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The Hague, January 28, 2016

In accordance with Article 14 of Law of 9 May 2006, on market abuse, Repsol International Finance, B.V. (the "Company") is filing the official notice published by Repsol, S.A., Guarantor of the Euro 10,000,000,000 Guaranteed Euro Medium Term Note Programme of the Company, related to the Trading Statement and 2015 Earnings Preview.

The official notice was filed by Repsol, S.A. with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) on January 27, 2016.

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Trading Statement – 2015 Earnings Preview



- In the current environment of low crude oil and gas prices, the Board of Directors of Repsol has agreed, in application of the most rigorous and prudent financial criteria, to apply extraordinary impairments totaling approximately 2.9 billion euros to its 2015 earnings, that will result in net income of about -1.2 billion euros for the period. These provisions can be reversed in future accounts when the price outlook changes.
- The performance of the company's businesses is reflected in the adjusted net income, which will be approximately 1.85 billion euros, more than 8% improvement from 2014, beating the forecast made by the company in October.
- Similarly, adjusted net income for the fourth-quarter of 2015 will be about 450 million euros, representing a rise more than 20% from the fourth quarter of 2014.
- The business units have been operated in a context of significant and continuous crude oil and gas price decreases, and Repsol has expanded its application of plans to generate synergies, improve efficiency, divest non-strategic assets and reduce investments.
- At the end of 2015 the measures implemented and the generation of funds from ordinary business activity allowed the company to reduce net debt by more than 1 billion euros from the end of 2014^(*). This reduction reflects the company's ability to generate cash and remunerate its shareholders even under adverse scenarios as seen in 2015.

Estimate of the operating and business highlights corresponding to the fourth quarter of 2015 and the full year compared to 2014:

ECONOMIC INDICATORS

| | | 4Q15 | 2015 | 4Q14 | 2014 | Var. | Var. |
|--|------------|------|------|------|------|------------|------------|
| | | | | | | 4Q15E/4Q14 | 2015E/2014 |
| Average Dated Brent price ¹ | (USD/bbl) | 43.8 | 52.4 | 76.6 | 98.9 | -42.9% | -47.1% |
| Average WTI Nymex ² | (USD/bbl) | 42.2 | 48.8 | 73.2 | 92.9 | -42.4% | -47.5% |
| Average Henry Hub Nymex ² | (USD/MBtu) | 2.3 | 2.7 | 4.0 | 4.4 | -43.3% | -39.7% |
| Average Algonquin ¹ | (USD/MBtu) | 3.0 | 4.8 | 5.0 | 8.1 | -38.9% | -41.1% |
| Average Exchange rate ³ | (USD/€) | 1.10 | 1.11 | 1.25 | 1.33 | -12.4% | -16.5% |

¹Source: Platts

²Source: Bloomberg

³Source: ECB fixing

Trading Statement – 2015 Earnings Preview



OPERATIONAL INDICATORS

UPSTREAM

| | | 4Q15E* | 2015E* | 4Q14 | 2014 | Var. | Var. |
|------------|----------|--------|--------|------|------|------------|------------|
| | | | | | | 4Q15E/4Q14 | 2015E/2014 |
| Production | [Kboe/d] | 697 | 559 | 371 | 355 | 88% | 58% |

DOWNSTREAM

| | | 4Q15E* | 2015E* | 4Q14 | 2014 | Var. | Var. |
|---|-----------|--------|--------|-------|-------|------------|------------|
| | | | | | | 4Q15E/4Q14 | 2015E/2014 |
| Refining Margin Indicator in Spain | [USD/bbl] | 7.3 | 8.5 | 5.5 | 4.1 | 32.1% | 106.4% |
| Distillation utilization Spanish Refining | [%] | 89.3 | 88.9 | 80.1 | 80.8 | 11.4% | 10.1% |
| Conversion utilization Spanish Refining | [%] | 104.3 | 103.7 | 105.5 | 102.4 | -1.1% | 1.2% |
| North America Natural Gas Sales | [TBtu] | 72.3 | 298.7 | 63 | 273.7 | 14.8% | 9.1% |

Source: Repsol
*Estimated

Adjusted recurring net income (CCS) for 2015, which excludes extraordinary items and measures inventories (mainly crude and products) at current cost of supplies, was approximately 1.85 billion euros. This is an improvement of more than 8% from 2014.

