

**CONSOLIDATED REPORT ON PAYMENTS TO  
GOVERNMENTS ON OIL AND GAS  
EXPLORATION AND PRODUCTION  
ACTIVITIES**

**For the financial year 2016**



**REPSOL, S.A.**

*Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish language version prevails*

## **(1) PRESENTATION**

Spanish<sup>1</sup> and European<sup>2</sup> regulations require that large undertakings and public interest entities which are active in the extractive industry prepare and publish an annual report (the ‘Report’) on payments made to the Governments as a result of their extractive operations.

This Report on Payments to Governments of Repsol, S.A. complies with said regulations. This Report discloses the payments made to Governments in 2016 by Repsol, S.A. and its controlled<sup>3</sup> companies (hereinafter ‘Repsol’) as a result of its Extractive Operations, according to the definitions given below.

This Report was approved by the Board of Directors of Repsol S.A. at a meeting held on February 22, 2017.

For more information on taxes paid, we refer to the Taxation section of the Consolidated Management Report and to the Responsible Tax Policy section of our corporate website.

## **(2) BASIS FOR THE ELABORATION OF THE INFORMATION**

### **2.1) Definitions**

#### **Extractive Operations**

The Report includes payments to Governments made by Repsol, S.A. and its controlled companies whose activities consist, in whole or in part, of the exploration, prospection, discovery, development and extraction of minerals, oil, natural gas deposits or other materials (Extractive Operations).

Accordingly, the payments made by companies over which Repsol, S.A. has ‘joint control’ or ‘significant influence’ (as such terms are defined by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) adopted by the European Union) have not been included in this Report.

#### **Government**

‘Government’ means any national, regional or local authority of a country, including a department, agency or undertaking controlled by that authority.

#### **Project**

‘Project’ means the operational activities that are governed by a single contract, license, lease, concession or similar legal agreements and form the basis for payment liabilities with a government. Nonetheless, if multiple such agreements are substantially interconnected, this shall be considered a project.

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<sup>1</sup> Tenth Additional Provision of Law 22/2015, of July 20, on Audit of Accounts.

<sup>2</sup> Chapter 10 of Directive 2013/34 / EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC.

<sup>3</sup> Controlled companies are those which Repsol, S.A. directly or indirectly, controls and fully consolidates in the Consolidated Financial Statements of the Repsol Group.

## Payments

The payments included in the report are classified as follows:

- *Production Entitlements*

Production entitlements are the share of production allocated to the Government of the country where extractive operations are carried out in the reporting period derived from projects operated by the Group. This includes the government's share as a sovereign entity or through its participation as an equity or interest holder in projects within its sovereign jurisdiction.

Production entitlements arising from activities carried out by state oil companies outside of their respective home countries are excluded.

- *Signature, discovery and production bonuses*

Payments related to signature, discovery and production bonuses. These are usually paid upon the signing of an agreement or contract, or when a commercial discovery is declared, or production has commenced or reached a milestone.

- *Licence fees, rental fees, entry fees and other considerations for licences and/or concessions*

Payments related to licence fees, rental fees, entry fees and other considerations for licenses or concessions. These are fees and other sums paid as consideration for acquiring a licence in order to gain access to an area where extractive activities are being performed.

- *Taxes*

Includes taxes levied on the income, profits or taxes levied on production. Excludes taxes levied on consumption such as value added taxes, personal income taxes or sales taxes. Payments are reported net of refunds.

- *Other*

This heading includes dividends, royalties and payments for infrastructure improvements, grouped together for presentation purposes in this Report. All individual payments in this column are identified by their proper payment category.

### 2.2) Bases of presentation

This Report includes payments made directly by Repsol to Governments, regardless of whether these payments are made as an operator or not.

When Repsol makes payments directly to a Government as an operator, the Report presents the payments in full, even where Repsol is proportionally reimbursed by its non-operating project partners through a partner billing process.

On the other hand, when Repsol is not the project operator and payments are made directly by the operator of the project, this amount is not included in this Report even if Repsol pays its proportionate share to the operating partner.

The payments are presented in this Report by Project when the payments have been attributed to a specific project. However, payments made by Repsol in relation to obligations imposed at the company level are presented as the entity that made such payment.

This Report is presented in millions of Euros to one decimal place.

Payments are reported on a cash basis. In-kind payments are converted to an equivalent cash value based on the most appropriate and relevant valuation method for each payment, which can be at cost or market value or such other value as stated in the contract. In-kind payments are reported in both volume and the equivalent cash value.

Payments made in currencies other than the Euro are converted for the purposes of this Report, using the average exchange rate for the period.

