

WORKING TOGETHER

CORPORATE GOVERNANCE REPORT

TRUSTING

GALP ENERGIA

EACH OTHER

2010



GALP ENERGIA

CORPORATE GOVERNANCE REPORT 2010

This translation of the Portuguese document was made only for the convenience of non-Portuguese speaking shareholders. For all intents and purposes, the Portuguese version shall prevail.

Galp Energia is guided by symmetry and transparency principles in the communication with stakeholders, focusing on responsibility and objectivity to promote a climate of trust in the relationships between the Company and the stakeholders that interact with it.

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Galp Energia employees in a work meeting.

STATEMENT OF COMPLIANCE



OBJECTIVITY, FAIRNESS, INTEGRITY, ACCOUNTABILITY, TRANSPARENCY AND OPENNESS TO DIALOGUE ARE THE PRINCIPLES THAT GOVERN THE RELATIONSHIPS BETWEEN GALP ENERGIA'S STAKEHOLDERS AND THUS CREATE THE CLIMATE OF TRUST THAT IS INTRINSIC TO THE COMPANY'S BUSINESS AFFAIRS.

Galp Energia, SGPS, S.A. (Galp Energia, the Company or the Group) is a company whose shares are traded on the NYSE Euronext Lisbon Stock exchange.

Following the listing of its shares in 2006, Galp Energia adopted high standards of conduct and social responsibility in its corporate structure and workings on a par with the best practice in the field. This was in line with the policy formulated at an early stage by the Company's Board of Directors, which, with a sense of responsibility and leadership, has integrated best practice into all levels of the organisation. The effects of this policy are apparent in the Company's decision-making processes and its management and supervisory methods. The efficiency and dependability of the Company's practices have been recognised by stakeholders, ranging from shareholders, who have a legitimate interest in value creation by the Company, to clients, suppliers, employees, capital markets and the community at large. Objectivity, fairness, integrity, accountability, transparency and openness to dialogue are the principles that govern the

relationships between Galp Energia's stakeholders and thus create the climate of confidence that is intrinsic to the Company's business affairs.

Galp Energia sees its corporate governance model as a flexible and dynamic system with the ability to adopt at all times the most demanding governance practices, namely those that are recommended by the Corporate Governance Code approved by the CMVM, the Portuguese securities market regulator, in 2010, which Galp Energia adopted and is available at www.cmvm.pt.

The table below lists CMVM's recommendations contained in the Corporate Governance Code approved by the CMVM in 2010. For each recommendation, and in case it is applicable to Galp Energia's structure, adoption or non-adoption is indicated, together with some brief comments and a referral to the section of report where a more detailed description is provided about how the recommendation has been adopted. Galp Energia is not bound by or has voluntarily complied with any other corporate governance code.

I • GENERAL MEETING

CMVM recommendation	Corporate governance practice	Current status	Remit	
1• GENERAL MEETING BOARD	1• The Chairman of the general meeting board must be able to access suitable human and logistical resources that can meet their needs in view of the Company's economic situation.	Adopted	Galp Energia provides to the Chairman of the general meeting the necessary human and technical resources to support a smooth flow of meetings.	Chapter 02
	2• The remuneration of the Chairman of the general meeting board shall be disclosed in the corporate governance report.	Adopted	In this report Galp Energia discloses the individual remuneration of the members of the general meeting board, namely the Chairman's remuneration.	Chapter 02
2• PARTICIPATION IN THE GENERAL MEETING	1• The period for depositing shares prior to participation in a general meeting shall not be longer than five business days.	Adopted	Galp Energia promotes the active exercise of voting rights, namely by requiring a period of no longer than five days for the deposit of shares prior to the participation in a general meeting (article 10, paragraph 2, of Galp Energia's articles of association).	Chapter 02
	2• In case the general meeting is suspended, the Company shall not require the blocking of shares during the period until the meeting is resumed and shall follow the standard procedure for the first session.	Adopted	In case the general meeting is suspended, the Company does not require share blocking during the period until the meeting is resumed and follows the standard procedure for the first session.	Chapter 02
3• VOTE AND EXERCISE OF VOTING RIGHTS	1• A company's articles of association shall not restrict voting by mail and when adopted and accepted, the electronic mail.	Adopted	Galp Energia allows voting by mail, broadly and without restrictions, according to article 10, paragraphs 8, 9, 10 and 11, of its articles of association.	Chapter 02
	2• The articles of association may not require that ballot forms sent by mail must be received more than three business days prior to the shareholder meeting.	Adopted	According to article 10, paragraph 8, of the articles of association, votes sent by mail must be received one business day before the general meeting.	Chapter 02
	3• A company's articles of association shall provide the assignment of one vote to each share. Companies do not fulfill proportionality if: (i) there are shares that do not entitle voting right; (ii) voting rights are not counted above a certain number when issued by a sole shareholder or by shareholders related to him.	Not adopted	Although Galp Energia's articles of association stipulate that one vote entitles to one share, CMVM considers that, since shares of category A are required to appoint the Chairman of the Board of Directors and the majority of votes cast by shareholders is not sufficient, Galp Energia does not provide the assignment of one vote to each share. Galp Energia does not have shares that do not entitle voting right or shares that provide not counting voting rights above a certain number when issued by a sole shareholder or by shareholders related to him.	Chapter 02

I • GENERAL MEETING

CMVM recommendation	Corporate governance practice	Current status	Remit	
4• QUORUM AND RESOLUTIONS	1• Companies shall not set a quorum which is higher than the number provided in the law.	Not adopted	Galp Energia considers that the main goal of this recommendation is to raise the effectiveness of general meetings in companies with a large number of shareholders which tends to make it more difficult to achieve a quorum for making decisions which are important for the Company. Galp Energia considers that this recommendation does not take account of the narrow dispersion of the majority of the Company's shares. However, Galp Energia considers that the explanation provided, and accepted by CMVM, testifies to the non-applicability of this recommendation.	Chapter 02
5• MINUTES AND INFORMATION ABOUT THE ADOPTED RESOLUTIONS	1• The minutes of the general meetings shall be available to shareholders on the company's website no later than five days after the general meeting, despite the fact that these minutes are not considered as price-sensitive information according to the law. The company's website must keep a record of attendance lists, meeting agendas and resolutions of every general meeting for, at least, the last three years.	Adopted	On the day of the general meeting, the quorum, the resolutions and the voting results for each item are disclosed. No later than five days after the general meeting, the minutes of the general meetings are available on Galp Energia's website. Galp Energia's website has an archive which contains the documents of every general meeting since Galp Energia became a public company.	Chapter 02
6• MEASURES RELATED TO CORPORATE CONTROL	1• Steps taken to thwart the success of takeover bids should take account of the interests of the company and its shareholders. If the articles of association limit the number of votes that may be held or exercised by a sole shareholder, either individually or in agreement with other shareholders, there should be a provision that at least once every fifth year the general meeting shall vote on whether that limit should be kept – without super quorum requirements relative to the one provided by law – and that the vote should count all votes without that restriction being applied.	Not adopted	Galp Energia considers this recommendation as not adopted according to CMVM's understanding, although the Company considers that the existence of a shareholder agreement does not collide with the scope of this recommendation, since Galp Energia's articles of association do not contain any clauses aimed at averting the success of takeover bids or limiting voting rights. According to Galp Energia's articles of association, there is no limit to the number of votes that may be held or exercised by a shareholder, either individually or with other shareholders.	-
	2• No defense measures should be adopted whose effect is to automatically cause a serious erosion of the assets of the company in case of change of control or change in the composition of the management body, in a way that will impair the free transferability of shares and the free appraisal by shareholders of the performance of board members.	Adopted	Galp Energia has no defense measures that automatically cause serious erosion of the assets of the Company in case of change of control or change in the composition of the management body.	Chapter 01

II • MANAGEMENT AND SUPERVISORY BOARDS

CMVM recommendation		Corporate governance practice	Current status	Remit	
1• GENERAL ITEMS	1• Structure and role	1• The management body shall in its corporate governance report appraise the adopted model and identify possible constraints to its workings and propose measures that, according to its best judgment, are suited to remedy them.	Adopted	This report includes an appraisal of the adopted governance model by the Board of Directors.	Chapter 03
		2• Companies must set up internal control systems designed to effectively detect risks to the Company's operations by safeguarding their assets to the benefit of corporate governance transparency. These systems must integrate, at least, the following components: (i) definition of the company's strategic goals regarding risk-taking decisions; (ii) identification of the main risks related to operations and events that may originate risks; (iii) analysis and measurement of the impact and likelihood of each potential risk; (iv) risk management with a view to align risks with the company's strategic option regarding risk-taking; (v) control mechanisms of risk management procedures and their effectiveness; (vi) adoption of internal mechanisms of information and communication of the components of the system and risk alerts; (vii) regular assessment of the implemented system and adoption of needed modifications.	Not adopted	Although Galp Energia has set up an internal control system for the effective detection of risks to the Company's operations, which is administered by the internal audit corporate unit and a number of specialist internal committees, this does not comply with the demands of CMVM's new recommendation.	Chapter 03
		3• The management bodies shall establish the creation and workings of systems of internal regulation and risk management and supervisory bodies have the remit of assessing these systems and proposing the adjustment to the company's needs.	Adopted	Galp Energia's risk management policy, its objectives and procedures, are set out by the Board of Directors. The supervisory board has the remit of supervising the workings and the effectiveness of the risk management system, the internal control system and the internal audit system, as well as undertaking the annual assessment of the workings of the systems and their internal procedures, and proposing recommendations and adjustments.	Chapter 03
		4• In the annual corporate governance report, the companies' shall: (i) identify the main economic, financial and legal risks the company is exposed to; (ii) describe the performance and effectiveness of the risk management system.	Not adopted	Although Galp Energia describes in this report the internal control system and the risk management system, as well as the main risks to which the Company is exposed to, this report does not fully comply with the demands of CMVM's new recommendation.	Chapter 03
		5• The management and supervisory bodies shall establish internal regulations and shall have these disclosed on the company's website.	Adopted	Galp Energia's Board of Directors and the supervisory board have regulations on organisation and workings, which as disclosed on the Company's website.	Chapter 03

II • MANAGEMENT AND SUPERVISORY BOARDS

CMVM recommendation		Corporate governance practice	Current status	Remit	
1• GENERAL ITEMS	2• Incompatibilities and independence	1• The Board of Directors shall include a number of Non-executive members that ensure the effective supervision and assessment of the executive members' activity.	Adopted	Of the 17 members of the Board of Directors, 11 are Non-executive Directors (although 3 have executive roles in companies held by Galp Energia) with the remit of following and continuously assessing the Company's management by executive members.	Chapter 03
		2• Non-executive members must include an adequate number of independent members. The size of the company and its shareholder structure must be taken into account when devising this number and may never be less than a fourth of the total number of Directors.	Not adopted	Galp Energia's Board of Directors has two independent Non-executive Directors. Considering its shareholder structure, with a 25% free float, Galp Energia deems it has a suitable number of independent Directors, which justifies the non adoption of this recommendation.	Chapter 03
		3• The independency assessment of its Non-executive members carried out by the Board of Directors shall take into account the legal and regulatory rules in force concerning the independency requirements and the incompatibility framework applicable to members of other governing bodies, which ensure orderly and sequential coherence in applying independency criteria to all the company. An independent executive member shall not be considered as such, if in another governing body and by force of applicable rules, may not be an independent executive member.	Adopted	The independency assessment of its Non-executive members, which is carried out by the management body, followed the legal rules laid down in article 414, paragraph 5, of the Companies Code regarding the members of the supervisory board, thereby ensuring the systematic and temporal coherence in the application of independency criteria in the entire Company.	Chapter 03
	3• Eligibility and appointment	1• According to the model that is applicable, the Chairman of the supervisory board, the Chairman of the audit committee or the Chairman of the finance committee shall be independent and have the adequate skills for the exercise of their role.	Adopted	The Chairman of the supervisory board fulfills every legal requirement of independence and has the adequate skills for the exercise of their role.	Chapter 03
		2• The selection process of candidates to the role of Non-executive Director shall be devised in a fashion that prevents interference from Executive Directors.	Adopted	Non-executive Directors are appointed by shareholders, thereby there is no interference from Executive Directors.	Chapter 03
	4• Whistleblowing policy	1• The Company shall adopt a policy whereby irregularities within the Company are reported. Such reports shall include the following information: (i) which means should be used to report such irregularities internally, including the people entitled to receive the reports, (ii) how the report is to be handled, including confidentiality, in case the reporter so requests.	Adopted	Galp Energia currently has a whistleblowing policy.	Chapter 03
		2• The general guidelines for this policy should be disclosed in the corporate governance report.	Adopted	The main guidelines of the whistleblowing policy are disclosed in this report.	Chapter 03

II • MANAGEMENT AND SUPERVISORY BOARDS

CMVM recommendation	Corporate governance practice	Current status	Remit
<p>1• GENERAL ITEMS</p> <p>5• Remuneration</p> <p>1• The remuneration of the members of the management body shall be structured to align their interests with those of the shareholders, be based on performance evaluation and be discouraging of excessive risk-taking. In this context, remuneration must be structured as follows:</p> <p>(i) the remuneration of Directors with executive responsibilities should be based on performance and a performance evaluation should be carried out periodically by the relevant body or committee with pre-determined criteria, which deems the real growth of the company and value created for shareholders, its long-term sustainability and risks undertaken as well as the fulfillment of the rules applied to the company's operations;</p> <p>(ii) the variable component shall be consistent with the fixed component and there shall be maximum limits for both components;</p> <p>(iii) a significant part of the variable remuneration shall be deferred for a period longer than three years and its payment shall be dependent on the sustainability of the company's positive performance during that period;</p> <p>(iv) the members of the Board of Directors shall not enter into contracts with the company or third parties that will have the effect of mitigating the risk inherent in the variability of the remuneration established by the company;</p> <p>(v) the Executive Directors shall hold, up to twice the value of the total annual remuneration, the company shares that were allotted by virtue of the variable remuneration schemes, with the exception of those shares that are required to be sold for the payment of taxes on the gains of said shares;</p> <p>(vi) when the variable remuneration includes stock options, the period for exercising same shall be deferred for a period of not less than three years.</p> <p>(vii) the appropriate legal instruments shall be established so that in the event of a Director's dismissal without due cause, the envisaged compensation shall not be paid out if the dismissal or termination by agreement is due to the Director's inadequate performance;</p> <p>(viii) the remuneration of Non-executive Directors shall not include any component the value of which is subject to the performance or the value of the company.</p>	<p>Not adopted</p>	<p>Despite the existence of a policy designed to align the interests of Directors with those of the Company, Galp Energia considers this recommendation not to be adopted as there is no evaluation system implemented in the Company reflecting the long-term performance of Galp Energia's Board of Directors. However, the remuneration of the Directors who have executive responsibilities includes a variable component, which depends on the Company's short and medium-term performance. On the other hand, the variable component of the remuneration is globally reasonable when compared with the fixed component.</p> <p>Directors follow the principle according to which they shall not enter into contracts with the Company or third parties that will have the effect of mitigating the risk inherent in the variability of the remuneration established by the Company;</p> <p>Galp Energia currently has no share-based remuneration scheme. Galp Energia has no compensation rules for the dismissal of Directors' without due cause.</p> <p>The remuneration of Galp Energia's Non-executive Directors consists exclusively of a fixed amount, except for the cases of three Directors who have executive responsibilities in other Galp Energia companies.</p>	<p>Chapter 03</p>

II • MANAGEMENT AND SUPERVISORY BOARDS

CMVM recommendation	Corporate governance practice	Current status	Remit	
1• GENERAL ITEMS				
5• Remuneration	2• A statement on the remuneration policy referred to in II.1.7.4. of CMVM's Corporate Governance Code shall contain, in addition to the content stated in paragraphs a) and e), adequate information on: (i) which groups of companies the remuneration policy and practices of which were taken as a baseline for setting the remuneration; (ii) the payments for the dismissal or termination by agreement of the Directors' duties.	Not adopted	Although the statement on the remuneration policy of management and supervisory bodies referred to in II.1.7.4. of CMVM's Corporate Governance Code and submitted to the general meeting of 26 April 2010 contains the information required in a) and e), it did not include information on the companies whose remuneration policy and practices were taken as a benchmark to set remuneration.	Chapter 03
	3• The statement on the remuneration policy referred to in II.1.7.4. of CMVM's Corporate Governance Code also covers the remuneration of bodies whose remuneration includes a significant variable component as laid down in article 248-B, paragraph 3, of the Securities Code (SC). The statement must be brief and the presented policy must take into account the company's long-term performance, the fulfillment of standards applicable to the company's activity and risk-taking contention.	Not adopted	Galp Energia submitted to the general meeting of 26 April 2010 a statement on the remuneration policy for the management and supervisory bodies and other senior people as laid down in article 248-B, paragraph 3, of the Securities Code (SC). Galp Energia considers this recommendation as not adopted, since a policy on the remuneration policy for management bodies reflecting long-term performance, the fulfillment of standards applicable to the company's activity and risk-taking is not yet implemented.	Chapter 03
	4• A proposal shall be submitted for approval to the general meeting regarding the plans for share grants and/or stock options applicable to members of the management and supervisory bodies and other senior persons as laid down in article 248-B, paragraph 3, of the SC. The proposal shall be accompanied by the regulation of the plan or, in case it has not been drafted yet, by the general conditions applicable to it. Likewise, the general meeting shall approve the main features of the retirement benefit systems applicable to members of the management and supervisory bodies and other senior persons as laid down in article 248-B, paragraph 3, of the SC.	Not applicable	Galp Energia currently has no share grant or stock option plans for its Directors or employees.	-
	5• At least one representative of the Remuneration Committee shall be present in the annual general meeting of shareholders.	Adopted	Galp Energia has ensured the presence of representatives of the Remuneration Committee in the annual general meetings of shareholders.	-

II • MANAGEMENT AND SUPERVISORY BOARDS

CMVM recommendation		Corporate governance practice	Current status	Remit	
1• GENERAL ITEMS	5• Remuneration	6• The remuneration of the members of the management and supervisory bodies shall be disclosed in the annual corporate governance report on an individual basis with a separation, whenever applicable, of the fixed component and variable components as well as any remuneration received from other Group companies and pension rights acquired during the term.	Not applicable	Galp Energia's Directors do not receive any remuneration from other Group companies and are not entitled do any pension rights.	Chapter 03
		1• Within the limits defined by law for each management and supervisory structure and unless the company is small-sized, the Board of Directors shall delegate the day-to-day management of the company. The delegated roles shall be identified in the corporate governance report.	Adopted	Galp Energia's current management is delegated to an executive committee and the delegated roles are identified in this corporate governance report.	Chapter 03
		2• The Board of Directors must ensure that the company acts according to its goals and must not delegate its duties regarding (i) the formulation of the company's strategy and general policies; (ii) the definition of the Group's corporate structure; (iii) any decisions that should be deemed strategic due to their amount, risk or special nature.	Adopted	Decisions on matters of great importance, such as the formulation of the company's strategy, general policies or corporate structure as well as any other decisions that should be deemed strategic due to their amount, risk or special nature, are duties of the Board of Directors' and may not be delegated.	Chapter 03
		3• In case the Chairman of the Board of Directors has executive responsibilities, the Board of Directors shall create efficient coordination mechanisms of the Non-executive Directors' work, which ensure these may decide in an independent and informed manner. These mechanisms shall be explained to the shareholders in the corporate governance report.	Not applicable	The Chairman of Galp Energia's Board of Directors does not have executive responsibilities.	Chapter 03
		4• The annual management report shall include a description of Non-executive Directors' activities, and mention any constraints they may have encountered.	Adopted	The management report for financial 2010 includes a description of the activities of Non-executive Directors.	-
		5• The company shall explain its policy on role rotation, namely of the chief financial officer role, and report it in the annual corporate governance report.	Not applicable	Galp Energia does not have a policy on role rotation in the Board of Directors.	-

