Investors Update
Delivering value growth through the cycle

November 2018
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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 IV “Alternative Performance Measures” of the Interim consolidated financial statements for the nine month period ended September 30, 2018 and in Repsol’s website.

The information contained in the document has not been verified or revised by the Auditors of Repsol.
2018-2020
*Delivering value growth through the cycle*

1. Company overview
2. Upstream update
3. Downstream update
4. Low carbon business
5. Financing
6. Conclusions and key targets
7. Historic data book
Company overview
Repsol: A unique, Integrated Global Position

Company overview

Core businesses: Upstream and Downstream

~700 kboe/d production

~2.4 billion boe proved reserves

1 Million bbl/d refining capacity

~2.6 Millions tons of base chemicals capacity

~4,700 service stations

1. As of 31/12/2017. 2. Includes 1.2 Million tons of Ethylene and 1.4 Million tons of other base Chemicals
Repsol is now a double-geared engine with a strong Upstream and Downstream

Successful performance in lower part of the commodity cycle

Upstream doubled in size and cash positive as of 2017

Downstream leads the EU industry

Reset cost base through efficiencies & synergies

Maintained rating & built financial flexibility

Redeploying capital for the energy transition with GNF divestment

R.9x\(^1\)
Net Debt / EBITDA

1. As of 31/12/2017
1. Increasing shareholder returns
   - Dividend per share 8% p.a. growth with full buyback of shares
   - Dividend target fully covered at $50/bbl
   - CFFO dividend coverage to grow from 3.9x in 2017 to 4.3x in 2020
   - Sustainable long term pay-out

2. Growing our portfolio profitably
   - Growth across all value-creation metrics, at any oil price
   - Downstream activated as asset-light growth engine
   - Upstream delivering performance improvement and portfolio upgrade
   - Strong pipeline of attractive growth projects in both divisions

3. Thriving in the energy transition
   - Develop long term options
   - Leverage our competitive advantages
   - Reduce carbon footprint
   - Build new capabilities

4. Financial flexibility

A unique value proposition

Note: CFFO (Cash Flow from Operation) = EBITDA +/− Working Capital variation + Dividends from affiliates - taxes paid - abandonment cost and others.
In this document, economics shown under $50/bbl Brent and $3/MMbtu HH flat in the period 2018-20, although it is not Repsol’s price deck.
Increasing shareholder returns

Company overview

Dividend per share based on disbursement year

€/share

<table>
<thead>
<tr>
<th>Year</th>
<th>Historic cash dividend</th>
<th>Historic scrip dividend</th>
<th>Scrip dividend + buybacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>0.19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>0.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>0.95</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Dividends in 2018-2020 include scrip option with buyback of dilution.
Growing our portfolio profitability

Company overview

CFFO at $50/bbl

CAGR: +12%

€ Billion

4.6

0.4

0.6

UPSTREAM

+€1.0B

2017 CFFO¹ at $50/bbl

New production²

Efficiency and Digital program

0.3

0.2

0.3

0.1

0.6

DOWNSTREAM

+€0.8B

International margins

Profitability improvement

Expand & Low carbon business

Corporation and others

2020 CFFO at $50/bbl

ROACE¹ 6%

+3 %

>9%

>10% @ $60/bbl

Note 1: CFFO (Cash Flow from Operations) = EBITDA +/- Working Capital variation + Dividends from affiliates - taxes paid - abandonment cost and others

Note 2: Forecasts made under flat $50/bbl Brent price and flat $3/Mbtu Henry Hub price.

1. Adjusting values to $50/bbl and excluding Spain extraordinary tax refund effect. Unadjusted CFFO in 2017 was €5.5B
2. Including growth, production mix and portfolio management

At $50/bbl flat Brent
Strategic Plan fully funded at $50/bbl

Company overview

Sources of cash

Uses of cash

Net Debt / EBITDA evolution

Capex, announced dividends (including dividend increase to €1/share by 2020) and buybacks, fully financed at $50/bbl

Repsol has financial flexibility in 2018-2020 of >€4B, since it will keep leverage ratio well below industry average of 1.1x

1. Financing costs include leases, financial charges, dividends to minority, hybrid interests and other movements
1. Excluding Capex from Talisman acquisition.

Note: Capex refers to cash flow from investment activities. "Sustain" are the necessary investments to keep current state of businesses (e.g., keep current production level for Upstream or industrial integrity for Downstream).

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1. Excluding Capex from Talisman acquisition.

Note: Capex refers to cash flow from investment activities. "Sustain" are the necessary investments to keep current state of businesses (e.g., keep current production level for Upstream or industrial integrity for Downstream).

