The Hague, April 01, 2014

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 English translations of the official notices published by Repsol, S.A., Guarantor of the Euro 10,000,000,000 Guaranteed Euro Medium Term Note Programme of the Company, related to the Annual General Meeting of Shareholders of Repsol, S.A. held on March 28, 2014.

The Spanish versions of the official notices were filed by Repsol, S.A. with the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores) on 28 March 2014.
Scenario
Increasing the value of Repsol’s Oil Realisation Price

**Repsol Oil Realisation Price vs. Brent**

- **Brent**
  - Average = 111.3
  - Average = 111.7
  - Average = 108.7

- **Repsol Oil Realisation Price**
  - Average = 84.2
  - Average = 89.0
  - Average = 88.7

**Scenario**

- **27 USD/bbl**
- **20 USD/bbl**
Increasing the value of Repsol’s Gas Realisation Price

Repsol Gas Realisation Price vs. Henry Hub

Average = 4.0
Average = 3.7
Average = 2.8
Average = 3.7
Average = 4.0

-0.5 USD/Mbtu

+0.3 USD/Mbtu
Exchange rate and refining margin

**Scenario**

### Dollar/Euro Exchange rate

- **2011**: Average = 1.39
- **2012**: Average = 1.33
- **2013**: Average = 1.28

*Average = 1.33*

### Repsol Refining Margin Indicator

- **2011**: Average = 1.2
- **2012**: Average = 1.4
- **2013**: Average = 1.5

*Average = 1.39*

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**Average = 1.6**

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**Average = 5.3**

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**Average = 3.3**

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**Exchange rate and refining margin**
2013 Milestones
Commitments 2013 Milestones

Strategic Priorities

- Profitable growth in Upstream
- Maximise return on capital in Downstream
- Financial Strength
- Competitive Shareholders’ Remuneration

Strategic Priorities
Upstream: Profitable growth engine

2013 Milestones

Production growth over 7%

- Average production growth over 7%
- 4% increase in 2013
  - Key projects onstream
  - 8% with Libya at normal levels

<table>
<thead>
<tr>
<th>Year</th>
<th>Production (kboed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>299</td>
</tr>
<tr>
<td>2012</td>
<td>332</td>
</tr>
<tr>
<td>2013</td>
<td>346</td>
</tr>
</tbody>
</table>

CAGR +7%
Historical record in reserve replacement

**Upstream: Profitable growth engine**

**2013 Milestones**

### Reserves Replacement Ratio

- **275%**: Historical record
- **4 years in-a-row above 120%**
- Proven reserves over **1,500 Mboe**
- Addition of more than **300 Mboe** to contingent resource base
Brazil – Sapinhoá (Guará): currently onstream
- Production reached 30 kboed
- In 2014 will reach 120 and in 2017 300 kboed

Brazil – Carioca: onstream in 2016
- Declaration of commerciality obtained
- Will reach 76 kboed in 2020

USA – Midcontinent: currently onstream
- Average production of 60 kboed in 2013
- Will reach 200-250 kboed in 2016

Algeria – Reggane
- Development phase. Will produce 7.6 Mm³/day in 2017

Spain – Lubina and Montanazo:
- Average production in 2013 of 5.9 kboed
Russia – AROG – Syskonsyninskoje (SK): currently onstream
- Gas Production onstream since February. Current production of 1,7 Mm³/day
- Production of 2,2 Mm³/day in 2014

Bolivia - Margarita / Huacaya:
- Phase II of Margarita completed. Production rises to 15 Mm³/day

Peru – Kinteroni:
- Project completed, in production commissioning phase
- Production of 20 kboed in 2014 and of 38 kboed in 2016

Venezuela – Carabobo:
- Development phase. Early production since the end of 2012
  - 11 kboed in December 2014 and 400 kboed in 2021

Venezuela – Cardón IV:
- Will start production at the end of 2014
- Will reach 12.7 Mm³/day in 2015 and 22.7 Mm³/day in 2017
**Upstream: Profitable growth engine**

**2013 Milestones**

**Exploration: 9 discoveries in 2013**

- **Exploratory success ratio** above sector average. 9 positive wells out of 25(*):
  - **Algeria**: gas in SE Illizi
  - **Alaska**: 3 discoveries in the North Slope
  - **Brazil**: discovery in BM-S-50
  - **Russia**: two discoveries in Karabashsky
  - **Colombia**: Cosecha block
  - **Libya**: NC115

