

# Welcome



**Delivering growth through  
exploration and production**



## Strategy overview

**Manuel Ferreira De Oliveira**  
**Chief Executive Officer**



## Execution of a clear strategy

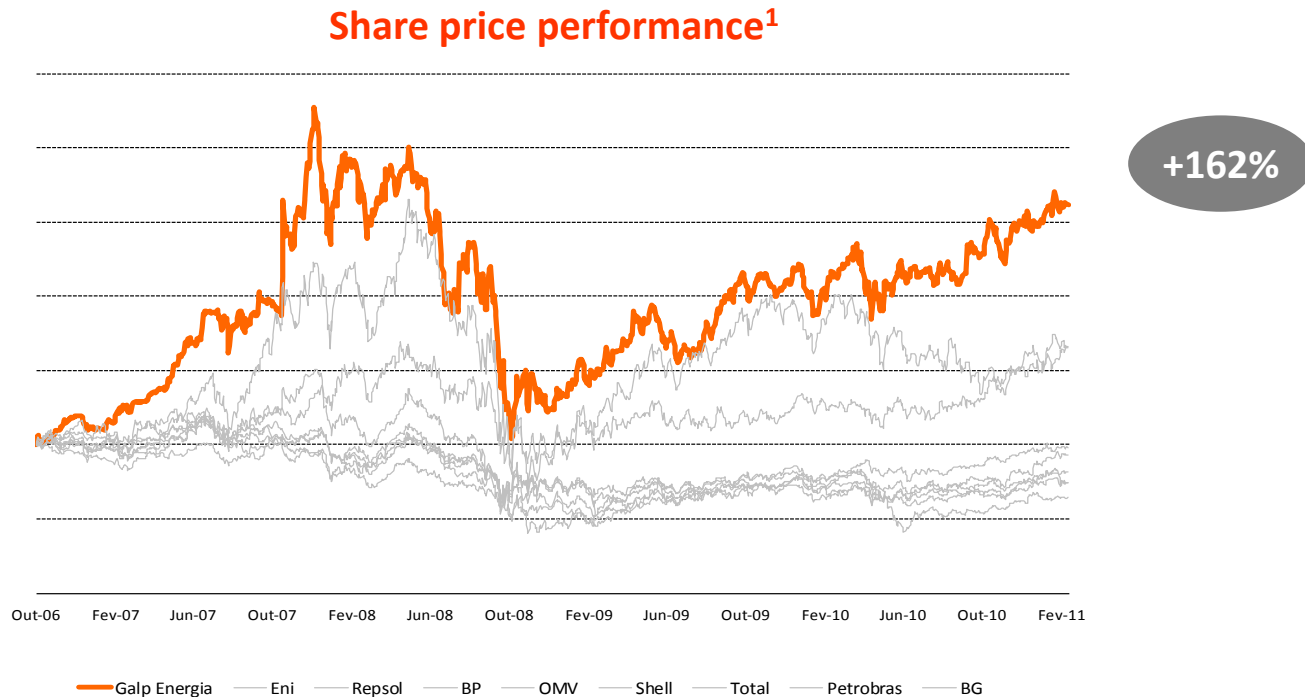
Solid downstream business

New era in upstream

Ensuring sustainable growth

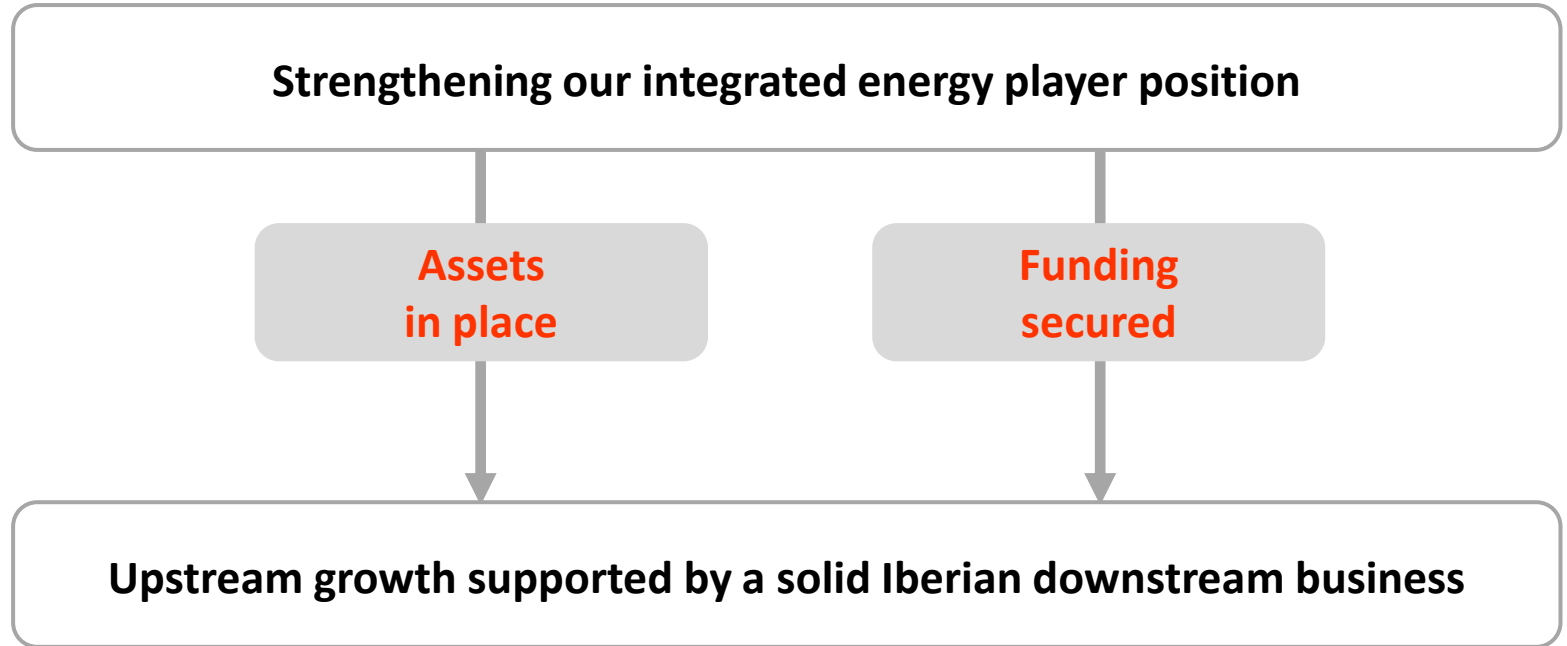
Final remarks

# Outstanding shareholder value creation with an annual return of 25%

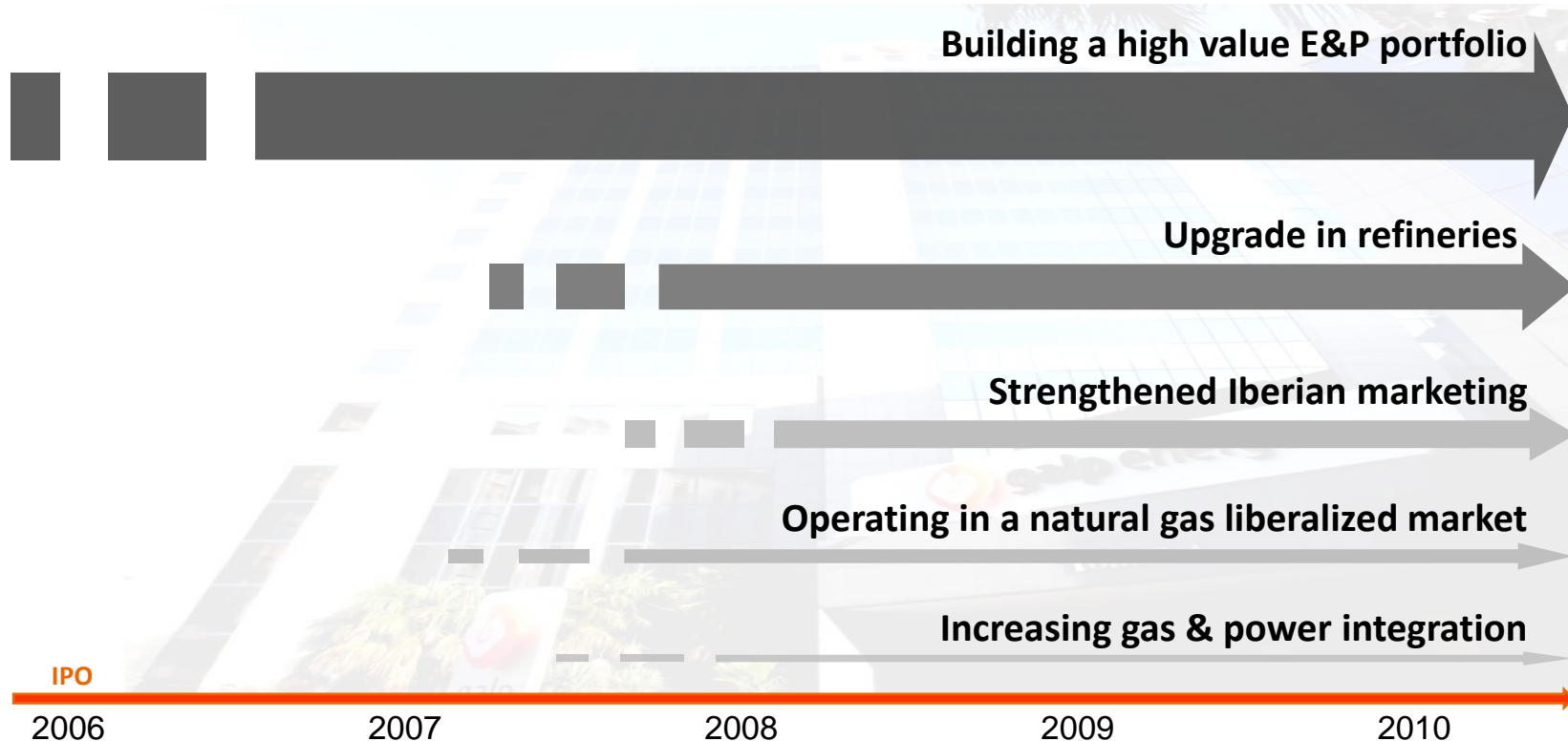


