

REPSOL
YPF

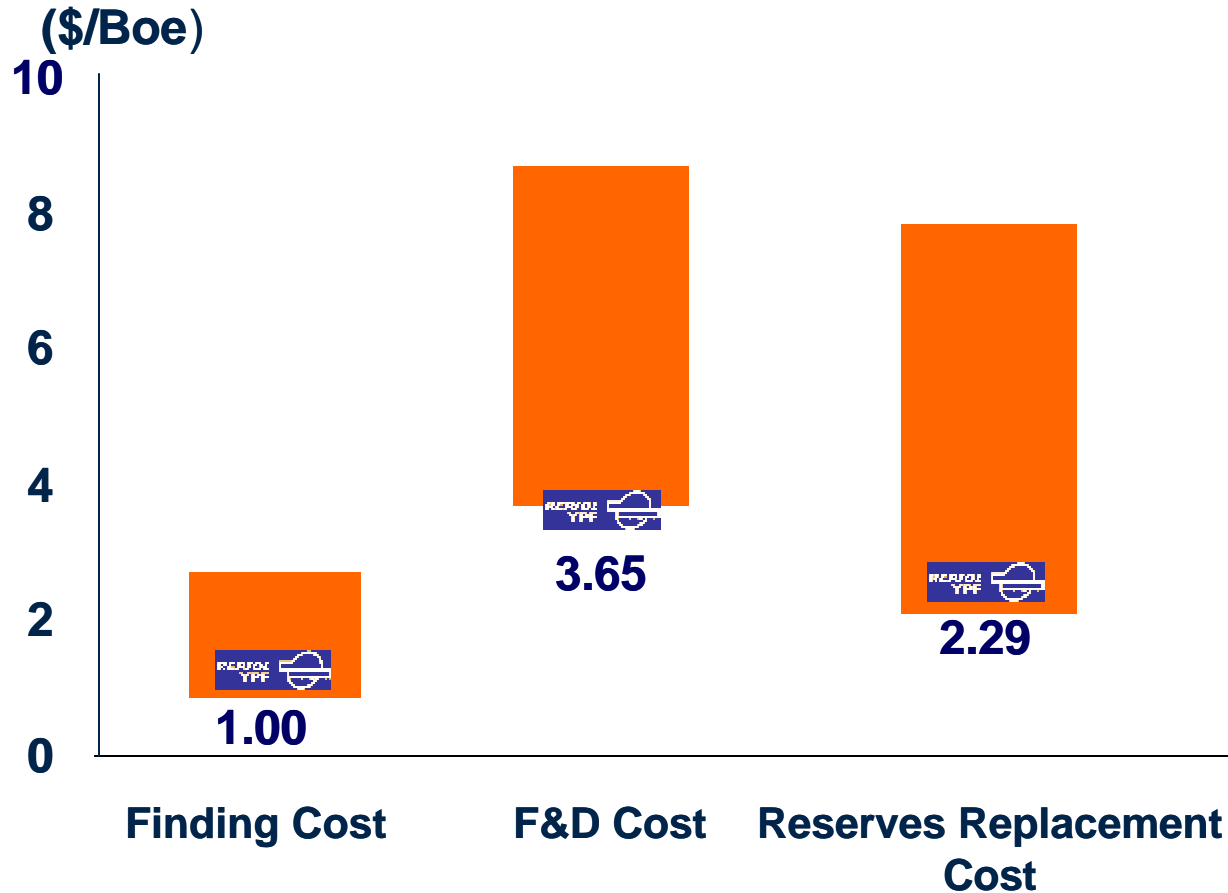


UPSTREAM

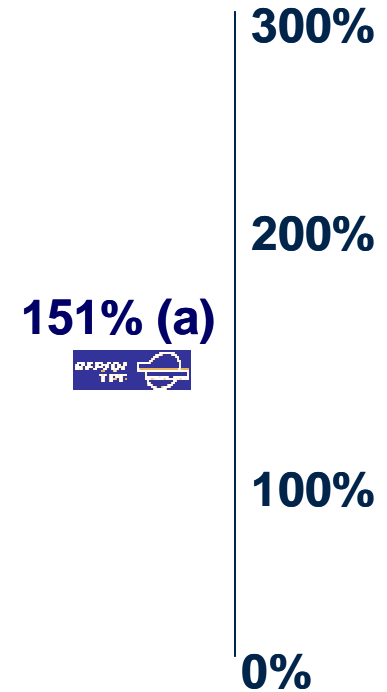
September 15, 2003

Exploration & Production

Cost Efficiency



**Repsol YPF's Total Production
2000-2001-2002 Average
