

REPSOL



YPF and Argentina

April 17, 2012

Disclaimer



ALL RIGHTS ARE RESERVED

© REPSOL YPF, S.A. 2012

Repsol YPF, S.A. is the exclusive owner of this document. No part of this document may be reproduced (including photocopying), stored, duplicated, copied, distributed or introduced into a retrieval system of any nature or transmitted in any form or by any means without the prior written permission of Repsol YPF, S.A.

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. In particular, This document does not constitute an offer to purchase, subscribe, sale or exchange of Repsol YPF's or YPF Sociedad Anonima's respective ordinary shares or ADSs in the United States or otherwise. Repsol YPF's and YPF Sociedad Anonima's respective ordinary shares and ADSs may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended.

This document contains statements that Repsol YPF believes constitute forward-looking statements which may include statements regarding the intent, belief, or current expectations of Repsol YPF and its management, including statements with respect to trends affecting Repsol YPF'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 YPF's control or may be difficult to predict. Within those risks are those factors described in the filings made by Repsol YPF 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 YPF and/or its affiliates are listed.

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

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

1. Energy Situation in Argentina
2. Evolution of YPF Key Metrics
3. Argentina-USA Comparison
4. Vaca Muerta: The cause of the Pillage?
5. Accounting impact and Valuation
6. Final Considerations



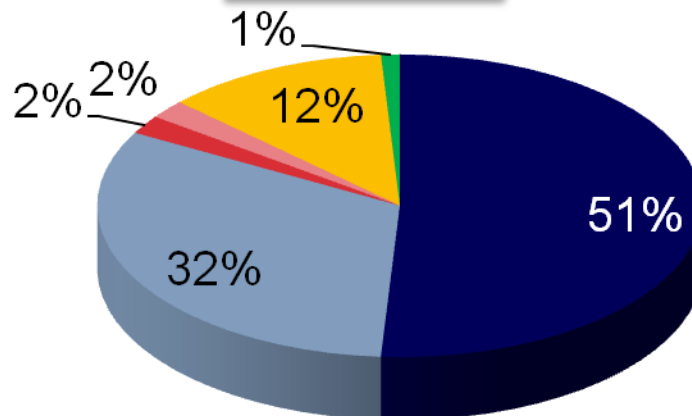
1. Hydrocarbons-intensive energy matrix.
2. Mature Basins, First Oil in 1907.
3. Country with high inflation, large salary increases and frozen energy prices, far below international prices.
4. Difference between international import prices and domestic rates bridged with increasing subsidies. This policy discourages energy saving and affects public finances.
5. Fall in dollar reserves

Energy Situation in Argentina

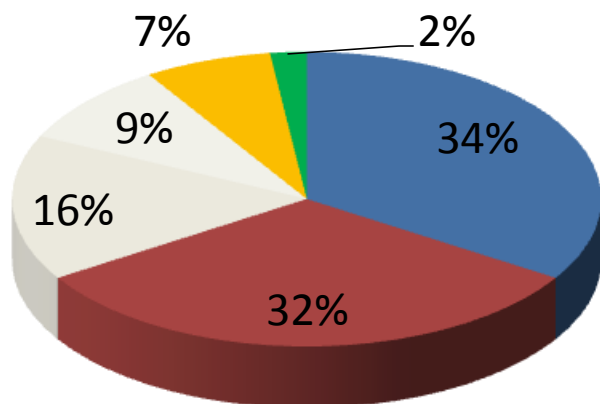
Primary energy Matrix



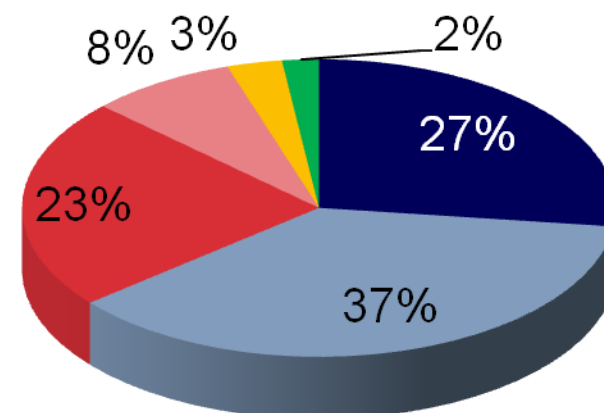
Argentina



Europe



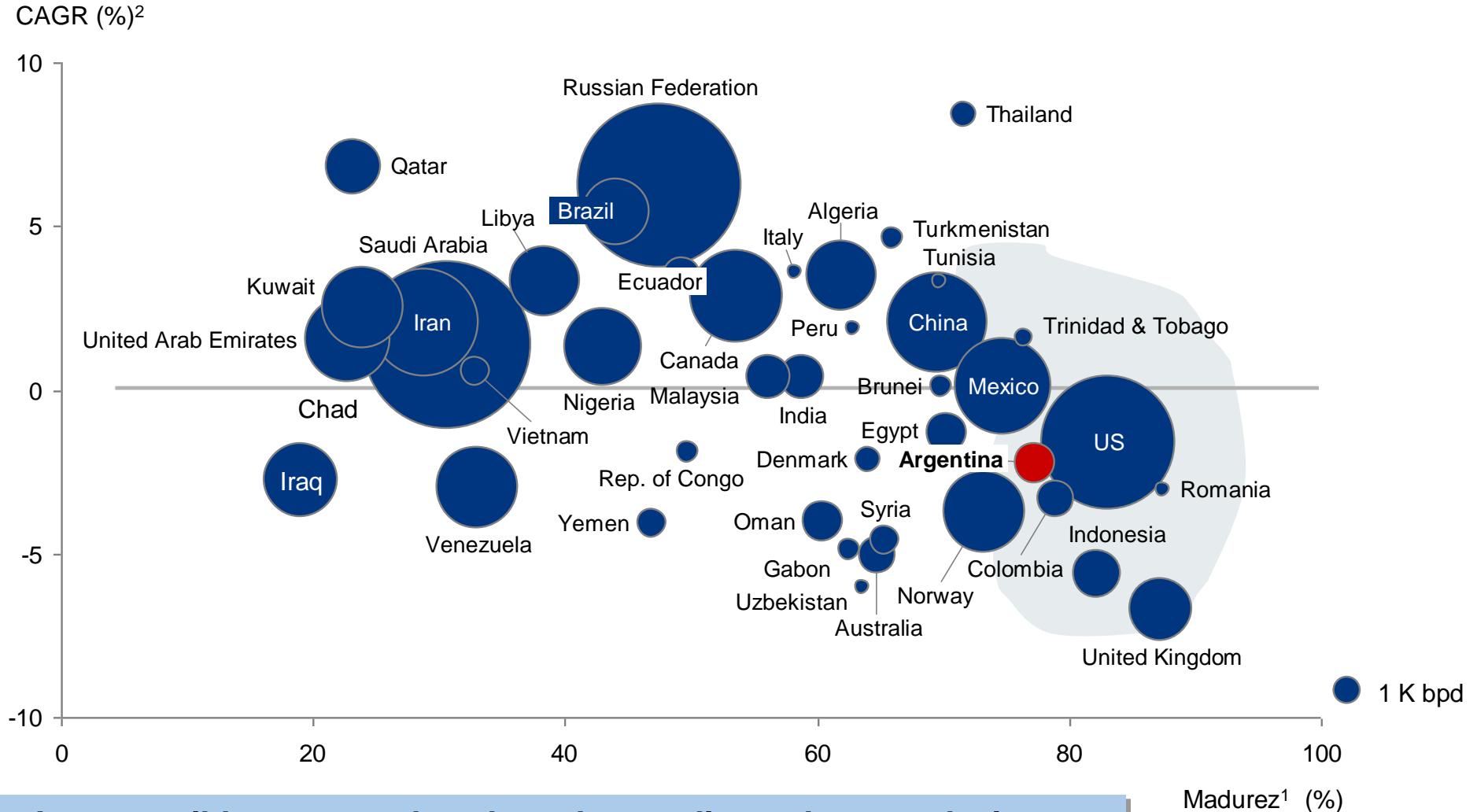
U.S.



Argentina is highly dependent on hydrocarbons, mainly natural gas.

Energy Situation in Argentina

A mature basin with challenges similar to basins in the US and Mexico



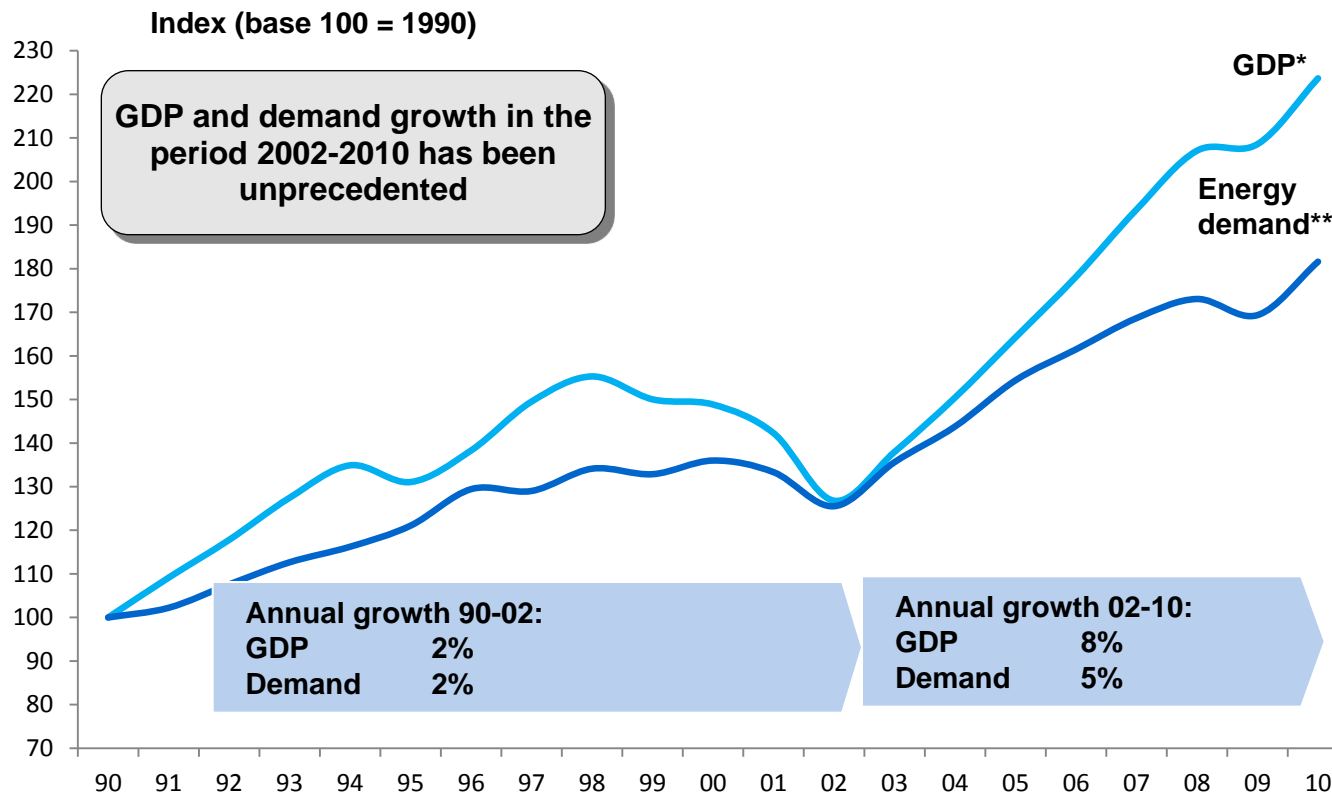
A responsible country plans based on reality and not on desires

