Investor Update 3Q 2016

Repsol Investor Relations

2016-2020 Value & Resilience

Disclaimer

This document does not constitute an offer or invitation to purchase or subscribe shares, in accordance with the provisions of the Spanish Securities Market Law (Law 24/1988, of July 28, as amended and restated) and its implementing regulations. In addition, this document does not constitute an offer of purchase, sale or exchange, nor 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 and circumstances 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.

This document mentions resources which do not constitute proved reserves and will be recognized as such when they comply with the formal conditions required by the system "SPE/WPC/AAPG/SPEE Petroleum Resources Management System" (SPE-PRMS) (SPE – Society of Pretroleum Engineers).

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.

In October 2015, the European Securities Markets Authority (ESMA) published the Guidelines on Alternative Performance Measures (APM), of mandatory application for the regulated information to be published from 3 July 2016. Information and disclosures related to APM used on the present Q3 2016 Results Earnings Release are included in Appendix V "Alternative Performance Measures" of the Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2016.

2016-2020 Value & Resilience

Company Overview

1

Company overview

3Q16 key messages

✓ *Driving for Cash Flow breakeven at $40.*

✓ **UPSTREAM**

- **Operating Income positive** *for two quarters in a row.*
- **Production in line** *with the Strategic Plan.*

✓ **DOWNSTREAM**

- *Major* **maintenance** *completed. Premium to indicator recaptured.*
- **Chemicals business** *continued its strong performance thanks to steady volumes and margins.*
- **Commercial Businesses** *contribution improved thanks to better sales in Service Stations.*

✓ **FINANCIALS**

- **Divestment program** *ahead of scheduled***.**
- **Net debt** *below 10 Bn€.*

Company overview

Repsol today - An integrated company operating across the entire value chain

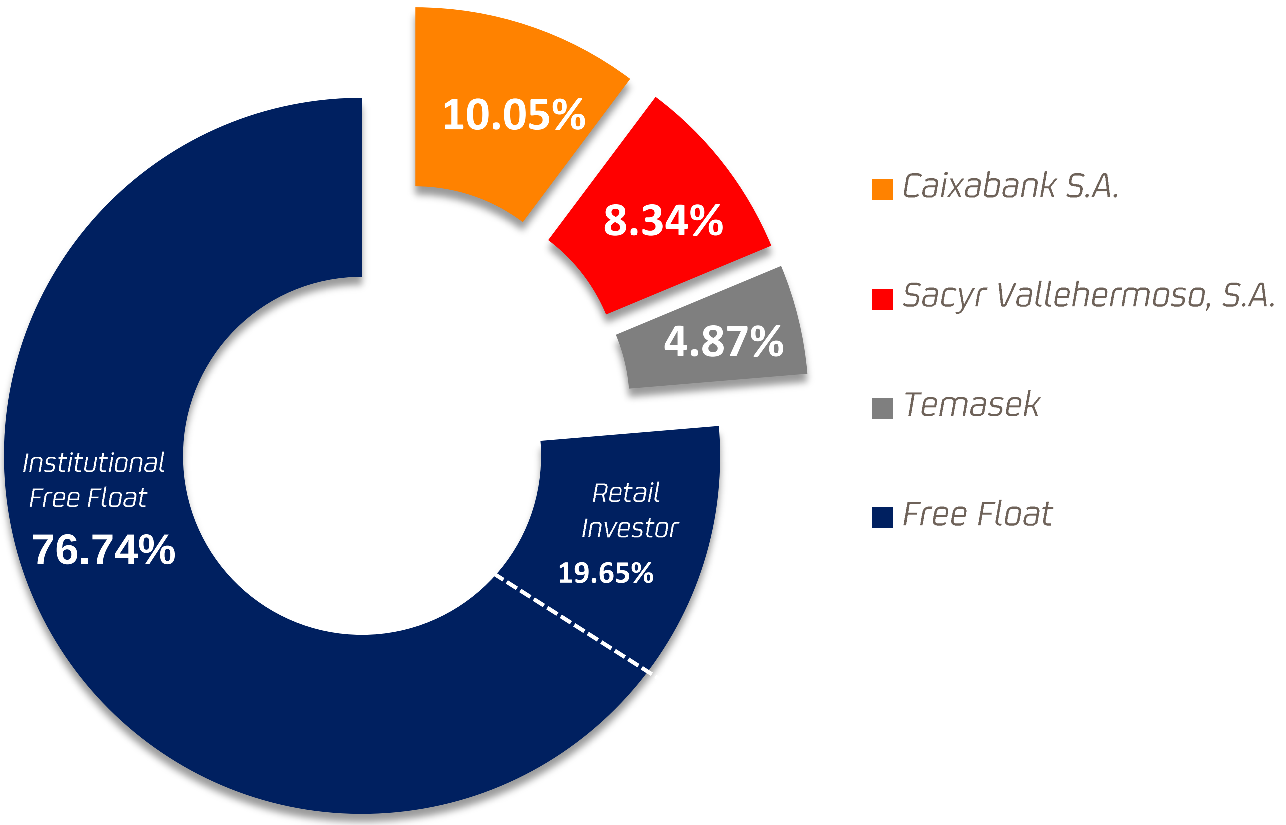
Integrated business model

~2.4 billion boe proved reserves[*]	World-class explorer
>700 kboepd production	Tier 1 Downstream
~1 million bpd refining capacity	Delivery on commitments
Core businesses: Upstream and Downstream	Diversified and global portfolio
20% stake in Non-operated shareholding: GNF	Capable and talented workforce

[*] As at 31/12/2015

Company overview

Repsol's shareholders



Total number of shares as of July 2016: 1,466 million

Key strategic lines 2016-2020

2

Key strategic lines 2016-2020

Value and resilience

VALUE

Shift from **growth to value delivery**

Commitment to **sustainable shareholder compensation**

RESILIENCE

Resilient top tier margins

Self-financing throughout volatile environment

FCF breakeven after dividends at $40/bbl Brent[1]

PORTFOLIO MANAGEMENT

Capex flexibility

[~46% Investment reduction vs. 2014] [2]

Creating value through portfolio management

[€6.2 B divestments: *target of € 3.1 B in 2016-2017 period***]**[4]

EFFICIENCY

Synergies and company-wide Efficiency Program[3]

€2.1 B/y savings *target in 2018*

> 50% target to be achieved in 2016

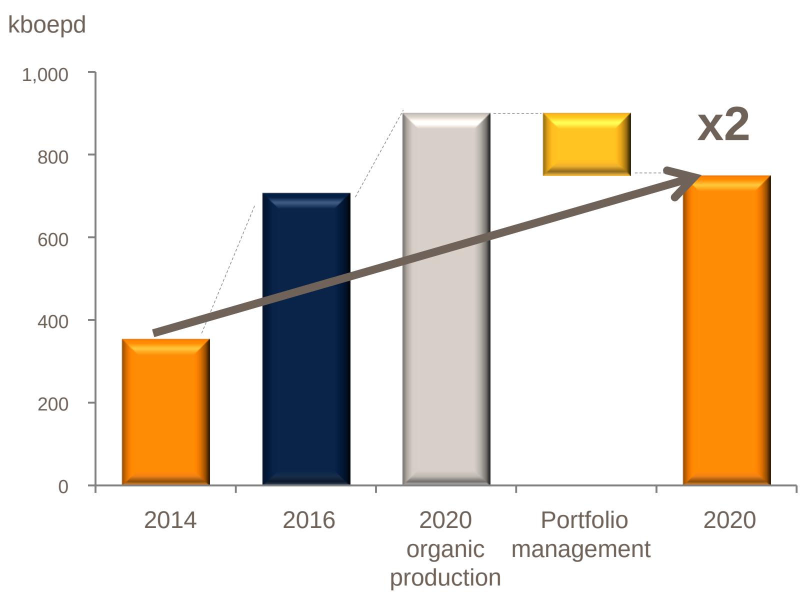
Sustainable value and resilience

[1] Repsol released a FCF Breakeven at $50/Bbl on strategic plan 2016-2020 presentation. FCF breakeven at $40/bbl with the revised scenario.
[2] Repsol released in 2015 full year results presentation an additional investment reduction for 2016-2017 period.
[3] By the end of the third quarter projects have commenced that will secure approximately 98 per cent of savings target for 2016.
[4] The 2016-2017 target has been already reached. As of September 2016, € 4.8B of divestments have been delivered.