Replacement Index**



**(a) 97% Without
acquisitions or
divestments**



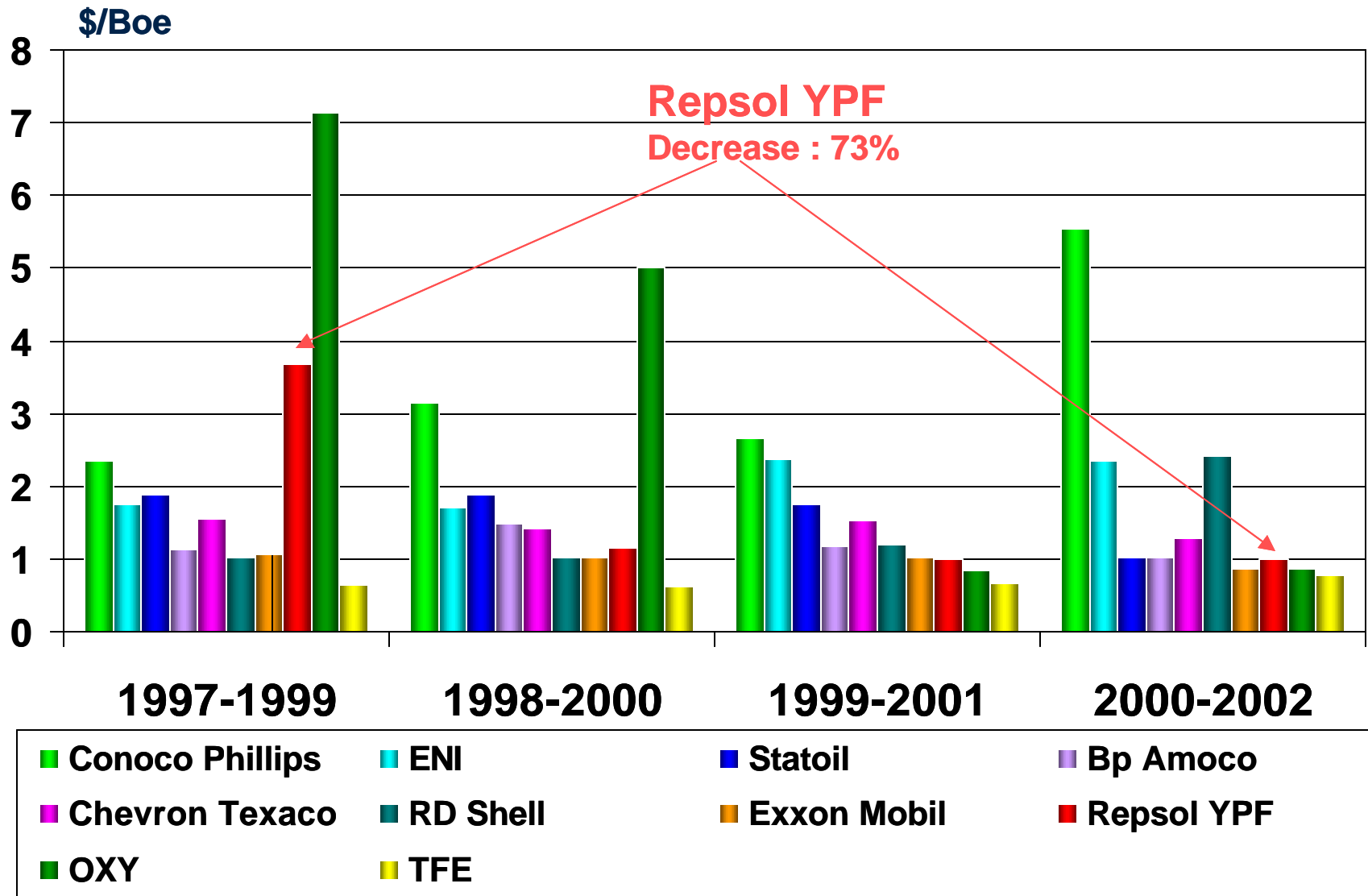
Industry range 2000-2001-2002 Average



Repsol YPF 2000-2001-2002 Average

