Investor Update 3Q 2016

Repsol Investor Relations

REPSOL

2016-2020 Value & Resilience

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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

1. Company Overview
2. Key strategic lines 2016-2020
3. Progress of Strategic Plan
4. Upstream
5. Downstream
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Company Overview

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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

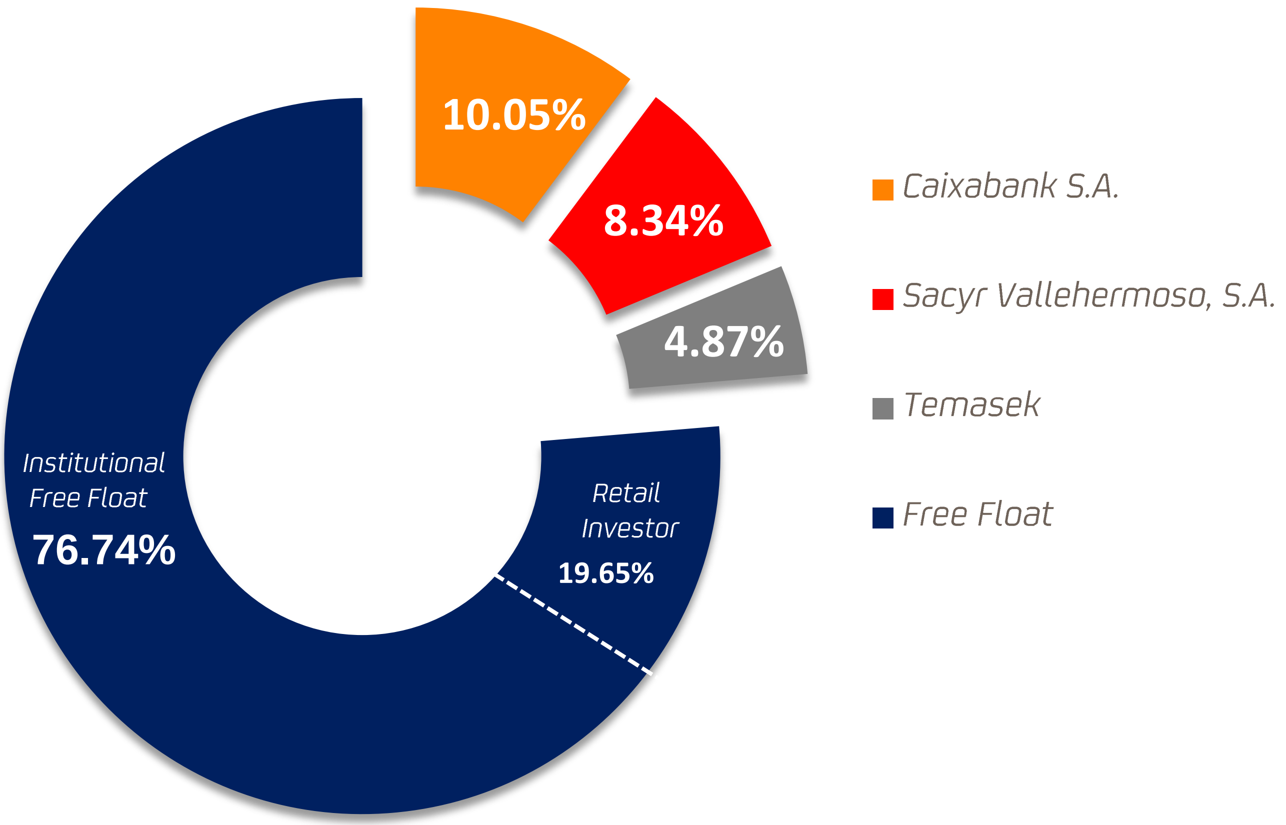
20% stake in Non-operated
shareholding: GNF

