

Start of commercial production at Lula NE, in the pre-salt Santos basin

Galp Energia announces that FPSO Cidade de Paraty has begun operations today, marking the start of the commercial production of Lula NE, in the pre-salt Santos basin, according to plan.

FPSO Cidade de Paraty has the capacity to daily process up to 120 thousand barrels of oil and 5 million m³ of natural gas. The FPSO is anchored at a water depth of 2,120 metres, approximately 300 km off the coast, and will be connected to eight production wells and six injection wells. The new FPSO was chartered by the consortium of BM-S-11 to consortium Queiroz Galvão O&G and SBM Offshore.

The first well has the potential to produce 25 thousand barrels per day, but for the first month of operations production will be restricted to around 13 thousand barrels of oil per day, and will be gradually increased as the processing and natural gas reinjection systems are commissioned. Peak of production, of 120 thousand barrels of oil per day, is expected to be achieved 18 months after its start-up, that is, in the second half of 2014.

This is the second out of ten definitive development modules for the Lula field (including the Iracema area) which are envisaged in the development plan. The Lula field has started producing in 2010 with the FPSO Cidade de Angra dos Reis, four and a half years after its discovery in 2006.

Oil which is produced in the Lula NE area is of an average density (29° API) and of high quality, and will be offloaded to oil tankers. The natural gas produced will be sent via the Lula-Mexilhão pipeline to the Monteiro Lobato Gas Treatment Unit (UTGCA), located in Caraguatatuba.

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

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

FPSO: floating, production, storage and offloading unit.

Galp Energia, SGPS, S. A.

Investor Relations:

Tiago Villas-Boas, Diretor
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
Email: investor.relations@galpennergia.com

Reuters: GALP.LS
Bloomberg: GALP PL