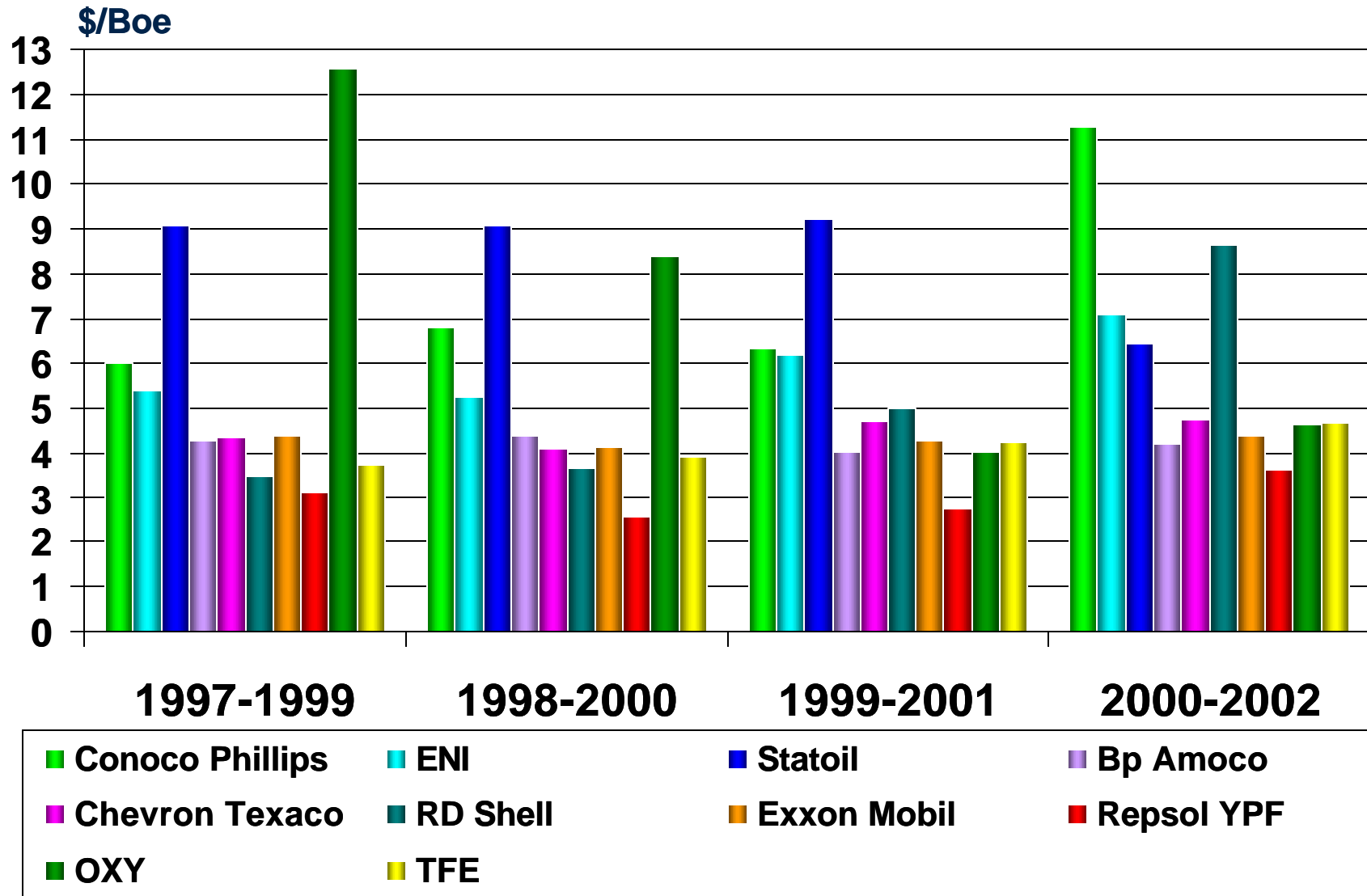
Source: PFC

Finding Costs (3-years moving average)

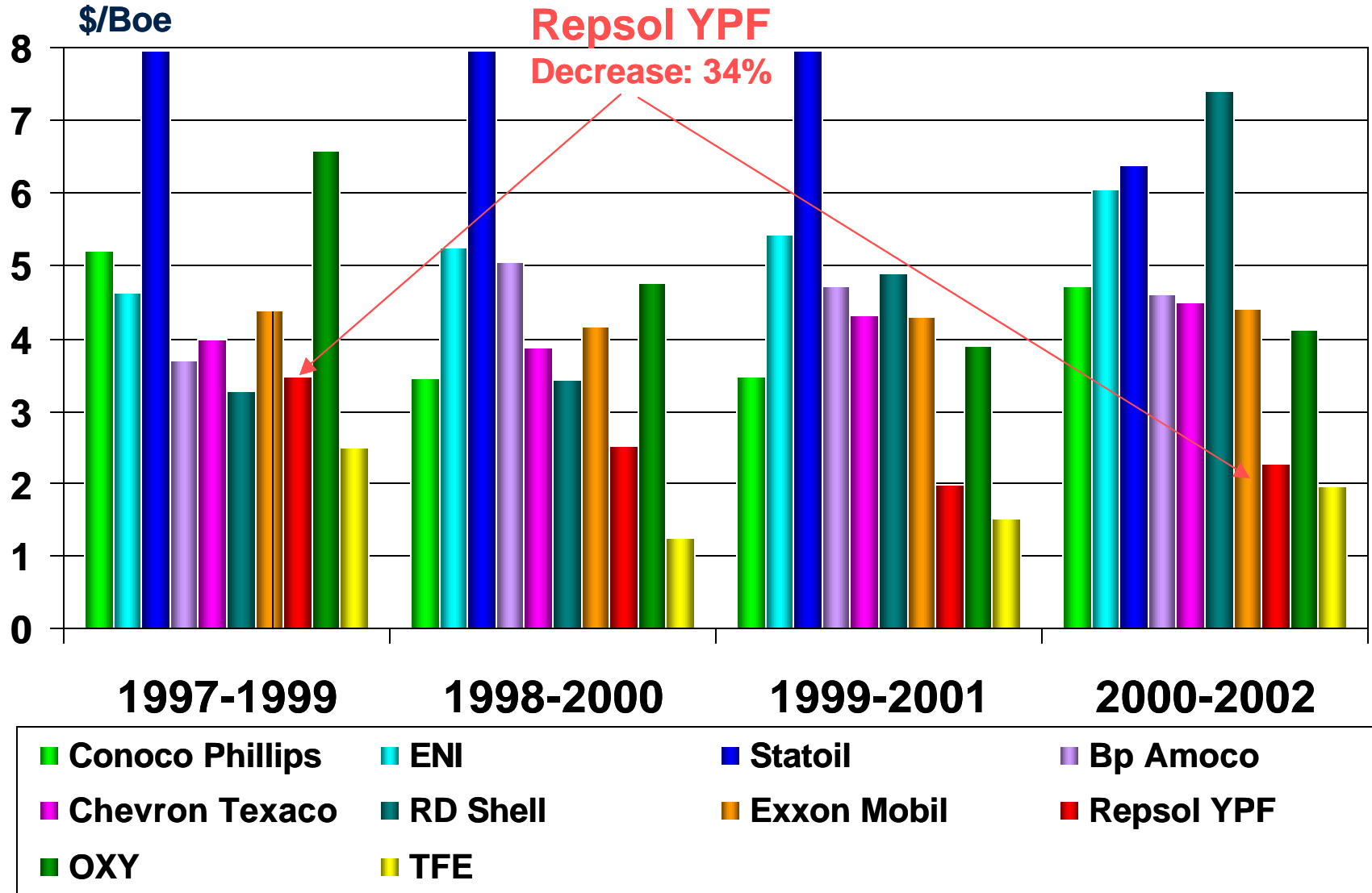


Finding & Development Costs

(3-years moving average)



