

**First Quarter 2012 Results**

**WEBCAST – CONFERENCE CALL**

**May 10<sup>th</sup>, 2012**

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CFO



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# Agenda

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1. YPF Update
2. Concerns Post YPF expropriation
3. 1Q 2012 Results
4. Operational activity
5. Strategic Plan pillars

## 1. YPF Update

2. Concerns Post YPF expropriation

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□ Expropriation:

- Unlawful
- Discriminatory
- Contravenes privatization obligation

□ Maximum exposure: 5.7 Bn €  $\begin{cases} \rightarrow 4.1 \text{ Bn € Book value} \\ \rightarrow 1.6 \text{ Bn € Petersen loan} \end{cases}$

□ Compensation value  $\approx$  10.5 Bn USD (our stake)

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# Concerns post YPF expropriation

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## Rating Outlook



- Management committed to Investment Grade Rating
- Current debt / financial cost not affected
- Alternatives to enhance balance sheet
- Solid financial and liquidity position (ex YPF, ex Gas Natural)

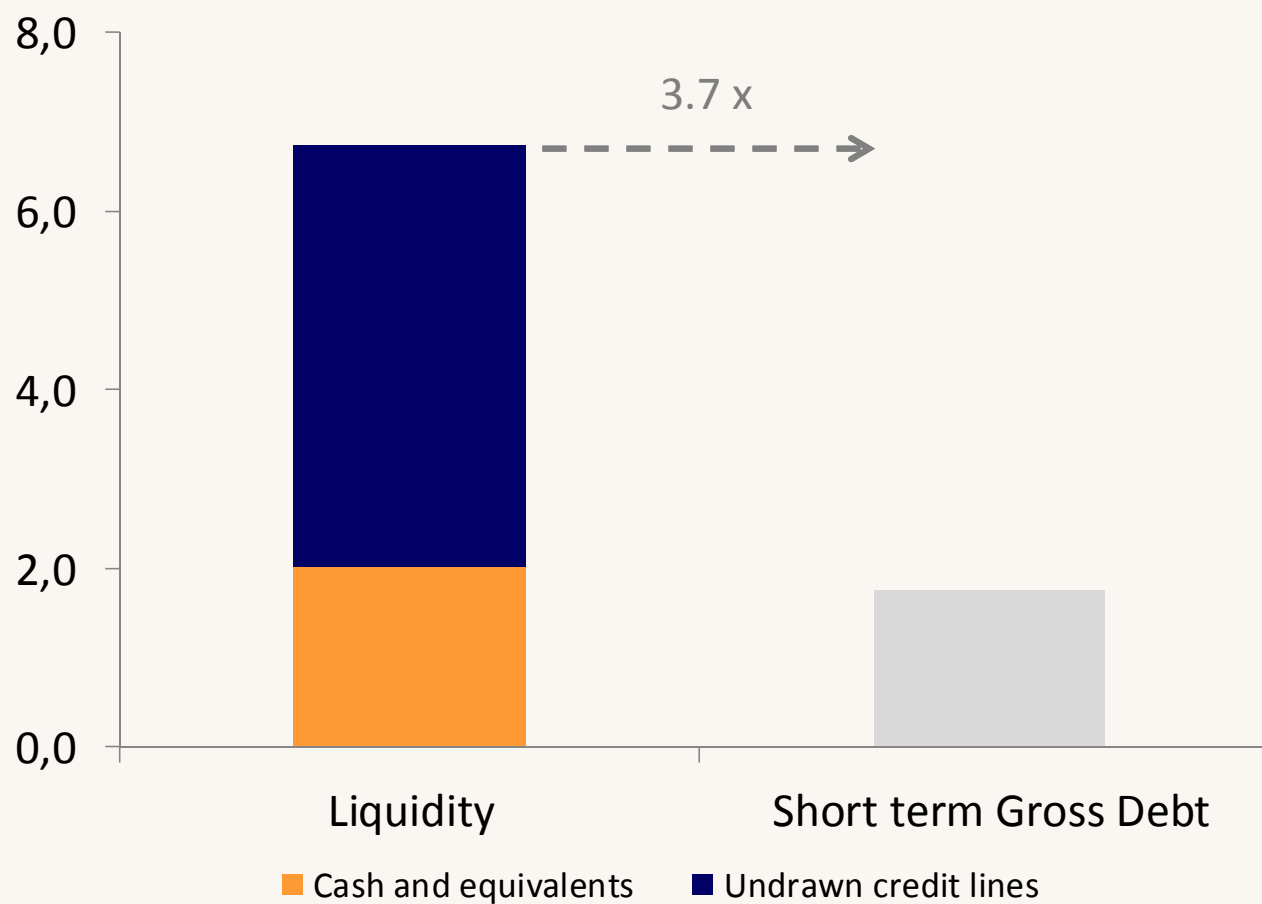


- Repsol failure to own 50.01% not a consequence of voluntary disposal

## Debt agreements

- Repsol does not guarantee YPF debt
- No indication of event of default

# Liquidity position (ex YPF and ex Gas Natural)





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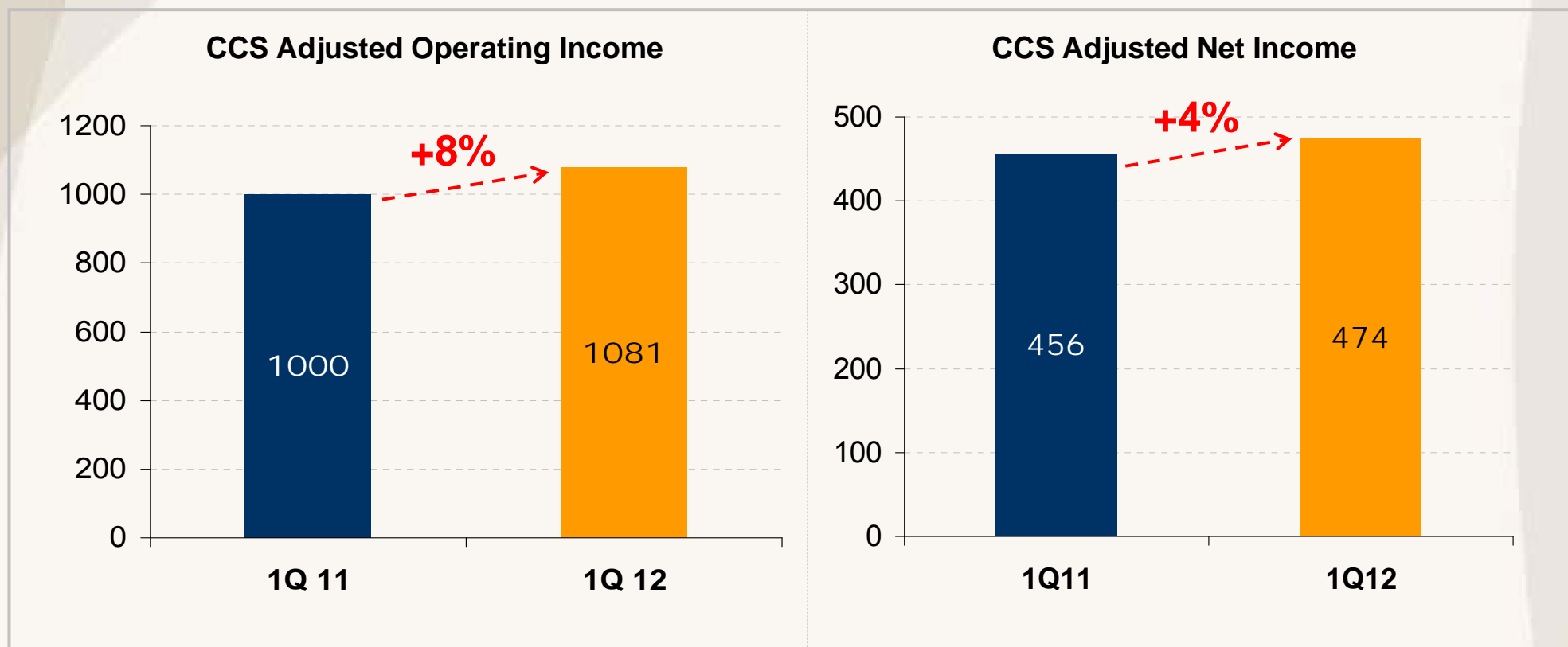


