FIRST QUARTER 2009 RESULTS

MAY 14 2009

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HIGHLIGHTS

FIRST QUARTER 2009 RESULTS HIGHLIGHTS

EXPLORATION & PRODUCTION	Performance hit by lower crude price
REFINING & MARKETING	Sines refinery incident with a negative impact of €57 Mln in adjusted EBITDA
GAS & POWER	Economic environment impacted volumes sold
FINANCIALS	EIB and syndicated loans guarantee medium-term financing needs

NET PROFIT RCA OF €49 MLN IMPACTED BY SINES REFINERY INCIDENT

Profit & Loss

€ Mln	1Q09	1Q08	YoY	4Q08	QoQ
Turnover	**2,927**	3,493	(16%)	3,579	(18%)
EBITDA	**151**	234	(35%)	244	(38%)
E&P	**15**	54	(71%)	33	(53%)
R&M	**84**	74	+13%	269	(69%)
G&P	**46**	101	(55%)	(56)	n.m.
EBIT	**75**	169	(56%)	179	(58%)
Net Profit	**49**	109	(55%)	125	(61%)
EPS (€/share)	**0.06**	0.13	(55%)	0.15	(61%)
EPS ($/share)	**0.08**	0.20	(61%)	0.20	(61%)
Net Profit (IFRS)	**44**	196	(78%)	(451)	n.m.

- Economic landscape shaping the demand side downwards
- Setback with Sines refinery incident with strong impact in R&M performance
- Higher debt levels impacting financial expenses partially offset by lower debt interest rate

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RCA figures except otherwise noted

EBITDA: includes Others €6 Mln – 1Q09; €4 Mln – 1Q08; (€2) Mln – 4Q08

IBERIAN ACQUISITIONS UNDERPINNING SALES TO DIRECT CLIENTS

KEY OPERATING DATA

		1Q09	1Q08	YoY	4Q08	QoQ
Working interest production	kbbl/d	**13.3**	13.8	(4%)	15.5	(14%)
Net entitlement production	kbbl/d	**8.4**	9.9	(15%)	9.7	(13%)
Galp Energia refining margin	$/bbl	**2.8**	3.0	(8%)	5.8	(51%)
Crude processed	M bbl	**13.3**	23.6	(44%)	20.8	(36%)
Oil sales direct clients	M ton	**2.8**	2.3	+21%	2.7	+3%
Natural gas sales	M m3	**1,075**	1,471	(27%)	1,225	(12%)
Electric power generation	GWh	**147**	136	+8%	104	+42%

- Maintenance works and OPEC cuts
- Crude processed significantly impacted by fire at Sines refinery
- Sales to direct clients supported by Iberian acquisitions
- Economic environment inevitably impacted NG volumes

BUSINESS OVERVIEW

E&P PERFORMANCE IMPACTED BY LOWER CRUDE PRICE

MAIN DATA E&P

		1Q09	1Q08	YoY	4Q08	QoQ
Working interest production	kbbl/d	**13.3**	13.8	(4%)	15.5	(14%)
Net entitlement production	kbbl/d	**8.4**	9.9	(15%)	9.7	(13%)
Net entitlement production	M bbl	**0.8**	0.9	(16%)	0.9	(15%)
Kuito	M bbl	**0.1**	0.1	+10%	0.1	+37%
BBLT	M bbl	**0.6**	0.8	(18%)	0.7	(15%)
TL	M bbl	**0.0**	0.0	(48%)	0.1	(76%)
Realized sale price	$/bbl	**43.9**	107.5	(59%)	60.8	(28%)
OPEX/net entitlement bbl	$/bbl	**13.9**	13.9	(0%)	6.5	+113%
EBITDA [1]	M €	**15**	54	(71%)	33	(53%)
CAPEX	M €	**33**	64	(48%)	44	(25%)

- Lower working interest production due to maintenance works and OPEC cuts
- Decrease in crude price affected economic performance

[1] EBITDA RCA

UNEXPECTED INCIDENT AT SINES REFINERY INFLUENCED RESULTS

Sines refinery overview

Utilities unit

Incident

- On January 17, a fire occurred at the utilities plant of Sines refinery
- Complete shutdown until February 24, and FCC and alkylation units until end of March

Impact

- Impact on less production and logistics
- Adjusted EBITDA impact of €57 Mln, limited by an excellent incident response

