The Hague, October 15, 2015

In accordance with Article 14 of Law of 9 May 2006, on market abuse, Repsol International Finance, B.V. (the “Company”) is filing the official notice and presentation published by Repsol, S.A., Guarantor of the Euro 10,000,000,000 Guaranteed Euro Medium Term Note Programme of the Company, related to its 2016-2020 Strategic Plan.

The official notice and presentation had been filed today by Repsol, S.A. with the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores).

*   *   *
Following the successful completion of the previous Strategic Plan

REPSOL UNVEILS ITS 2016-2020 STRATEGIC PLAN: VALUE AND RESILIENCE

- The 2016-2020 Strategic Plan guarantees Repsol’s strength and ability to create value even with low oil prices.

- The company's increased size and improved makeup, following the achievement of the 2012-2016 strategic plan’s goals and the transformative integration of Talisman, allow Repsol to extract value from that growth to increase efficiency and resilience and take advantage of the opportunities that arise from the energy environment.

- To meet its value-creation objective under any price scenario, the company will focus on efficiency and asset portfolio management.

- Repsol’s demonstrated ability to create value will allow the company to finance its own development, reduce debt, and maintain a competitive shareholder compensation. The dividend yield is among the highest on Spain’s Ibex-35 stock market index.

- After a period of growth culminating in the purchase of Talisman, the 2016-2020 Strategic Plan will implement a series of initiatives which aim to double EBITDA (at CCS) to 11.5 billion euros.

- The plan includes an ambitious efficiency program with specific actions and commitments (some of which are already implemented) with which it will obtain 2.1 billion euros a year of savings and synergies.
• With the integration of Talisman, Repsol has incorporated high quality assets that require less investments, maintaining a stable production and a reserve replacement ratio of about 100%.

• The flexibility, strength, and adaptability of its asset portfolio will allow Repsol to undertake divestments of 6.2 billion in non-strategic assets and cut spending by 38% without altering its company profile.

• The efficiency in the Downstream unit (Refining, LPG, Marketing, Chemicals, and Gas & Power), improved with investments in refineries in Cartagena and Bilbao, places Repsol at the head of European integrated companies in efficiency, value creation, and resilience.

• The plan includes a broader integration of refining and marketing activity, with divestments in non-strategic assets and a clear goal of reducing energy costs and CO₂ emissions.

• “We are presenting a Plan with a clear vision, and measurable commitments. This plan not only shows our solidity and resilience, but also how far we can go in terms of creating value and strength for our company,” said Repsol CEO Josu Jon Imaz.

Repsol today presented its 2016-2020 Strategic Plan, with which the company enters a new phase in which it will extract value from the growth achieved after achieving the targets set in its previous Strategic Plan.

The company has achieved a new scale and makeup after the transformative growth resulting from acquisition of Talisman that has greatly increased the flexibility to take decisions, with a high-quality asset portfolio focused on more stable OECD countries.

To meet the value-creation objectives from the 2016-2020 Strategic Plan under any circumstances and to increase its resilience, the company will focus on efficiency and asset portfolio management.

The Plan is based on Repsol’s demonstrated ability to create value from management efficiency, even with low oil prices. This will allow the company to be self-financed, maintain its competitive shareholder compensation, and reduce its debt.

The Talisman acquisition, which was completed in May, concluded the execution of the previous Strategic Plan and afforded Repsol a scale that is ideal to take on this new chapter.
Value and Resilience, the basic lines that define the Strategic Plan, are supported by asset portfolio management and the maximization of efficiency.

This will allow Repsol to double its EBITDA at CCS to 11.5 billion euros in 2020.

The flexibility, strength, and adaptability of its asset portfolio will allow Repsol to undertake divestments of 6.2 billion in non-strategic assets and cut spending by 38% without altering its company profile.

Along with lower investment, asset portfolio management will allow for divestments of 6.2 billion euros between 2016 and 2020, half of which will be executed in the next two years.

Furthermore, five months after the Talisman integration, new synergies have been identified that allow Repsol to raise its savings target resulting from the integration to 350 million dollars from the 220 million dollars initially expected.

These synergies supplement the efficiency program included in the Strategic Plan. This program will be applied to the entire company and will lead to cost savings, including synergies, of 2.1 billion euros per year from 2018.
Commitment to dividends and rating

One of the core aspects of the 2016-2020 Strategic Plan is a commitment to the shareholder compensation policy, one of the best dividend yields on Spain’s Ibex-35 index. Repsol allocates one euro per share and distributes this as scrip dividends.

