RESULTS

SECOND QUARTER AND FIRST HALF 2011

Delivering growth through exploration and production

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EXECUTIVE SUMMARY

In the first half of 2011, Galp Energia's replacement cost adjusted net profit fell 36% year on year (yoy) to €111 million due to the worse performance of the Refining & Marketing business segment. Net profit of €70 million in the second quarter 2011 reflected the same downward trend when compared to a year earlier.

SUMMARY OF RESULTS – SECOND QUARTER AND FIRST HALF 2011

- Net entitlement production of crude oil in the first half of 2011 reached 11.7 kbopd with the positive contribution of Lula's field production; in the second quarter, net entitlement production rose 26% yoy;
- Galp Energia achieved a refining margin of Usd 0.8/bbl in the first half of 2011; in the second quarter of the year, this margin was Usd 0.6/bbl reflecting the downward trend in refining margins in international markets;
- The marketing of oil products was negatively affected by the adverse economic environment in the Iberian Peninsula;
- Natural gas sold rose 22% yoy in the first half of 2011 to 2,792 million cubic metres, driven by sales to Madrileña Gas and to the electrical segment; in the second quarter of 2011, volumes sold rose 7% on the back of higher demand from the industrial segment;
- RCA EBITDA in the first half of 2011 fell 20% yoy to €365 million; in the second quarter, it amounted to €230 million;
- RCA net profit of €111 million in the first half of 2011 equated to €0.13 per share, 63% of which was achieved in the second quarter;
- In the first half of 2011, around 60% of total capital expenditure of €590 million was channelled into the refinery upgrade project.

CONFERENCE CALL

Date:	Friday 29 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			
2010	2011	Chg.	% Chg.		2010	2011	Chg.	% Chg.
368	277	(91)	(24.8%)	EBITDA	589	632	43	7.3%
285	232	(53)	(18.6%)	EBITDA RC[1]	457	366	(91)	(19.9%)
277	**230**	**(47)**	**(16.8%)**	**EBITDA RCA[2]**	**454**	**365**	**(90)**	**(19.7%)**
233	162	(71)	(30.5%)	EBIT	372	421	49	13.1%
150	117	(33)	(21.9%)	EBIT RC[1]	240	155	(85)	(35.5%)
158	**121**	**(37)**	**(23.5%)**	**EBIT RCA[2]**	**253**	**174**	**(80)**	**(31.4%)**
162	100	(62)	(38.3%)	Net profit	260	290	31	11.9%
102	67	(35)	(34.0%)	Net profit RC[1]	163	99	(63)	(39.0%)
109	**70**	**(39)**	**(36.0%)**	**Net profit RCA[2]**	**174**	**111**	**(63)**	**(36.0%)**

[1] Replacement cost figures exclude inventory effects

[2] Replacement cost adjusted figures exclude inventory effects and non recurrent events

MARKET INDICATORS

Second quarter					First half			
2010	2011	Chg.	% Chg.		2010	2011	Chg.	% Chg.
1.9	(1.0)	(2.9)	n.m.	Rotterdam cracking refining margin[1] (Usd/bbl)	1.9	(0.7)	(2.7)	n.m.
0.6	(1.9)	(2.5)	n.m.	Rotterdam hydroskimming + aromatics + base oil refining margin[1] (Usd/bbl)	0.5	(1.2)	(1.6)	n.m.
38.5	57.7	19.2	49.9%	UK NBP natural gas price[2] (GBp/term)	37.1	57.4	20.2	54.5%
35.0	4.8	(30.2)	(86.2%)	Spanish pool price[2] (€/MWh)	30.2	46.7	16.4	54.4%
78.3	117.4	39.1	49.9%	Average dated Brent price[3] (Usd/bbl)	77.3	111.2	33.9	43.9%
1.27	1.44	0.2	13.1%	Average exChg. rate[2] (Eur/Usd)	1.33	1.40	0.1	5.8%
0.98	1.70	*0.71 p.p.*	n.m.	Euribor - six month[2] (%)	0.97	1.53	*0.56 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			
2010	2011	Chg.	% Chg.		2010	2011	Chg.	% Chg.
19.8	21.8	2.1	10.4%	Average working interest production (kbopd)	19.1	20.4	1.3	6.7%
10.9	13.8	2.9	26.3%	Average net entitlement production (kbopd)	11.8	11.7	(0.1)	(0.8%)
3.4	0.6	(2.8)	(81.6%)	Galp Energia refining margin (Usd/bbl)	3.0	0.8	(2.2)	(73.7%)
3.2	3.1	(0.2)	(4.8%)	Raw materials processed (million tonnes)	6.4	5.1	(1.2)	(19.1%)
2.7	2.6	(0.1)	(2.9%)	Oil sales direct clients in Iberia (million tonnes)	5.5	5.1	(0.4)	(7.7%)
1,105	1,187	82	7.4%	Natural gas sales (million m^3)	2,284	2,792	508	22.3%
311	323	12	3.8%	Sales of electricity to the grid[1] (GWh)	608	547	(61)	(10.0%)

[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 2011 and 2010 have been prepared in accordance with IFRS. The financial information in the consolidated income statement is reported for the quarters ended 30 June 2011 and 2010 and the six-month periods ended on these dates. The financial information in the consolidated financial position is reported at 30 June 2011, 31 March 2011 and 31 December 2010.

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 may, 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 the Galp Energia businesses, RCA operating and net profit exclude non recurrent events and the inventory effect because the cost of goods sold has been calculated according to the replacement cost (RC) valuation method.

RECENT CHANGES

In the fourth quarter of 2010, conversion factors for diesel, gasoline and fuel oil were revised on the basis of the updated crack spreads for these products. Therefore, factors used to convert barrels into tonnes were revised to 7.44 for diesel, 8.33 for gasoline and 6.32 for fuel oil. These new conversion factors were applied to the first half and the second quarter of 2010 so as to make periods comparable.

In June 2011, Galp Energia changed the method of accounting for its equity stake in Enacol, a subsidiary operating in Cape Verde, which had previously been recorded using the equity method. Enacol became fully consolidated as Galp Energia, in spite of not being a majority shareholder, took control, on an expectedly permanent basis, of its financial and operating policies. As this change was not worked through the financial statements for the six months and second quarter of 2010, these are not directly comparable with the financial statements for the six months and second quarter of 2011.

MARKET ENVIRONMENT

BRENT

In the first half of 2011, the dated Brent averaged Usd 111.2/bbl, up 44% from a year earlier. This rise followed primarily from turmoil in Northern Africa, namely Libya, and OPEC's lower supply of crude oil.

In the second quarter of 2011, the dated Brent averaged Usd 117.4/bbl, up 12% from the first quarter as the supply of Libyan oil remained at lower levels, OPEC imposed production cuts and the seasonal spike in demand set in.

OIL PRODUCTS

In the first half of 2011, the gasoline crack spread averaged Usd 7.7/bbl, down 25% yoy as the price of the dated Brent rose sharply in the period. In the second quarter of 2011, the gasoline crack spread averaged Usd 10.1/bbl, up 90% quarter on quarter (qoq) on the back of arbitrage opportunities and refining shortcomings in the US. Towards the end of the quarter, the gasoline crack spread started to shrink as US refineries raised supply following the end of the maintenance period.

In the first half of 2011, the diesel crack spread averaged Usd 17.3/bbl, up 30.4% yoy. In the second quarter of 2011, the diesel crack spread averaged Usd 16.3/bbl, down 11% quarter on quarter, following concerns over the economic recovery.

In the first half of 2011, the fuel oil crack spread averaged Usd -12.7/bbl, down Usd 7.0/bbl yoy as the price of the dated Brent rose. In the second quarter of 2011, the fuel oil crack spread averaged Usd -11.4/bbl, up 18% qoq on the back of strong demand from Asia.

REFINING MARGINS

In the first half of 2011, the average cracking margin fell Usd 2.7/bbl yoy while the average hydroskimming margin fell Usd 3.5/bbl following the negative impact of the rising price of dated Brent between periods as the recovery in the diesel crack spread did not offset the fall in both gasoline and fuel oil crack spreads.

In the second quarter of 2011, the average cracking margin fell Usd 0.4/bbl qoq while the average hydroskimming margin fell Usd 0.5/bbl, maintaining the unfavourable trend of the first half of the year.

EUR/USD

In the first six months of 2011, the euro/dollar exchange rate averaged 1.40, which equated to a 6% appreciation yoy of the euro against the dollar. In the second quarter of 2011, the euro/dollar exchange rate averaged 1.44, which implied a 5% appreciation qoq and 13% yoy of the euro against the dollar, primarily as a result of the European Central Bank raising benchmark interest rates.

THE IBERIAN MARKET

In the first half of 2011, the Portuguese market for oil products contracted 6% yoy to 4.7 million tonnes. The market for gasoline contracted 10% to 0.6 million tonnes and the market for diesel contracted 7% to 2.5 million tonnes yoy. The market for jet recovered 2% to 0.5 million tonnes.

In the second quarter of 2011, volumes sold in the Portuguese market for oil products fell 6% yoy to 2.4 million tonnes. This fall was steepest in the market for gasoline, which contracted 11% yoy to 0.3 million tonnes. While the market for diesel experienced, at 1.3 million tonnes, a decline of 6% yoy, the market for jet recovered 3% to 0.3 million tonnes.

