REFINING & MARKETING LATIN AMERICA

September 2003

DISCLAIMER

This document may contain market assumptions, different sourced information and forward-looking statements with respect to the financial condition, results of operations, business, strategy and the plans of Repsol YPF SA and its subsidiaries. Such statements are based on a number of assumptions that could ultimately prove inaccurate, and are subject to a number of risk factors, including currency fluctuations, the price of petroleum products, the ability to realize cost reductions and operating efficiencies without unduly disrupting business operations, environmental, regulatory considerations and general economic and business conditions.

Repsol YPF does not assume any obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Further information on factors which could affect the company's financial results is provided in documents filed by the company and its affiliates with the CNMV, CNV and the US SEC.

MACROECONOMIC DATA

Macroeconomic Data

REPSOL YPF

INDICATOR	CHILE	ECUADOR	PERU	BRAZIL	ARGENTINA	SPAIN
GDP (BILLION US$)	64,2	24	57	452	102	650
Area (th. Square km.)	757	284	1.300	8.500	2.800	506
Population (Mill people)	15,6	13,1	26,7	174,5	37,9	41,2
GNI per capita (US$)	4260	1.450	2.050	2.850	4.060	14.430
GDP Increase (02 vs 01%)	2,1	3,0	5,2	1,5	-10,9	1,8

Source: The WBG – year 2002

LATIN AMERICA

- ***Refining***
- ***Logistics***
- ***Marketing***
- ***Operation Development***

REFINING
LATIN AMERICA

Latin America Refineries

REPSOL YPF

La Pampilla

Capacity 102,000 bbl/d
5.9 M m3/year

Share: (47.3%)

Refinor

Capacity : 28,500 bbl/d
1.6 M m3/year

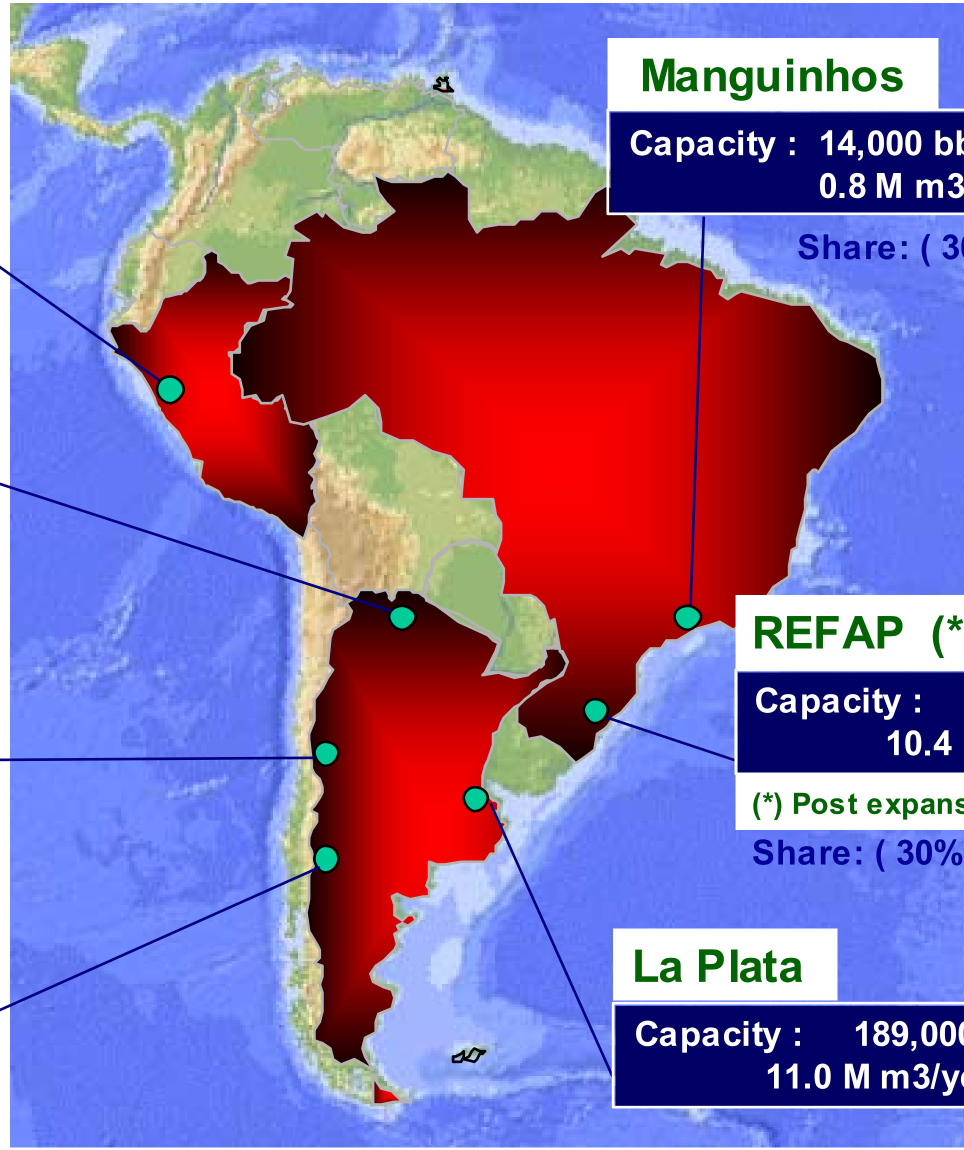
Share: (50%)

Luján de Cuyo

Capacity : 105,500 bbl/d
6.1 M m3/year

Plaza Huincul

Capacity : 25,000 bbl/d
1.5 M m3/year



Manguinhos

Capacity : 14,000 bbl/d
0.8 M m3/year

Share: (30,7%)

REFAP (*)

Capacity : 180,000 bbl/d
10.4 M m3/year

(*) Post expansion

Share: (30%)

La Plata

Capacity : 189,000 bbl/d
11.0 M m3/year

Argentina – Refining Capacity

Refinery	Million-m3/year	%
La Plata	11.0	30.7
Luján	6.1	17.0
Plaza Huincul	1.5	4.2
Subtotal Repsol YPF	**18.6**	**51.9**
Petrobras (B.B.)	1.8	5.0
ESSO	5.1	14.2
Shell	6.2	17.3
Refinor	1.5	4.2
Petrobras (S.L.)	2.2	6.1
Sol Petróleo	0.2	0.6
DAPSA	0.2	0.6
Total Argentina	**35.8**	**100.0**

Peru - Refining Capacity

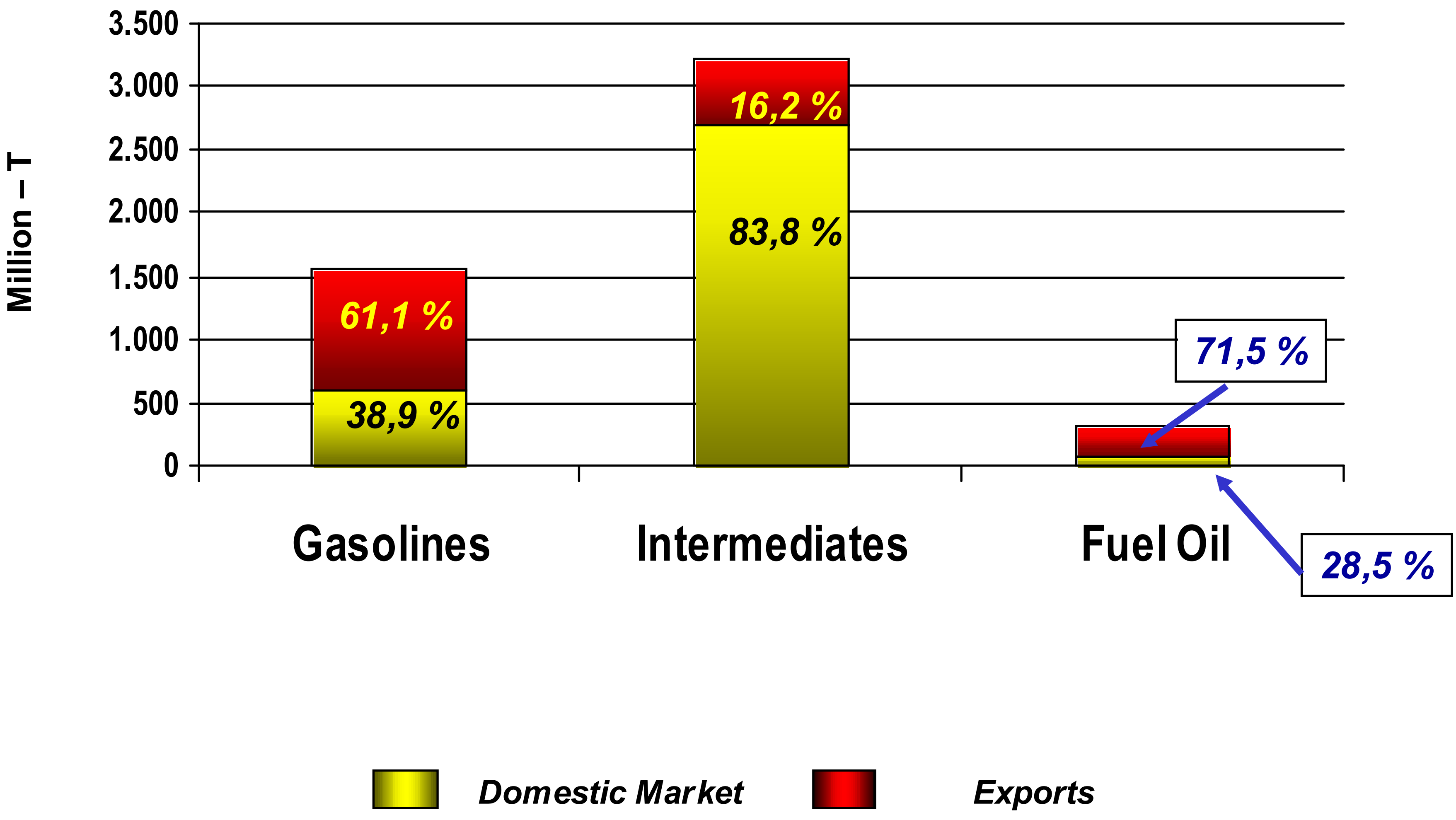
Refinery	Million-m3/year	%
La Pampilla	5.9	54.6
Subtotal Repsol YPF	**5.9**	**54.6**
Talara	3.6	33.3
Iquitos	0.6	5.6
Pucallpa	0.2	1.9
Conchán	0.4	3.7
El Milagro	0.1	0.9
Total Peru	**10.8**	**100.0**

Brazil – Refining Capacity

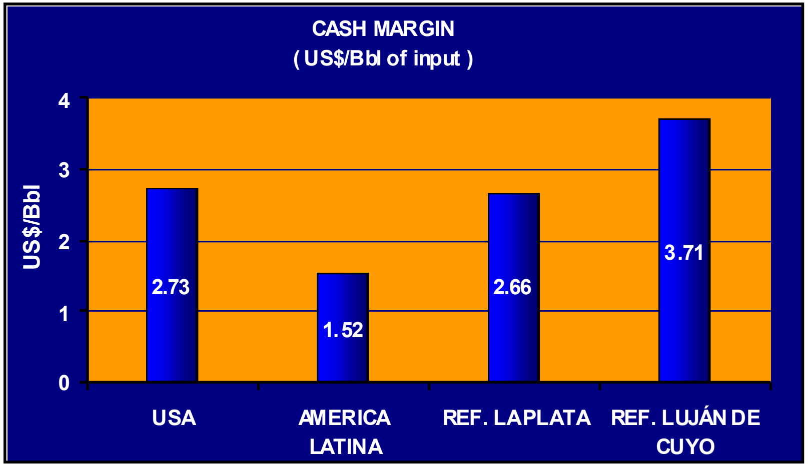
Refinery	Million m3/year	%
REPLAN	20.4	18.1
RLAM	17.8	15.8
REDUC	14.0	12.5
REVAP	13.1	11.7
REFAP (1)	10.4	9.3
REPAR	10.9	9.7
REGAP	8.8	7.8
RECAP	3.1	2.7
REMAN	2.7	2.4
MANGUINHOS (2)	0.8	0.6
IPIRANGA	0.7	0.7
RPBC	9.9	8.8
Total Brazil	112.6	100.0

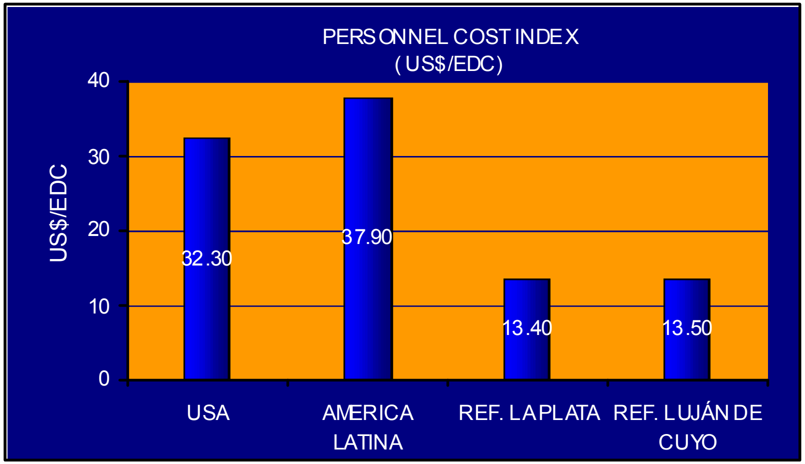
(1) Repsol YPF 30 % after assets exchange with Petrobras - (2) Repsol YPF 30,7 %

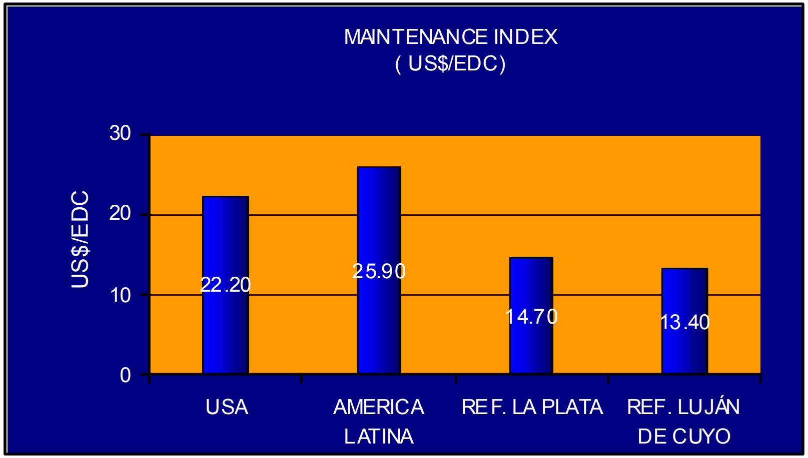
Argentina - Repsol YPF Refining
Product Distribution First half 2003

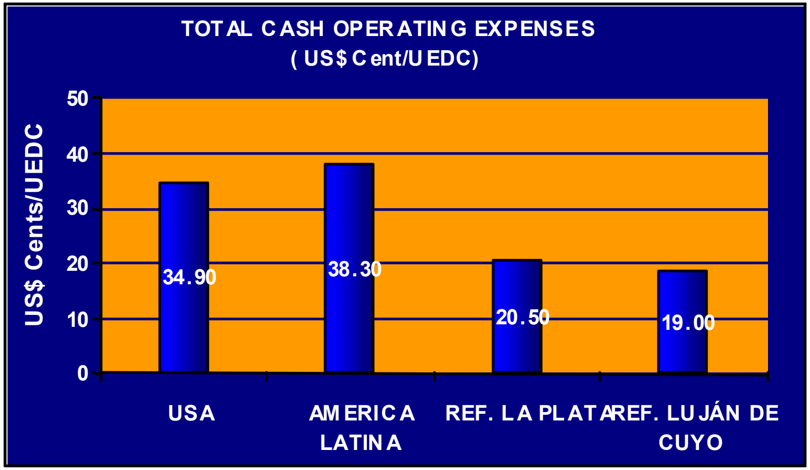


Argentina - Repsol YPF Refining Benchmarking 2002









Argentina - Repsol YPF Refining
Basic Guidelines

- Good positioning with access to pipelines in order to receive raw materials and dispatch products
- Qualified Human Resources with access to updated technology
- Maintenance of operations performed within a framework of International Standards (ISO)
- Keeping high capacity of conversion to add crude value (2002 Solomon Complexity 10)
- Incorporation of technological advances to diminish processing costs and overquality (energetic integration, advanced control)
- Scope for supply products to Mercosur : Chile, Brasil, Uruguay Paraguay and Bolivia

