Repsol International Finance B.V.

Annual report 2012

Adopted in the AGM of April, 22nd 2013

Deloitte.

Deloitte Accountants B.V.

For identification purposes.
Related to the independent auditor's report dated
March 22, 2013

Management report

The Managing Directors present their report together with the audited financial statements for the year ended December 31, 2012.

Introduction

The Company is part of to the Repsol Group, a Spanish integrated oil company engaged in all aspects of the petroleum business and one of the largest industrial groups in Spain. The Company is a wholly owned subsidiary of Repsol, S.A., Madrid, Spain.

The issued and paid-in share capital of the Company amounts to USD 397 million.

Activities

Its principal activities consist of financing and investing in subsidiaries and affiliated companies.

Funds denominated in U.S. Dollars and in Euros are raised on the international capital markets by using a short-term commercial paper programme and a medium and long-term notes programme, which are lent to subsidiaries and affiliated companies, also in other currencies than U.S. Dollars. In this case the Company hedges the foreign currency exposure by entering into foreign exchange contracts with major international banks.

Currently, as part of the required Repsol Group financing needs the Company is engaged in a Euro Medium Term Note Programme and a Euro Commercial Paper Programme.

The existing bonds are the following, maturing in 2013 for an amount of EUR 1,000 million (USD 1,319.4 million), maturing in 2014 for an amount of EUR 2,000 million (USD 2,638.8 million), maturing in 2016 for an amount of EUR 850 million (USD 1,121.5 million), maturing in 2017 for an amount of EUR 885.8 million (USD 1,168.7 million), maturing in 2018 for an amount of EUR 750 million (USD 989.6 million) and maturing in 2019 for an amount of EUR 1,000 million (USD 1,319.4 million).

In January 2012 the Company closed a 750 million euro 7 years and 1 month bond at 99.937 per cent with a coupon of 4.875 per cent to be listed on the regulated market of the Luxembourg Stock Exchange. In February closed a 250 million euro at 103.166 per cent which was consolidated and form a single series with the 750 million euro issued in January. In September the Company closed a 750 million euro 5 years and 5 months bond at 99.654 per cent with a coupon of 4.375 per cent. All the bonds, guaranteed by Repsol S.A., were issued under the Euro 10,000,000,000 Guaranteed Euro Medium Term Note Programme, approved by the Luxembourg Commission de Surveillance du Secteur Financier.

The Company is the holder of shares in subsidiaries. These investments have been valued at cost or if permanently impaired at lower recoverable value.

Result for the Year

The Company made a profit of USD 538.4 million (2011: USD 203.9 million profit). This profit is primarily caused by a positive result from dividends from subsidiaries and the financial interest result.

Audit committee

The board took into consideration the enactment of the EU Directive 2006/43/EU by a Royal Decree of July 2008 and the obligations from the fact that the Company, because of its listed securities, is a public interest organisation. It was decided to delegate the public governance compliance obligations as regards the Company in respect to article 2, section 3, sub a to d of the Decree to the audit committee of its parent company, Repsol S.A.

Board Composition

All the present members of the board of the Company are male. Pursuant to article 2:276 Dutch civil code the Company is obliged to achieve that at least 30 per cent of the board members are female and to take this into consideration when appointing new board members.
On the basis of article 2:391(7) of the Dutch civil code the following explanation is provided.

a) In the financial year 2012 the Company did not have to comply with the above requirement, as article 2:276 Dutch civil code was not in force in the relevant period.

b) In the financial year 2012 the Company did not have the obligation to achieve gender diversity.

For the future years the Company, when a board vacancy appears, will strive to appoint one or more, as the case may be, female board members, if suitable candidates can be identified.

Risks

The Company identifies, evaluates and hedges financial risks in close co-operation with its Parent Company's Financial Risk Department. The Parent Company's Financial Risk Department, with the aim to promote best practices, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks.

The Company's activities expose it primarily to the market risks of changes in foreign currency exchange rates and interest rates. Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Currency exchange risk
In the normal course of business the Company uses forward exchange contracts, to hedge currency exchange rate risks resulting from financing arrangements in foreign currencies.

