

REPSOL



Financial Discipline in Uncertain Times

Fernando Ramirez - CFO

Repsol YPF

Houston Investors Field Trip

December 2008

Safe harbour statement under the US Private Securities Litigation Reform Act of 1995

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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, 2007 filed with the US Securities and Exchange Commission and available on Repsol YPF's website (www.repsol.com). In light of the foregoing, the forward-looking statements included in this document may not occur.

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Present Situation

Credit Crunch Consequences

Our position

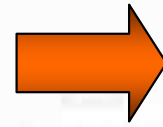
Financial Overview

Conclusion

Economic and financial crisis

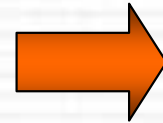


Economic Crisis



Oil price slump

Financial Crisis



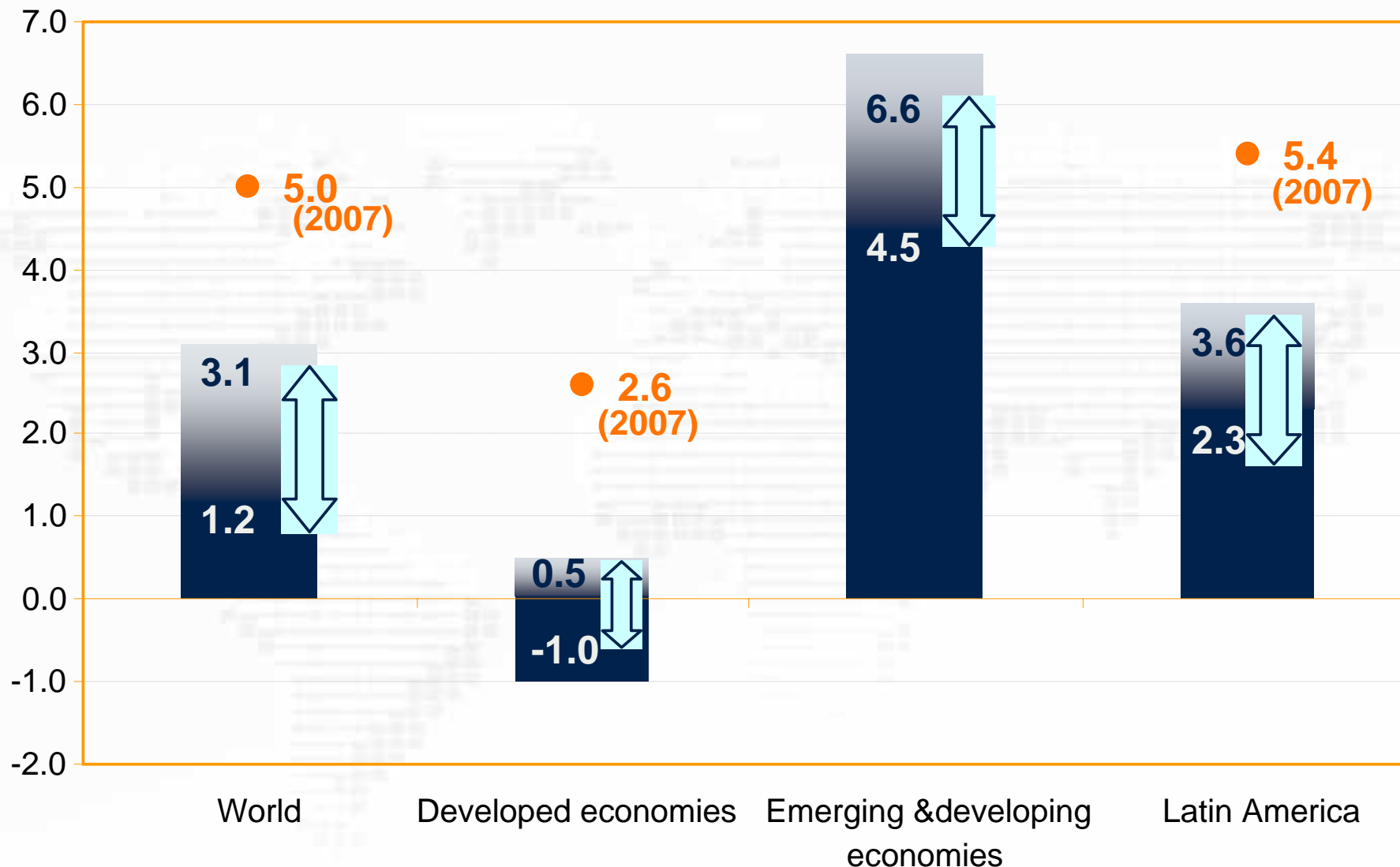
Credit Crunch

The Economic Crisis

Downward revision in all regions



Range of economic growth estimates by regions for 2009 (%)



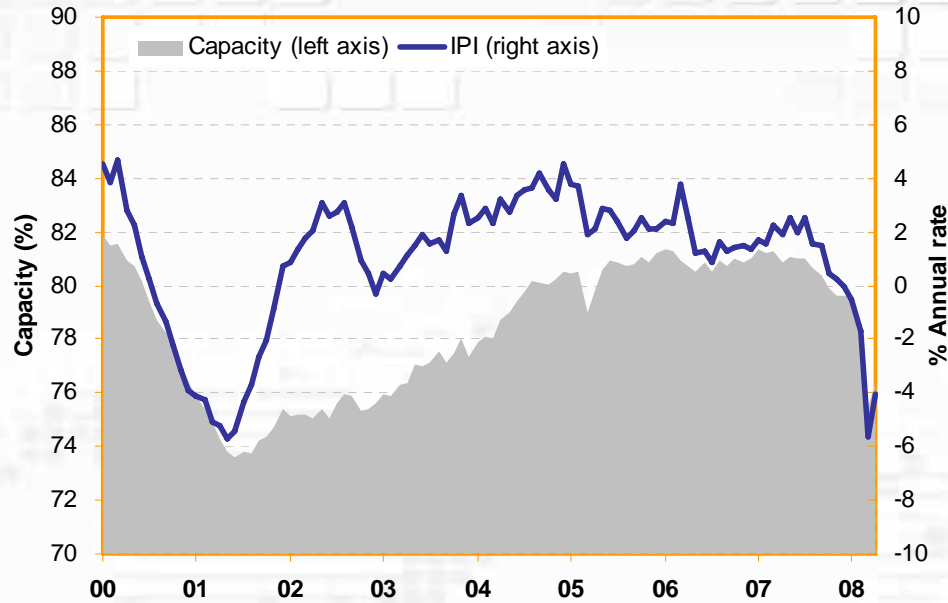
Source: Poll of Forecasters, EcoWin and Economic Research Department of Repsol

U.S. Economic Slump

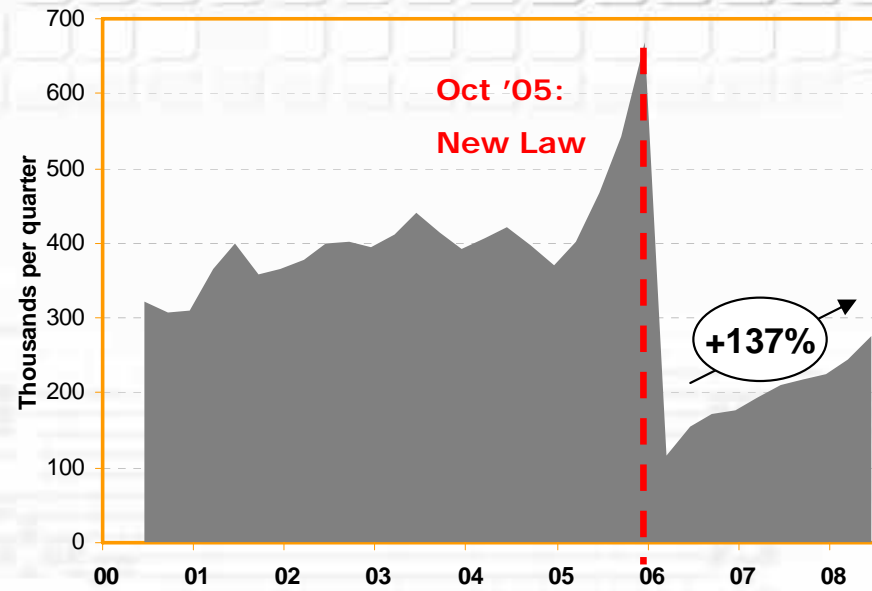
Economic activity and outlook



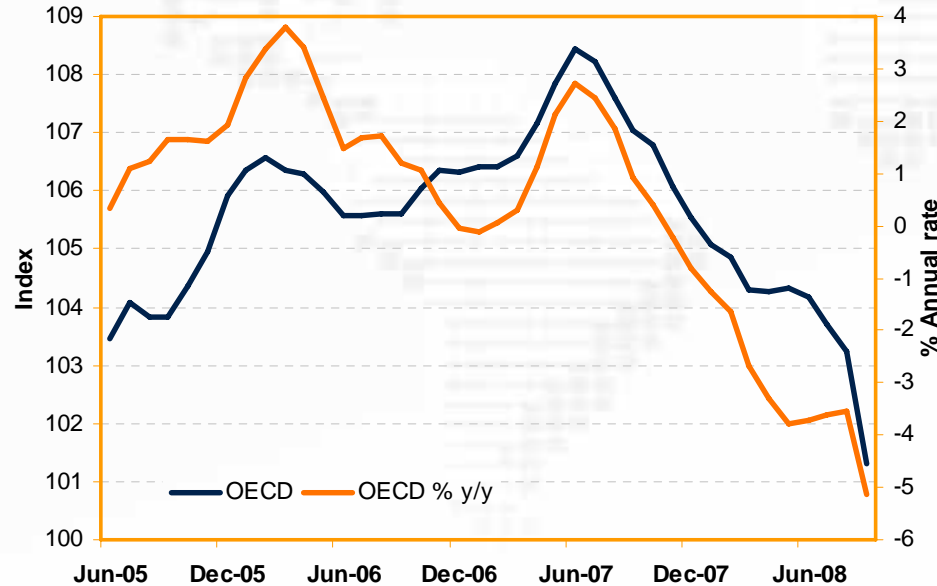
Industrial Activity



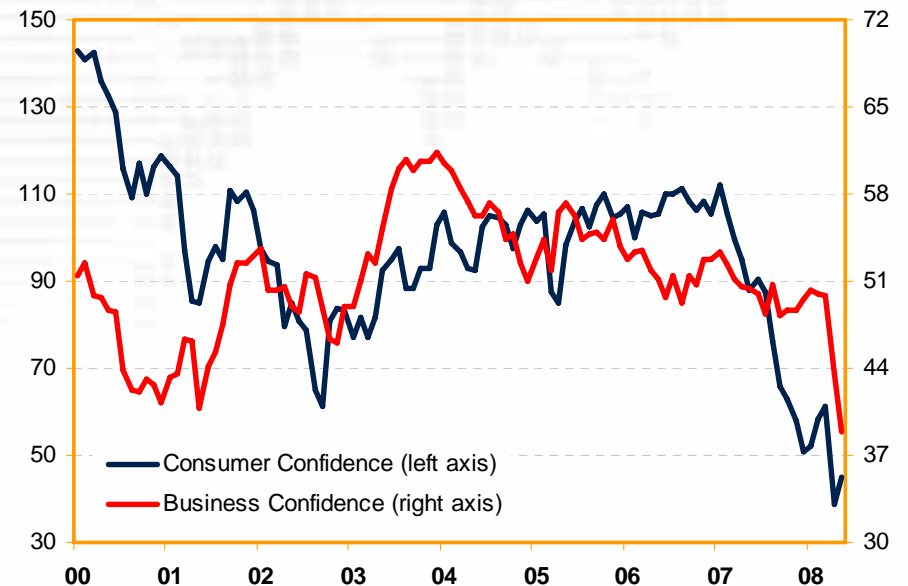
Bankruptcies



Leading indicators



Confidence Indicators

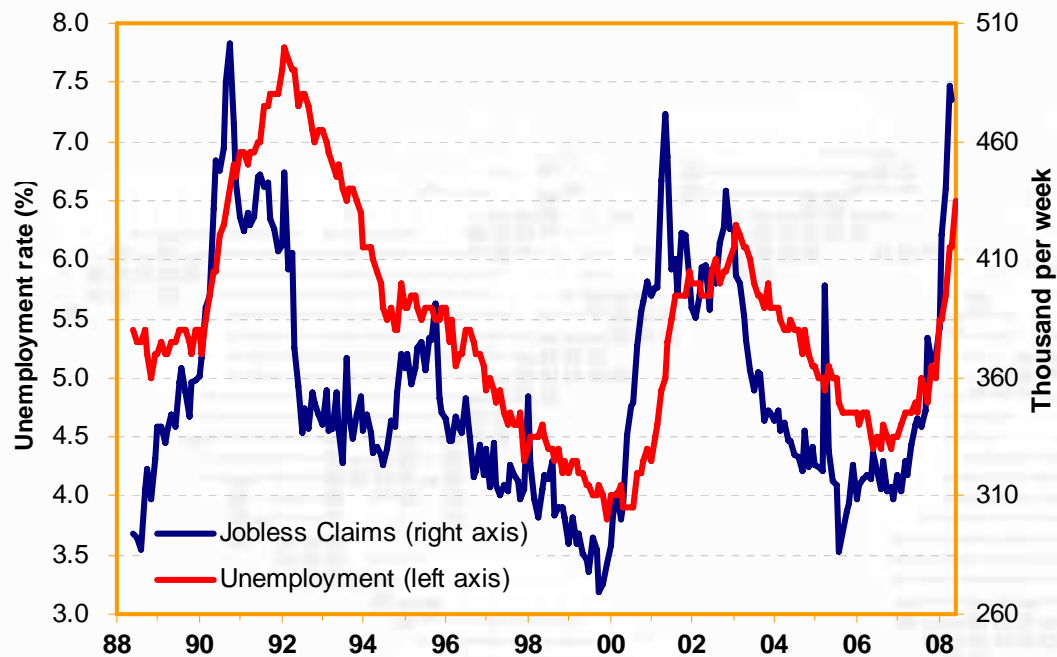


Source: U.S. Bureau of Economic Analysis, OECD and Economic Research Department of Repsol

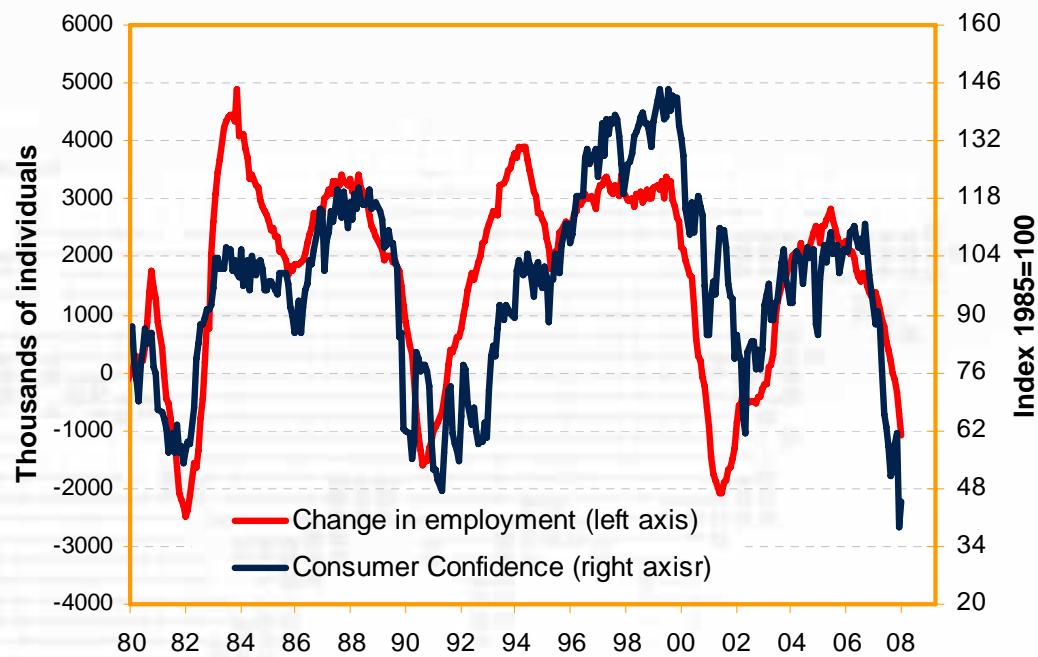
U.S. Economic Slump Labor Market



Unemployment



Confidence and Employment



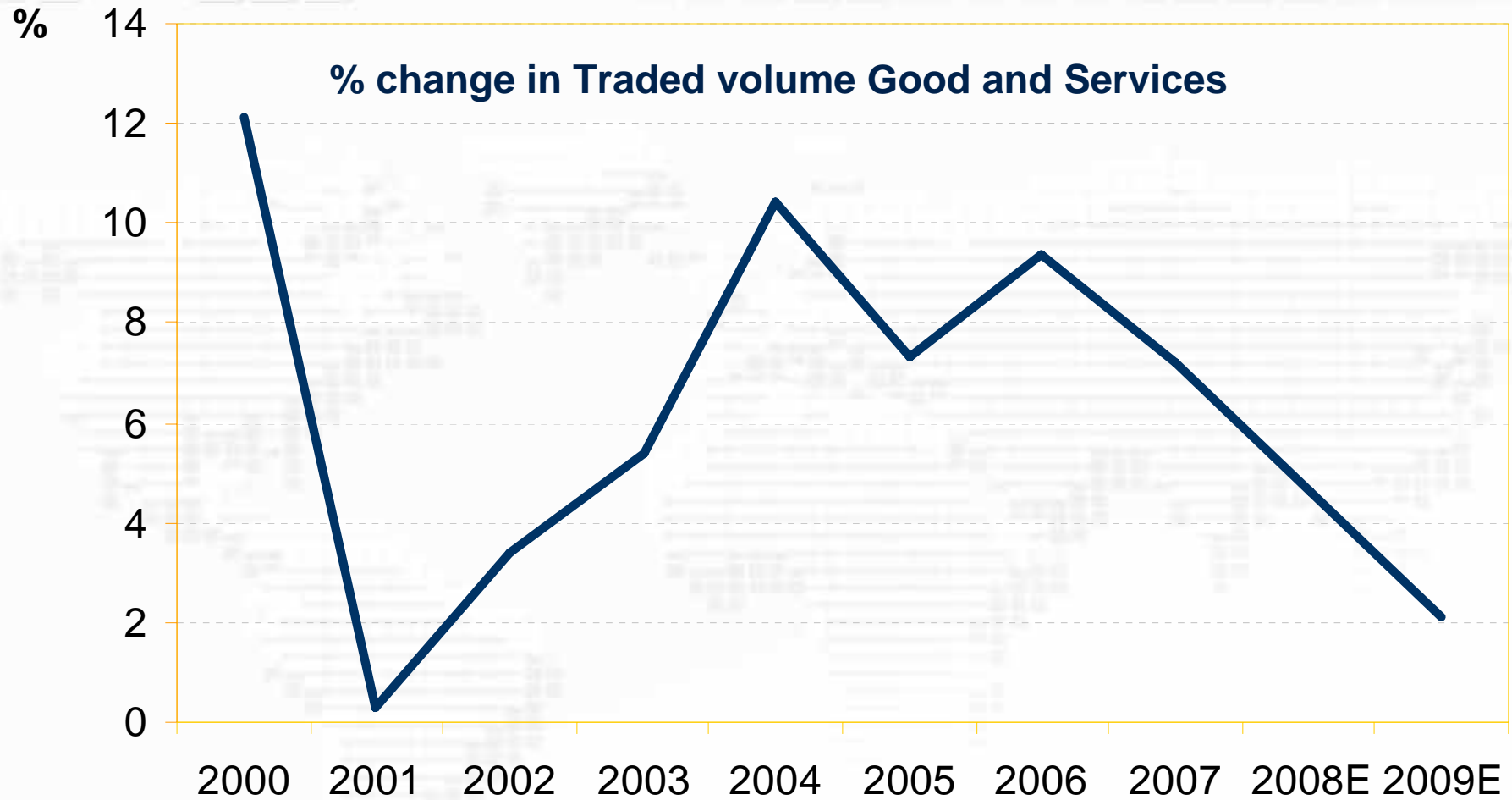
Source: U.S. Bureau of Economic Analysis and Economic Research Department of Repsol

The Economic Crisis

Decrease in demand



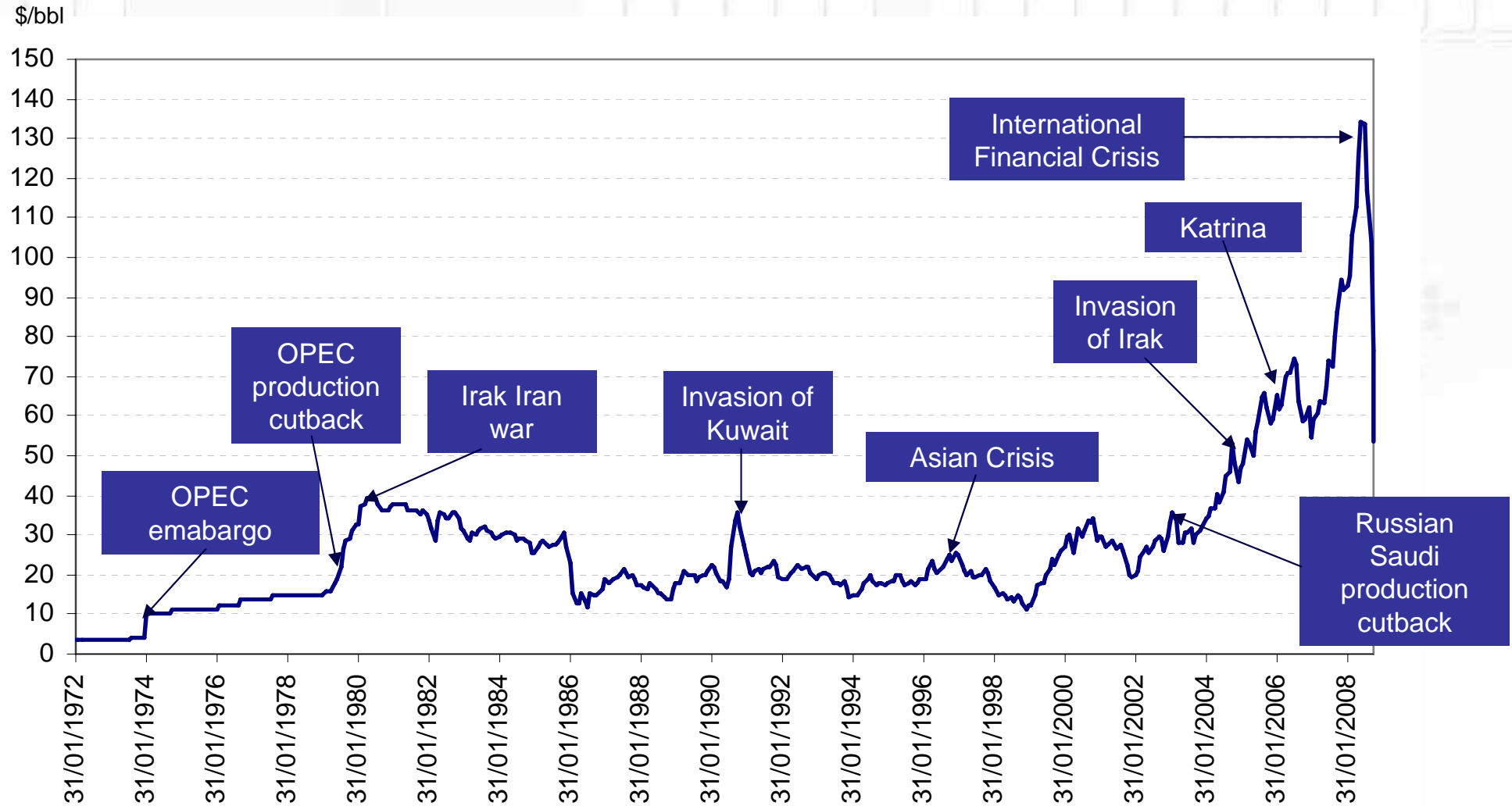
World Trade Volume



Source: World economy perspective, IMF

The Economic Crisis

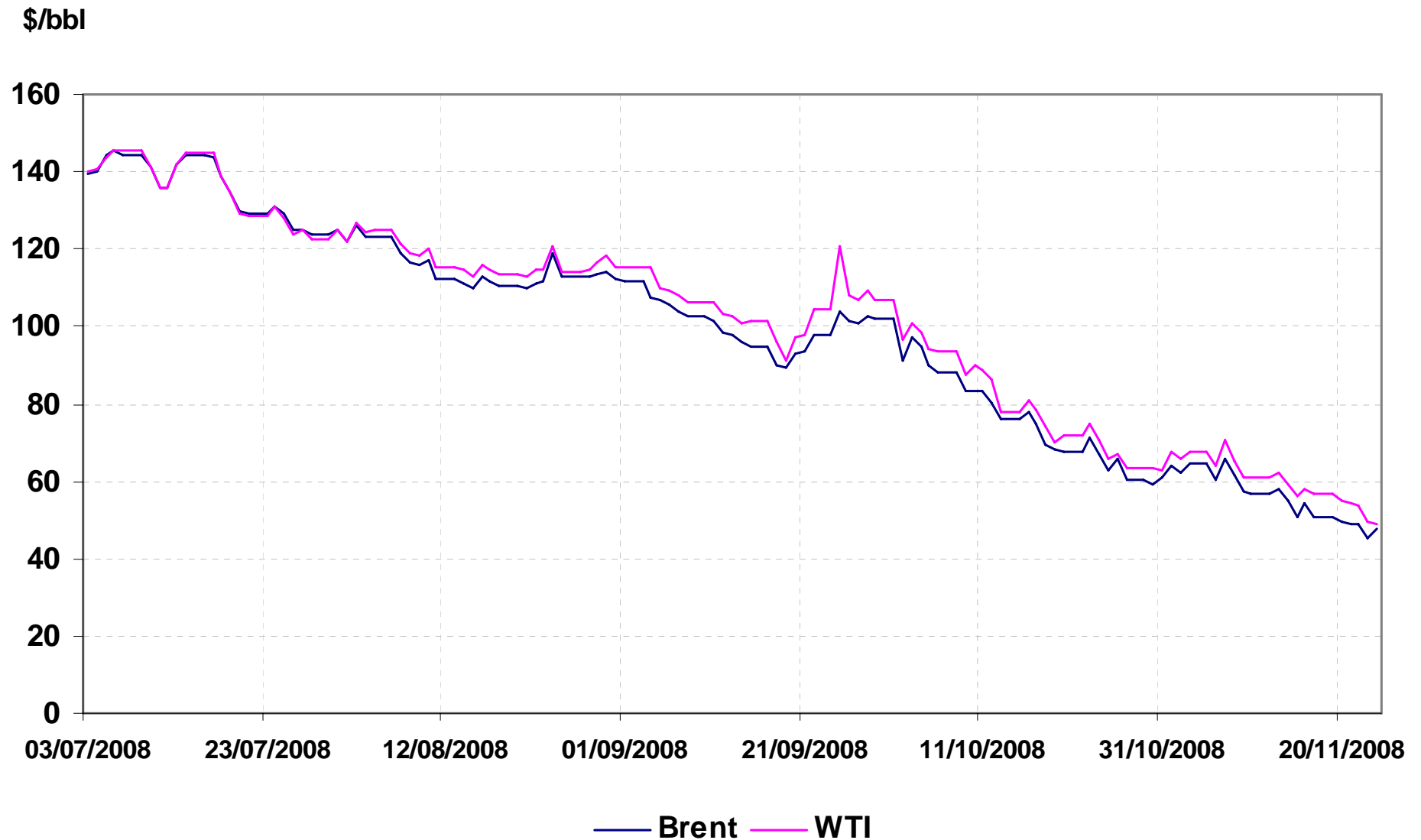
Oil Price Evolution



Source: U.S. Bureau of Economic Analysis and Economic Research Department of Repsol

Oil Price Evolution – July up to date

Large slump

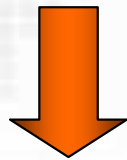


Source: U.S. Bureau of Economic Analysis and Economic Research Department of Repsol

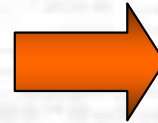
**Solvency problems in
the financial system**



Liquidity difficulties



Credit Crunch



**Financial entities need
to recapitalize its
financial structure**

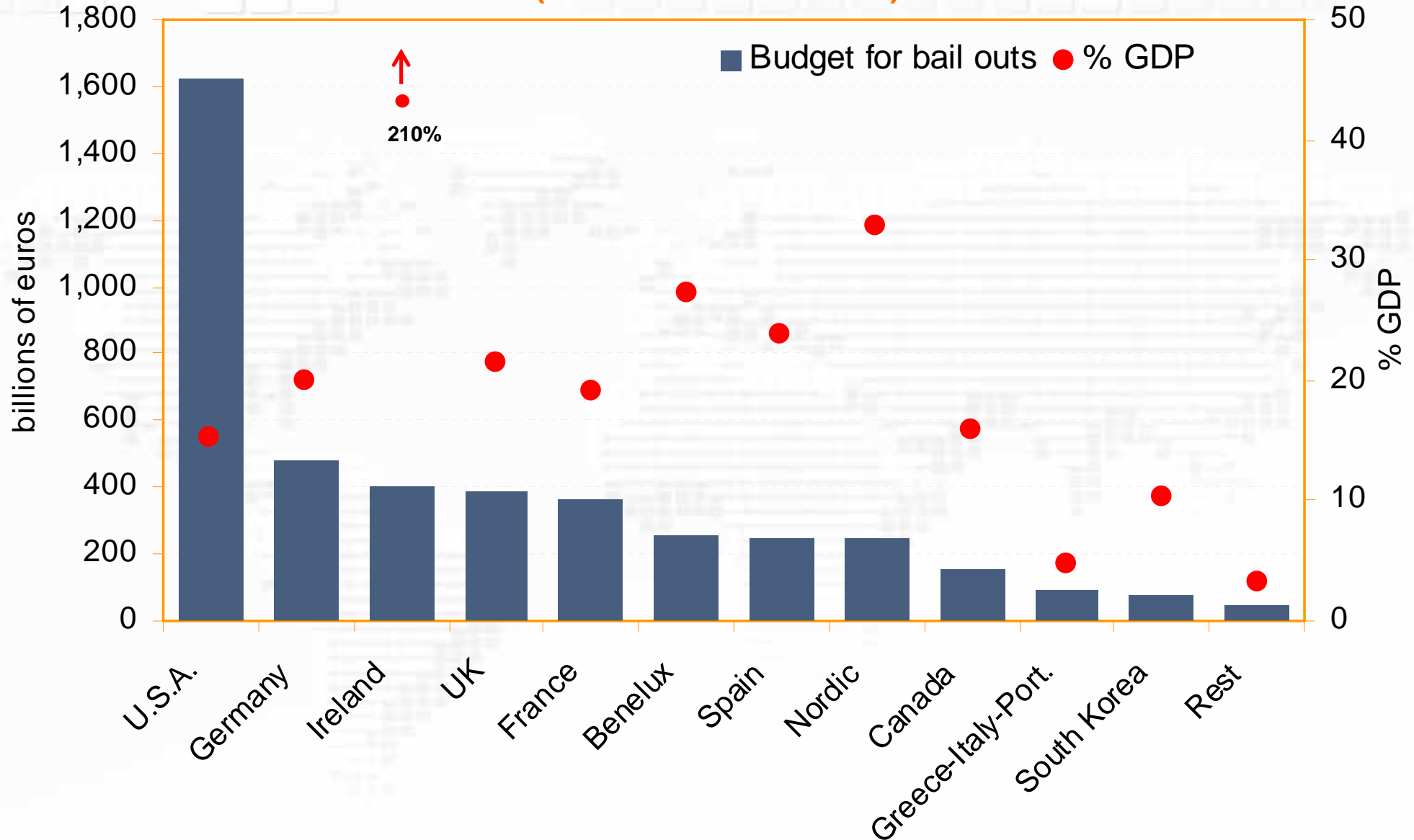
- **Private Funds**
- **Public Funds**
- **Balance sheet
reduction**
- **Strengthen the
balance sheet**

The Financial Crisis

Budget assigned for financial rescue



Cost of rescuing the financial sector (As of November 2008)

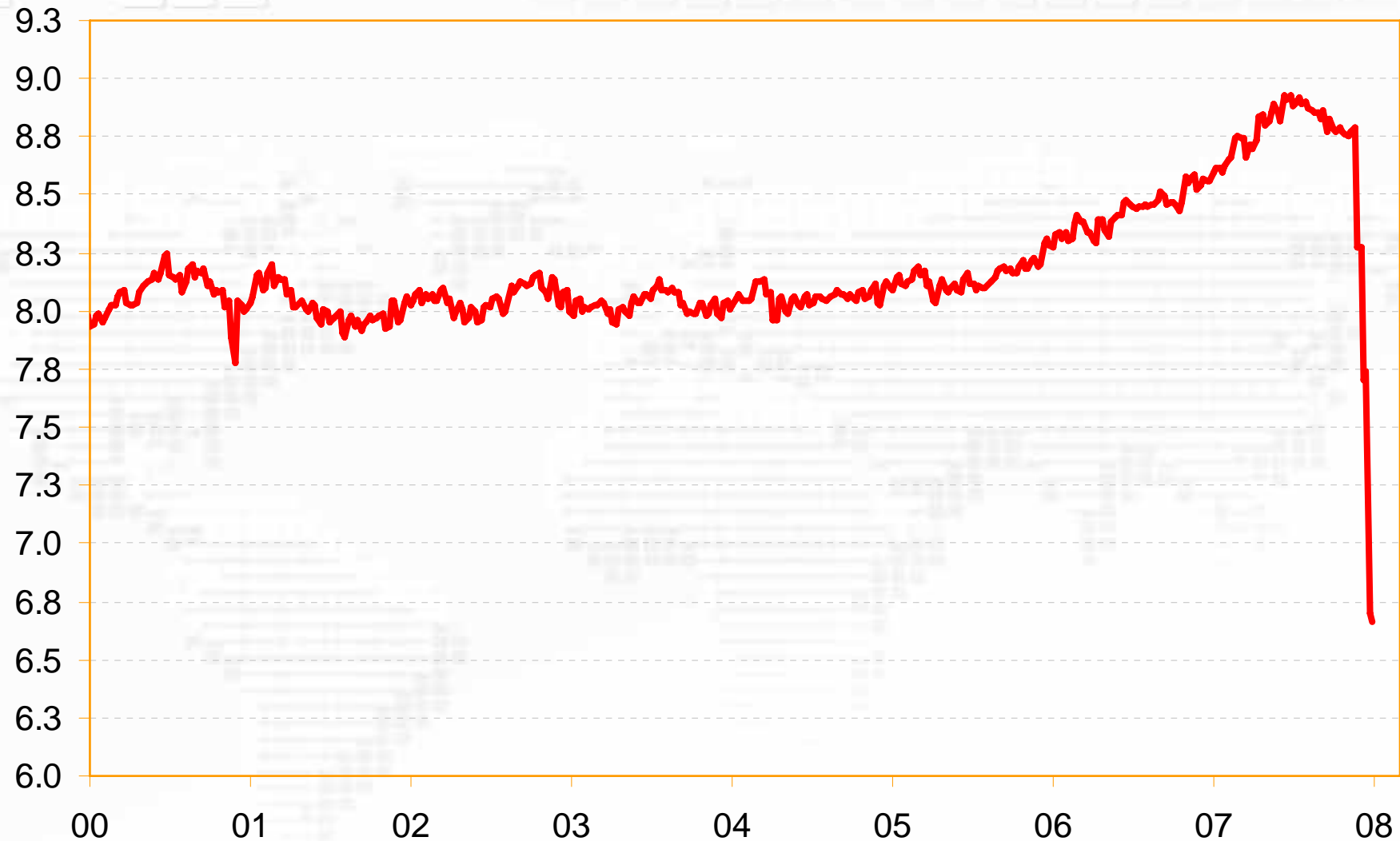


Source: National Sources and Economic Research Department of Repsol

The Financial Crisis Deleveraging Process



Monetary multiplier in the U.S.
(M2/monetary base)



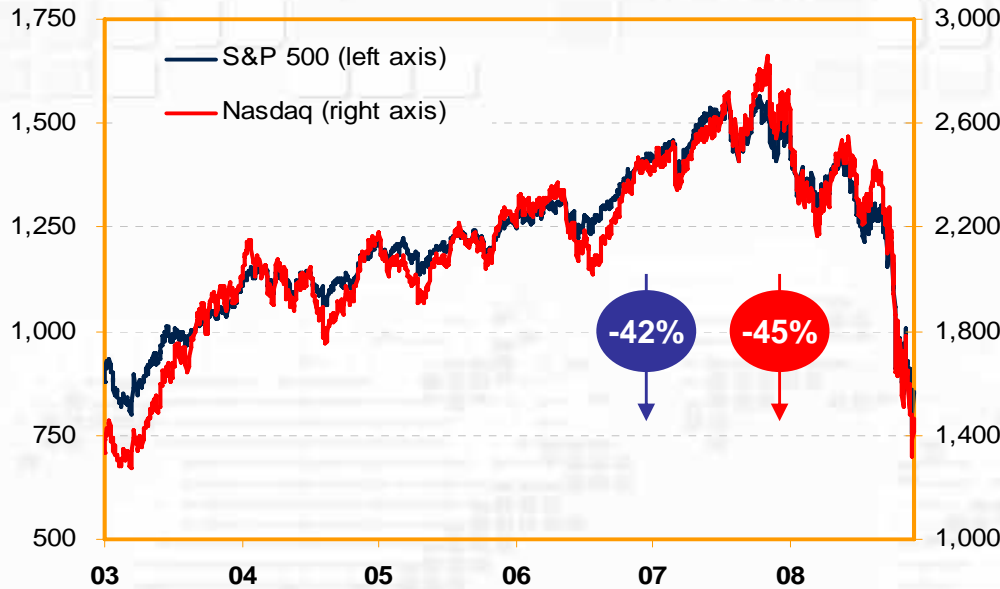
Source: U.S. Bureau of Economic Analysis and Economic Research Department of Repsol

Consequences of the financial crisis

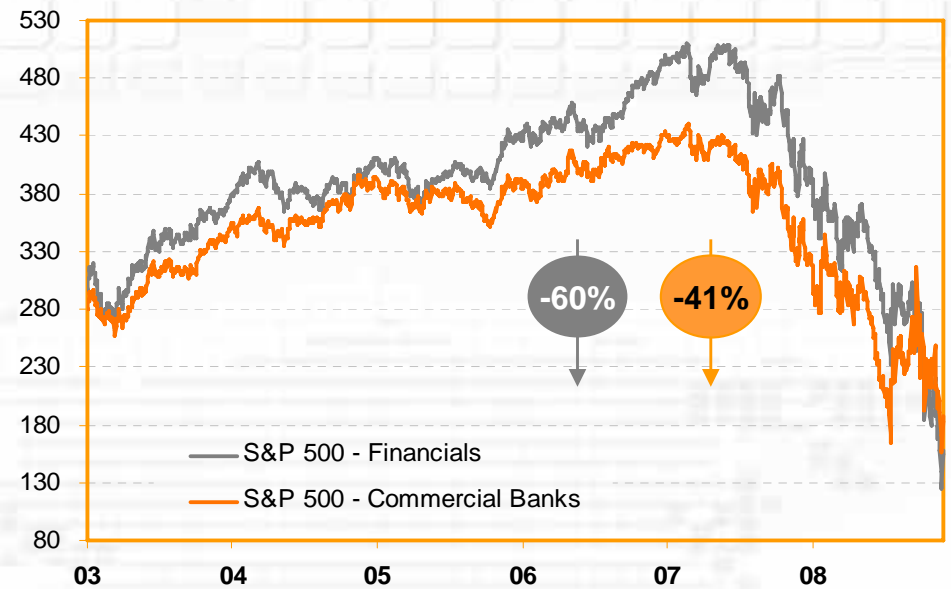
Mass sellout in stock market and higher volatility



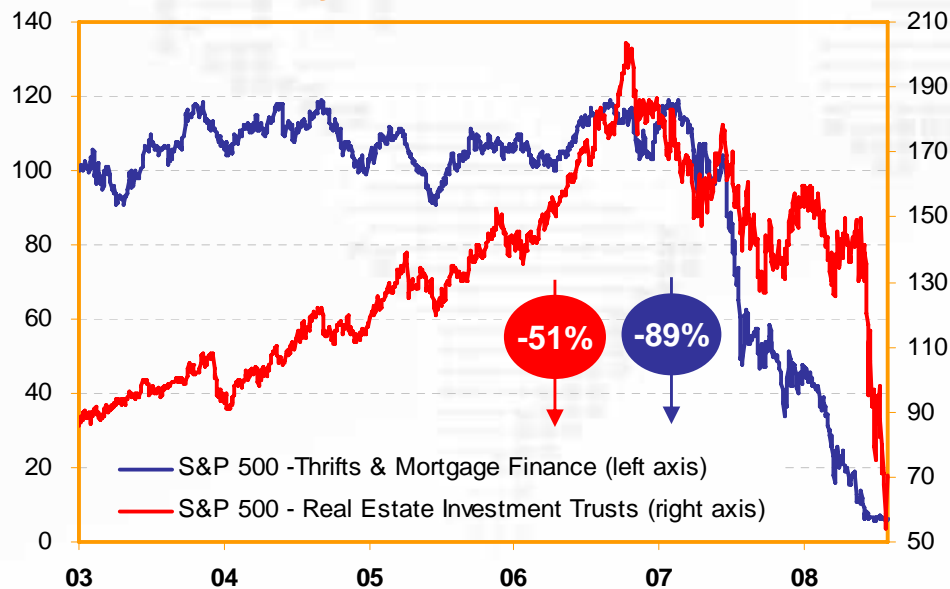
U.S. Stock Markets



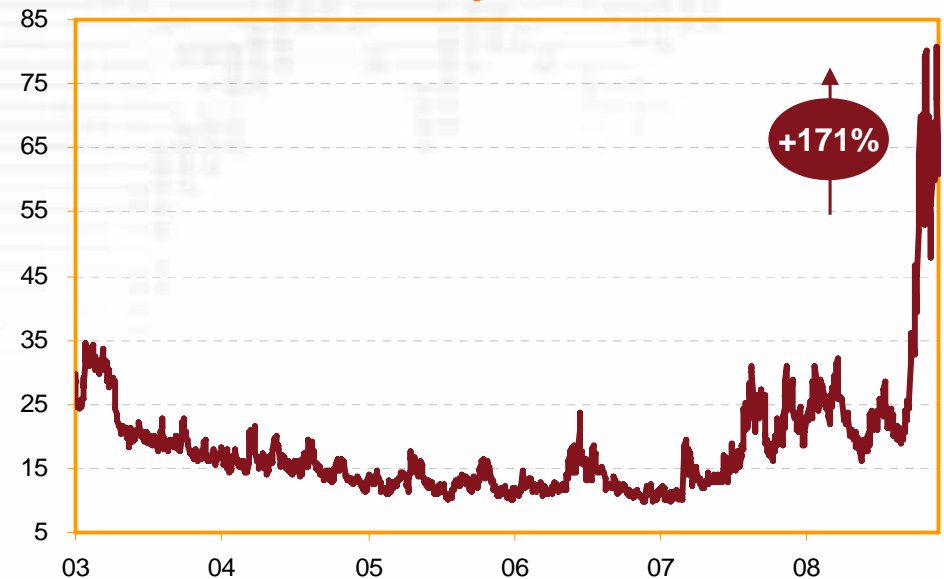
S&P by sector: Banks and Finance



S&P by sector: Real Estate



Volatility Index: VIX



* Changes vs January 1st, 2008.

Agenda



Present Situation

Credit Crunch Consequences

Our position

Financial Overview

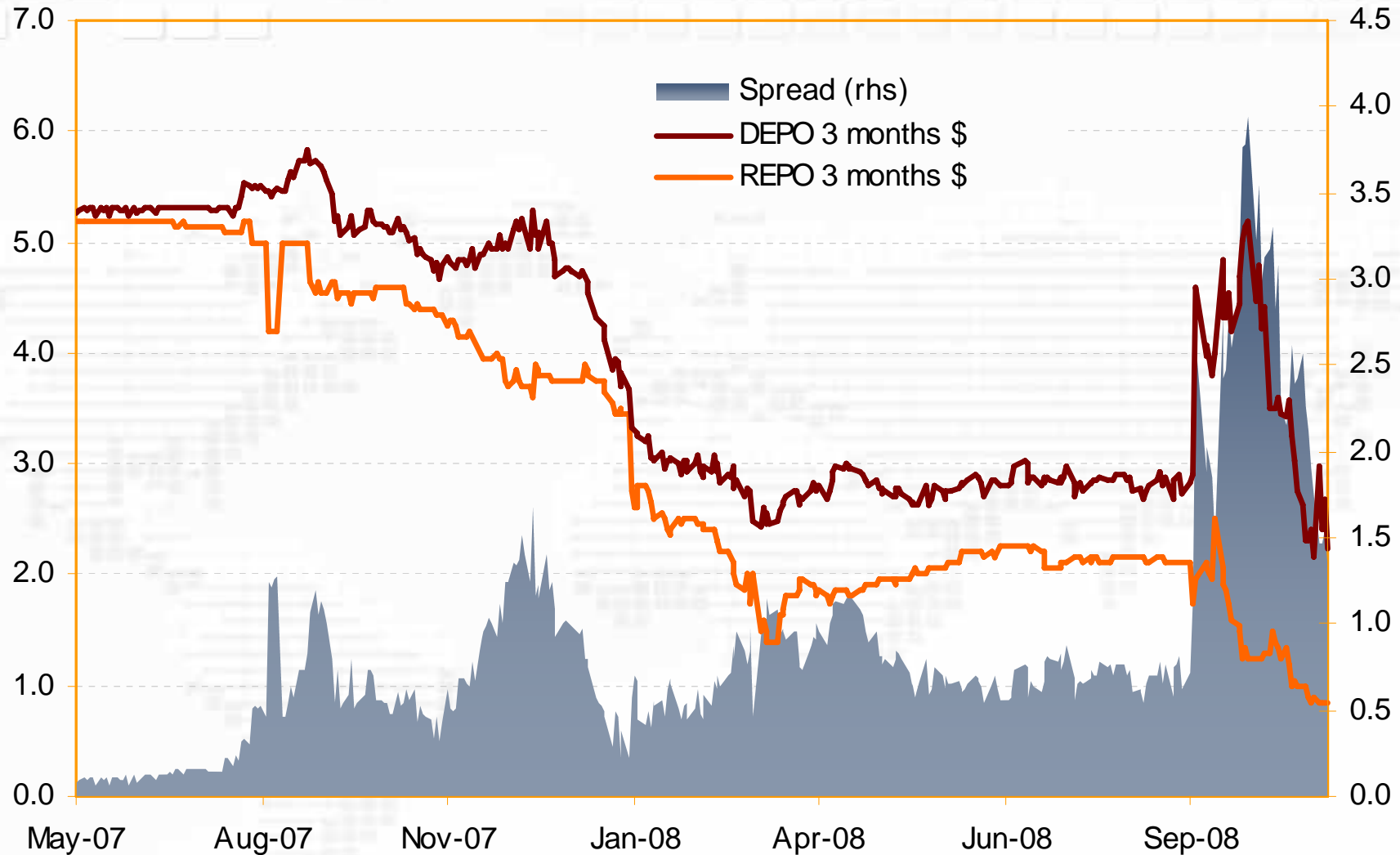
Conclusion

Credit crunch consequences

Markets' lack of confidence



Trend in 3-month Depo-Repo in the U.S.



