

INTERIM MANAGEMENT REPORT

For the six-month period ended June 30, 2015

REPSOL, S.A. and Investees comprising the Repsol Group



*Translation of a report originally issued in Spanish.
In the event of a discrepancy, the Spanish language version prevails.*

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1. MAIN EVENTS OF THE PERIOD

Relevant events during the first half of 2015 signaled the beginning of a serious transformation of the Repsol Group. On May 8, 2015, Repsol acquired the Talisman petroleum group, which has a solid hydrocarbon exploration and production business, and approved a new organizational structure in which the Chief Executive Officer (CEO), Josu Jon Imaz San Miguel, assumed all the executive functions, with three new top management bodies presiding, and full responsibility for their respective areas: i) Corporate Executive Committee ii) E&P Executive Committee and iii) *Downstream* Executive Committee.

The newly created company emerging from the Talisman integration has converted Repsol into one of the top 15 oil and gas companies worldwide, increasing our presence in international markets, strengthening the *Upstream* business as a growth engine while increasing its size, and diversifying the composition and the risk of its assets.

Otherwise, the results obtained throughout the normal course of business (adjusted net income of € 1,240 million) in a market characterized by low crude oil and gas prices and the depreciation of the euro against the dollar, which have reflected in the advantages of our integrated model, the quality of our industrial assets, and the efficiency of the *Downstream* businesses, which have made it possible to take advantage of international margins in order to compensate for the drop in *Upstream* business results due to the drop in prices as well as the interruption of Libyan production.

1.1. TALISMAN ENERGY ACQUISITION

On May 8, 2015, Repsol completed the acquisition of the petroleum Canadian company Talisman Energy, Inc. ("Talisman").

The investment amounted to €8,005million¹, which has been financed using Repsol's liquidity, mainly arising from the collection of the compensation as a result of the YPF expropriation and from the sale of the shares not expropriated. After the acquisition, which has implied the inclusion of Talisman's debt (€ 3,994 million), the Group's credit rating remains unchanged (see Note 4, "*Financial overview*").

Talisman is a Canadian company based in Alberta, Canada, and is set up based on Canadian company law. The transaction closed, and subsequently Talisman's ordinary shares ceased to be listed on the Toronto and New York stock exchanges, while the preferred shares on the Toronto stock exchange were subsequently converted to ordinary shares.

Its main business activities include the exploration, development, production, transportation and marketing of crude oil, natural gas and other liquids of hydrocarbons, focusing the most of its activity on two areas: America (United States, Canada and Colombia) and Asia-Pacific (Australia, Timor Leste, Indonesia, Malaysia, Papua New Guinea and Vietnam). Additionally, Talisman has activity in United Kingdom, Norway, Algeria and Kurdistan.

For further information regarding the impact of the inclusion of Talisman in the Group's interim condensed consolidated financial statements, see heading 4.2 and in connection with its operational magnitudes, assets, and synergies with Repsol's *Upstream* business provided by Talisman, see heading 5.1 *Upstream*.

¹ See Note 3 of the interim condensed consolidated financial statements for the six-month period ended June 30, 2015.

1.2. RESULTS OF THE PERIOD

<i>Millions of euros</i>	June 2015	June 2014	Variation
Upstream	(238)	400	(638)
Downstream	973	452	521
Gas Natural Fenosa	227	282	(55)
Corporation and adjustments	278	(212)	490
Adjusted Net Income	1,240	922	318
Inventory effect	(57)	(54)	(3)
Non-recurring income	(130)	191	(321)
Income from discontinued operations	-	268	(268)
Net Income	1,053	1,327	(274)

In the first half of 2015 **Adjusted Net Income** amounted to €1,240 million, 34 % higher than the same period in 2014. The notable improvement in *Downstream* results thanks to efficiency developments and a better international outlook, and the positive effects on the Corporation from the appreciation of the dollar on this currency positions, have compensated for decreased *Upstream* results affected by lower crude and gas prices, and from disruptions to production in Libya. This result incorporates the operations of Talisman from the date of acquisition by Repsol (May 8).

In *Upstream*, it is noteworthy the impact on the results of the decrease in prices, which has been mitigated by the significant increase in production (440 kboe/d, 29% higher than in 2014 due to the inclusion of Talisman's and the connection of new wells in Sapinhoá (Brazil) and *Mid-continent* (United States), as well as the improvement of the exploration costs despite having maintained investments efforts in exploration.

In *Downstream*, the adjusted net income results for the period have increased 115% compared to 2014, to reach €973 million. This increase reflects the improved margins and the increase in sales volumes of the Refining and Chemical businesses, which offset the decrease in the results obtained due to lower margins in *Gas&Power* in North America. These results continue to reflect the quality of the Group's assets, making it possible for Repsol to continue at the head of European competitors in terms of integrated Refining and Marketing margins.

The contribution to the results of *Gas Natural Fenosa* in the first half of 2015 amounted to €227 million that compares favorably with the results of the previous year if the extraordinary results obtained from the sale of the telecommunications business are removed in 2014.

Corporation and Adjustments disclose and adjusted net income of €278 million, mainly explained by improved financial results derived from the US dollar revaluation against the euro.

Net Income for the first half of 2015 amounted €1,053 million, compared to the €1,327 million in previous year. This drop is chiefly driven by the 2014 extraordinary results obtained or 2014 results obtained from discontinued operations (mainly LNG sales business and the shares not expropriated from YPF).

In section 4, a more detailed analysis of the semester result is contained.

1.3. OTHER EVENTS DURING THE PERIOD

Subordinated debt has been issued, guaranteed by Repsol, S.A, amounting €2,000 million. The bond was issued in two tranches, one of a nominal amount of € 1,000 million and maturing in 2075 (amortizable upon the request of the issuer starting from the tenth year), and the other for the same amount with no maturity (amortizable upon the issuer's request of the starting from the sixth year).

The Company maintains the compensation to its shareholders. In addition, in January and July the Company executed two share capital increases by means of which the "*Repsol flexible dividend*" programme was implemented, which allows shareholders to choose between receiving their payment, totally or partially, in newly-issued shares or in cash.

Regarding Repsol's performance on the stock exchange ended with a 1.3% revaluation; during the first six months of the year, its behavior was in line with the Ibex-35 index as well as the other players in the European Oil & Gas sector. The Company benefited from the recovery of the price of crude oil from their minimums in January; however, the macroeconomic uncertainty and the Greek crisis weighed heavily on the markets at the end of the period.

Finally, Repsol has maintained its commitment to society and its employees. During the first half of 2015, an increase of 3,481 employees were recorded over the six-month period (14 % higher than the same period 2014, mainly due to the Talisman acquisition), investing approximately € 10 million in training and in relation to employee accident rates, the Total Frequency Rate was in line with the first half of 2014. Additionally, despite the 263,000 ton increase in CO₂ emissions compared to the same period in 2014, as a consequence of the increase in production, actions were taken to reduce 92,400 tons of CO₂, assuming equivalent operating conditions.

1.4. MAIN FIGURES AND INDICATORS OF THE PERIOD ^A

Results, financial overview and shareholder remuneration ⁽¹⁾	June	June	Our business performance ⁽¹⁾	June	June
	2015	2014		2015	2014
Results			Upstream		
EBITDA	2,383	2,202	Net liquids production (kbbbl/d)	168	126
Adjusted Net Income	1,240	922	Net gas production (kboe/d)	273	214
Net Income	1,053	1,327	Net hydrocarbon production (kboe/d)	440	340
Earnings per share (€/share)	0.75	0.95	Average crude oil realization price (\$/bbl)	51.1	86.9
Capital employed ⁽²⁾	44,522	29,346	Average gas realization price (\$/Thousand scf)	3.1	4.1
ROACE (%) ⁽³⁾	4.1	4.4	EBITDA	903	1,359
			Adjusted Net Income	(238)	400
Financial overview			Investments ⁽¹¹⁾	9,649	1,154
Net financial debt ⁽⁴⁾	13,264	1,935			
EBITDA ⁽⁵⁾ / Net financial debt (x times)	0.4	2.0	Downstream		
			Refining capacity (kbbbl/d)	998	998
Shareholder remuneration			Conversion index in Spain (%)	63	63
Total shareholder remuneration (€/share)	0.47	1.48	Refining margin indicator in Spain (\$/bbl)	8.9	3.5
			Oil product sales (kt)	22,721	21,143
Main stock indicators	June	June	Petrochemical product sales (kt)	1,424	1,334
	2015	2014	LPG sales (kt)	1,230	1,219
Share price at close of financial year (€)	15.75	19.26	Gas sales in North America (TBtu)	164.2	149.6
Average share price (€)	16.97	18.79	EBITDA	1,655	948
Market capitalisation (at closure)	21,651	25,510	Adjusted Net Income	973	452
			Investments ⁽¹⁰⁾	283	267
Other ways of creating value	June	June	Gas Natural Fenosa		
	2015	2014	Adjusted Net Income	227	282
People					
Total employees ⁽⁶⁾	28,277	24,796	Macroeconomic environment	June	June
Number of new hires in the year ⁽⁷⁾	6,406	2,865		2015	2014
			Brent (\$/bbl) average/closure	57.8/61.4	108.9/112.1
Paid taxes ⁽⁸⁾	4,995	6,127	WTI (\$/bbl) average/closure	53.3/59.5	100.8/105.4
			Henry Hub (\$/Mbtu) average/closure	2.8/2.8	4.8/4.4
Safety and environmental management			Algonquin (\$/Mbtu) average/closure	6.9/1.5	12.3/4.9
Overall Frequency Rate of accidents ⁽⁹⁾	0.77	0.7	Average exchange rate (\$/€/average/closure)	1.12/1.11	1.37/1.37
Direct CO ₂ emissions (million t) ⁽¹⁰⁾	6,411	6,148			

⁽¹⁾ Where appropriate, figures shown in million euros.

⁽²⁾ Capital employed in continuing operations.

⁽³⁾ The ROACE for the first half of 2015 is an annualised indicator by a mere extrapolation of this period's figures, and the corresponding to the 2014 financial year corresponds to the annual real data.

⁽⁴⁾ Comparative figure 2014 corresponds to 31 December 2014.

⁽⁵⁾ EBITDA for the first half of 2015 is an annualised indicator obtained by a mere extrapolation of this period's figures; the corresponding to the 2014 financial year corresponds to the annual real data.

⁽⁶⁾ The workforce figure does not include employees of partially-owned companies in which Repsol does not have management control, following the Group's accounting consolidation criteria. In 2014, does not include employees with annual working hours equal to or less than 20% of the hours set in the collective bargaining agreement

⁽⁷⁾ The % of permanent new hires in the year for the first semester of 2015 and 2014 amounts 59% and 33%, respectively.

⁽⁸⁾ Includes taxes paid which represent a cash expense for the company, deducted from their earnings, and which are retained or passed on to end taxpayer. Excludes amounts due to be paid in the future or charges from previous periods

⁽⁹⁾ Overall frequency rate (IF) with sick leave: number of accidents leading to days lost or deaths recorded over the year, for every million hours worked.

⁽¹⁰⁾ Includes direct emissions of CO₂ from the most relevant business units and countries in which the Group operates, accounting for 98% of the Company's direct Greenhouse Gas (GHG) emissions inventory.

⁽¹¹⁾ Net investments in operating assets disposals.

^A The information presented throughout this section reflects all of the Talisman data since the takeover, and unless specifically stated to the contrary, it was prepared in accordance with the Group's reporting model described in Note 4 "Segment Results" in the interim condensed consolidated financial statements corresponding to the six month period ended June 30, 2015. APPENDIX I and II of this document reflect the reconciliation between the adjusted figures and the EU-IFRS financial information.

2. OUR COMPANY

2.1 CORPORATE GOVERNANCE

On April 29, 2015, Mr. Juan María Nin Génova tendered his resignation as a member of the Repsol Board of Directors. On April 30, the Board agreed to fill the vacancy by naming as a member of the Board of Directors, through the cooptation system, Mr. Gonzalo Gortázar Rotaache.

On May 8, 2015, once the acquisition of Talisman Energy Inc. was finalized, the Chairman of Repsol's Board of Directors, based on a favorable report from the Nomination and Remuneration Committee, approved a new organization chart, reflecting the new Chief Executive Director (CEO), Mr. Josu Jon Imaz San Miguel, which assumed all the executive functions and has strengthened the business management capacity to increase efficiency and add value.

On June 25, 2015, Repsol Board of Directors resolved to amend its Regulations. The approved amendments include, the split of the Nomination and Remuneration Committee in two separate Committees, one with authorities regarding appointments and the other regarding remuneration. Additionally, the Board has agreed to replace the current Strategy, Investments and Corporate Social Responsibility Committee with a Sustainability Committee.

