

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

RICHARD MURAD, Individually and On Behalf Of
All Others Similarly Situated,

Plaintiff,

vs.

REPSOL YPF, S.A., ANTONIO BRUFAU NIUBO
AND LUIS MAÑAS ANTÓN,

Defendants.

Case No.

CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE FEDERAL
SECURITIES LAWS

JURY TRIAL DEMANDED

Plaintiff, Richard Murad (“Plaintiff”), upon the investigation of Plaintiff’s counsel, which included, among other things, a review of the defendants’ public documents, conference calls and announcements made by defendants, United States Securities and Exchange Commission (“SEC”) filings, wire and press releases published by and regarding Repsol YPF, S.A. (“Repsol” or the “Company”) securities analysts’ reports and advisories about the Company, and information readily available on the Internet.

NATURE OF THE ACTION

1. This is a federal class action on behalf of purchasers of the American Depository Receipts (“ADRs”) of Repsol between July 28, 2005 and January 27, 2006, inclusive (the “Class Period”), seeking to pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).
2. Repsol engages in the exploration, development, and production of crude oil and natural gas primarily in Spain and Argentina.
3. The complaint alleges that defendants’ issued a series of false and misleading statements to the market artificially inflating the Company’s stock. More specifically, the

Defendants failed to disclose the following materially adverse facts to the market: (1) that the Company's proven reserves were materially overstated; (2) that changes in Bolivia's legal framework, were negatively effecting the Company's Bolivian gas production operation; (3) that the Company was experiencing production problems in Argentina; (4) that the Company had to take an asset impairment charge of EUR50 million; and (5) that as a consequence of the foregoing, the Company's positive statements about its reserves and business growth lacked in all reasonable basis when made.

4. On January 26, 2006, the Company announced that it was reducing its proven oil and gas reserves estimates by 25 percent. On this news, shares of Repsol ADRs fell \$2.12 per share, or 7 percent, on January 26, 2006, to close at \$27.99 per share. The Company's stock continued to decline on January 27, 2006, when it fell \$1.34 per share, or 4.79 percent, to close at \$26.65 per share.

JURISDICTION AND VENUE

5. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act, (15 U.S.C. §§ 78j(b) and 78t(a)), and Rule 10b-5 promulgated thereunder (17 C.F.R. §240.10b-5).

6. This Court has jurisdiction over the subject matter of this action pursuant to §27 of the Exchange Act (15 U.S.C. §78aa) and 28 U.S.C. § 1331.

7. Venue is proper in this Judicial District pursuant to §27 of the Exchange Act, 15 U.S.C. § 78aa and 28 U.S.C. § 1391(b). Many of the acts and transactions alleged herein, including the preparation and dissemination of materially false and misleading information, occurred in substantial part in this Judicial District.

8. In connection with the acts, conduct and other wrongs alleged in this complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities exchange.

PARTIES

9. Plaintiff, Richard Murad, as set forth in the accompanying certification, incorporated by reference herein, purchased Repsol ADRs at artificially inflated prices during the Class Period and has been damaged thereby.

10. Defendant Repsol is a Spanish corporation with its principal executive offices located at Paseo De La Castellana 278-280, Madrid, Spain E-28046.

11. Defendant Antonio Brufau Niubo ("Niubo") was, at all relevant times, the Company's Executive Chairman and Chief Executive Officer.

12. Defendant Luis Mañas Antón ("Antón") was, at all relevant times, the Company's Chief Financial Officer.

13. Defendants Niubo and Antón are collectively referred to herein as the "Individual Defendants." The Individual Defendants, because of their positions with the Company, possessed the power and authority to control the contents of Repsol quarterly reports, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market. Each defendant was provided with copies of the Company's reports and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them but not to the public, each of these defendants knew that the adverse facts specified herein had not been

disclosed to and were being concealed from the public and that the positive representations which were being made were then materially false and misleading. The Individual Defendants are liable for the false statements pleaded herein, as those statements were each “group-published” information, the result of the collective actions of the Individual Defendants.

