

REPSOL BUYS VIESGO'S LOW-EMISSIONS ASSETS AND RETAIL BUSINESS FOR 750 MILLION EUROS

- Repsol has agreed to buy from Macquarie and Wren House, for 750 million euros, the unregulated low-emissions electricity generation businesses of Viesgo as well as its gas and electricity retail business.
- The agreement includes the purchase of low-emissions electricity generation with an installed capacity of 2,350 megawatts (MW) and almost 750,000 retail customers, strengthening Repsol's position as a multi-energy supplier.
- The deal is a significant step toward Repsol's strategic objective of becoming an operator in a profitable low-emissions business with great potential for growth.
- Repsol becomes a relevant player in the Spanish electricity generation market, with total installed capacity of 2,950 MW.
- The agreement includes the transfer of hydroelectric plants with installed capacity of 700 MW, and two combined-cycle gas turbines (CCGT) with installed capacity of 1,650 MW.
- The company's Strategic Plan set objectives to reach 2.5 million retail gas and electricity customers in 2025, as well as low-emissions generation capacity of about 4,500 MW.

A significant step toward the development of low-emissions business

2,350 MW

Total capacity acquired

2% Market share

Retail gas and electricity in Spain

~ **750,000**

New customers

Repsol strengthens its position as a multi-energy supplier

The Board of Directors of Repsol today approved the purchase from Macquarie Infrastructure and Real Assets (MIRA) and Wren House Infrastructure of unregulated low-emissions power generation businesses from Viesgo as well as its gas and electricity retail clients, valued at 750 million euros.

With this transaction, Repsol takes a decisive step in its roadmap for the energy transition by operating a low-emissions business with a profitable, long-term position, in line with its commitment to the fight against climate change.

The acquisition, which will allow the company to develop new competencies, entails a new operator in the gas and electricity sector with a long-term industrial vision and willingness to invest and create new job opportunities. This will also strengthen competition in the sector to the benefit of consumers.

Repsol takes a significant step in its roadmap for the energy transition by incorporating are low-emission energy generation assets.

Generation assets acquired by Repsol



Repsol is acquiring hydropower plants with an installed capacity of 700 MW in northern Spain, with great potential for organic growth. It also acquires two combined cycle gas plants in Algeciras (Cádiz), built in 2011, and in Escatrón (Zaragoza), built in 2008. The two plants have combined capacity of 1,650 MW. Viesgo's coal-fed power plants were excluded from the transaction.

Combined cycle gas plants will play a key role in the energy transition. Hydroelectric plants are an efficient source of renewable power generation as well as acting as an energy storage that can be used when other renewable sources are unavailable. The transaction will also improve the efficiency of Repsol's own energy consumption, which is the most significant single cost of its five large industrial facilities in Spain.

Repsol will become a major player in the Spanish electricity market, with total installed capacity of 2,950 MW (2,350 MW from this transaction, plus more than 600 MW from its existing cogeneration plants).

In addition, the company achieves a relevant foothold in the retail gas and electricity sector in Spain, with a market share of more than 2% and about 750,000 customers, representing a significant step forward in fulfilling its objectives of achieving a retail market share of gas and electricity greater than 5% as well as 2.5 million customers by 2025.

The new retail customers being incorporated in gas and electricity are spread across Spain, mainly in Cantabria, Galicia, Asturias, Andalusia, Castilla y Leon and Madrid. Repsol will take advantage of cutting-edge, consumer-focused digital solutions from Viesgo, and incorporate its own experience in direct and continuous contact with customers to enhance and grow the business.

With this agreement, Repsol strengthens its position as a multi-energy supplier and incorporates unregulated operated assets, including modern and efficient facilities for hydroelectric generation and combined cycle gas turbines.

It is expected that the transaction, which will be considered effective in financial terms from January 1, 2018, will be finalized in the fourth quarter, following the necessary regulatory approvals. Repsol will rely on the contribution of personnel from Viesgo to consolidate its new position.

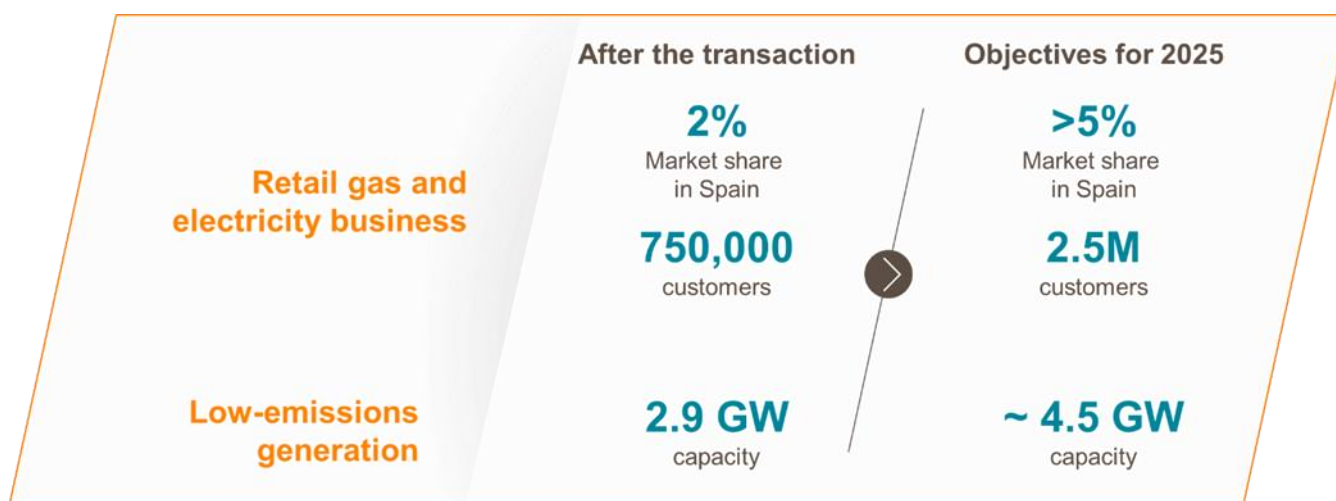
Repsol will incorporate its experience in direct and continuous contact with customers to enhance and grow the retail business

Advancing the energy transition

In the recent update of its Strategic Plan, Repsol took stock of major trends, such as rising electricity demand and the key role of gas in the energy transition, and set ambitious market share targets based on gas development and low-emissions electricity generation.

Investments in this area, including this transaction, will total 2.5 billion euros between 2018 and 2020. Repsol's goal is to reach 2.5 million retail gas and electricity customers in Spain by 2025, with a market share above 5% and a low-emissions generation capacity of approximately 4,500 MW.

Advancements on Strategic Plan objectives



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