Investor Update 2017

2016 – 2020 Value & Resilience

REPSOL

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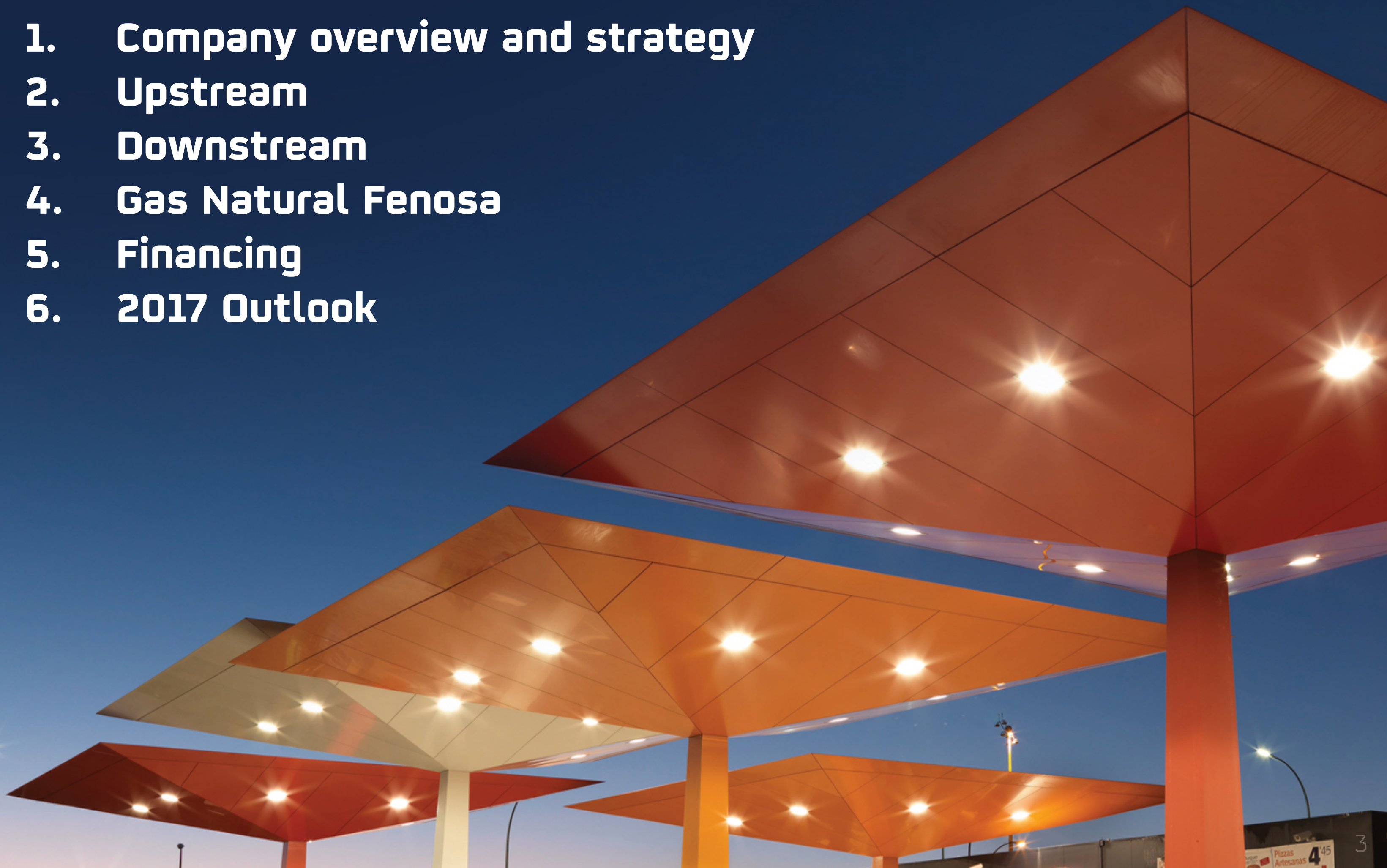
In October 2015, the European Securities Markets Authority (ESMA) published the Guidelines on Alternative Performance Measures (APM), of mandatory application for the regulated information to be published from 3 July 2016. Information and disclosures related to APM used on the present document are included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

2016-2020
Value & Resilience



Company overview and strategy

1

Key messages 9M 2017

Company overview and strategy

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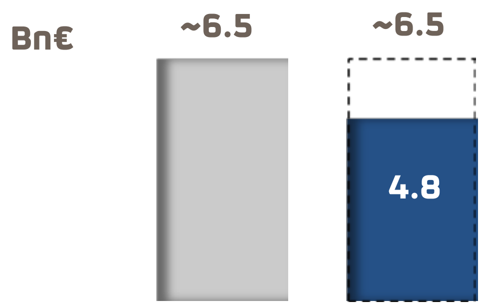
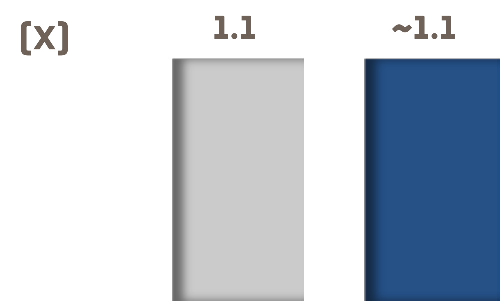
Continued delivery on strategic objectives

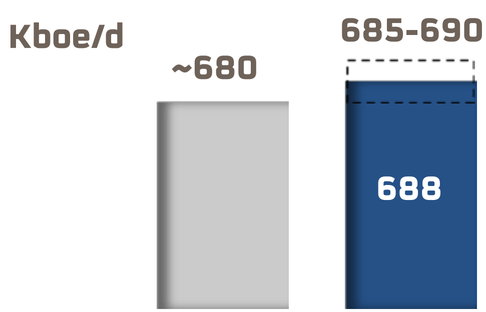


Strong EBITDA CCS generation



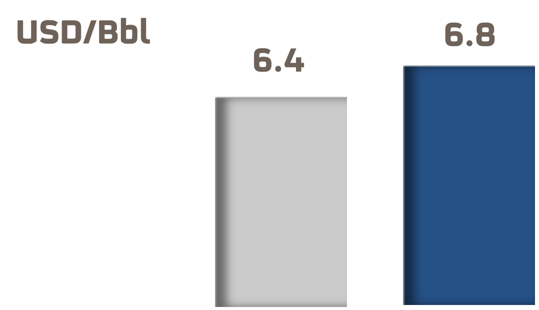
Net Debt/EBITDA in line with projections

Upstream



Production volumes in line with guidance

Downstream[1]



Refining margin indicator in line with expectations

2017 Budget | 9M17 actual | 2017 guidance

[1] Refinining Margin Indicator

Key messages Q3 2017

Company overview and strategy

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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 maintainance** for the year **completed in 1H17:**
  - ✓ 3Q17 Utilization of the distillation units = 99%
  - ✓ 3Q17 Utilization of the conversion units = 104%

Petrochemicals:

- ✓ **Strong perfomance** → 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