SUBSTANTIVE ALLEGATIONS

Background

14. Repsol engages in the exploration, development, and production of crude oil and natural gas primarily in Spain and Argentina. The Company is involved in the transportation of petroleum products, liquefied petroleum gas (“LPG”), and natural gas; petroleum refining; petrochemical production; and marketing of petroleum products, petroleum derivatives, petrochemicals, and LPG and natural gas, as well as in the generation of electricity.

Pre Class Period Statements

15. Prior to the Class Period, on March 1, 2005, the Company filed its Form 6-K with the SEC which announced its financial results for 2004. The Company’s Form 6-K, in relevant part, stated:

EXTRAORDINARY PROVISIONS AND WRITE-OFFS, RESERVES’ AUDIT AND DEBT REDUCTION

The sound performance posted by Repsol YPF’s industrial activities made it possible to undertake a rigorous program[] of provisions and write-offs – and accounted for as extraordinary items - to the amount of EUR682 million, practically all of which (EUR667 million) was booked in fourth quarter 2004.

The breakdown of these EUR682 million is as follows: EUR422 million were set aside for possible tax contingencies (mainly in Spain and Argentina); EUR89 for asset depreciation, primarily related to Repsol YPF service stations in Brazil (EUR35 million) and in Peru (EUR10 million); EUR140 million for contingencies relating to contracts, mainly that signed with Petrobras (EUR56 million) and with OCP (Oleoducto de Crudos Pesados) in Ecuador

(EUR89 million); and EUR20 million for the liquidation of the mercantile contract with the company's former chairman.

At year-end 2004, the independent consulting firms, De Golyer & McNaughton and Gaffney, Cline and Associates, concluded an audit on 100% of booked reserves started three years before.

As a result of this audit, and in compliance with the most strict Securities and Exchange Commission (SEC) standards, under the caption "revisions of previous estimates", proved reserves were revised downward by 4.1%, to 4,926 million barrels of oil equivalent (boe). This downward adjustment corresponds to the gas fields in Ramos and Loma La Lata, and Trinidad & Tobago, as well as the Albacora Leste oil field.

Materially False and Misleading Statements Issued During the Class Period

16. The Class Period commenced on July 28, 2005. At that time, Repsol issued a press release entitled "Repsol YPF net income up 25.2% to eur1.65 billion." Therein, the Company, in relevant part, stated:

Repsol YPF net income in first half 2005 was up 25.2% year-on-year to EUR1,650 million, the best ever achieved by the company. Income from operations rose 31.7% to EUR2,923 million. Cash flow reached EUR3,022 million, jumping 67.3% year-on-year, proving the company's financial strength and large capacity for cash generation.

BUSINESS AREAS

Exploration & Production: income from operations up 7% At EUR1,374 million, income from exploration & production operations in first half 2005 was 7.1% higher than the EUR1,283 million posted in the same half a year earlier.

This growth was mainly driven by the increase in crude oil reference prices and gas realisation prices in Trinidad & Tobago and Argentina. Gas production and sales growth in Bolivia, Trinidad & Tobago, and Venezuela also contributed.

The Repsol YPF liquids realisation price averaged \$33.26 (EUR27.13) per barrel versus \$28.88 (EUR23.56) per barrel in first

half 2004. The average price of gas in the quarter was \$1.46 per thousand standard cubic feet (tscf), 23.7% up year-on-year, versus the \$1.18 per tscf registered in 2004, shored up by higher average gas prices in Argentina and an increase in sales' volume in Trinidad & Tobago.

The company's average oil and gas production for the six months rose 0.3% year-on-year, to 1,155,800 boepd. Gas showed a production increase of 6.9%, to 613,800 boepd (3,447 Mscf/d), with enhanced production mostly from Bolivia, Trinidad & Tobago, and Venezuela.

