



Direction of Investor Relations

RELEVANT FACT

The Council of Ministers met today and approved a Royal Decree Law, which has yet to be published in the Spanish Official State Gazette, adopting urgent measures to guarantee the safety of people, goods and the environment in relation to the Castor natural gas underground storage facility.

This Royal Decree Law has declared the concession for operating the Castor natural gas underground storage facility, granted by Royal Decree 855/2008, of 16 May, to be terminated, whereby the right to and use of the geological structure for underground storage are once again public domain.

With regard to the facilities associated with the terminated concession, the Royal Decree Law has declared these facilities to be in hibernation, during which no natural gas injection or extraction activities will be carried out in the subsurface geological structures that make up the underground storage facility. The Royal Decree Law stipulates that these facilities will be managed by ENAGAS TRANSPORTE, S.A.U., a subsidiary wholly owned by Enagás, S.A., which will be in charge of the maintenance and operations of the facilities during the aforementioned hibernation, the prime objective being to guarantee the safety of the facilities for people, goods and the environment and to ensure compliance with applicable legislation. ENAGAS TRANSPORTE, S.A.U. will also prepare any reports and studies deemed necessary in order to maintain the safety of the storage facility, to verify this in the facility's operations and to acquire the technical knowledge necessary for the authorities to obtain the in-depth understanding needed to decide on the future of the storage facility.

Maintenance and operational costs of the facilities will be reimbursed to ENAGAS TRANSPORTE, S.A.U. with a charge to income from the tolls and fees of the gas system.

In carrying out the duties stipulated in the Royal Decree Law, ENAGAS TRANSPORTE, S.A.U. will be exclusively liable for the consequences arising from failure to comply with its obligations. In particular, the company will not be liable for any wear and tear or damage to the facilities or any other damages and losses caused by force majeure or unforeseen circumstances, or that are caused by the actions or omissions of the party that until now was the holder of the terminated concession.

Accordingly, the Royal Decree Law recognises the value of the investment made in the storage facility by the holder of the terminated concession, which



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amounts to €1,350,729 thousand, and requires ENAGAS TRANSPORTE, S.A.U. to pay this amount to the holder of the terminated concession.

As a result of the payment obligation assumed, ENAGAS TRANSPORTE, S.A.U. will be entitled over a period of 30 years to collect from the gas system, with a charge to the monthly billing for gas system tolls and fees, the amount paid to the holder of the terminated concession plus the remuneration expressly stipulated in the Royal Decree Law.

The Royal Decree Law contains the provisions necessary to ensure the full effectiveness of this collection right and indicated that this collection right will be freely available to ENAGAS TRANSPORTE, S.A.U. or its subsequent holders and, therefore, may be fully or partially assigned, transferred, discounted, pledged or used as collateral in favour of third parties, including asset securitisation funds or other Spanish or foreign special purpose vehicles or entities. The assignment of the collection right will be effective vis-à-vis the gas system, which will make the related payments to the new holder.

Enagás recognises that the Government is entitled, under the terms established in the Spanish Constitution, to issue any extraordinary or urgent laws that it deems necessary.

Enagás considers the assignment of ENAGAS TRANSPORTE, S.A.U. to manage the Castor storage facilities, the concession of which has been terminated, reflects, as recognised by the Royal Decree Law, the Enagás Group's unique position as an independent manager and technical gas system manager and its technical qualifications and experience as a holder and operator of the remaining underground natural gas storage facilities in the Spanish gas system. Enagás believes it has the necessary technical capacity to carry out the activities stipulated in the Royal Decree Law, that these activities will be adequately compensated by the gas system under the terms indicated in the Royal Decree Law, and that its possible liabilities are expressly limited to those resulting from its own actions in operating and maintaining the facilities.

Meanwhile, the Royal Decree Law stipulates that ENAGAS TRANSPORTE S.A.U. must pay the holder of the extinguished concession the amount of the investment recognised in the project, and then become holder of the collection rights from the gas system for a period of 30 years. The Royal Decree Law allows these collection rights to be assigned to third parties under certain conditions.

At the time this information is being made public, Enagás has agreed with a number of financial entities that they will purchase from Enagás the credit rights it will have vis-à-vis the gas system as set out in the Royal Decree Law.



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Such assignment of the credit rights, the proceeds of which will be used by Enagás to make the payment set out in the Royal Decree Law, will be formalised immediately at the time the Royal Decree Law is published in the Spanish Official Gazette (Boletín Oficial del Estado).

This transaction will be neutral for Enagás from a financial point of view and will not have any negative effect on its financial statements, affect its debt ratios or alter its investment objectives.

The company has informed the rating agencies about the terms of the transaction. As a result of these contacts, Enagás considers that the rating agencies will announce in the next days that this transaction is neutral for the company's ratings.

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Tel: +3 4917 099 330

www.enagas.es

investors@enagas.es