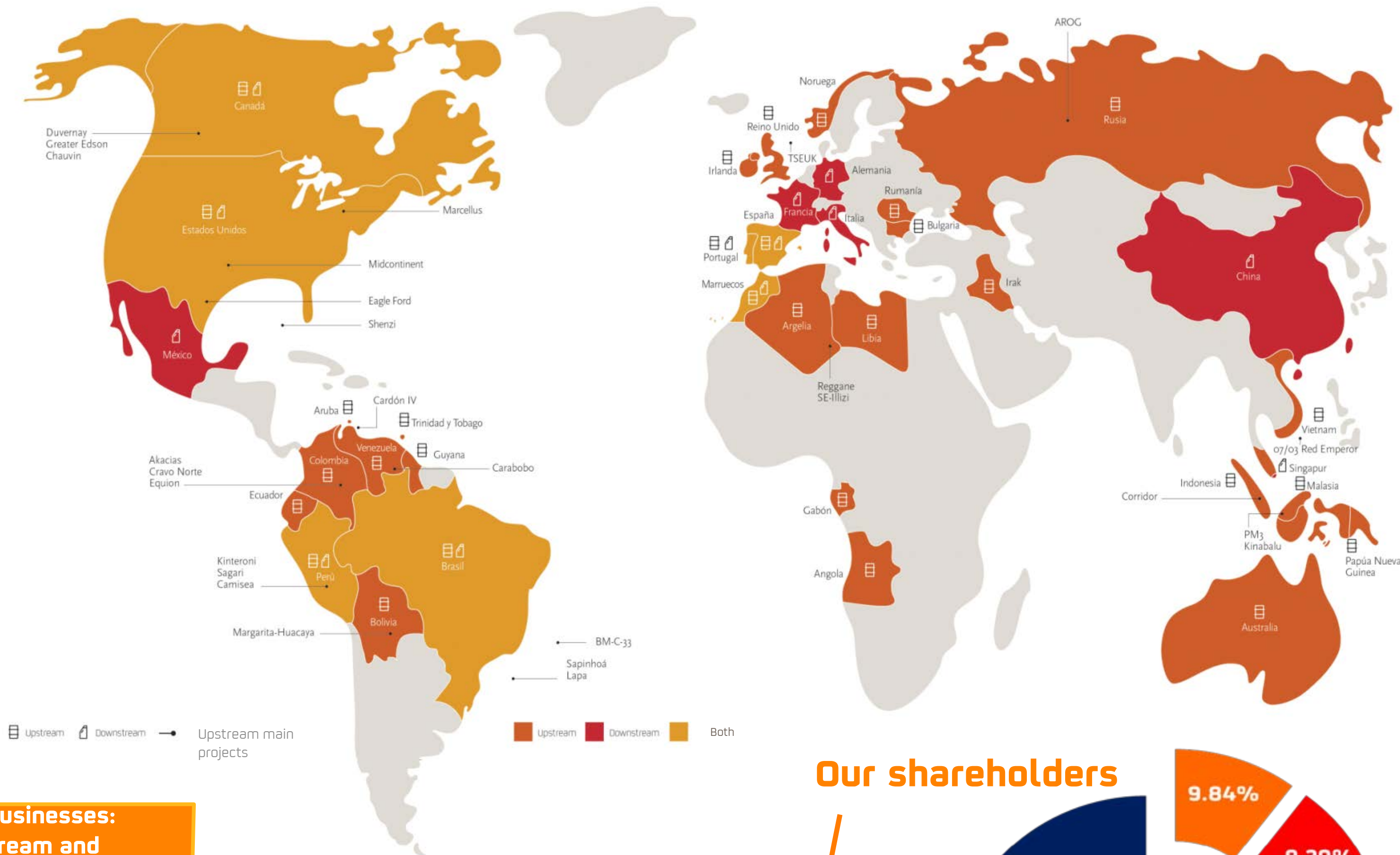
Corporation:

- ✓ Q3 17 Net debt **€6,972 Mn€**
- ✓ Net Debt / EBITDA (x) = **1.1**[1]
- ✓ Objective → Credit rating **BBB stable**

(1) Estimated FY 2017

Through the value chain and across the globe

Company overview and strategy



Core businesses: Upstream and Downstream

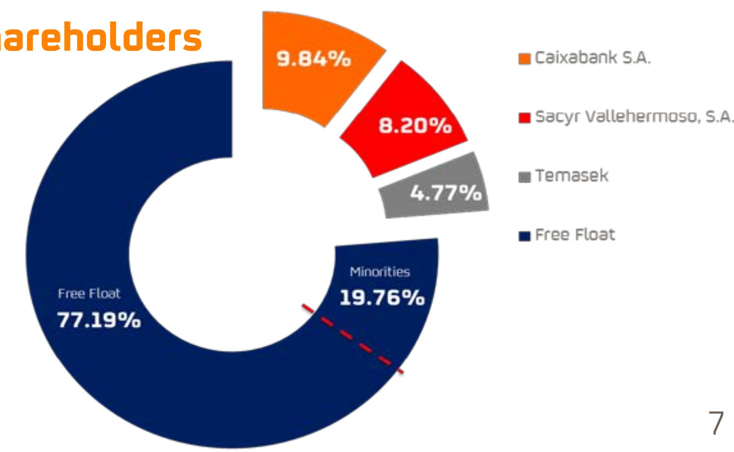
~700 kboepd production

~1 Million bpd refining capacity

~2.4 billion boe proved reserves (*)

20% stake in GNF

Our shareholders

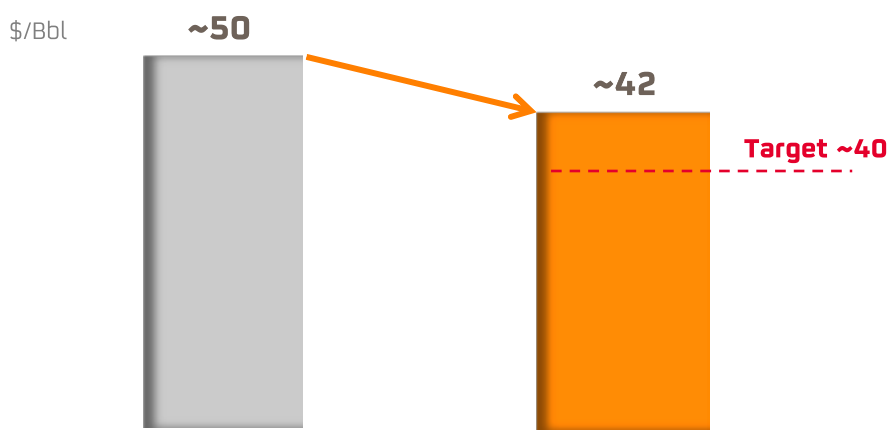


(*) As at 31/12/2016

2016 - A year of strategic progress

Company overview and strategy

Group FCF breakeven

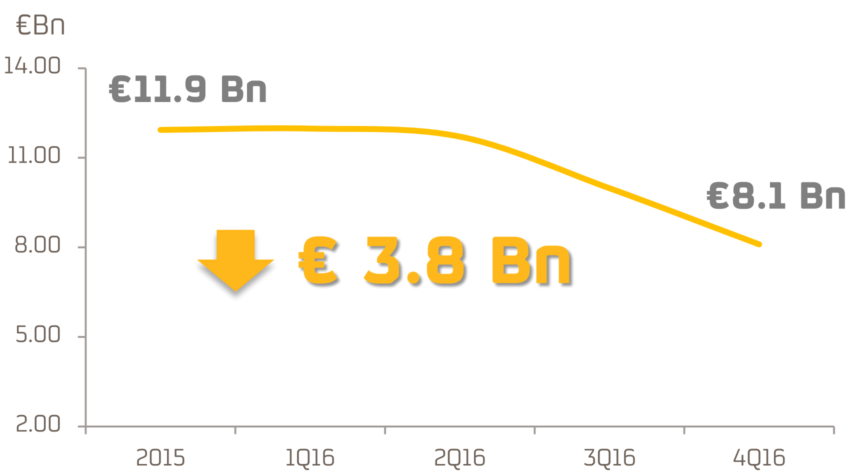


Divestments

10% stake in GNF	€ 1.9 Bn
Piped LPG	€ 0.7 Bn
Tangguh	€ 0.3 Bn
TSP	€ 0.1 Bn
Others (eg: LPG Ecuador and Peru)	€ 0.6 Bn

TOTAL CASH RECEIVED € 3.6 Bn

Net Debt



Key Metrics

	2015		2016
EBITDA CCS (Bn€)	5.1	➡	5.0
Brent price ($/Bbl)	52.4	➡	43.7
HH ($/MBtu)	2.7	➡	2.5
Refining margin Indicator($/Bbl)	8.5	➡	6.3
Exchange rate ($/€)	1.11	➡	1.11

2016 to 2020: Value and Resilience

Company overview and strategy

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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

Transformation Program

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

Delivery on commitments

Company overview and strategy

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IMPLEMENTATION

	COMMITMENT	2016&2017 DELIVERY	
Synergies	0.3B€ impact in 2018	In 2016 0.3B€ already achieved New target of 0.4B€	✓✓
Efficiencies (Opex & Capex)	0.8B€ in 2016; 1.8B€ in 2018	2016: 1,3B€; 2017 1.8B€	✓✓
Capex flexibility	~3.9 B€ average per annum	2016: 3.2B€; 2017 3.0B€	✓✓
Portfolio Management	3.1B€ by 2017 6.2B€ by 2020	Already divested 5.1 B€ (*)	✓✓
Reduce FCF Breakeven	$40 /Bbl Brent	~$42/Bbl Brent targeting $40/Bbl (**)	✓
Financial strength	Maintain investment grade	BBB stable rating achieved	✓✓

