



REPSOL INTERNATIONAL FINANCE B.V.

(A private company with limited liability incorporated under the laws of The Netherlands and having its statutory seat (statutaire zetel) in The Hague)

EURO 10,000,000,000

Guaranteed Euro Medium Term Note Programme

Guaranteed by

REPSOL, S.A.

(A sociedad anónima organised under the laws of the Kingdom of Spain)

This supplement (the **Supplement**) to the base prospectus dated 4 April 2019 as supplemented on 10 May 2019 (the **Base Prospectus**) constitutes a supplement, for the purposes of Article 16 of Directive 2003/71/EC, as amended (the **Prospectus Directive**) as implemented by Article 13 of Chapter I of Part II of the *loi relative aux prospectus pour valeurs mobilières du 10 juillet 2005* (the Luxembourg law on prospectuses for securities of 10 July 2005), as amended by the Luxembourg law of 3 July 2012 (the **Luxembourg Act**), to the Base Prospectus and is prepared in connection with the Euro 10,000,000,000 Guaranteed Euro Medium Term Note Programme (the **Programme**) established by Repsol International Finance B.V. (the **Issuer**) and guaranteed by Repsol, S.A. (the **Guarantor**). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with the Base Prospectus.

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The information incorporated by reference to the Base Prospectus by virtue of this Supplement has been translated from the original Spanish.

This Supplement has been prepared for the purpose of supplementing the section of the Base Prospectus entitled “*Documents Incorporated By Reference*” to incorporate by reference certain financial information as of and for the six-month period ended 30 June 2019 in respect of the Guarantor as well as to supplement the sections entitled “*Risk Factors*”, “*Information on the Guarantor and the Group*” and “*General Information*”.

The Dealers, the Trustee and the Arranger have not separately verified the information contained in the Base Prospectus, as supplemented by this Supplement. None of the Dealers or the Arranger or the Trustee makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in the Base Prospectus, as supplemented by this Supplement.

On 21 July 2019, Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing the Prospectus Directive (the **Prospectus Regulation**) has come into force, superseding the Prospectus Directive. Also, on 21 July 2019, the *Loi du 16 juillet 2019, relative aux prospectus pour valeurs mobilières* (“**New Luxembourg Act**”) has come into force. Notwithstanding the foregoing, in accordance with Article 46(3) of the Prospectus Regulation and article 64 (*Dispositions transitoires*) of the New Luxembourg Act, prospectuses approved in accordance with the national laws transposing the Prospectus Directive (such as the Luxembourg Act) will continue to be governed by that national law until the end of their validity, or until twelve months have elapsed after 21 July 2019, whichever occurs first.

As the Base Prospectus was approved on 4 April 2019 in accordance with the Luxembourg Act, the Base Prospectus, this Supplement and any further supplement to the Base Prospectus will be governed by such law.

Documents incorporated by reference

Both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, to incorporate by reference into the Base Prospectus via this Supplement sections of the Interim Condensed Consolidated Financial Statements of Repsol, S.A. and investees composing the Repsol Group for the first half of 2019, including the Limited Review Report and the Interim Management Report thereon. To that end, the information set out below shall supplement the section “**DOCUMENTS INCORPORATED BY REFERENCE**” (pages 21 to 24 of the Base Prospectus) through the inclusion of the following document in the list “**Information incorporated by reference**” as new paragraph (K). The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of Commission Regulation (EC) 809/2004.

<u>“Information Incorporated by Reference</u>	<u>Page</u>
	<u>References</u>
	(top of the page)
(K) The sections listed below of the Interim Condensed Consolidated Financial Statements of Repsol, S.A. and investees composing the Repsol Group for the first half of 2019, including the Limited Review Report and the Interim Management Report thereon:	
(a) <i>Auditors’ report on limited review of interim condensed consolidated financial statements</i>	2-3
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- Consolidated income statement corresponding to the second quarter of 2019 (Q2 2019) and 2018 (Q2 2018) and the interim period ending 30 June 2019 and 2018	6
- Consolidated statement of recognised income and expenses corresponding to the second quarter of 2019 (Q2 2019) and 2018 (Q2 2018) and the interim period ending 30 June 2019 and 2018	7
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- Consolidated cash flow statement corresponding to the second quarter of 2019 (Q2 2019) and 2018 (Q2 2018) and the interim periods ending 30 June 2019 and 2018	9
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Risk Factors

Both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, to replace, in its entirety, the risk factor entitled “Uncertainty in the current economic context” contained in the section “**RISK FACTORS**” on pages 5 to 6 of the Base Prospectus with the following:

“Operational risks

Uncertainty in the current economic context.

