

Galp Energia sets up partnership for Sines' CCGT development

Galp Energia has signed today an agreement with a subsidiary of International Power plc (IPR) for the development of the combined cycle gas turbine plant (CCGT) at Sines. Through this agreement Galp Energia hands over 50% of the company currently developing the CCGT project at Sines, which was formerly 100% owned by Galp Energia, to IPR. Subject to the approval of the relevant authorities, completion of the transaction is expected to occur by the end of 2010.

The Sines' CCGT project that will be developed jointly by the two companies is currently under the analysis of the Engineering, Procurement and Construction (EPC) contract proposals, along with project funding negotiations.

The CCGT will be operated by the company equally owned by Galp Energia and IPR. Additionally, Galp Energia will be responsible for the supply of natural gas and the commercialization of the electricity generated by the plant.

This transaction is part of Galp Energia's funding strategy announced in May 2009, which foresaw the development of the CCGT project through a partnership and its funding via a project finance scheme, and will allow to reinforce its commitment to both a strong capital structure and the execution of its transformational projects.

Galp Energia, SGPS, S.A.

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