**(3) REPORT ON PAYMENTS TO GOVERNMENTS.  
INFORMATION BY COUNTRY**

Amounts in millions of euros

	Taxes	Production Entitlement	Signature, discovery and production bonuses	Licence fees, rental fees, entry fees and other considerations for licences and/or concessions	Other <sup>(1)</sup>	TOTAL
<b>Africa</b>	-	-	-	2,2	-	2,2
Algeria	-	-	-	1,8	-	1,8
Gabon	-	-	-	0,4	-	0,4
<b>Asia</b>	232,4	482,9	9,5	-	-	724,8
Indonesia	129,5	-	-	-	-	129,5
Malaysia	52,1	335,5	8,9	-	-	396,5
Vietnam	50,8	147,4	0,6	-	-	198,8
<b>Europe</b>	(70,1)	-	-	5,8	-	(64,3)
Spain	(3,1)	-	-	0,4	-	(2,7)
Norway	(67,0)	-	-	3,9	-	(63,1)
Portugal	-	-	-	1,5	-	1,5
<b>Latin America</b>	58,6	478,9	2,5	3,5	-	543,5
Bolivia	34,8	420,1	-	2,5	-	457,4
Colombia	(5,6)	-	-	-	-	(5,6)
Ecuador	14,5	58,8	-	1,0	-	74,3
Mexico	-	-	2,5	-	-	2,5
Peru	(12,6)	-	-	-	-	(12,6)
Trinidad and Tobago	27,5	-	-	-	-	27,5
<b>North America</b>	35,2	-	0,5	21,5	0,3	57,5
Canada	6,6	-	-	6,7	-	13,3
USA	28,6	-	0,5	14,8	0,3	44,2
<b>Oceania</b>	-	-	-	0,1	-	0,1
Papua New Guinea	-	-	-	0,1	-	0,1
	256,1	961,8	12,5	33,1	0,3	1.263,8

(1) No dividends and royalties have been paid to governments during the year. The amount of 0.3 million euros included in this heading corresponds to payments for infrastructure improvements.

**(4) REPORT ON PAYMENTS TO GOVERNMENTS.  
INFORMATION PER PROJECT AND PER GOVERNMENT**

Amounts in millions of euros

	Taxes	Production Entitlement	Signature, discovery and production bonuses	Licence fees, rental fees, entry fees and other considerations for licences and/or concessions	Other	TOTAL
<b>Algeria</b>						
<b>Payments per Project</b>						
Bougezoul	-	-	-	1,1	-	1,1
Illizi	-	-	-	0,7	-	0,7
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,8</b>	<b>-</b>	<b>1,8</b>
<b>Payments per Government</b>						
DGE (Ministere des Finances)	-	-	-	1,8	-	1,8
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,8</b>	<b>-</b>	<b>1,8</b>
<b>Bolivia</b>						
<b>Payments per Project / Entity</b>						
Margarita (Caipipendi)/Huacaya	-	405,0	-	1,2	-	406,2
Surubi Noroeste (Mamore)	-	5,3	-	0,1	-	5,4
Monteagudo	-	0,8	-	-	-	0,8
Paloma, Surubi y Surubi (Bloque Bajo)	-	8,8	-	0,2	-	9,0
Cambeiti	-	0,2	-	-	-	0,2
Tuichi	-	-	-	0,8	-	0,8
Repsol E&P Bolivia, S.A.	34,8	-	-	0,2	-	35,0
<b>Total</b>	<b>34,8</b>	<b>420,1</b>	<b>-</b>	<b>2,5</b>	<b>-</b>	<b>457,4</b>
<b>Payments per Government</b>						
Ministerio de Hidrocarburos y Energía	-	420,1	-	-	-	420,1
Tributos Fiscales	34,8	-	-	-	-	34,8
Yacimientos Petrolíferos Fiscales Bolivianos (YPFB)	-	-	-	2,5	-	2,5
<b>Total</b>	<b>34,8</b>	<b>420,1</b>	<b>-</b>	<b>2,5</b>	<b>-</b>	<b>457,4</b>
<b>Canada</b>						
<b>Payments per Project / Entity</b>						
Chauvin Alberta/Chauvin Saskatchewan	2,9	-	-	1,3	-	4,2
Duvernay	0,4	-	-	0,5	-	0,9
EL1114	-	-	-	1,5	-	1,5
Greater Edson	4,6	-	-	2,6	-	7,2
Groundbirch	-	-	-	0,1	-	0,1
Repsol Oil & Gas Canada, Inc.	(1,3)	-	-	0,7	-	(0,6)
<b>Total</b>	<b>6,6</b>	<b>-</b>	<b>-</b>	<b>6,7</b>	<b>-</b>	<b>13,3</b>
<b>Payments per Government</b>						
City of Calgary	-	-	-	0,4	-	0,4
Clearwater county	-	-	-	0,2	-	0,2
Yellowhead County	-	-	-	0,1	-	0,1
Government of Alberta	6,3	-	-	4,2	-	10,5
Government of British Columbia.	0,1	-	-	0,2	-	0,3
Government of Saskatchewan.	0,2	-	-	0,1	-	0,3
Receiver General	-	-	-	1,5	-	1,5
<b>Total</b>	<b>6,6</b>	<b>-</b>	<b>-</b>	<b>6,7</b>	<b>-</b>	<b>13,3</b>

