

Galp Energia enters into a farm-in agreement in Namibia

Galp Energia announces the signature of a farm-in agreement with the Brazilian company HRT Participações em Petróleo S.A., (HRT), for the acquisition of a 14% stake in three offshore Petroleum Exploration Licences (PEL) in Namibia, namely PEL 23 in the Walvis basin, and PEL 24 and PEL 28 in the Orange basin. After this agreement, HRT will retain the operatorship of these PEL.

Under the terms of this agreement, Galp Energia will carry part of HRT's share of costs, limited by a cap, associated with the drilling of the exploration wells to be drilled in 2013.

The three PEL cover an area of 37,744 square kilometres in water depths ranging between 180 meters to 2,500 metres and which are in the initial stage of exploration.

Both Walvis and Orange basins are located in a new exploratory frontier area in an emerging hydrocarbon province with potential for material oil and natural gas discoveries with already identified prospects.

In 2013 the exploration programme is expected to comprise the drilling of three exploration wells, in already identified prospects, targeting two prospects in PEL 23 and one prospect in PEL 24. These prospects carry both oil and gas assessments with material volumes, and some are expected to be more oil prone.

It is important to highlight that the Kudu field, which has already proved the presence of a hydrocarbon system in the Orange basin, and the quality of 3D seismic surveys that covered the three mentioned prospects, are relevant factors that decrease the exploration risk.

According to Galp Energia's internal estimate of volumes and risk, the primary objectives of those prospects have a combined estimated gross recoverable exploration resources of almost 8 billion bbl (unrisked mean estimate), in the oil case, with POS's in the 20% - 30% range.

In addition to the drilling campaign planned for 2013, Galp Energia and its partner will also test secondary objectives which might add further resources in the event of success.

The transaction is subject to the requisite regulatory approvals, namely the approval from the Namibian government.

This farm-in agreement is part of Galp Energia's long term strategy and its execution, and significantly strengthens and diversifies the Company's exploration portfolio in underexplored and high potential areas. Galp Energia also continues to leverage on its early mover profile, entering in the early phase of the exploration stage to capture the most value creation potential.

About HRT Group

The HRT Group's activities are focused on the oil and natural gas exploration and production. It is the operator of exploration blocks in the Solimões basin (Brazil) and in Namibia, on the West African Coast. In Namibia, HRT Africa operates 10 offshore exploration blocks in the Walvis and Orange basins. Additionally, the company holds minority interest in two blocks in the Namibe basin. The sum of the assets hold by HRT in the region covers an area of approximately 68,800 km². The Company believes that this is one of the most promising exploratory frontiers of the Southern Hemisphere for the discovery of giant oil and natural gas fields, due to the analogy among the offshore oil basins southeastern Brazil and those of the southwestern African coast.

About Galp Energia

Galp Energia is an integrated energy player with diversified activities across the world. Although Galp Energia's refining and marketing of oil products activities are centered on the Iberian Peninsula, its exploration and production activities, however, have their core in the South Atlantic region, which includes Brazil's Santos pre-salt basin and offshore Angola, as well as in offshore Mozambique, in the Rovuma basin, where major natural gas reservoirs were recently discovered. On that basin Galp Energia holds a 10% stake in Area 4. Galp Energia is currently present in 13 countries: Portugal, Spain, Brazil, Angola, Venezuela, Mozambique, Cape Verde, Guinea-Bissau, Swaziland, Gambia, East Timor, Uruguay and Equatorial Guinea.

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