Investor Update
Strategic Plan 2012-2016

“Growing from our strengths”

Repsol. Investor Relations
Disclaimer

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3. Acquisition of Talisman Energy
4. Upstream
5. Downstream
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Company Overview
Repsol’s Shareholders
Company Overview

Total number of shares as of April 2015: 1,374.69 million

* On 11th November 2013 CaixaBank launched a €594m 3-year Mandatory Exchangeable Bond into Repsol shares (2.5% of share capital)
Repsol: A Transformation Story
2012-2016 Key strategic targets
Repsol: A Transformation Story

- Production growth 2011-16: > 7% CAGR
- RRR 2011-2016: > 120% (+120% vs. average 2008-2011)
- Upstream average capex: €2.9bn/year

- Strong FCF from the Downstream Business
- Downstream average capex: €0.7bn/year (-50% vs. avg. 2008-11)

- Maintain investment grade rating
- Divestments & treasury stock: up to €4-4.5 bn in 2012-2016
- Self-financed plan generating €8.1-8.6 bn cash for dividends & debt reduction in base case, resilient to stress scenario

- Dividend 2012-2016: ~1€/share (scrip option)
- “Repsol Flexible Dividend” program: 64%, 69%, 59%, 63% and 76% acceptance ratio since 2012.
- 1€/share Special dividend from 2014 earnings.

1. Compound annual growth rate. 2. Average Reserve Replacement Ratio 2011-2016. 3. Net Capex, excluding G&G and G&A
4. Targets in 2012. Target more than achieved after LNG disposal. Up to date divestments: 10% of treasury stock (€2.4bn); LPG Chile & Armodaimi (€0.6bn); LNG business (€4.4bn) and 10% stake in TPG (219 M$)
Turnaround plan
Repsol: A transformation story

New areas of Exploration
- GoM
- Namibia
- European Atlantic
- Kurdistan
- Angola
- Bulgaria
- Liberia
- Canada
- Colombia
- Russia
- Gabon
- Norway

FID [1]
- Peru Sagari
- Alaska
- Brazil Carioca (Lapa)
- Venezuela Carabobo
- Brazil Sapinhoa (Guará)
- Cartagena
- Canadá Canaport
- US GoM Shenzi
- Russia AROG

Start up
- Peru Kinteroni
- Bolivia Margarita-Huacaya
- Libya I/R
- US Midcontinent
- Bilbao

Prospective
Evaluation
Construction
Operation

Stage of Advance

1.FID: Final Investment Decision

Upstream
Downstream
GNL
Acquisition of Talisman Energy
Talisman: A major Canadian listed upstream company with a globally diversified portfolio

Key facts

- Dual-listed E&P company with core assets in North America, the Asia Pacific region, Colombia and Northern Europe
- Headquartered in Calgary, Alberta, Canada
- Approximately 2,800 highly trained employees in 18 countries
- 1P reserves 838 Mboe, ~65% Developed
- OECD countries: ~65% of 2P Reserves
- R/P: 12 (2P Reserves / run rate production)

Diversified asset portfolio

Argentina

- Natural gas and associated liquids long-term growth potential
- Upsides from NGL and gas price
- Legacy asset position in Canada
- Efficient operator in Canada and Marcellus
- Capital intensive unconventionals
- Upside emerging in Colombia [heavy oil]

EMEA

- JV with Sinopec in UK
- Offshore operator in North Sea [UK and Norway], mainly oil production
- Algeria free cash flow

Asia-Pacific

- Legacy asset position
- Large Free Cash Flow
- Sustainable production
- Additional Exploration & Development potential
- Efficient operator
- Good relations with Governments and NOC's

Source: Company filings, presentation, equity research
Note: All figures shown gross of royalties and in U.S. dollars, unless otherwise noted, includes equity investments
1. Net production (assuming 2013YE reserve report implied royalty rates of 19% for gas and 20% for liquids) from ongoing operations based on company guidance (350-365 kboepd gross)
2. Net reserves as of December 2013YE adjusted to reflect sale of Montney assets (550 Bcf of 2P reserves, assumes to be 100% gas, 19% royalty)
**Transaction Overview**

