Ordinary General Shareholders' Meeting

15th April 2011

Translation of the
original in Spanish.
In case of any discrepancy,
the Spanish version prevails.

2010

Index

Deloitte.

Deloitte, S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
España

Tel.: +34 915 14 50 00
Fax: +34 915 14 51 80
www.deloitte.es

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Repsol YPF Group (see notes 3 and 38). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Repsol YPF, S.A.:

We have audited the consolidated financial statements of Repsol YPF, S.A. and Subsidiaries (the Repsol YPF Group), which comprise the consolidated balance sheet at December 31, 2010, the related consolidated income statement, consolidated statement of recognised income and expenses, consolidated statement of changes in equity, consolidated cash flow statement and notes to the consolidated financial statements for the year then ended. As indicated in note 3 to the accompanying consolidated financial statements, the directors are responsible for the preparation of the Repsol YPF Group's consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework. Our work did not include an examination of the consolidated financial statements of Gas Natural SDG, S.A. and Subsidiaries, in which at December 31, 2010 the Repsol YPF Group held a 30.129% ownership interest, and whose assets and net profit represented 20.3% and 7.7%, respectively, of the corresponding consolidated figures of the Repsol YPF Group at the date. The consolidated financial statements of the aforementioned investee were audited by other auditors and our opinion as expressed in this report on the consolidated financial statements of Repsol YPF, S.A. and Subsidiaries is based, with respect to these investees, solely on the report of the other auditors.

In our opinion, based on our audit and on the report of the other auditors, the accompanying consolidated financial statements for 2010 present fairly, in all material respects, the consolidated equity and consolidated financial position of Repsol YPF, S.A. and Subsidiaries at December 31, 2010, and the consolidated results of their operations and the consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group.

The accompanying consolidated management report for 2010 contains the explanations which the directors of Repsol YPF, S.A. consider appropriate about the situation of the Repsol YPF Group, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated management report is consistent with that contained in the consolidated financial statements for 2010. Our work as auditors was confined to checking the consolidated management report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Repsol YPF, S.A. and Subsidiaries.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Jorge Izquierdo Mazón
24 February 2011

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Consolidated
Financial Statements

Consolidated
Management Report

Annual Report on
Corporate Governance

Consolidated Financial Statements

REPSOL YPF, S.A: AND INVESTEES COMPRISING THE REPSOL YPF GROUP
CONSOLIDATED BALANCE SHEETS AT DECEMBER 31, 2010 AND 2009

Millions of euros

ASSETS	Note	12 / 31 / 10	12 / 31 / 09
Intangible Assets:		7,453	6,818
a. Goodwill	5	4,617	4,733
b. Other intangible assets	6	2,836	2,085
Property, plant and equipment	7	33,585	31,900
Investment property	8	26	35
Investments accounted for using the equity method	10	585	531
Non-current financial assets	12	1,789	1,732
Deferred tax assets	24	1,993	2,021
Other non-current assets	12	322	273
NON-CURRENT ASSETS		**45,753**	**43,310**
Non current assets held for sale	11	340	746
Inventories	13	5,837	4,233
Trade and other receivables		8,569	6,773
a. Trade receivables	14	5,795	4,644
b. Other receivables	14	2,405	1,909
c. Income tax assets		369	220
Other current financial assets	12	684	713
Cash and cash equivalents	12	6,448	2,308
CURRENT ASSETS		**21,878**	**14,773**
TOTAL ASSETS		**67,631**	**58,083**

Notes 1 to 38 are an integral part of these consolidated balance sheets.

REPSOL YPF; S.A: AND INVESTEES COMPRISING THE REPSOL YPF GROUP
CONSOLIDATED BALANCE SHEETS AT DECEMBER 31, 2010 AND 2009

Millions of euros

LIABILITIES AND EQUITY	Note	12 / 31 / 10	12 / 31 / 09
EQUITY			
Issued Share capital		1,221	1,221
Share premium		6,428	6,428
Reserves		247	247
Retained earnings		13,309	12,619
Profit attributable to the equity holders of the parent		4,693	1,559
Dividends		(641)	(519)
EQUITY	**15**	**25,257**	**21,555**
Financial assets available for sale		6	2
Hedge transactions		(131)	(120)
Translation differences		(992)	(1,486)
ADJUSTMENTS FOR CHANGES IN VALUE	**15**	**(1,117)**	**(1,604)**
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**15**	**24,140**	**19,951**
MINORITY INTERESTS	**15**	**1,846**	**1,440**
TOTAL EQUITY		**25,986**	**21,391**
Grants	16	110	124
Non-current provisions for contingencies and expenses	17	3,772	3,097
Non-current financial liabilities	19	14,940	15,411
a. Bank borrowings, bonds and other securities		14,805	15,268
b. Other financial liabilities		135	143
Deferred tax liabilities	24	3,387	3,395
Other non-current liabilities	22	3,663	2,672
NON-CURRENT LIABILITIES		**25,872**	**24,699**
Liabilities related to non-current assets held for sale	11	153	185
Current provisions	17	404	282
Current financial liabilities:	19	4,362	3,499
a. Bank borrowings, bonds and other securities		4,224	3,433
b. Other financial liabilities		138	66
Trade payables and other payables:		10,854	8,027
a. Trade payables	23	4,539	3,491
b. Other payables	23	5,550	4,127
c. Income tax liabilities	23	765	409
CURRENT LIABILITIES		**15,773**	**11,993**
TOTAL EQUITY AND LIABILITIES		**67,631**	**58,083**

Notes 1 to 38 are an integral part of these consolidated balance sheets.

REPSOL YPF, S.A. AND INVESTEES COMPRISING THE REPSOL YPF GROUP
CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Millions of euros

	Note	12 / 31 / 10	12 / 31 / 09
Sales		53,663	45,827
Services rendered and other income		1,872	1,450
Changes in inventories of finished goods and work in progress inventories		517	94
Income from reversal of impairment losses and gains on disposal of non-current assets		3,188	371
Allocation of grants on non-financial assets and other grants	16	15	16
Other operating income		1,175	1,274
OPERATING REVENUE	26	**60,430**	**49,032**
Supplies		(36,184)	(31,433)
Personnel expenses		(2,411)	(2,087)
Other operating expenses		(9,916)	(8,503)
Depreciation and amortisation of non-current assets		(3,947)	(3,620)
Impairment losses recognised and losses on disposal of non-current assets		(351)	(145)
OPERATING EXPENSES	26	**(52,809)**	**(45,788)**
OPERATING INCOME		**7,621**	**3,244**
Finance income		159	173
Finance expenses		(1,086)	(1,012)
Changes in the fair value of financial instruments		(255)	192
Net exchange gains/ (losses)		173	148
Impairment and gains/ (losses) on disposal of financial instruments		1	31
FINANCIAL RESULT	27	**(1,008)**	**(468)**
NET INCOME BEFORE TAX AND SHARE OF RESULTS OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD		**6,613**	**2,776**
Income Tax	24	(1,742)	(1,130)
Share of results of companies accounted for using the equity method	10	76	86
Net income for the year from continuing operations		**4,947**	**1,732**
Net income for the year from discontinued operations		**–**	**12**
CONSOLIDATED NET INCOME FOR THE YEAR		4,947	1,744
Net income attributable to minority interests		(254)	(185)
NET INCOME ATTRIBUTABLE TO THE PARENT		**4,693**	**1,559**
EARNINGS PER SHARE ATTRIBUTABLE TO THE PARENT			
Basic (euros)	15	3.84	1.29
Diluted (euros)		3.84	1.29

Notes 1 to 38 are an integral part of these consolidated income statements.

REPSOL YPF, S.A. AND INVESTEES COMPRISING THE REPSOL YPF GROUP
CONSOLIDATED STATEMENTS OF RECOGNISED INCOME AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Millions of euros

	12 / 31 / 10	12 / 31 / 09
CONSOLIDATED NET INCOME FOR THE YEAR (FROM THE CONSOLIDATED INCOME STATEMENT)	**4,947**	**1,744**
INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY:		
From measurement of financial assets available for sale	6	51
From cash flow hedges	(73)	(12)
Translation differences	811	(427)
From actuarial gains and losses and other adjustments	(15)	14
Entities accounted for using the equity method	(25)	4
Tax effect	(96)	(157)
TOTAL	**608**	**(527)**
AMOUNTS TRANSFERRED TO THE CONSOLIDATED INCOME STATEMENT		
From measurement of financial assets available for sale	(1)	(30)
From cash flow hedges	93	44
Translation differences	(172)	(1)
Tax effect	(25)	(7)
TOTAL	**(105)**	**6**
TOTAL RECOGNISED INCOME/ (EXPENSE)	**5,450**	**1,223**
a. Attributable to the parent company	5,128	1,032
b. Attributable to minority interests	322	191

Notes 1 to 38 are an integral part of these consolidated statements of recognised income and expense.

REPSOL YPF, S.A. AND INVESTEES COMPRISING THE REPSOL YPF GROUP
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Millions of euros

	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT							
	Capital and reserves							
	Issued share capital	Share premium and reserves	Treasury shares and own equity instruments	Net income for the year attributable to equity holders of the parent	Adjustments for changes in value	Total equity attributable to equity holders of the parent	Minority interests	Total equity
CLOSING BALANCE AT 12 / 31 / 2008	**1,221**	**17,468**	**(241)**	**2,555**	**(1,169)**	**19,834**	**1,170**	**21,004**
Restatements	–	–	–	–	–	–	–	–
RESTATED OPENING BALANCE	**1,221**	**17,468**	**(241)**	**2,555**	**(1,169)**	**19,834**	**1,170**	**21,004**
Total recognised income / (expense)	**–**	**8**	**–**	**1,559**	**(535)**	**1,032**	**191**	**1,223**
TRANSACTIONS WITH SHAREHOLDERS OR OWNERS								
Dividend payments	–	(1,153)	–	–	–	(1,153)	(208)	(1,361)
Transactions with treasury shares or own equity (net)	–	(11)	241	–	–	230	–	230
Changes in the scope of consolidation	–	–	–	–	–	–	286	286
OTHER CHANGES IN EQUITY								
Equity-settled transactions	–	2,455	–	(2,555)	100	–	–	–
Other changes	–	8	–	–	–	8	1	9
CLOSING BALANCE AT 12 / 31 / 2009	**1,221**	**18,775**	**–**	**1,559**	**(1,604)**	**19,951**	**1,440**	**21,391**
Restatements	–	–	–	–	–	–	–	–
RESTATED OPENING BALANCE	**1,221**	**18,775**	**–**	**1,559**	**(1,604)**	**19,951**	**1,440**	**21,391**
Total recognised income / (expense)	**–**	**(8)**	**–**	**4,693**	**443**	**5,128**	**322**	**5,450**
TRANSACTIONS WITH SHAREHOLDERS OR OWNERS								
Dividend payments	–	(1,160)	–	–	–	(1,160)	(225)	(1,385)
Transactions with treasury shares or own equity instruments (net)	–	–	–	–	–	–	–	–
Changes in the scope of consolidation	–	180	–	–	44	224	312	536
OTHER CHANGES IN EQUITY								
Transfers between equity accounts	–	1,559	–	(1,559)	–	–	–	–
Other changes in equity	–	(3)	–	–	–	(3)	(3)	(6)
CLOSING BALANCE AT 12 / 31 / 2010	**1,221**	**19,343**	**–**	**4,693**	**(1,117)**	**24,140**	**1,846**	**25,986**

Notes 1 to 38 are an integral part of these consolidated statements of changes in equity.

REPSOL YPF, S.A: AND INVESTEES COMPRISING THE REPSOL YPF GROUP
CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Millions of euros

	Notes	12 / 31 / 2010	13 / 31 / 09
Net income before tax and share of results of companies accounted for using the equity method	28	**6,613**	**2,776**
Adjustments to net income		**2,583**	**3,973**
Depreciation and amortisation of assets	6 y 7	3,947	3,620
Other adjustments to result (net)		(1,364)	353
Changes in working capital		**(1,693)**	**(590)**
Other cash flows from operating activities		**(1,861)**	**(1,394)**
Dividends received		72	86
Income tax received / (paid)		(1,627)	(1,168)
Other proceeds from / (payments for) operating activities		(306)	(312)
CASH FLOWS FROM OPERATING ACTIVITIES		**5,642**	**4,765**
Payments for investing activities:	**5-8 y 30**	**(5,106)**	**(9,003)**
Group companies, associates and business units		(41)	(4,463)
Property, plant and equipment, intangible assets and investment properties		(4,858)	(4,348)
Other financial assets		(207)	(192)
Proceeds from divestments:	**31**	**5,060**	**1,093**
Group companies, associates and business units		4,719	413
Property, plant and equipment, intangible assets and investment properties		171	373
Other financial assets		170	307
Other cash flows		**(27)**	**56**
CASH FLOWS USED IN INVESTING ACTIVITIES		**(73)**	**(7,854)**
Proceeds from / (payments for) equity instruments	**15**	**–**	**230**
Disposal		–	230
Proceeds from/ (payments for) financial liabilities	**19**	**488**	**4,665**
Issues		11,200	10,618
Return and redemption		(10,712)	(5,953)
Payments for dividends and payments on other equity instruments	**15**	**(806)**	**(1,935)**
Other cash flows from financing activities		**(1,141)**	**(455)**
Interest payments		(962)	(776)
Other proceeds from / (payments for) financing activities		(179)	321
CASH FLOWS USED IN FINANCING ACTIVITIES		**(1,459)**	**2,505**
Effect of changes in exchange rates		30	(30)
Net increase / (decrease) in cash and cash equivalents		4,140	(614)
Cash and cash equivalents at the beginning of the year	**12**	**2,308**	**2,922**
Cash and cash equivalents at the end of the year	**12**	**6,448**	**2,308**
COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**12 / 31 / 10**	**12 / 31 / 09**
(+) Cash and banks		2,120	1,079
(+) Other financial assets		4,328	1,229
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**6,448**	**2,308**

Notes 1 to 38 are an integral part of these consolidated statements of cash flow.

Repsol YPF, S.A. and Investees Comprising the Repsol YPF, S.A. Group. Notes to the 2010 consolidated financial statements

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1 General information

Repsol YPF, S.A. and investees comprising the Repsol YPF Group (hereinafter "Repsol YPF," the "Repsol YPF Group" or the "Group") constitute an integrated group of oil and gas companies which commenced operations in 1987. The companies comprising the Group are listed in Appendix I.

The Repsol YPF Group is engaged in all the activities relating to the oil and gas industry, including exploration, development and production of crude oil and natural gas, the transportation of oil products, liquid petroleum gas (LPG) and natural gas, refining, the production of a wide range of oil products and the retailing of oil products, oil derivatives, petrochemicals, LPG and natural gas, as well as the generation, transportation, distribution and supply of electricity. The Group conducts its activities in a number of countries, primarily Spain and Argentina.

The corporate name of the parent of the Group of companies that prepares and files these Financial Statements is Repsol YPF, S.A.

Repsol YPF, S.A. is registered at the Madrid Commercial Register in volume 3893, page 175, sheet no. M-65289, entry no. 63°. Its Employer Identification Number (C.I.F.) is A-78/374725 and its National Classification of Economic Activities Number (C.N.A.E.) is 742.

Its registered office is in Madrid, at Paseo de la Castellana, 278, where the Shareholder Service Office is also located, the telephone number of which is 900.100.100.

Repsol YPF, S.A. is a private-law entity incorporated in accordance with Spanish legislation, which is subject to the Capital Companies Law (Ley de Sociedades de Capital) approved by Legislative Royal Decree 1/2010 of July 2, and all other legislation related to listed companies.

Repsol YPF, S.A.'s shares are represented by book entries and are fully admitted to trading on the Spanish stock exchanges (Madrid, Barcelona, Bilbao and Valencia), and the Buenos Aires stock exchange ("Bolsa de Comercio de Buenos Aires"). At the date of these Financial Statements, Repsol YPF, S.A.'s shares are traded in the form of American Depositary Shares (ADSs) on the New York Stock Exchange (NYSE). However, on February 22, 2011, the Company officially filed to delist its ADSs from the NYSE. The ADSs are expected to trade on the NYSE for the last time on March 4, 2011.

These consolidated Financial Statements for 2010, which were prepared by the Board of Directors of Repsol YPF, S.A. at a meeting held on February 23, 2011, and the Financial Statements of the investees will be submitted for approval by the shareholders at the respective General Shareholders´ Meetings, with no modifications expected.

The consolidated Financial Statements for 2009 were approved at the General Shareholders´ Meeting of Repsol YPF, S.A. held on April 30, 2010.

2 Regulatory framework

The activities of Repsol YPF S.A. and its main subsidiaries are subject to extensive regulation, whose main aspects are described below.

Spain

Spain currently has legislation which implements liberalization of the oil industry, a manifestation of which is the Hydrocarbons Sector Law 34/1998 of October 7, which has been amended by several provisions, including the Law 12/2007 of July 7, and implemented through numerous royal decrees and ministerial orders. This Law establishes the criteria for allocating powers among the Spanish Government and regional administrations.

The Spanish National Energy Commission *("Comisión Nacional de Energía")* is a public agency of the Ministry of Industry, Tourism and Commerce, with power as regulatory authority, which is in charge of ensuring effective competition, objectivity and transparency in the electricity and liquid and gaseous hydrocarbons markets, seeking the benefit of all market participants, including consumers.

Royal Decree-Law 4/2006 expanded the functions of the Spanish National Energy Commission by introducing the requirement to obtain a prior administrative authorization in relation to certain acquisitions or investments in companies that engage in regulated activities or activities that, although not regulated in the strict sense, are subject to significant oversight by administrative bodies in Spain. Notwithstanding this, on July 28, 2008, the European Court of Justice declared that the obtaining of the aforementioned administrative authorization (regarding acquisitions carried out by Community Companies) is contrary to sections 43 and 56 of the EC.

Sector regulations establish and ascribe specific treatment to the so-called "main" and "dominant" operators. Royal Decree-Law 5/2005, of March 11, obliges the Spanish National Energy Commission (CNC) to publish a list of main and dominant operators in each market or sector.

Dominant operators are defined as those commanding a share of more than 10% of the corresponding benchmark market.

A main operator, on the other hand, is any operator ranked among the top five players by market share in the following markets or sectors: (i) the generation and supply of electric power within the Iberian Electricity Market (MIBEL); (ii) the production and distribution of fuels; (iii) the production and supply of liquid petroleum gas; (iv) the production and supply of natural gas; (v) wireless telephony; and (vi) fixed telephony.

Designation as a dominant operator, as far as prevailing legislation is concerned, simply implies certain regulatory restrictions in the electricity sector, specifically in relation to the generation of primary energy, importing of electricity into the MIBEL and acting as a representative agent of the special regime in the market.

However, the definition of main operators is, on the other hand, significant. Article 34 of the Royal Decree-Law 6/2000, of June 23, following the amendments introduced by Law 14/2000 of December 29, establishes a series of limitations related to the acquisition of voting rights in the equity of companies qualifying as main operators and serving on their boards of directors. Specifically, article 34 stipulates that any natural or legal person holding an equity interest in two or more companies qualifying as main operators in the same market, and holding a 3% or higher equity interest, cannot exercise the voting rights in excess of this ownership threshold in more than one company. It further stipulates that such persons cannot appoint members of the governing bodies of another main operator either directly or indirectly.

Royal Decree-Law 6/2009 definitively repealed supplementary provision twenty-seven of Law 55/1999 (amended by Law 62/2003), which stipulated prior authorization by the authorities for the acquisition by public entities or entities majority-owned or controlled by public entities of shareholdings of 3% or more in energy companies (the so-called *"energy golden share"*).

This rule had been questioned by the European Court of Justice in a ruling handed down on February 14, 2008.

Liquid hydrocarbons, oil and petroleum derivatives

In Spain, hydrocarbon deposits and underground storages existing on Spanish territory and in the territorial marine subsoil and ocean bottoms which are under Spanish sovereignty are considered public properties.

Also some of the activities falling within the scope of Law 34/1998 may be subject to authorizations, permits and/or concessions. Article 19 of Law 25/2009, of December 22, which amends several pieces of legislation for their adaption to the Law on free access to service activities and its exercise; modifies the Hydrocarbon Act, Law 34/1998 of October 7, implying, among other aspects, the elimination of the need to obtain authorization prior to acting as natural gas supplier, LPG wholesaler, bulk LPG retailer or petroleum product wholesaler, further establishing the obligation that interested parties must make a responsibility statement and issue notification prior to commencing its business operations. In addition, direct natural gas consumers are obliged to report the start of its business operations.

Construction and operation of refining, transportation and fixed storage facilities are subject to prior authorization, the granting of which requires meeting the relevant technical, financial, environmental and safety requirements.

Third parties may freely access transportation and fixed storage facilities of oil products, such as the facilities of Compañía Logística de Hidrocarburos S.A. ("CLH"), on conditions agreed on an objective and non-discriminatory basis. However, the Spanish Government has the discretion to establish access tolls for mainland territories and for those areas of the Spanish territory where alternative transport or storage facilities do not exist or are insufficient. As of the date of this annual report, the Spanish Government has not exercised this discretion.

Pursuant to Royal Decree Law 6/2000, no physical or legal person may hold, directly or indirectly, ownership of more than 25% of the capital stock of CLH. This same Royal Decree further provides that the aggregate ownership interest in CLH of entities with refining capacity in Spain may not exceed 45% of CLH's capital.

Petroleum derivative prices have been liberalized, with the exception of LPG, which is subject, in some cases, to maximum retail prices. Prices of bulk LPG and LPG sold in bottles that are less than 8 kilograms or more than 20 kilograms have been liberalized.

By means of Ministerial Order ITC/2608/2009, of September 28, the Spanish Government updated the system for setting the quarterly maximum before-tax sales price for bottled LPG, affecting containers holding 8kg or more but less than 20kg, with the exception of containers of LPG blends for use as fuel, by modifying the formula for automatically setting the maximum sales prices indicated in the abovementioned order in an effort to uphold consumer interests in the face of international price volatility. Specifically, the changes introduced in the abovementioned Ministerial Order consist of introducing two new concepts to the formula: (i) a 0.25 weighting factor which means that price changes will only incorporate the 25% of the increase or decrease in international prices of reference; and (ii) a threshold of 2% for implementing the price revision mechanism so that prices are only increased or decreased if international prices increase or decrease by more than this threshold.

The retail marketing of LPG cylinders may be carried out freely by any natural or legal person.

Natural gas

Law 12/2007 of July 2, which amended Law 34/1998 on the hydrocarbon sector and incorporated into Spanish Law the European Parliament Directive 2003/55, incorporates measures for achieving a completely liberalized market which will be the basis for greater competition, price reduction and improvement in the quality of service to the end-user.

This legislation establishes the framework for eliminating the tariff system and creates the role of the supplier of last resort with ultimate liability for supplying customers lacking sufficient bargaining power. Moreover, these suppliers are subject to a price cap *("last resort tariff")*, which is set by Spain's Ministry of Industry, Tourism and Commerce. Royal Decree 104/2010, of February 5, regulates the start-up of last resort supply in the natural gas segment; while the Ministerial Order ITC/1506/2010 establishes the methodology for calculating this last resort tariff.

Business operations in the natural gas sector can be classified into: (i) regulated activities, essentially the transport (including storage, regasification and transport per se) and distribution of natural gas; and (ii) deregulated activities: production, supply and retailing of natural gas.

Prevailing legislation stipulates functional unbundling (separation) obligations which imply accounting unbundling, in order to prevent cross subsidies and increase toll and tariff calculation transparency, legal unbundling, by means of separate companies, and also separation of regulated activities by requiring them to operate independently of the other companies in their consolidated groups.

In accordance with European Union directives (Directive 2003/55/EC, of June 26, and Directive 98/30/EC, of June 22), the supply of natural gas is fully deregulated in Spain, which means that all Spanish consumers are qualified and are accordingly free to choose their natural gas provider since January 1, 2003. Sector deregulation was substantially reinforced by the elimination since July 1, 2008 of the regulated tariff supply by the distribution companies, which meant that all consumers are required to participate in the deregulated market.

The construction, operation, modification and closing of basic network and carrier network facilities require prior government authorizations.

Enagás, S.A., the Natural Gas System Operator, is responsible for the coordinating and ensuring that the system works properly. Law 12/2007 limits equity ownership interests in Enagás, S.A. to 5%, caps voting rights at 3% as a general rule, although this cap falls to 1% in the case of companies carrying out business activities related to the gas sector and; in any case, the aggregate ownership interest of shareholders whose business activities relate to the gas sector cannot exceed 40%.

Since January 1, 2003, no company or group of companies acting in the natural gas sector can collectively provide natural gas for consumption in Spain in an amount in excess of 70% of domestic consumption. The Spanish Government is authorized to modify that percentage based on changes in the sector and the sector's business structure.

Minimum safety stock

Royal Decree 1766/2007, amending Royal Decree 1716/2004, regulates the obligation to maintain a minimum stock in the oil and natural gas sectors, the obligation to diversify the natural gas supply and the activities of the Corporation of Strategic Reserves of Petroleum Products (CORES). The minimum safety stock requirement imposed on wholesalers in 2009 was equivalent to 90 days of sales calculated on the prior 12-month sales; and 92 days in 2010. In both years, Repsol YPF was obliged to directly maintain a stock corresponding to 50 days of sales, while the remaining stock required to make up the difference with the abovementioned safety stock requirement are held by the CORES corporation on behalf of the various operators.

Spanish legislation does not require these reserves to be handled, measured or stored in any specific manner; indeed any products accounted for by the operators as part of their inventories in the ordinary course of their business operations qualify as strategic reserves to this end. Compliance with the safety stock rules implies regular reporting that minimum levels are held; however, the operators subject to these rules are free to use the inventories held for this purpose so long as the total balance does not fall below the minimum threshold.

Electricity sector regulation in Spain

The deregulation of the Spanish electricity sector began in 1997 with the passage of the Electricity Sector Act (Law 54/1997, of November 27), incorporating into Spanish law Directive 96/92/EC concerning common rules for the internal market of electricity, establishing the rules for sector deregulation across the European Union countries, and subsequent enacting regulations, noteworthy, among which are the Royal Decree 1955/2000, of December 1, that regulates power transmission, distribution, marketing and supply, and the procedures for authorization of electric power facilities, and Royal Decree 2019/1997, of December 26, organizing and regulating the Electricity Production Market. The Electricity Act was later amended by Law 17/2007, of July 4. Meanwhile, Royal Decree 661/2007, of May 25, amended the rules governing the production of electricity under the so-called special regime.

Business operations in the Spanish electricity sector can be classified into: (i) regulated activities – power transport and distribution; and (ii) deregulated activities – power generation and retailing.

The first ones require prior administrative authorization, their remuneration is regulated and are subject to specific obligations. In contrast, the second activities are not regulated and are therefore not subject to intervention by the authorities. The retail business in particular is based on the principles of freedom contracting and customer freedom to choose supplier. As a deregulated business, retail prices of electricity are established freely between the parties.

Installation of new generation facilities is deemed a deregulated activity, notwithstanding the pertinent administrative authorizations. Facilities with installed capacity of under 50 MW which fall into one of the categories itemized in the Electricity Act (co-generation installations and those producing power from a renewable primary source) are deemed Special Regime facilities. These facilities can choose between selling the power they produce to the network-owning distributor at a pre-defined feed-in tariff or selling the electricity produced freely to the market through a system managed by the market operator at the price established by this organized market (exchange mechanism) plus certain applicable incentives and/or premiums.

Companies engaged in regulated business activities according to the Law, must have as exclusive object the development of such activities and cannot develop deregulated activities. However, group companies within a consolidated group can engage in regulated and deregulated business activities so long as they are carried on by separate group companies.

The electricity system has been in deficit in recent years, a situation which has led to the accumulation of an annual tariff deficit or shortfall, which has had to be financed by the power utilities companies. To remedy this situation, Royal Decree-Law 6/2009, of April 30, established a series of measures designed to address the tariff deficit, creating a state-guaranteed securitization fund, as well as the introduction of a “social voucher” (an electricity tariff discount for household consumers meeting certain social, usage and income criteria which is to be financed by the power generators).

In Spain, the main duty of Spain’s Technical System Operator, Red Eléctrica de España, S.A., is to ensure power supply security and the correct functioning of the generation and transmission system.

Legislative regulation approved in 2010 that does not specifically affect the hydrocarbon or electricity sectors

In line with widespread international legal instruments, Organic Law 5/2010, of June 22, introduced the concept of criminal liability of companies and other legal entities into the Spanish Criminal Code. As of December 23, 2010, date on which it came into effect, companies may be held criminally liable for crimes committed in their name or on their behalf, and in their benefit, by their actual or de facto legal representatives or directors.

This list of crimes for which legal entities may be held criminally liable includes corruption in the private sector, corrupt behavior in international transactions, money laundering, computer hacking and crimes against natural resources or the environment, among others.

Law 12/2010, which amends the Audit Act, the Securities Markets Act and the Companies Act and, introduces a number of legislative amendments, including new Audit Committee modifications for entities whose securities are listed on official secondary exchanges, requiring that at least one member of the audit committee should be an independent Director and that this member should be appointed based on his or her knowledge and experience of accounting and audit matters, and tasking the audit Committee, among other duties, with the issuance of an annual report on the independence of the External auditor.

Legislative Royal Decree 1/2010, of July 2, which enacted a new text of the Capital Companies Law, entered into force on September 1, 2010 and incorporates former regulation of public limited companies, limited liability companies and partnerships limited by shares and, with few exceptions, the provisions contained in the Securities Market Act with respect to listed companies. In relation with listed companies, article 515 of the new legislation, entering into force on July 1, 2011, nullifies provisions of company´s bylaws with the direct or indirect effect of limiting the number of votes that can be exercise by a single shareholder or by companies belonging to a consolidated group.

Argentina

Exploration and production

The Argentine oil and gas industry is regulated by Law No. 17,319 (the “Hydrocarbons Law”). The Argentine Government, through the Secretariat of Energy, issues regulations to complement this Law. The regulatory framework of this Law was established on the assumption that the reservoirs of hydrocarbons were national properties and Yacimientos Petrolíferos Fiscales Sociedad del Estado, YPF, S.A.’s predecessor, was responsible for their operation under a different framework than private companies.

In 1992, Law No. 24,145 (referred to as the “YPF Privatization Law,”) regulated the privatization of YPF and initiated a process for the transfer of hydrocarbon reservoirs from the Argentine Government to Provinces, in whose territories they were located. The YPF Privatization Law established that the exploration licenses and exploration concessions in force at the time this Law was passed would be transferred on expiration of the corresponding legal and/or contractual terms.

The YPF Privatization Law awarded YPF 24 exploration licenses and 50 exploration concessions and other trasportation concessions. The Hydrocarbons Law limits the number and total surface area of the exploration licenses or exploration concessions which an entity may hold.

In October 2004, the Argentine Congress enacted Law No. 25,943 creating a new state-owned energy company, Energía Argentina S.A., (“ENARSA.”). The corporate purpose of ENARSA is the study, exploration and exploitation of solid, liquid or gas hydrocarbon deposits, the transport, storage, distribution and commercialization of these products and their derivatives products, as well as the transportation and distribution of natural gas, and the generation, transportation, distribution and sale of electricity. This Law granted ENARSA all exploration concessions with respect to offshore areas located beyond 12 nautical miles from the coastline up to the outer boundary of the continental shelf that were vacant at the time the Law went into effect in November 2004.

In accordance with the current legal system (new Article 124 of the Argentine Constitution, Decree 546/2003, Law No. 26,197) oil and gas regulation (both legislative and regulatory) falls under the jurisdiction of the National Government, whereas the application of the Hydrocarbons Law and its supplementary regulations will correspond to the Provinces or to the State, depending on where the fields are located.

In October 2006, Law No. 26,154 created an incentive regime aimed at encouraging hydrocarbons exploration and operation and which applies to new exploration permits awarded in respect of offshore areas. Interested parties must go into partnership with ENARSA in order to avail themselves of the numerous benefits of this regime.

In November 2008, by virtue of the Decree of the National Executive Power No. 2014/2008, the program *“Petróleo Plus”* was set up and aimed to increase the production and stocks through new prospecting and exploitation investments. To this goal, it establishes a system of tax incentives for those exploitation companies that increase their production and stocks within the provisions of the program.

Natural gas

The Natural Gas Law passed in June 1992 mandated the privatization of the company operator Gas del Estado Sociedad del Estado and established the regulatory framework governing the transport and distribution of natural gas, while also providing for the deregulation of natural gas prices. It also designated natural gas transport and distribution activities as national public services.

The regulatory framework applicable to the transport and distribution of natural gas establishes an open access system under which producers such as YPF have open access to the transport capacity available in the transport and distribution systems on a non-discriminatory basis.

Argentina has built cross-border gas pipelines to enable natural gas producers to export their output. However, in recent years, the Argentine authorities have adopted a series of measures to restrict natural gas exports from Argentina, including orders to supply the domestic market

(Fuel Undersecretariat Ruling 27/04 and Resolution 265/04) that implements an export cutoff scheme of natural gas; Resolution 659/04, establishes a Program for Rationalizing Gas and the Use of Transport Capacity; and Resolution 752/05, creates a Permanent Additional Injection mechanism.

Energy Secretariat Resolution 24/2008, amended by Resolution 1031/2008, created an incentive program for the production of natural gas called "Gas Plus," designed with the objective of stimulating the production of natural gas deriving from new reserve findings, new fields, as well as the production of tight gas, etc. The natural gas produced under this program is carved out from the 2007-2011 Agreement (described in the Market Regulation section below) and therefore the its commercial price is not subject to the price conditions provided for in the Natural Gas Producer Agreement 2007-2011.

Refining and transport

Crude oil refining activities are subject to authorization by the Argentine Government, and to compliance with national, provincial and municipal safety and environmental regulations. Oil companies must be registered in the registry of oil companies held by the Secretariat of Energy.

Decree 2014/2008 created the *"Refino Plus"* program designed to encourage the production of diesel and petrol fuels. The decree entitles refineries that undertake construction of a new refinery, add capacity at an existing refinery and/or convert existing refineries to receive export credits.

The Hydrocarbons Law authorizes the Executive National Power of the Argentine Government to grant 35-year concessions for the transport of oil, gas and derivative products, subject to presentation of the pertinent competitive tenders. Law 26,197 vested Argentina's provincial governments with the same power. Holders of operating concessions are entitled to receive a concession for transporting their production of oil, gas and derivatives thereof. The terms of these transport concessions can be extended for an additional period of 10 years.

Liquefied Petroleum Gas (LPG)

Law No. 26,020 establishes the basic regulatory framework for the industry and marketing of LPG. The authority established the volumes and sales prices of LPG through various resolutions. In October 2008 Argentina's Secretariat of Energy ratified the Stability Agreement of LPG prices in the local market. The validity of the pact has been extended to December 31, 2011.

Market regulation

The Hydrocarbons Law authorizes the Executive National Power of the Argentine Government to regulate the Argentine oil and gas markets and prohibits the export of crude oil during periods in which the authorities determine domestic production to be insufficient to satisfy domestic demand. In the event of restrictions on the export of crude oil and derivatives or the free circulation of natural gas, the oil deregulation decrees entitle producers, refiners and operators to receive a price at least equal to the price of similar grades of imported crude oil and derivatives in the case of oil, and no less than 35% of international price of crude Arabian Light Oil in the Case of Natural Gas, quoted in cubic meters.

A significant number of rules concerning a broad range of issues affect the various markets, for example, the Energy Secretariat Resolution 1102/04 regarding the creation of a register of fuel and hydrocarbon supply points, Energy Secretariat Resolution 1104/04 regulating creation of a bulk sales price information module and Decree 652/02 enacting a gasoil supply stability regime and, in general, other rules with different scopes.

By the enactment of several rules, the Fuels Undersecretariat restored a record system for the hydrocarbons and derivatives exports and set forth some obligations concerning supply to the local market, including the obligation to import some products as allowances for export, when necessary to meet internal demand. On October 11, 2006, the Secretariat of Internal Commerce demanded refining companies and/or wholesalers and/or retailers that they must satisfy the fuel-oil demand in the whole territory of Argentina to meet market growth.

Resolution No. 394/07 of November 16 increased the taxes on crude and derivative exports in Argentina. According to the new scheme when the export price is fixed over the reference price (60.9 dollars/barrel), the producer shall have the right to collect US$42 per barrel and the rest up to the reference price shall be withheld by the Argentine Government as an export

tax. In the event that the export price is under the international reference price, but above US$45 per barrel, a 45% retention shall apply. In the event that the export price is under US$ 45 per barrel, the withholding percentage shall be fixed within 90 days' term. This same method shall apply to the exports of other oil products and lubricants using different reference prices, withholding percentages and prices allowed for producers, depending on the cases.

On June 14, 2007 the Resolution No. 599/07 of the Secretariat of Energy passed a proposal in agreement with the natural gas producers concerning the supply of natural gas to the domestic market for the period 2007 to 2011 ("2007-2011 Agreement"). YPF signed the agreement.

Resolution 459/07 issued by Argentina's Ministry of Federal Planning, Public Investment and Services, created the "Energy Substitution Program" *(Programa de Energía Total)* in order to mitigate gas and electricity shortages by encouraging industrial users to substitute natural gas and electricity with gasoil, fuel-oil and LPG. Subsequently, regarding the implementation of this program, a number of new resolutions and rules enacted the general programs for the supply of gaseous and liquid fuels.

On February 2, 2011, the Argentine Secretary of Home Trade issued Resolution No. 13/2011 stipulating that liquid fuel sales prices should be pushed back to those prevailing on January 28, 2011. This regulation also stipulates that the nation's refineries and oil companies must supply the internal market with specified fuel volumes calculated as a function of the amounts supplied in the preceding year adjusted by the positive correlation between growth in demand for fuel and gross domestic product.

Venezuela

Venezuela's Basic Hydrocarbons Law (LOH) regulates the migration from the former Operating Agreements to Mixed-Ownership Enterprises. On June 20, 2006, the Popular's Power for Energy and Petroleum Ministry (MENPET for its initials in Spanish) approved the incorporation of Mixed Enterprise Petroquiriquire, S.A., in which Repsol has a 40% ownership interest, while Corporación Venezuela del Petróleo, S.A. (CVP), a PDVSA subsidiary, holds a 60% stake. On the same date, the national executive authorized the direct grant of a Non-Associated Natural Gas Operating License to the corporation Quiriquire Gas, S.A., owned 60% by Repsol and 40% by PDVSA GAS, S.A. This Gas License was granted in March 2007.

On September 2, 2009, Venezuela's National Assembly authorized Petroquiriquire, S.A. to pursue exploration and exploitation activities in Barúa-Motatán as part of its corporate purpose as mixed enterprise. The exploration and exploitation rights for this block were granted by the National Executive via Presidential Decree No. 7,121, published on December 15, 2009. On February 10, 2010, the incorporation of the Barúa-Motatán division in the Mixed Enterprise was approved at an Extraordinary Shareholders' Meeting. That same day, the Amendment to the Transformation to Mixed Enterprise Agreement was signed, along with related documentation, effectively: (i) incorporating the Barúa-Motatán Geographic Division within Petroquiriquire, S.A., and (ii) authorizing amendment of the Mixed Enterprise's Bylaws and the Hydrocarbon Sale-Purchase Agreement.

On February 10, 2010, the MENPET awarded the operating concession for Carabobo 1 to the consortium made up of Repsol (11%), Petronas (11%), OVL (11%) and Indoil (7%), for a combined equity interest of 40%, and CVP, with a 60% stake. The Decree creating the Mixed Enterprise Petrocarabobo, S.A. and the MENPET Resolution delimiting its geographic area were published in the Official Gazette of the Bolivarian Republic of Venezuela on May 7, 2010. The Agreement governing the Incorporation and Administration of Mixed Enterprise Petrocarabobo, S.A. was signed on May 12, 2010 and on June 25, 2010 the Enterprise was incorporated in the Companies Register. On July 29, 2010, Petrocarabobo, S.A.'s Transfer Decree was published in the Official Gazette (Note 30).

Bolivia

The Bolivian oil and gas industry is regulated by Law No. 3,058 of May 19, 2005 (the "Hydrocarbons Law").

On May 1, 2006 Supreme Decree 28,701 (the "Nationalization Decree") was published, which nationalized the country's oil and gas and transferred the ownership and control thereof to the Bolivian state company Yacimientos Petrolíferos Fiscales Bolivianos (YPFB). Furthermore, the shares required to enable YPFB to control at least 50% plus one vote in different companies, among them Empresa Petrolera Andina, S.A., currently known as YPFB Andina S.A. (YPFB Andina), were nationalized.

As a result, Repsol signed a shareholders' agreement that stipulates, among other provisions: (a) a two-year period of joint operation of YPFB Andina, during which time Repsol is entitled to appoint some executives in certain business areas; (b) mutual right of first refusal over any share sale; (c) certain "Mutually Agreed Decisions" to be taken jointly by the management and boards of Repsol and YPFB.

At the date of authorizing the accompanying consolidated Financial Statements for issue, the joint operation period had terminated, which means that the "Appointment of Executive Personnel" clause applies. This clause stipulates that as a minority shareholder, Repsol is entitled to propose the persons to be nominated by the Board to certain positions.

Operating contracts

According to the Hydrocarbons Law and the Nationalization Decree, Repsol YPF E&P Bolivia S.A. and its subsidiary YPFB Andina S.A. signed with YPFB the Operating Contracts establishing the conditions for the prospecting and production of hydrocarbons in Bolivia, effective as of May 2, 2007.

In compliance with the terms laid down in the Operating Contracts, on May 8, 2009, Repsol YPF E&P Bolivia S.A. signed the pertinent natural gas and liquid Hydrocarbon Delivery Agreements (Delivery Agreements) with YPFB for the various operating areas in which it operates, as well as the Payment Method Agreement, which regulate the terms of Operating Contract Holder Remuneration.

In relation with these Operating Contracts, significant legislation was issued in 2008 and 2009 which had the effect of: (i) setting the conditions and parameters for the recognition and approval by YPFB of the Recoverable Costs within the framework of the Operating Contracts; (ii) amending the regulations governing the settlement of royalties and investments with the Bolivian Treasury to conform with the terms of the Operating Contracts; and (iii) regulating the tendering, contracting and purchase of materials, works, goods and/or services by Operating Contract Holders.

Further, in compliance with what is established in Ministerial Order 101/2009, the amended Development Plan corresponding the Operating Contract governing the Caipipendi Area, and the Margarita and Huacaya Fields was presented. This Development Plan was approved by YPFB on March 8, 2010.

Lastly, in respect of the Delivery Agreements, Ministerial Order 088/2010 of March 25, which repealed Ministerial Order 291/2009 of October 29 and amended the Ministerial Order 255/2006, established that the allocation of the hydrocarbons produced to be made by YPFB will be formulated by field and market in accordance with the volumes committed to in the Delivery Agreements signed with YPFB. The order of priority for allocation of natural gas is: (1) Internal Market; (2) Export Markets, in the chronological order in which YPFB entered into the various Natural Gas Purchase Agreements; and for liquid hydrocarbons, the priority order is: (1) Internal Market; (2) Export Market.

At the date of the Financial Statements, the reconciliation of the Holder Remuneration calculation with YPFB was still pending.

New Bolivian Constitution

Bolivia enacted its new Constitution on February 7, 2009, stipulating in relation to the oil and gas sector, among other matters, that:

(i) Hydrocarbons are the inalienable and imprescriptible property of Bolivians; (ii) by virtue of belonging to the Bolivian people, securities evidencing a residual ownership interest in Bolivia's natural resources may not be listed and traded on securities markets or used to securitize or pledge financial transactions; (iii) the state, on behalf of the Bolivian people and as their representative, exercises ownership of all the country's oil and gas production and is the sole entity authorized to market this output; (iv) all income received from the sale of oil and gas shall be the property of the state; (v) the state shall define the oil and gas policy and shall promote its comprehensive, sustainable and equitable development and guarantee energy sovereignty; (vi) YPFB is the sole entity authorized to control and manage the oil and gas productive and commercial chain; (vii) YPFB may not transfer its rights and obligations in any form or under any regime, tacitly or expressly, directly or indirectly; YPFB is authorized to enter into service agreements with Bolivian and foreign public, mixed or private entities for the execution of certain production chain activities on YPFB's behalf in exchange for compensation or a service fee; (viii) YPFB may incorporate mixed economy associations or companies for the execution of hydrocarbon-related activities, in which YPFB must hold a mandatory interest of no less than 51% in these entities' total share capital.

It is management's understanding that the new Constitution will require enactment of a series of additional laws and regulations.

Ecuador

On March 29, 2006, by Law No. 2006-42, Ecuador demanded from the contractors of all the prospecting and exploitation joint contracts of hydrocarbons the payment of at least 50% of the so-called "surpluses of crude oil," that is, the difference between the participation value of each contractor, according to the oil price at the date of the execution of the contract (calculated on the basis of the monthly average of the sale price expressed in fixed values) and its value in accordance to the oil price at the date of sale by the contractors. Later on, Executive Decree No. 662, of October 4, 2007, increased the state's participation to the 99%.

On June 9, 2008, the companies constituting the consortium of contractors of the Block 16, in disagreement with the application of this new encumbrance, filed with the ICSID an application for international arbitration pursuant to the Equity Contract (Note 34).

On March 12, 2009, Repsol YPF Ecuador S.A. (Ecuador Branch), as operator of Block 16, signed a modified Participation Agreement which extended the concession to operate Block 16 from January 31, 2012 to December 31, 2018, although the Participation Agreement would be terminated early if a Services Agreement to replace this Participation Agreement is not negotiated and executed in a period of one year.

In accordance with the provisions set down in the Amended legislation of the Hydrocarbons Law and the Internal Tax Regime Law, of July 27, 2010, the agreements for the exploration and exploitation of hydrocarbons under the various contractual forms must be modified to reflect the amended hydrocarbons exploration and exploitation services agreement model provided for in article 16 of the Hydrocarbons Law.

On November 23, 2010, the Ecuadorian state and Repsol entered into an agreement transforming the former contract into a hydrocarbons (crude oil) exploration and exploitation service agreement covering Block 16 in the Amazon Region.

In addition, on January 22, 2011, Repsol signed an agreement with the Ecuadorian state amending the services agreement covering the Tivacuno Block. The Company is currently in the process of executing the documents needed to file the new agreement with the Hydrocarbons Registry.

Lastly, in accordance with article 408 of Ecuador's Constitution, published on October 20, 2008, the state retains a portion of the profits obtained on the sale of hydrocarbon resources; this state retention may not be less than the profit retained by the company producing the fuel.

Other countries

Repsol YPF's operations are subject to an extensive variety of legislation and regulatory frameworks in the other countries in which it operates. All aspects of the activities performed, including, inter alia, land occupancy, production rates, royalties, price-setting, environmental protection, export rates, exchange rates, etc., are covered by such legislation and regulatory frameworks. The terms of the concessions, licenses, permits and agreements governing the Group's interests vary from one country to another. These concessions, licenses, permits and agreements are generally awarded or jointly carried out with government bodies or state companies and occasionally with private sector organizations.

3 Basis of presentation and accounting policies

3.1 Basis of presentation

The accompanying consolidated Financial Statements are presented in millions of euros and were prepared from the accounting records of Repsol YPF, S.A. and of its investees. The consolidated Financial Statements are presented in accordance with the International Financial Reporting Standards (IFRSs) as endorsed by the European Union at December 31, 2010. Accordingly, they present fairly the Group's consolidated equity and financial position at December 31, 2010, the concolidated results of operations, the changes in consolidated equity and the consolidated cash flows in the year then ended.

The preparation of the consolidated Financial Statements in accordance with IFRS, which is the responsibility of the Board of Directors of the Group's parent company, makes it necessary to make certain accounting estimates and for the directors to use their judgment when applying the Standards. The most complex areas, the areas in which the directors' judgment is most required and the areas in which significant assumptions or estimates have to be made are detailed in Note 4 (Accounting Estimates and Judgments).

3.2 New standards issued

A. Below is a list of the standards, interpretations and amendments thereof under the International Financial Reporting Standards endorsed by the European Union that are mandatorily applicable to the Group's consolidated Financial Statements for the first time in 2010:

- Revised IFRS 3 *Business Combinations.*
- Amendment to IAS 27 *Consolidated and Separate Financial Statements.*
- Amendment to IAS 39 *Eligible Hedged Items.*
- Amendments to IFRS 2 *Group Cash-settled Share based Payment Transactions.*
- Improvements to *IFRS´s - 2007-2009.*
- Revised IFRS 1 *First-time Adoption of IFRS.*
- Amendments to IFRS 1 *Additional Exemptions for First-time Adopters.*
- Amendment to IFRS 5 *to incorporate the changes introduced following the Improvements to IFRS´s 2006-2008.*
- IFRIC 12 *Service Concession Arrangements.*
- IFRIC 17 *Distributions of Non-Cash Assets to Owners.*

IFRS 3 *Business Combinations* introduces significant changes, most notably with respect to the accounting treatment of adquisition-related costs, the measurement of non-controlling interests and the accounting treatment of business combinations achieved in stages (step acquisitions). IFRS 3, as amended, applies prospectively to business combinations completed on or after January 1, 2010.

IAS 27 *Consolidated and Separate Financial Statements* introduces significant novelties with respect to changes in a parent´s ownership interests in a subsidiary, differentiating between transactions giving rise to a loss of control and those in which control is retained. These amendments apply prospectively to transactions carried out on or after January 1, 2010.

IFRIC 12 *Service Concession Arrangements* establishes infrastructure used in a service concession arrangement complying with the following conditions: a) the grantor controls or regulates what services the operator must provide; and b) the grantor controls any significant residual interest in the infrastucture at the end of the term of the arrangement; shall not be recognized as property, plant and equipment of the operator, and it establishes that the operator shall recognize an intangible asset or a financial asset, depending on the nature of the arrangement.

The application of the standards, interpretations and amendments listed above, has not had a material impact on the Group's 2010 consolidated Financial Statements. Nevertheless, the first-time application of IFRIC 12 has resulted in certain reclassifications among balance sheet headings (Note 6).

B. At the date of preparation of the accompanying consolidated Financial Statements, interpretations and amendments thereof published by the IASB and endorsed by the European Union that have not been applied because the date of mandatory application is subsequent to the date of these consolidated Financial Statements date, and the Group has opted not applying early adoption, are the following:

Mandatory application in 2011:

- Revised IAS 24 R*elated Party Disclosures.*
- Amendments to IAS 32 *Classification of Rights Issues.*
- Amendments to IFRS 1 *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters.*
- Annual improvements to *IFRS 2008-2010.*
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IFRIC 14 *Prepayments of a Minimum Funding Requirements.*

At the date of preparation of the accompanying consolidated Financial Statements, the Group is assessing the impact of the application of these standards, amendments, and interpretations.

C. At the date of preparation of the accompanying consolidated Financial Statements the standars, interpretations and amendments thereof that have been issued by the IASB but not yet endorsed by the European Union are the following:

- IFRS 9 *Financial Instruments.*[1]
- Amendments to IFRS 7 *Disclosures of transfers of financial assets.*
- Amendments to IFRS 1 *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters.*
- Amendments to IAS 12 *Deferred tax:Recovery of Underlying Assets.*

None of these standards is applicable at the date of preparation of the accompanying consolidated Financial Statements.

3.3 Accounting policies

3.3.1 Basis of consolidation

Repsol YPF´s consolidated Financial Statements include the investments in all their subsidiaries, associates and joint ventures.

All the subsidiaries over which Repsol YPF exercises direct or indirect control were fully consolidated. Control is the power to govern the financial and operating policies of a company so as to obtain benefits from its activities. Control is, in general but not exclusively, presumed to exist when the parent owns directly or indirectly more than half of the voting power of the investee.

The share of the minority interests in the equity and profit of the Repsol YPF Group's consolidated subsidiaries is presented under "Minority interests" within Equity in the consolidated balance sheet and "Net income attributable to minority interests" in the consolidated income statement, respectively.

(1) This constitutes phase one of the three-phase project plan for the replacement of IAS 39: *"Financial instruments - Recognition and measurement".*

Joint ventures are proportionately consolidated and, accordingly, the consolidated Financial Statements include the assets, liabilities, expenses and income of these companies only in proportion to Repsol YPF Group's ownership interest in their capital. Joint ventures are those over which there is shared control and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

The assets, liabilities, income and expenses corresponding to the joint ventures are presented in the consolidated Balance Sheet and consolidated Income Statement in accordance with their specific nature.

In the case of either non-monetary contributions to a joint controlled entity in exchange for an equity interest, either in the case of sales of assets to a joint controlled entity, the Group only recognizes that portion of the gain or loss that is attributable to the interests of the other venturers.

Associates are accounted for using the equity method. These are companies over which the investor has significant influence but does not exercise effective or joint control. Significant influence is the power to affect financial and operating decisions of a company and is presumed to exist when the investor holds an interest of 20% or more. The equity method involves recognizing under "Investments accounted for using the equity method" in the Consolidated Balance Sheet, the net assets and goodwill, if applicable, of these companies only in proportion to the ownership interest in their capital. The net profit or loss obtained each year through these companies is reflected, only in proportion to the ownership interest in their capital, in the Consolidated Income Statement as "Share of results of companies accounted for using the equity method."

Losses incurred by an associate attributable to the investor that exceed the latter's interest in the associate are not recognized, unless the Group is obliged to cover them.

Appendix I contains a list of the consolidated subsidiaries, associates and joint ventures in which Repsol YPF, S.A. has direct and indirect ownership interests, which were included in the scope of consolidation, as well as the changes in the consolidation scope in 2009 and 2010.

The balances, transactions and profits between the fully consolidated companies were eliminated on consolidation. All balances, transactions and profits derived from transactions between the proportionately consolidated companies and other Group companies were eliminated in the proportion of its effective integration. The profit or loss on transactions between Group companies and associates was eliminated in proportion to the Group's percentage of ownership of these companies.

The accounting policies and procedures used by the Group companies were standardized with those of the parent for the purpose of presenting the consolidated Financial Statements using uniform measurement bases.

The Financial Statements of the investees whose functional currency differs from the presentation currency (Note 3.3.4) are translated as follows:

- The assets and liabilities in each of the balance sheets presented are translated at the exchange rates prevailing on the balance sheet date.
- Income and expense items making up each income statement heading are translated at the exchange rate on the transaction date. For practical reasons, the Group generally applies the average exchange rate for the period in which the transactions were completed.
- Any exchange differences arising as a result of the foregoing are recognized as a separate component of "Adjustments for changes in value" of equity called "Translation Differences."

On the disposal of a company whose functional currency is not the euro, or in the event of partial disposals resulting in loss of control, the exchange differences posted as a component of equity relating to that company are recognized in the income statement when the gain or loss on disposal is recognized. This accounting treatment also applies to partial disposals resulting in the loss of joint control or significant influence.

Since amended IAS 21 took effect on January 1, 2010, on the partial disposal of a subsidiary that includes a foreign operation that it does not result in the loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in equity is re-attributed to the non-controlling interests in that foreign operation. In any other partial disposal of a foreign operation, only the proportionate share of the cumulative amount of the exchange differences recognized in equity corresponding to the reduction in the Group´s ownership interest is reclassified to profit or loss.

The exchange rates against the euro of the main currencies used by the Group companies at December 31, 2010 and 2009 were as follows:

	12/31/2010		12/31/2009	
	Year End Rate	Cumulative Average Rate	Year End Rate	Cumulative Average Rate
Dollar	1.34	1.33	1.44	1.39
Argentine Peso	5.29	5.16	5.45	5.18
Brazilian Real	2.23	2.33	2.51	2.77

3.3.2 Current/Non-current classification

In the accompanying consolidated balance sheet, assets and liabilities maturing within 12 months are classified as current items and those maturing within more than 12 months as non-current items.

3.3.3 Offsetting of balances and transactions

As a general rule, in the consolidated Financial Statements neither assets and liabilities nor income and expenses are offset, except (i) when offsetting is required or permitted by a given standard or interpretation and (ii) when offsetting better reflects the substance of the transaction.

In this respect, revenue and expenses arising on transactions in which the Group has an unconditional and legally-enforceable right to set-off and intends to settle on a net basis or to realize the asset and settle the liability simultaneously are presented at their net amount in the income statement.

3.3.4 Functional currency and foreign currency transactions

a. Functional currency

The items included in these consolidated Financial Statements relating to the Group companies are measured using their functional currency, which is the currency in the main economic environment in which they operate. The consolidated Financial Statements are presented in euros, which is the Repsol YPF Group's functional and presentation currency.

b. Foreign currency

Transactions in currencies other than the functional currency of an entity are deemed to be "foreign currency transactions" and are translated to the functional currency by applying the exchange rates prevailing at the date of the transaction. At each year end, the foreign currency monetary items on the balance sheet are measured at the exchange rate prevailing at that date and the exchange rate differences arising from such measurement are recorded as "Net exchange gains/(losses)" within "Financial result" in the consolidated income statement in the year incurred. This does not apply to the accounting treatment of monetary items that qualify as hedging instruments (section 3.3.23 of this Note).

3.3.5 Goodwill

Goodwill represents the excess of the cost of a business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities that meet the pertinent recognition criteria at the date of acquisition. Goodwill is recognized as an asset at the acquisition date.

In the event of a shortfall, the value of the assets, liabilities and contingent liabilities acquired must be re-assessed. If after this re-assessment the shortfall continues to exist, it is recognized in profit or loss under "Other operating income" in the consolidated income statement.

Goodwill is not amortized and is subsequently measured at cost less any accumulated impairment losses (section 3.3.10 below).

3.3.6 Other intangible assets

The Repsol YPF Group initially recognizes intangible assets at acquisition or production cost, except in the case of the emission allowances received for no consideration as described in section b) below. This cost is amortized on a straight-line basis over the assets' useful lives, except for the assets with indefinite useful lives described below, which are not amortized but are tested for impairment at least annually, and whenever indicators of impairment are detected. At each balance sheet date, these assets are measured at cost less accumulated amortization and any accumulated impairment losses.