✓✓ **Ahead of plan** ✓ **On target**

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

Efficiencies and Synergies Update

Company overview and strategy

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Pre-tax cash savings

	COMMITMENT // 2016 BUDGET //	DELIVERY // 2016 //	ESTIMATED // 2017 //
Synergies	€0.2 B	€0.3 B	€0.3 B
Upstream Opex & Capex efficiency	€0.6 B	€0.8 B	€1.2 B
Downstream profit improvement and efficiency	€0.2 B	€0.3 B	€0.4 B
Corporation right-sizing	€0.1 B	€0.2 B	€0.2 B
	€1.1 B	**€1.6 B**	**€2.1 B**

2018 target accelerated into 2017

Resilience in the lower part of the cycle

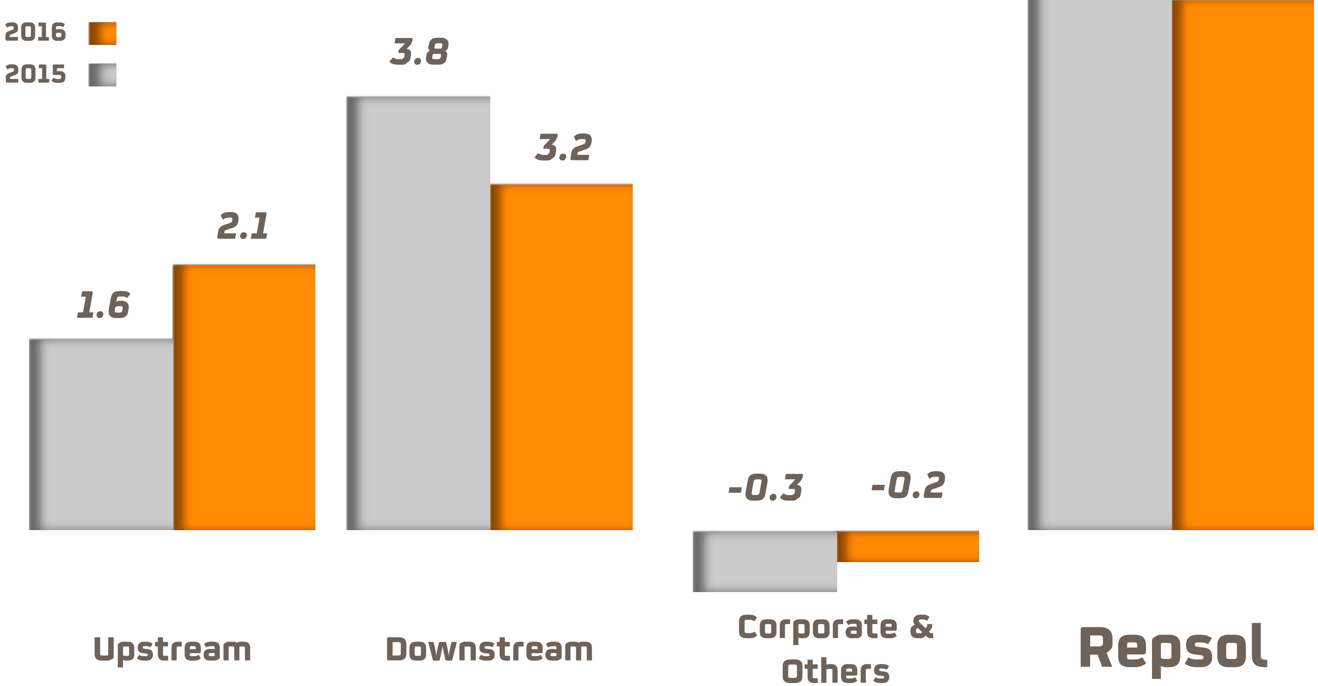
Company overview and strategy

	2015	2016
Brent price *($/Bbl)*	52.4	43.7
HH ($/MBtu)	2.7	2.5

	2015	2016
Upstream Break Even *($/Bbl)*	~94[*]	~61

	2015	2016
Refining margin Indicator *($/Bbl)*	8.5	6.3

EBITDA CCS (Billion €)



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

(*) *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

Piped LPG 

Alaska dilution 

Eagle Ford-Gudrun 

10 % Stake CLH 

UK wind power 

LPG Peru & Ecuador 

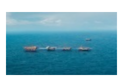
Exploratory licences Canada

Brynhild Norway

….Latest transactions

Tangguh 

Ogan Komering

TSP 

TOTAL DIVESTED 5.1 B€

Self-financed SP 2016-2020 - 40% net cash delivered

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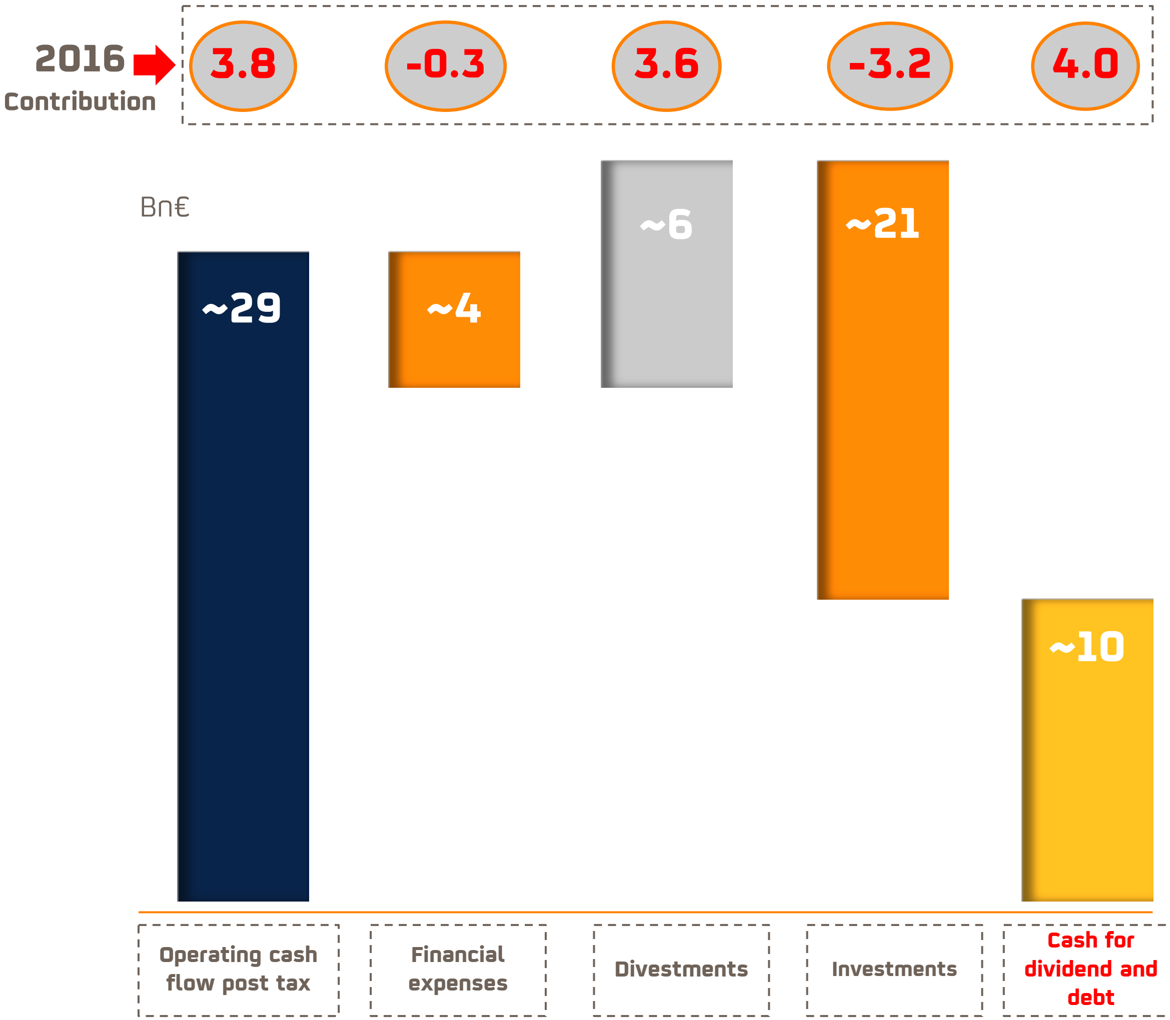
Cash movements 2016-2020 [*]



