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National Securities Market Commission
Issues Division
Mr Angel Bonito
Ms Cristina Ribó
Paseo de la Castellana, 19
28046 Madrid

Madrid, 27 July 2000

Re: Abengoa, S.A. capital increase, addendum to Prospectus

Dear Sirs

This Note is by way of an extension and addendum to the Prospectus verified by the Commission on 21 July 2000, prepared in relation to the increase in Abengoa, S.A.'s share capital by the amount of 539,587,020 pesetas.

Through its subsidiary Telvent, AG, Abengoa has assumed control of 40% of the corporate capital of Energyworkspace (formerly known as Interactive Systems International), a US company engaged in the provision of application services via the Internet (ASP) for companies in the oil and gas sector. Energyworkspace has its headquarters in Houston (Texas). The price of this acquisition was 8.5 million dollars (approximately 1,500 million pesetas).

Energyworkspace's predicted turnover for the 2000 financial year is estimated at 4 million dollars (approximately 700 million pesetas), with an active business period of around 6 months, as it began operating only recently. The acquisition of this 40% shareholding would represent for Abengoa, depending on the timing of the planned floatation of Energyworkspace on the official securities markets in the United States and its subsequent classification as a financial investment, a consolidated goodwill figure that could practically amount to the cost of the investment, since prior to Abengoa's shareholding the company possessed levels of shareholder equity that were barely significant, and the investment is based fundamentally on the expectations of future business that the company is expected to generate.

[Stamped as received by the National Securities Market Commission, 27 July 2000, registry entry 2000 52457]

This acquisition continues the investment policy explained in the aforementioned Prospectus. As indicated in chapter IV.2.1.2, "Description by Activity", section 3, "Systems and Communications", and section 3.2, "Internet", pages 96 and 97 of the Capital Increase Prospectus, during the first phase of its Internet business strategy, Abengoa plans to invest in leading companies in the sector. As set out on page 96 of the Prospectus, this strategy began in 1999 with the investments referred to in the table set out in the Prospectus, as reproduced below:

<u>Investment made during 1999</u>	<u>(millions of euros)</u>	
Jazztel	18	(2.5%)
Ecuality	2	(6.0%)
Telefónica 10	10	(Telefónica, Terra, TPI, Ariba)
<u>Total</u>	<u>30</u>	

The investments planned for 2000 are those set out in the table shown on page 97 of the Prospectus, as reproduced below:

<u>Proposed investment for 2000</u>	<u>(millions of euros)</u>	
Banda 26 (Teligent)	5.5	(9% LMDS licence with Jazztel,
Lanetro	1.7	
New investments	30	
<u>Total</u>	<u>37.2</u>	

The provision shown for new investments in the preceding table, reproduced from the Prospectus, includes the 8.5 million US\$ investment made in Energyworkspace.

The investment in Energyworkspace has been made within the same strategic aims for this business, as described on pages 99 and 100 of the Prospectus, and although it does not represent a significant action from the point of view of its financial importance, it still follows the line of the investments already made, even though from a strategic perspective it represents an important opportunity within the objectives being pursued in this business sector.

The investment is expected to give rise to synergies with Telvent Desarrollos, S.A. (Sainco), the company in the Abengoa Group that develops control and communications systems, Sainco is working on the design of specialised vertical portals for those companies for which it is a service provider, since the recently acquired portal represents a virtual space in which energy companies can work on-line with their clients and suppliers, providing specific management and productivity tools for companies working in oil and gas exploration and production. Therefore, this portal links sales transactions with the process with which they originated, permitting access to multiple marketplaces through the so called "market to market" process. Working through this portal allows client companies to achieve both cost savings and speed in their business transactions.

This Note will be made publicly available through the same channels as the Prospectus, to which it forms an addendum or extension.

Abengoa, S.A.
Jesús Pérez Rodríguez
General Secretary
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