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GAS NATURAL SDG, S.A.

Gas Natural SDG, S.A. ("GAS NATURAL FENOSA") in compliance with the provisions of article 228 of the consolidated text of Act 24/1988, of 28th of July, on the Securities market, hereby notifies the National Securities Market Commission of the following.

RELEVANT INFORMATION

Following a letter of interest received from Brookfield Infrastructure ("BROOKFIELD"), GAS NATURAL FENOSA, through Gas Natural Distribución Latinoamérica S.A. and BROOKFIELD have reached a binding agreement for the sale and purchase of its 59.1% stake in GAS NATURAL S.A. ESP, its retail gas distribution and supply activities in Colombia, through a process that will also allow minority shareholders to tender their shares at the same share price.

The transaction will be carried out in two phases. The first phase, which is expected to be executed in 2017, will involve the transfer of a stake in GAS NATURAL S.A. ESP that will derive in the loss of control of this entity by the seller. Subsequently, in the second phase, the remaining stake will be transferred through a direct tender offer or a delisting offer for acquiring control by the purchaser. The second phase is expected to be completed in the first semester of 2018, subject to Colombian securities and market sector regulations.

It is estimated that the transaction will have a positive accounting impact on net income after tax for GAS NATURAL FENOSA of approximately € 350 million in fiscal year 2017, reflecting the growth of the company which, since its acquisition in 1997, has increased its number of customers from 400 thousand clients to almost 3 million clients and the length of its distribution network from 5,000 km to over 22,000 km at present. This impact on net income includes both the capital gain from the sale of the initial stake as well as the revaluation of the remaining stake due to the loss of control. The EBITDA and the attributable net income after taxes for the last twelve months as at September 2017 of this activity in Colombia amounted to € 138 million and € 35 million respectively.

The transaction terms imply a 100% enterprise value of €1,005 million that leads to an equity value for the 59.1% shareholding of € 482 million. Hence the agreement for the transaction is equivalent to 7.3x EBITDA and 13.8x earnings, based on the last twelve months.

The seller has specifically considered the development progress of these activities achieved over the last 20 years, having reached a 90% commercial penetration rate, while it has also born in mind the consideration offered by the purchaser and his experience managing energy infrastructure, as well as taken into account the value protection for the minority shareholders.

This decision does not affect the willingness of GAS NATURAL FENOSA to maintain a dialogue with the Colombian authorities that avoids the arbitration procedure for investment protection that had to be initiated in relation to its participated company Electricaribe. On the contrary, once the Colombian authorities have had the opportunity to get a one year first-hand knowledge of the reality of the power supply in the Caribbean coast, GAS NATURAL FENOSA reiterates its appeal to these authorities in order to cancel the intervention measure for liquidation imposed last March and work towards finding an agreed, satisfactory and, above all, sustainable solution for the provision of power supply service in the area for the benefit of customers, employees, creditors and shareholders of Electricaribe.

For the closing of fiscal year 2017, GAS NATURAL FENOSA net profit remains within the target range (approximately between 1.3 and 1.4 billion euros) due to the fact that it is expected to offset part of these results advancing approximately €100 million after taxes restructuring costs related to its current efficiency plan, and due to the fact that the disposal of our Italian operations, which will generate approximately € 190 million profit after taxes, could be completed during the first quarter of 2018 and not in the present year.

Madrid, 17th of November 2017