



**Repsol International Finance B.V.**  
(incorporated with limited liability under the laws of The Netherlands)

**€1,000,000,000 6 Year Non-Call Perpetual Securities**

and

**€1,000,000,000 10 Year Non-Call Securities due 2075**

**unconditionally and irrevocably guaranteed on a subordinated basis by**

**Repsol, S.A.**  
(incorporated with limited liability under the laws of the Kingdom of Spain)

The €1,000,000,000 6 Year Non-Call Perpetual Securities (the “**Euro Perpetual Securities**”) and the €1,000,000,000 10 Year Non-Call Securities due 2075 (the “**Euro Dated Securities**”, together with the Euro Perpetual Securities, the “**Securities**”) are issued by Repsol International Finance B.V. (the “**Issuer**”) and unconditionally and irrevocably guaranteed on a subordinated basis by Repsol, S.A. (the “**Guarantee**”, and the “**Guarantor**”, respectively).

Pursuant to the terms and conditions of the Euro Perpetual Securities as described in “*Terms and Conditions of the Euro Perpetual Securities*” (the “**Euro Perpetual Conditions**”), the Euro Perpetual Securities will bear interest on their principal amount (i) at a fixed rate of 3.875 per cent. per annum from (and including) the Issue Date to (but excluding) the First Reset Date (as defined in the Euro Perpetual Conditions) payable annually in arrear on 25 March in each year, with the first Interest Payment Date on 25 March 2016; and (ii) from (and including) the First Reset Date, at the applicable 6 year Swap Rate in respect of the relevant Reset Period (as defined in the Euro Perpetual Conditions), plus: (A) in respect of the period commencing on the First Reset Date to (but excluding) 25 March 2025, 3.56 per cent. per annum; (B) in respect of the period commencing on 25 March 2025 to (but excluding) 25 March 2041, 3.81 per cent. per annum; and (C) from and including 25 March 2041, 4.56 per cent. per annum, all as determined by the Agent Bank, payable annually in arrear on 25 March in each year (each, an Interest Payment Date as defined in the Euro Perpetual Conditions), commencing on 25 March 2022.

Pursuant to the terms and conditions of the Euro Dated Securities as described in “*Terms and Conditions of the Euro Dated Securities*” (the “**Euro Dated Conditions**”), the Euro Dated Securities will bear interest on their principal amount (i) at a fixed rate of 4.50 per cent. per annum from (and including) the Issue Date to (but excluding) the First Reset Date (as defined in the Euro Dated Conditions) payable annually in arrear on 25 March in each year, with the first Interest Payment Date on 25 March 2016; and (ii) from (and including) the First Reset Date, at the applicable 10 year Swap Rate in respect of the relevant Reset Period (as defined in the Euro Dated Conditions), plus: (A) in respect of the period commencing on the First Reset Date to (but excluding) 25 March 2045, 4.20 per cent. per annum; and (B) from and including 25 March 2045 to (but excluding) the Maturity Date, 4.95 per cent. per annum, all as determined by the Agent Bank, payable annually in arrear on 25 March in each year (each, an Interest Payment Date as defined in the Euro Dated Conditions), commencing on 25 March 2026.

(B) in respect of the period commencing on 25 March 2025 to (but excluding) 25 March 2041, 3.81 per cent. per annum<sup>1</sup>; and

(C) from and including 25 March 2041, 4.56 per cent. per annum<sup>2</sup>,

all as determined by the Agent Bank, payable annually in arrear on each Interest Payment Date, commencing on 25 March 2022, subject to Condition 5.

All as more particularly described in Condition 4 (*Interest Payments*) of the Terms and Conditions of the Euro Perpetual Securities.

**Interest Payment Dates:**

Interest payments in respect of the Euro Perpetual Securities will be payable annually in arrear on 25 March in each year, commencing on 25 March 2016.

**Status of the Euro Perpetual Securities:**

The Euro Perpetual Securities and the Coupons constitute direct, unsecured and subordinated obligations of the Issuer (senior only to Junior Obligations of the Issuer) and will at all times rank *pari passu* and without any preference among themselves.

