

SUPPLEMENT DATED 4 FEBRUARY 2020 TO THE BASE PROSPECTUS DATED 26 APRIL 2019, AS SUPPLEMENTED ON 3 OCTOBER 2019



CEPSA Finance, S.A.U.

(incorporated with limited liability in Spain)

Guaranteed by

Compañía Española de Petróleos, S.A.

(incorporated with limited liability in Spain)

€3,000,000,000 Euro Medium Term Note Programme

This supplement (the "**Supplement**") to the base prospectus dated 26 April 2019, as supplemented on 3 October 2019 (the "**Base Prospectus**") constitutes a base prospectus supplement for the purposes of Article 16 of Directive 2003/71/EC (as amended or superseded, the "**Prospectus Directive**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to and should be read in conjunction with the Base Prospectus. The purpose of this Supplement is (i) to incorporate by reference into the Base Prospectus a press release relating to the Guarantor's unaudited, un-reviewed results for the nine-month period ended 30 September 2019; and (ii) to update certain information in relation to the Guarantor and the Group.

This Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under the Prospectus Directive. The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statement in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the programme since the publication of the Base Prospectus.

With effect from the date of this Supplement:

- (1) **Amendment to legal name of the Guarantor:** Further to the changes to the shareholding structure of the Guarantor (detailed below), and to reflect that it no longer has a sole shareholder, all references in the Base Prospectus to “Compañía Española de Petróleos, S.A.U.” shall be amended to “Compañía Española de Petróleos, S.A.”.
- (2) **Amendment to the "Risk Factors" section of the Base Prospectus:** the fifth paragraph of the Risk Factor entitled “Changes to, or our failure to comply with, the legal and regulatory framework in which we operate could have a material adverse effect on our business, financial condition, results of operations and prospects” on page 20 of the Base Prospectus shall be deleted and replaced with the following:

“We may also be the subject of investigations conducted by governmental, international or other regulatory authorities (such as the Spanish National Competition Commission (the “CNMC”). For example, we have been subject to a number of competition law infringement proceedings initiated by the CNMC which have resulted in the imposition of fines on us. See “Information on the Group—Legal Proceedings”. In addition, we may be exposed to private claims for damages further to Spanish legislation implementing Directive 2014/104/EU of 26 November 2014 on Antitrust Damages Actions. We are also frequently subject to tax inquiries and investigations in the ordinary course of business. For example, the tax authority in Colombia, the National Directorate of Taxes and Customs (“DIAN”), issued tax assessments in December 2019 regarding the 2015 income tax returns filed by the Guarantor’s subsidiary, CEPESA Colombia, S.A. (“CEPSA Colombia”). These tax assessments set out an additional demand for €89 million (not including any corresponding penalties or interest). On the basis of opinions issued by external tax experts, the company has determined that it is unlikely that these assessments will be upheld by the courts in subsequent appeals filed by CEPESA Colombia, and therefore these demands have been qualified as non-probable and no potential liability shall be provisioned in the 2019 financial statements of the Group. The tax authority in Spain, *Agencia Estatal de Administración Tributaria* (“AEAT”), is currently performing a tax review of the Spanish tax consolidated group for the period of 2013 to 2016 and whilst, as at the date of this Base Prospectus, AEAT has not issued a written statement in respect of this review, there can be no assurance we will not incur additional material tax liabilities in Spain, Colombia or any other jurisdiction, in respect of periods and taxes which remain open for inspection.”

- (3) **Amendment to the "Information Incorporated by Reference" section of the Base Prospectus:** the following paragraph shall be included as item 5 of the “Information Incorporated by Reference” section on page 38 of the Base Prospectus:

“5. The press release dated 8 November 2019 published by the Guarantor in relation to the unaudited, un-reviewed results of the Guarantor and its Subsidiaries for the nine-month period ended 30 September 2019 (the “September 2019 results press release”).

