



RESULTS

NINE MONTHS AND THIRD QUARTER OF 2012



Solid foundations to deliver sustainable value



Results – Nine months and third quarter of 2012

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EXECUTIVE SUMMARY

Galp Energia's replacement cost adjusted (RCA) net profit of €277 million in the first nine months of 2012 was 57% higher year on year (yoy), which reflected the increase in crude oil and natural gas production in Brazil and the increase in LNG volumes in the international market. These effects also drove the 58% increase in RCA net profit in the third quarter to €98 million.

SUMMARY OF RESULTS – NINE MONTHS AND THIRD QUARTER OF 2012

- Net entitlement production of crude oil and natural gas in the first nine months of 2012 amounted to 18.3 kboepd, of which 56% from Brazil; in the third quarter net entitlement production rose 60% to 19.5 kboepd;
- Galp Energia's refining margin in the first nine months of 2012 rose to Usd 2.6/bbl from Usd 0.8/bbl a year earlier; in the third quarter the refining margin surged to Usd 4.4/bbl from Usd 0.9/bbl a year earlier, influenced by the upward trend of refining margins in international markets;
- The adverse economic conditions in the Iberian Peninsula affected the oil products marketing business negatively in both the first nine months and the third quarter of 2012, compared with a year earlier;
- Natural gas volumes sold in the first nine months of 2012 rose 19% yoy to 4,696 million cubic

metres, mainly driven by LNG sales in the trading segment; in the third quarter natural gas volumes sold rose 27% to 1,470 million cubic metres;

- RCA EBIT of €443 million in the first nine months of 2012 was 53% ahead of a year earlier; RCA EBIT of €173 million in the third quarter increased 55% yoy;
- Capital expenditure in the first nine months of 2012 amounted to €613 million, of which 70% was channelled into the Exploration & Production business segment; 50% of total capital spending of €222 million in the third quarter went into exploration and production activities in Brazil;
- At the end of September 2012, the *net-debt-to-equity* ratio was 20% and net debt amounted to €1,369 million, reflecting the maintenance of a solid capital structure.

CONFERENCE CALL

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KEY FIGURES

FINANCIAL DATA

Million euros

Third quarter					Nine months			
2011	2012	Chg.	% Chg.		2011	2012	Chg.	% Chg.
271	410	138	51.1%	EBITDA	906	872	(34)	(3.7%)
222	314	92	41.2%	EBITDA RC ¹	591	788	197	33.4%
222	306	84	37.7%	EBITDA RCA²	589	786	197	33.5%
159	264	106	66.6%	EBIT	582	498	(85)	(14.5%)
110	169	59	53.6%	EBIT RC ¹	267	414	147	54.8%
112	173	61	54.7%	EBIT RCA²	289	443	154	53.4%
95	173	78	81.5%	Net profit	389	331	(58)	(14.9%)
61	106	45	74.2%	Net profit RC ¹	163	269	106	65.0%
62	98	36	58.0%	Net profit RCA²	176	277	101	57.2%

¹ Replacement cost figures exclude inventory effects

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

MARKET DATA

Third quarter					Nine months			
2011	2012	Chg.	% Chg.		2011	2012	Chg.	% Chg.
113.5	109.5	(4.0)	(3.5%)	Average dated Brent price ¹ (Usd/bbl)	111.9	112.2	0.3	0.3%
(0.4)	3.9	4.3	n.m.	Benchmark refining margin ² (Usd/bbl)	(0.8)	1.8	2.6	n.m.
54.2	56.9	2.7	5.0%	UK NBP natural gas price ³ (GBp/term)	56.3	57.9	1.6	2.9%
1.41	1.25	(0.2)	(11.4%)	Average exchange rate ³ (Eur/Usd)	1.41	1.28	(0.1)	(8.9%)
1.77	0.63	(1.14 p.p.)	n.m.	Euribor - six month ³ (%)	1.61	0.98	(0.63 p.p.)	n.m.

¹ Source: Platts

² Source: Platts. For a complete description of the method for calculating the benchmark refining margin see "Definitions"

³ Source: Bloomberg

OPERATING DATA

Third quarter					Nine months			
2011	2012	Chg.	% Chg.		2011	2012	Chg.	% Chg.
20.8	25.9	5.1	24.5%	Average working interest production (kboepd)	20.6	24.8	4.2	20.5%
12.2	19.5	7.3	60.0%	Average net entitlement production (kboepd)	11.9	18.3	6.4	54.0%
0.9	4.4	3.5	n.m.	Galp Energia refining margin (Usd/bbl)	0.8	2.6	1.7	n.m.
3.0	3.0	0.0	1.5%	Raw materials processed (million tonnes)	8.1	9.1	1.0	12.2%
2.8	2.5	(0.3)	(9.3%)	Oil sales direct clients (million tonnes)	7.8	7.6	(0.3)	(3.5%)
1,159	1,470	311	26.9%	Natural gas sales (million m ³)	3,951	4,696	745	18.9%
320	317	(3)	(0.9%)	Sales of electricity to the grid ¹ (GWh)	867	954	86	10.0%

¹ Includes unconsolidated companies where Galp Energia has a significant interest

Results – Nine months and third quarter of 2012

BASIS OF PRESENTATION

Galp Energia's unaudited consolidated financial statements for the nine months ended 30 September 2012 and 2011 have been prepared in accordance with IFRS. The financial information in the consolidated income statement is reported for the quarters ended on 30 September 2012 and 2011 and the nine months ended on these dates. The financial information of the consolidated financial position is reported at 30 September 2012, 30 June 2012 and 31 December 2011.

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 prices of goods and commodities fluctuate, cause volatility in results, following gains or losses in inventories that 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 Galp Energia's operating performance, RCA profit measures exclude both non-recurrent events and the inventory effect, the latter because the cost of goods sold has been calculated according to the replacement cost (RC) valuation method.

