

FIRST QUARTER 2008 RESULTS

Lisbon, 20 May 2008



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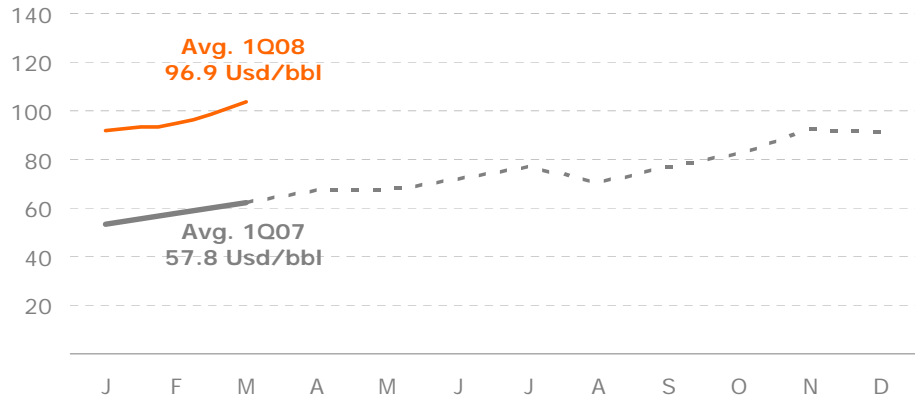
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MARKET OVERVIEW

