

Dated 23 March 2010

**gasNatural** UNION FENOSA



**UNIÓN FENOSA FINANCE B.V.**

*(Incorporated with limited liability in The Netherlands and having  
its statutory seat in Rotterdam)*

as Issuer

and

**GAS NATURAL SDG, S.A.**

*(Incorporated with limited liability in the Kingdom of Spain)*

as Guarantor

**€1,000,000,000**

**INFORMATION MEMORANDUM**

Euro-Commercial Paper Programme

**BARCLAYS CAPITAL**

as Arranger

**BARCLAYS CAPITAL**

**CAIXA D'ESTALVIS I PENSIONS DE BARCELONA**

**CITI**

**DEUTSCHE BANK**

**ING COMMERCIAL BANKING**

**THE ROYAL BANK OF SCOTLAND**

**UBS INVESTMENT BANK**

as Dealers

## IMPORTANT NOTICE

This Information Memorandum (together with any supplementary information memorandum and information incorporated herein or therein by reference, the “**Information Memorandum**”) contains summary information provided by Unión Fenosa Finance B.V. (the “**Issuer**”) and Gas Natural SDG, S.A. (the “**Guarantor**”) in connection with a euro-commercial paper programme (the “**Programme**”) under which the Issuer may issue and have outstanding at any time euro-commercial paper notes (the “**Notes**”) up to a maximum aggregate amount of €1,000,000,000 or its equivalent in alternative currencies.

Under the Programme, the Issuer may issue Notes outside the United States pursuant to Regulation S (“**Regulation S**”) of the United States Securities Act of 1933, as amended (the “**Securities Act**”) which will have the benefit of a deed of guarantee dated 23 March 2010 and entered into by the Guarantor (the “**Guarantee**”). The Issuer and the Guarantor have, pursuant to a dealer agreement dated 23 March 2010 (the “**Dealer Agreement**”), appointed Barclays Bank PLC as arranger for the Programme (the “**Arranger**”), appointed Barclays Bank PLC, Caixa d’Estalvis i Pensions de Barcelona, Citibank International plc, Deutsche Bank AG, London Branch, ING Bank N.V., The Royal Bank of Scotland plc and UBS Limited as dealers for the Notes (together with further dealers appointed under the Programme pursuant to the Dealer Agreement from time to time, the “**Dealers**”) and authorised and requested the Dealers to circulate this Information Memorandum in connection with the Programme on their behalf to purchasers or potential purchasers of the Notes.

The Issuer and the Guarantor have confirmed to the Arranger and the Dealers that the information contained or incorporated by reference in this Information Memorandum is true and accurate in all material respects and not misleading in any material respect and that there are no other facts in relation to the Issuer, the Guarantor or the Notes, the omission of which makes this Information Memorandum as a whole, or any such information contained or incorporated by reference herein, misleading in any material respect.

None of the Issuer, the Guarantor, the Arranger or the Dealers accepts any responsibility, express or implied, for updating this Information Memorandum and neither the delivery of this Information Memorandum nor any offer or sale made on the basis of the information in this Information Memorandum shall under any circumstances create any implication that this Information Memorandum is accurate at any time subsequent to the date hereof with respect to the Issuer or the Guarantor or that there has been no change in the business, financial condition or affairs of the Issuer or the Guarantor since the date hereof.

No person is authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in this Information Memorandum and any information or representation not contained herein must not be relied upon as having been authorised.

Neither the Arranger nor any Dealer has independently verified the information contained in this Information Memorandum and, to the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for its contents or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the contents of the Information Memorandum or, in each case, for any accompanying or subsequent material or presentation. No representation or warranty or undertaking (express or implied) is made by the Arranger or the Dealers, and the Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have, in respect of this Information Memorandum or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with and consistent

with the contents of the Information Memorandum or as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum or, in each case, in or from any such accompanying or subsequent material or presentation.

The information in this Information Memorandum is not and should not be construed as a recommendation by any of the Issuer, the Guarantor, the Arranger or the Dealers that any recipient of this Information Memorandum should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Information Memorandum and its purchase of Notes should be based upon its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and the Guarantor (which independent assessment and investigation each recipient shall be deemed to have made) and of the Programme as it deems necessary and must base any investment decision upon such independent assessment and investigation and not on this Information Memorandum (which only contains a summarised description of the current activities of the Group). None of the Dealers or the Arranger undertakes to review the business, financial condition or affairs of the Issuer or the Guarantor during the life of the Programme nor undertakes to advise any purchaser or potential purchaser of the Notes of any information or change in such information coming to the attention of any of the Dealers or the Arranger.

Neither the Arranger nor any Dealer accepts any liability in relation to this Information Memorandum or its distribution by any other person. This Information Memorandum does not, and is not intended to, constitute an offer or invitation to any person to purchase Notes. The distribution of this Information Memorandum and the offering for sale of Notes or any interest in such Notes or any rights in respect of such Notes, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum or any Notes or any interest in such Notes or any rights in respect of such Notes are required by the Issuer, the Guarantor, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Information Memorandum and other information in relation to the Notes, the Issuer and the Guarantor set out under "Selling Restrictions" below.

**THE NOTES AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S).**

No application will be made at any time to list the Notes on any stock exchange. A communication of an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received in connection with the issue or sale of any Notes will only be made in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor.

## **TAX**

No comment is made or advice given by the Issuer, the Guarantor, the Arranger or any Dealer in respect of taxation matters relating to the Notes and each investor is advised to consult its own professional adviser.

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual resident, or certain other persons, in another Member State, except that Austria and Luxembourg may instead impose a withholding

system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise. A number of non-EU countries and territories including Switzerland have adopted similar measures to the EU Directive.

Investors should note that the European Commission has announced proposals to amend the EU Directive. If implemented, the proposed amendments would, *inter alia*, extend the scope of the EU Directive to (i) payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest.

## **INTERPRETATION**

In this Information Memorandum, references to “**euros**” and “**€**” refer to the single currency of participating member states of the European Union; references to “**Sterling**” and “**£**” are to pounds sterling; references to “**US Dollars**” and “**US\$**” are to United States dollars; references to “**JPY**” and “**Yen**” are to Japanese Yen; and references to “**CHF**” and “**Swiss Francs**” are to the lawful currency of Switzerland.

