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The Hague, December 16, 2014

In accordance with Article 14 of Law of 9 May 2006, on market abuse, Repsol International Finance, B.V. (the "Company") is filing the attached official notices published by Repsol, S.A, Guarantor of the Euro 10,000,000,000 Guaranteed Euro Medium Term Note Programme of the Company, related to the agreement reached with Talisman Energy for the acquisition of 100% of the share capital of the Canadian Company for US\$8.3 billion.

The official notices were filed today by Repsol, S.A. with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

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The acquisition, valued at US\$8.3 billion, is the largest international deal by a Spanish company in the last five years

REPSOL REACHES AN AGREEMENT WITH TALISMAN ENERGY TO ACQUIRE THE CANADIAN OIL COMPANY

- **Repsol has entered into an agreement to acquire 100% of Canadian oil company Talisman Energy worth US\$8.3 billion (EU6.64 billion) plus debt.**
- **The transaction has been unanimously approved and recommended by the Boards of Directors of Talisman Energy and Repsol.**
- **The deal will transform Repsol into one of the largest energy groups worldwide, increasing its presence in politically-stable OECD countries and reinforcing its upstream business, which has become the company's growth engine.**
- **Repsol intends to demonstrate the benefits to Canada and is excited to include Talisman's talent and assets in its own world class operations. Calgary (Canada) will become one of the largest corporate centers outside Spain.**
- **Talisman will contribute first class producing and exploration assets in North America (Canada and U.S.), South-East Asia (Indonesia, Malaysia and Vietnam) as well as Colombia and Norway, amongst others.**
- **Repsol will increase its output 76% to 680,000 barrels of oil equivalent per day and will boost reserves by 55% to more than 2.3 billion barrels of oil equivalent.**
- **The purchase will reinforce Repsol's upstream unit by diversifying and improving the quality of its assets and increasing its growth potential.**
- **Once the transaction is complete, North America's weight in the resulting company will increase to almost 50% of capital employed in exploration. Latin America will represent 22%.**

- **Canada and U.S. currently make up 10% of Repsol production, and the resulting company will allocate 30% of its capital employed to the region, totaling approximately US\$15 billion.**
- **Repsol's well-established presence in Canadian communities in which it operates high quality oil and gas assets and existing infrastructure will provide a strong base from which to continue planned growth in Canada. Repsol has been actively investing in Canada with exploration activity offshore East Coast and is a major partner in the Canaport LNG facility located in New Brunswick.**
- **This transaction is made possible due to Repsol's sound financial management practices and its proven track record of creating value from transformative growth opportunities.**
- **The acquisition will be financed with cash essentially obtained from the recovery of value from YPF following its expropriation (US\$6.3 billion) as well as other sources of liquidity available to the company.**
- **The transaction, based on an offer of US\$8 (6.4 euros) per share, will be accretive for Repsol in financial and operating terms from the first full year after integration.**
- **This is the largest international transaction by a Spanish company in the last five years. Total employed capital will increase 50%.**
- **The combined company will be among the 15 largest privately-owned oil and gas companies in the world, present in key areas and with the most potential worldwide.**
- **The transaction will be completed with a Plan of Arrangement, and is subject to the approval of the Canadian courts and Talisman shareholders. The transaction is expected to be complete in mid-2015.**
- **Antonio Brufau, Chairman of Repsol: "This is a transformative and exciting deal which will make us one of the world's most significant players and which will allow us to grow as a company and reinforce Repsol as a solid and competitive integrated player."**

- **Josu Jon Imaz, Repsol Chief Executive Officer:** “The agreement with Talisman is the result of an exhaustive analysis of more than 100 companies and assets worldwide. In every area, Talisman has always been the best option, because of the excellent quality of its complementary global assets, including its talent. With Repsol’s ability to support growth of these assets there is much value to be realized - it is a win-win situation and will transform Repsol.”
- **Chuck Williamson, Chairman of Talisman Energy:** “The deal underscores Repsol’s belief in the strong set of assets Talisman has worked hard to develop. Repsol is a world-class operator with a solid track record and the resources to continue the development of these assets within their international portfolio.”

Repsol has agreed with Talisman energy to acquire 100% of the shares of the Canadian company for US\$8.3 billion (EU6.64 billion), plus assumed debt of US\$4.7 billion. The transaction has been approved and recommended by the Board of Directors of the Canadian company.