- **Investment efforts** in exploration: **1,070 million USD**

- **Acquisition of exploratory acreage**
  - 65 blocks, mainly in USA and Norway
  - Total area of **64,183 km²**

(*) One of the wells in testing

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**Discoveries**

- **Qugruk 1, 3 and 6**
- **TDE 1**
- **Waha**
- **Gabi 1 y 3**
- **REX 1**
- **Sagitario**

**Upstream Milestones 2013**

- **Discoveries**
  - **Brazil**: discovery in BM-S-50
  - **Libya**: NC115
  - **USA**: 3 discoveries in the North Slope
  - **Russia**: two discoveries in Karabashsky
  - **Colombia**: Cosecha block

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**Total area of** **64,183 km²**

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Strategic Plan 2012-2016

2013 Figures

Upstream: Profitable growth engine

Delivering the strategic targets

1.07 billion USD

Exploration capex: ~1 billion USD/year (1)

25 wells (2)
(75% liquids)

1,240 Mboe

# wells/year: 25-30
~75% focused on liquids

347 Mboe

Reserve Replacement Ratio: 110-120%

275%

Additions to Proven Reserves: +200/250 Mboe

25 wells (2)
(75% liquids)

342 Mboe

Contingent resources/year (risked): 300/350 Mboe

36%

Success Ratio: 20-25%

WI resources evaluated/year (unrisked): +1,500 Mboe

(1) Includes G&G y G&A
(2) One in testing
Production and demand of Middle Distillates in Spain since 2007

Utilization of global refining capacity (2005=base 100)

Weaker demand, with improvement perspectives

2013 Milestones
Leadership in refining and marketing

**R&M Integrated Margin** in Europe (Repsol vs. sector)

- **Leadership position** in R&M integrated margin
- **Excellent quality** of the Refining assets (Cartagena and Petronor projects)
- **4,600 service stations** and **480 Autogas worldwide**
- **Increase in sales volumes**
- **Excellent position** in non-oil business (shops, El Corte Inglés, Burger-King, ONCE, …)
- **New business models**: Campsa Express

(*) Integrated R&M margin calculated as CCS/LIFO-Adjusted operating profit of the R&M Segment in dollars divided by the total volume of crude processed (excludes petrochemical business) of a 10-peer-group: Repsol, Cepsa, Eni, Galp, OMV, MOL, Total, PKN Orlen, Hellenic Petroleum and Saras
Sale of LNG assets

- Sale of LNG assets to Shell
  - 2013: liquefaction plants and supply and commercialization contracts
  - 2014: other commercialization and transportation assets

- Sale of the stake in BBE to BP

- Figures:
  - Proceeds of 4.3 billion USD
  - Net debt reduction of 3.3 billion USD
YPF Agreement
Repsol has been very active since the time of the expropriation

- Legal strategy to defend its interests
- Search for a deal before the resolution of the ICSID

- Agreement that avoids the normal uncertainty of a long litigation process

- Creating value for the shareholder: higher economic value of the Agreement compared to the estimated value that could be obtained from a long-term litigation

- No legal constraints to sell the remaining 12% stake in YPF

This Agreement will enhance our sound financial position together with the proceeds of the LNG disposal and the option to potentially sell the remaining 12% stake in YPF, in order to continue our sustainable path of growth in the Upstream business, and to continue with the creation of value for our Shareholders.
The Agreement between the parties “Convenio de Solución Amigable y Avenimiento de Expropiación” recognises Repsol’s right to receive a **compensation of 5 billion USD for the expropriated shares in YPF**, guarantees for effective payment and the agreement to put an end to the litigation, requiring them to desist from current judicial and arbitral proceedings and waiving claims of liability in the future.

The Republic of Argentina will deliver to Repsol bonds denominated in United States dollars:

- An initial **package of bonds with a face value of 5 billion USD** and 500 million USD in additional capitalized interests.
- A complementary package for a maximum of 1,000 million USD. Its delivery will be adjusted so that the market value of all bonds delivered to Repsol rise at least to 4.670 million, with a maximum of 6,000 million of face value.