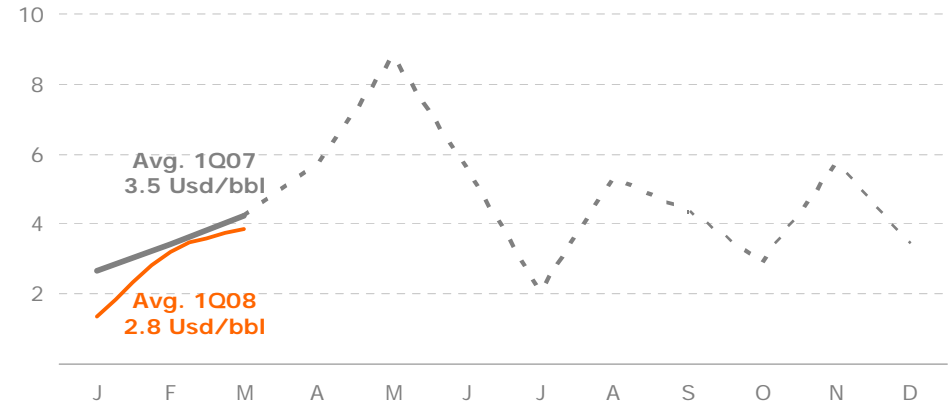


STEEPER CURVE OF BRENT AND EURO, WIDENING GAP TO 2007

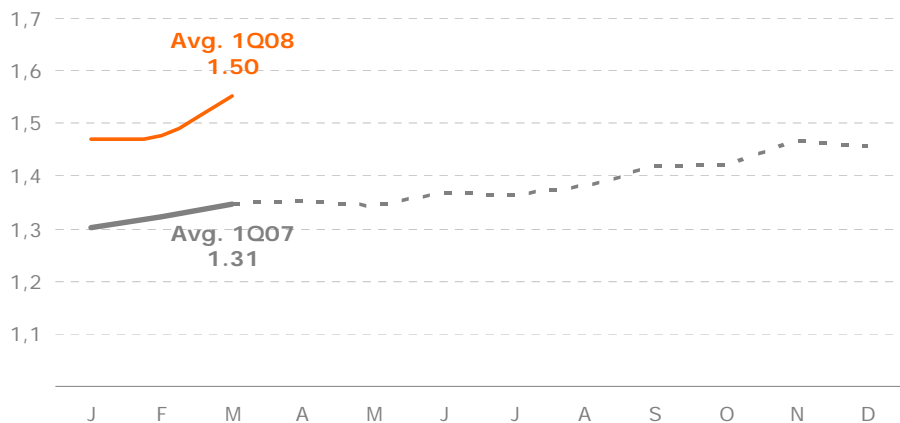
Brent dated



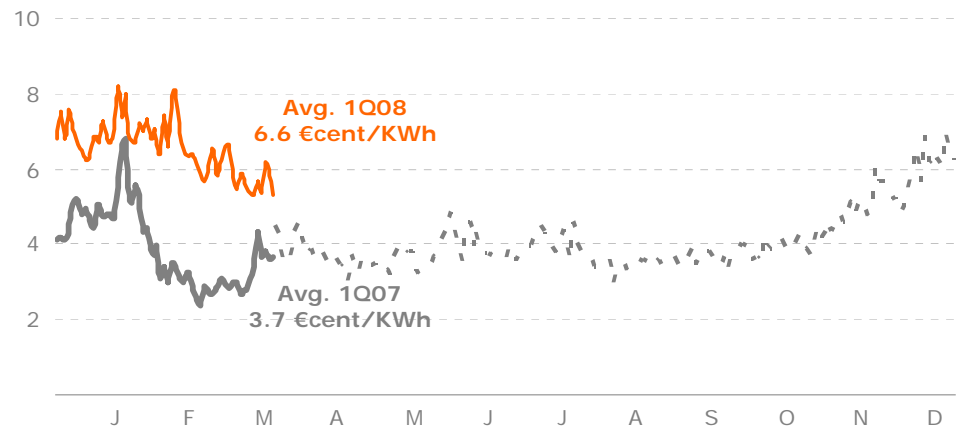
Rotterdam Cracking



Eur/Usd exchange rate



Spanish pool prices



Source: Platts and BCE; monthly averages except for Spanish Pool prices

HIGHLIGHTS



REPLACEMENT COST ADJUSTED EBITDA OF €234 MILLION, UP 3.3%

IFRS

Replacement Cost Adjusted¹

1Q07 **1Q08** **% Ch.**

€ Million

1Q07 **1Q08** **% Ch.**

2,750 3,493 27.0%

Turnover

2,746 3,493 27.2%

242 316 30.7%

EBITDA

226 234 3.3%

179 247 37.8%

EBIT

165 169 2.6%

19 12 (37.6%)

Associates

19 12 (37.6%)

143 175 22.9%

Net Profit

119 109 (8.4%)

0.17 0.21 22.9%

EPS (Eur/share)

0.14 0.13 (8.4%)

0.23 0.32 40.4%

EPS (Usd/share)