Source: Reuters and Economic Research Department of Repsol

Credit crunch consequences

Credit Risk



Credit Risk



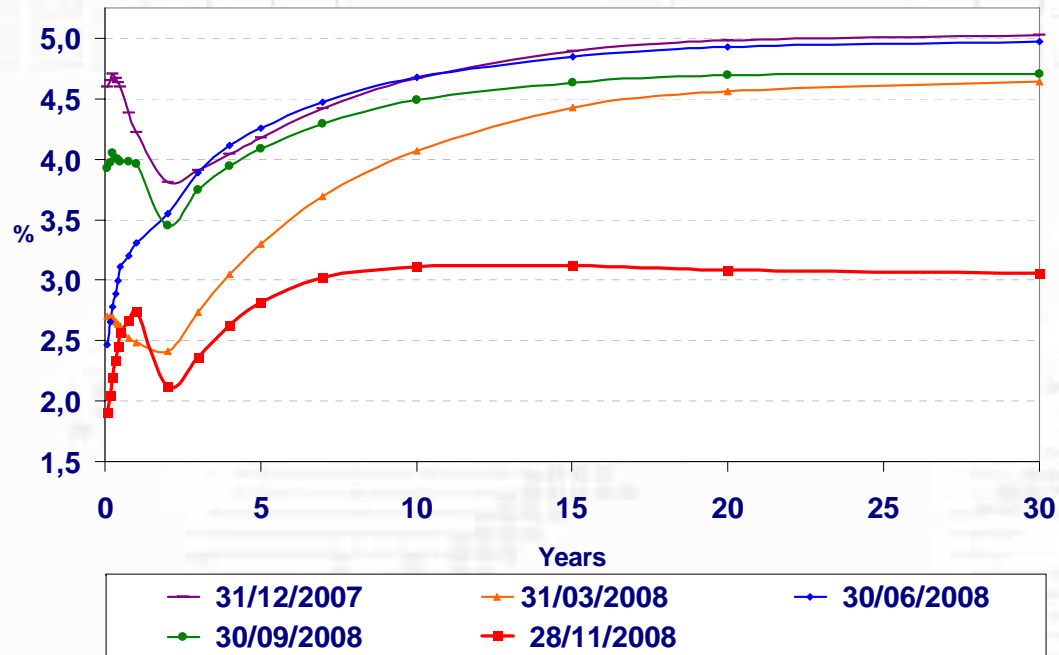
Source: JP Morgan, Reuters and Economic Research Department of Repsol

Credit crunch consequences

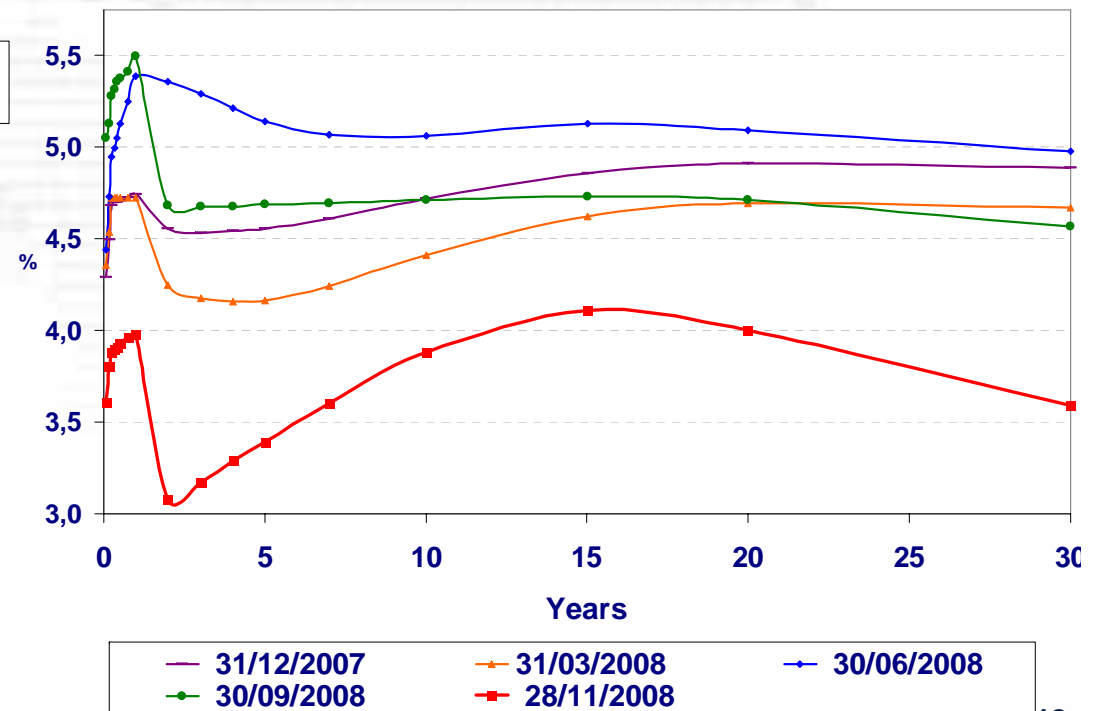
Interest rate lowering



Interest Rates USD (Swap curve)



Interest Rates Euro Zone (Swap curve)



Source: U.S. Bureau of Economic Analysis and Economic Research Department of Repsol

Agenda



Present Situation

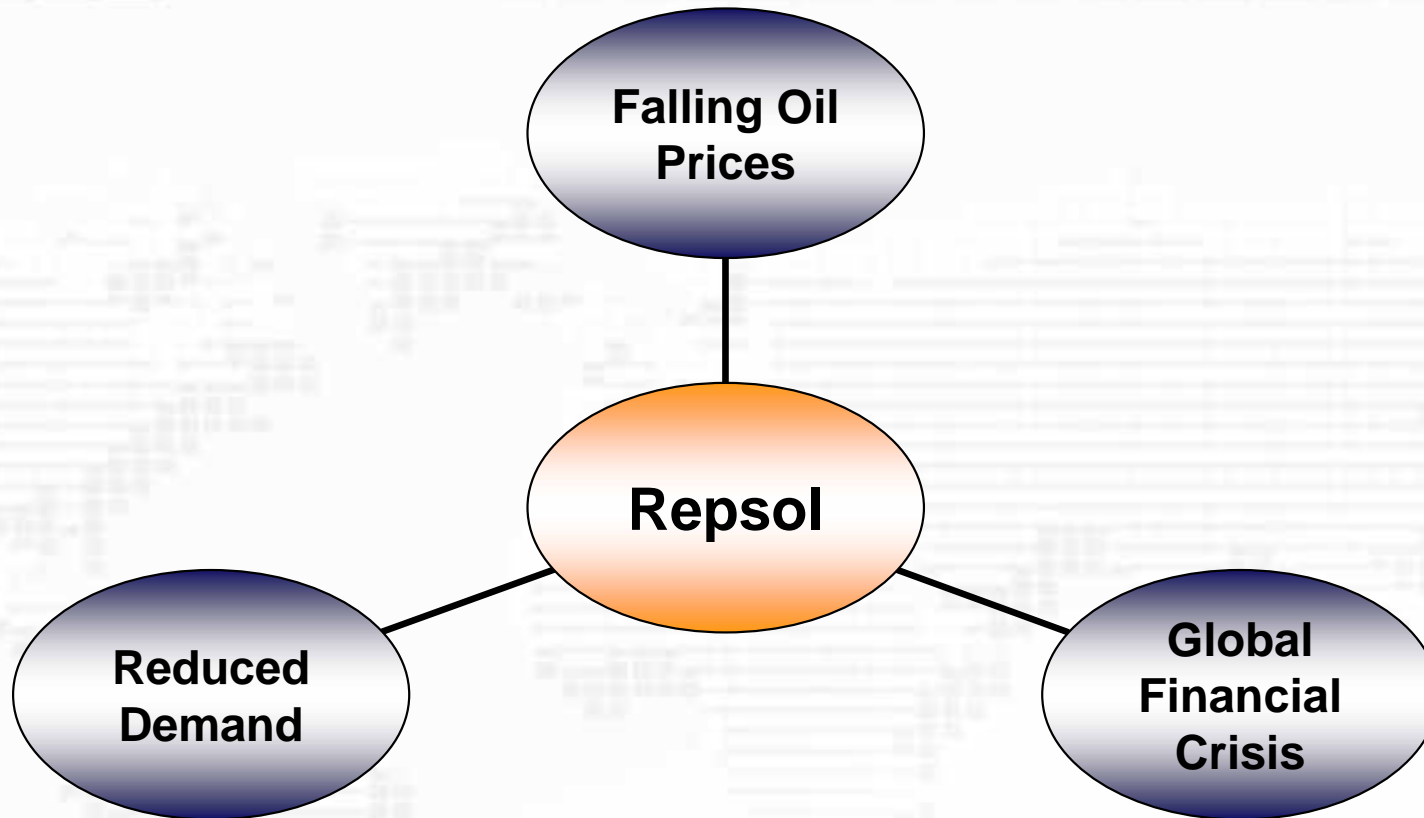
Credit Crunch Consequences

Our position

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Present Situation



How each implication of current situation affects Repsol



Implication of the situation

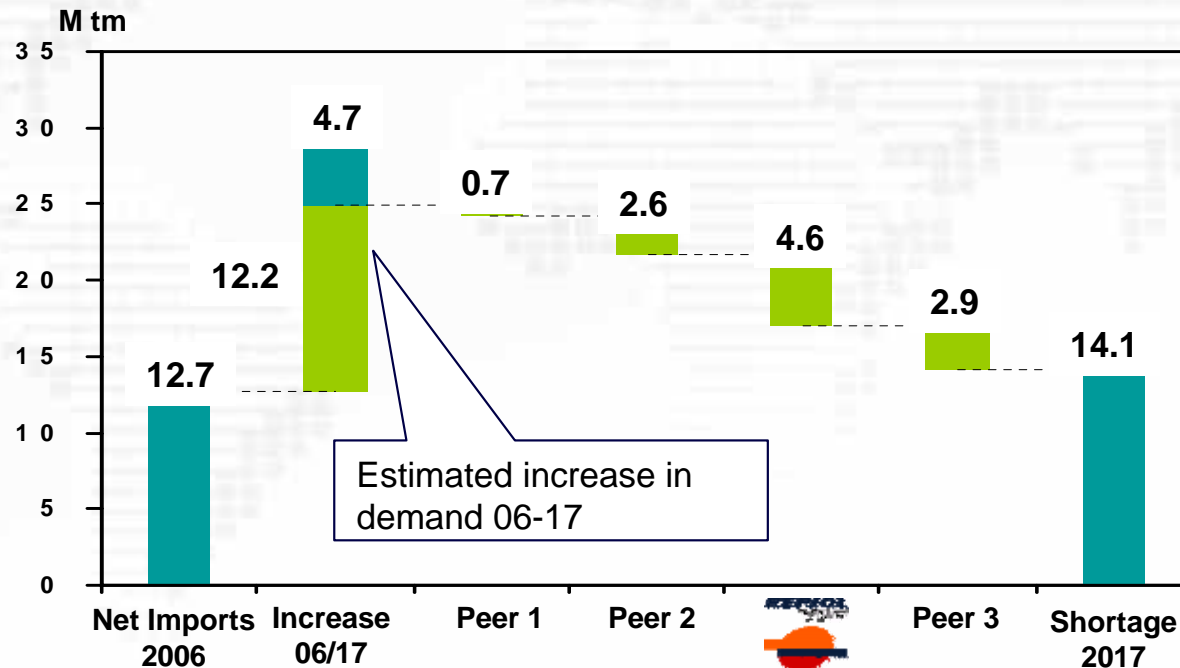
Falling demand

Our situation

Falling demand could affect the sale of end products, particularly with regards to our positioning in Europe.

Marketing, which contributed 6.8% of the Group's EBIT in January-September 2008, could be the most affected.

The local situation with regards to the Refining business validates investments, despite falling demand, due to the shortage of medium distillates.



The increase in demand includes bio diesel.

How each implication of current situation affects Repsol



Implication of the situation

Our situation

Drop in oil prices

The Strategic Plan contemplates a conservative oil price scenario, very similar to the current situation.

Consequently, profit and free cash flow levels are not a concern.

	2007 Average	2008	2012
Brent (US\$/bbl)	72.40	55	60
Henry Hub (US\$/MBtu)	6.86	7.00	7.60
Refining Margin⁽¹⁾ (US\$/bbl)	5.10	4.00	4.70

(1) Brent cracking NWE FOB

How each implication of current situation affects Repsol

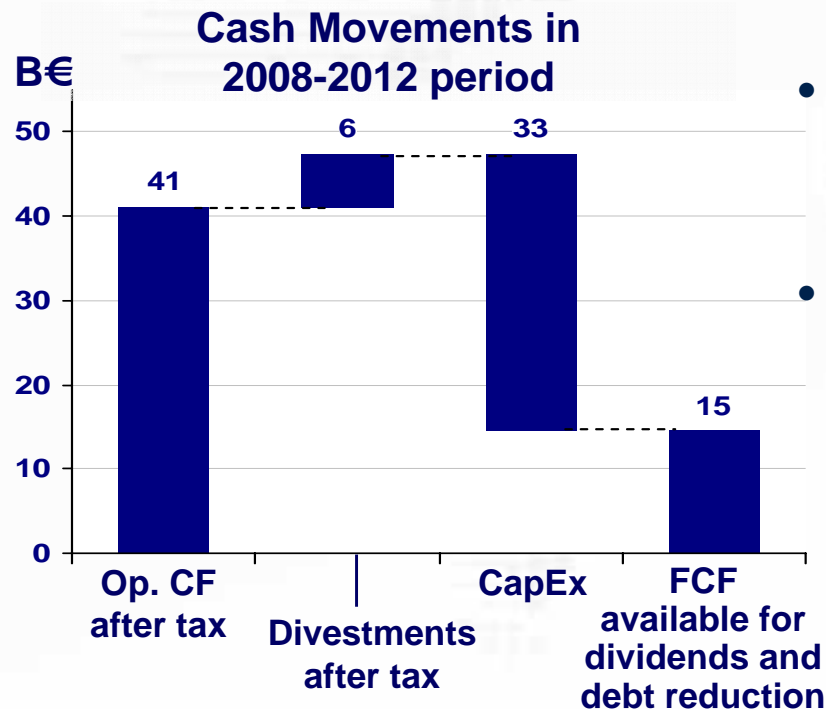


Implication of the situation

Credit Crunch

Our situation

- Operating cash flow as expected in the Strategic Plan.
- Two events that came up afterwards:
 - YPF's IPO had to be postponed
 - Support of Gas Natural rise in capital
- The free cash flow obtained at the end of the period is back loaded.
- As a consequence we are revisiting the projects and investments in the Strategic Plan in order to manage the ups and downs of the cash flow needs in the interim periods.



Agenda



Present Situation

Credit Crunch Consequences

Our position

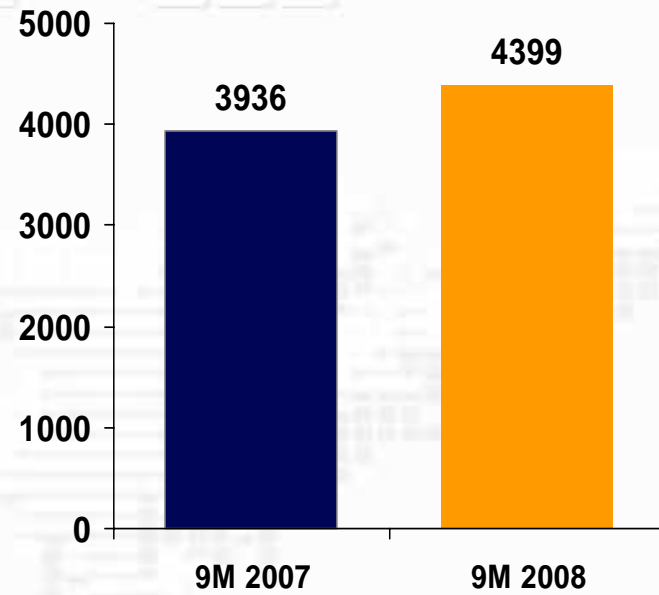
Financial Overview

Conclusion

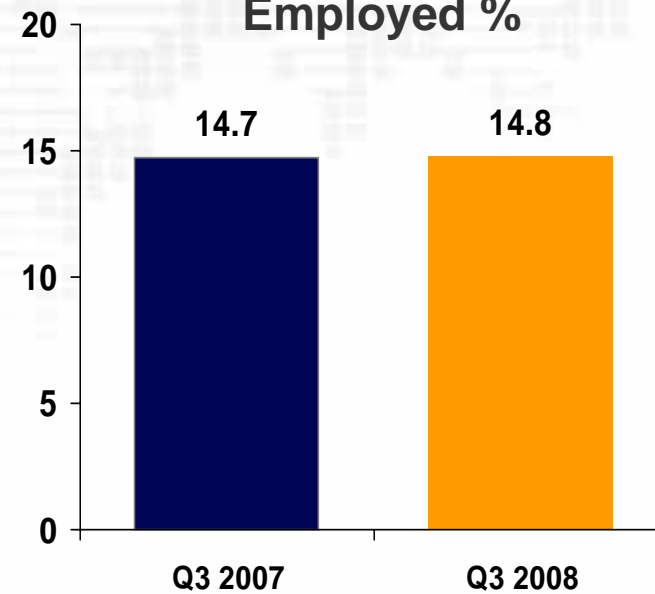
Credit Ratios Overview



Net Debt M€



Net Debt/ Capital Employed %



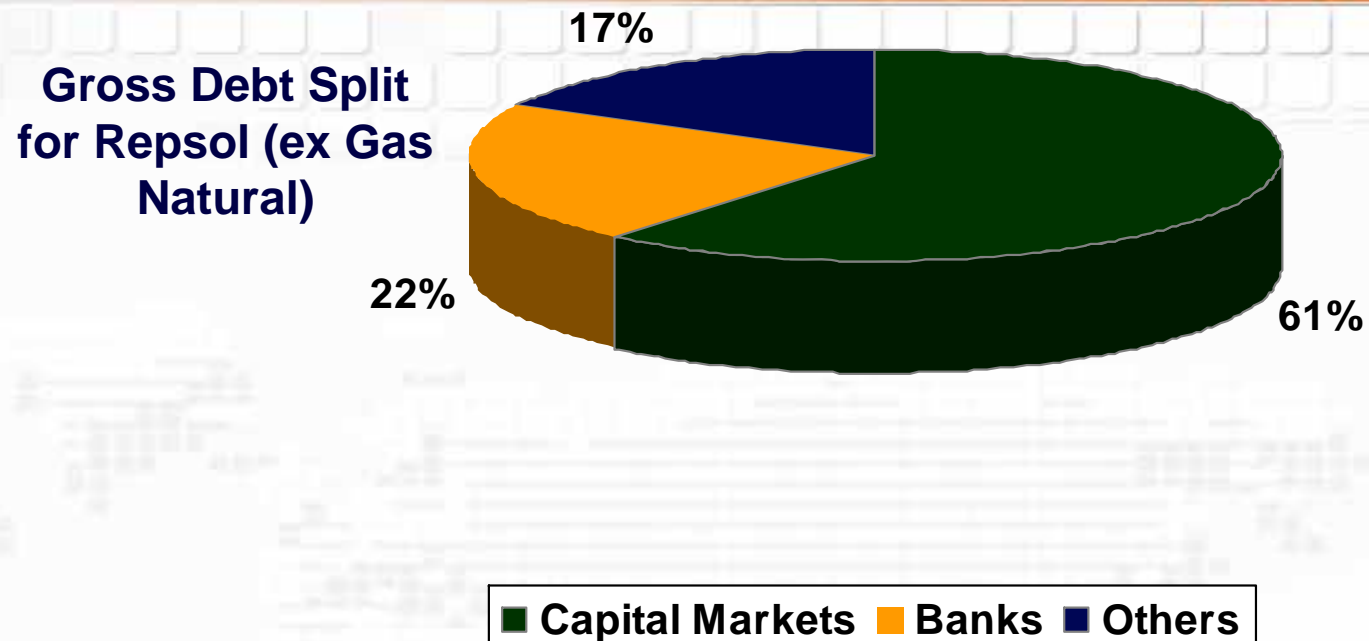
Credit Ratios Overview



<i>Million Euro</i>	31 Dec 2007	30 Sep 2007	30 Sep 2008	15 Nov 2008
NET DEBT	3,493	3,936	4,399	4,159
CAPITAL EMPLOYED	26,073	26,738	29,770	29,654
NET DEBT / CAPITAL EMPLOYED (%)	13.4%	14.7%	14.8%	14.03%
EBITDA	8,573	6,381	7,358	-
EBITDA / NET DEBT	2.5	2.2	2.2	-
NET INTEREST	302	230	156	188
NET INTEREST + DIVIDENDS PREFERRED SHARES	493	372	311	370
EBITDA / NET INTEREST	28.4	27.8	47.1	-
EBITDA / NET INTEREST + DIVIDENDS PREFERRED	17.4	17.2	23.7	-

Gross Debt As at 15th Nov 2008

Overview



Million Euro

	<u>TOTAL GROUP</u>	<u>Total Group Ex - gas natural</u>
Capital Markets	(4,807)	(4,565)
Bank Loans	(2,947)	(1,620)
Institutional Finance (BEI + ICO)	(357)	(281)
Credits	(248)	(144)
Project finance	(330)	(330)
Others	(573)	(542)
Gross Debt	(9,262)	(7,482)

External financing availability – As of 15th Nov. 08

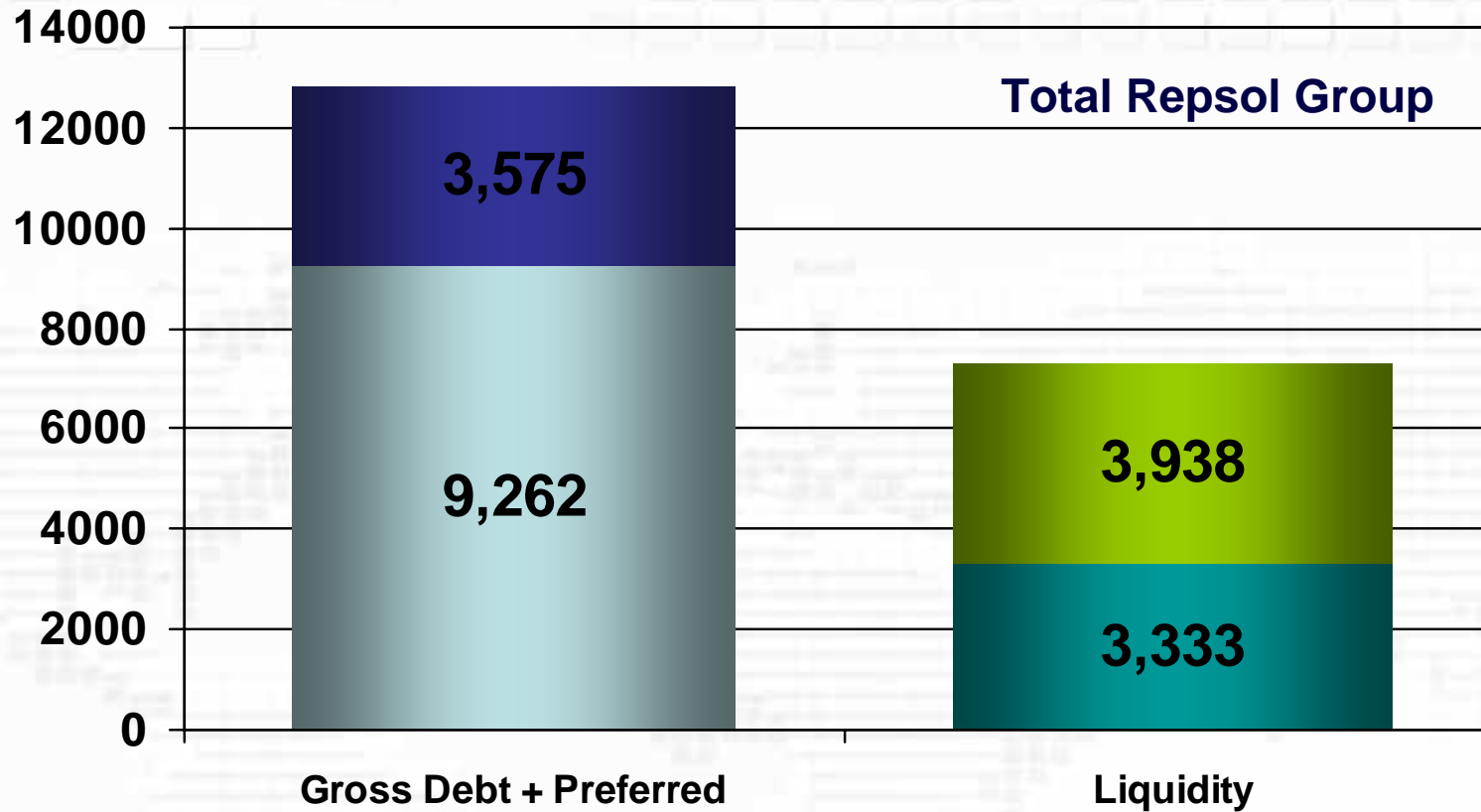
(Million Euro)



	15/11/2008	
	Total Group	Total Group ex Gas Natural
Cash and Equivalents	3,333	3,115
Total Committed Credit Lines	4,186	3,606
Long Term	2,161	1,878
Short Term	2,024	1,729
Used	(248)	(144)
Total liquidity available	7,271	6,577
Total Financial Investments	1,770	1,749
Availability + Financial Investments	9,041	8,326

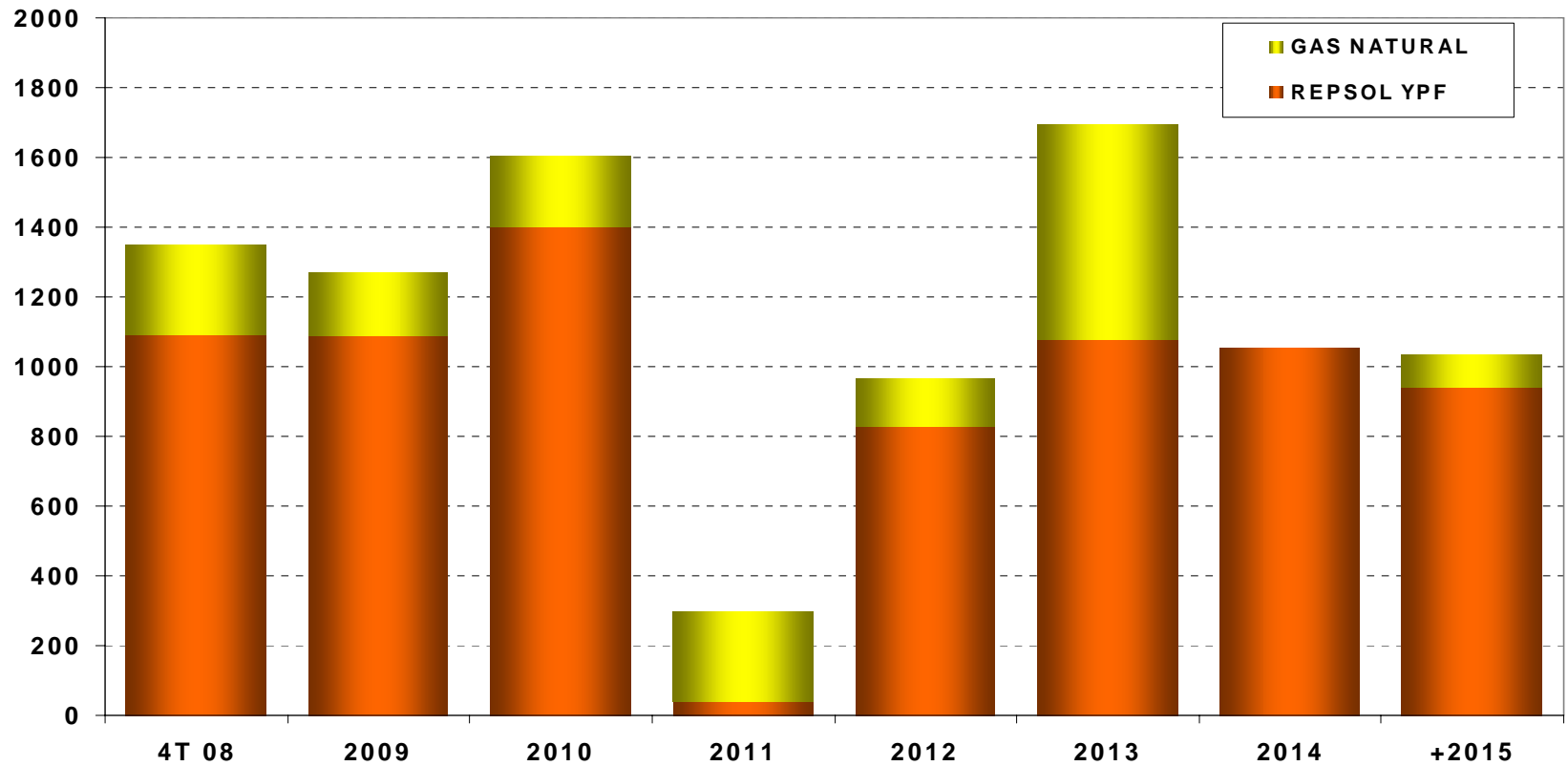
Gross Debt and Liquidity – As of 15th Nov. 08

(Million Euro)



Maturities

(Million Euro)



Group / Year	4T 08	2009	2010	2011	2012	2013	2014	+2015
REPSOL YPF	1,091	1,087	1,399	40	831	1,076	1,050	939
GAS NATURAL	256	184	205	256	136	615	0	96
Total (M)	1,348	1,271	1,604	296	967	1,691	1,050	1,035

Credit Rating



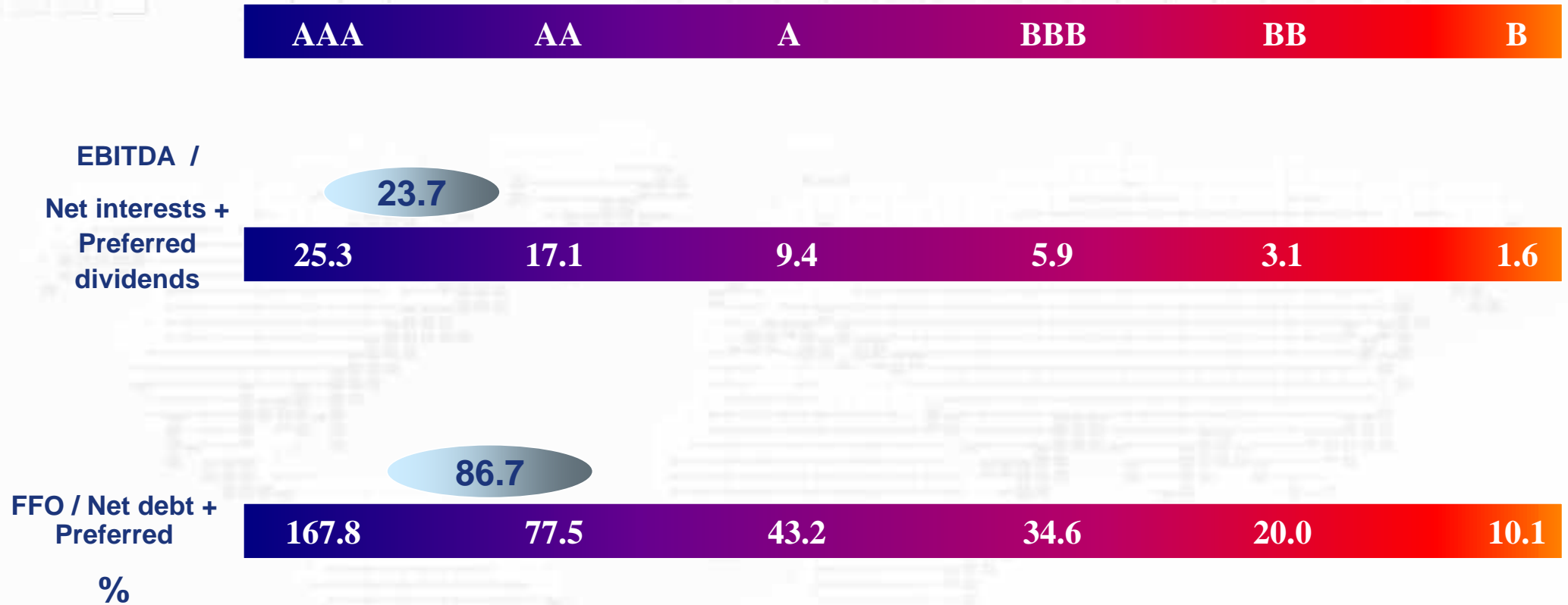
Investment grade ratings					
STANDARD & POOR'S		FITCH		MOODY'S	
Short-term	Long-term	Short-term	Long-term	Short-term	Long-term
A-1+	AAA	F1+	AAA	P-1	Aaa
	AA+		AA+		Aa1
	AA		AA		Aa2
	AA-		AA-		Aa3
A-1	A+	F-1	A+	P-2	A1
	A		A		A2
	A-		A-		A3
A-2	BBB+	F-2	BBB+	Baa1	
A-3	BBB	F-3	BBB	P-3	Baa2
	BBB-		BBB-		

Last revision
20th July 2006

Last revision
28th March 2006

Last revision
3rd June 2008

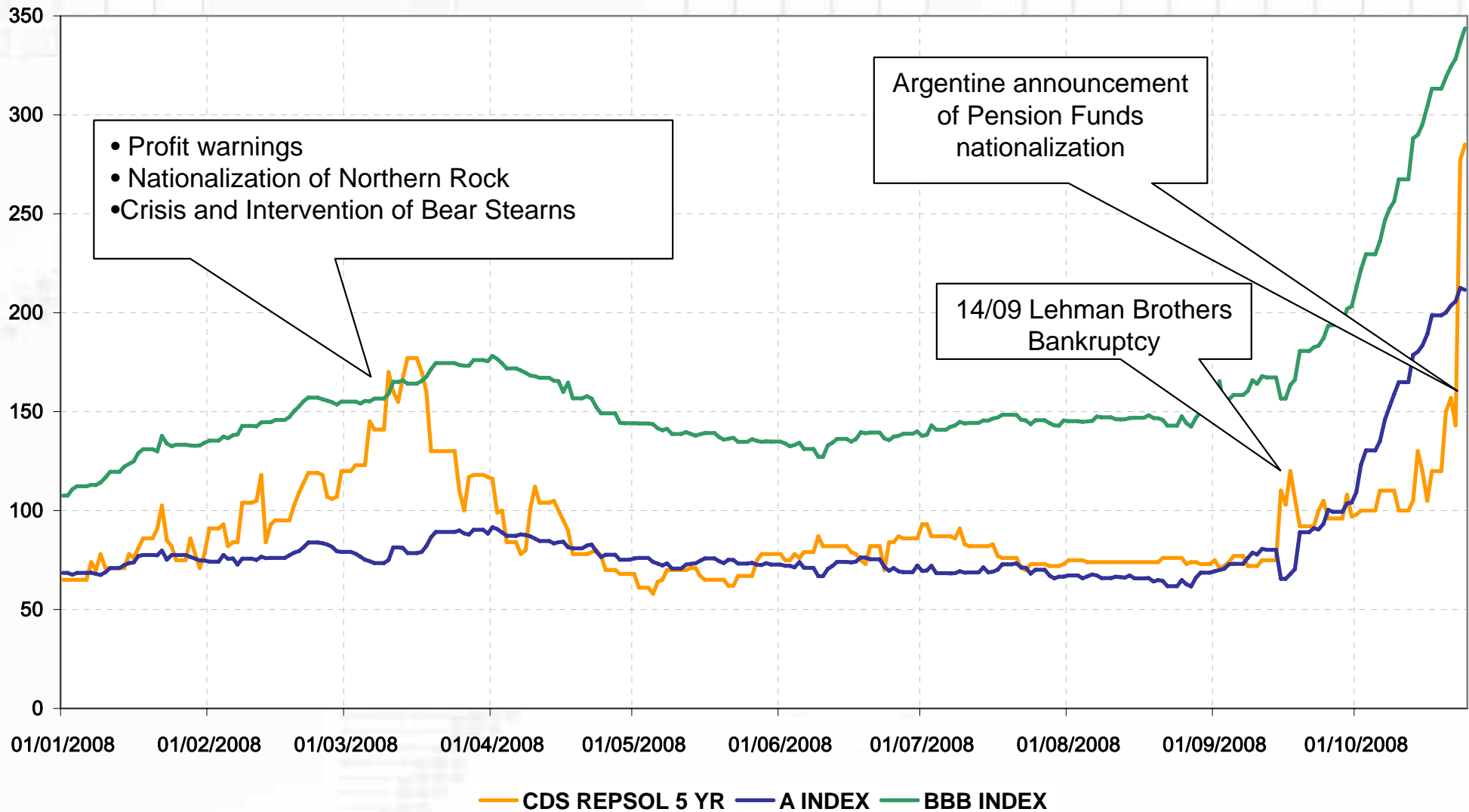
Repsol YPF Group ratios comparable to companies with AA rating



 Repsol YPF Group ratio as of September 30th, 2008

CDS 5 years Evolution Repsol YPF vs IBOXX Index

Basic Points



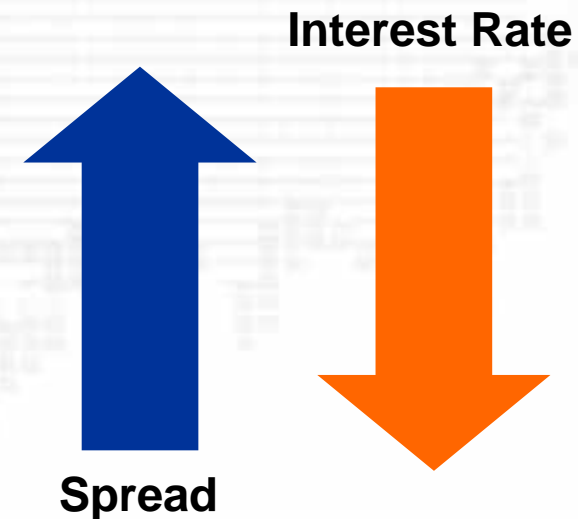
IBOXX: Bond Index defined by financial institutions

Estimated Financial Cost for New Issues

- Repsol has been trading CDS at an “A” rating in the last years
- If Repsol were to issue additional financing in order to maintain its cash position, our estimation for credit spreads as of 15th Nov 08 would be:

Repsol’s credit spreads as of 15th November 08

Credit spread as of 15/11/2008	
	B.p
5 years Rep CDS	326.25
Bond 2010	257.37
Bond 2012	368.00
Bond 2013	362.28
Bond 2014	365.14
Bond 2017	401.96



We expect joint effect to have no major impact on our financial cost

Agenda



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Conclusion



- **Solid financial position.**
- **Revisit the Strategic Plan to manage cash flows in the interim periods.**

REPSOL



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REPSOL



REPSOL USA HOLDINGS CORP.

HOUSTON OFFICES

Ramón Hernan

North America & Brazil Managing Director

Repsol YPF

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December 2008

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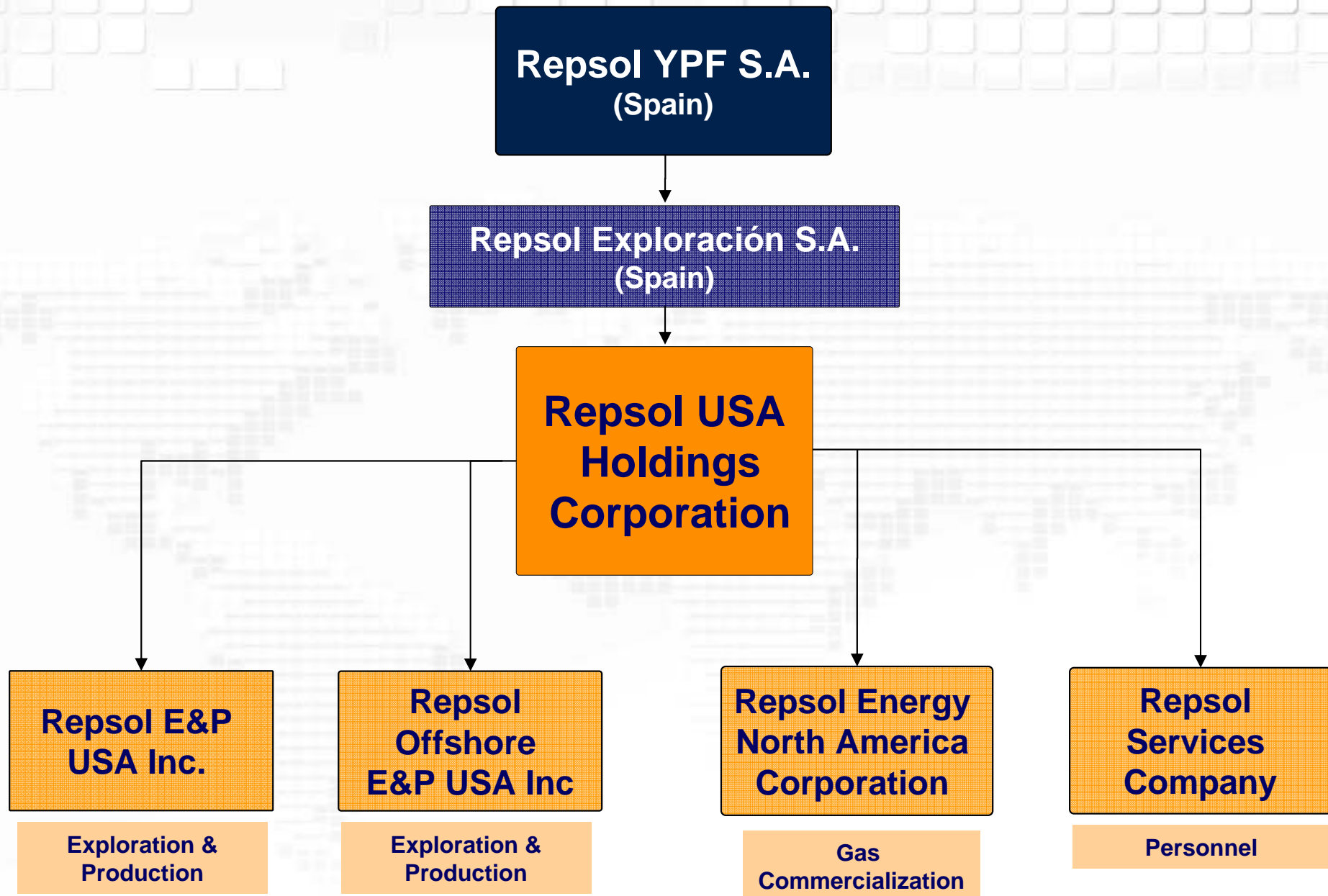
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Repsol USA Holdings Corporation



Repsol Services company

- Repsol Services Company (RSC) is a US company created to hold the personnel in USA giving services to Repsol affiliates in USA and worldwide.
- Main objective of RSC is to provide an excellent service and support with the latest technology in the market.
- Twenty two nationalities.
- Seventy seven percent locals and twenty three percent expats.

UPSTREAM

- North America and Brazil Regional Management - USA Business Unit
- North America and Brazil Regional Exploration - Gulf of Mexico and Alaska Units
- North Latin America Exploration
- Geophysical Projects for Repsol all around the world
- Worldwide Offshore Drilling management
- Business Development for the Americas

LNG

- LNG Coordination, Commercialization and Business Development

DOWNSTREAM

- Oil International Trading and Marketing

Main Activities Location



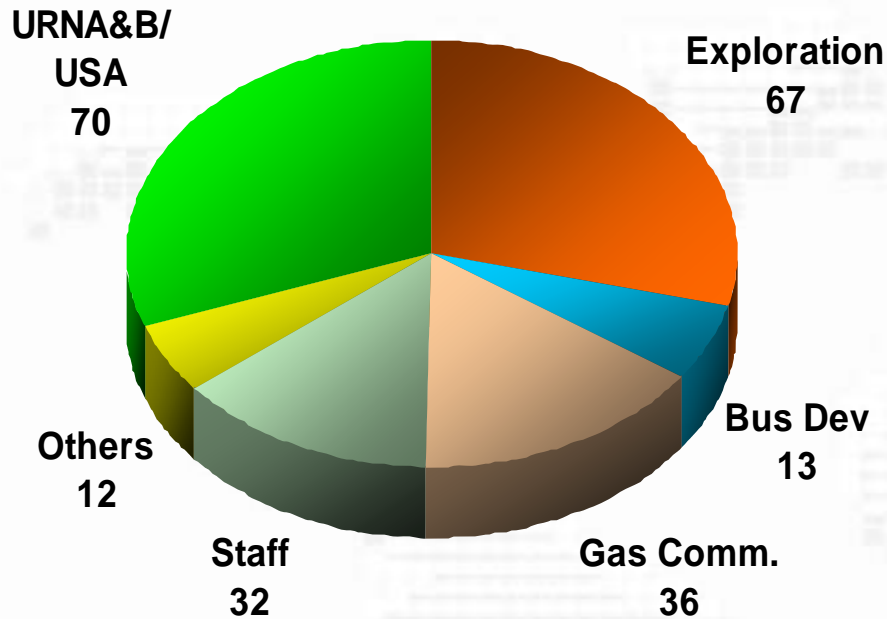
- North America and Brazil Regional Management
- North America and Brazil Regional Exploration
- North Latin America Exploration
- LNG

RSC Headcount and Cost Distribution



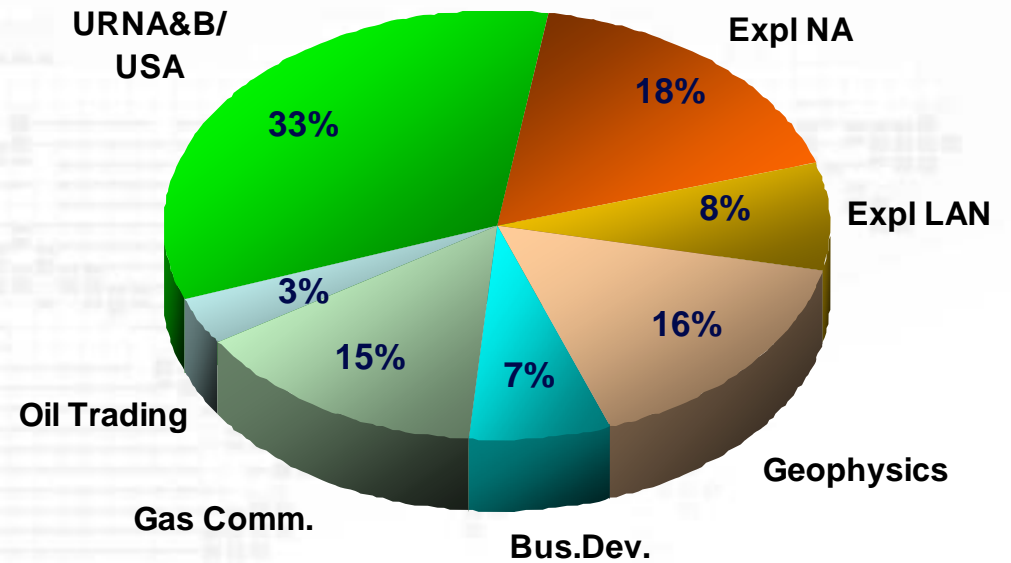
HEADCOUNT

(@Dec09)



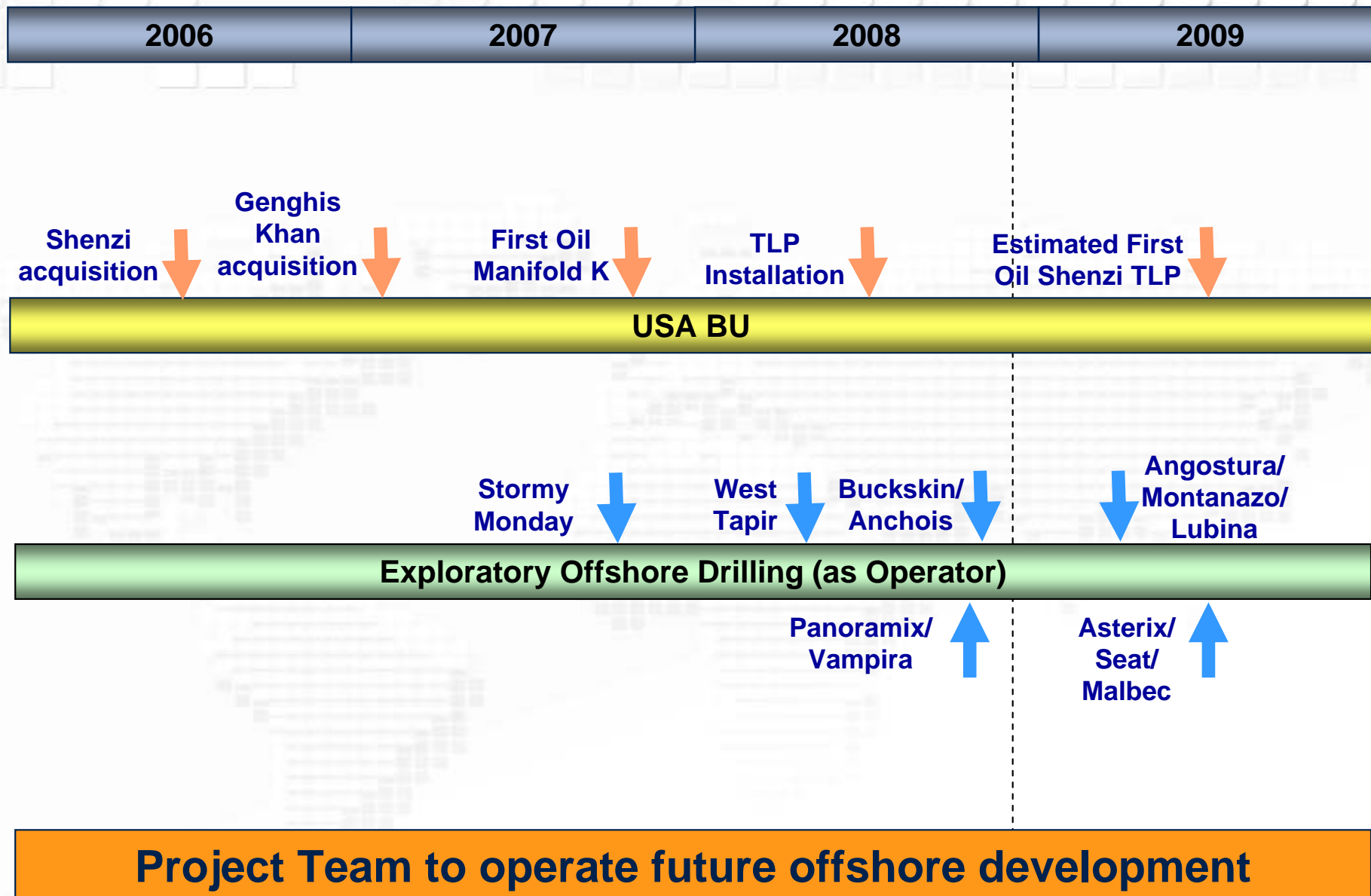
COST DISTRIBUTION

(@Dec09)



TOTAL = 230

Houston Office Highlights (USA BU)



Upstream Offshore Drilling and Completion Group

Stena DrillMAX



Dual Activity Rig
Self Propelled
No need of supply
boat in mob/demob
4 Year Contract
+ 1 Year Option
US \$450,000/day

Stena DrillMAX

A dual mast, dynamically positioned, harsh
environment, ultra deepwater drillship



Fitted for harsh
environment
State of Art in DP System
Zero discharge system

Upstream Offshore Drilling and Completion Group

Sovereign Explorer



- Single Activity, 3rd Generation
- Self Propelled
- Conventionally Moored Rig
- Water Depths up to 4,500 feet
- 2 Year Contract
- US \$380,000/day

- Drilling activities in Surinam, Brazil and Argentina

- This rig is currently drilling Panoramix well in Brazil



Upstream Offshore Drilling and Completion Group

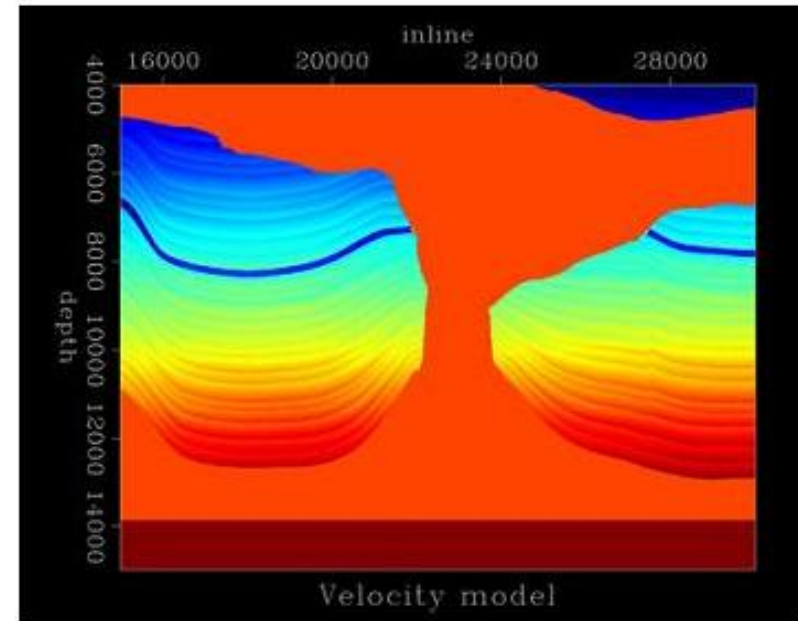
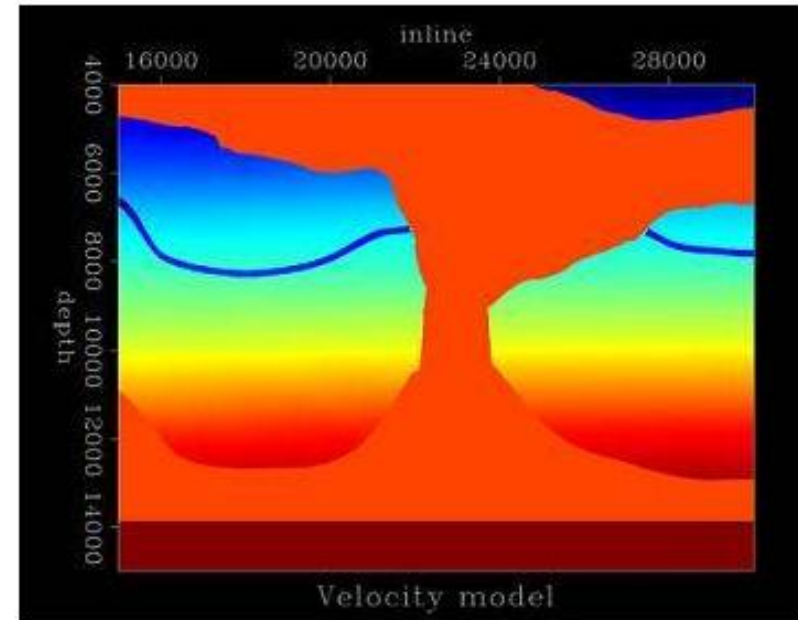
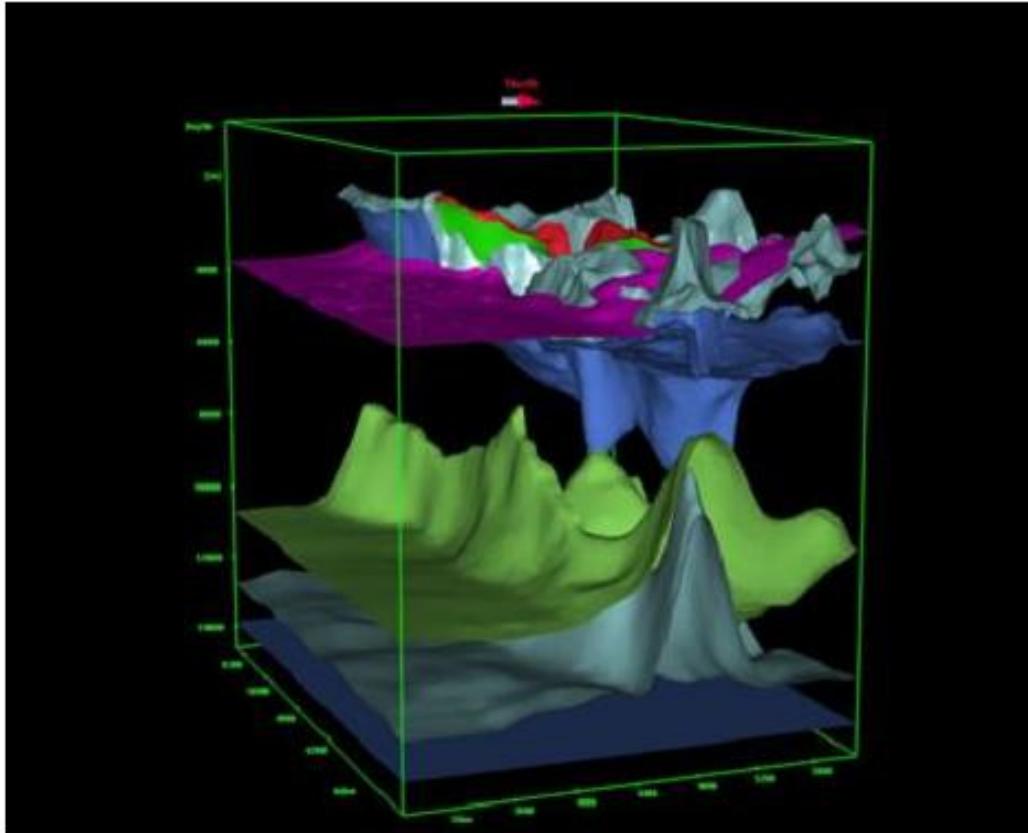
Pride North America