**Subordination of the Euro Perpetual Securities:**

In the event of an Issuer Winding-up, the rights and claims of the Holders against the Issuer in respect of or arising under the Euro Perpetual Securities and the Coupons will rank (i) junior to the claims of all holders of Senior Obligations of the Issuer, (ii) *pari passu* with the claims of holders of all Parity Obligations of the Issuer and (iii) senior to the claims of holders of all Junior Obligations of the Issuer.

Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Euro Perpetual Securities or the Coupons and each Holder shall, by virtue of being the Holder, be deemed to have waived all such rights of set-off. Condition 2.2 is an irrevocable stipulation (*derdenbeding*) for the benefit of the creditors of Senior Obligations of the Issuer and each such creditor may rely on and enforce Condition 2.2 under Section 6:253 of the Dutch Civil Code.

**Guarantee and Status of Guarantee:**

Payment of all sums expressed to be payable by the Issuer under the Euro Perpetual Securities and the Coupons will be unconditionally and irrevocably guaranteed by the Guarantor on a subordinated basis.

Subject to mandatory provisions of Spanish applicable law, the payment obligations of the Guarantor under the Guarantee constitute direct, unsecured and subordinated obligations of the Guarantor (senior only to Junior Obligations of the Guarantor) and will at all times rank *pari passu* and without preference among themselves.

**Subordination of the Guarantee:**

Subject to mandatory provisions of Spanish applicable law, the rights

<sup>1</sup> Step-up of 25 basis points 10 years after the Issue Date

<sup>2</sup> Step-up of an additional 75 basis points 26 years after the Issue Date

and claims of Holders against the Guarantor in respect of or arising under the Guarantee will rank (i) junior to the claims of the holders of all Senior Obligations of the Guarantor, (ii) *pari passu* with the claims of the holders of all Parity Obligations of the Guarantor, and (iii) senior to the claims of the holders of all Junior Obligations of the Guarantor.

Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Guarantor arising under or in connection with the Guarantee and each Holder shall, by virtue of being the Holder, be deemed to have waived all such rights of set-off.

**Optional Interest Deferral:**

The Issuer may, at its sole discretion, elect to defer (in whole or in part) any payment of interest on the Euro Perpetual Securities, as more particularly described in “*Terms and Conditions of the Euro Perpetual Securities – Optional Interest Deferral*”. Non-payment of interest so deferred shall not constitute a default by the Issuer or the Guarantor under the Euro Perpetual Securities or the Guarantee or for any other purpose. Any amounts so deferred, together with further interest accrued thereon (at the Prevailing Interest Rate applicable from time to time), shall constitute Arrears of Interest.

**Optional Settlement of Arrears of Interest:**

Arrears of Interest may be satisfied at the option of the Issuer, in whole or in part, at any given time upon giving not more than 14 and no less than seven Business Days’ notice to the Holders, the Fiscal Agent and the Paying Agents prior to the relevant Optional Deferred Interest Settlement Date informing them of its election so to satisfy such Arrears of Interest (or part thereof) and specifying the relevant Optional Deferred Interest Settlement Date. See Condition 5.2 (*Optional Settlement of Arrears of Interest*) of the Terms and Conditions of the Euro Perpetual Securities.

**Mandatory Settlement of Arrears of Interest:**

The Issuer shall pay any outstanding Arrears of Interest in whole, but not in part, on the first occurring Mandatory Settlement Date following the Interest Payment Date on which any outstanding Arrears of Interest was first deferred.

“**Mandatory Settlement Date**” means the earliest of:

- (i) as soon as reasonably practicable (but no later than the fifth business day) following the date on which a Compulsory Arrears of Interest Settlement Event occurs;
- (ii) following any Deferred Interest Payment, on the next scheduled Interest Payment Date on which the Issuer does not elect to defer in whole the interest accrued in respect of the relevant Interest Period; and
- (iii) the date on which the Euro Perpetual Securities are redeemed or repaid in accordance with Condition 6 (*Redemption and Purchase*) or become due and payable in accordance with Condition 9 (*Enforcement Events and No Events of Default*).

