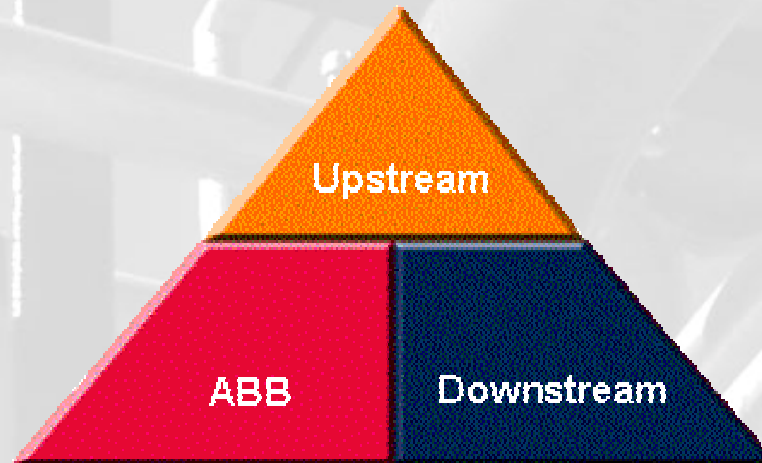


**REPSOL**  
**YPF**



# 2005-2009 Strategy

(II)



# Disclaimer

***Safe harbor statement under the Private Securities Litigation Reform Act of 1995:***

***This document contains statements that Repsol YPF believes constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements 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, as well as Repsol YPF's plans with respect to capital expenditures, cost savings, investments and dividend payout policies. These statements are not guarantees of future performance 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.***

***Repsol YPF's future financial condition, financial ratios, results of operations, business, strategy, geographic concentration, production volumes, reserves, capital expenditures, cost savings, investments and dividend payout could differ materially from those expressed or implied in any such forward-looking statements. Such factors include, but are not limited to, currency fluctuations, the price of petroleum products, the ability to realize cost reductions and operating efficiencies without unduly disrupting business operations, environmental and regulatory considerations and general economic and business conditions, as well as 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 and the Securities and Exchange Commission in the United States; in particular, those described in Section 1.3 "Key Information about Repsol YPF—Risk Factors" and Section 3 "Operating and Financial Review and Prospects" in Repsol YPF's annual report on Form 20-F for the fiscal year ended December 31, 2003 filed with the Securities and Exchange Commission.***

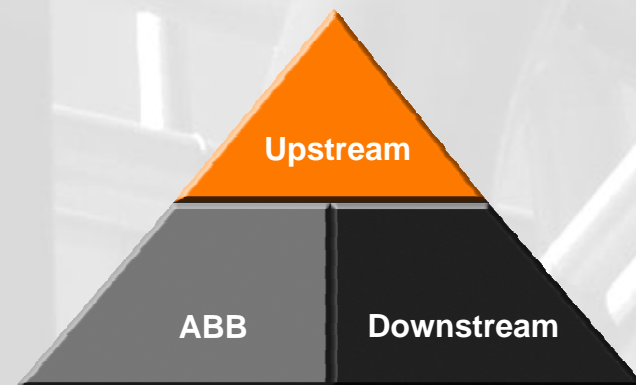
***Repsol YPF does not undertake to publicly update or revise these forward looking statements even if experience or future changes make it clear that the projected results or condition expressed or implied therein will not be realized.***

**REPSOL  
YPF**



## Upstream\*

Profitable growth engine for Repsol YPF



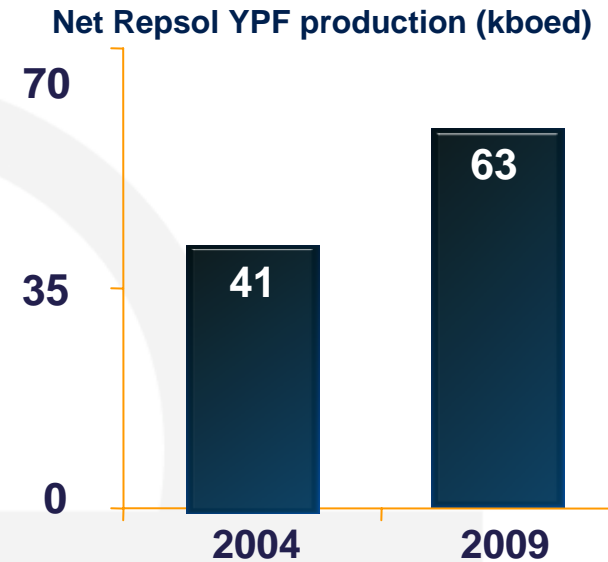
\* Excluding ABB

# Upstream highlights

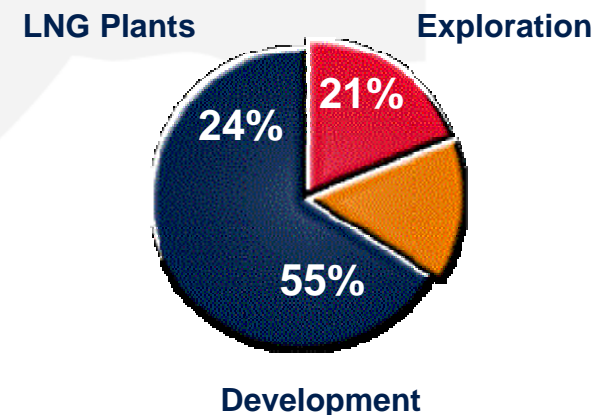
- Strong positions in two core areas where Repsol YPF has competitive advantage
  - North Africa
  - Caribbean
- Unique LNG position in Atlantic basin:
  - Attractive LNG portfolio (Trinidad, Algeria, Iran)
  - Agreement with Gas Natural
- Non-core assets under review
- Business development leveraging on NOC relationships