- Single Activity, 3rd Generation
- Conventionally Moored Rig
- Water Depths up to 4,500 feet
- Two slots with option to a third slot (from BP Egypt).
- US\$ 475,000/day
- Drilling activities in Morocco and Mediterranean Spanish coast
- The first well in Morocco (Anchois) will spud in January 2009

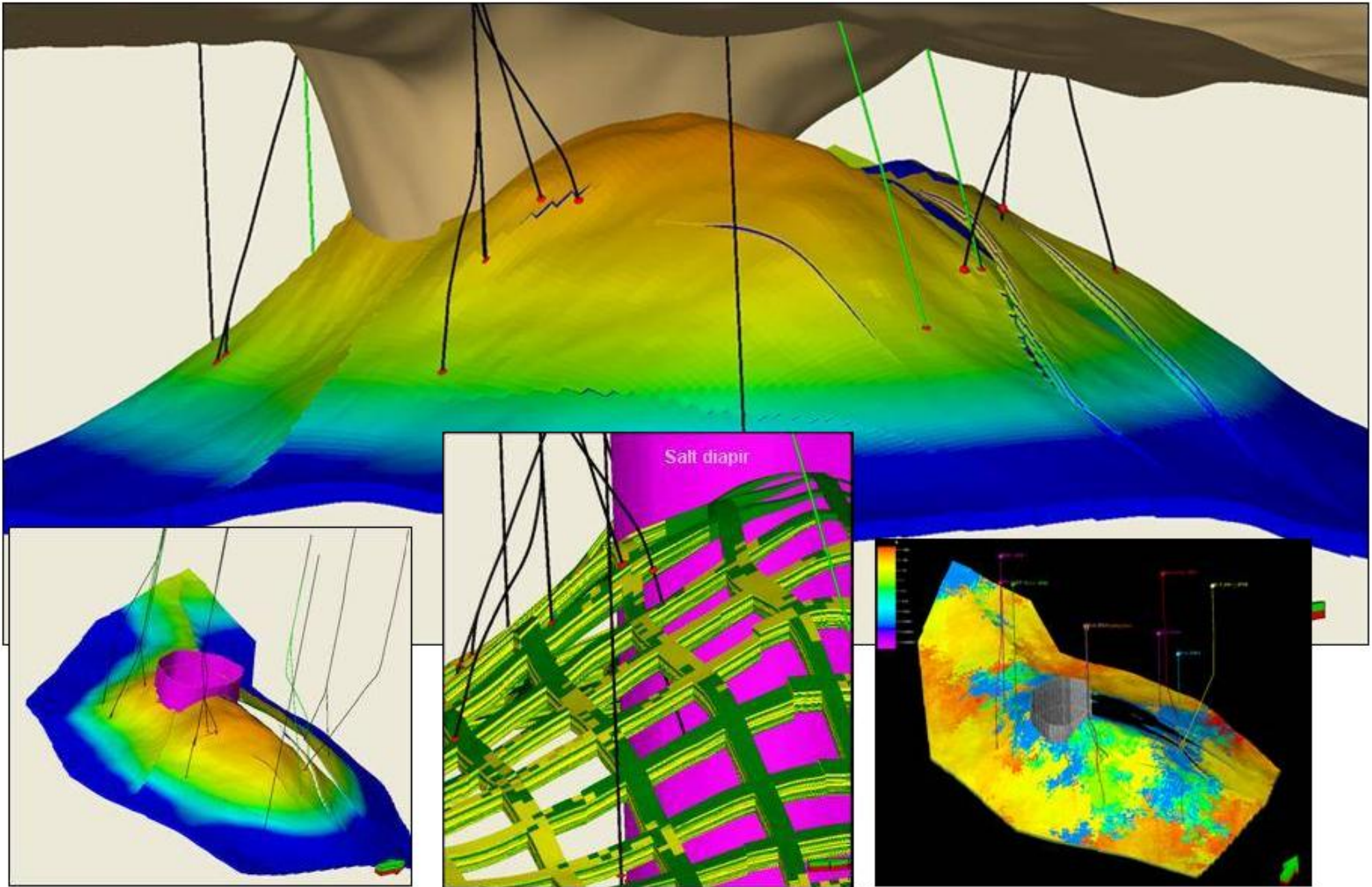


Geophysics Synthetic Model



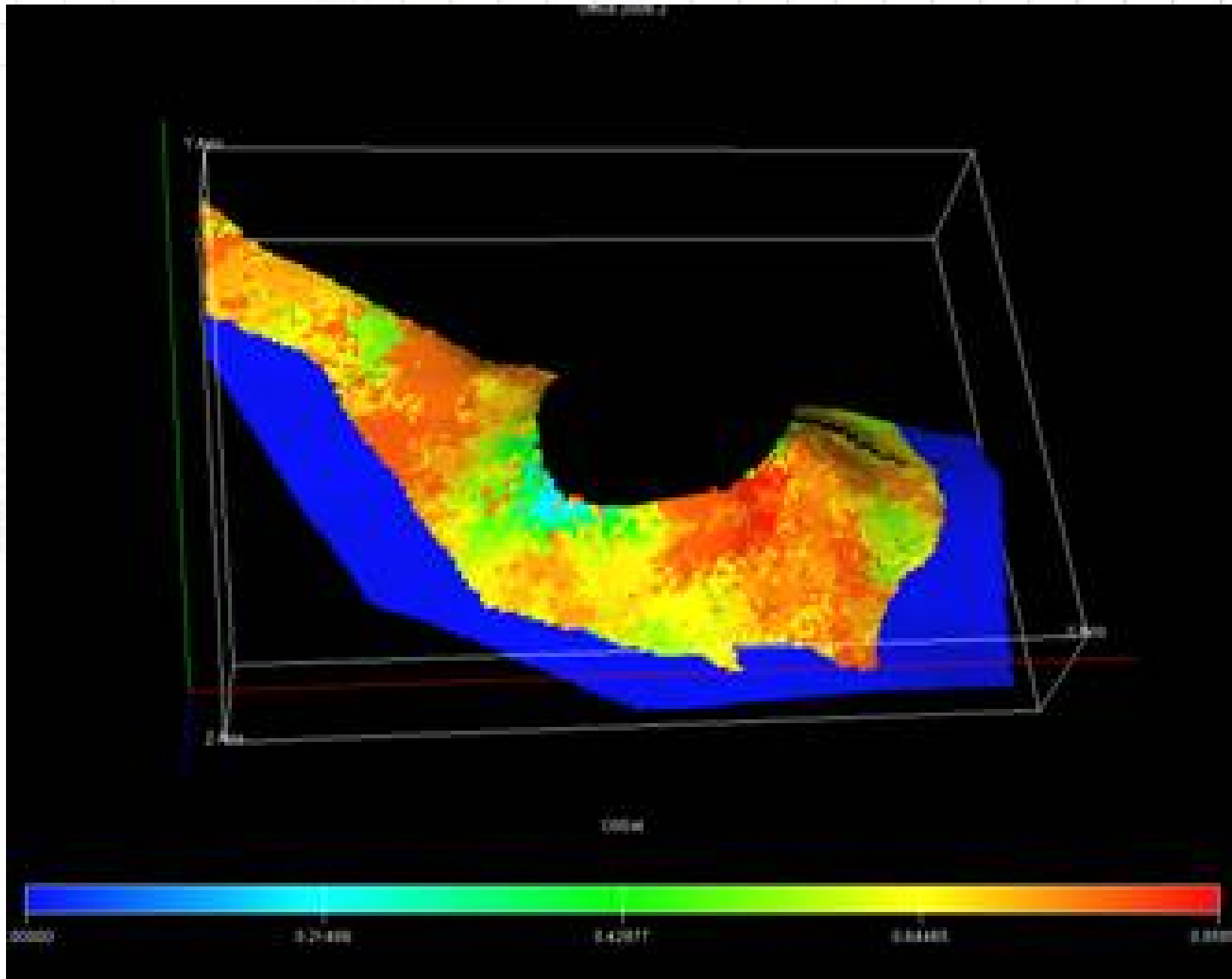
USA Business Unit

Static Model – GoM Deepwater Field



USA Business Unit

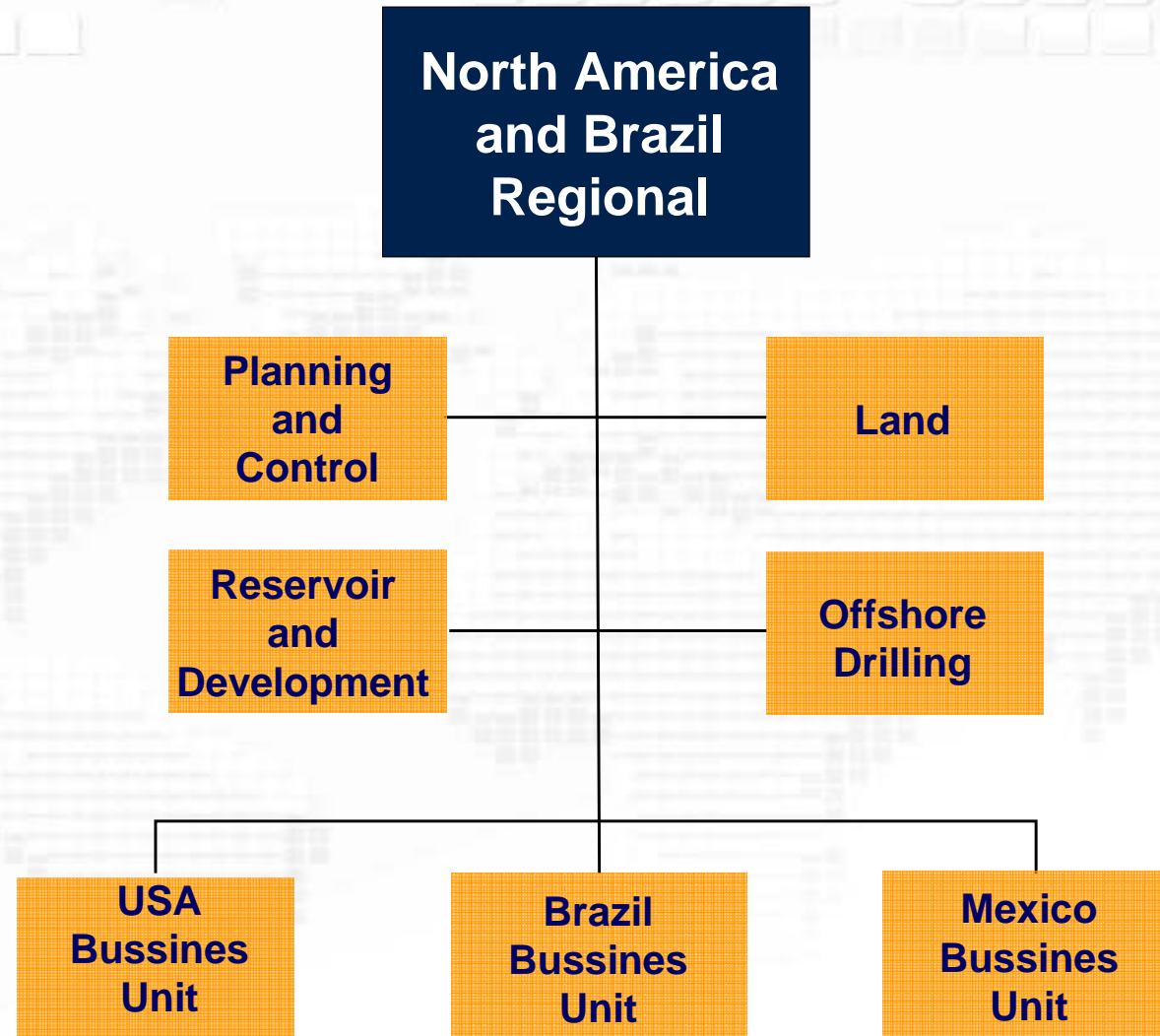
Dynamic Model – GoM Deepwater Field



A faint, light gray world map is visible in the background of the slide, centered behind the text box.

North America and Brazil Regional

North America and Brazil Regional Organization



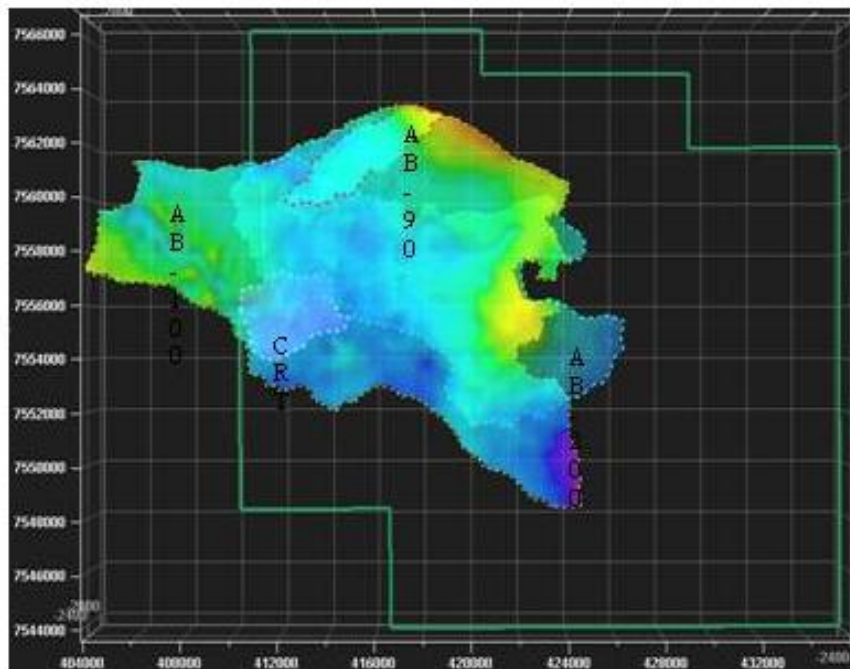
A faint, light-colored world map is visible in the background of the slide, centered behind the main text box.

Brazil Business Unit

Albacora Leste Location



- Campos Basin
- 120 km offshore from Cabo São Tome
- Discovery date: March 1986



- Block area: 511km²
- Total field area: 144.5 km²
- Field area in the concession: 113.2 km²
- Average depth: 2,460 m
- Water depth: 800 – 2,000 m

Albacora Leste - Background

- ✓ **Mar 1986** Discovery through well 1-RJS-342

- ✓ **Jun 1998 - Sep 2002** Production test of well 4-RJS-477 to the P-25 platform of Albacora field.

- ✓ **Jul 2000** Petrobrás and Repsol signed the Memorandum of Understanding (MOU).

- ✓ **May 2002** Petrobrás and Repsol signed the Joint Operating Agreement

↓
Construction & Integration of the FPSO P-50

- ✓ **Apr 2006** First Oil of Albacora Leste through FPSO

Albacora Leste – Development Plan

The Development Plan included:

- 16 production wells
- 14 injection wells

In Oct. 2006, the development of Arenito Caratinga was added :

- 1 producer &
- 1 injector

Currently ABL+CRT:

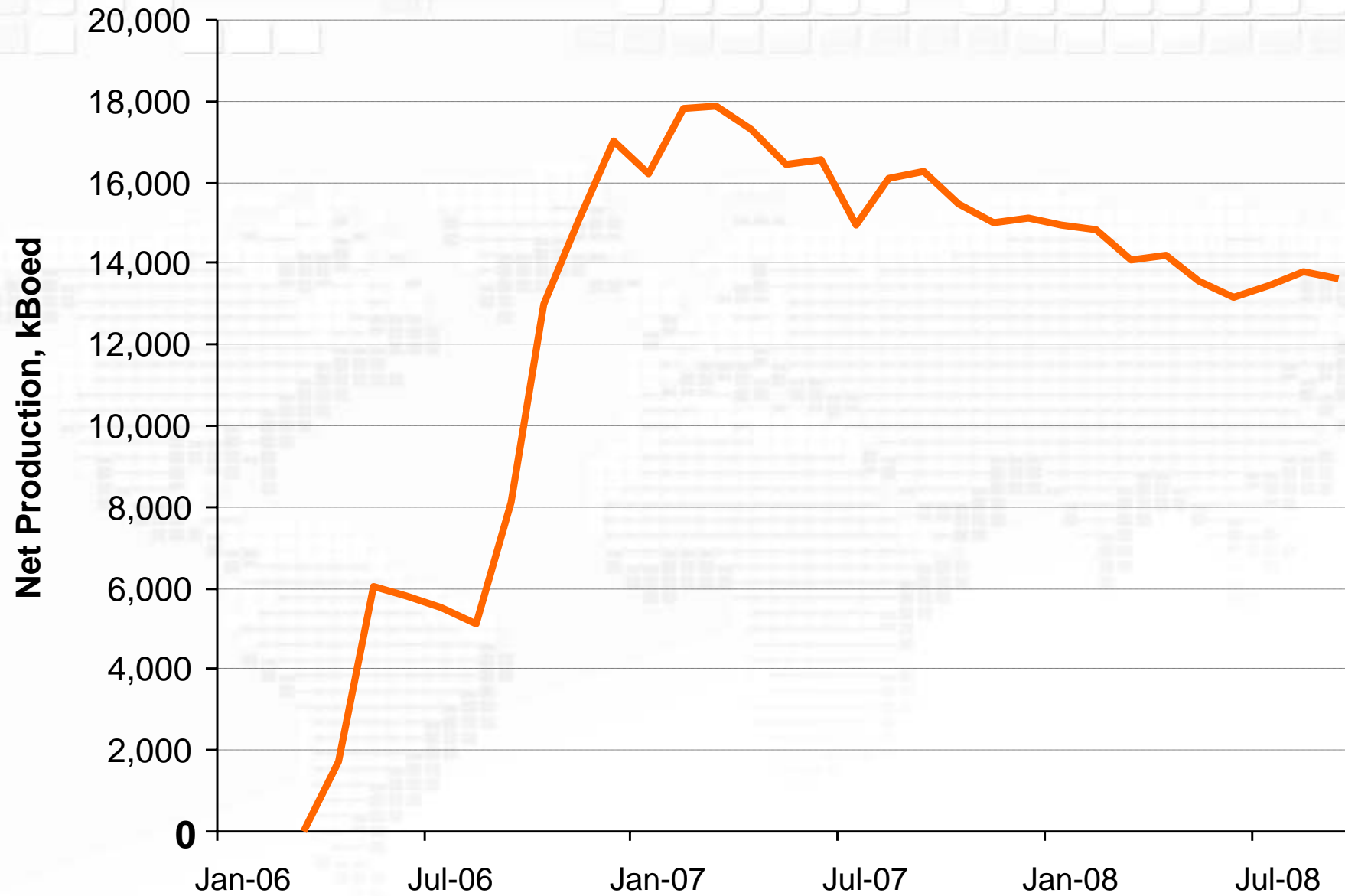
- 17 producers &
- 15 injectors



Albacora Leste - FPSO P-50



Net Oil & Gas Production



A faint, light-colored world map is visible in the background of the slide, centered behind the main text box.

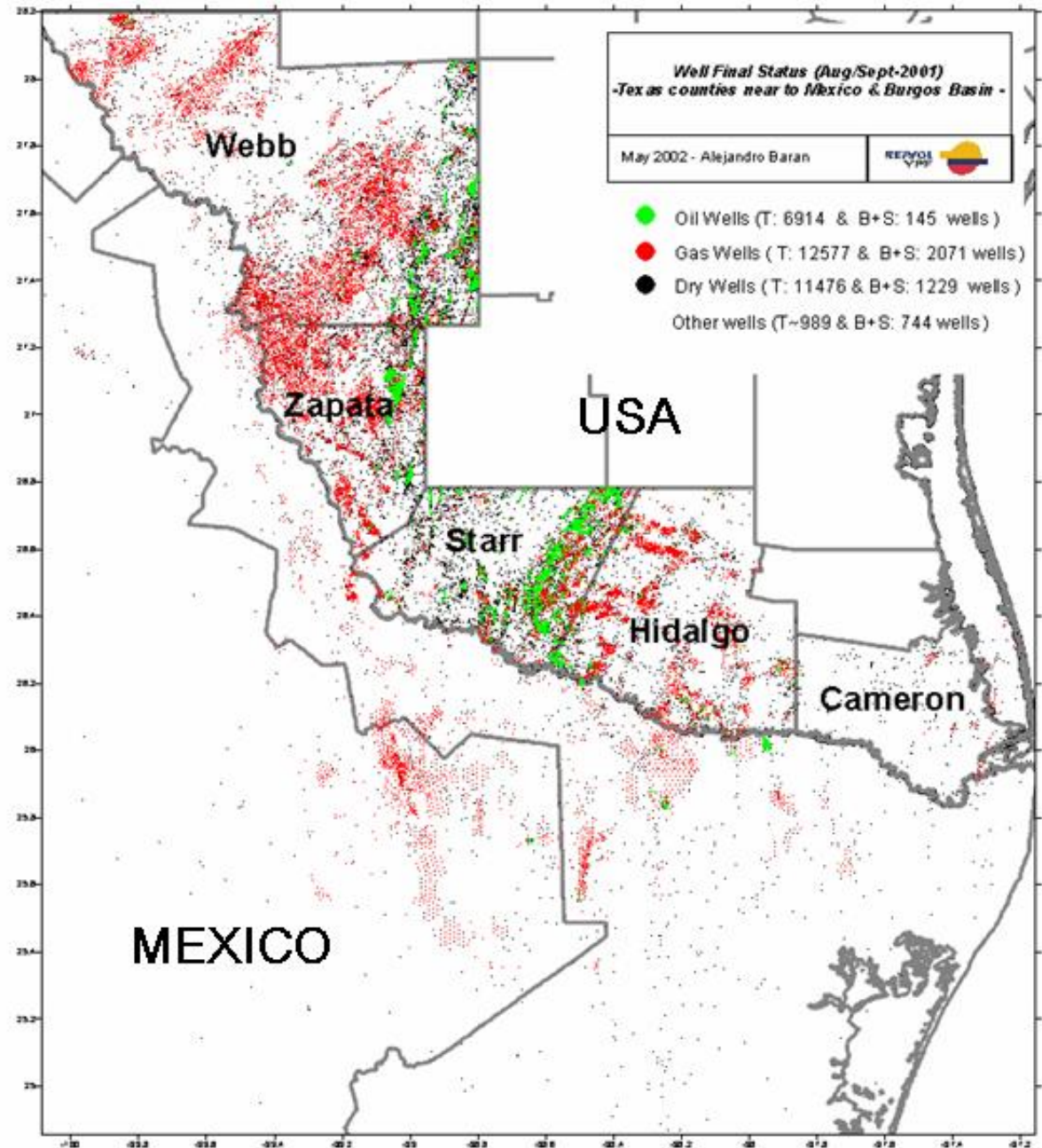
Mexico Business Unit

Why Mexico?

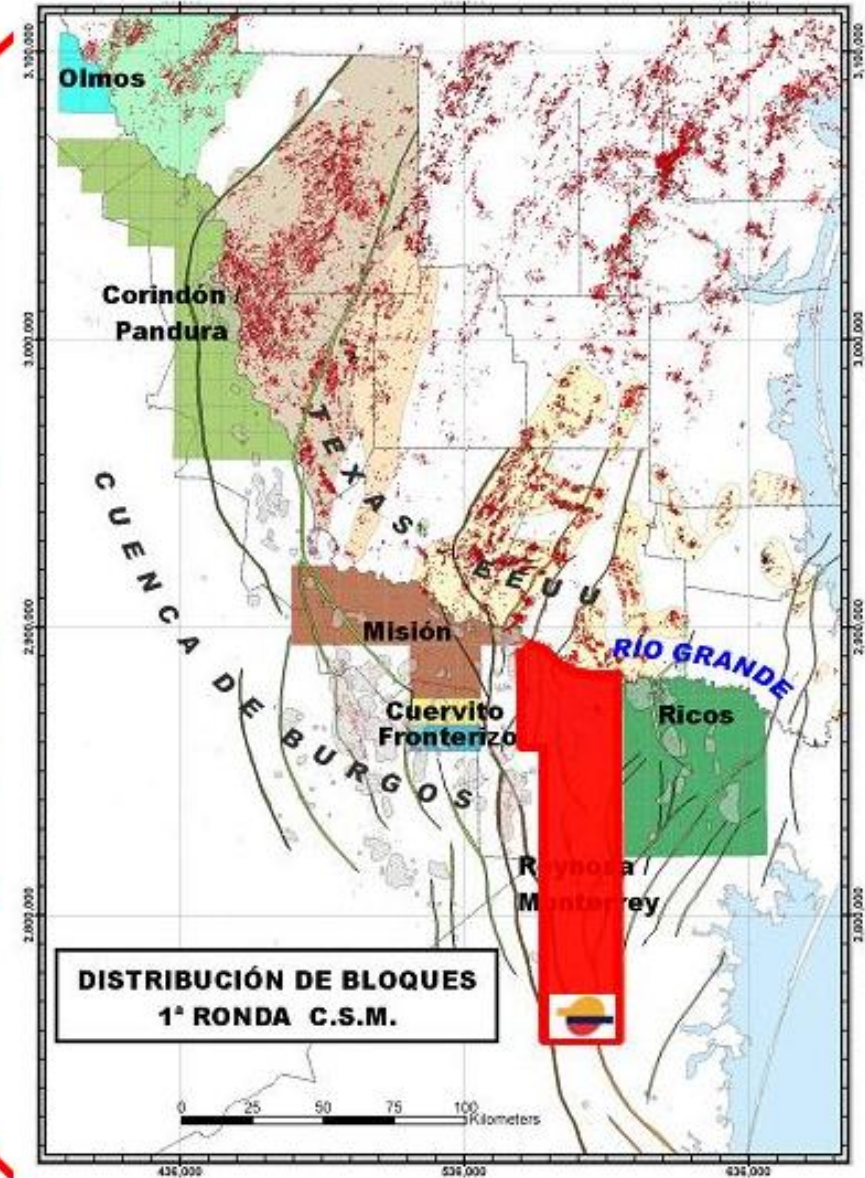
Burgos vs. South Texas Gas Basins

	WELLS	CUM. PROD	ACT. WELLS	PROD
BURGOS BASIN	4,000	7.3 Tscf	900	1 Bscf/d
S. TEXAS (5 COUNTIES)	31,000	27 Tscf	8,000	2.8 Bscf/d

- Texas recovers 80% of the OGIP with a 40% government take
- Mexico recovers 20% of the OGIP with a 100% government take

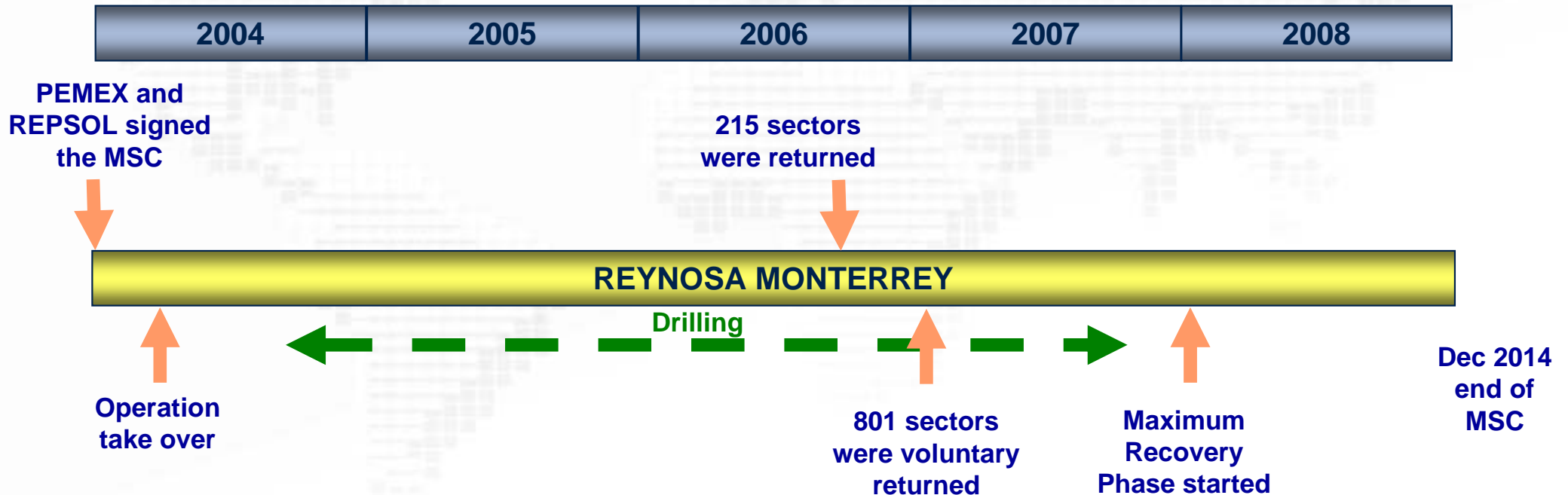


Location: Reynosa-Monterrey Block

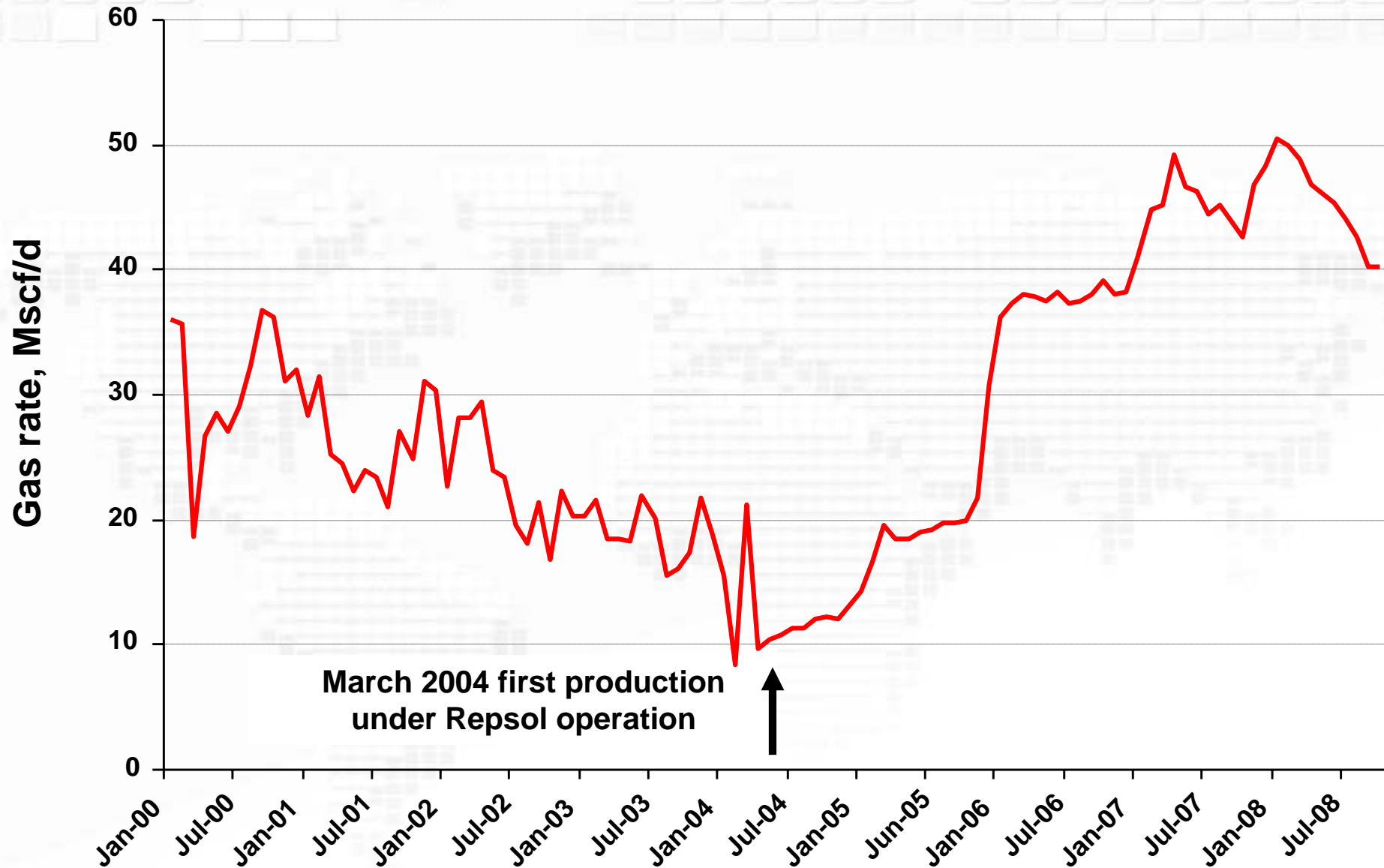


Contract overview

- Mature assets reactivation and exploration within block limits.
- Multiple Service Contract (MSC) with payments based on an annually updated reference Price List published by PEMEX.
- Material investment commitment finished in 2007.
- The full cycle evaluation shows a reasonable ROR



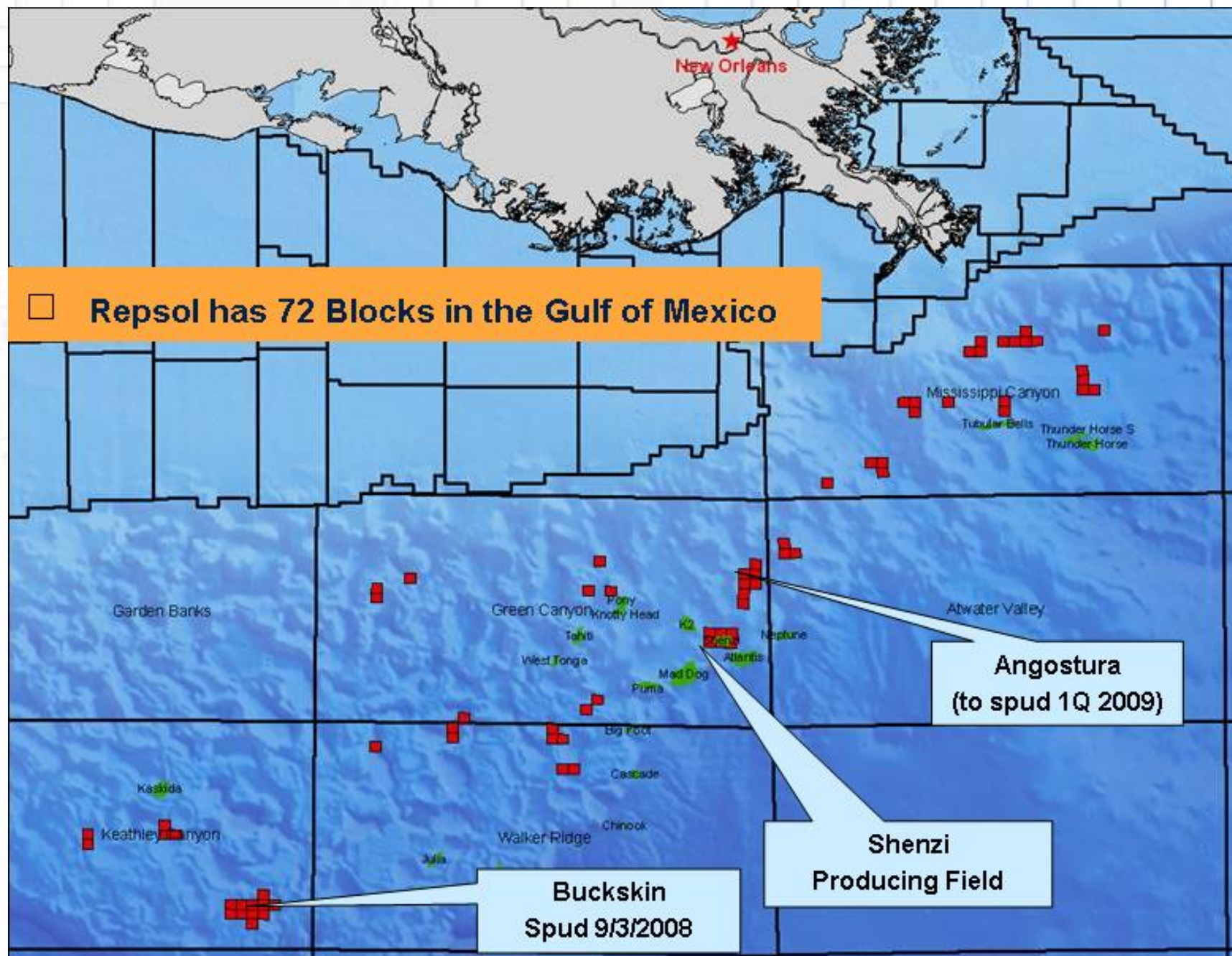
Gas Production



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USA Business Unit

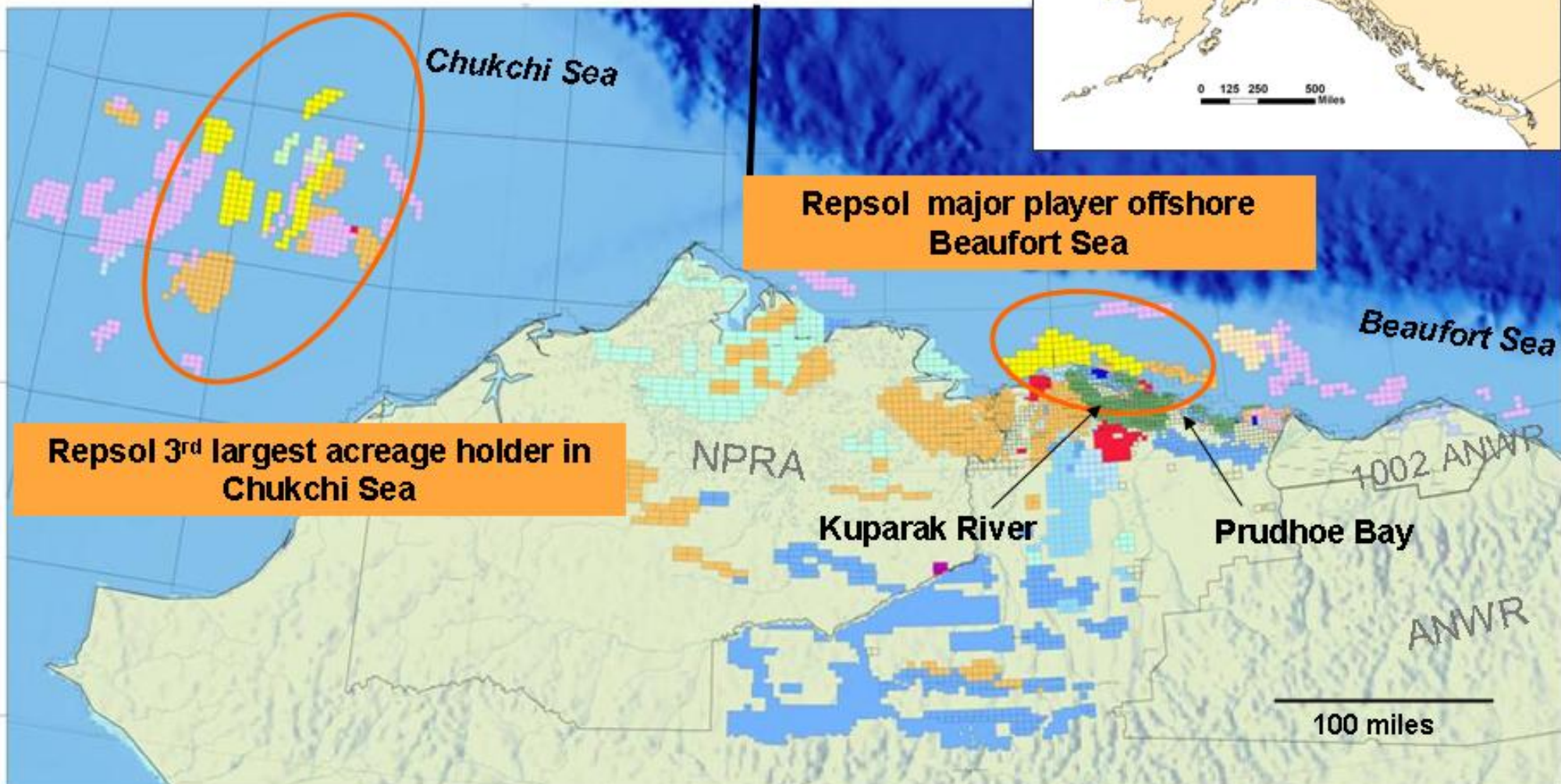
E&P Assets in Gulf of Mexico



E&P Assets in Alaska



- **Repsol Blocks:**
 - 93 blocks 100% WI in Chukchi Sale 193
 - 71 blocks in Beaufort Sea, 20% WI
 - 64 leases Shell (OP) 40%, Eni 40%
 - 7 leases Eni (Op) 80%



REPSOL



REPSOL USA HOLDINGS CORP.

HOUSTON OFFICES

Ramón Hernan

North America & Brazil Managing Director

Repsol YPF

Houston Investors Field Trip

December 2008

REPSOL



REPSOL



Shenzi Project Overview

Greg Smith

USA Business Unit Director

Repsol YPF

Houston Investors Field Trip

December 2008

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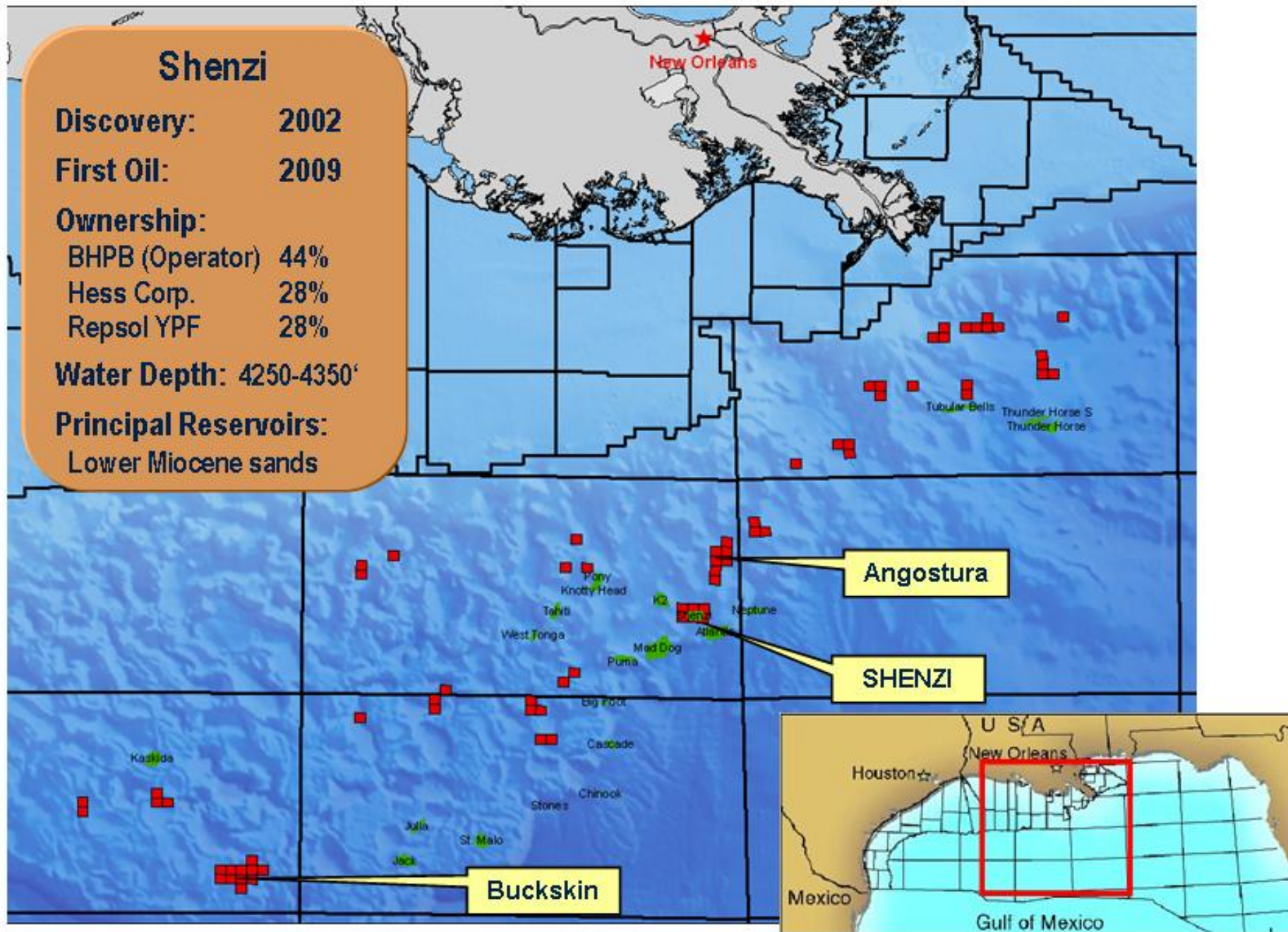
Repsol YPF's future financial condition, financial ratios, results of operations, business, strategy, geographic concentration, production volumes, reserves, capital expenditures, costs savings, investments and dividend payout policies, as well as future economic and other conditions, such as future 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, 2007 filed with the US Securities and Exchange Commission and available on Repsol YPF's website (www.repsol.com). In light of the foregoing, the forward-looking statements included in this document may not occur.