The Company has procedures and policies in place to control risks related to financial instruments. These policies and procedures include a clear segregation of duties between operating, settlement, accounting and controlling of all financial instruments used. The Company's management is involved in the risk management process.

Credit risk
The Company attempts to minimize the counterparty credit risk associated with the financial instruments used by selecting counterparties that it assumes to be creditworthy, given their high credit ratings.

Expropriation of YPF

On 16 April, the government of Argentina announced the expropriation of 51% of YPF share capital represented by the same proportion of YPF Class D shares owned by Repsol Group. The Company owns 99,99% of Repsol Capital S.L., a company that directly and indirectly held 6,67% of the share capital of YPF, S.A., of which 5,30% is subject to expropriation.

Future Outlook

It is envisaged that the Company will continue to provide loan capital to subsidiaries and affiliated companies. The future level of profits will be dependent on developments of the investments and financing activities.

The Company does not foresee changes in the number of personnel in the future and does not perform any R&D activities.

During 2012 the average number of employees was 7 (2011:6).

The Hague, The Netherlands,

22nd March, 2013

THE MANAGING DIRECTORS

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March 22, 2013

Balance Sheet at December 31, 2012

(Before appropriation of net result)

(Amounts in thousands of U.S. Dollars)

ASSETS	Notes	31.12.2012	31.12.2011
Financial Fixed Assets			
Investments	3	1,329,888	609,031
Loans to affilitiated companies	4	8,418,638	6,113,729
Other long term receivable from third parties		2,809	4,105
Guarantees and deposits		35	34
		9,751,370	**6,726,899**
Deferred expenses	5	24,894	21,582
		9,776,264	**6,748,481**
Current assets			
Short-term loans to affiliated companies		2,471,946	4,033,070
Other receivable from affiliated companies		620	20,835
Short-term portion of other receivable from third parties		15,096	6,203
Interest receivable from affiliated companies		303,002	172,186
Other receivables and prepayments		4,810	57,690
		2,795,474	**4,289,984**
Short term Deposits		1,676	3,290
Cash and Banks		1,590	9,868
		3,266	**13,158**
		2,798,740	**4,303,142**
		12,575,004	**11,051,623**

The accompanying notes from 1 to 16 form an integral part of the financial statements.

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Balance Sheet at December 31, 2012

(Before appropriation of net result)
(Amounts in thousands of U.S. Dollars)

SHAREHOLDER'S EQUITY AND LIABILITIES	Notes	31.12.2012	31.12.2011
Shareholder's equity	6		
Issued and paid-in capital		396,581	388,917
Additional paid-in capital		337,272	337,272
Other Reserves		(40,265)	(32,601)
Retained earnings		1,246,869	1,085,793
Net result for the year		538,448	203,871
		2,478,905	**1,983,252**
Long-term liabilities			
Deferred income		9,343	1,428
Euronotes	7	7,239,071	6,127,682
		7,248,414	**6,129,110**
Short-term liabilities			
Loans from affiliates	8	875,953	728,801
Commercial Paper and Medium term bonds	7	1,567,677	1,882,545
Interest payable on Medium Term Notes and Euronotes		281,840	161,641
Interest payable to affiliated companies		388	268
Short term Bank loans		143	-
Other payable to affiliated companies and subsidiaries		97,744	146,047
Accrued liabilities		2,740	1,416
Taxes		18,852	17,176
Other payables		2,348	1,367
		2,847,685	**2,939,261**
		12,575,004	**11,051,623**

The accompanying notes from 1 to 16 form an integral part of the financial statements.

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Income Statement for the year ended December 31, 2012

(Amounts in thousands of U.S. Dollars)

INCOME STATEMENT	Notes	31.12.2012	31.12.2011
Financial income and expense			
Income from investments	3	549,197	166,552
Change in carrying value investments	3	(53,750)	
Interest income	10	456,151	385,120
Interest expense	10	(393,233)	(322,163)
Exchange gain (loss)		4,390	(6,363)
Other financial incomes (expenses)		1,199	1,652
		563,954	**224,798**
Amortization deferred expenses	5	(7,194)	(4,726)
General and administrative expenses	11	(3,978)	(3,136)
Income before provision for income taxes		**552,782**	**216,936**
Provision for income taxes	12	(14,334)	(13,065)
Net result		**538,448**	**203,871**

The accompanying notes from 1 to 16 form an integral part of the financial statements.