In the first half of 2011, the Spanish market for oil products evidenced a negative trend as volumes declined 2% yoy to 28.4 million tonnes, primarily as a result of the 7% contraction in the market for gasoline to 2.6 million tonnes. At 15 million tonnes, the market for diesel fell 5% yoy. These declines were not totally compensated by the increase in jet demand, which increased 13% yoy to 2.7 million tonnes.

In the second quarter of 2011, the Spanish market for oil products contracted 2% yoy to 14.1 million tonnes. This contraction hit the gasoline and diesel markets alike, with both falling 7% yoy – the market for gasoline to 1.3 million tonnes and the market for diesel to 7.1 million tonnes. In the opposite direction, the market for jet rose 15% yoy to 1.53 million tonnes.

In the first half of 2011, the Portuguese market for natural gas grew 12% yoy to 2,667 million cubic metres primarily as a result of the 35% rise in demand from the electrical segment. In the second quarter of 2011, the Portuguese market for natural gas expanded 8% yoy to 1,281 million cubic metres, primarily as a result of the 12% rise in demand from the electrical segment. Demand from the residential and industrial segments rose 6% yoy.

In the first quarter of 2011, the Spanish market for natural gas contracted 3% yoy to 16,645 million cubic metres. In the second quarter of 2011, the market for natural gas contracted 6% yoy to 7,155 million cubic metres primarily as demand from the electrical segment fell short following a switch to hydro power.

MARKET INDICATORS

Second quarter					First half			
2010	2011	Chg.	% Chg.		2010	2011	Chg.	% Chg.
78.3	117.4	39.1	49.9%	Average dated Brent price[1] (Usd/bbl)	77.3	111.2	33.9	43.9%
15.0	16.3	1.3	8.9%	Diesel crack[2] (Usd/bbl)	13.3	17.3	4.0	30.4%
9.8	10.1	0.3	3.4%	Gasoline[3] crack (Usd/bbl)	10.2	7.7	(2.5)	(24.6%)
(6.5)	(11.4)	(4.9)	(75.4%)	Fuel oil crack[4] (Usd/bbl)	(5.7)	(12.7)	(7.0)	(123.4%)
1.9	(1.0)	(2.9)	n.m.	Rotterdam cracking refining margin[1] (Usd/bbl)	1.9	(0.7)	(2.7)	n.m.
(1.0)	(4.8)	(3.8)	n.m.	Rotterdam hydroskimming refining margin[1] (Usd/bbl)	(1.0)	(4.5)	(3.5)	n.m.
2.6	2.4	(0.1)	(5.7%)	Portuguese oil market[5] (million ton)	5.0	4.7	(0.3)	(6.3%)
14.4	14.1	(0.3)	(2.1%)	Spanish oil market[6] (million ton)	29.0	28.4	(0.6)	(2.2%)
1,182	1,281	99	8.4%	Portuguese natural gas market[7] (million m^3)	2,378	2,667	289	12.2%
7,618	7,155	(464)	(6.1%)	Spanish natural gas market[8] (million m^3)	17,220	16,645	(575)	(3.3%)

[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 is estimated
[7] Source: Galp Energia
[8] Source: Enagás

FINANCIAL REVIEW

1. INCOME STATEMENT

Million euros

Second quarter					First half			
2010	2011	Chg.	% Chg.		2010	2011	Chg.	% Chg.
3,580	4,356	775	21.7%	Turnover	6,870	8,151	1,282	18.7%
(3,280)	(4,103)	823	25.1%	Operating expenses	(6,362)	(7,565)	1,203	18.9%
68	24	(44)	(65.1%)	Other operating revenues (expenses)	81	46	(36)	(44.0%)
368	**277**	**(91)**	**(24.8%)**	**EBITDA**	**589**	**632**	**43**	**7.3%**
(135)	(115)	(20)	(15.1%)	D&A and provisions	(217)	(211)	(6)	(2.7%)
233	**162**	**(71)**	**(30.5%)**	**EBIT**	**372**	**421**	**49**	**13.1%**
18	15	(2)	(13.2%)	Net profit from associated companies	34	36	2	4.4%
0	0	(0)	n.m.	Net profit from investments	0	0	(0)	n.m.
(30)	(35)	(5)	(17.3%)	Net interest expenses	(53)	(64)	(11)	(20.5%)
221	142	(79)	(35.7%)	Profit before tax and minority interests	353	392	39	11.1%
(58)	(38)	(20)	(33.7%)	Income tax	(91)	(96)	5	5.7%
(1)	(4)	3	n.m.	Minority Interests	(2)	(6)	3	141.2%
162	**100**	**(62)**	**(38.3%)**	**Net profit**	**260**	**290**	**31**	**11.9%**
162	**100**	**(62)**	**(38.3%)**	**Net profit**	**260**	**290**	**31**	**11.9%**
(60)	(32)	27	45.7%	Inventory effect	(97)	(191)	94	(97.5%)
102	**67**	**(35)**	**(34.0%)**	**Net profit RC**	**163**	**99**	**(63)**	**(39.0%)**
7	2	(4)	(65.7%)	Non recurrent items	11	12	1	8.3%
109	**70**	**(39)**	**(36.0%)**	**Net profit RCA**	**174**	**111**	**(63)**	**(36.0%)**

FIRST HALF

RCA net profit of €111 million in the first half of 2011 was €63 million lower than a year earlier mainly as a result of a lower refining margin, a shortfall in oil product sales and lower volumes of crude processed in the wake of the technical outage of the Sines refinery in the first quarter of 2011.

IFRS net profit of €290 million in the first half included a favourable inventory effect of €191 million following the rise in the period in the price of crude and oil products in international markets.

SECOND QUARTER

RCA net profit of €70 million in the second quarter of 2011 was €39 million lower than a year earlier in the wake of falling volumes of crude processed and a lower refining margin.

IFRS net profit of €100 million in the second quarter included a favourable inventory effect of €32 million following rising prices of crude and oil products in international markets in the quarter.

2. ANALYSIS OF INCOME STATEMENT ITEMS

SALES AND SERVICES RENDERED

Million euros

Second quarter					First half			
2010	2011	Chg.	% Chg.		2010	2011	Chg.	% Chg.
3,580	**4,356**	**775**	**21.7%**	**Sales and services rendered**	**6,870**	**8,151**	**1,282**	**18.7%**
-	-	-	-	Non recurrent items	-	-	-	-
3,580	**4,356**	**775**	**21.7%**	**Adjusted sales and services rendered**	**6,870**	**8,151**	**1,282**	**18.7%**
64	113	48	74.9%	Exploration & Production	101	173	72	71.0%
3,201	3,898	697	21.8%	Refining & Marketing	6,099	7,147	1,048	17.2%
370	493	122	33.0%	Gas & Power	767	1,110	343	44.7%
33	30	(2)	(7.0%)	Others	64	66	3	4.0%
(88)	(178)	(89)	(101.4%)	Consolidation adjustments	(161)	(345)	(184)	(113.9%)

FIRST HALF

Adjusted sales and services rendered rose 19% yoy to €8,151 million as all business segments contributed following the rise in the prices of crude, oil products and natural gas in international markets, coupled with higher volumes of natural gas sold.

SECOND QUARTER

Adjusted sales and services rendered in the second quarter of 2011 rose 22% yoy to €4,356 million following the rise in the prices of crude, oil products and natural gas in international markets, and increase in natural gas volumes sold.

OPERATING COSTS

Million euros

Second quarter					First half			
2010	2011	Chg.	% Chg.		2010	2011	Chg.	% Chg.
3,280	**4,103**	**823**	**25.1%**	**Operational costs**	**6,362**	**7,565**	**1,203**	**18.9%**
83	45	(38)	(46.1%)	Inventory effect	133	266	134	100.9%
3,363	**4,148**	**785**	**23.3%**	**Operational costs RC**	**6,494**	**7,831**	**1,337**	**20.6%**
(3)	(2)	1	42.6%	Non recurrent items	(9)	(3)	6	64.2%
3,360	**4,146**	**786**	**23.4%**	**Operational costs RCA**	**6,485**	**7,828**	**1,343**	**20.7%**
3,360	**4,146**	**786**	**23.4%**	**Operational costs RCA**	**6,485**	**7,828**	**1,343**	**20.7%**
3,090	3,861	771	24.9%	Cost of goods sold	5,950	7,233	1,283	21.6%
194	214	19	10.0%	Supply and services	370	440	69	18.7%
76	72	(4)	(5.7%)	Personnel costs	165	155	(10)	(6.0%)

FIRST HALF

In the first half of 2011, RCA operating costs rose 21% yoy to €7,828 million as the cost of goods sold went up by 22%. This rise followed, in turn, from rising prices of crude oil and natural gas in international markets and the 19% increase in supply and services cost as a result of the consolidation of Madrileña Gas from May 2010 and Enacol from the second quarter of 2011. Excluding these two effects, supply and services cost was in line with a year earlier. The higher production activity in Brazil also contributed to the rise in supply and services cost.

