

ANNOUNCEMENT

Lisbon, October 27, 2017

Galp acquires a 20% interest in Carcará North and increases its position in BM-S-8 (Carcará) in the Santos Basin in Brazil

Galp informs that its Brazilian subsidiary, Petrogal Brasil, together with Statoil Brasil Óleo e Gás Ltd. (Statoil) and ExxonMobil Exploração Brasil Ltda. (ExxonMobil) were awarded the Carcará North area pursuant to the 2nd Production Sharing Bidding Round, which took place today. Petrogal Brasil will hold a 20% interest in this area, while Statoil, the operator, and ExxonMobil will have 40% each.

The consortium offered a profit oil share of 67.12%. Additional commitments include the payment of a signature bonus of c.\$930 million (gross), or c.\$186 million net to Petrogal Brasil, and the drilling of an exploration well.

Carcará North area is adjacent to BM-S-8 concession, where Petrogal Brasil currently holds a 14% interest, and which includes the Carcará pre-salt discovery.

In light of the award, Statoil, ExxonMobil and Petrogal Brasil have agreed to align equity interests in those two licenses that together encompass the large Carcará reservoir.

In this context, Petrogal Brasil has agreed with Statoil the acquisition of an additional 3% stake in BM-S-8, for a total consideration of c.\$114 million, comprising an upfront cash payment of c.\$71 million and a cash payment contingent on certain conditions being met, which include the unitisation process between Carcará and Carcará North areas. This acquisition is subject to the completion of the ongoing transaction entered into between Statoil and Queiroz Galvão Exploração e Produção and to customary conditions, including partner and government approvals.

Pursuant to the two above-mentioned transactions, Petrogal Brasil's total exposure to the Carcará reservoir will consist of a 20% interest in Carcará North and a 17% interest in the BM-S-8 concession.

The partners have also agreed that Statoil will be the operator of the unitised areas, subject to the relevant authorities' approval.

These acquisitions reflect Galp's strategic interest in expanding its presence in core areas, such as the Brazilian pre-salt, from selected high-quality assets to be developed through strong partnerships.

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

Website: www.galp.com
Email: investor.relations@galp.com

Address:

Rua Tomás da Fonseca,
Torre A, 1600-209 Lisbon, Portugal

Reuters: GALP.LS
Bloomberg: GALP PL

This announcement may include forward-looking statements. Forward-looking statements are statements other than in respect of historical facts and accordingly actual events or results may differ materially from those expressed or implied by such forward-looking statements. Important factors that may cause actual results to differ from forward-looking statements are referred in the Annual Accounts Report of Galp for the year ended 31 December 2016. Galp does not intend to, and expressly disclaims any duty, undertaking or obligation to, make or disseminate any supplement, amendment, update or revision to any of the information, opinions or forward-looking statements contained in this announcement to reflect any change in events, conditions or circumstances.