

CEPSA REPORTS 2010 EARNINGS

- Adjusted net income in 2010 amounted to €418 million, climbing 54.9% year-on-year.
- Adjusted operating income (EBIT) for the period totaled €702 million, up 50.5% from 2009.
- Adjusted EBITDA stood at €1,431 million, rising 31.8% from the same period last year.
- In the fourth quarter of 2010, adjusted net income came to €90 million, 54.5% higher than in the same quarter of 2009.
- With a capital expenditure figure of €621 million, the debt-to-equity ratio remained steady at roughly 27%. Noteworthy was the Middle Distillate Capacity Expansion at the La Rábida Refinery (Huelva), which came on-stream in the second half of 2010.
- The Annual General Meeting of Shareholders will be asked to approve a total dividend for the year of €0.95 per share, equivalent to a pay-out ratio of 60.8% of consolidated adjusted net income. Out of the total dividend, an interim dividend of €0.45 was distributed to shareholders on December 13, 2010.

KEY EARNINGS FIGURES

Millions of Euros (except as otherwise stated)

4Q10	3Q10	4Q09	% Var 4Q10 vs			12M10	12M09	Table 1	
			3Q10	4Q09				Var.	% Var.
374,9	392,8	247,2	-4,6%	51,6%	Adjusted EBITDA	1.431,4	1.085,6	345,7	31,8%
152,0	221,5	92,9	-31,4%	63,5%	Adjusted OPERAT. INCOME (EBIT)	702,3	466,7	235,6	50,5%
90,0	144,5	58,1	-37,7%	55,0%	Adjusted NET INCOME	418,1	269,9	148,3	54,9%

Adjusted net income eliminates the effect on the Company's assets from inventory price variations and other non-recurring items, providing a more meaningful indicator of the fundamentals of the business regardless of fluctuations in the value of inventory that are required both for legal (minimum security stocks) and operational reasons.

4Q10	3Q10	4Q09	% Var 4Q10 vs			12M10	12M09	Table 2	
			3Q10	4Q09				Var.	% Var.
90,0	144,5	58,1	-37,7%	55,1%	Adjusted NET INCOME (RCA)	418,1	269,9	584,0	54,9%
39,9	-0,8	-6,4	N/A	N/A	Non-recurring items (1)	39,1	-6,4	45,6	N/A
129,9	143,8	51,7	-9,6%	151,4%	NET INCOME Replacement Cost (RC)	457,3	263,5	259,3	73,6%
38,4	41,5	-15,2	-7,5%	N/A	Price effect on inventories (2)	176,7	111,2	65,4	58,8%
168,3	185,3	36,4	-9,2%	361,9%	NET INCOME (IFRS) (3)	633,9	374,7	259,3	69,2%

Nota 1- Assets impairments and balance adjustments

Nota 2- The inventory price variation reduced the average cost value, that has been placed below the market value of most of the year 2010.

Nota 3- Changes in inventory valued at average cost per unit.

The earnings figures provided below belong to the **Adjusted Statement of Income**.

OPERATING ENVIRONMENT AND OIL INDUSTRY INDICATORS

4Q10	3Q10	4Q09	% Var 4Q10 vs			12M10	12M09	Table 3	
			3Q10	4Q09				Var.	% Var.
86,5	76,9	74,6	12,5%	16,0%	DTD Brent price (\$/bbl)	79,5	61,5	18,0	29,2%
1,36	1,29	1,48	5,3%	-8,0%	Exchange rate €/€	1,33	1,39	-0,07	-4,8%
Differentials in FOB MED product prices versus Brent crude price (\$/tm)									
121,5	57,0	79,6			Naphtha	92,6	51,2	41,3	
137,1	111,0	116,8			Gasoline 95	131,3	119,2	12,0	
100,9	81,9	58,1			Diesel A	84,2	69,2	15,0	
-192,7	-155,3	-127,4			HSFO 3,5%	-160,9	-118,3	-42,6	
1,5	0,6	-0,7	136,6%	N/A	Refining Margin - Cracking (\$/bbl)	1,4	0,5	0,9	202,9%
-6,0	-4,9	-5,3	22,2%	12,6%	Refining Margin-Hydroskimming (\$/bbl)	-4,8	-4,2	-0,6	-14,0%

The fourth quarter of 2010 confirmed the trends seen throughout the year. Growth in emerging economies spurred global oil demand, which rose 3.5% compared to the same quarter of 2009. In terms of crude oil supply, OPEC maintained its production quotas albeit with lower compliance, meaning a slight quarter-on-quarter increase. Robust growth in the German economy, an easing of tensions on European debt markets and uncertainties about the direction of US economic expansion triggered weakness in the US dollar in the last quarter. As regards Spain, GDP continued to be stagnant and domestic demand for petroleum products was persistently lagging.

