

Commitment to safety

The Lost Time Injury Frequency rate (LTIF) dropped 22% with respect to the previous year. We gave 234,460 hours of safety training, representing a year-on-year increase of 53%. We carried out more than 1,000 safety and environmental audits. Last year we rejected 84 transport vessels following 907 safety inspections.

Update on 2009 objectives



Planned activities

Improvement in safety-related issues.

Improved process safety.

Ongoing improvement of the safety management system.

Degree of progress 2009

The Lost Time Injury Frequency rate (own personnel and contractors) fell by 22%, thereby fulfilling our previously established annual objective.

A total of 234,460 hours of training were given in workplace health and safety. Training in workplace health and safety increased by 29%.

Seven basic rules were approved to prevent the risk situations that cause the highest number of fatal accidents at our work sites.

We updated the company's internal regulations on safety and environmental risk management.

We carried out analysis of the human and economic resources needed to comply with company regulations and planned the studies required.

Five new centres or activities were certified according to the OHSAS 18001 international standard.

We updated our internal regulations on incident management.

Management systems

All our operations are subject to stringent health and safety standards.

Though our Health, Safety and Environment Policy we undertake to fulfil the legal requirements in force in each geographical area where we operate.

Our safety and environmental management system is in line with the international Occupational Health and Safety Assessment Series (OHSAS) 18001 standard and European Directive 92/82/EC “Seveso II”, incorporating best practices and insurance market recommendations.

In 2009, the internal regulations setting out the criteria for properly managing any possible incidents occurring in the company’s activities were updated. These regulations are aimed at obtaining key information for gaining in-depth knowledge of risks, knowing how to control them and preventing their consequences, thereby protecting our people, facilities and the environment.

Safety audits

An Environmental and Safety Audit Plan is carried out every year, encompassing “crossed” internal audits carried out by qualified personnel from a centre other than the one being audited, as well as external audits (voluntary and/or legal). The Environmental and Safety Audit Manual establishes common criteria and schedules three-year cycles during which all the centres must be audited.

In 2009 we carried out a total of 1,082 safety and environmental audits, of which 411 were internal⁽¹⁾ and 671 external (141 relating to certification processes and 530 regulatory audits of a legal nature).

(1) Number of “cross-referenced” internal audits (carried out by qualified personnel from a centre other than the one being audited). Internal audits carried out by each centre’s own personnel are not included.



Worker in Trinidad and Tobago.

OHSAS 18001 Certification

External certification processes help us to ensure ongoing improvements in our management system. To this end, we promote progressive certification of our company’s work sites according to the OHSAS 18001 international standard.

In 2009 we certified five new centres or activities:

- Exploration and production activity in Quiriquire Gas (Venezuela).
- Two LPG plants in Peru (Callao and Arequipa).
- Two logistics terminals in Portugal (Banatica and Matosinhos).

The new certifications obtained means

the company’s eight chemical plants are now certified, as well as eight of our nine refineries, 14 of the 15 lubricant and specialities plants, the two technology centres in Spain and Argentina, and a growing number of company facilities: four exploration and production operations, geophysical operations in Argentina, 27 LPG factories and an underground natural gas storage facility. All the certificates obtained can be viewed at www.repsol.com.

Safety criteria in our strategy

Since 2005, the duties of the Audit and Control Committee of the Board of Directors include determining and orienting the company’s policy, guidelines and objectives in the sphere of safety and environment.

Additionally, the company’s Board of Directors establishes the objectives and strategic lines in terms of safety and environmental issues that will serve as a basis for designing the objectives and action plans of each of the company’s businesses. The plans include actions required to improve management and respond to new legislation, as well as to provide necessary investments and expenditure.

Investment in safety actions amounted to €103 million in 2009, while expenses totalled €131 million.

Accident rate results

The Lost Time Injury Frequency rate (LTIF) (own personnel and contractors) dropped by 22% with respect to the year before.