Key strategic lines 2016-2020

Shift from growth to value

// Upstream production evolution //



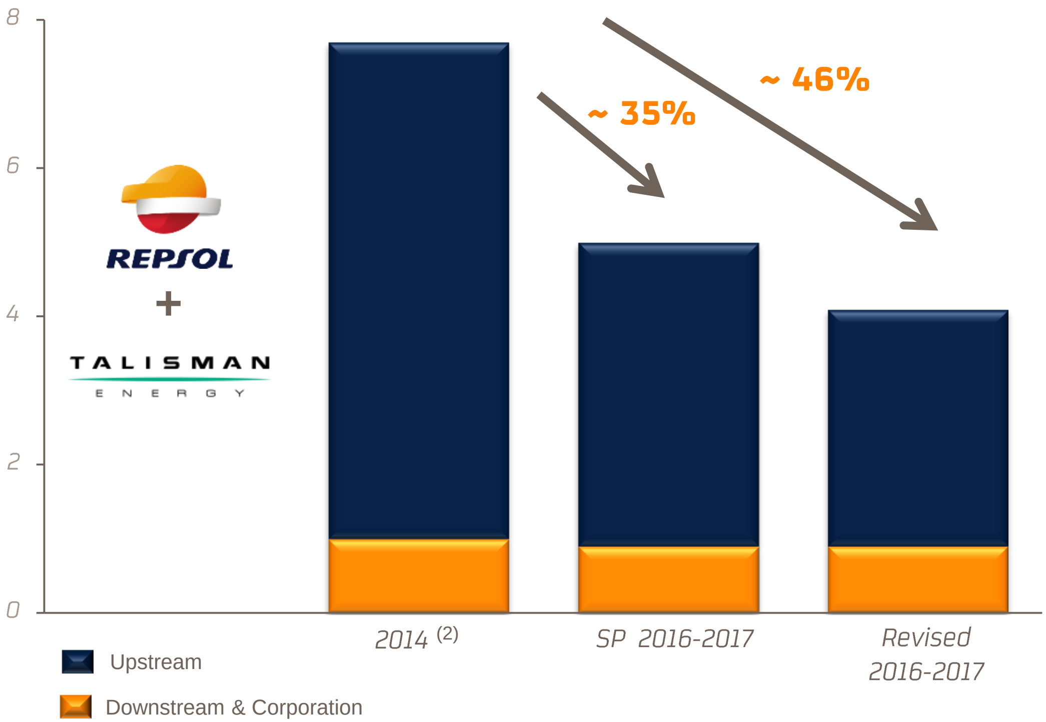
- *Achieved critical mass in E&P business*
- *Extensive portfolio of assets and development projects*
- *Optionality to improve portfolio value by divestments*

Achieving optimal size and portfolio mix

Key strategic lines 2016-2020

Additional Investment reduction for 2016 and 2017 around **€1.8B**

// Group annual Investment (1) //



- *Investment optimization and implementation of our efficiency measures.*
- *Low Downstream capital requirements.*
- *Deferring non-critical investment in development and producing assets.*
- *Keeping in 2016 our production level at around 700,000 barrels per day.*

Repsol shows flexibility in this challenging environment

1. *Investment does not include G&G and G&A from exploration.*
2. *2014 Investment figure includes Repsol and Talisman.*

Key strategic lines 2016-2020

Strict accountability on Efficiency Program

	Pre-tax cash savings // 2016 //	Pre-tax cash savings // 2018 //
Synergies	€0.2 B	€0.3 B
Upstream Opex & Capex efficiency	€0.6 B	€1.1 B
Downstream profit improvement and efficiency	€0.2 B	€0.5 B
Corporation right-sizing	€0.1 B	€0.2 B
	€1.1 B (*)	€2.1 B

- *Recurrent synergies target increased to 400M$*
- *98% of the run-rate target for 2016 synergies and 80 % of the planned synergies by 2020 already implemented.*
- *Upstream program ahead of schedule (700 efficiency initiatives identified)*
- *Downstream and Corporate on track.*

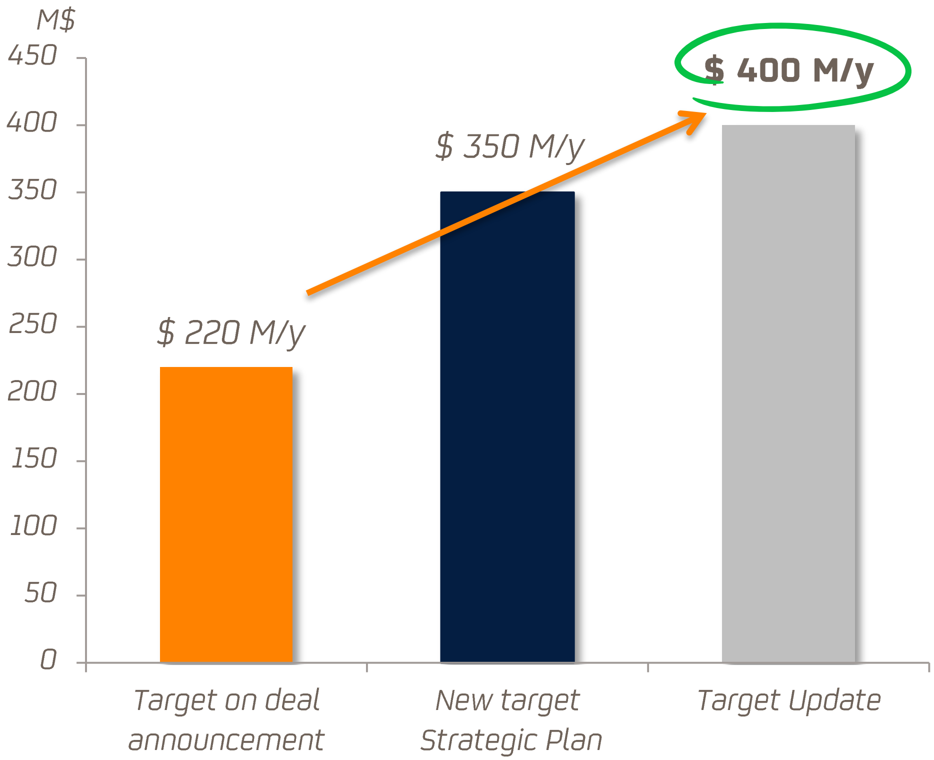
More than 50% of the efficiency plus synergies target in 2018 to be achieved in 2016

(*) Latest projection for 2016: € 1.4B

Key strategic lines 2016-2020

Synergies from Talisman integration are already being delivered

// € 300M in 2016 of which 90% already captured //



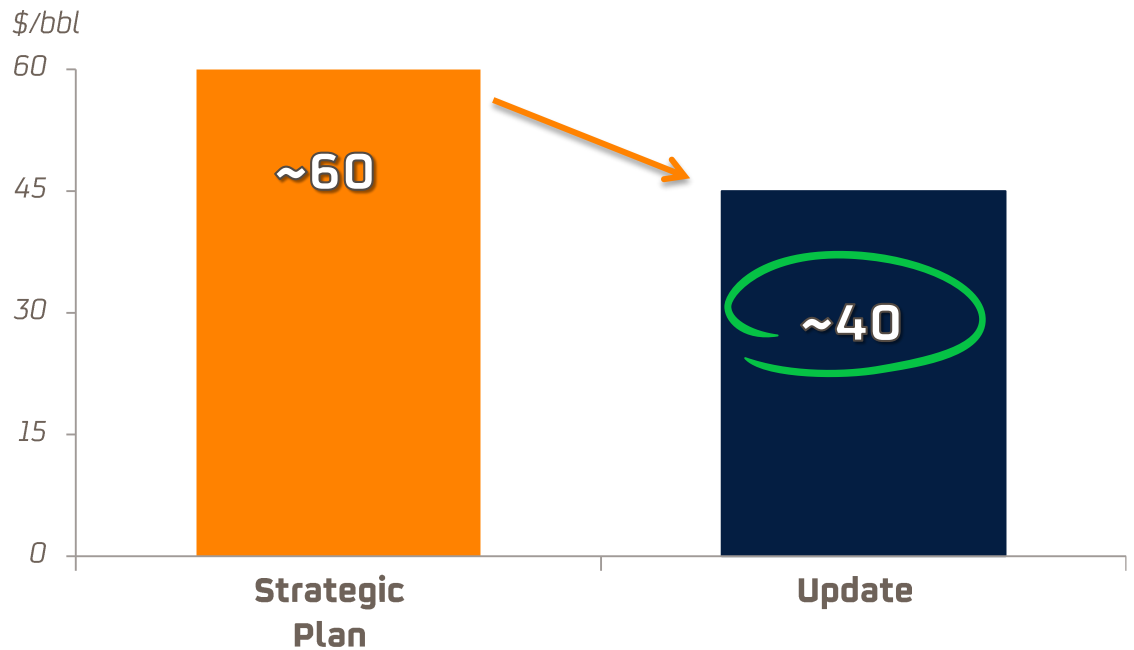
- **Finance:** *repurchase of Talisman bonds and joint financial optimization*
- **People and Organization**: *workforce and contractor reduction from overlaps*
- **IT:** *application & infrastructure rationalization*
- **Exploration:** *highgrading of Talisman portfolio*
- **General services:** *joint insurance program*

Repsol increases recurrent synergy target derived from Talisman Integration up to $ 400 M pre-tax

