

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014.

CITIGROUP ANNOUNCES INDICATIVE RESULTS OF TENDER OFFER FOR NOTES ISSUED BY GAS NATURAL CAPITAL MARKETS, S.A. AND GUARANTEED BY GAS NATURAL SDG, S.A.

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London, 5 April 2017.

Further to its announcement on 28 March 2017, Citigroup Global Markets Limited ("**Citigroup**") hereby announces the indicative results of its invitation to holders of the (i) €700,000,000 4.125 per cent. Guaranteed Notes due January 2018 (XS0479541699) (the "**January 2018 Notes**"); (ii) €750,000,000 5.00 per cent. Guaranteed Notes due 2018 (XS0741942576) (the "**February 2018 Notes**"); (iii) €850,000,000 4.500 per cent. Guaranteed Notes due January 2020 (XS0479542580) (the "**4.500 per cent. January 2020 Notes**"); (iv) €800,000,000 6.00 per cent. Guaranteed Notes due 2020 (XS0829360923) (the "**6.00 per cent. January 2020 Notes**"); and (v) €750,000,000 5.125 per cent. Guaranteed Notes due November 2021 (XS0458749826) (the "**2021 Notes**" together with the January 2018 Notes, the February 2018 Notes, the 4.500 per cent. January 2020 Notes and the 6.00 per cent. January 2020 Notes, the "**Notes**" and each a "**Series**") issued by Gas Natural Capital Markets, S.A. (the "**Issuer**") and guaranteed by Gas Natural SDG, S.A. (the "**Guarantor**") to offer to sell Notes to Citigroup for cash at the relevant Purchase Price (the "**Solicitation of Offers to Sell**").

The Solicitation of Offers to Sell was made upon the terms and subject to the conditions contained in a tender offer memorandum dated 28 March 2017 (the "**Memorandum**") prepared in connection with the Solicitation of Offers to Sell. Capitalised terms used in this announcement and not otherwise defined have the meanings ascribed to them in the Memorandum.

Summary of Results

Following the expiration of the Solicitation of Offers to Sell at 4:00 p.m. (London time) on 4 April 2017 (the "**Expiration Date**"), Citigroup hereby announces its non-binding indication that (subject to confirmation by Citigroup in its sole and absolute discretion): (i) it intends to accept for purchase EUR1,000,000,000 in aggregate principal amount of the Notes in accordance with the terms and

conditions of the Solicitation of Offers to Sell, (ii) in respect of the January 2018 Notes, it intends to accept Offers to Sell which were validly submitted by the Expiration Date on a pro-rata basis, with the indicative pro-ration factor in respect of the January 2018 Notes of 64.50%, (iii) in respect of the February 2018 Notes, it intends to accept Offers to Sell which were validly submitted by the Expiration Date on a pro-rata basis, with the indicative pro-ration factor in respect of the February 2018 Notes of 64.45%, (iv) in respect of the 4.500 per cent. January 2020 Notes, it intends to accept in full all Offers to Sell which were validly submitted by the Expiration Date, (v) in respect of the 6.00 per cent. January 2020 Notes, it intends to accept in full all Offers to Sell which were validly submitted by the Expiration Date and (vi) in respect of the 2021 Notes, it intends to accept in full all Offers to Sell which were validly submitted by the Expiration Date.

The Purchase Price for each Series of Notes accepted for purchase will be determined at or around 2:00 p.m. (London time) today in accordance with the terms set out in the Memorandum (i) in respect of the 2021 Notes, by reference to the sum of the Reference Benchmark Yield and the Purchase Spread and (ii) in respect of the January 2018 Notes, February 2018 Notes, 4.500 per cent. January 2020 Notes and 6.00 per cent. January 2020 Notes, will be determined by the Joint Dealer Managers by reference to the relevant Purchase Yield, in each case in accordance with the pricing formula set out in Annex A to the Memorandum.

Description of Notes / ISIN	January 2018 Notes (XS0479541699)	February 2018 Notes (XS0741942576)	4.500 per cent. January 2020 Notes (XS0479542580)	6.00 per cent. January 2020 Notes (XS0829360923)	2021 Notes (XS0458749826)
Maturity Date	26 January 2018	13 February 2018	27 January 2020	27 January 2020	2 November 2021
Indicative aggregate principal amount accepted	EUR187,300,000	EUR164,200,000	EUR163,750,000	EUR365,600,000	EUR119,150,000
Indicative Pro-Ration Factor (if applicable)	64.50%	64.45%	N/A	N/A	N/A

Citigroup will announce whether it will accept valid Offers to Sell pursuant to the Purchase and, if so accepted, (i) the principal amount of each Series of Notes accepted for purchase and any pro-ration factor; (ii) the relevant Purchase Price and the Accrued Interest for each Series of Notes accepted for purchase; (iii) in respect of the 2021 Notes only, the Reference Benchmark Yield and the Purchase Yield; and (iv) the completion of the New Notes Condition, as soon as practicable following the Pricing Time, 2:00 p.m. (London time) today.

Settlement

All purchases of Notes accepted pursuant to the Solicitation of Offers to Sell are (subject to confirmation by Citigroup in its sole and absolute discretion) expected to be settled on 6 April 2017 (the “**Settlement Date**”) through the normal procedures of the Clearing Systems. On the Settlement Date, Citigroup will pay, or procure the payment of, the relevant Purchase Price plus Accrued Interest to all Noteholders whose Offers to Sell have been validly accepted by Citigroup pursuant to the Terms and Conditions, subject to receipt of the relevant Notes.

Notes in respect of which Citigroup does not accept an Offer to Sell will remain outstanding subject to the terms and conditions of such Notes.

Further Information

A complete description of the terms and conditions of the Solicitation of Offers to Sell is set out in the Memorandum. Citigroup Global Markets Limited, Banco Bilbao Vizcaya Argentaria, S.A., BNP Paribas and CaixaBank, S.A. are the Joint Dealer Managers for the Solicitation of Offers to Sell.

Requests for information in relation to the Solicitation of Offers to Sell should be directed to:

JOINT DEALER MANAGERS

<p>Banco Bilbao Vizcaya Argentaria S.A. 44th Floor, One Canada Square London E14 5AA United Kingdom</p> <p>Tel: +44 207 648 7516 / +44 2073976125 Email: liabilitymanagement@bbva.com Attention: Liability Management</p>	<p>BNP Paribas 10 Harewood Avenue London NW1 6AA United Kingdom</p> <p>Tel: +44 20 7595 8668 Email: liability.management@bnpparibas.com Attention: Liability Management Group</p>
<p>CaixaBank, S.A. Debt Capital Markets Castellana 7, 7th floor 28046 Madrid Spain</p> <p>Tel: + 34 91 700 56 08 /09 / 10 Attention: Miguel Lafont, Antonio Sanz-Pastor, Alvaro Aguilar</p>	<p>Citigroup Global Markets Limited Citigroup Centre Canada Square Canary Wharf London E14 5LB United Kingdom</p> <p>Telephone: +44 20 7986 8969 Email: liabilitymanagement.europe@citi.com Attn: Liability Management Group</p>

A copy of the Memorandum is available to eligible persons upon request from the Tender Agent:

THE TENDER AGENT

Lucid Issuer Services Limited

Tankerton Works
12 Argyle Walk
London WC1H 8HA
United Kingdom

Attn.: David Shilson / Paul Kamminga
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Email.: gn@lucid-is.com

Further details relating to the contents of this announcement can be obtained from:

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Attention: Enrique Berenguer Marsal (Sole Director)