

The plant produces the equivalent of 15% of Spain's daily gas demand

EVO MORALES AND ANTONIO BRUFAU OPEN THE EXPANSION OF THE MARGARITA GAS PLANT

- **Following completion of the plant's expansion, the Margarita-Huacaya project produces 14 million cubic meters of gas per day.**
- **The development plan entails a \$640-million investment and will continue with the drilling of two new wells and further 2D and 3D seismic surveys to continue increasing production.**
- **Margarita-Huacaya, one of the 10 key projects included in Repsol's Strategic Plan, is exceeding expectations in production volume as well as in its start-up, completed in record time.**
- **During the opening ceremony Repsol Chairman Antonio Brufau outlined to Evo Morales, President of Bolivia, the importance of the Margarita-Huacaya project for the company and the progress made to further increase production.**
- **Antonio Brufau said that "we are pleased to announce that not only have we built this plant within the designated time, but we are also able to produce more gas than initially committed."**

The President of Bolivia, Evo Morales and Repsol Chairman, Antonio Brufau, officially opened the expansion of the Margarita gas processing plant in the Tarija department, in the south of the country. This project allows the plant's output to increase to a current gas production of 14 million cubic meters of gas per day, equivalent to almost 15% of Spain's gas demand.

The development plan for the Margarita-Huacaya area, with a total investment of \$640 million, is one of key growth projects in Repsol's 2012-2016 Strategic Plan. The expansion of the Margarita gas processing plant is part of this project, now in its final phase.

The current phase of the project includes four new wells, two of which (Margarita 5 and 6) have already been completed. The first is already producing, and in the next few weeks gas tests will be carried out in the second.

Repsol and its partners have achieved the gas production volume outlined in the Margarita-Huacaya contract a year early, confirming Repsol's commitment to this project and to Bolivia.

During the opening ceremony, Antonio Brufau, Repsol Chairman, outlined to Evo Morales, President of Bolivia, the importance of the Margarita-Huacaya project for the company and the progress made to further increase production.

During his speech, Antonio Brufau said that "we are pleased to announce that not only we have built this plant within the designated time, but we are also able to produce more gas than initially committed."

In addition, the Repsol Chairman pointed out that the company "is demonstrating with facts and results the partnership established with Yacimientos Petrolíferos Fiscales Bolivianos and with the Bolivian State, that we consider our strategic partner."

New wells to further increase production

The Margarita and Huacaya fields jointly cover an area of 123,000 hectares where there are currently five wells in production and one in the testing phase, with depths ranging between 4,000 and 6,000 meters. In phase II, whose development continues, two new wells will be drilled: Margarita 7-Margarita 8, and 2D and 3D seismic surveys will be carried out.

In order to incorporate the new wells to the production system, 29.4 km of pipelines have been built in recent months, as well as the expansion of the Villamontes compressor station. At the peak of activity, 1,900 people were employed during the construction of the Margarita-Huacaya facilities, the construction of which represented 7 million man-hours.

The Caipipendi Consortium responsible for this project is operated by Repsol (37.5%), partnered by BG (37.5%) and PAE E&P (25%). The Spanish company Técnicas Reunidas, together with the Bolivian companies Inesco and Bolinter, carried out the expansion of this plant.