and the negative long-distance votes.
- As **abstentions**, those corresponding to shares whose owners or representatives have declared their abstention to the Notary of the Meeting, to be recorded in the Minutes, and the long-distance abstentions issued.
- As **votes in favour** those corresponding to all the shares physically present at the Meeting and represented, providing they meet the requirements shown below.

With in regard to the proposals for agreement concerning matters not included on the Agenda, referred to in articles 131, 132 and 134 of the Public Limited Companies Law, the following will be counted by the Meeting Committee:

- As **votes in favour**, those corresponding to the shares whose owners or representatives which meet the requirements shown below, and declare that they are voting in favour by means of notification or expression of their vote to the Notary of the Meeting, to be recorded in the Minutes.
- As **abstentions**, those corresponding to shares whose owners or representatives have declared their abstention to the Notary of the Meeting, to be recorded in the Minutes, and the long-distance abstentions issued.
- As **votes against**, those corresponding to all the shares physically present at the Meeting and represented, providing they meet the requirements shown below.

Representation, including that obtained by public request, may not vote with regard to proposals not included on the Agenda and which are submitted to the Meeting by virtue of the aforementioned legal provisions, unless this is specifically envisaged.

When shareholders wish to leave the Meeting during its proceedings, they may speak to the Committee and if they wish, request that their vote for or against each of the proposals included on the Agenda is recorded in the Minutes. In the event of them not doing so, they will be understood to have voted in favour of all points pending voting included in the Agenda and against those not included and which are submitted to the vote in their absence.

The Secretary will read the results of voting on each proposal to the Meeting, indicating the votes cast in favour, against and abstentions.

The scrutineers will prepare a note with the result of each vote, including the votes cast beforehand and any modification taking place during the Meeting.

Once voting on all the proposals has taken place, the Secretary of the Meeting will give the Notary, if the Company has requested one to be present at the Meeting, the notes from the scrutineers with details of the results on voting of each proposal, and the President will they close the meeting.

14.- ATTENDANCE AND CONTRIBUTIONS BY OTHER PEOPLE

The President of the Enagas Auditing and Compliance Committee, representing the Committee, will be at the Meeting's disposition to answer questions raised at it by shareholders concerning matters and his authority.

The External Auditor of the Company must attend the meeting, having been summoned beforehand to that end by the Board of Directors. The Auditor will speak when the President considers that this is timely, to clarify questions regarding his/her work as the Company's External Auditor.

The Board of Directors will summon a Notary to attend and record Minutes, in accordance with article 114 of the Public Limited Companies Law, providing that it considers this advisable and will necessarily do so when requested to buy one percent of the share capital.

The Senior Management of the Company will endeavour to attend the General Meeting.

Other people may attend the Meeting if the President so decides.

15.- MINUTES OF THE MEETING

The Minutes of the Meeting may be approved by the Meeting itself after it has been held, or if not, within a period of fifteen days, by the President of the Meeting and two scrutineers, one representing the majority and another the minority. The Minutes approved in either of these two ways will have executive validity from the date of their approval.

In the event that the Meeting is held with a Notary present, the notarial Minutes will be considered as Minutes of the Meeting, and their approval will therefore not be necessary.

16.- PUBLICITY

16.1.- Regardless of the publicity measures that are required legally or by regulations in each case, shareholders will be able to ascertain the agreements adopted by the General Meeting through the Company website, on which their entire text will be published.

16.2.- The following contents, at least, must also be published on the Company website, in accordance with the stipulations of Order ECO/3722/2003, of 26 December, concerning other means of information in public limited companies:

- a. The Company Statutes.
- b. The General Meeting Regulations.
- c. The Regulations of the Board of Directors and where necessary, Regulations of the Committees of the Board of Directors.
- d. The Annual Report and the Internal Conduct Regulations.
- e. The Corporate Governance Reports.
- f. Documents concerning ordinary and extraordinary General Meetings, with information on the Agenda, proposals made by the Board of Directors, and any other relevant information that may be needed by shareholders to cast their vote, within the period established by the Securities and Investments Board.

- g. Information on the proceedings of General Meetings held, and in particular, on the composition of General Meetings when constituted, agreements adopted with the number of votes cast and the way in which they were cast in each of the proposals included in the Agenda, within the period established by the Securities and Investments Board.
- h. The channels of communication between the Company and shareholders, and, in particular, relevant explanations for exercising the shareholder's right to information, showing postal and electronic mail addresses which shareholders may use.
- i. The means and procedures for conferring representation at the General Meeting, according to the specifications established by the Securities and Investments Board.
- j. The means and procedures for long-distance voting, in accordance with the regulations concerning the system, including the forms to accredit attendance and exercise voting by telematic means at General Meetings.
- k. The relevant facts.

16.3.- The registrable agreements will also be presented for registration in the Commercial Registry and publication in the Official Bulletin of this Registry.

16.4.- The Company will endeavour to maintain all this information published on the website and duly updated and also to co-ordinate its content with the outcome of documents deposited and registered in the corresponding Public Registries.

