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2013 Annual General Meeting

Repsol shares gained 50% in the last year

ANTONIO BRUFAU FORESEES POSITIVE RESULTS FOR REPSOL AND THE SPANISH ECONOMY

- **The Annual General Meeting approved Repsol's results for 2012, during which it posted profits of 2.06 billion euros and increased its hydrocarbons output by 11%.**
- **The company's shares gained 50% in the last twelve months, beating the oil industry average (19%) and the Ibex index (38%.)**
- **The company's positive progress was reflected in the successful placement of 5% of its stock in the market, while also welcoming a major new relevant investor (Temasek), along with the recent Repsol bond issue for 1.2 billion euros, for which the company paid the lowest coupon seen in corporate bonds since Spain joined the euro.**
- **Repsol announced it will maintain its commitment to create jobs and nurture talent, which over the last five years led to the creation of 3,500 new jobs and 1,600 training grants.**
- **Repsol's Chairman said the company's future development will occur in a more positive Spanish economic environment. He praised the government's intensive reform agenda and said there are structural factors that will allow sustainable and robust growth for the country.**
- **Repsol approved an offer to repurchase preference shares at 97.5% of their par value, offering more attractive conditions than those currently available in the market.**
- **Shareholders at the Annual General Meeting agreed to appoint Rene Dahan as the director representing Temasek, which recently acquired 6.3% of Repsol's stock. Dahan took up his position at the meeting of the Board of Directors held after the AGM.**

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- **The Annual General Meeting also ratified the appointment by co-option of Manuel Manrique Cecilia as the director representing Sacyr and approved the re-election of Luis Suárez de Lezo Mantilla and María Isabel Gabarró Miquel as company directors.**
- **Repsol's Executive Chairman informed shareholders of progress on the 2012-2016 Strategic Plan. During the first year, five of the 10 key projects were begun, competitiveness of refining assets was improved and the financial targets for the plan as a whole were surpassed.**
- **Repsol made five major hydrocarbon discoveries in 2012, one of them, Pão de Açucar in Brazil, among the world's largest.**
- **Brufau emphasised that Repsol's strategy will allow it to embark on a new phase of growth in 2016, thanks to operations in new areas with considerable potential and the start of production from recent discoveries.**
- **Regarding the expropriation of YPF, the Repsol Chairman outlined the progress of the judicial and arbitration processes, thanked the Spanish government and international bodies for their support and reiterated the company's willingness to reach a negotiated solution for a fair compensation for the expropriation of YPF.**
- **The Annual General Meeting approved two proposals of paid up capital increase to maintain the "Repsol Flexible Dividend" programme as a means of shareholder remuneration, an initiative that has been well received.**

Repsol's Executive Chairman, Antonio Brufau, today informed the company's shareholders attending the Annual General Meeting of progress on the 2012-2016 Strategic Plan, which has transformed Repsol into one of the energy companies with best growth prospects thanks to its intense and successful exploration and production activity.

Brufau pledged to continue with the commitment to create jobs and nurture talent, which over the last five years has led to the creation of 3,500 new jobs and 1,600 training grants.

Brufau announced that the Board of Directors' Meeting held prior to the Annual General Meeting approved the offer to repurchase preference shares at 97.5% of its par value. Those accepting the offer will, for every preference share (1,000 euros of par value), receive a 10-year bond with a par value of 500 euros with a coupon of 3.5%, and 475 euros in cash. The offer is more attractive than conditions currently available in the market.

The Annual General Meeting approved the results for the past financial year, during which the company posted a net profit of 2.06 billion euros. At current cost of supply,

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Repsol's net result increased by 5.4% compared with the previous year to 2.048 billion euros. The results are particularly significant in that the 2011's earnings had included the stake in YPF.

Repsol's Executive Chairman began his presentation to shareholders by going over the fulfilment of the 2012-2016 Strategic Plan, with significant and encouraging progress during the first year of operation of the plan, as five of the 10 key projects have already started, the competitiveness of the refining system has been improved thanks to expansions of the Cartagena and Petronor refineries, while the financial objectives set for the plan as a whole have been surpassed.

The success of Repsol's exploration operations allowed hydrocarbon output to increase in 2012 by 11% above the goals set out in the strategic plan, while also achieving a record reserve replacement rate of 204%, amongst the highest in the industry.

During the year, the company made one of the largest discoveries worldwide, Pão de Açucar in Brazil, along with other very significant finds in Peru, Colombia and Algeria. Following these exploratory results, Brufau announced, a new growth phase from 2016 thanks to activity in new areas with considerable potential and the start of production at the recent discoveries.

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In the Downstream unit, the expansion projects at the Cartagena and Petronor refineries have given Repsol one of the most competitive refining systems in Europe. The improved competitiveness of these assets has helped place refining margins at the forefront of the European industry.