Where this Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The most recently published audited non-consolidated financial statements of the Issuer and the most recently published audited consolidated annual accounts of the Guarantor and any subsequently published interim consolidated financial information (whether audited or unaudited) of the Guarantor shall be deemed to be incorporated in, and to form part of, this Information Memorandum.

Such documents shall be deemed to be incorporated in, and form part of this Information Memorandum, save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained herein or in any subsequent document which is also incorporated by reference into this Information Memorandum modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

Except as provided above, no other information, including information on the websites of the Issuer or the Guarantor, is incorporated by reference into this Information Memorandum.

Each Dealer will, following receipt of such documentation from the Issuer or the Guarantor, provide to each person to whom a copy of this Information Memorandum has been delivered, upon request of such person, a copy of any or all the documents incorporated herein by reference unless such documents have been modified or superseded as specified above. Written requests for such documents should be directed to the relevant Dealer at its office as set out at the end of this Information Memorandum.

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## TERMS AND CONDITIONS

<b>Issuer:</b>	Unión Fenosa Finance B.V.
<b>Guarantor:</b>	Gas Natural SDG, S.A.
<b>Arranger:</b>	Barclays Bank PLC
<b>Dealers:</b>	Barclays Bank PLC Caixa d'Estalvis i Pensions de Barcelona Citibank International plc Deutsche Bank AG, London Branch ING Bank N.V. The Royal Bank of Scotland plc UBS Limited
<b>Issue and Paying Agent:</b>	Citibank, N.A.
<b>Maximum Amount of the Programme:</b>	The outstanding principal amount of the Notes will not exceed €1,000,000,000 (or its equivalent in other currencies) at any time. The Maximum Amount of the Programme may be increased from time to time in accordance with the Dealer Agreement.
<b>Guarantee:</b>	The Notes have the benefit of the Guarantee.
<b>Programme Ratings:</b>	Notes issued under the Programme have been assigned ratings by Fitch Ratings Limited, Moody's Investors Service, Inc. and Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the relevant rating agency.
<b>Characteristics and Form of the Notes:</b>	<p>The Notes will be in bearer form. The Notes will initially be in global form ("<b>Global Notes</b>"). A Global Note will be exchangeable into definitive notes ("<b>Definitive Notes</b>") only in the limited circumstances set out in that Global Note.</p> <p>On or before the issue date in respect of any Notes, the Global Note will be deposited with a common depository for Euroclear Bank S.A./N.V. ("<b>Euroclear</b>") and Clearstream Banking, <i>société anonyme</i> ("<b>Clearstream, Luxembourg</b>") or with any other recognised clearing system. Accountholders will, in respect of Global Notes, have the benefit of a Deed of Covenant dated 23 March 2010 (the "<b>Deed of Covenant</b>"), copies of which may be inspected during normal business hours at the specified office of the Issue and Paying Agent. Definitive Notes (if any are printed) will be available in London for collection or for delivery to Euroclear, Clearstream, Luxembourg or any other recognised clearing system.</p>
<b>Currencies:</b>	Notes may be denominated in euros, US Dollars, JPY,

Sterling, Swiss Francs or any other currency subject to compliance with any applicable legal and regulatory requirements.

**Term of Notes:**

The tenor of each Note shall not be less than one day nor greater than 364 days from (and including) the issue date to (but excluding) the maturity date, subject to compliance with any applicable legal and regulatory requirements.

**Denomination of the Notes:**

Global Notes and Definitive Notes (if any) shall be issued in the following denominations (or integral multiples thereof):

- (i) for Sterling Notes, £100,000;
- (ii) for US Dollar Notes, US\$500,000;
- (iii) for euro Notes, €500,000;
- (iv) for Yen Notes, Yen 100,000,000;
- (v) for Swiss Franc Notes, CHF 100,000; and
- (vi) in the case of a Note denominated in a currency other than Sterling, US Dollars, euro, Yen or Swiss Francs, the equivalent in that currency of €500,000, such amount to be determined by the rate of exchange at the date of issuance,

or such other conventionally accepted denominations in those currencies as may be agreed between the Issuer, the Guarantor and the relevant Dealer from time to time, subject in each case to compliance with all applicable legal and regulatory requirements and provided that the equivalent of that denomination in Sterling is not less than £100,000.

**Listing:**

The Notes will not be listed on any stock exchange.

**Yield Basis:**

The Notes may be issued at a discount or may bear fixed or floating rate interest or a coupon calculated by reference to an index or formula or at any other amount specified in the Notes.

**Redemption:**

The Notes may be redeemed at par or at an amount calculated by reference to an index or formula or at any other amount specified in the Notes.

**Status of the Notes:**

The obligations of the Issuer under the Notes will rank (other than in the case of obligations preferred by mandatory provisions of law) at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer and guaranteed by the Issuer.

**Status of the Guarantee:**

The obligations of the Guarantor under the Guarantee will rank (other than in the case of obligations preferred

by mandatory provisions of law) at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor or guaranteed by the Guarantor.

**Selling Restrictions:**

Offers and sales of Notes and the distribution of this Information Memorandum and other information relating to the Issuer, the Guarantor and the Notes are subject to certain restrictions, details of which are set out under “Selling Restrictions” below.

**Taxation:**

All payments under the Notes will be made free and clear of withholding for any taxes imposed by the jurisdiction of incorporation of the Issuer (being, as of the date hereof, The Netherlands) unless such withholding is required by law. In such event, the Issuer shall, save in certain circumstances described in the Notes, be required to pay additional amounts to cover the amounts so withheld.

Payments under the Guarantee may be characterised as an indemnity and, accordingly, made free and clear of Spanish withholding tax.

