

### **Galp Energia and Morgan Stanley Infrastructure announce an agreement to acquire certain of Gas Natural's Gas distribution assets and associated gas supply activities in the region of Madrid**

In accordance with the terms of article 248 of the Portuguese Securities Code, Galp Energia, SGPS, S.A. ("Galp Energia") hereby discloses the following information:

Galp Energia and Morgan Stanley Infrastructure today announced that they have entered into a definitive agreement to acquire jointly certain of the gas distribution and supply businesses in the region of Madrid from Gas Natural SDG, S.A. ("Gas Natural"). The purchase price is €800 million. Subject to the approval of the relevant authorities, completion of the transaction is expected to occur in the first half of 2010.

The distribution business comprises the regulated low pressure gas distribution activities of Gas Natural which cover most of the municipalities surrounding the center of Madrid and has approximately 504,000 homes connected to its network. The supply business comprises the regulated and unregulated end customers gas supply activities in the area of the distribution business and provides gas to about 412,000 customers with an annual consumption of around 0.4 bcm. It also provides electricity to over 8.000 customers as well as value-added services.

Galp Energia's Chief Executive Manuel Ferreira De Oliveira said: "We are delighted to increase our presence in the Spanish natural gas supply market in line with our long term strategy of developing the natural gas supply business in Iberia. This agreement will allow us to leverage on the knowledge acquired over 10 years in the Portuguese natural gas market as the leading company in gas distribution and supply with more than 900.000 customers, taking advantage of the growth opportunities in Spain, a market with strong growth prospects and high attractiveness for an Iberian company with the size and aim of Galp Energia."

"Morgan Stanley Infrastructure is pleased to acquire this core infrastructure asset," said Markus Hottenrott, Managing Director at Morgan Stanley Infrastructure. He added, "It complements the other energy distribution asset in our portfolio and gives us the opportunity to leverage our existing management expertise. We are also excited to be playing a role in the further gasification of the Spanish market, and our key focus will be to continue to provide a safe and high quality service to all users."

Galp Energia was advised by CaixaBI with legal counsel provided by Garrigues; Morgan Stanley Infrastructure was advised by Espírito Santo Investment, Banco Santander and Morgan Stanley with legal counsel provided by Uría Menéndez. Strategic support to Morgan Stanley Infrastructure was provided by PricewaterhouseCoopers.



It is anticipated that funds necessary to acquire the asset will be provided by Galp Energia, Morgan Stanley Infrastructure and a bank group led by Banco Santander, Caja Madrid, Espírito Santo Investment, Banesto, Calyon, BNP Paribas, Commerzbank, Helaba, La Caixa, Banco Sabadell and Banco Popular. Legal counsel to the bank group was provided by Clifford Chance.

## About Galp Energia

Galp Energia is an integrated operator that is present throughout the whole oil and natural gas value chain, namely in Exploration & Production, Refining & Marketing and Gas & Power. Its activities are expanding strongly worldwide and are predominantly located in Portugal, Spain, Brazil, Angola, Venezuela, Mozambique, Cape Verde, Guinea-Bissau, Swaziland, Gambia, East Timor, Uruguay and Equatorial Guinea. Galp Energia's strategy is to develop its potential as an integrated multi-energy operator, thereby creating long term value for its shareholders. To this end, Galp Energia aims to grow its businesses and, through increasing integration of its activities, capitalize on the vast opportunities afforded by its diversified portfolio of assets and projects. For further information about Galp Energia, please visit [www.galpennergia.com](http://www.galpennergia.com).

## About Morgan Stanley Infrastructure

Morgan Stanley Infrastructure is a global investment platform, supported by long-term institutional investors from around the world, featuring major pension funds and financial institutions, that focuses on long-term investments associated with providing essential public goods and services to societies across the globe. With offices in North America, Europe and Asia, Morgan Stanley Infrastructure is part of the Merchant Banking Division within Morgan Stanley Investment Management. Morgan Stanley Investment Management has \$386 billion in assets under management as of September 30, 2009. For further information about Morgan Stanley Infrastructure, please visit [www.morganstanley.com/infrastructure](http://www.morganstanley.com/infrastructure).

## Galp Energia, SGPS, S.A.

### Investor Relations

Tiago Villas-Boas, Head  
Inês Santos  
Maria Borrega  
Samuel Dias  
Tiago Lage

### Contacts :

Tel: +351 21 724 08 66  
Fax: +351 21 724 29 65

Address: Rua Tomás da Fonseca, Torre A, 1600-209  
Lisboa, Portugal

Website: [www.galpennergia.com](http://www.galpennergia.com)  
Email: [investor.relations@galpennergia.com](mailto:investor.relations@galpennergia.com)

Reuters: GALP.LS  
Bloomberg: GALP PL

