Investor Update

May 2015
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The information contained in the document has not been verified or revised by the Auditors of Repsol.
1. Company Overview
2. Upstream
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Company Overview
Company Overview
Repsol today

1 million boe/d refining capacity

~ 2.2 Billion boe proven reserves

~ 656,000 boe/day production

Present in more than 40 countries

4,700 service stations

~ 27,000 employees

30% of Gas Natural Fenosa

Repsol’s presence

Core Businesses
Upstream
Downstream

Non Operated Shareholding
Gas Natural Fenosa

Note: Additionally our Marketing and Chemical activity extends to Asia
On 11th November 2013 CaixaBank launched a €594m 3-year Mandatory Exchangeable Bond into Repsol shares (2.5% of share capital)

Total number of shares: 1,374.69 million
Growing from our strengths (2012-2016)

- Maximize Downstream profitability
- High growth in Upstream
- Competitive shareholder compensation
- Financial strength

All 2012-2016 Key strategic targets achieved

- Growth
- Diversification
- Value Creation
Company Overview
Strategic Plan 2016-2020

“A new Strategic Plan 2016-2020(*), focused on value creation”

PERFORMING BUSINESSES
- Optimization & Efficiency
- Maximizing integration

SHAREHOLDER RETURN
- Attractive value proposal

PORTFOLIO MANAGEMENT
- Reinforcing Upstream business

FINANCIAL DISCIPLINE
- Resilience to stress scenarios
- Disciplined Capex allocation

Profitability
Sustainability
Enhanced Capabilities
Risk Management

A proposal for strong value creation

(* The Repsol Group will present a new strategic plan before the end of the year 2015)
Upstream
Acquisition of Talisman Energy

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.

Growth
Greater exposure to Upstream, leading growth platforms.

Diversification
Upgrading Repsol's portfolio and competitive advantage by achieving global scale and diversification.

Value creation
Enhanced capabilities to create value.
Acquisition of Talisman Energy
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]**

- Talisman at US$ 8: 5.0

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

- Talisman at US$ 8 EV/Reserves 1P [3]: 15.4
- Talisman at US$ 8 EV/Reserves 2P [3]: 10.4

Premium of 24% over previous 3-month average share price and 14% premium over previous 3-month average Enterprise Value [4]

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.
Upstream
Repsol’s reserves and production

Increase in production, reserves, operated assets and OECD production

Reserves 1P/2P (MBoe)

- Before deal:
  - 1P: 1,539
  - 2P: 2,384

- After deal:
  - 1P: 2,270
  - 2P: 3,537

Production 2014 (Kboepd)

- Before deal:
  - 355

- After deal:
  - 656

Operated production [%]

- Before deal:
  - 21%

- After deal:
  - 44%

OECD production [%]

- Before deal:
  - 11%

- After deal:
  - 36%

Note: 2014 data unless otherwise specified; Considering net reserves (after royalties) and net production (after royalties); Asset sales considered
Source: Rystad; Repsol internal information; Talisman Annual Report
Upstream
Greater exposure to Upstream, leading growth platforms

Repsol's growth will be accelerated by an extensive list of development opportunities

### North America

- **Eagle Ford** (USA)
  - WI: ~31% (1)
  - Liquid rich play
  - Production 2015: ~28 Kboed net
- **Marcellus** (USA)
  - Dry Gas with own egressing infrastructure
  - Tier 1 position
  - ~65 Kboed net
- **Duvernay** (Canada)
  - WI: 100% Long Term potential
  - ~300K net acres
- **Mid-continent** (USA)
  - Current production
  - ~11 Kboed net

### North America

- **Sapinhoa** (former Guara)
  - WI: 15%
  - 270 Kboed gross
  - Plateau by end 2015
- **Lapa** (former Carioca)
  - WI: 15%
  - 80 Kboed gross
  - First Oil: end 2016

### Latin America

- **Margarita-Huacaya** (Bolivia)
  - WI: 37.5%
  - Phase III in progress.
  - Production in April 2015: 16 Kboed gross
- **Carabobo-AEP** (Venezuela)
  - WI: 11%
  - Production in April 2015: 16 Kboed gross
- **Cardon IV** (Venezuela)
  - WI: 32.5%
  - Production start-up 2015 with 150 Mscfd.
  - Ramping up to 800 Mscfd in 2018.
- **Kinteroni + Sagari** (Peru)
  - WI: 53.8%
  - First Gas 2014.
  - Plateau of ~26 Kboed net in 2019
- **Akacias** (Colombia)
  - WI: 45%
  - Extension of Chichimene field
  - >2.5 Bn bbls OOIP

