

SAFETY AND ACCIDENT REDUCTION IS OUR PRIORITY

Our commitment to safety



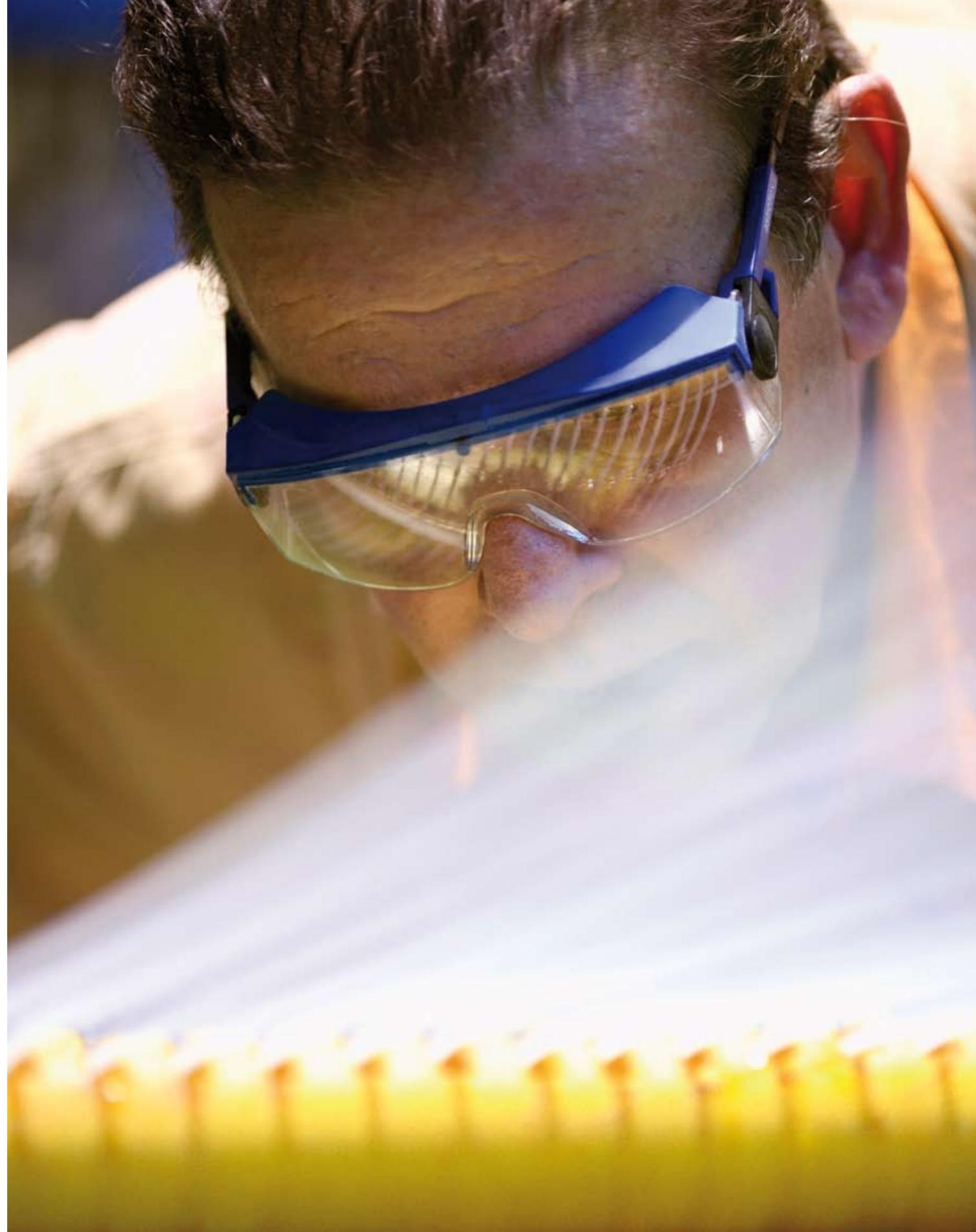
Our aim is to ensure accident-free workplaces and we thus take on the commitment to offer optimum working conditions as regards safety and health.

We demand a high level of safety in our processes, installations and services, giving special attention to protection of employees, contractors, customers and local environment, and we pass on this action principle to the entire organisation.

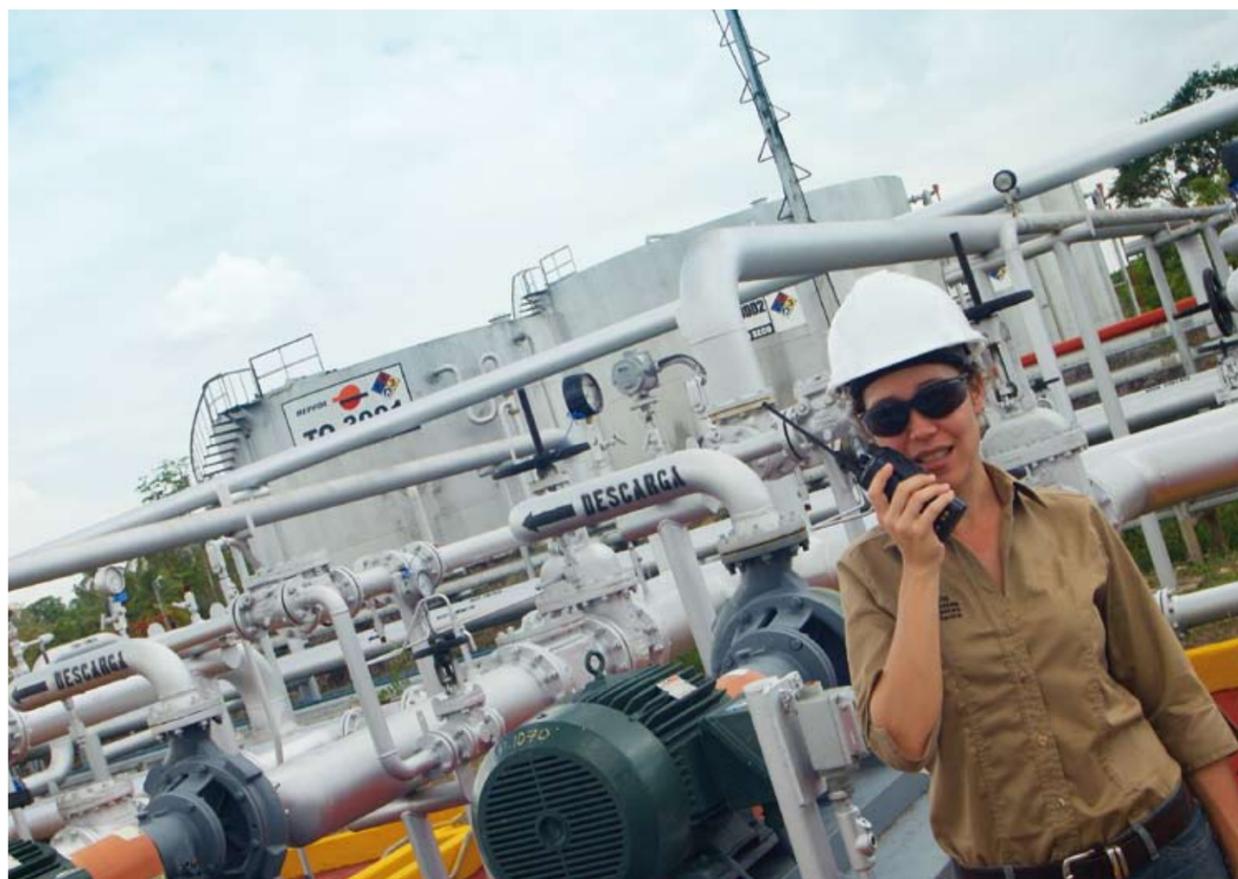
We make continuing investments of economic resources to adopt the best management advanced technologies for people's the aim of overseeing the safety of people in the world.



