

GAS NATURAL GROUP IN SPAIN AND CHEMO GROUP, SIGNED AN AGREEMENT FOR THE SALE OF 19,6% OF ITS AFFILIATED GAS NATURAL BAN IN ARGENTINA

Gas Natural BAN communicated today, to the *Comisión Nacional de Valores* and to the *Bolsa de Comercio* of Buenos Aires (official controlling entities of the stock market) that its controlling company, Gas Natural SDG in Spain, informed that it has been signed an agreement with Chemo Group for the sale of 19,6% of the shares of the Company and its affiliates in Argentina. Gas Natural Group keeps the majority in the registered capital that it has been holding since the beginning of its operations in Argentina, except for the last year.

The sale agreement was made in Spain for an amount of 56 million dollars and its final closing is pending from performing a due diligence process that has been initiated after the signature of the above mentioned agreement and will be carried out in the coming weeks.

Once the transaction is formalized, Gas Natural Group in Spain will hold a percentage in the registered capital (50,4%) that traditionally was hold in Gas Natural BAN, 19,6% will belong to Chemo Group and the rest up to 30% will remain, as it is now since 1997, in hands of the prestigious AFJP, bank and financial entities and private persons of the Argentine Republic.

GAS NATURAL GRUP OF SPAIN

Gas Natural Group is an energy multi-national, leader in the gas sector in Spain and Latin America, the world's third biggest gas transporters by volume, and one of the biggest operators of combined cycle generating plants. The Group is focussing its activity in the supply, commercialization and distribution of natural gas in Spain, Latin America, Italy and France, where the Group has more than 11 million customers being a remarkable operator in the electricity generation and commercialization in Spain, and in the commercialization of other energy products and services as well.

Gas Natural Group initiated its international business in Argentina 16 years ago and, since that moment it has increased and enriched its scope of activity, strengthening its position as a multi-national company. Nowadays the Group is the first operator of natural gas distribution in Latin America, where it has nearly half of its customers distributed among Argentina, Brazil, Colombia and Mexico.

The agreement subscribed by Natural Gas in Spain is in accordance with its policy of including local capital in its international affiliates. In this sense, the local partners are: in Brazil, Petrobras and the Development National Bank, in Colombia, the Company of Energy of Bogotá and in Mexico, Slim Group.

GAS NATURAL BAN

Gas Natural BAN belongs to Natural Gas Group in Spain since December 1992, when the licence for natural gas distribution mains in 30 administrative areas of the north and west side of Buenos Aires Province was obtained. Gas Natural BAN offers public service of natural gas distribution mains to nearly 1.400.000 customers, its main extension is over 22.000 kilometres and supplies natural gas through mains to 18,4% of the residential-commercial market of the Argentine Republic.

CHEMO GROUP

Chemo Group is a multi-national company of Argentine origin, located in Barcelona, with presence in 24 countries, and its activities comprise fine chemicals, pharmaceutical, veterinary and agrochemical products, forest and agricultural production, and cultural activities, including cinema productions among others.

Chemo Group is developing now a project of electric generation from biomass placed in Virasoro, Corrientes Province.

Gas Natural BAN's President, Engineer Horacio Cristiani and Chemo Group's CEO, Leandro Sigman, expressed their satisfaction for the achieved agreement.

Engineer Cristiani said that "Gas Natural BAN will keep making its best efforts in order to make this vital service available for more inhabitants of Buenos Aires every day" and Leandro Sigman expressed the strategic character of this acquisition which allows Chemo Group "to come into the energy sector together with one of the most important operators of this sector in Latin America and in Argentina".

He stated, as well, that with this important acquisition, Chemo will go deeper into the existing project in Argentina for electric generation from biomass which is being developed in Virasoro, Corrientes Province.

Natural Gas Group in Spain confirmed today its investment vocation and its firm decision to keep on working for the development of the natural gas industry in Argentina and for the country growth contribution.

Buenos Aires, 4th. August, 2008

For further information please call 43092611 or 43092610

Gas Natural BAN's main figures to December 31st, 2007	
Customers	1.355.034
\$ Residential:	1.305.868
\$ Commercial:	47.543
\$ Industrial:	1274
\$ GNC:	346
\$ Sub-distribution:	3
Customers annual increase in 2007	34.046
Total customers increase since the start of operations.	443.023
Homogenized sales of gas (millions of m3)	2.028,3
Total revenues for sales and services (millions pesos)	646,1
Profits on the year (millions pesos)	116,8
Investments 2007 (millions pesos)	64,1
Aggregated investment since the start of the operations. (millions dollars)	474,1
Total mains Extension (Thousands of Kilometres)	21,9
Operations performed since the take over.	
\$ New pipes (kilometres)	6.719
\$ Renewal of pipes (kilometres)	484
Share on the volume of gas distributed in Argentina (%)	
Total over the gas market.	13,2
Residential – Commercial Markets	18,4
Employees	578