The main intangible assets of the Repsol YPF Group are as follows:

a. Leasehold assignment, surface and other rights

This heading primarily includes the costs associated with the various forms of agreements for acquiring service station association rights, reflagging rights and image rights of publicity and the associated exclusive supply agreements. This heading also includes other usufruct and surface rights. These costs are amortized over the related contract terms, which range from 5 to 50 years.

b. Emission allowances

Emission allowances are recognized as an intangible asset and are measured at acquisition cost.

Allowances received for no consideration under the National Emission Allowance Assignment Plan, are initially recognized at the market price prevailing at the beginning of the year in which they are issued, and a balancing item is recognized as a grant for the same amount under deferred income, which is charged against income as the corresponding tons of CO_2 are consumed.

These allowances are not amortized as their carrying amount equals their residual value and, therefore, the depreciable basis is zero, as their value is constant until delivery to the authorities; the allowances may be sold anytime. Emission allowances are subject to an annual impairment test (section 3.3.10. below). The fair value of the emission allowances is measured based on the average market price on European Union Allowances Exchange for the last trading session of the year provided by the ECX-European Climate Exchange.

The Group records an expense under "Other operating expenses" in the income statement for the CO_2 emissions released during the year, recognizing a provision calculated based on the tons of CO_2 emitted, measured at: (i) their carrying amount in the case of the allowances of which the Group is in possession at year-end; and (ii) the closing list price in the case of allowances of which it is not in possession at year-end.

When the emissions allowances for the CO_2 tons emitted are delivered to the authorities, the intangible assets as well as their corresponding provision are derecognized from the balance sheet without any effect on the income statement.

c. Other intangible assets

This heading primarily includes the following items:

I. Concessions and others: these are initially recognized at acquisition cost if they are acquired directly from a government or other public sector body, or at the fair value attributable to the concession in question if they are acquired as part of a business combination. They are subsequently measured at acquisition cost less accumulated amortization and impairment loss, if any. These concessions are amortized on a straight-line basis over the term of the concession agreements.

These concessions include contracts for the supply of public services under which the operator has the right to charge tariffs that are established directly with the service's users, although the competent authorities regulate or control either the tariffs or the users to which service must be provided; moreover, the State retains the residual value in the assets at the end of the term of the arrangement. These concessions are initially recognized at fair value.

This heading also includes power distribution concessions in Spain which are not subject to legal or any other limits. Because these intangible assets are considered to have indefinite useful lives they are not amortized but they are tested for impairment at least annually.

II. Exploration permits acquisition costs: the costs incurring to acquire stakes in exploration permits for a given period of time are capitalized under this heading at their purchase price. During the exploration and evaluation phases, these costs are not amortized, although they are tested for impairment at least once a year and whenever indications of impairment are detected, in accordance with the guidelines set forth in IFRS 6 E*xploration for and Evaluation of Mineral Resources*. Any impairment losses detected are recognized – or reversed - in profit or loss in accordance with the general rules established in IAS 36 *Impairment of Assets*. Once the exploration and evaluation phase is completed, if no reserves are found, the amounts previously capitalized are recognized as an expense in the consolidated income statement. If the exploration work yields positive results, giving rise to commercially exploitable wells, the costs are reclassified to "Investments in areas with reserves" (Note 3.3.7 c) at their carrying amount when this determination is made.

III. Development costs are capitalized only if all the conditions stipulated in the applicable accounting standard are met. The Group research costs incurred by the Group are expensed in the Income Statement.

IV. Other costs, including those relating to software and industrial property, are amortized on a straight-line basis over their useful lives (which range between 3 and 20 years).

Trademarks and analogous intangible assets internally developed by the Group are not capitalized; and the related expenses are recognized in the consolidated income statement in the period in which they are incurred.

3.3.7 Property, plant and equipment

The Repsol YPF Group uses the cost model by which items of property, plant and equipment are measured initially at acquisition cost.

a. Cost

The cost of property, plant and equipment includes their acquisition cost, all the costs directly related to the location of assets, making them operational and the present value of the expected disbursements necessary for any costs of dismantling and removing the item or restoring the site on which it is located, when such obligations are incurred under certain conditions. Subsequent changes to the measurement of the dismantling obligations and related liabilities resulting from changes in the estimated cash flows and/or in the discount rate are added to or deducted from the asset's carrying amount in the period in which they are incurred, except where the lower corrected value of the liability is greater than the carrying amount of the associated asset, in which case the surplus is recognized in the income statement.

Borrowing costs that are directly attributable to the acquisition or construction of assets that require more than one year to be ready for use are capitalized as part of the cost of these assets, in accordance with the limits established in the applicable accounting rules.

Personnel expenses and other operating expenses directly attributable to the construction of the asset are also capitalized.

The costs of expansion, modernization or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalized, as long as the general capitalization criteria are met.

Repair, upkeep and maintenance expenses are recognized in the income statement as incurred. Furthermore, certain facilities require periodic reviews. In this respect, the assets subject to replacement are recognized specifically and are depreciated over the average term remaining until the next repairs are carried out.

This heading also includes investments relating to oil and gas exploration and production activities (section c below) and the cost of assets held under finance leases (section 3.3.20 below).

b. Amortization (depreciation)

Property, plant and equipment, other than those items relating to oil and gas exploration and production activities (section c below), are depreciated using the straight-line method on the basis of the acquisition cost of the assets less their estimated residual value, over the years of estimated useful life of the assets, in accordance with the following schedule:

	Years of Estimated Useful Life
Buildings and other structures	20–50
Machinery and fixtures:	
Machinery, fixtures and tools[1]	8–40
Furniture	9–15
Refineries in service:	
Units	8–15
Storage tanks	20–30
Pipelines and networks	12–18
Gas infrastructure and distribution facilities	20–40
Transport equipment	5–30

(1) In addition, the Group holds an indirect interest, via Gas Natural Fenosa, in hydro-powered generation assets whose depreciation period can be as high as 100 years, where not held under concession, depending on their estimated useful lives.

Depreciation of these assets starts when the assets become available for use.

Land is classified separately from the buildings or facilities that might be located on it and is deemed to have an indefinite useful life. Therefore, it is not depreciated

c. Recognition of oil and gas exploration and production transactions

Repsol YPF recognizes oil and gas exploration and production transactions using the "successful-efforts" method, whereby the accounting treatment of the various costs incurred is as follows:

I. The costs incurred in the acquisition of new interests in areas with proved and unproved reserves (including bonds, legal costs, etc.) are capitalized as incurred under "Investments in areas with reserves" associated with proved reserves or unproved reserves, as appropriate.

II. *Exploration costs* (geological and geophysical expenditures, expenditures associated with the maintenance of unproved reserves and other expenditures relating to exploration work), excluding exploratory drilling expenditures, are expensed as incurred.

III. *Exploratory drilling costs,* including those relating to stratigraphic exploration wells, are recognized as assets under the heading "Other exploration costs" until it is determined whether proved reserves justifying their commercial development have been found. If no proved reserves are found, the capitalized drilling costs are charged to income. However, if as a result of exploratory drilling, including stratigraphic exploratory wells, reserves are found that cannot be classified as proved, their recognition depends on the following:

- If the area requires additional investments before production can commence, the drilling costs remain capitalized only during the period in which the following conditions are met: (i) the amount of proved reserves found justifies the completion of a productive well if the required investment is made; and (ii) the drilling of additional exploratory or stratigraphic wells is underway or planned for the near future. If either of the aforementioned conditions is not met, the drilling costs or the cost of the stratigraphic wells are charged to income.
- In all other circumstances, the existence of reserves that can be classified as proved have to be determined within one year from the completion of the prospection work. Otherwise, the related drilling costs are charged to income.

Costs incurred in exploratory drilling work that has yielded a commercially exploitable reserve find are reclassified to "Investments in areas with reserves." Wells are classified as "commercially exploitable" only if they are expected to generate a volume of reserves that justifies their commercial development on the basis of the conditions prevailing when recognized (e.g. prices, costs, production techniques, regulatory framework, etc.).

IV. *Development expenditure* incurred in lifting proved reserves and in processing and storing oil and gas (including costs incurred in drilling relating to productive wells and dry wells under development, oil rigs, recovery improvement systems, etc.) are recognized as assets under "Investments in areas with reserves."

V. *Future field abandonment and dismantling costs* (environmental, safety, etc.) are estimated, on a field-by-field basis, and are capitalized at their present value when they are initially recognized under "Investments in areas with reserves" in assets in the balance sheet, within "Non-Current Provisions." This capitalization is recorded against the corresponding provision.

The investments capitalized as described above are depreciated as follows:

I. Investments in the acquisition of proved reserves are depreciated over the estimated commercial life of the field on the basis of the production for the period as a proportion of the proved reserves of the field at the beginning of the depreciation period.

II. Investments relating to unproved reserves or fields under evaluation are not depreciated. These investments are tested for impairment at least once a year and whenever indications of impairment are detected. Any impairment losses detected are recognized – or reversed - in profit or loss in accordance with the general rules established in IAS 36 *Impairment of Assets.*

III. Cost incurred in drilling work and subsequent investments to develop and lift oil and gas reserves are depreciated over the estimated commercial life of the field on the basis of the production for the period as a proportion of the proved reserves of the field at the beginning of the depreciation period.

The changes in estimated reserves are considered on a prospective basis in calculating depreciation.

At each balance sheet date or whenever there are indications that the assets might have become impaired, their recoverable amount (see section 3.3.10. of this Note) is compared to their carrying amount. Any impairment loss or reversal arising as a result of this comparison is recognized under "Impairment losses and losses on disposal of non-current assets" or, if applicable, "Income from reversal of impairment losses and gains on disposal of non-current assets" on the consolidated income statement (section 3.3.10. of this Note and Notes 7, 9 and 25).

d. Environmental property, plant and equipment

Property, plant and equipment of an environmental nature, the purpose of which is to minimize environmental impact and to protect and improve the environment, are identified on the basis of the nature of the business activities carried on, based on the Group's technical criteria, which are based on the guidelines relating to these matters issued by the American Petroleum Institute (API).

Environmental property, plant and equipment and the related accumulated depreciation are recognized in the balance sheet together with other property, plant and equipment, classified by their nature for accounting purposes.

Their cost, depreciation methods and the valuation adjustments to be performed are determined in accordance with the rules relating to these non-current asset items, as explained in sections 3.3.7.a) to 3.3.7.c) of this Note.

3.3.8 Investment property

Investment property are those assets (buildings, land) held either to earn rentals or for capital appreciation or both. These assets are not used by the Group's in the production or supply of goods or services or for administrative purposes. Repsol YPF recognizes investment property using the cost model, applying the same policies as for items of property, plant and equipment (sections 3.3.7a) and 3.3.7.b) above).

3.3.9 Non-current assets and liabilities held for sale and discontinued operations

The Group classifies a non-current asset (or group of assets) as held for sale if the carrying amount of the asset(s) and associated liabilities will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. The sale should be expected to be completed within one year from the date of classification.

These assets or group of assets are presented at the lower of carrying amount and fair value less costs to sell and are not depreciated as long as they are classified as held for sale or form part of a group of assets classified as held for sale.

In addition, the Group classifies as discontinued operations any component (a cash-generating unit or a group of cash-generating units) that represents a separate major line of business or geographical area of operations, or has been sold or disposed of by other means, or that qualifies for classification as held for sale.

Non-current assets held for sale are presented in the consolidated balance sheet separately from other assets under the heading "Non-current assets held for sale," while the liabilities associated with assets qualifying for this classification are presented under "Liabilities related to non-current assets held for sale" described in the previous paragraphs The after-tax profits or losses generated by discontinued operations are presented in a single heading "Net income for the year from discontinued operations".

3.3.10 Impairment of property, plant and equipment, intangible assets and goodwill

In order to ascertain whether its assets have become impaired, the Group compares their carrying amount with their recoverable amount at the balance sheet date (section 3.3.24 below), or more frequently if there are indications that the assets might have become impaired. For that purpose, assets are grouped into cash-generating units (CGUs), to the extent that such assets, when individually considered, do not generate cash inflows that are independent of the cash inflows from other assets or CGUs. The identification of an asset's CGU implies the use of professional judgment.

To perform this test, goodwill acquired on a business combination is allocated among the cash-generating units or groups of cash-generating units (CGUs) that benefit from the synergies of the business combination and the recoverable amount thereof is estimated by discounting the estimated future cash flows of each unit.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a rate that reflects the weighted average cost of capital employed, which is different for each country and business.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount, and an impairment loss is recognized as an expense under "Impairment losses recognized and losses on disposal of non-current assets" in the consolidated income statement.

An impairment loss is recognized, first applied, as a reduction of the carrying amount of related goodwill allocated to the cash-generating unit. Any impairment losses in excess of the carrying amount of goodwill is then allocated to the assets comprising the CGU on a pro-rata basis of their carrying amount.

The basis for future depreciation or amortization will take into account the reduction in the value of the asset as a result of any accumulated impairment losses.

On the occurrence of new events, or changes in existing circumstances, which prove that an impairment loss recognized on a prior date could have disappeared or decreased, a new estimate of the recoverable value of the corresponding asset is developed, to determine whether it is applicable to reverse the impairment losses recognized in previous periods.

In the event of a reversal, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined in case no impairment loss had been recognized for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognized under "Income from reversal of impairment losses and gains on disposals of non-current assets" in the consolidated income statement. An impairment loss recognized for goodwill cannot be reversed in subsequent periods.

3.3.11 Current and non-current financial assets

The Group classifies its investments when they are initially recognized and reviews their classification at each balance sheet date. The assets are classified on the basis of the purpose for which they were acquired.

This category has, in turn, the following sub-categories:

a. Financial assets at fair value with changes through profit or loss

- a.1. Financial assets held for trading: this category comprises derivatives not designated as hedging instruments.
- a.2. Other financial assets at fair value with changes in profit and loss: this category comprises those financial assets acquired for trading or sale in the short-term which are not derivatives.

b. Financial assets available for sale

Financial assets available for sale are financial assets that have either been designated as available for sale or have not been classified in any other financial asset category.

c. Loans and receivables

There are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group delivers goods or provides services or financing to a third party and are assets which it does not intend to sell immediately or in the near term.

d. Held to maturity investments

Held to maturity investments are financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold from the date of purchase to the date of maturity.

A financial asset is initially recognized at fair value (section 3.3.23 of this Note). Transaction costs that are directly attributable to the acquisition or issuance of a financial asset are capitalized upon initial recognition of the asset, except in relation to assets designated as financial assets at fair value through profit or loss.

Subsequent to initial recognition, all financial assets, except for "Loans and receivables" and "Held to maturity investments" are measured at fair value. Equity investments in unlisted companies whose fair value cannot be measured reliably are measured at cost.

In the case of "Other financial assets at fair value with changes in profit and loss," gains and losses from changes in fair value are recognized in the net profit or loss for the year. In the case of "Financial assets available for sale," the gains and losses from changes in fair value are recognized directly in equity until the asset is disposed of or it is determined that it has become impaired, at which time the cumulative gains or losses previously recognized in equity are recognized in the profit or loss for the year.

"Loans and receivables" and "Held to maturity investments" are measured at amortized cost, and the accrued interest income is recognized in profit or loss using the effective interest rate method.

An impairment loss on financial assets at amortized cost is recognized when there is objective evidence that the Group will not be capable of collecting all the related amounts under the original terms of the accounts receivable.

The amount of the impairment loss is recognized in the consolidated income statement as the difference between the carrying amount and the present value of the future cash flows discounted at the effective interest rate. The carrying amount of the asset is reduced through an allowance account.

If, in subsequent periods, the value of the financial asset is recovered, the previously recognized impairment loss shall be reversed. The reversal shall not exceed the carrying amount the financial asset prior to the initial recognition of the impairment loss. The amount of the reversal shall be recognized in the income statement for the period.

Finally, an account receivable is considered uncollectible when situations similar to the following occur: dissolution of a company, lack of assets with which to settle the debts or a legal ruling.

Financial assets are initially recognized at face value whenever the effect of not discounting the related cash flows is not significant. Subsequent measurement of these assets is also done at face value.

The Group derecognizes financial assets when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition.

3.3.12 Inventories

Inventories acquired for our own use are stated at the lower of cost and net realizable value. Cost (basically the average cost) includes acquisition costs (less trade discounts, rebates and other similar items), transformation and other costs which have been incurred in bringing the inventories to their present location and condition.

In the case of refinery products, the costs are allocated to income in proportion to the selling price of the related products (isomargin method) due to the existing difficulty to recognize the conversion costs of every product.

The Group assesses the net realizable value of the inventories at the end of each period and recognizes in income the appropriate valuation adjustment if the inventories are overstated. When the circumstances that previously caused the impairment no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed.

Net realizable value is the estimated selling price at year end less the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

In the case of commodities and similar products, it is not necessary to write down their carrying amount below cost so long as management expects that the finished products in which they are to be incorporated will be sold above cost.

Commodities inventories acquired for trading are measured at fair value less costs to sell and changes in fair value are recognized in income. These transactions do not represent a significant volume of the Group's inventories (Note 13).

3.3.13 Cash and cash equivalents

Repsol YPF classifies under "Cash and cash equivalents" liquid financial assets, deposits or financial assets that can be converted into a known amount of cash within three months and that are subject to an insignificant risk of changes in value.

3.3.14 Earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the period taking into account, where appropriate, any treasury shares held by the Group (Notes 15.1 and 15.4).

3.3.15 Financial liabilities

Financial liabilities are initially recognized at fair value less the transaction costs incurred. Except for derivatives, subsequent to initial recognition, the Group measures its financial liabilities at amortized cost, as none of its financial liabilities are classified as held-for-trading.

Any difference between the financing received (net of transaction costs) and repayment value is recognised in the consolidated income statement over the life of the debt instrument in question, using the effective interest rate method.

Preference shares, which are detailed in Note 19 correspond to this liability category. They are initially recognized at fair value net of issuing costs and are subsequently measured at amortized cost, unless they form part of a hedging transaction in which case the criteria set forth in section 3.3.23. of this Note applies.

Trade payables and other payables are financial liabilities which do not bear explicit interest and which, are recognized at face value, when the effect of not discounting them is not material.

The Group derecognizes financial liabilities when the obligations are cancelled or expire.

3.3.16 Provisions

In accordance with prevailing accounting standards, the Group makes a distinction between:

a. Provisions: present obligations, either legal or assumed by the Group, arising from past events, the settlement of which is expected to give rise to an outflow of resources the amount and timing of which are uncertain; and

b. Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group, or present obligations arising from past events, the amount of which cannot be measured with sufficient reliability or whose cancellation is not likely to give rise to an outflow of resources embodying future economic benefits.

These provisions are recognized when the liability or obligation giving rise to the indemnity or payment arises, to the extent that its amount can be reliably estimated and it is probable that the commitment will have to be settled.

When a contract qualifies as onerous, the related present liabilities are recognized in the consolidated financial statements as provisions.

Contingent liabilities are not recognized in the consolidated financial statements. Notwithstanding the above, whenever it is deemed possible that settlement of such a liability will give rise to an outflow of resources, the existence of these liabilities is disclosed (Note 34).

3.3.17 Pensions and other similar obligations

a. Defined contribution plans

Repsol YPF has recognized defined contribution pension plans for certain employee groups; directly or indirectly through Group subsidiary YPF and Gas Natural Fenosa (Note 18).

The annual cost of these plans is recognized under "Personnel expenses" in the consolidated income statement.

b. Defined benefit plans

Repsol YPF's defined benefit plans are mostly held through Gas Natural Fenosa. The benefits to which the employees are entitled at the date of their retirement are recognized in the income statement as follows:

I. The current service cost (the increase in the present value of the defined benefit obligation resulting from employee service in the current period), under "Personnel expenses."

II. The interest cost (the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement), under "Financial costs."

III. The return on plan assets and changes in the value thereof, less any costs of administering the plan and less any tax payable by the plan itself, under "Financial costs."

The liability recognized with respect to defined contribution pension plans is the present value of the obligation at the balance sheet date less the fair value of plan assets, net of adjustments for past service costs. The obligation under defined benefit plans is calculated annually by independent actuaries in accordance with the projected credit unit method.

Any actuarial gains or losses arising as a result of changes in the actuarial assumptions used are recognized directly in equity under the heading "Reserves."

3.3.18 Government grants

a. Grants related to assets

These are grants related to non-current assets and are measured at either: (i) the amount granted or nominal value; or (ii) the fair value of the assets received, if they have been transferred for no consideration. They are classified as deferred income when it is certain that they will be received.

Among other grants, this heading includes the government grants received by Gas Natural Fenosa pursuant to the agreements in place with Spain's Regional Governments for building power and gas infrastructure in towns and other gas and power related investments for which all the conditions established to them have been met; they are measured at the amount granted.

These grants are recognised in profit or loss on straight line basis over the useful life of the assets they are financing. The consolidated Financial Statements present the assets and the grants received separately.

b. Grants related to income

These are grants that become receivable by the entity and are recognised as income for the period in which they become receivable.

3.3.19 Deferred income

Deferred income relates mainly to income from the assignment of gas transmission pipeline usage rights, the income relating to the natural gas distribution network relocation to be borne by third parties and the net amounts received each year for new connections to the gas or power grids. This income is credited to income on a straight-line basis over the depreciation period of the related non-current assets, which ranges from 20 to 50 years.

This heading also includes the amounts associated with CO_2 allowances received for no consideration (section 3.3.6 b) within this Note).

3.3.20 Leases

Determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

In this category, a distinction can be drawn between:

a. Finance leases

Leases are classified as finance leases whenever the lessor transfers substantially all the risks and rewards of ownership to the lessee. The ownership of the asset may or may not be transferred at the end of the lease term.

When the consolidated companies act as the lessee in finance leases, they present the cost of the leased assets in the consolidated balance sheet, based on the nature of the leased asset, and, simultaneously, recognise a financial liability for the same amount, which will be the lower of the fair value of the leased or the fair value of non-contingent amounts and not related to the provision of services payable to the lessor including, where appropriate, the price of exercising the purchase option, when the exercise thereof is expected with certainty at the beginning of the lease. These assets are depreciated according to criteria applied to the items of property, plant and equipment that are owned or are depreciated over the lease term, whichever is lower, provided there is no reasonable certainty that the lessee shall be granted the ownership at the end of the lease term.

The finance cost derived from the discounted financial liability is allocated to the periods during the lease term through use of a constant interest rate on the remaining financial liability. The resulting finance expense is charged to the heading "Financial result" in the consolidated income statement.

b. Operating leases

Leases in which the ownership of the leased asset and substantially all the risks and rewards incidental to ownership of the leased assets remain with the lessor are classified as operating leases.

Lease costs are recognized under "Other operating expense" in the consolidated income statement as incurred.

When the Group acts as lessor, the resulting income is recognized under "Other operating income" in the consolidated income statement, as accrued.

3.3.21 Income tax

Repsol YPF recognizes in the income statement for the year the accrued tax on the companies' income, which is calculated taking into account the differences between the timing of recognition for accounting purposes and tax purposes of the transactions and other events in the current year recognized in the financial statements, giving rise to temporary differences and, therefore, to the recognition of certain deferred tax assets and liabilities in the balance sheet. These amounts are recognized by applying to the temporary differences the tax rate that is expected to apply in the period when the asset is realized or the liability is settled.

Deferred tax liabilities are recognized for all taxable temporary differences, unless the temporary difference arises from the initial recognition of goodwill for which amortization is not deductible for tax purposes or unless the exception to the deferred tax liabilities is applicable in cases of taxable temporary differences related to investments in subsidiaries, branches and associates.

Deferred tax assets recognized for temporary differences and other deferred tax assets (tax losses and tax deductions carry forwards) are recognized when it is considered probable that the consolidated companies will have sufficient taxable profits in the future against which the deferred tax asset can be utilized. Additionally, deferred tax assets recognized for temporary differences can only be recorded to the extent that they will reverse in the near future.

The accrued income tax expense includes both the deferred income tax expense and the current income tax expense, which is taken to be the amount payable (or refundable) in relation to the taxable net income for the year (see Note 24).

"Income tax" in the accompanying consolidated income statement includes both the accrued income tax expense and the net provisions recognized in the year for income tax contingencies.

3.3.22 Revenue and expense recognition

Revenues are measured at the fair value of the consideration received or receivable and represents the amounts receivable for the goods and services provided in the normal course of business, net of discounts and any amounts received on account of third parties, such as the Valued Added Tax.

In sales in which the Group acts as agent, the Group does not recognize all the income and expenses associated with the transaction, recognizing as revenue only the margin received or pending to receive.

In order to minimize transport costs and optimize the Group's logistics chain, the Group arranges oil product swaps with other companies in a number of geographical locations. The related agreements include clauses to adjust through an amount of economic consideration the value of the products swapped on the basis of the technical specifications thereof and the delivery and receiving points for the goods. These transactions are not recognized in the income statement as separate purchases and sales.

Sales of goods are recognized when substantially all the risks and rewards have been transferred. Revenue associated with the rendering of services is also recognized by reference to the stage of completion of the transaction at the balance sheet date, provided the outcome of the transaction can be estimated reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable. Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

An expense is recognized when there is a reduction of an asset, or an increase in a liability, which can be measured reliably.

As a result of the legislation on oil and gas retailing in force in the countries in which the Group operates, Repsol YPF reflects as both revenue and expenses the excise and analogous duties levied specifically on consumption related to the production and/or sale of oil and gas products.

Transactions between Group companies and between reportable segments are carried out on an arm's length basis. These transactions give rise to income, expenses and profits which are eliminated on consolidation.

Work relating to water management, atmospheric protection, waste management, remediation of soil and subsoil water and the development of environmental management systems are deemed to be environmental expenses and they are recognized for accounting purposes in accordance with the criteria indicated above.

3.3.23 Financial derivatives

The Group arranges derivatives to hedge its exposure to financial and commercial risks due to interest rate and exchange rate fluctuations and to changes in the prices of certain commodities. All financial derivative instruments are initially recognized at fair value at the contract date and are subsequently measured at fair value. The derivatives are recognized as an asset when their fair value is positive and as a liability when it is negative. The differences in fair value are recognized in the income statement, except for specific hedge accounting treatment, where applicable.

For the assessment of financial derivative instruments, in case these are available, quotation market prices at the close of the balance sheet are used. This is the case of the futures contracts.

In the absence of quotation market prices for financial derivative instruments contracted, their fair value is estimated discounting the associated future cash flows according to the interest, exchange rates, credit differentials, volatility, and forward price trends in force on the close of the balance sheet. This assessment method has been applied to the following instruments:

- Mixed currency and interest swaps
- Interest rate swaps
- Forward exchange rate contracts
- Swaps on crude oil prices and products
- Interest rate options

Although the Group applies common assessment market techniques, some changes in the measurement models or in the hypotheses applied therein could lead to different assessments of said instruments than these recognized in the balance sheet, income statement and/or equity.

The Group designates certain derivatives as:

a. Fair value hedges

These are hedges of the exposure to changes in the fair value of an asset or a liability recognized for accounting purposes, an unrecognized firm commitment or an identified portion of the aforementioned asset, liability or firm commitment that can be attributed to a particular risk and might affect the profit for the period.

The changes in the fair value of hedging derivatives that are designated as effective fair value hedges are recognized in the income statement, together with any change in the fair value of the hedged items attributable to the hedged risk.

b. Cash flow hedges

These are hedges of the exposure to changes in cash flows that: (i) are attributed to a particular risk associated with a recognized asset or liability or a highly probable forecasted transaction and that (ii) could affect profit or loss for the year.

The effective portion of changes in the fair value of hedging instruments is recognized in equity. The gain or loss relating to the ineffective portion is recognized in the income statement. The cumulative gains or losses recognized in equity are transferred to net profit or loss for the year, in the period in which the hedged items affect the income statement.

c. Hedges of net investment

These are hedges of the exposure to foreign exchange rate changes in relation to investments in the net assets of foreign operations.

Hedges of net investments in a foreign operation are accounted for in a similar way to cash flow hedges, although the exchange rate differences resulting from these transactions are recognized in “Translation differences” under equity in the accompanying consolidated balance sheet.

The cumulative amount of the exchange differences are derecognized from equity, and recognized in the income statement, when the foreign operation is sold or disposed of in any other way.

For the three types of hedges described above, the Group documents at the inception of the transaction the hedging relationship between the hedging instrument and the hedged items, and the risk management objective and strategy for undertaking the hedge. The Group also documents their assessment, both at the inception of the hedge and subsequently. The derivatives used in hedging transactions are highly effective.

Hedge accounting is discontinued when the hedging instrument expires, is sold or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognized in equity is retained in equity until the forecasted transaction occurs.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not carried at fair value with unrealized gains or losses reported in the consolidated income statement.

Long-term oil and gas sale and purchase commitments are analyzed with the aim to determine whether these are in line with the provisions or marketing needs of the normal activity of the Group or whether, on the contrary, these are derivatives and should be recognized in accordance with the criteria set forth in IAS 39.

3.3.24 Methodology for estimating recoverable amount

The recoverable amount of assets is generally estimated on the basis of their value in use, calculated on the basis of future expected cash flows derived from the use of the assets.

In the assessment of the value in use, cash flow forecasts based on the best income and expense estimates available of the CGUs using sector forecasts, past results and future expectations of business evolution and market development are utilized. Among the most sensitive aspects included in the forecasts used in all the CGUs, the purchase and sale prices of hydrocarbons, inflation, employee costs and investments are highlighted.

The cash flows from the exploration and production assets are generally projected for a period that covers the economically productive useful lives of the oil and gas fields and is limited, by the contractual expiration of the operating permits, commitments or contracts. The estimated cash flows are based on production levels, commodity prices and estimates of the future investments that will be necessary in relation to undeveloped oil and gas reserves, production costs, field decline rates, market supply and demand, contractual conditions and other factors. The unproved reserves are weighted with risk factors, on the basis of the type of each one of the exploration and production assets.

The reference prices considered are based on a combination of market prices available in the financial community.

The cash flows of the refining and marketing businesses are estimated on the basis of the projected sales trends, unit contribution margins, fixed costs and investment or divestment flows, including the investments needed to maintain business volumes, in line with the assumptions modeled in each business' specific strategic plans. However, cash inflows and outflows relating to planned restructurings or productivity enhancements are not considered. The cash flows projection period is generally a five-year period, extrapolating the flows of the fifth year for subsequent years without applying any growth rate.

These estimated net cash flows are discounted to present value using the specific cost of capital to each asset based on the currency in which its cash flows are denominated and the risks associated with the cash flows, including country risk. The rates used in 2010 and 2009 for the various businesses are in the following ranges:

	2010	2009
E&P	7.7% - 19.7%	7.8% - 18.6%
R&M	4.2% - 15.7%	4.9% - 15.0%

4 Accounting estimates and judgments

The preparation of financial statements in accordance with generally accepted accounting principles makes it necessary to make assumptions and estimates that affect the amounts of the assets and liabilities recognized, the presentation of contingent assets and liabilities at year end and the income and expenses recognized during the year. The actual results could differ depending on the estimates made.

The accounting policies and areas which require the highest degree of judgment and estimates in the preparation of the consolidated financial statements are: (i) crude oil and natural gas reserves; (ii) provisions for litigation and other contingencies; (iii) the calculation of income tax and deferred tax assets; (iv) impairment test of assets (Note 3.3.10 and 3.3.24), and (v) derivative financial instruments (Note 3.3.23).

Crude oil and gas reserves

The Estimation of crude oil and gas reserves is an integral part of the Company's decision making process. The volume of crude oil and gas reserves is used to calculate the depreciation using unit production ratios and to assess the recoverability of the investments in exploration and production assets (Notes 7 and 9).

Repsol YPF prepares its estimates and assumptions in relation to crude oil and gas reserves taking into account the guidelines and the conceptual framework of the definition of proved reserves established for the oil and gas industry by the *U.S. Securities and Exchange Commission (SEC)*. The SEC approved amendments to its reporting requirements applicable to oil and gas exploration and production companies that became effective on January 1, 2010 and which were applied to calculate reserve volumes at December 31, 2009. The application of these amendments had no significant impact on the Group's reserve volumes at that date.

Provisions for litigation and other contingencies

The final cost of settling claims, grievances and lawsuits could vary due to estimates based on differing interpretations of the rules, opinions and final assessments of the amount of the damages. Therefore, any change in circumstances related to contingencies of this nature could have a material effect on the amount of the provision for contingencies recognized.

Repsol YPF makes judgments and estimates in recording costs and establishing provisions for environmental clean-up and remediation costs which are based on current information regarding costs and expected plans for remediation. For environmental provisions, costs can differ from estimates because of changes in laws and regulations, discovery and analysis of site conditions and changes in clean-up technology. Therefore, any change in the factors or circumstances related to provisions of this nature, as well as changes in laws and regulations could, as a consequence, have a significant effect on the provisions recognized for these costs (Note 34).

Calculation of income tax and deferred tax assets

The appropriate assessment of the income tax expense is dependent on several factors, including estimates of the timing and realization of deferred tax assets and the timing of income tax payments. Actual collections and payments may differ materially from these estimates as a result of changes in tax laws as well as unanticipated future transactions impacting the Company's tax balances.

5 Goodwill

The breakdown, by company, of goodwill at year-end 2010 and 2009 is as follows:

Millions of euros	2010	2009
YPF S.A.	1,802	1,671
Gas Natural Fenosa Group companies	2,146	2,156
Refap S.A. (1)	–	264
Repsol Portuguesa, S.A.	154	154
Repsol Gas Portugal, S.A.	118	118
Empresas Lipigas S.A.	94	80
EESS de Repsol Comercial P.P, S.A.	95	96
Other companies	208	194
	4,617	**4,733**

(1) In December 2010 the Group sold its interest in the refinery, Alberto Pascualini Refap, S.A. (Note 31).

The changes in 2010 and 2009 in this line item in the accompanying consolidated balance sheet were as follows:

Millions of euros	2010	2009
Balance at beginning of year	4,733	3,055
Additions	6	1,788
Change in the scope of consolidation	(285)	(49)
Translation differences	189	10
Write-downs	(10)	(16)
Reclasifications and others changes	(16)	(55)
BALANCE AT END OF YEAR	**4,617**	**4,733**

In 2010 the "Changes in the scope of consolidation" subheading includes the derecognition of €291 million of goodwill associated with Alberto Pascualini Refap, S.A., which was sold during the year (Note 31).

In 2009 the most significant amount included under the heading "Additions" corresponded to the acquisition of Unión Fenosa, S.A. by Gas Natural SDG, S.A., which generated goodwill amounting to €1,745 million (representing the Group's pro rata share corresponding to its shareholding in Gas Natural Fenosa).

The detail of the gross goodwill and accumulated impairment losses at December 31, 2010 and 2009 is as follows:

	2010	2009
		Millions of euros
Gross goodwill	4,643	4,749
Accumulated impairment losses	(26)	(16)
Net goodwill	4,617	4,733

Testing goodwill for impairment

The detail, of goodwill at December 31, 2010 and 2009 by operating segment is as follows:

	2010	2009
		Millions of euros
Upstream	85	78
Downstream	584	828
YPF	1,802	1,671
Upstream	1,230	1,141
Downstream	572	530
Gas Natural	2,146	2,156
TOTAL	**4,617**	**4,733**

Repsol YPF considers that, based on current knowledge, the reasonably foreseeable changes in key assumptions for determining fair value, on which the determination of the recoverable amounts was based, will not have any material impact on the Group's 2010 or 2009 Financial Statements.

6 Other intangible assets

The detail of the intangible assets and the related accumulated amortization at December 31, 2010 and 2009, and of the changes therein is as follows:

Millions of euros

	Leasehold Assignment, Surface and Usufruct Rights	Flagging Costs	Exclusive Supply Contracts	Emission Allowances	Computer Software	Other Intangible Assets	TOTAL
COST							
Balance at January 1, 2009	676	210	178	315	402	586	2,367
Additions (1)	3	11	12	13	48	15	102
Disposals and derecognitions	(20)	(33)	(1)	(48)	(3)	(6)	(111)
Translation differences	(8)	(1)	–	–	–	26	17
Change in the scope of consolidation	(5)	–	–	67	21	937	1,020
Reclassifications and other changes (2)	(7)	21	(12)	(89)	(5)	(16)	(108)
Balance at December 31, 2009	639	208	177	258	463	1,542	3,287
Additions (1)	43	7	13	8	59	119	249
Disposals and derecognitions	(21)	(20)	(103)	(4)	(4)	(21)	(173)
Translation differences	18	3	–	–	7	63	91
Change in the scope of consolidation (3)	1	–	–	4	–	(28)	(23)
Reclassifications and other changes (2) (4)	19	4	(5)	(11)	(14)	1,317	1,310
Balance at December 31, 2010	699	202	82	255	511	2,992	4,741
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
Balance at January 1, 2009	(253)	(162)	(138)	(86)	(241)	(260)	(1,139)
Depreciation charge for the year	(24)	(23)	(6)	–	(61)	(39)	(153)
Disposals and derecognitions	7	26	–	14	2	1	50
Impairment losses (recognised)/reversed	–	–	–	(50)	–	–	(50)
Translation differences	4	1	–	–	–	(5)	–
Change in the scope of consolidation	(7)	–	–	(4)	3	1	(7)
Reclassifications and other changes (2)	1	4	–	81	–	12	97
Balance at December 31, 2009	(272)	(154)	(144)	(45)	(297)	(290)	(1,202)
Depreciation charge for the year	(31)	(16)	(9)	–	(67)	(116)	(239)
Disposals and derecognitions	17	15	104	–	3	15	154
Impairment losses (recognised) / reversed	(1)	–	–	5	–	–	4
Translation differences	(10)	(2)	–	–	(5)	(16)	(33)
Change in the scope of consolidation	–	–	–	–	–	17	17
Reclassifications and other changes (2) (4)	(46)	–	–	39	11	(610)	(606)
Balance at December 31, 2010	(343)	(157)	(49)	(1)	(355)	(1,000)	(1,905)
CARRYING AMOUNT AT DECEMBER 31, 2009	**367**	**54**	**33**	**213**	**166**	**1,252**	**2,085**
CARRYING AMOUNT AT DECEMBER 31, 2010	**356**	**45**	**33**	**254**	**156**	**1,992**	**2,836**

(1) Additions in 2010 and 2009 came from the direct acquisition of assets.

(2) In 2010, the column headed "Emission Allowances" includes €211 million corresponding to CO_2 allowances allocated for no consideration for 2010 under Spain's National Allocation Plan and the derecognition of the liability corresponding to 2009 in the amount of €178 million. In 2009, this same heading included €246 million corresponding to the CO_2 allowances allocated for no consideration in 2009 under the National Allocation Plan and the derecognition of the liability corresponding to 2008 in the amount of €214 million.

(3) See Note 30.

(4) The column headed "Other Intangible Assets" primarily reflects a reclassification of assets pertaining to service concession arrangements in the net amount of €463 million (€989 million of cost net of accumulated amortization in the amount of €524 million) from "Property, plant and equipment" (€519 million) and "Grants" (€56 million).

"Other intangible assets" primarily includes:

a. Gas supply contracts and other contractual rights acquired as a result of the business combination between Gas Natural and Unión Fenosa, in the amount of €625 million in 2010 and €660 million in 2009.

b. Assets in the amount of €626 million at year-end 2010 related to service concession arrangements under which the operator has the right to charge an established tariff to the services users, although the competent authorities regulate or control either the tariffs or the users to which service must be provided; moreover, the state retains the residual interest in the assets at the end of the term of the arrangement (Note 3.3.1).

These assets correspond primarily to transport concession agreements covering oil, gas and derivative products in Argentina, obtained as a result of application of the Privatization Law (Note 2), as well as concession agreements under which Gas Natural Fenosa participates in the gas transport and distribution businesses in Argentina, Brazil and Italy and in the power generation business in Costa Rica. The terms of these concessions range from 11 to 35 years and can be extended for additional terms ranging from 10 to 30 years. At the end of the concessions terms, the assets attached to the concessions revert to the corresponding governments and do not give rise to any collection rights whatsoever on the part of YPF or Gas Natural Fenosa.

In 2010 the Group recognized income and expenses incurred during construction phase of these assets in the amount of €21 million; these amounts are recognized under "Other operating income" and "Other operating expenses."

c. The costs of acquiring interests in exploration permits in the amount of €282 million at December 31, 2010.

d. Power distribution concessions which the Group holds through the Gas Natural Fenosa Group in the amount of €242 million at year-end 2010 and 244 million at year-end 2009.

Intangible assets include €207 million of assets with indefinite useful lives at December 31, 2010 (€205 million at year-end 2009). These assets are not amortized but they are tested at least annually for impairment and relate primarily to the power distribution concessions held by the Group in Spain through Gas Natural Fenosa, as outlined above (Note 3.3.6 c).

The leasehold assignment, surface and usufruct rights, the reflagging costs and image rights, the exclusive supply contracts, as well as the administrative concessions and the costs of acquiring interests in exploration permits are legal rights whose ownership is conditioned upon the terms of the originating contract, as described in section 3.3.6 of Note 3.

At year-end 2010, intangible assets included€97 million of assets acquired under finance leases and related specifically to service station association rights.

The Group recognized research and development expenses in the consolidated income statement in the amount of €71 million in 2010 (€75 million in 2009).

7 Property, plant and equipment

The detail of "Property, plant and equipment" and of the related accumulated depreciation and accumulated impairment losses at December 31, 2010 and 2009, and of the changes therein is as follows:

Millions of euros

	Land, buildings and other structures	Machinery and plant	Investments in areas with reserves	Other exploration costs	Transport equipment	Other tangible assets	Assets in the course of construction	TOTAL
COST								
Balance at January 1, 2009	2,143	19,462	29,612	1,848	1,439	1,659	3,384	59,547
Additions	12	261	1,099	583	4	55	2,232	4,246
Disposals and derecognitions	(27)	(372)	(11)	(19)	(8)	(27)	(384)	(848)
Translation differences	(35)	(70)	(1,043)	(72)	(21)	(15)	(5)	(1,261)
Change in the scope of consolidation	107	4,227	326	136	42	31	421	5,290
Reclassifications and other changes (1)	365	1,173	19	4	113	(23)	(1,714)	(63)
Balance at December 31, 2009	2,565	24,681	30,002	2,480	1,569	1,680	3,934	66,911
Additions	24	246	1,537	486	15	120	2,181	4,609
Disposals and derecognitions	(17)	(118)	(3)	(2)	(6)	(75)	(23)	(244)
Translation differences	72	663	2,295	145	51	71	60	3,357
Change in the scope of consolidation	(39)	(661)	(146)	(272)	1	(11)	(124)	(1,252)
Reclassifications and other changes (1) (2)	168	557	378	(500)	394	21	(1,330)	(312)
Balance at December 31, 2010	2,773	25,368	34,063	2,337	2,024	1,806	4,698	73,069
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES								
Balance at January 1, 2009	(700)	(11,808)	(18,150)	(1,030)	(619)	(1,146)	–	(33,453)
Depreciation charge for the year	(48)	(1,144)	(1,886)	(249)	(55)	(85)	–	(3,467)
Disposals and derecognitions	22	335	9	11	8	20	–	405
Impairment losses (recognised) / reversed (3)	–	16	150	–	–	–	–	166
Translation differences	8	66	673	28	15	8	–	798
Change in the scope of consolidation	(8)	29	(203)	(2)	1	1	–	(182)
Reclassifications and other changes (1)	(2)	645	29	10	–	40	–	722
Balance at December 31, 2009	(728)	(11,861)	(19,378)	(1,232)	(650)	(1,162)	–	(35,011)
Depreciation charge for the year	(67)	(1,190)	(2,042)	(263)	(67)	(79)	–	(3,708)
Disposals and derecognitions	9	91	3	–	5	67	–	175
Impairment losses (recognised) / reversed (3)	(4)	(46)	(83)	(82)	–	(11)	–	(226)
Translation differences	(21)	(284)	(1,472)	(60)	(37)	(44)	–	(1,918)
Change in the scope of consolidation	9	273	61	99	–	4	–	446
Reclassifications and other changes (1) (2)	2	123	191	118	351	(27)	–	758
Balance at December 31, 2010	(800)	(12,894)	(22,720)	(1,420)	(398)	(1,252)	–	(39,484)
CARRYING AMOUNT AT DECEMBER 31, 2009	**1,837**	**12,820**	**10,624**	**1,248**	**919**	**518**	**3,934**	**31,900**
CARRYING AMOUNT AT DECEMBER 31, 2010 (4)	**1,973**	**12,474**	**11,343**	**917**	**1,626**	**554**	**4,698**	**33,585**

(1) In 2010, "Reclassifications and other changes" includes €177 million of reclassifications to "Non-current assets held for sale" related to the the Plana del Vent combined cycle plant and the Enel Unión Fenosa Renovables assets to be spun out to Enel Green Power, all of which are held through Gas Natural Fenosa. Also in 2010, the investment in BBG (€47 million) was transferred to "Non-current assets held for sale." In 2009, €676 million of assets were reclassified to "Non-current assets held for sale" corresponding to gas distribution assets in Cantabria, Murcia and Madrid, Combined Cycle Generation assets in Mexico, and certain assets located in Colombia, all of which were held through Gas Natural Fenosa. In 2009, changes in this heading also reflect the derecognition of€71 million corresponding to the Gaviota gas storage facility (owned by Repsol Investigaciones Petrolíferas, S.A.) which had been reclassified to "Non-current assets held for sale."

(2) In 2009, "Reclassifications and other changes" includes the derecognition of €539 million of assets associated with service concession arrangements which must be recognized as intangible assets under IFRIC 12 (Note 6). In addition, within this subheading, the column headed "Transport equipment" includes 856 million corresponding to the addition of four new methane ships acquired under finance lease arrangements (Note 22).

(3) See Note 9.

(4) At December 31, 2010, accumulated impairment charges totaled €381 million.

In 2010, the main additions were made in Spain (€1,932 million), Argentina (€1,516 million), Brazil (€442 million), the rest of Central and South America (€465 million), Libya (€83 million), the United States (€63 million) and Canada (€49 million). In 2009 the main additions were made in Argentina (€896 million), the Unites States (€265 million), Brazil (€211 million), the rest of Central and South America (€226 million), Libya (€136 million), Canada (€111 million) and Spain (€2,162 million).

The amounts corresponding to non-depreciable assets, that is, land and assets in the course of construction, amount, respectively to €790 million and €4,698 million at December 31, 2010 and €763 million and €3,934 million at December 31, 2009, respectively. The amounts related to land are included within the heading "Land, buildings and other structures" on the previous table.

Property, plant and equipment, included fully depreciated items for an amount of €11,533 million and €10,899 million at December 31, 2010 and 2009, respectively.

Repsol YPF capitalizes financial costs as part of the cost of the assets as described in section 3.3 of Note 3. In 2010 and 2009, the average capitalization cost was 3.76% and 4.52% and the amount of such financial expenses capitalized was €143 million and €122 million, respectively. Such amounts are recorded under the "Financial costs" line item in the consolidated income statement.

Within the heading "Property, plant and equipment" there are some investments carried out by the Group in public concessions, in an amount of €150 million and €122 million at December 31, 2010 and 2009, respectively; these concessions shall revert to the State within a term ranging from 2010 and 2054.

In 2010 and 2009 this heading includes €2,869 million and €2,024 million, respectively, of assets acquired under finance leases. Among the assets purchased under finance leases during these periods we highlight the methane ships purchased for the transport of the LNG in the amount of €1,561 million and €754 million in 2010 and 2009, respectively, as well as gas pipelines and other assets for the transport of natural gas in North America and Canada, which amounted to €1,287 million and €1,245 million December 31, 2010 and 2009, respectively (Note 22).

In accordance with industry practices, Repsol YPF insures its assets and operations worldwide. Among the risks insured are damages to property, plant and equipment, together with the subsequent interruptions in its business that such damages may cause. The Group believes that the current coverage level is, in general, appropriate for the risks inherent to its business.

8 Investment property

The changes in "Investment property" in 2010 and 2009 were as follows:

Millions of euros

	Cost	Accumulated Depreciation and Impairment Losses	TOTAL
Balance at January 1, 2009	37	(6)	**31**
Disposals and derecognitions	(1)	–	**(1)**
Depreciation charge for the year and other changes	5	–	**5**
Balance at December 31, 2009	41	(6)	**35**
Disposals and derecognitions	(2)	1	**(1)**
Depreciation charge for the year and other changes	2	(10)	**(8)**
Balance at December 31, 2010	41	(15)	**26**

The market value at December 31, 2010 and 2009 of the assets comprised in this line item amounts to €99 million and €90 million, respectively.

The income recognized in 2010 and 2009 from investment properties amounted to less than €1 million in each period.

9 Impairment of assets

Repsol YPF Group reviews the carrying amounts of intangible assets, property, plant and equipment and other non-current assets whenever there are indicators of impairment, or at least annually, to determine whether those assets have incurred an impairment loss. These reviews are performed in accordance with the general principles established in Note 3.

In 2010 the Group recognized net impairment losses on non-current assets in the amount of €221 million.

In May 2010, Repsol YPF formally informed the National Iranian Oil Company (NIOC) and Shell of its decision to terminate its participation in the integrated natural gas liquefaction project in Iran (Persian LNG). As a result, the Group has recognized €85 million of impairment charges in connection with the assets capitalized as part of this project, of which €52 million corresponded to assets of the Upstream segment, while the remaining €33 million belonged to the LNG segment.

In 2010, the Group recognized an impairment loss of €81 million in connection with exploration assets in an area in Libya due to uncertainties surrounding the exploitation terms of the associated resources.

In addition, in 2010 the Group recognized impairment charges in connection with several assets associated with the Chemicals business, in the aggregate amount of €14 million, following the optimization of the Group's productive capacity in Spain.

In 2009 the Group recognized a net reversal of impairment losses on non-current assets in the amount of €74 million.

The amount included a €50 million impairment loss on emission allowances (Note 35), the effect of which was almost totally by the gain resulting from the transfer to the income statement of the deferred revenue recognized in connection with emission allowances allocated in 2009 under Spain's National Allocation Plan.

This balance also reflected the reversal of the impairment provision recognized on the Argentine businesses in prior years in the amount of €172 million. This reversal was the result of the reassessment in 2009 of the configuration of cash generating units (CGUs) into which the Argentine upstream assets were grouped. Until 2008 each field was considered an individual CGU. Since 2009, primarily considering the trends of certain economic, operating and commercial conditions under which the Group operates in Argentina, the aforementioned assets were grouped into four CGUs, which provide a better reflection of the way the Group's current management decisions occur with respect to these assets. The new CGUs are the following: one CGU grouping the field assets with primarily oil reserves and three CGUs grouping field assets with mostly gas reserves, classified by national basin (Neuquina, Northwest and Austral).

10 Investments accounted for using the equity method

The most significant investments in associates, which were accounted for using the equity method, at December 31, 2010 and 2009, were as follows:

	Millions of euros	
	2010	**2009**
Peru LNG Company Llc	193	217
Compañía Logística de Hidrocarburos CLH, S.A.	19	29
Atlantic LNG Company of Trinidad & Tobago	45	44
Transportadora de Gas del Perú, S.A.	50	41
Transierra, S.A.	24	20
Dynasol Elastómeros, S.A. de C.V.	37	25
Atlantic 4 Company of Trinidad & Tobago	44	41
Oleoducto de Crudos Pesados (OCP), Ltd	30	23
Guará, B.V.	18	–
Other entities accounted for using the equity method	125	91
	585	**531**

Appendix I lists the Group companies consolidated using the equity method of consolidation.

The changes in 2010 and 2009 in this heading in the accompanying consolidated balance sheet were as follows:

	Millions of euros	
	2010	**2009**
Balance at beginning of year	531	525
Additions (1)	2	11
Disposals	(23)	(1)
Changes in the scope of consolidation (2)	(13)	128
Result of companies accounted for using the equity method	76	86
Dividends distributed	(72)	(86)
Translation differences	43	1
Reclassifications and other changes (3)	41	(133)
BALANCE AT END OF YEAR	**585**	**531**

(1) In 2009 and 2010, additions include equity contributions to Enirepsa.

(2) In 2009, changes relate primarily to €131 million corresponding to the Group's proportional interest in Gas Natural Fenosa (Note 30).

(3) Reclassifications in 2009 include the reclassification of a 13% shareholding by Gas Natural Fenosa in Indra Sistemas S.A., which was sold on July 2, 2009, to non-current assets held for sale (€99 million) and the reclassification of Gas Natural Fenosa's remaining 5% stake in this company (€38 million) to available for sale financial assets (Note 12). Both figures represent the Group's proportionate interest in Gas Natural Fenosa.

In 2010, "Disposals" related to the sale of a 5% interest in CLH to BBK and the sale by Gas Natural Fenosa of its investment in Gas de Aragón (Note 31).

The breakdown in 2010 and 2009 of the Group's share in the profits or losses of the most significant companies accounted for using the equity method is as follows:

	Millions of euros	
	2010	**2009**
Atlantic LNG Company of Trinidad & Tobago	29	34
Compañía Logística de Hidrocarburos CLH, S.A.	24	26
Atlantic 4 Company of Trinidad & Tobago	19	16
Unión Fenosa (1)	–	14
Other entities accounted for using the equity method	4	(4)
	76	**86**

(1) During March and April 2009, Unión Fenosa was consolidated by the Gas Natural Fenosa Group using the equity method (Note 30).

The following companies over which the Group has significant management influence, given that the Group has sufficient representation on the Board of Directors, despite holding an interest of less than 20%, were accounted for using the equity method:

Company	**% of ownership**
Ensafeca Holding Empresarial, S.L. (1)	18.52%
Sistemas Energético Mas Garullo (1)	18.00%
Gasoducto Oriental, S.A.	16.66%
Guará, B.V.	15.00%
Regasificadora del Noroeste, S.A. (1)	10.50%
CLH	10.00%
Transportadora de Gas del Perú, S.A.	10.00%
Gasoducto del Pacífico (Argentina), S.A.	10.00%

(1) Investees held through the Gas Natural Fenosa Group

The following table provides the key balances of the Repsol YPF Group associates, calculated in accordance with the group's respective shareholding percentage at December 31, 2010 and 2009 (Appendix I):

	Millions of euros	
	2010	**2009**
Total Assets	1,953	1,903
Total Equity	585	531
Revenues	667	670
Net income for the period	76	86

11 Non-current assets and liabilities held for sale and discontinued operations

The main balance sheet line items classified as assets held for sale and related liabilities at December 31, 2010 and 2009 were as follows:

	Millions of euros	
	2010	**2009**
Goodwill	20	27
Property, plant and equipment and other intangible assets	280	562
Other non-current assets	22	55
Current assets	18	102
	340	**746**
Non-current liabilities	59	155
Current liabilities	94	30
	153	**185**
	187	**561**

In February 2010, the Group sold 100% of Termobarrancas and the exploration and exploitation license for the Barrancas area to PDVSA; at year-end 2009 the investment in this company was classified to this heading in light of the sale-purchase and cession agreements already entered into with PDVSA and PDVSA GAS, respectively. Upon closing this transaction, €132 million was derecognized from this heading.

On April 8, 2010, Repsol YPF and Enagás signed an agreement for the sale by Repsol YPF to Enagás of its 82% interest in the Gaviota underground storage facility for €87 million. Of this amount, €16 million is conditional upon ministerial approval to the facility's capacity expansion plans. This transaction will close once all the necessary government and anti-trust authorities approvals have been secured; as a result, at December 31, 2010, this asset was classified as a non-current asset held for sale. In 2010 the Group received a €70 million advance payment on this sale; this amount was recognized under proceeds from disposals in the accompanying consolidated cash flow statement (Note 31).

In July 2010, Gas Natural Fenosa agreed to sell Grupo Alpiq the Plana de Vent 400MW combined cycle plant for a total of €60 million (adjusted for Repsol YPF's ownership interest in Gas Natural Fenosa). In addition, Alpiq will acquire an exclusive usage and operating right over another 400 MW facility for a two-year term. At the end of this term, Alpiq will have the right to purchase the facility for a total of €59 million (adjusted for Repsol YPF's's ownership interest in Gas Natural Fenosa), in line with the market value of this option. This transaction falls under the scope of the commitments assumed by Gas Natural Fenosa with Spain's anti-trust authority (CNC), when it acquired Unión Fenosa and the close is subject to obtaining the usual authorizations. Since June 30, 2010, the assets for which the sale was agreed, have classified as non-current assets held for sale.

In August 2010, Gas Natural Fenosa and Enel Green Power agreed to terminate the renewable energy venture held by both parties until that time through Enel Unión Fenosa Renovables, S.A. (EUFER), a company in which each held a 50% interest. The agreement will result in each venturer receiving roughly half of EUFER's assets. The transaction was approved on November 10, 2010 by the anti-trust authorities, leaving only the regulatory and government authorizations pending. The portion of the assets and liabilities recognized in Gas Natural Fenosa's consolidated balance sheet to be spun out to Enel Green Power have been considered as non-current assets and liabilities held for sale.

In December 2009, Gas Natural Fenosa agreed the sale of its dual gas and power supply business in 38 Madrid municipalities. This business supplied residential customers, retail premises and small and medium companies (SMEs) from the the shared services structure in this region. This sale was closed in April 2010 once all the necessary permits had been obtained, resulting in the derecognition from this heading of €112 million of assets and €20 million of liabilities (proporcionate to Repsol YPF Group´s interest in Gas Natural Fenosa). (Note 31).

In December 2009, Gas Natural Fenosa agreed the sale of several combined cycle power generation operators in Mexico, with combined generating capacity of 2,233 MW, and the Gasoducto del Río gas pipeline. This sale was closed in June 2010 once all the necessary permits had been obtained from the Mexican authorities, resulting in the derecognition from this heading of €397 million of assets and €125 million of liabilities (proporcionate to Repsol YPF Group´s interest in Gas Natural Fenosa) (Note 31).

