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Research Update:

Spain's Corporacion de Reservas Estrategicas de Productos Petroliferos Downgraded To 'A/A-1' Following Action On Spain

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Overview

- We lowered our long- and short-term sovereign credit ratings on the Kingdom of Spain to 'A/A-1' on Jan. 13, 2012.
- The ratings on Corporacion de Reservas Estrategicas de Productos Petroliferos (CORES) are equalized with those on Spain, reflecting our opinion that there is an "almost certain" likelihood that CORES would receive timely and sufficient extraordinary support from the Spanish government.
- Consequently, we are lowering our long- and short-term ratings on CORES to 'A/A-1' from 'AA-/A-1+', and removing them from CreditWatch with negative implications, where they were placed on Dec. 7, 2011.
- The negative outlook reflects that on Spain.

Rating Action

On Jan. 17, 2012, Standard & Poor's Ratings Services lowered to 'A/A-1' from 'AA-/A-1+' its long- and short-term issuer credit ratings on Corporacion de Reservas Estrategicas de Productos Petroliferos (CORES), the public entity responsible for managing Spain's strategic oil reserves. At the same time, we removed the ratings from CreditWatch with negative implications, where they were placed on Dec. 7, 2011. The outlook is negative.

Rationale

The downgrade reflects a similar action on the Kingdom of Spain (A/Negative/A-1), on Jan. 13, 2012.

In accordance with our criteria for government-related entities (GREs; see reference below), we believe that there is an "almost certain" likelihood that CORES would receive timely and sufficient extraordinary support from the Spanish government in the event of financial distress. As a result, the ratings on CORES are equalized with those on Spain.

Our opinion of an "almost certain" likelihood of support reflects our view that CORES:

- Plays a "critical" role for Spain through its public policy mandate; and
- Has an "integral" link with the Spanish government.

Outlook

The negative outlook reflects that on Spain.

Related Criteria And Research

- Rating Government-Related Entities: Methodology And Assumptions, Dec. 9, 2010
- Research Update: Spain's Ratings Lowered To 'A/A-1'; Outlook Negative, Jan. 13, 2012

Ratings List

Downgraded; CreditWatch/Outlook Action

	To	From
Corporacion de Reservas Estrategicas de Productos Petroliferos		
Issuer Credit Rating	A/Negative/A-1	AA-/Watch Neg/A-1+
Senior Unsecured	A	AA-/Watch Neg

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Complete ratings information is available to subscribers of RatingsDirect on the Global Credit Portal at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow 7 (495) 783-4009.

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