Madurez¹ (%)

1. Maturity = Accumulated production 1965-2007 / (Accumulated production 1965 - 2007 + proven reserves in 2007); 2. Annualized growth rate in 2000-2007
Source: BP Statistical Review

Energy Situation in Argentina

Economic evolution in Argentina and demand growth



* GDP in trillions of pesos in constant terms

** Total domestic demand in primary energy in millions of TOE

In an environment of high GDP growth, subsidies and frozen prices cause energy demand to rise exponentially, making self-supply unsustainable

Energy Situation in Argentina

Natural Gas imports since 2004



Main Highlights

2008

First LNG imports in the Bahía Blanca port.
6 shipments, 441 Mm³

2009

LNG imports from May to September
10 cargoes, 783 Mm³

2010

LNG imports. Regasification
23 cargoes in 2010

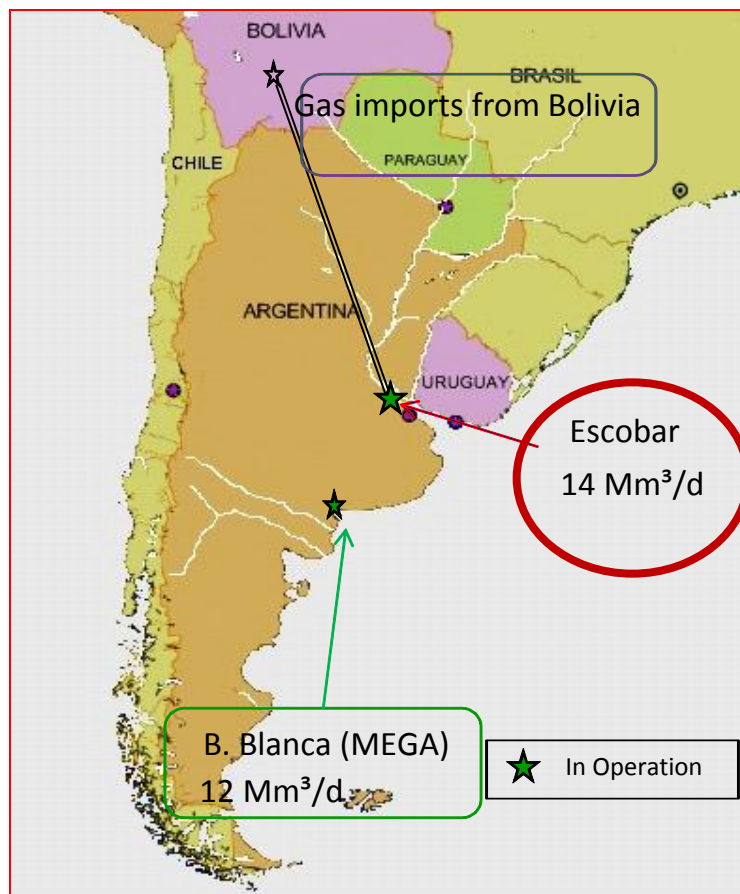
2011

LNG imports. Regasification
50 cargoes in 2011

2012

Enarsa began an auction for
80 cargoes (aprox. 15 pending) in 2012.

LNG and Bolivia projects



Escobar LNG



Bahía Blanca LNG



Bolivian gas imports



Gas from LNG and Bolivia are already part of Argentina's energy mix, with the first investments in 2006

Energy Situation in Argentina

Difference between international import prices and domestic rates leads to growing subsidies



The total amount in subsidies increases:

- because of the difference between import prices and internal rates,
- and because of growing import volumes

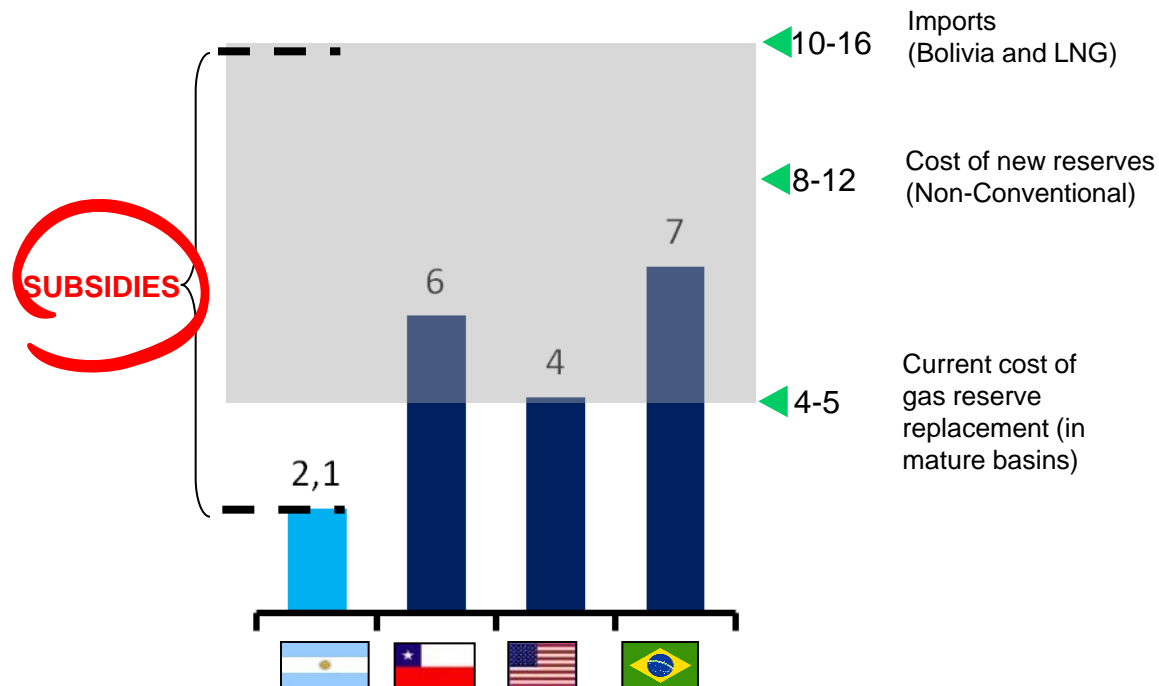
ENERGY TRADE BALANCE In Millions of Dolars

Año	Exportaciones	Importaciones	Balance
2003	5.412	548	4.864
2004	6.195	1.004	5.192
2005	7.132	1.545	5.587
2006	7.760	1.729	6.031
2007	6.919	2.845	4.074
2008	7.996	4.334	3.662
2009	6.438	2.626	3.812
2010	6.401	4.443	1.958
2011 e	5.657	9.095	-3.438

Fuente: OJF & Asociados en base a INDEC

Gas realization prices (at the wellhead)

2011 USD/MBtu

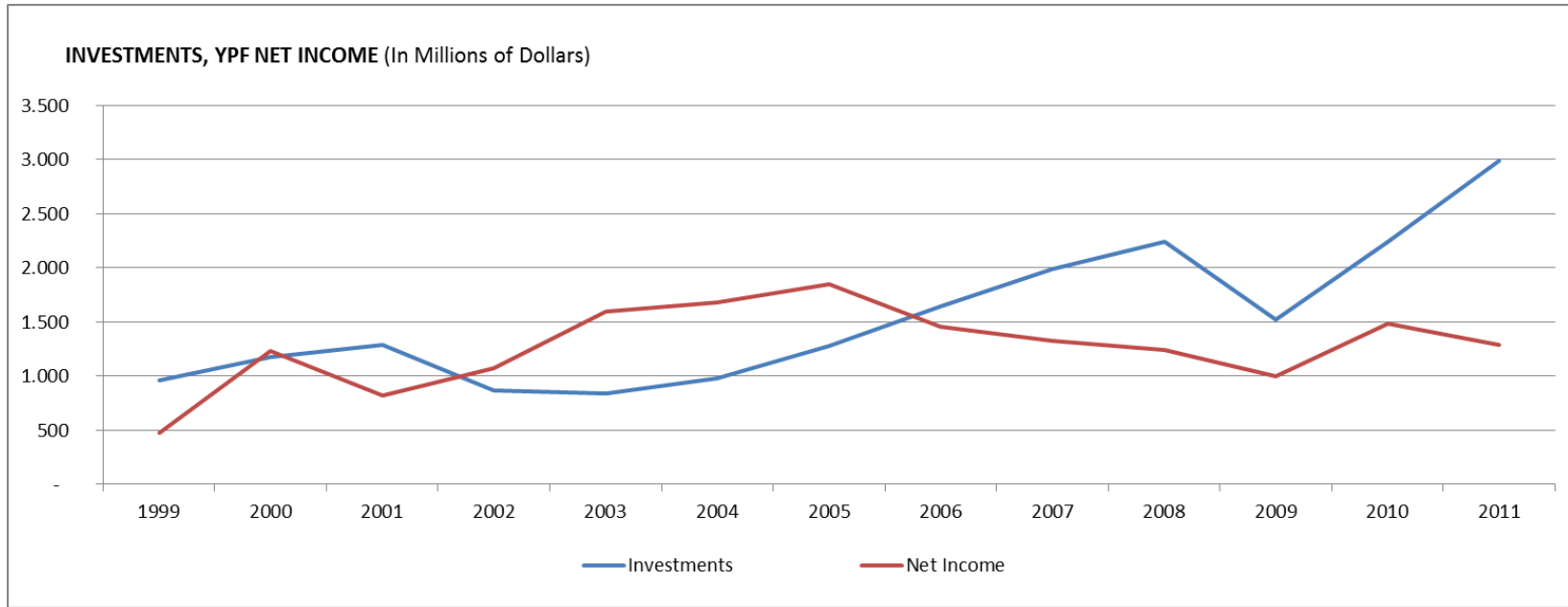


Imports of LNG and from Bolivia are at international prices, much higher than prices in the country.