During the first half of 2009, a 13% interest in Indra Sistemas, a company in which Unión Fenosa held an 18% stake, was added to this heading in the amount of €99 million, based on the consideration at June 30, 2009 that its sale was highly probable. The sale closed on July 2, 2009. The remaining 5% stake was then classified as an available-for-sale financial asset. Later, in April 2010, this investment was sold for €38 million (proporcionate to Repsol YPF Group´s interest in Gas Natural Fenosa) (Notes 12 and 31).

Discontinued operations in 2009

In 2009 the assets and liabilities associated with Energía Pacífico, S.A. (EPSA) in Colombia which were held through Gas Natural Fenosa were classified as a discontinued operation as they related to a component that represented a significant separate line of business (electricity generation in Colombia) within the Gas Natural Fenosa operating segment (Note 31). The rest of the assets and liabilities associated with the assets and groups considered as held for sale did not represent a separate significant line of business or geographic area of operations, and accordingly were not deemed discontinued operations.

The composition by nature of "Net income for the year from discontinued operations" in 2009 was as follows:

	Millions of euros
Operating revenues	56
Operating expenses	(31)
Operating income	**25**
Financial result	–
Gain on assets sales	3
Net income before taxes	**28**
Income Tax	(16)
Net income for the year from discontinued operations	12

No businesses were classified as discontinued operations in 2010.

12 Current and non-current financial assets

The detail of the different concepts that are included on the balance sheets, is as follows:

	2010	2009
	Millions of euros	
Non-current financial assets	1,789	1,732
Non-current derivatives on trading transactions (1)	2	–
Other current financial assets	684	713
Current derivatives on trading transactions (2)	40	20
Cash and cash equivalents	6,448	2,308
	8,963	**4,773**

(1) Classified under the heading "Other non-current assets."

(2) Classified under the heading "Other receivables".

The detail, by type of assets, of the Group's financial assets at December 31, 2010 and 2009, is as follows:

	December 31, 2010						
	Carrying amount						
NATURE / CATEGORY	Financial assets held for trading	Other financial assets at fair value through profit or loss	Financial assets available for sale	Loans and receivables	Held to maturity investments	Hedging derivatives	TOTAL
Equity instruments	–	–	150	–	–	–	150
Derivatives	2	–	–	–	–	–	2
Other financial assets	–	64	–	1,509	66	–	1,639
LONG TERM / NON-CURRENT	**2**	**64**	**150**	**1,509**	**66**	**–**	**1,791**
Derivatives	37	–	–	–	–	71	108
Other financial assets (1)	–	346	–	601	6,117	–	7,064
SHORT TERM / CURRENT	**37**	**346**	**–**	**601**	**6,117**	**71**	**7,172**
TOTAL	**39**	**410**	**150**	**2,110**	**6,183**	**71**	**8,963**

	December 31, 2009						
	Carrying amount						
NATURE / CATEGORY	Financial assets held for trading	Other financial assets at fair value through profit or loss	Financial assets available for sale	Loans and receivables	Held to maturity investments	Hedging derivatives	TOTAL
Equity instruments	–	–	173	–	–	–	173
Derivatives	–	–	–	–	–	86	86
Other financial assets	–	72	–	1,339	62	–	1,473
LONG TERM / NON-CURRENT	**–**	**72**	**173**	**1,339**	**62**	**86**	**1,732**
Derivatives	25	–	–	–	–	137	162
Other financial assets (1)	–	226	–	503	2,150	–	2,879
SHORT TERM / CURRENT	**25**	**226**	**–**	**503**	**2,150**	**137**	**3,041**
TOTAL	**25**	**298**	**173**	**1,842**	**2,212**	**223**	**4,773**

(1) Under the headings "Trade receivables" and "Other receivables" from the balance sheet there is an amount of €8,160 million and €6,533 million in 2010 y 2009, respectively, arising out of receivables not included in the breakdown of the financial assets in the previous table.

The classification of the financial assets recognized in the financial statements at fair value, by fair value calculation method level hierarchy, is as follows:

	Level 1		Level 2		Level 3		Total	
Millions of euros	2010	2009	2010	2009	2010	2009	2010	2009
Financial assets held for trading	8	1	31	24	–	–	39	25
Other financial assets at fair value through profit and loss	410	298	–	–	–	–	410	298
Financial assets available for sale (1)	71	103	–	–	–	–	71	103
Hedging derivatives	–	–	71	223	–	–	71	223
TOTAL	**489**	**402**	**102**	**247**	**–**	**–**	**591**	**649**

Level 1:Valuations based on a quoted price in an active market for an identical instrument.

Level 2:Valuations based on a quoted price in an active market for similar financial assets or based on other valuation techniques that rely on observable market inputs.

Level 3:Valuations based on inputs that are not directly observable in the market.

(1)Excludes €79 million and €70 million in 2010 and 2009, respectively, corresponding to equity investments in companies that are measured at acquisition cost under IAS 39 (Note 3.3.11. - Current and non-current financial assets).

The composition of current and non-current financial assets by category is as follows:

12.1 Financial assets held for trading

Derivatives not designated as hedging instruments are included within this category.

12.2 Other financial assets at fair value through profit or loss

Financial assets measure at fair value through profit or loss in the years 2010 and 2009 mainly correspond to collective mutual funds.

12.3 Financial assets available for sale

These mainly correspond to minority equity interests in companies over which the Group does not have management influence.

The movement of financial assets available for sale during the years ended December 31, 2010 and 2009 is the following:

Millions of euros	2010	2009
Balance at beginning of year	173	881
Additions	1	240
Disposals	(39)	(87)
Adjustments to fair value	8	48
Changes in the scope of consolidation	(1)	(951)
Raclassifications and other changes	8	42
Balance at end of year	**150**	**173**

Additions in 2009 included €239 million corresponding to the outflows to pay for the purchase by Gas Natural of shares in Unión Fenosa, adjusted for the Group's ownership interest in Gas Natural Fenosa. This amount was transferred as a consequence of the full consolidation of Unión Fenosa from February 28, 2009 (Note 30).

In 2010, Gas Natural Fenosa sold 5% interest in Indra for €38 million, generating a before-tax profit of €1 million. In 2009 disposals include the sale of 5% of Enagás for €48 million, which generated before-profit gains of €31 million; this amount was recognized within "Financial result" while "Adjustments for changes in value" was deducted by the same amount. In 2009, Gas Natural Fenosa closed the sale of its 1% interest in Isagen S.A. E.S.P. for €20 million and its 1% interest in Red Eléctrica Corporación S.A. for €11 million; neither transaction generated gains. These disposals were made by Gas Natural Fenosa and the amounts presented correspond to the Group's proportionate interest in this group, except for the percentages, which represent 100% of Gas Natural's interest in those transactions.

In 2010 adjustments due to fair value estimations primarily relate to the investment in West Siberian Resources (€11 million), while in 2009 were related to the investments in West Siberian Resources (€32 million), Enagás (-€10 million) and Unión Fenosa (€22 million).

12.4 Loans and receivables

The fair value of the loans and receivables of the Group is detailed in the following table:

Millions of euros	Carrying amount		Fair value	
	2010	2009	2010	2009
Non-current	1,509	1,339	1,689	1,308
Current	601	503	601	503
	2,110	**1,842**	**2,290**	**1,811**

The non-current balance includes the loan extended to Petersen in relation with the sale of an interest in YPF in the amount of €940 million in 2010 (€813 million at year-end 2009) (Note 31). These balances include principal and interest accrued to year-end. This loan accrues interest at an annual rate of 8.12%. The loan will be repaid in semi-annual installments from May 2013, date in which all accrued interest to that date will also be settled.

In addition, the current and non-current balances include loans to consolidated companies in the amount not eliminated in the consolidation process of €324 and €345 million in 2010 and 2009, respectively.

The current balances includes €526 million at year-end 2010 in relation with the Group's share of the funding of the electricity tariff deficit through Gas Natural Fenosa (€381 million at year-end 2009).

The return accrued on the financial assets disclosed in the table above (without considering financing of the shortfall in regulated electricity tariff settlements) was equivalent to an average interest rate of 7.65% in 2010 and of 7.63% in 2009.

The maturity of non-current loans and receivables is the following:

Millions of euros **Due date**	2010	2009
2011	–	23
2012	38	23
2013	247	171
2014	75	64
2015	69	64
Subsequent years	1,080	994
	1,509	**1,339**

12.5 Held-to-maturity investments

The detail of the held to maturity investments at December 31, 2010 and 2009 is as follows:

Millions of euros	Carrying amount		Fair value	
	2010	2009	2010	2009
Non-current financial assets	66	62	66	62
Current financial assets	4	26	4	26
Cash equivalents	3,993	1,045	3,993	1,045
Cash on hand and at banks	2,120	1,079	2,120	1,079
	6,183	**2,212**	**6,183**	**2,212**

Financial investments are mainly from placements in banks and collateral deposits. These financial investments have accrued an average interest of 1.22% and 1.51% in 2010 and 2009, respectively.

The non-current financial assets held-to-maturity mature as follows:

Millions of euros **Due date**	2010	2009
2011	–	16
2012	26	25
2013	14	–
2014	3	–
2015	3	–
Subsequent years	20	21
	66	**62**

13 Inventories

The “Inventories” composition at December 31, 2010 and 2009 is as follows:

	Cost	Provision of allowance	Net
			Millions of euros
At December 31, 2010			
Crude oil and natural gas	2,323	–	**2,323**
Finished and semi-finished goods	2,996	(12)	**2,984**
Supplies and other inventories	552	(22)	**530**
	5,871	(34)	**5,837**
At December 31, 2009			
Crude oil and natural gas	1,425	–	**1,425**
Finished and semi-finished goods	2,365	(8)	**2,357**
Supplies and other inventories	473	(22)	**451**
	4,263	(30)	**4,233**

In 2010 and 2009 the Group recognized net gains of €4 million and €209 million respectively, in the line item “Changes in inventories of finished goods and work in progress inventories” as a result of the measurement of inventories of finished goods and raw materials at the lower of cost and net realizable value.

In 2010 and 2009, in relation with raw materials, the Group recognized a net expense of €9 and €36 million respectively, under the “Supplies” heading relating to the measurement of raw materials at the lower of cost and net realizable value.

At December 31, 2010 and 2009, the balance of inventories of crude oil, finished and semi-finished goods carried at fair value less costs to sell amounted to €242 million and €175 million, respectively, and the effect of their measurement at market value represented a gain of €6 million in 2010 and a loss of €2 million in 2009.

The Repsol YPF Group complies, both at December 31, 2010 and December 31, 2009, with the legal requirements regarding minimum safety stocks established under prevailing legislation (Note 2) through its Spanish Group companies.

14 Trade and other receivables

The breakdown of this heading at December 31, 2010 and 2009 was the following:

	2010	**2009**
		Millions of euros
Trade receivables for sales and services	6,084	5,039
Bad debt impairment provision	(289)	(395)
Trade receivables	**5,795**	**4,644**
Other trade creditors and other receivables	1,679	1,386
Debtors from personnel transactions	53	50
Receveibables form public bodies	633	453
Derivatives held for trading (1)	40	20
Other receivables	**2,405**	**1,909**
Income tax assets	**369**	**220**
Trade and other receivables	**8,569**	**6,773**

(1) This heading includes the items outlined in Note 12.

The changes in the provision for bad debt in 2010 and 2009 were as follows:

	2010	**2009**
		Millions of euros
Balance at beginning of the year	395	330
Impairment losses recognized/(reversed)	70	23
Change in the scope of consolidation	–	86
Translation differences	22	(2)
Reclassifications and other movements	(198)	(42)
Balance at end of the year	**289**	**395**

15 Equity

15.1 Share capital

The share capital at December 31, 2010 and 2009 consisted of 1,220,863,463 fully subscribed and paid up shares of 1 euro par value each, represented by book entries, and all listed on the Spanish stock exchanges and Buenos Aires Stock Exchange.

At the date of these Financial Statements, Repsol YPF, S.A.'s shares are traded in the form of American Depositary Shares (ADSs) on the New York Stock Exchange (NYSE). However, on February 22, 2011, the Company officially filed to delist its ADSs from the NYSE. The ADSs are expected to be traded on the NYSE for the last time on March 4, 2011.

Repsol YPF's bylaws limit the maximum number of votes that any single shareholder or companies belonging to the same group may cast at the General Meeting at 10% of the voting stock.

Per the most recent information available to Repsol YPF the company's most significant shareholders were the following:

Shareholder	% total over share equity
Sacyr Vallehermoso, S.A. (1)	20.01
Criteria Caixa Corp.	12.97
Petróleos Mexicanos (2)	4.81

(1) Sacyr Vallehermoso, S.A. holds its stake through Sacyr Vallehermoso Participaciones Mobiliarias, S.L.

(2) Petróleos Mexicanos (Pemex) holds its stake through Pemex Internacional España, S.A. and through several swap instruments (equity swaps) with certain financial entities that enable Pemex to exercise the economic and political rights of a percentage of up to 4.81% of the share capital of the Company.

At December 31, 2010, the following Group companies' shares were publicly listed:

Company	Number of listed shares	% of share capital listed	Stock exchanges	Year-end Market Price	Average last quarter	Currency
Repsol YPF, S.A.	1,220,863,463	100%	Spanish stock exchanges	20.85	20.01	euros
			(Madrid, Barcelona, Bilbao, Valencia)			
			Buenos Aires Stock Exchange	112.00	107.72	pesos
			New York Stock Exchange	27.94	27.24	dollars
Gas Natural SDG, S.A.	921,756,951	100%	Spanish stock exchanges	11.49	10.90	euros
			(Madrid, Barcelona, Bilbao, Valencia)			
YPF	393,312,793	100%	Buenos Aires Stock Exchange	200.50	165.24	pesos
			New York (NYSE)	50.37	41.65	dollars
Refinería La Pampilla, S.A.	360,640,000	100%	Lima Stock Exchange	1.68	1.72	Soles
Compañía Logística de Hidrocarburos, CLH	1,779,049	2.54%				
Serie A	90,000	100%	Spanish stock exchanges	28.83	33.16	euros
Serie D	1,689,049	100%	(Madrid, Barcelona, Bilbao, Valencia)			

15.2 Share premium

The share premium at December 31, 2010 and 2009 amounted to €6,428 million. The Spanish Capital Companies Law expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use.

15.3 Reserves

Legal reserve

Under the Spanish Capital Companies Law, 10% of net income for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

Revaluation Reserve

The balance of "Revaluation Reserve" (Royal Decree-Law 7/1996 of June 7) can be used, free of tax, to offset losses (both prior years' accumulated losses, current year losses or losses which might arise in the future), and to increase capital. From January 1, 2007, the balance of this account can be taken to unrestricted reserves, provided that the monetary surplus has been realized. The surplus will be deemed to have been realized in respect of the portion on which depreciation has been taken for accounting purposes or when the revalued assets have been transferred or derecognized. The distribution of these reserves would give rise to entitlement to a dividend double taxation tax credit. If this balance were used in a manner other than as provided for in Royal Decree-Law 7/1996, it would be subject to taxation.

Other reserves

It includes mainly the transition to IFRS reserve, which comprises the adjustments related to the differences between the previous accounting principles and the IFRS, from events and transactions before the transition date to IFRS (January 1, 2004) and all the results created and not distributed as dividends, which had not been recognized in any of the different reserves previously mentioned.

15.4 Treasury shares

The ordinary General Shareholders' Meeting held on April 30, 2010, authorized the Board of Directors to make the "derivative acquisition of Repsol YPF, S.A.'s shares, via sale-purchase, swap or any other onerous transaction, directly or through subsidiaries, up to a maximum number of shares so that the sum of those acquired plus treasury shares already held by Repsol YPF, S.A. and any of its subsidiaries does not exceed 10% of the parent company's share capital, for a price or consideration that shall not be less than the par value of the shares and not more than its quoted price on the stock exchange."

The authorization is valid for 5 years from the date of the General Shareholders' Meeting and nullifies the equivalent resolution ratified at the ordinary General Shareholders' Meeting held on May 14, 2009.

In 2009, Repsol YPF disposed of a total of 12,229,428 treasury shares representing 1.001% of the parent company's share capital. These shares had a par value of €12.22 million and were sold for an aggregate gross amount of €230.47 million.

At December 31, 2010 and 2009 neither Repsol YPF, S.A. nor any of its subsidiaries held any shares of the parent company.

15.5 Adjustments for changes in value

This heading includes:

Financial assets available for sale

It comprises the profits and losses, net of the related tax effect, corresponding to changes in the fair value of non-monetary assets classified within the category of financial assets available for sale.

Hedge transactions

It comprises the effective part, net of the related tax effect, of changes in the fair value of derivative instruments defined as cash flow hedges (section 3.3.23 of Note 3 and Note 21).

Translation differences

This item corresponds to exchange differences recognized in equity as a result of the consolidation process described in Note 3.3.1, and the measurement at fair value of the financial instruments assigned as net investment hedges in foreign transactions in accordance to the method described under section 3.3.23 of Note 3 (Note 21).

The movement in adjustments for changes in value is presented in the consolidated statement of recognized income and expenses by item and before the corresponding tax effect. The tax effects of the changes set out in the 2010 and 2009 statements of recognized income and expense are broken out in the following table:

Millions of euros

	Recognised in Equity		Transferred to the Income Statement		TOTAL	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Measurement of financial assets available for sale	(1)	(15)	–	5	(1)	(10)
Cash flow hedges	19	3	(25)	(12)	(6)	(9)
Translation differences	(120)	(143)	–	–	(120)	(143)
Actuarial gains and losses and other adjustments	6	(2)	–	–	6	(2)
	(96)	**(157)**	**(25)**	**(7)**	**(121)**	**(164)**

15.6 Dividends

The detail of the dividends paid by Repsol YPF, S.A. in 2010 and 2009 are as follows:

	December, 31 2010			December, 31 2009		
	% Nominal	Euros per share	Amount (1)	% Nominal	Euros per share	Amount (2)
Ordinary shares	42.5%	0.425	519	147.5%	1.475	1,801
Remaining shares (without vote, recovery, etc.)	–	–	–	–	–	–
Total dividends paid	42.5%	0.425	519	147.5%	1.475	1,801
a) Dividends charged to results	42.5%	0.425	519	147.5%	1.475	1,801
b) Dividends charges to reserves or share premium	–	–	–	–	–	–
c) Dividends in kind	–	–	–	–	–	–

(1) This amount corresponds to the final dividend paid against 2009 profit.

(2) This balance corresponds to the interim and final dividends against 2008 profit and the interim dividend from 2009 profit (paid on December 22, 2009) and includes €14 million corresponding to Repsol YPF, S.A. shares held by the Group at the payment date.

The interim dividends for 2010 and 2009 correspond to the before-tax per share dividends distributed by Repsol YPF, S.A. on account earnings for the year underway. In 2010 the interim dividend amounted to €641 million (€0.525 per share before tax) and €519 million (€0.425 per share before tax) in 2009.

The final dividend from 2009 profits, approved by Repsol YPF, S.A.'s shareholders at the General Meeting held on April 30, 2010, totaled €519 million (€0.425 per share before tax).

The proposed distribution of 2010 results, subject to ratification at the next Repsol YPF General Shareholders' Meeting, is for the distribution of a final dividend against 2010 profits, payable from July, 7, 2011, in the amount of €641 million (€0.525 per share before tax).

15.7 Earnings per share

Earnings per share at December 31, 2010 and 2009 is detailed below:

	2010	2009
Net income from discontinued operations (millions of euros)	–	12
Net income attributable to the parent company (millions of euros)	4,693	1,559
Weighted average number of shares outstanding (millions of shares)	1,221	1,211

EARNINGS PER SHARE ATTRIBUTED TO THE PARENT (EUROS) (1)	2010	2009
Basic	3.84	1.29
Diluted	3.84	1.29

(1) Earnings per share attributable to owners of the parent company in 2009 includes profit from discontinued operations equivalent to €0.01 per share.

15.8 Minority interests

The equity attributable to minority interests at year-end 2010 and 2009 relates to the following companies:

Millions of euros

	2010	2009
YPF, S.A.	1,149	790
Gas Natural Fenosa group companies (1)	478	449
Petronor, S.A.	96	93
Refinería La Pampilla, S.A.	98	84
Other companies	25	24
TOTAL	1,846	1,440

(1) This heading includes preference shares issued by Unión Fenosa Preferentes, S.A., part of the Gas Natural Fenosa Group, with a face value of €226 million (proporcionate to Repsol YPF Group´s interest in Gas Natural Fenosa).

16 Grants

The grants recognized in the consolidated balance sheet in the amounts of €110 million at year-end 2010 and €124 million at year-end 2009 correspond mainly to subsidies for the construction of gas infrastructure (€80 million at year-end 2010 and €108 million at year-end 2009).

Revenues in relation to non-financial assets grants are transferred to the income statement under the heading "Allocations of grants on non-financial assets and other grants". Meanwhile, grants related to income are recognized in the income statement under the heading "Other operating income" and amounted to €227 million in 2010 (€192 million in 2009).

17 Provisions

The breakdown of provisions at year-end and the changes in this heading in 2010 and 2009 are as follows:

Millions of euros

	Current and non-current provisions for contingencies and expenses						
	Provisions for pensions (5)	Provision for field dismantling costs	Provisions for contracts	Environment	CO_2 Emisions	Other provisions	TOTAL
Balance at January 1, 2009	**66**	**1,101**	**472**	**238**	**200**	**1,080**	**3,157**
Period provisions charged to results (1)	34	109	79	70	163	283	**738**
Reversals of provisions with a credit to results (2)	(20)	(24)	(31)	(2)	–	7	**(70)**
Provisions released due to payment	(19)	(41)	(43)	(70)	–	(140)	**(313)**
Changes in the scope of consolidation (3)	186	30	–	–	32	164	**412**
Translation differences	7	(34)	(14)	(6)	–	(15)	**(62)**
Reclassifications and other changes (4)	(11)	(3)	(71)	(8)	(215)	(175)	**(483)**
Balance at December 31, 2009	**243**	**1,138**	**392**	**222**	**180**	**1,204**	**3,379**
Period provisions charged to results (1)	23	96	99	75	179	563	**1,035**
Reversals of provisions with a credit to results (2)	(2)	(1)	–	(3)	(1)	(135)	**(142)**
Provisions released due to payment	(24)	(29)	(43)	(50)	–	(160)	**(306)**
Changes in the scope of consolidation	(21)	(8)	(5)	–	4	(2)	**(32)**
Translation differences	15	76	29	14	–	39	**173**
Reclassifications and other changes (4)	23	161	(55)	(4)	(180)	124	**69**
Balance at December 31, 2010	**257**	**1,433**	**417**	**254**	**182**	**1,633**	**4,176**

(1) Includes €199 million in relation with discounting provisions to the present value in 2010 (€233 million in 2009).

(2) Includes the cancellation of provisions for certain items recognized by Group companies in several countries, due to changes in the circumstances that had given rise to their initial recognition.

(3) In 2009 this balance corresponded primarily to the business combination by virtue of which Gas Natural acquired Unión Fenosa (Note 30).

(4) "Provision for field dismantling costs" includes €178 million in 2010 corresponding to additions to property, plant and equipment and the provision made for field dismantling charges (€33 million in 2009).

(5) Note 18.

"Other provisions" includes the provisions recognized to cover liabilities deriving principally from tax claims and legal and arbitration proceedings. Note 34 discloses the details of ongoing third-party claims.

Provisions for contingencies and expenses detailed in the table above, include a current balance of €404 million at year-end 2010 (€282 million at year-end 2009). The settlement of non-current provisions for onerous contracts depends on the terms of the originating contract; the longest contract term is 2018. In relation with non-current provisions for field dismantling costs, €488 million falls due within 1 and 5 years from the balance sheet date, while €913 million falls due more than five years from the balance sheet date. In relation with provisions relating to tax, legal and arbitration claims, the nature of the risks provisioned implies that it is not possible to forecast a reasonable settlement timeline.

18 Pension plans and other personnel obligations

a. Defined contribution pension plans

Repsol YPF has defined contribution plans for certain employees in Spain, which conform to current legislation. The main features of these plans are as follows:

I. They are mixed plans to cover retirement, disability and death of the participants.

II. The sponsor (Repsol YPF) undertakes to make monthly contributions of certain percentages of serving employees' salaries to external pension funds.

YPF and other subsidiaries outside Spain also have a defined contribution pension plan for their employees and directors of its main companies, in which the company contributes basically the same amount as the participant up to a stipulated ceiling.

Also, the Gas Natural Fenosa Group has defined contribution pension plans for certain employees.

The annual cost charged to "Personnel expenses" in the consolidated income statement in relation to the defined contribution plans detailed above amounted to €52 million in 2010 (€45 million in 2009).

Executives of the Repsol Group in Spain are beneficiaries of an executive pension plan that complements the standard pension plan denominated "Plan de previsión de Directivos" (Management remuneration plan) which covers the participant retirement, disability and death. Repsol YPF makes defined contributions based on a percentage of participants' salaries. The plan guarantees a fixed return equivalent to 125% of the prior year national consumer price index. The plan is instrumented through collective insurances that covers pension obligations, subscribed with an insurance entity. Premiums paid under these policies finance and externalize the Group's commitments in respect of ordinary contributions, as well as the fixed return mentioned above. The officer (or his/her beneficiaries) becomes entitled to receive the plan benefits in the event of retirement, death or total permanent disability, and under certain other circumstances defined in the plan rules. The cost of this plan recognized under "Personnel expenses" in the 2010 and 2009 consolidated income statement was €4 million and €3 million, respectively.

b. Defined benefit pension plans

Repsol YPF, primarily through Gas Natural Fenosa and YPF Holdings, a subsidiary of YPF, has arranged defined benefit pension plans for certain employee groups in Spain, Brazil, Colombia and the United States, among other countries. In addition, in 2009, the Group had defined benefit pension plans through its investment in REFAP in Brazil; although, this investment was sold in December 2010. The breakdown of the provisions recognized in connection with these plans is as follows:

	2010	2009
Spain (b.1)	109	117
Colombia (b.2)	81	67
Brazil (b.3)	17	21
United States (b.4)	30	20
Other	20	18
TOTAL	**257**	**243**

b.1. At December 31, 2010 and 2009, the Group maintained, through Gas Natural Fenosa, the following commitments for certain employee groups in Spain

- Pensions for retirees, disabled employees, widows and orphans in certain employee groups.
- Commitments to top up defined benefit pensions for inactive personnel of the former Unión Fenosa Group retiring before November 2002 and a residual portion of serving employees.
- Retirement and life insurance cover for certain employee groups.
- Gas bill discounts for serving and retired personnel.
- Electricity for serving and retired personnel.
- Commitments through official retirement age to employees opting for early retirement schemes and early retirement schemes.
- Salary supplements and social security contributions for a group of early retirees until ordinary retirement age.
- Healthcare coverage and other benefits.

b.2. At December 31, 2010 and 2009 the Group had the following commitments to certain groups of employees in Colombia:

- Pension commitments to retired employees.
- Electricity for active and retired personnel.
- Healthcare insurance and other post-retirement benefits.

b.3. At December 31, 2010 and 2009, Repsol YPF maintained, through its interest in Gas Natural Fenosa, the following commitments for certain employee groups in Brazil:

- A post-employment defined benefit plan providing cover for retirement, workplace death, disability pensions, and general amounts.
- Post-employment healthcare insurance.
- Other post-employment defined benefit plans guaranteeing temporary pensions, life insurance and general amounts depending on years of service.

b.4. At year-end 2010, YPF Holdings, a YPF subsidiary, maintains a non-contributory pension plan for executives, key management personnel, as well as former employees who worked at some of the Group companies of this subsidiary. Additionally, this company provides medical insurance benefits, life insurance benefits and other employee benefits to certain of its employees who retire early; the company also pays benefits for health and risk of death to disabled employees and benefits for risk of death to retired executives.

Additionally, USA Holdings, Inc., grants medical service benefits, life insurance and other welfare benefits to some of its retired employees.

The breakdown of the main provisions for pension and other similar commitments recognized in the accompanying consolidated balance sheet by country, and the changes in the present value of the related commitments and the fair value of the plan assets, is as follows:

	2010				2009			
Present value of plan commitments	**Spain**	**Colombia**	**Brazil**	**U.S.**	**Spain**	**Colombia**	**Brazil**	**U.S.**
At January 1	361	67	73	20	60	–	26	27
Changes to consolidation scope (1)	1	–	(41)	–	312	74	–	–
Annual service cost	1	–	1	1	5	–	1	–
Interest expense	16	6	6	1	14	6	7	2
Actuarial gains and losses	(1)	8	11	4	(4)	(3)	(7)	(6)
Benefits paid	(29)	(10)	(4)	(2)	(24)	(6)	(3)	(2)
Transfers and cancellations	12	–	–	3	(2)	(7)	30	–
Currency translation differences	–	10	6	3	–	3	19	(1)
At December 31	362	81	52	30	361	67	73	20
Fair value of plan assets								
At January 1	244	–	52	–	47	–	17	–
Changes to consolidation scope (1)	1	–	(27)	–	203	–	–	–
Expected return	11	–	5	2	9	–	5	–
Contributions	11	–	–	1	3	–	2	4
Actuarial gains and losses	2	–	2	(3)	(3)	–	3	–
Benefits paid	(29)	–	(3)	–	(15)	–	(2)	(4)
Other movements	13	–	–	–	–	–	18	–
Currency translation differences	–	–	6	–	–	–	9	–
At December 31	253	–	35	–	244	–	52	–
Provision for pensions and similar commitments	**109**	**81**	**17**	**30**	**117**	**67**	**21**	**20**

(1) These changes correspond to the sale of 30% of REFAP in 2010 and the acquisition of Unión Fenosa by Gas Natural in 2009.

The amounts recognized in the consolidated income statement for all the above-listed pension plans are the following:

	2010				2009			
	Spain	**Colombia**	**Brazil**	**U.S.**	**Spain**	**Colombia**	**Brazil**	**U.S.**
Annual service cost	1	–	1	1	5	–	1	–
Interest expense	16	6	6	1	14	6	4	2
Cancellations	–	–	–	–	–	–	–	–
Expected return on plan assets	(11)	–	(5)	(2)	(10)	–	(3)	–
Income statement charge	6	6	2	–	9	6	2	2

The accumulated balance of actuarial gains and losses, net of tax, recognized directly in equity was a net loss of €11 million in 2010 (2009: net gain of €12 million).

The pension plans outlined above are primarily invested in bonds, and to a lesser extent, other securities and real estate assets.

The actual return on plan assets held through Gas Natural Fenosa Group companies in 2010, corresponding principally to Spanish plans, was €16 million (2009: €9 million).

The actuarial assumptions used were the following:

	2010				2009			
	Spain	**Colombia**	**Brazil**	**U.S.**	**Spain**	**Colombia**	**Brazil**	**U.S.**
Discount rate (1)	2.3% a 5%	8.00%	6.80% - 7.70%	5.54% A 4.65%	2.3% a 5%	8.40%	10.80% - 7.7%	5.54% a 6.11%
Expected return on plan assets (1)	2.3% a 5%	8.00%	6.80% - 6.10%	N / A	2.3% a 5%	8.40%	10.80% - 6.10%	N / A
Assumed salary growth (1)	3.00%	2.70%	6.6% - 2.24%	N / A	3.00%	3.00%	6.50% - 2.24%	N / A
Assumed pension growth (1)	2.50%	2.70%	0.00%	N / A	2.50%	3.00%	0.00%	N / A
Inflation rate (1)	2.50%	2.70%	4.50% - 4%	N / A	2.50%	3.00%	4.50% - 4%	N / A
Mortality table	PERMF 2000	ISS 1980 /89 – RV08	AT-83 /AT 2000		PERMF 2000	ISS 1980 /89	AT-83 /AT 2000	

(1) Annual

c. Medium and long-term incentive plans

The company has implemented a loyalty building program aimed at senior executives and other persons occupying positions of responsibility in the Group, consisting of medium/long-term incentives as part of their benefit package. The purpose of this program is to strengthen the identification of executives and managers with shareholders' interests, based on the company's medium and long-term earnings sustainability as well as the compliance with the strategic business plan targets, while at the same time facilitating the retention by the Group of key personnel.

The President of the Company is not a recipient of any plan of the incentives available to date, although in his current compensation package, the level of success of each program at expiration serves as reference to determine the multi-annual compensation corresponding to each period, which is credited in the following period.

At year-end, the 2007-2010, 2008-2011, 2009-2012 and 2010-2013 incentive programs were in force, although it is important to point out that the first of these plans (2007-2010) was closed, as originally stipulated, on December 31, 2010 and its beneficiaries will their bonuses, if any, during the first quarter of 2011.

The four plans of this type in force (2007-2010, 2008-2011, 2009-2012 and 2010-2013 incentive plans) are independent of each other but their main characteristics are the same. All four are specific pluri-annual remuneration plans covering the stated years. Each plan is tied to the Group attaining a series of strategic objectives. Fulfillment of the respective objectives entitles the beneficiaries of each plan to receive an amount of variable remuneration at medium term in the first quarter of the year following the last year of the plan. However, in each case, receipt of this incentive payment is tied to the beneficiary remaining in the Group's employ until December 31 of the last year of the plan, except in the special cases envisaged in the terms and conditions of the related plan.

In all cases, the pluri-annual incentive payment, if received, will consist of an amount determined at the time the incentive is granted, to which a first variable coefficient will be applied on the basis of the extent to which the objectives set are achieved, which will be then multiplied by a second variable coefficient tied to the beneficiary's average individual performance under the Target Management scheme during the years used for benchmarking under each incentive program; these results are in turn used to determine performance-based pay.

None of these plans involves the delivery of shares or options and the incentive payments are not tied to the value of Repsol YPF shares.

To reflect the commitments assumed under these incentive plans, the Group recognized a charge of €25 million in the 2010 consolidated income statement (2009: €18 million). At year-end 2010, the Group had recognized provisions totaling €50 million to meet its obligations under all the aforementioned plans (€36 million at year-end 2009).

19 Financial liabilities

This Note discloses the categories of financial liabilities included in the balance sheet line-items outlined below.

		Millions of euros
	2010	2009
Non-current financial liabilities	14,940	15,411
Non-current derivatives on trading transactions (1)	1	1
Current financial liabilities	4,362	3,499
Current derivatives on trading transactions (1)	115	42
	19,418	**18,953**

(1) Derivatives on trading transactions are recognized under "Other non-current liabilities" and "Other payables" in the consolidated balance sheet.

Following is a breakdown of the financial liabilities acquired, most of which are secured with a personal guarantee, at December 31, 2010 and 2009:

	December 31, 2010				
	Financial liabilities held for trading	**Debts and payable items**	**Hedging derivatives**	**Total**	**Fair value**
Bank borrowings	–	4,716	–	4,716	4,776
Bonds and other securities (1)	–	10,089	–	10,089	10,228
Derivatives	6	–	130	136	136
Long-term debts / Non-current financial liabilities	**6**	**14,805**	**130**	**14,941**	**15,140**
Bank borrowings	–	1,872	–	1,872	1,872
Bonds and other securities (2)	–	2,352	–	2,352	2,366
Derivatives	219	–	34	253	253
Short-term debts / Current financial liabilities	**219**	**4,224**	**34**	**4,477**	**4,491**
TOTAL	**225**	**19,029**	**164**	**19,418**	**19,631**

	December 31, 2009				
	Financial liabilities held for trading	**Debts and payable items**	**Hedging derivatives**	**Total**	**Fair value**
Bank borrowings	–	5,343	–	5,343	5,343
Bonds and other securities (1)	–	9,925	–	9,925	10,489
Derivatives	10	–	134	144	144
Long-term debts / Non-current financial liabilities	**10**	**15,268**	**134**	**15,412**	**15,976**
Bank borrowings	–	1,807	–	1,807	1,807
Bonds and other securities	–	1,626	–	1,626	1,695
Derivatives	69	–	39	108	108
Short-term debts / Current financial liabilities	**69**	**3,433**	**39**	**3,541**	**3,610**
TOTAL	**79**	**18,701**	**173**	**18,953**	**19,586**

(1) Includes preference shares amounting to €3,205 million and €3,726 million at December 31, 2010 and 2009, respectively

(2) Includes preference shares amounting to €543 million at December 31, 2010.

At year-end 2010 and 2009, the accompanying consolidated Financial Statements include amounts corresponding to finance leases measured using the amortized cost method (Note 22.1) which are recognized under "Other non-current liabilities" (€2,852 million at year-end 2010 and €1,919 million at year-end 2009) and "Other payables" (€223 million at year-end 2010 and €172 million at year-end 2009).

The classification of the financial liabilities recognized in the financial statements at fair value, by fair value calculation method level hierarchy, is as follows:

								Millions of euros
	Level 1		Level 2		Level 3		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Financial liabilities held for trading	60	17	165	62	–	–	225	79
Hedging derivatives	–	–	164	173	–	–	164	173
TOTAL	**60**	**17**	**329**	**235**	**–**	**–**	**389**	**252**

Level 1: Valuations based on a quoted price in an active market for an identical instrument.

Level 2: Valuations based on a quoted price in an active market for similar financial assets or based on other valuation techniques that rely on observable market inputs.

Level 3: Valuations based on inputs that are not directly observable in the market.

Disclosure of maturities relevant to Repsol YPF's funding at December 31, 2010 and 2009 is provided in paragraph 20.1.2 of the Note 20, concerning liquidity risk.

The breakdown of average balances outstanding and cost by instrument is as follows:

	2010		2009	
	Average volume	**Average cost**	**Average volume**	**Average cost**
Bank borrowings	6,695	3.63%	6,852	4.26%
Preference shares	3,698	3.46%	3,607	3.85%
Obligations	8,695	4.34%	6,267	4.98%
	19,088	**3.92%**	**16,726**	**4.44%**

The chart below discloses issues, buybacks and repayments of debt securities (recognised under current and non-current "Bonds and other securities") in 2010 and 2009:

	Balance at 12/31/2009	(+) Issuances	(-) Repurchases or reimbursements	(+/-) Exchange rate and other adjustments	Balance at 12/31/2010
Bonds and other debt securities issued in the European Union with prospectus	10,697	4,597	(3,804)	(37)	11,453
Bonds and other debt instruments issued in the European Union without prospectus	2	–	(2)	–	–
Bonds and other debt securities issued outside the European Union	852	101	(18)	53	988
TOTAL	**11,551**	**4,698**	**(3,824)**	**16**	**12,441**

	Balance at 12/31/2008	(+) Issuances	(-) Repurchases or reimbursements	(+/-) Exchange rate and other adjustments	Balance at 12/31/2009
Bonds and other debt securities issued in the European Union with prospectus	7,756	3,170	(685)	456	10,697
Bonds and other debt instruments issued in the European Union without prospectus	–	–	–	2	2
Bonds and other debt securities issued outside the European Union	651	119	(81)	163	852
TOTAL	**8,407**	**3,289**	**(766)**	**621**	**11,551**

On March 26, 2010, the Group, through its subsidiary Repsol International Finance, B.V., signed a €1,500 million Euro Commercial Paper Program (ECP), guaranteed by Repsol YPF S.A. On November 12, 2010, the program was extended to €2,000 million. The balance outstanding at December 31, 2010 was €1,432 million.

Likewise, on January 14, 2010, Gas Natural Fenosa closed three bond issues under its EMTN program, consisting of three tranches in the euromarket with maturities of 5, 8, and 10 years, and amounting to €196 million, €211 million, and €256 million respectively. The balance drawn down at year-end 2010 was €2,094 million, leaving an undrawn balance of €919 million (all figures pro rata for the Group's shareholding in the Gas Natural Fenosa Group).

In addition, on March 23, 2010, Gas Natural Fenosa agreed a €301 million ECP program. The issuer was Unión Fenosa Finance B.V. The balance drawn down at year-end 2010 was €108 million, leaving an undrawn balance of €193 million (all figures pro rata for the Group's shareholding in the Gas Natural Fenosa Group).

On March 24, 2010, Gas Natural SDG signed a €1,205 million loan agreement with 18 banks in a "Club Deal" arrangement. The loan is divided into two tranches: €301 million of 3-year paper and €904 million of 5-year paper (amounts proportional to the Group's shareholding in Gas Natural Fenosa).

As a result of the aforementioned financing arranged by Gas Natural Fenosa, together with collection of the proceeds from the sale of power generation assets in Mexico and gas distribution assets in Madrid, the acquisition financing taken out by Gas Natural to pay for the acquisition of Unión Fenosa was canceled on June 2, 2010.

A bond issued by Repsol International Finance B.V. and guaranteed by Repsol YPF S.A. and carried at €943 million matured on May 5, 2010.

The table below discloses the amounts guaranteed by the Group in 2010 and 2009 for issues, buybacks and redemptions undertaken by associates, joint ventures (at the percentage not consolidated) and non-Group companies:

	Balance at 12/31/2009	(+) Granted	(-) Cancelled	(+/-) Exchange rate and other adjustments	Balance at 12/31/2010
Issues of securities representing debt guaranteed by the Group (guaranteed amount)	28	–	–	2	30

	Balance at 12/31/2008	(+) Granted	(-) Cancelled	(+/-) Exchange rate and other adjustments	Balance at 12/31/2009
Issues of securities representing debt guaranteed by the Group (guaranteed amount)	–	28	–	–	28

In general, the financial debt agreements include the early maturity clauses customary in agreements of this nature.

Bond issues, representing ordinary debt, of Repsol International Finance, B.V. and guaranteed by Repsol YPF, S.A., totaling €4,623 million (relating to a face value of €4,636 million), contain clauses whereby Repsol YPF undertakes to pay interest when due and liabilities at maturity (cross-default provisions) and to not constitute charges or guarantees on Repsol YPF, S.A. assets for this issue or in future issues of debt securities. In the event of default, the trustee, at its sole discretion or at the request of the holders of at least one-fifth of the debentures, or by means of an extraordinary resolution, can declare all the aforementioned debentures issues due and payable. In addition, the holders of the bonds issued in March 2009 many choose to have their bonds redeemed upon a change of control at Repsol YPF provided such change in control results in, if and only if Repsol YPF's credit ratings fall below investment grade status as a result of the change of control.

Additionally, in relation to certain marketable debentures totaling €189 million (relating to a face value of €193 million), YPF, S.A. agreed to certain covenants, including among others, cross-default clauses, and not to create any liens or charges on its assets in excess of 15% of total consolidated assets. In the event of breach of any of these covenants, the trustee, or bondholders holding between 10% and 25% of the total nominal value of the debentures outstanding, depending on the covenant breached, may declare immediately due and payable the principal and accrued interest on all the debentures.

In addition, the Gas Natural Fenosa Group has certain investment projects (relating to renewable energies and Union Fenosa Gas) which have been financed specifically with loans pledged with these projects' equity. The outstanding balance on this project financing at year-end 2010 amounted to €113 million (€295 million at year-end 2009); these figures represent the proporcional Group's interest in Gas Natural Fenosa.

Preference shares

In October 1997 the Repsol YPF Group, through its subsidiary Repsol International Capital, issued preference shares of this company amounting to 725 million dollars under the following terms:

Dividend	:	7.45%, payable quarterly.
Term	:	perpetual, with the option for the issuer of early redemption from the fifth year onwards at face value.

Guarantee	:	subordinated Repsol YPF, S.A. guarantee.
Remuneration	:	payment of preference dividends is conditional upon the obtainment of a consolidated profit or upon the payment of dividends on common shares. If no dividend accrues, there is no subsequent obligation to pay it.

The 100% of the preference shares, which were listed on the NYSE, were redeemed on February 8, 2011. The securities were redeemed for $25 per preference share plus the balance of dividends accrued and unpaid between December 31, 2010 and the date of cancellation, which totaled $0.20 for every preference share redeemed. The carrying amount of these preference shares at December 31, 2010 was €543 million (€503 million at year-end 2009).

In May and December 2001, Repsol International Capital issued two new series of preference shares amounting to €1 billion and €2 billion, respectively, under the following terms:

Dividend	:	variable at a rate of 3-month Euribor with a minimum of 4% APR and a maximum of 7% APR for the first 10 years, and Euribor plus 3.5% from the tenth year onwards. The dividend is payable quarterly.
Term	:	perpetual, with the option for the issuer of early redemption from the tenth year onwards at face value.
Guarantee	:	subordinated Repsol YPF, S.A. guarantee.
Remuneration	:	preference, non-cumulative dividends, conditional upon the obtainment of a consolidated profit or upon the payment of dividends on common shares.

The carrying amount of the foregoing instruments at December 31, 2010 and 2009 amounted to €3,025 million and €3,044 million, respectively, recorded under the item "Bank borrowings, bonds and other securities" within non-current financial liabilities in the accompanying consolidated balance sheets.

In addition, the Gas Natural Fenosa group, through Unión Fenosa Financial Services USA, has preference shares outstanding for a nominal amount of €183 million. (amount proportional to the Group's shareholding interest in Gas Natural Fenosa). The carrying amount of these preference shares at year-end 2010 was €180 million (€179 million at year-end 2009) and was recognized under "Bank borrowings, bonds and other securities" within non-current financial liabilities in the accompanying consolidated balance sheets.

20 Financial risk and capital management

20.1 Financial risk management

The Group businesses expose the financial statements to a series of financial risks: market risk, credit risk and liquidity risk. Repsol YPF has in place a risk management structure and systems that enable it to identify, measure and control the risks to which the Group is exposed.

20.1.1 Market Risk

Market risk is the potential loss faced due to adverse movements in market variables. The Group is exposed to several types of market risks: exchange rate risk, interest rate risk and commodity risk.

The Company monitors exposure to market risk through ongoing sensitivity analysis. These strategies are complemented with other risk management measures when required by the nature of the risk exposure.

For each of the market risk factors detailed below, there is a table depicting the sensitivity of Group profit and equity (within the headings comprising "Adjustments for changes in value") to the main risks to which its financial instruments are exposed, in accordance with the requirements stipulated in IFRS 7 *Financial instruments: disclosures.*

This sensitive analysis uses variations on significant risk factors based on its historical performance. The estimates made depict the impact of favorable and adverse changes. The impact on profit and/or equity is estimated as a function of the financial instruments held by the Group at each year-end.

a. Exchange rate risk

The Group's profit and equity are exposed to fluctuations in the rates of exchange of the currencies in which it transacts. The Group's most significant foreign currency exposure is to the US dollar.

Repsol YPF obtains part of its financing in dollars, either directly or indirectly through the use of foreign exchange derivatives (Note 21).

The sensitivity of net profit and equity to exchange rate risk, via appreciation or depreciation and based on the financial instruments held by the Group at year-end, is illustrated below:

Effect of fluctuations in the euro against the dollar:

	Currency appreciation (+)/ depreciation (-)	2010	2009
Impact on profit after tax	5%	5	23
	-5%	(6)	(25)
Impact on equity	5%	(30)	205
	-5%	33	(226)

In addition, a 5% appreciation of the US dollar against the Brazilian real or the Argentine peso at December 31, 2010 would have resulted in a decrease in profit after tax of €4 million and an increase of €53 million, respectively, whereas in 2009 these appreciation assumptions would have yielded profit increases of €2 million and €35 million, respectively.

Meanwhile, a 5% appreciation of the euro against the Brazilian real or the Argentine peso in 2010 would have resulted in a decrease in equity of €0.9 million and €1.5 million, respectively compared to increases of €18 million and €1 million, respectively, in 2009.

b. Interest rate risk

Fluctuations in interest rates can affect interest income and expense through financial assets and liabilities with variable interest rates; which can also impact the fair value of financial assets and liabilities with a fixed interest rate.

Repsol YPF occasionally enters into interest rate derivative transactions to mitigate the risk of changes in its finance costs or in the fair value of its debt. Generally, these derivatives are designated as hedging instruments for accounting purposes (Note 21).

At year-end 2010, the net debt balance, including preference shares, at fixed rates (see the Capital Management section at the end of this Note) was €9,917 million (2009: €7,745 million), equivalent to 90% of total net debt including preference shares (2009: 53%).

The sensitivity of net profit and equity to fluctuations in interest rates, based on the financial instruments held by the Group at year-end, is illustrated in the following table:

	Increase (+)/ decrease (-) in interest rate (basis points)	2010	2009
Impact on profit after tax	+50	(5)	(13)
	-50	5	13
Impact on equity	+50	20	20
	-50	(21)	(20)

c. Commodity price risk

As a result of its trade operations and activities, the Group's results are exposed to volatility in the prices of oil, natural gas and their derivative products.

Repsol YPF enters into derivative transactions to mitigate its exposure to price risk. These derivatives provide an economic hedge of the Group's results, although not always designated as hedging instruments for accounting purposes (Note 21).

The impact of a 10% increase or decrease in crude and oil product prices on net profit, based on the financial instruments held by the Group at year-end 2010 and 2009, is illustrated in the following table.

	10% Increase (+) / decrease (-)	2010	2009
Impact on profit after tax	+10%	(85)	(50)
	-10%	85	50

20.1.2 Liquidity Risk

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

In accordance with its conservative financial policy, Repsol YPF held sufficient cash, other liquid cash equivalents and undrawn credit lines which cover 78% of total gross debt and 63% if preference shares are included. The Group had €5,690 and €4,680 million in undrawn credit lines at year-end 2010 and 2009, respectively.

The tables below present an analysis on the maturities of the financial liabilities existing at December 31, 2010 and 2009:

December 31, 2010 — Millions of euros

	MATURITY DATE						
	2011	2012	2013	2014	2015	Subsequent years	TOTAL
Trade payables	4,539	–	–	–	–	–	4,539
Other payables	5,550	–	–	–	–	–	5,550
Loans and other financial debts (1)	4,071	2,157	2,703	3,140	1,631	4,099	17,801
Preference Shares (1) (2)	632	137	310	130	130	3,000	4,339
Derivatives (1) (3)	40	20	11	33	4	15	123

December 31, 2009 — Millions of euros

	MATURITY DATE						
	2010	2011	2012	2013	2014	Subsequent years	TOTAL
Trade payables	3,491	–	–	–	–	–	3,491
Other payables	4,127	–	–	–	–	–	4,127
Loans and others financial debts (1)	3,559	2,630	1,772	2,789	3,027	3,382	17,159
Preference Shares (1) (3)	70	57	57	233	55	3,504	3,976
Derivatives (1) (4)	96	26	10	2	14	6	154

NOTE: The amounts shown are the contractual undiscounted cash flows; therefore, they differ from the amounts included on the consolidated balance sheet.

(1) Corresponding to future maturities of the amounts recognized under the headings "Non-Current financial liabilities" and "Current financial liabilities" including future interest or dividends associated with these financial liabilities.

(2) The preference shares issued are perpetual, redeemable only at the choice of the issuer. The dollar-denominated preference shares issued by Repsol International Capital were redeemed on February 8, 2011 (Note 19). The above schedule for 2010 is underpinned by the assumption that the preference shares will be redeemed after 2014. The column "Subsequent years" includes only the face value of the instruments. The assumptions made are conventional and must not be interpreted as forecasts of the decisions the Group shall take in the future.

(3) The schedule for 2009 assumed that the preference shares are redeemed after 2014 with the exception of those issued by Union Fenosa Financial Services USA, a Gas Natural group company, which were assumed to be redeemed in 2013. The column "Subsequent years" includes only the face value of the instruments. The assumptions made are conventional and should not be interpreted as indications of the decisions the Group may take in the future.

(4) The contractual maturities of the derivatives included under this heading are outlined in Note 21.

20.1.3 Credit Risk

Credit risk is defined as the possibility of a third party not complying with his contractual obligations, thus creating losses for the Group.

Credit risk in the Group is measured and controlled in relation to the customer or individual third party. The Group has its own systems for the permanent credit evaluation of all its debtors and the determination of risk limits with respect to third parties, in line with best practices.

The exposure of the Group to credit risk is mainly attributable to commercial debts from trading transactions, whose amounts are shown on the consolidated balance sheet net of allowances for doubtful accounts for an amount of €7,471 million and €6,001 million, respectively at December 31, 2010 and 2009.

The allowances for doubtful accounts are measured by the following criteria:

- The seniority of the debt
- The existence of bankruptcy proceedings
- The analysis of the capacity of the customer to return the credit granted.

The allowances for doubtful accounts are shown at December 31, 2010 and 2009 in Note 14 detailing trade and other accounts receivables. These allowances represent the best estimates of the Group for the losses incurred in relation to its accounts receivable.

The maximum exposure to credit risk of the Group, according to the type of financial instruments and without excluding the amounts covered by guarantees and other arrangements mentioned below, is detailed below at December 31, 2010 and 2009:

	Millions of euros	
Maximum exposure	**2010**	**2009**
Commercial debts	7,760	6,396
Derivatives	110	247
Cash and cash equivalents	6,448	2,308

The credit risk affecting liquid funds, derivatives and other financial instruments is limited because the counterparties are bank or insurance entities carrying high and duly documented credit ratings in accordance with the market conventions regulating these kinds of financial transactions. Likewise, the vast majority of the accounts receivable neither due nor provisioned have a high credit quality according to the valuations of the Group, based on the solvency analysis and the payment habits of each customer.

The Group's credit risk on trade receivables is not significantly concentrated as it is spread out among a large number of customers and other counterparties. The maximum net exposure to a third party, including official bodies and public sector entities, does not exceed 5%, and no single private client accumulates risk exposure of more than 0.1%.

As a general rule, the Group establishes a bank guarantee issued by the financial entities as the most suitable instrument of protection from credit risk. In some cases, the Group has contracted insurance credit policies whereby this transfers to third parties the credit risk related to the business activity of some of their businesses.

Effective third party guarantees extended to the Group amounted to €3,219 million at December 31, 2010 and €2,892 million at December 31, 2009. Of this amount, commercial debts at December 31, 2010 and 2009 covered by guarantees amounted to €1,009 million and €779 million, respectively.

During 2010, the Group executed guarantees received for an amount of €23 million. During 2009 this figure was €24 million.

The following table discloses the aging of the non-provisioned due debt:

	Millions of euros	
Due date	**2010**	**2009**
Non due debt	6,539	5,440
Due debt 0-30 days	269	173
Due debt 31-180 days	402	186
Due debt for more than 180 days (1)	261	201
TOTAL	**7,471**	**6,001**

(1) Mainly corresponds to guaranteed debt or debt with official bodies and public entities.

Impaired financial assets are disclosed in Note 12, broken out based on its financial or operational nature.

20.2 Capital Management

Repsol YPF, as an essential part of its strategy, has committed to a policy of financial prudence. The financial structure targeted is defined by this commitment of solvency and the aim to maximize shareholder returns, by optimizing the cost of capital.

Determination of the Group's target capital structure takes into consideration two leverage ratios, specifically the ratio of net debt (including preference shares, as appropriate) and the capital employed, that includes the net debt, including preference shares, plus the equity:

$$\frac{\textit{Net Debt / Capital Employed}}{\textit{Net Debt including Preference Shares / Capital Employed}}$$

Calculation of these leverage ratios takes into account the following considerations:

- Preference shares are factored into the process of monitoring the Group's leverage ratios on account of their significant weight in the Group's capital structure; however the fact that they are perpetual securities equates them to equity instruments in terms of solvency analysis and creditor claims (Note 19).
- The leverage ratios used net debt concept instead of gross debt in order to factor in the mitigating impact of financial investments. In keeping with its conservative financial policy, Repsol YPF held sufficient cash, other liquid cash equivalents and undrawn credit lines which cover 78% of total gross debt and 63% if preference shares are included. As a result, these ratios provide a better picture of Group solvency when factoring in net debt rather than gross debt.

The breakdown of the calculations of these leverage ratios, based on the following consolidated balance sheet headings at year-end 2010 and 2009, is as follows:

	Millions of euros	
	2010	**2009**
Non-current financial liabilities	14,940	15,411
Preference shares	3,205	3,726
Other non-current financial liabilities	11,735	11,685
Current financial liabilities	4,362	3,499
Preference shares	543	–
Other current financial liabilities	3,819	3,499
Non-current financial assets	(1,789)	(1,732)
Less: Financial assets available for sale (Note 12)	150	173
Other current financial assets (1)	(158)	(332)
Cash and cash equivalents	(6,448)	(2,308)
Interest rate hedges (Note 21)	(85)	(57)
Net debt including preference shares (2)	10,972	14,654
Equity	25,986	21,391
Capital employed	36,958	36,045
Net debt including preference shares / capital employed	**29.7%**	**40.7%**
Less preference shares	(3,748)	(3,726)
Net debt	7,224	10,928
Net debt / capital employed	**19.5%**	**30.3%**

(1) Excludes €526 million in 2010 recognized under "Other current financial assets" in the consolidated balance sheet, corresponding to the funding of the tariff deficit in the regulated electricity segment, to which the Group is exposed via its shareholding in Gas Natural Fenosa (€381 million in 2009).

(2)E xcludes €3,075 million of current and non-current finance leases in 2010 (€2,091 million in 2009). Note 22.1.

The trends in these leverage ratios are monitored systematically. Similarly, leverage projections are a key, and restrictive, input into Group investment decision-making and dividend policy. At year-end 2010, the ratio of net debt to capital employed stood at 19.5% (marking a significant improvement on the year-end 2009 ratio of 30.3%), while the ratio of net debt including preference shares to capital employed stood at 29.7% (also comparing favorably to the year-end 2009 ratio of 40.7%).

The decline in these leverage ratios in 2010 was driven primarily by the cash proceeds from the equity raise at Repsol Brazil (Note 31) and by other disposals closed during the year (REFAP, among others).

21 Derivative transactions

During 2010 the Repsol YPF Group carried out the following types of hedging transactions:

1. Fair value hedges of assets or liabilities.
2. Cash flow hedges.
3. Hedges of net investments in foreign operations

In addition, the Repsol YPF Group performed other transactions with derivative instruments in 2010 and 2009 that do not qualify as accounting hedges.

