Results & strategy execution update

FIRST HALF AND SECOND QUARTER 2012

Solid foundations to deliver sustainable value
Key highlights

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Appendix
Key highlights

- Net profit in 2Q12 reached €129 Mln, up 81% YoY

- Several high impact wells to be drilled before year end

- Sines hydrocracker commissioning to start early August

- Sound financial position despite sovereign credit risk
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Net profit in 2Q12 reached €129 Mln, up 81% YoY

Profit & Loss (€Mln)

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>2Q11</th>
<th>YoY</th>
<th>QoQ</th>
<th>1H12</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>4,556</td>
<td>4,356</td>
<td>+5%</td>
<td>(5%)</td>
<td>9,351</td>
<td>+15%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>281</td>
<td>232</td>
<td>+21%</td>
<td>+40%</td>
<td>481</td>
<td>+31%</td>
</tr>
<tr>
<td>E&amp;P</td>
<td>99</td>
<td>75</td>
<td>+32%</td>
<td>+13%</td>
<td>187</td>
<td>+53%</td>
</tr>
<tr>
<td>R&amp;M</td>
<td>104</td>
<td>96</td>
<td>+8%</td>
<td>+263%</td>
<td>132</td>
<td>+11%</td>
</tr>
<tr>
<td>G&amp;P</td>
<td>75</td>
<td>59</td>
<td>+26%</td>
<td>(10%)</td>
<td>157</td>
<td>+30%</td>
</tr>
<tr>
<td>Others</td>
<td>3</td>
<td>2</td>
<td>+98%</td>
<td>n.m.</td>
<td>4</td>
<td>(26%)</td>
</tr>
<tr>
<td>EBIT</td>
<td>174</td>
<td>122</td>
<td>+43%</td>
<td>+84%</td>
<td>269</td>
<td>+53%</td>
</tr>
<tr>
<td>Associates</td>
<td>21</td>
<td>15</td>
<td>+41%</td>
<td>+5%</td>
<td>42</td>
<td>+17%</td>
</tr>
<tr>
<td>Financial results</td>
<td>24</td>
<td>(35)</td>
<td>n.m.</td>
<td>n.m.</td>
<td>(17)</td>
<td>+74%</td>
</tr>
<tr>
<td>Taxes</td>
<td>(72)</td>
<td>(27)</td>
<td>+162%</td>
<td>n.m.</td>
<td>(95)</td>
<td>n.m.</td>
</tr>
<tr>
<td>Minority interests</td>
<td>(19)</td>
<td>(4)</td>
<td>n.m.</td>
<td>n.m.</td>
<td>(21)</td>
<td>n.m.</td>
</tr>
<tr>
<td>Net Profit</td>
<td>129</td>
<td>71</td>
<td>+81%</td>
<td>+159%</td>
<td>178</td>
<td>+57%</td>
</tr>
<tr>
<td>Net Profit (IFRS)</td>
<td>(15)</td>
<td>101</td>
<td>n.m.</td>
<td>n.m.</td>
<td>157</td>
<td>(46%)</td>
</tr>
</tbody>
</table>

- EBITDA increase driven by higher Brazilian oil production and by LNG trading opportunities
- EBIT positively impacted by lower DD&A due to the reserves increase in 2011
- Net profit benefited from lower net interest costs and forex gains
Sound financial structure enabling flexibility

### Balance sheet (€Mln)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>6,154</td>
<td>6,120</td>
<td>+34</td>
<td>6,002</td>
<td>+152</td>
</tr>
<tr>
<td>Work in progress</td>
<td>2,399</td>
<td>2,316</td>
<td>+83</td>
<td>2,174</td>
<td>+225</td>
</tr>
<tr>
<td>Strategic stock</td>
<td>754</td>
<td>829</td>
<td>(75)</td>
<td>996</td>
<td>(242)</td>
</tr>
<tr>
<td>Other assets (liabilities)</td>
<td>516</td>
<td>430</td>
<td>+86</td>
<td>(407)</td>
<td>+922</td>
</tr>
<tr>
<td>Working capital</td>
<td>560</td>
<td>227</td>
<td>+333</td>
<td>(146)</td>
<td>+706</td>
</tr>
<tr>
<td>Net debt</td>
<td>1,221</td>
<td>790</td>
<td>+431</td>
<td>3,504</td>
<td>(2,283)</td>
</tr>
<tr>
<td>Equity</td>
<td>6,763</td>
<td>6,816</td>
<td>(53)</td>
<td>2,941</td>
<td>+3,821</td>
</tr>
<tr>
<td>Capital employed</td>
<td>7,983</td>
<td>7,606</td>
<td>+378</td>
<td>6,446</td>
<td>+1,538</td>
</tr>
<tr>
<td>Net debt to equity</td>
<td>18%</td>
<td>12%</td>
<td>6.5 p.p.</td>
<td>119%</td>
<td>n.m.</td>
</tr>
</tbody>
</table>

- Net debt increase followed capex, working capital needs and the dividend payment during 2Q12
- Working capital negatively impacted by the decrease in accounts payables
- Competitive cost of debt maintained and debt maturity extended
Short term outlook