II • MANAGEMENT AND SUPERVISORY BOARDS

CMVM recommendation	Corporate governance practice	Current status	Remit	
3• CHIEF EXECUTIVE OFFICER, EXECUTIVE COMMITTEE AND EXECUTIVE BOARD OF Directors	1• When prompted by other governing body members, Executive Directors shall, in a timely and adequate manner, make available any information requested.	Adopted	Information requested from Executive Directors by other governing body members is made available by the former in a timely and adequate manner.	-
	2• The Chairman of the executive committee shall send to the chair of the Board of Directors and the supervisory board or the audit committee the notices of call and the minutes of the meetings of the executive committee.	Adopted	The notices of call and the minutes of the meetings of the executive committee are sent to the Chairman of the Board of Directors and to the members of the supervisory board as well as to the statutory auditor.	Chapter 03
	3• The Chairman of the executive Board of Directors shall send the notices of call and the minutes of the meetings to the Chairman of the supervisory board and the Chairman of the finance committee.	Not applicable	The Chairman of Galp Energia's Board of Directors does not have executive responsibilities.	Chapter 03
4• MANAGEMENT AND SUPERVISORY BOARD, FINANCIAL MATTERS COMMITTEE, AUDIT COMMITTEE AND SUPERVISORY BOARD	1• Besides carrying out its supervisory duties, the management and supervisory board shall advise, follow-up and continually evaluate the management of the company by the executive Board of Directors. In addition to other subject matters, the management and supervisory board shall decide on: (i) the formulation of the strategy and general policies of the company; (ii) the corporate structure of the group; and (iii) decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved.	Not applicable	Galp Energia's governance model does not include a supervisory board.	Chapter 03
	2• The annual reports and financial information on the activity carried out by the management and supervisory board, the financial matters committee, the audit committee and the supervisory board must be disclosed on the company's website, along with the financial statements.	Adopted	Annual reports on the activity carried out by the supervisory board are disclosed on the Company's website, along with the financial statements.	-
	3• The annual reports on the activity carried out by the management and supervisory board, the financial matters committee, the audit committee and the supervisory board must include a description on the supervisory activity and shall mention any restraints that they may have come up against.	Adopted	The annual reports on the activity carried out by the supervisory board include the description of the supervision activity.	-

II • MANAGEMENT AND SUPERVISORY BOARDS

CMVM recommendation	Corporate governance practice	Current status	Remit	
4• MANAGEMENT AND SUPERVISORY BOARD, FINANCIAL MATTERS COMMITTEE, AUDIT COMMITTEE AND SUPERVISORY BOARD	4• The management and supervisory board, the audit committee and the supervisory board (depending on the applicable model) shall represent the company for all purposes at the external auditor, and shall propose the service provider, the respective remuneration, ensure that adequate conditions for the supply of these services are in place within the company, as well as being the liaison officer between the company and the first recipient of the reports.	Adopted	The supervisory board represents the company in the latter's relationship with the external auditor. According to article 19, paragraph 4, of the articles of association, it is the Audit Board's remit to propose to the general meeting the appointment of the statutory auditor and appoint or dismiss the external auditor and set their remuneration.	Chapter 03
	5• The finance committee, the audit committee or the supervisory board, as the case may be, shall evaluate the external auditor on an annual basis and propose his dismissal to the general meeting whenever warranted.	Adopted	The supervisory board evaluates the external auditor and may propose to the general meeting their fair dismissal.	Chapter 03
	6• The internal audit services and those that ensure compliance with the rules applicable to the company (compliance services) shall functionally report to the audit committee, the general and supervisory board or in the case of companies adopting the Latin model, an independent Director or supervisory board, regardless of the hierarchical relationship that these services have with the executive management of the company.	Adopted	Galp Energia's internal audit services functionally report to the Chairman of the Board of Directors, who is independent, and to the supervisory board, whose members comply with the independence requirements under article 414, paragraph 5 of the Companies Code and the incompatibilities laid down in article 414-A of the Companies Code.	-
5. SPECIALIST COMMITTEES	1• Unless the company is small-sized, the Board of Directors or the supervisory board, as the case may be, shall set up the committees deemed (i) to ensure a reliable and independent assessment of the Executive Directors' and its own overall performance as well as the performance of all existing committees; (ii) to ponder over the adopted governance system, check its effectiveness and propose to the relevant bodies any measures towards its improvement; and iii) to identify potential candidates with the high profile required to be a Director.	Not adopted	Galp Energia's Board of Directors aims to create a corporate governance committee for the purpose of pondering over the adopted governance system, checking its effectiveness and proposing to the relevant bodies any measures towards the refinement of the Company's governance model.	-
	2• The members of the Remuneration Committee shall be independent from the Directors and include at least one member with knowledge and know-how in remuneration policy.	Adopted	Galp Energia's members of the Remuneration Committee are independent from the members of the management and supervisory bodies and include a member with knowledge and know-how in remuneration policy.	Chapter 03

II • MANAGEMENT AND SUPERVISORY BOARDS

CMVM recommendation	Corporate governance practice	Current status	Remit
5. SPECIALIST COMMITTEES	3• Any natural or legal person which provides or has provided, over the past three years, services to any structure subject to the Board of Directors, to the Board of Directors of the company or that has to do with the current consultant to the company shall not be recruited to assist the Remuneration Committee. This recommendation also applies to any natural or legal person who has an employment contract or provides services to any structure subject to the Board of Directors, to the Board of Directors of the company or that has to do with the current consultant to the company.	Adopted	Galp Energia's Remuneration Committee did not appoint any natural or legal person which provides or has provided, over the past three years, services to any structure subject to the Board of Directors, to the Board of Directors of the company or that has to do with any consultant to the company.
	4• All committees shall draw up minutes for their meetings.	Adopted	All committees at Galp Energia draw up minutes for their meetings.

III • INFORMATION AND AUDIT

CMVM recommendation	Corporate governance practice	Current status	Remit
1• GENERAL DISCLOSURE DUTIES	1• Companies should ensure a permanent contact with the market and respect the principle of equality between shareholders and preventing any asymmetry in the access to information. To this end, the company shall keep an investor desk.	Adopted	Galp Energia has a fully functioning investor relations department whose primary role is to ensure clear and consistent communications with the equity markets for a coherent and complete perception of Galp Energia, thereby facilitating investor decisions and ensuring symmetry in access to information.
	2• The following information posted on the company's website shall be available in English: a) The object of the company, its public company status, its head office as well as other data mentioned in article 171 of the Companies Code; b) The articles of association; c) The identity of the members of the governing bodies and the representative for market relations; d) Investor desk, its role and means of access; e) Financial statements; f) Half-yearly schedule of company events; g) Proposals for discussion and voting by the general meeting; h) Notices of call by the general meeting.	Adopted	This information is available on the company's website in both Portuguese and English.

III • INFORMATION AND AUDIT

CMVM recommendation	Corporate governance practice	Current status	Remit	
1• GENERAL DISCLOSURE DUTIES	3• Companies shall promote the rotation of auditors after two or three terms in accordance with four or three years respectively. Their continuance beyond this period must be based on a specific opinion for the supervisory body to formally consider the conditions of auditor independence and the benefits and costs of replacement.	Not adopted	Although in recent years there was not rotation of auditors after two or three terms, Galp Energia has promoted every three years a bid to choose the specialised entity to provide audit services.	-
	4• The external auditor shall, within its powers, verify the implementation of remuneration policies and systems, the effectiveness and functioning of internal control mechanisms and report any shortcomings to the company's supervisory body.	Not adopted	Galp Energia's external auditors do not check the specific implementation of compensation policies or schemes; when auditing accounts, they evaluate the internal control mechanisms for the Galp Energia group companies' major functional cycles affecting financial reporting but they do not issue any specific report on the subject. The scope and depth of this evaluation is coordinated with the other tests for auditing financial statements.	-
	5• The company shall not appoint the external auditor for services other than audit services, nor any entities with which same takes part or incorporates the same network. Where recruiting such services is called for, said services should not be greater than 30% of the total value of services rendered to the company. The hiring of these services must be approved by the supervisory body and must be explained in the annual corporate governance report.	Not adopted	In 2010, Galp Energia appointed to the external auditor other several services than audit and fiability check services and which accounted for 37% of the total amount of services provided to the Company.	-

IV • CONFLICTS OF INTEREST

CMVM recommendation	Corporate governance practice	Current status	Remit	
1• SHAREHOLDER RELATIONSHIP	1• Where deals are concluded between the company and major shareholders, or entities with which they are linked in accordance with article 20 of the Securities Code, such deals shall be carried out in normal market conditions.	Adopted	The Company's deals with major shareholders, or entities with which they are linked in accordance with article 20 of the Securities Code, are carried out in normal market conditions.	-
	2• Where deals of significant importance are undertaken with major shareholders, or entities with which they are linked in accordance with article 20 of the Securities Code, such deals shall be subject to a preliminary opinion from the supervisory body. The procedures and criteria required to set out the relevant level of significance of these deals and other conditions shall be established by the supervisory body.	Not adopted	Deals of significant importance with major shareholders, or entities with which they are linked in accordance with article 20 of the Securities Code, have not been submitted to the previous legal opinion of the supervisory body. Meanwhile these deals, which are part of the normal Company's activity are carried out in normal market conditions.	-



01

THE GALP ENERGIA GOVERNANCE MODEL

GALP ENERGIA'S CURRENT GOVERNANCE MODEL AIMS FOR TRANSPARENCY AND EFFECTIVENESS AND IS FOCUSED ON THE CLEAR SEPARATION OF POWERS BETWEEN GOVERNING BODIES, NAMELY THOSE OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE.



THE CURRENT GOVERNANCE MODEL AIMS FOR TRANSPARENCY AND EFFECTIVENESS AND IS FOCUSED ON THE CLEAR SEPARATION OF POWERS BETWEEN GOVERNING BODIES.

Galp Energia's posture on corporate governance translates into transparent and consistent relationships with both investors and the capital markets, namely by the adoption of a governance model that safeguards the interests and rights of all shareholders.

The current governance model consists of a management and supervisory structure, which is composed of a Board of Directors and a supervisory board that delegates certain powers to an executive committee.

The selection of this governance model resulted in the appointment of a statutory auditor who is not a member of the supervisory board.

This governance model aims for transparency and effectiveness and is focused on the clear separation of powers between governing bodies, namely those

of the Board of Directors, which include supervision, control, strategy and relations between shareholders and governing bodies, and those of the executive committee, whose operating nature arises from the delegation of powers by the Board of Directors regarding the day-to-day management of business units and corporate services, as detailed in this chapter.

The Company's current organisational set-up is based on five business units, a corporate services unit under the leadership and guidance of one or more Executive Directors in accordance with the role allocation scheme approved by the Board of Directors and detailed in this chapter, and a development project unit.

The guiding principles of the organisational set-up are horizontality, flexibility, simplicity and efficiency,

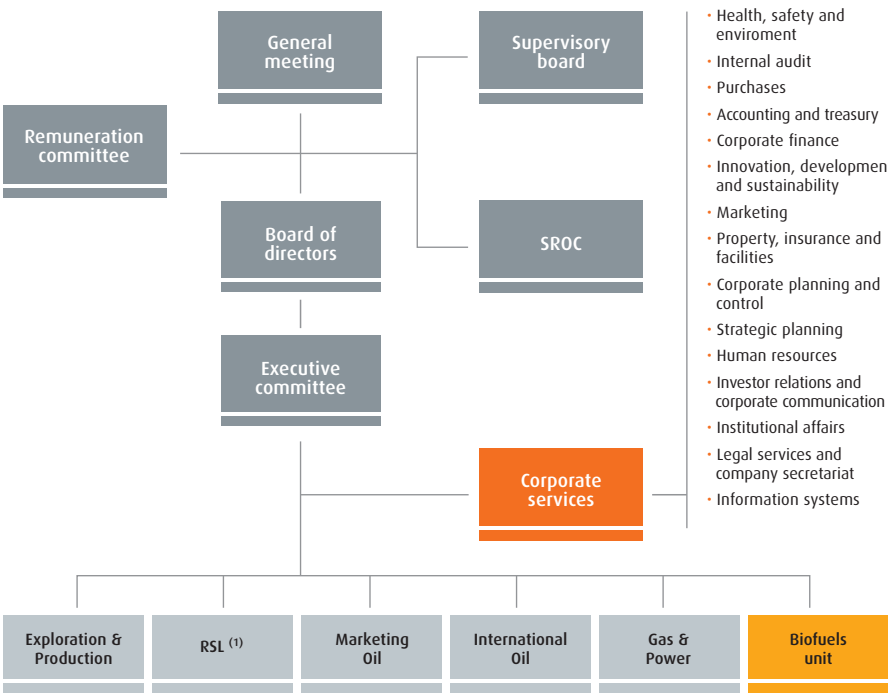


THE GUIDING PRINCIPLES OF THE ORGANISATIONAL SET-UP ARE HORIZONTALITY, FLEXIBILITY, SIMPLICITY AND EFFICIENCY.

and its goal is to create shareholder value, namely by the capture of

synergies within business units and between them.

Galp Energia’s governance structure



(1) Refining, Supply and Logistics.



MANAGEMENT OF THE BUSINESS UNITS AND CORPORATE SERVICES IS ASSIGNED TO THE EXECUTIVE COMMITTEE.

Galp Energia discloses its financial information in consolidated terms and by business segments, in accordance with best capital market practice. This means that the Company reports its activities in the Exploration & Production (E&P), Refining & Marketing (R&M) and Gas & Power (G&P) segments.

The corporate services unit consists of 15 departments whose management is assigned to the Executive Directors. This unit was set up for the purpose of providing services to the business units in such varied matters as accounting, legal advice and human resources management. This set-up has resulted in the achievement of important synergies and the creation of an interface between the Company and its stakeholders.

Connection between business units and business segments

		Business units					Development units
		E&P	RSL	Marketing Oil	Internacional Oil	G&P	Biofuels
Business segments	E&P	.					
	R&M	
	G&P					.	

This table illustrates the linkage between the five business units and the Biofuels development unit, and the three business segments.

MANAGEMENT AND SUPERVISORY STRUCTURE

Galp Energia’s management and supervisory structure currently consists of a Board of Directors, an executive committee, an Audit Board and statutory auditors.

The Board of Directors lays down the strategic guidelines, supervises the Company generally and monitors its day-to-day management.

Management of the business units and corporate services is assigned to the executive committee.

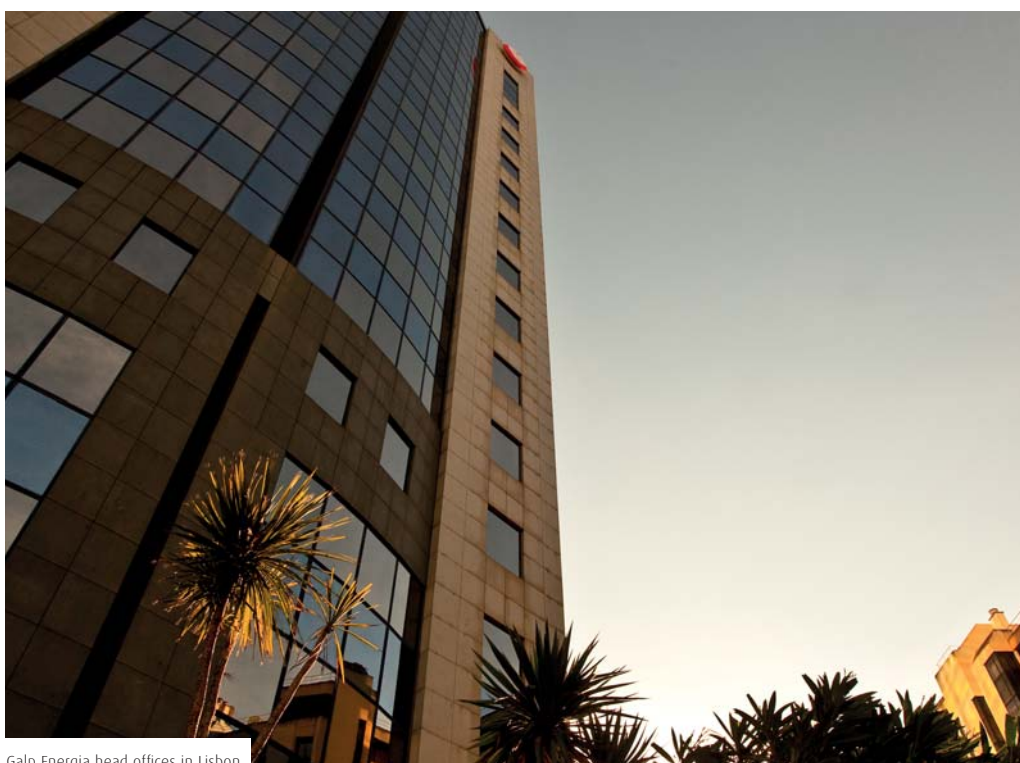
ASSEMENT OF THE GALP ENERGIA GOVERNANCE MODEL

The Board of Directors' judgement is that the adopted governance model, with its guiding principles of transparency, horizontality, flexibility, simplicity, efficiency and delegation of responsibilities, subject to rules that are clearly defined and well perceived by board members, has been effective in creating shareholder value.

The current governance model encourages effective management, namely by separating clearly the powers of governing bodies, particularly those of the Board of Directors in respect of supervision and control and those of the executive committee in respect of the day-to-day management of the business units and corporate services, delegated to it by the Board of Directors.

The fact that the Board of Directors has exclusive responsibilities in certain matters has enabled this body to effectively monitor and control the Company's strategic issues, key goals and basic organisation.

The assignment of specific management roles to each executive Director facilitates the effective monitoring of the Company's management and enhances the capture of synergies within the business units and between them.



Galp Energia head offices in Lisbon.

The workings of the Board of Directors have provided an effective framework for Non-executive Directors to supervise and assess the actions of their executive counterparts. The Chairman's Non-executive and independent role has played an important part in this process as well as in the relationship between the Company and its shareholders.



02

GENERAL MEETING

WHEN GALP ENERGIA'S
GENERAL MEETING
CONVENES, ALL
SHAREHOLDERS HAVE
THE OPPORTUNITY TO
SPEAK TO THE COMPANY'S
MANAGEMENT, SHARE
THEIR VIEWS AND AIR
THEIR DOUBTS.





THE ARTICLES OF ASSOCIATION PROVIDE THAT, AFTER A FIRST CALL, THE GENERAL MEETING CONVENES ONLY WHEN A MINIMUM OF 51% OF THE SHARE CAPITAL IS PRESENT OR REPRESENTED.

GENERAL MEETING BOARD

As provided in the Company's articles of association, the remit of the general meeting board includes convening and organising the general meeting sessions.

The board is composed of a Chairman, a vice-Chairman and a secretary and the current holders of these roles, except for the secretary, have been elected in the general meeting of 6 May 2008 for a three-year term ending on 31 December 2010. The secretary was elected in the general meeting of 27 April 2009 after the resignation of the previous secretary.

The current members of the general meeting board are:

Chairman: Daniel Proença de Carvalho

Vice-Chairman: Victor Pereira Dias

Secretary: Pedro Antunes de Almeida

In addition to convening and conducting the general meeting sessions, the general meeting board also drafts the sessions' minutes.

The meetings are guaranteed by both the legal department and the investor relations department, which are supported by a service provider that offers full-service logistics.



2010 General Meeting.

SHAREHOLDER MEETINGS

The articles of association provide that, after a first call, the general meeting convenes only when a minimum of 51% of the share capital is present or represented.

72%
OF THE SHARE CAPITAL
REPRESENTED
IN THE 2010 AGM.

Except for the cases when the law requires supermajorities or when the articles of association require a supermajority or the favourable vote of the majority of category A shares, the general meeting resolutions are taken by the majority of votes cast, after abstentions have been discarded.

According to the Company's articles of association, the provisions of article 386, paragraph 4, of the Companies Code do not apply to Galp Energia's general meeting sessions. This means that, in a second call, the general meeting's resolutions on matters relating to changes in the memorandum of association, the merger, break-up, transformation or liquidation of the Company or any other matters for which the law requires a supermajority – may not, regardless of the presence or representation of shareholders owning at least half of the Company's share capital, be taken by a simple majority of the votes cast and require instead a supermajority of two-thirds of votes cast.

According to article 12, paragraph, of the Company's articles of association, resolutions by the general meeting on the matters listed below are

considered to have been approved only when they have been endorsed by a supermajority of two-thirds of the votes:

- matters pertaining to the special rights inherent in category A;
- approval of new strategic guidelines;
- allocation of net profit for the year or distribution of assets to shareholders;
- issuance of securities which is not within the powers of the Board of Directors;
- strategic partnerships submitted for approval by the Board of Directors;
- approval of the Company's separate or consolidated accounts for the year;
- break-up, merger or liquidation of the Company.

In addition, the matters mentioned in the first point, contained in article 4, paragraph 3, are considered to have been approved only when they have obtained the favourable vote of the majority of category A shares.

AGM 2010

Galp Energia's AGM 2010 convened at the Company's head office on 26 April 2010 with 75 present or duly represented shareholders, who collectively accounted for 71.980% of the share capital. The number of present or duly represented shareholders and the capital represented decreased in comparison with a year earlier (170 present shareholders and 77.124% of the share capital in 2009). Retail shareholders had the opportunity to talk to the Company's management, share their views and expose their doubts.

The agenda of the meeting consisted of six items, of which:

- the ratification of the appointment of Directors for the board;
- the approval of the annual report and accounts for 2009 and the proposed allocation of net profit;
- the approval of the corporate governance report 2009;
- a general appraisal of the management and supervisory bodies;
- the statement on the remuneration policy of governing bodies and senior managers.

Every points was approved by over two thirds of votes cast.



2010 AGM.

DELEGATION OF POWERS REGARDING REMUNERATION

Galp Energia's general meeting has delegated the formulation of policies regarding the remuneration of the Company's governing bodies to a committee consisting of representatives from shareholders. In Chapter 03 of this report, details are provided about the workings of this committee.

