

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 28 July, on the Securities Market, hereby notifies the National Securities Market Commission of the following

REGULATORY DISCLOSURE

The present regulatory disclosure follows the one published on November 17 through regulatory disclosure n. 258676 in which GAS NATURAL FENOSA informed of the signing of a share and purchase agreement between Brookfield Infrastructure ("BROOKFIELD") and GAS NATURAL FENOSA in connection with the shareholding of the latter in the Colombian entity GAS NATURAL S.A. ESP (through Gas Natural Distribución Latinoamérica, S.A.).

The sale of a 59.1% shareholding in GAS NATURAL S.A. ESP was structured in two phases, the first of which was to be carried out through successive transactions in the Colombian stock exchange on December 20, 21 and 22, deriving in the loss of control of GAS NATURAL S.A. ESP. The remaining shareholding would then be subsequently transferred as part of a public tender offer, once certain conditions precedent have been met, mainly certain administrative authorizations to be obtained by the acquiring company in Colombia.

On December 20, 21 and 22, Gas Natural Distribución Latinoamérica, S.A. has sold a total of 6,339,030 shares of GAS NATURAL S.A. ESP, having reduced its shareholding to 15,465,011 shares. As a result, the shareholding of Gas Natural Distribución Latinoamérica, S.A. has been reduced to approximately 41.9%.

As informed on November 17, the transaction will have a positive accounting impact on the net income after taxes for GAS NATURAL FENOSA of approximately € 350 million which will be accounted in the year 2017. This result includes both the capital gain from the sale of the initial shareholding and the revaluation associated with the remaining shareholding, due to the loss of control.

Finally and as informed on November 17, GAS NATURAL FENOSA maintains its net income guidance within the target range (approximately between €1,300 and €1,400 million) for the closing of the fiscal year 2017, due to the fact that it is expected to offset part of the results of this transaction 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, should be completed during the first quarter of 2018 and not in the present year.

Madrid, 22 December 2017