The deal will transform Repsol into one of the world’s largest privately-owned energy groups, with increased presence in OECD countries, incorporating reserves and production in politically stable countries. Additionally, it will add a significant exploration portfolio and high-quality productive assets in North America (Canada and U.S.), South-East Asia (Indonesia, Malaysia and Vietnam) as well as Colombia and Norway, amongst others.

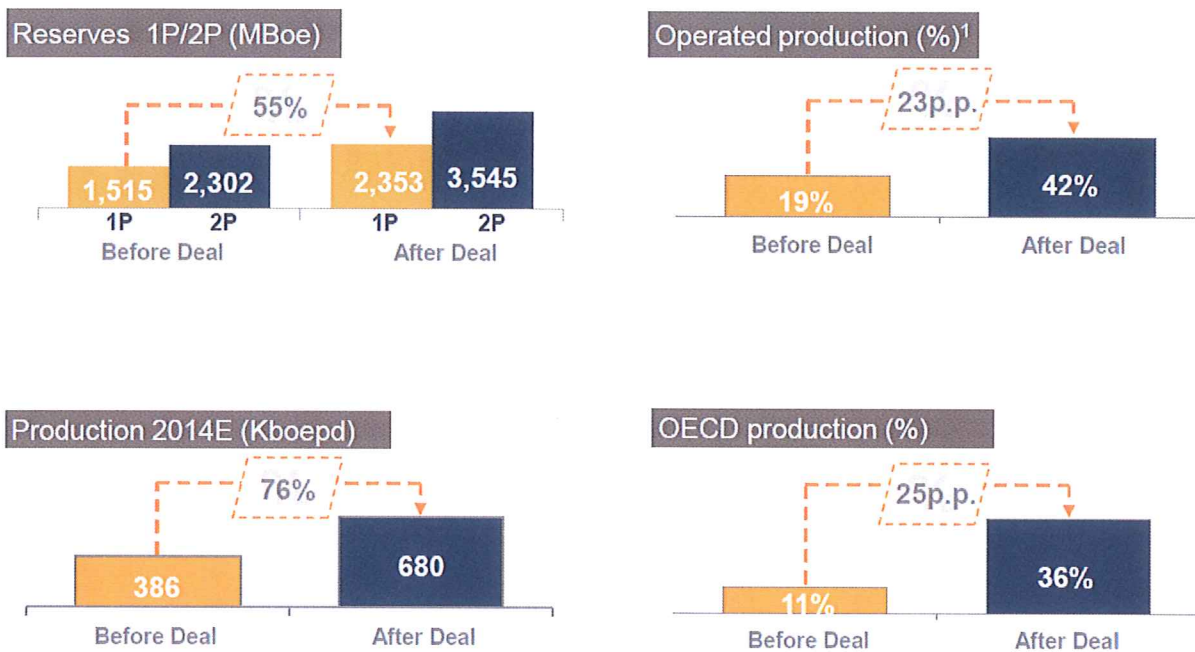
Once the transaction is complete, North America’s weight in the resulting company will increase to almost 50% of capital employed in exploration. Latin America will represent 22%.

The incorporation of Talisman will increase the output of the Repsol Group by 76% to 680,000 barrels of oil equivalent per day, and will boost reserves by 55% to 2,353 billion barrels of oil equivalent. The resulting group will be present in more than 50 countries with over 27,000 employees.

Repsol Chairman Antonio Brufau said: “This is a transformative and exciting deal which will make us one of the world’s most significant players and which will allow us to grow as a company and reinforce Repsol as a solid and competitive integrated player.”

“Talisman is an excellent company which will add its experience and proven track record in production assets that will add to that of Repsol in deep water exploration. This will significantly boost joint development.”

The deal will improve Repsol's competitiveness, increase and balance its exploration portfolio, reinforce the Upstream business unit and provide a strong growth platform.

