Strategic Update

Delivering value growth through the cycle

REPSOL

June 2018

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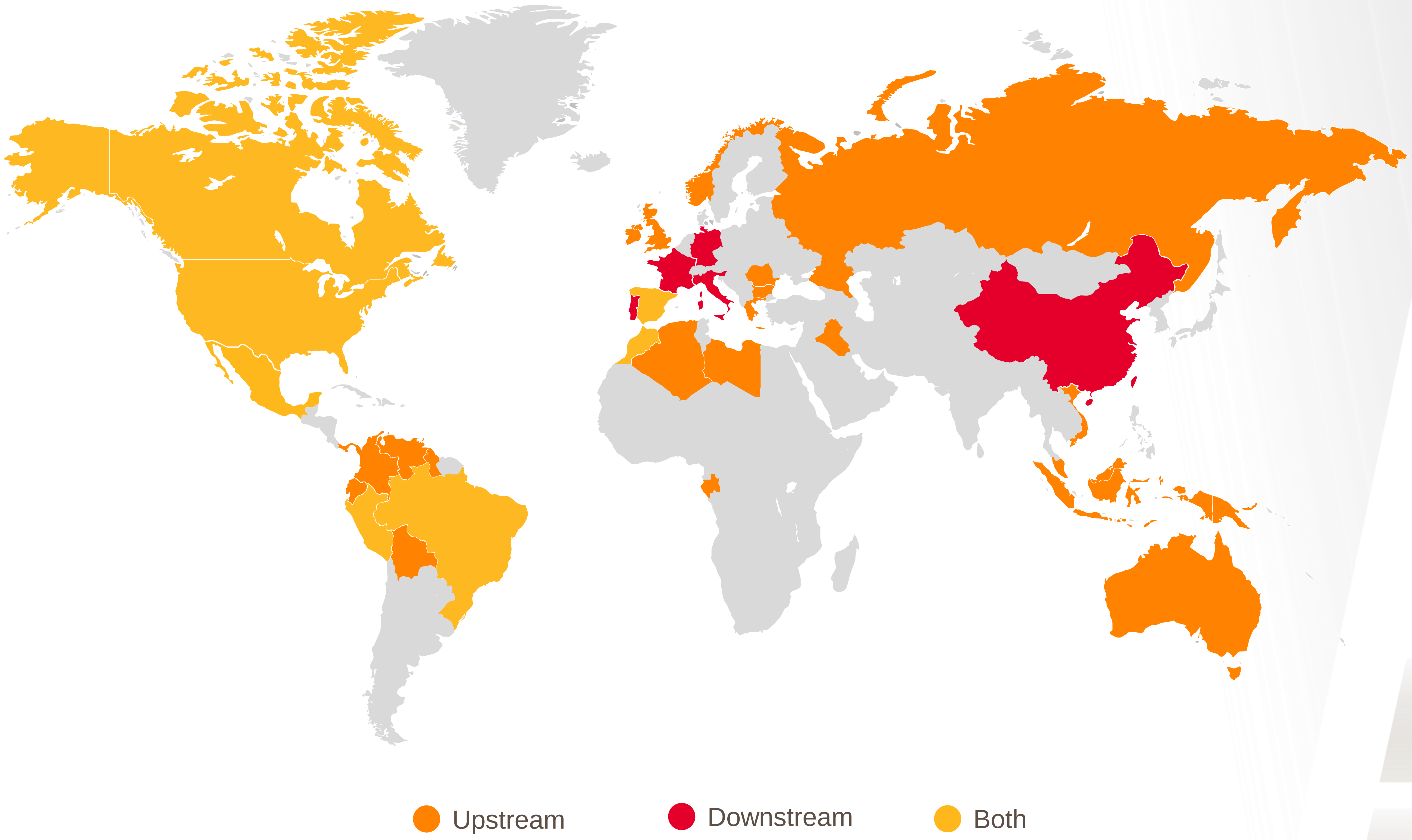
Repsol: a unique, integrated global position



Core businesses: Upstream and Downstream

~700 kboe/d production

~2.4 billion boe proved reserves[1]

1 Million bpd refining capacity

~2.6 Million tons of base chemicals[2] capacity

~4,700 service stations

1. As of 31/12/2017. 2. Includes 1.2 Million tons of Ethylene and 1.4 Million tons of other base Chemicals

1

2016-20
Strategic Plan delivery and energy trends

A successfully-navigated journey delivering value and resilience

Successful performance in lower part of the commodity cycle

Upstream doubled in size and cash positive as of 2017

Downstream leads the EU industry

Reset cost base through efficiencies & synergies

0.9x[1]
Net Debt / EBITDA

Maintained rating & built financial flexibility

Redeploying capital for the energy transition with GNF divestment

Repsol is now a double-geared engine with a strong Upstream and Downstream

1. As of 31/12/2017

Why a strategic update?
Delivery drives new targets…

		SP targets for 2020…	…Delivered in 2017	
Value	Production	700 kboe/d	~700 kboe/d	✓
	Dividend	stable	Increased to €0.9/sh	✓
Resilience	FCF Breakeven	\$50/bbl[1]	\$40/bbl	✓
	Credit rating	investment grade	investment grade	✓
Portfolio Management	Capex reduction	40% vs. 2014	57% vs. 2014	✓
	Divestments	€6.2B	€9.0B[2]	✓
Efficiency	Synergies and efficiencies	€2.1B/y savings	€2.4B/y savings	✓
HSE	CO_2 emissions reduction	1.9 Mt[3]	1.4 Mt[3]	✓
	Health and safety	ambition of zero accidents	TRIR reduction 36%[4]	✓

A positive Downstream environment combined with worse than anticipated Upstream cycle pushed Repsol to accelerate target delivery

1. Average Breakeven 2016-2020 2. Including GNF divestment of €3.8B 3. Since 2014 4. Reduction from 2015 TRIR (Total Recordable Incident Rate). Indicator based on 1 million worked hours. NOTE: CAPEX refers to cash flow from investment activities.

Why a strategic update?
…in an evolving and complex energy market

Price volatility & lower for longer

Volatility of oil price in the medium term

Healthy oil price floor in the long term driven by resource replacement economics

Silver age of refining and back to chemicals

Attractive outlook for refining: demand growth and IMO regulation in 2020

Chemicals growth

Growing markets offering marketing opportunities

Energy transition and disruptions

Natural gas is the **fastest-growing fossil fuel**

Growing electrification

Increased **share of renewables**

Shift **value and focus** towards **the customer**

Competitive strategies in motion

Growing **differentiation of strategic models** within the industry

Repsol with **a unique strategic model**

Repsol is in a unique position to face the future

2

Value proposition

Delivering value growth through the cycle

1. Increasing shareholder returns

- **Dividend** per share **8% p.a. growth** with full buyback of shares
- **Dividend target fully covered** at $50/bbl
- CFFO **dividend coverage** to grow from 3.9x in 2017 to 4.3x in 2020
- **Sustainable long term pay-out**

2. Growing our portfolio profitably

- **Growth** across all value-creation metrics, **at any oil price**
- **Downstream** activated as **asset-light** growth engine
- Upstream delivering **performance improvement** and portfolio upgrade
- Strong pipeline of **attractive growth** projects in both divisions

3. Thriving in the energy transition

- **Develop long term options**
- Leverage our **competitive advantages**
- Reduce carbon footprint
- Build new capabilities

4. Financial flexibility

A unique value proposition

Note: CFFO (Cash Flow from Operation) = EBITDA +/-Working Capital variation + Dividends from affiliates -taxes paid -abandonment cost and others

In this document, economics shown under $50/bbl Brent and $3/MBtu HH flat in the period 2018-20, although it is not Repsol´s price deck

Our cash flow priority:
Profitable growth and enhanced shareholder return

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2018 Targets

€0.9/share

Buybacks to avoid dilution

2018-2020 Priorities for cash

At $50/bbl

- Core Portfolio Capex
- Dividends & Buybacks
- Sustainable dividend growth
- Downstream Expand and new Low carbon business

While maintaining financial flexibility

Increase shareholder distribution and maintain strong capital discipline

Delivering value growth through the cycle

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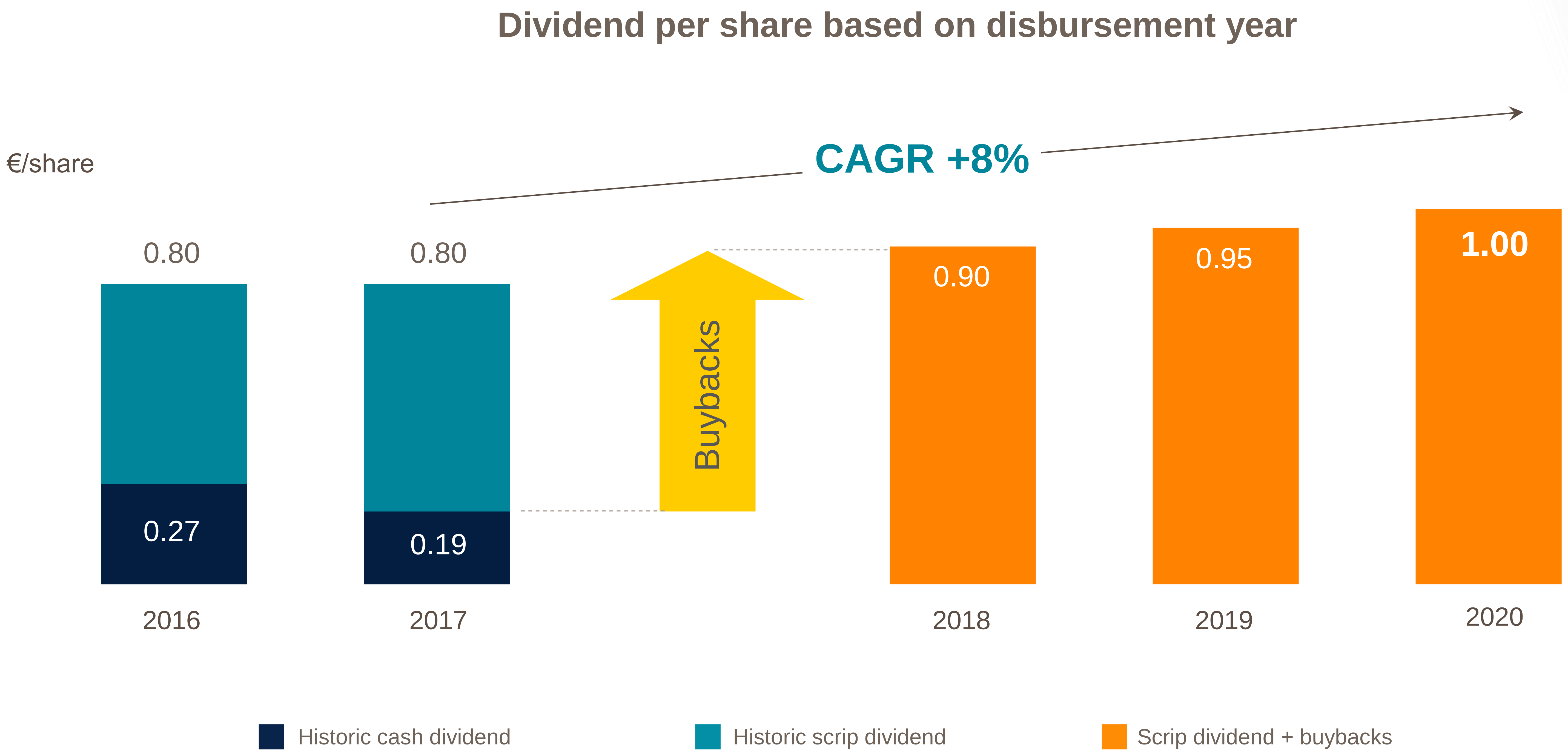
An attractive shareholder distribution profile



Note: Dividends in 2018-2020 include scrip option with buyback of dilution

1. Increasing shareholder returns

Sustainable top-tier DPS growth while increasing dividend coverage

At $50/bbl flat Brent

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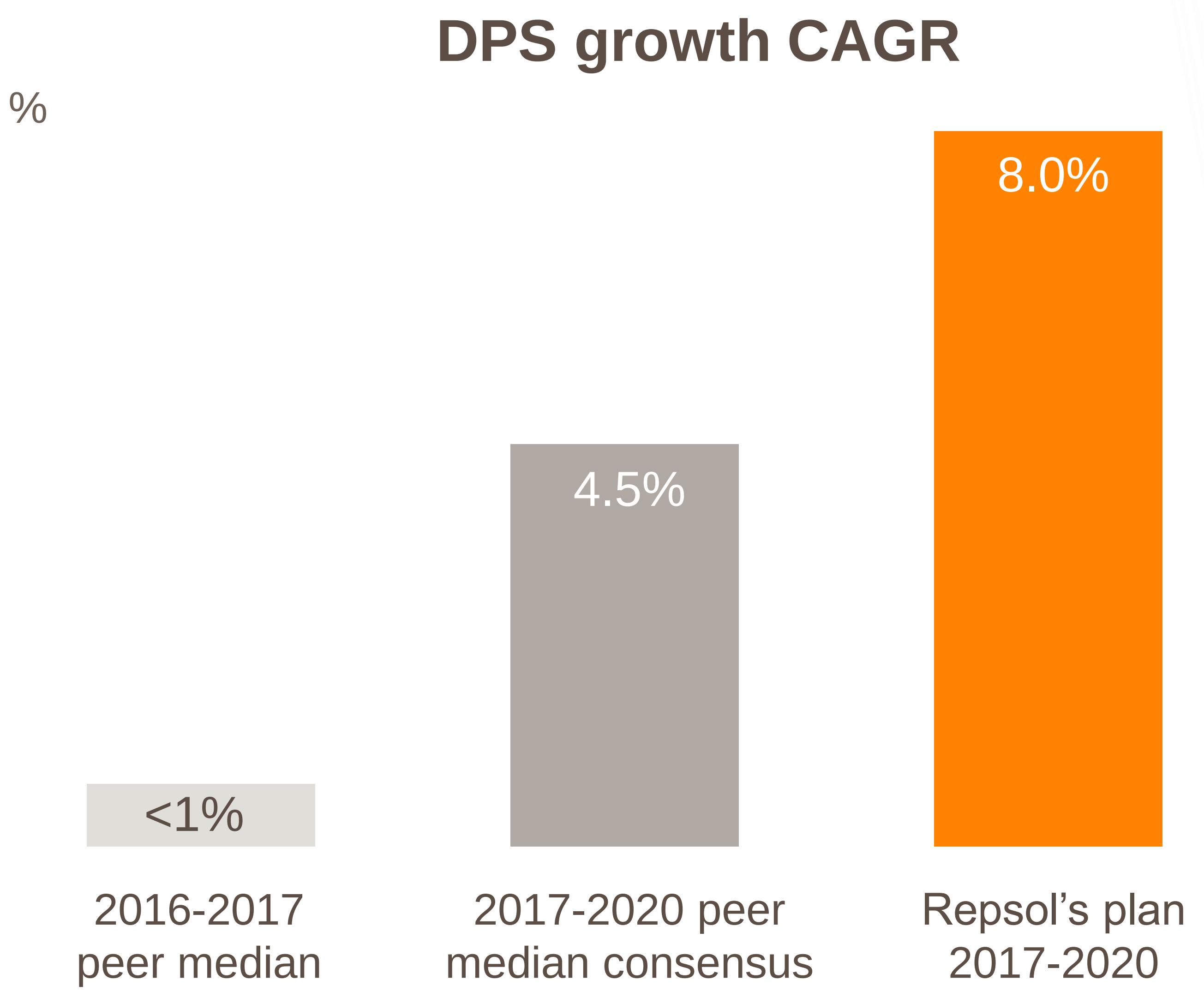
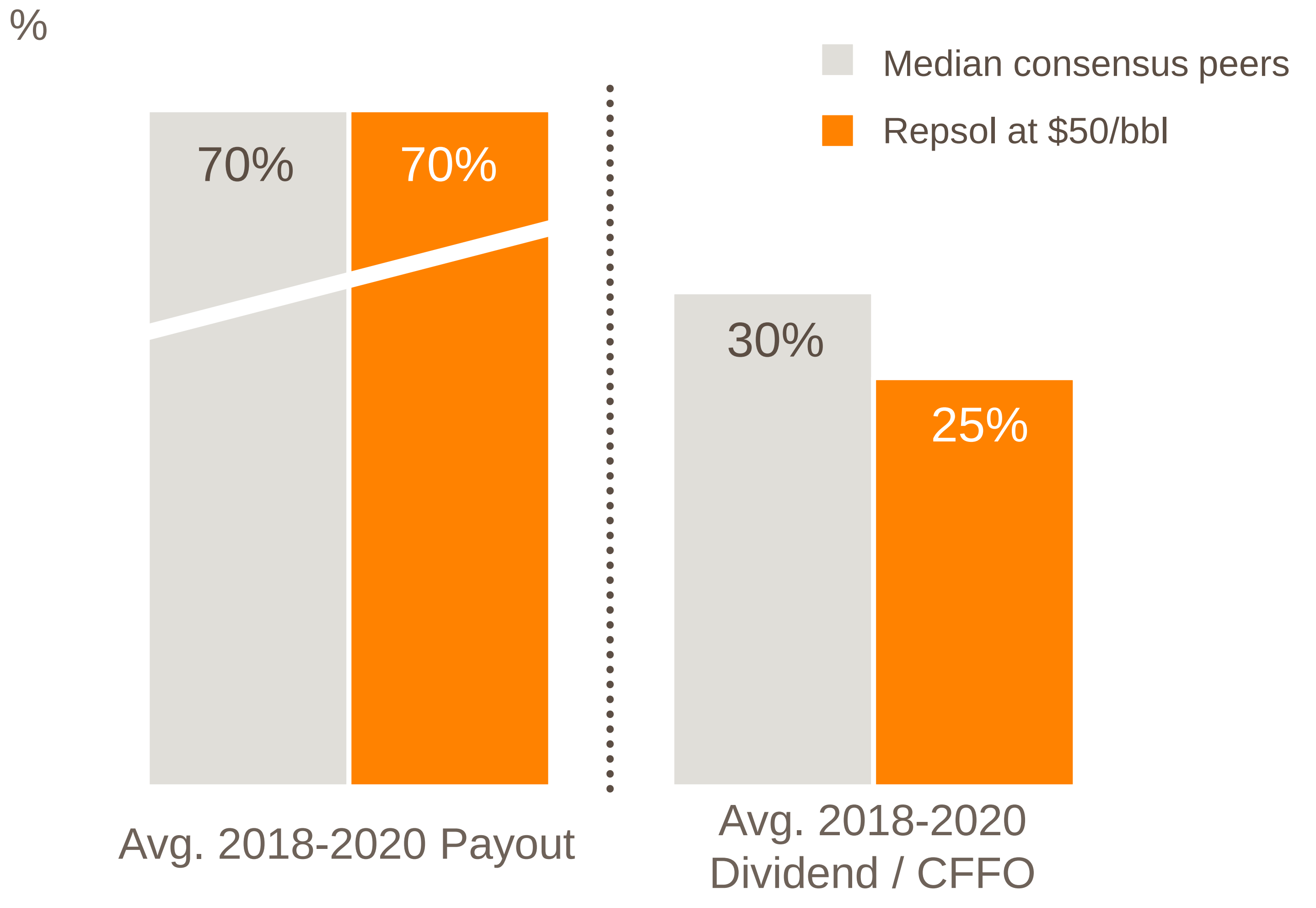
Repsol with higher expected DPS CAGR than peer median in 2017-2020…