RECENT CHANGES

Galp Energia completed on 1 August 2012 the acquisition of a 21.9% equity stake in Setgás, a company that holds a regulated natural gas distribution concession, thereby raising to 66.9% its ownership of the company. As from this date Galp Energia started to fully consolidate Setgás, which was previously accounted for in results from associated companies. As this change was not reflected in the financial statements of previous reporting years, these are not directly comparable with the financial statements of the third quarter and nine months of 2012.

In the third quarter of 2012 Galp Energia sold a 4.6% equity stake in EMPL, thereby lowering its ownership of the company to 22.8%. The purpose of this disposal was to bring Galp Energia's equity holding into line with its share of reserved capacity in the gas pipeline owned by EMPL.

In December 2011, Galp Energia changed the method of accounting for its pension obligations, which were previously recorded according to the so-called *corridor method* in IAS 19, which was revised in 2011. Galp Energia started to recognise all actuarial gains or losses in the accounting period against equity, with an impact on the Company's financial position. This change has been applied to the financial statements of the third quarter and first nine months of 2011 in order to make periods comparable.

In December 2011 Galp Energia began to include in total production the volumes of natural gas sold from Brazil's Lula field after the gas pipeline Lula-Mexilhão started operations at the end of the third quarter of 2011.

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MARKET ENVIRONMENT

BRENT

The price of dated Brent averaged Usd 112.2/bbl in the first nine months of 2012, in line with a year earlier. This stability resulted from two opposite effects: on the one hand, unrest in Syria, South Sudan and Yemen in the first months of the year contributed to supporting prices; on the other hand, uncertainties about the US and European economies, coupled with concerns about the Chinese economy slowing down in the third quarter of 2012, impacted prices. In the third quarter the price of dated Brent averaged Usd 109.5/bbl, down 3% yoy.

The price spread between heavy and light crude oil narrowed in the first nine months of 2012 by Usd 1.2/bbl yoy to Usd -1.5/bbl. In the third quarter this spread was Usd -0.8/bbl, implying an Usd 1.1/bbl tightening yoy. These movements stemmed from a steeper fall in the price of dated Brent compared with the price of Urals, which benefited from rising demand as a substitute for oil imported from Iran.

OIL PRODUCTS

In the first nine months of 2012 the gasoline crack spread averaged Usd 13.2/bbl, up 57% from a year earlier; in the third quarter it rose 72% yoy to Usd 17.0/bbl. This resulted primarily from supply cutbacks after a few refineries closed down in the USA, which subsequently opened new export opportunities to European refineries. In the third quarter, in particular, the Isaac hurricane prompted the shutdown of a few USA refineries as a large-scale blast shut down Venezuela's Amuay refinery.

In the first nine months of 2012 the diesel crack spread averaged Usd 20.5/bbl, up 18% yoy. In the third quarter it averaged Usd 23.2/bbl, up 32% yoy, as refineries, particularly the UK's Coryton refinery, shut down in Europe, while demand remained strong.

In the first nine months of 2012 the fuel oil crack spread averaged Usd -3.7/bbl, up Usd 8.1/bbl yoy,

whereas in the third quarter it averaged Usd -2.9/bbl, up Usd 7.1/bbl yoy. This stemmed from the tighter supply that followed the shutdown of refineries in Europe in combination with rising demand for fuel oil, namely in Japan.

REFINING MARGINS

Galp Energia's benchmark margin of Usd 1.8/bbl in the first nine months of 2012 was Usd 2.6/bbl higher yoy. This reflected the rising trend of cracking and hydroskimming margins, which increased in the period by Usd 3.2/bbl and Usd 3.9/bbl, respectively. In the third quarter the benchmark margin rose Usd 4.3/bbl yoy to Usd 3.9/bbl on the back of higher crack spreads of oil products, namely gasoline and diesel. Margins benefited from the lower supply of oil products that followed in the third quarter namely from refinery shutdowns in the United States, Venezuela and Europe, although a few European refineries raised crude oil throughput.

EUR/USD

In the first nine months of 2012, the euro/dollar exchange rate averaged 1.28, implying a 9% year-on-year depreciation of the euro against the dollar. In the third quarter the euro/dollar exchange rate averaged 1.25, an 11% depreciation of the euro against the dollar yoy. The weakening of the single currency reflected primarily the continued sovereign debt crisis in the euro zone even after new stimulus measures were announced by central banks. Uncertainties about global economic growth also contributed to deepening negative sentiment towards the euro zone.

THE IBERIAN MARKET

The Portuguese market for oil products contracted 7% in the first nine months of 2012 compared with a year earlier, to 6.8 million tonnes, primarily as the markets for gasoline and diesel traded down. Both did, indeed, contract 9%, to 0.9 million tonnes and 3.4 million tonnes, respectively, reflecting the negative economic context in Portugal. The market for jet stayed in line with a year earlier, at 0.8 million tonnes. In the third

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quarter the overall market contracted 10% yoy, to 2.3 million tonnes, following the austerity measures taking place recently. The demand for gasoline and diesel was most affected, with 9% and 10% declines yoy, respectively, reflecting the negative economic context in Iberia. The market for jet increased 1% yoy in the quarter, to 0.3 million tonnes.

The Spanish market for oil products contracted 3% yoy in the first nine months of 2012, to 41.2 million tonnes. This was primarily due to the 4% contraction in the market for diesel, to 21.3 million tonnes, but also to the performance of the gasoline and jet markets, which were hit by an adverse economy and contracted both 7%, to 3.7 million tonnes and 4.1 million tonnes, respectively. In the third quarter the market for oil products contracted 4% yoy, to 13.8 million tonnes, as the markets for gasoline and diesel fell 11% and 2%, respectively. The market for jet also underperformed as it contracted 6% yoy, to 1.5 million tonnes.

The Portuguese market for natural gas contracted 14% yoy in the first nine months of the year, to 3,270

million cubic metres. This adverse development stemmed primarily from the 51% shortfall in the power sector, with the share of coal rising and domestic generation falling while electricity imports from Spain rose. In the third quarter the market for natural gas contracted 3% yoy, to 1,105 million cubic metres, which was primarily due to rising coal-fired electricity generation and increased electricity imports compared with a year earlier.