In addition to the performance appraisal by the Remuneration Committee, the Company's shareholders appraise annually the actions and performance of Directors, both executive and Non-executive, in accordance with article 376, paragraph 1 c) of the Companies Code.

In the general meeting of 26 April 2010, which was attended by Américo Amorim, member of the Remuneration Committee, a statement on the policy for remunerating Galp Energia's governing bodies was presented and

approved by the Remuneration Committee. A statement on the policy for remunerating senior managers was also presented by the Board of Directors.

The general meeting did not intervene in the approval of the main features of the pension benefit system for the members of the governing and supervisory bodies. This system was approved by the Remuneration Committee elected by the general meeting.

PARTICIPATION AND EXERCISE OF VOTING RIGHTS

A general meeting session can only be attended by shareholders with voting rights, whereby one share corresponds to one vote.

For participation purposes, the capacity of shareholder is recognised to any one holding shares registered in their name five days, at the latest, prior to the general meeting session. Registration of title to the shares shall be evidenced to Galp Energia five days, at the latest, prior to the general meeting session. In case the session is adjourned, the Company does not require the shares to be blocked for the whole period up to the date when the session is resumed; rather, observance of the time prior to the first session is sufficient.

Galp Energia has taken a number of steps to encourage shareholder participation in general meetings, namely:

- the possibility to vote by post and the improved availability of ballot forms to shareholders;
- the change to the Company's articles of association for each share to represent one vote;
- the wide publicity by e-mail and over the internet about general meeting sessions, their agendas and the various ways available for the exercise of voting rights;

- the clear and detailed description in the notice of call, the letter and the documents sent to shareholders prior to the general meeting of the procedures to be adopted for voting by correspondence or proxy;
- the creation of a dedicated e-mail address for the exclusive use of the general meeting and publicised in the notice of call, so as to clarify any doubts.

Although Galp Energia's articles of association do not provide for electronic voting, the Company's intention is to change this state of affairs in order to make the exercise of voting rights more effective and practical in the future.

The proposals to be submitted to the general meeting and the other documents for preparation of the meeting are available to shareholders, in both Portuguese and English, until 30 days prior to the date of the meeting, at Galp Energia's head office on Rua Tomás da Fonseca, Torre C, 1600-209 Lisboa, and on the website that is dedicated to the general meeting.



GALP ENERGIA ACTIVELY PROMOTES THE EXERCISE OF VOTING RIGHTS, EITHER DIRECTLY – IN PERSON OR BY POST – OR INDIRECTLY – BY REPRESENTATION.



GALP ENERGIA'S WEBSITE HAS AN ARCHIVE WHICH CONTAINS THE DOCUMENTS OF EVERY GENERAL MEETING SINCE IT BECAME A PUBLIC COMPANY.

On the day of the general meeting, the resolutions, the quorum and voting results for each item of the agenda are made available on Galp Energia's website.

Until five business days after the general meeting, the minutes of the sessions are made available on Galp Energia's website.

The website has an archive which contains the documents of every general meeting since Galp Energia became a public company, the respective quorum and voting results for each item of the agenda.

PROCEDURES FOR REPRESENTATION

Shareholders who are juridical persons may be represented at shareholder meetings by any individual, whose appointment may be evidenced by any written means. Shareholders who are physical persons may be represented by a member of the Board of Directors, their spouse, a straight-line relative or another shareholder, whose appointment may be evidenced by any written means.

Except for the Portuguese state, shareholders wishing to be represented must produce to Galp Energia, up to five days prior to the date of the general meeting and in accordance with the law, the relevant proxy instruments. However, the Chairman of the general meeting board may accept the participation

in the general meeting of those representatives who have not been appointed within the prescribed time if no hindrance is foreseen to the meeting proceedings.

PROCEDURES FOR VOTING BY POST

Shareholders who are entitled to vote may do it by post in respect of each item on the agenda of the general meeting. To this end, they are expected to send a letter for the attention of the Chairman of the general meeting board, by registered mail with acknowledgment of receipt, to the Company's head office, accompanied by a ballot signed like their identity card so that it will be received on the day prior to the general meeting, at the latest. To obtain the ballot form, shareholders may send a request to the Chairman of the general meeting board mentioning the address to which the ballot forms shall be addressed or download the forms from the general meeting's website.

The letter containing the ballot shall be accompanied by a readable photocopy of the shareholder's identity card, in the case of a physical person. If the shareholder is a juridical person, the ballot shall be signed by the shareholder's legal representative, whose signature shall be certified in that capacity. Sending the letter does not exempt

the shareholder from producing, up to five days prior to the date of the general meeting, evidence of their title to the shares that will be used for the exercise of voting rights. Letters containing the ballots shall be opened by the Chairman of the general meeting board at the outset of the proceedings and after the existence of a quorum has been checked. The outcome of the voting by post in respect of each item on the agenda will be announced after the item has been discussed.

The votes sent by post shall be counted as disapproving with regard to those proposals that have been presented for discussion after the votes have been cast.



Manuel Ferreira De Oliveira presents the 2009 results.

CHANGE OF CONTROL

Galp Energia has no defensive measures in force designed to automatically cause a severe erosion of the Company's assets in case of a change of control or a change in the composition of the Board of Directors.

Galp Energia is not a party to any significant agreement that enters into force, is altered or terminated in the case of a change of control.

In addition, Galp Energia is not a party to any agreement with any of its board members or senior

managers, according to article 248-B, paragraph 3, of the Securities Code (SC), providing for any indemnities for the resignation, unfair dismissal or termination of the working relationship in the wake of a change of control.



03

MANAGEMENT AND SUPERVISORY BODIES

GALP ENERGIA'S
MANAGEMENT AND
SUPERVISORY STRUCTURE
IS CURRENTLY COMPOSED
OF A BOARD OF
DIRECTORS, AN EXECUTIVE
COMMITTEE, AN AUDIT
BOARD AND STATUTORY
AUDITORS.

BOARD OF DIRECTORS

COMPOSITION

The Board of Directors is currently composed of 17 members who were elected in Galp Energia’s annual general meeting of 6 May 2008 for a term of three calendar years ending on 31 December 2010.

17

MEMBERS WHO WERE ELECTED

The board of Director is currently composed of 17 members for a term of three calendar years.

This composition complies with the Company’s articles of association, according to which the Board of Directors shall have between 11 and 21 members elected by the general meeting, which appoints the Chairman of the board.

All Non-executive Directors but three meet the incompatibility rules laid down in article 414-A, paragraph 1, of the Companies Code. The three exceptions, which are described below, can be seen as a deviation to the incompatibility requirement in the aforementioned article 414-A, paragraph 5, of the Companies Code.

Although he is not a member of Galp Energia’s executive committee, Director José António Marques Gonçalves is

a member of the board of Petróleos de Portugal – Petrogal, S.A. (Petrogal) in his capacity of head of this company’s engineering and project unit.

Likewise, Director João Pedro de Figueiredo Brito is a member of Petrogal’s Board of Directors and has been assigned the responsibility for managing the integration of the former Iberian ExxonMobil and Eni subsidiaries, acquired in 2008, into the operations of Galp Energia España, S.A. (Galp Energia España), of whose Board of Directors he is also a member. In addition, Mr. João Pedro de Figueiredo Brito is also a member of the boards of Directors of Galp Distribución Oil España, S.A.U. and Galp Energia Portugal Holdings, B.V.

Non-executive Director Luigi Spelli is a board member of Galp Exploração e Produção Petrolífera, S.A. (Galp Exploração), with responsibility for planning and control, LNG and *new ventures*.

Galp Energia’s annual report 2010 includes a description of the activity taken out by Non-executive Directors and possible constraints detected.

Director Maria Rita Galli was appointed in the board meeting of 22 March 2010, to fill the vacancy left by former Director Francesco Giunti, and the appointment was ratified in the general meeting of 26 April 2010.

Composition of the Board of Directors

Name	Position	First appointment
Francisco Luís Murteira Nabo	Chairman	2005
Manuel Ferreira De Oliveira	Vice-Chairman and Chief Executive Officer	2006
Manuel Domingos Vicente	Non-executive Director	2006
Fernando Gomes	Executive Director	2005
José Marques Gonçalves	Non-executive Director	2005
André Palmeiro Ribeiro	Executive Director	2005
Carlos Nuno Gomes da Silva	Executive Director	2007
Rui Paulo da Costa Cunha e Silva Gonçalves	Non-executive Director	2008
João Pedro de Figueiredo Brito	Non-executive Director	2005
Luca Bertelli	Non-executive Director	2009
Claudio De Marco	Executive Director (CFO)	2008
Paolo Grossi	Non-executive Director	2008
Maria Rita Galli	Non-executive Director	2010
Fabrizio Dassogno	Executive Director	2008
Giuseppe Ricci	Non-executive Director	2008
Luigi Spelli	Non-executive Director	2009
Joaquim José Borges Gouveia	Non-executive Director	2008

(1) Chief Financial Officer (CFO).

Director Luca Bertelli was appointed in the board meeting of 15 December 2010, to fill the vacancy left by former Director Massimo Mondazzi.

APPOINTMENT AND REPLACEMENT

The members of the Board of Directors are elected by the general meeting or appointed by the board itself, subject in the latter case to ratification by the general meeting. Their term lasts for three renewable calendar years, with the appointment year counting as a full year. The members of the Board of Directors take office upon their election and stay in office until their successors are elected. The Chairman of the Board of Directors is elected by the general meeting.

Regarding the replacement of Directors when they have been found to be permanently absent, as provided in article 393, paragraph 1, of the Companies Code, the articles of association stipulate that a Director is considered to be permanently absent when, without an explanation which has been accepted by the Board of Directors, they are absent from three consecutive or five Non-consecutive board meetings.

The appointment and replacement of Directors are referred to in the

shareholder agreement described in chapter 04 of this report.

Galp Energia does not have a policy of remit rotation in the Board of Directors.

Galp Energia does not have a selection process of candidates to the Non-executive Director position. However, there is no interference of the Executive Directors in the appointment of the Non-executive members of the Board of Directors, since they are elected in the general shareholder meeting.



THE MEMBERS OF THE BOARD OF DIRECTORS ARE ELECTED BY THE GENERAL MEETING OR APPOINTED BY THE BOARD ITSELF, SUBJECT IN THE LATTER CASE TO RATIFICATION BY THE GENERAL MEETING.

INDEPENDENCE AND INCOMPATIBILITIES

After having checked the independence of the Non-executive Directors and assessed incompatibilities, if any, between their various roles, the Board of Directors has found that Chairman Francisco Luís Murteira Nabo and Non-executive Director Joaquim José Borges Gouveia are both independent according to article 414, paragraph 5, of the Companies Code and meet the compatibility requirements of article 414-A, paragraph 1, of the Companies Code.

This is also the case with all other Non-executive Directors but João Pedro Leitão Pinheiro Figueiredo Brito, José Marques Gonçalves and Luigi Spelli, who have executive Director roles in Galp Energia companies. This can possibly be considered as a deviation from the compatibility requirement

as defined in the above-mentioned article 414-A, paragraph 1 c), if that requirement were to be applied to board members.

Galp Energia does not have regulations nor internal rules related to incompatibilities of governing bodies.



Francisco Murteira Nabo,
president of Galp Energia Board of Directors.



THE MAIN ROLES OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ARE TO REPRESENT THE COMPANY, TO LEAD THE PROCEEDINGS OF THE BOARD MEETINGS AND TO SUPERVISE RELATIONS WITH SHAREHOLDERS.

REMIT

The Board of Directors makes decisions on matters considered to be of great importance, such as strategy formulation, corporate and organisational set-up, business portfolio, capture of synergies between departments, approval of capital expenditure items entailing high risk or cost, the determination of value-creating goals for each activity and control of the execution of critical activities.

The main roles of the Chairman of the Board of Directors, who is not a member of the executive committee, are to represent the Company, to lead the proceedings of the board meetings and to supervise relations with shareholders. The Chairman of the Board of Directors is elected by two-thirds of the votes and a majority of the votes of category A shares, whose rights are described in chapter 03 of this report.

Notice shall be given to the Chairman of the Board of Directors of the resolutions by the executive committee and, in particular, the proposals submitted by the executive committee to the Board of Directors regarding matters within the latter's exclusive decision-making preserve, so that the Chairman can include them on the agenda of board meetings. The Chairman shall also inform the Board of Directors of the resolutions of the Executive Committee which are particularly important and submit to the board's approval those resolutions which he considers to warrant the latter's confirmation in addition to those concerning matters that lie within the board's exclusive decision-making preserve.

The board resolutions are generally taken by a simple majority of votes cast, except for certain matters stated in the Company's articles of association, where a two-thirds supermajority is required. These are namely:

- a) the approval of strategic investments and related funding;
- b) the approval of annual budgets and business plans and of any amendments whose effect will be an increase of 20% in a particular item or 10% in the annual budget;
- c) the approval of transactions with parties related to shareholders for any amount in excess of €20 million;
- d) the appointment of senior managers to Galp Energia or any company it controls;
- e) the issuance of bonds or other securities within the powers of the Board of Directors;
- f) changes to the articles of association of companies controlled by Galp Energia.

There are also resolutions requiring the approval of two-thirds of the Directors and the favourable vote of the Chairman of the Board of Directors, namely the following:

- i. Approval of strategic divestments by Galp Energia or any other company it may control;
- ii. Participation in business ventures outside Galp Energia's core activities⁽¹⁾, namely through the acquisition of

⁽¹⁾ Core activities are exploration and production, refining, transportation, distribution and marketing of oil and derivative products, natural gas activities and the production and marketing of electric power.

equity stakes in companies whose activities lie outside Galp Energia's core activities;

- iii. Selection of strategic partners for Galp Energia's core activities;
- iv. Approval and change of Galp Energia's or its business segments' strategic plan and guidelines;
- v. Set-up of the basic management and organisational structure, including the delegation of powers by the Board of Directors to the executive committee or a Chief Executive Officer and the assignment of roles to Executive Directors;
- vi. Boundaries of management powers for the companies controlled by Galp Energia;
- vii. Break-up, merger or liquidation of any company controlled by Galp Energia;
- viii. Signing of peer or subordinate group agreements by any company controlled by Galp Energia;
- ix. Distribution of dividends by any company controlled by Galp Energia;
- x. Matters relating to the special rights attached to category A shares.

The matters described in a, b, c, e, ii, iii, iv, v and x fall within the remit of the Board of Directors, which may not delegate them, as provided in the Company's articles of association. According to these articles of association, the Board of Directors may not make decisions about the issuance of new shares as provided in article 456 of the Companies Code.

The resolutions by the Board of Directors are referred to in the shareholder agreement, which is described in chapter 04 of this report.

The table below shows the main decisions made by the Board of Directors in 2010:

Main decisions made by the Board of Directors in 2010

Date	Decision
24 February	Approval of the results of the fourth quarter of 2009
22 March	Appointment of Director Maria Rita Galli
	Approval of the 2009 annual report and accounts
	Approval of the 2009 corporate governance report
	Approval of a medium and long-term funding for the amount of €75 million
	Approval of a 2-year commercial paper programme for the amount of €100 million
5 May	Approval of the results of the first quarter of 2010
	Approval of the proposal to be submitted to the bondholder meeting on the terms and conditions of issued bonds for the amount of €700 million
	Approval of the renewal of the 1-year commercial paper programme for the amount of €50 million
	Approval of the renewal of the 1-year commercial paper programme, for the amount of €50 million, the extension of the commercial paper programme until 31 October 2010, for the amount of €100 million, and the approval of the 3-year commercial paper programme, for the amount of €50 million
14 May	Approval of the Lump Sum Turn Key contract with Técnicas Reunidas for the conversion Project of the Sines refinery
25 May	Approval of a 3-year commercial paper programme for the amount of €50 million
	Approval of the renewal of the commercial paper programme until 2 December 2010, for the amount of €100 million
08 June	Approval of the revision of the capital expenditure budget for 2010
29 July	Approval of the audit accounts for the first half of 2010
	Approval of the full acquisition by GDP SGPS of Lisboaagás Comercialização, SA and Lusitaniagás Comercialização, SA and the acquisition of an equity holding in Setgás Comercialização, SA
	Approval of the merger of Galp Distribuição Portugal, SA (ex-Agip Portugal, SA) by incorporation into Petrogal
	Approval of the extension of a medium and long-term funding for the amount of €300 million
	Ratification of an agreement with ONI for early termination of contracts for the use of optical fiber and maintenance
27 August	Approval of the early distribution of earnings for financial 2010 of €0.06 per share
27 October	Approval of a 4-year bond issue for an amount of up to €325 million
	Approval of the results of the third quarter of 2010
	Approval of a 1-year commercial paper programme for the amount of €50 million
	Approval of the meeting Schedule for the Board of Directors in 2011
15 December	Appointment of Director Luca Bertelli
	Approval of the budget for 2011
	Approval of a 1-year commercial paper programme for the amount of €150 million
	Approval of a medium and long-term funding, for the amount of €75 million



IN ORDER TO AVERT POSSIBLE CONFLICTS OF INTEREST, THE GENERAL MEETING OF 6 MAY 2008 AUTHORISED THE SCOPE FOR DIRECTORS TO ENGAGE IN ACTIVITIES COMPETING WITH GALP ENERGIA'S OWN ACTIVITIES AND APPROVED THE RULES OF ACCESS TO SENSITIVE INFORMATION.

WORKINGS

Galp Energia's Board of Directors shall work in accordance with the regulation it approved on 31 May 2006 in accordance with article 16 of the Company's articles of association. This regulation was updated in the board meeting of 11 November 2009.

According to the regulation in force, the Board of Directors shall convene at least six times per year, which is a higher frequency than the minimum – once per quarter – provided in the articles of association.

With eight physical meetings and three resolutions taken by electronic vote, the Board of Directors clearly exceeded the minimum requirements in 2010. Minutes of every meeting were drafted.

Meetings are convened in writing with five days' prior notice by the Chairman of the Board of Directors or two Directors; the notice of call shall be accompanied by the agenda of the meeting. For board meetings to be valid, the presence of the majority of its members is required.

Galp Energia has no rules about incompatibilities, either internally or related to the maximum number of positions which the members of the Board of Directors may accumulate. However, board members are bound by stringent rules of conduct in order to make sure that no conflicts of interest arise in the exercise of their duties.

In order to avert possible conflicts of interest, the general meeting of 6 May 2008 authorised the scope for Directors to engage in activities competing with Galp Energia's own activities and approved the rules of access to sensitive information. The main features of these rules are the following:

- any Director engaging in competing activities is barred from access to any kind of information relating to the activities of the Company in the geographical market where the competing company operates against it;
- any Director engaging in competing activities may not participate, in particular, in any decision-making process at Galp Energia where:
 - the competing company is in direct competition with Galp Energia, for instance, in tenders or concessions, either public or private, competitive bids, offers to acquire or exchange shares and bids to acquire assets or take equity stakes;
 - Galp Energia's capital expenditure or marketing strategy (including pricing and cost structures) for the competing company's geographical market is discussed.
- the ban on the Director's participation in decision-making processes also covers the participation in any meeting at Galp Energia, including board

meetings and executive committee meetings, where any decision is discussed about the process which the Director is barred from participating in or where information is assessed which is required for that process; in these instances, the Director may not be represented by another Director;

- whenever information is discussed or assessed which is related to matters deemed to be sensitive because they are linked to Galp Energia's activities in the competing company's geographical market, the Chairman of the Board of Directors or the Chairman of the executive committee, as the case may be, shall classify those matters as sensitive, whenever possible in good time in advance and preferably at the time the notice of call is sent out.

In addition, it is hereby represented that no kinship exists between the members of the Board of Directors, or between the members of the supervisory board, or between the former and the latter or between the members of the supervisory board or the Board of Directors and the representative from the statutory auditors.

EXECUTIVE COMMITTEE

COMPOSITION

The Board of Directors that was elected for the 2008-2010 term has appointed an executive committee composed of six members.

According to the Company's articles of association, the executive committee shall be composed of three to seven Directors – including its Chairman or Chief Executive Officer (CEO) – who are appointed by the Board of Directors for a term no longer than three years coinciding with the board members' own term.

Meetings are valid when the majority of executive committee members attend. According to the law and the Company's articles of association, resolutions are passed by a simple majority of the attending Directors.

The executive committee is responsible for the day-to-day management of Galp Energia's business in accordance with the strategic guidelines laid down by the Board of Directors.

Using the powers delegated by the Board of Directors according to the Company's articles of association, the executive committee conducts the performance of the business units and corporate services, supervises these units, promotes synergies between the units, allocates critical resources, manages human resources, formulates the brand

Executive committee for the 2008 - 2010 period

Name	Position	First appointment
Manuel Ferreira De Oliveira	Chief Executive Officer	2006
Claudio De Marco	Chief Financial officer	2008
Fernando Gomes	Executive Director	2005
André Palmeiro Ribeiro	Executive Director	2005
Carlos Nuno Gomes da Silva	Executive Director	2007
Fabrizio Dassogno	Executive Director	2008



From left to right: Fabrizio Dassogno, André Palmeiro Ribeiro, Manuel Ferreira De Oliveira, Claudio De Marco, Fernando dos Santos Gomes, Carlos Gomes da Silva.

strategy and supervises the attainment of the goals set, establishing policies across the Company.