…with significant headroom for uplift in terms of results and cash distribution even at $50/bbl



CFFO coverage of dividends growing from 3.9x in 2017 to 4.3x in 2020

Note1: Analyst Consensus estimations May 16th, 2018 at $69/bbl oil price. Peers included: BP, Chevron, ConocoPhilips, Eni, ExxonMobil, Galp, Occidental, OMV, Shell, Equinor and Total
Note2: DPS = Dividends per share. Repsol data calculated under flat $50/bbl Brent and flat $3/Mbtu Henry Hub price
Source: Bloomberg, Thomson One and Repsol internal data

Delivering value growth through the cycle

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4. Financial flexibility

Strong track-record in profit improvement across our portfolio

Success Story	Description	Impact	
01. **Upstream** UK turnaround	Turnaround of the main operational KPIs and production increase	**-63%** Unitary Opex since 2014	**+60%** Production since 2014
02. **Refining** Siclos	New monitoring system enabling operators to improve real-time economic performance	**+$0.4/bbl** Margin	**+€120M** Accumulated EBITDA increase
03. **Retail** Transforming while Performing	Digitalization & technology enabling new revenue streams. Customer-centric strategy	**600k users** of Waylet in 9 months	**+€20M/y** Additional net margin

A double-geared engine ready to deliver value growth and shareholder return

Double-geared engine

Upstream
Improving returns with profitable growth while high-grading portfolio

Downstream
Consolidating superior performance and enabling new value growth levers

Strong cash generation from core business

Developing a low carbon business for the energy transition

Key priorities:
Value growth & shareholder return

Focus on portfolio & balance sheet resilience

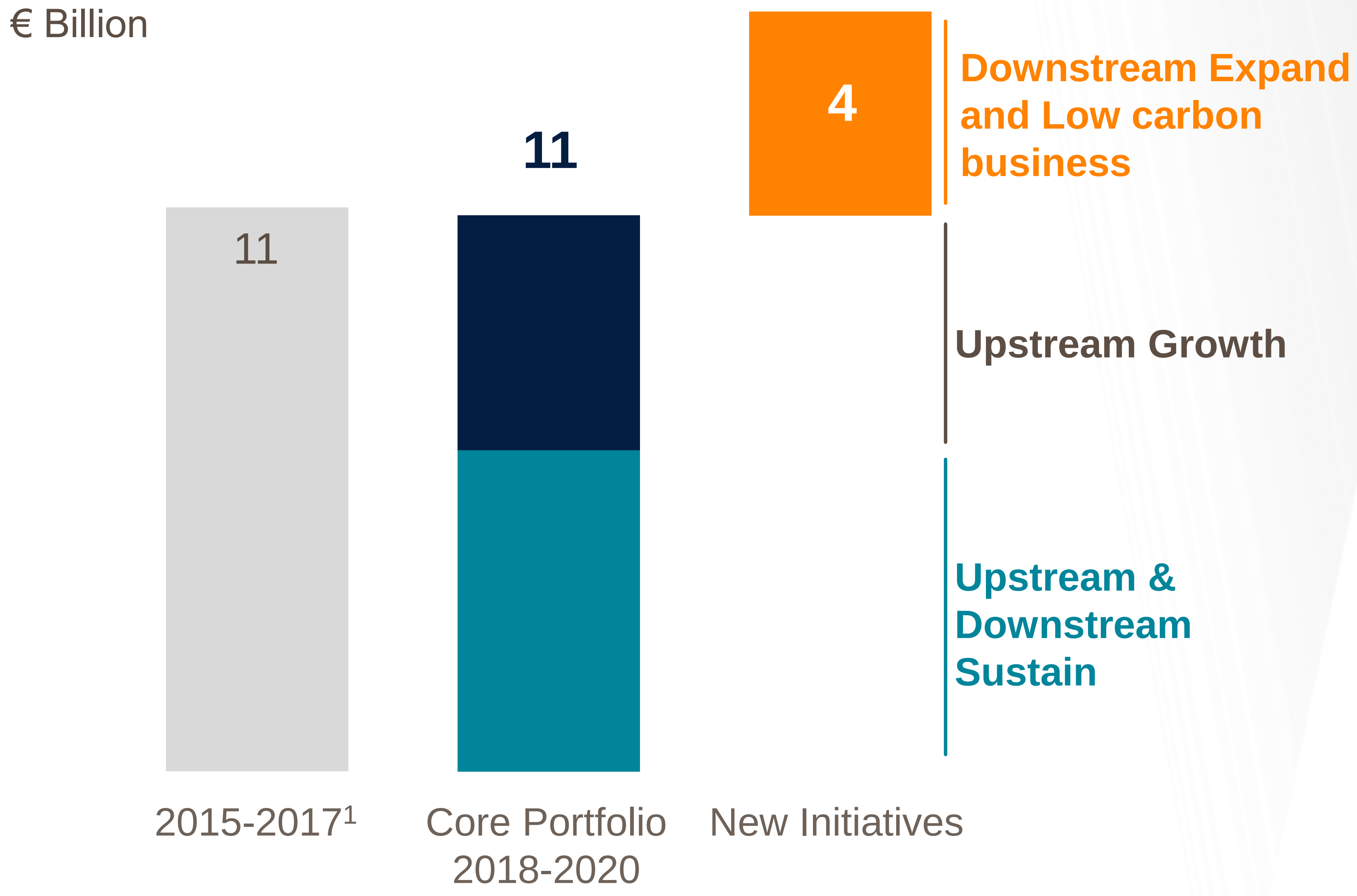
Positioned to deliver FCF breakeven @ $50/bbl

2. Growing our portfolio profitably

Downstream activated as a new growth engine

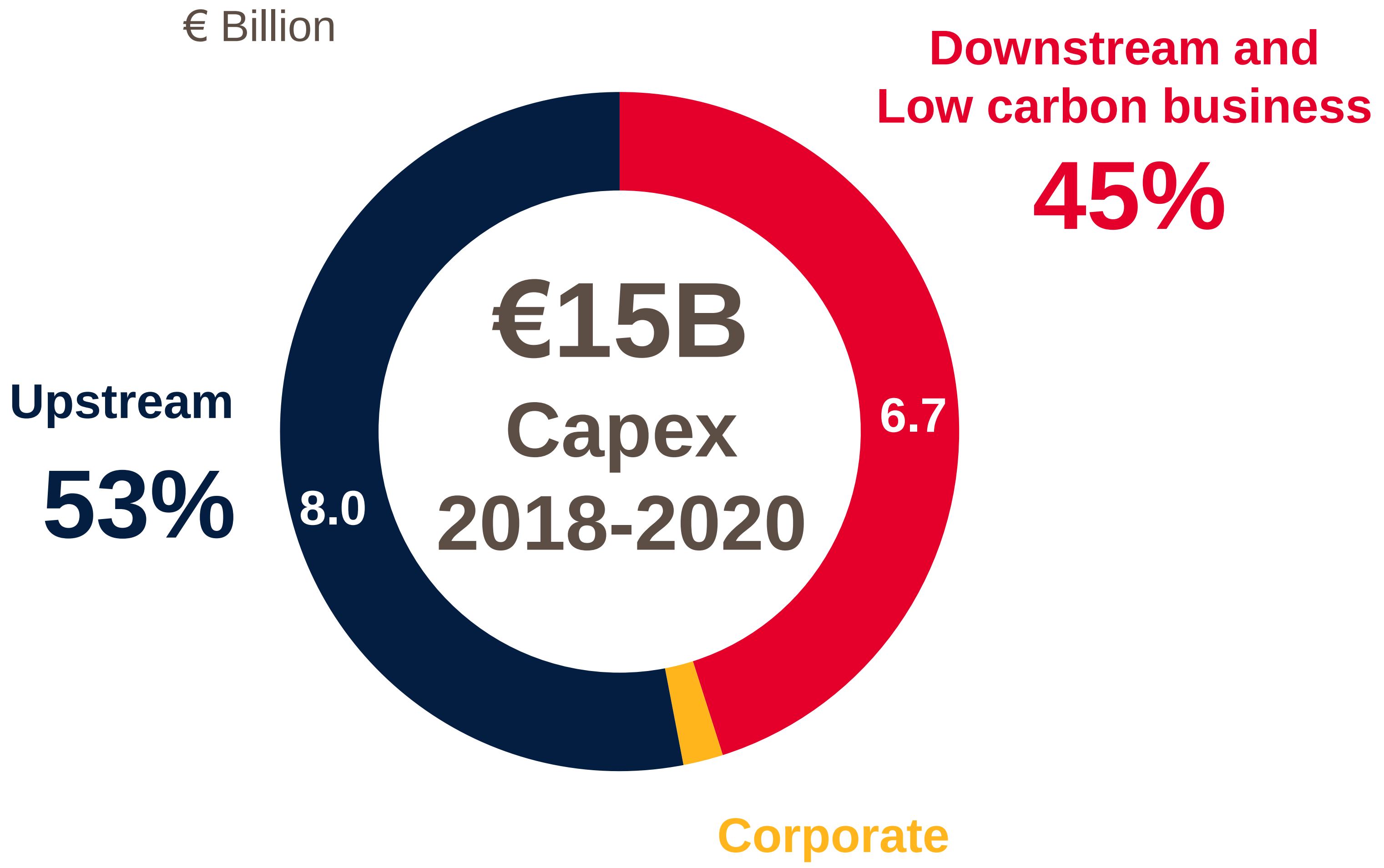
Core portfolio Capex in line with historical levels

2018-2020 Capex breakdown



Balanced investments across businesses

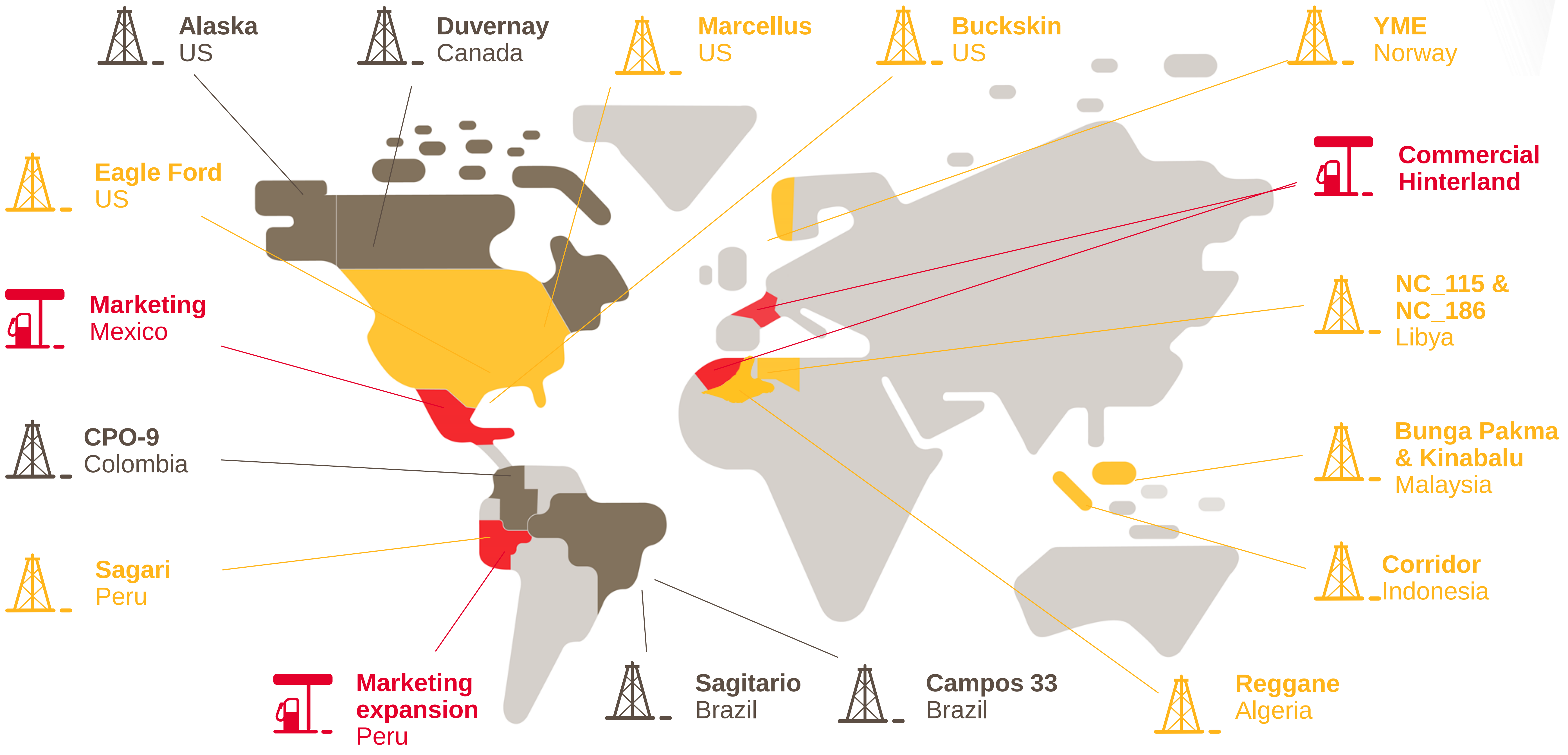
2018-2020 Capex breakdown by business



1. Excluding Capex from Talisman acquisition.
Note: Capex refers to cash flow from investment activities. "Sustain" are the necessary investments to keep current state of businesses (eg., keep current production level for Upstream or industrial integrity for Downstream).

Growth secured within current assets focused on asset-light Downstream projects and profitable Upstream growth

Additional growth will come from investments in new low carbon business



Global projects

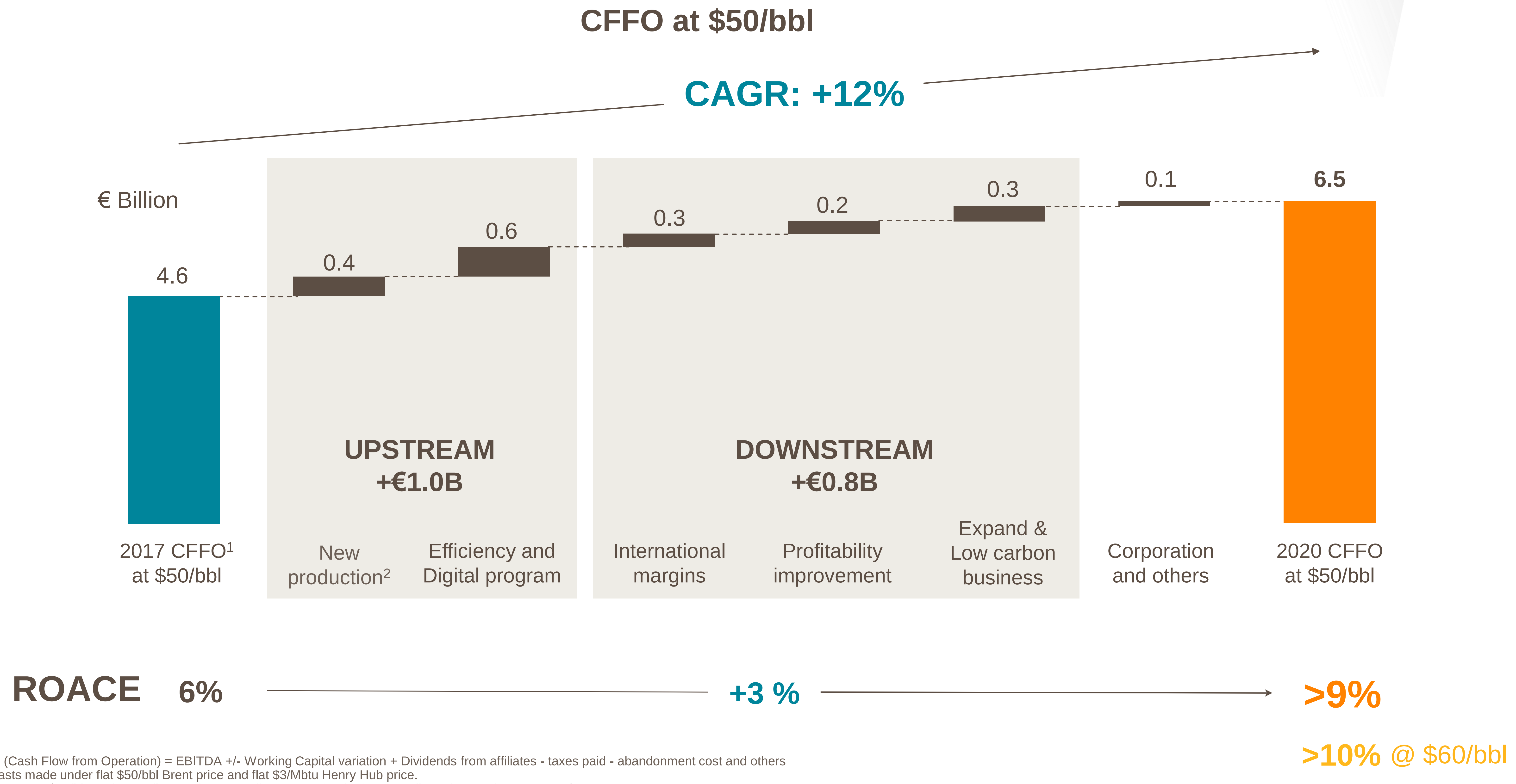
- Trading footprint growth
- Chemicals high value products
- Lubricants intl. expansion

Legend:
- Upstream: short-cycle projects / production increase (FO/FG in 2018 - 2020)
- Upstream: medium term phased projects (FO/FG/ramp-up in 2020+)
- Downstream: Expand initiatives

Note: FO = First Oil, FG = First Gas

Cashflow growth above 40% at flat prices with sustainable value growth across the portfolio

At $50/bbl flat Brent



Note1: CFFO (Cash Flow from Operation) = EBITDA +/- Working Capital variation + Dividends from affiliates - taxes paid - abandonment cost and others
Note2: Forecasts made under flat $50/bbl Brent price and flat $3/Mbtu Henry Hub price.
1. Adjusting values to $50/bbl and excluding Spain extraordinary tax refund effect. Unadjusted CFFO in 2017 was €5.5B
2. Including growth, production mix and portfolio management