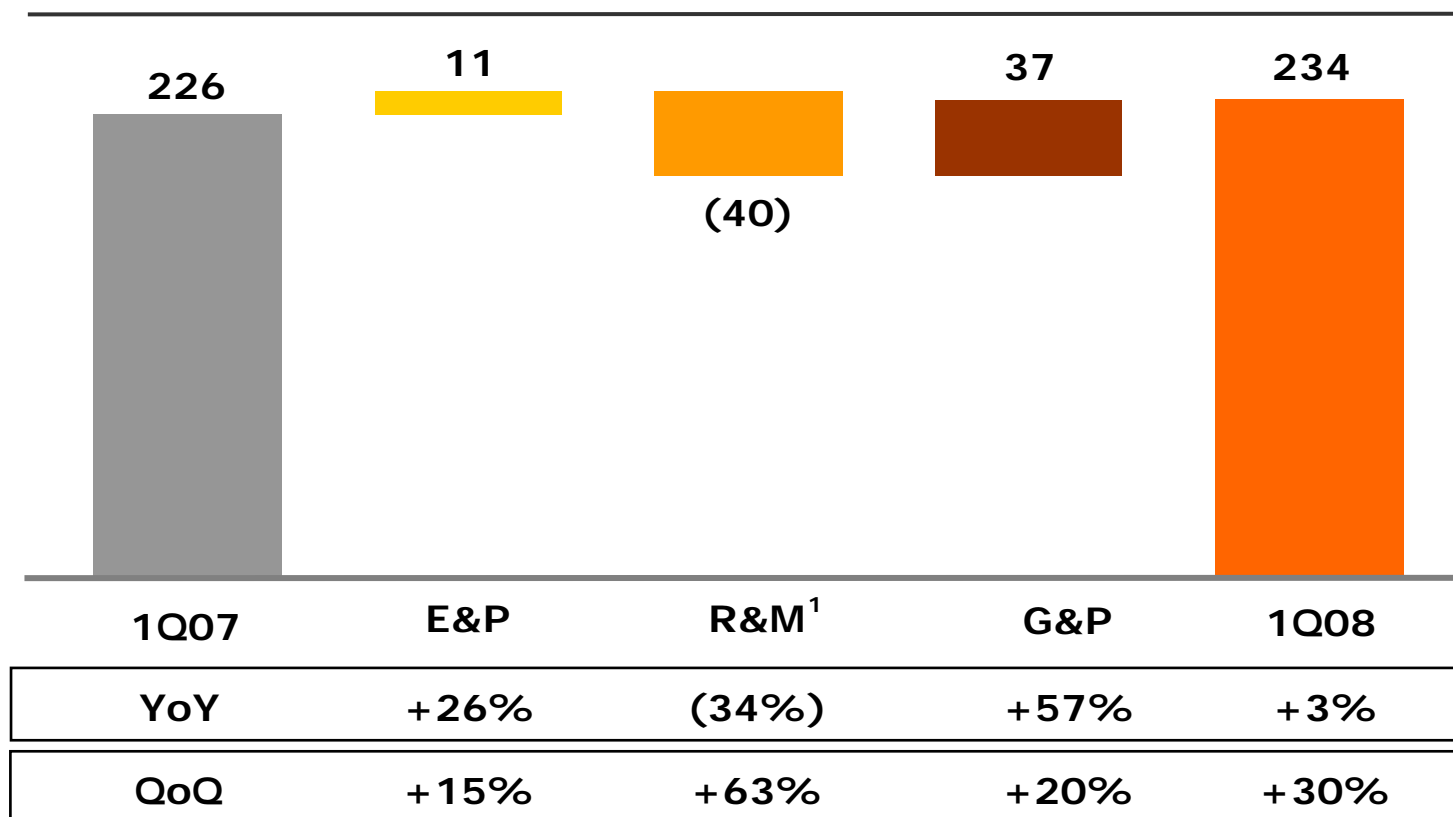
0.19 0.20 4.6%

¹ Excludes inventory effect and non-recurrent items

REPLACEMENT COST ADJUSTED EBITDA UP 3% YoY AND 30% QoQ

- G&P and E&P strongly contributing to growth in replacement cost adjusted EBITDA
- Replacement cost adjusted EBITDA posted double digit increase QoQ in each segment

Replacement cost adjusted EBITDA (€ Million)