The September 2019 results press release may be obtained from:

https://www.cepsa.com/stfls/corporativo/FICHEROS/NOTAS_DE_PRENSA/pr_q3_en.pdf”

- (4) **Amendments to the "Information on the Guarantor" section of the Base Prospectus:**

- (a) the following text shall be included at the end of the section entitled “Principal Shareholder” on page 89 of the Base Prospectus:

“Change to Shareholder Structure

On 15 October 2019, MIC and Carlyle reached completion of the transaction announced on 8 April 2019, pursuant to which Matador Bidco, S.Á.R.L. (“**Matador Bidco**”) acquired a 37% shareholding in the Guarantor from MIC. MIC remains the majority shareholder in the Guarantor, holding the remaining 63%.

Matador Bidco is a limited company established in Luxembourg, indirectly wholly owned by Carlyle, itself a Full C-Corporation, managed and operated by its general partner and ultimate controlling entity, The Carlyle Group, Inc, which is in turn wholly-owned and controlled by Carlyle’s founders and other senior Carlyle professionals.

On 29 January 2020, our shareholders, MIC and Carlyle, transferred an additional 1.5% of the share capital of the Guarantor from MIC to Carlyle, following which MIC and Carlyle hold indirectly 61.5% and 38.5% of the share capital of the Guarantor, respectively.

Shareholder remuneration

During 2019 the Guarantor has made three distributions totaling €531,590,941.39 (€0.99 per share) in dividends.”

- (b) the text included in the section “Management” on pages 89-92 of the Base Prospectus is hereby deleted in its entirety and replaced with the following:

“Board of Directors

The following table sets out the name and title of each member of the Board of Directors of the Guarantor as well as their principal activities performed outside the Guarantor, in each case, as at 4 February 2020:

Name	Title	Date of first appointment	Principal activities outside the Group
Mr. Musabbeh Al Kaabi	Director & Chairman	26/04/2017 ⁽¹⁾	<p>Mubadala Investment Company (Chief Executive Officer, Petroleum & Petrochemicals)</p> <p>Mubadala Petroleum (Chairman of the Board of Directors)</p> <p>Nova Chemicals Corporation (Chairman of the Board of Directors)</p> <p>Dolphin Energy Limited (Board member)</p> <p>Borealis AG (Supervisory Board member)</p>
Mr. Marcel van Poecke	Director & Deputy Chairman	15/10/2019	<p>Carlyle International Energy Partners (CIEP) (Managing Director)</p> <p>Agate B.V. (Director)</p> <p>Alea Iacta Est B.V. (Director)</p> <p>Amethyst B.V. (Director)</p> <p>Andes Colombia Holding Limited (Director)</p> <p>Atlas (Director)</p> <p>Atlas Aviation (Director)</p> <p>AtlasInvest Holding (Director)</p> <p>Atlas International Publishing B.V. (Director)</p> <p>Argos Group Holding B.V. (Director)</p> <p>Assala Energy Holdings Ltd (Director)</p> <p>Assala Energy UK Limited (Director)</p> <p>Hedging Committee (Assala) (Director)</p> <p>Black Sea Holding Company SRL (Director)</p> <p>BSOG Holding Activity SRL (Director)</p> <p>COG Energy Ltd. (Director)</p> <p>Discover Exploration B.V. (Director)</p> <p>Discover Exploration Ltd. (Director)</p> <p>Energy Intelligence Group Inc. (Director)</p> <p>Energy Intelligence Group Ltd. (Director)</p> <p>Koeing (Director)</p> <p>Madre S.r.l. (Director)</p> <p>Mazarine Energy B.V. (Director)</p> <p>Neptune Energy Group Ltd. (Director)</p> <p>Nisard-Invest NV (Director)</p> <p>ONH B.V. (Director)</p> <p>ONE-Dyas B.V. (Director)</p> <p>Poggio Antico Società Agricola S.r.l. (Director)</p> <p>Poggio Antico Holding società agricola responsabilità limitata (Director)</p> <p>Regalwood Global Energy Ltd. (Director)</p> <p>Renewable Development Company (Redeco) NV (Director)</p>

