Official Notice

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Yesterday, the Argentinian Government announced the start of a process of parliamentary approval in Argentina of a law for a change in control in YPF, by which 51% of YPF S.A.'s Class D shares, all of them owned by Repsol, are declared of public interest and subject to expropriation. Also yesterday, a Decree (*Decreto de Necesidad y Urgencia*) was approved by the Argentinian Government with immediate effect, establishing the administration of YPF, S.A. for a 30-day period and appointing a Minister of the Government as Controller with all the powers of the Board of Directors.

Repsol considers the announced measure to be manifestly unlawful and gravely discriminatory, that its public interest has in no way been justified and clearly contravenes the obligations undertaken by the Republic of Argentina during the privatisation of YPF, breaching the most basic principles of legal certainty and of reliance by the international investment community. The Company makes express and full reserve of all legal remedies and actions that it is entitled to under Argentinean law, the securities market law where YPF securities are listed, and international law, including the Spanish-Argentinean investment protection treaty.

Repsol will carry out all pertinent legal actions to preserve the value of all their assets and the interests of all their shareholders.

Repsol owns a 57.43% stake in YPF, with a book value in its consolidated financial statements as of 31 December 2011 of 4.122 billion euro. Additionally, Repsol YPF had at that date an outstanding loan to the Petersen Group valued at 1.542 billion euro. As of December 31 2011, YPF represented 25.6% of the group's operating income and 21% of the net income. During the last year, YPF represented 33.7% of the group's total investments. As a consequence of the decision announced today by the Argentinean Government, the group's net debt will be reduced by nearly 1.600 billion euro. The production of YPF in 2011 reached 495,000 boepd and the proved reserved as of December 31, 2011 reached 1.013 billion boepd, representing 62.4% and 46,5% of the Group, respectively.

Due to the soundness of the financial position of Repsol, this decision will not affect its developments plans nor its dividend policy, as it was announced by the Company in March 21, 2011. In this regard, and as was announced in February, the Board of Directors will propose to the next General Shareholders Meeting of Repsol YPF a new remuneration system (Scrip dividend), by which shareholders will be offered the opportunity to receive their remuneration in cash or in new paid up shares. Repsol YPF expects the per share remuneration in 2011 to be approximately 10% higher than that paid against 2010 earnings.