Looking at European benchmark **Brent crude**, the average price in the last quarter of 2010 was 12.5% higher than the previous quarter and 16% more than in the same period of 2009. At the close of the year, the price stood at \$92.55/barrel.

The average price for 2010 was \$79.5/barrel, jumping 29.2% from the level recorded in 2009, a year in which crude oil steadily treaded upwards, climbing 94% from the low of \$40/barrel at the beginning of 2009.

In 4Q2010, there was a substantial widening of spreads between crude oil and key products, with the exception of fuel oil which further eroded. These differentials were likewise slightly higher in 2010 as a whole compared to the previous year, aside from the marked decline in fuel oil differentials. As a result of these developments cracking margins improved while already negative hydroskimming margins deteriorated.

Looking specifically at data published by the International Energy Agency (IEA), margins for the Mediterranean area where CEPSA's refineries are located performed as follows; margins from Hydroskimming-type refineries with low conversion levels (Urals Med and product prices based on the Mediterranean market) continued to be sharply negative, -\$6.0/barrel in 4Q2010, versus the -\$4.9/barrel recorded in the previous quarter. The Cracking (Urals Med) conversion margin, at \$1.5/barrel, remained at very depressed levels compared to those posted between 2004 and 2008, albeit slightly up, +\$0.9/barrel, from the third quarter.

In the full year, the conversion margin (Cracking) of \$1.4/barrel topped the \$0.5/barrel recorded in 2009, but was substantially lower than the average margin of \$5.2/barrel in the previous 5 years. The distillation margin (Hydroskimming) was -\$4.8/barrel, -\$0.6/barrel less than in 2009 and -\$2.7/barrel less than the average for the preceding 5-year period.

Demand for motor fuels in Spain fell steadily throughout the year. Early data published by CORES' Statistical Bulletin of Hydrocarbons in December 2010 highlights the -5.6% drop in gasoline consumption and -0.8% decline in diesel compared to cumulative figures for 2009.

As regards the Petrochemicals business, brisk growth in Asia continued into the fourth quarter of 2010, driving up feedstock prices and demand, which led to a decisive improvement in earnings in this segment in CEPSA compared to the previous year.

Lastly, with regard to electricity and natural gas markets, despite a moderate rebound in demand and prices in recent months, margins still remained at levels below previous years, as reflected in Gas & Power earnings.

The **U.S. dollar**, which started out the year at \$1.44/€, soared against the euro in 2010, peaking at slightly below \$1.20/€ in June. Subsequently however, there was a reversal in this trend and the dollar drifted down in the last two quarters of the year. The average for 2010 stood at \$1.33/€, compared to the median value of \$1.39/€ in 2009, evidencing an appreciation of 4.5% in the value of the dollar.

ADJUSTED EARNINGS – SUMMARY

4Q10	3Q10	4Q09	% Var 4Q10 vs			12M10	12M09	Table 2	
			3Q10	4Q09				Var.	% Var.
90,0	144,5	58,1	-37,7%	55,1%	Price effect on inventories	418,1	269,9	584,0	54,9%
39,9	-0,8	-6,4	N/A	N/A	Adjusted NET INCOME (RCA)	39,1	-6,4	45,6	N/A
129,9	143,8	51,7	-9,6%	151,4%	Non-recurring items (1)	457,3	263,5	259,3	73,6%
38,4	41,5	-15,2	-7,5%	N/A	NET INCOME Replacement Cost (RC)	176,7	111,2	65,4	58,8%
168,3	185,3	36,4	-9,2%	361,9%	Price effect on inventories (2)	633,9	374,7	259,3	69,2%
					NET INCOME (IFRS) (3)				

Nota 1- Assets impairments and balance adjustments

Nota 2- The inventory price variation reduced the average cost value, that has been placed below the market value of most of the year 2010.

Nota 3- Changes in inventory valued at average cost per unit.

In **2010**, the CEPSA Group posted an **adjusted net income** of €418 million, exceeding the figure for 2009 by 54.9%.

The effect of higher inventory valuation, net of taxes, amounted to €176.7 million. Other non-recurring items, asset impairment and gains from balance sheet adjustments stood at €39.1 million.

