



Repsol boosts its Asian expansion with the purchase of 40% of United Oil Company

The Joint Venture will manufacture and supply Repsol's brand of products in Singapore, Indonesia, Malaysia and Vietnam.

Repsol signed the purchase agreement for a 40% stake in the Singapore-based lubricants manufacturer United Oil Company, which will manufacture and supply Repsol's brand of products in Singapore, Indonesia, Malaysia and Vietnam.

The agreement will allow Repsol to increase its presence in Southeast Asia, one of the world's largest and fastest-growing lubricants markets with sales of 3 million metric tons per year and an annual growth rate of 4%.

Southeast Asia, and particularly Indonesia, are key target markets for growth, fitting in with the Strategic Plan 2018-2020 goals to increase the international expansion of the Downstream Unit. Repsol aims to be a top-five player in Indonesia through the capabilities incorporated in this partnership.

The deal represents a third regional manufacturing hub to the ones Repsol already has in Spain and Mexico. United Oil Company has two lubricants plants, in Singapore and Indonesia, with total capacity of 140,000 metric tonnes.

The joint venture plans to upgrade United Oil Company's existing manufacturing plant in Indonesia and expand the network of dealers and distributors through a targeted sales and marketing drive. The alliance with United Global Limited will provide immediate access to new customer segments due to the complementary nature of both companies' brands and product lines.

The partnership in Asia adds to the joint venture created last year with Bardahl of Mexico, completing the foundations for the company's immediate strategic growth goals. Repsol aims to double its lubricants sales volumes to 300,000 metric tonnes, with 70% sourced from international business units.

Repsol has allocated 1.5 billion euros in investments for the period 2018-2020 for the growth of its Downstream unit, specifically its service stations, petrochemicals and lubricants businesses.

The agreement signed is subject to the fulfillment of standard authorizations for this type of transaction.