



PRESS RELEASE  
Madrid, 8 November 2011  
2 pages

Repsol signs an agreement with Korean company SKL

## REPSOL TO PRODUCE LATEST-GENERATION LUBRICANT BASE OILS IN EUROPE

- Repsol and SKL will build a new lubricants production plant for sale in the European market.
- With an investment of more than 250 million euros, the new plant will be built beside Repsol's Cartagena refinery, and is set to begin operating in 2014.
- Latest-generation lubricants help to reduce greenhouse gas emissions. The new plant in Spain will reduce European dependence on Lubricant Base Oil imports.

Repsol has reached an agreement with the South Korean company SK Lubricants (SKL) to build a production plant for Group 3 Lubricant Base Oils for sale on the European market.

Group 3 Lubricant Base Oils are used for the production of third-generation lubricants, suitable for Euro VI engines. These will be mandatory in Europe from 2014 onwards and contribute to the reduction of greenhouse gas emissions.

With an estimated total investment of 250 million euros, the new plant's production will be mainly distributed throughout Europe, reducing that market's dependence on imports.

Repsol will have a 30% share and SKL will own the remaining 70% of the new plant, which is due to be operating in 2014.

The new plant, which will be located beside Repsol's refinery in Cartagena, will use the residue of the hydrocracking units in Repsol's refineries in



Tarragona and Cartagena. It will have a processing capacity of 630,000 tonnes a year, making it the largest plant of its kind in Europe.

This agreement reinforces the collaboration agreement already in place between Repsol and SK in other areas, such as LNG and exploration.

SKL is one of the world's leading companies in Group 3 Lubricant Base Oils. It is a subsidiary of SK Holdings, South Korea's third biggest conglomerate in terms of total assets, with business units in telecommunications, services, engineering, technology, and energy. It is Korea's largest oil refiner.