

## The hydrocracker at Sines refinery begins operations

Galp Energia informs that on 10 January, the hydrocracking complex installed at the Sines refinery, under the refineries upgrade project, began the commercial production stage. This event marks the conclusion of the upgrade project at the Sines and Matosinhos refineries, initiating a new era in Galp Energia's refining business.

Galp Energia reached the goal outlined in 2012, namely, the commissioning of the 585 sub-systems installed at the Sines refinery, integrated in the hydrocracking complex, and that began in the third quarter of 2012, as well as several tests that preceded the start of the commercial production phase.

It is important to highlight the strict quality control systems implemented throughout the project which, mainly in the commissioning phase, were essential for the success of the start-up of the operations and for the achievement of the highest levels of safety.

With a daily processing capacity of 43,000 barrels of heavy vacuum gasoil, the hydrocracker is currently operating at normal processing conditions, having already reached a commercial production level with a utilization rate above 60%. Production stabilization at the maximum capacity is expected during the current quarter. However, as in other units in the refineries, the capacity utilization rate will depend, at each moment, on the optimal utilization of the system, regarding the refining margins conditions in the international markets.

The refineries upgrade project, which involved a total investment of €1.4 billion, aimed at increasing the production of diesel mainly over fuel oil, in line with market demand and to increase the profitability of Galp Energia's refining system. Galp Energia has now a more complex, more efficient and more flexible refining system, which will allow the Company to improve the refining margins, already from the first quarter of 2013.

Following the execution of the upgrade project, Galp Energia increased the complexity of its refining system, with the Nelson complexity index increasing from 9.4 to 10.7 at the Matosinhos refinery and from 6.3 to 7.7 at the Sines refinery.

### Galp Energia, SGPS, S.A.

**Investor Relations:**

Tiago Villas-Boas, Head  
Cátia Lopes  
Inês Santos  
Maria Borrega  
Pedro Pinto

**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

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