



Peru Field Trip September 2010

Upstream Peru

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E&P Pacific



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E&P Pacific Regional



Peru Oil & Gas Industry Map



Peru's Upstream Industry attractiveness



Peru's Importance for Repsol E&P



Wrap Up & Conclusions

Ecuador

Peru

Bolivia



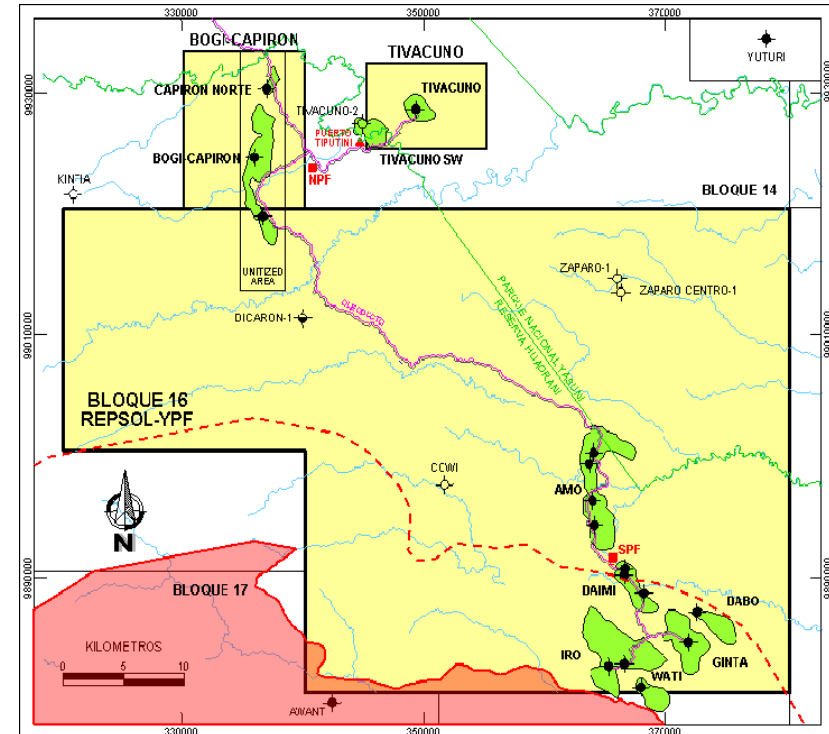
| OCP | |
|--------------|-----|
| Repsol = | 30% |
| Occidental = | 14% |
| Andes = | 36% |
| Perenco = | 4% |
| Petrobras = | 11% |
| Agip = | 5% |

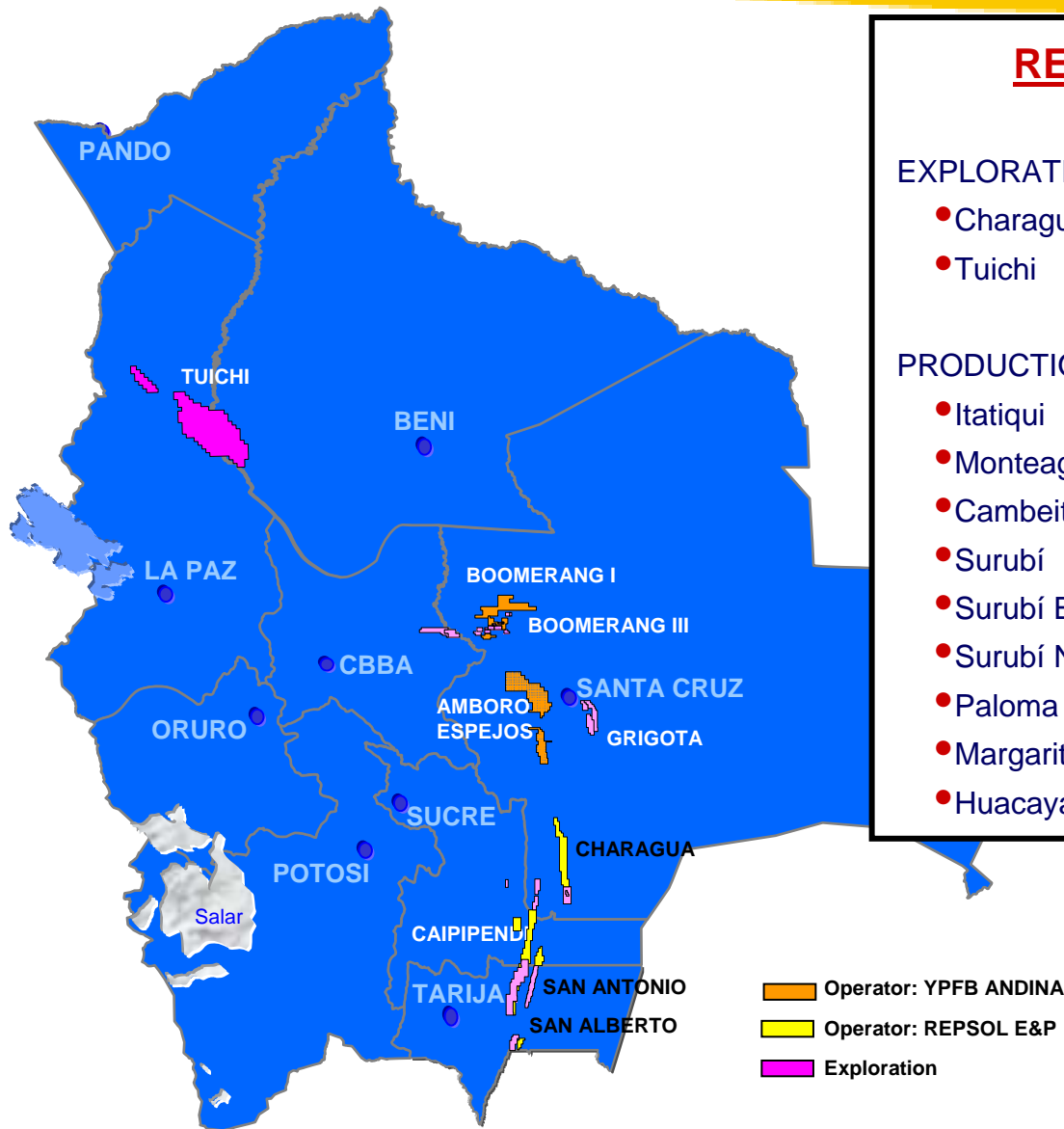


| Block 16 | |
|------------|-----|
| Repsol = | 55% |
| Sinochem = | 14% |
| Opic = | 31% |

Highlights:

- Operator: **Repsol**
- First Oil: **1994**
- Area: **2,200 km²**
- Current Oil Production: **46 kbpd**
- Currente Fluid: **976 kbls/d**
- Cumm. Production: **257 Mbbls**
- Productive Wells: **161**
- Inyector Wells: **28**
- API: **15°**
- Power Generation: **95 MW**





REPSOL

EXPLORATION:

- Charagua
- Tuichi

PRODUCTION:

- Itatiqui
- Monteagudo
- Cambeiti
- Surubí
- Surubí Bloque Bajo
- Surubí Noroeste
- Paloma
- Margarita
- Huacaya

YPFB ANDINA

EXPLORATION:

- Amboró – Espejos
- Sara Boomerang I
- Sara Boomerang III

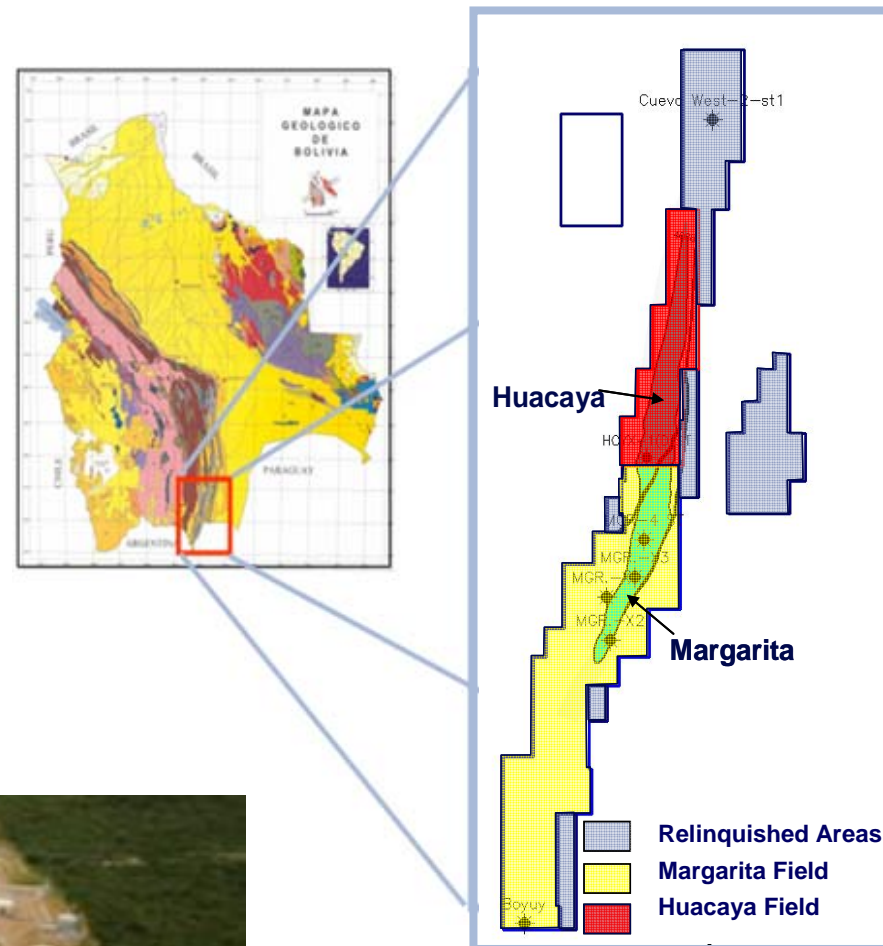
PRODUCTION:

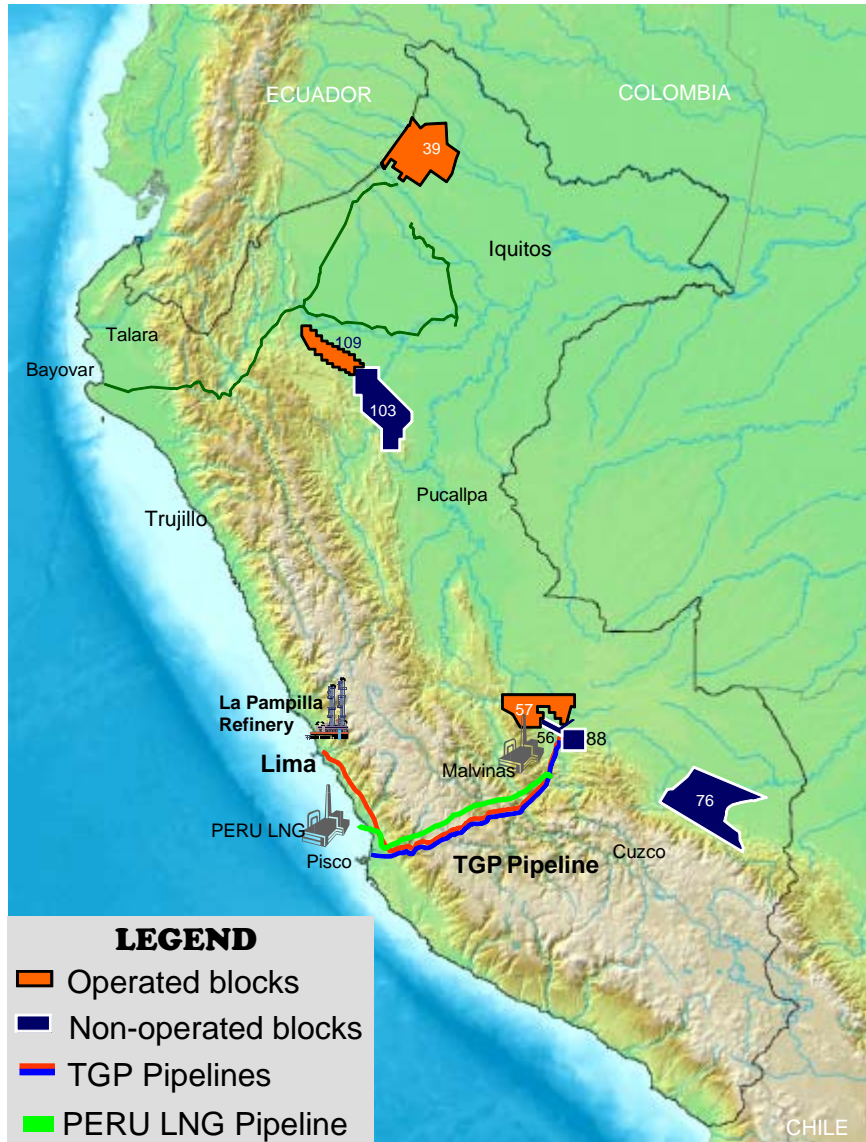
- Los Penocos
- Arroyo Negro
- Los Sauces
- Camiri
- Guairuy
- La Peña - Tundy
- Río Grande
- Sirari
- Víbora
- Cascabel
- Cobra
- Puerto Palos
- Boquerón
- Yapacaní
- Enconada
- Palacios
- Patujú
- Sábalo
- San Alberto

Highlights:

- **Operator:** Repsol
- **First gas:** 2004
- **Block:** Caipipendi
- **Wells drilled:** 5
- **Current production:**
 - **Gas:** 2.3 Mm³/d
 - **Liquids:** 3,700 Bopd
- **Huacaya:** commerciality in 2009
- **First expansion:** 8.3 Mm³/d (2012)
- **Second expansion:** 14.3 Mm³/d (2013)

| MARGARITA | |
|------------|-------|
| Repsol | 37.5% |
| BG Bolivia | 37.5% |
| PAE | 25% |



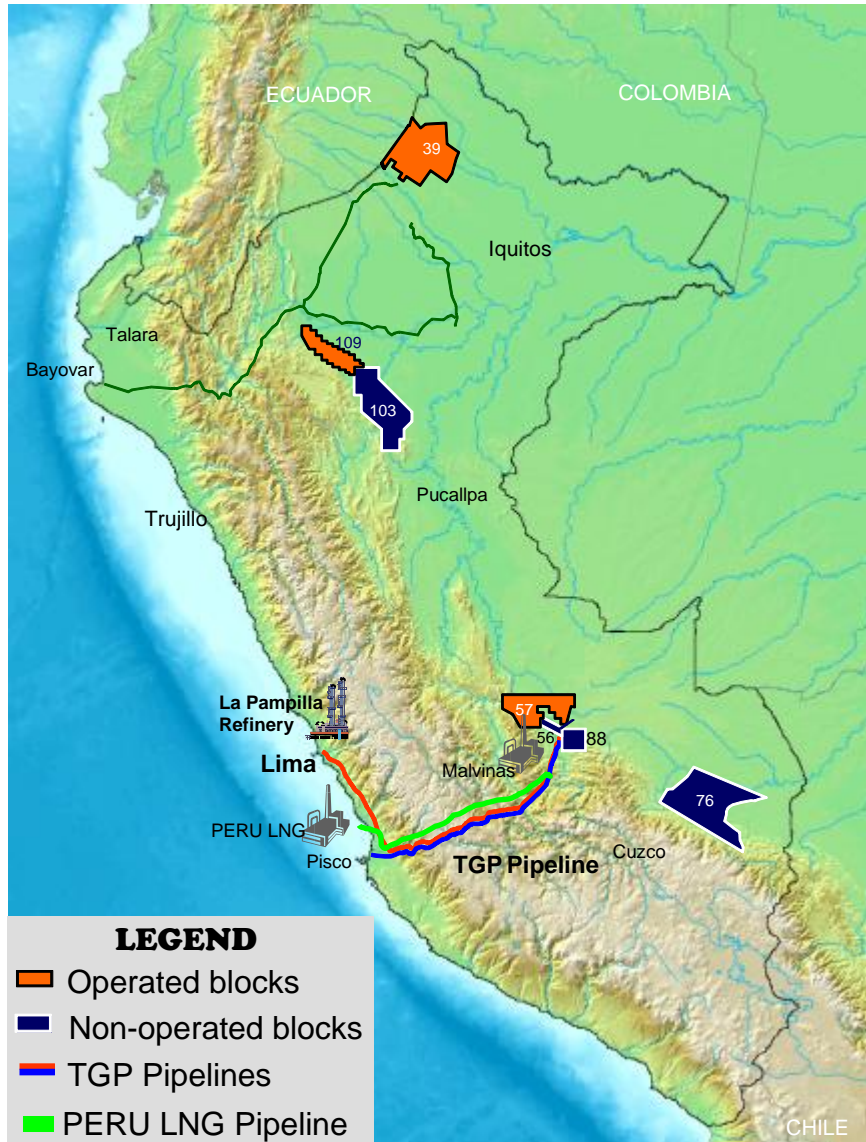


Exploration Assets

| | | |
|------------------------------|---------------------------------------|-------------------|
| 39 8,868 km ² | Repsol Conoco Phillips Reliance | 55% 35% 10% |
| 57 6,111 km ² | Repsol Petrobras | 54% 46% |
| 76 14,341 km ² | Hunt Oil Repsol | 50% 50% |
| 103 8,709 km ² | Talisman Repsol Petrobras | 40% 30% 30% |
| 109 8,998 km ² | Repsol | 100% |

Production & Development Assets

| | | |
|---|---------------------|------------|
| Camisea (56 + 88) 2,020 km ² | Pluspetrol | 27% |
| | Hunt Oil | 25% |
| | SK Corporation | 18% |
| | Sonatrach | 10% |
| | Tecpetrol | 10% |
| 57 6,111 km ² | Repsol | 10% |
| | Repsol Petrobras | 54% 46% |



Midstream Assets

| | | |
|-----------------|-----------------|------------|
| TGP | Tecpetrol | 24% |
| | Sonatrach | 21% |
| | Hunt Oil | 13% |
| | Pluspetrol | 12% |
| | SK Energy | 11% |
| | Repsol | 10% |
| | Tractebel | 8% |
| | Graña y Montero | 1% |
| PERU LNG | Hunt Oil | 50% |
| | SK Energy | 20% |
| | Repsol | 20% |
| | Marubeni | 10% |



E&P Pacific Region



Peru Oil & Gas Industry Map



Peru's Upstream Industry attractiveness



Peru's Importance for Repsol E&P



Wrap Up & Conclusions

Peru Oil & Gas Industry Map



Current Contracts:

Exploration: 66

Exploitation: 19

Drilled Wells 2010:

Total Wells: 109

Audited Production 2010:

LGN + Crude Oil (Bbl/d): 156

Natural Gas (Mm3/d): 12.1

2009 3P Reserves

Crude Oil (Mbbbls): 5,811

LGN (Mbbbls): 1,337

Natural Gas (TCF): 31

Source: Perupetro

Information updated to June 2010.