The Spanish market for natural gas contracted 4% yoy in the first nine months of 2012 as the 6% rise in demand from the residential and industrial segments could not offset the 26% demand shortfall in the electrical sector with both coal and nuclear sources playing an increasing role in power generation. In the third quarter the market for natural gas contracted 8% as the 4% rise in residential and industrial demand was not enough to make up for the 28% fall in the power sector. The contraction in the electrical sector followed from the larger shares of coal, nuclear and hydro in electricity generation.

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MARKET INDICATORS

Third quarter					Nine months			
2011	2012	Chg.	% Chg.		2011	2012	Chg.	% Chg.
113.5	109.5	(4.0)	(3.5%)	Dated Brent price ¹ (Usd/bbl)	111.9	112.2	0.3	0.3%
(1.9)	(0.8)	(1.1)	(56.7%)	Heavy-light crude price spread ² (Usd/bbl)	(2.7)	(1.5)	(1.2)	(44.5%)
17.6	23.2	5.6	32.1%	Diesel crack ³ (Usd/bbl)	17.4	20.5	3.1	17.7%
9.9	17.0	7.1	72.4%	Gasoline crack ⁴ (Usd/bbl)	8.4	13.2	4.8	56.7%
(10.0)	(2.9)	7.1	71.0%	Fuel oil crack ⁵ (Usd/bbl)	(11.8)	(3.7)	8.1	68.4%
(0.4)	3.9	4.3	n.m.	Benchmark refining margin ¹ (Usd/bbl)	(0.8)	1.8	2.6	n.m.
2.6	2.3	(0.3)	(10.1%)	Portuguese oil market ⁶ (million ton)	7.3	6.8	(0.5)	(6.7%)
14.3	13.8	(0.5)	(3.8%)	Spanish oil market ⁷ (million ton)	42.6	41.2	(1.4)	(3.3%)
1,134	1,105	(29)	(2.5%)	Portuguese natural gas market ⁸ (million m ³)	3,801	3,270	(530)	(14.0%)
7,096	6,529	(567)	(8.0%)	Spanish natural gas market ⁹ (million m ³)	23,742	22,872	(870)	(3.7%)

¹ Source: Platts

² Source: Platts; *Urals NWE Dated* for heavy crude; *Dated Brent* for light crude

³ Source: Platts; *ULSD 10ppm NWE CIF ARA*

⁴ Source: Argus; Unleaded gasoline, *NWE FOB Barges*

⁵ Source: Platts; 1% LSFO, *NWE FOB Cargoes*

⁶ Source: DGEG based on the APETRO market

⁷ Source: Cores. Includes estimates for August and September

⁸ Source: Galp Energia

⁹ Source: Enagás

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FINANCIAL REVIEW

1. INCOME STATEMENT

Million euros (RCA, except otherwise noted)

Third quarter					Nine months			
2011	2012	Chg.	% Chg.		2011	2012	Chg.	% Chg.
4,277	4,925	648	15.1%	Turnover	12,429	14,276	1,847	14.9%
(4,072)	(4,629)	557	13.7%	Operating expenses	(11,897)	(13,517)	1,619	13.6%
17	10	(7)	(43.1%)	Other operating revenues (expenses)	58	27	(31)	(53.2%)
222	306	84	37.7%	EBITDA	589	786	197	33.5%
(110)	(132)	22	20.4%	D&A and provisions	(301)	(344)	43	14.3%
112	173	61	54.7%	EBIT	289	443	154	53.4%
17	14	(3)	(18.0%)	Net profit from associated companies	53	56	3	5.8%
(0)	0	0	n.m.	Net profit from investments	0	0	(0)	n.m.
(29)	(13)	16	54.9%	Net interest expenses	(94)	(30)	64	67.8%
100	174	74	74.5%	Profit before tax and minority interests	248	468	221	89.2%
(35)	(59)	24	70.0%	Income tax	(63)	(154)	91	n.m.
(3)	(17)	14	n.m.	Minority Interests	(8)	(38)	30	n.m.
62	98	36	58.0%	Net profit	176	277	101	57.2%
62	98	36	58.0%	Net profit	176	277	101	57.2%
(2)	7	9	n.m.	Non recurrent items	(13)	(8)	5	39.5%
61	106	45	74.2%	Net profit RC	163	269	106	65.0%
35	68	33	94.2%	Inventory effect	226	62	(164)	(72.4%)
95	173	78	81.5%	Net profit IFRS	389	331	(58)	(14.9%)

NINE MONTHS

RCA net profit of €277 million in the first nine months of 2012 was €101 million ahead of a year earlier. This advance reflected the increase on Brazil's production of crude oil and natural gas and on LNG volumes sold through the trading activity.

The improvement in financial results gave a favourable contribution that more than offset the effect of increased minority interests following the share capital increase in the Brazilian subsidiary Petrogal Brasil and related companies.

IFRS net profit of €331 million in the first nine months of 2012 included a favourable inventory effect of €62 million, which reflected the direction of crude and oil product prices in international markets in the period.

THIRD QUARTER

RCA net profit of €98 million in the third quarter of 2012 was 58% higher than a year earlier. This rise reflected the improved performance of all business segments as Brazil's production of crude oil and natural gas rose, the refining margin increased and LNG volumes sold through the trading soared.

It is worth mentioning that the improvement in financial results more than offset the effect of increased minority interests following the share capital increase in Petrogal Brasil and related companies.

IFRS net profit of €173 million in the third quarter included a favourable inventory effect of €68 million, which reflected the rise in crude and oil product prices in international markets.

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2. ANALYSIS OF INCOME STATEMENT ITEMS

SALES AND SERVICES RENDERED

Million euros

Third quarter					Nine months			
2011	2012	Chg.	% Chg.		2011	2012	Chg.	% Chg.
4,277	4,925	648	15.1%	Sales and services rendered RCA	12,429	14,276	1,847	14.9%
60	127	67	111.6%	Exploration & Production	233	338	105	45.0%
3,773	4,154	381	10.1%	Refining & Marketing	10,920	12,022	1,101	10.1%
497	691	193	38.9%	Gas & Power	1,608	2,199	591	36.8%
25	31	6	24.7%	Others	91	91	0	0.3%
(78)	(78)	0	0.0%	Consolidation adjustments	(423)	(373)	50	11.7%

NINE MONTHS

In the first nine months of 2012 RCA sales and services rendered rose 15% yoy to €14,276 million following the contribution of all business segments, primarily through higher production of crude oil, higher prices and volumes of oil products sold and higher volumes of LNG sold.