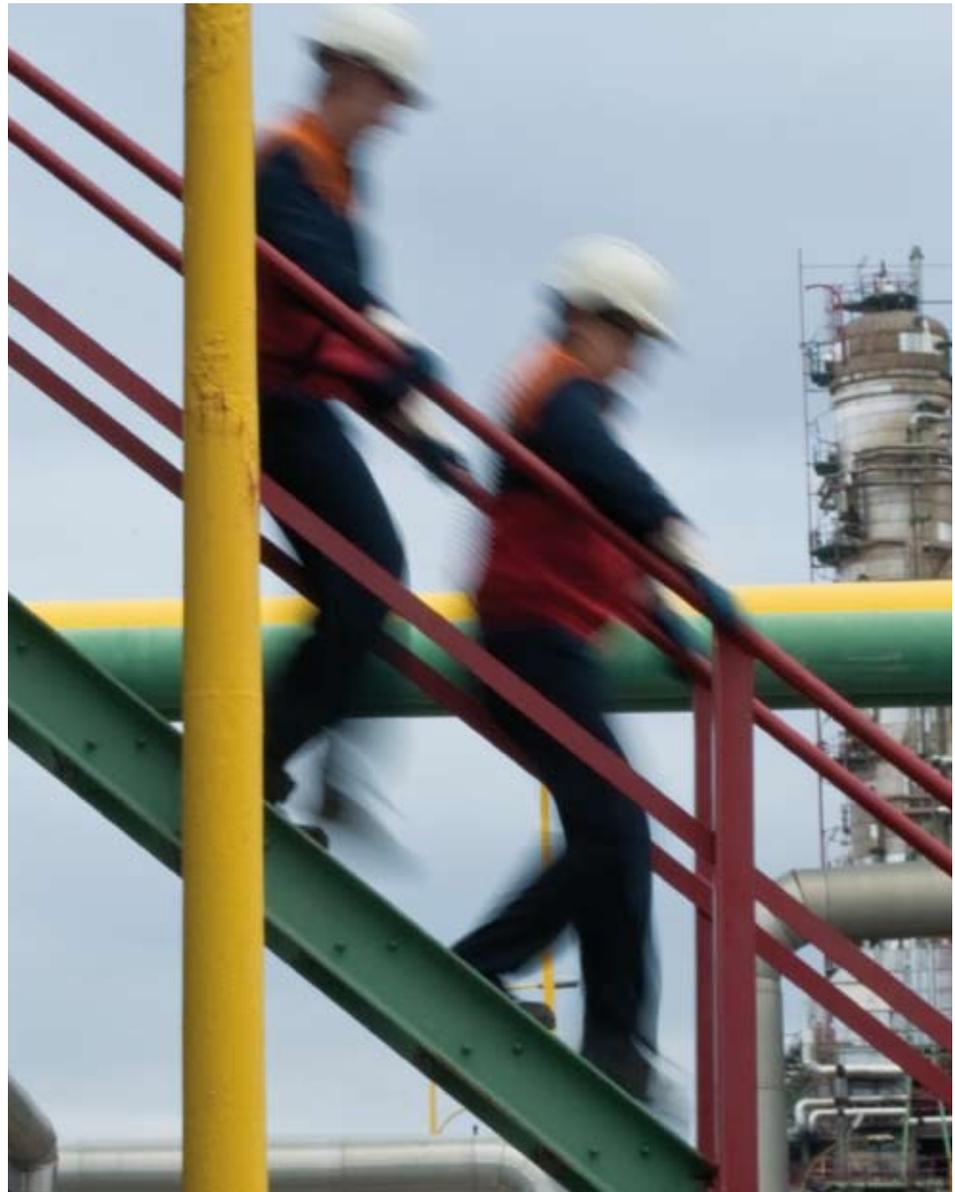
With these results we have met our established annual objective. This is one of the annual objectives for Repsol YPF's employees, who receive a variable salary dependent upon objectives met.