The trade war between the US and China is the greatest risk to the stability of the global economy. This trade tension could extend to other trading partners such as Mexico and the Eurozone. The possibility that the world's major economies fail to reach agreements explains the weakness of the manufacturing sector and international trade. On the other hand, China's slowing economic growth rate is holding back other Asian economies.

In the Eurozone, possible trade tensions with the US have had a negative impact on an already weakened automobile sector. The factors behind this weakness are: (i) the new rules to limit CO2 emissions; (ii) the increasing taxes on fossil fuels; and (iii) the restrictions on access to the town centre of large cities. These factors have generated uncertainty for consumers and have delayed investment decisions for producers. The slowdown in the automotive sector explains much of the slower growth in the Eurozone.

Financial markets have also been affected by political factors, such as the weakness of the Italian government or the uncertainty generated by the BREXIT.

The deteriorating macroeconomic context has put pressure on major central banks to shift their monetary policy towards a more accommodative tone. In the absence of inflationary pressures, the FED is expected to lower benchmark interest rates and the ECB will announce measures to inject more liquidity. These policies should underpin growth and reduce market volatility.

Regarding the oil market, in the first half of the year global supply has exceeded global demand by 0.5 million barrels per day (mb/d), according to the International Energy Agency. For the remainder of 2019, there are risks skewed both to the downside and the upside that may lead to oil price volatility. On the one hand, the trade disputes between the US and China have a direct impact on global oil demand, as demand from both countries account for more than 45% of annual global oil demand growth in 2019 (1.2 mb/d). On the other hand, the extension from July 2019 to March 2020 of the OPEC+ production cut agreement and the high level of compliance seen so far is leading the upside risks. Likewise, the geopolitical environment, with the effect of US sanctions on Iran or the significant decline of production in Venezuela provide further support to oil prices.

The balance between the downside and upside risks mentioned above would keep prices at or near current levels. In terms of associated risks, oil prices could drop if trade disputes were to worsen, leading to lower-than-expected demand, OPEC+ lowers its compliance with production cuts, or higher-than-expected US crude supply if pipeline bottlenecks fade away. However, the International Maritime Organization rules (IMO) effective as of January 1, 2020 might be supportive for prices. The mandate will ban ships from using fuels with a sulphur content above 0.5% and will imply a sharp reduction of HSFO demand in favour of compliant fuels such as VLSFO or Marine Gasoil. Associated to the rules, crude runs may increase as more volumes of middles distillates will be required to comply with IMO regulations.

The economic and financial situation could have a negative impact on Repsol and on third parties with which Repsol conducts or could conduct business. Any of the factors described above, whether in isolation or in combination with each other, could have an adverse effect on the financial position, business, or results of operations of Repsol.”

Recent developments

Both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, that the information set out below shall supplement the sub-section entitled “**Recent Developments**” contained in the section “**INFORMATION ON THE ISSUER**” on page 33 of the Base Prospectus:

“On 15 July 2019, a bond issued by the Issuer in July 2016 for a total amount of EUR 100 million, carrying a fixed annual coupon of 0.125% was redeemed by the Issuer at maturity.”

Both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, that the information set out below shall supplement the sub-section entitled “Recent Developments” contained in the section “INFORMATION ON THE GUARANTOR AND THE GROUP” on page 36 of the Base Prospectus:

“Shareholders remuneration

On 4 July 2019, the Guarantor announced the end of the trading period of the free-of-charge allocation rights corresponding to the paid-up capital increase implementing the “Repsol Flexible Dividend” shareholders’ remuneration programme. Holders of 71.69% of free-of-charge allocation rights (a total of 1,117,576,824 rights) opted to receive new shares of the Guarantor. Therefore, the final number of shares of €1 par value issued in the capital increase was 39,913,458, representing an increase of approximately 2.56% of the Guarantor’s share capital before the capital increase.