THIRD QUARTER

In the third quarter RCA sales and services rendered also rose 15% yoy to €4,925 million following the contribution of all business segments, primarily through higher production of crude oil, higher prices of oil products sold and higher volumes of LNG sold.

OPERATING COSTS

Million euros

Third quarter					Nine months			
2011	2012	Chg.	% Chg.		2011	2012	Chg.	% Chg.
4,072	4,629	557	13.7%	Operational costs RCA	11,897	13,517	1,619	13.6%
3,769	4,300	531	14.1%	Cost of goods sold	11,003	12,546	1,543	14.0%
220	243	23	10.3%	Supply and services	660	722	61	9.3%
82	85	3	3.6%	Personnel costs	234	249	15	6.3%

NINE MONTHS

RCA operating costs of €13,517 million in the first nine months of 2012 were 14% higher than a year earlier, primarily due to the rising cost of goods sold that followed the rise in the volumes and prices of oil products and LNG sold.

Supply and services cost rose 9% yoy to €722 million, driven by the rise in production of crude oil and natural gas in Brazil and the increased cost of using the natural gas transport and distribution network in Portugal.

Personnel costs of €249 million in the first nine months of 2012 were 6% higher yoy primarily as a result of variable-pay accruals.

THIRD QUARTER

RCA operating costs of €4,629 million in the third quarter were €557 million higher than a year earlier, primarily due to the rising cost of goods sold, which increased 14% to €4,300 million as the price of oil products and the volumes of LNG sold increased.

Supply and services cost rose 10% yoy to €243 million, driven by higher costs associated with the rise in

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production of crude oil and natural gas in Brazil and the increased cost of using the natural gas transport and distribution network in Portugal.

Personnel costs of €85 million were €3 million higher yoy primarily as a result of variable-pay accruals and the increased number of employees.

DEPRECIATION AND AMORTISATION

Million euros

Third quarter					Nine months			
2011	2012	Chg.	% Chg.		2011	2012	Chg.	% Chg.
97	99	2	1.6%	Depreciation & Amortisation RCA	282	290	7	2.6%
38	33	(5)	(12.4%)	Exploration & Production	109	96	(13)	(12.1%)
48	54	6	13.3%	Refining & Marketing	139	156	17	12.4%
11	10	(0)	(3.0%)	Gas & Power	32	35	3	9.0%
1	1	0	30.6%	Others	2	3	1	25.4%

NINE MONTHS

In the first nine months of 2012 RCA depreciation and amortisation rose 3% yoy to €290 million.

In the Exploration & Production business segment depreciation and amortisation amounted to €96 million, or down €13 million yoy. This was the result of higher depreciation charges a year earlier, after Angola's reserves were revised downward in the second quarter of 2011.

In the Refining & Marketing business segment depreciation and amortisation rose €17 million yoy to €156 million as the new units of the Matosinhos refinery's upgrade project started operations.

In the Gas & Power business segment the €3 million rise in depreciation and amortisation was primarily related to the depreciation of intangible assets associated with the Spanish Madrileña Gas acquisition.

THIRD QUARTER

In the third quarter of 2012 RCA depreciation and amortisation of €99 million was in line with a year earlier.

In the Exploration & Production business segment the €5 million fall in depreciation and amortisation to €33 million was the result of higher depreciation charges a year earlier after Angola's reserves were revised downward in the second quarter of 2011.

In the Refining & Marketing business segment depreciation and amortisation rose €6 million yoy to €54 million as the new units of the Matosinhos refinery's upgrade project started operations.

In the Gas & Power business segment depreciation and amortisation of €10 million included the depreciation of intangible assets related to the Spanish Madrileña Gas acquisition.

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PROVISIONS

Million euros

Third quarter					Nine months			
2011	2012	Chg.	% Chg.		2011	2012	Chg.	% Chg.
13	33	21	n.m.	Provisions RCA	18	54	36	n.m.
6	18	11	n.m.	Exploration & Production	6	27	21	n.m.
6	10	4	70.0%	Refining & Marketing	11	18	7	62.6%
1	6	5	n.m.	Gas & Power	1	9	8	n.m.
-	-	-	n.m.	Others	0	(0)	(0)	n.m.

NINE MONTHS

In the first nine months of 2012 the €36 million increase yoy in RCA provisions to €54 million was primarily a result of provisions in the Exploration & Production business segment.

Provisions of €27 million in this segment were mostly related to the planned abandonment of block 14's BBLT and Kuito fields, in Angola.

In the Refining & Marketing and Gas & Power business segments provisions of €18 million and €9 million, respectively, were mainly related to doubtful debtors.

THIRD QUARTER

In the third quarter RCA provisions of €33 million were primarily related to the Exploration & Production and Refining & Marketing business segments.

In the Exploration & Production business segment provisions of €18 million were mainly related to the planned abandonment of block 14's BBLT and Kuito fields, in Angola.

Provisions of €10 million in Refining & Marketing and €6 million in Gas & Power were related to doubtful debtors.

OPERATING PROFIT

Million euros

Third quarter					Nine months			
2011	2012	Chg.	% Chg.		2011	2012	Chg.	% Chg.
112	173	61	54.7%	EBIT RCA	289	443	154	53.4%
19	59	40	n.m.	Exploration & Production	70	174	104	148.2%
22	22	0	1.6%	Refining & Marketing	44	44	0	0.0%
68	88	20	29.3%	Gas & Power	168	219	51	30.2%
3	5	1	40.5%	Others	7	7	(0)	(4.0%)

NINE MONTHS

The 53% rise yoy in RCA EBIT to €443 million in the first nine months of 2012 was a result of improved performance in the Exploration & Production and Gas & Power business segments.

