Investor Update

May 2015

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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, the Comisión Nacional de Valores in Argentina, the Securities and Exchange Commission in the United States and with any other supervisory authority of those markets where the securities issued by Repsol and/or its affiliates are listed.

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

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Company Overview

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Company Overview

Repsol today

1 million boe/d refining capacity

~ 2.2 Billion boe proven reserves

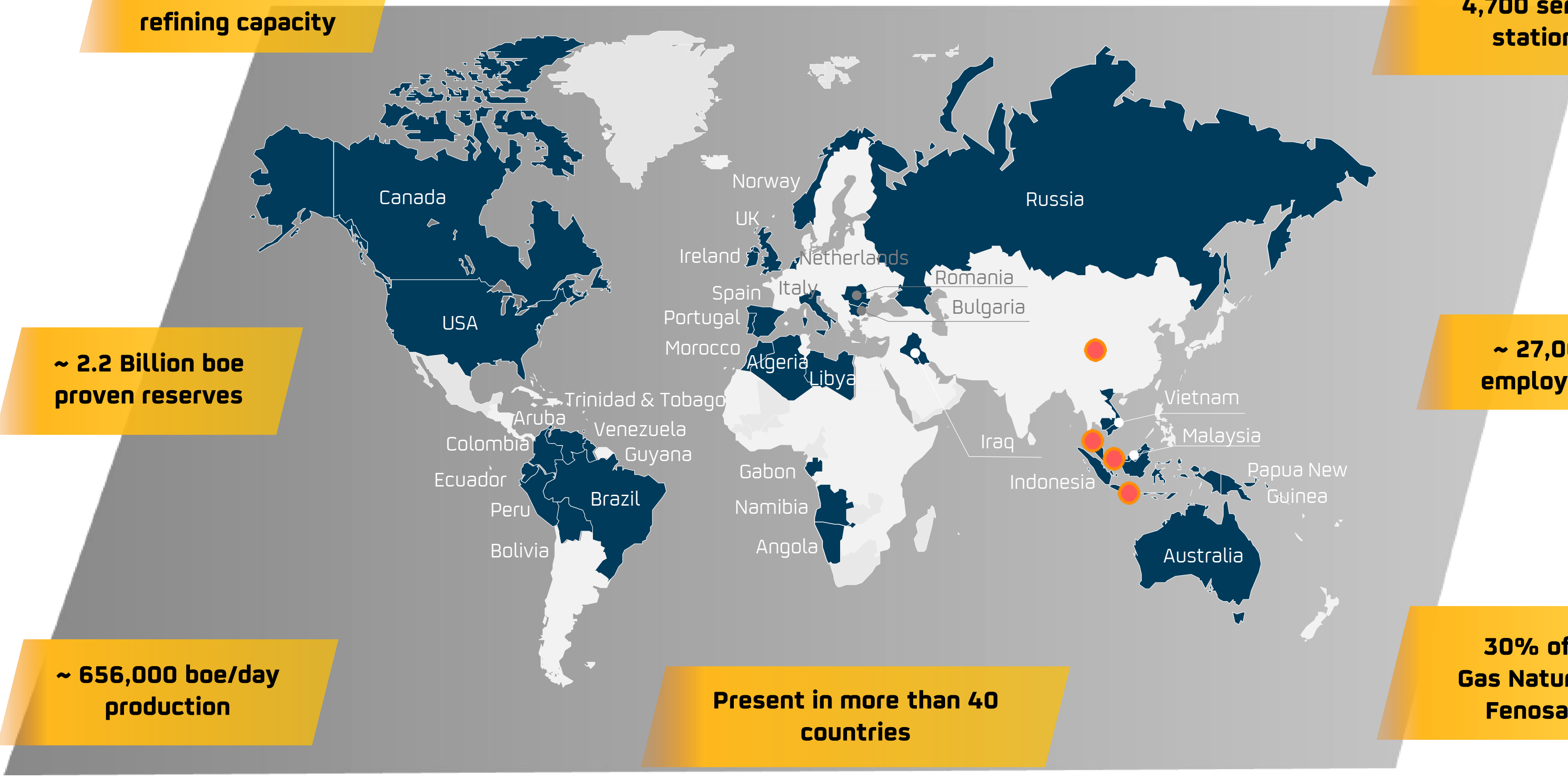
~ 656,000 boe/day production

4,700 service stations

~ 27,000 employees

30% of Gas Natural Fenosa

Present in more than 40 countries



Repsol´s presence

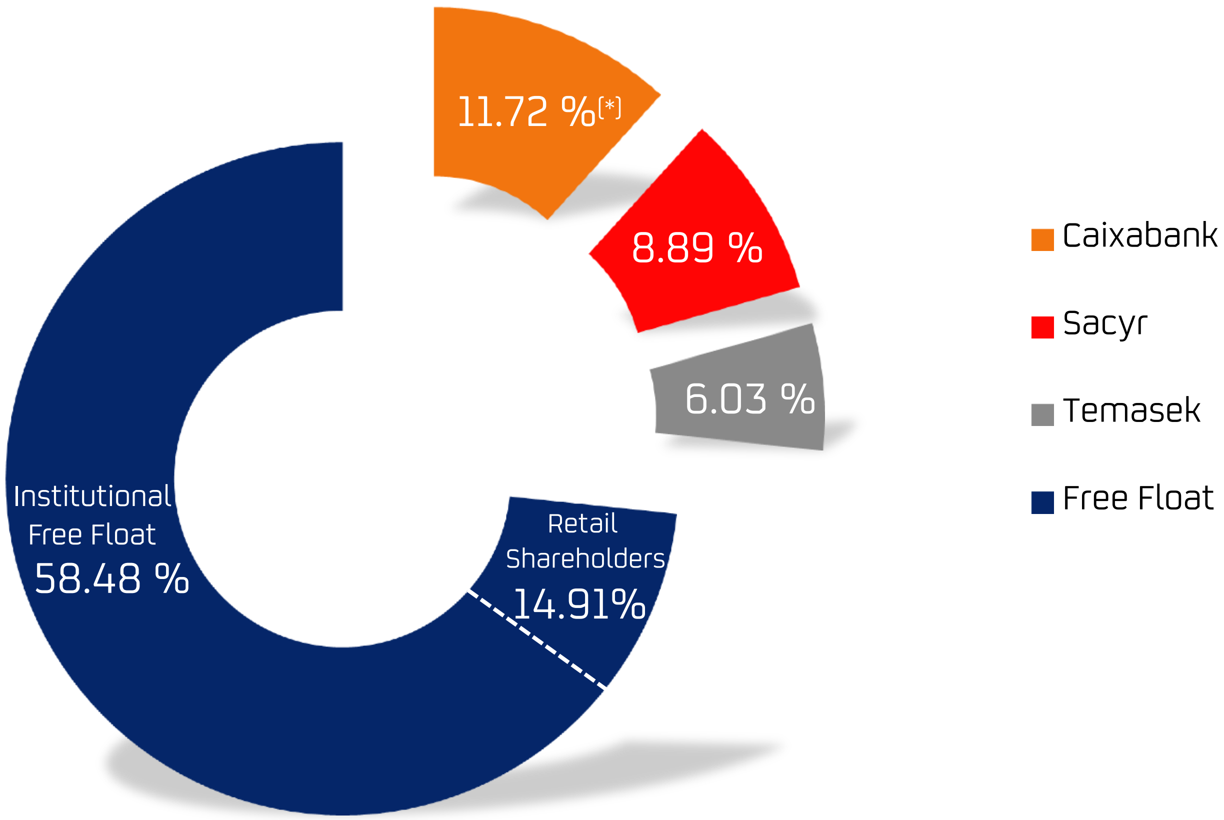
Note: Additionally our Marketing and Chemical activity extends to Asia

