

GAS NATURAL SDG, S.A.

Gas Natural SDG, S.A. (the “Company” or “Gas Natural Fenosa”) in compliance with the provisions of article 17 of Regulation (EU) No. 596/2014 on market abuse and article 228 of the consolidated text of Act 24/1988, of 28 July, on the Securities Market Law, hereby notifies to the National Securities Market Commission of the following

REGULATORY DISCLOSURE

Gas Natural Fenosa, as a continuation to the relevant fact communicated with registration number 260680, sends a press release about the bonds issue closed today, as part of the Euro Medium Term Notes (EMTN) program.

Madrid, 16 January 2018.

**GAS NATURAL FENOSA ISSUED TODAY
€850M WITH 10 YEARS MATURITY**

- **The issuance was made with an annual coupon of 1,5% and attracted a total demand in excess of €2,300 M.**
- **Simultaneously to this issuance, a tender offer for bond repurchases has been launched, the outcome of which will be known on the 23rd January 2018.**
- **Both transactions are part of the ongoing financial debt optimization process.**

GAS NATURAL FENOSA closed today a bond issuance for an amount of €850 M and maturing January 2028. The issuance has been priced with an annual coupon of 1,5%. The issue price of the new bonds is equivalent to 98.937% of their nominal value.

The issuance launched this morning as part of the Euro Medium Term Notes (EMTN) programme has been oversubscribed more than 2.5 times and received orders of more than 130 institutional investors from 24 countries.

The disbursement of the transaction is expected to take place on 29th January 2018.

Furthermore, Citigroup Global Markets Limited has launched today a tender offer for bond repurchases of GAS NATURAL FENOSA with maturity dates ranging between 2019 and 2023, the outcome of which will be known on the 23rd January 2018.

It is envisioned that the new bonds, in whole or in part, will be exchanged with the bonds of GAS NATURAL FENOSA that are finally acquired by Citigroup Global Markets Limited.

Following the financial policy of the Company, "GAS NATURAL FENOSA constantly reviews its financial structure aiming to increase liquidity, extend debt average life and reduce financial costs, receiving a positive feedback from the market", stated Carlos J. Álvarez, the company's CFO.

Madrid, 16th January 2018.