

In compliance with Article 17 of Regulation (EU) 596/2014 of the European Parliament and of the Council of April 16<sup>th</sup> 2014 on market abuse (Regulation on Market Abuse) and Article 228 of the restated text of the Securities Market Act, approved by Legislative Royal Decree 4/2015, of October 23<sup>rd</sup>, Enagás, S.A. ("Enagás" or the "Company") hereby discloses the following relevant information relating to the gas pipeline project in southern Peru ("GSP"):

#### **RELEVANT INFORMATION**

- **The Company hereby states that Enagás (operating partner in the GSP project), Graña y Montero (a Peruvian company) have ascertain that the financial close scheduled for January 23<sup>rd</sup> 2017 will not take place before that date. This could lead to the termination of the concession.**
- **The terms of the concession contract, subject to Peruvian law, and other agreements signed by the partners of the GSP project enables us to estimate as of today that in case the concession is terminated, Enagás would recover the investment made in the project in a maximum estimated period of 3 years.**
- **Therefore, the Company ratifies the net profit growth and dividend growth targets established in its 2016-2020's Outlook.**
- **Enagás reiterates its commitment to the Peruvian government and to the development of the project, and will duly inform to the markets of any progress made in this regard.**

The Company hereby states that Enagás (operating partner in the GSP project) and Graña y Montero (the Peruvian partner in the project) have ascertain that the financial close scheduled for January 23<sup>rd</sup> 2017 will not take place before that date. This could lead to the termination of the concession.

According to the terms of the concession contract, which is subject to Peruvian law, in the event of termination the grantor must auction the concession. With the proceeds paid in the auction, the grantor shall pay to GSP a maximum of the Net Book Value of the Concession Assets after deducting the expenses incurred in the auction procedure. The grantor guarantees a minimum of 72.25% of the Net Book Value of the Concession Assets.

The terms of the concession contract and other agreements signed between the partners of the project enables us to estimate as of today, that in case the concession is terminated, Enagás would recover the investment made in the project in a maximum estimated period of 3

years. This estimation is also supported by the analysis made by external advisors, both legal and financial in favour of the Company.

Therefore, the Company ratifies the net profit growth and dividend growth targets established in its 2016-2020 Outlook.

Since the legal proceedings were first brought against Odebrecht (July 2015), Enagás has a work group in place that, in collaboration with external advisors, is dedicated exclusively and independently from its ordinary business, to protect its interests in the GSP project.

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