REPSOL

- **Core Businesses**
  - Upstream
  - Downstream
- **Non Operated Shareholding**
  - Gas Natural Fenosa

Company Overview

Repsol's Shareholders



Total number of shares: 1,374.69 million

(*) On 11th November 2013 CaixaBank launched a €594m 3-year Mandatory Exchangeable Bond into Repsol shares (2.5% of share capital)

Company Overview

Strategic Plan 2012-2016

REPSOL

Growing from our strengths (2012-2016)

- Maximize Downstream profitability ✓
- High growth in Upstream ✓ → Talisman Acquisition →
  - Growth
  - Diversification
  - Value Creation
- Competitive shareholder compensation ✓
- Financial strength ✓

All 2012-2016 Key strategic targets achieved

Company Overview

Strategic Plan 2016-2020

REPSOL

"A new Strategic Plan 2016-2020[*], focused on value creation"

PERFORMING BUSINESSES
- Optimization & Efficiency
- Maximizing integration

SHAREHOLDER RETURN
- Attractive value proposal

PORTFOLIO MANAGEMENT
- Reinforcing Upstream business

FINANCIAL DISCIPLINE
- Resilience to stress scenarios
- Disciplined Capex allocation

- **Profitability**
- **Sustainability**
- **Enhanced Capabilities**
- **Risk Management**

A proposal for strong value creation

[*] The Repsol Group will present a new strategic plan before the end of the year 2015

Upstream

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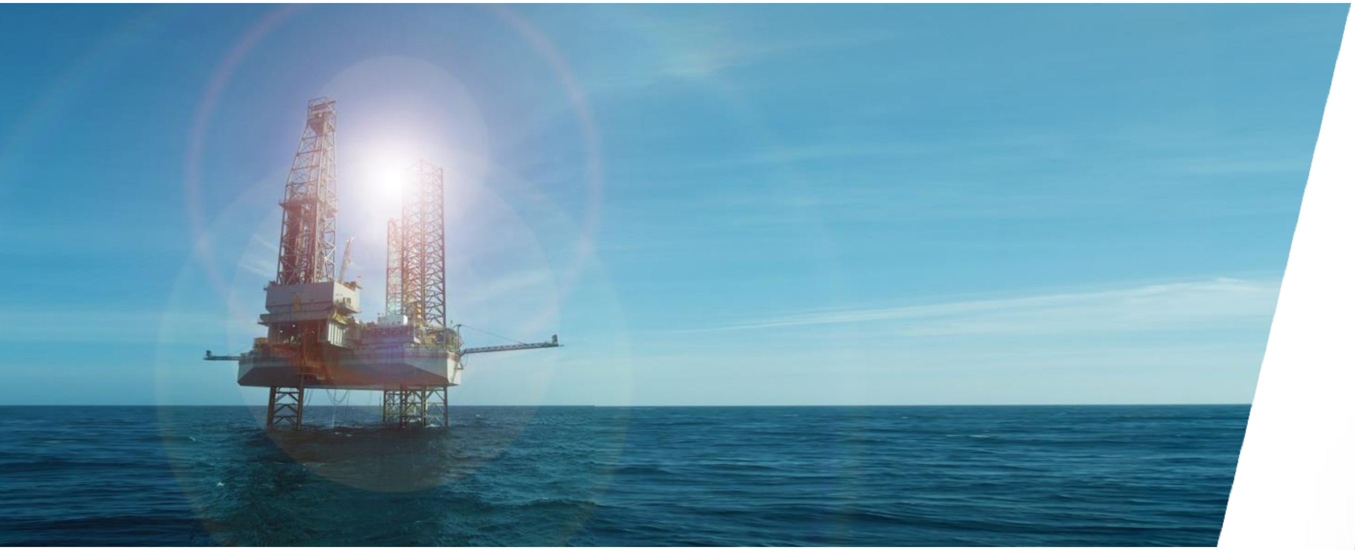


Acquisition of Talisman Energy

Transformational deal, upgrading Repsol's portfolio and competitive advantage achieving global scale and diversification, greater exposure to Upstream, leading growth platforms and enhanced capabilities to create value.

Growth

Greater exposure to Upstream, leading growth platforms.

Diversification

Upgrading Repsol's portfolio and competitive advantage by achieving global scale and diversification.

Value creation

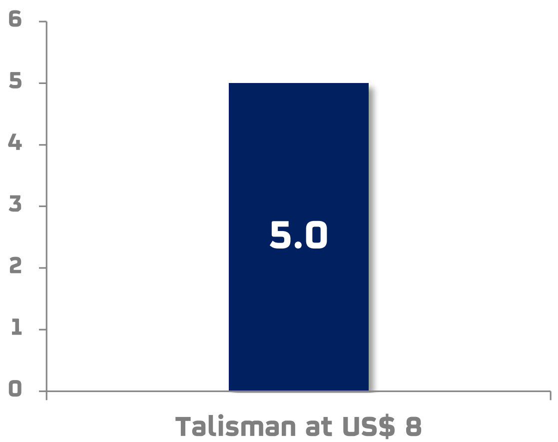
Enhanced capabilities to create value.

Acquisition of Talisman Energy

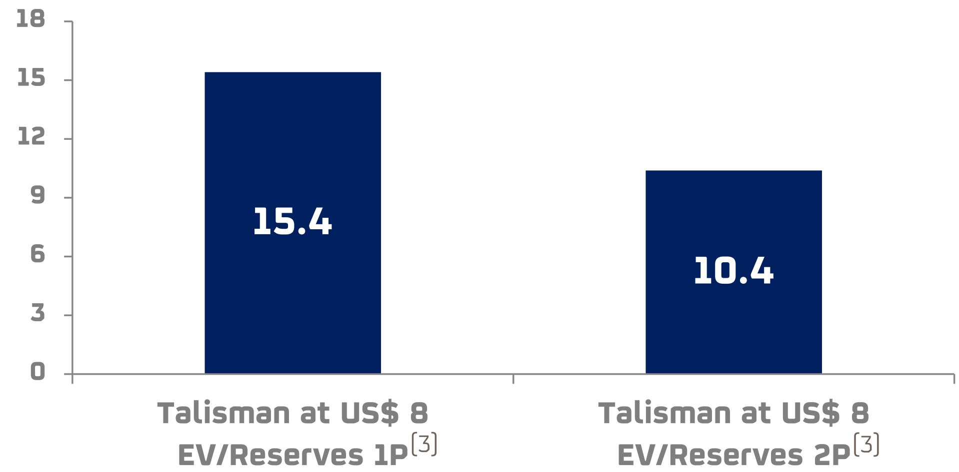
Price and Trading Multiples

The transaction offers competitive multiples for Repsol, especially considering the long term value of the asset

EV/EBITDA 2015E (x) [1]



EV/2013 1P & 2P reserves ($/boe) [2]



Premium of 24% over previous 3-month average share price and 14% premium over previous 3-month average Enterprise Value[4]

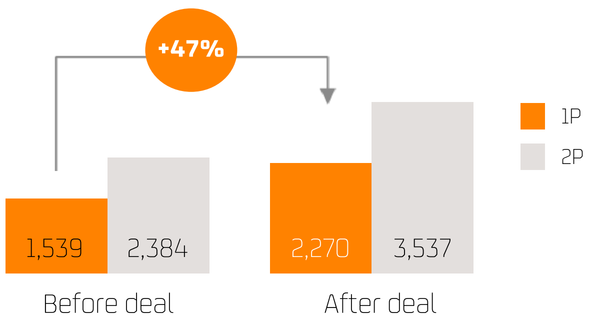
1. Company filings, FactSet, Equity research and Bloomberg. 2. Finding & Development 5-year average cost of the industry is US$ 24.4/boe. 3. According to Sell Side analysts the average resource finding cost of the industry is 5 $/boe, which compares with 2.9 $/boe of EV/resources in this transaction (assuming Sell Side estimate of 3.2 Bboe for Talisman's contingent resources) 4. VWAP as of December 11th, 2014