Antonio Brufau also commented on the company's financial solidity, which with the sale of LNG assets will cut debt by 2.2 billion euros with liquidity three times greater than its short-term debt maturities. In this regard the past financial year was marked by major financial milestones: Repsol sold its treasury stock to qualified investors and the market for 2.4 billion euros; it undertook divestments in Chile and Ecuador and agreed the sale of LNG assets; it issued seven-year bonds for 1.2 billion euros (the lowest coupon since Spain joined the Euro); and today announced the repurchase of the preference shares.

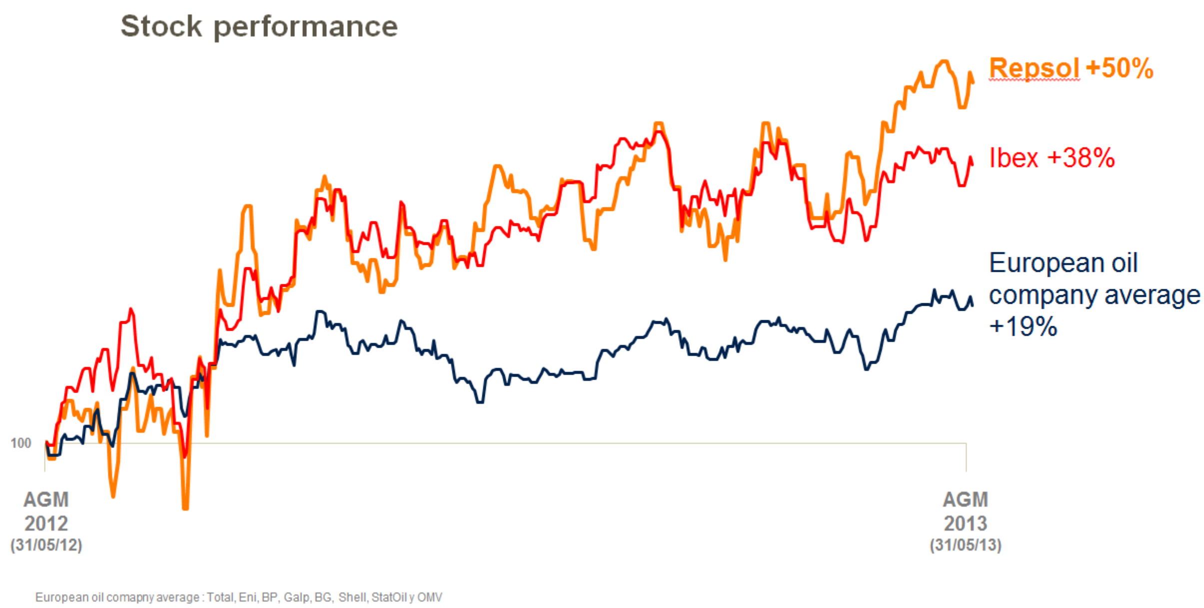
Particularly relevant was the inclusion within the company's shareholding of Singapore's Temsaek, which acquired 6.3% of Repsol's stock. The Annual General Meeting appointed Rene Dahan as the shareholder representing Temasek, and he took up his position on the Board of Directors upon conclusion of the general meeting.

Shareholder remuneration

Repsol's executive Chairman reviewed the company's shareholder remuneration policy, with a payout from earnings of between 40% and 55%. From 2012 earnings, the company has established a dividend equivalent to 1 euro per share.

Repsol will continue with the "Repsol Flexible Dividend" for which the AGM approved the two proposed paid up capital increases necessary to maintain the programme. In the paid up capital increase, replacing the traditional interim dividend for the 2012 financial year almost 70% of shareholders opted to receive their remuneration in shares.

Repsol's share price rose by 50% over the past year, considerably outstripping the average for the oil sector (19%), and the Ibex index, which rose by 38%.



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Economic environment

Repsol's Executive Chairman expressed his confidence that the company's performance in the near future will benefit from a more positive Spanish economic environment as the government is taking all the necessary measures to ensure the return to economic growth.

He described the economic reforms being carried out by the government as "one of the most intense in the Eurozone" and praised the efforts made by Spain to make public finances more sustainable, to clean up the financial system and to reform labour markets.

Brufau shared the Spanish government's concern with the urgent need for the Eurozone countries to advance with the banking union and the implementation of a raft of economic and fiscal measures to reinforce the long-term credibility of the euro.

Brufau highlighted the improvement of the export sector as an early sign of the economic improvement and underlined that Spain "is now one of the most attractive countries for foreign investment" following the reforms implemented by the government.

Antonio Brufau expressed his confidence that the labour reform will begin to bear fruit this year, resulting in lower unemployment, society's biggest problem according to Brufau.