Fourth Quarter 2013 Results

February 26th, 2014

Antonio Brufau - CEO

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AGENDA

1. YPF settlement
2. Main Events 2013
3. Quarterly and Full Year Results
4. Outlook 2014

YPF Settlement

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Compensation for YPF

- **Friendly Settlement Agreement** which includes a compensation for 51% of YPF and 51% of YPF Gas.
- **Recognition** by the Republic of Argentina **of a debt** to Repsol **amounting to USD 5 bn.**
- The Argentinean Government **will deliver Argentinean sovereign bonds with an average interest above 8%, pro solvendo,** with a face value up to USD 6 bn to ease the monetization of this agreement.
- **Debt will not be considered settled until the amount has been fully paid** by the sale of the bonds, or by any other transaction which transfers the property of the bonds, or the regular principal payment at maturity is collected.
- **If the Republic of Argentina fails to pay** one or all series of bonds given in payment, **Repsol will be entitled to accelerate maturity, accumulate and claim a specific arbitration conducted in accordance with the UNCITRAL Regulations**, on the unpaid amounts up to USD 5 bn.

To be approved by the Honorable Congress of the Republic of Argentina and to be submitted for approval by the Repsol's Annual General Meeting

Rationale of the Settlement Agreement

- Repsol has always expressed its **willingness to reach an agreement.**
- A **fair and reasonable agreement avoids** the normal **uncertainty of a long litigation process**.
- **Returns the lost value to our Shareholders**.
- **No legal constraints to keep the remaining 12%.**

This settlement will enhance our sound financial position together with the **proceeds of the LNG disposal** and **the option to potentially sell** the remaining **12% stake in YPF**, in order to continue our **sustainable path of growth** in the Upstream business, and **to continue with the creation of value for our Shareholders.**

Main Events of 2013

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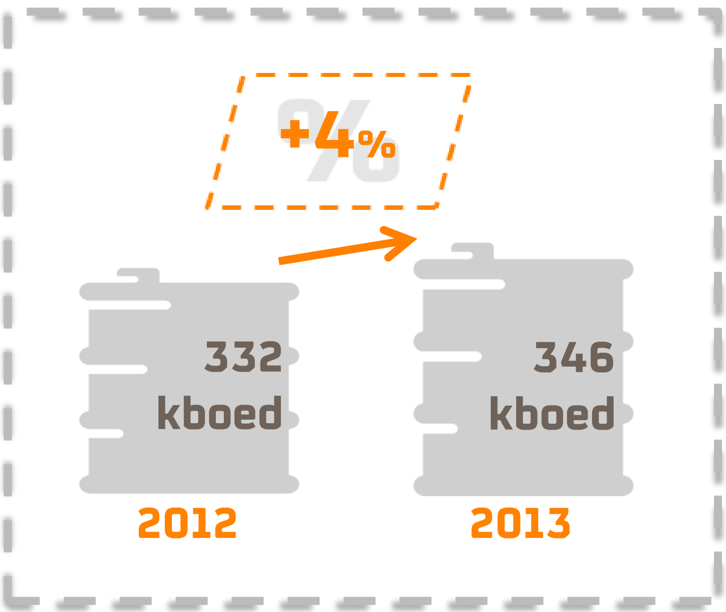
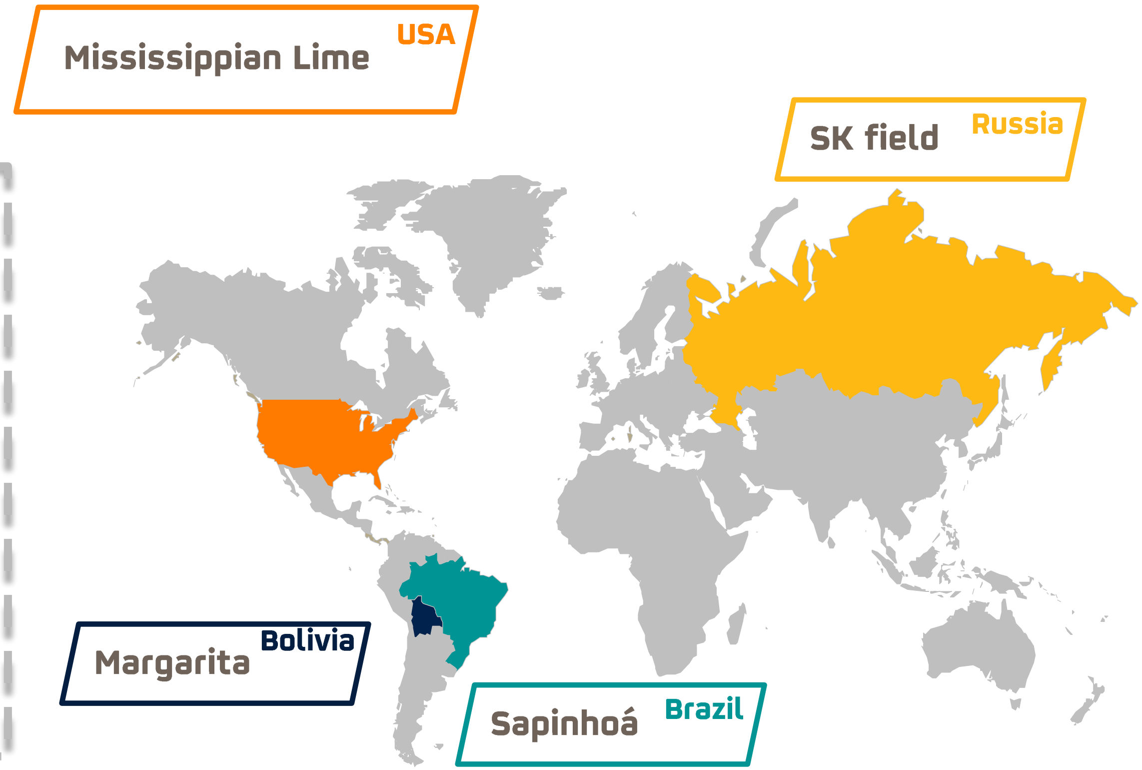
Main events 2013
Upstream

