

REPSOL INTERNATIONAL CAPITAL LIMITED

INTERIM FINANCIAL STATEMENTS

AS OF JUNE 30, 2010

UNAUDITED

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REPSOL INTERNATIONAL CAPITAL LIMITED

BALANCE SHEET

JUNE 30, 2010

Thousands of Euros		Current Period	Previous Period
ASSETS		30/06/2010	31/12/2009
A)	NON-CURRENT ASSETS	3.668.607	3.584.671
	Long term loans to affiliates	3.596.418	3.501.059
	Other non-current assets	72.189	83.612
B)	CURRENT ASSETS	374	537
	Other debtors	-	180
	Accrued interest receivable from affiliates	358	341
	Cash and cash equivalents	16	16
TOTAL ASSETS (A+B)		3.668.981	3.585.208

The accompanying notes 1 to 6 are an integral part of the financial statements.

REPSOL INTERNATIONAL CAPITAL LIMITED

BALANCE SHEET

(Continued)

JUNE 30, 2010

Before appropriation of net result

Thousands of Euros		Current Period	Previous Period
LIABILITIES		30/06/2010	31/12/2009
A)	SHAREHOLDER'S EQUITY (A.1 + A.2)	34.819	37.516
A.1)	EQUITY	73.078	77.500
	Common stock US\$1 par value, 518,900,000 shares authorized, issued and outstanding	347.057	347.057
	Other reserves	(47.900)	(47.900)
	Accumulated deficits	(221.658)	(211.571)
	Net profit (loss)	(4.421)	(10.086)
A.2)	REVALUATION CHANGES	(38.259)	(39.984)
	Revaluation reserve	(38.259)	(39.984)
B)	NON-CURRENT LIABILITIES	3.634.157	3.547.575
	a) Non-cumulative Warranted Non-voting (Preference Shares):	3.562.499	3.463.963
	i) Series A – 29,000,000 shares authorized, issued and outstanding at June 30, 2010, 7.45%, US\$25 par value.	590.803	503.266
	ii) Series B – 1,000,000 shares authorized, issued and outstanding at June 30, 2010, 4%-7%, €1,000 par value.	994.522	991.272
	iii) Series C – 2,000,000 shares authorized, issued and outstanding at June 30, 2010, 4%-7%, €1,000 par value.	1.977.175	1.969.425
	b) Other non-current liabilities	71.658	83.612
C)	CURRENT LIABILITIES	5	117
	Payable	5	107
	a) Preference shares dividend accrued	-	103
	b) Payable to affiliates	5	4
	Creditors	-	10
TOTAL LIABILITIES AND SHAREHOLDER'S DEFICIT (A+B+C)		3.668.981	3.585.208

The accompanying notes 1 to 6 are an integral part of the financial statements.

REPSOL INTERNATIONAL CAPITAL LIMITED

INCOME STATEMENT

FOR THE HALF YEAR ENDED JUNE 30, 2010

		CURRENT PERIOD	PREVIOUS PERIOD
		30/06/2010	30/06/2009
	OPERATIONAL RESULT	(49)	(23)
(+)	Financial income	96.315	97.975
	Interest income from affiliates	63.243	80.939
	Other financial income	33.072	17.036
(-)	Financial expenses	(100.333)	(100.431)
	Preference shares dividend	(79.358)	(79.444)
	Amortization of issuance cost	(11.000)	(11.000)
	Amortization of revaluation reserve	(1.725)	(1.737)
	Other financial expenses	(8.250)	(8.250)
(+/-)	Unrealized fair value changes:	-	-
	Collar fair value increase	(11.954)	33.085
	Embedded collar fair value decrease	11.954	(33.085)
(+/-)	Exchange gain (loss)	(354)	722
=	FINANCIAL RESULT	(4.372)	(1.734)
=	PRE-TAX RESULT	(4.421)	(1.757)
(+/-)	Tax expense	-	-
=	NET RESULT	(4.421)	(1.757)

The accompanying notes 1 to 6 are an integral part of the financial statements.