The Chairman of the executive committee convenes and conducts the committee's meetings, ensures that its decisions are properly executed, coordinates its activities and makes sure that information flows continually to the Non-executive Directors.

The composition of the executive committee is referred to in the shareholder agreement, which is described in chapter 04 of this report.

DELEGATED POWERS

The board meeting of 6 May 2008 delegated the day-to-day management of the Company to the executive committee, whereby the following powers were specifically assigned:

- to manage the corporate business and take all actions required for the Company's core business operations (exploration and production, refining, transportation and marketing of oil and derivatives, activities in the gas industry,

production and marketing of electric power) that do not lie within the Board of Directors' exclusive decision-making preserve or otherwise exceed the powers hereby assigned;

- to represent the Company in or out of court, with the powers to abandon, relent or confess in any legal proceedings as well as agree to any arbitral awards;
- to buy, sell or, in any form, dispose of or encumber any rights, namely those relating to equity holdings and property (except for strategic investments or divestments by the Company or any companies it may control, a matter that lies within the exclusive decision-making preserve of the Board of Directors) but always within the scope of Company's main activities and provided the involved sums do not exceed the following limits:
 - €50 million, for items included in the plans and budgets approved by the Board of Directors and still in force, except for strategic investments and related funding that fall within the decision-making preserve of the Board of Directors;
 - the lesser between 20% of the sums in the annual budget or business plan for the item in question and 10% of the annual budget, in the case of non-strategic transactions not included in the annual budget or business plan.

- to authorise associates to execute investments within their management powers, as defined by the Board of Directors;
- to develop the Company's technical and administrative structure as well as its internal standards, namely on staff and their remuneration, on the basis of the resolutions of the Board of Directors which have set the basic organisational and management structure of the Company and the Group;
- to enlarge or reduce the scope of the Company's or the Group's operations in accordance with the plans and strategies previously approved by the Board of Directors and subject to the powers defined by article 18 of the articles of association;
- to change the Company's set-up, open or close branches, delegations or other forms of representation, domestically or abroad, provided these actions do not involve any alterations of the articles of association or the break-up, merger and liquidation of associates or otherwise do not include matters that, according to the Company's articles of association, are part of the exclusive decision-making preserve of the Board of Directors;
- to issue binding instructions to the management of associates, respecting the Board of Directors' resolutions concerning their management autonomy, namely in respect of:
 - the matters within Galp Energia's exclusive decision-making preserve;
 - the limits of commitments and spending, whether or not they are contained in approved plans and budgets;
 - the rules and procedures regarding matters that should be standardised within the Group;
 - the procedures that should govern intra-Group transactions.
- to establish or terminate a major and lasting cooperation with strategic partners selected by the Board of Directors using its exclusive decision-making powers or other companies, in accordance with the plans and strategies previously approved by the Board of Directors;
- to appoint Galp Energia's representatives to the general meetings of juridical persons where Galp Energia has an equity stake or otherwise is a partner and give them the necessary instructions, except for the presentation and voting, in the general meetings of companies directly controlled by the Company, of proposals for the composition or reshuffle of their governing bodies, alteration of the articles of association and dividend distribution, which are matters that lie within the exclusive decision-making preserve of the Board of Directors, as laid down in the Company's articles of association;
- to appoint attorneys with the powers deemed appropriate and



THE ASSIGNMENT OF SPECIFIC MANAGEMENT AREAS TO EACH OF THE EXECUTIVE DIRECTORS ENHANCES THE EFFECTIVE MANAGEMENT OF THE COMPANY AND THE ACHIEVEMENT OF SYNERGIES WITHIN THE BUSINESS UNITS AND BETWEEN THEM.

within the limits set by the articles of association and the relevant resolution of the Board of Directors.

ASSIGNMENT OF ROLES

In the meeting of the Board of Directors where the executive committee was elected and the delegation of powers was approved, responsibilities were attributed to the members of the executive committee and roles were assigned.

In this meeting, the Board of Directors also appointed the management bodies of the Galp Energia group companies responsible for managing the Group’s various businesses:

- Petrogal – the company responsible for the Refining & Marketing business segment;

- Galp Exploração – the company responsible for the Exploration & Production business segment;
- GDP – Gás de Portugal, SGPS, S.A. (GDP) – the company responsible for the natural gas business;
- Galp Power – the company responsible for the Power business;
- Galp Energia, S.A. – the Group’s corporate services company.

The boards of Directors of these companies are composed of Galp Energia’s Executive Directors in order to reflect the approved assignment of roles and to bring the decision centres closer to each business, except for the case described in page 34 of this report.

Allocation of roles

	Manuel Ferreira De Oliveira CEO	Claudio De Marco EXECUTIVE DIRECTOR (CFO)	Fernando Gomes EXECUTIVE DIRECTOR	André Ribeiro EXECUTIVE DIRECTOR	Carlos Gomes da Silva EXECUTIVE DIRECTOR	Fabrizio Dassogno EXECUTIVE DIRECTOR
Business units			Exploration & Production International Oil	Refining, Supply and Logistics	Marketing Oil	Gas & Power
Development units			Biofuels Development Unit			
Corporate services	Strategic planning Innovation development and sustainability Investors relations ⁽¹⁾ and corporate communication Human resources strategy Engineering and projects cabinet ⁽²⁾ Galp España + integration project	Legal services and company secretariat Accounting and treasury Corporate finance Information systems Corporate planning and control Investor relations ⁽¹⁾ Internal audit (coordination) Property, insurance and facilities	Institutional affairs	Health, safety and environment	Purchases Marketing Human resources	

(1) Shared responsibility.
(2) Includes refineries conversion project.

WORKINGS

The powers delegated by the Board of Directors to the executive committee require that the latter should meet regularly. In 2010, the executive committee met 45 times.

Minutes of all meetings of the executive committee are drafted, which are sent to the Board of Directors, as well as the notices of meeting.

The following procedural rules were approved in the meeting of the Board of Directors that delegated powers to the executive committee:

- the executive committee shall meet at last twice a month and, otherwise, whenever it is convened by either its Chairman or two Executive Directors;
- the meetings are convened by the Chairman of the executive committee or two Executive Directors with at least two days' prior notice, although they may be held at any moment with the presence or representation of all members;
- a meeting of the executive committee is valid if a majority of its members is present;
- the Executive Directors may be represented by other Executive Directors at the meetings of the executive committee by means of a letter addressed to the Chairman of the executive committee.



THE POWERS DELEGATED BY THE BOARD OF DIRECTORS TO THE EXECUTIVE COMMITTEE REQUIRE THAT THE LATTER SHOULD MEET REGULARLY. IN 2010, THE EXECUTIVE COMMITTEE MET 45 TIMES.

SPECIALIST COMMITTEES

REMUNERATION COMMITTEE

In accordance with the articles of association, the remuneration of the members of the governing bodies is set by a Remuneration Committee composed of representatives of three shareholders, elected by the general meeting for a three-year term ending on 31 December of the third year.

The articles of association also establish the incompatibility between the positions of member of the Board of Directors or member of the supervisory board and the position of member of the Remuneration Committee.

Like the members of the Board of Directors and the supervisory board, the members of the Remuneration Committee stay in office until the general meeting elects their successors.

The current members of the Remuneration Committee, who were appointed by the general meeting of 6 May 2008 for the 2008-2010 term, are the following:

- Chairman – CGD, represented by António Maldonado Gonelha;
- Member – Eni, represented by Maurizio Cicia;



THE CODE OF ETHICS AIMS TO PROVIDE GUIDANCE ON THE PERSONAL AND PROFESSIONAL CONDUCT OF ALL GALP ENERGIA EMPLOYEES.

- Member – Amorim Energia, B.V. (Amorim Energia), represented by Américo Amorim.

No member of the Remuneration Committee or their spouses, direct-line or third-degree relatives is part of the management body.

In the Remuneration Committee, there is at least one member who possesses knowledge and experience in remuneration policy.

In 2010, the Remuneration Committee met twice and the respective minutes were drafted.

RISK MANAGEMENT COMMITTEE

The remit of the risk management committee is to propose and monitor the implementation of Galp Energia's risk management policy, which is described in detail in this chapter.

PRICING COMMITTEE

The remit of the pricing committee is to define the pricing strategy and policy for liquid fuels in Portugal. This committee is composed of the executive Director in charge of the Distribution Oil business and the managers of specific businesses included in this unit. The pricing committee meets every week and minutes are drafted.

QUALITY BOARD

In order to align strategy with the functional management of quality matters, a quality board was created in December 2008. The remit of the board is to promote a culture of positive quality based on a solid leadership and committed to achieving

a strategic vision of quality. This board is composed of the Chairman of the executive committee, who also is its chair, the executive Director in charge of quality, the manager responsible for the corporate service of environment, quality and safety, the manager of corporate quality, as secretary, and first-line department managers appointed by the executive Director.

COMMITTEE FOR VERIFICATION OF COMPLIANCE WITH THE CODE OF ETHICS

The code of ethics, which was launched in July 2009, aims to provide guidance on the personal and professional conduct of all Galp Energia employees and regulate relationships between colleagues, shareholders, clients, suppliers and representatives of the communities with which the Galp Energia Group interacts. This committee is composed of three first-line managers appointed by the executive committee in order to ensure the implementation of the code as well as its interpretation and clarification of doubts or omissions.

BIOGRAPHIES OF THE MEMBERS OF THE BOARD OF DIRECTORS

The biographies of the members of the Board of Directors, including their professional qualifications, main professional activities in the last

five years and positions held in Galp Energia group companies or other companies at 31 December 2010 are appended to this report.

NUMBER OF SHARES OWNED BY MEMBERS OF THE BOARD OF DIRECTORS

At 31 December 2010, the current members of the Board of Directors owned, according to article 447 of the

Companies Code, the following Galp Energia shares:

Members of the Board of Directors	Total number of shares at 31.12.2009	Aquisition			Disposal			Total number of shares at 31.12.2010
		Date	Number of shares	Price (€/share)	Date	Number of shares	Price (€/share)	
Francisco Luís Murteira Nabo	-	-	-	-	-	-	-	-
Manuel Ferreira De Oliveira	85,640	-	-	-	-	-	-	85,640
Manuel Domingos Vicente	-	-	-	-	-	-	-	-
Fernando Manuel dos Santos Gomes	1,900	-	-	-	-	-	-	1,900
José António Marques Gonçalves	45,660	-	-	-	-	-	-	45,660
André Freire de Almeida Palmeiro Ribeiro	950	-	-	-	-	-	-	950
Carlos Nuno Gomes da Silva	2,410	-	-	-	-	-	-	2,410
Rui Paulo da Costa Cunha e Silva Gonçalves	-	-	-	-	-	-	-	-
João Pedro Leitão Pinheiro de Figueiredo Brito	-	-	-	-	-	-	-	-
Luca Bertelli	-	-	-	-	-	-	-	-
Claudio De Marco	-	-	-	-	-	-	-	-
Paolo Grossi	-	-	-	-	-	-	-	-
Maria Rita Galli	-	-	-	-	-	-	-	-
Fabrizio Dassogno	-	-	-	-	-	-	-	-
Giuseppe Ricci	-	-	-	-	-	-	-	-
Luigi Spelli	-	-	-	-	-	-	-	-
Joaquim José Borges Gouveia	-	-	-	-	-	-	-	-



ALL MEMBERS OF THE
SUPERVISORY BOARD MEET
THE INCOMPATIBILITY RULES
AND INDEPENDENCE
CRITERIA PROVIDED
IN THE LAW.

SUPERVISORY BODY

Galp Energia’s current supervisory model consists of a supervisory board and a firm of statutory auditors.

SUPERVISORY BOARD

COMPOSITION

The supervisory board is composed of three standing members and a deputy member who are elected by the general meeting of shareholders. The members may not be Directors of the Company or otherwise be subject to the incompatibilities in article 414-A of the Companies Code.

According to the law, all members of the supervisory board shall be in a compatibility situation as provided in article 414-A of the Companies Code. In addition, at least one of the members of the supervisory board shall have an academic degree which is suited for the role and a good

command of auditing or accounting. The majority of the board’s members shall be independent, meaning they (i) may have no links with any specific interest groups in the Company or (ii) be in a situation that might affect their independent judgment, namely because:

- They hold title – or represent major shareholders with title – to 2% or more of the Company’s shares;
- They have been re-elected for more than two terms, whether consecutive or not.

Composition of the supervisory board for the 2008 - 2010 term

Name	Position	First appointment
Daniel Bessa Fernandes Coelho	Chairman	2006
José Gomes Honorato Ferreira	Member	2006
José Maria Rego Ribeiro da Cunha	Member	2006
Amável Alberto Freixo Calhau	Deputy	2006

The supervisory board was elected by shareholders on 6 May 2008 for the 2008-2010 term, wich ends on 31 December 2010.

All members of the supervisory board fulfil the incompatibility rules of article 414-A, paragraph 1, of the Companies

Code as well as the independence criteria of article 414, paragraph 5, of the Companies Code.

REMIT

In accordance with article 19 of the Company's articles of association, the remit of the supervisory board includes proposing to the general meeting the appointment of a statutory auditor or firm of statutory auditors, appointing or dismissing the external auditors, setting their remuneration, overseeing the preparation and disclosure of financial information and the certification of the Company's accounts and verifying the independence of the statutory auditor or firm of statutory auditors, namely with regard to the provision of additional services.

The supervisory board shall make sure an independent external auditor is appointed among internationally renowned accountancy firms. The external auditor shall, without restricting the duties of either the supervisory board or the firm of statutory auditors, audit Galp Energia's annual accounts and other accounting documents. The supervisory board, which is the first recipient of the reports of the external auditors, evaluates the external auditor's performance on an annual basis by critically reviewing their reports. The supervisory board may propose to the general meeting the fair dismissal of the external auditor.

The remit of the supervisory board as well as its rights and obligations are defined in its regulation.

WORKINGS

The supervisory board shall convene at least once every quarter and every time its Chairman convenes it. The board shall report its findings to both the Board of Directors and the general meeting. The structure and workings of this governing body are set out in its regulation, which is available on www.galpenergia.com.

In 2010, the supervisory board met eight times and the minutes for the meetings were drawn up.

The supervisory board's annual report includes the description of the supervisory activity, mentioning possible constraints detected. The supervisory board's annual report is posted on the Company's website together with the financial statements.

BIOGRAPHIES OF THE MEMBERS OF THE SUPERVISORY BOARD

The biographies of the members of the supervisory board, including their Professional qualifications, their main professional activities in the last five years and the positions held in Galp Energia group companies at 31 December 2010 are appended to this report.

SHARES OF GALP ENERGIA HELD BY MEMBERS OF THE SUPERVISORY BOARD

At 31 December 2010, the current members of the supervisory board did not own, according to article 447 of the Companies Code, any shares of Galp Energia.

STATUTORY AUDITORS

COMPOSITION

According to Galp Energia's articles of association, a statutory auditor or a firm of statutory auditors shall be proposed to the general meeting by the supervisory board, of which it may not be part.

On the supervisory board's proposal, the Company's shareholders elected in the general meeting of 6 May 2008 for the 2008-2010 term, pursuant to article 420, paragraph 2 b), of the Companies Code and in accordance with article 19, paragraph 4, of Galp Energia's articles of association, P. Matos Silva, Garcia Jr., P. Caiado & Associados, SROC, whose head office is at Rua Luciano Cordeiro, n.º 113 – 6.º esq., 1150-214 Lisboa, member n.º 44 of the Portuguese Institute of Statutory Auditors and member n.º 1054 of CMVM, represented by Pedro João Reis

de Matos Silva, member n.º 491 of the Portuguese Institute of Statutory Auditors as standing members. António Campos Pires Caiado, member n.º 588 of the Portuguese Institute of Statutory Auditors, whose business address is Campo Grande, n.º 382-B – 3.ºD, 1700-097 Lisboa, was appointed as a deputy member.

REMIT

The remit of the firm of statutory auditors is to perform all checks and verifications towards auditing and certifying the Company's accounts as well as exercise other powers and rights conferred by law.

REMUNERATION

In 2010, the firm of statutory auditors was remunerated according with the standard terms for similar services following an agreement for the provision of services which carried a consideration of €105 thousand in 2010.

REMUNERATION OF THE MEMBERS OF THE GOVERNING BODIES

According to the articles of association, the remuneration of the members of the Board of Directors consists of a fixed and a variable component. Under the articles of association, the variable component may not exceed 0.5% of net profit in the financial year.

REMUNERATION POLICY

The Remuneration Committee submitted to the approval of Galp Energia's general meeting, convened on 26 April 2010, a statement on the policy for remuneration the management and supervisory bodies according to Law 28/2009, n.º 2, of 19 June.

According to that statement, the policy for remuneration the governing bodies

defined by the Remuneration Committee has the following objectives:

- (i) to remunerate properly, in competitive terms in comparison with the terms offered on the market, the work and the know how, according to the competences and responsibilities inherent to the roles;

(ii) encourage/reward the increase in efficiency and productivity, shareholder value creation and the sustained growth of earnings, in accordance with Law 28/2009 of 19 June and the Regulation CMVM 1/2010 and the Corporate Governance Code (Recommendations 2010); and

(iii) discourage excessive risk-taking.

The policy for remunerating governing bodies is based on the purpose of attracting and retaining the best professionals for the roles in the Company and ensuring the stability of the members of the governing bodies elected.

Taking that purpose into account, the general meeting approved the following policy for remunerating the Company's governing bodies, proposed by the Remuneration Committee:

I. Board of Directors and executive committee

Board of Directors:

The remuneration of Non-executive members of the Board of Directors will amount to a fixed monthly fee, paid 14 times a year, whose amount is determined by the Remuneration Committee in line with market practices. Also in line with these market practices, the remuneration of Non-executive members of the Board of Directors may be different for the Chairman of the Board of Directors, due to the special roles of Company representation that are committed to him, and for Non-executive members of the Board of Directors who have special roles of supervision and

monitoring in committees that may be created by the Board of Directors.

Executive committee:

The remuneration of the executive members of the Board of Directors will have two components, one fixed and one variable.

The fixed component will correspond to a fixed monthly fee, paid 14 times a year, to be determined by the Remuneration Committee considering the duties and responsibilities assigned and practices observed in the market for equivalent positions in large Portuguese and international companies;

The variable component has an occasional nature. It is determined according to the attainment of certain economic, financial and operational objectives and the evolution of Galp Energia's share price in the market against a group of peers, with the aim of creating a competitive remuneration scheme and an incentive/bonus system that ensures the alignment of Executive Directors with the interests of the Company and its stakeholders, from an economic and financial sustainability perspective.

The variable remuneration may vary between 0% and 60% of the annual fixed fee, depending on the degree of annual fulfillment of goals.

II. Supervisory board and firm of statutory auditors

The remuneration of the members of the supervisory board and the firm of statutory auditor is set considering the practices of Portuguese and international

markets and the efforts to align the interests of the members with those of the Company and its stakeholders.

The remuneration of the members of the supervisory board amounts to a fixed monthly fee, paid 14 times a year, and the remuneration of its Chairman is different from the other board members, considering the special functions performed by that member of the supervisory board.

The remuneration of the firm of statutory auditors will include the certification of the accounts, and will be set in market conditions.

III. General meeting board

The remuneration of the members of the general meeting board will correspond to different attendance fees for the Chairman, the vice-Chairman and the secretary,

in an amount to be determined based on the Company's situation and market practices.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

The individual remuneration in 2010 for Galp Energia's Non-executive Directors is detailed in the table below.

No variable remuneration was paid to Non-executive Directors who did not have executive roles in other Group companies.

REMUNERATION OF EXECUTIVE DIRECTORS

The individual remuneration for financial 2010 set by the Remuneration Committee for the members of the Board of Directors in office in 2010 is detailed in the table below. In 2010, no variable remuneration for financial 2009 was paid.