**Transaction structure**
- Repsol S.A. ("Repsol") to acquire 100% of Talisman Energy Inc. ("Talisman") outstanding common shares
- Structured as Plan of Arrangement

**Consideration & Valuation**
- **US$8 per share**, representing total all-cash consideration of **US$8.3 billion**
- **Total enterprise value of US$12.9 billion**, assuming **US$4.7 billion in Talisman net debt as of September 30th, 2014**
- Immediately accretive to operating cash flow per share, EPS neutral for 2016 and accretive from 2017

**Financing**
- Liquidity on hand
- Designed to secure the Investment Grade rating
- Maintenance of current competitive dividend

**Certainty & timing**
- Offer unanimously approved by Repsol and Talisman Boards of Directors
- Subject to the approval of Talisman shareholders
- Subject to customary Governmental regulatory approvals, including Investment Canada, and third party consents
- Closing estimated by mid-year 2015

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1. Talisman permitted to pay common dividends of up to US$0.18 per share between signing and closing. 2. Using the scenario of prices: forward curve first 3 years and then Repsol price deck.
Transformational deal, upgrading Repsol’s portfolio and competitive advantage achieving global scale and diversification, greater exposure to Upstream, leading growth platforms and enhanced capabilities to create value
Production, Reserves, Operatorship, OECD production

**Reserves 1P/2P (MBboe)**

Before Deal
- 1P: 1,515
- 2P: 2,302
- 1P: 2,353
- 2P: 3,546

After Deal
- 1P: 55%
- 2P: 76%

**Operated production [%]**

Before Deal
- 19%

After Deal
- 42%

**Production 2014E (Kboepd)**

Before Deal
- 386

After Deal
- 680

**OECD production [%]**

Before Deal
- 11%

After Deal
- 36%

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1. Without Libya

Note: Considering net reserves (after royalties) and net production (after royalties). Asset sales considered
Note: If not specified 2013 data
Source: Rystad; Repsol internal information; Talisman Annual Report
Significant enhancement of Repsol’s upstream business geographic diversification

**Whole Company**
- Repsol: ~36 B$  
- Upstream: 38%, Downstream: 45%, GNF: 17%

**Upstream Division**
- CE Ups: ~14 B$¹  
- North America: 50%, Europe: 13%, Other: 13%, Latam: 7%

**Capital Employed in Upstream**
- Capital Employed in Upstream from 38% to 58%

**Upstream Division Capital Employed in NA**
- Upstream Division Capital Employed in NA from 30% to 50%, Latam from 50% to 22%

**Repsol will have operations in more than 50 countries and more than 27,000 employees**

¹. Data 2014 Estimated. Others include Repsol assets in Africa and Russia  
². Public 2013 Talisman data
Adds new plays, skills & technology Complementary capabilities

World class explorer

Deepwater exploration experience and portfolio

Broad international portfolio with strong focus on LatAm

High growth exploration and development pipeline

High impact Upstream G&G capabilities and R&D

Experienced production operator

Unconventional experience and portfolio

Broad international portfolio with strong focus on North America and South East Asia

Great legacy assets and contingent resources

Focus on operational capabilities

With this transaction, Repsol gains a significant competitive edge becoming a much stronger and balanced E&P player
Portfolio management: Opportunities to optimize capital allocation

A broader portfolio together with a sound financial position provides a better capacity to create and unlock value through portfolio management, allocating capital to the most valuable projects and assets.

**Portfolio management criteria:**
- Prioritizing CF and Net Income
- Exposure to priority plays where to set platforms for growth
- Increasing sustainability (Reserve Life Ratio)
- Geographic Risk Profile

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**Talisman transaction would generate synergies of ~220 M US$/year**

<table>
<thead>
<tr>
<th>Cost Synergies</th>
<th>Commercial</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>• Enhanced gas, NGLs and oil marketing and trading in North America</td>
</tr>
<tr>
<td></td>
<td>• Growth in N. America gas, NGLs and oil commercial and midstream portfolio size and diversity</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capex costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Leverage scale in procurement in categories with global or regional markets</td>
</tr>
<tr>
<td>• Best practice sharing in Capex and project management</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>G&amp;A costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Optimization and integration of corporate functions</td>
</tr>
<tr>
<td>• Integration of regional and country HQ where overlapped</td>
</tr>
<tr>
<td>• IT expenditure optimization and scale</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operational Synergies</th>
<th>Exploration effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Application of Repsol exploration technology on new portfolio</td>
<td></td>
</tr>
<tr>
<td>• Exploration teams integration and best practice transfer</td>
<td></td>
</tr>
<tr>
<td>• Global exploration portfolio management</td>
<td></td>
</tr>
</tbody>
</table>

