

Field Trip November 2011

Upstream Bolivia

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Welcome to Santa Cruz de la Sierra, Bolivia!



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REPSOL WORLD WIDE AND IN THE SOUTHERN CONE



REMARKS ABOUT BOLIVIA



WHY IS BOLIVIA ATTRACTIVE FOR E&P ACTIVITIES?



REPSOL IN BOLIVIA



REPSOL BOLIVIA STRATEGIC PLAN



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Repsol a leader in Bolivia as E&P Operator as well as natural gas producer

Repsol Bolivia



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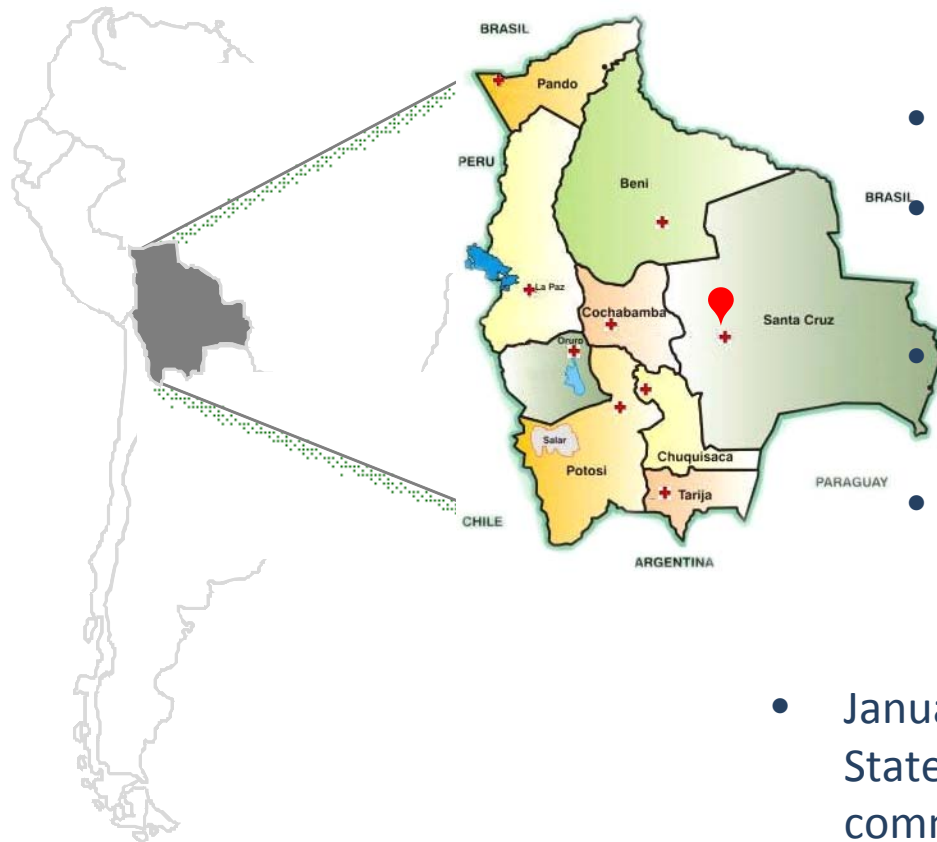


Remarks about Bolivia



“Estado Plurinacional de Bolivia”

“Bolivian Plurinational State”



- Independent since 1825
- Population: 10 Million people (almost 50% strong indigenous background)
- Last 20 years of democratic elections and consolidation of democracy
- Evo Morales first indigenous president elected in 2005 and reelected in 2009 with 64 % of support
- January 2009: New Bolivian Plurinational State Constitution (integrating 36 communities)
- Organized in 9 departments (provinces), whose governors, are directly elected



Remarks about Bolivia



Economical & Political Data ⁽¹⁾

- GDP 2010 → \$20 billion
- GDP Growth rate → 4,13 %
- CPI 2010 → 7,18%

- Unemployment → 6,5%

- External Debt 2010 → \$3 billion
- Total public Debt 10 → \$8 billion
- Total debt / GDP → > 40%
- Investment/GDP → 14,8%



Source:
(1) Instituto Nacional de Estadística.



Remarks about Bolivia



Oil and Gas data

- Total Production → 302 KBOE/d
- Internal consumption → 103 KBOE/d
- Current NG Production → 45 Mm3/d
- Current NG Export → 36 Mm3/d
- Reserves (P1) → ~10 TCF
- Energy Matrix → Relay on HC's and Biomass



E&P Main Operating Companies

Repsol
 BG
 PAE
 YPFB Chaco
 Pluspetrol

YPF Andina
 Petrobras
 Total



Source:
 (1) Instituto Nacional de Estadística.



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Why is Bolivia attractive for E&P activities?



