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We are an integrated energy and mobility company. We bring you the energy solutions you need, as well as products and materials that are useful in your day-to-day life.

We design solutions to improve your daily life

- **Average net production**: 695 kbbl (thousand barrels of oil equivalent per day)
- **Refining capacity**: +1 million barrels of oil per day
- **Service stations**: 4,709 in Spain, Portugal, Peru, and Italy
- **+90 countries**
- **We distribute lubricants and petrochemical products**

With a diverse and talented team

- **2,355 billion barrels of oil equivalent** Net proved reserves
- **7 Industrial facilities** in Spain, Portugal, and Peru
- **Electric vehicle charging points**: 1,055
- **AutoGas supply points**: 767
- **84 nationalities**

We strive for innovation in management, digitalization, and technology in order to design the energy of the future and boost the sustainable growth of society.

With sustainability as a key component of management:

- **4,5 million metric tons emissions cut during the 2006–2017 period**
- **Circular economy**: +120 initiatives detected
- **+25,000 employees**
- **37 countries**
Dear shareholders,

Each year, the Annual Report gives me the chance to share some reflections on the evolution of the energy sector with you. On this occasion, I would like to tell you about why the companies that offer energy to society are undergoing such a deep and necessary transformation.

All over the world, energy companies have started exploring new, less traditional possibilities, and are changing the way they work. We are doing this with two aims in mind: to respond to growing energy demands and to continue doing this efficiently, while treating both the planet and society with respect.

One of our company’s strong points in order to achieve these objectives is the Exploration and Production business unit. Our global presences, and the quality and diversity of our assets mean that we are able to meet society’s growing energy demands, both now and in the future. In 2017, the company’s net proved reserves amounted to 2.355 billion barrels of oil equivalent, and we had an organic reserve replacement ratio of 93%.

These figures guarantee that we’ll be able to carry on incorporating resources in order to maintain our leading role as an efficient, sustainable, and competitive energy provider for millions of people across the world.

To meet these objectives sustainably, we’ve been basing our company’s strategy around innovation and technology for a long time. For years, we have been strongly investing in R+D+I. We have an innovation model based on collaboration with technological partners to develop projects and investments in startups, which helps us to create new technologies and business models. Innovation should be key to solving some of our society’s biggest issues over the next few years, for example, improving air quality in cities. In my opinion, one of the most effective methods to achieve this would be to renovate the current vehicle fleet. In Spain, the vehicle fleet is particularly old and renewal would mean thousands of more efficient vehicles coming into circulation, with engines that reduce fuel consumption and emissions.
Our future lies in becoming a global, multi-energy provider, capable of offering everyone the energy they need at any given time.

Alongside these measures, we at Repsol are convinced that the future lies in encouraging sustainable transportation. This is why we are investing in AutoGas, the most widely used alternative fuel in the world, with more than 26 million vehicles. We are the leading provider of this fuel in Spain.

Another pillar of our company’s strategy is digitalization, a tool that I feel is key to becoming more efficient and better at what we do using solutions like cloud computing, artificial intelligence, the Internet of Things (IoT), or big data. Incorporating the latest digital and data management technologies enables us to find, produce, and supply energy resources in a profitable way that respects the environment and improves the success rate of our exploratory projects.

At Repsol, we know that all of the changes happening in the energy sector are achievable and necessary, but we also understand that we must tackle them in a sustainable way. This is why we have chosen to set 15 improvement objectives for 2020 in areas such as ethics and transparency, people, operational safety, the environment, climate change, and innovation and technology. All of them are based on the UN’s Sustainable Development Goals for 2030.

We are also very committed to a circular economy – a production and consumption model based on the sustainable management of resources, processes, and waste products. This model reduces the consumption of raw materials and encourages the reuse of waste in other sectors of the economy. In 2017, we set up over 100 circular economy projects, mainly linked to energy efficiency, finding alternative resources, or shrinking our carbon footprint.

With regards to environmental conservation, I would like to point out the work that we are doing to combat climate change, one of the biggest challenges of our time. At Repsol, we feel that our sector should be part of the solution to climate change. Since 2006, we have reduced our CO₂ emissions by 4.5 million metric tons thanks to our investments to improve the energy efficiency of our operations and products through innovation and technology.

Another key part of our carbon strategy is our commitment to natural gas. We believe that this fuel provides a fantastic opportunity to reduce CO₂ emissions on a large scale, as it produces half as many emissions as coal. This means that it is very important to substitute coal with natural gas in electricity generation. Our company has spent years investing in this energy source, which now makes up 74% of our reserves.

The higher percentage of natural gas in the energy mix confirms that hydrocarbons will continue to play an important role in the coming decades. We are convinced that no source of energy should be ruled out a priori in the transition to a low-emissions future, as society needs an increasing amount of energy. If we want to ensure that emission reduction is compatible with economic growth and job creation, all sources of energy will be necessary in varying measures in the medium-term.

Our future lies in becoming a global, multi-energy provider that is capable of offering everyone the energy they need at any given time in a secure, competitive, and sustainable manner. I strongly believe that we are on the way to achieving this thanks to the hard work and commitment of our human team.

Thank you all for believing in us.

Antonio Brufau Niubó
Chairman
Dear shareholders,

Once again, I am here to let you know how our company did in 2017, as well as fill you in on the main projects that we’re taking on at the moment.

2017 has been a key year for Repsol. Thanks to the strength of our integrated business model and our ability to adapt to the crude oil and gas price scenario, we have secured an adjusted net income of €2,405 billion. This is a 25% increase on our 2016 result and the best of the past six years, showing how our businesses are developing. These results reflect the efforts of the company’s human team. Without them, we wouldn’t have been able to achieve this.

Our businesses’ steady progress has allowed us to increase the EBITDA by 29%, reaching a five-year high of €6,723 billion. In addition, the efficiency plans we have developed over the last few years have helped us to reduce the company’s net debt by 23% to €6,267 billion. This is almost €2 billion lower than in 2016.

The Upstream area’s net result increased to €632 million, 12 times more than in 2016. Net hydrocarbon production rose to 695,000 barrels of oil equivalent per day, its highest level since 2011. Two of the Upstream area’s major milestones were the discoveries in Savannah and Macadamia (Trinidad and Tobago) and Alaska (United States), the latter being one of the ten largest hydrocarbon discoveries worldwide in 2017. During this period, the company has started up six new assets, including the Sagari (Peru) and Reggane (Algeria) projects. These two projects strengthen the presence of gas in our assets portfolio, which currently represents 63% of our production and 74% of our reserves.

These great results have been recognized by Standard & Poor’s Global Platts, who named us the best Exploration and Production company in 2017, for our ability to generate value in a context marked by volatility and low crude oil prices.

Downstream achieved an adjusted net income of €1,877 billion thanks to the quality of our industrial assets and commitment to new markets and businesses.
Specifically, the area of Refining got a better result than in 2016, driven by the 7.9% increase in the refining margin indicator and the efficiency of our integrated system. Our Chemicals and Lubricants businesses continue to expand internationally and have brought our products to market in over 90 countries.

We have taken further action in the Marketing area to continue to offer the best service to our customers. We have reached agreements with important partners like Amazon and El Corte Inglés, and have launched the application Waylet, which allows you to pay in our service stations via cell phone. In March 2018, we achieved one of the company’s major milestones – breaking into the Mexican fuel market – which is a great opportunity for growth and internationalization. This shows that the Downstream area has a lot of room for growth where we can set more ambitious objectives, maximizing return on our current activities, applying our successful business models to other countries, and incorporating new energy products and services.

The figures I have mentioned reflect the efficiency of the measures we have put in place as part of the 2016-2020 Strategic Plan. In fact, we have met its objectives two years ahead of schedule. One of the key tools has been the synergy and efficiency program, which has allowed us to save close to €2.4 billion, bypassing the initially planned €2.1 billion.

These results were reflected in our share price, which reached €14.75/hare at the end of 2017. This represents a 46% revaluation, exceeding the IBEX-35 index. The Board of Directors approved shareholder remuneration of 0.9 euros per share, 12.5% higher than the previous year. In addition, the company’s management and its results have been valued by credit rating agencies, which have unanimously improved Repsol’s ratings.

In early 2018, a key operation for our company took place: selling our stake in Gas Natural. This will give us the room to develop our key sectors, such as gas marketing activities, and increase our presence in alternative energies. At Repsol, we firmly believe that the energy sector is going to be transformed over the next few decades, and this sale is a step that will help us to maintain our leading position in the industry.

We will put forward a new road map that will enable us to continue providing value for our shareholders, society, and our company. We must ensure that Repsol is competitive by 2030 and move from resilience to growth, taking advantage of all the benefits of being a big little company, as well as our streamlined management and the strength of our structure. A future project, built on the pillars of digitalization, technology and innovation in management. Alongside these factors, sustainability forms a key part of our vision for the future and all of the decisions that we make as a company.

In 2017, we have taken huge steps forward in the fight against climate change. In May, we became the first company in the Oil & Gas sector to issue a green bond of €500 million, which will be used to fund more than 300 emissions reduction projects based on improving efficiency through innovation and technology.

In addition, we signed an agreement with Kia in early 2018 to launch the WiBLE carsharing service in Madrid. This is a clear investment in sustainable mobility in cities.

A year on, I don’t want to say goodbye without thanking you again for trusting in our company’s projects, as you do year after year. All of the professionals that make up Repsol will continue working to provide value for society and our shareholders, with a firm commitment to efficiency and sustainability.

Many thanks.

Josu Jon Imaz San Miguel
CEO
We produce and market a wide range of petrochemical products that are necessary for everyday life. We develop, produce, and market lubricants, specialized petroleum derivatives, and asphalts.

Regasification of liquefied natural gas, marketing and trading of natural gas in North America, and the supply of gas, marketing of LNG, and trading of electricity in Spain.

Our activity starts with the acquisition of new onshore (on land) and/or offshore (at sea) mineral rights. We carry out geological and geophysical work as well as environmental impact assessments to determine the potential of the accumulated hydrocarbons.

If the exploration result is positive, we drill wells and build collection systems and processing plants. All our operations are performed following strict policies that govern sustainability, safety, and transparency, to ensure the project is carried out correctly.

We extract reserves from the field to be marketed as oil and gas. We also carry out transportation, control, and maintenance Works.

Once the hydrocarbons have been extracted they are either transported to supply the refineries or are sold in international markets. The best supply alternatives are also sought for the Downstream system and the surplus is marketed for export.