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

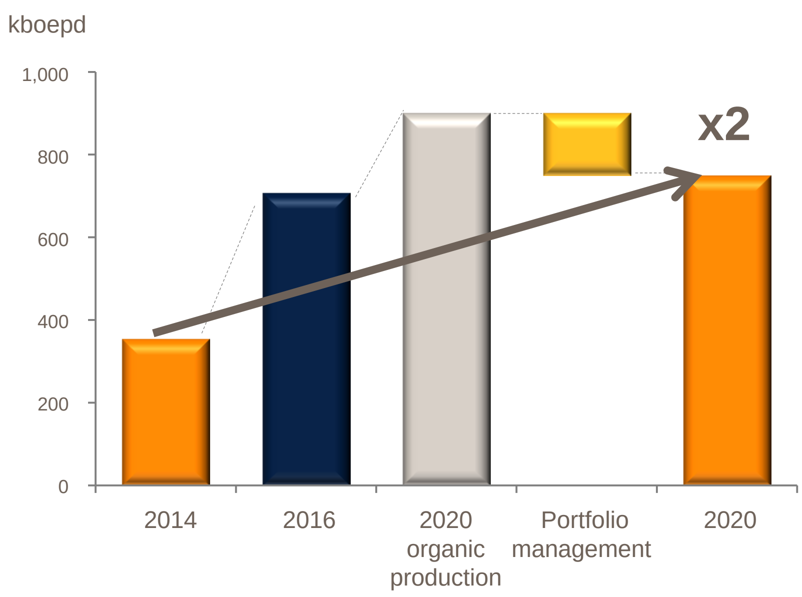
Sustainable value and resilience

[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 //

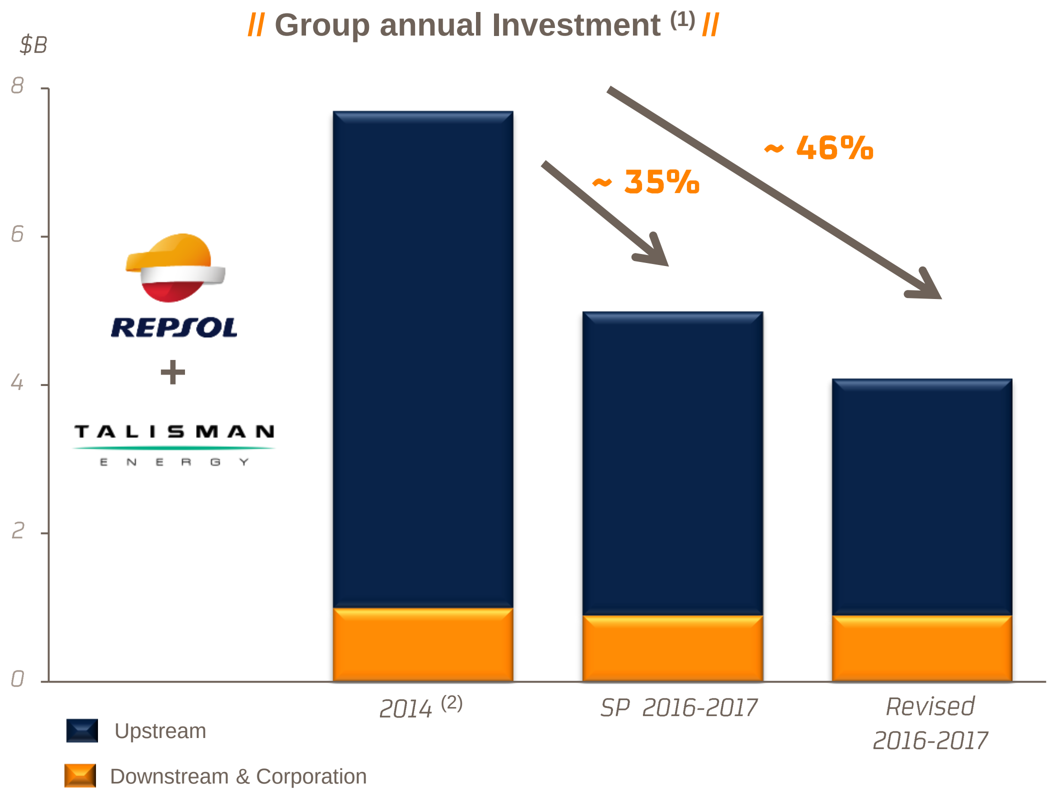


- *Achieved critical mass in E&P business*
- *Extensive portfolio of assets and development projects*
- *Optionality to improve portfolio value by divestments*

Achieving optimal size and portfolio mix

Key strategic lines 2016-2020

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



- *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 //	// 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.*

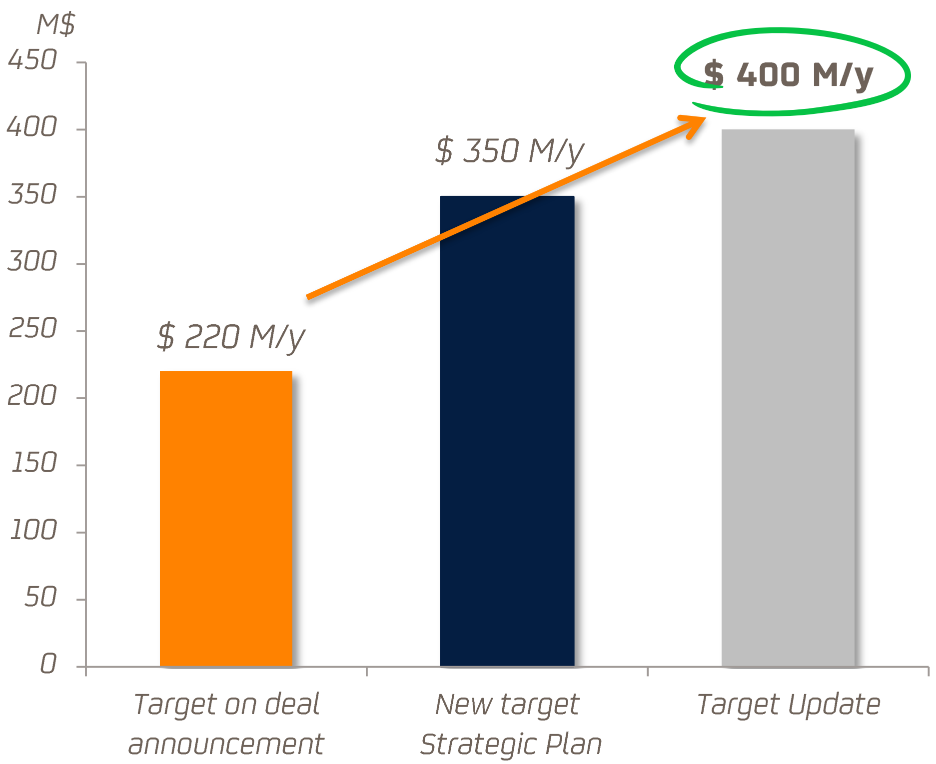
More than 50% of the efficiency plus synergies target in 2018 to be achieved in 2016

(*) 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 //



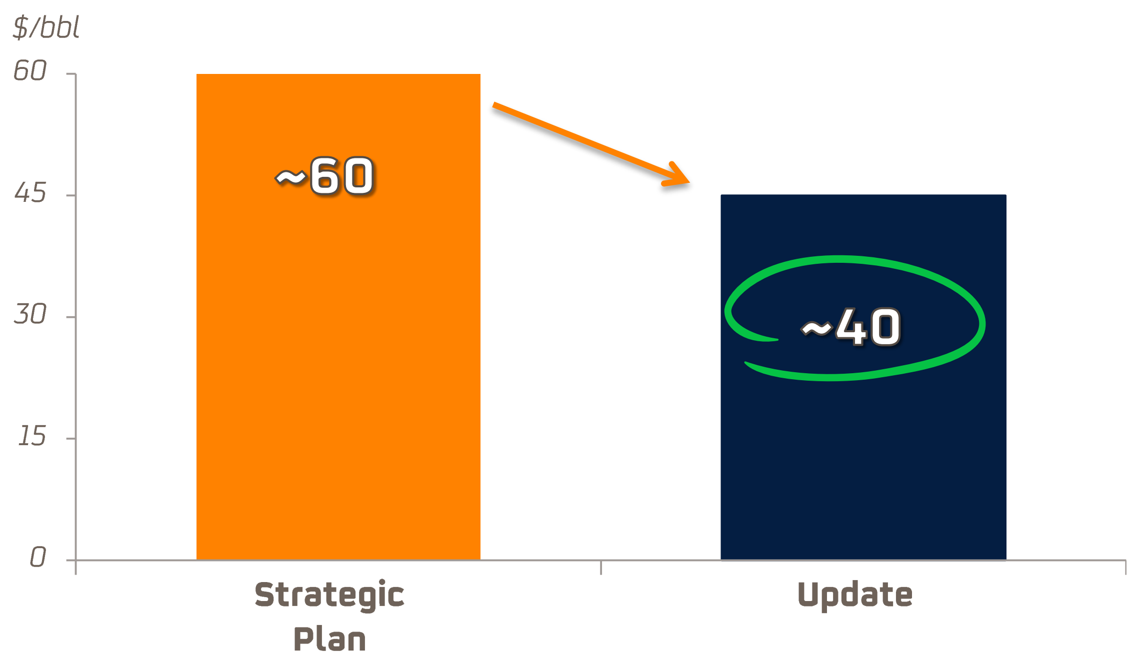
- **Finance:** *repurchase of Talisman bonds and joint financial optimization*
- **People and Organization**: *workforce and contractor reduction from overlaps*
- **IT:** *application & infrastructure rationalization*
- **Exploration:** *highgrading of Talisman portfolio*
- **General services:** *joint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