- Geological Characteristics of Bolivia

- Regulatory Framework Progress

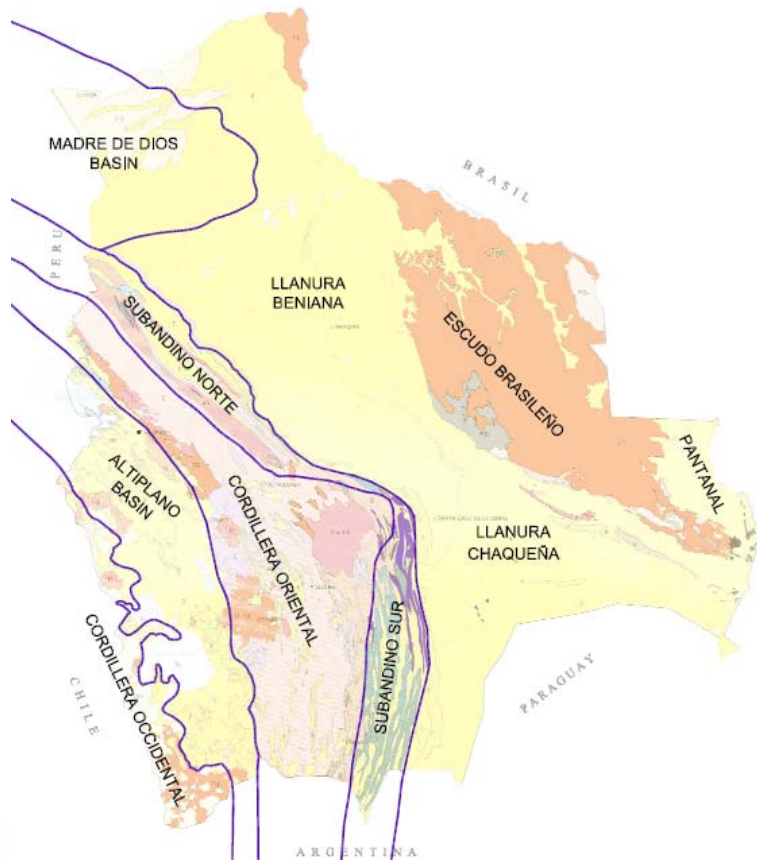
- Market and Prices



Geologic Characteristics



Bolivian Sedimentary Basins and Contract Areas



Attractive Geological Characteristics of Bolivia

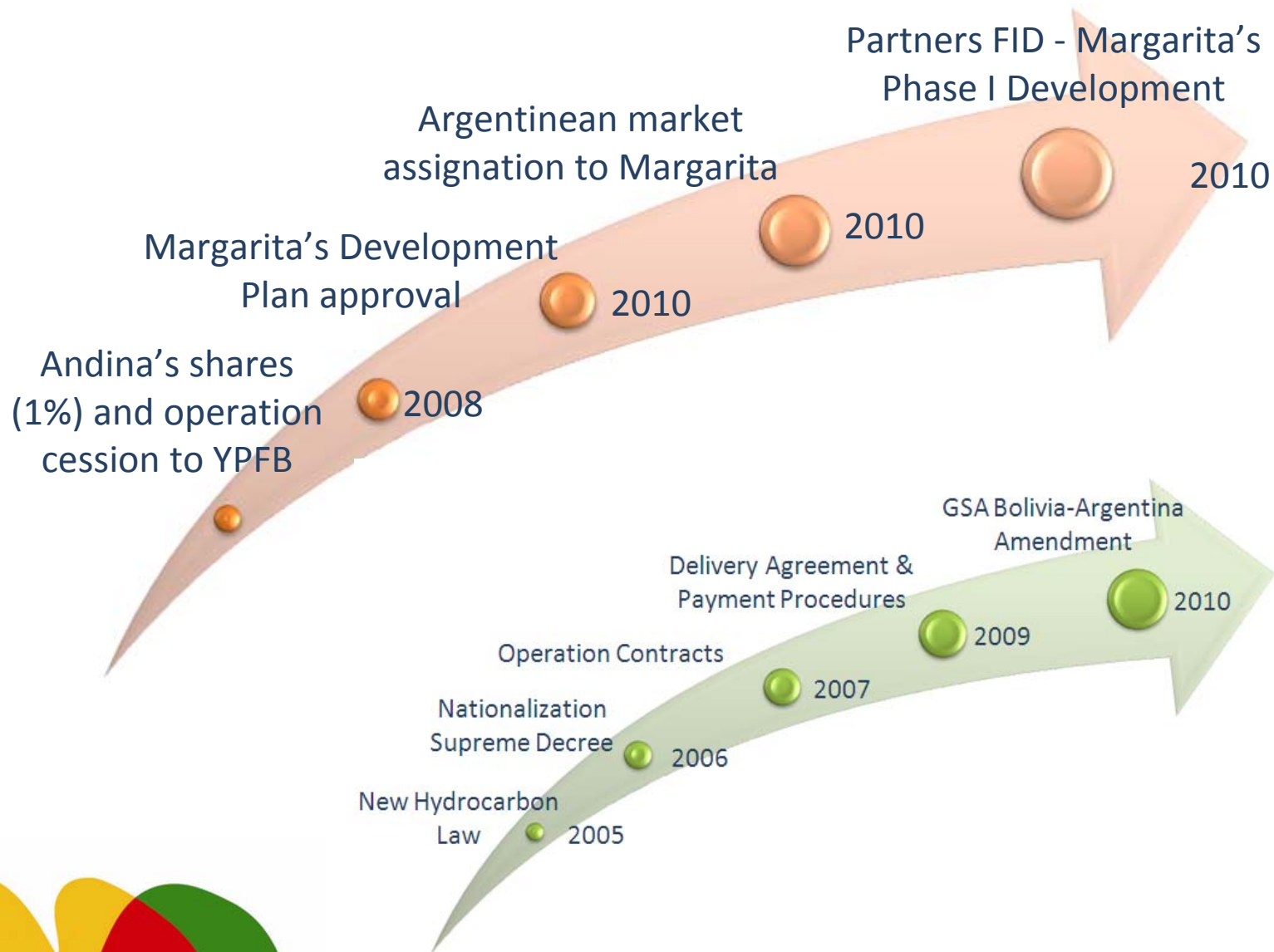
- Known and proven sedimentary basins already identified.
- Basins successfully explored and developed in the past 20 years.
- Subandean thrust belt basin with important remaining gas opportunities, both, conventional and unconventional.
- Growth in knowledge. Repsol's team highly experienced.



