

FINAL TERMS

Capitalised words and expressions used in these Final Terms shall, save to the extent otherwise defined therein, have the meanings given thereto in the relevant Terms and Conditions and in the Agency Agreement.

11 September 2012

Gas Natural Capital Markets, S.A.

(Incorporated with limited liability in the Kingdom of Spain)

euro 800,000,000 6.00 per cent. Guaranteed Notes due 2020 (the Notes)

Guaranteed by

Gas Natural SDG, S.A.

issued pursuant to the euro 12,000,000,000 Euro Medium Term Note Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of Notes issued by Gas Natural Capital Markets, S.A. set forth in the Base Prospectus dated 14 November 2011 and the supplement to the Base Prospectus dated 4 April 2012 (together the **Base Prospectus**) which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC, as amended) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus and the drawdown prospectus expected to be dated on or about 14 September 2012 (the **Drawdown Prospectus**). Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus and the Drawdown Prospectus. Copies of the Base Prospectus and the Drawdown Prospectus may be obtained during normal business hours from Plaça del Gas no.1, 08003, Barcelona, Spain (being the registered office of the Issuer) and from the offices of the Agent at 21st Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom.

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| 1. | (i) | Issuer: | Gas Natural Capital Markets, S.A. |
| | (ii) | Guarantor: | Gas Natural SDG, S.A. |
| 2. | (i) | Series Number: | 14 |
| | (ii) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | euro |
| 4. | | Aggregate Nominal Amount of Notes admitted to trading: | euro 800,000,000 |
| | (i) | Series: | euro 800,000,000 |
| | (ii) | Tranche: | euro 800,000,000 |

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| 5. | Issue Price: | 99.455 per cent. of the Aggregate Nominal Amount |
| 6. | (i) Specified Denominations: | euro 100,000 and integral multiples of euro 100,000 thereafter. |
| 7. | (i) Issue Date: | 25 September 2012 |
| | (ii) Interest Commencement Date: | Issue Date |
| 8. | Maturity Date: | 27 January 2020 |
| 9. | Interest Basis: | 6.00 per cent. Fixed Rate
(further particulars specified below) |
| 10. | Redemption/Payment Basis: | Redemption at par |
| 11. | Change of Interest or Redemption/Payment Basis: | Not Applicable |
| 12. | Put/Call Options: | Investor Put

(further particulars specified below) |
| 13. | (i) Status of the Notes: | Senior |
| | (ii) Status of the Guarantee: | Senior |
| | (iii) Date Board approval for issuance of Notes obtained: | 10 September 2012 |
| 14. | Method of distribution: | Syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 15. | Fixed Rate Note Provisions | Applicable |
| | (i) Rate of Interest: | 6.00 per cent. per annum payable annually in arrear |
| | (ii) Interest Payment Date(s): | 27 January in each year, commencing on 27 January 2013 up to and including the Maturity Date.

There will be a short first coupon payable on the Interest Payment Date falling on 27 January 2013, in respect of the period from and including the Issue Date to, but excluding, 27 January 2013. |
| | (iii) Fixed Coupon Amount: | 6,000 per 100,000 in Specified Denomination |
| | (iv) Broken Amount(s): | Short first coupon, from and including the Issue Date to, but excluding, 27 January 2013, amounting to euro 2,032.787 per 100,000 in Specified Denomination. |

(v)	Day Count Fraction:	Actual/Actual (ICMA)
(vi)	Determination Dates:	27 January in each year
(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16.	Floating Rate Note Provisions	Not Applicable
17.	Zero Coupon Note Provisions	Not Applicable
18.	Index-linked Notes/other variable-linked interest Note Provisions	Not Applicable
19.	Dual Currency Note Provisions	Not Applicable
PROVISIONS RELATING TO REDEMPTION		
20.	Call Option	Not Applicable
21.	Put Option	Applicable (further particulars specified in the Schedule to these Final Terms)
(i)	Optional Redemption Date(s):	See Schedule
(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	See Schedule
(iii)	Notice period:	See Schedule
22.	Final Redemption Amount of each Note	euro 100,000 per Specified Denomination
23.	Early Redemption Amount	
	Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	As per Conditions