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# 1Q12 Results (ex YPF and ex Repsol YPF Gas)



Million €

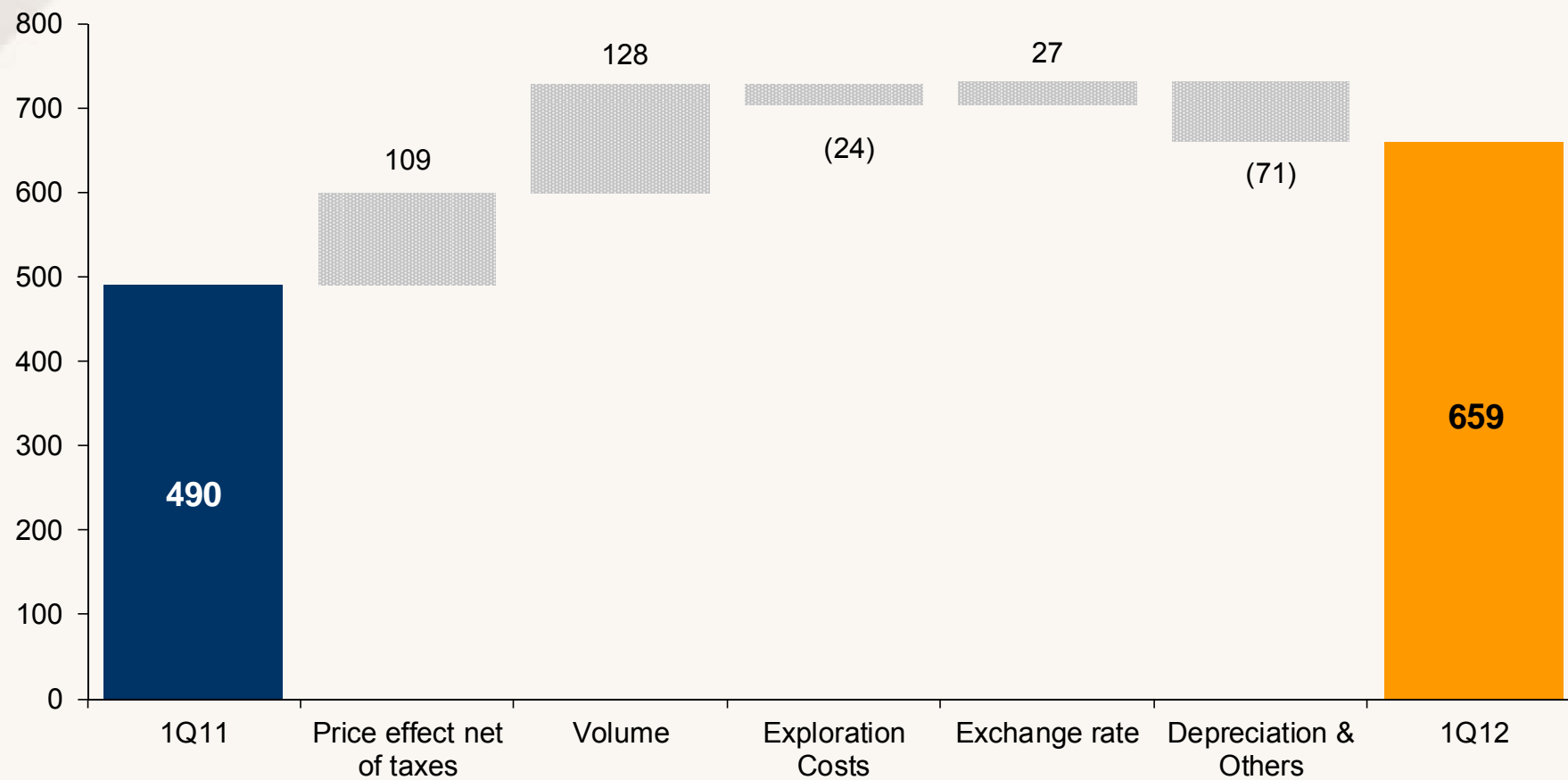


# 1Q 2012 Upstream

## Adjusted Operating Income

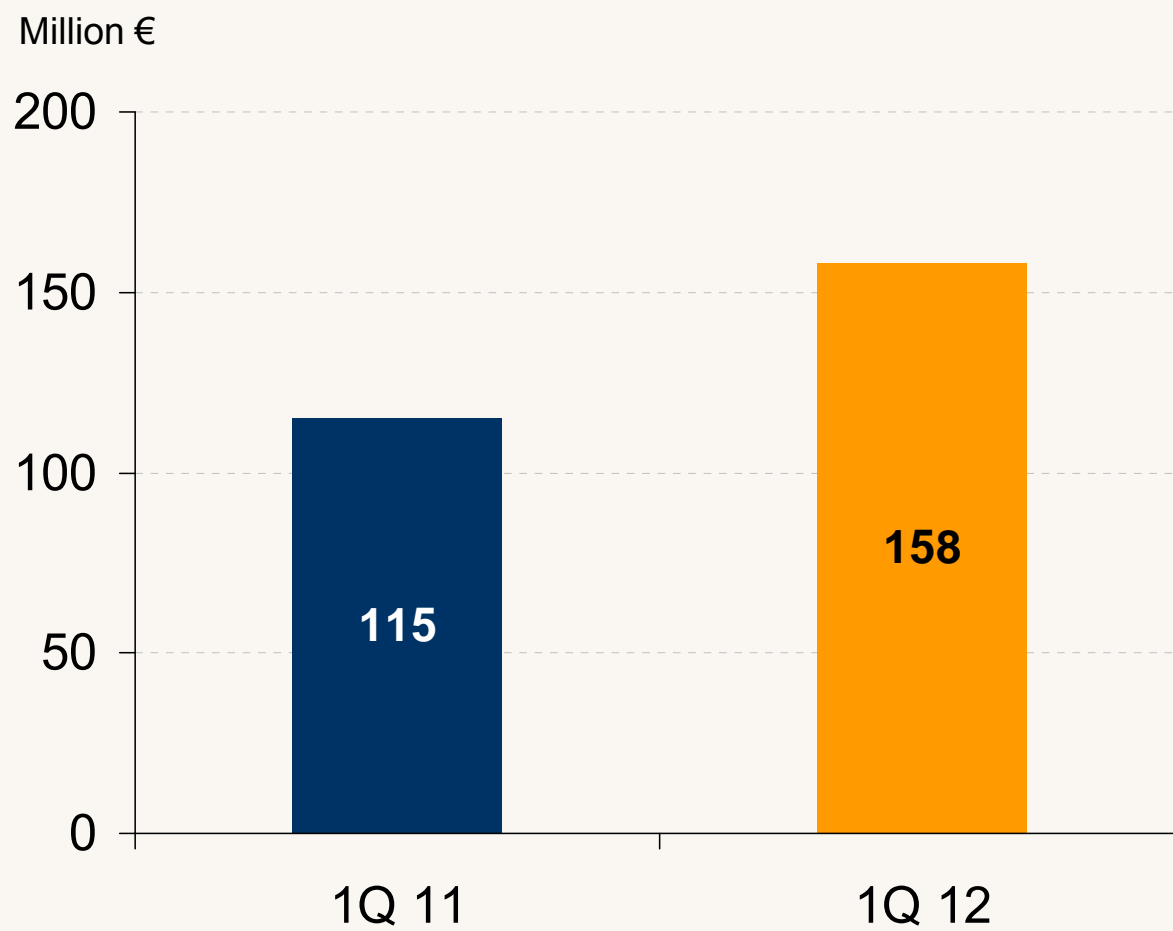


Million €



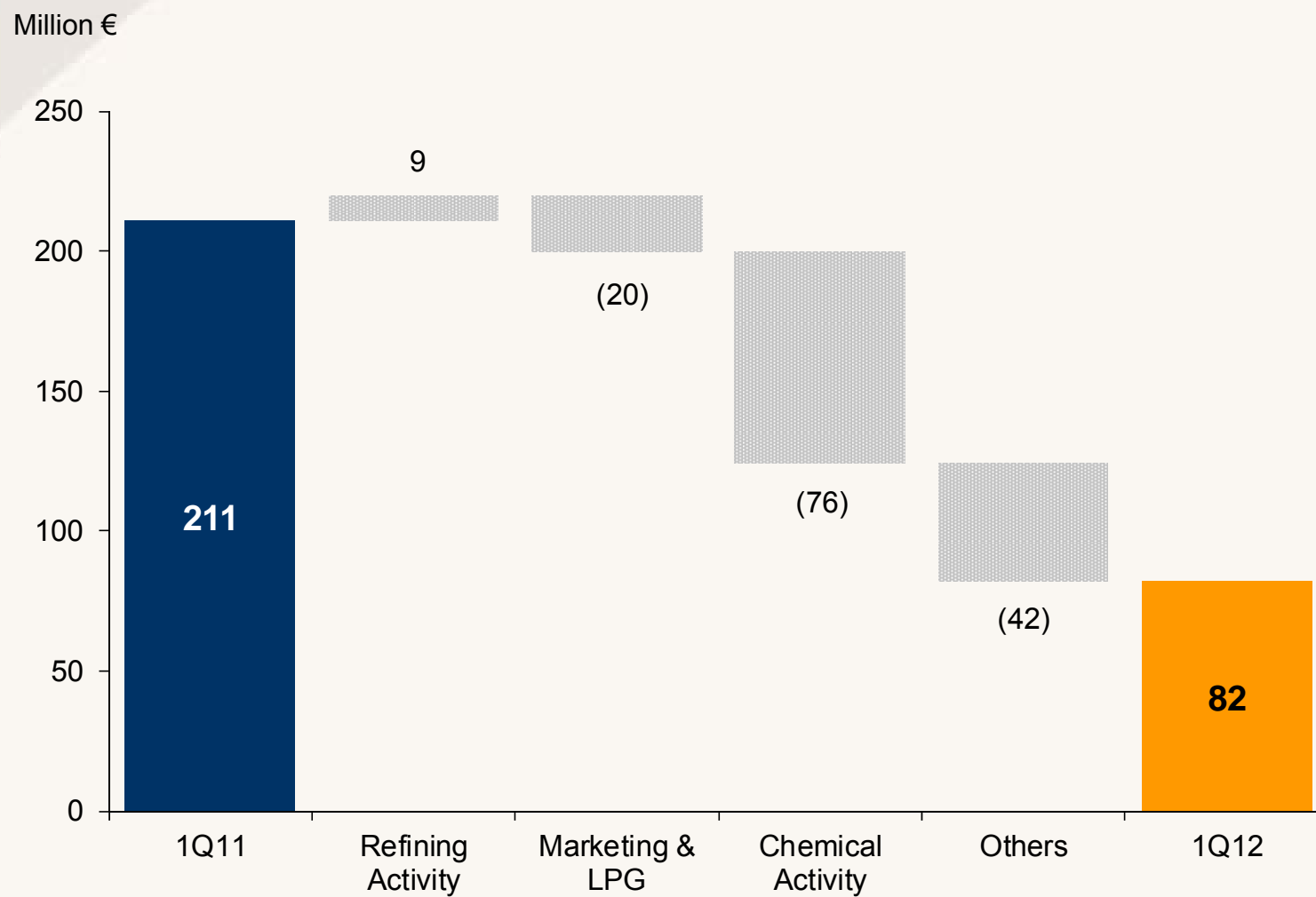
# LNG

## Adjusted Operating Income



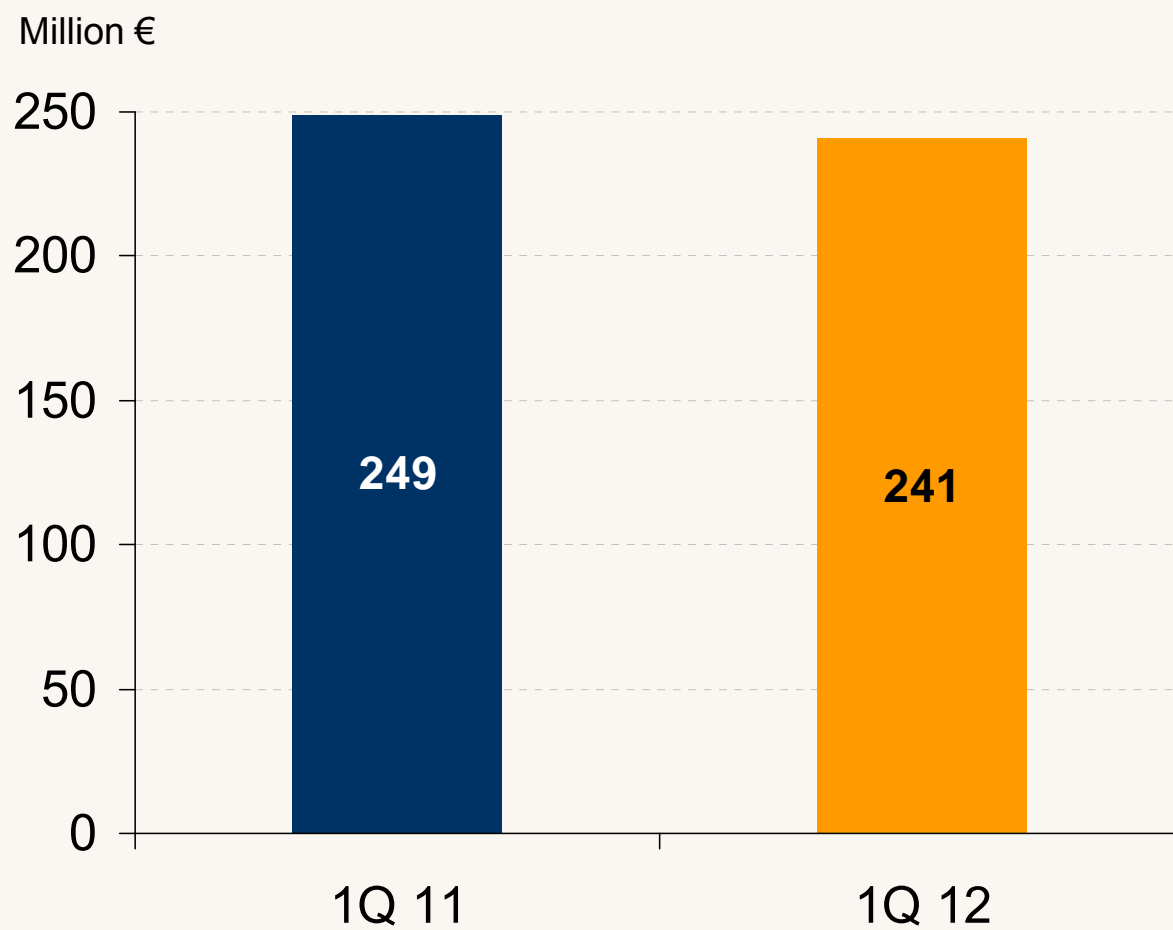
# 1Q 2012 Downstream

## CCS Adjusted Operating Income



# Gas Natural

## Adjusted Operating Income



# Agenda

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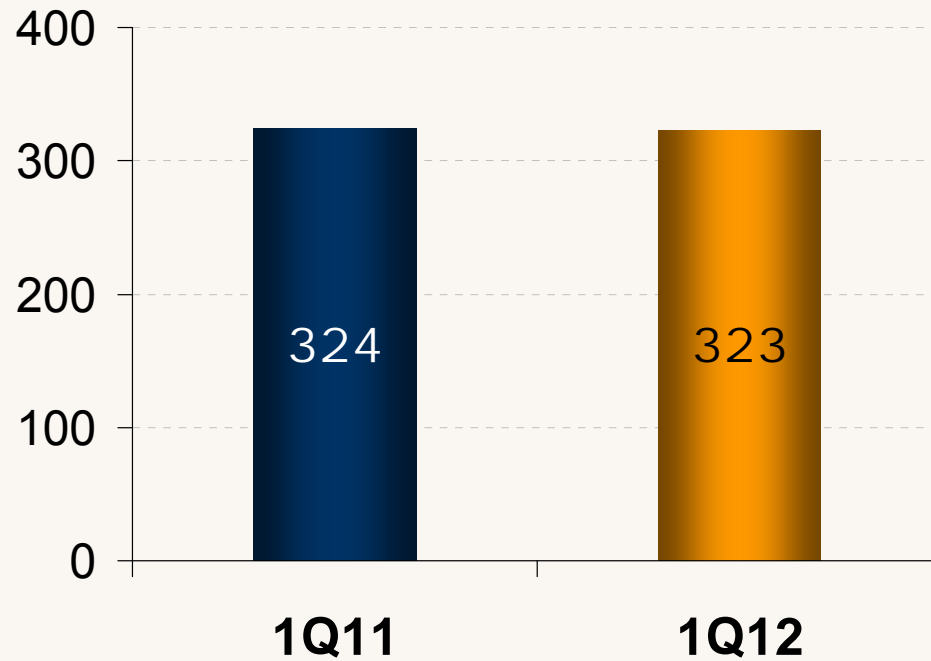