Peru - Repsol YPF Refining
Basic Guidelines

- Pampilla is located where the 50 % of the demand is concentrated
- Maintenance of the best technology in the country
- Reinforcement of synergies with Repsol YPF Group
- Business plan oriented towards increasing convertion to Diesel
- Business opportunities in “ Solvents and Bunkers”
- Quality levels complying with ISO 9000 / 14001 and market demand

Argentina Objectives & Performance Plans

- **Best Practice Operation**
  - ✓ Advance Control Implementation (75 %)
  - ✓ Toppings, FCC´S and Coker´s Yields Optimization
  - ✓ Longer period between shutdowns
  - ✓ Shorter Shutdowns
  - ✓ Debbotlenecking and Optimization projects (athmosferic bottoms to the RLP FCC, debbotlenecking in RLC Hydrocracker, etc)
  - ✓ Introduction of heavier and cheaper crude oils
  - ✓ Increment of product values (alkylation, GLP Hydrotreating, Specialties products, etc.)
- **Productive Structure Optimization**
  - ✓ Put out of service inefficient plants
  - ✓ Increase equivalent capacity in efficient plants: Triple to double train

Argentina: Objectives & Performance Plans

- Reduction and control of variable and fixed costs
  - ✓ Consumption
    - ✓ Savings up to 11.9% since 1999 to 2002 due to energy consumptions and losses plan implemented.
  - ✓ Maintenance
    - ✓ Use of managing tools
    - ✓ Improvements in cost and availability due to a consolidated maintenance plan

- Safety Improvements in industrial facilities
  - ✓Implementation of an Integrated Safety plan which involves: safety facilities, training, safety procedures, auditories, process control, etc.

LOGISTICS
LATIN AMERICA

LOGISTICS FACILITIES IN ARGENTINA

- Assets US$ 408 Million
- 2 Oil Pipelines 1.162 km
- 2 Pipelines 1.801 km
- 2 Propane Pipelines 125 km
- 1 Jet Pipeline 12 km
- Terminals 17 plants (974 th m3 op.cap.)
- Jet Plants 54

REPSOL YPF PARTICIPATION IN OTHER LOGISTIC STRUCTURES

- **37 % share in OLDELVAL pipeline (Neuquén– Puerto Rosales). 513 km**

- **18 % share in TRANSANDEAN pipeline (Neuquén – Concepción). 430 km**

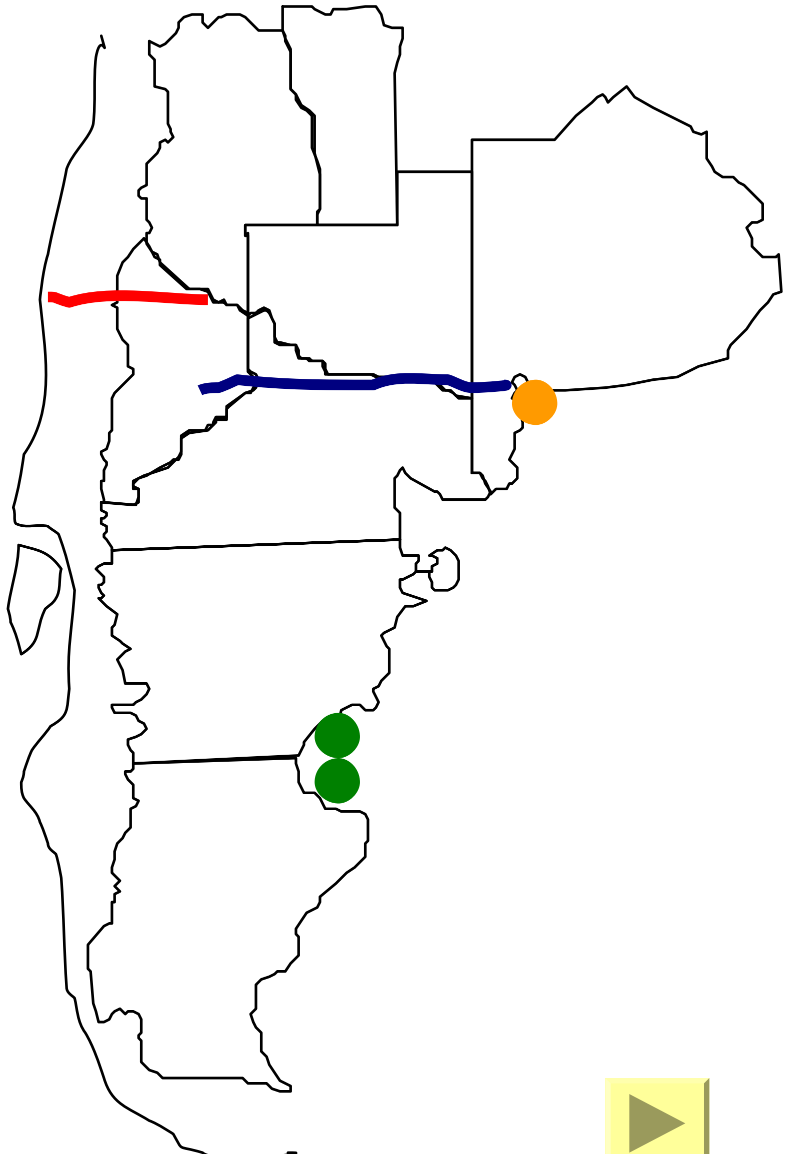
- **33,15 % share TERMAP**

  Caleta Córdova port (264.000 cu. m.)

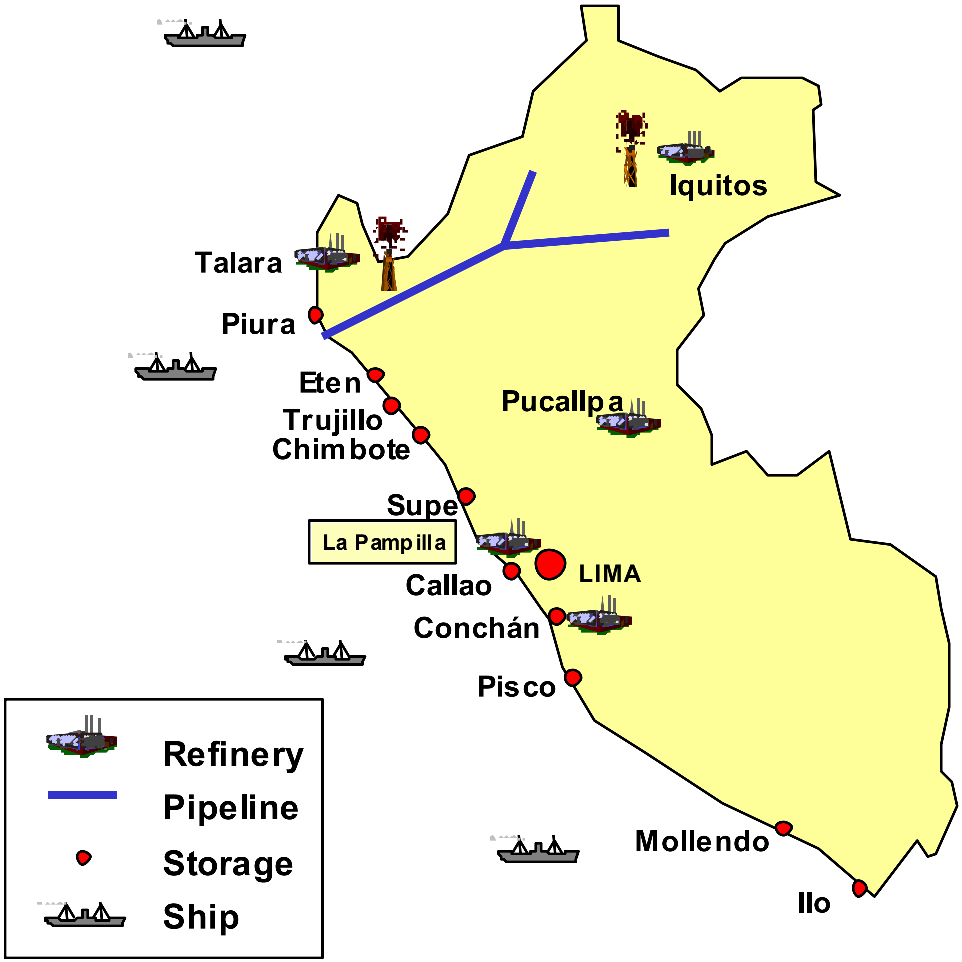
  Caleta Olivia port (246.000 cu. m.)

- **30 % share OILTANKING EBYTEM**

  Rosales port (480.000 cu. m.)



Peru - Logistics

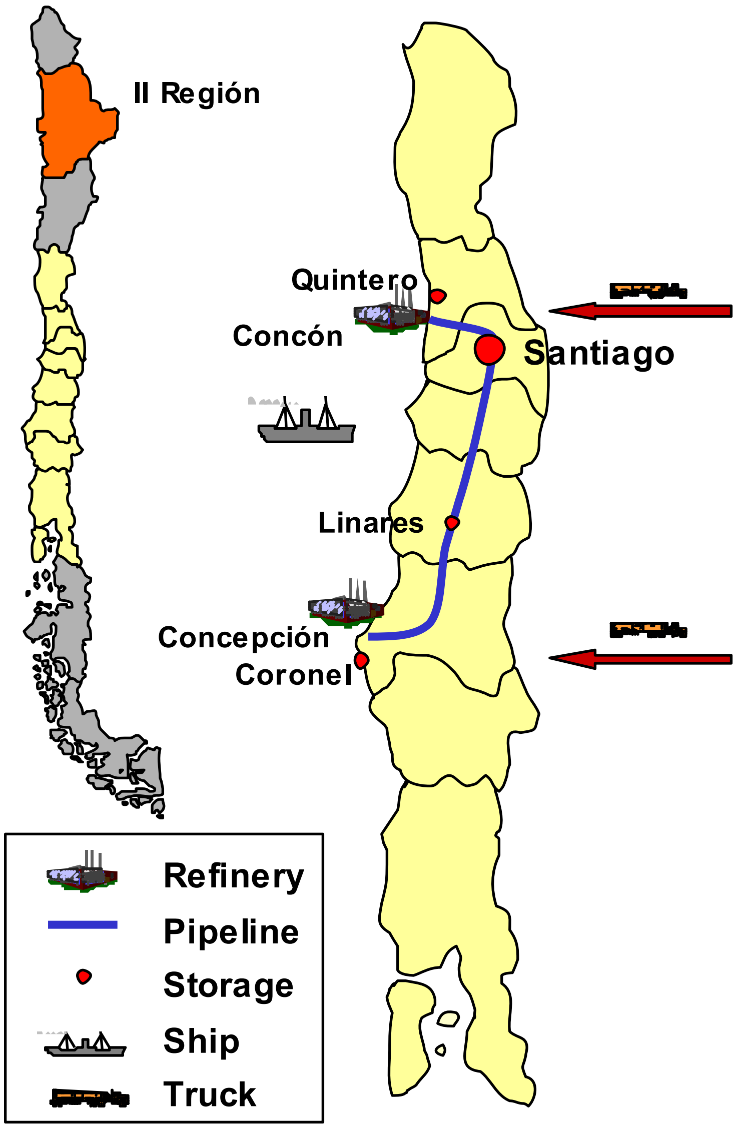


- Pampilla,

  company-owned terminal

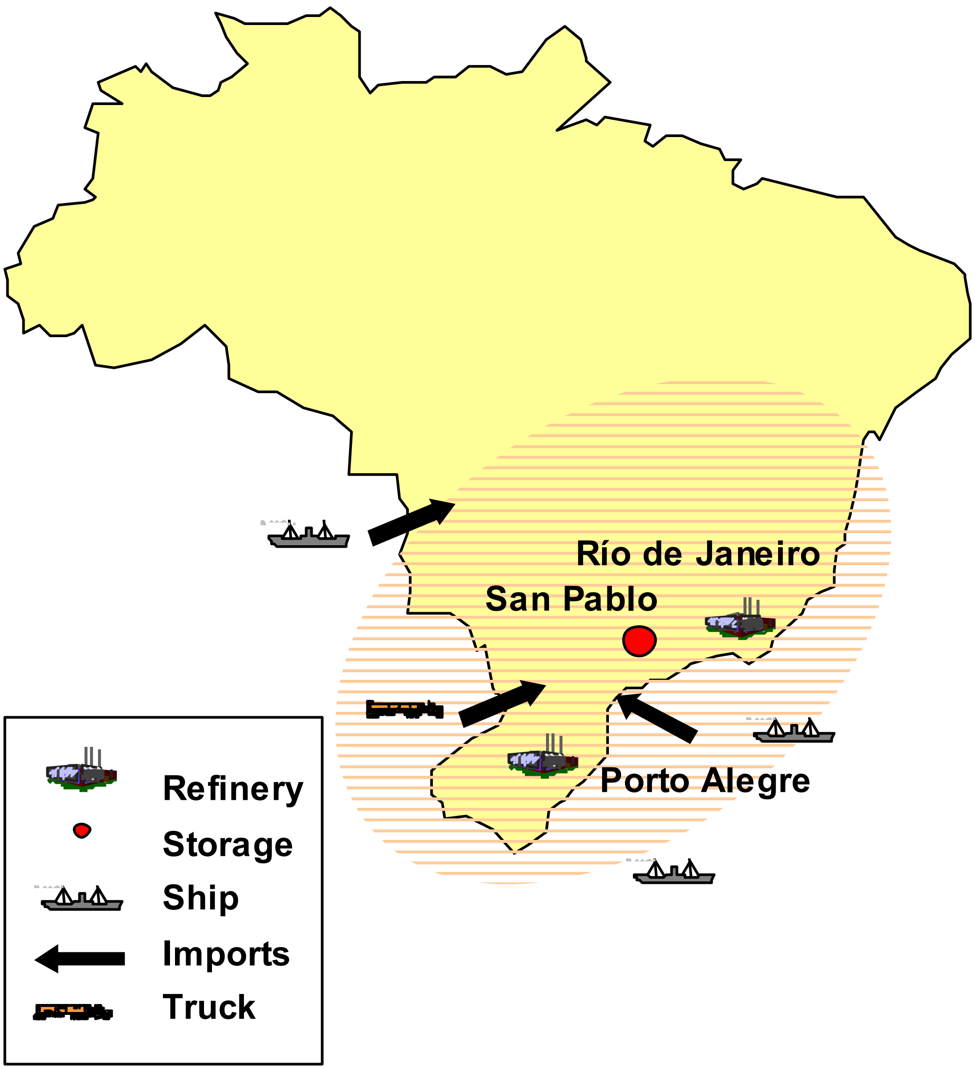
- Service agreements entered into with owners of coast terminals, in the rest of the country

Chile - Logistics



- Agreement with Emalco (ENAP group) in Maipú and Linares
- Long term contract with Oxiquim for the recepcion and dispactch of products from RepsolYPF Refineries in Argentina
    - I) Coronel (3Q 2004)
    - II) Quinteros (enlargement in 2005)
- Direct supply from Lujan de Cuyo and Plaza Huincul, by trucks, for their influence areas

