

LNG as a Key Market Option



REPSOL

Karen lampen
April 25, 2019
VP, Origination



Disclaimer

Forward Looking Statements



REPSOL S.A. 2016

All Rights are Reserved

Repsol, S.A. is the exclusive owner of this document. No part of this document may be reproduced (including photocopying), stored, duplicated, copied, distributed or introduced into a retrieval system of any nature or transmitted in any form or by any means without the prior written permission of Repsol, S.A.

This document does not constitute an offer or invitation to purchase or subscribe shares, in accordance with the provisions of the Royal Legislative Decree 4/2015 of the 23rd of October approving the recast text of the law on the securities market and its implementing regulations. In addition, this document does not constitute an offer of purchase, sale or exchange, nor a request for an offer of purchase, sale or exchange of securities in any other jurisdiction.

This document contains statements that Repsol believes constitute forward-looking statements which may include statements regarding the intent, belief, or current expectations of Repsol and its management, including statements with respect to trends affecting Repsol's financial condition, financial ratios, results of operations, business, strategy, geographic concentration, production volume and reserves, capital expenditures, costs savings, investments and dividend payout policies. These forward-looking statements may also include assumptions regarding future economic and other conditions, such as future crude oil and other prices, refining and marketing margins and exchange rates and are generally identified by the words "expects", "anticipates", "forecasts", "believes", "estimates", "notices" and