**Average interest of the bonds is above 8%**

Repsol may freely dispose of the bonds. Once Repsol has collected the total amount of the Compensation 5 billion USD (not taking into account interests and costs), it must return the excess to the Republic of Argentina.
The Agreement offers the necessary guarantees

- The titles are delivered to Repsol "pro solvendo" ie the Republic of Argentina will not be released from the debt until it pays all maturities of principal and interest arising from the Bonds delivered or until Repsol collects the amount of the Compensation with the sale thereof.

- As an additional guarantee, in case of restructuring or default on the securities, Repsol has the right to accelerate debt payment, and seek payment of the outstanding amount up to $5 billion through UNCITRAL.

- The Agreement will be protected by the Agreement on the Promotion and Protection of Investments between Spain and Argentina.

- It is agreed between the parties the withdrawal of lawsuits, and a series of resignations and mutual indemnities between Repsol and YPF.

Subject to the approval of Repsol’s General Shareholders Meeting and the Honorable Congress of the Republic of Argentina
“The outcome of the YPF compensation negotiations looks outstanding. This shows management’s ability to navigate a turbulent situation and the desperation of the Argentine government, in our view.”
(Exane BNP, February 2014)

“First of all, congratulations on the deal; really positive what you managed to achieve in terms of compensation and guarantees versus market expectations in your counterparty talks. So well done.”
(Banco Espirito Santo, February 2014)

“The agreement is a positive conclusion in our view”
(Goldman Sachs, February 2014)

“Settlement unexpectedly good. Contains some detail/nuance that makes it better than originally reported in media”
(UBS, February 2014)

“Argentina settlement provides opportunity for next stage of transformation”
(UBS, February 2014)

“Free at last”
(Societe Generale, February 2014)
2013 Results
### 2013 Results

#### CCS Adjusted Net Income of 1,823 million Euros

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upstream</td>
<td>2,303</td>
<td>1,793</td>
</tr>
<tr>
<td>Downstream CCS(^{(1)})</td>
<td>920</td>
<td>491</td>
</tr>
<tr>
<td>LNG</td>
<td>535</td>
<td>829</td>
</tr>
<tr>
<td>Gas Natural Fenosa</td>
<td>930</td>
<td>925</td>
</tr>
<tr>
<td>Corporate and others</td>
<td>(367)</td>
<td>(301)</td>
</tr>
</tbody>
</table>

| CCS Adjusted Operating Income from continued operations\(^{(1)}\) | 4,321 | 3,737 |
| Adjusted Operating Income from continued operations          | 4,322 | 3,453 |
| Adjusted Operating Income before tax                           | 3,632 | 2,790 |
| **CCS Adjusted Net Income\(^{(1)}\)**                        | 1,954 | 1,823 |
| **Net Income\(^{(2)}\)**                                     | 2,060 | 195   |

\(^{(1)}\) CCS: Current Cost of Supply. Does not include inventory effects

\(^{(2)}\) Includes in 2013: YPF provision (-1,279 M€), inventory effect MIFO/CCS (-187 M€), LNG net gain (+1,263 M€), LNG provisions (-1,105 M€) and others (-320 M€)
Sound Financial Position

Financial position (Ex-GNF)
2013 Results

Net Debt

- 28% of net debt reduction
- Excellent liquidity position
- Sale of the LNG assets
- Redemption of preferred shares

| Year | Net Debt
|------|----------------|
| 2012 | 7,432 M€
| 2013 | 5,358 M€

Liquidity position

- 2012 Liquidity: 3,475 M€
- 2013 Liquidity: 3,123 M€
- Short term maturities: 6,159 M€

(*) Cash and equivalents (6,159 M€) and undrawn credit lines (3,123 M€)

Liquidity (X 2.7)
Commitment to shareholders
Buyback and capital reduction plan of 500 M €

2013 Remuneration: 1 €/share (*)

Successful acceptance of scrip dividend

* Includes the amount of the reference value of the scrip in January and July 2014
Increase in the share price outperforming the sector

commitment to shareholders

Average of the European Integrated companies: Total, Eni, BP, Shell, OMV and Statoil.

(*) Average of the European Integrated companies: Total, Eni, BP, Shell, OMV and Statoil.
Increase in Total Shareholder Return outperforming the sector

Total Shareholder Return increased by 26%

1. Sector: Total, Eni, BP, Shell, OMV and Statoil  2. TSR data (Total Shareholder Return) provided by Bloomberg.
Analysts Commitment to Shareholders

"Repsol goza de un posicionamiento muy atractivo tanto en upstream como en downstream, lo que unido a una atractiva retribución al accionista y a una muy fortalecida estructura financiera contribuyen a justificar nuestra recomendación."
(Beka Finance, March 2014)

“We like Repsol’s growth outlook for upstream volumes and group earnings and cash flow. Exciting exploration”
(Santander, March 2014)

“Repsol’s dividend yield is above the sector average”
(Goldman Sachs, February 2014)

“The Repsol management team has, in our view, delivered one of the most improved exploration businesses over the last decade”
(Barclays, January 2014)

“Repsol has an improving asset base and capital structure and we rate the management team highly”
(Macquarie, January 2014)

"Positive analyst recommendations 94% of the analysts recommends "buy" or "hold"

(*) Source Bloomberg: As of March 24th, 2014"
“Repsol en acción”: more than 30,000 shareholders

Innovation
- Roadshows
- Accionistas Magazine
- Monthly Newsletter

Transparency
- Site visits
- Conferences and events

Comunication

Proximity

Shareholders Advisory Committee
Improved dialogue with our shareholders
Outlook 2014
Growth engine of the company

**Exploration**
- Investments above the sector’s average
- 69% intended for drilling
- 31 wells

**Production**
- Increase in production above 7%
- Kinteroni onstream
- Production in Perla (Cardón IV) before year end
- Higher production in Margarita, SK, Sapinhoá and Midcontinent

**Capex of 1.3 billion USD**
Operational excellence and competitiveness

**Industrial Businesses**
- Maximum conversion capacity utilization
- Energy costs and CO₂ reduction
- Positive result in Petrochemicals
- Commissioning of SKSOL

**Commercial Businesses**
- Focus on sales and market shares
- Increase in non-oil businesses
- Internationalization of Lubricants, Specialties and Wholesales sales.
- Optimizing asset portfolio
Investment effort to ensure the future

Total: 3,624 M€

- **Upstream**: growth vector
  - Investments of 2,721 M€
  - 27% in Exploration
  - 47% in USA and Brazil

- **Downstream**: large investments completed
  - Investments of 783 M€

CAPEX
Outlook 2014

Downstream 22%

Upstream 75%

Others 3%
Contributing to sustainable development

Corporate Responsibility

- 12 sustainability plans in eight countries
  - More than 540 actions. 85% linked to the employees’ variable retribution.
  - Senior Management Road Show with ESG investors (Environment, Social and Governance)
  - Approval of the Policy on Respect for Human Rights.

Safety and Environment

- One of the sector’s lowest personal accident frequency rate.
- No fatal accidents
- 353,000 CO₂ tons avoided in 2013
- 3 million CO₂ tons avoided since 2006
Leadership in integration and balance

Balance
- Leader in balancing work and family life in Spain (International Political Science Institute)
- Best company in the implementation of more rational working days (ARHOE Foundation)
- More than 1,200 people teleworking worldwide
- Flexible working hours adapted to each country

Diversity
- More than 24,000 employees
- 80 nationalities
- 654 employees with different capacities (19.5% more than in 2012)
- 2.8% of the workforce in Spain (22% in qualified technical positions)
Almost 60 M€ invested in the last 5 years
700 social projects developed since 2009

1,700,000 people benefitted since 2009

Entrepreneurs Fund

1st and 2nd edition:
- 888 projects presented
- 17 projects currently being developed

3rd edition: 746 projects presented (currently in the selection phase)
Setting the bases for the future

**Talent**
- 1,062 new employees in 2013
- 900 scholarships and internships
- 11,000 training actions
- 20 M€ in training (40 hours/employee)

**Innovation**
- Innovation network and continuous improvement
- 11,000 ideas in 10 campaigns
- 80 work teams

**Technology**
- Cutting-edge projects in Upstream
- Advanced fuels and lubricants, intelligent asphalts,…
- Technology sales: polioles, spill detection,…
- Synthetic biology, CO₂ as raw material,…
- 400 researchers in Spain, USA and Brazil
- Working as a network with more than 120 Universities and research centers worldwide
- 90 M€ of investment in R&D
Our Future
Creating value for our shareholders

Ongoing Upstream projects to ensure growth

Sound financial and business position

Responsible and sustainable commitment

New options to strengthen growth

High quality Downstream Assets

Many opportunities arising from the exploration

Our Future
Proposals submitted to the AGM
Points regarding the Annual Accounts, Management by the Board and the reelection of the Accounts Auditor

- First. Review and approval, if appropriate, of the Annual Financial Statements and Management Report of Repsol, S.A., the Consolidated Annual Financial Statements and Consolidated Management Report, for fiscal year ended 31 December 2013, and approval of the proposal for the allocation of profit/losses.
- Second. Review and approval, if appropriate, of the management of the Board of Directors of Repsol, S.A. during 2013.

Point regarding the ratification of the “Convenio de Solución Amigable y Avenimiento de Expropiación” executed between Repsol, S.A. And the Republic of Argentina

Points regarding shareholder’s compensation

- **Fifth.** Increase of share capital in an amount determinable pursuant to the terms of the resolution, by issuing new common shares having a par value of one (1) euro each, of the same class and series as those currently in circulation, charged to voluntary reserves, offering the shareholders the possibility of selling the free-of-charge allocation rights to the Company itself or on the market.

- **Sixth.** Second capital increase in an amount determinable pursuant to the terms of the resolution, by issuing new common shares having a par value of one (1) euro each, of the same class and series as those currently in circulation, charged to voluntary reserves, offering the shareholders the possibility of selling the free-of-charge allocation rights to the Company itself or on the market.

- **Seventh.** Approval of a reduction in share capital by means of the acquisition of treasury shares representing a maximum of 2.05% of the share capital through a buy-back programme, for the retirement thereof, with a maximum investment in treasury shares of 500 million euro.
Points regarding the Amendments of the By-laws and of the Regulations of the General Shareholders Meeting

- **Eighth.** Amendment with the aim of strengthening the integrated development of the Exploration and Production (Upstream) and Refining and Marketing (Downstream) businesses. Amendments of articles 15 and 22 of the By-Laws and articles 3 and 13 of the Regulations of the Shareholders’ Meeting.

- **Ninth.** Amendment with the aim of strengthening the regulations of the Nomination and Compensation Committee. Addition of a new Article 39 bis and amendment of Article 37 of the By-Laws.

- **Tenth.** Amendment related to the statutory regulation of the interim dividend, in order to permit the possibility of its payment in kind. Amendment of Article 53 (“Interim dividends”) of the By-Laws.

- **Eleventh.** Amendment concerning regulation of the issuing of attendance, proxy and distance voting cards for General Shareholders’ Meetings. Amendment of Article 23 of the By-Laws and of Articles 5 and 7 of the Regulations of the Shareholders’ Meeting.

- **Twelfth.** Amendment in order to adapt Article 45 bis of the By-Laws, related to the Report on the Remuneration Policy, to the legal name of the report. Amendment of Article 45 bis of the By-Laws.
Points regarding the composition of the Board of Directors

- Thirteenth. Re-election of Ms. Paulina Beato Blanco as Director.
- Fourteenth. Re-election of Mr. Artur Carulla Font as Director.
- Fifteenth. Re-election of Mr. Javier Echenique Landiríbar as Director.
- Sixteenth. Re-election of Mr. Henri Philippe Reichstul as Director.
- Seventeenth. Re-election of Pemex Internacional España, S.A. as Director.

Points regarding remuneration of the Company Directors

Points regarding authorisation and express delegation required for the Board of Directors

Nineteenth. Delegation to the Board of Directors of the power to resolve the increase of the capital stock, once or on several occasions and at any time within a period of five years, through monetary contributions, up to the nominal maximum amount of 662,258,010 euro. Delegation of the powers to exclude the preferential subscription rights.

Twentieth. Authorization to the Board of Directors, directly or through subsidiaries, within a period of 5 years from the resolution of the Shareholders Meeting.

Point regarding General Matters

Twenty-first. Delegation of powers to interpret, supplement, develop, execute, rectify and formalize the resolutions adopted by the General Shareholders' Meeting.
General Shareholders Meeting 2014

March 28th, 2014
Repsol shareholders back the agreement between the Government of Argentina and the company

REPSOL’S ANNUAL GENERAL MEETING APPROVES YPF COMPENSATION AGREEMENT

- Repsol’s Annual General Meeting today ratified the “Convenio de Solución Amigable y Avenimiento de Expropiación” which recognises the company’s right to receive $5 billion as compensation for the expropriation of the 51% shareholding in YPF and YPF GAS, together with payment guarantees.

- With the ratification of Repsol's Annual General Meeting, the agreement is subject to the approval by the National Congress of Argentina.

- Antonio Brufau: “We have worked very hard to obtain a just compensation. Our efforts have been rewarded with a guaranteed agreement that creates value for our shareholders and strengthens the company's financial position. Today we embark on a new phase, full of hope and growth prospects for Repsol.

- The AGM approved Repsol's 2013 earnings, during which the company posted a recurring net income of 1.823 billion euros at current cost of supply, increased hydrocarbons production by 4% and achieved a record reserve replacement ratio of 275%, the highest in the industry worldwide.

- Over the last year Repsol has continued to strengthen its international presence in OECD countries, acquiring exploration assets in the United States and Norway. The company also made nine important discoveries, achieving an exploration success rate which exceeded that of its peers.

- Repsol’s market value gained 19.5% in 2013, beating the average rise of international oil companies (10.4%). In addition, the agreement reached in relation to YPF was applauded by international financial
analysts, 94% of whom have “buy” or “hold” recommendations for Repsol shares.

- Bearing in mind the dividends paid and the increase in share price, the returns for Repsol shareholders during the last year increased by 26%, considerably more than the industry’s average (15%).

- In line with the policy that has been followed in recent years, the AGM approved two proposals for a paid-up capital increase to maintain the “Repsol Flexible Dividend” program as a way of remunerating shareholders, a program which is backed by the majority of shareholders.

- The AGM approved the re-election of Paulina Beato Blanco, Artur Carulla Font, Javier Echenique Landiríbar, Henri Philippe Reichstul and Pemex Internacional España, S.A. as members of the Board of Directors.

- The AGM also voted to change the company’s bylaws and shareholders’ meeting regulations to incorporate measures that reinforce the necessary majority in key decisions and protect the integrated development of the company’s business units.

- Brufau highlighted that “the structural reforms adopted by the Government have been key to Spain’s changing economic situation, resulting in renewed trust from both foreign and domestic investors.”

Repsol’s Executive Chairman, Antonio Brufau today presented the “Convenio de Solución Amigable y Avenimiento de Expropiación” to the company’s shareholders attending the Annual General Meeting which was unanimously approved by the Board of Directors on 25 February. The agreement reached with the Government of Argentina recognises the company’s right to receive $5 billion in compensation for the expropriation of 51% of YPF and YPF GAS and stipulates guarantees for effective payment as well as the termination of current judicial and arbitration proceedings and the reciprocal waiver of future claims.

The Annual General Meeting overwhelmingly backed the agreement with Argentina, with the vast majority of its shareholders voting in favour. Thus, the agreement is definitively ratified by the company. The agreement now requires approval by the National Congress of Argentina.
Antonio Brufau, on behalf of the Board of Directors, thanked the shareholders for supporting the agreement reached with the Government of Argentina which he described as historic. “We have worked very hard to obtain a just compensation. Our efforts have been rewarded with an agreement that creates value for our shareholders and strengthens the company’s financial position. Today we embark on a new phase, full of hope for future growth opportunities for Repsol.”

The Annual General Meeting also approved the year-end results. The company posted a recurring net income of 1.823 billion euros at current cost of supply (CCS), and continued to increase its hydrocarbons production by 4% as a result of the start-up of three new strategic projects for the Group in Brazil, Russia and Bolivia. In 2013 Repsol also achieved a record reserve replacement ratio, of 275%, which was the highest in the industry worldwide.

During his presentation to the shareholders, Antonio Brufau highlighted the main achievements of 2013, a year in which Repsol has continued to strengthen its international presence in OECD countries with several acquisitions of exploration assets mainly in the United States and Norway. The company also made nine important hydrocarbon discoveries, achieving an exploration success rate which exceeds that of its international peers.

Nine discoveries with an exploration success rate exceeding that of its peers
The company led its European competitors in integrated refining and marketing margins, thanks to the excellent quality of its refining assets resulting from the historic investment made in the Cartagena and Bilbao refineries. The company has an excellence plan for its service stations which are a benchmark in Spain thanks to the quality and customer service they offer.

These results are part of a company strategy based on four pillars: profitable upstream growth, maximisation of profitability downstream, financial solidity and competitive remuneration for shareholders.

