A LA COMISIÓN NACIONAL DEL MERCADO DE VALORES

D. Pedro Miras Salamanca, de nacionalidad española, con domicilio a estos efectos en Paseo de la Castellana 79, Planta 7ª, 28046, Madrid, en nombre y representación de Corporación de Reservas Estratégicas de Productos Petrolíferos ("**CORES**" o la "**Corporación**"), con domicilio social en Paseo de la Castellana 79, Planta 7ª, 28046, Madrid, en su condición de Presidente de CORES, debidamente apoderado al efecto por los acuerdos de su Junta Directiva de 21 de mayo de 2015 y 23 de julio de 2015, en relación con el suplemento (el "**Suplemento**") al folleto de base correspondiente al programa de emisión de valores no participativos de CORES (el "**Programa**") que fue verificado e inscrito en los registros oficiales de la Comisión Nacional del Mercado de Valores ("**CNMV**") el 22 de septiembre de 2015,

CERTIFICO

Que la versión impresa del Suplemento inscrito y depositado en la CNMV se corresponde con la versión en soporte informático que se adjunta.

Asimismo, por la presente se autoriza a la CNMV para que el Suplemento de CORES sea puesto a disposición del público a través de su página web.

Y, para que así conste y surta los efectos oportunos, expido la presente certificación en Madrid, a 2 de noviembre de 2015.

Corporación de Reservas Estratégicas
de Productos Petrolíferos.
P.p.

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D. Pedro Miras Salamanca
Presidente

BASE PROSPECTUS SUPPLEMENT DATED NOVEMBER 2015

Corporación de Reservas Estratégicas de Productos Petrolíferos

(*incorporated as a Non-profit Public-Law Corporation in Spain*)

Euro 1,500,000,000

Euro Medium Term Note Programme

This supplement (the **Supplement**) to the base prospectus approved and registered in its official registries by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*, the **CNMV**) on 22 September 2015 (the **Base Prospectus**), as amended by the supplement approved and registered in its official registries by the CNMV on 20 October 2015, constitutes a supplement pursuant to article 16 of Directive 2003/71/EC (the **Prospectus Directive**) to the Base Prospectus in connection with the Euro 1,500,000,000 Euro Medium Term Note Programme (the **Programme**) of *Corporación de Reservas Estratégicas de Productos Petrolíferos* (**CORES**, the **Issuer** or the **Corporation**). This Supplement has been prepared for the purposes of disclosing certain recent changes and significant new factors relating to the information included in the Base Prospectus that have arisen since its publication.

Terms defined in the Base Prospectus have the same meaning when used in the Supplement.

Full information on the Issuer and any series or tranche of Notes is only available on the basis of the combination of the Base Prospectus, this Supplement and the corresponding Final Terms.

The Issuer accepts responsibility for the information contained in this Supplement for each Tranche of Notes issued under the Programme. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in the Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

An application has been submitted to the CNMV, as the competent authority for the purposes of the Spanish Royal Decree 1310/2005, of 4 November (the **Prospectus Law**) implementing Directive 2003/71/EC as amended by Directive 2010/73/EU (the **Prospectus Directive**), to approve this Supplement.

AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

1. DESCRIPTION OF THE ISSUER – History and legal status

Section 3 "Description of the Issuer" of the Base Prospectus is amended as follows:

The following language replaces in its entirety the subsection "History and legal status" contained in Section 3 "Description of the Issuer" of the Base Prospectus and shall be deemed to be contained in and to form part of the Base Prospectus:

"History and legal status

The full legal name of the Issuer is *Corporación de Reservas Estratégicas de Productos Petrolíferos*; in an abbreviated form: **CORES**.

CORES was incorporated on 6 July 1995 by virtue of Royal Decree 2111/1994, of 28 October 1994, it is a non-profit Public-law Corporation subject to the oversight of the State General Administration, exercised through the Ministry of Industry, Energy and Tourism. It is a separate legal entity, operating under private law. Its main purpose is to ensure the security of the hydrocarbon supply in Spain through stockholding of oil products and control of the stocks held by the industry with regard to oil products, liquefied petroleum gases ("**LPG**") and natural gas and its management structure includes representatives of the government as well as the oil and natural gas sectors.

The obligation to hold stocks to address possible supply crises was initially applied in Spain in 1927, and was progressively increased as a consequence of the international commitments assumed when Spain joined the International Energy Agency ("**IEA**") in 1974 and the European Union in 1986.

The IEA was created in 1974 after the oil crisis as an independent agency within the OECD. Its mandate is to coordinate member country policies in the event there is an interruption in the supply of crude oil and petroleum products, whether national or international. While Spain has been a member of the IEA since its inception, the European Union became a member of this agency once it was formed.

During the petroleum monopoly in Spain in force from 1927 to 1992, the responsibility for petroleum product stockholding alternated between the industry, state-owned CAMPSA and, at times, both of them (depending on the historical period).

After the petroleum monopoly in Spain ended in 1992, as part of the oil sector liberalization process, and following Spain's international obligations regarding stockholding on a national level, CORES was created.

In Europe the creation of stockholding entities such as CORES, devoted to the storage and management of strategic reserves, has been the model most frequently used to fulfil the international obligations regarding stockholding on a national level. In fact, Directive 2009/119/EC promotes the existence of this type of organisation as the most efficient system for maintaining and managing stocks from an operational, financial and security of supply standpoint.

Consequently, stockholding obligations in Spain are currently shared between CORES and the industry. Together with CORES' aforementioned main activities and purposes, CORES assists in guaranteeing the suitable diversification of natural gas supply in Spain, monitoring that supply origins do not exceed the legal percentage set for any one country and has also been the leading information resource in the hydrocarbon sector in Spain since its creation.

In the event of an oil supply crisis, whether national or international, and under the supervision of the Ministry of Industry, Energy and Tourism, CORES would respond by ensuring supply continuity, coordinating the flow of the necessary petroleum product stock to consumers.

CORES' legal framework mainly derives from the following regulatory provisions:

(i) Act 34/1998, of 7 October, on the Hydrocarbon Sector, as amended (including by Act 8/2015, of 21 May);
(ii) Royal Decree 1716/2004, of 23 July, which regulates the obligation to maintain minimum security stocks, the diversification of the natural gas supply and the *Corporación de Reservas Estratégicas de Productos Petrolíferos* as amended (including by Royal Decree 984/2015, of 30 October);
(iii) Act 3/2013, of 4 June, on the creation of the National Commission of Markets and Competition;
(iv) Royal Decree 61/2006, of 31 January, which sets specifications for gasoline, diesel fuel, fuel oil and liquid petroleum gases and regulates the use of certain biofuels;
(v) Order ITC/3283/2005, of 11 October 2005, approving the regulations on the information duties of the entities obliged to maintain minimum security stocks of petroleum products including liquid petroleum gases and natural gas, as well as the *Corporación de Reservas Estratégicas de Productos Petrolíferos*' inspection authority
(vi) Ruling of the General Directorate of Energy Policy and Mines of 29/05/2007, approving the new official forms for submitting information to the General Directorate of Energy Policy and Mines, the National Energy Commission and CORES;
(vii) Directive 2009/119/EC of the Council, of 14 September 2009, imposing an obligation on Member States to maintain minimum stocks of crude oil and/or petroleum products. (Directive 73/238/EEC, Directive 2006/67/EC and Decision 68/416/EEC were repealed as of 31 December 2012); and
(viii) Agreement on an International Energy Programme, signed in Paris on 18 November 1974.