¹ R&M includes Others of €4 M

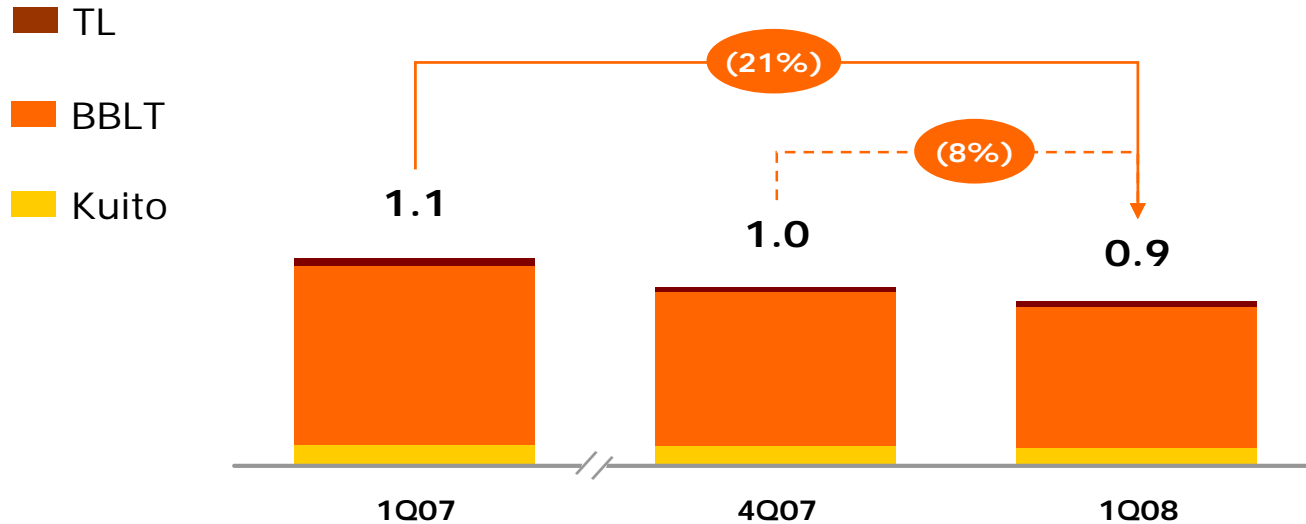
BUSINESS OVERVIEW



INCREASE IN UNIT MARGIN COMPENSATES LOWER PRODUCTION

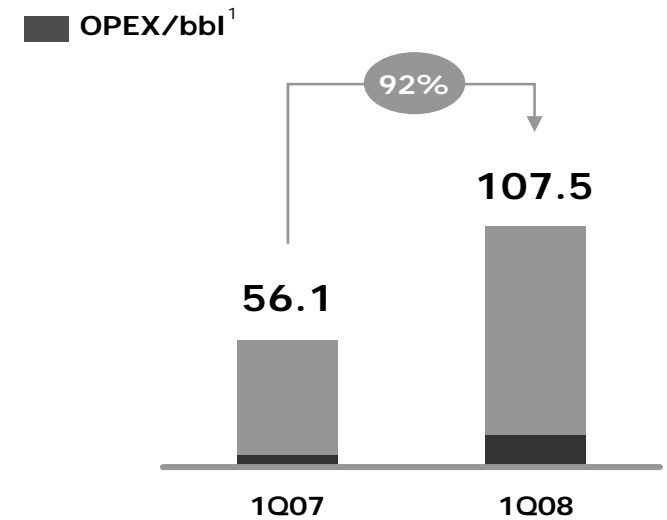
- Expected delays in BBLT drilling activities to be solved before the end of 2Q08
- Reduction in net entitlement production due to lower working production and to higher crude oil prices

Net Entitlement Production by Field (Million bbl)



WP Kbb/d	17.2	15.7	13.8
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Realized Sale Price (Usd/bbl)



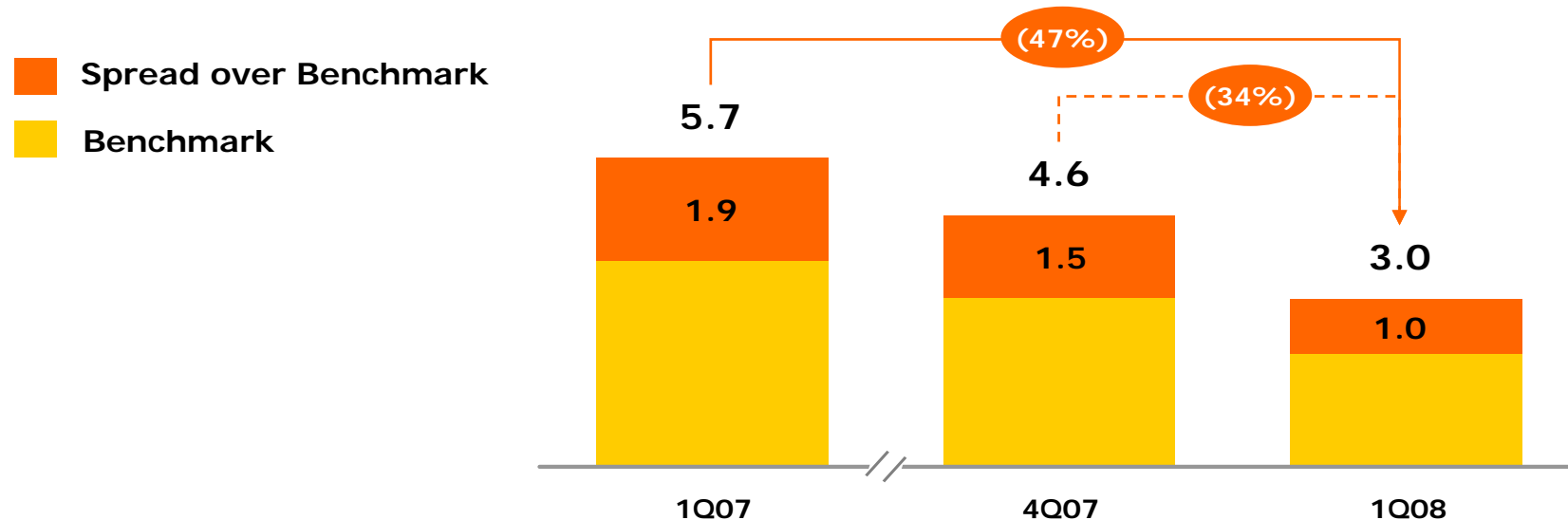
Note: Working Interest Production corresponds to the total production before deducting the concessionaire share under Production Sharing Agreements (*PSA*); Net Entitlement figures after deducting PSA effect.