Once the fields are depleted, they are dismantled following strict safety measures.

We process and distribute liquefied petroleum gas (LPG) in different formats: bottled, bulk and AutoGas.

Using physical and chemical processes we transform crude and other raw materials into higher quality, value-added products to be marketed.

We produce and market a wide range of petrochemical products that are necessary for everyday life.

We market fuel through our network of service stations and via other sales channels that provide service to the aviation and marine sectors, large industries, and end customers, among others.

We develop, produce, and market lubricants, specialized petroleum derivatives, and asphalts.

Regasification of liquefied natural gas, marketing and trading of natural gas in North America, and the supply of gas, marketing of LNG, and trading of electricity in Spain.

An integrated energy company

UPSTREAM

Downstream

Exploration Development Production Trading Decommissioning LPG Refining Chemicals Marketing Lubricants, Asphalts, and Specialized Products Gas & Power

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Regasification of liquefied natural gas, marketing and trading of natural gas in North America, and the supply of gas, marketing of LNG, and trading of electricity in Spain.
Board of Directors

Chairman
Antonio Brufau Niubó
Chairman of the Delegate Committee
Outside Director

First Vice-Chairman
Gonzalo Gortázar Rotaeche
Member of the Delegate Committee
Member of the Compensation Committee
Proprietary Outside Director

Second Vice-Chairman
Manuel Manrique Cecilia
Member of the Delegate Committee
Proprietary Outside Director

Chief Executive Officer
Josu Jon Imaz San Miguel
Member of the Delegate Committee
Executive Director

Board members
Mª Teresa Ballester Fornés
Member of the Audit and Control Committee
Independent Outside Director

Artur Carulla Font
Member of the Delegate Committee
Member of the Nomination Committee
Chairman of the Compensation Committee
Lead Director
Independent Outside Director

Luis Carlos Croissier Batista
Member of the Audit and Control Committee
Member of the Sustainability Committee
Independent Outside Director

Rene Dahan
Member of the Delegate Committee
Proprietary Outside Director

Ángel Durández Adeva
Chairman of the Audit and Control Committee
Member of the Compensation Committee
Independent Outside Director

Jordi Gual Solé
Member of the Nomination Committee
Member of the Sustainability Committee
Proprietary Outside Director

José Manuel Loureda Mantitán
Member of the Nomination Committee
Member of the Compensation Committee
Proprietary Outside Director

Mariano Marco Carpio
Independent Outside Director
Member of the Nomination Committee
Chairman of the Sustainability Committee

Isabel Torremocha Ferrezuelo
Independent Outside Director
Member of the Audit and Control Committee

J. Robinson West
Member of the Delegate Committee
Independent Outside Director

Luis Suárez de Lezo Mantilla
General Counsel and Secretary
to the Board of Directors
Member of the Delegate Committee
Executive Director

Board of Directors structure as of April 4th 2018.
Net profit: 2.121 billion euros, up 22%.
The highest EBITDA in the last five years.

EBITDA: 6.723 billion euros.

Net debt reduced since 2015.

Revaluation in the last two years:
Exceeding the revaluation of IBEX-35.

Net debt: 6.554 billion euros, down 47%.

Repsol share:
2016: 14.75 euros per share at year-end
2015: 13.42 euros
2017: 10.12 euros

Upstream

632 million euros
Adjusted net income: 12 times that of 2016.

Upstream:

Gas: 240 kboe/d
Average net production for 2017: 1.738 Mboe
Highest level of production in the last six years:

Liquids: 255 kbbl/d
Net proved reserves for 2017: 2.355 billion barrels of oil equivalent

Downstream

1.877 billion euros
Adjusted net income: 7.9%.

Downstream:

Gas: 1,738 Mboe
Highest level of production in the last six years:

Liquids: 617 Mbbl

Evolution of the refining margin index in Spain:

2017: 48,048 Oil product sales
2016: 51,836
2015: 6,8

7.9%

One of the highest refining margin indicators in Europe:

Oil product sales:

Thousands of metric tons:
2017: 37,956
2016: 48,048
2015: 6,8
In 2017 the Upstream area achieved earnings of €632 million, twelve times that obtained in the previous year. Additionally, the company increased its net production to 695,000 barrels of oil equivalent per day, the highest recorded since 2011.

Their improved earnings were mainly due to the measures of the synergies and efficiencies program, the restart of production in Libya, and higher international benchmark prices.

In 2017, the company made major discoveries that strengthened Upstream’s prospects. It made the greatest conventional onshore discovery of hydrocarbons in the last 30 years in the United States with the Horseshoe-1 and Horseshoe-1A exploratory wells in Alaska’s North Slope, and made the greatest discovery of gas in the last five years with the Macadamia and Savannah exploratory wells in Trinidad and Tobago.

In December, Repsol was recognized as the best Exploration and Production company in 2017 by the international agency Standard & Poor’s Global Platts for its ability to generate value in a context marked by volatility and low crude oil prices.

In 2017, Downstream continued to be the company’s main cash generator thanks to the quality of our industrial assets, great commercial management, and our commitment to international Chemical markets.

With respect to Refining, profits increased compared to the previous year. Repsol increased the volume of crude oil processed and took advantage of the higher margin index, which grew 7.9% to $6.8 per barrel in Spain.

The Chemicals business maintained the positive performance of the previous year and benefited from the favorable international margins. The company continued to market new differentiated products, such as the new Repsol Healthcare® polyolefin range for the pharmaceutical market.

The service station business continued with its commitment to technological innovation and the digital environment with the launch of the Repsol Waylet application, which allows our customers to pay with their smartphone. Likewise, it reached agreements with companies such as Amazon for the customers to collect their purchases at service stations, or El Corte Inglés, to extend the SuperCor Stop & Go store implementation agreement.

The Lubricants business continued its growth strategy with the launch of the new Repsol Motorcycle line and the start of sales in Thailand and Mexico, as well as the investments in the Puertollano plant to increase its production capacity.
Repsol has achieved 76% of the emission reduction target for 2020.

Repsol constantly strives to reduce its greenhouse gas emissions (GHG), one of the strategic aspects of its Global Sustainability Plan. Between 2014 and 2020, we committed to decreasing our CO2 emissions by 1.9 million metric tons. At the end of 2017, we had already reached the 1.4 million metric ton mark, which represents 74% of the planned target. In 2017, the reduction amounted to 216,000 metric tons.

Furthermore, Repsol became the first oil and gas company in the world to issue a certified green bond last year. Worth €500 million, the bond will fund over 300 projects to reduce our emissions, improving energy efficiency through innovation and technology.

The fund created by the Oil & Gas Climate Initiative (OGCI) to support the development of innovative low-emission technologies made its first investments in 2017. This organization, created by Repsol and other large industry companies, selected three projects aimed at reducing GHG emissions: the use of CO2 in cement production, the development of more efficient engines, and the design of a large-scale natural gas-power plant with carbon capture and storage.
At the end of 2017, production began in the Reggane Nord gas field in Algeria, one of our company’s most important projects in Africa. The operator consortium in charge of developing the project is formed mainly by Repsol and Sonatrach, with a working interest of 29.95% and 40%, respectively. The Reggane Nord area is located in the Algerian part of the Sahara Desert, approximately 1,500 km to the southwest of Algiers. The development project included the construction of a gas processing plant, and hundreds of miles of gas collectors, roads, and a pipeline.

These fields will reach their maximum production capacity of 8 million cubic meters of gas per day in 2018. Production is estimated to continue until 2041.

This initiative forms part of our commitment to moving towards a less carbon-intensive energy model. Gas currently accounts for 63% of our production and some 74% of our reserves.

We make our debut in the Mexican fuel market

The company expects to end 2018 with 200 service stations in the country.

One of Downstream’s strategic lines is to internationalize its businesses in order to take advantage of opportunities for growth in new markets. This is exactly what we are doing in the Mexican fuel market. Repsol inaugurated its first ten service stations there in March 2018. With this milestone, the company has initiated a long-term project to achieve an 8-10% market share. Repsol expects to end 2018 with 200 stations in the country. All of them must exemplify the highest standards of quality, trust, and transparency, which characterize our service in every country where we operate.

In María Victoria Zingoni’s words, Executive Managing Director of Downstream “Mexico has enormous growth potential, which our company has recognized as a great opportunity and a strategic market. We have a strong interest in participating in logistical infrastructure projects to optimize the fuel supply model in the country. Opening these service stations is merely the first step in a larger strategy that will allow us to play an important role throughout the sector value chain in Mexico.”

The company plans to invest nearly €400 million, demonstrating its intention to become a key player in the Mexican energy market.
In 2017, Marc Márquez became World MotoGP champion for the fourth time in the second consecutive year. This victory came down to his individual talent as a rider and Repsol and Honda’s teamwork spanning more than two decades.

This team is made up of 20 engineers from the two companies that work to develop the engine, fuel, and lubricant used by the riders. This collaboration based on innovation and technology has helped us win 13 individual titles and get over 150 victories.

The fuels and lubricants that the Repsol Honda team riders use in training and official tests are designed and manufactured at our Repsol Technology Center in Móstoles, Madrid. In total, our researchers dedicate 10,000 hours per year to the racing program.

The MotoGP World Championship is the best possible test bench for our products, giving us the opportunity to test them under extreme conditions. Subsequently, all of this knowledge is used to design fuels and lubricants that we sell in our service stations, aiming to continue improving their efficiency and performance for our customers.

In 2017, another Repsol Honda team member Toni Bou got his 22nd world championship title, once again conquering the X-Trial and Trial Outdoor championships.

In 2017 we redesigned the Repsol Guide and put together an updated version of this travel companion. We have included the latest trends in content and digital tools, partnerships with leading hotel and restaurant booking operators, and a multi-platform that is unique to the market and offers great potential.

Each of the formats (web, print, and app) complement one another and meet the needs of a new, better-informed, and more technological user.

The paper-based version of the Repsol Guide includes a travel book with more than 40 “Inspirations”, or reports on routes and destinations. We want to use the guide to build a new relationship with the public.

The new website uses formats that best meet travelers’ needs, including videos, quality photographs, targeted social networking, music, etc., taking the users’ location and new needs into account.

We are also committed to developing a strong digital personality and presence, focusing on mobile devices. For this reason, we have developed the new Repsol Guide app. It aims to provide a comprehensive travel experience, with planning and organizational tools that offer advice in everyday language.