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Notes to financial statements at December 31, 2012

(Amounts in thousands of U.S. Dollars)

1 General

Repsol International Finance B.V. ("the Company"), having its legal seat in The Hague, is a wholly owned subsidiary of Repsol, S.A., located in Madrid, Spain. Companies in which Repsol, S.A. participates are referred to as affiliated companies. Its registered address is Koningskade 30, 2596 AA the Hague, the Netherlands.

The Company's principal activities consist of investing in and financing of subsidiaries and affiliated companies, and the Company is the holder of shares in subsidiaries.

Based on the exemption of Article 408 of Book 2, Title 9 of the Dutch Civil Code, no consolidated financial statements have been prepared. The financial statements of the Company and its subsidiaries are included in the consolidated financial statements of the parent company Repsol, S.A.

Historically a significant part of the Company's transactions is denominated in U.S. Dollars. Consequently, the Company's financial statements are reported in U.S. Dollars.

Based on the DAS 360.106, no statement of cash flow has been included, since a consolidated statement of cash flows is included in the consolidated financial statements of Repsol.

2 Accounting Principles

General

The accompanying accounts have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code.

The financial statements are prepared under the historical cost convention. Unless stated otherwise, assets and liabilities are stated at face value.

Income and expenses are accounted for on an accrual basis. Profit is only included when realized on the end of the reporting period. Losses and risks originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Assets and liabilities denominated in foreign currencies are translated into U.S. Dollars at the year-end exchange rate unless indicated otherwise. Transactions in foreign currencies are translated at the exchange rate in effect at the time of the transaction. The exchange results are recorded under financial income and expense in the Income Statement.

Financial fixed assets

Based upon Article 2:408 of the Dutch Civil Code, the Company accounts for its investments in subsidiaries and other investments at cost or, if permanently impaired, at lower recoverable value.

Deferred expenses

Deferred expenses relate to the Guaranteed Euronote issues raised between 2003 and 2012.

Aforementioned expenses are capitalised and recognised in profit or loss over the period of the duration of the note.

Financial Instruments

Financial instruments are used to hedge exposures to movements in currency exchange rates. These financial instruments include currency forward contracts.

These financial instruments are stated at fair value.

The results on these instruments are recognised as other financial income (expense) in the Income Statement.

Recognition of income

Revenues and expenses are recorded in the period in which they originate.

Taxation

For Dutch corporate income tax purposes, the Company belongs to a fiscal unity along with its Dutch subsidiaries Repsol Netherlands Finance BV and Repsol Investeringen BV. The corporate income tax due by the fiscal unity has been fully allocated to each company in proportion to its individual result. The Company is jointly and severally liable for the total corporate income tax payable by the fiscal unity.

Notes to specific items of the balance sheet

3. Investments

For the year ended December 31, 2012, the Company has the following investments:

Name and Legal Seat	Percentage Ownership
Gaviota RE, Luxembourg	*99.88%*
Occidental de Colombia LLC., Delaware	*25.00%*
Repsol International Capital Ltd., Cayman Islands	*100.00%*
Repsol Netherlands Finance B.V., The Hague	*66.50%*
Repsol Investeringen B.V., The Hague	*100.00%*
Repsol LNG Port Spain B.V., The Hague	*100.00%*
Repsol Capital S.L., Madrid	*99.99%*

Key financial information of the investments for the year ended December 31, 2012 is as follows:

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(Amounts in thousands)	Carrying Value	Acquisition Cost
Subsidiary	USD	USD
Gaviota RE, S.A.	18,088	18,088
Repsol International Capital Ltd.	-	518,900
Repsol Netherlands Finance B.V.	14	14
Repsol Investeringen B.V.	-	22
Repsol LNG Port Spain B.V.	774,634	774,634
Repsol Capital, S.L.	473,407	473,407
Other participations		
Occidental de Colombia LLC.	63,745	63,745
Total	**1,329,888**	**1,848,810**

The difference between the acquisition cost and the carrying value is the provision for investments.