Delivering value growth across the portfolio

Upstream

Improving returns with profitable growth while high-grading portfolio

Downstream

Consolidating superior performance and enabling new value growth levers

Building a differentiated business model

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Strengths of a nimble operator but with significant scale

1. Sustainable scale

- 750 kboe/d with focused diversification
- Strong pipeline of development projects
- Unconventionals complement exploration to replace reserves

2. Access-advantaged

- Strong relationships in core positions
- Proven lower cost of supply (F&D) through successful exploration and lean developments

3. Efficient operator

- Costs below industry average in core positions
- Track record of development project execution
- Ability to manage and turn around difficult assets

4. Flexibility & low capex intensity

- Appetite for mid scale assets rather than large, capex-intensive projects
- Focus on short-cycle and phased developments
- Modulating unconventionals and exploration activity for further capex flexibility

Solid Upstream portfolio based on three pillars

Lean plateau gas
SEA, Latam

- Sustained cash engine
- Low cost
- Pipeline-connected to growth markets with premium
- Gas prices linked to oil

Resilience
gas focus on domestic markets

O&G Unconventionals
North America

- Competitive position in core operated assets
- Growth potential
- Long-term replacement

Flexibility
unconventional activity modulation

Advantaged oil
Libya, Alaska, Brazil, GoM

- High-margin barrels
- Key development projects from exploration success
- Further exploration upside

Price upside
oil-prone, high-margin assets

Production 2017	Lean plateau gas	O&G Unconventionals	Advantaged oil
	367 kboe/d (53%)	150 kboe/d (22%)	178 kboe/d (25%)

Upstream strategy summary

Improving returns and profitable growth, while high-grading portfolio

1. Sustain

- Efficiency and profit improvement
- High-grading portfolio

2. Grow

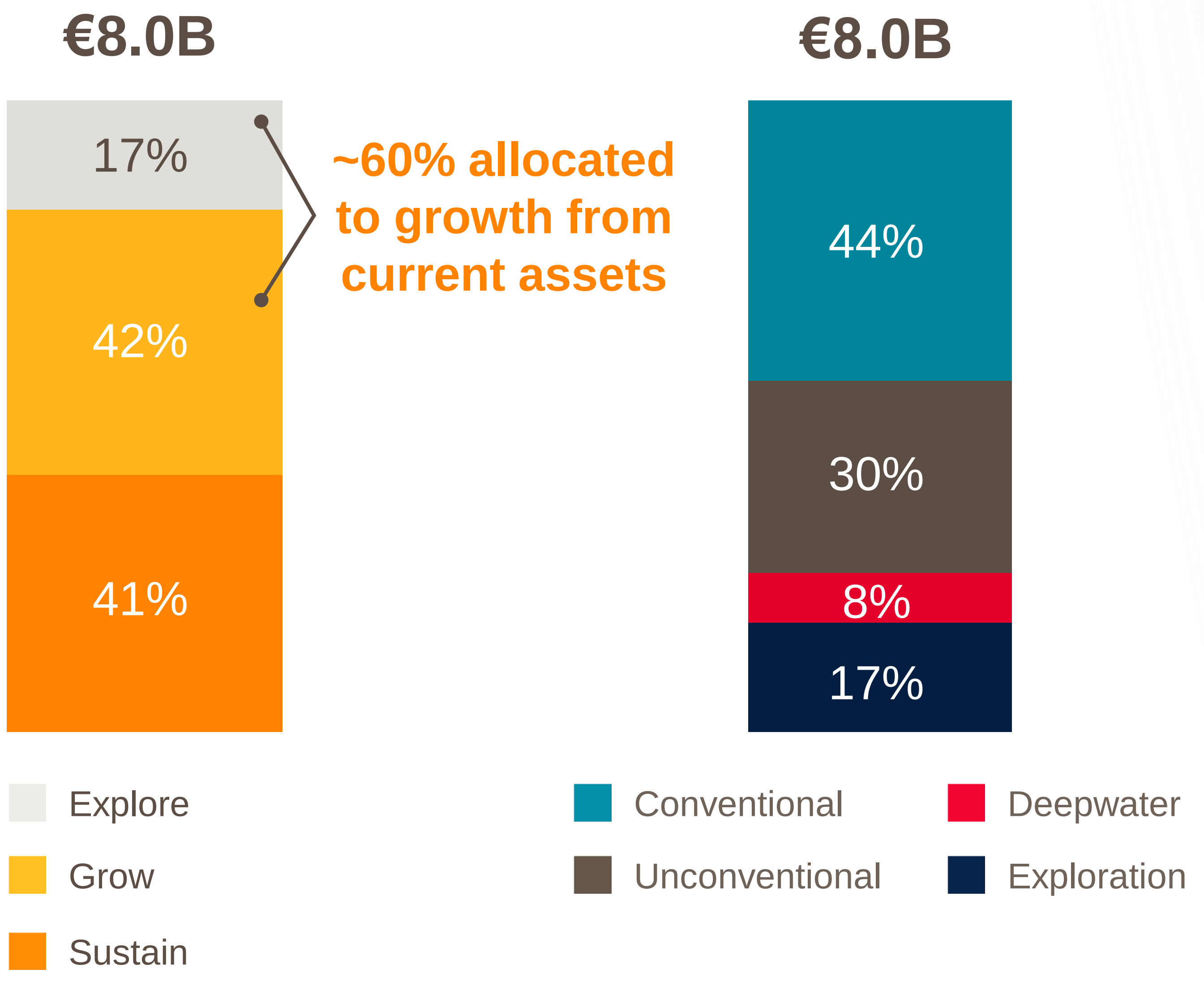
- Strong pipeline of growth projects

2. Upstream value growth

Increasing development Capex intensity in 2018-2020, but still leaner than peers

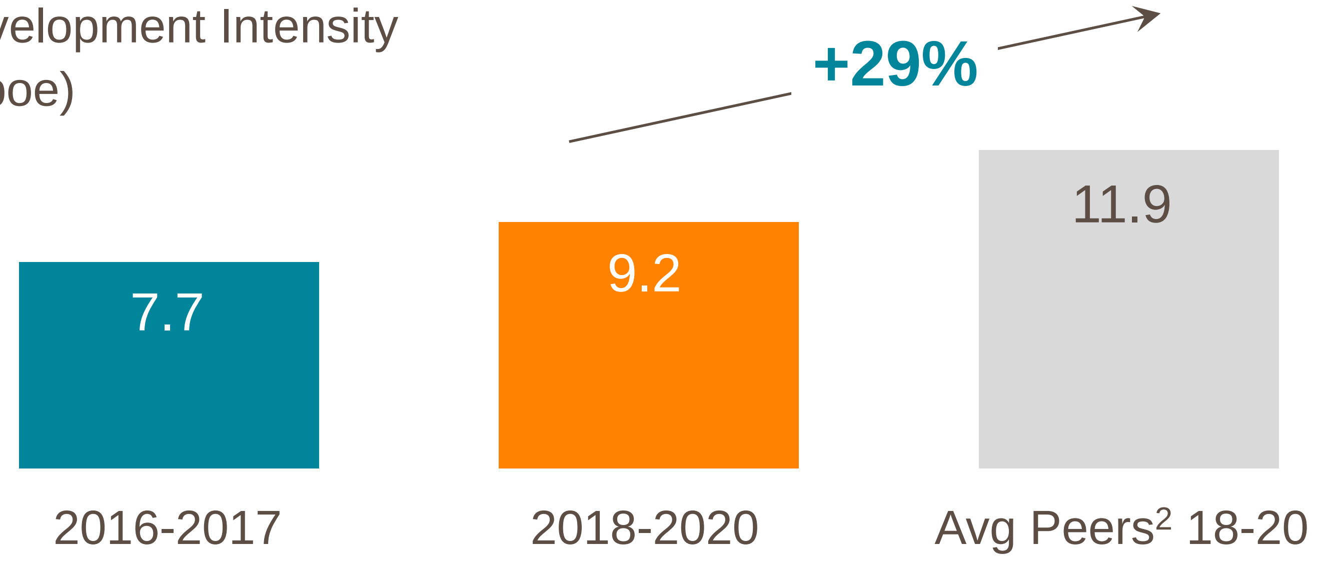
~60% of Capex allocated to growth and focused on core plays

2018-2020 Exploration & Development Capex (%)



Increased development Capex – still leaner than peers – and focused exploration intensity

Development Intensity ($/boe)



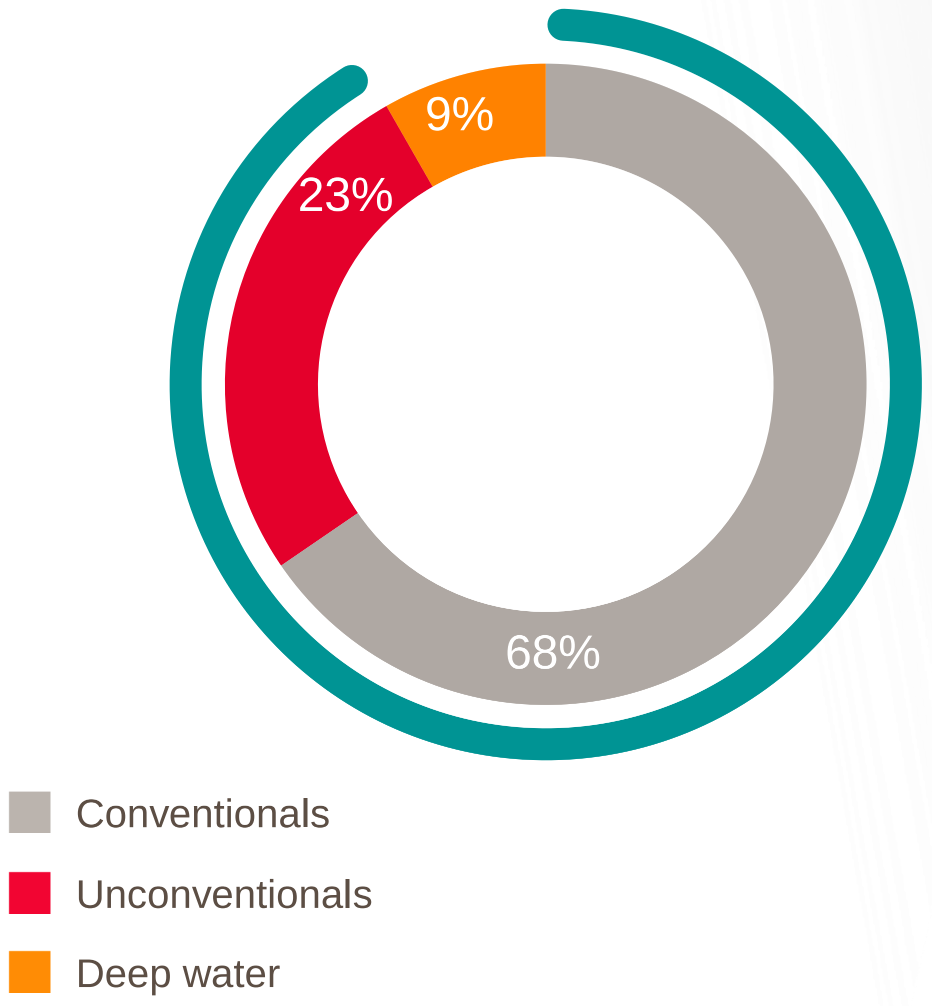
Exploration Intensity ($/boe)

1. Includes G&A, G&G exploration expenses. 2. Peers include BP, Chevron, Eni, ExxonMobil, Occidental, OMV, Shell, Equinor and Total.
Source: Internal data; Peer analysis with internal calculations based on GEM 4.19 Wood MacKenzie tool for production and future Capex. CBT for exploration projections with G&G + G&A estimations added to Exploration costs; 25% to all companies.

Production secured from lean proven reserves and contingent resources

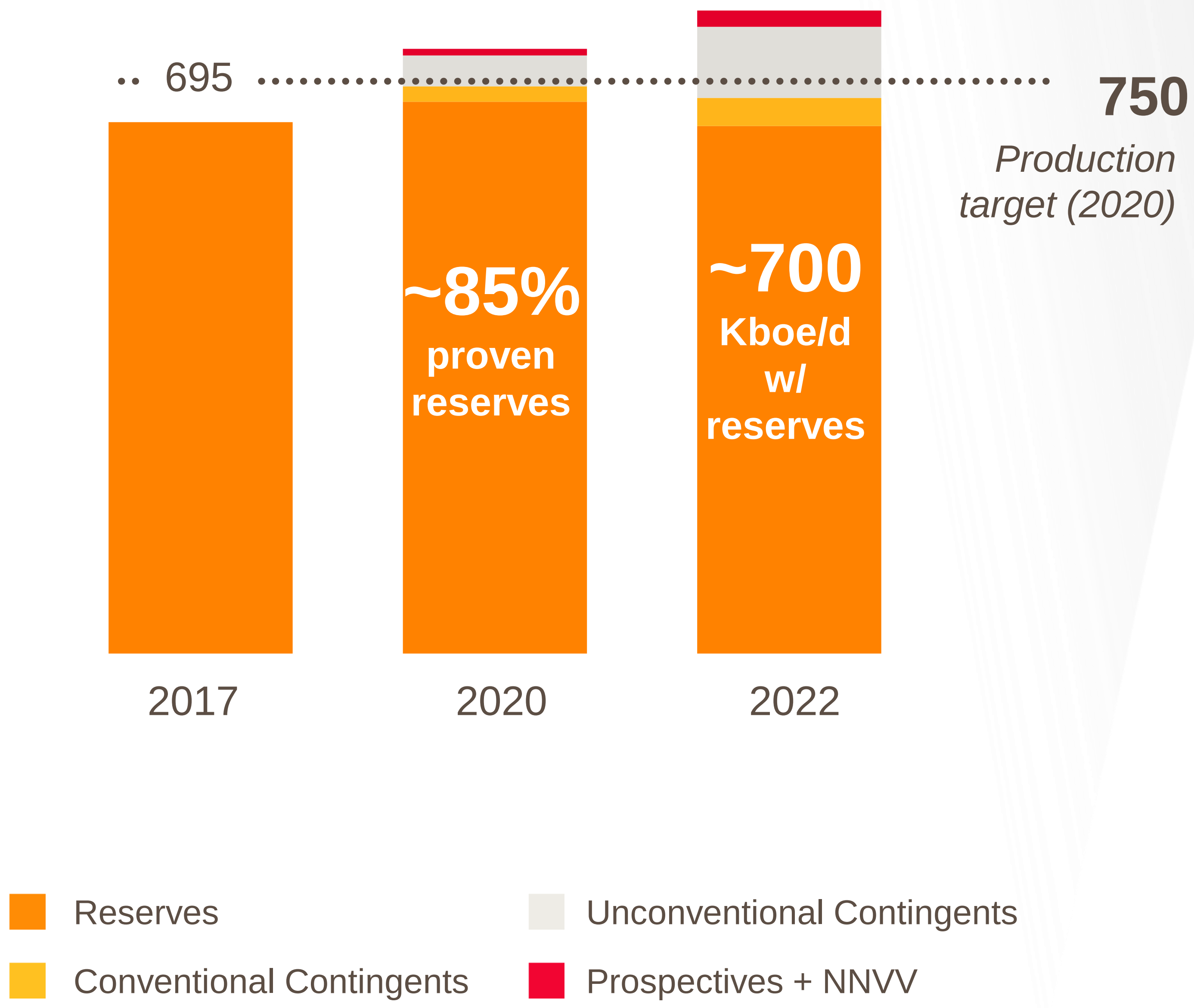
2020 lean and focused production mix…

91% production from lean plays



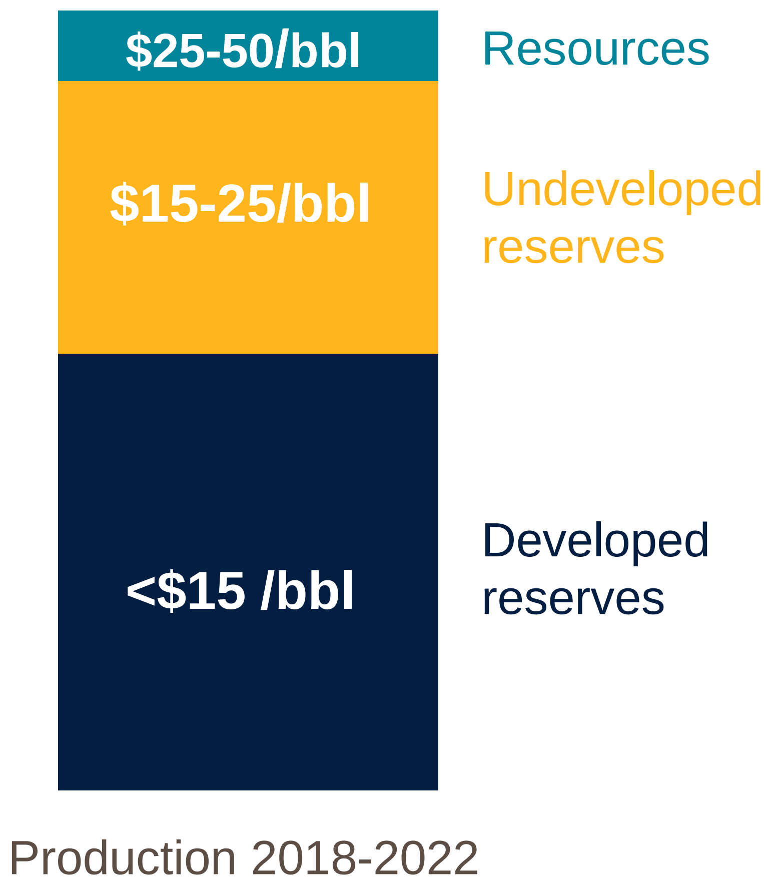
…guaranteed by reserves and resources…

Production by resources



… with NPV breakeven well below $50/bbl

NPV breakeven looking forward of 2018-2022 production ($/bbl)