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1. Conservative estimate
A strategic combination to accelerate growth, diversify asset base and drive shareholder value

- Talisman acquisition **consistent with Repsol strategy to strengthen Repsol’s upstream business while providing a platform for future growth**
- Creating Value: **IRR above WACC**
- Creates a truly **globally diversified company** with an asset base in key sought-after regions in **North America, Northern Europe, Southeast Asia and Latin America**
- Gives Repsol **access to deeper expertise** in unconventional plays, heavy oil, and offshore
- **Doubles Repsol’s operatorships** and **increases** its weight towards **OECD**
- **Immediately cash flow accretive** and **EPS neutral for 2016 and accretive from 2017**
- **Doable opportunity**
- **Commitment to maintain competitive dividend**
Price and Trading Multiples

The transaction offers competitive multiples for Repsol, especially considering the long term value of the asset.

**EV/EBITDA 2015E [x]**

Talisman at US$ 8

5.0

**EV/2013 1P & 2P reserves [$/boe]**

Talisman at US$ 8

EV/Reserves 1P

15.4

EV/Reserves 2P

10.4

Premium of 24% over last 3-month average share price and 14% premium over last 3-month average Enterprise Value

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1. Company filings, FactSet, Equity research and Bloomberg. 2. Finding & Development 5-year average cost of the industry is US$ 24.4/boe. 3. According to Sell Side analysts the average resource finding cost of the industry is 5 $/boe, which compares with 2.9 $/boe of EV/resources in this transaction (assuming Sell Side estimate of 3.2 Bboe for Talisman’s contingent resources) 4. VWAP as of December 11th, 2014
Net debt proforma post Talisman deal
Resilient credit metrics under stress scenarios

Net Debt Estimated Post Deal\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>1.9</td>
<td></td>
<td></td>
<td></td>
<td>6.8</td>
</tr>
<tr>
<td>4.1</td>
<td></td>
<td></td>
<td></td>
<td>12.8</td>
</tr>
</tbody>
</table>

Net Debt \(^{(2)}\) / EBITDA \([x]^{(3)} \([4]\)

- 2014: Base Case – 1.9
- 2015: Base Case – 1.9
- 2016: Stress Case – 1.7
- 2017: Stress Case – 1.2

Resilient credit metrics under stress scenarios

1. Exchange rate of US$/€ 1.21 as of 31 December 2014
3. Joint Ventures’ EBITDA included
5. Talisman allowed to pay common dividend of up to US$0.18 per share between signing and closing. US$0.0675 per share paid in December 2014.
Upstream
Our businesses strategy
Countries with drilling activity during 2014
34 wells finalized in 2014

12 wells with a positive result in 2014
- Operated
- Operated & non operated
- Non Operated

Reserve Replacemnt Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>RRR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>131%</td>
</tr>
<tr>
<td>2011</td>
<td>162%</td>
</tr>
<tr>
<td>2012</td>
<td>204%</td>
</tr>
<tr>
<td>2013</td>
<td>275%</td>
</tr>
<tr>
<td>2014</td>
<td>118%</td>
</tr>
</tbody>
</table>

THREE YEAR ROLLING AVERAGE: RRR: 198%
Setting the basis for the new waves of growth
Focus on Exploration

2015 exploration strategy based on lower risk than in previous years.