The movement in investments at carrying value is as follows:

	2012	2011
(Amounts in thousands)	USD	USD
Balance January 1	609,031	609,031
Investments	774,607	
Provision for investments	(53,750)	
Balance December 31	**1,329,888**	**609,031**
Distributed dividend from investments	**549,197**	**166,552**

In November 2012, LNG Port of Spain increase capital tor USD 774,607 thousand to acquire its subsidiaries Atlantic 2/3 Holdings LLC, Atlantic 4 Holding LLC and Repsol LNG T&T Ltd from Repsol Overzee Financien B.V. in relation to an internal reorganization of certain T&T assets of the group.

On 2012 there was an increase in the provision on investments for USD 53,750 thousand related to the investment in Repsol International Capital Ltd.

During 2012, the Company has received USD 549,197 thousand of dividends, of which USD 441,000 thousand was received from Repsol LNG Port Spain B.V., USD 73,758 thousand from Repsol Capital S.L. and USD 34,439 thousand from Occidental de Colombia LLC.

Expropriation of YPF

On 16 April, the government of Argentina announced the expropriation of 51% of YPF share capital represented by the same proportion of YPF Class D shares owned by Repsol Group. The Company owns 99,99% of Repsol Capital S.L., a company that directly and indirectly held 6,67% of the share capital of YPF, S.A., of which 5,30% is subject to expropriation.

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4 Long-term loans to Affiliated Companies

Long term loans to affiliated companies expire over more than one year. The loans bear an average interest rate of 4.86% per annum.

Long term loans with a fixed interest rate and a book value of USD 8,418.6 million have a fair value of USD 9,242.6 million. All other long term and short term loans have floating interest rates. Therefore their book values approach their fair values.

5 Deferred Expenses

The deferred expenses related to the Guaranteed Euronotes issues raised during 2003, 2004, 2007, 2009, 2011 and 2012 are capitalized and amortized to the Income statement over the period of the duration of the notes.

The movement of deferred expenses is as follows:

(Amounts in thousands)	**USD**
Balance January 1, 2012	21,582
Additions	10,506
Amortization	(7,194)
Balance December 31, 2012	**24,894**

The amortization of deferred expenses related to the difference between face value and issue price for each Euronote issued is recorded under caption "Amortization deferred expenses".

6 Shareholder's Equity

(Amounts in thousands)	**Issued and Paid in Capital USD**	**Additional Paid in Capital USD**	**Other Reserves USD**	**Retained earnings USD**	**Net Result for the year USD**	**Total USD**
Balance December 31, 2011	388,917	337,272	(32,601)	1,085,793	203,871	1,983,252
Currency translation - adj.	7,665		(7,665)			-
Dividend paid to shareholder				(42,794)		(42,794)
Appropiation of result				203,871	(203,871)	-
Net result 2012					538,448	538,448
Balance December 31, 2012	**396,581**	**337,272**	**(40,265)**	**1,246,869**	**538,448**	**2,478,905**

The issued and paid-in capital consists of 300,577 shares with a par value of 1,000 Euros, translated to U.S. Dollars at an exchange rate of EUR 0.7579 per U.S. dollar as at December 31, 2012.

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7 Euronotes

Long Term

The different issues of guaranteed medium term notes are summarized as follows:

Maturity	Nominal in €	Amount in $	Coupon	Yield	Fair Value in €	Fixed / Floating Rate
March 27, 2014	1,000 million	1,319.4 million	Annual	6.500%	1,059 million	Fixed
October 8, 2014	1,000 million	1,319.4 million	Annual	4.625%	1,051.0 million	Fixed
February 12, 2016	850 million	1,121.5 million	Annual	4.250%	902.5 million	Fixed
February 16, 2017	886 million	1,169.8 million	Annual	4.750%	964.1 million	Fixed
February 20, 2018	750 million	989.6 million	Annual	4.375%	802.9 million	Fixed
February 19, 2019	1,000 million	1,319.4 million	Annual	4.875%	1,105.7 million	Fixed
	5,485.8 million	**7,239.1 million**				

Short Term

On July 22, 2013 the EUR 1,000 million (USD 1,319.4 million) fixed rate will mature on a par basis. The fair value of the bond is EUR 1,018.5 million (USD 1,343.8 million).