1. Energy Situation in Argentina
2. Evolution of YPF Key Metrics
3. Argentina-USA Comparison
4. Vaca Muerta: The cause of the Pillage?
5. Accounting impact and Valuation
6. Final Considerations

Evolution of YPF Key Metrics

Evolution of investments and earnings



INVESTMENT IN FIXED ASSETS ACQUISITION YPF (In Millions of Dollars)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
963	1.173	1.286	867	834	981	1.282	1.638	1.991	2.239	1.518	2.242	2.990

YPF NET INCOME (In Millions of Dollars)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
477	1.229	819	1.076	1.596	1.679	1.847	1.459	1.320	1.241	994	1.487	1.289

**Since 2006 investment has been higher than earnings.
Record investment in 2011**

Evolution of YPF Key Metrics

Reserve addition (SEN data)



Crude

Reserves (Million barrels)					
	2006	2007	2008	2009	2010
YPF	639	614	601	582	621
Rest of competitors	1,948	2,002	1,920	1,922	1,904
Total country	2,587	2,616	2,520	2,505	2,525

Incorporation of reserves (Million of barrels)					
	2006	2007	2008	2009	2010
YPF	24	73	79	70	126
Rest of competitors	607	191	56	141	117
Total country	632	264	135	212	243

RRR					
	2006	2007	2008	2009	2010
YPF	0.23	0.75	0.85	0.79	1.44
Rest of competitors	4.43	1.40	0.40	1.02	0.87
Total country	2.62	1.13	0.58	0.93	1.09

Data until end of life. Source: IAPG

Gas

Reserves (Million boe)					
	2006	2007	2008	2009	2010
YPF	846	798	694	637	637
Rest of competitors	1,960	1,981	1,812	1,745	1,619
Total country	2,806	2,780	2,507	2,383	2,256

Incorporation of reserves (Million of barrels)					
	2006	2007	2008	2009	2010
YPF	60	76	16	52	102
Rest of competitors	310	218	29	129	68
Total country	371	295	45	181	170

RRR					
	2006	2007	2008	2009	2010
YPF	0.48	0.62	0.13	0.48	1.00
Rest of competitors	1.56	1.11	0.15	0.66	0.35
Total country	1.14	0.92	0.14	0.59	0.57

Data until end of life. Source: IAPG

In 2010, YPF's reserve replacement ratio was 144% for oil and 100% in gas, higher than the average of other companies.

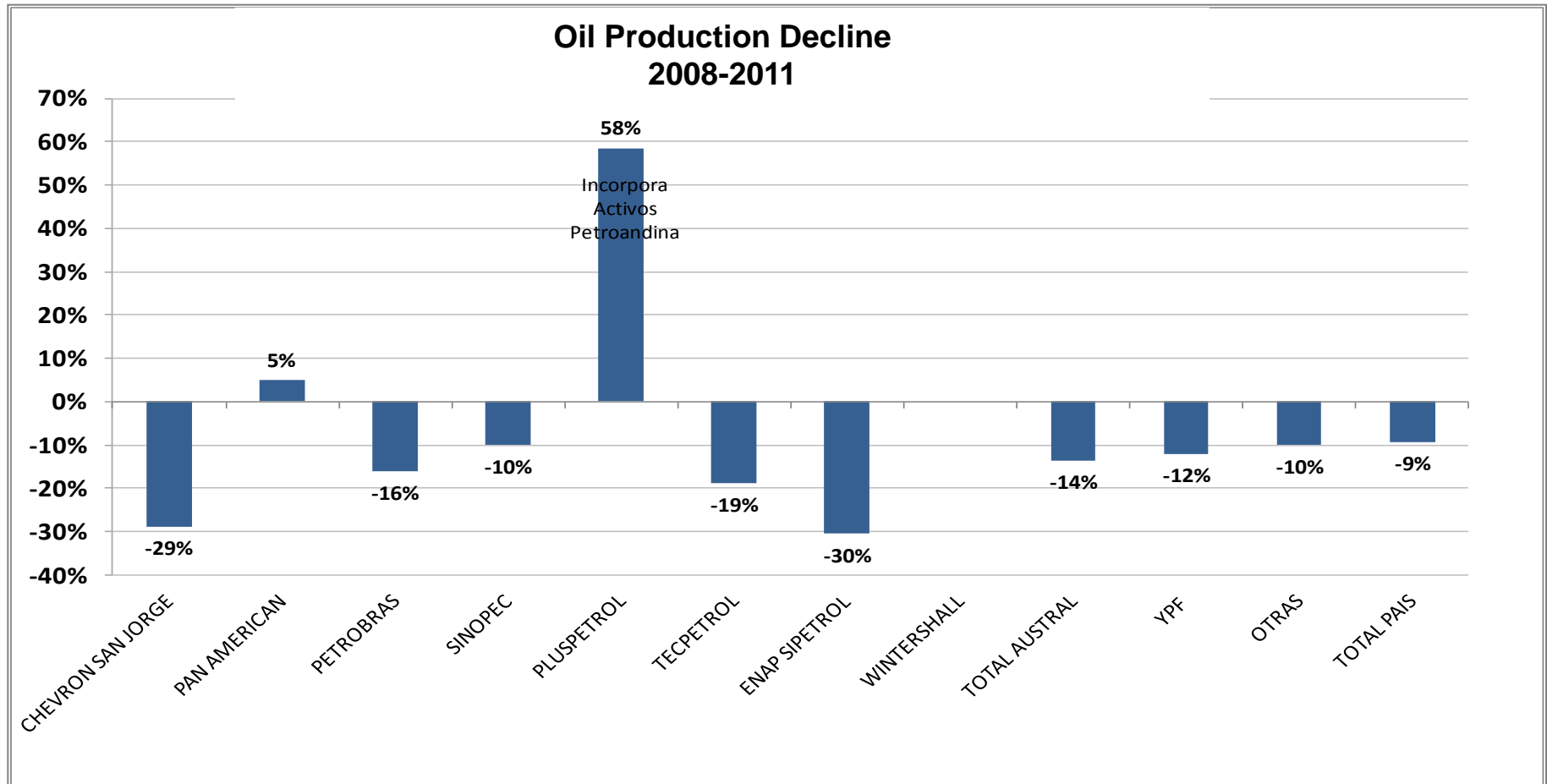
In 2011 the oil and gas reserve replacement ratio is expected to be 113% ().**