Brazil - Logistics



- Guarulhos

company-owned terminal

- Paulinia

minority shareholding

- Service agreements entered into with owners of terminals, in the rest of the country (Petrobras and others)

REPSOL YPF

MARKETING
LATIN AMERICA

Fuel Market

Year 2002

INDICATOR	CHILE	ECUADOR	PERU	BRAZIL	ARGENTINA	SPAIN
Gasoline (Mill m^3 / year)	3,1	1,9	1,3	16,9	4,2	11,3
Diesel (Mill m^3 / Year)	4,7	2,7	2,9	36,8	10,7	30,5
Gasoline + Diesel	7,8	4,6	4,2	63,8	14,9	41,8
Country SS	1.460	842	2.537	28.462	6.096	8.134
Repsol YPF SS (1)	175	125	127	502	1.904	3.664
Automobiles (Mill)	2,1	0,6	1,2	19,3	4,2	24,3

(1) Own development (June 2003)

Source : Petrofinance ; Own development

Service Stations - Number / Total Country (%)

REPSOL YPF

125 S.S.
(15 %)

127 S.S.
(5 %)

175 S.S.
(12 %)

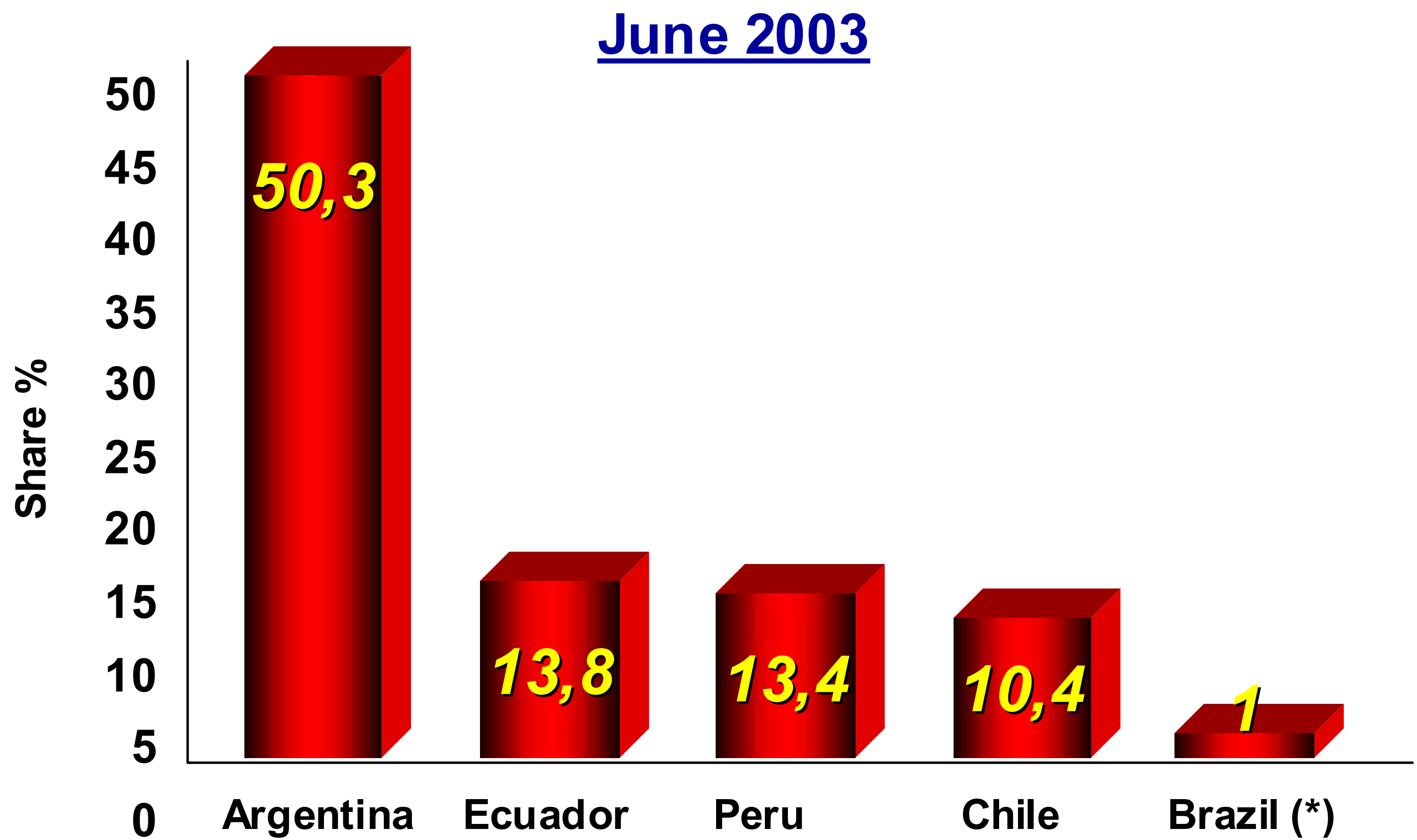
Brazil
502 S.S.
(2 %)

Total
Latin America
2.833 S.S.

1.904 YPF
(31 %)

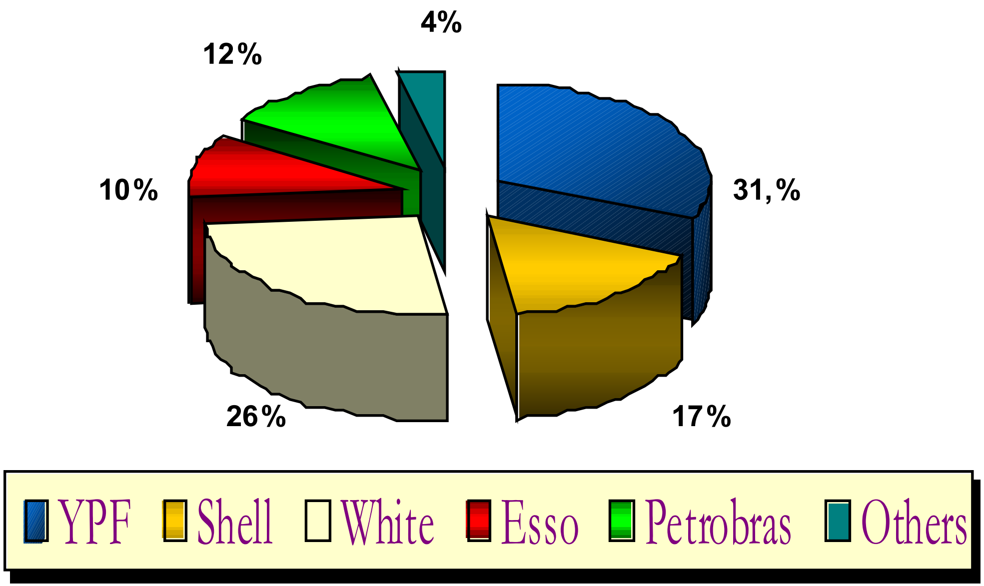
Date: June 2003

Market Share Repsol YPF



(*) State of Rio de Janeiro 5 %

Argentina - Retail Network

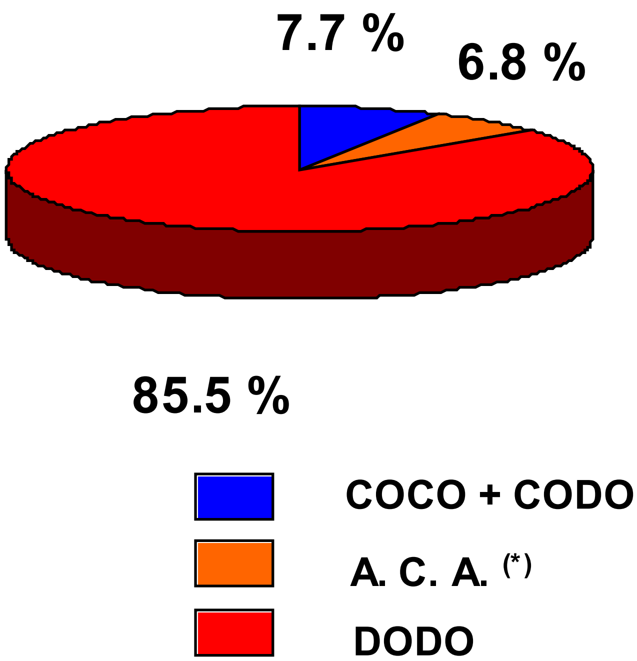


YPF	1.904
Shell	1.012
White pumps	1.571
ESSO	636
Petrobras	747
Others	226
Total	6.096

Date: June 2003

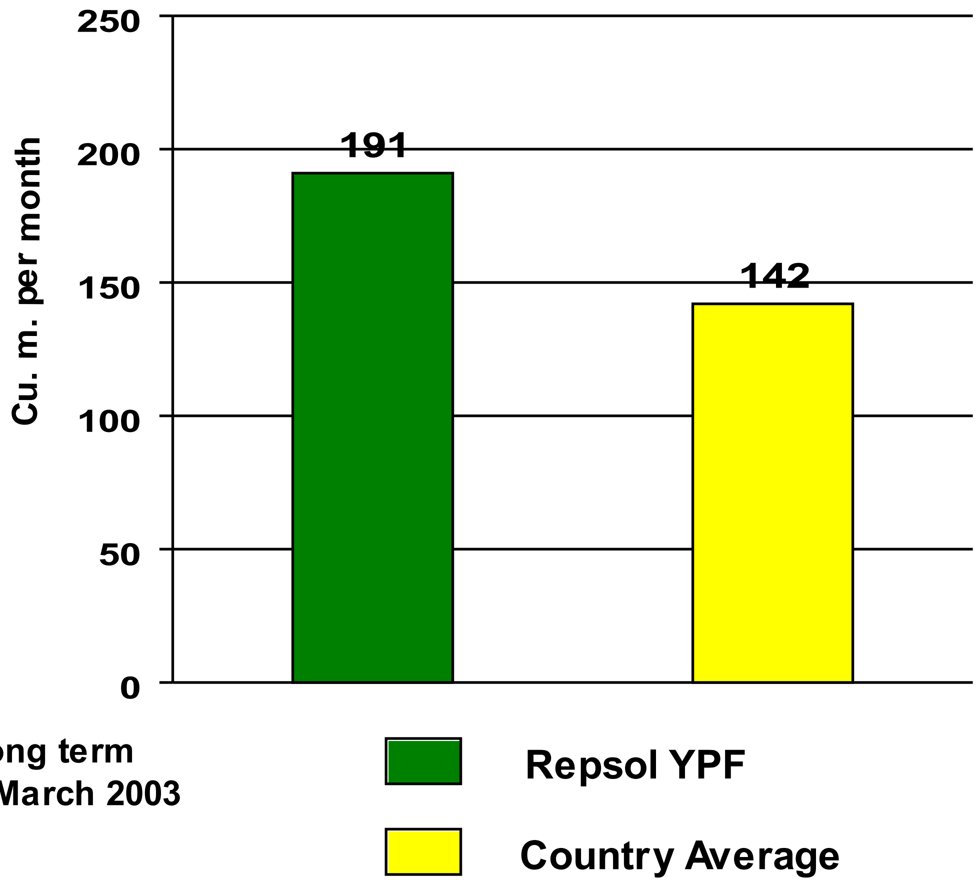
Argentina - Retail Network

Total Network (1.904)



(*) Argentinean Automovile Club. Long term agreement (until year 2017) signed in March 2003