The Euronotes are listed at the stock exchange of Luxembourg.

Under the Euro-Commercial Paper Programme the Company has issue several notes, at December 31, 2012 the outstanding balance amounts USD 248.3 million, being issued in EUR 168.2 million, and in USD 26.3 million. All the notes are repayable in 2013.

8 Short term loans from affiliates

Liabilities with a remaining period up to 1 year, including the short-term portion of long-term liabilities, are presented under short-term liabilities.

The short-term liabilities comprise credit facilities denominated in U.S. Dollar, received from affiliated companies for an amount of USD 876 million at an average interest rate of 0.29%.

9 Covenants in Repsol International Finance B.V.'s Indebtedness

The bank loans generally contain customary covenants for contracts of this nature, including negative pledge and cross-default clauses.

The issues of unsecured and unsubordinated Euronotes representing a nominal of EUR 6,486 million guaranteed by Repsol, S.A., contain clauses whereby the Company undertakes to pay interest when due and the liabilities at maturity and the guarantor, subject to certain exceptions, undertakes not to create encumbrances on its assets in relation to these issues or to future issues of debt securities.

In the event of a default under any series of the bonds, the trustee, at his sole discretion or at the request of the holders of at least one-fifth or one quarter of the bonds, depending upon the series, can declare the bonds of that series to be due and payable.

Almost all of our total outstanding debt is subject to cross-default provisions. These provisions may be triggered if an event of default occurs with respect to indebtedness equals to or exceeding the greater of an amount equal to USD 50 million or 0.25% of Repsol´s shareholders' equity.

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As a result of these cross-default provisions, a default on the part of Repsol or any subsidiary covered by such provisions could result in a substantial portion of our debt being declared in default or accelerated. Repsol believes that none of its debt or that of any of its subsidiaries is currently in default.

Regarding bonds issued March 2009, December 2011, January 2012 and September 2012 each holder of the notes will have the option to require the Issuer to redeem such notes if a change of control occurs and, during the change of control period a rating downgrade, as defined in the final terms, occurs to Repsol.

So long as any of the notes remain outstanding the Company will not create of have outstanding any mortgage, charge, pledge, lien or other security interest upon the whole or any part of its undertaking, assets or revenues or to secure any guarantee of or indemnity in respect to any relevant indebtedness.

The Company's directors believe that at the date of this writing there are no reasons, nor there will be foreseeable reasons in the future, which will make it necessary to apply the clauses providing for early maturity of the debt.

10 Interest Income and Expense

The following table shows the analysis of the Interest Income for 2012 and 2011.

Interest Income

(Amounts in thousands)	**2012 USD**	**2011 USD**
Interest Income from affiliated companies	455,817	384,678
Interest Income from third parties	334	442
	456,151	**385,120**

The following table shows the analysis of the Interest Expense for 2012 and 2011.

Interest Expense

(Amounts in thousands)	**2012 USD**	**2011 USD**
Interest Expense to affiliated companies	3,394	1,069
Interest Expense to third parties	148	171
Interest Expense of debentures and bonds	389,691	320,923
	393,233	**322,162**

11 General and administrative expenses

The total general and administrative expenses for 2012 are USD 3,978 thousand. Under the general and administrative expenses an amount of USD 684 thousand has been recorded for salary costs, an amount of USD 42 thousand has been recorded for social security charges and an amount of USD 9 thousand has been recorded for pension costs.

Based on the Civil Code Book 2 Article 2.382a.3 the auditors' remuneration of Deloitte Accountants B.V.is not separately disclosed.

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12 Income Taxes

For Dutch corporate income tax purposes, the Company belongs to a fiscal unity along with its Dutch subsidiaries Repsol Netherlands Finance BV and Repsol Investeringen BV. The Dutch corporate income tax due by the fiscal unity has been fully allocated to each company in proportion to its individual result. The Company is jointly and severally liable for the total Dutch corporate income tax payable by the fiscal unity.