Dividend payment will be possible throughout the entire period contemplated in the strategic plan, even with crude prices remaining at 50 dollars per barrel for the duration. At that Brent price, Repsol will be able to generate cash flow to finance its investment needs, maintain dividends, and pay off debt. Furthermore, it will be able to maintain its investment grade rating.

Optimal Upstream size

Following the Talisman acquisition, Repsol’s Exploration and Production unit will focus on three strategic regions: North America, Latin America, and South-East Asia, with high potential for organic development.

From this starting point, the Strategic Plan sets out a process of optimization and asset portfolio management that will reflect lower exploration expenses, a reduction of 40% in investment levels, and production of between 700,000 and 750,000 barrels of oil equivalent per day, guaranteed by current reserves.

All of this will allow this business area to reduce the free cashflow breakeven price. This will generate positive cash flow along with an increase in ROACE.
Downstream strength

Greater efficiency in the Upstream area will be complemented by the demonstrated strengths of the Downstream area which have reaffirmed Repsol’s advantages as an integrated company.

The investments made in the Cartagena and Bilbao refineries and the corresponding improvement in integrated refining margins have placed Repsol at the head of European integrated companies in efficiency, guaranteed value creation, and resilience in the face of depressed oil prices.

The Strategic Plan includes a broader integration of refining and marketing activities, with divestments in non-strategic assets for the Downstream unit and a clear goal of reducing energy costs and CO₂ emissions. This allows the company to set the Downstream unit’s target for free cash flow generation for the next five years at an average of 1.7 billion euros per year.
This document does not constitute an offer or invitation to purchase or subscribe shares, pursuant to the provisions of the Spanish Securities market Law (Law 24/1988 of the 28th of July, as amended and restated) and its implementing regulations. In addition, this document does not constitute an offer to purchase, sell, or exchange, neither a request for an offer of purchase, sale or exchange of securities in any other jurisdiction.

This document mentions resources which do not constitute proved reserves and will be recognized as such when they comply with the formal conditions required by the U.S. Securities and Exchange Commission (SEC).

This document contains statements that Repsol believes constitute forward-looking statements which may include statements regarding the intent, belief, or current expectations of Repsol and its management, including statements with respect to trends affecting Repsol’s financial condition, financial ratios, results of operations, business, strategy, geographic concentration, production volume and reserves, capital expenditures, costs savings, investments and dividend payout policies. These forward-looking statements may also include assumptions regarding future economic and other conditions, such as future crude oil and other prices, refining and marketing margins and exchange rates and are generally identified by the words “expects”, “anticipates”, “forecasts”, “believes”, “estimates”, “notices” and similar expressions. These statements are not guarantees of future performance, prices, margins, exchange rates or other events and are subject to material risks, uncertainties, changes and other factors which may be beyond Repsol’s control or may be difficult to predict. Within those risks are those factors described in the filings made by Repsol and its affiliates with the Comisión Nacional del Mercado de Valores in Spain and with any other supervisory authority of those markets where the securities issued by Repsol and/or its affiliates are listed.

Repsol does not undertake to publicly update or revise these forward-looking statements even if experience or future changes make it clear that the projected performance, conditions or events expressed or implied therein will not be realized.

The information contained in the document has not been verified or revised by the External Auditors of Repsol.
2016-2020
VALUE & RESILIENCE

October 15th, 2015
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Strategic Plan 2016-2020: Agenda

- 2012-2016 Strategic Plan delivery
- Key strategic lines 2016-2020: Value & Resilience
- Financial outlook
- Summary
Strategic Plan 2016-2020: Agenda

- 2012-2016 Strategic Plan delivery
- Key strategic lines 2016-2020: Value & Resilience
- Financial outlook
- Summary
2012-2015 Milestones

2012-2016 Strategic Plan: Growth and Delivery

2012
- YPF expropriation
- Cartagena & Petronor refineries upgrade
- Discoveries: Pão de Açucar and Sagari
- Start-ups: Margarita & Mid Continent

2013
- LNG business divestment
- Start-ups: Carabobo and Sapinhoa
- Discoveries: Brazil, Alaska and Russia

2014
- YPF settlement and full monetization
- New CEO appointment
- Discoveries: T&T and Gulf of Mexico
- Start-up: Kinteroni
- Extraordinary dividend

2015
- Talisman Acquisition
- Hybrid bonds issuance
- Start-up: Perla
2012-2016 Strategic Plan targets achieved