E&P Pacific Region

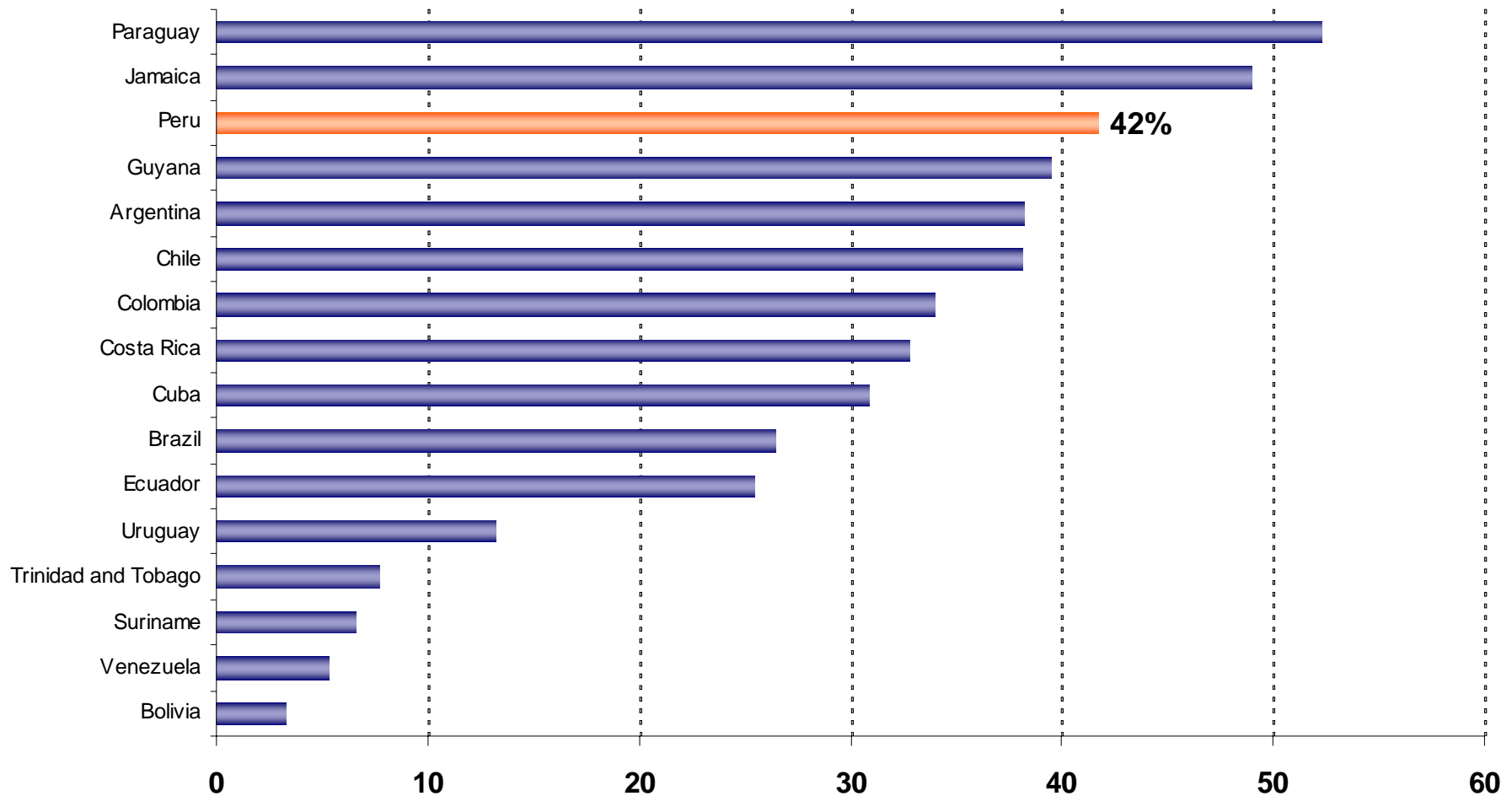
Peru Oil & Gas Industry Map

Peru's Upstream Industry attractiveness

Peru's Importance for Repsol E&P

Wrap Up & Conclusions

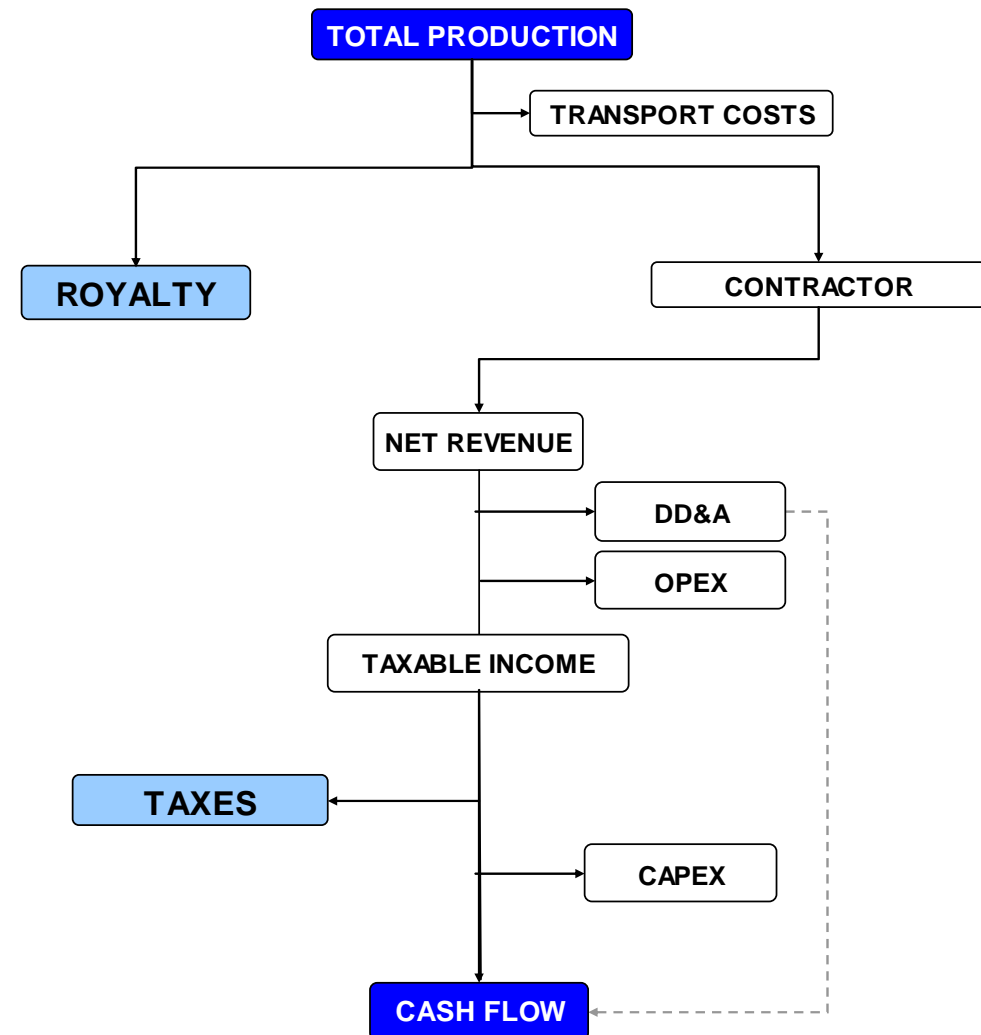
High Contractor Take:



Clear contractual structure: Concession contract

Main Features:

- Exclusive rights on acreage
- No restrictions for products destination
- Contractor:
 - Operates
 - Finances
 - Owns reserves
 - Pays royalties & taxes
- Government Take:
 - Royalties (in cash) (5% - 38%)
 - Income Tax (30% - 32%)



Why Invest in Peru?

Legal and Contractual Stability

Article 62 of the Constitution:

“Laws or legal dispositions of any class cannot modify contractual terms”

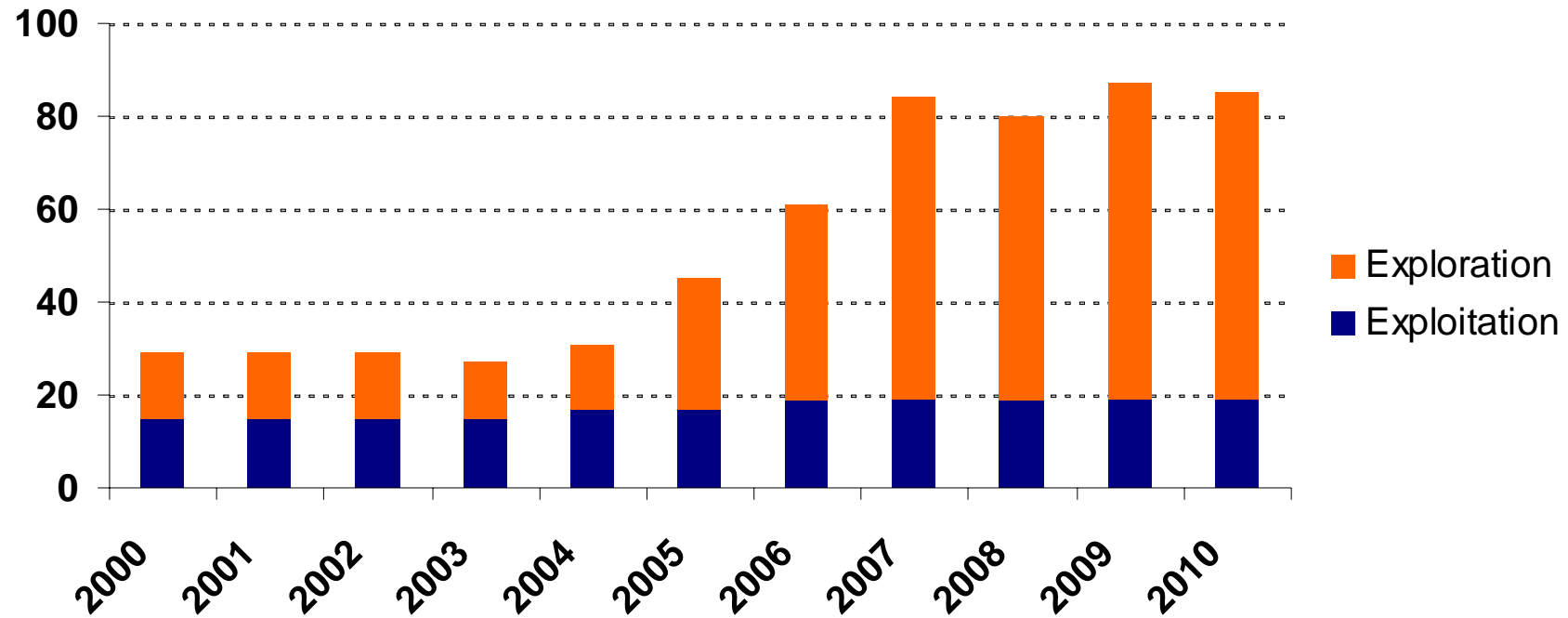
Since 1990 Peru has adopted a Market-Based economic policy:

- **6 Bilateral free-trade agreements and 5 in negotiation**
- **Pro-investment laws**
- **30 years of continuing economic policy**

Why Invest in Peru?