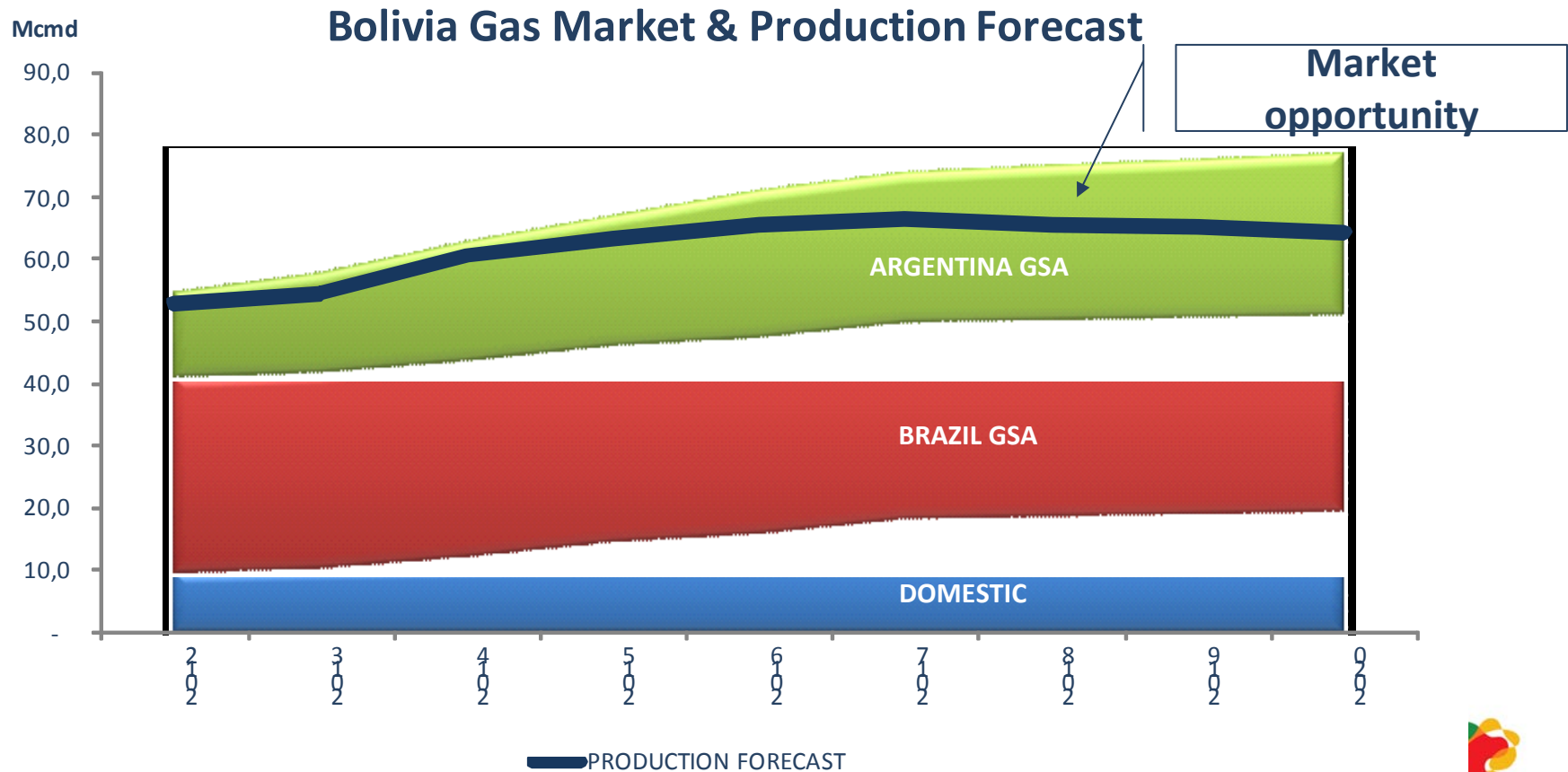
Progress on regulatory framework



Progress on Repsol's business



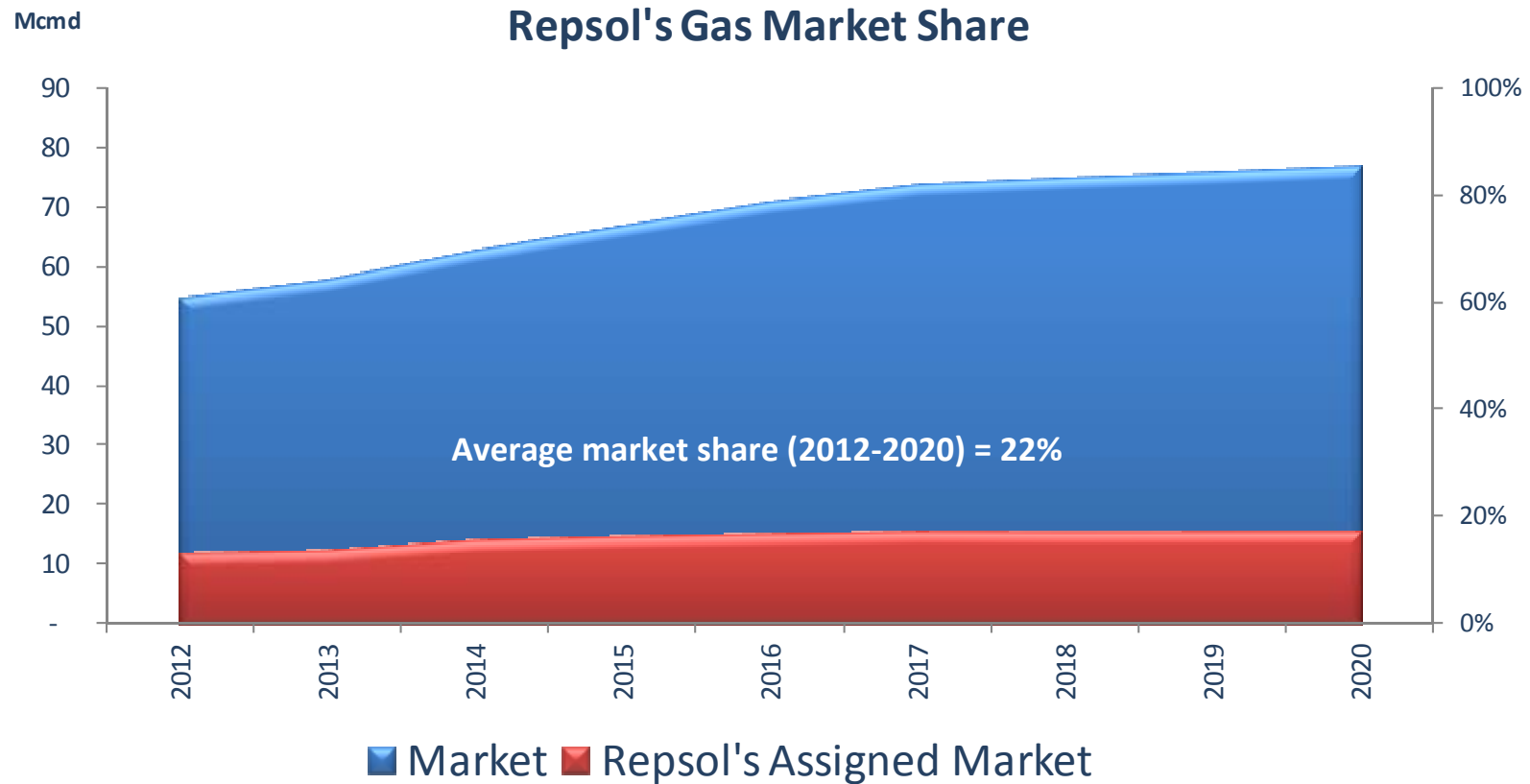
Gas Markets and opportunities



Note: Production forecast based on defined development projects, does not include exploration prospects.



Gas Markets and opportunities



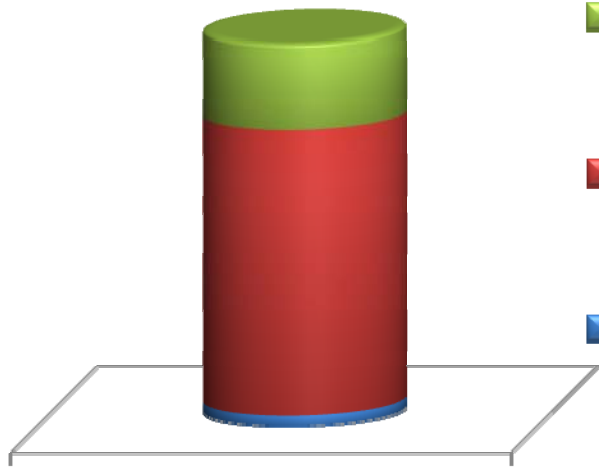
Note: Assigned Market includes: 37.5% Caipipendi + 48.9% YPFB Andina.



