Protecting biodiversity

We are carrying out four Biodiversity Action Plans (BAPs) in three different countries (Peru, Ecuador and Trinidad and Tobago) and planning to implement new BAPs in environmentally-sensitive areas in Argentina in 2010. We also held the Third Biodiversity Workshop, which was attended by professionals from every business unit. Our partnership with conservationist associations has been a very positive experience that we can extrapolate to other operations.

Update on 2009 objectives

Planned activities

To incorporate biodiversity into the company’s management systems and decision-making processes.

To carry out Biodiversity Action Plans (BAP) in IUCN (International Union for Conservation of Nature) category areas IIV(1) and in other areas considered to be of high ecological value.

To improve identification and reduction of possible impacts caused by the company’s operations.

Degree of progress 2009

Actions were carried out to disseminate the biodiversity regulation approved in 2008 at Repsol YPF’s Third Biodiversity Workshop, held in a double session in Buenos Aires and Madrid.

Continuation of the BAPs developed in Block 39 (Peru) and in offshore activities in Trinidad and Tobago. Start of the BAPs in blocks 16 and Tivacuno (Ecuador) and in block 57 (Peru).

Planning of new BAPs in sensitive areas.

Various actions carried out to improve identification, prevention and reduction of impacts on biodiversity caused by different company activities. Details of these different actions are provided throughout the chapter. Consolidation of the SIBRY tool(2) for use in exploration and production activities worldwide.

(1) International Union for Conservation of Nature.
(2) Repsol YPF’s Biodiversity Information System.
Our biodiversity strategy and management

We have basic biodiversity criteria and guidelines, which apply to all company operations.
 Preventing and reducing impacts on biodiversity

Our priority is to prevent and minimize the impacts of our activities, according to the particular characteristics of the areas in need of conservation around our facilities and, where necessary, environmental restoration.

We carry out exploration and production activities in a wide range of sensitive areas from the perspective of biodiversity. We operate in several fields located in IUCN category I to IV areas, shown in table on this page.

We carry out environmental baseline studies in these areas and have taken steps to protect their biodiversity. We are committed to starting to design and implement BAPs in IUCN I-IV category areas and other areas considered to be of high ecological value.

We also consider specific requirements for protecting biodiversity and the environment in every Environmental and Social Impact Assessment (ESIA) that we carry out, in accordance with our ESIA guide for exploration and production activities.

**Biodiversity Action Plans (BAPs)**

In 2009 we continued to develop the BAPs started in previous years in block 39 (Peru) and for our offshore activities in Trinidad and Tobago. We also started working on several BAPs for the operations at block 16 and Tivacuno (Ecuador) and block 57 (Kinteroni) in Peru.

In 2010 we expect to start developing the BAPs for the areas of Volcán Auca Mahuida and Llancanelo (Argentina), after having completed the environmental studies, which were presented to the authorities in 2008 and 2009, respectively. Work has been carried out over the past two years with the University of Comahue (Argentina) to recover and replant quarries in the Volcán Auca Mahuida area.

<table>
<thead>
<tr>
<th>Name of protected area</th>
<th>IUCN category</th>
<th>Name of block</th>
<th>Country</th>
<th>Type of activity</th>
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<tbody>
<tr>
<td>El Payún (la Payunia)</td>
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<td>El Cañón de los Cavaos</td>
<td>Argentina</td>
<td>Production</td>
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<td>Cerro Fortunoso (el Payún)</td>
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<td>Altiplanicie del Payún (el Payún)</td>
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<td>Auca Mahuida</td>
<td>Ib</td>
<td>La Banda</td>
<td>Argentina</td>
<td>Production</td>
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<td>El Tromen</td>
<td>II</td>
<td>Río Barrancas</td>
<td>Argentina</td>
<td>Production</td>
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<tr>
<td>Yasuni National Park</td>
<td>II</td>
<td>Block 16</td>
<td>Ecuador</td>
<td>Production</td>
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<td></td>
<td></td>
<td>Tivacuno block</td>
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</tbody>
</table>
Additional actions to prevent impacts on biodiversity

In addition to creating BAPs, we also carry out other actions to help protect biodiversity.

In 2009, we worked with the University of Comahue, through the National Comahue University Foundation for Regional Development, on a study to evaluate the presence of endemic species in the Volcán Auca Mahuida area (Argentina) and to prevent, minimize and mitigate impacts on biodiversity in our exploration and production activities carried out in the area.

We also completed the offshore exploratory drilling project in the San Jorge Gulf basin in Argentina (Aurora Project).

Impact prevention in the San Jorge Gulf (Argentina)

We concluded the Aurora Project in 2009, the first offshore exploratory drilling initiative in the San Jorge Gulf basin in the past 30 years. Four exploratory wells were drilled in an extremely environmentally and socially sensitive marine and coastal area in Patagonia.

In 2008 we carried out an environmental, social and biodiversity baseline study and the corresponding environmental and social impact study. Both studies determined the sensitivity of the area and helped us to draw up the maps needed to develop contingency plans for preventing and offsetting risks.