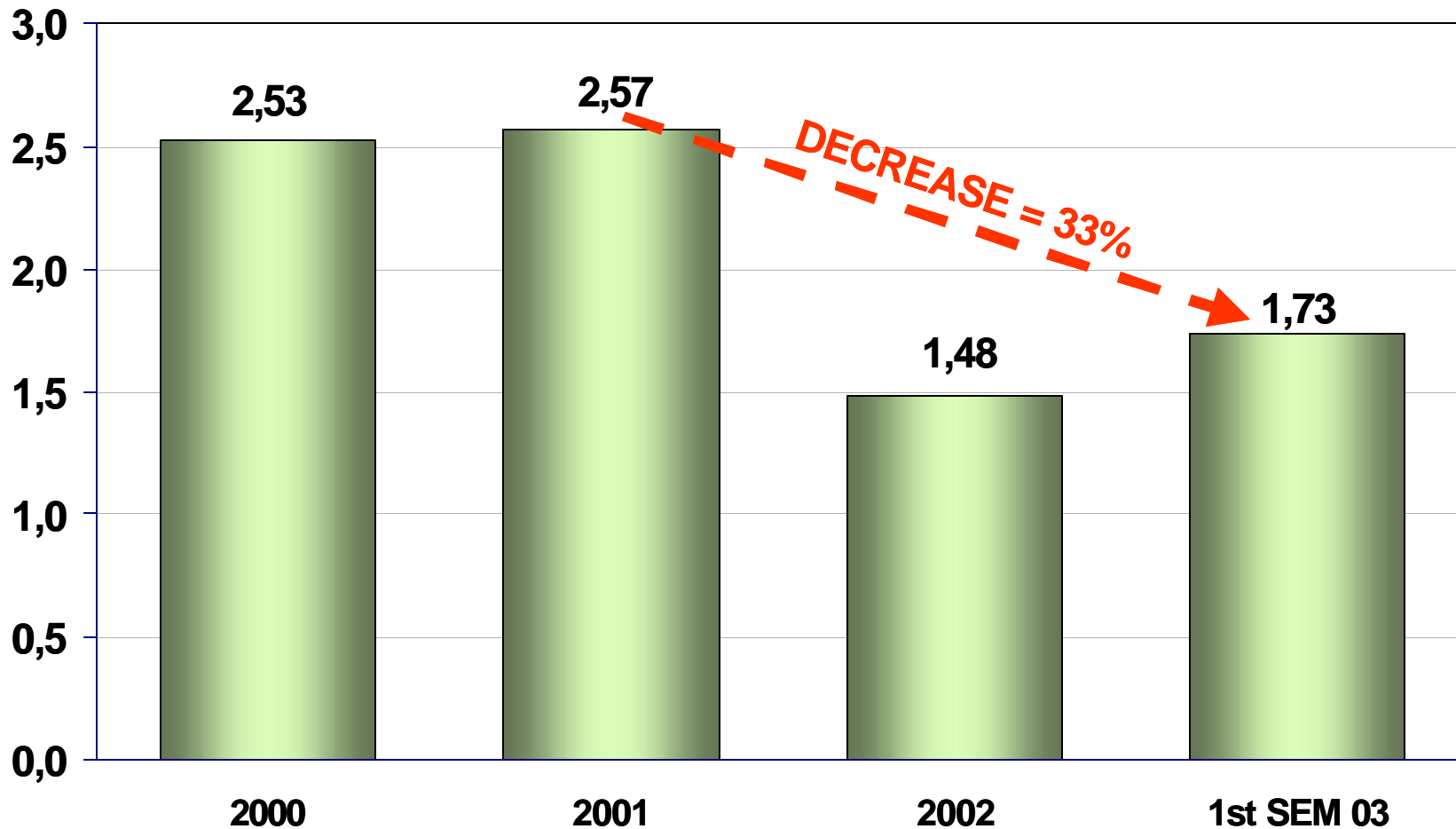
Reserves Replacement Cost (3-years moving average)