# Towards a fully integrated energy player

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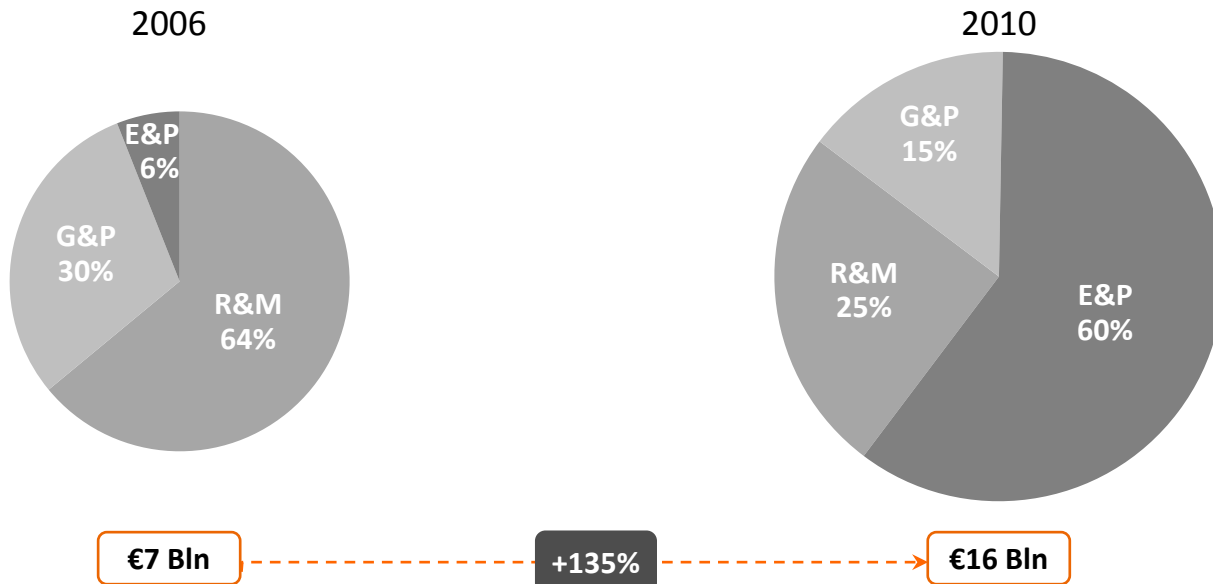


# A long way and a clear strategy executed in the last four years



# Our strategy has been well understood by the market

## Enterprise value<sup>1</sup> (€ Bln)



From a refiner towards an integrated energy player

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# Solid downstream business

## Refining & Marketing



- Total refining capacity of 330 kbpd<sup>1</sup>
- Nelson complexity of 7.7<sup>2</sup> in Sines refinery and 10.7<sup>2</sup> in Matosinhos Refinery
- 3<sup>rd</sup> player in Iberia
- 1,436 service stations and 509 non fuel stores in Iberia
- Africa with 103 service stations and 80 non fuel stores
- Sales of 17.3 Mln tons refined products

## Gas & Power



- Sourcing agreement of 6 bcm of natural gas
- 2<sup>nd</sup> natural gas player in Iberia with over 1,300 thousand clients
- ≈11,000 km of NG distribution network
- 160 MW of total capacity installed
- 1,200 GWh of annual electrical power generation

<sup>1</sup> Post-upgrade capacity. Before the upgrade was 310 kbpd

<sup>2</sup> Post-upgrade complexity index. Nelson complexity before the upgrade of 6.3 in Sines and 9.4 in Matosinhos

# Upgrade project as the master piece in our new refining business

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## Upgrade project works



Sines refinery

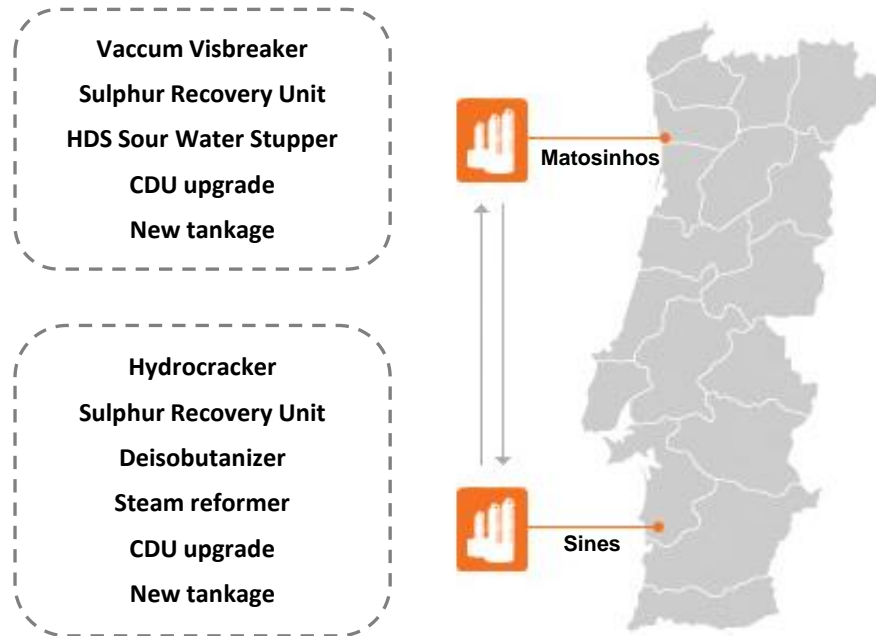


Matosinhos refinery

- An ambitious project with an investment of €1.4 Bln
- A total of 5,700 workers working on the project in peak cycle
- Steady production of the full upgrade project scheduled to YE2011

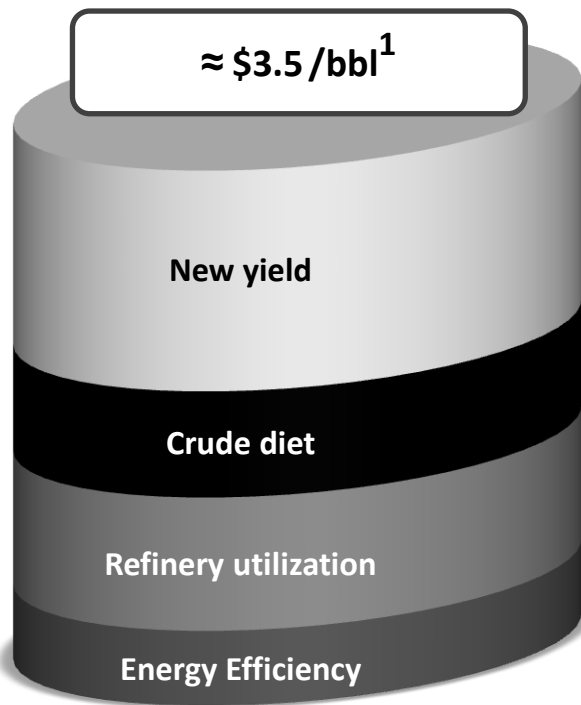
## Two refineries, one end: add value through increasing market fit

### Integrated refining scheme



- An efficient system capable of meeting market needs, replacing fuel oil production by diesel
- Increased crude processing in Matosinhos to feedstock Sines additional diesel production
- Optimization of refining process by using heavier crudes to produce higher-value refined products

# Upgrade project to boost Galp Energia refining margin



Improving our refining margin through:

Product value upgrade by adapting production to market needs replacing fuel oil by diesel

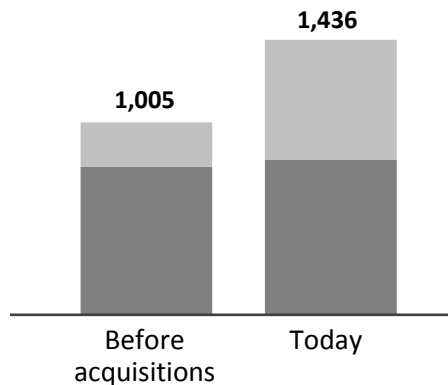
Diversification of raw materials, taking advantage of heavier crudes

Increase of capacity utilization

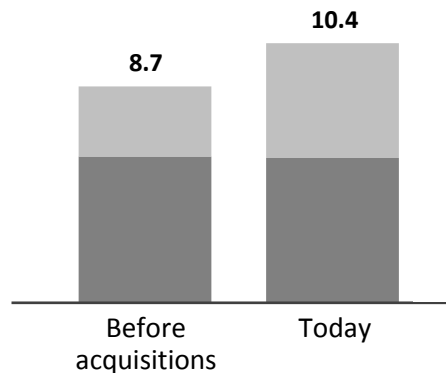
Energy consumption optimization

# Iberian oil marketing acquisitions to leverage on a larger market

## Service stations



## Direct clients (Mton)



- Iberian acquisitions allowed to capture synergies
- Geographical diversification with balanced country exposure
- Higher integration with refining business is a shield from refining margin volatility

# Madrileña Gas acquisition as the first step in NG growth in Spain

## Galp Energia supply coverage in Madrid region



- Taking advantage from NG sourcing base, thus creating value in NG product chain
- Platform in Spain to fuel natural gas business growth
- Galp Energia's own projects support natural gas volumes growth

# New cogenerations well integrated with the NG business

## Galp Energia's new cogenerations



Sines cogeneration  
82 MW



Matosinhos cogeneration  
82 MW

- Annual consumption of 0.5 bcm of natural gas or c.10% of Portuguese NG market
- Priority access to the power grid at a regulated tariff
- Cogenerations contribute to refineries' energy efficiency

## Fit downstream assets to support upstream growth

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| Business segment | Project                          | Status  |
|------------------|----------------------------------|---|
| Refining         | Upgrade project                  |  |
| Marketing        | Iberian acquisitions integration |  |
| Gas              | Strengthen presence in Spain     |  |
| Power            | Cogeneration projects            |  |



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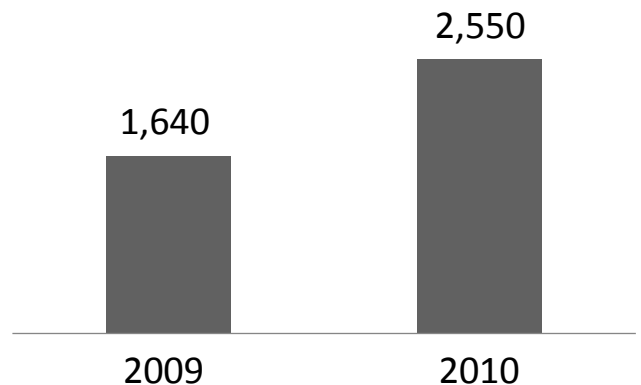
# High potential upstream portfolio



Galp Energia's gross  
exploration area of around  
87,000 km<sup>2</sup>

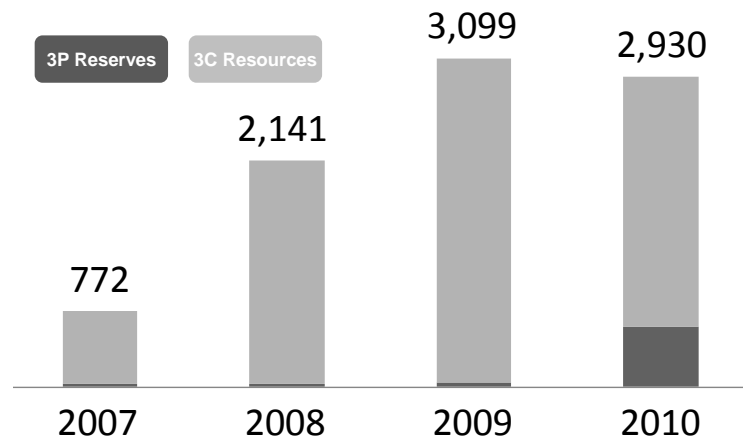
# Extraordinary value delivery from our portfolio

## Prospective resources<sup>1</sup> (Mln Boe)



Intensive exploratory work allowing for remarkable prospective resources growth

## 3P reserves<sup>2</sup> and 3C resources<sup>3</sup> (Mln Boe)



Appraisal and development activities contributed for outstanding reserves addition and an improved portfolio mix

<sup>1</sup> Prospective resources mean estimate unrisked

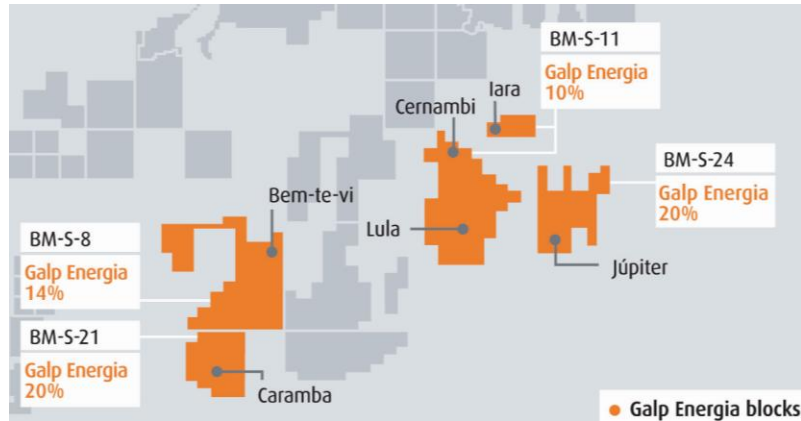
<sup>2</sup> Net entitlement reserves. 3P reserves not available for 2007-2009 period

<sup>3</sup> Working interest 3C resources

Source: DeGolyer and MacNaughton

# Unique upstream projects already in place to sustain production growth

## Pre-salt Santos basin

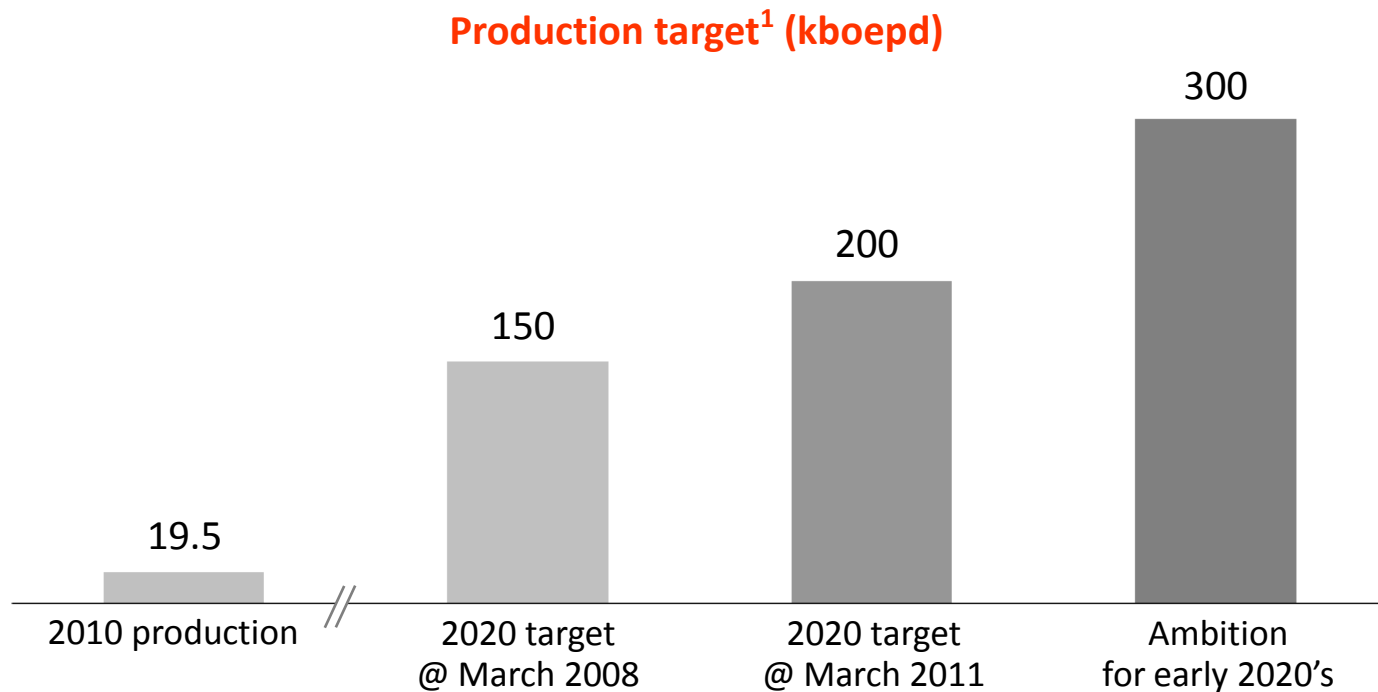


## FPSO Cidade de Angra dos Reis



Involvement in breakthrough exploration and development projects

## 300 kboepd is the ambition for early 2020's



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## Ensuring continuous value creation in the long run

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- Highly skilled human resources
- Strong health, safety and environmental programme
- Ensuring local communities engagement
- Breaking new technological frontiers

# Highly qualified human capital is a key competitive advantage

## Galp Energia training session

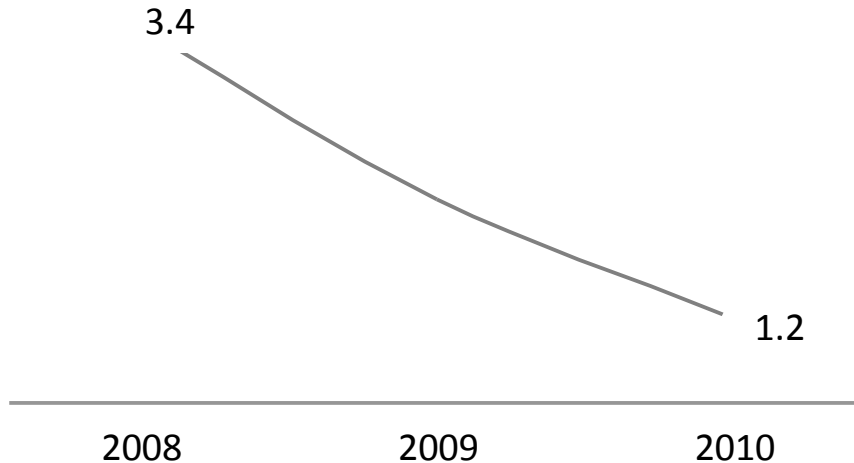


- Attracting and retaining highly skilled professionals is key to our success
- Culture of permanent search and development of human capital excellence
- High level management advanced training and assessment programmes launched in 2010 to reinforce HR skills and to train future leaders



# Committed to achieving a sustainable culture of prevention

## Frequency Index<sup>1</sup>



- Implementation of an HSE (Health, Safety and Environmental) management system, strengthening the culture of prevention
- Safety goal of zero accidents
- Allocation of significant resources to safety oriented programmes

# Responsible role in local communities development

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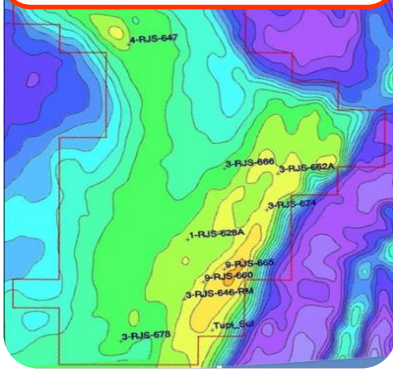
## Social responsibility action in Mozambique



- Actively promoting campaigns against hunger and poverty
- Participating in key responsibility projects such as the implementation of a national plan for medical emergency in Mozambique
- Ensuring local communities development through educational and technical training