However, although no clear precedent, statement of law or regulation exists in relation thereto, in the event that the Spanish tax authorities take the view that the Guarantor has validly, legally and effectively assumed all obligations of the Issuer subject to and in accordance with the provision of the Guarantee, the Spanish tax authorities may attempt to impose withholding tax in the Kingdom of Spain on any payments made by the Guarantor thereunder, unless the recipient is (i) resident for tax purposes in a Member State of the European Union, other than Spain, or is a permanent establishment of such residents situated in another Member State of the European Union not resident in or acting through a territory considered as a tax haven pursuant to Spanish law (currently set out in Royal Decree 1080/1991 of 5 July) nor through a permanent establishment in Spain or in a country outside the European Union, or (ii) resident of a state with which Spain has entered into a Treaty for the Avoidance of Double Taxation (a “**Double Taxation Treaty**”) which makes provision for full exemption from tax imposed in Spain on such payment under the Double Taxation Treaty, provided that such recipient submits to the Guarantor the relevant tax residence certificate, issued by the corresponding tax authorities in its own jurisdiction stating its residence for tax purposes either within the relevant European Union Member State or in the relevant country for the purposes of the Double



Taxation Treaty (as applicable), such certificate being valid for the period of one year beginning from its date of issue under Spanish law.

In the event that the Guarantor is required to withhold any amount by way of such tax from any payment to be made by it under the Guarantee, the Guarantor shall, save in certain circumstances described in the Guarantee, be required to pay additional amounts to cover the amounts so withheld.

**Governing Law:**

The Notes and the Guarantee and any non-contractual obligations arising out of or in connection with each of the foregoing shall be governed by, and construed in accordance with, English law.

## DESCRIPTION OF THE ISSUER

Unión Fenosa Finance B.V. (the “**Issuer**”) is a wholly-owned subsidiary of Gas Natural SDG, S.A., Barcelona, Spain, and has its corporate seat in Rotterdam, The Netherlands.

The Issuer was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) on 26 November 1993 for unlimited duration and is registered with the Commercial Register at the Rotterdam Chamber of Commerce under No.24.243.533. The Issuer’s registered office is at Schouwburgplein 30-34, 3012 CL Rotterdam, The Netherlands.

The Issuer’s activity is the financing of companies within the Group (defined below). The Issuer is a finance company and is authorised to raise funds by issuing negotiable instruments in the capital and money markets. The Issuer’s issued and paid-up share capital, which is fully subscribed and paid up, is €90,756.00 divided into 200 ordinary shares of €453.78 each. Its accounting and fiscal year starts on 1 January and ends on 31 December.

## DESCRIPTION OF THE GUARANTOR

### Introduction

Gas Natural SDG, S.A. (the “**Guarantor**”) is a Spanish public limited liability company (*sociedad anónima*) incorporated on 28 January 1843 for an indefinite period under the Spanish Companies Law (*Ley de Sociedades Anónimas*) and registered at the Commercial Registry of Barcelona with reference Volume 22, 147, Folio 147, Page B-33172. The Guarantor’s registered office is at Plaça del Gas, 1, 08003 Barcelona, Spain.

The Guarantor has been listed on the Spanish stock exchanges since 1852 and its current share capital is made up of 921,756,951 shares of €1.00 par value each, represented by book entries and forming a single class. The share capital is fully subscribed and paid up. As of the date of this document, the Guarantor’s largest shareholder is Criteria CaixaCorp, S.A. (a member of the “la Caixa” group) with an aggregate shareholding of 36.4%, and the Guarantor’s other principal shareholders are Repsol YPF, S.A., with a shareholding of 30.0%, and GDF Suez, S.A., with a shareholding of 6.0%.

Since the incorporation of the Guarantor in 1843, the Guarantor’s group of companies (“**Gas Natural**” or the “**Group**”) has grown, organically and through targeted acquisitions, to become a leading global energy company with a significant presence throughout the value chain in both the gas and electricity sectors.

### Business overview

Gas Natural is one of the ten largest European energy multinationals and a leader in the vertical integration of gas and electrical power in Spain and Latin America. It is also a leading operator in the Atlantic and Mediterranean liquefied natural gas (“**LNG**”) markets. Following its acquisition of, and merger with, Unión Fenosa, S.A. in 2009, Spain’s third largest electricity group, the Group operates in over 20 countries around the world, serving over 20 million customers, around 9 million of which are in Spain.

Gas Natural’s principal activities encompass the distribution of gas and electricity, electricity generation and gas supply (up and midstream and wholesale and retail). Gas Natural believes that its operations in the regulated gas and electricity supply sectors provide it with a degree of stability and visibility in respect of its cash flows and growth prospects.

### Gas distribution

Gas Natural is currently the leading distributor of natural gas both in Spain, where it operates across all 13 autonomous communities, and in Latin America, and serves over 5 million customers in each of these regions.

In Spain, this business segment includes gas distribution, third-party access (“**TPA**”) and secondary transportation, as well as distribution activities that are charged outside the regulated remuneration sector (including meter rentals and customer connections). Gas Natural is the main operator in the liberalised gas market in Spain and continues to expand its distribution network in the country.

In Latin America, the Group’s gas distribution activities include gas sales and TPA services in Argentina, Brazil, Colombia and Mexico, and it generates revenues principally from natural gas sales to residential and industrial customers, as well as sales of compressed natural gas for use in cars and other small motor vehicles in those countries.

Gas Natural's European gas distribution operations outside of Spain are currently focused in Italy, where the Group generates its revenues principally from natural gas sales to residential and industrial customers and serves hundreds of thousands of customers across 8 regions.

### **Electricity distribution**

Gas Natural's electricity distribution activities are centred in Spain, with further operations in the Republic of Moldova and Latin America.

In Spain, Gas Natural is, according to the Spanish National Energy Commission, the third largest operator in the electricity distribution sector. The Group's electricity distribution activities in Spain include the regulated distribution of electricity as well as network services for customers, principally connection services and meter rental.

In the Republic of Moldova, Gas Natural's operations in this business segment comprise regulated electricity distribution and the supply of electricity at the bundled tariff in the capital city, Chisinau, and the central and southern regions of the country.

In Latin America, this segment involves regulated electricity distribution in Colombia, Guatemala, Nicaragua and Panama.

### **Electricity generation**

Gas Natural has significant installed electricity generation capacity and its generating mix, which includes combined cycle gas turbines, hydro, nuclear, coal-fired and renewable energies, is rich and diversified both in Spain and in other countries, especially Mexico.

The Group's strategy in the electricity generation sector focuses on operating a customer-oriented business based on a balanced, competitive and environmentally friendly generation mix in accordance with the objectives established by the Kyoto Protocol. Notably, the Group has substantial installed capacity from renewable energy sources (principally hydraulic and wind power).