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

REPSOL

Breakevens

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



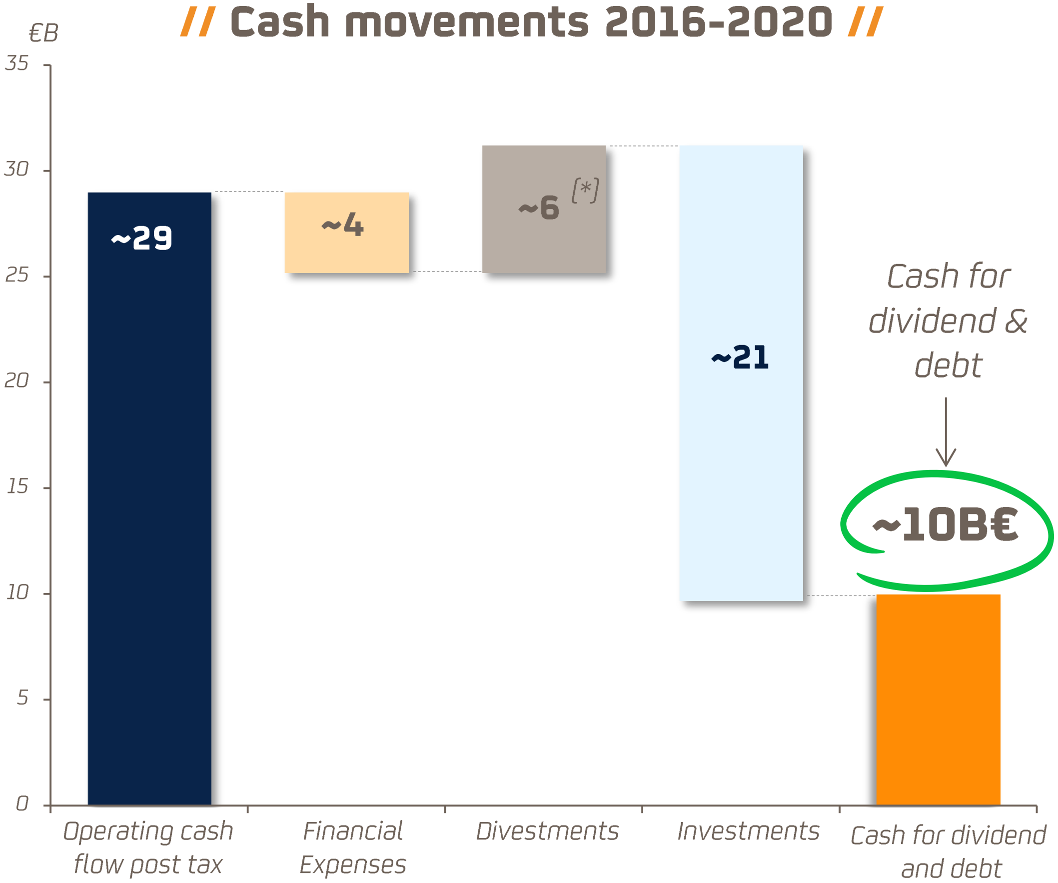
Resilience: $40/bbl free cash flow breakeven after dividend and interests

(*) 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

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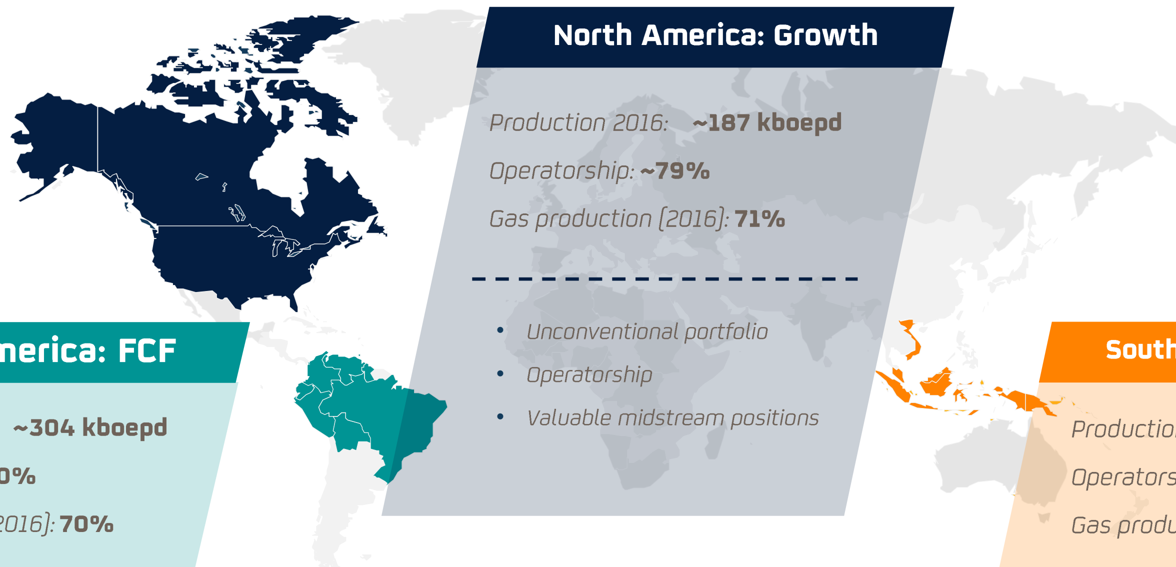
UPSTREAM

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

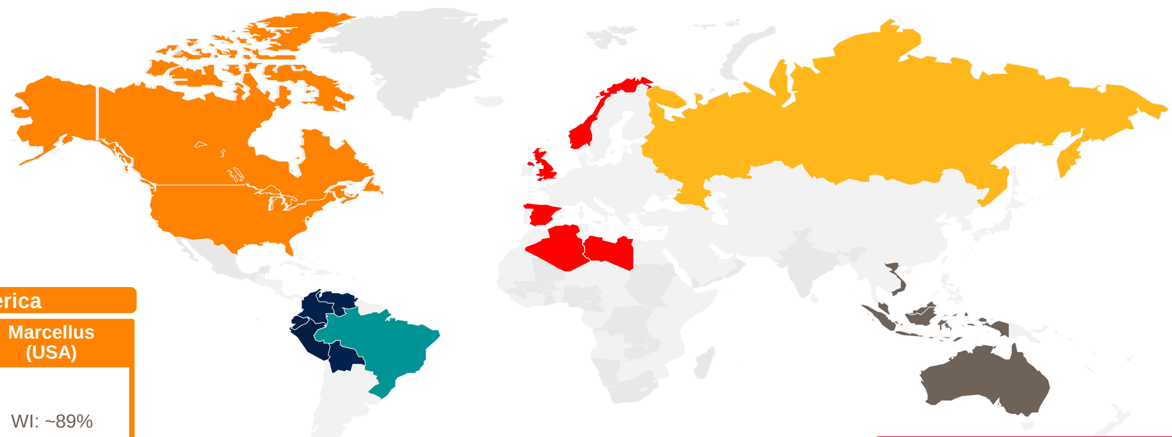
- **Current Production** **~ 700 Kboepd**
- **1P Reserves** (*) **2,373 MMboe**

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)	Duvernay (Canada)	GoM / Mid-continent (USA)
WI: ~31% in basin and 37% in JV	WI: ~89%	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

