RESULTS

SECOND QUARTER AND FIRST HALF 2010

Extending success into new challenges

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EXECUTIVE SUMMARY

Galp Energia's replacement cost adjusted (RCA) net profit for the first half of 2010 rose by 72% year on year (yoy) to €174 million. For the second quarter 2010, RCA net profit was €109 million.

All business segments improved their performance, namely Exploration & Production and Refining & Marketing, the latter on the back of rising refining margins and increased volumes of crude processed. In 2009, these had been affected by the incident in the Sines refinery.

SUMMARY OF RESULTS – SECOND QUARTER AND FIRST HALF 2010

- Working interest production of crude oil rose by 43% yoy to 19.1 thousand barrels per day following the contribution from projects Tupi and CPT Tômbua-Lândana; in the second quarter, production rose by 7% quarter on quarter (qoq) to 19.8 thousand barrels per day;
- Galp Energia's refining margin was Usd 3.0/bbl in the first half of 2010; in the second quarter of 2010, the margin rose to Usd 3.4/bbl as refining margins recovered in international markets;
- Marketing of oil products continued to contribute favourably to results as the activity level in Spain expanded;
- The volume of natural gas sold rose by 4% yoy to 2,284 million cubic metres, 72% of which went into the liberalised market; in the second quarter of 2010, the volume sold was 1,105 million cubic metres, of which 62 million cubic metres were used by the cogeneration plant at the Sines refinery;
- RCA EBITDA in the first half of 2010 was €454 million, 44% of which originated in the Refining & Marketing business segment; in the second quarter, RCA EBITDA was €277 million, up from €133 million a year earlier;
- The RCA net profit of €174 million equated to €0.21 per share, €0.13 of which in the second quarter 2010;
- Capital expenditure in the first half of 2010 amounted to €479 million, 60% of which in the second quarter of 2010; in both periods, spending was primarily directed to the refinery conversion project.

CONFERENCE CALL

Date:	Friday, 30 July
Time:	14:00 UK time (15:00 CET)
Hosted by:	Manuel Ferreira De Oliveira (CEO) Claudio De Marco (CFO) Tiago Villas-Boas (IRO)
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Chairperson:	Tiago Villas-Boas

KEY FIGURES

FINANCIAL DATA

Million euros

Second quarter					First half			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
174	368	194	111.7%	EBITDA	316	589	273	86.6%
118	285	167	141.9%	EBITDA RC[1]	266	457	191	71.9%
133	**277**	**144**	**108.9%**	**EBITDA RCA[2]**	**286**	**454**	**168**	**58.7%**
104	233	129	123.3%	Operating profit	169	372	203	120.5%
48	150	102	210.3%	Operating profit RC[1]	119	240	121	102.0%
57	**158**	**101**	**177.7%**	**Operating profit RCA[2]**	**132**	**253**	**122**	**92.3%**
93	162	69	74.6%	Net profit	137	260	123	90.2%
52	102	50	96.8%	Net profit RC[1]	96	163	67	69.0%
52	**109**	**57**	**109.7%**	**Net profit RCA[2]**	**101**	**174**	**73**	**71.7%**

[1] Replacement cost figures exclude inventory effects

[2] Adjusted figures exclude inventory effects and non recurrent events

MARKET INDICATORS

Second quarter					First half			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
1.3	1.9	0.6	43.2%	Rotterdam cracking refining margin[1] (Usd/bbl)	2.3	1.9	(0.3)	(15.2%)
(0.5)	0.6	1.1	n.m.	Rotterdam hydroskimming + aromatics + base oil refining margin[1] (Usd/bbl)	1.1	0.5	(0.6)	(57.6%)
27.6	38.5	10.9	39.3%	UK NBP natural gas price[2] (GBp/term)	37.2	37.1	(0.1)	(0.3%)
37.0	35.0	(2.0)	(5.5%)	Spanish pool price[2] (€/MWh)	40.0	30.2	(9.8)	(24.5%)
58.8	78.3	19.5	33.2%	Average Brent dated price[3] (Usd/bbl)	51.6	77.3	25.7	49.8%
1.36	1.27	(0.1)	(6.6%)	Average exChg. rate[2] (Eur/Usd)	1.33	1.33	(0.0)	(0.5%)
1.51	0.98	*(1 p.p.)*	n.m.	Euribor - six month[2] (%)	1.81	0.97	*(1 p.p.)*	n.m.

[1] Source: Platts. For a complete description of the method for calculating Rotterdam margins see "Definitions"

[2] Source: Bloomberg

[3] Source: Platts

OPERATING DATA

Second quarter					First half			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
13.4	19.8	6.4	47.8%	Average working interest production (kbbl/day)	13.3	19.1	5.8	43.5%
9.3	10.9	1.6	17.1%	Average net entitlement production (kbbl/day)	8.9	11.8	2.9	33.1%
1.6	3.4	1.8	118.1%	Galp Energia refining margin (Usd/bbl)	2.0	3.0	1.0	49.8%
3.2	3.2	(0.0)	(0.3%)	Raw materials processed (million tonnes)	5.2	6.4	1.2	22.9%
2.8	2.6	(0.2)	(8.5%)	Oil sales direct clients (million tonnes)	5.6	5.2	(0.4)	(7.4%)
1,115	1,105	(9)	(0.8%)	Natural gas sales (million m^3)	2,189	2,284	94	4.3%
134	311	178	133.1%	Sales of electricity to the grid [1] (Gwh)	277	608	331	119.8%

[1] Includes unconsolidated companies where Galp Energia has a significant interest

BASIS OF PRESENTATION

Galp Energia's unaudited consolidated financial statements for the six months ended 30 June 2010 and 2009 have been prepared in accordance with IFRS. The financial information in the consolidated income statement is reported for the quarters ended 30 June 2010 and 2009 and the half-year periods ended on these dates. The financial information in the consolidated financial position is reported at 30 June 2010, 31 March 2010 and 31 December 2009.

Galp Energia's financial statements are prepared in accordance with IFRS and the cost of goods sold is valued at WAC. The use of this valuation method might, when goods and commodities prices fluctuate, cause volatility in results following gains or losses in inventories which do not reflect the company's operating performance. This effect is called the *inventory effect*.

Another factor that may affect the Company's results but is not an indicator of its true performance is the set of non recurrent events such as gains or losses on the disposal of assets, impairments or reinstatements of fixed assets and environmental or restructuring charges.

For the purpose of evaluating the operating performance of Galp Energia's businesses, RCA operating profit and net profit exclude non recurrent events and the inventory effect after the cost of goods sold has been calculated using the replacement cost (RC) method.

RECENT CHANGES

In January 2010, the factor used in the conversion of benchmark refining margins from Usd/ton to Usd/bbl was changed from 7.58 to 7.55. This change was applied to the first half and the second quarter of 2009 to make periods comparable.

In the first quarter of 2010, Galp Energia changed its policy for accounting for investment grants extended by state bodies. Up to the end of 2009, Galp Energia recorded investment grants by deducting them from asset values. From January 2010, investment grants are recorded under liabilities as deferred income.

In January 2010, considering the fact that Galp Energia's regulated gas business – because it is operated under a concession from the Portuguese state – is covered by interpretation *IFRIC 12 – Service Concession Arrangements*, Galp Energia transferred the tangible fixed assets allocated to the gas business, without affecting their economic life, to the heading Concession service agreements under intangible fixed assets.

MARKET ENVIRONMENT

BRENT

The dated Brent averaged Usd 77.3/bbl in the first half of 2010, which was 50% higher than a year earlier, when crude prices were at five-year lows. The rise was primarily the result of heightened expectations – in comparison with 2009 – of a rebounding world economy as well as OPEC's production management actions.

In the second quarter, the dated Brent averaged Usd 78.3/bbl, up 3% qoq. The average for April was Usd 84.9/bbl as the dated Brent responded to expectations of a fast-paced recovery in economic activity. In May and June, the average dated Brent fell back to Usd 75.0/bbl as expectations of the pace of economy recovery were revised downward, mainly as a consequence of the sovereign debt crisis in the Eurozone.

OIL PRODUCTS

In the first half of 2010, the gasoline crack spread averaged Usd 19.3/bbl, up 36% yoy, as demand rose in response to improved economic indicators. In the second quarter, the gasoline crack spread averaged Usd 18.9/bbl, which was virtually in line with a quarter earlier, as demand fell below normal levels for this time of the year as a result of high US unemployment.

In the first half of 2010, the diesel crack spread averaged Usd 12.0/bbl, in line with a year earlier, as average inventories remained above historical levels. In the second quarter of 2010, the diesel crack spread averaged Usd 13.6/bbl, up 32% qoq, as demand picked up following the recovery in the transport sector activity.

In the first half of 2010, the fuel oil crack spread averaged Usd -17.3/bbl, down 27% yoy. In the second quarter of 2010, the fuel oil crack spread averaged Usd -18.2/bbl, down 10% qoq. These declines followed falling demand as natural gas became more competitive, the utilisation of nuclear plant capacity rose and Chinese refineries were converted, which led to rising inventories.

REFINING MARGINS

In the first half of 2010, the cracking margin fell Usd 0.3/bbl yoy and the hydroskimming margin fell Usd 0.9/bbl yoy following the adverse impact of the rise in dated Brent between periods.

In the second quarter of 2010, the average cracking margin was Usd 1.9/bbl, in line with a quarter earlier, which was also the case with the average hydroskimming margin, at Usd -1.0/bbl. This stability across quarters reflected the recovery in both refinery margins in May and June, which offset the falling trend in April.

EUR/USD

In the first six months of 2010, the euro/dollar exchange rate averaged 1.33, which was roughly in line with a year earlier. In the second quarter of 2010, the euro/dollar exchange rate averaged 1.27, which implied a depreciation of the euro against the dollar of 8% qoq and 7% yoy, as the Eurozone's sovereign debt crisis took its toll.

THE IBERIAN MARKET

In Portugal, the market for oil products contracted 3% yoy in the first half of 2010, to 5.0 million tonnes. The market for gasoline contracted 4% to 0.7 million tonnes, whereas the market for diesel remained stable and the market for jet recovered 8% to 0.5 million tonnes compared with a year earlier.