Gas Natural's electricity generation activities in Spain include wholesale electricity trading and the wholesale and retail supply of electricity in the liberalised market. Internationally, Gas Natural has electricity generation assets in Mexico, Puerto Rico, Colombia, Costa Rica, Panama, the Dominican Republic and Kenya.

### **Gas supply**

Gas Natural is a leading operator within Spain and internationally in the natural gas and LNG sectors, in the latter of which it is vertically integrated and the primary operator in the Atlantic basin. The Group holds gas assets in Latin America (including in Brazil, Colombia, Mexico and Puerto Rico), and Western Europe (principally in Italy, Spain and France). In addition, Unión Fenosa Gas operates the Group's participations in plants at Sagunto, Reganosa (both Spain) and in Egypt and Oman.

#### *Up and Midstream*

This area includes the development of integrated LNG projects, hydrocarbon exploration, development and production, maritime transportation, and the operation of the Maghreb-Europe gas pipeline linking Algerian natural gas deposits with the Iberian peninsula. Gas Natural is currently involved in exploration, appraisal and construction work in Spain, mainly in the Guadalquivir region, Morocco (at Tanger-Larache), Nigeria and Angola.

### *Wholesale & Retail*

This area comprises gas supply and commercialisation activities on the Spanish market and abroad as well as the commercialisation of other products and services relating to retail supply in Spain. Gas Natural commercialises compressed natural gas in Latin America and Italy and is currently taking steps promote its development for use in vehicles in Spain, in both the public and the private sector under the “gn auto” brand.

## SELLING RESTRICTIONS

### 1 GENERAL

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver Notes and it will not directly or indirectly offer, sell, resell, re-offer or deliver Notes or distribute this Information Memorandum, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

### 2 UNITED STATES OF AMERICA

The Notes and the Guarantee have not been and will not be registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, US persons. Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has offered and sold, and will offer and sell, the Notes only outside the United States to non-US persons in accordance with Rule 903 of Regulation S. Accordingly, each Dealer has represented, warranted and agreed that neither it, nor its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes, and that it and they have complied and will comply with the offering restrictions of Regulation S. Each Dealer has also agreed that, at or prior to confirmation of sale of the Notes, it will have sent to each distributor, dealer or person receiving a selling commission, fee or other remuneration that purchases Notes from it a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, US persons. Terms used above have the meanings given to them by Regulation S under the Securities Act.”

Terms used in this paragraph have the meanings given to them by Regulation S.

### 3 UNITED KINGDOM

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of

the Financial Services and Markets Act 2000 (“**FSMA**”) by the Issuer or the Guarantor;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### **4 JAPAN**

Each Dealer has acknowledged that the Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “**Financial Instruments and Exchange Law**”). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and other relevant laws and regulations of Japan and guidelines promulgated by the relevant Japanese governmental and regulatory authorities. For these purposes “**Japanese Person**” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

#### **5 THE NETHERLANDS**

Zero coupon Notes in definitive bearer form and other Notes in definitive bearer form on which interest does not become due and payable during their term (savings certificates or *spaarbewijzen* as defined in the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*; the “**SCA**”)) may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such Notes to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business, and (iii) the issue and trading of such Notes if they are physically issued outside the Netherlands and are not immediately thereafter distributed in the Netherlands.

#### **6 KINGDOM OF SPAIN**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Notes may not be offered or sold in Spain by means of a public offer as defined and construed in Chapter I of Title III of the Spanish Securities Market Law of 28 July 1988 (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) and Royal Decree 1320/2005 of 4 November 2005 (*Real Decreto 1310/2005, de 4 de noviembre*), each as amended and restated. This Information Memorandum has not been registered with the Spanish Securities Markets

Commission (*CNMV*) and is not therefore intended to be used for any public offer of Notes in Spain.



**MULTI-CURRENCY GLOBAL NOTE**  
**(Interest Bearing/Discounted/Index-Linked)**

The securities covered hereby have not been registered under the US Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, US persons. Terms used above have the meanings given to them by Regulation S under the Securities Act.

By accepting this obligation, the holder represents and warrants that it is not a United States person (other than an exempt recipient described in section 6049(b)(4) of the Internal Revenue Code and the regulations thereunder) and that it is not acting for or on behalf of a United States person (other than an exempt recipient as described in section 6049(b)(4) of the Internal Revenue Code and the regulations thereunder).

**UNIÓN FENOSA FINANCE B.V.**

*(Incorporated with limited liability in The Netherlands and having  
its statutory seat in Rotterdam)*

**guaranteed by**

**GAS NATURAL SDG, S.A.**

*(Incorporated with limited liability in the Kingdom of Spain)  
(the “**Guarantor**”)*

No.: [●]	Series No.: [●]
Issued [in London] on: [●]	Maturity Date: [●] <sup>†</sup>
Specified Currency: [●]	Denomination: [●]
Nominal Amount: [●]	Reference Rate: [●]-month LIBOR/EURIBOR <sup>†</sup>
<i>(words and figures if a Sterling Note)</i>	
Calculation Agent: [AGENT] <sup>‡</sup>	Minimum Redemption Amount: [●] <sup>§</sup>
Fixed Interest Rate: [●]% per annum <sup>**</sup>	Margin: [●]% <sup>††</sup>
Calculation Agent: [AGENT] <sup>‡‡</sup>	Interest Payment Dates: [●] [AND [●]] <sup>§§</sup>
<i>(Interest)</i>	

<sup>\*</sup> Not to be more than 364 days from (but excluding) the Issue Date.

<sup>†</sup> Delete as appropriate. The reference rate will be LIBOR unless this Global Note is denominated in euro and the Issuer and the relevant Dealer agree that the reference rate should be EURIBOR.

<sup>‡</sup> Complete for index-linked Notes only.

<sup>§</sup> Complete for a Sterling index-linked Note.

<sup>\*\*</sup> Complete for fixed rate interest bearing Notes only.

<sup>††</sup> Complete for floating rate interest bearing Notes only.

<sup>‡‡</sup> Complete for floating rate interest bearing Notes only.

<sup>§§</sup> Complete for interest bearing Notes.