In Exploration & Production RCA EBIT rose €104 million to €174 million mainly as a result of the

increased crude oil and natural gas production from Brazil.

The Refining & Marketing business segment reported RCA EBIT of €44 million, in line with a year earlier, as the lower contribution of the Iberian marketing of oil products was compensated by the increase in the refining margin and crude processed.

Results – Nine months and third quarter of 2012

The Gas & Power business segment improved its performance yoy, with RCA EBIT rising €51 million to €219 million primarily following higher volumes of LNG sold through the trading activity, mainly in Asia.

THIRD QUARTER

RCA EBIT of €173 million in the third quarter implied a 55% increase yoy as all business segments improved their performance.

RCA EBIT from the Exploration & Production business segment rose €40 million to €59 million mainly driven by the increase in crude oil and natural gas production in Brazil.

In the Refining & Marketing business segment RCA EBIT of €22 million was in line with a year earlier as the higher refining margin was offset by the shortfall in Iberian marketing of oil products.

The Gas & Power business segment improved its performance yoy and reported RCA EBIT of €88 million, up €20 million from a year earlier following higher volumes of LNG sold in the trading segment, mainly in Asia.

OTHER RESULTS

Million euros

Third quarter					Nine months			
2011	2012	Chg.	% Chg.		2011	2012	Chg.	% Chg.
17	14	(3)	(18.0%)	Net profit from associated companies	53	56	3	5.8%
(0)	0	0	n.m.	Net profit from investments	0	0	(0)	n.m.
(29)	(13)	16	54.9%	Financial results	(94)	(30)	64	67.8%

NINE MONTHS

Results from associated companies in the first nine months of 2012 amounted to €56 million and included €42 million from international gas pipelines EMPL, Gasoducto Al Ándalus and Gasoducto Extremadura.

Despite being negative in €30 million, net financial income improved €64 million yoy on the back of lower net funding costs and the potential exchange gains that resulted from the appreciation of the US dollar against the Brazilian real.

THIRD QUARTER

In the third quarter results from associated companies amounted to €14 million and included €13 million from international gas pipelines EMPL, Gasoducto Al Ándalus and Gasoducto Extremadura.

Net financial income of minus €13 million reflected a €16 million improvement yoy as net funding costs fell after the cash inflow from the capital increase in Petrogal Brasil and related subsidiaries.

Results – Nine months and third quarter of 2012

INCOME TAX

Million euros (except otherwise noted)

Third quarter					Nine months			
2011	2012	Chg.	% Chg.		2011	2012	Chg.	% Chg.
48	88	40	83.7%	Income tax	144	169	25	17.3%
33%	32%	(1 p.p.)	n.m.	Effective income tax	27%	32%	5 p.p.	n.m.
(14)	(28)	14	n.m.	Inventory effect	(89)	(22)	(68)	75.6%
34	60	26	76.6%	Income tax RC	55	147	92	n.m.
1	(1)	(2)	n.m.	Non recurrent items	9	7	(2)	(19.4%)
35	59	24	70.0%	Income tax RCA	63	154	91	n.m.
35%	34%	(1 p.p.)	n.m.	Effective income tax	26%	33%	7 p.p.	n.m.

NINE MONTHS

RCA income tax of €154 million was €91 million higher yoy as performance improved in the Exploration & Production and Gas & Power business segments.

The effective tax rate rose to 33% from 26% a year earlier as results from Brazil mounted following the rise in production of crude oil and natural gas, which had an impact on both the corporate income tax and in the special participation tax.

Tax payable for the period also rose following the increase in the marginal tax rate applicable to companies based in Portugal from January 2012 onwards.

THIRD QUARTER

RCA income tax of €59 million in the third quarter equated to an effective tax rate of 34%, which was in line with a year earlier.

Results – Nine months and third quarter of 2012

3. FINANCIAL POSITION

Million euros (except otherwise noted)

	December 31, 2011	June 30, 2012	September 30, 2012	Change vs Dec 31, 2011	Change vs Jun 30, 2012
Fixed assets	6,002	6,154	6,430	428	276
Other assets (liabilities)	(407)	(460)	(583)	(176)	(122)
Loan to Sinopec	-	976	950	950	(26)
Working capital	851	1,314	1,310	459	(4)
Capital employed	6,446	7,983	8,107	1,662	124
Short term debt	1,528	1,566	1,241	(288)	(326)
Long term debt	2,274	2,179	2,155	(120)	(24)
Total debt	3,803	3,745	3,395	(407)	(350)
Cash	298	2,524	2,026	1,728	(498)
Total net debt	3,504	1,221	1,369	(2,135)	148
Total equity	2,941	6,763	6,738	3,797	(24)
Total equity and net debt	6,446	7,983	8,107	1,662	124
Total net debt including loan to Sinopec	3,504	245	419	(3,085)	174

Fixed assets of €6,430 million at 30 September 2012 were €276 million higher than at the end of June 2012, which reflected capital expenditure in the third quarter, particularly in exploration and production activities.

In the first quarter of 2012 Galp Energia granted a loan of Usd 1.2 billion, or €950 million at 30 September 2012, to Sinopec, following the share

capital increase in Petrogal Brasil and other related companies.

Working capital remained stable in comparison with 30 June 2012 although inventories of crude and oil products rose in the third quarter, following those products price increase in the period.

Results – Nine months and third quarter of 2012

DEBT

Million euros (except otherwise noted)

	December 31, 2011		June 30, 2012		September 30, 2012		Change vs Dec 31, 2011		Change vs Jun 30, 2012	
	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
Bonds	280	905	420	485	420	485	140	(420)	-	-
Bank debt	863	1.119	496	1.694	496	1.670	(368)	550	(1)	(24)
Commercial paper	385	250	650	-	325	-	(60)	(250)	(325)	-
Cash and equivalents	(298)	-	(2.524)	-	(2.026)	-	(1.728)	-	498	-
Net debt	3.504		1.221		1.369		(2.135)		148	
Net debt including loan to Sinopec	3.504		245		419		(3.085)		174	
Average life (years)	2,13		2,41		2,55		0,42		0,15	
Net debt to equity	119%		18%		20%		(98,8 p.p.)		2,3 p.p.	