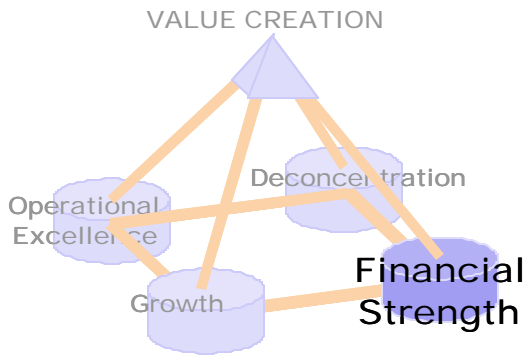


“Lifting Cost “



\$ / Boe

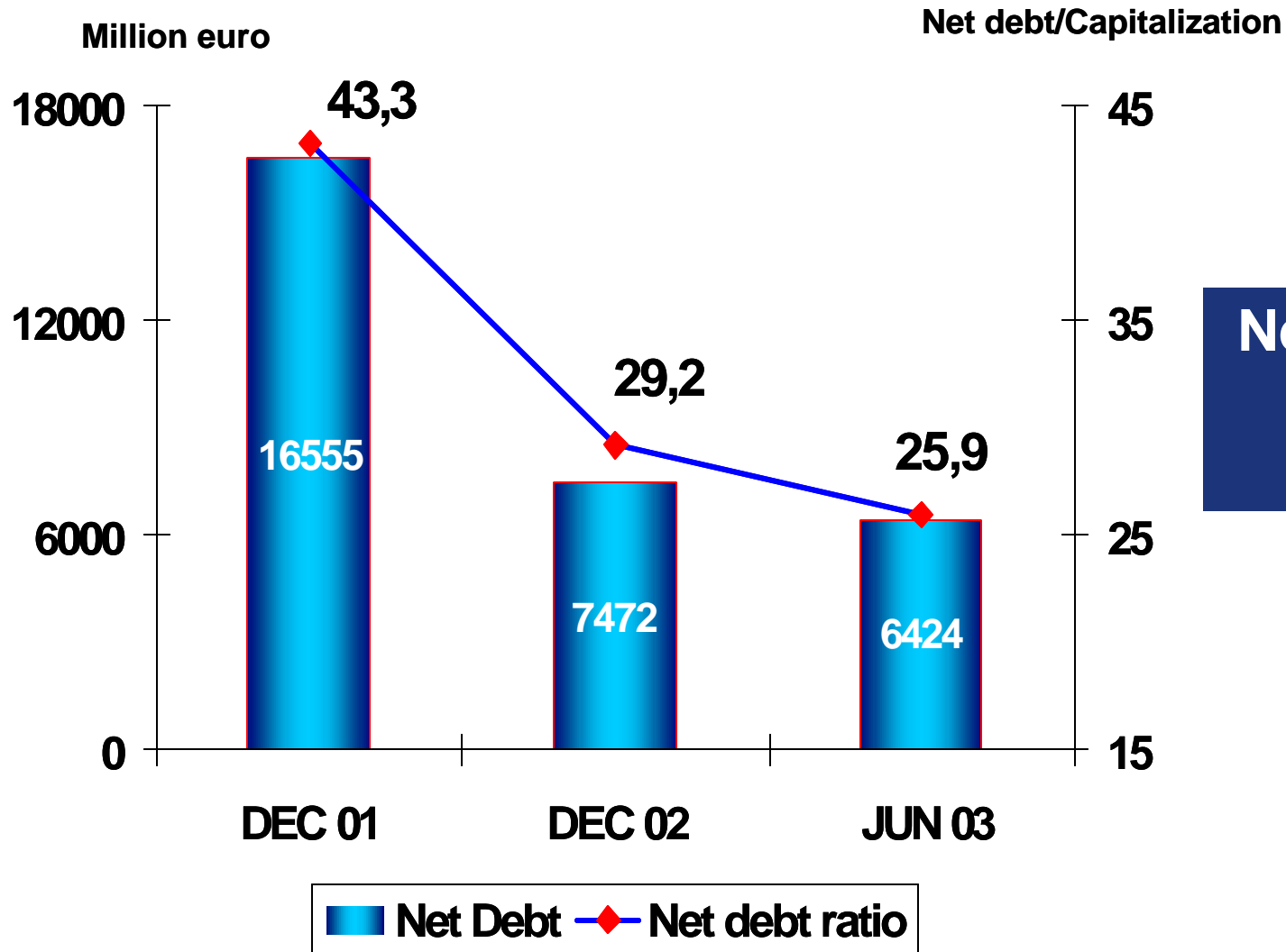




STRATEGY :