- 1 For value received, Unión Fenosa Finance B.V. (the “**Issuer**”) promises to pay to the bearer of this Global Note on the above-mentioned Maturity Date[:
- (a) ]the above-mentioned Nominal Amount[<sup>\*\*\*</sup>; or
  - (b) if this Global Note is index-linked, an amount (representing either principal or interest) to be calculated by the Calculation Agent named above, in accordance with the redemption or interest calculation, a copy of which is attached to this Global Note and is available for inspection at the offices of the Paying Agent referred to below,]

together (in any case) with interest thereon at the rate and at the times (if any) specified herein.

All such payments shall be made in accordance with an issue and paying agency agreement dated 23 March 2010 between the Issuer, the Guarantor and the issue and paying agent referred to therein, a copy of which is available for inspection at the offices of Citibank, N.A. (the “**Paying Agent**”) at 21st Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Global Note to or to the order of the Paying Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer with a bank in the principal financial centre in the country of that currency or, in the case of a Global Note denominated or payable in euro by cheque drawn on or by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member state of the European Union. As long as European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26–27 November 2000 remains in force, the Issuer and the Guarantor will ensure that they maintain a paying agent with a specified office in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to such Directive or any law implementing or complying with, or introduced to conform to, such Directive.

Notwithstanding the foregoing, presentation and surrender of this Global Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Note denominated in US Dollars, payments shall be made by transfer to an account denominated in US Dollars in the principal financial centre of any country outside the United States that the Issuer or Paying Agent so chooses.

- 2 The nominal amount of the Notes represented by this Global Note shall be the amount stated as the Nominal Amount.
- 3 All payments in respect of this Global Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions, and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or any political subdivision or taxing authority thereof or therein (a “**Tax Authority**”) (“**Taxes**”) unless such withholding or deduction is required by law. If the Issuer or any agent thereof is required by law or

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<sup>\*\*\*</sup> Include if there is a possibility of Notes being index-linked.

regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Global Note is presented for payment:

- (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Global Note; or
- (b) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, any such Directive; or
- (c) by or on behalf of a holder to the extent such holder would have been able to fully or partially avoid such withholding or deduction by presenting the Global Note to another paying agent in a member state of the European Union; or
- (d) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Global Note on the last day of such period of 15 days; or
- (e) in respect of any Taxes that are imposed or withheld by reason of the failure by the holder or beneficial owner to comply with a request of the Issuer addressed to the holder or beneficial owner (i) to provide information concerning the nationality, residence, identity or connection with a Tax Authority of the holder or beneficial owner; (ii) to make any declaration or other similar claim to satisfy any information or reporting requirement, or (iii) to provide a tax residence certificate issued by the relevant Tax Authority which in the case of (i), (ii) or (iii) is required or imposed by a statute, treaty, regulation or administrative practice of the Tax Authority as a precondition to exemption from all or part of such tax assessment or other governmental charge, in each case, within any applicable time limits as may from time to time be imposed by such statute, treaty, regulation, or administrative practice.

- 4** If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and neither the bearer of this Global Note nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Note:

**“Payment Business Day”** means any day other than a Saturday or Sunday which is both (A) a day on which commercial banks and foreign exchange markets settle payments and

are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation; and (B) either (i) if the above-mentioned Specified Currency is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in both London and the principal financial centre of the country of the relevant Specified Currency or (ii) if the above-mentioned Specified Currency is euro, a day which is a TARGET Business Day; and “**TARGET Business Day**” means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (known as TARGET2) System, which was launched on 19 November 2007, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Provided that if the Paying Agent determines (with the agreement of the Issuer) that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Paying Agent shall procure that a notice of such amendment is published not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Paying Agent may determine.

- 5 The payment obligation of the Issuer represented by this Global Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking (other than in the case of obligations preferred by mandatory provisions of law) at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer and guaranteed by the Issuer.
- 6 This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
- 7 This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form (whether before, on or, subject as provided below, after the Maturity Date):
  - (a) if the clearing system(s) in which this Global Note is held at the relevant time is closed for a continuous period of 14 days or more (other than by reason of weekends or public holidays statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
  - (b) if default is made in the payment of any amount payable in respect of this Global Note.

Upon presentation and surrender of this Global Note during normal business hours to or to the order of the Paying Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer) acting on behalf of the Issuer, the Paying Agent shall authenticate and deliver, in exchange for this Global Note, bearer definitive notes denominated in the above-mentioned Specified Currency in an aggregate nominal amount equal to the Nominal Amount of this Global Note.

- 8 If, upon any such default and following such surrender, definitive Notes are not issued in full exchange for this Global Note before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue definitive notes) will

become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 23 March 2010 (as amended, re-stated or supplemented as of the date of issue of the Notes) entered into by the Issuer).

- 9** This Global Note has the benefit of a guarantee issued by Gas Natural SDG, S.A. on 23 March 2010, copies of which are available for inspection during normal business hours at the offices of the Paying Agent referred to above.
- 10** If this is an interest bearing Global Note, then:
- (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the 15th day after falling so due, the amount referred to in (a) or (b) (as the case may be) of paragraph 1 shall be payable on such 15th day;
  - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Global Note, Schedule 1 hereto shall be duly completed by the Paying Agent to reflect such payment;
  - (c) payments due in respect of Notes for the time being represented by this Global Note shall be made to the bearer of this Global Note and each payment so made will discharge the Issuer's obligation in respect thereof. Any failure to make the entries referred to in paragraph 10(b) shall not affect such discharge; and
  - (d) if no Interest Payment Dates are specified on the face of the Global Note, the Interest Payment Date shall be the Maturity Date.
- 11** If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:
- (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days at the above-mentioned Interest Rate with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
  - (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an "**Interest Period**" for the purposes of this paragraph 11.
- 12** If this is a floating rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:
- (a) in the case of a Global Note which specifies LIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of LIBOR and the above-mentioned Margin (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the

Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days.

