

Galp Energia 4Q 08 Trading Update

This trading update is aimed at providing estimates regarding macroeconomic, operational and trading conditions experienced by Galp Energia in the fourth quarter ending 31 December, 2008. The fourth 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 4 March, 2009.

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

Economic Indicators

	4Q07	3Q08	4Q08	% Ch. 4Q08/4Q07	% Ch. 4Q08/3Q08
Average brent dated price ¹ (Usd/bbl)	88.7	114.8	54.9	(38.1%)	(52.2%)
Rotterdam cracking refining margin ² (Usd/bbl)	2.2	2.8	4.4	103.7%	54.7%
Rotterdam hydroskimming + aromatics + base oil refining margin ³ (Usd/bbl)	(1.0)	1.8	4.8	n.m.	169.0%
Henry hub natural gas price ⁴ (Usd/MMbtu)	7.0	9.0	6.4	(8.2%)	(29.1%)
Spanish pool price ⁵ (€/MWh)	47.5	70.4	64.4	35.6%	(8.5%)
Average exchange rate ⁶ Eur/Usd	1.45	1.51	1.32	(9.0%)	(12.4%)
Euribor - six month ⁶ (%)	4.70	5.18	4.31	(8.3%)	(16.8%)

Operational Indicators

Exploration & Production

	4Q07	3Q08	4Q08	% Ch. 4Q08/4Q07	% Ch. 4Q08/3Q08
Average working production (kbbbl/day)	15.7	15.5	15.5	(1.3%)	0.2%
Average net entitlement production (kbbbl/day)	10.6	9.1	9.7	(8.7%)	6.2%

Refining & Marketing

	4Q07	3Q08	4Q08	% Ch. 4Q08/4Q07	% Ch. 4Q08/3Q08
Crude processed (k bbl)	19,154	20,221	20,780	8.5%	2.8%
Total refined product sales (million tonnes)	3.8	3.8	4.3	12.9%	12.4%
Sales to direct clients (million tonnes)	2.3	2.2	2.7	17.3%	22.6%
Exports (million tonnes)	0.4	0.5	0.6	44.1%	27.0%

In the fourth quarter of 2008, the total refined product sales and the sales to direct clients incorporate the sales of the Iberian Agip affiliates derived from their marketing activities, which acquisition process was completed on 1st October 2008.

In the same quarter, due to the decrease in oil products prices on the international markets, the results of the Refining & Marketing business segment were influenced by the time lag effect, with a positive impact in gross margin of approximately €105 million, as the contractual agreements with Portuguese market operators, including Galp Energia marketing business, take on average one week time to reflect the oil products price changes in international markets. The time lag effect on the third quarter of 2008 was positive in €32 millions and in the fourth quarter of 2007 was negative in €27.5 millions. In accumulated terms the time lag effect had a positive impact of €78 million in the twelve months of 2008 which compares with a negative impact of €67.4 million in the same period last year.

Gas & Power

	4Q07	3Q08	4Q08	% Ch. 4Q08/4Q07	% Ch. 4Q08/3Q08
NG supply total sales volumes (million m ³)	1,612	1,464	1,225	(24.1%)	(16.4%)
Liberalised market	980	926	586	(40.2%)	(36.7%)
Of which:					
Electrical and industrial	561	679	444	(20.9%)	(34.6%)
Trading	419	248	142	(66.1%)	(42.6%)
Regulated market	632	537	638	1.0%	18.8%
Power generation ¹ (GWh)	423	414	360	(14.9%)	(13.0%)

During the fourth quarter of 2008, the decision of the arbitrage process related to one of the natural gas contracts was known, following which a negotiation process with the supplier was under way. The result of this decision will be a new pricing formula with retroactive effects to May 2007, with a net negative impact of €103 million on Gas & Power's fourth quarter 2008 operating profit.

Results Presentation

The results will be disclosed to the market on 4 March, 2009 after the close of Euronext Lisbon.

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 10 ppm NWE CIF Cg. (until the end of October 2008 was ULSD 50 ppm) 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% Ortoxylyene 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.

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