Subject to certain exceptions, as more particularly described in

Condition 5 (*Optional Interest Deferral*) of the Terms and Conditions of the Euro Perpetual Securities, a “**Compulsory Arrears of Interest Settlement Event**” shall have occurred if:

- (i) a Dividend Declaration is made in respect of any Junior Obligations or any Parity Obligations (other than in respect of any such dividend, distribution or payment paid or made exclusively in Ordinary Shares of the Guarantor); or
- (ii) the Guarantor or any of its subsidiaries has repurchased, redeemed or otherwise acquired any Junior Obligations or any Parity Obligations (other than, for the avoidance of doubt, a repurchase, redemption or acquisition of any Talisman Preferred Securities, which do not constitute Junior Obligations or Parity Obligations),

all as more particularly described in Condition 5 (*Optional Interest Deferral*) of the Terms and Conditions of the Euro Perpetual Securities.

**Optional Redemption:**

The Issuer may redeem the Euro Perpetual Securities in whole, but not in part, on the First Reset Date and on any Interest Payment Date thereafter at their principal amount together with any accrued and unpaid interest up to (but excluding) the Redemption Date and any outstanding Arrears of Interest.

In addition, upon the occurrence of an Accounting Event, a Capital Event, an Acquisition Event, a Tax Event, a Withholding Tax Event or a Substantial Purchase Event, the Euro Perpetual Securities will be redeemable (at the option of the Issuer) in whole, but not in part, at the prices set out, and as more particularly described, in Condition 6 (*Redemption and Purchase*) of the Terms and Conditions of the Euro Perpetual Securities.

**Events of Default:**

There are no events of default in respect of the Euro Perpetual Securities. However, if an Issuer Winding-up occurs, or an order is made or an effective resolution passed for the winding-up, dissolution or liquidation of the Guarantor (except for the purposes of a solvent merger, reconstruction or amalgamation), any Holder of a Euro Perpetual Security, in respect of such Euro Perpetual Security and provided that such Holder does not contravene an Extraordinary Resolution (if any) may, by written notice to the Issuer and the Guarantor, declare that such Euro Perpetual Security and all interest then accrued but unpaid on such Euro Perpetual Security shall be forthwith due and payable, whereupon the same shall become immediately due and payable, together with all interest accrued thereon.

In such case the Holder of a Euro Perpetual Security may, at its sole discretion, institute steps in order to obtain a judgment against the Issuer and/or the Guarantor for any amounts due in respect of the Euro Perpetual Securities, including the institution of proceedings for the declaration of insolvency (*declaración de concurso*) under Spanish Insolvency Law of the Guarantor and/or proving and/or claiming in an Issuer Winding-up or in the winding-up, dissolution,

liquidation or insolvency proceeding of the Guarantor for such amount.

**Additional Amounts:**

Payments in respect of the Euro Perpetual Securities and the Coupons by the Issuer or (as the case may be) the Guarantor under the Guarantee will be made without withholding or deduction for, or on account of, Taxes of The Netherlands or the Kingdom of Spain, unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, additional amounts will be payable by the Issuer or, as the case may be, the Guarantor, subject to certain exceptions as are more fully described in Condition 8.1 (*Taxation – Additional Amounts*) of the Terms and Conditions of the Euro Perpetual Securities.

**Form:**

The Euro Perpetual Securities will be in bearer form and will initially be represented by a Temporary Global Security, without interest coupons or talons, which will be deposited with a common depository on behalf of Euroclear and Clearstream, Luxembourg on or about the Issue Date. Interests in the Temporary Global Security will be exchangeable for interests in a Permanent Global Security as set out in the Temporary Global Security. The Permanent Global Security will be exchangeable for Definitive Securities in the circumstances set out in the Permanent Global Security. See “*Summary of Provisions relating to the Securities in Global Form*”.

**Denominations:**

The Euro Perpetual Securities will be issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000.