In the second quarter of 2010, volumes sold in the Portuguese market for oil products fell by 3% yoy to 2.6 million tonnes. This decline was more visible in the market for gasoline, which slid by 4% yoy to 0.3

million tonnes. On the other hand, the market for diesel was, at 1.3 million tonnes, in line with a year earlier, and the market for jet rebounded by 11% to 0.3 million tonnes.

In Spain, the market for oil products also developed unfavourably in the first half of 2010 and contracted 3% yoy to 29.0 million tonnes. This development was the result of a contraction of 6% in the market for gasoline, to 2.8 million tonnes, since the market for diesel was, at 15.9 million tonnes, in line with a year earlier. The downward trend in demand is explained by the difficult economic environment, with high unemployment.

In the second quarter of 2010, the Spanish market for oil products fell by 3% yoy to 14.4 million tonnes. This fall was steeper in the market for gasoline, which contracted 6% yoy to 1.4 million tonnes. The market for diesel amounted to 7.7 million tonnes, which was only slightly less than its volume a year earlier.

In the first half of 2010, the Portuguese market for natural gas amounted to 2,159 million cubic metres, an increase of 3% from a year earlier. The rise of 7% in demand from the industrial segment offset the fall of the same magnitude in demand from the electrical segment. The latter was affected by the rise in hydro-powered electricity production to the detriment of natural gas-fired thermal generation, as a result of higher rainfall in the period. In the second quarter of 2010, the market for natural gas was in line with a year earlier to 1,072 million cubic metres despite the fall demand from both the electrical (-2%) and industrial (-1%) segments.

In the first half of 2010, the Spanish market for natural gas expanded by 2% yoy to 17,220 million cubic metres. In the second quarter of 2010, however, the market for natural gas contracted 4% yoy to 7,618 million cubic metres as demand in the electrical sector suffered from the switch to hydro power.

MARKET INDICATORS

Second quarter					First half			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
58.8	78.3	19.5	33.2%	Average Brent dated price[1] (Usd/bbl)	51.6	77.3	25.7	49.8%
9.1	13.6	4.6	50.3%	Diesel crack[2] (Usd/bbl)	11.8	12.0	0.2	1.3%
18.5	18.9	0.3	1.9%	Gasoline[3] crack (Usd/bbl)	14.2	19.3	5.1	35.9%
(15.0)	(18.2)	(3.2)	(21.0%)	Fuel oil crack[4] (Usd/bbl)	(13.7)	(17.3)	(3.7)	(26.7%)
1.3	1.9	0.6	(43.2%)	Rotterdam cracking refining margin[1] (Usd/bbl)	2.3	1.9	(0.3)	(15.2%)
(1.4)	(1.0)	0.4	27.2%	Rotterdam hydroskimming refining margin[1] (Usd/bbl)	(0.1)	(1.0)	(0.9)	n.m.
2.6	2.6	(0.1)	(3.1%)	Portuguese oil market[5] (million ton)	5.2	5.0	(0.2)	(3.1%)
14.8	14.4	(0.4)	(2.8%)	Spanish oil market[6] (million ton)	30.0	29.0	(1.0)	(3.3%)
1,066	1,072	6.0	0.6%	Portuguese natural gas market[7] (million m^3)	2,098	2,159	61.0	2.9%
7,937	7,618	(319)	(4.0%)	Spanish natural gas market[8] (million m^3)	16,960	17,220	260	1.5%

[1] Source: *Platts*
[2] Source: *Platts*; *ULSD 10ppm NWE CIF ARA*.
[3] Source: *Platts*; Unleaded gasoline, *NWE FOB Barges*
[4] Source: *Platts*; 1% LSFO, NWE FOB Cargoes
[5] Source: DGEG
[6] Source: Cores. Data for June in the first half 2010 is estimated
[7] Source: Galp Energia
[8] Source: Enagas

FINANCIAL REVIEW

1. INCOME STATEMENT

Million euros

Second quarter					First half			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
2,866	3,588	721	25.2%	Turnover	5,793	6,877	1,084	18.7%
(2,704)	(3,289)	584	21.6%	Operating expenses	(5,511)	(6,370)	859	15.6%
12	69	57	n.m.	Other operating revenues (expenses)	34	83	48	139.8%
174	**368**	**194**	**111.7%**	**EBITDA**	**316**	**589**	**273**	**86.6%**
(69)	(135)	66	94.3%	D&A and provisions	(147)	(217)	70	47.6%
104	**233**	**129**	**123.3%**	**Operating profit**	**169**	**372**	**203**	**120.5%**
27	18	(9)	(34.0%)	Net profit from associated companies	44	34	(10)	(21.8%)
0	0	(0)	(61.7%)	Net profit from investments	0	0	(0)	(51.7%)
(15)	(30)	(15)	(98.5%)	Net interest expenses	(33)	(53)	(20)	(61.6%)
116	221	105	90.3%	Profit before tax and minority interests	180	353	173	96.6%
(22)	(58)	36	161.5%	Income tax	(40)	(91)	51	126.6%
(1)	(1)	(0)	(18.3%)	Minority Interests	(3)	(2)	(1)	(18.0%)
93	**162**	**69**	**74.6%**	**Net profit**	**137**	**260**	**123**	**90.2%**
93	**162**	**69**	**74.6%**	**Net profit**	**137**	**260**	**123**	**90.2%**
(41)	(60)	(19)	(46.2%)	Inventory effect	(40)	(97)	(57)	(141.1%)
52	**102**	**50**	**96.8%**	**Net profit RC**	**96**	**163**	**67**	**69.0%**
(0)	7	7	n.m.	Non recurrent items	5	11	6	127.3%
52	**109**	**57**	**109.7%**	**Net profit RCA**	**101**	**174**	**73**	**71.7%**

FIRST HALF

RCA net profit for the first half of 2010 climbed by 72% yoy to €174 million following the rise in the price and production of crude oil, the increase in the refining margin and the volume of crude processed as well as the rise in the volume of natural gas sold. A year earlier, results had been adversely impacted by the incident at the Sines refinery. In IFRS, the net profit was €260 million, including a favourable inventory effect of €97 million.

SECOND QUARTER

RCA net profit for the second quarter of 2010 soared 110% yoy to €109 million, driven by the operating performance of the Refining & Marketing business segment as the refining margin rose, the US dollar appreciated and results from marketing of oil products in Spain improved. In IFRS, net profit was €162 million, including a favourable inventory effect of €60 million.

2. ANALYSIS OF INCOME STATEMENT ITEMS

SALES AND SERVICES RENDERED

Million euros

Second quarter					First half			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
2,866	**3,588**	**721**	**25.2%**	**Sales and services rendered**	**5,793**	**6,877**	**1,084**	**18.7%**
-	-	-	-	Non recurrent items	-	-	-	-
2,866	**3,588**	**721**	**25.2%**	**Sales and services rendered RCA**	**5,793**	**6,877**	**1,084**	**18.7%**
43	64	21	50.0%	Exploration & Production	53	101	48	90.0%
2,589	3,208	619	23.9%	Refining & Marketing	5,100	6,107	1,006	19.7%
296	416	121	40.9%	Gas & Power	725	813	88	12.2%
34	33	(1)	(3.9%)	Others	63	64	1	1.3%
(96)	(134)	(39)	(40.4%)	Consolidation adjustments	(148)	(207)	(59)	(39.7%)

FIRST HALF

Sales and services provided in the first half of 2010 rose by 19% yoy to €6,877 million, as turnover advanced across all business segments. This increase was induced by the rise in the price and production of crude oil, increasing prices of oil products in international markets and the sales by the Sines cogeneration plant, which started operations in the fourth quarter of 2009.

SECOND QUARTER

Sales and services provided in the second quarter of 2010 rose by 25% yoy to €3,588 million, an increase that cut across all business segments and was the result of rises in the price and production of crude oil as well as increasing prices of oil products and natural gas.

OPERATING COSTS

Million euros

Second quarter 2009	Second quarter 2010	Chg.	% Chg.		First half 2009	First half 2010	Chg.	% Chg.
2,704	**3,289**	**584**	**21.6%**	**Operational costs**	**5,511**	**6,370**	**859**	**15.6%**
56	83	27	48.3%	Inventory effect	50	133	82	164.3%
2,760	**3,372**	**611**	**22.1%**	**Operational costs RC**	**5,562**	**6,503**	**941**	**16.9%**
(12)	(3)	9	73.0%	Non recurrent items	(20)	(9)	11	55.4%
2,750	**3,368**	**618**	**22.5%**	**Operational costs RCA**	**5,541**	**6,494**	**953**	**17.2%**
2,750	**3,368**	**618**	**22.5%**	**Operational costs RCA**	**5,541**	**6,494**	**953**	**17.2%**
2,489	3,099	609	24.5%	Cost of goods sold	5,024	5,959	935	18.6%
187	194	7	3.9%	Supply and services	364	370	6	1.6%
74	76	2	2.5%	Personnel costs	153	165	12	7.7%

FIRST HALF

RCA operating costs in the first half of 2010 rose by 17% to €6,494 million as the cost of goods sold rose by 19%, primarily as a result of rising prices of crude oil.

Supply and services cost edged up to €370 million which, on a comparable basis – that is, excluding the consolidation of the Madrileña Gas acquisition – was virtually flat yoy.

Staff costs rose by 8% yoy to €165 million due to employee remuneration accruals and post-employment benefits increased.

Non recurrent events of €9 million were mainly related to staff restructuring.

SECOND QUARTER

RCA operating costs in the second quarter of the year rose by 23% to €3,368 million, mainly as a result of the rise in the cost of goods sold against a backdrop of rising prices of crude oil and natural gas.

On a comparable basis, that is, excluding the effect of the Madrileña Gas acquisition, both supply and services cost and staff costs remained stable in the second quarter of 2010 in comparison with a year earlier.