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### High growth in Upstream

- **Upstream as growth engine**
  - CAGR > 7%
  - Prod 2016 ~500 kboepd
  - >25%/y (1)
  - ~650 kboepd

- **Reserves Replacement**
  - RRR > 120%
  - 190% (2011-2014)

### Maximize Downstream profitability

- **Maximize profitability and cash**
  - €1.2 B/y
  - €1.3 B/y (2)

- **Fully-invested assets**
  - €0.7 B/y
  - €0.7 B/y (2)

### Competitive shareholder compensation

- **Competitive pay-out ratio**
  - Stable dividend of €1/share
  - ~€1/share per year (3)

- **Dividend ~ €1/share**
  - Extraordinary dividend in 2014

### Financial strength

- **Self-financed plan**
  - Self-financed

- **Commitment to maintain investment grade**
  - Maintain investment grade
  - Leverage increase (Talisman acquisition)
  - Achieved

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1. 25% CAGR estimated with 2015 production of 650 kboed (average daily production with Talisman integrated all year). Organic growth with a CAGR of ~7% excluding Libya’s impact (3% with it).
2. Downstream figures do not include any LNG business figures.
3. Dividend paid of €1/share every year with scrip dividend option. Extraordinary dividend of €1/share paid in 2014 after YPF agreement compensation.
Repsol today
An integrated company operating across the entire value chain

~2.2 billion boe proved reserves
Integrated business model
Delivery on commitments

~650 kboepd production

~1 million bpd refining capacity
Core businesses: Upstream and Downstream

// Talisman acquisition //
May 2015: closing

Diversified and global portfolio
World-class explorer
Capable and talented workforce

• Transformative deal with a long-term view
• Competitive multiples: EV/2P reserves ~$10/bbl
• E&P portfolio and competitiveness upgrade
• Global scale and diversification
• Generates new opportunities
• Enhanced value-creation capabilities

Non-operated shareholding: GNF
Tier 1 Downstream
Strategic Plan 2016-2020: Agenda

2012-2016 Strategic Plan delivery

Key strategic lines 2016-2020: Value & Resilience

Financial outlook

Summary
Key strategic lines 2016-2020: Value & Resilience

**VALUE**
- Shift from growth to value delivery, prepared for the next growth wave
- Commitment to maintain shareholder compensation in line with current company level

**RESILIENCE**
- Top tier resilience among integrated companies
- Self-financing strategy even in a stress scenario
- FCF breakeven after dividends at $50/bbl Brent

**PORTFOLIO MANAGEMENT**
- Capex flexibility (~40% Capex reduction vs. 2014)
  - Creating value through portfolio management
    (€6.2 B divestments)

**EFFICIENCY**
- Synergies and company-wide Efficiency Program with strict accountability:
  - €2.1 B/y savings
    (€1.5 B Opex + €0.6 B Capex)

Creating value even in a stress scenario through efficiency and portfolio management
Scenario assumptions

Stress scenario 2016-2020

- **Brent price**: $50/bbl flat
- **Henry Hub price**: $3.5/Mbtu flat
- **Repsol refining margin indicator**: $6.4/bbl flat

Base scenario 2016-2020

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brent price ($/bbl)</td>
<td>65.0</td>
<td>75.0</td>
<td>85.0</td>
<td>90.0</td>
<td>91.8</td>
</tr>
<tr>
<td>Henry Hub price ($/Mbtu)</td>
<td>3.5</td>
<td>4.0</td>
<td>4.6</td>
<td>4.7</td>
<td>4.8</td>
</tr>
<tr>
<td>Repsol refining margin indicator ($/bbl)</td>
<td>$6.4</td>
<td>$6.4</td>
<td>$6.4</td>
<td>$6.4</td>
<td>$6.4</td>
</tr>
</tbody>
</table>

Key strategic lines 2016-2020: Value & Resilience
Key strategic lines 2016-2020: Value & Resilience

Shift from growth to value

// Upstream production evolution //

- Achieved critical mass in E&P business
- Extensive portfolio of assets and development projects
- Optionality to improve portfolio value by divestments

Achieving optimal size and portfolio mix
Capex reduction as a key lever

- Upstream assets in an advanced stage of investment
- Limited presence in capital-intensive new developments
- High share of unconventionals (price responsive Capex)
- Investment portfolio prioritization after Talisman integration
- Exploration with limited commitments
  - Expense \(^{(3)}\) reduced from \(~$2.1\) B/y (2011-2014) to \(~$0.9\) B/y (2016-2020)
- Low Downstream capital requirements

