



Results

THIRD QUARTER AND NINE MONTHS 2010

October 28 2010

Extending success into new challenges

Third quarter and nine months results highlights

Business overview

Financial overview

Short-term outlook

Third Quarter and Nine Months Results Highlights

Exploration & Production

Increase in production and crude price impacting EBITDA YoY

Refining & Marketing

Galp Energia's refining margin increased by \$1.5/bbl YoY in 3Q10

Gas & Power

Natural gas supply volumes stable YoY

Financials

3Q10 net profit RCA of €93 Mln, up 18% YoY

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Increase in production and crude price impacting EBITDA YoY

Main E&P data

		3Q10	3Q09	YoY	QoQ	9M10	9M09	YoY
Working interest production	kbbbl/d	19.6	14.3	+37%	(1%)	19.3	13.6	+41%
Net entitlement production	kbbbl/d	9.5	8.9	+7%	(12%)	11.0	8.9	+24%
Net entitlement production	M bbl	0.9	0.8	+7%	(12%)	3.0	2.4	+24%
Angola - Block 14	M bbl	0.7	0.8	(9%)	(14%)	2.6	2.4	+7%
Brazil - BM-S-11	M bbl	0.1	-	n.m.	+6%	0.4	-	n.m.
Realized sale price	\$/bbl	74.5	60.9	+22%	(9%)	75.5	54.3	+39%
OPEX/net entitlement production	\$/bbl	15.4	7.9	+95%	+25%	13.4	9.5	+41%
EBITDA	M €	37	28	+31%	(16%)	130	73	+78%
CAPEX	M €	96	83	+16%	+40%	242	155	+56%

- Tupi EWT and CPT Tômbua-Lândana projects drove production growth YoY
- Net-entitlement production impacted by PSA effect in Angola
- EBITDA up 31% YoY in 3Q10 driven by both production and crude price positive trend

Galp Energia's refining margin increased by \$1.5/bbl YoY in 3Q10

Main R&M data

		3Q10	3Q09	YoY	QoQ	9M10	9M09	YoY
Galp Energia refining margin	\$/bbl	2.1	0.6	+265%	(38%)	2.7	1.5	+85%
Spread over benchmark	\$/bbl	1.6	0.4	+342%	(15%)	1.6	0.1	n.m.
Crude processed	M bbl	23.0	21.8	+5%	+7%	66.7	56.5	+18%
Refining throughput	M ton	3.2	3.3	(2%)	+1%	9.6	8.5	+13%
Refined product sales	M ton	4.2	4.3	(1%)	+2%	12.6	12.5	+1%
Sales to direct clients	M ton	2.6	2.7	(5%)	+2%	7.8	8.4	(7%)
Portugal	M ton	1.5	1.5	(0%)	+3%	4.4	4.6	(4%)
Spain	M ton	1.1	1.2	(11%)	+0%	3.4	3.7	(10%)
Operators	M ton	0.9	0.8	+10%	+3%	2.6	2.4	+10%
Exports	M ton	0.7	0.7	(1%)	+3%	2.2	1.7	+28%
EBITDA	M €	126	106	+18%	(6%)	325	233	+39%
CAPEX	M €	276	73	+277%	+45%	562	224	+151%

- 3Q10 YoY increase in premium over benchmark due to recovery of diesel crack and heavy/light spread
- Solid cash flow from marketing division
- EBITDA increased YoY mainly driven by refining business

Natural gas supply volumes stable YoY

Main G&P data

		3Q10	3Q09	YoY	QoQ	9M10	9M09	YoY
NG supply total sales volumes	M m3	1,302	1,293	+1%	+18%	3,586	3,482	+3%
Electrical	M m3	613	600	+2%	+21%	1,474	1,526	(3%)
Industrial	M m3	425	473	(10%)	(4%)	1,381	1,430	(3%)
Residential	M m3	54	32	+69%	(31%)	234	152	+54%
Others	M m3	211	188	+12%	+167%	496	374	+33%
Sales of electricity to the grid	GWh	301	141	+114%	(3%)	909	417	+118%
EBITDA	M €	56	63	(10%)	(40%)	211	164	+29%
CAPEX	M €	12	14	(15%)	(57%)	57	53	+6%