Reserve Replacement Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>RRR (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>131</td>
</tr>
<tr>
<td>2011</td>
<td>162</td>
</tr>
<tr>
<td>2012</td>
<td>204</td>
</tr>
<tr>
<td>2013</td>
<td>275</td>
</tr>
<tr>
<td>2014</td>
<td>118</td>
</tr>
</tbody>
</table>

THREE YEAR ROLLING AVERAGE: RRR: **198%**

**Exploration Capex:**

- **2015 (E) USD 1.2bn/year**
- Including drilling, G&A and G&G
- **35% Exploration Capex Reduction**

**Additions to Proven Reserves:**

+200/250 Mboe

**Contract application and movements of resources to reserves**

**Contingent resources/year (risked):**

+300/350 Mboe

**# Wells/year: 25-30**

- 75% focused on liquids

**2015 (E):** trying to reduce high risk exploration: Only two wells in Angola and one in Norway.

**2014:** 34

**2015 (E):**

- 13 Exploratory wells
- 8 Appraisals wells

**WI prospective resources evaluated/year (unrisked):**

+1,500 Mboe

**Success ratio:**

20-25%[1]

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1. Historical success ratio above 30%
10 key growth projects in 2012-2016
Delivering Growth

Low risk of delivery: 7 projects already producing

Post 2016: Next wave of growth

Exploration
- Contingent resources
  - Alaska
  - Campos - 33 (Seat, Gavea, Pao de Açucar)
  - Presalt Albacora
  - Karabashsky
  - Buckskin
  - NC200
  - Sagari
  - TIHS-1
  - Sagitario – BM-S-50

- Prospective resources
  - GoM - Leon
  - Louisiana
  - East Canada
  - Campos, Santos & Espiritu Santo
  - Colombia RC11, RC12 & Tayrona
  - Guyana
  - Angola
  - Spain and Portugal
  - Norway offshore
  - Peru...

Note: all production figures indicate gross plateau production; WI = Repsol Working Interest; FID = Final Investment Decision; FO: First Oil; FG: First Gas; Net capex 2012-2016, excluding G&G and G&A. 1. Average Repsol net production post royalties 2. Phase I gross production
**Targets**

**Delivering Growth**

**CAGR[1]** > 7%

In 2014 average production growth of 2.5%. With Libya at normal levels, 8% increase in production.

2013: 346 kboed
2014: 355 kboed

**2012-2016 Reserve Replacement Ratio[2]**

<table>
<thead>
<tr>
<th>Year</th>
<th>Reserve 2014</th>
<th>Contingent Resources 2013</th>
<th>Contingent Resources 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>RRR 2014</td>
<td>198%</td>
<td>1.539 Mboe</td>
<td>2.1 Bn boe</td>
</tr>
</tbody>
</table>

**Production 2012-2016 entirely based on current assets + growth projects**

2016 production target not built neither on contingent nor prospective resources from exploration.

**Annual addition of contingent resources through exploration: +300/350 Mboe[3]**

With a notable improvement in reserve replacement, without exhausting contingent resources bank.

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1. Compound annual growth rate. Expecting production growth in 2015 of around 7% excluding Libya. (Excluding the contribution of Libya in both years [2014 & 2015])
2. Cumulative contingent resources
3. Risked resources.
Downstream
Our businesses strategy
**Improve profitability on operational excellence and efficiency**

**Maximize return on investment and cash generation**

<table>
<thead>
<tr>
<th>Refining</th>
<th>Petrochemicals</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Reduce energy costs</td>
<td></td>
</tr>
<tr>
<td>- Fuel consumption &amp; losses down by 6% at 2016</td>
<td></td>
</tr>
<tr>
<td>- Reduce CO₂ emissions by 15% at 2016</td>
<td></td>
</tr>
<tr>
<td>- Operational excellence program in refineries</td>
<td></td>
</tr>
<tr>
<td>- Maximize value of integration with refining</td>
<td></td>
</tr>
<tr>
<td>- Competitive Plan:</td>
<td></td>
</tr>
<tr>
<td>- Higher-value applications</td>
<td></td>
</tr>
<tr>
<td>- Efficiency program</td>
<td></td>
</tr>
<tr>
<td>- Continue cost reduction program</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Marketing</th>
<th>LPG</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Maximize value of marketing assets and competitive position</td>
<td></td>
</tr>
<tr>
<td>- Optimize retail asset portfolio</td>
<td></td>
</tr>
<tr>
<td>- Increase non-oil margins</td>
<td></td>
</tr>
<tr>
<td>- Increase international margin from lubricants and specialties</td>
<td></td>
</tr>
<tr>
<td>- Adequate production and commercial capacity to market conditions in Spain</td>
<td></td>
</tr>
<tr>
<td>- Optimize portfolio</td>
<td></td>
</tr>
</tbody>
</table>
Downstream strategy 2010-2014: Increased competitiveness of Downstream business