portant human and economic practices and the safety. This is all done with and installations anywhere



Research on the polymer transformation in the Repsol's Technology Center in Mostoles (Spain).



HOW WE WORK

A solid system of safety management

We set common standards of behaviour as regards safety and health at work in all our operations, regardless of the geographical area where our work is done. We furthermore undertake, through our Safety, Health and Environmental Policy, to comply with the legal requisites in force in each place.

Our basis in safety management is the safety and environment management system, which includes a wide range of rules, procedures and guides, aligned with international standard OHSAS 18001 (Occupational Health and Safety Assessment Series) and European Directive 92/82/CE "Seveso II". The management system covers the typical risk situations of our activity and is constantly updated to incorporate the best practices of the industry and the recommendations of the insuring market.

More certified facilities according to OHSAS 18001 standard

We further the gradual certification of our company's centres according to international standard OHSAS 18001. In 2008 we certified 14 new centres or activities:

- Exploration and production activities in Colombia and Trinidad and Tobago.
- Plaza Huincul Refinery, Argentina.
- Chemical Methanol plant in Argentina.
- Lubricant and specialties plants in Mangualde and Azambuja, Portugal.
- Direct Sales and Aviation activities in Argentina.
- LPG Plants in Banática and Matosinhos, Portugal; Neuquén, Argentina; and storage terminal and plant in Ventanilla, Perú.
- Repsol YPF Technology Centre in Spain.

With the new certifications obtained, we have certifications at the nine chemical plants, seven of the nine refineries, 17 of the 18 lubricant and specialties plants, the two technology centres in Spain and Argentina, and at a growing number of the company's installations: four exploration and production operations, the geophysical operations in Argentina, 28 LPG factories and an underground natural gas storage facility. All the certificates obtained can be seen at repsol.com.

Safety audits in all our centres

We annually establish a Safety and Environment Audit Plan which covers the execution of internal audits performed by qualified staff from a different centre to the

Incorporation of safety criteria in the company strategy

We determine Safety and Environmental objectives and strategic lines which are approved by the company's executive Committee and which cover the critical areas for increasing safety in the whole life cycle of our activities, such as Management leadership, the improvement of mechanisms for management and control of risks.

Safety objectives are part of the annual objectives of Repsol YPF employees who have variable compensation linked to target accomplishment.

Our strategic lines are the base for preparing objectives and action plans for each of the company businesses, in which we

include the action necessary for improving management and making a response to the new legislative initiatives, as well as the investments and expenses necessary, which we cover in the company's general budgets.

In 2008 our investments in safety action came to 157 million euros and safety expenses were 119 million euros.

The Audit and Control Committee of the Company's Board of Directors has established as one of its functions identifying and steering the policy, directives and objectives of Repsol YPF in the environmental and safety sphere.

Safety and environment planning

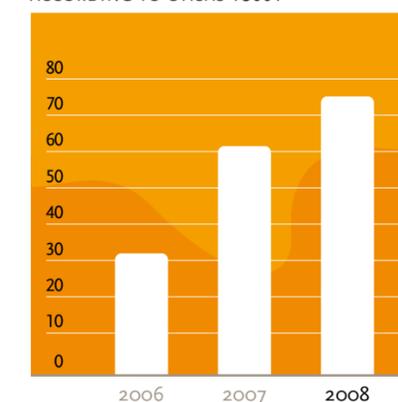


Our objectives

Planned activities	Degree of Progress 2008	Objectives 2009
Improvement in safety performance.	Reduction of the Lost Time Injury Frequency for our own personnel and integrated (own staff plus contractors) by 26 and 25% respectively complying in advance with the annual and strategic objectives. Giving 153,524 hours training in safety, which means an extension rate covering 28% of the workforce.	To go on implementing measures to improve safety performance. To go on with safety programs intended to reinforce safety culture and control typical risk situations in our business.
Reinforcement of safety in processes.	Continuation of the programmes set up for reviewing industrial risk analyses of the company's facilities. Training work in Spain, Argentina and Peru for the deployment of the Safety Instrumented System Management Regulation, passed in 2007.	Continuing to develop and systematise the systems for analysis of industrial risk in our installations. Continuing with measures for implementation of the Safety Instrumented System Management Regulation.
Constant improvements to the safety management system.	Certification of 14 new centres or activities according to OHSAS 18001 Regulation.	Extending the scope of OHSAS 18001 certifications to new centres. Continuing with the review and continuous improvement of the Repsol YPF regulation system.

(1) OHSAS: Occupational Health and Safety Assessment Series.