The table below reflects the impact on the balance sheet of derivative instruments at December 31, 2010 and 2009 as a result of changes in their fair value since their origination:

December 31, 2010					Millions of euros
CLASSIFICATION	Non-current Assets	Current Assets	Non-current Liability	Current Liability	Fair Value
Hedge derivative instruments	**–**	**71**	**(130)**	**(34)**	**(93)**
Fair Value:	**–**	**67**	**–**	**(11)**	**56**
- interest rate	–	43	–	–	43
- exchange rate	–	24	–	(11)	13
Cash Flow:	**–**	**4**	**(103)**	**(23)**	**(122)**
- interest rate	–	–	(99)	(18)	(117)
- exchange and interest rate	–	–	(4)	–	(4)
- exchange rate	–	2	–	–	2
- commodities prices	–	2	–	(5)	(3)
Net investment	**–**	**–**	**(27)**	**–**	**(27)**
Other derivative instruments	**2**	**37**	**(6)**	**(219)**	**(186)**
TOTAL (1)	**2**	**108**	**(136)**	**(253)**	**(279)**

(1) Includes derivatives with a negative measurement of €85 million in respect of interest rates.

December 31, 2009					Millions of euros
CLASSIFICATION	Non-current Assets	Current Assets	Non-current Liability	Current Liability	Fair Value
Hedge derivative instruments	**86**	**137**	**(134)**	**(39)**	**50**
Fair Value:	**84**	**5**	**–**	**(3)**	**86**
- interest rate	84	–	–	–	84
- exchange rate	–	5	–	(2)	3
- commodities prices	–	–	–	(1)	(1)
Cash Flow:	**2**	**2**	**(127)**	**(8)**	**(131)**
- interest rate	2	–	(127)	(3)	(128)
- exchange rate	–	2	–	(1)	1
- commodities prices	–	–	–	(4)	(4)
Net investment	**–**	**130**	**(7)**	**(28)**	**95**
Other derivative instruments	**–**	**25**	**(10)**	**(70)**	**(55)**
TOTAL (1)	**86**	**162**	**(144)**	**(109)**	**(5)**

(1) Includes derivatives with a negative measurement of €57 million in respect of interest rates.

The breakdown of the impact of the fair value restatement of derivatives on consolidated profit before tax and on consolidated equity is as follows:

						Millions of euros
		2010			2009	
	Operating income	Financial result	Adjustments for changes in value	Operating income	Financial result	Adjustments for changes in value
Fair value hedges	10	(30)	–	(1)	62	–
Cash flow hedges	(12)	(81)	20	5	(50)	32
Hedge of a net investment	–	–	(302)	–	–	(83)
Other transactions	(96)	(205)	–	(84)	212	–
TOTAL	**(98)**	**(316)**	**(282)**	**(80)**	**224**	**(51)**

In addition to the impacts outlined in the table above, in 2010, a loss of €11 million was transferred to "Retained earnings" in respect of the translation differences associated with the hedge of the net investment in YPF, in proportion to the shares sold during the year.

There follows a detailed disclosure of the Group's derivatives at year-end 2010 and 2009, including their fair values, maturity schedules and the related notional amounts.

21.1 Fair value hedges of assets or liabilities

These are hedges of the exposure to changes in the fair value of an asset or a liability recognized for accounting purposes, an unrecognized firm commitment or an identified portion of the aforementioned asset, liability or firm commitment that can be attributed to a particular risk and might affect the net income for the period.

The transactions outstanding at December 31, 2010 and 2009 are as follows:

December 31, 2010								Millions of euros
				MATURITY				
	2011	2012	2013	2014	2015	Subs,	TOTAL	Fair Value
Interest rate								
Interest rate collar (EUR) (a)	2,000	–	–	–	–	–	2,000	43
Exchange rate and interest rate								
Cross-currency interest rate swaps	2	1	–	–	–	–	3	–
Exchange rate:								
USD (b)	1,461	–	–	–			1,461	13
EUR	27	–	–	–	–	–	27	–
BRL	10	–	–	–	–	–	10	–
MAD	2	–	–	–	–	–	2	–
								56

December 31, 2009 — Millions of euros

	MATURITY							
	2010	2011	2012	2013	2014	Subs.	TOTAL	Fair Value
Interest rate								
Interest rate collar (EUR) (a)	–	2,000	–	–	–	–	2,000	84
Interest rate hedges (floating to fixed-rate swaps): Contract/notional amount (EUR)	1	1	1	1	8	–	12	–
Exchange rate and interest rate								
Cross-currency interest rate swaps (floating to fixed rate): Contract/notional amount (BRL)	1	1	1	–	–	–	3	–
Exchange rate:								
USD/Euro: Contract size (USD)	163	–	–	–	–	–	163	3
MAD/Euro: Contract size (MAD)	1	–	–	–	–	–	1	–
Commodity prices:								
Contract size (USD)	1	–	–	–	–	–	1	(1)
								86

a. Interest rate collar

In May 2001 Repsol YPF arranged a zero-cost interest rate swap option on a notional amount of €1,000 million, tied to the preference shares issued on that date (Note 19).

The characteristics of these options are as follows:

- Repsol YPF sold a right by virtue of which, if the counterparty exercised the right, it would pay 3-month Euribor and receive 7% APR on the aforementioned notional amount, with quarterly settlement periods beginning on June 30, 2001, the first maturity being on October 1, 2001, and the last on June 30, 2011.
- Repsol YPF purchased a right by virtue of which, if it exercised the right, Repsol YPF would pay 3-month Euribor and receive 4% APR on the aforementioned notional amount, with the same quarterly settlement periods and maturity dates as those mentioned in the previous paragraph.

By virtue of these interest rate swap options, the final cost for Repsol YPF of this preference share issue in the first ten years was established at a floating interest rate of 3-month EURIBOR.

Also, in April 2002, effective June 30, 2002, Repsol YPF arranged a zero-cost interest rate swap option on a notional amount of €1,000 million tied to the €2,000 million preference share issue issued in December 2001 (see Note 19).

The characteristics of these options are as follows:

- Repsol YPF sold a right by virtue of which, if the counterparty exercised the right, Repsol YPF would pay 3-month EURIBOR and receive 7% APR on the aforementioned notional amount, with quarterly settlement periods beginning on June 30, 2002, the first maturity being on September 30, 2002, and the last on December 31, 2011.
- Repsol YPF purchased a right by virtue of which, if it exercised the right, Repsol YPF would pay 3-month EURIBOR and receive 4% APR on the aforementioned notional amount, with the same quarterly settlement periods and maturity dates as those mentioned in the previous paragraph.

By these purchase and sale transactions on interest options, of the total sum of the €2,000 million corresponding to the issue of preference shares in December 2001, €1,000 million have been at a floating rate of 3 months EURIBOR, for the period from September 30, 2002 to December 31, 2011.

b. USD swaps

At year-end 2010, this heading includes hedges linked to the acquisition of methane ships under finance lease arrangements (Note 22) with a notional amount of US$1,473 million (€1,113 million). The fair value of this hedge at December 31, 2010 implied a loss of €11 million.

The remaining outstanding instruments, whose net fair value at year-end 2010 implied a gain of €24 million, correspond primarily to hedges arranged by the Group through its shareholding in Gas Natural Fenosa.

21.2 Cash flow hedges

These are hedges of the exposure to variability in cash flows that: (i) is attributed to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecasted transaction; and (ii) could affect profit or loss.

The detail of the most significant transactions is as follows:

December 31, 2010 — Millions of euros

	MATURITY							
	2011	2012	2013	2014	2015	Subs.	TOTAL	Fair Value
Interest rates								
Swaps (EUR)	777	812	4	3	1	8	1,605	(49)
Swaps (USD)	11	62	11	12	12	329	437	(68)
Swaps (ARS)	3	–	–	–	–	–	3	–
Swaps (MXN)	5	5	4	–	–	–	14	–
Collar (EUR)	1	4	1	1	–	1	8	–
Exchange rate and interest rate								
Cross-currency IRS	2	3	3	3	4	7	22	(4)
Exchange rate:								
USD	86	1	–	–	–	–	87	2
Commodity prices (1):								
EUR	52	–	–	–	–	–	52	(1)
USD	26	–	–	–	–	–	26	(2)
								(122)

December 31, 2009 — Millions of euros

	MATURITY							
	2010	2011	2012	2013	2014	Subs.	TOTAL	Fair Value
Interest rates								
Swaps (EUR)	663	776	814	6	4	37	2,301	(84)
Swaps (USD)	48	12	59	13	13	326	472	(44)
Swaps (ARS)	2	–	–	–	–	–	2	–
Collar (EUR)	2	1	4	1	1	1	9	–
Exchange rate and interest rate								
USD/Euro	244	2	2	2	2	2	254	2
Euro/USD	441	–	–	–	–	–	441	(1)
Commodity prices (1):								
EUR	44	–	–	–	–	–	44	(3)
USD	10	–	–	–	–	–	10	(1)
								(131)

(1) These correspond to natural gas and electricity price swaps arranged by Gas Natural Fenosa.

The Group holds an interest rate swap with a notional amount of €750 million which was arranged to hedge debt issued by its financing subsidiary Repsol International Finance B.V (Note 19). Under this swap, the Group pays a fixed rate of 4.23% and receives 3-month Euribor. The fair value of this instrument at year-end 2010 implied a loss of €29 million (a loss of €42 million at year-end 2009).

At both year-ends, the Group also held interest rate swaps taken out to hedge the financing arranged to fund the investment in the LNG project in Canaport, Canada. Under this swap, the Group pays a weighted average fixed rate of 5.28% and receives 3-month Libor. At year-end 2010 the notional amount hedged was €327 million while the fair value of the instrument implied a loss of €60 million (a loss of €35 million at year-end 2009).

The other outstanding instruments at both balance sheet dates correspond primarily to hedges arranged by the Group through its shareholding in Gas Natural Fenosa.

In 2007 the cash flow hedge provided by two interest rate swaps for a notional amount of €674 million associated with a preference share issue was discontinued as the hedges were no longer effective. The cumulative loss deferred in "Adjustments for changes in value" in respect of this instrument amounted to €36 million at December 31, 2010 (€39 million at year-end 2009). In 2010, a loss €3 million was transferred from "Adjustments for changes in value" to the consolidated income statement (compared to a loss of €4 million in 2009).

21.3 Hedges of a net investment

These instruments hedge the foreign currency risk arising from net investments in foreign operations.

Repsol YPF has arranged forward currency purchase and sale contract as part of its global strategy of management exposure to foreign currency exposure via its foreign investments.

The most significant derivative transactions in existence at December 31, 2010 and 2009 are the following:

December 31, 2010 — Millions of euros

	MATURITY							
	2011	2012	2013	2014	2015	Subs.	TOTAL	Fair Value
Cross-currency IRSs								
Fixed to fixed: Contract/notional amount (EUR)	–	–	–	158	–	–	158	(27)
								(27)

December 31, 2009 — Millions of euros

	MATURITY							
	2010	2011	2012	2013	2014	Subs.	TOTAL	Fair Value
Cross currency IRSs								
Fixed to fixed: contract/ notional (EUR)	342	–	–	–	158	–	500	(35)
Fixed to fixed: Contract/notional amount (EUR)	300	–	–	–	–	–	300	130
								95

At December 31, 2009, the Group held cross-currency interest rate swaps (CCIRSs) on a notional amount of €300 million, maturing 2010, for which hedge accounting was discontinued on February 21, 2008, since which date these instruments were considered derivatives held for trading (see section 21.4 below). When hedge accounting was discontinued, their fair value implied a gain of €130 million; this asset was recognized in the balance sheet as a hedge of a net investment with a balancing entry under "Adjustments for changes in value." Since the hedge accounting was discontinued, the changes in the fair value of these instruments were recognized in profit or loss for the year (section 21.4 below). These derivatives were settled in 2010.

Also, at year-end 2009, the Group held CCIRSs to hedge investments in foreing operations covering a notional amount of €500 million. Of the total, €342 million was settled in 2010; the change in the fair value of the notional amount settled, recognized in 2010 under the heading translation differences, yielded a loss of €44 million. At year-end 2010, instruments hedging the remaining notional amount of €158 million remained outstanding; the change in the fair value of this portion of the hedge implied €19 million of negative translation differences during the year.

In addition, in 2010 the Group arranged several hedges of net investments. These hedges were arranged and settled during the year. The decline in the fair value of these derivatives between the date they were arranged and the date they were settled amounted to a net loss of €239 million which was recognized within "Adjustments for changes in value."

In 2009 hedge accounting was discontinued for CCIRSs with a notional value of €1,950 million. The increase in the fair value of these derivatives between January 1, 2009 and the date hedge accounting was discontinued, in the amount of €7 million, was recognized in exchange differences within "Adjustments for changes in value." These instruments were subsequently settled, giving rise to a gain of €168 million, recognized within "Financial result" in the 2009 consolidated income statement.

21.4 Other derivative transactions

Additionally, Repsol YPF has arranged a series of derivatives to manage its exposure to interest rate, foreign exchange and price risk that do not qualified as accounting hedges under IAS 39.

a. Interest rate contracts

December 31, 2010 — Millions of euros

	MATURITY							
	2011	2012	2013	2014	2015	Subs.	TOTAL	Fair Value
Floating to fixed IRSs: Contract/ notional amount (EUR)	32	–	–	–	–	–	32	(2)
Interest rate collar (EUR)	5	–	–	–	–	–	5	–

December 31, 2009 — Millions of euros

	MATURITY							
	2010	2011	2012	2013	2014	Subs.	TOTAL	Fair Value
Floating to fixed IRSs: Contract/ notional amount (EUR)	300	–	–	–	–	–	300	(16)

b. Exchange and interest rate contracts

December 31, 2010 — Millions of euros

	MATURITY							
	2011	2012	2013	2014	2015	Subs.	TOTAL	Fair Value
Fixed to fixed cross-currency IRSs: Contract/notional amount (JPY)	–	–	–	–	–	67	67	(6)

December 31, 2009 — Millions of euros

	MATURITY							
	2010	2011	2012	2013	2014	Subs.	TOTAL	Fair Value
Fixed to fixed cross-currency IRSs: Contract/notional (EUR)	300	–	–	–	–	–	300	(2)
Fixed to fixed cross currency IRS: Contract/notional amount (JPY)	–	–	–	–	–	1	1	(8)

At December 31, 2009, the Group recognized CCIRSs for which hedge accounting (as hedges of a net investment) was discontinued in February 2008, since then, these instruments were considered derivatives held for trading (section 21.3 above). The change in the fair value of these instruments between the date hedge accounting was discontinued and year-end 2009 (€2 million) was recognized as a liability within derivatives held for trading. These derivatives were settled in 2010. The fair value of these instruments declined by €21 million between January 1, 2010 and their settlement date and this loss was recognized within "Financial Result" for the year.

c. Exchange rate contracts

Repsol YPF has arranged other forward contracts as part of its global strategy of managing exposure to foreign currency risk.

December 31, 2010 — Millions of euros

	MATURITY							
	2011	2012	2013	2014	2015	Subs.	TOTAL	Fair Value
Euro/USD	1,555	–	–	–	–	–	1,555	(68)
USD/Euro	1,317	–	–	–	–	–	1,317	(12)
CLP/USD	111	–	–	–	–	–	111	3
USD/PEN	111	–	–	–	–	–	111	–
USD/BRL	328	–	–	–	–	–	328	(4)
CAD/USD	18	–	–	–	–	–	18	–
Euro/NOK	3	–	–	–	–	–	3	–
USD/NOK	2	–	–	–	–	–	2	–

December 31, 2009 — Millions of euros

	MATURITY							
	2010	2011	2012	2013	2014	Subs.	TOTAL	Fair Value
EURO/USD	2,222	–	–	–	–	–	2,222	7
USD/EURO	367	–	–	–	–	–	367	(8)
CLP/USD	74	–	–	–	–	–	74	–
USD/PEN	12	–	–	–	–	–	12	–
USD/BRL	329	–	–	–	–	–	329	(2)
CAD/USD	19	–	–	–	–	–	19	–
JFY/NOK	28	–	–	–	–	–	28	–

d. Future contracts on commodities

The risk associated with future physical crude oil and other oil product purchase or sale transactions is hedged through the arrangement of derivative instruments, primarily futures and swaps.

The commodity hedges outstanding at December 31, 2010 and 2009 are as follows:

December 31, 2010 — Millions of euros

	MATURITY 2011	2012	2013	2014	2015	Subs.	TOTAL	Fair Value
Purchase Contracts								
BRENT (000 barrels)	3,646	–	–	–	–	–	3,646	5
WTI (000 barrels)	1,998	–	–	–	–	–	1,998	6
NYMEX HHO (000 barrels)	60	–	–	–	–	–	60	–
IPE GO (000 tons)	757	1	–	–	–	–	758	32
RBOB (000 barrels)	463	–	–	–	–	–	463	2
Physical Inventory MTM (billions of BTU)	1,362	–	–	–	–	–	1,362	–
Sale Contracts								
BRENT (000 barrels)	6,294	–	–	–	–	–	6,294	(18)
WTI (000 barrels)	4,412	–	–	–	–	–	4,412	(14)
NYMEX HHO (000 barrels)	1,270	–	–	–	–	–	1,270	(3)
IPE GO (000 tons)	1,207	–	–	–	–	–	1,207	(55)
RBOB (000 barrels)	523	–	–	–	–	–	523	(1)
Physical Fixed Price (billions of BTU)	900	–	–	–	–	–	900	–
Physical Algonquin CityGate (billions of BTU)	1,077	–	–	–	–	–	1,077	–
Physical Tetco M3 (billions of BTU)	13,165	535	–	–	–	–	13,700	2
Physical NGI Index.Avg (billions of BTU)	1,162	–	–	–	–	–	1,162	–
Physical NYMEX (billions of BTU)	24,049	4,500	–	–	–	–	28,549	(10)
Physical Tenn Z6 (billions of BTU)	7,300	7,300	–	–	–	–	14,600	2
Swaps								
Brent (000 barrels)	17,080	–	–	–	–	–	17,080	(35)
JET (000 tons)	81	–	–	–	–	–	81	(1)
GO (000 tons)	327	–	–	–	–	–	327	(2)
Fuel Oil (000 tons)	196	–	–	–	–	–	196	–
Propane (000 tons)	58	–	–	–	–	–	58	–
Nafta (000 tons)	20	–	–	–	–	–	20	–
Tetco M3 Basis Swaps	41,130	6,370	–	–	–	–	47,500	(10)
Henry Hub Basis Swap	8,370	–	–	–	–	–	8,370	–
Henry Hub Index Swap	8,370	–	–	–	–	–	8,370	–
Henry Hub Swing Swap	700	–	–	–	–	–	700	–
Henry Hub Futures	1,810	–	–	–	–	–	1,810	3

December 31, 2009 — Millions of euros

	MATURITY 2010	2011	2012	2013	2014	Subs.	TOTAL	Fair Value
Purchase contracts								
BRENT (000 barrels)	1,499	–	–	–	–	–	1,499	3
WTI (000 barrels)	1,500	–	–	–	–	–	1,500	2
NYMEX HHO (000 barrels)	62	–	–	–	–	–	62	–
IPE GO (000 tons)	135	–	–	–	–	–	135	2
RBOB (000 barrels)	855	–	–	–	–	–	855	–
Henry Hub (TBTU)	30	–	–	–	–	–	30	–
Sale contracts								
BRENT (000 barrels)	4,036	–	–	–	–	–	4,036	(6)
WTI (000 barrels)	4,411	–	–	–	–	–	4,411	(11)
NYMEX HHO (000 barrels)	982	–	–	–	–	–	982	(2)
IPE GO (000 tons)	229	–	–	–	–	–	229	(4)
RBOB (000 barrels)	602	–	–	–	–	–	602	(1)
Henry Hub (TBTU)	86	–	–	–	–	–	86	1
Options								
Sale contracts								
Call (000 barrels)	2,000	–	–	–	–	–	2,000	–
Put (000 barrels)	17,000	–	–	–	–	–	17,000	–
Sale contracts								
Call (000 barrels)	7,800	–	–	–	–	–	7,800	(1)
Put (000 barrels)	7,000	–	–	–	–	–	7,000	–
Fuel oil collar								
CALL (tons)	6,900	–	–	–	–	–	6,900	–
PUT (tons)	6,900	–	–	–	–	–	6,900	–
Swaps								
WTI (000 barrels)	1,350	–	–	–	–	–	1,350	(4)
BRENT (000 barrels)	7,268	–	–	–	–	–	7,268	3
JET (000 tons)	190	–	–	–	–	–	190	(1)
UNL 87 (000 barrels)	230	–	–	–	–	–	230	(1)
GO (000 tons)	185	–	–	–	–	–	185	(1)
Premium Unl (000 tons)	3	–	–	–	–	–	3	–
Fuel Oil (000 tons)	77	67	67	68	–	–	279	–
Nafta (000 tons)	188	–	–	–	–	–	188	(1)
Freight derivatives								
BITRA (000 tons)	240	–	–	–	–	–	240	–

At year-end 2010, “Other receivables” includes €2 million (2009: €1 million) corresponding to the fair value of commodity purchase agreements measured in accordance with IAS 39, as detailed in Note 3.3.23.

In addition, through its shareholding in Gas Natural Fenosa, at year-end 2010 and 2009 the Group held commodity price derivatives with a negative fair value of €1 million and a notional value of approximately €2 million.

e. CO_2 emission allowance derivatives

The Group arranges emission allowance future contracts and swaps (EUAs and CERs) which are measured at fair value under IAS 39 with a view to minimizing the cost of the Group's emissions each year. The fair value of these instruments at both year-ends implied a liability of €1 million.

22 Other non-current liabilities

"Other non-current liabilities" includes the following items:

		Millions of euros
	2010	**2009**
Obligations under finance leases	2,852	1,919
Guarantees and deposits	236	284
Other deferred income	193	131
Other	382	338
	3,663	**2,672**

22.1 Obligations under finance leases

The detail of the amounts payable under finance leases at December 31, 2010 and 2009 is as follows:

				Millions of euros
	Lease Payments		**Present Value of Minimum Lease Payments**	
	2010	**2009**	**2010**	**2009**
Within one year	301	219	223	172
Between two and five years, both included	1,169	830	735	553
After six years	5,030	3,696	2,117	1,366
	6,500	4,745	3,075	2,091
Less:				
Future finance expenses	(3,425)	(2,654)		
	3,075	2,091		
Recognised as:				
Non-current obligations under finance leases			2,852	1,919
Current obligations under finance leases			223	172
			3,075	**2,091**

The effective average interest rate on obligations under finance leases at December 31, 2010 was 6.25% (2009: 5.9%).

The principal liabilities shown in this heading are as follows:

- On May 15, 2006 the Group signed an agreement with Emera Brunswick Pipeline Company, Ltd. for the transportation of natural gas through a pipeline that connects the Canaport plant with the US border. The agreement has an initial term of 25 years (renewable for up to an additional 30 years). It came into effect in July 2009. At December 31, 2010 and 2009, the amount recognized in this heading was US$510 million (€382 million) and US$513 million (€356 million), respectively.
- In addition, on April 21, 2006 the Group signed an agreement with Maritimes & North East Pipeline for the transportation of Canadian natural gas from the Canadian border to Dracut for an initial term of 25 years (renewable for up to an additional 30 years). The agreement became effective IN March 2009, the corresponding liability recognized in this heading at year end 2010 and 2009 amounted to US$1,297 million (€970 million) and US$1,312 million (€911 million), respectively.
- In December 2007 Repsol YPF (50%) and Gas Natural Fenosa (50%) jointly acquired a 138,000 m3 methane ship under a 25-year time-charter arrangement. The agreement can be extended for consecutive 5-year periods and represents a combined investment of €164 million, a figure which corresponds to the present value of installment commitments. The amount recognized for this tanker in the Group's consolidated balance sheet at year end 2010 and 2009 amounted to €110 million and €103 million, respectively.
- In 2009 Repsol YPF (50%) and Gas Natural Fenosa (50%) jointly acquired a 138,000 m3 methane ship under a 20-year time-charter arrangement. The agreement can be extended for consecutive 5-year periods and represents a combined investment of €142 million, a figure which corresponds to the present value of installment commitments. The amount recognized for this tanker in the consolidated balance sheet at December 31, 2010 and 2009 amounted to €109 million and €105 million, respectively.
- In 2010, four methane ships purchased for the transport of LNG in Peru were recognized amounting to €818 million. The Barcelona Knutsen, Sevilla Knutsen and Valencia Knutsen tankers, which have a capacity of 173,410 m3, were purchased under a 20-year time-charter arrangement. The agreement can be extended for consecutive 5-year periods. The Castillo de Santiesteban tanker, with a capacity of 173,600 m3 was likewise acquired under a 20-year time-charter agreement with a purchase option upon expiration.
- Finance leases at year end 2010 also include seven other methane tankers acquired prior to 2006 for the transport of LNG, which mature between 2022 and 2029, for €561 million (2009: €570 million). Four of these tankers are owned by Gas Natural Fenosa and the other three by Repsol YPF.

22.2 Guarantees and deposits

This heading includes, among others, deposits received by Repsol Butano, S.A. from the users of gas bottles in accordance with applicable legal regulations. These amounts are refundable when the corresponding contracts are canceled.

23 Trade payables and other payables

In 2010 and 2009 Repsol YPF had the following accounts payable classified under "Trade payables and other payables":

	Millions of euros	
	2010	**2009**
Trade payables	4,539	3,491
Obligations under finance leases (Note 22.1)	223	172
Tax Payables	982	909
Hedged items and derivatives on trading transactions at fair value	115	42
Other	4,230	3,004
Other payables	5,550	4,127
Income tax liabilities	765	409
TOTAL	**10,854**	**8,027**

The fair value of these current items does not differ significantly from their carrying amount.

At December 31, 2010, the balance of trade payables related to Spanish companies which exceed the payment period established by Spanish Law 15/2010, 2010 amounted to €5 million.

24 Tax situation

Income tax

In view of the geographical dispersion and markedly international nature of the business activities carried on by the companies comprising the Repsol YPF Group, the Group is subject to various different tax and income tax jurisdictions.

a. In Spain

Most of the entities resident in Spain pay income tax under the special consolidation regime. Under this regime, the companies in the Consolidated Tax Group jointly determine the Group's taxable profit and tax charge, which is allocated among the companies in the Tax Group in accordance with the criteria established by the Spanish Accounting and Audit Institute (ICAC) for the recognition and determination of the individual tax charge.

Repsol YPF, S.A. is the parent of Consolidated Tax Group 6/80, which includes all the companies resident in Spain that are directly or indirectly at least 75% owned by the parent and that meet certain requirements. This Group consists of 48 companies in 2010, of which the main companies in terms of volume of business are as follows: Repsol YPF, S.A., Repsol Petróleo, S.A., Repsol YPF Trading y Transporte, S.A., Repsol Química, S.A., Repsol Butano, S.A., Repsol Exploración, S.A. and Repsol Comercial de Productos Petrolíferos, S.A.

Petróleos del Norte, S.A. ("Petronor") is the parent of Consolidated Tax Group 02/01/B, which includes another two companies that paid income taxes under the Vizcaya Corporation Tax regulations.

Additionally, the consolidated financial statements include, through proportional consolidation, all the corporation tax items of the Gas Natural Fenosa Group. This Group is also taxed for corporation tax purposes under the special consolidated tax regime in Consolidated Tax Group 59/93, of which Gas Natural SDG, S.A. is the parent. The main companies of this Tax Group, in terms of volume of business, are the following: Gas Natural SDG, S.A., Gas Natural Castilla Léon, S.A., Gas Natural Distribución SDG, S.A, Gas Comercial Comercializadora, S.A., Gas Natural Aprovisionamientos, S.A. and Unión Fenosa Distribución, S.A.

Lastly, the other companies resident in Spain and not included in either of the aforementioned Tax Groups file individual corporation tax returns.

The Spanish companies, whether they pay tax on an individual or consolidated basis, apply the standard rate of 30%, with the exception of Repsol Investigaciones Petrolíferas, S.A., which is taxed individually at a rate of 35% under the Special Oil and Gas Regime, and the Petronor Group, which pays tax at 28% under the Vizcaya Corporation Tax regulations.

b. In Argentina

The Group companies resident in Argentina are liable to individual corporate income tax returns at a rate of 35% profit for the year.

Additionally, they calculate the minimum presumed income tax by applying the current tax rate of 1% of the computable assets at the balance sheet date, which may supplement the regular income tax. The tax obligation for each year will coincide with the higher of the two taxes. However, if the minimum presumed income tax exceeds the regular income tax, this excess can be computed as a prepayment of the amount by which the regular income tax exceeds the minimum presumed income tax in the following ten years.

c. In the other countries

The other Group companies are taxed in each of the countries in which they operate by applying the prevailing income tax rate to their profit or loss for the year. In addition, minimum presumed income taxes supplementing the regular income tax are recognized in certain countries.

On the other side, the Group companies resident in Spain and Argentina that carry on a portion of their business activities in other countries are subject to the income tax in force in those countries on the portion of their profit or loss obtained there. This is the case of the branches of the Spanish companies that carry on oil and gas exploration and production activities in other companies (such as Libya, Algeria, Peru or Ecuador).

The (nominal) income tax rates applicable in the main jurisdictions where the Group operates are as follows:

- Libya: 65%
- Algeria: 38% plus the Tax on Extraordinary Income (TPE)
- Trinidad and Tobago: 35% (gas), 55% and 57.25% (oil)
- United States: 35%
- Brazil: 34%
- Ecuador: 25%
- Peru: 30%
- Bolivia: 25%
- Venezuela: 34% (gas) y 50% (oil)
- The Netherlands: 25.5%
- Portugal: 29%

Income tax expense for accounting purposes

The detail of the income tax expense for accounting purposes in 2010 and 2009, calculated on the basis of the criteria indicated in section 3.3.21 of Note 3, Accounting Policies, is as follows:

Millions of euros

	Year 2010			
	Spanish Companies	**Argentine Companies**	**Other companies**	**TOTAL**
Accounting profit before tax	**1,641**	**1,416**	**3,556**	**6,613**
Adjustment to accounting profit:				
Non-temporary differences	2,210(1)	292	(2,976) (2)	(474)
Temporary differences	(317)	344	109	136
Taxable profit	3,534	2,052	689(3)	6,275
Tax charge	1,060	723	533	2,316
Tax credits	(913)	–	–	(913)
Current tax payable	147	723	533	1,403
Adjustments to current tax and foreign taxes	539	(6)	(22)	511
Total current income tax expense	**686**	**717**	**511**	**1,914**
Deferred tax for the year	93	(119)	(139)	(165)
Other adjustments to the income tax expense	170	(58)	(119)	(7)
Total deferred tax expense	**263**	**(177)**	**(258)**	**(172)**
Total income tax expense	**949**	**540**	**253**	**1,742**

(1) Corresponds primarily to dividends received from other Group companies that are included as taxable profit for Spanish income tax purposes.
(2) Corresponds primarily to the results from the capital increase carried out in Repsol Brasil, S.A.
(3) This reflects the net of taxable profits and tax losses in various tax jurisdictions.

Millions of euros

	Year 2009			
	Spanish Companies	**Argentine Companies**	**Other companies**	**TOTAL**
Accounting profit before tax	**1,173**	**1,001**	**602**	**2,276**
Adjustment to accounting profit:				
Non-temporary differences	1,179(1)	211	(143)	1,246
Temporary differences	(112)	(25)	(348)	(485)
Taxable profit	2,240	1,187	111(2)	3,537
Tax charge	675	415	295	1,385
Tax credits	(618)	–	–	(618)
Current tax payable	57	415	295	767
Adjustments to current tax and foreign taxes	352	58	(6)	404
Total current income tax expense	**409**	**473**	**289**	**1,171**
Deferred tax for the year	23	10	95	128
Other adjustments to the income tax expense	(4)	(5)	(160)	(169)
Total deferred tax expense	**19**	**5**	**(65)**	**(41)**
Total income tax expense	**428**	**478**	**224**	**1,130**

(1) Corresponds primarily to dividends received from other Group companies that are included as taxable profit for Spanish income tax purposes.
(2) This reflects the net of taxable profits and tax losses in various tax jurisdictions.

The detail of the deferred tax assets and liabilities recognized in the consolidated balance sheet is as follows:

Millions of euros

	2010	**2009**	**Variation**
Deferred tax assets:			
Provisions for doubtful accounts	57	60	(3)
Provisions for staff costs	118	114	4
Provision for contingencies	209	169	40
Other provisions	297	271	26
Difference in amortisation / depreciation	315	239	76
Tax assets	715	780	(65)
Other deferred tax assets	282	388	(106)
	1,993	**2,021**	**(28)**
Deferred tax liabilities:			
Tax incentives	(12)	(11)	(1)
Deferred gains	(82)	(44)	(38)
Difference in amortisation/depreciation	(1,124)	(932)	(192)
Functional currency	(651)	(683)	32
Goodwill acquired in business Combinations allocated to assets	(1,231)	(1,324)	93
Other deferred tax liabilities	(287)	(401)	114
	(3,387)	**(3,395)**	**8**

The accumulated balance of deferred taxes in relation to items charged directly to equity in 2010 and 2009 was €95 million and €11 million, respectively.

The Group did not recognized deferred tax assets in the amount of €583 million and €489 million in 2010 and 2009, respectively, corresponding mainly to tax losses carried forward and unused deductions, as these did not fulfill the criteria for registration in accordance with IFRS.

The Group has not recorded deferred tax liabilities in the amount of €119 million and €115 million, in 2010 and 2009, respectively, as it corresponds to taxable temporary differences related to investments in subsidiaries, branches and associated companies that meet the requirements established in IFRS to apply the recognition exception.

Other tax related disclosures

Deductions taken in 2010 amounted to €913 million, arising mainly from the mechanics to avoid double taxation, both domestically and internationally, and to a lesser degree, from investments made.

Judicial and administrative decisions have been taken both in this period and in previous periods, leading to tax consequences contrary to the Group's expectations.

Repsol YPF considers that it has acted lawfully in these matters at all times and that its actions are based on reasonable interpretations of the applicable legislation and, therefore, it has filed the appropriate appeals to defend its interests and those of its shareholders.

However, in view of the uncertainty concerning the materialization of the existing tax contingencies, at year end the Group had recognized provisions under "Other Provisions" (Note 17) that were considered adequate to cover those tax contingencies. The amount recorded in the balance sheet at December 31, 2010 and 2009 for this item amounted to €588 million and €473 million respectively. Such provision relates to the vast number of actions, none of which, individually, represents a significant percentage of such provision.

25 Joint ventures

The joint ventures owned by the Group at December 31, 2010 are detailed Appendix I, being the main ones the following:

Company	% of ownership
Atlantic LNG 2/3 Company of Trinidad & Tobago	25.00%
Bahía de Bizkaia Electricidad, S.L.	25.00%
BPRY Caribbean Ventures LLC	30.00%
Compañía Mega	38.00%
Empresas Lipigas, S.A.	45.00%
Grupo Gas Natural SDG, S.A.	30.13%
Petroquiriquire, S.A.	40.00%
Pluspetrol Energy, S.A.	45.00%
Profertil, S.A.	50.00%
Quiriquire Gas, S.A.	60.00%
Refinería del Norte, S.A. (Refinor)	50.00%
Repsol Brasil, S.A. (1)	60.00%
Repsol Gas Natural LNG, S.L.	50.00%
Repsol Occidental Corporation	25.00%
YPFB Andina, S.A. (formerly named Empresa Petrolera Andina)	48.92%

(1) Percentage of share in Group after the capital increase fully subscribed by Sinopec at December 28, 2010 (Note 31).

The detail of the consolidated amounts included under the main headings of Repsol YPF consolidated Financial Statements as a result of the proportionate consolidation of the joint ventures at December 31, 2010 and 2009, is as follows:

		Millions of euros
	2010	**2009**
Current Assets	7,354	3,423
Non-Current Assets	14,025	13,435
Current Liabilities	(3,186)	(3,424)
Non-Current Liabilities	(8,941)	(8,983)
Operating Income	10,428	8,136
Operating Expenses	(8,557)	(6,674)
Other income	321	357
Other expenses	(1,364)	(958)
Net income attributable to the parent	**828**	**861**

The principal change in current assets relates to the proportional consolidation of Repsol Brasil, S.A., following the capital increase fully subscribed by Sinopec on December 28, 2010 (Note 31).

Additionally, at December 31, 2010 the Group had interests in the jointly controlled assets and operations indicated in Appendix II, as a result of which it obtains income and incurs expenses on the basis of its percentage of ownership.

26 Operating revenues and expenses

Sales

This heading includes excise tax and similar taxes levied on the production and/or sale of oil and gas products amounting to €7,234 million in 2010 and €6,893 million in 2009.

Income and expenses from impairment losses and gains and losses on disposal of non-current assets

The income from the release of impairment provisions and profit from disposal of non-current assets includes the following items:

		Millions of euros
	2010	**2009**
Income from release of impairment provisions (Note 9)	31	193
Gains on disposal of non-current assets	3,157	178
TOTAL	**3,188**	**371**

In 2010, "Gains on disposal of non-current assets" relates primarily to gains recognized in connection with the strategic agreement entered into with Sinopec in Brazil (€2,847 million), to the sale of the 5% ownership interest in CLH (€133 million), and to the sale of natural gas distribution assets in the Autonomous Community of Madrid (€114 million) (Note 31).

"Gains on disposal of non-current assets" in 2009 included €49 million arising from the sale of the Repsol YPF, S.A office building located on Paseo de la Castellana of Madrid (Note 31).

“Impairment losses recognized and losses on disposal of non-current assets” include the following items:

		Millions of euros
	2010	**2009**
Impairment losses recognized (Note 9)	252	119
Losses on disposal of non-current assets	99	26
TOTAL	**351**	**145**

Supplies

This heading includes the following items:

		Millions of euros
	2010	**2009**
Purchases	37,276	31,903
Changes in inventory	(1,092)	(470)
TOTAL SUPPLIES	**36,184**	**31,433**

The heading Purchases includes excise tax and similar taxes levied on the production and/or sale of oil and gas products disclosed in "Sales" section of this note.

Personnel expenses

This heading includes the following items:

	Millions of euros	
	2010	**2009**
Salaries and others	1,836	1,565
Social security expenses	575	522
TOTAL PERSONNEL EXPENSES	**2,411**	**2,087**

Repsol YPF Group employed a total of 43,298 people at December 31, 2010, geographically distributed as follows: Spain (19,761 employees), Argentina (14,047 employees), Rest of Latin America (6,357 employees) and rest of the world (3,139 employees). Average headcount in 2010 was 42,322 employees (2009: 39,815).

At December 31, 2010, Repsol YPF Group has a total of 463 handicapped employees in Spain, 360 of which were hired directly, while the remaining 103 persons were employed through alternative hiring arrangements (2.56% of headcount using legal computation methods).

In compliance with Organic Law 3/2007, dated March 22, which promotes true equality between men and women, published in the BOE (Official State Gazette) issued on March 23, 2007, the following tables reflect the Group's total headcount distributed by professional categories and gender at year end 2010 and 2009.

	Number of employees	
	2010	**2009**
Men	31,595	30,326
Women	11,703	10,688
	43,298	**41,014**

	Number of employees	
	2010	**2009**
Managers	652	637
Senior line personnel	3,312	3,324
Other line personnel	18,611	16,423
Operating staff (manual workers, administrative and others).	20,723	20,630
	43,298	**41,014**

Other operating expenses

This heading includes the following items:

	Millions of euros	
	2010	**2009**
Taxes other than income tax	2,461	1,963
External services	5,368	4,717
Transport and freight costs	1,189	976
Other expenses	898	847
	9,916	**8,503**

Exploration costs are recognized in "Depreciation and amortization of non-current assets" and "External services" and totaled €502 million in 2010 and €466 million in 2009.

27 Financial income and expenses

The detail of income and expenses from operations in the periods 2010 and 2009 is as follows:

	Millions of euros	
	2010	**2009**
Interest income	149	141
Borrowing costs	(800)	(751)
Net interest expense (including preference shares)	**(651)**	**(610)**
Due to interest rate	(26)	34
Change in fair value of financial instruments	(26)	34
Due to exchange rate	(39)	306
Change in fair value of financial instruments	(212)	158
Exchange differences	173	148
Other positions	(17)	–
Change in fair value of financial instruments	(17)	–
Net gains / (losses) from financial instruments exposure (1)	**(82)**	**340**
Impact of discounting provisions to present value	**(191)**	**(186)**
Capitalised interest (2)	**143**	**122**
Leases	(196)	(141)
Impairment and gains (losses) on disposal of financial instruments	1	31
Other income	10	32
Other expenses	(42)	(56)
Other financial expenses	**(227)**	**(134)**
FINANCIAL RESULT	**(1,008)**	**(468)**

(1) This heading includes exchange gains and losses generated by the measurement and settlement of foreign-currency monetary items (Section 3.3.4 of note 3) as well as the gains and losses recognized as a result of the measurement and settlement of derivatives.

(2) Capitalised interest is recognized in the consolidated income statement under "Finance expenses".

28 Cash flows from operating activities

The breakdown of this heading in 2010 and 2009 is as follows:

Millions of euros

	Notes	2010	2009
Net income before tax and share of results of companies accounted for using the equity method		**6,613**	**2,776**
Adjustments to net income		**2,583**	**3,973**
Depreciation and amortisation of assets	6 and 7	3,947	3,620
Net changes in operating provisions	17	937	238
Gains (losses) on sale of non-commercial assets	31	(3,058)	(151)
Financial Result	27	1,008	468
Other adjustments (net)		(251)	(202)
Change in working capital		**(1,693)**	**(590)**
Other cash flows from/(used in) operating activities:		**(1,861)**	**(1,394)**
Dividends received		72	86
Income tax received / (paid)		(1,627)	(1,168)
Other proceeds from/(payments for) from operating activities		(306)	(312)
Cash Flow from operating activities		**5,642**	**4,765**

29 Segment reporting

The segment reporting disclosed by the Group in this section is presented in accordance with the disclosure requirements of IFRS 8 Operating segments, which has been applied by the Group for the first time in 2009.

The various operating segments into which the Group breaks down its organizational structure are the different businesses in which the Group generates revenues and incur in expenses. The aforementioned Group operating structure is based on how the Group's decision makers analyses the main operating and financial indicators in order to make decisions about allocation of resources and to evaluate the performance.

This organizational structure that was established in 2007 is oriented to support the company's growth projects, as well as to establish the basis for future developments. The main lines of this structure are as follows:

- Three integrated strategic businesses:
  - Upstream, corresponding to the exploration and the development operations of crude oil and natural gas reserves, except in YPF;
  - LNG corresponding to the Liquid Natural Gas business, except in YPF; and
  - Downstream, corresponding to refining, sales activities for oil products, chemicals and LPG, except in YPF.
- Two participations in strategic companies:
  - YPF, which includes the operations of YPF, S.A. and its group companies in all the businesses mentioned above; and
  - Gas Natural SDG, corresponding to the sales activities for natural gas and power generation, distribution and sale of electricity.

The table below details the Repsol YPF Group's main income statement headings broken down into the operating segments defined above:

Millions of euros

Operating Revenue	**Operating revenue external**		**Operating revenue inter-segment**		**Total operating revenue**	
Segments	**12/31/2010**	**12/31/2009**	**12/31/2010**	**12/31/2009**	**12/31/2010**	**12/31/2009**
Upstream	5,863	2,158	1,050	830	6,913	2,988
LNG	1,144	899	188	129	1,332	1,028
Downstream	36,285	32,803	78	35	36,363	32,838
YPF	10,973	8,557	129	121	11,102	8,678
Gas Natural SDG	6,020	4,540	141	112	6,161	4,652
Corporation	145	75	328	338	473	413
(-) Inter-segment adjustments and eliminations of operating income (1)	–	–	(1,914)	(1,565)	(1,914)	(1,565)
TOTAL	**60,430**	**49,032**	**–**	**–**	**60,430**	**49,032**

(1) These correspond primarily to the elimination of commercial transactions between segments.

Millions of euros

Operating Income		
Segments	**12/31/2010**	**12/31/2009**
Upstream	4,113	781
LNG	105	(61)
Downstream	1,304	1,022
YPF	1,453	1,021
Gas Natural SDG	881	748
Corporation	(235)	(267)
Total Operating income pertaining to the reported segments	**7,621**	**3,244**
(+/-) Results not assigned (Financial result)	(1,008)	(468)
(+/-) Other results (Share of results of companies accounted for using the equity method)	76	86
Income tax	(1,742)	(1,130)
Net income from discontinued operations	–	12
CONSOLIDATED NET INCOME FOR THE YEAR	**4,947**	**1,744**

The detail of other significant balance sheet headings relating to each activity at December 31, 2010 and 2009 is as follows:

Millions of euros

	Upstream	LNG	Downstream	YPF	Gas Natural	Corporation and Adjustmentss	TOTAL
2010							
Total assets (1) (2)	9,351	4,238	17,524	12,446	13,344	10,728	67,631
Investments accounted for using the equity method participation	172	282	69	35	27	–	585
Depreciation and amortisation	(1,005)	(149)	(659)	(1,558)	(516)	(60)	(3,947)
Investments	1,126	82	1,613	1,548	636	101	5,106
Profit (loss) from entities accounted for using the equity method	10	31	28	5	2	–	76

Millions of euros

	Upstream	LNG	Downstream	YPF	Gas Natural	Corporation and Adjustmentss	TOTAL
2009							
Total assets (1) (2)	8,678	3,195	15,168	10,928	13,484	6,630	58,083
Investments accounted for using the equity method participation	91	302	67	34	37	–	531
Depreciation and amortisation	(859)	(100)	(676)	(1,500)	(427)	(58)	(3,620)
Investments	1,122	125	1,649	956	5,060	91	9,003
Profit (loss) from entities accounted for using the equity method	(2)	39	26	5	18	–	86

(1) Includes in every segment, the amount of the investments accounted for using the equity method.

(2) "Corporation and adjustments" column includes financial assets amounting to 8,246 million and 4,211 million, in 2010 and 2009, respectively. The fluctuation is primarily due to the liquidity incorporated as a result of the agreement reached with Sinopec in Brazil (Note 31).

The detail of the main key figures by geographical area is as follows:

Millions of euros

	Operating revenue		Operating income		Investments		Assets	
	2010	2009	2010	2009	2010	2009	2010	2009
Upstream	**6,913**	**2,988**	**4,113**	**781**	**1,126**	**1,122**	**9,351**	**8,678**
North American and Brazil	3,747	614	2,911	63	517	435	3,081	3,093
North Africa	1,019	719	642	372	97	241	978	1,121
Rest of the world	2,209	1,748	560	346	512	446	5,292	4,464
Adjustments	(62)	(93)	–	–	–	–	–	–
LNG	**1,332**	**1,028**	**105**	**(61)**	**82**	**125**	**4,238**	**3,195**
Downstream	**36,363**	**32,838**	**1,304**	**1,022**	**1,613**	**1,649**	**17,524**	**15,168**
Europe	33,624	30,493	1,182	800	1,474	1,583	16,290	13,311
Rest of the world	4,735	3,887	122	222	139	66	1,234	1,857
Adjustments	(1,996)	(1,542)	–	–	–	–	–	–
YPF (1)	**11,102**	**8,678**	**1,453**	**1,021**	**1,548**	**956**	**12,446**	**10,928**
Gas Natural SDG	**6,161**	**4,652**	**881**	**748**	**636**	**5,060**	**13,344**	**13,484**
Corporation, others, and adjustments	**(1,441)**	**(1,152)**	**(235)**	**(267)**	**101**	**91**	**10,728**	**6,630**
TOTAL	**60,430**	**49,032**	**7,621**	**3,244**	**5,106**	**9,003**	**67,631**	**58,083**

(1) The YPF figures were generated primarily in Argentina.

Also, the composition of revenue (comprising "Sales" and "Services rendered and other income" line items in the attached consolidated income statements), by geographic area based on destination market, is as follows:

Millions of euros

	2010	2009
Spain	25,976	24,224
European countries	5,693	4,427
OECD Countries	3,024	2,259
Other countries	20,842	16,367
TOTAL	**55,535**	**47,277**

30 Business combinations and changes in composition of the group

Repsol YPF prepares its consolidated Financial Statements including the investments in all its subsidiaries, affiliated companies and joint ventures. Appendix I of the consolidated Financial Statements details the subsidiaries, affiliated companies and joint ventures, held directly or indirectly by Repsol YPF, S.A., which were included in the scope of consolidation during 2010 and 2009. The main business combinations made in 2010 and 2009 are detailed below.

2010 Acquisitions

With effective date February 1, 2010, the productive area Barúa-Motatán located in the Lake Maracaibo basin was incorporated as an asset to be operated by mixed-ownership company Petroquiriquire, S.A. In 2009, Venezuela´s National Assembly published in the official Gazette of the Bolivarian Republic its approval of the activities of Petroquiriquire, S.A., in which Repsol YPF holds a 40% interest, in the production area Barúa-Motatán.

This transaction gives effect to the credit notes amounting to US$173 million (€131 million) received as part of the process of migrating the operating agreements over to the mixed companies and cancells an account receivable from PDVSA amounting to US$34 million (€26 million).The related amount corresponds entirely to property, plant and equipment acquired in connection with this allocation. No goodwill was generated as a result of the transaction (Note 2).

The net profit contributed by the incorporation of the Barúa-Motatán production activities since the date of acquisition amounted to US$36 million (€28 million).

On February 10, 2010, the MENPET awarded the concession of the area of Carabobo 1 to the consortium led by Repsol (11%), and its partners Petronas (11%), OVL (11%), and Indoil (7%). The Venezuelan CVP will maintain its 60% ownership interest. The area will be managed by the mixed-ownership company Petrocarabobo, S.A. This project consists in developing, in conjunction with PDVSA, the heavy crude oil reserves of the blocks Carabobo 1 North and Carabobo 1 Center, located in the Orinoco oil belt. The profit recognized in relation with this company in 2010 was less than €1 million.

Acquisition of Unión Fenosa (2009)

The amounts given in this section related to Gas Natural's acquisition of an interest in Unión Fenosa take into account the Repsol Group's ownership interest in Gas Natural Fenosa, which as of the date of these consolidated financial statements is 30.89%, except for amounts stated in percentage terms which reflect Gas Natural Fenosa's 100% stake.

At December 31, 2008, Gas Natural SDG, S.A. held a 14.7% stake in Unión Fenosa (9.9% acquired from ACS on August 5, 2008, under a share purchase agreement signed on July 30, 2008, and 4.7% acquired from Caixanova on December 12, 2008), which was classified under the heading "Financial assets available for sale". The corresponding acquisition cost amounted to €756 million (proportionate to Repsol Group's interest in Gas Natural Fenosa).

In addition, in 2008, Gas Natural arranged various Equity Swaps and a share purchase agreement with Caja Navarra entitling it to acquire, in 2009, 9.7% of the voting rights in Unión Fenosa at an average price of €17.33 per share. These contracts were recognized at their fair value as derivatives under "Financial assets designated at fair value through profit and loss" (Notes 12 and 21).

Under the share purchase agreement with ACS, mentioned above, the acquisition of the construction group's remaining 35.3% shareholding in Unión Fenosa was subject to anti-trust approval. On February 26, 2009, having obtained this authorization, Gas Natural proceeded to acquire the additional 35.3% stake for €1,797 million (pro rata for the Repsol Group's shareholding in Gas Natural Fenosa). This transaction provided Gas Natural with 50% of the voting rights in Unión Fenosa, above the 30% threshold laid down in the Spanish Takeover Code ("OPA"), triggering a takeover bid for all outstanding shares of Unión Fenosa, S.A. it did not already own. Until conclusion of this tender offer, Gas Natural's voting rights in Unión Fenosa were limited to 30%, entitling it to appoint 4 out of a total of 20 Directors in the Board of Directors.

This level of board representation provided Gas Natural with significant influence for accounting purposes; accordingly, from February 28, 2009, its investment in Unión Fenosa, S.A. was considered an investment in an associate and was accounted in the Gas Natural Fenosa Group's financial statements under the equity method.

The takeover tender offer was approved by the Spanish Securities Market Regulator ("CNMV" for its initials in Spanish) on March 18. On April 21, the regulator notified Gas Natural Fenosa the positive outcome of the offer. Consequently, Gas Natural SDG, S.A. acquired an additional 34.8% of Unión Fenosa for €1,771 million (pro rata for the Repsol Group's shareholding in Gas Natural Fenosa). In April 2009, Gas Natural Fenosa acquired an additional 10.1% as a result of the settlement of the various equity swaps previously arranged, and an additional 0.3% as a result of settlement of a share purchase agreement executed in 2008 in the amount of €532 million (pro rata for the Repsol Group's shareholding in Gas Natural Fenosa). All these acquisitions provided Gas Natural Fenosa a total shareholding in Unión Fenosa, S.A. of 95.2% for €4,880 million (pro rata for the Repsol Group's shareholding in Gas Natural Fenosa). Following the takeover bid, Repsol YPF's shareholding in Gas Natural Fenosa was 30.89%.

The proposed merger of Unión Fenosa, S.A. and Unión Fenosa Generación, S.A. (absorbed companies) into Gas Natural SDG, S.A. (absorbing company), via the dissolution without liquidation of the absorbed companies and the transfer in block of all their assets and liabilities to the absorbing company, was approved at the General Shareholders' Meeting on June 26, 2009.

On September 1, having met all the legal deadlines and obtained all pertinent regulatory approvals, the merger was filed with the Mercantile Register ("Registro Mercantil"), taking effect on that same date. As a result of the approved exchange ratios, on which an independent expert issued a fairness opinion, Gas Natural SDG, S.A. issued 26,204,895 shares. This shares-issue was targeted exclusively at minority shareholders of Unión Fenosa. As a result of this capital increase, Repsol YPF's shareholding in Gas Natural Fenosa since September 1, 2009 was established at 30.01%.

Following completion of this acquisition process, on April 23, 2009, Gas Natural SDG, S.A. achieved a majority in the Board of Directors of Unión Fenosa, S.A. and took effective control of its financial and operational policies. However, for accounting purposes, April 30, 2009 was used as the date of effective control, since the difference between these two dates was not considered to be significant. After this date, Gas Natural's interest in Unión Fenosa is consolidated using the full consolidation method. Gas Natural Fenosa is consolidated in the financial statements of the Repsol YPF Group using the proportional integration method.

Given that Gas Natural acquired control of Unión Fenosa in several acquisitions, it was recorded according to IFRS 3 for business combinations achieved in stages. Thus, the total cost of the combination was the sum of the costs of the individual transactions and amounted to €4,880 million (proportionate to the Repsol Group's interest in Gas Natural Fenosa). Provisional goodwill was calculated as the difference between the cost and the interest in the fair value of identifiable assets and liabilities as of the date of each transaction. The difference upon first-time consolidation corresponds to the sum of the goodwill calculated on each partial purchase and amounted to €1,745 million (proportionate to the Repsol Group's interest in Gas Natural Fenosa).

The breakdown of net assets acquired as of April 30, 2009 and the corresponding goodwill is as follows (proportionate to the Repsol YPF Group's interest in Gas Natural Fenosa):

	Millions of euros
Cash paid	4,860
Acquisition costs	20
Total purchase price	**4,880**
Fair value of the net assets acquired	3,135
Goodwill	**1,745**

		Millions of euros
	Fair Value	**Carrying amount**
Intangible assets	1,031	141
Property, plant and equipment	5,214	3,961
Non-current financial assets	439	457
Deferred tax assets	254	251
Other current assets	1,104	1,107
Cash and cash equivalents	66	66
TOTAL ASSETS	**8,108**	**5,983**
Minority interest	449	389
Non-current financial liabilities	1,719	1,999
Other non-current liabilities	545	490
Deferred tax liabilities	784	177
Other current liabilities	1,326	1,323
TOTAL LIABITITIES	**4,823**	**4,378**
Total net assets acquired	**3,285**	**1,605**
Changes until the control date	**(4)**	
Minority interest	**(146)**	
Fair value of net assets acquired	**3,135**	
Total purchase price	**4,880**	
Cash and cash equivalents acquired with the subsidiary	66	
Cash used in the acquisition	**4,814**	

The net consolidated profit contributed by Unión Fenosa in 2009 from the acquisition date amounted to €119 million (proportionate amount according to Repsol Group's interest in Gas Natural Fenosa). If this acquisition had taken place on 1 January 2009, the increase in its contribution to the consolidated net turnover and the consolidated net income for the interim period would have been €667 million and €48 million (proportionate to Repsol Group's interest in Gas Natural Fenosa), respectively.

Unión Fenosa's Purchase Price Allocation (PP&A) made based on the fair value of its assets, liabilities, and contingent liabilities was finalized in April 2010. This PP&A was equal to the PP&A used used in the preparation of the consolidated Financial Statements for 2009. The valuation was carried out by independent experts which applied generally accepted valuation criteria.

As a result of the process of allocation of the purchase price and, in connection with the carrying amount of Union Fenosa's assets and liabilities at the date of purchase, the main assets and liabilities recognized at fair value were as follows:

- Intangible assets: mainly related to electricity distribution licenses in Spain, Latin America, CO_2 emission allowances and several gas supply contracts, and other contractual rights.
- Property, plant and equipment corresponding to combined cycle plants, nuclear power stations, hydropower stations, thermal power stations, wind farms, electric power supply networks, deposits of coal and other facilities.

- Deferred tax liabilities related to the revaluations mentioned above regarding the part that is not expected to be deductible.

The goodwill arising from the business combination is attributed to the high return on the acquired business and to the benefits and synergies expected to arise from the acquisition and integration of Union Fenosa in Gas Natural.

Other 2009 acquisitions

In March 2009 the Group acquired Murphy Ecuador Oil Company Ltd. (currently Amodaimi-Oil Company Ltd.), which owns 20% of Block 16 in Ecuador, for €66 million. After this transaction, the Group's consolidated shareholding in this Block is 55%. This acquisition falls under the umbrella of agreements reached with the Government of Ecuador (Note 2).

