

2017 ANNUAL GENERAL MEETING

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REPSOL HOLDS ITS 2017 ANNUAL GENERAL MEETING

- **Repsol Chairman Antonio Brufau highlighted the company's efforts to combat climate change and its active, committed role in the new energy transition model. He added that it constitutes a global challenge in which all players must demand efficiency and scientific rigor.**
- **Brufau stressed Repsol's focus on efficiency and technological innovation in its industrial processes, aimed at improving the environment.**
- **In addition, CEO Josu Jon Imaz explained that after what he called a "challenging" year in the face of volatile markets and low crude oil prices, Repsol is now "stronger, more agile and more competitive."**
- **Imaz, who announced an update of the Strategic Plan for the first half of 2018, expressed his certainty that "Repsol is prepared to respond to current and future challenges in the energy sector."**
- **Shareholders approved the incorporation of Maria Teresa Ballester Fornés, Isabel Torremocha Ferrezuelo and Mariano Marzo Carpio as independent external directors.**

Repsol held its 2017 Annual General Meeting in Madrid, at which Chairman Antonio Brufau and CEO Josu Jon Imaz presented results and milestones from 2016 and the first months of 2017.

In his presentation, Repsol Chairman Antonio Brufau highlighted the importance of combating climate change and working towards a more sustainable energy model, an effort that he called a “significant global challenge.”

“The success of the model will lie in our capacity to adopt measures that are truly effective as well as economically sustainable,” he said. To this end, he advocated for a series of measures to increase savings and energy efficiency, including replacing vehicles on the road and fostering the collaborative economy.

He also stressed that the oil and gas sector “decided to form part of the solution to the energy and climate change problem a long time ago. We’re demonstrating that by evolving our industry toward sustainability,” he said of Repsol’s commitment to technology and innovation.

Antonio Brufau said that “economic growth in Spain is robust, with exports expanding in addition to internal demand.”

STRATEGIC PLAN UPDATES

In addition, CEO Josu Jon Imaz presented the results for 2016 and the first quarter of 2017 to shareholders, as well as the company’s main milestones during those periods. Among them is the discovery of oil in Alaska, the largest find on US soil in the last 30 years.

Imaz called 2016 “challenging” for Repsol and for the sector due to the volatility of markets and low crude oil and gas prices. In this context, the company has been able to create value and continue generating cash flow.

The CEO noted that the company is taking on a new dimension and profile marked by transformative growth after the acquisition of Talisman. The acquisition has granted Repsol a great deal of flexibility for decision-making and a high-quality asset portfolio focused on highly stable OECD countries.

“2016 was a crucial year for the development of our Strategic Plan, and our progress has been significant,” Imaz said, before adding that all of the company’s efforts “will continue throughout 2017 and the following years with a focus on maintaining positive cash flow in a price scenario of about 40 dollars per barrel.” At the same time, the company will maintain an average production of 700,000 barrels per day and a refining capacity of one million barrels per day.

Josu Jon Imaz announced that an update of the Strategic Plan will be presented in the first half of 2018, and concluded, “Repsol is now stronger, more agile and competitive, with a more efficient and highly integrated model, an optimized portfolio and greater technical and technological capabilities. We are committed to fighting climate change and the challenges it poses.”

2016 RESULTS

Imaz presented the results from the previous year, in which Repsol reported a net income of 1.736 billion euros, the highest in the last four years. This is due to the strength and flexibility shown by the company’s business units, especially after the acquisition of Talisman, and the efficiency of the action plan put in place to counter the decreases in raw material benchmark prices.

The strength of Repsol’s business units was reflected in its EBITDA, which reached 5.226 billion euros, 18% higher than the previous year, and was also aided by savings that were the result of efficiency programs.

The capacity of the businesses and the success of measures applied (efficiency, portfolio management and synergies) allowed the company to reduce its net debt by 3.79 billion euros, or 32%, to 8.144 billion euros at the end of 2016.

The company ended the year with an average production of 690,200 barrels of oil equivalent per day, 23% more than in 2015. In 2016, Repsol’s shares rose by 33%, one of the largest increases among comparable European companies and Spanish companies on the IBEX35 index.

2017 FIRST-QUARTER RESULTS

In his presentation, the CEO of Repsol reviewed the results achieved during the first quarter of 2017, in which the company continued to operate under a very depressed oil and gas price scenario.

Repsol achieved net income of 689 million euros in the first quarter of 2017, 59% greater than the 434 million euros obtained in the same period last year. This increase can be attributed to improving the resilience and flexibility of the company’s business activity in the current scenario of low oil and gas prices.

Also, projects in progress within the synergies and efficiencies program materialized and produced more than 500 million euros of the goal set for 2017 in just the first quarter. This year, the program is expected to yield a total of 2.1 billion euros.

Average production for the quarter was 693,400 barrels of oil equivalent per day, an increase over the production average reached at the end of 2016, due to contributions from the United Kingdom, Libya and Brazil.

RENEWAL OF THE BOARD OF DIRECTORS AND SHAREHOLDER AGREEMENTS

During the Meeting, shareholders approved the appointments of María Teresa Ballester Fornés, Isabel Torremocha Ferrezuelo and Mariano Marzo Carpio as Independent External Directors, replacing Javier Echenique Landiribar, María Isabel Gabarró Miquel and Henri Philippe Reichstul.

The re-elections of René Dahan, Manuel Manrique Cecilia and Luis Suárez de Lezo Mantilla as members of the board were also approved, as well as the appointment of Antonio Massanell Lavilla through cooptation and re-election.

Shareholders also agreed to gross shareholder compensation equivalent to 0.45 euros per share through the Repsol flexible dividend program as a substitute for the traditional dividend for 2016. This compensation is in addition to that approved by the company as part of the same program and substitutes the traditional interim dividend for 2016, for an equivalent amount of 0.35 euros gross per share.

Also approved during the Annual General Meeting were the company's annual financial statements and the application of the company's results for the 2016 fiscal year, as well as the appointment of PricewaterhouseCoopers as auditor for the company for 2018, 2019 and 2020.

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