EMPLOYEES

	December 31, 2009	March 31, 2010	June 30, 2010	Change vs Dec 31, 2009	Change vs Mar 31, 2010
Exploration & Production	78	78	77	(1)	(1)
Refining & Marketing	6,340	6,317	6,355	15	38
Gas & Power	468	470	468	-	(2)
Corporte & Others	607	607	615	8	8
Total employees	**7,493**	**7,472**	**7,515**	**22**	**43**
Service stations employees	3,761	3,722	3,807	46	85
Total off site employees	**3,732**	**3,750**	**3,708**	**(24)**	**(42)**

At the end of June 2010, Galp Energia had 7,515 employees, ahead of both December 2009 and March 2010 as the number of staff at the Refining & Marketing business segment's service stations increased to cope with the summer season.

DEPRECIATION AND AMORTISATION

Million euros

Second quarter					First half			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
58	**87**	**29**	**49.1%**	**Depreciation & amortisation**	**126**	**158**	**31**	**24.7%**
3	(9)	(11)	n.m.	Non recurrent items	(1)	(9)	(8)	n.m.
61	**79**	**18**	**28.7%**	**Adjusted depreciation & amortisation**	**125**	**149**	**24**	**18.9%**
61	**79**	**18**	**28.7%**	**Adjusted depreciation & amortisation**	**125**	**149**	**24**	**18.9%**
7	18	10	138.6%	Exploration & Production	20	31	11	55.1%
45	50	5	10.6%	Refining & Marketing	87	95	8	8.9%
9	11	2	25.9%	Gas & Power	17	21	4	23.7%
0	0	0	n.m.	Others	0	1	1	n.m.

FIRST HALF

Adjusted depreciation and amortisation in the first half of 2010 rose by 19% yoy to €149 million. In Exploration & Production, the increase stemmed primarily from the CPT Tômbua-Lândana project, which started operations in August 2009.

In Refining & Marketing, depreciation of €95 million was €8 million ahead of a year earlier as selected assets related to ExxonMobil's former Iberian subsidiaries were re-booked at the end of 2009.

The increase of €4 million in Gas & Power was originated in the Power business as the cogeneration plant at the Sines refinery came into operation in October 2009.

Non recurrent items of €9 million were recorded in the second quarter of 2010 and were primarily related to dry wells in Brazil.

SECOND QUARTER

Adjusted depreciation and amortisation in the second quarter of 2010 rose by 29% yoy to €79 million. This rise, which was fed by all business segments, had the same causes as in the first half, namely the start-up of CPT Tômbua-Lândana, the re-booking of assets and the start of operations at the Sines refinery's cogeneration plant.

In comparison with the first quarter of 2010, depreciation rose by €9 million, with Exploration & Production and Refining & Marketing as the main contributors. In Exploration & Production, the rise resulted from the downward adjustment of net entitlement reserves as the price of crude used as a benchmark rose – which had a direct impact on the depreciation rate for the period. In Refining & Marketing, the rise was primarily related to increased depreciation of the Sines refinery.

PROVISIONS

Million euros

Second quarter					First half			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
11	**48**	**37**	**n.m.**	**Provisions**	**21**	**59**	**39**	**187.7%**
4	(7)	(11)	n.m.	Non recurrent items	9	(7)	(16)	n.m.
15	**40**	**26**	**176.1%**	**Adjusted provisions**	**29**	**52**	**23**	**77.2%**
15	**40**	**26**	**176.1%**	**Adjusted provisions**	**29**	**52**	**23**	**77.2%**
2	6	4	224.1%	Exploration & Production	3	8	4	127.6%
6	2	(5)	(75.3%)	Refining & Marketing	12	3	(9)	(74.9%)
6	32	26	n.m.	Gas & Power	13	41	28	n.m.
0	0	0	186.4%	Others	1	0	(1)	(65.4%)

FIRST HALF

Adjusted provisions in the first half of 2010 were €52 million, up €23 million from a year earlier.

In Exploration & Production, higher provisions were primarily related to the abandonment of Angola’s block 14 and the payment of IRP for previous years. Lower provisions in Refining & Marketing reflected falling sums provided for doubtful debtors. In Gas & Power, the increase of €28 million in provisions was related to the renegotiation of contracts for the supply of natural gas.

SECOND QUARTER

Adjusted provisions in the second quarter of 2010 increased to €40 million, up €26 million yoy, were mainly explained by rising provisions in Gas & Power for the renegotiation of contracts for the supply of natural gas.

OPERATING PROFIT

Million euros

Second quarter					First half			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
104	**233**	**129**	**123.3%**	**Operating profit**	**169**	**372**	**203**	**120.5%**
(56)	(83)	(27)	(48.3%)	Inventory effect	(50)	(133)	(82)	(164.3%)
48	**150**	**102**	**210.3%**	**Operating profit RC**	**119**	**240**	**121**	**102.0%**
9	8	(1)	(7.0%)	Non recurrent items	13	14	1	4.7%
57	**158**	**101**	**177.7%**	**Operating profit RCA**	**132**	**253**	**122**	**92.3%**
57	**158**	**101**	**177.7%**	**Operating profit RCA**	**132**	**253**	**122**	**92.3%**
20	21	0	2.3%	Exploration & Production	21	54	32	152.7%
(9)	82	91	n.m.	Refining & Marketing	28	102	74	266.6%
38	50	12	31.5%	Gas & Power	71	93	22	31.0%
7	5	(3)	(38.6%)	Others	12	6	(6)	(53.2%)

FIRST HALF

RCA operating profit for the first half of 2010 surged by 92% yoy to €253 million following improved performance from all business segments as the price and production of crude oil rose, the refining margin and the volume of crude processed increased and volumes sold of natural gas expanded. In 2009, the results of the Refining & Marketing business segment had been negatively affected by the incident in the Sines refinery.

SECOND QUARTER

RCA operating profit for the second quarter of 2010 soared by 178% yoy and by 65% qoq to €158 million. These increases were primarily driven by the performance of the Refining & Marketing business segment, which benefited from rising refining margins in international markets and a widening spread between Galp Energia's refining margin and the benchmark.

OTHER RESULTS

Million euros

Second quarter					First half			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
27	18	(9)	(34.0%)	Net profit from associated companies	44	34	(10)	(21.8%)
0	0	(0)	n.m.	Net profit from investments	0	0	(0)	n.m.
(15)	(30)	(15)	(99.9%)	Financial results	(33)	(53)	(20)	(62.1%)

FIRST HALF

Results from associates in the first half of 2010 were €34 million, down €10 million yoy, which is explained by the inclusion a year earlier of one of the subsidiaries acquired from ExxonMobil, which began to consolidate fully in the last quarter of 2009.

The contribution from international gas pipelines EMPL, Gasoducto Al Andalus and Gasoducto Extremadura remained stable at €24 million.

Net financial losses increased by €20 million as rising financial charges reflected higher average debt and unfavourable exchange differences primarily in supplier items following the appreciation of 14% in the US dollar against the euro since the beginning of the year.

SECOND QUARTER

Results from associates in the second quarter of 2010 fell by 34% yoy to €18 million as the results from a former ExxonMobil subsidiary were no longer accounted for.

Net financial losses deepened by €15 million to €30 million primarily following unfavourable exchange differences in the wake of the US dollar appreciation against the euro in the second quarter of 2010.

INCOME TAX

Million euros (except otherwise noted)

Second quarter					First half			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
22	**58**	**36**	**161.5%**	**Income tax IFRS[1]**	**40**	**91**	**51**	**126.6%**
19%	*26%*	*7 p.p.*	*n.m.*	*Effective income tax*	*22%*	*26%*	*3 p.p.*	*n.m.*
(15)	(23)	8	n.m.	Inventory effect	(10)	(36)	26	n.m.
7	**34**	**28**	**n.m.**	**Income tax RC[1]**	**30**	**55**	**25**	**83.1%**
3	1	(1)	(55.6%)	Non recurrent items	3	3	0	15.1%
10	**36**	**26**	**n.m.**	**Income tax RCA[1]**	**33**	**58**	**25**	**77.9%**
15%	*24%*	*9 p.p.*	*n.m.*	*Effective income tax*	*24%*	*25%*	*1 p.p.*	*n.m.*

[1] Include oil tax (IRP) payable in Angola

FIRST HALF

RCA income tax in the first half of 2010 was €58 million, up €25 million yoy as results improved and IRP payable in Angola rose by €7 million to €15 million. The RCA-based effective tax rate in the period was 25%.

SECOND QUARTER

RCA income tax in the second quarter of 2010 was €36 million, which equated to an RCA-based effective tax rate of 24%, well above the 15% of a year earlier. This increase stemmed from improved results taxable in Portugal and higher IRP payable in Angola.

3. FINANCIAL POSITION

Million euros (except otherwise noted)

	December 31, 2009	March 31, 2010	June 30, 2010	Change vs Dec 31, 2009	Change vs Mar 31, 2010
Fixed assets	4,379	4,562	4,835	456	273
Strategic stock	575	619	691	117	73
Other assets (liabilities)	(333)	(355)	(350)	(18)	5
Working capital	(305)	(99)	(107)	198	(8)
	4,316	**4,726**	**5,069**	**753**	**342**
Short term debt	424	411	573	149	162
Long term debt	1,747	2,038	2,124	377	86
Total debt	**2,171**	**2,449**	**2,697**	**526**	**248**
Cash	244	228	214	(30)	(14)
Total net debt	**1,927**	**2,222**	**2,483**	**556**	**262**
Total shareholder's equity	**2,389**	**2,505**	**2,585**	**197**	**81**
Capital employed	**4,316**	**4,726**	**5,069**	**753**	**342**

Net assets at 30 June 2010 amounted to €4,835 million, up €273 million from the first quarter of 2010 following capital spending, mainly in Refining & Marketing. The rise of €73 million in the strategic stock relative to the end of March 2010 was influenced by rising prices of oil products in the second quarter of the year. Despite the rise in activity in the second quarter of 2010, working capital declined by €8 million compared with March 2010.