Sensitivities 5 years accumulated

Bn€	FCF	Adj. Net Income
Brent +/- $5/bbl	*1.5*	*1.3*
	-1.5	*-1.3*

Bn€	FCF	Adj. Net Income
HH +/- $0.5/MBtu	*0.8*	*0.6*
	-0.8	*-0.6*

Bn€	FCF	Adj. Net Income
Refining marging +/- $1/bbl	*0.8*	*1.1*
	-0.9	*-1.1*

[*] Stress price scenario considered: **Brent** ($/Bbl) 2016: 40; 2017: 40; 2018: 50; 2019: 50; 2020: 50; **HH** ($/MBtu) 2016: 2.6; 2017:2.6; 2018-2019-2020:3.5

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

2

UPSTREAM

3 core regions in the portfolio

Upstream

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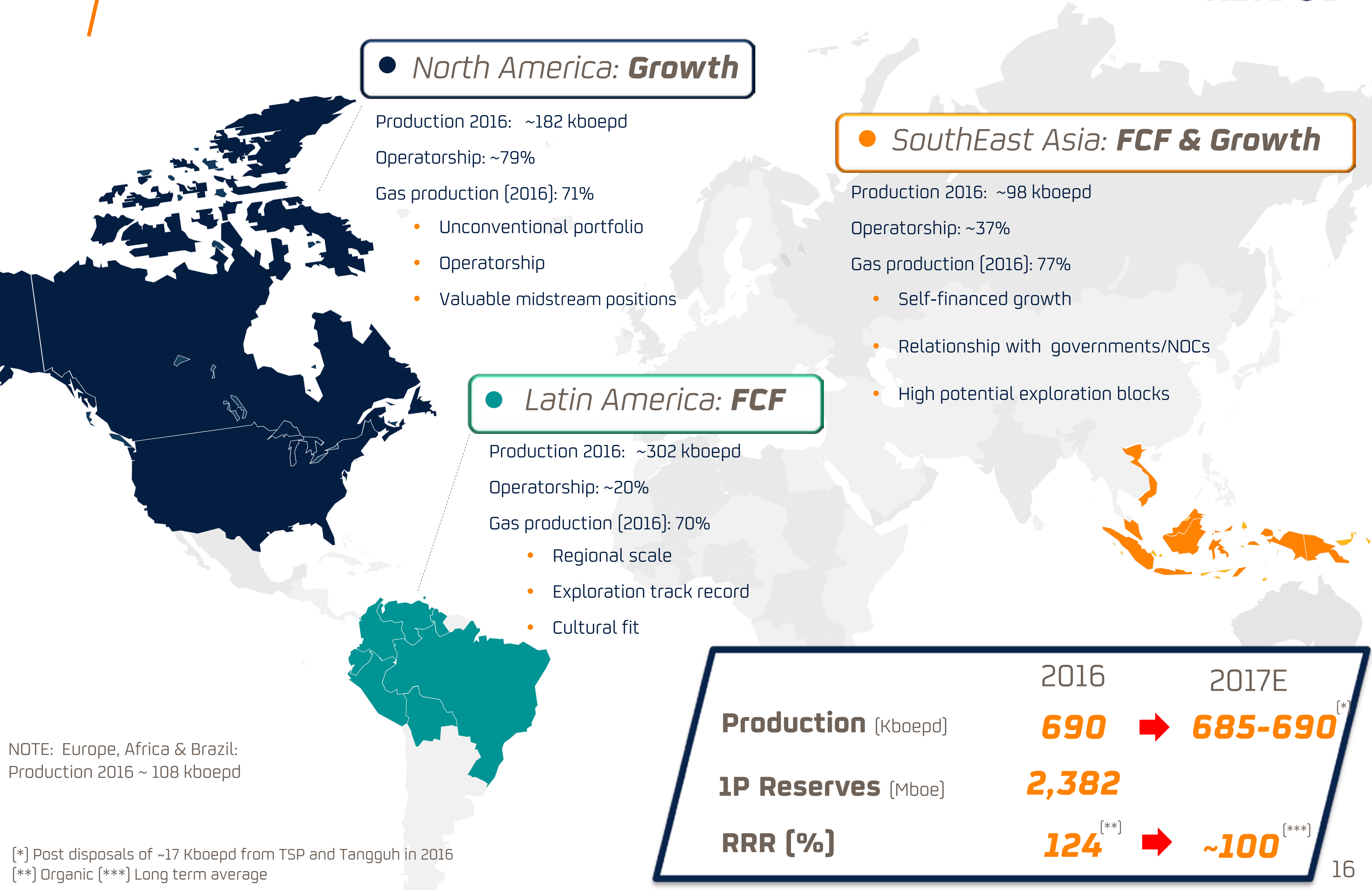


North America: **Growth**

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

	2016		2017E
Production (Kboepd)	690	→	685-690 [*]
1P Reserves (Mboe)	2,382		
RRR (%)	124 [**]	→	~100 [***]

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

2016 Upstream Results

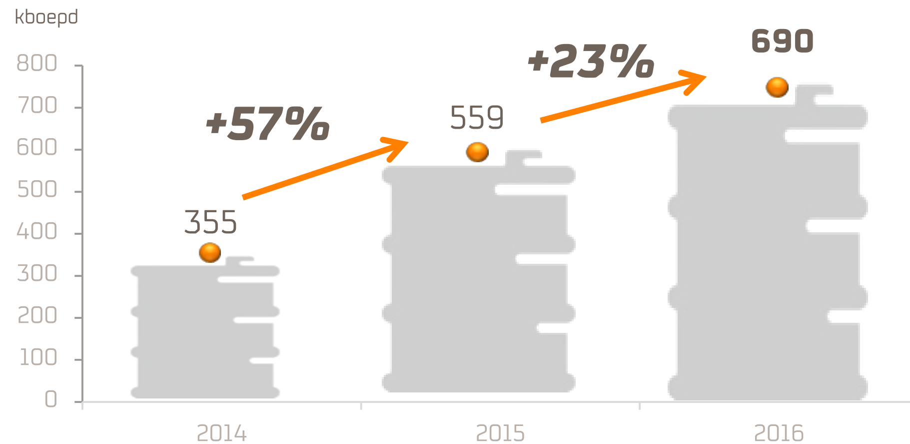
Upstream

RESERVES

	2014		2015		2016
1P Reserves (Mboe)	**1,539**	→	**2,373**	→	**2,382**
RRR (%) [*]	**118**	→	**159**	→	**124**

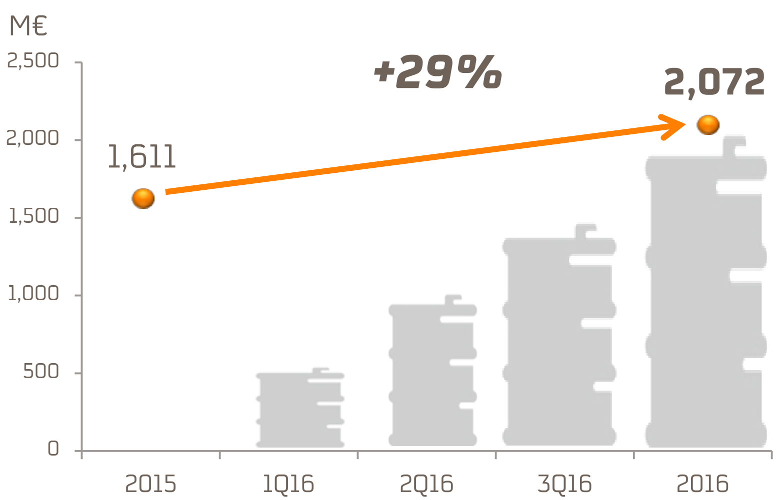
[*] Organic RRR

PRODUCTION [**]



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

EBITDA [***]



[***] Cumulative

PROJECTS

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

Assets & Projects

Upstream

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NORTH AMERICA

Duvernay	(Canada)	WI: 100%
Marcellus	(USA)	WI: ~89%
Eagle Ford	(USA)	WI: ~31% in basin and 37% in JV
GoM /Midcontinent	(USA)	WI: 28%/~11%