Remuneration of the members of the Board of Directors (€)

Name	POSITION	FIXED REMUNERATION	PPR	VARIABLE REMUNERATION	TOTAL
Francisco Luís Murteira Nabo	Chairman	210,000	0	0	210,000
Manuel Ferreira De Oliveira	Vice-Chairman and Chief Executive Officer	1,069,600	267,400	0	1,337,000
Manuel Domingos Vicente	Non-executive Director	42,000	0	0	42,000
Fernando Manuel dos Santos Gomes	Executive Director	350,000	87,500	0	437,500
José António Marques Gonçalves	Non-executive Director	425,600	106,400	0	532,000
André Freire de Almeida Palmeiro Ribeiro	Executive Director	350,000	87,500	0	437,500
Carlos Nuno Gomes da Silva	Executive Director	350,000	87,500	0	437,500
Rui Paulo da Costa Cunha e Silva Gonçalves	Non-executive Director	42,000	0	0	42,000
João Pedro Leitão de Figueiredo Brito	Non-executive Director	350,000	87,500	0	437,500
Massimo Mondazzi	Non-executive Director	40,250	0	0	40,250
Claudio De Marco	Chief Financial officer	350,000	87,500	0	437,500
Paolo Grossi	Non-executive Director	42,000	0	0	42,000
Maria Rita Galli	Non-executive Director	32,795	0	0	32,795
Fabrizio Dassogno	Executive Director	350,000	87,500	0	437,500
Giuseppe Ricci	Non-executive Director	42,000	0	0	42,000
Luigi Spelli	Non-executive Director	350,000	87,500	0	437,500
Joaquim José Borges Gouveia	Non-executive Director	42,000	0	0	42,000
Francesco Giunti	Non-executive Director	9,205	0	0	9,205
Luca Bertelli	Non-executive Director	1,750	0	0	1,750

Notes: Directors José António Marques Gonçalves, João Pedro Leitão de Figueiredo Brito, Luigi Piro and Luigi Spelli did not receive any additional remuneration for their executive roles in other Galp Energia group companies.

Directors Maria Rita Galli and Luca Bertelli were appointed in the meeting of the Board of Directors of 22 March 2010 and 15 December 2010, respectively, in replacement of Francesco Giunti and Massimo Mondazzi, respectively.

Galp Energia has no bonus or profit-sharing schemes. Therefore, no bonuses or remunerations were paid in 2010 in the form of profit sharing.

Executive and Non-executive Directors with executive roles in Galp Energia group companies are entitled to contributions to a retirement plan under a so-called PPR (retirement savings plan). The Remuneration Committee has set this contribution at 25% of annual gross remuneration. This is the only complementary retirement plan or early retirement plan currently in force for Galp Energia's Directors.

The complementary retirement plan was not submitted to the general meeting.

The amount of the contributions is calculated annually for each executive Director and adjusted proportionally for the actual time worked in the year.

Directors Manuel Ferreira De Oliveira, Fernando Manuel dos Santos Gomes, Carlos Nuno Gomes da Silva, Luigi Spelli, Claudio De Marco and Fabrizio Dassogno, whose residence is not located in the area of the Company's head office, are paid a monthly rent/travel allowance of €3,000.

Under the current policy, the remuneration paid to Galp Energia Directors includes all remuneration due for executive roles at Galp Energia group companies. Therefore, no other amounts were paid by other companies.

No compensation was paid or due to former Executive Directors for the early termination of their term in financial 2010.

Galp Energia has currently no share grant or stock option plans or any other incentive schemes tied to shares.

In case of early termination of an executive Director's term, no compensation has been agreed exceeding the double of the fixed monthly remuneration.

Executive Directors do not receive other non-cash benefits considered as remuneration not covered in previous paragraphs.

There are no contractual limitations provided for compensation to pay for the unfair dismissal of a Director.

REMUNERATION OF THE MEMBERS OF THE GENERAL MEETING BOARD

The remuneration of the members of the general meeting board are set by the Remuneration Committee as attendance fees. In 2010, the Remuneration Committee awarded the members of the general meeting board the amount of €3,900, €3,000 of which to the Chairman, €500 to the vice-Chairman and €400 to the secretary.



Galp Energia employee.

REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

In 2010, the overall remuneration of the members of the supervisory board, set by the Remuneration Committee, amounted to €92,400. The Chairman of the supervisory board received €42,000 and each of the other members received €25,200. The deputy member did not receive any remuneration.

RISK MANAGEMENT AND CONTROL SYSTEM

As an oil operator, Galp Energia is exposed to several risks, namely market risks, operations risks, compliance risks and risks related to treasury, credit and insurance.

MAIN RISKS

Galp Energia's operations and earnings are subject to risks from possible changes in competitive, economic, political, legal, regulatory, social, industry, financial and business conditions. Investors should carefully consider these risks as they may have a material adverse effect on Galp Energia's results from operations and its financial condition. Actions being taken by management to mitigate some of these risks are identified when justified. In addition to those listed below, other risks may adversely affect Galp Energia's activities to a similar or even higher degree.

MARKET RISKS

Galp Energia operations are subject to several types of market risk, namely fluctuations in the prices of oil, natural gas and refined products, movements in exchange rates and competition from other companies operating in the energy sector.

Fluctuating prices for crude oil and oil products

Prices of oil, natural gas and oil products are affected by supply and demand that are in turn influenced by operational issues, natural disasters, weather conditions, political instability or conflicts, economic conditions or actions taken by major oil-exporting countries. A decline in the price of

crude oil or natural gas may have a material adverse effect by reducing the economic recoverability of discovered reserves and the prices realised from production. Lower crude oil or natural gas prices may also impair the economic viability of projects that are planned or in development. Galp Energia also maintains inventories of crude oil and oil products whose value is negatively affected by declines in market prices. A rise in crude oil and natural gas prices may also adversely affect the Company's results of operations or its financial condition, as it would increase the significant portion of expenses relating to the purchase of crude oil and natural gas. Although the prices that Galp Energia charges to its customers reflect the market prices, prices may not be adjusted immediately or fully account for increased market prices in markets experiencing volatility, in particular prices in the regulated natural gas market. Significant pricing level changes during the period between the purchase of crude oil and other feedstock and the sale of refined petroleum products could therefore have a material negative effect on Galp Energia's results.

Movements in exchange rates

Galp Energia's activities are exposed to movements in currency exchange rates, in particular the US dollar against the euro, its home currency. Trading prices of crude oil, natural gas and most refined petroleum products, and thereby a significant portion of

Galp Energia costs and revenues, are generally denominated in or tied to the US dollar, while the Company's financial statements are prepared in euros. Accordingly, a depreciation of the US dollar against the euro can have an adverse effect on Galp Energia's reported earnings, as it decreases the value of the profits generated in US dollars or tied to the US dollar. Furthermore, movements in the euro against the US dollar can have a negative impact on inventories or loans.

Competition

The energy sector is highly competitive in many significant parts of its business. Failure to adequately analyse, understand or respond to the competitive environment could have an impact on Galp Energia's financial position.

OPERATIONAL RISK

Galp Energia is exposed to operational risks that have a negative impact, among others, on project execution, development of reserves and third parties dependency.

Project delivery

Galp Energia's execution of its strategic plan, its results and financial position are to a significant extent dependent upon the successful completion of projects within budget and according to specifications. The delivery of these projects is subject to health, safety and environment (HSE) risks as well as technical, commercial, legal, economic and contractor hazards. Projects may

prove unsuccessful for many reasons, from cost overruns to legal or technological issues.

Reserves/resources growth and estimation

A Galp Energia's future oil and gas production is dependent on the success in finding, acquiring and developing new reserves. Usually the rate of production from natural gas and oil reservoirs declines as reserves are depleted. Galp Energia needs to replace these depleted reserves with new proved reserves on a consistent and cost-effective basis. There can be no assurance that Galp Energia will be successful in its exploration and development activities or that, if successful, the resulting discoveries will be sufficient to replenish the current reserves or cover the costs of exploration. If unsuccessful, Galp Energia will not meet its production targets and total proved reserves will decline, which will have a negative effect on the future results of its operations or its financial situation.

Reserves development

Following the identification of exploration or new venture opportunities, certain activities are performed before an investment decision or "sanction" is made by management. These activities include marketing conditions, feasibility studies, and concept selection and definition. There are several risks during the pre-sanction phases that may expose the projects to additional

risks and costs. Main regulatory risks during the pre-sanction phase are failure to negotiate appropriate agreements, where required, with host governments, lack of appreciation of the regulatory framework in the host country and failure to obtain from the relevant local authorities the relevant permits, licences or approvals to carry out or operate certain works.

Reliance on third parties

Galp Energia is dependent, for a substantial portion of its operations, on continued access to oil, natural gas and other raw materials and supplies at appropriate prices. In particular, Galp Energia is to a large extent dependent on sourcing from Sonatrach in Algeria for natural gas and from Nigeria LNG for liquefied natural gas. Access to the Company's existing sources of crude oil, natural gas and other feedstock might be interrupted as a result of, among other things, political events with structural effects on the sector, limited pipeline capacity or other problems in transporting oil or natural gas from its current sources that may increase sourcing costs and have a negative effect on the Company.

Efficient operations

The integrity of Galp Energia's assets can be affected by a number of factors, including unplanned shutdowns and equipment failure. Failure to have robust systems and processes in place across the Company may adversely impact plant availability, production volumes and, ultimately, cash flow. Failure to have

good asset integrity and process safety practices could result in a safety or environmental incident.

Health, safety and the environment

Given the range and complexity of Galp Energia's operations, potential HSE risks are widespread. These risks include major process safety incidents, failure to comply with approved policies, effects of natural disasters and pandemics, social unrest, civil war and terrorism, exposure to general operational hazards, personal health and safety, and crime. A major HSE incident could result in injury or loss of life, damage to the environment or destruction of facilities. Depending on their cause and severity, they can affect Galp Energia's reputation, operational performance and financial position. Emissions of greenhouse gases and associated climate change are real risks to the Company and society at large. In the future, if Galp Energia is unable to find CO₂ solutions for new and existing projects, future government regulation or challenges from society could lead to project delays, additional costs and, therefore, may affect Galp Energia's operational performance or financial position.

Product quality

Failure to meet product quality standards throughout the value chain could lead to harm to people or the environment and loss of customers.

Human resources

Galp Energia's successful delivery of its business strategy depends on the skills

and efforts of its employees and management teams. Future success will depend to a large extent on the Company's ability to attract, retain, motivate and organise its highly skilled and qualified personnel.

COMPLIANCE

This area includes risks of changes in taxes and tariffs applied to Galp Energia, risks of changes in policies and regulations in the countries where Galp Energia operates and risks relating to corporate responsibility.

Taxes and tariffs

Galp Energia operates in several countries around the world and any of these countries can modify its tax laws in ways that could adversely affect the Company. Galp Energia is subject, among other levies, to corporate taxes, energy taxes, petroleum revenue taxes, customs surtaxes and excise duties, each of which may affect revenues and earnings. In addition, Galp Energia is exposed to changes in tax regimes relating to royalties and taxes imposed on crude oil and gas production. Significant changes in the tax regimes of countries in which the Company operates could have a material adverse effect on Galp Energia's results of operations or financial condition.

Political, regulatory and economic risks

Galp Energia's exploration and production activities are located in countries outside of Europe which

have developing economies or political or regulatory environments that have at times in the past been unstable. Galp Energia also sources natural gas from Algeria and Nigeria for its natural gas business and sells its petroleum products in several African countries. As a result, a portion of the Company's revenues is and will increasingly be derived from, or dependent on, countries with economic and political risks, including expropriation and nationalisation of property and increases in taxes and royalties.

Galp Energia believes that it adheres to international norms in all countries in which it operates. However, any irregularities that may be discovered or alleged could have a material adverse effect on Galp Energia's ability to conduct business or on the value of its shares.

Stakeholder engagement

A number of stakeholders, including employees, investors, media, governments, civil society groups, non-governmental organisations and those living in local communities affected by Galp Energia's operations, have legitimate interests in the Company's business. The Company's reputation and/or share price could suffer due to inappropriate or inadequate engagement with stakeholders, including, for example: failure to develop proactive stakeholder engagement strategies, delivery of inconsistent messaging to key stakeholders on business objectives and strategy; failure to

provide adequate explanations if performance targets are not met or if performance is perceived as poor against competitors'; and inadequate responses to any crisis or a major incident.

Corporate responsibility

Galp Energia's failure to implement its business principles or any potential investigations that may damage Galp Energia could impact the Company's reputation or share price. Each of the following risks could affect the Company's ability to deliver projects on time and within budget and damage Galp Energia's reputation: (i) failure to consider and manage environmental impacts, social consequences and human rights in investment decisions and pricing policies, project planning and operational management; (ii) failure to identify stakeholder expectations; (iii) and weak governance and internal controls, including the ineffective implementation of anti-corruption policies.

TREASURY, CREDIT AND INSURANCE

Financial risks include, among other hazards, changes in interest rates, liquidity shortfalls, credit risk, pension plan risk and insurance risk.

Interest rate and liquidity risk

Galp Energia's financing cost may be affected by interest rate volatility. The Company is also exposed to liquidity risks, including those associated with the refinancing of borrowings as they mature, the risk that credit lines are

not available to meet cash requirements, and the risk that financial assets cannot readily be converted to cash without loss of value. Failure to manage financing risks could have a material impact on Galp Energia's cash flow, balance sheet or financial position.

Credit risk

Galp Energia's credit risk arises from the potential failure of a counterparty meeting its contractual payment obligations and, thus, the amount of risk depends on the creditworthiness of the counterparty. In addition, counterparty risk arises in conjunction with cash investments and hedging instruments. The amount of risk is quantified at the expected loss to the Company in the event of a default by the counterparty. Credit risk limits are set at the corporate level and delegated to the various business segments.

Pension plans

Galp Energia maintains several defined benefit pension plans for part of its active workforce. Under these pension plans, benefit payments are calculated as a complement of social security pensions, based on years of service and final salary. The most critical risks relating to pensions accounting often relate to the returns on pension plan assets and the discount rate used to assess the present value of future payments. Pension liabilities can place significant pressure on cash flows. In particular, if pension funds are underfunded, Galp Energia may be

required to make additional contributions to the funds, which could adversely affect its business, financial condition or results of operations.

Insurance

Galp Energia maintains insurance in line with industry best practices for the risks inherent in its business. The risks insured include, among other hazards, damage to property and equipment, industry liability, maritime transport liability of crude oil and other goods, pollution and contamination, Directors' and officers' civil liability and work accidents. Nevertheless, some of the major risks involved in Galp Energia's activities cannot be reasonably and economically insured.

Risk management policy

Galp Energia is exposed to various types of risks that are described in the first part of this chapter. The Company has defined policies and procedures to measure, manage and monitor its risk exposures. The purpose of the Company's risk management policy is to support business segments in achieving their goals while monitoring the potential impact of risks on their results. Galp Energia's risk management policy aims to optimise the natural hedges embedded within each of its business segments and between different business segments. At a second stage, Galp Energia identifies residual market risks, if any, affecting expected cash flows or balance sheet items and analysis them on an integrated basis by considering correlations between any external



GALP ENERGIA MAINTAINS SEVERAL DEFINED BENEFIT PENSION PLANS FOR PART OF ITS ACTIVE WORKFORCE.

variables beyond the control of the Company that may impact the results of the Company's operations. The risk management committee defines both the implementation and execution of the risk management policy and submits it to the executive committee for approval. Results are assessed on a monthly basis by the central unit that is responsible for all business units.

Galp Energia manages and mitigates commodity price risk by monitoring its net global commodity position and by balancing its purchase and supply obligations. In particular, Galp Energia manages the pricing period in order to achieve, at the end of each month, the average dated Brent crude price of such month, regardless of the actual days of pricing. The Company aims to achieve this objective through daily purchases and/or sales of futures in crude oil based on the difference between the spot price and each month's average dated Brent price. As a result, Galp Energia's purchases and sales are made throughout the month based on market prices without affecting physical purchases. Galp Energia hedges these commodity prices at the Intercontinental Exchange (ICE), in London. To hedge against relative price movements between exported products and the crude or oil products purchased, Galp Energia partly hedges its export margin on a monthly basis. These hedges are contracted through swaps and futures transactions.

In the gas natural business, Galp Energia uses the over-the-counter

market to offer to its customers the price structures that they demand, thereby not changing its final risk position.

Interest rate exposure, currency risks and other financial risks are managed by the Company's central corporate finance and corporate treasury departments. Galp Energia's total interest rate position, including financial investments and debt, is monitored by its central risk management units. Interest rate exposure is mainly related to interest-bearing debt in the balance sheet and interest rate derivatives. The objective of interest rate risk management is to reduce the volatility of interest expense in the income statement. Galp Energia's interest rate risk management policy aims to reduce exposure to floating rates by fixing the interest rate of part of the debt, using plain-vanilla derivative instruments such as swaps.

Galp Energia manages liquidity risk by maintaining adequate available credit lines to face liquidity needs in any moment, regardless of market conditions.

Galp Energia's credit risk arises from the potential failure of a counterparty meeting its contractual payment obligations and, thus, the amount of risk depends on the creditworthiness of the counterparty. Credit risk is managed at the business unit level taking into account the definitions set out by the executive committee on

credit risk limits and the initiatives to be undertaken to minimise or eliminate risk. This risk is hedged using instruments available in the market.

Galp Energia maintains insurance in line with industry best practices for the risks inherent in its business. The risks insured include, among other hazards, damage to property and equipment, industry liability, maritime transport liability of crude oil and other goods, pollution and contamination, Directors' and officers' civil liability and work accidents. Nevertheless, some of the major risks involved in Galp Energia's activities cannot be reasonably and economically insured.

System of internal control and risk management

The system of internal control is a set of policies and procedures adopted by the Group in order to ensure the fulfillment with reasonable safety of the Galp Energia group's objectives in the following subjects: orderly and efficient conduction of its businesses; prevention and detection of fraud and errors; fulfillment of laws and regulations; guarantee of strictness and completeness of financial reporting, as well as the timely preparation of credible financial information.

Galp Energia's system of internal control is based on the guidance of the Committee of Sponsoring Organizations (CoSO) of the Tradeway Commission. Regarding the

components of the internal control as defined by the CoSO, its main features in the Galp Energia group's approach to environment control, risk assessment, monitoring, and information and communication are described as follows.

Environment control

Environment control is the starting point and the basis for the other components of risk control. The control environment comprises the overall attitude, ethical awareness and the initiatives of the executive committee, being an example for employees and other stakeholders of the Group.

The implementation of a code of ethics to guide personal and professional conduct of all employees contributes to achieving the mission, vision and values of the Galp Energia group. This document is available on the Group's website.

Galp Energia's internal control environment also comprises the internal standards and procedures for delegating powers of authority, which ensure adequate scrutiny of several management decisions, according to their nature and materiality.

The supervisory board has the remit of supervising the effectiveness of the system of risk management, internal control and internal audit, as well as the annual assessment of system operation and its internal procedures, thereby strengthening the internal control environment.



GALP ENERGIA'S SYSTEM OF INTERNAL CONTROL IS BASED ON THE GUIDANCE OF THE COMMITTEE OF SPONSORING ORGANIZATIONS (COSO) OF THE TRADEWAY COMMISSION.

The recommendations deemed justified by the supervisory board are sent to the executive committee.

Risk assessment

The executive committee is responsible for the implementation in the Galp Energia group of a mechanism for identifying and assessing internal and external risks that may affect the Group’s performance and is supported by various internal entities.

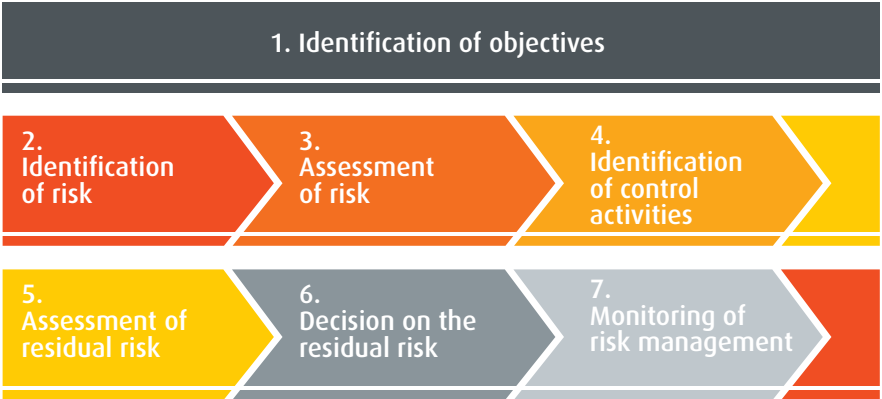
Given Galp Energia’s responsibilities, the corporate service of internal audit has been promoting the systematization of the assessment of the risks and the internal control systems at the level of business units. These analyses, performed along with the business units, are aimed at risks identified and managed by business units.

Since inherent risks and the effectiveness of internal controls are a function of endogenous and exogenous variables, this process is not static. Thus, risk reassessments

must be regularly conducted to the Group’s main businesses to guarantee the alignment of the business units’ response to risks with the risk profile decided by the executive committee. This way, the probability of potentially negative or even catastrophic events for the Group is reduced.

Generally, assessments of risk analysis and internal control start by identifying and classifying the main risks facing the achievement of the objectives of the business units, as well as the control systems in place to mitigate them. Under the assessment of the effectiveness of the portfolio of implemented control systems, residual risks are measured and the existence of possible deviations from the risk appetite set for the unit is checked. Finally, business units announce their residual risk, committing to a response plan designed to mitigate, transfer, avoid or accept residual risk. This process is in accordance with the method illustrated by the following chart, which shows the sequence and dependencies of the several activities:

Methodology of risk assessment and internal control



As illustrated above, the Group's risk management is viewed as a multifaceted and interactive process, in which the several components of the process influence each other.

