



# Peru Field Trip September 2010

---

*Kinteroni Project*

*Roberto Díaz*

*Kinteroni Project Director*

*Peru E&P BU*



ALL RIGHTS ARE RESERVED

© REPSOL YPF, S.A. 2010

Repsol YPF, S.A. is the exclusive owner of this document. No part of this document may be reproduced (including photocopying), stored, duplicated, copied, distributed or introduced into a retrieval system of any nature or transmitted in any form or by any means without the prior written permission of Repsol YPF, S.A.

This document contains statements that Repsol YPF believes constitute forward-looking statements within the meaning of the US 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, expectations or objectives with respect to capital expenditures, business, strategy, geographic concentration, costs savings, investments and dividend payout policies. These forward-looking statements may also include assumptions regarding future economic and other conditions, such as future crude oil and other prices, refining and marketing margins and exchange rates. These statements are not guarantees of future performance, prices, margins, exchange rates or other events 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, costs savings, investments and dividend payout policies, as well as future economic and other conditions, such as future crude oil and other prices, refining margins and exchange rates, could differ materially from those expressed or implied in any such forward-looking statements. Important factors that could cause such differences include, but are not limited to, oil, gas and other price fluctuations, supply and demand levels, currency fluctuations, exploration, drilling and production results, changes in reserves estimates, success in partnering with third parties, loss of market share, industry competition, environmental risks, physical risks, the risks of doing business in developing countries, legislative, tax, legal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, wars and acts of terrorism, natural disasters, project delays or advancements and lack of approvals, 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, 2009 filed with the US Securities and Exchange Commission and in Section I "Risk factors" in Repsol YPF's Registration Document filed with the Comisión Nacional del Mercado de Valores in Spain in April 2010. Both documents are available on Repsol YPF's website ([www.repsol.com](http://www.repsol.com)). In light of the foregoing, the forward-looking statements included in this document may not occur.

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 performance, conditions or events expressed or implied therein will not be realized.

This document does not constitute an offer to purchase, subscribe, sale or exchange of Repsol YPF's or YPF Sociedad Anonima's respective ordinary shares or ADSs in the United States or otherwise. Repsol YPF's and YPF Sociedad Anonima's respective ordinary shares and ADSs may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended.



## Video



*Location*



*Block 57 Background*



*Objectives*



*Environmental Issues*



*Community Relationship*



*Geology and Estimated Production*



*Development Plan*



*Project Milestones*



*Investments*



*Video*

*Location*

*Block 57 Background*

*Objectives*

*Environmental Issues*

*Community Relationship*

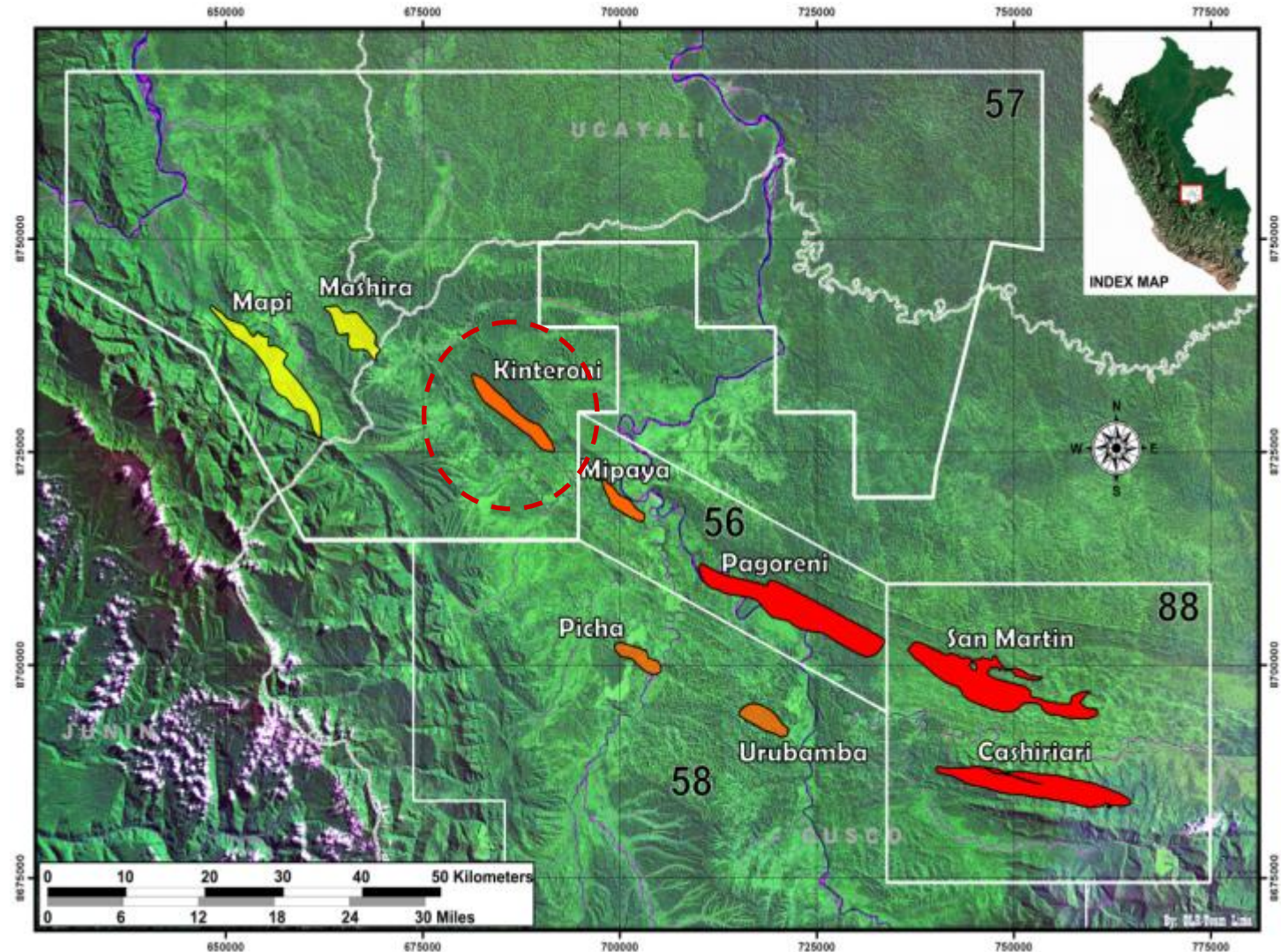
*Geology and Estimated Production*

*Development Plan*

*Project Milestones*

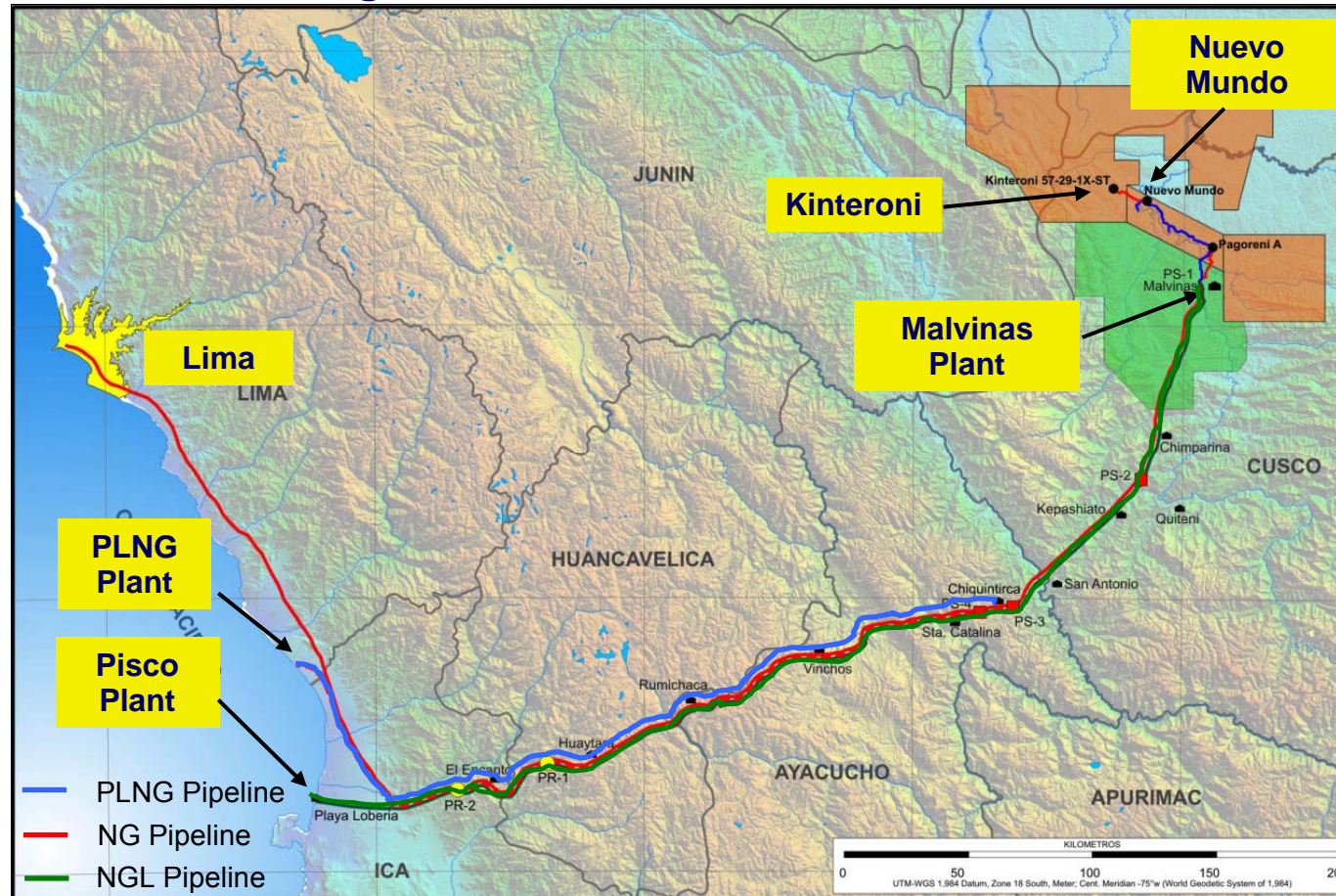
*Investments*

- Department of Cuzco.
- Ucayali-Madre de Dios Basin.
- 50 km from Camisea gas and condensate fields.