Therefore, **net income**, applying IFRS and including these non-recurring items, came to €633.9 million, versus €374.7 million in 2009.

Key earnings figures by business segments are provided below.

STATEMENTS OF INCOME BY BUSINESS SEGMENTS

Millions of Euros (except as otherwise stated)

% Var 4Q10 vs					Table 4				
4Q10	3Q10	4Q09	3Q10	4Q09		12M10	12M09	Var.	% Var.
374,9	392,8	247,2	-4,6%	51,6%	Adjusted EBITDA	1.431,4	1.085,6	345,7	31,8%
64,6	104,9	73,2	-38,5%	-11,8%	Exploration & Production	334,2	208,9	125,3	60,0%
44,1	63,2	-10,0	-30,1%	N/A	Refining & Marketing	203,3	135,9	67,4	49,6%
38,4	44,9	16,9	-14,5%	126,7%	Petrochemicals	143,5	65,4	78,1	119,4%
4,8	8,5	12,8	-43,0%	-62,1%	Gas & Power	21,4	56,5	-35,1	-62,2%
152,0	221,5	92,9	-31,4%	63,5%	Adjusted OPERATING INCOME	702,3	466,7	235,6	50,5%
19,9	0,6	21,2			Other non-operating items	24,4	52,4	-27,9	
-77,3	-74,1	-54,9			Corporate income tax	-294,8	-237,8	-57,0	
-4,5	-3,4	-1,1			Minority interests	-13,8	-11,4	-2,5	
90,0	144,5	58,1	-37,7%	55,0%	Adjusted NET INCOME	418,1	269,9	148,3	54,9%
Figures in Millions of USD									
206,6	285,9	137,3	-27,8%	50,4%	Adjusted OPERATING INCOME	931,8	650,2	281,6	43,3%
122,4	186,6	85,9	-34,4%	42,5%	Adjusted NET INCOME	554,8	376,0	178,8	47,5%

In **FY2010**, the CEPSA Group posted an adjusted **EBITDA** of €1,431 million, exceeding the figure for the same period of 2009 by 31.8%.

Adjusted operating income (EBIT) amounted to €702 million while **adjusted net income** came to €418 million, rising €236 million (50.5%) and €148 million (54.9%), respectively, compared to the previous year.

EARNINGS BY BUSINESS SEGMENTS

EXPLORATION & PRODUCTION

Millions of Euros (except as otherwise stated)

% Var 4Q10 vs					Table 5				
4Q10	3Q10	4Q09	3Q10	4Q09		12M10	12M09	Var.	% Var.
64,6	104,9	73,2	-38,5%	-11,8%	Adjusted Operating Income	334,2	208,9	125,3	60,0%
124,2	123,9	118,3	0,3%	5,0%	Working interest (kbbls/d)	122,9	116,9	6,0	5,2%
50,6	53,5	50,8	-5,4%	-0,4%	Crude oil entitlement (kbbls/d)	53,3	54,6	-1,3	-2,4%
4,7	4,9	4,7	-5,4%	-0,4%	Crude oil entitlement (millions of bbls)	19,4	19,9	-0,5	-2,4%
2,5	3,3	2,7	-25,2%	-7,2%	Crude oil sales (millions of bbls)	10,5	11,6	-1,1	-9,5%
206,1	249,4	197,1	-17,4%	4,5%	Crude oil sales (millions of \$)	817,9	692,7	125,2	18,1%

Activity

CEPSA's crude oil production from its working interests in 2010 totaled 122.9 thousand BOPD, 5.2% higher than the year before, primarily as a result of greater output from Colombia.

CEPSA's entitlement in 2010, understood to be the amount assigned to the Company after applying contractual conditions and before paying taxes, amounted to 19.4 million barrels, sliding 2.4% from the year before. This negative variance was prompted by higher crude oil prices and their effect on production-sharing contracts.

Throughout the period, CEPSA continued its intensive exploration efforts in Colombia (16 blocks, 11 as operator), Peru (3 blocks, all of them as operator) and Egypt (1 block as operator) and it set up a company in Brazil to expand its upstream activity. Noteworthy were the 5 exploratory wells already drilled and the 2 underway in various blocks in Colombia in the year which led to two discoveries, where extensive production tests are being performed to determine their commercial feasibility.

Earnings

In the **Exploration & Production** segment, the level of crude oil prices in 2010, sharply higher than the year before, had a favorable impact on CEPSA's upstream earnings in the period. Adjusted operating income (EBIT) stood at €334 million, surging 60% from the same period of 2009.