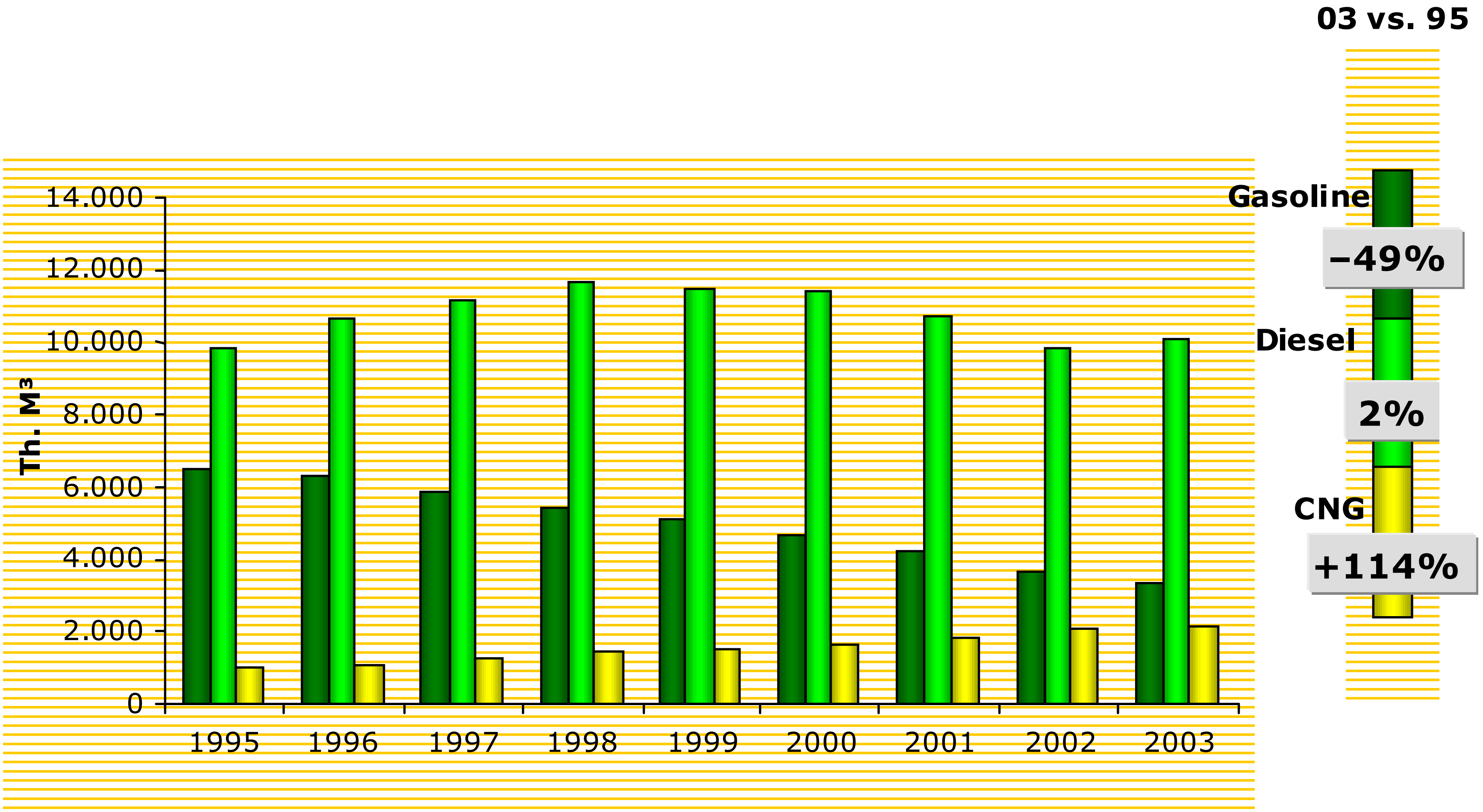
Average throughputs per site



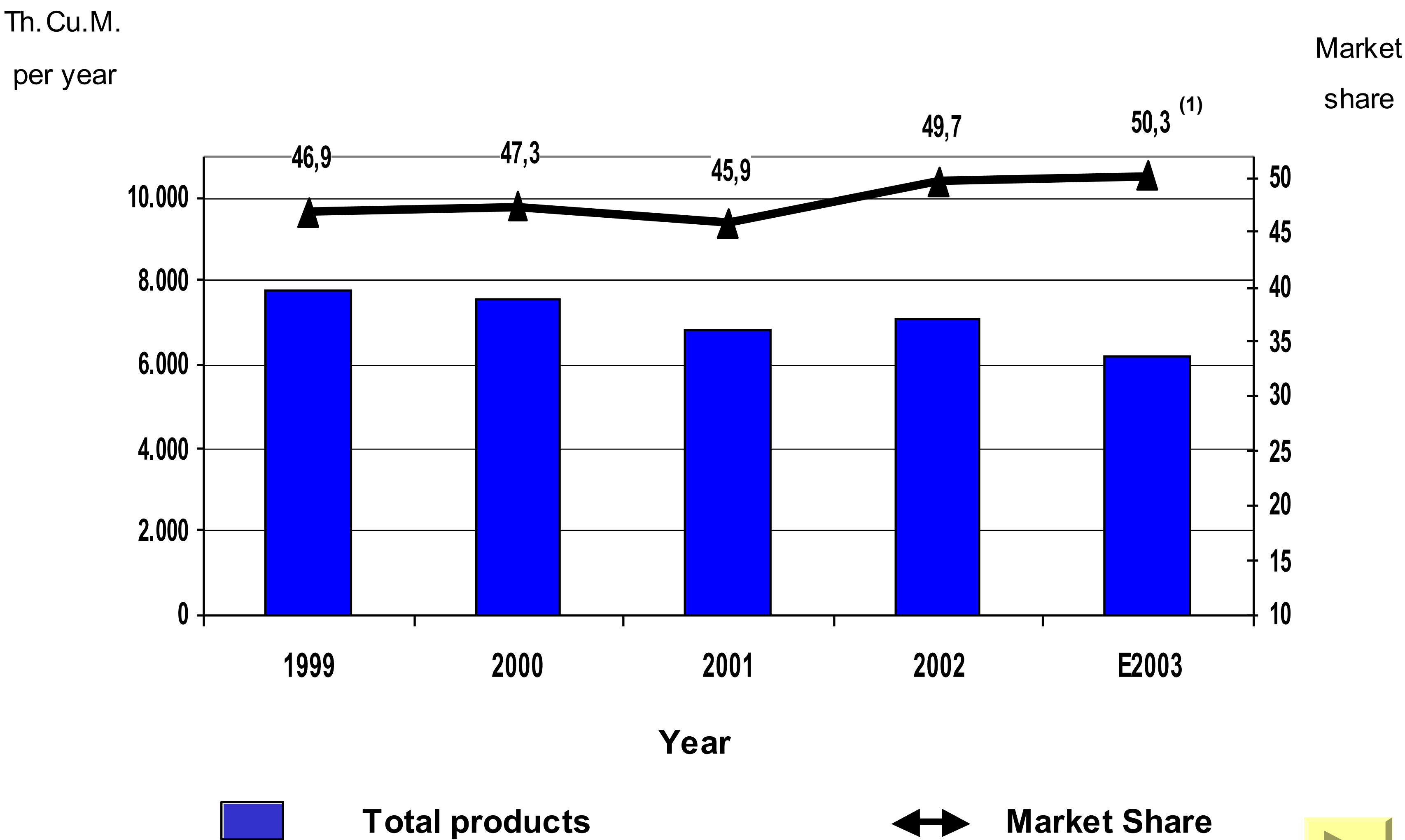
Date: June 2003

Development of Demand

- **Development of Fuel market**



Argentina – Sales Repsol YPF



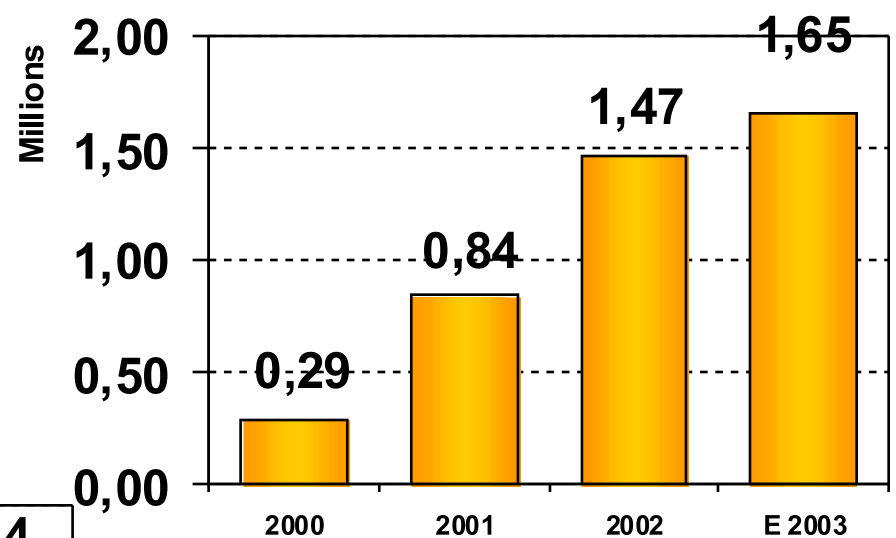
(1) Accum. June 2003

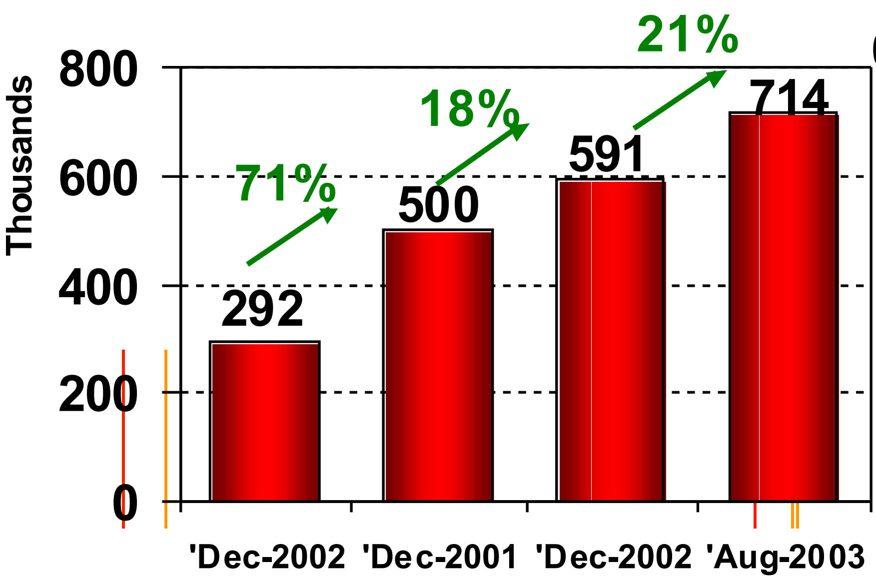
Argentina - Service Stations

Loyalty Cards: YPF Serviclub

Granted Gifts

Yearly development



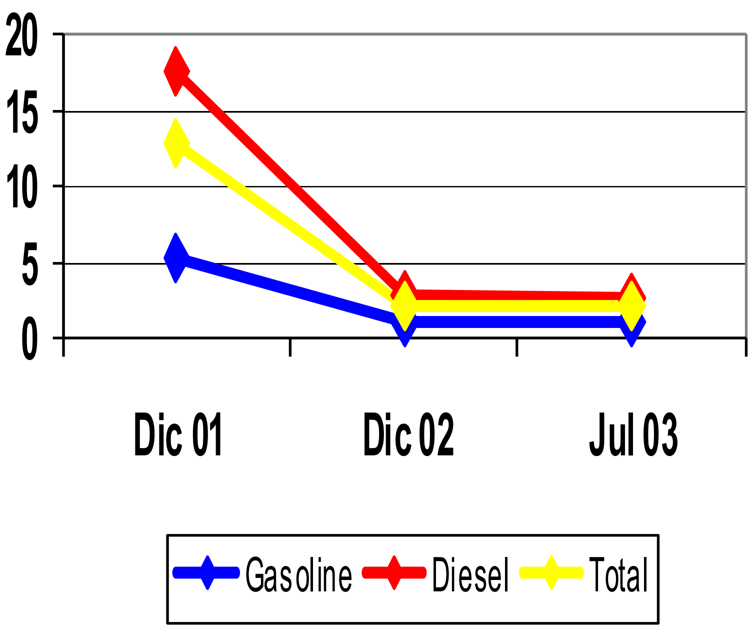


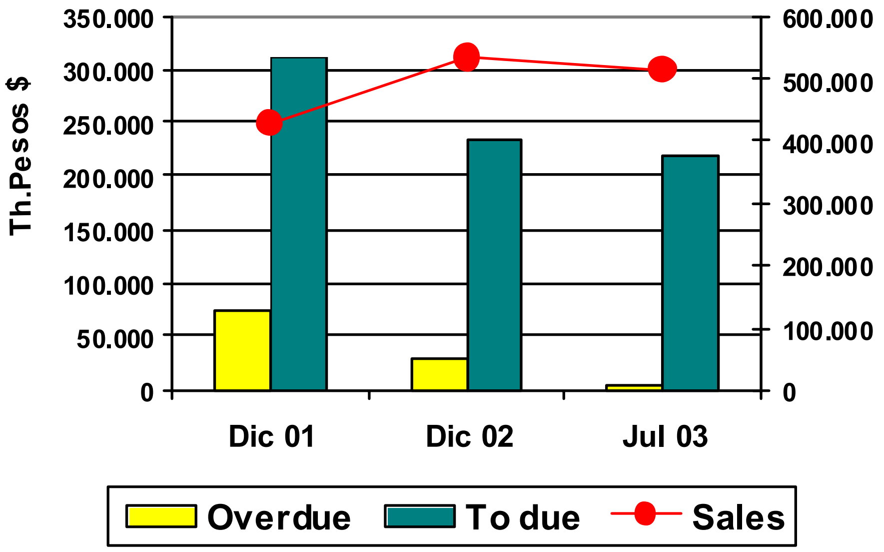
Cards in use

Monthly development

Argentina - Service Stations (*)

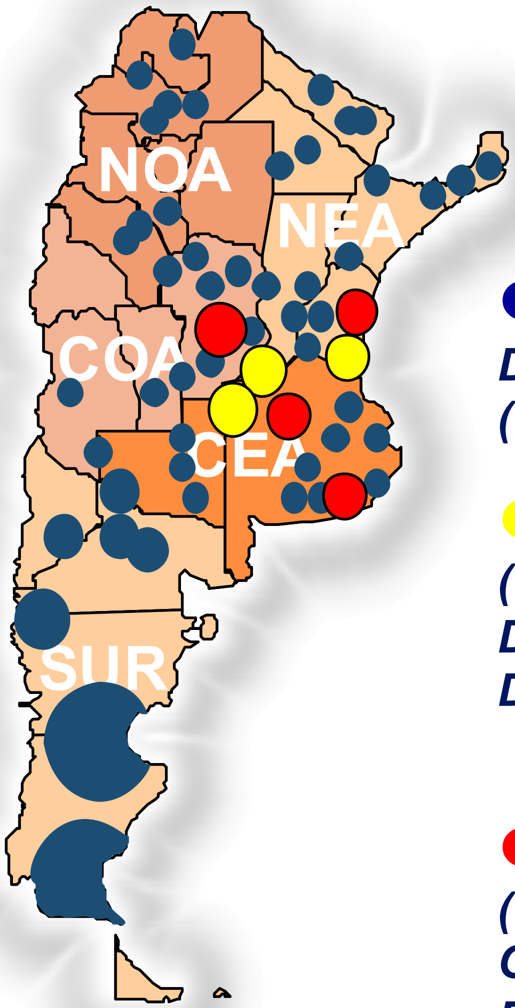
Average term of payment (days)





(*) Similar rates for Direct Sales

Wholesale Sales – Optimization of the Market



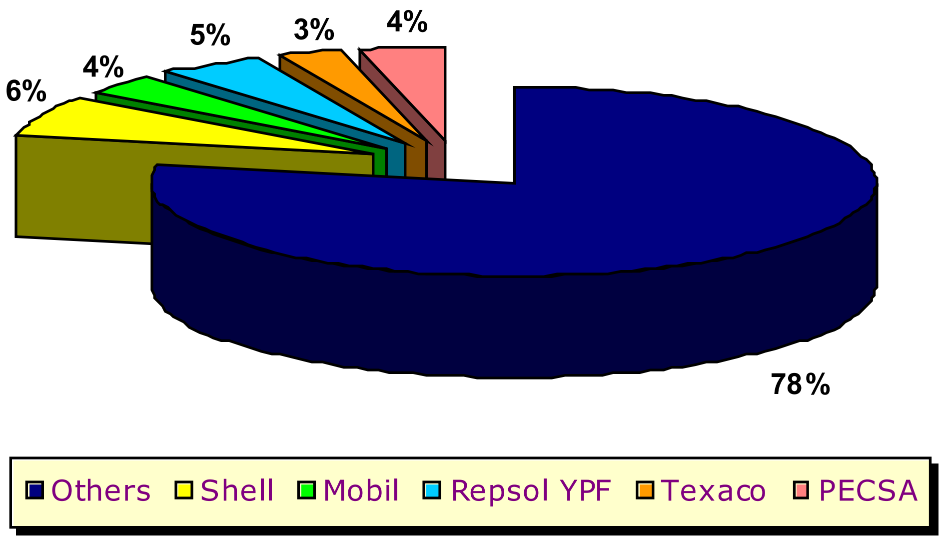
DIESEL DISTRIBUTORS (DD.DD.)

YPFD (current) Own Diesel Distributors

YPFD (opened 2003) Own Diesel Distributors

Return rate Aug 01 – June 03
73,99% per year

Peru - Retail Network

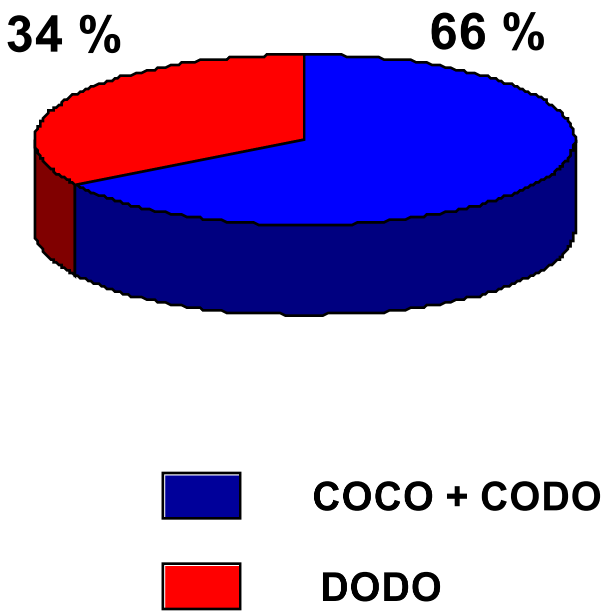


Others	1.982
Pecsa	96
Shell	171
Mobil	89
Repsol	127
Texaco	72
Total	2.537

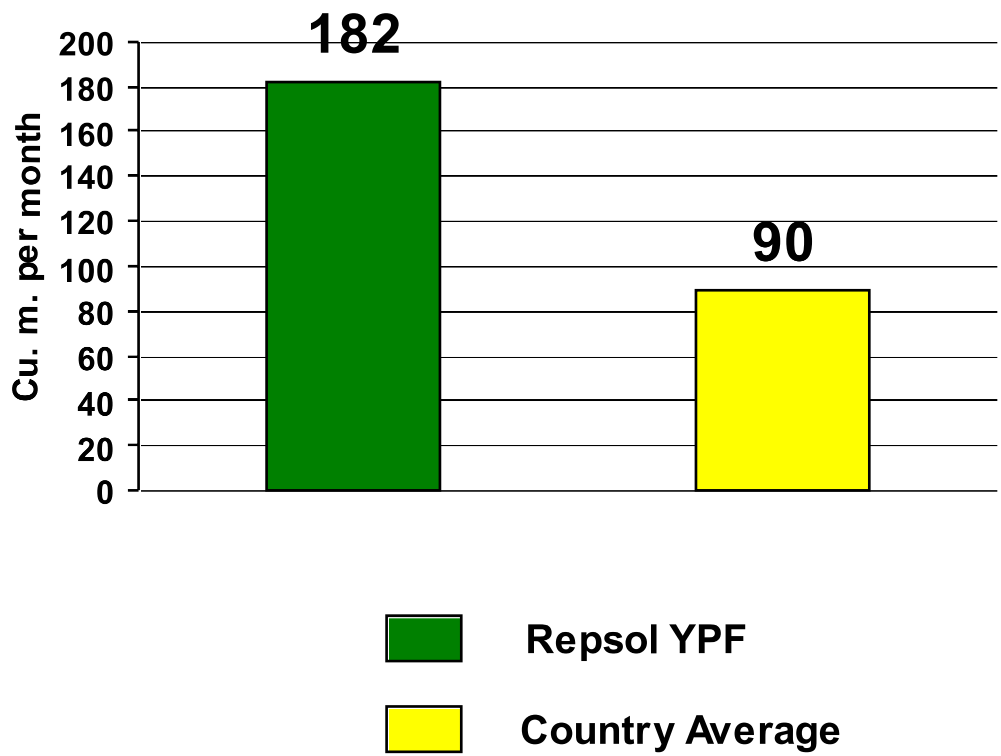
Date: June 2003

Peru - Retail Network

Total Network (127)