Presided over by the CEO, three management bodies were created with full responsibilities over their respective areas: Corporate Executive Committee, E&P Executive Committee and *Downstream* Committee.



- (1) Presided by the Chief Executive Officer (CEO). Includes Corporate Executive Directors, Business Executive Directors, and Executive Directors which report to the CEO. The Corporate Executive Committee oversees global strategies, company policies, and any other transversal decisions.
- (2) Presided by the Chief Executive Officer (CEO). Includes E&P Executive Director, Executive Directors and Executive Directors which report to the E&P Executive Director, Executive Corporate Directors, and Executive Directors which report directly to the CEO, Corporate Executive Director of Institutional Relations, and Corporate Economic and Tax Director. The E&P Executive Committee is responsible for high-level *Upstream* business decisions.
- (3) Presided by the Chief Executive Officer (CEO), and integrated by the Executive Director of *Downstream*, Executive Directors, and Executive Directors which report directly to the *Downstream* Executive Director, General Corporate Directors, and Executive Directors reporting directly to the CEO and Corporate Economic and Tax Director. The E&P *Downstream* Executive Committee is responsible for high-level business decisions.

The new organizational structure's aims include, among other objectives:

- Aligning the organization with Repsol's new assets portfolio. This is based on a one-company model that takes into account the different characteristics of the *Upstream* and *Downstream* businesses.
- Serving Repsol's enlarged global footprint. The integration of Talisman increases Repsol's geographical presence, creating the need to align the structure and operation of the corporate functions.
- Embodying Repsol's vision of a company focused on long-term business sustainability, technological progress and social welfare.

2.2 STRATEGY

The Talisman acquisition met the goals mapped out in the 2012-2016 strategic plan designed to transform Repsol into a company integrated with its *Upstream* business as its growth engine with a portfolio of assets located across areas with the greatest geopolitical stability.

Prior to year-end a new strategic plan 2016-2020 will be presented, which will open the door to a new cycle focused on creating value, maintaining financial solvency, and bolstering our commitment to our shareholders, society, and our employees.

3 MACROECONOMIC OUTLOOK

Recent economic developments

The first half of 2015 was characterized by lower deflation risks in the Eurozone, as a result of improved growth expectations and upward trend of oil prices. Meanwhile, the growth momentum in the US ending 2014 slowed down because of temporary factors, as well as the rise in the US dollar. Emerging economies, with China at the lead, began to show signs of weakness, amplifying the flagging international trade, and hindering many from growing in line with internal demand in a sustained manner.

The 0.2% contraction of the US economy during the first quarter of the year can be explained by a very cold winter, the east coast port strike, and the appreciation of the dollar. The lower price of oil has had a negative impact on investment in the sector, while until now it has not boost consumption as much as expected, since consumers have preferred to save in order to decrease liabilities. Despite that during the second quarter, job growth consolidated, the Federal Reserve will expect greater indications of a more robust economy in general, prior to raising interest rates.

In the Eurozone harmonized inflation reached an inter-annual 0.2% in June, rising from a negative reading, while the growth of the real GDP reached 1% interannual the first quarter of 2015; this positive trend was continue during the second quarter. Factors behind the growth of the Eurozone are related to the depreciation of the Euro, the lower price of fuel, and most of all, expectations generated by the application of non-conventional measures by the European Central Bank (ECB) and decreased tax consolidation. Growth was supported by an increase in internal consumption, with convergence among member countries.

Emerging economies have continued its decelerating trend, faced with the notable economic downturn in certain countries with significant weight in this block, such as Russia and Brazil, as well as a moderate rate of expansion in China. In this regard, the Chinese economy grew 7.0% inter-annually in both the first and second quarter of 2015, due to the lack of strong investment, and decreasing exterior competitiveness, dragging on the real exchange rate appreciation of the Yuan and the adjustment of the real estate sector. In China, the behavior during the first months of 2015 was weaker than expected, thereby forcing authorities to apply certain stimulus measures, while trying not to further exacerbate imbalances.

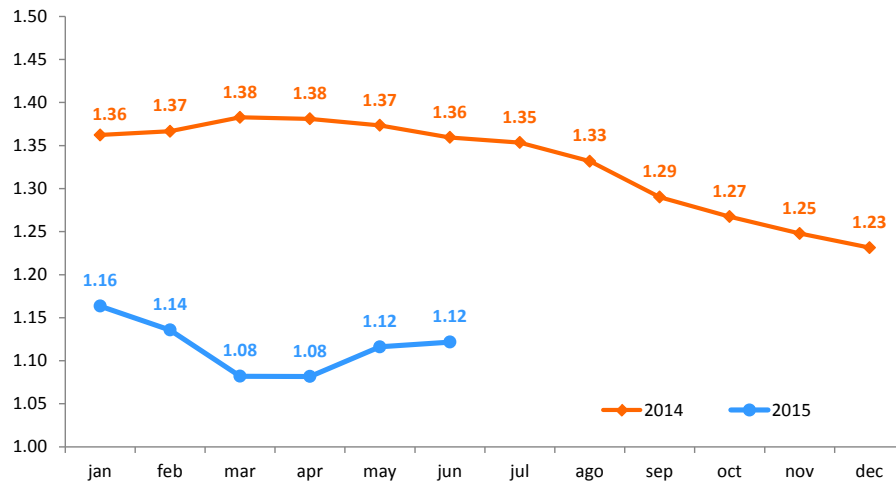
Global trade, a key growth factor prior to the financial crisis, which was previously expanding at rates doubling world growth, increased only 3.1% in 2014, and in 2015 should only grow 2%. This behavior is mainly due to the weakness of emerging countries, which are currently shrinking trade 1.5 percentage points. Against this backdrop, industrial production in the majority of countries is reflecting a weak growth.

Evolution of exchange rate

The trend of the exchange market has been conditioned by the development of negotiations with Greece, and chiefly by the expectations of growth in the US and the Eurozone, as well as its repercussions on monetary policies. The program for expanding the Bank of Japan's (BOJ) balance sheet was followed by the European Central Bank (ECB), which further easing its monetary policies thanks to the implementation of its programs for purchasing sovereign assets announced in January. Meanwhile, the Bank of England (BOE) and the Federal Reserve (FED) were determining right moment to raise interest rates.

In this context, during the first months of 2015 and until mid-April, the dollar continued its appreciation, reaching 1.05 euros/dollar (its lowest level since 2003). Subsequently, this trend party reversed, since the market viewed a lower probability that the FED would tighten its monetary policies in the short term, but also based on the perception of an improved activity in the Eurozone, and above all, a significant decrease in the deflation risks.

Evolution of the EUR/USD exchange rate (monthly average)



Source: Bloomberg and Economic Research Department.

The performance of the euro with regard to its key European references has been irregular. The pound sterling has appreciated with regard to the euro, despite the fact that no imminent rise in interest rates is expected in 2015. The Swiss franc has undergone upward pressure after its abandoned the anchor of the euro, while in Denmark expansive measures increased, while still linked to the euro. The rate of the depreciation of the Yen against the US dollar slowed down, with an accumulated drop of 58% with respect to the dollar since October 2012.

The decreased inflationary pressures faced with the drop in the prices of crude oil, and the delay in the rise in FED interest rates opened a window of opportunity to emerging countries to apply a more accomodating policy, translating to a generalized decrease in interest rates. Meanwhile, the currencies have been quite volatile with a tendency towards depreciation.

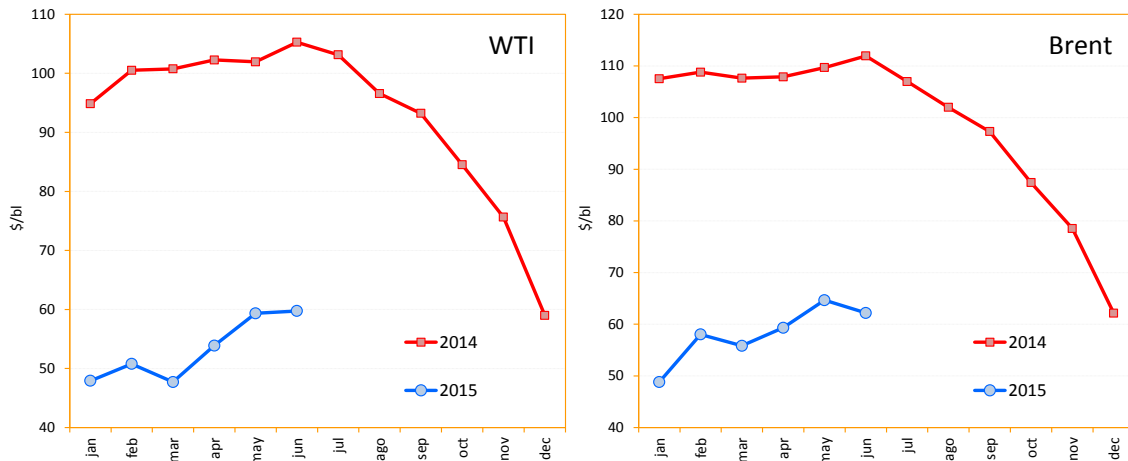
Recent developments in the energy sector

Crude – Brent and WTI

During the first half of 2015, crude oil prices (Brent and WTI) continued on a generally upward swing after the minimum levels hit in January, registering a respective average on physical markets of 58.1 and 53.2 \$/bl. Among the factors pushing these prices upward are the following: the reduction of the number of active drilling towers in the US, the result of the cuts in investments in exploration and production in a low prices context, which has resulted in a drop in US production, even in unconventional areas, the 2015 global demand growth upward revisions by Official Agencies, and geopolitical factors such as the conflicts in Syria, Libya, and Yemen. However, these factors were partially offset by the strong dollar and the US market in which, despite a drop in inventories since May, levels have continue at their historical highs. In the short term, increased demand supported by low prices and further weakening of production should contribute to an adjustment in inventories, which will help keep prices high in a scenario which of high volatility. An uncertainty factor in the short term are the discussions held

between Iran and the G5 + 1 (United Nations Security Council, plus Germany), which may result in lifting of international sanctions imposed to Iran since 2011. The sanctions include limitations on crude exports as well as financing operations with Iranian banks.

Evolution of Brent and WTI prices per barrel

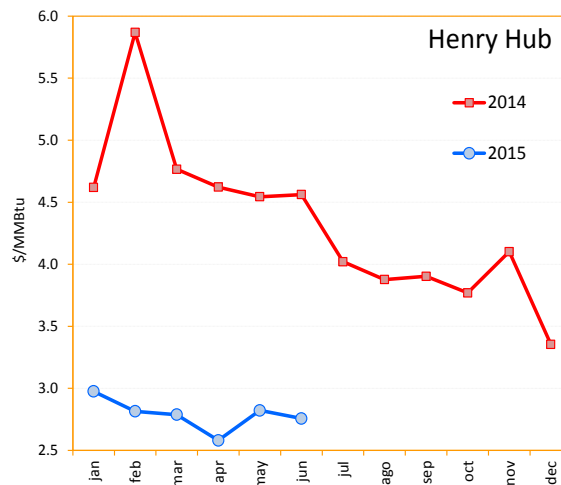


Source: Bloomberg y and Economic Research Department.

Gas Natural – Henry Hub

During the first half of 2015, the HH price was around 2.8 \$/MMBtu. The price dropped approximately 42% with regard to the year before. The factors which had the greatest influence on this trend were the higher production levels and inventories with regard to the prior year.

Henry Hub Evolution



Source: Bloomberg y Bloomberg y and Economic Research Department.

4 RESULTS, FINANCIAL OVERVIEW AND OUR SHAREHOLDER REMUNERATION ¹

4.1 RESULTS

<i>Millions of euros</i>	2015	2014	Variation
Upstream	(238)	400	(160)%
Downstream	973	452	115%
Gas Natural Fenosa	227	282	(20)%
Corporation and adjustments	278	(212)	(231)%
Adjusted net income	1,240	922	34%
Inventory effect	(57)	(54)	(6)%
Non-recurring income	(130)	191	(168)%
Income from discontinued operations	-	268	(100)%
Net income	1,053	1,327	(21)%

NOTE: For further information on the segments businesses, see Note 4 "Segment Results" of the interim condensed consolidated financial statements for the six-month period ended 30 June 2015.

Adjusted net income

Compared to the same period of the previous year, results for the first half of 2015 were produced in a macroeconomic environment characterized by economic recovery, improved international margins for industrial businesses, the low price of crude oil and gas, and the revaluation of the dollar against the euro.