Production

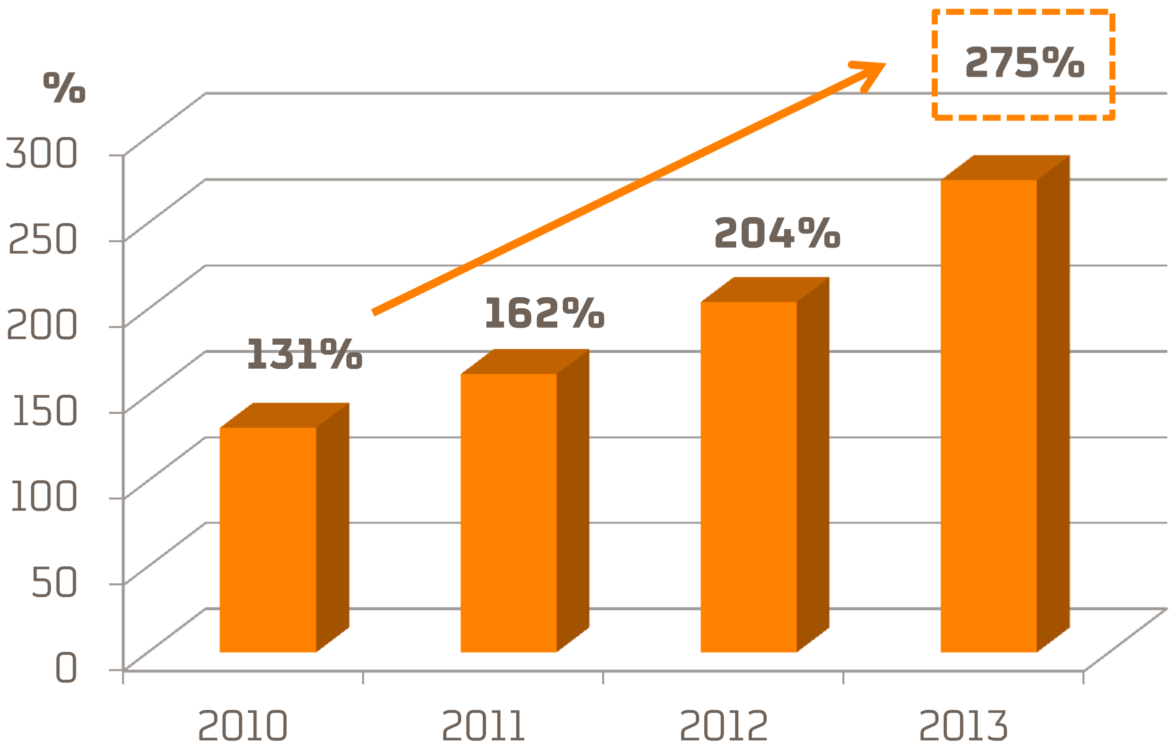




With Libya at normal levels, **8%** increase in production

Main events 2013
Upstream

Reserve Replacement Ratio



As of Dec. 31st 2013:

- Proven Reserves > **1,500 Mboe**
- Contingent Resources (3C) > **2,100 Mboe**
- > **300 Mboe** of resources added through Exploration

Increasing substantially the reserve life of the company without exhausting our resources base

Main events 2013
Upstream

2013 Exploration activity

9* out of 24 wells were positive in 2013

* One of the nine wells is currently being tested.

Main events 2013

Downstream: Remained profitable in every quarter

Refining

- Toughest macro environment in recent years
- Decrease in margins vs. Increase in utilization
- Breakeven in 2013

Commercial businesses

- Strengh supporting our results
- Change in the trend of sales volumes

Petrochemicals

- Maintenance activity in Tarragona
- Plan to improve efficiency

Main events 2013
LNG

Assets Disposal

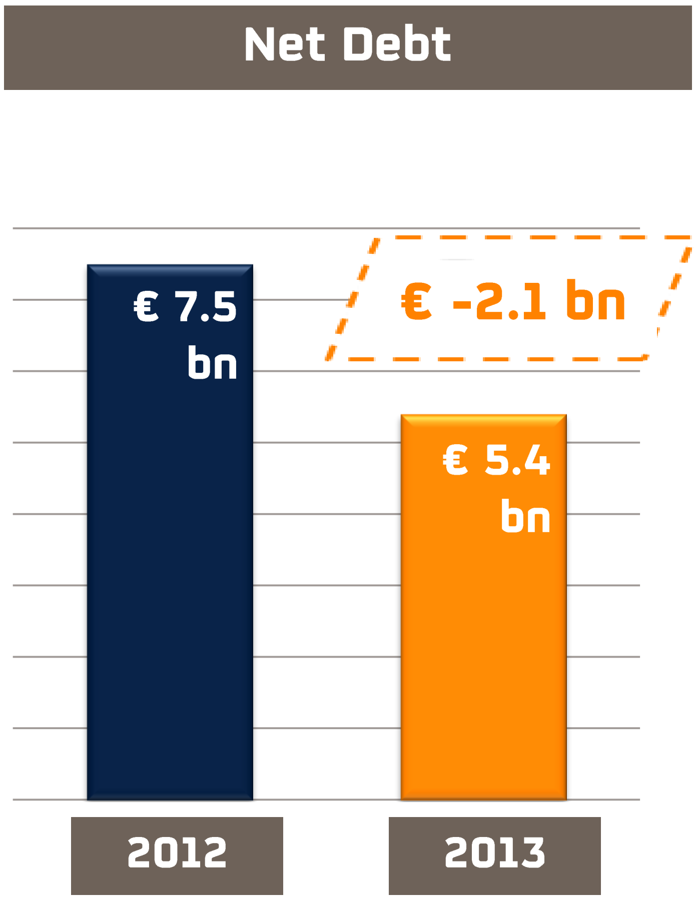
- Completed in early January 2014
- USD 4.3 bn in cash proceeds and USD 1.7 bn of financial leases transmitted.