### South East Asia

- **Kinabalu** (Malaysia)
  - WI: 60%
  - Access to low-cost discovered oil & gas reserves, infrastructure in place
- **Corridor & Jambi Merang** (Indonesia)
  - WI: 36% / 25%
  - Upside potential Jambi Merang: liquids rich project
- **HST/HSD & Red Emperor** (Vietnam)
  - WI: 60% / ~40%
  - HST/HSD foundation and FCF generator.
  - Red Emperor future development

### EXPLORATION

#### Contingent resources

**Repsol**
- Alaska: GOM: Buckskin & Leon
- Brazil: C-33 (Seat, Gavea, Pao de, Acucar)
- Presalt Albacora / Sagitario (BMS-50)
- Russia: Karabashsky

**Talisman**
- Colombia: CP-6
- Indonesia: Sakakemang
- Malaysia: Sabah Basin
- Kurdistan

#### Prospective resources

**Repsol**
- GoM: Leon
- East Canada
- Brazil: Santos Basin & Espirito Santo
- Colombia: RC11, RC12 & Tayrona
- Peru
- Guyana
- Angola
- Rumania
- Portugal
- Norway offshore

**Talisman**
- North America
- South East Asia: Indonesia/Malaysia/Vietnam/PNG

Note: **WI**: Repsol working Interest
(1) Repsol stake in JV with Statoil is 50%. The W.I. in the play including third parties is ~31%. 

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Repsol will have operations in more than 40 countries and more than 27,000 employees.
Upstream
Value Creation: Deal provides enhanced capabilities to create value

Value creation through portfolio management and synergies
Upstream
A proposal for strong value creation

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

**Cost Efficiency in our Operations:**
1Q15: Cost reduction of 5.7%. year on year in the upstream operating cost (*)

**Portfolio Management**

**Cost and Operational Synergies**

**New organization focus on business performance, improving efficiency and agility**

(*) 2015E objective is to cut costs $5 per barrel (24% reduction).
Exploration
Repsol standalone plans to drill 21 exploratory wells in 2015, with a great percentage of low risk appraisals

Talisman will add to Repsol in 2015:

- Promising activity in Indonesia, Malaysia, Vietnam and Papua New Guinea with up to 8 wells.
- Additional wells in Colombia and in Norway.
- Building an interesting inventory of low risk prospects in Colombia.
Downstream
Downstream
Improve profitability on operational excellence and efficiency

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

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

Maximize return on investment and cash generation

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

LPG
- Adequate production and commercial capacity to market conditions in Spain
- Optimize portfolio
Downstream
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

Leadership in integrated Refining and Marketing margin in Europe

(*) Calculated as adjusted operating income (CCS) of R&M, divided by the volume of processed crude oil for 10 European peers (Repsol, Cepsa, Eni, Galp, OMV, MOL, Total, PKN Orlen, Hellenic Petroleum y Saras)
Downstream
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
Downstream
Maximizing returns from the business and capital discipline

In 1Q15 Results conference call, Repsol raised its EBITDA CCS forecast (ex G&P) for 2015 up to 2.8 – 3 € bn

Higher margins largely derived from expansion and conversion projects

Downstream investment cycle already finalized

(*) 2015E 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

1 Bfcd traded in 2014

Regasification plant
Total capacity: 10 bcm/year
Partners: Repsol (75%)
Irving Oil (25%)
Regasification capacity: 100% Repsol

Acquisition of Talisman will significantly increase access to North American Equity Gas improving Repsol’s Trading business position

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

- **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 providing financial 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
Net debt pro forma post Talisman deal

Resilient credit metrics under stress scenarios

Net Debt Estimated Post Deal

(USD bn)

Repsol Net Debt as of 31.03.15
TLM Purchase Price
TLM Preferred shares
TLM Proforma Net Debt as of 31.03.15
Proforma Net Debt post-closing REP+TLM

0.1
8.3
0.2
4.8
13.4

Repsol remains fully committed with keeping the investment grade
Rating Agencies underline benefits from upstream portfolio diversification and Repsol´s flexibility to maintain target leverage ratios after acquisition of Talisman Energy

Fitch affirms Repsol’s long-term rating at BBB while maintains outlook to “Stable” 8 May 2015

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

Standard & Poor's affirms rating at BBB- while revising outlook to “Stable” from “Positive”. 18 December 2014
Financial Position
Shareholder remuneration

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

Dividend Yield (1): (Gross Dividend during Year / closing price at the end of the period)

1. For the scrip dividend assumes the guaranteed fixed price offered for the free-of-charge allocation rights.
3. In accordance with the formula approved by the Shareholders’ Meeting, and considering the closing price of Repsol’s shares on 29th April 2015 (18.390 € per share), the approximate price Repsol will purchase each free-of-charge allocation right will be 0.4840 € and the number of rights necessary to receive one new share will be 37. It is expected that the definitive amount of these figures and the remaining information of the capital increase will be announced, as Official Notice, on June 15, 2015.
Environmental, Social & Governance
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

Commitment to safety

- Policy on respect for human rights based on the UN Guiding Principles on Business and Human Rights.