FINANCIAL STRENGTH

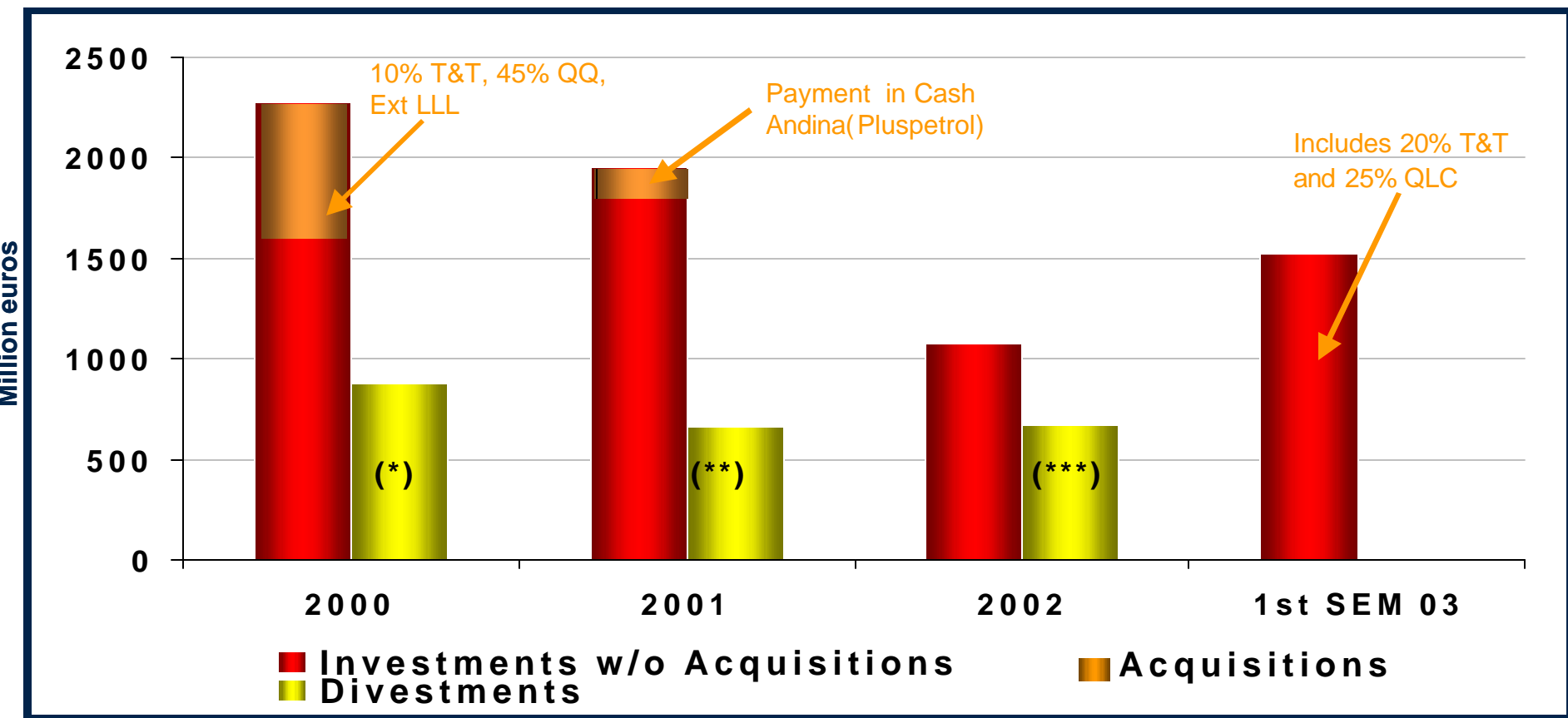
REPSOL YPF : NET DEBT RATIO



**Net Debt ratio
Jun 2003
25.9%**

E&P : Investments & Divestments

Capital discipline

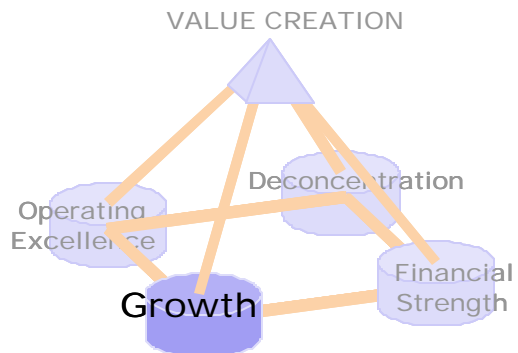


(*) Divestments 2000 : UK, Crescendo Pinnacle, Vietnam, Gabón & Km-20

(**) Divestments 2001 : East Bahariya, Western Desert, Gulf of Suez E/W, SEGOS, North Alexandria+East Delta+West Mediterranean ,Bloque EI-71 GOM/USA, & BITECH

(***) Divestments 2002 : Indonesia

Are not included Swap Operation w/o cash payment (2001 : 20,25% Andina PECOM)
(2000 : 25% Quiamare La Ceiba Siproto-ENAP)

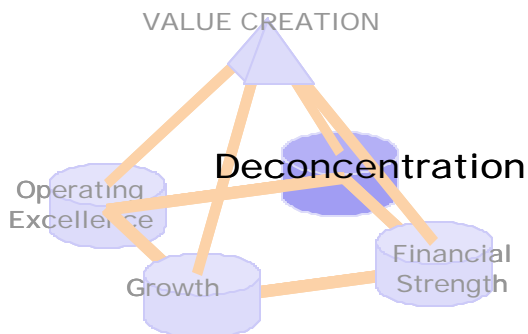


STRATEGY :

