

**REPSOL
YPF**



**3rd QUARTER 2006
PRELIMINARY RESULTS**

***WEBCAST-CONFERENCE CALL
14.00 H CET***

November, 16th 2006

Disclaimer



This presentation contains forward-looking statements that are subject to risks associated with the oil, gas, power, chemicals and renewable energies businesses. It is believed that the expectations reflected in these statements are reasonable, but such expectations may be affected by a variety of factors which could cause actual results or trends to differ materially, including, but not limited to: oil and gas price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market share, industry competition, environmental risks, physical risks, the risks of doing business in developing countries, legislative, tax and legal and regulatory developments, including potential litigation and regulatory effects arising from recategorization of reserves, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates. For a further discussion of the factors that could affect our future results, see “Risk Factors” in the company’s Annual Report on Form 20-F for the year ended December 31st, 2005 on file with the US Securities and Exchange Commission.

In addition, this announcement also contains statements regarding estimates of proved oil and gas reserves of Repsol YPF. The estimation of proved reserves may involve complex judgments, including judgments about expected economic, technical and other operating conditions, and are subject to changes due to a variety of factors, many of which are beyond Repsol YPF’s control. These factors include but are not limited to changes in oil and gas prices, geological and operating data derived from exploration and production activities, technological developments, budgeting, investment and other financial decisions that we and other oil and gas companies may make, political events generally, changes in the applicable political, legal, regulatory and tax environments in which we operate, environmental risks, project delay or advancement, and technical factors associated with the exploration and production of hydrocarbons.

Cautionary Note to US Investors:

The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions.



HIGHLIGHTS

3rd QUARTER 2006

Antonio Brufau
Chairman & CEO

Highlights

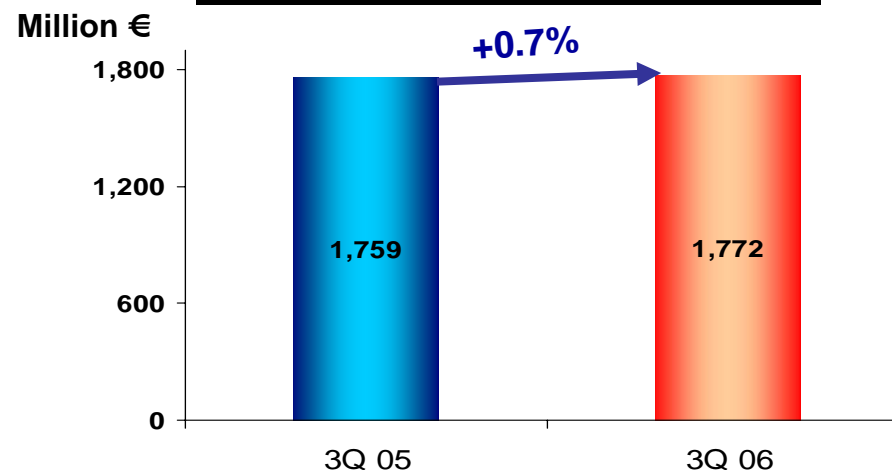
Results

- *EBIT €1,772 million*
- *Net Result €869 million*

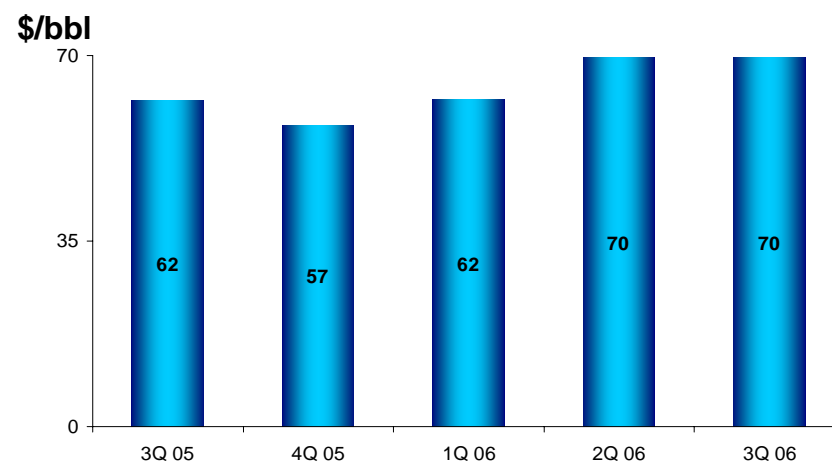
Trading environment:

- *Significantly lower oil prices at the end of 3Q06 vs 2Q06*
- *Refining margins well below those of 2005*
- *Moderate improvement in marketing margins in Europe*
- *Improved margins for Chemicals and Gas & Power*

Operating Income



Brent prices



Highlights: *ABB*

Bolivia

- ***New contracts in compliance with Nationalization Decree signed by Repsol YPF***
 - ❖ ***YPFB holds the ownership of hydrocarbons***
 - ❖ ***No material loss in the value of our assets***
 - ❖ ***Negative impact on reserves and production but since Congress has not yet approved the contracts, we are unable to furnish an estimation***
 - ***Change booking methodology to that of “Economic Interests”***
 - ❖ ***Reasonable returns: higher selling prices, recovery of investments***
 - ❖ ***Cancellation of hedging contract for the exports to Brazil***