Risk assessment and internal control adopted in the business units, as well as their plans in response to risk, are reported to the Chairman of the Board of Directors and all members of the executive committee. This will ensure proper communication with these governing bodies about the level of risk assumed by the managers of the business units.

Monitoring

It is up to the supervisory board to supervise the adoption by the Company of principles and policies to identify and manage the main financial and operational risks related to Galp Energia's activities, as well as measures to monitor, control and disclose such risks.

Under the activity carried out by the corporate department of internal audit, operational audits, compliance audits, financial audits and revisions to information systems are conducted in order to test the effectiveness of implemented internal control mechanisms. Annually, an audit plan is set up based on the outcome of the assessment of the residual risk of several processes and business units, which is approved by the Chairman of the Board of Directors. Audit reports are sent to the Chairman of the Board of Directors and all members of the executive committee. A summary of half-year activity of the corporate department of internal audit is sent to

the Chairman of the Board of Directors, the executive committee and the supervisory board. In 2010, close to 70 audits were conducted in business units, service units and Galp Energia's group companies.

Under its remit, the firm of statutory auditors and the external auditors, to issue the certification of accounts and auditor's report related to Galp Energia's separate and consolidated financial statements, they evaluate the internal control mechanisms for the Galp Energia group companies' major functional cycles affecting financial reporting but they do not issue any specific report on the subject.

Information and communication

This report includes a brief description of some of the main risks affecting businesses, results and the Group's financial situation.

The process of disclosing Galp Energia's financial information is monitored by the management and supervisory bodies as well as the business units and corporate services. The investor relations and corporate communications department prepares the documents for presentation of financial information to the capital markets based on information provided by the business units, accounting and treasury and the corporate planning and control departments. Prior to their disclosure, these documents are sent to the management and supervisory bodies. In this manner, all documents containing financial information are approved by these two bodies prior to their disclosure.



Galp Energia employees.

CODES OF CONDUCT AND INTERNAL REGULATIONS

The Company's status as a listed company, coupled with growing attention to ethical issues, prompted a reappraisal of established rules and codes.

The change in procedures aims to ensure, in a clear and efficient way, full independence between governing bodies and between these and the Company as well as ensure the professional and personal integrity of the members of these bodies.

To this end, a code of ethics was approved in July 2009 with the purpose to provide guidance on the personal and professional conduct of all Galp Energia employees as well as

to regulate the relations between colleagues, shareholders, clients, suppliers and representatives of the communities with which the Galp Energia Group interacts.

The regulation of the Board of Directors provides for rules regarding the access to price-sensitive information by Directors who engage in activities competing with the Company's own activities.

WHISTLEBLOWING POLICY

In accordance with CMVM's recommendations, Galp Energia has developed several mechanisms designed to ensure good management practices in Group companies.

Among these mechanisms there is the prevention of improper acts or even irregularities, which may be committed by employees.

In case the prevention of such acts is not successful, their early detection is pursued in order to avoid serious situations that may damage the Company, the Group, its shareholders, clients and employees.

Galp Energia provides a channel whereby any employee can report, directly or confidentially, their knowledge of any irregularity or illegal practice within the Company.

It is part of the supervisory board's remit to receive the notices of irregularities reported by shareholders, employees or others as well as to inform the Board of Directors and the general meeting of any irregularity detected and the procedures followed for their confirmation. The supervisory board shall also record in writing all checks, audits and notices it has received, actions taken and the procedures in place for remedying the detected irregularities.

The guarantee of confidentiality does not exempt the participant's identification, according to the healthy principle of responsibility in providing information.

Any employee may not only freely communicate his worries or suspicions of improper or possibly illicit behaviour but also facilitate its early detection, thereby impeding its consummation and avoiding damage to the Company, the Group, its shareholders, clients or employees.

Galp Energia guarantees that the employee reporting the practice of any irregularity or simply a suspicion will not be exposed to any retaliation or disciplinary action, unless eventually proven that the employee acted in bad faith.



GALP ENERGIA HAS DEVELOPED SEVERAL MECHANISMS DESIGNED TO ENSURE GOOD MANAGEMENT PRACTICES IN GROUP COMPANIES.





04

INFORMATION AND AUDITING

IN 2010, WE WERE
AWARDED SEVERAL
PRIZES RELATED TO THE
QUALITY OF DISCLOSURES
TO CAPITAL MARKETS. AT
GALP ENERGIA, WE KNOW
HOW IMPORTANTE THE
QUALITY OF DISCLOSURES
IS, PARTICULARLY TO RETAIL
SHAREHOLDERS.

GALP ENERGIA IN THE EQUITY MARKETS

DESCRIPTION OF MAIN SHAREHOLDERS

In 2010, the shareholder structure remained stable, allowing Galp Energia to proceed the execution of its strategy.

Amorim Energia, Eni and Caixa Geral de Depósitos (CGD) are parties to a shareholder agreement, briefly described in this chapter, which enforced them to keep their holding in the Company’s share capital until 31 December 2010.

Amorim Energia has it head office in the Netherlands and its shareholders are Power, Oil & Gas Investments BV (30%), Amorim Investimentos Energéticos SGPS S.A. (20%), Oil Investments BV (5%) and Esperaza Holding BV (45%). Whereas the three first companies are directly or indirectly controlled by Portuguese investor Américo Amorim, the last one is controlled by Sonangol, E.P., Angola’s state-owned oil company.

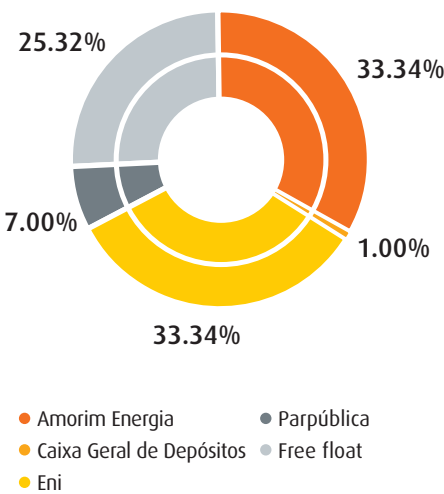
Eni is an italian energy operator listed on the Milan Stock Exchange and the NYSE in New York. Eni is present in over 75 countries in Exploration & Production, Refining & Marketing, Gas & Power, Petrochemicals & Engineering Services and Construction & Drilling. At 31 December 2010, Eni had a market capitalization of €65 billion.

Caixa Geral de Depósitos (CGD) is Portugal’s largest credit institution and is wholly-owned by the Portuguese state.

Parpública is a vehicle for the Portuguese state’s equity holdings in a number of companies. In September, Parpública issued seven-year bonds with a fixed coupon rate of 5.25%. These debt instruments are exchangeable into shares of Galp Energia and the issue was part of the privatisation of an additional 7% of Galp Energia’s share capital.

In late 2010, 25% of Galp Energia’s shares were freely traded on the market. The largest part of this free float – close to 80%, or 20% of the shares outstanding – was owned by institutional investors. Private investors owned the remainder, or 5% of the total. This distribution between institutional and private investors has been stable since 2008.

Shareholder structure at 31 December 2010



Major holdings at the end of 2010

SHAREHOLDERS	NUMBER OF SHARES	% VOTES
Amorim Energia	276,472,161	33.34%
CGD	8,292,510	1.00%
Eni	276,472,161	33.34%
Parpública	58,079,514	7.00%
Others shareholders	209,934,289	25.32%
Total	829,250,635	-

Major holdings were calculated in accordance with article 20 of the Securities Code (SC). Pursuant to this article, paragraph 1 c), voting rights attached to the shares held by each one of the parties to the shareholder agreement are reciprocally assigned to the other parties. Consequently, according to the law, Galp Energia is deemed to be jointly controlled by the shareholders who are parties to the shareholder agreement, that is, Amorim Energia, CGD and Eni.

The shareholder base at the end of the year included investors from 26 countries. Galp Energia's visibility in international equity markets was evidenced by the spread of over 80% of the institutional base outside the country of origin.

British institutional investors kept their leadership position in spite of the reduction of their share in this owner category from 37% in 2009 to 34% in 2010. Portuguese and French institutional investors accounted for 19% and 11%, respectively.

INFORMATION TO SHAREHOLDERS

Galp Energia's policy for capital markets communications aims to ensure a steady flow of relevant information that will fairly represent for investors, analysts and the public at large, with symmetry and simultaneousness, the Company's performance and strategy.

SHARE TRADING

Except for the shares traded by Parpública and the holdings covered by the shareholder agreement between Amorim Energia, CGD and Eni, the Galp Energia stock is freely traded on the market.

From the 829,250,635 shares that compose Galp Energia's share capital, 771,171,121 shares are listed for trading on NYSE Euronext Lisbon. The shares that are indirectly owned by the Portuguese state through Parpública (40,000,000 A shares and 18,079,514 B shares) are not listed for trading although they are registered

with Eurolist by Euronext Lisbon. At 31 December 2010, Galp Energia had no treasury shares.

The Galp Energia stock is part of several indices: PSI-20, Dow Jones STOXX 600, Dow Jones Europe STOXX Oil & Gas (SXEP), Euronext 100, FTSE World Oil & Gas, MSCI Euro Index and NYSE Euronext Iberian Index.

DESCRIPTION OF THE SHARES

There are two categories of Galp Energia shares: 40,000,000 shares of category A, which represent 4.8% of the share capital, and 789,250,635 shares of category B, which represent 95.2% of the share capital.

Category A shares carry the following special rights:

- the election of the Chairman of the Board of Directors must be approved by a majority of the votes cast by category A shareholders;
- any resolutions that authorise the signing of peer or subordinate group agreements or may jeopardise the safe supply of oil, gas, electricity or their derivatives to the country may not, either at the first or the second call, be approved against the majority of votes cast by category A shareholders;
- any resolutions about matters under the special rights inherent to category A shares may only be approved if they are supported by the majority of votes cast by category A shareholders.



The monitoring of Galp Energia's share is done on a daily basis.

Codes and tickers of the Galp Energia share

ISIN	
Symbol: GALP (type B)	PTGAL0AM0009
Portuguese state shares (type A)	PTGALSAM0003
Portuguese state shares (type B)	PTGALXAM0006
Sedol	B1FW751
WKN	AOLB24
Bloomberg	GALP PL
Reuters	GALP.LS

Lisboa, 25 de Outubro de 2010



NYSE Euronext

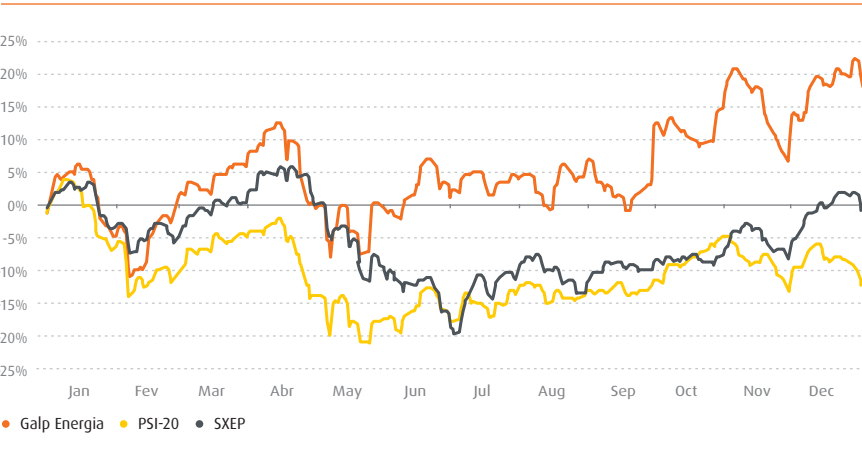
Celebrating the 4th anniversary of Galp Energia's entrance in the stock market.

SHARE TRANSFERABILITY

Shares in Galp Energia are freely transferable according to the law and there are no provisions in the Company's articles of association hindering transferability.

Share transferability is referred to in the shareholder agreement, described in this chapter.

Comparison with the SXEP and the PSI-20 in 2010



Source: Bloomberg

PERFORMANCE OF THE GALP ENERGIA SHARE

HOW THE SHARE PERFORMED IN 2010

At 31 December 2010, Galp Energia had a market capitalisation of €11,891 million, up 19% in comparison with the €10,017 million a year earlier. This was in contrast to the PSI-20, the benchmark index for the Portuguese equity market, which fell in 2010. The Galp Energia share also outperformed the European index for the Oil & Gas sector, which gained 1% in 2010.

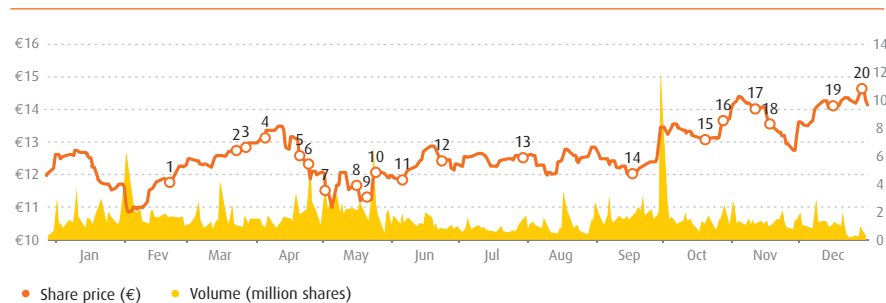
In 2010, 428 million Galp Energia shares were traded, which was equivalent to 52% of the Company's share capital or, even more important, two times its free float. This volume evidences the liquidity of the share on Euronext Lisbon, which is one of the most heavily traded of the PSI-20. The average daily traded volume was 1.6 million shares and the total number of shares traded rose by 3%. The share price peaked for the year at €14.86, on 30 December, and had its lowest level, €10.37, on 5 February.

Main events in 2010

EVENT	DATE
1. Earnings release for the fourth quarter and 12 months of 2009	25 February
2. Well test in Tupi NE confirms high productivity	23 March
3. Approval of the annual report and accounts of 2009	27 March
4. New well confirms the potential of light oil in Tupi	07 April
5. Annual general meeting of shareholders	26 April
6. Acquisition of marketing activities and distribution assets from Gas Natural in the region of Madrid	30 April
7. Earnings release of the first quarter 2010	06 May
8. Ex-dividend date for the payment of the second dividend for financial 2009	17 May
9. Major holding of The Royal Bank of Scotland plc	19 May
10. Major holding of The Royal Bank of Scotland plc	28 May
11. General meeting of bondholders	08 June
12. New well confirms the potential of light oil in Tupi	26 June
13. Earnings release for the second quarter and first half of 2010	30 July
14. Ex-dividend date for the payment of the first dividend relating to financial 2010	20 September
15. Drilling of a new well in south Tupi confirms the potential and the extension of the reservoir	22 October
16. Earnings release for the third quarter and nine months of 2010	28 October
17. Signing of contracts for the construction of 8 FPSO hulls for the Brazilian offshore	11 November
18. Bond issue in the amount of €300,000,000	12 November
19. Drilling of new well in the west of Tupi confirms the potential of light oil	16 December
20. Declaration of Commerciality for the areas of Tupi and Iracema	29 December

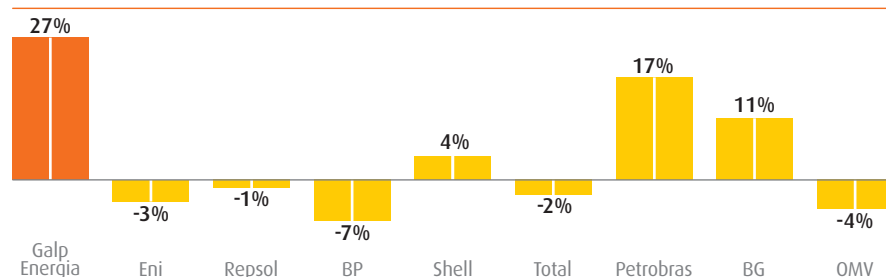
At the end of 2010, the Galp Energia share had gained 147% relative to the IPO price in October 2006. As shown in the next chart, the 27% annualised gain in this period outperformed a group of peers.

Performance of the Galp Energia share in 2010



Source: Bloomberg

Annualised return between 23 October 2006 and 31 December 2010



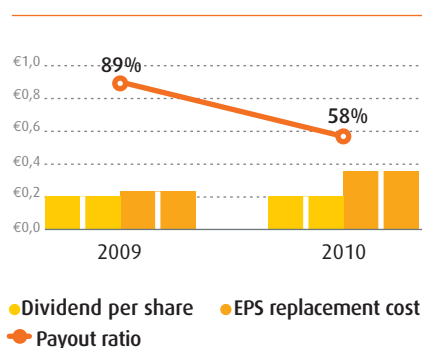
Source: Bloomberg

Note: Prices are in euros and include dividends paid out by companies.

DIVIDEND POLICY

Galp Energia announced in 2009 a revision of its dividend policy for 2009-2013. This policy favours capital conservation as a way of enabling the execution of transformational projects.

Dividend and earnings per share (€/share)



Source: Galp Energia

Note: Earnings per share on a replacement cost basis.

The new policy aims to pay €0.20 per share in annual dividend, subject to general meeting approval, and maintain the payment of an interim dividend. In 2010, an interim dividend of €0.06 per share was paid.

In 2011, the Board of Directors will propose to the 2011 AGM a dividend

of €0.20 per share in respect of the financial year of 2010, which equates to a dividend yield of 1.39% on the basis of the share price at 31 December 2010. Following approval by the general meeting, the dividend of €0.14 per share for the financial year of 2010 will be paid.

SHAREHOLDER AGREEMENT

The shareholder agreement between Amorim Energia, CGD and Eni (the Parties), Galp Energia's core shareholders, regulates some of the main features of the Company's governance.



THE SHAREHOLDER AGREEMENT BETWEEN GALP ENERGIA'S CORE SHAREHOLDERS IS VALID UNTIL MARCH 2014.

Signed on December 2005 and enforced in March 2006, this agreement is valid for an eight-year period. The shareholder agreement governs the following matters:

- deadlock situations as detailed below;
- change of control as detailed below;
- default on the shareholder agreement as detailed below.

TEMPORARY RESTRICTION ON THE TRANSFER OF SHARES

The Parties were committed to maintain their equity stake in Galp Energia until 31 December 2010 (the lock-in period), although they may sell their holdings in the following stances:

Each Party undertakes, except in the above stances, not to increase beyond 33.34% its stake in Galp Energia in the lock-in period. If Amorim Energia is the seller, CGD has the right, before the other Parties, to buy the shareholding offered for sale

or to appoint a third Party meeting the requirements outlined in “CGD’s preference right” below.

SALE OF SHARES

After 1 January 2011 – when the lock-in period has elapsed – the Parties may only sell their holdings in one single block. The other Parties will have either a pre-emptive right to buy or a tag-along right to join, on the same terms, a sale to a third party, having a pre-emptive right only in the sale to other Parties to the shareholder agreement.

If Amorim Energia is the seller, CGD will have the preferential right to acquire, wholly or partly, before any other Party, the shares offered for sale by Amorim Energia or, alternatively, to appoint a third Party (that shall meet the requirements outlined in “CGD’s preference right” below) to buy the shares.

In all other sales, or in case CGD does not exercise its aforementioned right, the shares of the selling Party shall be distributed equally to the Parties exercising their preference right, regardless of each Party’s respective holding in Galp Energia.

CGD’S PREFERENCE RIGHT

In the instances when Amorim Energia should intend or be forced to sell shares in Galp Energia while the shareholder agreements is in force, CGD shall have the preference to acquire these shares or to appoint a third Party for that purpose. The other Parties may only exercise their preference or acquisition right if, and to the extent, CGD will not exercise its preferential right nor appoint a third Party for that end.

Any third party appointed by CGD shall cumulatively fulfil the following requirements:

- it shall not be a controlling shareholder or be part of the same group of companies as: (i) CGD, (ii) any public-sector entities, (iii) any companies whose share capital is exclusively owned by the state or (iv) any state-owned enterprises;
- it shall not be a company operating in the energy sector; and

- it shall enter into the existing shareholder agreement, taking over the rights and obligations of the selling party.

Except for a sale by Eni, CGD's exercise of the preference rights arising from the shareholder agreement may not result in the Portuguese state or any other related parties holding shares that account for more than 33.34% of the share capital of Galp Energia.

COMPOSITION OF GOVERNING BODIES

GENERAL MEETING COMMITTEE AND COMPANY SECRETARY

The members of the general meeting committee and the company secretary shall be elected or appointed, as the case may be, upon agreement between the Parties, among independent professionals with the required qualifications and experience.

COMPOSITION OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE

Current mandate (2008 – 2010)

Exclusively in 2008-2010 term, the Board of Directors shall have 17 members, six of which shall compose the executive committee.

