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**REPSOL INTERNATIONAL FINANCE B.V. ANNOUNCES
AN INVITATION FOR OFFERS TO EXCHANGE NOTES**

2 October 2009

Repsol International Finance B.V. (the *Company*) announces that it is inviting holders of its EUR 1,175,000,000 6 per cent. Guaranteed Notes due 2010 (ISIN: XS0110487062 and Common Code: 011048706) (the *Existing Notes*) to offer their Existing Notes for exchange for Euro Denominated 4.75 per cent. Guaranteed Notes due 2017 (the *New Notes*) to be issued by the Company and guaranteed by Repsol YPF, S.A. (the *Guarantor*) under the €10,000,000,000 Guaranteed Euro Medium Term Note Programme of the Company (such invitation, the *Exchange Offer*). The New Notes will be consolidated and form a single series with the €500,000,000 4.75 per cent. Guaranteed Notes due 2017 issued on 16 February 2007 and the €150,000,000 4.75 per cent. Guaranteed Notes due 2017 issued on 7 August 2009.

The Exchange Offer is being made upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum dated 2 October 2009 (the *Exchange Offer Memorandum*). To the extent they are not defined herein, capitalised terms used in this announcement have the meanings ascribed to them in the Exchange Offer Memorandum. The New Notes will be issued by the Company and an application for listing on the Luxembourg Stock Exchange will be made in respect of the New Notes.

| Existing Notes | | | | New Notes | | |
|---------------------------------------|------------------------------|--------------------------|---------------|--|--------------------------|------------------|
| Description | Outstanding Principal Amount | ISIN / Common Code | Maturity Date | Description | ISIN / Common Code | Maturity Date |
| 6 per cent. Guaranteed Notes due 2010 | EUR 1,175,000,000 | XS0110487062 / 011048706 | 5 May 2010 | 4.75 per cent. Guaranteed Notes due 2017 | XS0287409212 / 028740921 | 16 February 2017 |

Purpose of the Exchange Offer

The purpose of the Exchange Offer is to lengthen the Company's debt maturity profile.

The Exchange Offer

The Company is inviting all Holders of its Existing Notes (subject to certain offer restrictions set forth in the Exchange Offer Memorandum) to offer to exchange any or all of their Existing Notes, which are outstanding, for New Notes, upon the terms and subject to the conditions as further described in the Exchange Offer Memorandum.

If an offer to exchange Existing Notes is accepted by the Company, the Company will deliver (or procure the delivery of) New Notes in a principal amount (rounded down to the nearest €1,000, subject always to the minimum denomination of the New Notes of €50,000) equal to

the product of (i) the aggregate principal amount of the Existing Notes offered for exchange by a Holder, and (ii) the Exchange Ratio, which will be determined at the Pricing Time on the Pricing Date. In addition, the Company will pay (or procure the payment of) the Cash Rounding Amount in respect of any fractional entitlements to New Notes that are not received due to rounding to those Qualifying Holders of Existing Notes who have validly offered to exchange Existing Notes under the Exchange Offer and whose offers to exchange have been accepted by the Company.

The New Issue Coupon for the New Notes is 4.75 per cent and the Exchange Price has been set at 102.840%. The New Issue Spread will be submitted to the Clearing Systems and announced on a Notifying News Service at or around 9.00 a.m. on 7 October 2009. The New Issue Price, which will be determined by reference to the 2017 Notes Benchmark Security Yield as of the Pricing Date plus the New Issue Spread, and the Exchange Ratio will be determined by the Dealer Managers and announced on a Notifying News Service at or around 3.00 p.m. on 9 October 2009.

Participating in the Exchange

A Qualifying Holder of Existing Notes wishing to participate in the Exchange Offer should deliver, or arrange to have delivered on its behalf, before the Expiration Time and before the deadlines set by each Clearing System (unless the Exchange Offer is terminated earlier), a duly completed Electronic Instruction Notice in the form of an authenticated SWIFT message, Euclid server or Creation Instruction to the relevant Clearing System.

An Electronic Instruction Notice validly submitted by a Qualifying Holder of Existing Notes in accordance with the procedures set forth in the Exchange Offer Memorandum is irrevocable, except in the limited circumstances described in the Exchange Offer Memorandum.

Qualifying Holders of Existing Notes should check with the bank, securities broker or any other intermediary through which they hold their Existing Notes whether such intermediary will apply different deadlines for participation to those set out in this Exchange Offer Memorandum and then should follow those deadlines.

