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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
**Key messages 9M 2017**

Company overview and strategy

---

**Continued delivery on strategic objectives**

- **Bn€**: ~6.5
  - 4.8
  - 1.1
  - ~1.1

  **Strong EBITDA CCS generation**

  **Net Debt/EBITDA in line with projections**

---

**Upstream**

- **Kboe/d**: ~680
  - 685-690
  - 688

  **Production volumes in line with guidance**

---

**Downstream**

- **USD/Bbl**: 6.4
  - 6.8

  **Refining margin indicator in line with expectations**

---

[1] Refining Margin Indicator

* [2] 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 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

- $/Bbl
- ~50
- ~42
- Target ~40

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

- €11.9 Bn
- €8.1 Bn
- €3.8 Bn

Key Metrics

<table>
<thead>
<tr>
<th>Indicator</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>
Challenge: a volatile, uncertain and complex environment

Strategic Plan 2016-2020

Portfolio Management
- Capex flexibility
- Portfolio rationalization

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

Efficiency
- Synergies and company-wide Efficiency Program

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
## 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><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; 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)

---

![Ahead of plan](checkmark.png) ![On target](checkmark.png)
## 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>
</tbody>
</table>

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

Company overview and strategy

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

**EBITDA CCS** (Billion €)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upstream</td>
<td>1.6</td>
<td>2.1</td>
</tr>
<tr>
<td>Downstream</td>
<td>3.8</td>
<td>3.2</td>
</tr>
<tr>
<td>Corporate &amp; Others</td>
<td>-0.3</td>
<td>-0.2</td>
</tr>
<tr>
<td>Repsol</td>
<td>5.1</td>
<td>5.0</td>
</tr>
</tbody>
</table>

(*) Includes Talisman Energy Inc. figures since 8\textsuperscript{th} 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>Year</th>
<th>Operating cash flow post tax</th>
<th>Financial expenses</th>
<th>Divestments</th>
<th>Investments</th>
<th>Cash for dividend and debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</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>Scenario</th>
<th>FCF Bn€</th>
<th>Adj. Net Income Bn€</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 margin</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.
3 core regions in the portfolio

Upstream

**North America: Growth**
- Production 2016: ~182 kboepd
- Operatorship: ~79%
- Unconventional portfolio
- Operatorship
- Valuable midstream positions

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

**Latin America: FCF**
- Production 2016: ~302 kboepd
- Operatorship: ~20%
- 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

<table>
<thead>
<tr>
<th>Year</th>
<th>Production (Kboepd)</th>
<th>1P Reserves (Mboe)</th>
<th>RRR (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>690</td>
<td>2,382</td>
<td>124(**)</td>
</tr>
<tr>
<td>2017E</td>
<td>685-690</td>
<td></td>
<td>~100[***]</td>
</tr>
</tbody>
</table>

---
**2016 Upstream Results**

**Upstream**

---

**RESERVES**

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

(*) Organic RRR

---

**PRODUCTION**

- **2015** — 559
- **2016** — 690
- **+23%**

---

**EBITDA**

- **2015**: 355
- **2016**: 2,072
- **+29%**

---

**PROJECTS**

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

- Unconventional North America
- Brazil: Campos-33, Sagitario
- Russia: Karabashy
- Colombia: CP09 & Niscota
- Alaska: Colville High
- 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

2016 Original Target 550 M€

- Savings already achieved in 2016 impacting in 2017 ~800 (°)
- New Savings to be achieved in 2017 ~350
- 2017 Savings Target [accelerated from 2018] ~1,200

Target (accelerated from 2018)

Savings already achieved in 2016 impacting in 2017

- Old Savings Target ~1,200
- New Savings Target ~400

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

- Industry peer group
- Repsol position

Source: Company filings.

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

EBITDA CCS(*)

Integrated Model

- Top quartile position among European peers.
- Fully-invested assets
Maximizing value and cash generation leveraged on fully invested assets

**European Integrated Margin of R&M**

<table>
<thead>
<tr>
<th>Year</th>
<th>Repsol position</th>
<th>Industry peer group maximum margin</th>
<th>Industry peer group minimum margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
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<td>2007</td>
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<tr>
<td>2015</td>
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<td></td>
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<tr>
<td>2016</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**Average investments**

- **Caragena and Petronor projects**

- **2005-2007**
- **2008-2011**
- **2012-2015**
- **2015**
- **2015-2020**

---

**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

Estimated Refining Margin Indicator 2017-2020

- Base Repsol Crack Index
- Additional margin from projects pre-SP
- Efficiency and margin improvement program
4 Gas Natural Fenosa
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/share¹

- 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
Financial Strategic Plan 2016-2020

Financing

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**

(* 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>
</tr>
<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>
</tbody>
</table>

| Committed Credit Lines | 2,327 | 396 | 2,723 |
| Used | (25) | (25) | |
| Available | 2,327 | 370 | 2,698 |

86% 14% 100%

4,830

2,698

7,728

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

Strong liquidity position represents 63% gross debt
## Delivery of Commitments

### Financing

<table>
<thead>
<tr>
<th>Divestments</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Piped Gas Business, Offshore Wind, TSP, Tangguh</td>
</tr>
<tr>
<td>• E&amp;P portfolio management: Alaska, Norway</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GNF monetization</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sale of 10% participation in GNF</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Repsol dividend reduction</td>
</tr>
<tr>
<td>• Scrip dividend</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Synergies and Efficiencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Efficiencies and synergies accelerated</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Debt reduction and maintenance of IG</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Net Debt/EBITDA of 1.1x</td>
</tr>
<tr>
<td>• Rated BBB stable by the three rating agencies</td>
</tr>
</tbody>
</table>

---

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

## 2017 Outlook

### Our assumptions

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

### Guidance

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

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