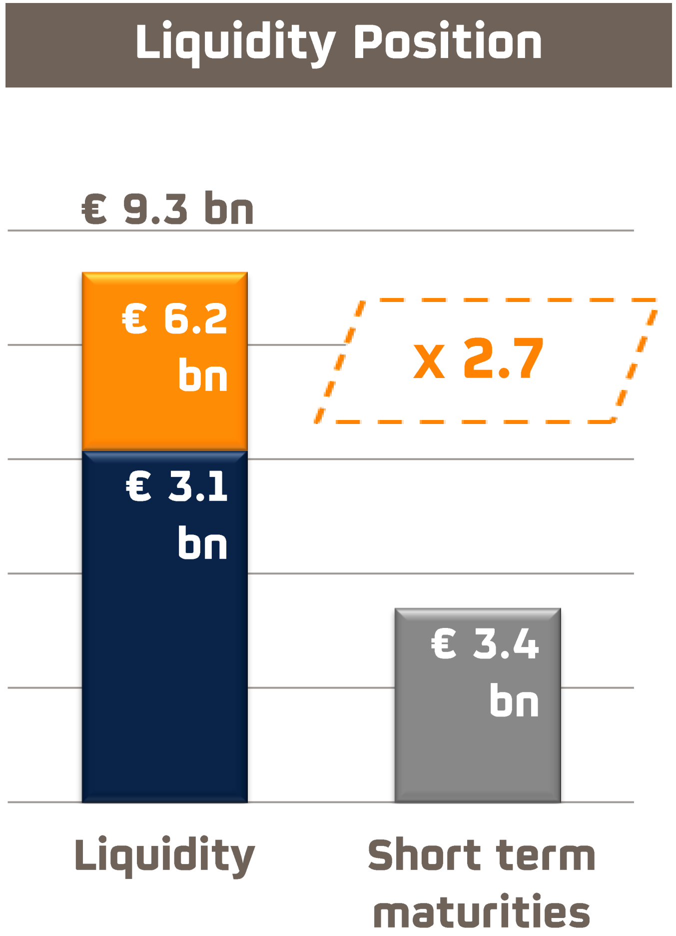
North American Assets

- Good performance in 2013 due to low temperatures as in January, 2014
- Continue working on optimization
- Optionality in order to maximize value

Main events 2013

Financial Situation (Figures Ex Gas Natural)





Quarterly and Full Year Results

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Results Summary
(ex YPF and ex YPF Gas)

FY 2013

	2013	2012	% Variation
CCS Adjusted Net Income	1,823	1,954	-7 %
CCS Adjusted Operating Income	3,737	4,321	-14 %

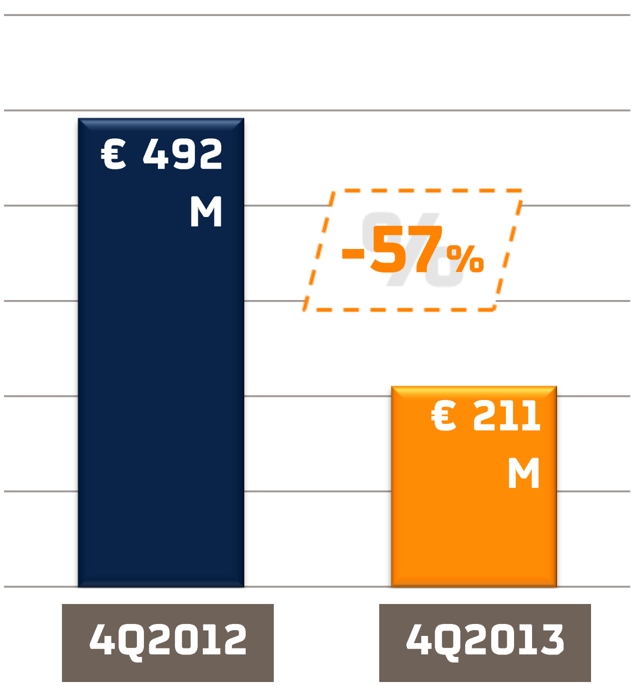
Million €

4Q 2013

	4Q 2013	4Q 2012	% Variation
CCS Adjusted Net Income	251	517	-51 %
CCS Adjusted Operating Income	604	1,053	-43 %