**Governing Law:**

The Fiscal Agency Agreement, the Euro Perpetual Securities, the Coupons and the Guarantee and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with English law, other than the provisions of Condition 2.1 (*Status and Subordination of the Securities and Coupons – Status of the Securities and Coupons*) and Condition 2.2 (*Status and Subordination of the Securities and Coupons – Subordination of the Securities*) relating to the subordination of the Euro Perpetual Securities which are governed by and construed in accordance with the laws of The Netherlands, and the provisions of Conditions 3.2 (*Guarantee, Status and Subordination of the Guarantee – Status of the Guarantee*) and Condition 3.3 (*Guarantee, Status and Subordination of the Guarantee – Subordination of the Guarantee*) relating to the subordination of the Guarantee and the corresponding provisions of the Guarantee which are governed by and construed in accordance with the laws of the Kingdom of Spain. See Condition 16 (*Governing Law*) of the Terms and Conditions of the Euro Perpetual Securities.

**Replacement Intention:**

As at the date of this Prospectus, it is the Guarantor’s intention (without thereby assuming any obligation) that at any time it or the Issuer will redeem or repurchase the Euro Perpetual Securities only to the extent that the aggregate principal amount of the Euro Perpetual Securities to be redeemed or repurchased does not exceed such part of the net proceeds received by the Guarantor or any subsidiary of the

Guarantor during the 360-day period prior to the date of such redemption or repurchase from the sale or issuance by the Guarantor or such subsidiary to third party purchasers (other than group entities of the Guarantor) of securities which are assigned by S&P, at the time of sale or issuance, an aggregate “equity credit” (or such similar nomenclature used by S&P from time to time) that is equal to or greater than the “equity credit” assigned to the Euro Perpetual Securities to be redeemed or repurchased at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Euro Perpetual Securities), unless:

- (i) the rating assigned by S&P to the Guarantor is at least “BBB-” (or such similar nomenclature then used by S&P) and the Guarantor is of the view that such rating would not fall below this level as a result of such redemption or repurchase, or
- (ii) in the case of a repurchase, such repurchase is of less than (a) 10 per cent. of the aggregate principal amount of the Euro Perpetual Securities originally issued in any period of 12 consecutive months or (b) 25 per cent. of the aggregate principal amount of the Euro Perpetual Securities originally issued in any period of 10 consecutive years, or
- (iii) the Euro Perpetual Securities are redeemed pursuant to a Tax Event, an Acquisition Event, a Capital Event, an Accounting Event or a Withholding Tax Event, or
- (iv) such redemption or repurchase occurs on or after the Interest Payment Date falling on 25 March 2041.

**Rating:**

The Euro Perpetual Securities will be rated BB by S&P, Ba1 by Moody’s and BB+ by Fitch. Each of S&P, Moody’s and Fitch is established in the European Union and registered under the CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Listing and Admission to Trading:**

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* in its capacity as the competent authority for the purpose of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (the “**Prospectus Directive**”) and relevant implementing measures in Luxembourg as a prospectus issued in compliance with the Prospectus Directive and *loi relative aux prospectus pour valeurs mobilières du 10 juillet 2005* (the Luxembourg law on prospectuses for securities of 10 July 2005), as amended by the Luxembourg law of 3 July 2012 for the purpose of giving information with regard to the issue of the Euro Perpetual Securities. Application has been made to the Luxembourg Stock Exchange for the Euro Perpetual Securities to be admitted to trading on the Luxembourg Stock Exchange’s regulated market (which is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC) and to be listed on the official list of the Luxembourg Stock Exchange.

<b>Selling Restrictions:</b>	The United Kingdom, the United States of America, The Netherlands and the Kingdom of Spain. See “ <i>Subscription and Sale</i> ”.
	Category 2 selling restrictions will apply for the purposes of Regulation S under the Securities Act.
<b>Use of Proceeds:</b>	The net proceeds of the issue of the Euro Perpetual Securities, which together with the net proceeds of the issue of the Euro Dated Securities, are expected to amount to €1,990,400,000 will be used to finance in part the acquisition of the Canadian-based upstream oil and gas company Talisman Energy Inc. (see “ <i>Acquisition of Talisman Energy</i> ”). In the event that the aforementioned transaction is not consummated, the proceeds of the issuance of the Securities may either (i) be used for the Group’s general corporate purposes, which may include the financing of other merger and acquisition activities, if any or (ii) the Issuer may give notice that an Acquisition Event has occurred and redeem any series of Securities in accordance with Condition 6.6 ( <i>Redemption for Acquisition Event</i> ) of the Euro Perpetual Securities or Condition 6.5 ( <i>Redemption for Acquisition Event</i> ) of the Euro Dated Securities.
<b>Risk Factors:</b>	Prospective investors should carefully consider the information set out in “ <i>Risk Factors</i> ” in conjunction with the other information contained or incorporated by reference in this Prospectus.
<b>ISIN:</b>	XS1207054666.
<b>Common Code:</b>	120705466.