Amongst the highlights of 2013, Brufau referred to the sale of LNG (liquefied natural gas) assets to Shell which was completed in January and, previously, the sale to BP of Repsol’s Bahía Bizkaia Electricidad stake. The transactions represented approximately $4.3 billion of income as well as the liberation from financial obligations and unconsolidated debt and a reduction in the company’s net debt of $3.3 billion. With these transactions the company exceeded the divestment objectives outlined in its 2012-2016 Strategic Plan.

For 2014, Antonio Brufau noted that the total investment of the company will exceed 3.6 billion euros, destined mainly to exploration and production. The company anticipates drilling 31 exploratory wells and it will continue to increase production at an annual average rate of 7%, thanks to the start-up of its projects in Kinteroni (Peru) and Perla (Venezuela,) and the increase in its production from assets in Russia, Brazil, United States and Bolivia.

Better outlook for the Spanish economy

As an introduction to his review on the company’s progress, the Chairman of Repsol made reference to the recent developments and positive outlook of the Spanish economy, which in the third quarter of 2013 registered economic indications that confirm a recovery from the recession and improved prospects for 2014.

Brufau highlighted that the structural reforms adopted by the Government have been key to Spain’s changing economic situation, resulting in greater confidence from both foreign and domestic investors.

“The efforts of the Government and of companies such as our own should be directed at reducing the unemployment rate, society’s main concern and one of the pillars for future economic growth,” said Brufau.

Competitive remuneration for shareholders

Repsol’s Chairman explained to shareholders that the company will continue with the scrip dividend with an approximate value of one euro per share. Bearing in mind the dividends paid in 2013 and the increase in share value, the returns for the company’s
shareholders are far higher than those offered by Repsol’s competitors. Specifically, the total return for shareholders was 26%, compared to the sector's average of 15%.

The company’s improved share-price performance was supported by the positive recommendations of international analysts: 94% have either “buy” or “hold” recommendations for Repsol shares.

As an addition to the shareholder remuneration, the AGM approved a reduction of the company’s share capital through a share buyback program representative of up to 2.05% of the total, which will then be amortised as part of a repurchase programme.

**Compensation agreement for the expropriation of YPF**

The Executive Chairman of Repsol gave a detailed explanation of the “Convenio de Solución Amigable y Avenimiento de Expropiación,” which recognises the company’s right to receive $5 billion in compensation for the expropriation of 51% of YPF and YPF GAS and stipulates guarantees for effective payment as well as an agreement to desist from legal action and arbitration claims and a waiver of any new claims.

The agreement stipulates that the Government of Argentina will transfer to Repsol dollar-denominated public debt, through a fixed income portfolio for a nominal value of $5 billion plus an additional $500 million in capitalised interest comprised of the following bonds: Bonar X ($500 million), Discount 33 ($1.25 billion) and Bonar 2024 ($3.25 billion); and a complementary portfolio for a maximum nominal value of $1 billion made up of the following bonds: Boden 2015 ($400 million), Bonar X ($300 million) and Bonar 2024 ($300 million). The transferral of the complementary bonds will be adjusted so that the market value of the bonds is no less than $4.670 billion and up to a maximum nominal value of $6 billion.

Brufau explained that since the expropriation, Repsol worked on two different approaches in its attempt to recover the value of the expropriation. One was an intense international judicial strategy, including an appeal to the international arbitration of the ICSID, and the other, to seek possible avenues for dialogue to reach an agreement that would remove inherent uncertainties inherent to any judicial proceeding.

Having obtained the ratification by Repsol’s Annual General Meeting, the agreement remains subject, amongst others, to approval of a law especially sanctioned by the National Congress of Argentina. The transaction will be complete upon the delivery of bonds in Repsol’s favour with full guarantees in their deposit through an international financial clearing entity. Repsol is free to sell these bonds. If the sale proceeds were to exceed $5 billion (excluding costs and interest), the excess would revert to the Republic of Argentina.
The Republic or Argentina’s debt will be transferred to Repsol “pro solvendo,” that is that the debt will not be considered to be extinguished until full payment, be it through the sale of bonds or through ordinary payment through the bonds’ maturity. As an additional guarantee, the Republic of Argentina recognises that if the debt were restructured or there were a failure to pay, Repsol has the right to accelerate debt payment and seek payment of the outstanding amount up to $5 billion through UNCITRAL (United Nations Commission on International Trade Law). The compensation agreement is protected by the Bilateral Treaty between Spain and Argentina for the Protection of Investments (Acuerdo de Promoción y Protección de Inversiones entre España y Argentina).

