Investor Update
Strategic Plan 2012-2016

“Growing from our strengths”

Repsol. Investor Relations
March 2015
Disclaimer

ALL RIGHTS ARE RESERVED
© REPSOL, S.A. 2015

Repsol, S.A. is the exclusive owner of this document. No part of this document may be reproduced (including photocopying), stored, duplicated, copied, distributed or introduced into a retrieval system of any nature or transmitted in any form or by any means without the prior written permission of Repsol, S.A.

This document does not constitute an offer or invitation to purchase or subscribe shares, in accordance with the provisions of the Spanish Securities Market Law (Law 24/1988, of July 28, as amended and restated) and its implementing regulations. In addition, this document does not constitute an offer of purchase, sale or exchange, nor a request for an offer of purchase, sale or exchange of securities in any other jurisdiction.

Some of the resources mentioned in this document do not constitute proved reserves and will be recognized as such when they comply with the formal conditions required by the U.S. Securities and Exchange Commission.

This document contains statements that Repsol believes constitute forward-looking statements which may include statements regarding the intent, belief, or current expectations of Repsol and its management, including statements with respect to trends affecting Repsol’s financial condition, financial ratios, results of operations, business, strategy, geographic concentration, production volume and reserves, capital expenditures, costs savings, investments and dividend payout policies. These forward-looking statements may also include assumptions regarding future economic and other conditions, such as future crude oil and other prices, refining and marketing margins and exchange rates and are generally identified by the words “expects”, “anticipates”, “forecasts”, “believes”, estimates”, “notices” and similar expressions. These statements are not guarantees of future performance, prices, margins, exchange rates or other events and are subject to material risks, uncertainties, changes and other factors which may be beyond Repsol’s control or may be difficult to predict. Within those risks are those factors and circumstances described in the filings made by Repsol and its affiliates with the Comisión Nacional del Mercado de Valores in Spain, the Comisión Nacional de Valores in Argentina, the Securities and Exchange Commission in the United States and with any other supervisory authority of those markets where the securities issued by Repsol and/or its affiliates are listed.

Repsol does not undertake to publicly update or revise these forward-looking statements even if experience or future changes make it clear that the projected performance, conditions or events expressed or implied therein will not be realized.

The information contained in the document has not been verified or revised by the Auditors of Repsol.
1. Company Overview
2. Repsol: A Transformation Story
3. Acquisition of Talisman Energy
4. Upstream
5. Downstream
6. Gas Natural Fenosa
7. Financial Position
8. Environmental, Social & Governance
9. Summary
10. Annex
Company Overview
Rепсол сегодня
Обзор компании

Основные бизнесы

Газ и Энергетика

Нефтехимия и Маркетинг

Рядом с нами:

1. США
2. Канада
3. Бразилия
4. Россия
5. Италия
6. Испания
7. Португалия
8. Северная Африка
9. Западная Азия
10. Южная Америка

Управляющие в более чем 30 странах

Примечание: Также наша маркетинговая деятельность охватывает Юго-Восточную Азию.
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\(^1\): > 7% CAGR\(^1\)
- RRR\(^2\) 2011-2016: > 120% (+120% vs. average 2008-2011)
- Upstream average capex: €2.9bn/year\(^3\)

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

- Strong FCF from the Downstream Business

- Downstream average capex: €0.7bn/year [-50% vs. avg. 2008-11]

- 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 & Amodaime (€0.6bn); LNG business (€4.4bn) and 10% stake in TPG (219 M$)
Turnaround plan
Repsol: A transformation story

Stage of Advance

Prospective | Evaluation | Construction | Operation

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

**FID [1]**
- Peru
  - Sagari
- Alaska
- Brazil
  - Carioca (Lapa)
- Reggane
- Construction
- Evaluation

**Start up**
- Brazil
  - Sapinhoa (Guará)
- Peru
  - Kinteroni
- Libya
  - I/R
- Bolivia
  - Margarita-Huacaya
- US GoM
  - Shenzi
- Cartagena
- Russia
  - AROG
- Canada
  - Canaport
- Cana
- Norway
- GoM
- Carioca
  - Lapa
- Algiers
- Reggane
- Peru
- Canaport
- Libye
- Buckskin
- Mantepec
- Sagari
- Venezuela
  - Perla
- Venezuela
  - Carabobo
- Russian
- Caspian
- Canada
- Canaport
- Liberia
- Brazil
  - Carioca
  - Lapa
- Peru
- Kinteroni
- Libya
  - I/R
- Bolivia
  - Margarita-Huacaya
- US GoM
  - Shenzi
- Cartagena
- Russia
  - AROG
- Manitoba
- Alaska
- Brazil
  - BM-C-33
- Peru
  - Sagari
- Alaska
- Brazil
  - Carioca (Lapa)
- Reggane
- Construction
- Evaluation