## Natural Gas Integrated Chain



Coast-Andes-Amazon Challenging Geography





*Video*



*Location*



***Block 57 Background***



*Objectives*



*Environmental Issues*



*Community Relationship*



*Geology and Estimated Production*



*Development Plan*



*Project Milestones*



*Investments*

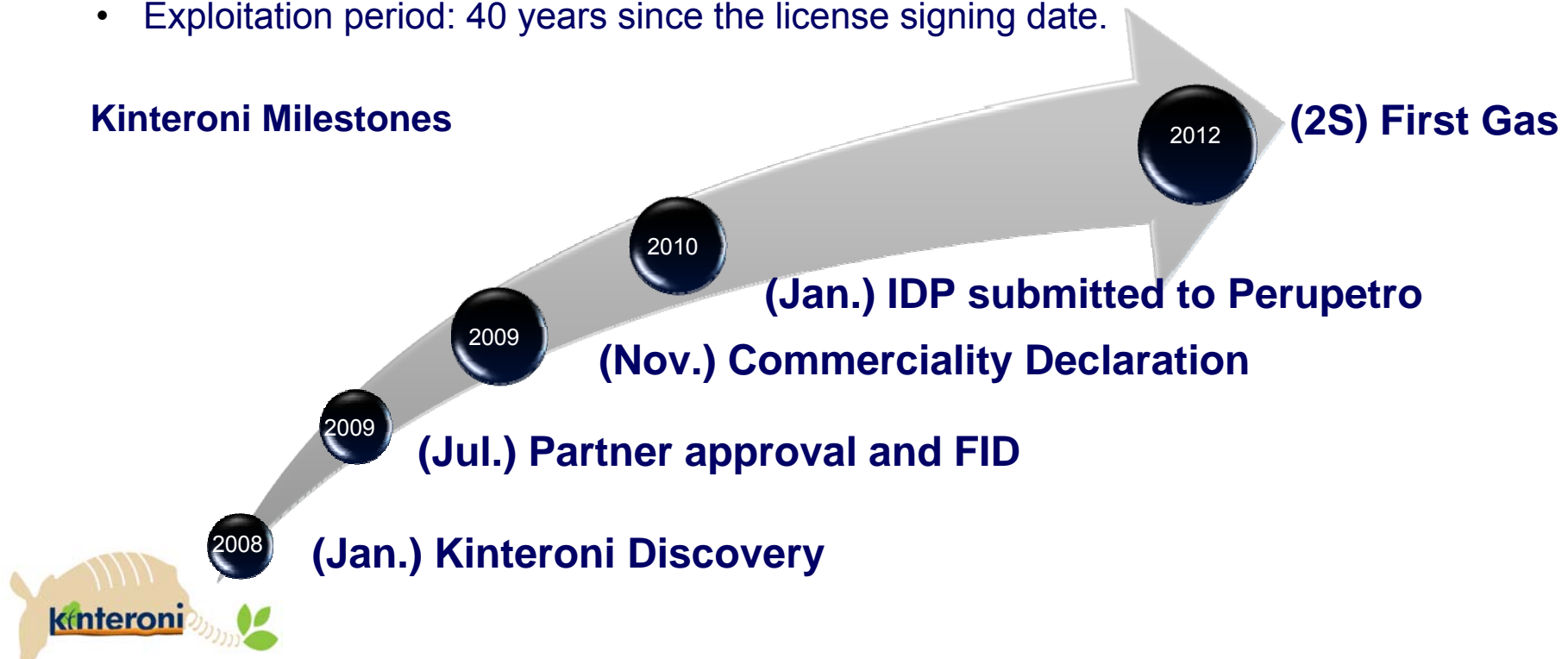


## Block 57 Contract

- License Contract signed on September 23th. 2003
- Consortium integrated by:
 

Repsol (operator)	53.84%
Petrobras	46.16%
- Currently in the fourth exploratory period.
- Exploitation period: 40 years since the license signing date.

## Kinteroni Milestones





*Video*



*Location*



*Block 57 Background*



***Objectives***



*Environmental Issues*



*Community Relationship*



*Geology and Estimated Production*



*Development Plan*



*Project Milestones*



*Investments*

- **Meet the growing domestic demand for gas.**
  - **First gas production: Second semester 2012.**
  - **Average production: 5 Mm<sup>3</sup>/d and 8.7 Kbopd.**
- **Execute the project according to best practices and industry standards.**
- **Field development strategy based on fast track approach to capitalize synergies with existing processing and transport infrastructure future expansions (Camisea Plants and TGP).**

**Meet the growing domestic demand for gas.**

- **First gas production: Second semester 2012.**
- **Average production: 5 Mm<sup>3</sup>/d and 8.7 Kbopd.**

**Execute the project according best practices and global standards related to:**





*Video*



*Location*



*Block 57 Background*



*Objectives*



***Environmental Issues***



*Community Relationship*



*Geology and Estimated Production*



*Development Plan*

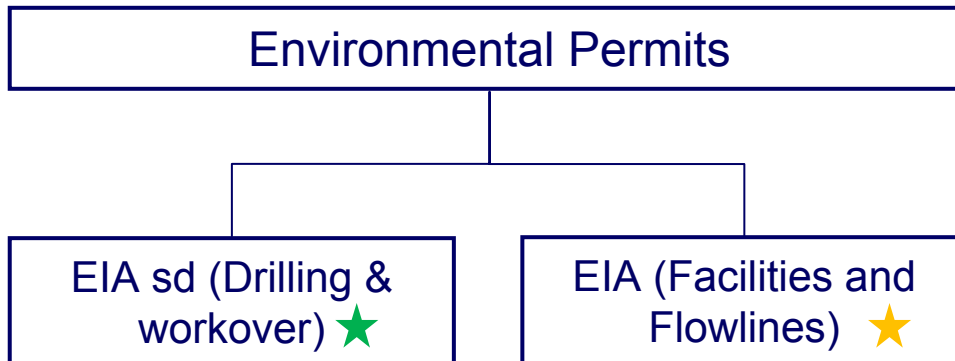


*Project Milestones*



*Investments*





- ★ Deforestation Permit ★
- ★ Archeology Authorization ★
- ★ Port Authorization ★
- ★ Water Disposal License ★
- ★ Water Consumption License ★





*Video*



*Location*



*Block 57 Background*



*Objectives*



*Environmental Issues*



***Community Relationship***



*Geology and Estimated Production*



*Development Plan*



*Project Milestones*



*Investments*

*“Community relations plan seeks to reconcile the interests of the communities, authorities, local organizations and Repsol. This plan is a guide to ensure that all activities of this project are executed in the best way ”*

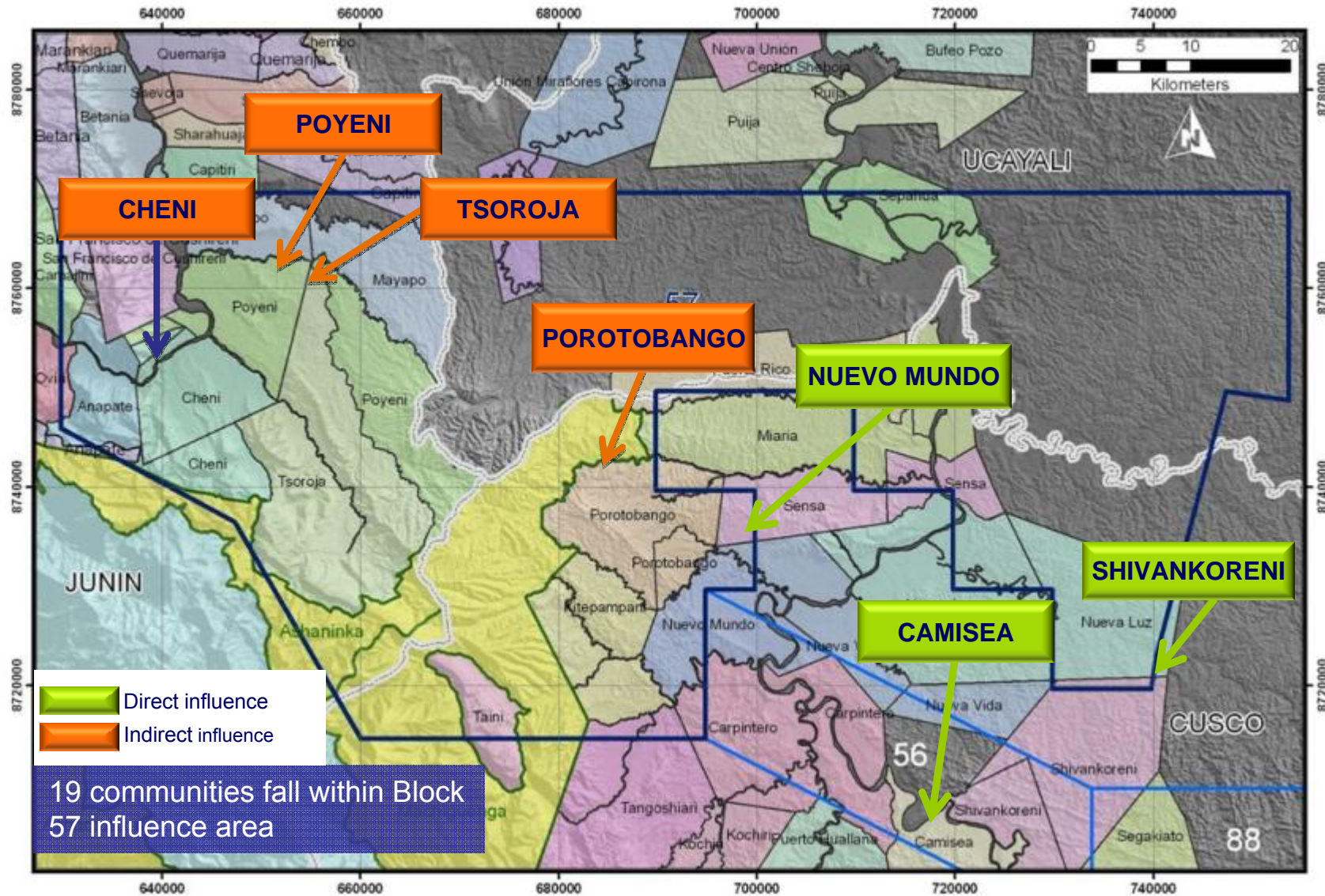
## Community Relations Plan

- Native Community Relationship
- Citizen monitoring and surveillance program
- Compensation Program
- Community Relationship Program
- Local workforce recruitment program

