

THURSDAY APRIL 2, 2009 - HÔTEL LE MÉRIDIEN ÉTOILE - PARIS



# **10<sup>th</sup> International Oil Summit**



*10<sup>e</sup> Sommet international du pétrole*

***“Coping with the new price environment:  
Oil Companies’ strategies”***

***Miguel Martínez San Martín***

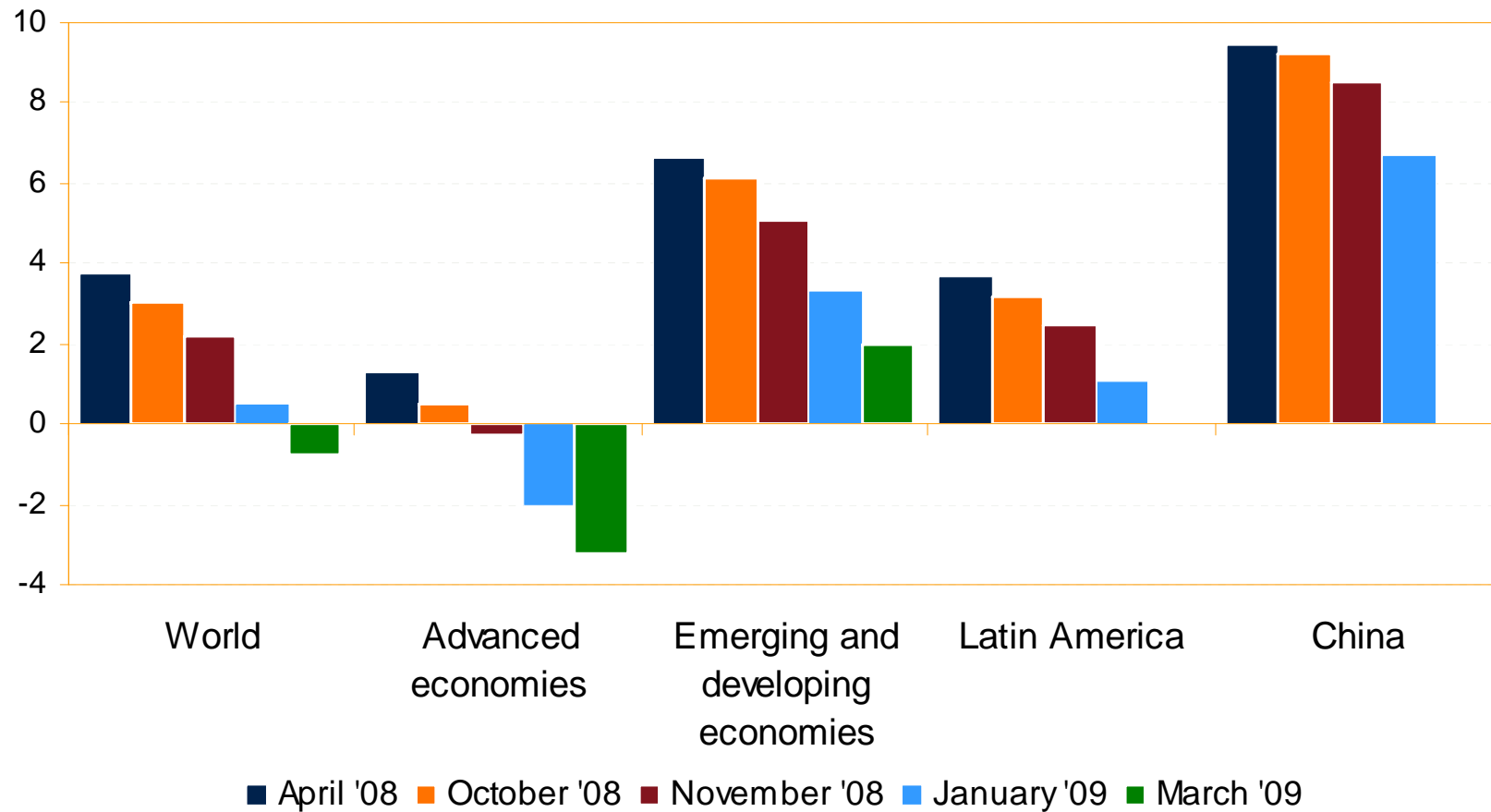
***C.O.O. Repsol***

# Economic and financial crisis

## World output projections are still revised downward



Forecasts for 2009 GDP  
(yoy growth %)