1. All figures in dollars using an exchange rate of \$/€ 1.1 for the whole period. Capex does not include G&G and G&A from exploration, includes efficiency program.
2. Repsol and Talisman were two separate companies in 2014. In 2015 there are effects of the combined company. Figures include proportional share of JVs.
3. Exploration expense includes G&G and G&A.
Enlarged portfolio allows divestments

Asset divestment plan of €3.1 B in 2016-2017 and €3.1 B in 2018-2020

CREATE VALUE AND STRENGTHENING BALANCE SHEET

- €1 B in divestments commitment, after Talisman acquisition, fully achieved (1)
- Finding natural owners of assets willing to pay full value
  - 2015 CLH and piped LPG divestments
- Sales focus on assets not linked to oil prices, subscale and high-cost/ high-breakeven positions to improve portfolio value
  - With time flexibility to sell at right price

Key strategic lines 2016-2020: Value & Resilience

2. Sale of piped LPG to generate €0.7 B (€0.1 B in 2015 and €0.6 B to be accounted for 2016.)
Synergies and Efficiency Program to reach €2.1 B/y in 2018
Strict accountability on Efficiency Program delivery for the management team

- **Synergies**
  - Savings from combining the organizations
  - Benefits from enhanced portfolio
  - Other savings
  - €0.3 B

- **Upstream**
  - Capture of cost deflation
  - Efficiency improvement
  - Cultural change
  - €0.5 B

- **Downstream**
  - Integration value maximization
  - Operational optimization
  - Reliability of industrial facilities
  - €0.5 B

- **Corporation right-sizing**
  - Optimization of key support functions
  - Simplification: focus on value creation
  - €0.2 B

**Total**
- **€1.5 B**
- **€0.6 B**

**50% of Opex savings already under implementation**
Reduction of 1,500 Group employees already announced
Synergies from Talisman integration are already being delivered

- Workforce and contractors reduction from overlaps
- Removal of duplications in general services, helpdesk support, communications, office events, etc.
- Removal of duplicate boards/committees and external services
- Cost of debt savings from joint financial optimization
- Improved liquids commercialization from Talisman production using Repsol trading capabilities

>30% of synergies already implemented

New synergies target of $350 M/y by 2018
(Raised from $220 M/y at the time of the acquisition announcement)
1. Scenario used to estimate breakevens of HH $3.5/Mbtu and Repsol refining margin indicator of $6.4/bbl, both flat from 2016 to 2020. Breakeven does not include any proceeds from divestments, with the exception of the piped LPG sale already accomplished (piped LPG sale of €0.7 B in September 2015, with €0.6 B to be accounted for in 2016).

Repsol’s strong Downstream significantly contributes to lowering breakeven
Exploration provides high flexibility to reduce breakeven

3. Integrated companies: OMV, ENI.
4. Pure E&P: Chesapeake, Anadarko, Apache, Devon, Oxy, EOG and CNRL.
2. Base case scenario starting at Brent = $65/bbl and HH = $3.5/Mbtu in 2016, increasing to $75/bbl and $4.0/Mbtu in 2017, $85/bbl and $4.6/Mbtu in 2018, $90/bbl and $4.7/Mbtu in 2019 and $91.8/bbl and $4.8/Mbtu in 2020, with a constant refining margin of $6.4/bbl.
3. From the ~€23 B investments, ~€19 B are from Upstream and ~€4 B from Downstream.
4. FCF sensitivities (5 years accumulated): Brent +$5/bbl = €1.5 B; HH +$0.5/Mbtu = €0.7 B; Repsol refining margin indicator +$1/bbl = €1.1 B.
Upstream

Downstream

Corporation
Key strategic lines 2016-2020: Value & Resilience

Upstream strategy 2016-2020

// Starting point //</br>(Repsol + Talisman)

• Broad geographic footprint with some subscale positions
• Long pipeline of organic growth opportunities
• Unconventionals portfolio

// Strategic positioning //</br>

Efficiency Program
• Opex
• Capex

Portfolio management
• Exploration optimization
• Investment rationalization
• Divestments

• Lower Capex intensity and improved value
• More resilient with FCF Upstream breakeven down to ~$75/bbl in 2016-2017 and ~$60/bbl in 2018-2020
• Geographically and play-type focused (3 regions, 3 play types)
• Production scaled at 700-750 kboepd sustained by the right reserve base
3 core regions in the portfolio