Competitive Downstream business, linked to quality assets and geographical situation

- Presence in a premium market for refining
- Completion of expansion and conversion projects
- Integrated refining portfolio, working as a unique system
- Efficient integration between the refining and marketing businesses

Integrated R&M margin [Repsol vs. Sector]

Note: Integrated R&M margin calculated as CCS/LIFO-Adjusted operating profit of the R&M Segment divided by the total volume of crude processed (excludes petrochemical business) of a 14-peer-group. Based on annual reports and Repsol’s estimates. Source: Company filings
Downstream strategy 2010-2014: Increased competitiveness of Downstream business

Improved competitiveness of refining assets

- Increased competitiveness of refining assets
- Top quartile position among European peers along the cycle
- Divested non-core / low return assets [€1.4bn][1]

1. Includes sale of 15% of CLH, non-integrated Downstream in LatAm [Chile, Brazil and Ecuador], PMMA Petrochemicals, Refap in Brazil and LPG France, some of them executed in Dec. 2007
2. Data source: WoodMackenzie
Maximizing returns from the business and capital discipline

Higher margins largely derived from expansion and conversion projects

Downstream investment cycle already finalized.

(*) 2015 capex figure includes the investments in La Pampilla Refinery (Peru). This subsidiary is fully consolidated in the financial statements although Repsol stake is 51%. Downstream investments will be applied to maintenance and to our programs to reduce CO2 emissions, increasing profit through energy consumption reduction.
Gas & Power
Access to premium markets in North America

- Highly seasonal business
- Regasification facility and midstream assets with access to premium markets in North East USA
- Trading activity based in our Houston headquarters

**EBITDA 9M14**: 238 M€

**Regasification plant**
- Total capacity: 10 bcm/year
- Partners: Repsol [75%], Irving Oil [25%]
- Regasification capacity: 100% Repsol

Prices referenced mainly to Algonquin
**GAS NATURAL FENOSA**
A liquid asset, with growth capabilities and a strong cash flow generator

**Strong LatAm footprint, growth and strong cash generation**

<table>
<thead>
<tr>
<th><strong>Leading Utility</strong></th>
<th>An European leading utility company with a strong footprint and growth in Latin America</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dividend Yield</strong></td>
<td>Strong cash stream for Repsol via Dividend</td>
</tr>
<tr>
<td><strong>A Good option</strong></td>
<td>A financial investment with strong cash flow generation via dividends, not linked to oil price and with divestment optionality</td>
</tr>
<tr>
<td><strong>Recent Developments</strong></td>
<td>GNF reached an agreement to purchase CGE. With this acquisition GNF maintains its commitment of a 62% payout ratio in cash</td>
</tr>
</tbody>
</table>
Financial Position
Financial Position

Financial Discipline: self-financed strategic plan

<table>
<thead>
<tr>
<th>Net Debt</th>
<th>Liquidity Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Liquidity</td>
<td>Sound Financial Position</td>
</tr>
<tr>
<td>€ 5.4 bn</td>
<td>€ 9.844 bn</td>
</tr>
<tr>
<td>€ -0.4bn</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>€ 3.3 bn</td>
</tr>
<tr>
<td>4Q14</td>
<td>€ 6.5 bn</td>
</tr>
<tr>
<td></td>
<td>X 7.6</td>
</tr>
<tr>
<td></td>
<td>€ 1.3bn</td>
</tr>
</tbody>
</table>

Liquidity

- Cash and equivalents
- Undrawn credit lines

Note: liquidity position as of December 31st 2014.
Commitments with Investment Grade
Hybrid bonds

In order to reinforce Repsol’s capital structure and support an investment grade rating Repsol will issue up to €5bn of hybrid bonds\(^{(1)}\), non-dilutive for equity investors, in several tranches:

- **18th of April, Issuances for a total amount of €2bn**
  - A €1bn perpetual subordinated bond (EURO 6-Year Non-Call Perpetual Securities), with an interest rate of 3.875 per cent per annum in the next 6 years.
  - A €1bn 60-years subordinated bond (EURO 10-Year Non-Call Securities Due 2075), with an interest rate of 4.5 per cent per annum in the next 10 years.