A promising future based on facts

E&P contracts evolution



Source: Perupetro (updated as of June 2010)

Peru's 2010 Bidding Round

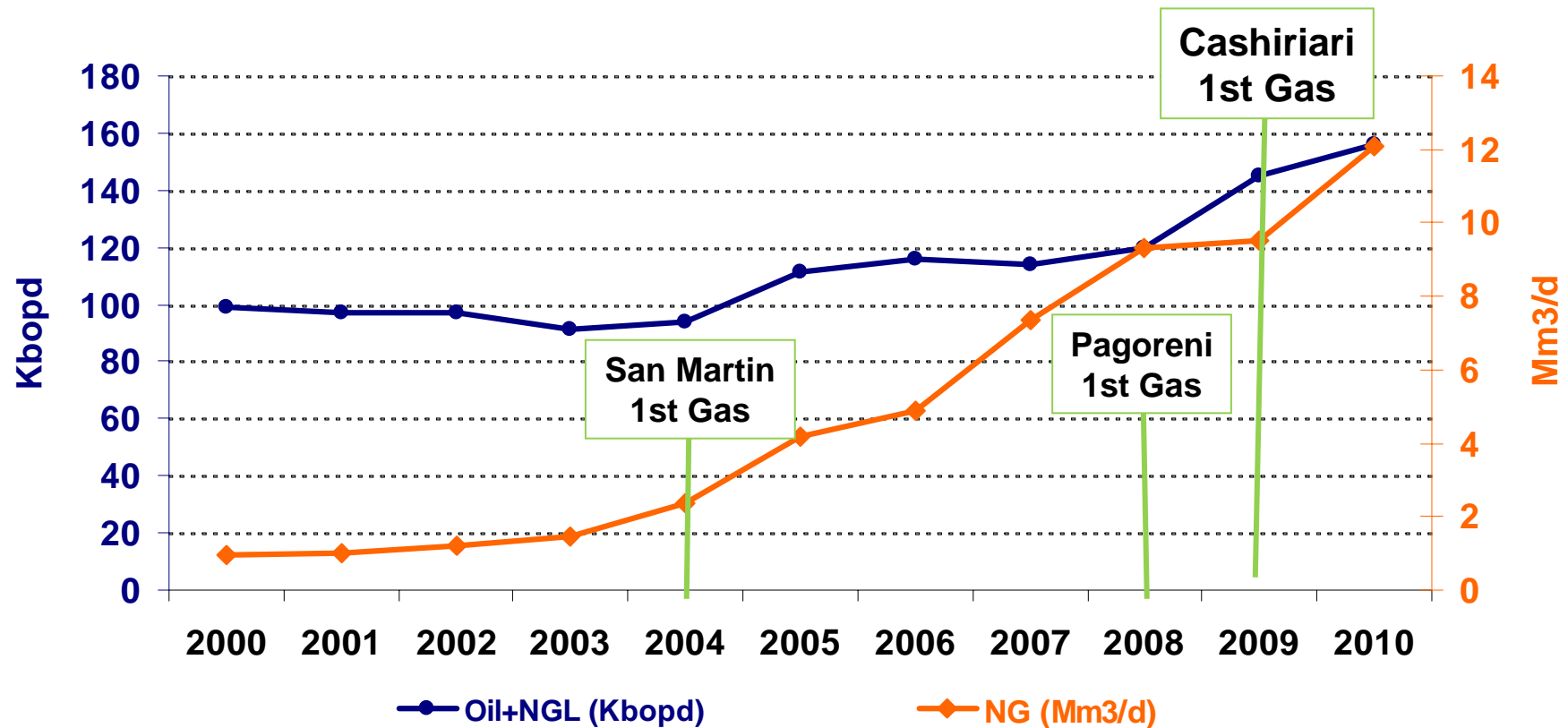


Major oil & gas companies showed interest in Peru's bid round.

Why Invest in Peru?

A promising future based on facts

Production Evolution

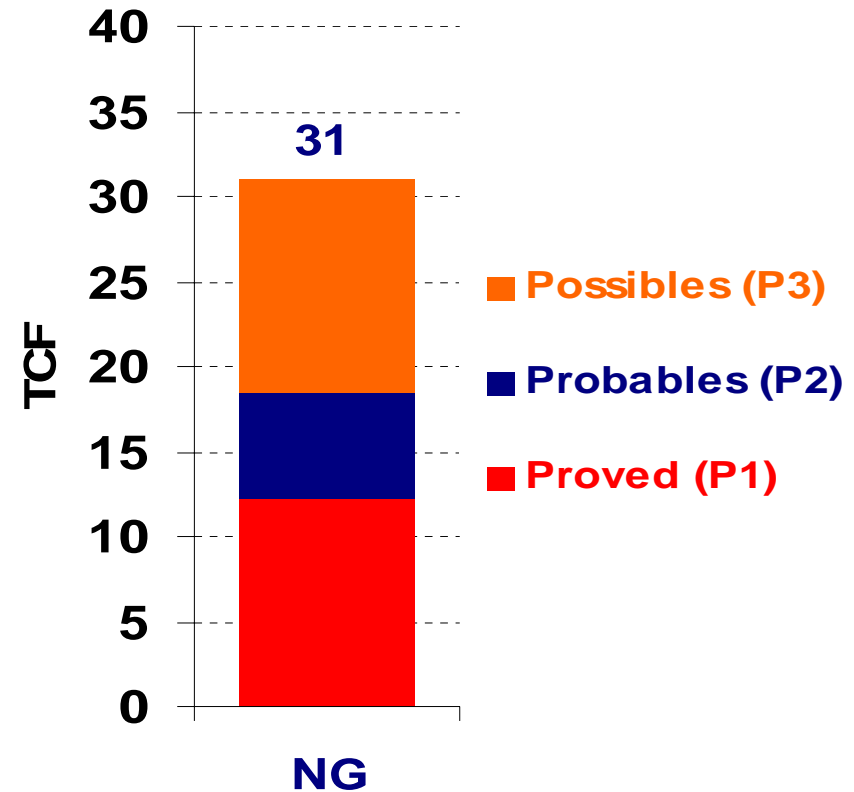
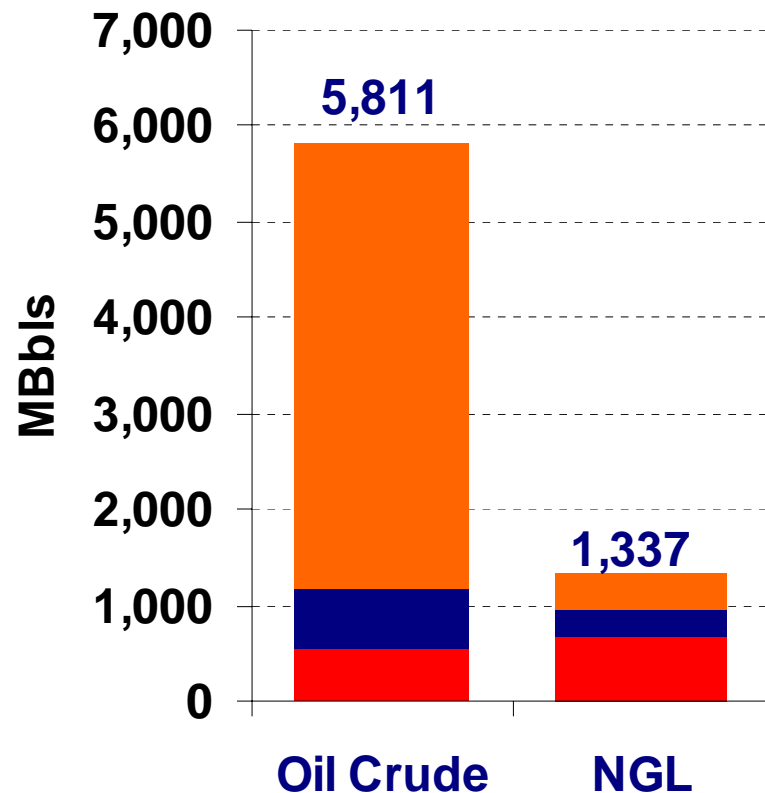


- Oil + NGL production had a 7% CAGR in last 5 years.
- Natural gas production had a 24% CAGR in last 5 years.

Why Invest in Peru?

A promising future based on facts

Reserves



3P Potential expected to be monetized with infrastructure projects, currently been boosted by central government