Personnel costs fell 6% yoy in the first half of 2011 to €155 million, mainly as a result of lower accruals in the period relating to variable pay.

SECOND QUARTER

In the second quarter of 2011, RCA operating costs rose 23% yoy to €4,146 million primarily as the cost of goods sold went up by 25% following rising prices of crude oil and natural gas in international markets. Supply and services cost rose 10% yoy to €214 million as it was impacted by the consolidation of Madrileña Gas from May 2010 and Enacol from the second quarter of 2011. Excluding these two effects, supply and services cost was in line with a year earlier.

Personnel costs fell 6% yoy in the second quarter of 2011 to €72 million, mainly as a result of lower costs associated with early retirement and with the pension fund.

DEPRECIATION AND AMORTISATION

Million euros

Second quarter					First half			
2010	2011	Chg.	% Chg.		2010	2011	Chg.	% Chg.
87	**110**	**23**	**26.1%**	**Depreciation & amortisation**	**158**	**208**	**50**	**31.8%**
(9)	(5)	4	43.0%	Non recurrent items	(9)	(23)	(14)	(153.2%)
79	**105**	**26**	**33.6%**	**Adjusted depreciation & amortisation**	**149**	**185**	**36**	**24.5%**
79	**105**	**26**	**33.6%**	**Adjusted depreciation & amortisation**	**149**	**185**	**36**	**24.5%**
17	46	29	166.7%	Exploration & Production	31	71	40	127.4%
50	47	(2)	(4.4%)	Refining & Marketing	95	91	(4)	(3.9%)
11	11	(0)	(1.2%)	Gas & Power	21	21	(0)	(2.1%)
0	1	0	n.m.	Others	1	2	1	n.m.

FIRST HALF

In the first half of 2011, adjusted depreciation and amortisation rose €36 million yoy to €185 million.

This rise followed from a €40 million increase in depreciation and amortisation for Exploration & Production business as depreciation for Angola's block 14 rose, following the downward technical adjustment of reserves and the update of the reference crude price, which led to a rise in the amortisation rate.

In Refining & Marketing and Gas & Power businesses, adjusted depreciation and amortisation remained in line with a year earlier.

Non recurrent events of €23 million were primarily related to costs associated with dry wells in Brazil.

SECOND QUARTER

In the second quarter of 2011, adjusted depreciation and amortisation rose €26 million yoy to €105 million. This rise came as a result of increased depreciation and amortisation in the Exploration & Production segment, since those were in line with a year earlier in the Refining & Marketing and the Gas & Power businesses.

The increase in depreciation and amortisation for the Exploration & Production segment followed from the rise in the depreciation rate in Angola, as these were revised downward and the reference crude price was updated, with a direct impact on the applicable amortisation rate.

PROVISIONS

Million euros

Second quarter					First half			
2010	2011	Chg.	% Chg.		2010	2011	Chg.	% Chg.
48	**5**	**(43)**	**(89.6%)**	**Provisions**	**59**	**3**	**(56)**	**(94.2%)**
(7)	(0)	7	n.m.	Non recurrent items	(7)	2	10	n.m.
40	**4**	**(36)**	**(88.9%)**	**Adjusted provisions**	**52**	**6**	**(46)**	**(89.2%)**
40	**4**	**(36)**	**(88.9%)**	**Adjusted provisions**	**52**	**6**	**(46)**	**(89.2%)**
6	1	(6)	(90.3%)	Exploration & Production	8	0	(8)	n.m.
2	3	1	54.6%	Refining & Marketing	3	5	2	59.9%
32	1	(31)	(97.5%)	Gas & Power	41	(0)	(41)	n.m.
0	0	(0)	n.m.	Others	0	0	(0)	n.m.

FIRST HALF

In the first half of 2011, adjusted provisions of €6 million consisted primarily of charges for doubtful debtors in Refining & Marketing business.

In Exploration & Production business, the €8 million fall in provisions reflected the favourable impact of the updated euro/dollar exchange rate in charges for abandonment and the payment of taxes in Angola, which offset charges in the period.

In Gas & Power segment, the €41 million fall in provisions reflected mainly the charge made in the first half of 2010 against the renegotiation of contracts for the supply of natural gas.

SECOND QUARTER

In the second quarter of 2011, adjusted provisions fell €36 million yoy to €4 million as provisions in the Gas & Power business fell €31 million against a year earlier, when provisions were made for the renegotiation of contracts for the supply of natural gas.

The €6 million fall in provisions in Exploration & Production segment stemmed from the euro/dollar exchange adjustment to past provisions, which offset provisions for the period.

Provisions of €3 million in Refining & Marketing business reflected mainly charges for doubtful debtors.

OPERATING PROFIT

Million euros

Second quarter					First half			
2010	2011	Chg.	% Chg.		2010	2011	Chg.	% Chg.
233	**162**	**(71)**	**(30.5%)**	**EBIT**	**372**	**421**	**49**	**13.1%**
(83)	(45)	38	46.1%	Inventory effect	(133)	(266)	(134)	(100.9%)
150	**117**	**(33)**	**(21.9%)**	**EBIT RC**	**240**	**155**	**(85)**	**(35.5%)**
8	4	(4)	(53.6%)	Non recurrent items	14	19	6	40.2%
158	**121**	**(37)**	**(23.5%)**	**EBIT RCA**	**253**	**174**	**(80)**	**(31.4%)**
158	**121**	**(37)**	**(23.5%)**	**EBIT RCA**	**253**	**174**	**(80)**	**(31.4%)**
21	28	8	36.6%	Exploration & Production	54	51	(3)	(5.3%)
82	44	(38)	(46.1%)	Refining & Marketing	102	20	(81)	(80.1%)
50	48	(3)	(5.9%)	Gas & Power	93	99	7	7.2%
5	1	(4)	n.m.	Others	6	4	(2)	n.m.

FIRST HALF

RCA EBIT in the first half of 2011 fell 31% yoy to €174 million, primarily as a result of the unfavourable performance of the Refining & Marketing business segment.

The unfavourable operating performance of the Refining & Marketing business followed mainly from the lower refining margin – as the Sines refinery had a technical outage and international refining margins moved adversely – and the lower volumes of oil products sold.

Despite the rising price of crude oil, RCA EBIT for the Exploration & Production segment fell 5% yoy in the first half primarily as depreciation charges and amortisation increased.

The Gas & Power business segment improved its performance on the back of better results from the infrastructure activity.

SECOND QUARTER

RCA EBIT in the second quarter of 2011 fell €37 million yoy to €121 million as results for the Refining & Marketing business segment showed a worse performance.

The unfavourable operating performance of the Refining & Marketing business in the second quarter of 2011 compared with a year earlier was influenced by a falling refining margin in line with the adverse path followed by international refining margins and by lower volumes of oil products sold.

Despite rising depreciation charges in the second quarter of 2011 compared with a year earlier, the Exploration & Production segment reported an €8 million rise in RCA EBIT on the back of both rising crude prices and expanding crude output.

The Gas & Power segment kept in the second quarter of 2011 its contribution to profit with an RCA EBIT of €48 million.

OTHER RESULTS

Million euros

Second quarter					First half			
2010	2011	Chg.	% Chg.		2010	2011	Chg.	% Chg.
18	15	(2)	(13.2%)	Net profit from associated companies	34	36	2	4.4%
0	0	(0)	n.m.	Net profit from investments	0	0	(0)	n.m.
(30)	(35)	(5)	(17.3%)	Financial results	(53)	(64)	(11)	(20.5%)

FIRST HALF

Results from associates in the first half of 2011 amounted to €36 million, of which €23 million came from the international gas pipelines EMPL, Gasoducto Al Andalus and Gasoducto Extremadura.

Net financial losses rose €11 million in the first half of 2011 as higher interest charges followed primarily from the rising average debt.

SECOND QUARTER

Results from associates in the second quarter of 2011 amounted to €15 million, €11 million of which came from the international gas pipelines. Full consolidation of Enacol in the second quarter of 2011 had a negative impact on these results.

Net financial losses rose €5 million in the second quarter as the rise in average debt carried higher interest charges.

INCOME TAX

Million euros (except otherwise noted)

Second quarter					First half			
2010	2011	Chg.	% Chg.		2010	2011	Chg.	% Chg.
58	**38**	**(20)**	**(33.7%)**	**Income tax[1]**	**91**	**96**	**5**	**5.7%**
26%	*27%*	*1 p.p.*	*n.m.*	*Effective income tax*	*26%*	*25%*	*(1 p.p.)*	*n.m.*
(23)	(12)	(11)	n.m.	Inventory effect	(36)	(75)	39	n.m.
34	**26**	**(8)**	**(24.6%)**	**Income tax RC[1]**	**55**	**21**	**(34)**	**(62.1%)**
1	(6)	(7)	n.m.	Non recurrent items	3	-	(3)	n.m.
36	**27**	**(8)**	**(23.2%)**	**Income tax RCA[1]**	**58**	**28**	**(30)**	**(51.0%)**
24%	*27%*	*3 p.p.*	*n.m.*	*Effective income tax*	*25%*	*20%*	*(5 p.p.)*	*n.m.*

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

FIRST HALF

In the first half of 2011, RCA income tax of €28 million equated to an effective tax rate of 20%. Tax payable in Angola amounted to €8 million after the €10 million reversal in the first quarter of 2011, which lowered both the tax payable and the respective effective tax rate in the first half of 2011.

