



Repsol International Finance B.V. Koninginnegracht 19 Tel. 31 703141611
2514 AB The Hague www.repsolinternationalfinancebv.com
The Netherlands

The Hague, February 17, 2020

In accordance with Law of 23 December 2016, on market abuse, Repsol International Finance B.V. (the “**Company**”) is filing the attached official notice published by Repsol, S.A., the Guarantor of the Company’s Euro 10,000,000,000 Guaranteed Euro Medium Term Note Programme, concerning the arbitration proceeding related to the Repsol Group’s assets in the United Kingdom.

This official notice was filed on February 14, 2020 by Repsol, S.A. with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

* * *

Inside Information

Madrid, February 14, 2020

As Repsol has been disclosing in previous years (including the official notice registered with the CNMV on June 17, 2016) Addax Petroleum UK Limited (“Addax”) and Sinopec International Petroleum Exploration and Production Corporation (“Sinopec”) in 2015 initiated an arbitration proceeding against Talisman Energy Inc. (currently “ROGCI”) and Talisman Colombia Holdco Limited (“TCHL”) in connection with the purchase in 2012 by Addax and Sinopec of 49% of the shares in Talisman Energy UK Limited (TSEUK) from the Canadian group Talisman. In that arbitration proceeding, that relates to events which took place in 2012, prior to Repsol’s acquisition of Talisman in 2015 —and that does not involve any actions by Repsol—, Addax and Sinopec requested, in the event that their claims were upheld in their entirety, a total approximate amount of US\$5.5 billion, which, according to their requests, would correspond to the amount of their initial investment in TSEUK, and any additional investment, past or future, in such company, as well as any loss of opportunity.

Additionally, on November 30, 2017 Repsol, S.A. commenced an arbitration against China Petroleum Corporation and TipTop Luxembourg S.A.R.L seeking relief from any adverse ruling on the arbitration mentioned above together with other damages yet unquantified. This procedure is based on their conduct towards Repsol during the months leading up to its acquisition of the Talisman Group.

In relation to the arbitration proceeding initiated by Addax and Sinopec, Repsol informs that the Arbitral Tribunal in 2017 issued a first partial award dismissing all the warranty claims made by Addax and Sinopec. Likewise, it decided, among other procedural matters, to split the proceedings into two phases: the first addressing liability and the second dealing with the quantum of any liability found.

In 2020, the Arbitral Tribunal has made its second partial award on one aspect of the five matters to be determined in the liability phase and, although Repsol had considered the claims to be without merit —supported by external advice—, and still does, the Tribunal has decided that ROGCI and TCHL are liable to Sinopec and Addax in respect of that aspect of the claim.

The mentioned second partial award addresses liability in relation to one of the five areas of the claim. The Tribunal has indicated that it will provide further awards deciding the outcome of those remaining aspects of the claim in due course, although we do not currently have an indication of when these further awards will be made. In principle, after the remaining awards on liability have been made, a further phase of the proceedings will be necessary to determine the quantum issues, the timetable for which has not yet been set. It is likely that this timetable will need to include provision for further statements of case, document production, factual

Repsol, S.A.
C/Méndez Alvaro, 44
28045 Madrid

Tlf.:+34 917 538 100
+34 917 538 000
Fax:+34 913 489 494
repsol.com



Inside Information

evidence and expert evidence before a further hearing. We do not expect the quantum phase, without taking into account any challenges to the awards, to be resolved before 1Q 2022.

The company is analyzing possible action against this partial award and expects to challenge it before the Singaporean courts.

Whilst the amount of a possible compensation (if any) is not known with certainty given that a number of key issues remain to be determined and the process will be protracted, Repsol, in an exercise of prudence, has recognized a provision of 837 million euros in its financial statements at December 31, 2019 for the entire litigation.