

NON-RATING ACTION COMMENTARY

Spain CORES Response to Oil Shock Reinforces State Backing

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Fitch Ratings-Barcelona-05 May 2026: The latest energy shock reinforces the strategic importance of Corporacion de Reservas Estrategicas de Productos Petroliferos (CORES; A/Stable) to Spain's energy security framework, Fitch Ratings says.

We believe that CORES' central role in responding to the recent oil-supply disruption supports our assessment of 'Virtually Certain' probability of support from Spain (A/Stable), under our Government-Related Entities Rating Criteria. It also strengthens our assessment of 'Very Strong' preservation of government policy role, supporting the equalisation of CORES' rating with that of Spain.

The recent disruption to global oil supply, linked to the Iran war and the closure of the Strait of Hormuz, has brought strategic petroleum reserves to the forefront of policy action.

The conflict, which began on 28 February 2026, triggered one of the largest oil supply disruptions in modern market history. The closure of the Strait of Hormuz has affected about 25% of global seaborne oil trade, equivalent to about 20 million barrels a day. In response, on 11 March the International Energy Agency (IEA) approved a record coordinated release of 400 million barrels, involving 32 countries, to mitigate the war's impact on global energy prices. This was only the fifth collective reserves stock release since the IEA was established in 1974.

The Spanish government activated CORES under its emergency response framework and authorised the release of up to 11.5 million barrels of oil reserves over 90 days, equivalent to 12.3 days of national consumption. This was the largest even release overseen by CORES and was implemented in phases, with an initial tranche of 3.75 million barrels over 15 days, equivalent to four days of consumption. The remaining volumes were scheduled to be released in subsequent phases, subject to market conditions and coordinated ministerial decision. CORES was responsible for monitoring

the rapid implementation of Spain's contribution to the IEA-coordinated release, demonstrating its operational relevance under acute market stress.

This episode also highlighted CORES' broader supervisory and coordinating role across reserves held by industry, distributors and oil operators. CORES also implemented and supervised a temporary reduction in stockholding obligations approved by the Council of Ministers, lowering industry requirements by the equivalent of four days for key fuel categories. Fitch believes this demonstrates that reserve-holding agencies, such as CORES, are not simply compliance vehicles, but core policy tools for crisis response, market stabilisation and security of supply.

Spain's participation in this coordinated IEA response underscores CORES' relevance both domestically and within the international system of reserve-holding institutions upon which governments continue to rely during periods of acute market stress.

Spain depends materially on oil products: petroleum product consumption rose by 1.4% year on year to 60.2 million tonnes in 2025, the highest since 2011. The government typically requires minimum security stocks equivalent to 92 days of eligible sales or consumption to comply with or exceed the IEA's and EU's baseline. Of this, CORES holds 42 days of strategic stocks, while industry holds the remaining 50 days.

Fitch believes that maintaining CORES' 42-day reserve-holding function remains essential to the operating of Spain's national stockholding system, one that is not easily replaceable. Reallocating these obligations would require complex legal and regulatory changes, while private operators would likely face material economic and financial challenges in assuming CORES' stockholding responsibilities at scale. CORES' statutory role in controlling and inspecting operator-held reserves is not readily transferable. These factors reinforce Fitch's view that the Spanish government has very strong incentives to preserve CORES' role.

Fitch does not expect CORES's financial profile to weaken as a result of higher oil prices, given its cost pass-through model, which permits it to transfer higher oil purchase costs onto the private sector. We do not expect any impact on CORES' rating as it remains driven by Spain's rating and our 'Virtually Certain' expectation of extraordinary support.

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