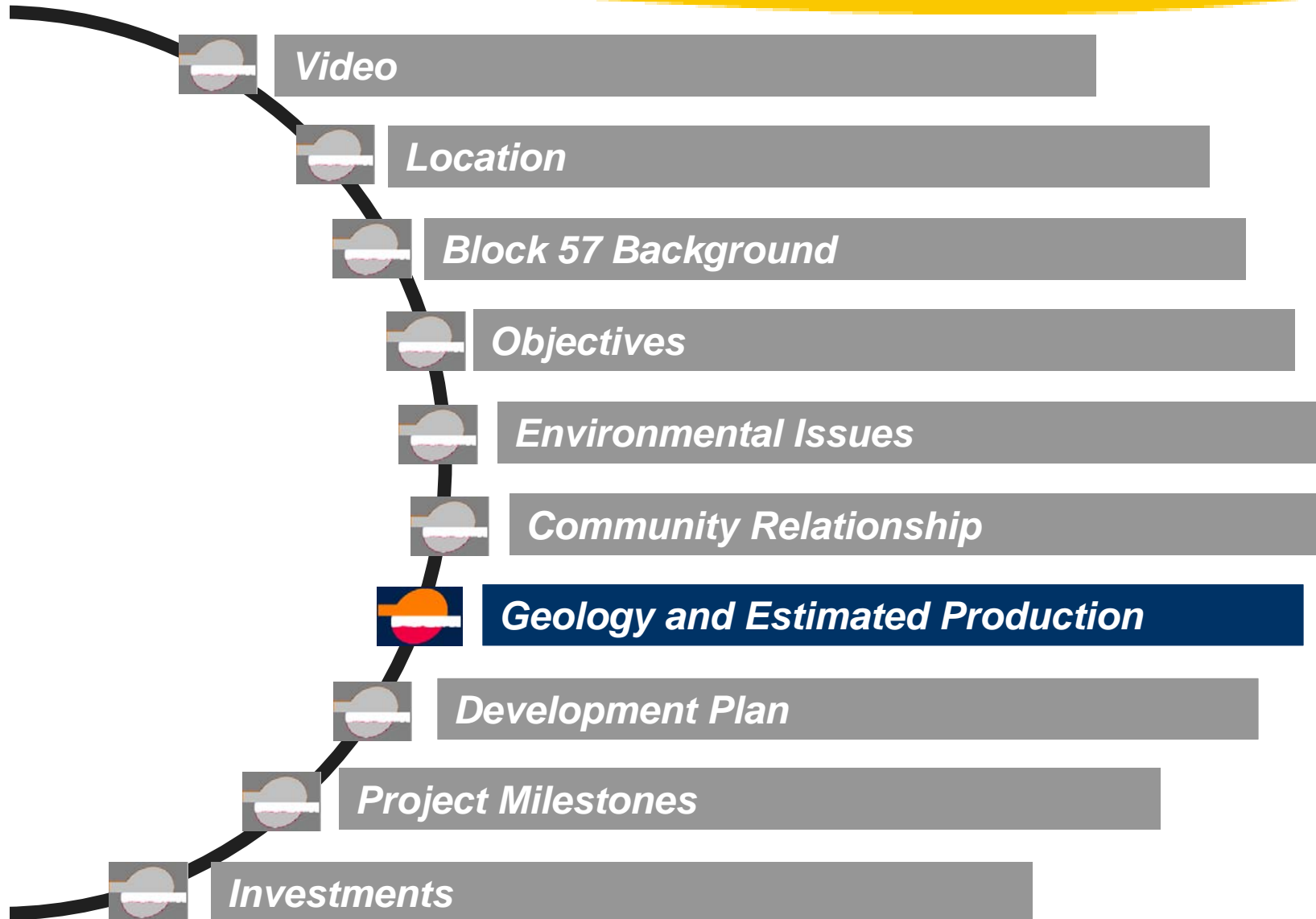




# Map of Communities

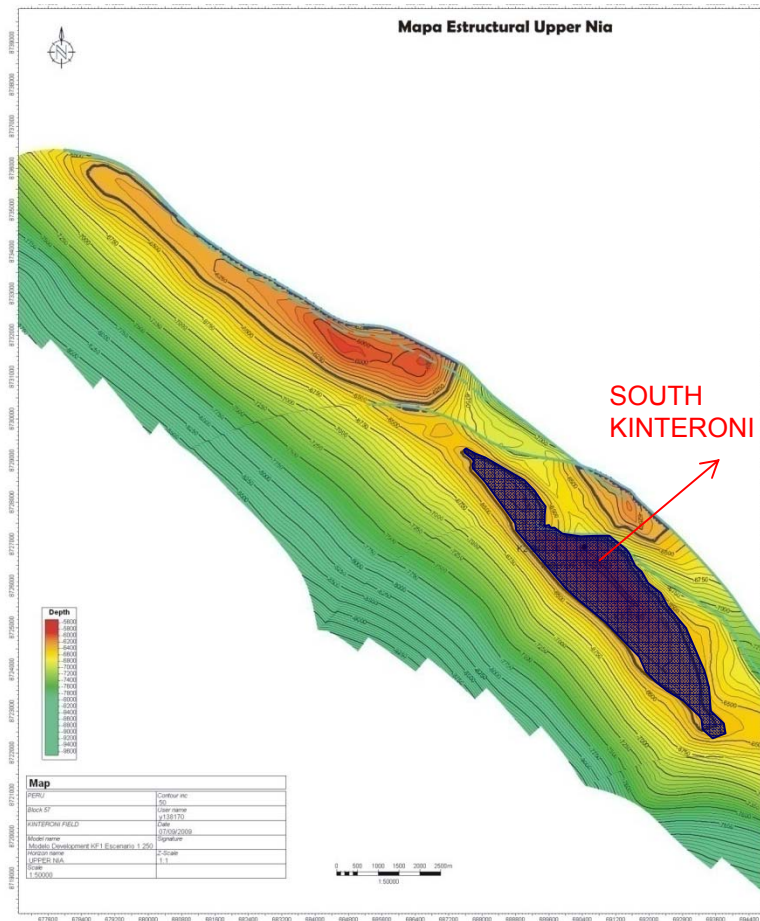


Influence blocks: 56, 57, 58

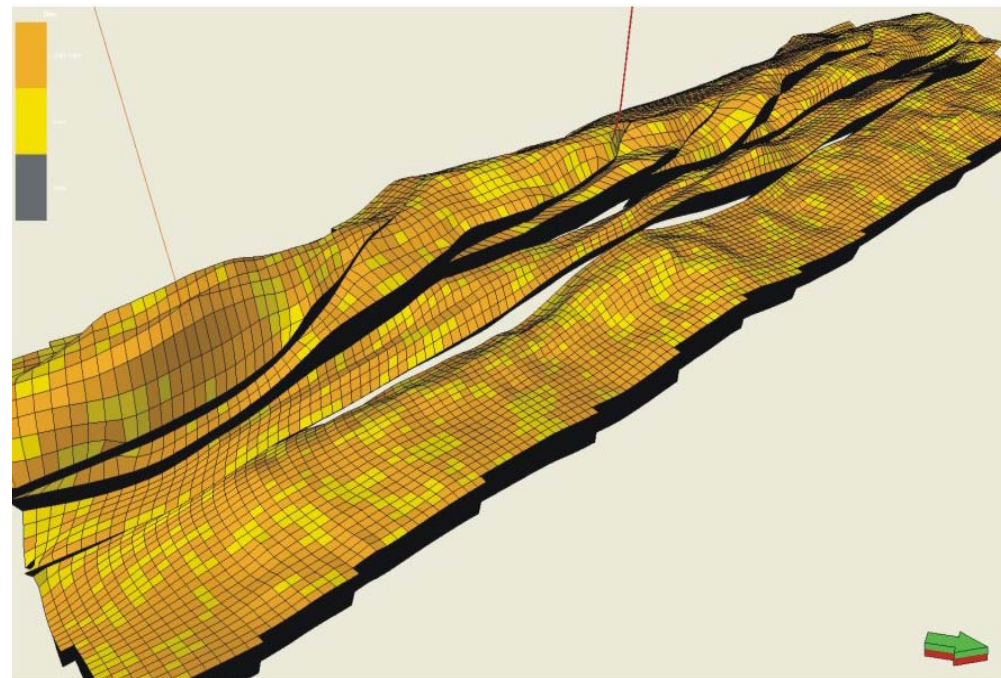




## Structural Map



## Geologic 3D Model



## New wells:

- Kinteroni-57-27-2D
- Kinteroni-57-27-3D

## Targets:

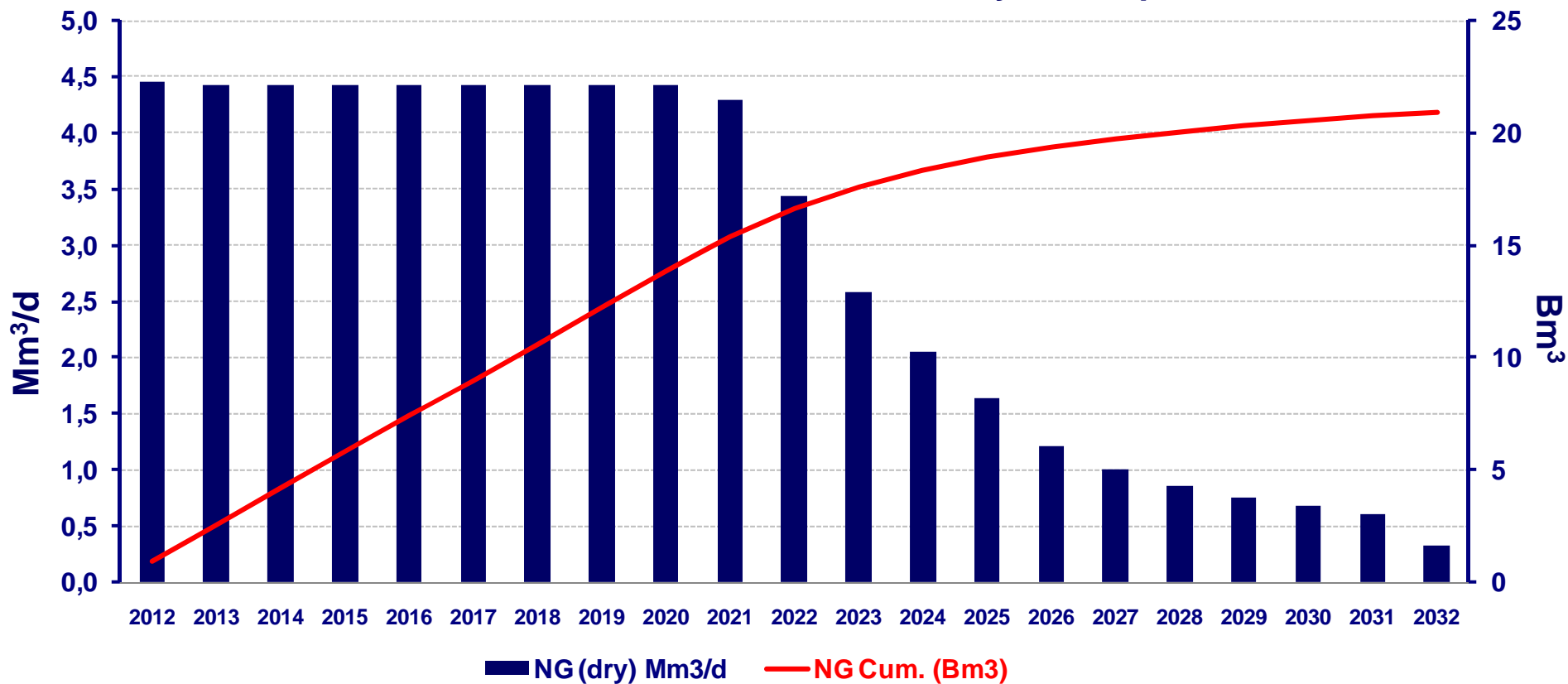
- Upper & Lower Nia (main objectives)
- Ene & Noi (secondary objectives)

## Possibilities for increasing reserves:

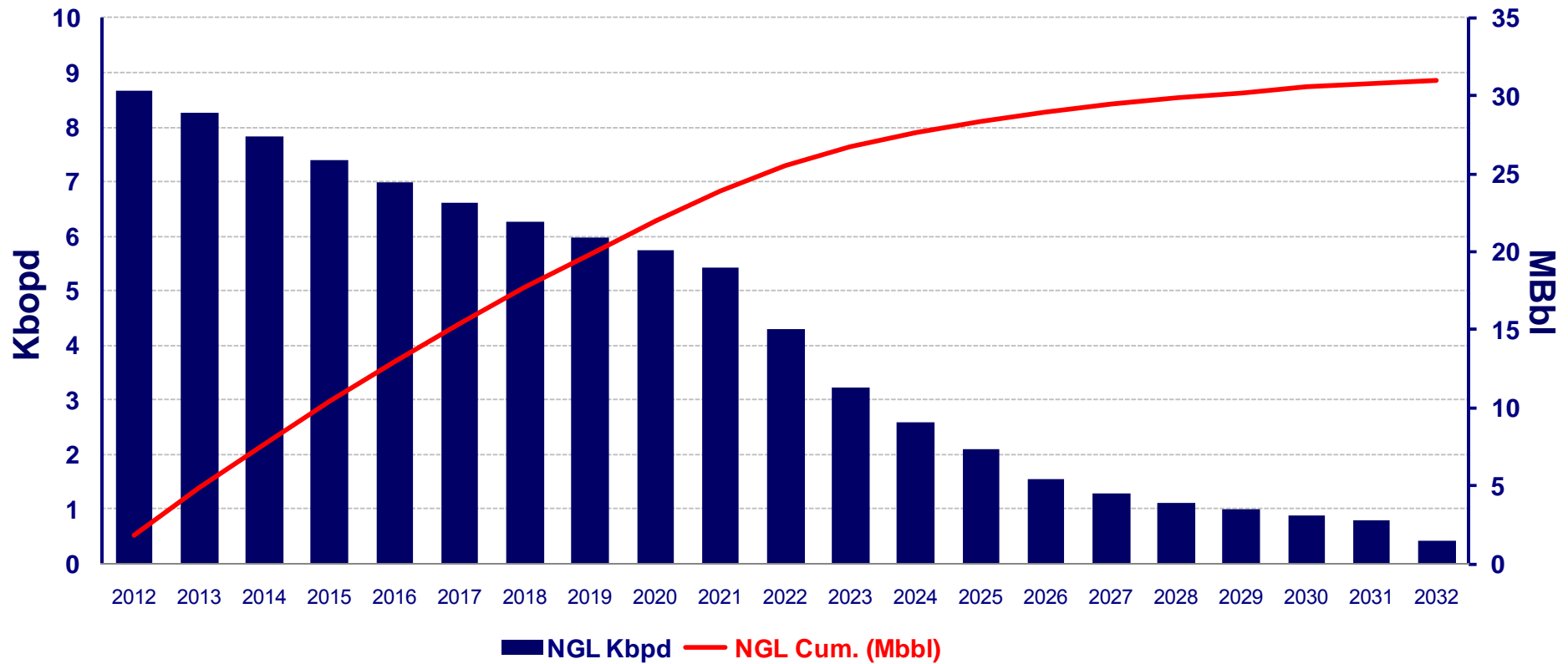
- Increase in maximum net thickness.
- Lowering GDT level in Upper Nia, Ene & Noi.
- New net pay areas in Ene & Noi.
- Verification of fault transmissibility (or existence).
- Additional data to update reservoir parameters.