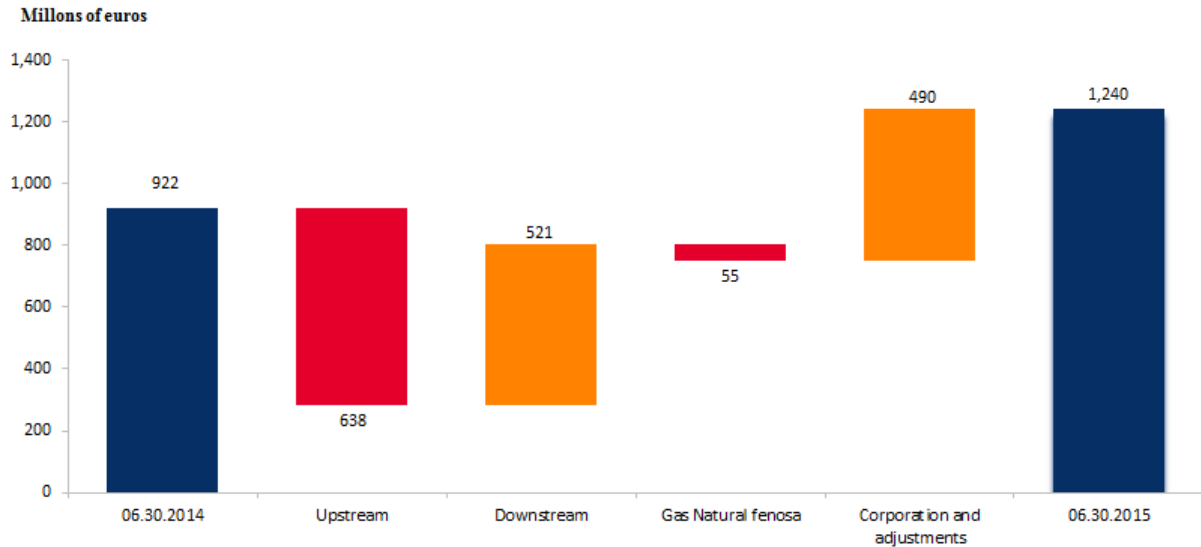
It is noteworthy in these results; Talisman's results are included for the first time, from the acquisition date, May 8.

Adjusted Net Income for the first half of 2015 amounted to €1,240 million, 34% higher than the same period in 2014. This increase is explained by a notable increase in the results of *Downstream*, influenced by higher margins in industrial businesses, improved efficiencies, and a better international environment, as well as improved results in *Corporation*, as a consequence to the appreciation of the dollar. These improved results were partially offset with the negative results from *Upstream*, due to the fall in oil crude and gas prices and the interruption in production in Libya.

EBITDA amounted to €2,383 million compared to €2,202 million, 9% increase compared to the same period of 2014.

¹ Unless expressly stated otherwise, all information given in this section has been prepared in accordance with the Group's reporting model described in Note 4 "Segment Results" of the interim condensed consolidated financial statements for the six-month period ended 30 June 2015. Appendix I and II in this document include a reconciliation between adjusted and IFRS figures adopted by the European Union.

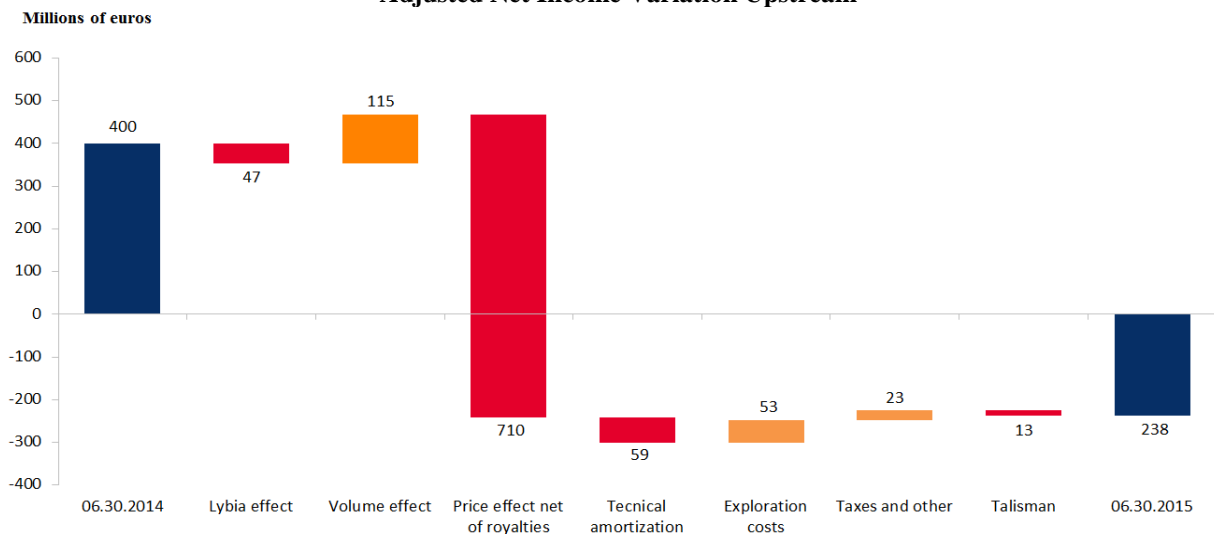
Adjusted Net Income Variation



Upstream

Adjusted net income from *Upstream* operations in the first half of 2015 has supposed a loss of €238 million loss, compared to the €400 million profit during the same period of 2014. In the following chart is broken down the main causes for this trend in the result, mainly due to the drop in prices:

Adjusted Net Income Variation Upstream



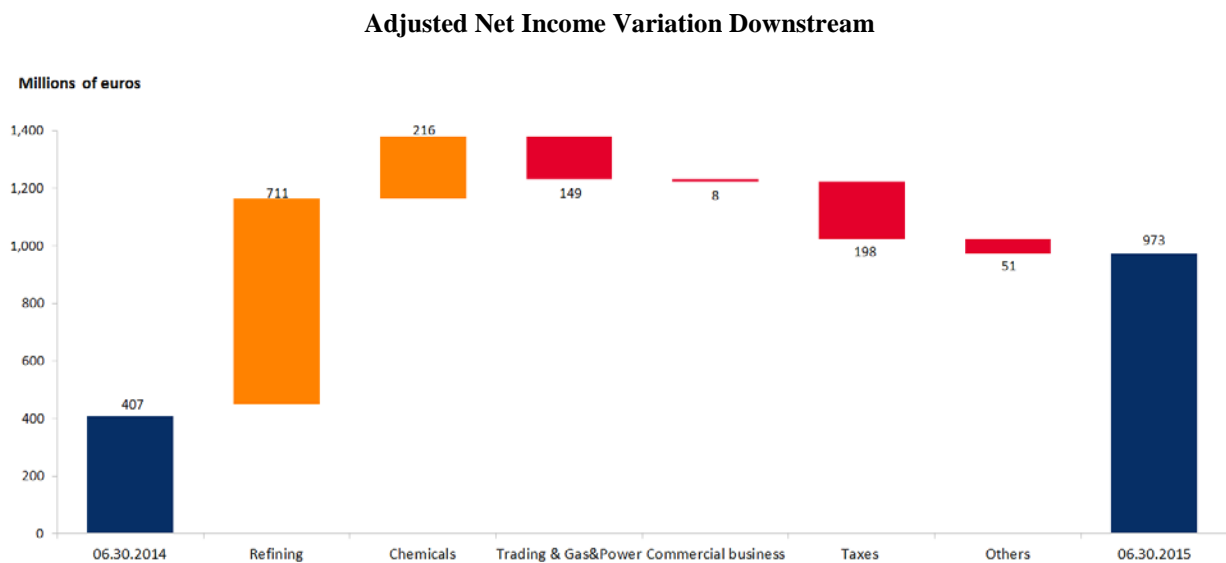
It is noteworthy to highlight some of the main factors that have an impact on the result:

- Increased production. Net production in the first half of 2015 reached 440 Kboe/d, 29% increase compared to 2014. This increase is mainly driven by the contribution since May 8 of Talisman's assets (92 Kboe/d, mainly in US, Canada, Indonesia and Malaysia), as well as the place in service of the new wells in Sapinhoá (Brazil) and Mid-continent (in the United States of America). All took place despite the absence of production in Libya due to the conflicts in the country, and the lower production in Trinidad & Tobago due to increased shutdowns in drilling and maintenance fields. Average production in June reached 660 Kboe/d.

- Investment in exploration has been maintained. During the period, the drilling of fourteen exploratory surveys and six appraisal surveys have been concluded: eight positive (three exploration: Q-9 in Alaska "North Slope", K-4 in Russia and TESO-2 in Algeria and five appraisal: Q-8 and Q-301 in Alaska "North Slope", 6-P in Russia and Margarita 8 and BQR-4 in Bolivia), eight negative (all exploratory) and four still in evaluation at June 30 (three exploratory and one appraisal). Despite the intense exploratory activity, exploration costs have been lower compared to the same period in 2014.
- Greater amortization, as a result of the start of production of key projects in the strategic plan.

Downstream

Downstream adjusted net income for the first half of 2015 was €973 million, 115% increase on the same period of 2014.



The main factors explaining this trend are:

- Improved margins in Refining operations thanks to the stronger product differentials, lower energy costs, and efficiency improvements.
- Better margins and an increase in the volume of sales in the Chemical business, supported by an improved international environment.
- Less impressive results from the *Gas & Power* businesses, affected by lower margins in the period despite the increased volume sold in North America were partially compensated by improved results in the business of *trading* products and shipping management.
- The results of the Marketing business were in line with those for the previous year.

Gas Natural Fenosa

Adjusted net income for the first half of 2015 was €227 million, compared to €282 million for the same period in previous year. This decrease is mainly driven by the extraordinary results from the sales of Gas Natural Fenosa Telecomunicaciones and subsidiaries during the first half of 2014, the comparative period. On a like-for-like basis, adjusting the net capital gain generated the prior year, net

profit rose 1.2% thanks to the ideal balance of the business with a diversified international presence, as well as a greater financial discipline.

Corporation and adjustments

Adjusted net income for the first half of 2015 was € 278 million, mainly explained by improved financial results derived from the US dollar revaluation against the euro, partially offset by the incorporation of the financial and corporate expenses from Talisman.

Net Income

Net Adjusted Income should include the effects of:

- *Inventory effect:* this effect, associated with the valuation of crude and average cost products (MIFO), instead of the current cost of supply (CCS), remained in line with the previous year.
- *Non-recurring results:* The first half of 2014 includes the capital gains attributable to the sale of the shares of YPF which had not been expropriated, and the investment in Transportadora de Gas del Peru. The first half of 2015 includes asset impairments amounting €65 million, mainly due to the impact of the drop in the prices of the *Midcontinent*.
- *Result from discontinued operations:* during 2014 this effect included the positive effect of the sale of the investment in Repsol Comercializadora de Gas, S.A.

As a result of the trend of these results, the Group's Net Income for the first half of 2015 amounted € 1,053 million. The decrease, compared to the net income in the first half of 2014 (€1,327 million), is explained by the absence of non-recurring results and results from discontinued operations in 2015 but obtained in 2014.

The main financial performance indicators for the first half of 2015 and 2014, are as follows:

PERFORMANCE INDICATORS	06/30/2015	06/30/2014
Return on average capital employed (ROACE) ⁽¹⁾ (%)	4.1	6.9
Earnings per Share (€share) ⁽¹⁾	0.75	0.95

⁽¹⁾ ROACE: (net recurring operating income + recurring results of investments) / (average capital employed for the period of continuing operations). The ROACE for the first half of 2014 and 2015 is an annualised indicator.

4.2 MAIN IMPACTS ARISING FROM THE ACQUISITION OF TALISMAN

First time consolidation of Talisman in the Repsol Group consolidated financial statements¹

Talisman acquisition represents an investment of €8,005 million, corresponding to the purchase price of 100% of its ordinary shares (\$ 8,288 million) and its preferred shares (CAD 201 million), as well as the effect of the exchange rate derivative hedging within the purchase price.

In accordance with the accounting standards, the first-time consolidation of the assets and liabilities of Talisman in the Repsol Group interim condensed consolidated financial statements has been done at fair value at the acquisition date (May 8).

¹ See Note 3 of the interim condensed consolidated financial statements for the six-month period ended June 30, 2015.

As a result to this valuation, assets amounting to €21,071 million were integrated, including goodwill amounting to € 2,283 million, as well as liabilities totaling € 13,066 million. Goodwill mainly corresponds to the deferred taxes recognized as a result of the accounting revaluation of the acquired assets, and is more than justified due to the synergies which should materialize as a result of the integration, amounting to over \$ 3,000 million.

The performed valuation is still provisional in nature, and has been compared with reports from prestigious independent appraisers.