GROWTH

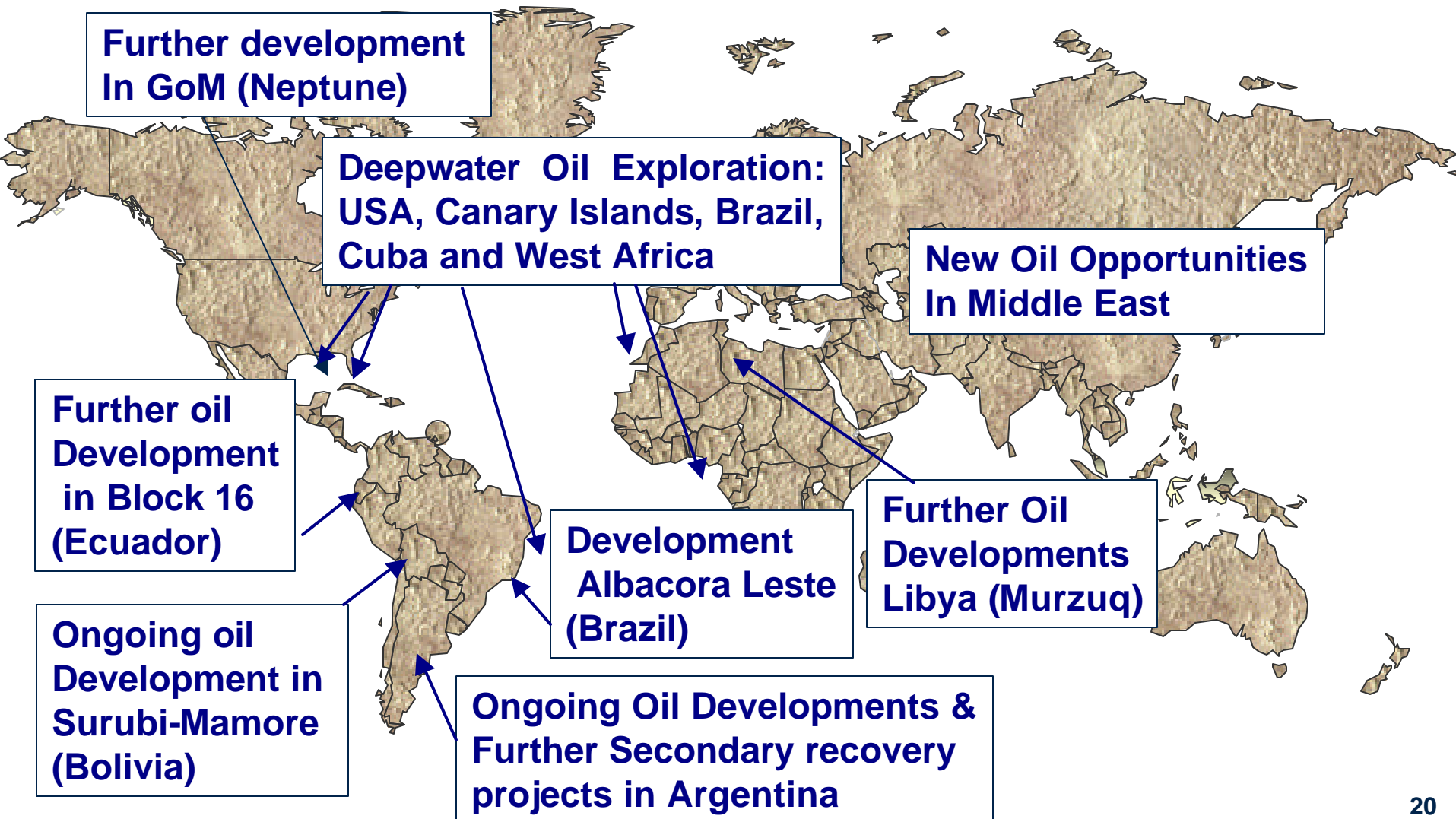
&

DECONCENTRATION

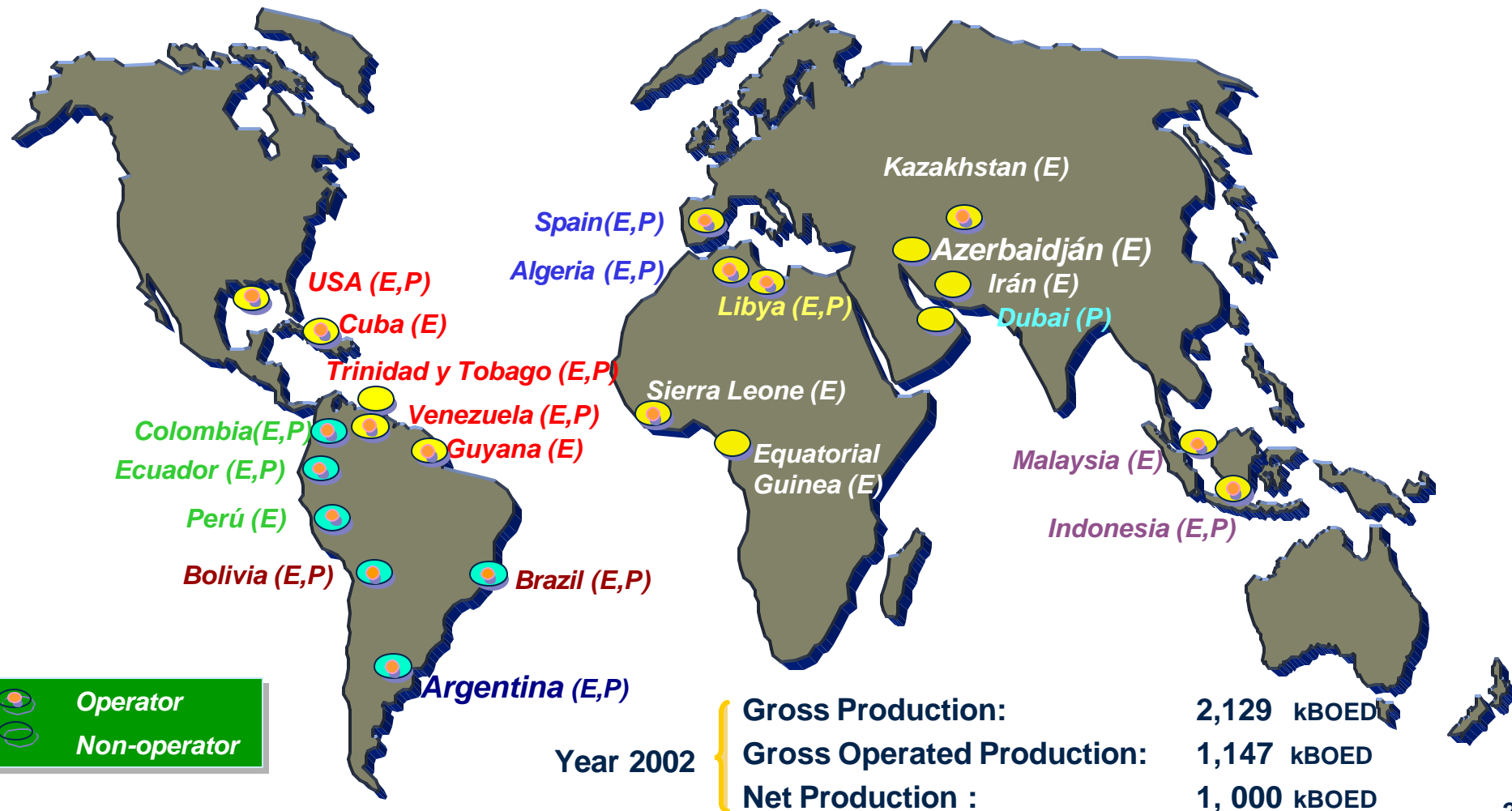


GROWTH BEYOND 2003

Crude oil plays



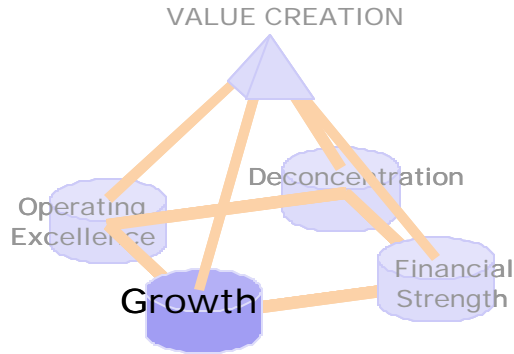
Repsol YPF is present in 22 countries, being operator in 17



STRATEGY

STRATEGY / GROWTH

Organic Growth (1 of 2)



ORGANIC GROWTH

UPSTREAM

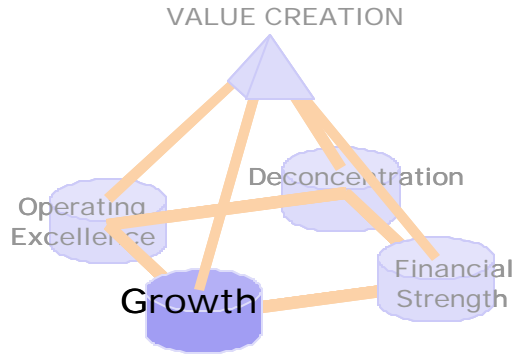
- ⇒ *Trinidad & Tobago*
- ⇒ *Bolivia*
- ⇒ *Venezuela*
- ⇒ *Libya*
- ⇒ *Brazil*
- ⇒ *Gulf of Mexico, Guinea & Others*
- New Areas*

⇒ Projects to increase LIQUIDS production and reserves

- Current developments in Libya (NC-186 :Fields A and D) (NC-115 : Discoveries 0-1 and N-2).
- Current developments in Bolivia, Brazil (Albacora Leste), Ecuador (OCP, block 16)
- Gas production increases and associated liquids in Trinidad & Tobago and Argentina.
- Improvement of recovery factors in mature oil fields
- Current appraisal and further development in Gulf Of Mexico (Neptune discovery)
- Libya: Package 1 awarded and Package 2 & further blocks under negotiations. Algeria: Block 401d
- Deep waters acreage in GoM, West Africa (Equatorial Guinea, Sierra Leone), Canary Islands and Cuba.

