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In October 2015, the European Securities Markets Authority (ESMA) published the Guidelines on Alternative Performance Measures (APM), of mandatory application for the regulated information to be published from 3 July 2016. Information and disclosures related to APM used on the present document are included in Appendix I “Alternative Performance Measures” of the Management Report for the full year 2016.
2016-2020
Value & Resilience

1. Company overview and strategy
2. Upstream
3. Downstream
4. Gas Natural Fenosa
5. Financing
6. 2017 Outlook
Company overview and strategy
Key messages 9M 2017
Company overview and strategy

Continued delivery on strategic objectives

Bn€ ~6.5 ~6.5

Strong EBITDA CCS generation

Net Debt/EBITDA in line with projections

Upstream

Kboe/d
~680
685-690

Production volumes in line with guidance

Downstream

USD/Bbl
6.4
6.8

Refining margin indicator in line with expectations

[1] Refinining Margin Indicator

[1] Refinining Margin Indicator

2017 Budget 9M17 actual 2017 guidance
# Key messages Q3 2017

Company overview and strategy

## Upstream

**Production:**
- Q3 17 = 693Kboe/d ➔ 3% increase YoY
- Libya ➔ ~25 Kboe/d in the quarter
- Startup of Juniper (T&T), ramp up of Flyndre and MonArb in the UK and Lapa and Sapinhoa in Brazil

**Exploration program:**
- 3 exploratory wells completed [1 positive]
- As of 30th Sept. 8 exploratory and 1 appraisal in progress
- 2017 program: 17 wells [15 exploratory & 2 appraisal]

## Downstream

**Refining:**
- Refining margin indicator **7.0 USD/Bbl** in Q3 17
- Planned maintenance for the year completed in 1H17:
  - 3Q17 Utilization of the distillation units = 99%
  - 3Q17 Utilization of the conversion units = 104%

**Petrochemicals:**
- Strong performance ➔ EBIT ~180M€ in line with record levels in early 2016

**Marketing:**
- Higher volumes and margins in Service Stations

**FCF:**
- Generation above 2 Bn€

## Corporate and others

**Synergies and efficiencies:**
- 2017 target **€2.1 Bn**
- Accelerated delivery of 2018 target

**Capex:**
- ~3 Bn€ without impacting production volumes

**Corporation:**
- Q3 17 Net debt **€6,972 Mn€**
- Net Debt / EBITDA [x] = 1.1[^1]
- Objective ➔ Credit rating BBB stable

[^1]: Estimated FY 2017
Core businesses: Upstream and Downstream

- ~700 kboe/d production
- ~1 Million bpd refining capacity
- ~2.4 billion boe proved reserves (*)
- 20% stake in GNF

(*) As at 31/12/2016
2016 - A year of strategic progress
Company overview and strategy

**Group FCF breakeven**

- Target ~40
- $/Bbl

**Divestments**

- 10% stake in GNF
- Piped LPG
- Tangguh
- TSP
- Others (eg: LPG Ecuador and Peru)

**TOTAL CASH RECEIVED**

- €3.6 Bn

**Net Debt**

- $/Bbl
- €11.9 Bn
- €8.1 Bn

**Key Metrics**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA CCS (Bn€)</td>
<td>5.1</td>
<td>5.0</td>
</tr>
<tr>
<td>Brent price ($/Bbl)</td>
<td>52.4</td>
<td>43.7</td>
</tr>
<tr>
<td>HH ($/MBtu)</td>
<td>2.7</td>
<td>2.5</td>
</tr>
<tr>
<td>Refining margin Indicator($/Bbl)</td>
<td>8.5</td>
<td>6.3</td>
</tr>
<tr>
<td>Exchange rate ($/€)</td>
<td>1.11</td>
<td>1.11</td>
</tr>
</tbody>
</table>
2016 to 2020: Value and Resilience
Company overview and strategy