SECOND QUARTER

In the second quarter of 2011, RCA income tax fell €8 million yoy to €27 million as lower results were achieved in the period. IRP for the quarter amounted to close to €10 million, in line with a year earlier. The effective tax rate was 27%.

3. FINANCIAL POSITION

Million euros (except otherwise noted)

	December 31, 2010	March 31, 2011	June 30, 2011	Change vs Dec 31, 2010	Change vs Mar 31, 2011
Fixed assets	5,426	5,621	5,782	356	161
Strategic stock	792	1,149	1,048	256	(101)
Other assets (liabilities)	(336)	(383)	(396)	(60)	(13)
Working capital	(330)	(431)	(328)	2	103
	5,552	**5,956**	**6,106**	**554**	**150**
Short term debt	616	930	1,073	457	143
Long term debt	2,412	2,498	2,367	(45)	(131)
Total debt	**3,028**	**3,428**	**3,440**	**412**	**12**
Cash	188	349	216	28	(133)
Total net debt	**2,840**	**3,080**	**3,224**	**384**	**145**
Total shareholder's equity	**2,711**	**2,876**	**2,881**	**170**	**5**
Capital employed	**5,552**	**5,956**	**6,106**	**554**	**150**

Fixed assets of €5,782 million at 30 June 2011 were €161 million higher than at the end of March 2011 reflecting capital expenditure in the quarter, namely on the refinery upgrade project. The €101 million fall in the strategic stock compared with March 2011 was primarily a result of the decline in commercial activity, particularly in Spain. Relative to March 2011, working capital rose €103 million as suppliers debt fell following the slowdown in expenditure on the upgrade project.

DEBT

Million euros (except otherwise noted)

	December 31, 2010		March 31, 2011		June 30, 2011		Change vs Dec 31, 2010		Change vs Mar 31, 2011	
	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
Bonds	-	1,000	-	1,000	280	720	280	(280)	280	(280)
Bank debt	456	1,162	930	1,248	583	1,397	127	235	(347)	149
Commercial paper	160	250	-	250	210	250	50	-	210	-
Cash	(188)	-	(349)	-	(216)	-	(28)	-	133	-
Net debt	**2,840**		**3,080**		**3,224**		**384**		**145**	
Average life (years)	3.10		2.59		2.55		(0.55)		(0.04)	
Net debt to equity	105%		107%		112%		7.1 p.p.		4.8 p.p.	

Net debt of €3,224 million at 30 June 2011 was €145 million higher than at the end of March 2011. Net debt to equity stood at 112% at the end of the period.

At the end of June 2011, long-term debt accounted for 69% of total debt, against 73% at the end of March 2011. Thirty-three per cent of medium- and long-term debt was on fixed rate.

The average life of debt was 2.6 years at the end of June 2011 and maturities were concentrated – 60% of the total debt outstanding – in 2012 and 2013.

The average cost of debt for the first half of 2011 was, at 4.1%, 60 basis points higher yoy, in line with the rising trend in benchmark interest rates.

At 30 June 2011, net debt attributable to minority interests amounted to €22 million.

At 30 June 2011, Galp Energia had negotiated, unutilised lines of €1 billion; of these, 40% were negotiated with non-resident banks and 60% of the negotiated amount was fully committed.

galp energia

4. CASH FLOW

Million euros

Second quarter 2010	Second quarter 2011		First half 2010	First half 2011
233	162	EBIT	372	421
87	110	Non cash costs	158	208
(121)	65	Change in operational stock	(76)	34
(73)	101	Change in strategic stocks	(117)	(256)
126	**438**	**Sub total**	**338**	**406**
(22)	(30)	Interest expenses	(40)	(51)
(16)	(31)	Taxes	(19)	(58)
129	(168)	Change in working capital excluding operational stock	(122)	(36)
217	**210**	***Cash flow from operating activities***	**156**	**261**
(361)	(300)	Net capital expenditures and disposals[1]	(604)	(595)
(93)	(86)	Dividends paid / received	(92)	(86)
(25)	32	Others	(16)	36
(262)	**(145)**	**Total**	**(556)**	**(384)**

[1] *Net capital expenditures and disposals* includes financial investments

FIRST HALF

Net cash outflow of €384 million in the first half of 2011 reflected a €172 million improvement in comparison with a year earlier.

The increase in strategic stock, which followed from rising prices of crude and oil products in international markets, had an adverse effect of €256 million on cash flow from operating activities. The rise in taxes paid, namely income tax, and the increase in interest paid in the period also had a negative impact on cash flow from operating activities.

Capital expenditure in the first half of 2011, which was in line with a year earlier and focused on the refinery upgrade project, had a negative effect on cash flow in the period.

SECOND QUARTER

Net cash outflow of €145 million in the second quarter of 2011 reflected an improvement in comparison with the €262 million outflow a year earlier.

Cash flow from operating activities, compared with a year earlier, benefited primarily from the decline in operating and strategic stocks. On the other hand, a working capital addition of €168 million impacted the cash flow of operating activities unfavourably.

Cash flow from investing activities of €300 million, mainly channelled into the refinery upgrade project, had a negative effect on cash generation. The dividend payment of €116 million in June had a negative impact on cash flow for the quarter.

5. CAPITAL EXPENDITURE

Million euros

Second quarter					First half			
2010	2011	Chg.	% Chg.		2010	2011	Chg.	% Chg.
69	81	12	18.1%	Exploration & Production	146	151	5	3.3%
190	182	(8)	(4.2%)	Refining & Marketing	286	412	126	43.9%
28	12	(16)	(56.6%)	Gas & Power	44	24	(20)	(45.0%)
0	2	2	n.m.	Others	2	2	0	9.9%
288	**278**	**(10)**	**(3.5%)**	**Investment**	**479**	**590**	**111**	**23.1%**

FIRST HALF

Capital expenditure in the first half of 2011 amounted to €590 million, of which Refining & Marketing business accounted for close to 70%.

In Exploration & Production segment, spending was mostly channelled into Brazil, mainly to offshore fields, in particular block BM-S-11, which absorbed close to €80 million. In Angola, capital expenditure of around €29 million was mostly allocated to development activities in block 14.

In Refining & Marketing business, capital expenditure in the first half of the year amounted to €412 million, €360 million of which were channelled into the refinery upgrade project.

Capital spending of €24 million in Gas & Power segment was primarily related to expansion of the network for distribution of natural gas.

SECOND QUARTER

Capital expenditure in the second quarter of 2011 amounted to €278 million, which was mainly channelled into Refining & Marketing business.

In Exploration & Production segment, spending of €81 million was primarily channelled into block BM-S-11, which absorbed €50 million. In Angola, capital expenditure amounted to close to €8 million.

In Refining & Marketing business, capital expenditure in the second quarter of 2011 amounted to €182 million as expenditure progressed on the upgrade project, which absorbed €150 million.

Capital spending of €12 million in Gas & Power business was earmarked for expansion of the network for distribution of natural gas.

SEGMENT REVIEW

1. EXPLORATION & PRODUCTION

Million euros (except otherwise noted)

Second quarter					First half			
2010	2011	Chg.	% Chg.		2010	2011	Chg.	% Chg.
1.8	**2.0**	**0.2**	**10.4%**	**Total working interest production (million bbl)**	**3.5**	**3.7**	**0.2**	**6.7%**
1.0	**1.3**	**0.3**	**26.3%**	**Total net entitlement production (million bbl)**	**2.1**	**2.1**	**(0.0)**	**(0.8%)**
10.9	**13.8**	**2.9**	**26.3%**	**Average net entitlement production (kbopd)**	**11.8**	**11.7**	**(0.1)**	**(0.8%)**
9.5	10.1	0.6	6.0%	Angola	10.2	9.1	(1.0)	(10.2%)
1.4	3.7	2.3	164.0%	Brazil	1.6	2.6	0.9	58.3%
81.6	**106.7**	**25.1**	**30.7%**	**Average realized sale price[1] (Usd/bbl)**	**76.1**	**100.3**	**24.3**	**31.9%**
12.3	**13.9**	**1.6**	**13.0%**	**Operating cost[1] (Usd/bbl)**	**12.5**	**16.1**	**3.5**	**28.2%**
25.8	**69.0**	**43.2**	**167.7%**	**Amortisation[1] (Usd/bbl)**	**22.6**	**57.6**	**35.0**	**155.4%**
0.9	**1.0**	**0.0**	**5.0%**	**Total sales[2] (million bbl)**	**0.9**	**1.9**	**1.0**	**100.1%**
1,198	**1,329**	**132**	**11.0%**	**Net total assets**	**1,198**	**1,329**	**132**	**11.0%**
64	113	48	74.9%	Turnover[3]	101	173	71.7	71.0%
44	**75**	**30**	**68.6%**	**EBITDA RCA**	**93**	**122**	**29.6**	**31.9%**
21	**28**	**8**	**36.6%**	**EBIT RCA**	**54**	**51**	**(3)**	**(5.3%)**

[1] Based on net entitlement production in Angola
[2] Considers actual sales
[3] Considers sales and change in production

ACTIVITIES

FIRST HALF

In the first half of 2011, working interest production rose 7% yoy to 20.4 kbopd, mainly on the back of incremental production in Brazil's Lula field but also in Angola, particularly in the CPT Tômbua-Lândana.

