

MIBGAS AND IBGH REACH AN AGREEMENT FOR INTEGRATION

- TODAY, IT HAS BEEN SET UP A GROUP IN WHICH MIBGAS WILL CONTINUE DEVELOPING THE ORGANIZED GAS MARKET AND IBGH WILL MAINTAIN ITS ACTIVITIES IN THE OTC MARKET

Madrid/Bilbao, 22nd July 2016.- MIBGAS (Gas Iberian Market) and IBGH (Iberian Gas Hub) companies have agreed to merge into a Group that will operate in the secondary gas market in Spain. After their integration, MIBGAS will continue developing the organized gas market, as it is doing from last December when it started its operational activity. Meanwhile IBGH will continue with the market activities that has developed over the past four years, which made IBGH the reference agent in the OTC market (*Over the Counter*), becoming specialized in logistic flexibility products, in brokering the sale of natural gas (GN) and liquefied natural gas (LNG), as well as providing services to the gas system operators.

The integration of the two trading platforms will contribute to the existence of reliable price signals throughout the value chain of natural gas. These price signals shall enable the progressive elimination of cross-subsidies between the various activities, which is an indispensable condition to build up an efficient and mature market.

The merging of the two companies will also allow to capture operational synergies, due to the fact that both platforms are complementary, and it will facilitate to deliver a better overall image about the Iberian Gas Market to the stakeholders, by proving offers throughout the complete price chain.

DEVELOPMENT OF AN EFFICIENT MARKET

The integration of MIBGAS and IBGH represents an important step towards the development of an efficient and mature gas market in Spain, once the Code of Balance rules are almost complete and the institutions and processes of the Organised Market have been put in place.

Operational excellence, efficiency and a wide range of products and services available for all agents of the gas system is the key driver for the management of the new Group.

MIBGAS is the Organized Gas Market in Spain and Portugal designed by Law 8/2015, of 21st May 2015, which modifies the Oil and Gas Industry Law (Law 34/1998, of 7th October 1998). Consequently, MIBGAS is responsible for the management, organisation and operation of the Organized Gas Market in Spain and Portugal, under the principles of efficiency, effectiveness, transparency,

objectivity, non-discrimination, independence and voluntariness. In the Organised Gas Market, purchase and sale offers of gas in the Virtual Trading Point with physical delivery in short term are made. As a Market Platform, MIBGAS lists the products to be traded according to the regulations published under the mentioned Law.

IBGH is a private initiative, based in Bilbao, which promotes the development of the gas market, as well as logistics and financial services required to facilitate transactions.

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