Net debt of €1,369 million at 30 September 2012 was €148 million higher than at the end of June 2012 as the stronger inflow of cash from operating activities could not offset cash outflows for investing activities and the payment of a dividend in the third quarter. Net debt at the end of September 2012 also included €45 million on account of the Setgás consolidation.

If the loan of €950 million to Sinopec, that followed the share capital increase in Petrogal Brazil and other related companies, is considered cash and equivalents, the adjusted net debt at 30 September 2012 would have been €419 million.

At 30 September 2012 the net-debt-to-equity ratio was 20%, or 6% if the Sinopec loan were accounted for.

RCA net-debt-to-EBITDA was 1.4x at the end of September 2012, or 0.4x after considering the Sinopec loan.

At the end of September 2012 long-term debt accounted for 63% of the total, against 58% at the

end of June 2012. Forty-three per cent of the long-term debt was on fixed rate, against 42% at the end of June 2012.

The average life of debt was 2.55 years at the end of September 2012.

The repayment of long-term debt is concentrated in 2013 and 2014, with no major repayments scheduled for 2012.

The average cost of debt for the first nine months of 2012 was 4.4%, or 19 basis points higher than a year earlier following the rise in the cost of credit.

Net cash and equivalents attributable to minority interests at 30 September 2012 amounted to €148 million, being the majority accounted in the Brazilian subsidiary, Petrogal Brazil.

At the end of September 2012 Galp Energia had contracted, but not used, credit lines of €1.7 billion, of which 50% signed with international banks and 60% contracted guaranteed.

Results – Nine months and third quarter of 2012

4. CASH FLOW

Million euros (IFRS figures)

Third quarter			Nine months	
2011	2012		2011	2012
159	264	EBIT	582	498
8	7	Dividends from associated companies	38	41
100	111	Depreciation, depletion and amortization (DD&A)	308	319
(124)	4	Change in working capital	(369)	(459)
144	386	Cash flow from operations	559	398
(176)	(432)	Net investment ⁽¹⁾	(771)	2,157
(31)	(4)	Financial interest	(82)	(44)
(63)	(25)	Taxes	(121)	(59)
(2)	(101)	Dividends paid	(118)	(267)
(42)	27	Other	(8)	(51)
(170)	(148)	Cash flow	(541)	2,135

¹ Net investment includes financial investments; in the first nine months of 2012 it also includes the €2,946 million proceeds from the share capital increase in Petrogal Brasil and other related companies, subscribed to be Sinopec

NINE MONTHS

Cash flow in the first nine months of 2012 amounted to €2,135 million following the capital increase in Petrogal Brasil and other related companies. The proceeds more than offset the increase in working capital, capital expenditure and dividend payments in the period.

Cash flow from operations amounted to €398 million despite the increase in working capital, as a result of improved performance in all business segments. The increased working capital followed from rising inventories after the prices of oil products and natural gas rose, extended receivables times and shorter payables times.

Net investment of €789 million, which excludes the cash inflow from the share capital increase subscribed by Sinopec, and €267 million related with the dividends paid in May and September had a negative effect on cash flow in the period.

THIRD QUARTER

Cash flow in the third quarter was minus €148 million, primarily as a result of net investment and the payment of a dividend in the period, notwithstanding the positive contribution of operating activities cash flow of €386 million, supported by the better operational performance of business segments.

Net investment of €432 million was mostly channelled into exploration and production activities. This amount includes the financial support, within the context of the signature of the technical, operational and financial cooperation agreement between the Empresa Nacional de Hidrocarbonetos (ENH) of Mozambique and Galp Energia.

The payment of an interim dividend of €101 million had also an adverse effect on cash flow generation in the period.

Results – Nine months and third quarter of 2012

5. CAPITAL EXPENDITURE

Million euros

Third quarter					Nine months			
2011	2012	Chg.	% Chg.		2011	2012	Chg.	% Chg.
57	159	102	179.6%	Exploration & Production	208	433	225	108.0%
148	50	(98)	(66.3%)	Refining & Marketing	560	135	(425)	(75.9%)
12	12	(1)	(5.5%)	Gas & Power	37	43	6	16.1%
1	1	0	26.0%	Others	3	2	(1)	(24.1%)
218	222	3	1.6%	Capital expenditure	808	613	(195)	(24.2%)

NINE MONTHS

Capital expenditure in the first nine months of 2012 amounted to €613 million, of which 70% was allocated to the Exploration & Production business segment, in line with the Company's strategy. The Refining & Marketing business segment, which was the focus of the investment up to the end of 2011, accounted for just 20% of the total in the period.

Capital expenditure of €433 million in the Exploration & Production business was €225 million higher yoy and was mostly allocated to exploration and development activities in Brazil, where block BM-S-11 absorbed €204 million. Around 40% of total capital spending in the segment went into exploration activities, from which it should be highlighted the investment in Mozambique, which totalled €47 million and was channelled into exploration and appraisal activities in Area 4, namely in the Mamba complex.

Combined capital expenditure in the Refining & Marketing and Gas & Power business segments amounted to €178 million, of which the former absorbed €135 million. The €425 million fall in spending in Refining & Marketing in the first nine months of 2012 when compared to a year earlier was related to the completion of the refineries upgrade project. Capital expenditure of €43 million in Gas & Power was mostly allocated to the natural gas distribution network and the cogeneration plant at the Matosinhos refinery.

THIRD QUARTER

Capital expenditure of €222 million in the third quarter was in line with a year earlier. Higher spending in Exploration & Production was offset by the reduction in Refining & Marketing as the upgrade project was completed.

Capital expenditure in Exploration & Production advanced €102 million yoy to €159 million. Continued spending on Brazil's block BM-S-11 absorbed €88 million in the period. Around 35% of capital spending in the segment went into exploration activities, namely in Mozambique, where it totalled €14 million and focused on seismic and appraisal activities in the Mamba complex.

The Refining & Marketing business absorbed €50 million, or close to 20% of capital expenditure in the period.