CENTRES CERTIFIED ACCORDING TO OHSAS 18001



one audited, and external audits.

The method used for carrying out the audits, given in the Manual for Safety and Environment Audits, is applicable at all our operating centres and establishes three-year cycles for all of these to be audited.

In 2008 we carried out a total number of 1,167 safety and environmental audits, 558 of which were internal (1), 168 related to certification processes and 441 statutory ones legally required.

(1) Number of "crossed" internal audits (performed by qualified personnel from a centre different to the one audited). This does not include the internal audits performed by personnel of each centre.

INTERNAL OPINION

Pedro Fernández FrialExecutive Director of Downstream
Repsol YPF

Nothing is more important than people's safety

In the energy industry safety is a vital aspect involving the whole value chain. The companies in the industry know that our processes and products involve inherent risks, which demand the greatest care.

The latest report on personal safety indicators published by the International Association of Oil and Gas Producers (OGP) in May 2008 confirms the progress made in recent years and gives a realistic image of companies' performance in protecting employees and contractors. The OGP report contains some encouraging data.

Over the last few years there has been a considerable drop in the number of fatalities. In the 2006-2007 period the reduction was 24%, a figure which continues with the downward tendency started some years ago. Although we will not be satisfied while there continues to be a single accident, the tendency is encouraging and lets us glimpse a future, we hope not too far off, in which accidents will have been eradicated.

This is the future to which people at Repsol YPF aspire. Although accidents are by their very definition unpredictable, at this company we believe that all of them could have been avoided. Our aim is thus to eliminate these completely.

The results that we have obtained over the last few years, while marking a clear improvement tendency, will not allow us to lower our guard. Contractors' safety, as is shown in the OGP report, is one of the main challenges faced by the sectors in the company, including Repsol YPF.

There is no dual standard at our company. As far as safety is concerned we are all going in the same direction and our knowledge must be shared with no exceptions. We are extending prevention culture, as is only our duty, to our contractors too. We are persuaded that our obligation is not only to make the same requirements of them as we do of our own staff, but that we should cooperate in knowledge and understanding the importance of preserving the highest safety standards. We can and should be their partners and allies in accident prevention and help them to improve their performance in this field.

Our vocation is to be a reference in our sector as regards our employees' and our contractors' safety. Although we are inspired and encouraged by the preventive principle that any accident is the result of a failure, and could thus have been avoided, perhaps we will never be able to completely eradicate them. That should never be a reason for discouragement, since what is indeed certain is that all of us at Repsol YPF will never spare any effort in this attempt.

EXTERNAL OPINION

Jorma KarppinenDirector
Eurofound

Health and safety concerns remain a priority

The European Foundation for the Improvement of Living and Working Conditions (Eurofound), a tripartite EU body, is one of the first European agencies established to work in specialised areas of EU policy. Set up in 1975, it has the specific task of contributing to the planning and design of better living and working conditions in Europe.

For many years Eurofound has reported on and carried out research on best practice in European companies. In one of its projects it collected more than a hundred case studies about 'attractive workplaces': companies that set a positive example by contributing to the objectives of the Lisbon strategy. Attractive workplace companies not only implemented innovative practices and agreements, they showed it was possible to combine quality employment practices with high economic performance. Through commissioning and reviewing research, Eurofound can identify important stakeholder contributions. Within Eurofound's work, social partners' involvement at company and sectoral level can be clearly recognised as crucial in the successful development of these policies.

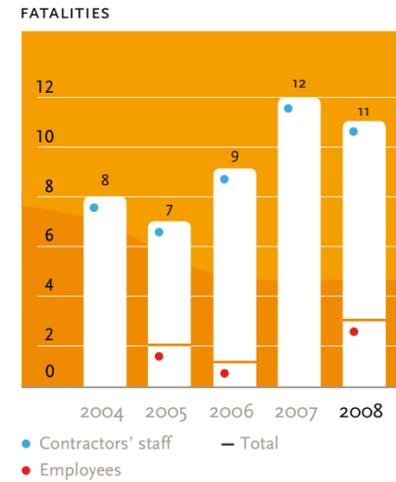
Eurofound's European Working Conditions Observatory makes an important contribution to systematising data and information on workplace developments. CSR and workplace health are key indicators within this regular monitoring of trends in the EU and Norway. Eurofound has been able to collate recent reports that reveal the mounting CSR interest shown by a growing number of companies. More responsible corporate approaches are indicated by companies' increasing operational integration of economic, environmental and social aspects.

Conscious of the health and safety concerns that remain a priority in Europe, especially in some sectors, Eurofound carried out the fourth of its European Working Conditions Surveys in 2005. Interviews of nearly 30,000 workers in the EU, Turkey, Croatia, Switzerland and Norway showed that the most common complaint among European workers was backache (25%) and muscular pain (23%). Results also found that the stress affecting 22% of workers is closely associated to poor job satisfaction and could be an important factor in causing secondary health problems. So musculoskeletal problems together with stress, depression and anxiety remain the most frequent health problems among European workers

Although the economic situation presents a difficult challenge for CSR, it is important to recognise that CSR is not exclusively related to cost. Eurofound's information suggests that CSR can be much about processes as about resources. There may therefore be advantages associated with examinations of company processes in a period of economic difficulties. Eurofound's 2007 conference on MSDs (musculoskeletal disorders) suggests that through the collaboration of experts, social dialogue and transnational interpretation of workplace health data, prevention can be relocated as a design intervention. Cases in Denmark and Germany also showed that in the workplace, improvements in ergonomic design could produce unexpected pressures such as increased operator stress. So there were benefits in a holistic, humanistic company approach. Replies by survey participants suggested that an employee-centred approach in workplace organisation models would lead to health and production benefits. Here, new procedures and processes can be the result of the synthesis of knowledge made available through agencies such as Eurofound.



A Repsol's worker in the industrial complex of Puertollano (Spain).



fewer consequences, which make easier the identification and management of basic causes and action necessary to be able to communicate the lessons learned throughout the organisation.

In 2008 we thus established a company objective as regards the investigation of accidents and incidents with a high loss potential and the implementation of improvement measures stemming from these investigations.