MIGRATION TO NEW CONTRACTS EFFECTIVE AS OF NOV. 1st ONCE APPROVED

Highlights: *ABB*

Bolivia - Argentina

- ***Long term gas supply agreement signed between two countries***
 - ❖ ***Up to 27.7 million cubic meters/day over 20 years***
 - ❖ ***Price of aprox. 5\$/MBtu in 2006; price linked to international quotations***
 - ❖ ***Agreement meets three ends:***
 - ***New opportunities for our gas in Bolivia***
 - ***Gas to be sold at higher average prices***
 - ***It will balance supply and demand needs in Argentina and Chile***

Argentina

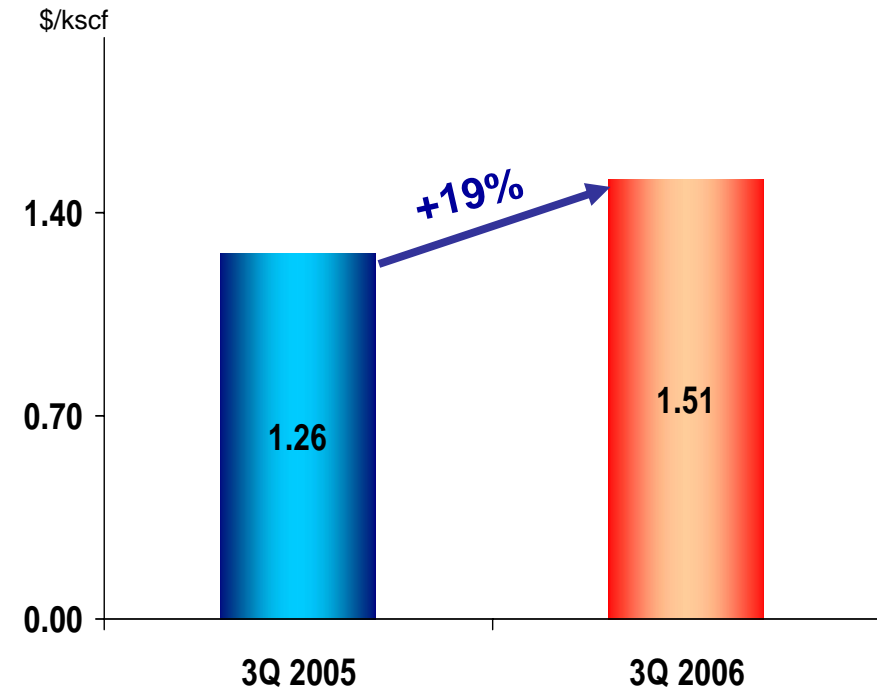
- **Oil production**

- ❖ *Production has fallen year on year by 2.5% vs previous fall of 5%*

- **Gas prices**

- ❖ *More industries signed contracts directly with us*
- ❖ *In other segments, prices remain at the same level*

Argentine Gas Prices



Highlights: *ABB*

Argentina

- ***Improving efficiency and productivity of business in Argentina***
 - ❖ ***Plan of divesting 40 marginal fields***
 - *Up to 50 MBOE of reserves*
 - *4% of production*
 - *Minor size fields more adequate to be operated by niche players*

Highlights: *ABB*

Argentina

- **Partial IPO of YPF**

- ❖ **Based on the analysis of certain conditions:**

- *Selling of Latam assets (ex-LNG) to YPF*
- *Improving YPF's financial structure*
- *Demand for emerging market equities*

- ❖ **Disregard the IPO in the short term :**

- *Valuation is very sensitive to assumptions on crude oil, refined products and gas prices in Argentina*
 - ✓ *Uncertainty on the extent the recovery to international prices would be reflected in the pricing of the IPO*

