



Repsol adds to its unconventional portfolio with Eagle Ford Shale acquisition

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- With this transaction, Repsol operates 126,364 net acres with average production of approximately 48,905 barrels of oil equivalent per day in the unconventional play, where the company recently approved FID for the third phase of its development program.
- The transaction reinforces the company's commitment to focus its upstream activity on core regions like the US with short-cycle projects that generate value and flexibility.
- At the same time, it allows the global multi-energy company to take another step to strengthen its position in the US where it is building a broad portfolio of upstream and renewable assets.

Repsol is expanding its position in the Eagle Ford Shale in South Texas, a key upstream growth project in its 2021-2025 Strategic Plan. This acquisition adds producing acreage adjacent to the company's existing core position in the play. The acreage acquired is located primarily in Karnes County. With this transaction, Repsol operates 126,364 net acres with average production of approximately 48,905 barrels of oil equivalent per day in the unconventional play, where the company recently approved FID for the third phase of its development program.

This transaction reinforces the company's commitment to focus its upstream activity on core regions with short-cycle projects that generate value and flexibility. At the same time, it allows Repsol to take another step to strengthen its position in the US where it is building a broad portfolio of energy investments.

Repsol's energy investment in the US includes opportunities to advance low carbon projects such as carbon capture and storage (CCS) and geothermal that leverage the company's core upstream technical capabilities and expertise and that could be potentially deployed in the company's existing assets, as well as opportunities in renewable hydrogen.

Repsol is decarbonizing its upstream operations to support the energy transition to reach zero net emissions by 2050. The company aims to reduce the carbon intensity of its operated assets by 75% in 2021-2025 and to reduce its methane emissions intensity by 85% by 2025 compared to 2017. To achieve these targets, Repsol is deploying technology such as aerial and satellite leak detection and electrification of its operations, as well as circular economy initiatives aimed at energy efficiency.

In line with its decarbonization objectives, this year Repsol achieved certification for 100% of its natural gas production in the Marcellus Shale in Pennsylvania with the industry-leading MiQ standard for methane emissions performance.



Repsol is also building a significant presence in renewable energy in the US following the purchase of 40% of the Chicago-based company Hecate Energy in 2021. This company specializes in the development of PV solar and battery projects for energy storage and has a portfolio of projects totaling more than 40 GW. Repsol started producing electricity from its first operated solar project in the United States in 2022 at its 62.5 MW Jicarilla 2 solar photovoltaic plant in New Mexico. The company is developing another 62.5 MW solar photovoltaic and 20 MW battery storage project at the same location and is also advancing two additional solar photovoltaic projects in Texas – the 637 MW Frye project and 629 MW Outpost project. Repsol has more than 1,600 MW of renewable capacity installed in Spain, the United States, Chile and Portugal. The company's 2021-2025 Strategic Plan envisages reaching 6 GW of installed renewable generation capacity by 2025 and 20 GW by 2030.

Repsol has also signed an agreement to evaluate potential offshore CCS opportunities with Carbon Zero LLC on the US Gulf Coast, and the consortium recently applied for funding from the US Department of Energy's CarbonSAFE program through the Inflation Reduction Act (IRA) for a pilot at one of their proposed locations. Separately in the geothermal space, Repsol provided knowledge-sharing to Cornell University for its project to evaluate the possibility of harnessing geothermal energy to heat its campus. In addition, Repsol is also evaluating opportunities to develop geothermal low carbon solutions in its Eagle Ford asset, using the company's extensive surface and subsurface experience and existing technical data.

As the first company in its sector to commit to zero net emissions by 2050, Repsol aims to invest 35% of its capital spending in low carbon projects by 2025 and 45% by 2030, including renewable generation, low carbon products such as renewable fuels and hydrogen that will be key for the decarbonization of hard-to-electrify sectors such as long-haul transport, aviation and shipping.

Renewable hydrogen is one of the pillars of Repsol's strategy to become carbon neutral by 2050. The company is the leading producer and consumer of hydrogen in Spain. Its extensive experience throughout the entire value chain, as well as the synergies established between different uses of hydrogen, places the company in a privileged position compared to other players. Thus, Repsol aims to become a market leader in the Iberian Peninsula and become one of the largest producers in Europe with a capacity of 552 MW equivalent in 2025 and 1.9 GW in 2030. The company will use different technologies to reach these targets, including electrolysis, biogas production, and photoelectrocatalysis, a proprietary technology being developing with Enagas as partner to produce hydrogen directly from sunlight without requiring the use of electricity.

Repsol in the United States

Repsol has been present in the United States for more than two decades, and the country is a key area for the company. It has exploration and production assets in Pennsylvania, Texas, the Gulf of Mexico and Alaska. Last July, the company incorporated the US institutional investor EIG as a partner in its upstream business with a 25% stake. This transaction reinforces Repsol's leadership in the energy transition and advances the fulfillment of key objectives of its 2021-2025 Strategic Plan. EIG and Repsol are considering the possibility of an IPO of a minority stake in the United States in this business from 2026, subject to favorable market conditions. Repsol is also present in the United States in the marketing and trading of natural gas, crude oil and products, and has been selling lubricants for motorcycles and the industrial sector in the country for more than 10 years. In 2021, Repsol entered the US renewables market following the purchase of 40% of Hecate Energy. Through these activities, it employs more than 500 people in the US.