31 Divestments

The following table provides the proceeds from the sale of equity ownerships and from other divestments recorded in 2010 and 2009:

		Milones de euros
	2010	**2009**
Group companies, associated companies and business units	4,719	413
Property, plant and equipment, intangible assets and investment properties	171	373
Other financial assets	170	307
TOTAL DIVESTMENTS	**5,060**	**1,093**

Group companies, associated companies and business units

The decreases and sales of shareholdings in Group companies and associates in 2010 and 2009 are listed in Appendix I - Changes in the consolidation scope. Below is a description of the most significant transactions made by the Group during 2010 and 2009.

Exploration and production assets in Brazil

In December 2010, Repsol YPF and China Petroleum & Chemical Corporation ("Sinopec") successfully closed an agreement reached in October to develop joint exploration and production projects in Brazil, through a capital increase carried out in Repsol Brasil, S.A. on December 28, 2010. The capital increase was fully subscribed by Sinopec and amounted to US$7,111 million (5,389 million). Upon completing the transaction, Repsol holds a 60% ownership interest in Repsol Brasil and Sinopec holds the remaining 40%. In February 2011, Repsol Brasil, S.A. changed its registered name to Repsol Sinopec Brasil, S.A. ("Repsol Sinopec Brasil").

Both companies have signed a shareholders' agreement in which they affirm their desire to develop the abovementioned projects jointly by providing the necessary means and sharing certain strategic decisions concerning operational and financial policies. Consequently, as of December 28, 2010, the Group will account its 60% ownership interest in Repsol Sinopec Brasil using the proportional consolidation method.

This disinvestment amounted to US$4,267 million (€3,234 million), generating a gain of US$3,757 million (€2,847 million), recognized in "Income from reversal of impairment losses and gains on disposal of non-current assets." The amount of the disinvestment corresponds to the Group's ownership interest in the liquidity incorporated as a result of the capital increase.

The associated assets and liabilities of the group affected by the abovementioned transaction were derecognized at December 28, 2010 as follows below:

	Millions of euros
	Net asset value
Non-current assets	413
Cash and cash equivalents	12
Other current assets	61
TOTAL ASSETS	**486**
Non-current liabilities	15
Current liabilities	93
TOTAL LIABILITIES	**108**
NET ASSETS	**378**

In addition, historical exchange differences recognized in equity under "Adjustments for changes in value," and amounting to €9 million, were recognized reducing the result of the transaction.

Sale of the 30% ownership interest in Alberto Pacualini Refap, S.A.

In December 2010, Repsol YPF sold its 30% ownership interest in the company Alberto Pacualini Refap, S.A. (Refap) to Petrobas for US$350 million (€261 million). This transaction generated a loss of €63 million, recognized in the heading "Impairment losses recognized and losses on disposal of non-current assets". The transaction was carried out as part of the Group's strategy focused in the divestment of non-strategic assets.

The assets and liabilities derecognized as a result of the sale were as follows:

	Millions of euros
	Net asset value
Non-current assets	878
Cash and cash equivalents	29
Other current assets	129
TOTAL ASSETS	**1,036**
Non-current liabilities	246
Current liabilities	284
TOTAL LIABILITIES	**530**
NET ASSETS	**506**

In addition, historical exchange differences recognized in equity under "Adjustments for changes in value," which totaled €182 million, were recognized as a result of the sale.

Sales of ownership interest in YPF

In December 23, 2010, Repsol YPF sold 1.63% of the share capital of YPF to funds managed by Eton Park Capital Management ("Eton Park"), and an additional 1.63% of the capital of YPF to funds managed by Capital Guardian Trusts Company and Capital International, Inc. ("Capital"). Each sale amounted to US$250 million (€192 million) each.

In addition, Eton Park has call options on an additional 1.63% of YPF capital, either all at once or in smaller amounts, up to January 17, 2012. Furthermore, Repsol YPF has granted Capital a put option on the proportionate part of the shares acquired by Capital that exceed 15% of YPF´s free floating shares at December 22, 2011. This option may be exercised at any time from the aforementioned date to January 23, 2012.

Additionally, in 2010, the Group has sold 0.97% of its shares in YPF through partial sales for a total amount of €105 million.

This process is part of Repsol's strategy to divest partially in YPF and rebalance its asset portfolio. After these transactions, the Repsol YPF Group holds a 79.81% ownership interest in YPF at December 31, 2010.

These sales increased the "Minority interests" in €305 million. The resulting before-tax gain, recognized in "Retained earnings," amounts to €139 million, after deducting accumulated exchange differences.

In addition, pursuant to the terms of the YPF share sale agreement signed between Repsol YPF and Petersen Energía in February 2008, this Group has a call option on 10% of this company's share capital, exercisable up to February 21, 2012.

Sales of Gas Natural Fenosa Group companies

At December 19, 2009, Gas Natural Fenosa agreed to sell the natural gas distribution business in 38 Madrid municipalities and the gas natural and electricity supply to residential customer retail and SMEs (small/medium companies). This sale includes the shared services structure in this region. This transaction was made under the framework of the disposal plan agreed upon with the Spanish anti-trust authorities (acronym in Spanish: CNC) in connection with the acquisition of Unión Fenosa. As of the date of this agreement, these assets are classified as non-current assets held for sale. Once the pertinent regulatory approvals were obtained, the sale was executed on April 30, 2010 for €241 million, generating a gross capital gain of €114 million, which was recognized in "Income from reversal of impairment losses and gains on disposal of non-current assets" of the accompanying income statement (amounts corresponding to the proportional part of the Group investment in Gas Natural Fenosa).

In addition, in December 2009, Gas Natural Fenosa agreed to divest its share in several combined cycle power generation Companies in Mexico with aggregate capacity of 2,233 MW and the Río gas pipeline. From the date of this agreement, these assets were classified as non-current assets held for sale. Once the pertinent regulatory approvals were obtained, the 100% control of the companies was transferred on June 30, 2010 for €304 million, generating a gross loss of €1 million, recognized in "Impairment losses recognized and losses on disposal of non-current assets" of the accompanying income statement (amounts corresponding to the proportional part of the Group investment in Gas Natural Fenosa).

On July 2, 2009, Gas Natural Fenosa closed the sale of the 13% of Indra Sistemas, S.A. for €99 million. The remaining 5% shareholding has been classified as a financial asset held for sale in 2009 (Note 12). This transaction did not have any impact on the income statement because the sales price coincided with the fair value of this investment at the acquisition date of Union Fenosa. The Group's share of profit of Indra Sistemas, S.A. in 2009 amounted to €1.5 million (amounts pro rata for the Group's shareholding in Gas Natural Fenosa).

In December 2009, and under the framework of the disposal commitments reached with Spain's anti-trust authorities in connection with the acquisition of Unión Fenosa, Gas Natural Fenosa sold to Naturgas Group its gas distribution business in the regions of Cantabria and Murcia, along with the gas and power (residential and small and medium companies) supply business and the corresponding shared services in these same regions, as well as the high pressure distribution networks in Cantabria, the Basque Country and Asturias. These assets had been recognized as non-current assets held for sale in July 2009. The selling price was €102 million, generating a gain in 2009 of approximately €15 million (pro rata for the Group's shareholding in Gas Natural Fenosa).

In addition, in October 2009 Gas Natural Fenosa agreed the sale of its 63.8% interest in Empresa de Energía del Pacífico, S.A. (EPSA) to Colener, S.A.S., Inversiones Argos and Banca de Inversión Bancacolombia, S.A. Corporación Financiera. These assets were classified as non-current assets held for sale on the date the agreement was reached (Note 11). The sale was completed in December 2009 upon obtention of all the pertinent regulatory approvals. The selling price was €207 million, generating a before-tax gain of €3 million (pro rata for the Group's shareholding in Gas Natural Fenosa, except for the figures presented in percentage terms).

Other sales

On December 17, 2010, the Group sold Gas Natural Fenosa's 35% ownership interest in Gas Aragón, S.A. for €23 million. This was an equity-consolidated company and the sale generated a before-tax gain of €12 million recognized in "Income from reversal of impairment losses and gains on disposal of non-current assets."

In November 2010, the Repsol YPF Group sold its 25% ownership interest in Bahía Bizkaia Gas (BBG) to Enagas and other non-controlling interests for approximately €31 million, after deducting the amount of dividends received. This sale generated a before-tax gain of €13 million, recognized in "Income from reversal of impairment losses and gain on disposal of non-current assets" of the accompanying consolidated income statement.

On March 25, 2010 Repsol YPF, Petronor and BBK signed an agreement whereby BBK acquired a share package for 5% of Compañía Logística de Hidrocarburos (CLH), which Repsol indirectly owned through Petronor. The sale price was €145 million, which generated a gross capital gain of €133 million, recognized in "Income from reversal of impairment losses and gains on disposal of non-current assets" of the accompanying consolidated income statement. As a result of this transaction, Repsol YPF reduced its share in CLH to 10%.

In February 2010, Repsol YPF sold its 100% investment in Termobarrancas and its exploration and development license in the Barrancas area to Petróleos de Venezuela S.A. (PDVSA). The purchase-sale agreement was reached in 2009, year in which these assets were classified as non-current assets held for sale. The sale of these assets generated a gain of €5 million, recognized under "Income from reversal of impairment losses and gains on disposal of non-current assets" in the accompanying consolidated income statement.

Property, plant and equipment, intangible assets and investment property

In 2010, Repsol YPF Group received a €70 million prepayment in connection with sale of the Gaviota underground storage gas facility to Enagás, which was classified at December 31, 2010 under "Non-current assets held for sale." This transaction is awaiting the final approval of the competent authorities (Note 11).

On July 30, 2007 Repsol YPF, S.A. entered into an agreement whereby it sold to Caja Madrid the lot where an office building is under construction in Madrid, as well as the finished works on it, for €815 million of which €570 million were recorded as divestments in 2007. In the same agreement Repsol YPF, S.A. undertook to continue the promotion and development of the pending construction works, with the aim of completing the cited office building. The building was officially delivered to the buyer in 2009. This delivery generated an additional divestment of €245 million and a gain of €49 million, recognized in "Income from reversal of impairment losses and gains on disposal of non-current assets" in the 2009 income statement.

Other financial assets

In April 2010, Gas Natural Fenosa sold its 5% ownership interest in Indra Sistemas, S.A., which was classified under "held-for-sale financial assets" after the disposal of the 13% ownership interest in 2009 (described above). This sale amounted to €38 million, generating a gain of €1 million recognized under "Impairment gains / (losses) on disposal of financial instruments".

In 2009 Unión Fenosa sold its shareholdings in Red Eléctrica Corporación, S.A. and Isagen for €32 million. These disposals did not have any impact on the income statement because the sales prices coincided with the fair value of these assets at the date of the acquisition of Unión Fenosa by Gas Natural. Disposals of other financial assets also include €47 million in connection with the sale of Gas Natural Fenosa's 5% shareholding in Enagás, generating a before-tax gain of €31 million, which was recognized as a reduction to "Adjustments for changes in value" (Note 12) (amounts pro rata for the Group's shareholding in Gas Natural Fenosa, except for the figures presented in percentage terms).

32 Information on related party transactions

Repsol YPF undertakes transactions with related parties under general market conditions.

For the purposes of presenting this information, the following are considered to be related parties:

a. Major Shareholders: according to the most recent information available, the major shareholders in the company that are considered related parties of Repsol YPF are (Note 15.1):

- Sacyr Vallehermoso, S.A. that owns 20.01% of the share capital.
- Criteria Caixa Corp. S.A. (member of Caixa Group) that holds, directly and indirectly, 12.97% of the share capital of Repsol YPF, S.A.
- Petróleos Mexicanos (Pemex) that has an ownership interest of 4.81% through its subsidiaries Pemex International España, S.A. and various financial instruments.

b. Executives and Directors: includes members of the Board of Directors and of the Executive Committee.

c. People or Group companies: Includes transactions with Group companies or entities for the part not eliminated in the consolidation process (corresponding to the non-owned portion in the proportionately consolidated companies and transactions undertaken with companies accounted for using the equity method).

Income, expenses and other transactions recorded in 2010 with related parties were as follows:

Millions of euros

	Major shareholders	Executives and Directors	Group companies or entities	TOTAL
EXPENSE AND INCOME:				
Financial expenses	108	–	–	108
Management or cooperation agreements	–	–	1	1
Operating leases	3	–	9	12
Receipts from services	9	–	409	418
Purchase of goods (finished or in progress)	2,031	–	4,977	7,008
Other expenses	10	–	1	11
TOTAL EXPENSES	**2,161**	**–**	**5,397**	**7,558**
Financial income (1)	22	–	21	43
Management or cooperation agreements	–	–	4	4
Transfer of R&D and license agreements	–	–	1	1
Provision of services	37	–	34	71
Sale of goods (finished or in progress)	174	–	1,257	1,431
Other income	5	–	52	57
TOTAL INCOME	**238**	**–**	**1,369**	**1,607**

	Major shareholders	Executives and Directors (4)	Group companies or entities	TOTAL
				Millions of euros
OTHER TRANSACTIONS				
Purchase of property, plant and equipment, intangible and other assets	59	–	–	59
Finance agreements: credits and capital contributions (lender) (1)	–	–	324	324
Amortisation or cancellation of loans and leases (lessor)	1	–	–	1
Disposal of property, plant and equipment, intangible or other assets	53	–	–	53
Finance agreements: credits and capital contributions (lessor) (2)	734	–	6	740
Guarantees given	133	–	416	549
Guarantees received	40	–	–	40
Commitments acquired (3)	132	–	20,100	20,232
Cancelled commitments/guarantees	–	–	–	–
Dividends and other profit distributed (4)	269	–	–	269
Other transactions (5)	3,044	–	–	3,044

(1) See Note 33 "Information on the members of the Board of Directors and Executives" for disclosure on loans granted to members of the Executive Committee. The balance of these loans is less than €1 million.

(2) Includes €632 million of credit facilities with Caixa Group.

(3) Corresponds to purchase commitments prevailing at the financial statements date, net of committed sales.

(4) Dividends distributed and loans to Executives and Directors were under €1 million.

(5) Includes short term investments in the amount of €739 million, exchange rate hedges in the amount of €1,183 million and interest rate hedges in the amount of €711 million with the Caixa Group as counterparty.

The table below details the revenues and expenses and other transactions recognized in connection with related party transactions in 2009 and other related party transactions:

	Major shareholders	Executives and Directors	Group companies or entities	TOTAL
				Millions of euros
EXPENSE AND INCOME:				
Financial expenses	5	–	–	5
Management or cooperation agreements	–	–	1	1
Operating leases	2	–	8	10
Receipts from services	6	–	370	376
Purchase of goods (finished or in progress)	2,081	–	4,783	6,864
Other expenses	9	–	12	21
TOTAL EXPENSES	**2,103**	**–**	**5,174**	**7,277**
Financial income (1)	23	–	23	46
Management or cooperation agreements	–	–	6	6
Transfer of R&D and license agreements	–	–	1	1
Provision of services	36	–	26	62
Sale of goods (finished or in progress)	323	–	910	1,233
Other income	4	–	57	61
TOTAL INCOME	**386**	**–**	**1,023**	**1,409**

	Major shareholders	Executives and Directors (4)	Group companies or entities	TOTAL
				Millions of euros
OTHER TRANSACTIONS				
Purchase of property, plan and equipment, intangible and other assets	11	–	–	11
Finance agreements: credits and capital contributions (lender) (1)	–	–	345	345
Amortization or cancelation loans and leases (lessor)	1	–	3	4
Disposal of property, plan and equipment, intangible or other assets	–	–	1	1
Finance agreements: credits and capital contributions (lessor) (2)	915	–	3	918
Guarantees given	151	–	377	528
Guarantees received	50	–	–	50
Commitments acquired (3)	98	–	43,750	43,848
Cancelled commitments/guarantees	(1)	–	–	(1)
Dividends and other profit distributed (4)	750	1	–	751
Other transactions (5)	2,482	–	–	2,482

(1) See Note 33 "Information on the members of the Board of Directors and executives" for disclosure on loans granted to members of the Executive Committee. The balance of these loans is less than €1 million.

(2) Includes credit lines of €403 million contracted with La Caixa.

(3) Corresponds to purchase commitments presently outstanding, net of sales commitments.

(4) Dividends distributed and loans to Executives and Directors were under €1 million.

(5) Includes short-term investments of €747 million, exchange rate hedging transactions of €736 million and interest rate hedging transaction of €806 million contracted with La Caixa.

The transactions performed by Repsol YPF, S.A. with its Group companies, and by the Group companies among themselves, form part of the Company's ordinary business activities in terms of their purpose and conditions. Sales to related parties are performed in accordance with the policies described in Note 3.3.22.

33 Information on the members of the board of directors and executives

33.1 Remuneration of the members of the Board of Directors (Directors)

The remuneration received by the Executive Directors, as detailed under the paragraphs a), b) and c) of this Note, amount to €6.779 million, which means 0.14% of the net income attributed to the parent company.

a. Due to membership of the Board

In accordance with Article 45 of the bylaws, the Company may pay remuneration equal to 1.5% of its net income to its Board members each year, but this amount can only be paid once the appropriations to the legal reserve and other obligatory appropriations have been made and a dividend of at least 4% has been declared.

Under the system established and approved by the Nomination and Compensation Committee, the amounts of the annual remuneration earned in 2010 and 2009 by virtue of membership of each of the Group's governing bodies are as follows:

		Euros
Governing Body	2010	2009
Board of Directors	172,287	172,287
Delegate Commitee	172,287	172,287
Audit and Control Committee	86,144	86,144
Strategy, Investment and Corporate Social Responsability Committee	43,072	43,072
Nomination and Compensation Commitee	43,072	43,072

The remuneration earned in 2010 by the members of the Board of Directors in their capacity as Board members in connection with the above-mentioned bylaw-stipulated directors' emoluments amounted to €4.910 million, the detail being as follows:

Remuneration of Membership to Governing Bodies (Euros)	Board	Delegate C	Audit C	Nomination C	Strategy C	TOTAL
Antonio Brufau	172,287	172,287	–	–	–	344,574
Luis Suárez de Lezo	172,287	172,287	–	–	–	344,574
Pemex Internacional España, S.A.	172,287	172,287	–	–	43,072	387,646
Carmelo de las Morenas	172,287	–	86,144	–	–	258,431
Henri Philippe Reichstul	172,287	172,287	–	–	–	344,574
Paulina Beato	172,287	–	86,144	–	–	258,431
Javier Echenique	172,287	172,287	86,144	–	–	430,718
Artur Carulla	172,287	172,287	–	43,072	–	387,646
Luis del Rivero	172,287	172,287	–	–	–	344,574
Juan Abelló	172,287	–	–	–	43,072	215,359
José Manuel Loureda	172,287	–	–	43,072	43,072	258,431
Luis Carlos Croissier	172,287	–	–	–	43,072	215,359
Isidro Fainé	172,287	172,287	–	–	–	344,574
Juan María Nin	172,287	–	–	43,072	43,072	258,431
Angel Durandez	172,287	–	86,144	–	–	258,431
Mª Isabel Gabarró	172,287	–	–	43,072	43,072	258,431

Additionally, the following should be noted:

- The members of the parent's Board of Directors have not been granted with any loans or advances by any Group company, jointly controlled entity or associate.
- No Group company, jointly controlled entity or associate has pension or life insurance obligations to any former or current member of the parent's Board of Directors, except in the case of the Executive Chairman, and of the General Counsel, who, as Executive Directors, are subject to the commitments set forth in their respective service agreements, which consider defined contribution systems.

b. Due to the holding of executive posts and the discharge of executive duties

The annual monetary fixed remuneration received in 2010 by the members of the Board of Directors who, during that period had performed executive tasks at the Group, amounted to €3.269 million, of which €2.310 million was earned by Mr. Antonio Brufau and €0.959 million by Mr. Luís Suárez de Lezo. This remuneration is the same as that received for these concepts in 2009.

In addition, the in-kind remuneration (residence allowances and other), variable annual, and multi-annual variable compensation paid to Mr. Antonio Brufau, determined on the basis of the level of success with respect to the objectives of the Medium-term Incentives Program for senior management personnel corresponding to the 2006-2009 period totaled €1.620 million. The amounts received by Mr. Luís Suárez de Lezo for in-kind, annual variable, and multi-annual variable compensation under the aforementioned program totaled €0.666 million.

These figures do not include the amounts reflected in paragraph e) below.

c. Due to membership to the Boards of Directors of affiliates

The remuneration earned in 2010 by the members of the parent's Board of Directors in their capacity as directors of other Group companies, jointly controlled entities and associates amounted to €0.536 million, the detail being as follows:

				Euros
	YPF	Gas Natural	CLH	TOTAL
Antonio Brufau	78,981	265,650	–	344,631
Luis Suarez de Lezo	77,554	103,500	9,921	190,975

d. Due to third-party liability insurance premiums

The members of the Board of Directors are covered by the same third-party liability insurance policy as that covering all the directors and senior management personnel of the Repsol YPF Group.

e. Due to life insurance and retirement policies, contributions to pension plans and long-service bonuses

The cost of the retirement, disability and death insurance policies and the contributions to pension plans and long-service bonuses including, if applicable, the related payments on account, incurred by the Company on behalf of the members of the Board of Directors with executive functions at the Group amounted to €2.784 million in 2010. Of this amount, €2.496 million correspond to Mr. Antonio Brufau and €0.288 million to Mr. Luís Suárez de Lezo.

f. Incentives

Directors not holding executive positions at the Company have not been paid multi-annual variable compensation.

33.2 Indemnity payments to members of the Board of Directors

No director received any indemnity payment from Repsol YPF in 2010.

33.3 Transactions with Directors

Except for the remuneration earned, the dividends received from the shares held by them and, in the case of institutional outside directors, the transactions described in Note 32 ("Information on Related Party Transactions – Significant Shareholders"), the directors of Repsol YPF did not perform any material related-party transactions with the Company or Repsol YPF Group companies outside of ordinary business or under conditions other than market conditions.

Except as detailed in Appendix III, none of the directors nor people or entities to which they are related have ownership interests or hold positions in companies engaging in an activity that is identical, similar or complementary to the activity constituting the corporate purpose of Repsol YPF.

In addition, except as detailed in Appendix III, none of the directors have performed, as independent professionals or as employees, activities that are identical, similar or complementary to the activity that constitutes the corporate purpose of Repsol YPF.

Finally, no member of the Board of Directors was affected by any situation representing a direct or indirect conflict of interest with Respsol YPF, S.A.

33.4 Remuneration of executives

a. Scope

For reporting purposes, in this section Repsol YPF deems "executives" to be the members of the Repsol YPF Group's Executive Committee. This consideration, made purely for reporting purposes herein, neither substitutes nor implies an interpretation of other "Top Management" or similar concepts applicable to the Company under prevailing legislation (such as Royal Decree 1382/1985), nor does it have the effect of creating, recognizing, amending or extinguishing any existing legal or contractual rights or obligations.

The information included in this Note relates to the six people who have been members of the Executive Committee of the Group in 2010, excluding, unless stated otherwise, those who are also members of the Parent Company Board of Directors, since the information relating to them is disclosed in the paragraph 1) of this Note.

b. Wages and salaries

Executives receive fixed and variable remuneration. The latter consists of an annual bonus calculated as a given percentage of the fixed remuneration earned on the basis of the degree to which certain targets are met and, where appropriate, the payment relating to the multi-annual incentive plan.

The total remuneration earned in 2010 by executives who form or formed part of the Executive Committee, during the period in which they belonged to the Committee, amounted to €11.693 million, the detail being as follows:

	Millions of euros
Description	
Salary	4.973
Attendance fees	0.345
Variable remuneration	5.902
Compensation in kind	0.473

c. Executive welfare plan and long service bonus

In 2010, the contributions made by the Group to its executives in both instruments amounted to €1.328 million.

d. Pension fund and insurance premiums

The contributions made by the Group in 2010 to the hybrid defined contribution pension plans for executives adapted to the Pension Plans and Funds Law (Note 3.3.17 and Note 18) plus the life and accident insurance premiums paid totaled €0.443 million (this amount is included in the disclosures reported in section b) above).

Executives are covered by the same civil liability insurance policy as that covering all the directors and senior management personnel of the Repsol YPF Group.

e. Advances and loans

At December 31, 2010, the Company had granted loans to its executives amounting to €0.226 million, which earned average interest of 2.80%. All these loans were granted before 2003.

33.5 Indemnity payments to executives

In 2010 Repsol YPF paid €7.592 million of indemnity payments to Company executives in connection with the termination of the contract and non-compete agreements.

33.6 Transactions with executives

Except for the information disclosed in sections 4 and 5 of this Note and the dividends pertaining to the shares of the Company held by them, the executives of Repsol YPF did not perform any material related-party transactions with the Company or Repsol YPF Group companies outside of ordinary business or under conditions other than market conditions.

In addition, the executives to which this Note is referred (Section 33.4.a) have, in their respective contracts, the right to receive a compensation in the event of termination of relationship with the company, provided that the termination was not due to a breach of obligations of the such management member, due to retirement, handicap or the employee's voluntary withdrawal not founded in some of the compensable assumptions gathered in the mentioned contracts.

Said compensations shall be recognized as a provision and a personnel expense only when the termination of the relationship between the executive and the Group is due to a reason that entitled him or her to such perception. The Group has a collective insurance policy contracted which aims to guarantee the payment of such compensations to the executives to which this Note is referred (Section 33.4.a), including the General Counsel Director.

34 Contingent liabilities and obligations

Guarantees

At December 31, 2010 the companies of the Repsol YPF Group have granted the following guarantees to third parties or to Group companies whose assets, liabilities and results are not incorporated to the consolidated financial statements (companies consolidated in the proportion not owned by the Group and companies consolidated under the equity method). The most significant guarantees are outlined below:

- The Group provided guarantees for the financing activities of the Central Dock Sud, S.A. amounting to €10 million.
- The Group provided guarantees for the financing activities of Atlantic LNG Company of T&T, in which the Group has a 20% stake, amounting to €34 million.
- The Group provided guarantees for its stake in Oleoducto de Crudos Pesados de Ecuador, S.A. (OCP) which covers construction, abandonment of construction, and the environmental risks related to this operation, amounting, approximately, €10 million together with the operative risks of approximately, €10 million. The Group has pledged all its shares in OCP.
- The Group has provided guarantees for the financing activities to Petersen Group related to the acquisition of a shareholding in YPF in the amount of €75 million.
- Repsol YPF has executed certain support and guarantee contracts in connection with the financing agreements for Perú LNG, S.R.L., a company which was set up to build and operate a gas liquefaction facility, including a marine loading dock in Pampa Melchorita in Peru, and a gas pipeline. Repsol YPF has extended guarantees to launch the project to full operation, as well as price guarantees that cover any differences between the natural gas purchase price and the price at which this company sells LNG. These guarantees have been extended jointly with the other project shareholders, each in proportion to its share of the project financing incurred; in the case of Repsol YPF the total estimated pro rata balance is US$470 million (approximately €352 million).

Contractual commitments

At December 31, 2010, the main long-term purchase, sale or investment commitments of the Repsol YPF Group were as follows:

Commitments	2011	2012	2013	2014	2015	Subsequent years	TOTAL
Operating leases (1)	**532**	**429**	**288**	**228**	**198**	**1,508**	**3,183**
Trasnsport - Time Charter (2)	225	184	127	74	53	592	**1,255**
Operating leases (3)	307	245	161	154	145	916	**1,928**
Purchase commitments	**5,354**	**5,396**	**5,414**	**4,815**	**4,454**	**36,450**	**61,883**
Crude Oil and others	880	290	222	209	211	311	**2,123**
Natural gas (4)	4,474	5,106	5,192	4,606	4,243	36,139	**59,760**
Investment commitments (5)	**2,277**	**622**	**299**	**97**	**104**	**2,810**	**6,209**
Service commitments	**1,299**	**593**	**303**	**293**	**268**	**1,411**	**4,167**
Transport commitments (6)	**193**	**169**	**166**	**166**	**156**	**1,095**	**1,945**
TOTAL	**9,655**	**7,209**	**6,470**	**5,599**	**5,180**	**43,274**	**77,387**

Note: The commitments detailed in the foregoing table are commercial agreements in which fixed total amounts are not stipulated. These commitments were quantified using Repsol YPF's best estimates.

(1) Operating lease expenses recognized in 2010 and 2009 amounted to €659 and 522 million, respectively.

(2) Repsol YPF has currently chartered 42 tankers under "time charter" arrangements (three of which through its subsidiary Gas Natural SDG, S.A.) for the transport of crude oil and petroleum products. These charter agreements finalize between 2011 and 2012. The payments in connection with the rent of these tankers for 2011 amount to €178 million. Additionally, this heading includes the operating lease portion of the charter contracts for the tankers acquired under finance lease agreements for the transport of LNG amounting to €47 million.

(3) Corresponds primarily to service station leases in the amount of €812 million.

(4) Mainly includes the corresponding portion of the Repsol YPF Group of the Gas Natural Fenosa Group's long-term natural gas purchase commitments amounting to €22,543 million, commitments of the Repsol YPF Group to purchase gas from Trinidad and Tobago amounting to €7,077 million, from Peru amounting to €18,449 million, and from Canada, amounting to €10,618 million.

(5) This amount includes commitments in relation with the renewal of YPF operating concessions amounting to €2,789 million.

(6) Includes €422 million in relation with the agreement executed by Repsol YPF Ecuador, S.A. on January 30, 2001, with Oleoducto de Crudos Pesados (OCP) Ecuador, S.A., owner of a heavy crude oil pipeline in Ecuador, pursuant to which it undertook to transport the quantity of 100,000 barrels/day of crude oil (36.5 million of barrels/year) for a 15 years term, from the date of the setting up, September 2003, at a variable floating rate determined by the contract. It also includes €1,219 million for the transport of natural gas to other countries of the Gas Natural Fenosa Group.

Sales	2011	2012	2013	2014	2015	Subsequent years	TOTAL
Committed sales	**8,297**	**4,489**	**4,459**	**4,177**	**3,241**	**23,952**	**48,615**
Crude oil and other	4,803	1,410	1,303	1,160	1,071	4,659	**14,406**
Natural gas (1)	3,494	3,079	3,156	3,017	2,170	19,293	**34,209**
Transport commitments	**22**	**22**	**22**	**22**	**22**	**88**	**198**
Service commitments	**536**	**486**	**353**	**374**	**343**	**2,492**	**4,584**
Leases (2)	**130**	**79**	**78**	**66**	**63**	**88**	**504**
TOTAL	**8,985**	**5,076**	**4,912**	**4,639**	**3,669**	**26,620**	**53,901**

(1) Primarily includes natural gas sale commitments in Mexico €14,540 million, Argentina €4,271 million, Trinidad and Tobago €2,918 million and Spain €2,785 million and the Repsol YPF Group's pro rata share of the long-term natural gas sale commitments entered into by the Gas Natural Fenosa Group in the amount of €7,243 million.

(2) Corresponds primarily to facilities for the storage of oil and other products €224 million, fibre optic assets €76 million and gas storage facilities €46 million.

Contingencies

The Repsol YPF Group considers that there are currently no lawsuits, disputes, or criminal, civil, administrative or arbitration proceedings involving the companies in its Group which, on account of their amount, may have or have had in the past significant effects on the financial position or profitability of the Repsol YPF Group considered as a whole.

However, some of the companies comprising the Group are parties in judicial and arbitration proceedings. The following is a summary of the most significant proceedings, as well as their current status at the closing date of the Financial Statements.

At December 31, 2010, Repsol YPF's consolidated balance sheet included a litigation provision amounting to €759 million (excluding tax risk provisions described in Note 24 "Tax situation - Other tax-related disclosures"). This amount was recognized under the heading "Other provisions" (Note 17), except for €102 million, related to provisions recognized in connection with YPF Holding's litigations in United States as described below, registred under the heading "environmental provisions" (Notes 17 and 35).

United States of America

The following is a brief description of certain environmental and other liabilities related to YPF Holdings, Inc. ("YPF Holdings"), a subsidiary of YPF incorporated in Delaware (USA).

In connection with the sale of Maxus Energy Corporation's ("Maxus") former chemical subsidiary, Diamond Shamrock Chemicals Company ("Chemicals"), to a subsidiary of Occidental Petroleum Corporation ("Occidental"), Maxus agreed to indemnify Chemicals and Occidental from and against certain liabilities relating to the business and activities of Chemicals prior to the September 4, 1986 closing date (the "Closing Date"), including certain environmental liabilities relating to certain chemical plants and waste disposal sites used by Chemicals prior to the Closing Date. In 1995, YPF acquired Maxus and in 1999, Repsol YPF acquired YPF.

As of December 31, 2010, YPF Holdings' reserves for environmental and other contingencies, including litigation, totaled approximately €111 million, of which €102 million were recognized under environmental provisions (Note 35). YPF Holdings management believes it has adequately reserved for these and other contingencies that are probable and can be reasonably estimated based on information as of such time; however, many such contingencies are subject to significant uncertainties, including the completion of ongoing studies, the discovery of new facts, and the issuance of orders by regulatory authorities, which could result in material additions to such reserves in the future. It is possible that additional claims will be made, and additional information about new or existing claims (such as results of ongoing investigations, the issuance of court decisions, or the signing of settlement agreements) is likely to develop over time. YPF Holdings' reserves for the environmental and other contingencies described below are substantial based solely on currently available information and as a result, YPF Holdings, Maxus and Tierra Solutions Inc. may have to incur substantial costs that may be material, in addition to the reserves already taken.

In the following discussion of the key litigation proceedings underway in the US, references to YPF Holdings include, as appropriate, references to Maxus and Tierra Solutions Inc. ("Tierra"), a subsidiary of YPF Holdings, which has assumed certain of Maxus' environmental obligations.

Passaic River/Newark Bay, New Jersey

Chemicals formerly operated an agricultural chemicals plant in Newark, New Jersey. This facility has been the subject of numerous claims of environmental contamination and other damages alleged to result from operations at the facility, at the plant site and surrounding property, including the adjacent water bodies, the Passaic River and Newark Bay. As a result of these claims, Occidental, as the successor to Chemicals, has entered into various agreements with the U.S. Environmental Protection Agency ("EPA"), the New Jersey Department of Environmental Protection ("DEP"), and third parties also alleged to have contributed contamination to the affected properties. These agreements include a 1990 consent order related to the remedy for the plant facility, a 1994 agreement under which Tierra conducted studies on behalf of Occidental in the lower six miles of the Passaic River, a 2004 agreement under which Tierra is presently conducting studies in Newark Bay, and a 2007 agreement under which Tierra and over 70 other parties are presently conducting studies in the lower 17 miles of the Passaic River.

In 2007, the EPA released a draft Focused Feasibility Study ("FFS") that outlines several alternatives for remedial action in the lower eight miles of the Passaic River. These alternatives range from no action to extensive dredging and capping, and are described by the EPA as involving proven technologies that could be carried out in the near term. The total remediation costs, to be split among the more than 300 entities, including Maxus, which could end up being involved in the Passaic River lawsuit, could range (depending on the actions and measures taken) from zero (if no action is taken) to actions which could amount to approximately €1,500 million. Tierra, together with other parties involved in the Passaic River issues, submitted comments on the FFS to the EPA, which has elected to perform further investigation and estimates that a revised remedy proposal will be issued in the third quarter of 2011. Tierra plans to respond to any revised proposal as may be appropriate at that time.

In June 2008, Occidental and Tierra entered an agreement with the EPA, under which Tierra will undertake the removal of sediment from a portion of the Passaic River in the vicinity of the former Newark facility. This action will result in the removal of approximately 200,000 cubic yards of sediment, in two phases, and is expected to cost approximately US$80 million (€60 million), of which US$22 million (€16 million) has been paid into a trust account to fund the work. Notwithstanding the foregoing, during the first quarter of 2010 a credit letter was issued to replace the obligation of making additional deposits in the trust. During the removal work, certain contaminants not produced at Chemicals' former facility will also be removed; YPF Holdings may seek cost recovery from the parties responsible for such contaminants, but is unable at this time to predict the success of a cost recovery action.

In December 2005, the DEP and the New Jersey Spill Compensation Fund sued YPF Holdings, Tierra, Maxus and other affiliates, as well as Occidental, seeking damages in connection with the contamination allegedly emanating from the Newark facility and allegedly contaminating the Passaic River, Newark Bay, and other nearby water bodies and properties (the Passaic River/Newark Bay litigation). The plaintiffs have represented in court that this litigation should not be preempted by the remedial studies and activities taking place under EPA oversight because they are not seeking remediation, only damages. The defendants have made responsive pleadings, and in February 2009, third-party claims were filed against approximately 300 companies and governmental entities (including certain municipalities) which could have responsibility for the conditions of the allegedly affected properties. The DEP did not quantify damages in its claims but it did: (a) maintain that the US$50 million (€37 million) cap on damages under New Jersey legislation should not be applied; (b) claim it had incurred approximately US$113 million (€85 million) in costs in the past in cleanup and removal work and that it is looking for additional damages of between US$10 and US$20 million (between €7 and €15 million) to finance a study to assess damages to the natural resources; and (c) notify Maxus and Tierra that it is working on financial models outlining costs and other financial impacts. In parallel to this lawsuit, a mediator had started to prepare a roadmap for agreeing an alternative solution to the dispute; however, this alternative was rejected as the various parties were unable to agree on certain basic matters at the heart of the matter.

In October 2010, some of the defendants presented several motions to sever and stay, which would have had the effect of allowing the New Jersey DEP to take their case against the direct defendants, which were however dismissed, and also presented motions to dismiss which were overruled in January 2011. Some of the entities have appealed this decision. The judge handling the case will, as a result, hold appeal hearings in March and April. The next step consists of preparing the Trial Plan which will establish the timeline between the discovery and final judgment. At the date of authorizing the accompanying Financial Statements for issue, it is not possible to reasonably estimate when the first judgment will take place.

Hudson and Essex Counties, New Jersey

Until 1972, Chemicals operated a chromite ore processing facility in Kearny, New Jersey. Tierra, on behalf of Occidental, is conducting remedial work on this facility and surrounding properties where chromite ore processing residue ("COPR") from the facility is believed to have become located, pursuant to an agreed consent order with the DEP. Tierra has provided financial assurance in the amount of US$20 million (€15 million) in connection with such work.

In May 2005, the DEP issued a directive to Maxus, Occidental, and two other chromium manufacturers directing them to arrange for the cleanup of COPR at three sites in Jersey City, New Jersey, and for the conduct of a study by paying the DEP a total of US$20 million (€15 million). The DEP also filed a lawsuit (the Hudson County, New Jersey litigation) against the above parties seeking cleanup of COPR from various sites not addressed in the consent order described above, recovery of past costs, and treble damages. The parties have reached a tentative agreement to settle both matters, under which Tierra will pay US$5 million (€4 million) and will remediate three sites at an estimated cost of US$2 million (€1 million). In addition, in March 2008, the DEP approved a provisional plan for the work to be performed by Tierra at the site of the Kearny plant and the work to be performed by Tierra together with other parties in the vicinity of the Kearny facility. This adjacent property was included by the EPA in its National Priorities List in 2007. In July 2010, the EPA notified Tierra and another three parties that it considered them potentially liable for this adjacent property, requesting a Remedial Investigation/Feasibility Study (RI/FS) for this site. The parties involved have submitted their response and are waiting to talk with the EPA about the scope of the work. At the date of authorizing the accompanying Financial Statements for issue, it is not known whether work in addition to that already agreed with the DEP will be required.

Other Former Plant Sites and Third Party Sites

Tierra and Maxus are participating, on behalf of Occidental, in environmental response and remediation activities at a variety of lesser sites, including Chemicals' former Painesville, Ohio site at which remediation is nearing completion, some smaller manufacturing facilities which Chemicals once owned or had an interest in, and waste disposal sites where Chemicals and other parties are alleged to have contributed waste materials.

Dallas Occidental vs. Maxus Litigation

In 2002, Occidental sued Maxus and Tierra in a state court in Dallas, Texas, seeking a declaration that under the agreement by which Maxus sold Chemicals to Occidental in 1986, Maxus and Tierra have an obligation to defend and indemnify Occidental from certain historical obligations of Chemicals, including claims related to "Agent Orange" and vinyl chloride monomer (VCM). Tierra was dismissed as a party, but at trial in 2006, Maxus was found to be liable to indemnify Occidental for these claims. This decision was affirmed by the Court of Appeals, and Maxus will be required to reimburse Occidental for damages in connection with these claims. Maxus has reimbursed Occidental for the majority of these damages and has reserved for the remaining claims while resolving the final amounts with Occidental. Although this judgment does contain declaratory relief that Maxus must indemnify Occidental for certain types of future claims, YPF Holdings does not believe that these claims associated with the "Agent Orange" will be material to the financial condition of the company.

In developments related to the "Agent Orange litigation", which may be affected by this lawsuit, the U.S. district court granted the defendants' motions for summary judgment in a number of these cases. The plaintiffs appealed the judgments to the *Second Circuit Court of Appeals*, which affirmed the summary judgment; in March 2009, the U.S. Supreme Court declined to hear a further petition. All pending Agent Orange litigation was dismissed in December 2009, and although it is possible that further claims may be filed by unknown parties in the future, no further significant liability is anticipated.

In addition, the other claims filed, which have been dismissed, include claims relating to alleged side effects from exposure to VCM and other chemical products, although these claims are not expected to give rise to material liabilities. However, the declaration of legal liability does imply liability for future claims, if any, related to these effects. As a result, potential future claims, if any, could give rise to additional liability on the part of Maxus.

Argentina

Liabilities and contingencies assumed by the Argentine State

The Privatization Law provides that the Argentine State shall be responsible for any liabilities, obligations or other commitments existing as of December 31, 1990 that were not acknowledged as such in the financial statements of its predecessor (Yacimientos Petrolíferos Fiscales, Sociedad del Estado) as of that date arising out of any transactions or events that had occurred as of that date, provided that any such liability, obligation or other commitment is established or verified by a final decision of a competent judicial authority. In certain lawsuits related to events or acts that took place before December 31, 1990, YPF has been required to advance the payment of amounts established in certain judicial decisions. YPF believes it has the right to be reimbursed for all such payments by the Argentine Government pursuant to the above-mentioned indemnity. YPF is required to keep the Argentine Government apprised of any claim against it arising from the obligations assumed by the Argentine Government.

Argentine National Commission for the Defense of Competition (Comisión Nacional de Defensa de la Competencia – "CNDC") - Liquefied Petroleum Gas Market

Resolution No. 189/99 from the former Department of Industry, Commerce and Mining of Argentina imposed on YPF a fine based on the interpretation that YPF had purportedly abused its dominant position in the bulk LPG market due to the existence of different prices between the exports of LPG and the sales to the domestic market from 1993 through 1997. Additionally, the CNDC commenced an investigation in order to prove, among other things, whether the penalized behavior for the period from 1993 through 1997, already settled, continued from October 1997 to March 1999. On December 19, 2003, the CNDC completed its investigation and charged YPF with abuse of dominant market position during this period. YPF has unsuccessfully appealed this decision in several courts. On December 22, 2009, the 4th Court of Appeals rejected one of the outstanding appeals filed by YPF, in which YPF had asserted a statute of limitations defense. YPF has filed an extraordinary appeal which is currently pending.

In addition, on December 21, 2009, YPF filed another appeal based on the statute of limitations with the CNDC, which was dismissed by the CNDC. On the basis of this last ruling, YPF lodged the corresponding appeal calling for the intervention of Room B of the White Collar Crime Chamber (Sala B of the Cámara Penal Económico), and the pertinent grievances briefing was filed on October 7, 2010.

On December 22, 2010, YPF was notified that Room B of the White Collar Crime Chamber had ruled in favor of YPF, with the effect of repealing the CNDC's ruling and closing the proceedings. At the date of authorizing the accompanying Financial Statements for issue, the ruling was not yet final.

Natural gas market

As a result of the restrictions on natural gas exports since 2004, YPF had been forced in many instances to partially or fully suspend natural gas export deliveries that are contemplated by its contracts with export customers. YPF has taken steps to appeal the Program of Rationalization of Gas Exports and the Use of Transportation Capacity, as well as the Permanent Additional Injection and the Additional Injection Requirements, as it believes that they are arbitrary and illegitimate, and has informed its customers that such measures constitute an event of force majeure which releases YPF from any responsibility and/or penalty deriving from the failure to deliver the volumes of gas stipulated under the relevant agreements.

A number of YPF's customers, including Electroandina S.A. (Electroandina) and Empresa Eléctrica del Norte Grande S.A. (Edelnor), have rejected YPF's interpretation and have claimed damages and/or penalties for breach of supply undertakings, while at the same time reserving their rights to file additional claims in the future. YPF has opposed such claims.

On November 5, 2010, YPF and Edelnor and Electroandina entered into a Dispute Resolution Agreement under which, without admitting liability or granting rights, YPF will pay Edelnor and Electroandina a sum that is substantially less than originally claimed, reaching a compromise regarding the arbitration proceedings underway, which implied agreeing to: a) abandon and renounce all actions, rights and claims relating to the natural gas supply undertakings; and b) amend the natural gas supply undertakings to render them 'interruptible'. YPF received Secretariat of Energy approval for this agreement on January 7, 2011, rendering the agreement amendments effective.

In addition, *AES Uruguaiana Empreendimentos S.A. ("AESU")* has claimed damages in a total amount of US$28 million (€21 million) for missed deliveries of natural gas volumes during the period September 16, 2007 through June 25, 2008. On July 16, 2008, AESU also claimed damages in a total amount of US$3 million (€2 million) for missed deliveries of natural gas volumes during the period January 18, 2006 through December 1, 2006. YPF has contested both of these claims. By letter dated on March 20, 2009, AESU notified YPF that it was terminating the related contract unilaterally.

On April 6, 2009, YPF was notified by the International Chamber of Commerce ("ICC") of an arbitration brought by AESU and Companhia de Gás do Estado do Río Grande do Sul ("Sulgás") against YPF claiming damages in an approximate amount of US$1,052 million (€787 million), which includes the amount referred to above, in connection with YPF's alleged liability resulting from the termination by AESU and Sulgás of the natural gas export contract entered into in September 1998. YPF denies all liability arising from such termination. Moreover, YPF believes that AESU's damages assessment is far beyond any reasonable assessment, since it exceeds six-fold the maximum aggregate deliver-or-pay penalties that would have accrued in the event that YPF had breached its delivery obligations for the maximum daily quantity through the expiration of the term of the natural gas export contract, as set forth in the contract entered into in 1998. In addition, more than 90% of AESU's damages assessment relates to alleged loss of profits that may be strongly challenged on the basis that prior to the termination of the natural gas export contract, AESU voluntarily terminated all of its long term power purchase contracts. YPF's management considers that the claim brought by AESU is likely to be unsuccessful. On October 1, 2010, the terms of reference (Acta de Misión) were signed establishing the rules governing the proceedings and providing for the bifurcation of the proceedings for the purpose of deciding firstly, the jurisdiction matters. YPF lodged its objections against the Arbitration Tribunal's jurisdiction on October 29, 2010 and AESU responded on November 30, 2010, dismissing the objections and affirming the Arbitration Tribunal's jurisdiction. The Tribunal decided that a jurisdiction hearing was not necessary, determining that it is in a position to rule on its jurisdiction in the matter.

Furthermore, on April 6, 2009 YPF registered at the ICC a request for arbitration against AESU, Sulgás and Transportadora de Gas del Mercosur S.A. ("TGM"), seeking an award from the Arbitral Tribunal which states, among other things, that AESU and Sulgás have repudiated and unilaterally and illegally terminated the natural gas export contract entered into in September 1998 and declaring AESU and Sulgás liable for any damages suffered by the parties because of such termination, including but not limited to the damages resulting from the termination of the natural gas transportation contracts associated with the natural gas export contract. A memorandum was signed on October 1, 2010, setting out the claims submitted to arbitration by the parties and the procedural rules governing the arbitration proceedings.

With respect to the termination of the natural gas transportation contracts associated with this natural gas export contract, YPF was notified by the ICC of an arbitration brought by TGM against YPF claiming unpaid and outstanding payments for an approximate amount of US$10 million (€7 million) plus interests, in connection with the transportation fee established in the natural gas transportation contract entered into in September 1998 between YPF and TGM. YPF has requested the joinder of these two proceedings. On July 10, 2009, TGM increased its claim to US$17 million (€13 million) and claimed an additional US$366 million (€274 million) in alleged loss of profits. YPF considers that these claims will be unsuccessful. The relevant Arbitration Tribunal has been set up on June 10, 2010, YPF made its statements before the Tribunal, asking the Tribunal to acknowledge its lack of jurisdiction to rule on the claim. In the event that this motion is rejected, YPF has requested that the Arbitration Tribunal suspend these proceedings until the ongoing arbitration with TGM, AESU and Sulgás is settled. On September 14 and 15, 2010, the Arbitration Tribunal held hearings with both YPF and TGM to establish jurisdiction, a ruling that is pending.

On October 11, 2010, the terms of reference (Acta de misión) were signed establishing the parties' claims and the rules governing the arbitration proceedings and providing for the bifurcation of the proceedings for the purposes of firstly resolving jurisdiction. AESU and TGB filed their objections to the Arbitration Tribunal's jurisdiction on November 22, 2010, which were opposed by YPF, affirming the Arbitration Tribunal's jurisdiction to rule on all the issues posed on December 20, 2010. The Tribunal decided that it was not necessary to hold a hearing, determining that it is in a position to rule on its jurisdiction in the matter.

In addition, there are certain claims concerning payments tied to natural gas transportation contracts associated with exports. In this order, one of the parties involved attempted to mediate with a view to determining the merits of these claims. When this mediation effort finalized without agreement, YPF was notified of the instigation of a claim against it under which Transportadora de Gas del Norte S.A. ("TGN") is seeking contract fulfillment and the cancellation of unpaid invoices, while reserving the right to claim damages. YPF has responded to all these claims. In addition, the plaintiff recently notified YPF the termination of the transportation contract alleging breach by YPF based on its alleged failure to settle the transport service invoices, reserving the right to seek damages. It is YPF's belief that the claims filed against it to date will not have a material adverse effect on its future results.

In addition, in accordance with the developments outlined in the preceding paragraph, on January 8, 2009, YPF also filed a complaint against TNG with the Argentine Natural Gas Regulatory Authority ("ENARGAS"), seeking the termination of the natural gas transportation contract with TGN for the transport of natural gas in connection with the natural gas export contract entered into with AESU and other parties. The request is based on (i) the termination of the referred natural gas export contract and the legal impossibility to assign the transportation contract to other shippers because of certain changes in law in effect since the year 2002; (ii) TGN's legal impossibility to render the transportation service on a firm basis because of certain changes in law in effect since the year 2004; and (iii) the "statutory hardship" exemption available under Argentine law when extraordinary events render a party's obligations excessively burdensome.

Compañía Mega S.A.

Compañía Mega S.A. has also claimed compensation from YPF for failure to deliver natural gas under the relevant contract. YPF invoked that natural gas deliveries to Compañía Mega S.A. pursuant to the contract were affected by decisions made by the Argentine Government.

CNDC investigation

On November 17, 2003, within the framework of an official investigation pursuant to Article 29 of the Antitrust Act, the CNDC issued a request for explanations from a group of approximately 30 natural gas production companies, including YPF, with respect, among other things, to the following items: (i) the inclusion of clauses purportedly restraining trade in natural gas purchase/sale contracts; and (ii) gas imports from Bolivia, in particular (a) an expired contract signed by YPF, when it was state-owned, and YPFB (the Bolivian state-owned oil company), under which YPF allegedly sold Bolivian gas in Argentina at prices below the purchase price and (b) the unsuccessful attempts in 2001 by Duke and Distribuidora de Gas del Centro to import gas into Argentina from Bolivia. In January 2006, YPF received a notification of the CNDC ordering that preliminary proceedings be undertaken. YPF contested the complaint on the basis that no violation of the Act took place and that the charges are barred by the applicable statute of limitations. On January 15, 2007, the CNDC charged YPF and eight other producers with violations of Law 25,156. YPF presented evidence for its defense. In June 2007, without acknowledging any conduct in violation of the Antitrust Act, YPF filed with the CNDC a commitment according to Article 36 of the Antitrust Act in which YPF committed not to include the challenged clauses in future sales contracts of natural gas and requested that the CNDC approve the commitment, suspend the investigation and dismiss the proceedings. YPF is still awaiting a formal response. On December 14, 2007, the CNDC elevated the investigation to the Court of Appeals after YPF filed an appeal against the decision which rejected its statute of limitations defense.

YPF is also currently subject to an antitrust proceeding concerning alleged price discrimination practices in the sale of fuel.

La Plata refinery environmental disputes

Since 1999 several claims have been brought for ecological and environmental damages in relation to La Plata refinery, seeking compensation for both collective and individual damages (health, psychological damages, moral damages, property devaluation), as a consequence of environmental pollution purportedly caused by the operation of such refinery, and the remediation of alleged environmental damages in the west water canal to the refinery. These claims likewise demand the undertaking of various works by YPF, the installation of equipment and technology, and the specific performance by YPF of work necessary to stop any environmental damage. YPF believes that, due to the indemnity provided by Law No. 24,145, YPF shall be allowed to request reimbursement of the expenses for liabilities existing on or prior to January 1, 1991 (before its privatization) from the Argentine Government. To the extent some of these claims partially overlap, YPF believes that they will need to be partially consolidated.

On this point, it should be noted that on January 25, 2010, YPF entered into an agreement with the Provincial Organism for Sustainable Development (OPDS for its initials in Spanish), which reports to the Buenos Aires Provincial Government, under the framework of the Program for Controlling Environmental Remediation, Liabilities and Risk set up by virtue of Ruling No 88/10 issued by the executive body of the OPDS. Under this agreement, the parties agreed to jointly undertake work on the canals surrounding the La Plata Refinery over an eight-year period, work which implies risk analysis and profiling of canal sediment. The agreement stipulates that in the event that the risk analysis implies the need to undertake corrective action, the alternatives and technology to be deployed will be analyzed at that time, establishing the steps required to execute the measures identified. The agreement also contemplates performing an analysis of the formation of the sediment in an attempt to establish liability on the part of the Argentine Government on the basis of its obligations to indemnify YPF S.A. pursuant to article 9 of Law 24,145 of YPF privatization.

Sale of Electricidad Argentina S.A. and Empresa Distribuidora y Comercializadora Norte S.A. to EDF Internacional S.A. ("EDF")

In July 2002, EDF initiated an international arbitration proceeding under the Arbitration Regulations of the International Chamber of Commerce against YPF, among others, seeking damages from YPF under the Stock Purchase Agreement dated March 30, 2001 which entitled EDF to an adjustment in the purchase price due to changes in the exchange rate of the Argentine peso prior to December 31, 2001. The arbitration decision of October 22, 2007 upheld EDF's claim; nonetheless, it also accepted the counterclaim filed by YPF. The amount payable by YPF should the resulting award become final is US$29 million (€22 million). However, YPF has challenged the award by filing an extraordinary appeal before the Argentine Supreme Court and an appeal before the Argentine Federal Court of Appeals on Commercial Matters. In April 2008, the Argentine Federal Court of Appeals on Commercial Matters suspended the effects of the arbitral award pending its appeal. On December 9, 2009, the Argentine Federal Court of Appeals on Commercial Matters handed down a judgment on the parties' appeals in which it annulled the arbitration decision that condemned YPF to pay compensation for damages to EDF. It likewise annulled the decision which condemned EDF to pay compensation to YPF. On February 8, 2010, YPF was notified that EDF has filed an extraordinary appeal against the aforementioned court's judgment which has been dismissed by Argentina's Supreme Court. EDF filed an appeal against the dismissal, which has also been dismissed, as a result of which the ruling by the Federal Court of Appeals on Commercial Matters is now final.

Elsewhere, YPF has received notification of exequatur proceedings started by EDF in Paris requesting enforcement of the arbitration award in France. Notwithstanding the ruling handed down by the Argentine Supreme Court, a ruling in France enforcing execution of the arbitration award could be enforceable if YPF had any assets in that jurisdiction. In addition, on December 2, 2010, YPF received notification of arbitration award enforcement proceedings in Chile and on December 13, 2010 it received notification of similar enforcement proceedings in Brazil. YPF is in the process of analyzing what steps it will take to have these enforcement proceedings overturned.

Notwithstanding the developments outlined in the preceding paragraph, in light of the fact that the ruling by the Argentine Federal Court of Appeals on Commercial Matters is final, as mentioned earlier, YPF believes that the final outcome of the controversy will not have a material adverse effect on the company.

Northwest basin reserves review

The effectiveness of natural gas export authorizations (related to production in the Northwest basin) granted to YPF pursuant to Resolutions SE Nos. 165/99, 576/99, 629/99 and 168/00, issued by the Secretariat of Energy, is subject to an analysis by the Secretariat of Energy to determine whether sufficient additional natural gas reserves have been discovered or developed by YPF in the Northwest basin. The result of this ongoing review is uncertain and may have an adverse impact upon the execution of the export gas sales agreements related to such export authorizations, and may imply significant costs and liabilities for YPF. YPF has submitted to the Secretariat of Energy documentation in order to allow for the continuation of the authorized exports in accordance with Resolutions SE No. 629/1999, 565/1999, and 576/1999 (the "Export Permits"). These Export Permits relate to the long-term natural gas export contracts with Gas Atacama Generación, Edelnor and Electroandina, which have been amended, as detailed in the section headed "Natural gas market" earlier in this Note, with the effect of rendering supply by YPF 'interruptible'. YPF has not yet received a response from the Argentine Secretariat of Energy. The file is currently awaiting decision from the Argentine Secretariat of Energy. If the Argentine Secretariat of Energy were to determine that the reserves are not sufficient to continue to comply with our export commitments and other commitments, it could declare the expiration or suspension of one or more of the Export Permits, which would have a direct impact on the related export contracts.