We are also starting a ground-breaking program for research into potential customer accidents and near misses at petrol stations in Spain. Through this program we have identified and typified the root causes which could cause customer accidents and we are implementing corrective action to prevent these from occurring.

No Accidents Program (NoA) for the Cartagena-Puertollano pipeline

At the Engineering Division of Repsol YPF we have been working from the earliest stages of a project on preparing tools to contribute to reducing the risk of unexpected events happening. The NoA program was developed for the construction project of the Cartagena-Puertollano distilled pipeline.

This program is a tool integrating safety, health and the environment on all levels and in all phases of building work execution, carrying out continuous assessment and monitoring preventive activity to ensure zero accidents. To achieve this goal, the program attempts to implement a safety culture in which the worker has to be the main actor. The active cooperation of workers and their conviction will enable the common objective of zero accidents.

In the preparation of the NoA program for the Cartagena-Puertollano distillates pipeline we took into account the lessons learned in previous projects and works, such as the construction of the Zaragoza-Torrejón pipeline, done by the Compañía Logística de Hidrocarburos (CLH), started up in summer 2008, as well as the best similar programs and patterns.

In all work the situation involves having a large number of workers spread out over large distances, which is why the control of vehicles and workers is one of the priorities for monitoring on-site prevention.

The program includes the best practices implemented until now, some of these being:

- The commitment to education and sensitization in safety, with such initiatives as preparing a pocket guide for safety, which is given to each worker when they come on to the site.
- Promoting the safety observations made by the workers themselves.
- Supervising the workers by means of identity cards.



- The monthly preparation of a safety bulletin to be shown on announcement boards, with immediate information on events or accidents occurring.
 - Including a guide for the preparation of work instructions. With the information from these documents we draw up files with safety and health norms which complement the pocket guide.
 - The specific procedures for jobs with special risks.
 - Locating vehicles and speed control on-site.
- We intend the NoA to be a live tool enabling us to learn from experience, adapting to the peculiarities of future projects and learning from the experience gained at Engineering Division after completing the earlier projects.

Lower accident rates

In 2008 the reduction in accident rates continued. The Lost Time Injury Frequency rate (own personnel and integrated) dropped significantly regarding last year.

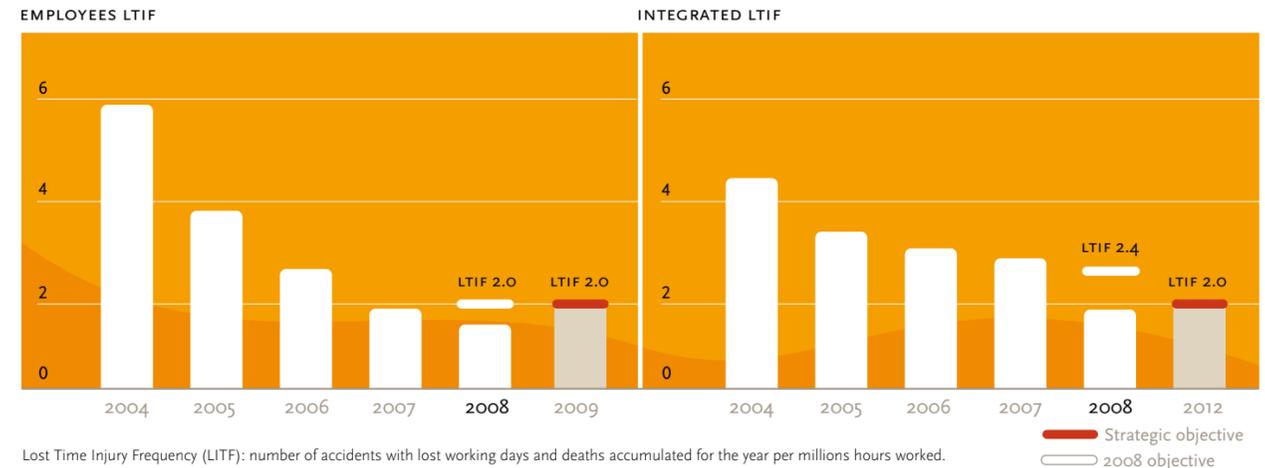
The Lost Time Injury Frequency rate for our employees and integrated (our own staff plus contractors') dropped 26% and 25% respectively in respect of the previous year. In both cases we fulfilled the annual and strategic objectives set. These objectives are part of the annual objectives of the Repsol YPF employees' who have variable compensation linked to target accomplishment.

Nevertheless, in spite of the improvement action taken and the progress made, in 2008 we had to regret a total number of nine accidents with eleven fatalities, three of these of our own staff and eight of

personnel from contractor companies. Five of these deaths were in traffic accidents.

We promote the investigation of accidents and near misses and the identification and analysis of their root causes as a key part of proactive safety management. The identification of the root causes, along with the implementation of corrective action to combat these, enables organisations to prevent accidents from being repeated in the company's different activities.

We pay special attention to near missed investigation as a preventive aspect since their basic causes could be the same as those of more serious accidents but with





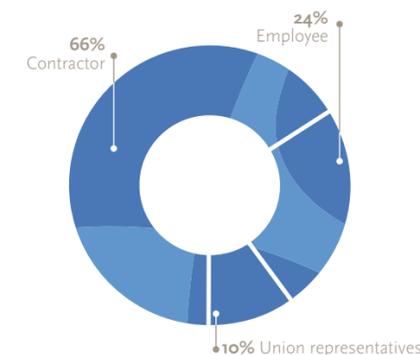
Awareness-raising and leadership in Argentina

In the exploration and production area in Argentina, we are developing an awareness raising and leadership program which attempts to foster the safety culture of the people working on our facilities. The aim of this program is to ensure that workers are familiarized with the concepts of safety, health and care for the environment through awareness raising, leadership, operative discipline and commitment.

In 2008 we held 28 "Trainer of Trainers" workshops with a total number of 466 participants counting employees and personnel of contractor companies, also including representatives of trade union organisations.

These workshops are intended to identify people who are considered potential vectors of organisational changes. After identifying them, we get a tutorship process under way intended to strengthen any weaknesses and boost strong points. During the process we identified 68 people as being potential vectors of organisational change, which represents 15% of the total number of people qualified.

This tutorship enables fostering the habit of thinking before acting and establishing the



foundations of good operating quality and operative discipline approaches.