similar expressions. These statements are not guarantees of future performance, prices, margins, exchange rates or other events and are subject to material risks, uncertainties, changes and other factors which may be beyond Repsol's control or may be difficult to predict. Within those risks are those factors and circumstances described in the filings made by Repsol and its affiliates with the Comisión Nacional del Mercado de Valores and with any other supervisory authority of those markets where the securities issued by Repsol and/or its affiliates are listed.

Repsol does not undertake to publicly update or revise these forward-looking statements even if experience or future changes make it clear that the projected performance, conditions or events expressed or implied therein will not be realized.

The information contained in the document has not been verified or revised by the Auditors of Repsol.

Points for Discussion

- Company operations this past winter
- LNG Observations in New England for 2018
- What impact did LNG have on the power markets this past winter? Can LNG replace oil?
- Overall challenges/opportunities



CANAPORT™ LNG

Reliably Supplying the Northeast market



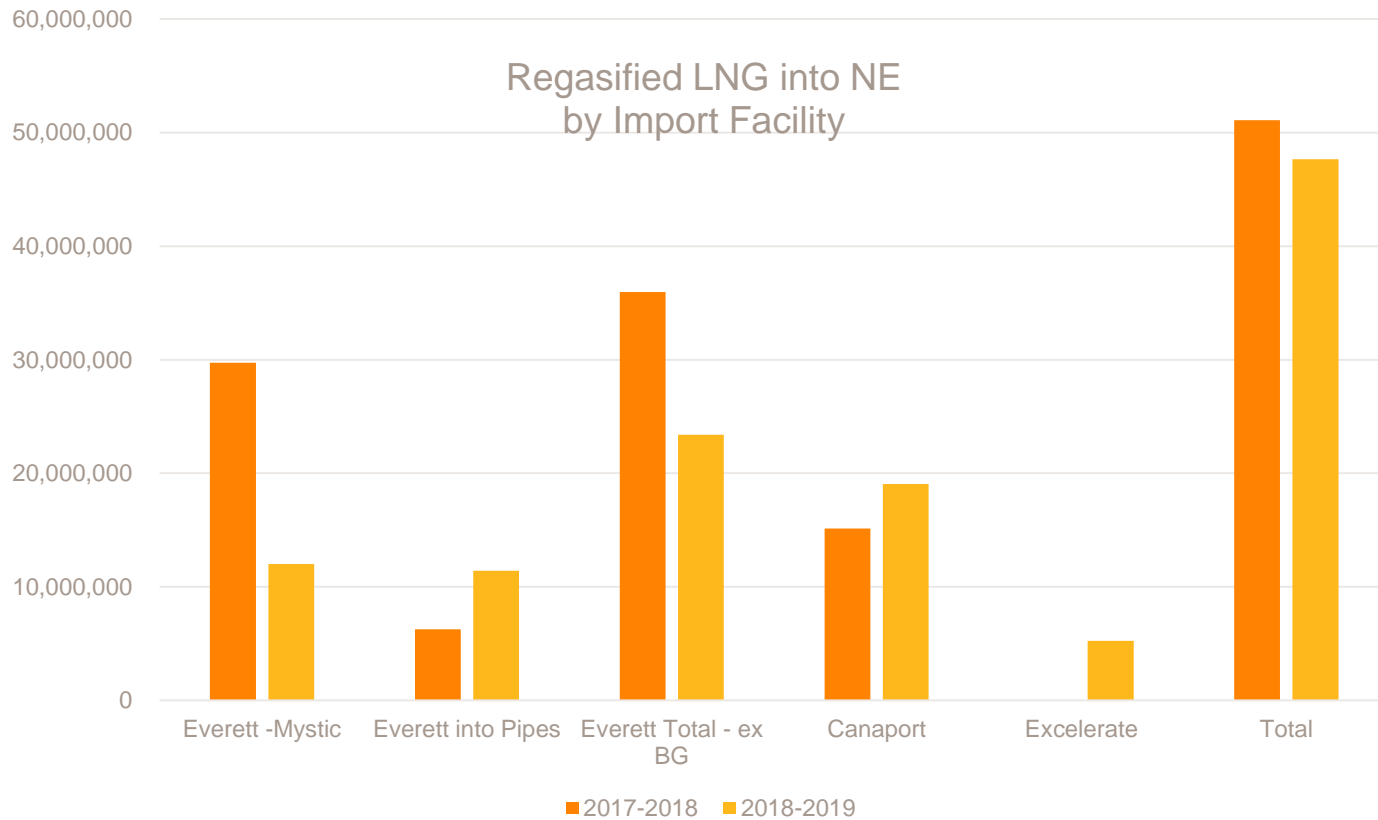
- ✓ Repsol operates the Canaport™ LNG (“Canaport”) receiving and regasification terminal in Saint John, New Brunswick and holds a 75% equity interest in the facility.
- ✓ Repsol holds 100% of the regasification (1.2 Bcf/d) and storage (10 Bcf) capacity.
- ✓ The New England market consumes ~5 Bcf of natural gas on a peak winter day.
- ✓ Celebrating its 10th year of operations this year
- ✓ Has received 124 cargoes, injecting a total of 450.2 BCF into Atlantic Canada and New England