NOC: National Oil Companies

# Strong position in two core areas: North Africa



CAPEX 05-09: \$1,900 M

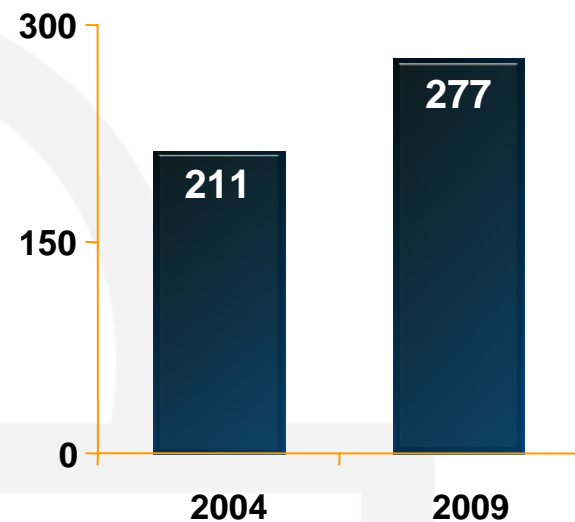


- Increase in production in Libya (NC 115, 186, 190)
- Largest acreage in Libya (140,000 km<sup>2</sup>) with exploration potential (Murzuk, Sirte, Ghadames). 58 exploratory wells in 2005-2009
- Algeria: Gassi Touil start up in 2009 with first LNG train. Exploration potential (Gassi Touil, Reggane, Gassi Chergui) will allow approval of second train within next three years
- 25 exploratory wells in current Algerian acreage in 2005-2009

# Strong position in two core areas: Caribbean

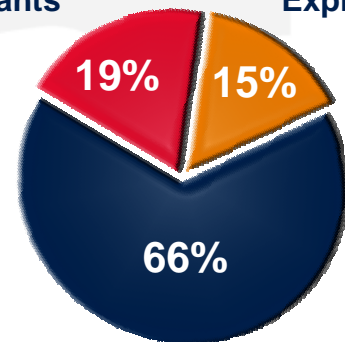


Net Repsol YPF production (kboed)



CAPEX 05-09: \$2,200 M

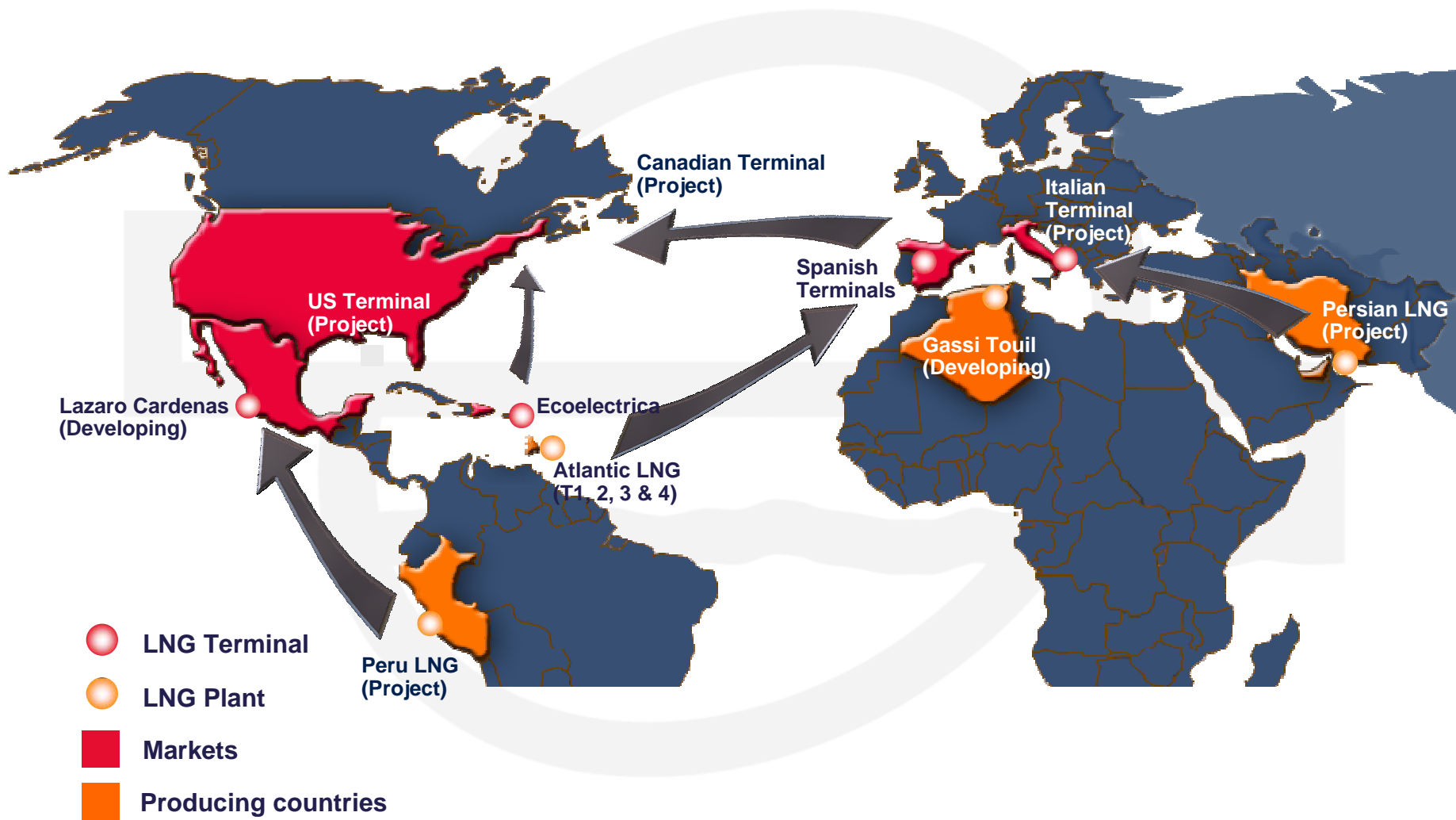
LNG Plants Exploration



Development

- Train 4 expected by end 2005
- T&T exploration potential in current portfolio. 14 exploratory wells in 2005-2009
- New gas projects under development in Venezuela: Barrancas (late 2005). Increasing production (Mene Grande & Yucal Placer).
- Business opportunities with PDVSA (JV including adjacent assets, heavy crude oil and LNG projects)