DEBT

Million euros (except otherwise noted)

	December 31, 2009		March 31, 2010		June 30, 2010		Change vs Dec 31, 2009		Change vs Mar 31, 2010	
	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
Bonds	1	700	-	700	-	700	(1)	-	-	-
Bank debt	422	947	411	1,138	573	1,174	151	227	162	36
Commercial paper	-	100	-	200	-	250	-	150	-	50
Cash	(244)	-	(228)	-	(214)	-	30	-	14	-
Net debt	**1,927**		**2,222**		**2,483**		**556**		**262**	
Average life (years)	3.53		3.69		3.41		(0.12)		(0.29)	
Net debt to equity	81%		89%		96%		15.4 p.p.		7.4 p.p.	

Net debt at the end of the first half of 2010 was €2,483 million. Despite the favourable operating performance in the second quarter of 2010, net debt increased relative to the end of March of 2010 as the capex schedule was executed and dividends of €116 million were paid at the end of May 2010. With debt rising in the period, the net-debt-to-equity ratio was 96% at the end of the first half of 2010.

The average life of debt was 3.41 years at the end of June 2010, which was shorter than the 3.69 years at the end of the first quarter of 2010. This was due partly to the rise in short-term bank debt in the second quarter and partly to the approaching maturity of borrowings.

At the end of June, 79% of total debt was on a long-term basis. Forty-one per cent of total debt was on fixed rate.

The average cost of debt was 3.50%, which was in line with a year earlier.

At 30 June 2010, net debt attributable to minority interests was €29 million.

4. CASH FLOW

Million euros

Second quarter			First half	
2009	2010		2009	2010
104	233	Operating profit	169	372
58	87	Non cash costs	126	158
9	(121)	Change in operational stock	(57)	(76)
(7)	(73)	Change in strategic stocks	68	(117)
165	**126**	**Sub total**	**307**	**338**
(18)	(22)	Interest expenses	(33)	(40)
(9)	(16)	Taxes	(14)	(19)
180	129	Change in working capital excluding operational stock	(125)	(123)
318	**217**	***Cash flow from operating activities***	**135**	**156**
(171)	(361)	Net capital expenditures and disposals[1]	(297)	(604)
(128)	(93)	Dividends paid / received	(128)	(92)
23	(24)	Others	53	(16)
42	**(262)**	**Total**	**(237)**	**(556)**

[1] Net capital expenditures and disposals includes financial investments

FIRST HALF

Net cash outflow of €556 million in the first half of 2010 was larger than a year earlier. Despite rising operating cash flow in all business segments, capital expenditure in the first half of 2010 induced an increased outflow of cash. Despite higher levels of activity, the flow of cash in the first half of 2010 included an increase in working capital that was in line with a year earlier. Rising prices of oil products in international markets impacted negatively on cash flow as the cost of inventory build-up rose.

SECOND QUARTER

Net cash outflow of €262 million in the second quarter of 2010 contrasted with net cash inflow of €42 million a year earlier. Cash flow from operating activities benefited primarily, in comparison with a year earlier, from the recovery in the Refining & Marketing and Gas & Power business segments. However, the increased cost of inventories of oil products had a negative impact on operating cash flow in the second quarter of 2010. Cash flow from investing activities, reflecting primarily spending on the refinery conversion project, was, at €361 million, €171 million ahead of a year earlier, which clearly had an adverse impact on net cash flow generation.

5. CAPITAL EXPENDITURE

Million euros

Second quarter					First half			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
39	69	30	76.6%	Exploration & Production	72	146	74	102.6%
106	190	84	79.3%	Refining & Marketing	151	286	135	89.3%
22	28	6	27.5%	Gas & Power	39	44	6	14.2%
1	0	(0)	(50.0%)	Others	2	2	1	44.6%
168	**288**	**119**	**71.1%**	**Investment**	**264**	**479**	**215**	**81.6%**

FIRST HALF

Capital expenditure of €479 million in the first half of 2010 included €286 million for Refining & Marketing, primarily for the refinery conversion project.

In Exploration & Production, capital spending in Angola was mainly channelled to development of block 14 for €42 million, of which €21 million for the CPT Tômbua-Lândana field. In Brazil, expenditure focused on offshore fields, particularly the Tupi, which absorbed €89 million.

In Refining & Marketing, expenditure of €286 million accounted for 60% of total capital spending in the period as the refinery conversion project attracted €226 million. In marketing of oil products, €24 million were spent, primarily on the Portuguese retail network.

Spending of €44 million on the Gas & Power business segment was channelled in roughly equal parts to the natural gas distribution network and the construction of the cogeneration plant at the Porto refinery.

SECOND QUARTER

Capital expenditure of €288 million in the second quarter of 2010 included €146 million on the refinery conversion project.

In Exploration & Production, expenditure in Angola focused on the development of block 14, where €22 million were spent. In Brazil, capex was mainly channelled to offshore fields, with the Tupi accounting for €43 million.

In Refining & Marketing, capital spending amounted to €190 million, most of which earmarked for conversion of the refinery base. In marketing of oil products, €17 million were spent, primarily on the Portuguese retail network.

Capital spending of €28 million in the Gas & Power business segment focused on the Porto refinery's cogeneration project.

SEGMENT REVIEW

1. EXPLORATION & PRODUCTION

Million euros (except otherwise noted)

Second quarter					First half			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
13.4	**19.8**	**6.4**	**47.8%**	**Average working interest production (kbbl/day)**	**13.3**	**19.1**	**5.8**	**43.5%**
9.3	**10.9**	**1.6**	**17.1%**	**Average net entitlement production (kbbl/day)**	**8.9**	**11.8**	**2.9**	**33.1%**
0.8	**1.0**	**0.1**	**17.1%**	**Total net entitlement production (million bbl)**	**1.6**	**2.1**	**0.5**	**33.1%**
0.8	0.9	0.0	2.0%	Angola - Block 14	1.6	1.8	0.2	14.8%
-	0.1	0.1	n.m.	Brazil - BM-S-11	-	0.3	0.3	n.m.
57.8	**81.6**	**23.8**	**41.3%**	**Average realized sale price[1] (Usd/bbl)**	**51.0**	**76.1**	**25.1**	**49.2%**
7.0	**12.3**	**5.4**	**77.3%**	**Operating cost[1] (Usd/bbl)**	**10.2**	**12.5**	**2.3**	**22.2%**
11.9	**25.8**	**13.9**	**117.3%**	**Amortisation[1] (Usd/bbl)**	**16.8**	**22.6**	**5.7**	**34.2%**
1.0	**0.9**	**(0.0)**	**(4.8%)**	**Total sales[2] (million bbl)**	**1.0**	**0.9**	**(0.0)**	**(4.8%)**
823	**1,198**	**375**	**45.6%**	**Net total assets**	**823**	**1,198**	**375**	**45.6%**
43	64	21	50.0%	Turnover	53	101	48	90.0%
16	**12**	**(4)**	**(23.8%)**	**Operating profit**	**14**	**46**	**32**	**231.2%**
4	8	4	116.3%	Non recurrent items	7	8	1	7.2%
20	**21**	**0**	**2.3%**	**Operating profit RCA**	**21**	**54**	**32**	**152.7%**

[1] Based on net-entitlement production in Angola

[2] Considers actual Sales

EXPLORATION AND PRODUCTION ACTIVITIES

FIRST HALF

In the first half of 2010, working interest production rose by 43% yoy to 19.1 thousand barrels per day. This increase was mainly due to incremental production from Angola's CPT Tômbua-Lândana and Brazil's Tupi, which produced jointly 5.6 thousand barrels per day.

Net entitlement production rose by 33% yoy to 11.8 thousand barrels per day. This increase came from production at CPT Tômbua-Lândana and Tupi, which more than offset the decline in the BBLT field under the production-sharing agreement (PSA). The joint net entitlement production of these new projects amounted to 5.0 thousand barrels per day. However, the BBLT field, with its daily 5.9 thousand barrels, accounted for 50% of total net entitlement production, while the combined CPT Tômbua-Lândana and Tupi projects contributed 42%.

SECOND QUARTER

In the second quarter of 2010, working interest and net entitlement production rose by 48% yoy and by 17% yoy, respectively, which was the result of increased production at Angola's CPT Tômbua-Lândana and Brazil's Tupi.

Relative to the first quarter of 2010, working interest production rose by 7% as output from the CPT Tômbua-Lândana and Tupi fields increased by 1.7 thousand barrels per day.

On the other hand, net entitlement production fell by 14% qoq as the increased production of 0.7 thousand barrels per day from the CPT Tômbua-Lândana could not fully offset the decline of other fields in Angola's block 14 and Brazil. At BBLT and Kuito, lower net entitlement production was the result of lower production rates available, in particular for the cost oil, linked to the cost recovery mechanism under the PSA.

galp energia

In Brazil, lower production at the Tupi field stemmed from environmental restrictions on gas burn by ANP, the local energy regulator.

OPERATING PROFIT

FIRST HALF

RCA operating profit in the first half of 2010 was €54 million, up from €21 million a year earlier. This increase was driven by the rise of 33% in net entitlement production and the boost of 49% in the average sales price of crude from Angola.

Production costs in Angola amounted to €17 million, which equated on a net entitlement basis to a unit cost of Usd 12.5/bbl, up from Usd 10.2/bbl a year earlier.

Excluding adjustments, depreciation of €31 million in Angola included charges to the CPT Tômbua-Lândana project. In unit terms and on the basis of net entitlement production, depreciation equated to Usd 22.6/bbl, up from Usd 16.8/bbl a year earlier.

SECOND QUARTER

RCA operating profit in the second quarter of 2010 was €21 million, in line with a year earlier as the increased net entitlement production and the higher average sales price were offset by rising operating costs, depreciation and provisions.

Relative to the first quarter of 2010, RCA operating profit fell by 38%. Indeed, the fall of 14% in net entitlement production and the increase in depreciation and provisions in Angola more than offset the effect of a 15% rise in the average sales price.

Production costs in Angola amounted to €8 million, which equated on a net entitlement basis to a unit cost of Usd 12.3/bbl, up from Usd 7.0/bbl a year earlier as CPT Tômbua-Lândana came into operation.