Also, during the period established for that purpose, holders of 28.31% of free-of-charge allocation rights accepted the irrevocable commitment for the Guarantor to purchase these rights. Consequently, the Guarantor acquired 441,300,729 rights for a total amount of €222,856,868.145. The Guarantor has waived the shares corresponding to the free-of-charge allocation rights acquired by virtue of such commitment.

The capital increase closed on 8 July 2019 and the shares were admitted to listing on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Spanish Automated Quotation System (*Mercado Continuo*) on 19 July 2019 and ordinary trading in the new shares commenced on 22 July 2019.

Capital reduction

The Board of Directors of the Guarantor, in its meeting held on 23 July 2019, resolved to submit for the approval of the next Annual Shareholders’ Meeting a proposal to reduce the share capital by an amount equivalent to 5% of its share capital as of 31 December 2018, through the cancellation of treasury shares. For this purpose, the Guarantor may use shares from the following sources: (i) shares currently held in treasury stock; (ii) shares that may be acquired through the settlement of the derivative instruments on treasury shares registered in the balance sheet of the Company for the six-month period ended on June 30, 2019; and (iii) shares that may be acquired through a Company’s share buy-back program, under the Regulation (EU) No. 596/2014 and the Delegated Regulation (EU) 2016/1052.

This proposal is independent of that other proposal of capital reduction that may be submitted to the next Annual Shareholders’ Meeting in the context of the shareholders’ remuneration through scrip dividends.”

Board of Directors, Senior Management and Employees – Board of Directors

Both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, to replace, in its entirety, the sub-section entitled “Board of Directors, Senior Management and Employees – Board of Directors” contained in the section “INFORMATION ON THE GUARANTOR AND THE GROUP” on page 43 with the following information:

“Board of Directors

As of the date of this Base Prospectus, the members of the Board of Directors of the Guarantor are as follows:

	Position
Antonio Brufau Niubó	Chairman
Manuel Manrique Cecilia ⁽¹⁾	Vice Chairman
Josu Jon Imaz San Miguel	CEO
Maite Ballester Fornés	Director
Aránzazu Estefanía Larrañaga	Director
Rene Dahan ⁽²⁾	Director
Carmina Ganyet i Cirera	Director
Teresa García-Miláa Lloveras.....	Director
José Manuel Loureda Mantiñán ⁽¹⁾	Director
Ignacio Martín San Vicente	Director
Mariano Marzo Carpio ⁽³⁾	Director
Henri Philippe Reichstul.....	Director
Isabel Torremocha Ferrezuelo.....	Director
J. Robinson West	Director
Luis Suárez de Lezo Mantilla	Director and Secretary of the Board of Directors

- (1) Nominated for membership by Sacyr, S.A.
(2) Nominated for membership by Temasek
(3) Lead Independent Director

The business address of each of the directors as directors of the Guarantor is Calle Méndez Álvaro, 44, 28045 Madrid, Spain.

There are no conflicts of interest between any duties owed by the directors of the Guarantor to the Guarantor and their respective private interests and/or other duties. The directors of the Guarantor have no principal activities performed by them outside the Guarantor where these are significant with respect to the Guarantor.”

Share capital and major shareholders – Guarantor

Both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, to replace, in its entirety, the sub-section “**Share capital and major shareholders**” contained in the section “**INFORMATION ON THE GUARANTOR AND THE GROUP**” on page 44 with the following information:

“Share capital and major shareholders

As at the date of this Base Prospectus, the Guarantor’s share capital is comprised of 1,598,791,040 shares with a nominal value of €1 each, fully subscribed and paid, and admitted to listing on the Spanish Automated Quotation System (*Mercado Continuo*) of the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. The Guarantor also has a programme of ADS, currently traded on the OTCQX market in the United States.