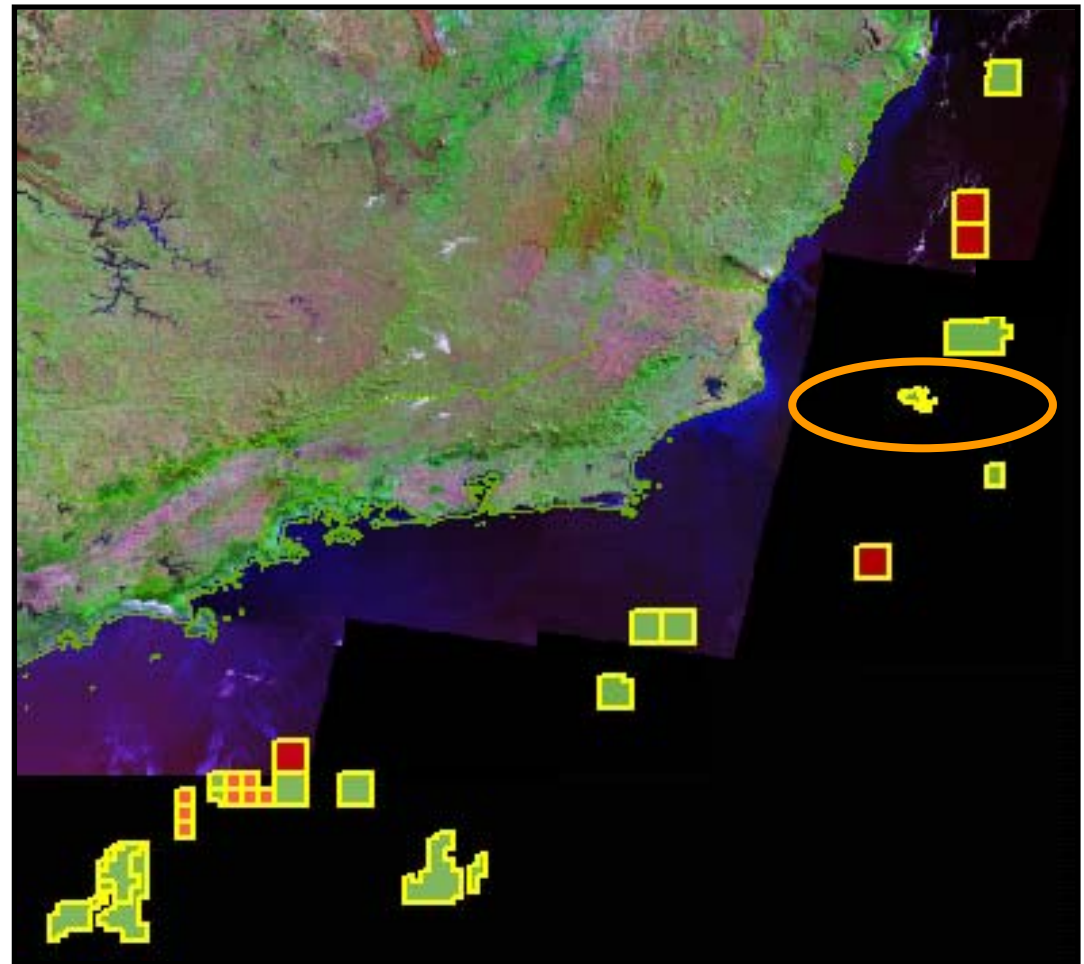
WE CONTINUE TO ANALYZE DIFFERENT OPTIONS FOR YPF AND LATIN AMERICAN PORTFOLIO

Highlights: *ABB*

Brazil

- *Albacora Leste*

- ❖ *Largest offshore rig in Brazil*
- ❖ *Increased production to 6,100 bpd this quarter*



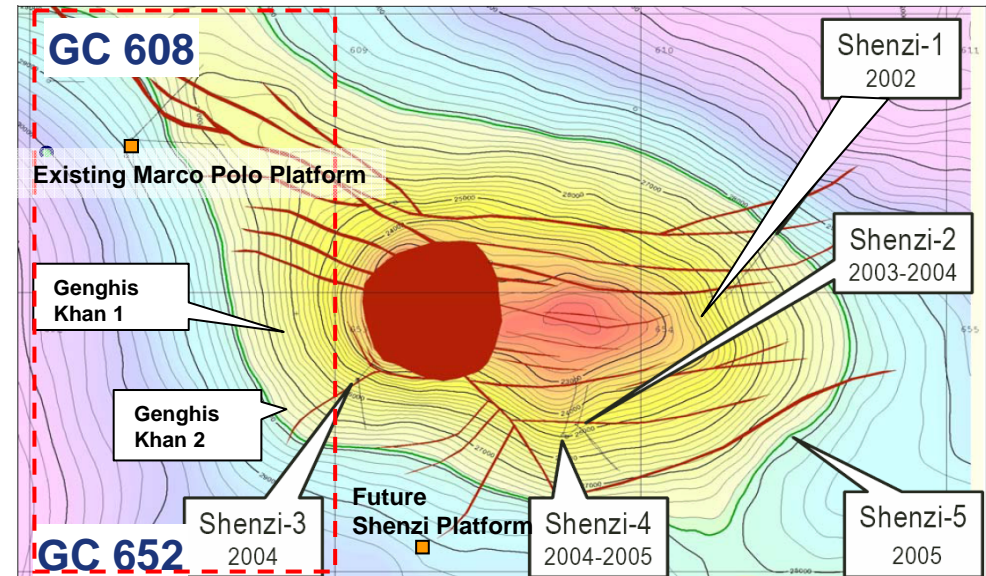
Highlights: *E&P (ex-ABB)*

Gulf of Mexico

- **Genghis Khan acquisition by the Shenzi consortium**

- ❖ **Value of assets gross: \$1.35 billion**
 - 65 - 170 Mboe of P20 and P80 reserves
 - Production by mid 2007
- ❖ **Consolidated position in the area**
 - Same geologic structure as Shenzi

Shenzi & Genghis Khan Existing Wells.

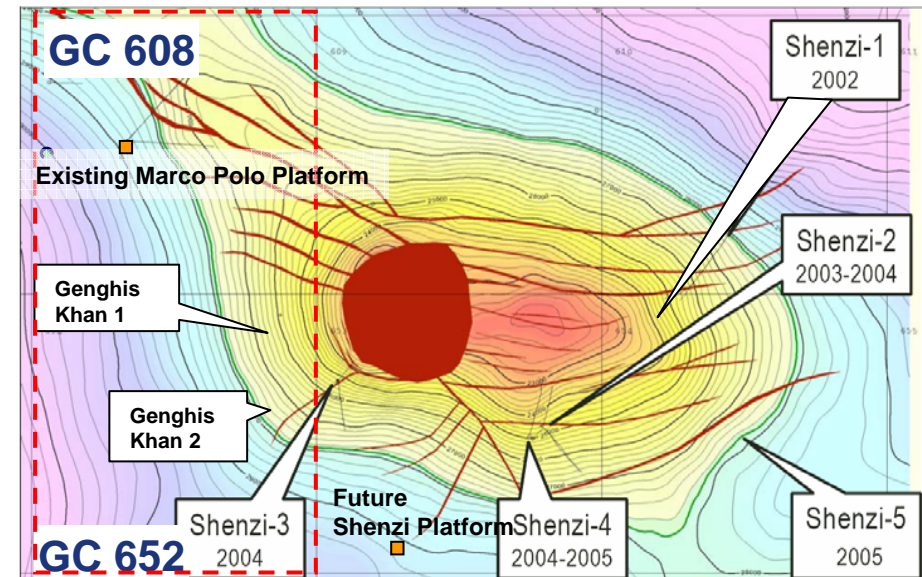


Highlights: *E&P (ex-ABB)*

Gulf of Mexico

- **Main advantages of acquisition**
- ❖ **Early start-up production on 2nd half 2007**
- ❖ **Cost savings through optimized well locations for the whole Shenzi structure**
- ❖ **Early understanding of the reservoir behavior due to earlier production data**
- ❖ **Economies of scale related to a larger development**

Shenzi & Genghis Khan Existing Wells.