E&P Pacific Region

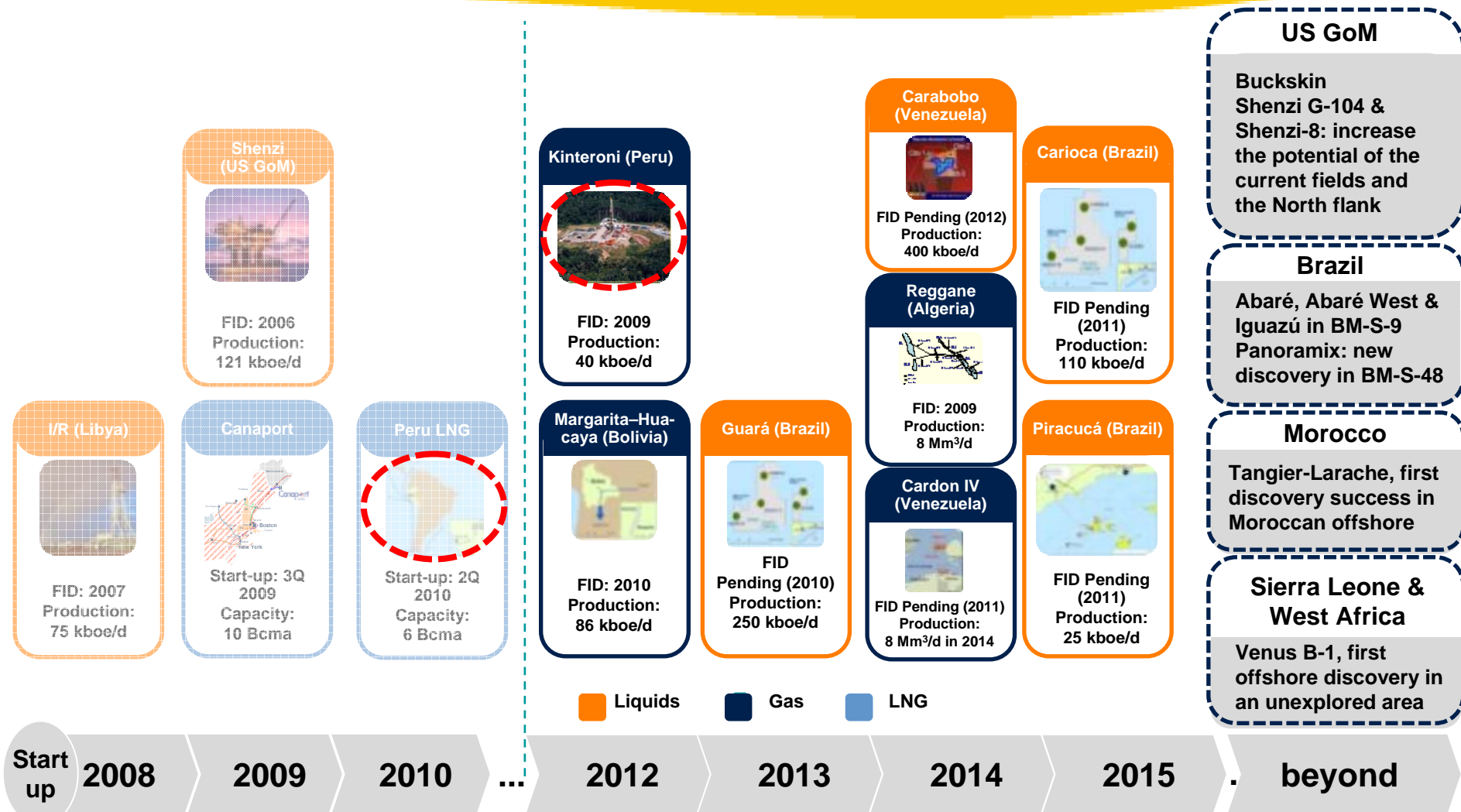
Peru Oil & Gas Industry Map

Peru's Upstream Industry attractiveness

Peru's Importance for Repsol E&P

Wrap Up & Conclusions

Strong pipeline of projects



2 out of 12 Repsol's key growth projects are in Peru

Note: All production figures indicate gross plateau production

Peru's Importance for Repsol E&P Natural Gas Value Chain (Camisea)



UPSTREAM
(Exploration & Production)



PIPELINE TRANSPORT
(NGs & LPGs)



LIQUEFACTION



LNG COMMERCIALIZATION

DOMESTIC MARKET
(NGs & LPGs)

Production (gross):
NG: 28.3 Mm³/d
NGL: 85 Kbpod

Repsol's Partners

- Hunt Oil
- SK Corporation
- Pluspetrol
- Petrobras
- Sonatrach
- Tecpetrol

Pipeline lengths
Liquid line: 535 km
Gas Line: 715 km

Repsol's Partners

- Hunt Oil
- SK Corporation
- Pluspetrol
- Sonatrach
- Tecpetrol Perú
- Tractebel
- Graña y Montero

Capacity: 4.45Mtpa
Storage: 260,000m³ GNL
Gas Line: 408 km

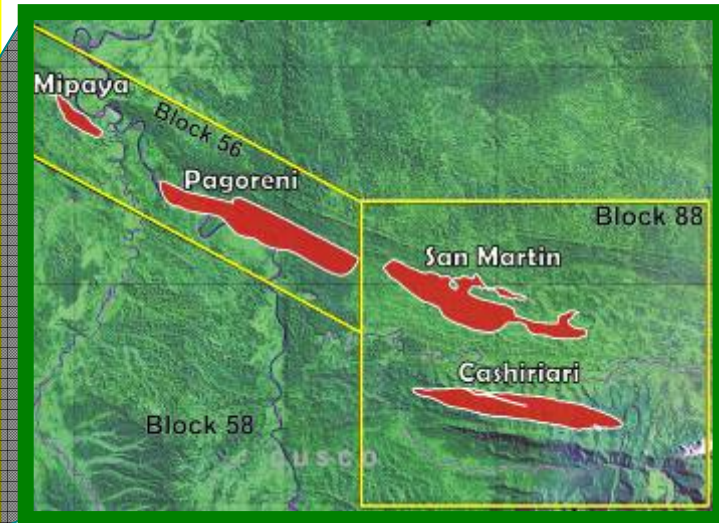
PERU LNG Partners

- Hunt Oil
- SK Corporation
- Marubeni

OFF TAKE:

100% Repsol


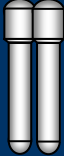


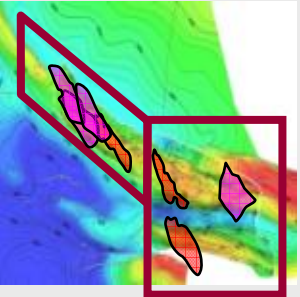
Peru's Importance for Repsol E&P Camisea Fields Location



- 56 & 88 Blocks.
- Location: La Convención, Cusco, 431 km east of Lima.

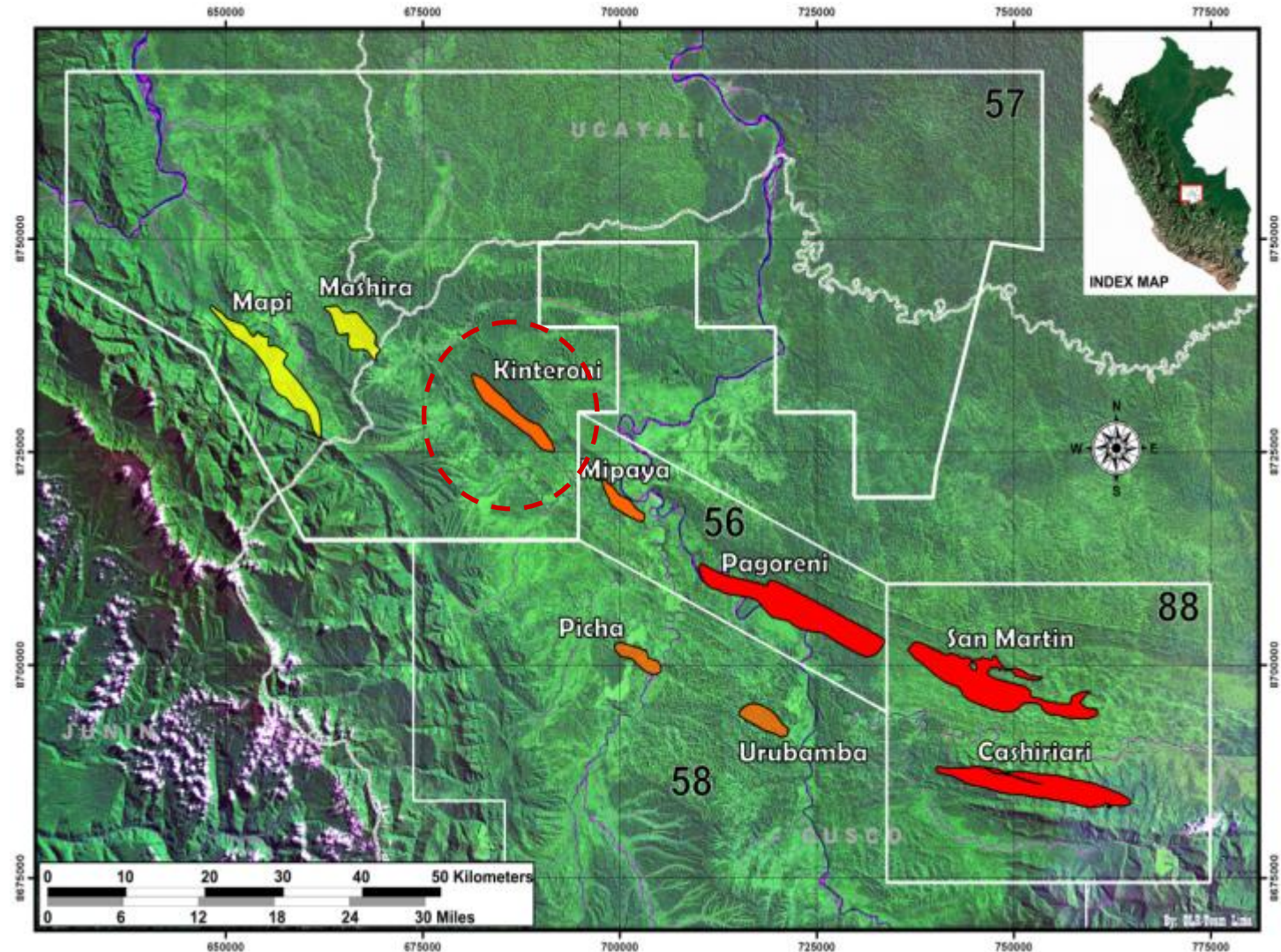
Peru's Importance for Repsol E&P

Camisea Main Current Projects

| Investments | Details | Observations |
|--|---|---|
|  <p>Malvinas Processing Plant</p> |  <p>1 x 14.7 Mm³/d</p> | <p>Before expansion: 32.8 Mm³/d</p> <p>After expansion: 47.6 Mm³/d</p> <p>Expected to come online in S2 2012</p> |
|  <p>Pisco Topping and Fractioning Plant</p> |  <p>35 kbopd</p> | <p>Before expansion: 85 kbopd</p> <p>After expansion: 120 kbopd</p> <p>Expected to come online in S2 2012</p> |
|  <p>Exploration Plan (2010-2014)</p> | <p>7 Confirmed wells</p> <p>+3 Well contingent to results</p> | <p>6 prospects to be explored</p> |

Peru's Importance for Repsol E&P Kinteroni Project Location

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



Peru's Importance for Repsol E&P Kinteroni Project Objectives

Meet the growing domestic demand for gas.