This converts the new Repsol Guide into one of the company’s new digital assets aimed at the general public, allowing synergies with other Repsol digital channels.
At Repsol, digitalization presents great opportunities to improve our businesses’ performance by increasing revenue, improving efficiency, and driving sustainable growth. Digitalization is also an extraordinary springboard for creating and generating new products and services. With this objective in mind, we have set up an ambitious digitalization program that involves all the businesses and key areas such as People and Organization and the Technology Center. In addition, we have created a Digitalization and Information Technology area that will be responsible for launching the program over the next few years.

The launch of Waylet was one of the biggest milestones of 2017. This application improves the customer experience by allowing customers to pay with their cell phone in our service stations. In January 2018, the company acquired 70% of the capital of the startup Klien, with the objective of further promoting Waylet and converting it into a leading payment and loyalty method for all types of businesses. The mass use and treatment of data has also allowed us to make decisions in the Upstream business. Scientists at the Repsol Technology Center characterize reservoirs, comparing data and establishing analog models that enable us to predict their nature and behavior. To bring the digitalization program to life, Repsol is looking to collaborate with cutting-edge companies in the technology sector. In the same way, we established a partnership with Microsoft to find innovative solutions for the energy industry based on cloud computing technologies, artificial intelligence, the Internet of Things (IoT), big data, and mixed reality, among others.

As a leading energy supplier, Repsol is taking a step forward in terms of sustainable mobility. In early 2018, Repsol and Kia announced that they were to jointly launch a new carsharing operator in the city of Madrid under the name WIBLE (Widely Accessible). The Spanish capital’s new shared hire-car service will hit the market in the second half of the year, with a fleet of 50 Kia Niro Plug-in Hybrids. The technology used means that the cars have been deemed “zero emissions” by Spain’s Directorate General for Traffic. You’ll be able to use WIBLE to travel in the center or outskirts of the city. The vehicles have an electrical autonomy of over 50 kilometers, which is increased to 600 km by hybrid technology.

WIBLE will also be the only carsharing service in Madrid to offer you a car with a five-star NCAP rating. This means that it has passed the most demanding safety and protection tests. This project reaffirms Repsol’s commitment to offering mobility solutions with innovative initiatives that offer alternative vehicles and value to our customers.
Repsol made a net profit of €2.121 billion in 2017, 22% more than in 2016. Thanks to the low prices of raw materials, supported by the strength of our businesses and efficiency plans, we achieved the best net result of the last six years.

Repsol’s integrated business model enabled the company to tackle this situation and take advantage of the slight recovery of crude oil and gas prices from June onwards. Management’s focus on creating value, flexibility, and diversification gained through the integration of our businesses drove our adjusted net income up by 25% through the integration of our businesses and synergies program, Repsol could take advantage of the recovery of crude oil and gas prices.

The management of the company, as well as the fact that we not only met but exceeded the objectives we had announced to the market, directly impacted the scores that we were given by credit rating agencies, which unani mously improved. All of these figures were reflected in our market capitalization. Repsol shares rose in value by 10% during the year, contributing to the 46% increase over the last two years. In May 2017, the company issued a certified green bond, making us the first company in the Oil & Gas sector worldwide to use this type of asset. This bond will fund more than 300 CO2 emissions reduction projects. Thanks to the measures put in place by the company through our efficiencies and synergies program, Repsol could take advantage of the recovery of crude and gas prices. This was followed by the restart of production in Libya, further improving these results.

The average international raw materials prices stayed low throughout 2017, with a Brent price of USD 54.2/barrel, and a Henry Hub of USD 3.1/mbtu. In the second half of the year, the market began on a spectacular upward trend and the Brent price closed the year above USD 66/barrel, its highest value since June 2015.

Downstream’s results of €1.877 billion were in line with previous years, showing that the area is an important cash generator for the company. During the year, the areas of Refining, Marketing, Trading, Gas & Power, and Peru increased their results, while Lubricants increased sales, and Chemicals held on to its strong position of the last two years.

The steady progress of our businesses has led to a 25% increase in EBITDA which reached a five-year high of €6.723 billion. In the same way, the company reduced its debt by 23% compared to 2016, bringing it to €6.267 billion by the end of the period.

The execution of the efficiencies and synergies program generated close to €1.9 billion in savings. We exceeded our expectations and achieved the €2.1 billion savings objective of the 2018 strategic plan a year ahead of schedule.

Repsol’s adjusted net income increased by 25% thanks to the restart of activity in Libya, increases in several assets, and the startup of new projects such as Juniper in Trinidad and Tobago; Lapa and Sapirvosa in Brazil; and Shaw, Cayley, and Flyndre in the UK. With this figure, Repsol surpassed its 2017 objective of 680 thousand barrels of oil equivalent per day, all while replacing our reserves with an organic replacement ratio of 93%.

Repsol’s integrated business model enabled the company to tackle this situation and take advantage of the slight recovery of crude oil and gas prices from June onwards. Management’s focus on creating value, flexibility, and diversification gained through the integration of our businesses drove our adjusted net income up by 25% through the integration of our businesses and synergies program, Repsol could take advantage of the recovery of crude oil and gas prices. This was followed by the restart of production in Libya, further improving these results.

The average international raw materials prices stayed low throughout 2017, with a Brent price of USD 54.2/barrel, and a Henry Hub of USD 3.1/mbtu. In the second half of the year, the market began on a spectacular upward trend and the Brent price closed the year above USD 66/barrel, its highest value since June 2015.

Repsol signed an agreement with Roja Bidco Shareholdings S.L.U., (a subsidiary company for further divested by CVC) to sell our 20.07% stake in Gas Natural for a total sum of €3,816,314,502, equivalent to €19/share.

The management of the company, as well as the fact that we not only met but exceeded the objectives we had announced to the market, directly impacted the scores that we were given by credit rating agencies, which unani mously improved. All of these figures were reflected in our market capitalization. Repsol shares rose in value by 10% during the year, contributing to the 46% increase over the last two years. In May 2017, the company issued a certified green bond, making us the first company in the Oil & Gas sector worldwide to use this type of asset. This bond will fund more than 300 CO2 emissions reduction projects. Thanks to the measures put in place by the company through our efficiencies and synergies program, Repsol could take advantage of the recovery of crude and gas prices. This was followed by the restart of production in Libya, further improving these results.

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This led the company to increase our average net production to 695 thousand barrels of oil equivalent per day, all while replacing our reserves with an organic replacement ratio of 93%.

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Repsol’s adjusted net income increased to €1632 million, €530 million higher than the €52 million earned in 2016. Thanks to the measures put in place by the company through our efficiencies and synergies program, Repsol could take advantage of the recovery of crude and gas prices. This was followed by the restart of production in Libya, further improving these results.

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This led the company to increase our average net production to 695 thousand barrels of oil equivalent per day, all while replacing our reserves with an organic replacement ratio of 93%.
During the period, Repsol achieved various milestones in projects that have increased the value of our portfolio, including the start-up of six new assets. These include gas production in Juniper (Trinidad and Tobago), which started in August, and crude production which started in the Kinabalu offshore field redevelopment in Malaysia in October. Production in Sagari (Peru) began in November, where around a quarter of the gas consumed in Peru is extracted. In December, Repsol and our partners started up the important Reggane Nord (Algeria) gas project, which will reach its maximum production capacity of 8 million cubic meters of gas per day in 2018. This would meet 10% of the demand for gas in Spain. We have also been awarded blocks in countries like Brazil, the United States, Bolivia, and Mexico, and have started to develop Bucskion, a large scale deepwater project in the US Gulf of Mexico. In addition, the company has made investment decisions regarding the Yme (Norway), Angelin (Trinidad and Tobago), and MLN (Algeria) projects. In terms of exploration, 2017 was a year of big discoveries for Repsol. In March, we announced the greatest conventional onshore discovery of hydrocarbons in the last 30 years in Alaska (United States). Its contingent resources are estimated at 1.200 billion recoverable barrels of light crude in the formation where the discovery was made. In Trinidad and Tobago, the company made the largest gas discovery in the last five years, with resources estimated to be the equivalent of two years of Spain’s gas consumption.

Downstream

Downstream achieved an adjusted net income of €1.877 billion, in line with its €1.883 billion result in 2016. It continues to be an important cash generator for the company. Refining’s performance was as strong as the previous year. The company increased the volume of crude oil that it processed and took advantage of the improved index margin in Spain, which reached USD 6.8 per barrel, 7.9% higher than 2016 values (USD 6.3). During the year, Repsol carried out maintenance shutdowns at the Cartagena, Bilbao, and A Coruña facilities that improved innovation, energy efficiency, and productivity. These measures help Repsol to stay at the top of the sector in Europe. The Marketing department improved its results and increased sales. Our service stations increased their sales volumes, while continuing to innovate with new services designed to broaden the range of goods available to our customers. For example, we reached agreements with companies such as Amazon for the customers to collect their purchases at service stations, as well as with El Corte Inglés to expand the Supercor Stop & Go store implementation agreement. Likewise, the company launched the application Waylet, which allows customers to pay with their cell phone in service stations and enjoy discounts and promotions. We will continue to develop the application into a universal mobile payment method. The company recently announced the launch of our Carsharing service named WiBLE together with Kia. As Spain’s leading energy provider for mobility, Repsol seeks to drive innovative initiatives with this project, offering alternative ways to travel and providing value for our customers. The Trading and Gas & Power areas’ contribution to the to the company’s results was higher than the previous year thanks to the company’s improved performance in North America and positive Trading activity, which benefited from higher demand and better margins. Lubricants increased their sales, while proceeding with their internationalization strategy. This has put our products up for sale in more than 90 countries. This area’s strategic plan aims to double the total volume of sales to 300,000 metric tons and quadruple international sales. To provide for this growth, Repsol is investing €3 million in our Puertollano plant, which produces almost 80% of all the company’s lubricants. Chemicals built on their good results from 2015 and 2016, consolidating improvements in efficiency and making progress in terms of differentiation.

