FIRST HALF 2007 RESULTS

Lisbon, 9 August 2007

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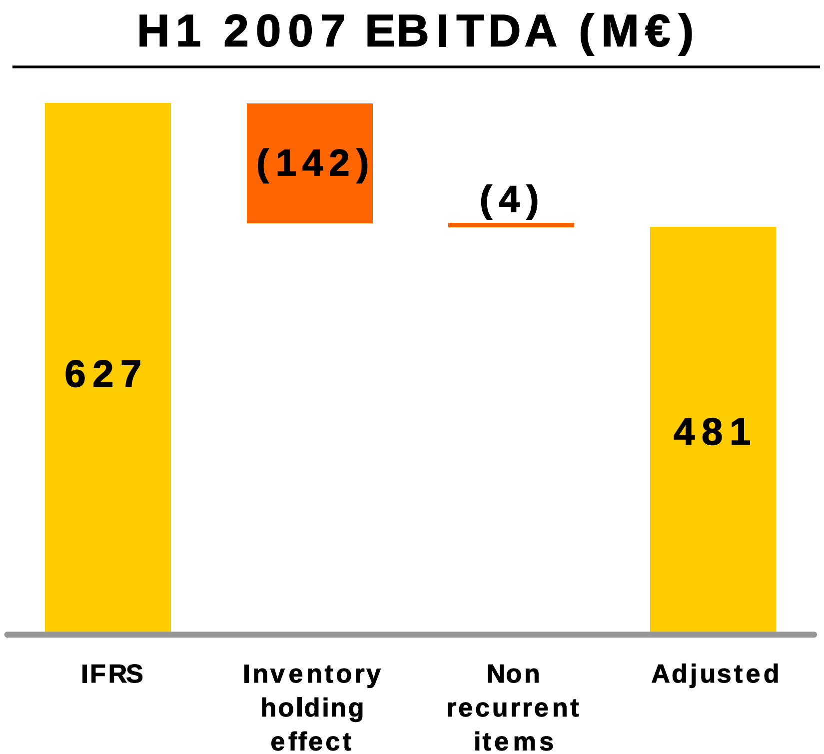
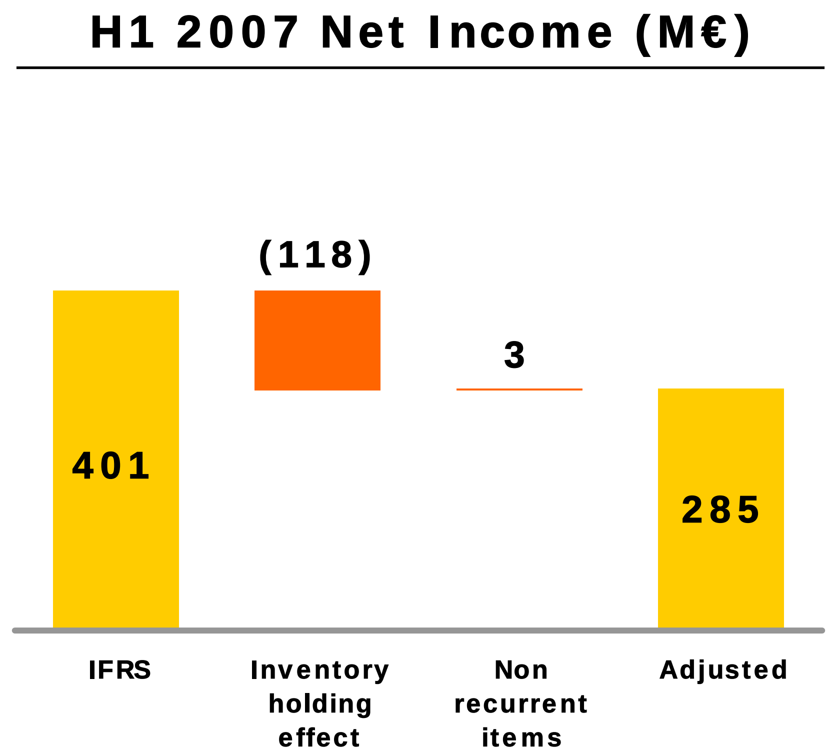
ADJUSTED EPS INCREASED BY 71% TO €0.34

IFRS				Adjusted		
H106	H107	% Ch.	€ Million	H106	H107	% Ch.
6,130	5,894	(3.9%)	**Sales**	6,054	5,890	(3.0%)
615	627	2.0%	**EBITDA**	404	481	19.2%
475	498	4.8%	**EBIT**	264	360	36.4%
19	31	59.4%	**Income from Associates**	19	31	59.4%
354	401	13.4%	**Net Income**	167	285	71.0%
0.43	0.48	13.4%	**EPS (Eur/share)**	0.20	0.34	71.0%