North Africa

- **Algeria**

- ❖ *New Hydrocarbon Law*
- ❖ *Development not yet published*

- **Libya**

- ❖ *Developing an aggressive seismic and exploratory campaign with positive prospects*



Highlights: *E&P (ex-ABB)*

Caribbean & LNG

- **Venezuela**

- ❖ *Operating under new JV's since April 1st with a negative impact on production of 46,500 bpd in this quarter*

- **LNG**

- ❖ *Strategy ongoing*
- ❖ *Concern on cost inflation*



Highlights: *Downstream*

Downstream

- ***Optimize Downstream***

- ❖ ***Continue to progress in our investment program for upgrades of the Bilbao and Cartagena refineries***
- ❖ ***Progressing also in the Sines petrochemical complex:***
 - *Will allow product integration and growth in the polyolefin segment*
 - *Will consolidate leadership position in Southern Europe*

Highlights: *Corporate Movements*

Corporate Movements

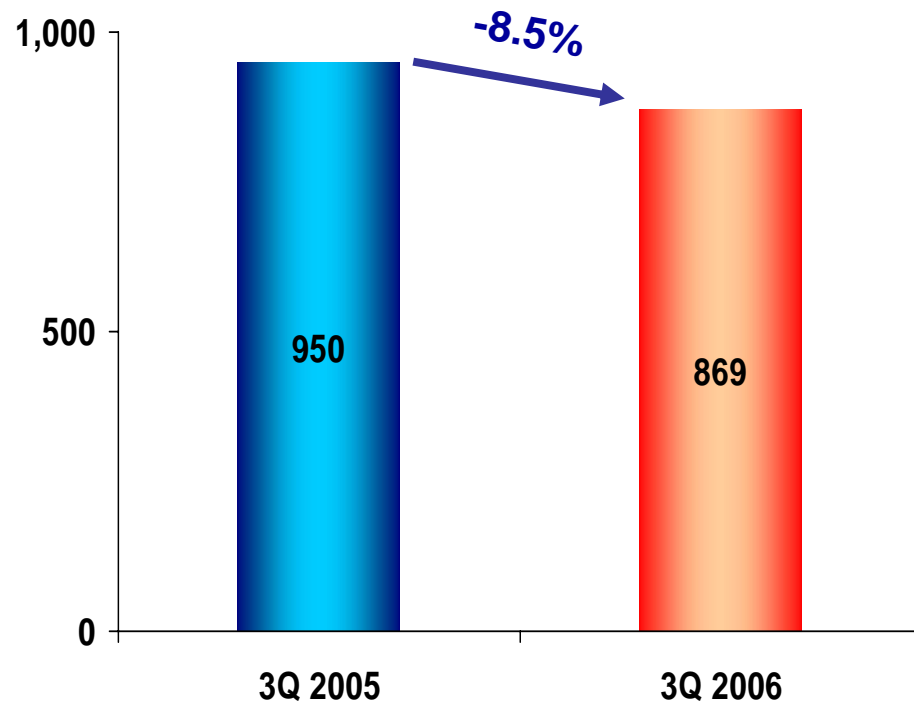
- ***Sacyr Vallehermoso new largest shareholder***
 - ❖ ***Indicated intention to acquire up to a 20% stake of Repsol YPF***
 - ❖ ***The entry is considered as a sign of their support for our strategy***
 - ❖ ***Largest, long term, stable shareholder; total stake of more than 15%***



