

New FPSO lease for block BM-S-11

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, partner of the consortium for BM-S-11 in ultra-deep water of Santos Basin, along with Petrobras and BG Group, informs that Petrobras, as operator of block BM-S-11, decided on the lease of a new Floating, Production, Storage and Offloading (FPSO) vessel. The decision was based on the excellent results obtained from wells in the area of Iracema, leading to a potential anticipation of the production start in that area.

This new unit is part of the first development phase of the pre-salt Santos Basin and will be allocated to the Southern part of Cernambi field (former Iracema). The conversion works of this new unit will be executed in Brazil, with an expected local content higher than 65%.

The FPSO will have a production capacity of 150,000 barrels of oil per day (bopd) and 6 to 8 million of cubic meters of gas compression. The unit should start producing in 2014. This FPSO will be the third from a total of nine that will be channelled to the development of Lula (former Tupi) and Cernambi fields in block BM-S-11.

The first permanent FPSO with a production capacity of 100,000 bopd is already in operation in Lula field, while another FPSO is already under construction with a production capacity of 120,000 bopd and due to come onstream in 2013 in the Northeast area of Lula field. In November 2010 it was awarded contracts for six hulls, which will be converted into FPSOs with a production capacity of 150,000 bopd each, to be allocated to Lula and Cernambi fields in BM-S-11 and with expected deployment between 2015 and 2017.

Galp Energia holds a stake of 10% in the contractor group that explores BM-S-11, while Petrobras (operator) holds 65% and BG Group holds 25%.

Galp Energia holds stakes in three other blocks in this Basin with high exploratory potential: BM-S-8 (14%), BM-S-21 (20%) e BM-S-24 (20%).

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