

Press release
Madrid, May 12th 2010
Number of pages: 3

**In the Orinocco Oil Belt, one of the world's largest heavy
crude reservoirs**

ANTONIO BRUFAU SIGNS THE DEVELOPMENT AGREEMENT FOR THE CARABOBO PROJECT

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- Repsol, with an 11% stake, will co-ordinate the international consortium that will develop the project together with PDVSA.
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- The Carabobo project will allow the company to add an estimated 268 million barrels of net reserves over the next ten years.
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- Repsol expects net investment in the project for the period 2010-2014 to total \$750 million.
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- Production is expected to reach a plateau of 400,000 boe/d during the 40 year project-life. Development includes the construction of a crude upgrader.
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- Repsol will use the latest technology in heavy crude oil extraction and production on the Carabobo project.
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- The Carabobo development project adds to the discovery, the largest ever gas find made in Venezuela and one of the world's five largest discoveries in 2009.
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Repsol Chairman Antonio Brufau and Venezuelan President Hugo Chavez signed in Caracas the agreement to create the PetroCarabobo S.A. joint venture that will develop oil reserves in Venezuela's Orinoco Oil Belt, one of the world's largest undeveloped hydrocarbon deposits.

The Carabobo area is located in the eastern part of the Orinoco Oil Belt, which may hold up to 513 billion barrels of oil according to the latest US Geological Survey.



Repsol, with an 11% stake, will act as co-ordinator for the consortium that in February won the rights to develop blocks Carabobo 1 Norte and Centro. Repsol is partnered by India Oil and Natural Gas Corporation (11%), Petronas (11%), Oil India Limited (3.5%) and Indian Oil Corporation Limited (3.5%). PDVSA, according to Venezuelan legislation, owns the remaining 60% of the joint venture.

The project will allow Repsol to boost its net reserves by an estimated 134 million barrels of oil through 2014, with an expected total net investment in the period of \$750 million

A further 134 million barrels can be added in the period 2015-2019.

The development of the heavy crude oil project includes a commercial agreement that will allow Repsol's Spanish refineries to process 165,000 barrels of oil a day. This contract generates a significant competitive advantage over rivals thanks to Repsol's experience in the use of advanced oil conversion technology at its refineries.

The joint venture will also build the crude production and upgrading installations as well as the processing and transport infrastructure. This contract has a duration of 25 years, extensible by a further 15.

The government of Venezuela in January tendered seven blocks in the Carabobo region, with an total estimated 128 billion barrels of oil in place. The blocks are grouped in three projects, each of which could reach a maximum production of 400,000 barrels of oil/day for 40 years. Each of the projects includes the construction of a crude upgrader.