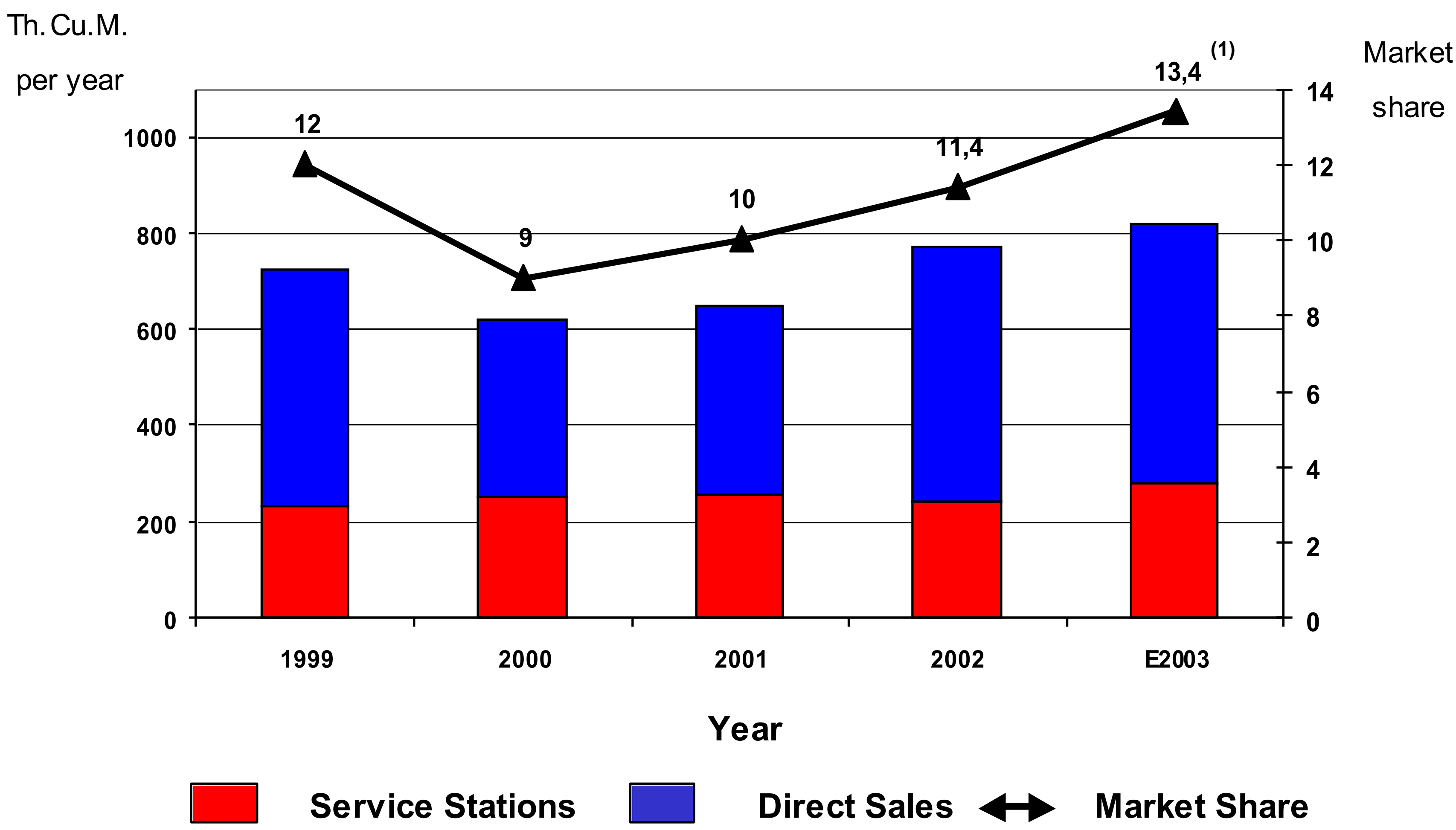


Average throughputs per site



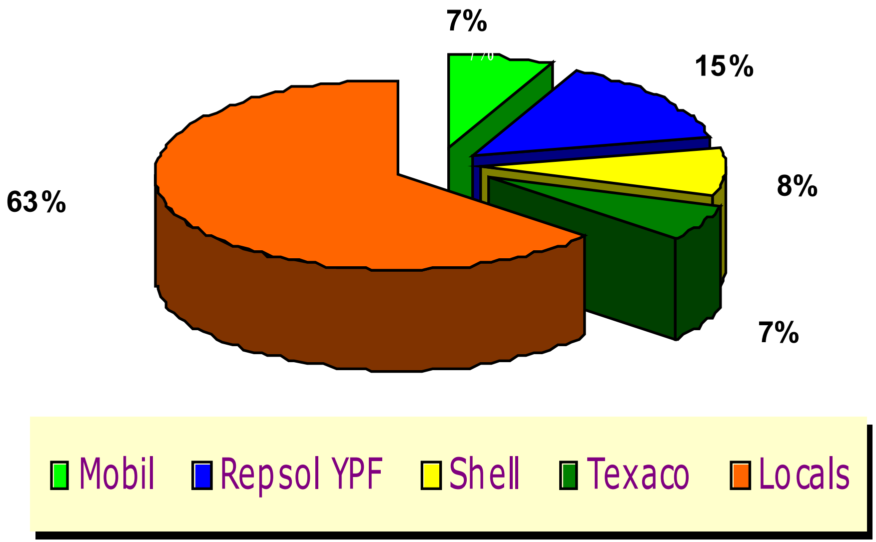
Date: June 2003

Peru - Sales Repsol YPF



(1) Accum. June 2003

Ecuador - Retail Network

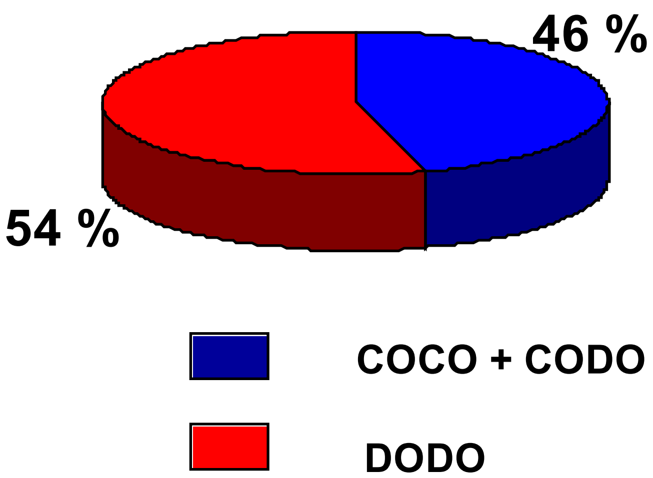


Locals	537
Repsol	125
Shell	65
Texaco	55
Mobil	60
Total	**842**

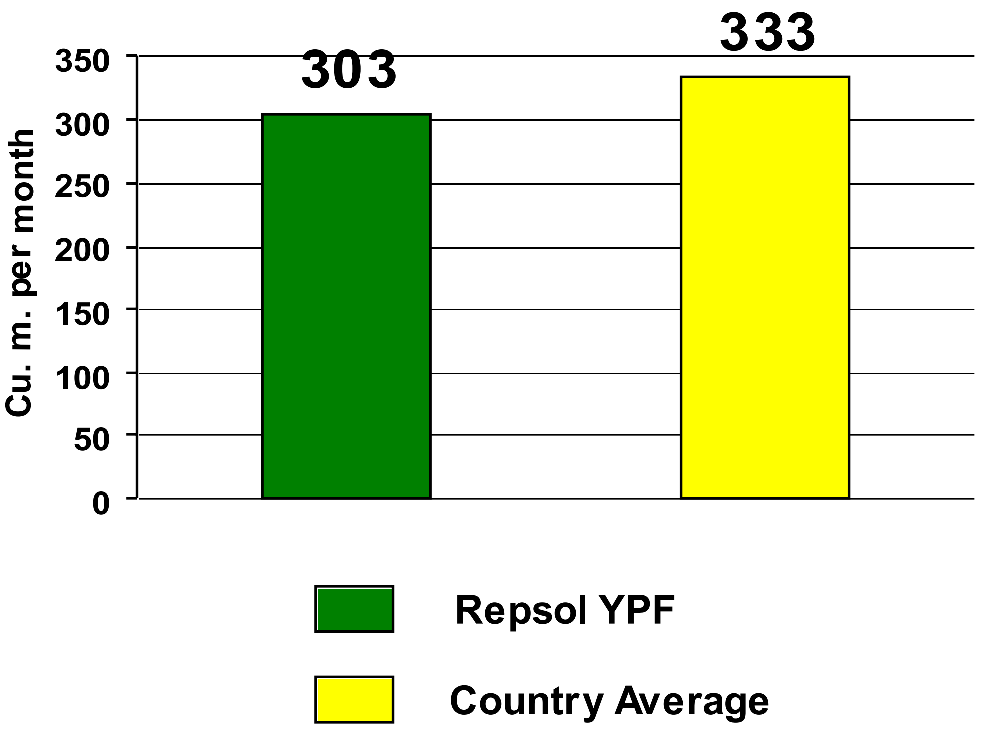
Date: June 2003

Ecuador - Retail Network

Total Network (125)