Additionally, stakeholders were identified and the associated risks evaluated, allowing us to define a plan for establishing communication and relations with the community.

During the final execution of the project, we monitored the quality of the water and emissions, the benthic, marine and bird fauna, and social impacts.

Eight marine monitoring campaigns were carried out and the project ended with the expected results in terms of environmental and social management.

Progress on BAPs underway in 2009

Offshore activities in Trinidad and Tobago

Our exploration and production activity in Trinidad and Tobago takes place at three production fields: Teak, Samman and Poui (TSP).

In 2009 we provided the fishing communities with information about the different marine habitats and ecosystems identified in the preceding phase. The information was also exhibited in schools and fishing ports as part of an education and awareness-raising campaign.

A new phase of the project will be starting in 2010, the main objective of which will be to classify the marine habitats and species previously identified according to their sensitivity, commercial importance to the region and their vulnerability. The result will be a valuable source of information to help prepare future Environmental and Social Impact Assessments, improve spill response plans and allow us to set priorities in carrying out local conservation programmes.

Block 39 (Peru)

In 2009 we continued working on the biodiversity and impact-prevention study in this area of the Peruvian Amazon. Some of the most important actions carried out included:

- Informing the indigenous communities in the projects’ area of influence about the conclusions of the biodiversity study carried out by the Smithsonian Institution (scientific organization specialized in biodiversity conservation that collaborates with Repsol YPF).
- Incorporating information on local biodiversity produced by the National Institute of Natural Resources (INRENA), the Peruvian Amazon Research Institute and the Smithsonian Institution into our environmental education programmes.
- Recommendations to include aspects such as conservation, biodiversity and sustainable use of natural resources into management of the area.

Kinteroni (Peru)

Block 57 is also located in the Peruvian Amazon. In 2009 Repsol Exploration Peru started up the first phase of a new biodiversity programme, which involves gathering all the existing information about biodiversity and indigenous communities in the area. We also started to identify and evaluate key stakeholders with a view to future consultation processes with them. In 2010 we expect to sign a collaboration agreement with an expert scientific institution to give us its independent external perspective. We will also finish defining the second phase of the programme, which will include consultations with stakeholders and the start of scientific field work.

Block 16 and Tivacuno (Ecuador)

Repsol YPF Ecuador operates the block 16, with the Yasuní National Park and Biosphere Reserve being located in its direct area of influence. Since 1994 we have been monitoring the processes that impact on the characteristic biodiversity of this Amazonian tropical rainforest. The studies carried out led to definition of the Strategy for the Conservation of Biodiversity and Sustainable Development in block 16, which forms part of the Biodiversity Action Plan (BAP) for this block. This strategy consists primarily of two programmes: the Education and Communication Programme for Conservation and the Community Management Programme for Conservation.

In 2009 an agreement was signed with the University of San Francisco de Quito (USFQ)’s Tiputini Biodiversity Station, which covers 650 hectares of rainforest within the Yasuní Biosphere Reserve. The USFQ has various research and education programmes that will help us to meet the requirements set by the BAP, which are mainly aimed at working with the indigenous communities living in the area of influence of our operations.
Our involvement in research, conservation and education projects

We have assumed one of the vice-chairmanships of the Biodiversity Working Group of the International Petroleum Industry Environmental Conservation Association (IPIECA) and continue to actively participate and collaborate in workshops and meetings.

In 2009 we coordinated and carried out many collaborative actions with the communities living near our facilities, which have allowed us to improve in the area. Below are some of the most important of these actions:

- In Quiriquí (Venezuela) we held the second conference on biodiversity protection in conjunction with the Environment Department of the State of Monagas, the City Council of Punceres and the community of La Pantalla as part of the programme for raising awareness among and ensuring the participation of this community in conserving the biodiversity of this area.

The aim of this activity is to involve the educational community and community feedback in restoring and conserving biodiversity, through workshops and talks in which local inhabitants, students and teachers can participate.

- In Brazil, we have promoted the Santos basin biodiversity programme, which brought together oil industry, academic and government representatives.

The objective of the workshop was to help create a consortium to improve knowledge of the ecosystems of the Santos basin and their interaction with the oil industry.

Sharing knowledge will make it possible to set up a database to be shared among all companies in Brazil, which will help to improve sustainable development.

The company’s main relationships in this regard can be seen at www.repsol.com.

2009 Awards

In 2009 we obtained the highest possible score in relation to biodiversity protection within the oil and gas sector on the Dow Jones Sustainability World and Dow Jones Sustainability STOXX indexes, for the second year running.

2010 objectives

To continue carrying out biodiversity actions and applying related regulations throughout all our businesses.

To continue to plan and develop Biodiversity Action Plans (BAPs).

To improve identification, prevention and minimisation of impacts on biodiversity throughout the company’s different activities.

To identify assess possible strategic relationships international organisations.