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The new wells will quadruple existing oil production in Spain

REPSOL MAKES TWO NEW DISCOVERIES IN SPAIN'S MEDITERRANEAN WATERS

- **The new wells, called Montanazo D-5 and Lubina-1, are 45 kilometres from the coast of Tarragona .**
- **Repsol, with a 75% stake, is the operator of the Montanazo well, and the sole owner of Lubina-1.**
- **Both wells are next to the Casablanca production platform, to which they will be connected to process and transport the crude oil.**
- **The production from the Montanazo and Lubina wells will add to that of the Casablanca, Boquerón, Rodaballo and Chipirón fields.**
- **Initial production tests indicate flows of light crude of 3,800 bpd at 736 meters in Montanazo, and 3,700 bpd at 663 meters in Lubina-1.**
- **The fields are expected to produce between five and seven years, extending production from the area.**
- **The discoveries will quadruple Spain's existing 2.000 bpd of oil production.**

Repsol has made two new offshore oil discoveries in the Spanish Mediterranean. The Montanazo D-5 and Lubina-1 wells are located 45 kilometres from the coast of Tarragona, where the company is developing similar satellite fields.

Repsol, with a 75% stake, is the operator of the first of these discoveries, in a consortium with Gas Natural (17.7%) and Cepsa (7.3%). In the second discovery, Repsol is the sole holder.



Preliminary estimates show that the Montanazo and Lubina wells could produce oil for between five and seven years, extending the productive lives of the area. In the last three years, about 135 million euros were invested to drill and prepare these wells. The development of the fields will require a further 55 to 60 million euros over the next two years.

The first of these discoveries took place within the Montanazo - D concession. The Montanazo D-5 well is in 736 meters of water, and reached a total depth of 2,354 meters. Initial tests indicate oil production flows of 3.800 bpd of 32° API crude oil.

Repsol's second discovery in the area is in the Lubina II concession. The Lubina-1 well, in 663 meters of water and 4 km to the north of Montanazo D-5, has a total depth of 2,439 meters. Tests indicate a production of 3.700 bpd of 31.5° API crude oil.

The total production from these two wells could almost quadruple Spain's existing 2.000 bpd of oil production. They are in the same area as the Repsol Casablanca production platform which already channels output from the Casablanca, Boqueron, Rodaballo and Chipirón fields.

The crude oil coming from these discoveries will be processed and transported, together with the rest of the production from the other fields, through a 43km pipeline that links the Casablanca platform to the coast. In this way, investment will be kept to a minimum as no new infrastructure needs to be built.

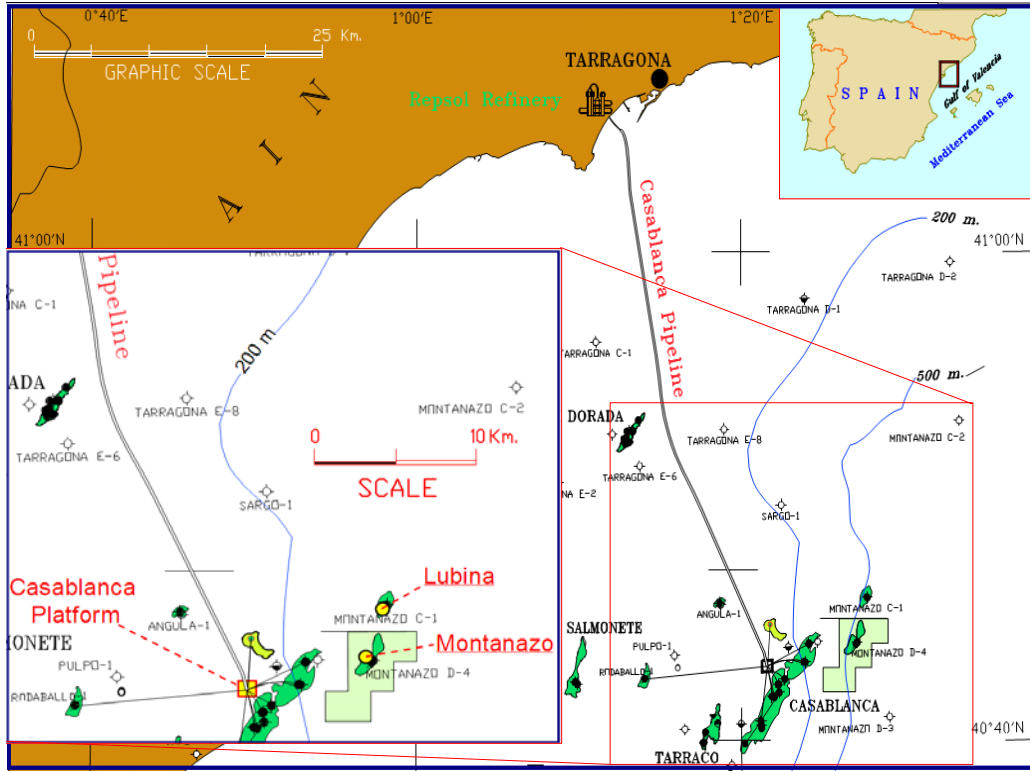
Once these developments are approved, production will be channelled through a pipe to the Casablanca platform 8 km away, in the same way that other satellite fields such as Rodaballo and Chipiron were developed.

Repsol in Tarragona

Repsol has been exploring in Tarragona since the 70s. In 1981 the Casablanca platform was installed on the first well. At the start of the 80s a number of structures that had potential were uncovered, but at the time they could not be developed. Now thanks to the latest seismic imaging carried out in 2005 and the improved modelling of the structures which new technology has allowed, a these wells are commercially viable for production.



LOCATION OF THE MONTANAZO D-5 AND LUBINA- 1 WELLS



CASABLANCA PLATFORM