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	Bearer Notes Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note
25.	New Global Note	Yes
26.	Additional Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
29.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
30.	Redenomination, renominatisation reconventioning provisions:	Not Applicable
31.	Consolidation provisions:	The provisions in Condition 16 (Further Issues) apply
32.	Other final terms:	Not Applicable

DISTRIBUTION

33.	(i) If syndicated, names of Managers:	Banca IMI S.p.A. Banco Bilbao Vizcaya Argentaria, S.A. CaixaBank, S.A. Crédit Agricole Corporate and Investment Bank ING Bank N.V. Nomura International plc The Royal Bank of Scotland plc
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	(ii) Stabilising Manager(s) (if any):	Not Applicable
34.	If non-syndicated, name of Dealer:	Not Applicable
35.	US Selling Restrictions:	Reg. S; TEFRA D
36.	Additional selling restrictions:	Not Applicable

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to listing on the Official List of the UK Listing Authority and to trading on the Regulated Market of the London Stock Exchange of the Notes described herein pursuant to the euro 12,000,000,000 Euro Medium Term Note Programme of Gas Natural Fenosa Finance B.V. and Gas Natural Capital Markets, S.A., guaranteed by Gas Natural SDG, S.A.

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms.

By: 

Signed on behalf of Gas Natural Capital Markets, S.A.

Duly authorised

By: 

Signed on behalf of the Guarantor

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- (i) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to listing on the Official List of the UK Listing Authority and to trading on the Regulated Market of the London Stock Exchange with effect from the Issue Date.
- (ii) Estimate of total expenses related to admission to trading: GBP 4,310

2. RATINGS

Ratings: The Notes to be issued are expected to be rated:

Moody's Investors Service Limited ("**Moody's**"): Baa2 (Negative Watch)

Fitch Ratings Ltd ("**Fitch**"): BBB+ (Negative Watch)

Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. ("**S&P**"): BBB (Stable)

Each of Moody's, Fitch and S&P is (i) established in the EU and (ii) registered under the CRA Regulation.

5. YIELD

Indication of yield: 6.101 per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

8. OPERATIONAL INFORMATION

ISIN Code: XS0829360923

Common Code: 082936092

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment

Names and addresses of initial Paying Agent: Citibank, N.A., London Branch

Commissioner: Ariadna Solana Fontanals

Intended to be held in a manner Yes

which would allow Eurosystem
eligibility:

Note that the designation “Yes” simply means that the Notes are intended upon issue to be deposited with one of the International Central Securities Depositories (ICSDs) as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any and all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

SCHEDULE

For the purpose of this Series of Notes and the Final Terms dated 11 September 2012 (to which this schedule is attached) only, Condition 6(d) (Redemption at the Option of the Noteholders) shall be deleted and replaced with the following:

Redemption at the option of the Noteholders upon a Change of Control

At any time while any Note remains outstanding, each holder of Notes will have the option (the “**Put Option**”) to require the Issuer to redeem or, at the Issuer’s option, to procure the purchase of such Notes on the Optional Redemption Date at the Optional Redemption Amount (both terms as defined below) if a Change of Control occurs and, during the Change of Control Period, a Rating Downgrade occurs (together, a “**Put Event**”).

A “**Change of Control**” shall be deemed to have occurred at each time that any person or persons acting in concert (“**Relevant Persons**”) or any person or persons acting on behalf of such Relevant Persons, acquire(s) control, directly or indirectly, of the Guarantor.

“**control**” means: (a) the acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of the Guarantor; or (b) the right to appoint and/or remove all or the majority of the members of the Guarantor’s Board of Directors or other governing body, whether obtained directly or indirectly, whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

“**Change of Control Period**” means the period commencing on the date on which the relevant Change of Control occurs or the date of the first relevant Potential Change of Control Announcement, whichever is the earlier, and ending on the date which is 90 days after the date of the occurrence of the relevant Change of Control.