Board renewal

The Annual General Meeting approved the re-election of independent board members Paulina Beato Blanco, Artur Carulla Font, Javier Echenique Landiríbar, Henri Philippe Reichstul and, as an institutional external director, Pemex Internacional España, S.A.

Shareholders voted in favour of changes to the bylaws and regulations of the annual general meeting to include measures that reinforce the majorities needed to approve key decisions that aim to protect the integrated nature of the company’s business units.

To conclude his speech, Repsol’s Chairman explained to shareholders the positive outlook of the company’s main business units for 2014. This year, a 3.6 billion-euro investment plan will be executed to guarantee the company’s future. Brufau assures shareholders that Repsol’s strong financial and business position guarantees the company’s growth and will continue creating value for the shareholder.
Madrid, March 28, 2014

The Ordinary General Shareholders’ Meeting of Repsol, S.A., held today, on first call, has approved all the proposals of resolutions submitted by the Board of Directors concerning the points of the Agenda.

In particular and under point forth on the Agenda, the Ordinary Shareholders’ Meeting has ratified the “Convenio de Solución Amigable y Avenimiento de Expropiación” between Repsol, S.A. and the Argentine Republic, the signing of which was approved by the Board of Directors on 25 February 2014, intended to put an end to the controversy over the expropriation of the controlling stake of Repsol, S.A. and its subsidiaries in YPF S.A. and YPF Gas S.A. With this full and unconditional ratification, Repsol complies with one of the conditions precedent agreed for the Agreement to become effective.

Likewise, the Ordinary General Shareholders’ Meeting approved the re-election as Directors of Ms. Paulina Beato Blanco, Mr. Artur Carulla Font, Mr. Javier Echenique Landiríbar, Mr. Henri Philippe Reichstul and Pemex Internacional España, S.A., all of them for the statutory term of 4 years. With these agreements and with the ones adopted in the meeting of the Board of Directors held after the Ordinary General Shareholders’ Meeting, the composition of the Board of Directors of Repsol and of its Committees is as follows:

Board of Directors:

*Chairman:* Mr. Antonio Brufau Niubó (Executive Director)

1st Vice-Chairman: Mr. Isidro Fainé Casas (External Proprietary Director)

2nd Vice-Chairman: Mr. Manuel Manrique Cecilia (External Proprietary Director)

Directors: Mrs. Paulina Beato Blanco (Independent External Director)

Mr. Artur Carulla Font (Independent External Director)

Mr. Luis Carlos Croissier Batista (Independent External Director)

Mr. Rene Dahan (External Proprietary Director)

Mr. Ángel Durández Adeva (Independent External Director)

Mr. Javier Echenique Landiríbar (Independent External Director)

Mr. Mario Fernández Pelaz (Independent External Director)

Mrs. María Isabel Gabarró Miquel (Independent External Director)

Mr. José Manuel Loureda Mantillán (External Proprietary Director)

Mr. Juan María Nin Génova (External Proprietary Director)

Pemex Internacional España, S.A. (External Proprietary Director)

Mr. Henri Philippe Reichstul (Independent External Director)

Mr. Luis Suárez de Lezo Mantilla (*) (Executive Director)

(*) Director and Secretary
Delegated Committee:
Mr. Antonio Brufau Niubó (Chairman)
Mr. Isidro Fainé Casas
Mr. Manuel Manrique Cecilia
Mr. Artur Carulla Font
Mr. Rene Dahan
Mr. Javier Echenique Landiríbar
Pemex Internacional España, S.A.
Mr. Henri Philippe Reichstul
Mr. Luis Suárez de Lezo Mantilla

Audit and Control Committee:
Mr. Ángel Durández Adeva (Chairman)
Mrs. Paulina Beato Blanco
Mr. Luis Carlos Croissier Batista
Mr. Javier Echenique Landiríbar

Nomination and Compensation Committee:
Mr. Artur Carulla Font (Chairman)
Mr. Mario Fernández Pelaz
Mrs. María Isabel Gabarró Miquel
Mr. José Manuel Loureda Mantiñán
Mr. Juan María Nin Génova

Strategy, Investment and Corporate Social Responsibility Committee:
Mr. Juan María Nin Génova (Chairman)
Mr. Luis Carlos Croissier Batista
Mrs. María Isabel Gabarró Miquel
Mr. José Manuel Loureda Mantiñán
Pemex Internacional España, S.A.

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