Nevertheless, despite the improvement actions carried out and the progress achieved to date, we suffered a total of nine fatal accidents in the course of our activities in Spain, Argentina, United States and Peru in 2009; one of the victims was an employee and the other eight were contracted personnel. Six of these deaths occurred in traffic accidents.

We work to ensure that accidents are investigated and their underlying causes identified and analysed, as a major part of our proactive safety management. Identifying these underlying causes and implementing corrective actions to combat them helps us to prevent such accidents recurring in our different activities.

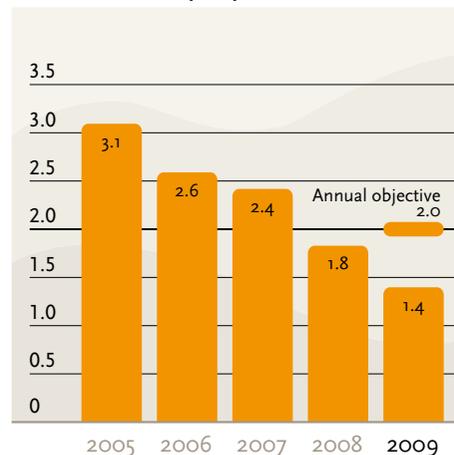
We pay particular attention to investigating near misses as an element of this prevention work, as the underlying causes of such events could be the same as those of more serious ones, despite their less damaging consequences, helping us to identify and manage the actions needed to communicate the lessons learned throughout the organization.

Since 2008 we have established company objectives for investigating high-potential incidents and those that caused accidents during the period, and for implementing improvement actions on the basis of these investigations.



Industrial Complex of Puertollano, Spain.

INTEGRATED LOST TIME INJURY FREQUENCY RATE (LTIF)



⁽¹⁾ Number of accidents, with lost working days and fatalities accumulated within the period for every million hours worked.

NUMBER OF FATALITIES





All Repsol YPF employees are responsible for their own safety, as illustrated by this worker at the Tarragona industrial complex (Spain).

Culture of safety

We foster a culture of safety through information, awareness-raising and training programmes primarily aimed at employees and contractors. We use different channels for disseminating information, regulations and technical documentation.

Seven basic rules that will save your life

All employees are responsible for their own safety, as well as for helping to ensure the safety of their fellow workers.

For this reason, and with the aim of strengthening the culture of safety among employees and contractors and in the company's safety management system, we approved seven basic rules in 2009 to prevent the risk situations that cause the largest number of fatal accidents at our work sites.

These seven basic safety rules consist of simple guidelines that are mandatory for all Repsol YPF employees and contracted personnel.

TRAINING IN WORKPLACE HEALTH AND SAFETY

	Hours	People	Coverage ⁽²⁾
Spain	187,913	8,073	37%
Argentina	23,883	3,965	23%
Rest of Latin America ⁽³⁾	9,488	750	18%
Rest of the world ⁽⁴⁾	13,176	544	27%
TOTAL	234,460	13,332	29%

⁽²⁾ Percentage of people who have carried out training activities with respect to total personnel

⁽³⁾ Bolivia, Brazil, Ecuador, Peru and Venezuela.

⁽⁴⁾ Libya, Portugal and Trinidad and Tobago.

In order to spread the word about these rules, we carried out a major communication campaign called “Seven basic rules that will save your life”, using leaflets, stickers and posters at fields, refineries, chemical complexes, service stations and other industrial centres, and through different internal employee channels, such as the magazine Conecta, our periodic digital newsletter, and our corporate intranet, repsolnet.

We boosted this campaign by holding awareness-raising talks at our different work sites to tell employees about the need to follow these rules.

Other awareness-raising and training programmes

Training and awareness-raising programmes specific to each activity are being implemented at the company's business units.