Assets and liabilities valuation	Millions of euros
Upstream business	11,204
Other net assets and liabilities	(1,331)
Financial debt ⁽¹⁾	(4,151)
Goodwill	2,283

⁽¹⁾ Financial debt calculated without taking into consideration the companies integrated for using the equity method, financial debt calculated according to the Groups 'reporting model, amounted €3,994 million.

Talisman Results

Talisman results since May 8, 2015 have been included in the Repsol Group's results. In accordance with the reporting model for the Group's business segments, Talisman results are distributed as follows:

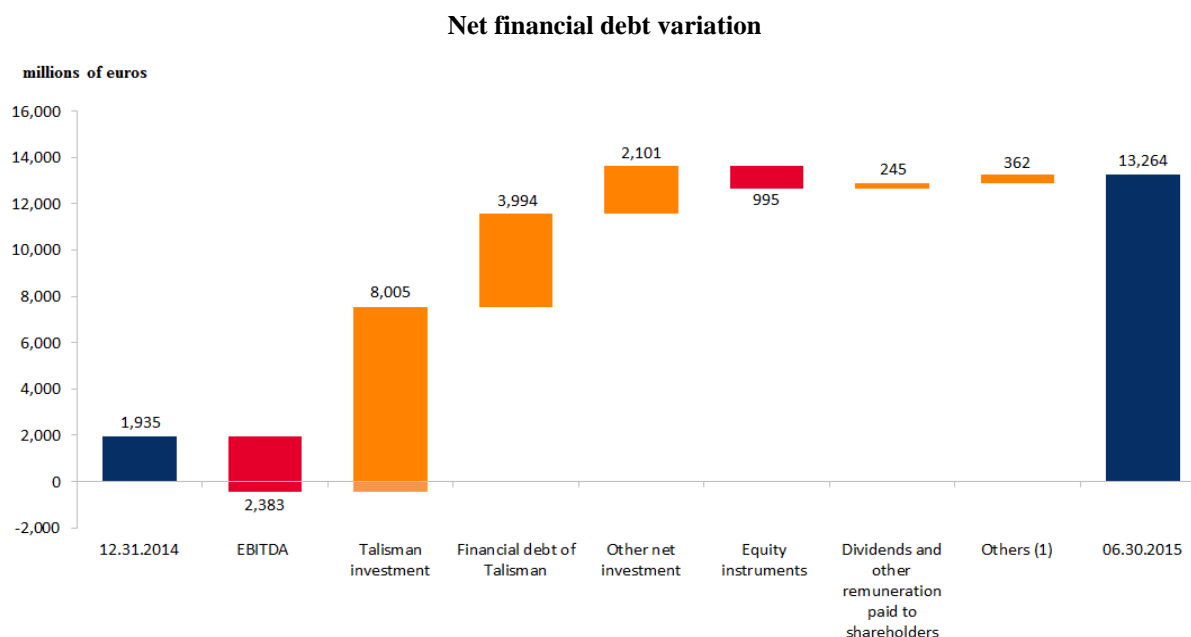
	Millions of euros
<i>Upstream</i>	(13)
<i>Corporation</i>	(90)
Net Income	(103)

4.3 FINANCIAL OVERVIEW

During the first half of 2015, Repsol's financial situation was impacted by the Talisman acquisition and the related increase in indebtedness, which did not affect its credit rating.

Indebtedness

The Consolidated Group's adjusted net financial debt at 30 June 2015 amounts to €13,264 million, against €1,935 million at December 31, 2014, representing an increase of €11,329 million. The increase in net debt is mainly explained by the purchase price of Talisman and the inclusion of its debt. The evolution of adjusted net financial debt in the first half of 2015 is described below:



⁽¹⁾ Mainly includes income tax payments, net interests and changes in working capital.

Main financing operations

- On 25 March 2015, Repsol International Finance, B.V. (RIF), issued subordinated debt for a total amount of €2,000 million, in two tranches:
 - a) The bond of a nominal amount of €1,000 million and maturing in 2075 (amortizable upon request of the issuer starting from the tenth year or when certain special circumstances arise) was issued at a price of 100% of its nominal value, and accrues a fixed annual coupon of 4.5% from the date of issue until March 25, 2025, date from which it will begin to bear a variable coupon.
 - b) The bond of a nominal amount of €1,000 million, of a perpetual nature or without maturity (amortizable upon request of the issuer starting from the sixth year or when certain special circumstances arise). It is an equity instrument¹ with a fixed annual coupon of 3.875%, payable annually from the date of issue until March 25, 2021, date from which it will begin to bear a variable coupon.

¹ The bond was recognized in equity under “Other equity instruments” on the consolidated Balance Sheet. For further information, see heading 5.2 of the interim condensed consolidated financial statements corresponding to the six-month period ended June 30, 2014.

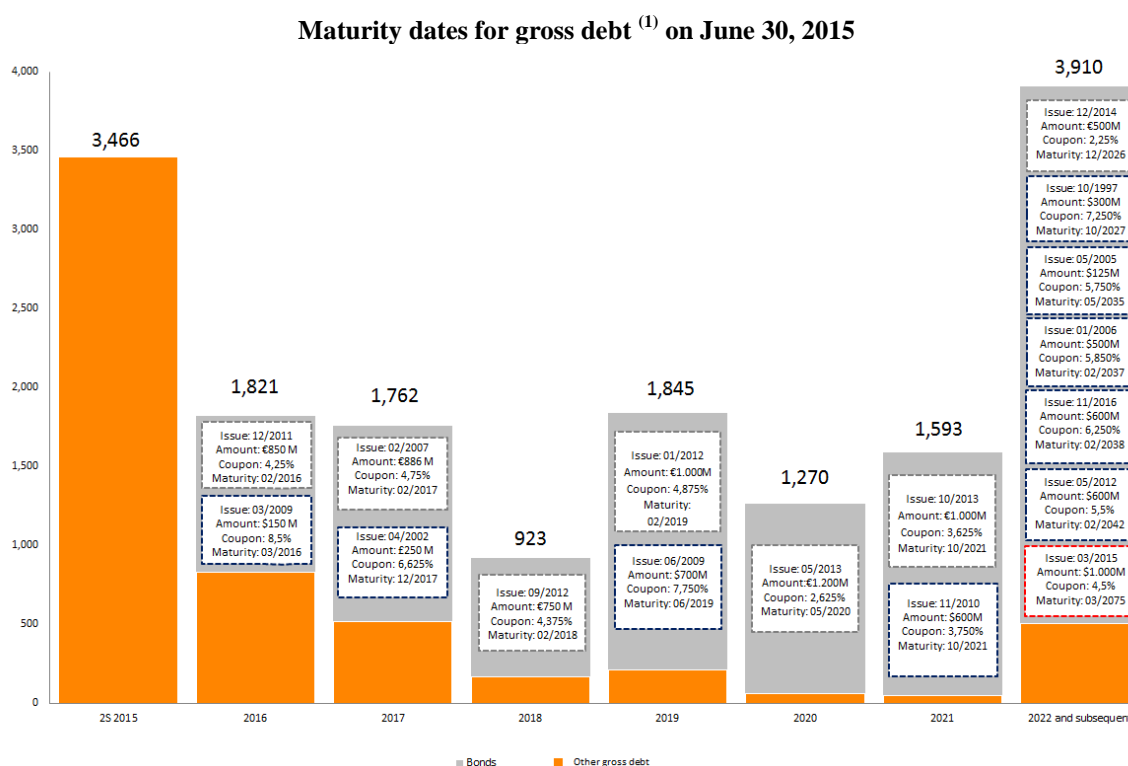
- On May 15, 2015 a Talisman Energy Inc. bond issued in 2005 amounting €334 million with a coupon of 5.125% matured.
- Repsol International Finance, B.V. ("RIF"), holds a Euro Commercial Paper (ECP) Programme, arranged on May 5, 2013, with a limit up to €2,000 million, which is guaranteed by Repsol S.A. The following issues were made under the scope of this program in 2015:

CONCEPT	ISSUER	CURRENCY	FACE VALUE (million)	EQUIVALENT IN EURO
ECP	Repsol International Finance B.V.	Euro	754	754
ECP	Repsol International Finance B.V.	Dollar	188	168
ECP	Repsol International Finance B.V.	Pound Sterling	10	14
ECP	Repsol International Finance B.V.	Swiss francs	8	8

- Additionally, Talisman Energy Inc. maintained a U.S. Commercial Paper (USCP) program, arranged in October 2011, for a maximum amount of \$ 1,000 million. Within the scope of this program, since May 8, a total of \$ 721 million were issued (being equivalent to €646 million), which had matured in their entirety at June 30, 2015.

Maturity dates for gross debt

The maturity date profile of the existing financial debt at June 30, 2015, is as follows:



- (1) Does not include the perpetual subordinated bond issued by Repsol International Finance, B.V (RIF) on March 25, 2015 in the amount of €1,000 million. Includes exchange rate derivatives and interest.
- RIF issues within the scope of "Euro 10,000,000,000 Guaranteed Euro Medium Term Note Programme" (EMTNs) guaranteed by Repsol S.A.
- Subordinated bond, maturing in 60 years, issued by RIF and guaranteed by Repsol S.A.
- Issuances through Talisman Energy Inc., within the scope of the "Universal Shelf Prospectus" programs and the medium term bond issuance program "Medium-Term Note Shelf Prospectus" in the United States and Canada, respectively.

Financial prudence

Despite the considerable disbursement which the Talisman acquisition represented, and the increase in indebtedness arising from assuming its debt, Repsol maintains available cash resources and other liquid financial instruments, including undrawn lines of credit, to cover the debt maturities for at least the next 3 years, and covering 50% of its gross debt (53% if we include €452 million of immediately-drawable deposits classified as financial investments, in accordance with their maturity). The Group had undrawn credit lines amounting €5,755 and €3,312 million at June 30, 2015 and December 31, 2014, respectively.

Net debt and net debt to capital employed ratio, in which capital employed refers to net debt plus total equity, provide a true and fair view of the volume of necessary borrowings and their relative weighting in the funding of capital employed in transactions.

INDICATORS OF FINANCE SITUATION	Consolidated Group	
	06/30/2015	12/31/2014
<i>Millions of euros, except ratios, which are expressed in %</i>		
Net financial debt	13,264	1,935
Net financial debt / Capital employed	29.8%	6.4%
EBITDA ⁽¹⁾ / Net financial debt (x times)	0.4	2.0

⁽¹⁾ EBITDA for the first half of 2015 is an annualised indicator obtained by a mere extrapolation of this period's figures; the corresponding to the 2014 financial year corresponds to the annual real data.

Credit rating

Repsol S.A. and Talisman Energy Inc.'s current credit rating is as follows:

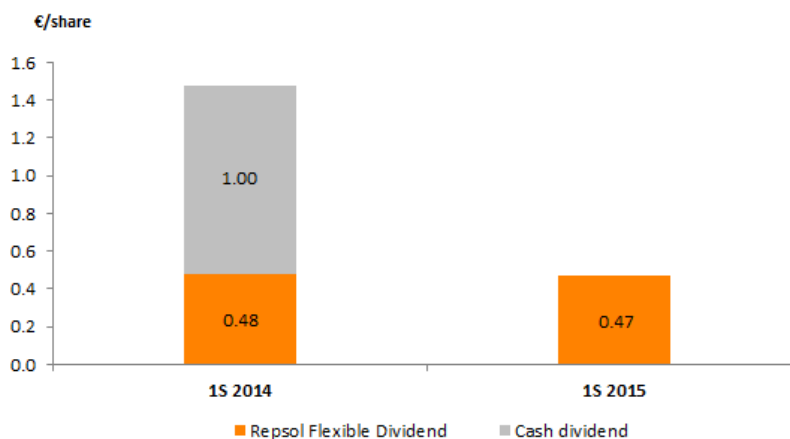
TERM	STANDARD & POOR'S		MOODY'S		FITCH RATINGS	
	Repsol, S.A.	Talisman Energy Inc.	Repsol, S.A.	Talisman Energy Inc	Repsol, S.A.	Talisman Energy Inc
Long-term	BBB-	BBB-	Baa2	Baa3	BBB	BBB-
Short-term	A-3	A-3	P-2	P-3	F-3	F-3
Outlook	Stable	Stable	Negative	Negative	Stable	Stable
Latest data review	12/18/2014	10/09/2014	12/19/2014	12/19/2014	12/22/2014	09/26/2014

Treasury shares and own equity investments

No significant transactions have occurred with treasury shares and equity instruments. For further information on treasury shares and equity instruments, please see Note 5.1 heading "Treasury shares and own equity investments" of the interim condensed consolidated financial statements for the six-month period ended June 30, 2015.