Gas Prices: Bolivia's average



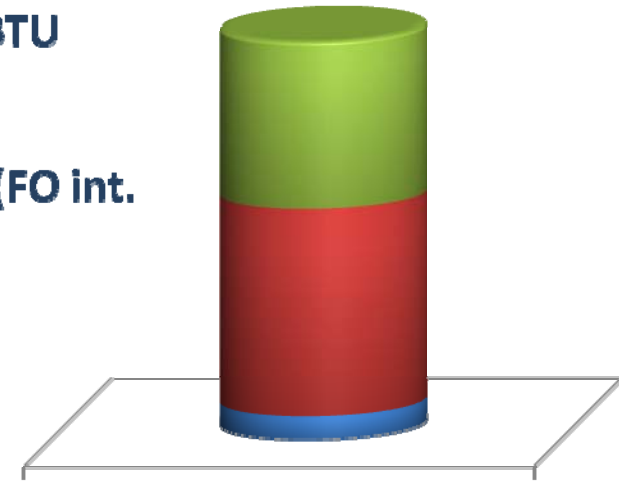
7,57 USD/ MBTU



2011 Price Mix

- Argentina GSA - 10,7 USD/MBTU (f(FO and Diesel int. Prices))
- Brazil GSA - 8,8 USD/MBTU (f(FO int. Prices))
- Domestic - 1,0 USD/MBTU - Regulated

7,92 USD/ MBTU



2015 Price Mix



* 2015 Average price considers the current gas prices with the 2015 market distribution



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Our assets

Repsol YPF E&P Bolivia S.A.

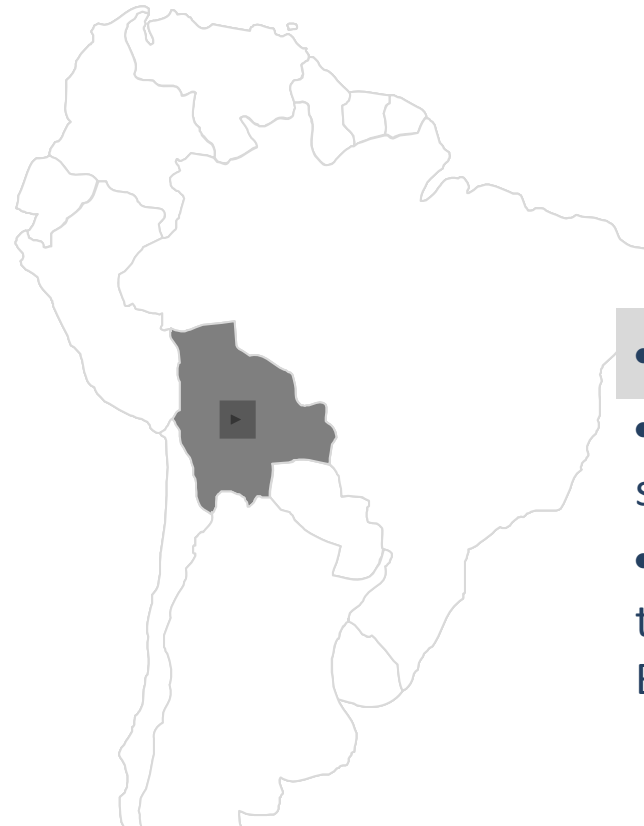
- 3 Operation Contracts⁽¹⁾



Most relevant asset



37,5% Caipipendi Area
(Margarita & Huacaya)



48,9% shareholder of
YPFB Andina S.A.

- 21 Operation Contracts.
- 24,5% JV gas compression service to Brazil market.
- 21,8% Transierra gas transportation service to Brazil market.

REPSOL BOLIVIA
Value Drivers

MGR Project



- Increasing Caipipendi Contract Area production from 3 Mm3d to 14 Mm3d to supply Brazilian and Argentine markets

YPFB Andina



- 49.8% shareholder of YPFB Andina, the largest Bolivian gas producer and the major government subsidiary company

Exploration



- Active participation in exploration activities through YPFB Andina and searching for new areas of interest

Production



- Contributing to Bolivian production with more than 9.0Mm3d currently and 16 Mm3d by 2014.

⁽¹⁾ 3 other Operation Contracts are in disinvestment process approval

Our numbers today



Our Activities are based on safety values, people's health and environmental protection

- **N° of MH without lost time incidents** **> 10.000.000**
- **2011 WI Oil & Gas Production (BOE D)** **67.900⁽¹⁾ – 22% of Bolivian Production** ■
- **2011 Net Oil & Gas Production (BOE D)** **22.050⁽¹⁾**
- **WI Proven & Probable Reserves (MBOE)** **605⁽²⁾ – 23% of Bolivian Reserves**
- **Net Proven & Probable Reserves (MBOE)** **159⁽²⁾**
- **Investments 2010 – 2014 (MUSD)** **640**

(1) Average Production Jan – Sept 2011. Net production based in economic interest of PSC
(2) As of September 30th, 2011



Our people



Committed and motivated employees

- New office in Santa Cruz: open spaces, new culture.
- Policy of encouraging communication and participation.
- Life Quality approach: “Healthy Company” certification recently obtained.