In 2009, a total of 13,332 employees received 234,460 hours of training in workplace health and safety, 53% more than in 2008 (see table).

Additionally, we have intensified training programmes for contractors in recent years, with the aim of having better

control over typical risk situations in the company's activities. In 2009 we gave around 380,000 hours of training to contracted personnel.

The Marketing Europe (Spain Direct Sales) unit continued promoting the “Awareness is improvement” programme in 2009, aimed at preventing the causes of the most common incidents in our activities, including the transport and supply of fuel in oil tank trucks. Thanks to this programme, there were no such incidents last year.

An incident prevention culture programme was carried out with employees during the construction phase of the new LNG Canoport regasification plant (Canada), which opened in September 2009, including actions such as daily risk analysis and planning in the work areas, quarterly safety audits, field inspections and installation of communication posts across the entire worksite giving information about near misses that had taken place, with the programme implemented being regularly monitored.

Safety in our operations in Venezuela

In 2009 we continued developing the “Safety as a value” project in our Upstream business operations in Venezuela.

The objectives of this project include changing employee behaviour and introducing the leadership and communication skills needed to ensure greater commitment to safety

The programme was initially aimed at supervisors among both our own and contracted personnel. Managers have now also been included in this process. Activities carried out include Reflection and Discussion Workshops (TRT), group coaching and individual coaching.

SEVEN RULES THAT WILL SAVE YOUR LIFE



At the wheel, **drive safely**



For any activity, a current **work permit**.



Lockouts, always secure and marked



Accessing **confined spaces**, only with authorisation



During **excavations**, secure the area



When **working at height**, secure your protections and supports



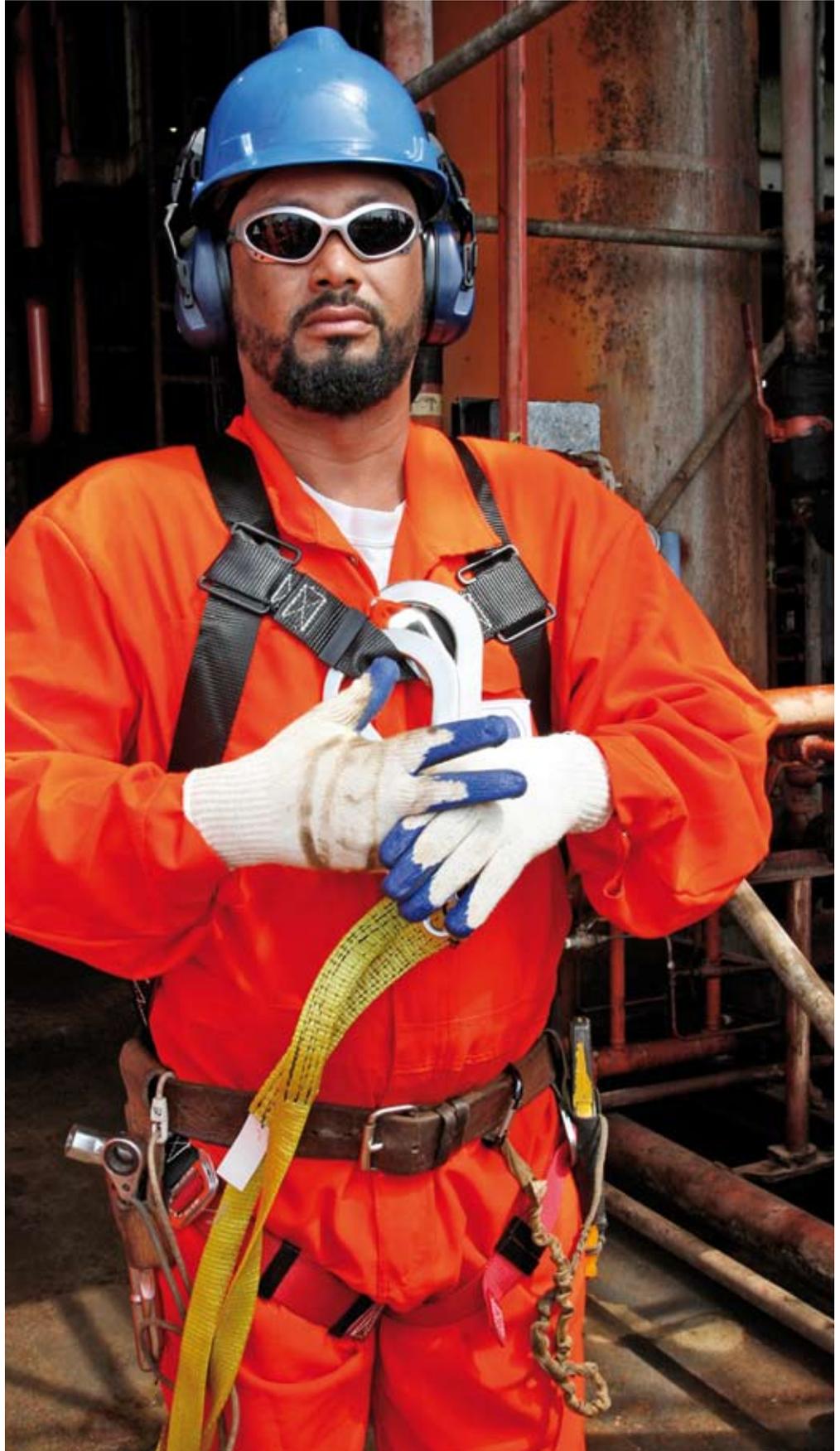
During **lifting operations**, never stand below the load