Amounts in millions of euros

	Taxes	Production Entitlement	Signature, discovery and production bonuses	Licence fees, rental fees, entry fees and other considerations for licences and/or concessions	Other <sup>(1)</sup>	TOTAL
<b>Colombia</b>						
<b>Payments per Entity</b>						
Repsol Exploración Colombia, S.A.	(6,2)	-	-	-	-	(6,2)
Talisman (Colombia) Oil & Gas, Ltd.	0,6	-	-	-	-	0,6
<b>Total</b>	<b>(5,6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,6)</b>
<b>Payments per Government</b>						
Administración de Impuestos y Aduanas Nacionales	(5,6)	-	-	-	-	(5,6)
<b>Total</b>	<b>(5,6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,6)</b>
<b>Ecuador</b>						
<b>Payments per Project / Entity</b>						
Bloque 16	11,9	49,4	-	0,8	-	62,1
Tivacuno	2,4	9,4	-	0,2	-	12,0
Repsol Ecuador, S.A.	0,2	-	-	-	-	0,2
<b>Total</b>	<b>14,5</b>	<b>58,8</b>	<b>-</b>	<b>1,0</b>	<b>-</b>	<b>74,3</b>
<b>Payments per Government</b>						
Servicio de Rentas Internas	14,5	-	-	-	-	14,5
Agencia de Regularizacion y Control	-	-	-	0,3	-	0,3
Ministerio de Hidrocarburos	-	-	-	0,1	-	0,1
Ministerio del Ambiente	-	-	-	0,4	-	0,4
Secretaría de Hidrocarburos	-	58,8	-	0,2	-	59,0
<b>Total</b>	<b>14,5</b>	<b>58,8</b>	<b>-</b>	<b>1,0</b>	<b>-</b>	<b>74,3</b>
<b>United States</b>						
<b>Payments per Project / Entity</b>						
Alaska North Slope	-	-	-	0,4	-	0,4
Alaska Beafourt Sea	-	-	-	0,8	-	0,8
Buckskin	-	-	-	0,2	-	0,2
Eagle Ford	6,8	-	-	-	-	6,8
GOM	-	-	0,5	4,0	-	4,5
Leon	-	-	-	0,4	-	0,4
Marcellus	4,9	-	-	9,0	0,3	14,2
Shenzi	17,2	-	-	-	-	17,2
Repsol E&P USA, Inc.	(0,3)	-	-	-	-	(0,3)
<b>Total</b>	<b>28,6</b>	<b>-</b>	<b>0,5</b>	<b>14,8</b>	<b>0,3</b>	<b>44,2</b>
<b>Payments per Government</b>						
Bureau of Ocean Energy Management	17,3	-	0,5	5,8	-	23,6
City of Runge	0,2	-	-	-	-	0,2
Commissioner of the General Land	0,3	-	-	-	-	0,3
Commonwealth of Pennsylvania	4,7	-	-	8,5	-	13,2
Department of Natural Resources	-	-	-	0,1	-	0,1
Pa Department of Transportation	-	-	-	-	0,3	0,3
Runge Independent School District	0,1	-	-	-	-	0,1
State Comptroller	6,1	-	-	-	-	6,1
State of Alaska	(0,2)	-	-	-	-	(0,2)
Susquehanna River Basin Commission	-	-	-	0,3	-	0,3
Troy Area School District	0,1	-	-	-	-	0,1
United States Geological Survey	-	-	-	0,1	-	0,1
<b>Total</b>	<b>28,6</b>	<b>-</b>	<b>0,5</b>	<b>14,8</b>	<b>0,3</b>	<b>44,2</b>