The process is based on the Go Reality Options wrap up (GROW) method, which envisages an action plan based on an assessment of the present situation and consideration of objectives and targets, based on the existing improvement opportunities. We started this activity at the YPF West Argentina (UNAO) business unit, with seven participants from Catriel, Rincón de los Sauces and Mendoza.

People working at Repsol YPF creates the safety culture

We promote the training and awareness of everyone working at our facilities as regards progress in the implementation of safety culture, through training programs for employees and contractors, and setting up channels for disclosing information, rules and technical documentation.

All employees, whatever our job, professional category or geographical location, are responsible for our own safety, depending on our specific functions, as well as for contributing to the safety of the company as a whole. That is why we promote the training of all our staff, according to the model of safety and environment training itineraries designed in 2008.

Training itineraries in safety and the environment form the technical learning system in safety and the environment for two types of groups: people with specific safety and environmental functions (specialists) and persons whose functions do not specifically involve safety and the

environment (non-specialists) and cover different ways of training according to their professional situation, such as classroom courses, on-line training or attending seminars and congresses.

For each company business we establish the minimum training required for steering each professional's technical development so as to give them knowledge about safety and the environment and for this to match the right level of necessary skills most suitable for doing their work.

This training is very important for employees directly involved in the management, operation and maintenance of installations and systems, as well as for those who have direct responsibilities with

customers, suppliers and contractors.

In 2008, 12,163 employees were trained in safety and health at work over 153,524 hours.

A key part of the training is the Advanced Course on Safety and the Environment and during 2008 we brought out the first two editions.

We also have different channels of internal communication to spread the regulations and relevant technical documentation, as well as to share the information and most prominent facts on safety, such as the internal magazine Conecta, the electronic bulletin Entre nosotros and the corporate intranet, Repsolnet.

Launching of the Advanced Course on Safety and the Environment in 2008

The Advanced Course on Safety and the Environment is intended for our own staff, after the first years of their professional work have been completed. It consists of four modules which cover the main aspects of management of safety and the environment, with a total duration of 160 hours.

- Safety and health at work.
- Industrial safety.
- Environmental management.
- Climate change and energy efficiency.

The aim of the course enables participants to acquire the personal abilities and skills integrated in the company's model of safety and environment in order to:

- Manage key aspects in the operations of the facilities.
- Learn the tools applied to management of safety and the environment.
- Master the items determining the way to manage safety and the environment in the different organisational positions.

In 2008 we held the first two editions, in Madrid and Buenos Aires, with the attendance of 58 persons.

We promote training for our contractors

Over the last few years training for contractors has been boosted with a view to improving control of the typical risk situations found in the company's business. In 2008 we gave over 400,000 hours' training to contractors' staff. The different business units also arrange meetings with the people in charge of safety at contracting companies in order to assess how far the safety regulations are complied with, analyse the measures for coordinating activities

and carry out and propose any corrective measures that we consider fit.

As regards the work done directly with contractors in 2008, we should stress the program for training in preventing specific risks at plants given at Spanish refineries. This program was given to over 5,800 employees of contractor companies and focused on such matters as work permits, confined spaces and hazards of specific chemical products.

TRAINING IN SAFETY AND HEALTH AT WORK ⁽¹⁾

	Hours' training	Persons trained	Extension rate % ⁽²⁾
Spain	91.148	6.502	29
Argentina	32.228	4.209	30
Rest of Latin America ⁽³⁾	19.944	980	22
Rest of the world ⁽⁴⁾	10.204	472	22
TOTAL	153.524	12.163	28

⁽¹⁾ The data includes training of our own permanent and temporary staff. It does not include the training of contractors' personnel.

⁽²⁾ Extension rate: Percentage of persons who have taken training activities in respect of the maximum number of staff.

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

⁽⁴⁾ Libya, Portugal and Trinidad and Tobago



We actively cooperate with our surroundings

We take an active part in national and international forums to swap experiences and acquire best practices. We also promote the communication with the surroundings where we operate.

We take part in national and international associations. We are also represented in safety work groups at the Asociación Regional de Empresas de Petróleo y Gas Natural de América Latina y Caribe (ARPEL), at the International Association of Oil and Gas Producers (OGP), at the Comisión Autónoma de Seguridad e Higiene en el trabajo de Industrias Químicas y Afines (COASHIQ), the Conservation of Clean Air and Water in Europe (CONCAWE) and at the Asociación Española de Operadores de Productos Petrolíferos (AOP).

Improving relations with our neighbours

At Repsol YPF we promote communication with the local setting in which we carry out our business. There are visits by schools, universities and local communities to the company's facilities all over the world, where special stress is given to safety matters.

We also make social setting surveys known as "industrial barometers" in the areas of influence of the great industrial sites, such as the ones held at the refining and chemical centres in Spain very year. We develop these surveys, which include safety aspects, in order to find out how people perceive us, if the perception is improving or worsening and what we should do to improve.

In February 2009 we also got under way an Advisory Public Panel in Puertollano, Spain, with the aim of opening up a permanent



communication channel between the local society and the Industrial Centre. This Panel is made up of a group of fifteen persons from different sectors of society (primary, secondary and university education; housewives, residents' associations, civil servants, doctors and other social agents) and three representatives of Repsol YPF. The creation of this forum of citizens' participation was included at the company's proposal, as part of the requisites of Integrated Environmental Authorisation (further information in the chapter on Dialogue and commitment to the community).

Lastly, we promote our employees' participation in awareness-raising and training activities on safety matters in different teaching centres and associations.

In 2008 we should give special mention to the Conference for Disclosing Risks Associated with Gas and Electric Energy held in Venezuela with a view to disseminating, awareness-raising and preventing hazards associated with Gas and Electricity Generation operations. 80 persons participated in these, including communities, owners, employees of Petróleos de Venezuela (PDVSA), the Ministry for Energy and Petroleum (MENPET), firemen and the mayor's office.

Support after hurricane Ike

In 2008 we cooperated with fire prevention company Williams Fire & Hazard Control (WF&HC), a worldwide specialist in managing emergencies in the petrochemical field, in the work done to control the effects of the hurricane in southern Texas.