In accordance with the latest information available to Repsol, at the date of this Base Prospectus the Guarantor’s major shareholders beneficially owned the following percentages of its ordinary shares:

<i>Shareholder</i>	<i>Percentage ownership (direct)</i>	<i>Percentage ownership (indirect)</i>	<i>Total number of shares</i>	<i>Total percentage ownership</i>
	<i>%</i>	<i>%</i>		<i>%</i>
<i>Sacyr, S.A.⁽¹⁾</i>	-	<i>122,704,410</i>	<i>122,704,410</i>	<i>7.67</i>
<i>Blackrock, Inc.⁽²⁾</i>	-	<i>69,323,908</i>	<i>69,323,908</i>	<i>4.45</i>

- (1) Sacyr, S.A. holds its stake through Sacyr Investments II, S.A., Sacyr Investments S.A. and Sacyr Securities, S.A.
(2) BlackRock, Inc. holds its interest through various entities it controls. The information pertaining to Blackrock, Inc. is based on the declaration presented by the latter to the CNMV on July 12, 2019 concerning the share capital figure of 1,558,877,582 shares.

Business Overview – Legal and Arbitration Proceedings

Both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, to replace, in its entirety, the sub-section entitled “**Legal and Arbitration Proceedings – United States of America – The Passaic River and Newark Bay lawsuit**” contained in the section “**INFORMATION ON THE GUARANTOR AND THE GROUP**” on pages 45 and 46 of the Base Prospectus with the following information:

“United States of America

The Passaic River and Newark Bay lawsuit.

The events underlying this lawsuit relate to the sale by Maxus Energy Corporation (Maxus) of its former chemicals subsidiary Diamond Shamrock Chemical Company (Chemicals) to Occidental Chemical Corporation (OCC). Maxus agreed to indemnify OCC for certain contingencies relating to the business and activities of Chemicals prior to 4 September 1986, including certain environmental liabilities relating to certain chemical plants and waste disposal sites used by Chemicals prior to 4 September 1986. In 1995, YPF acquired Maxus and subsequently (in 1999), Repsol, S.A. acquired YPF.

In December 2005, the New Jersey Department of Environmental Protection (DEP) and the New Jersey Spill Compensation Fund (together, the State of New Jersey) sued Repsol YPF S.A. (parent company of the Repsol Group, today called Repsol, S.A.), YPF, YPF Holdings Inc. (YPFH), CLH Holdings (CLHH), Tierra Solutions, Inc. (Tierra), Maxus and OCC for the alleged contamination caused by the former Chemicals plant located on Lister Avenue in Newark, which allegedly contaminated the Passaic River, Newark Bay and other bodies of water and properties in the vicinity (the Passaic River and Newark Bay lawsuit).

On 26 September 2012 OCC filed a “Second Amended Cross Claim” (the Cross Claim) against Repsol, YPF, Maxus, Tierra and CLHH (together, the Defendants).

Between June 2013 and August 2014, the Defendants signed a series of settlement agreements, without acknowledging liability, with the State of New Jersey under which the latter withdrew its cases against the former in exchange for certain payments.

The judge ruled on certain Motions to Dismiss presented by the Defendants in respect of the Cross Claim on 29 January 2015, dismissing, in full or in part, without scope for re-admission, 10 of the 12 claims presented by OCC.

On 14 January 2016 the Special Master issued its recommendations on these Motions admitting the ones submitted by Repsol in relation to its classification as alter ego to Maxus and rejecting OCC’s against Repsol’s claim vis-a-vis OCC in respect of U.S.\$65 million paid pursuant to the agreement with the New Jersey State.

The presiding judge decided on 5 April 2016 to uphold all of the recommendations issued by the Special Master, thereby dismissing in full OCC’s suit against Repsol. This decision can be appealed. On 16 June 2016, the Special Master agreed to hear the Motion for Summary Judgment presented by Repsol with regard to its claim against OCC for the U.S.\$65 million paid as part of the settlement reached with the State of New Jersey. On 17 June 2016, Maxus filed for bankruptcy protection before the United States Bankruptcy Court for the District of Delaware, also seeking release from its main litigation liability, a petition the Court must rule on. On 19 October 2017, the judge decided to fully uphold the recommendations of the Special Master and thereby upheld the motion for summary judgment in relation to Repsol’s claim against OCC for U.S.\$65 million. On 22 November 2017, OCC was formally ordered to pay the U.S.\$65 million plus interest and expenses. On September 14, 2018, Maxus Energy Corporation (Maxus) (assuming right of ownership of the claim on behalf of Occidental Chemical Corporation (OCC)) and OCC submitted an appeal against these rulings.