Million €

4Q 2013 Upstream Results
Adjusted Operating Income

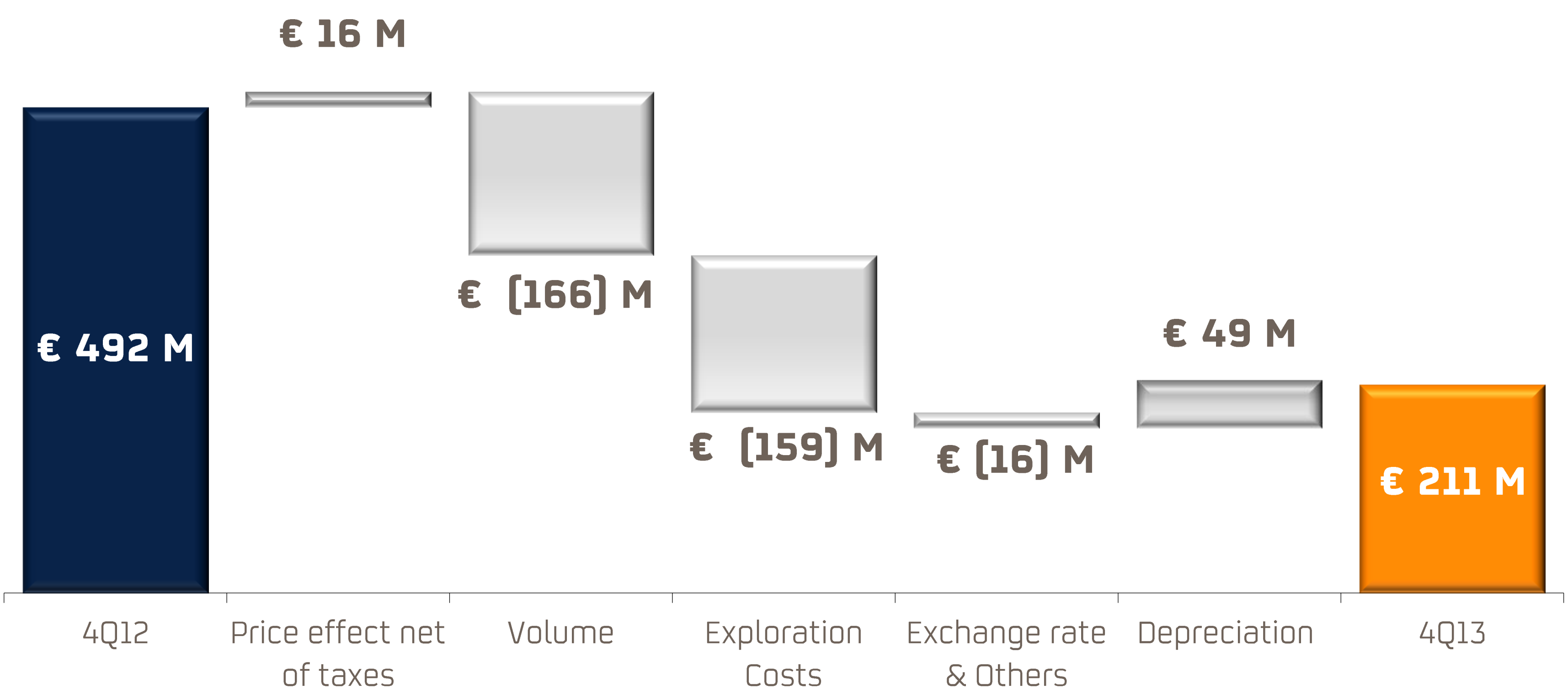


- Disruptions in Libya
- Increase in exploration costs

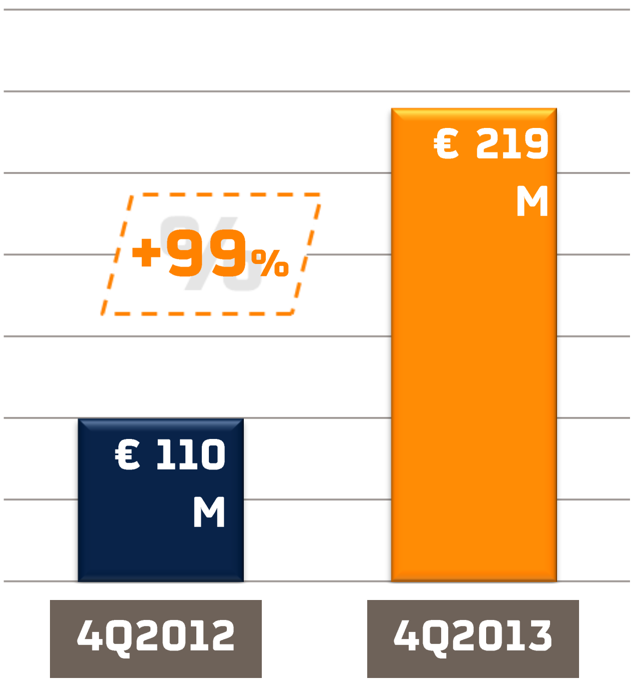
4Q 2013 Upstream Results
Adjusted Operating Income

	4Q 2013	4Q 2012	% Variation
CCS Adjusted Operating Income	211	492	-57 %

Million €



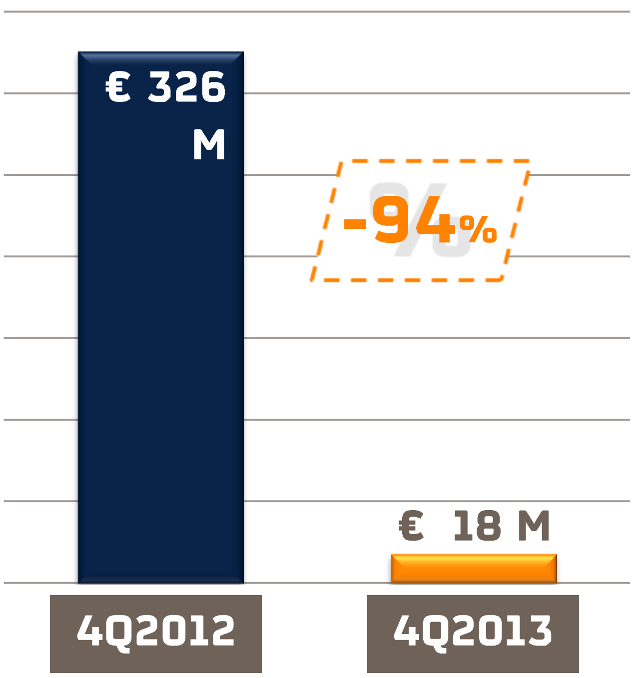
4Q 2013 LNG Results
Adjusted Operating Income