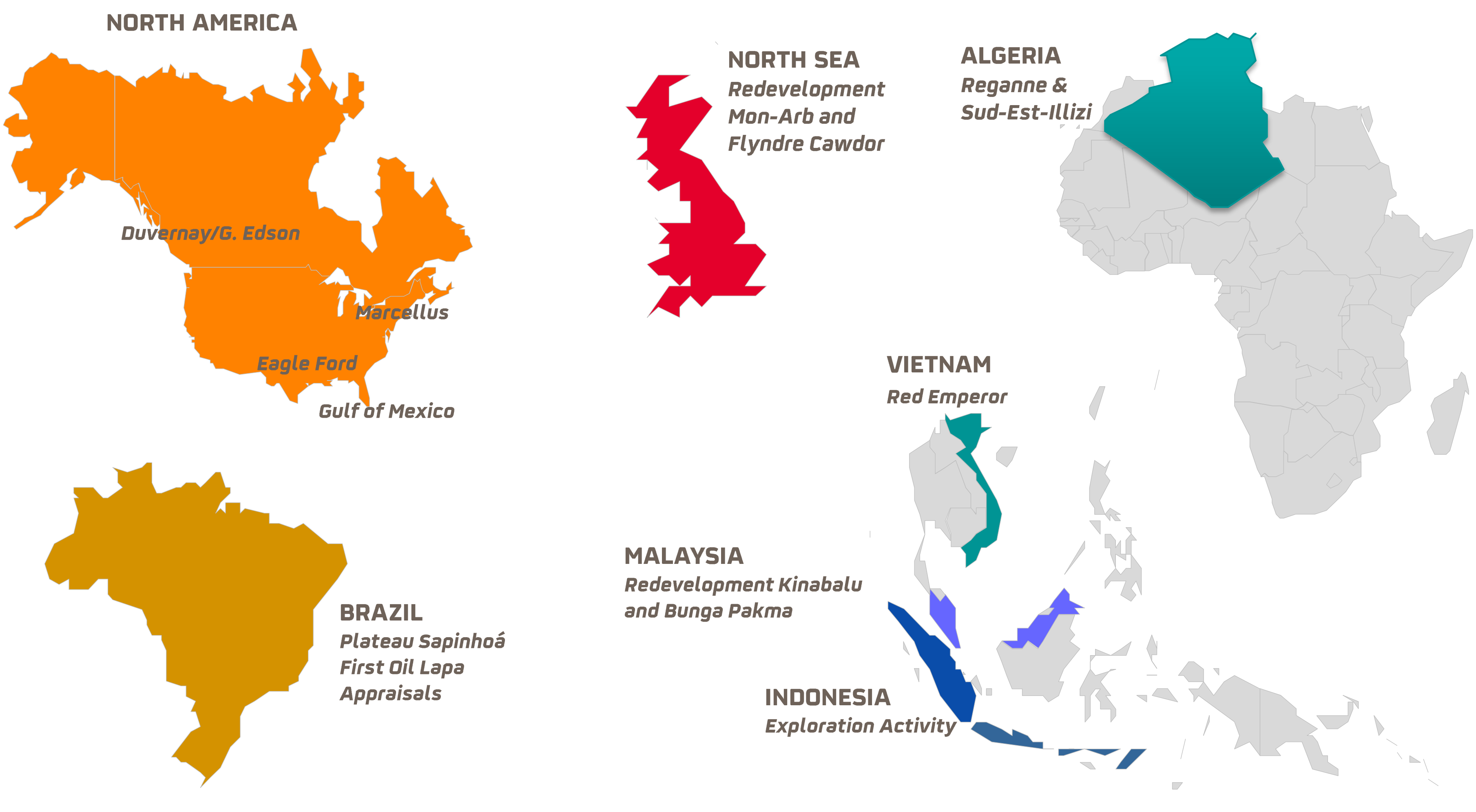
- *Brazil: Santos Basin & Espirito Santo*
- *Colombia: RC11, RC12 & Tayrona*
- *Unconventional North America*
- *GOM*
- *Peru*
- *Guyana*
- *Angola*
- *Romania*
- *Portugal*
- *Norway*
- *Indonesia*
- *Malaysia*
- *Vietnam*
- *PNG*
- *Bulgaria*