In 4Q2010, adjusted operating income (EBIT) was 38% lower than in the previous quarter and 12% less than in the same quarter of 2009, mainly due to the downturn in the US dollar, logistical constraints in Colombia from oversaturated pipelines and higher amortizations, depreciation and operating provisions in this period.

REFINING & MARKETING

Millions of Euros (except as otherwise stated)

4Q10	3Q10	4Q09	% Var 4Q10 vs			12M10	12M09	Table 6	
			3Q10	4Q09				Var.	% Var.
44,1	63,2	-10,0	-30,1%	N/A	Adjusted Operating Income	203,3	135,9	67,4	49,6%
5,7	5,5	5,0	2,6%	14,7%	Refinery throughput (millions of tons)	21,4	20,3	1,1	5,5%
6,8	6,7	6,7	1,5%	2,0%	Product sales (millions of tons)	26,2	26,5	-0,3	-1,3%

Activity

The start-up of the middle distillate capacity expansion at the La Rábida Refinery, which was completed towards the end of the second quarter of 2010, made it possible to boost the refinery's conversion capacity. On a yearly basis, production of middle distillates (gas oils and kerosene) is higher by 3 million tons, significantly benefiting earnings in this area.

Due to unfavorable market trends, sales in 2010 totaled 26.2 million tons, slightly lower, -1.3%, than in 2009. Nonetheless, sales in the fourth quarter continued to evidence the recovery seen in the previous quarter, with a 1.5% rise versus 3Q2010 and 2% compared to 4Q2009.

Earnings

In **Refining & Marketing**, adjusted operating income (EBIT) of €203 million was 49.6% higher (up €67 million) than the figure posted last year, chiefly as a result of firmer refining margins, although still remaining below values posted in 2004-2008. This positive trend was further driven by greater conversion capabilities and output from new units that came on-line at the La Rábida Refinery.

In the last quarter of 2010, however, earnings fell -30.1% from the previous quarter; despite an improvement in refining margins, marketing margins declined as a result of not being able to pass along the sharp increase in international sales prices and from greater amortization, depreciation and operating provisions in the period.

PETROCHEMICALS

Millions of Euros (except as otherwise stated)

4Q10	3Q10	4Q09	% Var 4Q10 vs			12M10	12M09	Table 7	
			3Q10	4Q09				Var.	% Var.
38,4	44,9	16,9	-14,5%	126,7%	Adjusted Operating Income	143,5	65,4	78,1	119,4%
0,9	0,8	0,7	2,4%	15,0%	Product sales (millions of tons)	3,4	3,0	0,4	14,6%

Activity

Petrochemical prices and margins continued rising throughout the fourth quarter, catapulted by strong growth in Asian demand. Throughout the year, the utilization rate of the Company's facilities increased as a result of greater demand and the cancellation or postponement of various projects on account of the global recession.

CEPSA's petrochemical product sales in the period amounted to 3.4 million tons, climbing 14.6% from the same period of 2009.

Earnings

Adjusted operating income (EBIT) from this segment in 2010 came to €143 million, compared to €65 million in 2009. A more buoyant outlook for the international operating environment, with higher product prices and a stronger US dollar, together with the restructuring of activities and productivity enhancements in CEPSA Química, S.A., all led to a significant increase in earnings.

GAS & POWER

Millions of Euros (except as otherwise stated)

4Q10	3Q10	4Q09	% Var 4Q10 vs			12M10	12M09	Table 8	
			3Q10	4Q09				Var.	% Var.
4,8	8,5	12,8	-43,0%	-62,1%	Adjusted Operating Income	21,4	56,5	-35,1	-62,2%
1.079	959	766	12,5%	40,9%	Electricity sales (Gwh)	3.621	3.273	349	10,6%
43,3	44,1	32,9	-1,8%	31,7%	Average daily "Pool" price (€/Mwh)	37,0	37,0	0,0	0,0%
7.152	6.159	6.039	16,1%	18,4%	Natural gas sales (Gwh)	25.624	21.338	4.286	20,1%

In 2010, electricity sales prices to the "pool" averaged €37/MWh, the same price as the previous year, thanks to a sharp upswing in prices in the second half of this year.

Activity

Electric power sales in 2010 amounted to 3,621 GWh, 10.6% higher than the previous year. Noteworthy was the start-up of the new cogeneration plant at the La Rábida Refinery.