North America: Growth
- Production 2016: ~180 kboepd
- Operatorship: ~79%
- Gas production (2016): 71%
  - Unconventional portfolio
  - Operatorship
  - Valuable midstream positions

Latin America: FCF
- Production 2016: ~360 kboepd
- Operatorship: ~20%
- Gas production (2016): 70%
  - Regional scale
  - Exploration track record
  - Cultural fit

SouthEast Asia: FCF & Growth
- Production 2016: ~85 kboepd
- Operatorship: ~37%
- Gas production (2016): 77%
  - Self-financed growth
  - Relationship with governments/NOCs
  - High potential exploration blocks

Key strategic lines 2016-2020: Value & Resilience
An extensive pipeline of organic opportunities

// Exploration //

Contingent resources
- Brazil: Campos-33, Albacora Leste, Sagitario
- Russia: Karabashky
- Colombia: CPO9 & Niscota
- Alaska: Colville High
- GOM: Buckskin & Leon
- Indonesia: Sakakemang
- Vietnam: Red Emperor extension
- Kurdistan
- Unconventional North America
- PNG: PDL10

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: gas aggregated project
- Bulgaria

“As is” organic portfolio potential of more than 900 kboepd
Portfolio management: Production

// 2020 Production ~700-750 kboepd //

// Focus: 3 regions, 3 play types //

Production 2016-2020

- Offshore shallow: 33%
- Onshore core plays: 35%
- Unconventional: 23%
- Non-operated Offshore deep: 9%

~90% of production from core areas (2016-2020)

North America
Latin America
SouthEast Asia

A larger and more focused E&P portfolio
Key strategic lines 2016-2020: Value & Resilience

Portfolio management: Capex

// Capex reduction 2016-2020 //
(Average annual Capex) (1)

// Capex prioritization driven by value and strategic fit //

- Development Capex reduction based on value optimization:
  - Fulfill contractual minimum commitments
  - Slowdown of projects with lower value
  - Modulate unconventional Capex to oil price

- Exploration Capex reduction while ensuring sustained resource additions
  - Focus on core regions/plays
  - Reduce highest-cost development exposure

- Divestment of non-core assets

Reduction in Capex while preserving value

1. Not including G&G and G&A from exploration and including efficiencies.
2. Figures include proportional share of JVs.
Key strategic lines 2016-2020: Value & Resilience

Portfolio management: Exploration

// Lower exploration intensity, more focused, lower risk //
(Exploration expense)\(^{(1)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Exploration intensity ($/boe)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Av. 2011-2014</td>
<td>8.8</td>
</tr>
<tr>
<td>2016</td>
<td>3.9</td>
</tr>
<tr>
<td>2017-2020</td>
<td>3.2</td>
</tr>
</tbody>
</table>

Lower exploration intensity needed for reserve replacement

1. Exploration expense include G&G/G&A. 2. Reserves replacement ratio.

// Unconventionals will complement exploration for reserve replacement //

RRR \(^{(2)}\) \(\sim 100\%\)
More than 80% of 2020 production coming from today’s reserves

// Production evolution //

Production guaranteed with current reserves and resources
E&P Cost Efficiency Program
Focused on structural efficiency gains and industry deflation capture

// Levers //

**Business units**
(Opex & Operational Capex)

- Technical standardization
- Operational uptime increase
- Procurement & logistics optimization
- Organizational right-sizing

**Large capital projects**

- Post -FID projects: Efficiency gains, scope challenge
- Pre-FID projects: Lean and cost-efficient engineering and supply chain design, collaborative approach with contractors, integrated project execution, …

**Exploration & drilling**

- Simplification of geological targets, coring, testing
- Well design standardization
- Planning and execution efficiencies
- Procurement & logistics optimization
- Organizational right-sizing

**Support functions**

- Ongoing analysis of added value for every task
- Organization right-sizing
- Optimize support functions