"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



* 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.*

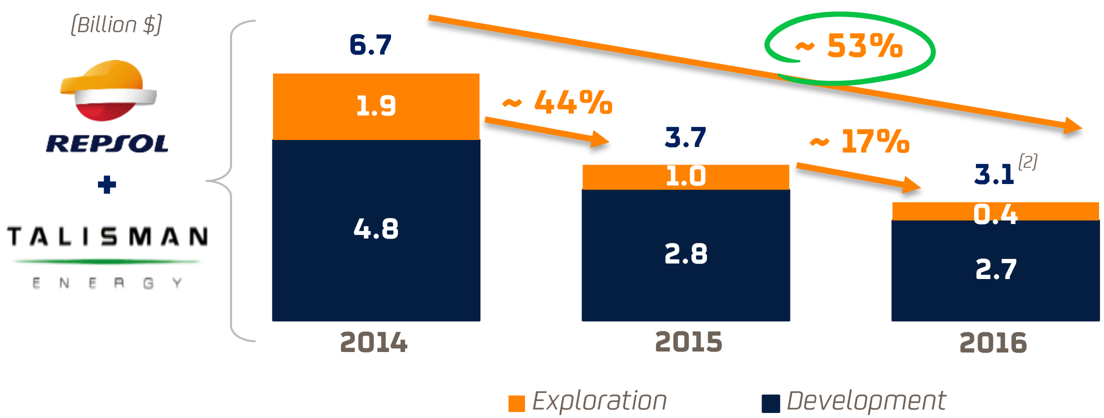
T&T: Juniper

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

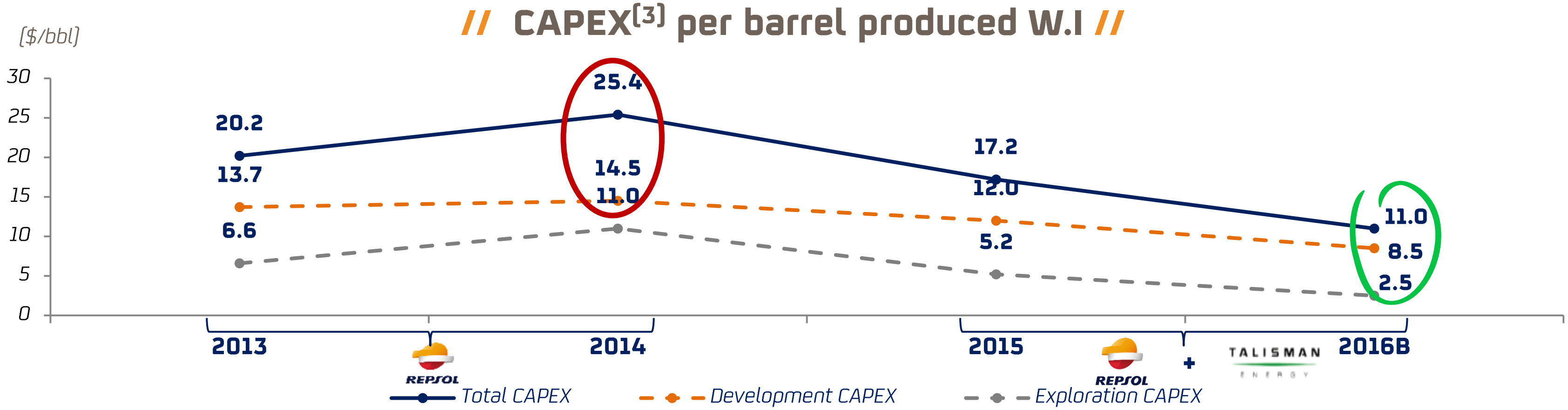
UPSTREAM

Portfolio management: Flexibility to optimize capital allocation

// Upstream Investments[1] //



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



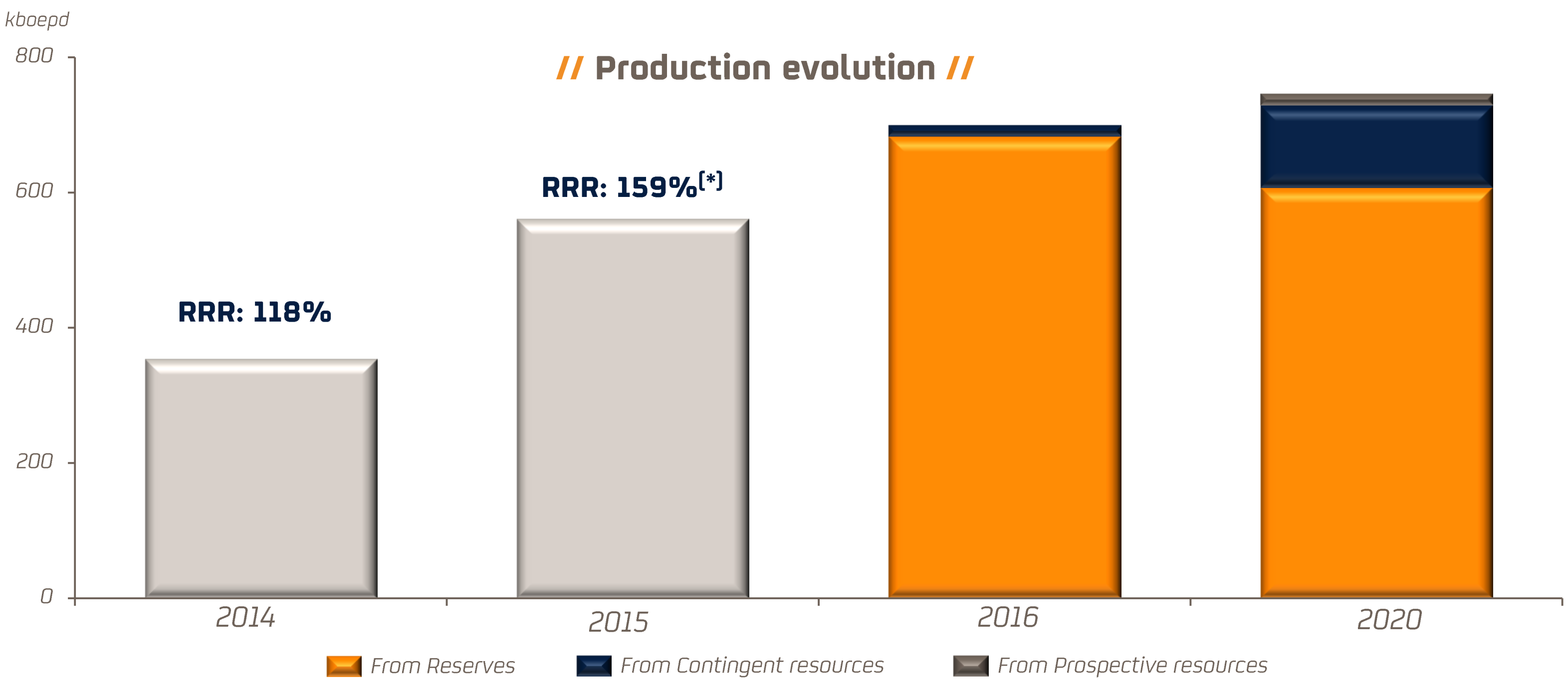
[1] Investment excluding G&G and G&A from exploration and including efficiencies

[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)

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:

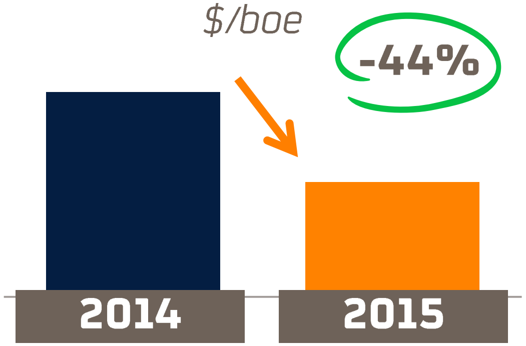
- *Develop a prioritized inventory of qualifying capital projects to be used in the asset strategy definition.*

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

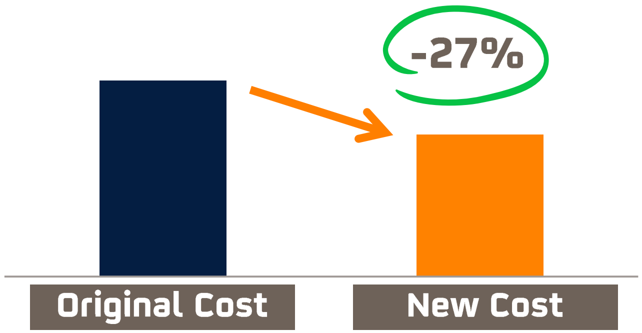


MARCELLUS

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

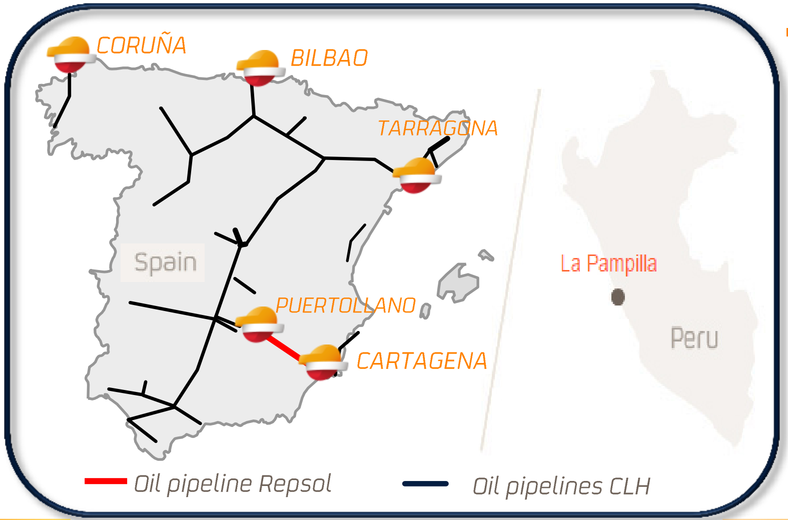
5

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 to provide sustainable value

