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This announcement is an advertisement and does not constitute a prospectus or an offer of securities in any jurisdiction, including in or into the United States, Canada, Australia or Japan. The securities to which these materials relate have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. There will be no public offering of securities in the United States.

Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with any offer or commitment whatsoever in any jurisdiction. Investors should not purchase any ordinary shares (the "**Shares**") of Compañía Española de Petróleos, S.A.U. ("**CEPSA**" or the "**Company**") except on the basis of information in the prospectus (the "**Prospectus**") prepared by the Company and approved by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores* or the "**CNMV**") in connection with a proposed initial offering of certain Shares and the subsequent admission to listing of the Shares on the Madrid, Barcelona, Bilbao and Valencia stock exchanges (the "**Spanish Stock Exchanges**") for trading through the Automated Quotation System or *Mercado Continuo* of those stock exchanges ("**Admission**"). The Prospectus is available on the websites of the Company (via [this link](#)) and of the CNMV ([www.cnmv.es](http://www.cnmv.es)).

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**FOR IMMEDIATE RELEASE**

2 October 2018



**ANNOUNCEMENT OF PRICE RANGE AND PUBLICATION OF PROSPECTUS RELATING TO THE INITIAL OFFERING OF SHARES IN COMPAÑÍA ESPAÑOLA DE PETRÓLEOS, S.A.U**

Further to the announcement on 17 September 2018 of its intention to proceed with an initial offering of shares (the "**Offering**") and the subsequent admission to listing of its entire share capital (together, the "**IPO**"), Compañía Española de Petróleos, S.A.U. ("**CEPSA**" or the "**Company**"), an integrated energy provider operating across the entire oil and gas value chain with diversified exposure to highly attractive markets, announces that the Spanish National Securities Market Commission ("**CNMV**") has today approved and registered the prospectus (the "**Prospectus**") related to the Offering.

The proposed key terms of the Offering are as follows:

- Offering Price Range: €13.10 to €15.10 per ordinary share of the Company, with a €0.50 par value ("**Shares**").
- Offering of 133,787,471 Shares by the Company's sole shareholder ("**CEPSA Holding LLC**" or the "**Selling Shareholder**") (the "**Offered Shares**"), representing 25.00% of the share capital of the Company.
- The Offering Price Range implies a market capitalization at admission to listing of between €7.010 billion and €8.081 billion.
- The Offering comprises a private placement to qualified institutional investors inside and outside of Spain. As an exception, the Selling Shareholder is also offering shares to employees of the Company and its Spanish subsidiaries that have their tax residence in Spain on the terms and conditions set out in the Prospectus.

- The free float of the Company may reach 28.75% in the event that the 15.0% over-allotment option granted to the Joint Global Coordinators (the “**Over-Allotment Option**”) is exercised.
- The Final Offering Price will be determined on 16 October 2018.
- Admission to listing and trading on the Spanish Stock Exchanges is expected to take place on or about 18 October 2018.

The Prospectus is available on the websites of the Company (via [this link](#)) and of the CNMV ([www.cnmv.es](http://www.cnmv.es)).

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#### Disclaimer

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

This announcement and the information contained herein are not for distribution in or into the United States, Canada, Australia, Japan or any other jurisdiction where to do so might constitute a violation of the relevant laws or regulations of such jurisdiction.

This announcement is not an offer to sell or a solicitation of any offer to buy any securities issued by the Company in any jurisdiction where such offer or sale would be unlawful and the announcement and the information contained herein are not for distribution or release, directly or indirectly, in or into such jurisdictions. The distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein come should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement is an advertisement and does not constitute a prospectus or offering memorandum and nothing herein contains an offering of securities. Any purchase of Shares in the proposed Offering should be made solely on the basis of the information contained in the prospectus issued by the Company in connection with the Offering and Admission, approved by the CNMV (the “Prospectus”). The Prospectus is available at the Company’s webpage (via [this link](#)) and at the CNMV’s webpage ([www.cnmv.es](http://www.cnmv.es)). Before purchasing any Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which are set out in the Prospectus.