- Stable YoY NG supply sales to electrical market despite higher hydro levels
- Stable contribution from NG Infrastructure
- 3Q10 EBITDA positively impacted by Sines cogeneration NG volumes

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3Q10 net profit RCA of €93 Mln, up 18% YoY

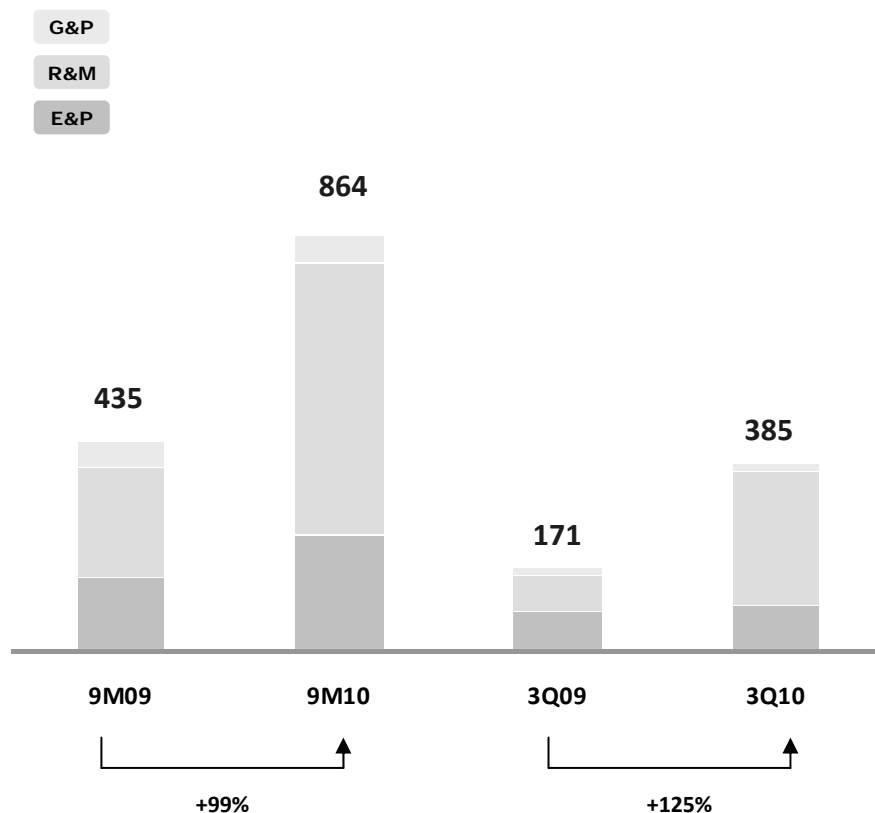
Profit & Loss (€Mln)

	3Q10	3Q09	YoY	QoQ	9M10	9M09	YoY
Turnover	3,590	3,257	+10%	+0%	10,460	9,050	+16%
EBITDA	223	193	+15%	(20%)	677	480	+41%
E&P	37	28	+31%	(16%)	130	73	+78%
R&M	126	106	+18%	(6%)	325	233	+39%
G&P	56	63	(10%)	(40%)	211	164	+29%
Others	4	(4)	n.m.	(30%)	11	9	+15%
EBIT	136	104	+31%	(14%)	390	235	+65%
Associates	18	19	(4%)	+2%	52	57	(8%)
Financial results	(18)	(20)	(11%)	(41%)	(71)	(53)	+34%
Taxes	(43)	(23)	+86%	+20%	(101)	(56)	+81%
Net Profit	93	78	+18%	(15%)	266	179	+48%
Net Profit (IFRS)	96	123	(22%)	(41%)	355	260	+37%