Challenge: a volatile, uncertain and complex environment

Strategic Plan 2016-2020

Portfolio Management
- Capex flexibility
- Portfolio rationalization

Efficiency
- Synergies and company-wide Efficiency Program

Value
- Shift from growth to value delivery
- Competitive and sustainable shareholder remuneration

Resilience
- Integrated model
- Self-financing strategy even in a stress scenario
- FCF breakeven reduction

Long term value capture

- Keep financial and operating discipline: synergies and efficiencies
- Consolidate and extract the current value of our assets
- Manage portfolio to capture maximum value
- Review of projects with a long-term pay back
- Be ready to diversify/adapt traditional businesses

Transformation Program
## Delivery on commitments

Company overview and strategy

<table>
<thead>
<tr>
<th>COMMITMENT</th>
<th>2016&amp;2017 DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Synergies</strong></td>
<td>0.3B€ impact in 2018</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Efficiencies (Opex &amp; Capex)</strong></td>
<td>0.8B€ in 2016; 1.8B€ in 2018</td>
</tr>
<tr>
<td><strong>Capex flexibility</strong></td>
<td>~3.9 B€ average per annum</td>
</tr>
<tr>
<td><strong>Portfolio Management</strong></td>
<td>3.1B€ by 2017</td>
</tr>
<tr>
<td></td>
<td>6.2B€ by 2020</td>
</tr>
<tr>
<td><strong>Reduce FCF Breakeven</strong></td>
<td>$40 /Bbl Brent</td>
</tr>
<tr>
<td><strong>Financial strength</strong></td>
<td>Maintain investment grade</td>
</tr>
</tbody>
</table>

(*) It includes cash proceeds and benefits  
(**) Organic breakeven (divestments not included)

[Cheques] Ahead of plan  [Cheques] On target
### Efficiencies and Synergies Update

Company overview and strategy

#### Pre-tax cash savings

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Synergies</td>
<td>€0.2 B</td>
<td>€0.3 B</td>
<td>€0.3 B</td>
</tr>
<tr>
<td>Upstream Opex &amp; Capex efficiency</td>
<td>€0.6 B</td>
<td>€0.8 B</td>
<td>€1.2 B</td>
</tr>
<tr>
<td>Downstream profit improvement and efficiency</td>
<td>€0.2 B</td>
<td>€0.3 B</td>
<td>€0.4 B</td>
</tr>
<tr>
<td>Corporation right-sizing</td>
<td>€0.1 B</td>
<td>€0.2 B</td>
<td>€0.2 B</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>€1.1 B</strong></td>
<td><strong>€1.6 B</strong></td>
<td><strong>€2.1 B</strong></td>
</tr>
</tbody>
</table>

2018 target accelerated into 2017
Resilience in the lower part of the cycle

Company overview and strategy

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
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</tr>
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<tbody>
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<tr>
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<td>2.7</td>
<td>2.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upstream Break Even ($/Bbl)</td>
<td>~94(*)</td>
<td>~61</td>
</tr>
<tr>
<td>Refining margin Indicator ($/Bbl)</td>
<td>8.5</td>
<td>6.3</td>
</tr>
</tbody>
</table>

Ebitda CCS (Billion €)

- **Upstream**: Lower cash breakeven.
- **Downstream**: Strong integrated margin.
- **Group FCF** breakeven after dividend and interest reduced to $42/Bbl.

\[\text{(*) Includes Talisman Energy Inc. figures since 8th of May 2015. Excludes any 2015 Upstream disposal.}\]
**Portfolio management**

Company overview and strategy

**Completed**

- 10 % Stake GNF
- Eagle Ford-Gudrun
- LPG Peru & Ecuador
- Piped LPG
- 10 % Stake CLH
- Exploratory licences Canada
- Alaska dilution
- UK wind power
- Brynhild Norway