The Gas & Power business segment absorbed 5% of total capital expenditure in the third quarter, in line with a year earlier.

Results – Nine months and third quarter of 2012

SEGMENT REVIEW

1. EXPLORATION & PRODUCTION

Million euros (except otherwise noted)

Third quarter					Nine months			
2011	2012	Chg.	% Chg.		2011	2012	Chg.	% Chg.
20.8	25.9	5.1	24.5%	Average working interest production (kboepd)	20.6	24.8	4.2	20.5%
12.2	19.5	7.3	60.0%	Average net entitlement production (kboepd)	11.9	18.3	6.4	54.0%
8.0	7.2	(0.8)	(10.2%)	Angola	8.8	8.1	(0.7)	(7.5%)
4.2	12.3	8.1	n.m.	Brazil	3.1	10.2	7.1	n.m.
107.2	102.4	(4.8)	(4.5%)	Average realized sale price ¹ (Usd/boe)	105.8	101.8	(4.0)	(3.8%)
15.4	9.7	(5.7)	(36.9%)	Operating cost ¹ (Usd/boe)	15.7	11.7	(4.0)	(25.7%)
47.7	23.1	(24.6)	(51.6%)	Amortisation ¹ (Usd/boe)	47.4	24.5	(22.9)	(48.2%)
1,261	6,629	5,369	n.m.	Net total assets	1,261	6,629	5,369	n.m.
85	147	62	72.6%	Turnover ²	243	397	154.0	63.3%
63	110	46	73.5%	EBITDA RCA	186	297	111.1	59.8%
19	59	40	n.m.	EBIT RCA	70	174	104	148.2%

¹ Based on net entitlement production

² Considers sales and change in production

ACTIVITIES

NINE MONTHS

Working interest production in the first nine months of 2012 rose 20% yoy to 24.8 kboepd. This rise was primarily due to rising production in Brazil, namely in the Lula field, through the permanent production unit FPSO *Cidade de Angra dos Reis* and the production test in Iracema Sul's area. Brazilian production reached 10.2 kboepd, of which 16% consisted of natural gas. Working interest production in Angola fell 16% yoy to 14.6 kboepd after production declined in block 14's fields.

Net entitlement production rose 54% yoy to 18.3 kboepd as increased production in Brazil more than offset falling production in Angola. Net entitlement production in Angola fell 7% yoy, less than the fall in working interest production as cost-oil production rates rose under the production-sharing agreement (PSA)'s cost recovery mechanism for the Kuito and BBLT fields.

THIRD QUARTER

Working interest production in the third quarter rose 24% yoy to 25.9 kboepd as rising production in Brazil, more than offset the falling production in Angola. Brazilian production rose to 12.3 kboepd from 4.2 kboepd a year earlier after additional producing wells were connected to FPSO *Cidade de Angra dos Reis*. The FPSO achieved an average net production to Galp Energia of 10.9 kboepd, which was close to the FPSO's total processing capacity. In Angola working interest production fell 18% yoy to 13.6 kboepd primarily after production declined in the BBLT, which is reaching its maturity stage, and the Tômbua Lândana, which underwent maintenance in the quarter.

Net entitlement production in the third quarter rose 60% yoy to 19.5 kboepd, the highest average quarterly production on record. The significant rise in Brazil's share of production to 63%, up from 34% a year earlier, was primarily due to development of the Lula project, in the pre-salt Santos basin.

Results – Nine months and third quarter of 2012

RESULTS

NINE MONTHS

RCA EBIT of €174 million in the first nine months of 2012, against €70 million a year earlier, was primarily due to the 54% rise in net entitlement production and lower depreciation charges in Angola.

Brazil's contribution to the segment's RCA EBIT rose to 70% from 62% a year earlier, in line with the changed geographical profile of production.

Production costs increased €9 million yoy to €46 million following the rise in activity in Brazil. On a net entitlement basis, unit costs fell to Usd 11.7/boe from Usd 15.7/boe a year earlier.

Depreciation charges fell to €96 million from €109 million in the first nine months of 2011, following the downward revision of reserves in Angola in the second quarter of 2011. In Brazil depreciation charges rose as production increased and operations started at the Lula-Mexilhão gas pipeline in the end of the third quarter of 2011. In unit terms, on a net entitlement basis, depreciation charges fell to Usd 24.5/boe, a substantial reduction from Usd 47.4/boe a year earlier that followed from the broader base to spread out fixed costs as production increased.

THIRD QUARTER

RCA EBIT in the third quarter increased €40 million yoy to €59 million, driven by the 60% rise in net entitlement production, with Brazil's contribution to results increasing to 88% from 83% a year earlier.

Production costs rose €2 million yoy to €14 million due to the increase in Brazilian production. Unit production costs fell from Usd 15.4/boe in the third quarter of 2011 to Usd 9.7/boe as capacity utilisation rate of Brazil's FPSO *Cidade de Angra dos Reis* rose.

Depreciation charges fell to €33 million from €38 million in the third quarter of 2011, although capital expenditure and production increased between periods. Falling depreciation in Angola, which was due to the revision of reserves at the end of 2011, more than offset rising depreciation in Brazil as both production and capital expenditure rose. Unit depreciation charges on a net entitlement basis fell from Usd 47.7/boe in the third quarter of 2011 to Usd 23.1/boe mainly due to rising net entitlement production, which broadened the base to spread out fixed costs.