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### Company overview

**Portfolio Capex: Downstream activated as a new growth engine**

- **Core portfolio Capex in line with historical levels**
  - 2018-2020 Capex breakdown
  - € Billion
  - 11
  - 4
  - Downstream Expand and Low carbon business
  - Upstream Growth
  - Upstream & Downstream Sustain

- **Balanced investments across businesses**
  - 2018-2020 Capex breakdown by business
  - € Billion
  - €15B Capex 2018-2020
  - 6.7
  - 8.0
  - Corporate

- **Core portfolio Capex in line with historical levels**
  - 2015-2017
  - Core Portfolio 2018-2020
  - New Initiatives

- **Balanced investments across businesses**
  - Downstream and Low carbon business
    - 45%
  - Upstream
    - 53%
  - Corporate

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1. Excluding Capex from Talisman acquisition.

Note: Capex refers to cash flow from investment activities. "Sustain" are the necessary investments to keep current state of businesses (e.g., keep current production level for Upstream or industrial integrity for Downstream).
Target: increase shareholder distributions and maintain capital discipline

2018-2020 Priorities for cash

At $50/bbl

Core Portfolio CAPEX
Dividends & Buybacks
Sustainable dividend growth
Downstream Expand and new Low carbon business

With a more favorable scenario

Organic project acceleration
Additional Buybacks

While maintaining financial flexibility
Key metrics to 2020 @ $50/Bbl Brent flat

Company overview

Production
2.6% CAGR

CFFO
+€1.9B growth

EPS
+€0.6/share growth

DPS
8% CAGR

Production CAGR 2.6%

CFFO CAGR +12%

EPS CAGR +12%

DPS CAGR +8%

While focusing on financial discipline with ROACE > WACC, maintaining investment grade and keeping our zero accidents ambition based on operational excellence

Note: EPS considering Adjusted Net Income.
1. 2017 values adjusted to $50/Bbl Brent scenario and to exclude Spain extraordinary tax refund effect. EPS in 2017 €1.6/share without adjustment
Upstream update
Core regions in the portfolio

Upstream

North America
Unconventional portfolio, operatorship and valuable midstream positions

- **174 kboe/d**
- **72%**
- **78%**

Latin America
Regional scale, exploration record and cultural fit

- **297 kboe/d**
- **80%**
- **20% / 45%**

Europe, Africa & Brasil
High margin barrels, key development projects from exploration success

- **139 kboe/d**
- **12%**
- **2% / 40%**

SouthEast Asia
Self-financed growth, relationship with governments/NOCs

- **85 kboe/d**
- **70%**
- **27% / 55%**

**Production (kboe/d)**

- **2016**: 690
- **2017**: 695

**1P Reserves (Mboe)**

- **2016**: 2,382
- **2017**: 2,355

**RRR (%)**

- **2016**: 124
- **2017**: 93

Note: Figures as of 2017
**1. Sustainable scale**
- 750 kboe/d with focused diversification
- Strong pipeline of development projects
- Unconventionals complement exploration to replace reserves

**2. Access-advantaged**
- Strong relationships in core positions
- Proven lower cost of supply through successful exploration and lean developments

**3. Efficient operator**
- Costs below industry average in core positions
- Track record of development project execution
- Ability to manage and turn around difficult assets

**4. Flexibility & low capex intensity**
- Appetite for mid scale assets rather than large, capex-intensive projects
- Focus on short-cycle and phased developments
- Modulating unconventional and exploration activity for further capex flexibility

**Strengths of a nimble operator but with significant scale**

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Strategy summary
Upstream

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15
Pipeline of Repsol’s short-cycle projects…

...delivering ~95 kboe/d new production

Production from short-cycle projects

- Oil-biased new production in Libya, YME, Buckskin, Kinabalu, Duvernay and Eagle Ford
2020+ Repsol's projects with competitive returns

Upstream

Mid and long-term projects with attractive returns and phased developments

Repsol’s new projects have competitive full-cycle IRR and NPV breakeven

New Projects full-cycle NPV 10 Breakeven

IRR of new projects full-cycle

$ /bbl

Peer 1 Peer 2 Peer 3 Peer 4 Peer 5 Peer 6 Peer 7 Peer 8 Peer 9

No. 56

Current estimate

Alaska [US]
- Advanced appraisal stage
- Phase 1: FO in 2023-24, production plateau net ~46 kboe/d

< $45 /bbl

Duvernay [Canada]
- 3 areas in advanced appraisal stage
- Production ramp-up 2020 to 2024 (net ~ 66 kboe/d)

< $50 /bbl

CPD-9 [Colombia]
- Dev. Phase-I sanctioned, production net 7 kboe/d 2019
- Dev. Phase-II FO in 2021-2022 & production plateau net 20 kboe/d

< $50 /bbl

Campos 33 [Brazil]
- Fully appraised
- First gas/oil 2024-2025, net ~45 kboe/d

< $40 /bbl

Sagitario [Brazil]
- 3D seismic 2018, 2nd well 2018-2020
- First oil expected 2025+