4.4 SHAREHOLDER REMUNERATION

Shareholder remuneration in the first half of 2015 and 2014, including cash dividend and script dividend under the “*Repsol flexible dividend*” program, is as follows:



Remuneration indicated in the above table for the first half of 2014 includes the sum of the irrevocable purchase commitment of free of charge allocation rights assumed by Repsol in its paid-up capital increase executed in January 2014 (0.477 euros gross per right), under the remuneration scheme called “*Repsol flexible dividend*”, and an extraordinary interim dividend from results for 2014 of 1 euro per share. Consequently, Repsol has paid a total gross amount of €1,557 million to its shareholders in the first half of 2014, and has delivered 22,044,113 new shares for an equivalent amount of €389 million, to those who opted to receive new-issue company shares.

Remuneration during the first half of 2015 includes the sum of the irrevocable purchase commitment of free of charge allocation rights assumed by Repsol in its paid-up capital increase executed in January 2015 (0.472 euros gross per right), under the remuneration scheme called “*Repsol flexible dividend*”, Consequently, Repsol has paid a total gross amount of €245 million to its shareholders in the first half of 2015, and has delivered 24,421,828 new shares for an equivalent amount of €392 million, to those who opted to receive new-issued company shares.

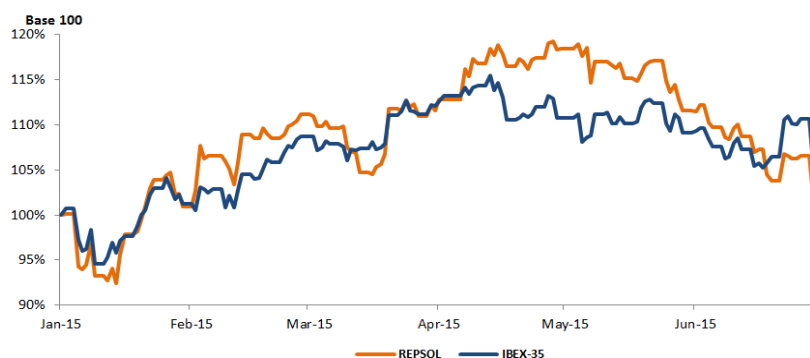
Likewise, in July 2015, under the “*Repsol Flexible Dividend*” program, and to replace what would have been the dividend on account for 2014, Repsol made a cash of €243 million (€0.484 gross per right) to those shareholders who chose to sell their free of charge allocation rights to the Company, and distributed 25,666,842 shares, for an equivalent amount of €422 million, to those who chose to receive new shares in the Company.

For additional information on the total remuneration received by shareholders, the aforementioned paid-up capital increases issued under the “*Repsol flexible dividend*” scheme, see Note 5.1 heading “*Issued share capital*” of the interim condensed consolidated financial statements for the six-month period ended 30 June 2015.

4.5 OUR SHARES

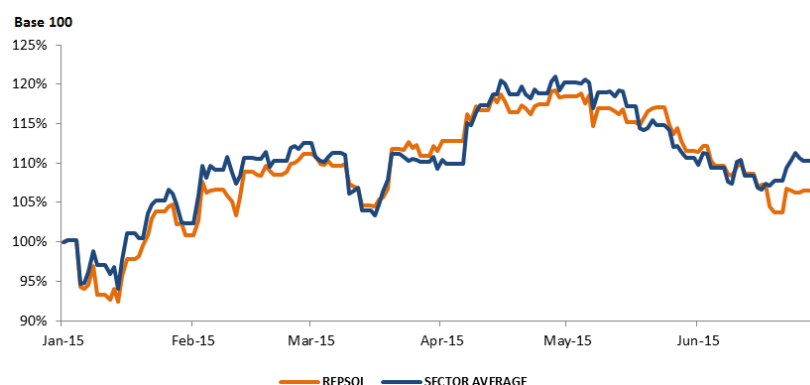
Ibex-35 performance during the first half of 2015 was generally positive for the leading European markets. Starting at the beginning of the year, stock markets received a push from the announcement and subsequent implementation of the European Central Bank's "Quantitative Easing" debt repurchase program; however, fears arising from the Greek debacle as well as other macroeconomic factors inverted this positive trend towards the end of the period. The Ibex closed the period with a revaluation of +4.8% after a loss of over 400 points in June.

Repsol share vs. Ibex-35



Repsol shares closed the term with a 1.3% increase, once the listed price at mid-June discounted the price of the “*Repsol Flexible Dividend*” free rights allocation program. Both Repsol and the rest of the European oil sector benefited from the gradual recovery of oil prices from minimums reached in January this year. Repsol remains one of the leading companies in its sector and the Ibex-35 in shareholder remuneration.

Repsol share versus Peer group



Note: industry average formed by BP, ENI, Total, RDS (B), OMV, Galp and Statoil.

The main stock-exchange indicators of the Group during the first half of 2015 and 2014 are detailed below:

MAIN STOCK EXCHANGE INDICATORS	06/30/2015	06/30/2014
Shareholder remuneration (€/share) ⁽¹⁾	0.47	1.48
Share Price at close of financial year ⁽²⁾ (euros)	15.75	19.26
Average share price (euros)	16.97	18.79
Maximum Price for the period (euros)	18.54	20.90
Minimum Price for the period (euros)	14.37	17.10
Outstanding shares at the end of the period (millions of euros)	1,375	1,324
Market capitalization at the end of the period (millions of euros) ⁽³⁾	21,651	25,510
Book value per share (euros) ⁽⁴⁾	22.56	20.16

⁽¹⁾ The shareholder remuneration policy for the each period includes dividends paid and the fixed price set for Repsol for the freely-assigned acquisition rights included in the “*Repsol Flexible Dividend*” program. 2014 shareholder remuneration includes an extraordinary dividend of 1 euro per share, paid on June 6, 2014.

⁽²⁾ Corresponds to the quoted year-end price per share in the Continuous Market of the Spanish Stock Exchanges.

⁽³⁾ Corresponds to the trading price per share at closing multiplied by the number of outstanding shares.

⁽⁴⁾ Corresponds to the Net Equity attributable to the parent / number of shares outstanding at closing.

5 PERFORMANCE OF OUR BUSINESS AREAS

5.1. UPSTREAM

Figures and indicators		
	June 2015	June 2014
Net production of liquids (kbb/d)	168	126
Net production of gas (kboe/d)	273	214
Total Net production of hydrocarbons (kboe/d) ⁽¹⁾	440	340
Average crude realization price (\$/bbl.)	51.1	86.9
Average gas realization price (\$/Thousand Scf)	3.1	4.1
Extraction cost ⁽²⁾ (\$/boe)	7.39	5.14
Finding cost (three-year average) (\$/boe) ⁽³⁾	9.29	6.21

(1) The production of hydrocarbons incorporated by the Talisman assets since May 8 totals 16.6 Mbep. Contribution for June 2015 amounts to:

June 2015	
Net production of liquids (kbb/d)	112
Net production of gas (kboe/d)	198
Total net production of hydrocarbons (Kboe/d)	310

(1) Net Lifting Cost: Lifting Costs / Net Production
(2) Finding cost: (Purchase acreage investments + Exploration) / Discoveries and Extensions
(3)

Results and investments			
Millions of euros	June 2015	June 2014	Variation
EBITDA	903	1,359	(34)%
Europe, Africa and Brazil	(55)	151	(136)%
South America	87	365	(76)%
North America	(19)	111	(117)%
Asia and Russia	29	14	107%
Exploration and other	(280)	(241)	16%
Adjusted Net Income	(238)	400	(160)%
Investments⁽¹⁾	9,649	1,154	736%
Exploration Costs	422	379	11%
Effective Tax Rate	31	40	9

(1) Divestments net investments in operating assets. Development capital expenditure accounted for 63% of the total, and was concentrated in Venezuela (27%), US. (24%), Trinidad and Tobago (15%), Brazil (10%), UK (5%), Bolivia (4%) and Canada (4%). Exploration capital expenditure represented 35% of the total investments, and was earmarked primarily for the U.S. (33%), Angola (28%), Europe (15%), Russia (4%) and Brazil (4%).

Main events of the first semester 2015

- **Exploratory campaign:** during the first half of 2015, drilling concluded in fourteen exploratory wells and six appraisal wells, eight with positive results (three exploratory and five appraisal), eight negative (all of them exploratory) and four wells (three exploratory and one appraisal), which at June 30 were still under evaluation. At the end of the first semester of 2015, there were three ongoing exploration surveys and four appraisal. Additionally, the Wedan (Libya) drill was suspended due to causes unrelated to the operation.
- In January 2015, development drilling began at the important **Reggane Nord gas project**. The estimated duration of these development projects is 36 months; gas production is forecasted to begin the second half of 2017. In the first half of 2015, a production test was performed on the first drilled well, with positive results; work began on construction of the gas processing plant. Repsol participated in the project with a 29.25% investment, operating jointly with the Algerian national company Sonatrach (40%), the German RWE Dea AG (19.5%), and the Italian firm Edison (11.25%).
- In January of 2015, drilling finished in the **Spanish Sandía-1x offshore exploratory well**. An analysis of sample taken in December 2014 revealed that the gas found had neither the sufficient volume nor quality for commercial use, which had a negative impact on the 2014 financial statements.
- In February of 2015, Repsol announced a new gas discovery in Bolivia, in the Margarita- Huacaya block, with the **Margarita-8** appraisal drilling. This discovery represents an increase in the Caipipendi area's reserves, and consolidates Repsol's position as a Bolivian gas producer. The block is located in the southern area of the country, and is operated by Repsol with a 37.5% share.
- During the first quarter, **oil was found in Russia** with the exploratory **K-4** spud in the Karabashskiy-2 block. Also, in May the appraisal drilling of **6-P** located in the Karabashskiy-1 block finished with positive results. Both blocks are 100% owned by Repsol.
- On April 20, 2015, Repsol announced a **new gas discovery in the Illizi basin** located in southeast Algeria. This is the third discovery in the area, and was made in the **Emellel Sud-Ouest-2 (TESO-2)** exploratory well within the southeastern Illizi block. Repsol owns 52.5% of the exploratory phase, and operates the discovery consortium including the Italian company Enel (27.5%) and the French GDF-SUEZ (20%).

- During April of 2015, within the winter exploration and appraisal campaign in the **Alaska North Slope**, evaluation/appraisal drills revealed positive results (**Q-8 and Q-301**) as did the exploratory drill (**Q-9**). In addition to those in prior years, the success of this year's exploratory campaign reaffirms the area's high potential. Repsol operates the exploratory consortium with a 70% investment.
- On May 4, Repsol announced the **second gas discovery** in Bolivia, in the **Margarita- Huacaya block**, with the **Margarita-7** appraisal drilling.
- On May 8, the **acquisition of the Canadian firm Talisman Energy** was finalized; all of its assets were incorporated into the Repsol portfolio.
- The installation of the main production platform of the **Perla mega-gas field** located in Venezuela's Cardón IV block terminated in May. The first phase of development of the Perla oil field will make it possible to produce 150 million cubic feet/day. The subsequent development phases should result in an output of up to 450 million cubic feet/day, to later reach 800 and 1,200. On June, the connection of the first production well was announced.
- On June 23, 2015, YPFB Andina, in which Repsol owns 48.3%, announced a key crude oil discovery in the **Santa Cruz en Bolivia** section, with the exploratory drill of **Boquerón (BQN-4)**.
- During the first half of 2015 **2 new wells located in the Northern Sapinhoá** area began production with the "Cidade de Ilhabela" FPSO (Floating Production, Storage and Offloading). At the end 2015, the production plateau of 150,000 daily barrels of crude oil should be reached in the northern section of the Sapinhoá megafield in block BM-S-9 located in deep Brazilian waters. The production plateau was reached in 2014 in the **southern Sapinhoá region**; a new well began production in March of 2015, through the FPSO "Cidade de São Paulo" which has a production capacity of 120,000 daily barrels of crude oil.
- Due to the serious **instability of Libya**, production there was interrupted during the entire six-month period.