Key strategic lines 2016-2020

Breakevens

// Group FCF breakeven after dividends and interests **[2016-2017]**[*] //



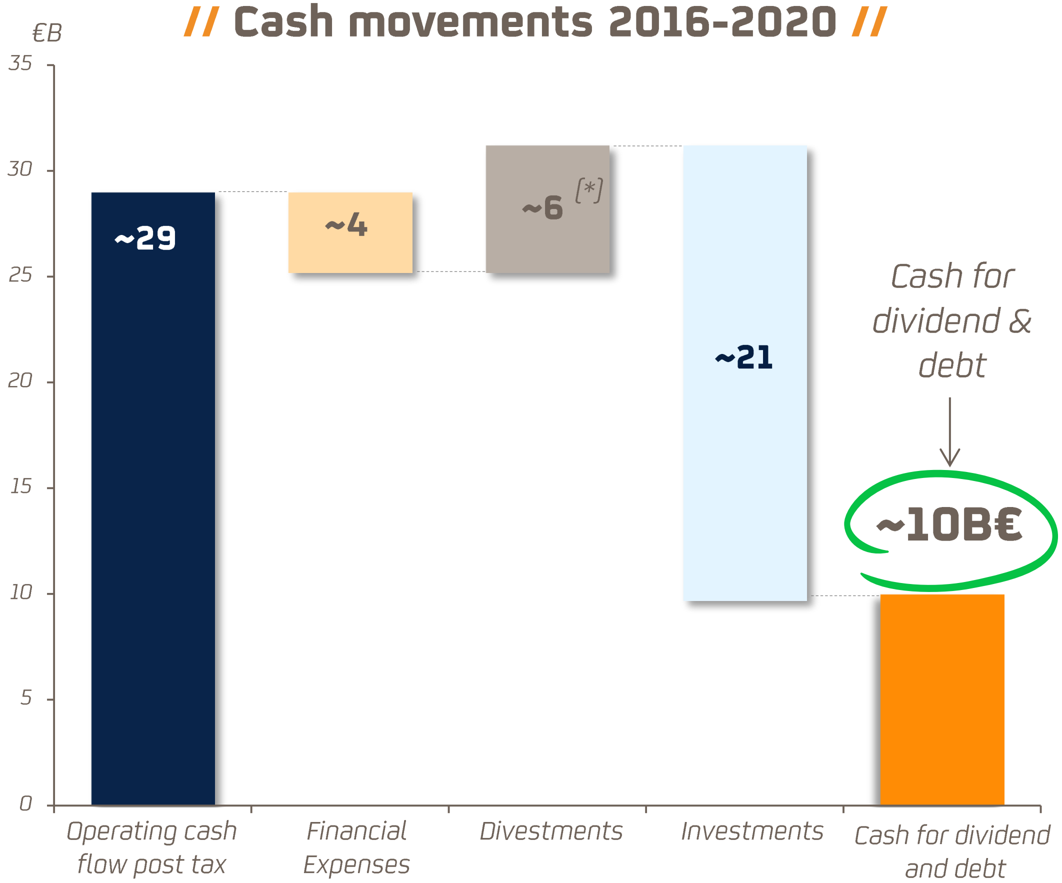
Resilience: $40/bbl free cash flow breakeven after dividend and interests

[*] Scenario used to estimate breakevens (Stress case): Brent price of 40 $/bbl for 2016 – 2017, and 50 $/bbl flat 2018 – 2020; HH price of $2.6/Mbtu for 2016 – 2017, and 3.5 $/Mbtu 2018 – 2020; Repsol refining margin indicator of 6.9 $/bbl for 2016 and 6.4 $/bbl from 2017 onwards. Breakeven does not include any proceeds from divestments, with the exception of the piped LPG sale already accomplished in 2015.
Repsol's Base case is: Brent price of 40, 55, 65, 75 and 85 $/bbl from 2016 to 2020 respectively, HH price of 2.6, 3.2, 3.7, 4.2, 4.8 $/Mbtu from 2016 to 2020 respectively and Repsol refining margin indicator of 6.9 $/bbl for 2016 and 6.4 $/bbl from 2017 onwards.

Key strategic lines 2016-2020

Self-financed Strategic Plan even under the stress scenario

// Cash movements 2016-2020 //



(*) The 2017 target has been already reached. As of September 2016, €4.8B of divestments have been delivered

- Reduction of our investment budget in 2016 below €4B
- Investment reduction for 2016 and 2017 around €1.8B
- Aceleration of efficiency and synergy target in 2016 → €1.4B
- Reduction of Group FCF breakeven to 40$

Sensitivities (5 years accumulated)	FCF	Adj. Net Income
Brent +/- $5/bbl	€1.5B	€1.3B
	-€1.5B	-€1.3B
Henry Hub +/- $0.5/Mbtu	€0.8B	€0.6B
	-€0.8B	-€0.6B
Refining Margin +/- $1/bbl	€0.8B	€1.1B
	-€0.9B	-€1.1B

Progress of Strategic Plan

3

Progress of Strategic Plan

Strategic Commitments Follow up

Investment in 2016

- ✓ ⬇ **Exploration**
- ✓ *Deferral of* **non-critical investments**
- ✓ *Capture of sector wide* **deflation**
- ✓ **Re-visit on-going development** *projects*

<€3.9B

Efficiency & Synergies

- ✓ *Target represents more than half of the 2018 objective:*
  - ✓ **Upstream**: *9M16 achieved more than 50% of our full year objective.*
  - ✓ **Downstream:** *in line with our targets*
  - ✓ **Corporation:** *in line with our targets*

>€1.4B (*)

Cash Neutrality break-even

- ✓ **Investment reduction**
- ✓ **Opex efficiency targets**
- ✓ **Synergies capture**

~40$/bbl

[*] Latest projection for 2016

Progress of Strategic Plan

Strategic Commitments Follow up

Efficiency & Synergies Program

	Target 2016	2016 Estimate
Synergies	0.2	0.3
Efficiencies	0.9	1.1
Total *[B€]*	1.1	1.4

Investment Flexibility

	Target 16-17	'16 YTD
Repsol Investment *[B€]*	3.9	2.3

Divestments & Management Portfolio

	Target 16-17	'16 YTD
Divestments *[B€]*	3.1	4.8[1]
Production *[kboed]*	~700 [2]	694

[1] Includes agreed transactions and other operations.

Value & Resilience

	Target	'16 YTD
CF Neutrality BE *[$/boe]*	~40	46
E&P FCF BE *[$/boe]*[3]	~65	62

Finance Commitments

	Target	Actual
Investment Grade	Maintain	Maintain

Progress of Strategic Plan

Portfolio management

GNF

Sale of a 10% stake in Gas Natural Fenosa to Global Infrastructure Partners ("GIP")
- *Around €1.9bn of proceeds.*
- *The capital gain that this disposition generates is approximately 246 million euros.*

Wind Power

Sale of our offshore wind power business in the UK for 238 million euros
- *After tax capital gain of 109M€*

CLH

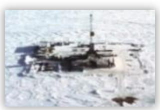
Sale of Repsol's 10% stake in CLH
- *We sold our stake in CLH for 325 million Euros*
- *Around 300 million Euros of capital gains*

Piped LPG

Sale of the Piped LPG business for 788 M€
- *Generating an estimated pre-tax capital gain of ~470 M€*
- *Will be cashed-in mostly in 2016. Capital gains also to be booked mainly in 2016*

Peru & Ecuador LPG

Sale LPG businesses in Peru and Ecuador
- *Agreement with Abastible company totalling 335 million dollars transaction*
- *A multiple of approximately 8 times EBITDA*



Alaska dilution

Agreement with our partner Armstrong to dilute our position in North Slope
- *Positive impact on our cash flow of around 700 million Euros*

E.F. Gudrun

Eagle Ford divestment and acquisition of Norwegian producing assets
- *Significant improvement in the cash flow generation in 2015-2017*
- *Improvement of operations thorough the nomination of a single operator*

Yme

Transfer of our 60 per cent stake in the Yme field to OKEA
- *Saving 200 million euros of decommissioning costs in the 2016-2020 period*

TLM Bonds

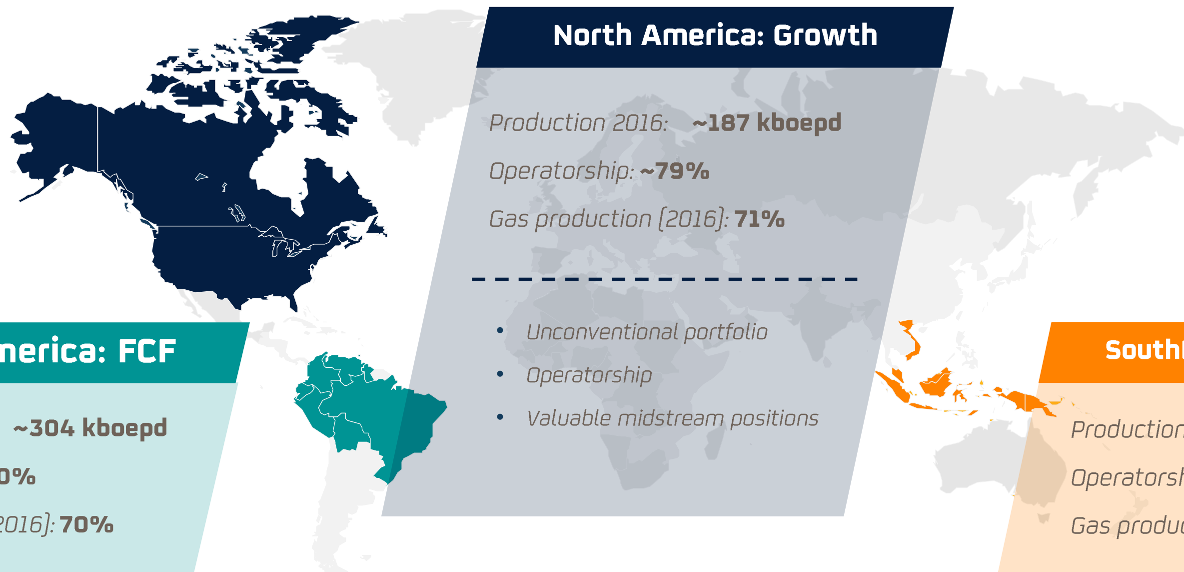
Repsol amortizes part of TLM's debt and reduces its financing costs by >80M$/year
- *Repsol amortizes TLM bonds in the amount of approximately 2.7 billion dollars*
- *Total capital gain of approximately 300 M$ pre tax*