Excluding adjustments, depreciation in Angola was €17 million, up €10 million from a year earlier. Depreciation charges included the effect of the downward adjustment of reserves as the price of crude used as a benchmark rose – which had a direct impact on the depreciation rate for the period – and increased depreciation of the CPT Tômbua-Lândana project. In unit terms and on the basis of net entitlement production, the depreciation amount equated to Usd 25.8/bbl, up from Usd 11.9/bbl a year earlier.

2. REFINING & MARKETING

Million euros (except otherwise noted)

Second quarter					First half			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
1.3	**1.9**	**0.6**	**43.2%**	**Rotterdam cracking refining margin[1] (Usd/bbl)**	**2.3**	**1.9**	**(0.3)**	**(15.2%)**
(0.5)	**0.6**	**1.1**	**n.m.**	**Rotterdam hydroskimming + aromatics + base oil refining margin[1] (Usd/bbl)**	**1.1**	**0.5**	**(0.6)**	**(57.6%)**
1.6	**3.4**	**1.8**	**118.1%**	**Galp Energia refining margin (Usd/bbl)**	**2.0**	**3.0**	**1.0**	**49.8%**
1.9	**1.9**	**(0.1)**	**(3.6%)**	**Refinery cash cost (Usd/bbl)**	**2.3**	**2.0**	**(0.3)**	**(11.5%)**
21,348	**21,561**	**213**	**1.0%**	**Crude processed (k bbl)**	**34,684**	**43,763**	**9,079**	**26.2%**
3.2	**3.2**	**(0.0)**	**(0.3%)**	**Raw material processed (million tonnes)**	**5.2**	**6.4**	**1.2**	**22.9%**
4.2	**4.2**	**(0.1)**	**(1.7%)**	**Total refined product sales (million tonnes)**	**8.2**	**8.4**	**0.2**	**2.8%**
2.8	**2.6**	**(0.2)**	**(8.5%)**	**Sales to direct clients in Iberia (million tonnes)**	**5.6**	**5.2**	**(0.4)**	**(7.4%)**
1.4	1.4	0.0	3.5%	Wholesale	2.8	2.9	0.1	2.9%
0.9	0.9	(0.1)	(6.1%)	Retail	1.8	1.7	(0.1)	(5.6%)
0.1	0.1	(0.0)	(17.8%)	LPG	0.2	0.2	(0.0)	(15.1%)
0.4	0.2	(0.2)	(53.7%)	Others	0.8	0.4	(0.4)	(46.5%)
0.1	**0.2**	**0.0**	**9.7%**	**Sales in Africa (million tonnes)**	**0.3**	**0.3**	**0.0**	**13.7%**
0.6	**0.7**	**0.1**	**14.7%**	**Exports (million tonnes)**	**1.0**	**1.5**	**0.5**	**48.0%**
1,471	**1,443**	**(28)**	**(1.9%)**	**Number of service stations (Iberia)**	**1,471**	**1,443**	**(28)**	**(1.9%)**
448	**464**	**16**	**3.6%**	**Number of c-stores (Iberia)**	**448**	**464**	**16**	**3.6%**
93	**99**	**6**	**6.5%**	**Number of service stations (Africa)**	**93**	**99**	**6**	**6.5%**
4,566	**5,494**	**927**	**20.3%**	**Net total assets**	**4,566**	**5,494**	**927**	**20.3%**
2,589	3,208	619	23.9%	Turnover	5,100	6,107	1,006	19.7%
69	**170**	**101**	**147.3%**	**Operating profit**	**107**	**229**	**122**	**113.8%**
(81)	(79)	2	2.8%	Inventory effect	(77)	(124)	(48)	(62.5%)
3	(9)	(12)	n.m.	Non recurrent items	(3)	(3)	(0)	(4.4%)
(9)	**82**	**91**	**n.m.**	**Operating profit RCA**	**28**	**102**	**74**	**266.6%**

[1] Source: Platts. For a complete description of the method for calculating Rotterdam margins, see "Definitions"

REFINING AND MARKETING ACTIVITIES

FIRST HALF

In the first half of 2010, 44 million barrels of crude oil were processed, considerably ahead of the 35 million barrels a year earlier, which reflected the incident in the utilities factory at the Sines refinery in the first quarter of 2009.

In the first half of 2010, 78% of the refinery capacity was utilised.

Crude oil accounted for 92% of raw materials processed against 90% a year earlier. Light crude and condensates accounted for 39% of the production structure, followed by medium (42%) and heavy crude (19%).

In the production profile, diesel weighed 34% and gasoline 24%. Fuel oil had a weight of 17%, which was in line with a year earlier. Jet accounted for 8%, up from 6% a year earlier.

Own consumption and losses in the period stood at 7.3%.

The volume of oil products sold rose by 3% yoy to 8.4 million tonnes, aided by increased exports, which had been negatively affected in 2009 by the incident in the Sines refinery, which lowered the volume of available products. Sales to direct clients fell by 7% yoy to 5.2 million tonnes as the Iberian market for oil products slumped. The Spanish market accounted for 44% of total sales to direct clients.

Increased volumes of gasoline and fuel oil featured in exports of 1.5 million tonnes, which were significantly ahead of the 1.0 million tonnes of a year earlier, when the incident in the Sines refinery took place.

In the first half of 2010, the cover of refining activity by the own-branded marketing of oil products, measured on the basis of average production in the last three years, was 91%.

At the end of June 2010, Galp Energia had 1,443 service stations in the Iberian Peninsula, seven more than at the end of March 2010. Around 43% of service stations were located in Spain. In Africa, Galp Energia had 99 service stations.

At the end of the first half of 2010, Galp Energia had 464 convenience stores in the Iberian Peninsula, half of which were located in Spain.

SECOND QUARTER

In the second quarter of 2010, 22 million barrels of crude oil were processed, with refining capacity utilised at 76%.

Crude oil accounted for 90% of total raw materials processed. Light crude and condensates accounted for 41% of the total production structure, followed by medium (38%) and heavy crude (22%).

In the production profile, diesel weighed 34%, gasoline 22%, fuel oil 18% and jet 8%.

Own consumption and losses stood at 7.3%.

Volumes sold amounted to 4.2 million tonnes, of which sales to direct clients accounted for 2.6 million tonnes, a shortfall of 8% in comparison with a year earlier as the Iberian market for oil products contracted. The Spanish market had a 43% share of total sales to direct clients.

Exports of 0.7 million tonnes were 15% ahead of a year earlier, mainly as a result of increased exports of gasoline.

The cover of refining by marketing was 82% in the period.

OPERATING PROFIT

FIRST HALF

RCA operating profit in the first half of 2010 was €102 million, up from €28 million a year earlier, reflecting improved operating performance by the refining activity, which had been negatively influenced in 2009 by the incident in the Sines refinery.

Despite falling refining margins in international markets in the first half of 2010 compared with a year earlier, Galp Energia's refining margin developed favourably from Usd 1.0/bbl to Usd 3.0/bbl as the incident in the Sines refinery in 2009 impacted negatively on the refining margin of the period.

In the first half of 2010, the refineries' operating cash costs amounted to €68 million, up from €60 million a year earlier, which equated, however, to a unit cost of Usd 2.0/bbl, down by 12% yoy. This reflected the increase in crude volumes processed, which enabled a broader spread of fixed costs.

The negative time lag effect of €19 million for the first half of 2010 was an improvement on the €39 million loss a year earlier.

In marketing of oil products, the Spanish operations raised their contribution compared with a year earlier, namely through the capture of synergies from the acquisition of Agip's and ExxonMobil's former subsidiaries.

SECOND QUARTER

RCA operating profit of €82 million in the second quarter of 2010 reflected improved results by refining activities and marketing of oil products.

Galp Energia's refining margin in the second quarter of 2010 rose to Usd 3.4/bbl from Usd 1.6/bbl a year earlier, which reflected rising refining margins in international markets and an increased premium to the benchmark of Galp Energia's refining margin. This increase was in turn driven by the widening spread between the prices of heavy and light crude.

In the second quarter of 2010, the refineries' operating cash costs amounted to €31 million, which equated in unit terms to Usd 1.9/bbl, down by 4% from a year earlier.

The negative time lag effect of €4 million in the second quarter marked an improvement relative to the €24 million loss a year earlier.

The marketing of oil products developed favourably yoy, primarily driven by the Spanish business, in particular its sustained capture of synergies.

3. GAS & POWER

Million euros (except otherwise noted)

Second quarter					First half			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
1,115	**1,105**	**(9)**	**(0.8%)**	**NG supply total sales volumes (million m^3)**	**2,189**	**2,284**	**94**	**4.3%**
774	**812**	**39**	**5.0%**	**Liberalised market sales volumes (million m^3)**	**1,263**	**1,636**	**372**	**29.5%**
725	769	43	6.0%	Portugal, of which:	1,172	1,469	297	25.4%
515	506	(9)	(1.7%)	Electrical	927	862	(65)	(7.0%)
210	246	36	17.0%	Industrial	245	578	332	135.4%
2	26	25	n.m.	Trading	4	140	136	n.m.
46	17	(30)	(63.6%)	Spain	87	27	(61)	(69.2%)
341	**293**	**(48)**	**(14.1%)**	**Regulated market sales volumes (million m^3)**	**926**	**648**	**(278)**	**(30.1%)**
220	178	(41)	(18.8%)	Industrial	623	352	(272)	(43.6%)
27	21	(6)	(20.8%)	Commercial	58	58	0	0.3%
43	62	19	44.3%	Residential	120	150	30	24.9%
52	31	(20)	(39.1%)	Other supply companies	125	88	(37)	(29.6%)
891	**1,178**	**288**	**32.3%**	**NG clients[1] (thousands)**	**891**	**1,178**	**288**	**32.3%**
134	**311**	**178**	**133.1%**	**Sales of electricity to the grid[2]**	**277**	**608**	**331**	**119.8%**
1,024	**1,041**	**17**	**1.7%**	**Natural gas net fixed assets[3]**	**1,024**	**1,041**	**17**	**1.7%**
1,873	**2,110**	**237**	**12.7%**	**Net total assets**	**1,873**	**2,110**	**237**	**12.7%**
296	416	121	40.9%	Turnover	725	813	88	12.2%
12	**49**	**37**	**314.4%**	**Operating profit**	**43**	**95**	**53**	**122.6%**
25	(4)	(29)	n.m.	Inventory effect	26	(8)	(35)	n.m.
2	5	4	258.9%	Non recurrent items	2	5	4	262.7%
38	**50**	**12**	**31.5%**	**Operating profit RCA**	**71**	**93**	**22**	**31.0%**
20	31	11	53.8%	Supply[4]	19	43	25	129.9%
19	15	(4)	(19.7%)	Infrastructure	52	41	(11)	(21.3%)
(1)	4	5	n.m.	Power	0	9	8	n.m.