- Positive 3Q10 operating performance in line with the first half trend
- Despite higher debt level, financial results remained stable in the quarter
- Higher taxes due to higher IRP in Angola

Transformational capex execution according to plan

Capital expenditure ¹ (€Mln)



- Tupi continued to be the main driver of E&P's capex
- Upgrade refining project capex accelerated in 3Q10
- Natural gas distribution infrastructure responsible for majority of G&P capex in 3Q10

¹ Does not include financial investments

Net debt increase driven by capex execution in 3Q10

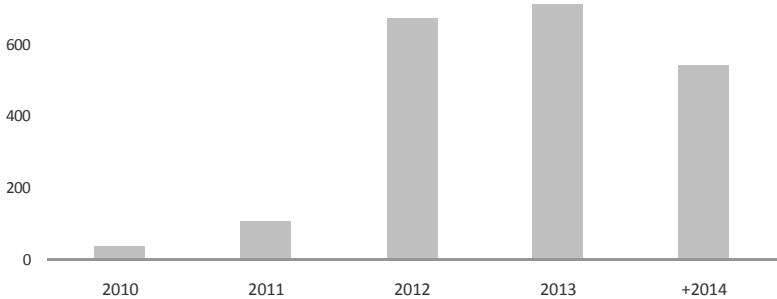
Consolidated balance sheet (€Mln)

	Sep. 2010	Jun. 2010	Sep - Jun	Dec. 2009	Sep - Dec
Fixed assets	5,122	4,835	+287	4,379	+743
Work in progress	1,684	1,360	+324	1,015	+669
Strategic stock	715	691	+23	575	+140
Other assets (liabilities)	(349)	(350)	+1	(333)	(17)
Working capital	(196)	(107)	(88)	(305)	+110
Net debt	2,695	2,483	+211	1,927	+768
Equity	2,597	2,585	+12	2,389	+209
Capital employed	5,292	5,069	+223	4,316	+976
Net debt to equity	104%	96%	7.7 p.p.	81%	23.1 p.p.

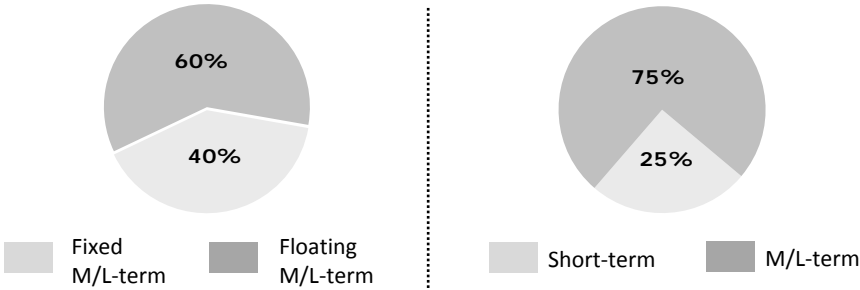
- Increase in work in progress, which reached €1.7 Bln, not yet generating return
- Controlled working capital within quarters
- Net debt increase due to transformational capex and dividend payment during 3Q10

Additional facilities of €1.0¹ Bln

M/L-term debt reimbursement profile (€Mln)



Debt structure as of September 2010



- No major debt reimbursements before 2012
- Net debt totalled €2.7 Bln
- Average interest rate of 3.4%
- 60% of current additional facilities already contract guaranteed

¹ Additional facilities as of end September 2010

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Exploration & Production

4Q10 working interest production boosted by Tupi pilot project start up

Refining & Marketing

Refining margins should be positively impacted by recent supply disruption

Gas & Power

4Q10 NG supply volumes to increase on a quarterly basis

Financials

Maintaining strong financial flexibility

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RCA figures except otherwise noted.

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Results

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Extending success into new challenges

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