~$1.2 B/y savings by 2018

~$0.6 B/y Capex

~$0.6 B/y Opex
Key strategic lines 2016-2020: Value & Resilience

E&P Cost Efficiency Program
Selected examples of Upstream saving initiatives

<table>
<thead>
<tr>
<th>// Initiative //</th>
<th>// Description //</th>
<th>// Status //</th>
<th>// Yearly impact //</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marcellus (US) well cost optimization</td>
<td>Cost reduction program in well drilling and completion by contract renegotiations</td>
<td>✓ Under implementation</td>
<td>~$66 M Opex</td>
</tr>
<tr>
<td>Brazil efficiency program</td>
<td>Program to reduce lifting and structural costs</td>
<td>✓ Under implementation</td>
<td>~$49 M Capex</td>
</tr>
<tr>
<td>Staff right-sizing</td>
<td>First wave of global headcount and cost reduction</td>
<td>✓ Under implementation</td>
<td>~$44 M Opex</td>
</tr>
<tr>
<td>UK helicopters optimization</td>
<td>Optimization of helicopter use and contracts renegotiation</td>
<td>✓ Under implementation</td>
<td>~$22 M Opex</td>
</tr>
<tr>
<td>UK maintenance contract</td>
<td>Optimizing offshore maintenance contracts and renegotiation with suppliers</td>
<td>✓ Under implementation</td>
<td>~$7 M Opex</td>
</tr>
<tr>
<td>Transport optimization in Trinidad &amp; Tobago</td>
<td>Transfer of logistics base closer to offshore platforms</td>
<td>✓ Under implementation</td>
<td>~$3 M Opex</td>
</tr>
<tr>
<td>Akacias (Colombia) well cost optimization</td>
<td>Cost reduction program in development wells drilling in Akacias, Colombia</td>
<td>To be launched</td>
<td>~$33 M Capex</td>
</tr>
</tbody>
</table>
Key strategic lines 2016-2020: Value & Resilience

**E&P Cost Efficiency Program**

UK transformation plan already delivering results

Program implemented from 2014 delivering in 2015:

- After more than 10 years of decline, production to increase 15% in 2015
- Reduction of 25% Capex & Opex vs. 2014
- 35% year-on-year reduction in unitary lifting costs
- Key MonArb development project realigned to deliver additional production by mid-2017

Repsol drives a step-change involvement in the JV and a new business plan:

- **Operational efficiency improvement**
- **Improve recovery factor with new developments**
- **Optimize decommissioning**
- **Fiscal optimization**

// Complex network of operated production facilities //

- Operation assets
- Late life assets (LLA)
- TSEUK approximate ownership (%)
Key strategic lines 2016-2020:
Value & Resilience

Upstream metrics improvement in 2016-2020
Commitments

// Capex (1) //

Capex

$B

2014  2016-2020

6.7  4.1

~ 40%

// Upstream FCF breakeven //

Resilience

$/bbl

2016-2017  2018-2020

~75  ~60

// Opex & Capex savings //

Efficiency

$B

2018

1.2

0.6 0.6

// ROACE (2) increase //

Value

2020

~5 p.p.

2.7 2.3

Portfolio management  Efficiency

1. Capex not including G&G and G&A cost from exploration.
2. ROACE increase figures estimated with the stress scenario.
Key strategic lines 2016-2020: Value & Resilience

Downstream to provide sustainable value

Maximize performance
- Taking advantage of the integration between refining and marketing businesses with focus on reliability

Capital discipline
- Discipline in capital allocation
- Divestments of non-core assets for value creation

Margin improvement & Efficiency Program
- Optimizing integrated margin across businesses
- Strong focus on reducing energy cost and CO₂ emissions

Objective to generate FCF ~ €1.7 B/y (average 2016-2020)
2016-2020 Downstream strategy: Maximizing value and cash generation leveraged on fully invested assets

// Sustainable value from quality assets //
Repsol in leading position among European peers

European Integrated Margin of R&M

$/bbl


// Investment discipline //

Average investments

Downstream resilience reinforced by commercial business integration with 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 9-member peer group. Based on annual reports and Repsol’s estimates. Source: Company filings.
Repsol’s refining margin indicator evolution
Margins back to a mid cycle scenario

1. Excluding margin from Cartagena and Petronor projects and efficiency improvement programs.
2. Start-up of Cartagena and Petronor projects in late 2011.
Lower Opex

- Lower oil and gas prices

Growing refined products demand

- Average demand growth of 1.2% for 2016-2020 on top of strong 2015 demand
- Spain fuels demand growth at 4% in 2015

European refineries at high utilization of effective capacity

- Lower EU effective capacity due to low maintenance activity in recent years
- Low Brent-WTI and NBP-HH gaps and low $/€ exchange rate

Restarts unlikely in EU

- Restarts unlikely due to required investment in working capital and fixed costs with long-term uncertainties remaining for less competitive refineries in EU

Refining project delays and cancellations

- Capacity-addition delays and cancellations due to stressed cash position of integrated companies and NOCs

Demand vs. effective capacity tighter than previous years

- Capacity additions offset by growing demand

Light-Heavy differentials

- Marpol (1) increases diesel demand, while lowering fuel oil demand and price
- Large increase in production of heavy crudes

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1 Marpol: International convention for the prevention of pollution from ships.
Refining
- Energy cost reduction
- Improved planning to increase crude supply flexibility
- Operations optimization including fixed-cost reductions
- Increased asphalt production in Peru

Integrated margin
- Optimization of integrated margin across the value chain with: optimization of crackers supply, processing challenging crude...