As used in this Global Note:

“**LIBOR**” shall be equal to the rate defined as “**LIBOR-BBA**” in respect of the above-mentioned Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Global Note (the “**ISDA Definitions**”)) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period or, if this Global Note is denominated in Sterling, on the first day thereof (a “**LIBOR Interest Determination Date**”), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified on the face of this Global Note in relation to the Reference Rate; and

“**London Banking Day**” shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- (b) in the case of a Global Note which specifies EURIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of EURIBOR and the above-mentioned Margin (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Global Note, “**EURIBOR**” shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a “**EURIBOR Interest Determination Date**”);

- (c) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date or 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the “**Amount of Interest**”) for the relevant Interest Period. “**Rate of Interest**” means (A) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 12(b), and (B) in any other case, the rate which is determined in accordance with the provisions of paragraph 12(a). The Amount of Interest shall be calculated by applying the Rate of Interest to the Nominal Amount of one Note of each denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Global Note is denominated in Sterling, by 365 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;

- (d) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period (as defined below) shall, in the absence of manifest error, be conclusive and binding as between the Issuer and the bearer hereof;
- (e) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an “**Interest Period**” for the purposes of this paragraph; and
- (f) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the clearing system(s) in which this Global Note is held at the relevant time or, if this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 7, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).

**13** On any redemption or the purchase and cancellation of, any of the Notes represented by this Global Note, details of such redemption or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule 2 hereto (such entry being *prima facie* evidence that the redemption or, as the case may be, relevant purchase and cancellation in question has been made) and the relevant notation in Schedule 2 hereto recording any such redemption or, as the case may be, purchase and cancellation shall be signed by or on behalf of the Paying Agent. Upon any such redemption or purchase and cancellation, the nominal amount of the Notes represented by this Global Note shall be reduced by the nominal amount of the Notes so redeemed or purchased and cancelled.

**14** If the proceeds of this Global Note are accepted in the United Kingdom, the Nominal Amount or Minimum Redemption Amount (as applicable) shall be not less than £100,000 (or the equivalent in any other currency).

**15** Instructions for payment must be received at the offices of the Paying Agent referred to above together with this Global Note as follows:

- (a) if this Global Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
- (b) if this Global Note is denominated in United States dollars, Canadian dollars or Sterling, on or prior to the relevant payment date; and
- (c) in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph, “**Business Day**” means:

- (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and
- (ii) in the case of payments in euro, a TARGET Business Day and, in the case of payments in any other currency, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency

deposits) in the principal financial centre in the country of the above-mentioned Specified Currency.

**16** This Global Note shall not be validly issued unless manually authenticated by Citibank, N.A. as issue agent.

**17** This Global Note and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Global Note (including a dispute regarding the existence, validity or termination of this Global Note). The parties to this Global Note agree that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no such party will argue to the contrary.

Each of the Issuer and the Guarantor irrevocably appoints Law Debenture Corporate Services Limited of 100 Wood Street, London EC2V 7EV, United Kingdom as its agent for service of process in any proceedings before the English courts in connection with this Global Note. If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer or the Guarantor, as the case may be, will appoint another agent, and failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer or the Guarantor, as the case may be, and delivered to the Issuer or the Guarantor, as the case may be, or to the specified office of the Paying Agent. This paragraph 17 does not affect any other method of service allowed by law.

Each of the Issuer and the Guarantor irrevocably and unconditionally agrees not to claim any immunity from proceedings brought by the bearer against it in relation to this Global Note and to ensure that no such claim is made on its behalf, consents generally to the giving of any relief or the issue of any process in connection with those proceedings, and waives all rights of immunity in respect of it or its assets.

**18** No person shall have any right to enforce any provision of this Global Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

**AUTHENTICATED by  
CITIBANK, N.A.**

without recourse, warranty or  
liability and for authentication  
purposes only

Signed on behalf of:  
**UNIÓN FENOSA FINANCE B.V.**

By: \_\_\_\_\_  
(Authorised Signatory)

By: \_\_\_\_\_  
(Authorised Signatory)



**SCHEDULE 1  
FIXED RATE INTEREST PAYMENTS**

The following payments of interest in respect of this Global Note have been made:

<b>Date Made</b>	<b>Payment From</b>	<b>Payment To</b>	<b>Amount Paid</b>	<b>Notation on behalf of Paying Agent</b>

**FLOATING RATE INTEREST PAYMENTS**

*(First two columns to be completed at time of issue.)*

<b>Period From</b>	<b>To</b>	<b>Date of Payment</b>	<b>Interest Rate per annum</b>	<b>Amount of Interest</b>	<b>Notation on behalf of Paying Agent</b>

**SCHEDULE 2**  
**PRINCIPAL AMOUNT OF THIS GLOBAL NOTE**

Reductions in the principal amount of this Global Note following redemption or the purchase and cancellation of Notes are entered in the second and third columns below:

<b>Date</b>	<b>Reason for the reduction in the principal amount of this Global Note *</b>	<b>Amount of such reduction</b>	<b>Principal amount of this Global Note following such reduction</b>	<b>Notation on behalf of Paying Agent</b>

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\* State whether reduction following (1) redemption of Notes or (2) purchase and cancellation of Notes.

**PRO-FORMA REDEMPTION OR INTEREST CALCULATION  
(INDEX-LINKED GLOBAL NOTE)**

This is the Redemption or Interest Calculation relating to the attached index-linked Global Note:

Calculation Date: \_\_\_\_\_

Calculation Agent: \_\_\_\_\_

Redemption Amount (per Note): \_\_\_\_\_ to be calculated by the Calculation Agent as follows:

[Insert particulars of index and redemption calculation]

[Indicate whether the calculation refers to principal or coupon]

Confirmed:

\_\_\_\_\_

For **UNIÓN FENOSA FINANCE B.V.**

Note: The Calculation Agent is required to notify the Paying Agent for the Notes of the Redemption Amount immediately upon completing its calculation of the same.

**MULTI-CURRENCY DEFINITIVE NOTE**  
**(Interest Bearing/Discounted/Index-Linked)**

The securities covered hereby have not been registered under the US Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, US persons. Terms used above have the meanings given to them by Regulation S under the Securities Act.

By accepting this obligation, the holder represents and warrants that it is not a United States person (other than an exempt recipient described in section 6049(b)(4) of the Internal Revenue Code and the regulations thereunder) and that it is not acting for or on behalf of a United States person (other than an exempt recipient as described in section 6049(b)(4) of the Internal Revenue Code and the regulations thereunder).