\(^{(1)}\) Perpetual tranches treated 100% as equity at group level under IFRS. 50% equity credit under rating agencies methodology
Rating Agencies have Confirmed Repsol´s Rating following Talisman´s Agreement

- **Moody’s**: Baa2 [Negative]
  - 19 December 2014: Affirms rating at Baa2 while changing outlook to “Negative” from “Stable”

- **Standard & Poors**: BBB- [Stable]
  - 18 December 2014: Affirms rating at BBB- while revising outlook to “Stable” from “Positive”

- **Fitch**: BBB [Stable]
  - 22 December 2014: Affirms rating at ‘BBB‘ while revising outlook to “Stable” from “Positive”

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**“The acquisition of Talisman will accomplish Repsol’s goal of growing and rebalancing its upstream portfolio, with benefits for its cash flow, size and scale, and geographic diversification.”**

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**“The acquisition would result in a larger and more diversified business scope, while Repsol retained a “satisfactory” business risk profile assessment overall.”[1]**

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**“Post-closing, Repsol will significantly improve its oil and gas production profile with focus on upstream assets in OECD countries...The combined group will have nearly double the daily output...We believe that after the acquisition, Repsol will have the flexibility to maintain leverage ratios within our guideline for the rating.”**

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**Rating Agencies underline benefits from upstream portfolio diversification and Repsol´s flexibility to maintain target leverage ratios**

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1. Title: Research Update: Repsol Outlook Revised To Stable From Positive On Acquisition Of Talisman Energy; “BBB/A-3” Ratings Affirmed; Author: Simon Redmond and Christophe Boulier - Publication Date: 18 December 2014 - Published by: Standard & Poor’s Financial Services LLC; This material is reproduced with permission of Standard & Poor’s Financial Services LLC

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Focus on Rating and Liquidity

- **Commitment to investment grade rating**
  - Strong track record of prudent financial policy, with a clear focus to strengthen Repsol’s capital structure:
    - Financial actions post YPF expropriation
    - Since December 2013 to FY2014, net debt has been reduced by €3.4bn
  - Strongly committed to investment grade rating
    - Long term capital structure for the acquisition of Talisman:
      - Issuance of up to €5bn of hybrid securities
      - €2bn in synergies/divestments

- **Liquidity above investment needs for Talisman**
  - Liquidity in Repsol standalone exceeds the cash out for the acquisition of Talisman
    - Cash on hand and equivalents of €6.5bn\(^1\)
    - Available committed long term credit lines of €2.6bn\(^1\)
    - Additional short-term financial alternatives available if required
  - Fully financed plan even under stress scenarios and without capex optimization and divestments
  - Sufficient liquidity to cover for both Repsol’s and Talisman’s needs throughout the next 24 months and without considering the Hybrid proceeds

1. FY 2014 results
Repsol in figures
Shareholder remuneration

“2015 maintaining our competitive shareholder remuneration at current levels with the scrip option”

Dividend Yield (DY) \[1\] = (Gross Dividend during Year / closing price at the end of the period)

\[(DY) +13\% \] \[2\]

\[\text{€ 1.00} \] \[3\]

\[\text{€ 0.485} \]

\[\text{€ 0.477} \]

2013

\[\text{€ 0.96} \]

2014

1. For the scrip dividend assumes the guaranteed fixed price offered for the free-of-charge allocation rights.
3. On May 28th, 2014, The Board of Directors agreed to distribute an extraordinary dividend of one euro per share from 2014 earnings, with payment date on June 6th, 2014.