Net entitlement production in the first half of 2011 was, at 11.7 kbopd, in line with a year earlier as Brazilian production rose offsetting Angola's 10% lower production of 9.1 kbopd. This production shortfall was caused by both lower cost-oil production rates associated with the PSA's cost recovery mechanism and the correction in the first quarter of 2011 of excess cost-oil estimates in previous years. Brazil's production of 2.6 mbopd accounted for over 20% of total net entitlement production.

SECOND QUARTER

In the second quarter of 2011, working interest production rose 10% yoy to 21.8 kbopd as production in Brazil rose 2.3 kbopd yoy to 3.7 mbopd. The start of production in early April of the extended well test (EWT) in Lula NE, in Lula field, added an average production of 1.0 kbopd to Brazilian production. Another favourable factor was the connection of the first gas injection well to FPSO Cidade de Angra dos Reis, which raised output by the production well to 2.6 kbopd.

Net entitlement production rose 26% yoy to 13.8 kbopd following higher production in Angola's CPT Tômbua-Lândana and Kuito fields and Brazil's Lula field, in block BM-S-11. Production in Brazil accounted for 27% of total net entitlement production in the period.

RESULTS

FIRST HALF

RCA EBIT in the first half of 2011 was 5% lower to €51 million from €54 million a year earlier as the 32% increase in the average sale price of crude oil in Angola could not offset rising depreciation charges.

Production costs in Angola rose to €19 million in the first half of 2011 from €17 million a year earlier following maintenance work in Angola's BBLT and CPT

Tômbua-Lândana in the first quarter. On a net entitlement basis, unit costs rose to Usd 16.1/bbl from Usd 12.5/bbl a year earlier.

Depreciation charges in Angola in the first half of 2011 rose to €68 million from €31 million a year earlier as the rate for depreciating assets in the country was raised following the downward revision of reserves and the update of the price of crude oil used as a benchmark for the calculation of net entitlement reserves.

SECOND QUARTER

RCA EBIT in the second quarter of 2011 rose 37% yoy to €28 million as net entitlement production rose 26% and the average sales price of crude oil in Angola went up by 31%, offsetting the adverse effect of higher depreciation charges in the quarter.

Production costs in Angola rose yoy 6% to €9 million in the second quarter of 2011 as abandonment operations started at the Kuito field. On a net entitlement basis, unit costs rose to Usd 13.9/bbl from Usd 12.3/bbl a year earlier.

Depreciation charges in Angola in the second quarter of 2011 rose €26 million yoy to €44 million as the depreciation rate was raised. The update of the depreciation rate includes the effect of the downward revision of reserves and the adjustment of the benchmark price of crude oil for calculating reserves. In addition, the higher depreciation rate in the second quarter of 2011 prompted an adjustment of depreciation in the first half, which, in turn, impacted this second quarter. In unit terms and on a net entitlement basis, charges rose to Usd 69/bbl from Usd 25.8/bbl a year earlier.

2. REFINING & MARKETING

Million euros (except otherwise noted)

Second quarter					First half			
2010	2011	Chg.	% Chg.		2010	2011	Chg.	% Chg.
1.9	**(1.0)**	**(2.9)**	**n.m.**	**Rotterdam cracking refining margin[1] (Usd/bbl)**	**1.9**	**(0.7)**	**(2.7)**	**n.m.**
0.6	**(1.9)**	**(2.5)**	**n.m.**	**Rotterdam hydroskimming + aromatics + base oil refining margin[1] (Usd/bbl)**	**0.5**	**(1.2)**	**(1.6)**	**n.m.**
3.4	**0.6**	**(2.8)**	**(81.6%)**	**Galp Energia refining margin (Usd/bbl)**	**3.0**	**0.8**	**(2.2)**	**(73.7%)**
1.9	**1.8**	**(0.0)**	**(0.5%)**	**Refinery cash cost (Usd/bbl)**	**2.0**	**2.3**	**0.3**	**13.5%**
21,561	**20,895**	**(665)**	**(3.1%)**	**Crude processed (k bbl)**	**43,764**	**34,467**	**(9,297)**	**(21.2%)**
3.2	**3.1**	**(0.2)**	**(4.8%)**	**Raw material processed (million tonnes)**	**6.4**	**5.1**	**(1.2)**	**(19.1%)**
4.3	**4.2**	**(0)**	**(2.0%)**	**Total refined product sales (million tonnes)**	**8.7**	**7.9**	**(0.8)**	**(9.4%)**
2.7	**2.6**	**(0.1)**	**(2.9%)**	**Sales to direct clients (million tonnes)**	**5.5**	**5.1**	**(0.4)**	**(7.7%)**
1.5	1.5	(0.0)	(0.4%)	Wholesale	3.1	2.9	(0.2)	(5.6%)
0.9	0.8	(0.1)	(9.1%)	Retail	1.8	1.6	(0.2)	(9.6%)
0.1	0.1	(0.0)	(12.6%)	LPG	0.2	0.2	(0.0)	(10.4%)
0.2	0.2	0.0	10.9%	Others	0.4	0.4	(0.1)	(14.2%)
0.7	**0.8**	**0.1**	**8.9%**	**Exports (million tonnes)**	**1.5**	**1.2**	**(0.3)**	**(21.5%)**
1,542	**1,525**	**(17)**	**(1.1%)**	**Number of service stations**	**1,542**	**1,525**	**(17)**	**(1.1%)**
588	**614**	**26**	**4.4%**	**Number of c-stores**	**588**	**614**	**26**	**4.4%**
5,490	**6,995**	**1,505**	**27.4%**	**Net total assets**	**5,490**	**6,995**	**1,505**	**27.4%**
3,201	3,898	697	21.8%	Turnover	6,099	7,147	1,048	17.2%
134	**95**	**(39)**	**(29.0%)**	**EBITDA RCA**	**199**	**117**	**(83)**	**(41.4%)**
82	**44**	**(38)**	**(46.1%)**	**EBIT RCA**	**102**	**20**	**(81)**	**(80.1%)**

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

ACTIVITIES

FIRST HALF

Crude processed in the first half of 2011 amounted to 34 million barrels, down 9 million barrels yoy following the 40-day technical outage of the Sines refinery in the first quarter of 2011. Therefore, refinery capacity utilization rate was 58%, down from 78% a year earlier.

In the first half of 2011, crude oil accounted for 90% of raw materials processed, down from 92% a year earlier. Light crude and condensates accounted for 48% of the total against 39% in the first half of 2010. Medium and heavy crude weighed 36% and 16%, respectively, against 42% and 19% a year earlier. The rise in the share of light crude and condensates followed from the technical outage of the Sines refinery in the first quarter of 2011.

The outage also had an impact on the production profile as diesel accounted for 35% of total production, followed by gasoline with 21%. Fuel oil and jet accounted for 19% and 7%, respectively, and own consumption and losses for 8%.

Sales to direct clients fell 8% to 5.1 million tonnes, followed primarily from contracting markets for oil products in both Portugal and Spain. In Africa, sales of oil products in the first half rose 9% yoy to 327 thousand tonnes.

In the second quarter the oil marketing business reflected a slower fall in oil product sales, particularly in the Spanish market.

Exports of 1.2 million tonnes in the first half of 2011 were 0.3 million tonnes lower yoy with fuel oil and gasoline holding the largest shares with 42% and 22%, respectively. The fall in exports reflected the technical outage of the Sines refinery in the first quarter of 2011.

SECOND QUARTER

In the second quarter of 2011, 21 million barrels of crude were processed. Capacity utilization rate was 70%, against 76% a year earlier, following efforts to optimise utilisation considering refining margin levels in international markets in the period.

Crude oil accounted for 91% of raw materials processed in the second quarter of 2011, with light crude and condensates, medium and heavy crude weighing 47%, 33% and 20%, respectively.

Diesel weighed 35% in the production profile, followed by gasoline (22%), fuel oil (20%) and jet (6%). Own consumption and losses in the quarter accounted for 7%.

In the second quarter of 2011, sales to direct clients fell 3% to 2.6 million tones, following the contraction of the Iberian oil products market. 43% of the total sales to direct clients in Iberia, was in the Spanish market. In Africa, a 14% sales increase to 169 thousand tonnes confirmed the favourable trend for the business in the continent.

Exports in the second quarter of 2011 rose 9% yoy to 0.8 million tonnes, with fuel oil and gasoline accounting for 37% and 33% of the total.

RESULTS

FIRST HALF

RCA EBIT in the first half of 2011 was €20 million, down from €102 million a year earlier. This outcome resulted from lower volumes of crude processed in the wake of the technical outage of the Sines refinery in the first quarter of the year, the lower refining margin and the contracting Iberian market for oil products.

Galp Energia’s refining margin in the period was Usd 0.8/bbl, down from Usd 3.0/bbl a year earlier, following the path of refining margins in international markets. The premium of Galp Energia’s refining margin over the benchmark refining margin moved upward on the back of a widening price gap between light and heavy crudes.