# LNG: Leadership through integration



# JV with Gas Natural: Upstream & Midstream

A tool to maximize value through the LNG chain



Management instrument

E&P & Liquefaction Association

New 50%-50% joint venture

Regasification partnership

Assets

REPSOL  
YPF



60%



40%

REPSOL  
YPF



50%



50%



# JV: Leading LNG marketer

Access to upstream new projects

Upstream profitability linked to final LNG market price

Arbitrage in price opportunities

Fleet optimization

Economies of scale

Commercial risk management improvement

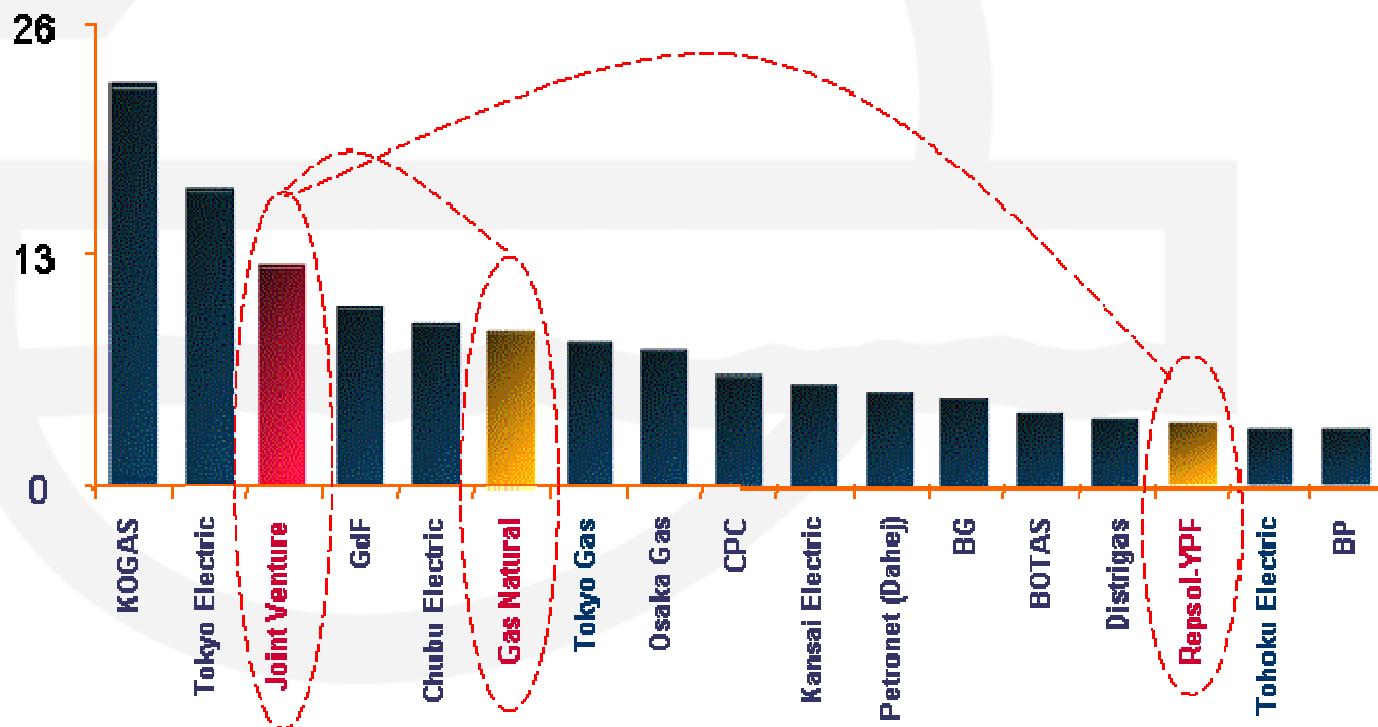
Deepen Repsol YPF's know how

**Synergies**

\$65 – \$100 M/yr post - 2009

