

Galp to concentrate refining operations in Sines

The structural changes in oil products demand patterns, driven by the regulatory context in Europe and the effects caused by the COVID-19 pandemic, have led to a significant impact on Galp's downstream industrial activities.

After thoroughly assessing the alternatives, Galp will be concentrating its core refining activities and future developments in Sines, while discontinuing the refining operations in Matosinhos, from 2021.

While managing appropriate solutions for the necessary labour reduction, Galp will continue to supply the regional market by maintaining all key Matosinhos' import, storage and distribution facilities. Galp will also be assessing alternative uses for the site.

Security of fuel distribution supply in the country will not be impacted by this decision.

The system reconfiguration should reduce average annual fixed costs and recurrent capex by over €90 m per year and contribute to an annual reduction of c.900 kton of CO₂e emissions (scope 1 and 2). The book value of the Matosinhos' assets to be decommissioned are estimated at c.€200 m.

The Company will focus on enhancing the resilience and competitiveness of the Sines industrial site, with a crude processing capacity of 220 kbpd and equipped with deep conversion units. Solutions are being analysed to improve Sines' energy and process efficiency, and to integrate the production of advanced biofuels and other cleaner and more valuable products, with potential investments supported by the restructuring savings and energy transition support mechanisms.

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