Where a matter of law is not covered by any specific regulation, the regulations applicable to the private sector will apply in respect of that matter.

On 23 May 2015, Act 8/2015, of 21 May, entered into force amending Act 34/1998. The amendments under Act 8/2015 seek to extend the mixed stockholding system that, as of today, is only established for petroleum products (except LPG) to the strategic stockholding of natural gas. However, although Act 8/2015 sets the guidelines for the establishment of a new shared regime for natural gas security holdings, it does not address CORES' corresponding obligations. Therefore, until such regulations are developed and enter into force, the duty of holding security stocks of natural gas continues to fall entirely on the industry's obliged entities.

Furthermore, on 1 November 2015, Royal Decree 984/2015, of 30 October, regulating the organised gas market and third party access to the natural gas system's facilities entered into force. Similarly to Act 8/2015, the aforementioned Royal Decree does not establish CORES' obligations to maintain strategic stockholdings of natural gas; however, it does include certain instrumental legal provisions that will enable CORES to comply with the gas stockholding obligations once established by the necessary regulations:

(i) Article 3 of Royal Decree 984/2015 grants CORES the right to access the gas system's facilities to, foreseeably, satisfy its future natural gas strategic stockholding obligations;
(ii) Article 17 of Royal Decree 984/2015 recognises CORES' capacity to act in the organised gas market and, therefore, to qualify as an authorised person (*sujeto habilitado*) and agent of said market; and
(iii) Article 32 of Royal Decree 984/2015 enables CORES' to attend, without the right to vote, the Agent's Committee that acts as the advisory body of the organised gas market.

Moreover, in light of the sustained decline in fuel consumption in recent years, that has resulted in CORES holding a significant surplus of reserves above its strategic stockholding obligation, the Third Additional Provision of Royal Decree 984/2015, despite not modifying Royal Decree 1716/2004, that sets forth CORES' legal framework and, amongst other, its recurrent obligations, includes nevertheless

a one-off obligation for CORES' to submit a plan, within six months from the entry into force of Royal Decree 984/2015, to the Ministry of Industry, Energy and Tourism, for the disposal of its strategic stockholding surplus and the reduction of its current storage capacity to adapt it to the legally required volumes. That is, once it has complied with its obligations to maintain a minimum of 42 days of strategic stocks and has met the requests for additional strategic stockholding coverage of the obliged entities, as explained in more detail subsequently (See Section 3 "*Description of the Issuer- Main activities of the Issuer*"). It is important to highlight that this obligation refers exclusively to the submission of the sales plan and not to the sale of any stock that CORES shall carry out if and when it deems appropriate, and that, pursuant to article 29 of Royal Decree 1716/2004, the proceeds from such potential sales must be used to repay CORES' outstanding indebtedness.

Additionally, the Second Final Provision of Royal Decree 984/2015 amended Royal Decree 1716/2004 mainly by modifying the provisions on the stockholding obligations of CORES and the obliged entities (described below) as well as those on international stockholding of reserves, in relation to the stockholding of reserves for the benefit of the obliged entities, Member States, other members of the IEA that are not, in turn, Member States, if applicable, their Central Stockholding Entities, or other agencies and authorities provided certain conditions are met.

2. DESCRIPTION OF THE ISSUER – CORES' members

Section 3 "Description of the Issuer" of the Base Prospectus is amended as follows:

The following language replaces in its entirety the subsection "CORES' members" contained in Section 3 "Description of the Issuer" of the Base Prospectus and shall be deemed to be contained in and to form part of the Base Prospectus:

"CORES' members

All Spanish wholesale oil and LPG product operators as well as natural gas shippers are automatically subject to compulsory CORES membership starting from the date they submit the corresponding Statement of Compliance before the Ministry of Industry, Energy and Tourism, indicating their initiation of activity. CORES maintains a regularly updated list of all its members on its webpage (www.cores.es).

Consequently, as of date of this Base Prospectus, CORES' members can be grouped into the following sectorial categories:

(i) 163 operators authorised to distribute petroleum products on a wholesale basis.

(ii) 9 authorised wholesale LPG operators.

(iii) 133 natural gas marketers.

Members are obliged to hold minimum security stocks and to financially support CORES' activity, making monthly or annual payments based on their sales or consumption as explained below. These payments are made in accordance with the fees applicable to each product, which are calculated on the basis of CORES' anticipated operating costs for the year and approved by means of a Ministerial Order issued by the Ministry of Industry, Energy and Tourism (See *Budget and fees* in this Section).

In addition to CORES members, other entities are also obliged to hold minimum stocks and pay fees based on their imported product volume or the amount acquired directly without using a wholesale or retail operator or gas dealer as an intermediary. This is the case for retail oil product and LPG distributors, major consumers of oil products and LPG, and direct consumers in the natural gas market.

Accordingly, the entities obliged to maintain minimum security stocks assume the following obligations to CORES as of the activity commencement date indicated in the Statement of Compliance approved by the Ministry of Industry, Energy and Tourism:

(i) Obligation to maintain minimum stocks.

(ii) Obligation to pay the corresponding fee.

(iii) Obligation to submit periodic information.

Additionally, there are other entities (storage facility owners, lessors, biofuel production plants and natural gas distributors and carriers, etc.) that are required to submit information to CORES, for the purpose of verifying the data submitted by the entities obliged to maintain minimum stocks."

3. DESCRIPTION OF THE ISSUER – Main activities of the Issuer

Section 3 "Description of the Issuer" of the Base Prospectus is amended as follows:

The following language replaces in its entirety the subsection "Main activities of the Issuer" contained in Section 3 "Description of the Issuer" of the Base Prospectus and shall be deemed to be contained in and to form part of the Base Prospectus:

"Main activities of the Issuer

The activities performed by CORES, according to the current language of Act 34/1998 and defined in article 23 of Royal Decree 1716/2004, are focused on the areas of hydrocarbon supply security and serving as an information resource in the sector.

Likewise, in accordance with the reform of Act 34/1998, on the hydrocarbon industry, enacted pursuant to Royal Decree-Act 15/2013, of 13 December, CORES has been designated as the "Central Stockholding Entity" in Spain, with the features and subject to the legal regulation resulting from that designation in accordance with article 7 of Council Directive 2009/119/EC of 14 September obliging Member States to maintain minimum stocks of crude oil and/or petroleum products.

(A) Security of national hydrocarbon supply

In the course of its activities, CORES contributes to ensuring security of supply for oil products, LPG and natural gas in Spain.