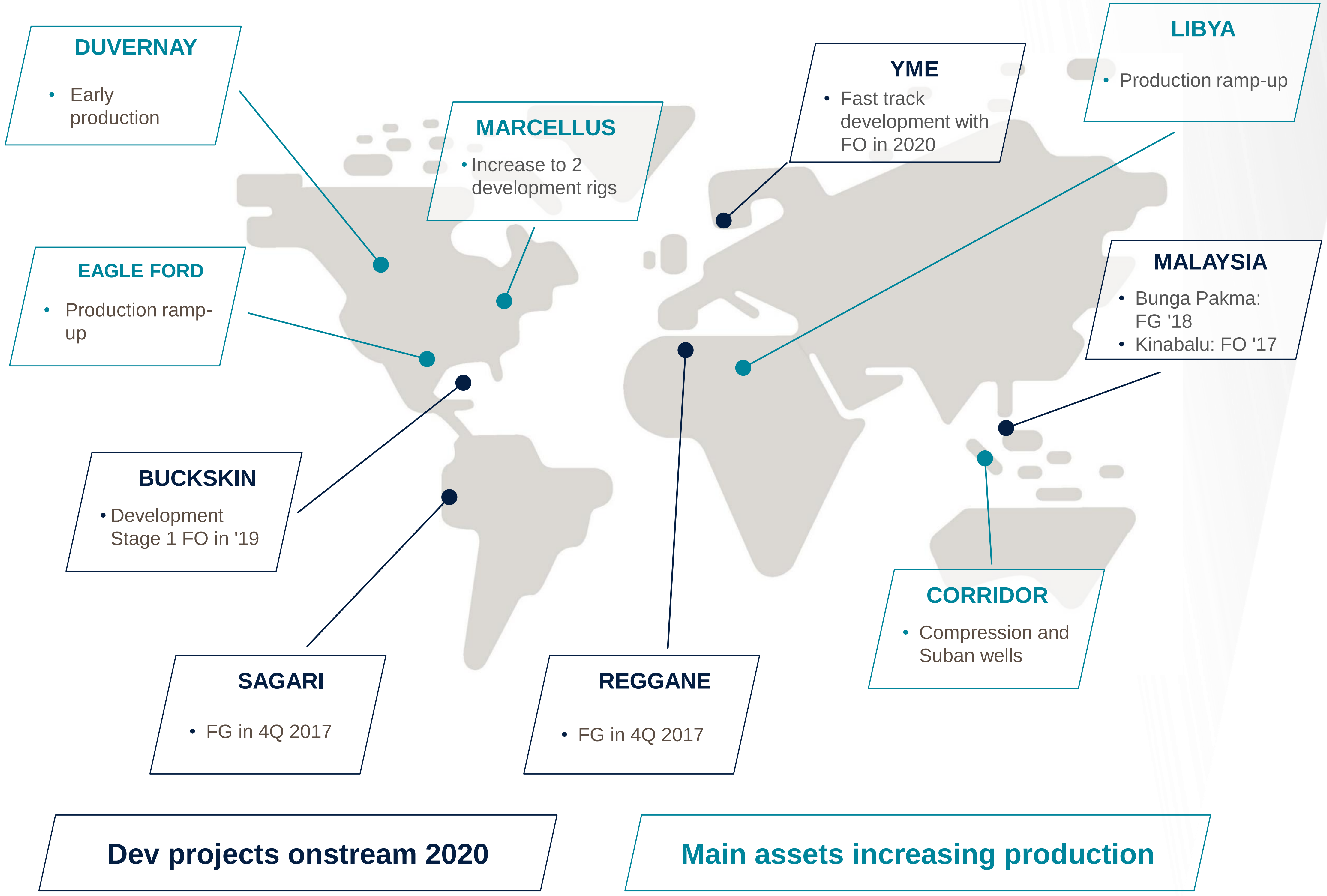
Note1: NPV Breakeven looking forward using 10% discount rate

2. Upstream value growth

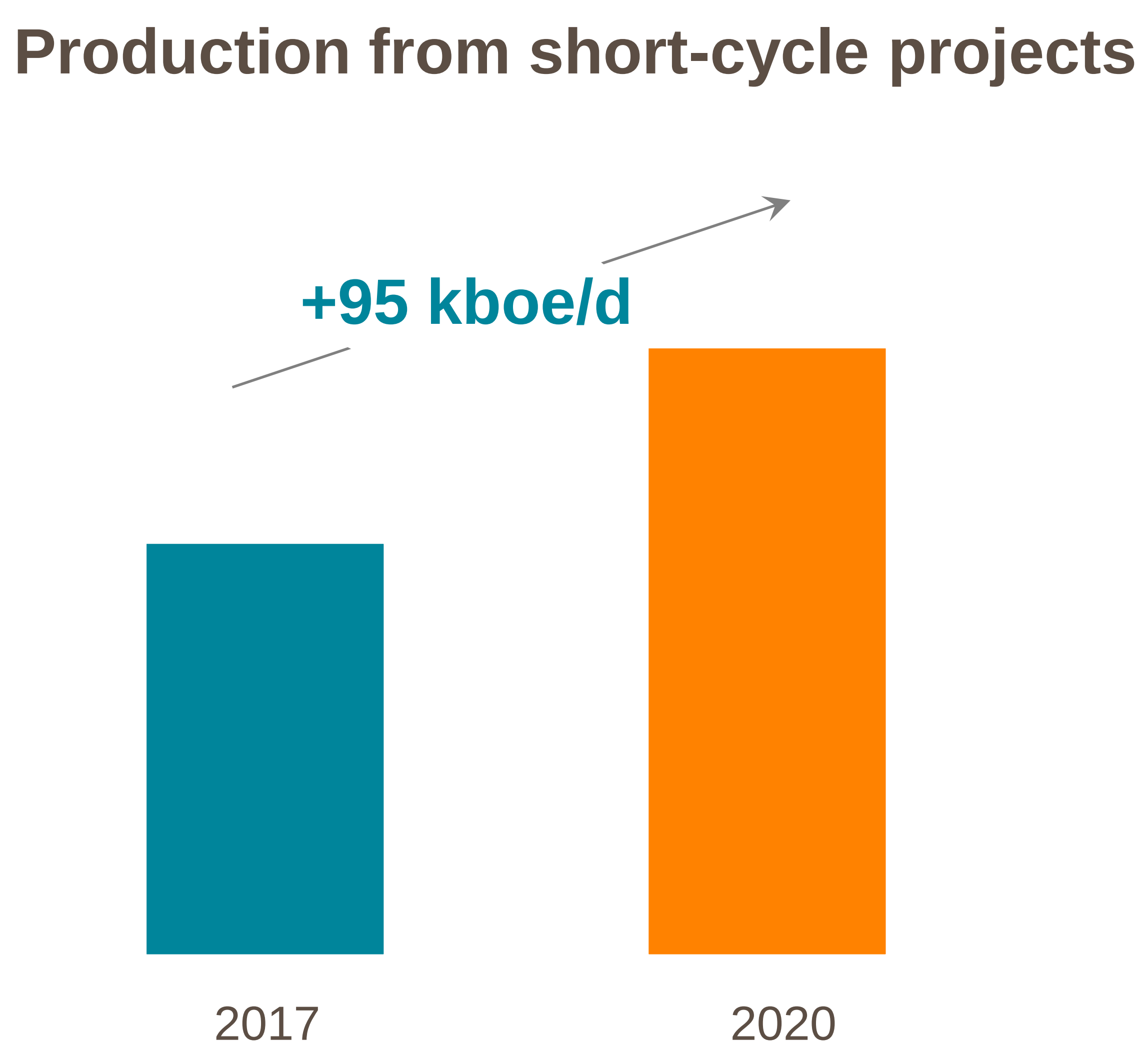
Profitable short-cycle projects contributing to 95 kboe/d of new production, enhancing cash margins by 2020

At $50/bbl flat Brent

Pipeline of Repsol's short-cycle projects…



…delivering ~95 kboe/d new production



- Oil-biased new production in Libya, YME, Buckskin, Kinabalu, Duvernay and Eagle Ford

New efficiency and digitalization program key to improving profitability, delivering $1.0B/year in FCF by 2020

At $50/bbl flat Brent

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Successful cost efficiency program delivered $1.6B, above $1.3B target

$ Billion

1.6 ✓

2017

Illustrative examples

- G&A Cost Efficiencies
- Moving from corrective to preventive maintenance
- Capture market deflation
- Drilling projects logistics optimization
- Modifications in well designs

New efficiency and digitalization program[1] to deliver $1.0B/year in FCF by 2020

$ Billion/year

1.0

$0.7B CFFO per year[2]

2020

Illustrative examples

Production increase through improvements in well completion and stimulation , reservoir management, plant reliability and availability, …

Analytics use for Predictive Maintenance improvement and Logistic optimization, …

Well design (standardization and centralization) to maximize use of existing inventory.

Online performance monitoring to optimize wells drilling

New efficiency and digitalization program is already delivering:
600+ initiatives, and $0.5B planned or in execution during 2018

1. New efficiency and digital program named RISE: Resilience, Innovation, Sustainability, Engagement. 2. $0.7B CFFO (€0.6B) corresponds to the "efficiency and digital program" amount shown in the CFFO bridge, slide 19

2. Upstream value growth

Profitable growth, efficiency & digitalization program combined with portfolio rotation, will deliver more than 30% growth in cash margin by 2020

At $50/bbl flat Brent

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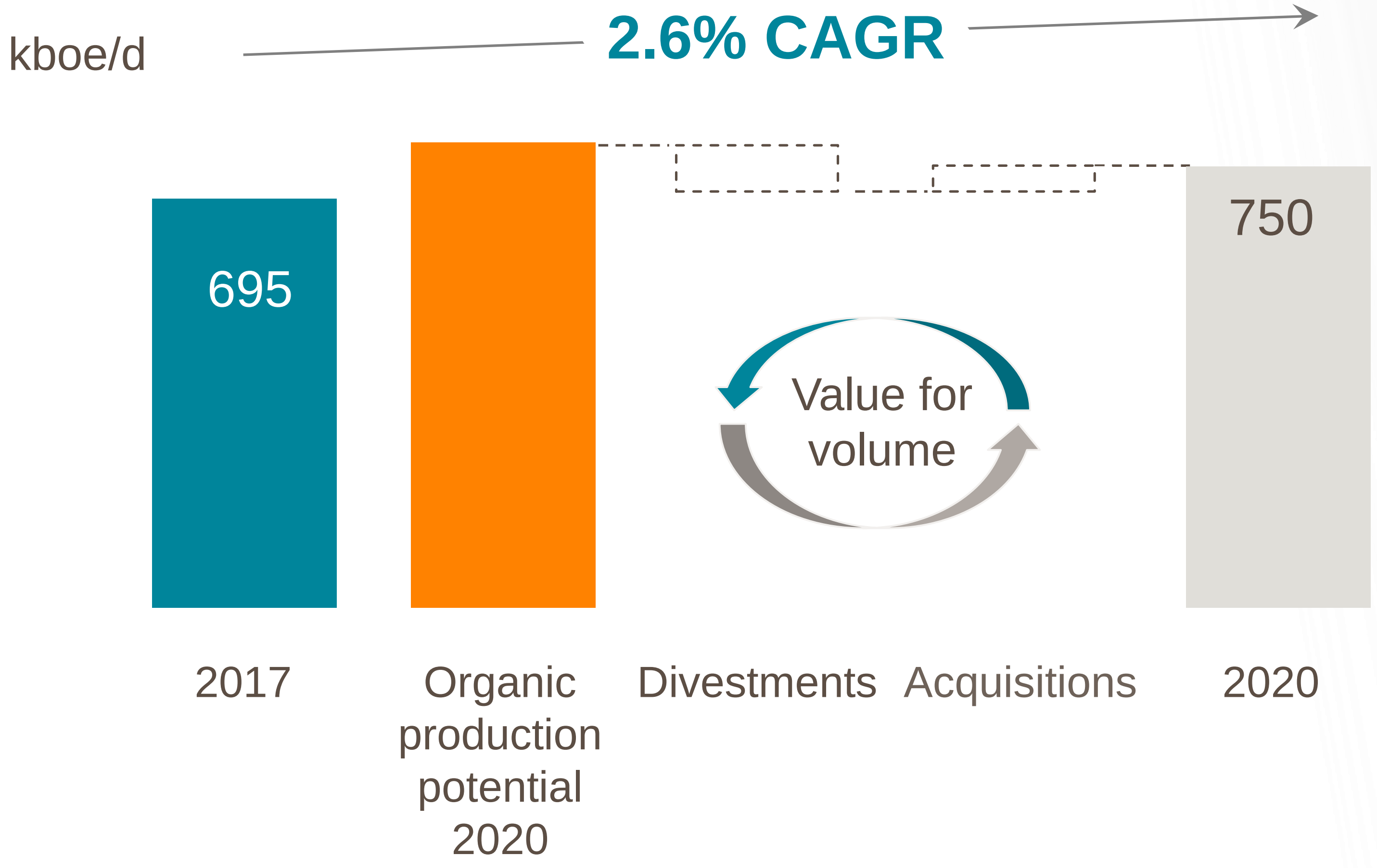
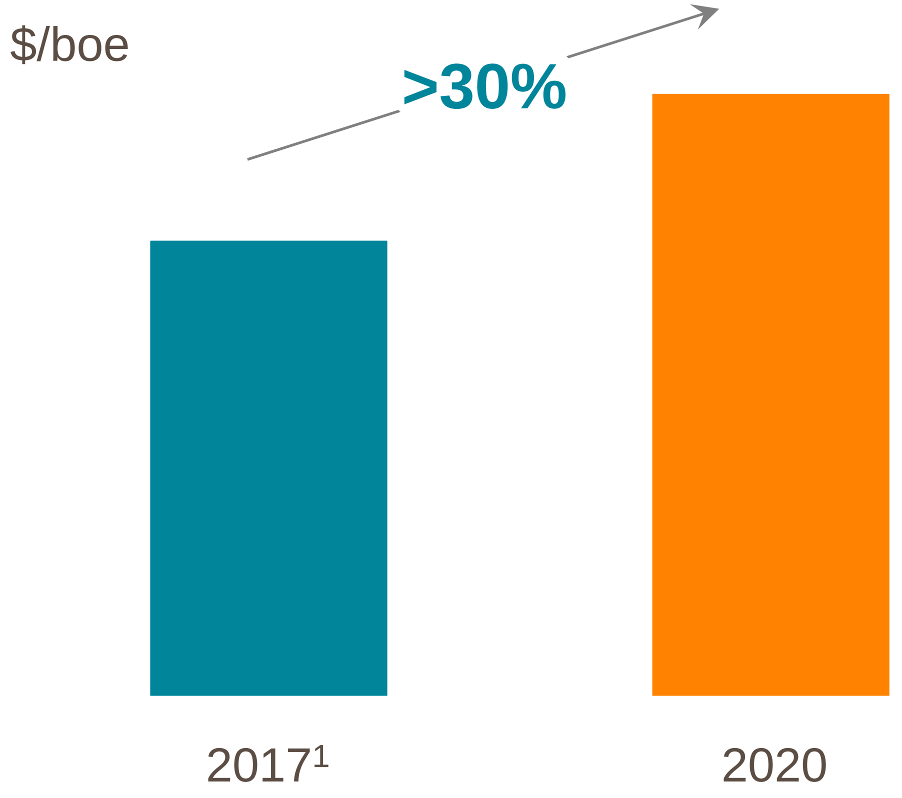
Portfolio rotation with a value for volume strategy…



…combined with short-cycle projects and efficiency & digital program will grow CFFO/boe

CFFO/boe



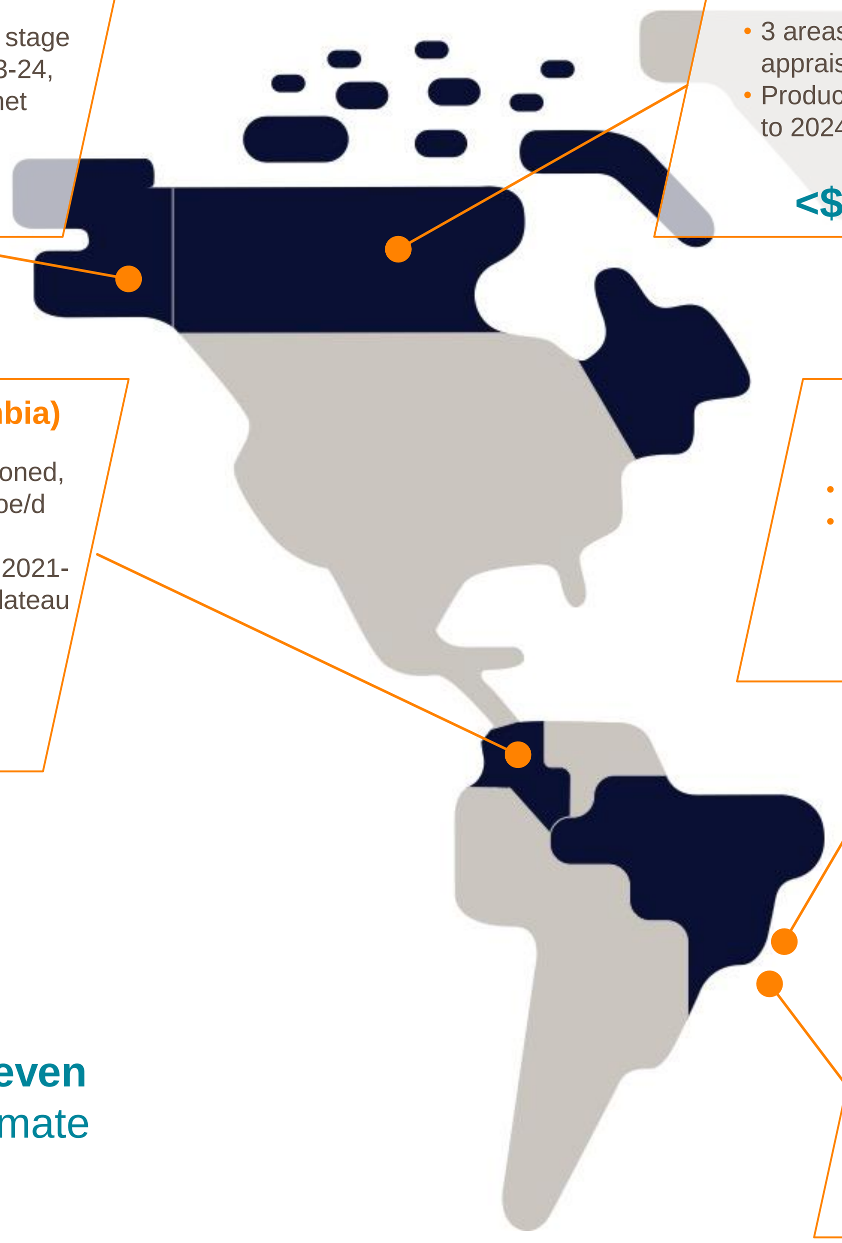
High-grading objectives

- Improve margins per barrel
- Scale in core positions
- Unconventionals to focus on Tier 1 operated assets

1: 2017 CFFO/boe normalized adjusting values to $50/bbl

2020+ Repsol's projects with competitive returns

Mid and long-term projects with attractive returns and phased developments



Alaska (US)
- Advanced appraisal stage
- Phase 1: FO in 2023-24, production plateau net ~46 kboe/d