STRATEGY / GROWTH

Organic Growth (2 of 2)



ORGANIC GROWTH

UPSTREAM

- ⇒ *Trinidad & Tobago*
- ⇒ *Bolivia*
- ⇒ *Venezuela*
- ⇒ *Argentina*
- ⇒ *Algeria*
- ⇒ *LNG Projects*

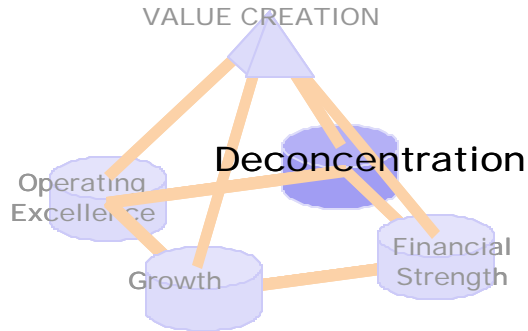


Projects to increase GAS production and reserves

- Trinidad & Tobago (Trains 3 , 4) (Plants of Ammonia, Aluminum...)
- Bolivia (GSA to Brazil , Pacific LNG)
- Venezuela (Yucal Placer, QLC, QQ, Barrancas)
- Argentina (Gas domestic market and exports)
- Algeria (Reggane blocks 351c-352c)
- LNG projects in Middle East and Libya

STRATEGY / DECONCENTRATION

Reduce Concentration In Argentina

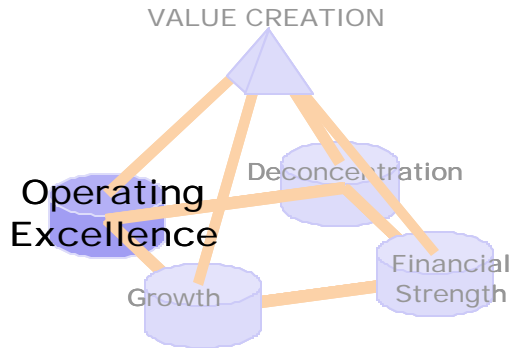


DECONCENTRATION

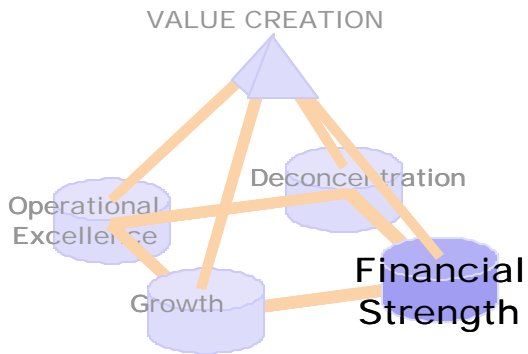
FUTURE GROWTH IN OTHER COUNTRIES

- ⇒ *Trinidad & Tobago*
- ⇒ *Bolivia / Brazil*
- ⇒ *Venezuela*
- ⇒ *North Africa*
- ⇒ *Middle East*

- ⇒ Increase of production out of Argentina due to ongoing developments
- ⇒ Increasing activities in Exploration and New Areas/Business out of Argentina mainly focused on Liquids
- ⇒ LNG projects : T&T, Pacific LNG, Middle East & Libya
- ⇒ Deep Water Projects : Gulf of México, Brazil, Cuba, Spain (Canary Islands), West Africa.
- ⇒ Swaps of assets w/o a significant impact on Cash Flow



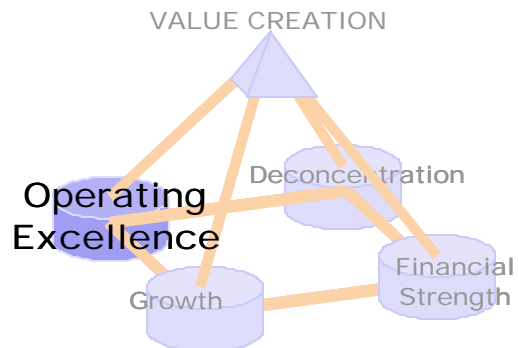
- ⇒ **Additional improvements in operational efficiency in order to :**
 - **continue being a low cost producer (Lifting Cost)**
 - **maintain low reserves replacement ratios (Finding Cost, F&D Cost, Total Replacement Cost)**
- ⇒ **To give priority to environmental protection, security in operations and good relationship with local communities.**
- ⇒ **Research and Development focused on improving of recovery factors, technical capabilities and expertise.**



- ⇒ **To give priority to speed up projects to generate positive cash-flows in the short / medium term**
- ⇒ **Balance between capital investment discipline policy and further investments in new growth projects opportunities**

CORE BUSINESS

- *Crude oil production in Latin America and North Africa*
- *Natural gas production in Latin America and Caribe*
- *LNG projects in the Atlantic basin, American Pacific and Mediterranean*
- *Gas Production linked to own gas markets :*
 - *Southern Cone: Argentina (Metrogas), Bolivia to Brazil (Rio de Janeiro and Sao Paulo South)*
 - *Trinidad & Tobago to USA, Puerto Rico, Mexico (Monterrey, Mexico DF, ...)*
 - *North of Africa and Middle East to Europe (Spain)*



STRATEGY :

OPERATING EXCELLENCE