



PRESS RELEASE

MEDGAZ provides/supplies clean energy to Almeria, Spain and Europe

MEDGAZ is a Almeria company, declared to be of public interest by the European Union, which has innovated with the construction of the first Mediterranean submarine gas pipeline built at more than 2,000 meters depth, specifically 2,160 meters, and is able to transport in just 18 hours a source of clean energy from the Algerian deposits to the Spanish homes.

In addition, it's a sustainable project, as natural gas is one of the cleanest, safest and most useful of all energy sources, that's why its entry into operation in April 2011 has meant an improvement in security of Spanish supply , a more direct way which contributes to fulfil the Kyoto Protocol.

Therefore, MEDGAZ is the Company responsible for the construction of the gas pipeline Algeria- Europe, via Spain. It Imports natural gas directly from Beni Saf, on the Algerian coast. With an initial capacity of 8 billions square meters a year, it brings natural gas directly form the Compression Station in Beni Saf, on the

Alquian). MEDGAZ does not sell or own this hydrocarbon; its mission is to transport Algerian gas from Algeria to its entry in Spain in the most efficient and economical way as possible.



PRESS RELEASE

Algerian coast, to Almeria to the Reception Terminal on the Perdiguera beach (The rapidity of supply is reflected in the fact that it takes about 12 hours for a gas molecule that has been millions of years inside the Sahara desert to reach the Algerian coast. MEDGAZ makes it cross the Mediterranean in just six more hours, through the submarine pipe.

In short, a gas molecule that leaves the site at 0 o'clock is consumed in homes in Spain or in the Spanish industry at 6 o'clock in the afternoon. Only 18 hours! At present, the natural gas that carries MEDGAZ already represents 25% of the total distributed in Spain. The expected technical life of the pipeline exceeds 50 years, reason why it is planned to cover the demands of natural gas in the long term. In the same way, MEDGAZ contributes to maintain a reasonable balance between natural gas by pipeline (GN) and liquefied natural gas (LNG).

100% from Almeria

The Company, which invoiced 205 million euros in 2013, is 100% from Almeria, the town where the Reception Terminal, its offices and the control room are located. This fact means that it pays its taxes in Andalusia, with the consequent benefits for the province. At the same time, through the Port of Almeria, the company manages its maintenance and logistic activities.

In the same way MEDGAZ has opted for local staff, with the creation of 60 jobs in Almeria, with an average age between 30 and 35 years old, and a special incidence among women. These are highly qualified professionals, who participate in ongoing technical and language training programs. Another



PRESS RELEASE

objective of MEDGAZ, within its social responsibility, is the reconciliation of the work and family life of its workers.

MEDGAZ, which has Sonatrach(43%), Cepsa (42%) and Gas Natural Fenosa (15%) as shareholders, has signed an collaboration agreement with the Port of Almeria and the University of Almeria (UAL), for which it is developing a research program on environmental management, and collaborates to several different social action in the province.

As part of MEDGAZ's commitment to sustainability, the Company has obtained the certification that recognizes the environmental quality of its infrastructure and all the processes that integrate the project management, according to the ISO 14001 International Environment Management Standard. It also has the Quality management certificate ISO 9001. In the same way, and due to its concerns and respect for industrial safety and hygiene, it has been recognized by OSHAS 18001 International Standard.

But in fact, what is the natural gas? Natural gas is one of the essential sources for providing energy in the Word. It is one of the cleanest, safest and most useful of all energy sources. Natural gas is a mix of gaseous hydrocarbons, mainly

PRESS RELEASE

Clean Energy

methane. It may include small proportions of ethane, propane and butane. It is a colorless, odorless gas.

As a fossil energy, it comes essentially from the remains of plants, animals and microorganisms that lived on earth millions of years ago. There are different theories about its origin. The most widely accepted indicates that it originated when these remains of organic matter were compressed underground under very high pressures and for a long time.

Unlike other fossil fuels such as coal and oil, natural gas produces clean combustion and emits lower levels of potentially polluting gases into the atmosphere. The products of the combustion of natural gas are essentially carbon dioxide and water vapor, the same products that we exhale when breathing.

Natural gas is therefore the cleanest fossil energy, and its use helps to reduce the emission of pollutants into the atmosphere and reduce the greenhouse effect

If in the sixties natural gas still did not have the relevance it has subsequently acquired, today it accounts for a quarter of the primary energy used in Europe. It is no longer the energy of the future, but the energy of the present. It is the cleanest and most efficient hydrocarbon with a wide range of uses, both domestic (cooking, hot water and heating) and industrial (cogeneration, steam



PRESS RELEASE

in relation to other energies. The current volume is estimated at about 180 billion cubic meters, enough to supply the world for more than 65 years.

production, furnace heating, smelting, drying, and heating) and is big part in the power generation (Combine cycle plants).

Spain, and also how not Almeria, supplies the lack of national raw material with its position more than privileged between the European market and the deposits of the Maghreb. We are the closest point with Algeria. In this line, Almeria by its geographical location is a strategic enclave, being one of the few provinces that did not have direct access to the natural gas.

This location gives Almeria a great opportunity, being the region of Marble the fist that will benefit from the proximity of this infrastructure.