SIGNIFICANT INVENTORY EFFECT DUE TO INCREASE IN OIL PRICES



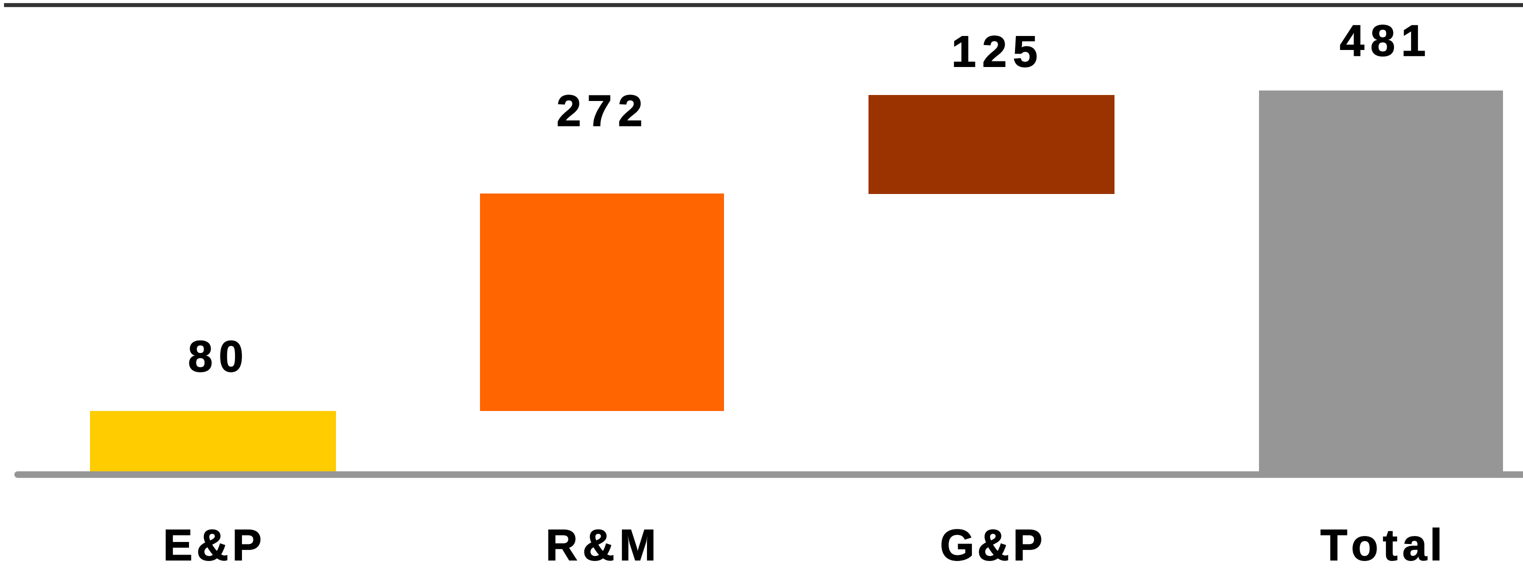


YoY	+2.0%	+19.2%	+13.4%	+71.0%

PROFORMA ADJUSTED EBITDA INCREASED BY 36%

- E&P boosted due to block 14 sustained production and by higher crude prices
- R&M higher contribution driven by higher refining margins and larger marketing volumes
- Strong G&P performance driven by the increase in trading volumes

H1 2007 Adjusted EBITDA[1] (M€)



YoY	n.m.	+25%	(26%)	+19%

Up 36% on a proforma basis[2]

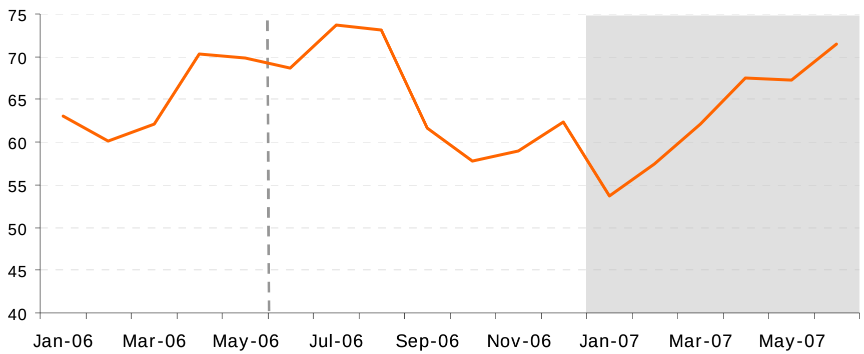
[1] Segmental figures don't add up to total adjusted EBITDA due to Corporate & Others

[2] Adjusted by transportation, storage and regaseification activities sold to REN (net impact of 62.3 M€) and E&P H106 of 27 M€ to reflect the same accounting principles of H1 07. H1 2006 proforma adjusted EBITDA of 354 M€.

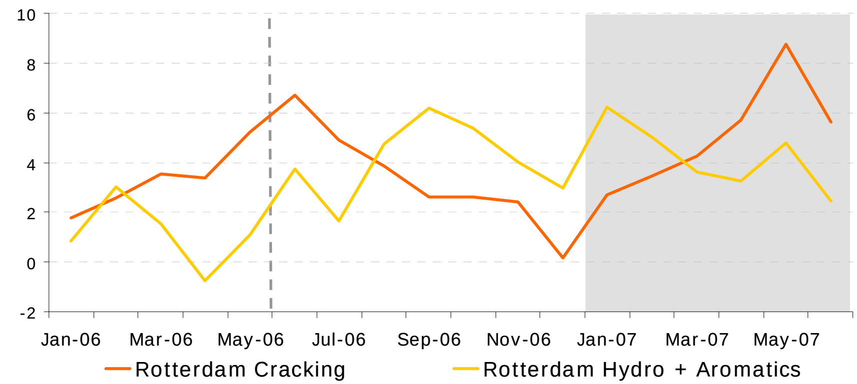
MARKET OVERVIEW

STRONG GASOLINE CRACK DRIVEN BY STRONG DEMAND AND LOWER REFINING AVAILABILITY

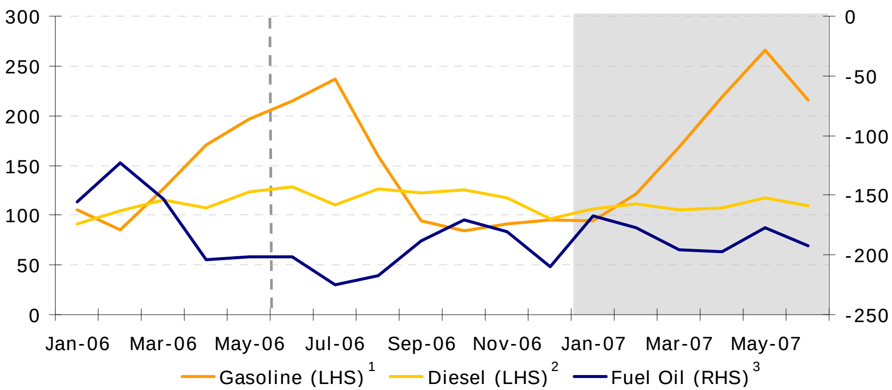
Brent price (Usd / bbl)



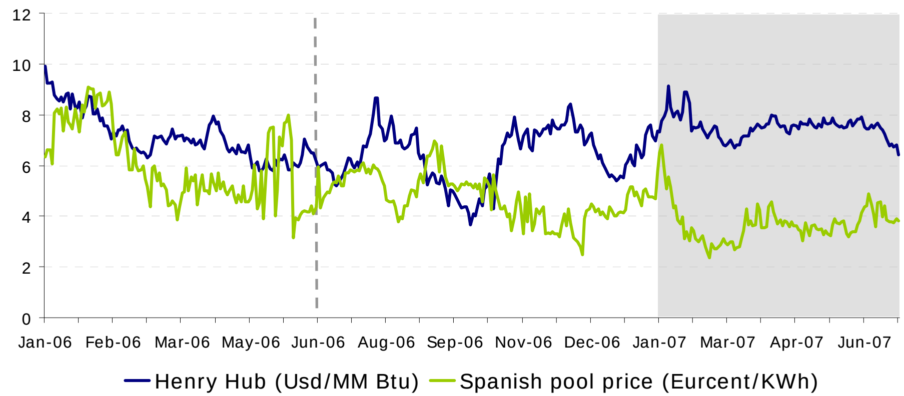
Rotterdam Cracking and Rotterdam (Hydro + Aromatics)⁴ (Usd / bbl)



Diesel, Gasoline and Fuel Oil crack spreads (Usd / ton)