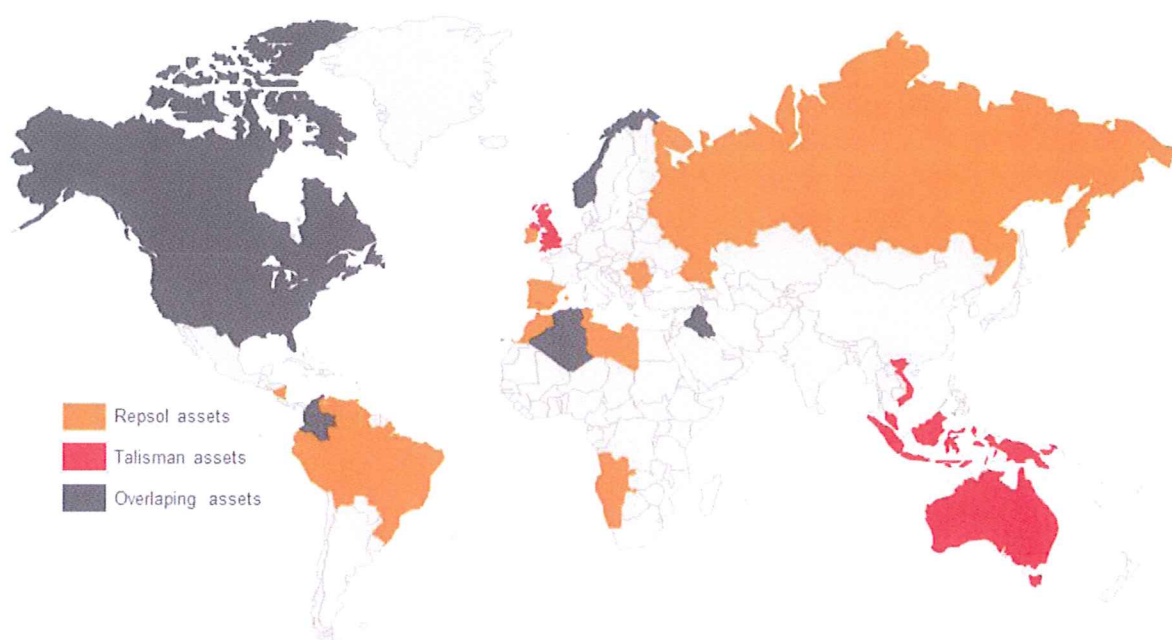


Additionally, the combined management of assets will represent synergies of more than US\$200 million a year, basically from the optimization of corporate functions, management of businesses and exploration, an increased commercialization capacity in North America and the application of technology and best operating practices.

The transaction allows Repsol to bring forward and surpass the exploration and production goals outlined in its 2012-2016 strategic plan, and consolidates the Upstream business unit as the company's main growth vector in the coming years. Capital employed in this business will represent 56% of the total compared to 35% currently.

In the search by Repsol for inorganic growth targets following the successful recovery of value from the expropriation of YPF, Talisman has been a relevant player in most of the business and geographical areas analyzed by Repsol's technical personnel, adding significant knowhow in key areas that will benefit the future development of the company in areas including unconventional assets and offshore production.

“The agreement with Talisman is the result of an exhaustive analysis of more than 100 companies and assets worldwide. In every area, Talisman has always been the best option, because of the excellent quality of its complementary global assets, including its talent. With Repsol’s ability to support the growth of these assets there is much value to be realized - it is a win-win situation” said Josu Jon Imaz, the Chief Executive Officer of Repsol.



Repsol’s shares have been one of the best performers amongst integrated oil and gas companies. The company has benefitted from its financial strength and resilience to current oil prices to create value and generate transformative growth opportunities.

The offer for Talisman represents US\$8 (EU6.4) per share, representing a 24% premium over the average share price of the last three months. Talisman’s shares closed at US\$4.29 in New York on Friday, December 12.

The acquisition, which will be financed mainly with Repsol’s cash reserves, marks the culmination of the transformation process that followed the successful recovery of value from YPF following its expropriation (US\$6.3 billion.)

The agreement will require approval at a special Meeting of the Talisman shareholders to be held before February 19, 2015.

Repsol will comply with Canadian regulatory requirements and will submit an application to Investment Canada, and intends to demonstrate net benefits to Canada. Upon conclusion of this transaction Calgary, Alberta will be one of Repsol's largest corporate centers outside Spain.

The companies aim to complete the transaction in the middle of next year, subject to conditions customarily applied to this type of transaction, including regulatory approvals and consents of third parties which partner Talisman in selected assets.