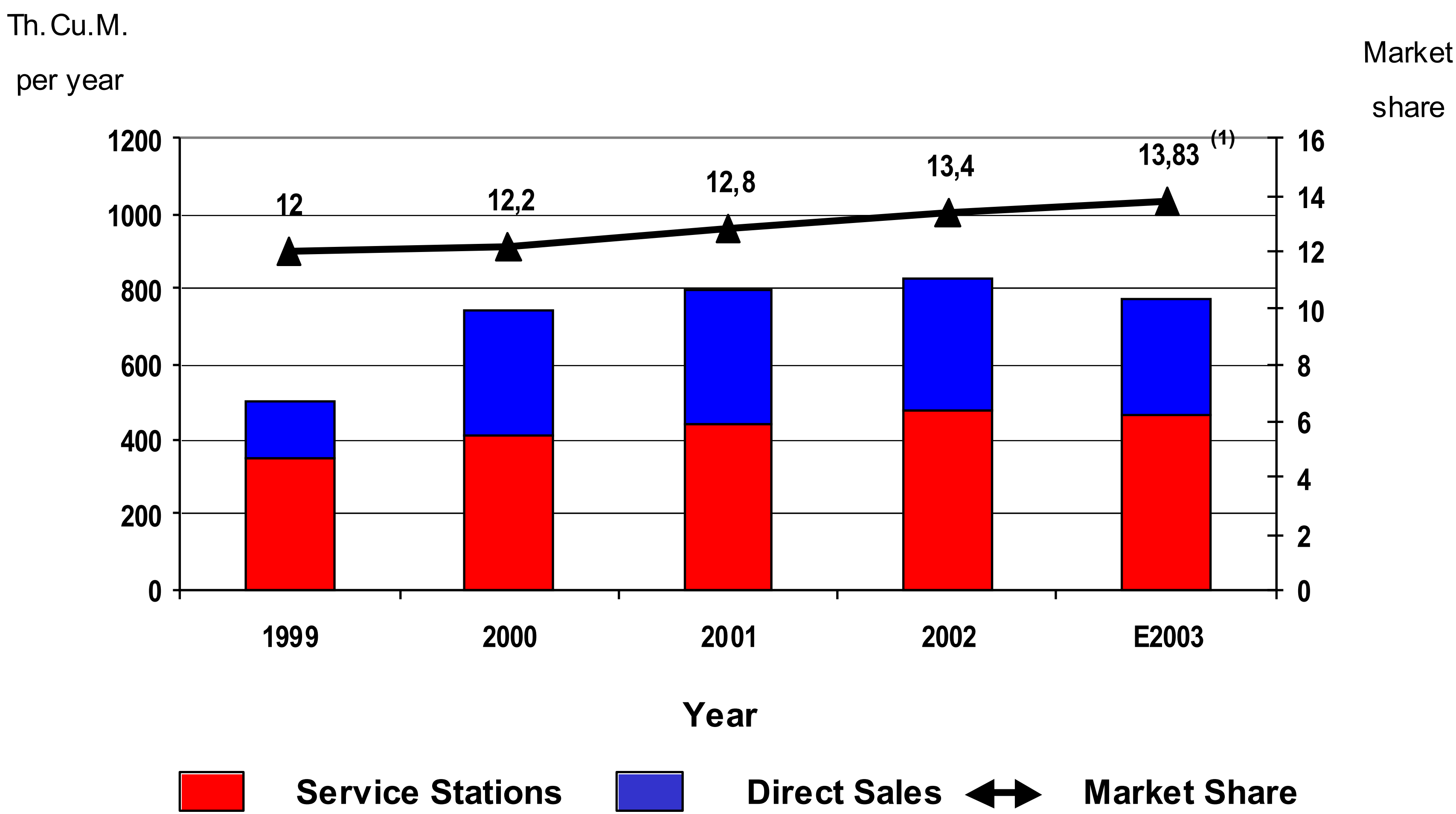


Average throughputs per site



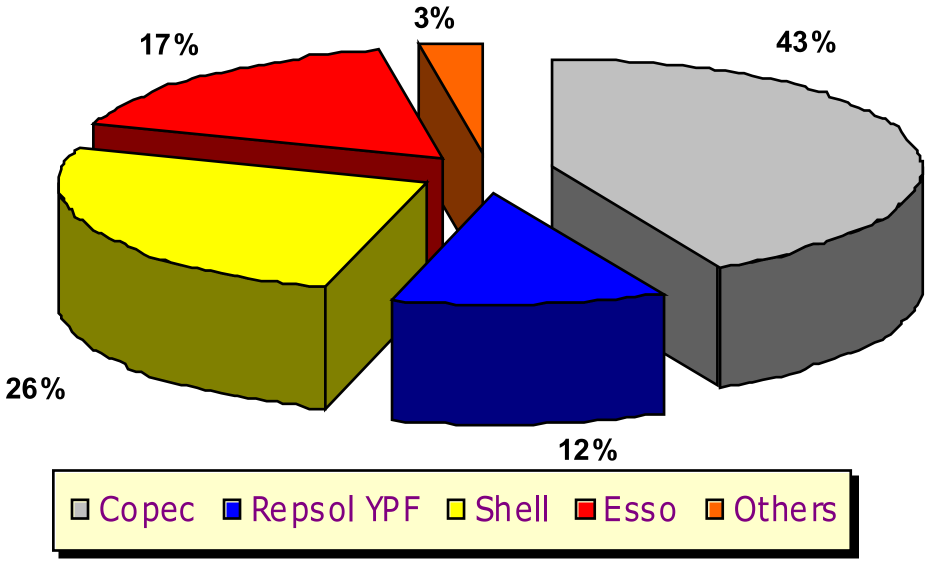
Date: June 2003

Ecuador - Sales Repsol YPF



(1) Accum. June 2003

Chile - Retail Network

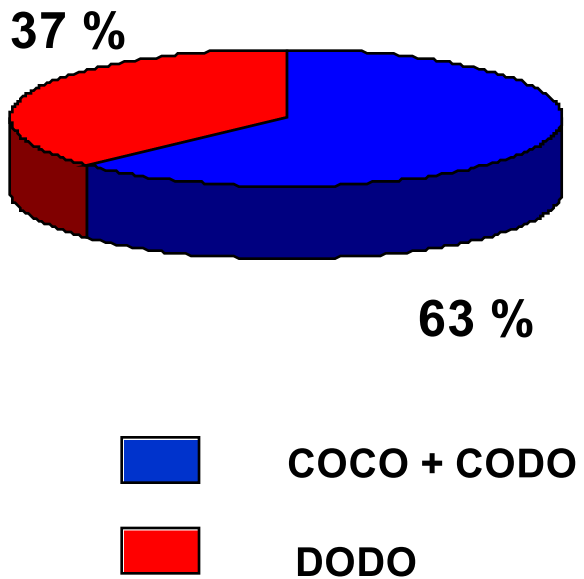


Copec	621
Shell	378
ESSO	246
YPF	175
Others	40
Total	1.460

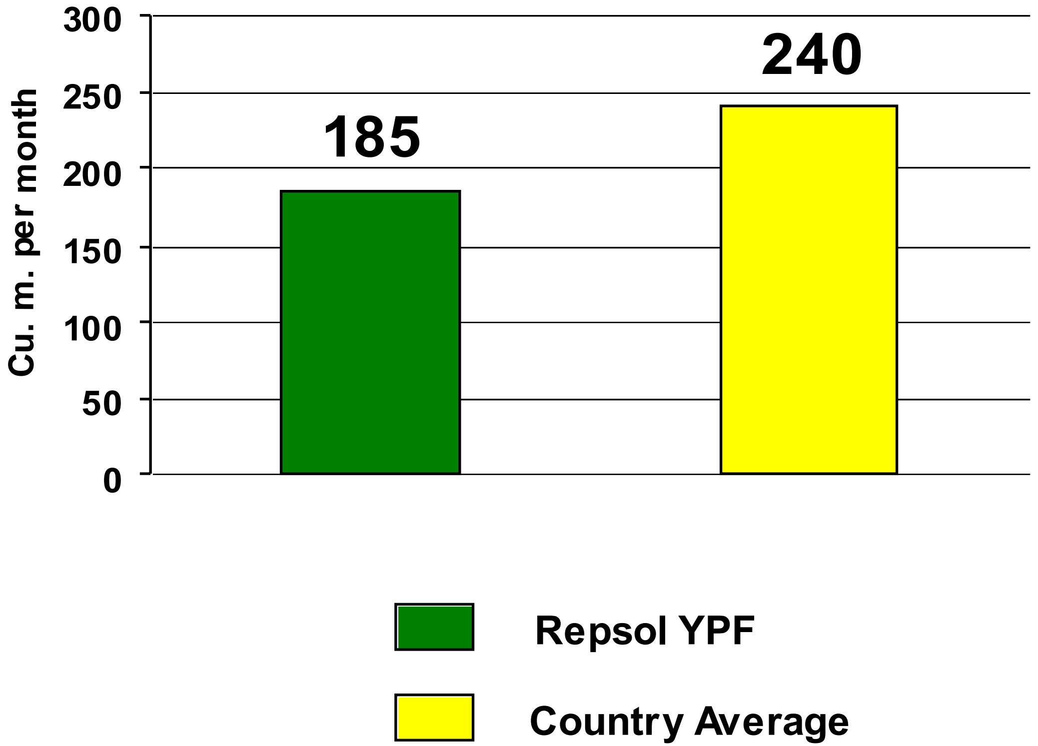
Date: June 2003

Chile - Retail Network

Total Network (175)

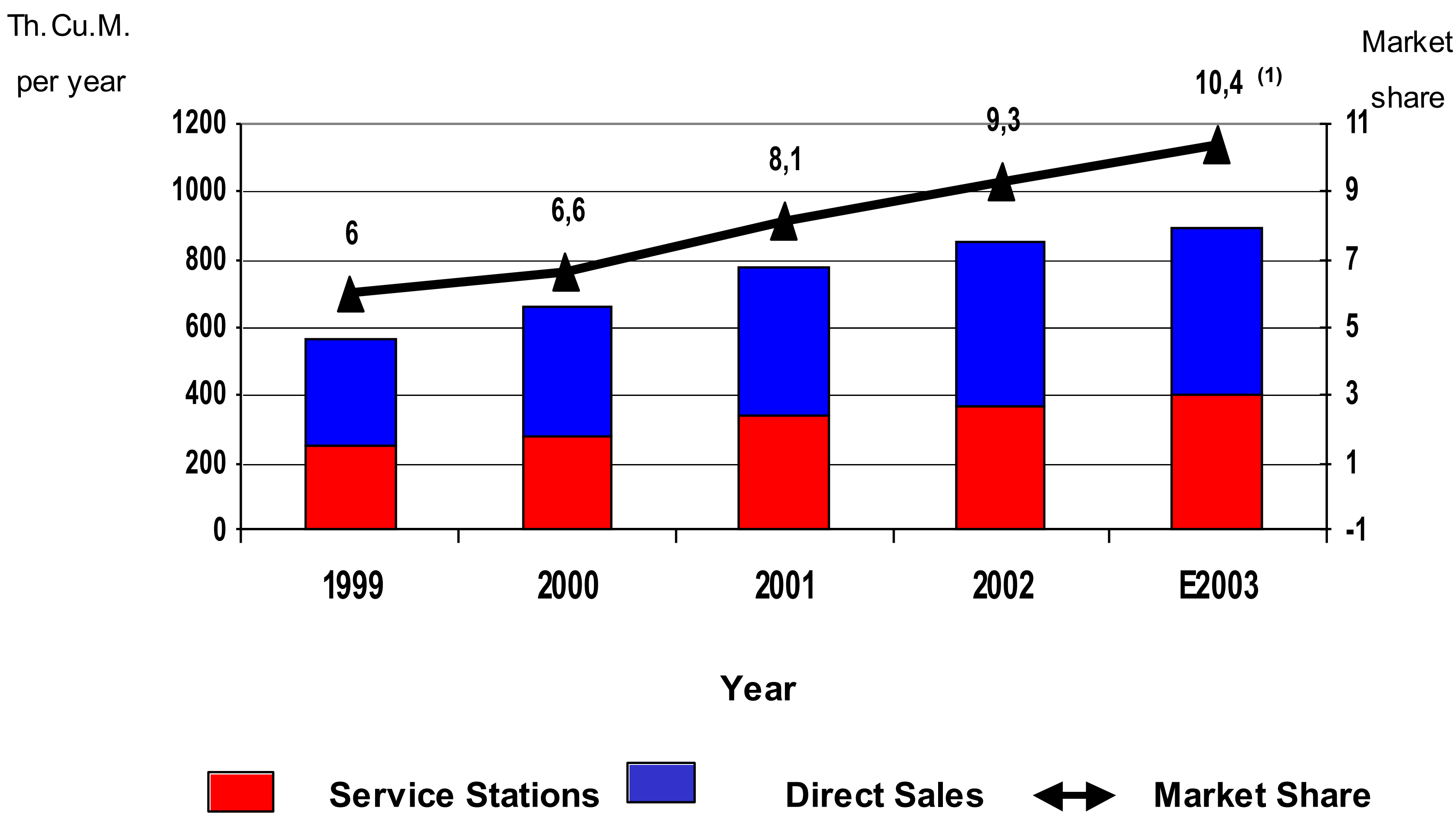


Average throughputs per site



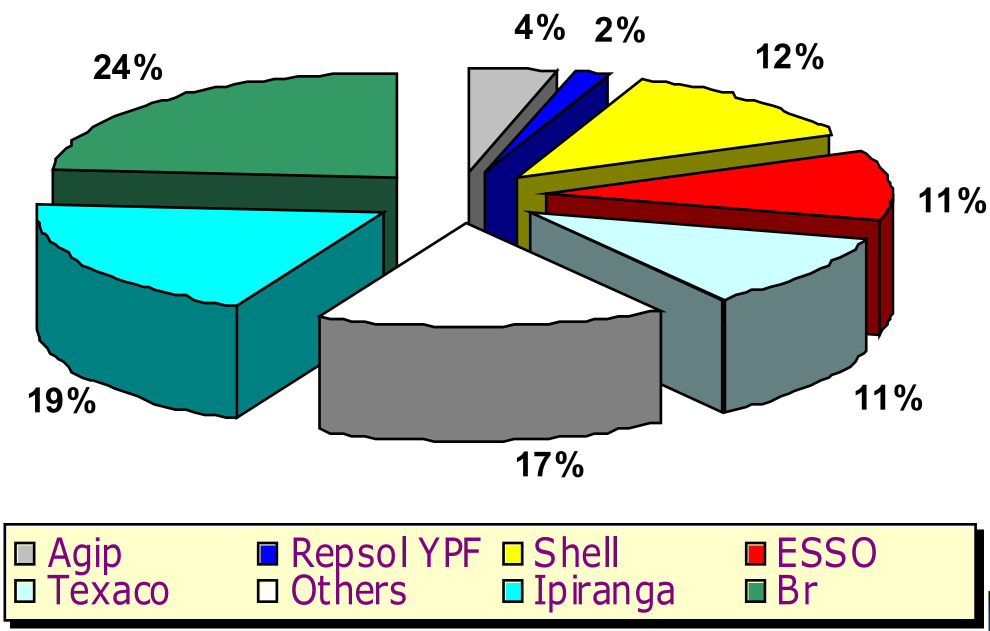
Date: June 2003

Chile - Sales Repsol YPF



(1) Accum. June 2003

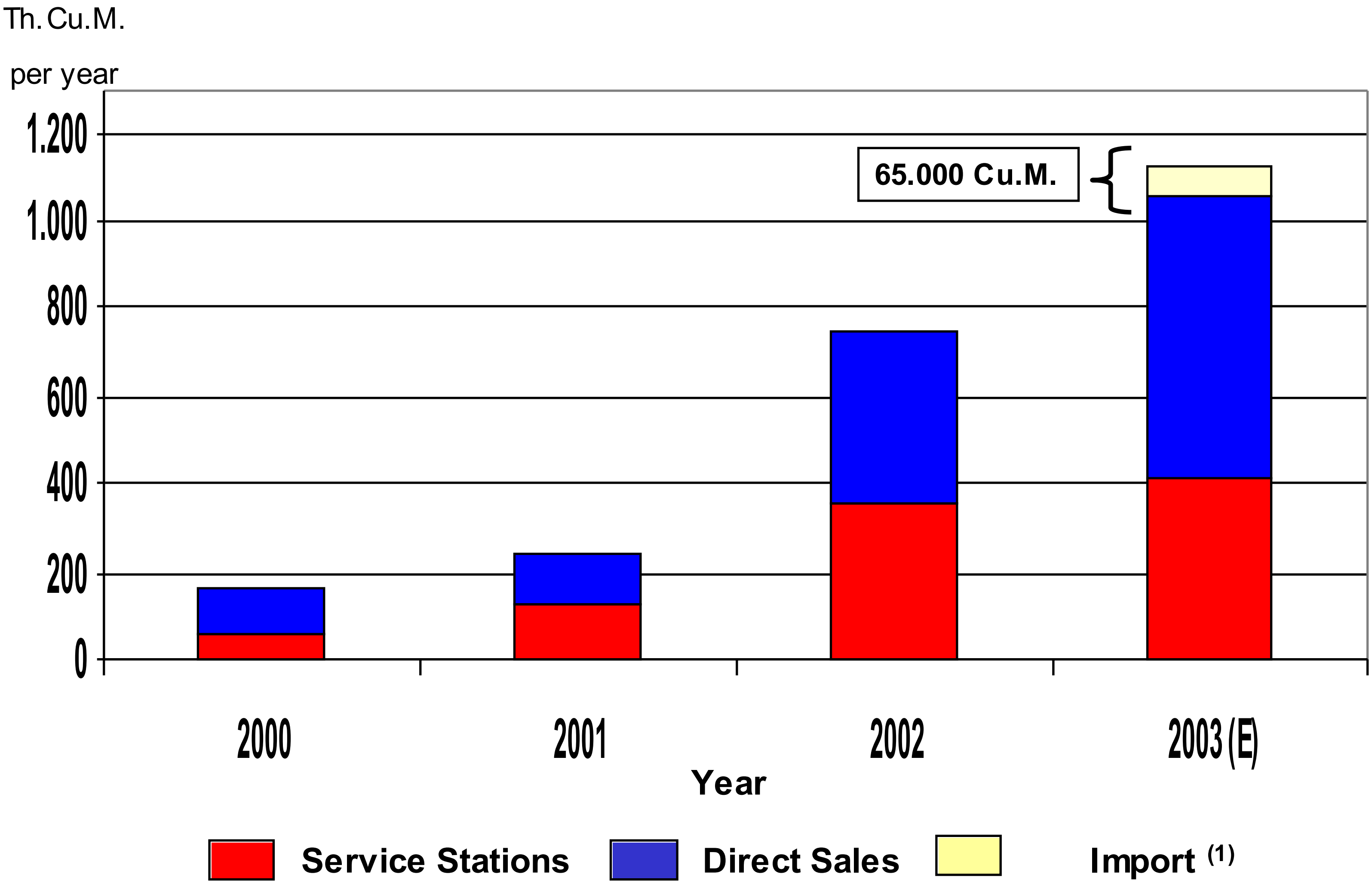
Brazil - Retail Network



BR	6.726
Ipiranga	5.502
Others	4.712
Shell	3.480
Texaco	3.190
ESSO	3.190
AGIP	1.160
Repsol	502
Total	28.462

Date: June 2003

Brasil – Sales Repsol YPF



(1) It is supplied by ship or truck, from RepsolYPF Refineries in Argentina

REPSOL YPF

REFINING & MARKETING LATIN AMERICA

September 2003

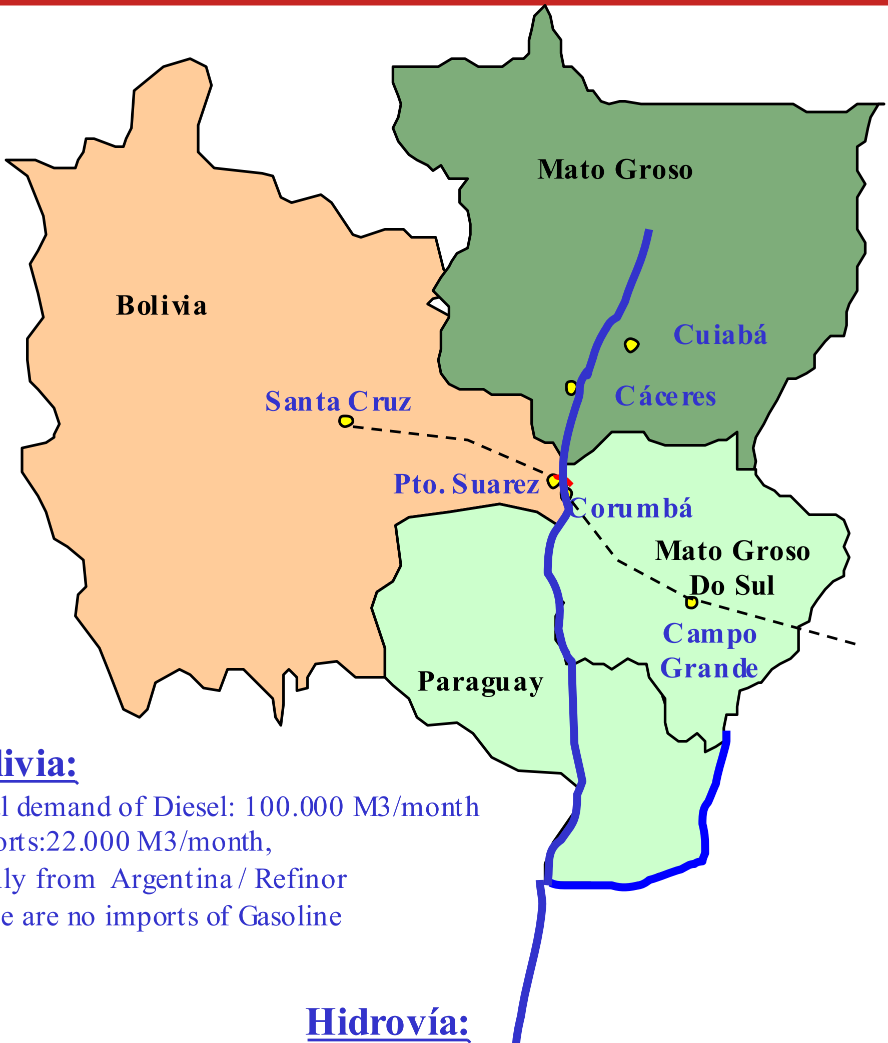
ANEXO

Red XXI Consolidation Project

"RED XXI is a managment model for SSEE, based on the commercial modality of product consignment and supported with the best technology"