Less LNG in total – More supplies on pipes

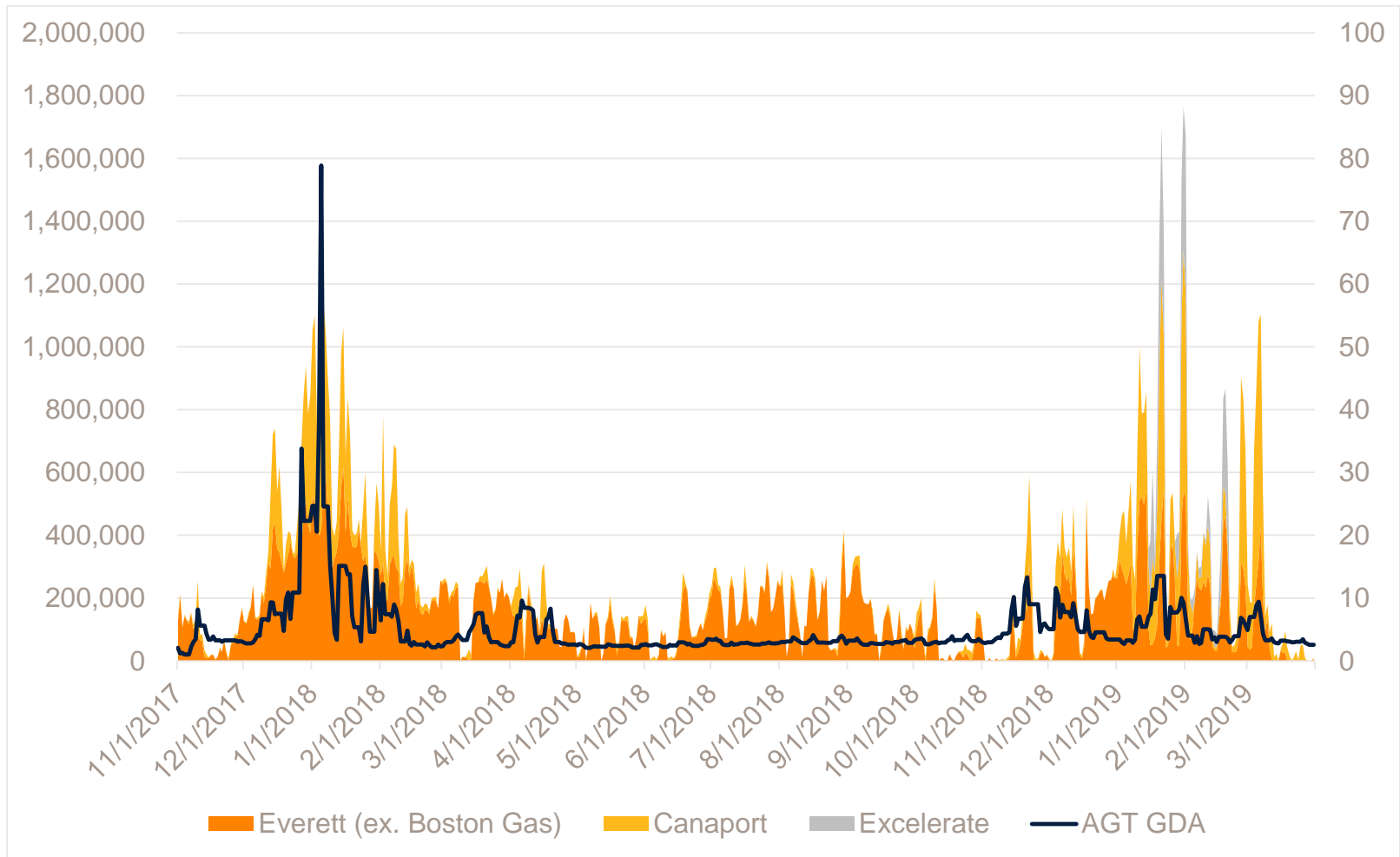


	Everett - Mystic	Everett into Pipes	Canaport	Northeast Gateway	Total
2017-2018	29,721,691	6,246,307	15,142,668	0	51,110,666
2018-2019	11,988,405	11,395,461	19,059,827	5,227,061	47,670,754



Source: Genscape, Repsol and Pipeline EBBs,

Established New High send out for any one day



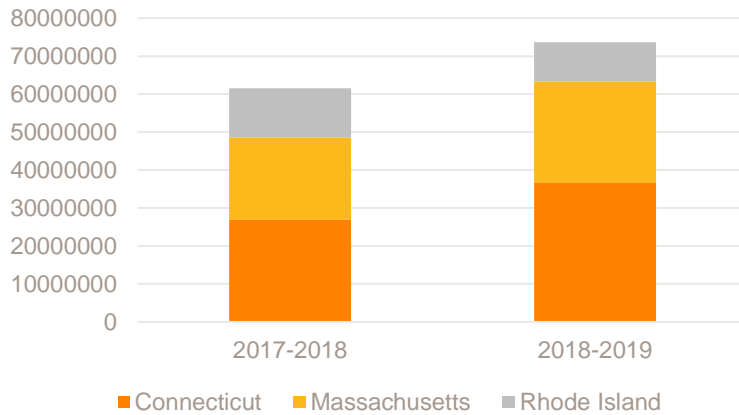
Source: Genscape and Platts

LNG Supplies increased power burn for those generating assets that pre-arranged for the supply