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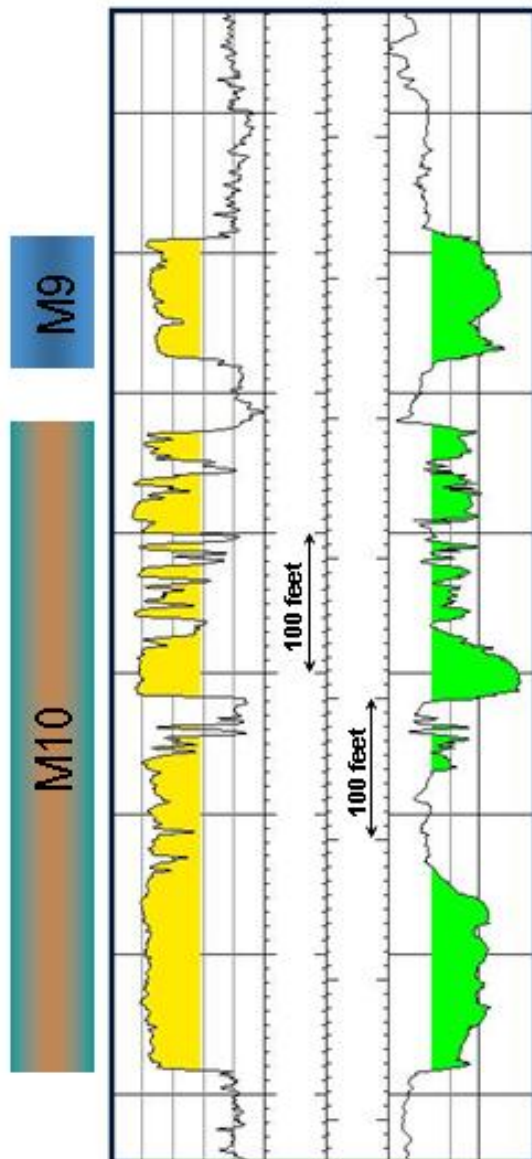
Shenzi Oil Transportation Agreement

Location Map

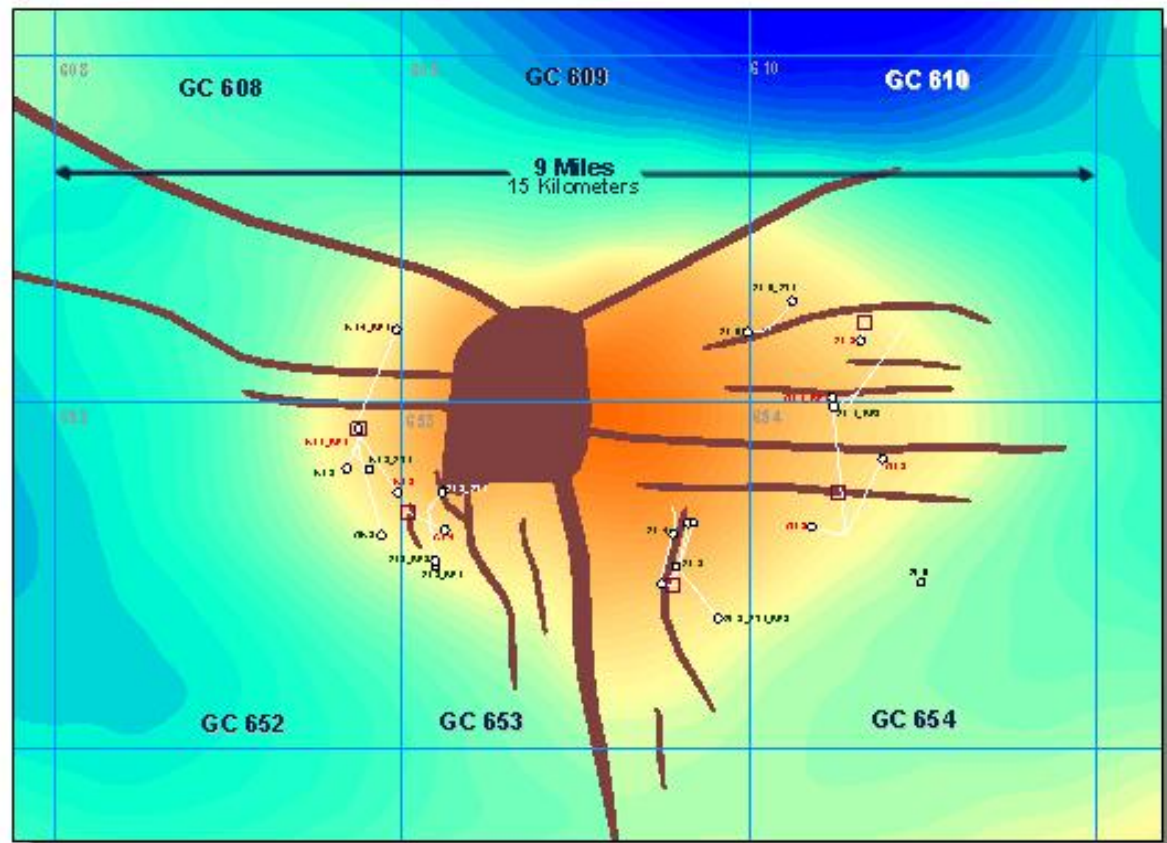


Shenzi: Field Overview

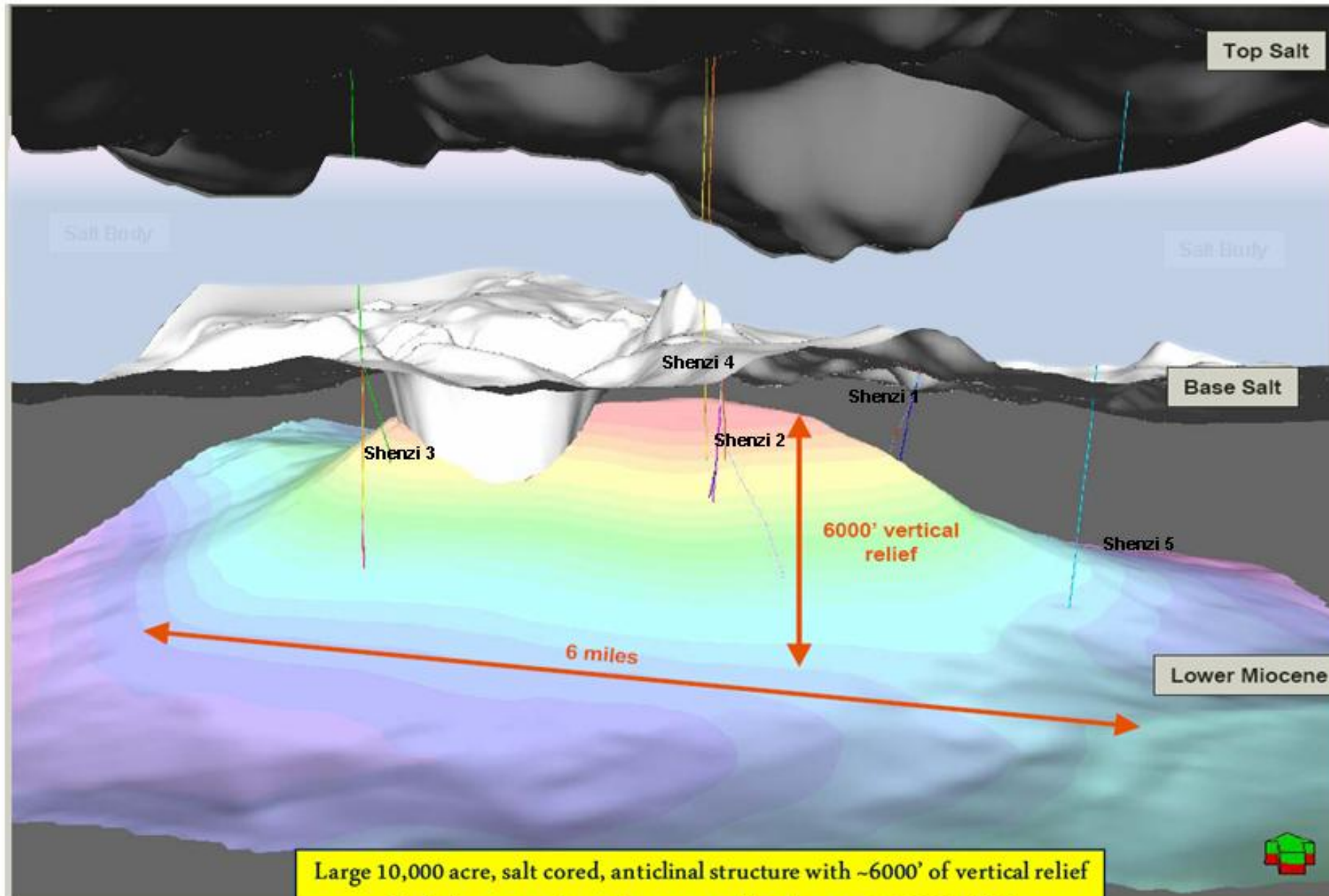
Shenzi Composite Log



- Oil column in excess of 4,000 feet
- Maps as a faulted diapiric fold
- Field entirely overlain by salt
- Main reservoirs: Lower Miocene turbidites
- Field penetrated by salt at crest



Shenzi Structure

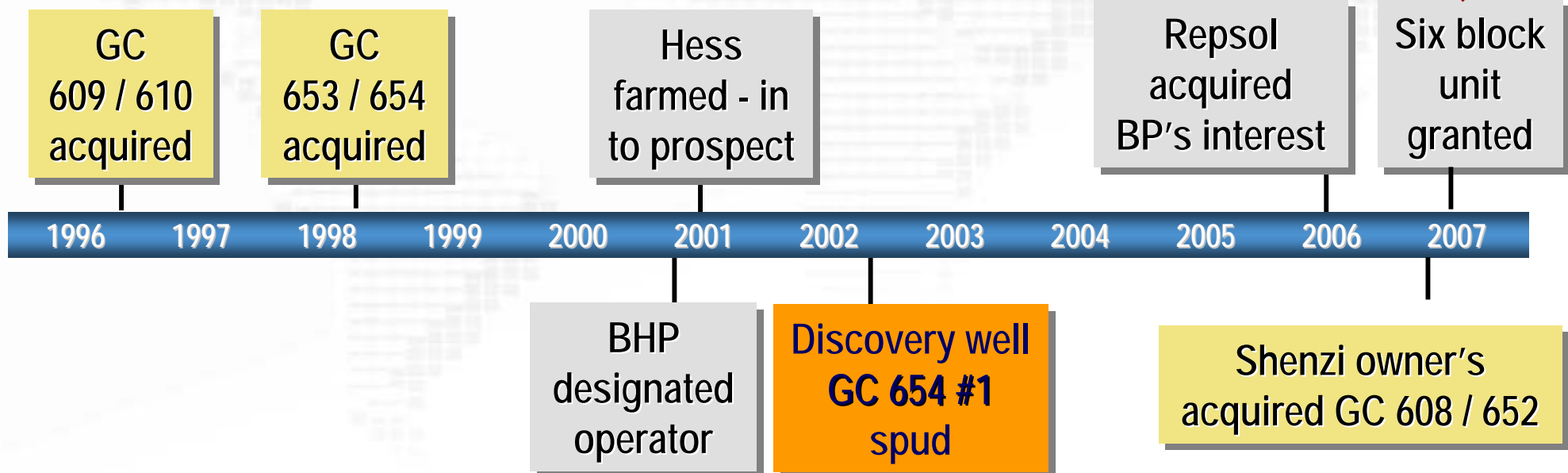
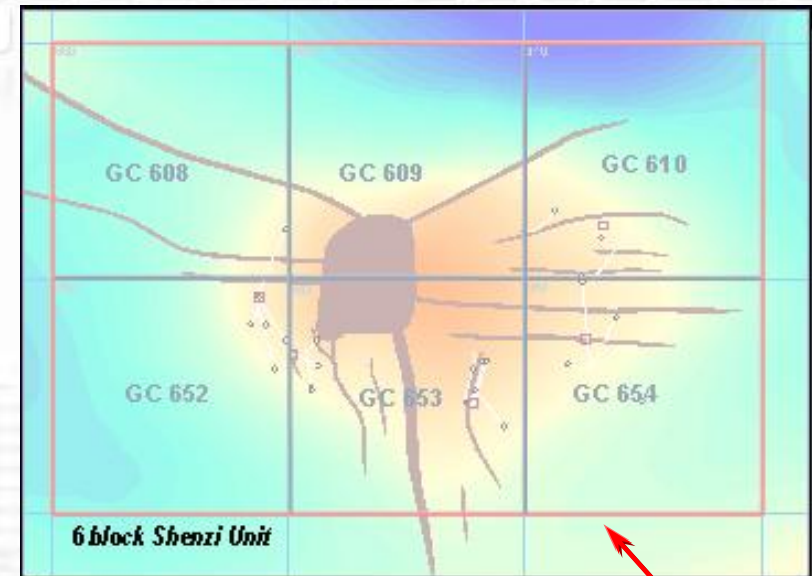


Shenzi Development Timeline

Leasing up to 2008



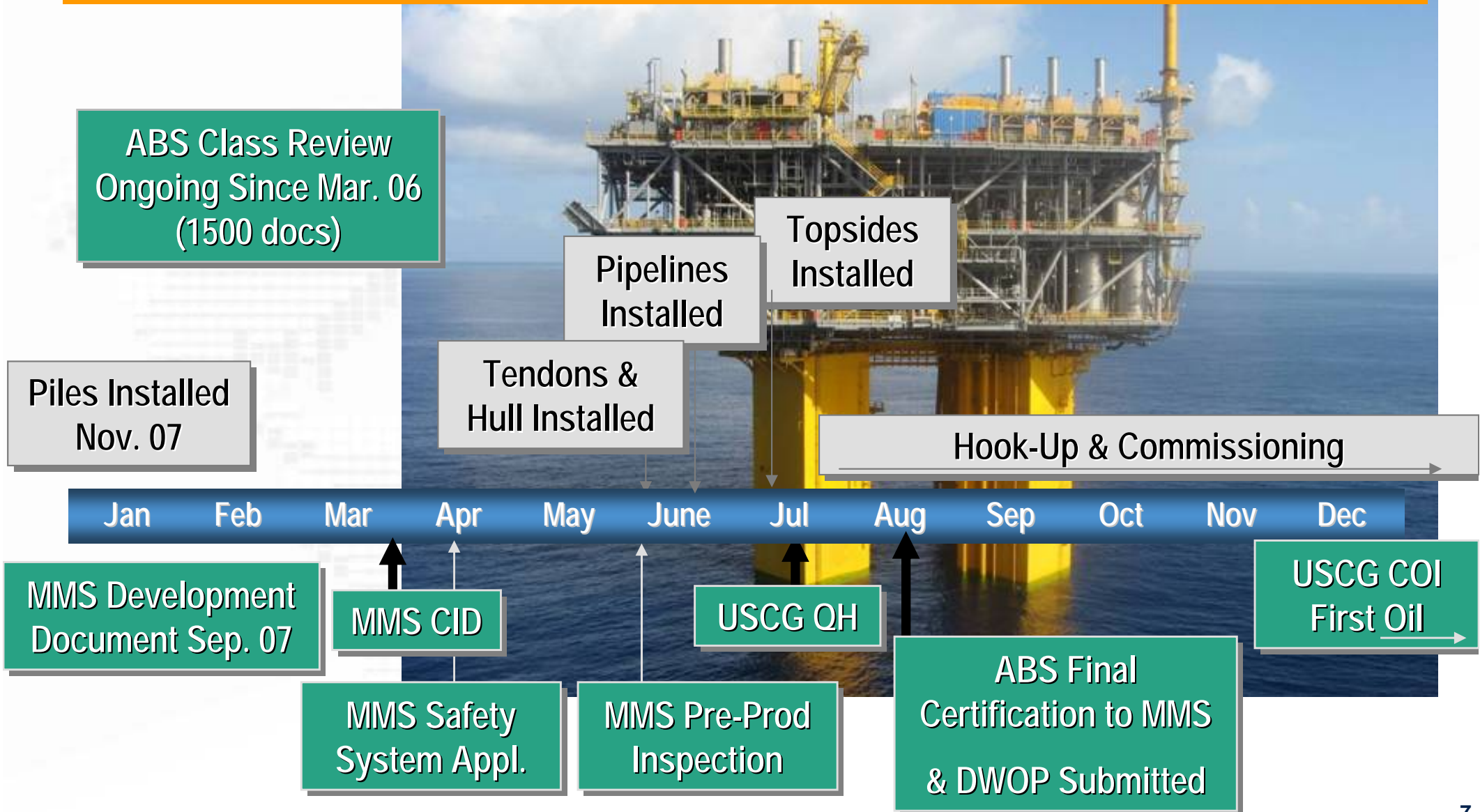
BHP Billiton (Operator)	44%
Hess Corporation	28%
Repsol E&P US	28%



Shenzi Development Timeline 2008



Drilling ongoing throughout – CR Luigs & DD1



Shenzi TLP & DD-1 Drill Rig



First Oil to TLP: 2009

Platform

- Moses TLP (Modtec)
- Three Deck Levels (Main, Production, Cellar)
- Two Cranes
- Permanent Living Quarters w/ 44 beds
- Maximum POB (while producing) = 44
- 25 year design life

Processing Capacity Design

- Oil Production Capacity (Nominal) 100 kBOPD
- Gas Production Capacity (Nominal) 50 MMSCFD
- Gas Lift Capacity (at manifolds) 50 MMSCFD
- Water Injection (*future*) 125 kBWPD
- Produced Water Disposal Capacity 75 kBWPD
- Subsea Facilities Capabilities 20+ wells

Installed Cost (\$USD)

- Topsides, Hull & Tendons: \$ 750 m
- Subsea: \$ 550 m
- Production Wells: \$ 1,600 m
(average cost/well: \$ 123 m)
- Water Injection: \$ 1,035 m
- PM: \$ 125 m

Shenzi Development Host Facility Specifications



Facility

- Modec Moses TLP
- 30,906 kips Payload
- HMC Install Contractor
- 25 Year Design Life
- ABS Class A1 FOI/CVA

Hull & Moorings

- Passive Ballast System
- 52' TSS; 58' Base Height
- 177' Column Height
- 144' Draft
- SHI Fabricator (Korea)

Cut Steel – 2006

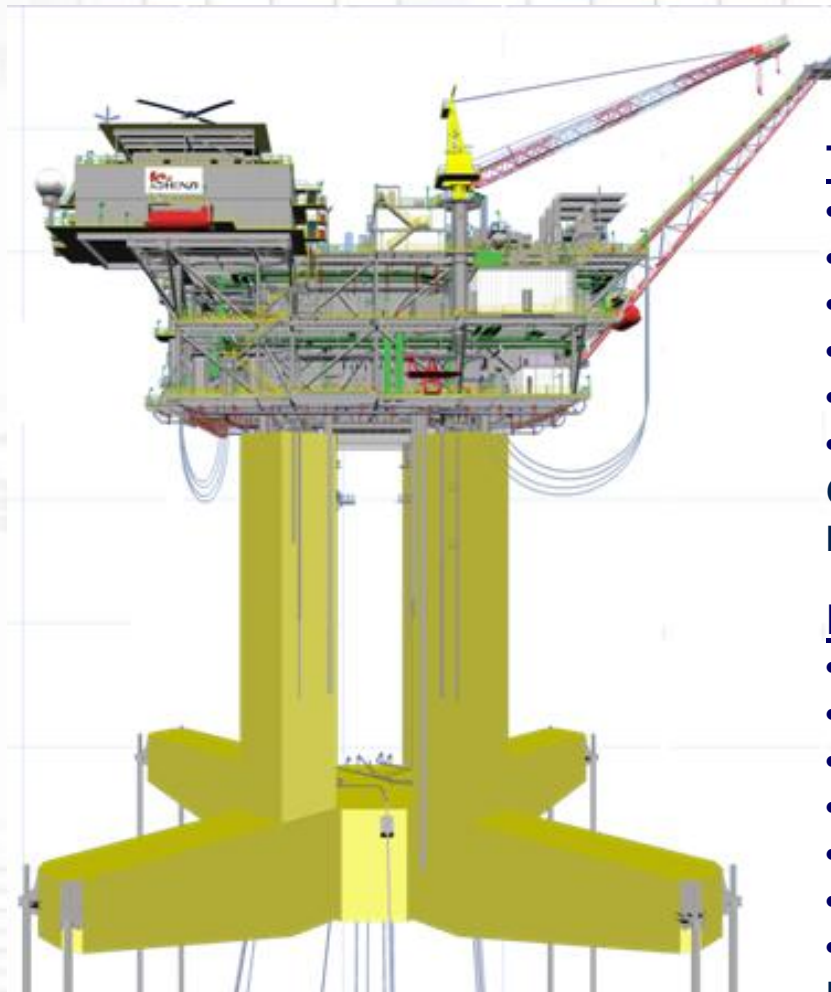
Arrived GOM - Feb 2008

Installed – Jun 08

- 44 x 36" Tendon Pipe
- 96" Driven Piles
- Gulf Coast Tendon & Pile Fab
- OSI Connectors & Couplings

Pile Installation 4Q 2007

Installed June 2008



Topsides

- 3 Level Deck
- 173' x 144' Deck Dimensions
- 44 Person Quarters Capacity
- 21500 kips Op Weight
- Helideck Sikorsky S-92
- KOS Fabricators (Ingleside, TX)

Cut Steel July 06

Installed 11th July 2008

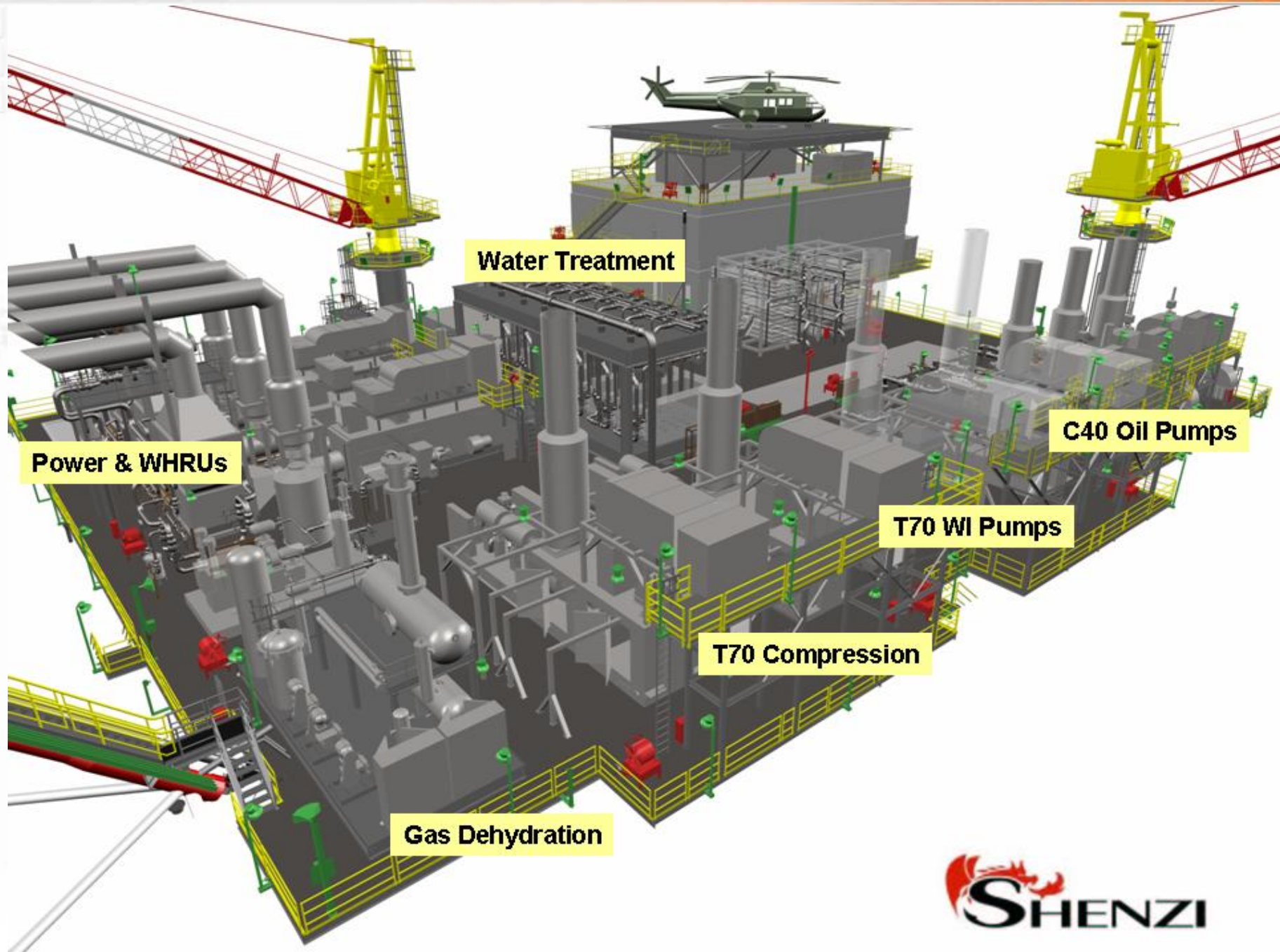
Risers

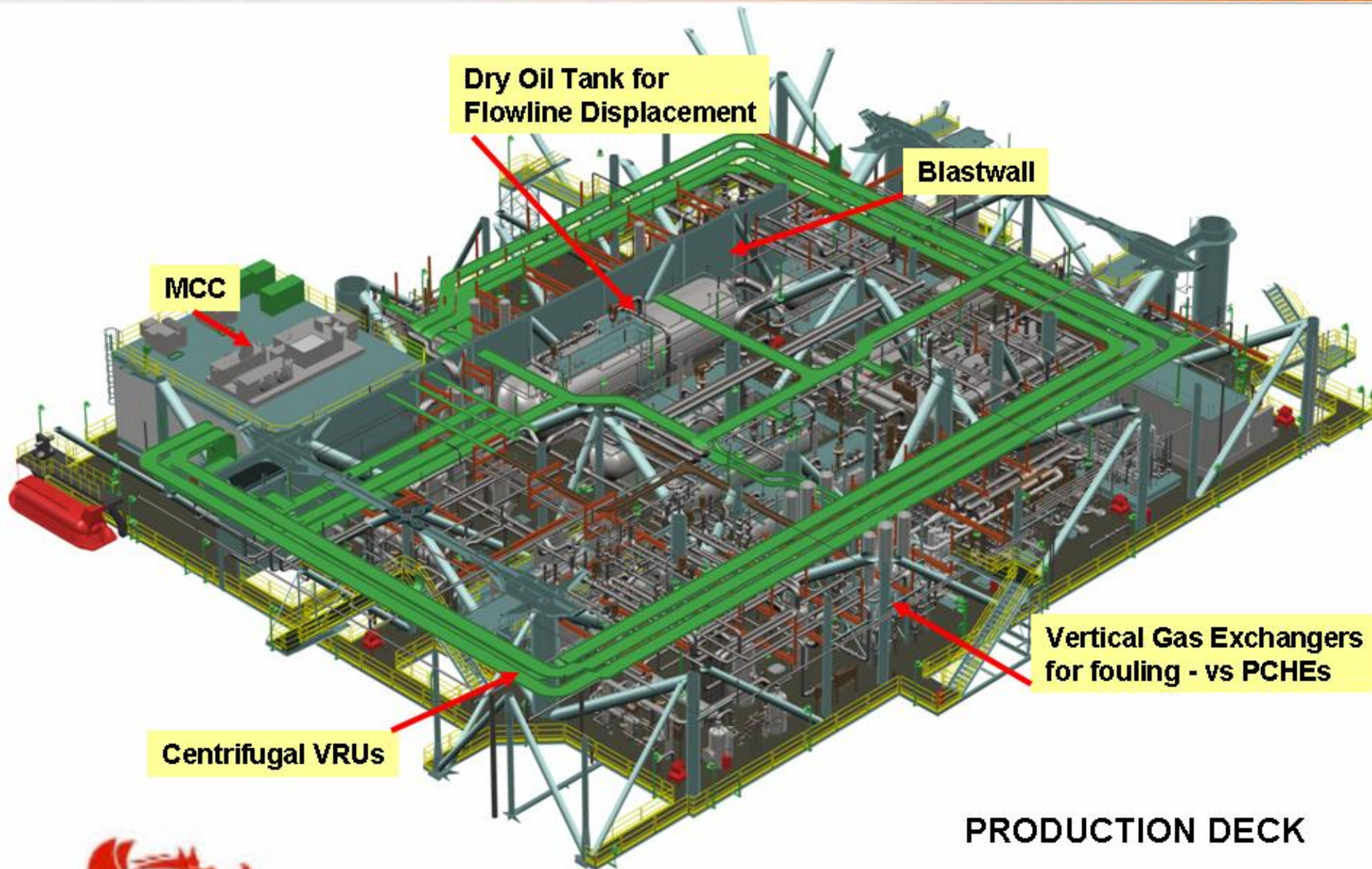
- 16" Oil Export
- 12" Gas Export
- 2 - 8" Production
- 2 - 10" Production
- 2 - 6" Gas Lift
- 2 - 8" Production (Future)
- 1 - 10", 1 - 7" WI

Hung off TLP June/July 2008

Future Provisions for:

- Up to 300 ton facility expansion
- 2 Flowlines, 3 Umbilicals





PRODUCTION DECK

Shenzi Hull Load-Out

Samsung Heavy Industries - Korea



Shenzi Hull Load-Out

Samsung Heavy Industries - Korea



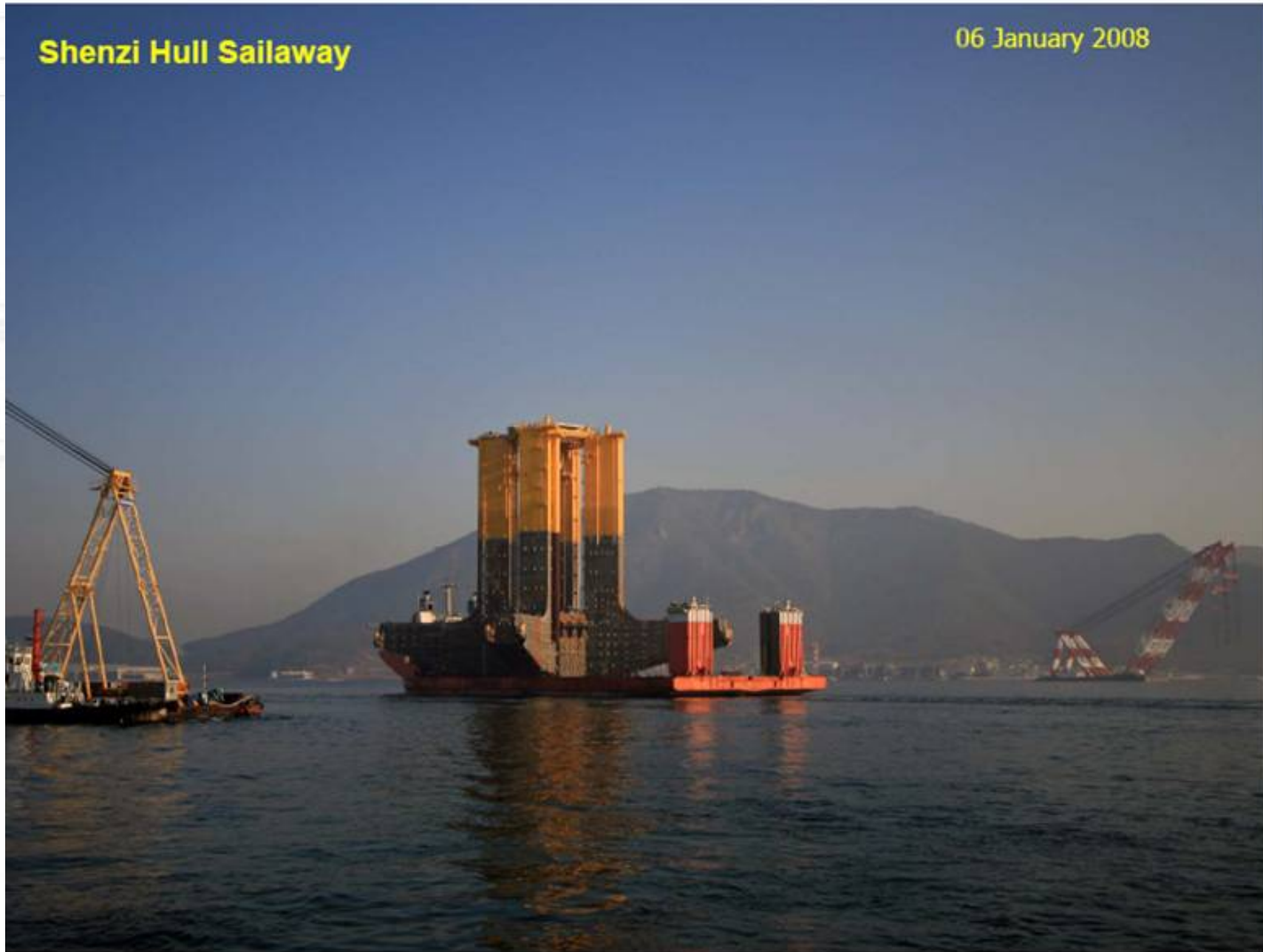
Shenzi Hull Transit to GoM

Samsung Heavy Industries - Korea



Shenzi Hull Sailaway

06 January 2008



Shenzi Topsides Fabrication

Kiewit Offshore – Ingleside, TX



Hull Transportation Offshore



Shenzi Hull Installation

June 18th 2008



Topsides Transportation Offshore



Topsides Installation



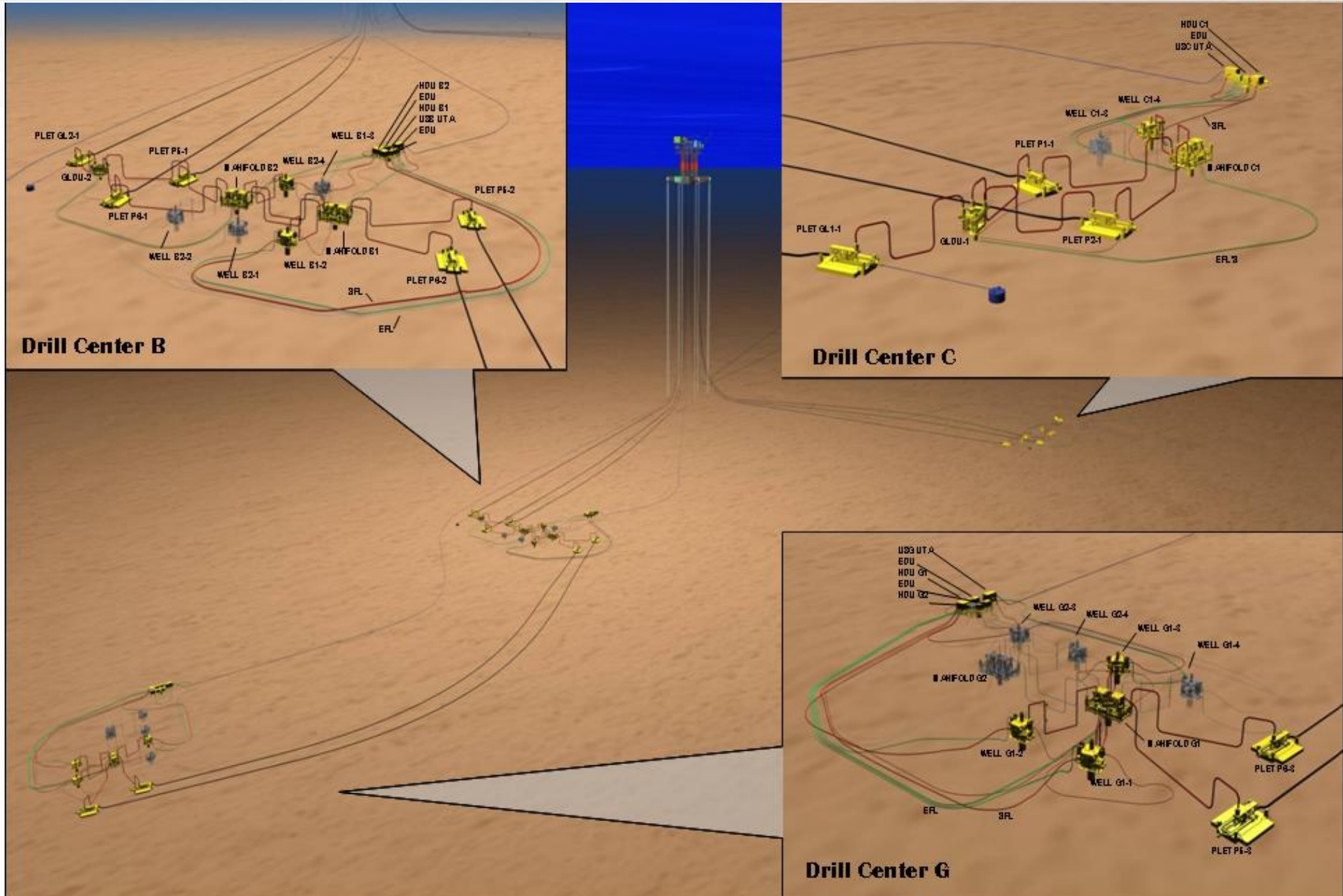
Thialf on Location



Shenzi TLP



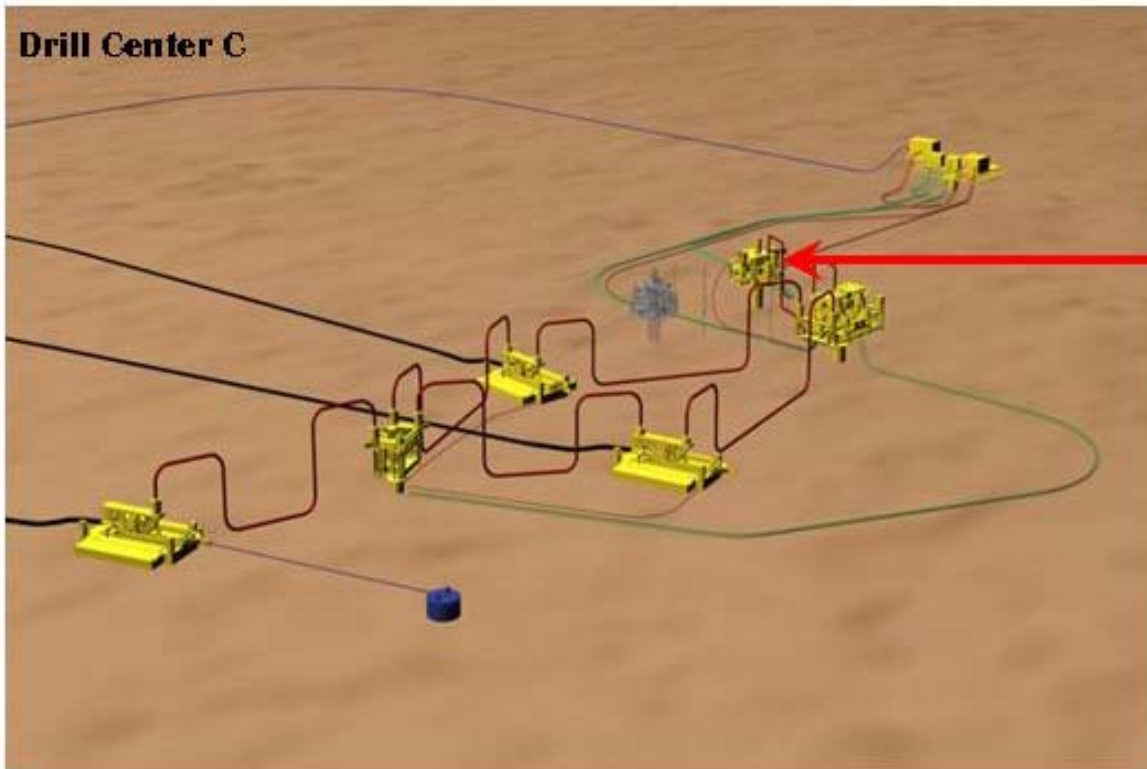
Shenzi Production System



Shenzi Subsea Equipment

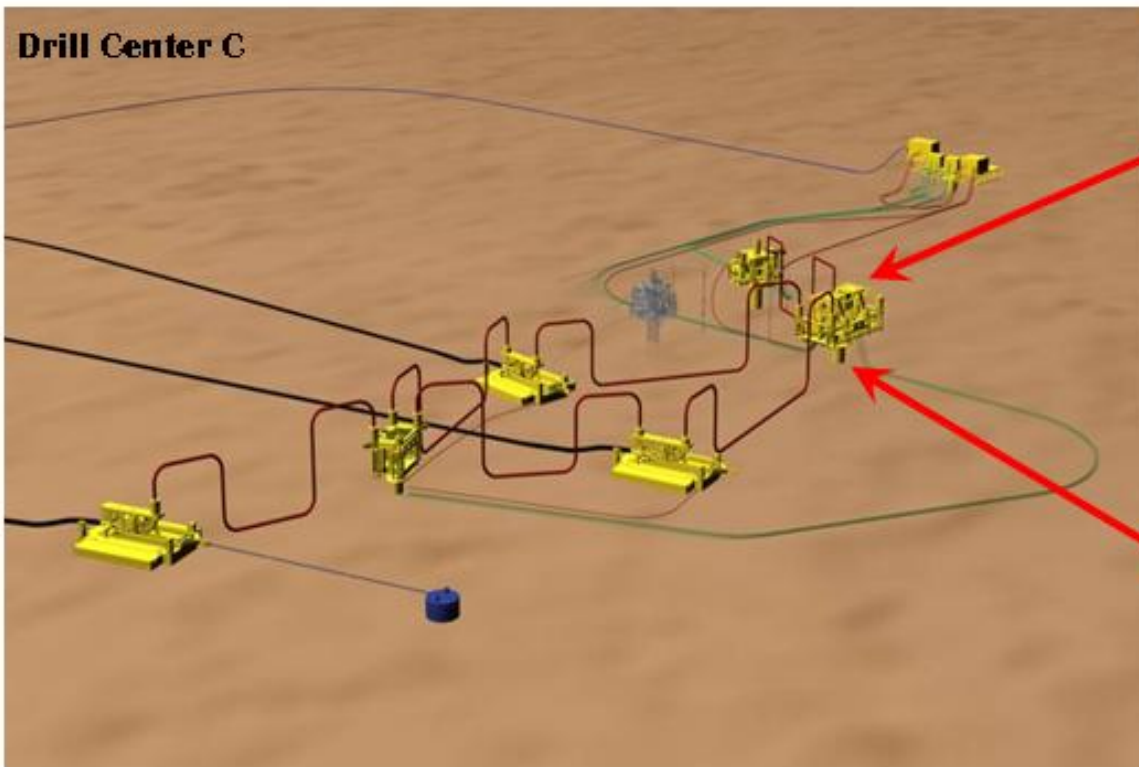


TREE



Shenzi Subsea Equipment

MANIFOLD

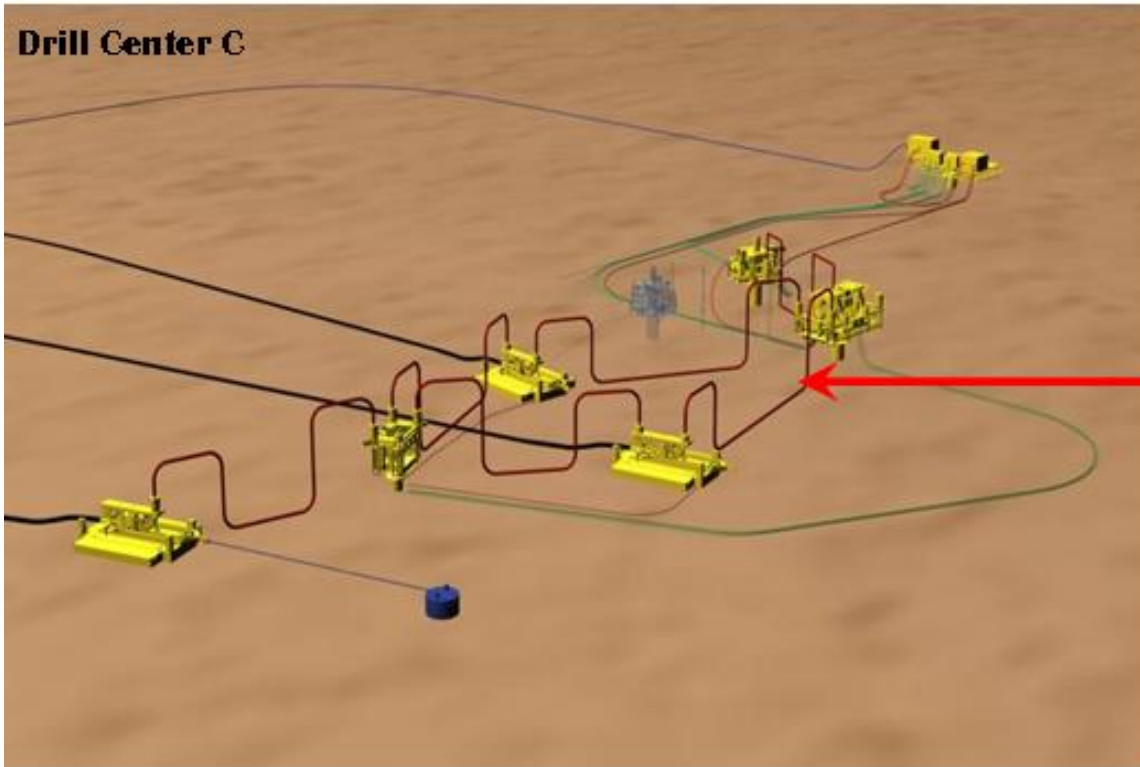


MANIFOLD PILE

Shenzi Subsea Equipment



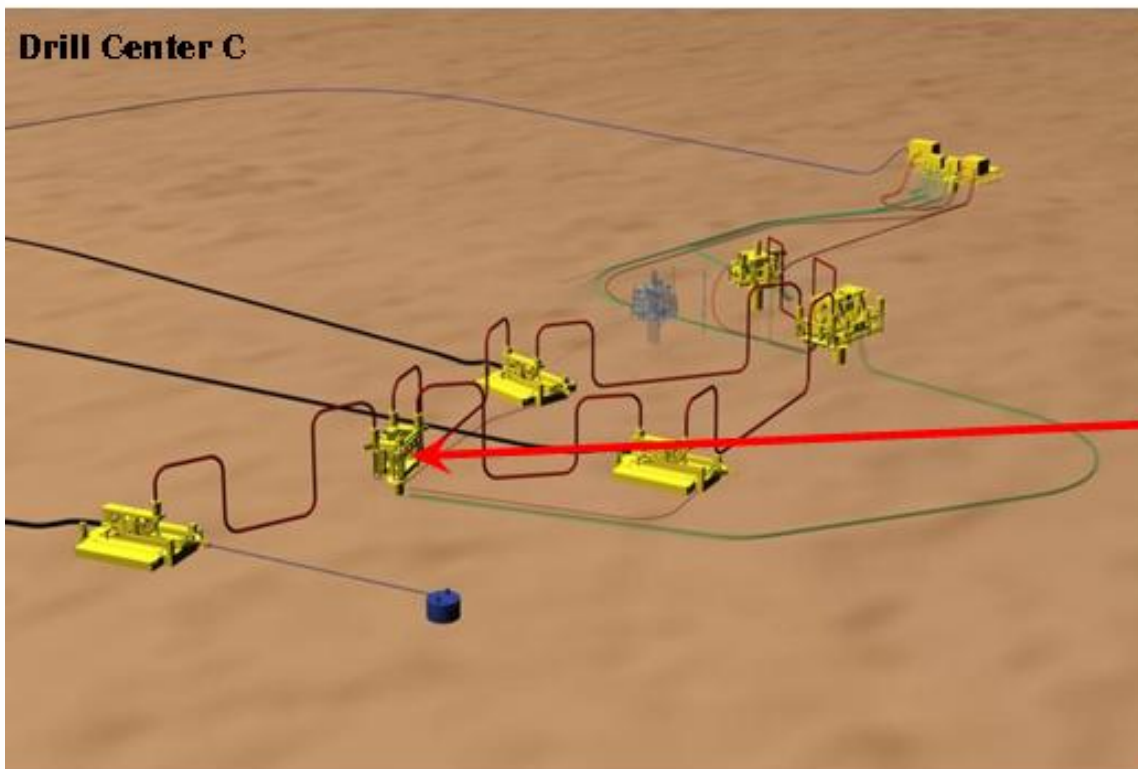
Drill Center C



JUMPER



Shenzi Subsea Equipment



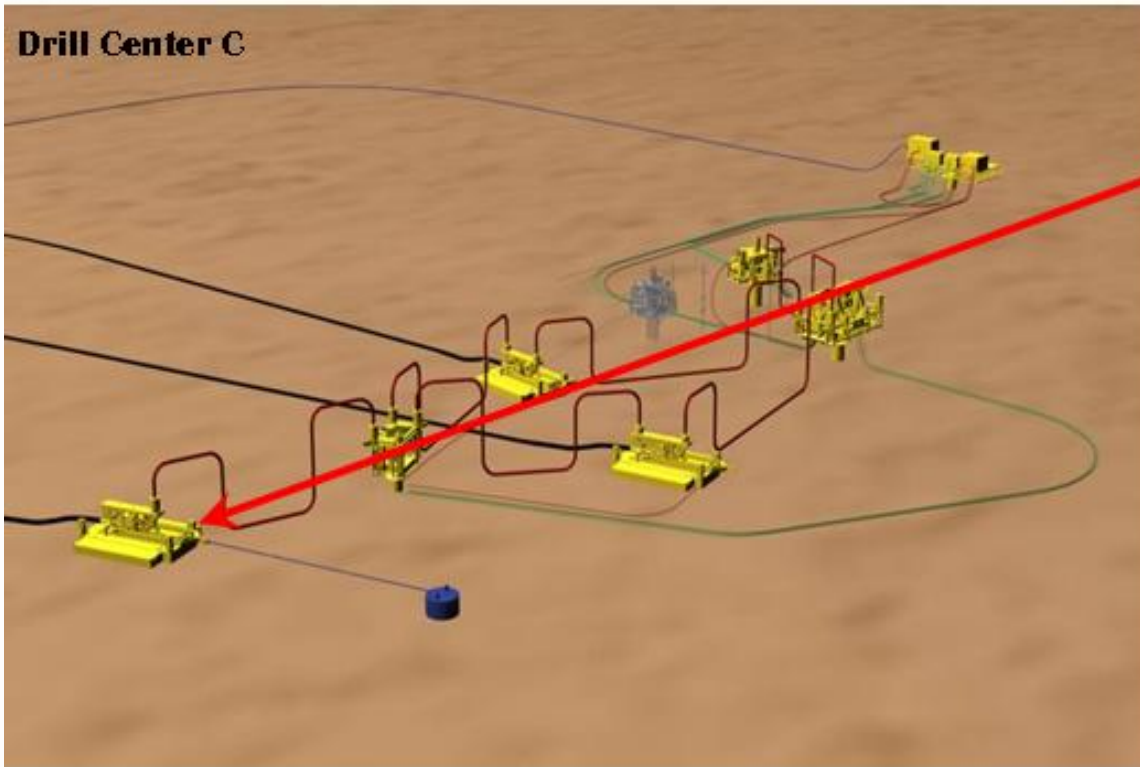
Gas Lift Distribution Unit (GLDU)



Shenzi Subsea Equipment

Pipeline End Termination (PLET)

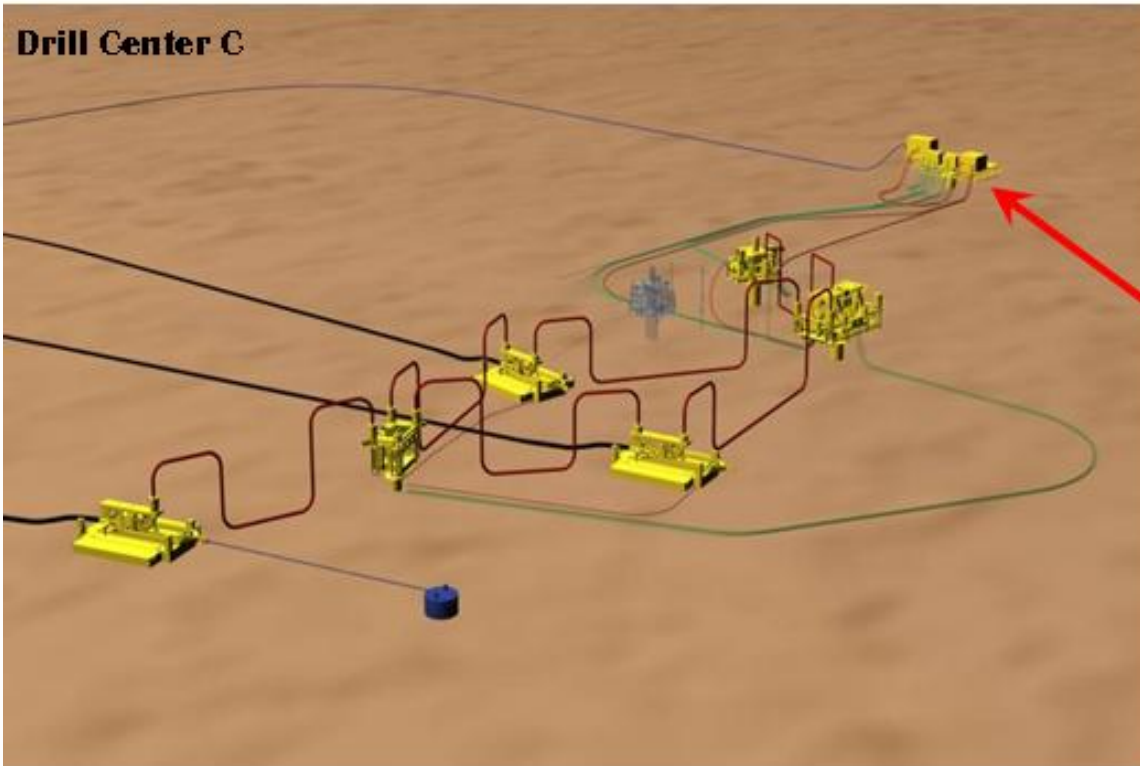
Drill Center C



Shenzi Subsea Equipment



Drill Center C

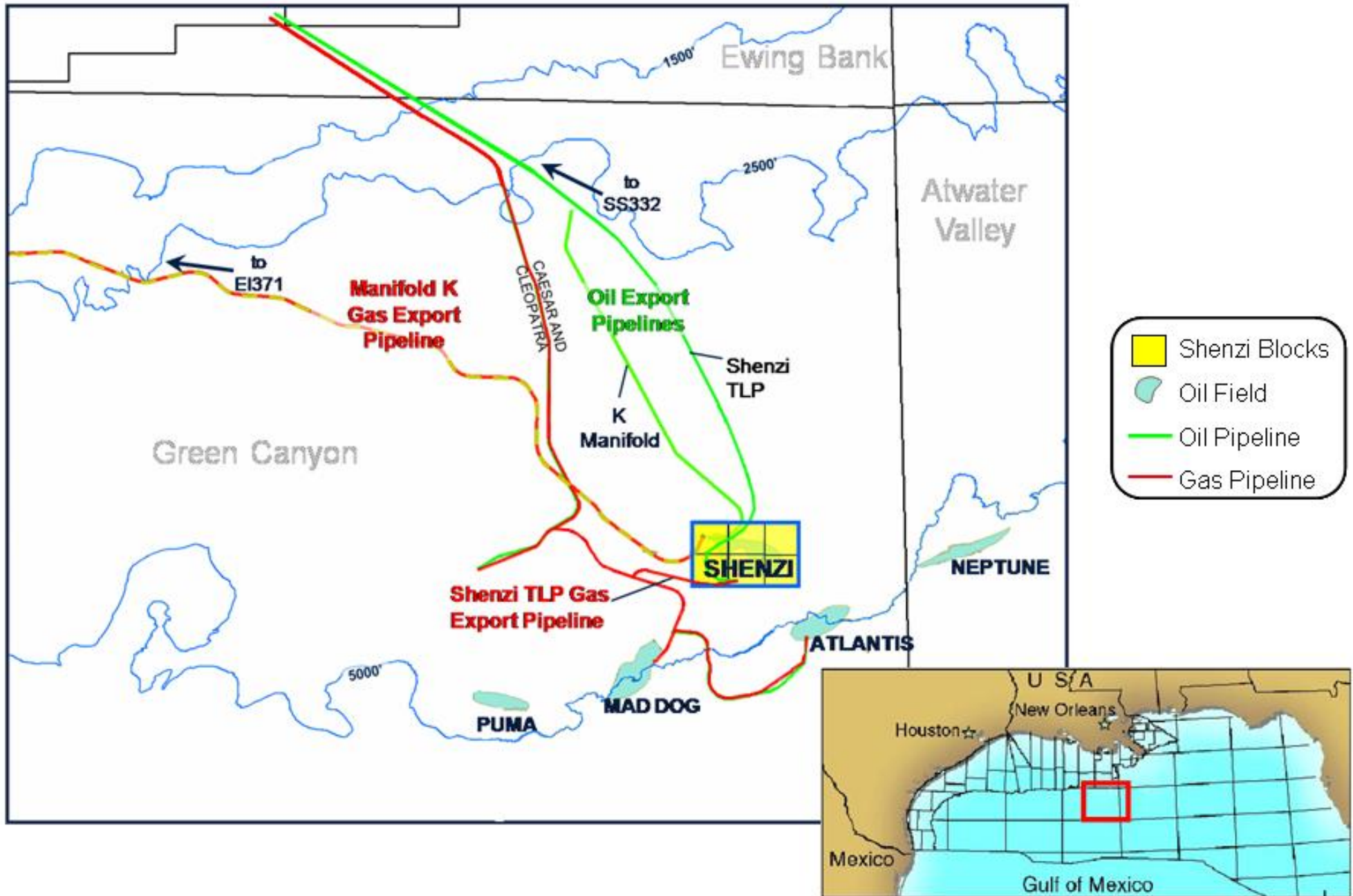


Distribution Mounting Base (DMB)