<$45/bbl

Duvernay (Canada)
- 3 areas in advanced appraisal stage
- Production ramp-up 2020 to 2024 (Net~ 66 kboe/d)

<$50/bbl

CPO-9 (Colombia)
- Dev. Phase-1 sanctioned, production: net 7 kboe/d 2019
- Dev. Phase-2 FO in 2021-2022 & production plateau net 20 kboe/d

<$50/bbl

Campos 33 (Brazil)
- Fully appraised
- First gas/oil 2024-2025, net ~45 kboe/d

<$40/bbl

Sagitario (Brazil)
- 3D seismic 2018, 2nd well 2018-2019
- First oil expected 2025+

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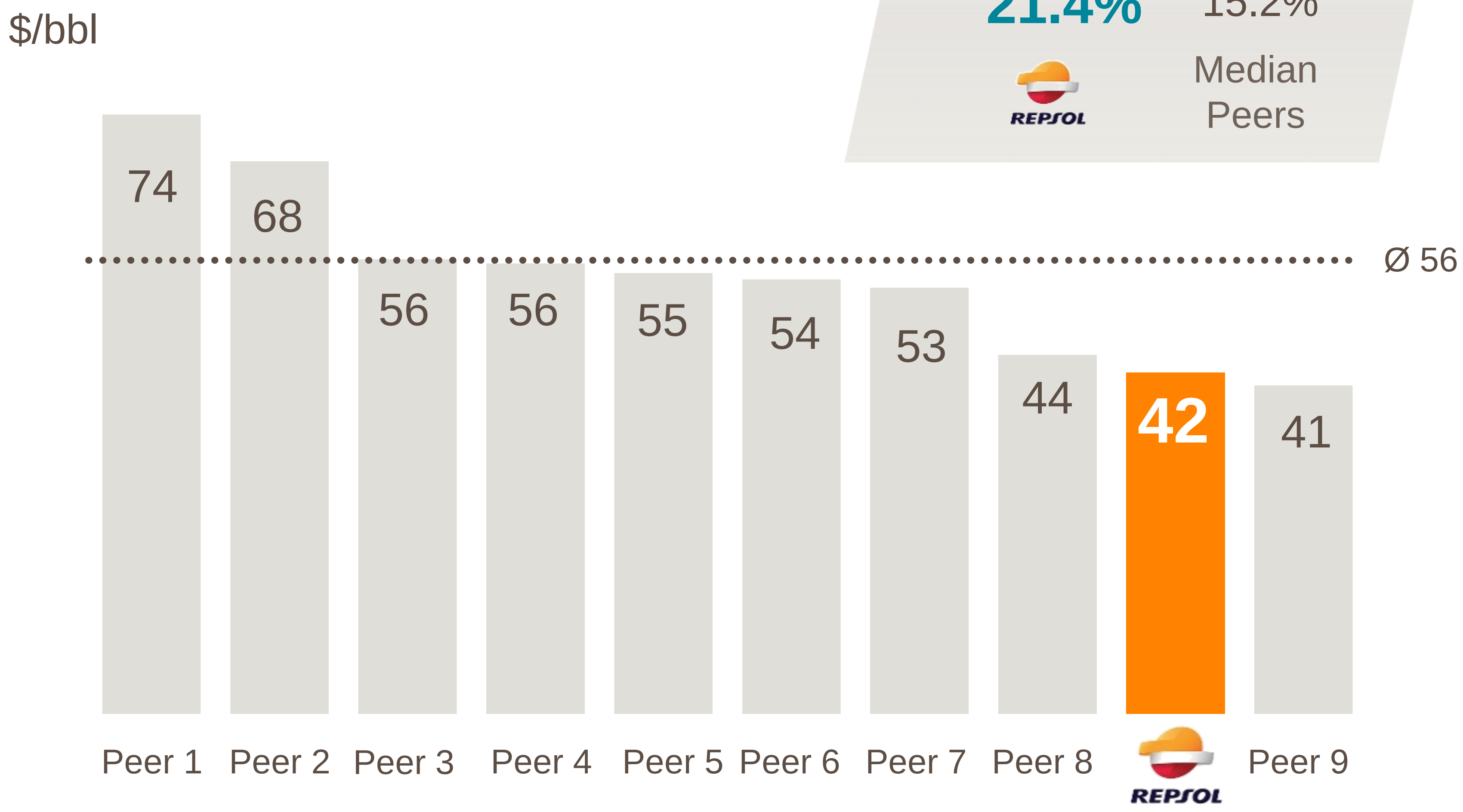
NPV breakeven
Current estimate

Repsol's new projects have competitive full-cycle IRR and NPV breakeven

New Projects full-cycle NPV 10 Breakeven



IRR of new projects full-cycle

Repsol	Median Peers
21.4%	15.2%

Note1: NPV Breakeven does not include exploration cost.
Note2: New projects breakeven average not including Repsol. Peers included: Anadarko, BP, Chevron, Eni, ExxonMobil, OMV, Shell, Equinor and Total.
Note3: IRR = Internal Rate of Return, an investment profitability metric calculated as the discount rate at which the net present value of an investment is equal to zero.
Source: Peer analysis with internal calculations based on GEM 4.19 and 4.20 Wood MacKenzie tool under WMK's base price scenario.

Exploration focused on areas with competitive advantage

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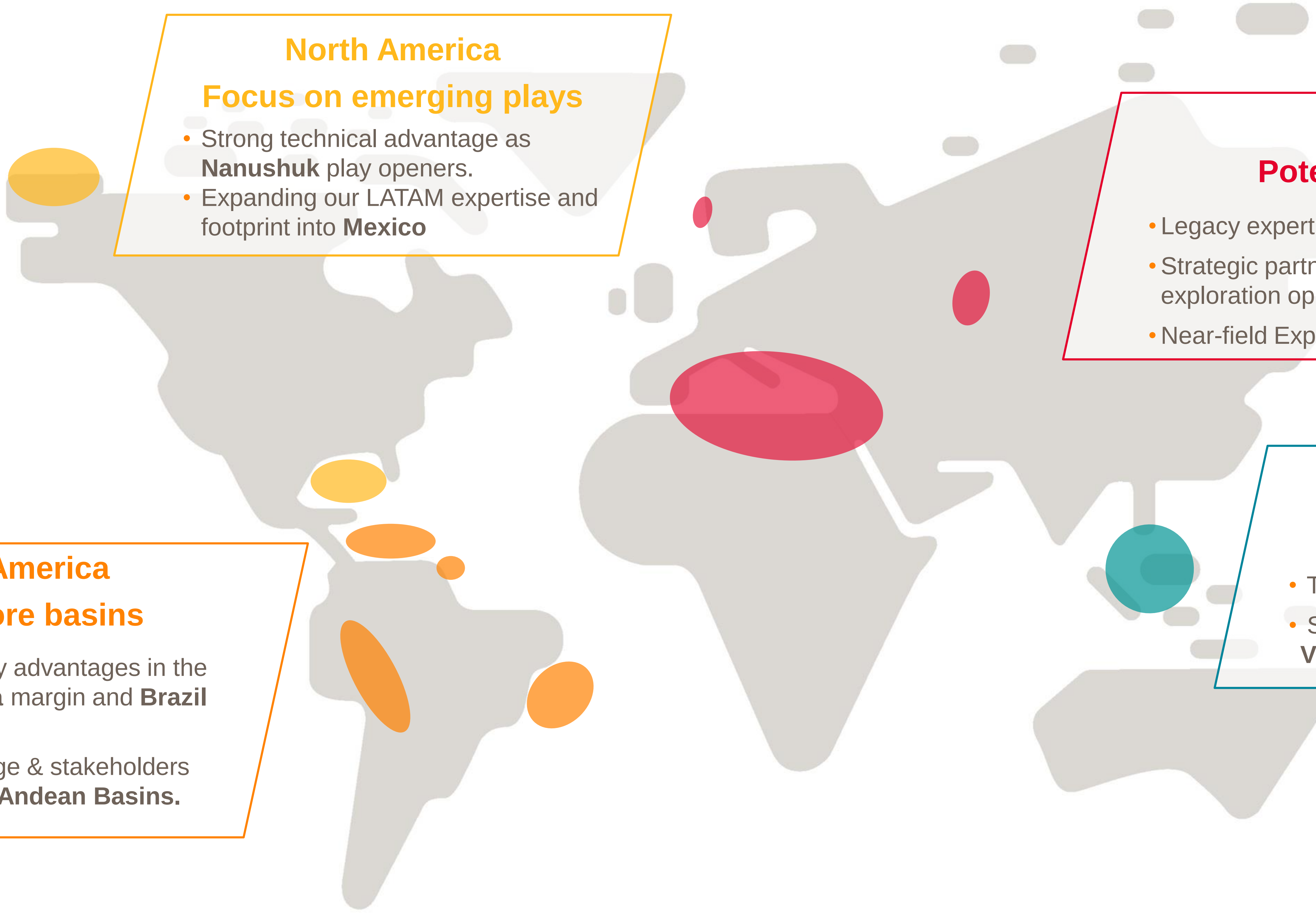
Key Exploration advantages

Technical
- Basin knowledge
- G&G Technical Specialties (imaging, structure, carbonates)

Commercial
- Preferred JV partner, deal making and operator capabilities

Government related
- Preferential government interaction
- Government trust



North America
Focus on emerging plays
- Strong technical advantage as **Nanushuk** play openers.
- Expanding our LATAM expertise and footprint into **Mexico**

Europe-Russia
Potential growth areas
- Legacy expertise in **North Africa-Mediterranean.**
- Strategic partnership with GPN for **Russian** exploration opportunities
- Near-field Exploration in **Norway**.

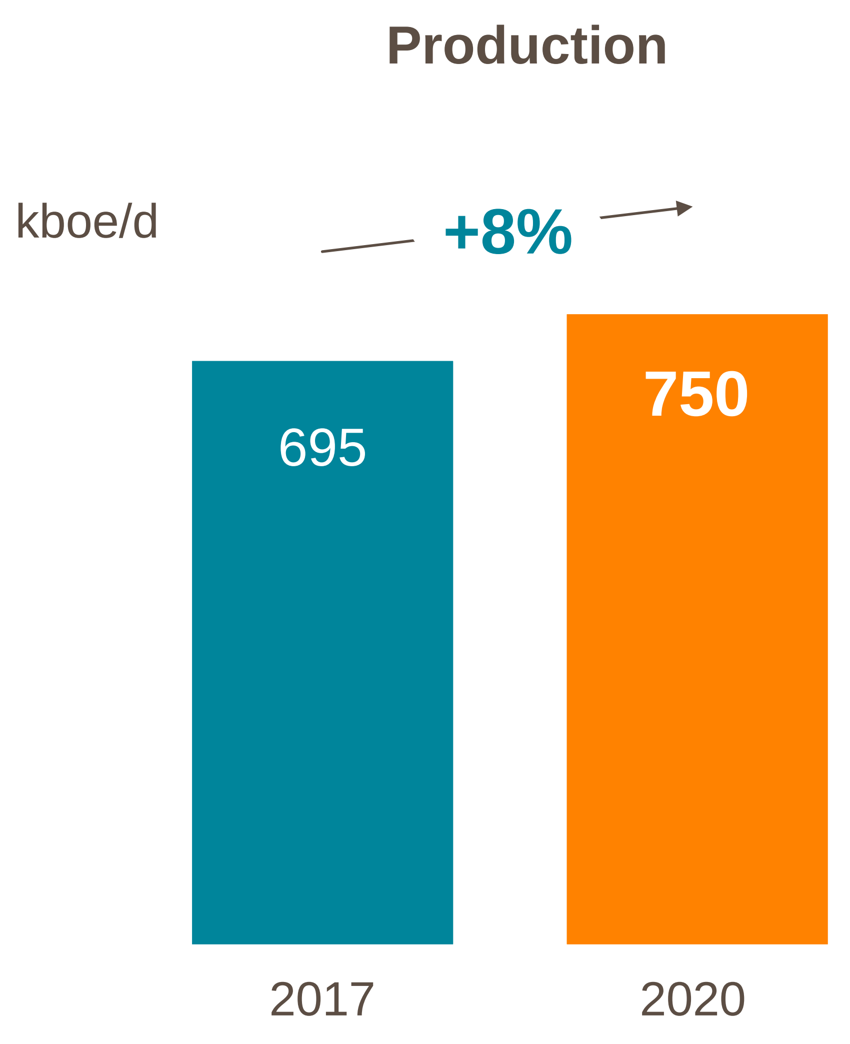
South America
Repsol core basins
- Exploiting our legacy advantages in the **Caribbean, Guyana** margin and **Brazil** pre-salt.
- Thrust belt knowledge & stakeholders management in the **Andean Basins.**

South East Asia
Production replacement
- Top explorers in **Indonesia.**
- Significant remaining potential in **Vietnam** acreage.

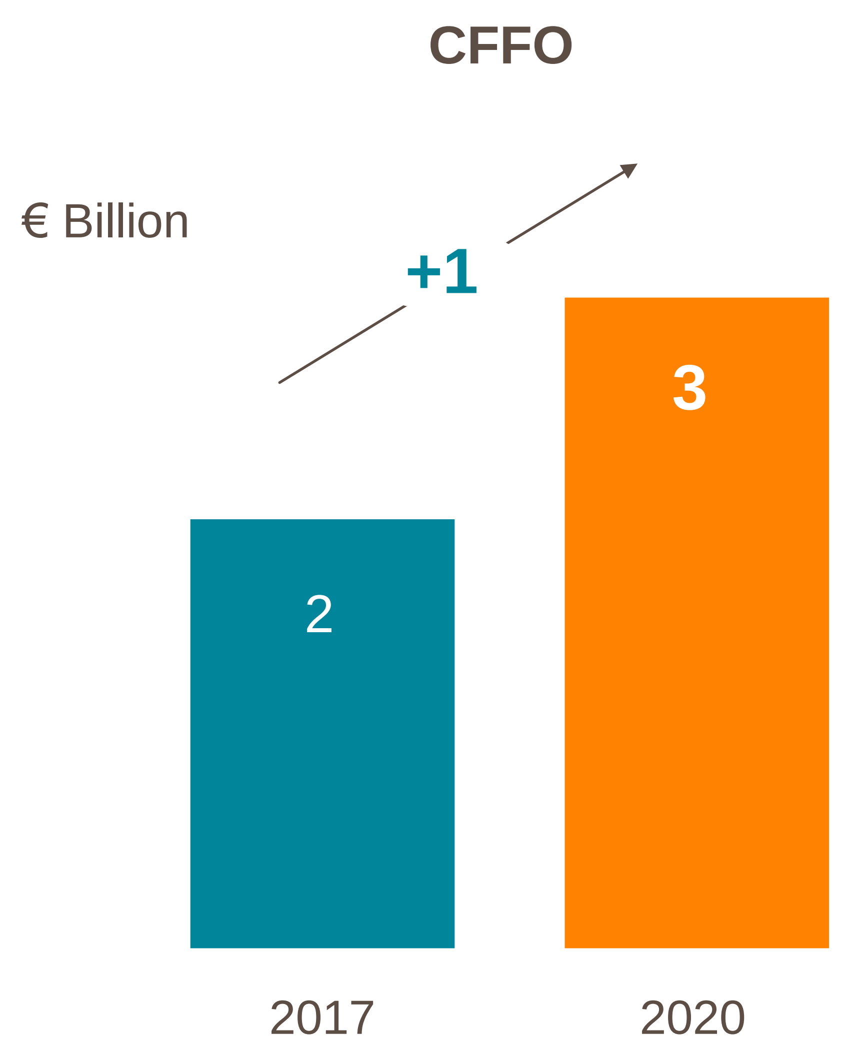
Summary of key target metrics to 2020

At $50/bbl flat Brent

Production growth: 2.6% CAGR by 2020



Cash Flow growth: +50% 2017-2020



All while keeping FCF breakeven below $50/bbl

Data under $50/bbl Brent and HH at $3/Mbtu
Note1: 2017 CFFO normalized adjusting values to $50/bbl

Delivering value growth across the portfolio

Upstream

Improving returns with profitable growth while high-grading portfolio

Downstream

Consolidating superior performance and enabling new value growth levers

Repsol's solid Downstream position across businesses

Refining

- **1 Mbpd of refining capacity**
- **Highly competitive EU 1Q** in Solomon NCM[1] benchmark and **fully invested for IMO[2]**
- **Peru refining leader**, updated with new desulfurization units

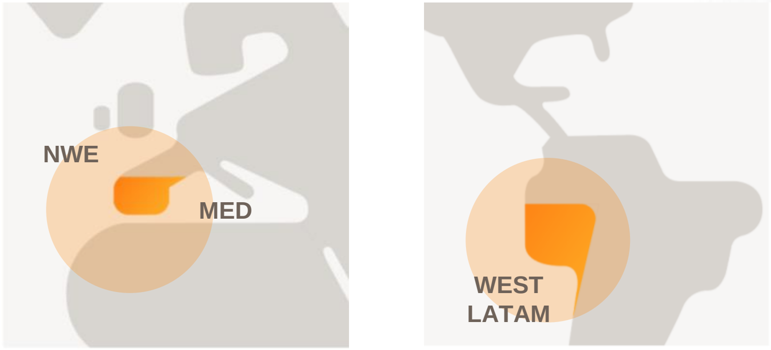
Chemicals

- **High performing integrated and regional leader**
- Capability for **more than 30% light feedstock** (LPGs)
- **Key positions in high value products** (PO/Polyols, Rubber, EVA)

Commercial

- **More than 4,700 service stations**
- **LPG leader in Spain**
- **Customer-centric** with **10 million customers** and strong energy **brand**
- Leadership in **convenience retail** with enhanced **digital** capabilities
- Spain fuels share: >37%, LPG share: 70%, Peru fuels share: >23%