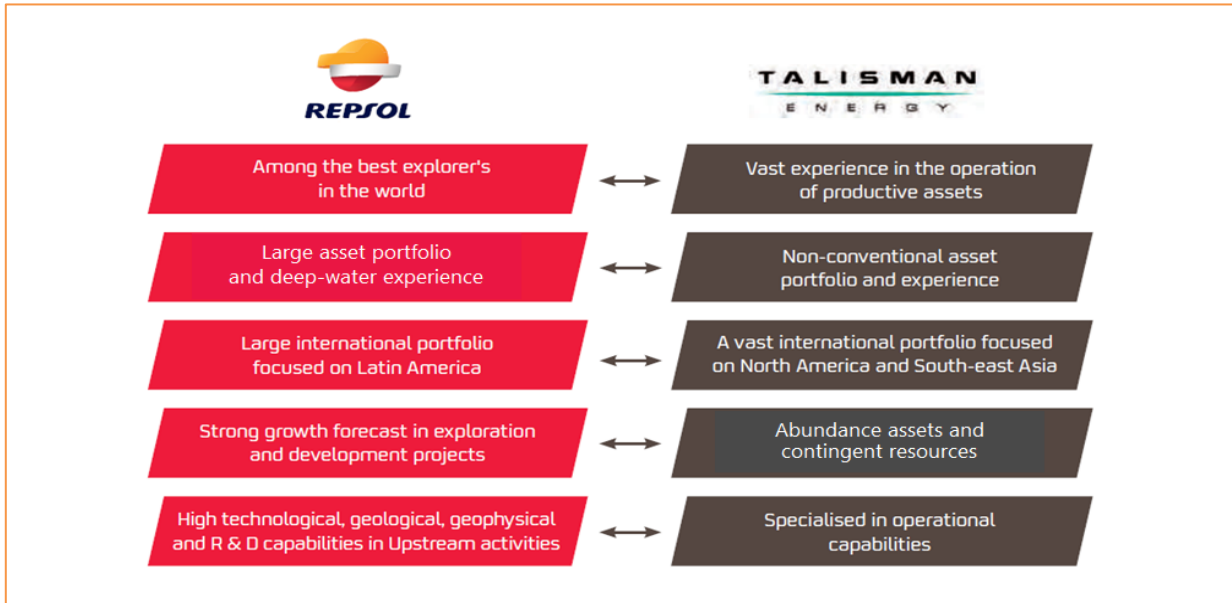
Additionally, since May 8, 2015 (effective date of the Talisman acquisition), the following **key events related to its assets** took place as a result:

- In the **US Marcellus basin**, 4 exploratory spuds took place, and in June the Repine compressor was received, making it possible to begin production in several Friendsville area wells. 3 new exploratory perforations were made in the **Eagle Ford** basin.
- In mid May, initial perforation began at the **Duvernay basin in Canada** in the Ferrier 13-9 well, which it is expected to be finished at the end of July.
- On May 10, in the **United Kingdom (UK)**, production in the **Tartan field** began again, after having stopped the third quarter of 2012. Improvement work in the platform of UK Abroath also finished, which will make it possible to start up the Arbroath, Arkwright, Brechin, and Godwin wells.
- In **Norway**, Varg gas exportation resume on May 15, and Phase I of the Varg P&A project recommenced.
- An agreement was reached with COPI (Conoco Phillips Indonesia) to extend the duration of the PGN Gas Sale Agreement for the sale of gas from the **Indonesian corridor field**, until the PSC contract for the block ends.
- Final approval was received from the Indonesian authorities to gain entry through a 51% investment in the **East Jabung PSC block**.
- The **Malaysian Kinabalu production** increase project was approved. This project consisted in a new platform, lines connecting the existing Kinabalu installations, and the perforation of 10 additional productive wells.
- In **Papua New Guinea**, at the end of May the seismic 2D campaign terminated successfully in the PPL269 block.
- In **Colombia, Equion** (a joint venture that is 49% owned by Talisman and 51% by the Colombian company Ecopetrol) terminated 2 development wells (FL Tp-12 y FR If-14).

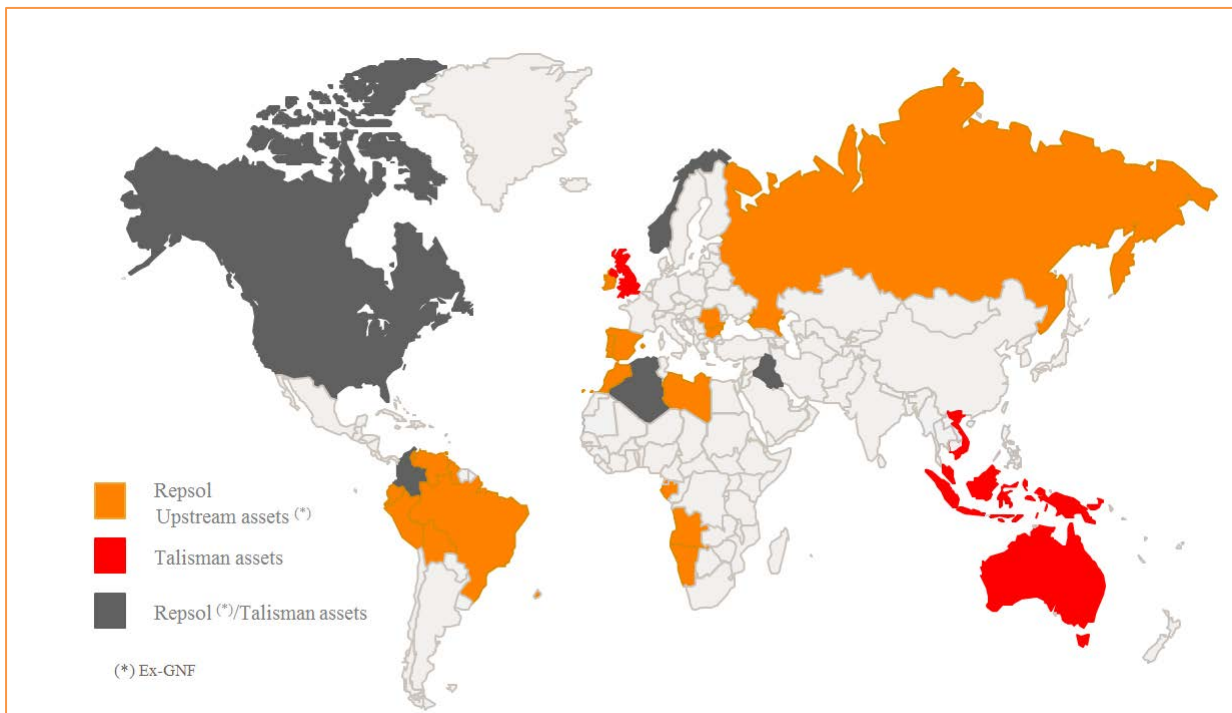
Acquisition of Talisman Energy

The acquisition of Talisman is presented as a transformational operation from a growth perspective, in which the Upstream segment has been practically doubled in terms of production, operating assets, employees, and capital employed, as well as from a portfolio risk and composition perspective, and the incorporation of new talent, knowledge, and capacities.

The complementarity of Repsol and Talisman Technical capabilities will improve the merged company's potential.



The acquisition of Talisman increases the Group's activity in the following geographic areas:



The main assets by geographical area described as follows:

NORTH AMERICA

United States of America

Talisman is present in two shale gas in this country, a dry shale gas play (Marcellus) and a liquids-rich shale gas play (Eagle Ford).

- Marcellus Shale. Talisman's interests in this area, is located mainly in the Pennsylvania state (170,000 net acres of land), and in lesser extent in the New York state.

In Pennsylvania, Talisman has midstream assets consisting of approximately 277 miles of gathering/transmission pipelines serviced and eight compression/gas dehydration facilities. The pipeline system has throughput capacity of 1.5 bcf/d. The New York midstream assets currently consist of approximately 195 miles of gathering/transmission pipelines with throughput capacity of 125 mmcf/d and seven compression/gas dehydration facilities.

- Eagle Ford Shale. Talisman holds 57,000 net acres of land in the Eagle Ford Shale play, which is located in southeast Texas. In 2013, Talisman transitioned operatorship of the eastern part of this area to the company Statoil.

Canada

- *Greater Edson*. Area of crude oil and gas formations located in Edson (Alberta) with 519,000 net acres of land.
- *Chauvin*. Area located in Alberta/ Saskatchewan, of 135,000 net acres of land, with stable heavy conventional oil production.
- *Duverney*. Area with crude oil and gas production, located in west-central Alberta, which currently holds interests in approximately 323,000 net acres of land.
- *Montney*: Talisman retained Groundbirch and Saturn assets in this gas production area, after having completed the cession of the Montney's remaining assets.

SOUTHEAST ASIA

Indonesia

Talisman's Indonesian assets include interests in production sharing contracts ("PSC") at *Corridor*, *Ogan Komering* and *Jambi Merang* in South Sumatra and in the *Tangguh* LNG project in West Papua. Talisman also holds exploration acreage in *Sakakemang* and *Andaman III PSC*, located in South Sumatra and in Aceh (in North Sumatra) respectively. Additionally, Talisman also owns 6% in the Grissik-to-Duri pipeline and the Grissik-to-Singapore pipeline which is used to transport gas from the *Corridor* Block.

- *Corridor*. Talisman has a 36% non-operated interest in all Corridor PSC blocks but two of the producing fields (Gelam and Suban fields), which Talisman's interests are 30.96% and 32.4% respectively. The majority of Talisman's natural gas production from the Corridor block is currently sold under long-term sales agreements with PT Chevron Pacific Indonesia, Gas Supply Pte. Ltd. and PT Perusahaan Gas Negara.

- Talisman's interest in the Jambi Merang Block is 25% and 3.01% in the LNG Tangguh Project, which by 2016, it is expected to take the decision of increasing the actual process capability.

Malaysia

- Talisman operates the Block PM-3 CAA PSC between Malaysia and Vietnam and associated production facilities, holding a 41.44% interest, with the exception of the Bunga Kekwa 8G-31 Bloks where Talisman holds a 35% interest. Actually, the license of this block is under renovation, not expecting any incidents.
- Talisman also holds a 60% interest in each of the Block PM-305 and PM-314K, and a 70% interest in exploration licenses for SB-309 and SB-310, offshore Sabah in east Malaysia.
- Talisman holds a 60% equity interest and operatorship of the *Kinabalu Oil PSC*, which is a mature offshore oilfield in the Malaysian Sabah Basin.

Other

- *Vietnam*. Talisman holds a 60% interest in Block 15-2/01 as a partner in the Than Long Operating Company ("JOC"), which operates the block located in Cuu Long Basin, the predominant crude oil producing area in the country. Additionally, Talisman holds a 49% operated interest in Blocks 133 and 134, a 40% operated interest in Blocks 135, 136 and 05-2/10, a 55% operated interest in Block 07/03 (including the "*Red Emperor/CRD*" discovery), and a 80% operated interest in Blocks 146 and 147.
- *Australia/Timor-Leste*. Talisman holds non-operated interest in the Laminaria and Corallina fields offshore Australia, 33% and 40%, respectively, and holds a 25% interest in Block JPDA 06-105.
- *Papua New Guinea*. Talisman continues to progress its gas aggregation strategy with the companies Santos Ltd. And Mitsubishi Corporation and targets to aggregate 2 to 4 TCF of gas in the western area of the country.

LATIN AMERICA

Colombia

Repsol is present in Colombia through Equion, joint venture in which Talisman holds 49% interest and the Colombian company Ecopetrol holds the remaining 51%. Additionally, it participates in three pipelines and progress in the Piedmont project is being made.

Additionally, Talisman currently holds an interest in 4.3 million net acres of land in Colombia, where it has an active exploration program in the proven hydrocarbon basins of the Llanos and Putumayo heavy oil regions.

- Talisman has a 45% non-operated working interest in Block CPO-9, where in 2014 it was announced the presence of hydrocarbons in the Nueva Esperanza-1 exploratory well and the Akacias development plan is being developed.
- On Block CPE-6, with a 50% interest, work is underway aimed at future declaration of commerciality.

- Talisman operates Block CPE-8, with a 50% interest. The block is under overwhelming force and its activities will not resume until September 2015.

EUROPA, NORTH AFRICA AND REST OF THE WORLD

Norway

Talisman operates the Blane, Gyda, Rev, Yme and Varg fields with interest ranging from 18% to 70%. It also holds interest from 0.5% to 34% in a number of non-operated fields with associated production facilities of Brage, Veslefrikk, Huldra, Brynhild and Tambar East.

Working activities on removing the Yme field platform, are expected to be done during the second semester of 2015.

United Kingdom

Talisman holds a 51% equity interest in the Joint Venture TSEUK, along with the Company Addax Petroleum UK Limited, a wholly owned subsidiary of the Sinopec Group, which holds the remaining 49%, for the hydrocarbon exploration and exploitation along the North Sea.

Currently, TSEUK's operating areas encompass a total of 42 fields, 32 of which are operated. TSEUK's working interests in fields range from 5% to 100%. TSEUK also has interests in a number of production facilities and pipelines, including 100% interest in the "Flotta Terminal", terminal storage and processing of crude oil in the Scottish Orkney Islands.

Algeria

Talisman holds a 35% non-operated interest in block 405a, under a PSC with Algeria's national oil company, Sonatrach. Through its participation in this block, Talisman holds 35% interest in the producing Greater Menzel Lejma North fields and the Menzel Lejmat Southeast field, a 2% interest in the producing unitized Ourhoud field, and a 9% interest in the unitized EMK field. Talisman's Algeria production is 100% liquids.