Upstream

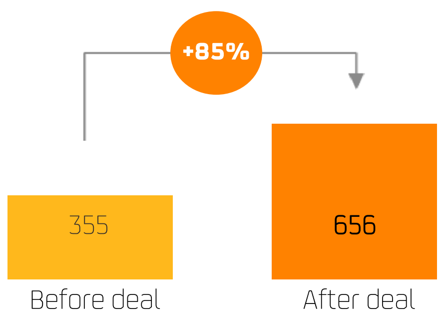
Repsol's reserves and production

Increase in production, reserves, operated assets and OECD production

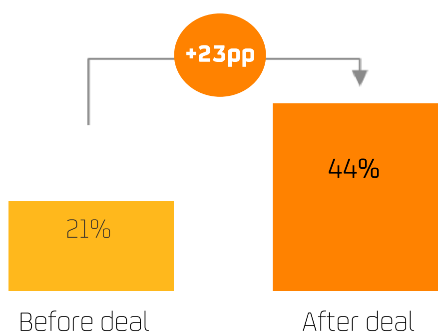
Reserves 1P/2P (MBoe)



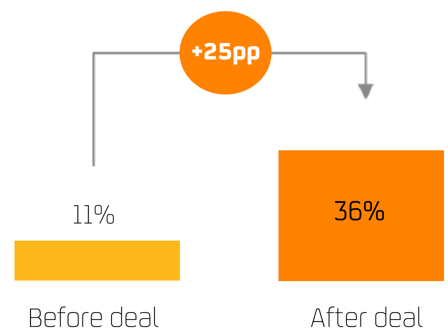
Production 2014 (Kboepd)



Operated production (%)



OECD production (%)



Note: 2014 data unless otherwise specified; Considering net reserves (after royalties) and net production (after royalties); Asset sales considered
Source: Rystad; Repsol internal information; Talisman Annual Report

Upstream

Greater exposure to Upstream, leading growth platforms

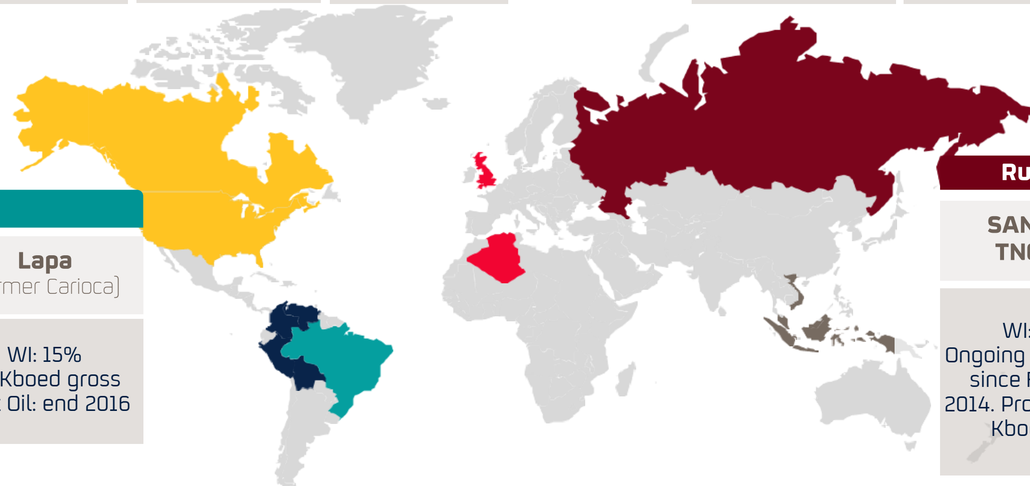
Repsol's growth will be accelerated by an extensive list of development opportunities

North America

Eagle Ford (USA)	Marcellus (USA)	Duvernay (Canada)	Mid-continent (USA)
WI: ~ 31% [1] Liquid rich play 60%/40% liquids-gas mix Production 2015: ~28 Kboed net	Dry Gas with own egressing infrastructure Tier 1 position ~65 Kboed net	WI: 100% Long Term potential ~300K net acres	Current production ~11 Kboed net

Africa & Europe

Reggane (Algeria)	MonArb (UK)
WI: 29.25% First gas 2017	WI: 51% Redevelopment Production 2017: ~8 Kboed net



Brazil

Sapinhoa (former Guara)	Lapa (former Carioca)
WI: 15% 270 Kboed gross Plateau by end 2015	WI: 15% 80 Kboed gross First Oil: end 2016

Russia

SANECO/ TNO/SK
WI: 50% Ongoing production since February 2014. Producing ~18 Kboed net

Latin America

Margarita-Huacaya (Bolivia)	Carabobo-AEP (Venezuela)	Cardon IV (Venezuela)	Kinteroni + Sagari (Peru)	Akacias (Colombia)
WI: 37.5% Phase III in progress. Production in April 2015: 18 Mm3d net	WI: 11% Production in April 2015: 16 Kboed gross	WI: 32.5% Production start-up 2015 with 150 Mscfd. Ramping up to 800 Mscfd in 2018.	WI: 53.8% First Gas 2014. Plateau of 26 Kboed net in 2019	WI: 45% Extension of Chichimene field >2.5 Bn bbls OOIP

South East Asia

Kinabalu (Malaysia)	Corridor & Jambi Merang (Indonesia)	HST/HSD & Red Emperor (Vietnam)
WI: 60% Access to low-cost discovered oil & gas reserves, infrastructure in place	WI: 36% / 25% Upside potential. Jambi Merang: liquids rich project	WI: 60% / ~40% HST/HSD foundation and FCF generator. Red Emperor future development

EXPLORATION

Contingent resources

Repsol

- Alaska
- GOM: Buckskin & Leon
- Brazil: C-33 (Seat, Gavea, Pao de, Acucar)
- Presalt Albacora / Sagitario (BMS-50)
- Russia: Karabashsky

Talisman

- Colombia: CP-6
- Indonesia: Sakakemang
- Malaysia: Sabah Basin
- Kurdistan

Prospective resources

Repsol

- GoM: Leon
- East Canada
- Brazil: Santos Basin & Espirito Santo
- Colombia: RC11, RC12 & Tayrona
- Peru
- Guyana
- Angola
- Rumania
- Portugal
- Norway offshore

Talisman

- North America
- South East Asia: Indonesia/Malaysia/Vietnam/PNG
- Colombia

*Note: **WI**: Repsol working Interest*

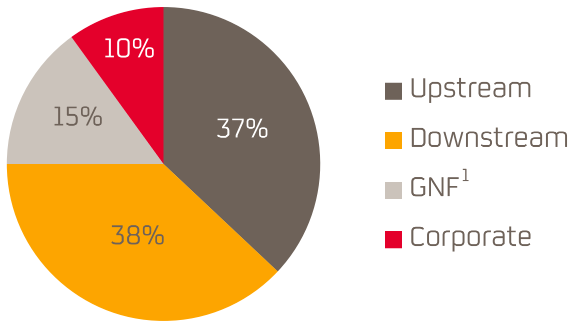
[1] Repsol stake in JV with Statoil is 50%. The W.I. in the play including third parties is ~31%.