¹ Only cash costs, based on net entitlement production

EXTERNAL DRIVERS CONTINUED TO PUSH REFINING MARGINS DOWN

- Margins impacted by Eur/Usd appreciation, +14% YoY
- Decreasing fuel oil and gasoline cracks, -34% YoY and -6% YoY, respectively
- Increase of crude processed to 24 Million bbl, up 23% QoQ, after Porto refinery's programmed outage in 4Q07

Galp Energia vs Benchmark Refining Margin (Usd/bbl)



Crude processed (Million bbl)	23	19	24

Source: Platts

Benchmark refining margin considers 75% of Rotterdam cracking and 25% of Rotterdam Hydro + Aromatics

DIRECT CUSTOMERS CONTINUED SUPPORTING VOLUMES

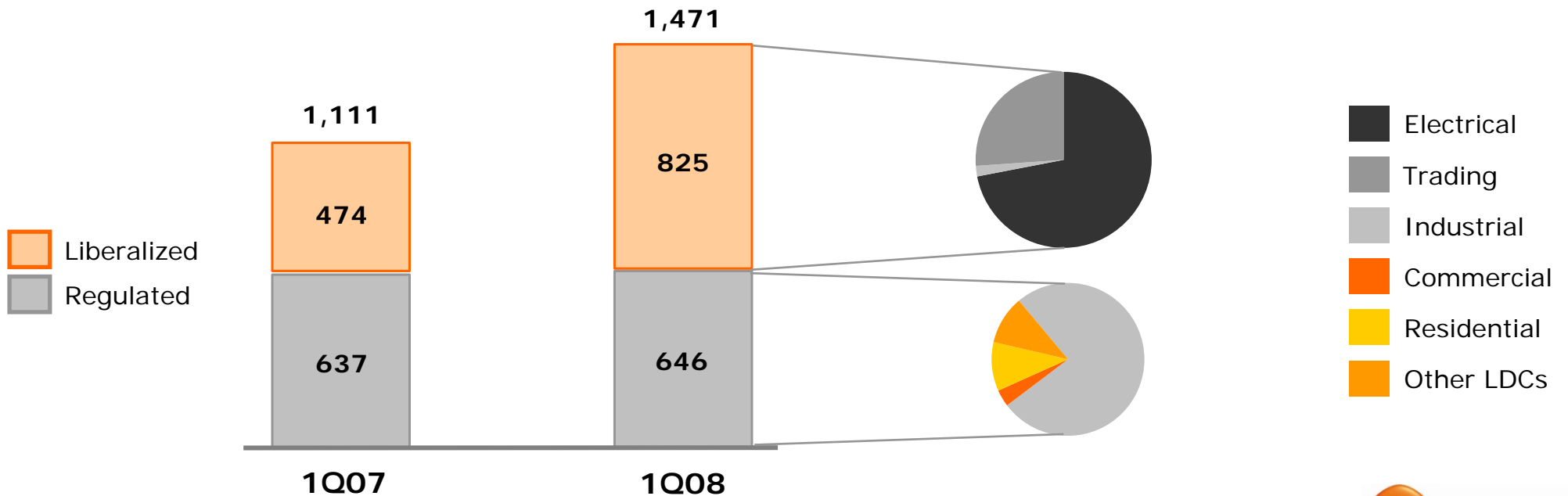
- Positive contribution from wholesale segment, up 7% YoY
- Exports up 2% YoY fuelled by gasoline growth of 29%, mainly to USA

Million tons	1Q08	% YoY	% QoQ
Refining throughput	3.1	(1.5%)	+14.3%
Total volumes of products sold	3.9	(1.6%)	+2.9%
Direct customers - Portugal	1.6	(2.2%)	+0.9%
Direct customers - Spain	0.8	+1.8%	(2.9%)
Portuguese operators	0.9	(5.6%)	(6.7%)
Exports	0.6	+2.2%	+42.3%

NATURAL GAS VOLUMES REACHED 1,471 Mm³, UP 32% YoY

- Electrical and trading segments responsible for 55% of total volumes sold, posting an increase of 71% YoY, due to low hydro levels
- Volumes in Spain, in industrial sector, reached 16 Mm³ during the quarter
- 16 thousand new clients acquired in 1Q08, mainly in the residential segment

Liberalized & Regulated markets (Mm³)