Note: The Board of Directors proposed to the AGM 2015 to continue with the “Repsol Flexible Dividend” Programme, equivalent to a remuneration of 0.50 euros gross per share, which, if approved, will be paid on the dates on which the final dividend has traditionally been paid.
Environmental, Social & Governance
Corporate Responsibility Model
Our commitments

- Policy on respect for human rights based on the UN Guiding Principles on Business and Human Rights.
- Support of EITI since 2003.
- Adherence to Code of Best Tax practices and to the register of EU lobbies.
- Remuneration disclosure
- Ethics and Conduct Regulation
- Anticorruption policy
- Crime prevention model
- Zero Accidents
- Embedded safety culture
- Excellence in spill prevention and response
- Optimized water&waste management
- Biodiversity action plans
- Achievement reduction of by 2.5 million tonsCO2.
- Additional reduction of 1.9 million emissions by 2020
- Promoting non- fossil fuel energy initiatives
Monitoring and control of the sustainability indexes

The consistency and commitment of our work has led to recognition of the company's firm commitment to continually improving its performance.

Our Company has won recognition for its energy efficiency and carbon management for the third time in the last five years

<table>
<thead>
<tr>
<th>Climate Disclosure Leadership Index (CDLI)</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Energy sector score</td>
<td>88</td>
<td>90</td>
<td>92</td>
<td>98</td>
<td>98</td>
</tr>
<tr>
<td>Minimum score for Energy sector companies to be eligible for the CDLI</td>
<td>79</td>
<td>88</td>
<td>90</td>
<td>95</td>
<td>97</td>
</tr>
<tr>
<td>Repsol’s score</td>
<td>75</td>
<td>88</td>
<td>89</td>
<td>98</td>
<td>98</td>
</tr>
</tbody>
</table>

Our Company has won recognition for its energy efficiency and carbon management for the third time in the last five years
Repsol has achieved all 2012-2016 strategic goals. YPF’s monetization allows Repsol to inorganically accelerate further growth in the upstream, further diversification in the asset base and further shareholder value.

**Positioned for growth**
- Upstream as growth engine
- Focus on exploration
- Delivery based on projects in development phase

**Diversification**
- Balancing our capital employed:
  - More OECD/non-OECD.
  - More Oil vs Gas

**Profitability**
- Maximize return on investment
- Operational excellence
- Fully invested assets in Downstream

**Sound financial position**
- Self-financed strategic plan, resilient to stress scenarios
- Commitment to maintain investment grade
- Competitive dividend pay-out
Repsol in figures

[Unaudited figures]

<table>
<thead>
<tr>
<th>Results (€ Million)</th>
<th>4Q 2013</th>
<th>3Q 2014</th>
<th>4Q 2014</th>
<th>% Change 4Q14/4Q13</th>
<th>January - December 2013</th>
<th>January - December 2014</th>
<th>% Change 2014/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upstream</td>
<td>162</td>
<td>185</td>
<td>4</td>
<td>(97.5)</td>
<td>980</td>
<td>589</td>
<td>(39.9)</td>
</tr>
<tr>
<td>Downstream</td>
<td>21</td>
<td>190</td>
<td>370</td>
<td></td>
<td>479</td>
<td>1,012</td>
<td>111.3</td>
</tr>
<tr>
<td>Gas Natural Fenosa</td>
<td>99</td>
<td>92</td>
<td>67</td>
<td>(32.3)</td>
<td>458</td>
<td>441</td>
<td>(3.7)</td>
</tr>
<tr>
<td>Corporate and others</td>
<td>(159)</td>
<td>(52)</td>
<td>(71)</td>
<td>55.3</td>
<td>(574)</td>
<td>(335)</td>
<td>41.6</td>
</tr>
<tr>
<td><strong>ADJUSTED NET INCOME</strong></td>
<td>123</td>
<td>415</td>
<td>370</td>
<td>200.8</td>
<td>1,343</td>
<td>1,707</td>
<td>27.1</td>
</tr>
<tr>
<td>Inventory effect</td>
<td>(64)</td>
<td>(63)</td>
<td>(489)</td>
<td></td>
<td>(187)</td>
<td>(606)</td>
<td>(223.9)</td>
</tr>
<tr>
<td>Non-recurring income</td>
<td>(156)</td>
<td>(32)</td>
<td>(245)</td>
<td>(57.1)</td>
<td>(277)</td>
<td>(86)</td>
<td>69.0</td>
</tr>
<tr>
<td>Income from discontinued operations</td>
<td>(995)</td>
<td>(1)</td>
<td>330</td>
<td></td>
<td>(684)</td>
<td>597</td>
<td></td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>(1,092)</td>
<td>319</td>
<td>(34)</td>
<td>96.9</td>
<td>195</td>
<td>1,612</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Repsol Group made the decision in 2014, prompted by the business reality and in order to make its disclosures more comparable with those in the sector, to disclose as a measure of the result of each segment the recurring net operating profit at current cost of supply (CCS) after tax of continuing operations ("Adjusted Net Income"), which excludes both non-recurring net income and the inventory effect.