Spain has a mixed stockholding system in which responsibility for holding hydrocarbon stocks is shared between CORES and the industry where CORES' foremost activity is to build up, maintain and manage strategic stocks of crude oil and oil products. Additionally, as previously mentioned, pursuant to Act 8/2015 and Royal Decree 984/2015, such mixed stockholding system is aimed to be extended to the stockholding of natural gas once the necessary regulations are developed and enter into force.

Petroleum products (except LPG)

The obligation to maintain minimum security stocks of petroleum products (emergency stocks) in Spain currently involves the holding stocks equivalent to 92 days of eligible sales or consumption, which must be maintained at all times.

Of these total mandatory 92 days, CORES holds 42 days (strategic stocks) for the benefit of every obliged party while the obliged party holds the remaining 50 days (industry reserves). The stock surplus above the 42-day obligation on an individual basis may be allocated by CORES to the obliged parties that request from CORES an additional volume of coverage, according to Royal Decree 1716/2004, as explained below.

Therefore, pursuant to article 14 of Royal Decree 1716/2004, as amended by Royal Decree 984/2015, CORES maintains for all the obliged parties, a minimum legal obligation of 42 days,

in the three groups of petroleum products, namely motor car and aviation gasoline, automotive diesel oils, other diesel oils, aviation kerosene and other kerosene; and fuel oils. and the rest (a maximum of 50 days) is maintained by the obliged party.

The entities obliged to maintain minimum stocks of petroleum products are wholesale operators, retail distribution companies (for the part not supplied by wholesale or other retail operators) and consumers (for the part not supplied by wholesale operators or retail companies).

The system established by Royal Decree 1716/2004, as amended by Royal Decree 984/2015, for the maintenance of strategic stocks configures the 42 days of stocks that CORES must maintain by law as a minimum threshold. Consequently, CORES may maintain up to 100% of the stockholding obligations of the obliged parties at their request.

Should CORES be unable to meet such requests due to a lack of storage capacity or insufficient stocks, article 14 of Royal Decree 984/2015 sets forth the allocation criteria applicable to these requests taking into consideration the nature of the obliged entity in order to determine the priority of the requests.

On the other hand, if CORES maintains stockholding capacity after meeting all the aforementioned requests to maintain additional stockholdings from the obliged entities, it may meet the requests made by other Member States or its central stockholding entities, for certain periods of time, even if no intergovernmental agreements are in place to maintain minimum security stocks (see *International Stockholding* below), or members of the IEA that are not, in turn, Member States, in which case, the corresponding intergovernmental agreement will be necessary.

CORES will establish the appropriate deadlines and conditions applicable to the receipt of the obliged entities' requests for the holding by CORES of additional stockholdings that must be delivered prior to 30 June of the immediately preceding year to that in which the request for additional stockholding coverage is sought. All of the reserves held by CORES are owned by CORES.

After complying with its obligations to maintain a minimum of 42 days of strategic stocks and meeting the requests for additional stockholding coverage of the obliged entities CORES should avoid exceeding its stock or storage capacity.

In any case, CORES shall ensure that at least a third of its total strategic reserves are maintained as petroleum products as long as the equivalent in crude oil of the consumed quantity amounts, at least, to 75% of domestic consumption.

In 2014 there was a net 16,410 m^3 decline in strategic reserves compared to 2013 (consisting of a decrease of 858 m^3 in gasolines, 4,608 m^3 in medium distillates, 14,068 tons of fuel oils and a 3,124 m^3 increase in crude oil). The decline in oil products is the result of not replacing shrinkage (5,571 m^3) and sales of fuel oils (13,963 tonnes) in 2014. The 3,124 m^3 net increase in the volume of crude oil is the result of a crude oil swap that increased the amount of the product by 7,329 m^3 and the decrease experienced as a result of not replacing its shrinkage (4,205 m^3).

However, the number of days maintained by the Corporation in 2014 has increased by 0.2 days with respect to the figure for the previous year (this increase is mainly due to the decrease in the sales subject to such liability). Consequently, the total figure represented, as at 31 December 2014, 57 days. In total, as at 31 December 2014, there were 8,110,699 m^3 of strategic reserves.

Finally and in accordance with the above, the budget for 2015 does not contemplate the purchase of reserves, since the stocks physically held by the Corporation exceed the minimum compulsory levels (42 days for each obliged party).

Liquid Petroleum Gases (LPG)

The obligation to maintain minimum security stocks (emergency stocks) of LPG in Spain currently means holding stocks equivalent to 20 days of eligible sales or consumption, which must be maintained at all times. These stocks are wholly held by the obliged entities. LPG is excluded from the strategic stocks scheme operated by CORES .

The entities obliged to maintain minimum stocks of LPG are wholesale operators, retail companies (for the part not supplied by wholesale operators) and consumers (for the part not supplied by wholesale operators or retail companies).

Natural gas

In the natural gas sector, CORES is responsible for ensuring compliance with the obligation to maintain minimum security stocks. Moreover, also within the scope of security of supply and as an activity that differentiates it from other similar European entities, CORES contributes to the appropriate diversification of the natural gas supplies in Spain.

If over 50% of the total amount of the annual natural gas supplies used for domestic consumption (with the exception of gas acquired for facilities with alternative combustion) comes from a single country of origin, the shippers that provide over 7% of the annual supply must diversify their portfolios. CORES is responsible for overseeing this obligation.

The entities obliged to maintain minimum stocks of natural gas are natural gas shippers and direct consumers on the market (for the part of their confirmed consumption not supplied by a shipper).

The obligation to maintain minimum security stocks of natural gas in Spain currently consists in holding 20 days of the previous calendar year's confirmed sales or consumption. This supply must be wholly maintained by the obliged entities.

Nevertheless, this regime is set to be modified. As previously mentioned, Act 8/2015 and Royal Decree 984/2015 seek to extend the mixed stockholding system that, as of today, is only established for petroleum products (excluding LPG) to the strategic stockholding of natural gas. However, although those regulations lay down the guidelines and set forth several instrumental provisions for the establishment of a new shared regime for natural gas security holdings, they nevertheless do not address CORES' corresponding obligations. Therefore, until such regulations are developed and enter into force, the duty of holding natural gas stocks continues to fall entirely on the industry's obliged entities. As of today, CORES does not store strategic stocks of natural gas.

The strategic stockholding of natural gas, as a new line of activity for CORES, will represent a major step forward in its role of guaranteeing the security of supply in the Spanish energy sector in the coming years.

International stockholding

Spanish and European Community regulations establish the possibility of maintaining reserves in other Member States.

In fact, this possibility is promoted in Directive 2009/119/EC, because it allows reserves to be stored in any Member State. In accordance with Spanish law, there must first be a bilateral

agreement in place in order to allow Spanish nationals to maintain minimum security stocks abroad.