REPSOL INTERNATIONAL CAPITAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED JUNE 30, 2010

Thousand of Euros

		Current period	Previous period
		30/06/2010	30/06/2009
A)	Net result	(4.421)	(1.757)
B)	Income and expenses charged directly to Equity	-	-
C)	Transfers to the Profit and Loss account	1.725	1.737
1	Due to valuation of financial instruments	-	-
	a) Available for sale financial assets	-	-
	b) Other income / (expenses)	-	-
2	Cash flow hedges	1.725	1.737
3	Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME (A+B+C)		(2.696)	(20)

The accompanying notes 1 to 6 are an integral part of the financial statements.



REPSOL INTERNATIONAL CAPITAL LIMITED
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2010

Thousand of Euros

CURRENT PERIOD	Equity			Revaluation	Total
	Common Stock	Reserves	Net Profit (Loss)	Changes	
December 31, 2009	347.057	(259.471)	(10.086)	(39.984)	37.516
I. Comprehensive income (loss)	-	-	(4.421)	1.725	(2.696)
II. Capital transactions with owners	-	-	-	-	-
III. Other changes in Shareholder's Equity	-	(10.086)	10.086	-	-
Appropriation of net result	-	(10.086)	10.086	-	-
Other changes	-	-	-	-	-
June 30, 2010	347.057	(269.558)	(4.421)	(38.259)	34.819

PREVIOUS PERIOD	Equity			Revaluation	Total
	Common Stock	Reserves	Net Profit (Loss)	Changes	
December 31, 2008	656	(210.465)	(49.007)	(43.485)	(302.301)
I. Comprehensive income (loss)	-	-	(1.757)	1.737	(20)
II. Capital transactions with owners	-	-	-	-	-
III. Other changes in Shareholder's Equity	-	(49.007)	49.007	-	-
Appropriation of net result	-	(49.007)	49.007	-	-
Other changes	-	-	-	-	-
June 30, 2009	656	(259.472)	(1.757)	(41.748)	(302.321)

The accompanying notes 1 to 6 are an integral part of the financial statements.



REPSOL INTERNATIONAL CAPITAL LIMITED

STATEMENT OF CASH FLOWS

FOR THE HALFYEAR ENDED JUNE 30, 2010

Thousands of Euros

	Current Period	Previous Period
	30/06/2010	30/06/2009
A) Cash flow from operating activities (1+2+3+4)	8.028	2.868
1 Net profit (loss)	(4.421)	(1.757)
2 Adjustments to the result	28.515	3.238
(+) Amortization of fixed assets	-	-
(+/-) Other adjustments to the result	28.515	3.238
Amortization of revaluation reserve	1.725	1.737
Amortization of issuance costs	11.000	11.000
Unrealized foreign exchange	207	(8.004)
Interest income from affiliates companies	(63.243)	(80.939)
Dividends on Preference Shares	79.358	79.444
Other changes	(532)	-
3 Changes in working capital	-	-
4 Other cash flows from operating activities:	(16.066)	1.387
(-) Dividend on preference shares payments	(79.461)	(79.448)
(+) Interest collections	63.227	80.991
(+/-) Other inflows / (outflows) from operating activities	168	(156)
B) Cash flow from investing activities	(8.028)	(2.867)
1 1. Payment of investments	(8.028)	(2.867)
(-) Loans to affiliates	(8.028)	(2.867)
2 2. Proceeds from investments	-	-
(+) Loans to affiliates	-	-
(+) Other financial assets	-	-
C) Cash flow from financing activities	-	-
Capital increase	-	-
Proceeds (payments) from financial instruments	-	-
D) Effects of exchange rate changes on the balance of cash held in foreign currencies	-	-
E) Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	-	1
F) Cash and cash equivalents, beginning of year	16	5
G) Cash and cash equivalents, end of year (E+F)	16	6

The accompanying notes 1 to 6 are an integral part of the financial statements.



REPSOL INTERNATIONAL CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

(Expressed in Euros)

Note 1: Company Description

Repsol International Capital Limited (the "Company"), formerly N.W.J.P.S.C. Limited, was incorporated on August 14, 1989, under the laws of the Cayman Islands. All the ordinary shares of the Company are owned directly by Repsol International Finance B.V., ("The Parent") a limited liability company organized under the laws of The Netherlands, all the ordinary shares of which are owned by Repsol YPF, S.A., a limited liability company organized under the laws of Spain. Repsol YPF, S.A. is an integrated oil and gas company engaged in all aspects of the petroleum business.

