



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

Bilbao, January 18 2010

**To the National Securities Market Commission**

**Re: Sale of shareholding interest in PETROCELTIC INTERNATIONAL PLC**

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, S.A. has sold its shareholding interest in PETROCELTIC INTERNATIONAL PLC (representing 15.68% of its share capital) to MIRABAUD PEREIRE NOMINEES LIMITED in a transaction executed today out of the market. MIRABAUD PEREIRE NOMINEES LIMITED has, in turn, carried out a private placement of such block of shares to qualified and institutional investors.

The aggregate value of the transaction amounts to thirty-four million five hundred twenty-three thousand seventy-six British pounds sterling with ninety-six pence of British pounds sterling (GBP 34,523,076.96)<sup>1</sup>, being the purchase price of each share of PETROCELTIC INTERNATIONAL PLC equal to sixteen pence of British pounds sterling (GBP 0.16), which represents a 23.08% premium over the acquisition price of the shareholding interest of IBERDROLA, S.A. in PETROCELTIC INTERNATIONAL PLC (equivalent to thirteen pence of British pounds sterling (GBP 0.13) per share).

The sale of the shareholding interest of IBERDROLA, S.A. in PETROCELTIC INTERNATIONAL PLC is included within the framework of the plan for divestiture of assets contemplated by the 2008-2010 Strategic Plan of the Iberdrola Group.

Simultaneously with this sale, IBERDROLA, S.A. has agreed with PETROCELTIC INTERNATIONAL PLC the refund of the initial payment of seven point thirty-three (7.33)

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<sup>1</sup> Equivalent to EUR 39,184,015.62, at the official exchange rate of 1 euro = 0.88105 British pounds sterling corresponding to January 15, 2010.

million U.S. dollars<sup>2</sup> corresponding to the option that it held to acquire 49% of the Algerian asset “Isarene”.

Both transactions will generate, in aggregate, a net income for IBERDROLA, S.A. of 43.89 million euros, approximately.

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

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<sup>2</sup> Equivalent to 5.10 million euros, at the official exchange rate of 1 euro = 1.4374 U.S. dollars corresponding to January 15, 2010.

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## **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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