### RESULTS FOR THE PERIOD

<table>
<thead>
<tr>
<th>Million euros</th>
<th>2016</th>
<th>2017</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upstream</td>
<td>52</td>
<td>632</td>
<td>580</td>
</tr>
<tr>
<td>Downstream</td>
<td>1,883</td>
<td>1,877</td>
<td>(6)</td>
</tr>
<tr>
<td>Corporate and other</td>
<td>(14)</td>
<td>(16)</td>
<td>(2)</td>
</tr>
<tr>
<td>Adjusted Net Income</td>
<td>1,872</td>
<td>2,405</td>
<td>433</td>
</tr>
<tr>
<td>Inventory effect</td>
<td>131</td>
<td>104</td>
<td>(27)</td>
</tr>
<tr>
<td>Special items</td>
<td>(110)</td>
<td>(38)</td>
<td>(72)</td>
</tr>
<tr>
<td>Net Income</td>
<td>1,716</td>
<td>2,321</td>
<td>583</td>
</tr>
</tbody>
</table>

36

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36

37
En España, continúan regulados los precios de venta de GLP analizado y del envasado con cargas entre 8 y 20 kilogramos con una tara superior a 9 kg, excluidos los envases de mezcla.
Repsol’s Upstream area carries out oil and natural gas exploration and production activities. We have a balanced asset portfolio focused on strategic production areas such as North America, Southeast Asia, and Latin America.

“In Upstream, we focus on improving the profitability of our assets and operations. This will make us stronger and allow us to add more value, regardless of oil and gas prices.”

Luis Cabra
Executive Managing Director of Upstream

2017 Milestones

Upstream Operational efficiency

Adjusted net income: million euros

632

Milestones

Operational efficiency

Average net production barrels of oil equivalent per day

695 thousand

Net proved reserves barrels of oil equivalent

2.355 billion

Percentage of gas in our asset portfolio

63% 74%

Net proved reserves are gas of our production in gas of our asset portfolio

1.2 billion barrels of crude

Alaska

March 2017

Biggest onshore conventional oil discovery in 30 years on U.S. soil. Estimated resources of approximately 1.2 billion barrels of recoverable light crude.

63%

695

2.355

74%

63%

2.355

695

74%

63%

2.355

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74%

63%

2.355

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74%

63%
As an integrated company, the starting point of the energy that Repsol provides to society can be found in Exploration and Production. In 2017 our Upstream area participated in exploration and production projects in 31 countries, with operated assets in 25 of them. As of December 31st, the company held mineral rights to a total surface area of 205,382 km².

In 2017, this business’s adjusted net income amounted to €632 million, up €580 million on the previous year thanks to efficiency improvements, the restart of production in Libya, and an increase in international benchmark prices. Gas continues to strengthen its presence in our production assets and reserves portfolio, accounting for 63% and 74% respectively, in 2017. This hydrocarbon is a basic element for the future energy mix and is expected to further increase its bearing on the world energy matrix in the coming decades.

In 2017, production also started up at other major assets, including Reggane Nord in Algeria, Sagan in Lot 57 in Peru, Juniper in Trinidad and Tobago, the Kurukulu redevelopment project in Malaysia, and Flyndre and Shaw/Cayle in the United Kingdom.

Two of the major milestones of the Upstream area in 2017 were the discoveries made in Trinidad and Tobago and in Alaska (United States). The Alaska discovery is the largest onshore conventional hydrocarbon discovery in the last 30 years, with estimated resources of around 1.2 billion barrels of recoverable light crude. It was one of the largest discoveries of hydrocarbons worldwide in 2017.

In June, we announced the largest gas discovery made by Repsol in the last five years and the largest gas discovery in Trinidad and Tobago in the last decade. Resources are estimated at approximately 2 trillion cubic feet of gas, equivalent to two years of gas consumption in Spain.

<table>
<thead>
<tr>
<th>Region / Area</th>
<th>2016</th>
<th>2017</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe, Africa and Brazil</td>
<td>€167</td>
<td>€355</td>
<td>€188</td>
</tr>
<tr>
<td>Latin America</td>
<td>€274</td>
<td>€386</td>
<td>€112</td>
</tr>
<tr>
<td>North America</td>
<td>€9</td>
<td>(€4)</td>
<td>(€13)</td>
</tr>
<tr>
<td>Asia and Russia</td>
<td>€(4)</td>
<td>€161</td>
<td>€157</td>
</tr>
<tr>
<td>Exploration and other</td>
<td>€114</td>
<td>€227</td>
<td>€113</td>
</tr>
<tr>
<td>Adjusted Net Income</td>
<td>€52</td>
<td>€632</td>
<td>€580</td>
</tr>
</tbody>
</table>
Production
In 2017, our average net production reached 695,000 barrels of oil equivalent per day, up 5,000 barrels per day from 2016. This increase was largely due to the restart of production in Libya, the drilling of new wells in Sapinhoá and Lapa in Brazil, and the startup new projects in Trinidad and Tobago (Juniper) and the United Kingdom (MAR and Flyndre and Shaw/Cayle).

Reserves
On December 31st, 2017, the company’s proved reserves amounted to 2,355 Mboe, of which 617 Mboe (26%) corresponded to crude oil, condensed oil, and liquefied gases, and the remaining 1,738 mboe (74%) to natural gas. These reserves were estimated in accordance with the criteria established by the Society of Petroleum Engineers’ Petroleum Reserves Management System.

The evolution of reserves includes the incorporation of a total of 227 Mboe in 2017, mainly as a result of extensions and discoveries in the United States and previous revisions of estimates in this country, as well as in Trinidad and Tobago, Brazil, Vietnam, and Libya. In 2017 we achieved an organic reserve replacement ratio (ratio of total incorporations of proved reserves, excluding purchases and sales, to production during the period) of 93%.
Downstream
Solid cash generation

The Downstream business supplies and trades crude oil and products, refines oil, and produces and markets petroleum products, petrochemicals, and liquefied natural gas (LNG).

“...In an increasingly globalized environment, our Downstream business strives to continue gaining a competitive edge. We want to foresee society’s new needs by offering different responses and focusing on the search for new opportunities worldwide.”

María Victoria Zingoni
Executive Managing Director of Downstream

1.877
Adjusted net income billion euros

Keys to strong performance

The quality of our industrial assets
The competitive advantage of our integrated model
The opening of new businesses and markets
The strength of our commercial businesses

1,877
Adjusted net income billion euros

4,709
service stations worldwide

↑20% growth in natural gas sales in North America

↑7.9% rise in the refining margin indicator in Spain

↑7.9% increase in petroleum product sales

90 countries where we distribute lubricants and petrochemical products

↑8.1% rise in Autogas sales in Spain

2017 Milestones

Puertollano lubricants plant
Start up of the third production shift at the Puertollano lubricants plant (Spain) and the beginning of investments to increase its production capacity to 170,000 tons per year by 2021.

Repsol Healthcare®
Launch of the Repsol Healthcare® brand, a new specialized range of polyolefins to supply the pharmaceutical and medical device markets.

Repsol Waylet
Presentation of the new Repsol Waylet application to continue offering the best service to our service station customers.

Supercor Stop & Go
We signed an agreement with El Corte Inglés to create the largest network of local and convenience stores in Spain through our service stations.

Agreement with Amazon
We installed automatic lockers at our service stations. Amazon customers can now use these lockers to pick up their online purchases 24 hours a day, seven days a week.

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Refining
The performance of the Refining area improved again in 2017, recording a significant increase in the amount of crude processed and in the refining margin in Spain and Peru. Specifically, our refining margin rate in Spain increased by 7.9%, from $6.3 to $6.8 per barrel, one of the highest in Europe. As regards Peru, the annual refining margin index was $5.4 per barrel, compared to $3.1 per barrel in 2016. In this context, our refineries processed 47.4 million metric tons of crude oil, 10% more than in 2016. The average use of refining capacity in Spain was 94%, compared to 88% the year before. In Peru, the level of use was higher than in 2016, growing from 68.9% to 89.8% due to the startup of the new low-sulfur diesel units, which are now working at full capacity.

Last year, Repsol performed maintenance shutdowns in Cartagena, Bilbao and A Coruña. At the beginning of 2018, the Puertollano Industrial Complex performed a programmed stop in the Conversion and Distillation areas, with an investment of €75 million.

<table>
<thead>
<tr>
<th>DOWNSTREAM ADJUSTED NET INCOME</th>
<th>2016</th>
<th>2017</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Million euros</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>2,467</td>
<td>2,407</td>
<td>-</td>
</tr>
<tr>
<td>Income tax</td>
<td>(140)</td>
<td>(122)</td>
<td>(0)</td>
</tr>
<tr>
<td>Investees and non-controlling interests</td>
<td>(15)</td>
<td>(18)</td>
<td>3</td>
</tr>
<tr>
<td>Adjusted Net Income</td>
<td>1,883</td>
<td>1,877</td>
<td>(6)</td>
</tr>
<tr>
<td>Inventory effect</td>
<td>133</td>
<td>134</td>
<td>(0)</td>
</tr>
<tr>
<td>Special Items</td>
<td>281</td>
<td>(11)</td>
<td>(292)</td>
</tr>
<tr>
<td>Net Income</td>
<td>2,277</td>
<td>3,810</td>
<td>(403)</td>
</tr>
<tr>
<td>Effective tax rate (%)</td>
<td>23</td>
<td>23</td>
<td>-</td>
</tr>
<tr>
<td>EBITDA</td>
<td>3,367</td>
<td>5,186</td>
<td>9</td>
</tr>
<tr>
<td>Net investments</td>
<td>(496)</td>
<td>717</td>
<td>1,253</td>
</tr>
</tbody>
</table>
These shutdowns, which are aimed at making improvements to innovation, efficiency and productivity, allow the company to maintain its leadership position in the industry at European level. The Repsol Group owns and operates five refineries in Spain (Cartagena, A Coruña, Bilbao, Puertollano, and Tarragona) and one in Peru (La Pampilla).

Chemicals

In 2017, our chemicals activity maintained the line of results obtained in the last two years. The satisfactory situation of the international market, added to the optimal operation of the plants, made it possible to maintain the high volume of sales, which amounted to 2.9 million metric tons, in line with 2016. Furthermore, margins continued to record historical maximums, similar to those of 2016.

Our production is centered in three petrochemical industrial complexes in Puertollano, Tarragona (Spain), and Sines (Portugal). Through Dynasol, a 50/50 partnership with the Mexican group KUO, we have access to synthetic rubber and special chemicals products plants in Spain, Mexico, and China.

In addition to continuing to improve its efficiency, the Chemicals business achieved new advances in its differentiation strategy, consolidating the production of the Repsol Resistex metallocene-based polyethylene range and the Repsol Healthcare® range.