The legal limitations and requirements in the case of other countries maintaining reserves in Spain are those established in the regulations of those countries. Additionally, if a bilateral agreement with the relevant Member State is not in force, authorisation from the Spanish Minister of Industry, Energy and Tourism is required. On the other hand, should a bilateral agreement be in force with the Member State, the Minister's authorisation will be replaced by the rules under the bilateral agreement.

In the case of countries that are members of the IEA but are not Member States seeking to maintain security stocks in Spain, under current regulations, the existence of a bilateral agreement entered into between both states is a prior condition to the security stockholding.

Spain currently has bilateral agreements with France, Ireland, Italy and Portugal and unilateral agreements with New Zealand and Malta. As of today, CORES does not maintain any stocks abroad nor does CORES maintain stocks for the central stockholding entities of other states.

With regard to maintaining other countries' reserves, Spain has a privileged geostrategic location, with access to the main European markets (Atlantic and Mediterranean), making it an option with clear advantages over other countries.

Additionally, Spanish legislation recognises the right of third parties to have access to oil sector logistics facilities through a negotiated procedure, under non-discriminatory technical and economic conditions. These conditions are supervised through the publication of prices and access conditions by the competent authorities

Finally, and without prejudice to CORES' principal activity which basically consists on the acquisition, build-up, holding and management of the aforementioned reserves, the Corporation shall specifically perform the following duties:

(a) Identification, verification, accounting and control of reserves defined in Act 34/1998 and developing regulations hereof, including commercial reserves, with the obligation to inform the Ministry of Industry, Energy and Tourism, on a monthly basis at least of the level of reserves held by any obliged parties and economic operators and to submit a report on an annual basis detailing CORES' monitoring activities with special emphasis on the availability and accessibility of the reserves.

(b) Establishing a detailed and permanently updated registry of all emergency reserves held, excluding, as the case may be, specific reserves. The registry must include, in particular, the necessary details to pinpoint the depot, refinery or storage facility in which the corresponding reserves are located and the amount, the owner and the nature thereof based on the categories defined by mandatory European Union regulations that may be applicable from time to time. Such details must be kept for a five-year period.

    The Ministry of Industry, Energy and Tourism may at any time request the Corporation to provide it with the registry, which CORES must deliver to the Ministry within 10 days from receipt of the request.

    Prior to 31 January of each year, CORES must send the Ministry of Industry, Energy and Tourism a summary of the registry, indicating, at a minimum, the amounts and the nature of the emergency reserves included in the registry on the last day of the preceding calendar year.

(c) Publishing, on a permanent basis, complete information classified by product categories, concerning the volumes of stocks that the Corporation can guarantee to maintain vis-à-vis the obliged parties, other economic operators or central stockholding entities. Likewise, it shall publish, prior to 31 May of each year, the terms on which it will offer reserve maintenance services on account of the obliged parties.

(d) Acquiring or selling, on an exclusive basis, the specific reserves that, as the case may be, may be set pursuant to the mandate of the Ministry of Industry, Energy and Tourism.

(e) Build-up, maintenance and management of reserves in favour of economic operators or obliged parties in the terms set forth under applicable regulations. Freely available reserves pursuant to lease agreements may not be assigned or leased to third parties in any way.

(f) Calculation and verification of total petroleum equivalent reserves and product quantities held by the Kingdom of Spain on a permanent basis, calculated both as a number of days of average daily net imports and as a number of days of average daily internal consumption corresponding to the year of reference in accordance with European regulations and the obligations resulting from any International Treaties to which the Kingdom of Spain is a party.

Likewise, CORES must send the Ministry of Industry, Energy and Tourism any statistical lists relating to hydrocarbons as may be provided under applicable regulations.

(g) Proposal to the Ministry of Industry, Energy and Tourism of any actions and measures leading to the implementation and update of obligations concerning security of supply in the hydrocarbon market in accordance with the international commitments assumed by the Kingdom of Spain.

(h) Cooperating with the various public authorities for the purpose of providing information and advice and for performing any other activity regarding aspects included within the scope of its faculties in the hydrocarbon industry including, in particular, a review of Spain's degree of preparation and storage of emergency stocks.

(i) Duties concerning the security of supply in the hydrocarbon sector entrusted to CORES by the Ministry of Industry, Energy and Tourism. Another activity that sets CORES apart from similar European entities is its contribution to ensure an appropriate diversification of Spain's natural gas supply, controlling the supply to ensure that no one country of origin provides more than 50%, in accordance with the current legal limit.

(B) Leading national information resource for the hydrocarbon sector

In relation to the specific duties mentioned in paragraph (A), CORES is the leading information resource for the hydrocarbon sector in Spain and provides official statistics to different organisations, contributing official data to various chapters of the National Statistics Plan. These activities differ from those performed by other European entities similar to CORES in its role of controlling the diversification of natural gas suppliers (*comercializadores*).

These actions are reflected in the regular updating of its website with statistics, publications and reports, making CORES a benchmark for sector information.

Moreover, CORES acts as a consultant, collaborating with various government administrations to provide information and advice.

(C) Benchmark player in the sector

Finally, throughout its more than two decades of existence, CORES has positioned itself as an active player in the hydrocarbon sector, providing technical support to the Ministry of Industry, Energy and Tourism, regularly participating in various forums and work groups at the national and international level, and contributing to promote the image of Spain as a model of efficiency and security of energy supply.

To achieve its purpose, CORES exercises its powers in accordance with Act 34/1998 and Royal Decree 1716/2004, as well as the Articles of Association incorporated into the Royal Decree as an annex."

4. DESCRIPTION OF THE ISSUER – CORES' economic regime

Section 3 "Description of the Issuer" of the Base Prospectus is amended as follows:

The following language replaces in its entirety the subsection "CORES' economic regime" contained in Section 3 "Description of the Issuer" of the Base Prospectus and shall be deemed to be contained in and to form part of the Base Prospectus:

"CORES' economic regime

Acquisition and maintenance of strategic stocks

As previously mentioned, CORES' main purpose is to contribute to the security of the hydrocarbon supply in Spain through stockholding of petroleum products and control of the stocks held by the industry with regard to petroleum products, LPG and natural gas.

Accordingly, the Issuer may build up and maintain minimum security stocks qualified as strategic through the following procedures:

(i) Acquisition through purchase or exchange of the necessary stocks under market conditions.
(ii) Lease of stocks from operators at market price and under market conditions, up to a maximum of 50% of the total strategic stocks. It must be noted though that CORES has never leased stocks to cover strategic reserves.

In this sense, the members of CORES, if appropriate, must sell, exchange or lease stocks to the Corporation. To that effect, the Issuer may execute contracts for the acquisition, exchange or lease of strategic stocks. In these cases, CORES must ensure that the prevailing market competition conditions remain unaltered.

In practice, CORES makes public calls for tender among its members (the only companies in Spain authorised for the wholesale distribution of petroleum products) to request bids whenever it makes any purchase of strategic reserves (or generally any transaction relating to strategic reserves). A certain volume of the product, the location and the delivery date are requested in the offer and the reference price set is that of the international markets. Upon their receipt, offers are analysed and tabulated by the Corporation's technical departments and the bid deemed most appropriate is proposed to the Board of Directors by CORES' management, without offering any details on the others to avoid possible conflicts. The contracts are subsequently executed, the products delivered and payments made. Payments are euro-denominated to avoid exchange-rate risk and are financed through loans and issues of debt.