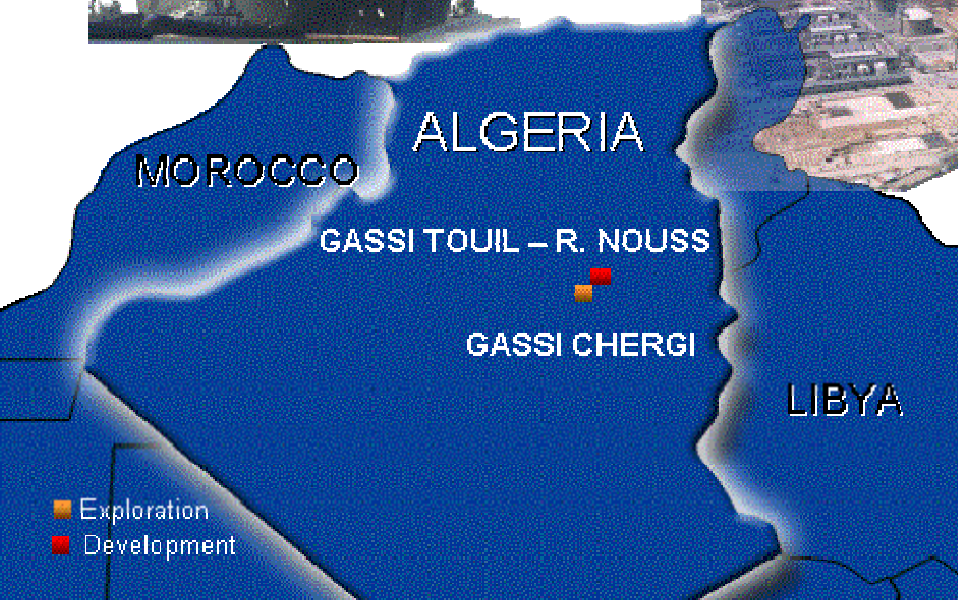
**Savings**

\$10 M/yr post 2006

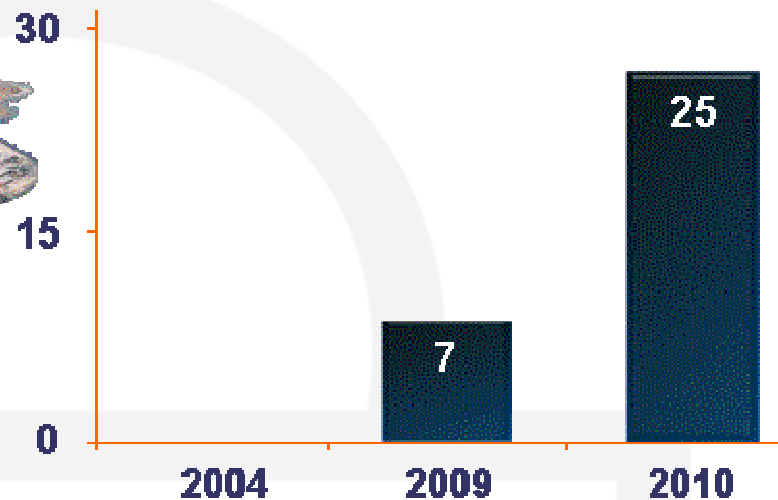


Source: Wood Mackenzie 2005 (Purchase contracts)

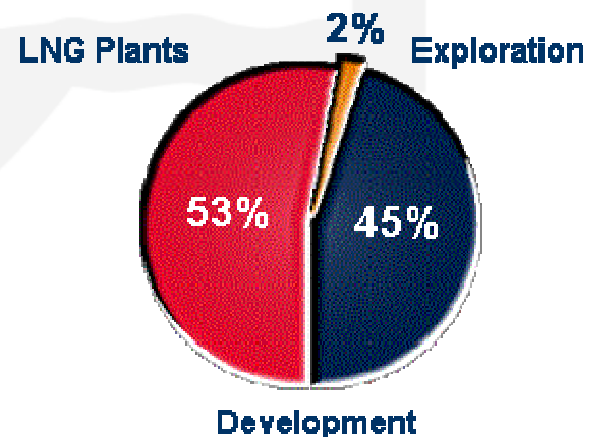
# Gassi Touil Project: Significant potential



Net Repsol YPF production (kboed)

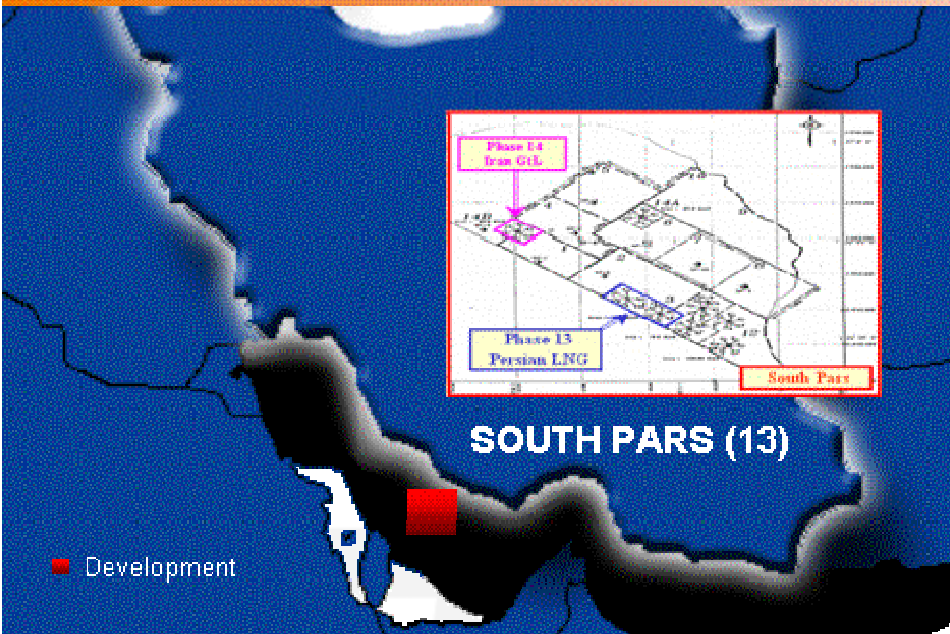


CAPEX 05-09: \$850 M

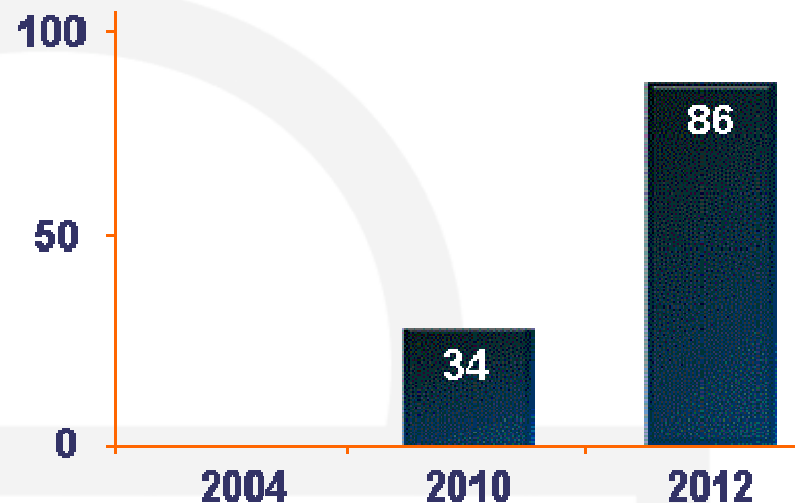


- Gassi Touil Project expected to start by end 2009
- Highly probable approval of a second train in three years

# Persian LNG Project: Long term option

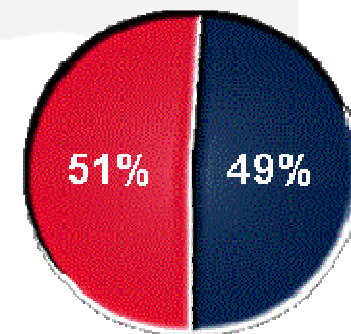


Net Repsol YPF production (kboed)