First half 2005 investments in the exploration & production business area were EUR555 million. Investment in development represented 73% of total investment, and was spent mainly in Argentina (67%), Venezuela (7%), Trinidad & Tobago (7.3%), Bolivia (5.2%), Ecuador (3.4%), and Libya (2.1%). [Emphasis added.]

17. On August 9, 2005, the Company filed an "Official Notice" with the SEC on Form 6-K. The notice was entitled "INVESTMENT IN PERU LNG – CAMISEA PROJECT." The Company's Form 6-K also included a discussion of its financial results for the second quarter of 2005. The Company's Form 6-K, in relevant part, stated:

SECOND QUARTER 2005 HIGHLIGHTS

- Net income in the quarter was Eu805 million. Excluding non-recurring items, adjusted net income was 17% higher year-on-year in euros and 23% in dollars. These figures were the result of sustained high oil prices and refining margins coupled with a less [favorable] environment for marketing, LPG and petrochemicals.
- Income from operations in second quarter 2005 was Eu1,440 million. Excluding non-recurring items, adjusted operating income was Eu1,428 million, 22% higher (28% in dollar terms). Net cash flow generated in the quarter reached Eu1,513 million and earnings per share were Eu0.66.
- Production in the quarter reached 1,179,700 boepd, similar to the 1,179,100 boepd recorded a year earlier. Gas production rose 5.7% year-on-year, mainly in Bolivia, Trinidad & Tobago, and Venezuela.

- High refining margins continued to reflect the wide differentials between light and heavy crude oil and the high spreads in medium distillates, as well as gasoline this quarter.
- On 16 June last, Moody's upgraded Repsol YPF's rating to Baa1 from Baa2.
- On 5 July 2005, as approved at the company's last Annual General Shareholders Meeting held on 31 May 2005, Repsol YPF paid a gross complementary dividend of Eu0.25 per share against the 2004 financial year.
- On 31 May, Repsol YPF's chairman, Antonio Brufau, presented the 2005/2009 Strategic Plan to analysts, shareholders, institutional investors, and employees. This plan outlines the Company's main lines of action for the mentioned period and is based on four key factors: growth in the upstream and LNG areas, strong cash generation in the downstream and ABB units, transformation of the asset portfolio, and cost savings, all of which will contribute to ensuring sustained dividend growth for shareholders, with a 20% higher dividend in 2006.

18. On November 11, 2005, Repsol issued a press release entitled "Repsol YPF net income rises 24%." Therein, the Company, in relevant part, stated:

Repsol YPF net income in first three-quarters of 2005 was up 23.9% year-on-year to EUR2,584 million. Income from operations rose 30.7% to EUR4,500 million, and cash flow reached EUR4,811 million, jumping 46.8% year-on-year, proving the company's large capacity for cash generation.

Income from operations was significantly higher in all Repsol YPF business areas, particularly in refining & marketing, which rose 75.7%. Performance from exploration & production also improved 12.8%, chemicals 38%, and gas & power income rose 31.2%.

These January to September 2005 results were achieved in a scenario of high crude oil prices and a 3% appreciation of the euro against the dollar. The company's refining margin indicator reached \$8.28 per barrel, 66.6% above the 2004 equivalent. In chemicals, international margins on our product mix were wider than the year before, while gas and power benefited from good performance in Latin America and the growth of gas distribution in Spain.

BUSINESS AREAS

Exploration & Production: income from operations up 12.8%

At EUR2,251 million, cumulative income from exploration & production operations in the first nine months of 2005 was 12.8% higher than the EUR1,996 million posted in the same period a year earlier. This growth was mainly driven by the increase in crude oil reference prices and gas realisation prices in Trinidad & Tobago and Argentina.

The Repsol YPF liquids realisation price averaged \$36.27 (EUR28.74) per barrel versus \$29.88 (EUR24.41) per barrel in the first three quarters 2004. The average price of gas was \$1.47 per thousand standard cubic feet (tscf), 21.4% up on the \$1.20 per tscf registered in 2004, shored up by higher average gas prices in Trinidad & Tobago and Argentina, and a larger sales volume in Trinidad & Tobago.