Name	Title	Date of first appointment	Principal activities outside the Group
			Ruby B.V. (Director) Stichting Administratiekantoor AtlasInvest (Director) Stichting Administratiekantoor O.N.E. (Director) Tanzanite B.V. (Director) Topaz Holding AG (Director) UK Country Estates Ltd. (Director) Varo Energy B.V. (Director)
Mr. Philippe Boisseau	Director & Chief Executive Officer	15/10/2019	Assala Energy (Director) Enermech (Director) i-pulse inc. (Director) Regalwood Global Energy Ltd. (Director) Fundación Cepsa (Chairman of the Board of Trustees)
Ms. Alyazia Al Kuwaiti	Director	18/01/2016 ⁽²⁾	Mubadala Investment Company PJSC (Executive Director Upstream and Integrated Business) OMV Aktiengesellschaft (Supervisory Board Deputy Chairwoman) Mubadala Petroleum (Board member) Senaat General Holding Corporation (Deputy Chairwoman of the Board of Directors) NPCC (National Petroleum Construction Co.) (Board member) SCA (Securities & Commodities Authority) (Board member) Abu Dhabi Fund for Development (Board member)
Mr. Ángel Corcóstegui Guraya	Director	01/02/2016 ⁽³⁾	Magnum Industrial Partners, S.L. (Founding partner)
Mr. Saeed Al Mazrouei	Director	13/11/2018 ⁽⁴⁾	Mubadala Investment Company PJSC (Executive Director, Acquisitions Unit) Abu Dhabi Commercial Bank (Director) Aabar Investments PJS (Board member) Masdar (Director) Mubadala Medical Company (Board member) Modon Properties (Board member)
Dr. Bakheet Al Katheeri	Director	13/11/2018 ⁽⁵⁾	Mubadala Petroleum (Chief Executive Officer) Dolphin Energy Limited (Chairman of the Project Review Committee) Oil Search Ltd. (Board member)
Mr. Marwan Nijmeh	Director	15/10/2019	Mubadala Investment Company PJSC (Deputy Chief Legal Officer, Petroleum and Petrochemicals) Mubadala Petroleum (Director) Hakkasan Limited (Director)

Name	Title	Date of first appointment	Principal activities outside the Group
Mr. Bob Maguire	Director	15/10/2019	Carlyle International Energy Partners (CIEP) (Managing Director) Assala Energy Holdings Ltd. (Director) Assala Energy UK Limited (Director) Black Sea Holding Company SRL (Director) COG Energy Ltd (Director) EnerMech Group Ltd (Director) Mazarine Energy B.V. (Director) Neptune Energy Group Limited (Director) Regalwood Global Energy Ltd. (Director)
Mr. Joost Dröge	Director	15/10/2019	Carlyle International Energy Partners (CIEP) (Managing Director) YoBizz AG (Director) YoBizz Unternehmensberatungen GmbH (Director) Lexo Energy Mauritius Ltd. (Director) AtlasInvest Downstream (Director) Topaz Holding AG. (Director)

- (1) Reappointed as Director and Chairman on 15 October 2019
 (2) Reappointed on 15 October 2019
 (3) Reappointed on 15 October 2019
 (4) Reappointed on 15 October 2019
 (5) Reappointed on 15 October 2019

Senior Management

The following table sets out the name and title of each member of the Management Committee (*Comité de Dirección*) of the Guarantor as well as all entities (other than the Guarantor's subsidiaries, those family-owned asset-holding companies not relevant to the Guarantor's business and non-significant stakes in listed companies) in which the members of our Management Committee have been appointed as members of the administrative, management or supervisory bodies, in each case, as at 4 February 2020:

Name	Title	Principal activities outside the Group
Mr. Philippe Boisseau	Director & Chief Executive Officer	Assala Energy (Director) Enermech (Director) i-pulse inc. (Director) Regalwood Global Energy Ltd. (Director) Fundación Cepsa (Chairman of the Board of Trustees)
Mr. Álvaro Badiola Guerra	Chief Financial Officer	Medgaz, S.A. (Director) Fundación Cepsa (Member of the Board of Trustees)
Mr. Juan Antonio Vera García	Chief Operating Officer	Medgaz, S.A. (Chairman) Fundación Cepsa (Member of the Board of Trustees)