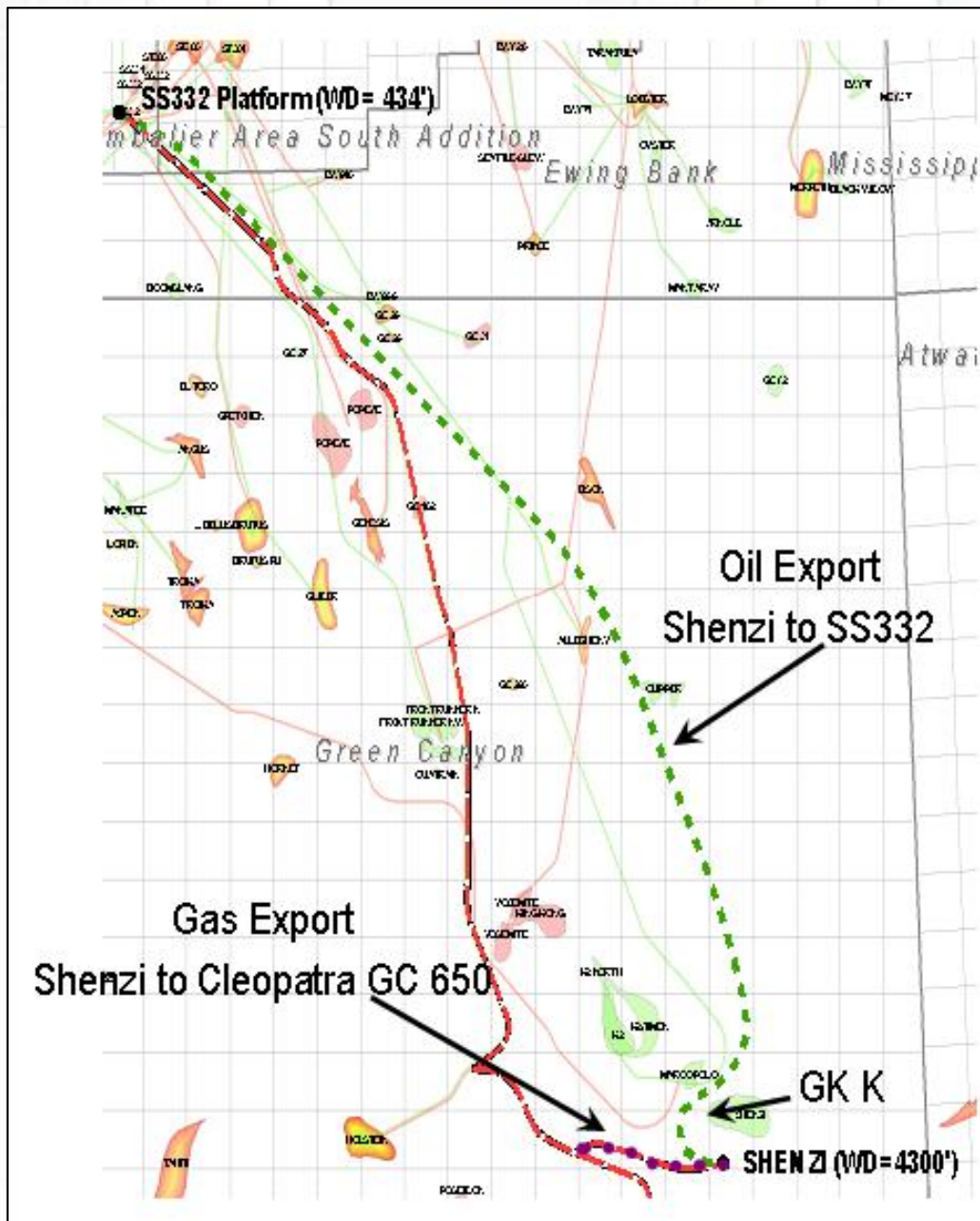
Shenzi Development Project

Oil & Gas Export Pipelines



Shenzi

Export Transportation Infrastructure



Oil export (Enterprise)

- 16" riser tied into a 20" pipeline to Ship Shoal 332
- 83miles long
- Installed Jan/Feb 2008

Gas export (Enbridge)

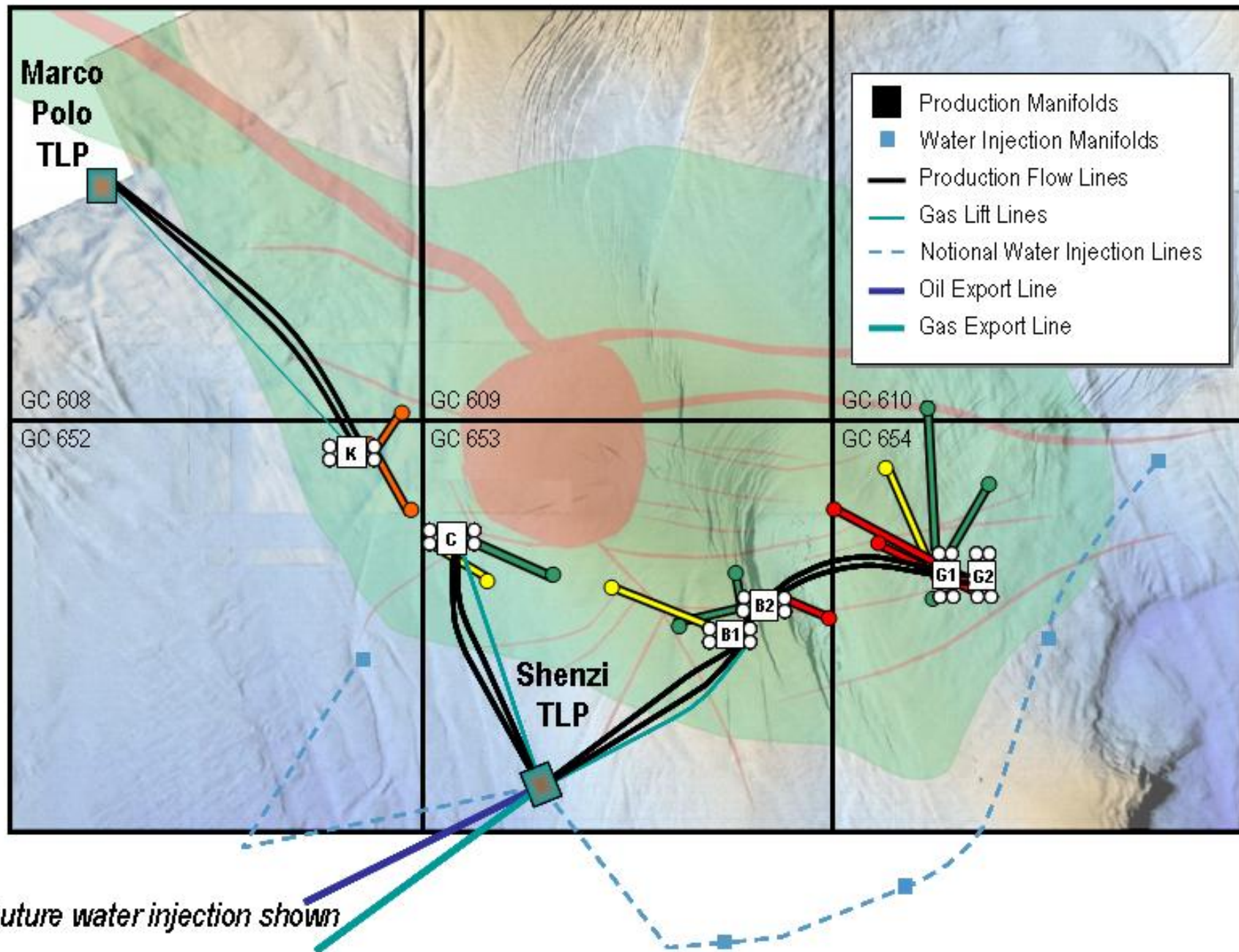
- 12" lateral to GC 650 connects subsea to Cleopatra
- 12 miles long
- Installed Jan/Feb 2008
- Runs parallel to Neptune Export

Shenzi

Crude Oil Transportation Options



Shenzi Subsea Architecture



Shenzi Project – Drilling Activity



Shenzi Drill Rigs - CR Luigs and DD1

Shenzi

Development Driller 1



- Built in Singapore and in service in the GOM 2006.
- \$800M replacement cost.
- Daily cost to operate - \$1,100,000 i.e.
 - Rig = \$510,000
 - All other costs = \$600,000

Features

- Maximum drilling depth 35,000ft.
- Maximum water depth 7,500ft.
- Dynamically positioned or anchored.
- Dual Activity (two derricks).
- Maximum Persons onboard 160

Safety Record

- 599 days since the last injury which resulted in lost time from work.
- No reservoir fluid spills

Shenzi

CR Luigs Drill Ship



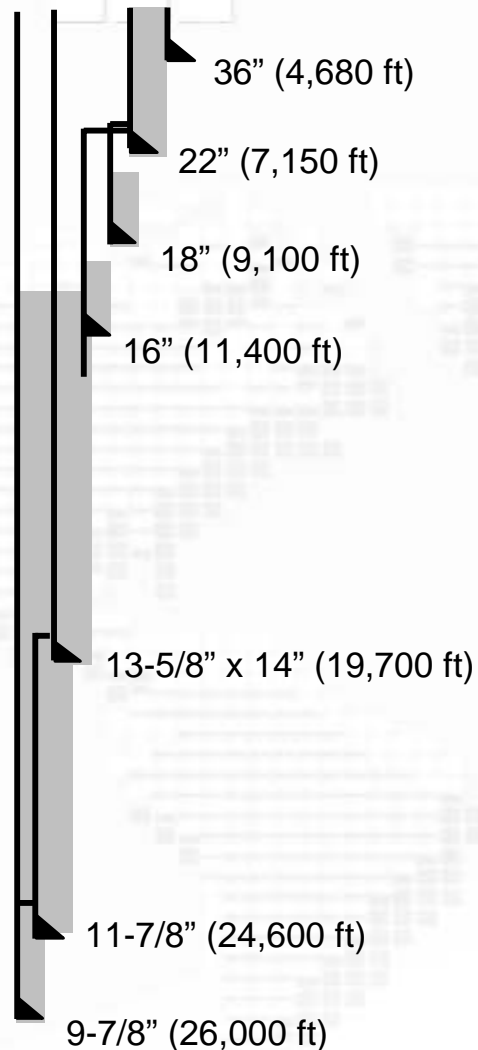
Features

- Maximum drilling depth 35,000ft.
- Maximum water depth 10,000ft.
- Dynamically positioned.
- Offline Activity.
- Maximum Persons onboard 150

Safety Record

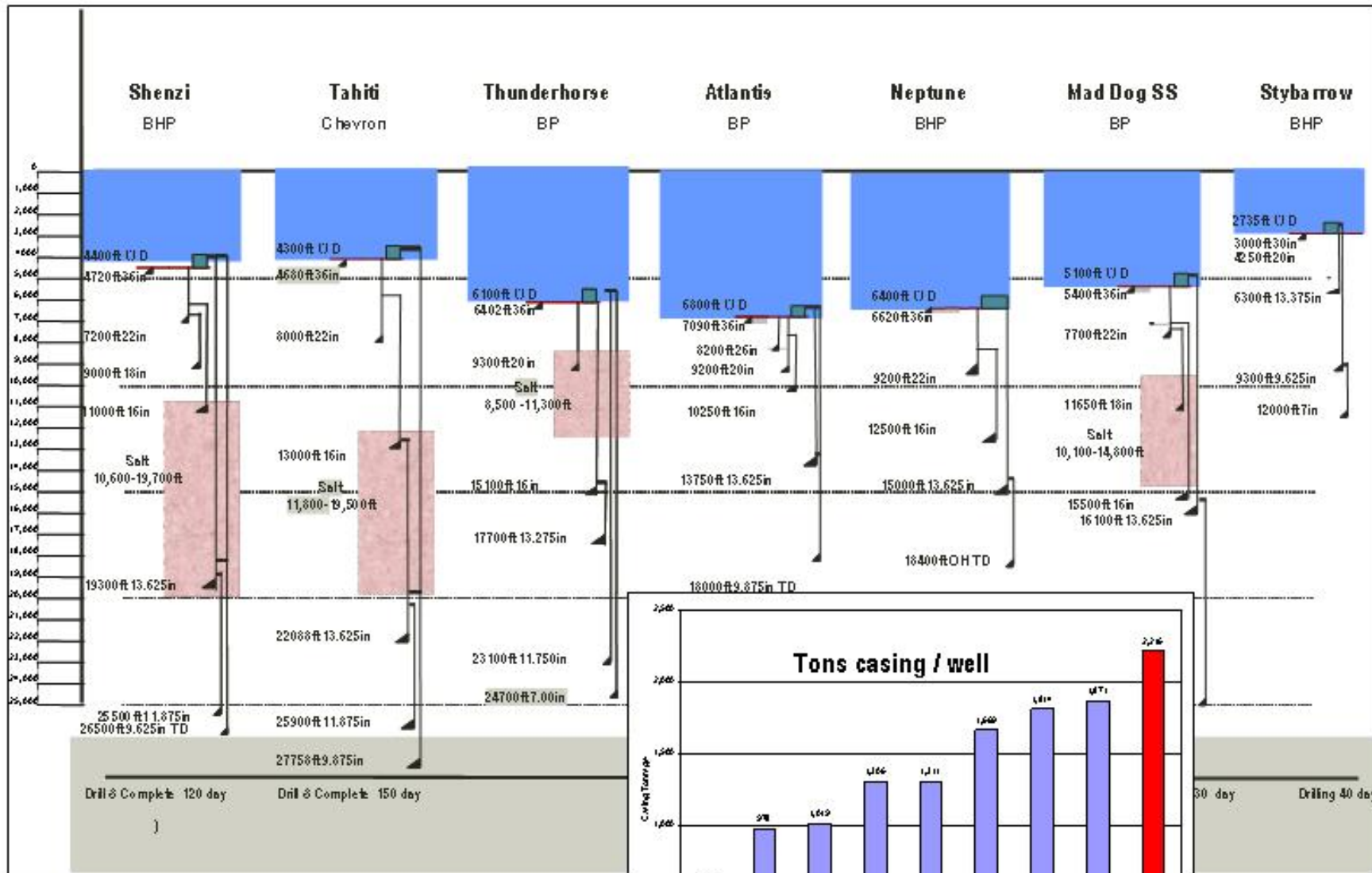
- 714 days since the last injury which resulted in lost time from work.
- No reservoir fluid spills

- Built in Belfast, Northern Ireland and in service in the GOM 2000.
- \$800M replacement cost.
- Daily cost to operate - \$1,000,000 i.e.
 - Rig = \$392,500
 - All other costs = \$600,000



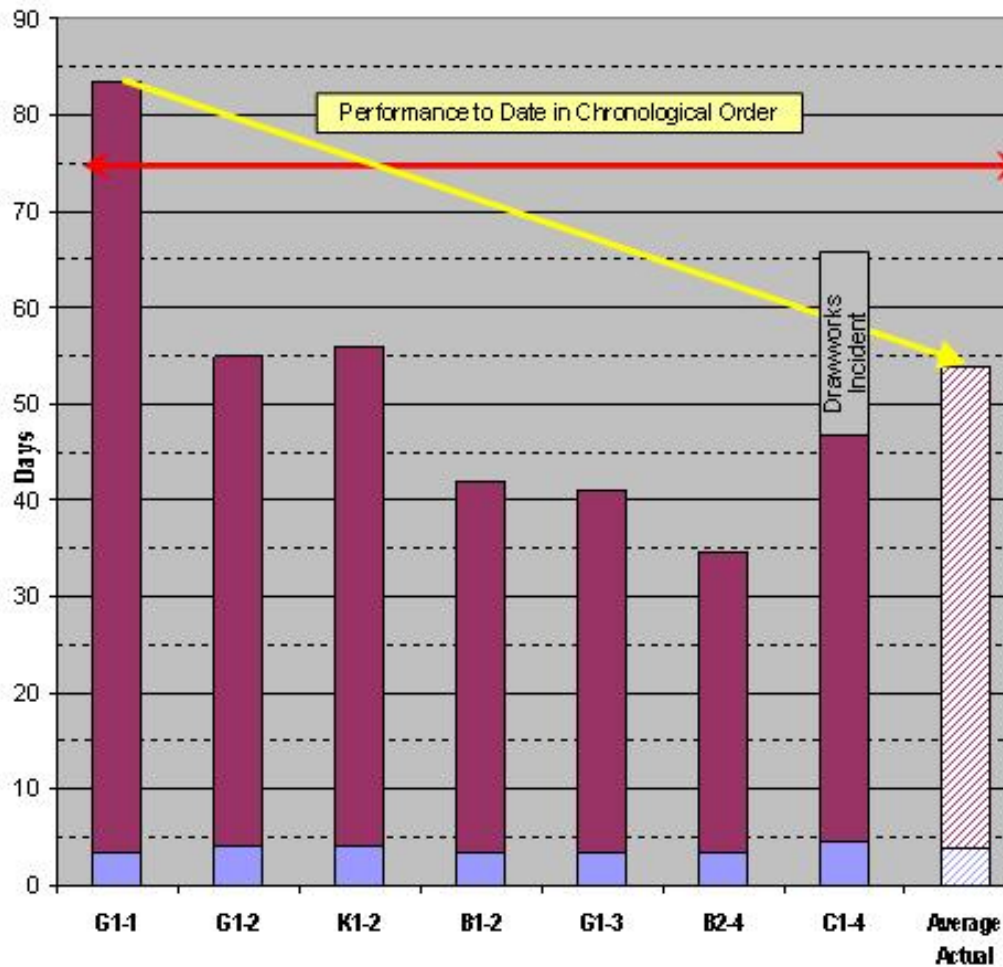
- 4,300 feet water depth
- 27,000 feet well depth
- Take 100 days to drill and complete
- Cost \$120 Million each
- Require 2,500 tons of steel casing
- World class wells
 - Cost
 - Complexity
 - Performance

Well Design Comparison



Shenzi

Drilling Performance Highlights



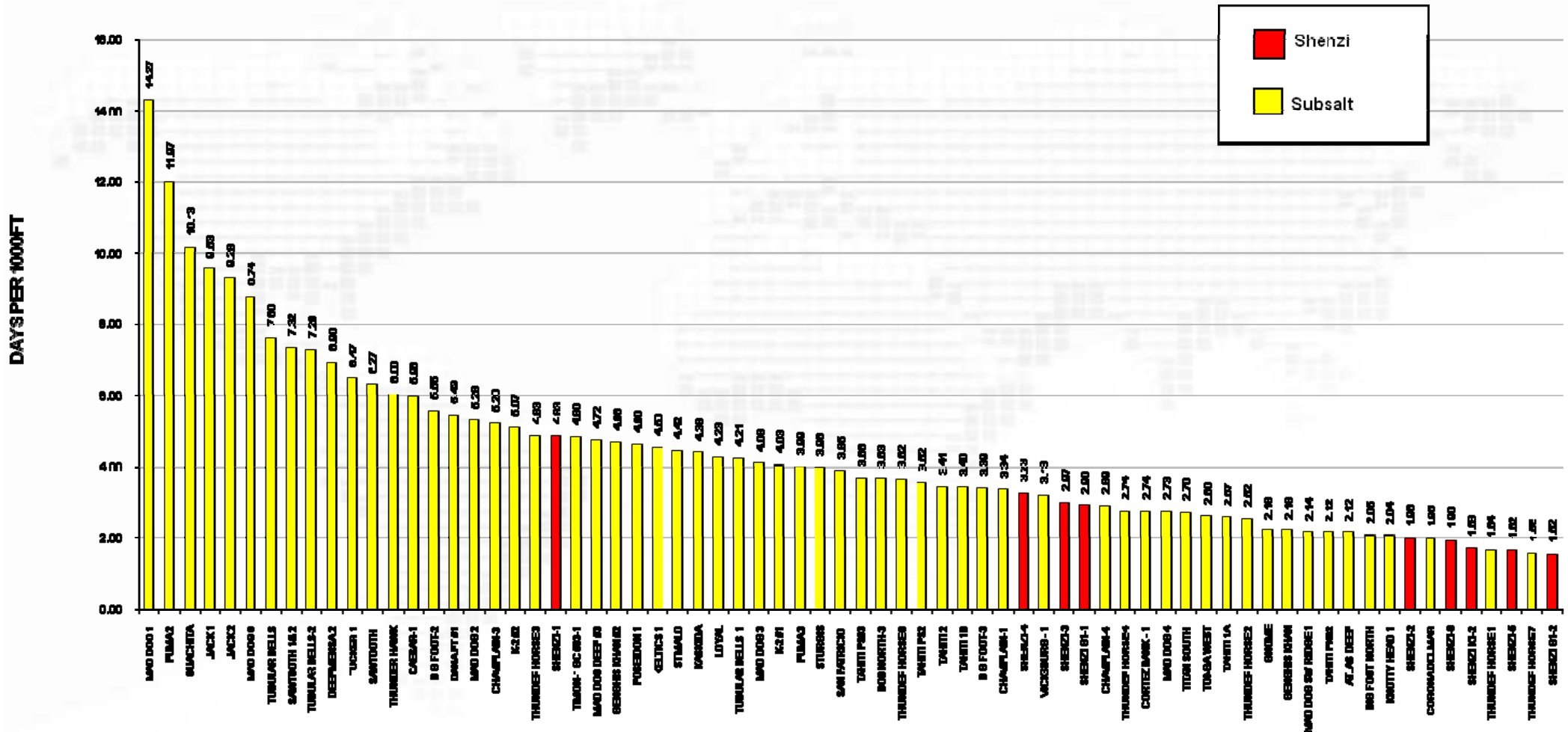
- BHP delivering excellent drilling performance on recent wells – some are best in class for GOM.
- Evidence of learnings being applied to subsequent wells.
- C1-4 performance affected by DD1 drawworks incident.

Shenzi

Drilling Performance



Deepwater Gulf of Mexico Drilling Performance
Days per 1,000ft BML
Subsalt Wells
 *Wells Deeper than 20,000ft in more than 4,000ft water



Summary of Shenzi Project Status



Subsurface – In Progress

- Some challenges on west side of field. Redistribution of reserves, but on balance little change from sanction estimates.

Hull and Topsides – 100% Complete

- Hull and topsides installed in July

Subsea – 94% Complete

- Umbilicals yet to be installed

Commissioning – 86% Complete

- Critical path to first oil

Pipelines

- Gas pipeline tie-in jumper yet to be installed
- Pipeline contracts 95% complete

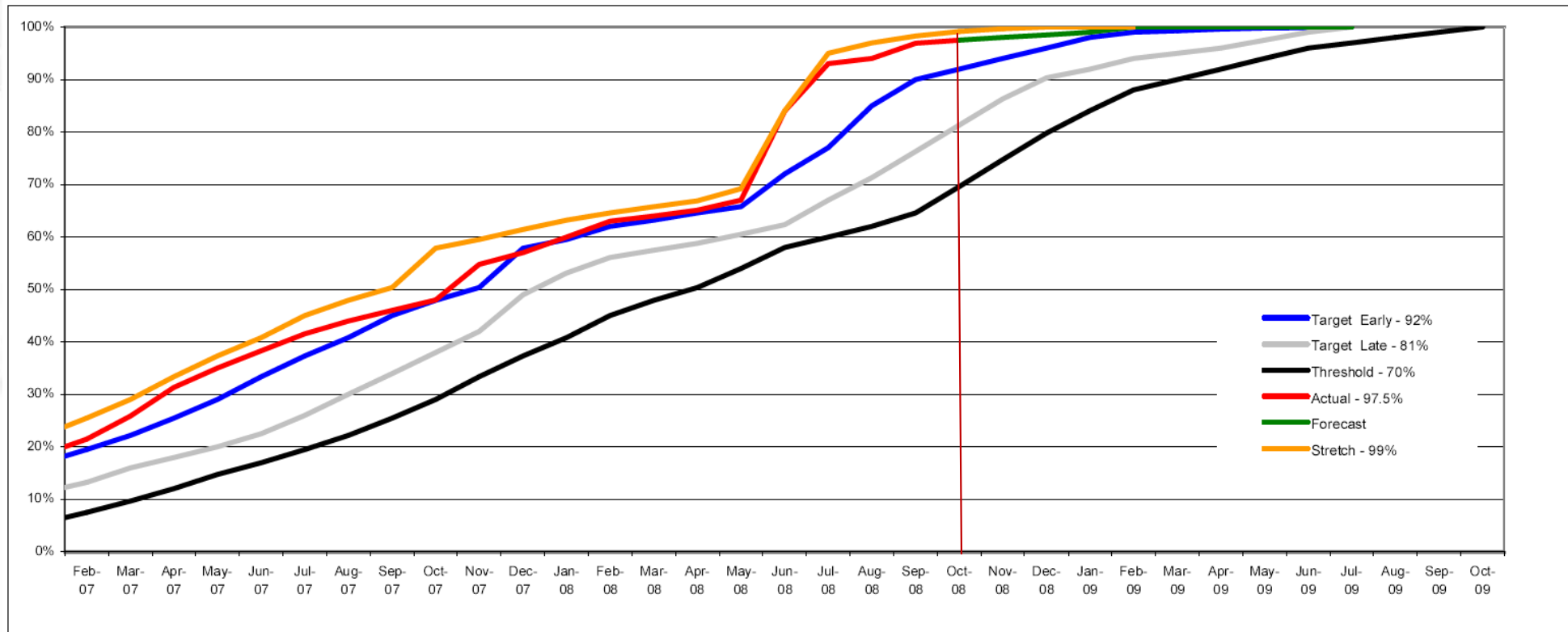
Wells for First Oil – 75% Complete

- Remaining work includes installation of 2 completions
- Capacity range of first six wells estimated to be 80,000 – 120,000 bopd

Total Facilities Progress at end of October – 97.5%

Shenzi

Facilities Progress Curve



Shenzi Project

- ➔ ON SCHEDULE
- ➔ WITHIN BUDGET
- ➔ NORTH FLANK VERY PROMISING
- ➔ ADDING VALUE FOR REPSOL

REPSOL



REPSOL



Shenzi Project Overview

Greg Smith

USA Business Unit Director

Repsol YPF

Houston Investors Field Trip

December 2008

REPSOL



REPSOL



EXPLORATION

Marcos Mozetic

Exploration Managing Director

Repsol YPF

Houston Investors Field Trip

December 2008

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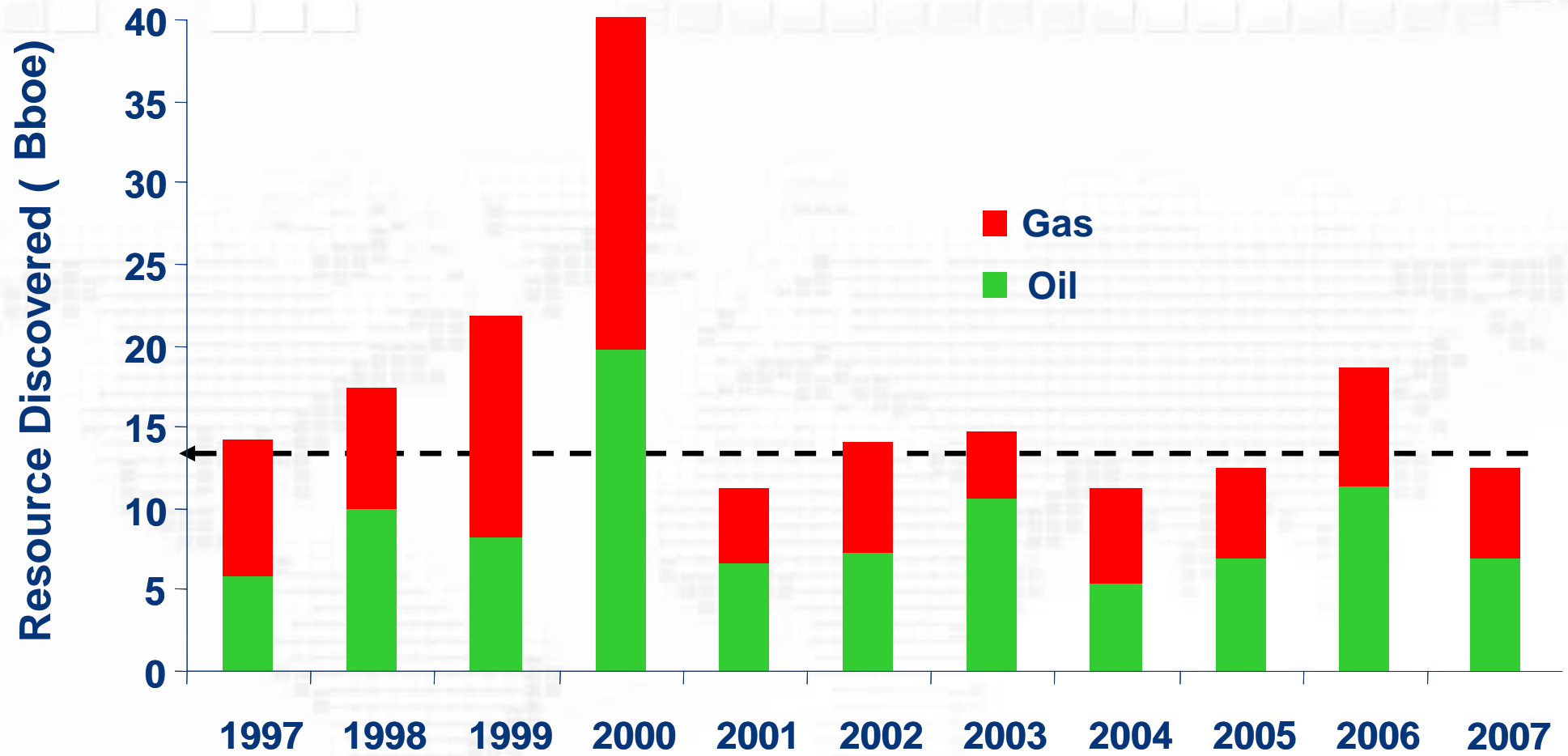
This document does not constitute an offer to purchase, subscribe, sale or exchange of Repsol YPF's or YPF Sociedad Anonima's respective ordinary shares or ADSs in the United States or otherwise. Repsol YPF's and YPF Sociedad Anonima's respective ordinary shares and ADSs may not be sold in the United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

Our Role



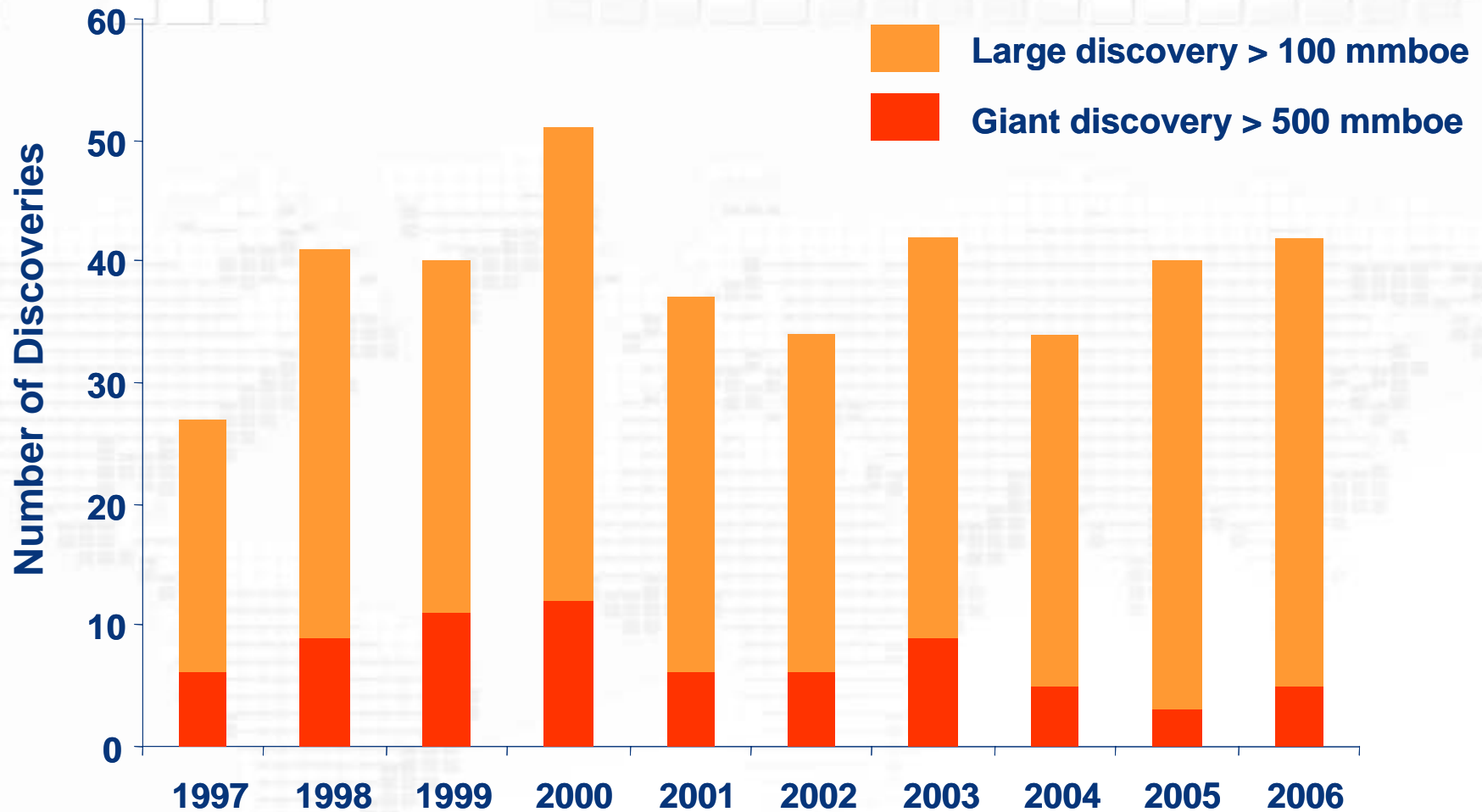
- To provide our E&P Division with a resource base that will enable growth and revert the trend of reserves replacement in the medium term
- Optimize exploration investment applying a rigorous prospect ranking adjusted to our technical and operating capabilities
- Develop new capabilities to lever our entry into new ventures
- Permanently screen global basins and ready our data base with the aim of developing an entry strategy in the areas we are targeting for the future

There is a reward



Global resources discovered per annum

In large enough pockets



Number of +100 & +500 mmboe discoveries per annum

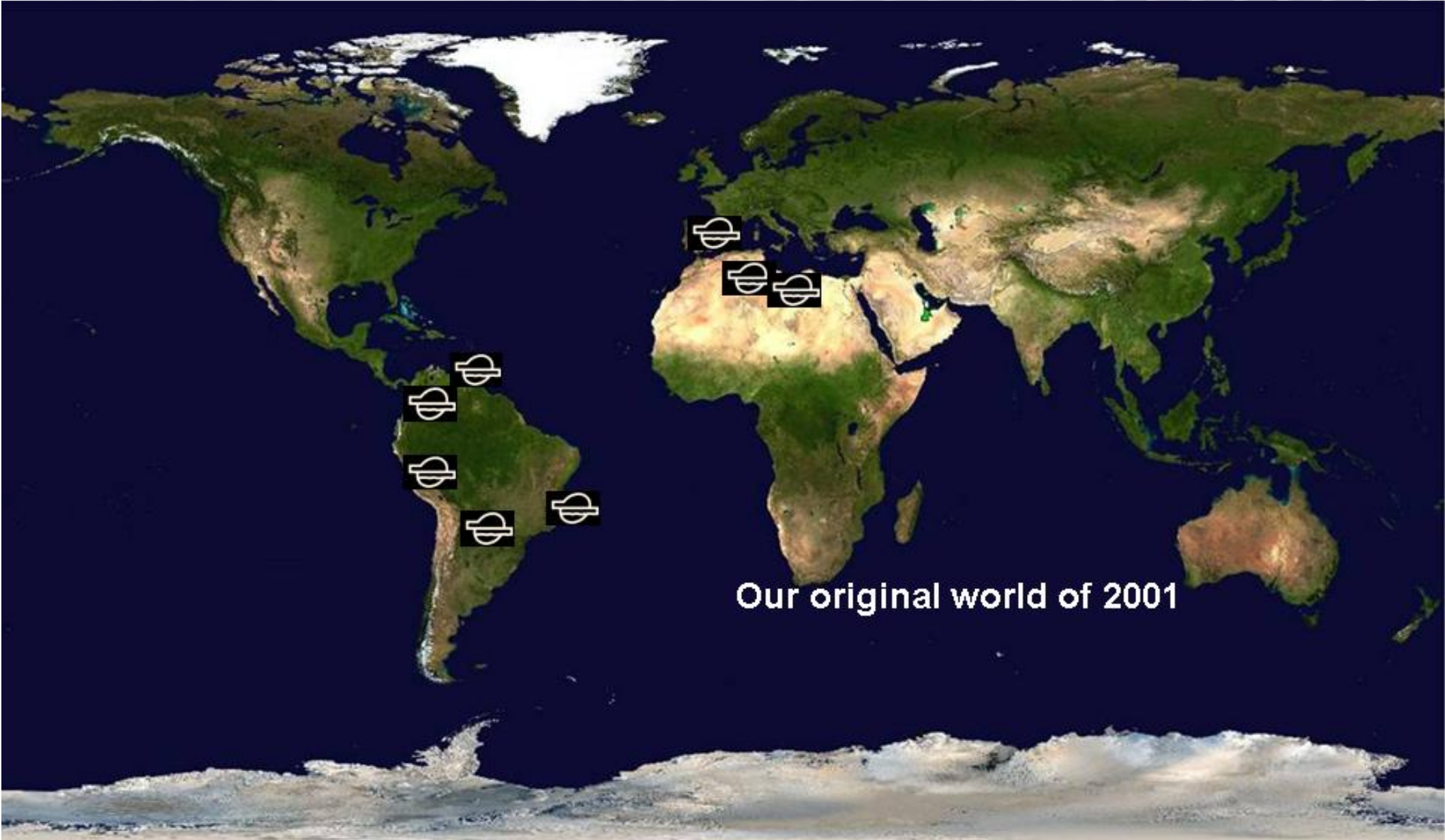
Where we started



Where we started

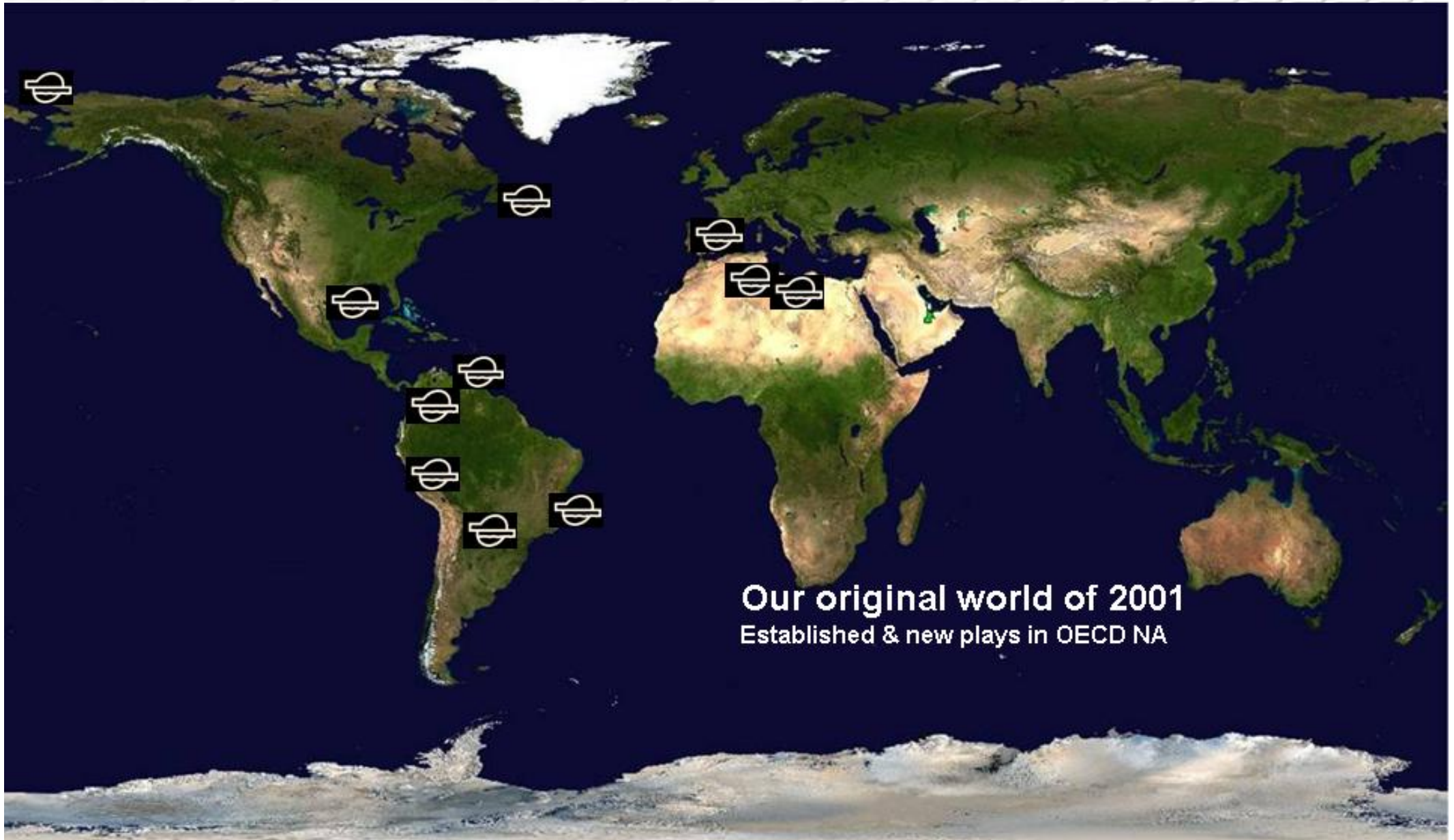


Where we are today

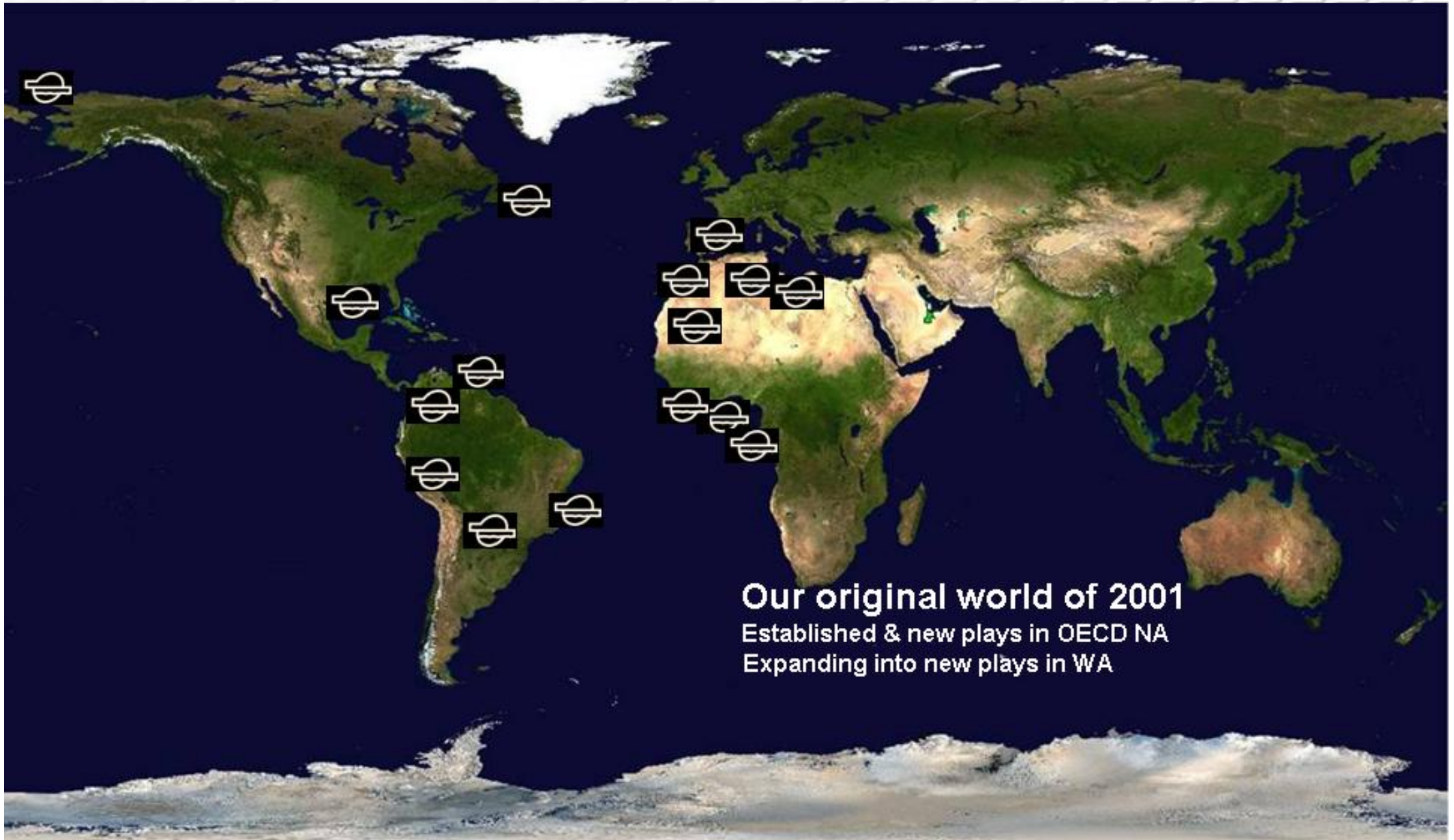


Our original world of 2001

Where we are today



Where we are today

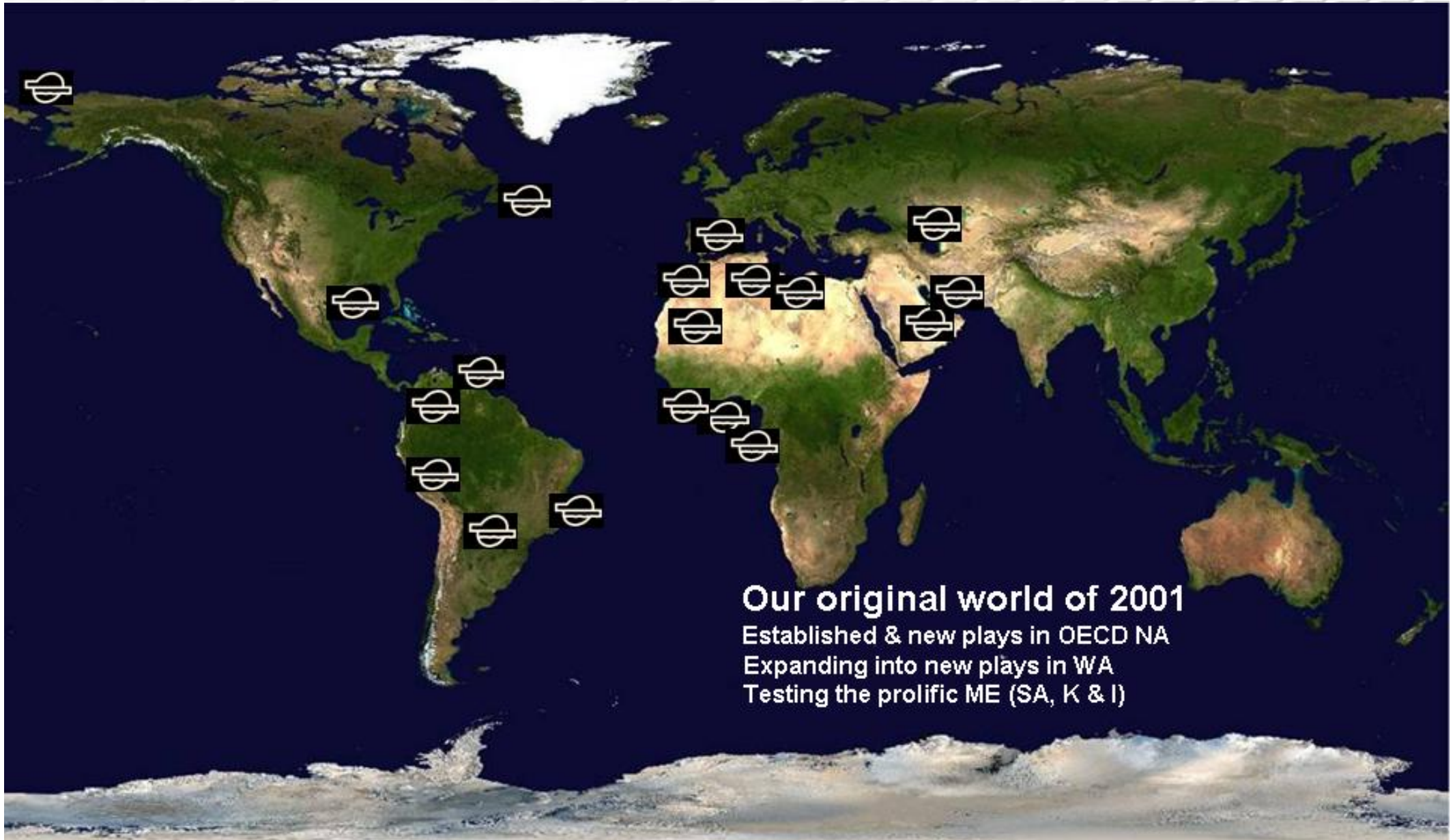


Our original world of 2001

Established & new plays in OECD NA

Expanding into new plays in WA

Where we are today



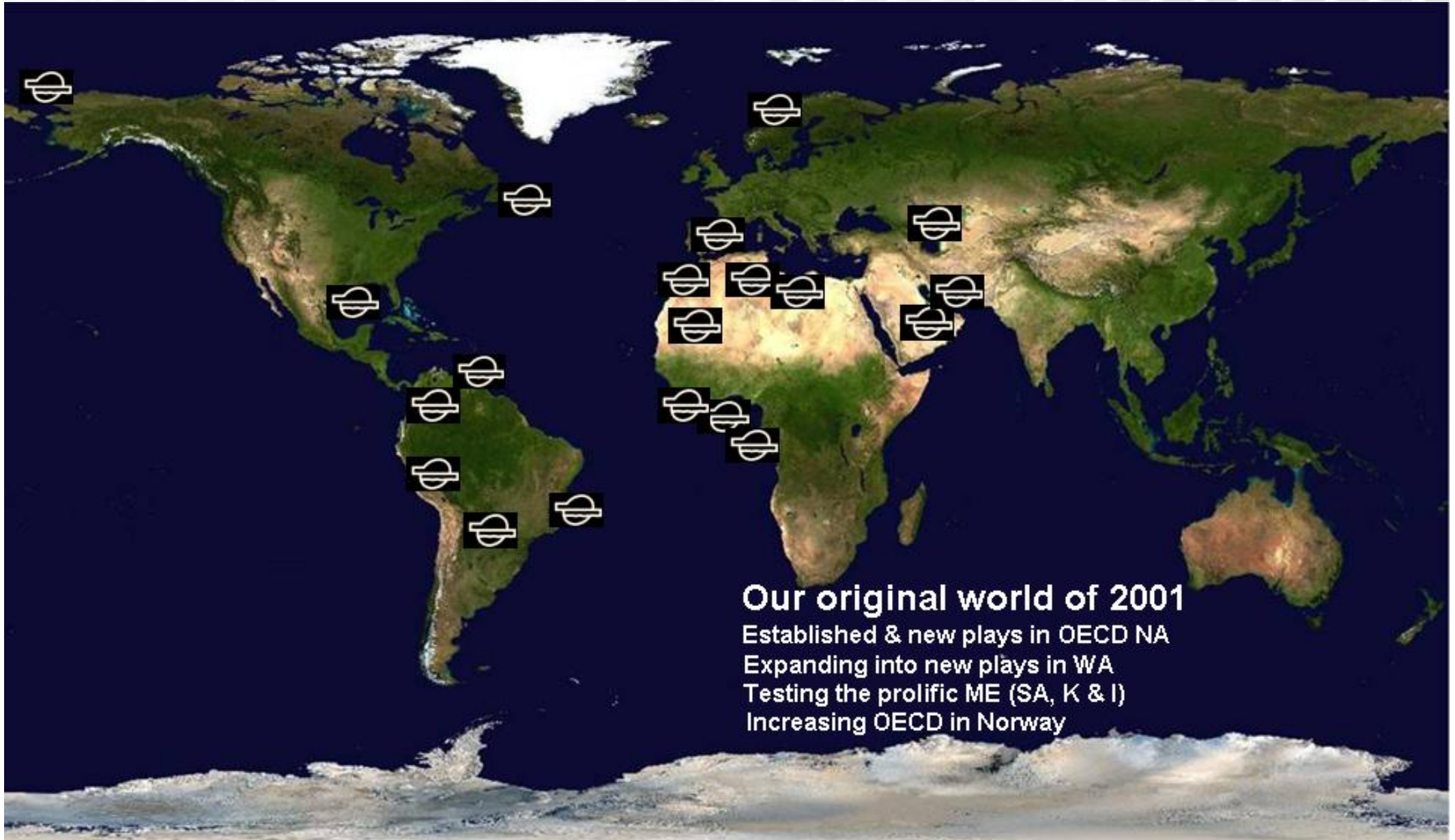
Our original world of 2001

Established & new plays in OECD NA

Expanding into new plays in WA

Testing the prolific ME (SA, K & I)

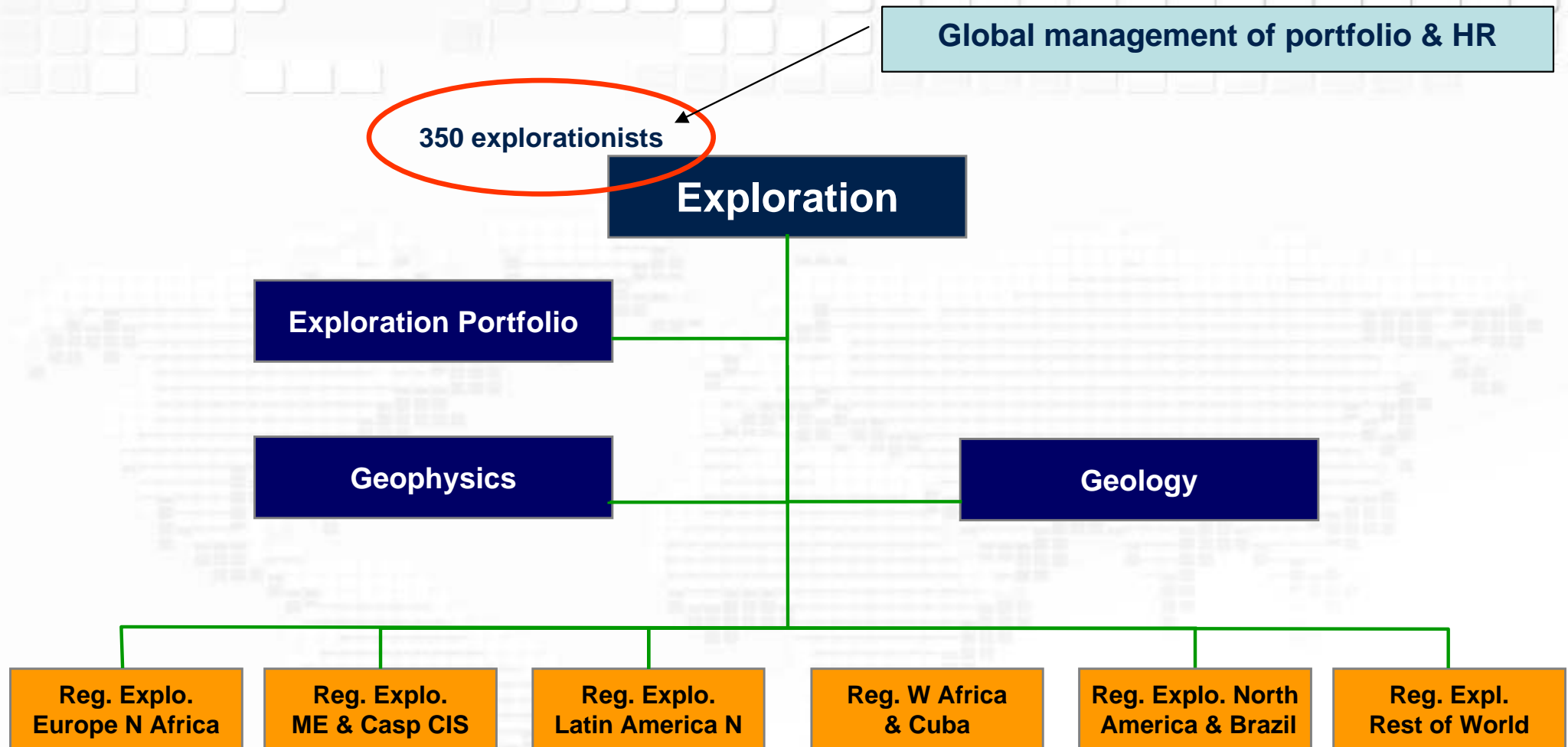
Where we are today



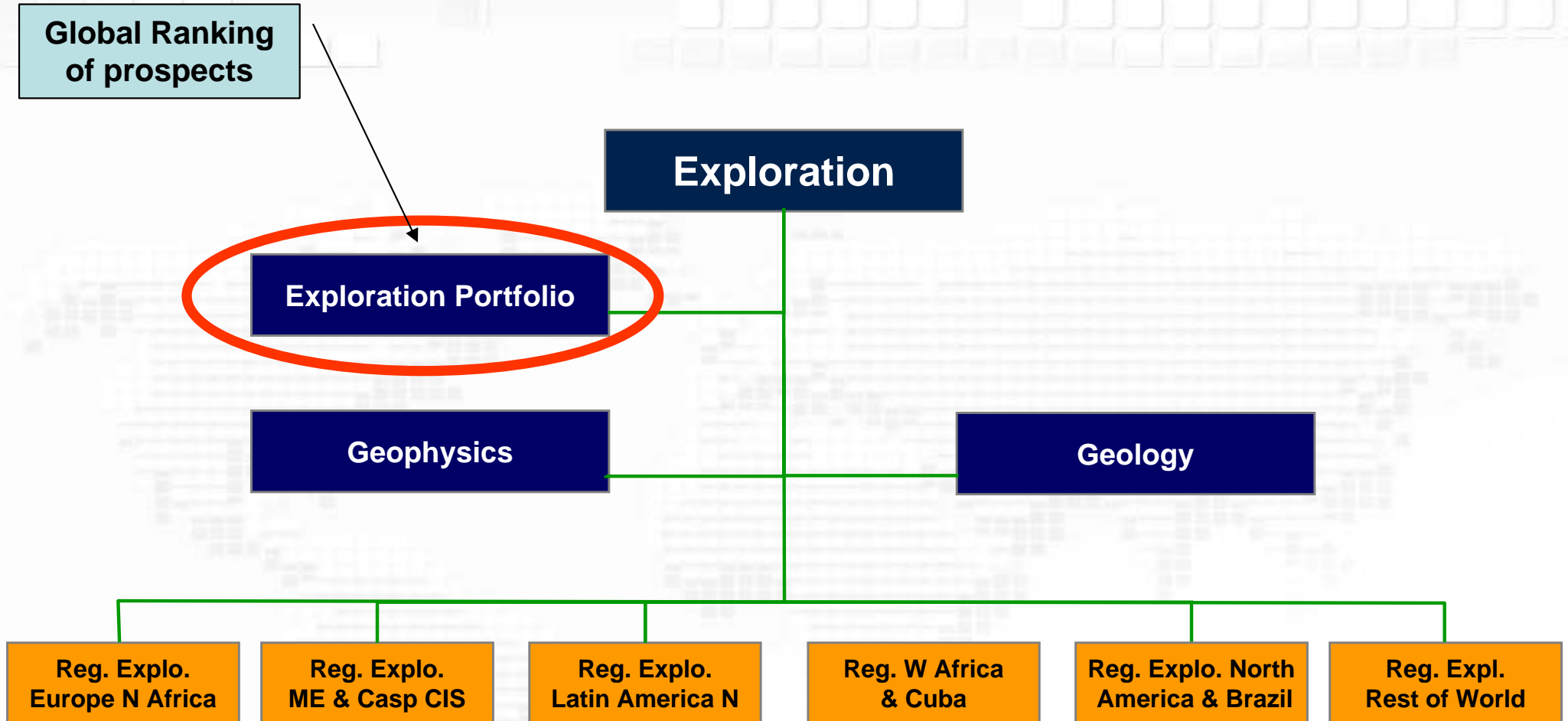
To do it we required...

