REPSOL

Luxembourg Stock Exchange
11 av de la Porte Neuve
L-2227 Luxembourg

Comission de Surveillance
du Secteur Financier (CSSF)
110 Route d'Arlon
L-2991 Luxembourg

December 20th, 2011

In accordance with Article 14 of Law of 9 May 2006, on market abuse, Repsol International Finance, B.V. (the "Company") is filing the attached an English translation of the official notice published today by Repsol YPF, S.A. (Guarantor of the Euro 10,000,000,000 Guaranteed Euro Medium Term Note Programme of Repsol International Finance, B.V.), related to the acquisition of 10% of its own shares and certain changes in the composition of its Board of Directors.

The Spanish version of the official notice has been also filed today with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

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Official Notice

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Madrid, December 20th 2011

Repsol has acquired today 10% of its share capital after the Board of Directors unanimously approved this acquisition on December 18th. With this transaction the Board ratifies its confidence in the intrinsic value of the company and its favourable growth outlook

The decision communicated by Sacyr's lending banks to not refinance the loan granted to Sacyr for the acquisition of a 20% stake in Repsol, or the decision to partly refinance that loan conditional upon the sale of a 10% stake in Repsol held by Sacyr, has led to the acquisition of that stake by Repsol. This decision enhances shareholding stability, allowing the management team to focus all its efforts on the execution of the company's strategic plan in the interest of all its shareholders.

The lack of agreement between the banks and Sacyr would have produced a scenario of prolonged uncertainty, resulting in a negative impact for Repsol's share price and could additionally harm the company's growth plans. In addition, the large number of banks involved and the disparity of their interests could have led to a massive and disorderly sale of Repsol's shares.

Repsol has carried out the acquisition at 21.066 euros per share, which represents a 5% discount to the closing price yesterday, December 19th, (22.175) and a 22% discount to the average target price of research analysts. Repsol's total investment is 2.572 billion euros.

As a consequence of this agreement, Sacyr will adjust its presence on Repsol's Board of Directors. Furthermore, Sacyr has notified the termination of its Shareholders Agreement with Pemex of August 29th, 2011.

Today Luis Fernando del Rivero has resigned from Repsol's Board of Directors.

Repsol's capital structure allows the company to perform this transaction without compromising its sustained growth, with a very favourable outlook after completion of the Cartagena and Petronor projects, the confirmation of unconventional resources in Argentina and expected growth of the upstream business.

The Board of Directors has agreed to examine the potential sale of these shares in an orderly fashion to institutional and/or strategic investors that will contribute to the long-term objectives of Repsol. Additionally, part of the shares could be used for future shareholders' remuneration.

Repsol begins a new phase with a more stable shareholding base which will allow management to focus its efforts on its organic growth project and value creation.

In summary, Repsol:

- Enhances its shareholding stability and preserves financial strength in the medium and long-term
- Buys the shares at an attractive price compared to the intrinsic value of the shares and the analysts' consensus.
- Manages the potential placement in the market in an orderly manner
- Focuses all its efforts in the development and execution of its strategy