As for natural gas marketing activities carried out through the affiliate CEPSA Gas Comercializadora, S.A. (35% CEPSA-owned), sales totaled 25,624 GWh in 2010, with a 20.1% rise in activity vis-à-vis the same period of 2009.

Earnings

The **Gas & Power** segment posted an adjusted operating income (EBIT) of €21.4 million in the full year, falling 62.2% from the figure posted in 2009. Greater activity and a sustained electricity pool price in 2010 versus 2009 were not able to offset the sharp increase in natural gas prices tied to Brent crude oil prices and the change in operating provisions of -€25.3 million between both years.

CAPITAL & EXPLORATION EXPENDITURES

In 2010, CEPSA assigned a total of €621 million to its capital spending plan, chiefly towards its Exploration & Production, Refining & Marketing and Gas & Power businesses.

Key capital spending projects were focused on three areas:

- Exploration & Production: expansion of exploration activities in Algeria, Colombia, Egypt and Peru.
- Refining & Marketing: the start-up of the new Crude Distillation and Hydrocracking units, raising middle distillate (diesel and kerosene) production by over 3 million tons, as well as the new Sulfur Plant, which came on-line in January 2011, and investments in the Air-Rectified Bitumen Processing Unit and upgrading of the underwater line, all at the La Rábida Refinery.
- Gas & Power: noteworthy in electric power activities was the construction of cogeneration units in Lubrisur (San Roque) scheduled to come on-line in the second half of 2011; Asesa (Tarragona) which started operating in May and the La Rábida Refinery (Huelva), in service since October; and in Gas, the completion of construction of the deepwater gas pipeline between Algeria and Almería (Spain) by the company MEDGAZ, which will come on-stream in the first four months of 2011.

Table 9	
<u>Millions of Euros</u>	<u>12M10</u>
Exploration & Production	156
Refining & Marketing	356
Petrochemicals	32
Gas & Power	69
Corporate Area	7
Total CAPEX - CEPSA GROUP	621

FINANCIAL HIGHLIGHTS

In 2010, operating activities plus changes in working capital generated positive cash flow of +€851.4 million. Net capital disbursements stood at -€695.4 million and the dividend distribution came to -€239.0 million, leading to an increase in net financial debt of +€83 million.

Total debt levels continued to be very restrained, as reflected in the debt-to-equity ratio, which was 27.1% in the year, in line with the 25.9% recorded at December 31, 2009.

SIGNIFICANT EVENTS IN THE PERIOD

- On February 17, CEPSA and Endesa announced a collaborative agreement aimed at developing, integrating, deploying and trialing a series of charging sites at CEPSA's service stations for electric-powered vehicles. Both companies are interested in promoting the use of electric-powered vehicles as a means of addressing climate change, fostering a cleaner environment and successfully contributing towards the goals of sustainability and economic development, while creating value for shareholders.
- On March 12, CEPSA, in partnership with Petrobrás, announced the discovery of oil in the Llanos Basin in Colombia. Both companies, through a consortium in which CEPSA holds a 30% working interest, reported that oil was discovered in the Balay-1 exploration well, located in the Mirador formation, one of the key productive areas of the region. Long-term testing is currently underway on this well.
- The Board of Directors, at their meeting held on April 28, resolved to co-opt Nathalie Brunelle onto the Board as a non-executive shareholder-representative director on behalf of TOTAL, S.A., as proposed by the Nominations and Compensation Committee. Ms. Brunelle replaced the outgoing director, Bernadette Spinoy, who voluntarily tendered her resignation from both the Board and the Executive Committee, where her vacant seat has not been filled.
- On May 28, CEPSA's Annual General Meeting of Shareholders approved the Company's management and financial statements for 2009, and ratified the appointments, for five-year terms, of the Directors Khadem Al Qubaisi, David Forbes and Nathalie Brunelle, the first two directors having been co-opted on the Board in October 2009 and the third in April 2010. Likewise, the AGM resolved to re-elect José Manuel Otero Novas as an independent director of the Company. Additionally, the number of seats on the Company's Board of Directors was fixed at 13.

The Annual Meeting likewise resolved to amend Article 47 of the Corporate Bylaws regarding the Executive Committee and Audit Committee, and to reappoint Deloitte, S.L. for a for a one-year period as the independent auditors to examine and review the 2010 Financial Statements of Compañía Española de Petróleos, S.A. and the companies pertaining to its Consolidated Group.