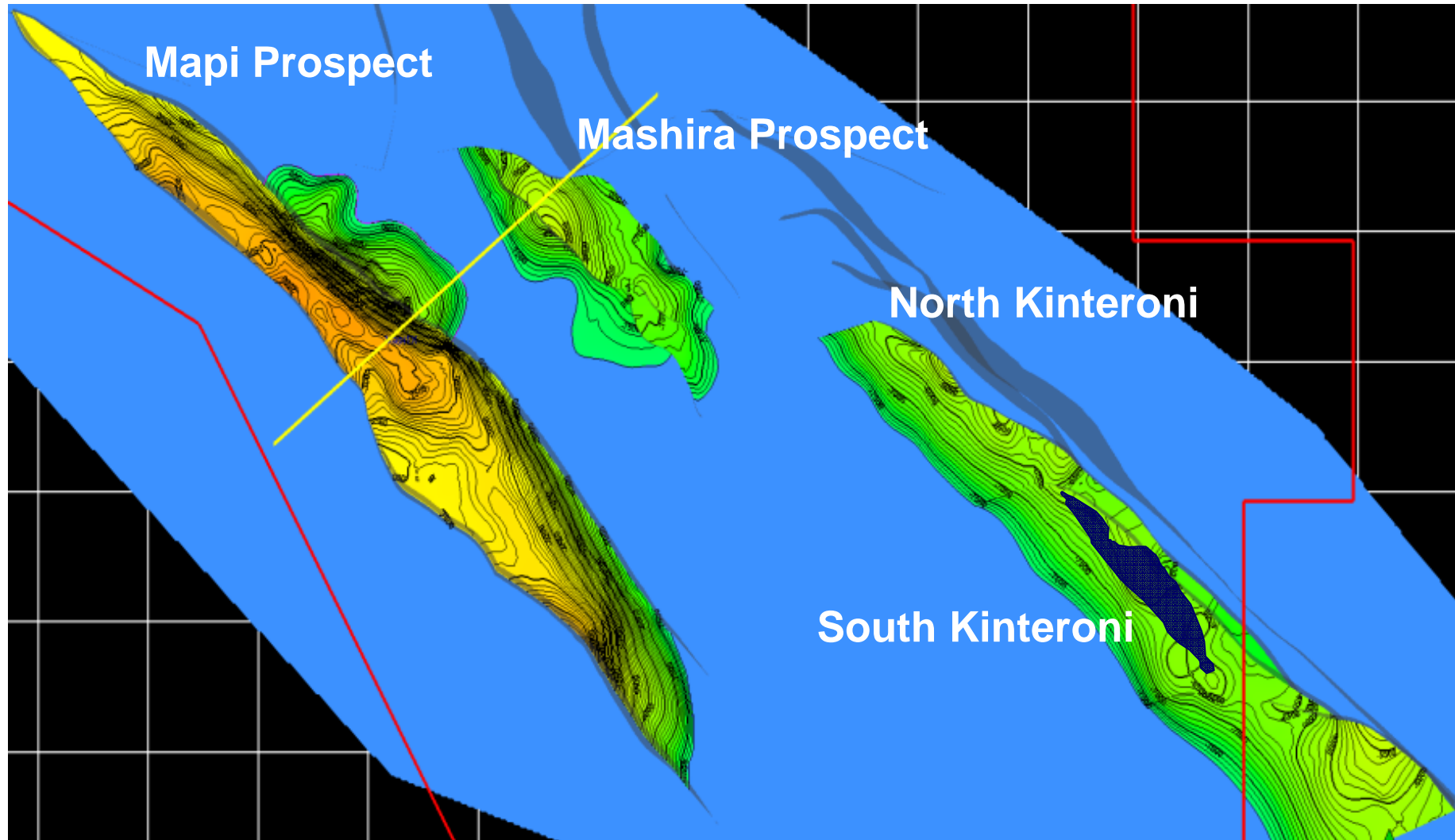
- First gas production: Second semester 2012.
- Average production: 5Mm³/d and 8.7 Kbopd.

Execute the project according best practices and global standards.

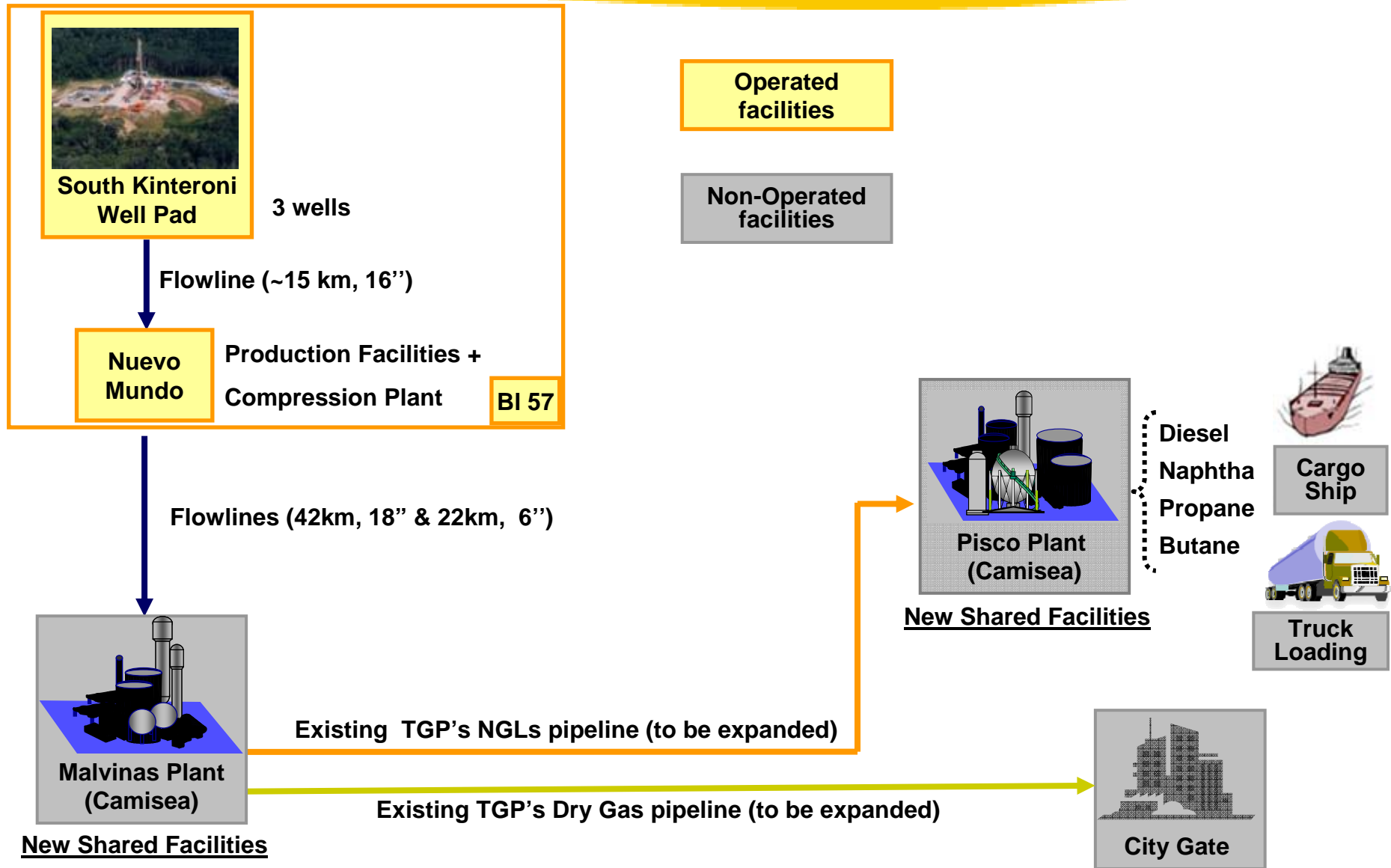


Peru's Importance for Repsol E&P

Kinteroni Project Structural Map



Peru's Importance for Repsol E&P Kinteroni Project Architecture



Synergies with Camisea Project

- Block 57 Processing Agreement.
- Block 57 Liquids Transportation Agreement.

Repsol's natural gas sales contracts

- LOI signed with Nitratos del Peru.
- 2010 Repsol's Tender.