## OVERVIEW OF THE EURO DATED SECURITIES

*This overview must be read as an introduction to this Prospectus and any decision to invest in the Euro Dated Securities should be based on a consideration of the Prospectus as a whole, including the information incorporated by reference.*

*Words and expressions defined in the “Terms and Conditions of the Euro Dated Securities” below have the same meanings in this overview.*

<b>Issuer:</b>	Repsol International Finance B.V.
<b>Guarantor:</b>	Repsol, S.A.
<b>Description of the Euro Dated Securities:</b>	€1,000,000,000 10 Year Non-Call Securities due 2075 (the “ <b>Euro Dated Securities</b> ”), to be issued by the Issuer on 25 March 2015 (the “ <b>Issue Date</b> ”).
<b>Structuring Adviser</b>	Merrill Lynch International
<b>Global Coordinators</b>	Merrill Lynch International, Deutsche Bank AG, London Branch and J.P. Morgan Securities plc
<b>Joint Bookrunners:</b>	Banco Santander, S.A., CaixaBank, S.A., Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, J.P. Morgan Securities plc, Merrill Lynch International, Natixis, UBS Limited and UniCredit Bank AG.
<b>Fiscal Agent:</b>	Citibank, N.A., London Branch.
<b>Issue Price:</b>	100 per cent. of the principal amount of the Euro Dated Securities.
<b>Issue Date:</b>	25 March 2015.
<b>Maturity Date:</b>	25 March 2075.
<b>Interest:</b>	The Euro Dated Securities will bear interest on their principal amount: <ul style="list-style-type: none"> <li>(i) from (and including) the Issue Date to (but excluding) the First Reset Date at a rate of 4.50 per cent. per annum, payable annually in arrear on each Interest Payment Date, commencing on 25 March 2016; and</li> <li>(ii) from (and including) the First Reset Date, at the applicable 10 year Swap Rate in respect of the relevant Reset Period plus: <ul style="list-style-type: none"> <li>(A) in respect of the period commencing on the First Reset Date to (but excluding) 25 March 2045, 4.20 per cent. per annum<sup>3</sup>; and</li> <li>(B) from and including 25 March 2045 to (but excluding) the Maturity Date, 4.95 per cent. per annum<sup>4</sup>,</li> </ul> </li> </ul>

<sup>3</sup> Step-up of 25 basis points 10 years after the Issue Date

all as determined by the Agent Bank, payable annually in arrear on each Interest Payment Date, commencing on 25 March 2026, subject to Condition 5.

All as more particularly described in Condition 4 (*Interest Payments*) of the Terms and Conditions of the Euro Dated Securities.

**Interest Payment Dates:**

Interest payments in respect of the Euro Dated Securities will be payable annually in arrear on 25 March in each year, commencing on 25 March 2016.

**Status of the Euro Dated Securities:**

The Euro Dated Securities and the Coupons constitute direct, unsecured and subordinated obligations of the Issuer (senior only to Junior Obligations of the Issuer) and will at all times rank *pari passu* and without any preference among themselves.

**Subordination of the Euro Dated Securities:**

In the event of an Issuer Winding-up, the rights and claims of the Holders against the Issuer in respect of or arising under the Euro Dated Securities and the Coupons will rank (i) junior to the claims of all holders of Senior Obligations of the Issuer, (ii) *pari passu* with the claims of holders of all Parity Obligations of the Issuer and (iii) senior to the claims of holders of all Junior Obligations of the Issuer.

Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Euro Dated Securities or the Coupons and each Holder shall, by virtue of being the Holder, be deemed to have waived all such rights of set-off. Condition 2.2 is an irrevocable stipulation (*derdenbeding*) for the benefit of the creditors of Senior Obligations of the Issuer and each such creditor may rely on and enforce Condition 2.2 under Section 6:253 of the Dutch Civil Code.

**Guarantee and Status of Guarantee:**

Payment of all sums expressed to be payable by the Issuer under the Euro Dated Securities and the Coupons will be unconditionally and irrevocably guaranteed by the Guarantor on a subordinated basis.

Subject to mandatory provisions of Spanish applicable law, the payment obligations of the Guarantor under the Guarantee constitute direct, unsecured and subordinated obligations of the Guarantor (senior only to Junior Obligations of the Guarantor) and will at all times rank *pari passu* and without preference among themselves.

**Subordination of the Guarantee:**

Subject to mandatory provisions of Spanish applicable law, the rights and claims of Holders against the Guarantor in respect of or arising under the Guarantee will rank (i) junior to the claims of the holders of all Senior Obligations of the Guarantor, (ii) *pari passu* with the claims of the holders of all Parity Obligations of the Guarantor, and (iii) senior to the claims of the holders of all Junior Obligations of the Guarantor.

Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Guarantor arising

under or in connection with the Guarantee and each Holder shall, by virtue of being the Holder, be deemed to have waived all such rights of set-off.

**Optional Interest Deferral:**

The Issuer may, at its sole discretion, elect to defer (in whole or in part) any payment of interest on the Euro Dated Securities, as more particularly described in "*Terms and Conditions of the Euro Dated Securities – Optional Interest Deferral*". Non-payment of interest so deferred shall not constitute a default by the Issuer or the Guarantor under the Euro Dated Securities or the Guarantee or for any other purpose. Any amounts so deferred, together with further interest accrued thereon (at the Prevailing Interest Rate applicable from time to time), shall constitute Arrears of Interest.

**Optional Settlement of Arrears of Interest:**

Arrears of Interest may be satisfied at the option of the Issuer, in whole or in part, at any given time upon giving not more than 14 and no less than seven Business Days' notice to the Holders, the Fiscal Agent and the Paying Agents prior to the relevant Optional Deferred Interest Settlement Date informing them of its election so to satisfy such Arrears of Interest (or part thereof) and specifying the relevant Optional Deferred Interest Settlement Date. See Condition 5.2 (*Optional Settlement of Arrears of Interest*) of the Terms and Conditions of the Euro Dated Securities.

**Mandatory Settlement of Arrears of Interest:**

The Issuer shall pay any outstanding Arrears of Interest in whole, but not in part, on the first occurring Mandatory Settlement Date following the Interest Payment Date on which any outstanding Arrears of Interest was first deferred.

"**Mandatory Settlement Date**" means the earliest of:

- (i) as soon as reasonably practicable (but no later than the fifth business day) following the date on which a Compulsory Arrears of Interest Settlement Event occurs;
- (ii) following any Deferred Interest Payment, on the next scheduled Interest Payment Date on which the Issuer does not elect to defer in whole the interest accrued in respect of the relevant Interest Period; and
- (iii) the date on which the Euro Dated Securities are redeemed or repaid in accordance with Condition 6 (*Redemption and Purchase*) or become due and payable in accordance with Condition 9 (*Enforcement Events and No Events of Default*).

Subject to certain exceptions, as more particularly described in Condition 5 (*Optional Interest Deferral*) of the Terms and Conditions of the Euro Dated Securities, a "**Compulsory Arrears of Interest Settlement Event**" shall have occurred if:

- (i) a Dividend Declaration is made in respect of any Junior Obligations or any Parity Obligations (other than in respect of any such dividend, distribution or payment paid or made exclusively in Ordinary Shares of the Guarantor); or

<sup>4</sup> Step-up of an additional 75 basis points 30 years after the Issue Date

- (ii) the Guarantor or any of its subsidiaries has repurchased, redeemed or otherwise acquired any Junior Obligations or any Parity Obligations (other than, for the avoidance of doubt, a repurchase, redemption or acquisition of any Talisman Preferred Securities, which do not constitute Junior Obligations or Parity Obligations),

all as more particularly described in Condition 5 (*Optional Interest Deferral*) of the Terms and Conditions of the Euro Dated Securities.