Henry hub and Spanish pool prices



Source: Platts; Monthly averages except for Henry Hub and Spanish Pool price

[1] Prem unlead NWE CIF ARA; [2] ULSD 50 ppm NWE CIF ARA; [3] 1% LSFO CIF ARA; [4] Considers 70% of Rotterdam Hydroskimming Margin + 30% of Aromatics margin

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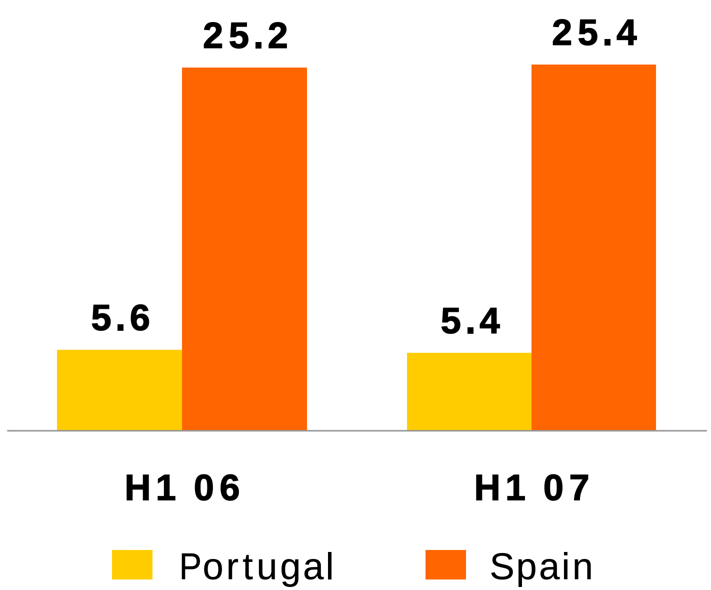
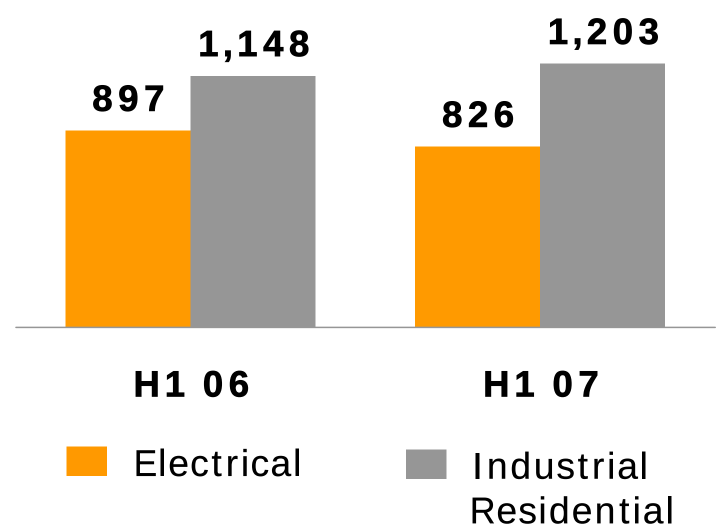
OPPOSITE TRENDS IN THE OIL AND NATURAL GAS MARKET IN PORTUGAL

- Portuguese oil market affected by higher prices relatively to Spain due to tax effect
- Electrical natural gas consumption almost recovered despite stronger hydro this year
- Natural gas market, excluding power generation, rose by 5%

Iberian Oil market (M ton)



Portuguese natural gas market (M m³)



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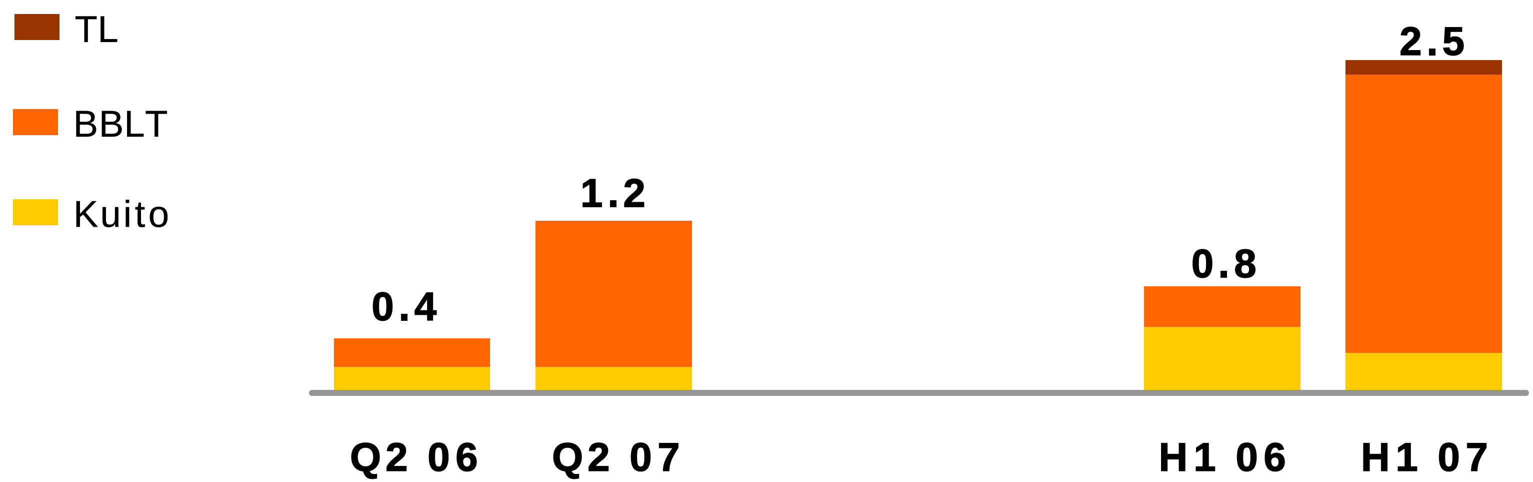
BUSINESS OVERVIEW

STABLE E&P PRODUCTION UNTIL TOMBUA LÂNDANA START UP

- Production sustained by BBLT lighter crude production
- Lighter TL crude production offsetted decrease in heavy Kuito crude production

Total Equity Production by Field (million bbl)



WP Kbbl/d	6.5	17.0	5.9	17.1

Note: Working Production corresponds to the total production before deducting the concessionaire share under Production Sharing Agreements ("PSA"); Equity production corresponds to net entitlement production, after deducting PSA effect.