- Implementation of the Red XXI model in the whole network
- Branded contracts: average term of expiration 7.5 years
- Phase II Red XXI : improvement in the commercial operation. Volume control.
- Service Stations under Red XXI contract: **79 %**
- Sales Volume under Red XXI contract: **93 %**

Hidrovia – Total Market



Total volume of Diesel: 407.000 m3/month
Total volume of Gasoline: 67.000 m3/month

Mato Grosso:

Total demand of Diesel: 130.000 M3/month
Total demand of Gasoline: 24.000 M3/month
It is supplied by railway and truck, or only truck from Paulinia

Mato Grosso Do Sul:

Total demand of Diesel : 70.000 M3/month
Total demand of Gasoline: 23.000 M3/month
It is supplied by railway and truck, or only truck from Paulinia

Bolivia:

Total demand of Diesel: 100.000 M3/month
Imports:22.000 M3/month,
mainly from Argentina / Refinor
There are no imports of Gasoline

Paraguay:

Total demand of Diesel: 90.000 M3/month
Total demand of Gasoline: 20.000 M3/month
Petropar produces only 10 to 15 percent. The rest is imported by Hidrovia

Hidrovía:

System to supply the fluvial fleet
Total demand 17.000 M3/month
Mostly supply in Argentina

Main Actions

- **Adjustment on legislation**
  - ✓ Fireproofing
  - ✓ Atmospheric Protection
  - ✓ Seismic
- **Recommendations from Insurance Companies**
  - ✓ Motor Valve
  - ✓ Gas Detection
  - ✓ Fixed Systems of Extinction
- **Environment**
  - ✓ Cooperation with governmental authorities and University Programme to control atmospheric emissions

Argentina - Main projects in execution /study

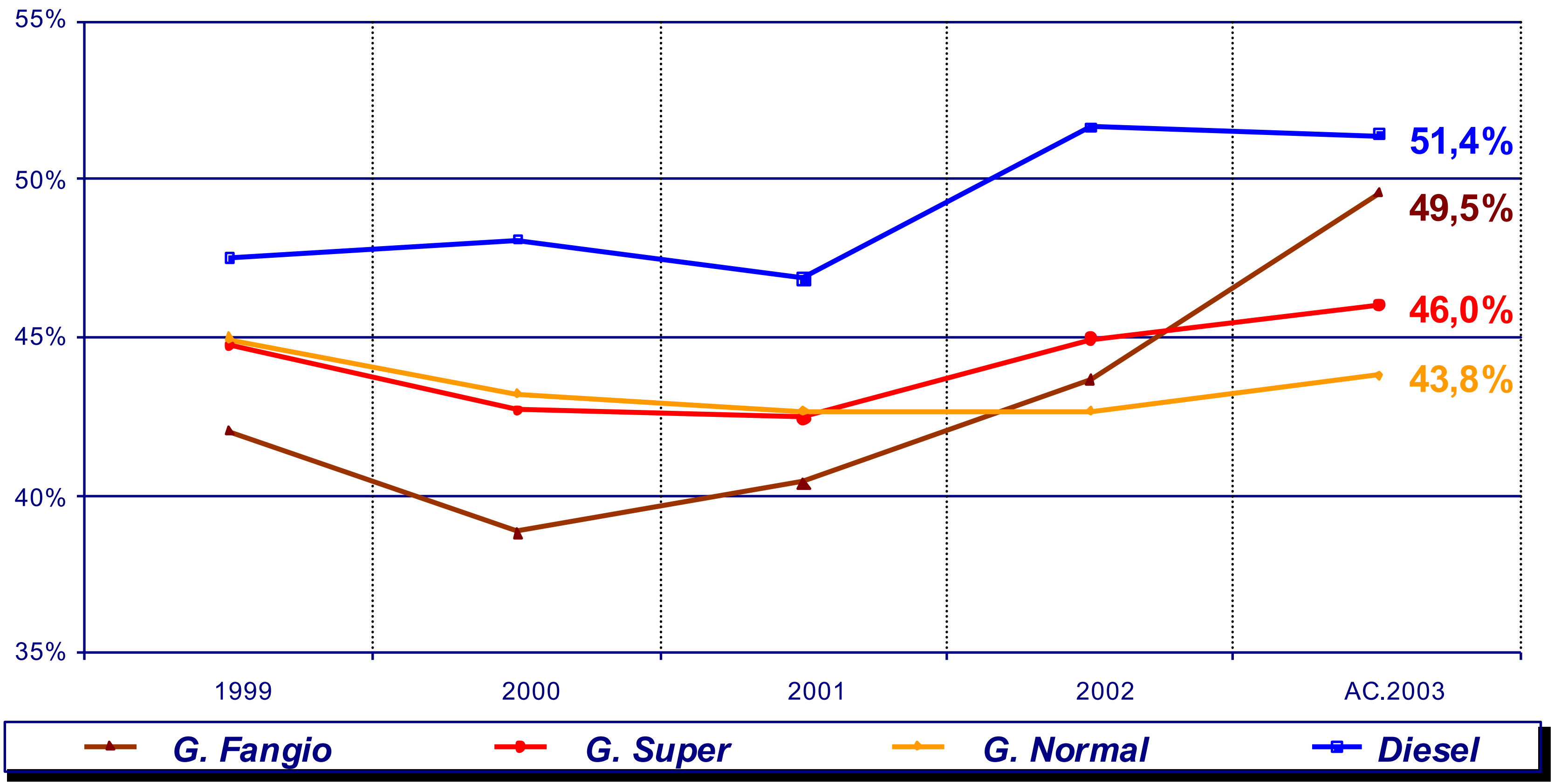
- Investments in safety conditions: San Lorenzo Pipeline; Luján de Cuyo and San Lorenzo Terminals; Terminals; Ports and Pumping Stations
(Inv $_E$ = 7,1 US$ m)

- Investments in projects: Safety; New Business; Improvements; Information technology and others
(Inv $_E$ = 22,8 US$ m)

Logistic outline
Supply of Petrobras and RepsolYPF to their Hinterland

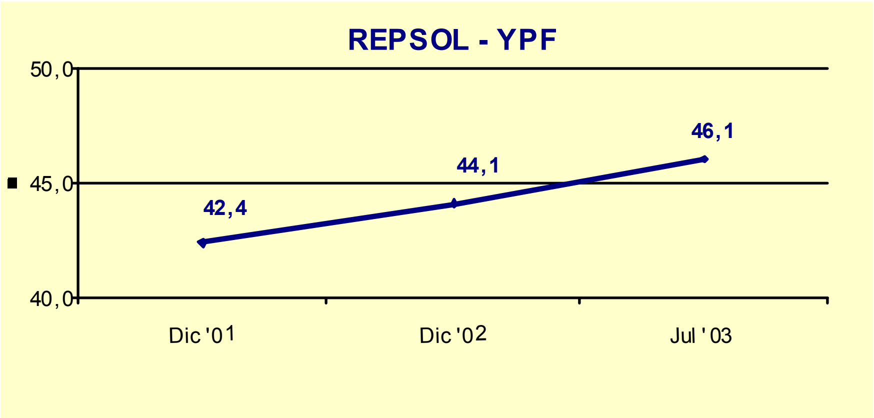
Marketing Argentina

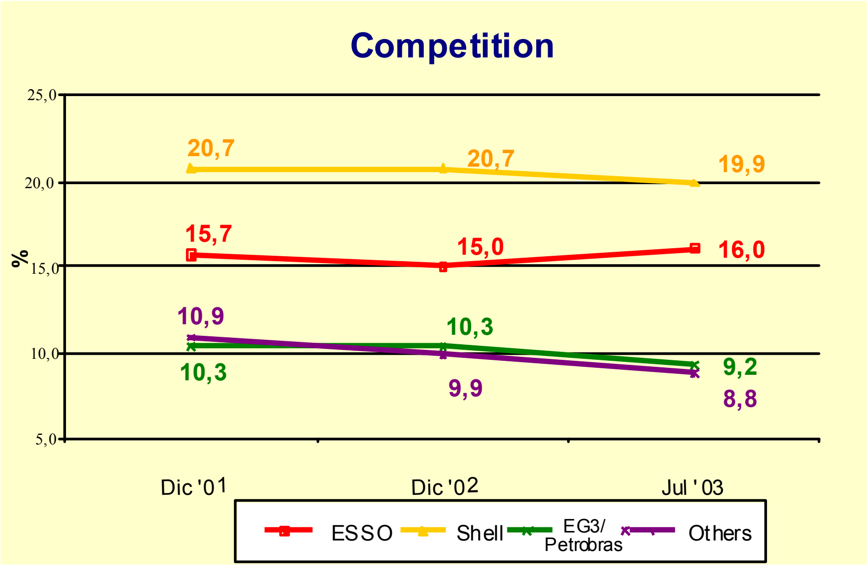
Market Share



Marketing Argentina
Market Share

TOTAL GASOLINE





Marketing Argentina
Market Share

REPSOL YPF

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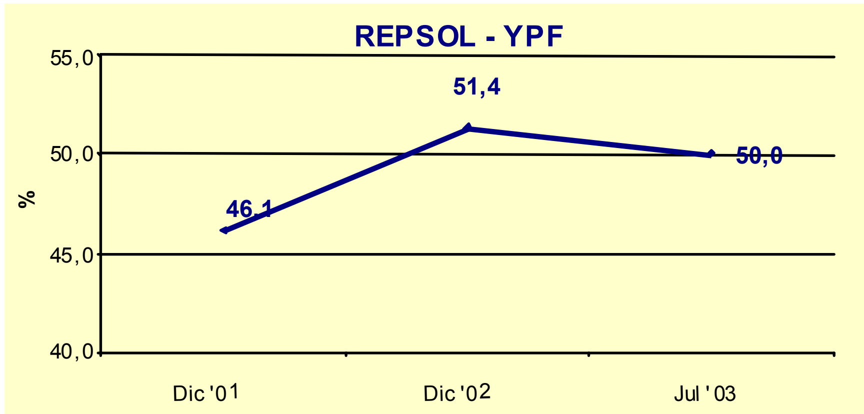
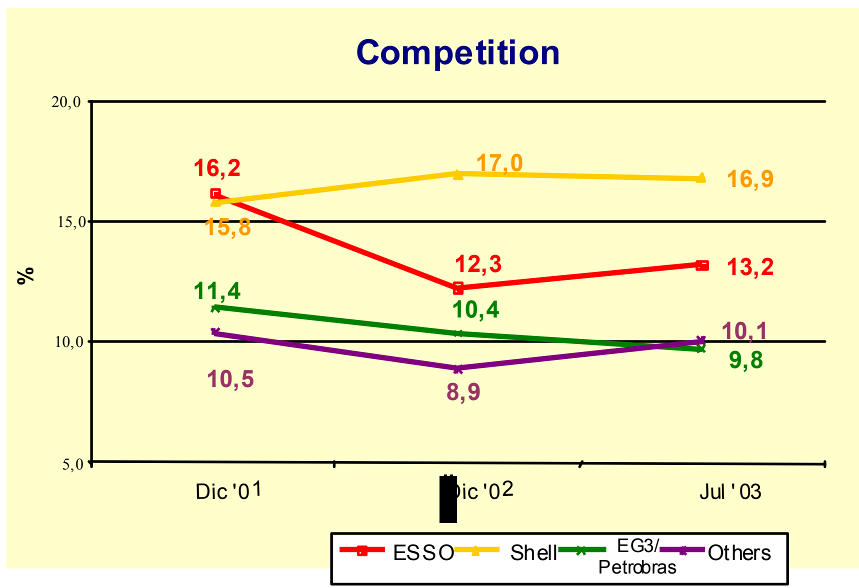




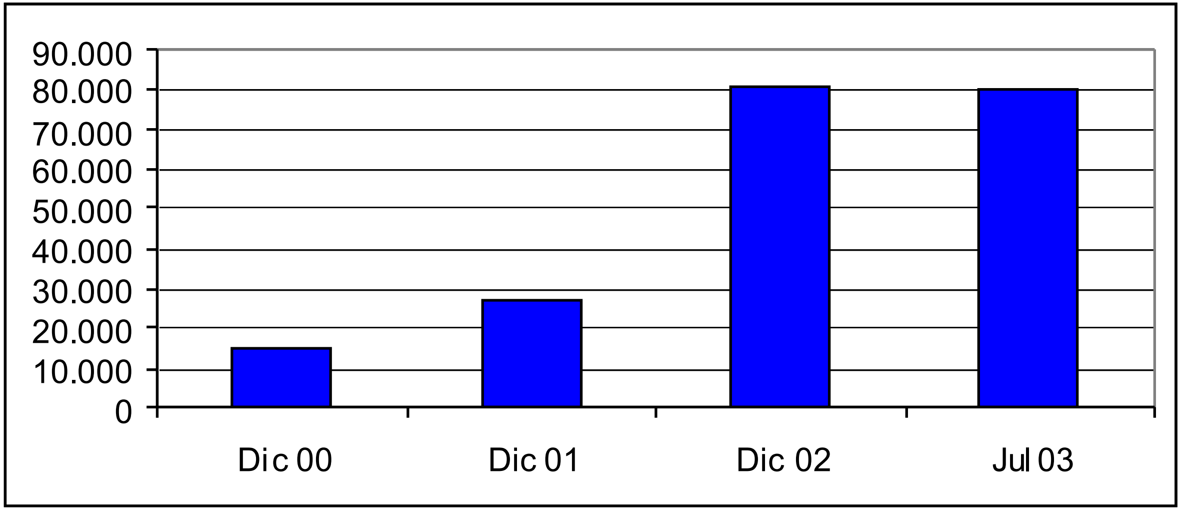
Argentina Service Station

- **YER (Fleet Card)**

Diesel

Volume sold (m^3)

Monthly development



July 2003

- **Cards:** **95.442**
- **Volume (m^3):** **79.929**
- **Service Stations:** **958**