**Latest transactions**

- Tangguh
- Ogan Komering
- TSP

**TOTAL DIVESTED 5.1 B€**
Self-financed SP 2016-2020 - 40% net cash delivered

Company overview and strategy

**Cash movements 2016-2020**

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.8</td>
<td>-0.3</td>
<td>3.6</td>
<td>-3.2</td>
<td>4.0</td>
</tr>
</tbody>
</table>

**Sensitivities 5 years accumulated**

<table>
<thead>
<tr>
<th>Bn€</th>
<th>FCF</th>
<th>Adj. Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brent +/- $5/bbl</td>
<td>1.5</td>
<td>1.3</td>
</tr>
<tr>
<td>HH +/- $0.5/MBtu</td>
<td>0.8</td>
<td>0.6</td>
</tr>
<tr>
<td>Refining marging +/- $1/bbl</td>
<td>0.8</td>
<td>1.1</td>
</tr>
</tbody>
</table>


Note 1: This figure does not consider non-cash debt movements such as exchange rate effect and other effects

**Operating cash flow post tax**

**Financial expenses**

**Divestments**

**Investments**

**Cash for dividend and debt**
UPSTREAM
3 core regions in the portfolio

**Upstream**

* North America: *Growth*
- Production 2016: ~182 kboepd
- Operatorship: ~79%
- Gas production (2016): 71%
  - Unconventional portfolio
  - Operatorship
  - Valuable midstream positions

* SouthEast Asia: FCF & Growth*
- Production 2016: ~98 kboepd
- Operatorship: ~37%
- Gas production (2016): 77%
  - Self-financed growth
  - Relationship with governments/NOCs
  - High potential exploration blocks

* Latin America: FCF*
- Production 2016: ~302 kboepd
- Operatorship: ~20%
- Gas production (2016): 70%
  - Regional scale
  - Exploration track record
  - Cultural fit

**NOTE:** Europe, Africa & Brazil:
Production 2016 ~ 108 kboepd

(*) Post disposals of ~17 Kboepd from TSP and Tangguh in 2016
(**) Organic
(***) Long term average

**Production (Kboepd)**
- 2016: 690
- 2017E: 685-690

**1P Reserves (Mboe)**
- 2016: 2,382

**RRR (%)**
- 2016: 124
- 2017E: ~100
2016 Upstream Results

**Upstream**

**RESERVES**

1P Reserves (Mboe)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1P Reserves</td>
<td>1,539</td>
<td>2,373</td>
<td>2,382</td>
</tr>
</tbody>
</table>

RRR (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>RRR</td>
<td>118</td>
<td>159</td>
<td>124</td>
</tr>
</tbody>
</table>

[(*) Organic RRR]

**PRODUCTION (**)**

- **+57%**
- **+23%**
- 690

**EBITDA (***)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>1,611</td>
<td>2,072</td>
</tr>
</tbody>
</table>

[(**) It includes Talisman since the 8th of May of 2015]

[(***) Cumulative]

**PROJECTS**

- Ramp-up Cardón IV (Venezuela)
- Ramp-up of Sapinhoá (Brazil)
- First oil of Lapa (Brazil)
- Production restarted in Libya
**Upstream**

**Contingent resources**
- Unconventional North America
- Brazil: Campos-33, Sagitario
- Russia: Karabashky
- Colombia: CPO9 & Niscota
- Alaska: CP09 & Niscota
- GOM: Leon and Buckskin
- Indonesia: Sakakemang
- Vietnam: Red Emperor extension
- Kurdistan
- PNG: GAP

**Prospective resources**
- Brazil: Santos Basin & Espirito Santo
- Colombia: RC11, RC12 & Tayrona
- Unconventional North America
- GOM
- Peru
- Guyana
- Angola
- Romania
- Portugal
- Norway
- Indonesia
- Malaysia
- Vietnam
- PNG
- Bulgaria

**As is** organic portfolio potential of more than 900 kboepd
Capex optimization

Upstream

Organic RRR [%]

118%  159%  124%  ~100%

Average 2017-2020

Bn$

Exploration Capex  Development Capex  Average Capex 2018-2020
Efficiency program: delivering our target