- Higher margins and volumes
- Better results in North America

4Q 2013 Downstream Results

CCS Adjusted Operating Income



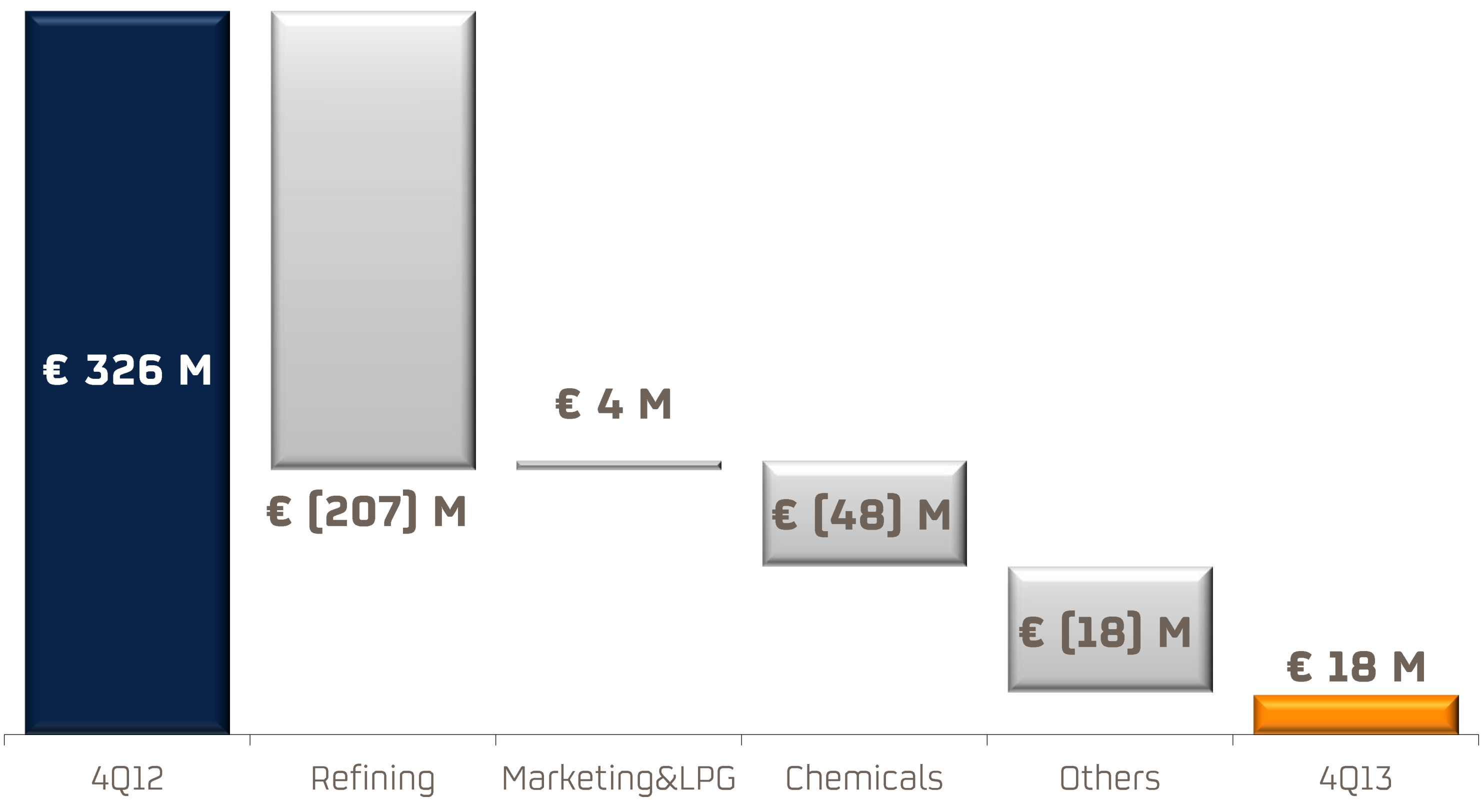
- Lower margins in Refining and lower utilization rate due to maintenance
- 2.7 dollars per barrel of premium margin
- Maintenance activity in Chemicals
- Increase in sales volumes in Commercial businesses