Commercial businesses
- Network structure optimization
- Logistics and planning improvements

Chemicals
- Operational improvement focused on raw material flexibility and facilities reliability
- Optimization of pricing strategy

Downstream efficiency and margin improvement program

<table>
<thead>
<tr>
<th>Projects</th>
<th>Levers</th>
<th>EBIT increase by 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refining</td>
<td>• Energy cost reduction, • Improved planning to increase crude supply flexibility, • Operations optimization including fixed-cost reductions, • Increased asphalt production in Peru</td>
<td>~€250 M/y</td>
</tr>
<tr>
<td>Integrated margin</td>
<td>• Optimization of integrated margin across the value chain with: optimization of crackers supply, processing challenging crude...</td>
<td>~€100 M/y</td>
</tr>
<tr>
<td>Commercial businesses</td>
<td>• Network structure optimization, • Logistics and planning improvements</td>
<td>~€100 M/y</td>
</tr>
<tr>
<td>Chemicals</td>
<td>• Operational improvement focused on raw material flexibility and facilities reliability, • Optimization of pricing strategy</td>
<td>~€50 M/y</td>
</tr>
</tbody>
</table>

Total target of ~€0.5 B/y

~€500 M/y from Downstream efficiency improvement
<table>
<thead>
<tr>
<th>Initiative</th>
<th>Description</th>
<th>Status</th>
<th>Impact on EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petronor steam reduction</td>
<td>Minimize use of turbines, repair leaks, maximize condensate return, optimize steam ratios and pressures</td>
<td>Under implementation</td>
<td>€41 M/y</td>
</tr>
<tr>
<td>Cartagena hot standby boilers</td>
<td>Technical upgrades allowing reduced consumption and improved safety of supply</td>
<td>Under implementation</td>
<td>€9 M/y</td>
</tr>
<tr>
<td>Processing more challenging crudes</td>
<td>Margin integration along the supply chain to maximize CPC blend crude oil processing (CPC contaminates LPG to be cracked by chemicals)</td>
<td>Under implementation</td>
<td>€8 M/y</td>
</tr>
<tr>
<td>Commercial plan for coke</td>
<td>Optimize coke trading and commercialization</td>
<td>Under implementation</td>
<td>€4 M/y</td>
</tr>
<tr>
<td>Logistics optimization</td>
<td>Optimization of the benzene logistics, from road to railway, with further reduction of emissions of CO₂ by more than 800 t/y</td>
<td>Under implementation</td>
<td>€2 M/y</td>
</tr>
<tr>
<td>Crackers: Flexibility of raw material</td>
<td>Introduce flexibility of raw material fed to crackers, swapping Naphtha for LPG</td>
<td>To be launched</td>
<td>€25 M/y</td>
</tr>
</tbody>
</table>

1. Negative impact for Chemicals and LPG BU but positive for Refining and Trading, with overall positive impact.
Key strategic lines 2016-2020: Value & Resilience

**Downstream metrics improvement in 2016-2020 Commitments**

**// Improvement in EBIT //**

- **Efficiency Program**: ~0.5 €B

**// FCF //**

- **Performance improvement**: 1.3 €B/y to 1.7 €B/y

**// D&A //**

- **Run-rate Capex**: 0.8 €B/y

**// Capex //**

- **Capex**: = 0.8 €B/y

- **Value**: >15%

**ROACE**: 2016-2020
Talisman adding ~ €0.4 B/year corporate cost that will be offset by synergies and efficiency programs

Synergies from integration + Corporate Efficiency Program

Reduction of corporate cost in 3 years equivalent to entire Talisman corporation

1. Included in the $350 M/y synergies total target.
Safety and Sustainability, a priority for the company

// Carbon strategy – Facing the issues //

Carbon pricing
- Cost of CO₂ applied to all investment decisions

Energy efficiency
- Efficiency programs ongoing to reduce energy consumption by 12% \(^\text{(1)}\)