On August 11, 2006, YPF received Note SE No. 1009 (the "Note") from the Secretariat of Energy, which reviewed the progress of reserves in the Ramos Area in the Northwest basin, in relation to the export authorization granted by Resolution SE No. 169/97 (the "Export Authorization"). The Export Authorization concerns the long-term natural gas export contract between YPF and Gas Atacama Generación for a maximum daily volume of 530,000 m3/day. The Note stated that as a result of the decrease in natural gas reserves supporting the Export Authorization, the domestic market supply was at risk. The Note preventively provided that the maximum natural gas daily volumes authorized to be exported under the Export Authorization was to be reduced to 20%, affecting the export contract. YPF filed an answer to the Note on September 15, 2006 stating YPF's allegations and defenses. YPF and Gas Atacama have reached an agreement pursuant to which the export contract was substantially amended.

Patagonian Association of Landowners (ASSUPA)

In August 2003, ASSUPA filed suit against several concession holders of the operation and permit holders of the exploration of the Neuquén River Basin, including YPF, requesting that they be ordered to remedy the collective environmental damage supposedly caused and to take the necessary measures to avoid environmental damage in the future. The amount claimed is US$548 million (€410 million). YPF and the other defendants filed a motion to dismiss for failure of the plaintiff to state a claim upon which relief may be granted. The court granted the motion, and ASSUPA had to file a supplementary complaint. YPF requested that the claim be rejected because the defects of the demand indicated by the Argentine Supreme Court had not been corrected but such request was denied. However, YPF has also requested that the claim be rejected for other reasons, and has impleaded the National Government, due to its obligation to indemnify YPF against any liability and hold YPF harmless for events and claims previous to January 1, 1991, according to Law No. 22,145 and Decree 546/1993. On August 26, 2008, the Argentine Supreme Court ruled that the plaintiff had rectified the defects of the demand. In compliance with a ruling of January 23, 2009 certain Argentine provinces, the Argentine State and the Argentine Federal Council for the Environment were impleaded. The proceeding has been deferred until such third parties appear before court. To date, the provinces of Río Negro, Buenos Aires, Neuquén, Mendoza and the Argentine State have appeared before court, although the company did not have access to the statements made. The provinces of Neuquén and La Pampa both made lack of jurisdiction (excepción de incompetencia) statements which have been opposed by the plaintiff, being currently pending for resolution.

Dock Sud environmental claims

Residents of the Dock Sud area filed environmental claims against multiple respondents (up to 44) including YPF, the National Government, the Province of Buenos Aires, the Autonomous City of Buenos Aires and fourteen municipalities, seeking individual damage to their health and to their property, environmental remediation in the Dock Sud area and the indemnification of the environmental collective damage produced in the Matanza Riachuelo basin. On July 8, 2008, the Argentine Supreme Court decided that the Basin Authority (Law 26,168) will be in charge of performing a remediation plan as well as of taking preventive measures in the area, while the National Government, the Province of Buenos Aires and the Autonomous City of Buenos Aires shall be responsible for ensuring that such actions are taken, and also ruled that the proceedings to determine the liability for actions taken in the past would continue before the Supreme Court of Argentina.

Additionally, another group of residents of the Dock Sud area, have filed two other environmental lawsuits, one of which does not involve YPF, requesting that several companies located in that area, including YPF, the Province of Buenos Aires and several municipalities, remediate and, alternatively, indemnify the collective environmental damage of the Dock Sud area and any individual damage that has been suffered. YPF has the right of indemnity by the Argentine Government for events and claims prior to January 1, 1991, pursuant to Law No. 22,145 and Decree No. 546/1993.

Quilmes environmental claims

Citizens claiming to be residents living near Quilmes, in the province of Buenos Aires, have filed a lawsuit in which they have requested the remediation of environmental damages and the payment of Ps.47 million (€9 million) as compensation for alleged personal damages, plus interest. The plaintiffs base their claim mainly on a fuel leak that occurred in 1988 in a poliduct running from La Plata to Dock Sud. The fuel leakage became perceptible in 2002, resulting in remediation that is now being performed by YPF in the affected area, supervised by the environmental authority of the province of Buenos Aires. YPF has notified the Argentine Government that it will implead the government when YPF answers the complaint in order to request that it indemnify YPF against any liability and hold YPF harmless in connection with this lawsuit, as provided by Law No. 24,145. The Argentine Government has denied any responsibility to indemnify YPF for this matter, and YPF has sued the Argentine Government to obtain a judicial award that annuls this decision. There are 30 other judicial claims that have been brought against YPF based on similar allegations, amounting to approximately Ps.17 million (€3 million).

Note number 245/08 issued by the Under-Secretariat of Mining and Hydrocarbons for the Province of Río Negro

On May 15, 2008, YPF was notified of Resolution 433/08 concerning compliance with certain obligations of YPF as exploitation concessionaire in the hydrocarbon bearing zones of Barranca de los Loros, Bajo del Piche, El Medanito and Los Caldenes, all located in Rio Negro Province. This resolution asserts that YPF, among others, in its capacity as a concessionaire, are liable for failing to meet certain concession and environmental obligations. If found liable, YPF could be at risk of termination of these concession contracts. In light of the above, and consistent with provisions of the Hydrocarbons Law, YPF was requested to submit a response. YPF submitted the documentation requested of it in December 2009.

Since the Hydrocarbons Law grants the concessionaire the right, prior to the declaration of termination of the concession, to cure any breach of the concession obligations within a certain period of time after receiving notice thereof, on May 29, 2008, YPF filed a request for nullification of Resolution 433/08 ("MP"), since this resolution failed to grant YPF such right. Additionally, YPF submitted a response denying the charges against it and on November 12, 2008, the Ministry of Production ordered the initiation of the evidence production period. On November 28, 2008, YPF filed a writ requesting the production of certain evidence and the appointment of YPF's technical expert. YPF has challenged certain aspects related to the production of evidence. On December 1, 2009, the relevant informative evidence was presented, while certain issues related to the evidence raised by YPF are still pending resolution. Lastly, on September 16, 2010, termination of this suit was requested based on: (a) the amounts invested to comply with concession obligations between 2007 and 2010; and (b) the efforts made with respect to environmental obligations.

Claim filed against Repsol YPF and YPF by the Union of Consumers and Users

The plaintiff claims the reimbursement of all the amounts allegedly charged in excess of the consumers of bottled LPG in the 1993-2001 period, corresponding to a surcharge for the aforementioned product. With respect to the period from 1993 to 1997, the claim is based on the fine imposed on YPF by the Secretariat of Industry and Commerce through its resolution of March 19, 1999. It should be noted that Repsol YPF has never participated in the LGP market in Argentina and that the fine for abusing a dominant position was imposed on YPF. In addition, YPF has alleged that charges are barred by the applicable statute of limitations. Hearings have commenced and are in process. The claim amounts to Ps.91 million (€17 million) for the 1993-1997 period. Adding interests, this amount would increase to Ps.321 million (€61 million), to which the amount corresponding to the 1997-2001 period should be added, as well as accrued interest and expenses.

Ecuador

On June 9, 2008 the companies comprising the Block 16 consortium, including Repsol YPF Ecuador S.A., the operator of the block, brought four claims before the International Center for Settlement of Investment Disputes (ICSID) against Empresa Estatal Petróleos del Ecuador (PetroEcuador) in connection, inter alia, with controversies regarding the applicability of certain adjustments to the participation calculation. On August 20, 2008, a settlement agreement was reached and an "Acta de Compensación de Cuentas" was signed by PetroEcuador and Repsol YPF Ecuador S.A., whereby reciprocal outstanding credits and outstanding oil barrels debts for Block 16 and for Campo Unificado Bogi-Capirón were offset. By means of the execution of the "Acta de Compensación de Cuentas," three of the four claims brought before the ICSID were settled.

The remaining claim, concerning Law 2006-42, relates to the application of the new minimum tax of 50% on extraordinary profits. Notwithstanding the international arbitration process and the injunction requests brought by Repsol YPF Ecuador S.A., the Government of Ecuador brought forward a coercive process, instigated by PetroEcuador, demanding payment in respect of extraordinary profits generated between April 2006 and March 2008, in an amount of US$591 million (€442 million), which were paid under protest. On March 12, 2009, following a negotiation process, a Disbursement Agreement ("Convenio de Desembolsos") was executed in respect of extraordinary profits generated between April 2008 and December 2008. This Disbursement Agreement was implemented without relinquishing the arbitration process and under the condition that, if such payments are reduced, voided or declared inadmissible by a decision of a court, arbitration tribunal or otherwise, or, alternatively, if Repsol YPF Ecuador S.A.'s right to an indemnification is recognized, Repsol YPF Ecuador S.A. will be able to cease disbursements of pending amounts under Law 2006-42. The signing of the Disbursement Agreement suspended the coercive process.

In accordance with the payment schedule set forth in the Disbursement Agreement, Repsol YPF Ecuador S.A. has paid US$142 million (€106 million).

Pursuant to a resolution of the ICSID Arbitration Tribunal dated June 17, 2009, in effect through March 12, 2010, neither the Ecuadorian Government nor PetroEcuador or any other public entity of the Republic of Ecuador, may, by itself or through its officers or employees, take any action against or in relation with the claimants which seeks to seize or garnish Repsol YPF Ecuador S.A.'s assets, or which may result in suspending or materially affecting the activities of the claimants, unless they provide the claimants and the ICSID Arbitration Tribunal with a written notice of their intentions at least six business days in advance of taking such action. On May 7, 2010, the Tribunal agreed to extend effectiveness of the above injunction to March 11, 2011. In September 2010, the Republic of Ecuador filed its memorial response.

Having negotiated and entered into a new Services Agreement with the Ecuadorian Government, which substitutes the former Participation Agreement, Repsol must abandon the ongoing arbitration proceeds, as agreed initially with the Ecuadorian Government (Note 2). The ICSID Arbitration Tribunal, by means of a ruling issued on February 9, 2011, accepted the joint application to terminate the arbitration proceedings, effectively putting an end to the process.

Until March 2009, Repsol YPF's interest in the Block 16 consortium was 35%; as from that date, Repsol YPF holds, directly and indirectly, a 55% interest in the consortium.

Brazil

The Group is party to administrative claims instigated by the Brazilian authorities concerning the importation and circulation of industrial equipment for the exploration and production of hydrocarbons in fields that are not operated by the Repsol Group. The amount of such claims that could be allocated to the Repsol Group on account of its investments in non-operating consortia would total €342 million.

Trinidad and Tobago

On September 1, 2008, BP America Production Company initiated arbitration proceedings in New York against Repsol YPF under the UNCITRAL Rules, in connection with Repsol YPF's alleged obligation to share the extraordinary income derived from the shipping of certain LNG cargoes of Atlantic LNG 2/3 Company of Trinidad and Tobago Unlimited's trains 2 and 3, under the Supplemental Agreement entered into. The arbitration proceeding was divided into two phases, each of which addressed the interpretation of the Supplemental Agreement and the economic consequences resulting from its application, respectively. On November 17, 2009, the arbitration tribunal validated BP's interpretation of the Supplemental Agreement. On June 7, 2010, Repsol YPF and BP executed a Settlement Agreement to finally settle the case.

Spain

CNC Resolution of June 30, 2009

On July 30, 2009, the CNC Board passed a resolution holding RCPP, BP, and CEPSA liable for violating Article 1 of the LCD and Article 81 of the EC Treaty (current article 101 of the TFEU). The violation consisted of the indirect fixing of fuel prices in their respective gasoline stations. The resolution further imposed a fine of €5 million on RCPP. On October 27, 2009, RCPP filed an administrative appeal with the Sixth Section of the Contentious-Administrative Chamber of the Spanish National Court of Justice against the CNC resolution of July 30, 2009; this appeal was officially lodged on December 29, 2010. The Spanish National Court of Justice has agreed to an injunction against the monetary sanction. In addition, and on a parallel basis, the special claim for jurisdictional protection of fundamental rights was officially lodged before the Administrative Appeals Court of the National Court of Justice.

Algeria

Gas Natural Fenosa v. Sonatrach (Gas supply contract litigation)

Gas Natural Fenosa and Sonatrach were engaged in a dispute over the price review for the gas supply contracts received from Algeria through the Maghreb-Europe pipeline. The final arbitration ruling notified in August 2010 provides for a price increase from 2007 onwards. The maximum retroactive effects invoiced by Sonatrach to Gas Natural Fenosa would amount to $1,970 million (€444 million pro rata for the Group's shareholding in Gas Natural Fenosa). Gas Natural Fenosa has challenged the arbitration ruling before the Swiss Federal Court and has requested opening the price review process of the above contracts to take into account the profound changes that have taken place, as well as the current situation of the world markets, particularly in Spain, as contemplated by the contracts.

In November 2010, the Swiss Federal Court granted a stay against the original ruling, which has the effect of suspending it until the Court rules on the motion presented by Gas Natural Fenosa.

Gas Natural Fenosa and Sonatrach are in talks to review the prices stipulated in these contracts which are expected to result in a positive outcome and the definitive end to the controversy between the two parties. In the event that none of the actions being taken by Gas Natural Fenosa to mitigate the impact of the aforementioned ruling prosper, a portion of the price increases would be passed on to certain customers in accordance with the contractual terms of their agreements.

35 Environmental information

Management of safety and the environment is based on a management system which comprises an extensive body of standards, procedures, technical guides, and management tools that are continually being updated to adapt to the best practices of the sector. We strive for ISO 14001 certification of our installations in order to promote continuous improvement and obtain external validation of our management systems.

A key element in the Repsol YPF Environmental Management System worth highlighting is the annual setting of environmental objectives approved by the executive committee within the framework of the strategic environmental guidelines of the Company. The strategic guidelines take into account critical areas for environmental protection, leadership in management, improvement in management, risk control, and the minimization of the environmental impact of activities and products. They further serve to prepare the action plans for each business, and include the measures required to improve and respond to new legislative requirements, Repsol YPF's strategic focus, plans for corrective measures arising from environmental audits performed, etc., together with the investments and expenses required to implement all these measures, which were addressed in the Company's general budget.

The criteria used to measure environmental costs are established in the "Repsol YPF Environmental Costs Guide", which adapts the American Petroleum Institute guidelines to the Group's operations and technical approach. It is important to note in this regard that the traditional "bottom-line" solutions for reducing environmental impact are gradually giving way to preventive measures built into processes right from the time the facilities are designed. This sometimes requires the identification of environmental assets through a system of coefficients applied to investment projects and the related property, plant and equipment, per the guidelines expressed in the aforementioned Guide.

35.1 Environmental Assets

The breakdown of the cost of the environmental assets identified and the related accumulated depreciation at December 31, 2010 and 2009 is as follows:

Millions of euros

			2010			2009
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Atmospheric emissions	490	247	243	431	224	207
Water	698	459	239	698	374	324
Product quality	1,418	770	648	1,380	685	695
Soil	295	131	164	281	89	192
Energy saving and efficiency	550	179	371	467	155	312
Waste	55	25	30	49	17	32
Other	483	350	133	487	301	186
	3,989	**2,161**	**1,828**	**3,793**	**1,845**	**1,948**

The cost includes €264 million of assets under construction at December 31, 2010 and €284 million at December 31, 2009.

Among the main environmental investments made in 2010 it is worth highlighting the capital expenditure earmarked for optimizing water consumption, reducing landfill waste pollution, improving environmental quality of petroleum products, minimizing emissions, increasing energy efficiency, and upgrading waste spill prevention systems. It is also worth noting the following singular projects: the continuing project for improving fuel quality at La Coruña refinery (Spain), with an environmental investment of €26 million; the project for improving the water treatment plant of the Petronor refinery, with an investment of €7 million; and the project for improving fuel quality at La Pampilla refinery (Peru), with an environmental investment of €4 million.

The main environmental investments carried out in 2009 were focused on the same areas as in 2010. Nevertheless, it is worth underscoring the ongoing work on the logistics project of the biofuel supply initiative in Argentina, with an environmental investment of €11 million; the project for raising fuel quality at the La Coruña refinery (Spain), with an environmental investment of €11 million; and additional work on upgrading the environmental performance of petrol and diesel products at the Cartagena refinery (Spain), with an environmental investment of €6 million.

In 2009 it is also worth noting the work performed at the Puertollano refinery (Spain) on upgrading the rainwater collection system, which gave rise to the capitalization of €13 million of environmental assets.

35.2 Environmental Provisions

Repsol YPF recognizes the provisions required to cover the measures aimed at preventing and repairing environmental impact. These provisions are estimated on the basis of technical and economic criteria and are classified under "Environmental Provisions" (Note 17).

The changes in the environmental provisions in 2010 and 2009 were as follows:

Millions of euros

	2010	**2009**
Opening balance	221	237
Period provisions charged to income	75	70
Provisions released with a credit to income	(3)	(2)
Payment	(50)	(70)
Reversals and other	10	(14)
Closing balance	**254**	**221**

Additionally, Repsol YPF's Environmental Cost Guide classifies as environmental provisions 75% of the amounts recognized under the caption "Provision for Field Dismantling Costs", totaling €1,075 million and €854 million at December 31, 2010 and 2009, respectively (Note 17).

The most notable item in the balance of environmental provisions at December 31, 2010, included approximately €102 million to cover the environmental risks relating to the operations carried out in the past by the former chemicals subsidiary of Maxus Energy Corporation, Diamond Shamrock Chemicals Company, prior to its sale in 1986 to Occidental Petroleum Corporation (Note 34).

Subject to the relevant terms and conditions, corporate insurance policies cover civil responsibilities for pollution on land and at sea, and for certain countries and activities, administrative responsibilities for pollution on land, all provoked by accidental and sudden events, in line with habitual industry practices and applicable legislation.

35.3 Environmental Expenses

In 2010 and 2009 environmental expenses amounted to €356 million and €347 million respectively, classified as "Supplies" and "Other operating expenses."

These expenses include €177 million of expense for the rights necessary to cover CO_2 emissions during 2010 (although according to Note 35.5 below, CO_2 emissions, the effect in the income statement in relation with this item amounted to a net expense of €5 million in 2010). Environmental expenses in 2010 and 2009 also include: other measures for atmospheric protection amounting to €27 million and €22 million respectively; soil remedation and field dismantelily costs remediation amounting to €46 million and€30 million, respectively; waste management amounting to €33 million and €32 million, respectively; and water management amounting to €21 million and €20 million, respectively.

35.4 Planned Initiatives

Among the most relevant issues which could affect Repsol YPF operations and investments in the future, the most noteworthy are related to climate change and energy, integrated pollution prevention and control, environmental responsibility, water quality, as well as waste.

On climate change and energy matters, in April 2009, the European Union approved a package of Directives with the targets set for 2020 in relation to: (i) the reduction of global greenhouse gas emissions over 1990 levels by at least 20%, (ii) boosting the use of renewable energy sources to account for 20% of total output, and (iii) a 20% reduction in energy consumption via enhanced energy efficiency.

- Directive 2009/28/EC on the promotion of the use of energy from renewable sources, sets a target of 20% for the overall share of energy from renewable sources and a 10% target for energy from renewable sources in transport for 2020 in respect of 2005 levels. This Directive further sets the sustainability criteria to be met by biofuels in order to guarantee a minimum contribution to reducing carbon emissions relative to the use of petrol and diesel.

  Each State member must adopt a national action plan on renewable energy that lays down national targets and the appropriate measures to be taken to ensure delivery of these targets.

- Directive 2009/29/EC amending Directive 2003/87/EC so as to improve and extend the greenhouse gas emission allowance trading scheme of the Community, sets the target of cutting the overall greenhouse gas emissions of the Community by at least 20% below 1990 levels by 2020. The reduction of allowances within the trading scheme implies a reduction of 21% on 2005 levels. This reduction is to be achieved on a straight-line annual basis, resulting in an annual reduction in emission allowances of 1.74%.

  Auctions are designated as the primary means of allocating emission allowances. Fifty per-cent of state revenues generated from allowance auctions should be used, among others, for contributions to the Adaptation Fund put in practice at the XIV Conference of Parties (COP 14) celebrated in Poznan, to fund R&D, for the development of renewable energies and for the capture and geological storage of greenhouse gases. Sectors with particularly high exposure to international competition (refining and chemicals) shall benefit from a free allowance allocation based on sector benchmarking. The installations of sectors and sub-sectors exposed to carbon dioxide leaks will receive a 100% free allowance allocation.

- Directive 2009/30/EC as regards the petrol, diesel and gas-oil specifications and introducing a mechanism to monitor and reduce greenhouse gas emissions, which is aimed at controlling, documenting and reducing fuel life greenhouse gas emissions.

  The Directive sets fuel performance technical specifications for road vehicles, non-road mobile machinery, agricultural and forestry tractors, and recreational craft when not at sea, as well as a target for the reduction of life cycle greenhouse gas emissions.

  Under the Directive, suppliers are obliged to report each year on the intensity of greenhouse gas emissions of the fuels and energy supplied. Member states shall require suppliers to reduce life cycle greenhouse gas emissions per unit of energy from fuel and energy supplied by up to 10 % by December 31, 2020. This reduction shall consist of a 6% reduction by means of biofuels, an indicative additional target of 2% via the capture and geological storage of CO_2 and electric vehicles and an additional indicative target of 2% via Clean Development Mechanism CERs.

- Directive 2009/31/EC on the geological storage of carbon dioxide establishes the legal framework governing the environmentally safe geological storage of CO_2 (permanent confinement that is risk-free for the environment and human health) in a bid to contribute to the fight against climate change. This directive lays down requirements on storage site selection, storage and operating permits and on closure and post-closure obligations.

Spain has begun to transpose the requirements laid down in Directive 2009/29/EC in Law 5/2009, which sets reporting requirements for sectors forming part of the greenhouse gas allowance trading scheme.

The new legislation includes additional information regarding the review of the Community allowance trading scheme, stipulating that owners of facilities that engage in the activities listed in the appendix to the legislative text and which are not subject to the 2008-2012 allowance trading scheme present, by April 30, 2010, emission figures for 2007 and 2008 before the competent regional authorities.

Moreover, Order PRE/2827/2009, which amends the sector allocations made under the 2008-2012 National Greenhouse Gas Allowance Allocation Plan, modified the allocations to the various activities subject to the allowance trading scheme, reducing the amount allocated to the Newcomers Reserve to 6.058 million tons of CO_2.

In addition, in 2010 European Union legislation on Large Combustion Facilities was updated, refunding the Directive on Integrated Pollution Prevention and Control (IPPC), other existing directives were revised, and the Directive 2010/75/EC on Industrial Emissions was approved. This last directive addresses, among other issues, new and more demanding emission limits as well as reinforcing the process for determining and applying the best available techniques (BAT).

With respect to environmental responsibility, a draft Ministerial Order was presented in Spain on the requirement of financial guarantees and the order of priority in which all industrial activities are considered.

Regarding water quality, a draft Royal Decree on environmental quality standards was presented in Spain, the purpose of which is to transpose the content of Directive 2008/105/EC. In more detail, the Royal Decree establishes environmental quality standards (EQS) for priority substances and other pollutants with the objective of achieving good surface water chemical status. It also incorporates the technical requirements for chemical analysis established in Directive 2009/90/EC, in other words, the minimum criteria for analytical methods that must be applied to monitor water status, sediment and living organisms, as well as rules for demonstrating the quality of analytical results.

A new law on waste is expected to be approved in Spain shortly, annulling Law 10/1998 of April 21 on waste. The draft law transposes the EU Directive on Waste approved in 2008. The objective is to update current prevailing legislation, orient policy on waste in accordance with the principle of hierarchy, and guarantee protection of human health and the environment, maximizing use of resources and minimizing the impact of waste production and management. This law is also intended to regulate the legal regime over polluted soils.

The most noteworthy of the main novelties with respect to Law 10/1998 are the following: the introduction of specific sections dedicated to sub-products and to the concept of end of useful life of waste; the creation of a coordinating Commission to function as a body for technical cooperation and collaboration amongst the different administrations for matters related to waste; and introduction of the concept of producer responsibility, whereby the producer must accept the return of reusable products, the delivery of waste generated after use of the product, and its corresponding management.

35.5 CO_2 Emissions

During 2010 and 2009 the companies comprising the consolidation scope recognized emission allowances allocated free of charge under the Spanish national allocation plan equivalent to 16.4 and 15.9 million tons of CO_2 respectively, measured at €216 and €246 million. The same allocation plan stipulates allocation of 2011 allowances equivalent to 16.7 million tons of CO_2.

In 2010 there was no depreciation in the value of emission rights, in contrast to 2009 which saw the recognition of a €50 million provision, almost entirely offset by revenue from deferred income recognized in the income statement in relation to emission allowances received for no consideration.

The net results for 2010 with respect to management of CO_2 amounted to an expense of €5 million, while in 2009 a profit of €35 million was recognized.

The Repsol YPF installations included in the European allowance trading scheme are entitled to levels of gratuitous CO_2 emissions that are being reduced over time. In order to minimize the cost of meeting these declining allocations in the future, the Company has committed to a series of investments for the acquisition of Clean Development Mechanism (CDM) and Joint Implementation (JI) credits through carbon funds (the Spanish Carbon Fund managed by the World Bank and the Greenhouse Gas Credit Aggregation Pool managed by Natsource). Future trading in CDM and JI credits through carbon funds presents an opportunity to avail of low cost credits for future compliance purposes.

Repsol YPF's commitments resulted in the acquisition of credits in 2010. Including these purchases, investment commitments at year end 2009 amounted to €52 million.

36 Fees paid to the auditors

In 2010, the fees earned by Deloitte for the audit services provided to Repsol YPF, S.A. and the Group companies amounted to €8.1 million. Additionally, the fees earned by the auditors and their organization for audit-related services and other services amounted to €0.8 million.

The sum of these amounts does not represent more than 10% of the total volume of business of the auditors and their organization.

37 Subsequent events

On February 22, 2011 the Group formally requested delisting of their American Depositary Shares (ADSs) from the New York Stock Exchange (NYSE). In these sense, it is estimated that the last trading day for the ADSs on the NYSE will be on March 4, 2011.

On February 8, 2011, the 100% of Repsol International Capital's (RIC) preference shares traded on the NYSE were redeemed. The securities were redeemed at US$25.00 per preference share plus the amount for undistributed accrued dividends from December 31, 2010 up to the redemption date, which amounted to US$0.20 per preferential share.

38 Explanation added for translation to english

These consolidated financial statements are prepared on the basis of IFRSs as undorsed by the European Union and certain accounting practices applied by the Group that conform with IFRSs endorsed by the European Union may not conform with other generally accepted accounting principles.

Consolidated Financial Statements
Appendix

Appendix I Investees comprising the Repsol YPF Group for the year ended December 31, 2010

Name	Country	Parent Company	Other Owner Companies (1)	Activity	Consolidation Method (4)	% Total Ownership: % of Direct Ownership	% Total Ownership: % of Control Investment (5)	Amount in Millions of Euros: Capital	Reserves	2010 Income	Dividends	Ownership Possessed (5)
Repsol Petróleo, s.a.	**Spain**	**Repsol YPF, s.a.**		**Refinery**	**F.C.**	**99.97**	**99.97**	**217.6**	**1,437.7**	**316.8**	**–**	**1,971.5**
Repsol YPF Lubricantes y Especialidades, s.a.	Spain	Repsol Petróleo, s.a.	Repsol Comercial de Productos Petrolíferos, s.a.	Production and marketing of derivatives	F.C.	99.97	100.00	5.4	79.3	17.5	–	102.2
Repsol Biocarburantes Cartagena, s.a.	Spain	Repsol Petróleo, s.a.		Production, distribution and sales of all biofuels and other related activities	F.C.	99.97	100.00	0.5	–	(1.2)	–	(0.7)
Servicios Logisticos Combustibles de Aviacion	Spain	Repsol YPF Lubricantes y Especialidades, s.a.	Repsol Comercial de Productos Petrolíferos	Gas distribution	P.C.	49.28	50.00	3.5	7.7	–	–	5.5
Repsol Eléctrica de Distribución, s.l.	Spain	Repsol Petróleo, s.a.	Repsol YPF, s.a.	Distribution and supply of electric energy	F.C.	99.97	100.00	0.1	1.9	1.5	–	3.4
Asfaltos Españoles, s.a.	Spain	Repsol Petróleo, s.a.		Asphalts	P.C.	49.99	50.00	8.5	14.2	7.2	–	14.9
Servicios de seguridad Mancomunados (f.c.)	Spain	Repsol Petróleo, s.a.	Repsol Butano, s.a. y Repsol Química, s.a.	Security	F.C.	99.98	100.00	0.4	0.2	–	–	0.6
Cia. Auxiliar de Remolcadores y Buques Especiales, s.a. (carsa)	Spain	Repsol Petróleo, s.a.	Repsol Comercial de Productos Petrolíferos, s.a./petronor	Tows	F.C.	99.20	100.00	0.1	2.4	3.7	–	6.2
Repsol YPF Trading y Transportes, s.a. (ryttsa)	**Spain**	**Repsol YPF, s.a.**	**Repsol Petróleo, s.a.**	**Trading of petrol-derived products**	**F.C.**	**100.00**	**100.00**	**0.1**	**164.6**	**22.2**	**–**	**186.9**
RYTTSA Singapur	Cayman Islands	Repsol YPF Trading y Transportes, s.a.		Trading of petrol-derived products	F.C.	100.00	100.00	0.0	(3.6)	(0.0)	–	(3.6)
Repsol Overzee Finance, b.v.	**Holland**	**Repsol YPF, s.a.**		**Holding company**	**F.C.**	**100.00**	**100.00**	**133.4**	**81.7**	**40.4**	**–**	**255.4**
Atlantic 2/3 Holdings, Llc.	USA	Repsol Overzee Finance, b.v.		Holding company	P.C.	25.00	25.00	104.2	–	89.8	–	48.5
Atlantic LNG 2/3 Company of Trinidad & Tobago (2)	Trinidad and Tobago	Atlantic 2/3 Holdings, Llc.		Gas logistics and supply	P.C.	25.00	100.00	104.2	3.3	87.2	(89.8)	26.2
Atlantic 4 Holdings, Llc.	USA	Repsol Overzee Finance, b.v.		Holding company	E.M.	22.22	22.22	188.6	–	–	–	41.9
Atlantic 4 LNG Company of Trinidad & Tobago (3)	Trinidad and Tobago	Atlantic 4 Holdings, Llc.		Liquefaction plant construction	E.M.	22.22	100.00	–	8.8	83.8	(82.3)	2.3
Repsol LNG t&t, Ltd.	Trinidad and Tobago	Repsol Overzee Finance, b.v.		Natural Gas marketing	F.C.	100.00	100.00	4.0	16.2	9.3	–	29.5
Repsol e&p t&t Limited	Trinidad and Tobago	Repsol Overzee Finance, b.v.		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	56.7	37.7	13.0	–	107.5
Repsol LNG, s.l.	**Spain**	**Repsol YPF, s.a.**	**Repsol comercializadora de Gas, s.a.**	**Gas marketing**	**F.C.**	**100.00**	**100.00**	**0.1**	**(0.5)**	**(23.0)**	**–**	**(23.5)**
Gastream México s.a. de c.v.	**Mexico**	**Repsol YPF, s.a.**	**Repsol LNG, s.l.**	**Other activities**	**F.C.**	**100.00**	**100.00**	**21.6**	**(22.5)**	**0.0**	**–**	**(0.9)**
Repsol Gas Natural lng	**Spain**	**Repsol YPF, s.a.**	**Gas Natural, sga**	**Management and marketing of LNG**	**P.C.**	**65.06**	**100.00**	**2.0**	**0.2**	**0.2**	**–**	**1.6**
Pacific LNG Bolivia s.r.l.	**Bolivia**	**Repsol YPF, s.a.**		**Exploration and Production of hydrocarbons**	**E.M.**	**37.50**	**37.50**	**1.0**	**(0.9)**	**(0.0)**	**–**	**0.0**
Repsol Comercializadora de Gas, s.a.	**Spain**	**Repsol YPF, s.a.**	**Repsol Petróleo, s.a.**	**Natural Gas marketing**	**F.C.**	**100.00**	**100.00**	**0.1**	**24.9**	**45.8**	**–**	**70.7**
Repsol Butano, s.a.	**Spain**	**Repsol YPF, s.a.**	**Repsol Petróleo, s.a.**	**Marketing of LPG**	**F.C.**	**100.00**	**100.00**	**58.7**	**661.7**	**57.8**	**–**	**778.2**
Repsol Maroc, s.a.	Morocco	Repsol Butano, s.a.		Gas marketing	E.M.	100.00	100.00	1.3	(1.4)	–	–	(0.1)
Repsol YPF Gas, s.a.	Argentina	Repsol Butano, s.a.		Marketing of LPG	F.C.	85.00	85.00	15.1	12.4	11.9	–	33.6
Comsergas, Compañía Servicios Industriales de Gas Licuado, s.a.	Argentina	Repsol YPF Gas, s.a.		Gas installations	F.C.	52.70	62.00	0.4	0.0	(0.0)	–	0.2
Gas Austral, s.a.	Argentina	Repsol YPF Gas, s.a.		Marketing of LPG	E.M.	42.50	50.00	0.0	0.8	0.7	–	0.6
Mejorgas, s.a.	Argentina	Repsol YPF Gas, s.a.	Poligas Luján, s.a.	Marketing of LPG	E.M.	75.73	100.00	0.2	(0.6)	–	–	(0.3)
Duragas, s.a.	Ecuador	Repsol Butano, s.a.		Marketing of LPG	F.C.	100.00	100.00	10.1	3.4	4.3	–	17.7
Servicio de Mantenimiento y Personal - semapesa	Ecuador	Repsol Butano, s.a.		Maintenance and personnel services	F.C.	100.00	100.00	0.0	(0.0)	(0.1)	–	(0.1)
Repsol Gas Portugal, s.a.	Portugal	Repsol Butano, s.a.		Marketing of LPG	F.C.	100.00	100.00	0.6	20.3	14.7	–	35.5
Spelta Soc. Unipessoal Lda.	Portugal	Repsol Gas Portugal, s.a.		Marketing of LPG	F.C.	100.00	100.00	0.0	1.3	0.3	–	1.6
Saaga, s.a.	Portugal	Repsol Gas Portugal, s.a.		Marketing of LPG	E.M.	25.07	25.07	1.0	2.8	0.5	–	1.1
Repsol Butano Chile, s.a.	Chile	Repsol Butano, s.a.	Repsol YPF Chile, Limitada	Holding company	F.C.	100.00	100.00	117.7	109.9	19.5	–	247.0
Empresas Lipigas, s.a.	Chile	Repsol Butano Chile, s.a.		Marketing of LPG	P.C.	45.00	45.00	85.4	21.8	48.4	(46.5)	49.1
Repsol YPF Comercial del Perú, s.a.	Peru	Repsol Butano, s.a.		Marketing of LPG	F.C.	99.85	99.85	35.4	6.0	15.1	(4.5)	51.9
Repsol YPF Comercial de la Amazonia, sac	Peru	Repsol YPF Comercial Perú, s.a.	Grupo Repsol YPF del Perú	Distributor of LPG	F.C.	99.85	100.00	0.1	0.0	(0.0)	–	0.1
Repsol YPF GLP de Bolivia, s.a.	Bolivia	Repsol Butano, s.a.	R. YPF E&P de Bolivia, s.a./R. YPF Bolivia, s.a.	Marketing of LPG	F.C.	100.00	100.00	0.1	0.0	(0.1)	–	0.1
Repsol France	France	Repsol Butano, s.a.	Repsol Química, s.a./Repsol YPF, s.a./Repsol Petróleo,s.a.	Distribution and marketing of petroleum-derived products	F.C.	100.00	100.00	11.9	(3.9)	(0.7)	–	7.3
Repsol Gas Brasil, s.a.	Brazil	Repsol Butano, s.a.	Repsol YPF Brasil, s.a.	Marketing of LPG	F.C.	100.00	100.00	33.7	(21.4)	(7.9)	–	4.4
Solgas Distribuidora de Gas, s.l.	Spain	Repsol Butano, s.a.	Repsol Comercial de Productos Petrolíferos, s.a.	Marketing of LPG	F.C.	100.00	100.00	1.1	(1.4)	(1.1)	–	(1.4)
Vía Red Servicios Logísticos, s.l.	Spain	Repsol Butano, s.a.		Natural gas logistics and supply	F.C.	100.00	100.00	0.8	(0.2)	0.0	–	0.6
Repsol Comercial de Productos Petrolíferos, s.a.	**Spain**	**Repsol Petróleo, s.a.**	**Repsol YPF, s.a./petronor**	**Marketing of petrol-derived products**	**F.C.**	**96.67**	**99.78**	**334.8**	**598.3**	**276.5**	**(192.4)**	**983.3**
Repsol Directo, s.a.	Spain	Repsol Comercial de Productos Petrolíferos, s.a.	Campsa Estaciones de Servicio, s.a. – campsared	Distribution and marketing of petroleum-derived products	F.C.	96.66	100.00	0.1	5.9	(1.9)	–	3.9
Campsa Estaciones de Servicio, s.a. - campsared	Spain	Repsol Comercial de Productos Petrolíferos, s.a.	Repsol Petróleo, s.a.	Exploitation and management of services stations	F.C.	96.67	100.00	8.4	18.0	19.0	–	43.9
Societat Catalana de Petrolis, s.a. (petrocat)	Spain	Repsol Comercial de Productos Petrolíferos, s.a.	Repsol Petróleo, s.a.	Distribution and marketing of petroleum-derived products	E.M.	43.68	45.00	15.1	(5.3)	0.6	–	4.6
Air Miles España, s.a.	Spain	Repsol Comercial de Productos Petrolíferos, s.a.		Client loyalty services	E.M.	21.75	22.50	0.1	5.1	1.0	–	1.3
Carburants i Derivats, s.a. (cadesa)	Andorra	Repsol Comercial de Productos Petrolíferos, s.a.		Distribution of products derived from petroleum	E.M.	32.14	33.25	0.1	1.8	0.1	–	0.6
Euro 24, s.l.	Spain	Autoclub Repsol, s.l.		Services related to automization	F.C.	96.67	100.00	0.0	0.3	0.1	–	0.4
Noroil, s.a.	Spain	Repsol Comercial de Productos Petrolíferos, s.a.	PETRONOR	Distribution and marketing of petroleum-derived products	F.C.	67.67	70.00	1.5	0.5	0.5	–	1.7
Solred, s.a.	Spain	Repsol Comercial de Productos Petrolíferos, s.a.	Repsol YPF, s.a.	Management of payment options in service stations	F.C.	96.67	100.00	7.3	22.0	10.0	–	38.0
Gestión de Puntos de Venta, Gespevesa, s.a.	Spain	Repsol Comercial de Productos Petrolíferos, s.a.		Management of service stations	P.C.	48.34	50.00	39.4	8.0	1.0	–	23.4
Terminales Canarios, s.l.	Spain	Repsol Comercial de Productos Petrolíferos, s.a.		Storage and distribution of petroleum-derived products	P.C.	48.34	50.00	19.8	1.6	1.9	–	11.3
Servibarna	Spain	RCPP		Fixed asset leasing	F.C.	96.65	100.00	0.1	0.4	(0.1)	–	0.5
Compañía Logística de Hidrocarburos clh, s.a.	**Spain**	**Repsol YPF, s.a.**	**PETRONOR**	**Transportation and storage of petroleum-derived products**	**E.M.**	**10.0**	**10.0**	**84.1**	**97.1**	**166.3**	**(161.8)**	**18.6**
CLH Aviación, s.a.(3)	Spain	CLH, s.a.		Transportation and storage of petroleum-derived products	E.M.	10.0	100.0	21.0	47.8	5.6	–	7.4
Carbon Black Española, s.a. (carbesa)	**Spain**	**Repsol YPF, s.a.**	**Repsol Química, s.a.**	**Without activity**	**F.C.**	**100.00**	**100.00**	**0.2**	**13.1**	**8.7**	**–**	**22.0**
The Repsol Company of Portugal Ltd.	**Portugal**	**Repsol YPF, s.a.**	**Carbon Black Española, s.a. (carbesa)**	**Marketing of petroleum-derived products**	**F.C.**	**100.00**	**100.00**	**0.8**	**0.5**	**0.2**	**–**	**1.5**
Repsol Portuguesa, s.a.	**Portugal**	**Repsol YPF, s.a.**	**Carbon Black Española, s.a. (carbesa)**	**Distribution and marketing of petroleum-derived products**	**F.C.**	**100.00**	**100.00**	**59.0**	**319.4**	**42.5**	**–**	**420.9**
Repsol Directo lda	Portugal	Repsol Portuguesa, s.a.		Distribution and marketing of petroleum-derived products	F.C.	100.00	100.00	0.3	(0.0)	0.2	–	0.4
Gespost	Portugal	Repsol Portuguesa, s.a.		Marketing of petroleum-derived products	F.C.	100.00	100.00	0.0	3.7	2.1	–	5.8
Caiageste – Gestao de Areas de Servicios Ltda.	Portugal	Gespost		Exploitation and management of services stations	E.M.	50.00	50.00	0.0	0.3	(0.3)	–	(0.0)

Name	Country	Parent Company	Other Owner Companies (1)	Activity	Consolidation Method (4)	% Total Ownership: % of Direct Ownership	% Total Ownership: % of Control Investment (5)	Amount in Millions of Euros: Capital	Reserves	2010 Income	Dividends	Ownership Possessed (5)
Abastecimientos e Serviços de Avia - ASA	Portugal	Repsol Portuguesa, S.A.		Marketing of petroleum-derived products	E.M.	50.00	50.00	–	–	–	–	–
Sociedade Abastecedora de Aeronaves, Lda. - SABA	Portugal	Repsol Portuguesa, S.A.		Marketing of petroleum-derived products	E.M.	25.00	25.00	–	–	–	–	–
Tecnicontrol y Gestión Integral, S.L.	**Spain**	**Repsol YPF, S.A.**	**Repsol Exploración, S.A.**	**Real estate development**	**F.C.**	**100.00**	**100.00**	**3.5**	**28.2**	**0.1**	**–**	**31.8**
Bahía Bizkaia Electricidad, S.L.	**Spain**	**Repsol YPF, S.A.**		**Energy generation**	**P.C.**	**25.00**	**25.00**	**3.6**	**157.8**	**42.7**	**–**	**51.0**
Repsol YPF Tesorería y Gestión Financiera, S.A.	**Spain**	**Repsol YPF, S.A.**	**Repsol Petróleo, S.A.**	**Provide treasury-related services to the group's companies**	**F.C.**	**100.00**	**100.00**	**0.1**	**385.8**	**(83.4)**	**–**	**302.4**
Petróleos del Norte, S.A. (PETRONOR)	**Spain**	**Repsol YPF, S.A.**		**Refinery**	**F.C.**	**85.98**	**85.98**	**120.5**	**477.2**	**291.2**	**(180.2)**	**609.3**
Asfalnor, S.A.	Spain	PETRONOR		Distribution and marketing of asphalt-derived products	F.C.	85.98	100.00	0.1	–	–	–	0.1
Repsol Exploración, S.A.	**Spain**	**Repsol YPF, S.A.**	**Repsol Petróleo, S.A.**	**Exploration and Production of hydrocarbons**	**F.C.**	**100.00**	**100.00**	**24.6**	**1,817.7**	**(151.3)**	**–**	**1,691.0**
Repsol LNG Holding, antes se denominaba Repsol Exploración Trinidad, S.A.	Spain	Repsol Exploración, S.A.	Repsol YPF, S.A.	Exploration and Production of hydrocarbons	F.C.	**100.00**	**100.00**	**1.8**	**(0.5)**	**(10.2)**	**–**	**(8.9)**
Gas Natural West Africa S.L.	Spain	Repsol LNG Holding, S.A.	Gas Natural Exploración, S.L.		P.C.	72.05	100.00	7.7	(4.1)	(8.7)	–	(3.7)
Repsol YPF Cuba, S.A.	Spain	Repsol Exploración, S.A.	Repsol YPF, S.A.	Exploration and Production of hydrocarbons	F.C.	100.00	100.00	1.9	5.0	(1.5)	–	5.4
Repsol Exploración Colombia, S.A.	Spain	Repsol Exploración, S.A.	Repsol YPF, S.A.	Exploration and Production of hydrocarbons	F.C.	100.00	100.00	2.0	(0.8)	(16.5)	–	(15.3)
Repsol Exploración Argelia, S.A.	Spain	Repsol Exploración, S.A.	Repsol YPF, S.A.	Exploration and Production of hydrocarbons	F.C.	100.00	100.00	3.9	(8.8)	0.6	–	(4.3)
Repsol Exploración Murzuq, S.A.	Spain	Repsol Exploración, S.A.	Repsol YPF, S.A.	Exploration and Production of hydrocarbons	F.C.	100.00	100.00	7.7	613.4	135.5	–	756.7
Akakus Oil Operation B.V.	Holland	Repsol Exploración Murzuq,S.A.		Exploration and Production of hydrocarbons	E.M.	49.00	49.00	–	0.1	–	–	0.0
Repsol YPF Ecuador, S.A.	Spain	Repsol Exploración, S.A.	Repsol Petróleo, S.A.	Exploration and Production of hydrocarbons	F.C.	100.00	100.00	4.7	76.2	31.5	–	112.4
Amodaimi Oil Company, Ltd.	Ecuador	Repsol YPF Ecuador, S.A.		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	–	20.5	1.9	–	22.4
Repsol YPF OCP de Ecuador, S.A.	Spain	Repsol YPF Ecuador, S.A.	Repsol Exploración Tobago, S.A.	Holding company	F.C.	100.00	100.00	0.1	28.0	13.2	–	41.3
Oleoducto de Crudos Pesados, Ltd.	Cayman Islands	Repsol YPF OCP de Ecuador, S.A.		Other activities	E.M.	29.66	29.66	75.2	9.9	21.0	(5.5)	29.8
Oleoducto de Crudos Pesados Ecuador, S.A.(3)	Cayman Islands	Oleoducto de Crudos Pesados, Ltd.		Other activities	E.M.	29.66	100.00	–	–	–	–	–
Repsol Exploración Securé, S.A.	Spain	Repsol Exploración, S.A.	Repsol YPF, S.A.	Exploration and Production of hydrocarbons	F.C.	100.00	100.00	1.9	0.2	(0.5)	–	1.6
Repsol Exploración Perú, S.A.	Spain	Repsol Exploración, S.A.	Repsol YPF, S.A.	Exploration and Production of hydrocarbons	F.C.	100.00	100.00	15.6	177.7	35.5	–	228.8
Perú LNG Company, Llc.	Peru	Repsol Exploración Perú, S.A.		Gas logistics and supply	E.M.	20.00	20.00	1,215.8	(164.6)	(86.3)	–	193.0
TGP, S.A.	Peru	Repsol Exploración Perú, S.A.		Gas logistics and supply	E.M.	10.00	10.00	155.9	285.3	59.6	–	50.1
Repsol YPF Oriente Medio, S.A.	Spain	Repsol Exploración, S.A.	Repsol YPF, S.A.	Exploration and Production of hydrocarbons	F.C.	100.00	100.00	0.2	–	(43.8)	–	(43.6)
Repsol Exploración México S.A. de C.V.	Mexico	Repsol Exploración, S.A.		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	16.7	13.0	11.6	–	41.2
Servicios Administrativos Cuenca de Burgos S.A. de C.V.	Mexico	Repsol Exploración, S.A.		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	–	0.2	0.1	–	0.3
Repsol Exploración Kazakhstán, S.A.	Spain	Repsol Exploración, S.A.	Repsol YPF, S.A.	Exploration and Production of hydrocarbons	F.C.	100.00	100.00	0.2	(0.0)	(0.8)	–	(0.7)
Zhambai LLP	Kazakhstan	Repsol Exploración Kazakhstan, S.A.		Exploration and Production of hydrocarbons	E.M.	25.00	25.00	–	(3.0)	(4.2)	–	(1.8)
Repsol Exploración Tobago, S.A.	Spain	Repsol Exploración, S.A.	Repsol YPF, S.A.	Exploration and Production of hydrocarbons	F.C.	100.00	100.00	0.2	(0.1)	(0.3)	–	(0.1)
Repsol Exploración Sierra Leona, S.L.	Spain	Repsol Exploración, S.A.	Repsol Exploración Tobago, S.A.	Exploration and Production of hydrocarbons	F.C.	100.00	100.00	2.8	(1.4)	(1.3)	–	0.1
Repsol Exploración Suriname, S.L.	Spain	Repsol Exploración, S.A.	Repsol Exploración Tobago, S.A.	Exploration and Production of hydrocarbons	F.C.	100.00	100.00	–	–	(2.7)	–	(2.7)
Repsol Exploración Venezuela, B.V.	Holland	Repsol Exploración, S.A.		Holding company	F.C.	100.00	100.00	257.0	(93.7)	(4.2)	–	159.2
Calio LLC	Venezuela	Repsol Exploración Venezuela, B.V.		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	15.6	6.2	–	–	21.8
Repsol YPF Venezuela, S.A.	Venezuela	Repsol Exploración Venezuela, B.V.		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	12.3	39.0	9.0	–	60.3
Repsol YPF Venezuela Gas	Venezuela	Repsol YPF Venezuela, S.A.		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	–	(6.9)	0.1	–	(6.8)
Cardón IV	Venezuela	Repsol YPF Venezuela Gas S.A.		Exploration and Production of hydrocarbons	P.C.	50.00	50.00	1.5	174.1	(7.0)	–	84.3
Petroquiriquire, S.A.	Venezuela	Repsol YPF Venezuela, S.A.		Exploration and Production of hydrocarbons	P.C.	40.00	40.00	4.1	1,016.1	126.5	–	458.7
Quiriquire Gas, S.A.	Venezuela	Repsol YPF Venezuela, S.A.		Exploration and Production of hydrocarbons	P.C.	60.00	60.00	0.3	100.1	1.4	–	61.1
Repsol Exploración Guinea, S.A.	Spain	Repsol Exploración, S.A.	Repsol YPF, S.A.	Exploration and Production of hydrocarbons	F.C.	100.00	100.00	0.1	–	(0.3)	–	(0.2)
BPRY Caribbean Ventures LLC	USA	Repsol Exploración, S.A.		Holding company	P.C.	30.00	30.00	916.0	(1,355.2)	565.7	–	37.9
BP Amoco Trinidad & Tobago, LLC (2)	USA	BPRY Caribbean Ventures LLC		Exploration and Production of hydrocarbons	P.C.	30.00	100.00	126.5	245.9	556.0	(561.3)	110.1
Dubai Marine Areas, Ltd. (DUMA)	UK	Repsol Exploración, S.A.		Exploration and Production of hydrocarbons	P.C.	50.00	50.00	0.1	1.6	–	–	0.8
Repsol Investigaciones Petrolíferas, S.A.	Spain	Repsol Exploración, S.A.		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	225.9	434.8	23.9	–	684.6
EniRepsa Gas Limited	Saudi Arabia	Repsol Exploración, S.A.		Gas logistics and supply	E.M.	30.00	30.00	281.0	(250.6)	(4.9)	–	7.7
Repsol USA Holdings Corp	USA	Repsol Exploración, S.A.		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	2,618.6	(143.8)	48.3	–	2,523.2
Repsol Services Company	USA	Repsol USA Holdings Corp		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	33.1	0.7	(3.3)	–	30.4
Repsol E&P USA, Inc	USA	Repsol USA Holdings Corp		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	2,459.6	(114.2)	158.9	–	2,504.3
Repsol Energy North America Corp.	USA	Repsol USA Holdings Corp		Marketing of LNG	F.C.	100.00	100.00	144.4	(62.4)	(41.8)	–	40.2
Repsol Offshore E&P Inc.	USA	Repsol USA Holdings Corp		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	24.5	(14.8)	–	–	9.7
Repsol Louisiana Corporation	USA	Repsol USA Holdings Corp.		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	13.6	0.0	(2.8)	–	10.8
Repsol Advanced Services Ltd.	Switzerland	Repsol Exploración, S.A.		Other activities	F.C.	100.00	100.00	0.4	0.1	0.0	–	0.5
Repsol Exploración Liberia, B.V.	Holland	Repsol Exploración, S.A.		Exploration and production	F.C.	100.00	100.00	–	4.3	(1.6)	–	2.7
Repsol Exploracion Norge	Norway	Repsol Exploración S.A.		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	0.1	16.6	(4.0)	–	12.8
Repsol E&P Canada Ltd.	Canada	Repsol Exploración S.A.		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	8.1	(2.2)	(5.6)	–	0.3
Repsol Exploración Seram, B.V.	Holland	Repsol Exploración S.A.		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	2.4	0.0	(2.8)	–	(0.4)
Repsol Exploración East Bula, B.V.	Holland	Repsol Exploración S.A.		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	1.9	0.0	(2.2)	–	(0.2)
Repsol Exploración Cendrawasih II, B.V.	Holland	Repsol Exploración S.A.		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	0.9	0.0	(0.3)	–	0.6
Repsol Exploración Cendrawasih III, B.V.	Holland	Repsol Exploración S.A.		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	0.9	(0.0)	0.1	–	1.0
Repsol Exploración Cendrawasih IV, B.V.	Holland	Repsol Exploración S.A.		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	0.9	(0.0)	0.1	–	1.0
Repsol LNG Offshore B.V.	Holland	Repsol Exploración S.A.		Other activities	F.C.	100.00	100.00	–	11.0	(0.0)	–	11.0
Repsol YPF Perú, B.V.	**Holland**	**Repsol YPF, S.A.**		**Holding company**	**F.C.**	**100.00**	**100.00**	**93.8**	**89.1**	**3.7**	**–**	**186.7**
Grupo Repsol YPF del Perú, S.A.C.	Peru	Repsol YPF Perú, B.V.		Holding company	F.C.	100.00	100.00	0.4	0.5	0.1	–	1.0
Refinería La Pampilla, S.A.	Peru	Repsol YPF Perú, B.V.		Refinery	F.C.	51.03	51.03	110.0	65.8	26.8	–	103.4
Repsol Comercial, S.A.C.	Peru	Refinería La Pampilla, S.A.		Fuel marketing	F.C.	51.03	100.00	62.8	2.1	14.5	–	40.5
Repsol YPF Marketing S.A.C.	Peru	Repsol YPF Perú, B.V.		Fuel marketing and specializations	F.C.	100.00	100.00	2.5	0.5	1.9	–	4.9
Tucunaré Empreendimientos e Part. Ltda.	Brazil	Perú B.V.		Administrative support and infrastructure services	F.C.	100.00	100.00	27.5	(0.1)	(0.9)	–	26.6
Transportadora Sul Brasileira do Gas, S.A.	Brazil	Tucunaré Ltda.		Construction and exploitation of a gas pipeline	P.C.	25.00	25.00	34.8	(34.8)	–	–	–
Servicios y Operaciones Perú S.A.C.	Peru	Repsol YPF Perú, B.V.		Other activities	F.C.	100.00	100.00	0.0	0.3	0.6	–	0.9
Repsol International Finance B.V.	**Holland**	**Repsol YPF, S.A.**		**Finance company and share owner**	**F.C.**	**100.00**	**100.00**	**266.7**	**935.1**	**130.1**	**–**	**1,331.9**
Repsol LNG Port of Spain, B.V.	Holland	Repsol International Finance, B.V.		Holding company	F.C.	100.00	100.00	–	277.8	33.7	–	311.5

