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Yesterday, the Argentinian Government announced the start of a process of parliamentary approval in Argentina of a law for a change in control in YPF, by which 51% of YPF S.A.'s Class D shares, all of them owned by Repsol, are declared of public interest and subject to expropriation. Also yesterday, a Decree (*Decreto de Necesidad y Urgencia*) was approved by the Argentinian Government with immediate effect, establishing the administration of YPF, S.A. for a 30-day period and appointing a Minister of the Government as Controller with all the powers of the Board of Directors.

Repsol considers the announced measure to be manifestly unlawful and gravely discriminatory, that its public interest has in no way been justified and clearly contravenes the obligations undertaken by the Republic of Argentina during the privatisation of YPF, breaching the most basic principles of legal certainty and of reliance by the international investment community. The Company makes express and full reserve of all legal remedies and actions that it is entitled to under Argentinean law, the securities market law where YPF securities are listed, and international law, including the Spanish-Argentinean investment protection treaty.

Repsol will carry out all pertinent legal actions to preserve the value of all their assets and the interests of all their shareholders.

Repsol owns a 57.43% stake in YPF, with a book value in its consolidated financial statements as of 31 December 2011 of 4.122 billion euro. Additionally, Repsol YPF had at that date an outstanding loan to the Petersen Group valued at 1.542 billion euro. As of December 31 2011, YPF represented 25.6% of the group's operating income and 21% of the net income. During the last year, YPF represented 33.7% of the group's total investments. As a consequence of the decision announced today by the Argentinean Government, the group's net debt will be reduced by nearly 1.600 billion euro. The production of YPF in 2011 reached 495,000 boepd and the proved reserved as of December 31, 2011 reached 1.013 billion boepd, representing 62.4% and 46,5% of the Group, respectively.

Due to the soundness of the financial position of Repsol, this decision will not affect its developments plans nor its dividend policy, as it was announced by the Company in March 21, 2011. In this regard, and as was announced in February, the Board of Directors will propose to the next General Shareholders Meeting of Repsol YPF a new remuneration system (Scrip



dividend), by which shareholders will be offered the opportunity to receive their remuneration in cash or in new paid up shares. Repsol YPF expects the per share remuneration in 2011 to be approximately 10% higher than that paid against 2010 earnings.

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This document contains statements that Repsol YPF believes constitute forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. These forward-looking statements may include statements regarding the intent, belief, or current expectations of Repsol YPF and its management, including statements with respect to trends affecting Repsol YPF's financial condition, financial ratios, results of operations, business, strategy, geographic concentration, production volume and reserves, as well as Repsol YPF's plans, expectations or objectives with respect to capital expenditures, business, strategy, geographic concentration, costs savings, investments and dividend payout policies. These forward-looking statements may also include assumptions regarding future economic and other conditions, such as future crude oil and other prices, refining and marketing margins and exchange rates. These statements are not guarantees of future performance, prices, margins, exchange rates or other events and are subject to material risks, uncertainties, changes and other factors which may be beyond Repsol YPF's control or may be difficult to predict.

Repsol YPF's future financial condition, financial ratios, results of operations, business, strategy, geographic concentration, production volumes, reserves, capital expenditures, costs savings, investments and dividend payout policies, as well as future economic and other conditions, such as future crude oil and other prices, refining margins and exchange rates, could differ materially from those expressed or implied in any such forward-looking statements. Important factors that could cause such differences include, but are not limited to, oil, gas and other price fluctuations, supply and demand levels, currency fluctuations, exploration, drilling and production results, changes in reserves estimates, success in partnering with third parties, loss of market share, industry competition, environmental risks, physical risks, the risks of doing business in developing countries, legislative, tax, legal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, wars and acts of terrorism, natural disasters, project delays or advancements and lack of approvals, as well as those factors described in the filings made by Repsol YPF and its affiliates with the Comisión Nacional del Mercado de Valores in Spain, the Comisión Nacional de Valores in Argentina, and the Securities and Exchange Commission in the United States. These documents are available on Repsol YPF's website (www.repsol.com). In light of the foregoing, the forward-looking statements included in this document may not occur.

Repsol YPF does not undertake to publicly update or revise these forward-looking statements even if experience or future changes make it clear that the projected performance, conditions or events expressed or implied therein will not be realized.

The information contained in the document has not been verified or revised by the Auditors of Repsol YPF.