- An adequately sized organization
 - Global management of our portfolio
 - Global ranking of prospects
- An organization that allowed for innovation and improvement
- Flexible but defined processes
- Recovery of our activity levels
- Continuous benchmarking
 - Of our results
 - Of the our basins vis-à-vis other opportunities

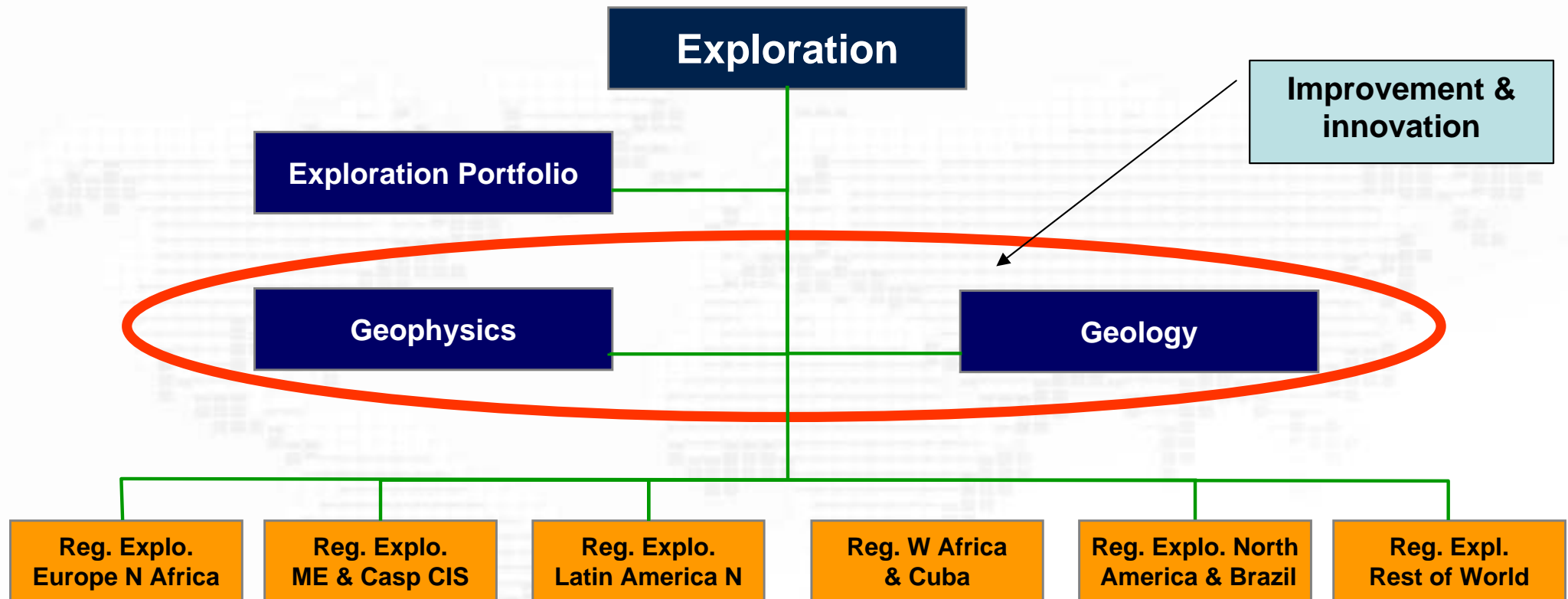
1. Our Exploration Organization



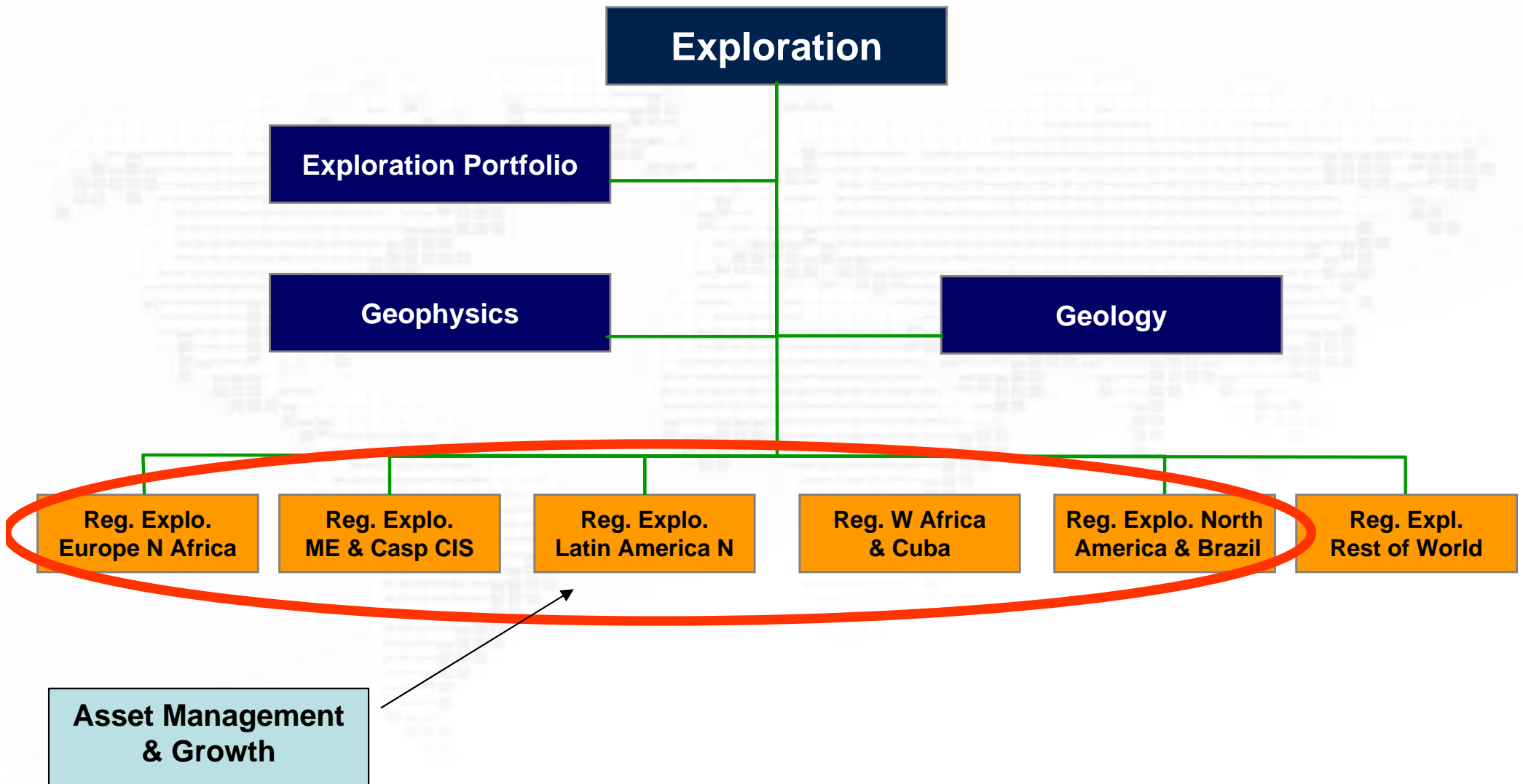
1. Our Exploration Organization



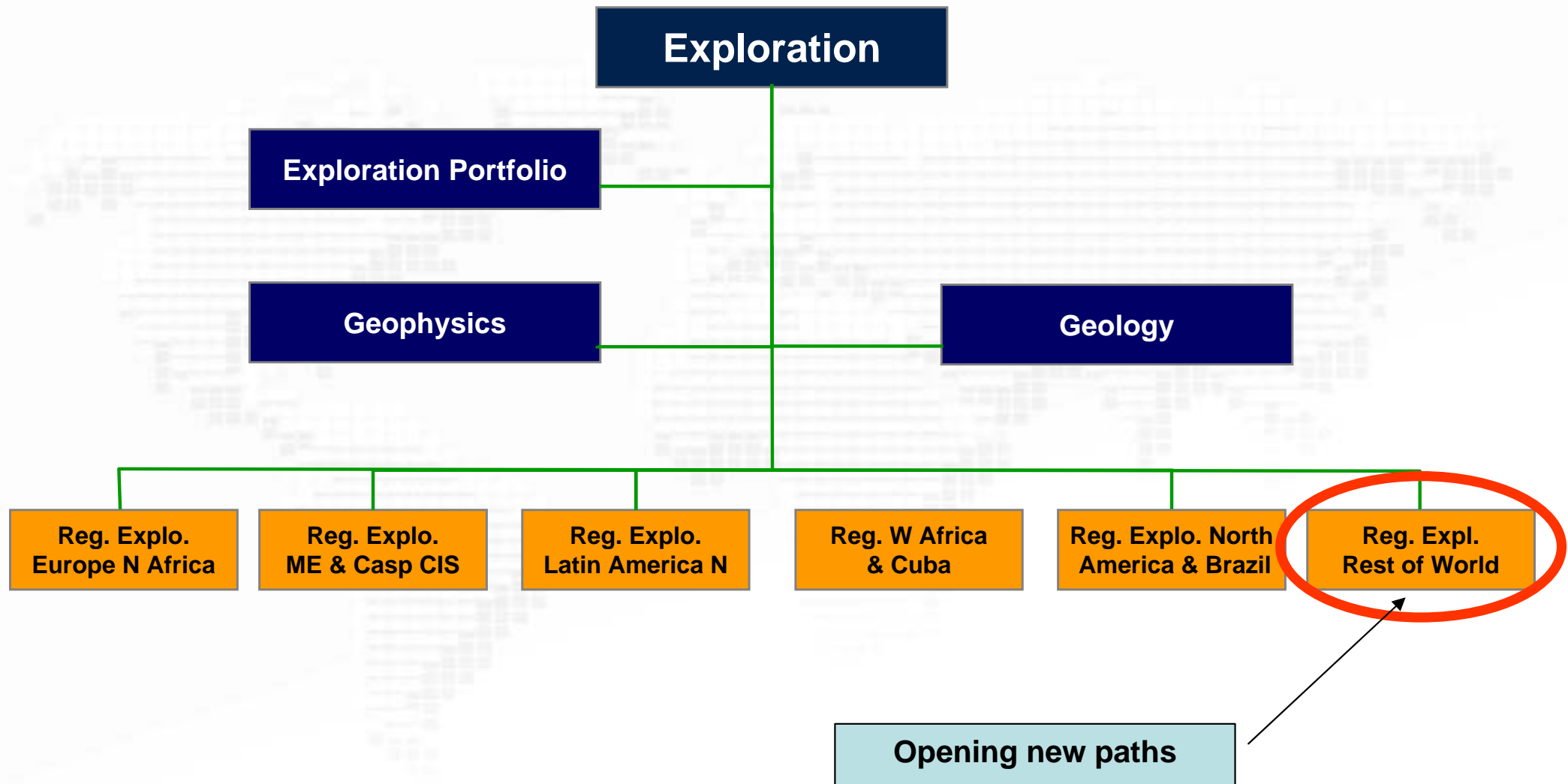
1. Our Exploration Organization



1. Our Exploration Organization



1. Our Exploration Organization



2. Innovation & Improvement

- We have designed our organization to support our main drivers: global ranking, quality assurance/improvement, access to leading edge technology, and access to new opportunities for growth
- Portfolio consolidates plans and ranks activity, is the custodian of our activity data base, and runs “on line” benchmarking
- Geology runs our Prospect and Evaluation Quality Assurance, starting at the inception of the exploration idea with regional studies and basin monitoring to the final operations for the evaluation of a well
- With Geophysics we have been able in only four years to position ourselves at the same level as the leaders in Seismic Imaging throughout the complete chain, from acquisition to attributes and depth imaging. We generate our proprietary algorithms that run in non conventional processors, in our own supercomputer and we have IP over acquisition parameters

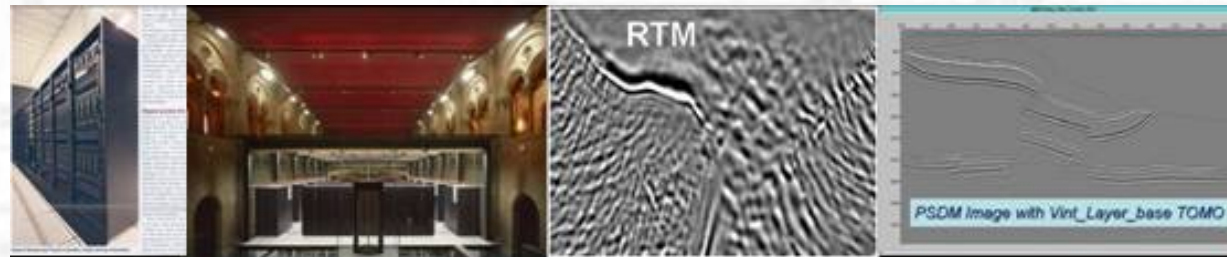
2. Innovation & Improvement

Geographically we have concentrated our technical capabilities in two hubs:

- Creativity and improvement concentrated in Madrid where we liaise with the Corporate Research (QA, Basin studies, Analytical petrography, the *DNA* of rocks)



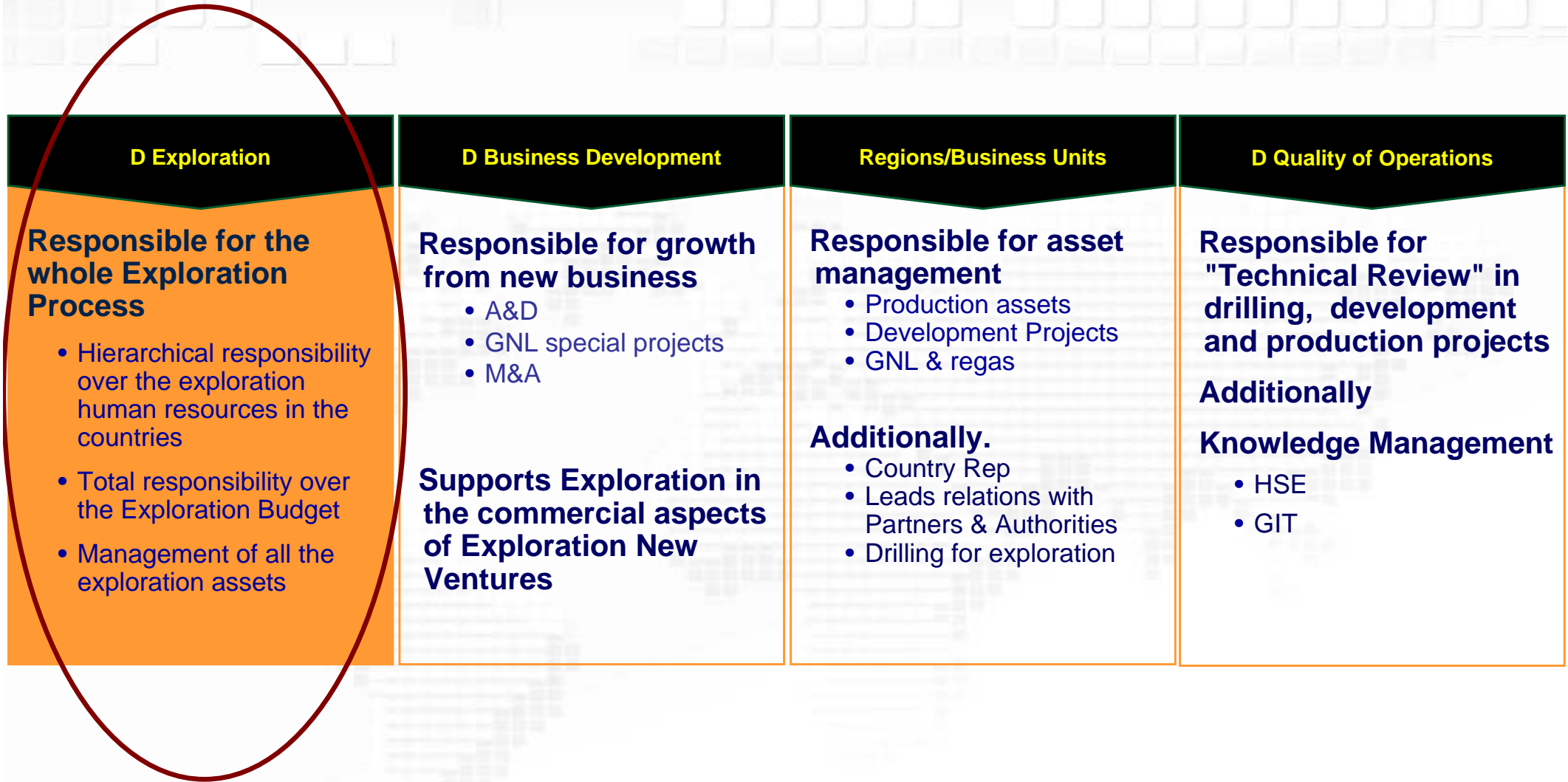
- Innovation and advanced seismic research in Houston (Depth imaging and attributes)



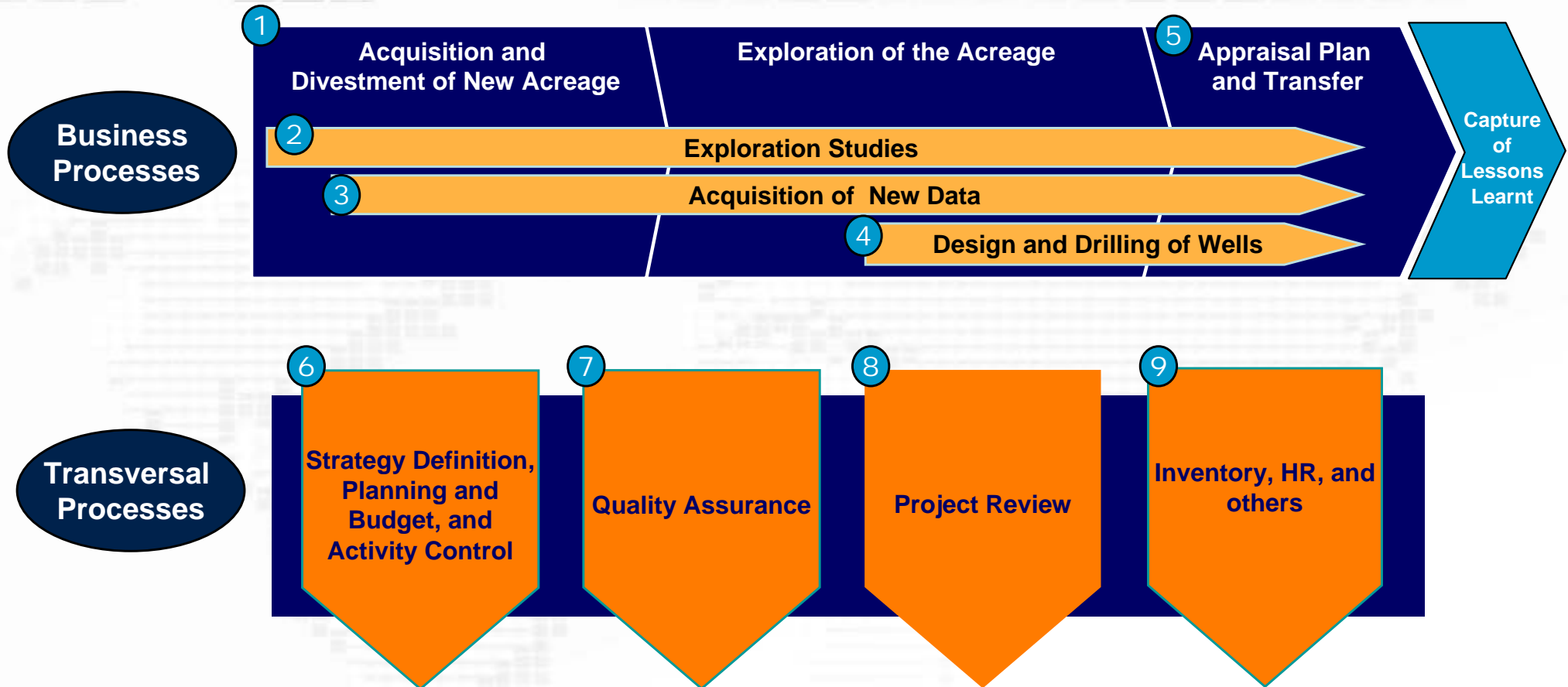
In general we have improved our Staff, with a better motivated and technically updated international group

The carbonate reservoir “history case”

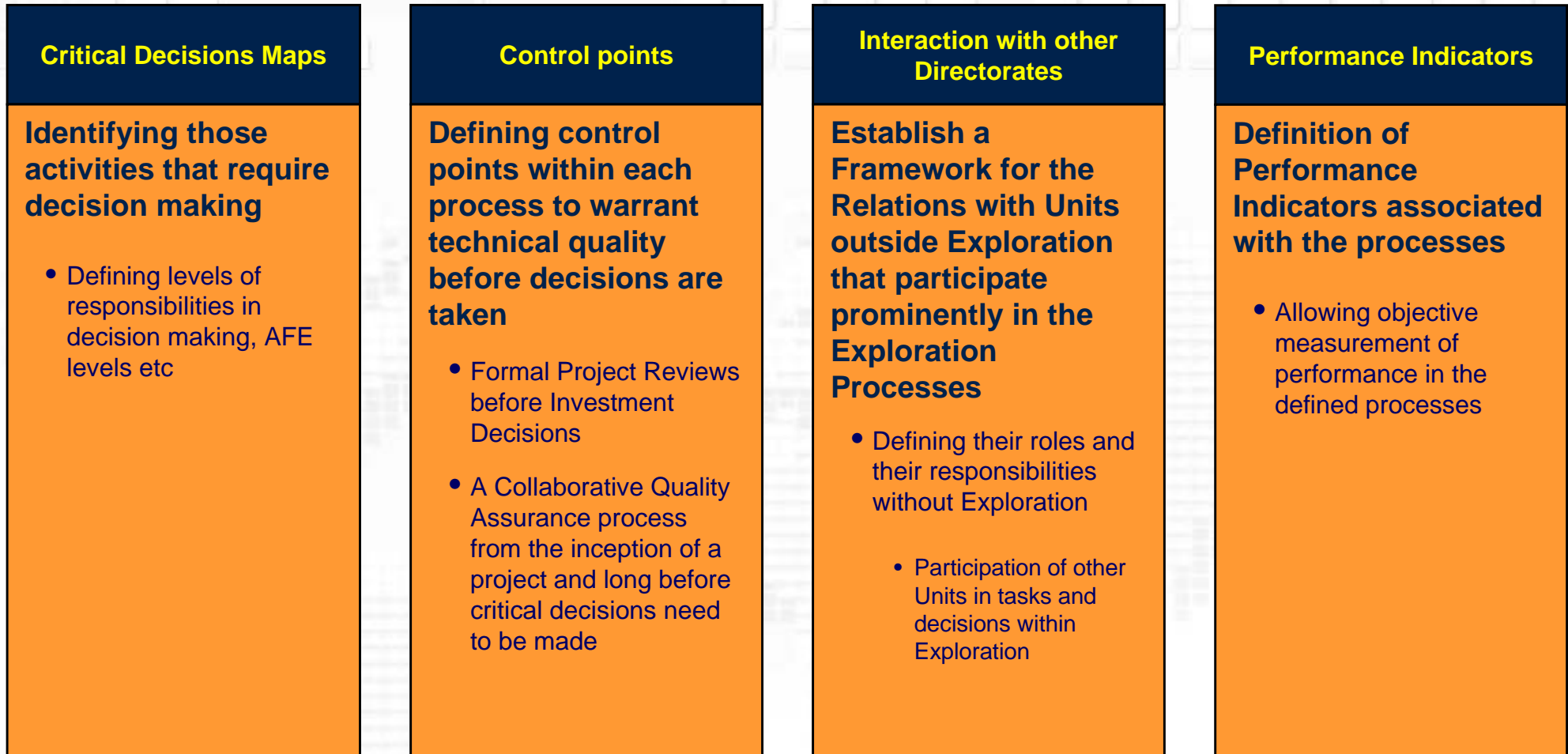
3. Processes - Putting our house in order



Main Exploration Processes



For each process, we identified decision levels, quality assurance reviews, the relations with other Units and KPIs ...

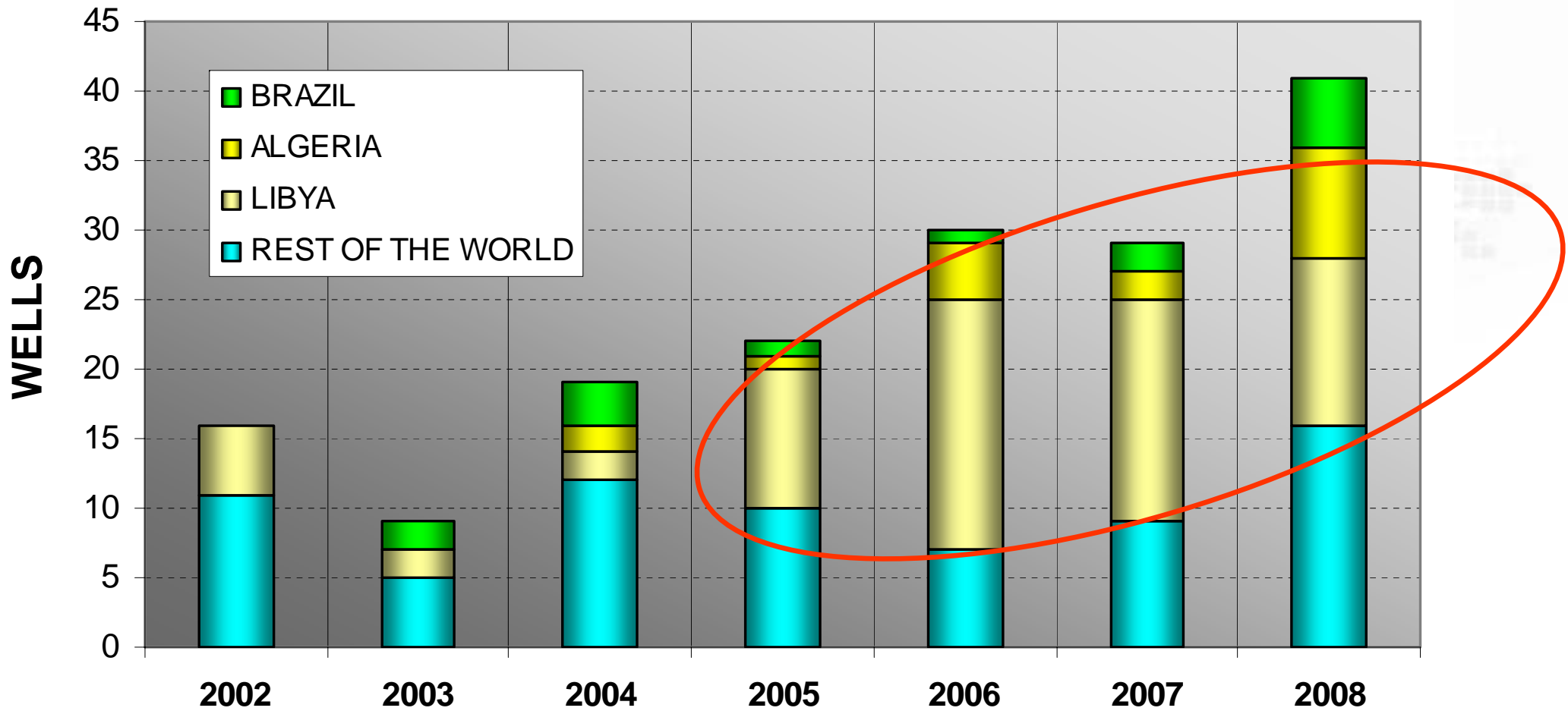


Linked to flow charts for activities, inputs and outputs

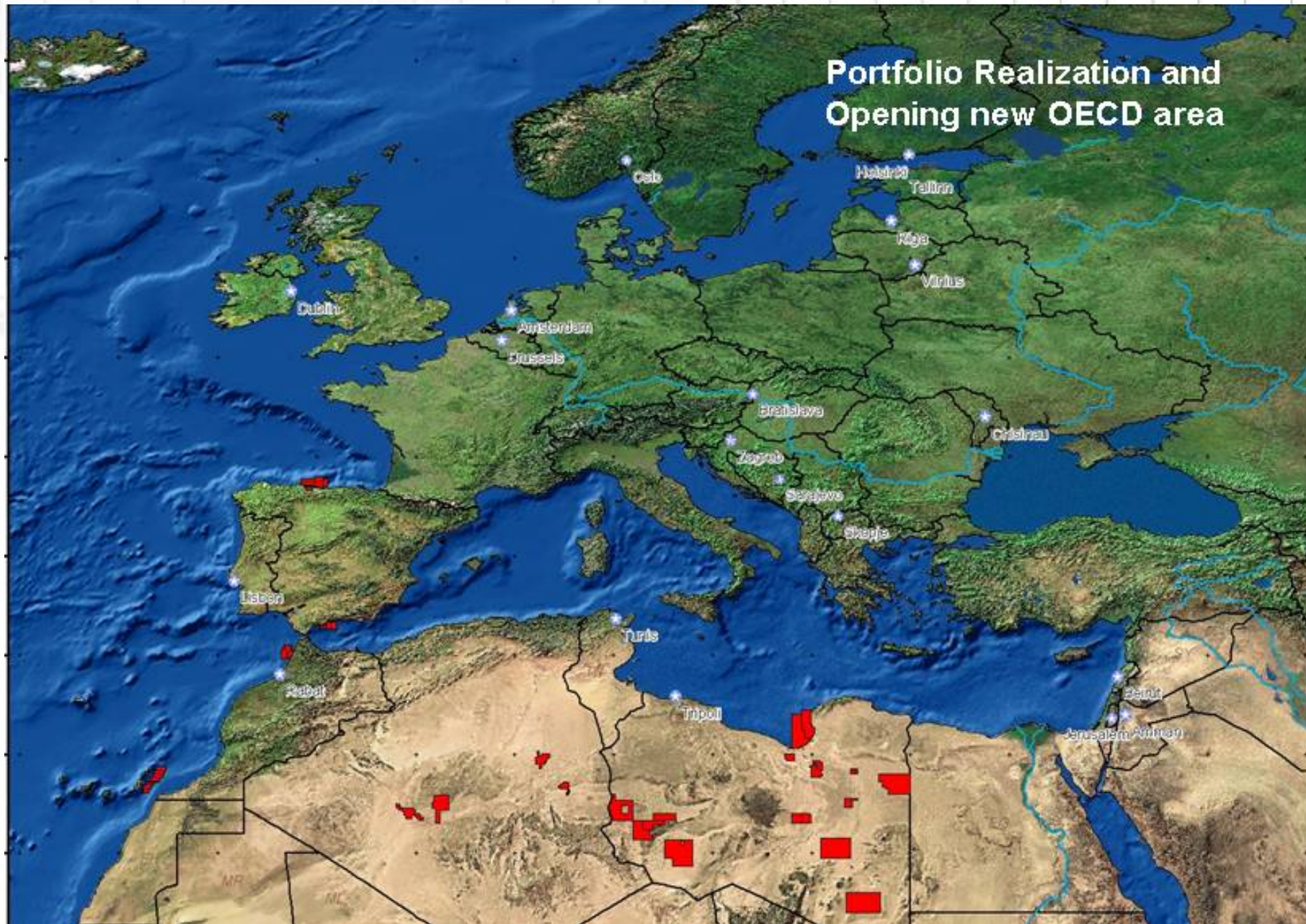
4. Activity and Focus



New field exploration wells drilled by Repsol

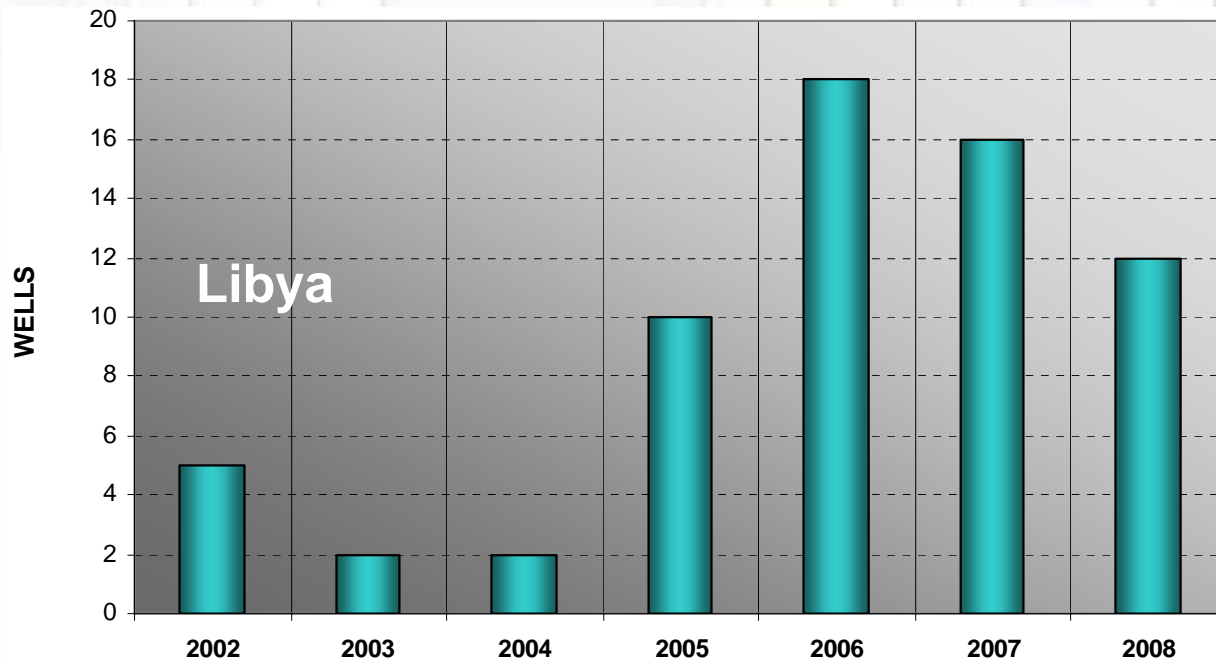


Europe & North Africa



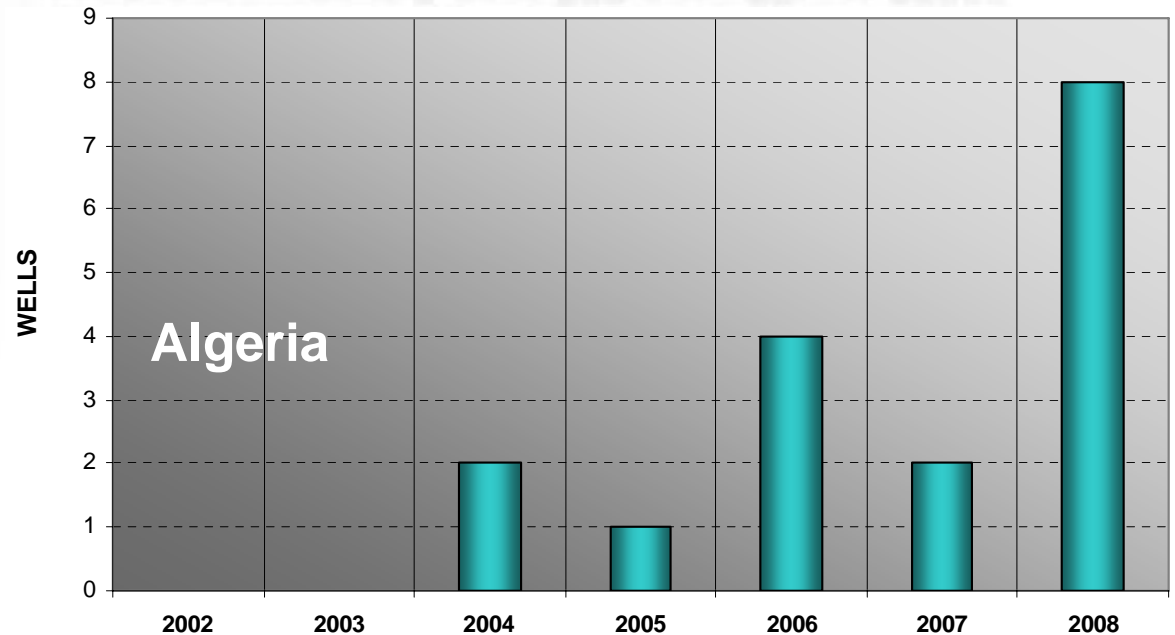
Libya and Algeria

New field exploration wells

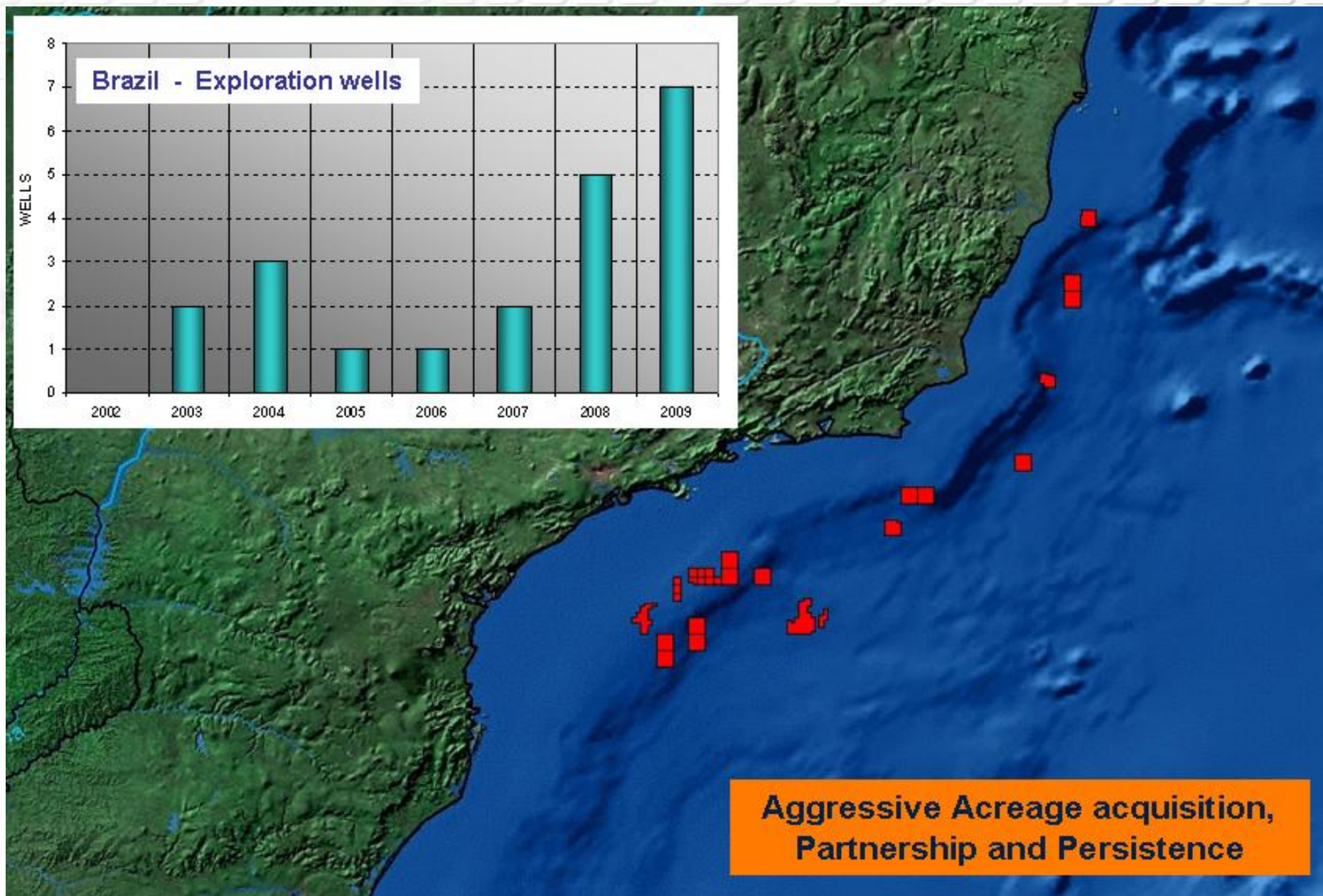


Focus, but.....

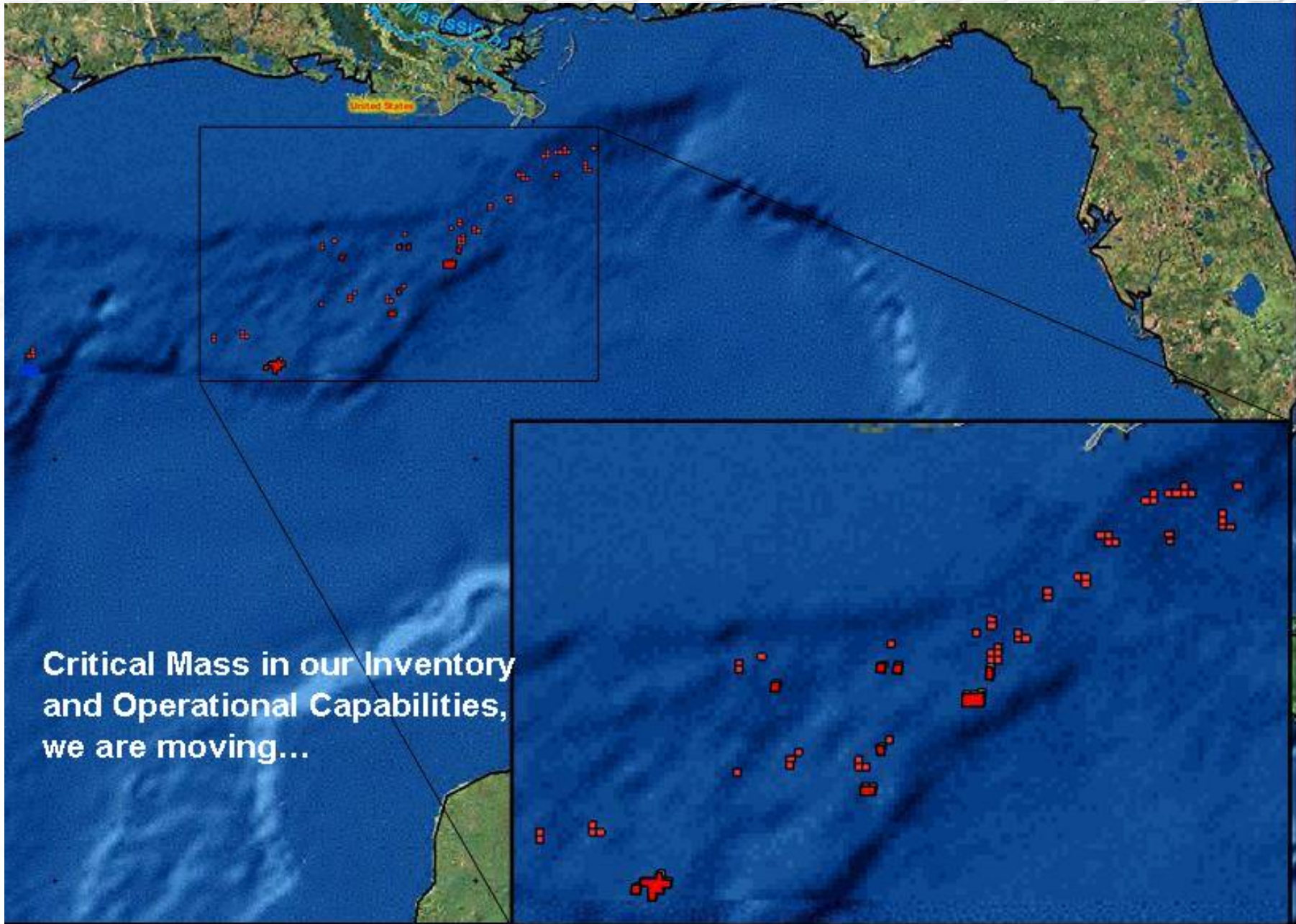
Aggressive bidding has deteriorated terms, and good prospective new biddings in Libya and Algeria are not readily available



Brazil



NA – Gulf of Mexico



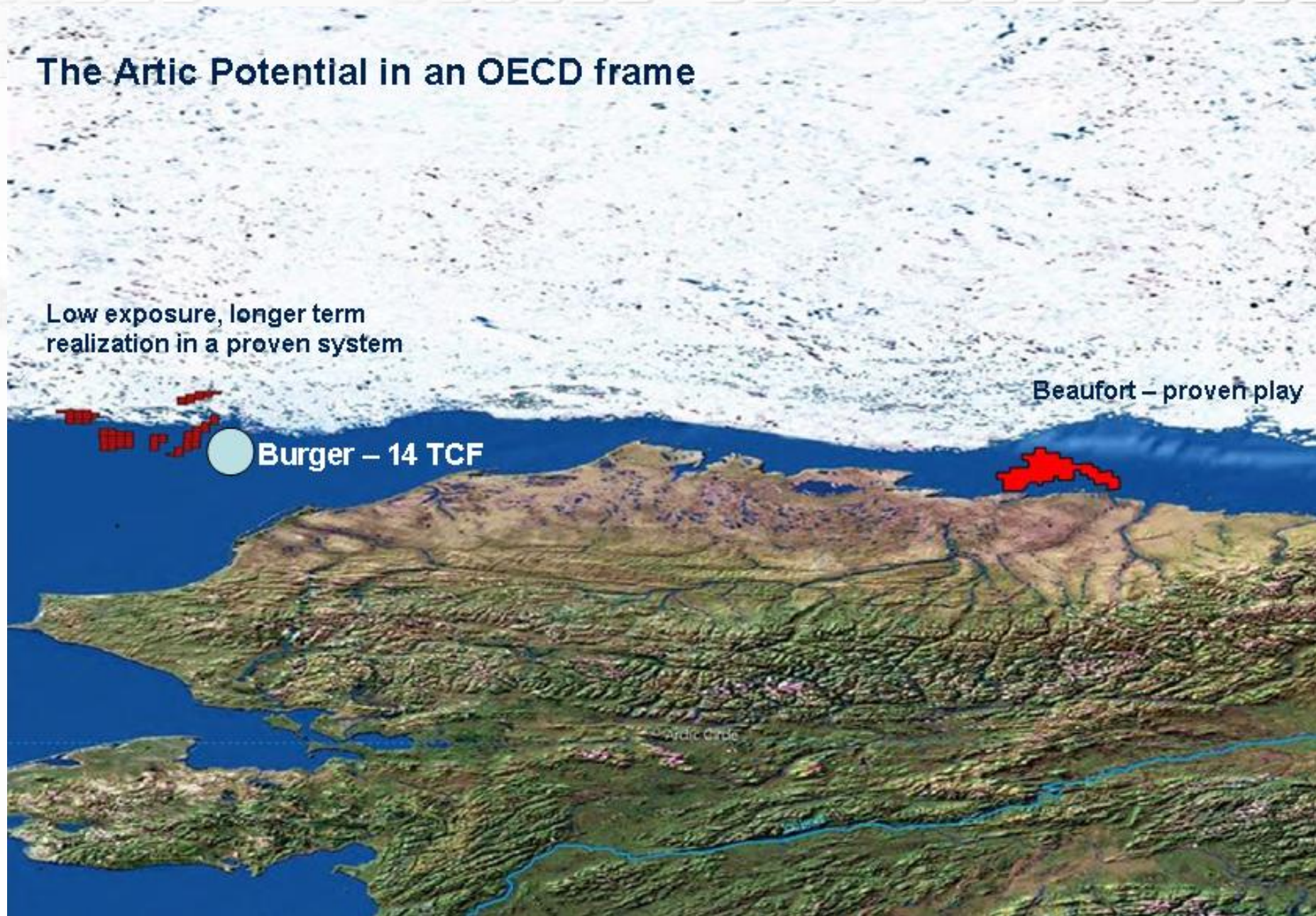
Critical Mass in our Inventory and Operational Capabilities, we are moving...

