

Galp Energia enters into a farm-in agreement for offshore Morocco

Galp Energia announces it has entered into a farm-in agreement with the Australian company, Tangiers Petroleum Limited (Tangiers), for the acquisition of a 50% stake in the Tarfaya Offshore area, comprising eight exploration permits, known as Tarfaya Offshore I to VIII, located on the Atlantic Margin, offshore Morocco. Upon completion of the agreement, Galp Energia will be the operator of the Tarfaya Offshore area, a role that until now has been fulfilled by Tangiers. The Tarfaya Offshore area is predominantly in water depths of less than 200 metres and covering an area of 11,281 square kilometres.

After finalisation of this agreement, Tangiers will hold a stake of 25%, and the Office National des Hydrocarbures et des Mines, (ONHYM), the Moroccan state company, will maintain a 25% stake in the Tarfaya Offshore area.

Under the terms of this agreement, Galp Energia will pay in exchange for its 50% interest around US\$41 million which corresponds to past costs and to the cost of the first exploration well, limited by a cap, to be drilled within the Tarfaya Offshore area.

The Tarfaya Offshore permits are located in an under-explored area and within a proven petroleum system, containing multiple prospects and leads within Jurassic and Cretaceous sediments, as well as emerging potential within the Tertiary and Triassic formations. The already identified prospects in the Tarfaya Offshore Area include Assaka, Trident, Tarfaya Marin-A (TMA) and La Dam.

The exploration programme is expected to comprise the drilling of an exploration well, before mid 2014 in the Trident prospect.

According to Galp Energia's internal estimate of volumes and risk, the Trident prospect, which corresponds to the primary target is an oil prone prospect and has estimated gross recoverable exploration resources of 450 million barrels (mean unrisked estimate) with a POS of 21%. It should be highlighted that further resource upside potential remains in the Assaka, TMA and La Dam prospects.

The transaction is subject to the required regulatory approvals, namely the approval of the Moroccan government.

This farm-in agreement reflects Galp Energia's execution of its long term strategy in order to expand and diversify the Company's exploration portfolio, to secure the sustainability of its production growth. Galp Energia continues to leverage on its early mover profile, entering in the early phase of the exploration stage to capture the most value creation potential. It is important to highlight that within this agreement Galp Energia will further develop its technical skills as an operator into shallow water offshore projects.

About Tangiers

Tangiers is an Australian exploration company which has a portfolio of two world class oil and gas assets located in Morocco and Australia. Tangiers Moroccan assets include the highly prospective Tarfaya Offshore Area. In Australia, assets include the Nova gas prospect and the Milligans oil play, located offshore Northern Australia.

About ONHYM

ONHYM is an independent financially autonomous public institution, with operations supervised by the Moroccan state. The strategy of ONHYM focuses on increasing the level of petroleum and mining exploration in Morocco through an efficient promotion policy that strengthens opening on the world market and the development of partnerships with foreign investors.

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. In that basin Galp Energia holds a 10% stake in Area 4. Galp Energia is currently present in 14 countries: Portugal, Spain, Brazil, Angola, Venezuela, Mozambique, Cape Verde, Guinea-Bissau, Swaziland, Gambia, East Timor, Uruguay, Equatorial Guinea and Namibia.

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