The investments made in 2017 were aimed at improving efficiency, reducing costs and differentiating and improving the quality, safety and environmental standards of the business. Additionally, new projects aimed at improving efficiency during the multi-annual stops envisaged in 2018 in Sines (Portugal) and in the propylene/styrene oxide plant in Tarragona (Spain) are under way.

MAIN FIGURES

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refining capacity (bbl/d)</td>
<td>1,013</td>
<td>1,013</td>
</tr>
<tr>
<td>Conversion rate in Spain (%)</td>
<td>59</td>
<td>63</td>
</tr>
<tr>
<td>Conversion utilization Spanish Refining (%)</td>
<td>115</td>
<td>104</td>
</tr>
<tr>
<td>Distillation utilization Spanish Refining (%)</td>
<td>88</td>
<td>94</td>
</tr>
<tr>
<td>Processed crude oil (million tons)</td>
<td>45.2</td>
<td>47.4</td>
</tr>
<tr>
<td>Refining margin indicator ($/bbl)</td>
<td>6.3</td>
<td>6.8</td>
</tr>
<tr>
<td>Number of service stations</td>
<td>4,715</td>
<td>4,709</td>
</tr>
<tr>
<td>Oil product sales (kt)</td>
<td>48,048</td>
<td>51,836</td>
</tr>
<tr>
<td>Petrochemical product sales (kt)</td>
<td>2,892</td>
<td>2,855</td>
</tr>
<tr>
<td>LPG sales (kt)</td>
<td>1,767</td>
<td>1,575</td>
</tr>
<tr>
<td>Gas sales in North America (Tbtu)</td>
<td>414</td>
<td>496</td>
</tr>
<tr>
<td>LNG regasified (100%) in Carapont (Tbtu)</td>
<td>16</td>
<td>15</td>
</tr>
</tbody>
</table>
Marketing
The Marketing business area improved its results and sales in 2017. Service Stations, for example, increased their marketed volumes – especially Premium products – while continuing to innovate with new services designed to expand the offering to our customers.
Repsol markets its range of products and services through an extensive service station network, and through direct sales to large customers in a variety of industries, including aviation, marine, large industries, and final consumers.
In this regard, we maintained our policy of association with leading market companies in 2017. We have entered into agreements with Amazon, for customers to collect their orders at our stations, and with El Corte Inglés, to create the largest network of local and convenience stores in Spain, under the Supercor Stop & Go brand.
Additionally, Repsol launched the Waylet application, which allows customers to pay at service stations and obtain discounts and promotions. In January 2018, the company acquired 70% of the capital of the start-up Klikin, with the objective of further promoting Waylet and converting it into a leading payment and loyalty method for all types of businesses.
In order to make our customers’ stay more comfortable, in November 2017 we opened a new service station in Madrid, Repsol On, which has a store with carefully selected products and good coffee supplied by Starbucks. The second store will be opened in February 2018 in Ugaldebieta (Vizcaya).
We increased our market share and volume of sales with respect to 2016. In Marketing Portugal, the Service Stations and Direct Sales businesses continued to record good performance in both sales and earnings.
A very relevant milestone was the entry in the Mexican fuel market, in line with our strategy to internationalize our Downstream businesses. The objective is to open between 200 and 250 service stations per year until obtaining a market share of 8–10%.
Trading and Gas
The contribution of the Trading and Gas area to the company’s results was higher in 2017 than in 2016, thanks to the positive performance of Trading activity, which benefited from higher demand, better margins, and the excellent performance of the business in North America.
Our Trading activity is carried out globally through various offices established in the most relevant strategic European, American, and Asian markets. In 2017 we chartered 1,515 ships (1,339 in 2016).
In terms of safety and environment, in 2017 we reviewed our ship assessment procedures, incorporating requirements in accordance with the company’s current risk map.
The volume of gas marketed in North America grew by 20% in 2017. Repsol has regasification and transportation assets in its marketing businesses in North America, including the Canaport regasification plant and gas pipelines in Canada and the United States.

New services for expanding our customer offering

8-10% Objective: to achieve an 8-10% market share in Mexico by 2022

1,515 ships chartered with crude oil and products
VOLUME OF SALES TO THIRD PARTIES OF LUBRICANTS, ASPHALTS AND SPECIALTIES

<table>
<thead>
<tr>
<th>Country</th>
<th>Lubricants</th>
<th>Asphalts</th>
<th>Specialties (1)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Thousand tons</td>
<td>Thousand tons</td>
<td>Thousand tons</td>
<td>Thousand tons</td>
</tr>
<tr>
<td>Spain</td>
<td>313</td>
<td>257</td>
<td>627</td>
<td>656</td>
</tr>
<tr>
<td>Europe</td>
<td>255</td>
<td>253</td>
<td>627</td>
<td>624</td>
</tr>
<tr>
<td>Africa</td>
<td>2</td>
<td>281</td>
<td>240</td>
<td>240</td>
</tr>
<tr>
<td>America</td>
<td>-</td>
<td>34</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Asia and Oceania</td>
<td>-</td>
<td>47</td>
<td>78</td>
<td>78</td>
</tr>
<tr>
<td>Sales to Traders</td>
<td>-</td>
<td>203</td>
<td>200</td>
<td>203</td>
</tr>
<tr>
<td>Total</td>
<td>1,363</td>
<td>802</td>
<td>1,816</td>
<td>1,826</td>
</tr>
</tbody>
</table>

(1) Includes mainly lubricant bases, extensor oils, sulfur, paraffin and propellant gases.

Liquefied Petroleum Gas (LPG)

Repsol is one of the world’s leading LPG retail distribution companies. It ranks first in Spain, with four million active customers, and is the third in Portugal. Our total sales amounted to 1,353,000 metric tons. Sales in Spain increased by 9%, mainly due to an increase in sales to distributors. In Portugal, sales reached 138,000 metric tons. One of the most outstanding products of this business is AutoGas or LPG for auto vehicles, the most widely used alternative fuel in the world, with more than 26 million vehicles. Although in Spain its presence is still limited, sales grew by 8.1% in 2017, which confirms the increase in demand for this economical fuel that helps preserve air quality in cities. In terms of our partnerships, we signed agreements with Honda and Kymco (Spain), and SK Lubricants (South Korea), for the use of our lubricants. In India, we launched the first synthetic product for motorcycles, Repsol Moto 4T Synthetic 10W-60. Additionally, a third production shift was implemented in order to support the growth envisaged in the strategic plan.

In 2017, Repsol implemented various initiatives to promote the use of this fuel including, namely, the signing of agreements with leading automotive brands (Fiat, PSA Group, Ssangyong-Subaru, Opel, and the Renault Dacia Group) to promote the sale of these vehicles or the implementation to a program of commercial incentives to transform vehicles from gasoline to AutoGas. The sale of lubricants grew 3% in Spain and 17% in international markets. Sales of bitumens for asphalts grew 18% and sales of special asphalt products 10%. Additionally, historical maximums were recorded in sales of Group I and II base oils, with 10% growth. In line with our company’s 2016-2021 Strategic Plan, production and distribution of lubricants began in Thailand and Mexico, and a new range of highest-quality Repsol Moto lubricants was launched; developed at the Repsol Technology Center. Together with investments to improve capacity, this change allowed Repsol to obtain a production of 127,000 metric tons. The objective is to obtain up to 170,000 metric tons per year by 2021. In 2017, we began supplying asphalt emulsions for road preservation works in Morocco and producing waxes for rubber in China.
Our commitment
We work to be a more flexible and innovative company, capable of taking on the great challenge that society has put before the industry: to responsibly and sustainably meet the growing energy demand.

Our sustainability model identifies, systematizes, and implements actions that contribute to sustainable development by following criteria that go above and beyond the legal requirements. This model is structured around six pillars, and initiatives are set up within each of them to achieve the objectives set for 2020.

Our commitments
For a sustainable future

We apply sustainability criteria when managing all of our activities. This is the only way we can achieve results both now and in the future. We are strongly committed to the development of our surroundings and we act to safeguard people, protect the environment, and fight against climate change.

"We work to be a more flexible and innovative company, capable of taking on the great challenge that society has put before the industry: to responsibly and sustainably meet the growing energy demand."

Antonio Brufau
Repsol/Chairman

![Green Bond]

Sustainability Model
Our sustainability model identifies, systematizes, and implements actions that contribute to sustainable development by following criteria that go above and beyond the legal requirements. This model is structured around six pillars, and initiatives are set up within each of them to achieve the objectives set for 2020.

Climate change
We work to be part of the solution to climate change.

- 4.5 Mt CO₂ emissions reduced between 2006 and 2017
- 10% rise in the number of people that telework
- 4.5 Mt CO₂ emissions reduced between 2017 and 2018
- 10-20% variable pay compensation linked to safety targets
- 400 M$ invested in R&D since 2013
- 10-20% variable pay compensation linked to safety targets
- 400 M$ invested in R&D since 2013
- 400 M$ invested in R&D since 2013
- 54,000 tax returns filed

People
We invest in people and foster their development and that of their social environment.

- +3,000 employee transfers in 2017
- +4.6% decrease in the workplace accident rate
- +10% increase in the number of people that telework
- +4.6% decrease in the workplace accident rate
- +10% increase in the number of people that telework
- +4.6% decrease in the workplace accident rate
- +10% increase in the number of people that telework

Safe operations
We guarantee the safety of our employees, contractors, partners, and the local community.

- 100% implementation of biodiversity management model
- 24 European patent requests
- +13,000 employees trained in ethics and conduct since 2016
- +13,000 employees trained in ethics and conduct since 2016
- +13,000 employees trained in ethics and conduct since 2016
- +13,000 employees trained in ethics and conduct since 2016

Environment
We only use the resources that are essential for generating the most efficient energy.

- 37.5 M$ invested in emissions reduction actions in 2017
- 10% of water reused in our facilities
- 10% of water reused in our facilities
- 10% of water reused in our facilities
- 10% of water reused in our facilities

Innovation and technology
We promote innovation and incorporate technological advances to improve and grow both internally and with the environment around us.

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- 10% rise in the number of people that telework
- 4.5 Mt CO₂ emissions reduced between 2017 and 2018
- 10-20% variable pay compensation linked to safety targets
- 400 M$ invested in R&D since 2013
- 54,000 tax returns filed

Ethics and transparency
We act responsibly and with integrity wherever we are present.

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We apply sustainability criteria when managing all of our activities. This is the only way we can achieve results both now and in the future. We are strongly committed to the development of our surroundings and we act to safeguard people, protect the environment, and fight against climate change.