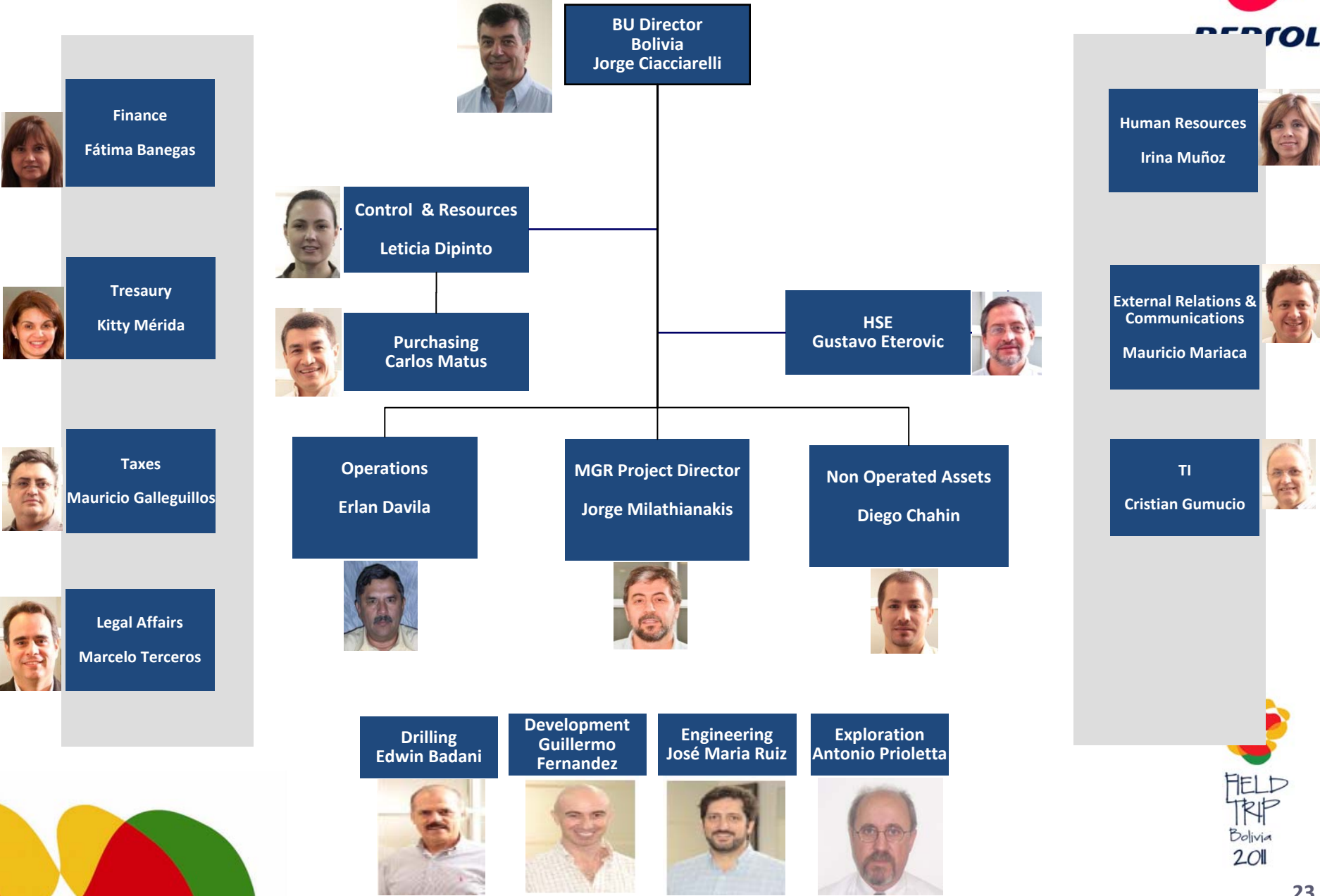
- **Repsol’s own working force → 212 people**
- **Indirect employment → 3.350 people ⁽¹⁾**



