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Repsol will contribute Russian assets to the Joint Venture  
with Alliance Oil Company

## REPSOL TO ACQUIRE EUROTEK, A RUSSIAN EXPLORATION AND PRODUCTION COMPANY

- Repsol purchases Eurotek, an exploration and production company with assets in the Russian Federation for a cash consideration of US\$230 million, approximately.
- Among the acquired assets there are two gas fields: Syskonsyninskoye (SK), which is at an advanced development stage and will start production in 2012 and Yuzhno-Khadyryakhinskoye (YK) which is under the final stage of appraisal.
- In 2012, subject to the receipt of necessary governmental approvals, Repsol will contribute these assets at cost to AROG, the recently created joint venture in partnership with Alliance Oil Company, as part of Repsol's commitment in cash and kind.
- AROG will carry out oil and gas exploration and production operations in the Russian Federation, the biggest hydrocarbons producer in the world.

Repsol has signed the deal on the acquisition of 100% of the Russian company *Open Joint Stock Company Eurotek (Eurotek)*, which holds exploration and production licences in West Siberia. The transaction has been preapproved by the Federal Antimonopoly Service of the Russian Federation.



Repsol will pay a total consideration of, approximately, US\$230 million for the purchase of Eurotek, on a debt-free cash-free basis. Among the acquired assets, there are two licences, encompassing the Syskonsyninskoye gas Field (SK), which is at an advanced development stage, starting production in 2012 and Yuzhno-Khadyryakhinskoye gas field (YK) which is under the final stage of appraisal and planned to come on-stream by 2016.

In 2012 Repsol will contribute these assets at cost to the recently created AROG (Alliance Repsol Oil and Gas) Joint Venture Company, as part of Repsol's commitment in cash and kind. AROG is owned 51% and 49% by Alliance Oil Company and Repsol respectively, with a total asset base worth approximately US\$840 million.

Repsol will incorporate, through the SK and YK assets, a total of proven and probable reserves 115 MBOE 2P to AROG. These adds to the 171,5 MBO 2P incorporated by Alliance Oil Company through the Saneco and Tatnefteotdacha oil fields.

Repsol already owns a 3.5% stake in Alliance as a result of the merger between Alliance and West Siberian Resources, in which Repsol initially held 10%, in 2008.

Repsol has been advised by Barclays Capital and DLA Piper for this transaction.

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