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# Operational activity

Upstream: Production



kboed



## Main Factors:

- Libya
- G&M



# Operational activity

## Upstream: Main Development Projects



### Bolivia

#### Margarita-Huacaya

- ✓ Start-up last week
- ✓ Ramping up to 9 Mm<sup>3</sup>/d
- ✓ Phase II in development  
(In 18 months up to 15 Mm<sup>3</sup>/d)

#### Sabalo field

- ✓ 3rd train started in February
- ✓ Production up to 22.1 Mm<sup>3</sup>/d
- ✓ Net Production 1.46 Mm<sup>3</sup>/d

### Perú

#### Kinteroni

- ✓ First gas 4Q 2012 as planned
- ✓ Gross Production 5 Mm<sup>3</sup>/d

### Brazil

#### Sapinhoa (Formerly Guar)

- ✓ 4 Wells drilled an 2 on-going
- ✓ Production start-up 1Q2013
- ✓ 2nd FPSO already signed for production expected in 2015

**Organic growth projects carried out on time and on budget**

# Operational activity

## Upstream: Exploratory activity



### Brazil

- Appraisal work later in 2012 in Pao de Açucar (Campos 33 basin)<sup>(\*)</sup>

### Alaska

- 2 wells drilled (Kachemach and Qugruk). Information provided under evaluation

### Cuba & Guyana

- Wells progressing in depth. Results by the end of May / June

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### Seismic

- Portugal, Indonesia and Alaska already completed
- Remaining activity concentrated in US and Algeria

### Acreage

- 6 new concessions awarded in Norway
- 3 new licenses in West Siberia area

**Around 20 additional exploratory wells to be drilled in the remaining of 2012**

<sup>(\*)</sup> Pao de Açucar one of the world's three largest finds in 2012

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# Strategic Plan pillars

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- ❖ Upstream organic growth above sector average
- ❖ Enhanced profitability  $\leftrightarrow$  Rebalanced portfolio
- ❖ Self-financing plan / Strong balance sheet
- ❖ Competitive shareholder remuneration
- ❖ Compensation value of YPF pursued

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