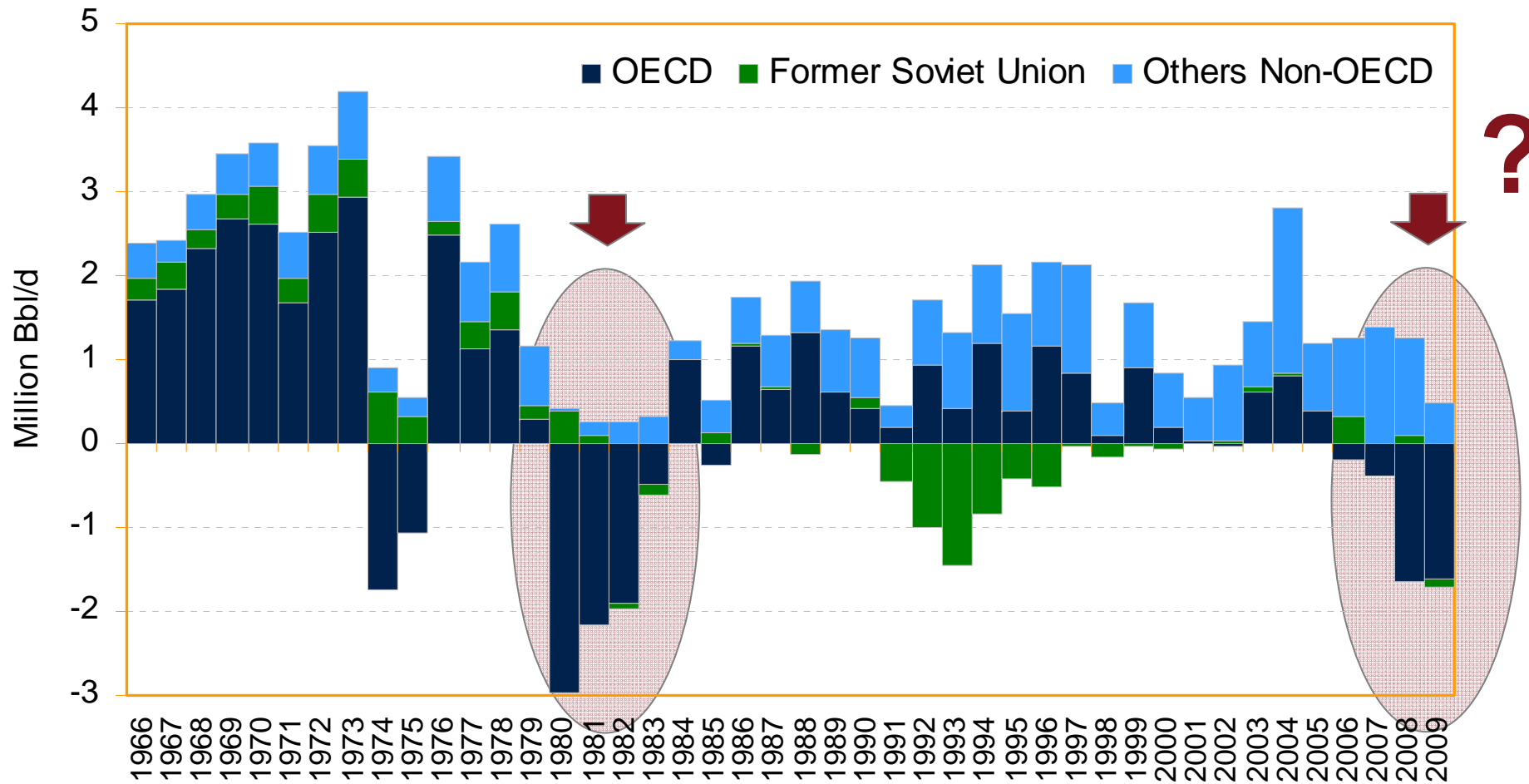
Source: IMF (WEO databases)