[1] Includes unconsolidated companies where Galp Energia has a significant interest

[2] Includes Energin, which does not consolidate but where Galp Energia has a 35% holding. In the first quarter of 2010, the company generated power of 74 GWh and sold 73 GWh of electricity to the grid.

[3] Excludes financial investments. Net fixed assets are on a consolidated basis

[4] Includes liberalized and regulated commercialization

GAS & POWER ACTIVITIES

FIRST HALF

The volume of natural gas sold in the first half of 2010 rose by 4% yoy to 2,284 million cubic metres. The liberalised market accounted for 72% of the total.

The electrical sector declined by 7% to 862 million cubic metres as the use of hydro power increased following higher rainfall in the first half of the year.

Taking into account both the liberalised and regulated markets, the Portuguese industrial segment rose by 7% yoy. The Sines cogeneration, which came into operation in the fourth quarter of 2009, played an important part in this increase as it used 165 million cubic metres in the first half of the year.

In Spain, volumes sold reached 40 million cubic metres and a positive contribution was given by the natural gas distribution activities in the Madrid region which were acquired at the end of April.

The volume of natural gas carried by the networks belonging to the distribution companies amounted to 0.8 billion cubic metres.

In the Power business, sales of electricity to the grid reached 608 GWh, well ahead of the 277 GWh a year earlier. This increase was the result of the start of operations at the Sines refinery's cogeneration in the fourth quarter of 2009.

SECOND QUARTER

The volume of natural gas sold in the second quarter of 2010 was, at 1,105 million cubic metres, in line with a year earlier.

The electrical sector declined by 2% to 506 million cubic metres, or 66% of the Portuguese liberalised market. The Portuguese industrial sector, which – including both the liberalised and regulated markets – accounted for 38% of volumes sold, receded 1% yoy.

In Spain, volumes sold in both markets, free and regulated, amounted to 30 million cubic metres, 57% of which in the free market.

The volume of natural gas carried by the networks belonging to the distribution companies amounted to 0.4 billion cubic metres.

The sales of electricity to the grid in the second quarter of 2010 were 311 GWh, or 178 GWh ahead of a year earlier, after the Sines refinery's cogeneration plant came into operation.

OPERATING PROFIT

FIRST HALF

RCA operating profit in the first half of 2010 rose by €22 million yoy to €93 million. Better results in marketing activities and Power were partly offset by lower results in the infrastructure business.

The RCA operating profit of marketing activities advanced €25 million to €43 million as volumes sold into the liberalised market increased, marketing margins improved and the outstanding optical fibre lease issue was settled with revenues recognised in the second quarter of 2010 rather than over the originally scheduled 20 years. The RCA operating profit from marketing activities included also the net adverse effect of provisions for the negotiation of contracts for the supply of natural gas, which closed in the second quarter of 2010.

The infrastructure business reported lower RCA operating profit of €41 million in the first half of 2010, down from €52 million a year earlier as allowed revenues fell between Gas year 2008/2009 and Gas year 2009/2010 and the reallocation of revenues benefited the first half of 2009.

RCA operating profit for the Power business in the first half amounted to €9 million as sales of electricity to the grid increased following the start-up of the Sines refinery's cogeneration plant in the fourth quarter of 2009.

SECOND QUARTER

RCA operating profit in the second quarter of 2010 rose by 32% yoy to €50 million.

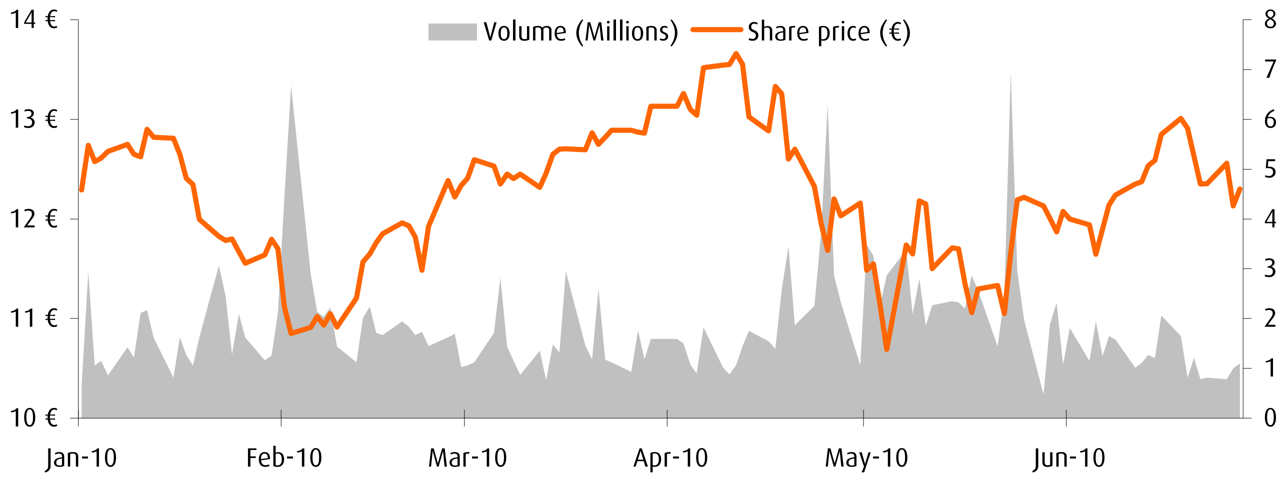
The RCA operating profit of marketing activities was affected by the unfavourable net effect of provisions related to the negotiation of contracts for the supply of natural gas; on the other hand, it benefited, to a larger extent, from the favourable effect related to the termination of the optical fibre leasing contract.

The infrastructure business reported lower RCA operating profit of €15 million in the second quarter of 2010, down €4 million yoy and €11 million qoq. The latter change followed from the lower allocation of allowed revenues to the second quarter compared with the first quarter of the year.

RCA operating profit for the Power business in the second quarter of 2010 was €4 million, a performance that was explained by the rise in power generation and the sales of electricity to the grid following the start of operations of the Sines refinery's cogeneration plant.

THE GALP ENERGIA STOCK

PERFORMANCE OF THE GALP ENERGIA STOCK



Source: Bloomberg

FIRST HALF

The Galp Energia stock gained 1% in the first half of 2010, closing the period at €12.30 after hitting a high of €13.68. From the initial public offering on 23 October 2006 up to 30 June 2010, the stock gained 112%. In the first half, 243 million shares were traded for an average daily traded volume of 1.9 million shares. At 30 June 2010, Galp Energia had a market capitalisation of €10,200 million.

SECOND QUARTER

In the second quarter of 2010, the stock shed 4% relative to the first quarter's close and the volume traded in the period amounted to 128 million shares, or a daily average of 2.0 million shares.

Share detail	
ISIN	PTGAL0AM0009
Reuters	GALP.LS
Bloomberg	GALP PL
Number of shares	829,250,635

Main indicators	2009	2Q 2010	2010
Min (€)	7.22	10.51	10.37
Max (€)	12.65	13.68	13.68
Average (€)	10.23	12.30	12.23
Close price (€)	12.08	12.30	12.30
Volume (M shares)	413.8	127.9	242.6
Average volume per day (M shares)	1.6	2.0	1.9
Market cap (M€)	10,017	10,200	10,200

EVENTS IN THE SECOND QUARTER OF 2010

CORPORATE

RESOLUTIONS BY THE ANNUAL GENERAL MEETING

Galp Energia announced on April 26 that the proposed items on the agenda of the annual general meeting that convened on that day had been approved as follows:

1. Ratification of the board's resolution of 13 May 2009 to appoint Luigi Spelli and Massimo Mondazzi as members of the Company's board of directors, the board's resolution of 11 November 2009 to appoint Francesco Giunti as a member of the Company's board of directors, as well as the board resolution of 22 March 2010 to appoint Maria Rita Galli as a member of the Company's board of directors;

2. The management consolidated report, individual and consolidated accounts, for the year 2009, as well as remaining reporting documents;

3. Corporate governance report;

4. Proposed allocation of net profit as follows:

- Dividend payment (0.20€/share): €165,850 thousand
- Retained earnings: €119,364 thousand
- Total: €285,214 thousand

5. A resolution expressing the shareholders' vote of thanks to the Board of Directors, the Supervisory Board, the Statutory Auditors and each one of their members;

6. Declaration regarding the remuneration policy of the governing bodies and top management.

DIVIDEND PAYMENT

Galp Energia announced on April 26 the final dividend, amounting to €0.14 per share and relating to the financial year of 2009.

QUALIFIED SHAREHOLDING

On May 13 2010 the Royal Bank of Scotland plc (RBS plc) reached a qualified shareholding of 2.65% of Galp Energia share capital and voting rights.

On May 27 2010 the RBS plc notified that reached a shareholding below the 2% threshold.

RESOLUTIONS BY THE GENERAL BONDHOLDERS MEETING

Galp Energia announced on June 8 2010 that the proposed items on the agenda of the general bondholders meeting that convened on that day had been approved as follows:

1. Increase the threshold level of the Consolidated Total Net Debt to Consolidated EBITDA ratio, related to the 2010 and 2011 business years, that can be reached without triggering an event of default;

2. Amendment of the bond's interest rate calculation formula;

3. The amendments approved are effective as from the beginning of the ongoing interest period.

As a result of these resolutions, the interest rate for the coupon which started on May 20, 2010 is set at 4.607%.