The sole business of the Company is to issue preference shares in various markets and advance the net proceeds to various non-Spanish members of the Repsol YPF Group (the "Group"). The Company engages in no activities other than those related to the borrowing and lending of such funds.

The Company's registered office is located at Cayside, 2nd floor, Harbour Drive, George Town, Grand Cayman, Cayman Islands (P.O. Box 30592).

As of June 30, 2010, the capital stock of the Company consisted of 518.900.000 ordinary shares of US\$1 par value each, fully subscribed by Repsol International Finance B.V.

These interim financial statements are unaudited.

Note 2: Basis of Presentation and Accounting Principles

a) Basis of presentation

This condensed interim financial information for the six months ended June 30 2010 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with IFRS.

The accompanying financial statements were prepared from the Company's accounting records as of June 30, 2010.

REPSOL INTERNATIONAL CAPITAL LIMITED

b) First time adoption of standards

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2010, but are not currently relevant for the Company:

- IFRS 3 Revised 'Business Combinations'
- IFRIC 12 'Service Concession Arrangements'
- IFRIC 17 'Distributions of Non-cash Assets to Owners'
- Amendments to IAS 27 'Consolidated and Separate Financial Statements'
- Amendments to IAS 39 'Eligible Hedged Items'
- Amendments to IFRS 2 'Group Cash-settled Share-based Payment Transactions'
- Improvements to IFRS 2007-2009
- IFRS 1 Revised 'First-time Adoption of International Financial Reporting Standards'
- Amendments to IFRS 1 'Additional Exemptions for First-time Adopters'

c) Accounting principles

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2009, as described in those annual financial statements.

The company is not taxable in Cayman Island consequently there is no charge for income tax in these financial statements.

Note 3: Seasonality

The Company does not present any seasonality in the normal course of its business

Note 4: Payment of Dividends

Pursuant to the classification of the Preference Shares as a financial liability the dividends paid to the holders of these Preference Shares are recorded as a financial expense.

REPSOL INTERNATIONAL CAPITAL LIMITED

Till June 30, 2010 and 2009, the Company's Board of Directors declared the following dividends on each of Series A, B and C Preference Shares to holders:

Thousands of Euros

Series	Date of payment	Dividend per share %	30/06/2010		30/06/2009	
			Effective rate per share %	Total Amount	Effective rate per share %	Total Amount
A	Quarterly at March 31, June 30.	7.45% annual	7.45% annual	€ 20,198	7.45% annual	€ 20,284
B	Quarterly at March 31, June 30.	Floating rate	3.944% annual (floor)	€19,720	3.944% annual (floor)	€19,720
C	Quarterly at March 31, June 30.	Floating rate	3.944 % annual (floor)	€ 39,440	3.944 % annual (floor)	€ 39,440
				€79,358		€79,444

Note 4: Related party transactions

The balance sheet captions "Long term loans to affiliates" and "Accrued interest receivable from affiliates" and the caption of the profit and loss "interest income from affiliates" (€ 63.243) recognized the principal, interest accrued and interest charge produce by the loan granted by the Company to Repsol Netherlands Finance B.V. which bears arm length interest.

The caption "Payable to affiliates" refers to the balance of a current account with companies within the Repsol YPF group.

During the six months to 30 June 2010, the Company has recorded interest income from "La Caixa", a Repsol YPF Group related party, connected to the collar for an amount of € 8.430 thousand which is recorded under the caption "Other financial income".

Note 5: Events occurring after the reporting period

There has not been any significant event occurring after the balance sheet date.

Note 6: Statutory and Supervisory Board

The Statutory Directors do not receive any remuneration. The company does not have supervisory directors.

July 31st, 2010

REPSOL INTERNATIONAL CAPITAL LIMITED

STATUTORY DIRECTORS:

Benjamin Booker

Rafael Guerrero Mendoza

José María Pérez Garrido

Javier Sanz Cedrón

A handwritten signature in black ink, consisting of a stylized, cursive letter 'J' or 'I' with a long, sweeping tail that curves upwards and to the right.