In the first half of 2011, the refineries’ operating cash costs amounted to €57 million, which equated to a unit cost of Usd 2.3/bbl, against Usd 2.0/bbl a year earlier, as lower volumes of crude processed following the technical outage of the Sines refinery in the first quarter of 2011 impacted the dilution of fixed costs negatively.

The adverse economic environment that affected the Iberian market for oil products negatively impacted volumes sold, which resulted in a lower contribution to results from this business in the first half of 2011 compared with a year earlier.

Full consolidation from the second quarter of 2011 of Enacol, which was previously consolidated by the equity method, had a favourable effect of around €6 million on RCA EBIT for the first half of 2011.

SECOND QUARTER

RCA EBIT in the second quarter of 2011 was €44 million, down from €82 million a year earlier.

The unfavourable RCA EBIT outcome stemmed primarily from a lower refining margin, which followed the negative trend in margins in international markets, and the contracting Iberian market for oil products.

Galp Energia’s refining margin in the period was Usd 0.6/bbl, down from Usd 3.4/bbl a year earlier, following the trend for refining margins in international markets.

The refineries' operating cash costs amounted to €27 million, which equated to a unit cost of Usd 1.8/bbl, in line with a year earlier.

The contribution to results in the second quarter of 2011 from marketing of oil products remained fairly stable compared with a year earlier.

Full consolidation of Enacol from the second quarter had a favourable effect of around €6 million on RCA EBIT for the second quarter of 2011.

3. GAS & POWER

Million euros (except otherwise noted)

Second quarter					First half			
2010	2011	Chg.	% Chg.		2010	2011	Chg.	% Chg.
1,105	**1,187**	**82**	**7.4%**	**NG supply total sales volumes (million m^3)**	**2,284**	**2,792**	**508**	**22.3%**
506	487	(19)	(3.7%)	Electrical	862	989	127	14.8%
448	532	84	18.7%	Industrial	977	1,015	38	3.9%
93	103	10	10.8%	Residential and Commercial	217	387	170	78.0%
26	46	20	75.3%	Trading	140	335	196	140.2%
31	18	(13)	(41.3%)	Other supply companies	88	65	(22)	(25.5%)
1,337	**1,319**	**(18)**	**(1.3%)**	**NG clients[1] (thousands)**	**1,337**	**1,319**	**(18)**	**(1.3%)**
311	**323**	**12**	**3.8%**	**Sales of electricity to the grid[2] (GWh)**	**608**	**547**	**(61)**	**(10.0%)**
1,041	**1,050**	**9**	**0.8%**	**Natural gas net fixed assets[3]**	**1,041**	**1,050**	**9**	**0.8%**
2,106	**2,118**	**12**	**0.6%**	**Net total assets**	**2,106**	**2,118**	**12**	**0.6%**
370	493	123	33.1%	Turnover	767	1,110	343	44.8%
94	**59**	**(35)**	**(36.9%)**	**EBITDA RCA**	**155**	**120**	**(35)**	**(22.5%)**
50	**48**	**(3)**	**(5.9%)**	**EBIT RCA**	**93**	**99**	**7**	**7.2%**
31	9	(22)	(71.5%)	Supply[4]	43	24	(19)	(44.1%)
15	31	15	100.7%	Infrastructure	41	63	22	54.4%
4	8	4	86.9%	Power	9	12	4	42.1%

[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. This company had in the first half and second quarter of 2011 sales of power to the grid of 133 GWh and 84 GWh, respectively

[3] Excludes financial investments; net fixed assets are on a consolidated basis

[4] Includes liberalised and regulated supply

ACTIVITIES

FIRST HALF

Sales of natural gas in the first half of 2011 rose 22% yoy to 2,792 million cubic metres.

Volumes sold to the power sector rose 15% yoy to 989 million cubic metres on the back of lower rainfall and wind in the period compared with a year earlier.

In the industrial segment, natural gas volumes rose 4% yoy to 1,015 million cubic metres. Rising sales in the Spanish market offset lower sales in Portugal, where demand from the Sines cogeneration dropped following the refinery's technical shutdown in the first quarter of the year.

The residential and commercial segment rose 78% yoy to 387 million cubic metres primarily in the wake of the newly incorporated natural gas marketing activities in the Madrid region.

Sales of natural gas in trading activities rose 196 million cubic metres yoy as trading opportunities were identified in the international market.

Sales of power to the grid fell 61 GWh yoy to 547 GWh following the scheduled shutdowns at the Sines cogeneration and Energin.

SECOND QUARTER

Sales of natural gas in the second quarter of 2011 rose 7% yoy to 1,187 million cubic metres.

Volumes sold to the power sector dropped 4% yoy to 487 million cubic metres as the amount of power generation in Portugal fell.

In the industrial segment, natural gas volumes rose 19% yoy to 532 million cubic metres on the back of higher demand from plants operated by Galp Energia, rising sales in the Spanish market and the acquisition of new clients.

The residential and commercial segment amounted to 103 million cubic metres, of which the newly incorporated natural gas marketing activities in the Madrid region accounted for 36 million cubic metres.

Sales of power to the grid rose 12 GWh yoy to 323 GWh.

RESULTS

FIRST HALF

RCA EBIT in the first half of 2011 rose 7% yoy to €99 million as rising results from infrastructure and power more than offset lower results from marketing activities.

In marketing, RCA EBIT dropped €19 million to €24 million as supply margins contracted following the rise in the acquisition price of natural gas.

The infrastructure business generated RCA EBIT of €63 million, up 54% yoy as the smoothing effect in allowed revenues was discontinued from July 2010 and partial recovery of the difference between the two calculation methods for gas years 2008/2009 and 2009/2010 was recorded at the end of the first half of 2011.

RCA EBIT for the Power business rose 42% yoy to €12 million driven by the increase in the regulated power tariff to the grid and in the steam tariff to the Sines cogeneration.

SECOND QUARTER

RCA EBIT in the second quarter of 2011 fell 6% yoy to €48 million.

RCA EBIT for the natural gas marketing business dropped €22 million yoy in the second quarter to €9 million mainly as supply margins contracted after the rise in the acquisition price of natural gas.

The infrastructure business generated RCA EBIT of €31 million, up 101% yoy as the smoothing effect in allowed revenues was discontinued from July 2010 and partial recovery of the difference between the two calculation methods for gas years 2008/2009 and 2009/2010 was recorded at the end of the second quarter of 2011.

RCA EBIT for the Power business rose €4 million yoy to €8 million as the regulated tariff for power sales to the grid was raised, as well as the steam tariff to Sines cogeneration.

SHORT-TERM OUTLOOK

The purpose of this new chapter in the quarterly results report is to disclose Galp Energia's view of a set of key variables that influence its short-term operating performance. However, not all variables are directly linked to Galp Energia's own performance as some of them depend on exogenous factors.

MARKET ENVIRONMENT

For the third quarter of 2011, Galp Energia estimates that the price of the dated Brent will ease in comparison with the second quarter, although it will remain above the Usd 100/bbl level. This will be primarily driven by the growth in demand from non-OECD countries, namely China and India, at more moderate rates than previously, coupled with OPEC's balanced supply to accommodate the higher seasonal demand for crude.

The Rotterdam benchmark margins are expected to remain under pressure in the third quarter, with shrinking gasoline and fuel oil crack spreads accompanied by somewhat recovering crack spreads for middle distillates.

Gasoline crack spreads are expected to be affected by lower US demand as the driving season draws to an end as well as by the current level of gasoline stockpiles.

The fuel oil crack spread is expected to remain under pressure partly by the lower demand from US refineries that use this product as a raw material as long, as they can access crude oil at lower prices, and partly by the lower attractiveness of the Asian market, as long as Russian exports keep their high levels.

The middle distillate crack spreads are expected to benefit from the usual spike in demand for these products in the third and fourth quarters, provided the US and European economies do not deteriorate further.

OPERATING ACTIVITIES

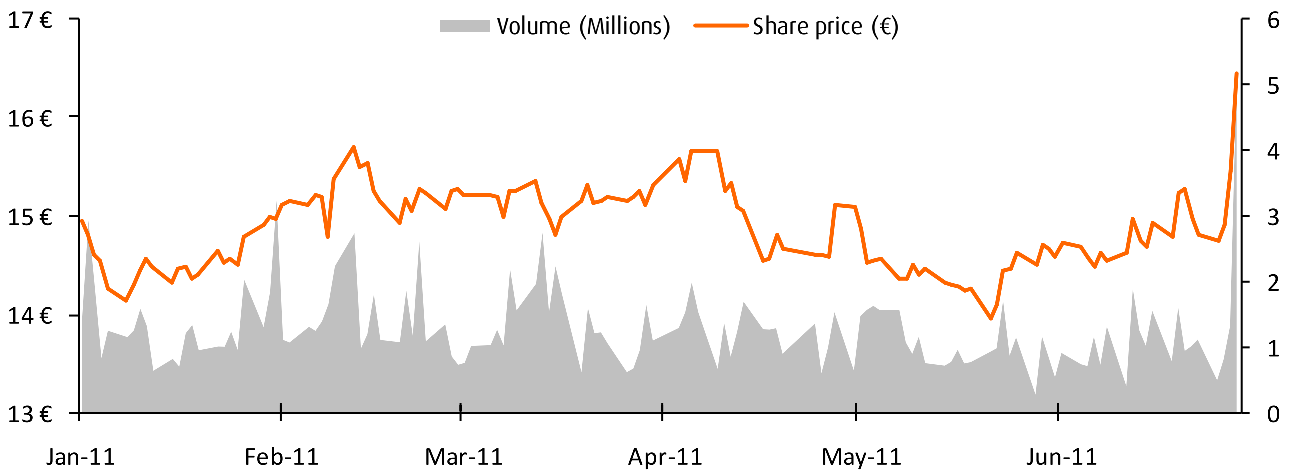
In Exploration & Production segment, working interest production of crude oil in the third quarter of 2011 may reach approximately 19 kbopd, down from the level achieved in the second quarter. Lower production in Angola as a result of the oil fields' natural decline is expected to be partly offset by rising production in Brazil, where connection of the second production well to FPSO Cidade de Angra dos Reis is scheduled for August.