Expected Transaction Timeline

| Dates and Times | Events |
|--|--|
| 2 October 2009 | <i>Commencement of the Offer Period</i> Commencement of the Exchange Offer |
| At or around 9.00 a.m. on 7 October 2009 | <i>New Issue Spread Announcement Date</i> Announcement of the New Issue Spread. |
| 12.00 noon on 9 October 2009 | <i>Expiration Time</i> End of offer period and deadline for receipt of all Electronic Instruction Notices unless the Company shortens or extends the offer period at its sole discretion. |

Prior to 3.00 p.m. on 9 October 2009

Acceptance of Exchange Offer

Acceptance of Exchange Offer by the Company, if accepted.

At or around 3.00 p.m. on 9 October 2009

Pricing Date and Time

Fixing of the 2017 Notes Benchmark Security Yield and determination of the New Issue Price and the Exchange Ratio.

The Company announces the amount of Existing Notes to be accepted for exchange for New Notes, the final aggregate principal amount of New Notes and the final aggregate principal amount of Existing Notes left outstanding.

Expected to take place on 16 October 2009

Settlement

Settlement Date for the Exchange Offer.

Delivery of the New Notes and payment of Cash Rounding Amounts, where applicable, in respect of Existing Notes validly submitted for exchange and accepted by the Company.

All times given above are London time. The times and dates above are indicative only and subject to the right of the Company to extent, amend and/or terminate the Exchange Offer, subject to applicable law and as provided in the Exchange Offer Memorandum.

For further information:

A complete description of the terms and conditions of the Exchange Offer is set out in the Exchange Offer Memorandum. Further details about the transaction can be obtained from:

The Dealer Managers:

Banco Bilbao Vizcaya Argentaria, S.A

Via los Poblados, s/n
2a Planta
28033 Madrid
Spain
Tel: + 34 91 374 3840
Email: admon.agenciarentafija@grupobbva.com

Barclays Bank PLC

Attn: Liability Management Group
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom
Tel: + 44 (0) 20 7773 8575
Email: eu.lm@barcap.com

Deutsche Bank AG, London Branch

Attn: Liability Management Group
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom
Tel: + 44 (0) 20 7545 8011
Email: liability.management@db.com

Goldman Sachs International

Attn: Elena Paitra
Peterborough Court
133 Fleet Street
London EC4A 2BB
United Kingdom
Tel: + 44 (0) 20 7774 9170

Société Générale

17, Cours Valmy
92987 Paris La Défense
France
Tel: +44 (0) 20 7676 7579
Email: liability.management@sgcib.com

The Exchange Agent:

Lucid Issuer Services Limited
436 Essex Road
London N1 3QP
United Kingdom
Tel: + 44 (0) 20 7704 0880
Email: repsol@lucid-is.com

A copy of the Exchange Offer Memorandum is available to eligible persons upon request from the Exchange Agent.

None of the Dealer Managers takes responsibility for the contents of this announcement and none of the Company, the Dealer Managers, the Exchange Agent or any of their respective directors, employees or affiliates makes any representation or recommendation whatsoever regarding the Exchange Offer, or any recommendation as to whether Holders should offer Existing Notes in the Exchange Offer. This announcement must be read in conjunction with the Exchange Offer Memorandum. No offer to acquire any Existing Notes is being made pursuant to this notice. The Exchange Offer Memorandum alone invites Qualifying Holders of Existing Notes to offer their Existing Notes for exchange for New Notes and any such acquisition or acceptance of such invitation should be made solely on the basis of information contained in the Exchange Offer Memorandum.

This announcement and the Exchange Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Exchange Offer. If any Holder is in any doubt as to the action it should take, it is recommended to seek its own advice, including as to any tax consequences, from its stockbroker, bank manager, legal adviser, accountant or other independent adviser.

Jurisdictional Restrictions

United States

The Exchange Offer is not being made, and will not be made, directly or indirectly, in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of or of any facilities of a national securities exchange of, the United States or to U.S. persons. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone and the internet. Accordingly, copies of this announcement, the Exchange Offer Memorandum and any other documents or materials relating to the Exchange Offer are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including without limitation, by custodians, nominees or trustees) in or into the United States or to any U.S. person. Any purported offers to exchange Existing Notes pursuant to the Exchange Offer resulting directly or indirectly from a violation of these restrictions will be invalid, and offers to exchange made by a U.S. person, a resident of the United States or from within the United States or from any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or any U.S. person will not be accepted.