## Production Forecast - Kinteroni Early Development



## Production Forecast - Kinteroni Early Development





*Video*



*Location*



*Block 57 Background*



*Objectives*



*Environmental Issues*



*Community Relationship*



*Geology and Estimated Production*



*Development Plan*


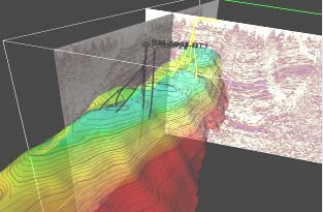






*Project Milestones*

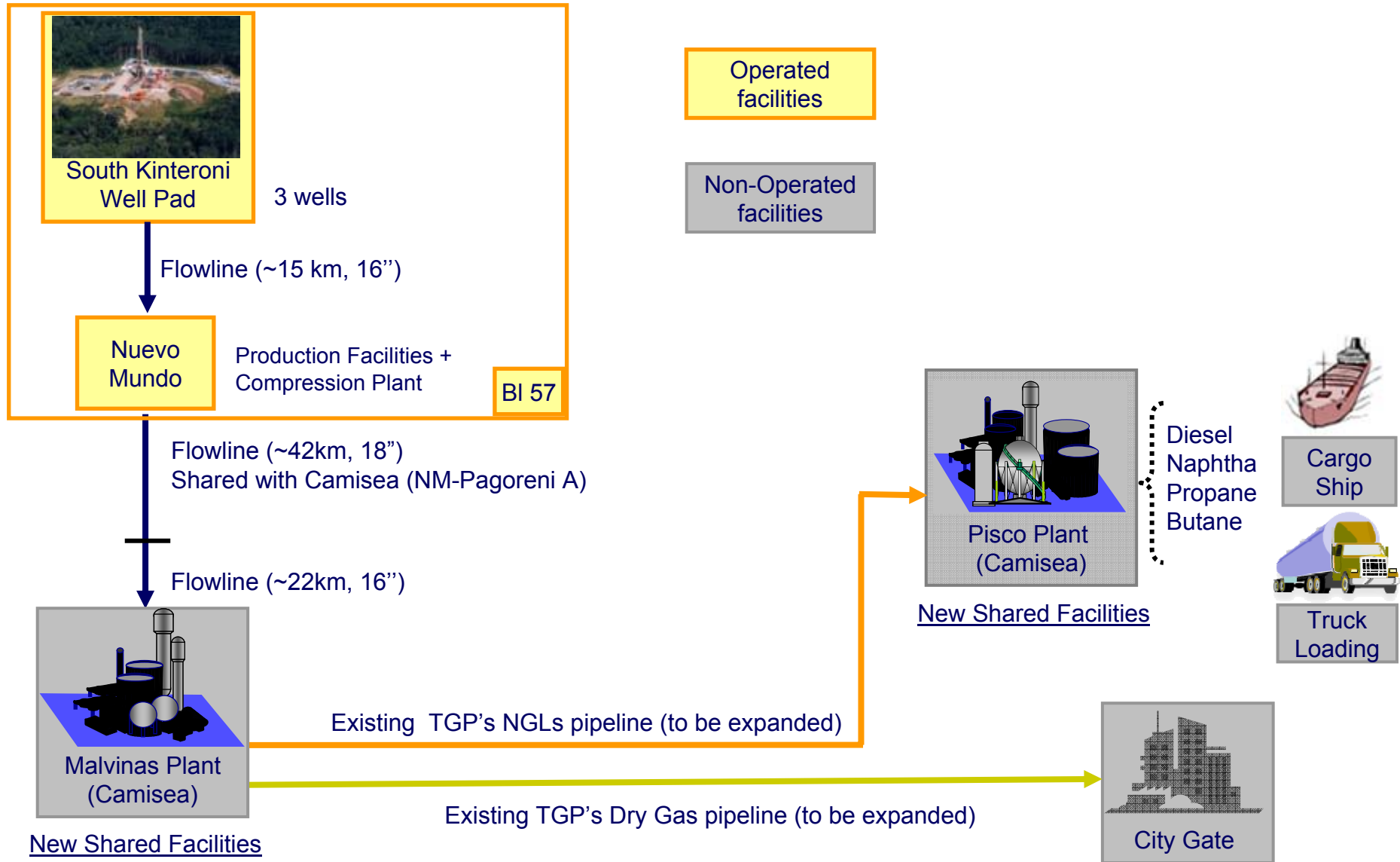


*Investments*



Activity	Scope	Information
 <p>Biodiversity Projects</p>	<p>Monitoring and Assessment of Biodiversity Program</p>	<p>Agreement with Smithsonian Institution (2010-2013)</p>
 <p>3D Seismic</p>	<p>375 km<sup>2</sup> - 3D</p>	<p>Define the southern zone of Kinteroni structure (Segment I and II)</p>
 <p>Well Construction</p>	<p>3 Wells 1 location K1X</p>	<p>Production wells:</p> <ul style="list-style-type: none"> <li>• 2 new wells</li> <li>• Workover of 1 well</li> </ul>

Activity	Scope	Information
 <p>Production facilities</p>	<p>Kinteroni &amp; Nuevo Mundo Facilities</p>	<p>Capacity 5 Mm<sup>3</sup>/d of wet gas</p>
 <p>Production Flowlines</p>	<p>Kinteroni – Nuevo Mundo: L ~ 15 km  <b>Nuevo Mundo – Pagoreni A</b>  <b>L~ 42.5 km (Camisea)</b>            Pagoreni A – Malvinas            L~ 22 km</p>	<p>Capacity 5 Mm<sup>3</sup>/d of wet gas</p>
 <p>Nuevo Mundo compression plant</p>	<p>Max. Power: 12,000 HP (@ starting from ~ 2015)</p>	<p>Capacity 5 Mm<sup>3</sup>/d of wet gas</p>



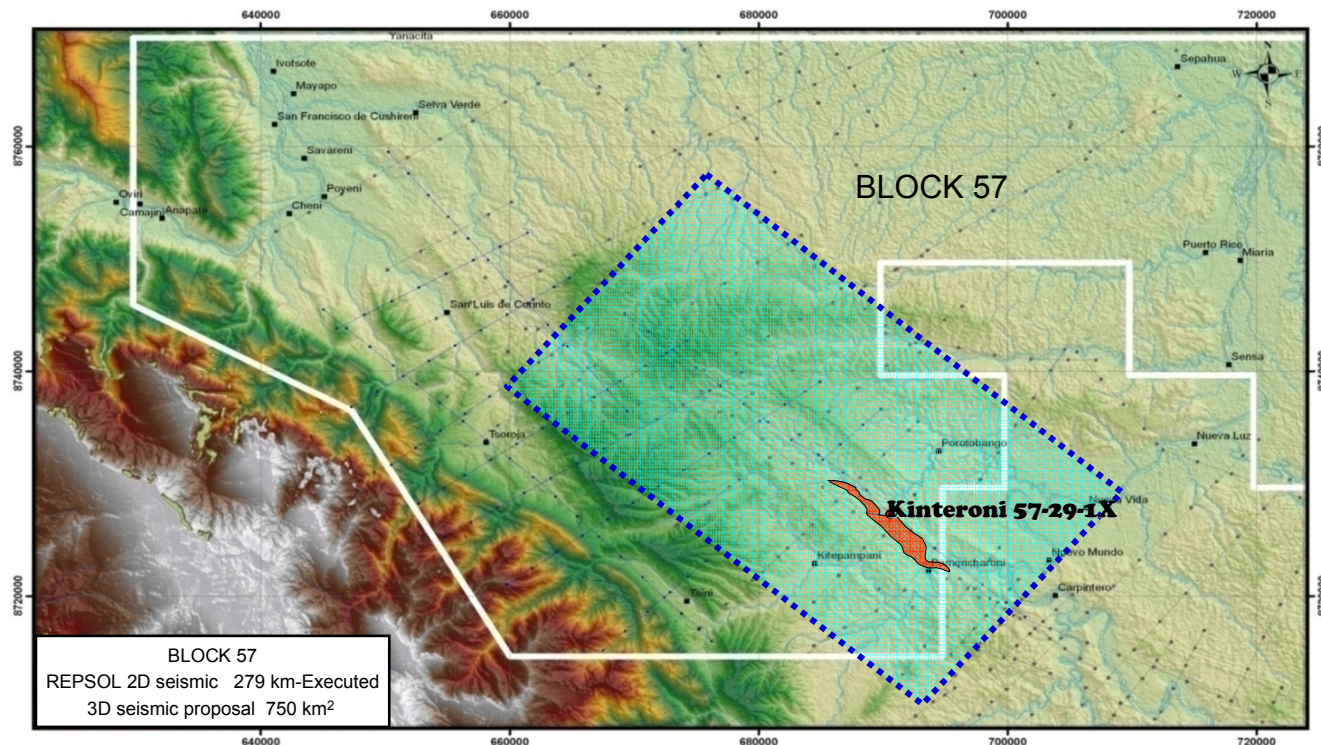
Agreement with Smithsonian Institution (2010-2013) includes four projects:

- Project 1: Minimize the impacts of pipelines.
- Project 2: Assessing and minimizing impacts of the 3D Seismic.
- Project 3: Regional assessment of species and habitats.
- Project 4: Biodiversity conservation programs.