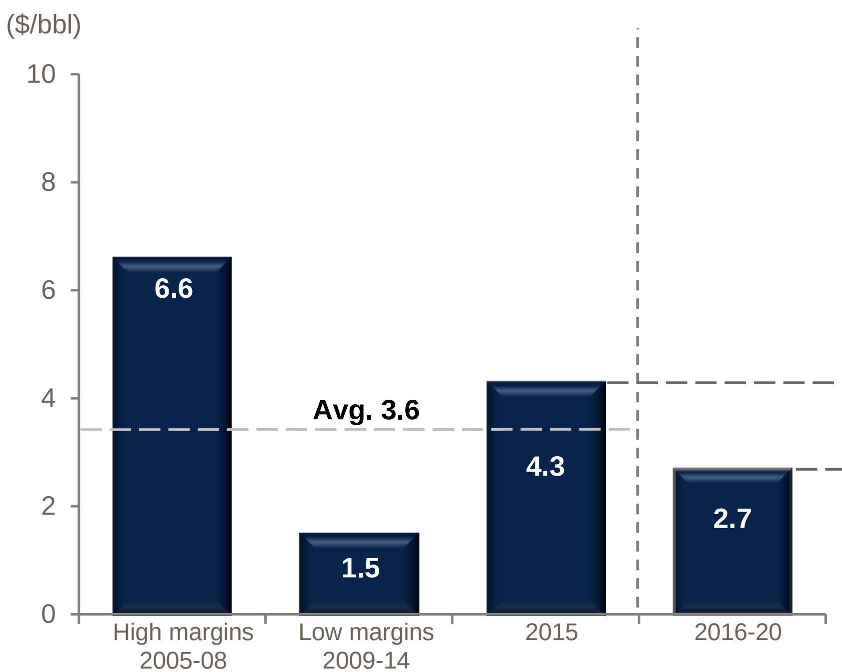
Maximize performance	• Taking advantage of the integration between refining and marketing businesses with focus on reliability
Capital discipline	• Discipline in capital allocation • Divestments of non-core assets for value creation
Margin improvement & Efficiency Program	• Optimizing integrated margin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

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

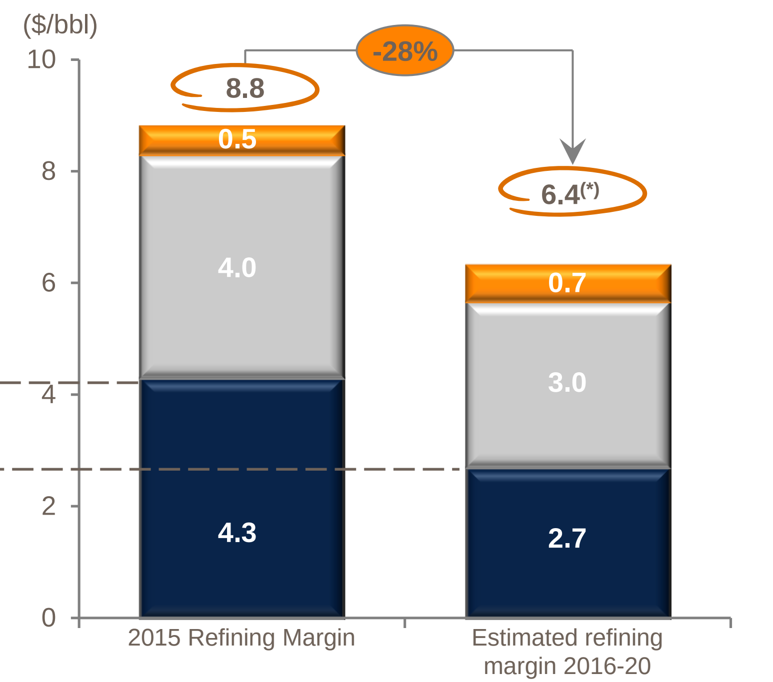
Repsol's refining margin indicator evolution

Margins back to a mid cycle scenario

Base Repsol Crack Index[1] 2005-2020



Repsol Refining margin index evolution



Base Repsol Crack Index *Additional margin from projects pre-SP* *Efficiency and margin improvement program*

[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

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 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

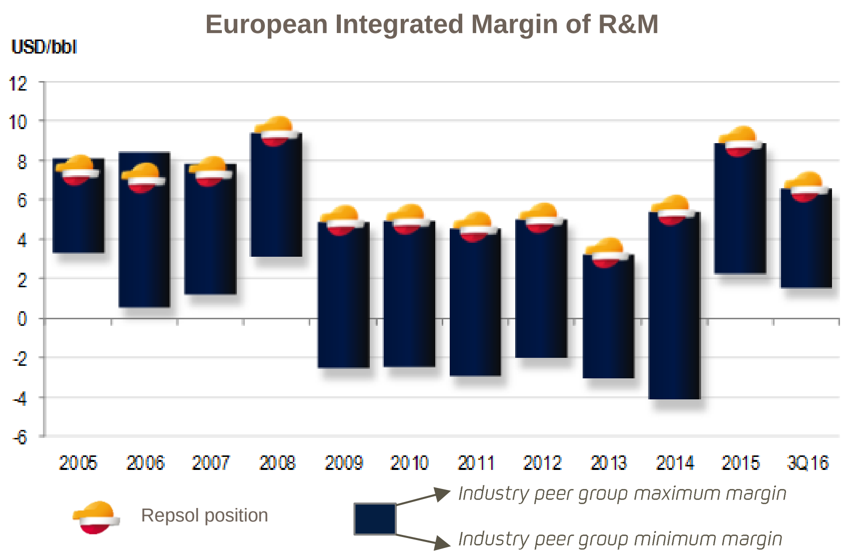
DOWNSTREAM

2016-2020 Downstream strategy

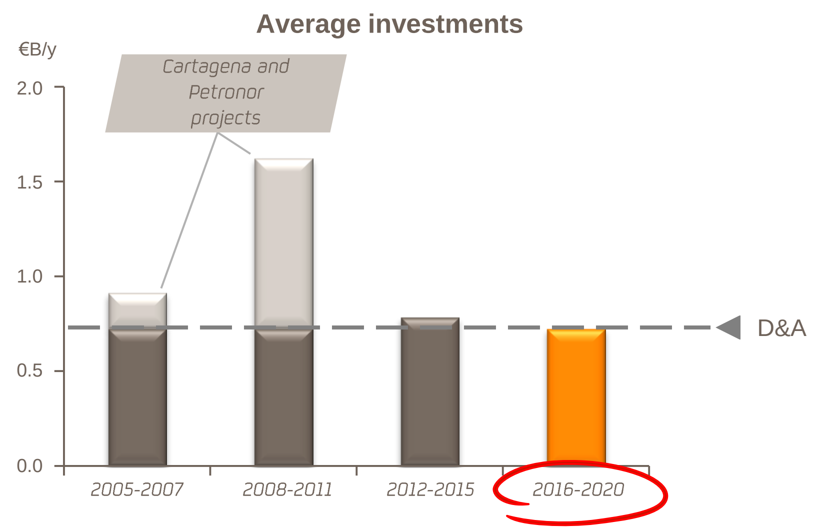
Maximizing value and cash generation leveraged on fully invested assets

// Sustainable value from quality assets //

Repsol in leading position among european peers



// Investment discipline //



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.

