IBERDROLA

20 June 2019

PRESS RELEASE

Iberdrola sells its long-term supply portfolio of liquefied natural gas (LNG) to Pavilion Energy

- **The agreement also includes the transfer of long-term regasification capacity contracts in the United Kingdom and sea transport contracts, as well as other gas supply agreements**
- **The transaction forms part of Iberdrola's non-strategic asset rotation plan, valued at €3.5 billion during the period 2018-2022, where the company has already fulfilled almost 50% of its target**

Singapore. Today, Iberdrola signed an agreement with Pavilion Energy Trading & Supply Pte. Ltd., subsidiary of Pavilion Energy Pte. Ltd., for the sale of its portfolio of liquefied natural gas (LNG), an annual volume greater than 5 bcm[1], sea transport and long-term regasification capacity contracts in the United Kingdom, as well as other gas supply related agreements.

This divestment from Iberdrola will be completed on 1st January 2020. The final valuation is subject to several upward or downward adjustments stipulated in the contract, as well as the value of the LNG inventory transferred on the closing date of the transaction.

The agreement signed today between Iberdrola and Pavilion Energy represents a change in the group's current gas supply strategy, to fulfil not only the customer needs, but also those of combined cycle plants. The company will now focus on short-term supply, taking advantage of this trend in European gas markets.

This transaction forms part of the €3.5 billion non-strategic asset rotation plan, announced by Iberdrola in its Outlook 2018-2022.

[1] Billions of cubic meters

So far Iberdrola has disposed of assets valued at €1.7 billion, almost half the target set for the period.

Today's sale is in addition to others such as the use of fibre optics in Spain; conventional generation assets in the United Kingdom; gas storage business in the United States; minority stake in Tirme; its only thermosolar plant in Puertollano and the Auditori Tower building (Barcelona).

About Iberdrola

Iberdrola is a global energy leader, the number-one producer of wind power, and one of the world's biggest electricity utilities by market capitalisation. The company supplies almost 100 million people in dozens of countries like Spain, the United Kingdom (ScottishPower), the United States (AVANGRID), Brazil (Neoenergia), Mexico, Germany, Portugal, Italy and France. With a workforce of 34,000 and assets in excess of €113bn, it achieved a turnover of €35bn and a net profit of €3bn in 2018.

Iberdrola is leading the transition towards a sustainable energy model through investments in renewable energy, smart grids, large-scale energy storage and digital transformation, offering the most advanced products and services to its customers. Thanks to its commitment to clean energy, Iberdrola is one of the companies with the lowest emissions and an international benchmark for its contribution to the fight against climate change and for sustainability.

About Pavilion

Pavilion Energy Trading & Supply Pte. Ltd is owned by Temase, headquartered in Singapore, with a fully integrated energy business that encompasses upstream investments, global LNG trading, shipping, as well as energy hedging and financial solutions. Pavilion Energy Trading & Supply Pte. Ltd is a wholly-owned subsidiary of Pavilion Energy.