

In accordance with article 228 of Royal Legislative Decree 4 of 23 October 2015 (*Real Decreto Legislativo 4/2015*), enacting the revised text of the Securities Market Act (*Ley del Mercado de Valores*), Enagás, S.A. now reports the following significant event:

Further to the resolution carried by the General Meeting of Shareholders on 18 March 2016, the Board of Directors of Enagás, S.A., acting on the proposal of the Appointments, Remuneration and Corporate Social Responsibility Committee, approved implementation of the Long-Term Incentive Plan (the "Plan") at its meeting held on 29 March 2016. The Plan is intended for executive directors and members of the management team of Enagás, S.A. and of companies belonging to its group. Under the plan, each beneficiary will be granted, at no cost to them, a certain number of performance shares and a target incentive payable in cash, which will be used to determine, based on the extent to which the objectives and requirements set out in the Plan are met, the number of Enagás shares to be finally allotted and the gross cash sum payable, if any, to each beneficiary under the Plan. The reference share price for the Plan will be the arithmetic mean rounded off to two decimal digits of the closing share price of Enagás on 31 December 2015 and of the 20 sessions before and after that date (€26.36 per share).

The relevant measurement period for the Plan will run from 1 January 2016 to 31 December 2018, without prejudice to the effective settlement of the Plan.

Beneficiaries will not become Company shareholders until the shares in the Company are effectively delivered. The performance shares do not confer financial or voting rights in the Company's share capital or any other types of shareholder rights. Beneficiaries will become Company shareholders upon final settlement of the Plan and, as the case may be, delivery of the corresponding shares.

The General Meeting of Shareholders has named the two executive directors as beneficiaries under the Plan, namely Antonio Llardén Carratalá, Chairman of the Board of Directors, and Marcelino Oreja Arburúa, Chief Executive Officer. As per the resolution of the General Meeting, the Board of Directors has invited the eight members of the Management Committee and the thirty-three directors of Enagás S.A. and its group companies to take part in the Plan. The Plan will therefore have a total of forty-three beneficiaries, although the Board of Directors may, on the proposal of the Appointments, Remuneration and Corporate Social Responsibility Committee, subsequently agree to add new beneficiaries not envisaged at the outset. In the case of executive Directors, the entire incentive will be delivered as performance shares. For members of the Management Committee, 75% of the incentive will take the form of performance shares while 25% will comprise the target incentive payable in cash. For directors, 50% will take the form of performance shares while the other 50% will comprise the target incentive payable in cash.

In accordance with the preceding paragraphs, the maximum number of shares to be delivered as a result of the initial allotment of performance shares to all beneficiaries will be 279,675.

The Plan also envisages that a further 27,968 shares may be delivered to beneficiaries through the granting of new performance shares. Accordingly, a maximum of 307,643 shares may be granted under the Plan. This number of shares is the maximum number of shares that can be delivered, without deducting any shares that may be used to pay the corresponding personal income tax on account if the maximum ratios on target compliance are applied. Among other measures, the Company may use its treasury shares or any other suitable financial instruments in any given situation to cover the Plan. As per the resolution of the General Meeting of Shareholders, a total of 69,711 and 27,744 shares have been allotted to Antonio Llardén Carratalá and Marcelino Oreja Arburúa, respectively. Furthermore, the Board of Directors has allotted a total of 94,746 shares and a cash target incentive of €835,465 to the members of the Management Committee, and a total of 87,474 shares and a cash target incentive of €2,234,810 to all directors, all the foregoing without prejudice to the information that must be disclosed under the terms of CNMV Circular 8 of 22 December 2015.

The Board of Directors has approved the Regulations of the Plan and has conferred the necessary powers and authority to implement the Plan.

For information purposes only, please note that in addition to the Long-Term Incentive Plan intended for executive directors and the management team, the Company intends to roll out a separate and independent three-year variable cash remuneration scheme intended for the other employees of the Enagás Group with a view to strengthening their engagement and involvement in helping to ensure that the Company reports the best possible and most sustainable results in the mid to long term.

30 March 2016
Secretary to the Board of Directors
Enagás, S.A.