< $45 /bbl

NPV breakeven

Note 1: NPV Breakeven does not include exploration cost.
Note 3: IRR = Internal Rate of Return, an investment profitability metric calculated as the discount rate at which the net present value of an investment is equal to zero.
Source: Peer analysis with internal calculations based on GEM 4.19 and 4.20 Wood MacKenzie tool under WMK’s base price scenario.
**Key Exploration advantages**

**Technical**
- Basin knowledge
- G&G Technical Specialties (imaging, structure, carbonates)

**Commercial**
- Preferred JV partner, deal making and operator capabilities

**Government related**
- Preferential government interaction
- Government trust

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**North America**
**Focus on emerging plays**
- Strong technical advantage as Nanushuk play openers.
- Expanding our LATAM expertise and footprint into Mexico

**Europe-Russia**
**Potential growth areas**
- Strategic partnership with GPN for Russian exploration opportunities
- Near-field Exploration in Norway

**South America**
**Repsol core basins**
- Exploiting our legacy advantages in the Caribbean, Guyana margin and Brazil pre-salt.
- Thrust belt knowledge & stakeholders management in the Andean Basins.

**South East Asia**
**Production replacement**
- Top explorers in Indonesia.
- Significant remaining potential in Vietnam acreage.
2018-2020 Capex breakdown: focus on core assets

Upstream

~60% of Capex allocated to growth and focused on core plays

2018-2020 Exploration & Development Capex (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Explore</th>
<th>Grow</th>
<th>Sustain</th>
<th>Conventional</th>
<th>Deepwater</th>
<th>Unconventional</th>
<th>Exploration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-2020</td>
<td>17%</td>
<td>42%</td>
<td>41%</td>
<td>44%</td>
<td>30%</td>
<td>8%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Increased development Capex – still leaner than peers – and focused exploration intensity

Development Intensity ($/boe)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-2017</td>
<td>7.7</td>
<td>9.2</td>
<td>11.9</td>
</tr>
</tbody>
</table>

Exploration Intensity ($/boe)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-2017</td>
<td>2.1</td>
<td>2.2</td>
<td>1.7</td>
</tr>
</tbody>
</table>

1. Includes G&A, G&G exploration expenses. 2. Peers include BP, Chevron, Eni, ExxonMobil, Occidental, OMV, Shell, Equinor and Total.

Source: Internal data; Peer analysis with internal calculations based on GEM 4.19 Wood Mackenzie tool for production and future Capex. CBT for exploration projections with G&G + G&A estimations added to Exploration costs; 25% to all companies.
### New efficiency and digitalization program

**Upstream**

#### Successful cost efficiency program delivered $1.6B, above $1.3B target

<table>
<thead>
<tr>
<th>$ Billion</th>
<th>1.6 ✓</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPEX</td>
<td>0.9</td>
</tr>
<tr>
<td>CAPEX</td>
<td>0.7</td>
</tr>
</tbody>
</table>

- **G&A Cost Efficiencies**
- **Moving from corrective to preventive maintenance**
- **Capture market deflation**
- **Drilling projects logistics optimization**
- **Modifications in well designs**

2017

#### New efficiency and digitalization program¹ to deliver $1.0B/year in FCF by 2020

<table>
<thead>
<tr>
<th>$ Billion/year</th>
<th>1.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>0.3</td>
</tr>
<tr>
<td>OPEX</td>
<td>0.2</td>
</tr>
<tr>
<td>Taxes &amp; Others</td>
<td>0.2</td>
</tr>
<tr>
<td>CAPEX</td>
<td>0.3</td>
</tr>
</tbody>
</table>

- **Illustrative examples**
  - Production increase through improvements in well completion and stimulation, reservoir management, plant reliability and availability, ...
  - Analytics use for Predictive Maintenance improvement and Logistic optimization, ...
  - Well design (standardization and centralization) to maximize use of existing inventory.
  - Online performance monitoring to optimize wells drilling

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1. New efficiency and digital program named RISE: Resilience, Innovation, Sustainability, Engagement. 2. $0.7B CFFO (€0.6B) corresponds to the “efficiency and digital program” amount shown in the CFFO bridge, slide 19.

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New efficiency and digitalization program is already delivering:

- 600+ initiatives, and $0.5B planned or in execution during 2018
Key target metrics to 2020

**Upstream**

**Production growth: 2.6% CAGR by 2020**

<table>
<thead>
<tr>
<th>Year</th>
<th>Production (kboe/d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>695</td>
</tr>
<tr>
<td>2020</td>
<td>750</td>
</tr>
</tbody>
</table>

**Cash Flow growth: +50% 2017-2020**

<table>
<thead>
<tr>
<th>Year</th>
<th>CFFO (£ Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2</td>
</tr>
<tr>
<td>2020</td>
<td>3</td>
</tr>
</tbody>
</table>

All while keeping FCF breakeven below $50/bbl

Data under $50/bbl Brent and HH at $3/Mbtu
Note: 2017 CFFO normalized adjusting values to $50/bbl
Downstream update
World-class position