This result is an improvement on the forecast made in October in the company's third-quarter 2015 trading statement, which estimated a full-year adjusted net income of between 1.6 and 1.8 billion euros.

Similarly, adjusted net income for the fourth-quarter of 2015 will be about 450 million euros, representing a rise of more than 20% from the fourth quarter of 2014. Regarding business performance, the Upstream unit's earnings are expected to be approximately -270 million euros, while the Downstream unit anticipates earnings of 490 million euros.

One of the key aspects of the improved adjusted net income is the integrated management of the Upstream and Downstream units, whose differentiated cash generation cycles increase earnings stability.

In 2015 the Upstream unit, which has been significantly impacted by crude oil and gas prices, has focused on the efficient management of investments as well as the completion of the integration of Talisman and the maximization of the synergies identified following the purchase.

The Downstream business unit has compensated the negative effects of lower crude oil and gas prices on the Upstream unit and has increased sales, as well as posting improved performances from the Refining, Chemicals and Trading units. The refining margin indicator for 2015 was about 8.5 dollars a barrel, a historical high and 4.4 dollars per barrel more than in 2014.

Despite this performance during 2015, Repsol has, considering the possibility of a longer period of depressed prices, booked extraordinary impairments for approximately 2.9 billion euros. Valuing the company's stocks under MIFO accounting had a negative impact of about 450 million euros throughout the year. On the other hand, extraordinary income from divestments, the purchase of Talisman bonds and other non-recurring items had a positive effect of approximately 300 million euros. Taking all these effects into account, net income for the period will be approximately -1.2 billion euros. As most of the provisions are based on the current price environment, they can be reversed in future accounts.

In the current context, Repsol has enacted additional measures to reinforce the achievement of its objectives:

- Acceleration of the implementation and increase of synergies from the integration of Talisman. Approximately 400 million dollars annually have been identified (compared to the 220 million dollars initially forecast) of which more than 50% have already been implemented.
- Revisiting the efficiency program. Synergies and efficiency measures will reach approximately 1.1 billion euros in 2016, more than 50% of the objective outlined in the Strategic Plan for 2018.
- An additional 20% reduction in total investments for 2016 to a total of approximately 4 billion euros.
- Expansion and acceleration of the divestment of non-strategic assets.

Trading Statement – 2015 Earnings Preview



This document provides provisional information corresponding to 2015, including macro-economic and operational data for the company during the period.

The Repsol Group plans to publish its financial earnings for 2015 on 25 February 2016. The information contained in this documents may be subject to change and may differ from definitive numbers.

This document does not constitute an offer or invitation to purchase or subscribe shares, pursuant to the provisions of the Spanish Securities market Law (Law 24/1988 of the 28th of July, as amended and restated) and its implementing regulations. In addition, this document does not constitute an offer to purchase, sell, or exchange, neither a request for an offer of purchase, sale or exchange of securities in any other jurisdiction.

This document contains statements that Repsol believes constitute forward-looking statements which may include statements regarding the intent, belief, or current expectations of Repsol and its management, including statements with respect to trends affecting Repsol's financial condition, financial ratios, results of operations, business, strategy, geographic concentration, production volume and reserves, capital expenditures, costs savings, investments and dividend payout policies. These forward-looking statements may also include assumptions regarding future economic and other conditions, such as future crude oil and other prices, refining and marketing margins and exchange rates and are generally identified by the words "expects", "anticipates", "forecasts", "believes", "estimates", "notices" and similar expressions. These statements are not guarantees of future performance, prices, margins, exchange rates or other events and are subject to material risks, uncertainties, changes and other factors which may be beyond Repsol's control or may be difficult to predict. Within those risks are those factors described in the filings made by Repsol and its affiliates with the Comisión Nacional del Mercado de Valores in Spain and with any other supervisory authority of those markets where the securities issued by Repsol and/or its affiliates are listed.

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

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