Gas Natural Fenosa

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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

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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

Business Resilience

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

	Average 9M2015	Average 9M2016
Brent price ($/bbl)	55.3	41.9

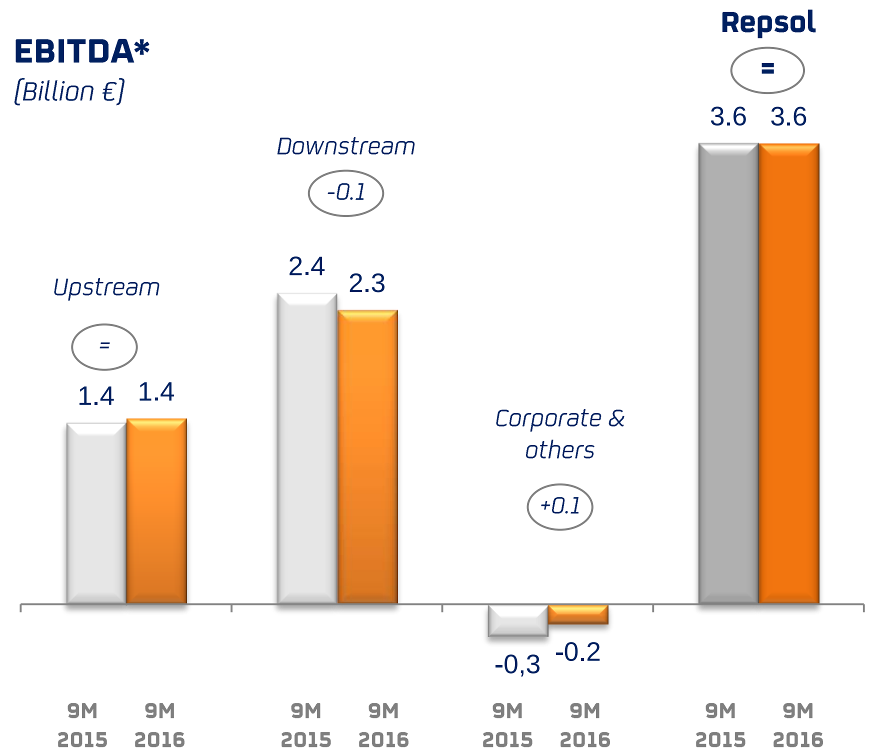
	Average 9M2015	Average 9M2016
Refining margin ($/bbl)	8.9	6.0

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

Upstream: *Lower cash breakeven*

Downstream: *Higher integrated refining margin*

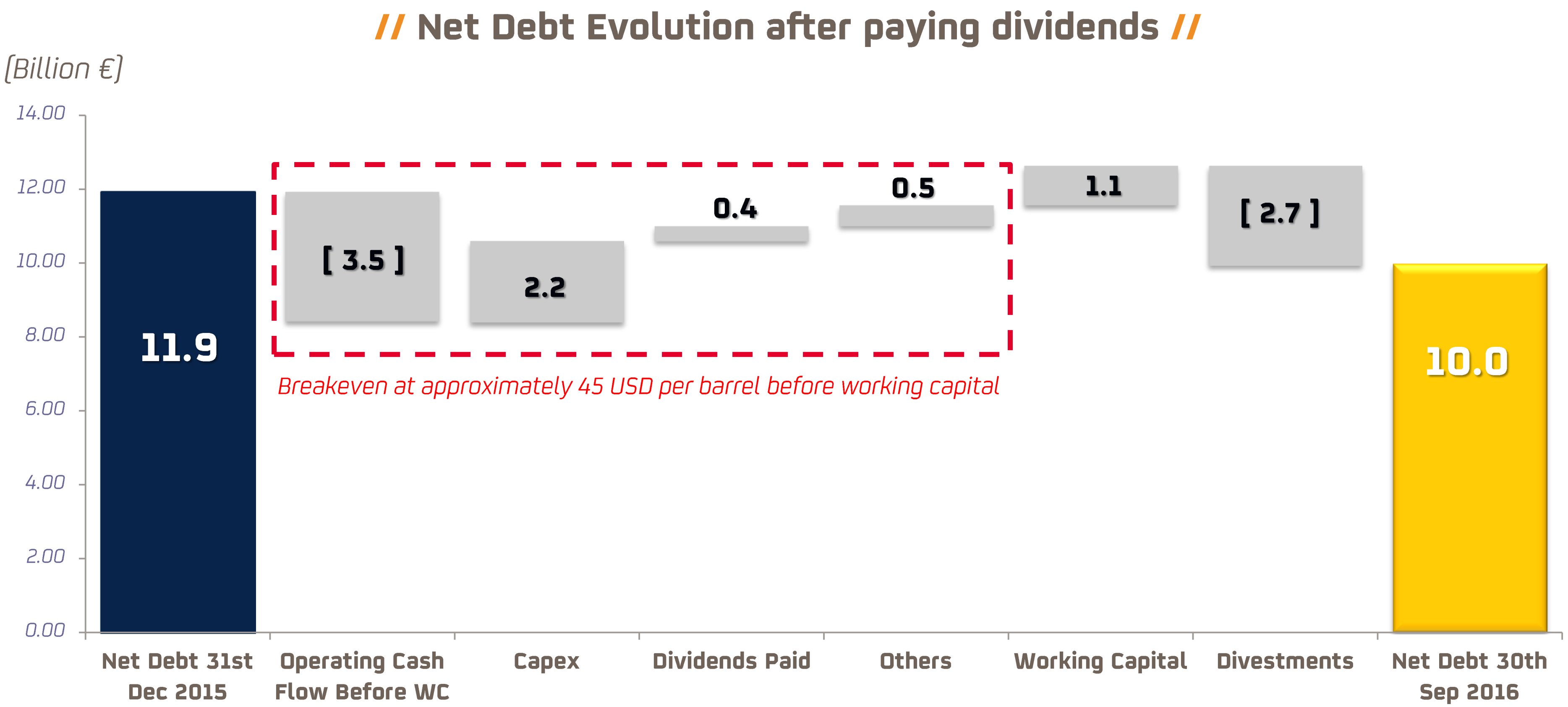
Group FCF breakeven after dividend and interest reduced from 60$/bbl to 40$/bbl