						% Total Ownership		Amount in Millions of Euros				
Name	Country	Parent Company	Other Owner Companies (1)	Activity	Consolidation Method (4)	% of Direct Ownership	% of Control Investment (5)	Capital	Reserves	2010 Income	Dividends	Ownership Possessed (5)
Atlantic 1 Holdings, LLC	Trinidad and Tobago	Repsol LNG Port of Spain, B.V.		Holding company	E.M.	20.00	20.00	182.5	–	–	(157.2)	5.1
Atlantic LNG Co. of Trinidad & Tobago (3)	Trinidad and Tobago	Atlantic 1 Holdings, LLC		Gas logistics and supply	E.M.	20.00	100.00	–	53.0	147.0	–	40.0
Repsol International Capital, Ltd	Cayman Islands	Repsol International Finance, B.V.		Finance	F.C.	100.00	100.00	347.1	(306.2)	(0.7)	–	40.2
Repsol Investeringen, B.V.	Holland	Repsol International Finance, B.V.		Holding company	F.C.	100.00	100.00	0.0	(0.1)	(0.0)	–	(0.1)
Repsol Netherlands Finance, B.V.	Holland	Repsol International Finance, B.V.	Repsol Investeringen, B.V.	Finance	F.C.	100.00	100.00	0.0	(9.2)	(9.6)	–	(18.8)
Repsol YPF Capital, S.L.	Spain	Repsol International Finance, B.V.	Repsol YPF, S.A.	Holding company	F.C.	100.00	100.00	463.8	91.8	57.3	–	612.8
Caveant, S.A.	Argentina	Repsol YPF Capital, S.L.	Repsol YPF, S.A.	Investing company	F.C.	100.00	100.00	0.3	58.3	11.9	–	70.4
Gaviota RE S.A.	Luxembourg	Repsol International Finance, B.V.	Repsol Investeringen, B.V.	Reinsurance	F.C.	100.00	100.00	13.6	59.5	8.8	–	81.8
Greenstone Assurance, Ltd.	Bermuda Islands	Gaviota RE		Reinsurance company	F.C.	100.00	100.00	5.3	6.7	1.8	–	13.8
Repsol Canada Ltd.	Canada	Repsol Exploración, S.A.		LNG regasification	F.C.	100.00	100.00	4.3	(2.0)	0.2	–	2.5
Repsol Energy Canada, Ltd.	Canada	Repsol Exploración, S.A.		Marketing of LNG	F.C.	100.00	100.00	374.6	(92.5)	(106.2)	–	176.0
Occidental de Colombia, LLC	Colombia	Repsol International Finance, B.V.		Exploration and Production of hydrocarbons	P.C.	25.00	25.00	0.3	286.2	204.8	(46.4)	111.2
Repsol Química, S.A.	**Spain**	**Repsol YPF, S.A.**	**Repsol Petróleo, S.A.**	**Production and sale of petrochemical products**	**F.C.**	**100.00**	**100.00**	**60.5**	**(384.0)**	**2.1**	**–**	**(321.4)**
Polidux, S.A.	Spain	Repsol Química, S.A.	Repsol YPF, S.A.	Production and sale of petrochemical products	F.C.	100.00	100.00	17.4	(15.2)	(3.2)	–	(1.0)
General Química, S.A.	Spain	Repsol Química, S.A.	Repsol Investigaciones Petrolíferas S.A.	Production and sale of petrochemical products	F.C.	100.00	100.00	3.0	8.3	(6.0)	–	5.2
Cogeneración Gequisa, S.A.	Spain	General Química, S.A.		Production of electric energy and steam	E.M.	39.00	39.00	1.8	4.3	0.2	–	2.4
Dynasol Elastómeros, S.A.	Spain	Repsol Química, S.A.		Production and marketing of chemical products	P.C.	50.01	50.01	16.8	3.1	6.4	–	13.2
Dynasol Elastómeros, S.A. de C.V.	Mexico	Repsol Química, S.A.		Production and marketing of chemical products	E.M.	49.99	49.99	39.1	28.3	6.5	–	36.9
Dynasol Gestión, S.A.	Spain	Repsol Química, S.A.		Production of chemical products	E.M.	50.00	50.00	0.1	1.0	0.1	–	0.6
Dynasol LLC	USA	Repsol Química, S.A.		Marketing of petrochemical products	E.M.	50.00	50.00	–	–	–	–	–
Repsol Polimeros L.D.A.	Portugal	Repsol Química, S.A.	Repsol Lusitania, S.L.	Production and sale of petrochemical products	F.C.	100.00	100.00	303.3	(32.4)	(21.4)	–	249.5
Repsol ETBE, S.A.	Portugal	Repsol Polímeros Lda.			F.C.	100.00	100.00	0.1	0.9	1.1	–	2.1
Repsol Electricidade e Calor, ACE	Portugal	Repsol Polimeros Lda.		Electricity production	F.C.	100.00	100.00	0.0	(0.0)	–	–	0.0
Repsol Chemie Deutchland GmbH	Germany	Repsol Química, S.A.		Marketing of chemical products	F.C.	100.00	100.00	0.1	0.6	0.7	–	1.4
Repsol Lusitania, S.L.	**Spain**	**Repsol YPF, S.A.**	**Repsol Química, S.A.**	**Holding company**	**F.C.**	**100.00**	**100.00**	**–**	**(3.0)**	**(0.5)**	**–**	**(3.5)**
Repsol Italy, SpA	**Italy**	**Repsol YPF, S.A.**		**Marketing of petroleum-derived products**	**F.C.**	**100.00**	**100.00**	**2.4**	**48.5**	**4.9**	**–**	**55.7**
Gas Natural SDG, S.A.	**Spain**	**Repsol YPF, S.A.**	**Repsol Petróleo, S.A./ Repsol Exploración, S.A.**	**Gas distribution**	**P.C.**	**30.13**	**30.13**	**921.8**	**9,585.8**	**1,201.3**	**(324.5)**	**3,430.0**
Gas Natural Aprovisionamientos SDG, S.A. (2)	Spain	Gas Natural SDG, S.A.		Gas supply	P.C.	30.13	100.00	1.0	19.0	48.0	–	20.5
Sagane, S.A. (2)	Spain	Gas Natural SDG, S.A.		Gas supply	P.C.	30.13	100.00	95.0	24.0	(40.0)	–	23.8
Europe Maghreb Pipeline, Ltd. (2)	UK	Sagane, S.A.		Gas transportation	P.C.	21.87	72.60	–	144.0	158.0	(43.0)	56.7
Metragaz, S.A. (2)	Morocco	Sagane, S.A.		Gas transportation	P.C.	21.78	72.30	3.0	1.0	1.0	–	1.1
BIS Suministro de Gas Sur, S.L. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Marketing of gas and electricity	P.C.	30.13	100.00	–	–	–	–	–
BIS Sumistro de Gas, S.L. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Marketing of gas and electricity	P.C.	30.13	100.00	–	–	–	–	–
Gas Natural Comercial SDG, S.L. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Marketing of gas and electricity	P.C.	30.13	100.00	4.0	6.0	14.0	–	7.2
Gas Natural Comercializadora, S.A. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Marketing of gas and electricity	P.C.	30.13	100.00	2.0	31.0	57.0	–	27.1
Oficina de cambios de suministrador, S.A.	Spain	Gas Natural Comercializadora, S.A.	Gas Natural Distribución, SDG, S.A.	Services	E.M.	8.74	29.00	–	–	–	–	–
Gas Natural S.U.R. SDG, S.A. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Marketing of gas and electricity	P.C.	30.13	100.00	2.0	5.0	1.0	–	2.4
Gas Natural Servicios SDG, S.A. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Marketing of gas and electricity	P.C.	30.13	100.00	2.0	17.0	(28.0)	–	(2.7)
Bluemobility System, S.L.	Spain	Gas Natural Servicios, SDG, S.A.		Services	E.M.	6.03	20.00	–	1.0	–	–	0.1
Unión Fenosa Comercial, S.L. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Marketing of gas and electricity	P.C.	30.13	100.00	10.0	101.0	190.0	(150.0)	45.5
Unión Fenosa Distribución, S.A.(2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Electricity distribution	P.C.	30.13	100.00	833.0	1,814.0	305.0	(351.0)	783.7
Distribuidora Eléctrica Navasfrías, S.L. (2)	Spain	Unión Fenosa Distribución, S.A.	La Propagadora del Gas, S.A.	Electricity distribution	P.C.	30.13	100.00	3.0	1.0	1.0	–	1.5
Electra de Abusejo, S.L. (2)	Spain	Unión Fenosa Distribución, S.A.	La Propagadora del Gas, S.A.	Electricity distribution	P.C.	30.13	100.00	1.0	–	(1.0)	–	–
Electra del Jallas, S.A. (2)	Spain	Unión Fenosa Distribución, S.A.		Electricity distribution	P.C.	30.10	99.90	–	40.0	6.0	(4.0)	12.6
Arte Contemporáneo y Energía, A.I.E. (2)	Spain	Unión Fenosa Distribución, S.A.	Gas Natural SDG, S.A.	Services	P.C.	30.13	100.00	–	–	–	–	–
Barras Eléctricas Galaico Asturianas, S.A.	Spain	Unión Fenosa Distribución, S.A.		Generation of electricity	P.C.	13.53	44.90	16.0	53.0	–	–	9.3
Eléctrica Conquense, S.A.	Spain	Unión Fenosa Distribución, S.A.		Generation of electricity	P.C.	13.98	46.40	3.0	3.0	16.0	–	3.1
BIS Distribución de Gas, S.A. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Gas distribution	P.C.	30.13	100.00	–	–	–	–	–
Gas Galicia SDG, S.A. (2)	Spain	Gas Natural SDG, S.A.		Gas distribution	P.C.	18.68	62.00	33.0	10.0	6.0	–	9.2
Gas Natural Andalucía, S.A. (2)	Spain	Gas Natural SDG, S.A.		Gas distribution	P.C.	30.13	100.00	12.0	41.0	19.0	–	21.7
Gas Natural Castilla La-Mancha, S.A. (2)	Spain	Gas Natural SDG, S.A.		Gas distribution	P.C.	28.62	95.00	27.0	19.0	10.0	–	16.0
Gas Natural Castilla y León, S.A. (2)	Spain	Gas Natural SDG, S.A.		Gas distribution	P.C.	27.15	90.10	6.0	79.0	25.0	–	29.9
Gas Natural Cegas, S.A. (2)	Spain	Gas Natural SDG, S.A.		Gas distribution	P.C.	30.04	99.70	25.0	68.0	30.0	–	36.9
Gas Natural Distribución SDG, S.A. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Gas distribution	P.C.	30.13	100.00	86.0	869.0	299.0	(175.0)	325.1
Gas Natural Rioja, S.A. (2)	Spain	Gas Natural SDG, S.A.		Gas distribution	P.C.	26.36	87.50	3.0	9.0	5.0	–	4.5
Gas Natural Exploración, S.L. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Hydrocarbon exploration and production	P.C.	30.13	100.00	9.0	(5.0)	–	–	1.2
Palencia 3 Investigación Desarrollo y Explotación, S.L.	Spain	Gas Natural Exploración, S.L.		Hydrocarbon exploration and production	P.C.	11.15	37.00	–	–	–	–	–
Clover Financial and Treasury Services, Ltd. (2)	Ireland	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Finance	P.C.	30.13	100.00	–	720.0	46.0	(62.0)	212.1
Gas Natural Capital Markets, S.A. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Finance	P.C.	30.13	100.00	–	–	7.0	–	2.1
Gas Natural Finance, B.V. (2)	Holland	Gas Natural SDG, S.A.		Finance	P.C.	30.13	100.00	–	–	–	–	–
Gas Natural International, Ltd. (2)	Ireland	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Finance	P.C.	30.13	100.00	6.0	9.0	–	(7.0)	2.4
Natural RE, S.A. (2)	Luxembourg	Gas Natural International, Ltd.	Holding Gas Natural, S.A.	Insurance	P.C.	30.13	100.00	3.0	21.0	6.0	–	9.0
Unión Fenosa Acex Uk Holdings, Ltd. (2)	UK	Gas Natural SDG, S.A.		Finance	P.C.	30.13	100.00	19.0	(19.0)	–	–	–
Unión Fenosa Finance B.V. (2)	The Netherlands	Gas Natural SDG, S.A.		Finance	P.C.	30.13	100.00	–	–	–	–	–
Unión Fenosa Financiación S.A. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Finance	P.C.	30.13	100.00	1.0	3.0	(2.0)	–	0.6
Unión Fenosa Financial Services USA, Llc. (2)	USA	Gas Natural SDG, S.A.		Finance	P.C.	30.13	100.00	–	–	–	–	–
Unión Fenosa Preferentes, S.A. (2)	Spain	Gas Natural SDG, S.A.		Finance	P.C.	30.13	100.00	–	731.0	15.0	(11.0)	221.4
Gas Natural Electricidad SDG, S.A. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Generation of electricity	P.C.	30.13	100.00	4.0	(1.0)	16.0	–	5.7
Dawn Energy – Produção de Energia, Unipessoal Lda. (2)	Portugal	Gas Natural Electricidad, SDG, S.A.		Generation of electricity	P.C.	30.13	100.00	–	–	–	–	–
Energy Way Produçao de Energía Lda (2)	Portugal	Gas Natural Electricidad, SDG, S.A.		Generation of electricity	P.C.	30.13	100.00	–	–	–	–	–
Buenergía Gas & Power, Ltd. (2)	Cayman Islands	Gas Natural Electricidad, SDG, S.A.		Holding company	P.C.	28.62	95.00	–	(35.0)	32.0	–	(0.9)

Name	Country	Parent Company	Other Owner Companies (1)	Activity	Consolidation Method (4)	% Total Ownership: % of Direct Ownership	% Total Ownership: % of Control Investment (5)	Amount in Millions of Euros: Capital	Reserves	2010 Income	Dividends	Ownership Possessed (5)
EcoEléctrica Holding, Ltd.	Cayman Islands	Buenergía Gas & Power Ltd.		Holding company	P.C.	14.31	47.50	63.0	20.0	–	–	11.9
EcoEléctrica, L.P.	Puerto Rico	EcoEléctrica Holding, Ltd.	Ecoeléctrica Ltd.	Generation of electricity	P.C.	14.31	47.50	1.0	–	–	–	0.1
EcoEléctrica Limited	Cayman Islands	EcoEléctrica Holding, Ltd.		Holding company	P.C.	14.31	47.50	63.0	19.0	69.0	(12.0)	19.9
La Energía, S.A. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Holding company	P.C.	30.13	100.00	11.0	3.0	9.0	–	6.9
UTE La Energía Gas Natural Electricidad (2)	Spain	La Energía, S.A.		Generation of electricity	P.C.	30.13	100.00	3.0	–	1.0	–	1.2
Lantarón Energía, S.L. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Generation of electricity	P.C.	30.13	100.00	–	–	–	–	–
M&D Generación 1, S.L.U. (2)	Spain	Gas Natural SDG, S.A.		Generation of electricity	P.C.	30.13	100.00	–	–	–	–	–
Hispanogalaica de Extracciones, S.L. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Mining company	P.C.	30.13	100.00	–	–	–	–	–
Unión Fenosa Minería, S.A. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Mining company	P.C.	30.13	100.00	11.0	175.0	2.0	–	56.6
Lignitos de Meirama, S.A. (2)	Spain	Unión Fenosa Minería, S.A.	La Propagadora del Gas, S.A.	Mining company	P.C.	30.13	100.00	23.0	15.0	2.0	–	12.1
Pizarras Mahide, S.L. (2)	Spain	Lignitos de Meirama, S.A.	La Propagadora del Gas, S.A.	Mining company	P.C.	30.13	100.00	1.0	–	–	–	0.3
Unión Fenosa Minería B.V. (2)	The Netherlands	Unión Fenosa Minería,S.A.		Holding company	P.C.	30.13	100.00	–	143.0	6.0	(6.0)	43.1
Unión Fenosa South Africa Coal (Proprietary), Ltd. (2)	South Africa	Unión Fenosa Minería B.V.		Holding company	P.C.	30.13	100.00	–	52.0	15.0	(6.0)	18.4
Kangra Coal (Proprietary), Ltd. (2)	South Africa	Unión Fenosa South Africa Coal (PTY), Ltd.		Mining company	P.C.	21.09	70.00	–	68.0	43.0	–	23.4
Gas Natural Transporte SDG, S.L. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Gas distribution	P.C.	30.13	100.00	15.0	46.0	10.0	–	21.4
Gas Navarra, S.A. (2)	Spain	Gas Natural SDG, S.A.		Gas distribution	P.C.	27.12	90.00	4.0	27.0	9.0	–	10.8
Petroleum Oil & Gas España, S.A. (2)	Spain	Gas Natural SDG, S.A.	Gas Natural Aprovisionamientos SDG, S.A.	Exploration and Production of hydrocarbons	P.C.	30.13	100.00	4.0	46.0	(3.0)	–	14.2
Compañía Española de Industrias Electroquímicas, S.A. (2)	Spain	Gas Natural SDG, S.A.		Services	P.C.	29.68	98.50	3.0	8.0	–	–	3.3
Cedifil Cored Wire, S.L. (2)	Spain	Compañía Española de Industrias Electroquímicas, S.A.	La Propagadora del Gas, S.A.	Services	P.C.	29.68	98.50	4.0	–	1.0	–	1.5
General de Edificios y Solares, S.L. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Services	P.C.	30.13	100.00	34.0	54.0	3.0	–	27.4
Gas Natural Informática, S.A. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Professional services	P.C.	30.13	100.00	20.0	(1.0)	8.0	–	8.1
M&D Energy Market, S.L.U. (2)	Spain	Gas Natural SDG, S.A.		Professional services	P.C.	30.13	100.00	–	–	–	–	–
Operación y Mantenimiento Energy, S.A. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Professional services	P.C.	30.13	100.00	–	7.0	1.0	–	2.4
Operación y Mantenimiento Energy Costa Rica, S.A. (2)	Costa Rica	Operación y Mantenimiento Energy, S.A.		Professional services	P.C.	30.13	100.00	–	–	–	–	–
Operación y Mantenimiento Energy Madagascar, S.A.R.L.U. (2)	Madagascar	Operación y Mantenimiento Energy, S.A.		Professional services	P.C.	30.13	100.00	–	–	–	–	–
United Saudi Spanish Power and Gas Services, LLC (2)	Saudi Arabia	Operación y Mantenimiento Energy, S.A.	Socoin Ingeniería y Construcción Industrial, S.L.U.	Professional services	P.C.	30.13	100.00	–	–	–	–	–
Socoin Ingeniería y Construcción Industrial, S.L.U. (2)	Spain	Gas Natural SDG, S.A.		Professional services	P.C.	30.13	100.00	1.0	39.0	4.0	–	13.3
Socoin, S.A.(Guatemala) (2)	Guatemala	Socoin Ingeniería y Construcción Industrial, S.L.U.	Unión Fenosa Redes de Telecomunicación, Guatemala, S.A.	Professional services	P.C.	30.13	100.00	–	–	–	–	–
Socoin Colombia, S.A.U. (2)	Colombia	Socoin Ingeniería y Construcción Industrial, S.L.U.		Professional services	P.C.	30.13	100.00	–	–	–	–	–
Socoin México, S.A. de C.V. (2)	Mexico	Socoin Ingeniería y Construcción Industrial, S.L.U.	La Propagadora del Gas, S.A.	Professional services	P.C.	30.13	100.00	8.0	(2.0)	(4.0)	–	0.6
Socoin, S.A. (Panamá) (2)	Panamá	Socoin Ingeniería y Construcción Industrial, S.L.U.		Professional services	P.C.	30.13	100.00	–	1.0	–	–	0.3
Socoinve, C.A. (2)	Venezuela	Socoin Ingeniería y Construcción Industrial, S.L.U.		Professional services	P.C.	30.13	100.00	–	–	–	–	–
Soluziona Technical Services, Llc. (2)	Egypt	Socoin Ingeniería y Construcción Industrial, S.L.U.	Operación y Mantenimiento Energy, S.A.	Professional services	P.C.	30.13	100.00	–	–	–	–	–
Soluziona, S.A. (Bolivia) (2)	Bolivia	Socoin Ingeniería y Construcción Industrial, S.L.U.	Gas Natural SDG, S.A.	Professional services	P.C.	30.13	100.00	–	–	–	–	–
Ghesa Ingeniería y Tecnología, S.A.	Spain	Socoin Ingeniería y Construcción Industrial, S.L.U.		Professional services	P.C.	12.41	41.20	4.0	16.0	5.0	–	3.1
Compañía Auxiliar de Industrias Varias, S.A. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Holding company	P.C.	30.13	100.00	–	–	–	–	–
Gas Natural Fenosa Renovables, S.L.U. (2)	Spain	Gas Natural SDG, S.A.		Generation of electricity	P.C.	30.13	100.00	90.0	327.0	11.0	–	129.0
Aplicaciones y Proyectos energéticos, S.A. (2)	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	30.13	100.00	–	–	–	–	–
Boreas Eólica 2, S.A. (2)	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	27.00	89.60	3.0	5.0	2.0	–	2.7
Corporación Eólica de Zaragoza, S.L. (2)	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	20.49	68.00	3.0	1.0	1.0	–	1.0
Eólicos Singulares 2005, S.A.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	14.76	49.00	–	–	–	–	–
Fenosa Renovables, S.L.U. (2)	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	30.13	100.00	–	–	–	–	–
Fenosa Wind, S.L. (2)	Spain	Fenosa Renovables, S.L.		Generation of electricity	P.C.	30.13	100.00	–	–	–	–	–
Gas Natural Energy Canarias, S.L. (2)	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	30.13	100.00	–	–	–	–	–
Gas Natural Wind 2, S.L. (2)	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	30.13	100.00	–	–	–	–	–
Gas Natural Wind 3, S.L. (2)	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	30.13	100.00	–	–	–	–	–
Gas Natural Wind 4, S.L. (2)	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	30.13	100.00	–	–	–	–	–
Gas Natural Wind 6, S.L. (2)	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	18.08	60.00	–	–	–	–	–
Gas Natural Wind Canarias, S.L. (2)	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	30.13	100.00	–	–	–	–	–
Generación Peninsular, S.L. (2)	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	30.13	100.00	4.0	34.0	11.0	–	14.8
Sociedad Gallega do Medio Ambiente, S.A.	Spain	Generación Peninsular, S.L.		Residue management	E.M.	14.76	49.00	32.0	11.0	(4.0)	–	5.8
Molinos de Valdebezana, S.A. (2)	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	30.13	100.00	–	–	–	–	–
Sociedad de Tratamiento Hornillos, S.L. (2)	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	28.44	94.40	1.0	2.0	1.0	–	1.1
Sociedad de Tratamiento La Andaya, S.L. (2)	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	18.08	60.00	1.0	3.0	1.0	–	0.9
Tratamiento Integral de Almazán, S.L. (2)	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	27.12	90.00	3.0	2.0	2.0	–	1.9
Tratamiento Cinca Medio, S.L. (2)	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	24.10	80.00	2.0	1.0	–	–	0.7
Alas Capital & Gas Natural, S.A.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	12.05	40.00	–	–	–	–	–
Desarrollo de Energías Renovables de la Rioja, S.A.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	10.94	36.30	17.0	3.0	6.0	–	2.8
Desarrollo de Energías Renovables de Navarra, S.A.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	15.06	50.00	10.0	29.0	14.0	–	8.0
Energía Termosolar de los Monegros, S.L.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	13.56	45.00	1.0	–	–	–	0.1
Energías Eólicas de Fuerteventura, S.L.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	15.06	50.00	–	–	–	–	–
Energías Eólicas de Lanzarote, S.L.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	15.06	50.00	–	–	–	–	–
Eólica Tramuntana 12, S.L.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	18.08	60.00	–	–	–	–	–
Eólica Tramuntana 13, S.L.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	18.08	60.00	–	–	–	–	–
Eólica Tramuntana 14, S.L.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	18.08	60.00	–	–	–	–	–
Eólica Tramuntana 15, S.L.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	18.08	60.00	–	–	–	–	–
Eólica Tramuntana 16, S.L.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	18.08	60.00	–	–	–	–	–
Eólica Tramuntana 21, S.L.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	18.08	60.00	–	–	–	–	–
Eólica Tramuntana 22, S.L.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	18.08	60.00	–	–	–	–	–
Eólica Tramuntana 23, S.L.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	18.08	60.00	–	–	–	–	–
Eólica Tramuntana 24, S.L.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	18.08	60.00	–	–	–	–	–

Name	Country	Parent Company	Other Owner Companies (1)	Activity	Consolidation Method (4)	% Total Ownership: % of Direct Ownership	% Total Ownership: % of Control Investment (5)	Amount in Millions of Euros: Capital	Reserves	2010 Income	Dividends	Ownership Possessed (5)
Eólica Tramuntana 71, S.L.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	18.08	60.00	–	–	–	–	–
Eólica Tramuntana 72, S.L.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	18.08	60.00	–	–	–	–	–
Eólica Tramuntana 73, S.L.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	18.08	60.00	–	–	–	–	–
Eólica Tramuntana, S.L.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	18.08	60.00	–	–	–	–	–
Explotaciones Eólicas Sierra de Utrera, S.L.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	15,06	50.00	3.0	6.0	3.0	–	1.8
Los Castrios, S.A.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	9.97	33.10	2.0	1.0	1.0	–	0.4
Molinos de la Rioja, S.A.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	10,03	33.30	3.0	2.0	3.0	–	0.8
Molinos de Linares, S.A.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	7.53	25.00	–	–	–	–	–
Molinos del Cidacos, S.A.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	15.06	50.00	10.0	8.0	10.0	–	4.2
Montouto 2000, S.A.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	14.76	49.00	6.0	4.0	2.0	–	1.8
O Novo Aquilón, S.L.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	18.08	60.00	–	–	–	–	–
Parques Eólicos 2008–2012, S.L.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	P.C.	16.27	54.00	–	–	–	–	–
Enervent, S.A.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	E.M.	7.83	26.00	2.0	6.0	1.0	(1.0)	0.6
Sistemas Energéticos La Muela, S.A.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	E.M.	6.03	20.00	3.0	4.0	1.0	–	0.5
Sistemas Energéticos Mas Garullo, S.A.	Spain	Gas Natural Fenosa Renovables, S.L.U.		Generation of electricity	E.M.	5.42	18.00	2.0	2.0	1.0	–	0.3
Gas Natural Internacional SDG, S.A. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Holding company	P.C.	30.13	100.00	350.0	149.0	186.0	(100.0)	176.3
Gas Natural Distribuzione SpA (2)	Italy	Gas Natural Internacional, SDG, S.A.		Gas distribution	P.C.	30.13	100.00	33.0	158.0	22.0	–	64.2
Albidona Distribuzione Gas, S.R.L.	Italy	Gas Natural Distribuzione Italy, S.p.A.		Gas distribution	P.C.	18.08	60.00	–	–	–	–	–
Cilento Reti Gas, S.R.L.	Italy	Gas Natural Distribuzione Italy, S.p.A.		Gas distribution	P.C.	18.08	60.00	4.0	–	–	–	0.7
Cetraro Distribuzione Gas, S.R.L. (2)	Italy	Gas Natural Distribuzione Italy, S.p.A.		Gas marketing	P.C.	18.08	60.00	–	–	–	–	–
Controladora del Golfo, S.A. de C.V. (2)	Mexico	Gas Natural Internacional, SDG, S.A.	Unión Fenosa México, S.A. de C.V.	Generation of electricity	P.C.	30.13	100.00	32.0	(81.0)	(4.0)	–	(16.0)
Gas Natural Europe, S.A.S. (2)	France	Gas Natural Internacional, SDG, S.A.		Gas marketing	P.C.	30.13	100.00	–	3.0	(5.0)	–	(0.6)
Gas Natural Vendita Italy, SpA (2)	Italy	Gas Natural Internacional, SDG, S.A.		Gas marketing	P.C.	30.13	100.00	2.0	7.0	3.0	–	3.6
Natural Energy, S.A. (2)	Argentina	Gas Natural Internacional, SDG, S.A.	La Propagadora del Gas, S.A.	Gas marketing	P.C.	30.13	100.00	–	–	2.0	–	0.6
Ceg Río, S.A. (2)	Brazil	Gas Natural Internacional, SDG, S.A.	Gas Natural SDG, S.A.	Gas distribution	P.C.	17.96	59.60	41.0	73.0	35.0	(37.0)	20.1
Companhia Distribuidora de Gás do Río de Janeiro, S.A. (2)	Brazil	Gas Natural Internacional, SDG, S.A.	Gas Natural SDG, S.A.	Gas distribution	P.C.	16.33	54.20	212.0	223.0	103.0	(86.0)	73.8
Gas Natural, S.A. ESP (2)	Colombia	Gas Natural Internacional, SDG, S.A.		Gas distribution	P.C.	17.81	59.10	11.0	64.0	96.0	–	30.4
Gas Natural Servicios Colombia Ltda. (2)	Colombia	Gas Natural, S.A. ESP	Gas Natural Cundiboyacense, S.A. ESP	Services	P.C.	30.13	100.00	–	2.0	(2.0)	–	–
Gas Natural Cundiboyacense, S.A. ESP (2)	Colombia	Gas Natural, S.A. ESP		Gas distribution	P.C.	13.80	45.80	1.0	12.0	7.0	–	2.8
Gas Natural del Oriente, S.A., ESP (2)	Colombia	Gas Natural, S.A. ESP		Gas distribution	P.C.	9.70	32.20	9.0	30.0	12.0	(9.0)	4.1
Gas Natural del Cesar, S.A., ESP (2)	Colombia	Gas Natural, S.A. ESP	Gas Natural del Oriente, S.A. ESP	Gas distribution	P.C.	19.95	66.20	3.0	5.0	2.0	–	2.0
Gas Natural Serviços, S.A. (2)	Brazil	Gas Natural Internacional, SDG, S.A.	Gas Natural do Brasil, S.A.	Services	P.C.	30.13	100.00	2.0	4.0	(1.0)	–	1.5
Gas Natural Rigassificazione Italy, SpA (2)	Italy	Gas Natural Internacional, SDG, S.A.		Gas regasification	P.C.	30.13	100.00	11.0	–	(1.0)	–	3.0
Administración y Servicios ECAP, S.A. de C.V. (2)	Mexico	Gas Natural Internacional, SDG, S.A.	Unión Fenosa México, S.A. de C.V.	Services	P.C.	30.13	100.00	–	–	–	–	–
Gas Natural Servicios Integrales, S.A.S. (2)	Colombia	Gas Natural Internacional, SDG, S.A.		Services	P.C.	30.13	100.00	–	–	–	–	–
Natural Servicios, S.A.(2)	Argentina	Gas Natural Internacional, SDG, S.A.	La Propagadora del Gas, S.A.	Services	P.C.	30.13	100.00	2.0	(1.0)	–	–	0.3
Serviconfort Colombia, S.A. (2)	Colombia	Gas Natural Internacional, SDG, S.A.	La Propagadora del Gas, S.A.	Services	P.C.	30.13	100.00	–	–	–	–	–
Sistemas de Administración y Servicios, S.A. de C.V. (2)	Mexico	Gas Natural Internacional, SDG, S.A.	Gas Natural SDG, S.A.	Services	P.C.	26.21	87.00	–	–	–	–	–
Gas Natural Argentina SDG, S.A. (2)	Argentina	Gas Natural Internacional, SDG, S.A.		Holding company	P.C.	30.13	100.00	105.0	(24.0)	1.0	–	24.7
Gas Natural do Brasil, S.A. (2)	Brazil	Gas Natural Internacional, SDG, S.A.	Gas Natural Serviços, S.A.	Holding company	P.C.	30.13	100.00	3.0	(3.0)	–	–	–
Gas Natural Italy SpA (2)	Italy	Gas Natural Internacional, SDG, S.A.		Holding company	P.C.	30.13	100.00	–	–	–	–	–
Gas Natural Puerto Rico, Inc (2)	Puerto Rico	Gas Natural Internacional, SDG, S.A.		Holding company	P.C.	30.13	100.00	1.0	(1.0)	–	–	–
Invergás, S.A. (2)	Argentina	Gas Natural Internacional, SDG, S.A.		Holding company	P.C.	30.13	100.00	49.0	59.0	2.0	–	33.1
Gas Natural BAN, S.A. (2)	Argentina	Invergás, S.A.	Gas Natural Argentina SDG, S.A.	Gas distribution	P.C.	21.09	70.00	215.0	(130.0)	11.0	(13.0)	17.5
Holding Gas Natural, S.A. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Holding company	P.C.	30.13	100.00	–	–	–	–	–
La Propagadora del Gas, S.A. (2)	Spain	Gas Natural SDG, S.A.	Holding Gas Natural, S.A.	Holding company	P.C.	30.13	100.00	–	2.0	–	–	0.6
Unión Fenosa Internacional, S.A. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Holding company	P.C.	30.13	100.00	174.0	212.0	118.0	–	151.9
Comercializadora Guatemalteca Mayorista de Electricidad, S.A. (2)	Guatemala	Unión Fenosa Internacional, S.A.		Electricity marketing	P.C.	30.13	100.00	–	1.0	1.0	–	0.6
Distribuidora de Electricidad de Occidente, S.A. (2)	Guatemala	Unión Fenosa Internacional, S.A.		Electricity distribution	P.C.	27.36	90.80	8.0	–	12.0	–	5.5
Electrificadora del Caribe S.A., ESP (2)	Colombia	Unión Fenosa Internacional, S.A.	Aplicaciones y Desarrollos Profesionales Nuevo Milenio, S.L.	Electricity distribution	P.C.	25.73	85.40	964.0	(195.0)	39.0	–	207.9
Energía Empresarial de la Costa, S.A., ESP (2)	Colombia	Electrificadora del Caribe, S.A.		Electricity marketing	P.C.	24.49	81.30	–	3.0	2.0	–	1.2
Energía Social de la Costa S.A., ESP (2)	Colombia	Electrificadora del Caribe, S.A.		Electricity marketing	P.C.	24.49	81.30	2.0	(2.0)	(7.0)	–	(1.7)
Electricaribe Mipymes de Energía, S.A., ESP (2)	Colombia	Electrificadora del Caribe, S.A.		Electricity distribution	P.C.	24.49	81.30	2.0	(1.0)	(9.0)	–	(2.0)
Unión Fenosa Generadora La Joya, S.A. (2)	Costa Rica	Unión Fenosa Internacional, S.A.		Generation of electricity	P.C.	19.58	65.00	25.0	(3.0)	5.0	–	5.3
Unión Fenosa Generadora Torito, S.A. (2)	Costa Rica	Unión Fenosa Internacional, S.A.		Generation of electricity	P.C.	19.58	65.00	–	4.0	–	–	0.8
Almar Ccs, S.A. (2)	Costa Rica	Unión Fenosa Internacional, S.A.		Services	P.C.	30.13	100.00	–	–	–	–	–
Unión Fenosa Generación México, S.A. de C.V. (2)	Mexico	Unión Fenosa Internacional, S.A.	La Propagadora del Gas, S.A.	Services	P.C.	30.13	100.00	–	–	–	–	–
Aplicaciones y Desarrollos Profesionales Nuevo Milenio, S.L. (2)	Spain	Unión Fenosa Internacional, S.A.	La Propagadora del Gas, S.A.	Holding company	P.C.	30.13	100.00	32.0	1.0	–	–	9.9
Caribe Capital B.V. (2)	The Netherlands	Unión Fenosa Internacional, S.A.		Holding company	P.C.	30.13	100.00	–	262.0	14.0	(22.0)	76.5
Generadora Palamara La Vega,S.A. (2)	Dominicana Republic	Caribe Capital, B.V.	Unión Fenosa Internacional, S.A.	Generation of electricity	P.C.	30.13	100.00	4.0	66.0	14.0	–	25.3
Inversiones Hermill, S.A. (2)	Dominicana Republic	Generadora Palamara La Vega, S.A.	Unión Fenosa Internacional, S.A.	Services	P.C.	30.13	100.00	1.0	–	–	–	0.3
Distribuidora Eléctrica de Caribe, S.A. (Panamá) (2)	Panama	Unión Fenosa Internacional, S.A.		Holding company	P.C.	30.13	100.00	110.0	(28.0)	15.0	(13.0)	25.3
Empresa Distribuidora de Electricidad Chiriqui, S.A. (2)	Panama	Distribuidora Eléctrica del Caribe, S.A.		Electricity distribution	P.C.	15.37	51.00	18.0	(3.0)	9.0	–	3.7
Empresa Distribuidora de Electricidad Metro Oeste, S.A. (2)	Panama	Distribuidora Eléctrica del Caribe, S.A.		Electricity distribution	P.C.	15.37	51.00	71.0	(6.0)	23.0	–	13.5
Energía y Servicios de Panamá, S.A. (2)	Panama	Distribuidora Eléctrica del Caribe, S.A.		Electricity distribution	P.C.	15.37	51.00	9.0	1.0	5.0	–	2.3
Unión Fenosa Generación Panamá, S.A. (2)	Panama	Distribuidora Eléctrica del Caribe, S.A.		Generation of electricity	P.C.	30.13	100.00	–	–	–	–	–
First Independent Power (Kenya), Ltd. (2)	Kenya	Unión Fenosa Internacional, S.A.		Holding company	P.C.	27.00	89.60	–	10.0	–	–	2.7
Iberáfrica Power Ltd. (2)	Kenya	First Independent Power Kenya, Ltd.		Generation of electricity	P.C.	21.60	71.70	16.0	1.0	1.0	–	3.9
Unión Fenosa México, B.V. (2)	The Netherlands	Unión Fenosa Internacional, S.A.		Holding company	P.C.	30.13	100.00	128.0	155.0	–	(1.0)	85.0
Gas Natural México, S.A. de C.V. (2)	Mexico	Unión Fenosa México B.V.	La Propagadora del Gas, S.A.	Gas distribution	P.C.	26.15	86.80	471.0	(151.0)	34.0	–	92.6
Gas Natural Servicios, S.A. de C.V. (2)	Mexico	Gas Natural México S.A. de C.V.	Gas Natural Interrnacional, SDG, S.A.	Services	P.C.	26.15	86.80	6.0	2.0	1.0	–	2.4

Name	Country	Parent Company	Other Owner Companies (1)	Activity	Consolidation Method (4)	% Total Ownership: % of Direct Ownership	% Total Ownership: % of Control Investment (5)	Amount in Millions of Euros: Capital	Reserves	2010 Income	Dividends	Ownership Possessed (5)
Gas Natural Vehicular del Norte Asociación en Participación	Mexico	Gas Natural Servicios, S.A. de C.V.		Gas distribution	P.C.	13.35	44.30	1.0	–	–	–	0.1
Comercializadora Metrogas, S.A. de C.V. (2)	Mexico	Gas Natural México, S.A. de C.V.	Sistemas de Administración y Servicios, S.A. de C.V.	Gas distribution	P.C.	26.15	86.80	128.0	(65.0)	10.0	–	19.1
Administración de Servicios de Energía México, S.A. de C.V. (2)	Mexico	Comercializadora Metrogas, S.A. de C.V.	Gas Natural México, S.A. de C.V.	Services	P.C.	26.15	86.80	–	–	–	–	–
Energía y Confort Administración de Personal, S.A. de C.V. (2)	Mexico	Gas Natural México, S.A. de C.V.	Gas Natural Internacional SDG, S.A.	Services	P.C.	26.21	87.00	–	1.0	–	–	0.3
CH_4 Energía S.A. de C.V.	Mexico	Gas Natural México, S.A. de C.V.		Marketing and transportation of gas	P.C.	13.08	43.40	1.0	4.0	3.0	(20.0)	(1.6)
Transnatural S.R.L. de C.V.	Mexico	Gas Natural México, S.A. de C.V.		Marketing and transportation of gas	P.C.	13.08	43.40	10.0	(31.0)	(5.0)	–	(3.4)
Zemer Energia, S.A. de C.V. (2)	Mexico	Unión Fenosa México, B.V.		Generation of electricity	P.C.	15.06	50.00	–	(1.0)	–	–	(0.2)
Unión Fenosa Operación México S.A. de C.V. (2)	Mexico	Unión Fenosa México, B.V.	La Propagadora del Gas, S.A.	Professional services	P.C.	30.13	100.00	–	1.0	–	–	0.3
Unión Fenosa México, S.A. de C.V. (2)	Mexico	Unión Fenosa México, B.V.	La Propagadora del Gas, S.A.	Holding company	P.C.	30.13	100.00	321.0	(188.0)	(3.0)	–	39.2
Fuerza y Energía BII Hioxo, S.A. de C.V. (2)	Mexico	Unión Fenosa México, S.A. de C.V.	La Propagadora del Gas, S.A.	Generation of electricity	P.C.	30.13	100.00	38.0	(11.0)	–	–	8.1
Fuerza y Energía de Hermosillo, S.A. de C.V. (2)	Mexico	Unión Fenosa México, S.A. de C.V.	Unión Fenosa Internacional, S.A.	Generation of electricity	P.C.	30.13	100.00	49.0	(1.0)	6.0	–	16.3
Fuerza y Energía de Naco Nogales, S.A. de C.V. (2)	Mexico	Unión Fenosa México, S.A. de C.V.	Unión Fenosa Internacional, S.A.	Generation of electricity	P.C.	30.13	100.00	131.0	(43.0)	11.0	–	29.8
Fuerza y Energía de Norte Durango, S.A. de C.V. (2)	Mexico	Unión Fenosa México, S.A. de C.V.	La Propagadora del Gas, S.A.	Generation of electricity	P.C.	30.13	100.00	54.0	(9.0)	(2.0)	–	13.0
Fuerza y Energía de Tuxpan, S.A. de C.V. (2)	Mexico	Unión Fenosa México, S.A. de C.V.	Unión Fenosa Internacional, S.A.	Generation of electricity	P.C.	30.13	100.00	156.0	(3.0)	33.0	–	56.0
Distribuidora de Electricidad de Oriente, S.A. (2)	Guatemala	Unión Fenosa Internacional, S.A.		Disribution of electricity	P.C.	27.96	92.80	14.0	(3.0)	7.0	–	5.0
Distribuidora de Electricidad del Norte, S.A. (2)	Nicaragua	Unión Fenosa Internacional, S.A.	La Propagadora del Gas, S.A.	Disribution of electricity	P.C.	26.60	88.30	74.0	(42.0)	3.0	–	9.3
Distribuidora de Electricidad del Sur, S.A. (2)	Nicaragua	Unión Fenosa Internacional, S.A.	La Propagadora del Gas, S.A.	Disribution of electricity	P.C.	27.03	89.70	60.0	(54.0)	–	–	1.6
Generación Limpia Guatemala, S.A. (2)	Guatemala	Unión Fenosa Internacional, S.A.		Disribution of electricity	P.C.	30.13	100.00	6.0	–	–	–	1.8
Red Unión Fenosa, S.A. (2)	Moldova	Unión Fenosa Internacional, S.A.		Disribution of electricity	P.C.	28.29	93.90	7.0	118.0	21.0	–	41.3
Redes Eléctricas de Centroamérica, S.A. (2)	Guatemala	Unión Fenosa Internacional, S.A.		Disribution of electricity	P.C.	30.13	100.00	2.0	1.0	–	–	0.9
Unión Fenosa International B.V. (2)	The Netherlands	Gas Natural SDG, S.A.		Holding company	P.C.	30.13	100.00	–	17.0	–	–	5.1
Unión Fenosa Chile Limitada (2)	Chile	Unión Fenosa International B.V.	La Propagadora del Gas, S.A.	Holding company	P.C.	30.13	100.00	4.0	–	–	–	1.2
Unión Fenosa Renovables Limitada (Chile) (2)	Chile	Unión Fenosa Chile Limitada	La Propagadora del Gas, S.A.	Holding company	P.C.	30.13	100.00	4.0	–	–	–	1.2
Unión Fenosa Energías Renovables Chile, S.A. (2)	Chile	Unión Fenosa Renovables Limitada (Chile)		Generation of electricity	P.C.	24.10	80.00	1.0	1.0	(1.0)	–	0.2
Unión Fenosa Wind Australia Pty, Ltd. (2)	Australia	Unión Fenosa International B.V.		Holding company	P.C.	27.54	91.40	11.0	2.0	–	–	3.6
Berrybank development Pty, Ltd. (2)	Australia	Unión Fenosa Wind Australia Pty, Ltd.		Energy	P.C.	27.54	91.40	–	–	–	–	–
Crookwell development Pty, Ltd. (2)	Australia	Unión Fenosa Wind Australia Pty, Ltd.		Energy	P.C.	27.54	91.40	3.0	1.0	–	–	1.1
Hawkesdale development Pty, Ltd. (2)	Australia	Unión Fenosa Wind Australia Pty, Ltd.		Energy	P.C.	27.54	91.40	1.0	–	–	–	0.3
Ryan Corner development Pty, Ltd. (2)	Australia	Unión Fenosa Wind Australia Pty, Ltd.		Energy	P.C.	27.54	91.40	2.0	1.0	–	–	0.8
Gas Natural Fenosa Telecomunicaciones, S.A. (2)	Spain	Gas Natural SDG, S.A.	La Propagadora del Gas, S.A.	Telecommunications	P.C.	30.13	100.00	21.0	26.0	22.0	–	20.8
Unión Fenosa Redes de Telecomunicación, S.A. (Colombia) (2)	Colombia	Gas Natural Fenosa Telecomunicaciones, S.A.	Electrificadora del Caribe, S.A.	Telecommunications	P.C.	26.45	87.80	1.0	2.0	1.0	–	1.1
Unión Fenosa Redes de Telecomunicación, S.A. (Guatemala) (2)	Guatemala	Gas Natural Fenosa Telecomunicaciones, S.A.		Telecommunications	P.C.	30.13	100.00	–	4.0	2.0	–	1.8
Unión Fenosa Redes de Telecomunicación, S.A. (Nicaragua) (2)	Nicaragua	Gas Natural Fenosa Telecomunicaciones, S.A.		Telecommunications	P.C.	30.13	100.00	–	1.0	1.0	–	0.6
Unión Fenosa Redes de Telecomunicación, S.A. (Panamá) (2)	Panama	Gas Natural Fenosa Telecomunicaciones, S.A.	Empresa Distribuidora Electricidad Metro Oeste, S.A.	Telecommunications	P.C.	27.18	90.20	2.0	3.0	3.0	–	2.2
Alliance, S.A.	Nicaragua	Gas Natural Fenosa Telecomunicaciones, S.A.		Telecommunications	P.C.	15.03	49.90	–	–	–	–	–
Central Térmica La Torrecilla, S.A.	Spain	Gas Natural SDG, S.A.		Cogeneration	P.C.	15.06	50.00	1.0	–	(1.0)	–	–
Unión Fenosa Gas, S.A.	Spain	Gas Natural SDG, S.A.		Gas	P.C.	15.06	50.00	33.0	464.0	210.0	(171.0)	80.7
Gas Directo, S.A.	Spain	Unión Fenosa Gas, S.A.		Gas	P.C.	9.04	30.00	7.0	3.0	(2.0)	–	0.7
Gasifica, S.A.	Spain	Unión Fenosa Gas, S.A.	Gas Natural SDG, S.A.	Gas	P.C.	13.56	45.00	2.0	8.0	2.0	–	1.6
Infraestructura de Gas, S.A.	Spain	Unión Fenosa Gas, S.A.		Gas	P.C.	12.80	42.50	–	–	19.0	(11.0)	1.0
Planta de Regasificación de Sagunto, S.A.	Spain	Infraestructuras de Gas, S.A.		Gas	P.C.	7.53	25.00	2.0	5.0	18.0	(12.0)	1.0
Nueva Electricidad del Gas, S.A.U.	Spain	Unión Fenosa Gas, S.A.		Gas	P.C.	15.06	50.00	9.0	(3.0)	(2.0)	–	0.6
Spanish Egiptian Gas Company, S.A.E.	Egypt	Unión Fenosa Gas, S.A.	Unión Fenosa Internacional, S.A.	Gas	P.C.	12.05	40.00	336.0	4.0	28.0	–	44.3
Segas Services, S.A.E.	Egypt	Spanish Egiptian Gas Company SAE	Operación y Mantenimiento Energy S.A.	Gas	P.C.	11.96	39.70	1.0	–	–	–	0.1
Unión Fenosa Gas Exploración y Producción, S.A.	Spain	Unión Fenosa Gas, S.A.		Gas	P.C.	15.06	50.00	–	–	(1.0)	–	(0.2)
Unión Fenosa Gas Comercializadora, S.A.	Spain	Unión Fenosa Gas, S.A.		Gas	P.C.	15.06	50.00	2.0	1.0	36.0	(23.0)	2.4
Unión Fenosa Gas Infraestructures, B.V.	Holland	Unión Fenosa Gas, S.A.		Gas	P.C.	15.06	50.00	–	5.0	–	–	0.8
Palawan Sulu Sea Gas, Inc.	The Philippines	Unión Fenosa Gas Infraestructures B.V.		Gas	P.C.	15.06	50.00	–	5.0	–	–	0.8
Regasificadora del Noroeste,S.A.	Spain	Unión Fenosa Gas, S.A.		Gas	E.M.	3.16	10.50	48.0	(1.0)	3.0	–	1.6
Barras Eléctricas Generación, S.L.	Spain	Gas Natural SDG, S.A.		Generation of electricity	P.C.	13.53	44.90	1.0	2.0	–	–	0.4
Centrales Nucleares Almaraz–Trillo, A.I.E.	Spain	Gas Natural SDG, S.A.		Generation of electricity	P.C.	5.81	19.30	–	–	–	–	–
Enel Unión Fenosa Renovables, S.A.	Spain	Gas Natural SDG, S.A.		Generation of electricity	P.C.	15.06	50.00	33.0	127.0	22.0	–	27.4
Eufer Energías Especiais de Portugal, Unipessoal Lda	Portugal	Enel Unión Fenosa Renovables S.A.		Generation of electricity	P.C.	15.06	50.00	–	–	–	–	–
Eufer Renovables Ibéricas 2004, S.A.	Spain	Enel Unión Fenosa Renovables S.A.		Generation of electricity	P.C.	15.06	50.00	16.0	2.0	1.0	–	2.9
Parque Eólico Cabo Vilano, S.L.	Spain	Enel Unión Fenosa Renovables S.A.		Generation of electricity	P.C.	15.06	50.00	7.0	1.0	(14.0)	–	(0.9)
Parque Eólico de Capelada, A.I.E.	Spain	Enel Unión Fenosa Renovables S.A.		Generation of electricity	P.C.	7.53	25.00	6.0	1.0	1.0	–	0.6
Parque Eólico de Corullón, S.L.	Spain	Enel Unión Fenosa Renovables S.A.		Generation of electricity	P.C.	15.06	50.00	–	–	–	–	–
Parque Eólico de San Andrés, S.A.	Spain	Enel Unión Fenosa Renovables S.A.		Generation of electricity	P.C.	12.35	41.00	1.0	–	3.0	–	0.5
Parque Eólico Malpica, S.A.	Spain	Enel Unión Fenosa Renovables S.A.		Generation of electricity	P.C.	5.33	17.70	1.0	–	–	–	0.1
Parque Eólico Montes de las Navas, S.A.	Spain	Enel Unión Fenosa Renovables S.A.		Generation of electricity	P.C.	3.01	10.00	7.0	2.0	3.0	–	0.4
Parque Eólico Sierra del Merengue, S.L.	Spain	Enel Unión Fenosa Renovables S.A.		Generation of electricity	P.C.	7.53	25.00	–	–	–	–	–
Prius Enerólica, S.L.	Spain	Enel Unión Fenosa Renovables S.A.		Generation of electricity	P.C.	15.06	50.00	–	–	–	–	–
Promociones Energéticas del Bierzo, S.L.	Spain	Enel Unión Fenosa Renovables S.A.		Generation of electricity	P.C.	15.06	50.00	–	–	(1.0)	–	(0.2)
Proyectos Universitarios Energías Renovables, S.L.	Spain	Enel Unión Fenosa Renovables S.A.		Generation of electricity	P.C.	5.03	16.70	–	–	–	–	–
Punta de las Olas Eólica Marina, S.L.	Spain	Enel Unión Fenosa Renovables S.A.		Generation of electricity	P.C.	15.06	50.00	–	–	–	–	–
Punta de Lens Eólica Marina, S.L.	Spain	Enel Unión Fenosa Renovables S.A.		Generation of electricity	P.C.	15.06	50.00	–	–	–	–	–
Sistemas Energéticos Mañón Ortigueira, S.A.	Spain	Enel Unión Fenosa Renovables S.A.		Generation of electricity	P.C.	14.46	48.00	2.0	2.0	–	–	0.6
Ufefys, S.L.	Spain	Enel Unión Fenosa Renovables S.A.		Generation of electricity	P.C.	6.03	20.00	–	–	1.0	–	0.1
Vientos del Noroeste, S.A.	Spain	Enel Unión Fenosa Renovables S.A.		Generation of electricity	P.C.	15.03	49.90	5.0	–	(3.0)	–	0.3
Enerlasa, S.A.	Spain	Enel Unión Fenosa Renovables S.A.		Energy	E.M.	6.78	22.50	1.0	(1.0)	1.0	–	0.1
Energías de Villarubia, S.L.	Spain	Enel Unión Fenosa Renovables S.A.		Energy	E.M.	3.01	10.00	–	1.0	4.0	–	0.2

Name	Country	Parent Company	Other Owner Companies (1)	Activity	Consolidation Method (4)	% Total Ownership: % of Direct Ownership	% Total Ownership: % of Control Investment (5)	Amount in Millions of Euros: Capital	Reserves	2010 Income	Dividends	Ownership Possessed (5)
Sotavento Galicia, S.A.	Spain	Enel Unión Fenosa Renovables, S.A.		Energy	E.M.	2.71	9.00	1.0	4.0	(1.0)	–	0.1
Tirmadrid, S.A.	Spain	Enel Unión Fenosa Renovables, S.A.		Energy	E.M.	2.71	9.00	17.0	4.0	7.0	–	0.8
Qalhat LNG S.A.O.C.	Oman	Enel Unión Fenosa Renovables, S.A.		Gas	E.M.	1.11	3.70	55.0	18.0	7.0	–	0.9
Aprovechamientos Eléctricos, S.A.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	15.06	50.00	–	–	–	–	–
Áridos Energías Especiales, S.L.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	6.18	20.50	1.0	–	2.0	(2.0)	0.1
Azucarera Energías, S.A.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	6.03	20.00	1.0	2.0	(1.0)	–	0.1
Barbao S.A.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	15.06	50.00	–	1.0	–	–	0.2
Parque Eólico Belmonte, S.A.	Spain	Barbao, S.A.		Generation of electricity	P.C.	7.56	25.10	–	–	–	–	–
Boiro Energía, S.A.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	6.03	20.00	1.0	4.0	2.0	–	0.4
Cogeneración del Noroeste, S.L.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	6.03	20.00	5.0	1.0	5.0	–	0.7
Depuración, destilación y reciclaje, S.L.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	6.03	20.00	1.0	1.0	1.0	(1.0)	0.1
Energías Ambientales, S.A.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	5.03	16.70	15.0	4.0	–	–	1.0
Energías Ambientales de Novo, S.A.	Spain	Energías Ambientales, S.A.		Generation of electricity	P.C.	5.03	16.70	1.0	1.0	–	–	0.1
Energías Ambientales de Somozas, S.A.	Spain	Energías Ambientales, S.A.	Enel Unión Fenosa Renovables S.A.	Generation of electricity	P.C.	6.81	22.60	1.0	2.0	1.0	–	0.3
Energías Ambientales de Vimianzo, S.A.	Spain	Energías Ambientales, S.A.		Generation of electricity	P.C.	5.03	16.70	5.0	2.0	2.0	–	0.5
Sociedat Eólica de l´Enderrocada, S.A.	Spain	Energías Ambientales, S.A.		Generation of electricity	P.C.	4.01	13.30	6.0	1.0	1.0	–	0.3
Energías Especiales Alcoholeras, S.A.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	12.41	41.20	–	(2.0)	2.0	–	–
Energías Especiales Alto Ulla, S.A.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	15.06	50.00	10.0	–	(11.0)	–	(0.2)
Energías Especiales Andalucía, S.L.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	12.80	42.50	1.0	–	–	–	0.1
Andaluza de Energía Solar Cuarta, S.L.	Spain	Energías Especiales Andalucía, S.L.		Generation of electricity	P.C.	9.16	30.40	–	–	–	–	–
Andaluza de Energía Solar Primera, S.L.	Spain	Energías Especiales Andalucía, S.L.		Generation of electricity	P.C.	9.16	30.40	–	–	–	–	–
Andaluza de Energía Solar Quinta, S.L.	Spain	Energías Especiales Andalucía, S.L.		Generation of electricity	P.C.	9.04	30.00	–	–	–	–	–
Andaluza de Energía Solar Tercera, S.L.	Spain	Energías Especiales Andalucía, S.L.		Generation of electricity	P.C.	9.04	30.00	–	–	–	–	–
Energías Especiales de Careón, S.A.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	11.60	38.50	–	–	1.0	–	0.1
Energías Especiales de Extremadura, S.L.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	11.81	39.20	–	–	–	–	–
Energías Especiales de Gata, S.L.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	15.06	50.00	–	–	–	–	–
Energías Especiales de Padul, S.L.U.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	15.06	50.00	–	–	–	–	–
Energías Especiales del Bierzo, S.A.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	7.53	25.00	2.0	1.0	2.0	–	0.4
Energías Especiales Espina, S.L.U.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	15.06	50.00	2.0	–	–	–	0.3
Energías Especiales Montes Castellanos, S.L.U.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	15.06	50.00	7.0	–	(2.0)	–	0.8
Energías Especiales Montes de Andalucía, S.L.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	15.06	50.00	–	–	–	–	–
Energías Especiales Noroeste, S.A.U.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	15.06	50.00	7.0	2.0	4.0	–	2.0
Energías Especiales Peña Armada, S.A.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	12.05	40.00	1.0	–	1.0	–	0.2
Energías Especiales Santa Bárbara, S.L.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	15.06	50.00	–	–	–	–	–
Energías Especiales Valencianas, S.L.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	15.06	50.00	–	–	–	–	–
Energías Renovables Montes de San Sebastián, S.L.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	15.06	50.00	3.0	–	–	–	0.5
Eólica del Cordal de Montouto, S.L.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	15.06	50.00	1.0	–	–	–	0.2
Eólica Galaico Asturiana, S.A.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	15.06	50.00	–	–	–	–	–
Eufer Operación, S.L.	Spain	Enel Unión Fenosa Renovables, S.A.		Generation of electricity	P.C.	15.06	50.00	–	–	–	–	–
Nueva Generadora del Sur, S.A.	Spain	Gas Natural SDG, S.A.		Generation of electricity	P.C.	15.06	50.00	96.0	54.0	(7.0)	–	21.5
Biogás Doña Juana, S.A. ESP	Colombia	Gas Natural SDG, S.A.		Treatment and exploitation of biogas	P.C.	15.00	49.80	2.0	1.0	–	–	0.5
Kromschroeder, S.A.	Spain	Gas Natural SDG, S.A.		Metering	E.M.	12.80	42.50	1.0	10.0	(1.0)	–	1.3
Ensafeca Holding Empresarial, S.L.	Spain	Gas Natural SDG, S.A.		Holding	E.M.	5.57	18.50	8.0	2.0	(2.0)	–	0.4
Torre Marenostrum, S.L.	Spain	Gas Natural SDG, S.A.		Real estate agency	E.M.	13.56	45.00	5.0	13.0	–	–	2.4
Gas Natural de Sao Paulo Sul, S.A. (2)	Brazil	Gas Natural SDG, S.A.	Gas Natural Serviços, S.A.	Gas distribution	P.C.	30.13	100.00	370.0	(98.0)	36.0	(1.0)	92.5
Toledo PV, A.E.I.E.	Spain	Gas Natural SDG, S.A.		Generation of electricity	P.C.	10.03	33.30	–	–	–	–	–
YPF, S.A.	**Argentina**	**Repsol YPF, S.A.**	**Repsol YPF Capital/CAVEANT**	**Exploration and Production of hydrocarbons**	**F.C.**	**79.81**	**79.81**	**4,072.2**	**(248.9)**	**1,005.0**	**–**	**3,853.5**
YPF International, S.A.	Bolivia	YPF, S.A.	Repsol YPF Bolivia/Repsol YPF E&P Bolivia	Holding company	F.C.	79.81	100.00	124.7	(77.1)	2.5	–	40.0
YPF Ecuador Inc.	Cayman Islands	YPF International, S.A.		Exploration and Production of hydrocarbons	F.C.	79.81	100.00	0.8	(0.8)	–	–	–
YPF Guyana, Ltd.	Cayman Islands	YPF International, S.A.		Exploration and Production of hydrocarbons	F.C.	79.81	100.00	1.2	(1.0)	(1.5)	–	(1.0)
YPF Holdings Inc.	USA	YPF, S.A.		Holding company	F.C.	79.81	100.00	621.5	(368.9)	–	–	201.6
CLH Holdings	USA	YPF Holdings Inc.		Finance	F.C.	79.81	100.00	194.7	(211.1)	–	–	(13.1)
Tierra Solutions Inc.	USA	CLH Holdings		Other activities	F.C.	79.81	100.00	195.4	(200.3)	(13.6)	–	(14.7)
Maxus Energy Corporation	USA	YPF Holdings Inc.		Exploration and Production of hydrocarbons	F.C.	79.81	100.00	464.4	(473.3)	(37.3)	–	(36.9)
Maxus US Exploration Co.	USA	Maxus Energy Corporation		Exploration and Production of hydrocarbons	F.C.	79.81	100.00	1.4	(185.1)	(32.9)	–	(172.9)
Maxus International Energy Co.	USA	Maxus Energy Corporation		Other activities	F.C.	79.81	100.00	24.3	(29.4)	–	–	(4.1)
Gateway Coal Company	USA	Maxus Energy Corporation		Other activities	F.C.	79.81	100.00	(8.5)	(39.5)	5.9	–	(33.6)
Compañía Mega	Argentina	YPF, S.A.		Gas fractionation company	P.C.	30.33	38.00	151.8	(6.5)	54.8	–	60.7
Operadora de Estaciones de Servicio, S.A. OPESSA	Argentina	YPF, S.A.	Repsol YPF Gas, S.A.	Hydrocarbon marketing	F.C.	79.69	99.85	7.5	18.9	23.3	–	39.6
YPF Inversora Energética, S.A.	Argentina	YPF, S.A.	Astra Evangelista, S.A.	Holding company	F.C.	79.81	100.00	0.3	(0.2)	(0.0)	–	0.0
Gas Argentino, S.A. (GASA)	Argentina	YPF Inversora Energética, S.A.		Holding company	E.M.	36.18	45.33	62.4	(120.9)	(8.3)	–	–
Metrogas, S.A.	Argentina	Gas Argentino, S.A. (GASA)		Gas distribution	E.M.	25.32	70.00	114.3	(71.1)	(8.2)	–	8.9
Oiltanking Ebytem, S.A.	Argentina	YPF, S.A.		Storage and transportation of hydrocarbons	E.M.	23.94	30.00	8.9	6.2	10.8	–	6.2
A&C Pipeline Holding	Cayman Islands	YPF, S.A.		Finance	E.M.	28.73	36.00	–	–	–	–	–
Oleoducto Transandino Argentino, S.A. (3)	Argentina	A&C Pipeline Holding		Gas pipe construction and exploitation	E.M.	28.73	100.00	–	–	–	–	–
Oleoducto Trasandino Chile, S.A. (3)	Chile	A&C Pipeline Holding		Gas pipe construction and exploitation	E.M.	28.73	100.00	–	–	–	–	–
Oleoducto Transandino Argentina Accs preferidas	Argentina	YPF, S.A.		Gas pipe construction and exploitation	E.M.	28.73	36.00	34.2	(25.3)	(1.5)	–	2.1
Oleoducto Transandino Chile Acciones preferidas	Chile	YPF, S.A.	Repsol Butano Chile	Gas pipe construction and exploitation	E.M.	28.73	36.00	0.0	14.0	1.0	–	4.3
Gasoducto del Pacifico Caiman	Cayman Islands	YPF, S.A.		Finance	E.M.	7.98	10.00	–	–	–	–	–
Gasoducto del Pacifico Chile (Ordinarias)	Chile	Gasoducto del Pacifico Caiman		Gas pipe construction and exploitation	E.M.	6.98	87.50	–	–	–	–	–
Gasoducto del Pacífico Argentina, S.A.(Ordinarias)	Argentina	Gasoducto del Pacifico Caiman		Gas pipe construction and exploitation	E.M.	6.98	87.50	–	–	–	–	–