Upstream

M€

~400

~1,200

2016 Original Target 550 M€

~800 (*)

~50

~350

2016 Savings already achieved in 2016 impacting in 2017

New Savings to be achieved in 2017

2017 Savings Target (accelerated from 2018)

Note: Excluding synergies
* It does not include ~200 M€ of one-off

2017 Original Target 850 M€
3 Downstream
Sustainable cash flow generator

Downstream

### Refining
- ~1 million barrels of refining capacity per day.
- Top quartile position among European peers along the cycle.
- 63% FCC equivalent.
- 5 refineries optimized as a single operation system.

### Marketing
- 4,715 service stations throughout Spain, Portugal, Peru, and Italy.
- 3,501 service stations in Spain → 70% have a strong link to the company and 29% directly managed.

### Petrochemicals
- All three sites are managed as a single petrochemical hub
- Chemical sites and crackers strategically located to supply Southern Europe and Mediterranean markets.
- Logistic flexibility to enhance competitive feedstock imports at Tarragona and Sines.

### LPG
- One of the leading retail distributors of LPG in the world, ranking first in Spain and is of the leading companies in Portugal.
- We distribute LPG in bottles, in bulk and AutoGas.

### Trading and G&P
- G&P: transportation, marketing, trading and regasification of liquefied natural gas.
- Trading & Transport: trading and supply of crude oil and products

Objective to generate FCF ~ €1.7B per annum (average 2016-2020)
2016 Downstream Results

Downstream

European Integrated Margin of R&M

- Industry peer group
- Repsol position

EBITDA CCS(*)

- 3,788
- 3,173

Integrated Model

- Top quartile position among European peers.
- Fully-invested assets

FCF

- Operating Cash Flow: €2.2Bn
- Divestments: €1.2Bn
- Capex: -€0.7Bn
- Free Cash Flow: €2.7Bn

Source: Company filings.

Peers: Repsol, Cepsa, Eni, Galp, OMV, MOL, Total, PKN Orlen, Hellenic Petroleum, Saras and Neste Oil

*(Cumulative)
2016-2020 Downstream strategy

Maximizing value and cash generation leveraged on fully invested assets

European Integrated Margin of R&M

Average investments

Downstream resilience reinforced by the integration of commercial and industrial businesses

Note: Integrated R&M margin calculated as CCS/LIFO-Adjusted operating profit from the R&M segment divided by the total volume of crude processed (excludes petrochemicals business) of a 10-member peer group.
Based on annual reports and Repsol’s estimates. Source: Company filings.
Peer group: Repsol, Cepsa, Eni, Galp, OMV, MOL, Total, PKN Orlen, Hellenic Petroleum, Saras and Neste Oil.
Repsol’s refining margin indicator

Downstream

Base Repsol Crack Index       Additional margin from projects pre-SP       Efficiency and margin improvement program
Gas Natural Fenosa

Rationale

10% stake sold

- €1.9Bn proceeds
- Executed with no discount to market price at 19€/share
  → 8.6% above GNF’s unaffected market price of €17.5/share
- 7.8x EV/EBITDA 2016E
  → above comparable trading multiples

20% remaining stake

- Liquid investment provides financial optionality
- Strong profitability performance through dividend stream
- Strategic stake in a leading gas & power company
- Window into role of gas and renewables in energy mix

(1) 6 months volume weighted average share price
Sound track record in managing adverse conditions

Resilient Plan with stronger business profile

Conservative financial policy

Commitment to reduce debt and maintain investment grade

The three Rating Agencies, Standard & Poor’s, Moody’s and Fitch have upgraded and confirmed the rating BBB stable, Baa2 stable and BBB stable respectively.

Commitment to maintain shareholder compensation in line with current company level
**Net Debt Evolution**

Financing

Breakeven at $42 per barrel

Targeting FCF Breakeven at $40/Bbl
Strong liquidity position

Financing

Liquidity covers long term debt maturities beyond mid 2020.

