PRESS **RELEASE**

Cepsa obtains a net profit of €165 million in the first quarter of 2018

- **Good results for Exploration & Production and Chemicals offset lower refining margins**

- **Investments in the first quarter surpassed €1.3 billion, mostly as a result of large investment in several oil production fields in Abu Dhabi**

Cepsa's adjusted net profit for the first quarter of 2018, excluding non-recurring items and calculating variation in inventories at replacement cost (Clean CCS), was €165 million, compared with €201 million for the first quarter of 2017.

Applying International Financial Reporting Standards (IFRS), calculating changes in inventory at average purchase unit cost, accumulated net income for the period was €189 million.

During the first quarter of the year, Cepsa's activity in its Exploration and Production business stood out with important investments, significant agreements, and contracts awarded in different countries.

In the first three months of 2018 the price of benchmark Brent crude rose by 24%, averaging $66.8/barrel, an increase driven by robust global oil demand coupled with the production and supply cuts led by the Organization of Petroleum Exporting Countries (OPEC).

This increase in the price of crude oil was not translated with the same intensity to finished products, and contrasted with a fall in refining margins from exceptional highs in 2017. In Cepsa's case, its refining margin stood at $5.0 per barrel in the first quarter of the year, in line with levels seen in previous years.

Company revenues were €5.853 billion in the first three months of the year, 13% higher than in the same period a year ago.

The level of investments in the first quarter was very high, totaling €1.32 billion. For the most part, it was destined towards the acquisition of a 20% stake in two offshore fields in Abu Dhabi (SARB and Umm Lulu) for a period of 40 years, thanks to a concession contract signed with ADNOC (Abu Dhabi National Oil Company). This contract has enabled Cepsa to boost the growth of its Exploration and Production business, as well as helping to strengthen its integrated business model.

Results per business area (€ millions):

	2018	2017	Δ %
Exploration & Production	55	38	45%
Refining and Marketing	70	136	-48%
Chemicals	35	24	46%
Gas and Electricity	13	12	11%
Corporation	(8)	(9)	-8%
Net Profit on CCS (clean current cost of supplies)	**165**	**201**	**-18%**
Inventory Valuation Adjustment	14	24	-41%
Non-recurring items	10	(23)	n/a
Net Profit IFRS	**189**	**202**	**-6%**

Crude production stood at 85,400 barrels a day, down 14% on 2017, with a total of 3.0 million barrels sold in the period.

Over the quarter 39.5 million barrels were distilled, with a capacity utilization ratio of 91%, and production of 5.3 million tons of oil derivatives, up 3% from the same period in the previous financial year.

During the first quarter several successful and on-time planned stoppages for maintenance work were carried out on several units at La Rábida and Gibraltar-San Roque refineries. The company's investments in energy efficiency continued as part of its Refining Optimization Plan.

The Company's Chemicals business recorded profits of €35 million, up 46% on the previous year, due to solid sales performance from both LAB (linear alkyl benzene, a raw material used in the manufacturing of biodegradable detergents), in which Cepsa is the world leader, and phenol/acetone (raw materials used to produce next-generation plastics).

During the first quarter of 2018, the company continued to maintain its work in safety, with a ratio of 1.04 accidents for every million hours worked.

Key milestones for the first quarter:

- Cepsa, together with Sonatrach and Alnaft (Algeria's National Resources Agency), signed a new concession agreement for the operation of the Rhoude el Krouf (RKF) oilfield in Algeria. The aim of this 25-year agreement is to significantly increase oil extraction and to produce liquefied petroleum gas (LPG) for the first time thanks to the use of the most modern hydrocarbon recovery techniques.

- As part of the Company's expansion and diversification plan, the company strengthened its marketing package to customers with the launch of Cepsa Hogar, becoming the only company in Spain to offer natural gas, electricity and fuel together.

- Thanks to a new alliance with ADNOC, Cepsa was awarded a 20% stake in the concession of the SARB and Umm Lulu fields as well as two other smaller ones: Bin Nasher and Al Bateel, both located in shallow waters off the Abu Dhabi coast. It is a 40-year concession for which Cepsa contributed $1.5 billion as an initial participation fee for the concession.

- The Company started the aromatics optimization project at La Rábida Refinery. With an investment of over €45 million, the project has improved efficiency and integration between refining and chemicals installations at Palos de la Frontera (Huelva).

- The company was awarded, along with Pemex and DEA Mexico, three hydrocarbon exploration blocks in Mexico. These are three shallow water areas in the Tampico-Misantla basin, in the Gulf of Mexico, in which Cepsa will have a 20% stake.

- Together with its partners Sus and Total, Cepsa put into production the Timimoun gas field in Algeria, which is expected to yield a maximum daily production of five million cubic metres of gas. Cepsa's stake in this field is 11.25%.

- Cepsa increased his participation in the Bir el Msana (BMS) oilfield in Algeria, following the acquisition of the stake held by Petronas. With this acquisition, the company increased its stake to 75% from 45%.

About Cepsa

Cepsa is a global energy company, which operates in an integrated manner at all stages of the hydrocarbon value chain as well as manufacturing products from plant-based raw materials and having a presence in the renewable energy sector. Mubadala Investment Company, one of the world's largest sovereign wealth funds, is its sole shareholder.

It has more than 85 years of experience and a team of around 10,000 professionals, with technical excellence and the ability to adapt. It is present on all five continents through its Exploration and Production, Refining, Chemical, Marketing, Gas and Electricity, and Trading divisions.

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