Kurdistan - Iraq

Talisman has an interest in Kurdamir y Topkhana blocks, in the Durdistan Region of Iraq, covering 119,000 net acres.

5.2. DOWNSTREAM

Figures and indicators			Results and investments			
	June 2015	June 2014	Millions of euros	June 2015	June 2014	Variation
Refining capacity (kbbbl/d)	998	998	EBITDA	1,655	948	75%
Europe (including stake at ASESAs)	896	896	Europe	951	299	201%
Rest of the world	102	102	Rest of the world	22	153	(53)%
Conversion index (%)	59	59	Adjusted Net Income	973	452	115%
Crude processed (million t)	20.8	19.2	Inventory Effect	(57)	(54)	(5)%
Europe	19.0	17.6	MIFO recurrent net income	917	398	130%
Rest of the world	1.8	1.6	Investments⁽¹⁾	283	267	6%
Refining margin indicator (\$/Bbl)			Effective Tax Rate (%)	27	27	-
Spain	8.9	3.5	⁽¹⁾ Divestments Net investments in operating assets. In 2015, the majority of investments for the period were used for operating improvements at facilities and to fuel quality, in addition to safety and the respect of the environment.			
Peru	5.7	1.8				
Number of service stations	4,698	4,618				
Europe	4,312	4,258				
Rest of the world	386	360				
Oil product sales (kt)	22,721	21,143				
Europe	20,488	19,046				
Rest of the world	2,233	2,097				
Petrochemical product sales (kt)	1,424	1,334				
Europe	1,214	1,105				
Rest of the world	210	229				
LPG sales (kt)	1,230	1,219				
Europe	726	721				
Rest of the world	504	498				
LNG sold in North America (Tbtu)	164.2	149.6				
LNG regasified in Canaport (Tbtu)	19.1	13.6				

Main events of the first semester 2015

- The **sale of the bases of Group III in the ILBOC (Cartagena) plant** which began at the end of 2014 reached a new milestone, as it is now present in several countries, such as Spain, France, Portugal, Italy, Croatia, Greece, Israel, Tunisia, Morocco, Turkey, and Algeria.
- Repsol launched a **new line of motorcycle lubricants** during the last quarter of 2014, and has now begun selling it worldwide as part of its focus on businesses internationalization, as well as to capture a significant share of the market. This line incorporates GP motorcycle technology, with maximum quality and earning the most demanding certifications in the market, being prepared to meet all its clients' demands.
- On February 20, 2015, Order IET/289/2015 was approved, which establishes the financial contributions to the **National Energy Efficiency Fund in 2015**.
- On March 5, Order IET/389/2015 was published, which modifies the **formulas of regulated price of bottled and piped LPG**, changing the quotes and freight costs for raw materials as well as their weighted amounts. The impact is around €80/tn of lower recognized cost.
- In April, Repsol and the mexican Group KUO reached an **agreement to strengthen their alliance with Dynasol**, a joint venture in existence since 1999. As a consequence, Repsol will contribute its Spain-based business for chemical accelerants which vulcanize rubber, while the KUO Group will contribute its synthetic rubber in emulsion form and nitrile rubber, which are based in Mexico and China. The transaction is subject to receiving approval from governmental and competition authorities.

- At the beginning of May, Repsol launched its **new bottled LPG**, "Repsol light" bottle, with an updated image, keeping its familiar orange color, but weighing less (7 kg) than the traditional bottle, whose price is not regulated by RDL 8/2014.
- During May, the **new Chinese 100kt/y synthetic rubber plant** started production through a joint venture, which is 50% Dynasol and 50% the Chinese partner Shanxi Northern Xing'an Chemical Industry (Xing'an). In addition to the abovementioned agreement increasing the scope of its agreement with KUO, this new plant will convert Dynasol into a global market leader in the synthetic rubber segment, as well as a worldwide producer with plants in Europe, America, and Asia.
- During the most recent Council of Ministers held June 28, the **2014-2020 AV (Alternative Vehicles)** plan was approved, through which the government will support the use of alternative fuels in land transportation, with the following to be developed: Natural gas, LPG, electrical, hydrogen and biofuels, grouped into three areas: industrialization (manufacturing and implementation of these technologies in Spain), market generation (vehicles), and the infrastructure rollout for each alternative fuel.
- In June 2015, the **first offload of the product took place in the Coruña refinery from the exterior Punta Langosteira port**. In consequence, the activity from the Puerto Exterior refinery cargo platform has begun, where 60% of its traffic will be located before April 2018.
- **Work to adapt the La Pampilla Refinery** to Peruvian quality oil standards advanced during the first half of the year.
- Moving forward with its technological innovation policies, in 2015 Repsol launched **Neotech**, a new line of cutting-edge fuels.
- To boost its relationship with its clients, Repsol, it is offering a new line of **Repsol Más** payment cards, designed to foster loyalty and as a payment method, adapted to recent digital advances.
- The Group has maintained its policy of close **association with leading companies in the market**:
 - Repsol and **El Corte Inglés** have increased their collaboration to reach 50 Supercor Stop & Go stores at its Repsol service stations and based on results obtained, 300 shops might be involved in upcoming years.
 - Repsol and **Renault** have agreed to promote the sale of Renault and Dacia **AutoGas** vehicles.
 - Repsol and **Michelin** have a strategic alliance designed to **favour traffic and the sale of their respective products**.

6 RISK MANAGEMENT

Repsol's operations and earnings are subject to risks as a result of changes in competitive, economic, political, legal, regulatory, social, industrial, business and financial conditions.

The risks faced by the Group in the second half of 2015 are the same as those detailed in the management report accompanying the condensed consolidated financial statements for the year-end 2014. Therefore, this information should be read in conjunction with the description of the risk factors included in the Consolidated Management Report for the year-end 2014, as well as with Note 17 "*Financial risk and capital management*" of the Consolidated Financial Statements for the said year.

Below are shown, in summary form, the existing risks at December 31, 2014, that remain valid as risks for the second semester of 2015, and any other new risk factor identified the first half of the year 2015.

6.1 STRATEGIC AND OPERATIONAL RISKS

Uncertainty in the current economic context

Global economic growth is still weak and more fragile than expected. The latest International¹ Monetary Fund ("IMF" WEO April 2015) forecasts estimate that the global economy is slowly accelerating, supported by the improving advanced economies, despite a slight divergence among them, compensated by the deterioration of emerging economies. Thus, global growth of around 3.5% in 2015 is expected, slightly higher than the 3.4% in 2014. However, it is also true that recent economic and macroeconomic events have raised risks.

Due to the divergence in the growth and in the monetary policies, tensions in global financial markets have risen, with an increased volatility in exchange and interest rates. At the end of April, a notable rise in the yields for long-term sovereign bonds has taken place, which were especially low in the Eurozone. This trend is assisted by an improvement in growth and inflation expectations, as well as the current market illiquidity of bonds, since banks and other financial institutions have dropped their market maker activity.

Otherwise, the imminent normalization of the US monetary policy might be a source of turmoil, such as tightening global financial conditions and capital outflows in emerging countries. Also, the appreciation of the US dollar represents a challenge to emerging countries with greater external debt in dollar terms. According to the Bank of International Settlements, the volume of debt in dollars (for both bonds and bank credit) issued by emerging economies amounts to \$4.5 billion in 2015, which is double the amount in 2009.

A growth adjustment in China more abrupt than expected should have notable repercussions. The channels of influence should be through a weaker trade, especially affecting the rest of Asia but also dragging on the recovery of developed economies, and through the lower commodity prices, with a greater impact on Latin America.

In addition to the geopolitical risks remaining latent in Ukraine and the Middle East, the Greek economic and political situation is once again a focus of tension, increasing market volatility, after fail to pay €1,500 million at June 30, 2015 to the IMF.

Finally, the economic-financial situation could have a negative impact on third parties with whom Repsol does or could do 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, businesses, or results of operations of Repsol.

1 Source: IMF—World Economic Outlook April 2015.

Fluctuations in international prices of crude oil and reference products and in demand, due to factors beyond Repsol's control

World oil prices have experienced significant changes over the last 10 years, in addition to being subject to international supply and demand fluctuations, over which Repsol has no control.

International product prices are influenced by the price of oil and the demand for said products. Also, international prices of crude oil and products affect the refining margin. International oil prices and demand for crude oil may fluctuate significantly during economic cycles as well.

Reductions in oil prices negatively affect Repsol's profitability, the value of its assets and its plans for capital investment. Likewise, any significant drop in capital investment could have an adverse effect on Repsol's ability to replace its crude oil reserves.

Regulatory and tax framework of Repsol's operations

The oil industry is subject to extensive regulation and intervention by governments in matters such as the award of exploration and production permits, the imposition of specific drilling and exploration obligations, restrictions on production, price controls, divestments of assets, foreign currency controls, and the nationalisation, expropriation or cancellation of contractual rights.

Likewise, oil refining and petrochemical activities, in general, are subject to extensive government regulation and intervention in matters such as safety and environmental controls.

Finally, the energy sector, and particularly the oil industry, is subject to a singular fiscal framework. In *Upstream* activities it is common to see specific taxes on profit and production, and with respect to *Downstream* activities, the existence of taxes on product consumption is also common.

Repsol is subject to extensive environmental and safety legislations and risks

Repsol is subject to extensive environmental and safety regulations in all the countries in which it operates. These regulations govern, among various matters, those concerning the Group's environmental operations concerning their producers, air emissions and climate change, energy efficiency, extraction technologies, water discharges, remediation of soil and groundwater and the generation, storage, transportation, treatment and final disposal of waste materials and safety.

On the other hand, after the acquisition of Talisman, the Company increased its non-conventional hydrocarbons activity. From an environmental perspective, concern for the impact of exploration and operation of this type of resource could lead governments to approve new legislation or demand further requirements for its development, with the related impact on the Company.

Operating risks related to exploration and exploitation of hydrocarbons and reliance on the cost-effective acquisition or discovery of, and, thereafter, development of, new oil and gas reserves

Oil and gas exploration and production activities are subject to particular risks, many of which are beyond Repsol's control. These activities are exposed to the production, equipment and transportation risks, mistakes or inefficiencies in operations management and purchasing processes, natural hazards and other uncertainties relating to the physical characteristics of oil and gas fields, and their abandonment. In addition to this, some of the Group's development projects are located in deep waters, mature areas and other difficult environments such as of Gulf of Mexico, Alaska, the North Sea, Brazil and the Amazon rainforest, or in complex oilfields, which could aggravate these risk further. Moreover, any mean of transport of hydrocarbons implies inherent risks: during road, rail, maritime or pipe transportation, hydrocarbons or other hazardous substances may be spilled.

Additionally, Repsol depends on replacing depleted oil and gas reserves with new proven reserves profitably, in a way that enables subsequent production to be economically viable.

Location of reserves

Part of Repsol's oil and gas reserves are located in countries that are or could be economically or politically unstable.

Oil and gas reserves estimation

In the estimation of proven oil and gas reserves, Repsol relies on the guidelines and the conceptual framework of the Securities and Exchange Commission's (SEC) definition of proven reserves and on the criteria established by the Petroleum Resources Management System of the Society of Petroleum Engineers (PRMS-SPE). In the estimation of non-proven oil and gas reserves, Repsol relies on the criteria and the guidelines established by the PRMS-SPE.

The accuracy of these estimates depends on a number of different factors, assumptions and variables, some of which are beyond Repsol's control. As a result, measures of reserves are not precise and are subject to revision.

Projects and operations carried out through joint arrangements and associate companies

Many of the Repsol Group's projects and operations are conducted through joint arrangements and associates. If Repsol does not act as the operator on those projects or operations, its ability to control and influence the performance and management of the operations and to identify and manage risk is limited. Additionally, there is a possibility that if any of Repsol's partners or members of a joint venture or associated company fails to comply with their financial obligations or incur any other breach, that could affect the viability of the whole project.

Repsol may engage in acquisitions, investments and disposals as part of its strategy

As part of Repsol's strategy, the company may engage in acquisitions, investments and disposals of interests. Acquisitions and investments involve a number of risks, including possible adverse effects on Repsol's operating result, risks associated with unanticipated events or liabilities relating to the acquired assets or businesses which may not have been disclosed during due diligence investigations, difficulties in the assimilation of the acquired operations, technologies, systems, services and products, and risks arising from contractual conditions that are triggered by a change of control of an acquired company.

Any failure to successfully integrate such acquisitions could have a material adverse effect upon the business, results of operations or financial conditions of Repsol. Any disposal of interest may also adversely affect Repsol's financial condition, if such disposal results in a loss to Repsol.

