



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

Bilbao, 30 May 2014

To the National Securities Market Commission

Re: Long-term supply agreement of liquefied natural gas with the US company Corpus Christi Liquefaction, LLC

Dear Sirs,

Pursuant to article 82 of Law 24/1988 of 28 July on the securities market (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) and related provisions, we hereby inform you that Iberdrola, S.A. (“**Iberdrola**” or the “**Company**”) and the US company Corpus Christi Liquefaction, LLC (a subsidiary of Cheniere Energy, Inc.) have entered into a long-term supply agreement for liquefied natural gas (“**LNG**”) by virtue of which Corpus Christi Liquefaction, LLC will supply Iberdrola approximately one billion cubic meters¹ (bcm) of LNG per annum.

The agreement has a term of 20 years. The supply is expected to commence in 2019, with a partial supply as from 2018. The terms and conditions of the agreement guarantee full flexibility at the place of destination. The LNG will be purchased at a price linked to the monthly evolution of the Henry Hub index, plus a fixed spread.

The total present value of the cost of the supply during the full term of the agreement is expected to be approximately USD 5.6 billion².

The execution of the agreement will enable Iberdrola to fulfill its long-term needs in the United Kingdom and Spain, not only as a combustible for gas-fired plants, but also as a product for retail users and with regard to previously-agreed long-term sales to the wholesale market.

¹ Equivalent to approximately 0.8 million metric tons per annum.

² Equivalent to approximately EUR 4.1 billion, according to the reference exchange rate published by the European Central Bank on 29 May 2014.



The agreement is subject to certain conditions precedent, including Corpus Christi Liquefaction, LLC obtaining the corresponding regulatory authorizations, and the closing of the project financing.

This information is provided to you for the appropriate purposes.

Yours faithfully,

The General Secretary and Secretary to the Board of Directors



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 pursuant to an effective registration statement under the *Securities Act* or pursuant to a valid exception from registration.

This communication contains forward-looking information and statements about Iberdrola, S.A., including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, capital expenditures, synergies, products and services, and statements regarding future performance. Forward-looking statements are statements that are not historical facts and are generally identified by the words “expects”, “anticipates”, “believes”, “intends”, “estimates” and similar expressions.

Although Iberdrola, S.A. believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of Iberdrola, S.A. shares are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Iberdrola, S.A., that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the public documents sent by Iberdrola, S.A. to the *Comisión Nacional del Mercado de Valores*.

Forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of Iberdrola, S.A. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they were made. All subsequent oral or written forward-looking statements attributable to Iberdrola, S.A. or any of its members, directors, officers, employees or any persons acting on its behalf are expressly qualified on its entirety by the cautionary statement above. All the forward looking statements included herein are based on information available to Iberdrola, S.A. on the date hereof. Except as required by applicable law, Iberdrola, S.A. does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.