4Q 2013 Downstream Results

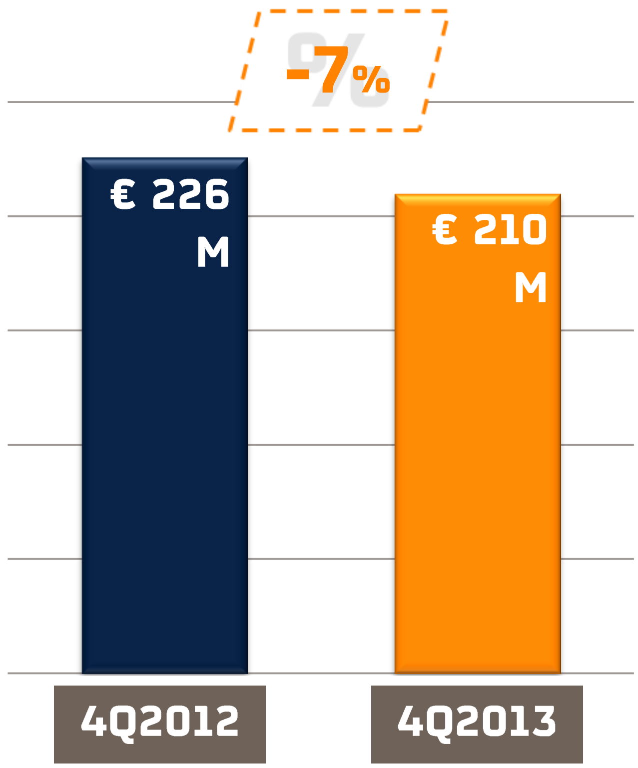
CCS Adjusted Operating Income

	4Q 2013	4Q 2012	% Variation
CCS Adjusted Operating Income	18	326	-94 %

Million €

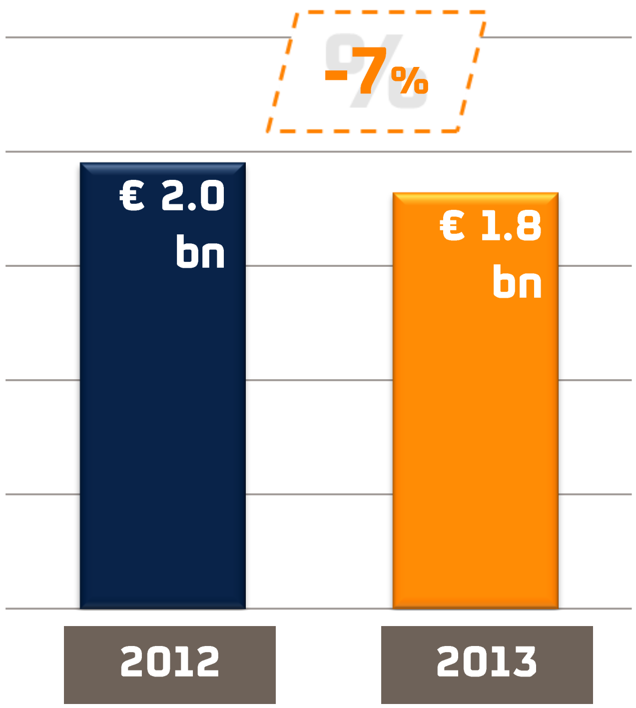


4Q 2013 Gas Natural Fenosa Results
Adjusted Operating Income

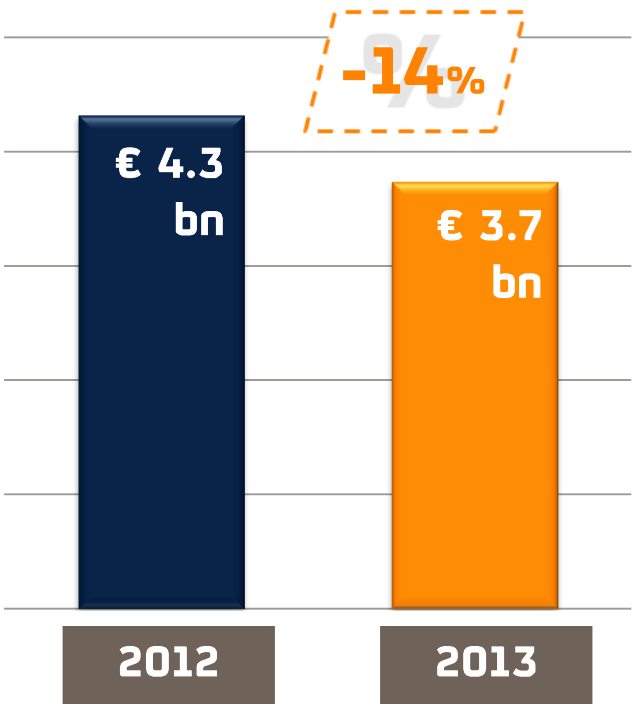


FY 2013 Results

CCS Adjusted Net Income

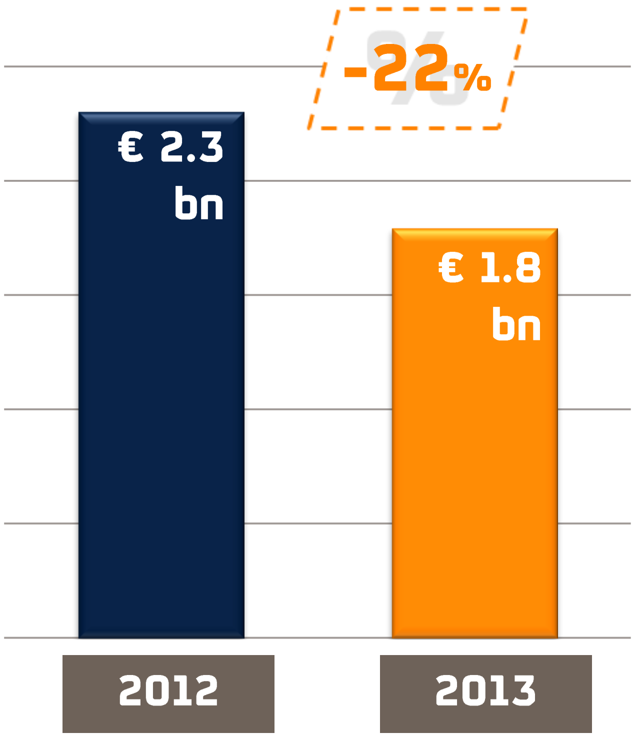


CCS Adjusted Operating Income



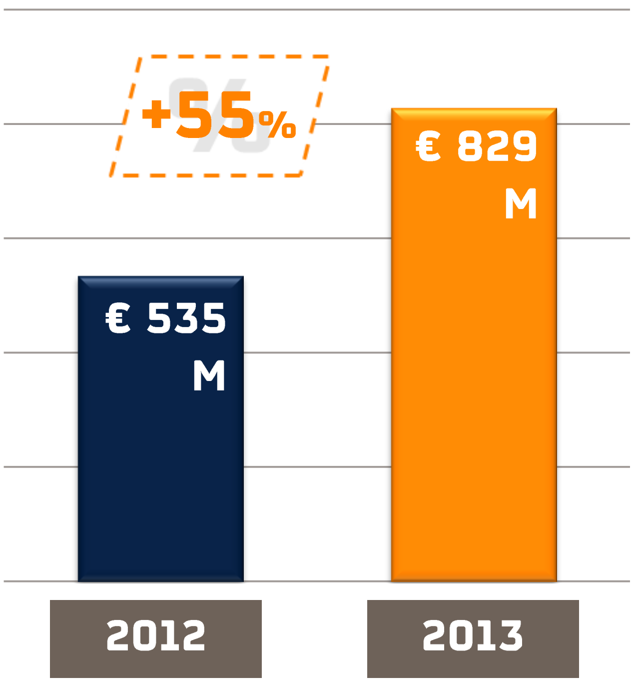
FY 2013 Upstream Results

Adjusted Operating Income



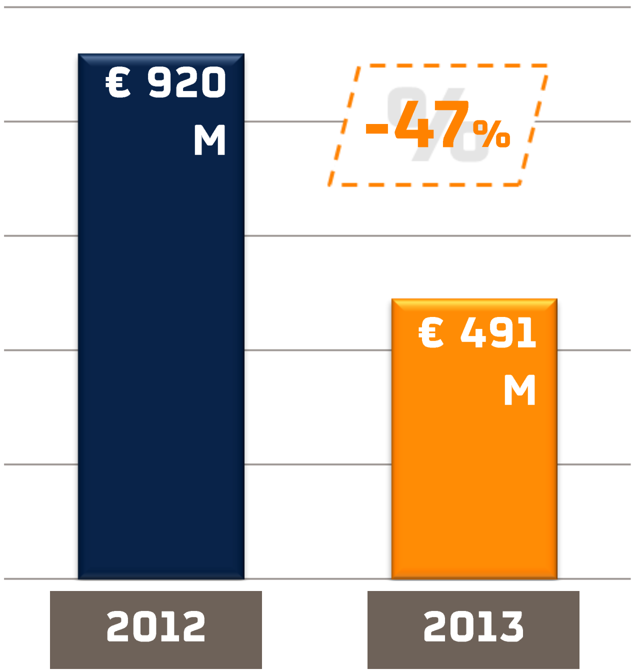
- Start up of key growth projects in Brazil, Russia and Bolivia
- Higher production from USA and Spain
- Better results in T&T
- Disruptions in Libya

FY 2013 LNG Results
Adjusted Operating Income



- Higher margins and volumes