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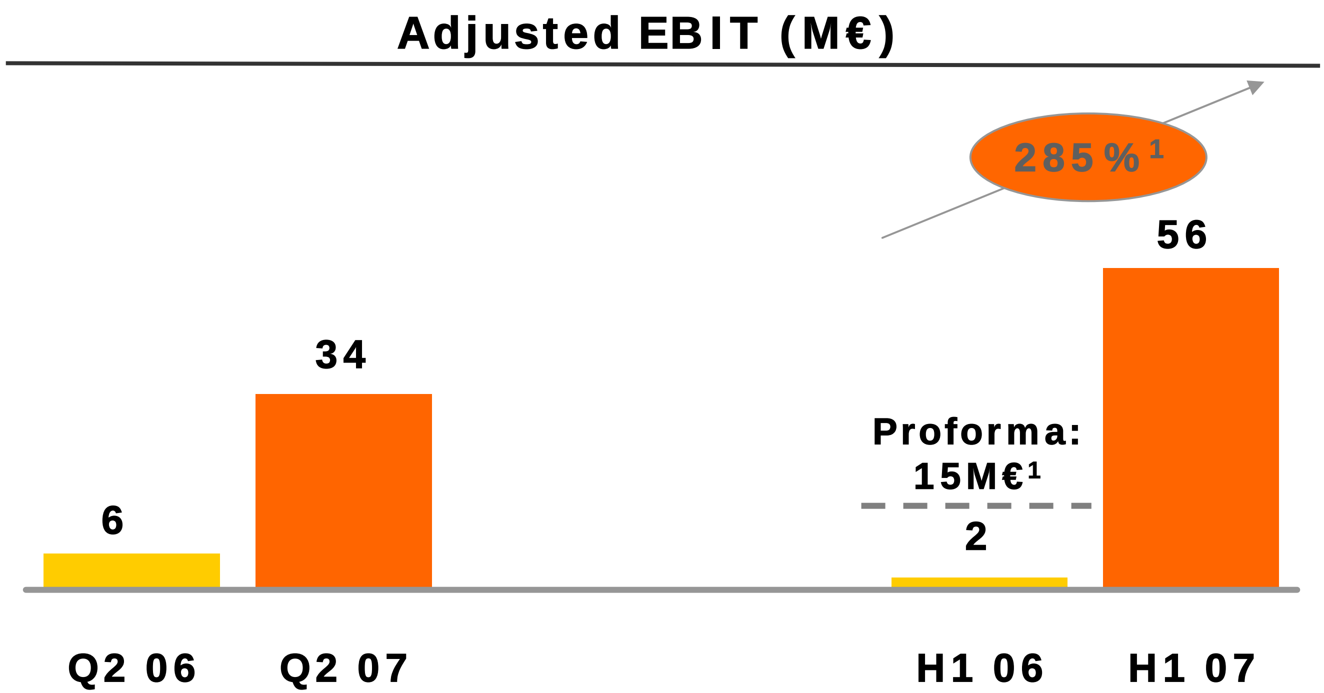
E&P DELIVERING GROWTH

- Strong EBIT qoq due to higher prices and subsequent operational leverage
- H1 07 EBIT already surpassed 2006 EBIT
- Proforma H1 06 EBIT affected by definition of accounting principles

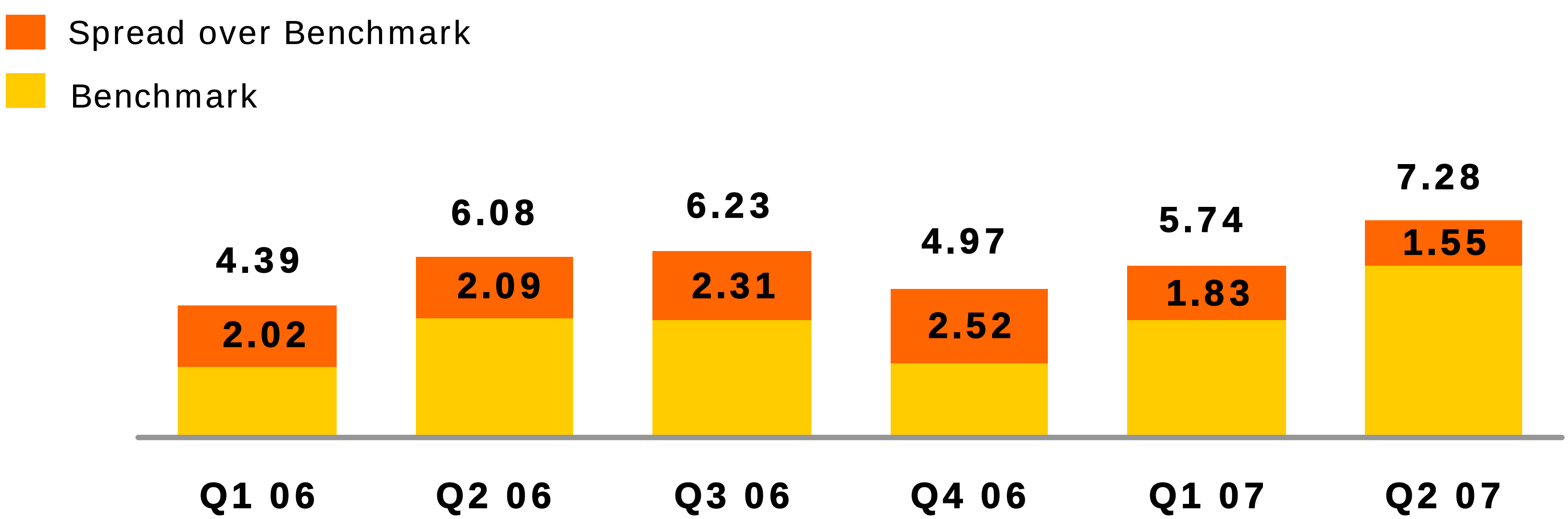


[1] E&P H106 proforma EBIT of 15 M€ to reflect same accounting principles of H107

GALP ENERGIA REFINING MARGIN UP 25% YOY

- Spread over benchmark of 1.7 Usd/bbl in first half of 2007
- Premium to benchmark affected by lower utilization due to maintenance shutdown

Galp Energia vs Benchmark Refining Margin (Usd/bbl)



Source: Platts
Benchmark refining margin considers 70% of Rotterdam cracking and 30% of Rotterdam Hydro + Aromatics

STRONGER BUSINESS PROFILE

- Increased Galp presence in Iberian market
- More valuable export product mix due to increase of gasoline export to the US
- Decrease in raw material processed due to maintenance shutdown

Million tons	H1 2006	H12007	% Ch.
Crude oil and other refinery inputs processed	**7.4**	**7.1**	**(4%)**
Total volumes of products sold	**8.0**	**8.0**	**-**
Direct customers	4.6	4.7	2%
Portuguese operators	2.0	2.1	4%
Exports	1.5	1.3	(12%)