CAPEX 05-09: \$980 M

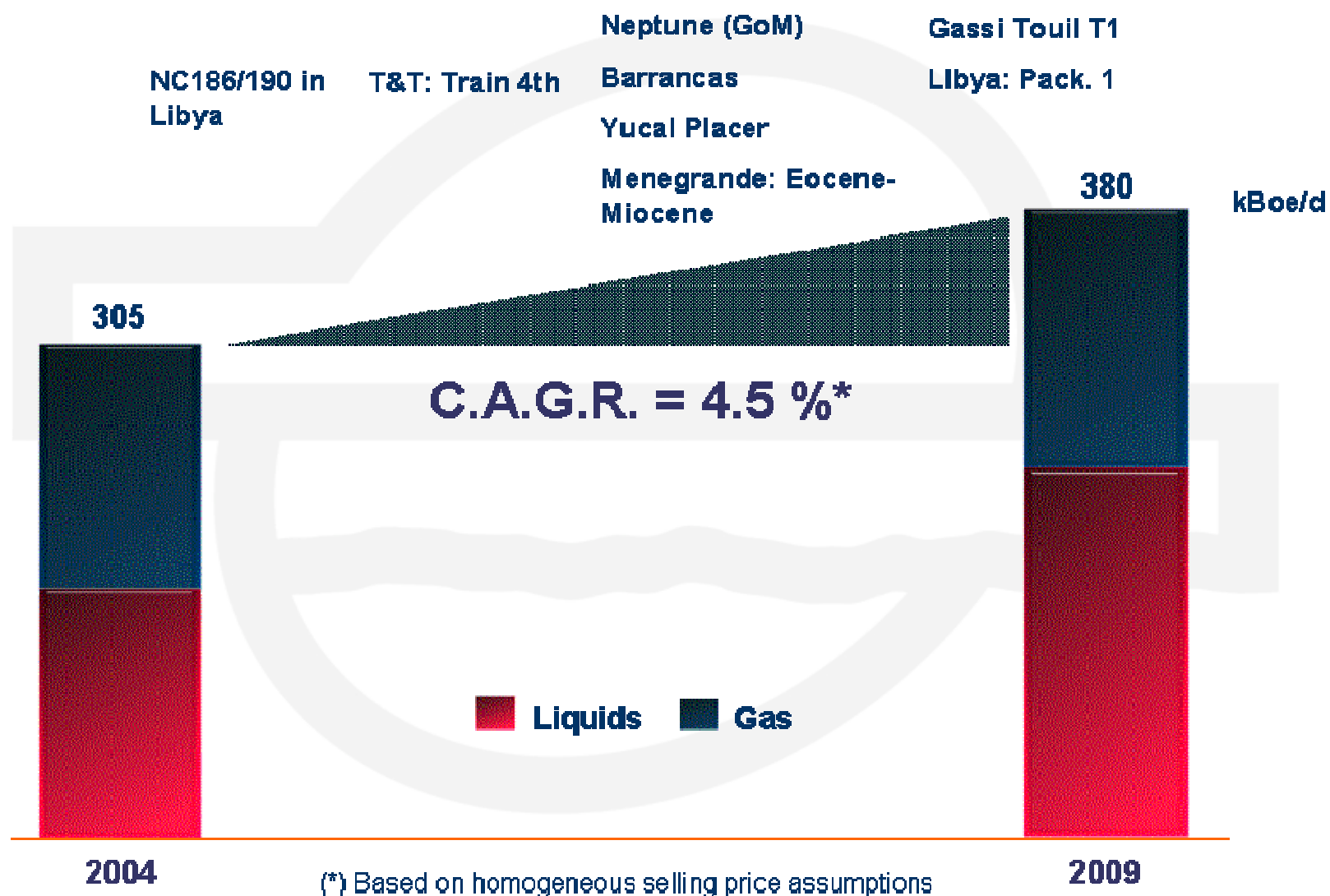
- Persian LNG Project expected to be on production about the middle of 2010 (70% probability assigned)