(*) Adjustment due to reserve writedown in 2005

(**) SEC criteria

Evolution of YPF Key Metrics

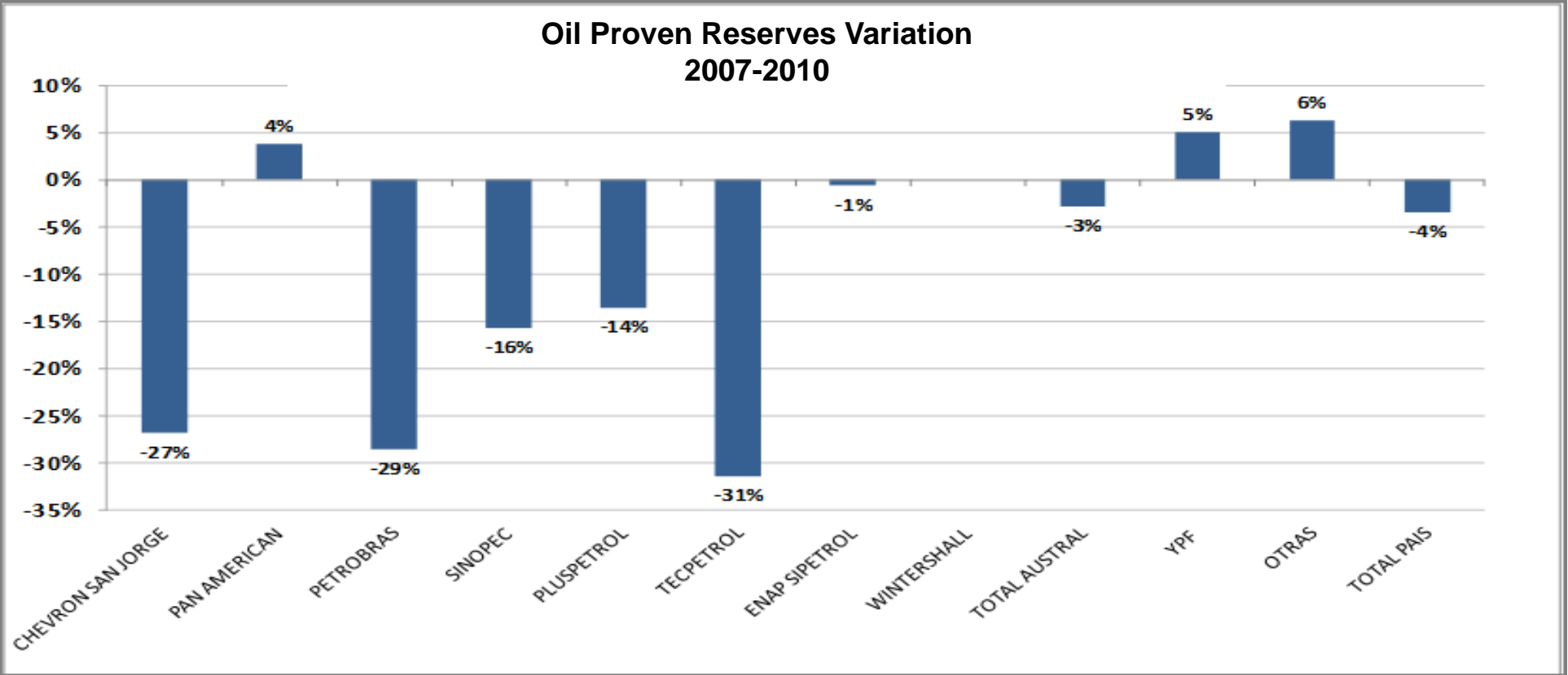
Oil production and reserves



YPF's production is 34% of the oil produced in the country

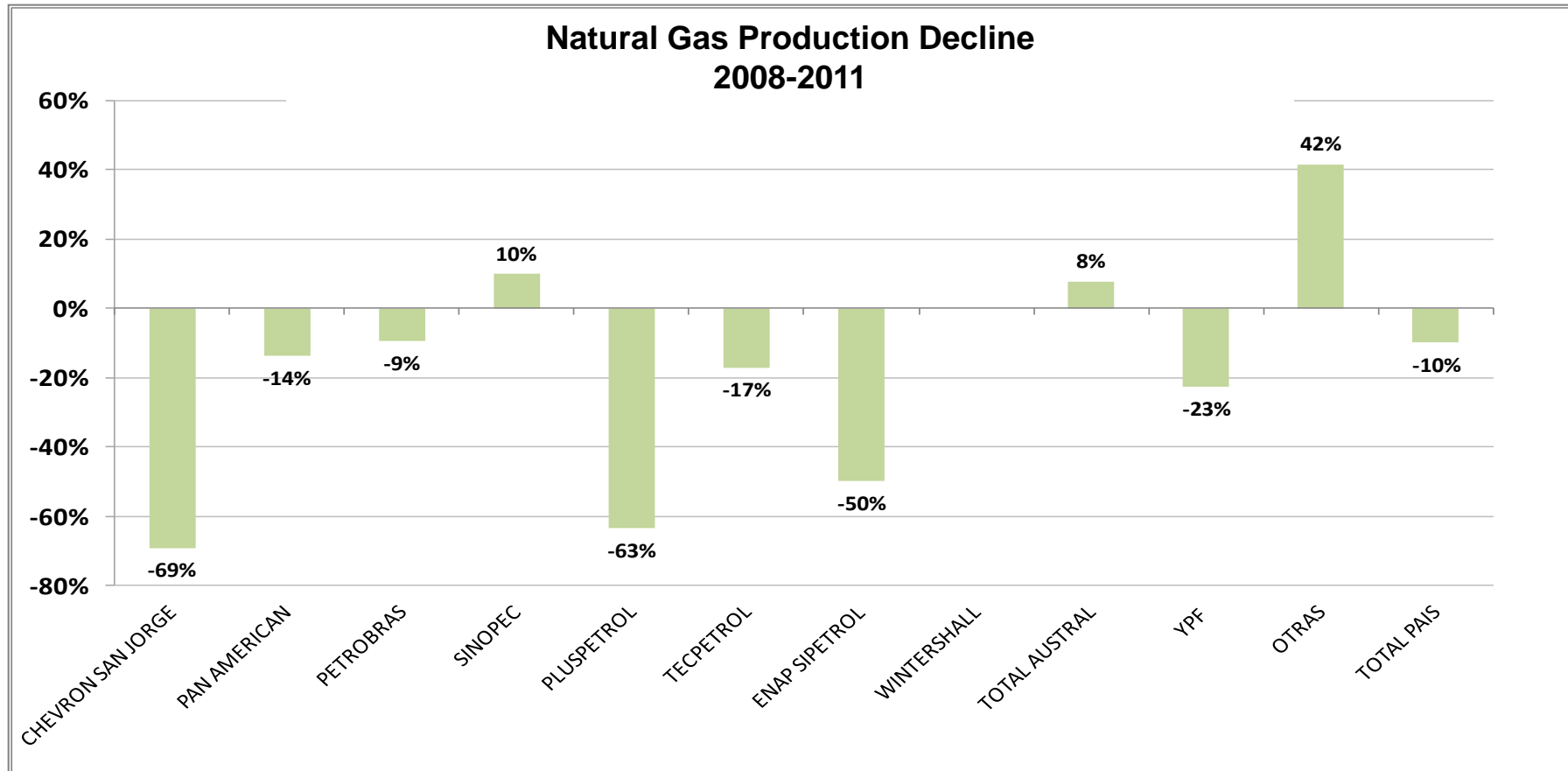
Evolution of YPF Key Metrics

Oil production and reserves



Evolution of YPF Key Metrics

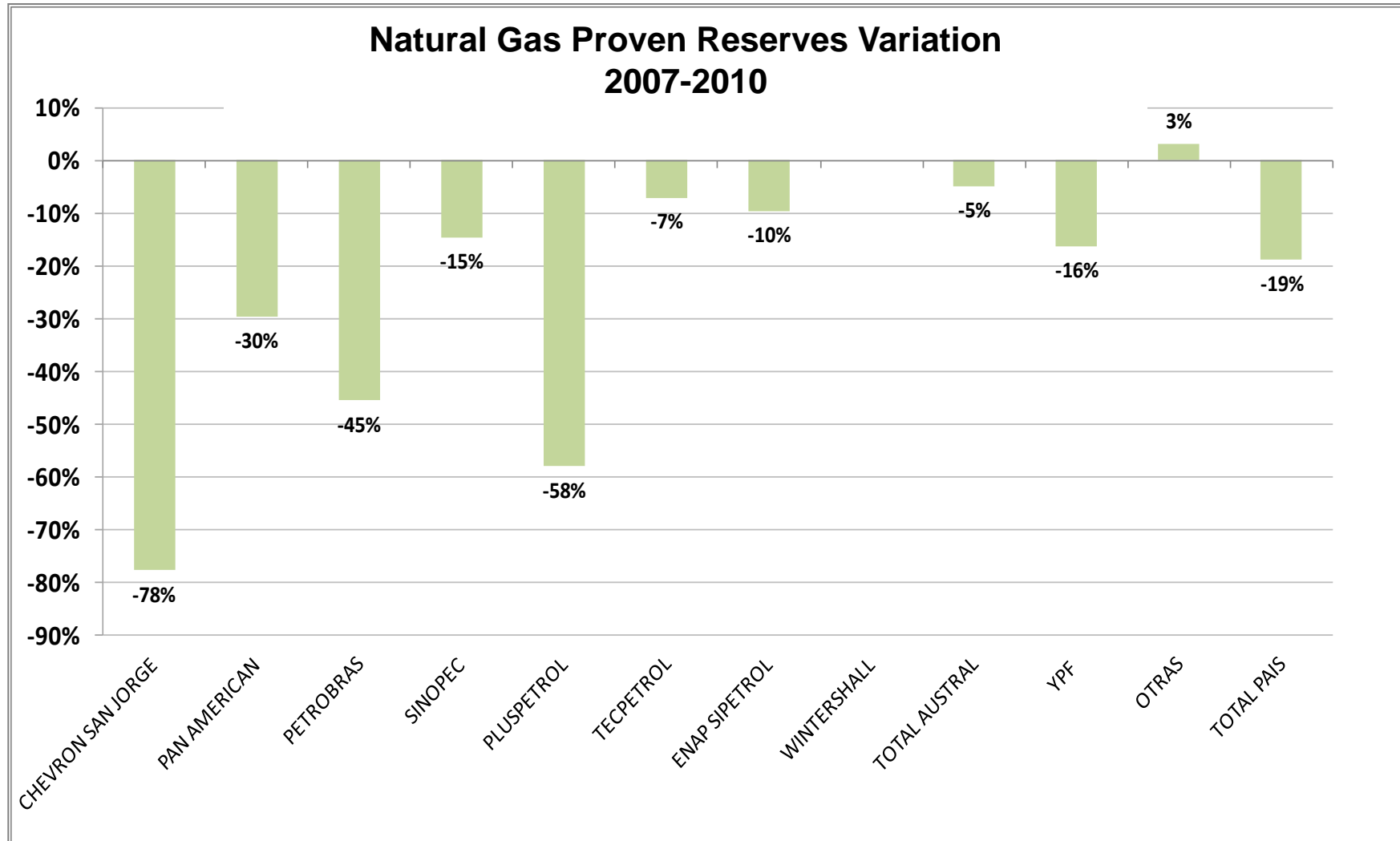
Natural Gas production and Reserves



YPF's production is 23% of the natural gas produced in the country

Evolution of YPF Key Metrics

Natural Gas production and Reserves

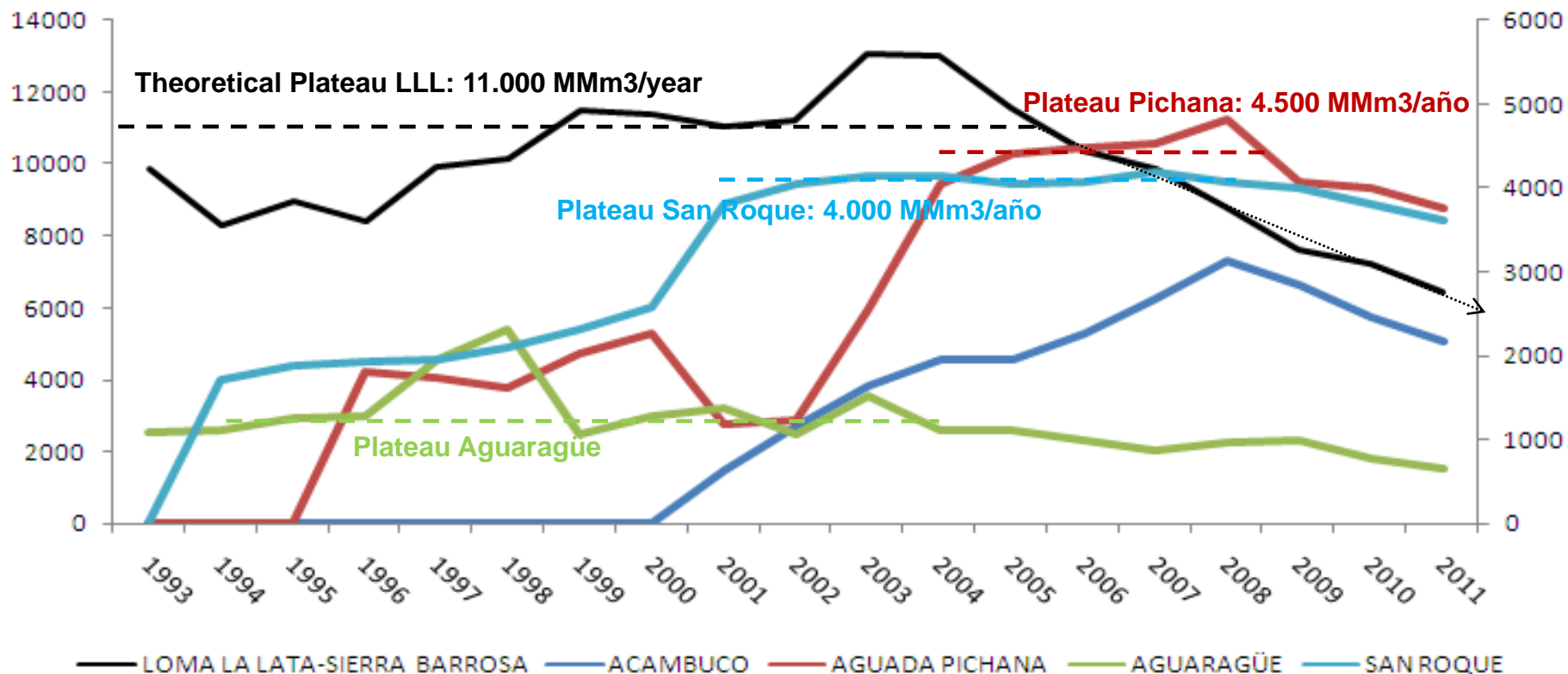


Evolution of YPF Key Metrics

Historical production in the largest fields



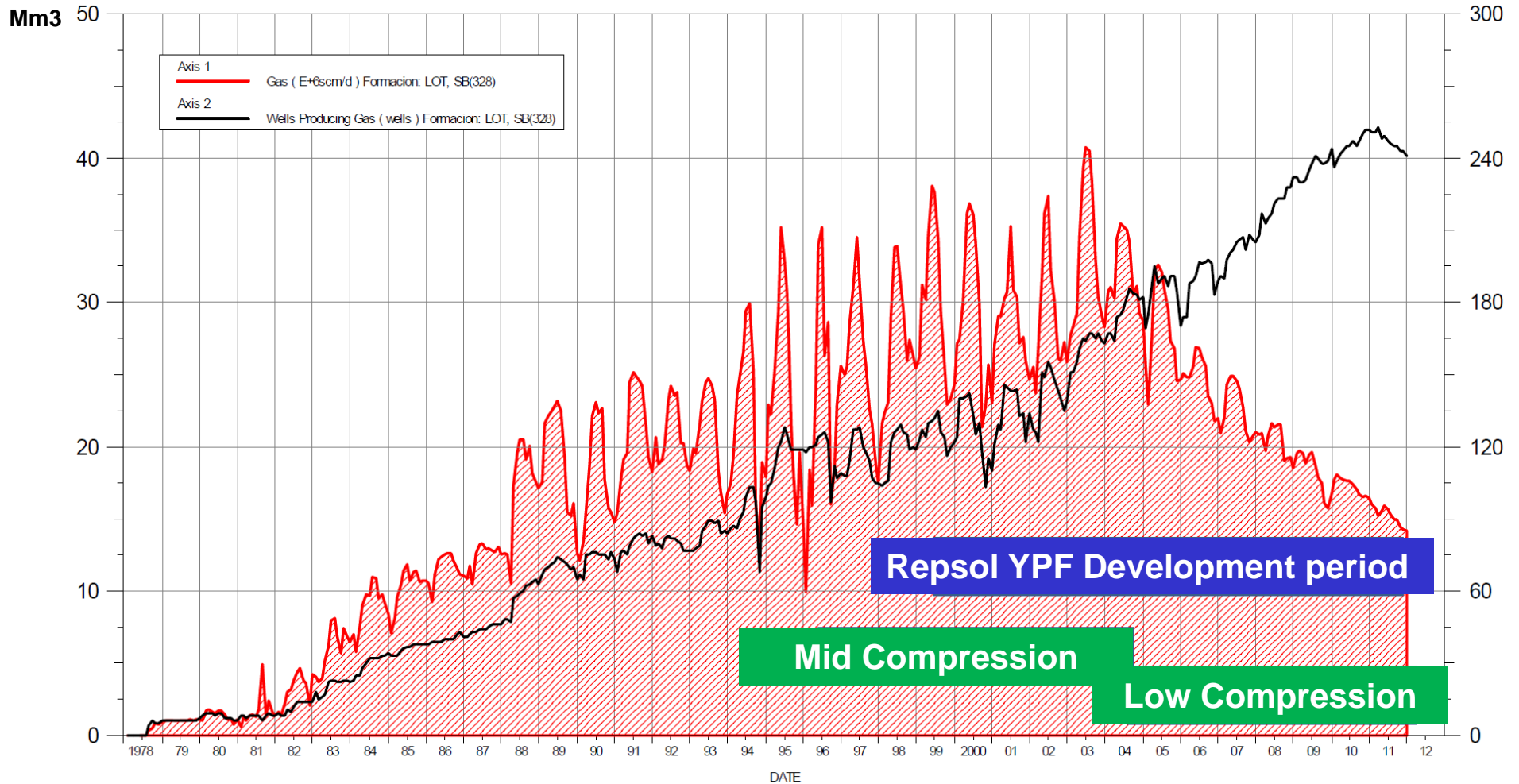