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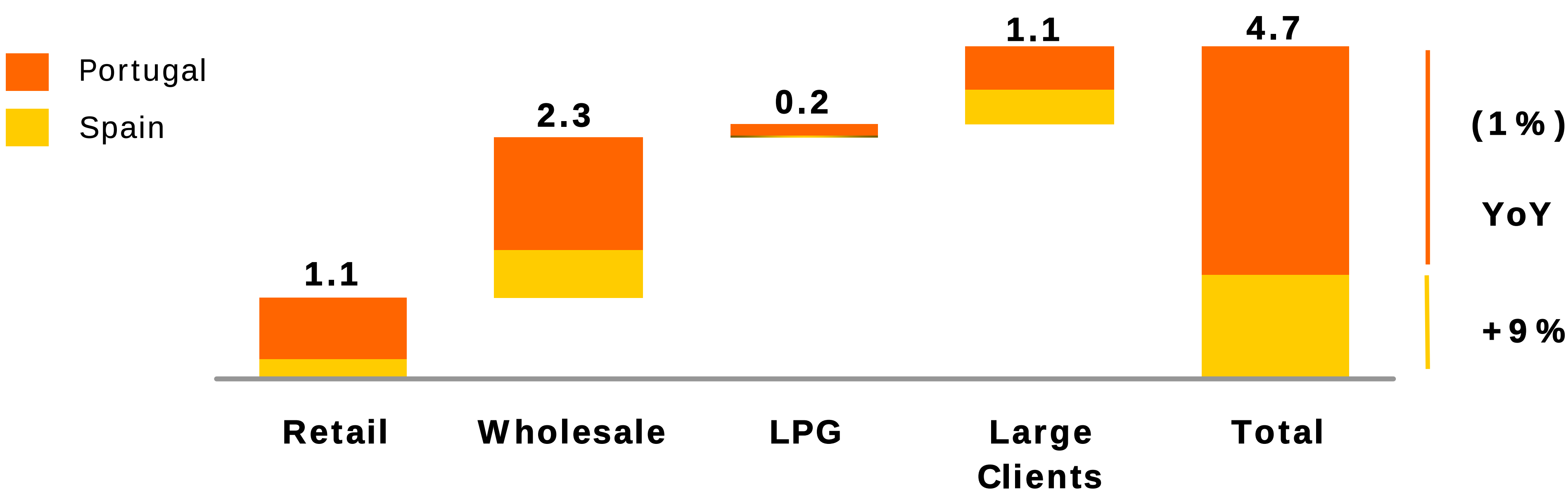
SALES TO DIRECT CLIENTS SUPPORTED BY SPANISH OPERATIONS

- Sales to Galp Energia direct customers represented 65% of total raw materials processed
- Retail market share increasing in Portugal despite market decrease

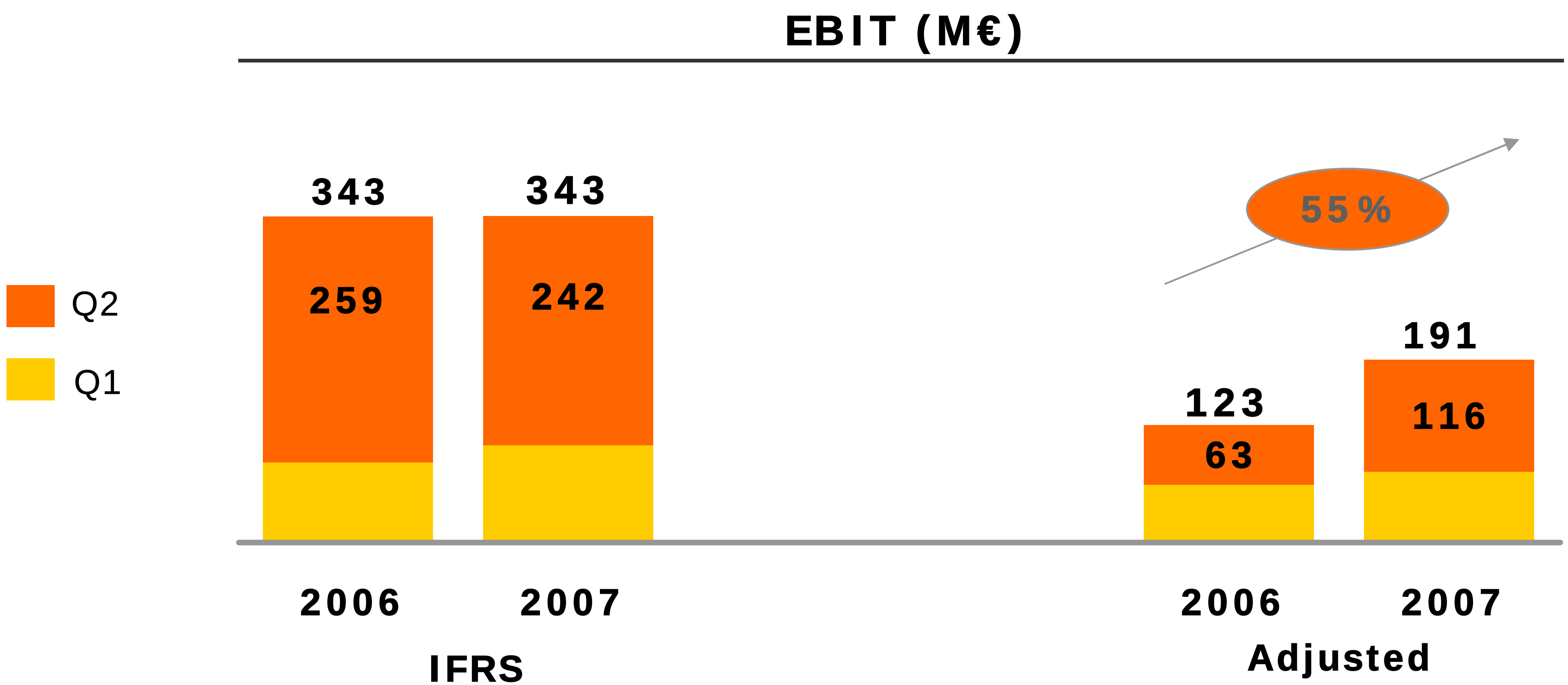
H1 2007 marketing volumes (M ton)



YoY	**(5%)**	**(0%)**	**(5%)**	**+18%**	**+2%**

R&M EBIT BOOSTED BY Q2 REFINING MARGIN

- Reported EBIT positively impacted by inventory effect of 152 M€
- Q2 adjusted EBIT almost double yoy, rose by 84%
- Adjusted EBIT up 55% yoy supported by higher marketing volumes and stronger refining margin