The company's average oil and gas production for the nine months fell slightly year-on-year, to 1,156,300 boepd. This drop was mainly the result of strikes in Argentina, scheduled shutdowns in Trinidad & Tobago, and the maturity of the Argentine fields. Gas showed a production increase of 3.5%, to 619,200 boepd (3,473 Mscf/d), with enhanced production mostly from Bolivia, Trinidad & Tobago, and Venezuela.

January-September investments in the exploration & production business area were EUR931 million. Investment in development represented 76.2% of total investment, and was spent mainly in Argentina (66.9%), Venezuela (7.3%), Trinidad & Tobago (8.7%), Bolivia (4.3%), Ecuador (3.5%), and Libya (1.6%).

19. The statements referenced above in ¶¶ 16-18 were each materially false and misleading when made because defendants failed to disclose and/or misrepresented the following adverse facts, which were known to defendants, or recklessly disregarded by them, at all relevant times: (1) that the Company's proven reserves were materially overstated; (2) that changes in Bolivia's legal framework, were negatively effecting the Company's Bolivian gas production operation; (3) that the Company was experiencing production problems in Argentina; (4) that the Company had to take an asset impairment charge of EUR50 million; and (5) that as a

consequence of the foregoing, the Company's positive statements about its reserves and business growth lacked in all reasonable basis when made.

The Truth Begins to Emerge

20. On January 26, 2006, Repsol filed an "Official Notice" with SEC on Form 6-K.

Therein, the Company, in relevant part, stated:

Repsol YPF Announces 25% Reserves Reduction

Repsol YPF today announced expected downward revisions in its proved reserves of 1,254 million BOE. These revisions relate primarily to natural gas reserves. The majority are located in Bolivia (52%) and Argentina (41%), along with smaller amounts in Venezuela and elsewhere.

The revisions were mainly driven by changes in the applicable legal framework in Bolivia, due to the new Hydrocarbon Law and greater knowledge of certain fields in that country and Argentina.

The revisions are currently expected to result in an asset impairment charge of less than €50 million. Repsol YPF anticipates 2005 earnings to be consistent with results for the first three quarters.

Repsol YPF management has taken a number of steps in the past year to enhance reserves booking procedures, including the creation of an independent Reserves Control Group separated from the business units.

The Audit Committee was assigned last April the oversight responsibility for reserves control, with the Reserves Control Group reporting directly to the Audit Committee.

An independent review into the circumstances of the revisions is being conducted by the Audit Committee.

I. ESTIMATED PROVED RESERVES REVISION

In connection with the determination of its worldwide proved oil and gas reserves (as defined by the SEC) at December 31, 2005, Repsol YPF expects to make downward revisions of 1,254 million barrels of oil equivalent (BOE) against its

previous estimates. This amount represents 25 % of total proved reserves at December 31, 2004.

The revisions were made as the result of work conducted by teams which included the company's Reserves Control Group as well as internal and external professionals, under the supervision of the Audit Committee of the Board of Directors. The Audit Committee assumed last April the responsibility for the independent supervision of reserves. This revision confirms the company's firm commitment to rigor and independence for its internal control mechanisms.

The largest part of these revisions (52%), 659 million BOE, corresponds to adjustments made for Bolivia, which has been especially affected by uncertainties generated regarding the application of that country's new Hydrocarbon Law; 509 million BOE (41%) as a result of revisions in Argentina; and 86 million of BOE for the rest of the world.

The revisions announced today reflect the company's best estimate; however, final proved reserve amounts may be subject to revision in the event of further legal, commercial or operating developments. Final proved reserve amounts at December 31, 2005 will also reflect additional ordinary course adjustments for production, improved recovery, acquisitions, discoveries and extensions. The company currently expects that the determination of these adjustments will be completed by the end of February and will not give rise to material additional adjustments.