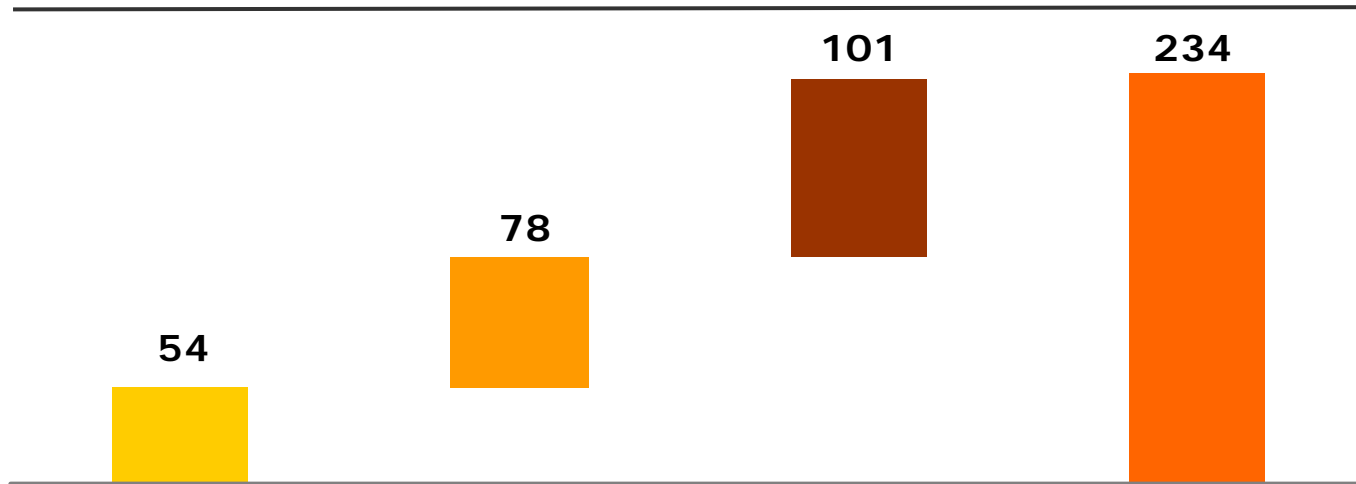
FINANCIAL OVERVIEW



REPLACEMENT COST ADJUSTED EBITDA REACHED €234 MILLION

- E&P benefited from increase in realized sale price, 92% YoY
- R&M performance hampered by Usd devaluation and decreasing fuel oil and gasoline cracks
- G&P growth supported by increasing volumes in electrical and trading segments

Replacement cost adjusted EBITDA (€ Million)



