

Antonio Llardén: "Natural gas is a key element of our energy system"

- **Enagas' Chairman highlights that "conventional demand for natural gas, linked to the economic cycle, is showing signs of recovery after increasing by more than 11% since the start of the year"**
- **If exports and domestic demand are taken as a whole, the amount of natural gas transported by the System rose by 8.6% during the first quarter of 2010 compared to the same period in 2009**
- **"The results achieved in the first quarter are in line with the targets set" for 2010 of double-digit growth of approximately 10%**
- **As part of its Corporate Governance drive, Enagás will propose to the shareholders in their annual general meeting that the Appointments and Remuneration Committee be granted CSR powers**

Enagás' Chairman, Antonio Llardén, emphasised today that natural gas is an key element of the Energy System because of the essential role it plays as a back-up for all energies, and the fact that it can cover peaks in demand in the system at any moment.

Llardén underlined the importance of having a balanced energy mix that is in line with European Union directives and enables costs to be appropriately split between the various technologies.

Antonio Llardén revealed "a prudent forecast for 2010" for natural gas demand. With four months of the year elapsed, "we can report that conventional demand for natural gas, linked to the economic cycle, is showing signs of recovery after increasing by more than 11%". This demand, which includes household, commercial, industrial and co-generation consumption, is forecast to go up in 2010 compared to the previous year.

Demand for electricity generation, where natural gas plays a key role as a back-up for the Energy System in general, is forecast to remain at similar levels to those registered in 2009.



During the first quarter of 2010, demand for natural gas in Spain rose by 6.4% compared to the same period in 2009. If exports and domestic demand are taken as a whole, the amount of natural gas transported by the System rose by 8.6%.

Infrastructure

Llardén highlighted that, as announced in 2009, the company plans to invest €700 Mn in 2010 in “necessary and strategic infrastructure directly related with supply security”. Specifically, reference was made to investments earmarked for boosting storage capacity, developing interconnections, and freeing up bottlenecks. These investments tie in with the updated Spanish Gas and Electricity Infrastructure Plan 2008-2016, which the Ministry of Industry, Tourism and Trade sent to the Spanish National Energy Commission (CNE) last week.

First quarter results

Enagás’ Chairman praised the company’s economic results during the first quarter presented this morning, saying that “they are in line with the targets set for 2010 of double-digit growth of net profits of approximately 10%”.

Progress with Corporate Governance

Antonio Llardén also highlighted “the company’s firm commitment to Corporate Governance” in its drive to adapt to the most demanding requirements and recommendations at both a national and international level.

Llardén revealed that it will be proposed to the shareholders in the Annual General Meeting that Isabel Sánchez García, who has considerable professional experience, be appointed as a new independent director. It will also be proposed that the Appointments and Remuneration Committee be granted CSR powers and renamed the Corporate Social Responsibility, Appointments and Remuneration Committee.

Madrid, 27 April 2010
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