Process safety

The most effective manner of guaranteeing protection for the company's facilities and safety for employees is to correctly identify industrial risks and manage them properly.

Improving identification, evaluation and management of industrial risks is a key factor in increasing safety at our facilities. At Repsol YPF we have a set of rules and specific guidelines to ensure that risks are correctly identified, quantified and managed throughout the lifecycle of the facilities, in order to prevent harm to people and assets, as well as to minimise environmental impact. These rules were updated in 2009.

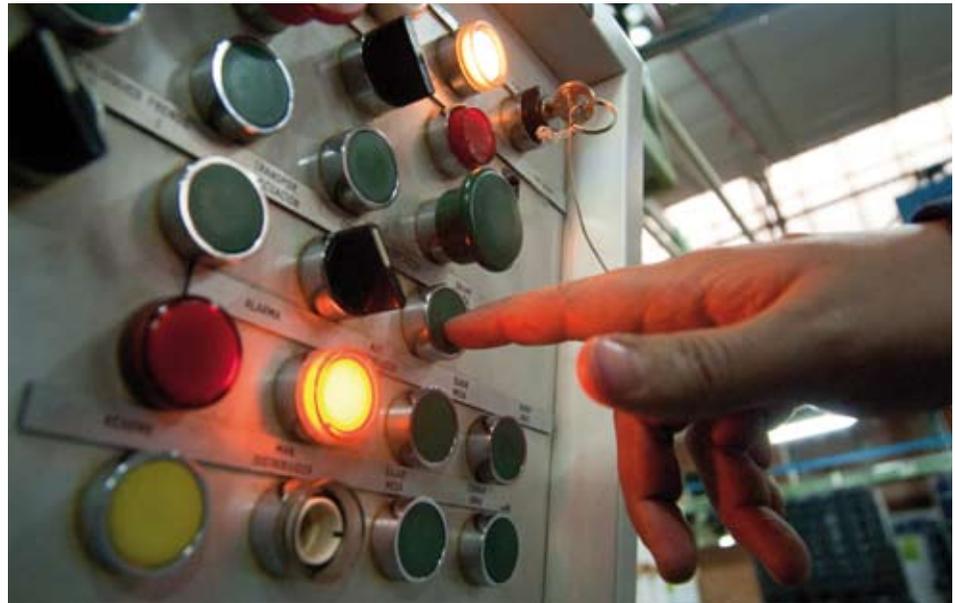
Our main objective is to ensure the safety of workers and the facilities where they are working through all stages of the project lifecycle, such as unit design, construction and start-up. Meeting this objective is particularly critical in large-scale and complex projects, such as the projects underway at the Cartagena and Muskiz (Spain) refineries and the construction of the Cartagena-Puertollano pipeline.