	E&P	R&M ¹	G&P	GALP
YoY	+26%	(34%)	+57%	+3%
QoQ	+15%	+63%	+20%	+30%

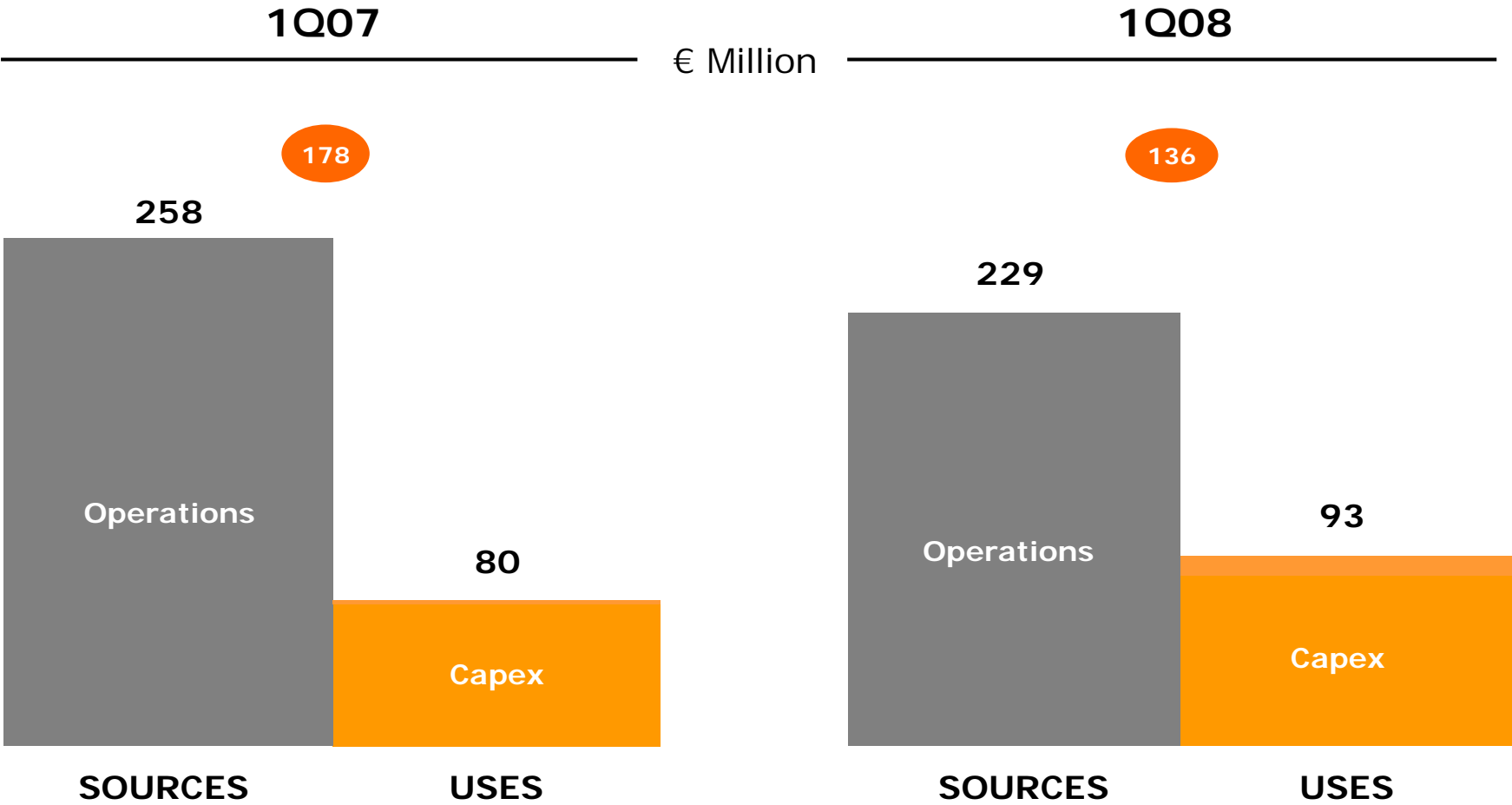
¹ R&M includes Others of €4 M

REPLACEMENT COST ADJUSTED EPS OF €0.13, UP 4.6% ON USD BASIS

IFRS				Replacement Cost Adjusted ¹		
1Q07	1Q08	% Ch.	€ Million	1Q07	1Q08	% Ch.
2,750	3,493	27.0%	Turnover	2,746	3,493	27.2%
242	316	30.7%	EBITDA	226	234	3.3%
179	247	37.8%	EBIT	165	169	2.6%
19	12	(37.6%)	Associates	19	12	(37.6%)
143	175	22.9%	Net Profit	119	109	(8.4%)
0.17	0.21	22.9%	EPS (Eur/share)	0.14	0.13	(8.4%)
0.23	0.32	40.4%	EPS (Usd/share)	0.19	0.20	4.6%

¹ Excludes inventory effect and non-recurrent items

CASH FLOW GENERATED LED TO NET DEBT REDUCTION



STRONGER CAPITAL STRUCTURE

Balance Sheet Items (€ Million)

	Dec. 2007	Mar. 2008	Ch.
Fixed Assets	2,584	2,629	45
Strategic Stock	566	679	113
Other assets (liabilities)	(170)	(235)	(65)
Working Capital	180	121	(60)
Net Debt	734	598	(136)
Equity	2,426	2,596	169
Capital Employed	3,160	3,194	33
Net Debt to Equity	30%	23%	(7 p.p.)

FIRST QUARTER HIGHLIGHTS

EXPLORATION & PRODUCTION

- Contributed to 23% of replacement cost adjusted EBITDA
- Realization price up 92% YoY

REFINING & MARKETING

- Usd devaluation hurt margins in 1Q08
- Direct customers continued supporting volumes

GAS & POWER

- Replacement cost adjusted EBITDA up 57% YoY
- Strong contribution from electrical and trading segments

FINANCIALS

- Capex up 30% YoY
- Net Debt reduction of €136 million

AGREEMENTS WITH PDVSA



VENEZUELA, A NEW PLATFORM FOR GROWTH

DELTA CARIBE AND MARISCAL SUCRE LNG PROJECTS

- 2 projects, each to include the development of a natural gas pipeline and a liquefaction facility
- Total processing capacity of 13 bcm of LNG per year
- Participation of 15% in each project; start-up estimated for 2014