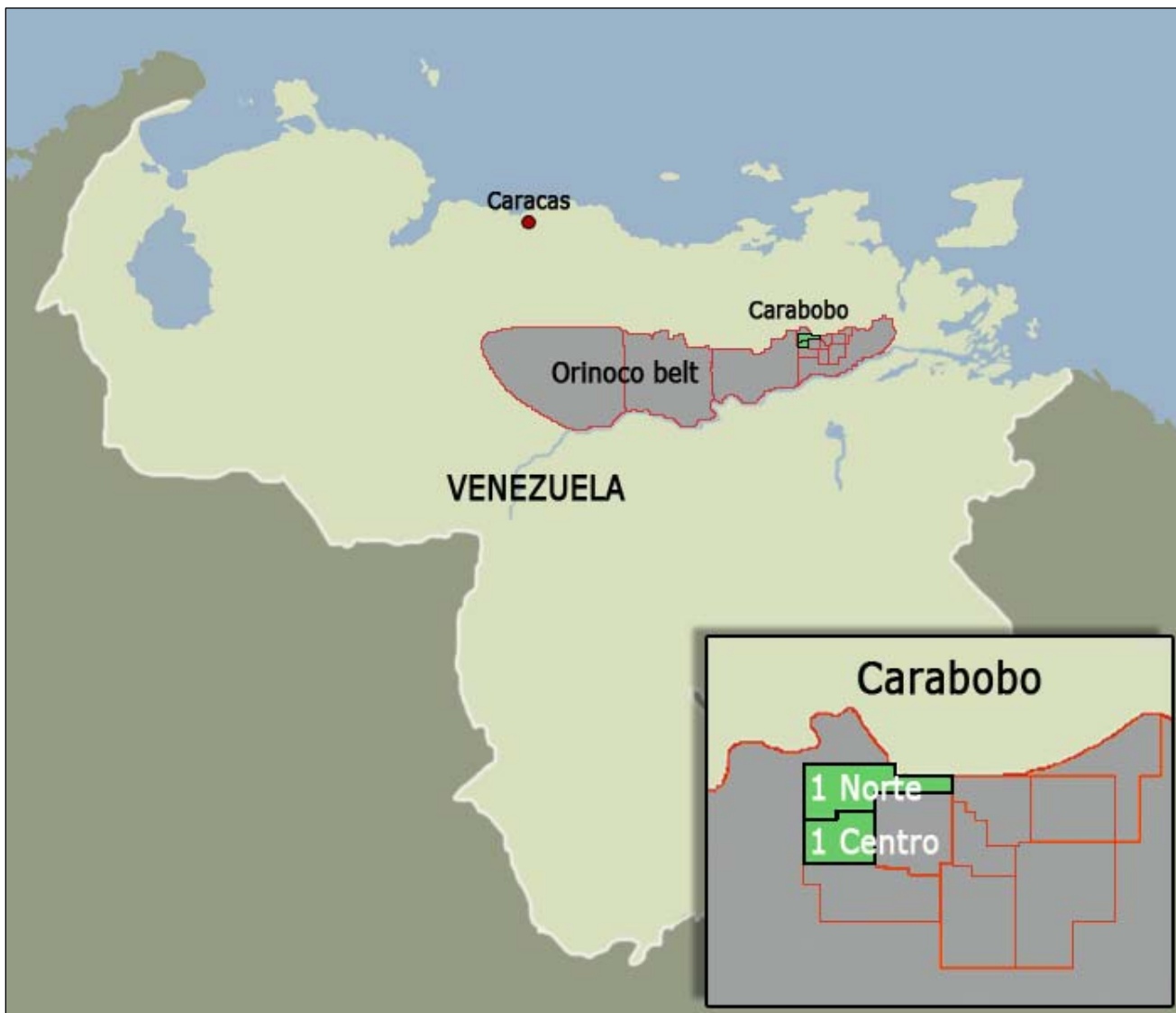
Perla, one of the world's top five discoveries in 2009

Repsol maintains a historic presence in Venezuela, where it is one of the largest foreign operators. Especially significant is the company's participation in the Cardon IV block, where the Perla gas field lies. This discovery was rated one of the world's top five finds in 2009 by HIS, and is the largest discovery ever made in Venezuela.

In April, Repsol raised by 30% its resources estimate for Perla, following a new discovery in the Perla 2X well. The field is estimated to hold between 1.6 and 1.85 billion barrels of oil equivalent.

As of 31 December 2009, Repsol held mining rights in eight blocks in Venezuela: two exploration blocks, covering a net area of 669km², and six operation blocks, with a net area of 813km². In Venezuela, the company's net annual production of oil and liquids separated from natural gas stood at 2.3 Mbbl and net annual gas production was 60.7 bscf, with a total equivalent of 13.1 Mbep (35,880 bep), mainly from the Quiriquire, Mene Grande, Yucal Placer and Barrancas blocks. Proved net liquid and natural gas reserves in Venezuela at year-end were estimated at 115.8 Mbep.

LOCATION MAP



Related Links

- [Click here to see more information on the Perla 1X discovery of October 16 2009.](#)
- [Click here to see more information on the reserve estimate increase of April 12 2010.](#)