

REPSOL BEGINS OIL PRODUCTION FROM THE DEEP WATER US BUCKSKIN PROJECT

- Repsol and its partners have achieved first oil in Buckskin, an ultra-deep project located in approximately 6,800 feet (2,073 meters) of water in the Gulf of Mexico. Initial output is projected to reach 30,000 barrels of oil per day.
- Originally planned for late 2019, the project has come online ahead of schedule and with a cost reduction of 60% from initial development plans.
- Buckskin stands as an example of lean operation thanks to an optimized development plan based on technology, efficiency measures and synergies with partners.
- In Buckskin, Repsol has a 22.5% working interest, while LLOG operates the field with a 33.8% interest.

60% cost reduction
Production ahead of schedule

Lean operations:
Achieved thanks to and optimized plan based on efficiency measures and synergies

Repsol and LLOG Exploration Offshore today announced the start of oil production from the ultra-deepwater Buckskin project located in the Keathley Canyon area of the Gulf of Mexico, earlier than anticipated and with a 60% reduction in cost from the original development plan.

The achievement is a successful demonstration of lean operations that the company has rolled out globally to increase the efficiency of exploration and production projects through the use of technology, capital and cost discipline, standardized procedures and synergies with partners, building a long-term sustainable business regardless of the volatility of oil and gas prices.

Once fully established, the phase one production rate at Buckskin is anticipated to reach 30,000 barrels of oil per day.

Discovered by Repsol in 2009 at a depth of 28,750 feet (8,763 meters), the original Buckskin development project was paused for further analysis after the initial economics did not guarantee its viability. During that process, LLOG Exploration Offshore took over the operatorship from the previous operator, working together with Repsol to design a new streamlined development plan. This new project included phased development and a standardization of processes that boosted economic viability, reducing the break-even price for produced oil from Buckskin by almost 30% from the original plan.

Repsol E&P USA owns a 22.5% working interest in Buckskin, a consortium led by LLOG, the operator, with a 33.8% interest. The rest is held by Beacon Offshore Energy Buckskin LLC (18.7%), Navitas Buckskin US, LLC (7.5%) and two entities managed by Ridgewood Energy Corporation that own the remaining 17.5%.

The Buckskin project is located on Keathley Canyon blocks 785, 828, 829, 830, 871 and 872 in approximately 6,800 feet of water in the Gulf of Mexico, an area in which Repsol has further interests with LLOG. Both companies recently signed an Asset Exchange and Joint Participation Agreement to accelerate plans and optimize the economics of projects in the deepwater Gulf of Mexico. Under the agreement, Repsol acquires a 30% interest in Moccasin while LLOG will operate the Leon project, where a delineation well is planned for the second half of the year.

Repsol has expanded its footprint in the United States' Gulf of Mexico since it first began operating there in 2007 due to the area's high hydrocarbons potential, mature infrastructure and highly-qualified and competitive business support operations as well as stable regulation and world-class safety standards.

About Repsol

Repsol is a global energy company present throughout the whole energy value chain. The company has upstream activity in 25 countries, produces 715,000 barrels of oil equivalent per day and has one of the most efficient refining systems in Europe. Repsol also operates low-emissions electricity generation assets, including photovoltaic and offshore wind power projects, and it is pioneering development of mobility initiatives to build new solutions and provide enhanced energy sources for transportation.

Repsol is present in the United States since 2006. As of December 31, 2018, the company had 559 employees working in the country, owned mineral rights to a total net surface area of 3,111 Km² and accounted for a net production of 113,539 barrels of oil equivalent per day. Net proved reserves in the United States amounted to 419.2 million barrels of oil equivalent.