• * * *

II. REASONS BEHIND THE ESTIMATED RESERVES REVISION

The bulk of the revisions are attributable to two main factors:

Changes in the laws to which company operations are subject in the jurisdictions in which it operates. These changes have affected investment decisions and will require modifications in the contractual arrangements between company operations and the governments in these jurisdictions. In particular, in Bolivia, the introduction of the new Hydrocarbon Law has rendered future production at certain fields and several development projects no longer commercially viable. In Venezuela, negotiations are ongoing to transform existing commercial arrangements into new joint ventures with PDVSA, which will have an impact on the

company's working interests. Field performance and other data, yielding a deeper understanding of the affected reservoirs.

An additional factor relates to the Argentine Concession. Proved reserves expected to be produced based on contract extensions contemplated in the Argentine Concession have been eliminated because renewal of the concession is not reasonable certain.

* * *

III. ACCOUNTING CONSEQUENCES

Under IFRS (IAS 36), the downward revision in proved reserves requires that we test the affected production assets for impairment, which is determined on the basis of discounted expected net cash flows. An initial estimate of the aggregate impairment charge for the specific assets affected by the revisions as of December 31, 2005 is less than €50 million.
(Emphasis added.)

21. On this news, shares of Repsol ADRs fell \$2.12 per share, or 7 percent, on January 26, 2006, to close at \$27.99 per share. The Company's stock continued to decline on January 27, 2006, when it fell \$1.34 per share, or 4.79 percent, to close at \$26.65 per share.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

22. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased the ADRs of Repsol between July 28, 2005 and January 27, 2006, inclusive (the "Class Period") and who were damaged thereby. Excluded from the Class are defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

23. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Repsol's ADRs were actively traded on the New York

Stock Exchange ("NYSE"). While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Repsol or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

24. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by defendants' wrongful conduct in violation of federal law that is complained of herein.

25. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

26. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are: (1) whether the federal securities laws were violated by defendants' acts as alleged herein; (2) whether statements made by defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of Repsol; and (3) to what extent the members of the Class have sustained damages and the proper measure of damages.

27. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually

redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

UNDISCLOSED ADVERSE FACTS

28. The market for Repsol's ADRs was open, well-developed and efficient at all relevant times. As a result of these materially false and misleading statements and failures to disclose, Repsol's ADRs traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Repsol's ADRs relying upon the integrity of the market price of Repsol's ADRs and market information relating to Repsol, and have been damaged thereby.

29. During the Class Period, defendants materially misled the investing public, thereby inflating the price of Repsol's ADRs, by publicly issuing false and misleading statements and omitting to disclose material facts necessary to make defendants' statements, as set forth herein, not false and misleading. Said statements and omissions were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about the Company, its business and operations, as alleged herein.

30. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, defendants made or caused to be made a series of materially false or misleading statements about Repsol's business, prospects and operations. These material misstatements and omissions had the cause and effect of creating in the market an unrealistically positive assessment of Repsol and its business, prospects and operations, thus causing the Company's ADRs to be overvalued and artificially inflated at all relevant times. Defendants' materially

false and misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's ADRs at artificially inflated prices, thus causing the damages complained of herein.

LOSS CAUSATION

31. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

32. During the Class Period, Plaintiff and the Class purchased ADRs of Repsol at artificially inflated prices and were damaged thereby. The price of Repsol ADRs declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

ADDITIONAL SCIENTER ALLEGATIONS

33. As alleged herein, defendants acted with scienter in that defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, defendants, by virtue of their receipt of information reflecting the true facts regarding Repsol, their control over, and/or receipt and/or modification of Repsol allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Repsol, participated in the fraudulent scheme alleged herein.

34. Defendants knew and/or recklessly disregarded the falsity and misleading nature of the information which they caused to be disseminated to the investing public. The ongoing

fraudulent scheme described in this complaint could not have been perpetrated over a substantial period of time, as has occurred, without the knowledge and complicity of the personnel at the highest level of the Company, including the Individual Defendants.