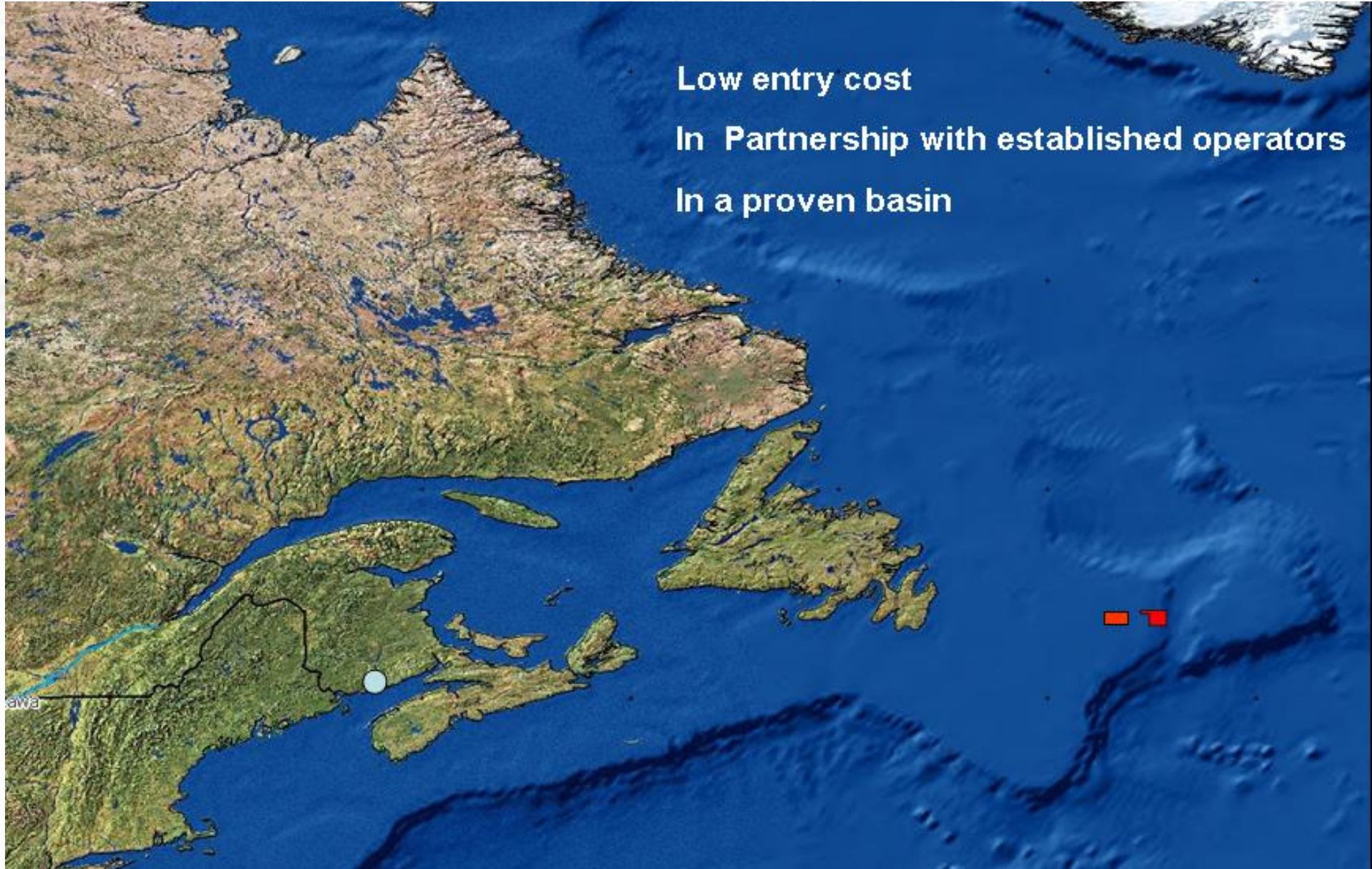
The Arctic Potential in an OECD frame

Low exposure, longer term realization in a proven system

 Burger – 14 TCF

Beaufort – proven play





West Africa



As Algeria and Libya get more competition, we moved South, into frontier onshore and into maturing a play proven very successful in Ghana . We have been successful in introducing in our venture the experience of Anadarko, active in Ghana (Jubilee/Mahogany)

Latin America North & Caribbean



ME & Caspian CIS



Two prongs and a Regional Evaluation



Caspian:
a participation in the pre-salt play in a very difficult operational frame work

Saudi Arabia:
Following our Libyan experience: Resorting to 3D

5. Benchmarking

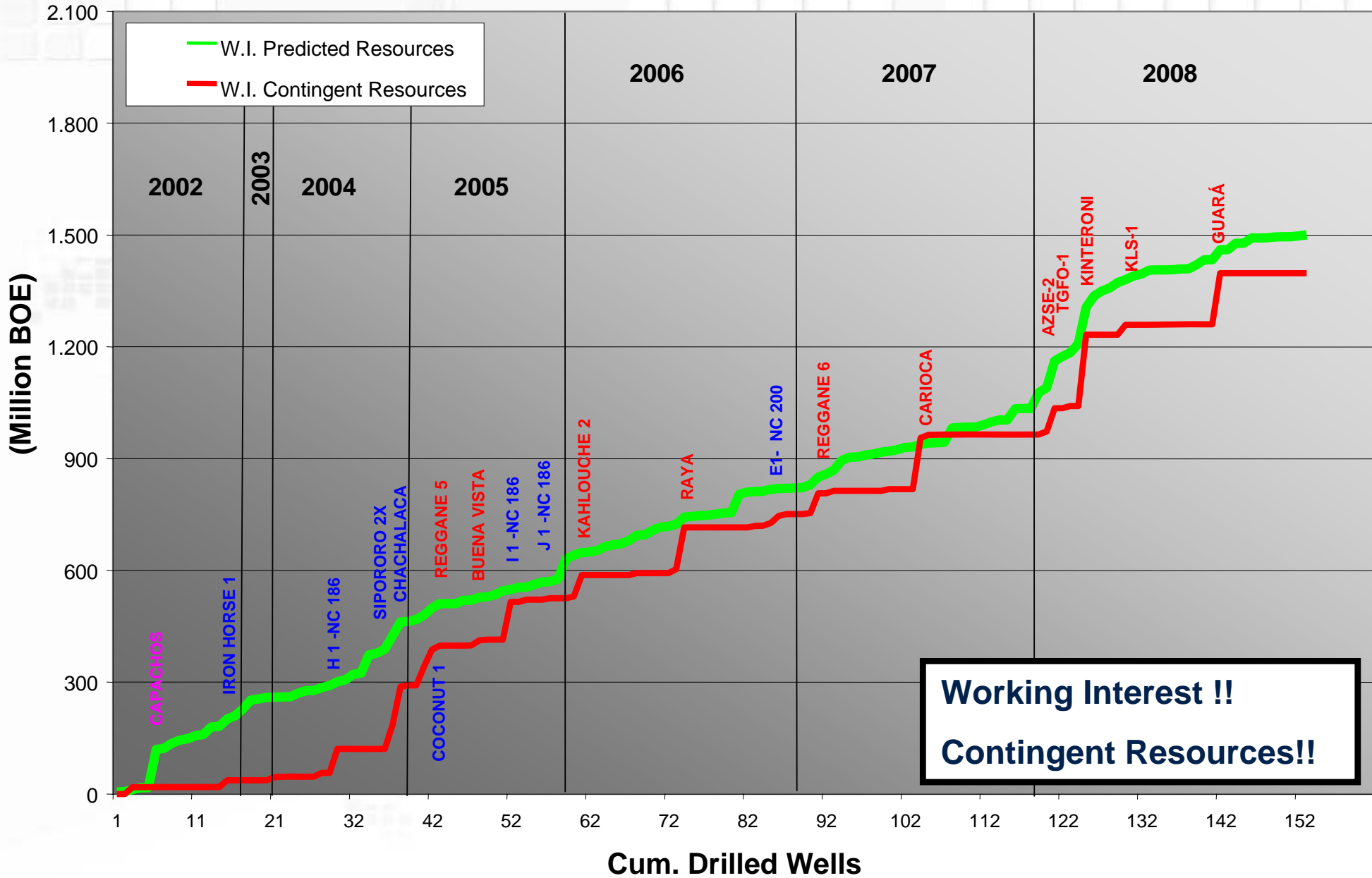
5.a - Benchmarking of our results

- We continuously control our ability to predict results by benchmarking them with our prediction.
- We monitor our risk and volumetric evaluations,
- For example, volumetric exploratory success

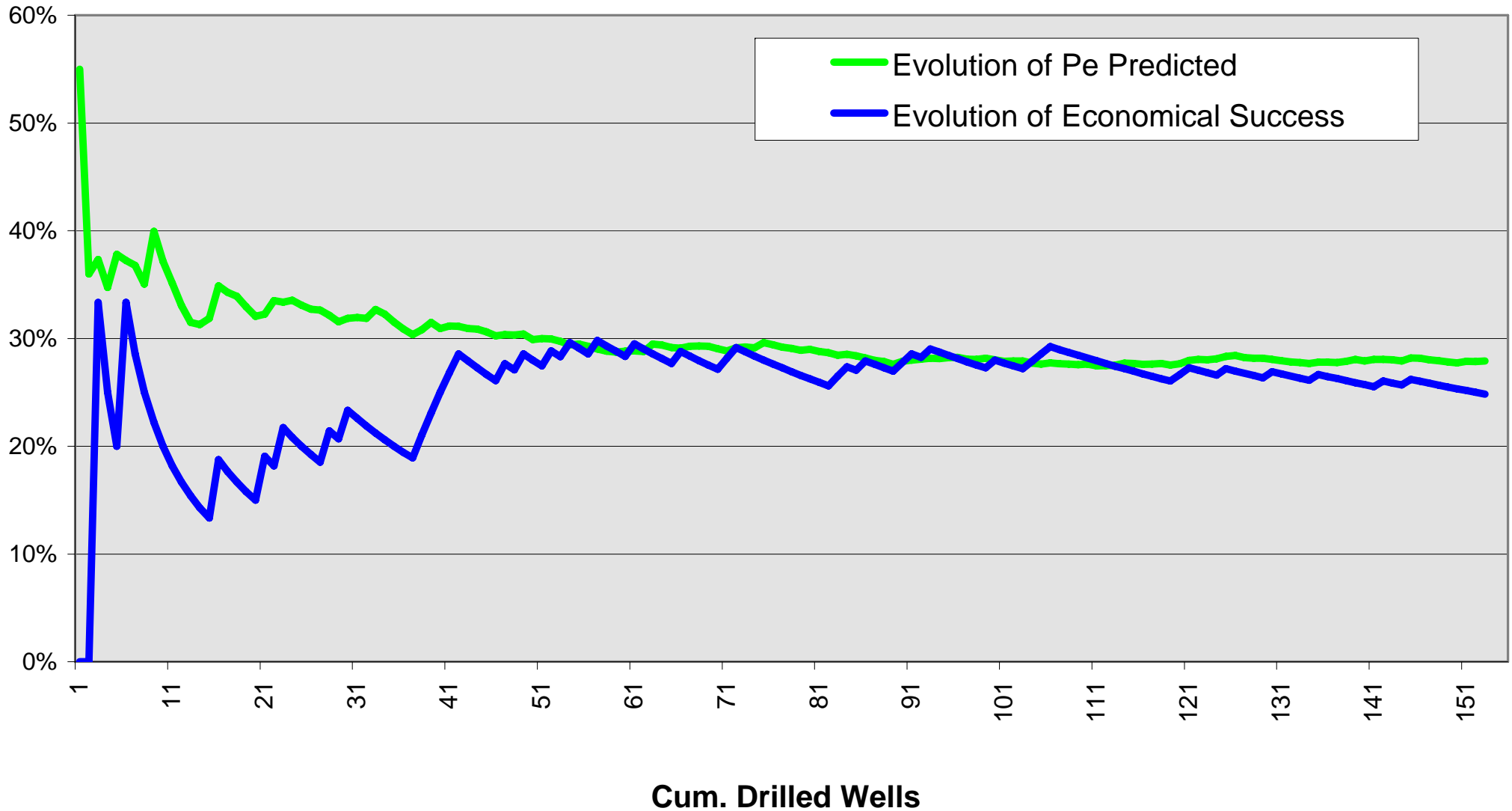
RESOURCES WORKING INTEREST	2002	2003	2004	2005	2006	2007	2008	2002/2008
PROSPECTIVE (MBOE)	753	212	1,260	871	963	912	2,074	7,045
CONTINGENT (MBOE)	37	10	245	234	225	213	433	1,398
EXPLORATORY SUCCESS	5%	5%	19%	27%	23%	23%	21%	20%

Poor volume prediction and insufficient statistical population

5. Benchmarking longer term track record



We have improved, both our prediction and our performance



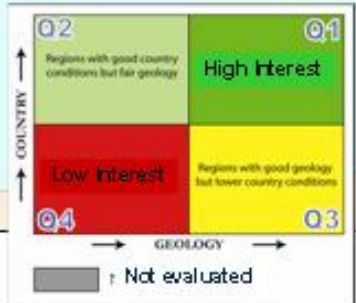
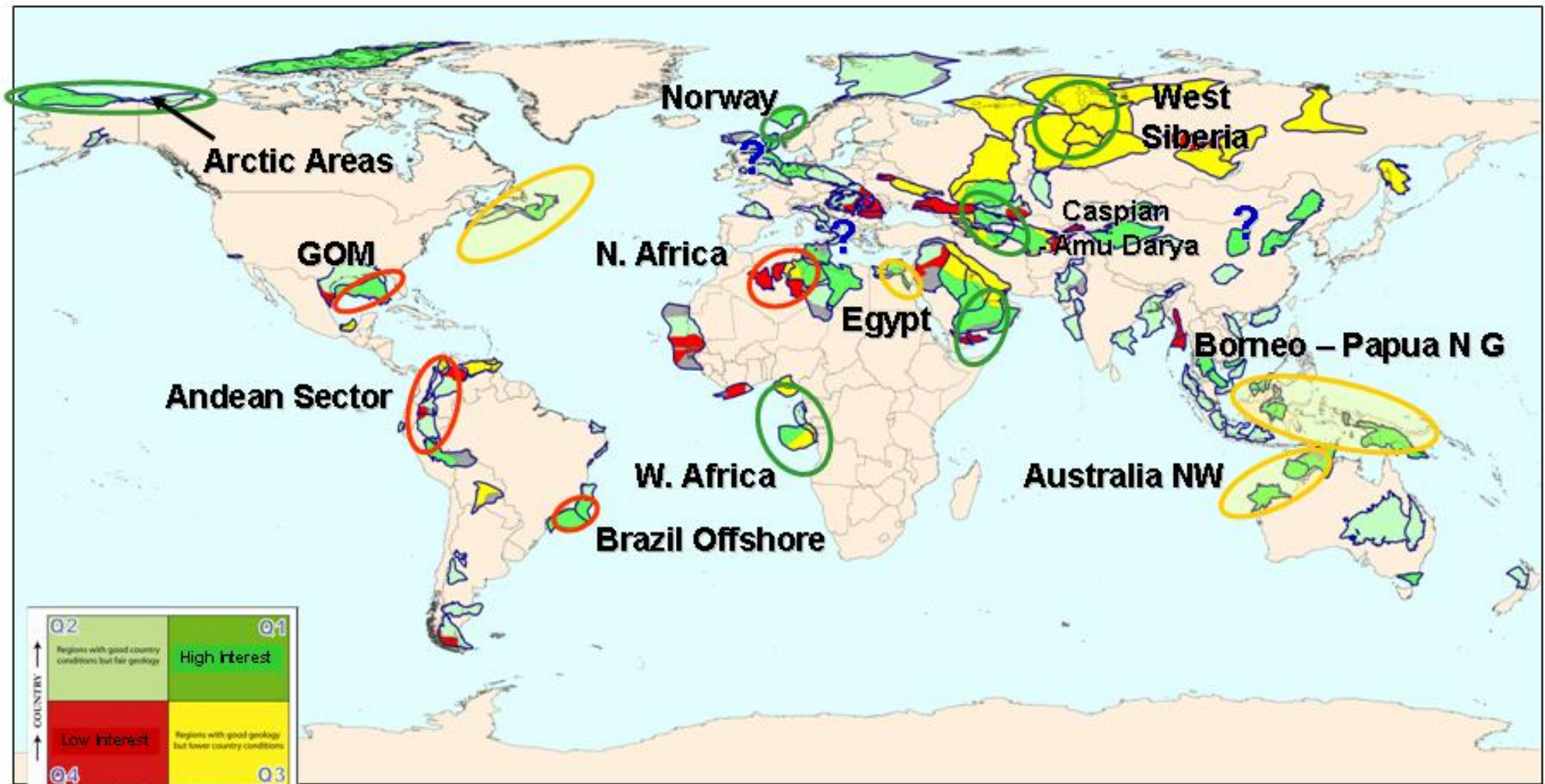
5. Benchmarking



5.b - Benchmarking of our basins

- Two Areas share responsibility for additional growth:
 - Rest of World Regional Manager
 - Regional Studies (within the Geology department)
- This is the initial and most widely open part of our Tunnel of Opportunities. Where could we explore in 3-5 years from now
- Results to date of this approach: West Africa, Alaska and NE Canada
- We would like to open 1 Frontier per year

World Basin Studies and Monitoring



- Core Area
- Developing Core Area
- New Area

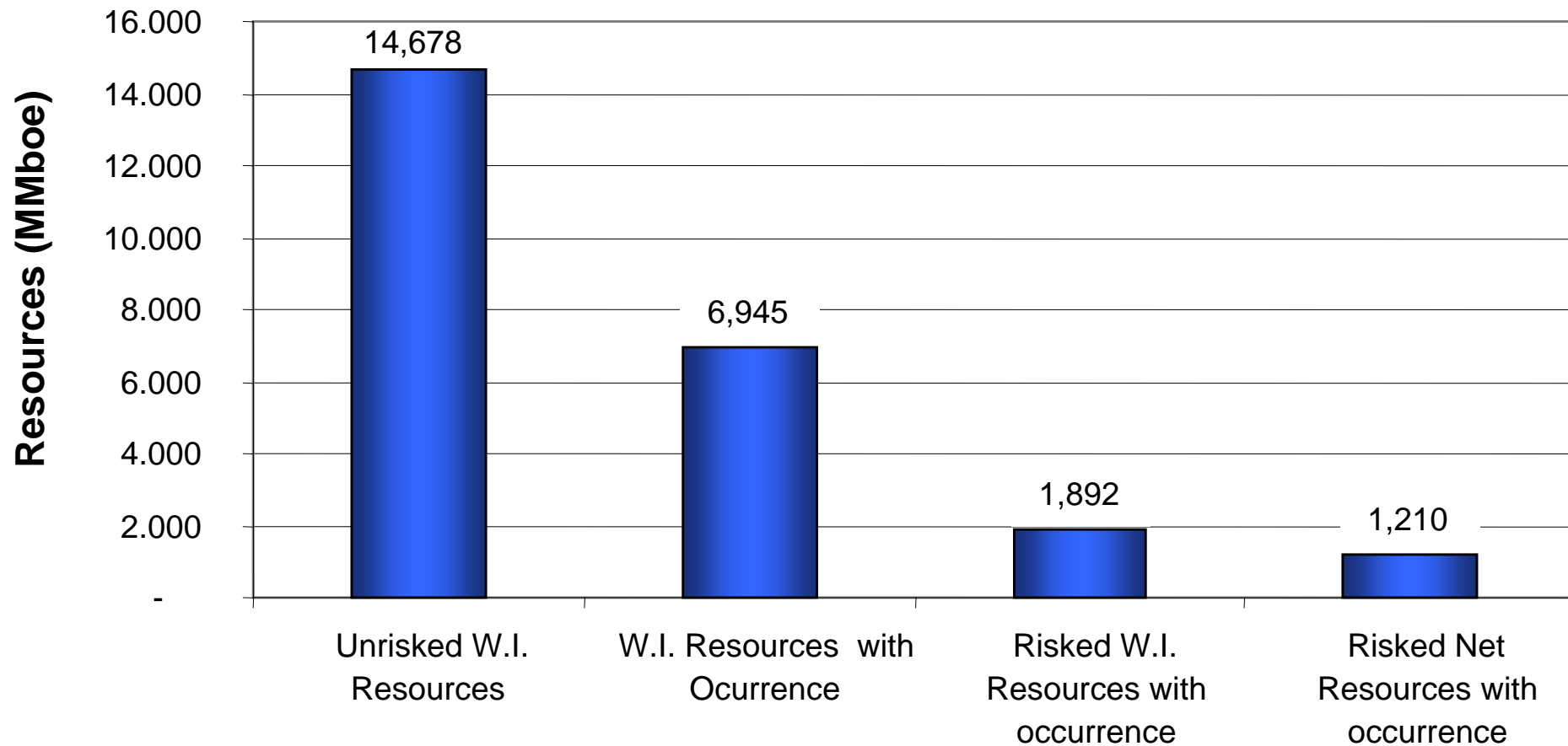
We review progress on a quarterly basis

What is in our tank now?



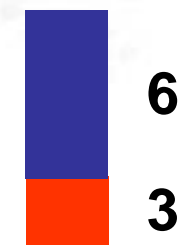
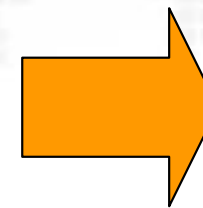
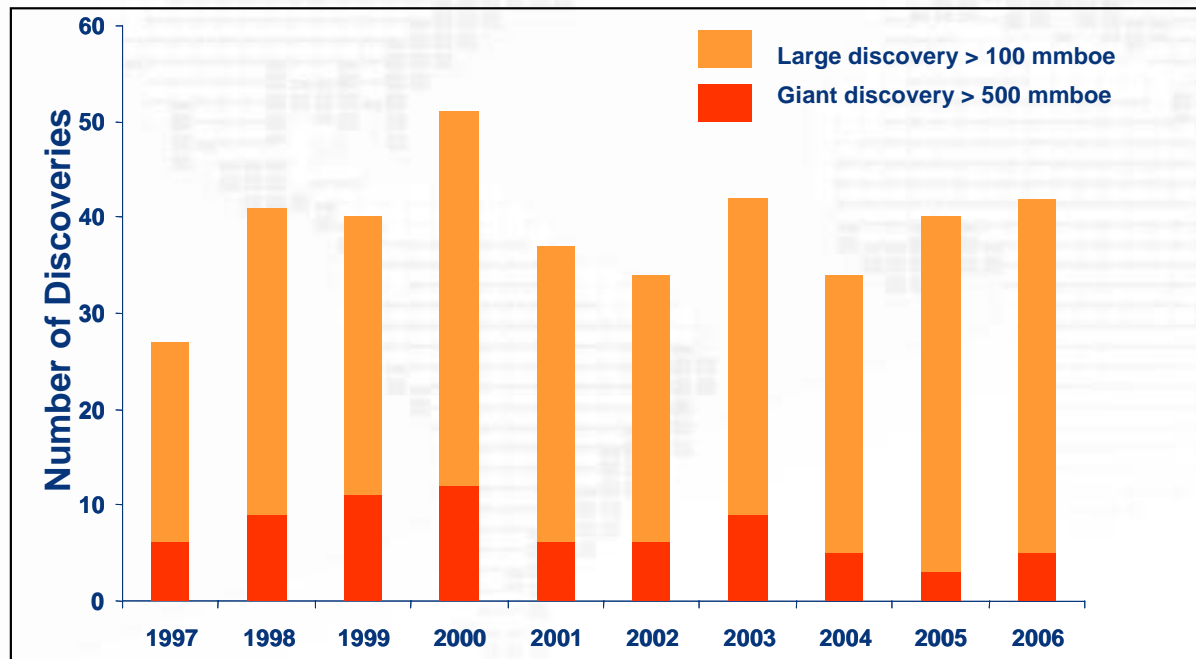
Our prospect Inventory

Prospect Book - Total Resources



Finally, our share of big cats

Algeria	Reggane/Kahlouche	operated	~3 TCF
Libya	I/R (NC-186/NC-115)	operated	~ .45 BBOe
Peru	Kinteroni	operated	~ 2 TCF
Bolivia	Huacaya	operated	~ 1.5 TCF
Brazil	Carioca	non operated	+ 1/2 BBOe
Brazil	Guara	non operated	+ 1/2 BBOe



REPSOL



EXPLORATION

Marcos Mozetic

Exploration Managing Director

Repsol YPF

Houston Investors Field Trip

December 2008

REPSOL



DEEP WATER STRATEGY

Rig contracts and drilling program

Introduction by Marcos Mozetic
Exploration Managing Director

Repsol YPF
Houston Investors Field Trip

December 2008

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2006 situation in Exploration

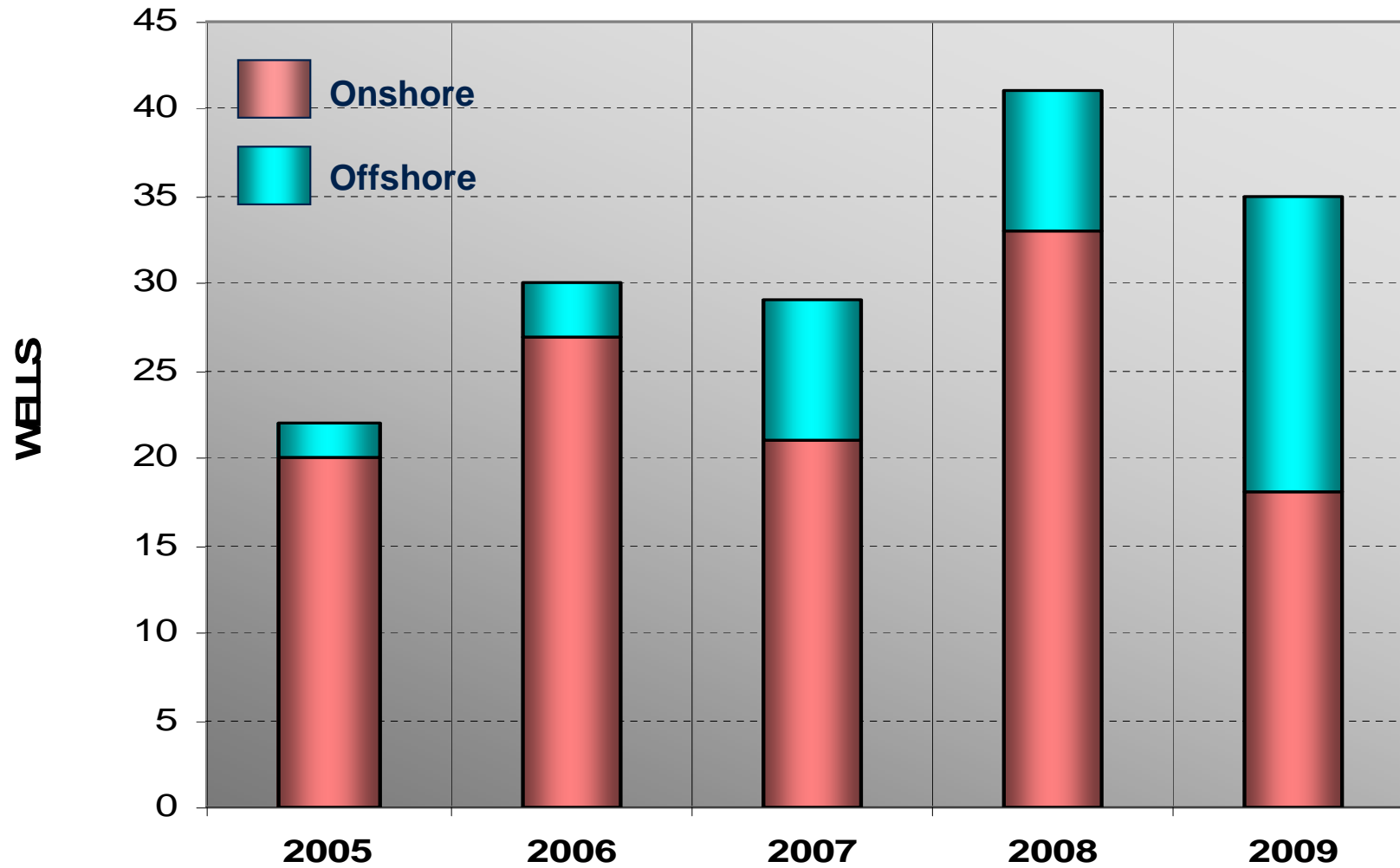
- In early 2006, a review of our Exploration 5 year plan revealed the risk of not being able to fulfill commitments in most of our deep and ultra deep blocks due to the shortage of rigs available.
- A plan was devised to hire two rigs, one for deep water and another for ultra deep water to: fulfill this program, add to our operating capabilities and to leverage farm-in opportunities and rig swaps to optimize schedules.
- Repsol was able to secure two contracts, one for a third generation semisub, and another for a brand new fifth/sixth generation dynamically positioned drillship.
- The former (“Sovex”) is currently drilling in Brazil, and the latter (“Drillmax”) is in the GOM, after the very successfully drilling Guar in Brazil.

2006 situation in Exploration



- With the availability of the rigs, we are currently optimizing mob-demob schedules, by swapping rig slots between the Atlantic and the Mediterranean.
- We are sharing this capability with YPF, to enable them to fulfill their offshore programs in Argentina.

The offshore opportunity - Repsol



We are sharing this capability with YPF to enable them to fulfill their offshore program in Argentina

The backbone of our program



Drillmax



Sovereign Explorer

REPSOL



OFFSHORE D&C GROUP - 2009

Alvaro Negrão

Offshore Exploration Manager

Repsol YPF

Houston Investors Field Trip

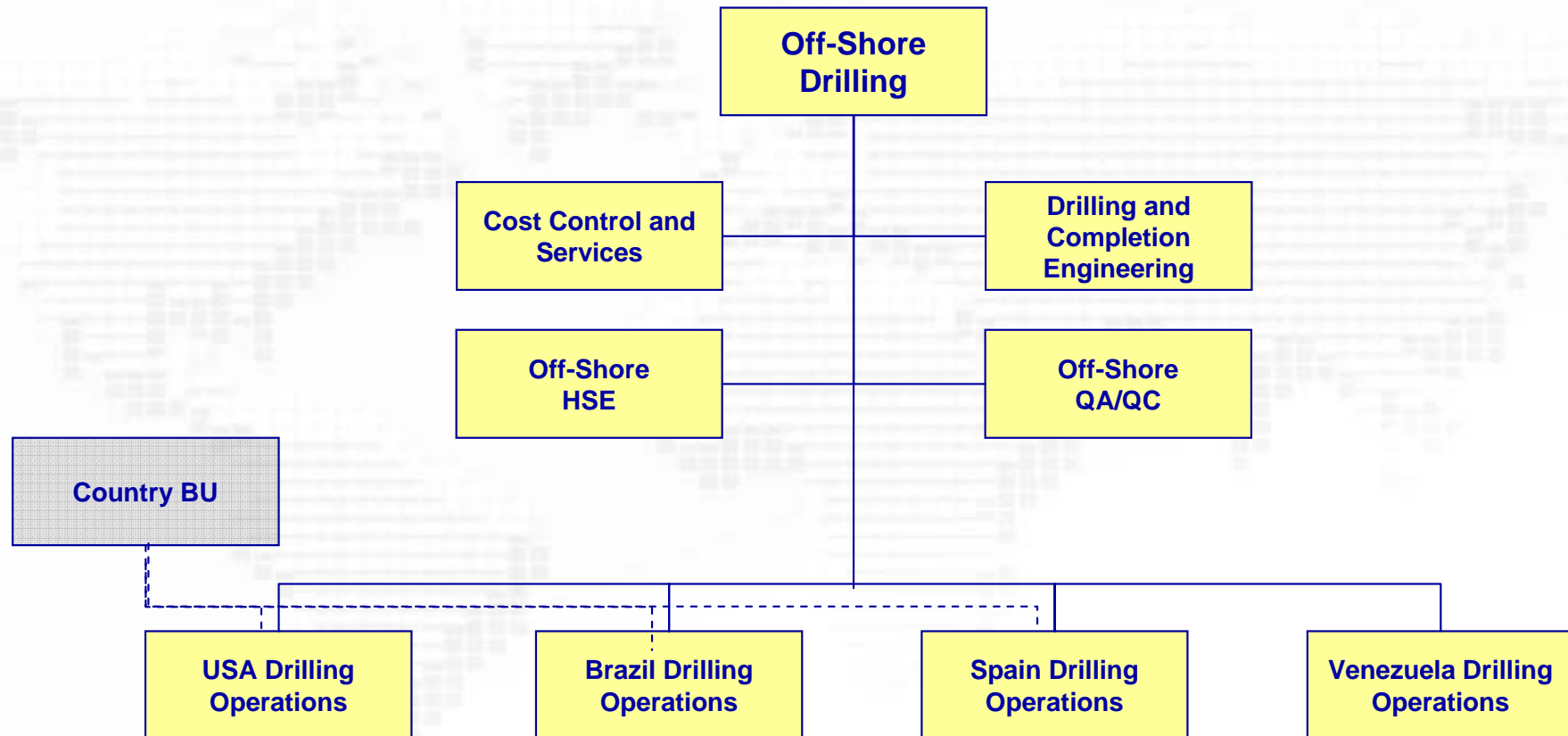
December 2008

Offshore D&C Group - 2009



Offshore D&C Group Mission

Implement a standardized technological and operational level among all business units in exploration, development and production projects.



2008 Achievements



- Establish the offshore drilling teams in Suriname, USA, Brazil and Spain
- Support the drilling activity in Suriname, USA, Brazil and Spain
- Implement Open Wells in the offshore activities
- Establish a Well Construction Process in the Offshore Activities in according to DCO guidelines
- Start the operation of Stena DrillMax with minor NPT
- Keep Repsol operation within the KPI of major operators
- No accidents or spills
- Implement a reliable bridging document with the drilling contractors
- Implement the RTO center in Houston with all the operations

2009 - Objectives



- Maintain offshore and onshore drilling teams in USA, Brazil, Spain, and TT
- Continue to integrate Stena, Transocean and Pride into forward planning to maximize their performance
- Assist DCO in the implementation of a specific well construction process
- Gradually replace consultants by staff employees
- Finalize the implementation of the DDR and Cost Report fully integrated with SAP
- Assist HR and DCO in the competences for the offshore D&C positions

2009 - Objectives



- Continue 3rd party QA/QC assessment
- Keep non productive time (NPT) as low as possible
- Continue empowerment of drilling and completion team to make key design and operational decisions where appropriate
- Start a full training program for young engineers
- Make a strategic study for future needs of Repsol in terms of rigs due to the probable discoveries in Brazil and GOM
- Keep Repsol in the Top Quartile HSE performance compared to IADC statistics
- Keep industry average for ft/day and non-productive time (NPT) for similar type wells

Repsol RTO Center in Houston



- **2 deepwater rigs remotely supported by drilling and geology experts located in:**
 - Global OSC (Repsol, Texas)
 - Regional OSCs (Repsol Brazil, Suriname)
 - Schlumberger 24/7 Service Quality OSCs
- **Drilling optimization workflows enabled by OSC advanced drilling technology:**
 - Pore pressure monitoring
 - Torque and Drag Analysis
 - Shock & Vibration monitoring
- **OSC infrastructure linking rig & OSCs across countries:**
 - Aggregation & central storage of drilling data from all well site service providers
 - Remote connectivity and communication
 - Collaboration features

BENEFITS:

- Better anticipation of drilling problems
- Increased confidence in decisions
- Increased Inter-discipline collaboration
- Management update of job progress

FUTURE:

- Regional OSC in Spain in December 2008

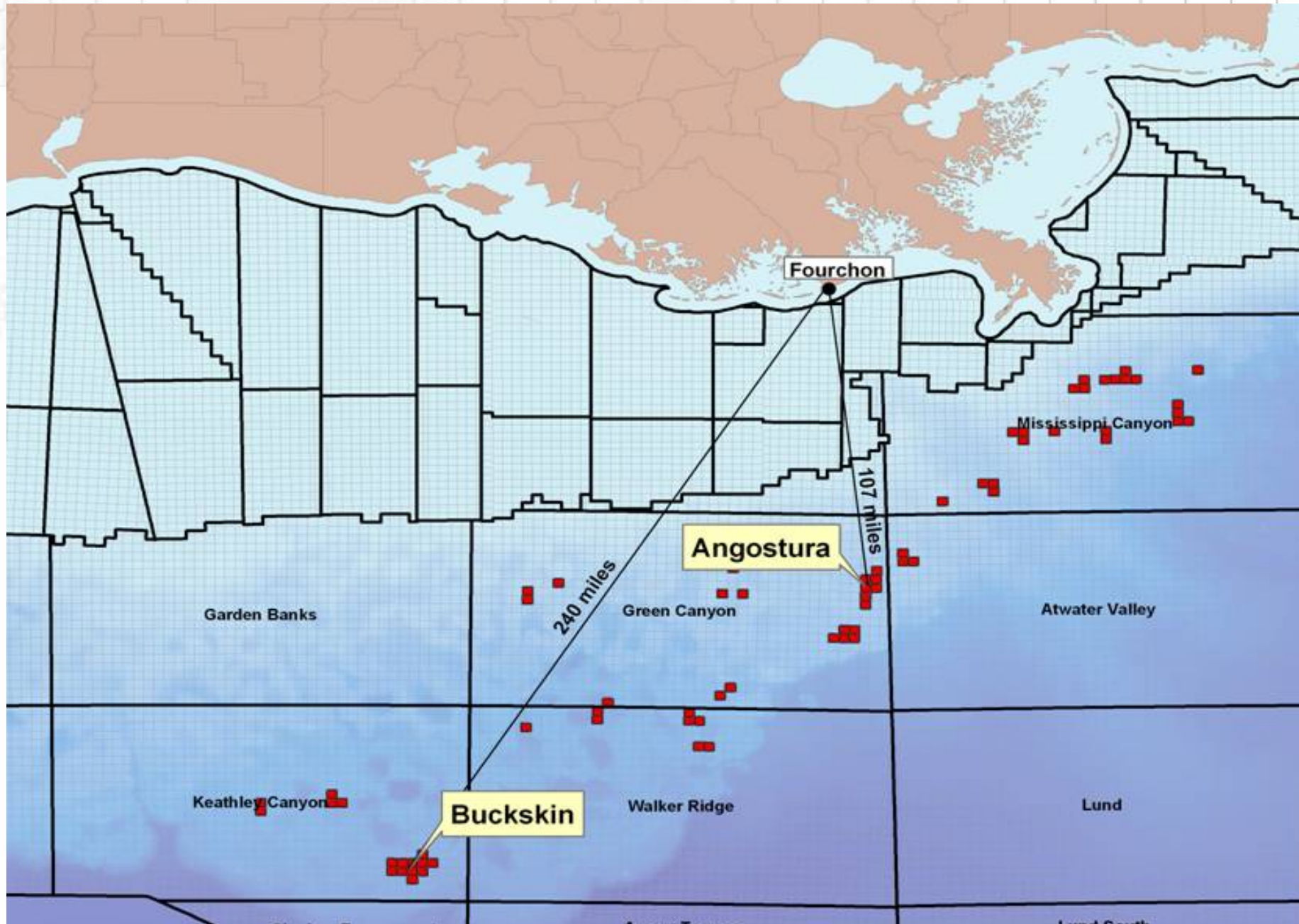
Stena Drill Max Main Characteristics

- Dual Activity Rig
- Self Propelled - 12 knots speed
- No need of supply boat in long mobilization
- Fitted for harsh environment
- State of Art in DP System
- Zero discharge system
- 10,000 ft water depth capacity
- 35,000 ft total well depth
- Day rate \$450 k/day plus \$50K/day in incentives
- 4 years term contract plus 1 optional
- Fitted for long term well test

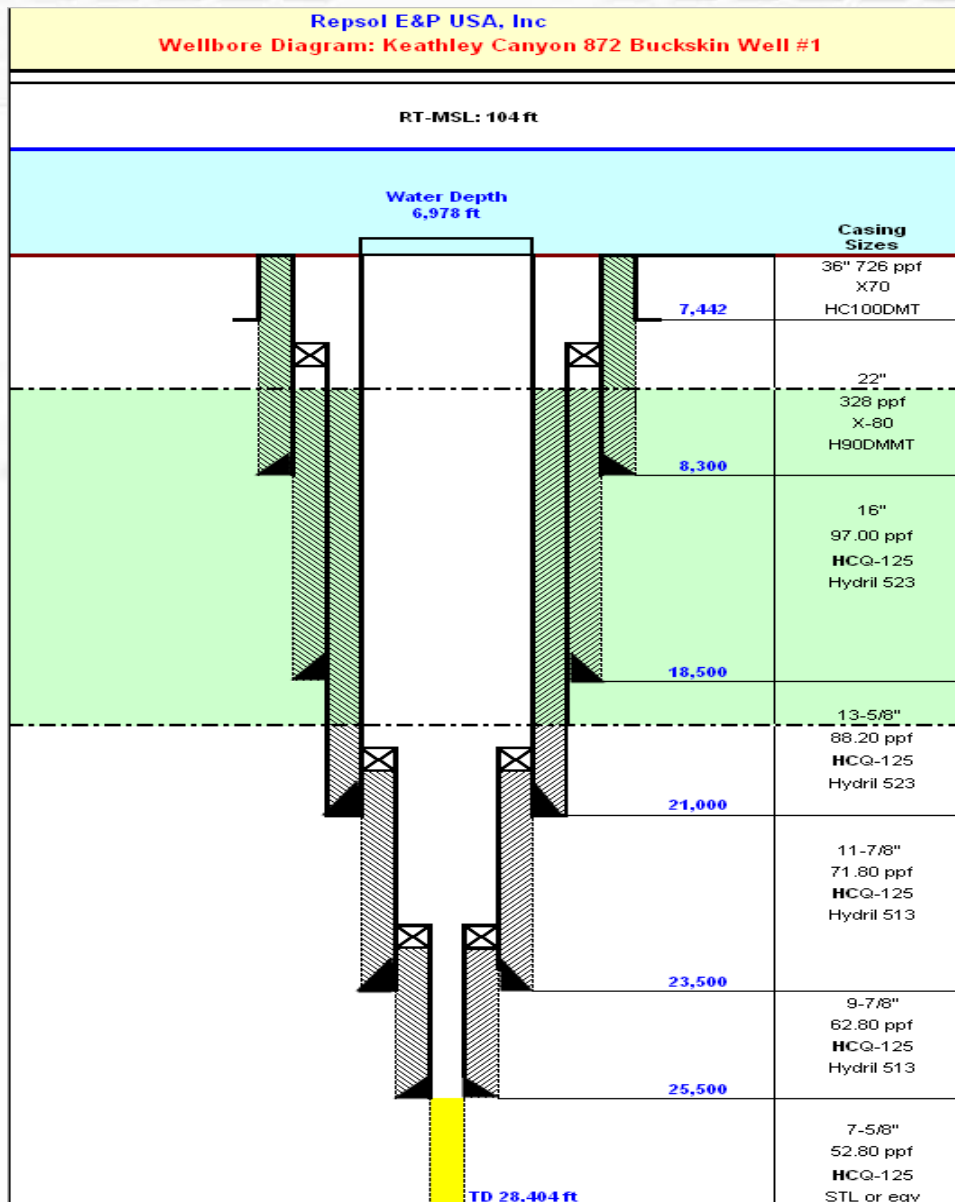


USA - GOM

Angostura/Buckskin Well Locations

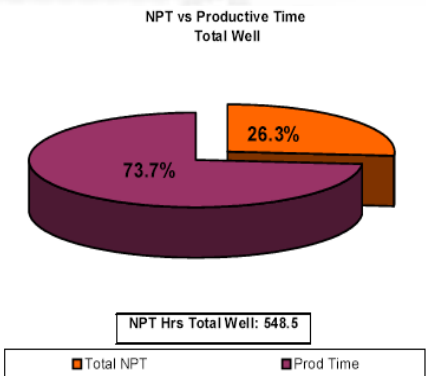
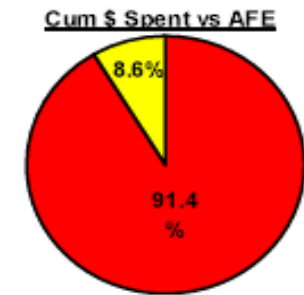
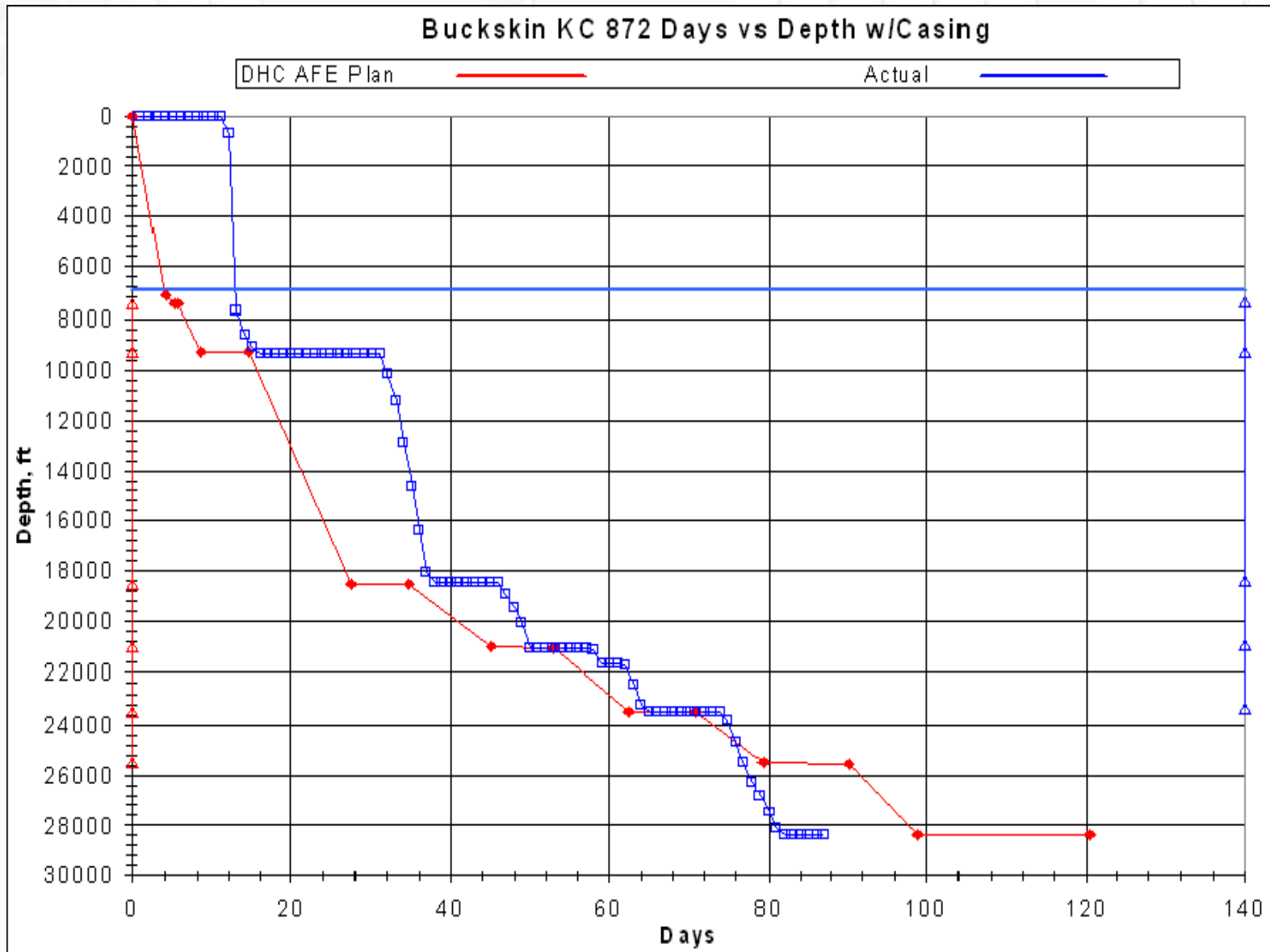


Buckskin – Keathley Canyon 872



- **Rig:** Stena DrillMax
- **Water Depth:** 6,978 ft (2,126 m)
- **Profile:** Vertical Well
- **Primary Objective:** Wilcox Paleocene
- **Total Depth:** 28,400 ft (8,656 m)
- **Well:** Sub Salt
- **Large Salt Section** (11,000 ft)
- Heavy Casing String with 1.6 million pounds including landing string
- Offshore drilling record for Repsol
- Repsol operator