“"We work to be a more flexible and innovative company, capable of taking on the great challenge that society has put before the industry: to responsibly and sustainably meet the growing energy demand.”

Antonio Brufau
Repsol/Chairman

Financing for energy efficiency initiatives
+300 M$
We are firmly committed to the ambition expressed in the Paris Agreement to limit the global average temperature of the planet by the end of this century to 2°C with respect to pre-industrial levels. As signatories of the Paris Pledge for Action document, Repsol supports said Agreement and strives to be an active part of the solution to climate change. There are many possible ways to transition into a low-emissions future. At Repsol we have identified three core elements: improved energy efficiency and energy savings; the reduction in emissions from power generation, where natural gas will be a key player; and the deployment of low-emission technologies in final sectors. We establish our strategic decisions and lines of action at the highest executive level, with the Corporate Executive Committee as the body directly responsible for managing climate change. Our climate change strategy is based on five pillars: carbon pricing; energy efficiency, the key role of natural gas; Carbon Capture, Utilization & Storage (CCUS); and renewable energy sources.

CO₂ emissions reduction objectives have a weight of between 5% and 20% in businesses’ objectives. The company’s performance in the fight against climate change directly affects the variable remuneration of employees.

One of our objectives is to reduce CO₂ equivalent emissions by 1.9 million metric tons between 2014 and 2020. In 2017 we reduced CO₂ emissions by 216,000 t.
reduced our emissions by 216,000 metric tons of CO2 equivalent, thereby reaching the 1.4 million metric ton mark, almost 74% of the objective established for the entire period.

Short-term strategy
Carbon pricing is an essential element in the transition to a low-emissions future. In order to make investment decisions for new projects, at Repsol we have established an internal carbon price of $25/t CO2, with the objective of increasing this to $40/t CO2 in 2025. Our company is also committed to efficiency as the main driver of emissions reduction, in order to reduce the energy and carbon intensity of its operations. To this end, we have defined specific objectives and plans including, among others, energy integration projects of units, process optimization, and continuous improvement in the efficient operation of the facilities.

Medium- and long-term strategy
At Repsol, we constantly analyze the different energy supply and demand models to understand how the industry can address the future challenges in terms of climate change mitigation and energy supply. Additionally, we are developing our own scenarios that are compatible with a 2ºC future and, more specifically, with the International Energy Agency’s Sustainable Development Scenario (SDS).

We are addressing this challenge by participating in different international associations such as The Global Oil & Gas Industry Association for Environmental and Social Issues (IPIECA) and initiatives such as Oil & Gas Climate Initiative (OGCI). We are exploring these models and long-term scenarios, in conjunction with other companies in the sector. We believe that these new scenarios offer a significant opportunity for innovation and investment in low greenhouse gas (GHG) emission solutions.

We foresee an increase in the demand for natural gas over the next few years, compared with the demand for coal. Natural gas produces approximately half as many emissions as coal. Using natural gas instead of coal as a fuel is a great opportunity to reduce CO2 emissions on a huge scale, at a lower cost for society. It really is the most efficient way to promote a structured transition to a low-emissions future. Currently, the percentage of gas has risen to make up 63% of our production assets and 74% of our reserves.

Another part of our strategy is carbon capture, storage and use (CCUS) technology. At Repsol, we don’t just support the deployment of these technologies, but also strive to ensure that the projects are technically and economically viable, sustainable, and socially acceptable. We are also continuously monitoring the latest trends and technologies developed in the field of renewable energy sources, investing in sustainable mobility and contributing to the reduction of emissions through the development of biofuels and advanced fuels. Through the Oil & Gas Climate Initiative-Climate Investments (OGCI-CI) fund, Repsol and other large industry companies are investing in low-emission projects and technologies. The planned investment is $1 billion over 10 years.

Likewise, our Energy Ventures and Technology units are investing in different areas of knowledge, such as biofuels, graphene and electric mobility, among others.
One of Repsol’s main competitive advantages lies in the people who work at the company. Together, we’ve built a relationship based on mutual respect and trust.

At the close of 2017, Repsol had 25,085 of its own employees, of which 3,157 joined the company during the year. We have professionals of 84 different nationalities in 37 countries, and nearly 1,800 professionals working in a country other than their country of origin.

A renewed value proposition

In 2017, the company updated its employer attributes, improving our employee value proposition. It pivots around the five pillars that set Repsol aside from other companies: company, culture, compensation and performance, professional development, and leadership. This renewed value proposition has allowed us to lower the total employee turnover rate from 13% to 9% in 2017.

Respect for people and environmental conservation are the foundation of our company attributes. Every day, we strive to become a more efficient company: agile, flexible, and innovative, capable not only of adapting to the future, but also creating it; focused on performance, with inspiring leaders capable of developing talent, integrated and inclusive; and a benchmark for corporate governance excellence.

With regard to Culture and Diversity, in 2017 our Diversity and Work-Life Balance Committee resumed its activity, presided by the company’s senior management and comprised of directors of different nationalities, areas and businesses. It has five lines of work: disabilities, sex, age, cultural diversity, and flexibility and work-life balance.

We have a company-wide integration plan for people with disabilities. As of December 31st, there were 576 employees with disabilities working with us, representing 2.3% of all employees. In Spain, we exceed the applicable legislation by 2.6%, with 490 directly hired employees.

In flexibility and work-life balance, our company is recognized for promoting new work methods that facilitate this balance. The teleworking program includes more than 2,000 employees worldwide. Our total rewards model includes fixed compensation, benefits, annual variable compensation, and multi-annual variable compensation. We are committed to a flexible compensation system, adapted to the needs of each employee, with a Share Acquisition Plan and other products such as child day care, medical insurance, and additional pension plan contributions.

Annual variable compensation is based on performance and meritocracy; it evaluates the achievement of the company’s objectives, unit objectives, and the individual objectives of each employee.
This year, we implemented a new professional progression model that promotes meritocracy and establishes clear promotion criteria that meet our organization’s needs.

The new model enables differentiated career development for technical and management profiles and offers development opportunities through mobility, training, and promotion, thereby taking people’s interests into consideration.

Mobility favors learning and professional development by acquiring experiences in different and/or more complex functions. We have updated the training courses available to improve our employees’ skills: more than 22,000 employees received training during the year (94.5%). In 2017, some 742 employees were promoted, of which 38% were women.

Furthermore, we reviewed our leadership profile and measured the adequacy of our area directors and leaders to said profile through the 360° evaluation, implementing global and individual improvement plans.

In November, we signed the 9th Framework Agreement, which affects most Repsol Group companies in Spain and will be in force until the end of 2019. This agreement focuses on promoting employment quality, promoting the integration of people with different abilities into the workplace, linking variable compensation to the company’s objectives and achievements, promoting equal opportunities, work-life balance and constant employee professional development and training.

Human rights and community relations

We aim to build strong relationships with local communities in the areas where the company operates. These relationships should be based on recognition, trust, mutual respect, shared values, and proactive dialog. Therefore, we take all possible measures to ensure there are no human rights violations in our activities, as well as repair damage caused by any negative impacts.

In 2017, we reviewed the internal norm that regulates our processes and activities; incorporating a variety of measures from reactive conflict resolution strategies to preventive management, based on risks, impacts, and opportunities. Furthermore, we are working to consolidate our network of community relations professionals.

Social and human rights aspects were taken into account in all of the impact evaluations carried out.

At Repsol, we have channels to deal with incidents and the communities’ worries and complaints. They help us to foresee and resolve potential disagreements that could affect our operations. In 2017, 82 human rights-related incidents were reported in seven countries. We resolved 68 of these, and 14 were being processed on December 31st, 2017.
In order to guarantee that both people and our facilities are safe and protected, we identify, assess, and manage the risks associated with industrial processes and assets throughout their life cycle, applying the highest international standards in design and using strict procedures during operation and maintenance tasks. All of this is done with the objective of preventing incidents related to industrial processes. In order to reinforce our safety systems, the company approved the new norm on Safety and Environment Incident Management in 2017. This new regulatory document replaces the previous Incident Management and Management of Improvement Measures and Lessons Learned procedures. The Basic Safety Rules norm was also approved and the global incident recording tool was updated. This new approach makes it possible to assess incidents based on the severity of their real and potential consequences, which facilitates the management of each risk. It also assesses incidents which, despite having a low probability of occurrence, could have a significant impact on people, the environment, or facilities.

Safety indicators
At Repsol, we have a Preemptive Safety Plan called SMArtKeys. This is a set of initiatives that focuses on process safety, in terms of people, plants, and processes that helps to adequately control and manage risks. As a result of all this work, the process accident rate fell by 4.6% with respect to the previous year. With regards to personal accident rates, the Lost Time Injury Frequency Rate (LTIF) recorded a similar value to that of the previous year, since the number of incidents with days lost fell by 7%, and the number of hours worked by 10%.

Furthermore, the Total Recordable Injury Frequency Rate (TIFR) fell by 2% with respect to the previous year, due to a 14% reduction in incidents without lost time and 7% in incidents with lost time.

Prevention and response to environmental incidents
Robust safety management minimizes the likelihood and consequences of spills. Therefore, the company focuses on three areas: prevention, early detection, and emergency management. In the event of a spill, we activate emergency response mechanisms and subsequently establish new preventive actions to stop them happening again.
The circular economy initiatives for the coming years

At Repsol we are committed to the circular economy, a new production and consumption model that moves from a linear one (based on producing, using, and discarding) to a circular economy, reducing the consumption and waste of raw materials, water, and energy sources when generating goods and services. It is one of the levers we use to contribute to the success of our sustainability model. Our circular economy strategy was approved by our CEO, Josu Jon Imaz, in December 2016 and began to be implemented in 2017. The objective is to carry out our activities, consuming only the indispensable resources for generating efficient energy and with the smallest possible impact on the environment.

In 2017 we also prepared a catalog of circular economy initiatives with 120 projects for the coming years, in addition to developing 36 initiatives in collaboration with external partners.

Water
Ensuring the provision of water in terms of quality and quantity is essential for the continuation of operations at our industrial facilities and Exploration and Production assets. As a result, Repsol develops water action plans that ensure the resource is well managed. At present, the main water management challenges are as follows: finding alternative sources to ensure supply; becoming more competitive in product generation, aiming to reduce the water used per barrel processed to improve operating efficiency; and adapting waste management to the increasingly stringent regulatory limits, and company standards.