On June 14, 2018, the Maxus Bankruptcy Administration filed a lawsuit (New Claim) in the United States Bankruptcy Court for the District of Delaware against YPF, Repsol and certain subsidiaries of both companies for the same claims as those contained in the Cross Claim. On September 10, 2018, Repsol filed a Motion to Abstain and on October 19, 2018, Repsol filed a Motion to Dismiss. On February 15, 2019, the United States Bankruptcy Court rejected the Motion to Dismiss and on February 25, 2019 the United States Bankruptcy Court rejected the Motion to Abstain filed by Repsol.

Repsol maintains the view, as has been shown in the Cross Claim, that the claims made in the New Claim are unfounded.”

Both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, to replace, in its entirety, the sub-section entitled “**Legal and Arbitration Proceedings – Administrative and legal proceedings with tax implications - Spain**” contained in the section “**INFORMATION ON THE GUARANTOR AND THE GROUP**” on page 48 of the Base Prospectus with the following information:

“*Spain*

Proceedings relating to the following corporate income tax years are still open.

- Financial years 2006 to 2009. The matters discussed relate mainly to transfer prices, deduction of losses for investments abroad and deductions for investments, the majority of them as a result of changes in the criteria maintained by the Administration in previous and subsequent actions. In relation to the transfer price adjustments, the settlements have been annulled as a consequence of a resolution of a dispute by the Arbitration Board of the Economic Agreement with the Basque Country and the resolution of an amicable procedure with the US, which is why the inspection must issue new settlements applying the criteria already accepted in subsequent years by the Administration and the taxpayer. In relation to the other matters, the Central Economic Administrative Court partially upheld Repsol’s appeal and has appealed to the National High Court for the aspects that were not upheld.
- Financial years 2010-2013. The actions were concluded in 2017 without any sanctions being imposed and, for the large part, by means of declarations of conformity or agreements from which no significant liabilities have arisen for the Group. However, with regards to two issues (deductibility of interest for the late payment of taxes and the calculation of losses on overseas business) the administrative decision has been subject to appeal, as Repsol believes it has acted within the law.

- Financial years 2014-2016. The inspection of the 2014-2016 period, which began in 2017, is expected to finish in the second half of 2019, and is not expected to result in liabilities with a significant impact on the Group's results. Penalty proceedings are not expected to be launched, but the disputes linked to the deduction of losses on investments abroad are expected to continue.

Repsol understands that all its actions have been in accordance with the law and does not expect any liabilities to arise that could have a material impact on the Group's results as a result of the foregoing procedures."

General Information

Both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, to replace, in its entirety, the information contained in paragraph 2 of the section "**GENERAL INFORMATION**" on page 103 of the Base Prospectus with the following:

"To the best of the knowledge of the Issuer, there has been no material adverse change in its prospects since 31 December 2018 (being the date of the last published audited financial statements) nor has there been any significant change in the financial or trading position of the Issuer and its consolidated subsidiaries since 31 December 2018.

To the best of the knowledge of the Guarantor, there has been no material adverse change in its prospects since 31 December 2018 (being the date of the last published audited financial statements), nor has there been any significant change in the financial or trading position of the Group since 30 June 2019."

Furthermore, both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, to insert the following as paragraph (5)(xii) of the section "**GENERAL INFORMATION**" on page 104 of the Base Prospectus:

"5(xii) the interim condensed consolidated financial statements of Repsol and investees comprising the Repsol Group for the six-month period ended 30 June 2019"

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has been noted or, to the best of the knowledge of the Issuer and the Guarantor, has arisen, as the case may be, since the publication of the Base Prospectus.

To the extent there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by virtue of this Supplement and (b) any other statement, pre-dating this Supplement, in, or incorporated by reference into, the Base Prospectus, the statements in (a) above shall prevail.

As long as any of the Notes are outstanding, this Supplement and each document incorporated by reference into the Base Prospectus via this Supplement will be available for inspection, free of charge, at the offices of the Issuer at Koninginnegracht 19, 2514 AB The Hague, The Netherlands during normal business hours and on the website of the Luxembourg Stock Exchange at www.bourse.lu. In addition, copies of the documents incorporated by reference referred to above can be obtained from the website of the Issuer at <https://www.repsol.energy/en/shareholders-and-investors/financial-income-and-credit-ratings/rif/index.cshtml>.