Peru's Importance for Repsol E&P Kinteroni Native Community Social Plan

- Health
- Education
- Home improvement

- Production skills for sustainable projects



Medical Equipment



Home Improvement



Sustainable economic activities

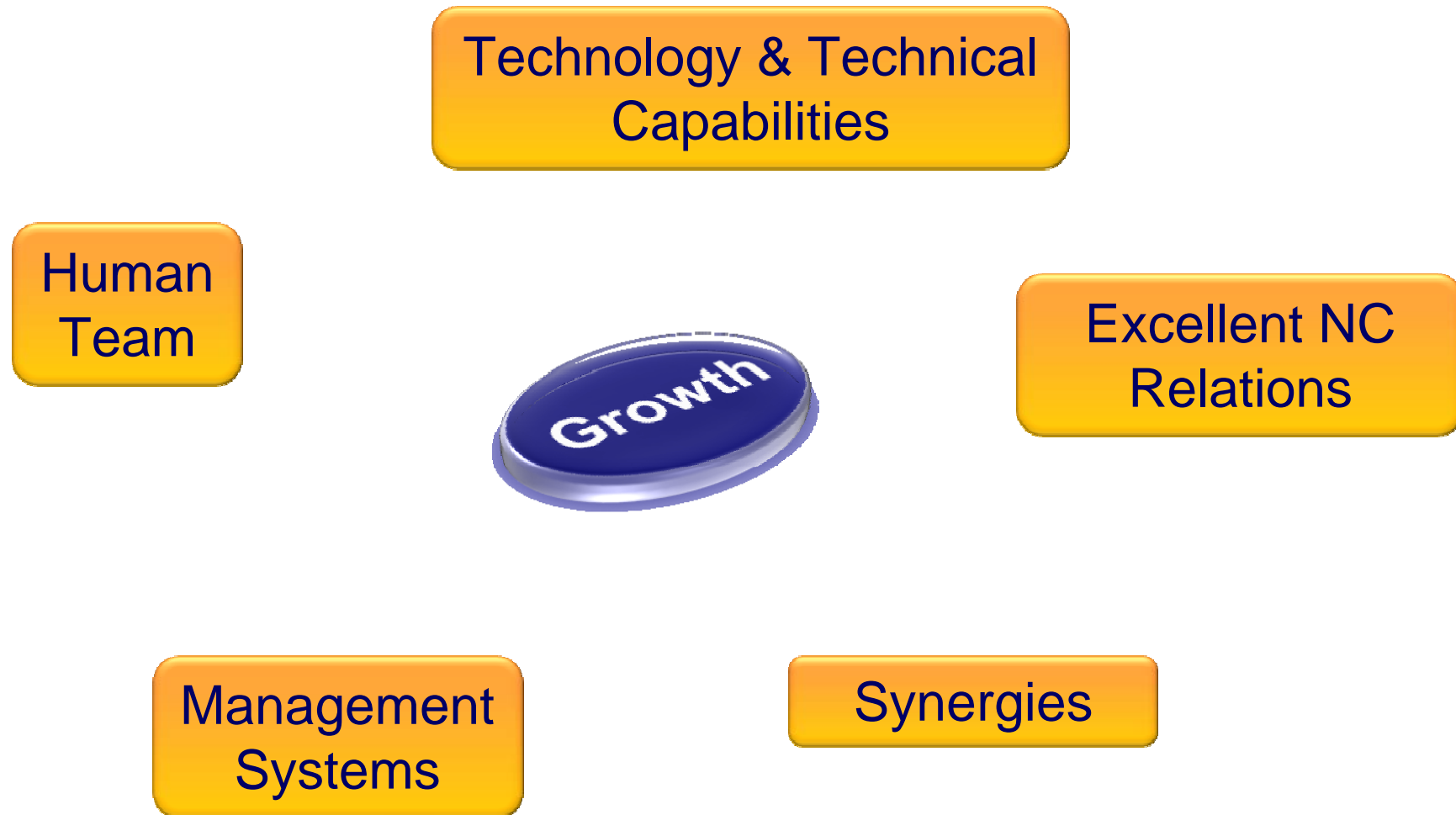


School kits



Peru's Importance for Repsol E&P

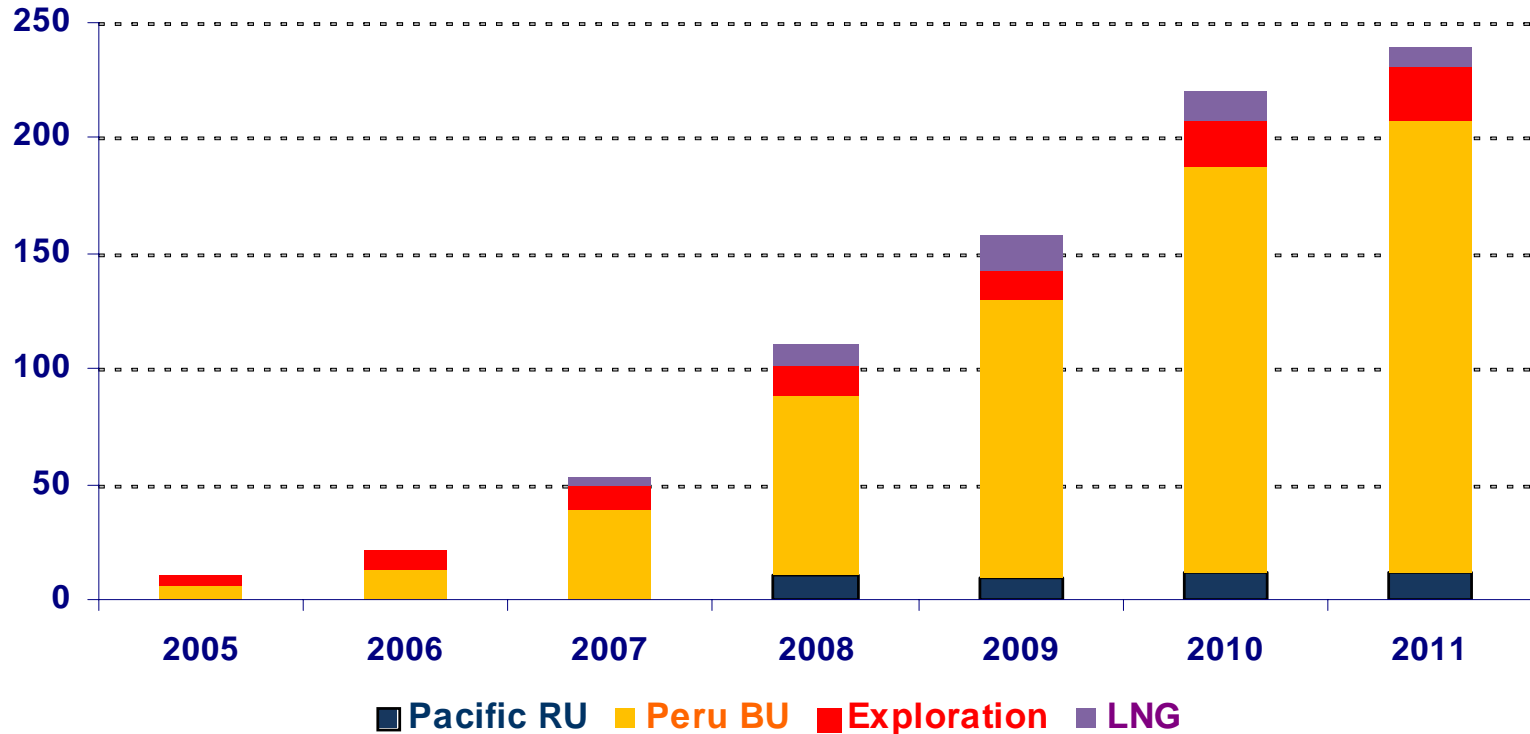
How do we face this growth?



Peru's Importance for Repsol E&P

How do we face this growth?

Human
Team



2007/2008: Blocks 39&57 enter Repsol's strategic project portfolio

2008: Regional Headquarters moves to Peru.

2009: Kinteroni Project FID

2010: Creation of an exclusive organizational structure for Kinteroni Project

Integrated Management System / ISOs, OHSAS

E&P Pacific Region

Peru Oil & Gas Industry Map

Peru's Upstream Industry attractiveness

Peru's Importance for Repsol E&P

Wrap Up & Conclusions

An Opportunity

Economic attractiveness

Contractual stability

Sustainable demand

Free market policy

Reserves potential

Public/private Infrastructure plans

A Strong Presence

7 E&P contracts (2nd largest)

Present across whole gas value chain

Excellent relations with stakeholders

A Promising Future

2012 Kinteroni first gas

Mapi & Mashira exploratory plan

Block 39 exploratory plan

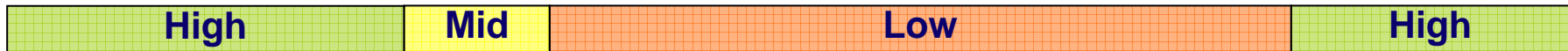
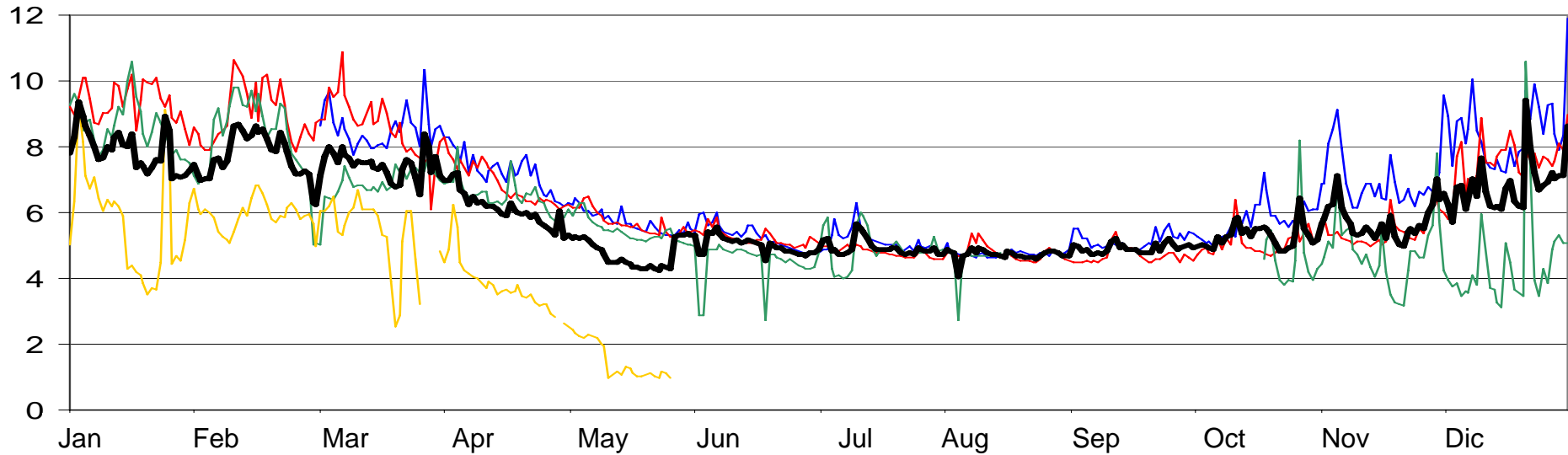
3 additional exploratory blocks