Argentina - Service Stations

Convenience Stores - New Image

To date 68

Proyected by the end of 2003

90

To date 5

Proyected by the end of 2003

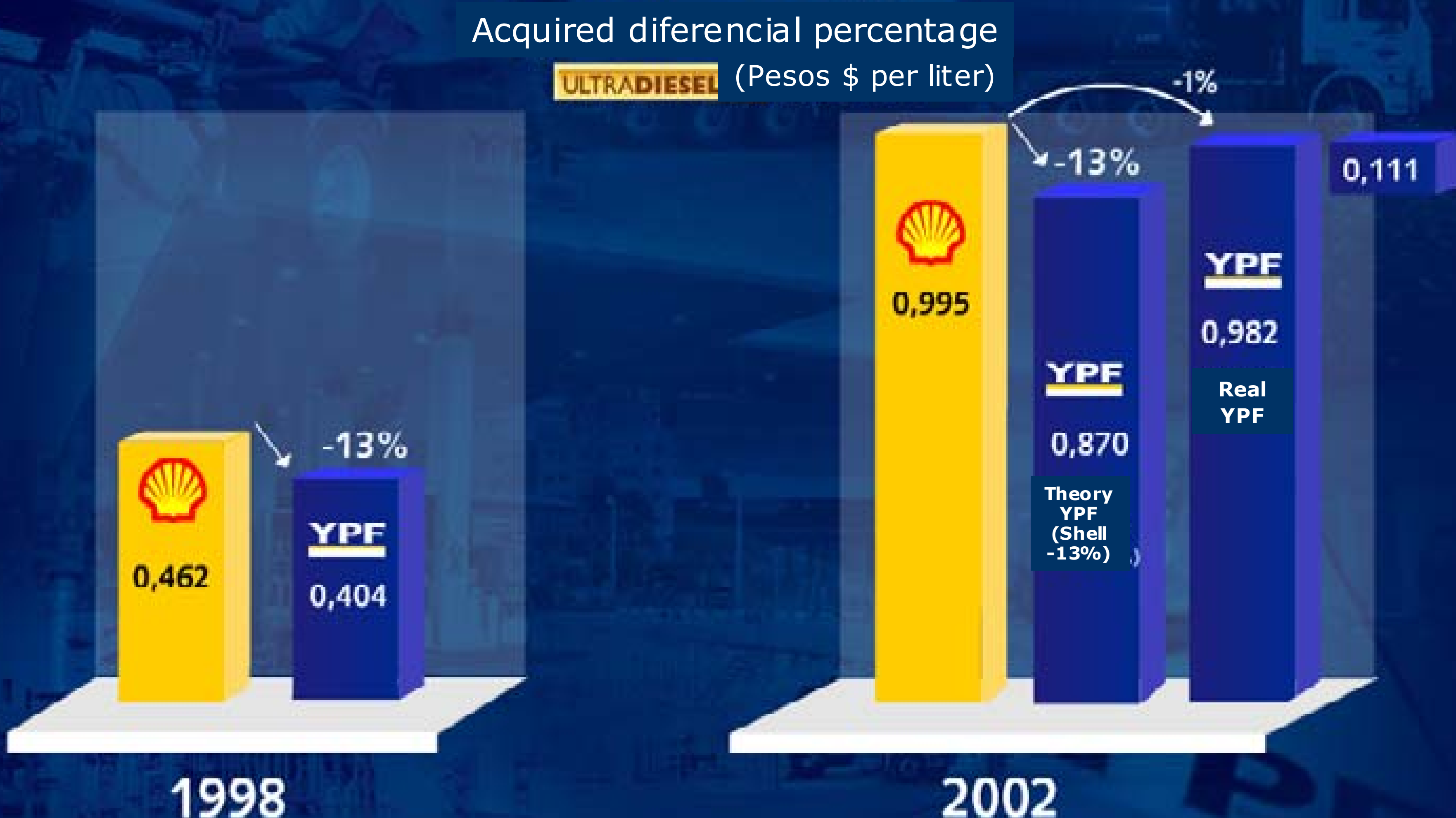
75

Argentina - Service Stations

Acquired diferencial percentage
Total Gasolines (Pesos $ per liter)

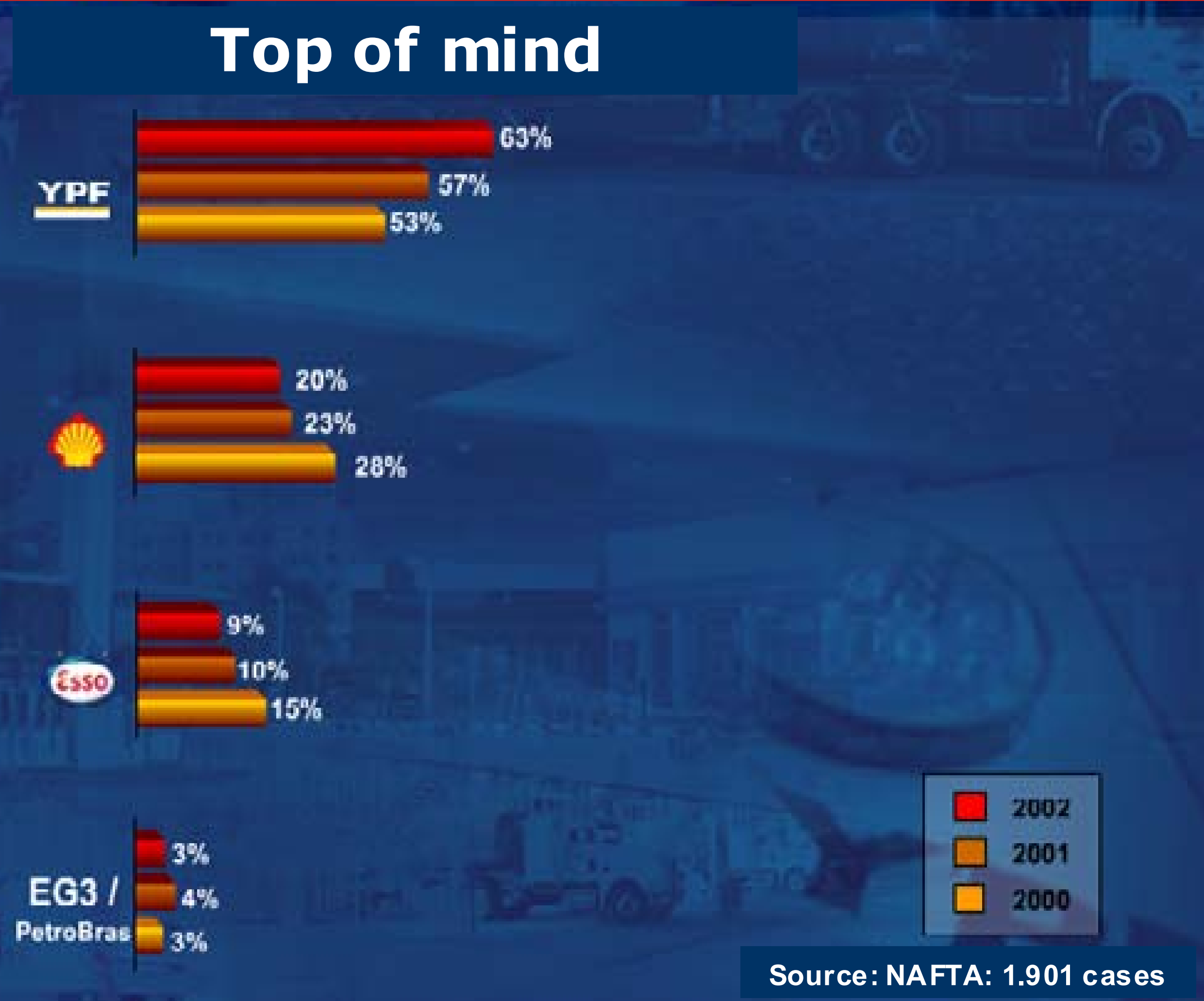
Income increase due Pricing effect Year 2002 | **Pesos $0,08 X** | **Sold volume** | **Est. US$ 32 M per Year**

Argentina - Service Stations



Income increase due Pricing effect Year 2002 | **Pesos $ 0,111 X Sold volume** | **Est. US$ 88 M per Year**

Argentina - Service Stations



Argentina - Service Stations

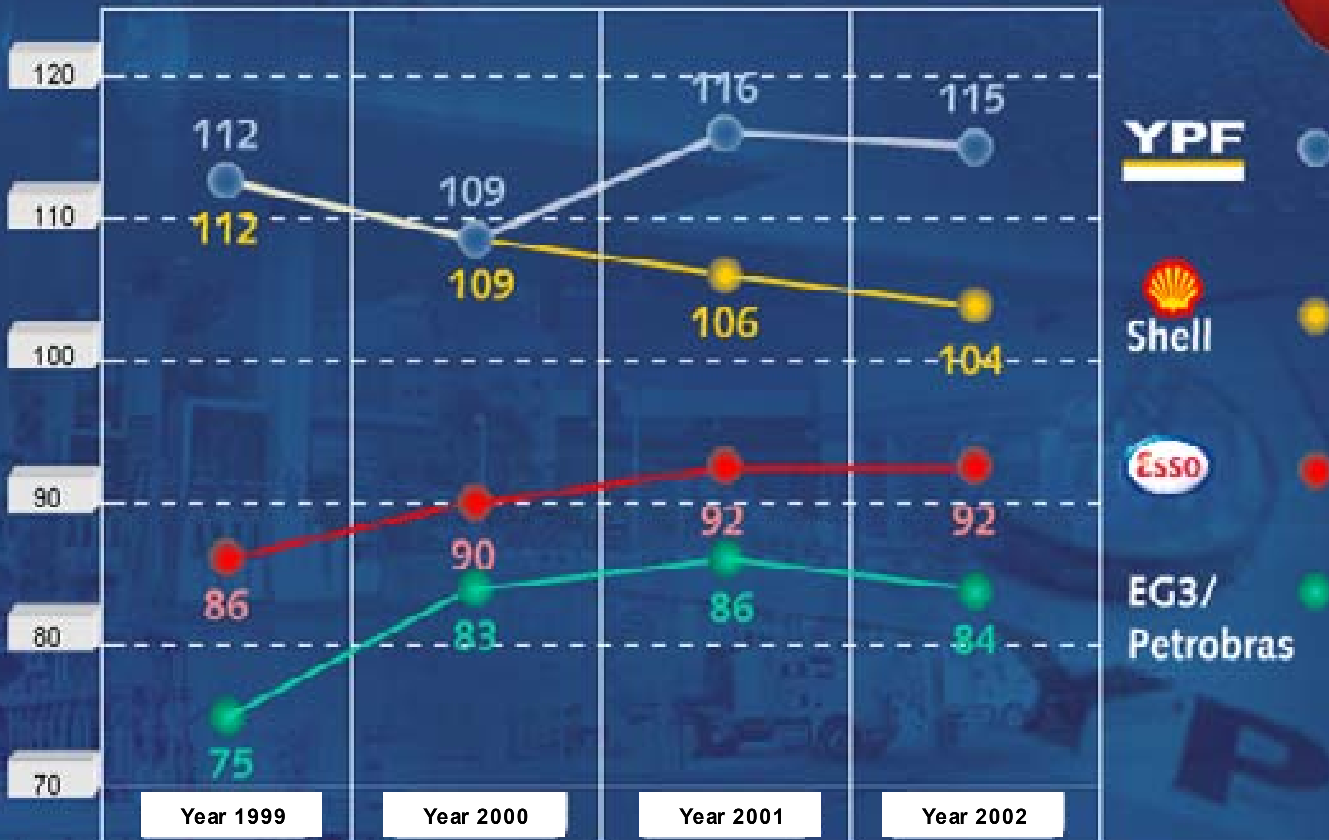
Corporative Image

Company	2002	2001	2000
Coca Cola	1°	1°	2°
Arcor	2°	2°	1°
REPSOL YPF	3°	4°	3°
Techint	4°	5°	11°
Unilever	5°	10°	9°
Cervecería Quilmes	6°	6°	14°
American Express	7°	3°	9°
Perez Companc	8°	9°	12°
Daimler Chrysler	9°	11°	9°
Mastellone Hnos.	10°	8°	16°

Source: CEOP for CLARIN – August 2002 – Sample: 348 executive managers

Argentina - Service Stations

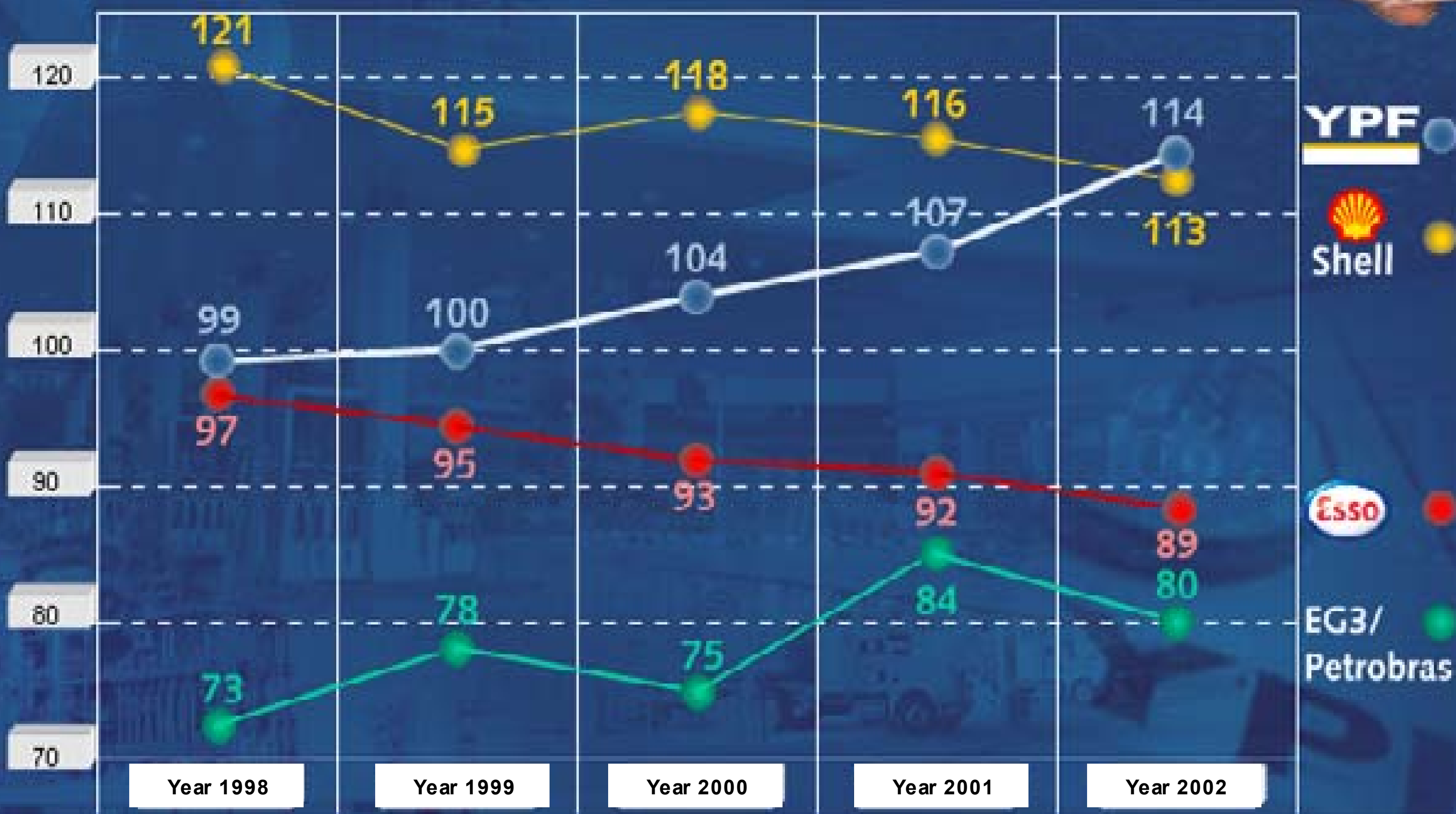
Emotional positioning



Source: CEOP model DBS

Argentina - Service Stations

Rational positioning



Source: CEOP model DBS