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

Ethical conduct

- Ethics and Conduct Regulation
- Anticorruption policy
- Crime prevention model

Excellence in environmental management

- Achievement reduction of by 2.5 million tons CO2.
- Additional reduction of 1.9 million emissions by 2020
- Promoting non-fossil fuel energy initiatives

Promoting a low carbon strategy

- Transparency

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Environmental, Social & Governance

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
Annex

REPSOL STANDALONE 1Q 2015 RESULTS

<table>
<thead>
<tr>
<th>Results (€ Million)</th>
<th>Q1 2014</th>
<th>Q4 2014</th>
<th>Q1 2015</th>
<th>% Change Q1 15/Q1 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upstream</td>
<td>255</td>
<td>4</td>
<td>(190)</td>
<td>-</td>
</tr>
<tr>
<td>Downstream</td>
<td>290</td>
<td>370</td>
<td>534</td>
<td>84.1</td>
</tr>
<tr>
<td>Gas Natural Fenosa</td>
<td>123</td>
<td>67</td>
<td>122</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Corporate and others</td>
<td>(136)</td>
<td>(71)</td>
<td>462</td>
<td>-</td>
</tr>
<tr>
<td>ADJUSTED NET INCOME</td>
<td>532</td>
<td>370</td>
<td>928</td>
<td>74.4</td>
</tr>
<tr>
<td>Inventory effect</td>
<td>(59)</td>
<td>(489)</td>
<td>(140)</td>
<td>(137.3)</td>
</tr>
<tr>
<td>Non-recurring income</td>
<td>35</td>
<td>(245)</td>
<td>(27)</td>
<td>-</td>
</tr>
<tr>
<td>Income from discontinued operations</td>
<td>299</td>
<td>330</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>NET INCOME</td>
<td>807</td>
<td>(34)</td>
<td>761</td>
<td>(5.7)</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 1st Quarter 2015 earnings release.
Annex
REPSOL STANDALONE 1Q 2015 RESULTS

<table>
<thead>
<tr>
<th>Economic data (€ Million)</th>
<th>Q1 2014</th>
<th>Q4 2014</th>
<th>Q1 2015</th>
<th>% Change Q1 15/Q1 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>1,177</td>
<td>551</td>
<td>962</td>
<td>(18.3)</td>
</tr>
<tr>
<td>EBITDA CCS</td>
<td>1,265</td>
<td>1,314</td>
<td>1,174</td>
<td>(7.2)</td>
</tr>
<tr>
<td>NET CAPITAL EXPENDITURE</td>
<td>615</td>
<td>1,065</td>
<td>933</td>
<td>51.7</td>
</tr>
<tr>
<td>NET DEBT</td>
<td>4,722</td>
<td>1,935</td>
<td>126</td>
<td>(97.3)</td>
</tr>
<tr>
<td>EBITDA / NET DEBT (x)</td>
<td>1.0</td>
<td>1.1</td>
<td>30.5</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operational data</th>
<th>Q1 2014</th>
<th>Q4 2014</th>
<th>Q1 2015</th>
<th>% Change Q1 15/Q1 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIQUIDS PRODUCTION (Thousand bbl/d)</td>
<td>131</td>
<td>143</td>
<td>132</td>
<td>1.1</td>
</tr>
<tr>
<td>GAS PRODUCTION (*) (Million scf/d)</td>
<td>1,185</td>
<td>1,283</td>
<td>1,249</td>
<td>5.4</td>
</tr>
<tr>
<td>TOTAL PRODUCTION (Thousand boe/d)</td>
<td>342</td>
<td>371</td>
<td>355</td>
<td>3.7</td>
</tr>
<tr>
<td>CRUDE OIL REALIZATION PRICE ($/Bbl)</td>
<td>85.8</td>
<td>61.3</td>
<td>44.6</td>
<td>(48.0)</td>
</tr>
<tr>
<td>GAS REALIZATION PRICE ($/Thousand scf)</td>
<td>4.2</td>
<td>3.6</td>
<td>2.8</td>
<td>(33.2)</td>
</tr>
<tr>
<td>DISTILLATION UTILIZATION Spanish Refining (%)</td>
<td>74.5</td>
<td>80.1</td>
<td>82.6</td>
<td>8.1</td>
</tr>
<tr>
<td>CONVERSION UTILIZATION Spanish Refining (%)</td>
<td>96.9</td>
<td>105.5</td>
<td>98.8</td>
<td>1.9</td>
</tr>
<tr>
<td>REFINING MARGIN INDICATOR IN SPAIN ($/Bbl)</td>
<td>3.9</td>
<td>5.5</td>
<td>8.7</td>
<td>123.1</td>
</tr>
</tbody>
</table>

(*) 1,000 Mcf/d = 28.32 Mm³/d = 0.178 Mboe/d