LATIN AMERICA

M. -Huacaya	(Bolivia)	WI: 37.5%
Carabobo – AEP	(Venezuela)	WI: 11%
Cardon IV	(Venezuela)	WI: 50%
Kinteroni + Sagari	(Peru)	WI: 53.8%
Akacias	(Colombia)	WI: 45%

Europe, Africa & Brazil

Sapinhoa		WI: 15%
Lapa		WI: 15%
El-Sharara	(Libya)	NC115-WI: 20% NC186-WI:16%
Reggane	(Algeria)	WI: 29,25%
MonArb / Flyndre Cawdor	(UK)	WI: 30% Redevelopment

SOUTHEAST ASIA

PM3,Kinabalu	(Malaysia)	WI:35% PM3 WI: 60% K
C. & J. Merang	(Indonesia)	WI: 36% C / 25% JM
Red Emperor	(Vietnam)	WI: 46.8%

"As is" organic portfolio potential of more than 900 kboepd

First production 2017

Ramping up in 2017

// Exploration //

Contingent resources

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

Prospective resources

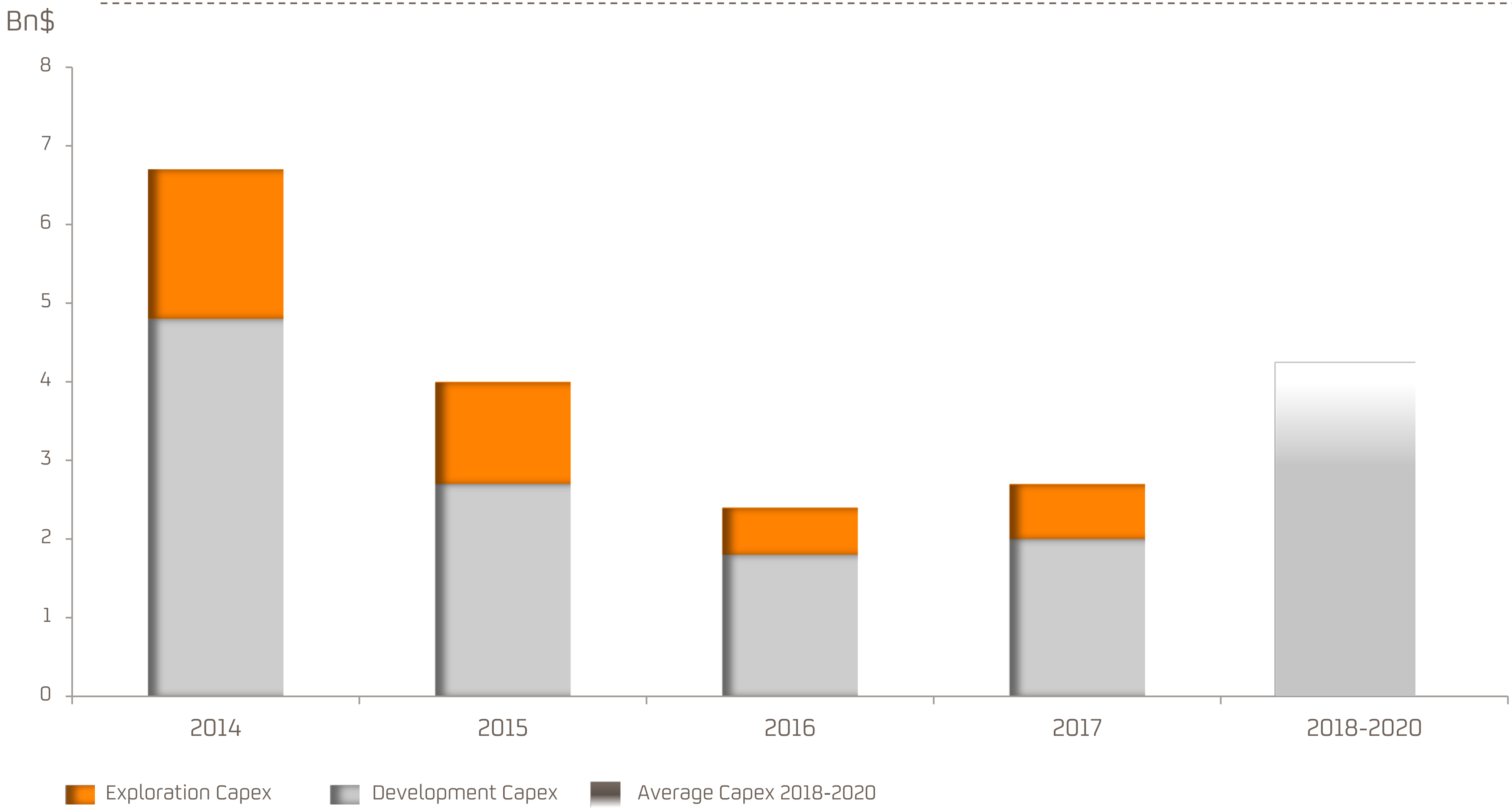
- Brazil: Santos Basin & Espirito Sant
- Colombia: RC11, RC12 & Tayrona
- Unconventional North America
- GOM
- Peru
- Guyana
- Angola
- Romania
- Portugal
- Norway
- Indonesia
- Malaysia
- Vietnam
- PNG
- Bulgaria

Capex optimization

Upstream

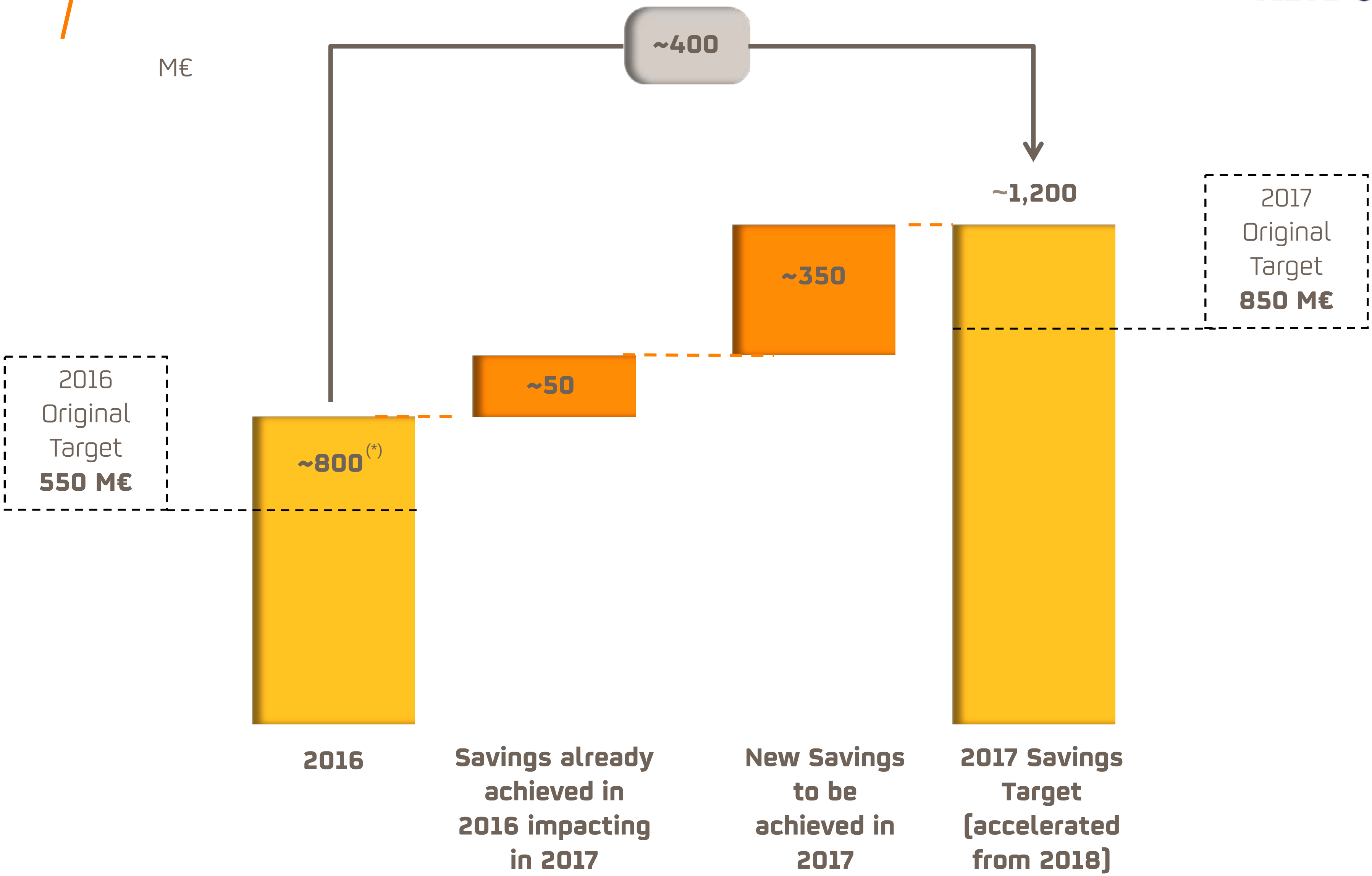
Organic RRR (%)