Presence in Downstream markets with deficit



Trading

- **Strong position in Europe** and **growing asset footprint globally**

Lubricants

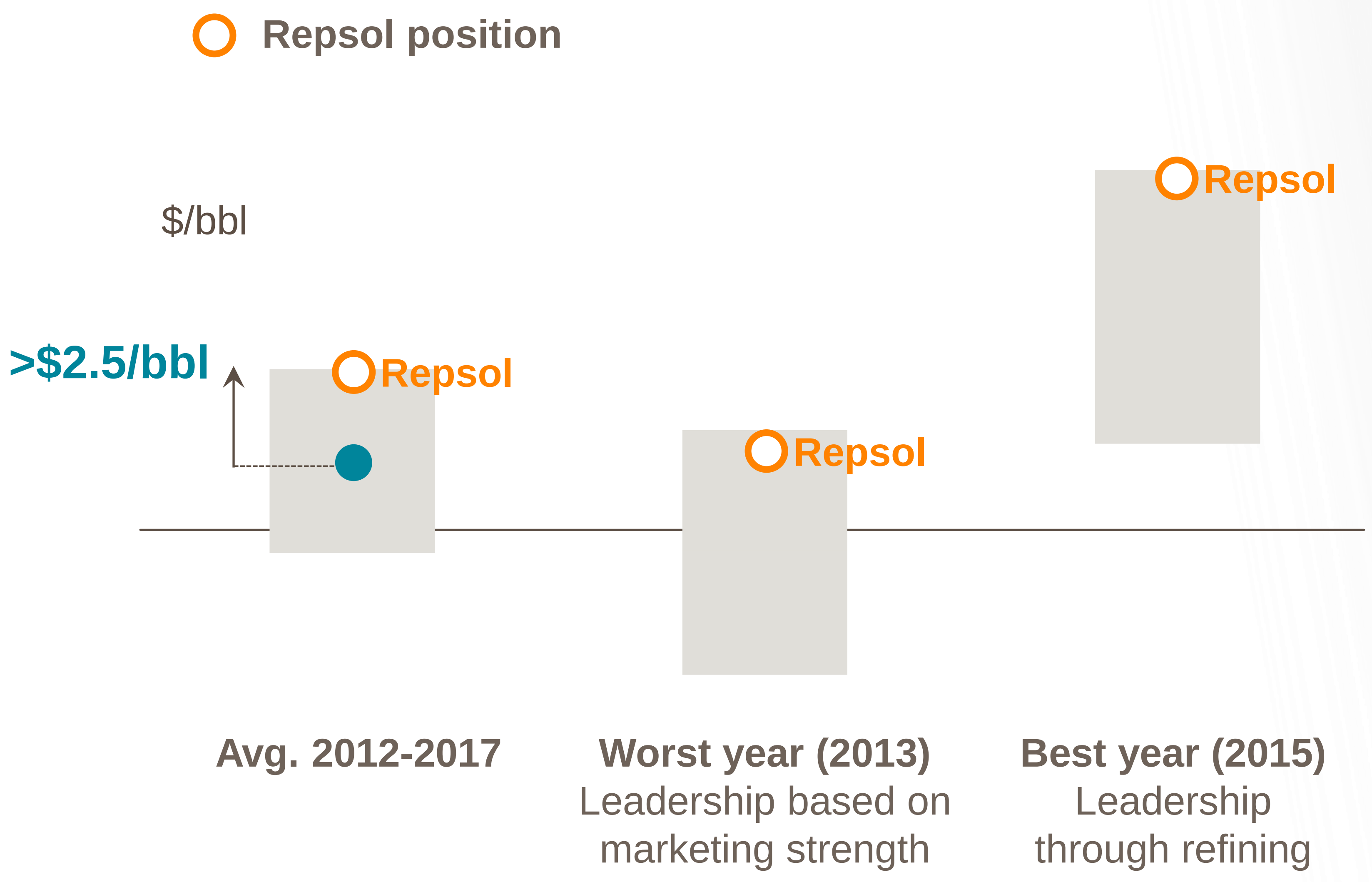
- Increasing **global footprint**

European leading integrated margin with proven ability to deliver ongoing profit improvement across the portfolio

1. NCM: Net Cash Margin. 2. New regulation limiting sulfur content in marine bunkering from International Maritime Organization

Repsol is European R&M leader, and the best prepared player for IMO

Leading European R&M integrated profit



Repsol is leading the EU industry in marketing, refining and integration

Repsol's assets are fully invested for IMO

Leader in EU coking — **25%** of the total EU coking capacity (while only 6% of total distillation)

Middle Distillates Yield — **>50%**

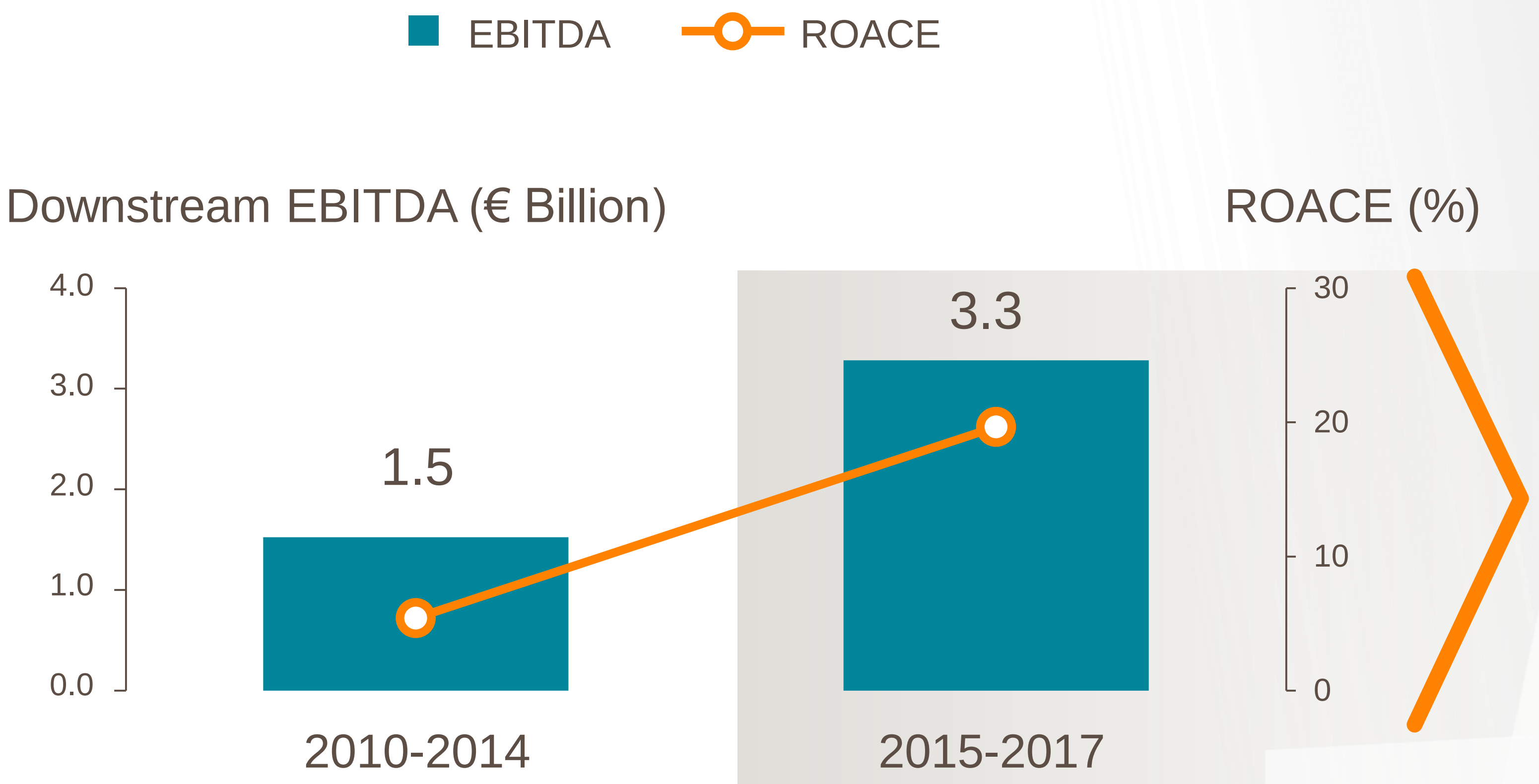
Fuel Oil yield — **<7%**

Note: Profit is defined here as EBIT CCS, bars represent lower-upper bound of European refining & Marketing companies

Positive outlook for Downstream markets which Repsol is ready to benefit

After investments made in the lower part of the cycle

Solid historical Downstream performance



	2010-2014	2015-2017
World refining utilization	Avg. 81%	Avg. 83%
Brent-WTI	Avg. 10.3	Avg. 3.1
World Chemical utilization	Avg. 86%	Avg. 89%

Positive environment outlook for Repsol Downstream

- World **refining utilization** above **83%** in 2018-2020
- New **IMO regulation** positive for complex refiners
- Global **Chemical utilization** in 2018-2020 stable at **~89%**
- **Chemicals demand** growing above world GDP (at **3-4%** per year)
- **Strong oil products demand** in Emerging Markets
- **Growing Downstream markets opening** generating opportunities for advantaged players

Source: Nexant; IHS; ICIS; BCG global Chemicals practice

Building upon our strengths

Main strategic lines by business

	Refining	Chemicals	Marketing	LPG	Lubricants	Trading	CAPEX 18-20 (€ Billion)
	Sustain	*Grow*	*Grow*	*Sustain*	*Grow*	*Grow*	
Sustain	• Energy efficiency • IMO readiness • Digitalization and optimization • Peru desulphuration units	• Energy efficiency • Digitalization and optimization • Differentiation	• TwP[1] • Digitalization • Non-oil business growth & partnerships	• Customer-centric and digitalization • Logistic services & commercial integration	• Maintain leadership in Spain • Grow exports	• Maximize value from the system • Digitalization	2.7
Expand	• Biofuels	• Growth in current high value products	• Expand into new geographies • New mobility businesses	• Growth opportunities in hinterland	• Expand international presence (Asia, Latam)	• Develop global crude business • Incremental growth in key products	1.5

A Chemicals growth

B International expansion

CAPEX
18-20 (€ Billion)

1.TwP = Transforming While Performing, a program for operational excellence

Repsol to focus growth on its higher-value Chemical products

A Chemical growth

Chemical strategic goals	Key target products	Rationale	WORLD POSITION
Global scale in 1-3 higher value products	PO-polyols	• **Strong global demand growth forecast** (4-4.5% p.a.) • **Established Sales & Marketing position** • **Proprietary proven production technology** • **Experience in project execution**	#12 player
Further differentiation	Rubber	• **Attractive global demand growth forecast** (~2.5% p.a.) • **Established Sales & Marketing position** • **Strong product portfolio of customized products / solutions** • **Production assets on three continents**	#10 player
Strengthen competitiveness of core business	EVA	• **Strong global demand growth forecast** (~3.5% p.a.) • **Attractive alternatives of ethylene monetization** • **Know-how retrofitting LDPE to EVA units**	#11 player

Ambition to reach Tier 1 positions (Top 5)

Source: Nexant; IHS; ICIS; BCG global Chemicals practice

Asset-light Downstream internationalization focused on commercial and trading businesses

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B International expansion

Commercial Hinterland

Expansion Strategy

Leverage **refining** logistics and **trading & marketing** capabilities to **develop commercial integrated positions**

Priority Businesses

- Marketing
- Trading
- LPG

Commercial LatAm

Expansion Strategy

Leverage **Trading and Marketing** capabilities and **knowledge of Latin-American** markets to develop commercial positions

Priority Businesses

- Marketing
- Trading
- Lubricants

Global Trading

Leverage Repsol **Trading capabilities** and **Downstream positions** to:

- Develop a top tier global crude position
- Growth in key market niches
- Perform international expansion optimizing integrated margin

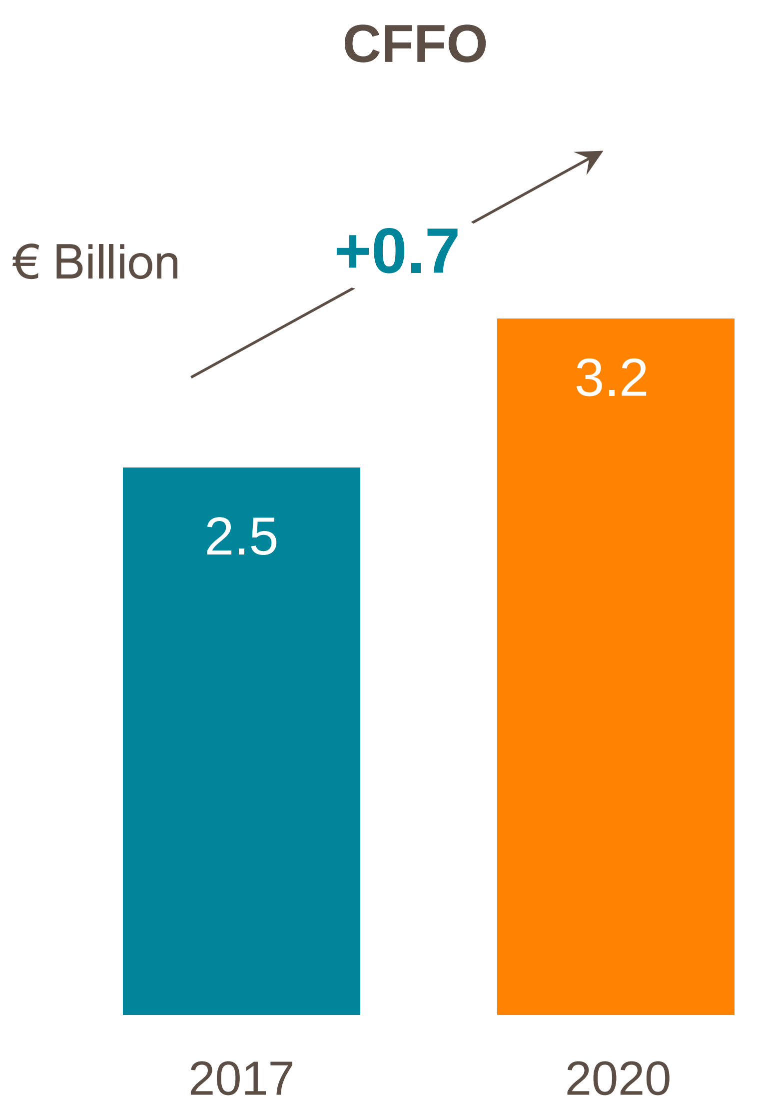
Chemicals Fuels & LPG Crudes
Diesel Gasoline

Downstream 2018-2020 delivering ROACE > 18% while investing in improving and expanding business

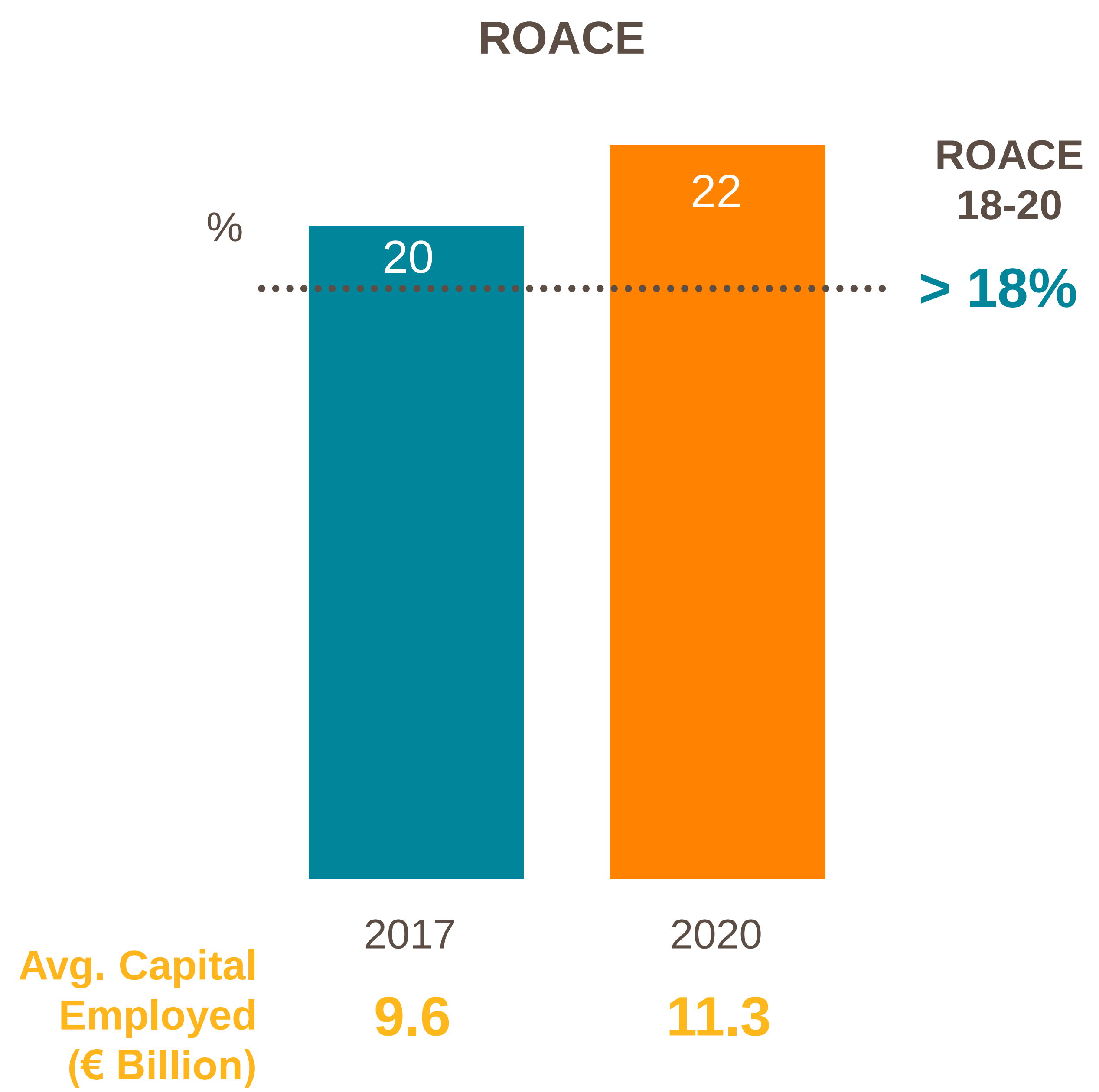
At $50/bbl flat Brent

REPSOL

Cash Flow growth: +27% by 2020



ROACE: > 18% in 2018-2020



Downstream to generate more than €1B FCF per year in 2018-2020

Note: Downstream metrics without considering new Low carbon business (next section)

Delivering value growth through the cycle

1. Increasing shareholder returns

- **Dividend** per share **8% p.a. growth** with full buyback of shares
- **Dividend target fully covered** at $50/bbl
- CFFO dividend coverage to grow from 3.9x in 2017 to 4.3x in 2020
- **Sustainable long term pay-out**

2. Growing our portfolio profitably

- **Growth** across all value-creation metrics, **at any oil price**
- **Downstream** activated as **asset-light** growth engine
- Upstream delivering **performance improvement** and portfolio upgrade
- Strong pipeline of **attractive growth** projects in both divisions

3. Thriving in the energy transition

- **Develop long term options**
- Leverage our **competitive advantages**
- Reduce carbon footprint
- Build new capabilities

4. Financial flexibility

Key trends of the Energy Transition

Global Trends

Regulation change and **license to operate**

Decarbonization

Technological shift and **Digital** revolution

Customer centricity and new consumption patterns

New Competitors

Energy Transition

Trends in the energy consumption model

Global **growth** in demand

Increased electrification in energy consumption

Natural gas as **transition** source

Increased share of **renewable** energy in the mix

Development of new **services** and business models around the customer

Repsol has defined an ambition to develop a new operated position in low carbon businesses by swapping GNF