Downstream

**Refining**
- 1 million bbl/d of refining capacity
- Highly competitive EU 1Q in Solomon NCM\(^1\) benchmark and fully invested for IMO\(^2\)
- Peru refining leader, updated with new desulfurization units

**Comercial**
- More than 4,700 service stations
- LPG leader in Spain
- Customer-centric with 10 million customers and strong energy brand
- Leadership in convenience retail with enhanced digital capabilities
- Spain fuels share: >37%, LPG share: 70%, Peru fuels share: >23%

**Chemicals**
- High performing integrated and regional leader
- Capability for more than 30% light feedstock (LPGs)
- Key positions in high value products (PO/Polyols, Rubber, EVA)

**Trading**
- Strong position in Europe and growing asset footprint globally

**Lubricants**
- Increasing global footprint

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European leading integrated margin with proven ability to deliver ongoing profit improvement across the portfolio

1. NCM: Net Cash Margin. 2. New regulation limiting sulfur content in marine bunkering from International Maritime Organization
Strategy summary

Downstream

**Refining**
- **Sustain**
  - Energy efficiency
  - IMO readiness
  - Digitalization and optimization
  - Peru desulphuration units

- **Grow**
  - Biofuels
  - Growth in current high value products

**Chemicals**
- **Sustain**
  - Energy efficiency
  - Digitalization and optimization
  - Differentiation

- **Grow**
  - Expand into new geographies
  - New mobility businesses

**Marketing**
- **Grow**
  - TwP
  - Digitalization
  - Non-oil business growth & partnerships

**LPG**
- **Sustain**
  - Customer-centric and digitalization
  - Logistic services & commercial integration

**Lubricants**
- **Grow**
  - Maintain leadership in Spain
  - Grow exports

**Trading**
- **Grow**
  - Maximize value from the system
  - Digitalization

**CAPEX**
- 2.7
- 1.5

1.TwP = Transforming While Performing, a program for operational excellence
Solid historical performance & positive outlook

Downstream

Leading European R&M integrated profit

<table>
<thead>
<tr>
<th>Repsol position</th>
</tr>
</thead>
<tbody>
<tr>
<td>$/bbl</td>
</tr>
</tbody>
</table>

-$2.5/bbl

Avg. 2012-2017
Worst year [2013] Leadership based on marketing strength
Best year [2015] Leadership through refining

Repsol is leading the EU industry in marketing, refining and integration

Repsol’s assets are fully invested for IMO

Leader in EU coking
25% of the total EU coking capacity (while only 6% of total distillation)

Middle Distillates Yield
>50%

Fuel Oil yield
<7%

Notes: Profit is defined here as EBIT CCS, bars represent lower-upper bound of European refining & Marketing companies.
Refining: top quartile position among European peers

5 refineries optimized as a single system

Fully invested, well prepared to capture IMO effect

- Repsol has the largest coking capacity in Europe (25% coking share while 6% in distillation) with coking process becoming highly profitable during IMO
- Strong Product Slate: Repsol larger middle distillates production with very low Fuel Oil yield (5-7%)

Top quartile position among European peers

Product Yield

<table>
<thead>
<tr>
<th>Product</th>
<th>Yield (2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diesel/Gasol</td>
<td>40-45%</td>
</tr>
<tr>
<td>Gasoline</td>
<td>10-15%</td>
</tr>
<tr>
<td>Naphta</td>
<td>10-12%</td>
</tr>
<tr>
<td>Kerosene</td>
<td>4-7%</td>
</tr>
<tr>
<td>Coke</td>
<td>7-8%</td>
</tr>
<tr>
<td>Residual fuel</td>
<td>3-6%</td>
</tr>
<tr>
<td>LPG</td>
<td>2-4%</td>
</tr>
<tr>
<td>Others</td>
<td>15%</td>
</tr>
</tbody>
</table>

Middle distillates deficit

- Main countries with deficit: France, Germany, UK, Ireland
- Middle distillates deficit (Mtn): France 21.2, Germany 10.6, UK 11.5

Chemicals
Downstream

Iberian Peninsula petrochemical sites

- 3 Naphtha Crackers strategically located to supply Southern Europe and Mediterranean markets, managed as a single hub.
- Feedstock flexibility and high integration with refining activities in the Spanish sites.
- Products sold in over 90 countries, leading position in Iberian Peninsula.
- Differentiated products such as EVA and metalocene polyethylene.

Dynasol Joint Venture

- Chemical specialties and synthetic rubber are produced through Dynasol, a 50% partnership with Grupo KUO (Mexico).
- Dynasol is a leader in the world synthetic rubber market and a global producer with plants in Europe, America, and Asia.