Liquidity exceeds 1.9x short term maturities

(*) Short term debt excludes interest and derivatives € 0.16 billion.
(**) Deposits classified as financial investment in the accounting although they have an immediate availability.
Sources of liquidity as of 30th Sep 2017

Financing

Available Structural credit lines represent 86% from total committed credit lines

Strong liquidity position represents 63% gross debt

[M] Deposits classified as financial investment in the accounting although they have an immediate availability.

[**] Gross debt excludes interests and derivatives € 0.16 million

<table>
<thead>
<tr>
<th>(Million €)</th>
<th>Structural</th>
<th>Operating</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Committed Credit Lines</td>
<td>2,327</td>
<td>396</td>
<td>2,723</td>
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<tr>
<td>Used</td>
<td>(25)</td>
<td>(25)</td>
<td></td>
</tr>
<tr>
<td>Available</td>
<td>2,327</td>
<td>370</td>
<td>2,698</td>
</tr>
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<table>
<thead>
<tr>
<th></th>
<th>Cash and equivalents</th>
<th>Undrawn Credit Lines</th>
<th>Term deposits w/ immed.availab. *</th>
<th>Liquidity 3Q2017</th>
<th>Gross debt 30 Sept 2017 **</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and equivalents</td>
<td>4.8</td>
<td></td>
<td></td>
<td></td>
<td>12.2</td>
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<tr>
<td>Undrawn Credit Lines</td>
<td>2.7</td>
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<tr>
<td>Term deposits w/ immed.availab. *</td>
<td>0.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Liquidity Available</td>
<td>7,728</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

63%
Delivery of Commitments

Financing

- **Divestments**
  - Piped Gas Business, Offshore Wind, TSP, Tangguh
  - E&P portfolio management: Alaska, Norway

- **GNF monetization**
  - Sale of 10% participation in GNF

- **Dividend**
  - Repsol dividend reduction
  - Scrip dividend

- **Synergies and Efficiencies**
  - Efficiencies and synergies accelerated

- **Debt reduction and maintenance of IG**
  - Net Debt/EBITDA of 1.1x
  - Rated BBB stable by the three rating agencies

**Maintenance of investment grade is fundamental to our long term strategy**
2017 OUTLOOK
Outlook for 2017

2017 Outlook

Our assumptions

<table>
<thead>
<tr>
<th></th>
<th>2017B(*)</th>
<th>9M17</th>
<th>2017B</th>
<th>9M17</th>
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<tbody>
<tr>
<td>Brent price [$/Bbl]</td>
<td>55.0</td>
<td>51.8</td>
<td>6.4</td>
<td>6.8</td>
</tr>
<tr>
<td>Refining Margin [$/Bbl]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HH [$/MBtu]</td>
<td>3.2</td>
<td>3.2</td>
<td>1.05</td>
<td>1.11</td>
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<tr>
<td>Exchange rate [$/€]</td>
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</table>

Guidance

<table>
<thead>
<tr>
<th></th>
<th>2017B</th>
<th>9M17</th>
<th>2017E(**)</th>
</tr>
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<tbody>
<tr>
<td>Production [KBoepd]</td>
<td>~680</td>
<td>688</td>
<td>685-690</td>
</tr>
<tr>
<td>FCF BE [$/Bbl]</td>
<td>~40</td>
<td>~40</td>
<td>~40</td>
</tr>
<tr>
<td>Capex [Bn€]</td>
<td>3.2-3.6</td>
<td>1.8</td>
<td>~3.0</td>
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<tr>
<td>ND/EBITDA [x]</td>
<td>1.1</td>
<td>1.1</td>
<td>1.1</td>
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<td>Synergies and Efficiencies [Bn€]</td>
<td>2.1</td>
<td>~1.8</td>
<td>2.1</td>
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</tbody>
</table>

(*) Budget  (**) Long term objective (***) Estimated