## Scope

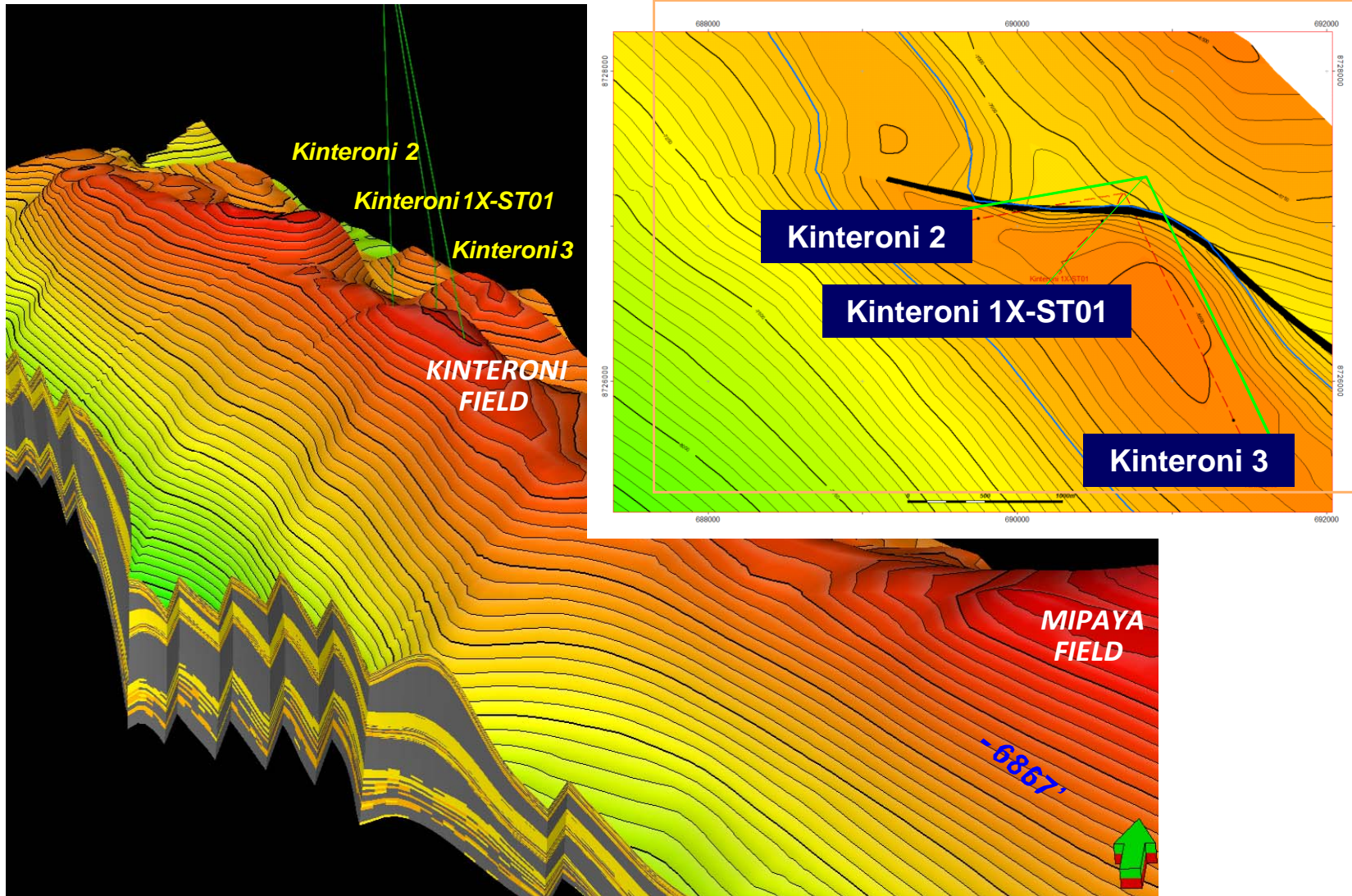
- 750 Km<sup>2</sup> Kinteroni area ( 375 Km<sup>2</sup> southern area)
- 1,400 workers
- 16,000 acquisition channels
- Execution: 12 months (January-December 2011)