Competitive positioning, differentiated products and a customer-oriented organization
Petrochemical growth in value niches

Downstream

Chemical strategic goals

- Global scale in 1-3 higher value products
- Further differentiation
- Strengthen competitiveness of core business

Key target products

- PO-polyols
- Rubber
- EVA

Rationale

- **PO-polyols**
  - Strong global demand growth forecast (~4-4.5% p.a.)
  - Established Sales & Marketing position
  - Proprietary proven production technology
  - Experience in project execution

- **Rubber**
  - Attractive global demand growth forecast (~2.5% p.a.)
  - Established Sales & Marketing position
  - Strong product portfolio of customized products / solutions
  - Production assets on three continents

- **EVA**
  - Strong global demand growth forecast (~3.5% p.a.)
  - Attractive alternatives of ethylene monetization
  - Know-how retrofitting LDPE to EVA units

Ambition to reach Tier 1 positions [Top 5]

- Source: Nexant, IHS, ICIS, BCG global Chemicals practice
Asset-light internationalization focused on two key areas

**Downstream**

**Expansion Strategy**

**Commercial Hinterland**
Leverage *refining* logistics and *trading & marketing* capabilities to develop commercial integrated positions

**Priority Businesses**
- Marketing
- Trading
- LPG

**Commercial LatAm**
Leverage *Trading and Marketing* capabilities and *knowledge of Latin-American* markets to develop commercial positions

**Global Trading**
Leverage Repsol *Trading capabilities* and *Downstream positions* to:
- Develop a top tier global crude position
- Growth in key market niches
- Perform international expansion optimizing integrated margin

**Priority Businesses**
- Chemicals
- Fuels & LPG
- Crudes
- Diesels
- Gasolines
- Lubricants
Key target metrics to 2020

Downstream

Cash Flow growth: +27% by 2020

Cash Flow (CFFO) in € Billion:
- 2017: 2.5
- 2020: 3.2

ROACE: > 18% in 2018-2020

Return on Average Capital Employed (ROACE) %:
- 2017: 20
- 2020: 22

Downstream to generate more than €1B FCF per year in 2018-2020

Note: Downstream metrics without considering new Low carbon business (next section)
4

Low carbon business
Ambition to develop a new operated business
Low carbon business

Repsol is swapping a €5-6B exposure to a medium carbon businesses through GNF...

- Non-operated
- No synergies exploited
- 85% regulated business in 2017 EBITDA with a mix of high/low carbon generation

... To an operated and synergistic position in low carbon businesses

- Operated business with full synergies
- Leveraging previous experience in low carbon businesses, markets and know-how
- Focused business mix: wholesale gas, retail G&P and low carbon generation

Ambition

Be players in the future energy transition, fostering sustainability and energy efficiency

Creating profitable low carbon businesses
Enhancing capabilities to thrive in energy transition
Reducing emissions in our operations and products
Roadmap by 2025
Low carbon business

Wholesale Gas
Leverage our industrial self consumption as the largest gas consumer in Spain

- Create a successful wholesale gas business, ensuring a competitive gas supply
- Developing new business through gas flexibility
- Deliver a competitive gas offer for our future retail clients

Retail G&P
Strong brand and ~10M clients base with direct contact

- To become a relevant Spanish low carbon multi-energy retailer
- Progressively sophisticate our offer including advanced energy services and solutions

Low carbon generation
Technical capabilities and experience in managing large scale projects

- Develop a strong position in Spain achieving a low carbon integrated business
- Technological vocation oriented to solar, wind, CCGT and other low carbon technologies
- Diversify in emerging countries that yield higher returns

Targets by 2025

- >15% Market share\(^1\)
- >5% Market share\(^2\)
- 2.5M Clients\(^3\)
- ~ 4.5 GW Capacity

Investments in low carbon businesses with IRR above 10%\(^4\)

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1. Spain market share including our refineries' consumption
2. Spain market share in number of clients
3. Not adjusted for dual clients
4. Assuming an average financial leverage of ~50%
Viesgo: strengthening Repsol’s position as a multi-energy supplier
Low carbon business

Transaction data

- Valued at €750 million\(^4\)
- 2,350 MW installed capacity
- ~ 750,000 retail customers
- IRR > 10%

Generation assets acquired

- Hydro: 699 MW
- Combined cycle: 1,648 MW

Advancements on Strategic Plan objectives

**After the transaction**

- Retail gas & electricity business: 2% Market share\(^2\) 0.7M Clients\(^2\)
- Low carbon generation: 0.7M Clients\(^2\) 2.9 GW Capacity

**Objectives for 2025**

- >5% Market share\(^1\) 2.5M Clients\(^2\)
- ~ 4.5 GW Capacity

Investments in low carbon businesses with IRR above 10%\(^3\)