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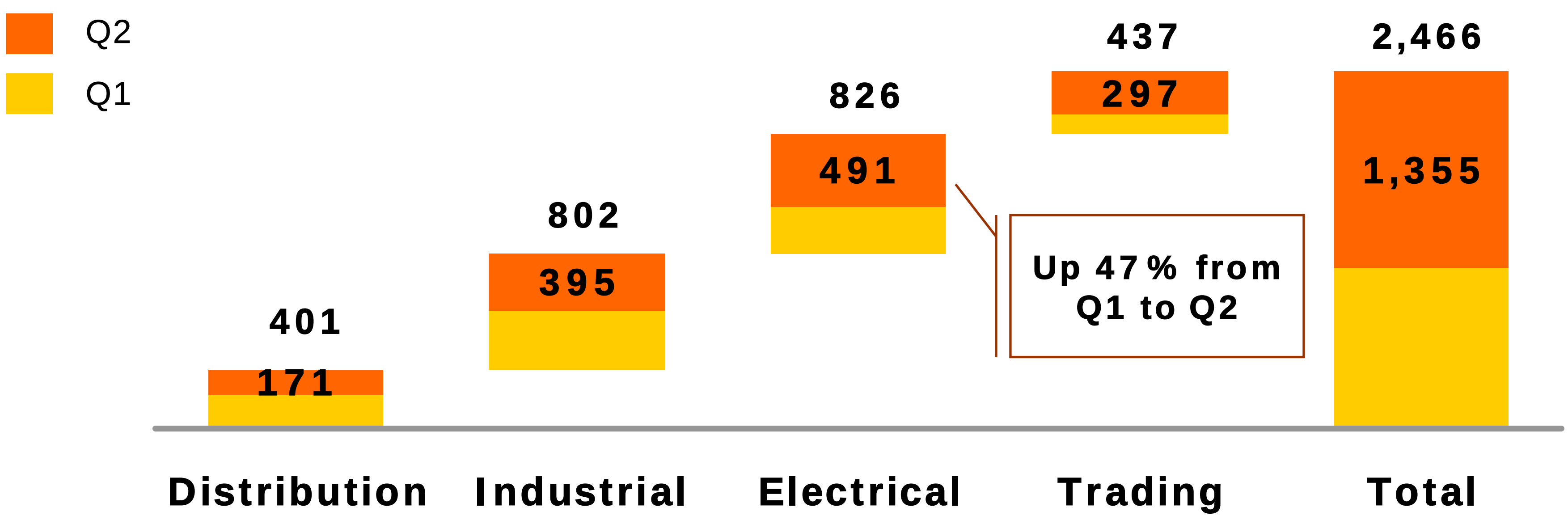
NATURAL GAS SALES UP BY 11% ON H1 2007

- Consumption of power generators almost recovered despite strong hydro in Q1
- Lower distribution and industrial volumes in Q2 due to seasonality effect, however offsetted by electrical and trading volumes

Natural gas sales (M m³)



	Distribution	Industrial	Electrical	Trading	Total
YoY	+6%	+4%	(8%)	+144%	+11%

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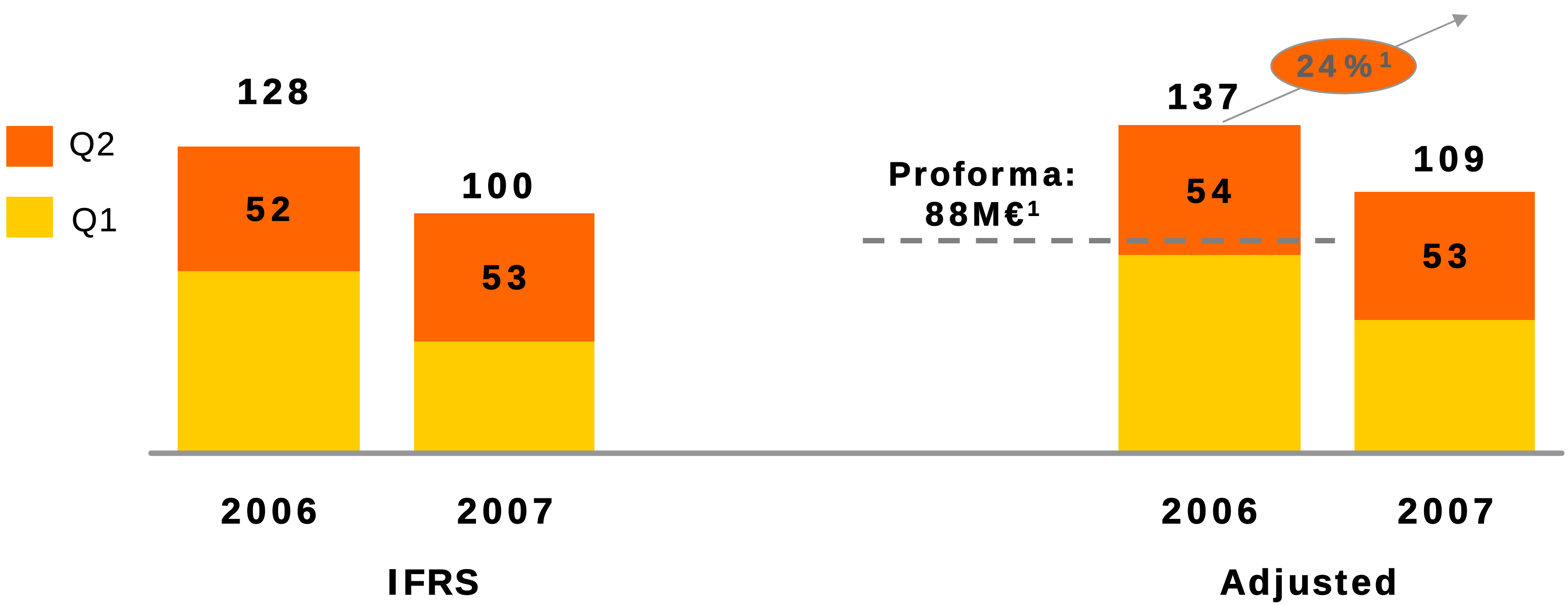
PROFORMA EBIT UP BY 24% YOY

- Stable Q2 EBIT yoy despite unbundling effect due to higher volumes in electrical and trading that compensated usual seasonality of distribution activity during Q2
- Proforma adjusted H1 EBIT up 24% driven by additional 242 Mm^3 sold

EBIT (M€)



[1] Proforma EBIT based on H1 2006 adjusted EBIT of 137 M€, deducted from Unbundling impact of 48.5 M€ (68.5 M€ of transportation, storage and regasification fees – 4.8 M€ of personnel costs – 13.8 M€ of depreciations and – 1.4 M€ of maintenance costs)

FINANCIAL OVERVIEW

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0.43	0.48	13.4%	**EPS (Eur/share)**	0.20	0.34	71.0%