**Applicability of Presumption of Reliance:
Fraud-On-The-Market Doctrine**

35. At all relevant times, the market for Repsol ADRs was an efficient market for the following reasons, among others:

- a. Repsol stock met the requirements for listing, and was listed and actively traded on the NYSE, a highly efficient and automated market;
- b. As a regulated issuer, Repsol filed periodic public reports with the SEC and the NYSE;
- c. Repsol regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and
- d. Repsol was followed by several securities analysts employed by major brokerage firms who wrote reports which were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

36. As a result of the foregoing, the market for Repsol ADRs promptly digested current information regarding Repsol from all publicly-available sources and reflected such information in Repsol stock price. Under these circumstances, all purchasers of Repsol ADRs during the Class Period suffered similar injury through their purchase of Repsol ADRs at artificially inflated prices and a presumption of reliance applies.

NO SAFE HARBOR

37. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this complaint.

Many of the specific statements pleaded herein were not identified as “forward-looking statements” when made. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein, defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized and/or approved by an executive officer of Repsol who knew that those statements were false when made.

FIRST CLAIM
Violation of Section 10(b) of The Exchange Act and
Rule 10b-5 Promulgated Thereunder Against All Defendants

38. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

39. During the Class Period, defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Repsol ADRs at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them, took the actions set forth herein.

40. Defendants (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (c) engaged in acts, practices, and a course of business which

operated as a fraud and deceit upon the purchasers of the Company's ADRs in an effort to maintain artificially high market prices for Repsol ADRs in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

41. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about the business, operations and future prospects of Repsol as specified herein.

42. These defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Repsol value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and omitting to state material facts necessary in order to make the statements made about Repsol and its business operations and future prospects in the light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of Repsol ADRs during the Class Period.

43. Each of the Individual Defendants' primary liability, and controlling person liability, arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of his responsibilities and activities as a senior officer and/or director of the Company was privy to and

participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of and had access to other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew or recklessly disregarded was materially false and misleading.

44. The defendants had actual knowledge of the misrepresentations and omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Repsol's operating condition and future business prospects from the investing public and supporting the artificially inflated price of its ADRs. As demonstrated by defendants' overstatements and misstatements of the Company's business, operations and earnings throughout the Class Period, defendants, if they did not have actual knowledge of the misrepresentations and omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

45. As a result of the dissemination of the materially false and misleading information and failure to disclose material facts, as set forth above, the market price of Repsol ADRs was artificially inflated during the Class Period. In ignorance of the fact that market prices of Repsol's publicly-traded ADRs were artificially inflated, and relying directly or indirectly on the false and misleading statements made by defendants, or upon the integrity of the market in which

the ADRs trades, and/or on the absence of material adverse information that was known to or recklessly disregarded by defendants but not disclosed in public statements by defendants during the Class Period, Plaintiff and the other members of the Class acquired Repsol ADRs during the Class Period at artificially high prices and were damaged thereby.

46. At the time of said misrepresentations and omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Repsol was experiencing, which were not disclosed by defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Repsol ADRs, or, if they had acquired such ADRs during the Class Period, they would not have done so at the artificially inflated prices which they paid.

47. By virtue of the foregoing, defendants have violated Section 10(b) of the Exchange Act, and Rule 10b-5 promulgated thereunder.

48. As a direct and proximate result of defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's ADRs during the Class Period.

SECOND CLAIM
Violation of Section 20(a) of
The Exchange Act against the Individual Defendants

49. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

50. The Individual Defendants acted as controlling persons of Repsol within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, and their ownership and contractual rights, participation in and/or awareness of the

Company's operations and/or intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, the Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contend are false and misleading. The Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

51. In particular, each of these defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

52. As set forth above, Repsol and the Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their positions as controlling persons, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's ADRs during the Class Period.

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

a. Determining that this action is a proper class action, designating Plaintiff as Lead Plaintiff and certifying Plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure and Plaintiff's counsel as Lead Counsel;

- b. Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- c. Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
- d. Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated:

By: _____
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