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Unofficial Translation

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COMMUNICATION

Pursuant to and for the purposes of article 17 of Regulation (EU) number 596/2014 of the European Parliament and of the Council of 16 April 2014, of article 248 of the Portuguese Securities Code and other applicable regulation, REN - Redes Energéticas Nacionais, S.G.P.S., S.A. (“REN”) hereby informs to the market and the general public that its subsidiary REN Gás, S. A. entered into a purchase agreement with EDP Iberia, S.L.U. for the acquisition of the entire share capital of EDP Gás, S.G.P.S., S.A. (“EDP Gás”) and its subsidiaries, EDP Gás Distribuição, S.A. and EDP Gás GPL - Comércio de Gás de Petróleo Liquefeito, S.A..

As per the agreement, the acquisition is subject to certain conditions precedent, including customary regulatory approvals.

The agreed transaction does not include any natural gas supply activities, in particular, due to regulatory restrictions. For this reason, the natural gas last resort supplier - EDP Gás, Serviço Universal, S.A. - will be carved out of the current EDP Gás perimeter before completion.

The Board of Directors has approved a funding structure for the transaction, which consists of credit facilities and a share capital increase via new cash contributions, subject to the approval by REN’s relevant corporate bodies. Such share capital increase will be implemented through a rights issue with estimated proceeds of up to € 250 million, fully underwritten through a stand-by agreement executed

REN - REDES ENERGÉTICAS NACIONAIS, S.G.P.S., S.A.

Sociedade Aberta

Share Capital: EUR 534,000,000

Lisbon Commercial Registry Office: company sole identification number 503 264 032

Registered Office: Avenida Estados Unidos da América, n.º 55

1749-061 Lisboa



on this date by REN and Banco Santander, CaixaBI and J.P. Morgan, together acting as Joint Global Coordinators and Joint Bookrunners, and pursuant to which the latter have undertaken to underwrite the rights issue at a later stage and subject to certain customary market conditions being met.

EDP Gás is Portugal's second largest gas distribution network, with a 4,640 km network, a regulated asset base (RAB) of € 451.6 million and a 2016 EBITDA generated of € 48.5 million. The price offered corresponds to an enterprise value of € 532.4 million.

This transaction presents a unique opportunity for REN to achieve a further integration in core domestic natural gas infrastructure. The transaction also maintains REN's strong financial and credit profile.

Lisbon, 7 April 2017

REN - REDES ENERGÉTICAS NACIONAIS, S.G.P.S., S.A.

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