# Economic and financial crisis

## Demand reaction: today versus the seventies



### Oil Demand Annual Growth by Regions



Source: IEA and Economic Research Department Repsol YPF



**Liquidity**

**Problem of cost**



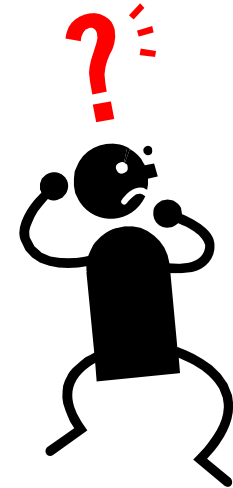
**Problem of scarcity**

**Margins**

**Dramatic fall**



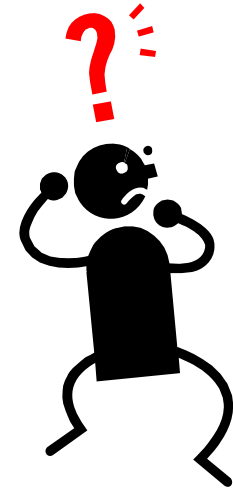
**How long will it take the economy to adjust supply to demand?????**



- **Impact of the crisis**
- **Strategic Plan and Exploration**
- **Financial Flexibility**
- **CAPEX reduction**
- **OPEX reduction**



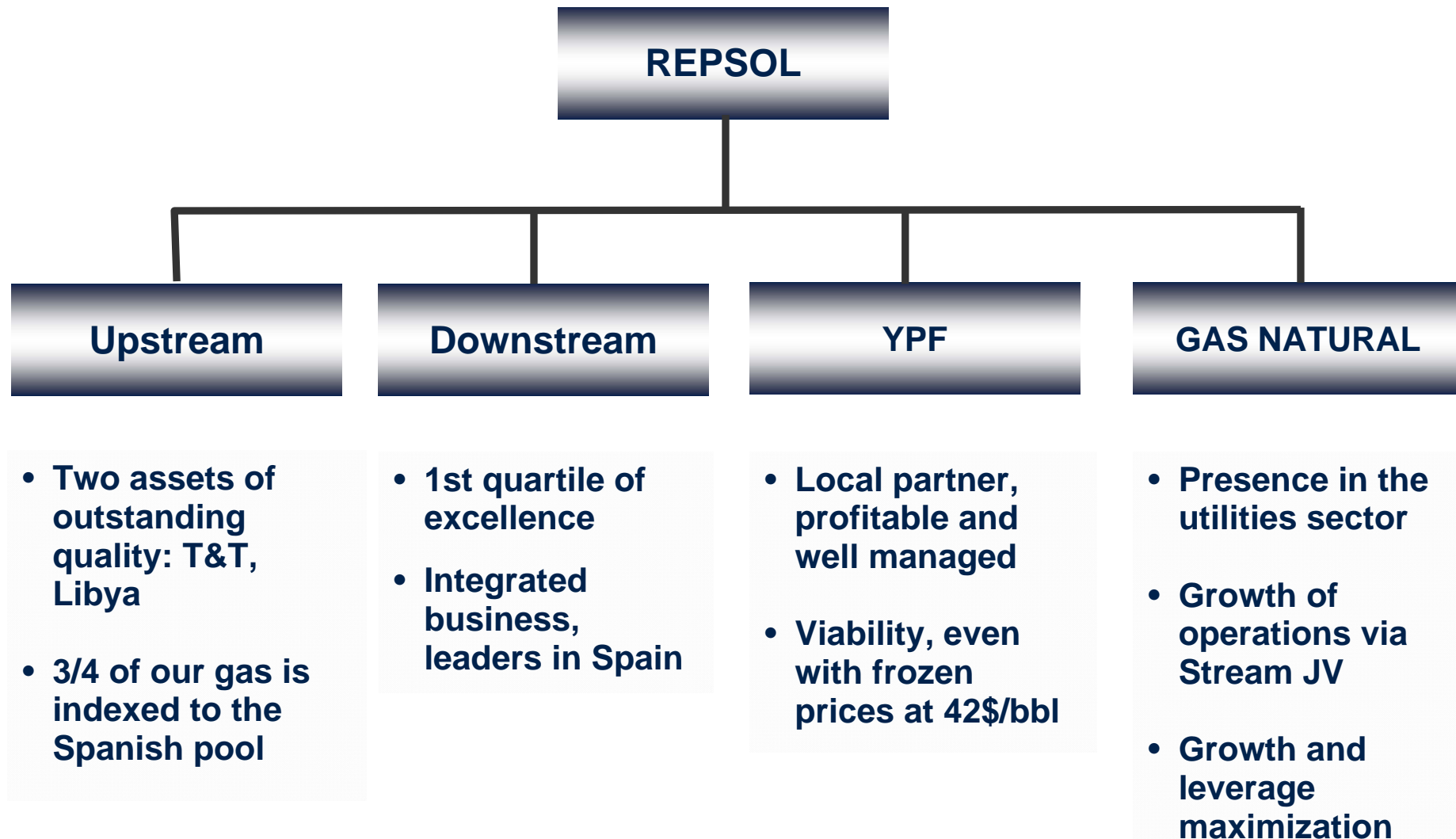
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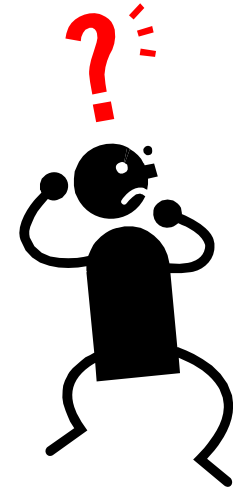
# Repsol's Strategy