EXPLORATION & PRODUCTION

DRILLING OF NEW WELL CONFIRMS TUPI'S POTENTIAL

On April 7 and June 23 Galp Energia aanounced the drilling of Tupi OW and Tupi Alto, respectively, located in Tupi's area. These wells confirm the light oil potential of pre-salt reservoirs of that area, with the information already obtained reinforcing the estimated volumes of recoverable light oil and natural gas in the range between 5 and 8 billion.

GAS & POWER

GALP ENERGIA CLOSED THE ACQUISITION OF GAS NATURAL'S GAS SUPPLY ACTIVITIES

On April 30, Galp Energia announced the closing of the acquisition of certain gas supply and distribution businesses in the region of Madrid from Gas Natural Fenosa (Gas Natural), with Galp Energia responsible for the supply activity.

GALP ENERGIA SETS UP PARTNERSHIP FOR SINES' CCGT DEVELOPMENT

On June 22 Galp Energia announced the set up of a partnership for the development of the combined cycle gas turbine plant at Sines. The partner will be a subsidiary of International Power plc (IPR). Through this agreement Galp Energia hands over 50% of the company currently developing the CCGT project at Sines, which was formerly 100% owned by Galp Energia, to IPR.

AWARDS

In April, Institutional Investor's 2010 survey *European Investor Relations Perception Study* awarded Galp Energia the third place, in both the analyst and the investor segments, for the category of *Best IR Professional* in the European Oil & Gas sector. The purpose of this survey is to assess, with the help of capital markets professionals, who is the best IR professional in a particular sector.

EVENTS AFTER THE CLOSE OF THE SECOND QUARTER OF 2010

No relevant announcements to disclose after the close of the second quarter of 2010.

ASSOCIATES

1. MAIN ASSOCIATES

Company	Country	Business Segment	Equity Share	Consolidation method
Petróleos de Portugal, Petrogal, S.A.	Portugal	R&M	100%	Full
Galp Energia España, S.A.	Spain	R&M	100%	Full
Galp Exploração e Produção Petrolífera, S.A.	Portugal	E&P	100%	Full
CLCM - Companhia Logística da Madeira, S.A.	Portugal	R&M	75%	Full
CLC - Companhia Logística de Combustíveis, S.A.	Portugal	R&M	65%	Equity
CLH - Compañia Logística de Hidrocarburos, S.A.	Spain	R&M	5%	Equity
GDP, Gás de Portugal, SGPS, S.A.	Portugal	G&P	100%	Full
Galp Gás Natural, S.A.	Portugal	G&P	100%	Full
Transgás, S.A.	Portugal	G&P	100%	Full
Transgás, Armazenagem, S.A.	Portugal	G&P	100%	Full
EMPL - Europe MaghrebPipeline, Ltd	Spain	G&P	27%	Equity
Gasoduto Al-Andaluz, S.A.	Spain	G&P	33%	Equity
Gasoduto Extremadura, S.A.	Spain	G&P	49%	Equity
GDP Distribuição, SGPS, S.A.	Portugal	G&P	100%	Full
Lisboagas, S.A.	Portugal	G&P	100%	Full
Lusitaniagás, S.A.	Portugal	G&P	85%	Full
Setgás, S.A.	Portugal	G&P	45%	Equity
Beiragás, S.A.	Portugal	G&P	59%	Full
Duriensegás, S.A.	Portugal	G&P	100%	Full
Tagusgás, S.A.	Portugal	G&P	41%	Equity
Galp Power, SGPS, S.A.	Portugal	G&P	100%	Full
Galp Energia, S.A.	Portugal	Others	100%	Full

2. RESULTS FROM ASSOCIATES

Million Euros

Second quarter					First half			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
1.8	1.5	(0.3)	(16.8%)	CLH	3.4	3.2	(0.2)	(7.3%)
2.4	2.0	(0.4)	(18.2%)	CLC	4.8	4.0	(0.7)	(15.3%)
10.8	12.1	1.3	12.4%	*International Pipelines*	21.8	23.8	2.0	9.1%
0.9	0.7	(0.2)	(20.0%)	Setgás - Natural Gas Distribution Company	2.2	1.8	(0.4)	(20.1%)
10.7	1.2	(9.4)	n.m.	Others	11.5	1.4	(10.1)	n.m.
26.6	**17.6**	**(9.0)**	**(34.0%)**	**Total**	**43.7**	**34.2**	**(9.5)**	**(21.8%)**

RECONCILIATION OF REPORTED AND REPLACEMENT COST ADJUSTED FIGURES

1. REPLACEMENT COST ADJUSTED OPERATING PROFIT BY SEGMENT

Million euros

Second quarter					2010	First half				
Operating profit	Inventory effect	Operating profit RC	Non recurrent items	operating profit RCA		Operating profit	Inventory effect	Operating profit RC	Non recurrent items	operating profit RCA
233	**(83)**	**150**	**8**	**158**	**Operating profit**	**372**	**(133)**	**240**	**14**	**253**
12	-	12	8	21	E&P	46	-	46	8	54
170	(79)	91	(9)	82	R&M	229	(124)	104	(3)	102
49	(4)	45	5	50	G&P	95	(8)	87	5	93
1	(0)	1	3	5	Others	2	-	2	3	6

Million euros

Second quarter					2009	First half				
Operating profit	Inventory effect	Operating profit RC	Non recurrent items	operating profit RCA		Operating profit	Inventory effect	Operating profit RC	Non recurrent items	operating profit RCA
104	**(56)**	**48**	**9**	**57**	**Operating profit**	**169**	**(50)**	**119**	**13**	**132**
16	-	16	4	20	E&P	14	-	14	7	21
69	(81)	(12)	3	(9)	R&M	107	(77)	31	(3)	28
12	25	37	2	38	G&P	43	26	69	2	71
7	0	7	-	7	Others	5	0	5	7	12

2. REPLACEMENT COST ADJUSTED EBITDA BY SEGMENT

Million euros

Second quarter					2010	First half				
EBITDA	Inventory effect	EBITDA RC	Non recurrent items	EBITDA RCA		EBITDA	Inventory effect	EBITDA RC	Non recurrent items	EBITDA RCA
368	**(83)**	**285**	**(8)**	**277**	**EBITDA**	**589**	**(133)**	**457**	**(3)**	**454**
44	-	44	0	44	E&P	93	-	93	(0)	93
222	(79)	143	(9)	134	R&M	327	(124)	203	(3)	199
97	(4)	92	1	94	G&P	162	(8)	154	1	155
5	(0)	5	-	5	Others	7	-	7	-	7

Million euros

Second quarter					2009	First half				
EBITDA	Inventory effect	EBITDA RC	Non recurrent items	EBITDA RCA		EBITDA	Inventory effect	EBITDA RC	Non recurrent items	EBITDA RCA
174	**(56)**	**118**	**15**	**133**	**EBITDA**	**316**	**(50)**	**266**	**20**	**286**
22	-	22	8	29	E&P	38	-	38	7	45
118	(81)	37	5	42	R&M	199	(77)	123	5	127
27	25	52	2	53	G&P	73	26	100	2	101
8	0	8	-	8	Others	6	0	6	7	13

3. NON RECURRENT ITEMS

EXPLORATION AND PRODUCTION

Million Euros

Second quarter 2009	Second quarter 2010		First half 2009	First half 2010
		Exclusion of non recurrent items		
(0.0)	-	Gains / losses on disposal of assets	(0.0)	(0.0)
7.8	0.1	*Assets write offs*	7.4	(0.3)
(4.0)	8.0	Assets impairments	0.0	8.3
-	-	Provisions for environmental charges and others	-	-
-	-	Others	-	-
3.8	**8.1**	**Non recurrent items of operating profit**	**7.4**	**8.0**
-	-	Other financial results	-	-
3.8	**8.1**	**Non recurrent items before income taxes**	**7.4**	**8.0**
(1.3)	(2.8)	Income taxes on non recurrent items	(2.5)	(2.7)
2.5	**5.4**	**Total non recurrent items**	**4.9**	**5.3**

REFINING & MARKETING

Million Euros

Second quarter 2009	Second quarter 2010		First half 2009	First half 2010
		Exclusion of non recurrent items		
-	-	Sale of strategic stock	-	-
-	-	Sale of strategic stock cost	-	-
-	-	Monobuoy costs	-	-
(4.1)	(1.6)	Accidents caused by natural facts	(5.6)	(1.6)
(0.5)	(0.0)	Gains / losses on disposal of assets	(1.8)	(0.1)
0.0	0.0	*Assets write offs*	0.1	0.0
6.6	1.3	Employees contracts rescission	7.4	7.3
3.5	0.0	Sines refinery fire - accidents	4.5	0.0
(3.6)	0.4	Provisions for environmental charges and others	(8.7)	0.3
1.4	(0.1)	Assets impairments	1.4	-
-	(8.9)	Margin in the sale of CO_2 emission licenses	-	(8.9)
-	-	Others	-	-
3.2	**(8.9)**	**Non recurrent items of operating profit**	**(2.8)**	**(2.9)**
(5.9)	-	Capital gains / losses on disposal of financial investments	(5.9)	-
(2.6)	**(8.9)**	**Non recurrent items before income taxes**	**(8.7)**	**(2.9)**
(1.0)	2.5	Income taxes on non recurrent items	0.4	0.8
(3.6)	**(6.4)**	**Total non recurrent items**	**(8.3)**	**(2.1)**

GAS & POWER

Million Euros

Second quarter			First half	
2009	2010		2009	2010
		Exclusion of non recurrent items		
-	-	Services rendered	-	-
(0.0)	0.0	Gains / losses on disposal of assets	(0.1)	0.0
0.0	-	*Assets Write offs*	0.0	-
-	-	Collections related to the sale of land	-	-
(0.0)	-	Accidents caused by natural facts	(0.0)	-
1.6	1.9	Employees contracts rescission	1.6	1.9
0.0	4.5	Provisions for environmental charges and others	0.0	4.5
-	(0.9)	Margin in the sale of CO_2 emission licenses	-	(0.9)
1.5	**5.5**	**Non recurrent items of operating profit**	**1.5**	**5.5**
-	(0.0)	Capital gains / losses on disposal of financial investments	-	(0.0)
-	-	Other financial results	-	-
1.5	**5.4**	**Non recurrent items before income taxes**	**1.5**	**5.4**
(0.4)	(1.0)	Income taxes on non recurrent items	(0.4)	(1.0)
1.1	**4.5**	**Total non recurrent items**	**1.1**	**4.5**