Historic Gas Production (Millions of cubic metres/day)



Loma La Lata can be considered to have ended its plateau, reaching peak production in 2004

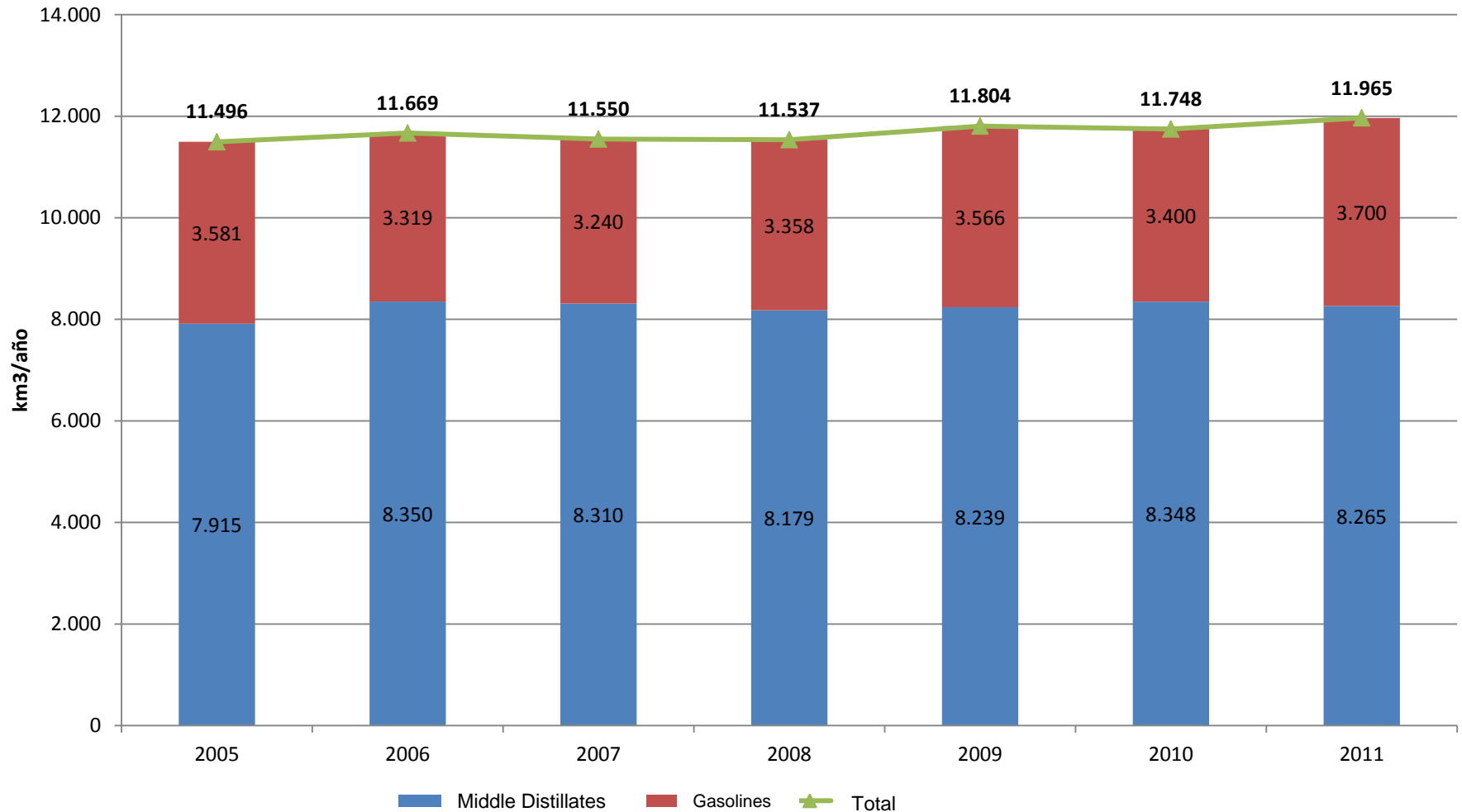
Evolution of YPF Key Metrics

Loma La Lata: Evolution of production and producing wells to date



Evolution of YPF Key Metrics

Yield and market share: Production of gasoline and middle distillates



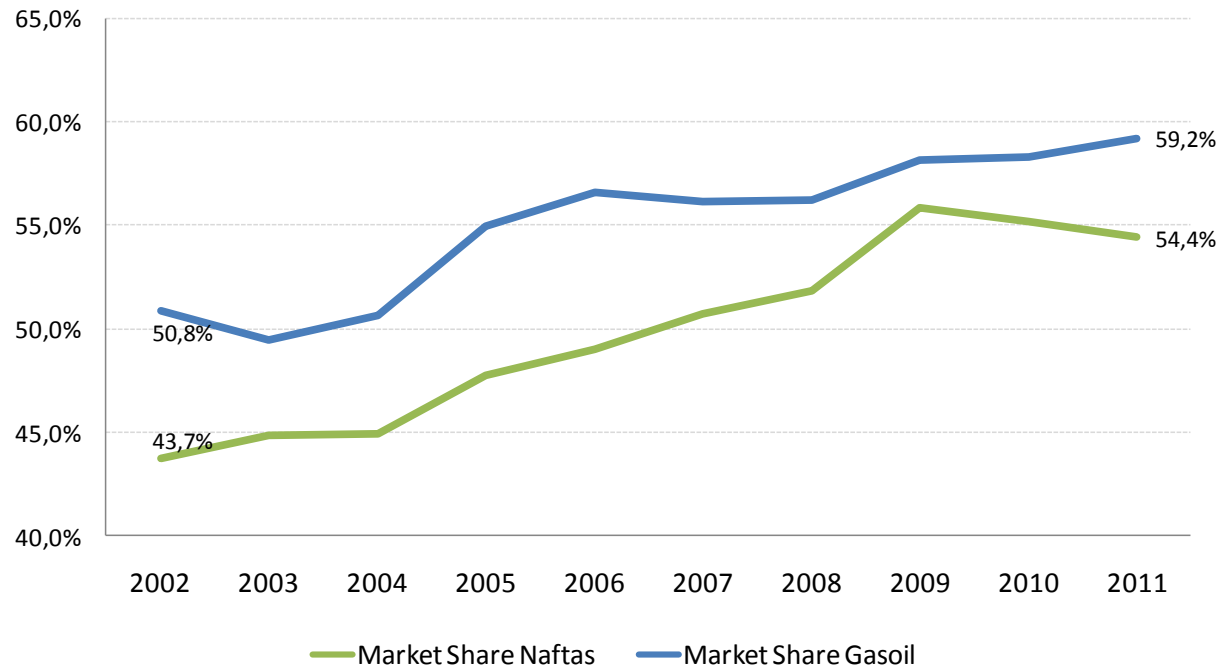
YPF has maintained gasoline and middle distillate production in the last few years.

Evolution of YPF Key Metrics

Evolution of YPF market share



Market Share YPF



Fuente: SESCO Secretaría de Energía

YPF's market share went from 44% in gasolines and 51% in diesel in 2002 to 54% in gasolines and 59% in gasoil in 2011.