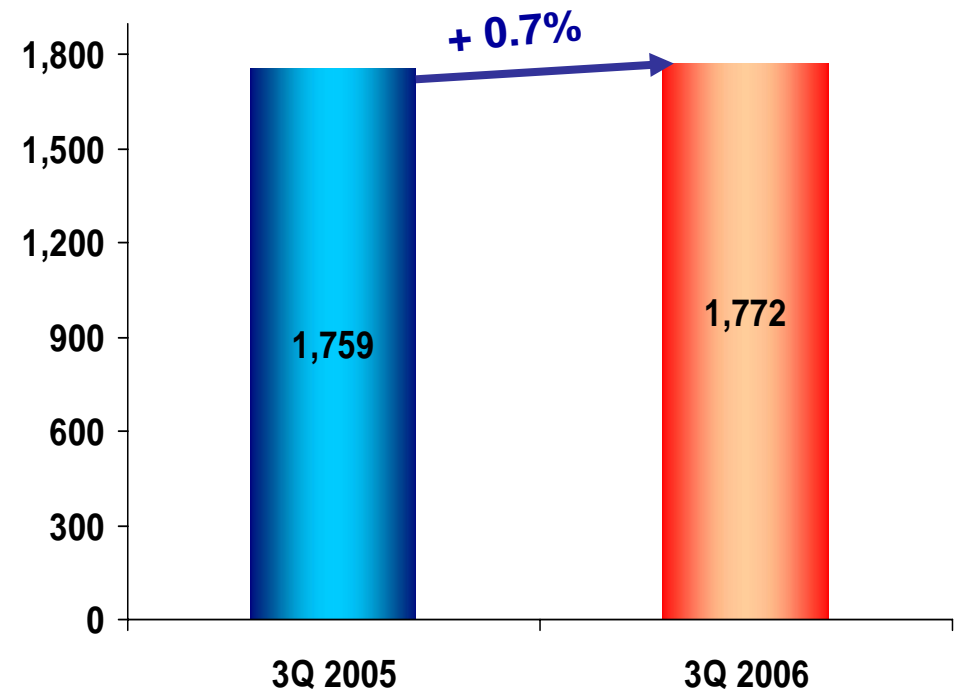
3rd Quarter Results

Antonio Brufau
Chairman & CEO

Net Income



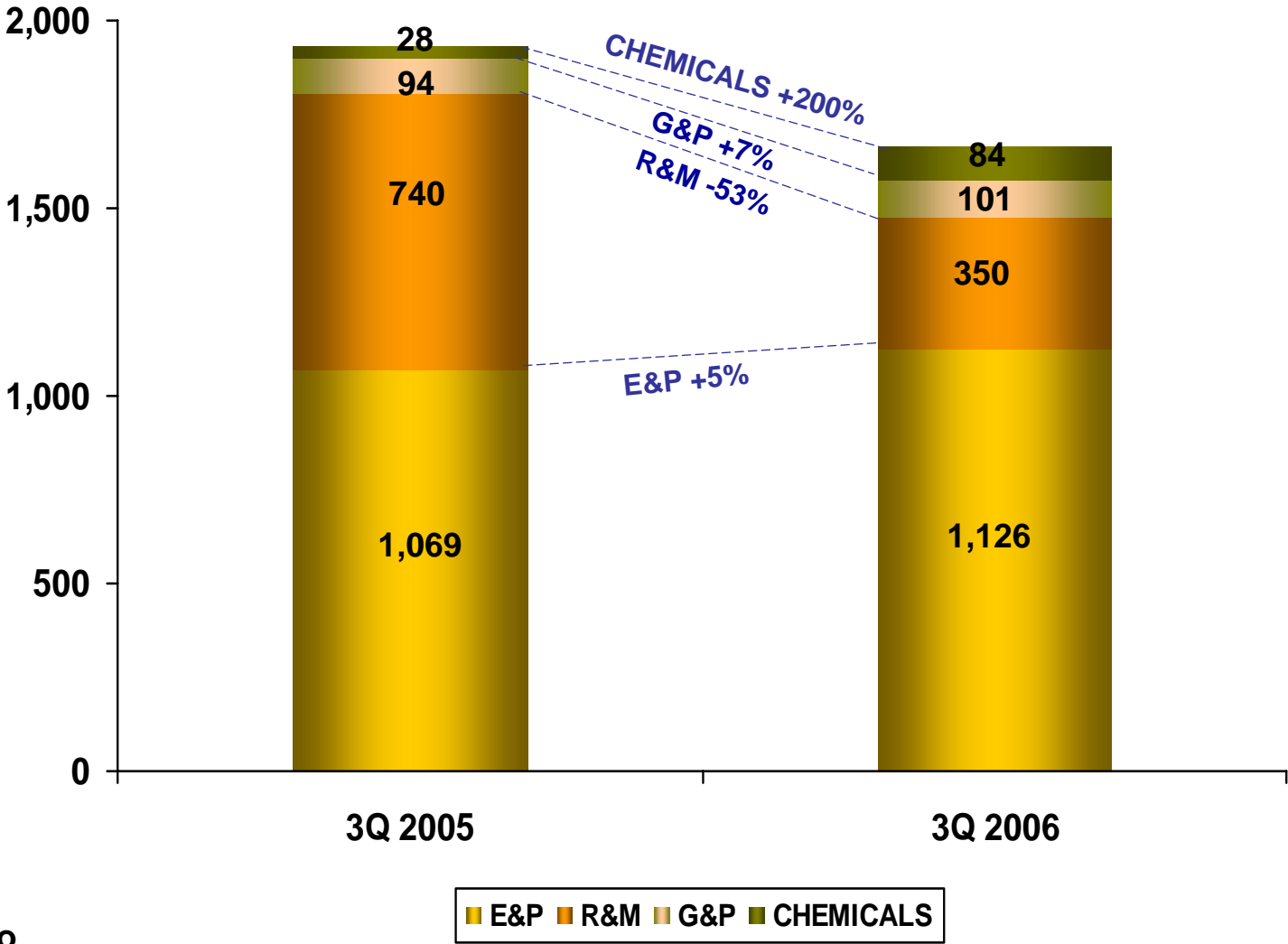
Income from Operations



Million Euro

3Q 2006 Results