Amounts in millions of euros

	Taxes	Production Entitlement	Signature, discovery and production bonuses	Licence fees, rental fees, entry fees and other considerations for licences and/or concessions	Other	TOTAL
<b>Spain</b>						
<b>Payments per Entity</b>						
Repsol Investigaciones Petrolíferas, S.A	(3,1)	-	-	0,4	-	(2,7)
<b>Total</b>	<b>(3,1)</b>	<b>-</b>	<b>-</b>	<b>0,4</b>	<b>-</b>	<b>(2,7)</b>
<b>Payments per Government</b>						
Agencia Estatal de Administración Tributaria (AEAT)	(3,2)	-	-	0,3	-	(2,9)
Autoridad Portuaria Tarragona	-	-	-	0,1	-	0,1
Tesoro Público	0,1	-	-	-	-	0,1
<b>Total</b>	<b>(3,1)</b>	<b>-</b>	<b>-</b>	<b>0,4</b>	<b>-</b>	<b>(2,7)</b>
<b>Gabon</b>						
<b>Payments per Project / Entity</b>						
Luna Muetse	-	-	-	0,3	-	0,3
Repsol Libreville, S.A. avec A.G.	-	-	-	0,1	-	0,1
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0,4</b>	<b>-</b>	<b>0,4</b>
<b>Payments per Government</b>						
Direction General des Hydrocarbures	-	-	-	0,4	-	0,4
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0,4</b>	<b>-</b>	<b>0,4</b>
<b>Indonesia</b>						
<b>Payments per Project</b>						
Corridor	109,7	-	-	-	-	109,7
Jambi Merang	8,7	-	-	-	-	8,7
Ogan Komering	0,9	-	-	-	-	0,9
Tangguh	10,2	-	-	-	-	10,2
<b>Total</b>	<b>129,5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>129,5</b>
<b>Payments per Government</b>						
Directorate General Tax	129,5	-	-	-	-	129,5
SKKMIGAS	-	-	-	-	-	-
<b>Total</b>	<b>129,5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>129,5</b>
<b>Malaysia</b>						
<b>Payments per Project / Entity</b>						
PM3-CAA	31,5 <sup>(1)</sup>	251,6 <sup>(5)</sup>	2,2	-	-	285,3
PM305	3,4 <sup>(2)</sup>	14,4 <sup>(6)</sup>	3,3	-	-	21,1
PM314	0,5 <sup>(3)</sup>	1,9 <sup>(7)</sup>	0,2	-	-	2,6
SB1 Kinabalu Oil	16,8 <sup>(4)</sup>	67,6 <sup>(8)</sup>	3,2	-	-	87,6
Repsol Oil & Gas Malaysia, Ltd.	(0,1)	-	-	-	-	(0,1)
<b>Total</b>	<b>52,1</b>	<b>335,5</b>	<b>8,9</b>	<b>-</b>	<b>-</b>	<b>396,5</b>
<b>Payments per Government</b>						
Inland Revenue Board	(0,2)	-	-	-	-	(0,2)
PETRONAS	52,3	335,5	8,9	-	-	396,7
<b>Total</b>	<b>52,1</b>	<b>335,5</b>	<b>8,9</b>	<b>-</b>	<b>-</b>	<b>396,5</b>

<sup>(1)</sup> Includes payments in kind for 1,2 million barrels of oil equivalent

<sup>(2)</sup> Includes payments in kind for 0,1 million barrels of oil equivalent

<sup>(3)</sup> Includes payments in kind for 0,1 million barrels of oil equivalent

<sup>(4)</sup> Includes payments in kind for 0,3 million barrels of oil equivalent

<sup>(5)</sup> Includes payments in kind for 10,3 million barrels of oil equivalent

<sup>(6)</sup> Includes payments in kind for 0,4 million barrels of oil equivalent

<sup>(7)</sup> Includes payments in kind for 0,1 million barrels of oil equivalent

<sup>(8)</sup> Includes payments in kind for 1,6 million barrels of oil equivalent