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SINES REFINERY INCIDENT HAMPERED BETTER RESULTS

MAIN DATA R&M

		1Q09	1Q08	YoY	4Q08	QoQ
Galp Energia refining margin	$/bbl	**2.8**	3.0	(8%)	5.8	(51%)
Spread over benchmark	$/bbl	**0.0**	3.3	(101%)	1.2	(103%)
Crude processed	M bbl	**13.3**	23.6	(44%)	20.8	(36%)
Refining throughput	M ton	**1.9**	3.5	(44%)	3.0	(35%)
Refined product sales	M ton	**3.9**	3.9	+2%	4.3	(7%)
Sales to direct clients	M ton	**2.8**	2.3	+21%	2.7	+3%
Portugal	M ton	**1.5**	1.6	(3%)	1.4	+6%
Spain	M ton	**1.3**	0.8	+70%	1.3	(1%)
Other portuguese operators	M ton	**0.7**	0.9	(21%)	0.9	(17%)
Exports	M ton	**0.4**	0.6	(36%)	0.6	(38%)
EBITDA [1]	M €	**84**	74	+13%	269	(69%)
CAPEX	M €	**45**	21	+115%	1,049	(96%)

- Galp Energia's refining margin and level of crude processed impacted by incident at Sines refinery
- Results compensated by the increase of direct clients weight on sales, reflected in the increase of Spanish market share from 4% to 8%
- Crude oil volatility reflected by negative time lag effect of €15 Mln

[1] EBITDA RCA

WEAKER DEMAND DROVE VOLUMES DOWN

MAIN DATA G&P

		1Q09	1Q08	YoY	4Q08	QoQ
NG supply total sales volumes	M m3	**1,075**	1,471	(27%)	1,225	(12%)
Liberalized markets sales volumes	M m3	**490**	825	(41%)	586	(16%)
Electrical and Trading	M m3	**414**	809	(49%)	534	(22%)
Industrial	M m3	**76**	16	+383%	52	+46%
Regulated markets sales volumes	M m3	**585**	646	(9%)	638	(8%)
Electrical power generation	GWh	**147**	136	+8%	104	+42%
Sales of electricity to the grid	GWh	**144**	134	+8%	102	+41%
EBITDA [1]	M €	**46**	101	(55%)	(56)	n.m.
CAPEX	M €	**17**	14	+22%	37	(55%)

- Strong hydro hampered electrical segment sales
- Lower international natural gas demand negatively impacted attractiveness of trading market
- Lower supply margins due to timing mismatch between sourcing and marketing contracts

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[1] EBITDA RCA

FINANCIAL OVERVIEW

NET PROFIT RCA OF €49 MLN IMPACTED BY REFINERY INCIDENT

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G&P	**46**	101	(55%)	(56)	n.m.
EBIT	**75**	169	(56%)	179	(58%)
Associates [1]	**17**	12	+44%	15	+12%
Financial results	**(18)**	(9)	+97%	(16)	+9%
Taxes	**23**	61	(62%)	51	(55%)
Net Profit	**49**	109	(55%)	125	(61%)

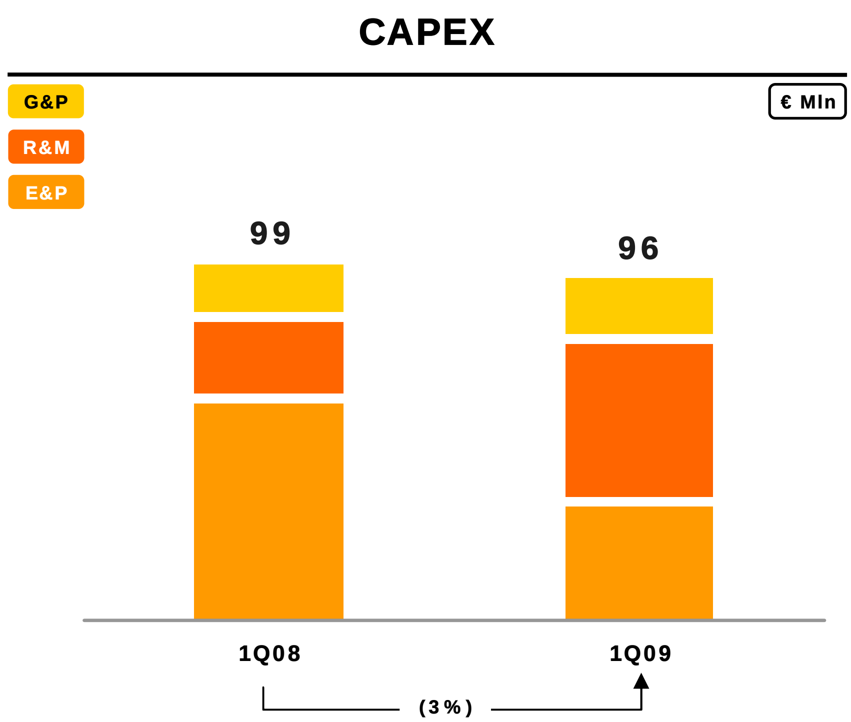
- Lower crude price
- Lower NG volumes and depressed gas supply margins
- Financial expenses impacted by higher debt, partially offset by lower debt interest rate
- Effective tax rate of 31%