In Refining & Marketing business, crude processed in the third quarter of 2011 is estimated to be in line with the second quarter. On the other hand, sales of oil products to direct clients will be influenced by rising demand in the summer months and are therefore expected to recover in relation to the second quarter while staying below the level of a year earlier.

In Gas & Power segment, sales of natural gas in the third quarter of 2011 are expected to suffer from the seasonal pattern that typically affects primarily the residential and industrial segments and therefore decline quarter on quarter. Volumes for the power segment are, however, expected to remain stable relative to the second quarter. The infrastructure business is expected to deliver a performance in line with a year earlier.

THE GALP ENERGIA STOCK

PERFORMANCE OF THE GALP ENERGIA STOCK



Source: *Euroinvestor*

FIRST HALF

In the first half of 2011, the Galp Energia stock gained 15% and closed at €16.45 at the end of the period. From the initial public offering on 23 October 2006 until 30 June 2011, the stock gained 183%. The share price had a high of €16.97 and a low of €13.92 in the period, when approximately 161 million shares, or an average daily volume of 1.3 million, were traded.

At 30 June 2011, Galp Energia had a market capitalisation of €13,641 million.

SECOND QUARTER

In the second quarter of 2011, the Galp Energia stock gained 9% compared with the close of the end of the first quarter of 2011. Traded volumes in the period amounted to 72 million shares, or a daily average of 1.2 million shares.

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

Main indicators	2010	2Q 2011	2011
Min (€)	10.37	13.92	13.92
Max (€)	14.86	16.97	16.97
Average (€)	12.70	14.79	14.88
Close price (€)	14.34	16.45	16.45
Volume (M shares)	428.0	71.9	161.0
Average volume per day (M shares)	1.6	1.2	1.3
Market cap (M€)	11,891	13,641	13,641

EVENTS IN THE SECOND QUARTER 2011

CORPORATE

RESOLUTIONS BY THE ANNUAL GENERAL MEETING

Galp Energia announced on May 30 that the proposed items on the agenda of the annual general meeting that convened on that day had been approved as follows:

1. The management consolidated report, individual and consolidated accounts, for the year 2010, as well as remaining reporting documents;

2. The proposal for application of profits:

- Dividend payment (0.20€/share): €165,850 thousand
- Retained earnings: €189,297 thousand
- Total: €355,147 thousand

3. The corporate governance report for the year 2010;

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

5. A Declaration regarding the remuneration policy of the governing bodies and top management;

6A. The election of the board of the general meeting for the three-year period 2011-2013;

6B. The election of the remuneration committee for the three-year period 2011-2013;

6C. The election of the members of the supervisory board for the three-year period 2011-2013;

6D. The election of the statutory auditor for the three-year period 2011-2013;

6E. The number of directors to form the board of directors for the three-year period 2011-2013 is set at 21.

DIVIDEND PAYMENT

Galp Energia announced on May 31 the final dividend payment relating to the financial year 2010, amounting to €0.14 per share, payable as from June 28, 2011.

EXTERNAL AUDITOR

Galp Energia announced on June 9 the selection of PricewaterhouseCoopers & Associados to be the external auditor of Galp Energia for the three year period 2011-2013.

EMPLOYEES

	December 31, 2010	March 31, 2011	June 30, 2011	Change vs Dec 31, 2010	Change vs Mar 31, 2011
Exploration & Production	82	85	87	5	2
Refining & Marketing	6,156	6,073	6,175	19	102
Gas & Power	463	505	506	43	1
Corporte & Others	610	607	610	-	3
Total employees	**7,311**	**7,270**	**7,378**	**67**	**108**
Service stations employees	3,462	3,405	3,513	51	108
Total off site employees	**3,849**	**3,865**	**3,865**	**16**	**-**

ASSOCIATES

RESULTS FROM ASSOCIATES

Million Euros

Second quarter					First half			
2010	2011	Chg.	% Chg.		2010	2011	Chg.	% Chg.
1.5	1.9	0.4	27.8%	CLH	3.2	4.0	0.8	25.2%
2.0	1.3	(0.7)	(35.3%)	CLC	4.0	2.5	(1.6)	(38.7%)
12.1	10.9	(1.1)	(9.5%)	*International Pipelines*	23.8	23.3	(0.5)	(1.9%)
0.7	1.1	0.3	47.1%	Setgás - Natural Gas Distribution Company	1.8	2.0	0.2	13.4%
1.2	(0.3)	(1.5)	n.m.	Others	1.5	3.9	2.5	n.m.
17.6	**14.9**	**(2.6)**	**(15.0%)**	**Total**	**34.2**	**35.7**	**1.5**	**4.4%**

RECONCILIATION OF REPORTED AND REPLACEMENT COST ADJUSTED FIGURES

1. REPLACEMENT COST ADJUSTED EBIT BY SEGMENT

Million euros

Second quarter					2011	First half				
EBIT	Inventory effect	EBIT RC	Non recurrent items	EBIT RCA		EBIT	Inventory effect	EBIT RC	Non recurrent items	EBIT RCA
162	**(45)**	**117**	**4**	**121**	**EBIT**	**421**	**(266)**	**155**	**19**	**174**
23	-	23	5	28	E&P	27	-	27	23	51
87	(40)	46	(2)	44	R&M	284	(261)	23	(3)	20
52	(4)	47	0	48	G&P	106	(5)	101	(1)	99
1	-	1	-	1	Others	4	-	4	-	4

Million euros

Second quarter					2010	First half				
EBIT	Inventory effect	EBIT RC	Non recurrent items	EBIT RCA		EBIT	Inventory effect	EBIT RC	Non recurrent items	EBIT RCA
233	**(83)**	**150**	**8**	**158**	**EBIT**	**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

2. REPLACEMENT COST ADJUSTED EBITDA BY SEGMENT

Million euros

Second quarter					2011	First half				
EBITDA	Inventory effect	EBITDA RC	Non recurrent items	EBITDA RCA		EBITDA	Inventory effect	EBITDA RC	Non recurrent items	EBITDA RCA
277	**(45)**	**232**	**(2)**	**230**	**EBITDA**	**632**	**(266)**	**366**	**(1)**	**365**
75	-	75	0	75	E&P	122	-	122	0	122
137	(40)	97	(2)	95	R&M	380	(261)	119	(3)	117
63	(4)	59	0	59	G&P	124	(5)	119	1	120
2	-	2	-	2	Others	5	-	5	-	5

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

3. NON RECURRENT ITEMS

EXPLORATION & PRODUCTION

Million Euros

Second quarter			First half	
2010	2011		2010	2011
		Exclusion of non recurrent items		
-	(0.0)	Gains / losses on disposal of assets	(0.0)	(0.0)
0.1	0.2	*Assets write offs*	(0.3)	0.2
8.0	5.2	Assets impairments	8.3	23.2
8.1	**5.4**	**Non recurrent items of EBIT**	**8.0**	**23.4**
8.1	**5.4**	**Non recurrent items before income taxes**	**8.0**	**23.4**
(2.8)	(1.9)	Income taxes on non recurrent items	(2.7)	(8.0)
5.4	**3.6**	**Total non recurrent items**	**5.3**	**15.5**

REFINING & MARKETING

Million Euros

Second quarter			First half	
2010	2011		2010	2011
		Exclusion of non recurrent items		
(1.6)	(3.7)	Accidents caused by natural facts	(1.6)	(5.8)
(0.0)	(0.3)	Gains / losses on disposal of assets	(0.1)	(0.3)
0.0	0.2	*Assets write offs*	0.0	0.3
1.3	1.8	Employees contracts rescission	7.3	3.3
0.0	-	Sines refinery fire - accidents	0.0	-
0.4	0.5	Provisions for environmental charges and others	0.3	0.4
(0.1)	(0.4)	Assets impairments	-	(0.6)
(8.9)	-	Margin in the sale of CO_2 emission licenses	(8.9)	-
(8.9)	**(1.8)**	**Non recurrent items of EBIT**	**(2.9)**	**(2.8)**
-	0.0	Capital gains / losses on disposal of financial investments	-	0.0
(8.9)	**(1.8)**	**Non recurrent items before income taxes**	**(2.9)**	**(2.8)**
2.5	0.5	Income taxes on non recurrent items	0.8	0.8
(6.4)	**(1.3)**	**Total non recurrent items**	**(2.1)**	**(2.0)**