Following the transaction, the largest international deal by a Spanish company in the last five years, Repsol will be amongst the 15 largest privately-owned oil and gas companies in the world, present in key areas and with the most potential worldwide.

Repsol will retain the significant complementary talent which it has recognized in the workforce of Talisman.

The agreement contains the standard provisions in this type of transaction which aim to secure its satisfactory closing including, amongst others, the commitment by the Board of Directors of Talisman to not actively seek other buyers (non-solicitation), Repsol's right to match higher unsolicited offers (matching right) and lockup agreements by which Talisman Energy board members and executives resolve to not sell their shares and to vote in favor of an agreement (lock-up agreements.) Talisman has also agreed to pay Repsol a termination fee of US\$270 million in certain circumstances if the transaction is not completed (termination fee).

In addition, Repsol also proposes to acquire all of the outstanding preferred shares of Talisman for a purchase price of C\$25 per preference share plus accrued and unpaid dividends to the date of closing. The acquisition of the preferred shares is conditional upon all conditions precedent to the acquisition of the common shares being satisfied and the approval of the holders of the preferred shares. However, closing of the acquisition of the common shares is not conditional upon the acquisition of the preferred shares.

JP Morgan has acted as sole financial advisor and Bennett Jones as main legal advisor to Repsol in this transaction.

Benefit to Canada

This transaction will deliver many benefits to Canada. It will establish Canada as a very significant part of Repsol's worldwide presence, adding excellent assets and significant talent. Repsol recognizes and intends to capitalize on the expertise and depth of Talisman's Canadian businesses and employees, especially in offshore production and unconventional resources.

Repsol's sound financial management practices and its proven track record of creating value from transformative growth opportunities will provide tangible and immediate benefits for Canada through the development of oil and gas assets.

Repsol is highly committed to develop the Talisman assets in Canada as one of its primary growth areas.

Canada and the United States already make up 10% of Repsol's production, and the resulting company will allocate 30% of its capital employed to the region, totaling approximately US\$15 billion.

Calgary, Canada will be home to one of the largest Repsol management offices in the world and an important exploration and production center. Management of Talisman's Canadian assets will continue to be located in Canada.

Furthermore, the added investment by Repsol will benefit the retention of local talent by reinvigorating existing asset development in the country, and training programs available to Repsol staff will increase the skills and qualifications of Canadian employees.

Repsol will uphold and enhance Talisman Energy's existing Canadian environmental and corporate social responsibility programs by applying its recognized expertise (Repsol obtained the highest marks amongst oil and gas companies in the Dow Jones Sustainability Index for two of the last three years.)

Repsol will comply with Canadian regulatory requirements and will submit an application to Investment Canada in due course.

This document does not constitute an offer or invitation to purchase or subscribe shares, in accordance with the provisions of the Spanish Securities Market Law (Law 24/1988, of July 28, as amended and restated) and its implementing regulations. In addition, this document does not constitute an offer of purchase, sale or exchange, nor a request for an offer of purchase, sale or exchange of securities in any other jurisdiction.

The information, statements contained in this document related to the results, objectives and effects of the announced possible transaction with Talisman Energy Inc. constitutes forward-looking statements which include statements regarding the intent, belief, or current expectations of Repsol and its management, including statements with respect to trends affecting Repsol's financial condition, financial ratios, results of operations, business, strategy, geographic concentration, production volume and reserves, capital expenditures, costs savings, investments and dividend payout policies, assumptions regarding future economic and other conditions, such as future crude oil and other prices, refining and marketing margins and exchange rates and are generally identified by the words "expects", "anticipates", "forecasts", "believes", "estimates", "notices" and similar expressions and the use of future as verb tense. These statements are not guarantees of future performance, prices, margins, exchange rates or other events and are subject to material risks, uncertainties, changes and other factors which may be beyond Repsol's control or may be difficult to predict. Within those risks are those factors and circumstances described in the filings made by Repsol and its affiliates with the Comisión Nacional del Mercado de Valores in Spain, the Comisión Nacional de Valores in Argentina and with any other supervisory authority of those markets where the securities issued by Repsol and/or its affiliates are listed.

Repsol does not undertake to publicly update or revise these forward-looking statements even if experience or future changes make it clear that the projected performance, conditions or events expressed or implied therein will not be realised.

The information contained in the document has not been verified or revised by the Auditors of Repsol.