Upstream

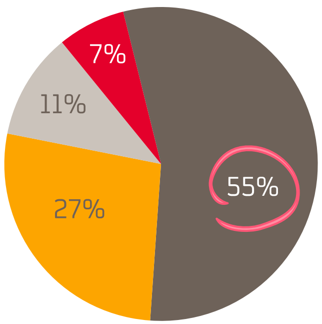
Diversification: significant enhancement of Repsol's upstream business geographic diversification

Before Deal	After Deal

WHOLE COMPANY



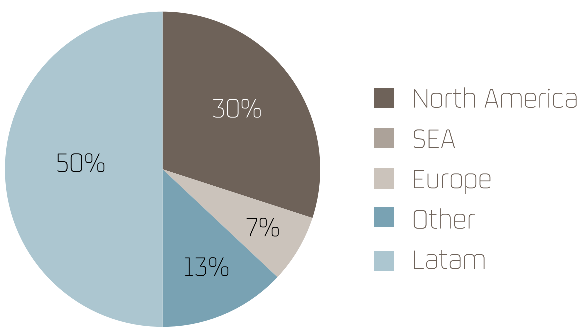
Capital Employed: ~ €30B



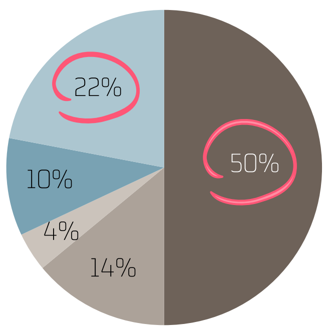
Capital Employed in Upstream from 38% to 58%

Capital Employed : ~€42B

UPSTREAM DIVISION ONLY



Capital Employed : ~ €11B



Upstream Division Capital Employed in NA from 30% to 50%, Latam from 50% to 22%

Capital Employed : ~€23B

Repsol will have operations in more than 40 countries and more than 27,000 employees

1. Gas Natural Fenosa

Upstream

Value Creation: Deal provides enhanced capabilities to create value

What Talisman brings to Repsol

Repsol	What Talisman brings to Repsol
World class explorer	Experienced production operator
Deep water exploration experience and portfolio	Unconventional experience and portfolio
Broad international portfolio with strong focus on Latin America	Broad international portfolio with strong focus on North America and South East Asia
High growth exploration and development pipeline	Great legacy assets and contingent resources
High impact upstream G&G capabilities and R&D	Focus on operational capability

Value creation through portfolio management and synergies

Upstream

A proposal for strong value creation

Exploration Capex:
2015 (E) USD 1.2bn/year
Including drilling, G&A and G&G
35 % Exploration Capex reduction

Cost Efficiency in our Operations:
1Q15: Cost reduction of 5.7%. year on year in the upstream operating cost [*]

VALUE CREATION

Portfolio Management

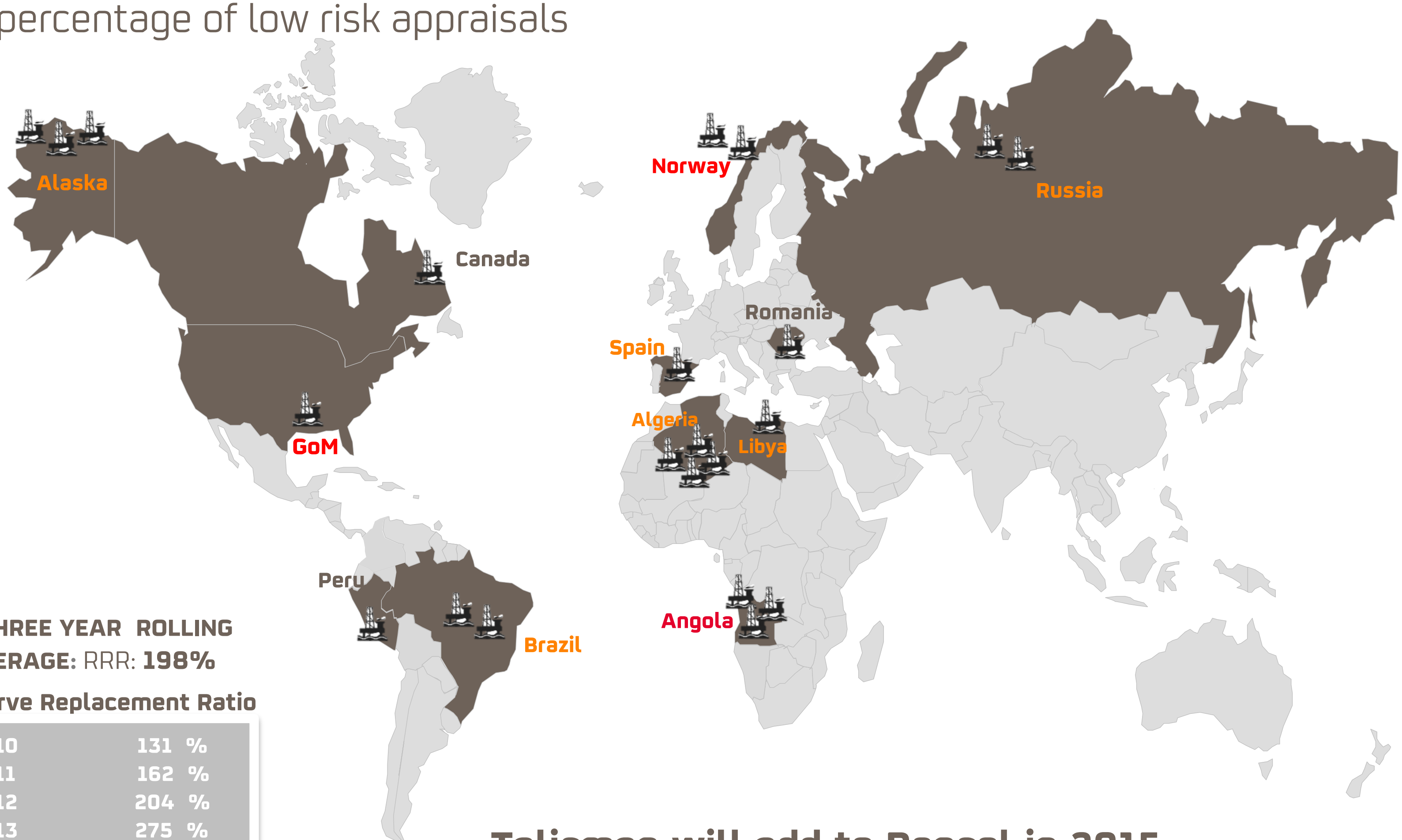
New organization focus on business performance, improving efficiency and agility

Cost and Operational Synergies

[*] 2015E objective is to cut costs $5 per barrel (-24% reduction).

Exploration

Repsol standalone plans to drill 21 exploratory wells in 2015, with a great percentage of low risk appraisals



THREE YEAR ROLLING AVERAGE: RRR: **198%**

Reserve Replacement Ratio

2010	131 %
2011	162 %
2012	204 %
2013	275 %
2014	118 %

Operated

Non Operated

Operated and Non operated

Talisman will add to Repsol in 2015:

- ✓ Promising activity in Indonesia, Malaysia, Vietnam and Papua New Guinea with up to 8 wells.
- ✓ Additional wells in Colombia and in Norway.
- ✓ Building an interesting inventory of low risk prospects in Colombia.