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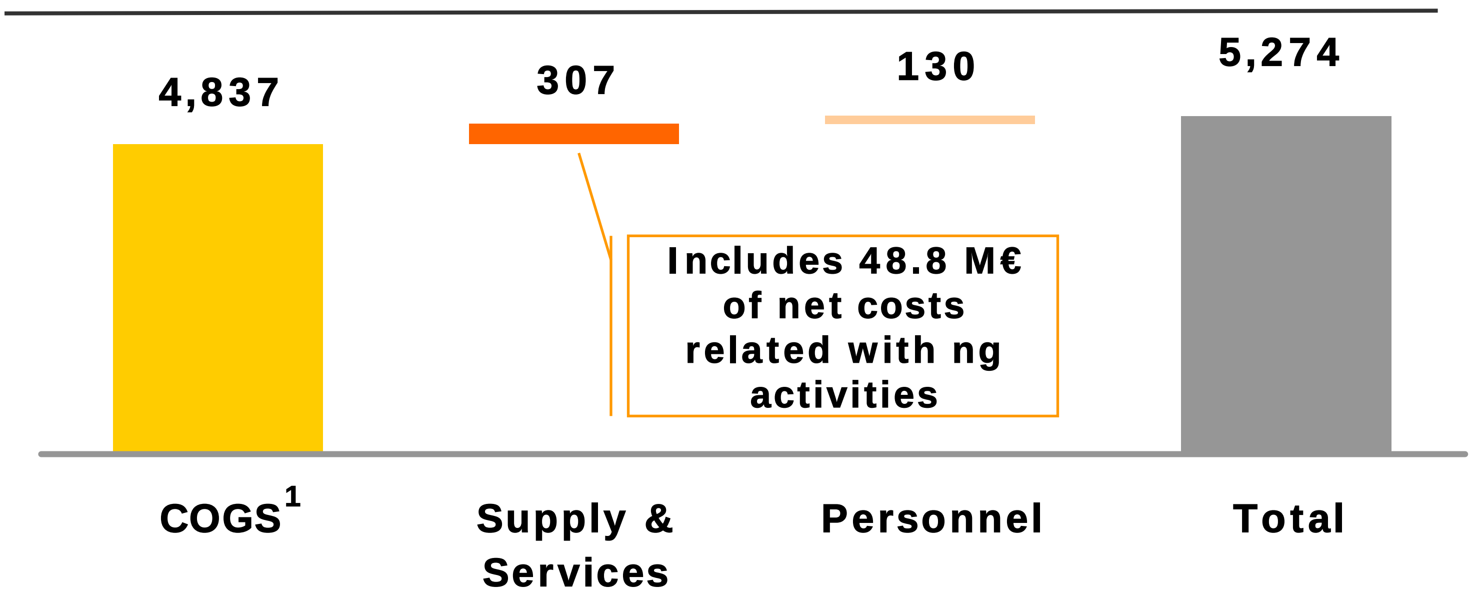
CONTROLLED COST STRUCTURE

- COGS down by 6% mainly due to lower crude and oil products prices
- Proforma supply and services increased 1%, despite stronger activity in E&P
- Proforma personnel costs decreased by 4% mainly due to corporate restructuring and lower post-employment benefits costs

Operational Costs (M€)



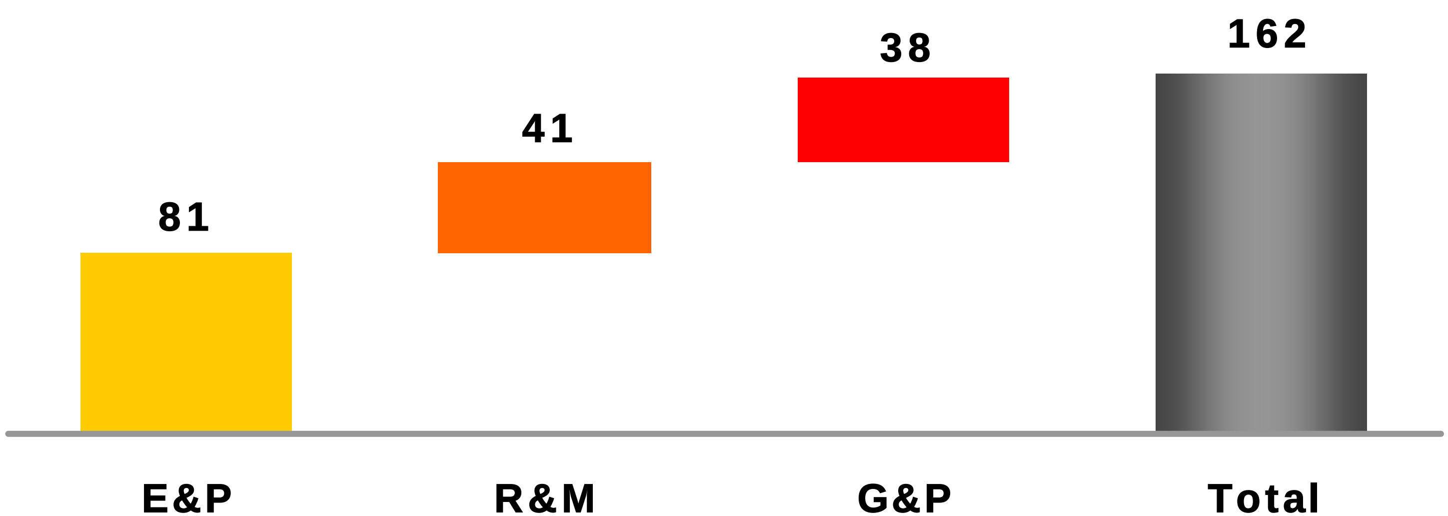
YoY	(6%)	+20%	(8%)	(4%)

[1] Cost of goods sold

E&P ACTIVITY RESPONSIBLE FOR 50% OF TOTAL CAPEX

- Development of Block 14 and exploration activities in Block 32 and Brazil
- Investment in refineries covering energy efficiency and environmental licensing
- Additional 370 kms of ng distribution network built and 13 thousand clients converted

Capital expenditures[1] (M€)



YoY	+94%	35%	(22%)	+34%

[1] Segmental figures don't add up to total capex due to Corporate & Others

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NET DEBT IMPACTED BY DIVIDEND PAYMENT OF 252 M€

Balance Sheet Items (M€)

	Dec. 2006	Mar. 2007	Jun. 2007	Change vs Dec.	Change vs Mar.
Fixed Assets	2,413	2,445	2,459	46	14
Strategic Stock	453	443	477	24	34
Other assets (liabilities)	(148)	(192)	(174)	(26)	18
Working Capital	205	194	342	137	148
Net Debt	887	709	918	31	208
Equity	2,037	2,180	2,186	150	6
Capital Employed	**2,924**	**2,889**	**3,104**	**180**	**214**
Debt to Equity	44%	33%	42%	(2 p.p.)	9 p.p.