At its meeting held on May 28, 2010, the Board of Directors resolved to amend Articles 15, 16 and 17 of the Rules and Regulations of the Board of Directors regarding the Executive Committee and Audit Committee, in order to adapt these articles to the changes made by the Annual Meeting in Article 47 of the Bylaws. The Board also resolved to accept the resignation of the current members of the Executive Committee from their seats on this body, to dissolve the Executive Committee as a sub-committee of the Board of Directors and to appoint, as proposed by the Nomination and Compensation Committee, Murtadha Al Hashmi and Eric de Menten as members of the Audit Committee and Humbert de Wendel as its Chairman.

- At its meeting which took place on September 29, the Board of Directors resolved to provisionally co-opt, as proposed by the Nominations and Compensation Committee, the shareholder Mohamed Hamad Al Mehairi as a non-executive shareholder-representative director on behalf of INTERNATIONAL PETROLEUM INVESTMENT COMPANY (IPIC). Mr. Al Mehairi succeeded the outgoing director, David Forbes, who voluntarily tendered his resignation. This new appointment to the Board remains subject to ratification by the next Annual General Meeting of Shareholders.
- At its meeting held on October 26, the Board of Directors of Compañía Española de Petróleos, S.A. (CEPSA) declared an interim dividend for 2010 of €0.45 per share. This interim dividend was paid out on December 13, 2010.

SUBSEQUENT EVENTS

- On January 5, 2011, CEPSA Química S.A., a wholly-owned subsidiary of Compañía Española de Petróleos, S.A., finalized the purchase-sale transaction with La Seda de Barcelona, S.A. ("LSB") to acquire 100% of the share capital of Artenius San Roque, S.A.U. ("ASR"). This transaction was notified through a Significant Event filed with the Spanish Securities Market Commission on November 18, 2010.
- On February 4, 2011 and as provided for in Article 82 of Securities Market Act 24/1988 of July 28th, CEPSA announced that on February 3, 2011, it had signed an agreement with the U.S. multinational corporation CHEVRON to acquire 100% of the share capital of its subsidiary in Spain, CHEVRON España S.A. The transaction remains subject to receiving the required approvals and clearances from the regulatory authorities.
- On February 16, 2011, the Abu Dhabi sovereign wealth fund, International Petroleum Investment Company (IPIC), whose stake in CEPSA was 47.06% at said date, announced, through a Significant Event reported by the Spanish Securities Market Commission (CNMV), that it was going to launch a public takeover bid on 100% of CEPSA's share capital. CEPSA's largest shareholder, TOTAL, also announced that it had undertaken to tender all of the shares it owns in the Company in this offer, representing 48.83% of the share capital. The offer price was set at €28 per share plus a dividend of €0.50 which will be paid out to shareholders before the bid is finalized. The transaction is conditional on obtaining all the required approvals and clearances from the Spanish Securities Market Commission (CNMV) and the competition authorities.

CRITERIA USED FOR REPORTING EARNINGS

The CEPSA Group's consolidated financial statements are prepared using International Financial Reporting Standards (IFRS), applying the weighted average cost method of accounting to inventory valuation. However, as a more meaningful indicator of profitability and bottom-line performance in its major business segments, CEPSA, as is the case with other companies in the oil industry, adjusts its earnings to eliminate the effect on the Company's assets from price fluctuations in crude and refined product inventories and non-recurring items.

GLOSSARY OF TERMS

Crude oil entitlement: CEPSA's entitlement to the production from a field, after applying contractual conditions and before paying taxes.

Production from working interests: CEPSA's share of production from its working interest in the field, before applying contractual conditions and paying taxes.

EBITDA (Earnings before interest, taxes, depreciation & amortization) = Gross income – operating expenses + income from logistical affiliates carried by equity method

EBIT (Operating Income) = EBITDA, depreciation and amortization, capital grants, impairment of current assets, impairment of tangible assets and operating provisions.

NET INCOME (IFRS) = Income attributable to shareholders of the parent company, equivalent to Operating income - net financial income, non-operating provisions, other income and expenses, corporate income tax and minority interests.

NET INCOME Replacement Cost (RC) = Net income under IFRS, eliminating the effect on the Company's assets from inventory price variations.

ADJUSTED NET INCOME (RCA) = Net income under IFRS, eliminating the effect on the Company's assets from inventory price variations and non-recurring items, providing a more meaningful indicator of the fundamentals of the business regardless of fluctuations in the value of inventory that are required both for legal (minimum security stocks) and operational reasons.

NOTE to Table 4

US dollar amounts were obtained from euro amounts converted at the average exchange rate for the period (yearly, half-yearly or quarterly), based on figures appearing in Table 3.

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