



Julián Martínez-Simancas
General Secretary and Secretary of the Board of Directors

To the National Securities Market Commission

Bilbao, June 1, 2011

Re: Execution of a supply agreement of liquefied natural gas between IBERDROLA GENERACIÓN, S.A. UNIPERSONAL and BP GAS MARKETING LIMITED

Dear Sirs,

Pursuant to Section 82 of Law 24/1988, of July 28, on the Securities Market (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) and related provisions, we hereby advise you that IBERDROLA GENERACIÓN, S.A. UNIPERSONAL¹ (“**Iberdrola Generación**”) and BP GAS MARKETING LIMITED (a company within the BP group) (“**BPGM**”) executed yesterday a long-term supply agreement of liquefied natural gas (“**LNG**”) from the first company to the second one.

Pursuant to the terms of the above referred agreement, Iberdrola Generación will supply to BPGM 0.5 billion m³ of gas per year, during a period of ten (10) years, beginning in 2012. The LNG will be delivered in regasification terminals in Spain, anticipating the unloading of six LNG cargoes per year.

Please be advised of all of the foregoing for such purposes as may be appropriate.

Yours truly,

General Secretary and Secretary of the Board of Directors

¹ A wholly-owned subsidiary of IBERDROLA, S.A.

IMPORTANT INFORMATION

This communication does not constitute an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange any securities. The shares of IBERDROLA, S.A. may not be offered or sold in the United States of America except according to an effective registration statement under the Securities Act or according to a valid exemption from registration.

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