CGD has the right to appoint a Director who will always be the Chairman of the Board of Directors and the Director appointed by the

Portuguese state, in its capacity as category A shareholder through Parpública. Amorim Energia shall have the right to appoint seven Directors.

Eni shall also have the right to appoint seven directors. Amorim Energia, Eni and CGD will together appoint a Director: in case of failure to reach agreement, this Director shall be appointed by a majority vote among the three entities, provided CGD's favourable vote can be obtained.

Amorim Energia and Eni shall – subject to CGD's approval, which shall not be withheld on unreasonable grounds – jointly appoint the Chief Executive Officer (CEO).

The executive committee shall have the following composition: the Chairman shall be the CEO and Amorim Energia and Eni shall separately appoint two Directors each. Amorim Energia and Eni shall jointly appoint the sixth Director from the Directors appointed separately by Amorim Energia and Eni as described above.

In case a Director is appointed pursuant to the article 392 of the Companies Code, they shall replace the Director who has been jointly appointed by Amorim Energia, CGD and Eni. Notwithstanding, the Parties shall be bound to cast their votes in a concerted manner.

Subsequent mandates

The Board of Directors shall have fifteen members, five of which shall also be members of the executive committee. CGD has the right to appoint a Director who will always be the Chairman of the Board of Directors and the Director appointed by the Portuguese state, in its capacity as category A shareholder.

Both Amorim Energia and Eni shall have the right to appoint six Directors. Amorim Energia, Eni and CGD will together appoint a Director: in case of failure to reach agreement, this Director shall be appointed by a majority vote among the three entities, provided CGD's favourable vote can be obtained.

Amorim Energia and Eni shall – subject to CGD's approval, which shall not be withheld on unreasonable grounds – jointly appoint the Chief Executive Officer (CEO). The executive committee shall have the following composition: the Chairman shall be the CEO and Amorim Energia and Eni shall separately appoint two Directors each.

In case a Director is appointed pursuant to the article 392 of the Companies Code, they shall replace the Director who has been jointly appointed by Amorim Energia, Eni and CGD. Notwithstanding, the Parties shall be bound to cast their votes in a concerted manner.

The Parties may agree to increase the number of Directors from 15 to 19, in which case both Eni and Amorim Energia shall have the right to appoint an additional Director each. The other two Directors shall be independent and appointed by Eni and Amorim Energia.

AUDITING AND SUPERVISION

The shareholder agreement provides for Galp Energia to have a supervisory board composed of three members and a statutory auditor or firm of statutory auditors. Eni, Amorim Energia and CGD shall jointly propose a member and its deputy for the supervisory board and both shall be statutory auditors and independent. Both Amorim Energia and Eni shall have the right to propose an independent member. CGD shall have the right to decide which one of the Directors separately appointed by Amorim Energia and Eni will be the Chairman of the supervisory board.

The statutory auditor or firm of statutory auditors shall be recommended to the general meeting by the supervisory board. The supervisory board shall hire the services of an independent external auditor, who shall be selected among internationally renowned accountancy firms. In parallel with the supervisory board's and the statutory auditors' roles, the external auditors shall verify Galp Energia's accounts and other annual accounting documents.



Galp Energia head offices in Lisbon.

DISMISSAL

The Parties have agreed that a member of a governing body who has been appointed by one of the parties may be dismissed by that party, which will be responsible for any costs arising from that action. In the cases where a member of a governing body has been jointly appointed by the Parties, the Parties may agree their dismissal and shall be responsible for any costs following from that dismissal.

BOARD RESOLUTIONS

Approval of the following matters requires a at least two-thirds majority by the members of the Board of Directors:

- strategic investments and related funding;
- annual budgets and business plans and any changes thereto as well as any resolutions that are not contained in the mentioned documents or exceed by more than 20% the amount of a given item or by more than 10% the amount of the annual budget;
- transactions in excess of €20 million with parties related to shareholders;
- appointment of senior managers of Galp Energia or any other company it controls;
- issuance of bonds or other securities within the powers of the Board of Directors;

- change of the articles of association of any company controlled by Galp Energia.

Under the shareholder agreement, approval of the matters listed below shall require a two-thirds majority vote by the members of the Board of Directors, which shall include the favourable vote of at least one member of the Board of Directors separately appointed by each party to the agreement:

- strategic divestments by Galp Energia or any company it controls;
- involvement in activities outside Galp Energia's core business (core business is here considered as exploration and production, refining, transportation and marketing of oil and gas and power production), namely through the acquisition of equity stakes in companies pursuing those activities;
- selection of strategic partners for Galp Energia's core business;
- approval and changes to Galp Energia's guidelines, strategic plan or business areas;
- definition of Galp Energia's organisational structure and delegation of powers by the Board of Directors to the executive committee or one or more managing Directors (including the roles of executive committee members);

- scope of management autonomy by any company controlled by Galp Energia;
- break-up, merger or liquidation of any company controlled by Galp Energia;
- signing of peer or subordinate group agreements by any company controlled by Galp Energia;
- dividend payments by any company controlled by Galp Energia;
- matters related to the special rights of category A shares.

COMPOSITION OF THE BOARDS OF DIRECTORS OF COMPANIES CONTROLLED BY GALP ENERGIA

The Parties have agreed that the board members of Petrogal, GDP and Galp Power shall be the same as the members of Galp Energia's executive committee.

Similarly, the Chairman of Galp Energia's executive committee shall be the Chairman of these companies' Boards of Directors.

Exclusively in the 2008 – 2010 term, Petrogal's Board of Directors may include two additional members that shall be jointly appointed by Amorim Energia and Eni from Galp Energia's Non-executive Directors.

GENERAL MEETING RESOLUTIONS

The Parties undertake to present proposals and vote in a concerted and unanimous manner with regard to the following matters which require, under article 12, paragraph 5, of Galp Energia's articles of association, a two-thirds majority vote:

- matters related to the special rights of category A shares;
- approval of and changes to Galp Energia's strategic guidelines, strategic plan or business areas;
- resolution on the allocation of net income for the year or the delivery of assets to shareholders;
- issuance of securities outside the powers of the Board of Directors;
- proposed strategic partnerships submitted for approval by the Board of Directors to Galp Energia's general meeting;
- approval of Galp Energia's separate and consolidated annual accounts;
- break-up, merger or liquidation of Galp Energia.

DEADLOCK SITUATIONS

In case a quorum is not obtainable for the Board of Directors or the general meeting of shareholders to make resolutions on the aforementioned matters, or in case the Parties cannot reach an agreement in thirty days, a deadlock situation is considered arise under the shareholder agreement, whereby the matter giving rise to that situation shall be submitted to the judgment of experts appointed by the Parties.

In case the Party that has argued an understanding subsequently overturned by the experts' decision wishes to dispose of its shareholding in Galp Energia, it shall initially offer the shares to the other Parties to the shareholder agreement. Only if the other Parties have no intention to acquire its shareholding will the selling Party be entitled to dispose of its shares on a regulated market.

PAYOUT OF DIVIDENDS

The Parties shall propose the annual payout of at least 50% of Galp Energia's net income, subject to the net debt to EBITDA ratio not exceeding 3.5 for the current and following year, as budgeted.

CHANGE OF CONTROL

In case one Party (the Affected Party) is affected by change of control when the shareholder agreement is in force, the other

Parties shall have the right to acquire the Affected Party's holding in equal proportions, while respecting CGD's preference right as described above in "CGD's preference right".

Under the shareholder agreement, change of control is said to occur when, following one or more actions or agreements, irrespective of their legal form or title:

- one or more entities, individually or jointly, come to own, directly or indirectly, (i) over half of the Affected Party's shares or voting rights or (ii) the right to appoint or dismiss the majority of the members of the affected Party's Board of Directors;
- one or more entities acquire the possibility to impose or veto the affected Party's strategic decisions;
- a merger, the signing of a peer or subordinate group agreement or any other similar event occurs in relation to the affected Party;
- the whole or at least two-thirds of the affected Party's assets are transferred (by any means) to one or more entities.

The above is not applicable (i) in situations where change of control is the consequence of an exclusive transaction with one or more Parties of the shareholder agreement, (ii) in CGD's case when change of control is the consequence of transactions between state-owned companies and



In 2010 AGM all reference shareholders were presents.

(iii) in case of a legitimate succession of Américo Amorim or any member of his family.

On 10 July 2008, the entities that control the Parties are:

Amorim Energia - indirectly controlled by Américo Amorim family, comprising exclusively any of the following people: Américo Ferreira de Amorim, Maria Fernanda de Oliveira Ramos Amorim, Paula Fernanda Ramos Amorim, Marta Cláudia Ramos Amorim Barrocas de Oliveira and Luísa Alexandra Ramos Amorim.

Eni – listed on the regulated securities market in Milan and New York and its largest shareholder is the Italian ministry of economy and finance, which holds, directly and through its subsidiary CDP, S.p.A., 30.3% of Eni's share capital. Eni's articles of association give some special rights to the Italian state.

CGD – 100% owned by the Portuguese state.

ASSIGNMENT OF RIGHTS AND OBLIGATIONS AND TAG-ALONG RIGHTS

No Party may assign the rights or obligations arising from the shareholder agreement without the other Parties' prior written consent or the assignee's prior acceptance of the assignment and its terms, without any reservations.

In case a Party transfers its shares, wholly or partly, to a third Party, the transferor undertakes to obtain the transferee's full and unconditional acceptance of the provisions of the shareholder agreement.

COOPERATION AND NON-COMPETITION DUTIES

The Parties agreed to attribute Galp Energia, if she wants so, certain rights related to cooperation and non-competition of Eni with Galp Energia in exploration and production, refining and marketing and natural gas in the Portuguese and Spanish markets. These rights may involve an agreement on certain activities or streamlining at market prices.

DEFAULT

In case a default on the shareholder agreement by any Party (the Defaulting Party) has not been remedied, each Party that is not in default shall have the right (i) to acquire the equity owned in

Galp Energia by the Defaulting Party or, alternatively, (ii) to receive a sum as damages. In either case, the Party shall in thirty days notify the other Parties of its choice.

GENERIC STRATEGIC OBJECTIVES AND GUIDELINES

The parties have agreed the general strategic objectives and guidelines for Galp Energia and shall take the necessary steps towards their implementation.

VALIDITY

The shareholder agreement entered into force on 29 March 2006 and shall remain valid for a period of eight years.

MODIFICATION OF THE ARTICLES OF ASSOCIATION

Galp Energia's articles of association do not have special rules for changes. The rule in the article 386, paragraph 3, of the Companies Code, that is, the resolution of changes to the articles of association must be approved in general meeting by two thirds of the votes, shall be applied.

TRANSACTIONS BETWEEN THE COMPANY AND MEMBERS OF THE GOVERNING BODIES, SHAREHOLDERS OR ASSOCIATES

In Galp Energia's course of business, transactions are entered into with several entities including companies where the shareholders of Galp Energia own equity stakes. These transactions are conducted according to the best market practice for similar transactions.



Galp Energia is in the stock market since October 2006.

CAPITAL MARKETS COMMUNICATIONS

REPRESENTATIVE FOR MARKET RELATIONS

Galp Energia's representative for market relations is Tiago Maria Ramires da Providência Villas-Boas, head of the investor relations and corporate communication division.

COMMUNICATIONS POLICY

Galp Energia's communications policy aims to provide all relevant information to the market so that a well-founded judgment is formed about the Company's operations and earnings as well as its growth prospects, profitability and risks.

To this end, Galp Energia promotes transparent and consistent communications supported by the principles followed in the disclosure of information and the explanation of the reasons for changes, if any, so as to ensure comparability of information between reporting periods. All relevant information is preferably disclosed either before the Euronext Lisbon opens or after it closes, in both Portuguese and English, by means of CMVM's information disclosure system, the investor relations website or an e-mail notice to any private or institutional shareholder having previously requested it.

INVESTOR RELATIONS AND CORPORATE COMMUNICATION DEPARTMENT

The investor relations and corporate communication department, or DRICE in the Portuguese acronym, in particular in its investor relations arm, reports directly to the chief executive and chief financial officers. Its powers is to plan, manage and coordinate all activities towards

attainment of Galp Energia's objectives for its relations with shareholders, institutional investors and financial analysts, among others, resulting in a coherent and complete perception of Galp Energia that will facilitate investor decisions. This mission equates to providing the market with rigorous, regular and timely information about Galp Energia.

The DRICE brief also includes taking the necessary steps to comply with legal information requirements including the responsibility for preparing earnings and activity reports, for disclosing price sensitive information, for replying to requests for information by investors, financial analysis and other market participants and for assisting the executive committee in addressing issues relating to Galp Energia's status as a public company.

Since the third quarter of 2006, Galp Energia has disclosed quarterly information about its activities and consolidated results. Aiming to increase the number of releases to the market, Galp Energia started to disclose in early 2008 a summary of operating data for each calendar quarter fifteen days before the earnings announcement. This way, Galp Energia discloses part of the operating data needed by both analysts and investors to estimate Company results.

In its advisory role to the executive committee, the DRICE has structured the process for monitoring the performance on the market of the Galp Energia share as well as those of its peers. The department also provided support to both the CEO and CFO in their direct and regular contacts with financial analysts and institutional investors, both domestic and international, at conferences, investor presentations and one-to-one meetings.

ACTIVITY IN 2010

In 2010, DRICE held over 210 meetings with institutional investors in Europe, the United States and Latin America, which shows investors' high interest in knowing the Company better.

For earnings announcements, Galp Energia held quarterly meetings with analysts and investors in order to discuss results, answer questions about the Company's strategy and disclose the management's point of view of current issues.

The CEO and CFO, among other members of the executive committee, participate in the conference call. On the day following the earnings announcement, a telephone number that gives access to the conference call held the day before is made available for four weeks. On the earnings announcement website, the recording is also available.

In 2010, Galp Energia decided to announce the earnings in the morning before the opening of the Euronext Lisbon, due to the globalization of the Company's shareholder structure and the growing presence of investors from the United States. The conference call with investors and analysts will be held in early afternoon.

THE WEBSITE

In 2010, Galp Energia launched an innovative new website reflecting the Company's corporate image. The Company has a website dedicated to the disclosure of corporate and financial information on the Group. The link to the website is <http://www.galpenergia.com/EN/INVESTIDOR/Paginas/Home.aspx>.

Information made available on the investor relations website includes:

- a detailed description of Galp Energia's operations;
- reports and presentations of earnings announcements and transcriptions of the presentations;
- real-time publication of releases and appended presentations, if any, through CMVM's information disclosure system;
- section on corporate governance, which includes the Galp Energia corporate model, governing bodies, the articles of association, the corporate governance report, the



Galp Energia financial website.

code of ethics, risk management and the applicable legislation;

- details about each member of the executive committee and Board of Directors, with their profiles (CV, picture and previous roles);
- section on Galp Energia share prices, including tracking against the PSI-20 and peer companies, the possibility to download historical prices and traded volumes and a calculator to estimate the amount and return on investment;
- list of equity analysts covering the Galp Energia share, including the last recommendation, the price target and a summary of the last recommendation;
- financial calendar with key dates for earnings announcements, dividend declarations and other events;
- area dedicated to the general meeting where all procedures are described and documents can be downloaded.

The investor relations (IR) website is available in both Portuguese and English. All corporate information that

is public and substantive is, as a rule, available on the site.

In its efforts to create a close relationship with the financial community, Galp Energia offers on its IR website the possibility to sign up a mailing list for news and other new content posted on the site. The investor relations website fully complies with CMVM's recommendations on the use of the internet as a way of disclosing corporate information.

E-MAIL

Besides being posted on CMVM's information disclosure system and Galp Energia's own IR website, releases of price sensitive information and other disclosures are emailed to those analysts, institutional investors or private individuals who have expressly requested it.

Electronic mail is also a key tool for the Company's communications with the market as it is one of the financial community's preferred means to air doubts or request information.

The DRICE's e-mail is investor.relations@galpennergia.com.



EXTERNAL AUDITOR

Galp Energia's external auditors are independent from the Company and responsible issuing the auditing report on the separate financial statements, and on the consolidated financial statements, prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. The external auditors guarantee quality, consistency and transparency in the financial information disclosed to the market.

The external auditors were hired, after a bid process, for a three-year period corresponding to the mandate of Galp Energia's governing bodies.

Galp Energia's external auditors in the 2010 financial year were Deloitte & Associados, SROC, S.A. (Deloitte), member n.º 43 of the Portuguese Institute of Statutory Auditors and member n.º 231, represented by Jorge Carlos Batalha Duarte Catulo.

Deloitte is also the statutory auditor for all Galp Energia group companies, with exception made to Galp Energia, SGPS, S.A.

The external auditors' total remuneration in 2010 for Galp Energia's group companies was €1,960 thousand detailed as follows:

- 1- Auditing services: €882 thousand;
- 2- Other services of fiability check: €359 thousand;
- 3- Tax consultancy services: €131 thousand;
- 4- Other services excluding auditing services: €580 thousand.

05

APPENDICES



BIOGRAPHIES OF THE MEMBERS OF THE BOARD OF DIRECTORS

Francisco Luís Murteira Nabo	
Age:	71
Academic degrees:	Degree in Economics from Instituto Superior de Ciências Económicas e Financeiras, Lisbon, holds a Master's degree in Business Administration from AESE – Escola de Direção de Negócios.
Main professional activities in the last five years in non Group companies:	<ul style="list-style-type: none"> • Non-executive Director of BPG – Banco Português de Gestão, S.A.; • Non-executive Director of STDP – Sociedade Transnacional de Desenvolvimento de Participações, SGPS, S.A.; • Non-executive Director of Oriente, SGPS, S.A.; • Non-executive Director of Sagres – Companhia de Seguros, S.A.; • Chairman of the Portuguese Economic Society; • Curator at Fundação Oriente; • Chairman of the board of curators at Fundação Luso-Espanhola; • Vice-Chairman at Fundação Luso-Brasileira; • Curator at Fundação Dr. Stanley Ho; • Curator at Fundação AFID Diferença; • Curator at Fundação da Universidade de Aveiro; • Chairman of the board of ELO – Associação Portuguesa para o Desenvolvimento Económico e a Cooperação; • Member of the corporate board of CPLP; • Chairman of the general meeting committee of Novabase, SGPS, S.A.; • Chairman of the advisory board of INIR – Instituto de Infra-estruturas Rodoviárias IP; • Chairman of ITQB - Instituto de Tecnologia Química e Biológica, of Universidade Nova de Lisboa; • Member of the orientation board of IICT – Instituto de Investigação Científica Tropical; • Chairman of COTEC; • Member of the supervisory board of Public Works and Transportation; • Vice-Chairman of business confederation of CPLP; • Member of the Board at Fundação Espírito Santo Silva.
Positions held in Group companies at 31.12.2010:	-
Other positions held at 31.12.2010:	<ul style="list-style-type: none"> • Non-executive Director of Holdomnis – Gestão e Investimentos, S.A.; • Non-executive Chairman of Templo – Gestão e Investimentos, S.A.; • Non-executive Chairman of Lenitudes, SGPS, S.A.; • Chairman of the general meeting committee of RAVE – Rede Ferroviária de Alta Velocidade, S.A.; • Chairman of the Remuneration Committee of Novabase, SGPS, S.A.; • Chairman of the board of curators of Fundação Galp Energia.

Manuel Ferreira De Oliveira	
Age:	62
Academic degrees:	Degree in Electric Engineering, major in Energy, from the Engineering Faculty at the Universidade do Porto, holds a Master of Science (MSc) in Energy from the University of Manchester and a PhD in Energy at the University of Manchester. Associated Professor at Universidade do Porto where he became a Professor in 1979. Management studies at IMD, Switzerland, Harvard Business School and Wharton Business School in United States. Advisory member of the Portuguese Engineering Society as a specialist in industrial management and energy. Effective member of Academia de Engenharia de Portugal.
Main professional activities in the last five years in non Group companies:	<ul style="list-style-type: none"> • Chairman of the Board of Directors and Chief Executive Officer of Unicer – Bebidas de Portugal, SGPS, S.A. between 2000 and 2006; • Vice-chairman of Casa da Música in Porto.
Positions held in Group companies at 31.12.2010:	<ul style="list-style-type: none"> • Chairman of the Board of Directors of Galp Exploração; • Chairman of the Board of Directors of Petrogal; • Chairman of the Board of Directors of GDP; • Chairman of the Board of Directors of Galp Gás Natural Distribuição, SGPS, S.A. (Galp Gás Natural Distribuição); • Chairman of the Board of Directors of da Galp Power; • Chairman of the Board of Directors of Galp Energia, S.A.; • Chairman of the Board of Directors of Galp Energia España; • Chairman of the Board of Directors of Galp Exploração e Produção (Timor Leste), S.A.; • Chairman of the Board of Directors of Galp Energia E&P B.V.; • Chairman of the advisory board of Petrogal Brasil, Lda.; • Chairman of the advisory board of Galp Exploração Serviços do Brasil, Lda.; • Chairman of the Board of Directors of Next Priority – SGPS, SA.
Other positions held at 31.12.2010:	<ul style="list-style-type: none"> • Vice-Chairman of the general board of Universidade do Porto; • Member of the advisory board of Entreadua; • Chairman of the Board of Directors of Fundação Galp Energia.