None of the members of the syndicate (the “Managers”), Rothschild & Co. or any of their respective affiliates or its or their respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for/or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies or the Selling Shareholder, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith. The information in this announcement is subject to change.

This announcement includes statements that are, or may be deemed to be, “forward looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “plans”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. The forward-looking statements in this announcement are based upon various assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict, are beyond its control. Forward-looking statements are not guarantees of future performance and the actual results of operations, financial condition and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in or suggested by the forward-looking statements set out in this announcement. Past performance of the Company cannot be relied on as a guide to future performance. Forward-looking statements speak only as at the date of this announcement and the Company, the Selling Shareholder, each of the Managers, Rothschild & Co. and any of such person’s respective affiliates and its and their respective directors, officers, employees, agents, affiliates and advisers expressly disclaims any obligations or undertaking to release any update of, or revisions to, any forward-looking statements in this announcement.

In any European Economic Area (EEA) member state that has implemented Directive 2003/71/EC as amended (together with any applicable implementing measures in any member state, the “Prospectus Directive”), this communication is only addressed to and is only directed at qualified investors in that member state within the meaning of Article 2(1)(e) of the Prospectus Directive.

Any securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold in the United States absent registration or an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

In the United Kingdom, this announcement is only being distributed to and is only directed at Qualified Investors (as defined in section 86(7) of the Financial Services and Markets Act 2000) who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”), or (ii) persons falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “Relevant Persons”). Any person in the United Kingdom who is not a Relevant Person should not act on the basis of this announcement and should not act or rely on it.

The Managers and Rothschild & Co. are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the intended Offering. They will not regard any other person as their respective clients in relation to the intended Offering and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their respective clients, nor for providing advice in relation to the intended Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the contemplated Offering, each Manager and any controlling entities and/or any of its or their affiliates, may take up Shares as a principal position and in that capacity may retain, purchase or sell for its own account such Shares and any securities of the Company or related investments and may offer or sell such securities or other investments in connection with the Offering or otherwise. Accordingly, references in the Prospectus to the Shares being offered, acquired, placed or otherwise dealt with should be read as including any offering, acquisition or placement of such Shares to the Managers and any relevant affiliate acting in such capacity. In addition, certain of the Managers or their affiliates may enter into financing arrangements (including swaps and contracts for differences) in connection with which they or their affiliates may from time to time acquire, hold or dispose of Shares. The Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

The Offering timetable, including the date of Admission, may be influenced by a range of circumstances such as market conditions. Admission is subject to, among others, the fulfilment of requirements established in the Spanish legislation. There is no guarantee that the Offering will proceed and Admission will occur and you should not base your financial decisions on the Company's intentions in relation to Admission at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all or part of the amount invested and investors should refer to the non-exhaustive list of risk factors in the Prospectus. Persons considering making such an investment should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the Offering. The value of Shares can decrease as well as increase. Potential investors should consult a professional adviser as to the suitability of the Offering for the person concerned. Past performance cannot be relied upon as a guide to future performance.

In connection with the Offering, Merrill Lynch International, acting as stabilisation manager (or its agents) acting on behalf of itself and the Managers may to the extent permitted by, and in compliance with, applicable laws and regulations (in particular, Commission Regulation (EC) No. 596/2014 and Commission Delegated Regulation (EC) No. 1052/2016), over-allot shares or effect transactions on or off a regulated market, with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail in the open market. Such transactions may commence on or after the date of commencement of trading of the Shares on the Spanish Stock Exchanges and will end no later than 30 days thereafter. There is no assurance that such transactions will be undertaken and, if commenced, they may be discontinued at any time. There shall be no obligation on the stabilising manager to enter into such transactions. All such stabilisation shall be conducted in accordance with applicable laws and regulations (in particular, the rules concerning public disclosure and trade reporting to the CNMV).

Certain figures contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly to the total figure given.

**Information to Distributors:** Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the securities the subject of the Offering have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market

Assessment, Distributors should note that: the price of the securities may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the securities. Each distributor is responsible for undertaking its own target market assessment in respect of the securities and determining appropriate distribution channels.