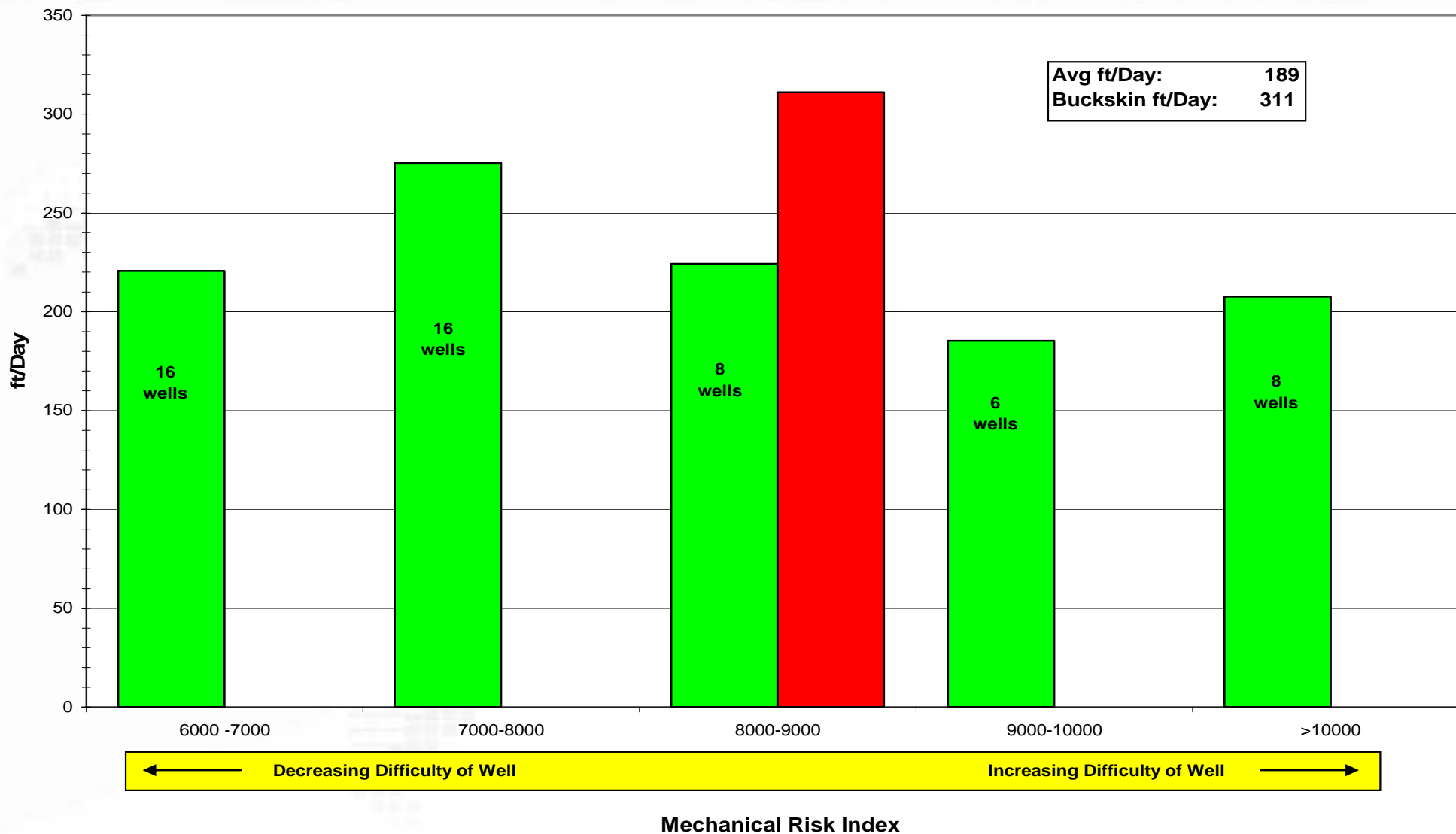
Buckskin – Drilling Performance



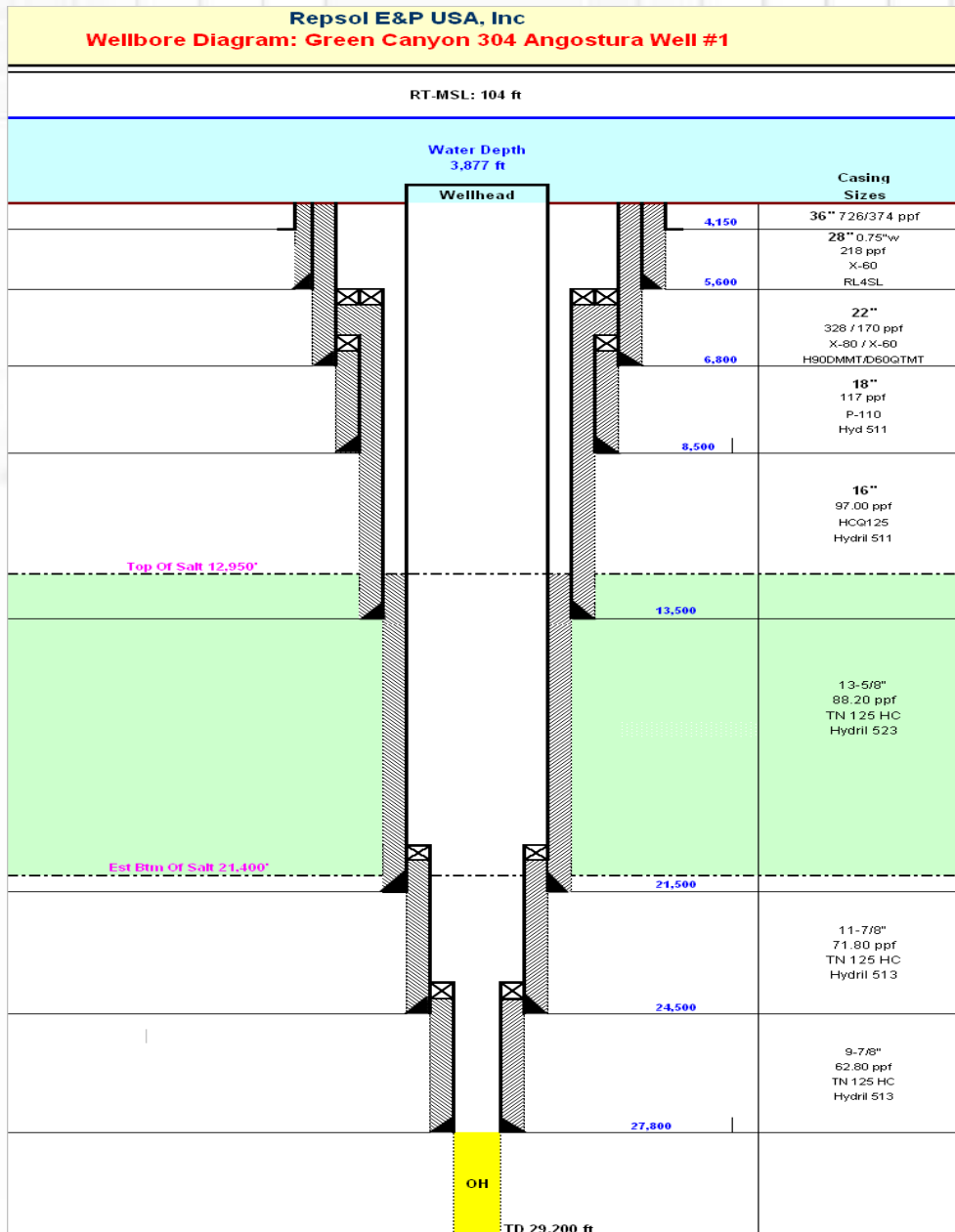
Buckskin – Drilling Performance



GoM Drilling Performance Comparison

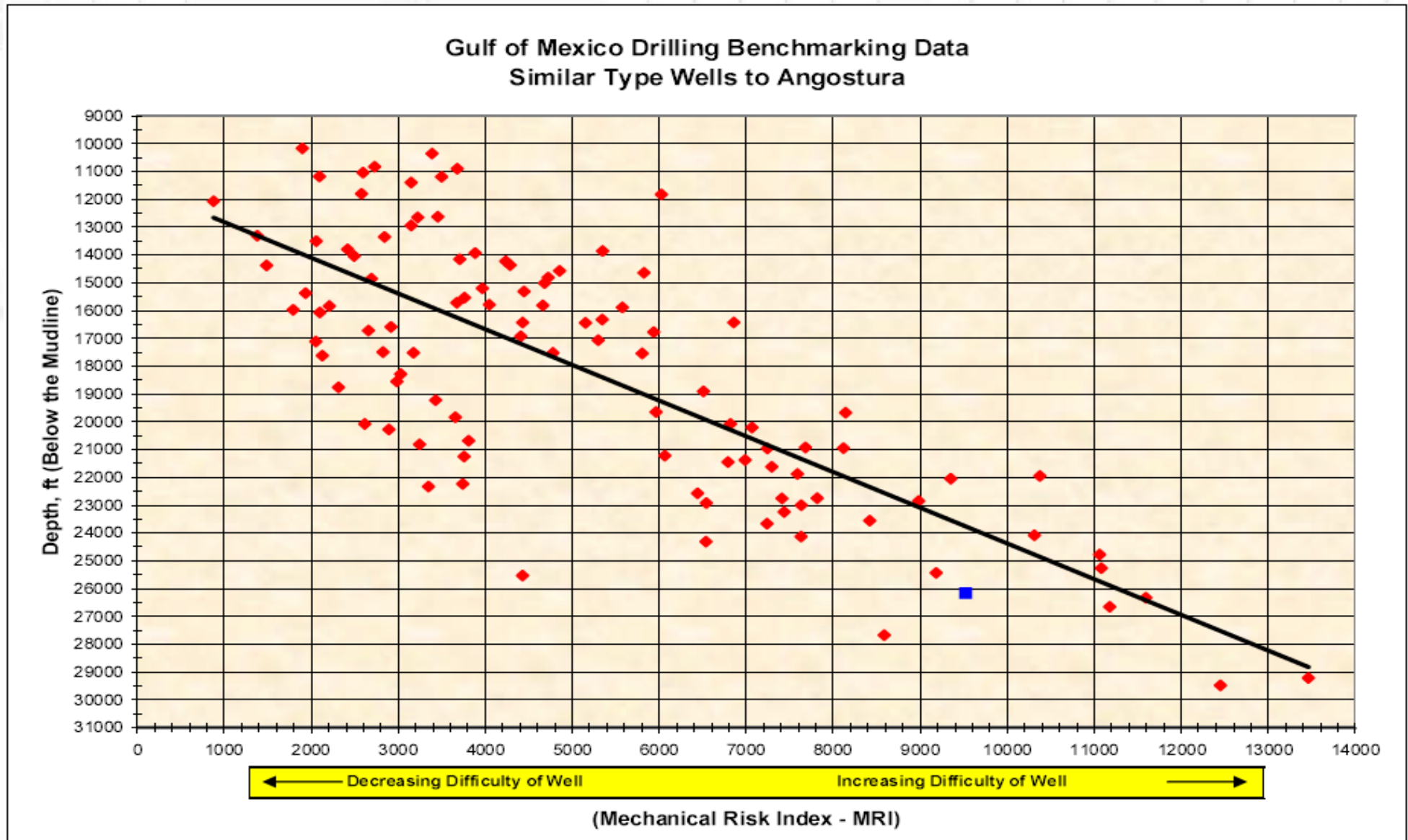


Angostura Green Canyon 304

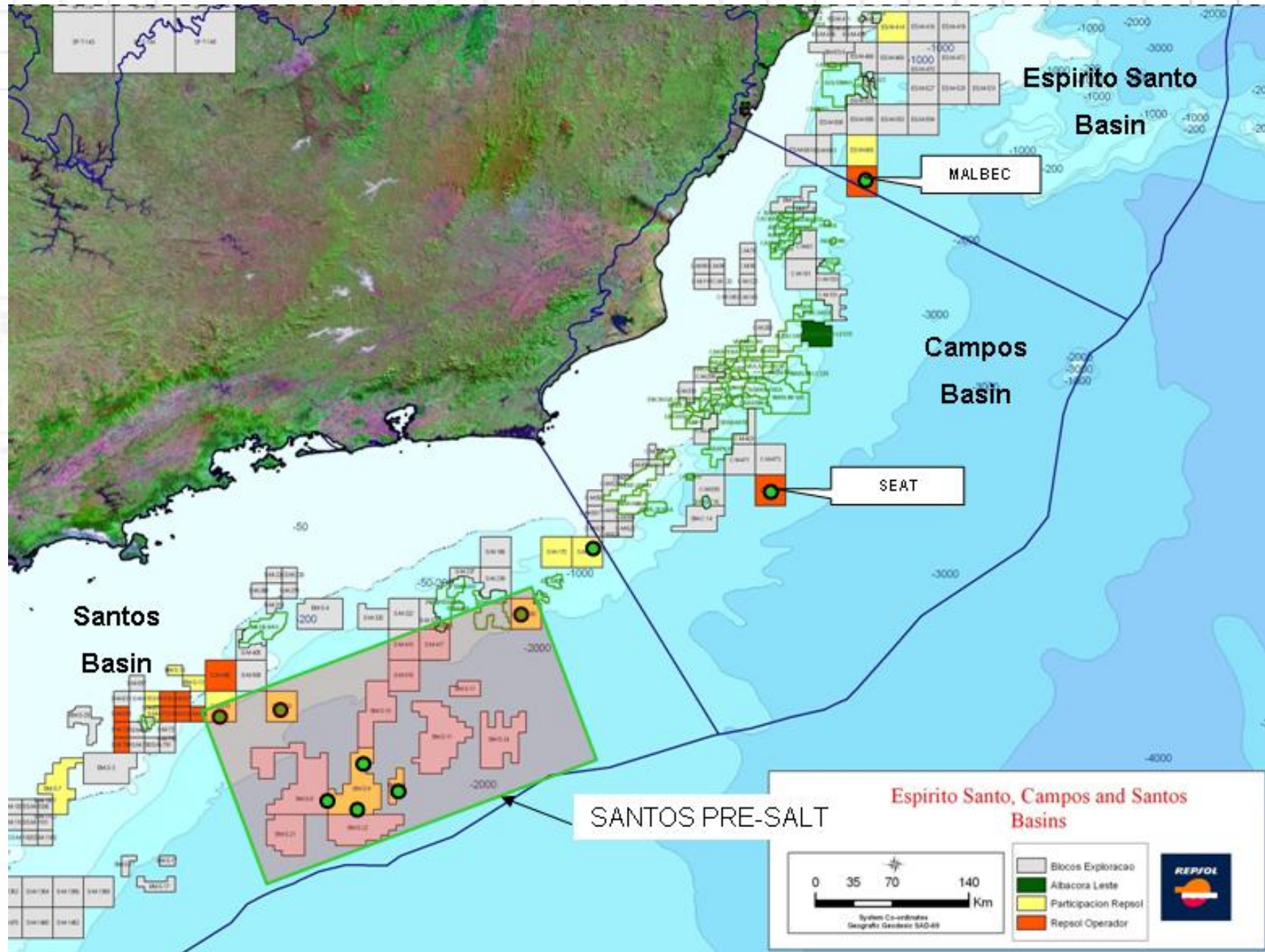


- Rig: Stena DrillMax
- Water Depth: 3,877 ft (1,182 m)
- Profile: Vertical Well
- Primary Objective: M9 L Miocene
- Total Depth: 29,200 ft (8,900 m)
- Well Type: Sub Salt
- Average Non Productive Time (NPT) for 104 similar type wells to Angostura was 43%. It will be one of the most difficult wells drilled in the Gulf of Mexico.
- Dry Hole Days – 130 – 150 days
- Repsol Operator

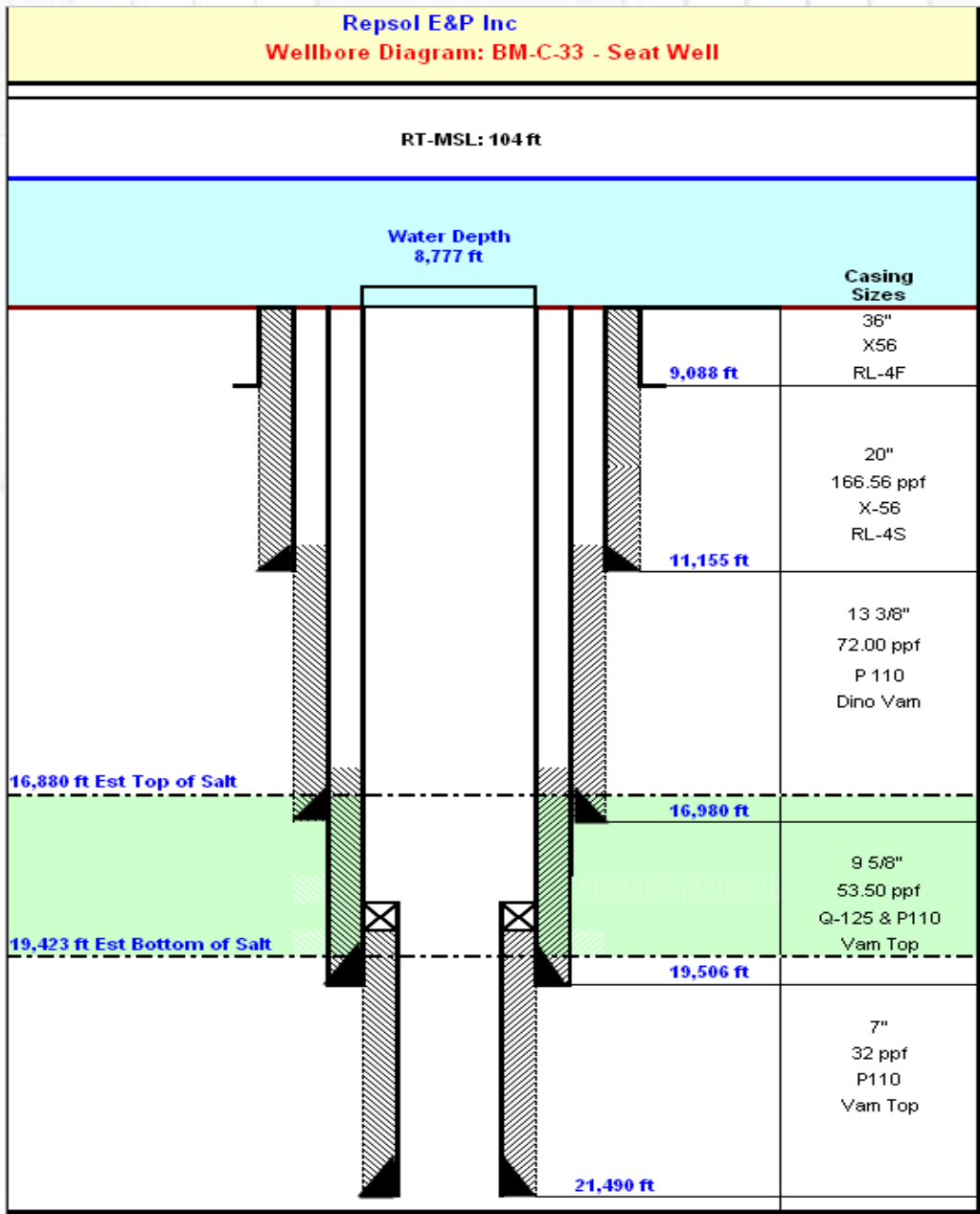
Angostura – Challenging Well



Brazil – Malbec/Seat Well Locations

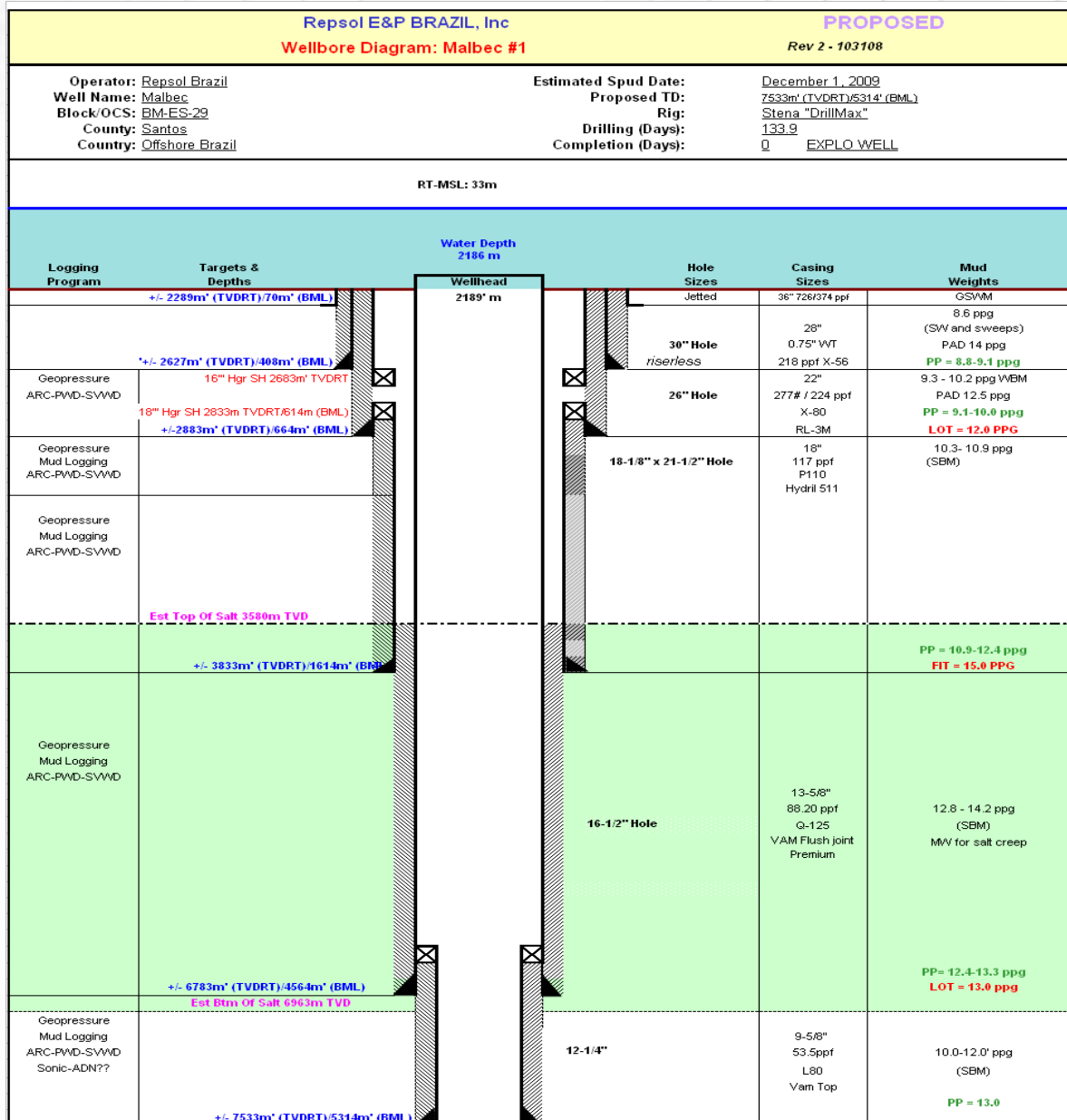


Seat – Campos Basin – BM-C-33



- **Rig:** Stena DrillMax
- **Water Depth:** 8,777 ft (2,675 m)
- **Profile:** Vertical Well
- **Primary Objective:** Lagoa Feia
- **Total Depth:** 21,491 ft (6,550 m)
- **Well Type:** Pre-Salt
- Average Non Productive Time (NPT) for Brazil Wells is 23%
- Record in Water Depth for Repsol
- Dry Hole Days – 100 – 115 days
- Repsol operator

Malbec – Espirito Santo Basin – BM-ES-29



- Rig: Stena DrillMax
- Water Depth: 7,172 ft (2,186 m)
- Profile: Vertical Well
- Primary Objective: Lagoa Feia
- Total Depth: 24,715 ft (7,533 m)
- Well Type: Pre-Salt
- Average Non Productive Time (NPT) for Brazil Wells is 23%
- Dry Hole Days – 110 – 140 days
- Repsol Operator

Transocean Sovereign Explorer

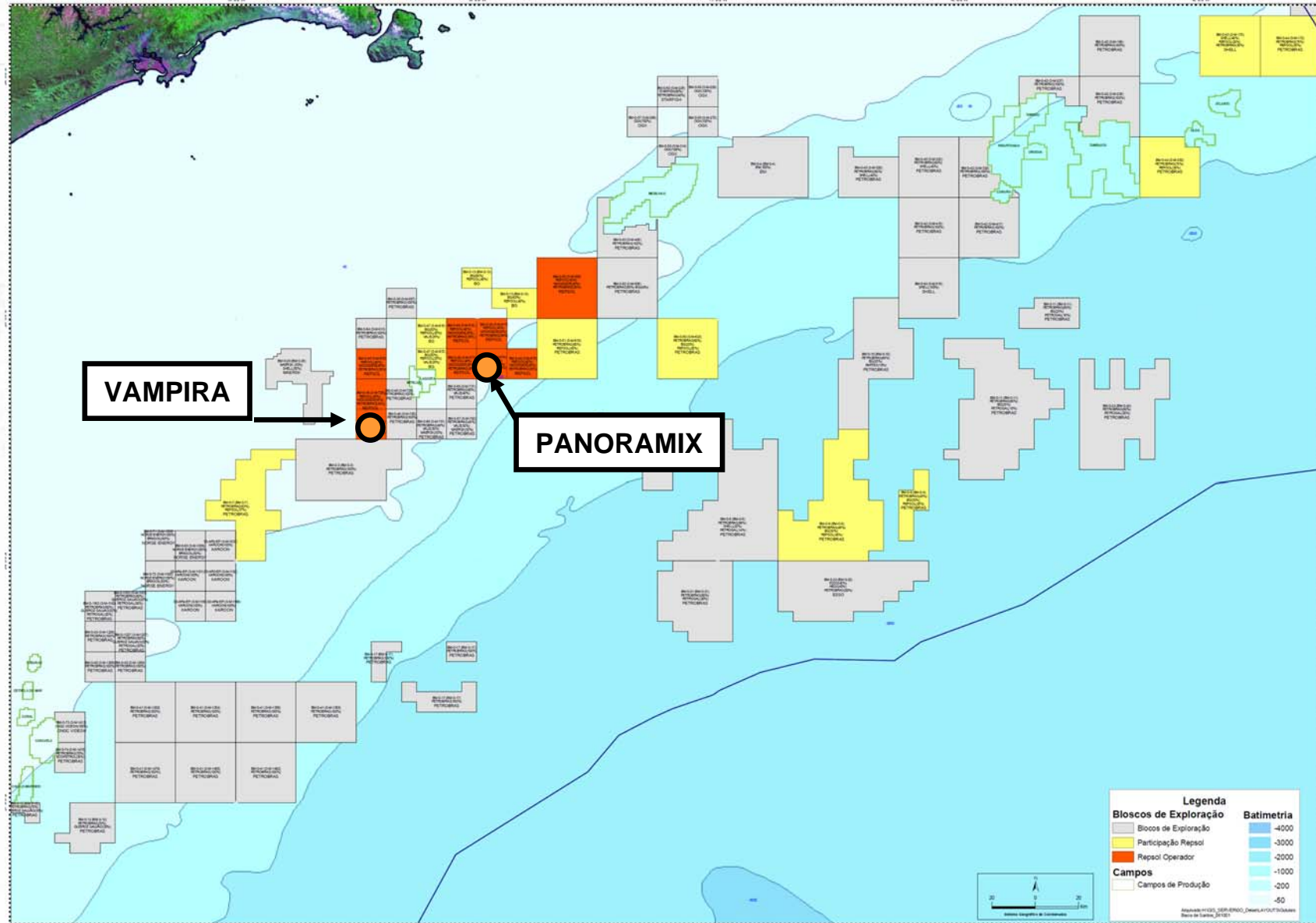
Main Characteristics



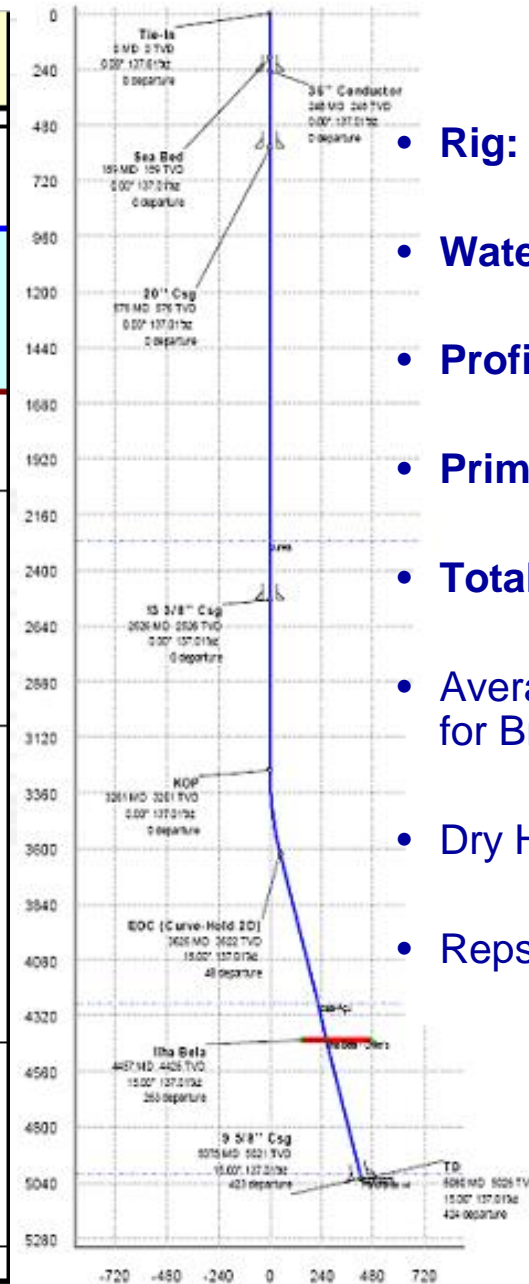
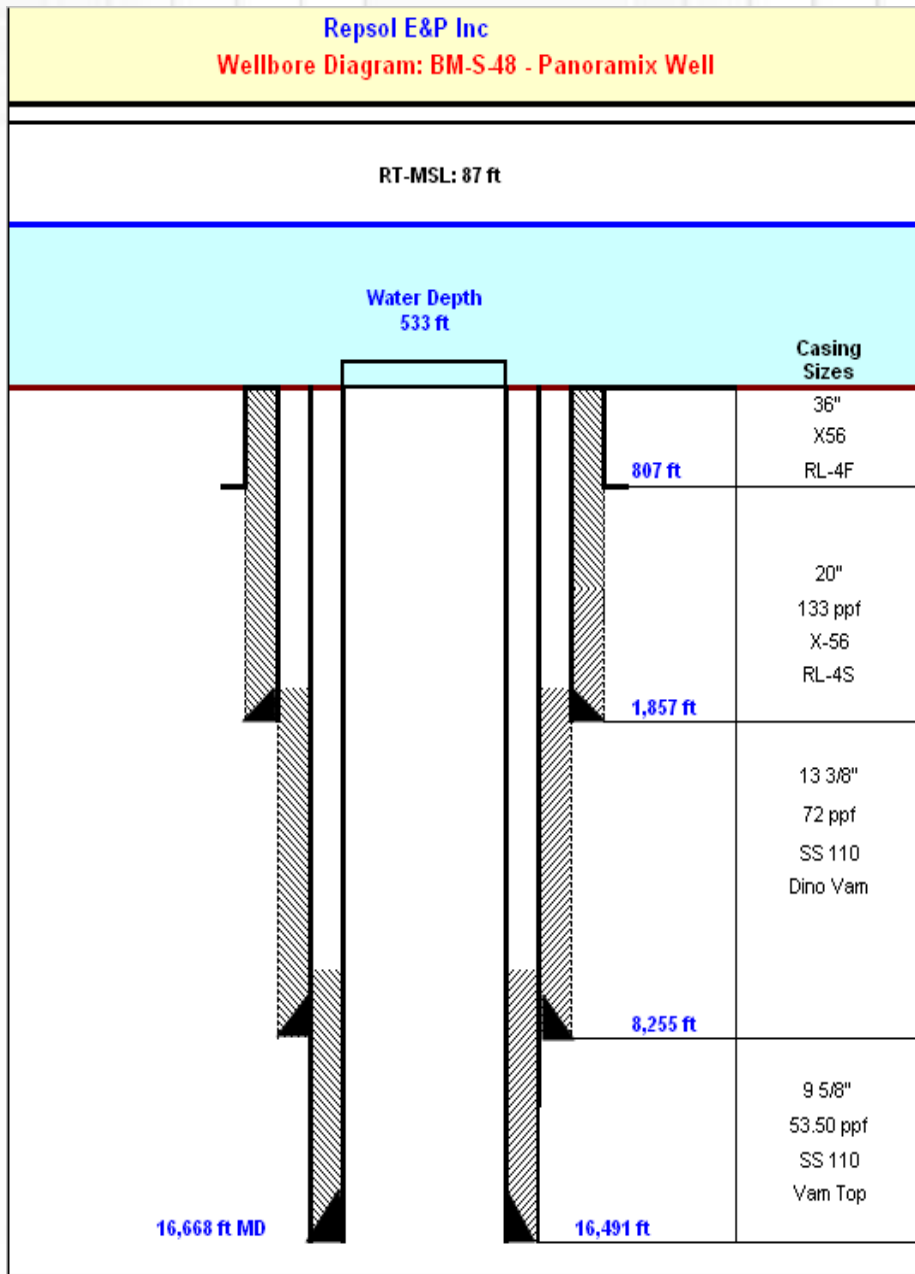
- Moored Semi-Submersible Drilling Unit
- No self propelled – 3.5 – 5 knots speed with tug
- 4,200 ft water depth capacity
- 25,000 ft total well depth
- Day rate – \$380 K/day
- Contract Term – 2 years
- No extension option
- Able to perform well test



Brazil – Panoramix/Vampira Well Locations

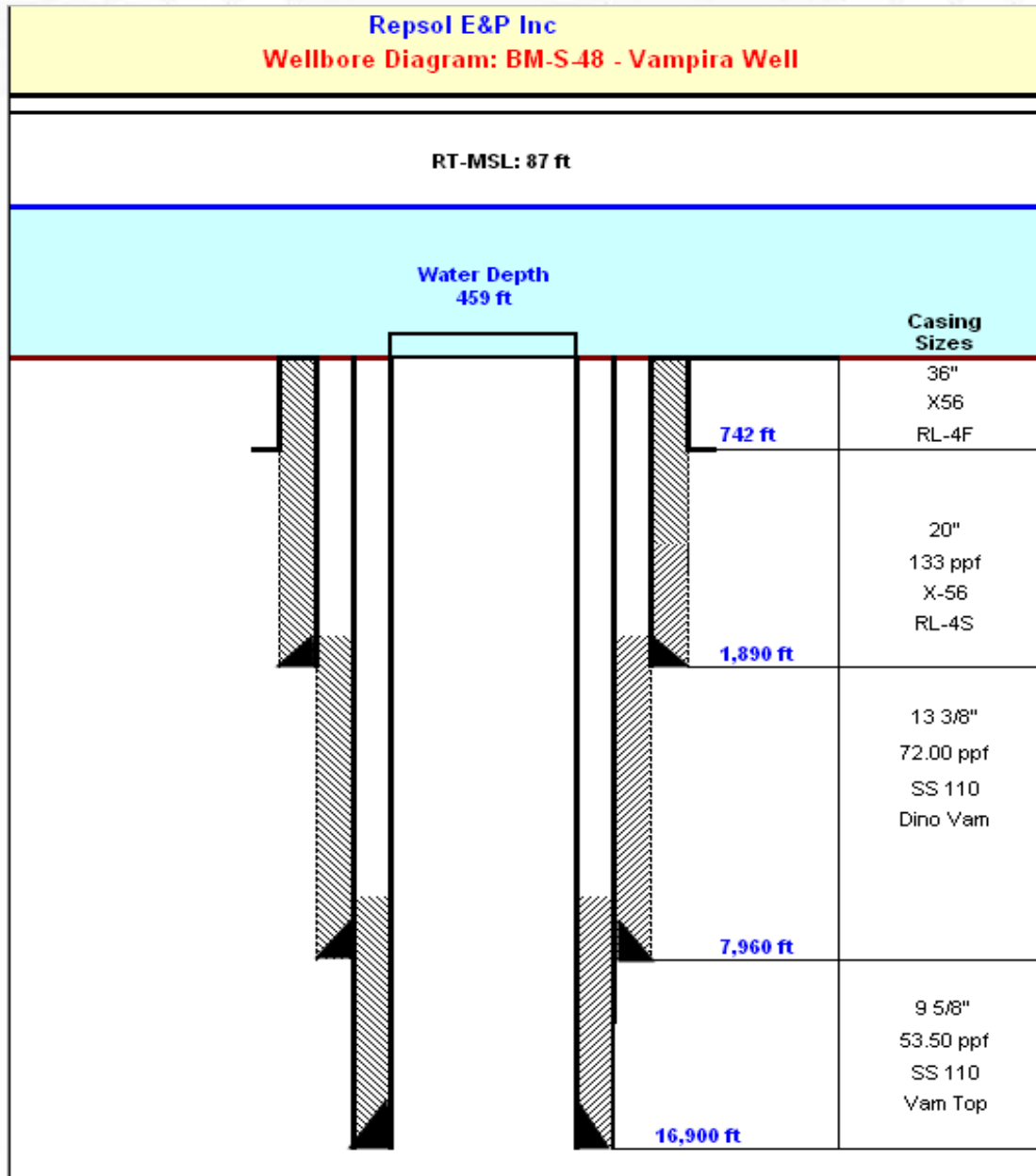


Panoramix – Santos Basin – BM-S-48



- Rig: Sovex
- Water Depth: 533 ft (163 m)
- Profile: Directional Well
- Primary Objective: Ilha Bela
- Total Depth: 16,667 ft (5,080 m)
- Average Non Productive Time (NPT) for Brazil Wells is 23%
- Dry Hole Days – 60 – 70 days
- Repsol operator

Vampira – Santos Basin – BM-S-48



- **Rig:** Sovex
- **Water Depth:** 459 ft (140 m)
- **Profile:** Vertical Well
- **Primary Objective:** Ilha Bela
- **Total Depth:** 16,900 ft (5151 m)
- Average Non Productive Time (NPT) for Brazil Wells is 23%
- Dry Hole Days – 58 – 68 days
- Repsol Operator

Pride North America

Main Characteristics

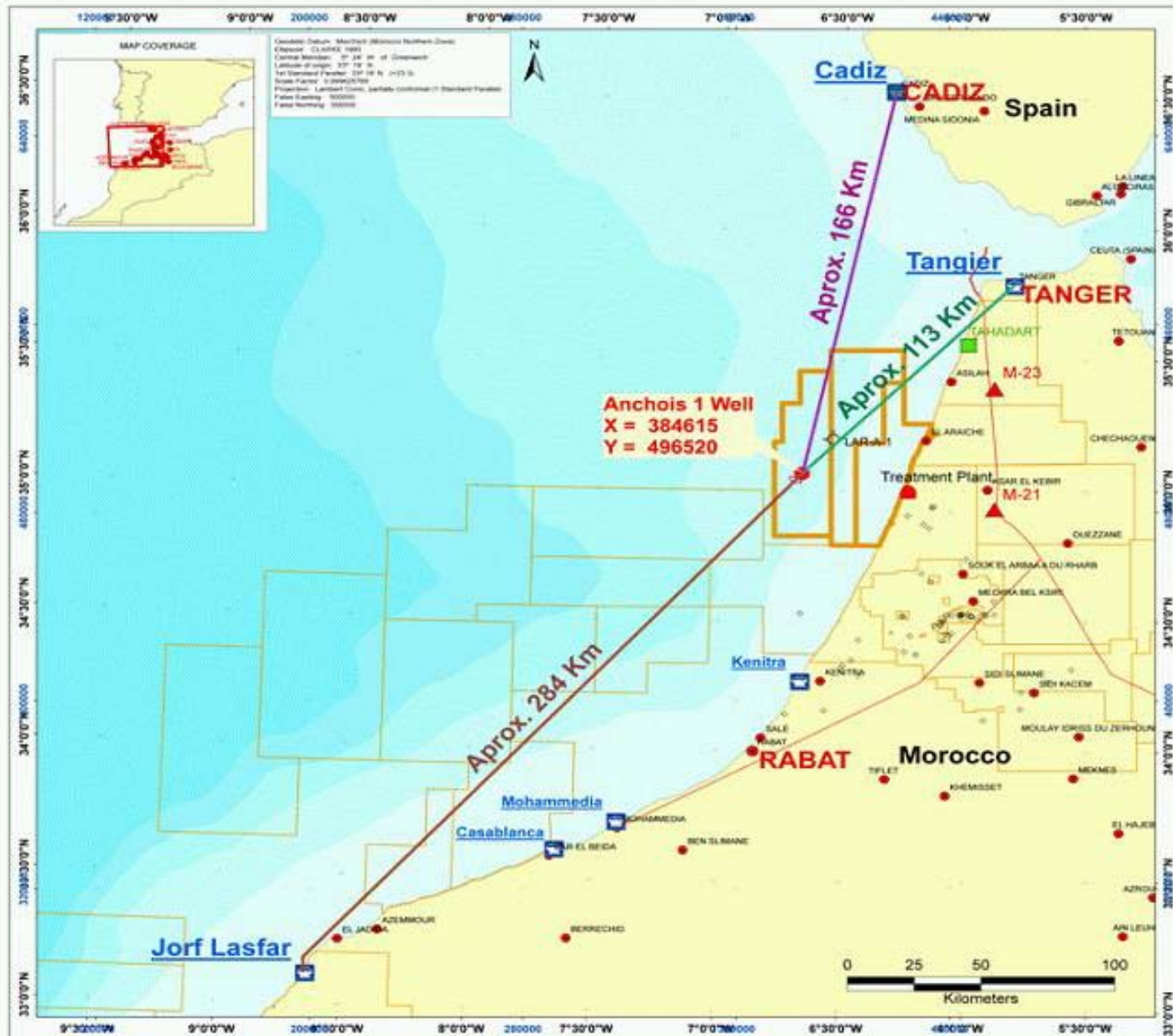


- Moored 5th Generation Semi-Submersible
- Self propelled – 5.5 – 6.5 knots
- 7,500 ft water depth capacity
- 25,000 ft total well depth
- Day rate – \$490 K/day
- Contract Term – 3 wells
- No extension option
- Able to perform well test

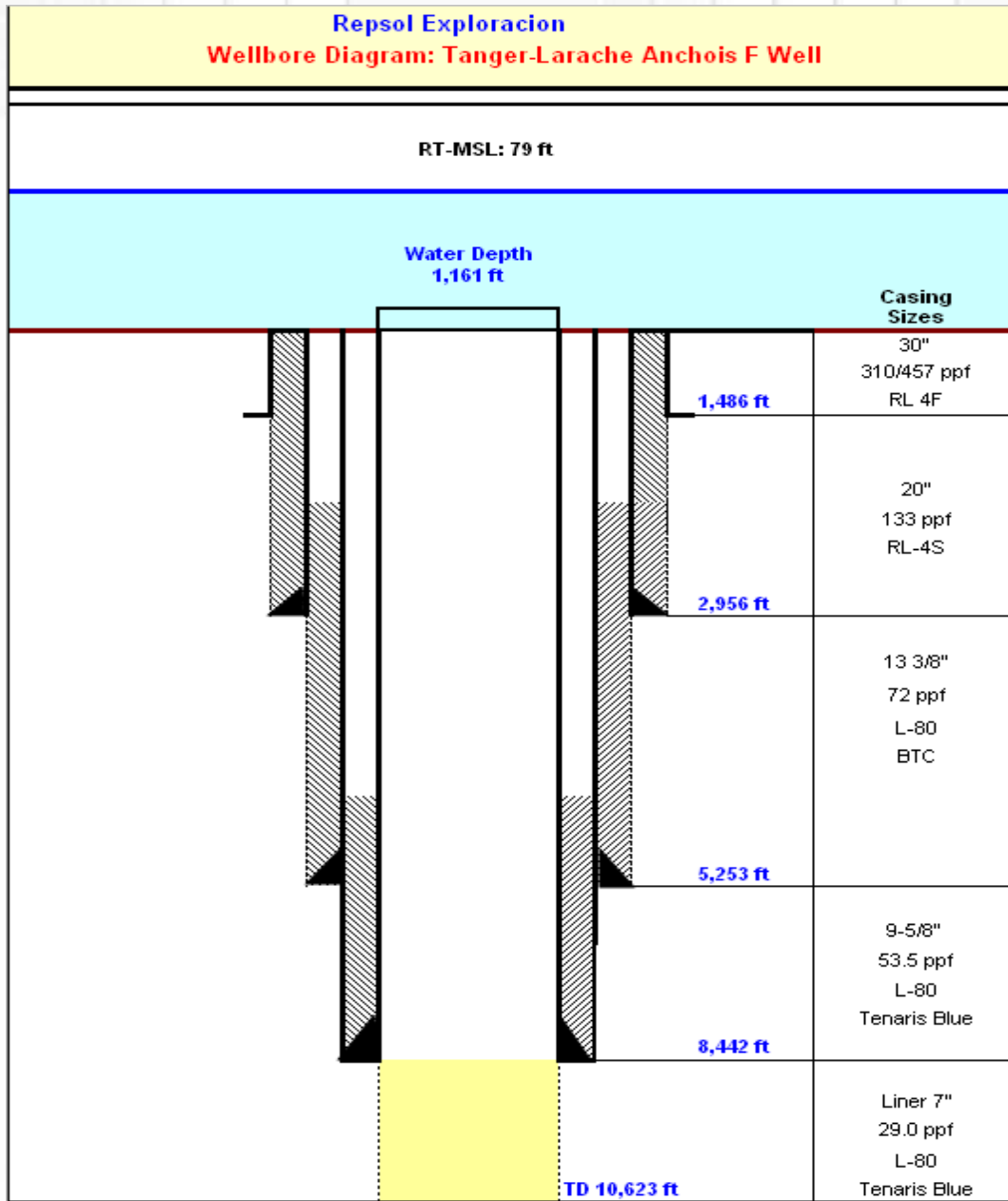
EAA – Anchois/Lubina/Montanazo Well Locations



Morocco – Anchois Well Location

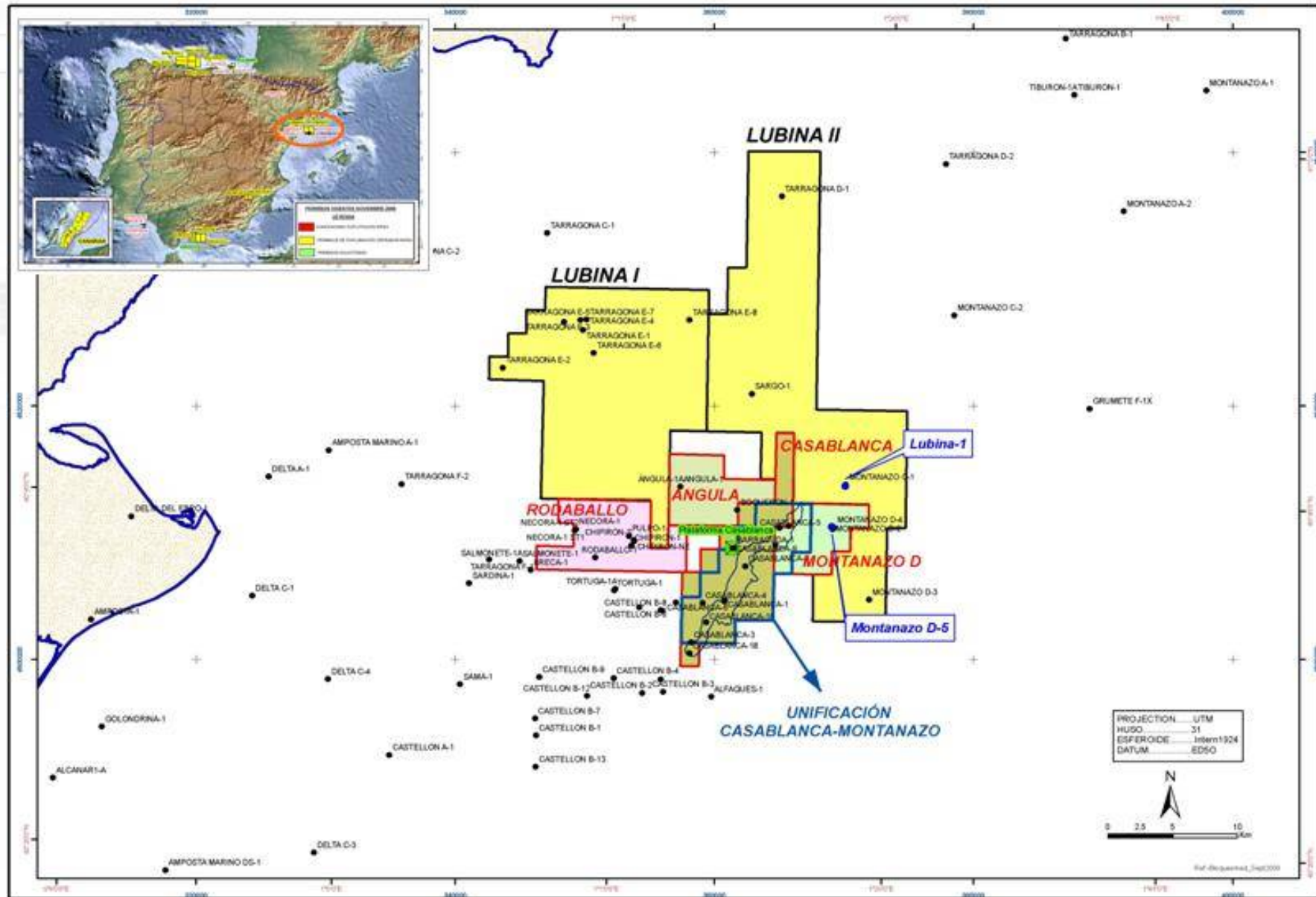


Anchois Well - Morocco



- Rig: P.N.A.
- Water Depth: 1,161 ft (354 m)
- Profile: Vertical Well
- Primary Objective: Lower Pliocene
- Total Depth: 8,521 ft (2,597 m)
- Dry Hole Days – 38 – 48 days
- Repsol Operator

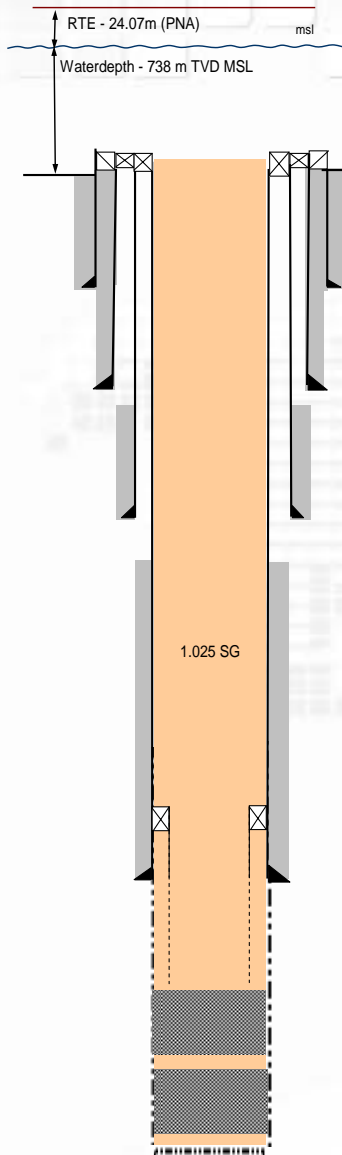
Spain – Lubina 1 & Montanazo D-5 Locations



Spain - Lubina 1 & Montanazo D-5 Wells



Montanazo D5 Well Schematic - Drill, Test & Complete (PB successful)



System	Age	Formation	Lithology	Lithological Descriptions	Geologic Targets	Note: All depth references for Pride North America RT (24.0m amsl) Option if plugging back open hole is successful in achieving isolation	
						Depth (MBRT)	Remarks
QUATERNARY	PLIOCENE	EBRO GROUP	Clay, light grey, very soft, very calcareous. Levels of siltstone, dark to med. Grey. Loose qz. Grains. Abundant shell fragments				Guidelineless MS-700 Vetco Wellhead x Kvaerner H XMT Fisherman friendly structure installed over Subsea tree
						+/- 832 m	30" 457 x 310lb/ft, X-56, RL-4F Conductor
						+/- 1124 m	20" 133lb/ft, X-56, RL-4S, Surface Casing
						+/- 1524 m	13 3/8" 72lb/ft, L-80, BTC Intermediate Casing
MESSINIAN UNCONFORMITY							
UPPER	MIOCENE	CASTELLON GRP	Clay, soft sticky, very calcareous. Traces of siltstones.			2167 m	7" Top Of Liner set minimum 100m above 9 5/8" shoe
			Layers of limestone, light brown, mod. Hard to mdstn.			max. 2267 m	9 5/8" 53.5lb/ft, L-80, Tenaris Blue, Production Casing
			Dolomites and dolomitic limestones, very hard, dry to microcrystalline		Top Miocene Reef ● 2317 ± 40 m		Top Miocene reef: 2277m min / 2317m max.
			Limestones white, crystalline, sucrosic, moderately hard. Micro fractured		Top Mesozoic ● 2397 ± 40 m		Top Mesozoic carbonate: 2357m min / 2437m max.
MESOZOIC						+/- 2424 m	Plug Back: Top Open Hole Cement Plug #2
						+/- 2580 m	Base of Cement Plug #2
						+/- 2600 m	Plug Back: Top Open Hole Cement Plug #1
						+/- 2750 m	Base of Cement Plug #1
						2824 m	8 1/2" Open Hole TD

- **Rig:** P.N.A.
- **Water Depth:** 2,421 ft (738 m)
- **Profile:** Vertical Well
- **Primary Objective:** Top Miocene
Top Mesozoic
- **Total Depth:** 9,266 ft (2,824 m)
- **D&C Days – 60 – 70 days**
- **W.I. Montanazo - Repsol 72.5%, CNWL 3.5%, Petroleum 17%, Cepsa 7%**
- **W.I. Lubina - Repsol 100%**

REPSOL



OFFSHORE D&C GROUP - 2009

Marcos Mozetic / Alvaro Negrão

**Repsol YPF
Houston Investors Field Trip**

December 2008