---

Key targets for Energy Transition and New Capabilities

Low carbon business

€2.5B invested in low carbon business

Emissions reduction
-3% Kt/GJ CO₂

Leaner with digital savings of €0.3B/year by 2020

Capital Employed
€ Billion
ROE 6-7%
IRR¹ >10%

2016-2017 2020

6 2.5

Emissions intensity reduction
%

2016 2020

100% 97%

Pre-tax FCF savings
€ Billion

2020 2022

€1.0 B/y €0.3 B/y

CO₂ emissions reduction² 2.1 Mt CO₂

Gas Natural Fenosa Non-operated & Regulated
Operated & Merchant & Low carbon

Corporate Cost reduction from 2017
-9% By 2020
-16% By 2022

1. Assuming an average financial leverage of ~50% on new low carbon business. 2. Accumulated since 2014
Financing
Strong liquidity position

Financing

Liquidity covers long term debt maturities beyond 2023

Liquidity as of September 2018

- **Cash & Equivalents**: €6.5
- **Term deposits w/ immed.avail.**: €1.6
- **Operating committed Credit Lines**: €1.5
- **Structural committed Credit Lines**: €0.3

(*) Short term debt excludes interest and derivatives €0.08 billion.

(**) Deposits classified as financial investment in the accounting although they have an immediate availability.
Conclusions & Key targets
Position of **strength**: Business momentum and financial robustness

**Superior shareholder return across the cycle**: Dividend growth path and high TSR upside

**Strong value growth** with a double engine model: **Upstream and Downstream**

**Upstream** path focused towards **profitable growth**

Our **Downstream is leading the industry** with the positive impact of IMO enhancing our business

Solid foundations for **winning in the energy transition** and ensuring a **sustainable future**

Strong growth of **key financials** and **return on capital**

**Lean, more competitive and sustainable company**, leveraging on our integrated model
9M18 results and 2018 outlook

Conclusions & key targets

Main variables & company targets

- **Brent (USD/Bbl):**
  - 2018 Budget: 70.0
  - 9M 18: 72.1

- **Henry Hub (USD/Mbtu):**
  - 2018 Budget: 3.0
  - 9M 18: 2.9

- **Exchange rate (USD/€):**
  - 2018 Budget: 1.2
  - 9M 18: 1.19

- **Refining margin indicator:**
  - 2018 Budget: ~7.0
  - 9M 18: 6.9

- **Production volumes:**
  - 2018 Budget: ~715
  - 9M 18: 713

- **EBITDA CCS (Bn€):**
  - 2018 Budget: 4.0
  - 9M 18: 5.5

- **Capex (Bn€):**
  - 2018 Budget: 0.1
  - 2018 Budget: 0.8
  - 9M 18: 2.0
  - 9M 18: 2.2

(1) Subject to fluctuations in Libya
(2) Capex is equivalent to payments for investments in the Management report
Key metrics to 2020 @ $50/Bbl Brent flat

Conclusions & key targets

While focusing on financial discipline with ROACE > WACC, maintaining investment grade and keeping our zero accidents ambition based on operational excellence

Note: EPS considering Adjusted Net Income.
1. 2017 values adjusted to $50/Bbl Brent scenario and to exclude Spain extraordinary tax refund effect. EPS in 2017 €/share without adjustment
Historic data book
## MACRO ENVIRONMENT

### International References

<table>
<thead>
<tr>
<th>International Reference</th>
<th>Unit</th>
<th>2015</th>
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<th>2015</th>
<th>2016</th>
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</thead>
<tbody>
<tr>
<td>Brent</td>
<td>$/bbl</td>
<td>52.4</td>
<td>43.7</td>
<td>54.2</td>
<td>52.4</td>
<td>43.7</td>
<td>54.2</td>
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<tr>
<td>WTI</td>
<td>$/bbl</td>
<td>48.8</td>
<td>43.5</td>
<td>50.9</td>
<td>48.8</td>
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<td>50.9</td>
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<tr>
<td>Henry Hub</td>
<td>$/MBtu</td>
<td>2.7</td>
<td>2.5</td>
<td>3.1</td>
<td>2.7</td>
<td>2.5</td>
<td>3.1</td>
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<tr>
<td>Average exchange rate</td>
<td>$/€</td>
<td>1.11</td>
<td>1.11</td>
<td>1.13</td>
<td>1.11</td>
<td>1.11</td>
<td>1.13</td>
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<tr>
<td>Algonquin</td>
<td>$/MBtu</td>
<td>4.8</td>
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<td>3.7</td>
<td>4.8</td>
<td>3.1</td>
<td>3.7</td>
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### Spreads vs. Brent ($/bbl)

<table>
<thead>
<tr>
<th>Spreads vs. Brent</th>
<th>Unit</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maya - Brent</td>
<td>(13.8)</td>
<td>(11.6)</td>
<td>(9.7 )</td>
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<tr>
<td>Ural - Brent</td>
<td>(0.5)</td>
<td>(1.2 )</td>
<td>(0.9 )</td>
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<tr>
<td>Gasoline - Brent</td>
<td>14.4</td>
<td>11.6</td>
<td>12.0</td>
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<tr>
<td>Diesel - Brent</td>
<td>16.1</td>
<td>10.7</td>
<td>13.1</td>
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<tr>
<td>Fuel oil - Brent</td>
<td>(12.2)</td>
<td>(11.3)</td>
<td>(7.2 )</td>
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</tr>
<tr>
<td>Naphtha - Brent</td>
<td>(1.0)</td>
<td>(0.5 )</td>
<td>0.4</td>
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### Refining Indicators

