

NATURGY ENERGY GROUP, S.A.

NATURGY ENERGY GROUP, S.A. (the “Company” or “Naturgy”) in compliance with the provisions of Article 17 of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Article 226 of the Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October hereby notifies the following

INSIDE INFORMATION

Naturgy, ENI and The Arab Republic of Egypt have agreed the terms to amicably resolve the disputes affecting Union Fenosa Gas (UFG), the 50%/50% partnership between Naturgy and ENI. The parties have signed the relevant agreements and intend to execute the transaction in the first half of 2020, once customary conditions precedent are met.

The agreement values UFG (100%) at a total consideration of US\$1.5bn of which US\$1.2bn relate to its Egyptian assets (including the outstanding legal proceedings), and the remaining US\$0.3bn for the assets outside of Egypt.

Naturgy will receive a net cash payment of US\$0.6bn as well as most of the assets outside of Egypt, excluding UFG’s commercial activities in Spain.

The completion of the transaction will result in Naturgy’s departure from Egypt and the end of its joint-venture with ENI, having no obligation in the future to buy LNG from the country. This is an important step to gradually reduce the company’s exposure to gas procurement contracts, and solves a complex situation which had lingered since 2012, consuming significant time and resources.

With this agreement Naturgy continues to demonstrate its ability to simplify and derisk its business positioning, with a view to allocate its capital and resources to those businesses which maximise long term value creation for its stakeholders, as envisioned in its Strategic Plan 2018-2022.

Madrid, February 27, 2020