

ANNOUNCEMENT

Lisbon, September 09, 2016

GGND issues EUR 600,000,000 7-year Notes

Galp Energia, SGPS, S.A. (Galp) informs that Galp Gás Natural Distribuição, S.A. (GGND) has set today the terms of the issuance of Euro Medium Term Notes (EMTN) totalling EUR 600,000,000 with maturity in September 2023. The Notes, issued under GGND's EMTN programme, have a coupon of 1.375% and are expected to be listed on the London Stock Exchange.

This transaction follows the announcement of the partnership established in July 2016 with a Marubeni-led consortium. GGND will use the proceeds of the Notes to reimburse Galp of the existing €568 m shareholder loan.

About GGND

GGND is the leading natural gas infrastructure player in Portugal, operating 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.

Galp currently owns 100% of GGND, but is in the final stage of completing the sale of 22.5% to a Marubeni-led consortium.

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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