118%	159%	124%	Average 2017-2020 ~100%



Efficiency program: delivering our target

Upstream



Note: Excluding synergies

* It does not include ~ 200 M€ of one off

3 Downstream

Sustainable cash flow generator

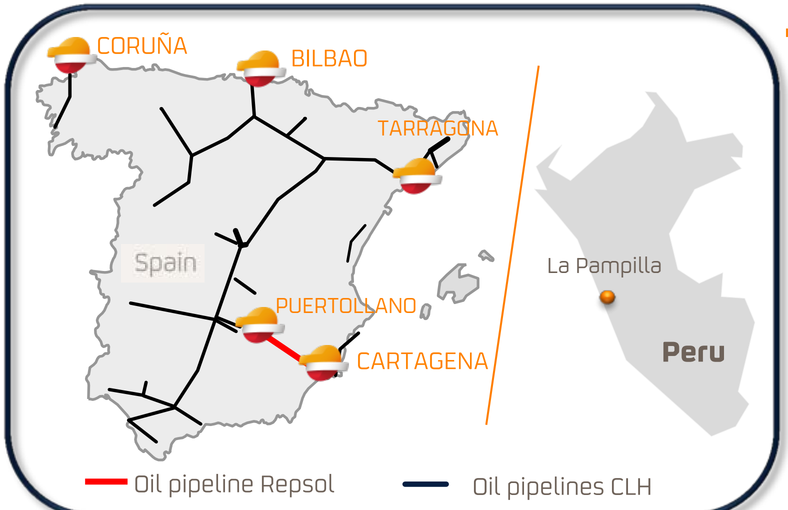
Downstream

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.

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.



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 .

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

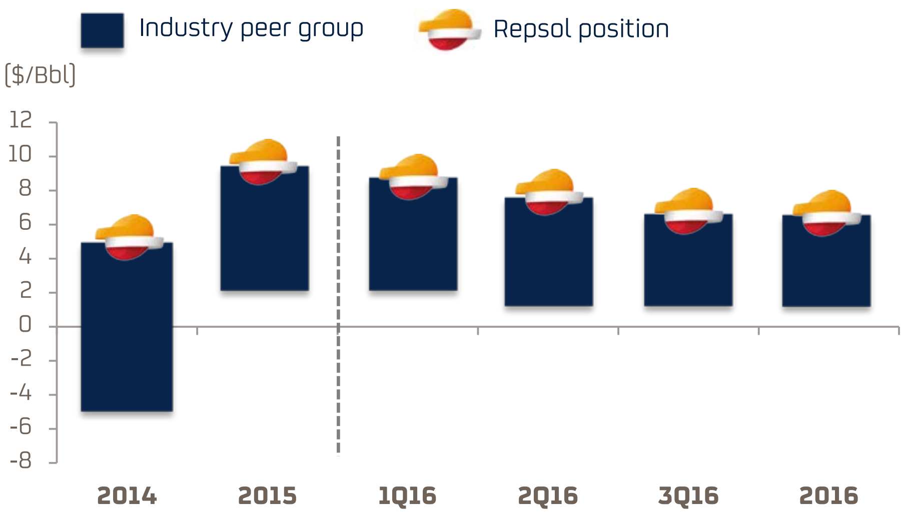
- G&P: transportation, marketing, trading and regasification of liquefied natural gas.
- Trading & Transport: trading and supply of crude oil and products

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

2016 Downstream Results

Downstream

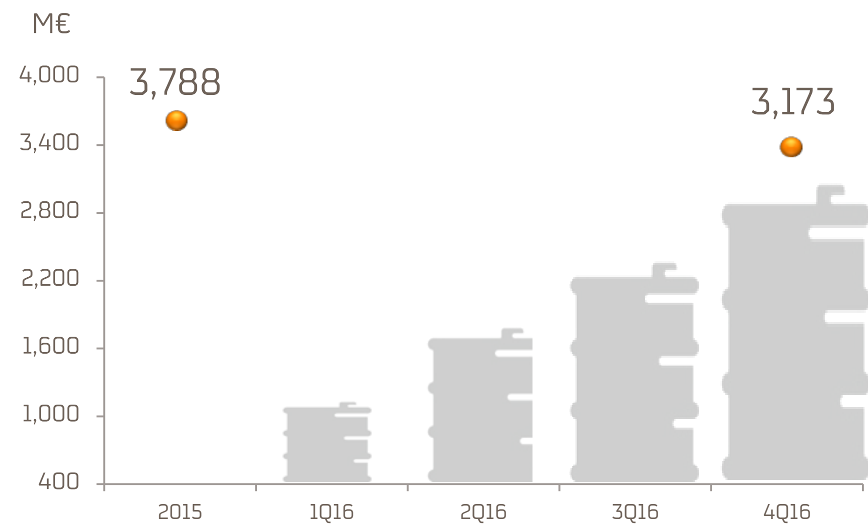
European Integrated Margin of R&M



Source: Company filings.

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

EBITDA CCS[*]



* Cumulative

FCF

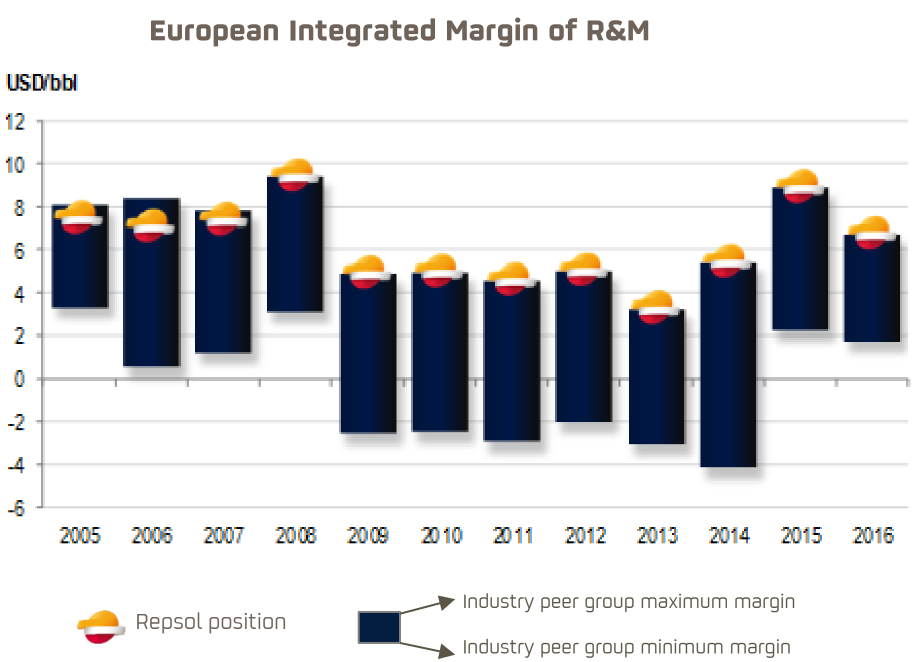
Integrated Model

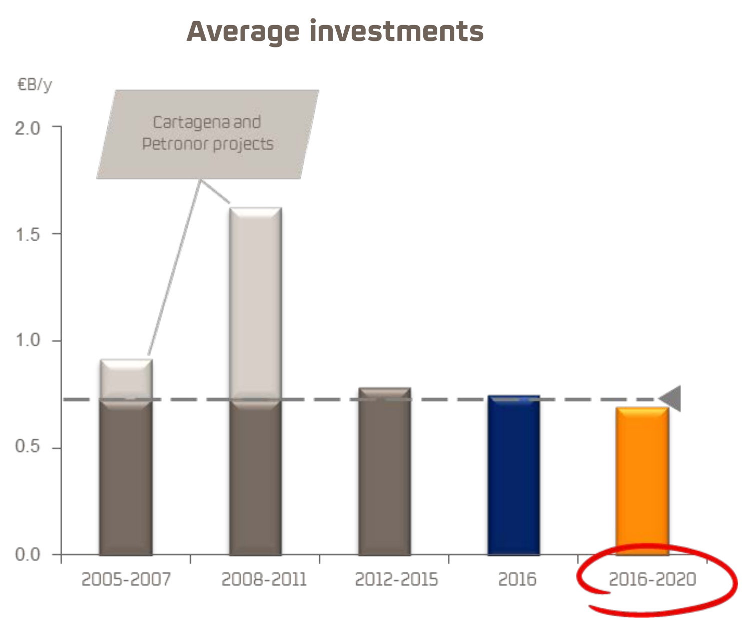
- Top quartile position among European peers.
- Fully-invested assets