**UNIÓN FENOSA FINANCE B.V.**

*(Incorporated with limited liability in The Netherlands and having  
its statutory seat in Rotterdam)*

**guaranteed by**

**GAS NATURAL SDG, S.A.**

*(Incorporated with limited liability in the Kingdom of Spain)  
(the “**Guarantor**”)*

No.: [●]	Series No.: [●]
Issued [in London] on: [●]	Maturity Date: [●] <sup>†</sup>
Specified Currency: [●]	Denomination: [●]
Nominal Amount: [●]	Reference Rate: [●]-month LIBOR/ EURIBOR <sup>†</sup>
<i>(words and figures if a Sterling Note)</i>	
Calculation Agent: [AGENT] <sup>‡</sup>	Minimum Redemption Amount: [●] <sup>§</sup>
Fixed Interest Rate: [●]% per annum <sup>**</sup>	Margin: [●]% <sup>††</sup>
Calculation Agent: [AGENT] <sup>‡‡</sup>	Interest Payment Dates: [●] [AND [●]] <sup>§§</sup>
<i>(Interest)</i>	

- 1** For value received, Unión Fenosa Finance B.V. (the “**Issuer**”) promises to pay to the bearer of this Note on the above-mentioned Maturity Date[:
- (a) ]the above-mentioned Nominal Amount<sup>\*\*\*</sup>; or

<sup>\*</sup> Not to be more than 364 days from (but excluding) the Issue Date.

<sup>†</sup> Delete as appropriate. The reference rate will be LIBOR unless this Global Note is denominated in euro and the Issuer and the relevant Dealer agree that the reference rate should be EURIBOR.

<sup>‡</sup> Complete for index-linked Notes only.

<sup>§</sup> Complete for a Sterling index-linked Note.

<sup>\*\*</sup> Complete for fixed rate interest bearing Notes only.

<sup>††</sup> Complete for floating rate interest bearing Notes only.

<sup>‡‡</sup> Complete for floating rate interest bearing Notes only.

<sup>§§</sup> Complete for interest bearing Notes.

- (b) if this Note is index-linked, an amount (representing either principal or interest) to be calculated by the Calculation Agent named above, in accordance with the redemption (or interest) calculation, a copy of which is attached to this Note and is available for inspection at the offices of the Paying Agent referred to below.]

together (in any case) with interest thereon at the rate and at the times (if any) specified herein.

All such payments shall be made in accordance with an issue and paying agency agreement dated 23 March 2010 between the Issuer, the Guarantor and the issue and paying agent referred to therein, a copy of which is available for inspection at the offices of Citibank, N.A. (the **"Paying Agent"**) at 21st Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Note to or to the order of the Paying Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer with a bank in the principal financial centre in the country of that currency or, in the case of a Note denominated or payable in euro by cheque drawn on or by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member state of the European Union. As long as European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26–27 November 2000 remains in force, the Issuer and the Guarantor will ensure that they maintain a paying agent with a specified office in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to such Directive or any law implementing or complying with, or introduced to conform to, such Directive.

Notwithstanding the foregoing, presentation and surrender of this Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Note denominated in US Dollars, payments shall be made by transfer to an account denominated in US Dollars in the principal financial centre of any country outside the United States that the Issuer or Paying Agent so chooses.

Unless between individuals not acting in the conduct of a profession or business, each transaction regarding this Note which involves the physical delivery thereof within, from or into the Netherlands must be effected (as required by the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*)) through the mediation of the Issuer or a member of Euronext Amsterdam N.V. and, unless this Note qualifies as commercial paper or as a certificate of deposit and the transaction is between professional parties, must be recorded in a transaction note which includes the name and address of each party to the transaction, the nature of the transaction and the details and serial number of this Note.

- 2** All payments in respect of this Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or any political subdivision or taxing authority thereof or therein (a **"Tax Authority"**) (**"Taxes"**) unless such withholding or deduction is required by law. If the Issuer or any agent thereof is required by law or regulation to make any

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\*\*\* Include if there is a possibility of Notes being index-linked.

deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Note is presented for payment:

- (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Note; or
- (b) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, any such Directive; or
- (c) by or on behalf of a holder to the extent such holder would have been able to fully or partially avoid such withholding or deduction by presenting this Note to another paying agent in a member state of the European Union; or
- (d) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Note on the last day of such period of 15 days; or
- (e) in respect of any Taxes that are imposed or withheld by reason of the failure by the holder to comply with a request of the Issuer addressed to the holder (i) to provide information concerning the nationality, residence, identity or connection with a Tax Authority of the holder; (ii) to make any declaration or other similar claim to satisfy any information or reporting requirement, or (iii) to provide a tax residence certificate issued by the relevant Tax Authority which in the case of (i), (ii) or (iii) is required or imposed by a statute, treaty, regulation or administrative practice of the Tax Authority as a precondition to exemption from all or part of such tax assessment or other governmental charge, in each case, within any applicable time limits as may from time to time be imposed by such statute, treaty, regulation, or administrative practice.

- 3** If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and neither the bearer of this Note nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

As used in this Note:

**“Payment Business Day”** means any day other than a Saturday or Sunday which is both (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency

deposits) in the relevant place of presentation, and (B) either (i) if the above-mentioned Specified Currency is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in both London and the principal financial centre of the country of the relevant Specified Currency or (ii) if the above-mentioned Specified Currency is euro, a day which is a TARGET Business Day; and

**“TARGET Business Day”** means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (known as TARGET2) System, which was launched on 19 November 2007, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Provided that if the Paying Agent determines (with the agreement of the Issuer) that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Paying Agent shall procure that a notice of such amendment is published not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Paying Agent may determine.

- 4 The payment obligation of the Issuer represented by this Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking (other than in the case of obligations preferred by mandatory provisions of law) at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer or guaranteed by the Issuer.
- 5 This Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
- 6 This Note has the benefit of a guarantee issued by Gas Natural SDG, S.A. on 23 March 2010, copies of which are available for inspection during normal business hours at the offices of the Paying Agent referred to above.
- 7 If this is an interest bearing Note, then:
  - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the 15th day after falling so due, the amount referred to in part (a) or (b) (as the case may be) of paragraph 1 shall be payable on such 15th day;
  - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Paying Agent to reflect such payment; and
  - (c) if no Interest Payment Dates are specified on the face of the Note, the Interest Payment Date shall be the Maturity Date.
- 8 If this is a fixed rate interest bearing Note, interest shall be calculated on the Nominal Amount as follows:
  - (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of

days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling, 365 days at the above-mentioned Interest Rate with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and

- (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an “**Interest Period**” for the purposes of this paragraph 8.