**1.FID**: Final Investment Decision

Upstream | Downstream | GNL
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]

2014E Production: 280-290 Kboepd¹

2P Net reserves: 1,243 Mboe²

Year End 2013

- Americas
  - 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**\(^1\)
- **Total enterprise value of US$12.9 billion**, assuming **US$4.7 billion** in Talisman net debt as of September 30\(^{th}\), 2014
- Immediately accretive to operating cash flow per share, EPS neutral for 2016 and accretive from 2017\(^2\)

**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

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 (MBoe)

<table>
<thead>
<tr>
<th>Before Deal</th>
<th>After Deal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1P</td>
<td>1,515</td>
</tr>
<tr>
<td>2P</td>
<td>2,302</td>
</tr>
</tbody>
</table>

Operated production (%)\(^1\)

<table>
<thead>
<tr>
<th>Before Deal</th>
<th>After Deal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1P</td>
<td>19%</td>
</tr>
<tr>
<td>2P</td>
<td>55%</td>
</tr>
</tbody>
</table>

Production 2014E (Kboepd)

<table>
<thead>
<tr>
<th>Before Deal</th>
<th>After Deal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1P</td>
<td>386</td>
</tr>
<tr>
<td>2P</td>
<td>76%</td>
</tr>
</tbody>
</table>

OECD production (%)

<table>
<thead>
<tr>
<th>Before Deal</th>
<th>After Deal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1P</td>
<td>11%</td>
</tr>
</tbody>
</table>

\(^1\) 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

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
Note: Corporate Center CE splitted between Upstream and Downstream proportionally to their standalone CE. Corporate Center CE included in Spain. Whole GNF stake considered in Spain. Source: annual report, Capital IQ
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

Talisman transaction would generate synergies of ~220 M US$/year\(^1\)

<table>
<thead>
<tr>
<th>Cost Synergies</th>
<th>Operational Synergies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial</strong></td>
<td>• Application of Repsol exploration technology on new portfolio</td>
</tr>
<tr>
<td><strong>Capex costs</strong></td>
<td>• Exploration teams integration and best practice transfer</td>
</tr>
<tr>
<td><strong>G&amp;A costs</strong></td>
<td>• Global exploration portfolio management</td>
</tr>
</tbody>
</table>

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]1

Ev/2013 1P & 2P reserves [$/boe]2

Premium of 24% over last 3-month average share price and 14% premium over last 3-month average Enterprise Value4

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
Resilient credit metrics under stress scenarios

1. Exchange rate of US$/€ 1.21 as of 31 December 2014
3. Joint Ventures’ EBITDA included
Countries with drilling activity during 2014
34 wells finalized in 2014

Reserve Replacement Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</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

\[ \downarrow 35 \% \text{ Exploration Capex Reduction} \]

**# Wells/year:** 25-30
75% focused on liquids

**Additions to Proven Reserves:**

+200/250 Mboe

**Contingent resources/year**

[risked]:

+300/350 Mboe

**WI prospective resources evaluated/year**

[unrisked]:

+1,500 Mboe

**Success ratio:**

20-25%\(^{(1)}\)

**2015 (E) trying to reduce high risk exploration:**

Only two wells in Angola and one in Norway.

---

1. Historical success ratio above 30%
2. Average RRR (Reserve Replacement Ratio) beyond 2016
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>RRR</th>
<th>Reserves</th>
<th>Contingent Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>198%</td>
<td>1,539 Mboe</td>
<td>2.1 Bn boe</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></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.