## Impact of the crisis





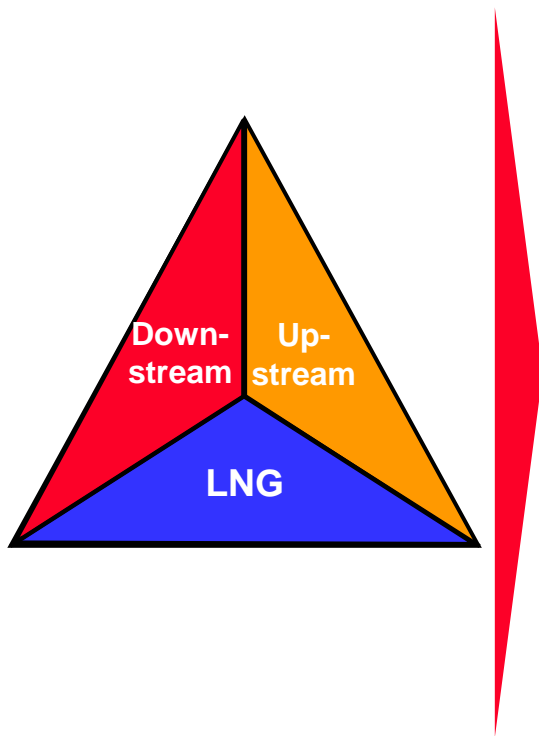
How long will it take the economy to adjust supply to demand?????



- Impact of the crisis
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# Repsol's Strategy

## Strategic Plan



### Downstream



Bilbao (Spain)

700 M€



Cartagena (Spain)

3,200 M€



Sines (Portugal)

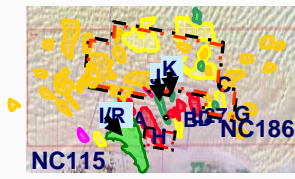
850 M€

### Upstream



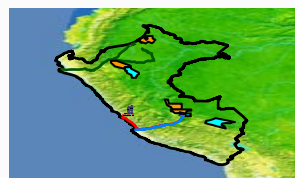
GK/Shenzi (GoM)

700 M€



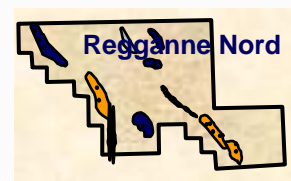
Libya I/R

100 M€



Block 39 (Peru)

350 M€



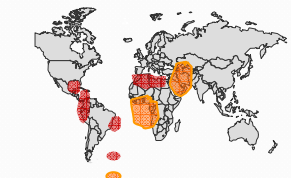
Reggane (Algeria)

450 M€



Carioca (Brazil)

500 M€



Exploration

575 <sup>(1)</sup> M€pa

### LNG



Peru LNG

400 M€



Canaport (Canada)

300 M€

**Combined CapEx for key growth projects + exploration: €12.3 B**  
**High rate of return of 10 key growth projects: IRR > 15%**