REPSOL

Repsol is swapping a €5-6B exposure to a medium carbon businesses through GNF…

Gas Natural Fenosa

- Non-operated
- No synergies exploited
- 85% regulated business in 2017 EBITDA with a mix of high/low carbon generation

… To an operated and synergistic position in low carbon businesses

REPSOL

- Operated business with full synergies
- Leveraging previous experience in low carbon businesses, markets and know-how
- Focused business mix: wholesale gas, retail G&P and low carbon generation

Ambition *Be players in the future energy transition, fostering sustainability and energy efficiency*

Creating profitable low carbon businesses

Enhancing capabilities to thrive in energy transition

Reducing emissions in our operations and products

We have developed a clear and focused roadmap to achieve our ambition with an investment of €2.5B in 2018-2020

	Wholesale Gas	Retail G&P	Low carbon generation
Top capability	*Leverage our industrial self consumption as the **largest gas consumer in Spain***	***Strong brand and ~10M clients** base with direct contact*	***Technical capabilities** and experience in **managing large scale projects***
Roadmap	• Create a successful **wholesale gas business**, ensuring a competitive gas supply • Developing **new business** through gas flexibility • Deliver a **competitive gas offer** for our future retail clients	• To become a relevant Spanish **low carbon multi-energy retailer** • Progressively sophisticate our offer including advanced **energy services** and solutions	• Develop a strong position in **Spain** achieving a **low carbon integrated business** • **Technological vocation** oriented to **solar, wind, CCGT** and **other low carbon** technologies • **Diversify in emerging countries** that yield higher returns
Targets by 2025	**>15%** Market share[1]	**>5%** Market share[2]; **2.5M** Clients[3]	**~ 4.5 GW** Capacity

Investments in low carbon businesses with IRR above 10%[4]

1. Spain market share including our refineries' consumption; 2. Spain market share in number of clients; 3. Not adjusted for dual clients; 4. Assuming an average financial leverage of ~50%

Enhancing capabilities to thrive in the energy transition

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1. TECHNOLOGY

Enables the future Repsol: **lower emissions, more efficient, more competitive**

- Industrial assets: Advanced simulation, modelling & control to optimize operations
- Chemicals: Leading-edge materials development
- Commercial: New products & services development
- Upstream: Leading-edge geophysics & simulation / modeling capabilities

2. DIGITALIZATION

Ambitious digital program **to transform the company for the future**

- Incremental FCF by 2022 in €1B/y (€300M/y by 2020)
- Driving cultural change and new ways of working

3. TALENT

Developing **skills and capabilities** into the **new Repsol culture** to lead the future

- Excellence in talent management, anticipating needs and renewing our abilities, promoting cultural diversity and engagement
- Drive inspirational leadership focused on: Results Orientation, Accountability, Collaboration, Entrepreneurial Attitude

4. LEAN CORPORATION

Further improve **corporate savings** reaching **~9% cost reduction** by 2020

- Digitalization (eg., RPA) and automation
- Organization simplification (expansion of Global Services)
- Company-wide Lean and Agile innovative new ways of working culture

Note: RPA = Robotic Process Automation

Repsol has a clear target (-40% by 2040) to reduce our carbon intensity and fight against climate change

Repsol uses the ratio tCO_2/GJ to measure its 2ºC path progression

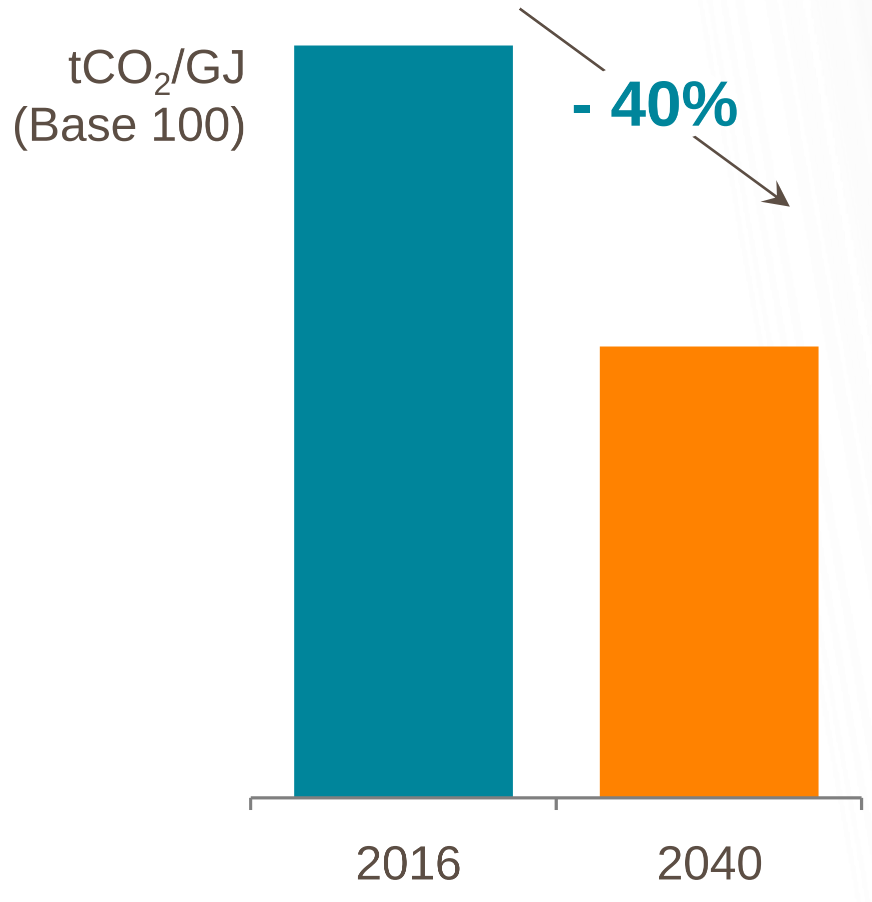
Repsol has a clear positioning and values aligned with climate change:

- Supply society with access to energy
- Be part of the solution in the fight against climate change

Objective: Supply the energy needed with a reduced impact to environment

Ratio used: carbon intensity (tCO_2/GJ)

Paris Agreement target to reduce carbon intensity 40% by 2040



Repsol aligned with the 40% reduction through key levers

Key levers for CO_2 emissions reduction:

- Natural gas shift
- Energy efficiency
- Methane emissions
- Minimizing flaring
- Carbon capture, utilization and storage
- Non fuel uses (chemicals)
- Increase biofuels
- Increase use of renewables
- Natural sinks
- Hydrogen & others

Repsol has a 2020 reduction target for carbon intensity of 3% and for CO_2 emissions of 2.1 Mt

Note: 40% tCO_2/GJ reduction needed to achieve the 2 degrees objective from Paris Agreement
Source: Repsol, IEA

Delivering value growth through the cycle

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- Reduce carbon footprint
- Build new capabilities

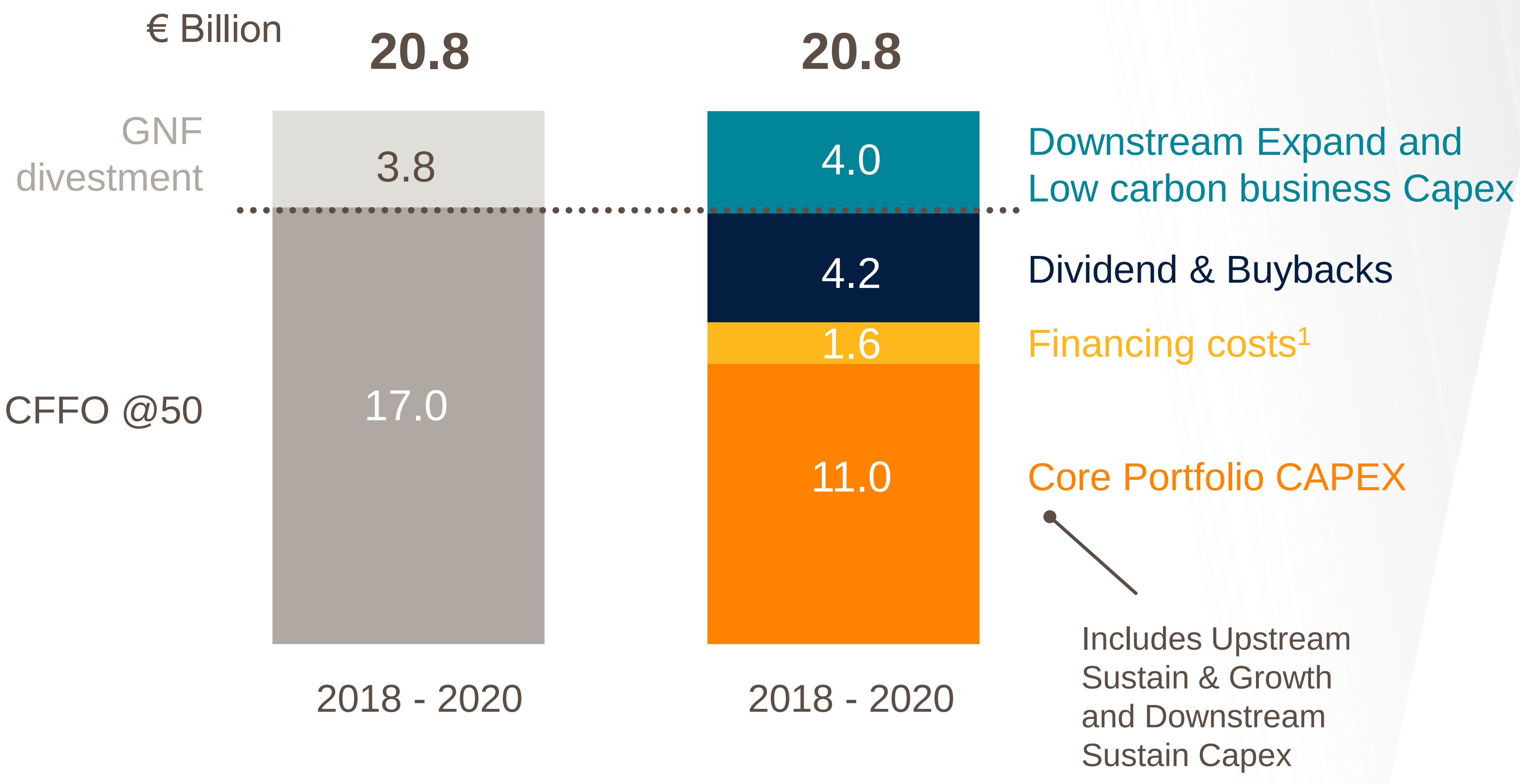
4. Financial flexibility

4. Financial flexibility

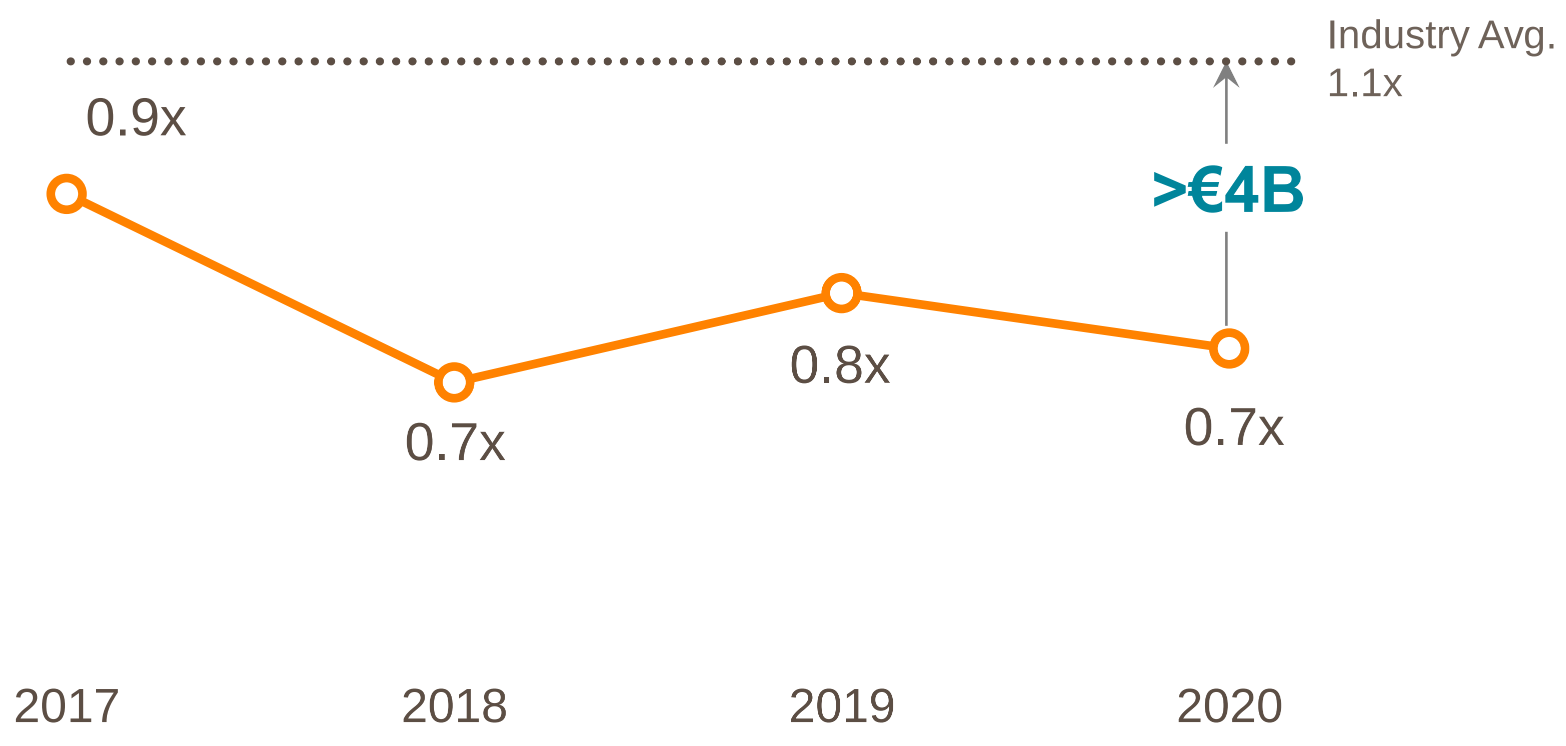
Repsol's Strategic Plan fully funded at $50/bbl, keeping a strong financial position

At $50/bbl flat Brent

Sources of cash / Uses of cash



Net Debt / EBITDA evolution



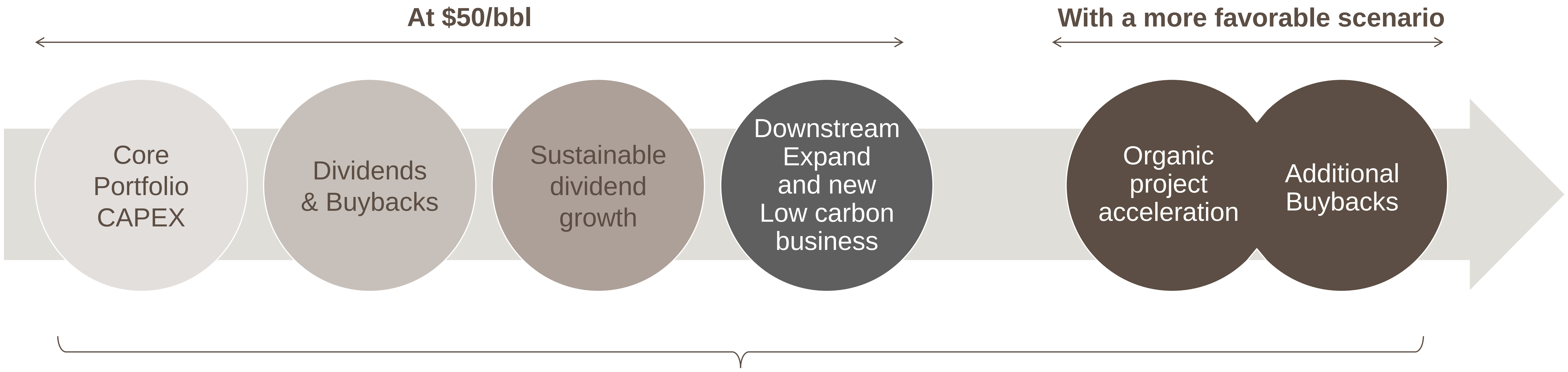
Capex, announced dividends (including dividend increase to €1/share by 2020) **and buybacks, fully financed at $50/bbl**

Repsol has financial flexibility in 2018-2020 of >€4B, since it will keep leverage ratio well below industry average of 1.1x

1. Financing costs include leases, financial charges, dividends to minority, hybrid interests and other movements

Our cash flow priority: Profitable growth and enhanced shareholder return through the cycle