The effective Dutch corporate income tax rate for 2012 amounts to 3% which differs from the applicable 2012 Dutch corporate income tax rate of 25% as a result of the application of the participation exemption.

13 Financial Instruments

In the normal course of business the Company uses forward exchange contracts, to hedge currency exchange rate risks resulting from financing arrangements in foreign currencies.

The estimated fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values are determined from listed market prices, price quotations from banks or pricing models.

The Company has procedures and policies in place to control risks related to financial instruments. These policies and procedures include a clear segregation of duties between operating, settlement, accounting and controlling of all financial instruments used. The Company's management is involved in the risk management process.

The Company attempts to minimize the counterparty credit risk associated with the financial instruments used by selecting counterparties that it assumes to be creditworthy, given their high credit ratings.

The table below summarises by major currency the contractual amounts of the Company's foreign exchange contracts in U.S. Dollars as of December 31, 2012. Foreign currency amounts are translated at rates prevailing at the balance sheet date. The "buy" amounts represent the USD equivalent of commitments to purchase foreign currencies, and the "sell" amounts represent the USD equivalent of commitments to sell foreign currencies. These commitments expire in the first semester of 2013.

(Amounts in thousands)	**BUY**	**SELL**	**Exch rate 31.12.2012**
U.S. Dollar	2,142,818	(546,137)	**1**
Canadian Dollar	20,312	(1,892)	**0.9957**
Euro	524,425	(2,139,872)	**1.3194**

The fair value of this forwards amount to USD (246) thousand.

14 Personnel

As of December 31, 2012, the Company has 7 employees.

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15 Statutory and Supervisory Directors

The local directors have received in total a remuneration of USD 270 thousand in 2012. In April 2013, an employer only levy of wage tax (additional crisis tax) of 16% is due if and to the extent the gross wages paid to an employee in 2012 exceeded EUR 150 thousand. Based on case law by the Court of Appeals of Arnhem-Leeuwarden (Arnhem), Repsol takes the position that such provision is (partially) not allowed under the First Protocol to the European Convention on Human Rights and will hence file an objection to the payment of the additional crisis levy with the Dutch tax authorities. The supervisory directors do not receive any remuneration from the Company.

16 Subsequent events

On February 26, 2013 Repsol has reached an agreement with Shell for the sale of its LNG assets for USD 6.653 million which includes Repsol LNG Port Spain B.V. The effectiveness of the sale is subject to obtaining the necessary permits and the compliance with the agreed conditions. Until then, the Repsol Group will continue to operate the assets on sale.

The Hague, The Netherlands,

22nd March, 2013

STATUTORY DIRECTORS:

G. A. L. R. Diepenhorst

F. J. Sanz Cedrón

F. Bonastre Capell

J.M. Pérez Garrido

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Additional information

1 Independent auditor´s report

Reference is made to the auditor´s report included hereafter.

2 Appropriation of Net Result 2011

The Annual report 2011 was determined in the Annual General Meeting of Shareholders held on May 9th , 2012. The General Meeting of Shareholders determined the appropriation of the Net Result 2011 in accordance with the proposal being made to that end.

3 Appropriation of Net Result 2012

The Articles of Incorporation provide that the appropriation of income for the year is decided upon at the Annual General Meeting of Shareholders. Awaiting the decision by the shareholder, the net result for the year is separately included in the shareholder equity as net result for the year.

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Independent auditor's report

To: the shareholder of Repsol International Finance B.V.

Report on the financial statements

We have audited the accompanying financial statements 2012 of Repsol International Finance B.V., The Hague, which comprise the balance sheet as per December 31, 2012, the income statement for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Repsol International Finance B.V. as per December 31, 2012 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Emphasis of an uncertainty in the financial statements with respect to a lawsuit

We draw attention to note 3 in the financial statements, which describes the major uncertainty related to the outcome of the expropriation of Repsol SA Group shares in YPF, S.A. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Rotterdam, March 22, 2013

Deloitte Accountants B.V.

was signed
J.A. de Bruin