2016-2020 Downstream strategy

Downstream

Maximizing value and cash generation leveraged on fully invested assets



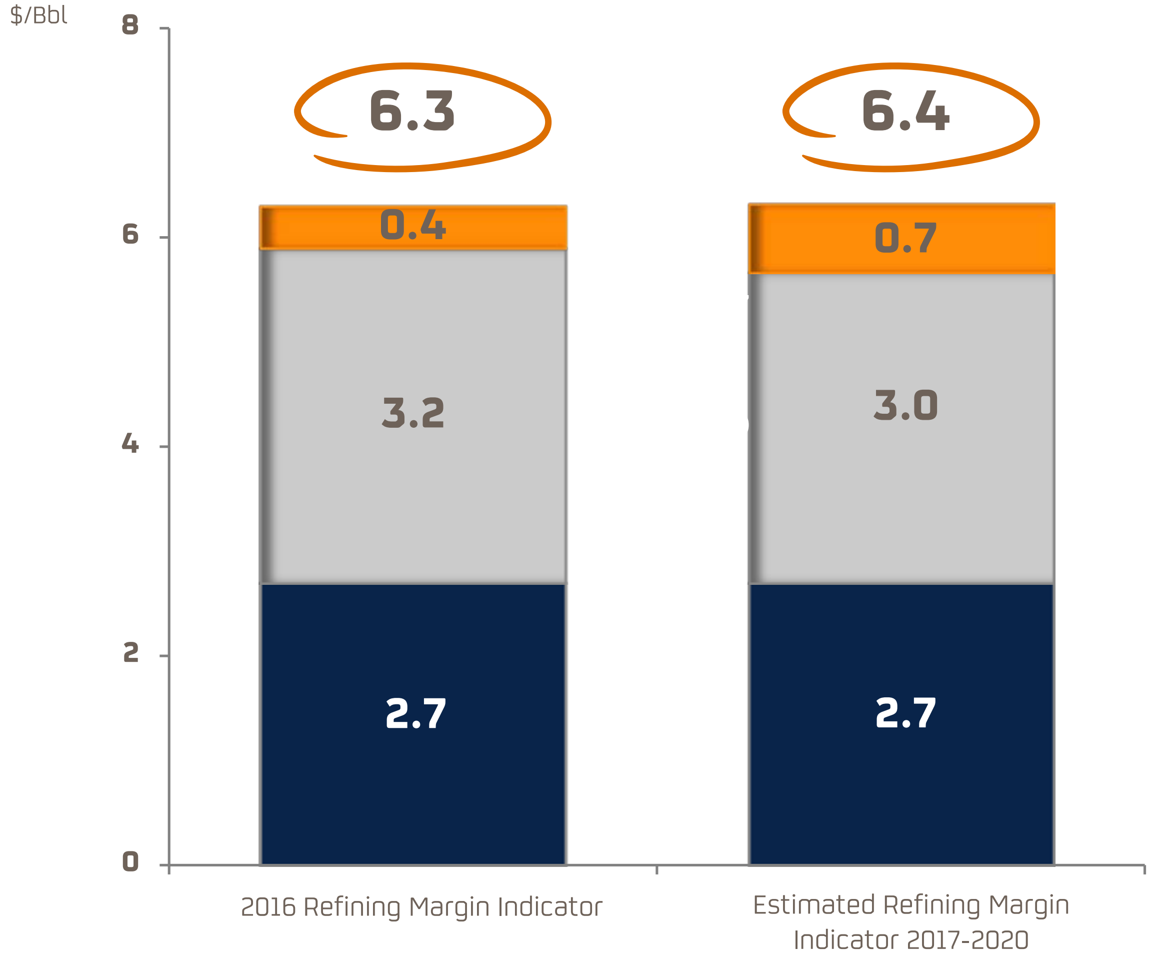


Downstream resilience reinforced by the integration of commercial and industrial businesses

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



4 Gas Natural Fenosa

Gas Natural Fenosa

Rationale

10% stake sold	20% remaining stake

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 [1]*
- ✓ ***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

5

FINANCING

Financial Strategic Plan 2016-2020

Financing

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Sound track record in managing adverse conditions

Resilient Plan with stronger business profile

Conservative financial policy

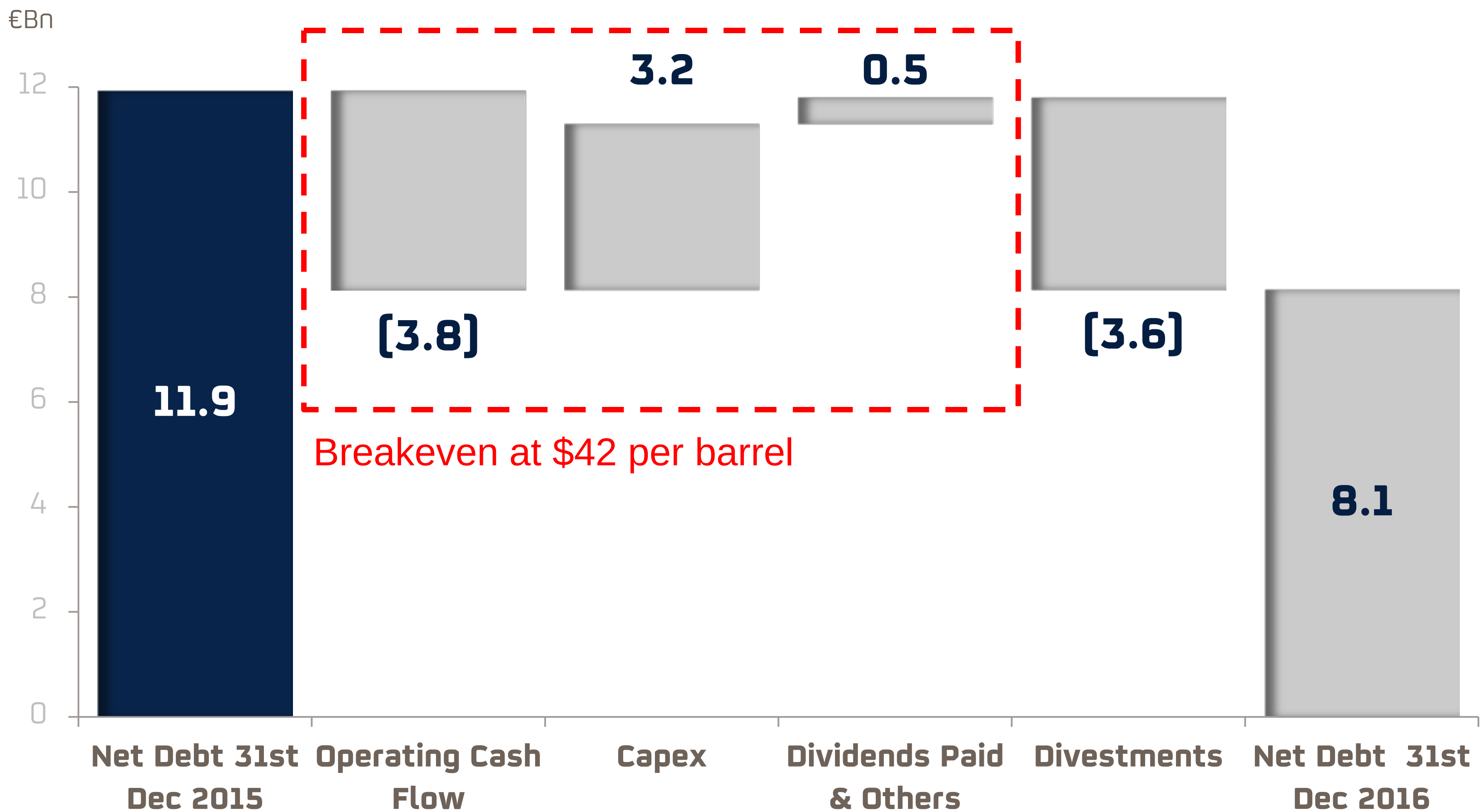
Commitment to reduce debt and maintain investment grade