⁽¹⁾ As of September 2011



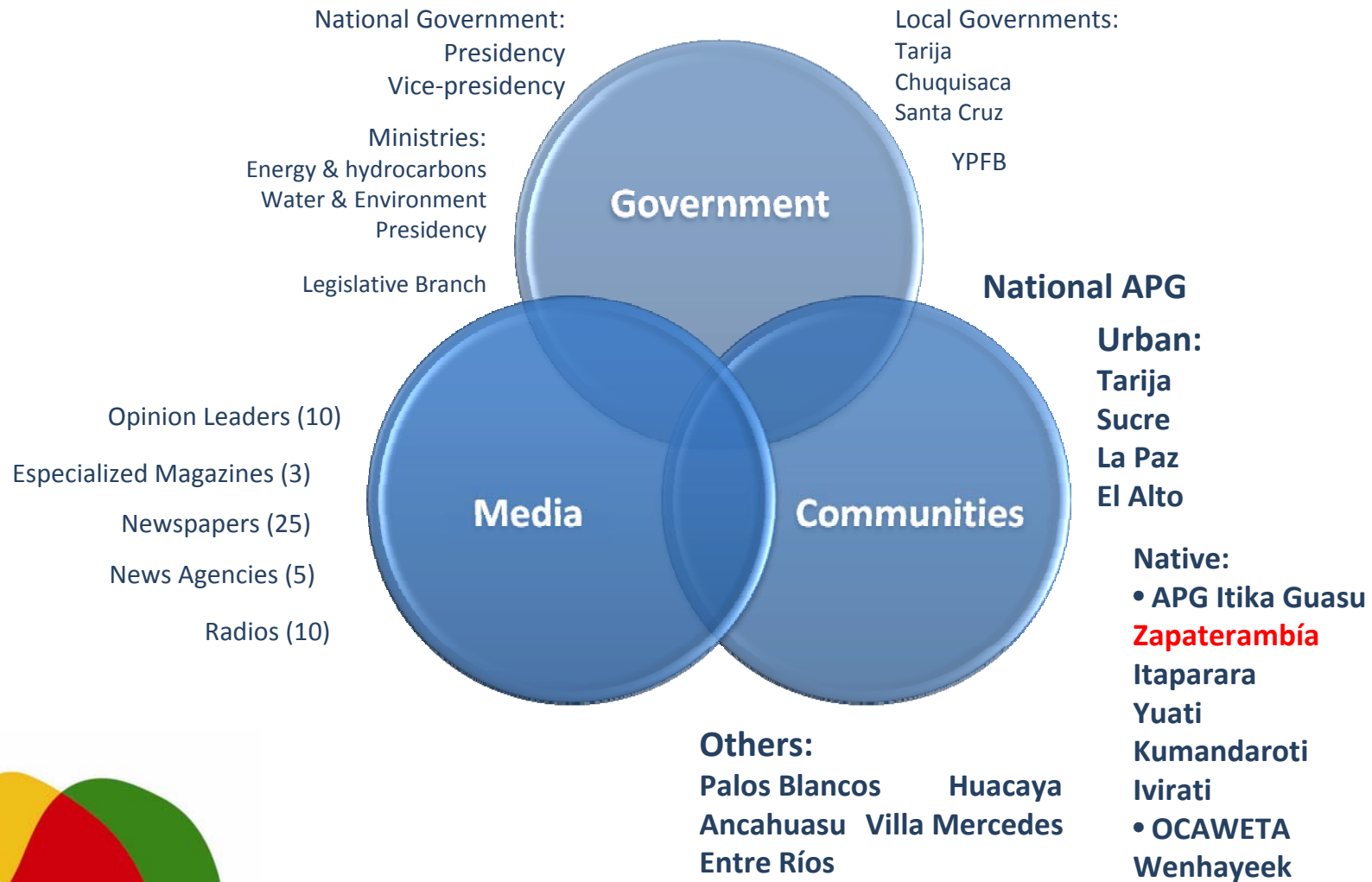
Our Management Team



Our community relations & social responsibility



Solid relations with the government, media and communities of influence



Our community relations



In December 2010 Repsol Bolivia signed a “Friendship and Cooperation Agreement” with the APG IG (Guarani Nation Assembly).



- Agreement **unique** in its kind in Bolivia.
- APG IG commitment to **promote and facilitate Margarita’s Development.**
- Investment Fund for **health, educational and projects for self-sustaining.**



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Repsol Bolivia strategic plan

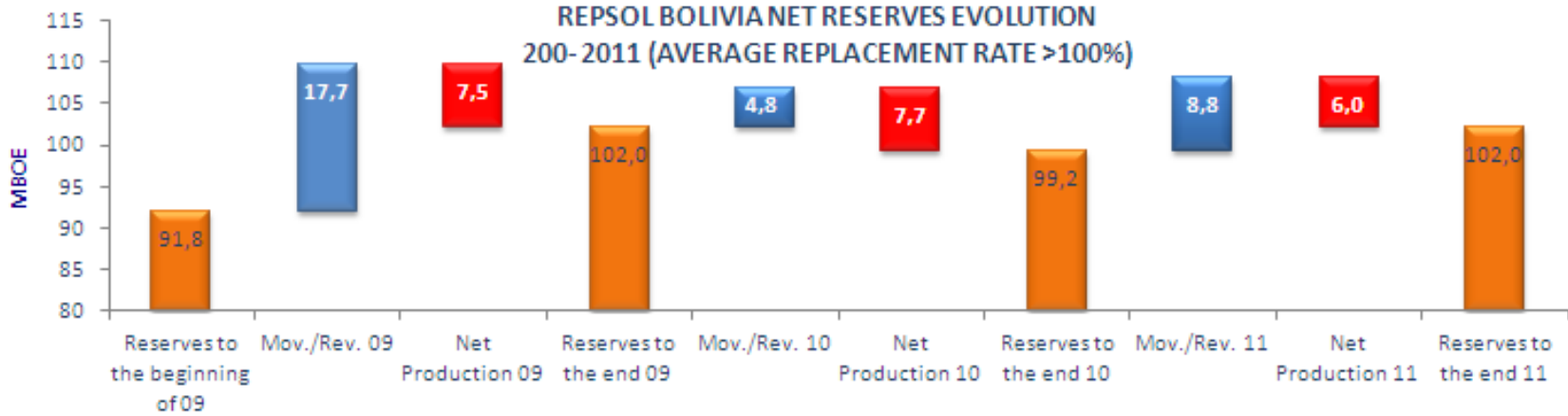
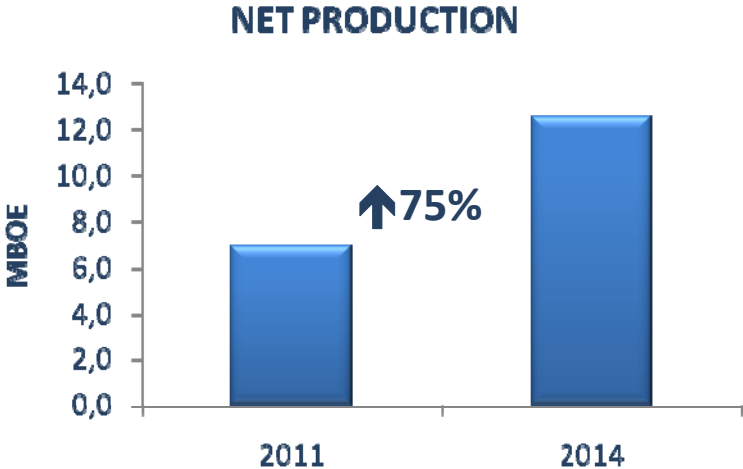
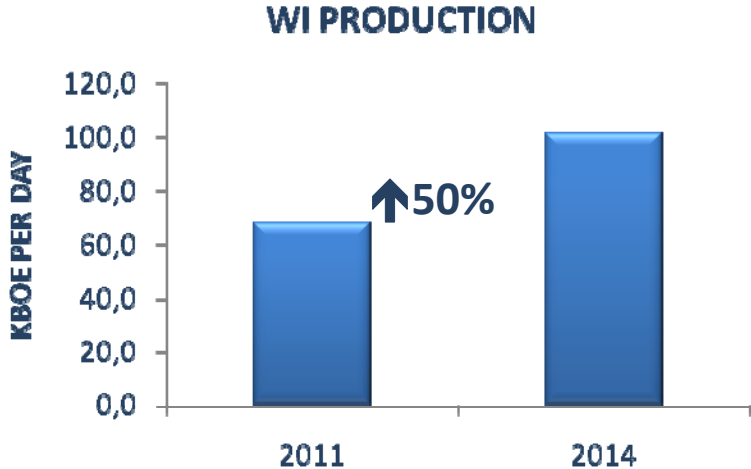