“**Potential Change of Control Announcement**” means any public announcement or statement by the Issuer or any actual or bona fide potential bidder relating to any potential Change of Control.

“**Rating Agency**” means any of the following: (a) Standard & Poor’s Rating Services, a division of The McGraw Hill Companies, Inc. (“**S&P**”); (b) Moody’s Investors Service Limited (“**Moody’s**”); (c) Fitch Ratings Ltd (“**Fitch Ratings**”); or (d) any other credit rating agency of equivalent international standing specified from time to time by the Issuer and, in each case, their respective successors or affiliates.

A “**Rating Downgrade**” shall be deemed to have occurred in respect of a Change of Control if, within the Change of Control Period, the rating previously assigned to the Guarantor is lowered by at least two full rating notches (by way of example, BB+ to BB-, in the case of S&P) (a “downgrade”) or withdrawn, in each case, by the requisite number of Rating Agencies (as defined below), and is not, within the Change of Control Period, subsequently upgraded (in the case of a downgrade) or reinstated (in the case of a withdrawal) to its earlier credit rating or better, such that there is no longer a downgrade or withdrawal by the requisite number of Rating Agencies. For these purposes, the “**requisite number of Rating Agencies**” shall mean (i) at least two Rating Agencies, if, at the time of the rating downgrade or withdrawal, three or more Rating Agencies have assigned a credit rating to the Guarantor, or (ii) at least one Rating Agency if, at the time of the rating downgrade or withdrawal, fewer than three Rating Agencies have assigned a credit rating to the Guarantor.

Notwithstanding the foregoing, no Rating Downgrade shall be deemed to have occurred in respect of a particular Change of Control if (a) following such a downgrade, the Guarantor is still assigned an Investment Grade Rating by one or more of the Rating Agencies effecting the downgrade, or (b) the Rating Agencies lowering or withdrawing their rating do not publicly announce or otherwise confirm in writing to the Issuer that such reduction or withdrawal was the result, in whole or part, of any event or circumstance comprised in, or arising as a result of, or in respect of, the applicable Change of Control.

“Investment Grade Rating” means: (1) with respect to S&P, any of the categories from and including AAA to and including BBB- (or equivalent successor categories); (2) with respect to Moody’s, any of the categories from and including Aaa to and including Baa3 (or equivalent successor categories); (3) with respect to Fitch Ratings, any of the categories from and including AAA to and including BBB- (or equivalent successor categories); and (4) with respect to any other credit rating agency of equivalent international standing specified from time to time by the Issuer, a rating that is equivalent to, or better than, the foregoing.

“Optional Redemption Amount” means an amount equal to par plus interest accrued to but excluding the Optional Redemption Date.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **“Put Event Notice”**) to the Agent, the Paying Agents and the Noteholders in accordance with Condition 15 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the Put Option, as well as the date upon which the Put Period (as defined below) will end and the Optional Redemption Date (as defined below).

To exercise the Put Option to require redemption or, as the case may be, purchase of a Note under this section, the holder of that Note must transfer or cause to be transferred its Notes to be so redeemed or purchased to the account of the Paying Agent specified in the Put Option Notice for the account of the Issuer within the period (the **“Put Period”**) of 45 days after the Put Event Notice is given together with a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **“Put Option Notice”**) and in which the holder may specify a bank account to which payment is to be made under this section.

The Issuer shall redeem or, at the option of the Issuer, procure the purchase of the Notes in respect of which the Put Option has been validly exercised as provided above, and subject to the transfer of such Notes to the account of the Paying Agent for the account of the Issuer as described above on the date which is the fifth Business Day following the end of the Put Period (the **“Optional Redemption Date”**). Payment in respect of any Note so transferred will be made in euro to the holder to the specified euro denominated bank account in the Put Option Notice on the Optional Redemption Date via the relevant account holders.