Upstream

4

UPSTREAM

3 core regions in the portfolio



North America: Growth

Production 2016: **~187 kboepd**

Operatorship: **~79%**

Gas production (2016): **71%**

- *Unconventional portfolio*
- *Operatorship*
- *Valuable midstream positions*

Latin America: FCF

Production 2016: **~304 kboepd**

Operatorship: **~20%**

Gas production (2016): **70%**

- *Regional scale*
- *Exploration track record*
- *Cultural fit*

SouthEast Asia: FCF & Growth

Production 2016: **~102 kboepd**

Operatorship: **~37%**

Gas production (2016): **77%**

- *Self-financed growth*
- *Relationship with governments/NOCs*
- *High potential exploration blocks*

Main Figures

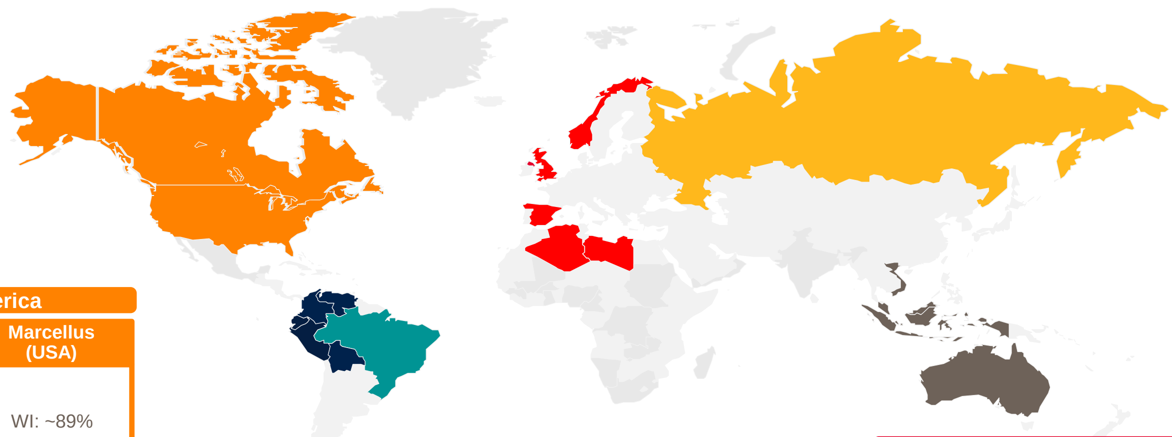
• **Current Production**	**~ 700 Kboepd**
• **1P Reserves** (*)	**2,373 MMboe**

NOTE: Europe, Africa & Brazil ~ 112 kboepd

(*) As at 31/12/2015

UPSTREAM

An extensive pipeline of organic opportunities



North America

Eagle Ford (USA)	Marcellus (USA)
WI: ~31% in basin and 37% in JV	WI: ~89%
Duvernay (Canada)	**GoM / Mid-continent (USA)**
WI: 100%	WI: 28%/~11%

Brazil

Sapinhoa (former Guara)	Lapa (former Carioca)
WI: 15%	WI: 15%

Africa & Europe

Reggane (Algeria)	MonArb / Flyndre Cawdor (UK)
WI: 29.25%	WI: 30% Redevelopment

Latin America

M. - Huacaya (Bolivia)	Carabobo – AEP (Venezuela)	Cardon IV (Venezuela)	Kinteroni + Sagari (Peru)	Akacias (Colombia)
WI: 37.5%	WI: 11%	WI: 50%	WI: 53.8%	WI: 45%

SouthEast Asia

PM3, Kinabalu (Malaysia)	C. & J. Merang (Indonesia)	Red Emperor (Vietnam)
WI:41.4% PM3* WI: 60% K	WI: 36% C / 25% JM	WI: 46.8%

// Exploration //

Contingent resources

- *Unconventional North America*
- *Brazil: Campos-33, Sagitario*
- *Russia: Karabashky*
- *Colombia: CPO9 & Niscota*
- *Alaska: Colville High*
- *GOM: Leon*
- *Indonesia: Sakakemang*
- *Vietnam: Red Emperor extension*
- *Kurdistan*
- *PNG: PDL10*

Prospective resources

- *Brazil: Santos Basin & Espirito Santo*
- *Colombia: RC11, RC12 & Tayrona*
- *Unconventional North America*
- *GOM*
- *Peru*
- *Guyana*
- *Angola*
- *Romania*
- *Portugal*
- *Norway*
- *Indonesia*
- *Malaysia*
- *Vietnam*
- *PNG*
- *Bulgaria*

"As is" organic portfolio potential of more than 900 kboepd

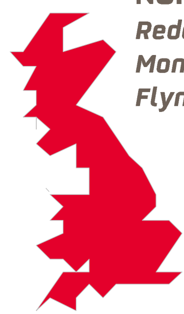
[*] The PM3 PSC extension agreement was signed on the 6th April, 2016. Repsol equity interest in PM3 is going to be 35%

UPSTREAM

Projects activity in 2016

NORTH AMERICA

BRAZIL
Plateau Sapinhoá
First Oil Lapa
Appraisals



NORTH SEA
Redevelopment
Mon-Arb and
Flyndre Cawdor

ALGERIA
Reganne &
Sud-Est-Illizi

VIETNAM
Red Emperor

MALAYSIA
Redevelopment Kinabalu
and Bunga Pakma

INDONESIA
Exploration Activity

* *Additional exploration activity in Angola, Romania, Bulgaria and PNG.*

UPSTREAM

Operational activity. Development projects

Brazil: Sapinhoá & Lapa

- **Sapinhoá:** *Plateau reached in second half of 2016*
- **Lapa:** *First oil is expected in 4Q16 (ahead of schedule).*

UK: MonArb & Flyndre/Cawdor

- *First oil expected in the first half of 2017*

Malaysia: Bunga Pakma & Kinabalu

- *First production projected for 2018 and 2019 respectively*

Vietnam: Red Emperor

- *Project taken advantage of falling industry costs*
- *First production is planned for end of 2019*

USA: Marcellus

- *Higher production YoY.*
- *Cash breakeven close to $2/Mbtu*
- *Cash generative at current prices*

Peru: Kinteroni & Sagari

- *Production from* **Kinteroni** *increased in April to 160 million square cubic feet of gas per day*
- *In* **Sagari** *first gas planned for 2018.*

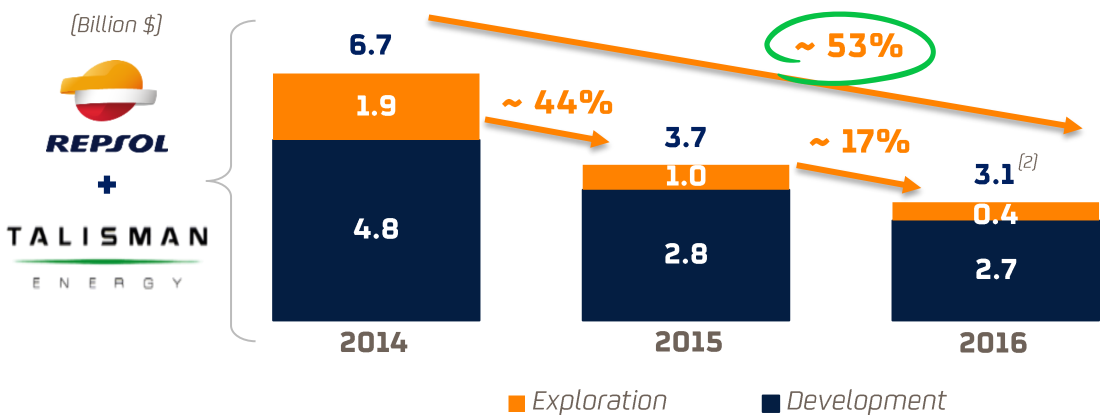
T&T: Juniper

- *Start-up is planned for 2017.*
- *This offshore shallow water project will reach peak production of 95 Kboed (Repsol owns 30%)*