Amounts in millions of euros

	Taxes	Production Entitlement	Signature, discovery and production bonuses	Licence fees, rental fees, entry fees and other considerations for licences and/or concessions	Other	TOTAL
<b>Mexico</b>						
<b>Payments per Entity</b>						
Repsol Exploración México, S.A. de C.V.	-	-	2,5	-	-	2,5
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,5</b>	<b>-</b>	<b>-</b>	<b>2,5</b>
<b>Payments per Government</b>						
Servicio de Administración Tributaria	-	-	2,5	-	-	2,5
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,5</b>	<b>-</b>	<b>-</b>	<b>2,5</b>
<b>Norway</b>						
<b>Payments per Entity</b>						
Repsol Norge, AS	(67,0)	-	-	3,9	-	(63,1)
<b>Total</b>	<b>(67,0)</b>	<b>-</b>	<b>-</b>	<b>3,9</b>	<b>-</b>	<b>(63,1)</b>
<b>Payments per Government</b>						
Oljedirektoratet	-	-	-	3,9	-	3,9
Skatteetaten	(67,0)	-	-	-	-	(67,0)
<b>Total</b>	<b>(67,0)</b>	<b>-</b>	<b>-</b>	<b>3,9</b>	<b>-</b>	<b>(63,1)</b>
<b>Papua Nueva Guinea</b>						
<b>Payments per Project</b>						
PDL 10	-	-	-	0,1	-	0,1
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0,1</b>	<b>-</b>	<b>0,1</b>
<b>Payments per Government</b>						
Department of Petroleum & Energy	-	-	-	0,1	-	0,1
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0,1</b>	<b>-</b>	<b>0,1</b>
<b>Peru</b>						
<b>Payments per Project / Entity</b>						
Lote 56	(7,8)	-	-	-	-	(7,8)
Lote 57	6,4	-	-	-	-	6,4
Lote 76	(0,2)	-	-	-	-	(0,2)
Lote 88	(11,5)	-	-	-	-	(11,5)
Repsol Exploración Perú, S.A.	0,5	-	-	-	-	0,5
<b>Total</b>	<b>(12,6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,6)</b>
<b>Payments per Government</b>						
SUNAT	(19,3)	-	-	-	-	(19,3)
Organismo de Evaluación y Fiscalización Ambiental	0,1	-	-	-	-	0,1
Perupetro S.A.	6,6	-	-	-	-	6,6
<b>Total</b>	<b>(12,6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,6)</b>
<b>Portugal</b>						
<b>Payments per Project</b>						
Ameijoa	-	-	-	0,3	-	0,3
Camarao	-	-	-	0,2	-	0,2
Caranguejo	-	-	-	0,1	-	0,1
Lagosta	-	-	-	0,1	-	0,1
Lagostim	-	-	-	0,2	-	0,2
Mexilhao	-	-	-	0,2	-	0,2
Ostra	-	-	-	0,3	-	0,3
Sapateira	-	-	-	0,1	-	0,1
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,5</b>	<b>-</b>	<b>1,5</b>
<b>Payments per Government</b>						
Entidade Nacional para o Mercado de Combustíveis	-	-	-	1,5	-	1,5
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,5</b>	<b>-</b>	<b>1,5</b>

Amounts in millions of euros

	Taxes	Production Entitlement	Signature, discovery and production bonuses	Licence fees, rental fees, entry fees and other considerations for licences and/or concessions	Other	TOTAL
<b>Trinidad and Tobago</b>						
<b>Payments per Project</b>						
TSP	27,5	-	-	-	-	27,5
<b>Total</b>	<b>27,5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,5</b>
<b>Payments per Government</b>						
Board of Inland Revenue	0,9	-	-	-	-	0,9
Ministry of Energy	26,6	-	-	-	-	26,6
<b>Total</b>	<b>27,5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,5</b>
<b>Vietnam</b>						
<b>Payments per Project</b>						
Block 15-2/01 PC	18,4	-	-	-	-	18,4
Block 07/03 (CRD)	-	-	0,3	-	-	0,3
Block 133-134 BCC	-	-	0,1	-	-	0,1
Block 135-136	-	-	0,1	-	-	0,1
Block 46 Cai Nuoc	2,2	13,6 <sup>(2)</sup>	-	-	-	15,8
PM3-CAA	30,2 <sup>(1)</sup>	133,8 <sup>(3)</sup>	-	-	-	164,0
Vung May 156-159	-	-	0,1	-	-	0,1
<b>Total</b>	<b>50,8</b>	<b>147,4</b>	<b>0,6</b>	<b>-</b>	<b>-</b>	<b>198,8</b>
<b>Payments per Government</b>						
Vietnam Tax Authority	18,4	-	-	-	-	18,4
Vietnam Oil and Gas Group	32,4	147,4	0,6	-	-	180,4
<b>Total</b>	<b>50,8</b>	<b>147,4</b>	<b>0,6</b>	<b>-</b>	<b>-</b>	<b>198,8</b>

<sup>(1)</sup> Includes payments in kind for 1,2 million barrels of oil equivalent

<sup>(2)</sup> Includes payments in kind for 0,8 million barrels of oil equivalent

<sup>(3)</sup> Includes payments in kind for 5 million barrels of oil equivalent