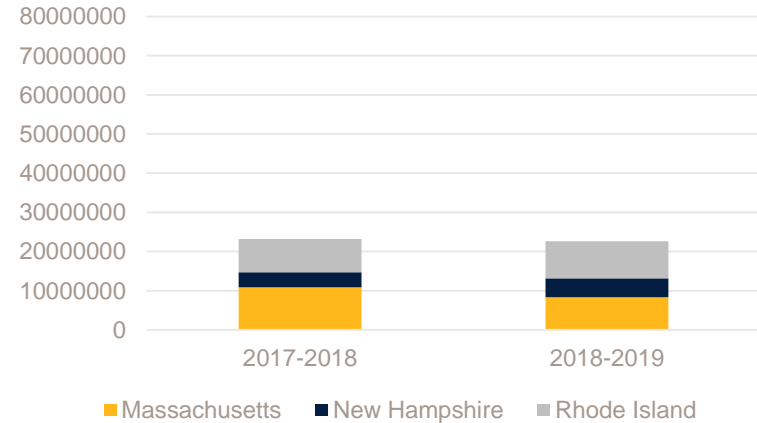
AGT Gas Fired Power Burn

Y-o-Y by State



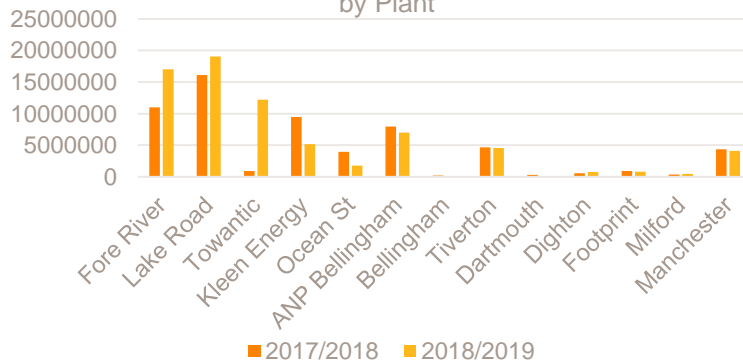
TGP Gas Fired Power Burn

Y-o-Y by State



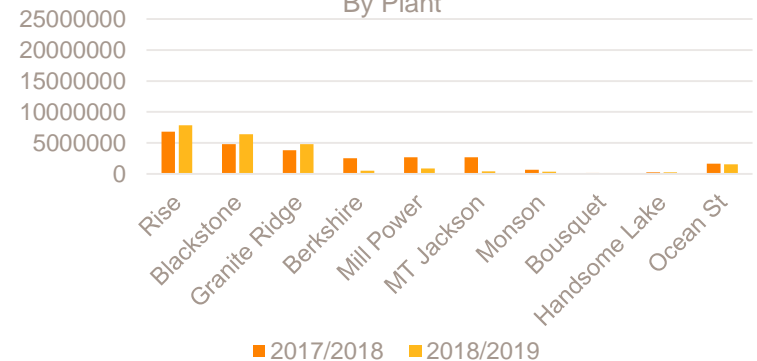
AGT Power Burns

by Plant



TGP Power Burns

By Plant

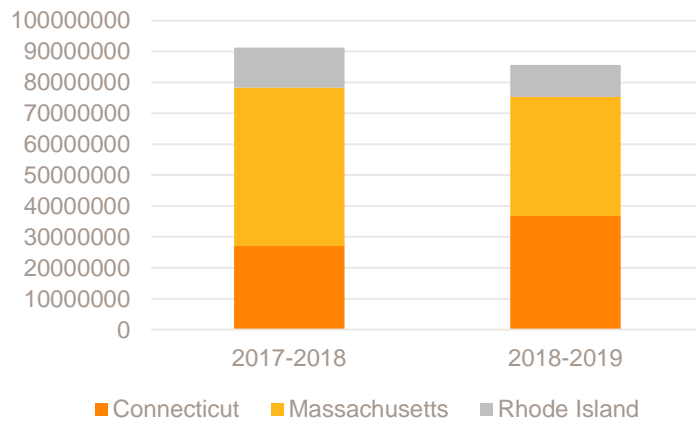


Including Mystic Y-o-Y Gas Fired Power Demand Down in 2018-2019



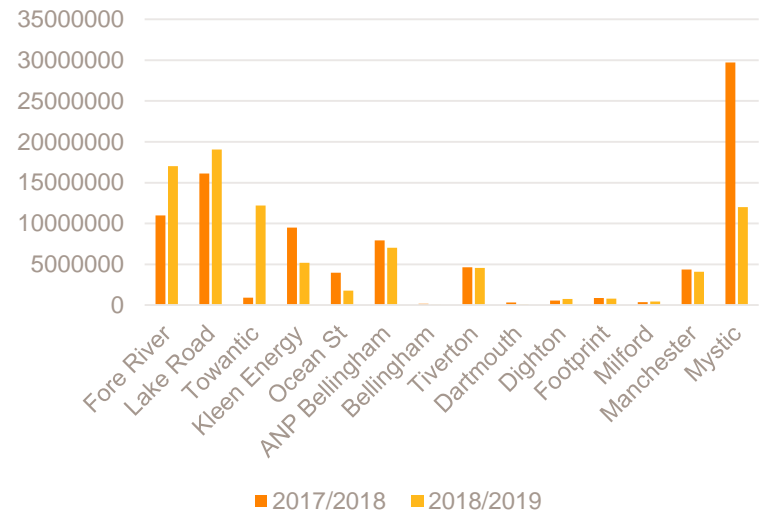
AGT Gas Fired Power Burn

Y-o-Y by State



AGT Power Burns

by Plant



Overall Challenges and Opportunities



Challenges

- LNG needs pricing signals to attract cargoes to New England
- Weather – what is demand and how much LNG is needed? Who is going to take the risk?
- Generators face an economic “catch 22”. Price signals that motivate generators to invest in “pre-arranged” fuel often obviate the higher energy prices that are needed to compensate the generator for the investment/risk undermining the initial investment
- Current/Future Fuel Security Initiatives have had no discernible positive impact on market incentives for generators to contract forward for LNG supply

Opportunities

- Incremental ~5 BCF/d of US LNG being brought on line this year
- Trump is considering waiving Jones Act mandate for natural gas
- Little to no oil dispatched this past winter
- “Spare” LNG capacity available for those willing to commit

THANK YOU