In 2017, the main freshwater catchment sources were the public network (66.2%), surface water (28.5%) and, to a lesser extent, groundwater (5.3%). Furthermore, our company works towards improving waste management in all stages of its processes. In 2017 the amount of hazardous waste to be disposed of (including landfills) was reduced by 11,369 metric tons and improvements were established in the management of drilling waste mud in the Upstream business.

Biodiversity and ecosystem services
Repsol undertakes to reduce the potential impacts on biodiversity and the resources it provides (ecosystem services) during the planning and development of our products and operations. To this end, our strategy is based on preventing, minimizing, and restoring our impact on the environment. We are also committed to integrating biodiversity and protecting ecosystem services in management systems and decision-making processes (including environmental and social evaluations), as well as participating in research, conservation, education, and awareness projects.
Innovation and technology

The development of R&D projects, the creation of basic knowledge to subsequently scale it to our technologies, and networking are some of the key aspects of our innovation strategies. Likewise, we consider the attraction, incorporation, and co-creation of innovation through external entering to be key factors. In this manner, Repsol’s technological project portfolio is made up of two types of projects: on the one hand, R&D projects developed internally or externally and, on the other, projects requiring investment in startups.

Technology projects by business

In Exploration and Production, we delved deeper into developing leading-edge technologies in this field in 2017. These include Sherlock, Pegasus, Thor Hammer, and Horus, which give us a greater understanding of the characteristics of the subsoil that we are going to explore.

We are implementing different processes at our industrial facilities in order to improve their efficiency. For example, we made improvements in the processing opportunity crudes and developed prototypes of high-technology products, such as lubricants designed to save fuel in next-generation engines.

Regarding R&D in new energy sources and materials, advanced biology took its first steps in full-scale hydrocarbon bioprospection.

Another of our objectives is to commercialize the intellectual property generated by the company. One of these projects to be commercialized is HEADS (Hydrocarbon Early Automatic Detection System), developed in conjunction with Indra.

Repsol’s investment in R&D amounted to €72 million in 2017. All this activity was led by the Repsol Technology Center, located in Móstoles (Spain). Their work means that our company is internationally recognized for its technology.
In 2017, we defined a new corporate venture capital operating model, which includes the creation of five-year funds for investing in startups. In 2017, we invested €7 million. There are currently 11 stakeholdings and joint development projects.

Additionally, we participate in Oil & Gas Climate Investments (OCGI-CI), a fund created by ten of the most important companies in the sector to invest €1 billion over 10 years for the development and acceleration of innovative low-emissions technologies.

The first investments were made in 2017. Solidia Technologies, a company that enables production of lower-emission cement; Achates Power, a company that develops more efficient vehicle engines; and a project for designing a large-scale gas-fired power generation plan with carbon capture and storage.
The origins of Repsol’s research date back to the 40s, with the creation of the Repsol Research Center. This is the seed that has grown into the modern-day Technology Center, the largest private research center in Spain. Over 200 scientists and researchers from all over the world work there and it is considered “the heart of technological research and innovation” at our company. It features a model based on open innovation and networking, with an important focus on collaboration with research teams from all over the world. In 2017, the center celebrated its 15th anniversary as a European leader in energy innovation.

Repsol Technology Center
Fifteen years inventing the future of energy

- **Pioneering laboratories**
  - Repsol Technology Center has engine laboratories and refining pilot plants, as well as chemicals, plastics, gas, and lubricants laboratories.

- **2002**
  - **Hydrocarbon exploration and production**
    - New exploration and production laboratories are built, including the first fluid analysis laboratory in Spain.
  - **New Energy Sources**
    - Initiation of biocomputing and genome sequencing research for identifying bacteria that can help in the search for hydrocarbons.

- **2005**
  - **2005**
  - **Cutting-edge exploration and production technologies**
    - We develop various cutting-edge digital petrophysics technologies that will provide us with in-depth knowledge of the subsed in exploration and production.

- **2010**
  - **Sustainable mobility**
    - We are at the forefront of sustainable mobility with new Repsol Neotech fuels, improved batteries for electric cars, a prototype for a direct injection AutoGas engine...

- **2012**
  - Repsol Honda Team, world champions
    - Marc Márquez wins his fourth World MotoGP title with the Repsol Honda team. Since 1995, engineers from both companies have worked together to develop the engines, fuel, and lubricants used in racing.
At Repsol, we have procedures and a global action framework to ensure the fulfillment of all our obligations, both internal and external, and in all regulatory environments. We have a Code of Ethics and Business Conduct that is applicable to all board members, directors, and employees; which establishes the reference framework for understanding and putting in practice the behaviors and expectations deposited in each person, based on the Group’s values. In 2017 we implemented a specific training program in relation to the Code of Ethics and Conduct aimed at all employees. Likewise, we have an Ethics and Compliance Channel administrated by an external supplier. It allows employees and third parties to make consultations and report possible breaches of the Code of Ethics and Business Conduct and the Crime Prevention Model. This channel is accessible 24 hours a day, 7 days a week.

In order to prevent corruption and bribery, through our Anti-Corruption Policy we undertake to carry out all our activities in accordance with the legislation in each country and area where we operate, rejecting all forms of corruption. In 2017, in order to supplement the current regulations and improve their dissemination and understanding, a Crime Compliance Manual was prepared to explain prohibited conducts and what Repsol expected from all its employees.

Responsible tax policy
Repsol is aware of its responsibility toward the sustainable economic development of the societies where it is present. Our taxes are a large part of our economic contribution there. Therefore, we are committed to paying our taxes responsibly in the countries where we operate.

Our Tax Policy is mandatory for all the Group’s employees and companies. Since its approval by the Board of Directors of Repsol, S.A., we have implemented multiple actions inspired by its five principles: responsible compliance, tax efficiency and defense of social interests, prevention of significant tax risks, transparency, and cooperative relationships. We aim to be publicly recognized as a comprehensive and transparent company in relation to tax matters.

Here are some simple figures to put our contribution in context: in 2017, Repsol paid and collected €11,979 billion in taxes and other public charges, in over 40 countries. The total tax burden increased to 53.5%, with more than 54,000 tax returns filed. On the responsible tax policy page of www.repsol.com, you can find more details about the principles that guide our tax policy and evidence of compliance, the tax contribution and impact of the activities carried out, and a breakdown of the taxes paid by Repsol in each country, in addition references to our international presence and corporate simplification initiatives implemented during the financial year, among other information.

1. Of the Group’s net earnings. The total tax burden includes income tax, plus the taxes and contributions applicable to operational results.

Ethics and transparency
Fundación Repsol wants to contribute to sustainable progress and improve society, especially in the areas where the company operates. With this objective, we carry out projects to integrate people with different abilities and other vulnerable groups, support talent and entrepreneurship, spread awareness about energy, and promote culture.

Social momentum

Fundación Repsol has programs such as the Entrepreneurs Fund, which offers support to startups with technology solutions related to energy and advanced mobility. More than 40 startups have benefited from this fund’s support since its creation in 2011. In the field of education, it offers scholarship programs for vocational training and university students. Sustainable social development is also promoted in countries such as Bolivia, with programs for improving eye health and child nutrition in rural areas. In Colombia, we support the Comprehensive Child Development Center (CIDI) in Cartagena de Indias, which cares for more than 200 children under 24 months of age and their teenage mothers.

Through its Foundation, Repsol promotes greater social, cultural, and environmental development of society

Responsible citizenship

Through this line of action, we promote charity initiatives. Thus, the program More than Words enables employees, shareholders, distributors and clients to present social action projects. In the 2017 edition, more than 30 projects received €10,000 to foster social integration and meet the needs of specific groups. Additionally, Fundación Repsol manages the Repsol volunteering program. More than 3,000 registered people regularly volunteer in order to take action regarding the social concerns of the Group’s employees and their environment, and contribute to building a better future for society.

Cultural support

Furthermore, the Foundation promotes the dissemination of culture and knowledge. Examples included the collaboration with the Molinete Archaeological Park recovery project in Cartagena; the Opera y+ (Opera and More) project with the Bilbao Association of Friends of the Opera (ABAO-OLBE); the SonFuture program of the Galician Symphony Orchestra (OSG); and the support for the Short Narrative Literary Prize in Galician language.

Breaking down barriers

In terms of inclusion, Fundación Repsol carries out different initiatives in the sphere of training, culture, sports, and awareness, with the aim of integrating people with disabilities, and/or those at risk of exclusion. We mustn’t forget the “More culture. More inclusion” program, which promotes the presence of people with intellectual disabilities in the world of culture and the arts.

Energy and society

Another line of action consists of spreading knowledge about the energy sector, through education and raising awareness about the importance of making responsible use of energy resources. In this regard, Fundación Repsol is developing the educational program Learning Energy which includes initiatives such as workshops or Energy with Consciousness. These activities are aimed at secondary or primary schoolchildren and take place at educational centers in Spain.
Our stories
Repsol in Action

Individual shareholders have been an essential pillar of Repsol since its flotation in 1989. At the time, more than 380,000 new small investors decided to back the company. This trust has continued to grow, and today Repsol has more than 500,000 individual shareholders, making up nearly 20% of its capital.

The company proved its commitment to its individual shareholders by creating Repsol en Acción, five years ago. This community is open to all individual shareholders and aims to serve as a meeting point between them and the company. By the end of 2017, nearly 70,000 individual shareholders had already subscribed to the community.

Every quarter, we hold road shows, where we present the company’s results and new developments. Additionally, shareholders can also keep informed at all times via the corporate website, Accionistas magazine, a monthly newsletter, and SMS alerts. Members of the shareholders community enjoy exclusive advantages related to our products and services, in addition to visits to our facilities and socio-cultural events linked to the initiatives of Fundación Repsol. They can also participate in classroom and online training activities about Asset Management and Investor Relations. As for competitions, we offer community members the possibility to attend MotoGP races and other racing events.

Thanks to the collaboration of Fundación Repsol, shareholders can obtain funding for charity projects. This is carried out through the More than Words initiative, which supports two projects proposed by shareholders in each annual edition with €10,000.

Repsol in Action celebrates its fifth anniversary, with a membership of nearly 70,000 individual shareholders.

According to shareholder Jesús Láinez, “Repsol en Acción brings the company closer to its individual shareholders, giving them a closeness and personal treatment that few companies are capable of offering.”

