

2nd Quarter 2010 trading update

This trading update is aimed at providing estimates regarding macroeconomic, operational and trading conditions experienced by Galp Energia in the second quarter ending June 30 2010. The second quarter margins, prices, production and other data referred to below are currently provisional. All such data is subject to change and may differ from the final numbers that will be reported on July 30 2010.

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

ECONOMIC INDICATORS

	2Q09	1Q10	2Q10	% Ch. 2Q10/2Q09	% Ch. 2Q10/1Q10
Average brent dated price ¹ (Usd/bbl)	58.8	76.2	78.3	33.2%	2.7%
Rotterdam cracking refining margin ² (Usd/bbl)	1.3	1.9	1.9	43.2%	(0.3%)
Rotterdam hydroskimming + aromatics + base oil refining margin ³ (Usd/bbl)	(0.5)	0.3	0.6	n.m.	85.9%
UK NBP natural gas price ⁴ (GBp/term)	27.6	35.8	38.5	39.4%	7.5%
Spanish pool price ⁴ (€/MWh)	37.0	25.3	35.0	(5.5%)	38.1%
Average exchange rate ⁴ Eur/Usd	1.36	1.38	1.27	(6.6%)	(8.0%)
Euribor - six month ⁴ (%)	1.51	0.96	0.98	n.m.	n.m.

OPERATIONAL INDICATORS

EXPLORATION & PRODUCTION

	2Q09	1Q10	2Q10	% Ch. 2Q10/2Q09	% Ch. 2Q10/1Q10
Average working interest production (k bbl/day)	13.4	18.5	19.8	47.8%	7.1%
Average net entitlement production (k bbl/day)	9.3	12.7	10.9	17.1%	(14.3%)

REFINING & MARKETING

	2Q09	1Q10	2Q10	% Ch. 2Q10/2Q09	% Ch. 2Q10/1Q10
Crude processed (k bbl)	21,348	22,202	21,561	1.0%	(2.9%)
Total refined product sales (million tonnes)	4.2	4.2	4.2	(1.7%)	(2.2%)
Sales to direct clients in Iberia (million tonnes)	2.8	2.6	2.6	(8.5%)	(3.0%)
Exports (million tonnes)	0.6	0.8	0.7	14.7%	(11.3%)
Time lag effect ⁵ (million €)	(24.0)	(15.5)	(3.6)	85.0%	76.8%

GAS & POWER

	2Q09	1Q10	2Q10	% Ch. 2Q10/2Q09	% Ch. 2Q10/1Q10
NG supply total sales volumes (million m ³)	1,115	1,179	1,105	(0.8%)	(6.3%)
Liberalised market	774	824	812	5.0%	(1.5%)
Of which:					
Electrical and industrial	772	697	760	(1.5%)	9.0%
Trading	2	113	26	n.m.	(76.7%)
Regulated market	341	355	293	(14.1%)	(17.4%)
Sales of electricity to the grid ⁶ (GWh)	134	296	311	133.1%	5.3%

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. and +15.3% LSFO 1% FOB Cg.; C&L: 7.7%; Terminal rate: 1 \$/ton; Ocean loss: 0.15% over 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. The conversion factor Usd/ton to Usd/bbl used on the benchmark margin changed in 2010 from 7.58 to 7.55. To make periods comparable, this change was reflected on the figures of the second quarter of 2009.

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 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 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 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;

Rotterdam hydroskimming + Aromatics + Base oil refining margin = 65% Rotterdam hydroskimming refining margin + 15% Rotterdam aromatics refining margin + 20% Base Oil refining margin. The conversion factor Usd/ton to Usd/bbl used on the benchmark margin changed in 2010 from 7.58 to 7.55. To make periods comparable, this change was reflected on the figures of the second quarter of 2009.

⁴ Source: Bloomberg.

⁵ This effect results from the fact that contractual agreements with Portuguese market operators of oil products, including Galp Energia marketing business, take on average one week time to reflect the oil products price changes in international markets.

⁶ Includes unconsolidated companies where Galp Energia has a significant interest.

Results Presentation

The results will be disclosed to the market on July 30 2010 before the open of NYSE Euronext Lisbon.

The Conference Call will take place on July 30 2010 at 14:00 GMT (15:00 CET). To listen to the conference call, please dial in at least 10 minutes before the schedule time to ensure your registration. The Conference Call details are as follows:

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- Claudio De Marco (CFO)
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