An Opportunity

A Strong Presence

A Promising Future

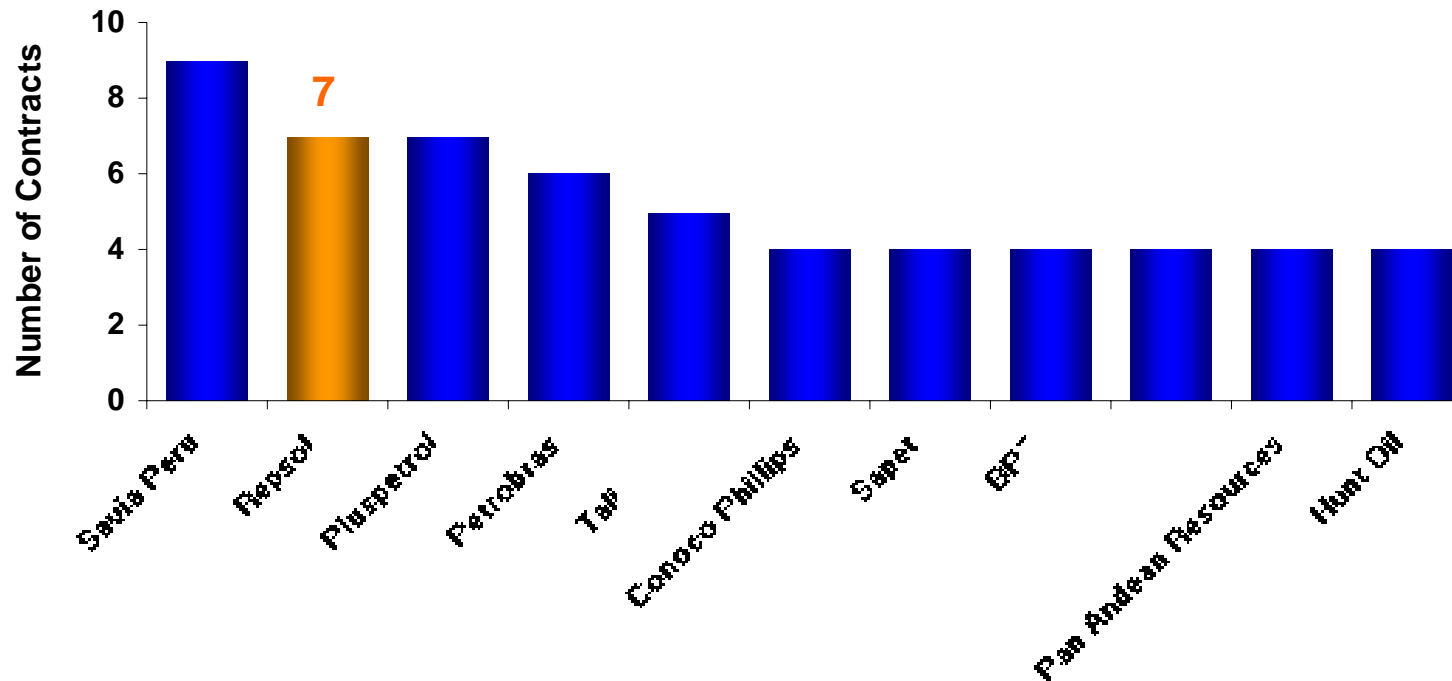
Urubamba River level (feet)



Why Invest in Peru?

A promising future based on facts

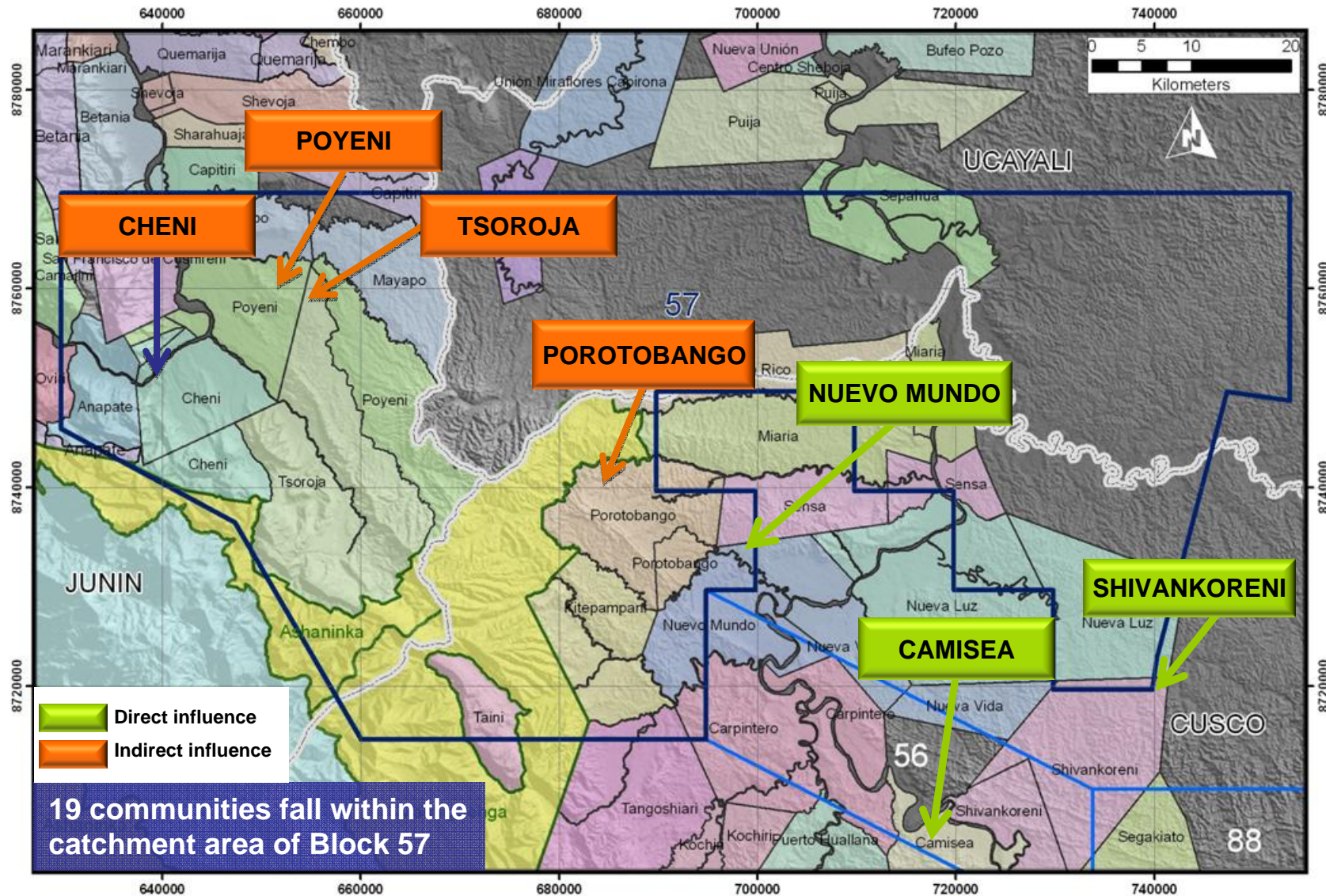
Repsol's strong positioning in the E&P industry



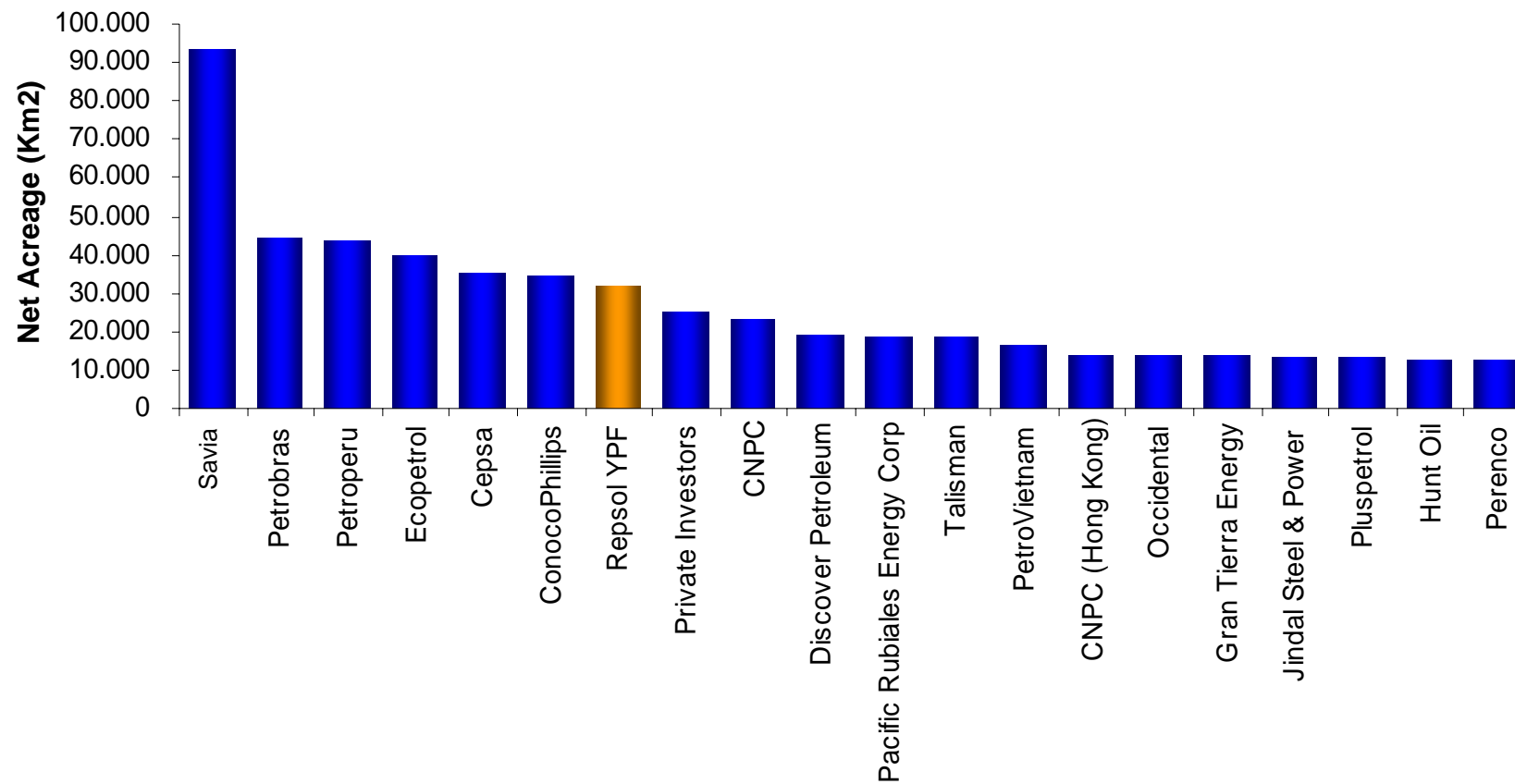
- Ecopetrol, Perenco, Reliance, SK have interests in 3 blocks.
- Other 40 companies have interests in 3 or less blocks.

Peru's Importance for Repsol E&P

Kinteroni Native Communities in influence area



Peruvian Net Acreage by Companies



Source: Wood Mackenzie 2009



Peru Field Trip September 2010

Upstream Peru

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