Downstream

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Downstream

Improve profitability on operational excellence and efficiency

Refining

- Reduce energy costs
  - Fuel consumption & losses down by 6% at 2016
- Reduce CO2 emissions
- Operational excellence program in refineries

Petrochemicals

- Maximize value of integration with refining
- Competitive Plan:
  - Higher-value applications
  - Efficiency program
- Continue cost reduction program

Maximize return on investment and cash generation

Marketing

- Maximize value of marketing assets and competitive position
- Optimize retail asset portfolio
- Increase non-oil margins
- Increase international margin from lubricants and specialties

LPG

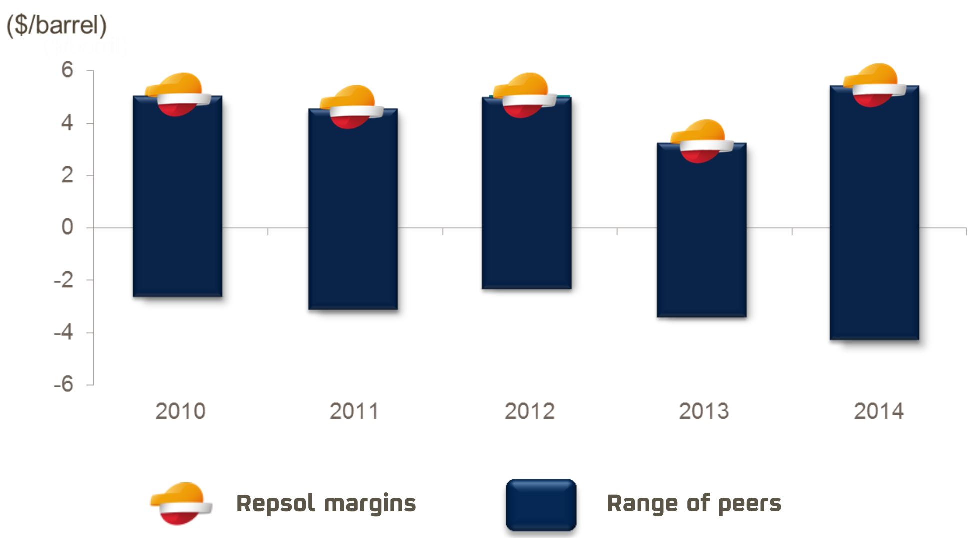
- Adequate production and commercial capacity to market conditions in Spain
- Optimize portfolio

Downstream

Increased competitiveness of Downstream business

Competitive Downstream business, linked to quality assets and geographical situation

Integrated Margin[*] of Refining and Marketing in Europe (Repsol vs the sector)



- Presence in a premium market for refining
- Completion of expansion and conversion projects
- Integrated refining portfolio, working as a unique system
- Efficient integration between the refining and marketing businesses

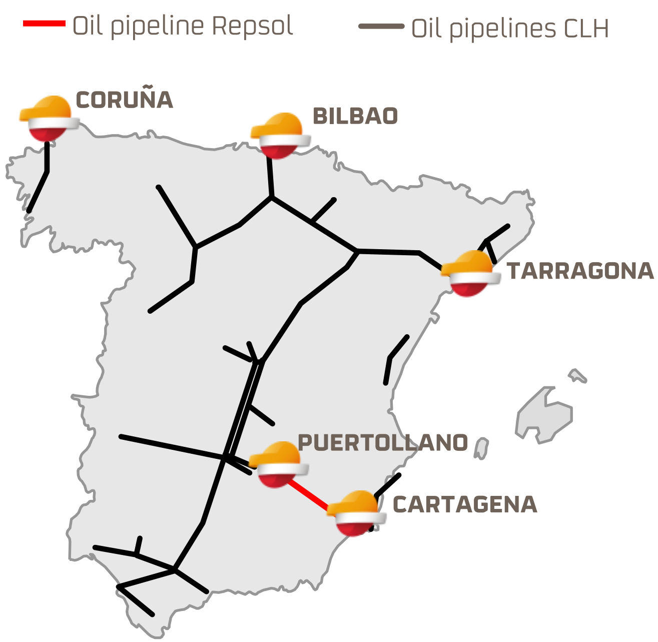
Leadership in integrated Refining and Marketing margin in Europe

[*] Calculated as adjusted operating income (CCS) of R&M, divided by the volume of processed crude oil for 10 European peers (Repsol, Cepsa, Eni, Galp, OMV, MOL, Total, PKN Orlen, Hellenic Petroleum y Saras)

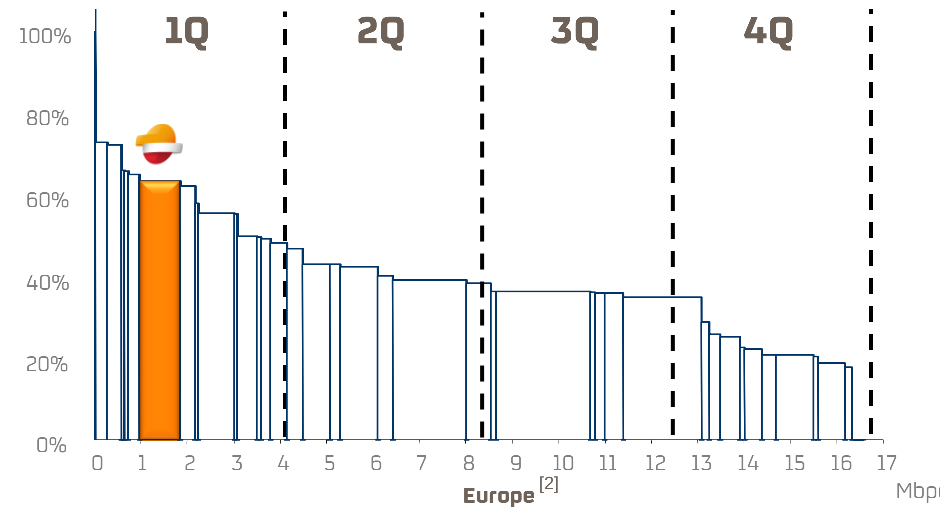
Downstream

Increased competitiveness of Downstream business

Improved competitiveness of refining assets

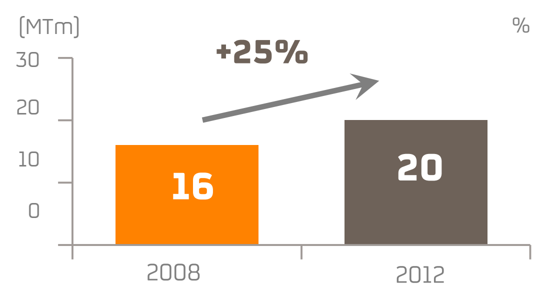


% FCC equivalent

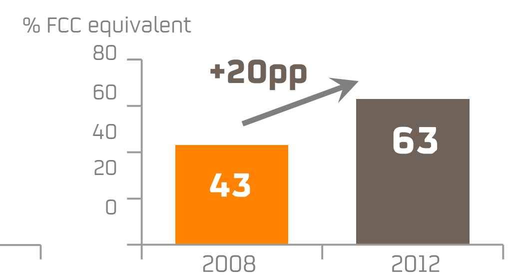


- Increased competitiveness of refining assets
- Top quartile position among European peers along the cycle
- Divested non-core / low return assets (€1.4bn) [1]

Middle distillates production



Conversion



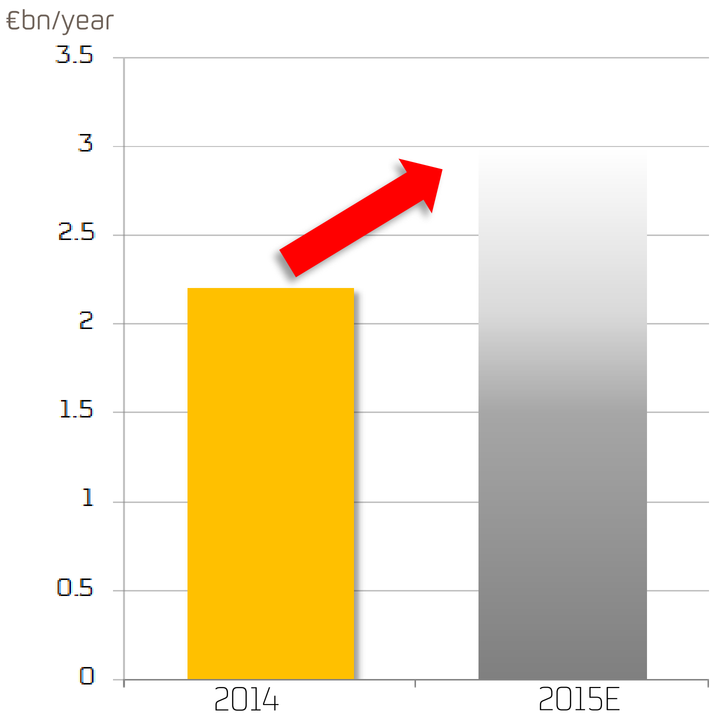
1. Includes sale of 15% of CLH, non-integrated Downstream in LatAm (Chile, Brazil and Ecuador), PMMA Petrochemicals, Refap in Brazil and LPG France, some of them executed in Dec. 2007 **2**. Data source: WoodMackenzie