## 3D Seismic Area



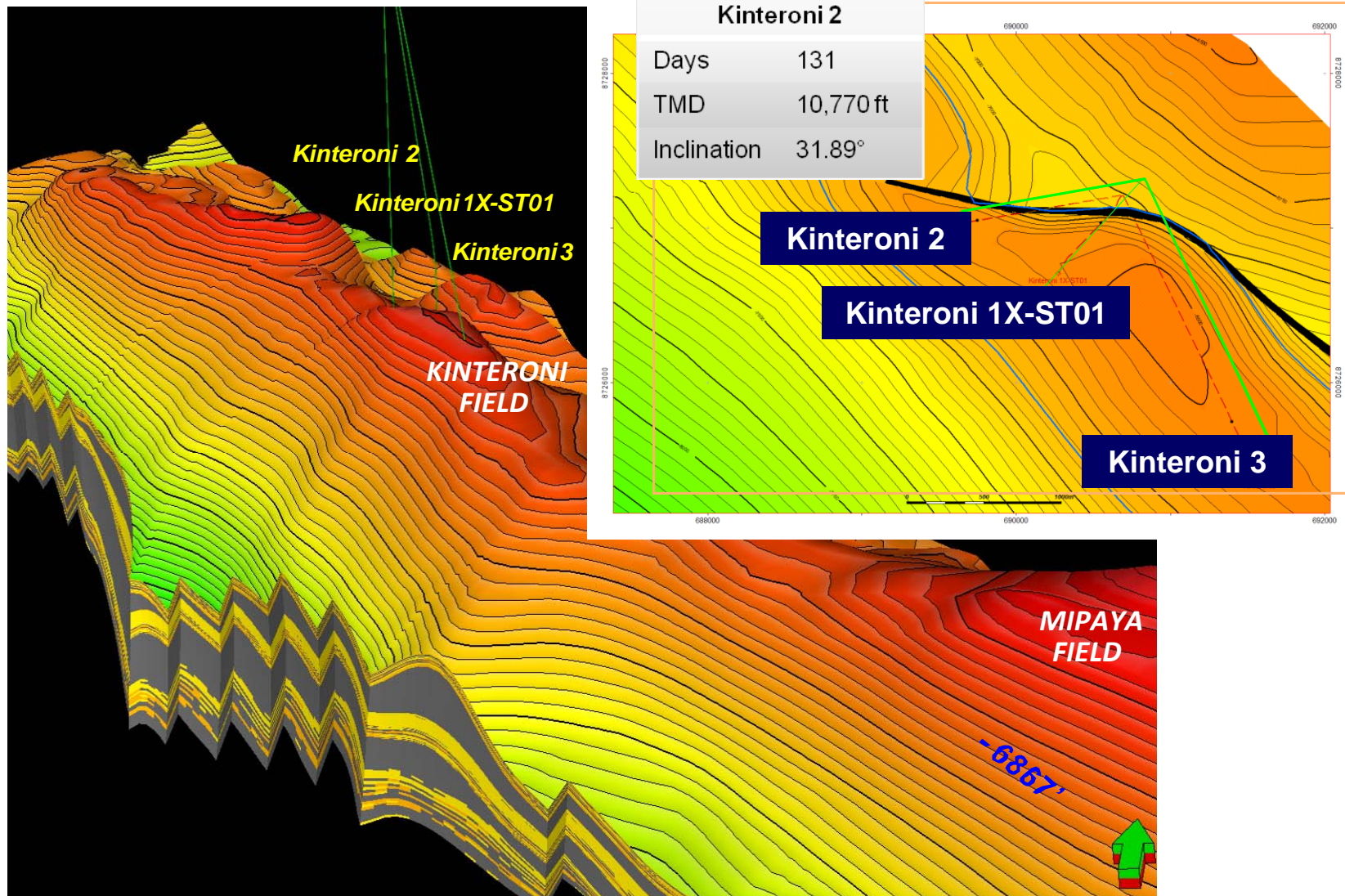


## Wells location



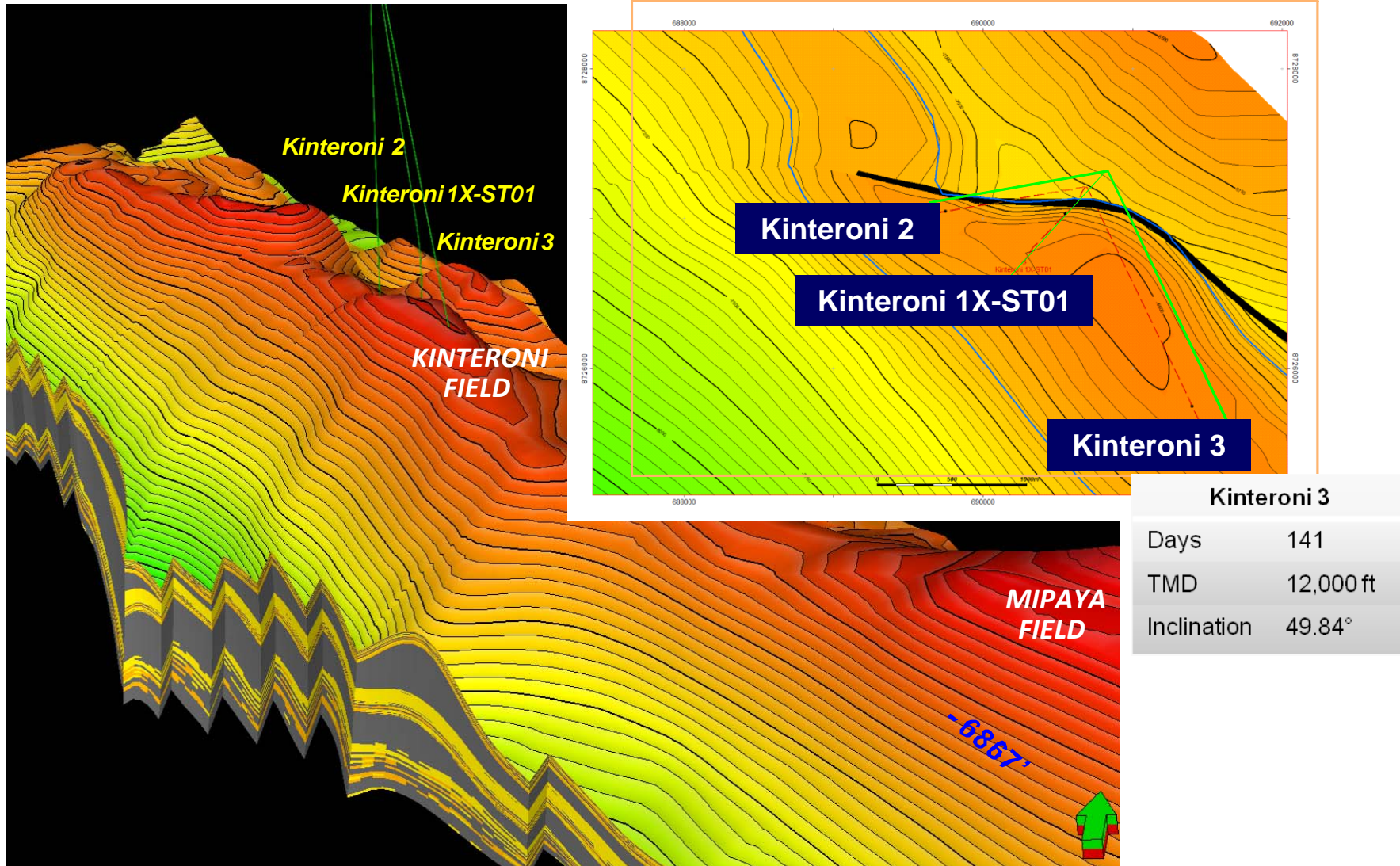


## Wells location



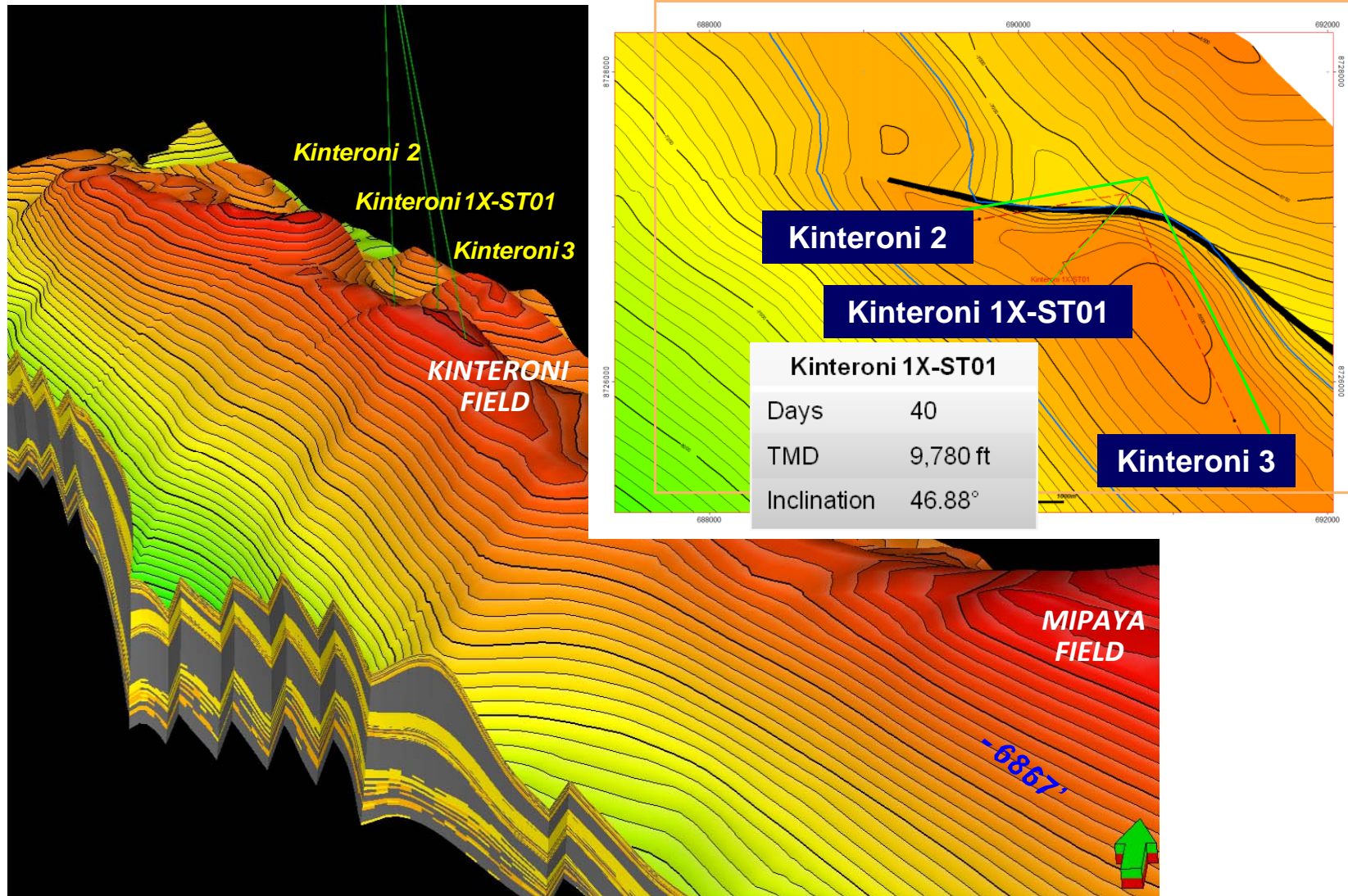


## Wells location





## Wells location

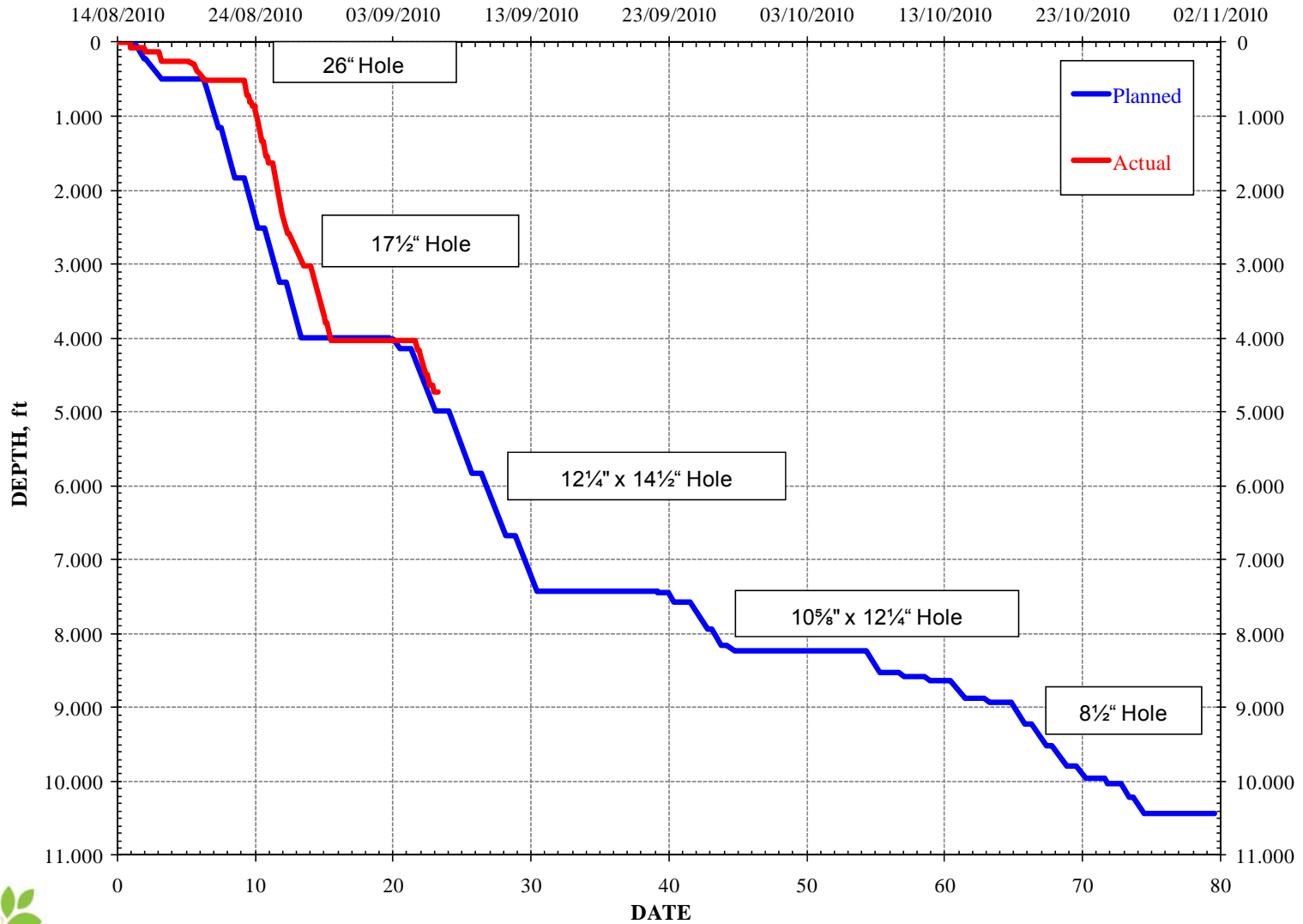


# Kinteroni Wells Construction



# Kinteroni 2D Drilling

DRILLING TIME ANALYSIS - KINTERONI 57-29-2

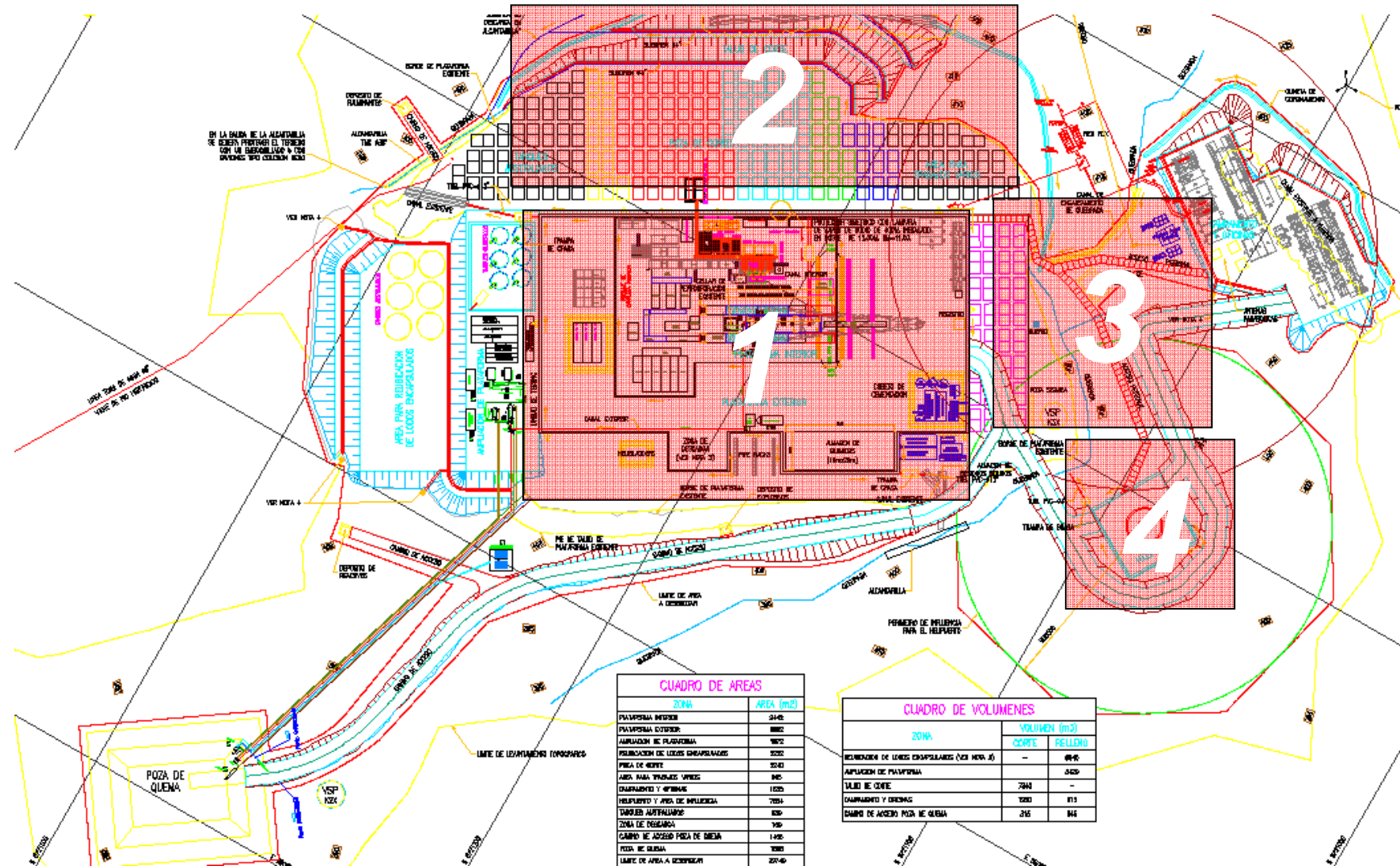




- Topography and Geotechnical studies : 100%
- Pipelines Dynamic Simulation Study : 100%
- Facilities Front-end Engineering Design (FEED) : 100%



# Kinteroni Well Pad



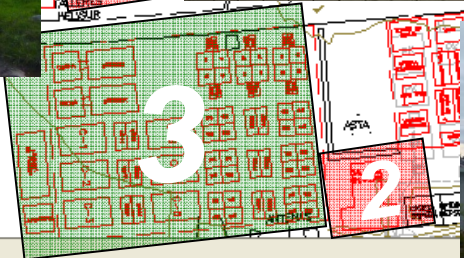
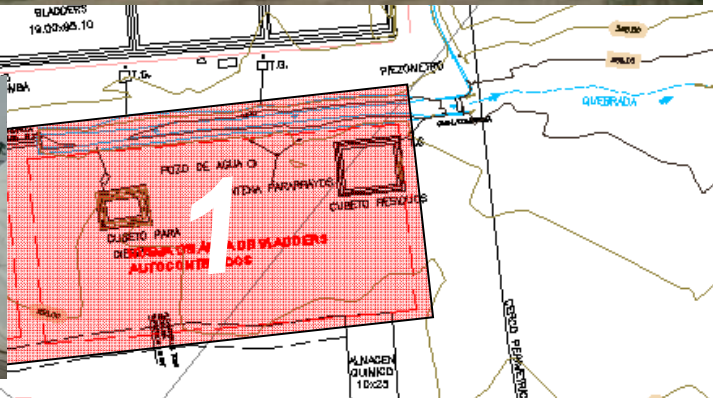
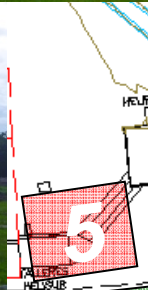
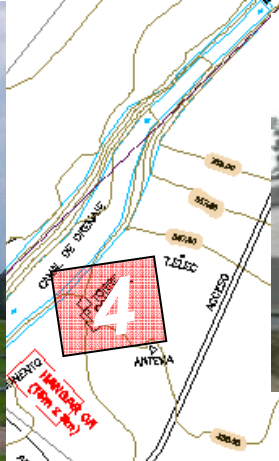


# Kinteroni Well Pad





# Nuevo Mundo Civil Works



# Kinteroni – Nuevo Mundo Production Facilities

- Production facilities (manifolds, pipes, slug catcher, isolation valves and flanges, etc.).
- Electrical and communications facilities (shelter, isolated generation system, distribution system, control and communication system, etc.).

