

REPSOL TO OPEN BETWEEN 200 AND 250 SERVICE STATIONS A YEAR IN MEXICO

- Repsol is opening its first service stations in Mexico, marking the beginning of a long-term project that aims to open between 200 and 250 service stations a year with a view to reaching a market share of 8-10%.
- The company expects to invest close to 400 million euros, excluding the development of infrastructure, demonstrating its commitment to the country and its desire to become a relevant player in the Mexican energy market.
- Repsol expects to end 2018 with 200 service stations in Mexico, in light of the interest shown by various Mexican business networks.
- The company held an opening ceremony at the *Siete Banderas* site in Mexico City which was attended by Mexico's Secretary of State for Energy, Pedro Joaquin Coldwell, the Spanish Ambassador, Luis Fernandez-Cid de las Alas, and Repsol's Downstream Executive Managing Director, Maria Victoria Zingoni.
- "Mexico is a country with great potential for growth and to which we are clearly committed as a strategic market for the company. The opening of these service stations is just the first step in a long-term project," said Zingoni

8-10%
Estimated market share in 2022

200
Service stations planned for 2018

Repsol today opened its first service stations in Mexico, marking the beginning of a long-term project that it targeting a market share of between eight and 10% in the next five years. Repsol already has 10 service stations operating in Mexico.

To achieve this goal, Repsol expects to invest close to 400 million euros, excluding the development of infrastructure, demonstrating its commitment to the country and its desire to become a relevant player in the revitalization of the Mexican energy and hydrocarbon market.

The company expects to end 2018 with 200 fueling stations open in the country, offering the highest standards of quality, trust, and transparency characteristic of Repsol's service.

Repsol has received multiple expressions of interest from Mexican businesspeople to partner and extend its network in the country

Repsol is receiving multiple expressions of interest from Mexican businesspeople in the industry to form partnerships that extend its network in the country. In addition to today's announcement, an additional 40 service stations will soon be added. Further agreements with local partners are being negotiated, and the company also plans to open its own service stations independently.

As a symbol of the beginning of this new era in Mexico, Repsol held an inaugural event at its new *Siete Banderas* service station, one of the country's top 20 in terms of fuel sales, located in Mexico City. It employs 50 people and serves more than 2,000 customers daily.

Attendees included Pedro Joaquín Coldwell, Mexico's Secretary of Energy; Luis Fernández-Cid de las Alas, the Spanish ambassador to Mexico; and María Victoria Zingoni, Repsol's Executive Managing Director of Downstream.

In the words of María Victoria Zingoni, "Mexico is a country with great potential for growth and to which we are clearly committed as a strategic market for the company. We have a strong interest in participating in logistics infrastructure projects in order to optimize the country's fuel distribution model. The opening of these service stations is just the first step in a strategic plan through which we hope to become relevant throughout the sector's value chain in Mexico."

María Victoria Zingoni:
"We are clearly committed to Mexico as a strategic market".

The presentation emphasized the strengths and advantages that Repsol offers its customers, such as the exclusive Neotech fuels developed by the company at its Technology Center, which extend engine lifespan and reduce wear and maintenance costs.

Repsol's presence in Mexico

Repsol operates in Mexico in several different businesses, with various local partners. It has an alliance with KUO Group, with whom it founded Dynasol in 1999. This joint venture is one of the top 10 synthetic rubber companies in the world and has plants in Mexico (Altamira), Spain (Santander) and China.

Repsol is already present in Mexico with various local partners in activities that generate value for the company and the country

Repsol also produces and distributes its lubricants in Mexico. This is the company's most international business, operating in 90 countries.

Upstream (exploration and production), Repsol has exploration blocks in Mexico, alongside local partners (one block in round 2.1 in partnership with Sierra Oil & Gas in September of 2017, and three blocks in round 2.4 in January of 2018).

The Mexican fuel market

Mexico is the sixth-largest market in the world in terms of gasoline and diesel consumption. With nearly 120 million inhabitants and an ongoing expansion, it shows great potential and a growing fuel demand.

According to data from the Energy Regulatory Commission (CRE), 40% of Mexican towns lack service stations. The country has 11,800 of them: one gas station for every 10,560 people, and one for every 23,165 residents of Mexico City. This rate is lower than that of many other countries, such as the United States, Germany, and Brazil.

Mexico is the world's sixth-largest diesel and gasoline market

About Repsol

Repsol is one of the world's leading publicly-traded oil and gas companies. It has one of the most efficient refining systems in Europe and the world's tenth largest by installed capacity.

4,700
Repsol service stations
worldwide

The company also distributes and sells fuel and lubricants through its more than 4,700 service stations. It is a leader in this sector in Spain and has significant international experience, with a presence in Peru, Portugal, and Italy. The company's network of service stations serves 1.5 million customers each day.

Technology is one of the pillars of the company - Repsol develops cutting-edge projects that have made it a leader in innovation in the energy world. Repsol has its own Technology Center where more than 200 scientists and researchers work to develop products and services related to the business's entire value chain.