

ANNOUNCEMENT

Lisbon, July 28 2016

Galp establishes a long-term partnership in natural gas infrastructure in Portugal

Galp Energia, SGPS, S.A. (Galp), through its subsidiary Galp Gas & Power, SGPS, S.A. (GGP), has reached an agreement with a consortium led by Marubeni Corporation, to establish a joint venture covering Galp's natural gas regulated infrastructure business. The consortium will acquire a 22.5% stake in the share capital of Galp Gás Natural Distribuição, S.A. (GGND), for a consideration of €138 m, and share certain governance rights within the joint venture.

Based on the agreed equity price and outstanding liabilities, the implied enterprise value for 100% of GGND is of c.€1.3 bn, equivalent to a 27% premium over the regulated asset base (RAB) and to an enterprise value multiple of 11.5x 2016 expected Ebitda.

Prior to transaction completion, GGND will raise stand-alone funding to reimburse existing shareholder loans of €568 m, leading to total cash proceeds to Galp of c.€700 m. Following completion, Galp will cease to fully consolidate GGND into its Group accounts.

This partnership is consistent with Galp's portfolio management strategy and reflects the specific nature of the regulated infrastructure business and the historically low interest rate environment, allowing Galp to crystallise value and to enhance its growth strategic options.

The transaction is subject to regulatory approval and completion is expected to take place in the fourth quarter of 2016.

Bank of America Merrill Lynch acted as exclusive financial advisor to Galp on this process.

About GGND

GGND is a holding company wholly owned by Galp, through GGP, and the leading natural gas distributor in Portugal, through nine local distribution companies that operate in different regions of the country.

This business is based on long-term concessions to provide a public service for transmission of natural gas for delivery to end consumers, through a medium and low pressure distribution network with over 12,500 km of pipelines.

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About Marubeni Corporation

Marubeni is a publicly traded Japanese conglomerate engaged in a wide range of business activities and with a global presence. The group operates through five business divisions, namely Food & Consumer Products, Chemical & Forest Products, Energy & Metals, Power Projects & Plant and Transportation & Industrial Machinery.

Founded in 1858, the company is headquartered in Tokyo, and its network comprises 132 branches and offices in 67 countries across Africa, Asia-Pacific, Europe, the Americas and the Middle East.

This transaction reinforces Marubeni's presence in Portugal, where the company operates since 2013 in the power generation market and water and sewerage services.

Galp Energia, SGPS, S.A.

Investor Relations:

Pedro Dias, Head
Otelo Ruivo, IRO
Cátia Lopes
João G. Pereira
João P. Pereira
Teresa Rodrigues

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.galp.com

Email: investor.relations@galpenergia.com

Reuters: GALP.LS

Bloomberg: GALP PL

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