Evolution of YPF Key Metrics

Gasoil and gasoline sales

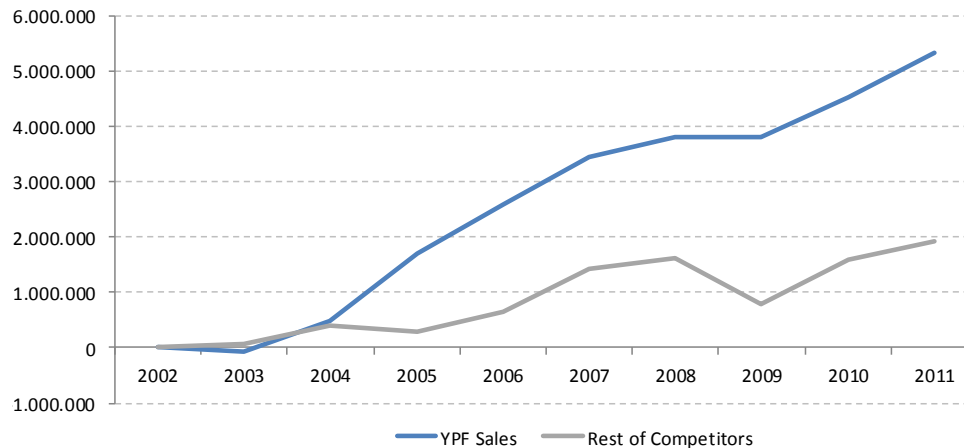


Diesel and Gasolines Sales to Local Market (m3)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
YPF Sales	6,823,599	6,759,210	7,309,074	8,512,124	9,406,796	10,275,442	10,631,181	10,616,558	11,348,330	12,150,857
Rest of competitors	7,124,980	7,196,582	7,510,537	7,424,070	7,785,267	8,548,394	8,737,039	7,898,321	8,703,485	9,035,551
Total Country	13,948,579	13,955,792	14,819,611	15,936,194	17,192,063	18,823,836	19,368,220	18,514,879	20,051,814	21,186,409

Source: SEN

Increase in Sales since 2002 (m3)



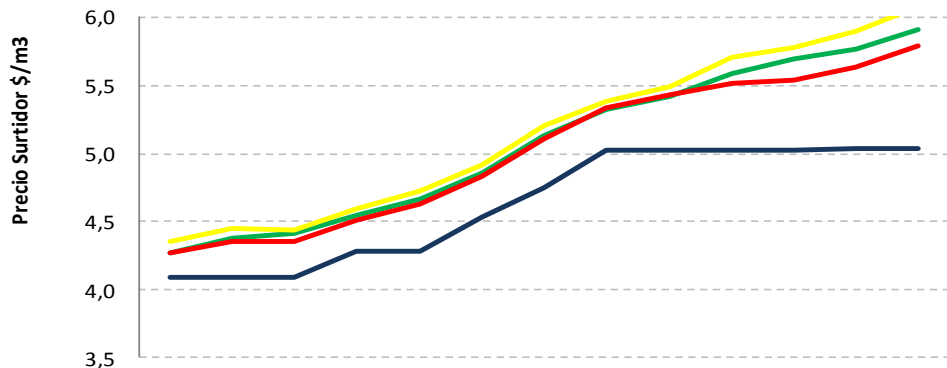
YPF has supplied more than 74% of market growth since 2002

Evolution of YPF Key Metrics

Gasoil and gasoline prices

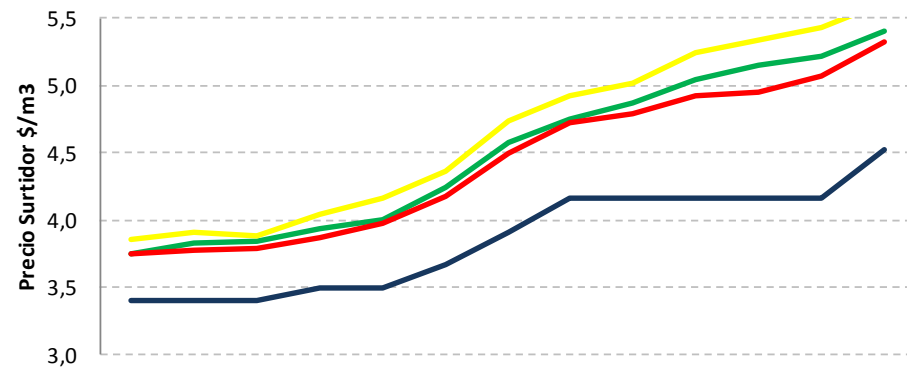


Premium Gasoline Price Evolution



	ene-11	feb-11	mar-11	abr-11	may-11	jun-11	jul-11	ago-11	sep-11	oct-11	nov-11	dic-11	ene-12
Competidor A	4,266	4,377	4,413	4,548	4,663	4,854	5,133	5,321	5,421	5,588	5,695	5,768	5,916
Competidor B	4,271	4,352	4,36	4,507	4,634	4,837	5,104	5,340	5,428	5,519	5,534	5,637	5,794
Competidor C	4,358	4,455	4,443	4,593	4,725	4,918	5,204	5,388	5,496	5,708	5,779	5,894	6,079
YPF	4,092	4,092	4,092	4,288	4,288	4,539	4,753	5,029	5,029	5,029	5,029	5,036	5,039

Diesel Price Evolution



	ene-11	feb-11	mar-11	abr-11	may-11	jun-11	jul-11	ago-11	sep-11	oct-11	nov-11	dic-11	ene-12
Competidor A	3,750	3,827	3,845	3,934	4,003	4,242	4,582	4,747	4,868	5,039	5,156	5,225	5,402
Competidor B	3,745	3,778	3,782	3,864	3,971	4,176	4,491	4,719	4,790	4,922	4,951	5,068	5,329
Competidor C	3,848	3,901	3,883	4,035	4,159	4,366	4,733	4,923	5,011	5,241	5,334	5,428	5,613
YPF	3,402	3,402	3,402	3,498	3,498	3,664	3,907	4,160	4,160	4,160	4,160	4,166	4,521

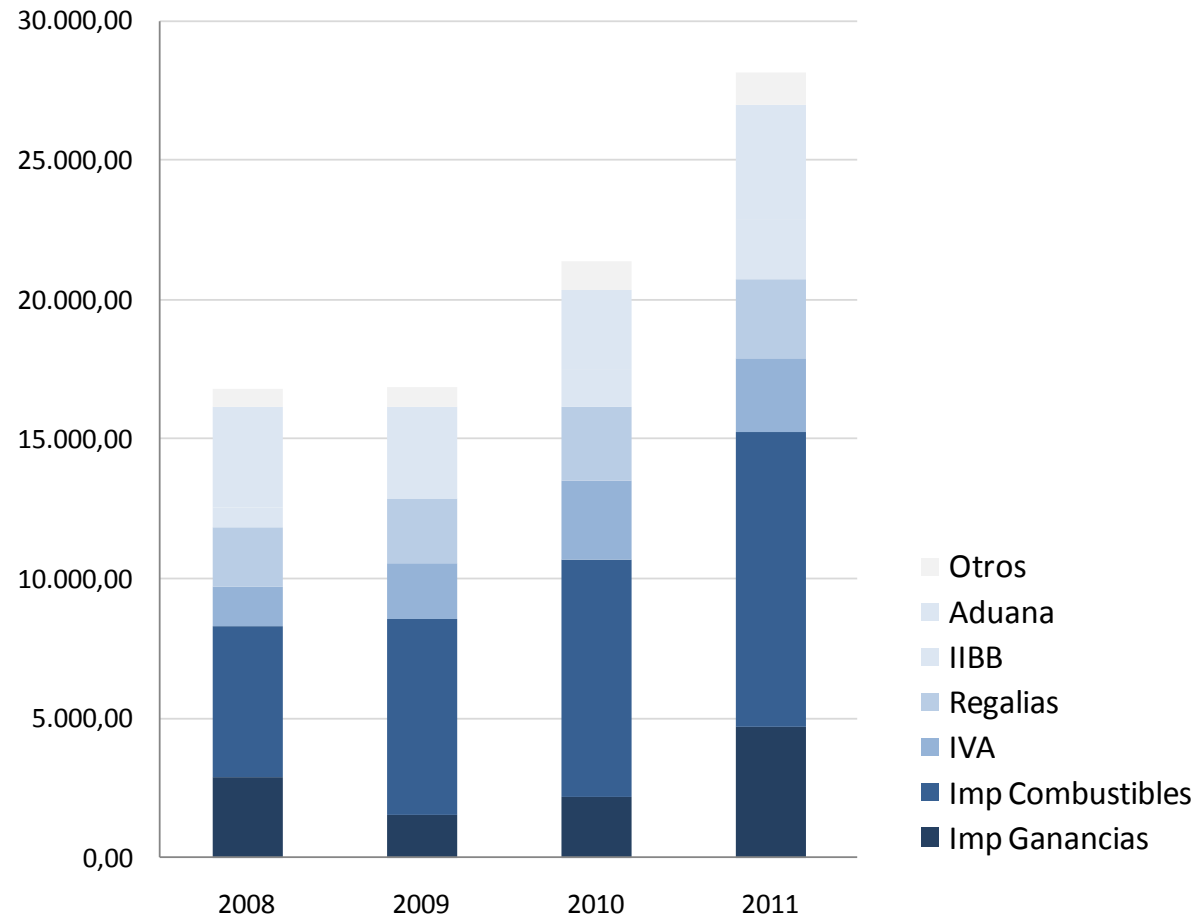
Prices on the last thursday of every month. Competition: sample of 335 competitors' service stations. YPF entire network average.

Average country prices

YPF has the lowest prices in the market. In January 2012 competitors had prices which were 18% and 21% higher than YPF's in premium gasoline and diesel respectively.



Taxes paid by YPF (In Millions of Pesos)