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FINAL REMARKS

Q1 MAIN EVENTS

E&P

- New oil discoveries in Block 32 and Block 14
- Confirmation of Block BM-S-11 major discovery (Tupi)
- Agreement with the Portuguese State for oil exploration and production rights in Alentejo's costs

R&M

- Approval of conversion project for both Sines and Oporto refineries
- Definition of biofuel strategy
- Increase penetration of premium products (launching new GForce)

G&P

- Ventinveste short-listed for Phase B of Wind Power Tender

Q2 MAIN EVENTS

E&P

- Start of appraisal well in Tupi Sul, 80 Km distant from Tupi
- 2 commercial discoveries in Block 32: Louro-1 and Cominhos-1
- Additions to portfolio: 4 blocks in Portugal, 5 blocks in Timor and 1 block in Mozambique

R&M

- Licensing entities already chosen for conversion project major equipments
- Letter of intent signed for a LSTK contract for the conversion project
- Signing of MoU with Petrobras for production of 600 thousand tons of vegetable oil per year

G&P

- Wind power consortium led by Galp Energia awarded with 400 MW[1]
- Banks valuation reached 868 M€ on NG regulated assets sold to REN in September 2006 by a provisional price of 844 €M, corresponding to a payment of 23 M€ to Galp Energia. Final price still under discussion

[1] 20% of additional capacity, corresponding to 80 MW to be requested to General Division of Energy and Geology ("DGEG")

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SHORT TERM OUTLOOK

E&P

- 7 wells to be executed in 2nd half of 2007 in blocks operated by Galp in onshore Brazil
- Conclusion of Tupi Sul appraisal well expected for the end of Q3

R&M

- Definition with Petrobras of business plan for vegetable oil JV
- Negotiation of LSTK contract for the conversion project
- Decision on Sines port tender to be known by September 2007

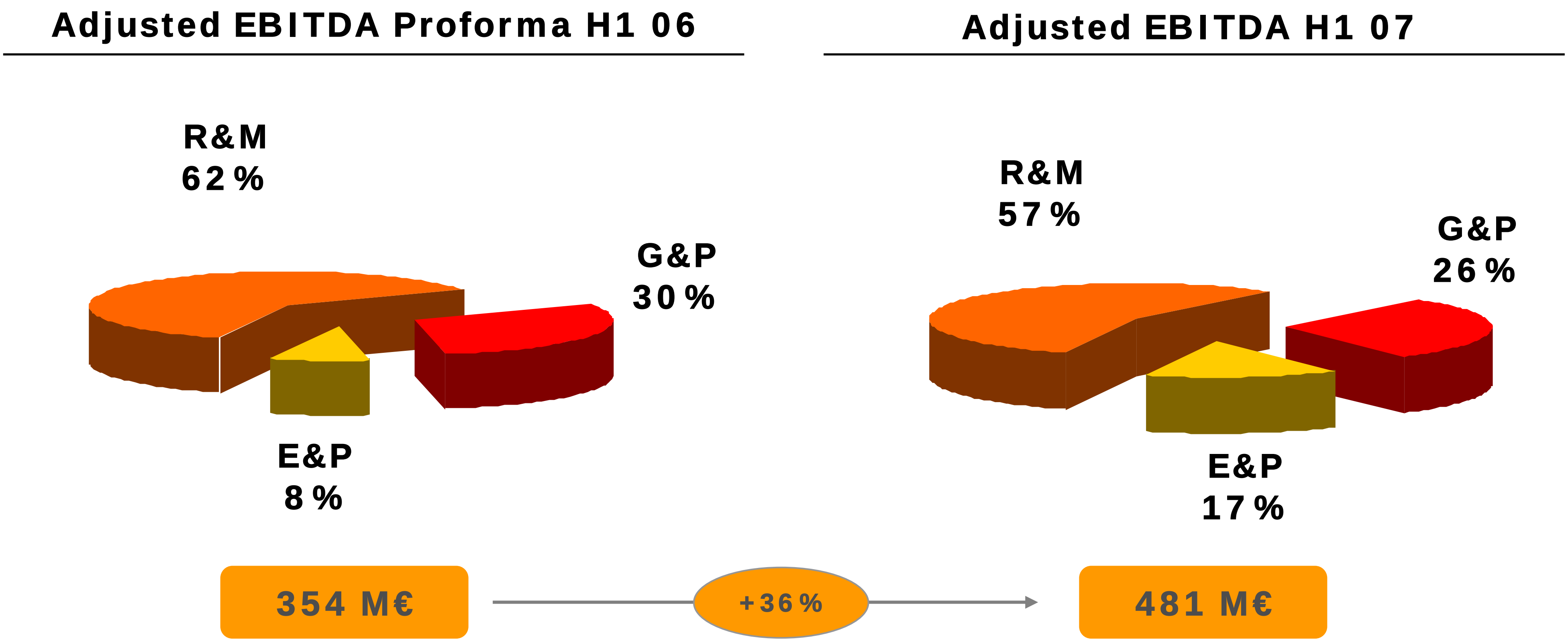
G&P

- Negotiation with Portuguese Government to implement unbundling of natural gas distribution activity till the end of 2007
- Final price on REN transaction still to be decided
- Contract signing with DGEG for wind power project
- CCGT's Licensing process to be completed in Q3 2007

Corporate

- Payment of interim dividend, of 0.152 € per share at early November 2007

GALP ENERGIA POSITIONED FOR GROWTH



Towards a more balanced portfolio

Adjusted EBITDA proforma H1 2006: G&P adjusted by transportation, storage and regaseification activities sold to REN (net impact of 62.3 M€);
R&M includes Corporate & Others;
E&P H106 of 27 M€ to reflect the same accounting principles of H1 07

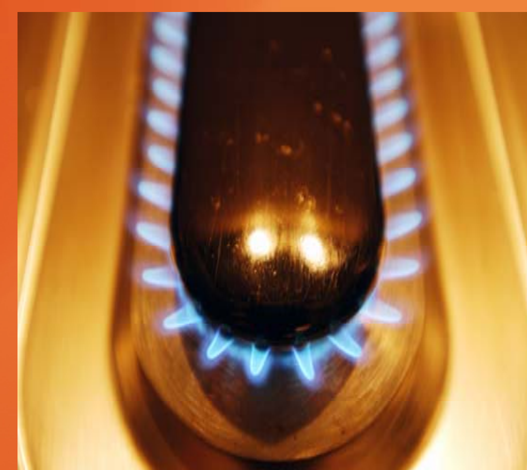
GALP ENERGIA ORGANIC GROWTH DRIVERS

Strategic plan under execution

1st Investor Day

Lisbon, 22 October 2007

Save the date...



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