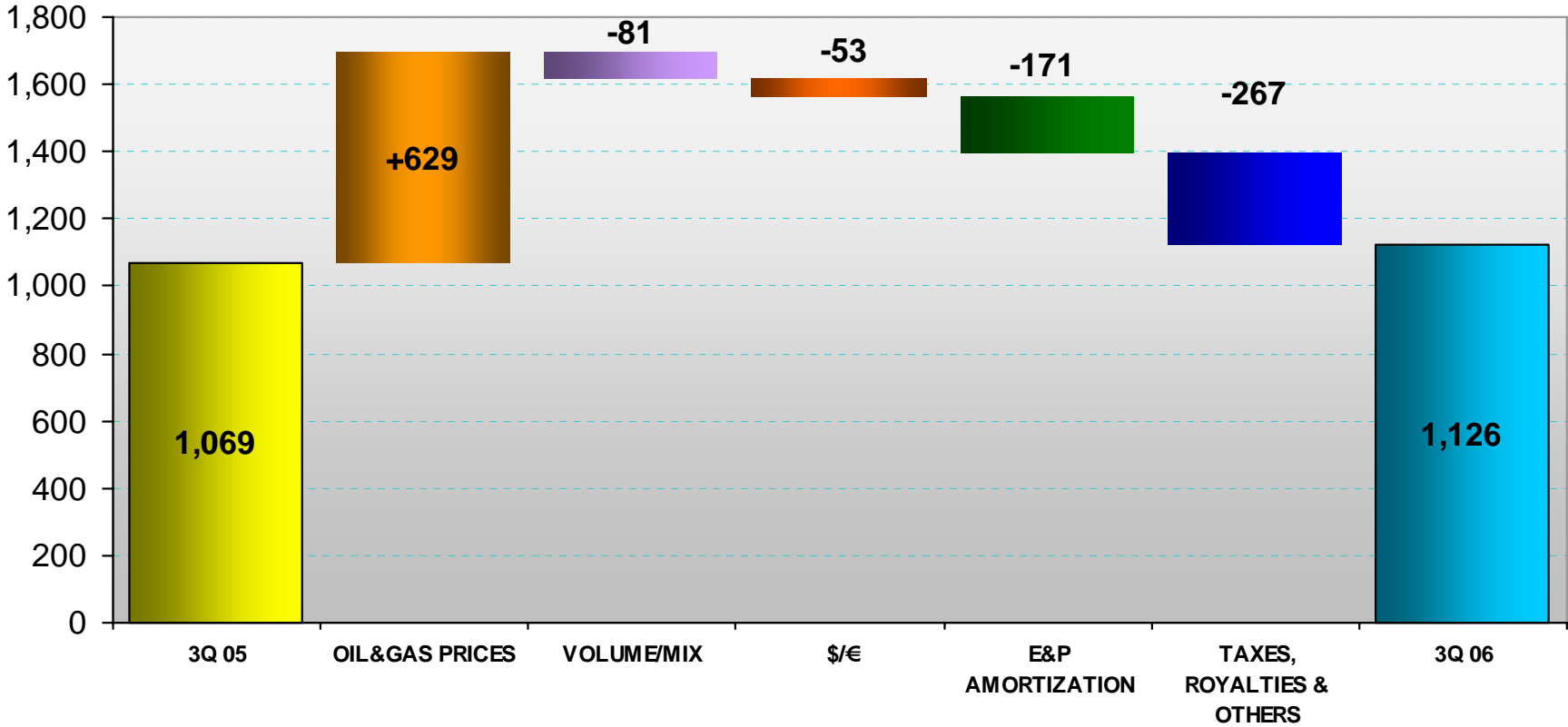
Adjusted Income from Operations



Million Euro

Upstream results

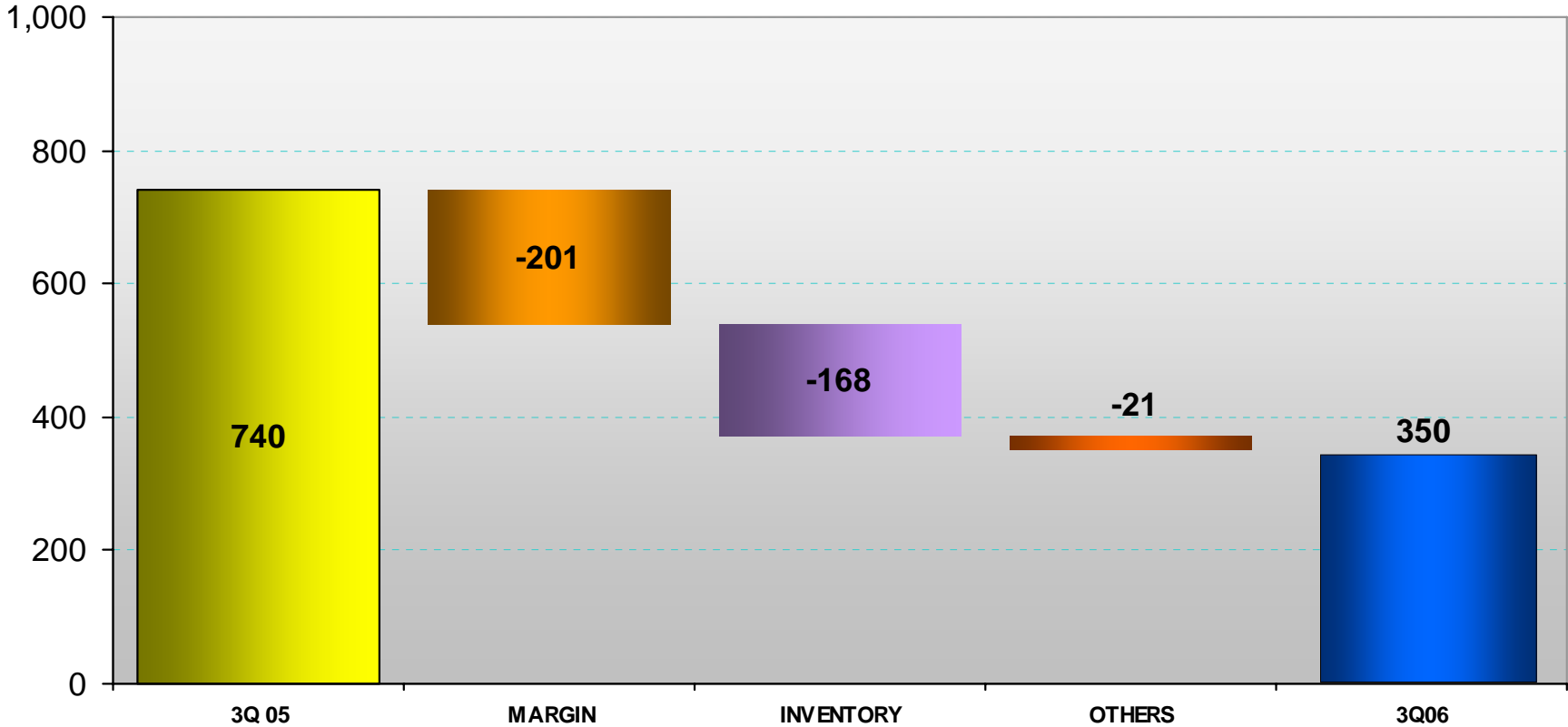
Upstream Adjusted Income from Operations