The members of WF&HC asked Repsol YPF to use two of the pumping units which were intended to be sent to our refineries in Spain. The company immediately authorised their use and the two units were prepared to start to work immediately as a support for other equipment of similar characteristics being used in the zone.

After successfully completing its mission, the equipment was properly reconditioned to be used in our facilities.

These pumping units, which can handle very high flows of water, are intended to reinforce the systems used to fight fixed and mobile fires at our refineries, in particular to face up to potential fires at storage parks for crude oil and other liquid hydrocarbons.

By purchasing these items, we completed the equipment of the five Spanish refineries for intervention in large-scale emergencies in the second half of 2008. The most prominent parts of this equipment are the high-flow portable pumps, which provide up to 23,000 litres per minute, the fire control monitors, to provide up to 38,000 litres of water-foam per minute and the special systems of high-flow hoses with low pressure loss.

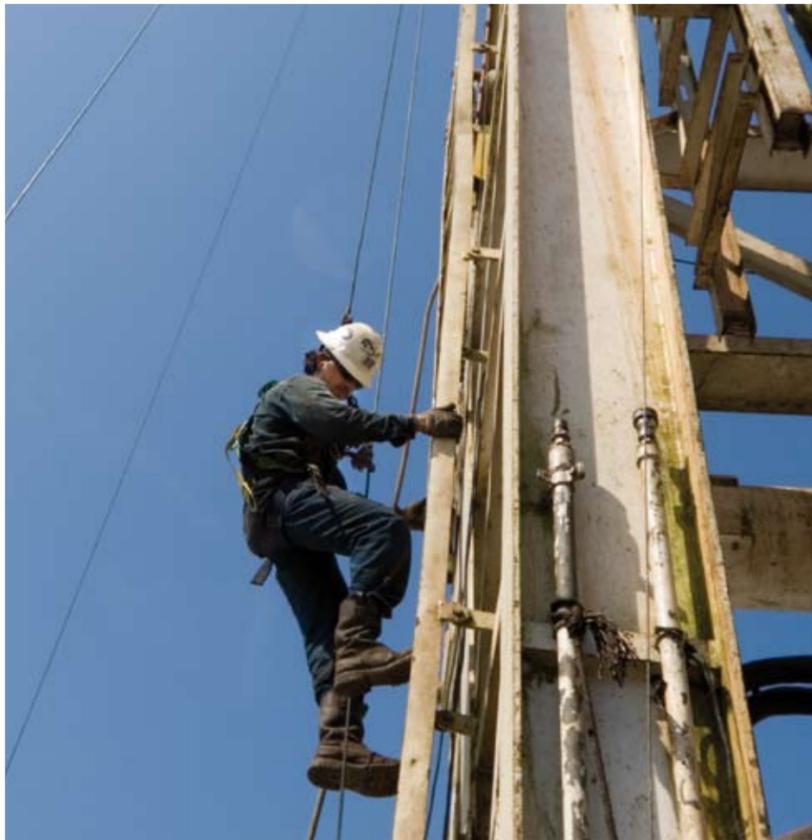
We have invested over two million euros in this equipment, not taking into account the development of the infrastructure necessary in fire prevention networks allowing these items to be coupled up.

This intervention technology in the field of fire extinction is a ground-breaking development and has vouched for its efficiency in real large-scale fire events such as the Buncefield case.



Safety in contracted services

In the process of selecting and evaluating our contractors and suppliers, one of the priorities is to demand a conduct in line with what is laid down for our own staff.



For this reason the General Purchasing and Contracting Conditions, as well as the framework procedure for qualification and evaluation of company suppliers, require the supplier or contractor to comply with any legislation on safety that is in force and applicable to the order or contract, and in any event, with the norms laid down in the company's regulations and internal practice.

We also have standards which establish safety criteria for work and services contracted. The aim is to establish a management framework which includes the key items for proper conduct with contractors, such as policies of relations with contractors, qualification of contractors from the safety standpoint, requisites for contracting them and mechanisms for assessment and control in execution of work.

In the qualification process we attempt to assess if a supplier is able to satisfactorily supply goods or services. We establish critical quality based on the goods or services supplied. Apart from collecting information, we carry out an audit on the supplier's own premises in the case of critical goods or services.

In 2008 measures were taken in the company's different businesses intended to improve safety in contracted services.

Improving safety in building and redesigning petrol stations

As part of the plan to foster improved safety on building jobs we have carried out different measures intended to implement good practice in work contracted in the service station network.

Extension of the Integral Safety Project (PROINSE) to the petrol stations in Portugal
This project, implemented at petrol stations in Spain in 2005, is based on safety accreditation of the people and companies doing work at petrol stations.

The goal we are seeking through this accreditation is to ensure that we have the proper knowledge for adopting proactive safety attitudes, identifying typical risk situations and applying the general principles of safety, prevention and protection, respecting signposting and safety procedures. In order to be given the accreditations, workers must attend theoretical sessions and practical work and have to pass a test on knowledge at the end of the sessions. After passing the test we issue a personalised passport which accredits their training and which will have to be shown by the contractors whenever they have to do a job or maintenance task at the petrol stations that the company runs in Portugal.

Increase in inspection capacity

In order to ensure on-site verification of the compliance of safety measures at works and maintenance operations of service stations, both stemming from applicable norms and our own internal procedures, in 2008 we stepped up regular safety inspections, which are performed by an interdisciplinary team made up of our own staff and contracted personnel.

Safety awards given to Repsol YPF and contractors of the Spanish petrol station network

We implemented this endeavour in Spain in 2008 with a view to promoting the implementation of good practice in the work contracted and sharing knowledge in building and refurbishing work. The program has enabled us to identify safer alternative methods to carry out the typical jobs on service stations, such as:

- Elimination of welding and replacing this by other assembly methods.
- Replacement of radial saws with sabre saws.
- Permanent use of a lifeline on roofs.
- Protection of moving parts of petrol pumps.
- Reinforcement of demarcation and signposting of the work zone.



Safety in our processes

To guarantee the protection of the company's assets and people's safety, it is vital to ensure proper identification and management of the industrial risk.

We work to adopt the most advanced management techniques for identifying and evaluating industrial risk at all the fatalities and all the phases in their cycle of activity.