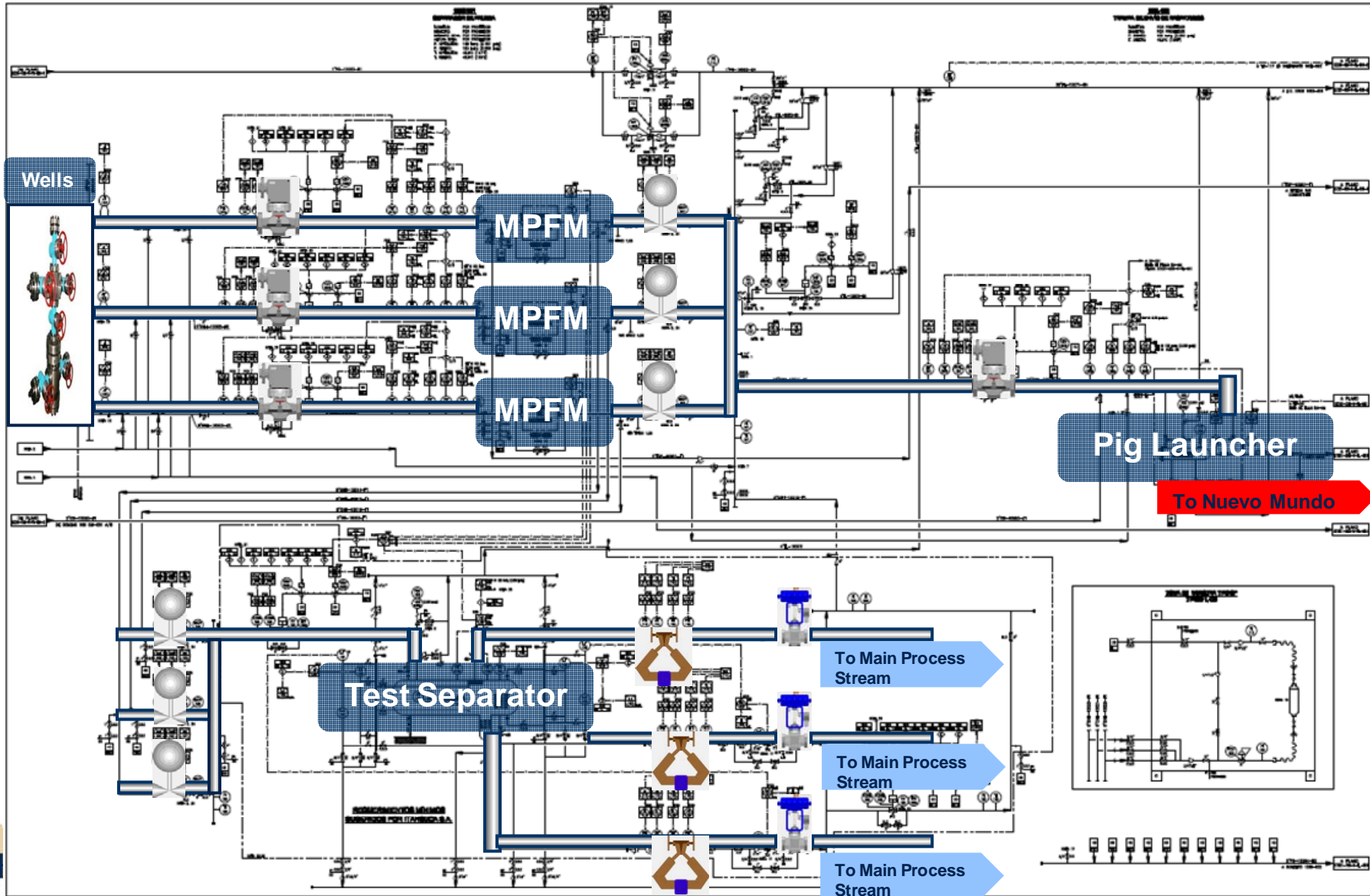


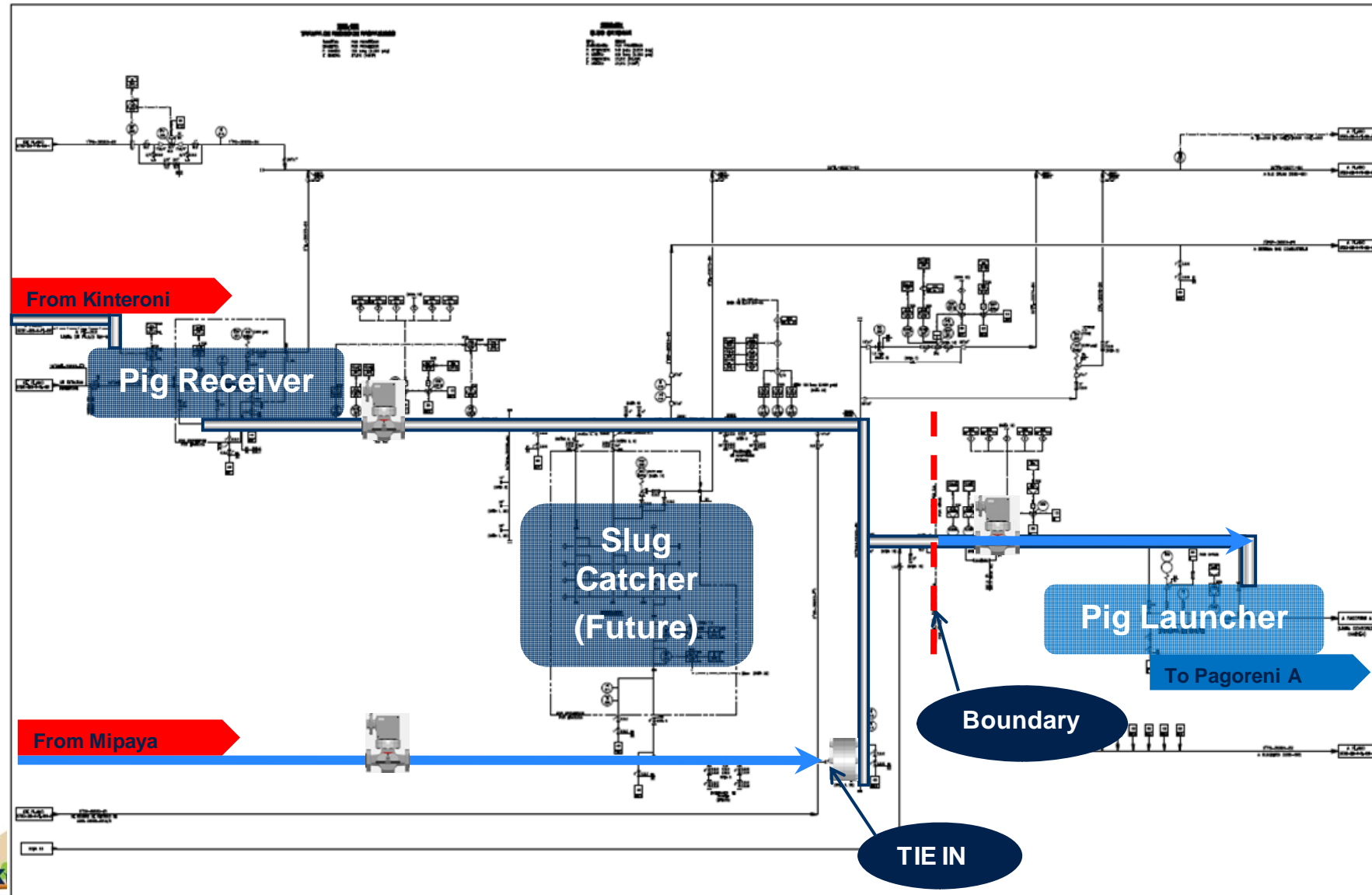
Kinteroni

Nuevo Mundo

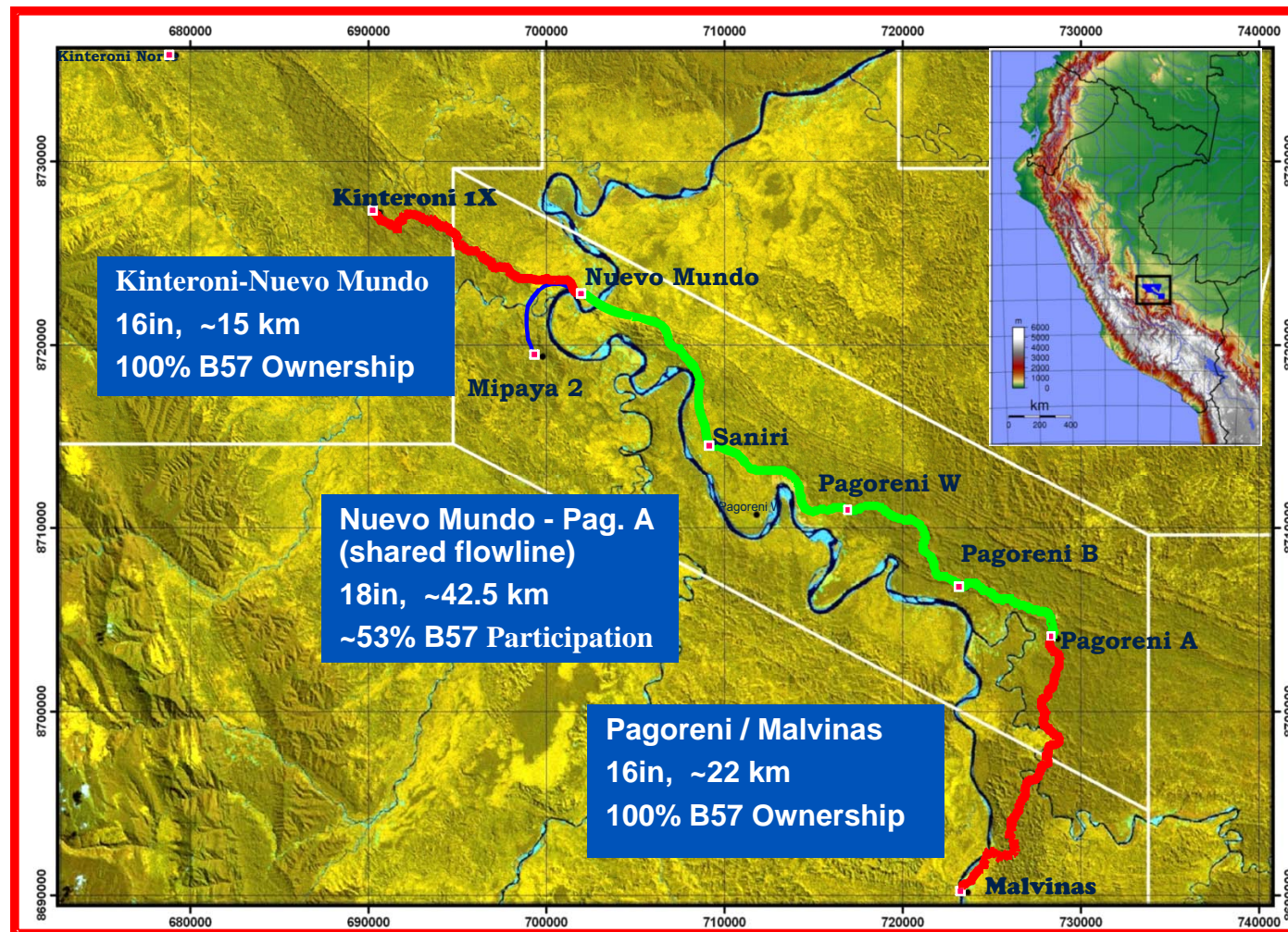


# Kinteroni Process





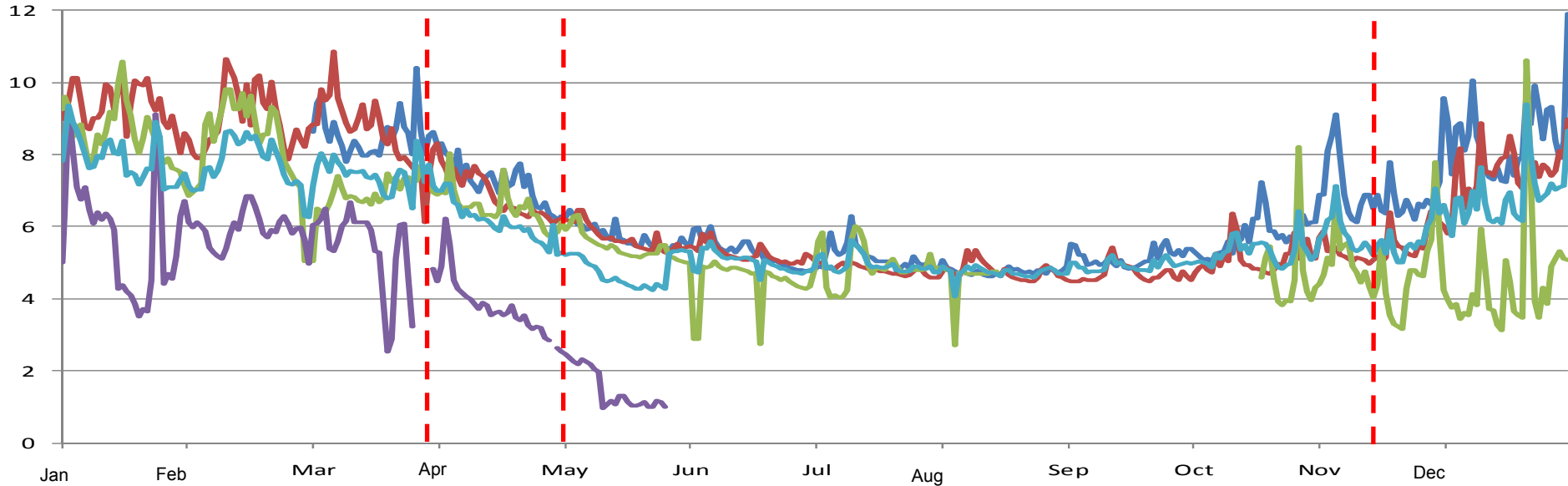
## Integrated Gathering System (Block 57- 56)





# River Transportation Constraints

## Urubamba River level (feet)



High Mid Low High



*Location*

*Block 57 Background*

*Objectives*

*Environmental Issues*

*Community Relationship*

*Geology and Estimated Production*

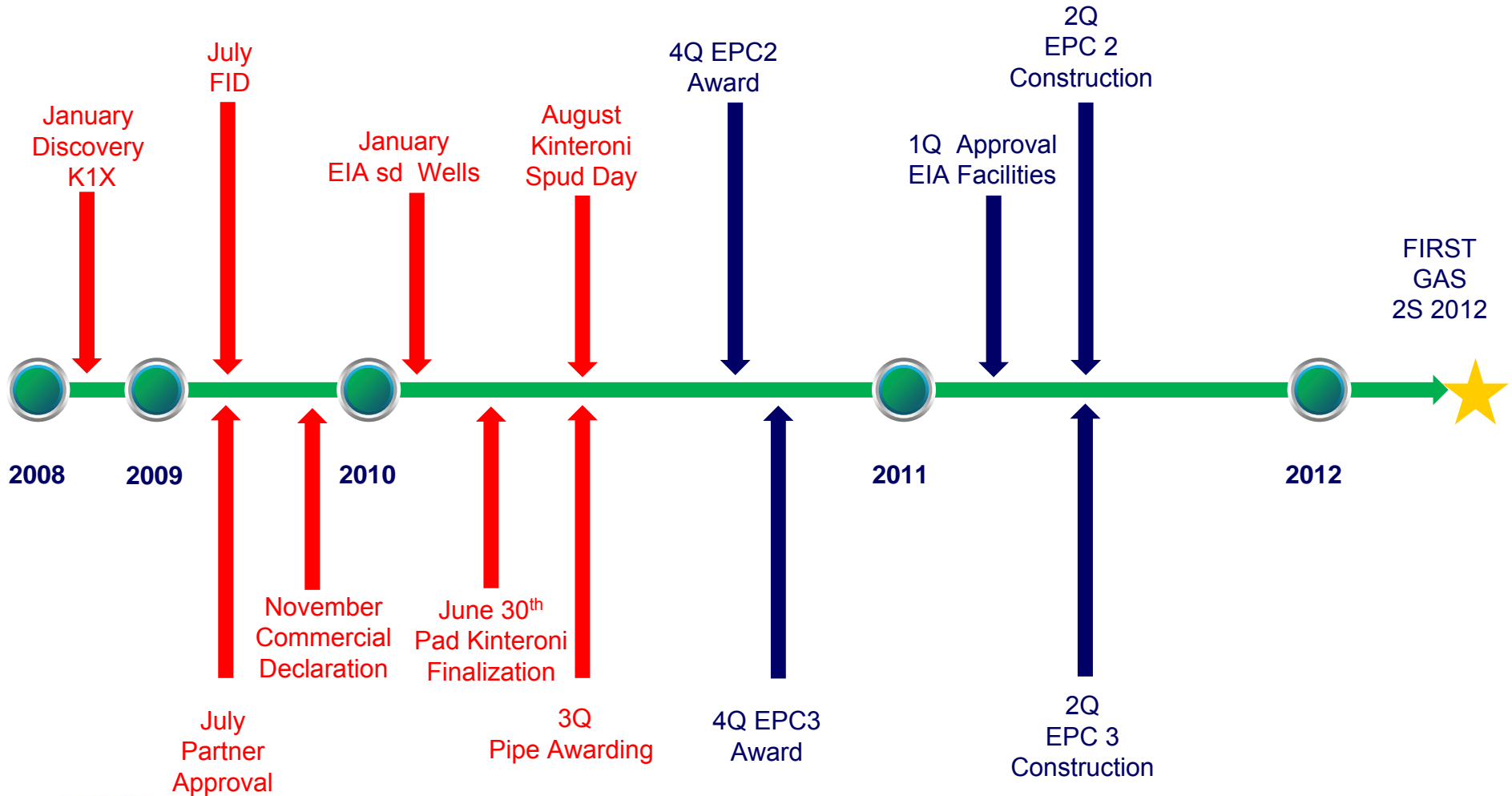
*Development Plan*

*Project Milestones*

*Investments*

*Summary*

# Kinteroni Project Milestones



*Location*

*Block 57 Background*

*Objectives*

*Environmental Issues*

*Community Relationship*

*Geology and Estimated Production*

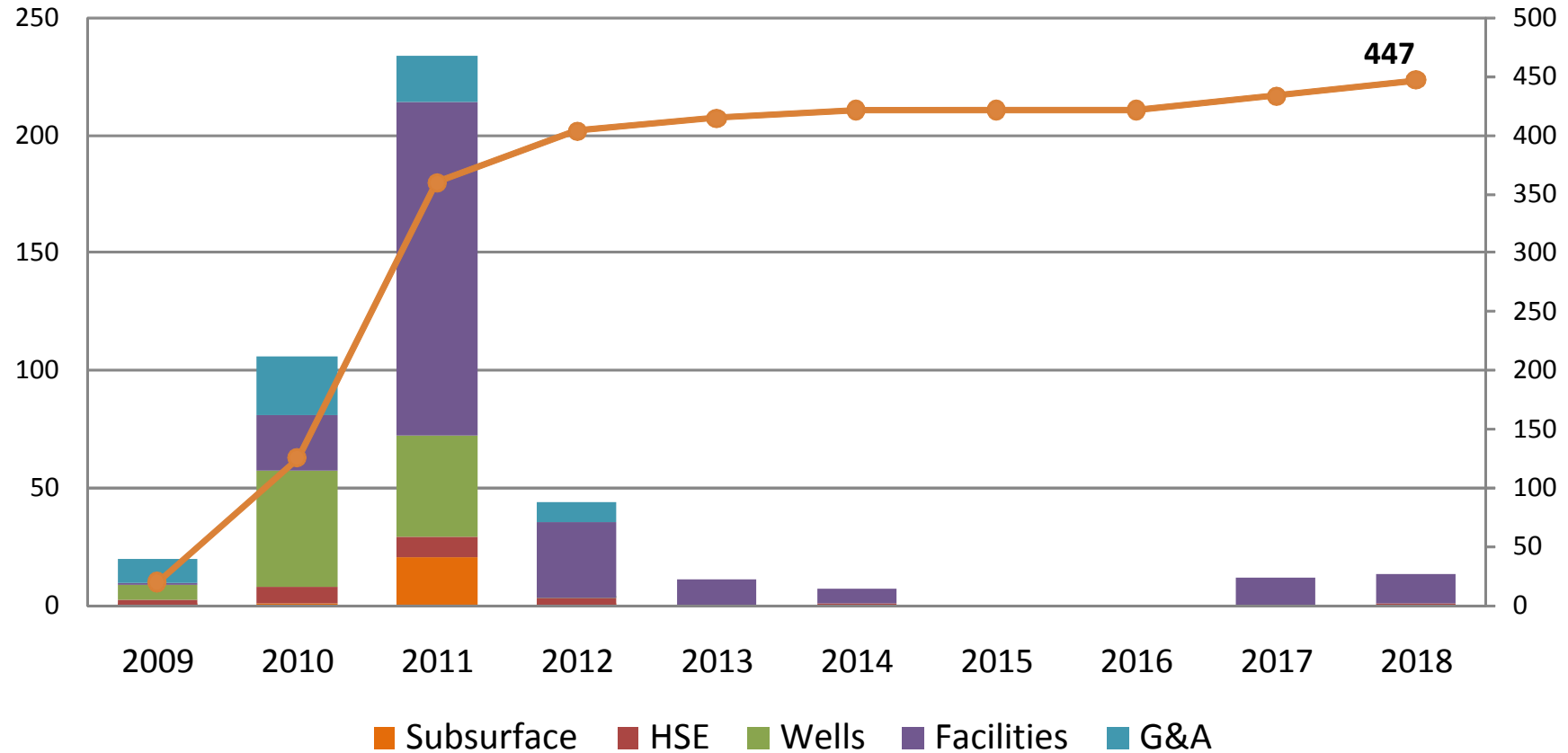
*Development Plan*

*Project Milestones*

*Investments*

*Summary*

MUS\$



Cost Estimate Classification (AACE) Fcst 10. Class III Investments (-15%, +20%)



*Location*

*Block 57 Background*

*Objectives*

*Environmental Issues*

*Community Relationship*

*Geology and Estimated Production*

*Development Plan*

*Project Milestones*

*Investments*

*Summary*



- **Kinteroni Development is one of the top-twelve Repsol's worldwide strategic projects.**
- **Early production approach seeks to take advantage of the opportunity of monetizing gas within the growing Peruvian market.**
- **Capitalize synergies with Camisea and TGP infrastructure expansions.**
- **Kinteroni will be developed in a responsible environmental and social manner and will represent a new milestone in the Peruvian gas industry .**





# Peru Field Trip September 2010

---

*Kinteroni Project*

*Roberto Díaz*

*Kinteroni Project Director*

*Peru E&P BU*