Properly-equipped worker at the company's Trinidad and Tobago facilities.

NOA Programme at the Cartagena-Puertollano pipeline

The No-Accidents Programme (NOA) has been implemented since the start of the construction of the Cartagena-Puertollano distillates pipeline. It includes tools such as satellite monitoring of vehicles used for the works, control of worksite access points without perimeter fencing, monitoring of pre-established prevention indicators and creation of risk maps and monthly safety bulletins. Employee participation is fundamental in these, since they include acknowledgements of good performance and promote employee participation in management processes by publishing their opinions and suggestions for improvements (Safety Comments). The workers involved in the tasks carried out have welcomed the programme and have become actively involved.



Control panel at the Puertollano industrial complex (Spain).

Safety in new projects in Cartagena and Muskiz (Spain)

Potential risk scenarios were identified and risks evaluated during the design of both projects, and decisions were made as to the most suitable measures for preventing and/or mitigating these in the subsequent construction and operation phases. The most significant actions included the high degree of coordination between our own workers and those of 52 external companies to ensure these rules and the stringent standards in force were strictly followed.

At present, both projects are at the construction phase. The most significant activities aimed at guaranteeing safety during this stage are:

- Selección de diseños que mejoran la selección de diseños to improve the safety of people and facilities under construction, such as prefabricated concrete racks, screwed structures, prefabricated substations, road-surfacing and prior infrastructure installation, and insulation of workshop equipment.
- Improved staff management at worksites through the provision of more risk prevention information and the requirement for rules and procedures to be followed.
- Intensive safety training for employees before they start on such works.
- Compliance with safety regulations in carrying out studies and analyses, as well as in transport and hoisting of large equipment.

Also significant are the efforts made at temporary facilities used for project back-up during the construction phase, enabling workers to carry out their activities in optimum conditions during the period of greatest intensity in this work. In the Cartagena refinery project, we estimate that there will be 6,000 people working simultaneously at any given time, while this figure will stand at nearly 2,000 for the Petronor project.

To date, in the more than six million hours worked, we have achieved a lost time injury frequency rate of 1.0. The same rate for the Spanish construction sector is over 70.

Safe transport

We place particular importance on safety in the transport of people and goods, and produce action plans to improve the safety of all types of transport: by land, air and sea.

Land transport

In 2009, a total of 568 employees received 5,876 hours of training in safe road driving around the world.

In 2009, the liquefied petroleum gas (LPG) and Marketing Europe (service stations) businesses organized actions to reduce traffic accidents caused by tank trucks. Training actions were carried out, a truck drivers' manual was created and disseminated and accident simulations were carried out in conjunction with fire-fighters, the Civil Guard, Civil Protection and the Police.

A Transport Safety Plan was also produced in Peru in 2009, with the drivers and assistants of 20 bulk and bottled LPG distribution contractor companies taking part in the cities of Arequipa, Chiclayo, Huancayo, Lima, Piura and Trujillo. The specific actions included in the plan were, among others: professional capacity-building for the drivers, monitoring of personnel, driving hours and vehicles, and evaluation of en route risks. In order to evaluate the impact of these actions and compliance with these requirements, an audit was carried out among logistics operators.

As part of its commitment to road safety, Repsol YPF has abided by the European Commission's European Road Safety Charter since 2005. This involves the participation of authorities, research institutions, associations and companies, which share ideas to help improve road safety problems and reduce the number of traffic accidents and victims. Further information can be found at www.erscharter.eu.