We actively promote the updating of industrial risk analysis. All the company's areas of business currently have plans for reviewing these analyses, both for the new installations and the ones already existing. We perform these plans in accordance with the criteria established in a number of specific norms and guides to ensure that these risks are identified, quantified and properly managed in accordance with the prevention principle, in all stages of the business.

One particular aspect of these risk analyses are the analyses of safety instrumented systems (SIS). To perform these we have a Norm for Management of Safety Instrumented Systems passed in 2007, where we establish a common methodology to manage the electric or electronic safety systems of the processes in the company's

plants for their whole life cycle according to IEC 61511 standard of the International Electrotechnical Commission.

In 2008 we carried out six training courses (in Madrid, Buenos Aires and Lima), intended for the organisation's personnel responsible for leading any of the stages in the process for managing instrumented safety systems. The main points in which we have concentrated training action include the implementation of safety instrumented systems; techniques for analysis of risks and evaluation of consequences (HAZOP); techniques for prevention or mitigation of risks, analysis of requisites and documentation of the study of maintenance, verification and evaluation concepts of SIS. Nearly 100 people attended these sessions, lasting 40 hours.

Courses for process safety auditors at Chemicals plants in Spain in 2008

We arranged two courses for process safety auditors at the Puertollano and Tarragona petrochemical complexes with the aim of providing those attending with the knowledge necessary to plan and carry out these audits.

The courses were given in the months of March and April by the British consultant Arthur D'Little, and attended by 40 chemical engineers and guests from other fields of the company. Each course lasted five days (40 hours).

In November 2008 we performed a training audit at Puertollano industrial complex (low density polyethylene and propylene/styrene oxide plants) with the participation of six of the auditors trained at these courses.



The heliport of the Stena Dr IImax exploration rig is a reference of safety, technology and respect for the environment.

Safety in transport

We are well aware of the risks involved in transporting people and goods. That is the reason why we pay special attention to safety in all kinds of transport: air, land and sea.

Air transport

To make progress in improving management of air operations, in 2007 we passed a new rule for air transport safety in exploration and production activities, where we establish the principles, responsibilities and functions in both contracting these services and in their later operation.

In 2008 we held the first Seminar on Air Safety in Aberdeen, United Kingdom, in order to discuss and further knowledge about management of air operations. The seminar was given by the persons responsible for safety in most of our exploration and production business areas. And to guarantee that the services of the airline operators contracted or in the contracting process comply with what is laid down, we have carried out an extensive program of aircraft audits and inspections. In 2008 we made 64 aircraft audits apart from different inspections of heliports and

other installations. We include, among others, off-shore activities intended for Spain, Argentina, Brazil, Morocco and the Gulf of Mexico. We also developed a web system for centralising all the audit reports and verifying closure of the resulting actions.

In 2008 we also made progress in improving the safety of aircraft fuel filling operations in Spain, Argentina and Portugal.

Land transport

Training is critical to create a safety culture among all the people involved in transport activities. That is why we develop programs for reinforcing the skills necessary for safety driving, with special stress on adverse weather conditions.

901 employees were given 7,549 hours' training in 2008 on safety road driving worldwide. We also encourage implementation of measures for training the personnel of contracting companies, such as:

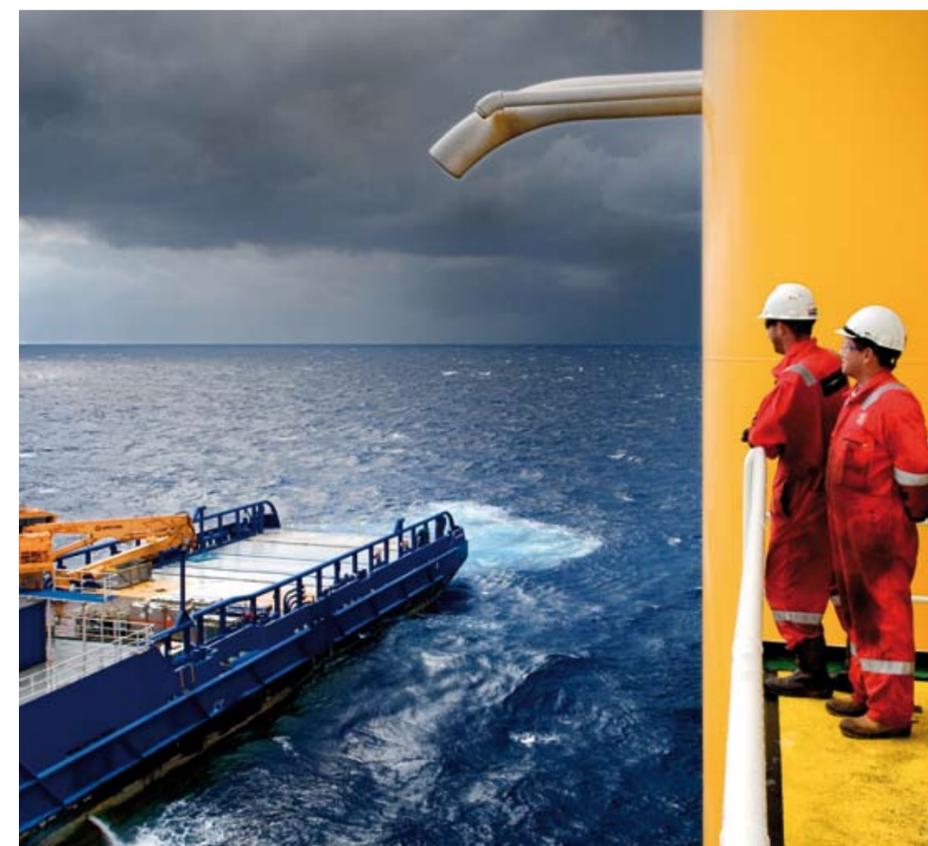
- **Preventive driving of trucks at YPF Lubricants, Argentina.**

During the month of November we carried out a training program in preventive driving of trucks intended for haulage contractors, in which 130 people took part. Subjects intended for preventing traffic accidents were dealt with, such as driving processes, the driver's psychophysical condition and active and passive safety.

- **Defensive driving at LPG, Argentina.**

In 2008 we held six meetings in different parts of Argentina (Junín, Mar del Plata, Concepción del Uruguay, Barranqueras, Lujan de Cuyo and Montecristi), at which a total number of 3,128 hours training were given to train 391 drivers in defensive driving techniques.