- Better results in North America

FY 2013 Downstream Results
CCS Adjusted Operating Income

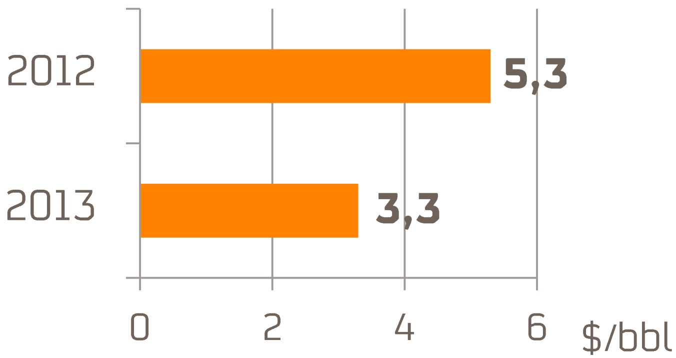


- Resilient in a tough environment
- Healthy positive results

FY 2013 Downstream Results

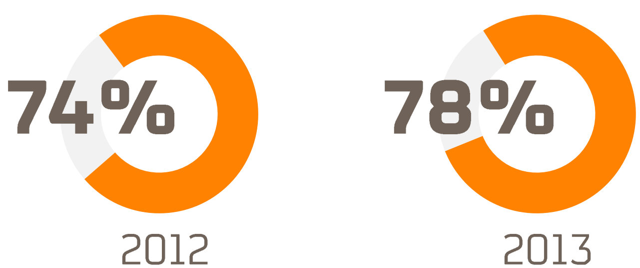
CCS Adjusted Operating Income

Refining Margin Indicator



Premium margin **2$/bbl**

Utilization rate



Conversion utilization rate **99%**

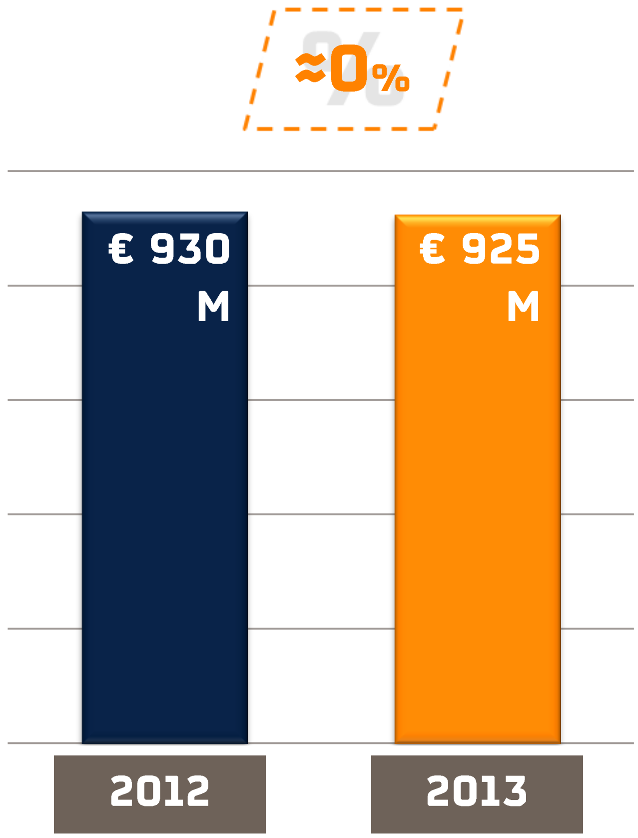
Chemicals business

- 50 million € Impact from the maintenance of the Tarragona plant

Commercial businesses

- Similarly healthy results to 2012
- Higher volumes in wholesale division

FY 2013 Gas Natural Fenosa Results
Adjusted Operating Income



Outlook 2014

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Outlook 2014
Upstream: Production