For more information please refer to section “Basis of preparation of the financial information” of the 4th Quarter 2014 earnings release.
Repsol in figures

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>727</td>
<td>1,047</td>
<td>551</td>
<td>(24.2)</td>
<td>3,968</td>
<td>3,800</td>
<td>(4.2)</td>
</tr>
<tr>
<td>EBITDA CCS</td>
<td>824</td>
<td>1,150</td>
<td>1,314</td>
<td>59.5</td>
<td>4,251</td>
<td>4,747</td>
<td>11.7</td>
</tr>
<tr>
<td>CAPITAL EXPENDITURES</td>
<td>930</td>
<td>961</td>
<td>1,084</td>
<td>16.6</td>
<td>3,042</td>
<td>3,633</td>
<td>19.4</td>
</tr>
<tr>
<td>NET DEBT</td>
<td>5,358</td>
<td>1,998</td>
<td>1,935</td>
<td>(63.9)</td>
<td>5,358</td>
<td>1,935</td>
<td>(63.9)</td>
</tr>
<tr>
<td>EBITDA / NET DEBT (x)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.74</td>
<td>2.00</td>
<td>170.1</td>
</tr>
</tbody>
</table>

**MARKET CAPITALIZATION**

- As of April 8th 2015: 23,658

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**Operational data**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LIQUIDS PRODUCTION (Thousands of bbl/d)</td>
<td>121</td>
<td>141</td>
<td>143</td>
<td>18.1</td>
<td>139</td>
<td>134</td>
<td>(3.3)</td>
</tr>
<tr>
<td>GAS PRODUCTION (*) (Millions of scf/d)</td>
<td>1,123</td>
<td>1,261</td>
<td>1,283</td>
<td>14.2</td>
<td>1,162</td>
<td>1,237</td>
<td>6.5</td>
</tr>
<tr>
<td>TOTAL PRODUCTION (Thousands of boe/d)</td>
<td>321</td>
<td>366</td>
<td>371</td>
<td>15.7</td>
<td>346</td>
<td>355</td>
<td>2.5</td>
</tr>
<tr>
<td>CRUDE OIL REALIZATION PRICE ($/Bbl)</td>
<td>85.6</td>
<td>84.3</td>
<td>61.3</td>
<td>(28.4)</td>
<td>88.7</td>
<td>79.6</td>
<td>(10.3)</td>
</tr>
<tr>
<td>GAS REALIZATION PRICE ($/Thousands scf)</td>
<td>4.1</td>
<td>3.6</td>
<td>3.6</td>
<td>(12.2)</td>
<td>4.0</td>
<td>3.8</td>
<td>(5.0)</td>
</tr>
<tr>
<td>DISTILLATION UTILIZATION Spanish Refining (%)</td>
<td>71.7</td>
<td>84.8</td>
<td>80.1</td>
<td>11.7</td>
<td>78.1</td>
<td>80.8</td>
<td>3.5</td>
</tr>
<tr>
<td>CONVERSION UTILIZATION Spanish Refining (%)</td>
<td>94.4</td>
<td>106.6</td>
<td>105.5</td>
<td>11.8</td>
<td>98.7</td>
<td>102.4</td>
<td>3.7</td>
</tr>
<tr>
<td>REFINING MARGIN INDICATOR IN SPAIN ($/Bbl)</td>
<td>4.1</td>
<td>3.9</td>
<td>5.5</td>
<td>34.1</td>
<td>3.3</td>
<td>4.1</td>
<td>24.2</td>
</tr>
</tbody>
</table>

(*) 1,000 Mcf/d = 28.32 Mm³/d = 0.178 Mboe/d
Investor Update
Strategic Plan 2012-2016

“Growing from our strengths”

Repsol. Investor Relations
April 2015