Downstream

Maximizing returns from the business and capital discipline

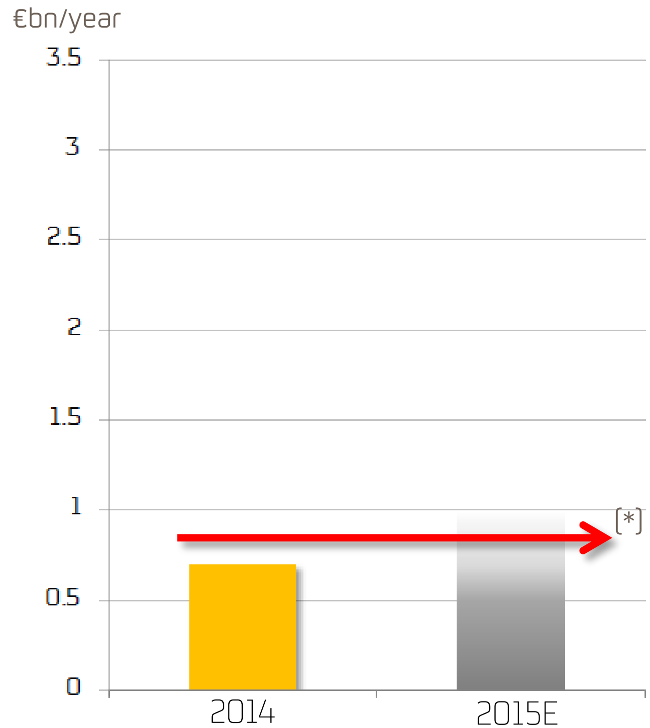
In 1Q15 Results conference call, Repsol raised its EBITDA CCS forecast (ex G&P) for 2015 up to 2.8 – 3 € bn

R&M EBITDA CCS



Higher margins largely derived from expansion and conversion projects

R&M CAPEX



Downstream investment cycle already finalized

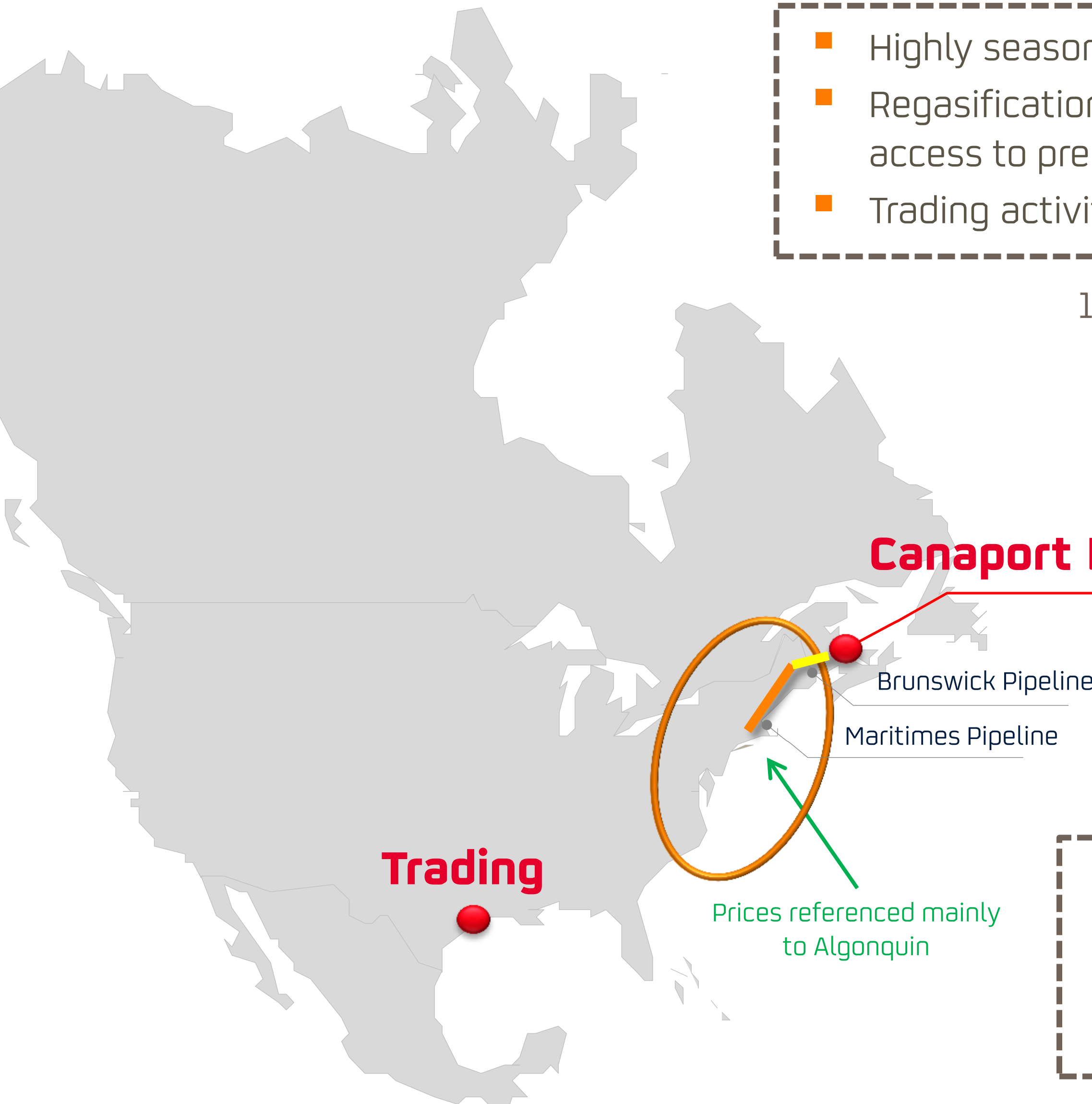
(*) 2015E capex figure includes the investments in La Pampilla Refinery (Peru). This subsidiary is fully consolidated in the financial statements although Repsol stake is 51%. Downstream investments will be applied to maintenance and to our programs to reduce CO_2 emissions, increasing profit through energy consumption reduction.

Gas & Power

Access to premium markets in North America

- Highly seasonal business
- Regasification facility and midstream assets with access to premium markets in North East USA
- Trading activity based in our Houston headquarters

1 Bfcd traded in 2014



Regasification plant
Total capacity: 10 bcm/year
Partners: Repsol (75%)
Irving Oil (25%)
Regasification capacity: 100% Repsol

Acquisition of Talisman will significantly increase access to North American Equity Gas improving Repsol´s Trading business position

Gas Natural Fenosa

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gasNatural fenosa

Gas Natural Fenosa

A liquid asset, with growth capabilities and a strong cash flow generator

Strong LatAm footprint, growth and strong cash generation

Leading Utility	An European leading utility company with a strong footprint and growth in Latin America
Dividend Yield	Strong cash stream for Repsol via Dividend
A Good option	A financial investment with strong cash flow generation via dividends, not linked to oil price and providing financial optionality
Recent Developments	GNF reached an agreement to purchase CGE. With this acquisition GNF maintains its commitment of a 62% payout ratio in cash

