

The Depository Trust Company

IMPORTANT

B#: 1238

DATE: January 08, 2001

TO: All participants

CATEGORY: Dividends

FROM: Susan Mayham, Supervisor, Dividend Department

ATTENTION: Operations, Reorg & Dividend Managers, Partners & Cashiers

SUBJECT: Procedures for certain tax refunds - Spain
Subject: Repsol - YPF S.A. CUSIP: 76026T205
Record Date: 01/10/01 Payable Date: 01/22/01

The Depository Trust Company has received from The Bank of New York, the attached information in regards to certain tax refunds on the above captioned dividend.

As directed in the notice, participants who have qualified beneficial holders who expect to benefit from The Bank of New York procedure, should secure the required documentation.

The deadline date for submission of the documentation is January 24, 2001. Any questions regarding the procedure should be directed to Rhonda Belgrave from The Bank of New York at (212) 815-8245.

To: Repsol-YPF S. A. ADR Holders
From: The Bank of New York
Re: Repsol-YPF S.A. - CUSIP # 76026T 20 5
Dividend Income Tax Reduction

Repsol-YPF S. A. has announced a dividend payable on January 22, 2001 to ADR holders of record on January 10, 2001. This dividend will be subject to a Spanish Income Tax of 18% of the gross dividend. Under the terms of the Convention between the United States of America and The Kingdom of Spain for the Avoidance of Double Taxation, eligible ADR holders may reduce the income tax to 15%.

Repsol-YPF S. A. has offered to apply the 15% Treaty rate to those eligible ADR holders who provide the necessary certificates to **The Bank of New York on or before January 24, 2001**. This will eliminate the need to file directly with the Spanish Tax Authorities. **Any request received after January 24, 2001 will be returned to the ADR holders, and the ADR holders will then need to claim directly from the Spanish Tax Authorities a refund of the 3% (difference between the 18% general rate and the 15% Treaty rate).**

Beneficial ADR Holders:

Beneficial owners of ADRs should obtain a Form 6166 from the Internal Revenue Service (IRS) certifying their United States residence. This Form 6166 should bear a date subsequent to January 11, 2000 and contain in the space provided the statement "the United States Tax Authorities certify that to the best of their knowledge, the tax payer is a resident of the United States within the meaning of the United States-Spain Income Tax Convention". Once obtained, the beneficial holder should send the original Form 6166 to their respective bank or broker responsible for holding their ADRs. The bank or broker must send these certifications along with a cover letter on company stationary giving all shareholder information. The letter must include the following: shareholder name, address, tax identification number and ADRs held on record date. These documents must be sent to The Bank of New York at the following address:

**The Bank of New York
ADR Department
101 Barclay Street-15E
New York, N. Y. 10286
Attn: Rhonda Belgrave**

Owners of ADRs may request the IRS certificate by contacting the IRS Tax Treaty Certification Unit at the following address and request Form 6166 designed for such purposes. If you already have a Form 6166 it cannot be dated prior to January 11, 2000. The enclosed "Request for Foreign Certification" may be used to obtain the Form 6166. Send request to:

**Internal Revenue Service
Tax Treaty Division
AC/I-FIRPTA, DP 543
P.O. Box 16347
Philadelphia, PA 19114-0447
(215) 516-3615**

The dividend adjustment (3%), paid in U.S. dollars, will be made by The Bank of New York upon receipt of funds from Repsol-YPF S. A.. The Bank of New York will make payment ten (10) business days after receipt of funds from Repsol-YPF S.A.

Should you have any questions or require additional information, please call Rhonda Belgrave at (212) 815-8245.

NOTE: THE SPANISH TAX AUTHORITIES HAVE ADVISED THAT EFFECTIVE JANUARY 1, 2000 THE FORM 6166 WILL HAVE A VALIDITY OF ONE YEAR FROM THE DATE OF ISSUANCE.

Dated: January 4, 2001

REQUEST FOR FOREIGN CERTIFICATION

Certification for an INDIVIDUAL:

NAME: _____ Social Security Number: _____
 (The name must appear as it was listed on the income tax form that was filed)

If a joint return was filed, please list spouse's name and Social Security Number:

NAME: _____ Social Security Number: _____

Certification for a BUSINESS, TRUST, or PLAN:

NAME: _____
 (The name must appear as it was listed on the tax form that was filed)

Employee Identification Number: _____

If you file as part of a **parent corporation**, indicate the parent's name and Employer Identification number.

PARENT NAME: _____
 (The name must appear as it was listed on the tax form that was filed)

Parent Employee Identification Number: _____

Indicate FORM for which certification is requested:

Form 990 Form 1120 Form 1041 Form 1065 (see reverse) Other: _____

Form 5500 (Indicate Plan No.: _____) Tax Exempt Organization: (attach supporting documentation) 401k 501k

New Filer (company was established within the current tax year, but has not yet filed a return)

Indicate TAX YEAR for which the above form was filed:

Tax Year Ending DATE: _____ (NEW FILERS: Indicate when you expect to file)

Indicate COUNTRY(S) for which certification is required, followed by number required:

France (#____) Italy (#____) NOTE: For Italian certification, the declaration below is required.

Spain (#____) United Kingdom (#____) Other (#____)

For IRS Use Only

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Declaration for Italian certification:

"Under penalties of perjury, I declare that the above named is a resident of the United States, does not have a permanent residence in Italy, and resides at the address listed below."

Permanent address: _____

Authorized signature: _____ **Date:** _____

Address to which
 certification(s)
 should be sent:

