



EXTENDING  
INDIVIDUAL ACCOUNTS REPORT  
SUCCESS INTO  
GALP ENERGIA  
NEW CHALLENGES  
2009





GALP ENERGIA

**INDIVIDUAL ACCOUNTS REPORT 2009**



GALP ENERGIA

## INDIVIDUAL ACCOUNTS REPORT 2009

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This translation of the Portuguese document was made only for the convenience of non-Portuguese speaking shareholders. For all intents and purposes, the Portuguese version shall prevail.

# GALP ENERGIA, SGPS, S.A.

## BALANCE SHEET AS OF 31 DECEMBER 2009 AND 2008

(Translation of financial statements originally issued in Portuguese - Note 53)  
(Amounts expressed in thousands of Euros)

ASSETS	NOTES	2009		2008	
		GROSS	AMORTIZATION, DEPRECIATION AND ADJUSTMENTS	NET	NET
<b>FIXED ASSETS:</b>					
Intangible assets:					
Industrial property and other rights	8 and 10	8	(8)	-	1
Goodwill	8 and 10	114	(59)	55	-
		<b>122</b>	<b>(67)</b>	<b>55</b>	<b>1</b>
Tangible assets:					
Machinery and equipment	10	34	(34)	-	-
Transport equipment	10	52	(52)	-	-
Administrative equipment	10	682	(668)	14	23
Other tangible assets	10	1,128	(1,128)	-	10
		<b>1,896</b>	<b>(1,882)</b>	<b>14</b>	<b>33</b>
Investments:					
Equity investments in group companies	10 and 16	1,909,110	(425)	1,908,685	2,127,756
Loans to group companies	10 and 16	1,387,555	-	1,387,555	958,864
Securities and other financial applications	10 and 16	345	-	345	462
Other loans granted	10	90	-	90	90
		<b>3,297,100</b>	<b>(425)</b>	<b>3,296,675</b>	<b>3,087,172</b>
<b>CURRENT ASSETS:</b>					
Current receivables:					
Receivables, current accounts	16	1,018	-	1,018	1,925
Group companies	16	476,440	-	476,440	556,646
Advances to suppliers		42	-	42	14
State and other public entities	28	11,585	-	11,585	14,000
Other debtors	21 and 49	803	(286)	517	1,062
		<b>489,888</b>	<b>(286)</b>	<b>489,602</b>	<b>573,647</b>
Bank deposits and cash:					
Bank deposits	51	43,790	-	43,790	3,623
Cash	51	7	-	7	7
		<b>43,797</b>	<b>-</b>	<b>43,797</b>	<b>3,630</b>
<b>ACCRUALS AND DEFERRALS:</b>					
Accrued income	50	2,429	-	2,429	3,887
Deferred costs	50	454	-	454	629
		<b>2,883</b>	<b>-</b>	<b>2,883</b>	<b>4,516</b>
<b>Total amortisation and depreciation</b>			<b>(1,949)</b>		
<b>Total adjustments</b>			<b>(711)</b>		
<b>Total assets</b>		<b>3,835,686</b>	<b>(2,660)</b>	<b>3,833,026</b>	<b>3,668,999</b>

The accompanying notes form an integral part of the balance sheet as of 31 December 2009.

### THE ACCOUNTANT

Carlos Alberto Nunes Barata

### THE BOARD OF DIRECTORS

Francisco Luís Murteira Nabo  
Manuel Ferreira De Oliveira  
Carlos Nuno Gomes da Silva  
José António Marques Gonçalves  
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EQUITY AND LIABILITIES	NOTES	2009	2008
<b>EQUITY:</b>			
Share capital	36 and 40	829,251	829,251
Share premium	40	82,006	82,006
Adjustments in equity investments in subsidiary and associated companies	40	57,279	66,828
Reserves:			
Legal reserve	40	165,850	146,967
Other reserves	40	27,977	27,977
Interim dividends	40	(49,755)	(124,095)
Retained earnings	40	966,294	777,565
Net profit for the year	40	285,214	472,973
<b>Total Equity</b>		<b>2,364,116</b>	<b>2,279,472</b>
<b>LIABILITIES:</b>			
<b>PROVISIONS:</b>			
Other provisions	34	3,819	4,388
<b>MEDIUM AND LONG TERM LIABILITIES:</b>			
Bank loans	48	1,205,036	658,000
<b>CURRENT LIABILITIES:</b>			
Bank loans	48	3,269	410,472
Suppliers, current accounts		456	1,080
Group companies	16	234,797	301,142
State and other public entities	28	8,213	8,194
Other creditors	49	115	149
		<b>246,850</b>	<b>721,037</b>
<b>ACCRUALS AND DEFERRALS:</b>			
Accrued costs	50	13,205	6,102
<b>Equity and Liabilities</b>		<b>3,833,026</b>	<b>3,668,999</b>

# GALP ENERGIA, SGPS, S.A.

## INCOME STATEMENT BY NATURE FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(Translation of statements of profit and loss by nature originally issued in Portuguese - Note 53)  
(Amounts expressed in thousands of Euros)

COSTS	NOTES	2009		2008	
External supplies and services			7,347		8,663
Personnel costs:					
Remuneration		3,892		4,941	
Social charges					
Others		306	4,198	253	5,194
Amortisation and depreciation	10	23		23	
Provisions	34	855	878	969	992
Taxes		929		602	
Other operating costs		-	929	28	630
<b>(A)</b>			<b>13,352</b>		<b>15,479</b>
Loss on group and associated companies	45	62		1,604	
Interest and similar costs:					
Relating to group companies	45	1,704		13,239	
Other	45	59,108	60,874	26,648	41,491
<b>(C)</b>			<b>74,226</b>		<b>56,970</b>
Extraordinary costs	46		847		838
<b>(E)</b>			<b>75,073</b>		<b>57,808</b>
Income tax for the year	6		(1,778)		1,105
<b>(G)</b>			<b>73,295</b>		<b>58,913</b>
Net profit for the year			285,214		472,973
			<b>358,509</b>		<b>531,886</b>

The accompanying notes form an integral part of the income statement by nature for the year ended 31 December 2009.

### THE ACCOUNTANT

Carlos Alberto Nunes Barata

### THE BOARD OF DIRECTORS

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INCOME	NOTES	2009	2008
Services rendered	16	7,937	6,437
Supplementary income	16	659	2,030
<b>(B)</b>		<b>8,596</b>	<b>8,467</b>
Gain on group and associated companies	45	290,766	467,770
Income from equity investments	45	-	17
Other interest and similar income:			
Relating to group companies	45	49,565	55,191
Other	45	9,474	388
<b>(D)</b>		<b>358,401</b>	<b>531,833</b>
Extraordinary income	46	108	53
<b>(F)</b>		<b>358,509</b>	<b>531,886</b>
Operating profit/(loss) (B)-(A)		(4,756)	(7,012)
Net financial profit/(loss) (D-B)-(C-A)		288,931	481,875
Current profit/(loss) (D)-(C)		284,175	474,863
Profit/(loss) before income tax (F)-(E)		283,436	474,078
Net profit/(loss) for the year (F)-(G)		285,214	472,973

# GALP ENERGIA, SGPS, S.A.

## INCOME STATEMENTS BY FUNCTIONS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(Translation of income statements of profit and loss by functions originally issued in Portuguese - Note 53)  
(Amounts expressed in thousands of Euros)

	NOTES	2009	2008
Services rendered	16	7,937	6,437
Cost of services rendered		(7,937)	(6,437)
Gross results		-	-
Other operating income		766	2,083
Administrative costs		(5,074)	(6,187)
Other operating costs		(1,172)	(3,694)
<b>Operating profit/(loss)</b>		<b>(5,480)</b>	<b>(7,798)</b>
Net financing income/(costs)		(1,788)	15,693
Gain/(loss) on subsidiary and associated companies	45	290,672	466,166
Gain/(loss) on other investments	45	32	17
<b>Current profit</b>		<b>283,436</b>	<b>474,078</b>
Income tax on current profit	6	1,778	(1,105)
<b>Current profit after taxes and net profit for the year</b>		<b>285,214</b>	<b>472,973</b>
<b>Earnings per share (Euros)</b>		<b>0.34</b>	<b>0.57</b>

The accompanying notes form an integral part of the income statement by functions for the year ended 31 December 2009.

### THE ACCOUNTANT

Carlos Alberto Nunes Barata

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# GALP ENERGIA, SGPS, S.A.

## CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(Translation of cash-flow statements originally issued in Portuguese - Note 53)  
(Amounts expressed in thousand of Euros)

	NOTES	2009	2008
<b>Operating activities:</b>			
Cash receipts from customers		11,299	10,202
Cash paid to suppliers		(9,089)	(9,949)
Cash paid to employees		(4,541)	(5,078)
<b>Cash from/(used in) operations</b>		<b>(2,331)</b>	<b>(4,825)</b>
Cash (paid)/received relating to income tax		67,442	(65,692)
Other (payments)/receipts relating to operating activities		(4,808)	(3,835)
<b>Cash-flows from/(used in) operating activities (1)</b>		<b>60,303</b>	<b>(74,352)</b>
<b>Investing activities:</b>			
Cash receipts relating to:			
Dividends	10	501,409	434,537
Interest and similar income		21,391	16,593
Loans granted		603,457	849,347
		<b>1,126,257</b>	<b>1,300,477</b>
Cash payments relating to:			
Investments		(1,154)	-
Loans granted		(1,005,711)	(1,437,128)
		<b>(1,006,865)</b>	<b>(1,437,128)</b>
<b>Net cash from/(used in) investing activities (2)</b>		<b>119,392</b>	<b>(136,650)</b>
<b>Financing activities:</b>			
Cash receipts relating to:			
Loans obtained		742,045	787,900
Cash payments relating to:			
Loans obtained		(428,165)	(482,436)
Interest and similar costs		(52,219)	(30,031)
Dividends/profit distributions	40	(191,021)	(263,410)
		<b>(671,405)</b>	<b>(775,877)</b>
<b>Net cash from/(used in) financing activities (3)</b>		<b>70,640</b>	<b>12,023</b>
Net (decrease)/increase in cash and cash equivalents (4) = (1) + (2) + (3)		250,335	(198,979)
Effect of foreign exchange rate changes		-	(22)
Cash and cash equivalents at the beginning of the year	51	(206,842)	(7,840)
Cash and cash equivalents at the end of the year	51	43,493	(206,842)

The accompanying notes form an integral part of the cash flow statement for the year ended 31 December 2009.

### THE ACCOUNTANT

Carlos Alberto Nunes Barata

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# GALP ENERGIA, SGPS, S.A.

## NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2009

(Translation of notes originally issued in Portuguese – Note 53)  
(Amounts expressed in thousands of Euros - tEuros)

### 1. INTRODUCTORY NOTE

Galp Energia, SGPS, S.A. (hereinafter referred to as Galp or the Company), was incorporated as a Government owned corporation under Decree-Law 137-A/99 of 22 April 1999, with the name “Galp – Petróleos e Gás de Portugal, SGPS, S.A.”, having adopted its present designation of Galp Energia, SGPS, S.A. on 13 September 2000.

The Company’s head office is in Lisbon and its corporate objects are the management of other companies having, as of the date of its incorporation, grouped the State’s direct participations in the following companies: Petróleos de Portugal-Petrogal, S.A.; GDP – Gás de Portugal, SGPS, S.A. (merged into the Company effective as of 1 January 2008) and Transgás – Sociedade Portuguesa de Gás Natural, S.A., currently designated Galp Gás Natural, S.A..

The Company’s shareholder structure has changed several times over recent years, its position as of 31 December 2009 being disclosed in Note 37.

The following notes are numbered as defined in the Portuguese Official Chart of Accounts (“Plano Oficial de Contabilidade - POC”). The numbers not included herein are either not applicable to the Company or not significant to the accompanying financial statements.

### 3. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

The accompanying financial statements were prepared on a going concern basis from the accounting records of the Company, maintained in accordance with generally accepted accounting principles in Portugal.

The accompanying financial statements reflect only the Company’s separate accounts, prepared as required by law for approval by the Shareholders’ Meeting, investments having been recorded in accordance with the equity method as explained in Note 3.c). The Company will prepare consolidated financial statements which include the financial statements of the companies in which it has a majority participation or management control. Therefore, equity at 31 December 2009 and net profit for the year then ended included in these separate financial statements reflect the effect of consolidating equity and the results of the subsidiary and associated companies based on their financial statements. However, these financial statements do not reflect the effect of a full consolidation of assets, liabilities, costs and income.

The consolidated financial statements have been prepared in accordance with IFRS – International Financial Reporting Standards as adopted by the European Union. Therefore equity at 31 December 2009 and 2008 and profit for the years then ended in the Company’s consolidated financial statements differ from those presented in the individual financial statements.

Financial information relating to the Group and associated companies is disclosed in Note 16.

The principal valuation criteria used in preparing the financial statements are as follows:

#### (a) Intangible assets

Intangible assets are related with software utilisation licences and goodwill. The caption “Industrial property and other rights” is fully amortized (Note 8). The caption “Goodwill” is related with the difference between the costs of investments and the equity of the acquired companies at the date of acquisition, which is amortized on a straight-line basis over a period of five years (Note 8).

#### (b) Tangible fixed assets

Tangible fixed assets are recorded at cost. Depreciation is provided on a straight-line basis over the following estimated periods of useful life of the assets:

	YEARS
Administrative equipment	5 to 8
Other tangible assets	8

#### (c) Investments

Investments in Group and associated companies are recorded using the equity method of accounting, under which they are initially recorded at cost, which corresponds to the amount attributed for purposes of paying up the capital in kind (Introductory Note), which is then increased or decreased to the amount corresponding to the proportion owned of the net equity of these companies.

In accordance with the equity method investments are adjusted periodically by the amount corresponding to the participation in the net results of the subsidiary and associated companies by corresponding entry to the profit and loss statement for the year (Note 45). In addition dividends received from these companies are recorded as decreases in the amount of the investments.

As mentioned in paragraph h) below, the accumulated effect of currency translation adjustments resulting from the translation of the financial statements of subsidiaries expressed in foreign currencies is recorded in the equity caption “Adjustments in equity investments in subsidiary and associated companies”.

Investments corresponding to participations of less than 20% in the capital of other companies are stated at cost in the caption “Securities and other financial applications”.

Loans to group and associated companies are stated at their nominal value.

Estimated losses on the realisation and/or recovery of investments are recorded in the caption “Other provisions” (Note 34).

#### (d) Accruals basis

Income and expenses are recorded on an accruals basis, under which they are recorded in the period to which they relate independently of when they are received or paid (Note 50).

#### (e) Balance sheet classification

Assets realisable and liabilities payable in more than one year from the balance sheet date are classified as medium and long term assets and liabilities, respectively.

#### (f) Vacation and vacation subsidy

Vacation and vacation subsidy and corresponding charges are recognised as cost of the period in which the employees acquire the right to receive them. Consequently, the accrued liability for vacation pay and vacation subsidy and corresponding charges as of the balance sheet date were estimated and recorded in the caption "Accrued costs" (Note 50).

#### (g) Income tax

Since 2001 Galp Energia, SGP5, S.A. has been covered by the special regime for the taxation of groups of companies, which covers all the companies in which it has a direct or indirect participation of at least 90% in their capital and are also resident in Portugal and subject to Corporate Income Tax.

Deferred tax refers to timing differences between the amounts of assets and liabilities for accounting and for tax purposes.

Deferred tax assets and liabilities are calculated and periodically valued using the tax rates expected to be in force on the dates the temporary differences revert.

Deferred tax assets are recognised only when there are reasonable expectations of sufficient future taxable profits to use them. On each balance sheet date a reassessment is made of the temporary differences underlying the deferred tax assets so as to recognise the deferred tax assets not recognised previously due to not complying with all the conditions for them to be recorded and/or to reduce the amount of deferred tax assets due to the current expectation of their future recovery (Note 6).

#### (h) Translation of foreign currency financial statements

Exchange differences arising on the translation to Euros of the foreign currency financial statements of subsidiary and associated companies are included in the equity caption "Adjustments in equity investments in group and associated companies". These financial statements are translated at the following rates:

- (i) exchange rate at the end of the reporting period for all assets and liabilities;
- (ii) average exchange rate for the year for the statement of profit and loss captions; and
- (iii) historical exchange rate for the remaining equity captions.

## 6. INCOME TAX

In accordance with current legislation, tax returns are subject to review and correction by the tax authorities for a period of four years (ten years for social security up to 2000, inclusive, and five years as from 2001). Consequently, the Company's tax returns for the years from 2006 to 2009 are still subject to review.

The Company's management believes that any adjustment to the tax returns that could result from reviews carried out by the tax authorities to these tax returns will not have a significant effect on the financial statements as of 31 December 2009 and 2008.

Under current Portuguese legislation tax losses can be carried forward for offset against taxable income for a period of six years.

The Company and some of its subsidiaries are taxed on a consolidated basis, in accordance with the special regime for taxation of groups of companies, their taxable results being determined in the Company. However, estimated income tax of the Company and its subsidiaries is recorded based on their taxable results, which for the year ended 31 December 2009 represents an account payable to and receivable from these companies of tEuros 20,454 (Note 16) and tEuros 15,610 (Note 16), respectively.

The reconciliation between the nominal tax rate and income tax recorded in the income statement is as follows:

Net profit before income tax	283,436
Nominal tax rate	26.5%
<b>Expected income tax</b>	<b>75,111</b>
Permanent differences (a)	(76,893)
Deferred taxes	(139)
Reversal of deferred tax on tax gains	143
<b>Income tax for the year</b>	<b>(1,778)</b>

(a) Permanent differences are made up as follows:

Effect of applying the equity method (Note 45)	(290,704)
Insufficiency of estimated income tax (Note 46)	543
	<b>(290,161)</b>
Nominal tax rate	26.5%
	<b>(76,893)</b>

Income tax for the year recorded in the statement of profit and loss by nature is made up as follows:

Estimated current tax (Note 28)	(1,639)
Deferred tax	(139)
	<b>(1,778)</b>

In accordance with current tax legislation, gains and losses on Group and associated companies resulting from application of the equity method of accounting are not considered for tax purposes in the year they are recorded. In compliance with Portuguese Accounting Directive 28, deferred tax liabilities relating to undistributed profits of subsidiaries were not recorded.

## 7. AVERAGE NUMBER OF EMPLOYEES

Other than the members of the Corporate Boards, at 31 December 2009 the Company had 1 employee.

## 8. INDUSTRIAL PROPERTY AND OTHER RIGHTS AND GOODWILL

At 31 December 2009 this caption was made up as follows:

	GROSS	ACCUMULATED AMORTISATION AND DEPRECIATION	NET
Industrial property and other rights:			
Software and licences	8	(8)	-
Goodwill:			
ENACOL-Empresa Nacional de Combustiveis, Lda.	114	(59)	55
	<b>122</b>	<b>(67)</b>	<b>55</b>

## 10. CHANGES IN FIXED ASSETS

The changes in intangible and tangible fixed assets and investments, and in the respective accumulated amortisation and depreciation accounts and adjustments for investments in the year ended 31 December 2009 were as follows:

	GROSS ASSETS					ENDING BALANCE
	BEGINNING BALANCE	INCREASES	TRANSFERS	DECREASES	EQUITY METHOD	
Intangible assets:						
Industrial property and other rights	8	-	-	-	-	8
Goodwill	-	-	114	-	-	114
	<b>8</b>	<b>-</b>	<b>114</b>	<b>-</b>	<b>-</b>	<b>122</b>
Tangible assets:						
Machinery and equipment	34	-	-	-	-	34
Transport equipment	52	-	-	-	-	52
Administrative equipment	679	3	-	-	-	682
Other tangible assets	1,128	-	-	-	-	1,128
	<b>1,893</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,896</b>
Investments:						
Investment in group companies (Note 16)	2,128,181	1,154	-	-	(220,225)	1,909,110
Loans to group companies (Note 16)	958,864	728,691	-	(300,000)	-	1,387,555
Securities and other financial applications (Not 16)	462	-	(114)	(24)	21	345
Other loans granted	90	-	-	-	-	90
	<b>3,087,597</b>	<b>729,845</b>	<b>(114)</b>	<b>(300,024)</b>	<b>(220,204)</b>	<b>3,297,100</b>

The increase in the caption "Investment in Group companies" in the amount of tEuros 1,154, includes tEuros 1,104 relating with supplementary capital made by the Company to Galp Power, SGPS, S.A and tEuros 50 relating with share capital of subsidiary Next Priority, SGPS, S.A, founded in the year ended 31 December, 2009.

The increase of tEuros 728,691 in the caption "Loans to group companies" includes: tEuros 700,000 relating to loans to Petróleos de Portugal - Petrogal, S.A., (ii) tEuros 3,154 relating to loans and tEuros 4,087 relating with accrued and capitalized interests, in loans, granted to GDP - Gás de Portugal, SGPS, S.A., (iii) tEuros 20,081 relating loans and tEuros 1,368 relating with accrued and capitalized interests on loans, granted to Galp Power, SGPS, S.A. (Note 16).

The decrease of tEuros 300,000, recorded under the caption "Loans to Group companies", is related with the reimbursement of loans of subsidiary Petróleos de Portugal - Petrogal, S.A. during the year ended 31 December, 2009.

**ACCUMULATED AMORTISATION, DEPRECIATION AND ADJUSTMENTS**

	<b>BEGINNING BALANCE</b>	<b>INCREASES</b>	<b>ENDING BALANCE</b>
<b>Intangible assets (Note 8):</b>			
Industrial property and other rights	7	1	8
Goodwill	-	59	59
	<b>7</b>	<b>60</b>	<b>67</b>
<b>Tangible assets:</b>			
Machinery and equipment	34	-	34
Transport equipment	52	-	52
Administrative equipment	656	12	668
Other tangible assets	1,118	10	1,128
	<b>1,860</b>	<b>22</b>	<b>1,882</b>
<b>Investments:</b>			
Adjustments in investments	425	-	425

Of the total increase in accumulated depreciation, tEuros 59 refers to the amortization of goodwill, which was recorded in the income statement for tEuros 13 under the caption "Financial expenses" (Note 45) and tEuros 46 in caption "Extraordinary expenses - increase in amortization"(Note 46).

**Recovery of investments**

Based on the business plans of the subsidiary companies and the results considered therein, the Company believes that the book value of its investments in Group companies as of 31 December 2009 does not exceed their estimated realisable value.

The changes during the year ended 31 December 2009 in the caption "Investments in Group companies" were as follows:

<b>Beginning balance</b>	<b>2,128,181</b>
Constitution of subsidiary Next Priority, SGPS, S.A.	50
Supplementary Capital to Galp Power, SGPS, S.A.	1,104
	<b>1,154</b>
<b>Effect of applying the equity method in Group and associated companies (Note 45)</b>	
Positive	290,734
	<b>290,734</b>
<b>Effect of applying the equity method relating to other changes in equity of the Group and associated companies (Note 40):</b>	
Exchange rate translation adjustments	(9,550)
<b>Dividends:</b>	
Petróleos de Portugal - Petrogal, S.A.	(330,720)
GDP- Gás de Portugal, SGPS, S.A.	(166,920)
Galp Energia, S.A.	(3,769)
	<b>(501,409)</b>
<b>Ending balance</b>	<b>1,909,110</b>

## 16. GROUP COMPANIES

Investments in Group and associated companies as of 31 December 2009 and 2008 were as follows:

	31 DECEMBER 2009						31 DECEMBER 2008		
	HEAD OFFICE	TOTAL ASSETS	TOTAL LIABILITIES	SHAREHOLDER'S EQUITY	NET ASSETS	%	AMOUNT	%	AMOUNT
Petróleos de Portugal - Petrogal, S.A. (a)	Lisbon	5,348,520	3,973,288	1,375,232	181,859	100.00%	1,375,182	100.00%	1,531,013
Galp Energia, S.A.	Lisbon	41,423	33,474	7,949	3,820	100.00%	7,949	100.00%	7,897
Galp Power, SGPS, S.A.	Lisbon	108,531	105,345	3,186	1,859	100.00%	3,186	100.00%	221
GDP - Gás de Portugal, SGPS, S.A.	Lisbon	1,512,515	989,772	522,743	103,198	100.00%	522,743	100.00%	589,050
Galp Energia E&P, B.V. (b)	Amsterdam	10	112	(102)	(62)	100.00%	-	100.00%	-
Next Priority, SGPS, S.A. (c)	Lisbon	50	-	50	-	100.00%	50		-
							<b>1,909,110</b>		<b>2,128,181</b>

(a) For purposes of applying the equity method, in 2009 equity was adjusted for the effect of the minority participations of these companies in other subsidiaries of the Galp Group.

(b) This company, had negative equity at 31 December 2009 and so the effect of applying the equity method was to record a provision of tEuros 102 (Note 34).

(c) During the year 2009, was founded Next Priority, SGPS, SA, with a share capital of tEuros 50, fully subscribed and paid by the Company.

Securities and other financial applications as of 31 December 2009 and 2008 are made up as follows:

	2009			2008	
	HEAD OFFICE	%	AMOUNT	%	AMOUNT
Adene - Agência para a Energia, S.A.	Lisbon	10.98%	114	10.98%	114
OEINERGE - Agência Municipal de Energia e Ambiente de Oeiras	Oeiras	1.45%	1	1.45%	1
Central E, S.A.	Lisbon	0.70%	2	0.70%	2
ENACOL - Empresa Nacional de Combustíveis, Lda.	Cape Verde	0.71%	192	0.71%	285
Omegas - Sociedade D'Etuded du Gazoduc Magreb-Europe	Morocco	5.00%	35	5.00%	35
Galp Swazilândia, Ltd. (a)	Matsapha	-	-	-	-
Galp Gâmbia, Ltd.	Banjul	-	1	-	1
Others			-		24
			<b>345</b>		<b>462</b>

(a) Value of investment below tEuros.



The asset and liability balances with the main Group companies as of 31 December 2009 were as follows:

	ASSETS BALANCES			
	RECEIVABLES CURRENT ACCOUNTS	GROUP COMPANIES	LOANS TO GROUP COMPANIES (NOTE 10)	ACCRUED INCOME (NOTE 50)
CLT - Companhia Logística de Terminais Marítimos, Lda.	-	949	-	-
Dianagás, S.A.	-	4,368	-	-
Duriensegás, S.A.	-	10,967	-	-
Fast Access, S.A.	22	4	-	-
Galp Central de Ciclo Combinado de Sines, S.A.	-	470	-	1
Galp Energia E&P, B.V.	-	100	-	1
Galp Energia, S.A.	-	1,867	-	-
Galp Comercialização Portugal, Lda.	37	26,168	-	-
Galp Exploração, S.A.	113	24,073	-	-
Galp Gás Natural, S.A.	-	(6,145)	-	-
Galp Power, S.A.	82	7,177	-	-
Galp Power, SGPS, S.A.	-	-	98,045	421
Galp Swazilandia, Ltd.	22	-	-	-
Galpgeste, Lda.	-	141	-	-
Gasinsular, S.A.	-	730	-	1
GDP - Gás de Portugal, SGPS, S.A.	3	119,362	89,510	155
GDP Serviços, S.A.	160	2,410	-	-
Lisboagás, Comercialização S.A.	-	3,346	-	-
Lisboagás, S.A.	-	48,382	-	-
Lusitaniagás, S.A.	-	19,000	-	17
Medigás, S.A.	-	9,157	-	-
Paxgás, S.A.	-	2,627	-	-
Petrogal Angola, Lda.	20	19	-	-
Petrogal Cabo Verde, Lda.	-	335	-	-
Petrogal Guiné-Bissau, Lda.	18	16	-	-
Petrogal Moçambique, Lda.	32	19	-	-
Petrogás Guiné-Bissau, Lda.	16	17	-	-
Petróleos de Portugal - Petrogal, S.A.	452	108,313	1,200,000	1,833
Petromar-Sociedade Abastecimentos Petrolíferos, Lda.	22	23	-	-
Portcogeração, S.A.	-	275	-	-
Sinecogeração-Cogeração da refinaria de Sines, S.A.	-	3,539	-	-
Soturis, S.A.	-	1,469	-	-
Tagusgás, S.A.	8	-	-	-
Tanquisado - Terminais Marítimos, S.A.	-	539	-	-
Transgás Armazenagem, S.A.	-	322	-	-
Transgás, S.A.	-	86,378	-	-
Other Group companies	11	23	-	-
	<b>1,018</b>	<b>476,440</b>	<b>1,387,555</b>	<b>2,429</b>

The loans of tEuros 1,387,555 to group companies bear interests at the Euribor 6 month rate plus a spread of 3% and do not have defined repayment dates.

LIABILITY BALANCES

	GROUP COMPANIES	SUPPLIERS CURRENT ACCOUNTS	ACCRUED COSTS
CLT - Companhia Logística Term. Marítimos, Lda.	1,280	-	-
CORS - Comp. Expl. de Est. Serv. e Ret. Serv. Aut., Lda.	6,000	-	4
Galp Açores, S.A.	3,555	-	-
Galp Central de Ciclo Combinado de Sines, S.A.	6	-	-
Galp Energia Portugal Holding B.V.	30,008	-	12
Galp Energia, S.A.	15,634	239	-
Galp Exploração Timor Leste, S.A.	8,500	-	-
Galp Gás Natural, S.A.	74,340	7	-
Galp Gás Propano, S.A.	3,000	-	2
Galp Madeira, S.A.	5,368	-	-
Galp Power, S.A.	3,609	-	-
Galp Power, SGPS, S.A.	9,621	-	-
Galpgeste, Lda.	2,821	-	-
Gasmar, S.A.	441	-	-
GDP - Gás de Portugal, SGPS, S.A.	479	-	-
GDP Serviços, S.A.	6,512	-	-
Lisboagás, Comercialização S.A.	581	-	-
Medigás, S.A.	89	-	-
Paxgás, S.A.	56	-	-
Petróleos de Portugal - Petrogal, S.A.	13,650	58	27
Portcogeração, S.A.	25	-	-
Sacor Marítima, S.A.	30,993	2	-
Sinecogeração - Cogeração da refinaria de Sines, S.A.	192	-	-
SM Internacional, S.A.	623	-	-
Soturis, S.A.	21	-	-
Tanquisado - Terminais Marítimos, S.A.	15,548	-	-
Transgás Armazenagem, S.A.	1,084	-	-
Transgás, S.A.	384	-	-
Tripul, S.A.	347	-	-
Other Group companies	30	-	-
	<b>234,797</b>	<b>306</b>	<b>45</b>

The receivable and payable balances with Group companies are made up as follows:

	RECEIVABLE	PAYABLE
Special regime for taxing groups of companies	15,610	20,454
Loans conceded and obtained:		
GDP - Gás de Portugal, SGPS, S.A.	118,339	-
Petróleos de Portugal - Petrogal, S.A.	82,524	-
Transgás, S.A.	89,676	-
Lisboagás, S.A.	40,847	-
Galp Exploração, S.A.	24,073	-
Lusitaniagás, S.A.	19,000	-
Duriensegás, S.A.	10,077	-
Medigás, S.A.	8,837	-
Galp Power, S.A.	7,115	-
Dianagás, S.A.	4,144	-
Lisboagás Comercialização, S.A.	3,346	-
Paxgás, S.A.	2,586	-
Sinecogeração, S.A.	2,111	-
Soturis, S.A.	1,432	-
CLT - Companhia Logística de Terminais Marítimos, Lda.	949	-
Gasinsular, S.A.	730	-
Galp Central de Ciclo Combinado de Sines, S.A.	470	-
Petrogal Cabo Verde, Lda.	335	-
Portcogeração, S.A.	275	-
Galp Energia E&P B.V.	100	-
Galp Comercialização Portugal, Lda.	26,169	-
Galp Energia Portugal Holding B.V.	-	30,008
Tripul, S.A.	-	347
Gasmar, S.A.	-	442
SM Internacional, S.A.	-	623
Transgás Armazenagem, S.A.	-	1,060
Galpgeste, Lda.	-	2,821
Galp Açores, S.A.	-	3,555
Galp Madeira	-	5,368
GDP Serviços, S.A.	-	6,512
Galp Exploração Timor Leste, S.A.	-	8,487
CORS - Comp. Expl. de Est. Serv. e Ret. Serv. Aut., Lda.	-	6,000
Galp Power, SGPS, S.A.	-	9,621
Galp Gás Propano, S.A.	-	3,000
Tanquisado - Terminais Marítimos, S.A.	-	15,530
Galp Energia, S.A.	-	15,633
Sacor Marítima, S.A.	-	30,993
Galp Gás Natural, S.A.	-	74,341
	<b>443,135</b>	<b>214,341</b>
Other	17,695	2
	<b>476,440</b>	<b>234,797</b>

The amount of tEuros 443,135 reflected as a receivable in the caption "Group companies" includes tEuros 422,500 relating to cash pooling of the Company with Group companies and tEuros 20,635 relating to short term loans. The loans conceded are remunerated at normal market rates.

The amount of tEuros 17,695 recorded in the caption other assets, includes tEuros 10,313 and tEuros 7,262, relating, respectively, with Petróleos de Portugal - Petrogal, S.A. debt for the structuring of the tEuros 700,000 bonds loan and interests debited during 2009, to be paid in 2010.

The amount of tEuros 214,340 reflected in the payable caption group companies includes tEuros 175,331 relating to cash pooling of the Company with Group companies and tEuros 39,008 relating to other short term loans. The loans obtained are remunerated at normal market rates.

The asset and liability captions relating to Group companies include amounts receivable and payable resulting from the adoption of the special regime for taxation of groups of companies, as follows (Note 6):

	GROUP COMPANIES	
	RECEIVABLE	PAYABLE
Relating to prior years:		
CLT, Lda.	-	98
Galp Energia, S.A.	-	1
Galp Gás Natural, S.A.	2	-
Galp Power, S.A.	62	1,659
Galp Power, SGPS, S.A.	-	941
GDP - Gás de Portugal, SGPS, S.A.	18	479
Medigás, S.A.	-	89
Other companies	-	21
Paxgás, S.A.	3	56
Petróleos de Portugal - Petrogal, S.A.	474	11,373
Sinecogeração - Cogeração da Refinaria de Sines, S.A.	3	192
Soturís, S.A.	13	21
Transgás Armazenagem, S.A.	-	24
	<b>575</b>	<b>14,954</b>
Payments on account:		
Galp Gás Natural, S.A.	(20,358)	-
Lisboagás, S.A.	(4,479)	-
Petróleos de Portugal - Petrogal, S.A.	(25,246)	-
Transgás, S.A.	(3,298)	-
	<b>(53,381)</b>	<b>-</b>
Relating to 2009 (Note 28):		
CLT, Lda.	-	1,182
Combustíveis Líquidos, Lda.	-	6
Dianagás, S.A.	224	-
Duriensegás, S.A.	890	-
Galp Central de Ciclo Combinado de Sines, S.A.	-	6
Galp Energia, S.A.	1,867	-
Galp Exploração Timor Leste, S.A.	-	13
Galp Gás Natural, S.A.	14,211	-
Galp Power, S.A.	-	819
Galp Power, SGPS, S.A.	-	190
Galpgeste, S.A.	141	-
GDP - Gás de Portugal, SGPS, S.A.	1,004	-
GDP - Serviços, S.A.	2,410	-
Lisboagás Comercialização, S.A.	-	581
Lisboagás, S.A.	12,014	-
Medigás, S.A.	320	-
Paxgás, S.A.	38	-
Petróleos de Portugal - Petrogal, S.A.	32,987	2,277
Portcogeração, S.A.	-	25
Sinecogeração - Cogeração da refinaria de Sines, S.A.	1,425	-
Soturís, S.A.	24	-
Tanquisado - Terminais Marítimos, S.A.	539	17
Transgás Armazenagem, S.A.	322	-
Transgás, S.A.	-	384
	<b>68,416</b>	<b>5,500</b>
	<b>15,610</b>	<b>20,454</b>

Transactions with Group companies in the year ended 31 December 2009 were as follows:

	TRANSACTIONS					
	EXTERNAL SUPPLIES AND SERVICES	INTEREST EXPENSE (NOTE 45)	SERVICES RENDERED	SUPPLEMENTARY INCOME	INTEREST INCOME (NOTE 45)	OTHER INCOME (NOTE 45)
CLT - Comp. Logística Term. Marítimos, Lda.	-	-	-	-	149	-
Dianagás, S.A.	-	-	-	-	102	-
Duriensegás, S.A.	-	-	-	-	269	-
CORS - Comp. Expl. de Est. Serv. e Ret. Serv. Aut., Lda.	-	33	-	-	-	-
Galp Comercialização Portugal, S.A.	-	-	-	-	215	-
Galp Central de Ciclo Combinado de Sines, S.A.	-	-	-	-	2	-
Galp Energia E&P, B.V.	-	-	-	-	1	-
COMG - Comercialização de Gás, S.A.	-	15	-	-	-	-
Galp Açores, S.A.	-	46	-	-	1	-
Galp Energia Portugal Holding B.V.	-	12	-	-	-	-
Galp Energia, S.A.	2,338	64	-	168	6	-
Galp Swazilandia, Ltd.	-	-	-	22	-	-
Galp Exploração Timor Leste, Lda.	-	25	-	-	49	-
Galp Exploração, S.A.	-	1	1,133	-	2,451	-
Galp Gás Natural, S.A.	55	859	-	55	33	-
Galp Gás Propano, S.A.	-	2	-	-	-	-
Galp Madeira, S.A.	-	61	-	-	-	-
Galp Power, S.A.	-	-	820	-	160	-
Galp Power, SGPS, S.A.	-	25	-	-	2,980	-
Galpgeste, Lda.	-	19	-	-	3	-
Gasinsular, S.A.	-	-	-	-	13	-
Gasmar, S.A.	-	3	-	-	-	-
GDP - Gás de Portugal, SGPS, S.A.	-	-	-	-	6,124	-
GDP Serviços, S.A.	-	37	1,603	17	-	-
Lisboagás Comercialização, S.A.	-	-	-	-	254	-
Lisboagás, S.A.	-	-	-	(3)	873	-
Lusitaniagás - Comp Gás do Centro, S.A.	-	-	-	-	428	-
Medigás, S.A.	-	-	-	-	224	-
Paxgás, S.A.	-	-	-	-	56	-
Petrogal Angola, Lda.	-	-	-	-	1	-
Petrogal Cabo Verde, Lda.	-	-	-	-	1	-
Petróleos de Portugal - Petrogal, S.A.	604	-	4,381	315	33,276	9,450
Portcogeração, S.A.	-	-	-	-	247	-
Sacor Marítima, S.A.	-	257	-	-	1	-
Sinecogeração, S.A.	-	-	-	-	36	-
SM - Internacional, Lda.	-	5	-	-	-	-
Soturis, S.A.	-	-	-	-	37	-
Tagus RE, S.A.	-	132	-	21	-	-
Tanquisado - Terminais Marítimos, S.A.	-	45	-	-	-	-
Transgás Armazenagem, S.A.	-	12	-	-	-	-
Transgás, S.A.	-	49	-	-	1,573	-
Tripul, S.A.	-	2	-	-	-	-
	<b>2,997</b>	<b>1,704</b>	<b>7,937</b>	<b>595</b>	<b>49,565</b>	<b>9,450</b>

Services rendered in the amount of tEuros 7,937 correspond essentially to management services rendered by the Company to Group companies.

The amount of tEuros 315 recorded in the caption "Supplementary income", related with the subsidiary Petróleos de Portugal – Petrogal, includes tEuros 256 relating with debt of stamp duty paid by the Company, from the bond loan of tEuros 700,000, issued during 2009 (Note 48).

The amount of tEuros 9,450 recorded in caption "Other income", related with the subsidiary Petróleos de Portugal - Petrogal, S.A., is relating with the debt of financial charges, incurred with the bond loan (Notes 45 and 48).

## 19. MARKET VALUE OF CURRENT ASSETS

On 31 December 2009 there were no significant differences between the amounts reflected in the current assets captions calculated in accordance with valuation criteria used by the Company (Note 3) and their respective market value, that are not adequately adjusted.

## 21. ADJUSTMENTS TO THE AMOUNT OF CURRENT ASSETS

During the year ended 31 December, 2009 there were no movements in the captions of "Adjustments to current assets", which amounts in 31 December, 2008 to tEuros 286.

## 25. RECEIVABLES FROM AND PAYABLES TO EMPLOYEES

As of 31 December 2009 and 2008 the Company had the following receivables from and payables to employees:

	2009	2008
Receivables from (Note 49)	171	139
Payables to (Note 49)	(64)	(69)

## 28. STATE AND OTHER PUBLIC ENTITIES

As of 31 December 2009 and 2008 there were no overdue accounts payable to the State and other public entities.

The balances with these entities were made up as follows:

	2009	2008
<b>Recoverable balances</b>		
VAT - Value Added Tax recoverable	907	907
Corporate income tax recoverable	10,672	13,022
Corporate income tax - amounts withheld by third parties	6	71
	<b>11,585</b>	<b>14,000</b>
<b>Payable balances</b>		
Corporate income tax - estimated tax	-	7,513
Corporate income tax payable	7,795	378
VAT - Value Added Tax payable	313	175
Personal income tax withheld	91	115
Social security	14	13
	<b>8,213</b>	<b>8,194</b>

The liability caption "Corporate Income Tax – estimated tax" as of 31 December 2009 is made up as follows:

	CORPORATE INCOME TAX FOR 2009 RELATING TO			TOTAL
	THE COMPANY (NOTE 6)	SUBSIDIARIES (NOTE 16)		
		RECEIVABLE	PAYABLE	
Estimated corporate income tax	1,639	3,183	(68,416)	(63,594)
Corporate income tax withheld by third parties	101	2,317	-	2,418
Corporate income tax - Payments on account	53,381	-	-	53,381
<b>Total</b>	<b>55,121</b>	<b>5,500</b>	<b>(68,416)</b>	<b>(7,795)</b>

## 32. BANK GUARANTEES

As result of additional tax assessments resulting from tax inspections of the companies included in the special regime for the taxation of groups of companies, bank guarantees in the amount of tEuros 18,274, constituted in BPI, were given to the tax authorities.

Bank guarantees totalling tEuros 3,882 in favour of a municipality as guarantee in a tax execution processes. The processes relates to the Group company LisboaGás GDL – Sociedade Distribuidora de Gás Natural de Lisboa, S.A. and so they do not represent a contingent liability of the Company.

## 34. CHANGES IN PROVISIONS

During the year ended 31 December 2009 there were the following changes in provisions:

CAPTION	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Provisions				
Provision for taxes	3,377	-	-	3,377
Provision for legal processes in progress	969	855	(1,490)	334
Other provisions	2	4	-	6
	<b>4,348</b>	<b>859</b>	<b>(1,490)</b>	<b>3,717</b>
Equity investments (Notes 16 and 45)	40	62	-	102
	<b>4,388</b>	<b>921</b>	<b>(1,490)</b>	<b>3,819</b>

The provision for taxes in the amount of tEuros 3,377 is to cover contingencies relating to the sale of ONI, SGPS, S.A. to Galp Energia, S.A..

The increase of tEuros 4 to other provisions was recorded by corresponding charge to the statement of profit and loss caption "Personnel costs".

## 36. SHARE CAPITAL

The Company's capital as of 31 December 2009 consisted of 829,250,635 shares of one Euro each, 40,000,000 shares being A shares and the remaining 789,250,635 shares being B shares. The A shares have the following special rights:

- Election of the president of the board of directors can only be approved by a majority of A share votes;
- Any decision aimed at authorising the signing of parity group or subordination contracts, and any decisions which in any way can endanger the safety of the supply of petroleum, gas, electricity or related products, cannot be approved in a first or second calling against a majority of class A votes.

## 37. SHAREHOLDERS

As a result of the above mentioned the Company's fully subscribed and paid up share capital as of 31 December 2009 was held by the following entities:

	# OF SHARES	% OF CAPITAL
Amorim Energia, B.V.	276,472,161	33.34%
ENI, S.P.A.	276,472,161	33.34%
Other shareholders	209,934,289	25.32%
Parública - Participações Públicas, SGPS, S.A.	58,079,514	7.00%
Caixa Geral de Depósitos, S.A.	8,292,510	1.00%
	<b>829,250,635</b>	<b>100.00%</b>

## 40. CHANGES IN EQUITY

The changes in the equity captions in the year ended 31 December 2009 were as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	APPROPRIATION OF PROFITS	ENDING BALANCE
Share capital	829,251	-	-	-	829,251
Share premium account	82,006	-	-	-	82,006
Adjustments in equity investments in group and associated companies (Note 10)	66,828	-	(9,550)	-	57,279
Legal reserve	146,967	-	-	18,883	165,850
Other reserves	27,977	-	-	-	27,977
Interim dividends	(124,095)	-	(49,755)	124,095	(49,755)
Retained earnings	777,565	-	-	188,729	966,294
Net profit for the year	472,973	285,214	-	(472,973)	285,214
	<b>2,279,472</b>	<b>285,214</b>	<b>(59,305)</b>	<b>(141,266)</b>	<b>2,364,116</b>

By decision of the shareholders' meeting of 27 April 2009, profit for the year ended 31 December 2008 was appropriated as follows:

Dividends	265,361
Retained earnings	188,729
Legal reserve	18,883
	<b>472,973</b>

In the year ended 31 December 2009 the Company paid the remaining dividends relating to profit for 2008 in the amount of tEuros 141,266. In addition, by decision of the Directors' Meeting held of 25 September 2009, interim dividends of tEuros 49,755 were paid out of net profit for 2009.

#### Legal reserve

In accordance with the Commercial Company Code (Código das Sociedades Comerciais) the Company must transfer a minimum of 5% of its annual net profit to a legal reserve until the reserve reaches 20% of share capital. The legal reserve cannot be distributed to the shareholders but may in certain circumstances be used to increase capital or to absorb losses after all the other reserves have been used up.

#### Adjustments in equity investments in subsidiary and associated companies

The opening balance of the caption "Adjustments in equity investments in group and associated companies" corresponds essentially to the effect of adjustments made directly by the subsidiaries of Petróleos de Portugal - Petrogal, S.A. and GDP - Gás de Portugal, SGPS, S.A. to their shareholders' equity accounts when they recorded deferred taxes for the first time, in the amount of tEuros 78,830. In addition, the opening balance and amounts recorded in this caption in 2009 correspond to the variation between years of the accumulated currency translation adjustments resulting from translation of the foreign currency financial statements of subsidiaries and other changes in equity of the subsidiaries.



### 43. REMUNERATION OF THE MEMBERS OF THE CORPORATE BOARDS

The remuneration of the members of the corporate boards for the years 2009 and 2008 amounted to tEuros 5,840 and tEuros 6,788, respectively, of which tEuros 4,498 and tEuros 4,182 corresponds to salary, tEuros 988 and tEuros 872 to payments to defined contribution pension plans, tEuros 95 and tEuros 1,524 to bonuses related with the year 2008, paid during 2009 and tEuros 259 and tEuros 210 to allowance for rents and travel. These amounts details as follows:

NAME	2009					2008				
	SALARY	BONUSES	PPR	ALLOWANCE FOR RENTS AND TRAVEL	TOTAL	SALARY	BONUSES	PPR	ALLOWANCE FOR RENTS AND TRAVEL	TOTAL
<b>Executive Management</b>										
Manuel Ferreira De Oliveira	1,068	44	267	62	1,441	1,073	617	268	62	2,020
Claudio De Marco	350	-	88	45	483	234	78	59	32	403
Carlos Nuno Gomes da Silva	350	-	88	-	438	234	78	59	-	371
Fabrizio Dassogno	350	-	88	45	483	234	78	59	31	402
André Freire de Almeida Palmeiro Ribeiro	349	30	88	-	467	335	122	80	-	537
Fernando Manuel dos Santos Gomes	349	30	88	62	529	335	122	80	56	593
Francesco Antonietti	-	-	-	-	-	96	-	24	17	137
Massimo Giuseppe Rivara	-	-	-	-	-	-	-	-	(4)	(4)
	<b>2,816</b>	<b>104</b>	<b>707</b>	<b>214</b>	<b>3,841</b>	<b>2,541</b>	<b>1,095</b>	<b>629</b>	<b>194</b>	<b>4,459</b>
<b>Non Executive Management</b>										
José António Marques Gonçalves	425	15	106	-	546	425	206	106	-	737
João Pedro Leitão de Figueiredo Brito	319	30	88	-	437	339	122	57	-	518
Francisco Luís Murteira Nabo	210	(39)	-	-	171	210	7	-	-	217
Luigi Spelli	219	-	55	29	303	-	-	-	-	-
Luigi Piro	131	-	33	16	180	234	78	59	16	387
Paolo Grossi	42	-	-	-	42	28	-	-	-	28
Giuseppe Ricci	42	-	-	-	42	28	-	-	-	28
Rui Paulo Gonçalves	42	-	-	-	42	28	-	-	-	28
Manuel Domingos Vicente	42	-	-	-	42	42	-	-	-	42
Joaquim José Borges Gouveia	42	-	-	-	42	33	-	-	-	33
Camillo Gloria	25	-	-	-	25	42	-	-	-	42
Massimo Mondazzi	23	-	-	-	23	-	-	-	-	-
Alberto Chiarini	19	-	-	-	19	28	-	-	-	28
Francesco Giunti	6	-	-	-	6	-	-	-	-	-
Alberto Alves de Oliveira Pinto	-	(8)	-	-	(8)	13	8	-	-	21
Pedro António do Vadre Castelino e Alvim	-	(8)	-	-	(8)	13	8	-	-	21
Enrico Grigesi	-	-	-	-	-	84	-	21	-	105
	<b>1,587</b>	<b>(10)</b>	<b>282</b>	<b>45</b>	<b>1,904</b>	<b>1,547</b>	<b>429</b>	<b>243</b>	<b>16</b>	<b>2,235</b>
<b>Supervisory Council</b>										
Daniel Bessa Fernandes Coelho	42	-	-	-	42	42	-	-	-	42
José Gomes Honorato Ferreira	25	-	-	-	25	25	-	-	-	25
José Maria Rego Ribeiro da Cunha	25	-	-	-	25	25	-	-	-	25
	<b>92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92</b>	<b>92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92</b>
<b>Shareholders' Assembly</b>										
Daniel Proença de Carvalho	2	-	-	-	2	-	-	-	-	-
Victor Manuel Pereira Dias	1	-	-	-	1	1	-	-	-	1
Rui Machete	-	-	-	-	-	2	-	-	-	2
	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>
	<b>4,498</b>	<b>94</b>	<b>989</b>	<b>259</b>	<b>5,840</b>	<b>4,183</b>	<b>1,524</b>	<b>872</b>	<b>210</b>	<b>6,789</b>

From the amount of tEuros 5,840 and tEuros 6,789, recorded in 2009 and 2008, respectively, tEuros 3,846 and tEuros 4,883 were recorded in the caption "Payroll" and tEuros 1,994 and tEuros 1,905 were recorded in the caption "External supplies and services".

In accordance with the current policy, remuneration of Galp Energia directors includes all the remuneration due for positions held in the Galp Energia Group.

#### 45. FINANCIAL INCOME AND COSTS

Financial income and financial costs for the years ended 31 December 2009 and 2008 are made up as follows:

	2009	2008
<b>Expenses:</b>		
Interest - bank loans	25,684	24,608
Interest - Group and associated companies (Note 16)	1,704	13,239
Interest - bond loan	19,618	-
Loss on Group and associated companies (Note 34)	62	1,604
Amortization of acquisition differences in equity investments (Note 10)	13	-
Other	13,793	2,040
	<b>60,874</b>	<b>41,491</b>
<b>Net financial income</b>	<b>288,931</b>	<b>481,875</b>
	<b>349,805</b>	<b>523,366</b>
<b>Income:</b>		
Interest on bank deposits	21	258
Interest income - Group and associated companies (Note 16)	49,565	55,191
Interest income - other	3	130
Gain on Group and associated companies	290,734	467,770
Gains in other investments	32	-
Other (Note 16)	9,450	17
	<b>349,805</b>	<b>523,366</b>

The amount of tEuros 13,806 recorded in the caption "Other financial expenses", includes tEuros 9,450 relating to costs with the bond loan of tEuros 700,000, issued during the period ended 31 December, 2009 (Note 48) and charged to subsidiary Petróleos de Portugal - Petrogal, S.A. (Note 16), reason why it was recorded by the same amount under the caption "Other financial income".

The loss and gain on group and associated companies in 2009 is made up as follows:

	LOSS (NOTE 34)	GAIN (NOTE 10)
Petróleos de Portugal - Petrogal, S.A.	-	181,854
GDP SGPS, S.A.	-	103,198
Galp Energia, S.A.	-	3,820
Galp Power, SGPS, S.A.	-	1,862
Galp Energia E&P, B.V.	62	-
	<b>62</b>	<b>290,734</b>

## 46. EXTRAORDINARY INCOME AND COSTS

Extraordinary income and extraordinary costs for the years ended 31 December 2009 and 2008 are made up as follows:

	2009	2008
<b>Costs:</b>		
Donations	243	150
Loss on fixed assets	15	49
Increase in amortization (Note 10)	46	-
Difference in estimated income tax (Note 6)	543	439
Prior year adjustments	-	101
Other	-	99
	<b>847</b>	<b>838</b>
<b>Net extraordinary items</b>	<b>(739)</b>	<b>(785)</b>
	<b>108</b>	<b>53</b>
<b>Income:</b>		
Gain on fixed assets	-	1
Prior year adjustments	7	26
Other	101	26
	<b>108</b>	<b>53</b>

## 48. LOANS

As of 31 December 2009 and 2008 this caption was made up as follows:

	2009		2008	
	SHORT TERM	MEDIUM AND LONG TERM	SHORT TERM	MEDIUM AND LONG TERM
<b>Bank loans</b>				
Domestic loans	2,965	405,036	-	108,000
Commercial paper	-	100,000	200,000	550,000
Bank overdrafts (Note 51)	304	-	210,472	-
	<b>3,269</b>	<b>505,036</b>	<b>410,472</b>	<b>658,000</b>
<b>Bonds</b>				
	-	700,000	-	-
	<b>3,269</b>	<b>1,205,036</b>	<b>410,472</b>	<b>658,000</b>

The Company contracted a medium and long term loan from the European Investment Bank for the exclusive purpose of funding the construction and operation of a co-generating installation in the Sines refinery, totalling tEuros 58,000. The loan was received in two instalments, in the amounts of tEuros 39,000 and tEuros 19,000. The loan bears interests at the Euribor six month rate plus a variable spread and is repayable as follows:

YEAR	1 <sup>ST</sup> INSTALMENT	2 <sup>ND</sup> INSTALMENT	TOTAL
2010	2,391	574	2,965
2011	2,519	1,197	3,716
2012	2,656	1,260	3,916
2013	2,800	1,328	4,128
2014	2,956	1,402	4,358
2015	3,112	1,478	4,590
2016	3,280	1,556	4,836
2017	3,459	1,642	5,101
2018	3,647	1,729	5,376
2019	3,845	1,824	5,669
2020	4,056	1,925	5,981
2021	4,279	2,029	6,308
2022	-	1,056	1,056
	<b>39,000</b>	<b>19,000</b>	<b>58,000</b>

In 2008 the Company contracted a new medium and long term loan of tEuros 50,000 from the European Investment Bank for the exclusive purpose of funding the realisation and operation of a project to construct and operate a co-generating plant in the Oporto refinery. The loan bears interests at the revisable fixed rate regime and is repayable on 15 October 2017.

During the year ended 31 December, 2009, the Company contracted a new medium and long term loan of tEuros 300,000 from the European Investment Bank for the purpose of funding the project of conversion of Sines and Oporto refineries. The loan bears interest at the revisable fixed rate regime and is repayable as follows:

<b>YEAR</b>	<b>TOTAL</b>
2012	6,000
2013	12,000
2014	18,000
2015	30,000
2016	48,000
2017	48,000
2018	30,000
2019	30,000
2020	24,000
2021	15,000
2022	12,000
2023	12,000
2024	12,000
2025	3,000
	<b>300,000</b>

During the year ended 31 December, 2009, the Company signed with the European Investment Bank, the contract for the second and final instalment of the funding of the conversion of Sines and Oporto refineries, in the amount of tEuros 200,000, with repayment in of 16 years. However, on 31 December 2009, the Company had not used yet this amount.

During the year ended 31 December, 2009 the Company issued bonds in the amount of tEuros 700,000, for private subscription, to financing its investment plan. The bond loan bears interests at the Euribor six month rate plus a variable spread and has reimbursement of 40% in 20 May 2012 and 60% in 20 May 2013.

The issuance was lended by Banco Santander Totta, S.A. and Caixa – Banco de Investimento, S.A..

The issue was participated by a group of fourteen banks, national and international: Banco Santander Totta, S.A., Caixa – Banco de Investimento, S.A., Banco Espírito Santo de Investimento, S.A., Banco BPI, S.A., Banco Bilbao Vizcaya Argentaria (Portugal), S.A., BNP Paribas e a Caixa d'Estalvis y Pensiones de Barcelona (la Caixa) acting as Joint Lead Managers. As Co-lead Managers: Caixa Económica Montepio Geral, Banco Millennium BCP Investimento, S.A., BB Securities Ltd. (Banco do Brasil), The Bank of Tokyo-Mitsubishi UFJ, Ltd, Banco Itaú Europa, S.A. – Sucursal Financeira Internacional, Merrill Lynch International and Société Générale acting as Co-Lead Managers. As of 31 December 2009 the Company subscribed for underwritten commercial paper programs totalling tEuros 1,100,000, of which tEuros 650,000 in medium and long term and tEuros 450,000 in short term. Of these amounts the Group had used up tEuros 100,000 of medium and long term loans since it is the Group's intention to maintain them up to 2012, and their renewal depends only on the Company.

The Company has bank loans that in some cases have covenants that can, if they are auctioned by banks, lead to early repayment of the amounts borrowed. The existing covenants embody essentially in compliance with financial ratios regarding the company financial position, including its ability to repay the debt. In some cases these covenants are related to the change in shareholders structure, which according with the Bank evaluation could result in the early repay. The values of these financial ratios as of 2009 do not have effect on the actual maturity of the loans.

## 49. OTHER DEBTORS AND CREDITORS

As of 31 December 2009 and 2008 these captions were made up as follows:

	2009	2008
<b>Other debtors:</b>		
Personnel (Note 25)	171	139
Other doubtful debtors (Note 21)	286	286
Others	346	923
	<b>803</b>	<b>1,348</b>
<b>Other creditors:</b>		
Personnel (Note 25)	64	69
Others	51	80
	<b>115</b>	<b>149</b>

## 50. ACCRUALS AND DEFERRALS

As of 31 December 2009 and 2008 these captions were made up as follows:

	2009	2008
<b>Accrued income (Note 16):</b>		
Interest	2,429	3,297
Other	-	590
	<b>2,429</b>	<b>3,887</b>
<b>Deferred costs:</b>		
Insurance	141	232
Others	313	397
	<b>454</b>	<b>629</b>
<b>Accrued costs:</b>		
Cost of personnel ceded	4,039	2,725
Interest	8,589	1,801
External supplies and services Fornecimentos e serviços externos	114	632
Performance bonus	-	475
Vacation pay and vacation bonus	447	453
Others	16	16
	<b>13,205</b>	<b>6,102</b>

From the amount of tEuros 8,589 recorded under the caption "Accrued costs - Interest", tEuros 3,278 are related with interests from bonds, tEuros 5,285 with interests from medium and long term loans and tEuros 26 with other loans.

## 51. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of 31 December 2009 and 2008 are made up as follows:

	2009	2008
Cash	7	7
Demand deposits	43,790	3,623
Bank overdrafts (Note 48)	(304)	(210,472)
	<b>(43,493)</b>	<b>(206,842)</b>

## 52. OTHER INFORMATION – CONTINGENT ASSETS AND LIABILITIES

### Contingent Assets

Following the sale in 1999 of 20% of OPTEP, SGPS, S.A. share capital, corresponding to 220,000 shares with a nominal value of 5 Euros per share, the base selling price of tEuros 94,772 was established contractually, the amount of tEuros 37,409 having been established for the 093X segment and tEuros 57,363 for the E3G/Edinet segment.

The sale by GDP – Gás de Portugal, SGPS, S.A. (for purposes of the merger carried out in 2008) to EDP, S.A. was established with the condition that if OPTEP SGPS, S.A., 093X or any other entity directly or indirectly controlled or participated in by EDP sells or in any other way disposes of, to a third party, a participation equivalent to 5% of Optimus, that is 450,000 shares with a nominal value of Euros 5 per share, during a period of 3 years as from the date of signature of the agreement (24 June 1999), the difference between the amount of tEuros 37,409 and the sale price would be divided between the parties, as follows:

€EUROS	EDP	GDP GROUP
Between 37,409 and 42,397	0%	100%
Between 42,397 and 52,373	25%	75%
More than 52,373	75%	25%

On 28 September 2000 the parties EDP, S.A. and the GDP Group made an amendment to the agreement, under which the deadline for dividing any potential gain on the future sale of Optimus shares was extended to 31 December 2003.

On March 2002 EDP, S.A. announced the sale of the participation in OPTEP SGPS, S.A., the company that holds a 25.49% participation in Optimus, to Thorn Finance, S.A.. The sale price was fixed at tEuros 315,000, which means that Thorn Finance valued Optimus at tEuros 1,235,779, which is higher than the value established between the parties, which was of tEuros 748,197. Therefore, there will be an upside of tEuros 15,126 payable by EDP, S.A., to GDP – Gás de Portugal, SGPS, S.A..

Contacts between the parties continued in 2009, the parties essentially maintaining their positions.

As a result of the foundation of Transgás SGPS, S.A., currently merged into GDP-Gás de Portugal, SGPS, S.A. (formerly - GDP Distribuição, SGPS, S.A.), through payments in kind, the company became holder of the 220,000 shares in OPTEP previously held by Transgás - Sociedade Portuguesa de Gás Natural, S.A., (currently designated Galp Gás Natural, S.A.).

As EDP, S.A. has not agreed to the Company's expectations, this upside receivable has not been recorded.

### Contingent Liabilities

During 2009 the corporate income tax return for the year 2005 was inspected by the tax authorities, which resulted to additional assessment of tEuros 23,587 and for which during January 2010 the company has created a bank warranty in the amount of tEuros 27,010. The Company supported on its legal and tax consultants has contested the assessment, since it does not agree with the fiscal authorities understanding that the sale of part of the investments in associates where the investment of previous years gains was made is a condition for the taxation of the total amount of the gains.

## 53. EXPLANATION ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally issued in Portuguese in accordance with generally accepted accounting principles in Portugal and the format and disclosures required by the Official Chart of Accounts ("Plano Oficial de Contabilidade - POC"), some of which may not conform to or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

### THE ACCOUNTANT

Carlos Alberto Nunes Barata

### THE BOARD OF DIRECTORS

Francisco Luís Murteira Nabo  
Manuel Ferreira De Oliveira  
Manuel Domingos Vicente  
Fernando Manuel dos Santos Gomes  
José António Marques Gonçalves  
André Freire de Almeida Palmeiro Ribeiro  
Carlos Nuno Gomes da Silva  
Rui Paulo da Costa Cunha e Silva Gonçalves  
João Pedro Leitão Pinheiro de Figueiredo Brito  
Massimo Mondazzi  
Claudio De Marco  
Paolo Grossi  
Fabrizio Dassogno  
Giuseppe Ricci  
Luigi Spelli  
Doutor Joaquim José Borges Gouveia  
Maria Rita Galli

# AUDITORS' REPORT INDIVIDUAL FINANCIAL STATEMENTS

(Translation of a report originally issued in Portuguese – Note 53)

## Introduction

1. In compliance with article 245º of the Portuguese Securities Market Code (Código dos Valores Mobiliários), we hereby present our Auditors' Report on the financial information contained in the Board of Directors' Report and the accompanying financial statements of Galp Energia, SGPS, S.A. ("the Company"), for the year ended December 31, 2009, which comprise the balance sheet that presents a total of 3,833,026 thousand Euros and shareholders' equity of 2,364,116 thousand Euros, including a net profit of 285,214 thousand Euros, the income statement by nature and by functions and the cash flow statement for the year then ended and the corresponding Notes.

## Responsibilities

2. The Company's Board of Directors is responsible for: (i) the preparation of financial statements that present a true and fair view of the financial position of the Company, the results of its operations and its cash flows; (ii) the preparation of historical financial information in accordance with generally accepted accounting principles that is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code; (iii) the adoption of adequate accounting policies and criteria and the maintenance of an appropriate system of internal control and; (iv) the disclosure of any significant facts that have influenced its operations, financial position or results of operations.
3. Our responsibility is to examine the financial information contained in the documents of account referred to above, including verifying that, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code, and to issue a professional and independent report based on our work.

## Scope

4. Our examination was performed in accordance with the Auditing Standards ("*Normas Técnicas e as Diretrizes de Revisão/Auditoria*") issued by the Portuguese Institute of Statutory Auditors ("*Ordem dos Revisores Oficiais de Contas*"), which require that the examination be planned and performed with the objective of obtaining reasonable assurance about whether the financial statements are free of material misstatement. Our examination included verifying, on a sample basis, evidence supporting the amounts and disclosures in the financial statements and assessing the significant estimates, based on judgments and criteria defined by the Board of Directors, used in their preparation. Our examination also included assessing the adequacy of the accounting policies used and their disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept, assessing the adequacy of the overall presentation of the financial statements and assessing that, in all material respects, the information is complete, true, timely, clear, objective and licit. Our examination also included verifying that the information included in the Board of Directors' Report is consistent with the other documents of account. We believe that our examination provides a reasonable basis for expressing our opinion..

## Opinion

5. In our opinion, the financial statements referred to in paragraph 1 above, present fairly in all material respects for the purposes explained in paragraph 6 below, the financial position of Galp Energia, SGPS, S.A. as of December 31, 2009 and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles in Portugal and the financial information contained therein is, in terms of the definitions included in the auditing standards referred to in paragraph 4 above, complete, true, timely, clear, objective and licit.

## Emphasis

6. The financial statements referred to in paragraph 1 above refer to the Company's operations on an individual basis and were prepared in conformity with generally accepted accounting principles in Portugal for publication in accordance with current legislation. As explained in Note 3.c) to the financial statements, the investments in group and associated companies are recorded in accordance with the equity method. In accordance with current legislation the Company prepared consolidated financial statements, in conformity with the International Financial Reporting Standards as adopted in the European Union, for separate publication.

Lisbon, 22 March, 2010

DELOITTE & ASSOCIADOS, SROC S.A.

Represented by Jorge Carlos Batalha Duarte Catulo

# STATUTORY AUDITORS' REPORT INDIVIDUAL ACCOUNTS

(Translation of a report originally issued in Portuguese)

## Introduction

1. We have examined the separate financial statements of Galp Energia, SGPS, S.A. (the "Company") for the financial year ended on 31 December 2009. These include the balance sheet at 31 December 2009 (which evidences a total of 3,833,026 thousand euros and shareholders' equity of 2,364,116 thousand euros including net profit of 285,214 thousand euros), the income statements by nature and function and the cash flow statement for the financial year ended on the aforementioned date, and the relevant notes. These financial statements relate to the Company's separate activities and have been prepared in accordance with generally accepted accounting principles in Portugal.

## Responsibilities

2. It is the board of directors' responsibility to prepare such separate financial statements that will represent in a true and appropriate manner the financial position of the Company, the results of its operations and its cash flows, to adopt adequate accounting policies and principles, to maintain an appropriate internal control system and to report any relevant events that may have influenced its activities, financial position or results.

3. Our responsibility consists of expressing a professional and independent opinion, based on our examination of the mentioned financial statements.

## Scope

4. Our examination was conducted in accordance with the Portuguese Institute of Statutory Auditors' Technical Standards and Audit Guidelines, which require it to be planned and executed in order to ascertain, to an acceptable safety degree, whether the separate financial statements are free of materially relevant distortions. To this end, the examination has included checking, on a sampling basis, the support for the amounts and information disclosed in the financial statements, evaluating the estimates based on judgments and criteria as defined by the board of directors and used in the preparation of the statements, appraising the adequacy of adopted accounting principles and their disclosure, in view of the circumstances, checking the applicability of the principle of continuing operations and evaluating the overall adequacy of the financial statements' presentation.

5. Our examination has also checked the degree of agreement between the financial information contained in the management report and in the financial statements.

6. We consider that our examination provides an acceptable basis for the expression of an opinion.

## Opinion

7. In our opinion, the aforementioned separate financial statements represent in a true and appropriate manner, in all materially relevant aspects, the financial position of Galp Energia, SGPS, S.A. at 31 December 2009, the results of its operations and the cash flows in the financial year ended on that date, in accordance with the generally accepted accounting principles in Portugal.

Lisbon, 22 March, 2010

P. Matos Silva, Garcia Jr., P. Caiado & Associados  
Statutory Auditors represented by Pedro Matos Silva



## SUPERVISORY BOARD'S REPORT AND OPINION INDIVIDUAL ACCOUNTS

(Translation of a report originally issued in Portuguese)

### Dear shareholders,

1. In compliance with the law and the articles of association, we present the report regarding our supervising duties during 2009, as well as the report in relation to the management report, the individual financial statements and the proposed allocation of net profit, which were submitted to our opinion by Galp Energia's board of directors.
2. The supervisory board also submits to the shareholders the opinion about the legal certification of accounts issued by the statutory auditor.
3. We inform that the supervisory board duties are:
  - (i) To supervise the effectiveness of the risk management system;
  - (ii) To supervise the internal control system and the internal audit system;
  - (iii) To annually assess the systems and respective internal procedures;
  - (iv) To supervise the adoption, by the Company, of the principles and identification management policies of the principal financial and operational risks related with Galp Energia's activities.
4. Galp Energia operates in the oil and natural gas sector and, in performing our role we followed up the management and operations of Galp Energia and assisted several meetings of the board of directors who kept us informed about the different adopted policies for the Company development.
5. The supervisory board followed the implementation by the internal audit unit, of an internal control, risk management and governance systems, which allows an effective detection of the risks related with the Company activities.
6. The supervisory board, in performing its duties, regularly met with the statutory audit firm and with the external auditors, which provided all the technical and accounting explanations.
7. In performing our work, we checked that the report of the board of directors mentions the most significant facts of the management, complements the accounts and includes references to corporate business, clarifying in an adequate way, the management performed during the year.
8. At the end of the year we assessed the accounts legal certification, in relation to the 2009 individual financial statements, without reservations and emphasis of matter; with which we agree.
9. The supervisory board also declares that to the best of their knowledge the information mentioned on the article 245, first paragraph a) of the Portuguese Securities Code for the individual financial statements (i) was prepared in compliance with the applicable accounting principles and give a true and fair view of the assets, liabilities, financial position and profit and loss of Galp Energia, (ii) includes a fair review of the development of the business and the performance and position of Galp Energia and (iii) includes an accurate description of the principal risks that Galp Energia's operations face.
10. Based on the supervising actions performed, summarised above, and the respective conclusions, we are of the Opinion that the following should be approved by Galp Energia's shareholders:
  1. The management report and the financial statements for the financial year ended 31 December 2009, presented by the board of directors;
  2. The allocation of the net profit of 2009, proposed by the board of directors;
  3. A vote of praise and confidence to the board of directors for their skilful and effective conduct of the business affairs of Galp Energia, SGPS, S.A..

Lisbon, 23 March, 2010

Chairman – Daniel Bessa Fernandes Coelho  
Member – José Gomes Honorato Ferreira  
Member – José Maria Rego Ribeiro da Cunha

EDITION



DESIGN AND CONCEPTION

**STRATDESIGN** ▶





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