Drilling platform in Tarragona (Spain).

Air transport

To further improve management of aviation operations, Repsol YPF has drawn up company regulations on air transport safety in its exploration and production activities, which set out the principles, responsibilities and functions for contracting and subsequently operating these services.

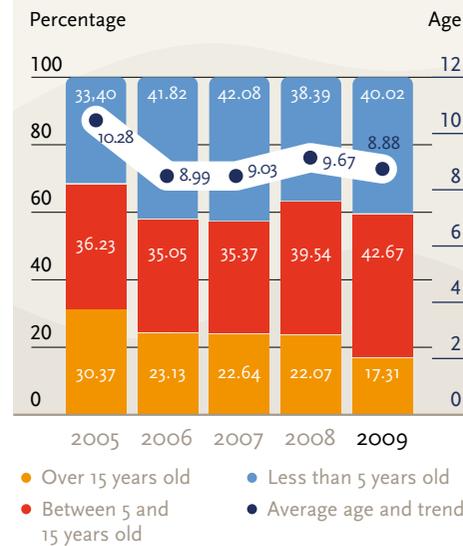
In order to guarantee that air operator services contracted or in the process of being contracted comply with the regulations established, we have put in place a comprehensive audit and inspection programme for operator companies and their aircraft.

Sea transport

Repsol YPF does not have its own fleet, and so rigorous evaluation and inspection criteria are adopted when hiring vessels from third parties, an activity that is internationally known as vetting. We also carry out this service for other companies.

In order to verify that vessels comply with the most stringent safety regulations, a prior review is carried out of all documentation supplied by the operator, including Repsol YPF's Vetting questionnaire, duly completed; pollution prevention certificates; certificates issued by the classification company; log sheet of the control inspections carried out by the

EVOLUTION AND AGE DISTRIBUTION OF INSPECTED TANKERS



EVOLUTION AND DISTRIBUTION OF HULL TYPE IN >5,000 TDW TANKERS INSPECTED



Port State Control (PSC); any accidents the tanker has had and self-evaluation by the technical operator of the management system, among other documents.

Our inspectors then move on to the physical inspection stage, which is carried out at terminals. Any vessels that do not pass this test are rejected.

In 2009 a total of 1,708 preliminary vessel inspections were carried out, of which 1,230 were acceptable, 455 were unacceptable and 23 led to the declassification of the vessel. Only 72% of the vessels put forward to operate for Repsol YPF were considered acceptable. In addition, 907 physical inspections were carried out, which resulted in 823 approvals and 84 rejections.

The age of vessels inspected has dropped sharply in recent years and there has been an increase in the percentage of double hull vessels inspected.

Our data

We have included safety data for 100% of the employees of subsidiaries in which Repsol YPF holds a majority interest and/or has operating responsibility (control). In the case of contracted personnel we have included any activity carried out under direct contract with Repsol YPF with duration of more than one year.

In order to record, analyse, monitor and consolidate accident rate information, the company makes a proprietary web-based computer tool available to all the

work centres, which enables effective management of accidents and incidents.

A company regulation establishes the common criteria and methodology for recording accidents and incidents in the company, complemented by an incident management indicator guide, which is used to process Repsol YPF's safety indicators.

	2005	2006	2007	2008	2009
Lost time injury frequency rate (own personnel and contractors)	3.1	2.6	2.4	1.8	1.4
Number of fatalities	7	9	12	11	9
Hours of training in workplace health and safety					234,460

2010 objectives

Planned activities

Progress in safety performance.

Improved process safety.

Ongoing improvement of the management system.

Objetives

To continue carrying out actions to improve safety, including safety training and awareness-raising programmes, among others.

To carry out plans to adapt industrial risk analyses to the new industry regulations on risk management.

To continue with the review and ongoing improvement of the company's safety management system.