CORES may also execute purchase or lease contracts to obtain the necessary storage capacity for the maintenance of strategic stocks, which is also performed by means of public calls for tender among its members that own hydrocarbon storage facilities in Spain, and other logistics businesses that are not

members of the Corporation. In accordance with the provisions of applicable regulations, the members of the Corporation should, if appropriate, sell or lease storage capacity to the Corporation.

When the Corporation requires storage capacity, it requests offers from warehouse owners established in Spain. Through the Board of Directors' resolution, contracts are executed for a term consistent with the Corporation's requirements from time to time and, in general, the costs related to the maintenance of the quality of the products, seasonality (winter-summer rotation) and insurance are included in the storage price. CORES is currently a party to 29 lease contracts of storage capacity for terms that ranging between 4 and 23 years and maturing between 2016 and 2029. The total sum represented by the rental of storage capacity amounted to €151,619,000 in 2013 and €143,790,000 in 2014.

Purchase, sale and lease transactions on strategic reserves as well as those related to their storage will be governed by master agreements, which form is approved by the Ministry of Industry, Energy and Tourism.

The Board of Directors of CORES may agree to increase the quantities stored in certain geographical areas in view of the general situation on the obligation to maintain minimum security stocks.

The Issuer guarantees at all times the quality of the products stored as strategic stocks, their suitability for their intended consumption as well as the compliance with the regulations in force on official specifications of the products.

CORES must maintain at all times an insurance policy covering all the strategic stocks for which the Corporation is responsible.

Sale or exchange of stocks

The Issuer may sell or exchange the surplus stocks exceeding the compulsory level, if appropriate, subject to the prior approval of the Board of Directors, provided that the transfer is made at a price or value equivalent to the average weighted acquisition cost or at market price, if the latter is higher.

The authorisation of the Ministry of Industry, Energy and Tourism will be mandatory if (i) the sale price or value of the exchanged products is lower than its weighted acquisition cost or (ii) the stock sold or exchanged is not considered surplus.

The sale or exchange of strategic stocks by CORES may never alter the competition conditions or the normal operation of the market for petroleum products.

As previously mentioned, CORES is required to maintain its stock and storage capacity at the legally required volumes and avoid exceeding the amounts required to comply with its obligations to maintain a minimum of 42 days of strategic stocks and meet the requests for additional stockholding coverage of the obliged entities.

It must be noted that Article 29 of Royal Decree 1716/2004 states that any profits deriving from the sale or swap of strategic stocks must be applied to the repayment of the Corporation's liabilities.

In the event of a shortage in the supply of petroleum products, the Council of Ministers may, through a resolution published in the State's Official Gazette (*Boletín Oficial del Estado*), submit the minimum security stocks, including strategic stocks, to an intervention system under the direct control of the Corporation in order to achieve the optimal use of the energy resources available.

Similarly, the Government may establish the use or final purpose of the minimum security stocks, including strategic stocks, available for consumption or transformation provided that this is necessary to guarantee the supply to priority consumption centres.

Strategic stocks to be disposed of will be offered at market price to the members of CORES for consumption purposes.

Furthermore, in the case of a clear risk of a shortage or scarcity of gas supplies, as well as when the security of individuals, devices or facilities or the integrity of the gas network can be threatened, the parties involved in the gas system must prepare an emergency plan to alleviate the shortage situation, including the use of own stocks. The technical manager of the system will propose a plan that must be approved by the Ministry of Industry, Energy and Tourism.

Financing

To finance CORES' activity, which is primarily the acquisition and maintenance of strategic stocks, as well as other overhead expenses, CORES has the following financial resources:

- Regular or extraordinary fees that must be paid by its members and the other entities obliged to maintain minimum security stocks.
- Liquidity resulting from its debt or loan capital.
- Other ordinary or extraordinary income that may be generated in the course of exercising its functions.

In addition to these resources, and as previously mentioned, CORES can sell or trade any stock in excess of its obligatory stockholding if approved by the Board of Directors, provided that the sale or trade is carried out at a price or value equal to the average weighted acquisition cost, or at the market price, if higher.

It must be noted that Article 29 of Royal Decree 1716/2004 states that any profits deriving from the sale or swap of strategic stocks carried out in accordance with the provisions of Article 36 cannot be distributed and must first be applied to the repayment of the Corporation's liabilities.

In any case, if the sales price or value of the trade is lower than the average weighted acquisition cost, the transaction must be authorised by the Ministry of Industry, Energy and Tourism.

Consequently, CORES' financial objectives are as follows: (i) raising funds to acquire strategic reserves at a cost within the range of comparable entities; (ii) financing stocks with medium and long-term debt; and (iii) use of diversified financing sources that permit flexibility based on needs.

(i) Financing of operations:

CORES has a stable, predictable income structure with a financing system based on the payment of legally established fees. Accordingly, CORES' income is made up mainly of the fees paid by its members and the other entities obliged to maintain minimum security stocks and who pay monthly or annual contributions based on their sales or consumption.

The fees are calculated annually by CORES based on its income and expenses budget, which includes the estimate of the financial resources necessary to fulfil its objectives. Once the budget has been approved by the Board of Directors, it is presented to the members of CORES at the General Assembly. The fee proposal is then forwarded to the Ministry of Industry, Energy and Tourism for its subsequent ratification by means of a Ministerial Order (see *Budget and fees* below).

The payments of fees are made in accordance with the unit fees applicable to each group of products.

Accordingly, the provisions of Royal Decree 1716/2004 establish that the holding of strategic stocks must be financed by the obliged parties, listed in article 7 (operators, distributors and consumers of liquid hydrocarbons) of the Royal Decree, through monthly payments based on their sales or consumption.

Additionally, to finance the Issuer's expenses for activities relating to LPG and natural gas, an annual fee is established for the obliged parties defined in article 8 (operators, distributors and consumers of LPG) and article 15 (marketers and consumers of natural gas) of Royal Decree 1716/2004, based on their market share.

Additionally, not only are all CORES members obliged to hold minimum security stocks and to financially support the Corporation's activity, but other entities that are not members of CORES may also be obliged to hold minimum stocks and pay fees based on their imported product volume or the amount acquired directly without using a wholesale or retail operator or gas dealer as an intermediary. This is the case for retail oil products and LPG distributors, major consumers of oil products and LPG, and direct consumers in the natural gas market.

Finally, in order to ensure CORES' financial solvency at all times, the possibility of levying extraordinary fees on members and other legally obliged entities when needed also exists. These extraordinary fees are established by Order of the Ministry of Industry, Energy and Tourism upon proposal by CORES.

(ii) Asset financing

CORES' obligation to maintain strategic reserves creates the need for financing a high level of stocks.