Million Euro

Downstream results

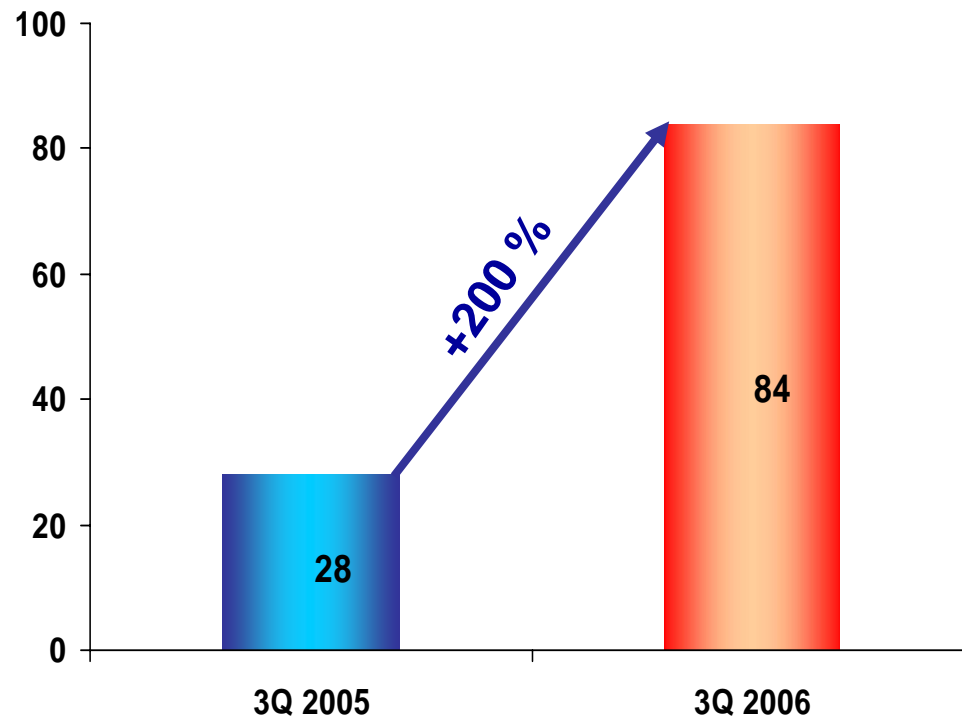
R&M Adjusted Income from Operations



Million Euro

Downstream results

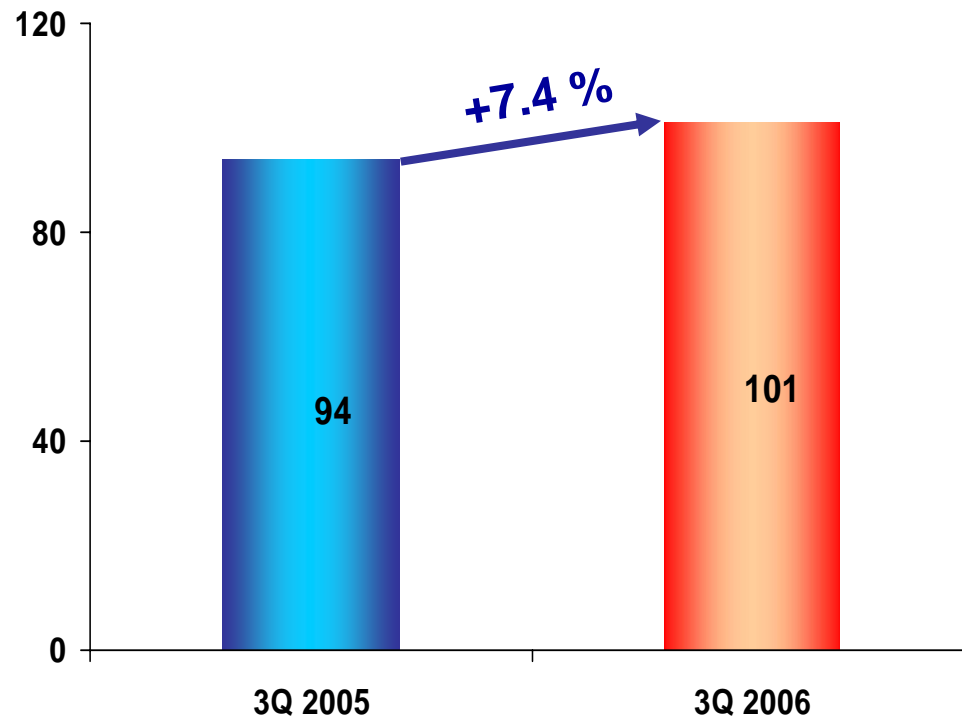
Chemicals Adjusted Income from operations