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

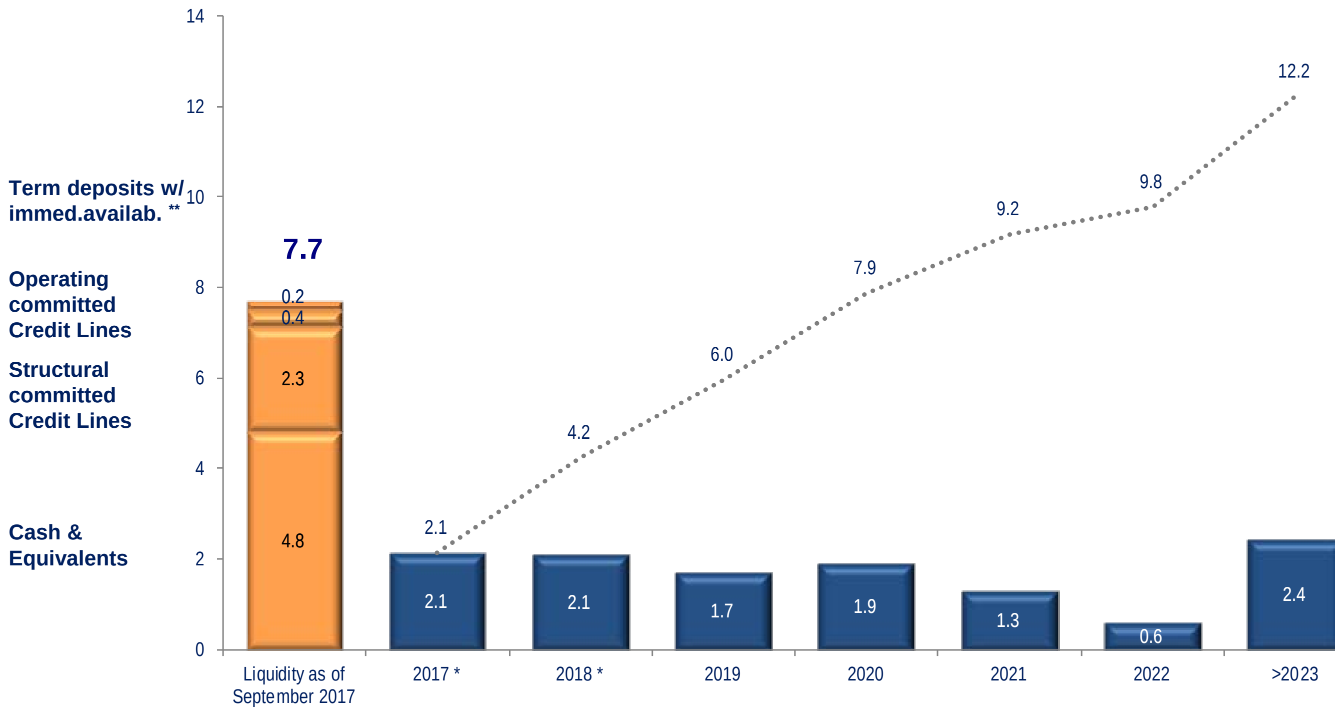
Financing

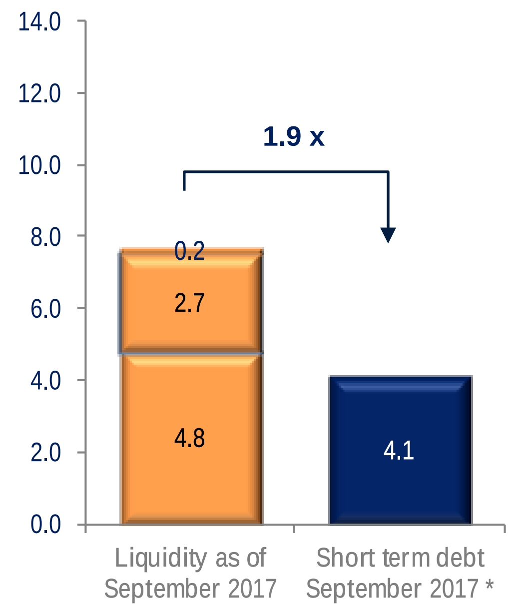


Targeting FCF Breakeven at $40/Bbl

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.

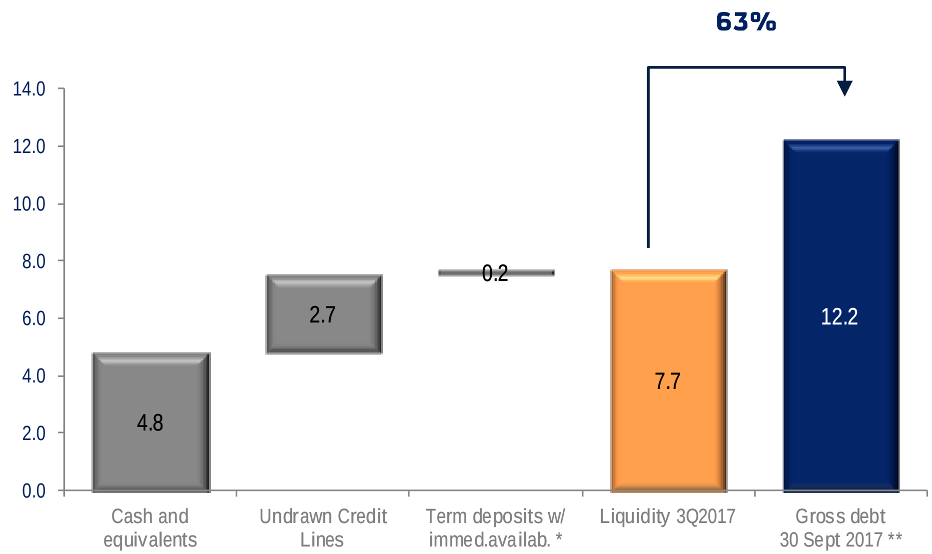
Sources of liquidity as of 30th Sep 2017

Financing

(Million €)

Cash and Equivalents	**4,830**
Total Unused Committed Credit Lines	**2,698**
Term deposits w/ immediate availability (1)	**200**
Total Liquidity Available	**7,728**

(Million €)	Structural	Operating	TOTAL
Committed Credit Lines	**2,327**	**396**	**2,723**
Used		**(25)**	**(25)**
Available	**2,327**	**370**	**2,698**
	86%	14%	100%



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

Strong liquidity position represents 63% gross debt

(*) Deposits classified as financial investment in the accounting although they have an immediate availability.
(**) Gross debt excludes interests and derivatives € 0.16 million

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

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Outlook for 2017

2017 Outlook

Our assumptions

	2017B[*]	9M17
Brent price ($/Bbl)	55.0	51.8
HH ($/MBtu)	3.2	3.2

	2017B	9M17
Refining Margin ($/Bbl)	6.4	6.8
Exchange rate ($/€)	1.05	1.11

Guidance

	2017B	9M17	2017E[***]
Production (KBoepd)	~680	688	685-690
Capex (Bn€)	3.2-3.6	1.8	~3.0
Synergies and Efficiencies (Bn€)	2.1	~1.8	2.1

	2017B	9M17
FCF BE ($/Bbl)	~40[**]	~40
ND/EBITDA (x)	1.1	1.1

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

Investor Update 2017

2016 – 2020 Value & Resilience

REPSOL