Higher average production from SK, Mississippian Lime & Sapinhoá

On February 18th, 2014 Petrobras announced the connection of the 2nd well

Production from Perla (Cardón IV) at the end of the year

>7% CAGR increase production

Kinteroni Onstream soon

Outlook 2014
Upstream: Exploration

Exploration budget
USD 1.3 bn

≈ 65% Investments will target oil

Exploration activity

Exploration Capex per barrel above industry average

70% will be spent on drilling

31 Wells comprising 7 appraisals

Outlook 2014

Upstream: Exploratory activity

Outlook 2014
Upstream: Exploratory activity

Outlook 2014

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Outlook 2014
Upstream: Exploratory activity

Outlook 2014
Upstream: Exploratory activity

Outlook 2014
LNG

- Optimizing the operation of Canaport
- Maximizing the profitability of NA

Outlook 2014
Downstream

Optimistic evolution of Spain's macro Indicators

Maximizing the capacity utilization

Fair evolution of the retail division results

Reducing the energy costs of our industrial units

Outlook 2014
Downstream

Wider heavy-light crude oil spread

Further closures of spare capacity in Europe

Optimistic evolution of Spain's macro Indicators

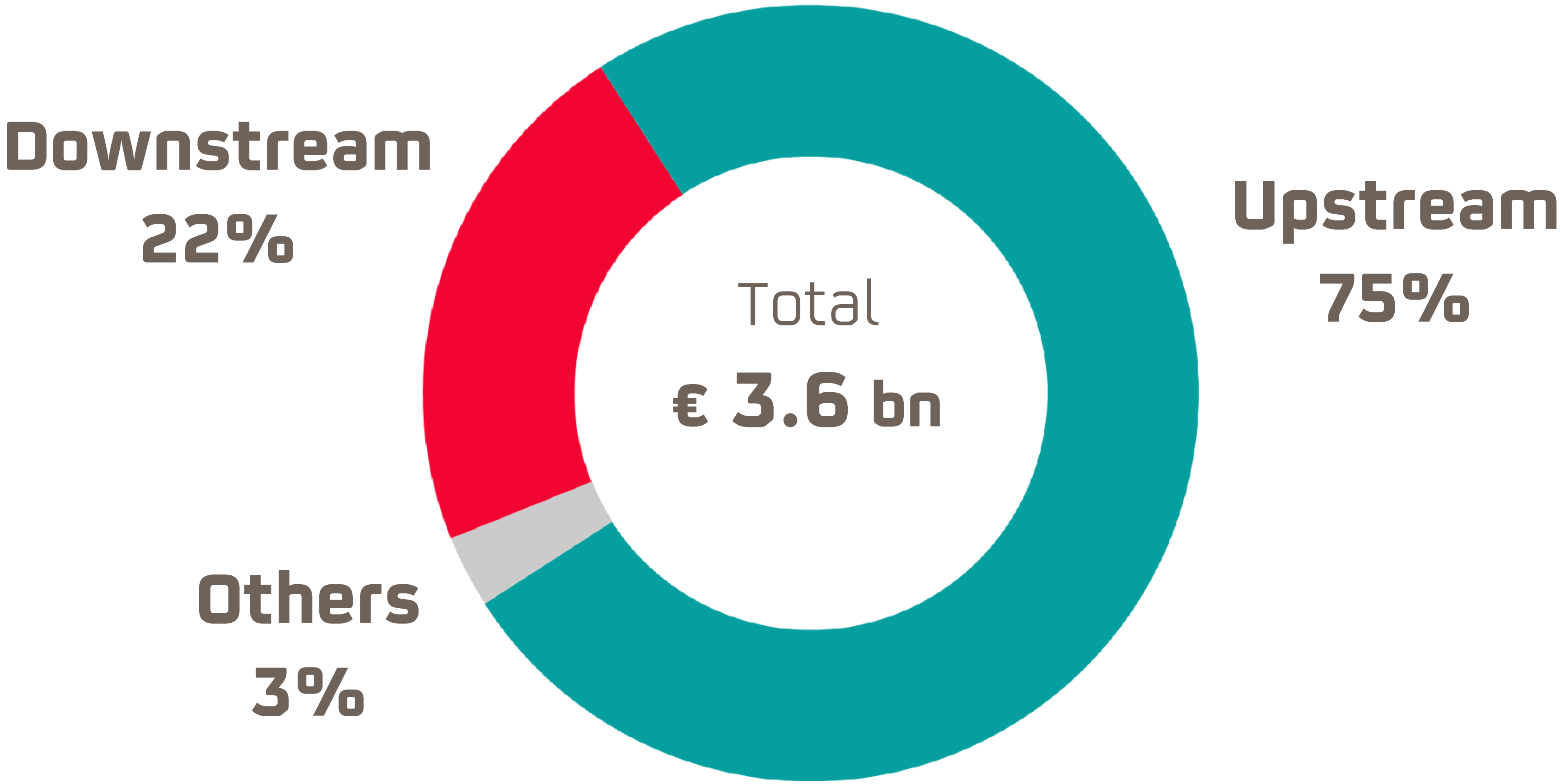
New maritime fuel regulation to increase diesel consumption

Break even margin indicator at EBIT level is 3.3 $/bbl (*)

Petrochemicals product differentiation to allow reaching breakeven level

(*) at 80% utilization rate and 1.3 $/€ exchange rate

Outlook 2014
Capex



Conclusions

- Sound financial position to support current and future projects
- Flexibility to continue diversifying and growing
- Opportunities in the Upstream business with constant and dynamic exploratory activity
- Best in class Downstream assets

To Increase the Value for our Shareholders

Q&A Session

Fourth Quarter 2013 Results

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