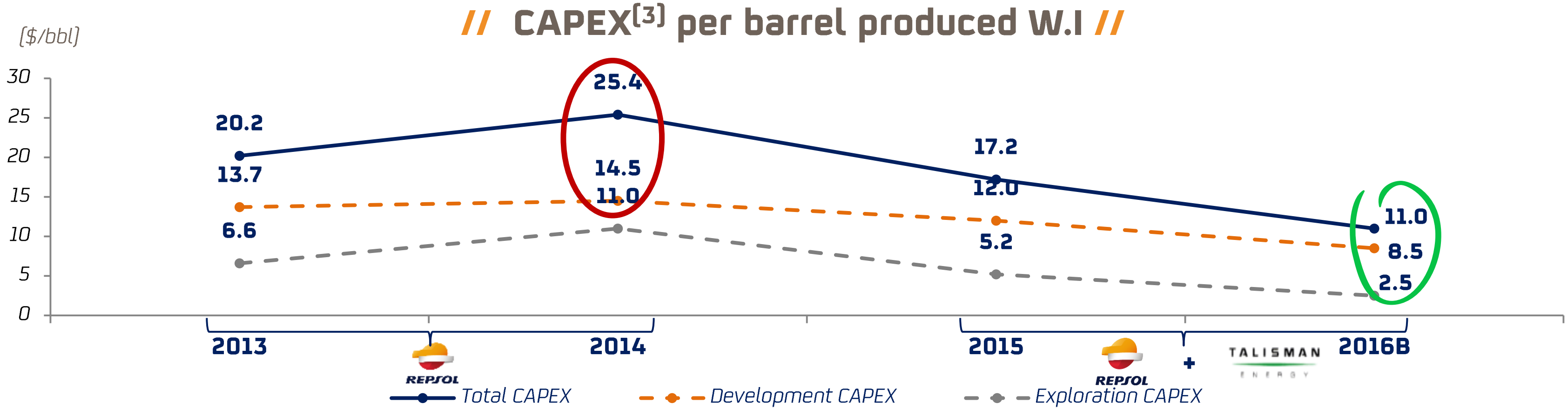
UPSTREAM

Portfolio management: Flexibility to optimize capital allocation

// Upstream Investments[1] //



// CAPEX[3] per barrel produced W.I //



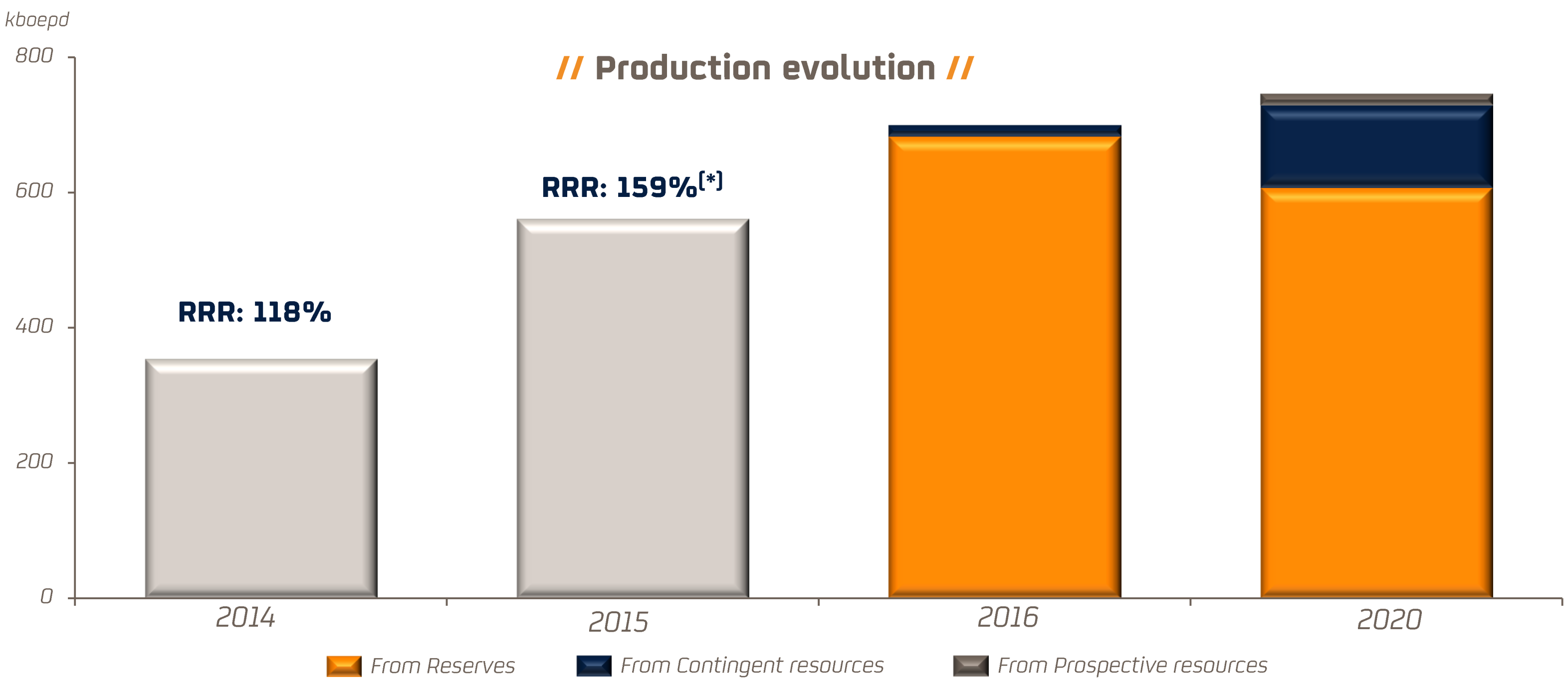
[1] Investment excluding G&G and G&A from exploration and including efficiencies

[2] 2016 Investment € 2.9 Bn (exchange rate 1.07 $/€)

[3] CAPEX including G&G and G&A from exploration and including efficiencies

Portfolio management: Capex

Capex optimization will have no impact on production because of the previous investment cycle from Repsol's legacy assets (Average RRR 2011-2013: 214 %)



Production delivered from current reserves and resources

(*) Organic Reserve ratio excluding the acquisition of Talisman and other inorganic transactions (RRR 500% inorganic)

UPSTREAM

E&P Cost Efficiency Program

// Levers //

	Levers
Business units (Opex & Operational Capex)	• *Technical standardization* • *Operational uptime increase* • *Procurement & logistics optimization* • *Organizational right-sizing*
Large capital projects	• *Post -FID projects: Efficiency gains, scope challenge* • *Pre-FID projects: Lean and cost-efficient engineering and supply chain design, collaborative approach with contractors, integrated project execution, …*
Exploration & drilling	• *Simplification of geological targets, coring, testing* • *Well design standardization* • *Planning and execution efficiencies* • *Procurement & logistics optimization* • *Organizational right-sizing*
Support functions	• *Ongoing analisis of added value for every task* • *Organization right-sizing* • *Optimize support functions*

€1.1 B/y savings by 2018

~€0.6 B/y Capex

+

~€0.5 B/y Opex

More than 50% of the efficiency target in 2018 to be achieved in 2016 ~€0.6 B/y savings by 2016.

Examples of improvements in Talisman legacy assets

UK

Improved Recovery Factor:

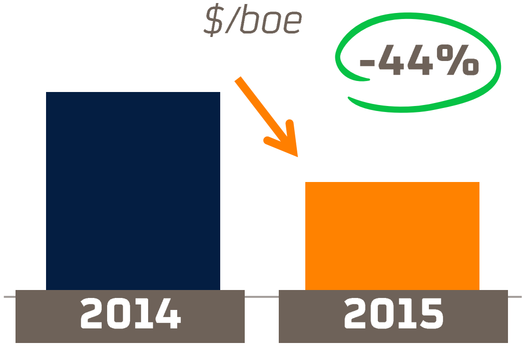
- *Develop a prioritized inventory of qualifying capital projects to be used in the asset strategy definition.*

Improved Operational Efficiency:

- *Contribute to the stretch objective of TSEUK producing >50kboe/d, with significant improvement in the per barrel profitability.*
- *Optimize Capex and Opex.*

Unit Operating Cost

$/boe

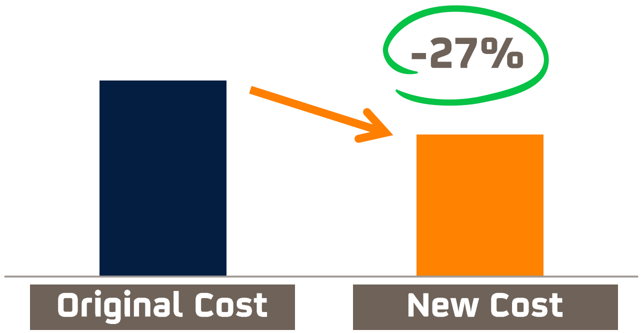


MARCELLUS

Marcellus Fracking pricing:

Marcellus frac cost per stage

USD Thousands/year



Marcellus commercialization:

- *Practice of* **selling excess capacity** *has been* **replaced with purchase of gas from 3rd parties**, *leveraging Repsol Trading capabilities in North America.*
- *Lower effective transport cost through positive net revenues from buy/sell margins, underpinning business profitability.*

Downstream

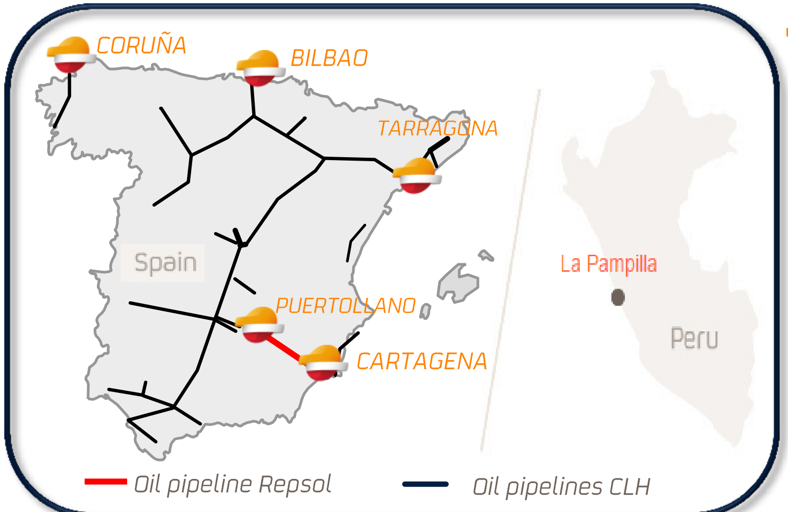
5

DOWNSTREAM

Sustainable cash flow generator

Refining

- ~1 million barrels of refining capacity per day.
- Top quartile position among European peers along the cycle.
- 63 % FCC equivalent.
- 5 refineries optimized as a single operation system.