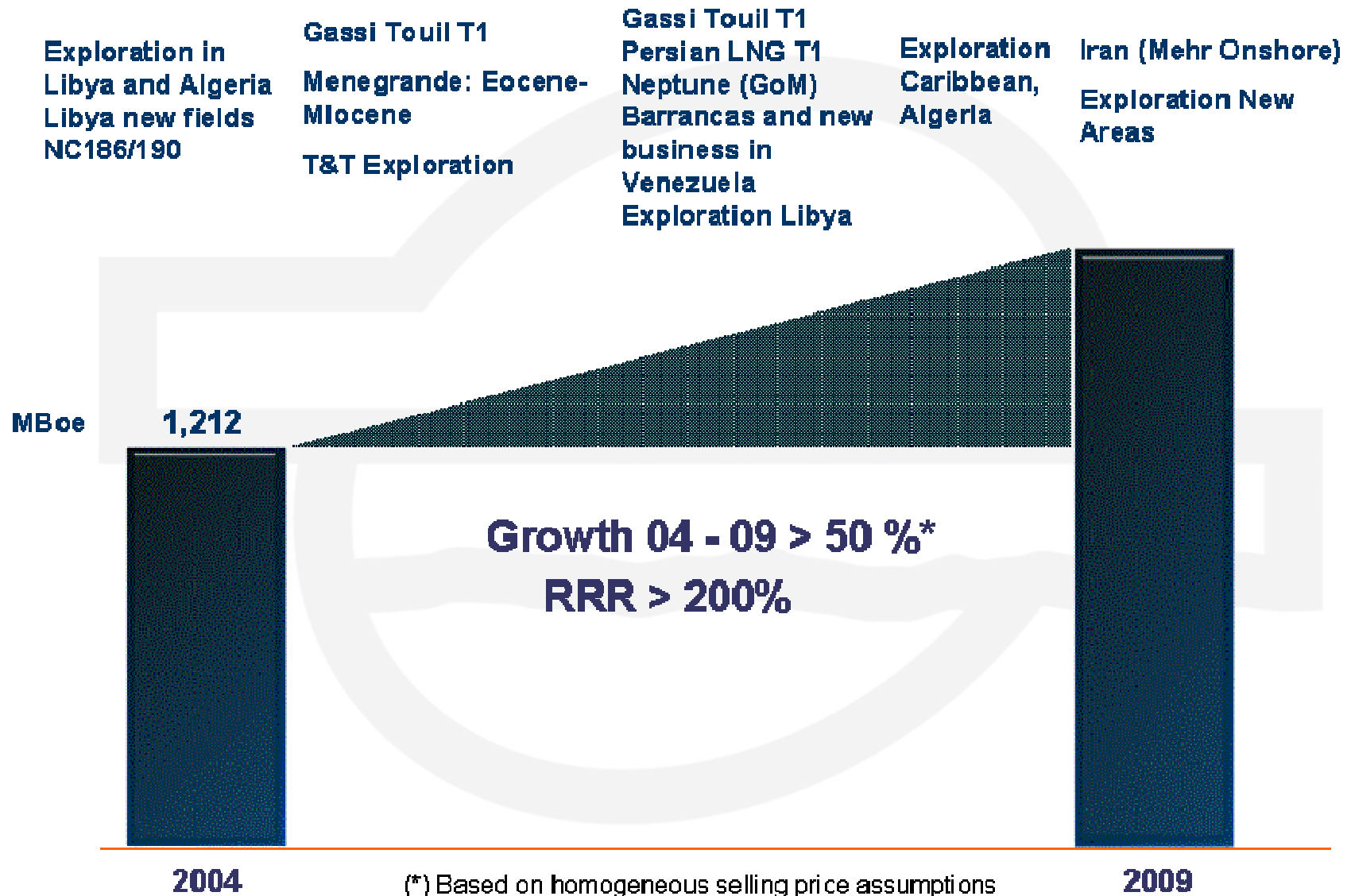
LNG Plants

Development

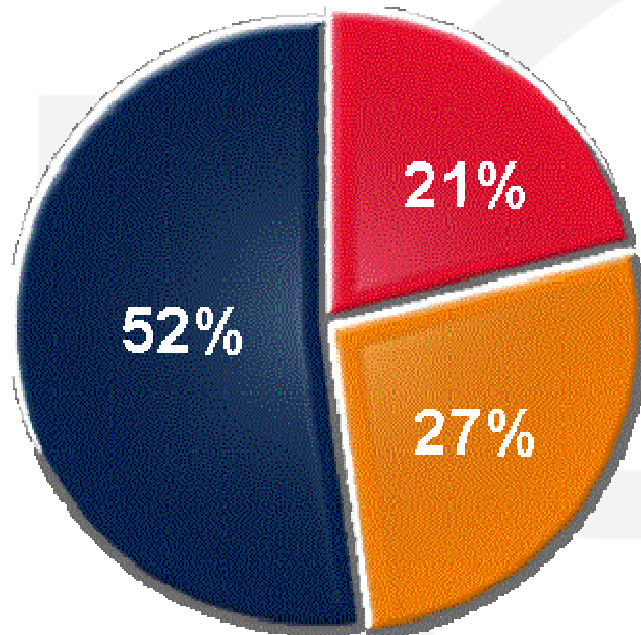
# Production growth under status quo scenario



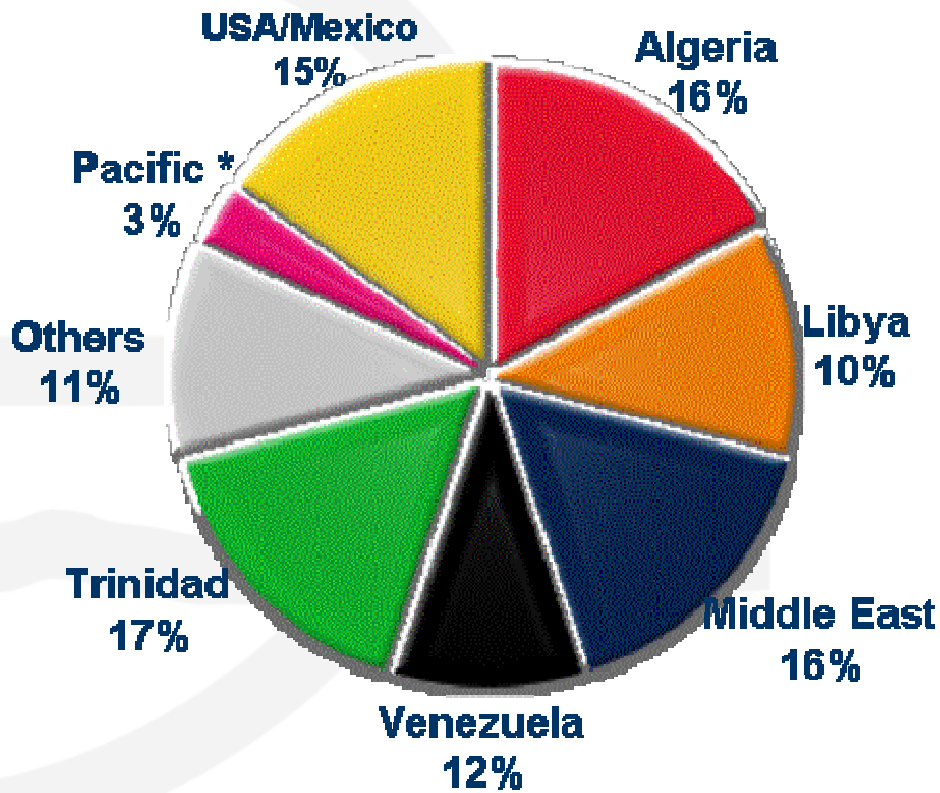
# Proved reserves evolution under status quo scenario