OTHER

Million Euros

Second quarter			First half	
2009	2010		2009	2010
		Exclusion of non recurrent items		
-	-	Gains / losses on disposal of assets	-	-
-	-	Sines refinery fire - accidents	7.0	-
-	-	*Assets write-offs*	-	-
(0.0)	3.2	Provisions for environmental charges and others	(0.0)	3.2
(0.0)	**3.2**	**Non recurrent items of operating profit**	**7.0**	**3.2**
-	-	Capital gains / losses on disposal of financial investments	-	-
(0.0)	**3.2**	**Non recurrent items before income taxes**	**7.0**	**3.2**
-	-	Income taxes on non recurrent items	-	-
(0.0)	**3.2**	**Total non recurrent items**	**7.0**	**3.2**

CONSOLIDATED SUMMARY

Million Euros

Second quarter			First half	
2009	2010		2009	2010
		Exclusion of non recurrent items		
-	-	Sale of strategic stock	-	-
-	-	Sale of strategic stock cost	-	-
-	-	Monobuoy costs	-	-
(4.1)	(1.6)	Accidents caused by natural facts	(5.6)	(1.6)
(0.6)	0.0	Gains / losses on disposal of assets	(1.9)	(0.1)
7.8	0.1	*Assets write off*	7.5	(0.3)
-	(9.8)	Margin in the sale of CO_2 emission licenses	-	(9.8)
8.1	3.2	Employees contracts rescission	9.0	9.1
3.5	0.0	Sines refinery fire - accidents	11.5	0.0
(3.6)	8.1	Provisions for environmental charges and others	(8.7)	8.0
(2.6)	7.9	Assets impairments	1.4	8.3
-	-	Others	-	-
8.5	**7.9**	**Non recurrent items of operating profit**	**13.1**	**13.7**
(5.9)	(0.0)	Capital gains / losses on disposal of financial investments	(5.9)	(0.0)
-	-	Other financial results	-	-
2.6	**7.9**	**Non recurrent items before income taxes**	**7.3**	**13.7**
(2.7)	(1.2)	Income taxes on non recurrent items	(2.5)	(2.9)
(0.0)	**6.7**	**Total non recurrent items**	**4.8**	**10.8**

CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED INCOME STATEMENT

Million euros

Second quarter			First half	
2009	2010		2009	2010
		Operating income		
2,794	3,518	Sales	5,634	6,741
72	70	Services rendered	159	136
29	79	Other operating income	61	103
2,895	**3,666**	**Total operating income**	**5,854**	**6,980**
		Operating costs		
(2,433)	(3,015)	Inventories consumed and sold	(4,974)	(5,826)
(189)	(194)	Material and services consumed	(376)	(370)
(82)	(79)	Personnel costs	(162)	(174)
(58)	(87)	Amortisation and depreciation cost	(126)	(158)
(11)	(48)	Provision and impairment of receivables	(21)	(59)
(17)	(9)	Other operating costs	(27)	(21)
(2,791)	**(3,433)**	**Total operating costs**	**(5,685)**	**(6,608)**
104	**233**	**Operating profit**	**169**	**372**
27	18	Net profit from associated companies	44	34
0	0	Net profit from investments	0	0
		Financial results		
2	7	Financial profit	6	12
(20)	(29)	Financial costs	(39)	(52)
3	(9)	Exchange gain (loss)	1	(15)
-	2	Profit and cost on financial instruments	0	2
(0)	(0)	Other gains and losses	(1)	(1)
116	**221**	**Profit before taxes**	**180**	**353**
(22)	(58)	Income tax expense	(40)	(91)
94	**163**	**Profit before minority interest**	**139**	**262**
(1)	(1)	Profit attributable to minority interest	(3)	(2)
93	**162**	**Net profit for the period**	**137**	**260**
0.11	**0.20**	**Earnings per share (in Euros)**	**0.16**	**0.31**

2. CONSOLIDATED FINANCIAL POSITION

Million euros

	December 31, 2009	March 31, 2010	June 30, 2010
Assets			
Non current assets			
Tangible fixed assets	2,641	2,828	3,081
Goodwill	189	189	245
Other intangible fixed assets	1,318	1,300	1,306
Investments in associates	227	242	244
Investments in other participated companies	3	3	3
Other receivables	99	109	114
Deferred tax assets	210	208	213
Other financial investments	0	1	2
Total non current assets	**4,688**	**4,880**	**5,208**
Current assets			
Inventories	1,229	1,227	1,421
Trade receivables	778	951	1,094
Other receivables	574	674	643
Other financial investments	2	3	3
Current Income tax recoverable	-	-	0
Cash and cash equivalents	244	228	214
Total current assets	**2,826**	**3,083**	**3,375**
Total assets	**7,514**	**7,962**	**8,583**
Equity and liabilities			
Equity			
Share capital	829	829	829
Share premium	82	82	82
Translation reserve	(11)	6	41
Other reserves	193	193	193
Hedging reserves	(7)	(7)	(7)
Retained earnings	927	1,275	1,159
Profit attributable to equity holders of the parent	347	98	260
Equity attributable to equity holders of the parent	**2,361**	**2,476**	**2,557**
Minority interest	27	29	28
Total equity	**2,389**	**2,505**	**2,585**
Liabilities			
Non current liabilities			
Bank loans and overdrafts	1,047	1,338	1,424
Bonds	700	700	700
Other payables	381	373	329
Retirement and other benefit obligations	271	278	283
Deferred tax liabilities	57	61	67
Other financial instruments	9	10	9
Provisions	153	155	174
Total non current liabilities	**2,619**	**2,915**	**2,986**
Current liabilities			
Bank loans and overdrafts	422	411	573
Bonds	1	-	-
Trade payables	1,122	1,093	1,344
Other payables	961	1,014	1,028
Other financial instruments	0	0	0
Income tax	-	24	66
Total current liabilities	**2,507**	**2,543**	**3,011**
Total liabilities	**5,125**	**5,458**	**5,997**
Total equity and liabilities	**7,514**	**7,962**	**8,583**

ADDITIONAL INFORMATION

GLOSSARY

EBITDA

Operating profit plus depreciation, amortisation and provisions. EBITDA is not a direct measure of liquidity and should be analysed jointly with the actual cash flows from operating activities and taking into account existing financial commitments

Galp Energia, Company or Group

Galp Energia, SGPS, S.A. and associates

IRP

Income tax on oil sales in Angola

Rotterdam cracking margin

The Rotterdam cracking margin has the following profile: -100% dated Brent, +2.3% LPG 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&Q: 7.7%; Terminal rate: 1$/ton; Ocean loss: 0.15% over dated Brent; Freight 2010: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 5.22 $/ton (Freight 2009: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 6.04 $/ton). Yields in % of weight.

Hydroskimming margin+ Aromatics + Rotterdam base oils

Rotterdam hydroskimming margin: -100% dated Brent, +2.1% LPG FOB Seagoing (50% Butane+ 50% Propane), +15.1% PM UL NWE FOB Bg, +4,0% Nafhtha NWE FOB Bg., +9% Jet NWE CIF Cg, +32.0% ULSD 10 ppm NWE CIF Cg. and +33.8% LSFO 1% NWE FOB Cg.; C&Q: 4.0%; Terminal rate: 1$/ton; Ocean loss: 0.15% over dated Brent; Freight 2010: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 5.22 $/ton (Freight 2009: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 6.04 $/ton).

Rotterdam aromatics margin: -60% PM UL NWE FOB Bg, -40.0% 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.; Consumptions: -18% LSFO 1% CIF NEW. Yields in % of weight.

Base oils refining margin: -100% Arabian Light, +3.5% LPG 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, +14.0% 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 losses: 0.15% over dated Brent; Freight 2010: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 5.22 $/ton (Freight 2009: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 6.04 $/ton). Yields in % of weight.

Hydroskimming Margin+ Aromatics + Rotterdam base oils = 65% Rotterdam hydroskimming margin + 15% Rotterdam aromatics margin + 20% Base oils refining margin.

Replacement Cost ("Rc")

According to this method of valuing inventories, the cost of goods sold is valued at the cost of replacement, i.e. at the average cost of raw materials on the month when sales materialise irrespective of inventories at the start or end of the period. The Replacement Cost Method is not accepted by accounting standards – either Portuguese GAAP or IFRS – and is consequently not adopted for valuing inventories. This method does not reflect the cost of replacing other assets.

ACRONYMS:

ANP: Agência Nacional do Petróleo, Gás Natural e Biocombustíveis;

bbl: barrels;

BBLT: Benguela, Belize, Lobito and Tomboco;

bbl/d: barrels per day;

Bg: Barges;

Cg: Cargoes;

CIF: Costs, Insurance and Freights;

CLC: Companhia Logística de Combustíveis;

CLH: Companhia Logística de Hidrocarburos, S.A.;

CMP: Weighted-average cost;

CPT: Compliant Piled Tower;

DGEG: Direcção Geral de Energia e Geologia;

E&P: Exploration & Production;

€: Euro;

FCC: Fluid Catalytic Cracking;

FIFO: First In First Out;

FOB: Free on Board;

G&P: Gas & Power;

IAS: International Accounting Standards;

IFRS: International Financial Reporting Standards;

LIFO: Last In First Out;

LNG: Liquefied Natural Gas;

LSFO: Low sulphur fuel oil;

m^3: cubic metres;

n.m.: not meaningful;

OPEP: Organisation of Petroleum-Exporting Countries;

PM UL: Premium unleaded;

p.p.: percentage points;

PSA: Production Sharing Agreement;

R&D: Refining & Marketing;

RCA: Replacement cost adjusted;

SXEP: DJ Europe Oil & Gas Index;

TL: Tômbua-Lândana;

ULSD CIF Cg: Ultra Low sulphur diesel CIF Cargoes;

USA: United States of America;

Usd: US dollar.

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