

Galp Energia 3Q 08 Trading Update

This trading update is aimed at providing estimates regarding macroeconomic, operational and trading conditions experienced by Galp Energia in the third quarter ending 30 September, 2008. The third quarter margins, prices, production and other data referred to below are currently provisional. All such data is subject to change and may differ quite considerably from the final numbers that will be reported on 12 November, 2008.

This trading update is produced in order to provide greater disclosure to investors and potential investors of currently expected results.

Economic Indicators

	3Q07	2Q08	3Q08	% Ch. 3Q08/3Q07	% Ch. 3Q08/2Q08
Average brent dated price ¹ (Usd/bbl)	74.9	121.4	114.8	53.3%	(5.4%)
Rotterdam cracking refining margin ² (Usd/bbl)	2.2	2.7	2.8	30.7%	5.2%
Rotterdam hydroskimming + aromatics + base oil refining margin ³ (Usd/bbl)	(0.0)	(1.7)	1.8	n.m.	n.m.
Henry hub natural gas price ⁴ (Usd/MMbtu)	6.2	11.4	9.0	46.3%	(20.4%)
Spanish pool price ⁵ (€/MWh)	36.5	56.9	70.4	92.8%	23.7%
Average exchange rate ⁶ Eur/Usd	1.37	1.56	1.51	9.5%	(3.7%)
Euribor - six month ⁶ (%)	4.56	4.93	5.18	13.4%	5.1%

Operational Indicators

Exploration & Production

	3Q07	2Q08	3Q08	% Ch. 3Q08/3Q07	% Ch. 3Q08/2Q08
Average working production (kbbbl/day)	18.3	15.5	15.5	(15.5%)	(0.4%)
Average net entitlement production (kbbbl/day)	14.5	11.3	9.1	(37.1%)	(19.4%)

Refining & Marketing

	3Q07	2Q08	3Q08	% Ch. 3Q08/3Q07	% Ch. 3Q08/2Q08
Crude processed (k bbl)	24,549	25,119	20,221	(17.6%)	(19.5%)
Total refined product sales (million tonnes)	4.2	4.1	3.8	(9.1%)	(8.0%)
Sales to direct clients (million tonnes)	2.4	2.3	2.2	(6.0%)	(3.1%)
Exports (million tonnes)	0.7	0.7	0.5	(25.2%)	(32.0%)

On the third quarter of 2008, due to the decrease in oil products prices on the international markets, the results of Refining & Marketing business segment were influenced by the time lag effect, with a positive impact in gross margin of approximately €32 million, as the contractual agreements with Portuguese market operators, including Galp Energia marketing business, take time to reflect the price changes in international markets. The time lag effect on the second quarter of 2008 was negative in €53.7 millions and in the third quarter of 2007 was negative in €7.7 millions. However, in accumulated terms the time lag effect had a negative impact of €27 million in the first nine months of 2008 which compares with a negative impact of €40 million in the same period last year.

Gas & Power

	3Q07	2Q08	3Q08	% Ch. 3Q08/3Q07	% Ch. 3Q08/2Q08
NG supply total sales volumes (million m ³)	1,299	1,478	1,464	12.7%	(1.0%)
Liberalised market	780	881	926	18.7%	5.1%
Of which:					
Electrical and industrial	491	580	679	38.2%	17.1%
Trading	289	302	248	(14.3%)	(17.8%)
Regulated market	519	597	537	3.6%	(10.0%)
Power generation ¹ (GWh)	406	376	414	1.8%	9.9%

On the third quarter of 2008 started the regulation of the Portuguese natural gas market for the distribution and commercialization activities. Regulated tariffs for natural gas sale were defined based on allowed revenues for each regulated natural gas activity. (Please see presentation released on 18 June 2008).

Results Presentation

The results will be disclosed to the market on 12 November, 2008 after the close of Euronext Lisbon.

The Conference Call, including Audio Webcast, will take place on 13 November, 2008 at 09:00 GMT (10:00 CET). The Conference Call and Audio Webcast details are as follows:

- **Hosted by:** Manuel Ferreira De Oliveira (CEO)
Claudio De Marco (CFO)
Tiago Villas-Boas (IR)
- **Dial-in numbers:** UK: +44 (0) 203 14 74 600
Portugal: 707 785 662
- **Link:** <http://gaia.unit.net/galp/20081113/trunc>
- **Chairperson:** Tiago Villas-Boas

Notes:

¹ Source: Platts.

² Source: Platts. Yields: -100% Brent dated, +2.3% LGP FOB Seagoing (50% Butane + 50% Propane), +25.4% PM UL NWE FOB Bg., +7.4% Naphtha NWE FOB Bg., +8.5% Jet NWE CIF, +33.3% ULSD 50 ppm NWE CIF Cg. and +15.3% LSFO 1% FOB Cg.; C&L: 7.7%; Terminal rate: 1 \$/ton; Ocean loss: 0.15% over Brent; Freight 2008: WS Aframax (80 kts) Route Sullom Voe / Rotterdam - Flat 5.13 \$/ton. Yields in % of weight.

³ Source: Platts.

Rotterdam hydroskimming refining margin yield: -100% Brent dated, +2.1% LGP FOB Seagoing (50% Butane + 50% Propane), +15.1% PM UL NWE FOB Bg., +4.0% Naphtha NWE FOB Bg., +9% Jet NWE CIF Cg., +32.0% ULSD 10 ppm NWE CIF Cg. and +33.8% LSFO 1% FOB NWE Cg.; C&L: 4.0%; Terminal rate: 1 \$/ton; Ocean loss: 0.15% over Brent; Freight 2008: WS Aframax (80 kts) Route Sullom Voe / Rotterdam - Flat 5.13 \$/ton.

Rotterdam aromatics refining margin yield: -60% PM UL NWE FOB Bg., -40% Naphtha NWE FOB Bg., +37% Naphtha NWE FOB Bg., +16.5% PM UL NWE FOB Bg., +6.5% Benzene Rotterdam FOB Bg., +18.5% Toluene Rotterdam FOB Bg., +16.6% Paraxylene Rotterdam FOB Bg., +4.9% Ortoxylene Rotterdam FOB Bg.. Consumption: -18% LSFO 1% CIF NEW. Yields in % of weight.

Base Oil refining margin yield: -100% Arabian Light, +3.5% LGP FOB Seagoing (50% Butane + 50% Propane), +13.0% Naphtha NWE FOB Bg., +4.4% Jet NWE CIF, 34.0% ULSD 10 ppm NWE CIF, +4.5% VGO 1.6% NWE FOB Cg., 14% Base Oils FOB, +26% HSFO 3.5% NWE Bg.; Consumptions: -6.8% LSFO 1% NWE FOB Cg.; Losses: 0.6%; Terminal rate: 1 \$/ton; Ocean loss: 0.15% over Brent; Freight 2008: WS Aframax (80 kts) Route Sullom Voe / Rotterdam - Flat 5.13 \$/ton. Yields in % of weight.

Rotterdam hydroskimming + Aromatics + Base oil refining margin = 65% Rotterdam hydroskimming refining margin + 15% Rotterdam aromatics refining margin + 20% Base Oil refining margin.

⁴ Source: Reuters.

⁵ Source: Bloomberg.

⁶ Source: European Central Bank. Euribor 360.

⁷ Includes unconsolidated companies where Galp Energia has a significant interest.

Galp Energia, SGPS, S.A.

Investor Relations

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