<sup>x</sup> CapEx 2008-2012

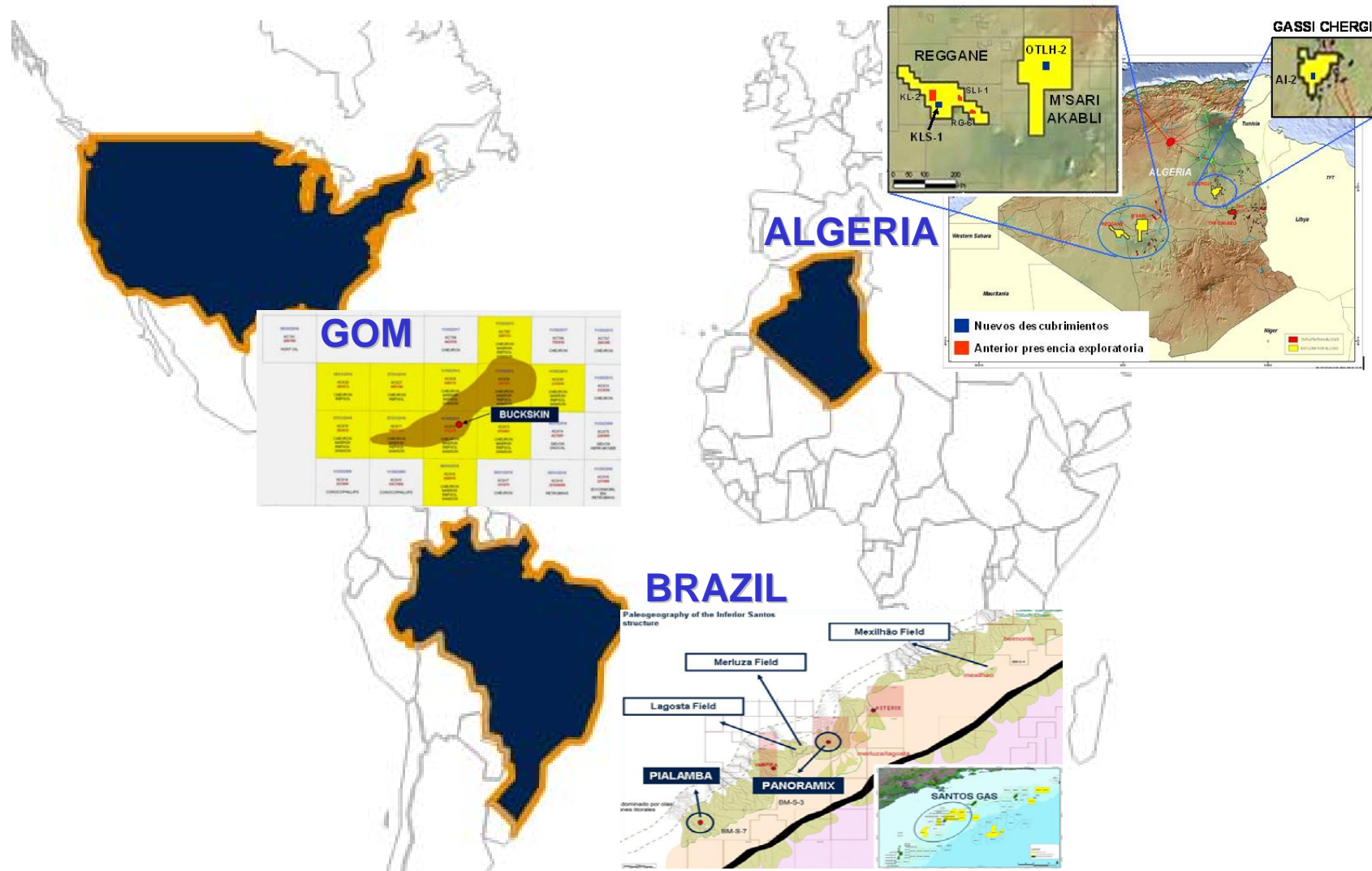
(1) Does not include €1.9B development investment associated to exploration discoveries

# Repsol's Strategy

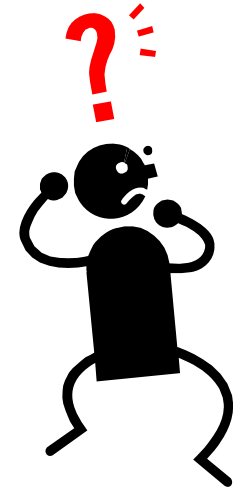
## Exploration success



### Exploration Successes



**How long will it take the economy to adjust supply to demand?????**



- **Impact of the crisis**
- **Strategic Plan and Exploration**
- **Financial Flexibility**
- **CAPEX reduction**
- **OPEX reduction**



### Financial Flexibility

- Financial facilities to cover 7.7 B€ Investments.
- No material refinance needed.
- Goal to maintain a comfortable financial position.

### Capex & Opex reduction

- Total CAPEX reduction from 33B€ to 29B€
- 1,500 M € saving plan.
- Contracts renegotiation.
- Strong commitment all over the company.

***Current situation allow to continue with our investment commitment***

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