

Press release
Madrid, December 9, 2015
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REPSOL AMORTIZES PART OF TALISMAN'S DEBT AND REDUCES ITS FINANCING COSTS BY 65 MILLION DOLLARS A YEAR

- **It will amortize Talisman bonds in the amount of 1.5 billion dollars in an operation that will provide the Group with a net present value of more than 1 billion dollars.**
- **This will have a positive effect of over 220 million dollars on Repsol's 2015 earnings and will reduce financing costs by 65 million dollars a year.**
- **The repurchase of Talisman bonds significantly increases the synergies set out in Repsol's Strategic Plan and reflects its ability to generate new savings after the integration of the Canadian company.**
- **This transaction, in which Repsol used part of its liquidity, was completed today with a new issue of bonds for a value of 600 million euros.**

Repsol, through its subsidiary Talisman Energy, announced the purchase, with a discount of 14.5%, of 1.5 billion dollars of face value in Talisman bonds today, corresponding to five issues expiring in 2027, 2035, 2037, 2038, and 2042 with coupon rates of 7.25%, 5.75%, 5.85%, 6.25%, and 5.5%, respectively.

To complement this transaction, in which Repsol used part of its liquidity, the company announced today a new issue of 600 million euros in bonds with a term of five years (expiring in December 2020) at a coupon rate of 2.125%.

Canceling Talisman bonds will have a positive effect on Repsol's results before tax for the 2015 financial year of over 220 million dollars, resulting from the difference between the purchase price and the book value of said bonds. Additionally Repsol will benefit from annual savings of 65 million dollars before tax due to the reduced interest payment.

The current net present value generated by this transaction is above 1 billion dollars, as a result of the savings generated by the disappearance of interest payments to be made during the life of the bonds and the value acquired by repurchasing the bonds.