Petrochemicals

- All three sites are managed as a single petrochemical hub
- Chemical sites and crackers strategically located to supply Southern Europe and Mediterranean markets.
- Logistic flexibility to enhance competitive feedstock imports at Tarragona and Sines.

Marketing

- 4,716 service stations throughout Spain, Portugal, Peru, and Italy.
- 3,585 service stations in Spain → 70% have a strong link to the company and 29% directly managed .
- Marketing activity also includes other sales channels and the marketing of a wide range of products, including aviation fuels, lubricants, asphalts, base oils, paraffin and derivatives.

LPG

- One of the leading retail distributors of LPG in the world, ranking first in Spain and is of the leading companies in Portugal.
- We distribute LPG in bottles, in bulk and AutoGas.
- Bottled LPG sales, through a network of 212 distribution agencies, accounted for over 62% of total retail sales of LPG in Spain in 2015.

Trading and G&P

- G&P: transportation, marketing, trading and regasification of liquefied natural gas.
- Trading & Transport: trading and supply of crude oil and products

DOWNSTREAM

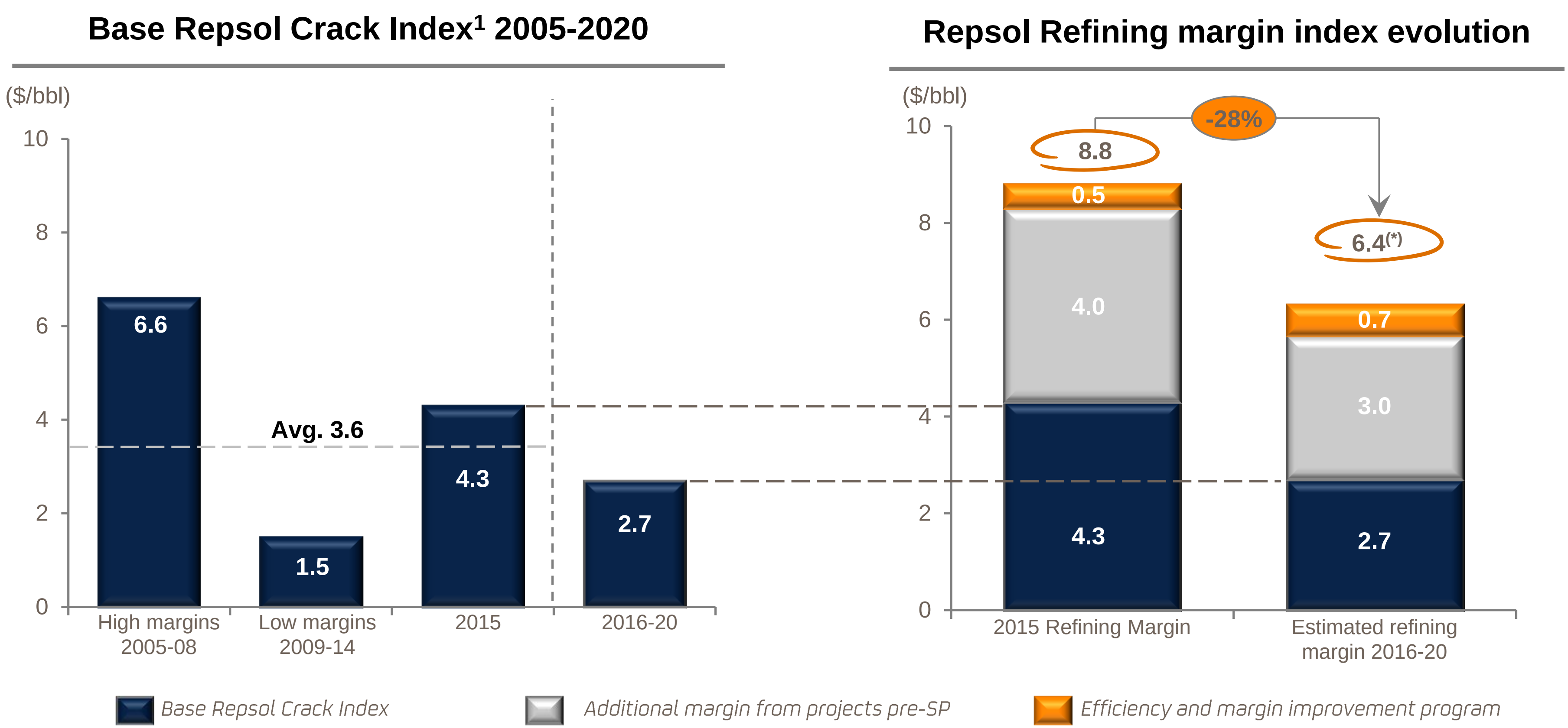
Downstream to provide sustainable value

Maximize performance	• *Taking advantage of the integration between refining and marketing businesses with focus on reliability*
Capital discipline	• *Discipline in capital allocation* • *Divestments of non-core assets for value creation*
Margin improvement & Efficiency Program	• *Optimizing integrated margin across businesses* • *Strong focus on reducing energy cost and CO_2 emissions*

Objective to generate FCF ~ €1.7 B/y (average 2016-2020)

Repsol's refining margin indicator evolution

Margins back to a mid cycle scenario



[1] *Without taking into account margin from projects and efficiency improvement program*

Note: *Since the start up of the Bilbao and Cartagena projects, the premium went up from 1.6$/bbl in 2012 to 2.8$/bbl in 2014 and 4.3$/bbl in the first three quarters of 2015*

[*] 2016 Budget assumption : 6.9 $/bbl

DOWNSTREAM

REPSOL

Fundamentals support sustained Repsol refining margins

Lower Opex	✓ Lower oil and gas prices
Growing refined products demand	✓ Average demand growth of 1.2% for 2016-2020 on top of strong 2015 demand ✓ Spain fuels demand growth at 4% in 2015
European refineries at high utilization of effective capacity	✓ Lower EU effective capacity due to low maintenance activity in recent years ✓ Low Brent-WTI and NBP-HH gaps and low $/€ exchange rate
Restarts unlikely in EU	✓ Restarts unlikely due to required investment in working capital and fixed costs with long-term uncertainties remaining for less competitive refineries in EU
Refining project delays and cancellations	✓ Capacity-addition delays and cancellations due to stressed cash position of integrated companies and NOCs
Demand vs. effective capacity tighter than previous years	✓ Capacity additions offset by growing demand
Light-Heavy differentials	✓ Marpol [(1)] increases diesel demand, while lowering fuel oil demand and price ✓ Large increase in production of heavy crudes

1 Marpol: International convention for the prevention of pollution from ships.

DOWNSTREAM

Downstream efficiency and margin improvement program

~€0.5 B/y from Downstream efficiency improvement in 2018

// Projects //	// Levers //	// EBIT increase by 2018 //
Refining	• Energy cost reduction • Improved planning to increase crude supply flexibility • Operations optimization including fixed-cost reductions • Increased asphalt production in Peru	~€250 M/y
Integrated margin	• Optimization of integrated margin across the value chain with: optimization of crackers supply, processing challenging crude...	~€100 M/y
Commercial businesses	• Network structure optimization • Logistics and planning improvements	~€100 M/y
Chemicals	• Operational improvement focused on raw material flexibility and facilities reliability • Optimization of pricing strategy	~€50 M/y