Name	Country	Parent Company	Other Owner Companies (1)	Activity	Consolidation Method (4)	% Total Ownership: % of Direct Ownership	% Total Ownership: % of Control Investment (5)	Amount in Millions of Euros: Capital	Reserves	2010 Income	Dividends	Ownership Possessed (5)
Gasoducto del Pacífico Argentina, S.A. (Preferidas)	Argentina	Gasoducto del Pacífico (Cayman) S.A.	YPF, S.A.	Gas pipe construction and exploitation	E.M.	7.98	10.00	31.3	(17.9)	(7.9)	–	0.4
Profertil, S.A.	Argentina	YPF, S.A.		Production and sale of gas products	P.C.	39.90	50.00	266.4	(100.4)	76.2	–	96.6
Refinerías del Norte, S.A. (REFINOR)	Argentina	YPF, S.A.		Comercial company and refinery of petroleum-derived products	P.C.	39.90	50.00	75.5	8.2	32.7	–	46.4
Terminales Marítimas Patagónicas, S.A.	Argentina	YPF, S.A.		Logistics of petroleum-derived products	E.M.	26.46	33.15	10.9	15.9	3.6	–	8.1
Oleoductos del Valle, S.A. (OLDELVAL)	Argentina	YPF, S.A.		Logistics of petroleum-derived products	E.M.	29.53	37.00	83.6	(44.0)	(7.8)	–	9.4
Poligas Luján, S.A.	Argentina	YPF, S.A.		Packaging, transport and marketing of LPG	F.C.	40.30	50.49	–	–	–	–	–
Astra Evangelista, S.A.	Argentina	YPF, S.A.	OPESSA	Engineering and construction	F.C.	79.81	100.00	1.6	22.4	1.6	–	20.5
AESA Construcciones y Servicios	Brazil	Astra Evangelista, S.A.	YPF, S.A.	Engineering and construction	F.C.	79.81	100.00	1.2	(1.1)	(0.0)	–	0.1
A– Evangelista, S.A. Sucursal	Uruguay	Astra Evangelista, S.A.		Engineering and construction	F.C.	79.81	100.00	0.0	7.6	10.5	–	14.5
AESA Perú S.A.C	Peru	Astra Evangelista, S.A.	OPESSA	Construction and petroleum-related services	F.C.	79.81	100.00	0.2	(0.1)	1.1	–	1.0
Gasoducto Oriental, S.A.	Argentina	Astra Evangelista, S.A.		Distribution of natural gas	E.M.	13.30	16.66	–	–	–	–	–
Inversora Dock Sud, S.A.	Argentina	YPF, S.A.		Holding company	E.M.	34.21	42.86	71.4	(98.1)	7.8	–	(6.5)
Central Dock Sud, S.A.	Argentina	Inversora Dock Sud, S.A.	YPF, S.A.	Generation and marketing of electric energy	E.M.	31.86	79.83	119.4	(171.4)	6.9	–	(14.4)
Pluspetrol Energy, S.A.	Argentina	YPF, S.A.		Exploration and Production of hydrocarbons	P.C.	35.91	45.00	18.2	49.0	29.1	–	34.5
YPF Brasil Comercio de Derivados de Petróleo, Ltda	Argentina	YPF, S.A.		Marketing of petrol-derived products	F.C.	79.81	100.00	23.7	(0.1)	(2.8)	–	16.6
YPF Services USA Corp.	USA	YPF, S.A.		Engineering and Construction	F.C.	79.81	100.00	0.0	(0.0)	0.1	–	0.1
YPF Servicios Petroleros S.A.	USA	YPF, S.A.	YPF Services USA Corp.	Engineering and Construction	F.C.	79.81	100.00	0.0	(0.1)	1.2	–	0.9
Repsol YPF Chile, S.A.	**Chile**	**Repsol YPF, S.A.**	**OPESSA**	**Management of YPF's investments in Chile**	**F.C.**	**100.00**	**100.00**	**0.0**	**17.5**	**(2.0)**	**–**	**15.4**
Repsol YPF Bolivia, S.A.	**Bolivia**	**Repsol YPF, S.A.**	**R. Explorac./Rex. Perú/Rex. Colombia**	**Holding company**	**F.C.**	**100.00**	**100.00**	**752.0**	**(258.3)**	**48.7**	**–**	**542.4**
YPFB Andina, S.A. (Empresa Petrolera Andina, S.A.)	Bolivia	Repsol YPF Bolivia, S.A.		Exploration and Production of hydrocarbons	P.C.	48.92	48.92	132.3	356.4	48.5	–	262.8
Transierra S.A.	Bolivia	YPFB Andina, S.A. (Empresa Petrolera Andina, S.A.)		Transport of hydrocarbons	E.M.	21.77	44.50	59.9	39.6	9.2	–	23.6
Maxus Bolivia Inc.	Bolivia	Repsol YPF Bolivia, S.A.		Exploration and Production of hydrocarbons	F.C.	100.00	100.00	99.5	77.5	(0.3)	–	176.7
Repsol YPF E&P de Bolivia, S.A.	Bolivia	Maxus Bolivia Inc.	R. YPF Bolivia, S.A./ Rex. Perú, S.A. / Rex. Colombia, S.A.	Exploration and Production of hydrocarbons	F.C.	100.00	100.00	113.7	128.3	3.7	–	245.7
AESA Construcciones y Servicios Bolivia	Bolivia	Repsol YPF Bolivia, S.A.	R. YPF E&P de Bolivia, S.A. / Astra Evangelista	Transport of hydrocarbons	F.C.	98.00	98.00	0.0	1.6	(0.2)	–	1.4
Repsol Brasil, S.A. (6)	**Brazil**	**Repsol YPF, S.A.**		**Exploiter and marketer of hydrocarbons**	**P.C.**	**60.00**	**60.00**	**6,742.0**	**(463.2)**	**(54.3)**	**–**	**3,734.7**
Repsol Brasil, B.V.	Holland	Repsol Brasil, S.A.		Holding company	P.C.	60.00	100.00	1.4	30.2	0.2	–	19.1
Guará, B.V.	Holland	Repsol Brasil, B.V.		Construction for offshore production of natural gas and crude oil	E.M.	15.00	25.00	0.0	119.5	(2.8)	–	17.5
Repsol Nuevas Energías, S.A.	Spain	Repsol YPF, S.A.		Production, distribution and sales of all biofuels and other related activities	F.C.	100.00	100.00	0.5	–	(1.2)	–	(0.7)
Orisol, Corporación Energética, S.A.	Spain	Repsol Nuevas Energías, S.A.		Development, construction and exploitation of renewable energy plants	P.C.	46.81	46.81	1.9	7.4	(1.4)	–	3.7
Algaenergy, S.A.	Spain	Repsol Nuevas Energías, S.A.		Experimental research and development of biotechnologies	P.C.	20.00	20.00	0.1	2.9	(1.0)	–	0.4

(1) Other companies pertaining to the Group and possessing ownership of share capital which is inferior to that of the parent company.

(2) The data corresponding to these companies are incorporated by full consolidation in the parent. The parent consolidates proportionally in the Repsol YPF Group.

(3) The data corresponding to these companies are incorporated by full consolidation in the parent. The parent integrates by the equity method in the Repsol YPF Group.

(4) Consolidation method.

F.C.: Full Consolidation

P.C.: Proportionate Consolidaton

E.M.:Equity Method

(5) Percentage corresponding to the Parent Company's ownership of the subsidiary.

(6) This company changed its name in February 2011 to Repsol Sinopec Brasil, S.A.

Note: The equity belonging to companies whose functional currency is not the euro have been converted to the exchange rate at closure date.

Appendix I b Changes in the scope of consolidation for the year ended december 31, 2010

					12.31.10			01.01.10		
						% of Total Ownership			% of Total Ownership	
Name	Country	Parent Company	Concept	Date	Consolidation Method (2)	% of Direct Ownership	% of Control (3)	Consolidation Method (2)	% of Direct Ownership	% of Control (3)
Compañía Logística de Hidrocarburos CLH, S.A.	Spain	Repsol YPF.S.A/Petróleos del Norte, S.A.	Reduction of ownership percentage	mar-10	E.M.	10.00	10.00	E.M.	14.25	15.00
Akakus Oil Operations AG	Libya	Repsol Exploración Murzuq, S.A.	Reduction to scope due to merger with Akakus Oil Operation B.V.	feb-10	–	–	–	E.M.	100.00	100.00
Akakus Oil Operation B.V.	Holland	Repsol Exploración Murzuq, S.A.	Addition to scope due to incorporation	feb-10	E.M.	49.00	49.00	–	–	–
YPF Servicios Petroleros S.A.	Argentina	YPF, S.A.	Addition to scope due to incorporation	jun-10	F.C.	79.81	100.00	–	–	–
Via Red Servicios Logísticos, S.L.	Spain	Repsol Butano, S.A.	Increase of ownership percentage	jun-10	F.C.	100.00	100.00	F.C.	99.49	99.49
Repsol Occidental Corporation	Colombia	Repsol International Finance, B.V.	Disposal	dec-10	–	–	–	P.I.	25.00	25.00
Oxy Colombia Holdings Inc	Colombia	Repsol International Finance, B.V.	Acquisition	dec-10	P.I.	25.00	25.00	–	–	–
Repsol Exploración Seram B.V.	Holland	Repsol Exploración, S.A.	Addition to scope due to incorporation	sep-10	F.C.	100.00	100.00	–	–	–
Repsol Exploración East Bula B.V.	Holland	Repsol Exploración, S.A.	Addition to scope due to incorporation	sep-10	F.C.	100.00	100.00	–	–	–
Repsol Exploración Cendrawasih II B.V.	Holland	Repsol Exploración, S.A.	Addition to scope due to incorporation	sep-10	F.C.	100.00	100.00	–	–	–
Repsol Exploracion Cendrawasih III B.V.	Holland	Repsol Exploración, S.A.	Addition to scope due to incorporation	sep-10	F.C.	100.00	100.00	–	–	–
Repsol Exploracion Cendrawasih IV B.V.	Holland	Repsol Exploración, S.A.	Addition to scope due to incorporation	sep-10	F.C.	100.00	100.00	–	–	–
Repsol ETBE, S.A.	Portugal	Repsol Polímeros, LDA	Acquisition	sep-10	F.C.	100.00	100.00	–	–	–
Repsol Electricidade E Calor, Ace	Portugal	R.Polímeros/R.ETBE	Increase of ownership percentage	sep-10	F.C.	100.00	100.00	E.M.	66.67	66.67
Repsol Louisiana Corporation	USA	Repsol USA Holdings Corp.	Addition to scope due to incorporation	oct-10	F.C.	100.00	100.00	–	–	–
Repsol Brasil. B.V.	Holland	Repsol Brasil, S.A.	Addition to scope due to incorporation	jun-10	P.I.	60.00	100.00	–	–	–
Repsol Biocarburantes Tarragona, S.A.	Spain	Repsol YPF, S.A.	Change of parent company due to sale of R.Petróleo to Repsol YPF, S.A.	jul-10	F.C.	100.00	100.00	F.C.	99.97	100.00
Repsol Nuevas Energías. S.A.	Spain	Repsol YPF. S.A.	Name change from Repsol Biocarburantes Tarragona to Repsol Nuevas Energías, S.A.	jul-10	F.C.	100.00	100.00	F.C.	99.97	100.00
Orisol, Corporación Energética, S.A.	Spain	Repsol Nuevas Energías, S.A.	Acquisition	nov-10	P.I.	46.81	46.81	–	–	–
Algaenergy, S.A.	Spain	Repsol Nuevas Energías, S.A.	Acquisition	nov-10	P.I.	20.00	20.00	–	–	–
Bahía Bizkaia Gas, S.L.	Spain	Repsol YPF, S.A.	Disposal	nov-10	–	–	–	P.I.	25.00	25.00
YPF, S.A.	Argentina	Repsol YPF, S.A.	Reduction of ownership percentage	sep-10 to dec-10	F.C.	79.81	79.81	F.C.	84.04	84.04
Adicor, S.A.	Uruguay	A-Evangelista, S.A.	Withdrawal from scope due to liquidation	oct-10	–	–	–	F.C.	84.04	100.00
Guará B.V.	Holland	Repsol Brasil B.V.	Addition to scope due to incorporation	dec-10	E.M.	15.00	25.00	–	–	–
Alberto Pasqualini Refap S.A.	Brazil	Repsol YPF Perú B.V.	Disposal	dec-10	–	–	–	P.I.	30.00	30.00
Repsol Brasil, S.A. (4)	Brazil	Repsol YPF, S.A.	Reduction of ownership percentage	dec-10	P.I.	60.00	60.00	F.C.	100.00	100.00
Gas Natural Servicios Integrales S.A.S. (1)	Colombia	Gas Natural Internacional, SDG, S.A.	Addition to scope due to incorporation	mar-10	P.I.	30.13	100.00	–	–	–
Electrificadora del Caribe, S.A E.S.P. (1)	Colombia	Unión Fenosa Internacional, S.A.	Increase of ownership percentage	mar-10	P.I.	25.73	85.40	P.I.	24.40	81.32
Madrileña Red de Gas, S.A. (1)	Spain	Gas Natural SDG, S.A.	Disposal	apr-10	–	–	–	P.I.	30.01	100.00
Madrileña Suministro Gas SUR, 2010, S.L. (1)	Spain	Gas Natural SDG, S.A.	Disposal	apr-10	–	–	–	P.I.	30.01	100.00
Madrileña Suministro Gas 2010, S.L. (1)	Spain	Gas Natural SDG, S.A.	Disposal	apr-10	–	–	–	P.I.	30.01	100.00
Madrileña Servicios Comunes, S.L. (1)	Spain	Gas Natural SDG, S.A.	Disposal	apr-10	–	–	–	P.I.	30.01	100.00
Central Anahuac, S.A. de C.V. (1)	Mexico	Gas Natural Internacional, SDG, S.A.	Disposal	may-10	–	–	–	P.I.	30.01	100.00
Central Lomas del Real, S.A. de C.V. (1)	Mexico	Gas Natural Internacional, SDG, S.A.	Disposal	may-10	–	–	–	P.I.	30.01	100.00
Central Vallehermoso, S.A. de C.V. (1)	Mexico	Gas Natural Internacional, SDG, S.A.	Disposal	may-10	–	–	–	P.I.	30.01	100.00
Central Saltillo, S.A. de C.V. (1)	Mexico	Gas Natural Internacional, SDG, S.A.	Disposal	may-10	–	–	–	P.I.	30.01	100.00
Electricidad Águila de Altamira, S.A. de C.V. (1)	Mexico	Gas Natural Internacional, SDG, S.A.	Disposal	may-10	–	–	–	P.I.	30.01	100.00
Gasoducto del Río, S.A. de C.V. (1)	Mexico	Gas Natural Internacional, SDG, S.A.	Disposal	may-10	–	–	–	P.I.	30.01	100.00
Compañía Méxicana de Gerencia y Operación, S.A. de C.V. (1)	Mexico	Gas Natural Internacional, SDG, S.A.	Disposal	may-10	–	–	–	P.I.	30.01	100.00
Gas Aragón, S.A.	Spain	Gas Natural SDG, S.A.	Disposal	dec-10	–	–	–	E.M.	10.50	35.00
Palencia 3, Investigación, Desarrollo y Explotación, S.L.	Spain	Gas Natural Exploración, S.L.	Addition to scope due to incorporation	jun-10	P.I.	11.15	37.00	–	–	–
Hispano Galaica de Extracciones, S.L. (1)	Spain	Gas Natural SDG, S.A.	Addition to scope due to incorporation	jun-10	P.I.	30.13	100.00	–	–	–
Energía Termosolar de los Monegros, S.L.	Spain	Enel Unión Fenosa Renovables S.A.	Increase of ownership percentage	jul-10	P.I.	13.56	45.00	P.I.	12.00	40.00
Hotel de Naturaleza Tambre, S.A. (1)	Spain	General de Edificios y Solares, S.L.	Withdrawal from scope due to liquidation	jul-10	–	–	–	P.I.	30.01	100.00
M&D Generación 1, S.L.U. (1)	Spain	Gas Natural SDG, S.A.	Addition to scope due to incorporation	jul-10	P.I.	30.13	100.00	–	–	–
M&D Energy Market, S.L.U. (1)	Spain	Gas Natural SDG, S.A.	Addition to scope due to incorporation	jul-10	P.I.	30.13	100.00	–	–	–
Promociones Energéticas del Bierzo, S.L.	Spain	Enel Unión Fenosa Renovables S.A.	Increase of ownership percentage	jul-10	P.I.	15.06	50.00	P.I.	7.53	25.00
Gas Natural del Cesar, S.A E.S.P. (Gasnacer) (1)	Colombia	Gas Natural del Oriente, S.A. ESP/GN S.A. ESP	Addition to scope due to incorporation	sep-10	P.I.	18.68	62.00	–	–	–
Cilento Reti Gas SRL	Italy	Gas Natural Distribuzione S.P.A.	Addition to scope due to incorporation	oct-10	P.I.	18.08	60.00	–	–	–
Limeisa International Coal B.V. (1)	The Netherlands	Gas Natural SDG, S.A.	Withdrawal from scope due to liquidation	oct-10	–	–	–	P.I.	30.01	100.00
Portal del Instalador, S.A. (1)	Spain	Gas Natural Informática S.A.	Withdrawal from scope due to liquidation	nov-10	–	–	–	P.I.	25.51	85.00
Bis Distribución Gas, S.A. (1)	Spain	Gas Natural SDG, S.A.	Addition to scope due to incorporation	dic-10	P.I.	30.13	100.00	–	–	–
Bis Suministro de Gas, S.L. (1)	Spain	Gas Natural SDG, S.A.	Addition to scope due to incorporation	dec-10	P.I.	30.13	100.00	–	–	–
Bis Suministro de Gas SUR, S.L. (1)	Spain	Gas Natural SDG, S.A.	Addition to scope due to incorporation	dec-10	P.I.	30.13	100.00	–	–	–
Bluemobility Systems, S.L.	Spain	Gas Natural Servicios SDG, S.A.	Addition to scope due to incorporation	dec-10	E.M.	6.03	20.00	–	–	–
Molinos de Valdebezana, S.A. (1)	Spain	Gas Natural Renovables, S.L.	Increase of ownership percentage	dec-10	P.I.	30.13	100.00	P.I.	17.92	59.70
Unión Fenosa Distribución Colombia, BV (1)	Holland	Unión Fenosa Internacional, S.A.	Withdrawal from scope due to liquidation	dec-10	–	–	–	P.I.	30.01	100.00
Electrocosta Mypymes de Energía, S.A. ESP (Colombia) (1)	Colombia	Electrificadora del Caribe, S.A., E.S.P.	Withdrawal from scope due to liquidation	dec-10	–	–	–	P.I.	24.41	81.33
UTE GNS-Dalkia Energia y Servicios	Spain	Gas Natural Servicios SDG, S.A.	Withdrawal from scope due to liquidation	dec-10	–	–	–	P.I.	15.01	50.00

(1) Data corresponding to this company has been incorporated via full consolidation into the Parent Company. The Parent Company is integrated proportionally into the Repsol YPF Group.
(2) Consolidation Method:
F.C.: Full consolidation
P.I.: Proportionate Integration
E.M.: Equity Method
(3) Percentage corresponding to the Parent Company's ownership in the subsidiairy.
(4) This company changed its name in february 2011 to Repsol Sinopec Brazil, S.A.

Appendix I b Changes in the scope of consolidation for the year ended december 31, 2009

					12.31.09			01.01.09		
						% of Total Ownership			% of Total Ownership	
Name	Country	Parent Company	Concept	Date	Consolidation Method (2)	% of Direct Ownership	% of Control (3)	Consolidation Method (2)	% of Direct Ownership	% of Control (3)
National Gaz, S.A.	Morocco	Repsol Butano, S.A.	Disposal	feb-09	–	–	–	E.M.	100.00	100.00
Repsol Canadá LNG Ltd,	Canada	Repsol International Finance, B.V.	Withdrawal from scope due to merger	oct-09	–	–	–	F.C.	100.00	100.00
Via Red Servicios Logísticos, S.L.	Spain	Repsol Butano, S.A.	Name change from "Sociedad Anónima" to "Limitada"	sep-09	E.M.	99.49	99.49	E.M.	99.49	99.49
Repsol YPF Comercial del Perú, S.A.	Peru	Repsol Butano, S.A.	Increase of ownership	jun-09	F.C.	99.85	99.85	F.C.	99.78	99.78
Air Miles España, S.A.	Spain	Repsol Comercial de Productos Petrolíferos, S.A.	Increase of ownership	feb-09	E.M.	29.00	30.00	E.M.	22.45	22.50
Servibarna, S.A.	Spain	Repsol Comercial de Productos Petrolíferos, S.A.	Acquisition	sep-09	F.C.	100.00	100.00	–	–	–
Amodaimi Oil company Ltd.	Ecuador	Repsol YPF Ecuador, S.A.	Acquisition	mar-09	F.C.	100.00	100.00	–	–	–
Repsol Exploration Norge.	Norway	Repsol Exploración, S.A.	Acquisition	sep-09	F.C.	100.00	100.00	–	–	–
Repsol E&P Canada Ltd.	Canada	Repsol Exploración, S.A.	Acquisition	nov-09	F.C.	100.00	100.00	–	–	–
Repsol Exploración Liberia, BV.	Holland	Repsol Exploración, S.A.	Acquisition	dec-09	F.C.	100.00	100.00	–	–	–
Akakus Oil Operation AG. (4)	Libya	Repsol Exploración Murzuq, S.A.	Change in consolidation method	dec-09	E.M.	100.00	100.00	F.C.	100.00	100.00
Repsol Energy Canadá Ltd.	Canada	Repsol Exploración, S.A.	Parent company change	oct-09	F.C.	100.00	100.00	F.C.	100.00	100.00
Repsol Canadá Ltd.	Canada	Repsol Exploración, S.A.	Parent company change	oct-09	F.C.	100.00	100.00	F.C.	100.00	100.00
Gas Natural SDG, S.A.	Spain	Repsol YPF, S.A.	Increase of ownership	may-09	P.I.	30.89	30.89	P.I.	30.85	30.85
Gas Natural SDG, S.A.	Spain	Repsol YPF, S.A.	Reduction of ownership	sep-09	P.I.	30.01	30.01	P.I.	30.85	30.85
ACES Hospital Trías i Pujol, A.I.E.	Spain	La Energía	Disposal	jan-09	–	–	–	P.I.	15.42	50.00
Gas Natural S.U.R. SDG, S.A. (1)	Spain	Gas Natural SDG, S.A.	Acquisition	apr-09	P.I.	30.01	100.00	–	–	–
GEM Distribución Gas 1, S.A. (1)	Spain	Gas Natural SDG, S.A.	Acquisition	apr-09	P.I.	30.01	100.00	–	–	–
Eólicos singulares 2005, S.A.	Spain	Montouto 2000, S.A.	Acquisition	apr-09	P.I.	0.15	49.00	–	–	–
UNION FENOSA (1)	Spain	Gas Natural SDG, S.A.	Acquisition	apr-09	P.I.	28.57	95.20	–	–	–
Punta de Lens Eólica Marina, S.L.	Spain	Enel Unión Fenosa Renovables S.A.	Acquisition	may-09	P.I.	15.01	50.00	–	–	–
Punta de las Olas Eólica Marina, S.L.	Spain	Enel Unión Fenosa Renovables S.A.	Acquisition	may-09	P.I.	15.01	50.00	–	–	–
Andaluza de Energía Solar Primera, S.L.	Spain	Energías Especiales Andalucía S.L.	Acquisition	may-09	P.I.	9.12	30.40	–	–	–
Andaluza de Energía Solar Tercera, S.L.	Spain	Energías Especiales Andalucía S.L.	Acquisition	may-09	P.I.	9.00	30.00	–	–	–
Andaluza de Energía Solar Cuarta, S.L.	Spain	Energías Especiales Andalucía S.L.	Acquisition	may-09	P.I.	9.12	30.40	–	–	–
Andaluza de Energía Solar Quinta, S.L.	Spain	Energías Especiales Andalucía S.L.	Acquisition	may-09	P.I.	9.00	30.00	–	–	–
Energías Especiales de Andalucía, S.L.	Spain	Enel Unión Fenosa Renovables S.A.	Reduction of ownership	may-09	P.I.	12.00	40.00	–	–	–
GN Wind 6, S.L. (1)	Spain	Gas Natural Corporación Eólica, S.L.	Reduction of ownership	may-09	P.I.	18.01	60.00	P.I.	30.01	100.00
Distribuidora de Electricidad Norte, S.A. (1)	Nicaragua	Unión Fenosa Internacional, S.A.	Acquisition	jun-09	P.I.	26.32	87.70	–	–	–
Distribuidora de Electricidad Sur, S.A. (1)	Nicaragua	Unión Fenosa Internacional, S.A.	Acquisition	jun-09	P.I.	26.71	89.00	–	–	–
Cedifil Cored Wired, S.L. (1)	Spain	Compañía Española de Industrias Electroquímicas S.A.	Acquisition	jun-09	P.I.	29.56	98.48	–	–	–
Gas Energía Suministro Sur, S.L. (1)	Spain	Gas Natural SDG, S.A.	Acquisition	jun-09	–	–	–	–	–	–
Gas Energía Suministro, S.L.(1)	Spain	Gas Natural SDG, S.A.	Acquisition	jun-09	–	–	–	–	–	–
Gas Energía Servicios Comunes, S.L.(1)	Spain	Gas Natural SDG, S.A.	Acquisition	jun-09	–	–	–	–	–	–
Unión Fenosa Centro de Tesorería, S.L.	Spain	Gas Natural SDG, S.A.	Disposal	jun-09	–	–	–	–	–	–
Energías Especiales de Portugal, U,Ltda.	Portugal	Enel Unión Fenosa Renovables S.A.	Acquisition	jun-09	P.I.	15.01	50,00	–	–	–
Empresa de Energía del Pacífico, S.A. (1)	Colombia	Gas Natural SDG, S.A.	Acquisition	jul-09	P.I.	19.21	64.00	–	–	–
Compañía de Electricidad de Tulua, S.A.(1)	Colombia	Gas Natural SDG, S.A.	Acquisition	jul-09	–	–	–	–	–	–
Indra Sistemas, S.A.	Spain	Gas Natural SDG, S.A.	Disposal	–	–	–	–	–	–	–
GEM Suministro SUR 2, S.L. (1)	Spain	Gas Natural SDG, S.A.	Acquisition	jul-09	P.I.	30.01	100.00	–	–	–
GEM Suministro GAS 2, S.L. (1)	Spain	Gas Natural SDG, S.A.	Acquisition	jul-09	P.I.	30.01	100.00	–	–	–
GEM Servicios Comunes 2, S.L. (1)	Spain	Gas Natural SDG, S.A.	Acquisition	jul-09	P.I.	30.01	100.00	–	–	–
Kangra Coal, S.A. (1)	South Africa	Unión Fenosa South Africa Coal (PTY), LTD	Acquisition	jul-09	P.I.	21.01	70.01	–	–	–
Albidona Distribuzione Gas SRL	Italy	Gas Natural Distribuzione S.p.A.	Acquisition	jul-09	P.I.	18.01	60.00	–	–	–
Planificación e Inversión Estratégica, S.A.	Spain	Gas Natural SDG, S.A.	Disposal	jul-09	–	–	–	–	–	–
UNIÓN FENOSA (1)	Spain	Gas Natural SDG, S.A.	Increase of ownership	sep-09	P.I.	1.44	4.80	–	–	–
Energías Especiales de Padul, S.L.U.	Spain	Enel Unión Fenosa Renovables S.A.	Acquisition	sep-09	P.I.	15.01	50.00	–	–	–
Distribuidora de Electricidad del Norte, S.A. (1)	Spain	Unión Fenosa Internacional, S.A.	Acquisition	oct-09	P.I.	26.50	88.30	–	–	–
Distribuidora de Electricidad del Sur, S.A. (1)	Spain	Unión Fenosa Internacional, S.A.	Acquisition	oct-09	P.I.	26.93	89.75	–	–	–
Unión Fenosa Colombia, S.A.	Colombia	Gas Natural SDG, S.A.	Disposal	nov-09	–	–	–	–	–	–
Compañía de Electricidad de Tulua, S.A.	Colombia	Gas Natural SDG, S.A.	Disposal	dec-09	–	–	–	–	–	–
Empresa de Energía del Pacífico, S.A.	Colombia	Gas Natural SDG, S.A.	Disposal	dec-09	–	–	–	–	–	–
Gas Energía Suministro Sur, S.L.	Spain	Gas Natural SDG, S.A.	Disposal	dec-09	–	–	–	–	–	–
Gas Energía Suministro, S.L.	Spain	Gas Natural SDG, S.A.	Disposal	dec-09	–	–	–	–	–	–
Gas Energía Servicios Comunes, S.L.	Spain	Gas Natural SDG, S.A.	Disposal	dec-09	–	–	–	–	–	–
Gas Natural Cantabria, S.A.	Spain	Gas Natural SDG, S.A.	Disposal	dec-09	–	–	–	P.I.	27.13	90.41
Gas Natural Murcia, S.A.	Spain	Gas Natural SDG, S.A.	Disposal	dec-09	–	–	–	P.I.	29.98	99.90

					12.31.09			01.01.09		
						% of Total Ownership			% of Total Ownership	
Name	Country	Parent Company	Concept	Date	Consolidation Method (2)	% of Direct Ownership	% of Control (3)	Consolidation Method (2)	% of Direct Ownership	% of Control (3)
Unión Fenosa Emisiones, S.A.	Spain	Gas Natural SDG, S.A.	Disposal	dec-09	–	–	–	–	–	–
Unión Fenosa Univer, S.L.	Spain	Gas Natural SDG, S.A.	Disposal	dec-09	–	–	–	–	–	–
Gasdotti Azienda Siciliana, S.p.A	Italy	Gas Natural Distribuzione Italia, S.p.A.	Withdrawal from scope of consolidation due to merger with Gas Natural Distribuzione, S.p.A.	jan-09	–	–	–	P.I.	27.01	90.00
Agragas, S.p.A	Italy	Gas Natural Distribuzione S.p.A.	Withdrawal from scope of consolidation due to merger with Gas Natural Distribuzione, S.p.A.	jan-09	–	–	–	P.I.	27.01	90.00
Normanna Gas, S.p.A	Italy	Gas Natural Distribuzione Italia, S.p.A.	Withdrawal from scope of consolidation due to merger with Gas Natural Distribuzione, S.p.A.	jan-09	–	–	–	P.I.	27.01	90.00
Smedigas S.p.A	Italy	G. N. Internacional	Withdrawal from scope of consolidation due to merger with Gas Natural Distribuzione, S.p.A.	jan-09	–	–	–	P.I.	30.01	100.00
Gas Natural La Coruña, S.A.	Spain	Gas Galicia SDG, S.A.	Withdrawal from scope of consolidation due to merger with Gas Natural Galicia SDG, S.A.	apr-09	–	–	–	P.I.	16.93	56.40
Gases de Barrancabermeja, S.A.	Spain	Gas Natural del Oriente	Withdrawal from scope of consolidation due to merger with Gas Natural del Oriente, S.A. ESP	–	–	–	–	P.I.	9.66	32.20
Unión Fenosa S.A.	Spain	Gas Galicia SDG, S.A.	Withdrawal from scope of consolidation due to merger with Gas Natural SDG, S.A.	may-09	–	–	–	P.I.	–	–
Unión Fenosa Generación S.A.	Spain	Gas Galicia SDG, S.A.	Withdrawal from scope of consolidation due to merger with Gas Natural SDG, S.A.	may-09	–	–	–	P.I.	–	–
Boreas Eólica, S.A.	Spain	Desarrollo de Energías Renovables, S.A.	Withdrawal from scope of consolidation due to merger with Gas Natural SDG, S.A.	nov-09	–	–	–	P. I.	27.01	90.0
Desarrollo de Energías Renovables, S.A.	Spain	Gas Natural Corporación Eólica, S.L.	Withdrawal from scope of consolidation due to merger with Gas Natural Corporación Eólica, S.L.	nov-09	–	–	–	P.I.	16.93	56.40
Mecogas SRL	Italy	Italmeco S.R.L.	Withdrawal from scope of consolidation due to merger with Gas Natural Distribuzione, S.p.A.	nov-09	–	–	–	P.I.	30.01	100.00
Congas Servizi Consolrzio Gas Acqua Servizi, S.p.A	Italy	Gas Natural Distribuzione Italia, S.p.A.	Withdrawal from scope of consolidation due to merger with Gas Natural Distribuzione, S.p.A.	nov-09	–	–	–	P.I.	27.01	90.00
Italmeco SRL	Italy	Gas Natural Distribuzione Italia, S.p.A.	Withdrawal from scope of consolidation due to merger with Gas Natural Distribuzione, S.p.A.	dec-09	–	–	–	P. I.	30.01	100.00
Pitta Construzioni S.p.A.	Italy	Gas Natural Distribuzione Italia, S.p.A.	Withdrawal from scope of consolidation due to merger with Gas Natural Distribuzione, S.p.A.	dec-09	–	–	–	P. I.	27.13	90.40
Calgas S.C.A.R.L.	Italy	Gas Natural Distribuzione Italia, S.p.A.	Withdrawal from scope of consolidation due to merger with Gas Natural Distribuzione, S.p.A.	dec-09	–	–	–	P.I.	30.01	100.00
Unión Fenosa Metra, S.L.	Spain	Gas Natural SDG, S.A.	Withdrawal from scope of consolidation due to merger with Gas Natural Comercial, S.L.	dec-09	–	–	–	P.I.	–	–
Gas Natural Soluciones, S.L.	Spain	Gas Natural SDG, S.A.	Withdrawal from scope of consolidation due to merger with Gas Natural Servicios, S.L.	dec-09	–	–	–	P.I.	–	–

(1) Data corresponding to this company has been incorporated via full consolidation into the Parent Company. The Parent Company is integrated proportionally into the Repsol YPF Group.

(2) Consolidation Method:
F.C.: Full Consolidation
P.I.: Proportionate Integration
E.M.: Equity Method

(3) Percentage corresponding to the Parent Company's ownership in the subsidiairy company.

(4) Changes of balance sheet epigraphs generated by this variation are exposed in the ''Reclasification and others'' note of the movements presented in different notes.

Appendix II Assets and Jointly Controlled Operations for the year ended December 31, 2010

Name	% Ownership (1)	Operator	Activity
Algeria			
Gassi Chergui	90.00%	Repsol Exploración Argelia, S.A.	Exploration and production
M'sari-Akabli	45.00%	Repsol Exploración Argelia, S.A.	Exploration and production
Sud Est Illizi	52.50%	Repsol Exploración Argelia, S.A.	Exploration and production
Reggane	45.00%	Repsol Exploración Argelia, S.A.	Exploration and production
Issaouane (TFR)	59.50%	Repsol Exploración Argelia - Sonatrach	Exploration and production
TFT	30.00%	Grupement TFT	Exploration and production
Argentina			
Acambuco UTE	22.50%	Pan American Energy LLC	Exploration and production
Aguada Pichana UTE	27.27%	Total Austral, S.A.	Exploration and production
Aguaragüe UTE	30.00%	Tecpetrol, S.A.	Exploration and production
CAM-2/A SUR UTE	50.00%	Sipetrol Argentina, S.A.	Exploration and production
Campamento Central/ Cañadón Perdido UTE	50.00%	YPF	Exploration and production
El Tordillo UTE	12.20%	Tecpetrol, S.A.	Exploration and production
La Tapera y Puesto Quiroga UTE	12.20%	Tecpetrol, S.A.	Exploration and production
Llancanelo UTE	51.00%	YPF	Exploration and production
Magallanes UTE	50.00%	Sipetrol Argentina, S.A.	Exploration and production
Palmar Largo UTE	30.00%	Pluspetrol, S.A.	Exploration and production
Puesto Hernández UTE	61.55%	Petrobras Energía, S.A.	Exploration and production
Consorcio Ramos	15.00%	Pluspetrol, S.A.	Exploration and production
San Roque UTE	34.11%	Total Austral, S.A.	Exploration and production
Tierra del Fuego UTE	30.00%	Petrolera L.F. Company S.R.L.	Exploration and production
Zampal Oeste UTE	10.00%	YPF	Exploration and production
Consorcio Yac La Ventana -Río Tunuyan	60.00%	YPF	Exploration and production
Consorcio CNQ 7/A	50.00%	Petro Andina Resources Ltda.	Exploration and production
Proyecto GNL Escobar	50.00%	YPF	Exploration and production
Bolivia			
Bloque San Alberto	50.00%	Petrobras Bolivia, S.A.	Exploration, Exploitation and Production
Bloque San Antonio	50.00%	Petrobras Bolivia, S.A.	Exploration, Exploitation and Production
Bloque Monteagudo	20.00%	Petrobras Bolivia, S.A.	Exploration, Exploitation and Production
Bloque Monteagudo	30.00%	Repsol YPF E&P Bolivia, S.A.	Exploration, Exploitation and Production
Bloque Caipipendi	37.50%	Repsol YPF E&P Bolivia, S.A.	Exploration, Exploitation and Production
Asociacion Accidental Tecna y Asociados	10.00%	Tecna Bolivia, S.A.	LGN Engineering Plant
Planta de Servicios de Comprensión de Gas Río Grande	50.00%	Andina, S.A.	Gas compression
Brazil			
Albacora Leste	10.00%	Petrobras	Production
BMC-33	35.00%	Repsol Brasil (2)	Exploration
BMES-29	40.00%	Repsol Brasil (2)	Exploration
BMS-44	25.00%	Petrobras	Exploration
BMS-48	40.00%	Repsol Brasil (2)	Exploration
BMS-50	20.00%	Petrobras	Exploration
BMS-51	20.00%	Petrobras	Exploration
BMS-55	40.00%	Repsol Brasil (2)	Exploration
BMS-7	37.00%	Petrobras	Exploration
BMS-9	25.00%	Petrobras	Exploration
Canada			
Canaport LNG Limited Partnership	75.00%	Repsol Canadá LTD	LNG Regasification

Name	% Ownership (1)	Operator	Activity
Colombia			
Capachos	50.00%	Repsol Exploración Colombia	Exploration and production
Catleya	50.00%	Ecopetrol	Exploration
Cebucan	20.00%	Petrobras	Exploration
Ecuador			
Bloque 16	35.00%	Repsol YPF Ecuador S.A.	Exploration and production
Bloque 16	20.00%	Amodaimi Oil Company (sucursal)	Exploration and production
Spain			
Albatros	82.00%	Repsol Investigaciones Petrolíferas, S.A.	Development
Angula	54.00%	Repsol Investigaciones Petrolíferas, S.A.	Development
Barracuda	60.21%	Repsol Investigaciones Petrolíferas, S.A.	Production
Boquerón	66.45%	Repsol Investigaciones Petrolíferas, S.A.	Production
Canarias	50.00%	Repsol Investigaciones Petrolíferas, S.A.	Exploration
Casablanca	76.85%	Repsol Investigaciones Petrolíferas, S.A.	Development
Chipirón	100.00%	Repsol Investigaciones Petrolíferas, S.A.	Production
Fulmar	69.00%	Repsol Investigaciones Petrolíferas, S.A.	Exploration
Gaviota I y II	82.00%	Repsol Investigaciones Petrolíferas, S.A.	Development / Production
Montanazo	92.10%	Repsol Investigaciones Petrolíferas, S.A.	Development / Production
Rodaballo	73.00%	Repsol Investigaciones Petrolíferas, S.A.	Production
Murcia - Siroco	100.00%	Repsol Investigaciones Petrolíferas, S.A.	Exploration
Bezana Bigúenzo	88.00%	Petroleum	Exploration
Calypso Este	75.00%	Repsol Investigaciones Petrolíferas, S.A.	Exploration
Calypso Oeste	75.00%	Repsol Investigaciones Petrolíferas, S.A.	Exploration
Circe	75.00%	Repsol Investigaciones Petrolíferas, S.A.	Exploration
Marismas Marino Norte	40.00%	Petroleum	Exploration
Marismas Marino Sur	40.00%	Petroleum	Exploration
Tortuga	95.00%	Repsol Investigaciones Petrolíferas, S.A.	Exploration
Casablanca Unit	68.67%	Repsol Investigaciones Petrolíferas, S.A.	Development / Production
Rodaballo Concesión	65.41%	Repsol Investigaciones Petrolíferas, S.A.	Development
Morcín - 1	20.00%	Petroleum Oil&Gas España	Exploration
Villaviciosa	70.00%	Petroleum Oil&Gas España	Exploration
Buque Sestao Knutsen	50.00%	Repsol Gas Natural LNG, S.L.	Transportation of LNG
Buque Iberica Knutsen	50.00%	Repsol Gas Natural LNG, S.L.	Transportation of LNG
Comunidad de bienes Central Nuclear de Trillo (Grupo I)	34.50%	Iberdrola, Endesa, Hidrocantábrico	Generation of electricity
Comunidad de bienes Central Nuclear de Almaraz (Grupo I y II)	11.30%	Iberdrola, Endesa, Hidrocantábrico	Generation of electricity
Comunidad de bienes Central Térmica de Anllares	66.70%	Endesa Generación, S.A.	Generation of electricity
Comunidad de bienes Central Térmica de Aceca	50.00%	Iberdrola.	Generation of electricity
Equatorial Guinea			
Bloque C	57.38%	Repsol Exploración Guinea	Exploration
Kenya			
L5	20.00%	Woodside energy	Exploration
L7	20.00%	Woodside energy	Exploration
Libya			
Epsa IV NC115 (Capex)	25.20%	Akakus Oil Operations	Exploration and Production
EPSA IV NC186 (Capex)	19.84%	Akakus Oil Operations	Exploration and Production
Epsa IV NC115 Explorac.	40.00%	Repsol Exploracion Murzuq. S.A.	Exploration and Production
Epsa IV NC186 Explorac.	32.00%	Repsol Exploracion Murzuq. S.A.	Exploration and Production
EPSA 97 NC186	32.00%	Repsol Exploracion Murzuq. S.A.	Exploration and Production
Pack 1	60.00%	Repsol Exploracion Murzuq. S.A.	Exploration and Production
Pack 3	35.00%	Woodside Energy, N.A.	Exploration and Production
Area 137	50.00%	Petrocanada Ventures (North Africa) Ltd.	Exploration and Production

Name	% Ownership (1)	Operator	Activity
Morocco			
Tanger Larache	88.00%	Repsol Exploración Marruecos	Exploration
Mauritania			
TA09	70.00%	Repsol Exploración	Exploration
TA10	70.00%	Repsol Exploración	Exploration
Norway			
Licencia PL512	25.00%	Det Norske	Exploration
Licencia PL541	50.00%	Repsol Exploration Norge	Exploration
Licencia PL557	40.00%	OMV (Norge)	Exploration
Licencia PL356	40.00%	Det Norske	Exploration
Oman			
Zad-2	50.00%	RAK Petroleum	Exploration
Peru			
Lote 57	53.84%	Repsol Exploración Perú Sucursal del Perú	Exploration and development of Hydrocarbons
Lote 39	55.00%	Repsol Exploración Perú Sucursal del Perú	Exploration of Hydrocarbons
Lote 90	50.50%	Repsol Exploración Perú Sucursal del Perú	Exploration of Hydrocarbons
Lote 56	10.00%	Pluspetrol Perú Corporation	Production of Hydrocarbons
Lote 88	10.00%	Pluspetrol Perú Corporation	Production of Hydrocarbons
Lote 76	50.00%	Hunt Oil Company of Perú LLC Sucursal del Perú	Exploration of Hydrocarbons
Lote 103	30.00%	Talisman Petrolera del Perú LLC Sucursal del Perú	Exploration of Hydrocarbons
Lote 109	100.00%	Repsol Exploración Perú Sucursal del Peru	Exploration of Hydrocarbons
Sierra Leone			
SL6	25.00%	Anadarko, S.L.	Exploration
SL7	25.00%	Anadarko, S.L.	Exploration
Trinidad and Tobago			
Bloque 5B	30,00%	Amoco Trinidad Gas B.V.	Exploration
Venezuela			
Yucal Placer	15,00%	Repsol YPF Venezuela	Exploration and Production

(1) Corresponds to the ownership that the proprietor company holds of the asset involved in the operation.

(2) This company changed its name to Repsol Sinopec Brasil, S.A. in February 2011.

Appendix II Assets and Jointly Controlled Operations for the year ended December 31, 2009

Name	% Ownership (1)	Operator	Activity
Algeria			
Gassi Chergui	90.00%	Repsol Exploración Argelia, S.A.	Exploration and production
M'sari Akabli	45.00%	Repsol Exploración Argelia, S.A.	Exploration and production
Reggane	45.00%	Repsol Exploración Argelia, S.A.	Exploration and production
Issaouane (TFR)	59.50%	Repsol Exploración Argelia – Sonatrach	Exploration and production
TFT	30.00%	Grupement TFT	Exploration and production
Argentina			
Acambuco UTE	22.50%	Pan American Energy LLC	Exploration and production
Agua Pichana UTE	27.27%	Total Austral S.A.	Exploration and production
Aguaragüe UTE	30.00%	Tecpetrol S.A.	Exploration and production
CAM –2/A SUR UTE	50.00%	Sipetrol Argentina S.A.	Exploration and production
Campamento Central / Cañadón Perdido UTE	50.00%	YPF	Exploration and production
El Tordillo UTE	12.20%	Tecpetrol S.A.	Exploration and production
La Tapera y Puesto Quiroga UTE	12.20%	Tecpetrol S.A.	Exploration and production
Llancanelo UTE	51.00%	YPF	Exploration and production
Magallanes UTE	50.00%	Sipetrol Argentina S.A.	Exploration and production
Palmar Largo UTE	30.00%	Pluspetrol S.A.	Exploration and production
Puesto Hernández UTE	61.55%	Petrobas Energía S.A.	Exploration and production
Consorcio Ramos	15.00%	Pluspetrol S.A.	Exploration and production
San Roque UTE	34.11%	Total Austral S.A.	Exploration and production
Tierra del Fuego UTE	30.00%	Petrolera L.F. Company S.R.L.	Exploration and production
Zampal Oeste UTE	70.00%	YPF	Exploration and production
Consorcio Yac La Ventana – Rio Tunuyan	60.00%	YPF	Exploration and production
Consorcio CNQ 7/A	50.00%	Petro Andina Resources Ltd.	Exploration and production
Bolivia			
Asociacion Accidental Tecna y Asociados	10.00%	Tecna Bolivia S.A.	LGN Engineering Plant
Bloque Monteagudo	50.00%	Repsol E&P Bolivia S.A.	Exploration
Bloque Caipipendi	37.50%	Repsol E&P Bolivia S.A.	Exploration, exploitation and production
Bloque Charagua	30.00%	Repsol E&P Bolivia S.A.	Exploration, exploitation and production
Bloque San Alberto	50.00%	Petrobras Bolivia S.A.	Exploration, exploitation and production
Bloque San Antonio	50.00%	Petrobras Bolivia S.A.	Exploration, exploitation and production
Planta de Servicios de Comprensión de Gas Río Grande	50.00%	Andina, S.A.	Gas compression
Brazil			
BM–C–33	35.00%	Repsol YPF Brasil	Exploration
BM–ES–29	40.00%	Repsol YPF Brasil	Exploration
BM–S–55	40.00%	Repsol YPF Brasil	Exploration
BM–S–48	40.00%	Repsol YPF Brasil	Exploration
BM–S–51	20.00%	Petrobras S.A.	Exploration
BM–S–50	20.00%	Petrobras S.A.	Exploration
BM–S–44	25.00%	Petrobras S.A.	Exploration
BM–S–9	25.00%	Petrobras S.A.	Exploration
BM–S–7	37.00%	Petrobras S.A.	Exploration
ALBACORA LESTE	10.00%	Petrobras S.A.	Production

Name	% Ownership (1)	Operator	Activity
Canada			
Canaport LNG Limited Partnership	75.00%	Repsol Canadá LTD	LNG regasification
Colombia			
Capachos	50.00%	Repsol Exploración Colombia	Exploration and production
El Queso	50.00%	Repsol Exploración Colombia	Exploration
Catleya	50.00%	Ecopetrol	Exploration
Cebucan	20.00%	Petrobas	Exploration
Guadual	20.00%	Petrobas	Exploration
Ecuador			
Bloque 16	35.00%	Repsol YPF Ecuador S.A.	Exploration and production
Bloque 16	20.00%	Amodaimi Oil Company (sucursal)	Exploration and production
Spain			
Albatros	82.00%	Repsol Investigaciones Petrolíferas S.A.	Development
Boquerón	66.50%	Repsol Investigaciones Petrolíferas S.A.	Exploration and production
Angula	54.00%	Repsol Investigaciones Petrolíferas S.A.	Development
Casablanca	76.46%	Repsol Investigaciones Petrolíferas S.A.	Exploration and production
Gaviota I y II	82.00%	Repsol Investigaciones Petrolíferas S.A.	Development and production
Barracuda	60.00%	Repsol Investigaciones Petrolíferas S.A.	Production
Rodaballo	73.00%	Repsol Investigaciones Petrolíferas S.A.	Exploration and production
Chipirón	100.00%	Repsol Investigaciones Petrolíferas S.A.	Exploration and production
Montanazo	92.06%	Repsol Investigaciones Petrolíferas S.A.	Exploration and production
Siroco A –C	100.00%	Repsol Investigaciones Petrolíferas S.A.	Exploration
Canarias 1	50.00%	Repsol Investigaciones Petrolíferas S.A.	Exploration
Fulmar	69.00%	Repsol Investigaciones Petrolíferas S.A.	Exploration
Central Nuclear de Trillo (Grupo I)	34.50%	Iberdrola, Endesa, Hidrocantábrico	Gerneration of electricity
Central Nuclear de Almaraz (Grupo I y II)	11.29%	Iberdrola, Endesa, Hidrocantábrico	Gerneration of electricity
Central Térmica de Aceca	50.00%	Iberdrola	Gerneration of electricity
Central Térmica de Anllares	66.67%	Endesa Generación, S.A.	Gerneration of electricity
Sestao Knutsen	50.00%	Repsol Gas Natural LNG, S.L.	Exploration and production
Iberica Knutsen	50.00%	Repsol Gas Natural LNG, S.L.	Exploration and production
Guinea			
Bloque C	57.38%	Repsol Exploración Guinea	Exploration
Kenya			
L5	20.00%	Woodside energy	Exploration
L7	20.00%	Woodside energy	Exploration

Name	% Ownership (1)	Operator	Activity
Libya			
NC115 EPSA IV	25.20%	Akakus Oil Operations	Production
NC186 EPSA IV	19.84%	Akakus Oil Operations	Production
BLOQUES 199 –204	60.00%	Repsol Exploración Murzuq	Exploration
BLOQUES 205 –210	35.00%	Woodside Energy N.A.	Exploration
BLOQUE 137	50.00%	Petrocanada Ventures (North Africa) Ltd.	Exploration
Morocco			
Tanger Larache	88.00%	Repsol Exploración Marruecos	Exploration
Mauritania			
TA09	70.00%	Repsol Exploración	Exploration
TA10	70.00%	Repsol Exploración	Exploration
Peru			
Lote 57	53.84%	Repsol Exploración Perú S.A.	Exploration and development of hydrocarbons
Lote 39	55.00%	Repsol Exploración Perú S.A	Exploration
Lote 90	50.50%	Repsol Exploración Perú S.A	Exploration
Lote 56	10.00%	Pluspetrol Perú Corporation S.A	Production
Lote 88	10.00%	Pluspetrol Perú Corporation S.A	Production
Lote 76	50.00%	Hunt Oil Company of Perú L.L.C. Sucursal del Perú	Exploration
Lote 103	30.00%	Talisman Petrolera del Perú L.L.C. Sucursal del Perú	Exploration
Sierra Leone			
SL6	25.00%	Anadarko, S.L.	Exploration
SL7	25.00%	Anadarko, S.L.	Exploration
Trinidad and Tobago			
Bloque 5B	30.00%	Amoco Trinidad Gas BV	Exploration
Venezuela			
Yucal Placer	15.00%	Repsol YPF Venezuela	Exploration and production

(1) Corresponds to the ownership that the proprietor company holds of the asset involved in the operation.

Appendix III

Investments and/or positions held by the members of the Board of Directors and related people in Companies with the same, similar or complementary activity than Repsol YPF, S.A.

D. Antonio Brufau Niubó

Positions:
Vice President of Gas Natural SDG, S.A. Board of Directors

Investments:
Gas Natural SDG, S.A.: 74,612 shares

Related Persons Shares:
Gas Natural SDG, S.A.: 1,000 shares

D. Luis Fernando del Rivero Asensio

Positions:
Board Member of Valoriza Gestión, S.A.U.
President of Vallehermoso División Promoción, S.A.U.

D. Isidro Fainé Casas

Investments:
Gas Natural SDG S.A.: 104,512 shares

D. Carmelo de las Morenas López

Related Persons Shares:
BP: 72,000 shares

D. José Manuel Loureda Mantiñán

Positions:
President of Valoriza Gestión, S.A.U.
Board Member of Vallehermoso División Promoción, S.A.U.

D. Juan María Nin Génova

Positions:
Board Member of Gas Natural SDG, S.A

Investments:
Gas Natural SDG, S.A.: 144 shares

D. Henri Philippe Reichstul

Positions:
Board Member of Ashmore Energy International

D. Luis Suárez de Lezo Mantilla

Positions:
Board Member of Gas Natural SDG, S.A.
Board Member of Repsol – Gas Natural LNG, S.L.

Investments:
Gas Natural SDG, S.A.: 17,530 shares

Related Persons Shares:
Gas Natural SDG, S.A.: 964 shares
Iberdrola, S.A.: 365 shares