

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION

3 December 2018

Drax Finco plc

Drax Group plc, the ultimate parent of Drax Finco plc, has today announced that it has reached agreement with Iberdrola on revised terms for the acquisition of Scottish Power's portfolio of pumped storage, hydro and gas-fired generation at the previously agreed price of £702 million in cash (the "**Acquisition**"), subject to Drax Group plc shareholder approval. The revised contractual arrangements are designed to mitigate the risk to 2019 capacity payments arising from the recent suspension of the Capacity Market.

For further information, please refer to the press release published on 3 December 2018, available at <https://www.drax.com/investors/regulatory-news-alerts/>

Restrictions in overseas jurisdictions

The distribution of this announcement in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of such jurisdiction.

This announcement has been prepared for the purposes of complying with English law and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England and Wales.

Copies of this announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of that jurisdiction and persons receiving this announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdiction where to do so would violate the laws of that jurisdiction.