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

Financial outlook

9M2016 Net Debt evolution



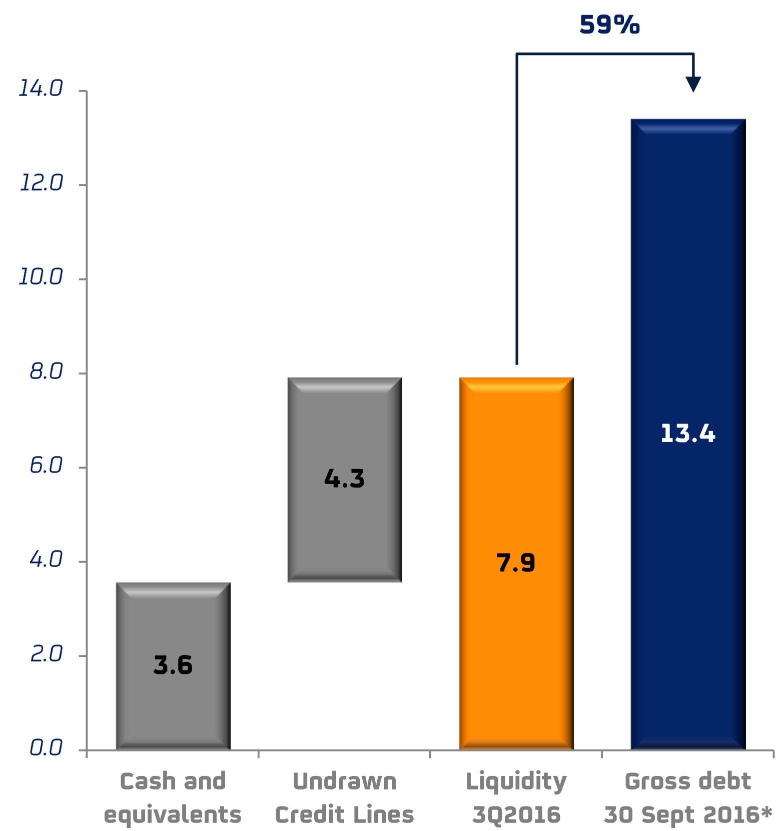
Financial outlook

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%*



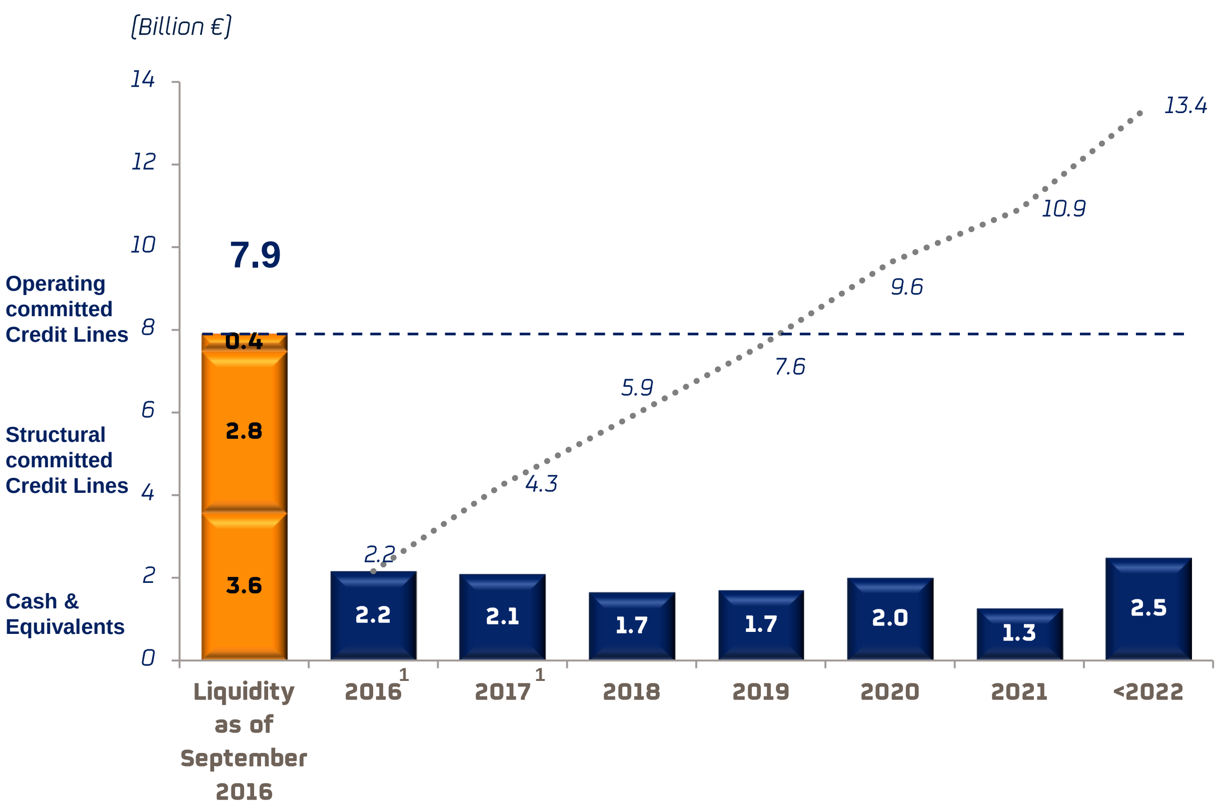
Available Structural credit lines represent 90% from total committed credit lines

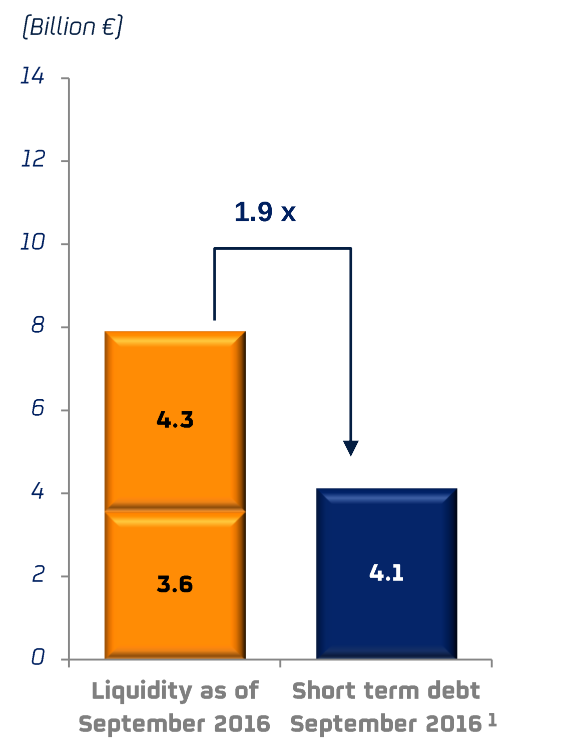
Strong liquidity position represents 59% gross debt

(*) 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

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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

2016-2020 Value & Resilience

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