**Redemption:**

Unless previously repaid, redeemed or purchased and cancelled as provided in the Euro Dated Conditions, the Securities will be redeemed on the Maturity Date at their principal amount together with any accrued and unpaid interest up to (but excluding) the Maturity Date and any outstanding Arrears of Interest.

**Optional Redemption:**

The Issuer may redeem the Euro Dated Securities in whole, but not in part, on the First Reset Date and on any Interest Payment Date thereafter at their principal amount together with any accrued and unpaid interest up to (but excluding) the Redemption Date and any outstanding Arrears of Interest.

In addition, upon the occurrence of an a Capital Event, an Acquisition Event, a Tax Event, a Withholding Tax Event or a Substantial Purchase Event, the Euro Dated Securities will be redeemable (at the option of the Issuer) in whole, but not in part, at the prices set out, and as more particularly described, in Condition 6 (*Redemption and Purchase*) of the Terms and Conditions of the Euro Dated Securities.

**Events of Default:**

There are no events of default in respect of the Euro Dated Securities. However, if an Issuer Winding-up occurs, or an order is made or an effective resolution passed for the winding-up, dissolution or liquidation of the Guarantor (except for the purposes of a solvent merger, reconstruction or amalgamation), any Holder of a Euro Dated Security, in respect of such Euro Dated Security and provided that such Holder does not contravene an Extraordinary Resolution (if any) may, by written notice to the Issuer and the Guarantor, declare that such Euro Dated Security and all interest then accrued but unpaid on such Euro Dated Security shall be forthwith due and payable, whereupon the same shall become immediately due and payable, together with all interest accrued thereon.

In such case the Holder of a Euro Dated Security may, at its sole discretion, institute steps in order to obtain a judgment against the Issuer and/or the Guarantor for any amounts due in respect of the Euro Dated Securities, including the institution of proceedings for the declaration of insolvency (*declaración de concurso*) under Spanish Insolvency Law of the Guarantor and/or proving and/or claiming in an Issuer Winding-up or in the winding-up, dissolution, liquidation or insolvency proceeding of the Guarantor for such amount.

**Additional Amounts:**

Payments in respect of the Euro Dated Securities and the Coupons by the Issuer or (as the case may be) the Guarantor under the Guarantee will be made without withholding or deduction for, or on account of,

Taxes of The Netherlands or the Kingdom of Spain, unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, additional amounts will be payable by the Issuer or, as the case may be, the Guarantor, subject to certain exceptions as are more fully described in Condition 8.1 (*Taxation - Additional Amounts*) of the Terms and Conditions of the Euro Dated Securities.

**Form:**

The Euro Dated Securities will be in bearer form and will initially be represented by a Temporary Global Security, without interest coupons or talons, which will be deposited with a common depository on behalf of Euroclear and Clearstream, Luxembourg on or about the Issue Date. Interests in the Temporary Global Security will be exchangeable for interests in a Permanent Global Security as set out in the Temporary Global Security. The Permanent Global Security will be exchangeable for Definitive Securities in the circumstances set out in the Permanent Global Security. See “*Summary of Provisions relating to the Securities in Global Form*”.

**Denominations:**

The Euro Dated Securities will be issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000.

**Governing Law:**

The Fiscal Agency Agreement, the Euro Dated Securities, the Coupons and the Guarantee and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with English law, other than the provisions of Condition 2.1 (*Status and Subordination of the Securities and Coupons – Status of the Securities and Coupons*) and Condition 2.2 (*Status and Subordination of the Securities and Coupons – Subordination of the Securities*) relating to the subordination of the Euro Dated Securities which are governed by and construed in accordance with the laws of The Netherlands, and the provisions of Conditions 3.2 (*Guarantee, Status and Subordination of the Guarantee – Status of the Guarantee*) and Condition 3.3 (*Guarantee, Status and Subordination of the Guarantee – Subordination of the Guarantee*) relating to the subordination of the Guarantee and the corresponding provisions of the Guarantee which are governed by and construed in accordance with the laws of the Kingdom of Spain. See Condition 16 (*Governing Law*) of the Terms and Conditions of the Euro Dated Securities.

