

Galp, EDP, Martifer, REN and Vestas assess green-hydrogen industrial cluster in Sines

EDP, Galp, Martifer, REN, Vestas and several European partners will assess the feasibility of the H2 Sines project, which aims to implement an industrial cluster for green hydrogen production based in Sines. The project has an important international dimension, both because of its export component, and because of the inclusion of partners with vast experience in the hydrogen value chain.

The project aims to leverage the competitive advantages of endogenous renewable natural resources, contributing to the reindustrialisation of the Portuguese and European economies on a more sustainable basis, as well as to even the trade balance.

The production of green hydrogen covered by the H2 Sines project integrates and optimises the entire value chain, including the generation of renewable electricity, the production of hydrogen, and its distribution, transportation, storage, marketing and export.

As part of this pan-European project, an international MoU was signed to assess the feasibility of creating a value chain for the export of hydrogen from Sines to Northern Europe. In addition to the export component, green hydrogen could be used nationally in the industrial and transport sectors, as well as for injection into the natural gas grid, contributing to the decarbonisation effort of the economy and strengthening the competitiveness of national tradable goods in the European area.

To ensure the financial balance of the project, hydrogen production volumes should develop gradually, in line with expected consumption, and taking into account the cost competitiveness of the technologies involved. At an early stage the installation of a pilot project of 10MW of electrolysis is planned, which, according to economic and technological criteria, can evolve up to 1GW of electrolysis capacity over the decade, supported, in the long term, by the capacity to generate around 1.5GW of renewable electric power to supply the electrolyzers.

The project responds to the challenge issued by the Portuguese Government within the framework of the National Strategy for Hydrogen, particularly due to its export aspect, but also because of its potential contribution to the transition of Portugal's industrial fabric into a sustainable energy matrix. It thus meets all the criteria to apply for the status of Important Project of Common European Interest (IPCEI).

The entry of additional partners is based on statements of interest from companies with an international presence in the energy sector, as well as from technology producers for the hydrogen value chain. The technological collaboration aspect is essential to improve the competitiveness of the project, which is still at a preliminary stage, indispensable for the evaluation of the respective framework conditions and cost-efficient viability under market conditions.

The project also entails the creation of an industrial component for the production of value-added equipment for hydrogen projects and the development of an internationally renowned R&D+I cluster, which has already received the support of more than 20 national companies, institutes and universities.

Galp Energia, SGPS, S.A.

Investor Relations:

Otelo Ruivo, Head
Inês Clares Santos
João Antunes
João G. 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 document may include forward-looking statements, including, without limitation, regarding future results, namely cash flows, dividends, and shareholder returns; liquidity; capital and operating expenditures; performance levels, operational or environmental goals, targets or commitments and project plans, timing, and outcomes; production rates; developments of Galp's markets; and impacts of the COVID-19 pandemic on Galp's businesses and results; any of which may significantly differ depending on a number of factors including supply and demand for oil, gas, petroleum products, power and other market factors affecting them; the outcome of government policies and actions, including actions taken to address COVID-19 and to maintain the functioning of national and international economies and markets; the impacts of the COVID-19 pandemic on people and economies; the impact of Galp's actions to protect the health and safety of its employees, customers, suppliers and communities; actions of Galp's competitors and commercial counterparties; the ability to access short- and long-term debt markets on a timely and affordable basis; the actions of consumers; other legal and political factors including obtaining necessary permits; unexpected operating events or technical difficulties; the outcome of commercial negotiations including negotiations with governments and private entities; and other factors discussed in Galp's Management Report & Accounts filed with the Portuguese Securities Market Commission (CMVM) for the year ended December 31, 2019 and available on our website at galp.com. Statements regarding potential future financial or operating results made at Galp's Capital Markets Day of February 18, 2020 should not be considered to be updated or re-affirmed as of any later date except to the extent specifically updated or re-affirmed in this release or in subsequent public disclosures. Forward-looking statements are statements other than in respect of historical facts and involve known and unknown risks and uncertainties that could cause actual results, performance or events to 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 Galp's Management Report & Accounts for the year ended 31 December 2019. Galp and its respective representatives, agents, employees or advisers do not intend to, and expressly disclaim 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.