GAS & POWER

Million Euros

Second quarter			First half	
2010	2011		2010	2011
		Exclusion of non recurrent items		
0.0	-	Gains / losses on disposal of assets	0.0	(0.0)
-	0.1	*Assets Write offs*	-	1.2
1.9	-	Employees contracts rescission	1.9	-
4.5	0.0	Provisions for environmental charges and others	4.5	(2.6)
(0.9)	-	Margin in the sale of CO_2 emission licenses	(0.9)	-
5.5	**0.1**	**Non recurrent items of EBIT**	**5.5**	**(1.4)**
(0.0)	-	Capital gains / losses on disposal of financial investments	(0.0)	-
5.4	**0.1**	**Non recurrent items before income taxes**	**5.4**	**(1.4)**
(1.0)	(0.0)	Income taxes on non recurrent items	(1.0)	(0.3)
4.5	**0.1**	**Total non recurrent items**	**4.5**	**(1.7)**

OTHERS

Million Euros

Second quarter			First half	
2010	2011		2010	2011
		Exclusion of non recurrent items		
3.2	-	Provisions for environmental charges and others	3.2	-
3.2	**-**	**Non recurrent items of EBIT**	**3.2**	**-**
3.2	**-**	**Non recurrent items before income taxes**	**3.2**	**-**
3.2	**-**	**Total non recurrent items**	**3.2**	**-**

CONSOLIDATED SUMMARY

Million Euros

Second quarter			First half	
2010	2011		2010	2011
		Exclusion of non recurrent items		
(1.6)	(3.7)	Accidents caused by natural facts	(1.6)	(5.8)
0.0	(0.3)	Gains / losses on disposal of assets	(0.1)	(0.4)
0.1	0.5	*Assets write off*	(0.3)	1.7
(9.8)	-	Margin in the sale of CO_2 emission licenses	(9.8)	-
3.2	1.8	Employees contracts rescission	9.1	3.3
0.0	-	Sines refinery fire - accidents	0.0	-
8.1	0.5	Provisions for environmental charges and others	8.0	(2.2)
7.9	4.9	Assets impairments	8.3	22.7
7.9	**3.7**	**Non recurrent items of EBIT**	**13.7**	**19.3**
(0.0)	0.0	Capital gains / losses on disposal of financial investments	(0.0)	0.0
7.9	**3.7**	**Non recurrent items before income taxes**	**13.7**	**19.3**
(1.2)	(1.4)	Income taxes on non recurrent items	(2.9)	(7.6)
6.7	**2.3**	**Total non recurrent items**	**10.8**	**11.7**

CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED INCOME STATEMENT

Million euros

Second quarter			First half	
2010	2011		2010	2011
		Operating income		
3,511	4,260	Sales	6,734	7,955
70	96	Services rendered	136	197
88	48	Other operating income	125	91
3,668	**4,404**	**Total operating income**	**6,994**	**8,242**
		Operating costs		
(3,007)	(3,816)	Inventories consumed and sold	(5,818)	(6,967)
(194)	(214)	Material and services consumed	(370)	(440)
(79)	(73)	Personnel costs	(174)	(158)
(87)	(110)	Amortisation and depreciation cost	(158)	(208)
(48)	(5)	Provision and impairment of receivables	(59)	(3)
(20)	(25)	Other operating costs	(43)	(45)
(3,435)	**(4,242)**	**Total operating costs**	**(6,622)**	**(7,821)**
233	**162**	**EBIT**	**372**	**421**
18	15	Net profit from associated companies	34	36
0	0	Net profit from investments	0	0
		Financial results		
7	4	Financial profit	12	13
(29)	(35)	Financial costs	(52)	(64)
(9)	(6)	Exchange gain (loss)	(15)	(10)
2	1	Profit and cost on financial instruments	2	(2)
(0)	(0)	Other gains and losses	(1)	(1)
221	**142**	**Profit before taxes**	**353**	**392**
(58)	(38)	Income tax expense	(91)	(96)
163	**104**	**Profit before minority interest**	**262**	**296**
(1)	(4)	Profit attributable to minority interest	(2)	(6)
162	**100**	**Net profit for the period**	**260**	**290**
0.20	**0.12**	**Earnings per share (in Euros)**	**0.31**	**0.35**

2. CONSOLIDATED FINANCIAL POSITION

Million euros

	December 31, 2010	March 31, 2011	June 30, 2011
Assets			
Non current assets			
Tangible fixed assets	3,589	3,787	3,978
Goodwill	243	243	247
Other intangible fixed assets	1,308	1,295	1,288
Investments in associates	283	255	265
Investments in other participated companies	3	41	3
Other receivables	112	105	102
Deferred tax assets	216	211	190
Other financial investments	1	1	1
Total non current assets	**5,755**	**5,938**	**6,075**
Current assets			
Inventories	1,570	1,959	1,793
Trade receivables	1,082	1,124	1,222
Other receivables	562	664	581
Other financial investments	5	5	19
Current Income tax recoverable	-	-	-
Cash and cash equivalents	188	349	216
Total current assets	**3,407**	**4,101**	**3,831**
Total assets	**9,162**	**10,039**	**9,906**
Equity and liabilities			
Equity			
Share capital	829	829	829
Share premium	82	82	82
Translation reserve	28	(1)	2
Other reserves	193	193	193
Hedging reserves	(4)	(2)	(2)
Retained earnings	1,109	1,550	1,434
Profit attributable to equity holders of the parent	441	191	290
Equity attributable to equity holders of the parent	**2,679**	**2,842**	**2,830**
Minority interest	32	34	52
Total equity	**2,711**	**2,876**	**2,881**
Liabilities			
Non current liabilities			
Bank loans and overdrafts	1,412	1,498	1,647
Bonds	1,000	1,000	720
Other payables	321	319	308
Retirement and other benefit obligations	285	288	288
Deferred tax liabilities	84	86	81
Other financial instruments	0	0	0
Provisions	156	122	112
Total non current liabilities	**3,258**	**3,312**	**3,156**
Current liabilities			
Bank loans and overdrafts	616	930	793
Bonds	-	-	280
Trade payables	1,490	1,681	1,735
Other payables	1,034	1,152	978
Other financial instruments	8	6	4
Income tax	45	81	78
Total current liabilities	**3,193**	**3,851**	**3,868**
Total liabilities	**6,451**	**7,163**	**7,024**
Total equity and liabilities	**9,162**	**10,039**	**9,906**

ADDITIONAL INFORMATION

DEFINITIONS

EBIT

Operating profit

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 2011: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 5.98 $/ton (Freight 2010: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 5.22 $/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% Naphtha 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 2011: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 5.98 $/ton (Freight 2010: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 5.22 $/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 2011: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 5.98 $/ton (Freight 2010: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 5.22 $/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 (IFRS) and is consequently not adopted for valuing inventories. This method does not reflect the cost of replacing other assets.

ABBREVIATIONS:

bbl: barrels;

BBLT: Benguela, Belize, Lobito and Tomboco;

bbl/d: barrels per day;

Bg: Barges;

Cg: Cargoes;

CIF: Costs, Insurance and Freight;

CLC: Companhia Logística de Combustíveis;

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

CPT: Compliant Piled Tower;

DGEG: Direcção Geral de Energia e Geologia;

E&P: Exploration & Production;

€: Euro;

FIFO: First In First Out;

FOB: Free on Board;

G&P: Gas & Power;

IAS: International Accounting Standards;

IFRS: International Financial Reporting Standards;

kbopd: thousand barrels of oil per day;

LIFO: Last In First Out;

LSFO: Low sulphur fuel oil;

m^3: cubic metres;

N.M.: not meaningful;

OECD: Organisation for Economic Co-operation and Development

OPEC: Organisation of Petroleum-Exporting Countries

PM UL: Premium unleaded;

PSA: Production Sharing Agreement;

R&D: Refining & Marketing;

RCA: Replacement cost adjusted;

SXEP: DJ Europe Oil & Gas stock index;

TL: Tômbua-Lândana;

ULSD CIF Cg: Ultra Low sulphur diesel CIF Cargoes;

Usd: dollar of the United States.

US or USA: United States of America.

WAC: Weighted-average cost.

DISCLAIMER:

This report contains forward-looking statements about the activities and results of Galp Energia as well as some Company plans and objectives. The terms “anticipates”, “believes”, “estimates”, “expects”, “predicts”, “aims”, “plans” and other similar ones aim to identify such forward-looking statements. As a result of their nature, forward-looking statements involve risks and uncertainties as they are associated with events and circumstances that may occur in the future. Real outcomes and developments may as a result of several factors differ significantly from outcomes, either express or implicit, in the statements. These include but are not limited to changes in costs, economic conditions or regulatory framework.

Forward-looking statements only refer to the date when they were made and Galp Energia has no obligation to update them in the light of new data or future developments or otherwise explain the reasons actual outcomes are possibly different.

Galp Energia, SGPS, S.A.

Investor Relations

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