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

**Refining**
- Reduce energy costs
  - Fuel consumption & losses down by 6% at 2016
- Reduce CO₂ emissions by 15% at 2016
- Operational excellence program in refineries

**Marketing**
- Maximize value of marketing assets and competitive position
- Optimize retail asset portfolio
- Increase non-oil margins
- Increase international margin from lubricants and specialties

**Petrochemicals**
- Maximize value of integration with refining
- Competitive Plan:
  - Higher-value applications
  - Efficiency program
- Continue cost reduction program

**LPG**
- Adequate production and commercial capacity to market conditions in Spain
- Optimize portfolio
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
Our businesses strategy
GAS NATURAL FENOSA
A liquid asset, with growth capabilities and a strong cash flow generator

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

**Leading Utility**
An European leading utility company with a strong footprint and growth in Latin America

**Dividend Yield**
Strong cash stream for Repsol via Dividend

**A Good option**
A financial investment with strong cash flow generation via dividends, not linked to oil price and with divestment optionality

**Recent Developments**
GNF reached an agreement to purchase CGE. With this acquisition GNF maintains its commitment of a 62% payout ratio in cash
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><strong>High Liquidity</strong></td>
<td><strong>Sound Financial Position</strong></td>
</tr>
<tr>
<td><strong>2013</strong></td>
<td><strong>€ 9,844 bn</strong></td>
</tr>
<tr>
<td><strong>€ 5.4 bn</strong></td>
<td><strong>€ 3.3 bn</strong></td>
</tr>
<tr>
<td><strong>-0.4bn</strong></td>
<td><strong>€ 6.5 bn</strong></td>
</tr>
<tr>
<td><strong>4Q14</strong></td>
<td><strong>X 7.6</strong></td>
</tr>
<tr>
<td><strong>€ 2.0 bn</strong></td>
<td><strong>€ 1.3bn</strong></td>
</tr>
</tbody>
</table>

### Note:
Liquidity position as of December 31st 2014.
Credit Rating Agencies
Repsol’s rating

Rating Agencies underline benefits from upstream portfolio diversification and Repsol’s flexibility to maintain target leverage ratios after acquisition of Talisman Energy

Moody’s
Moody’s affirms Repsol’s long-term rating at Baa2 while changing outlook to “Negative” from “Stable”. 19 December 2014

Fitch
Fitch affirms Repsol’s long-term rating at BBB while revising outlook to “Stable” from “Positive”. 22 December 2014

Standard & Poor’s
Standard & Poor’s affirms rating at BBB- while revising outlook to “Stable” from “Positive”. 18 December 2014
“2015 maintaining our competitive shareholder remuneration at current levels with the scrip option”

Dividend Yield (DY) \(^{(1)}\) = \(\frac{\text{Gross Dividend during Year}}{\text{closing price at the end of the period}}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend Yield (DY) (^{(1)})</th>
<th>Closing Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>+5.7%</td>
<td>€ 0.96</td>
</tr>
<tr>
<td>2014</td>
<td>+13%</td>
<td>€ 1.00</td>
</tr>
</tbody>
</table>
Environmental, Social & Governance
Corporate Responsibility Model
Our commitments

- Zero Accidents
- Embedded safety culture
- Excellence in spill prevention and response
- Optimized water & waste management
- Biodiversity action plans
- Zero Accidents
- Embedded safety culture
- Respect for human rights
- Support of EITI since 2003.
- Adherence to Code of Best Tax practices and to the register of EU lobbies.
- Remuneration disclosure
- Achievement reduction of by 2.5 million tons CO2.
- Additional reduction of 1.9 million emissions by 2020
- Promoting non-fossil fuel energy initiatives
- Ethics and Conduct Regulation
- Anticorruption policy
- Crime prevention model
- Ethics and Conduct Regulation
- Anticorruption policy
- Crime prevention model
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**

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.

<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>
## Repsol in figures

### Economic data (€ Million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<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>0.74</td>
<td></td>
<td></td>
<td>2.00</td>
<td>170.1</td>
</tr>
</tbody>
</table>

### MARKET CAPITALIZATION

- **As of February 27th 2014**: 23,658

### Operational data

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LIQUIDS PRODUCTION</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</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 ($/Bbl)</td>
<td>85.6</td>
<td>84.3</td>
<td>61.3</td>
<td>(28.4)</td>
<td>88.7</td>
<td>79.6</td>
<td>(10.3)</td>
</tr>
<tr>
<td>GAS REALIZATION PRICE ($/Thousand 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

March 2015