**9** If this is a floating rate interest bearing Note, interest shall be calculated on the Nominal Amount as follows:

- (a) in the case of a Note which specifies LIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of LIBOR and the above-mentioned Margin (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling, 365 days.

As used in this Note:

“**LIBOR**” shall be equal to the rate defined as **LIBOR-BBA** in respect of the above-mentioned Specified Currency (as defined in the 2006 ISDA Definitions, published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Note (the “**ISDA Definitions**”) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period or, if this Note is denominated in Sterling, on the first day thereof (a “**LIBOR Interest Determination Date**”), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified on the face of this Note in relation to the Reference Rate; and

“**London Banking Day**” shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- (b) in the case of a Note which specifies EURIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of EURIBOR and the above-mentioned Margin (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Note, “**EURIBOR**” shall be equal to **EUR-EURIBOR-Reuters** (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a “**EURIBOR Interest Determination Date**”);



- (c) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date or 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the “**Amount of Interest**”) for the relevant Interest Period. “**Rate of Interest**” means (A) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 9(b), and (B) in any other case, the rate which is determined in accordance with the provisions of paragraph 9(a). The Amount of Interest payable on this Note shall be calculated by applying the Rate of Interest to the Nominal Amount of this Note, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Note is denominated in Sterling, by 365 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;
- (d) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period (as defined below) shall, absent manifest error, be conclusive and binding as between the Issuer and the bearer hereof;
- (e) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an “**Interest Period**” for the purposes of this paragraph; and
- (f) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the bearer of this Note or, if that is not possible, it will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).

**10** If the proceeds of this Note are accepted in the United Kingdom, the Nominal Amount or Minimum Redemption Amount (as applicable) shall be not less than £100,000 (or the equivalent in any other currency).

**11** Instructions for payment must be received at the offices of the Paying Agent referred to above together with this Note as follows:

- (a) if this Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
- (b) if this Note is denominated in United States dollars, Canadian dollars or Sterling, on or prior to the relevant payment date; and
- (c) in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph, “**Business Day**” means:

- (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and
- (ii) in the case of payments in euro, a TARGET Business Day and, in the case of payments in any other currency, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the above-mentioned Specified Currency.

**12** This Note shall not be validly issued unless manually authenticated by Citibank, N.A. as issue agent.

**13** This Note and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Note (including a dispute regarding the existence, validity or termination of this Note). The parties to this Note agree that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no such party will argue to the contrary.

Each of the Issuer and the Guarantor irrevocably appoints Law Debenture Corporate Services Limited of 100 Wood Street, London EC2V 7EV, United Kingdom as its agent for service of process in any proceedings before the English courts in connection with this Note. If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer or the Guarantor, as the case may be, will appoint another agent, and failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer or Guarantor, as the case may be, and delivered to the Issuer or Guarantor, as the case may be, or to the specified office of the Paying Agent. This paragraph 13 does not affect any other method of service allowed by law.

Each of the Issuer and the Guarantor irrevocably and unconditionally agrees not to claim any immunity from proceedings brought by the bearer against it in relation to this Note and to ensure that no such claim is made on its behalf, consents generally to the giving of any relief or the issue of any process in connection with those proceedings, and waives all rights of immunity in respect of it or its assets.

**14** No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

**AUTHENTICATED** by  
**CITIBANK, N.A.**

without recourse, warranty or liability and for authentication purposes only

Signed on behalf of:  
**UNIÓN FENOSA FINANCE B.V.**

By: \_\_\_\_\_  
(Authorised Signatory)

By: \_\_\_\_\_  
(Authorised Signatory)

**SCHEDULE  
FIXED RATE INTEREST PAYMENTS**

The following payments of interest in respect of this Note have been made:

<b>Date Made</b>	<b>Payment From</b>	<b>Payment To</b>	<b>Amount Paid</b>	<b>Notation on behalf of Paying Agent</b>

**FLOATING RATE INTEREST PAYMENTS**

*(First two columns to be completed at time of issue.)*

<b>Period From</b>	<b>To</b>	<b>Date of Payment</b>	<b>Interest Rate per annum</b>	<b>Amount of Interest</b>	<b>Notation on behalf of Paying Agent</b>

**PRO-FORMA REDEMPTION OR INTEREST CALCULATION  
(INDEX-LINKED DEFINITIVE NOTE)**

This is the Redemption or Interest Calculation relating to the attached index-linked Note:

Calculation Date: \_\_\_\_\_

Calculation Agent: \_\_\_\_\_

Redemption Amount (per note): \_\_\_\_\_ to be calculated by the Calculation Agent as follows:

[Insert particulars of index and redemption calculation]

[Indicate whether the calculation refers to principal or coupon]

Confirmed:

\_\_\_\_\_

For **UNIÓN FENOSA FINANCE B.V.**

Note: The Calculation Agent is required to notify the Paying Agent for the Notes of the Redemption Amount immediately upon completing its calculation of the same.

## PROGRAMME PARTICIPANTS

### ISSUER

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Facsimile No: +31 206 44 08 10  
Attention: Miguel Garcia Saiz

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Kingdom of Spain  
Telephone No: +34 93 402 5100  
Facsimile No: +34 93 402 9301  
Attention: Hila Barcas

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5 The North Colonnade  
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Telephone No: +44 20 7773 9075  
Facsimile No: +44 20 7516 7548  
Attention: ECP Trading Desk

### DEALERS

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28046 Madrid  
Kingdom of Spain  
Telephone No: +34 91 557 6900  
Facsimile No: +34 91 557 6923  
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#### Citibank International plc

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Facsimile No: +44 20 7085 1534  
Attention: Commercial Paper Group

**UBS Limited**

100 Liverpool Street  
London EC2M 2RH  
United Kingdom

Telephone No: +44 20 7567 2324  
Facsimile No: +44 20 7568 7861  
Attention: ECP Desk

**ISSUE AND PAYING AGENT**

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United Kingdom

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Facsimile No: +44 20 7508 3884  
Attention: ECP Issuance Desk