- **Sixth Symposium for Exchange on Road Transport Accidents at LPG, Argentina.** The Symposium held in El Portón was attended by representatives of the Nation's



Safety in the design of aircraft refuelling tanker trucks

We have gradually adapted our aircraft refuelling tanker trucks to the needs of aircraft and the particular ways these operate. We have thus developed and installed devices and systems to guarantee a safe supply operation, both for the worker, for the aeroplane and its crew, also guaranteeing the product's traceability and quality.

We have installed different systems to improve operational safety, through the installation of automatic control systems for loading fuels; dead-man systems and systems for controlling and regulating the maximum pump pressure and maximum hose nozzle pressure and systems for increasing personal safety in operation, such as a double safety rail on top of the tank, lateral presence detectors to avoid manoeuvres, automatic activation of the handbrake and lifting platforms with anti-height collision sensor and anti-trapping device.

We have implemented these measures in the operations for refuelling planes in Spain, Argentina and Portugal.

Safety in loading and unloading products at refineries in Spain

In June 2008, two voluntary external audits were held at the industrial complexes in Tarragona and Petronor (Bilbao). These audits were carried out by the company Aplus, with the presence of the regional safety advisor for road transport of dangerous raw materials.

The aim was to analyse the procedures, instructions and documents existing in the management systems and check how far these were complied with, as well as verifying the observance of applicable regulations.

The review was made on activities for loading, dispatching and unloading dangerous goods transported by road, with a very high degree of compliance of the aspects reviewed being seen (93% and 95% respectively), the rest being less significant deviations, basically in questions of internal procedures.

Secretary for Energy and Transport; civil servants from Neuquén and Mendoza Provincial Road Authority; representatives of the municipality of Chos Malal, authorities of different production plants in the country and fractionating companies in Argentina and Chile and all the hauliers who load in the zone. We gave 400 hours' training to 50 people.

- **Awareness-raising in transport safety at Direct Sales Spain.**

In 2008 we carried out different awareness-raising campaigns intended to prevent the commonest accidents. The aims of these campaigns were to boost the staff's proactivity in preventing risks, establish safety at work as an everyday matter and exemplify valuable initiatives, fostering their diffusion.

The measures taken focused on training and dissemination measures such as the course on tanker truck driving simulation, complementary to the already existing driving course; the preparation and diffusion of the tanker truck driving manual and the campaigns for awareness raising and ergonomic review of the support devices for API adapter flanges.

These measures meant the number of transport accidents could be cut down by over 50%.

Sea transport

The minimisation of the risk of accidents connected with the transport of crude oil and fuels, either heavy or light, is a priority matter for any company in the sector. That is why we incorporate the most advanced safety techniques and prevention systems, according to international regulatory requirements and best practices.

The measures on sea transport are dealt with detail in the chapter "Biodiversity, a treasure that we must take care of".

Safety of our products

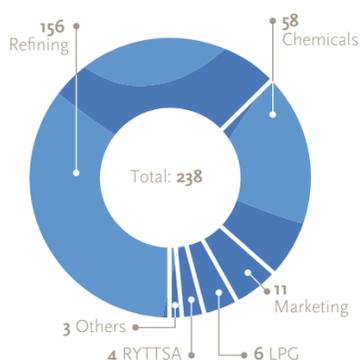
Our products meet the highest requirements regards environmental, health and safety protection.

We support the principles of the REACH regulation (Regulation 1907/2006) which establishes a normative framework for the registration, assessment and authorisation of chemical products by identifying the properties of the products and their effects on health and the environment. In the framework of the REACH Regulation, the product safety team, belonging to the Technology Unit, has led a work plan with two lines of action in 2008:

Pre-registration of substances subject to REACH

We have set the directives for identifying and later pre-registering the substances that we make or import. Within the deadline set by the REACH regulation, we pre-registered

DISTRIBUTION OF THE NUMBER OF PRE-REGISTERED REACH SUBSTANCES, BY ACTIVITY



External recognition

During 2008 we were given the maximum points for the occupational health and safety of the oil and gas sector in the *Dow Jones Sustainability Index World* and *STOXX* Indexes.



a total number of 238 substances which we make or import in amounts over 1 mt/year.

Participation in industrial consortiums coordinating the preparation of registration files

We take part in the consortiums set up until now to comply with regulation obligations. Most of these consortiums have been formed from industrial associations to which we belong, such as Conservation of Clean Air and Water in Europe (CONCAWE), EUROBITUME, European Chemical Industry Council (CEFIC), European Diisocyanate & Polyol Producers Association (ISOPA) and International Institute of Synthetic Rubber Producers (IISRP).

Safety data files for all the products

We draw up Safety Data Files (FDS) for all the products marketed by our company, which are used for transmit on information about safety to our customers.

[We also draw up Internal Safety Data files (FIS) and Product Information Files (HIP) for workers to learn the dangers of chemical products and the preventive measures for handling these.

These documents are regularly updated depending on the changes in national and international legislation and are managed through a computer application which has allowed us to reach greater efficiency in management and give greater independence to users in different businesses.

We encourage our employees to become familiar with the safety datasheets. We should underline the communication campaign implemented in 2008 for the workers of the Technology Division, intended for better knowledge of the safety data files of the products that they handle.

PR1, PR3]

Our data

We include the safety data for 100% of the employees of the subsidiaries in which Repsol YPF has a majority shareholding and/or operative responsibility (control). For contractors we include any activity under a direct contract with Repsol YPF over one year.

For registration, analysis, follow-up and consolidation of information on accident rates, the company has its own computer tool to which all the company's centres have access through intranet. This enables

effective management and analysis of any accidents and near misses that arise.

For treatment of safety indicators at Repsol YPF, we have a corporate norm which establishes the criteria and common method for registration of accidents and near misses at the company and which is completed with a Data of Safety Indicator Guide.



SAFETY	2004	2005	2006	2007	2008
Employee's lost time injury frequency rate	5.9	3.5	2.5	1.9	1.4
Integrated lost time injury frequency rate (employee + contractor)	4.3	3.1	2.6	2.4	1.8
Fatalities	8	7	9	12	11