As of the date of this Base Prospectus, the acquisition of strategic stocks is financed through the issuance of medium term notes and bank loans established with various national and international financial institutions.

In order to meet its financial obligations, CORES' income from the sale of strategic reserves must, by law, first be applied to the amortisation of the Issuer's indebtedness and, in the case of losses as a result of the activities of the Corporation, the Board of Directors may resort to the fees of the members and other obliged parties to repay the liabilities, provided there are no reserves available for that purpose, in which case the reserves will be applied to that purpose.

The legal framework also reinforces CORES' financial solvency since it is mandatory for stocks to be accounted for at the average acquisition price. In this way, for accounting purposes, CORES is not affected by variations in market prices. No write-off, depreciation, amortisation or mark-to-market can be made to the stocks' historical acquisition cost.

As of December 2014, the market value of CORES' stock was 1.4 times its average purchase price (See *Comparison between the acquisition cost and the market value of strategic reserves* in this Section).

On 16 October 2014, in order to refinance CORES' short-term bank loans and credit facilities, the Issuer issued a new 10-year bond issue in the amount of €250 million. CORES has additional bond issues of €500 million (due April 2018) and €350 million (due April 2016).

As of December 2014, CORES bank loans amounted to €761,608,000 (€698,148,000 corresponding to long-term bank loans and €63,460,000 corresponding to short-term bank loans and the accrued yet undue interest).

These loan agreements entered into by CORES include market standard covenants and CORES is conducting its activity in compliance with such undertakings pursuant to the terms and conditions of the financial agreements.

Finally, consistent with the increased flexibility of the financial policy that commenced in 2012, the bank pool and the commitments available under CORES' credit facilities have been expanded.

Budget and fees

The Corporation prepares an annual budget that incorporates the appropriate forecast of expenses to finance its activities. To that effect, the Corporation must use all the information it has available in order to update the volume of strategic stocks to be maintained at all times and the costs in which it might incur in order to achieve its corporate purpose.

Once the income and expense budget has been prepared, a proposal for the unit fees applicable to each group of products taking into consideration the volume of cubic meters or metric tonnes of each product to be sold or consumed, forecasted on the basis of the market information available together with an strategic plan detailing how the Corporation will comply with its obligations; will be submitted to the Ministry of Industry, Energy and Tourism by the Corporation. These fees determine the payment to which members of CORES are obliged to comply with.

Following submission by the Corporation of its proposal to the Ministry, the unit fees per cubic meter or metric tonne sold or consumed for each group of products, and in the case of those groups where CORES maintains strategic stocks (all except LPG and natural gas), per day of stocks maintained by CORES on behalf of each obliged party are determined on an annual basis through an Order of the Ministry of Industry, Energy and Tourism, except when the need to maintain the Corporation's financial solvency recommends establishing extraordinary fees for a different term, following an equivalent approval procedure.

Once the annual contributions have been approved, CORES may request the General Directorate of Energy Policy and Mines (*Dirección General de Política Energética y Minas*) their modification upwards or downwards subject to a limit of 5%, submitting the documentation supporting such request.

In accordance with the provisions of the Ministerial Order IET/2470/2014, of December 29, approving the Corporation's fees for year 2015, the obliged parties will pay the following fees to the Corporation:

(i) Motor vehicle and aviation gasoline: Euro 0.0971 per cubic meter sold or consumed and per day of stocks held by the Corporation for the account of the obliged party.
(ii) Automotive diesel oils, other diesel oils, aviation kerosene and other kerosene: Euro 0.0949 per cubic meter sold or consumed and per day of stocks maintained by the Corporation for the account of the obliged party.
(iii) Fuel oils: Euro 0.0974 per metric tonne sold or consumed and per day of stocks maintained by the Corporation for the account of the obliged party
(iv) LPG: Euro 0.09 per metric tonne sold or consumed.
(v) Natural gas: Euro 4.15/GWh of firm sales or consumptions.

In this respect, fees for LPG and natural gas approved for each calendar year are collected during the following year.

As previously mentioned, once the annual contributions have been approved, CORES may request the General Directorate of Energy Policy and Mines their modification, in particular, when the assumptions made to determine CORES' budget experience important changes.

In this sense, in 2014 there were significant changes in some assumptions taken into account in CORES' Budget (the basis for the approval of the 2014 fees). Specifically, positive behaviour of oil sales, as well as the containment of the financial expenses due to interest rate decrease and the reduction of the expenses corresponding to the lease of storage capacity (due to the award of a tender in 2013 for the relocation and storage of strategic reserves, enabling the adjustment of storage costs to current market conditions), generated a surplus. Accordingly, CORES proposed a decrease in the fees applicable to sales or consumption starting September 2014, inclusive, with the exception of those relating to LPG and natural gas, which remained unchanged. The Ministry of Industry, Energy and Tourism approved Order IET/1790/2014 (1 October), which amended CORES' fees for 2014.

Similarly, in 2015 there have been substantial changes in the assumptions considered by CORES when preparing the Corporation's 2015 Budget, including higher than expected sales of oil products and a reduction of prevailing interest rates. These changes, together with a reduction of the expenses corresponding to the lease of storage capacity due to the negotiation of more favourable terms for CORES' storage capacity tender processes, have resulted in a reduction of the Issuer's financial and strategic stock storage expenses.

This has led to a surplus in the fees collected by CORES from operators relative to the operational expenses of the Corporation which endorses a reduction of the fees payable by the obliged parties starting from those corresponding to sales or consumptions of oil products in September 2015. This reduction of fees is consistent with CORES' focus on keeping fees payable by market operators as close as possible to real costs, thereby adapting its fee income to the performance of markets in intra-year periods. The Issuer believes that this approach translates into a better pass-through of costs to consumers and a more efficient financing of the system.

In light of the foregoing, CORES' Board of Directors resolved in its meeting held on 24 September 2015, to submit to the General Directorate of Energy Policy and Mines a proposal for the reduction of the fees applicable to sales or consumptions of several groups of products, starting from those corresponding to September 2015, to be paid before 20 October 2015, with the exception of those relating to LPG and natural gas, which remained unchanged, as follows:

(i) Motor vehicle and aviation gasoline: Euro 0.0601 per cubic meter sold or consumed and per day of stocks held by the Corporation for the account of the obliged party.
(ii) Automotive diesel oils, other diesel oils, aviation kerosene and other kerosene: Euro 0.0562 per cubic meter sold or consumed and per day of stocks maintained by the Corporation for the account of the obliged party.
(iii) Fuel oils: Euro 0.0577 per metric tonne sold or consumed and per day of stocks maintained by the Corporation for the account of the obliged party.

Consequently, the Ministry of Industry, Energy and Tourism approved Order IET/1981/2015, of 30 September, amending the Corporation's fees for year 2015, applicable to the sales and consumptions of September, October and November of 2015. Fees corresponding to the sales and consumptions of December 2015, to be collected before 20 January 2016, will be those approved by the Ministry of Industry, Energy and Tourism for the year 2016.