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<tbody>
<tr>
<td>Refining margin indicator [Spain]</td>
<td>$/bbl</td>
<td>8.5</td>
<td>6.3</td>
<td>6.8</td>
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<tr>
<td>Distillation utilization (Spain)</td>
<td>%</td>
<td>88.9</td>
<td>88.0</td>
<td>93.6</td>
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<tr>
<td>Conversion utilization (Spain)</td>
<td>%</td>
<td>103.7</td>
<td>102.9</td>
<td>104.4</td>
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## REPSOL GROUP

### Main Figures (M€)

<table>
<thead>
<tr>
<th>Main Figures</th>
<th>Unit</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
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<tbody>
<tr>
<td>Adjusted Net Income</td>
<td></td>
<td>1,852</td>
<td>1,922</td>
<td>2,405</td>
</tr>
<tr>
<td>Upstream</td>
<td>(925)</td>
<td>52</td>
<td>632</td>
<td></td>
</tr>
<tr>
<td>Downstream</td>
<td>2,150</td>
<td>1,883</td>
<td>1,877</td>
<td></td>
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<tr>
<td>Corporate and others ¹</td>
<td>627</td>
<td>(13)</td>
<td>(104)</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>1,784</td>
<td>2,067</td>
<td>3,214</td>
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<td>EBITDA CCS</td>
<td>5,112</td>
<td>5,032</td>
<td>6,580</td>
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<tr>
<td>NET CAPEX ²</td>
<td>11,960</td>
<td>(500)</td>
<td>2,856</td>
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<tr>
<td>CAPITAL EMPLOYED ³</td>
<td>40,697</td>
<td>39,255</td>
<td>36,330</td>
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<tr>
<td>Upstream</td>
<td>23,275</td>
<td>23,853</td>
<td>21,812</td>
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<tr>
<td>Downstream</td>
<td>9,758</td>
<td>9,469</td>
<td>9,749</td>
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<tr>
<td>Corporate and others ³</td>
<td>7,664</td>
<td>5,933</td>
<td>4,969</td>
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</tr>
</tbody>
</table>

¹ Includes net income contribution from GNF of 453 M€, 361 M€ and 272 M€ in 2015, 2016 and 2017 respectively
² Includes 8,005 M€ of Talisman acquisition in Q2 15
³ Capital employed below 2.3 Bn€ in each single country

### Ratios

<table>
<thead>
<tr>
<th>Ratios</th>
<th>Unit</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
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<tbody>
<tr>
<td>Net debt</td>
<td>M€</td>
<td>(11,934)</td>
<td>(8,144)</td>
<td>(6,267)</td>
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<tr>
<td>Net debt/Capital employed</td>
<td>%</td>
<td>29.3</td>
<td>20.7</td>
<td>17.3</td>
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<tr>
<td>Net debt/EBITDA CCS</td>
<td>x</td>
<td>2.33</td>
<td>1.62</td>
<td>0.95</td>
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### Credit Metrics

<table>
<thead>
<tr>
<th>Credit Metric</th>
<th>Rating</th>
<th>Outlook</th>
<th>Last Review</th>
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<tr>
<td>Standard &amp; Poor's</td>
<td>BBB</td>
<td>Stable</td>
<td>November 28, 2017</td>
</tr>
<tr>
<td>Moody's</td>
<td>Baa2</td>
<td>Stable</td>
<td>June 22, 2017</td>
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<tr>
<td>Fitch</td>
<td>BBB</td>
<td>Stable</td>
<td>May 16, 2017</td>
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### Main figures (M€)

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<tr>
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<th>2015</th>
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<tbody>
<tr>
<td>Adjusted Net Income</td>
<td>(925)</td>
<td>52</td>
<td>632</td>
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<tr>
<td>EBIT</td>
<td>(1,107)</td>
<td>(87)</td>
<td>1,009</td>
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<td>EBITDA</td>
<td>1,611</td>
<td>2,072</td>
<td>3,507</td>
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<td>NET CAPEX ¹</td>
<td>11,370</td>
<td>1,899</td>
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¹ Includes 8,005 M€ of Talisman acquisition in Q2 15

### Organic RRR

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<tr>
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<th>2015</th>
<th>2016</th>
<th>2017</th>
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<tbody>
<tr>
<td></td>
<td>%</td>
<td></td>
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<tr>
<td>Europe</td>
<td>159</td>
<td>124</td>
<td>93</td>
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### Realized prices