**TOTAL \$7,400 M**



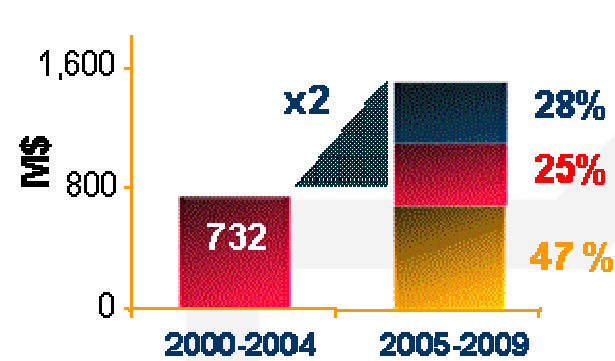
- Exploration
- Liquefaction & Regas Plants
- Development and other



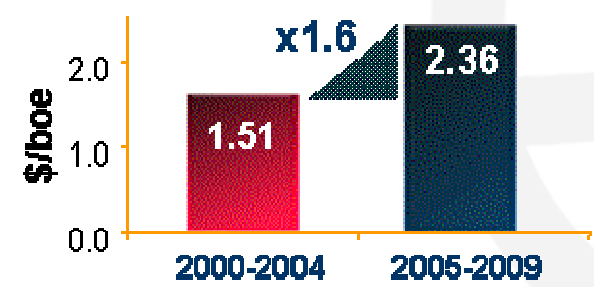
\* Ecuador Peru Colombia

# Increasing exploration CAPEX 2005-2009

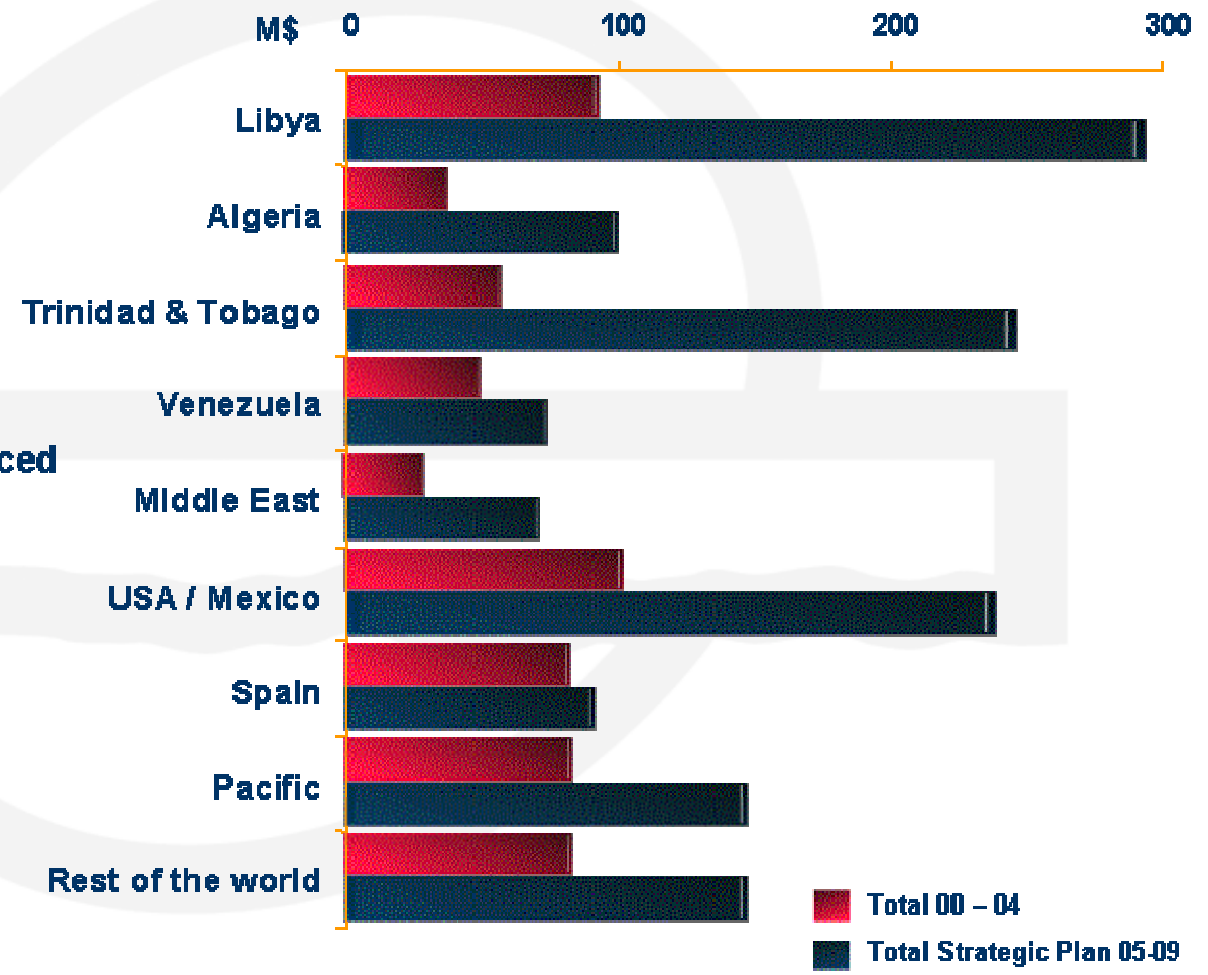
## Exploration CAPEX



## Exploration CAPEX per barrel produced



- Offshore deep
- Offshore shallow
- Onshore

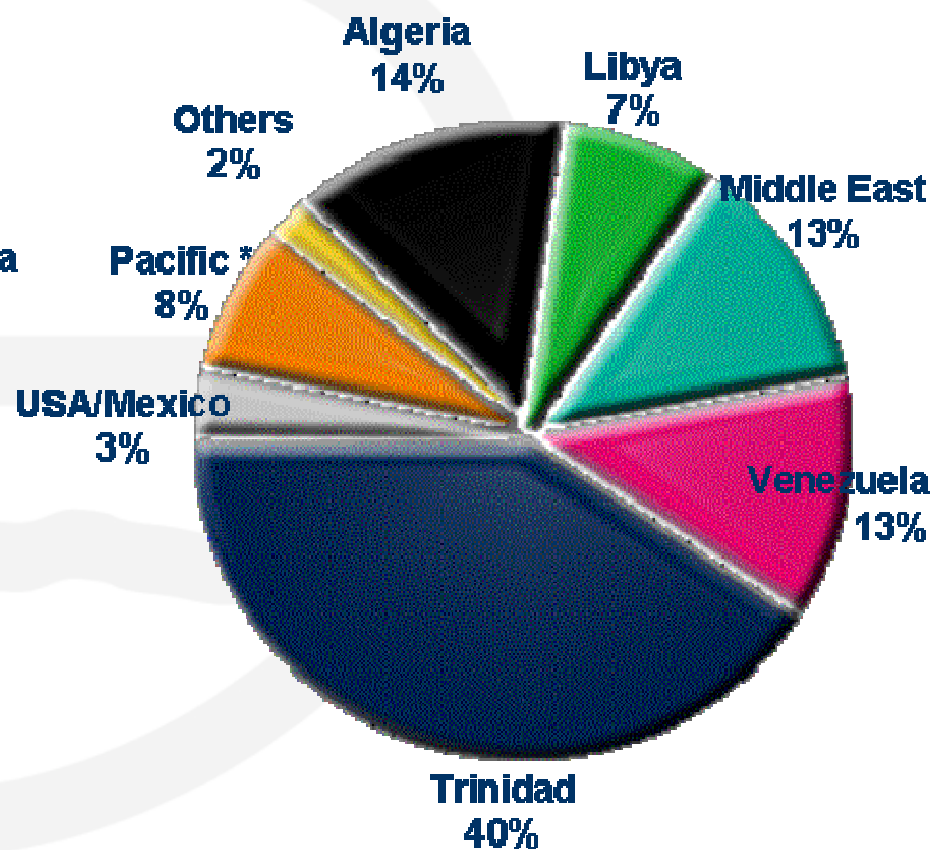
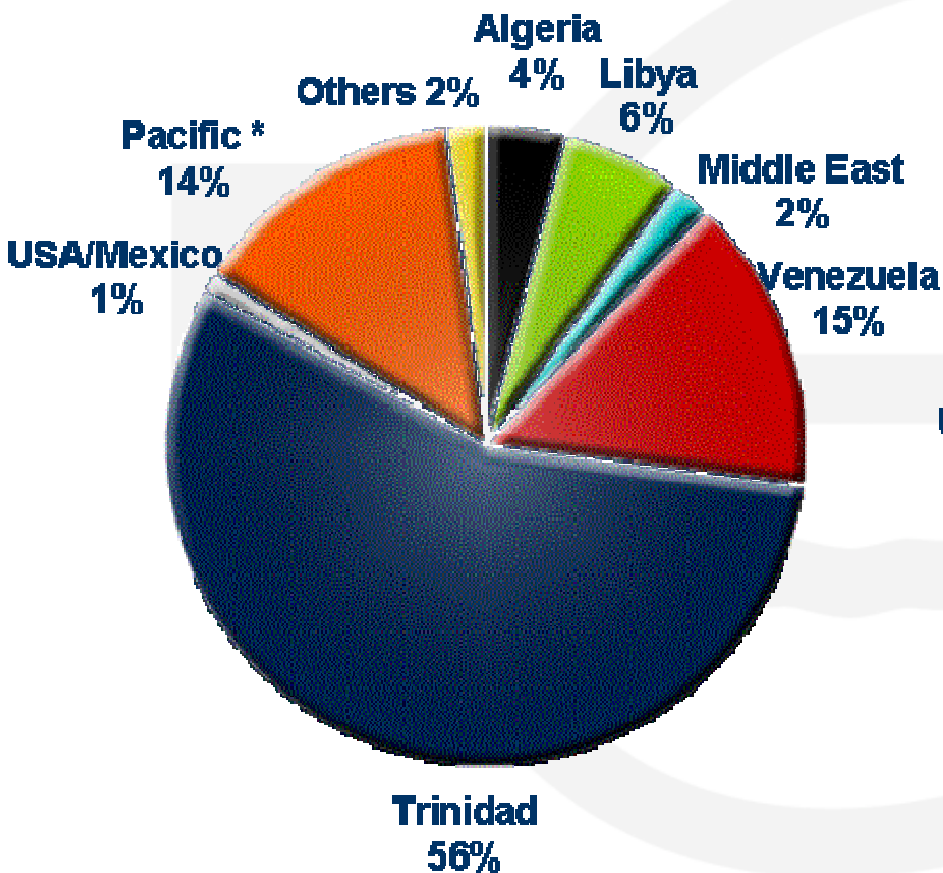


- Total 00 - 04