Maximize the profitability with the highest quality levels

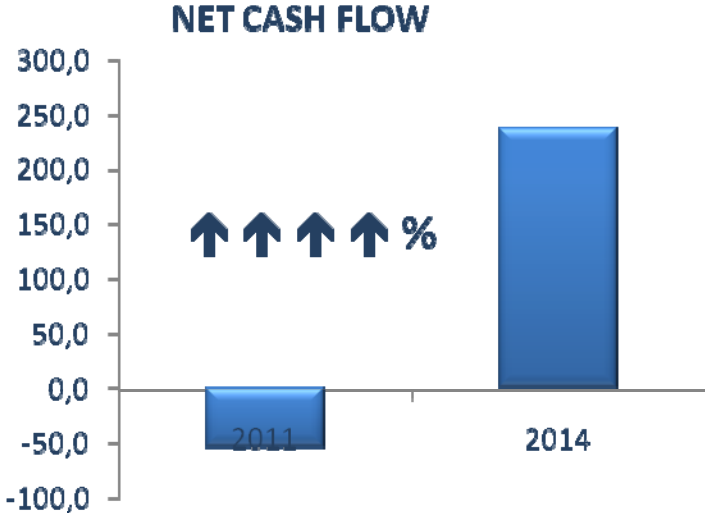
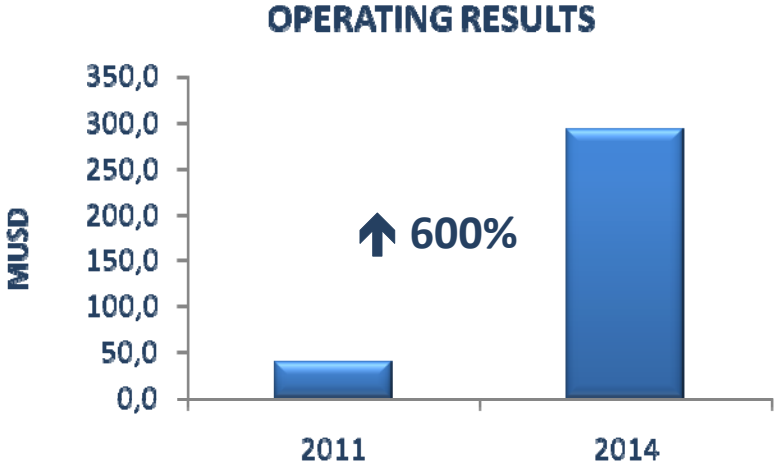
- Achieving production milestones for Phase I and II of Margarita Field.
- Meeting production increase targets on Non-Operated fields, like Sabalo, San Alberto and Yapacani through YPFB Andina.
- Non-strategic assets disinvestment process.
- Project , operations and facilities quality assurance.



Repsol Bolivia strategic plan



Repsol Bolivia strategic plan



	2010- 2014
CAPITAL EXPENDITURES	640 MUSD



Repsol Bolivia strategic plan



Maximize profitability with the highest quality levels



- Potential development in the north of Huacaya (3D Seismic during Phase II).
- Exploratory potential in the south of Margarita with considerable gas resources.
- Exploratory work through YPFB Andina: Sararenda, Carohuaicho 8D.
- New exploratory areas.



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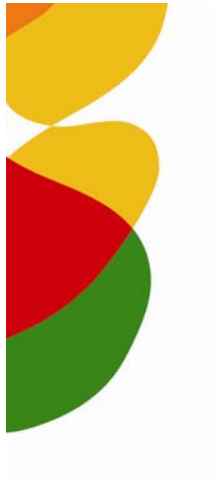
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Wrap Up





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