**Replacement Intention:**

As at the date of this Prospectus, it is the Guarantor’s intention (without thereby assuming any obligation) that at any time it or the Issuer will redeem or repurchase the Euro Dated Securities only to the extent that the aggregate principal amount of the Euro Dated Securities to be redeemed or repurchased does not exceed such part of the net proceeds received by the Guarantor or any subsidiary of the Guarantor during the 360-day period prior to the date of such redemption or repurchase from the sale or issuance by the Guarantor or such subsidiary to third party purchasers (other than group entities of the Guarantor) of securities which are assigned by S&P, at the time of sale or issuance, an aggregate “equity credit” (or such similar nomenclature used by S&P from time to time) that is equal to or

greater than the “equity credit” assigned to the Euro Dated Securities to be redeemed or repurchased at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Euro Dated Securities), unless:

- (i) the rating assigned by S&P to the Guarantor is at least “BBB-” (or such similar nomenclature then used by S&P) and the Guarantor is of the view that such rating would not fall below this level as a result of such redemption or repurchase, or
- (ii) in the case of a repurchase, such repurchase is of less than (a) 10 per cent. of the aggregate principal amount of the Euro Dated Securities originally issued in any period of 12 consecutive months or (b) 25 per cent. of the aggregate principal amount of the Euro Dated Securities originally issued in any period of 10 consecutive years, or
- (iii) the Euro Dated Securities are redeemed pursuant to a Tax Event, an Acquisition Event, a Capital Event or a Withholding Tax Event, or
- (iv) such redemption or repurchase occurs on or after the Interest Payment Date falling on 25 March 2045.

**Rating:**

The Euro Dated Securities will be rated BB by S&P, Ba1 by Moody’s and BB+ by Fitch. Each of S&P, Moody’s and Fitch is established in the European Union and registered under the CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Listing and Admission to Trading:**

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* in its capacity as the competent authority for the purpose of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (the “**Prospectus Directive**”) and relevant implementing measures in Luxembourg as a prospectus issued in compliance with the Prospectus Directive and *loi relative aux prospectus pour valeurs mobilières du 10 juillet 2005* (the Luxembourg law on prospectuses for securities of 10 July 2005), as amended by the Luxembourg law of 3 July 2012 for the purpose of giving information with regard to the issue of the Euro Dated Securities. Application has been made to the Luxembourg Stock Exchange for the Euro Dated Securities to be admitted to trading on the Luxembourg Stock Exchange’s regulated market (which is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC) and to be listed on the official list of the Luxembourg Stock Exchange.

**Selling Restrictions:**

The United Kingdom, the United States of America, The Netherlands and the Kingdom of Spain. See “*Subscription and Sale*”.

Category 2 selling restrictions will apply for the purposes of Regulation S under the Securities Act.

**Use of Proceeds:**

The net proceeds of the issue of the Euro Dated Securities, which together with the net proceeds of the issue of the Euro Perpetual Securities, are expected to amount to €1,990,400,000 will be used to finance in part the acquisition of the Canadian-based upstream oil and gas company Talisman Energy Inc. (see “*Acquisition of Talisman Energy*”). In the event that the aforementioned transaction is not consummated, the proceeds of the issuance of the Securities may either (i) be used for the Group’s general corporate purposes, which may include the financing of other merger and acquisition activities, if any or (ii) the Issuer may give notice that an Acquisition Event has occurred and redeem any series of Securities in accordance with Condition 6.6 (*Redemption for Acquisition Event*) of the Euro Perpetual Securities or Condition 6.5 (*Redemption for Acquisition Event*) of the Euro Dated Securities.

**Risk Factors:**

Prospective investors should carefully consider the information set out in “*Risk Factors*” in conjunction with the other information contained or incorporated by reference in this Prospectus.

**ISIN:**

XS1207058733.

**Common Code:**

120705873.