# Galp Energia on the front of state of the art projects throughout the value chain

Exploring new geological frontiers in pre-salt reservoirs



Breaking through development techniques



Starting a new era in refining business



Embracing the new paradigm



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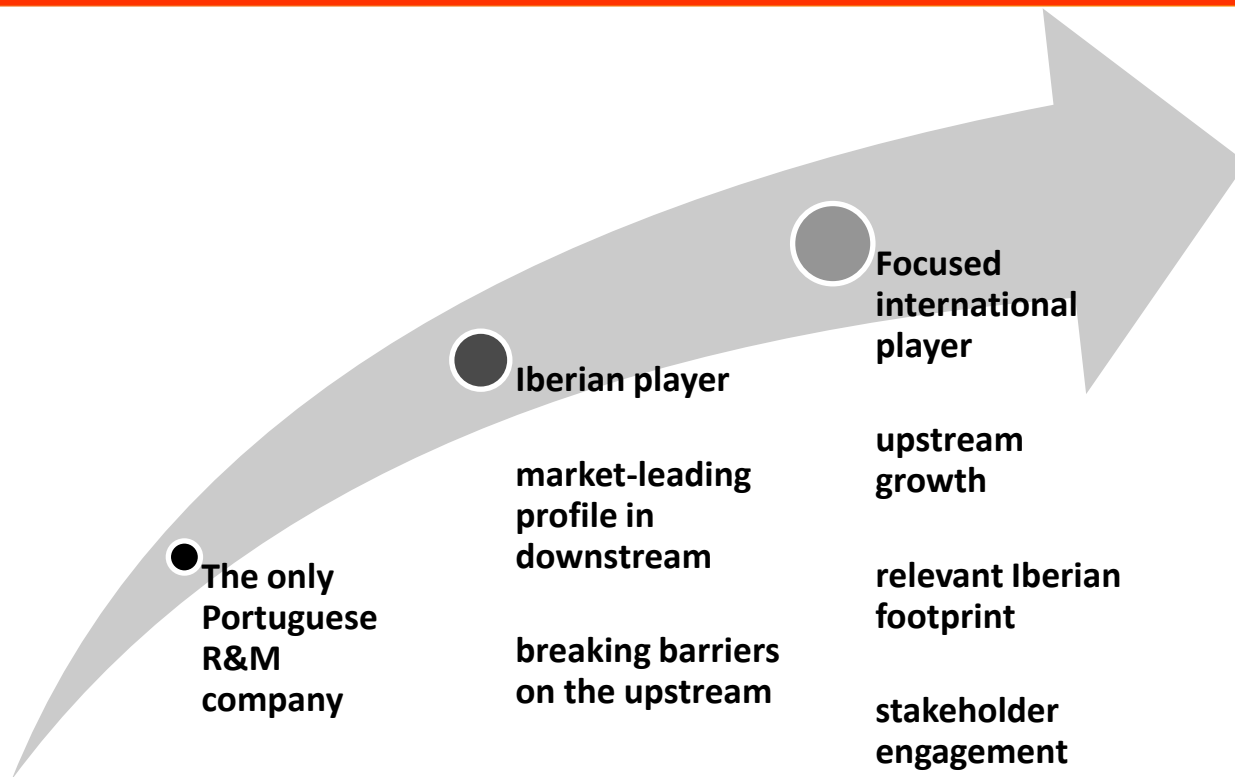
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# Excellence and ambition enhancing our sustainable future growth

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# Acronyms

|                  |  |                   |  |
|------------------|--|-------------------|--|
| #                | Number   | HR                | Human Resources                            |
| \$               | United States dollar                               | IOC               | International Oil Company                  |
| %                | Percentage   | IPO               | Initial Public Offering                    |
| 2D               | Two dimensional seismic                            | Kboepd            | Thousand barrels of oil equivalent per day |
| 3D               | Three dimensional seismic                          | Kbopd             | Thousand barrels of oil per day            |
| ANP              | Brazilian agency for oil, natural gas and biofuels | Km                | Kilometre                                  |
| API gravity      | American Petroleum Institute gravity               | Km <sup>2</sup>   | Square kilometre                           |
| BB               | Benguela and Belize                                | LLI               | Long Lead Item                             |
| BBLT             | Benguela, Belize, Lobito, and Tomboco              | LNG               | Liquified Natural Gas                      |
| Bcm              | Billion cubic metres                               | LT                | Lobito Tomboco                             |
| Bln              | Billion  | M <sup>3</sup> /d | Million cubic metre per day                |
| Boe              | Barrel of oil equivalent                           | Mln               | Million                                    |
| c.               | Circa  | MW                | MegaWatt                                   |
| CAGR             | Compound Annual Growth Rate                        | NG                | Natural Gas                                |
| CSEM             | Control Source of Electromagnetic Method           | NOC               | National Oil Company                       |
| CO <sub>2</sub>  | Carbone Dioxide                                    | p.p.              | Percentage point                           |
| CPT              | Compliant Piled Tower                              | R&M               | Refining & Marketing                       |
| E&P              | Exploration & Production                           | RCA               | Replacement Cost adjusted                  |
| EPC              | Engineering, Procurement and Construction          | TL                | Tômbua-Lândana                             |
| EWT              | Extended Well Test                                 | Ton               | Tonne                                      |
| FLNG             | Floating Liquified Natural Gas                     | TS                | Tômbua South                               |
| FPSO             | Floating Production Storage Offloading             | UOTE              | Oil Transhipment Unit                      |
| G&P              | Gas & Power  | WAG               | Water-alterning-gas                        |
| GWh              | GigaWatt hour                                      | WAT               | Wax appearance temperature                 |
| H <sub>2</sub> S | Hydrogen sulfide                                   | WI                | Working interest                           |
| HC               | Hydrocarbon  | YE                | Year End                                   |

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