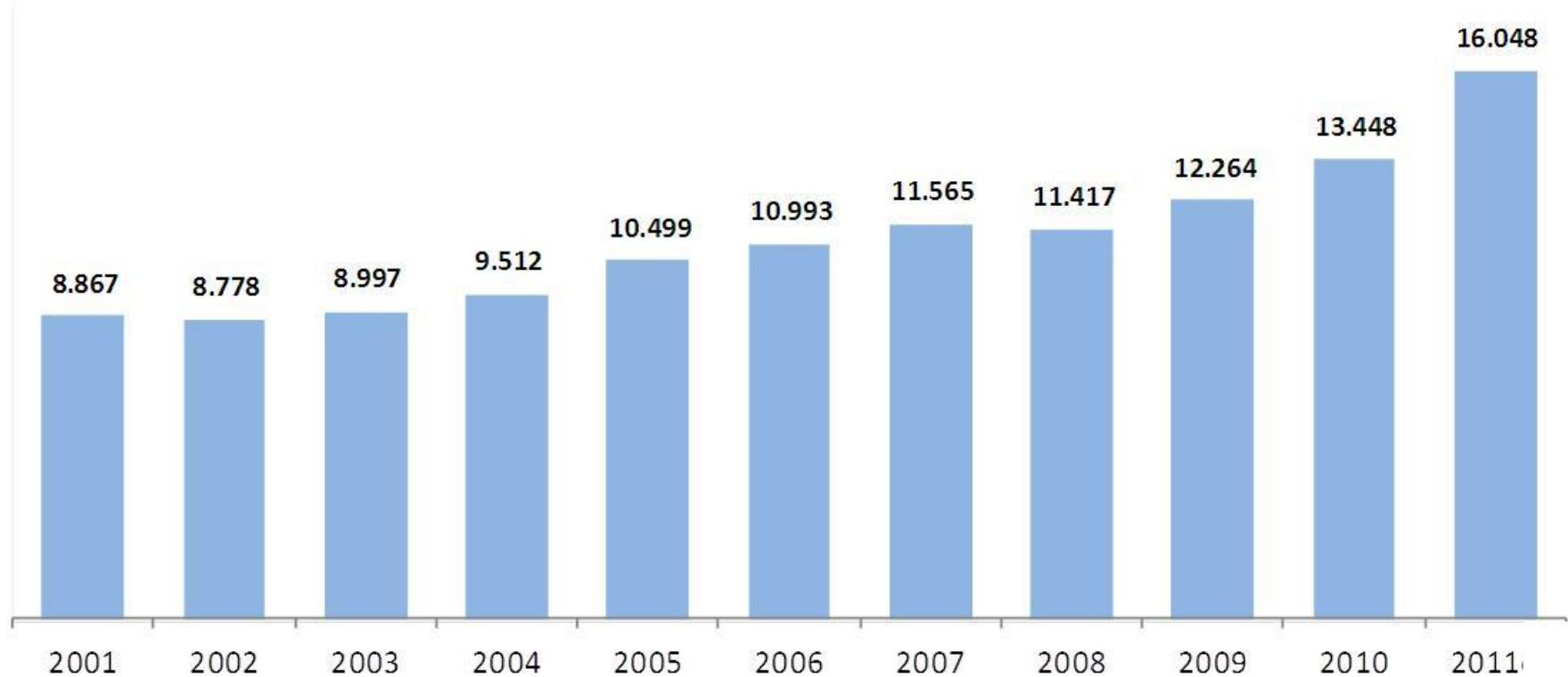
Note: 2011 preliminary data

Evolution of YPF Key Metrics

Workplaces: Evolution of YPF total workforce



Total workforce GRUPO YPF



YPF's workforce has doubled in 10 years

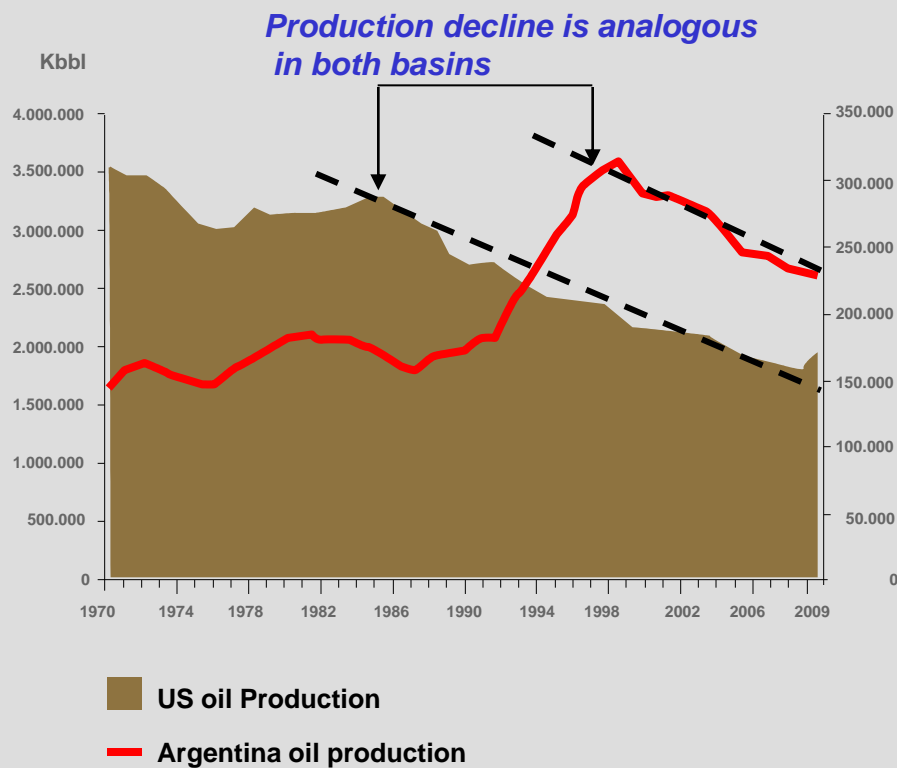
1. Energy Situation in Argentina
2. Evolution of YPF Key Metrics
3. Argentina-USA Comparison
4. Vaca Muerta: The cause of the Pillage?
5. Accounting impact and Valuation
6. Final Considerations

Argentina – US Comparison

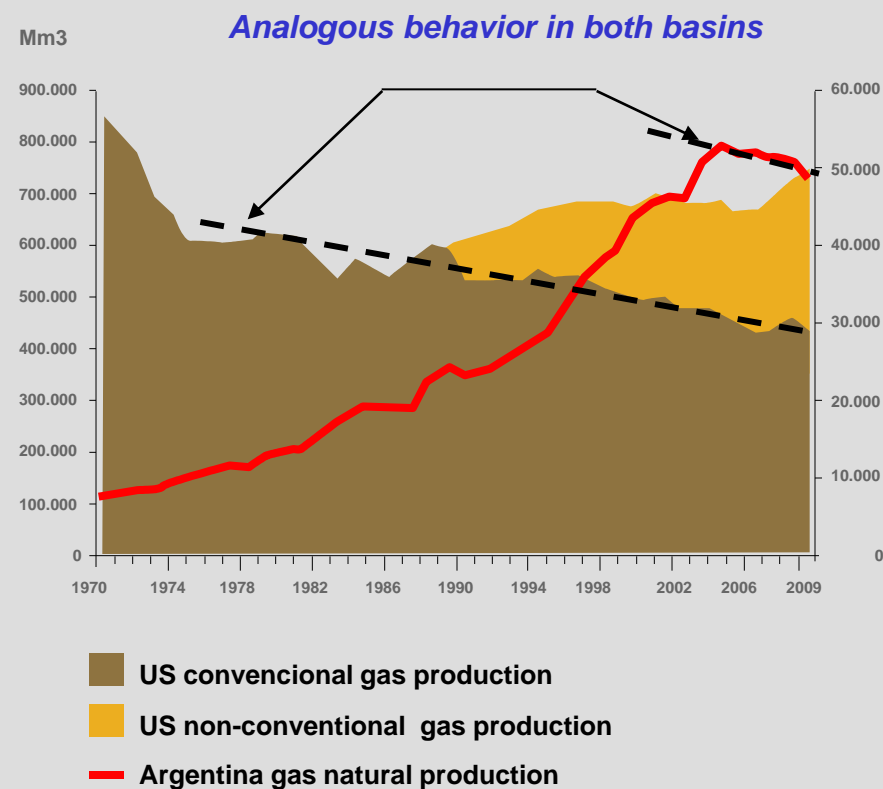
Oil & Gas production evolution



Oil Production



Gas Natural Production

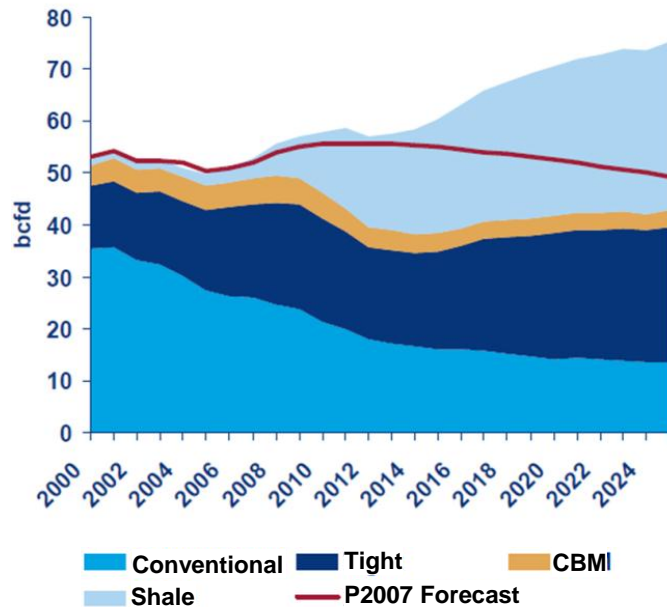


Argentina – US comparison

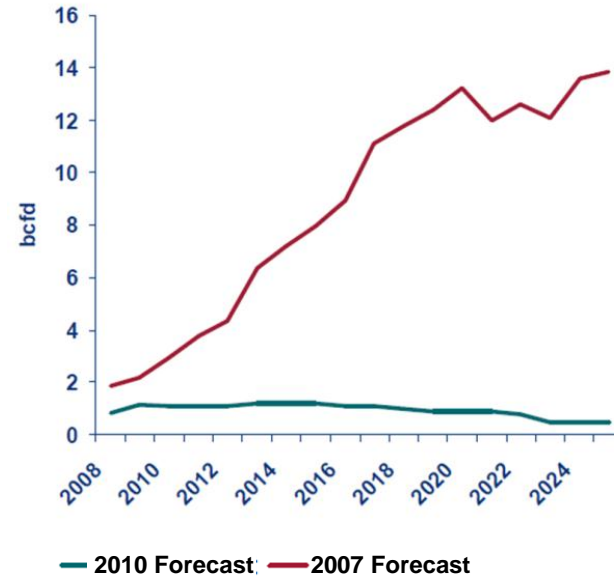
US Shale: Impact on natural gas supply



Gas production
US



LNG Imports
US



Source: Wood Mackenzie NAGS

The Shale Gas development in the US has totally changed the energy balance and has eliminated to a large degree the LNG import needs.

Currently 23% of the US natural gas production comes from Shale

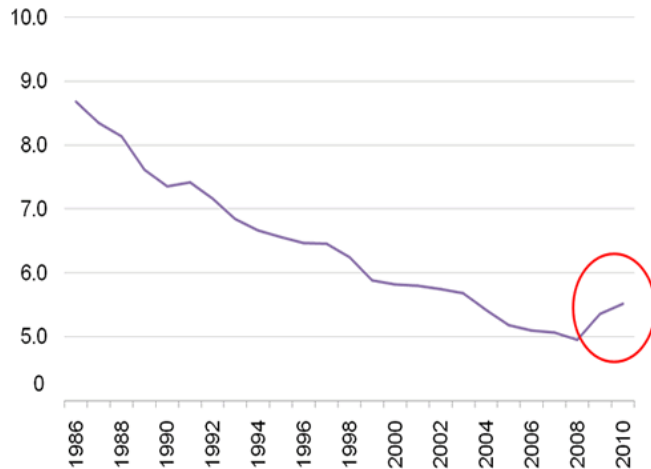
Argentina – US comparison

Shale in the US: Oil production impact



US oil production

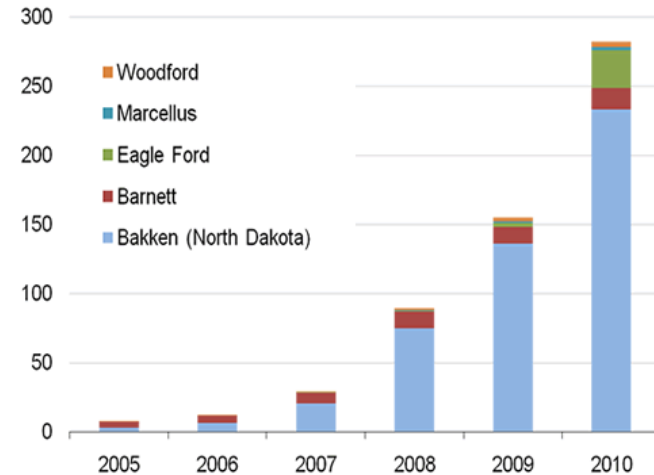
Million barrels per day (oil + condensate excluding plant production)



Source: U.S. Energy information administration (EIA)

Shale oil production in the US

(million barrels per day)



Source: HPDI, LLC

The 2010 production increase in the US was driven by the rise of horizontal shale drilling campaigns, reversing the historic decline tendency the country had.