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<thead>
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<th>Oil</th>
<th>Gas</th>
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<tr>
<td>Europe</td>
<td>50.9</td>
<td>44.9</td>
</tr>
<tr>
<td>Latin America</td>
<td>44.0</td>
<td>37.1</td>
</tr>
<tr>
<td>North America</td>
<td>44.3</td>
<td>36.5</td>
</tr>
<tr>
<td>Africa</td>
<td>52.5</td>
<td>41.8</td>
</tr>
<tr>
<td>Asia</td>
<td>43.0</td>
<td>39.4</td>
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</table>

### Exploration/Development/Production

<table>
<thead>
<tr>
<th></th>
<th>Exploration</th>
<th>Development</th>
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<tbody>
<tr>
<td>Proven reserves</td>
<td>Kboe/d</td>
<td>Mboe</td>
</tr>
<tr>
<td>Oil</td>
<td>2015</td>
<td>2016</td>
</tr>
<tr>
<td>Europe</td>
<td>29</td>
<td>52</td>
</tr>
<tr>
<td>Latin America</td>
<td>302</td>
<td>342</td>
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<tr>
<td>North America</td>
<td>139</td>
<td>182</td>
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<tr>
<td>Africa</td>
<td>15</td>
<td>17</td>
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<tr>
<td>Asia</td>
<td>74</td>
<td>98</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>559</strong></td>
<td><strong>690</strong></td>
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### Net Acreage

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<th>Development</th>
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<td>km²</td>
<td>2015</td>
<td>2016</td>
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<tr>
<td>Europe</td>
<td>1.312</td>
<td>1.230</td>
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<tr>
<td>Latin America</td>
<td>5.884</td>
<td>4.736</td>
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<td>North America</td>
<td>6.442</td>
<td>5.316</td>
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<td>Africa</td>
<td>2.709</td>
<td>2.744</td>
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<td>Asia</td>
<td>4.319</td>
<td>4.838</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>20.666</strong></td>
<td><strong>18.664</strong></td>
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## Downstream Assets

### Refining

<table>
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<tr>
<th>Business Unit</th>
<th>2015</th>
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<th>2017</th>
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<tr>
<td>Spain Bilbao (Petronor)</td>
<td>220</td>
<td>63</td>
<td>63</td>
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<tr>
<td>Tarragona</td>
<td>186</td>
<td>44</td>
<td>44</td>
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<tr>
<td>Coruña</td>
<td>120</td>
<td>66</td>
<td>66</td>
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<tr>
<td>Puertollano</td>
<td>150</td>
<td>66</td>
<td>66</td>
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<td>Cartagena</td>
<td>200</td>
<td>76</td>
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<tr>
<td>Peru</td>
<td>117</td>
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### Marketing

<table>
<thead>
<tr>
<th>Unit</th>
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<th>2016</th>
<th>2017</th>
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<tbody>
<tr>
<td>Spain</td>
<td>3,445</td>
<td>4,464</td>
<td>4,490</td>
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<tr>
<td>Portugal</td>
<td>490</td>
<td>510</td>
<td>540</td>
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<tr>
<td>Peru</td>
<td>240</td>
<td>250</td>
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<tr>
<td>Italy</td>
<td>210</td>
<td>220</td>
<td>225</td>
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### Petrochemical

<table>
<thead>
<tr>
<th>Capacity (kt/year)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
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<tr>
<td>Ethylene</td>
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<td>1,214</td>
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<tr>
<td>Propylene</td>
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<td>Butadiene</td>
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<tr>
<td>Benzene</td>
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<td>Polyolefins</td>
<td>2,235</td>
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</table>

## Sales of oil products

<table>
<thead>
<tr>
<th>Unit</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
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<tbody>
<tr>
<td>Europe Sales</td>
<td>47,605</td>
<td>48,048</td>
<td>51,836</td>
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<tr>
<td>Own network</td>
<td>43,019</td>
<td>42,787</td>
<td>45,081</td>
</tr>
<tr>
<td>Rest</td>
<td>4,586</td>
<td>5,261</td>
<td>6,755</td>
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## Total Sales

<table>
<thead>
<tr>
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<th>2016</th>
<th>2017</th>
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<tbody>
<tr>
<td>Europe</td>
<td>2,822</td>
<td>2,892</td>
<td>2,855</td>
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<tr>
<td>Rest of the world</td>
<td>2,390</td>
<td>2,428</td>
<td>2,412</td>
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## LPG

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<tr>
<td>Europe Sales</td>
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<td>1,747</td>
<td>1,375</td>
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<td>Rest of the world</td>
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<td>1,261</td>
<td>1,356</td>
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## Gas & Power

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<tr>
<td>Gas Sales</td>
<td>290</td>
<td>414</td>
<td>486</td>
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<tr>
<td>LNG regasified (100%) in Canaport</td>
<td>23</td>
<td>16</td>
<td>15</td>
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Investors Update
Delivering value growth through the cycle

November 2018