ORINOCO BELT RESERVES CERTIFICATION

- Joint evaluation and reserves certification of Block Boyacá 6 at the Orinoco Belt
- Joint definition of a development and heavy crude upgrading project

CRUDE OIL ACQUISITION

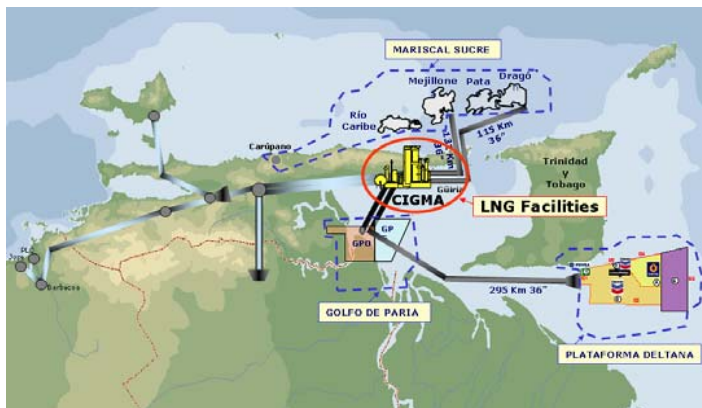
- Annual acquisition of crude oil between 2 and 4 million barrels
- Agreement can be renewed by annual periods

WIND FARMS DEVELOPMENT

- Cooperation in the study and installation of four wind farms
- Total capacity of 72 MW

DELTA CARIBE AND MARISCAL SUCRE LNG PROJECTS

Project highlights



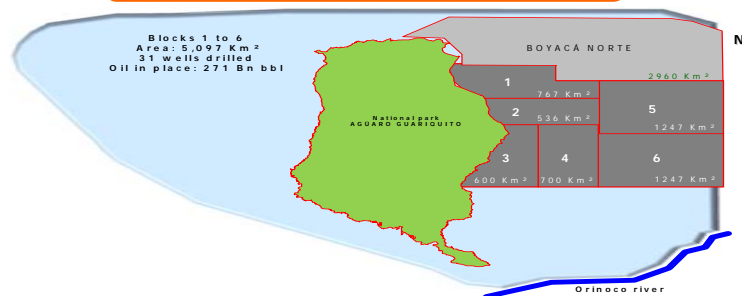
- Stake of 15% on both projects (1 train and 1 pipeline per project)
- Total liquefaction capacity of 13 bcm/y (6.5 bcm/y each)
- 2 pipelines to connect the plant from Plataforma Deltana and Mariscal Sucre
- LNG acquisition by Galp Energia of 2 bcm per year

Next steps

- Establishment of a coordination committee to develop:
 - Basic engineering and determine final investment amounts
 - Commercialization
 - EPC tender
- Final investment decision by the end of 2009
- First volumes of LNG expected before 2014

ORINOCO BELT RESERVES CERTIFICATION

Project highlights



- Reserves certification at Block 6 of Boyacá
- Estimated oil in place of 60-80 bln bbl
- API of 4-10°
- Total area of 1,247 km²
- 7 wells already drilled; 6 additional wells required
- Establishment of a joint company, *Empresa Mixta*, for the execution of the project, after the certification process

Next steps

Reserves certification	Phase I (Ongoing)	
	– Information validation	Until May 2008
	– Preliminary models production	
	Phase II	
	– Execution of complementary evaluation plan: 6 exploration wells	Until Dec 2008
Reserves Development	Phase III	
	– Static and dynamic models	By Mid 2009
	– Technology selection	
	– Integration	
	Phase IV	
	– Reserves certification	Dec 2009
	Agreement for studying the viability of developing, producing and upgrading the heavy oil from Boyacá 6	

CRUDE OIL ACQUISITION AND WIND FARMS AGREEMENTS

Crude oil

- Annual acquisition of crude oil between 2 and 4 million barrels
- Market price is the acquisition price
- The agreement can be renewed by annual periods

Wind farms

- Study, project and installation of 4 wind farms at Guajira, Chacopata and Nueva Esparta States
- Total capacity of 72 MW
- Galp Energia will provide training, technology and technical assistance to the future operators



Investor Relations

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