Mr. Luis Travesedo Loring	VP—E&P	—
Mr. Antonio Joyanes Díaz	VP—Refining	—
Mr. Álvaro Díaz Bild	VP—Marketing	—
Mr. José Manuel Martínez Sánchez	VP—Petrochemicals	—
Mr. Íñigo Díaz de Espada Soriano	VP—Communications	Fundación Cepsa (Member of the Board of Trustees)
Mr. Ignacio Pinilla Rodríguez	General Counsel & Corporate Secretary	—

Conflicts of Interest

Pursuant to the terms of the Spanish Companies Act, the directors of the Guarantor are obliged to take the necessary measures to avoid their involvement in situations in which their interests, personal or from others, may conflict with the corporate interest and with their duties towards the Guarantor.

Due to their positions as executives of the Mubadala Group, Mr Musabbeh Al Kaabi, Ms Alyazia Al Kuwaiti, Mr Saeed Al Mazrouei, Dr Bakheet Al Katheeri and Mr Marwan Nijmeh may be involved, at any given time, in potential conflicts of interest of a transactional nature in connection with specific decisions to be taken by the Board of Directors of the Guarantor.

Due to their positions as executives of the Carlyle Group, Mr van Poecke, Mr Maguire and Mr Dröge may be involved, at any given time, in potential conflicts of interest of a transactional nature in connection with specific decisions to be taken by the Board of Directors of the Guarantor.

In those specific cases, the relevant directors will have to refrain from deliberating or voting on resolutions or decisions in accordance with the Guarantor’s Articles of Association, Board of Directors Regulations and the terms of the Spanish Companies Act. To the best of the Guarantor’s knowledge, as at the date of this Base Prospectus, there are no other potential conflicts, and no actual conflicts, between the particular interests of the Guarantor’s directors and the members of the Guarantor’s senior management and the interests of the Guarantor.”

(5) Amendments to the "Information on the Guarantor" section of the Base Prospectus:

- (a) the following text shall be included at the end of the section entitled “*History—Global Energy Integration (2016 onwards)*” on page 94 of the Base Prospectus:

“On 15 October 2019, MIC and Carlyle reached completion of the transaction announced on 8 April 2019, pursuant to which Matador Bidco acquired a 37% shareholding in the Guarantor from MIC.

On 29 January 2020, our shareholders, MIC and Carlyle, transferred an additional 1.5% of the share capital of the Guarantor from MIC to Carlyle, following which MIC and Carlyle hold indirectly 61.5% and 38.5% of the share capital of the Guarantor, respectively.”

- (b) the following text shall be included at the end of the section entitled “*Refining — Gas & Power— Gas supply and logistics*” on page 101 of the Base Prospectus:

“On 13 October 2019, via a sole shareholder resolution, all of the shares held by the Guarantor in the capital of Medgaz were transferred to MIC via a dividend in kind. Further to the transfer of our interest in Medgaz, we continue to be entitled to 20% of the natural gas imported through the pipeline pursuant to our “ship-or-pay” agreement.”

- (c) the text included in the section entitled “*Marketing—Bunker*” on page 104 of the Base Prospectus is hereby deleted in its entirety and replaced with the following:

“Bunkering is the supply of fuel oil for use by ships in a seaport as well as offshore. We have been active in the bunker market for more than 80 years, and in 2018 had a market share in Spain of 57% (*source: puertos del estado*). Our bunker division currently supplies bunker fuels at the main Spanish ports (principally in the Strait of Gibraltar and the Canary Islands).”

(d) the following text shall be included at the end of the third paragraph of the section entitled “*Tax Proceedings*” on page 110 of the Base Prospectus:

“In addition, in December 2019 the DIAN issued tax assessments in December 2019 regarding the 2015 income tax returns filed by CEPESA Colombia. These tax assessments set out an additional demand for €89 million (not including any corresponding penalties or interest). On the basis of opinions issued by external tax experts, the company has determined that it is unlikely that these assessments will be upheld by the courts in subsequent appeals filed by CEPESA Colombia, and therefore these demands have been qualified as non-probable and no potential liability shall be provisioned in the 2019 financial statements of the Group.”