- 3Q12 working interest production targeted at c.26 kboepd
- Cautious outlook on refining, despite the robust benchmark margin QTD
- Marketing volumes increasing QoQ due to seasonality despite harsh Iberian environment
- Natural gas volumes to remain stable QoQ supported by electrical and trading segments
- Expected 2012 EBITDA close to €1 Bln, in line with previous guidance
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Lula development project execution on the right path

**FPSO Cidade de Paraty (120 kbopd)**

- FPSO Cidade de Paraty to be allocated to Lula NE area is on schedule to start operations by 2Q13

- Topside modules contracts for the first replicants being built in Brazil already awarded at competitive costs

- Increased project flexibility through the chartering of additional FPSO units

**Hull conversion was concluded at the Keppel shipyard, in Singapore**

**Topsides are already under construction at the BrasFels shipyard, in Brazil**
Preparing world class province development

Mozambique – Area 4

- Mamba complex estimated natural gas in place of at least 47 Tcf to 52 Tcf
- Unitisation discussions ongoing with Area 1 and appraisal activities underway to better understand the reservoir
- 1,850 km² 3D seismic campaign concluded in the North of the area to identify potential drilling targets
Several high impact wells to be drilled before year end

**BM-S-8**

Carcará well reached already c.6,200 metres, with results expected by August

**BM-S-24**

Rig secured to start key drilling phase in September with results expected in 4Q12

**Potiguar**

1st exploration well scheduled for September to de-risk a high potential play
Exploration acreage addition materializing strategy outlined

- Entering in early exploration phase with a material stake, with an option to become operator

- Aljubarrota-3 concession is more gas prone with 1.3 bln boe of exploration resources\(^1\)

- Alcobaça #1 exploration well to start in August targeting pre-salt layer

\(^1\) mean unrisked estimate

Source: Netherland Sewell & Associates (NSAI) as of March 2012
Sines hydrocracker commissioning to start early August

- 571 of the 585 new systems already handed-over to the refinery
- Hydrocracker commissioning expected to take 60 days to reach full capacity
- Additional flexibility to adjust production yield to market conditions
Sound financial position despite sovereign credit risk

Cost of debt (%)

- YE2011: 4.3% (Galp Energia), 11.5% (5 Yr Portuguese Gvt Bond)
- 1H12: 4.4% (Galp Energia), 14.1% (5 Yr Portuguese Gvt Bond)

Debt average life (years)

- YE2011: 2.13 years
- 1H12: 4.45 years

Available credit lines (€ Bln)

- YE2011: 0.90 Bln
- 1H12: 1.50 Bln

Current cost of debt of 4.4%, 9.7 p.p. below 5Yr Portuguese bond

Extending debt maturities with competitive financial conditions

Maintaining a confortable level of available credit lines

Source: Bloomberg
Generic Portugal 5 Year Government Bond
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- Lula world class development project being successfully executed and with increased operational flexibility

- 2H12 exploration campaign focusing on high impact exploration wells

- Exploration acreage addition materializing exploration strategy outlined

- Upgrade project contributing to incremental cash flow generation in 4Q12
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Lula-1 project produced close to full capacity during June

**Main E&P data**

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>2Q11</th>
<th>YoY</th>
<th>QoQ</th>
<th>1H12</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working interest production (kboepd)</td>
<td>25.8</td>
<td>21.8</td>
<td>+18%</td>
<td>+14%</td>
<td>24.2</td>
<td>+19%</td>
</tr>
<tr>
<td>Net entitlement production (kboepd)</td>
<td>18.8</td>
<td>13.8</td>
<td>+37%</td>
<td>+14%</td>
<td>17.7</td>
<td>+51%</td>
</tr>
<tr>
<td>Angola (kboepd)</td>
<td>8.5</td>
<td>10.1</td>
<td>(16%)</td>
<td>(2%)</td>
<td>8.6</td>
<td>(6%)</td>
</tr>
<tr>
<td>Brazil (kboepd)</td>
<td>10.4</td>
<td>3.7</td>
<td>n.m.</td>
<td>+31%</td>
<td>9.1</td>
<td>n.m.</td>
</tr>
<tr>
<td>Realized sale price ($/boe)</td>
<td>96.4</td>
<td>108.4</td>
<td>(11%)</td>
<td>(10%)</td>
<td>101.3</td>
<td>(4%)</td>
</tr>
<tr>
<td>OPEX/net entitlement production ($/boe)</td>
<td>8.9</td>
<td>13.8</td>
<td>(36%)</td>
<td>(48%)</td>
<td>12.7</td>
<td>(20%)</td>
</tr>
<tr>
<td>EBITDA (M €)</td>
<td>99</td>
<td>75</td>
<td>+32%</td>
<td>+13%</td>
<td>187</td>
<td>+53%</td>
</tr>
<tr>
<td>EBIT (M €)</td>
<td>61</td>
<td>28</td>
<td>+118%</td>
<td>+15%</td>
<td>115</td>
<td>+126%</td>
</tr>
<tr>
<td>CAPEX (M €)</td>
<td>137</td>
<td>81</td>
<td>+68%</td>
<td>+0%</td>
<td>274</td>
<td>+81%</td>
</tr>
</tbody>
</table>

