



## **NATURGY ENERGY GROUP, S.A.**

NATURGY ENERGY GROUP, S.A. in compliance with the provisions of article 228 of the consolidated text of Act 24/1988, of 28 July, on the Securities Market, hereby notifies the National Securities Market Commission of the following

### **REGULATORY DISCLOSURE**

Last Friday 16 November, the Argentinean government approved the decree 1053/2018, which establishes it will assume the payment of the differences between the gas purchased by the gas distributors and the value of natural gas recognised in the tariffs in force between April 1, 2018 and March 31, 2019, generated exclusively by the variation of the exchange rates in the period.

In the first nine months of 2018 results, Naturgy adopted a prudent and transparent approach in this respect, whereby it registered a negative impact on results of €116m and €57m on reported EBITDA and Net income, respectively. Following the approval of the decree by the Argentinean government, Naturgy will incorporate its positive impact in the 2018 consolidated accounts for the year end.

The above confirms the solution to the problem for gas distributors in Argentina such as Naturgy, related to the recent increase in the cost of gas procurement linked to the currency devaluation in the country.

Naturgy welcomes the Argentinean government decision which strengthens the stability and credibility of the country vis a vis the international investment community.

**Madrid, November 20, 2018**