Manuel Domingos Vicente

Age:	54
Academic degrees:	Degree in Electrical Engineering from the Universidade de Angola. His training in management and the oil industry was pursued mainly at London-based OGC – Oil & Gas Consultants International.
Main professional activities in the last five years in non Group companies:	-
Positions held in Group companies at 31.12.2010:	-
Other positions held at 31.12.2010:	<ul style="list-style-type: none"> Chairman of the Board of Directors of Sonangol; Chairman of the Board of Directors of UNITEL, S.A.R.L. (Empresa angolana de telecomunicações móveis); Chairman of the Board of Directors of Sonils – Sonangol Integrated Logistic Services, Lda.; Member of the Board of Directors of BAI – Banco Africano de Investimentos and the Grupo Carlyle, and other entities.

Fernando Manuel dos Santos Gomes

Age:	64
Academic degrees:	Degree in Economics and Visiting Professor at Universidade Lusíada do Porto.
Main professional activities in the last five years in non Group companies:	-
Positions held in Group companies at 31.12.2010:	<ul style="list-style-type: none"> Member of the Board of Directors of Galp Exploração; Member of the Board of Directors of Petrogal; Member of the Board of Directors of GDP; Member of the Board of Directors of Galp Gás Natural Distribuição; Member of the Board of Directors of Galp Power; Member of the Board of Directors of Galp Energia, S.A.; Member of the Board of Directors of Galp Energia Espanha; Member of the Board of Directors of Galp Exploração e Produção (Timor Leste), S.A.; Member of the Board of Directors of Sopor - Sociedade Distribuidora de Combustíveis, S.A.; Member of the Board of Directors of Galp Energia E&P B.V.; Chairman of the Board of Directors of Galpbúzi – Agro Energias, S.A.; Chairman of the Board of Directors of Moçamgalp Agroenergias de Moçambique, S.A.; Chairman of the managing board of Petrogal Angola, Lda.; Chairman of the managing board of Petrogal Cabo Verde, Lda.; Chairman of the managing board of Petrogal Moçambique, Lda.; Chairman of the managing board of Petrogal Guiné-Bissau, Lda.; Member of the advisory board of Petrogal Brasil, Lda.; Member of the advisory board of Galp Exploração Serviços do Brasil, Lda.; Chairman of the executive committee of Galp; Moçambique, Lda.;

Positions held in Group companies at 31.12.2010:

- Chairman of the board of Gambia Limited;
- Chairman of the board of Galp Swaziland, Limited;
- Member of the Board of Directors of Next Priority – SGPS, SA.

Other positions held at 31.12.2010:

- Member of the Board of Directors of Fundação Galp Energia.

José António Marques Gonçalves

Age:	59
Academic degrees:	Degree in mechanical engineering from Instituto Superior Técnico. Degree from Harvard Business School in USA. Degree from the General Motors Institute in USA. Several management courses in England, USA and Japan.
Main professional activities in the last five years in non Group companies:	<ul style="list-style-type: none"> Vice-Chairman of the executive committee of Galp Energia from January 2007 to May 2008; Chief Executive Officer of Galp Energia from May 2005 to December 2006.
Positions held in Group companies at 31.12.2010:	Member of the Board of Directors of Petrogal.
Other positions held at 31.12.2010:	-

André Freire de Almeida Palmeiro Ribeiro

Age:	36
Academic degrees:	Degree in Business Administration from Universidade Católica de Lisboa.
Main professional activities in the last five years in non Group companies:	-
Positions held in Group companies at 31.12.2010:	<ul style="list-style-type: none"> Member of the Board of Directors of Galp Exploração; Member of the Board of Directors of Petrogal; Member of the Board of Directors of GDP; Member of the Board of Directors of Galp Gás Natural Distribuição; Member of the Board of Directors of Galp Power; Member of the Board of Directors of Galp Energia, S.A.; Member of the Board of Directors of Galp Energia Espanha; Member of the Board of Directors of Galp Exploração e Produção (Timor Leste), S.A.; Director of Galp Energia E&P B.V.; Chairman of the Board of Directors of Sacor Marítima, S.A.; Member of the Board of Directors of Next Priority – SGPS, S.A.
Other positions held at 31.12.2010:	Member of the Board of Directors of Fundação Galp Energia.

Carlos Nuno Gomes da Silva

Age:	43
Academic degrees:	Degree in Electrical Engineering and Computer Science from Engineering Faculty of Universidade do Porto. Master in Business Administration from Escuela Superior de Administración y Dirección de Empresas de Barcelona and Instituto Empresarial Portuense. Additional courses from ESADE (Barcelona), London Business School (London) and EGP (Porto).
Main professional activities in the last five years in non Group companies:	<ul style="list-style-type: none"> • Several executive roles at Grupo Américo Amorim between 2007 and 2008; • Several executive roles including member of the Board of Directors of Unicer Bebidas de Portugal SGPS, SA until 2007; • Chairman of Associação Portuguesa dos Industriais de Águas Minerais Naturais e de Nascente between 2003 and 2006 and vice-chairman of Associação Nacional de Indústrias de Refrigerantes e Sumos de Fruta between 2005 and 2007.
Positions held in Group companies at 31.12.2010:	<ul style="list-style-type: none"> • Member of the Board of Directors of Galp Exploração; • Member of the Board of Directors of Petrogal; • Member of the Board of Directors of GDP; • Member of the Board of Directors of Galp Gás Natural Distribuição; • Member of the Board of Directors of Galp Power; • Member of the Board of Directors of Galp Energia, S.A.; • Member of the Board of Directors of Galp Energia España; • Member of the Board of Directors of Galp Exploração e Produção (Timor Leste), S.A.; • Director of Galp Energia E&P B.V.; • Chairman of the Board of Directors of CLC – Companhia Logística de Combustíveis, S.A.; • Chairman of the Board of Directors of Sopor – Sociedade Distribuidora de Combustíveis, S.A.; • Member of the Board of Directors of Next Priority – SGPS, S.A.
Other positions held at 31.12.2010:	<ul style="list-style-type: none"> • Member of the Board of Directors of Amorim Investimentos Energéticos, SGPS, S.A. and Amorim Energia; • Member of the Board of Directors of Fundação Galp Energia.

Rui Paulo da Costa Cunha e Silva Gonçalves

Age:	43
Academic degrees:	Law degree from the Global School of Law of Universidade Católica de Lisboa. Post graduation in Management for Law graduates at School of Business and Economics of Universidade Católica.
Main professional activities in the last five years in non Group companies:	<ul style="list-style-type: none"> • Deputy Director of Amorim - Investimentos Energéticos, SGPS, S.A.; • Vice-president of the general meeting of Banco Único, S.A.; • Visiting Professor in various courses and post graduations at Instituto Português de Administração e Marketing between 2004 and 2007; • Member of the general meeting committee of several companies of Grupo Unicer between 2002 and 2007; • Deputy Director of the law department of Grupo Unicer between 2002 and 2007.
Positions held in Group companies at 31.12.2010:	-
Other positions held at 31.12.2010:	<ul style="list-style-type: none"> • Director and managing Director of Amorim – Investimentos Energéticos, SGPS, S.A.; • Vice-Chairman of the general meeting committee of Banco BIC Português, S.A.

João Pedro Leitão Pinheiro de Figueiredo Brito

Age:	45
Academic degrees:	Degree in Economics from Instituto Superior de Economia at Universidade Técnica de Lisboa, with a specialisation in International and Financial Economics. Post graduation in Management from Universidade Nova de Lisboa.
Main professional activities in the last five years in non Group companies:	<ul style="list-style-type: none"> • Executive Director of Galp Energia for the Oil Marketing of the Iberian Peninsula and Marketing units, from May 2005 to May 2008; • Held several senior positions in Galp Energia's Refining & Marketing business segment, namely Head of Direct Clients and Head of the LPG sub-unit. Also held several management positions in natural gas in companies of Galp Energia Group.
Positions held in Group companies at 31.12.2010:	<ul style="list-style-type: none"> • Member of the Board of Directors of Petrogal; • Member of the Board of Directors of Galp Energia España; • Member of the Board of Directors of Companhia Logística de Hidrocarburos CLH, S.A.; • Chairman of the Board of Directors of Galp Comercialização, Lda.; • Chairman of the Board of Directors of Galp Energia Portugal Holdings B.V.
Other positions held at 31.12.2010:	-

Luca Bertelli

Age:	52
Academic degrees:	Degree in geological sciences at Florence University Thesis on wireline logs and seismic.
Main professional activities in the last five years in non Group companies:	<ul style="list-style-type: none"> • Vice-president of Global Exploration business of Eni, between May 2009 and March 2010; • General manager and managing Director of Eni Angola, between October 2008 and May 2009; • General manager and managing Director of Agiba Petroleum Company, between April 2006 and October 2008; • Managing Director of Eni Indonesia, between April 2003 and April 2006.
Positions held in Group companies at 31.12.2010:	-
Other positions held at 31.12.2010:	Senior Vice president of Exploration & Unconventional of Eni (between March 2010 and December 2010).

Claudio De Marco

Age:	53
Academic degrees:	Degree in Economics and Banking at University of Siena. Master in Management Control at SDA Bocconi.
Main professional activities in the last five years in non Group companies:	<ul style="list-style-type: none"> • Head of management, finance and control of Italgas S.p.A. from July 2007 to April 2008; • From July 2001 to June 2007, head of management, finance and control of Snam Rete Gas S.p.A..
Positions held in Group companies at 31.12.2010:	<ul style="list-style-type: none"> • Member of the Board of Directors of Galp Exploração; • Member of the Board of Directors of Petrogal; • Member of the Board of Directors of GDP; • Member of the Board of Directors of Galp Gás Natural Distribuição; • Member of the Board of Directors of Galp Power; • Member of the Board of Directors of Galp Energia, S.A.; • Member of the Board of Directors of Galp Energia España; • Member of the Board of Directors of Galp Exploração e Produção (Timor Leste), S.A.; • Director of Galp Energia E&P B.V.; • Member of the Board of Directors of Next Priority – SGPS, S.A.
Other positions held at 31.12.2010:	<ul style="list-style-type: none"> • Member of the Board of Directors of Fundação Galp Energia.

Paolo Grossi

Age:	39
Academic degrees:	Degree in Economics at LUISS University in Rome. Master in Business Administration in Finance at City University in London.
Main professional activities in the last five years in non Group companies:	<ul style="list-style-type: none"> • Vice-executive president of planning and control of Eni between May 2009 and March 2010; • Senior vice-president of planning and control of Eni's Refining and Marketing between November 2007 and April 2009; • Head of management control of Eni's Refining & Marketing division between July 2005 and November 2007.
Positions held in Group companies at 31.12.2010:	-
Other positions held at 31.12.2010:	<ul style="list-style-type: none"> • Retail vice-executive president by the commercial unit of oil products from the Refining & Marketing business unit of Eni, since April 2010; • Member of the Board of Directors of Polimeri Europa S.p.A.

Maria Rita Galli

Age:	39
Academic degrees:	Degree in Nuclear Engineering at Politécnico di Milano in 1996.
Main professional activities in the last five years in non Group companies:	<ul style="list-style-type: none"> • Senior vice-president for the international business development & asset management at Eni's Gas & Power division, since January 2010; • Vice-president responsible for the corporate development and management division in the Burani Group, since October 2006; • International business development vice-president at Eni's Gas & Power division since 2006; • Manager in the LNG commercial segment in the international sales & foreign business development department of Eni Gas & Power, from September 2004 to April 2006; • Project manager in the international business development division of Eni Gas & Power since 2002.
Positions held in Group companies at 31.12.2010:	-
Other positions held at 31.12.2010:	<ul style="list-style-type: none"> • Member of the Board of Directors and vice-president of Distrigás, S.A.; • Member of the Board of Directors of Tigaz Zrt; • Chairman of the Board of Directors of Altergaz since December 2010.

Giuseppe Ricci

Age:	52
Academic degrees:	Degree in Chemical Engineering at Turin Polytechnic.
Main professional activities in the last five years in non Group companies:	<ul style="list-style-type: none"> • Senior vice-Chairman of Industrial and Logistic area of Eni's Refining & Marketing, in June 2010; • Operations manager of Eni's Refining and Marketing division between 2008 and June 2010; • Chief Executive Officer of Milazzo refinery (joint venture Eni/Kuwait P.) in April 2009; • Chairman of the Board of Directors of Gela refinery between April 2008 until December 2010; • Chairman of the Board of Directors of Gela refinery between April 2006 and April 2008; • Head of planning at Gela refinery from November 2004 to April 2006.
Positions held in Group companies at 31.12.2010:	-
Other positions held at 31.12.2010:	<ul style="list-style-type: none"> • Senior vice-Chairman of Industrial and Logistic area of Eni's Refining & Marketing, in June 2010; • Chief Executive Officer of Milazzo refinery.

Fabrizio Dassogno

Age:	51
Academic degrees:	Degree in Civil Engineering at the University of Bologna.
Main professional activities in the last five years in non Group companies:	<ul style="list-style-type: none"> • Head of international markets of Gas & Power division of Eni; • Non-executive Director of Eni Gas & Power Trading B.V.; • Non-executive Director of GVS; • Non-executive Director of TIGAZ; • Head of Power Trading and Tolling Management of Gas & Power of Eni from January 2007 to August 2007; • Head of trading and risk management of Eni Power S.p.A. from September 2000 to December 2006.
Positions held in Group companies at 31.12.2010:	<ul style="list-style-type: none"> • Member of the Board of Directors of Galp Exploração; • Member of the Board of Directors of Petrogal; • Member of the Board of Directors of GDP; • Member of the Board of Directors of Galp Gás Natural Distribuição; • Member of the Board of Directors of Galp Power; • Member of the Board of Directors of Galp Energia, S.A.; • Member of the Board of Directors of Galp Energia España; • Member of the Board of Directors of Galp Exploração e Produção (Timor Leste), S.A.; • Director of Galp Energia E&P B.V.; • Chairman of the Board of Directors of Galp Gás Natural, S.A.; • Chairman of the Board of Directors of GDP Serviços, S.A.; • Chairman of the Board of Directors of Galp Power, S.A.; • Chairman of the Board of Directors of SPOWER, S.A. (formerly known Galp Central de Ciclo Combinado de Sines, S.A.); • Member of the Board of Directors of Parque Eólico da Penha da Gardunha, Lda.; • Chairman of the Board of Directors of Madrileña Suministro de Gás 2010, S.L.; • Chairman of the Board of Directors of Madrileña Suministro de Gás Sur 2010, S.L.; • Member of the Board of Directors of Gasoducto de Extremadura, S.A.; • Member of the Board of Directors of Gasoducto Al-Andalus, S.A.; • Member of the Board of Directors of Europe Maghreb Pipeline, Ltd.; • Member of the Board of Directors of Metragaz - Société pour la Construction et L'Exploitation Technique du Gazoduc Maghreb Europe; • Member of the Board of Directors of Next Priority – SGPS, S.A.
Other positions held at 31.12.2010:	<ul style="list-style-type: none"> • Member of the Board of Directors of Fundação Galp Energia; • Member of the Board of Directors of Tigáz ZRT., Budapest (Hungary); • Chairman of the Board of Directors of AFN – Associação Portuguesa de Empresas de Gás Natural.

Luigi Spelli

Age:	59
Academic degrees:	Degree in Chemical Engineering at Florence University.
Main professional activities in the last five years in non Group companies:	<ul style="list-style-type: none"> • Member of the Board of Directors of Societé Centrale Electrique du Congo S.A., since January 2008 until June 2009; • Chairman of the Board of Directors of Burren Energy Bermuda, Ltd. since November 2008 until August 2009; • Member of the board of Eni Congo SA, since April 2006 until June 2009; • Member of the board of Eni Angola, S.p.A., since November 2008, until October 2009; • Vice-Chairman for Congo and Mozambique of the Exploration and Production of Eni until November 2008; • Vice-Chairman for Sub-Saharan Africa of Eni's Exploration and Production.
Positions held in Group companies at 31.12.2010:	<ul style="list-style-type: none"> • Member of the Board of Directors of Galp Exploração.
Other positions held at 31.12.2010:	<ul style="list-style-type: none"> • Vice-Chairman for Sub-Saharan of Eni's Exploration and Production.

Joaquim José Borges Gouveia

Age:	60
Academic degrees:	<p>Post PhD in 1998 in Electrical Engineering and Computer Science from Engineering Faculty at Universidade do Porto.</p> <p>PhD in 1983 in Electrical Engineering and Computer Science from Engineering Faculty at Universidade do Porto.</p> <p>Degree in Electrical Engineering from Engineering Faculty at Universidade do Porto in 1973.</p>
Main professional activities in the last five years in non Group companies:	<ul style="list-style-type: none"> • Currently, Professor of the Department of Economics, Management and Industrial Engineering of Universidade de Aveiro; • Head of the research unit for governance, competitiveness and public accounting from Instituto de Investigação of Universidade de Aveiro; • Member of the board of the master course in sustainable energy systems; • Head of advanced training courses in energy efficiency and renewable energies, executive programmes and technology, innovation and knowledge management; • Chairman of the Board of Directors of Energia, Agência Municipal de Energia de Vila Nova de Gaia; • Chairman of the coordinator board of Rede Nacional das Agências de Energia e Ambiente – RNAE; • Member of the Board of Directors of ABAP/ BIOCANT.
Positions held in Group companies at 31.12.2010:	-
Other positions held at 31.12.2010:	-

BIOGRAPHIES OF THE MEMBERS OF THE SUPERVISORY BOARD

Daniel Bessa Fernandes Coelho

Age:	62
Academic degrees:	Degree in Economics from the Universidade do Porto (1970) and Phd in Economics from the Universidade Técnica de Lisboa (1986).
Main professional activities in the last five years in non Group companies:	<ul style="list-style-type: none"> • General Director of COTEC Portugal – Associação Empresarial para a Inovação, since June 2009; • Non-executive Director of Agência para o Investimento e Comércio Externo de Portugal, E.P.E. – AICEP, since June 2007; • Chairman of the Board of Directors of Fundação Bial, since January 2003; • Chairman of the counsel board of Instituto de Gestão de Fundos de Capitalização da Segurança Social – IGCSS, since November 2000; • Chairman of the board of EGP – University of Porto Business School, from June 2000 to March 2009; • Member of the Board of Directors of Finibanco, S.A., from November 1997 to March 2008; • Chairman of the Supervisory Board of SPM - Sociedade de Investimentos, S.A., from March 1997 to April 2007; • Non-executive Director of CELBI - Celulose Beira Industrial, S.A., from May 1996 to March 2006.
Positions held in Group companies at 31.12.2010:	-
Other positions held at 31.12.2010:	<ul style="list-style-type: none"> • Member of the Board of Directors of Finibanco Holding, SGPS, S.A., since May 2001; • Non-executive Director of Efaced Capital, SGPS, S.A., since May 2004; • Chairman of the supervisory board of Sonae, SGPS, S.A., since April 2007; • Chairman of the supervisory board of Bial – Portela e Companhia, S.A., since March 2008.

José Gomes Honorato Ferreira

Age:	67
Academic degrees:	Degree in Economics from Instituto Superior de Ciências Económicas e Financeiras of Universidade Técnica de Lisboa.
Main professional activities in the last five years in non Group companies:	<ul style="list-style-type: none"> • Director of Fundação Luso-Espanhola.
Positions held in Group companies at 31.12.2010:	-
Other positions held at 31.12.2010:	<ul style="list-style-type: none"> • Deputy member of the supervisory board of Montepio Geral.

José Maria Rego Ribeiro da Cunha

Age:	62
Academic degrees:	Degree in Finance from the the Instituto Superior de Ciências Económicas e Financeiras (1972).
Main professional activities in the last five years in non Group companies:	<ul style="list-style-type: none"> • Managing Director of the statutory auditors firm Amável Calhau, Ribeiro da Cunha e Associados – Sociedade de Revisores Oficiais de Contas, established in February 1981.
Positions held in Group companies at 31.12.2010:	-
Other positions held at 31.12.2010:	<ul style="list-style-type: none"> • As a managing Director of the mentioned company, he holds several positions as sole statutory auditor and member of the supervisory board in over 420 small, medium and large companies.

Amável Alberto Freixo Calhau

Age:	63
Academic degrees:	Statutory auditor (ITMPE).
Main professional activities in the last five years in non Group companies:	<ul style="list-style-type: none"> • Chartered accountant; • Managing partner of Amável Calhau, Ribeiro da Cunha e Associados – Sociedade de Revisores Oficiais de Contas.
Positions held in Group companies at 31.12.2010:	-
Other positions held at 31.12.2010:	-

EDITION



REVISION



DESIGN AND CONCEPTION





Galp Energia, SGPS, S.A.
Public Company
Investor Relations and Corporate Communication Division

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