- Lula-1 project drove production growth with an average production of 9.2 kboepd
- Brazil contributed to 55% of total net entitlement production
- EBITDA increase driven by higher production
EBIT 13% higher YoY following refining margin improvement

### Main R&M data

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>2Q11</th>
<th>YoY</th>
<th>QoQ</th>
<th>1H12</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Galp Energia refining margin</strong></td>
<td>$/bbl</td>
<td>2.5</td>
<td>0.6</td>
<td>n.m.</td>
<td>n.m.</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>Spread over benchmark</strong></td>
<td>$/bbl</td>
<td>0.3</td>
<td>1.9</td>
<td>(85%)</td>
<td>(80%)</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Crude processed</strong></td>
<td>M bbl</td>
<td>21.5</td>
<td>20.9</td>
<td>+3%</td>
<td>+6%</td>
<td>41.7</td>
</tr>
<tr>
<td><strong>Refining throughput</strong></td>
<td>M ton</td>
<td>3.1</td>
<td>3.1</td>
<td>+2%</td>
<td>+6%</td>
<td>6.1</td>
</tr>
<tr>
<td><strong>Sales to direct clients</strong></td>
<td>M ton</td>
<td>2.5</td>
<td>2.6</td>
<td>(7%)</td>
<td>(6%)</td>
<td>5.1</td>
</tr>
<tr>
<td><strong>Exports</strong></td>
<td>M ton</td>
<td>0.8</td>
<td>0.8</td>
<td>+6%</td>
<td>(5%)</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>M €</td>
<td>104</td>
<td>96</td>
<td>+8%</td>
<td>n.m.</td>
<td>132</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>M €</td>
<td>51</td>
<td>45</td>
<td>+13%</td>
<td>n.m.</td>
<td>22</td>
</tr>
<tr>
<td><strong>CAPEX</strong></td>
<td>M €</td>
<td>37</td>
<td>182</td>
<td>(80%)</td>
<td>(23%)</td>
<td>85</td>
</tr>
</tbody>
</table>

- Positive refining margin evolution, despite the decrease in premium to benchmark
- Operational constraints and lower heavy-light spread impacted negatively premium to benchmark
- Despite the lower contribution of the marketing of oil products business, EBIT was up by 13% YoY
G&P positively impacted by the trading activity

### Main G&P data

<table>
<thead>
<tr>
<th>NG supply total sales volumes</th>
<th>2Q12</th>
<th>2Q11</th>
<th>YoY</th>
<th>QoQ</th>
<th>1H12</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>M m³</td>
<td>1,500</td>
<td>1,187</td>
<td>+26%</td>
<td>(13%)</td>
<td>3,225</td>
<td>+16%</td>
</tr>
</tbody>
</table>

- **Electrical**
  - M m³
  - 223
  - 487
  - (54%)
  - (39%)
  - 591
  - (40%)

- **Industrial**
  - M m³
  - 515
  - 532
  - (3%)
  - (8%)
  - 1,072
  - +6%

- **Residential and Commercial**
  - M m³
  - 102
  - 103
  - (0%)
  - (52%)
  - 315
  - (19%)

- **Trading**
  - M m³
  - 632
  - 46
  - n.m.
  - +13%
  - 1,192
  - n.m.

<table>
<thead>
<tr>
<th>Sales of electricity to the grid</th>
<th>GWh</th>
<th>2Q12</th>
<th>2Q11</th>
<th>YoY</th>
<th>QoQ</th>
<th>1H12</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>317</td>
<td>323</td>
<td>(2%)</td>
<td>(1%)</td>
<td>636</td>
<td>+16%</td>
</tr>
</tbody>
</table>

- **EBITDA**
  - M €
  - 75
  - 59
  - +26%
  - (10%)
  - 157
  - +30%

- **EBIT**
  - M €
  - 60
  - 48
  - +25%
  - (16%)
  - 131
  - +31%

- **CAPEX**
  - M €
  - 14
  - 12
  - +15%
  - (16%)
  - 31
  - +27%

- **Trading activity with a 42% weight on total natural gas supply volumes**

- **Leveraging on international natural gas supply margins**

- **Resilient contribution from NG infrastructure**
Capex shift to world class upstream projects materialized

Capital expenditure (€Mln)

- Lula project responsible for the majority of E&P development capex
- Exploration activities in 2Q12 accounted for c.50% of E&P capex
- Downstream capex decreased with the physical completion of upgrade project
Major debt reimbursement scheduled for the 2013-14 period

- Total net debt of €1.2 Bln, with an average life of 4.4 years
- Average interest rate of 4.4%, up 34 b.p. YoY
- Available credit lines of €1.51 Bln, of which 60% contract guaranteed
- Net debt to Equity at 18% and net debt to Ebitda of 1.3x at the end of 2Q12

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1 As of the end of June 2012
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RCA figures except otherwise noted.

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