Total target of ~€0.5 B/y

Downstream efficiency program on track: ~€0.2 B/y savings by 2016

DOWNSTREAM

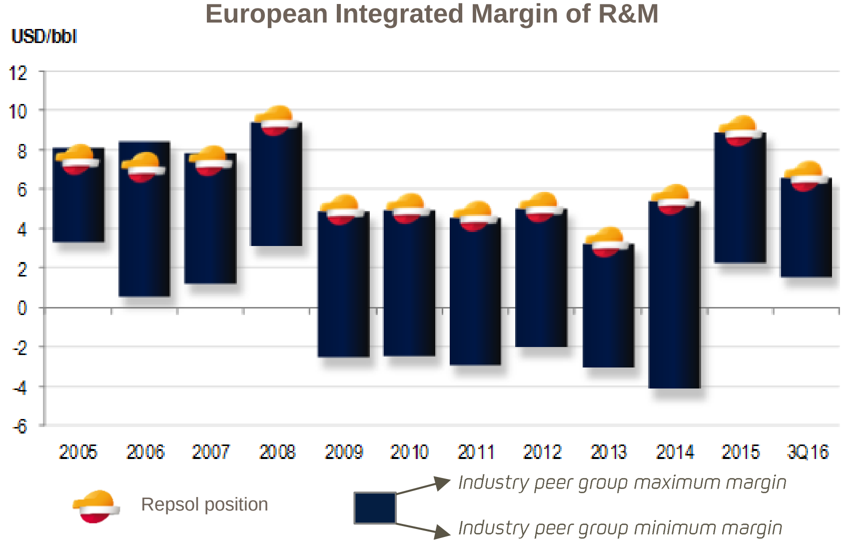
2016-2020 Downstream strategy

Maximizing value and cash generation leveraged on fully invested assets

// Sustainable value from quality assets //

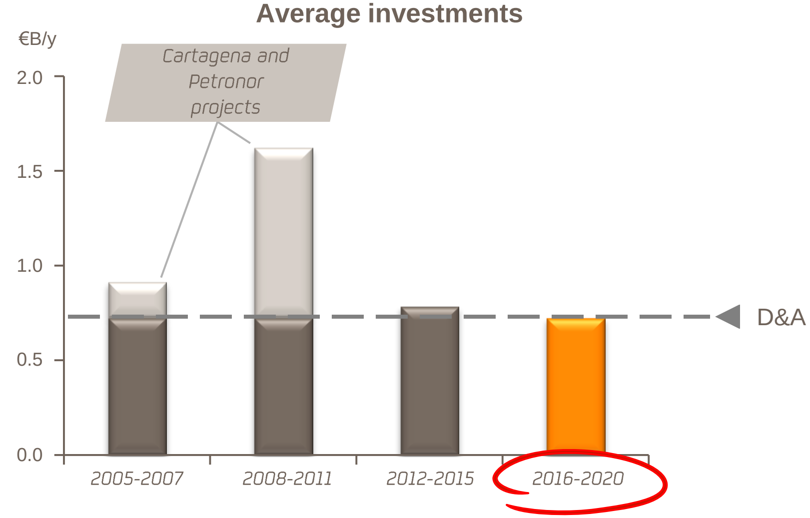
Repsol in leading position among european peers

European Integrated Margin of R&M



// Investment discipline //

Average investments



Downstream resilience reinforced by commercial business integration with industrial businesses

Note: Integrated R&M margin calculated as CCS/LIFO-Adjusted operating profit from the R&M segment divided by the total volume of crude processed (excludes petrochemicals business) of a 9-member peer group.
Based on annual reports and Repsol's estimates. Source: Company filings.
Peers: 2015: Eni, Total, Cepsa, Galp, Saras, OMV, MOL, Neste Oil, Hellenic // 2014 and previous: Eni, Total, Cepsa, Galp, Saras, OMV, MOL, PKN Orlen, Hellenic.

gasNatural fenosa

Gas Natural Fenosa

6

Gas Natural Fenosa

Strong profitability with long term vision

20% of valuable stake in a leading gas & power company

Stable dividend with growth potential (*)

**Strong profitability performance
(well above wacc and not linked to oil price)**

Provides strategic optionality for stronger role of gas and renewables in energy mix

Liquid investment that provides financial optionality

(*) Dividends received in 2012-2016 period ~ € 1.4 b

Financial outlook

7

Financial outlook

Financial Strategic Plan 2016-2020

Sound track record in managing adverse conditions

Resilient Plan with stronger business profile

Conservative financial policy

Commitment to reduce debt and maintain investment grade

The three Rating Agencies, Standard & Poor's, Moody's and Fitch, confirmed and maintained our ratings, BBB-, Baa2 and BBB respectively.

Commitment to maintain shareholder compensation in line with current company level

Financial outlook

Business Resilience

// Despite the challenging environment Repsol's EBITDA has remain unchanged//

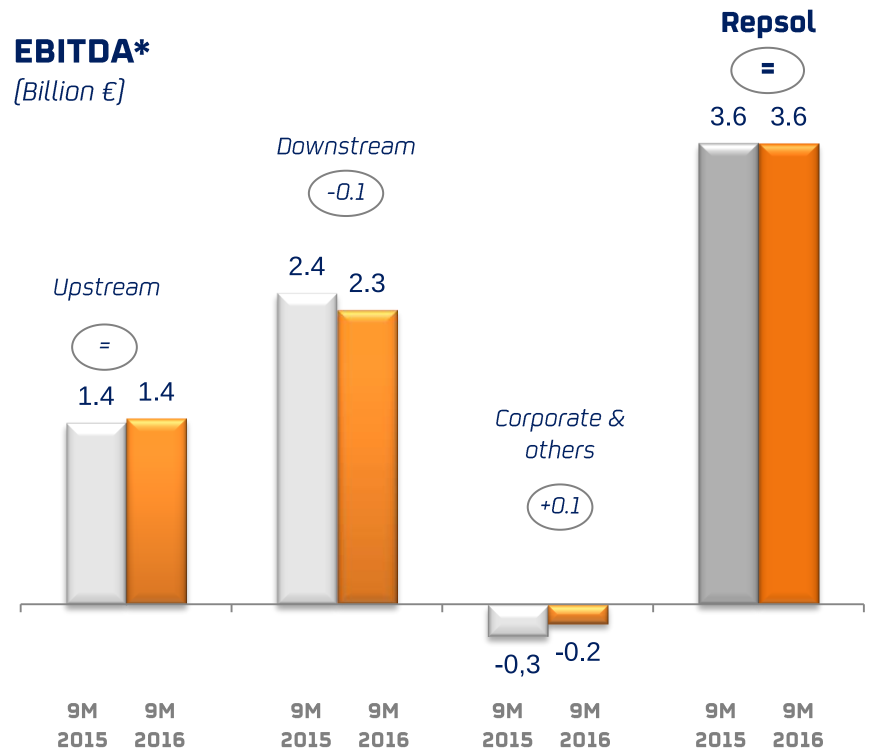
	Average 9M2015	Average 9M2016
Brent price ($/bbl)	55.3	41.9
Refining margin ($/bbl)	8.9	6.0

Repsol's performance in 2016 better than its Peers thanks to:

Upstream: *Lower cash breakeven*

Downstream: *Higher integrated refining margin*

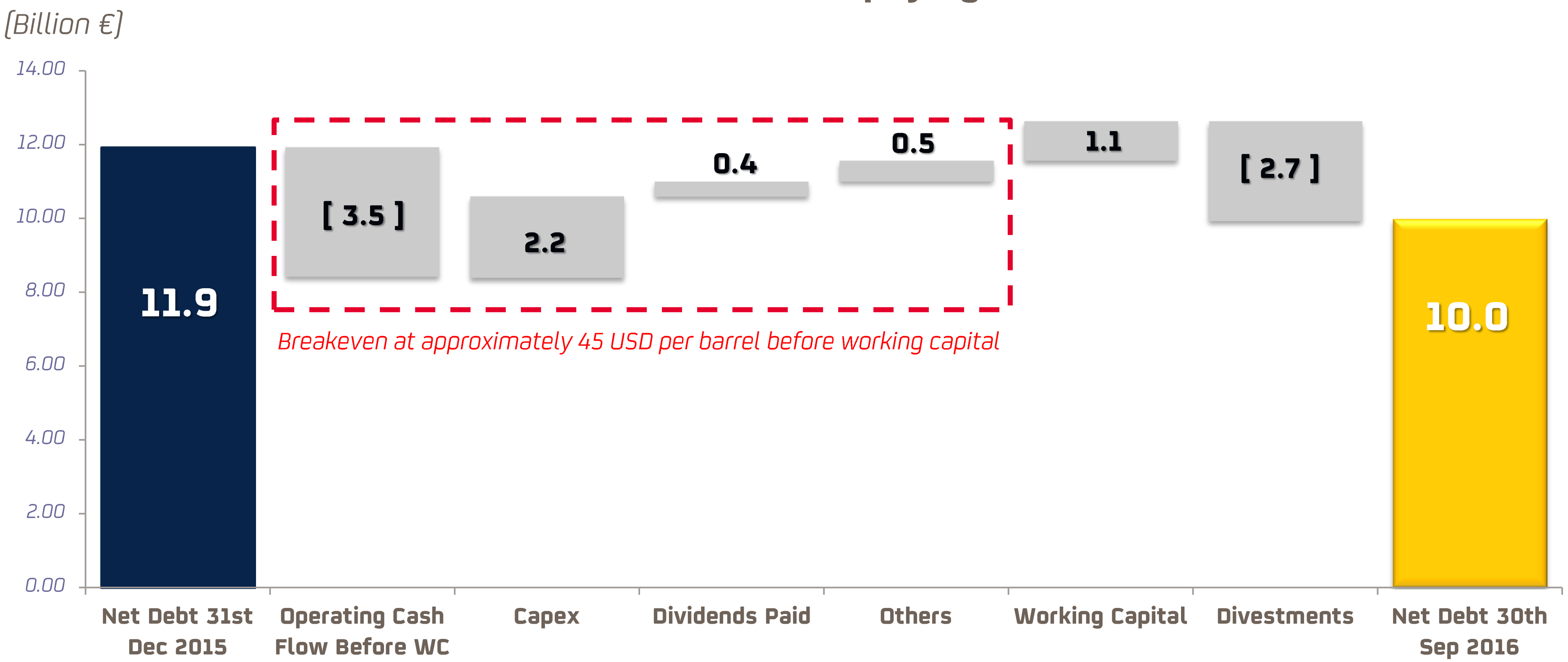
Group FCF breakeven after dividend and interest reduced from 60$/bbl to 40$/bbl