Million Euro

- ❖ *Improvement of petrochemicals margins*
- ❖ *Increase in sales volumes*

G&P Adjusted Income from operations

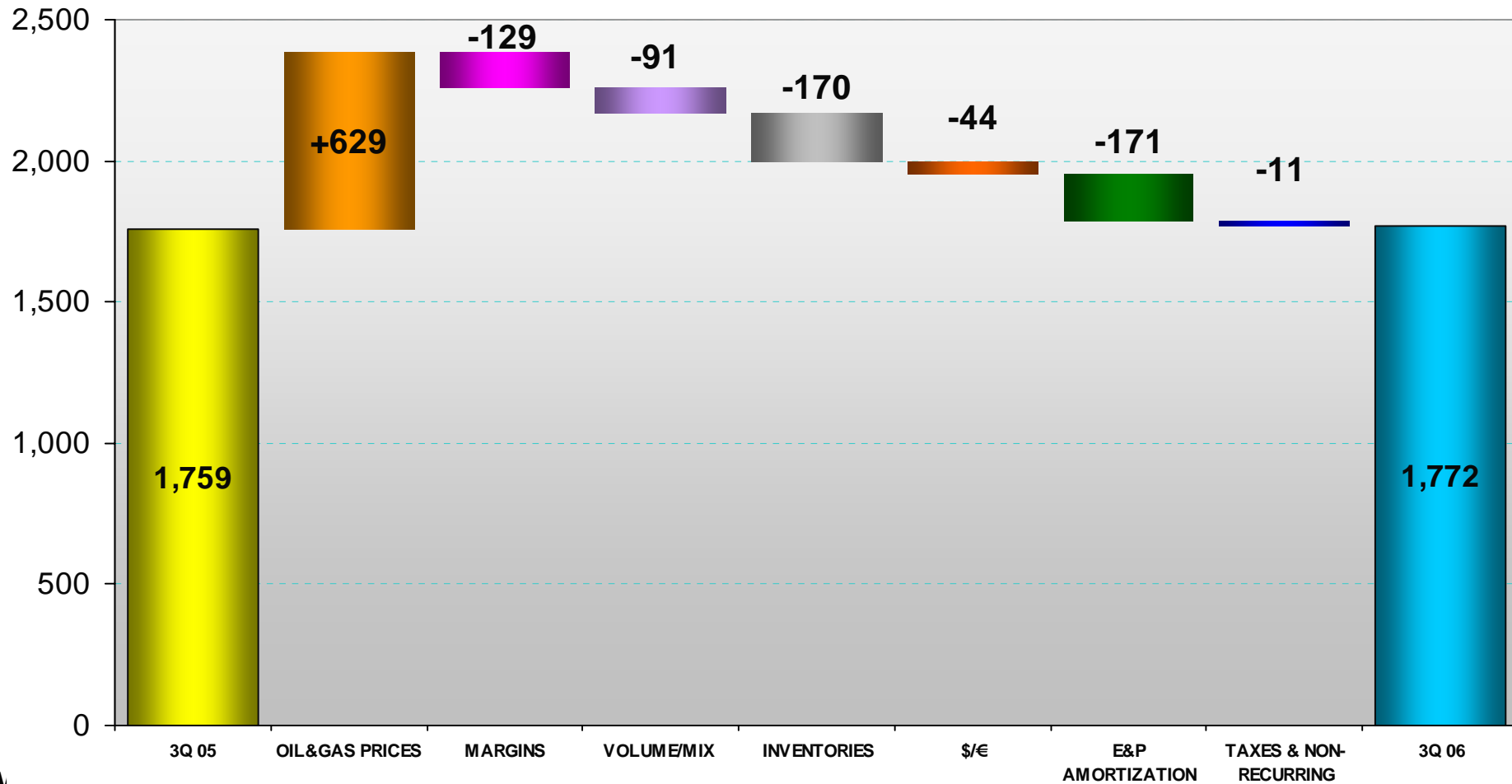


Million Euro

- ❖ *Good performance by the power activity in Spain and international activity*
- ❖ *Ongoing recovery of natural gas marketing in Spain*

Variance Analysis

Income from operations



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Financial Evolution

Debt Ratios



Million Euro

	Dec 31 st 2005	Sep 30 th 2005	Sep 30 th 2006
NET DEBT	4,513	5,343	5,870
BOOK CAPITALIZATION	24,988	25,352	28,226
NET DEBT /BOOK CAPITALIZATION (%)	18.1%	21.1%	20.8%
EBITDA	9,139	6,664	7,135
NET DEBT / EBITDA	0.49	0.49	0.62
NET INTEREST	394	299	287
NET INTEREST + DIVIDENDS PREFERRED SHARES	573	433	427
EBITDA / NET INTEREST	23.2	22.3	24.9
EBITDA / NET INTEREST + DIVIDENDS PREFERRED	15.9	15.4	16.7

Conference Call Details



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PLEASE KINDLY TAKE NOTE OF THE DETAILS OF THE CONFERENCE CALL AND WEBCAST:

Thursday, 16th November 2006

14.00h (Madrid) 13.00h (London)

SUMMARY:

Listen only mode Intervention followed by a Questions and Answer Session

Dial in number (on Spain): +34 91 789 5140

Dial in number (rest of countries): +44 (0) 207 107 0685

Access code not needed

The conference call will be available for 7 days after the 16th November 2006 (until November 23th 2006) on the following number:

Replay details

Dial in on: +34 91 787 96 70

Pin number: 181655#

On our website replay will be available for the next 6 months. For any further information please contact the Investor Relations team:

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