[1] Associated companies previously consolidated by proportional method are consolidated by equity method from this quarter onwards

RCA figures except otherwise noted

EBITDA: includes Others €6 Mln – 1Q09; €4 Mln – 1Q08; (€2) Mln – 4Q08

R&M TRANSFORMATIONAL PROJECT RESPONSIBLE FOR THE MAJORITY OF CAPEX



- E&P capex conducted to operations in Block 14, namely Tômbua-Lândana, and Brazil onshore and offshore
- Conversion refining project in line with schedule
- Main stake of G&P capex channelled to the extension of the network in NG distribution

Capex: includes Others €1 Mln – 1Q09

CAPITAL STRUCTURE SHAPED BY INVESTMENT PLAN EXECUTION

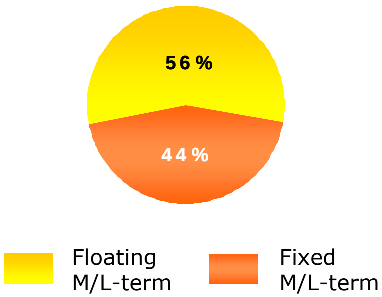
CONSOLIDATED BALANCE SHEET

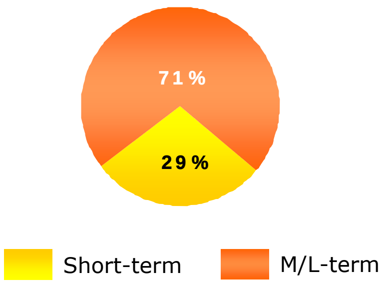
€ Mln	Mar. 2009	Dec. 2008	Change
Fixed assets	**3,698**	3,881	(183)
Strategic stock	**595**	480	+116
Other assets (liabilities)	**(48)**	(29)	(19)
Working capital	**162**	(249)	+411
Net debt	**2,143**	1,864	+279
Equity	**2,265**	2,219	+46
Capital employed	**4,408**	4,082	+325
Net debt to equity	**95%**	84%	10.6 p.p.

- One-off events at payables impacted net working capital:
  - €195 Mln related to Iberian acquisitions
  - €67 Mln related to LNG arbitrage process ended in 4Q08
- Net debt increase reflected one-off working capital deterioration

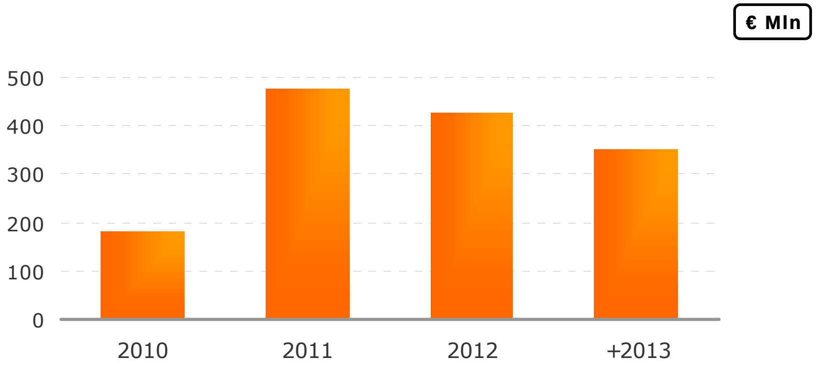
INTEREST RATE RISK HEDGED BY HIGHER FIXED RATE WEIGHT

Debt structure as of March 2009





M/L-term debt reimbursement profile



- Net debt totalled €2,143 Mln
- Average M/L-term debt maturity of 4.1 years
- Average interest rate of 3.47%
- Current liquidity of €1.7[1] Bln

[1] Liquidity position as of the end of March plus €700 Mln from syndicated loan

OUTLOOK

EXPLORATION & PRODUCTION	2Q09 production to continue at current levels due to OPEC cut and Tômbua-Lândana field to start-up in late 3Q09
REFINING & MARKETING	Sines refinery operating at normal conditions
GAS & POWER	Supply margins to open with decreasing effect of timing mismatch between NG sourcing and marketing contracts
FINANCIALS	Current liquidity position of €1.7 Bln to support medium term capex execution

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FIRST QUARTER 2009 RESULTS

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