- Total Strategic Plan 05-09

# Average capital employed

2005: \$5,377 M

2009: \$7,840 M



\* Ecuador Peru Colombia



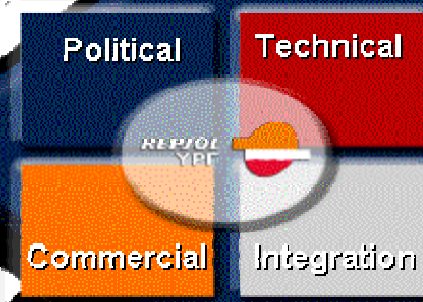
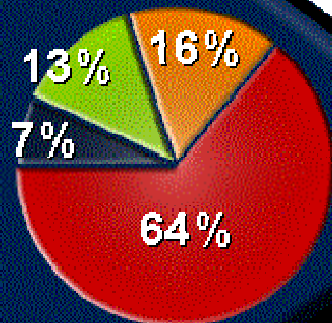
# Business development to create new growth

## Leverage on NOC relationships

NOC control reserves

Proven track record

Repsol YPF skills



- NOC Reserves
- NOC Reserves (equity access)
- IOC Reserves
- New Russian companies

IOC: International Oil Companies

**REPSOL  
YPF**



## 2005-2009 Strategy

(II)