(*) EBITDA does not include G&G expenses (€148M in 2016 and €165M in 2015)

9M2016 Net Debt evolution

// Net Debt Evolution after paying dividends //

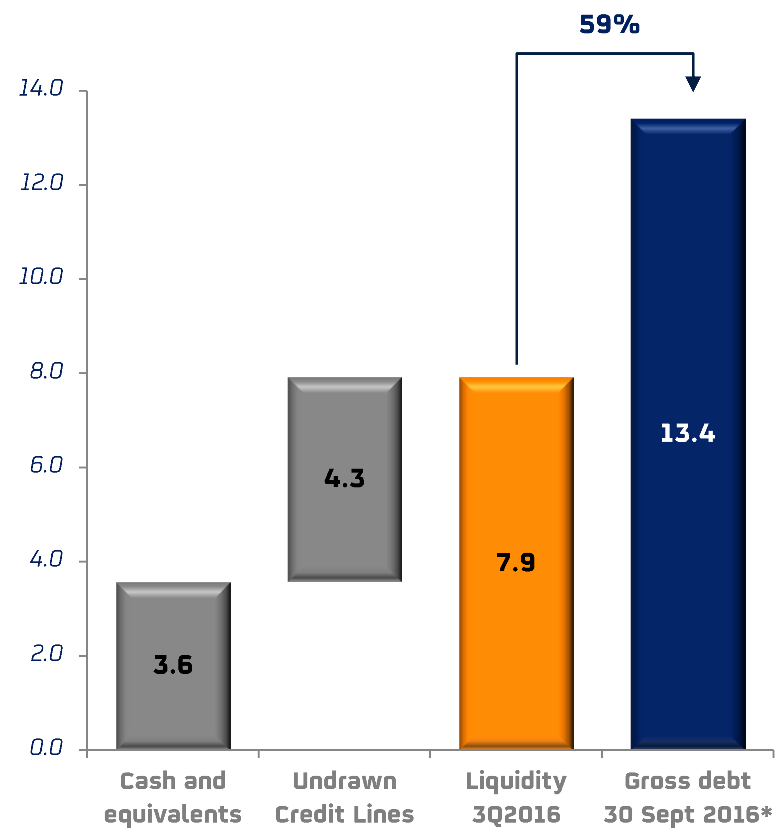


Financial outlook

Sources of liquidity as of 30th Sep 2016

(Million €)	
Cash and Equivalents	**3,572**
Total Unused Committed Credit Lines	**4,347**
Total Liquidity Available	**7,919**

(Million €)	Structural	Operating	TOTAL
Committed Credit Lines	**3,909**	**618**	**4,527**
Used		**(180)**	**(180)**
Available	**3,909**	**438**	**4,347**
	90%	*10%*	*100%*



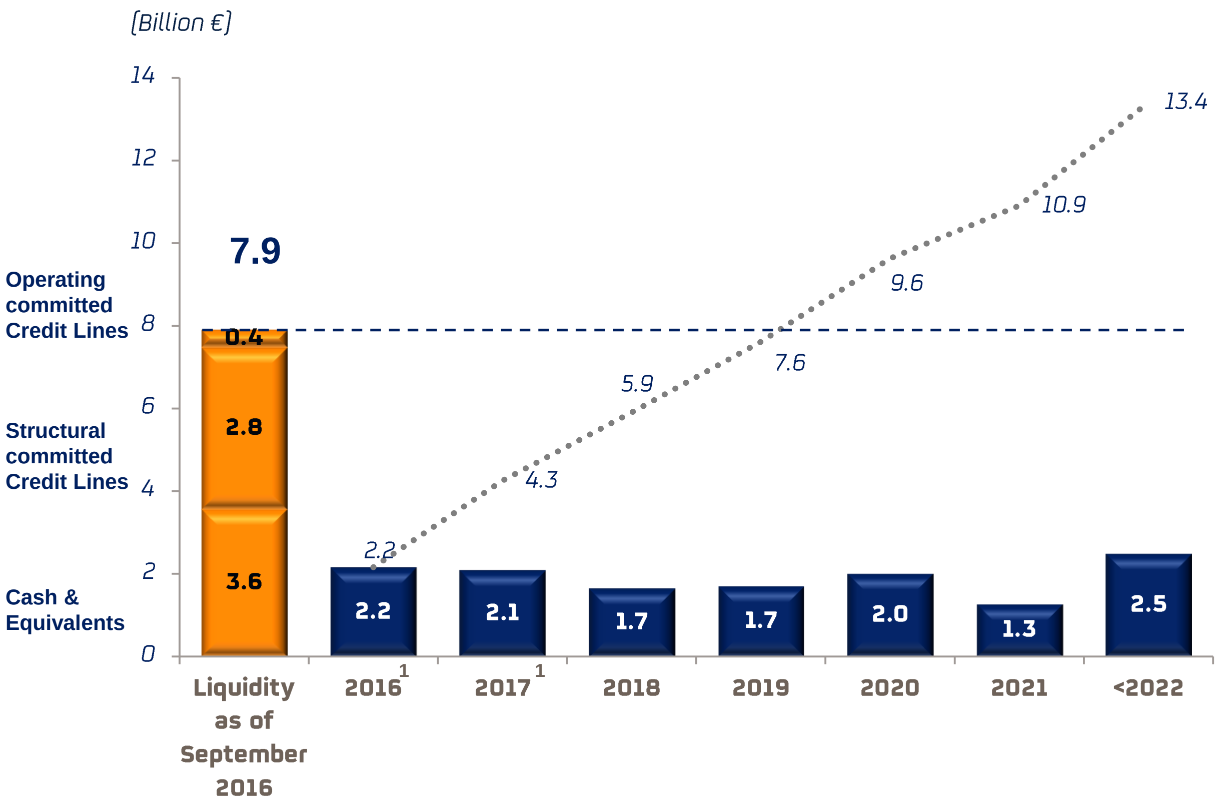
Available Structural credit lines represent 90% from total committed credit lines

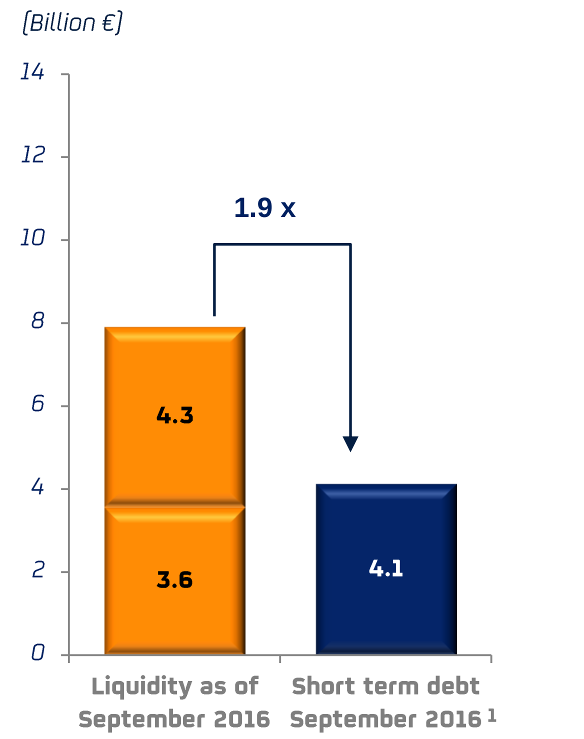
Strong liquidity position represents 59% gross debt

(*) Gross debt excludes interests and derivatives € 0.24 billion

Financial outlook

Strong liquidity coverage





Liquidity covers long term debt maturities beyond 2019

Liquidity exceeds 1.9x short term maturities

1. Excluding interest and derivatives € 0.24 billion.

Financial outlook

Delivery of Commitments

Divestments	• *Piped Gas Business, Offshore Wind, TSP T&T* • *E&P portfolio management: Alaska, Norway*
GNF monetization	• *Sale of 10% participation in GNF*
Dividend	• *Repsol dividend reduction* • *Scrip dividend*
Synergies and Efficiencies	• *Efficiencies and synergies accelerated*
Debt reduction	• *Debt reduced in €1.9Bn as of September 2016*

Maintenance of investment grade is fundamental to our long term strategy

2016 Outlook

8

2016 Outlook

- **Divestment program** *progressing ahead of schedule, transactions worth* **~€5 billion** *announced since start of strategic plan.*

- **Efficiency and Synergy** *project set to deliver* **€1.4 billion** *in benefits in 2016.*
  - *Savings are being delivered faster than originally expected*
  - *On track to deliver on longer term strategic targets*

- *Significant reduction in* **Net Debt** *by end 3Q, business is cashflow breakeven at* **~$45 per barrel**

- **Upstream** *business profitable at the operating level through the last 2 quarters*
  - *Capex optimization and cost control on track for full year delivery*
  - *Production volumes in line with Strategic Plan at* **~700,000 barrels** *per day average for 2016.*

- **Downstream** *forecasted to deliver ~€3 billion free cash flow in 2016*
  - *Return to strong margins so far in 4Q*
  - **Refining**, *major* **maintenance program** *for 2016* **completed**, *indicator premiums recaptured*

Investor Update 3Q 2016

Repsol Investor Relations

REPSOL

2016-2020 Value & Resilience