On May 8, 2015, Repsol acquired 100% of the shares of Talisman Energy Inc. ("**Talisman**"), a Canadian company devoted to the exploration and production of gas and oil. As is the case for any business combination, Repsol's capacity to reach its strategic goals for entering into the acquisition will depend on its capacity to integrate teams, processes, and procedures, as well as to maintain its relationships with clients and partners.

Talisman's results for the past two years were negative, mainly due to writing off its assets and future cost forecasts, including its corresponding joint ventures. Moreover, its businesses are subject to the inherent risks of oil and gas activities as well as other particulars, and there might be other unknown risks (such as those which are tax, legal, or environmental...). Should any of the indicated risks materialize after taking control of Talisman, a negative impact might be noted on the Repsol Group's operations, results, or financial situation.

Repsol's current insurance coverage may not be sufficient for all the operational risks

Repsol holds insurance coverage against certain risks inherent in the oil and gas industry, in line with industry practice. Insurance coverage is subject to deductibles and limits that in certain cases may be materially exceeded by the liabilities and/or losses incurred. In addition, Repsol's insurance policies contain exclusions that could leave the Group with limited coverage in certain circumstances. Furthermore, Repsol may not be able to maintain adequate insurance at rates or on terms considered reasonable or acceptable, or be able to obtain insurance against certain risks that could materialise in the future. If Repsol were to experience an incident against which it is not insured, or the costs of which materially exceed its coverage, it could have an adverse effect on its business, financial position and results of operations.

Repsol's natural gas operations are subject to particular operational and market risks

Natural gas prices tend to vary between the different regions in which the Group operates, and such prices may be lower than prevailing prices in other regions of the world.

In addition, the Group has entered into long-term contracts to purchase and supply natural gas in various parts of the world. These contracts have different price formulas, which could result in higher purchase prices than the price at which such gas could be sold in increasingly liberalised markets. Furthermore, gas availability could be subject to the risk of counterparties breaching their contractual obligations, thus necessitating searching for other sources of natural gas, potentially at higher prices than those envisaged under the breached contracts.

The Group has long term contracts in place for the sale of gas to clients which, in the event of there being insufficient reserves in countries envisaged under them, Repsol would not be able to meet its contractual obligations, some of which may lead to sanctions being imposed.

Cyclical nature of the petrochemical activity

The petrochemicals industry is subject to wide fluctuations in supply and demand arising from a number of economic factors, which are the cause of the cyclical nature of the petrochemicals market on a regional and global scale.

Repsol Group's strategy requires efficiency and innovation in a highly competitive market

The oil, gas and petrochemical industry operates in the context of a highly competitive energy sector. This competition influences the conditions for accessing markets or following new business leads, the costs of licenses and the pricing and marketing of products.

The implementation of the Group's strategy requires a significant ability to anticipate and adapt to the market and continuous investment in technological advances and innovation.

The Repsol Group is subject to the effects of administrative, judicial and arbitration proceedings

The Repsol Group is subject to the effects of administrative, judicial and arbitration proceedings arising in the ordinary course of business. In addition, Repsol could become involved in other possible future lawsuits over which Repsol is unable to predict the scope, subject-matter or outcome. Any current or future dispute inevitably involves a high degree of uncertainty, and therefore any outcome could affect the business, results or financial position of the Repsol Group.

Information technology and its reliability and robustness are key factors in maintaining our operations

The reliability and security of Repsol Group's information technology systems are critical to maintaining the availability of its business processes and the confidentiality and integrity of the data belonging to the Company and third parties. Given that cyber-attacks are constantly evolving, the Repsol Group cannot guarantee that it will not suffer material losses in the future caused by such attacks.

Misconduct or violations of applicable legislation by our employees can damage the reputation of the Repsol Group

The existence of management misconduct or breach of applicable legislation, when occurring, could cause harm to the Company's reputation, in addition to incurring sanctions and legal liability.

6.2 FINANCIAL RISKS

Repsol has in place a structure and systems that enable it to identify, measure and control the financial risks to which the Group is exposed. The main financial risks are described below:

Liquidity risk

Liquidity risk is associated with the Group's ability to finance its obligations at reasonable market prices, as well as its ability to carry out its business plans with stable financing sources.

Credit risk

Credit risk is the risk of a third party failing to carry out its contractual obligations, resulting in loss for the Group.

The exposure of the Group to credit risk is mainly attributable, among others, to commercial debts from trading transactions, which are measured and controlled in relation to the customer or individual third parties. Additionally, the Group is also exposed to counterparty risk derived from non-commercial contractual transactions that may lead to defaults. In these cases, the Group analyses the solvency of counterparties with which the Group has or may have non-commercial contractual transactions.

Market risk

Exchange rate fluctuation risk: Repsol is exposed to fluctuations in currency exchange rates since revenues and cash flows generated by oil, natural gas and refined product sales are generally denominated in US dollars or are otherwise affected by dollar exchange rates. Operating income is also exposed to fluctuations in currency exchange rates in countries where Repsol conducts its activities. Repsol is also exposed to exchange risk in relation to the value of its assets and financial investments.

Commodity price risk: as a result of performing operations and trading activities, the earnings of the Repsol Group are exposed to volatility in the price of oil, natural gas, and related derivative products.

Interest rate risk: the market value of the Group's net financing and net interest expenses could be affected as a consequence of interest rate fluctuations.

Credit rating risk: credit ratings affect the pricing and other conditions under which the Repsol Group is able to obtain financing. Any downgrade in the credit rating of Repsol, S.A. could restrict or limit the Group's access to financial markets, increase its new borrowing costs and have a negative effect on its liquidity.

ABOUT THIS REPORT

This report, it must be read in conjunction with the interim condensed consolidated financial statements of the Repsol Group for the six-month period ended June 30, 2015. Users of this report should be aware that the forward-looking information contained in this document reflects the plans, forecasts or estimates of the Group's managers, which are based on assumptions that are considered reasonable, and that cannot be considered as a guarantee of the entity's future performance, in the sense that such plans, forecasts or estimates are subject to numerous risks and uncertainties, meaning that the future development of the Group will not necessarily coincide with what was initially planned. Such risks and main uncertainties are described in section 2.6 "*Risk Management*".

For the preparation of this report consideration was given to the recommendations contained in the "*Guidelines for the preparation of listed company Management Reports*" by the National Commission on Markets and Competition ("Comisión Nacional del Mercado de Valores", CNMV) published in 2013.

APPENDIX I: RECONCILIATION OF ADJUSTED RESULTS WITH IFRS FINANCIAL STATEMENTS RESULTS ADOPTED BY THE EUROPEAN UNION

<i>Millions of euros</i>	First half of 2015					IFRS-EU Results
	ADJUSTMENTS					
	Adjusted Result	Joint Ventures Reclassification	Non-recurring items	Inventory Effect	Total Adjustments	
Operating Income	1,109	(102)	(236)	(88)	(426)	683
Financial Result	456	(37)	22	-	(15)	441
Share of results of companies accounted for using the equity method- net of tax	235	23	-	-	23	258
Net Income before tax	1,800	(116)	(214)	(88)	(418)	1,382
Income tax	(524)	116	84	25	225	(299)
Net income from continuing operations	1,276	-	(130)	(63)	(193)	1,083
Net income from continuing operations attributable to minority interests	(36)	-	-	6	6	(30)
Net income from continuing operations attributable to the parent	1,240	-	(130)	(57)	(187)	1,053
Income from discontinued operations	-	-	-	-	-	-
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT	1,240	-	(130)	(57)	(187)	1,053

<i>Millions of euros</i>	First half of 2014					IFRS-EU Results
	ADJUSTMENTS					
	Adjusted Result	Joint Ventures reclassification	Non-recurring items	Inventory Effect	Total Adjustments	
Operating Income	1,158	(464)	(183)	(81)	(728)	430
Financial Result	(176)	(57)	443	-	386	210
Share of results of companies accounted for using the equity method- net of tax	295	335	49	-	384	679
Net Income before tax	1,277	(186)	309	(81)	42	1,319
Income tax	(342)	186	(118)	24	92	(250)
Net income from continuing operations	935	-	191	(57)	134	1,069
Net income from continuing operations attributable to minority interests	(13)	-	-	3	3	(10)
Net income from continuing operations attributable to the parent	922	-	191	(54)	137	1,059
Income from discontinued operations	-	-	-	-	-	268
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT	922	-	191	(54)	137	1,327

APPENDIX II: RECONCILIATION OF OTHER ECONOMIC DATA WITH IFRS FINANCIAL STATEMENT ADOPTED BY THE EUROPEAN UNION

NET DEBT (Millions of euros)	Joint Ventures Net Financing	Joint Ventures Reclassifications ⁽¹⁾	Net financial debt on balance
Non-current financial instruments (assets)	311	392	703
Other current financial assets	570	908	1,478
Cash and cash equivalents	2,514	(422)	2,092
Non-current financial liabilities	(11,544)	75	(11,469)
Current financial liabilities	(5,204)	(2,689)	(7,893)
Net market valuation of derivatives ex-exchange rate ⁽²⁾	89	-	89
TOTAL	(13,264)	(1,736)	(15,000)

⁽¹⁾ Mainly includes the net financing of the Repsol Sinopec Brasil Group broken down in the following sections: Cash and cash equivalents amounting to €15 million, and current financial liabilities from intra-group loans amounting to €2,535 million euros, less €37 million euros for third-party loans.

⁽²⁾ The net market value of financial derivatives different from exchange rate derivatives has been eliminated from this section.

OTHER ECONOMIC DATA FOR THE FIRST HALF OF 2015 (Millions of euros)	According to net debt evolution	Joint ventures adjustments ⁽¹⁾	Financial Investments / Divestments	According to Cash Flow Statements
EBITDA	2,383	(394)	-	1,989
Net investments	(10,106)	638	1,417	(8,051)

⁽¹⁾ Includes due to the investment in the Repsol Sinopec Brasil (RSB) Group, EBITDA of €110 million, *Net Investments* of €132 million.

APPENDIX III: CONVERSION TABLE AND GLOSSARY

			OIL				GAS		ELECTRICITY
			Litres	Barrels	Cubic metres	toe	Cubic metres	Cubic feet	kWh
OIL	1 barrel ⁽¹⁾	bbl.	158.99	1	0.16	0.14	162.60	5,615	1.7x10 ⁶
	1 cubic metre ⁽¹⁾	m ³	1,000	6.29	1	0.86	1,033	36,481	10,691.5
	1 ton of oil equivalent ⁽¹⁾	toe	1,160.49	7.30	1.16	1	1,187	41,911	12,407.4
GAS	1 cubic metre	m ³	0.98	0.01	0.001	0.001	1	35.32	10.35
	1,000 cubic feet=1.04x10 ⁶ Btu	ft ³	27.64	0.18	0.03	0.02	28.3	1,000	293.1
	1 megawatt hour	MWh	93.53	0.59	0.10	0.08	96.62	3,412.14	1,000

⁽¹⁾ Reference measurement: 32.35 °API and relative density 0.8636

			Metre	Inch	Foot	Yard
LENGTH	metre	m	1	39.37	3.281	1.093
	inch	in	0.025	1	0.083	0.028
	foot	ft.	0.305	12	1	0.333
	yard	yd.	0.914	36	3	1

			Kilogram	Pound	Ton
MASS	kilogram	kg	1	2.2046	0.001
	pound	lb	0.45	1	0.00045
	ton	t	1,000	22.046	1

			Cubic feet	Barrel	Litre	Cubic metres
VOLUME	cubic foot	ft ³	1	0.1781	28.32	0.0283
	barrel	bbl.	5,615	1	158.984	0.1590
	litre	l	0.0353	0.0063	1	0.001
	cubic metre	m ³	35.3147	6.2898	1,000	1

Term	Description	Term	Description	Term	Description
bbbl/bbbl/d	Barrel/Barrel per day	kbbl	Thousand barrels of oil	Mm³/d	Million cubic metres per day
bcf	Billion cubic feet	kbbl/d	Thousand barrels of oil per day	Mscf/d	Million standard cubic feet per day
bcm	Billion cubic meters	kboe	Thousand barrels of oil equivalent	kscf/d	Thousands of cubic standard feet per day
boe	Barrels of oil equivalent	kboe/d	Thousand barrels of oil equivalent per day	MW	Million watts
Btu/MBTu/MMBTu	British thermal unit/ thousand of Btu/millions of Btu	km²	Square kilometre	MWh	Million watts per hour
LPG	Liquefied Petroleum Gas.	Kt/Mt	Thousand tons	TCF	Trillion cubic feet
LNG	Liquefied Natural Gas.	Mbbl	Million barrels	toe	ton of oil equivalent
Gwh	Gigawatts per hour	Mboe	Million barrels of oil equivalent	USD/Dollar	US dollar