In this manner, our community has become the best method for shareholders to learn about Repsol’s operations so they can be proud of being the company’s owners.
Having a good cup of coffee, collecting a last-minute gift, refueling without the need for credit cards or cash, and meeting friends after work. How many places do we have to go to do all of this? In fact, only one! We can find all this and much more at Repsol’s new service stations.

José Barreiro, Director of the Service Station Network in Spain, is aware of his greatest challenge: “We want the customer to be at the heart of all our decisions and for each person who comes to our service stations to leave satisfied.” To achieve this, the company focuses on three major lines of action in which the customer comes first: the best mobility energy solutions, the best service quality, and the best loyalty program.

Repsol’s starting point is unbeatable: 4,709 service stations in Spain, Italy, Portugal, Peru, and Mexico; the highest-quality fuels on the market, and the ability to incorporate all energy options, including AutoGas, compressed natural gas (CNG), liquefied natural gas (LNG), and electric recharge. For Antonio Calçada, Executive Director of Marketing at Repsol, there is a single objective: “We want the safest, cleanest, most operative service stations with the most empathetic personnel and where the customer has the best experience.” To achieve this, Repsol offers attractive services for customers, in addition to partnerships with sector-leading companies, from El Corte Inglés to Starbucks, as well as Burger King, ONCE, Nespresso, SunPlanet, and Disney, among others. Additionally, thanks to agreements with the Spanish mail service Correos and Amazon, service stations have become collection points where customers can pick up their purchases. A good example of the new service offered by Repsol is Waylet, an application which allows customers to pay for both fuels and store products at service stations. This application, designed to become the go-to payment application in service stations and other commercial establishments, is the company’s first major commitment to digital businesses. In the near future, other advantages such as gaming, travel offers, and food and tourist guides will be added to this mobile payment option.

The best mobility solutions, the best quality products and services, and a unique loyalty program make up Repsol’s commitment to invent the service station of the future.

We want our customers to have the best experience possible at our service stations

Antonio Calçada, Executive Director of Marketing at Repsol

The evolution of our service stations
Reduce the high percentage of childhood anemia and the serious risk of malnutrition suffered by more than 65% of children under two and 33% of children under five in the Ventanilla district, an area near the La Pampilla refinery in Peru. This was the initial challenge of the nutritional food security and anemia reduction program, started up in 2011 by the United Nations’ World Food Program (WFP) in collaboration with Fundación Repsol.

This initiative seeks to improve food and hygiene habits in the home and promote the consumption of micronutrients and safe water. It is aimed at the mothers of children under five and pregnant mothers with scarce resources.

The success of the program is based on the high degree of participation of mothers, who learn to prepare recipes using food products with high iron content. In turn, they are offered the possibility of becoming qualified community advisers and training other mothers and fathers of their community. As explained by Isela Yasuda, Coordinator of Nutritional Projects of the WFP, “this initiative is sustainable over time, since it is the mothers who, with all the information we have given them, are going to teach and spread these hygiene and nutrition habits.”

Given the positive results obtained, in 2015 it was decided to renew the alliance for another four years (2016-2020). In this second phase, two new target audiences were added: teenagers, who will receive healthy food talks at schools; and enterprising women, who will learn to prepare and market low-cost nutritional food by themselves.

As pointed out by Isela Yasuda, the focus is “to train mothers in business issues in order to sell their products at affordable prices in other markets.” In this manner, not only do we reduce childhood anemia, but also reinforce the economic and social development of the community, thereby guaranteeing project sustainability. Since its startup, more than 1,700 children under five years old and more than 3,000 families have benefited from the project, reducing the rate of anemia from an initial 52.6% to 29.6%.
We have launched Repsol Healthcare®, a new range of plastics specifically designed for medical and pharmaceutical applications.

How many times have we entered a pharmacy or a hospital without being aware of the large amount of vital products for our health that would leave an empty space on shelves if such an important and yet unknown industry such as petrochemicals didn’t exist?

Syringes, saline solution drip bags, masks, surgical gowns, and the blister packs from which we get the pills that we have in our first-aid kit at home. All this sanitary material and pharmaceutical containers are manufactured from the raw materials that Repsol produces at its Tarragona and Puertollano industrial facilities.

At Repsol Chemicals we are committed to specialization as part of the future of the petrochemicals industry. This is why we’ve created Repsol Healthcare®, a new range of plastics specifically designed for medical and pharmaceutical applications.

In order to produce this polyolefin range we have made improvements in our Tarragona and Puertollano facilities. It was essential to guarantee the 100% clean processes required by a sector such as healthcare, in which Repsol is one of the main European producers with more than 40 years’ experience, and align the protocols and procedures to fulfill the most stringent traceability standards.

Cristina Martínez Acedo, Product Manager at Repsol, has led a highly talented team which has made this project a reality, and assures that being present in this “growing and high-value” market is possible thanks to the extensive experience accumulated in the production of extra-clean plastics for cables, among others. Repsol Healthcare® includes 27 grades of polypropylene, polyethylene, and EVA copolymers, and different types of polyolefins, all with very different applications in the healthcare sector. Polypropylene is used to manufacture the bodies of syringes and inhalers; polyethylene for films and bottles for medicines; and EVA copolymers for saline solution or blood drip bags and catheters thanks to its resistance and durability at low temperatures.

The applications of chemicals in the healthcare sector are practically endless and all of vital importance to people’s health and for which the work of sector professionals is always as comfortable, effective, and safe as possible.

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The applications of chemicals in the healthcare sector are practically endless and all of vital importance to people’s health and for which the work of sector professionals is always as comfortable, effective, and safe as possible.
“Intelligent energy company, capable of anticipating the future with a positive spirit.” This is the translation of Rui Shuo Neng Yuan, the Chinese adaptation of the Repsol brand. Defining it has represented a journey full of challenges which have served to reinforce our presence in China and in Southeast Asia.

The need to adapt the brand to these markets is a result of our Lubricants company’s expansion into over 90 countries and the various agreements signed by the Chemicals business with Chinese companies. Pilar Núñez, Corporate Brand and Identity manager, feels that the hardest part was keeping a balance between the essence of our values and showing respect for a completely different culture: “We are a very powerful brand worldwide and internationally recognized thanks to our MotoGP sponsorship, but we had to start from scratch in China. It is a unique opportunity to grow in a market in which many companies have had to reinvent themselves.”

We had to start from the very beginning and research cultural diversity in China, as well as visual codes. The language was an additional challenge. “Mandarin Chinese has no letters, just characters. Also, there are some concepts which are acceptable in China but not in the West, and vice-versa,” Pilar Núñez explains.

As well as choosing the name “Rui Shuo Neng Yuan”, we had to express the brand identity with a logo and corporate colors. Thanks to our sponsorship of MotoGP, the logo’s letters are well known in Asian markets. Due to this, the company decided to keep them, but added the Chinese characters underneath it in navy blue.

Why didn’t we choose Repsol’s signature white background? The answer lies, once again, in the disparities with Chinese culture: “In China, white symbolizes death and mourning, so we decided to substitute the white for our corporate navy blue,” comments Pilar Núñez.

Rui Shuo Neng Yuan, our Chinese name, means “Intelligent energy company, capable of anticipating the future with a positive spirit” Pilar Núñez, Corporate Brand and Identity manager
### Conversion Chart

#### Oil

<table>
<thead>
<tr>
<th>Liter</th>
<th>Barrels (bbl)</th>
<th>Cubic Meters</th>
<th>Toe</th>
<th>Cubic Meters</th>
<th>Cubic Feet</th>
<th>kwh</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>158.99</td>
<td>1.000</td>
<td>0.16</td>
<td>0.14</td>
<td>58.31</td>
<td>5.371</td>
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#### Gas

<table>
<thead>
<tr>
<th>Cubic Feet per thousand cubic feet (1)</th>
<th>Barrels (bbl)</th>
<th>Cubic Meters</th>
<th>Toe</th>
<th>Cubic Meters</th>
<th>Cubic Feet</th>
<th>kwh</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.74</td>
<td>0.98</td>
<td>0.03</td>
<td>0.02</td>
<td>28.3</td>
<td>1,000</td>
<td>293.3</td>
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#### Electricity

<table>
<thead>
<tr>
<th>Megawatt hour</th>
<th>Meter</th>
<th>Inch</th>
<th>Foot</th>
<th>Yard</th>
</tr>
</thead>
<tbody>
<tr>
<td>95.53</td>
<td>0.59</td>
<td>0.10</td>
<td>0.08</td>
<td>96.62</td>
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</table>

### Glossary of terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADR</td>
<td>American Depositary receipt</td>
</tr>
<tr>
<td>bbl</td>
<td>Barrels</td>
</tr>
<tr>
<td>bblpd</td>
<td>Barrels of oil per day</td>
</tr>
<tr>
<td>bcf</td>
<td>Billion cubic feet</td>
</tr>
<tr>
<td>bcm</td>
<td>Billion cubic meters per annum</td>
</tr>
<tr>
<td>kboe</td>
<td>Thousands barrels of oil equivalent</td>
</tr>
<tr>
<td>kg</td>
<td>Kilogramme</td>
</tr>
<tr>
<td>km</td>
<td>Kilometre</td>
</tr>
<tr>
<td>ksqf</td>
<td>Thousand standard cubic feet</td>
</tr>
<tr>
<td>Liquefied natural Gas</td>
<td></td>
</tr>
<tr>
<td>MWh</td>
<td>Megawatts per hour</td>
</tr>
<tr>
<td>MW</td>
<td>Million Watts</td>
</tr>
<tr>
<td>Mtep</td>
<td>Millions of tonnes of oil equivalent</td>
</tr>
<tr>
<td>MWt</td>
<td>Metric tonnes</td>
</tr>
<tr>
<td>Mtep/d</td>
<td>Thousand barrels of oil equivalent per day</td>
</tr>
<tr>
<td>scf</td>
<td>Standard cubic feet</td>
</tr>
<tr>
<td>t</td>
<td>Metric tonne</td>
</tr>
<tr>
<td>MTA</td>
<td>Trillion cubic feet</td>
</tr>
<tr>
<td>tpa</td>
<td>Trillion tonnes</td>
</tr>
<tr>
<td>URF</td>
<td>Fuel Oil Reduction Unit</td>
</tr>
<tr>
<td>USD</td>
<td>US Dollar</td>
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</tbody>
</table>

(1) Reference measurements: 30°API and relative density of 0.865.