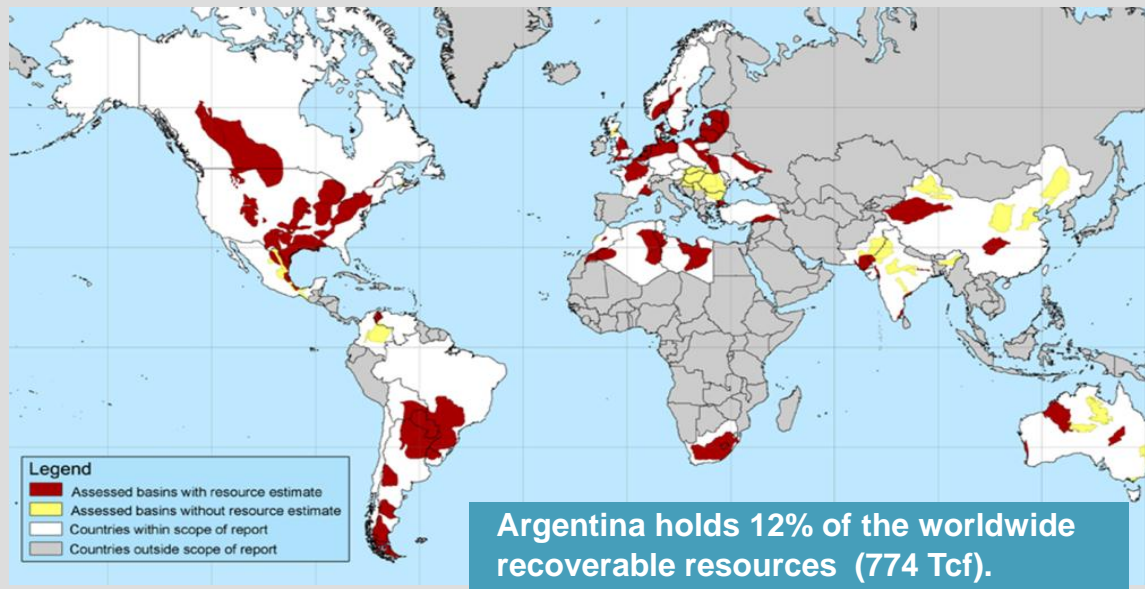
1. Energy Situation in Argentina
2. Evolution of YPF Key Metrics
3. Argentina-USA Comparison
4. Vaca Muerta: The cause of the Pillage?
5. Accounting impact and Valuation
6. Final Considerations

Vaca Muerta

Shale gas: Worldwide resources



Main shale gas basins



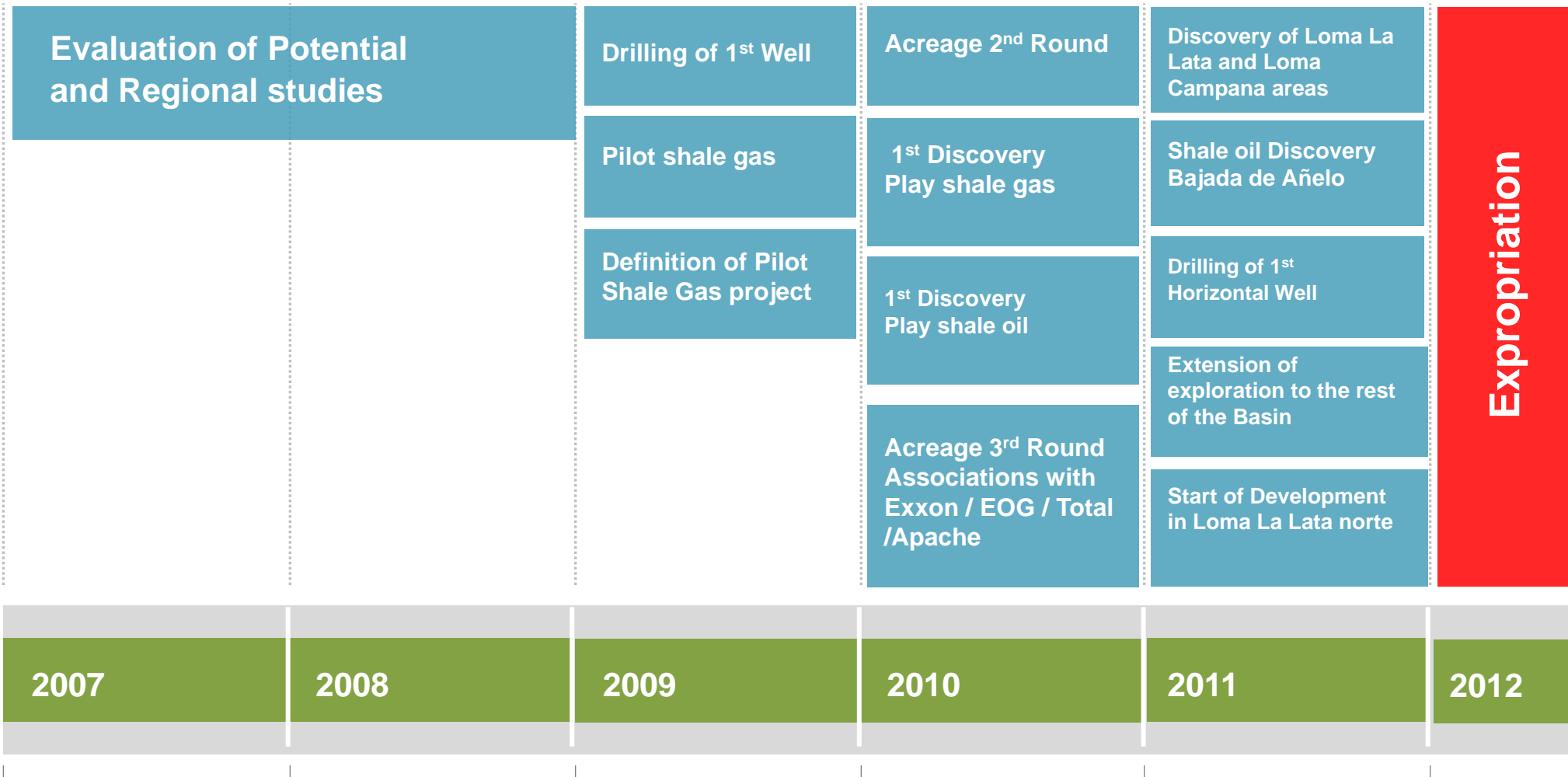
Continent	Risked technically recoverable (Tcf)
North America	1.931
South America	1.225
Europe	624
Africa	1.042
Asia	1.404
Australia	396
Total	6.622

Argentina is ranked third in worldwide shale gas resources according to the EIA report “World Shale Gas Resources”, published in April 2010.

It is estimated that the non conventional natural gas resources worldwide (6.622 Tcf) is equivalent to the conventional natural gas proved reserves (6.609 Tcf)

Vaca Muerta

Story of a Discovery





- **Total Hydrocarbon Resources and Reserves discovered at the Vaca Muerta formation amounts to 22,807 million barrels of oil equivalent (Mboe).**
- **These volumenes discovered correspond only to 49% of YPF's acreage in the formation.**

The average of analysts gives these resources a net present value (NPV) of USD 1/boe, which means that this portion of YPF's acreage in Vaca Muerta has a value of approximately 13,700 Million USD.

1. Energy Situation in Argentina
2. Evolution of YPF Key Metrics
3. Argentina-USA Comparison
4. Vaca Muerta: The cause of the Pillage?
5. Accounting impact and Valuation
6. Final Considerations



Greater Exposure in the Financial Expenses: 5,664 M€

	<u>% YPF over total Group</u>
<u>2011 P&L:</u>	
Operating Income	25.6%
Net Income	21.0%
Investments	33.7%



- In the hypothetical case of an acquisition equal or greater than 15% and as per Articles 7 and 28 of the YPF bylaws, the party acquiring the shares must launch a tender offer for the total shares of the company, which shall be paid in cash, according to the highest price of 4 possible calculation criteria.
- The applicable price which emerges from the calculations consists of the YPF maximum PER of the last two years multiplied by the net income per share share of the last twelve months.

After applying the abovementioned formula, the estimated value comes to us\$ 46.55 per share, resulting in a valuation of us\$ 18,300 million for 100% of the company and us\$ 10,504 million for 57.4%.

Accounting Impact and Valuation

Comparison of Government Calculations vs YPF Data



Government Data (MU\$)	
Initial Investment 1999 (97.8%)	-13,158
Dividends to Repsol 1999-2011	15,728
Income from Petersen Adquisition 25.46%	3,539
IPO Income 17.09%	2,704
Net Income	8,813

YPF REALITY (MU\$)	
Initial Investment	15,005
Divestments	6,239
Petersen Group	3,554
IPO + Others	2,685
Net Share 57.4%	8,766



Dividends paid 100% YPF 15,124

Annual average financial profitability since YPF acquisition has been 7-8%, which unfavorably compares to the Argentinean WACC in U\$ terms that is 14-16% (*)

(*) Range of WACC used by analysts of Argentinean Markets as of 04/16/2012

1. Energy Situation in Argentina
2. Evolution of YPF Key Metrics
3. Argentina-USA Comparison
4. Vaca Muerta: The cause of the Pillage?
5. Accounting impact and Valuation
6. Final Considerations

- Until the end of 2011, the Argentinean Government has made numerous expressions of satisfaction with YPF, publicly praising its management and thanking its commitment to Argentina:

“because of their investment in the country and being the most important contributor” (Cristina Fernández de Kirchner, septiembre 2010).

“This Plan that YPF is presenting today reaffirms everything with optimism and hope in the present and in the future”.
(Cristina Fernández de Kirchner, presentation of the Strategic Plan 2010 - 2014).

“The Federal State completely agrees with the activities carried out by the Company”.
(Roberto Baratta, November 2011).

- In November 2011 Repsol YPF hosted in Argentina a Field Trip in which more than 40 international financial analysts and institutional investors participated. During the Field Trip, they gathered the following comments after the meeting with the Minister of Planning, Julio de Vido:

“One conclusion from the meeting with the Minister of Planning, Julio de Vido, is that there is and will continue to be a continuous dialogue between the government, YPF and Repsol. There is no Argentina without YPF and vice-versa” (ITAU)

“Comments from the government authorities and from management seemed to suggest a clear awareness of the need to provide an economic climate conducive to attracting the investments to realize full potential of the resources” (BoA)

“Regarding natural gas prices, the Minister of Planning and Infrastructure, Julio De Vido, mentioned a price of US\$4/mmbtu which does not seem to be enough to encourage the necessary investments in the non conventional fields” (Santander)

- Repsol considers the announcement:
 - Unlawful
 - Discriminatory
 - Does not justify the public interest pursued
 - Obligations assumed at the time of privatization of YPF by the Argentinean state have been breached
 - Violates the international investment community confidence.
- Consequently, Repsol will take all legal measures to preserve the value of its assets and interests of all shareholders.

The unlawful expropriation of YPF does not affect the growth capacity of any of Repsol's businesses outside Argentina

REPSOL



YPF and Argentina

April 17, 2012