

Galp and BM-S-11 partners agree on a new Field Development Plan for Tupi and Iracema

Galp, together with Petrobras and Shell, partners in the BM-S-11 consortium, agreed on the framework for the future developments of the giant Tupi and Iracema fields, located in the Brazilian pre-salt Santos Basin.

The Tupi and Iracema projects are currently producing through nine floating production, storage and offloading (FPSO) units, with a total installed capacity of over 1.3 mboepd, already connected to 118 wells. During the last 10 years, these fields produced over 2 bn boe and proved their extraordinary characteristics in terms of scale and reservoir conditions, enabling confirmation of further potential beyond the existing development.

An updated Plan of Development (PoD) for the fields will be detailed, aiming at identifying additional development projects resilient to low oil prices. The Plan is expected to be submitted to ANP during 2021, including evaluations for a potential field life extension request, under the recent regulatory framework applicable in Brazil.

Considering the assessment of FPSO requirements for the future development of these fields, the partners also agreed on the sale to Petrobras of the P-71 unit, subject to conditions precedent, currently under construction. According to the agreement, Galp will be in a receivable position of approximately \$100 m, of which 30% to be paid in 2020 and the remaining to be paid in different instalments throughout 2021.

Apart from the short term cash preservation as a result of the FPSO sale, the agreements represent a clear step towards Galp's long term ambition of increasing Tupi and Iracema recovery factor and support the development of value creation options, further increasing the projects' longer term resilience and efficiency.

Galp, through its subsidiary Petrogal Brasil owns 9.209% in Tupi and 10% in Iracema fields, as part of its BM-S-11 stake. The remaining partners in BM-S-11 consortium are Petrobras (65%, operator) and Shell Brasil Petróleo (25%).

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