17.- NOTIFICATION

The Company will notify the Securities and Investments Board of the text of the agreements adopted, in the legally required manner. This notification will take place in the shortest possible time, and in any event, within the deadline established to that end.

18.- CASES OF TEMPORARY SUSPENSION AND EXTENSION

18.1.- TEMPORARY SUSPENSION

In exceptional circumstances, if any event takes place that substantially alters the good order of the General Meeting, or if other extraordinary circumstances arise preventing its normal proceedings, the President of the Meeting may agree to suspend it for the time necessary to re-establish the conditions allowing it to be continued.

If these circumstances persist, the President will propose the postponement of the meeting to the first working day possible.

18.2.- EXTENSION

In the event of a postponement, it will not be necessary to repeat compliance with the legal or statutory requirements for its valid constitution at the subsequent proceedings. If any shareholder included on the list of those attending formulated at the beginning of the meeting is unable to attend the subsequent proceedings, the majorities necessary for the adoption of agreements will continue to be determined at them based on the details contained in the list.

FIFTH AGREEMENT

Approval of the salary for members of the Board of Directors for the financial year 2004.

By virtue of Article 36 of the Company Statutes, the text of which was approved by the Ordinary General Meeting of Shareholders of 25 April 2003, the purpose of payment of Directors is to cover both the responsibilities involved in holding their post, such as work and attending meetings, with the General Meeting being responsible for determining the maximum amount to be paid to Administrators, and the form and criteria that must be taken into consideration in the assignment and distribution of this payment, which will be carried out by the Board of Directors, following the guidelines established by the General Meeting.

In compliance with the Regulations of the Board of Directors, the Appointments and Salaries Committee has made a proposal for payment for approval in accordance with the Status, which the Board of Directors has assumed in its entirety.

The proposal to the General Meeting includes the same individual payment for each Director as that approved for the year 2003, as the Board has felt that as the change in payment agreed at the last Meeting is still recent, it is appropriate to maintain continuity both in the reasons for payment and the specific sums paid. Only the overall maximum has been increased, as a result of the possible increasingly number of members of the Board of Directors to reach the maximum permitted by the Company Statutes, so that the maximum proposed payment (950,000 €) is increased to the extent that the number of Directors may increase this year.

It has also been considered appropriate to maintain the same criteria used by the Board of Directors to distribute the total maximum payment as were approved last year.

In accordance with the above, it is proposed that General Shareholders' Meeting adopt the following agreement:

To establish, as a maximum total payment to the members of the Board of Directors for the year 2004, the sum of 950,000 Euros, which will be distributed according to the following grounds and criteria:

- Every Board member attending a minimum of two meetings during the financial year will be paid the sum of 20,000 Euros.
- Payment for effective attendance at meetings will also be a maximum of 33,000 Euros per Director. The Board of Directors will determine the specific sum for attendance, either personally or in representation, at each meeting.
- Members of Committees will receive an annual payment of 9,600 Euros, and the president of any Committee will receive an additional annual sum of 5,000 Euros.

The above sums do not include payments or salaries that may also be due as a result of employment relationships or services provided by members of the Board, and the right to payment or reimbursement of expenses incurred by Directors as a result of carrying out their tasks."

SIXTH AGREEMENT

Appointment or re-election of an Auditor for the Company and for its Consolidated Group for the financial year 2004.

In accordance with article 204 of the Public Limited Companies Law, it is proposed that General Meeting adopt the following agreement:

“To appoint as Auditor of ENAGAS, S.A. and its Consolidated Group, for a period of three years, for the financial years between 1 January and 31 December 2004, 2005 and 2006, DELOITTE & TOUCHE ESPAÑA S.L., with its registered office in Madrid, at calle Raimundo Fernández Villaverde no. 65, with Fiscal Identity Code B- 79104469, registered in the Madrid Commercial Registry, page M-54.414, sheet 188, volume 13,650, section 8, entry 41 and in the Official Register of Accounts Auditors with number S-0692 and to delegate the Board of Directors to establish the payment to be made to DELOITTE & TOUCHE ESPAÑA S.L. for providing auditing services.”

SEVENTH AGREEMENT

Delegation of powers to complement, carry out, execute, rectify and formalise the decisions adopted by the General Shareholders' Meeting.

It is proposed that General Meeting adopt the following agreement:

“It is agreed to delegate and empower the President of the Board of Directors, Mr. Antonio González-Adalid García-Zozaya, the Secretary, Mr. Luis Pérez de Ayala Becerril and the Vice-Secretary, Ms Beatriz Martínez-Falero García, so that any of them, without distinction, may take the necessary actions for implementing the aforementioned adopted agreements, including the following: to appear before the Notary of their choice and submit to public deed the agreements for modification of the Company Statutes and to carry out and execute any public or private proceedings or documents necessary for the aforementioned agreements to be registered in the Commercial Registry, and to execute any public or private documents necessary for the rectification or modification of errors or additional information to the former, and to adapt these agreements to the criteria of the Commercial Registrar, until they are duly deposited in the annual accounts in the Commercial Registry.”