The Corporation will forward a formal notice to any obliged party that fails to make payment of the corresponding fee. In case of a payment delay by the debtor, interest will accrue on the delayed fee at a rate equivalent to 3 percentage points above the legal interest rate.

The non-payment of the contributions or fees to the Corporation will be considered a serious or very serious infringement of the regulations on minimum security stocks, without prejudice to the possibility of revoking or suspending the administrative authorisation granted to the obliged party. It should also be taken into account that, should the obliged party cease its operations, or its license be revoked due to

the default, its market share would presumably be absorbed by another operator, who in turn would pay the corresponding fees to CORES.

Apart from these ordinary fees and exceptionally when so recommended for the correct fulfilment of the purposes of the Corporation and at the proposal of CORES, extraordinary fees will be fixed by the Ministry of Industry, Energy and Tourism.

Finally, consistent with previous financial years, the level of defaults in the payment of fees was insignificant due to their mandatory nature and the sanctions CORES' members could face should they breach their obligations to CORES, since failure by members to settle CORES' fees constitutes a serious or very serious infringement of the regulations on minimum security stocks that may entail the revocation or suspension of the administrative authorisation granted to such member to operate in the Spanish market.

5. TAXATION – Spanish tax considerations

Section 6 "Taxation" of the Base Prospectus is amended as follows:

The following language replaces in its entirety the subsection "Spanish tax considerations" contained in Section 6 "Taxation" of the Base Prospectus and shall be deemed to be contained in and to form part of the Base Prospectus:

"**Spanish tax considerations**

The following summary describes the main Spanish tax implications related to the holding or transfer of the Notes by certain individuals or entities that are the beneficial owners of the Notes.

The following information does not purport to be a complete analysis of tax law and practice currently applicable in Spain and is not intended to be, nor should it be construed to be, legal or tax advice, and does not address all the tax consequences applicable to all categories of investors, some of which (such as "look-through" entities or holders of the Notes by reason of employment) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisors as to the tax consequences, including those under the tax laws of the country in which they are resident, of purchasing, owning and disposing of Notes. This tax section is based on Spanish law as in effect on the date of this Base Prospectus as well as on administrative interpretations thereof, and is subject to any change in such law or interpretations that may occur after such date, including changes with retroactive effect.

In addition, the following section does not cover those tax laws in force in the Spanish Basque provinces and Navarra as well as the particularities in force in the Spanish autonomous regions (*comunidades autónomas*), or the special rules applicable to transactions among related persons for Spanish tax purposes.

The information provided below has been prepared in accordance with the following Spanish tax legislation in force at the date of this Base Prospectus:

(i) for individuals with tax residency in Spain who are individual income tax (IIT) taxpayers, Law 35/2006, of 28 November 2006, on IIT and on the partial amendment of the Corporate Income Tax Law, Non Residents Income Tax Law and Wealth Tax Law as amended, as well as Royal Decree 439/2007, of 30 March 2007, promulgating the IIT Regulations as amended, along with Law 19/1991, of 6 June 1991, on the Net Wealth Tax and Law 29/1987, of 18 December 1987, on the Inheritance and Gift Tax (IGT);

(ii) for legal entities resident for tax purposes in Spain which are subject to the Spanish Corporate Income Tax (CIT), Law 27/2014, of 27 November 2014, on the CIT Law, as amended, and Royal Decree 634/2015, of 10 July 2015, promulgating the CIT Regulations;

(iii) for individuals and entities who are not resident for tax purposes in Spain which are subject to the Spanish Non-Resident Income Tax (NRIT), Royal Legislative Decree 5/2004, of 5 March 2004, promulgating the Consolidated Text of the NRIT Law, as amended, and Royal Decree 1776/2004, of 30 July 2004, promulgating the NRIT Regulations as amended, along with Law 19/1991, of 6 June 1991, on the Net Wealth Tax and Law 29/1987, of 18 December 1987, on IGT.

Whatever the nature and residence of the beneficial owners of the Notes, the acquisition and transfer of Notes will be exempt from indirect taxes in Spain, i.e., exempt from transfer tax and stamp duty, in accordance with the Consolidated Text of such taxes promulgated by Royal Legislative Decree 1/1993, of 24 September 1993, and exempt from VAT, in accordance with Law 37/1992, of 28 December 1992, regulating such tax.

Individuals with Tax Residency in Spain

Individual Income Tax *(Impuesto sobre la Renta de las Personas Físicas)*

Both interest periodically received and income derived from the transfer, redemption or repayment of the Notes by IIT taxpayers is deemed as income obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Section 25.2 of the IIT Law, and must be included in the investor's IIT savings taxable base, which is taxed in 2015 at a flat rate of 19.5% on the first €6,000, 21.5% for taxable income between €6,001 and €50,000 and 23.5% for any amount in excess of €50,000.

As from 1 January 2016, the taxable savings base will be taxed at the rate of 19% on the first €6,000, 21% for taxable income between €6,001 and €50,000, and 23% for taxable income exceeding €50,000.

A (current) 19.5% withholding on account of IIT (19% in 2016 and onwards) will be imposed by the Issuer on interest payments as well as on income derived from the redemption or repayment of the Notes, by individual investors subject to IIT.

Similarly, income derived from the transfer of the Notes may be subject to withholding on account of IIT. However, subject to certain exceptions, income derived from the transfer of the Notes that qualify as financial assets with an explicit yield for Spanish tax purposes should not generally be subject to withholding on account of IIT, provided that the Notes are:

(i) registered by way of book entries (*anotaciones en cuenta*); and

(ii) negotiated in a Spanish official secondary market (*mercado secundario oficial*), such as AIAF.

According to article 26 of the IIT Law, administration and custody fees are deductible expenses in IIT. On the other hand, fees charged for discretional and individualised management of investment portfolios will not be deductible.

In any event, the individual holder may credit the withholding tax applied on account of IIT against his or her final IIT liability for the relevant tax year.

Net Wealth Tax (*Impuesto sobre el Patrimonio*)

For tax year 2015, Spanish resident tax individuals are subject to Spanish Net Wealth Tax, which imposes a tax on property and rights in excess of €700,000 held on the last day of any year.

Spanish tax resident individuals whose net worth is above €700,000 and who hold Notes on the last day of any year would therefore be subject to Spanish Net Wealth Tax for such year at marginal rates varying between 0.2% and 2.5% of the average market value of the Notes during the last quarter of such year, as published by the Spanish Ministry of Revenues on an annual basis. This taxation may be affected by the applicable Spanish regional rules.

Inheritance and Gift Tax *(Impuesto sobre Sucesiones y Donaciones)*

Individuals who are resident in Spain for tax purposes who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to the Spanish IGT in accordance with the applicable Spanish regional and state rules. The applicable tax rates range between 7.65% and 81.6% for 2015, depending on relevant factors.

Legal Entities with Tax Residency in Spain

Corporate Income Tax *(Impuesto sobre Sociedades)*

Both interest periodically received and income derived from the transfer, redemption or repayment of the Notes by CIT taxpayers are subject to CIT (at the current general flat tax rate of 28% for 2015) in accordance with the corresponding rules.