Financial Position

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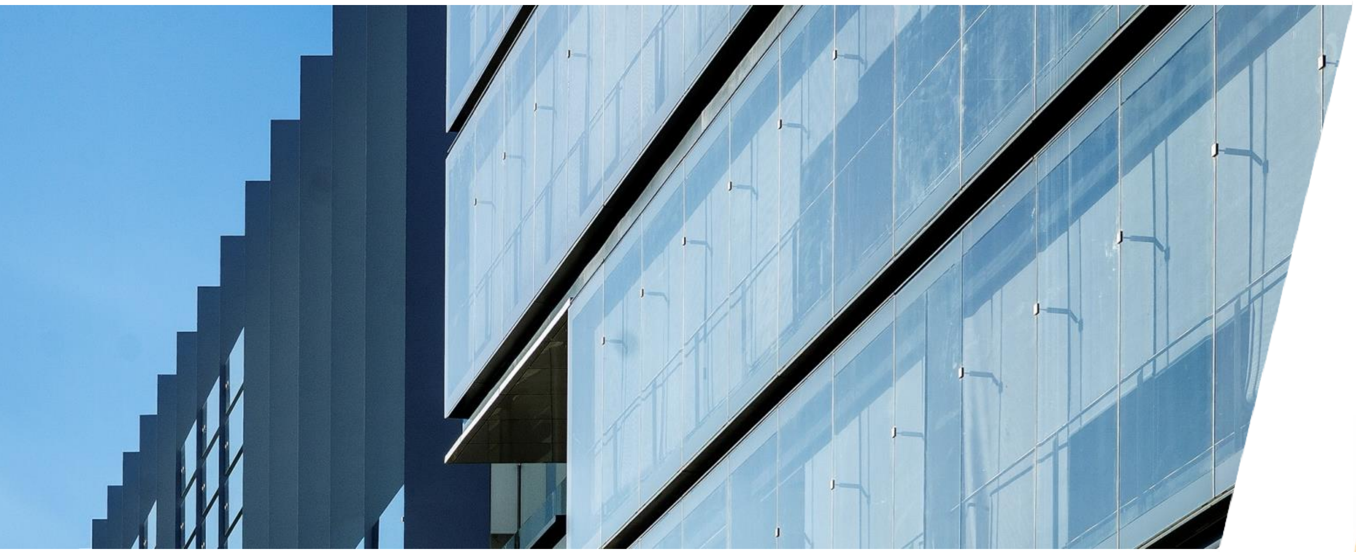
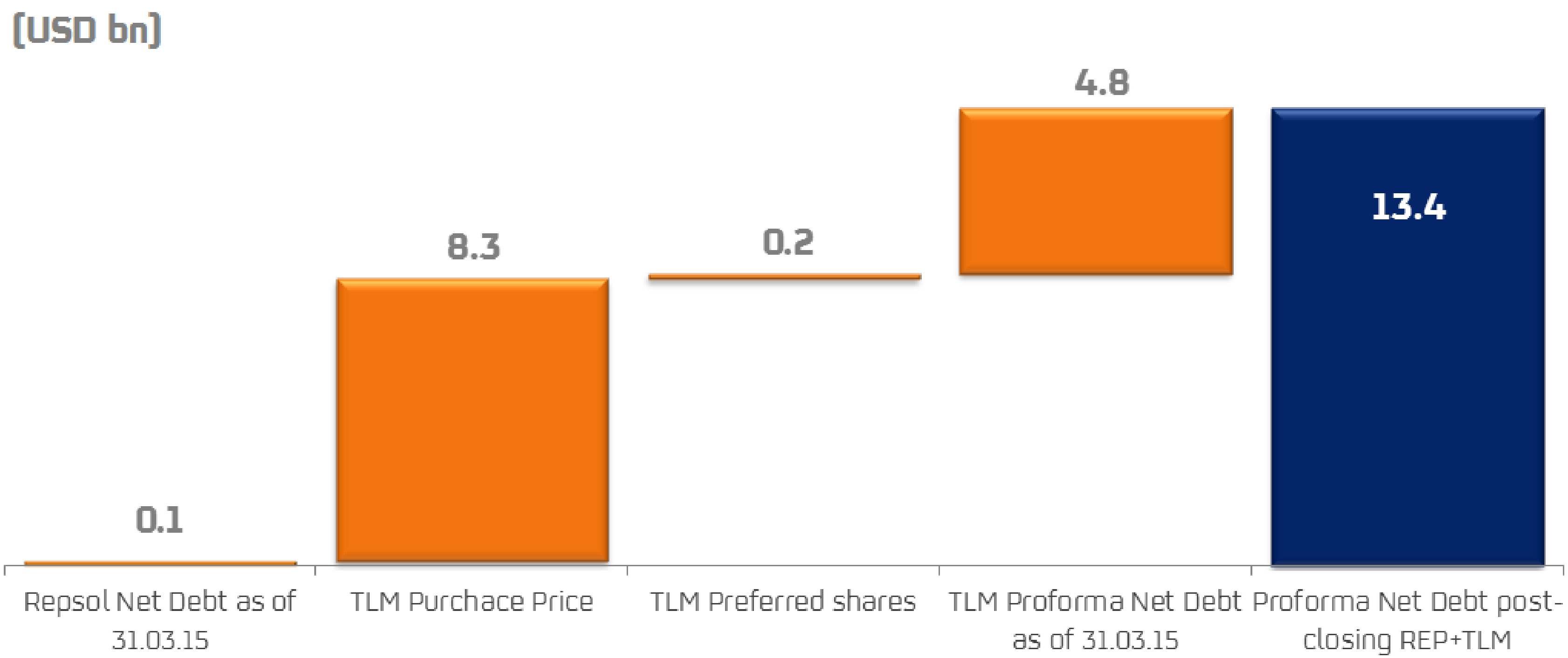


Financial Position

Net debt pro forma post Talisman deal

Resilient credit metrics under stress scenarios

Net Debt Estimated Post Deal



Repsol remains fully committed with keeping the investment grade

Financial Position

Credit Rating Agencies

Rating Agencies underline benefits from upstream portfolio diversification and Repsol´s flexibility to maintain target leverage ratios after acquisition of Talisman Energy

Fitch ratings

BBB (Stable)

"Repsol´s acquisition of Talisman strengthen business profile" 8 May 2015

Fitch affirms Repsol's long-term rating at **BBB** while maintains outlook to "Stable" 8 May 2015

Moody's

Baa2 (Negative)

Moody's affirms Repsol's long-term rating at **Baa2** while changing outlook to "Negative" from "Stable". 19 December 2014

