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Enagás teams up with Blackstone to invest in US energy company Tallgrass Energy

- Tallgrass Energy is a US energy infrastructure company that owns, among other assets, 11,000 km of transmission pipelines
- The transaction fits Enagás' strategy of investing in core business assets in growth markets alongside strategic partners with which it can expand through international projects
- As an industrial partner, Enagás will have a seat on the company's Board of Directors, contributing its know-how in operating and developing energy infrastructure

Madrid, 11 March 2019. Enagás has entered into an agreement with affiliates of Blackstone Infrastructure Partners and GIC (Singapore's sovereign wealth fund) to invest \$590 million for a 10.93% indirect ownership interest in Tallgrass Energy LP ("TGE").

Enagás investment is in the holding company that owns 100% of TGE's general partner, as well as approximately 43.91% of the economic interests in TGE¹. The investment is structured with Blackstone retaining a majority, GIC retaining a minority, and Enagás owning 24.90% of the holding company at closing.

Following the closing, Enagás has agreed to acquire an additional 3.52% of the holding company for approximately \$83 million, subject to completion of certain conditions precedent.

Enagás has also agreed to invest up to \$300 million in future investments in TGE, as more fully described in Item 6 of the Schedule 13D filed by Enagás with the U.S. Securities and Exchange Commission.

This transaction fits Enagás' strategic plan of investing in core business assets in stable markets offering growth opportunities identified as priority markets in the company's Strategic Plan (Europe and Pacific Axis: Mexico, Peru, Chile, Colombia and the United States) maintaining strict international investment criteria.

¹ Through the ownership of Class A and B Shares. Class A Shares are listed on the New York Stock Exchange.



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Enagás will make available to its co-investors its know-how in developing, operating and maintaining gas infrastructures. Moreover, knowledge of international markets will enable Enagás to assess other investment opportunities, in line with the strategy already announced in this respect.

Wallace Henderson, Senior Managing Director in Blackstone Infrastructure Partners declares: *"We are delighted to welcome Enagás as an industrial partner into our consortium. With extensive midstream operations around the world, they bring valuable perspectives to Tallgrass that will benefit our investment and we look forward to their contributions".*

As an industrial partner, Enagás will have a seat on TGE's Board of Directors.

Tallgrass is a US energy infrastructure company founded in 2012. It owns three interstate gas pipelines regulated by the Federal Energy Regulatory Commission (FERC), with a total of 11,000 km of gas transmission pipelines, 2,400 km of gas gathering pipelines and a 1,300 km oil pipeline.

The US boasts some of the world's greatest growth opportunities for midstream infrastructure. Specifically, Tallgrass has a pipeline of projects for the US market in which Enagás could take part. It also boasts a broad base of customers and take or pay contracts, which bode well for sustainable dividends and EBITDA.

Enagás embarked on its internationalisation in 2011 as a part of an ongoing strategy with two main objectives: maintaining the maximum efficiency and security in the operation of the Spanish gas system, and to continue expanding as a company, therefore maintaining and increasing employment as well as upholding shareholders' trust. This international expansion also helps drive the business of other Spanish industrial companies related to the energy sector. This acquisition allows Enagás to unlock the value of its vast experience in developing and operating gas infrastructure and strengthen its position as industry leader and expert.

As part of its strategy, Enagás considers, as an alternative to growth, partnership agreements with leading firms so both can expand internationally.



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About Blackstone

Blackstone is one of the world's leading investment firms. Blackstone seeks to create positive economic impact and long-term value for its investors, the companies in which it invest, and the communities in which it works. Blackstone does this by using extraordinary people and flexible capital to help companies solve problems. Blackstone's asset management businesses, with \$472 billion in assets under management, include investment vehicles focused on infrastructure, private equity, real estate, public debt and equity, non-investment grade credit, real assets and secondary funds, all on a global basis. Further information is available at www.blackstone.com. Follow Blackstone on twitter @Blackstone.

About GIC

GIC is a leading global investment firm established in 1981 to manage Singapore's foreign reserves. As a disciplined long-term value investor, GIC is uniquely positioned to invest in both the public and private markets, including equities, fixed income, real estate, private equity and infrastructure. In infrastructure, GIC's primary strategy is to invest directly in operating infrastructure assets with a high degree of cash flow visibility and which provide a hedge against inflation. These include mature, low to moderate-risk assets in developed markets, complemented by investments with higher growth potential in emerging markets. Headquartered in Singapore, GIC employs over 1,500 people across 10 offices in key financial cities worldwide. For more information about GIC, please visit www.gic.com.sg.

About Enagás

Enagás is a leading international energy company with 50 years' experience. It is one of the companies with the most LNG terminals in the world. It has a presence in Spain, the USA, Mexico, Chile, Peru and Greece. It is also one of the shareholders in the Trans Adriatic Pipeline (TAP), which will connect Greece, Albania and Italy to bring natural gas from the Caspian Sea to Europe. The company is certified as a Transmission System Operator (TSO) by the European Union and is an international benchmark in the development and operation of gas networks. It owns more than 12,000 km of gas pipelines, three strategic storages and nine regasification plants. In Spain, Enagás is the Technical Manager of the Gas System and has developed the country's key gas infrastructures, making it a model within Europe.



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Listed on the IBEX 35 Spanish stock market, Enagás has also been present in the main sustainability indexes such as the Dow Jones Sustainability Index (DJSI), for eleven consecutive years. The company is the world leader of its sector, according to the latest DJSI revision.

Enagás is also committed to the fight against climate change through initiatives to promote the use of renewable gases, such as biomethane and hydrogen, and through the development of actions for energy efficiency and sustainable mobility. For more information about Enagás: www.enagas.es / Twitter: @enagas

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