With regard to income derived from the Notes, in accordance with article 59.q of the CIT regulations, there is no obligation to withhold on income obtained by Spanish CIT taxpayers (which include Spanish tax resident investment funds and Spanish tax resident pension funds) provided that the Notes are:

(i) registered by way of book entries (*anotaciones en cuenta*); and

(ii) negotiated in a Spanish official secondary market (*mercado secundario oficial*), such as AIAF.

If the Notes do not meet these conditions, income derived from the Notes may be subject to a (current) 19.5% withholding on account of CIT (19% in 2016 and onwards). Certain Spanish withholding tax exemptions may apply in specific cases.

In any event, the CIT holder may credit the withholding tax on account of CIT applied against its final CIT liability for the relevant tax year.

Net Wealth Tax *(Impuesto sobre el Patrimonio)*

Legal entities resident in Spain for tax purposes that acquire ownership or other rights over the Notes are not subject to Spanish Wealth Tax.

Inheritance and Gift Tax *(Impuesto sobre Sucesiones y Donaciones)*

Legal entities resident in Spain for tax purposes that acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the IGT but must generally include the market value of the Notes in their taxable income for CIT purposes.

Individuals and Legal Entities that Are Not Tax Resident in Spain

1) *Investors that are not resident in Spain for tax purposes, acting in respect of the Notes through a permanent establishment in Spain*

Non-resident Income Tax *(Impuesto sobre la Renta de no Residentes)*

If the Notes form part of the assets affected to a permanent establishment in Spain of a person or legal entity that is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are, generally, the same as those set forth above for Spanish CIT taxpayers. See "—Legal Entities with Tax Residency in Spain-Corporate Income Tax (Impuesto sobre Sociedades)."

Ownership of the Notes by investors who are not resident in Spain for tax purposes will not in itself create the existence of a permanent establishment in Spain.

2) Investors that are not resident in Spain for tax purposes, not acting in respect of the Notes through a permanent establishment in Spain

(A) Non-resident Income Tax (*Impuesto sobre la Renta de no Residentes*).

Both interest payments periodically received under the Notes and income derived from the transfer, redemption or repayment of the Notes, obtained by individuals or entities who are not resident in Spain for tax purposes and who do not act, with respect to the Notes, through a permanent establishment in Spain, will be subject to Spanish NRIT, at a 19.5% rate (19% in 2016 and onwards), which will be generally withheld by the corresponding Spanish withholding tax agent.

However, payments of interest from the Notes made by the Issuer to these investors will be exempt from Spanish NRIT if such individuals or entities are:

(i) resident for tax purposes in a Member State of the European Union, other than Spain, or a permanent establishment of such resident situated in another Member State of the European Union not resident in, or acting through, a territory considered as a tax haven pursuant to Spanish law (as currently set out in Royal Decree 1080/1991 of July 5), and that do not act through a permanent establishment in Spain or in a country or jurisdiction outside the European Union in respect of the Notes; or

(ii) resident of a country or jurisdiction with which Spain has ratified a convention to avoid double taxation on income taxes that includes a full exemption from tax imposed in Spain on such payment.

provided in both cases that such individual or entity submits to the Issuer prior to the corresponding payment of interest a valid certificate of tax residence for any of the aforementioned purposes, duly issued by the tax authorities of the country of tax residence, each certificate generally being valid for a period of one year beginning on the date of its issuance.

Investors are advised to consult their own tax advisers regarding their eligibility to claim a refund from the Spanish tax authorities and the procedures to be followed in such circumstances.

(B) Net Wealth Tax (*Impuesto sobre el Patrimonio*)

For tax year 2015, Spanish non-resident tax individuals are subject to Spanish Net Wealth Tax, which imposes a tax on property and rights in excess of €700,000 that are located in Spain, or can be exercised within the Spanish territory, as the case may be, on the last day of any year.

However, to the extent that income derived from the Notes is exempt from NRIT, individual beneficial owners not resident in Spain for tax purposes that hold Notes on the last day of any year will be exempt from Spanish Net Wealth Tax. Furthermore, beneficial owners who benefit from a treaty for the avoidance of double taxation with respect to wealth tax that provides for taxation only in the beneficial owner's country of residence will not be subject to Spanish Net Wealth Tax.

If the provisions of the foregoing paragraph do not apply, non-Spanish tax resident individuals whose net worth related to property located, or rights that can be exercised, in Spain is above €700,000 and who hold Notes on the last day of any year would therefore be subject to Spanish Net Wealth Tax for such year at marginal rates varying between 0.2% and 2.5% of the average market value of the Notes during the last quarter of such year, as published by the Spanish Ministry of Revenues on an annual basis. Non-Spanish tax resident individuals who are resident in an EU or European Economic Area member State may apply the rules approved by the autonomous region where the assets and rights with more value are situated. As such, prospective investors should consult their tax advisers.

Non-Spanish tax resident legal entities are not subject to Spanish Net Wealth Tax.

(C) Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)

Individuals not resident in Spain for tax purposes who acquire ownership or other rights over the Notes by inheritance, gift or legacy, will be subject to IGT in accordance with the applicable Spanish state rules, unless they reside in a country for tax purposes with which Spain has entered into a treaty for the avoidance of double taxation in relation to IGT. In such case, the provisions of the relevant treaty for the avoidance of double taxation will apply.

If no treaty for the avoidance of double taxation in relation to IGT applies, applicable IGT rates would range between 7.65% and 81.6% for 2015, depending on relevant factors. Generally, non-Spanish tax resident individuals are subject to Spanish IGT according to the rules set forth in the state IGT law. However, if the deceased or the donee are resident in an EU or European Economic Area member State, the applicable rules will be those corresponding to the relevant autonomous regions according to the law. As such, prospective investors should consult their tax advisers.

Non-Spanish tax resident legal entities that acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to IGT. Such acquisitions may be subject to NRIT, unless otherwise applicable under the provisions of any applicable treaty for the avoidance of double taxation entered into by Spain. In general, treaties for the avoidance of double taxation provide for the taxation of this type of income in the country of tax residence of the beneficiary owner."

From the date of registration and approval of the Base Prospectus by the CNMV, on 22 September 2015, until the date of registration and approval of this Supplement, save as disclosed herein and in the supplement to the Base Prospectus approved and registered in its official registries by the CNMV on 20 October 2015, no other significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus that is capable of affecting the assessment of the securities has arisen.

In witness of his knowledge and approval of the contents hereof, pursuant to the authorisation granted through the resolutions of CORES' Board of Directors passed on 21 May 2015 and 23 July 2015, this Supplement is hereby signed by Mr. Pedro Miras Salamanca, Chairman (*Presidente*) of CORES, in Madrid on 2 November 2015.

Signed on behalf of Corporación de Reservas Estratégicas de Productos Petrolíferos
By

_____
Mr. Pedro Miras Salamanca
Chairman