The Exchange Offer Memorandum is not an offer of securities for sale in the United States or to U.S. persons. Securities may not be offered or sold in the United States absent registration or an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. The New Notes have not been, and will not be, registered under the Securities Act, or the securities laws of any state or jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States or to or for the account or benefit of U.S. persons. The purpose of the Exchange Offer Memorandum is limited to the Exchange Offer and the Exchange Offer Memorandum may not be sent or given to any person other than a non-U.S. person in an offshore transaction in accordance with Regulation S under the Securities Act. Each Holder of Existing Notes participating in this Exchange Offer will represent to the Company, the Guarantor, the Dealer Managers and the Exchange Agent that it is not located in the United States and is not a U.S. person and is not giving an order to participate in the Exchange Offer from the United States or on behalf of a U.S. person.

Italy

The Exchange Offer is not being made in the Republic of Italy. Neither the Exchange Offer Memorandum nor the Exchange Offer has been submitted to the clearance procedure of *Commissione Nazionale per le Società e la Borsa* (CONSOB) pursuant to applicable Italian laws and regulations. Accordingly, Holders of Existing Notes are hereby notified that, to the extent such Holders are Italian residents or persons located in the Republic of Italy, the Exchange Offer is not available to them and they may not offer Existing Notes for exchange in the Exchange Offer nor may the New Notes be offered, sold or delivered in the Republic of Italy and, as such, any such offers received from such persons shall be ineffective and void, and neither this announcement, the Exchange Offer Memorandum nor any other offering material relating to the Exchange Offer, the Existing Notes or the New Notes may be distributed or made available in the Republic of Italy.

United Kingdom

The communication of this announcement, the Exchange Offer Memorandum and any other documents or materials relating to the Exchange Offer is not being made by, and the Exchange Offer Memorandum and such documents and/or materials have not been approved by, an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, this announcement, the Exchange Offer Memorandum and such documents and/or materials are not being distributed to, and must not be passed on to, persons in the United Kingdom save in circumstances where section 21(1) of the said Act does not apply. The communication of this announcement, the Exchange Offer Memorandum and such documents and/or materials is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order")) or to

persons who fall within Article 43 of the Order or any person to whom it may otherwise lawfully be made by virtue of an exemption to section 21(1) of the said Act or otherwise in circumstances where it does not apply.

Insofar as the communication in this announcement, the Exchange Offer Memorandum and such documents and/or materials is made to or directed at investment professionals in terms of Article 19 of the Order, it is made to or directed at persons having professional experience in matters relating to investments, and any investment or investment activity to which it relates is available only to such persons or will be engaged in only with such persons, and persons who do not have professional experience in matters relating to investments should not rely upon it.

France

The Exchange Offer is not being made, directly or indirectly, to the public in the Republic of France. Neither this announcement, the Exchange Offer Memorandum nor any other offering material relating to the Exchange Offer has been or shall be distributed to the public in the Republic of France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and (ii) qualified investors (*investisseurs qualifiés*), as defined in and in accordance with Articles L.411-1 and D.411-2 to D.411-3 of the French *Code monétaire et financier*, but excluding individuals referred to in Article D.411-1 II 2°, acting for their own account are eligible to participate in the Exchange Offer. The Exchange Offer Memorandum has not been and will not be submitted for clearance to nor approved by the *Autorité des Marchés Financiers* (AMF).

Spain

Neither this announcement, the Exchange Offer nor the Exchange Offer Memorandum constitute a public offer of securities or the solicitation of an offer of securities to the public in Spain under the Spanish Securities Market Law (*Ley 24/1988, de 28 de Julio, del Mercado de Valores*) and Royal Decree 1310/2005, of 4 November 2005. Accordingly the Exchange Offer Memorandum has not been submitted for approval and has not been approved by the CNMV.

General

The Exchange Offer does not constitute an offer to buy or the solicitation of an offer to sell the Existing Notes and/or New Notes in any circumstances in which such offer or solicitation would be unlawful or would not be in compliance with the laws or regulations of such jurisdiction. In those jurisdictions where the securities, blue sky or other laws require the Exchange Offer to be made by a licensed broker or dealer, the Exchange Offer shall be deemed to be made on behalf of the Dealer Managers by one or more such registered brokers or dealers licensed under the laws of such jurisdiction.

Each Holder of Existing Notes participating in the Exchange Offer will be required to give certain deemed representations in respect of the jurisdictions referred to above and generally, all as described in the Exchange Offer Memorandum. Any offer of Existing Notes for exchange pursuant to the Exchange Offer from a Holder of Existing Notes that is unable to make such representations will not be accepted. Each of the Company, the Guarantor, the Dealer Managers and the Exchange Agent reserve the right, in their absolute discretion, to investigate, in relation to any offer of Existing Notes for exchange pursuant to the Exchange Offer, whether any such representation given by a Holder is correct and, if such investigation is undertaken and as a result the Company determines (for any reason) that such representation is not correct, such offer shall not be accepted.