

Press Release

Repsol YPF
Corporate management for external and investor relations

Madrid, 25 September 2000

Repsol YPF backs the use of alternative energies

Repsol Ypf, Azucarera Ebro And Abengoa Reach An Agreement To Develop The Use Of Bioethanol As A Fuel

Bioethanol production allows the use of agricultural and forestry wastes and additional arable land

Repsol YPF, Azucarera Ebro and Abengoa have reached an agreement to develop projects and activities related to the use of ethanol originating from raw agricultural materials in the creation of biofuels. The projects will be aimed at solving the technical problems of direct mixing or blending.

This initiative by Repsol YPF supplements the project for bioethanol manufacture in Castilla y León, which has been presented by Abengoa and Azucarera Ebro.

Bioethanol is obtained by fermenting cereals, biomass and other agricultural products and can be used in the direct creation of biofuels or via ETBE transformation. Both in its direct and transformed format, ethanol can be used as a component in renewable fuels, which contribute to a better environment.

Repsol YPF currently produces ETBE in its La Coruña and Puertollano refineries from the bioethanol that, since the end of last year, was produced by Ecocarburantes Españoles S.A., a subsidiary of Abengoa.

A new plant located in Curtis (La Coruña) owned by Bioetanol Galicia, also an Abengoa subsidiary, will begin production at the end of 2001 and will supply the Repsol YPF plants in Tarragona and Bilbao.

Repsol YPF, Abengoa and Azucarera Ebro have combined their efforts following the directives issued by the government under Royal Decree 6/2000 of 23 June 2000, on the development of biofuels and the EU strategies which, via the Energy White Paper drafted in 1997, give an objective of renewable energies covering 12% of the EU's total energy consumption by 2010.