Standards & Poors

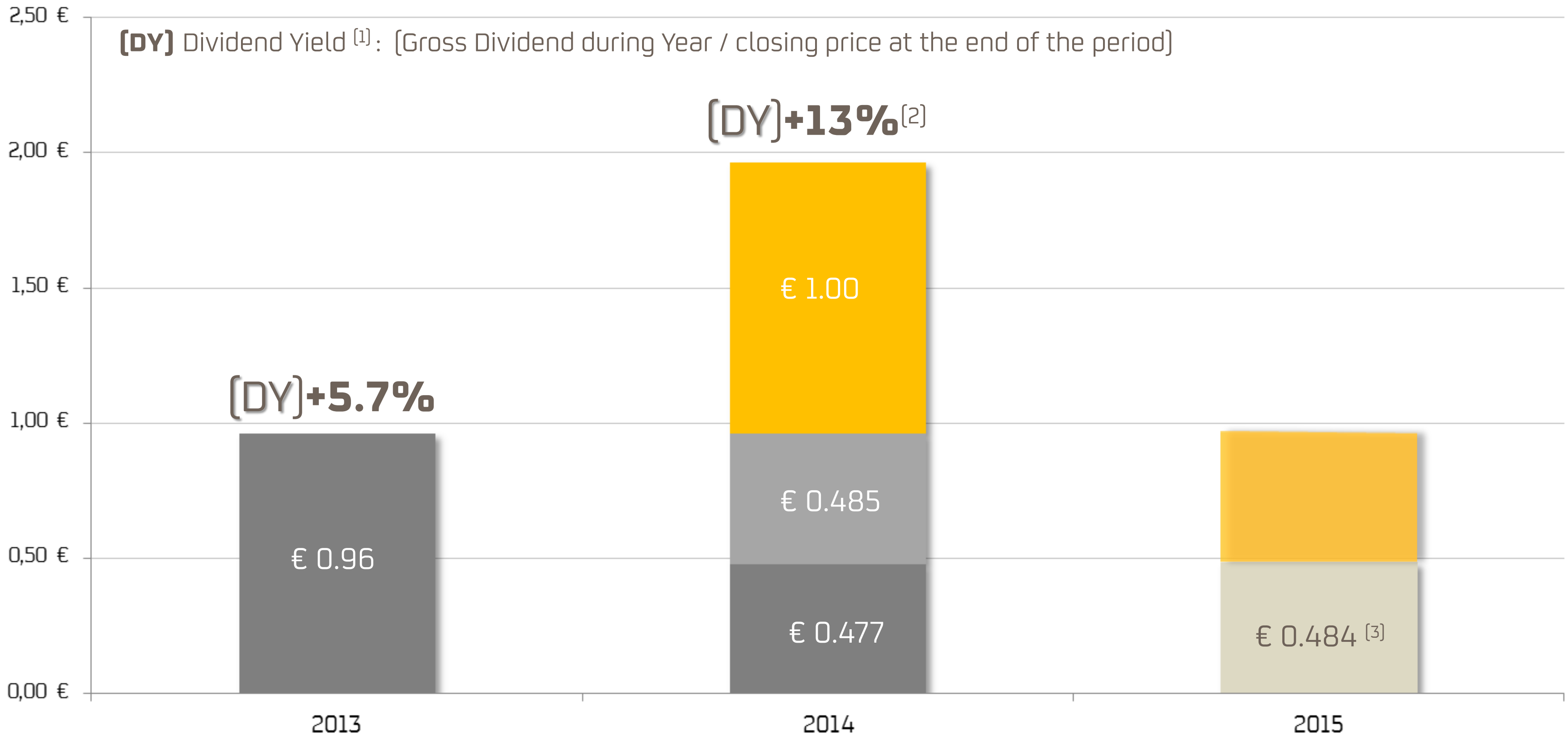
BBB- (Stable)

Standard & Poor's affirms rating at **BBB-** while revising outlook to "Stable" from "Positive". 18 December 2014

Financial Position

Shareholder remuneration

2015 maintaining our competitive shareholder remuneration at current levels with scrip option



1. For the scrip dividend assumes the guaranteed fixed price offered for the free-of-charge allocation rights.
2. Dividend yield calculated with December 31st 2014 closing Price.
3. In accordance with the formula approved by the Shareholders' Meeting, and considering the closing price of Repsol´s shares on 29th April 2015 (18.390 € per share), the approximate price Repsol will purchase each free-of-charge allocation right will be 0.4840 € and the number of rights necessary to receive one new share will be 37. It is expected that the definitive amount of these figures and the remaining information of the capital increase will be announced, as Official Notice, on June 15, 2015.

Environmental, Social & Governance

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Environmental, Social & Governance

Corporate Responsibility Model: Our commitments

Commitment to safety

- ✓ **Zero Accidents**
- ✓ **Embedded safety culture**

Excelence in environmental management

- ✓ **Excellence in spill prevention and response**
- ✓ **Optimized water&waste management**
- ✓ **Biodiversity action plans**

Promoting a low carbon strategy

- ✓ **Achievement** reduction of by **2.5** million tonsCO2.
- ✓ **Additional reduction** of **1.9** million emissions by 2020
- ✓ **Promoting non- fossil fuel energy initiatives**

Ethical conduct Anti-corruption

- ✓ **Ethics and Conduct Regulation**
- ✓ **Anticorruption policy**
- ✓ **crime prevention model**

Transparency

- ✓ **Support of EITI since 2003.**
- ✓ **Adherence to Code of Best Tax practices** and to the register of **EU lobbies.**
- ✓ **Remuneration disclosure**

Respect for human rights

- ✓ **Policy on respect for human rights** based on the UN Guiding Principles on Business and Human Rights.

Environmental, Social & Governance

Monitoring and control of the sustainability indexes

REPSOL

The consistency and commitment of our work has led to recognition of the company's firm commitment to continually improving its performance.

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

FTSE4Good

TOP 100 SUSTAINABLE

MSCI 2014 Constituent MSCI Global Sustainability Indexes

MEMBER OF THE INVESTMENT REGISTER ETHIBEL EXCELLENCE

Our Company has won recognition for its energy efficiency and carbon management for the third time in the last five years

Climate Disclosure Leadreship Index (CDLI)

	2009	2010	2011	2012	2013
Maximum Energy sector score	88	90	92	98	98
Minimum score for Energy sector companies to be eligible for the CDLI	79	88	90	95	97
Repsol's score	75	88	89	98	98

Our Company has won recognition for its energy efficiency and carbon management for the third time in the last five years

Annex

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Annex

REPSOL STANDALONE 1Q 2015 RESULTS

(Unaudited figures)

Results (€ Million)	Q1 2014	Q4 2014	Q1 2015	% Change Q1 15/Q1 14
Upstream	255	4	(190)	-
Downstream	290	370	534	84.1
Gas Natural Fenosa	123	67	122	(0.8)
Corporate and others	(136)	(71)	462	-
ADJUSTED NET INCOME	**532**	**370**	**928**	**74.4**
Inventory effect	(59)	(489)	(140)	(137.3)
Non-recurring income	35	(245)	(27)	-
Income from discontinued operations	299	330	0	-
NET INCOME	**807**	**(34)**	**761**	**(5.7)**

Note: Repsol Group made the decision in 2014, prompted by the business reality and in order to make its disclosures more comparable with those in the sector, to disclose as a measure of the result of each segment the recurring net operating profit at current cost of supply (CCS) after tax of continuing operations ("Adjusted Net Income"), which excludes both non-recurring net income and the inventory effect.

For more information please refer to section "Basis of preparation of the financial information" of the 1st Quarter 2015 earnings release.

Annex

REPSOL STANDALONE 1Q 2015 RESULTS

Economic data (€ Million)	Q1 2014	Q4 2014	Q1 2015	% Change Q1 15/Q1 14
EBITDA	1,177	551	962	(18.3)
EBITDA CCS	1,265	1,314	1,174	(7.2)
NET CAPITAL EXPENDITURE	615	1,065	933	51.7
NET DEBT	4,722	1,935	126	(97.3)
EBITDA / NET DEBT (x)	1.0	1.1	30.5	-

Operational data	Q1 2014	Q4 2014	Q1 2015	% Change Q1 15/Q1 14
LIQUIDS PRODUCTION (Thousand bbl/d)	131	143	132	1.1
GAS PRODUCTION (*) (Million scf/d)	1,185	1,283	1,249	5.4
TOTAL PRODUCTION (Thousand boe/d)	**342**	**371**	**355**	**3.7**
CRUDE OIL REALIZATION PRICE ($/Bbl)	85.8	61.3	44.6	(48.0)
GAS REALIZATION PRICE ($/Thousand scf)	4.2	3.6	2.8	(33.2)
DISTILLATION UTILIZATION Spanish Refining (%)	74.5	80.1	82.6	8.1
CONVERSION UTILIZATION Spanish Refining (%)	96.9	105.5	98.8	1.9
REFINING MARGIN INDICATOR IN SPAIN ($/Bbl)	3.9	5.5	8.7	123.1

(*) 1,000 Mcf/d = 28.32 Mm^3/d = 0.178 Mboe/d

Investor Update

May 2015