CO₂ reduction
- Objective: 35% \(^\text{(2)}\) reduction in 2020
- 22% achieved by the end of 2014

// Safety, a non-negotiable value in Repsol //

Lost Time Injuries Frequency

- Goal to achieve zero accidents by 2020
- Strong commitment to total safety embedded in the cost efficiency program

2. 2020 objective referenced to 2010 CO₂ levels.
Key strategic lines 2016-2020: Value & Resilience

**Gas Natural Fenosa strategic stake**
Strong profitability with long term strategic vision

- 30% of valuable stake in a leading gas & power company
- Stable dividend with growth potential
- Strong profitability performance (well above WACC and not linked to oil price)
- Group’s renewables platform
- Provides strategic optionality for a stronger role of gas in energy mix
- Liquid investment that provides financial optionality
Strategic Plan 2016-2020: Agenda

- 2012-2016 Strategic Plan delivery
- Key strategic lines 2016-2020: Value & Resilience
- Financial outlook
- Summary
Financial outlook

Financial Strategic Plan 2016-2020

- Sound track record in managing adverse conditions
- Resilient Plan with stronger business profile
- Conservative financial policy

Commitment to reduce debt

Commitment to maintain investment grade rating

Commitment to maintain shareholder compensation in line with current company level
Capital structure actions driven by conservative financial policy and investment-grade rating commitment

<table>
<thead>
<tr>
<th>Financial outlook</th>
<th>2016-2017</th>
<th>2018-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 years accumulated</td>
<td>3 years accumulated</td>
<td></td>
</tr>
<tr>
<td>Hybrid issuance (1)</td>
<td>€3.0 B</td>
<td>€2.2 B</td>
</tr>
<tr>
<td>Scrip dividend (2)</td>
<td>€1.4 B</td>
<td>€1.0 B</td>
</tr>
<tr>
<td>Synergies</td>
<td>€0.3 B</td>
<td>€1.0 B</td>
</tr>
<tr>
<td>Divestments</td>
<td>€3.1 B</td>
<td>€3.1 B</td>
</tr>
<tr>
<td>Efficiency plans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opex</td>
<td>€1.2 B</td>
<td>€4.0 B</td>
</tr>
<tr>
<td>Capex</td>
<td>€0.9 B</td>
<td>€1.4 B</td>
</tr>
</tbody>
</table>

Focus on early delivery in first two years (2016-2017)

1. Hybrid non-dilutive to shareholders. (50% equity content as considered by the rating agencies.)
2. Assumption for the Strategic Plan of 50% acceptance (historic level of acceptance >60%).
Strategic Plan 2016-2020: Agenda

2012-2016 Strategic Plan delivery

Key strategic lines 2016-2020: Value & Resilience

Financial outlook

Summary
Strategy 2016-2020: Value and Resilience

Synergies and efficiency
- €2.1 B/y
  - Pre-tax cash savings by 2018 (Opex & Capex)
  - Up to 40%
  - Capex flexibility
    - 2016-2020 Capex reduction in Upstream vs. 2014
  - €1.5 B Opex
  - €0.6 B Capex

Active portfolio management
- 700-750 kboed
- €6.2 B divestments
  - E&P and Downstream assets

Breakeven
- ~$50/bbl
  - Group FCF breakeven (post dividend) 2016-2020
- ~$60/bbl
  - E&P FCF breakeven 2018+

// EBITDA(1) //</div> 

Base scenario:
- 2015E: 5.4
- 2020: 11.5
- x2

Stress scenario:
- 2015E: 5.4
- 2020: 7.9
- x1.5

// Cash for Dividends & Debt (2016-2020) //</div> 

Base scenario:
- ~€20 B

Stress scenario:
- ~€10 B

1. EBITDA at CCS (Current Cost of Supplies.)
Summary

Repsol 2020

- Fully-integrated business model
- World-class explorer
- Optimized Upstream portfolio focused on core areas and play types
- Technical capabilities (unconventionals, operatorship...)
- Tier 1 Downstream
- Technology and know-how
- Safety & sustainability
- Highly-committed and talented workforce
- Track record of dealing with complex environments
- Highly efficient and resilient company
- Increasing earnings
- Sound financial position

...and as always...delivering on our commitments

Repsol 2020: Leaner and more competitive
2016-2020 VALUE & RESILIENCE