2018-2020 Priorities for cash



While maintaining financial flexibility

Target: increase shareholder distributions and maintain capital discipline

3

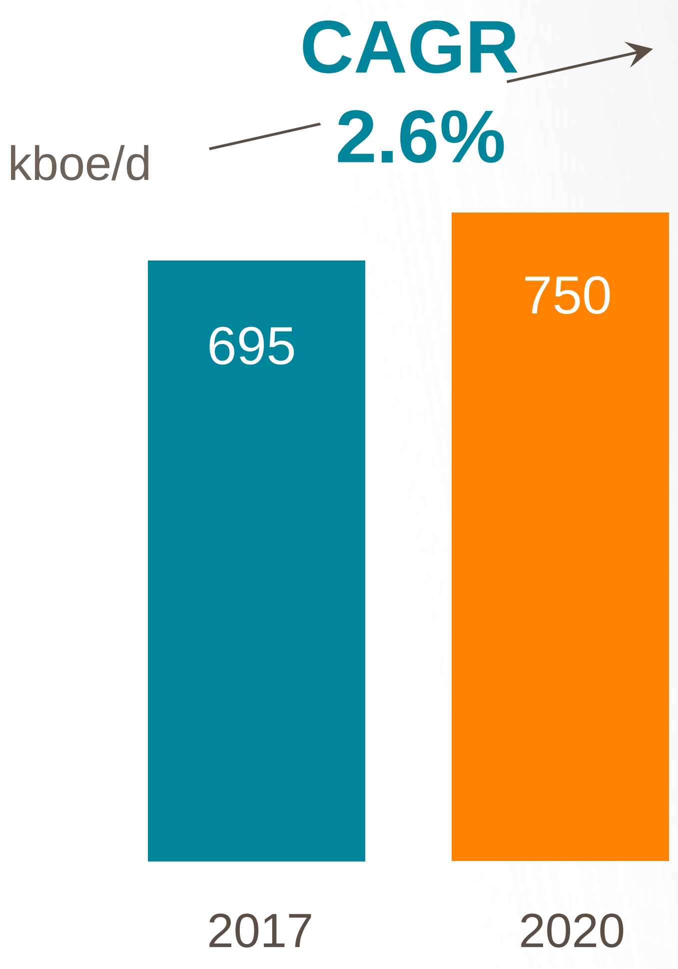
Key targets & Conclusions

Update 2018-2020: Key targets for growth and shareholder remuneration

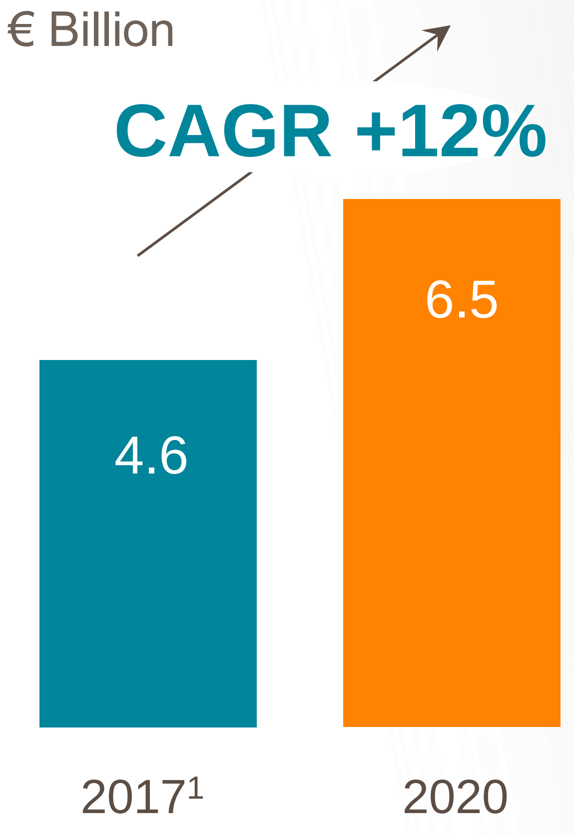
At $50/bbl flat Brent

REPSOL

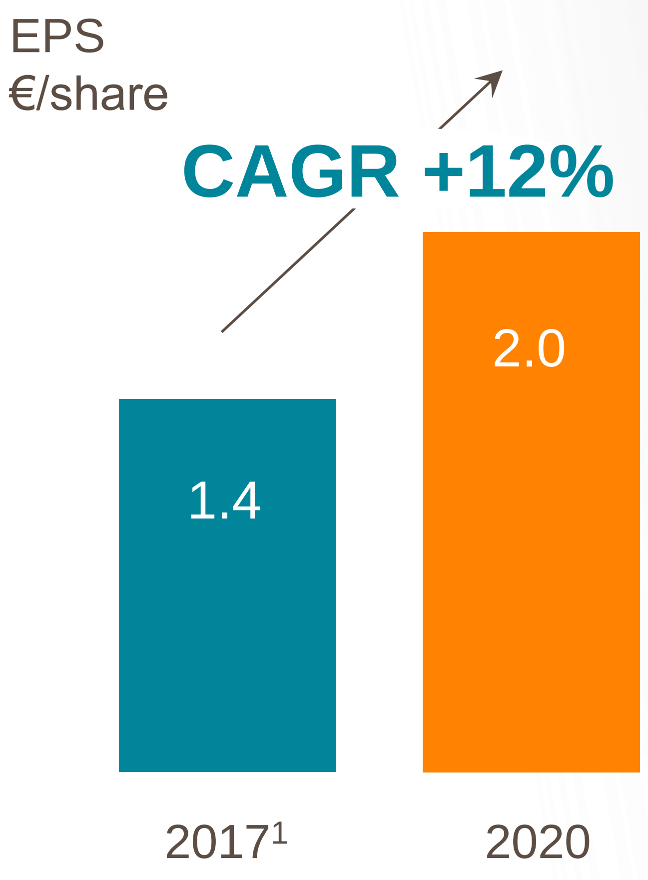
Production
2.6% CAGR



CFFO
+€1.9B growth

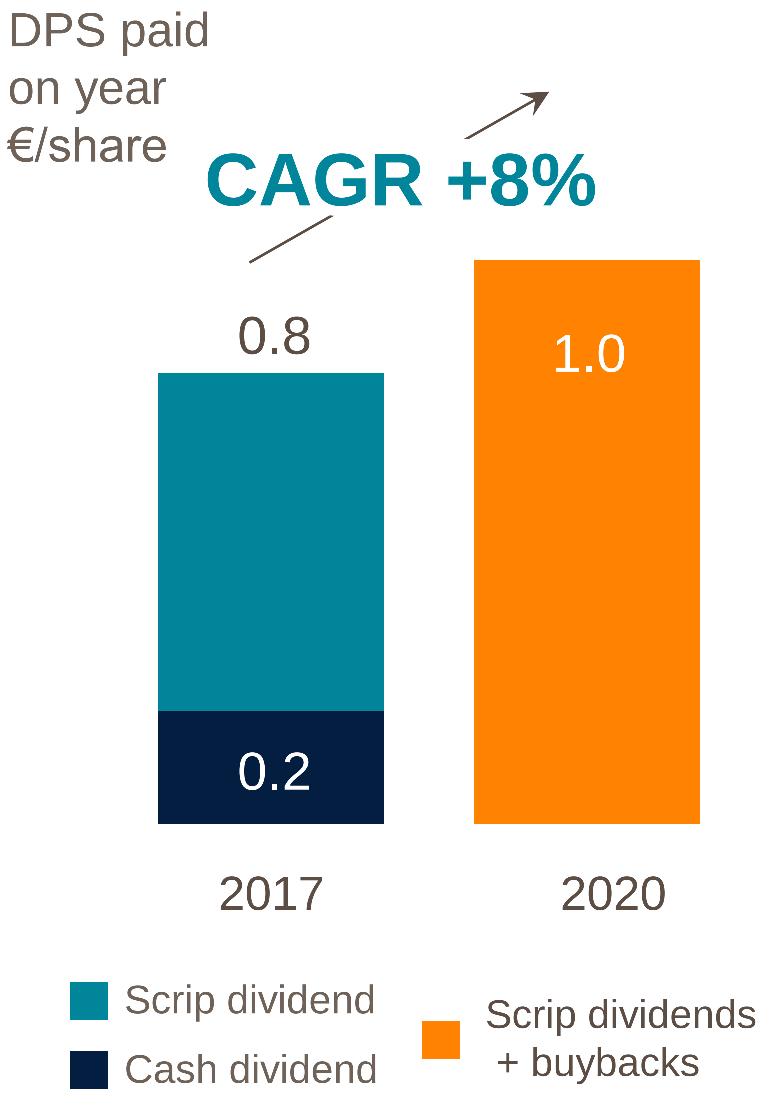


EPS
+€0.6/share growth



+17% CAGR vs 2017 w/o 2017 GNF results

DPS
8% CAGR



While focusing on financial discipline with ROACE > WACC, maintaining investment grade and keeping our zero accidents ambition based on operational excellence

Note: EPS considering Adjusted Net Income.
1. 2017 values adjusted to $50/bbl Brent scenario and to exclude Spain extraordinary tax refund effect. EPS in 2017 €1.6/share without adjustment

Update 2018-2020: Key targets for Energy Transition and New Capabilities

At $50/bbl flat Brent

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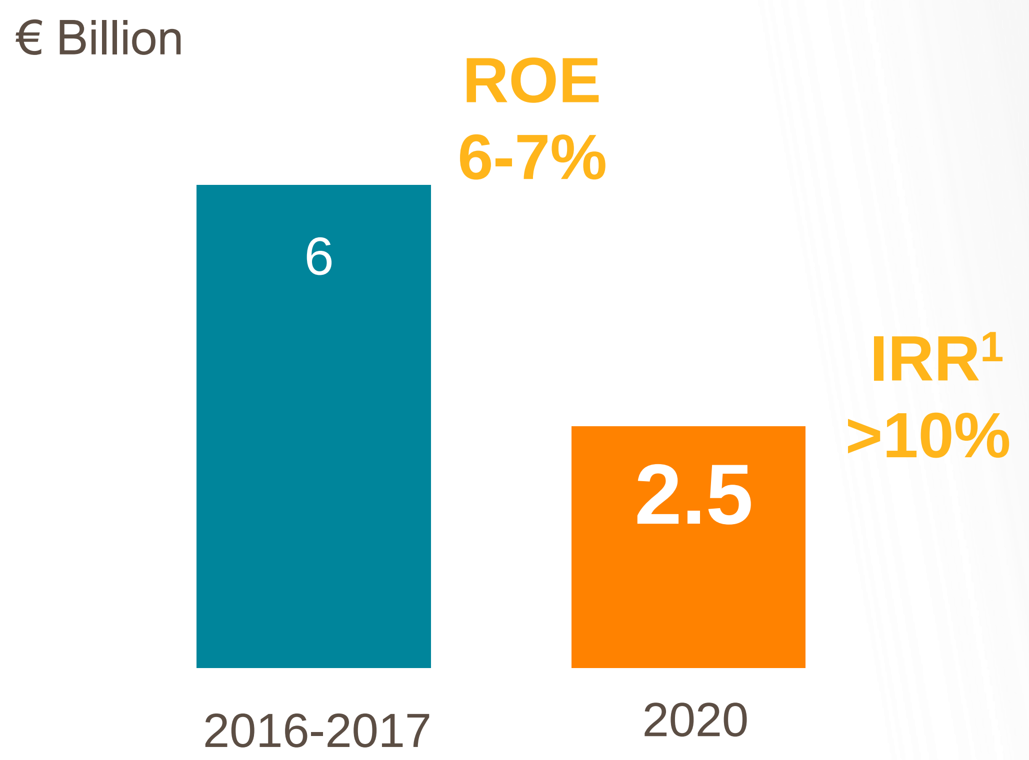
€2.5B invested in low carbon business

Capital Employed

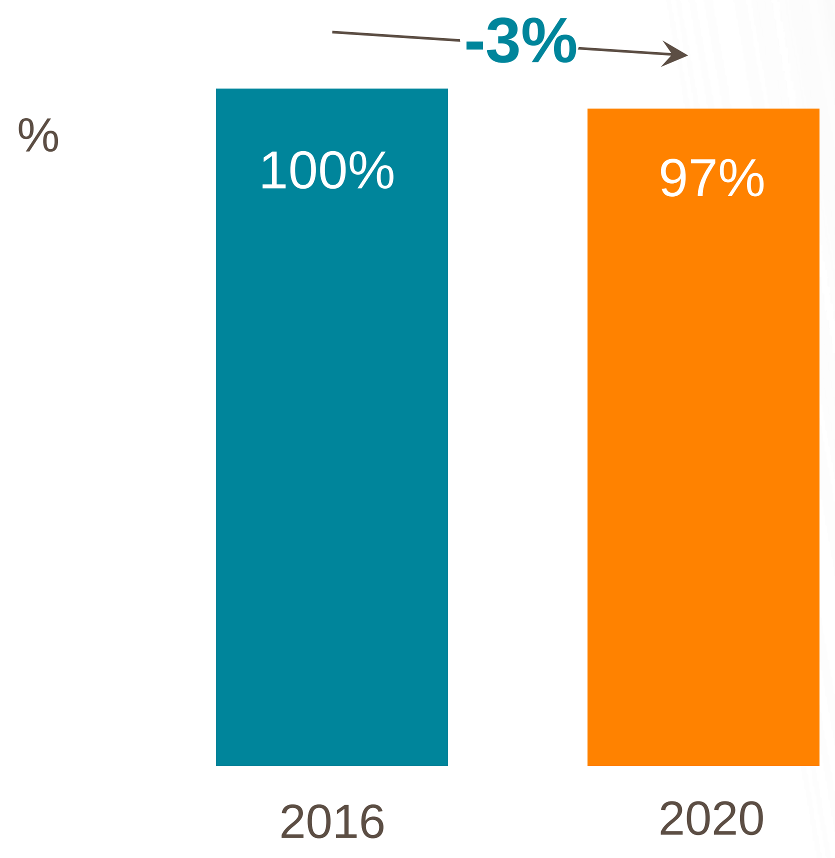


Gas Natural Fenosa

Non-operated & Regulated > **Operated & Merchant & Low carbon**

Emissions reduction -3% Kt/GJ CO_2

Emissions intensity reduction

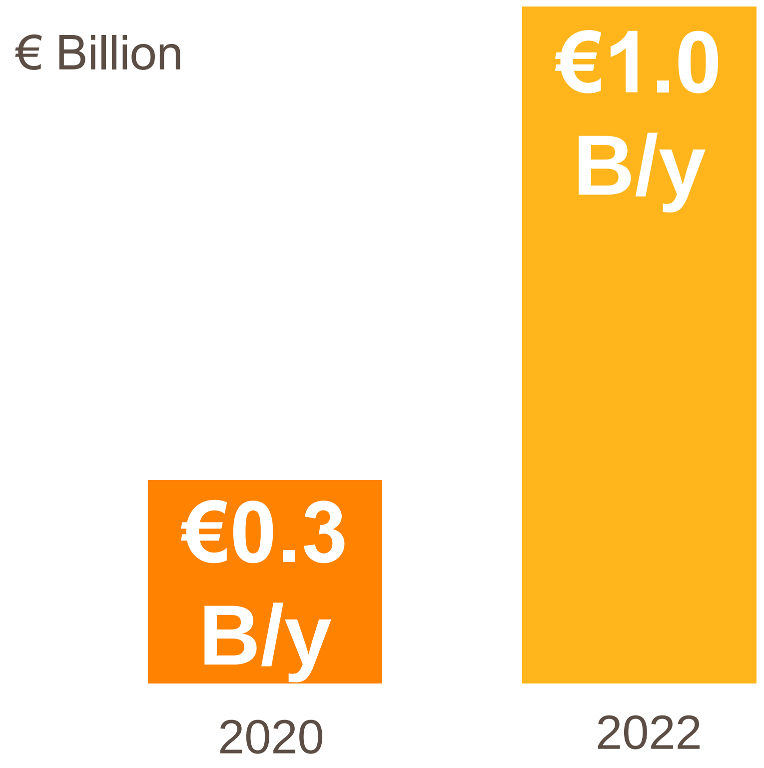


CO_2 emissions reduction[2]

2.1 Mt CO_2

Leaner with digital savings of €0.3B/year by 2020

Pre-tax FCF savings



Corporate Cost reduction from 2017

-9% By 2020

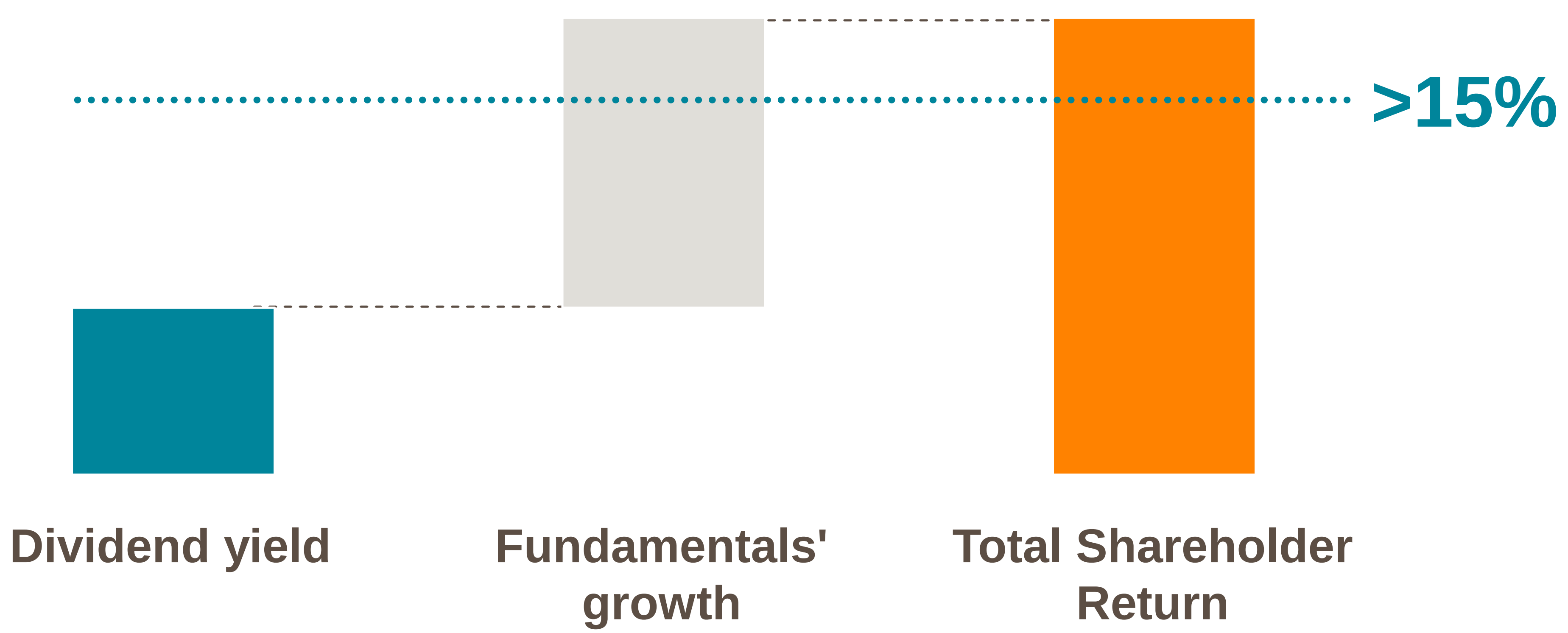
-16% By 2022

1. Assuming an average financial leverage of ~50% on new low carbon business. 2. Accumulated since 2014

Repsol 2018-2020: A unique Total Shareholder Return story

At $50/bbl flat Brent

Annual TSR (%)



Attractive dividend distribution

- Increased **DPS growth** target
- **Buybacks** to avoid dilution
- **Fully-Financed** $50/bbl flat prices

Sustainable Fundamentals' growth

- **Profit improvement**
- *Double-geared engine* with Downstream **asset-light** projects and Upstream **brownfield growth**
- **Delivery** track record
- **Capital discipline** to enhance ROACE

Update 2018-2020: Conclusions

Position of **strength**: Business momentum and financial robustness

Superior shareholder return across the cycle: Dividend growth path and high TSR upside

Strong value growth with a double engine model: **Upstream and Downstream**

Upstream path focused towards **profitable growth**

Our **Downstream is leading the industry** with the positive impact of IMO enhancing our business

Solid foundations for **winning in the energy transition** and ensuring a **sustainable future**

Strong growth of **key financials** and **return on capital**

Lean, more competitive and sustainable company, leveraging on our integrated model

Strategic Update

Delivering value growth through the cycle

REPSOL

June 2018