Results – Nine months and third quarter of 2012

2. REFINING & MARKETING

Million euros (except otherwise noted)

Third quarter					Nine months			
2011	2012	Chg.	% Chg.		2011	2012	Chg.	% Chg.
(0.4)	3.9	4.3	n.m.	Benchmark refining margin ¹ (Usd/bbl)	(0.8)	1.8	2.6	n.m.
0.9	4.4	3.5	n.m.	Galp Energia refining margin (Usd/bbl)	0.8	2.6	1.7	n.m.
2.4	1.8	(0.6)	(25.4%)	Refinery cash cost (Usd/bbl)	2.4	2.1	(0.2)	(10.2%)
20,745	21,281	536	2.6%	Crude processed (k bbl)	55,213	63,001	7,788	14.1%
3.0	3.0	0.0	1.5%	Raw material processed (million tonnes)	8.1	9.1	1.0	12.2%
4.3	4.2	(0.1)	(2.2%)	Total refined product sales (million tonnes)	12.1	12.5	0.3	2.5%
2.8	2.5	(0.3)	(9.3%)	Sales to direct clients (million tonnes)	7.8	7.6	(0.3)	(3.5%)
1.6	1.4	(0.2)	(10.6%)	Wholesale	4.5	4.4	(0.1)	(2.6%)
0.9	0.8	(0.1)	(8.1%)	Retail	2.5	2.3	(0.2)	(8.1%)
0.1	0.1	(0.0)	(7.4%)	LPG	0.2	0.2	(0.0)	(4.9%)
0.2	0.2	(0.0)	(5.1%)	Others	0.6	0.6	0.1	11.3%
0.7	0.8	0.2	23.9%	Exports ² (million tonnes)	1.9	2.5	0.7	35.8%
1,515	1,498	(17)	(1.1%)	Number of service stations	1,515	1,498	(17)	(1.1%)
596	597	1	0.2%	Number of c-stores	596	597	1	0.2%
6,917	7,582	665	9.6%	Net total assets	6,917	7,582	665	9.6%
3,773	4,154	381	10.1%	Turnover	10,920	12,022	1,101	10.1%
75	86	11	14.1%	EBITDA RCA	194	218	24	12.5%
22	22	0	1.6%	EBIT RCA	44	44	0	(0.0%)

¹ Source: Platts. For a complete description of the method for calculating benchmark refining margin, see "Definitions"

² Galp Energia exports excluding sales in the Spanish market

ACTIVITIES

NINE MONTHS

Close to 63 million barrels of crude oil were processed in the first nine months of 2012, up 14% from a year earlier, when the Sines refinery underwent a technical outage for maintenance and interconnections associated with the upgrade project. Refinery capacity utilisation was 70% in the period, against 61% a year earlier.

Crude oil accounted for 93% of raw materials processed, with light crude and condensates weighing 30%, medium crude 54% and heavy crude 16%.

In the production profile, diesel accounted for 33%, followed by gasoline and fuel oil, each with a 21% share. Jet accounted for 8% and own consumption and losses for 7%.

Volumes sold to direct clients slipped further, to 7.6 million tonnes or down 3% from a year earlier, a drop that was influenced by the adverse economic

conditions that continued to affect the demand for oil products in the Iberian Peninsula. Volumes sold in Africa accounted for 7% of the total volumes sold to direct clients in the period.

Exports from the Iberian Peninsula of 2.5 million tonnes in the first nine months of 2012 were 36% higher than a year earlier, when production available for export was negatively affected by the technical outage in the Sines refinery. Gasoline and fuel oil accounted for 29% each of total exports as demand rose in international markets, namely in the USA and Asia, supporting the positive evolution of the crack spreads of these products. Diesel accounted for 9% of total exports as Iberian demand abated.

THIRD QUARTER

Close to 21 million barrels of crude oil were processed in the third quarter, implying a capacity utilisation rate of 70%, in line with a year earlier. Refining activities in the period were affected by planned shutdowns for maintenance but also by stoppages at

Results – Nine months and third quarter of 2012

Sines such as the three-day strike that hit the refinery in September.

Crude oil accounted for 94% of raw materials processed, with light crude and condensates weighing 34%, medium crude 50% and heavy crude 16%.

In the production profile, diesel accounted for 33%, followed by gasoline, fuel oil and jet which accounted for 22%, 21% and 8%, respectively. Own consumption and losses accounted for 7%.

Volumes sold to direct clients dropped 9% yoy, to 2.5 million tonnes, as the marketing of oil products was affected by the adverse economic conditions in the Iberian Peninsula. Volumes sold in Africa accounted for 7% of the total volumes sold to direct clients in the period.

Exports from the Iberian Peninsula of 0.8 million tonnes in the third quarter were 24% higher yoy as lower Iberian demand freed up production for export. Rising demand for fuel oil and gasoline led these products to have a share of 34% and 29% in total exports, respectively.

RESULTS

NINE MONTHS

In the first nine months of 2012 the Refining & Marketing business segment achieved RCA EBIT of €44 million, in line with a year earlier. Despite the lower contribution from oil product marketing activity, the business segment benefited from rising refining margins in international markets and higher volumes of crude processed in the period.

Galp Energia's refining margin in the first nine months of 2012 was Usd 2.6/bbl, up from Usd 0.8/bbl a year earlier, reflecting the favourable path of refining margins internationally, which benefited mainly from rising gasoline and fuel oil crack spreads but also from the evolution of the diesel crack spreads.

The premium of Galp Energia's refining margin over the benchmark was Usd 0.8/bbl in the period against Usd 1.6/bbl a year earlier. This fall was mainly due to the narrowing difference between the prices of light and heavy crude, coupled with sub-optimisation and sub-utilisation of the Sines refinery following technical outages in the year.

The refineries' operating cash costs amounted to €106 million, or Usd 2.1/bbl in unit terms, down from Usd 2.4/bbl a year earlier.

The falling volumes of oil products sold as a result of the adverse economic conditions in the Iberian Peninsula lowered the contribution of oil marketing activities to profit in the first nine months of 2012 compared with a year earlier, although the marketing of oil products in Africa gave a positive contribution to results.

THIRD QUARTER

In the third quarter the Refining & Marketing business segment achieved RCA EBIT of €22 million, up 2% yoy, an improvement that was primarily due to better results in the refining activity that mainly benefited from the refining margin increase, notwithstanding the lower contribution to results of the oil marketing activity.

Galp Energia's refining margin was Usd 4.4/bbl in the period, up Usd 3.5/bbl yoy, following the international refining margins improvement. Despite the refining margin improvement, the volume of crude processed decreased, as a result of the stoppages, negatively impacting the results of this business segment.

The premium of Galp Energia's refining margin over the benchmark was Usd 0.5/bbl in the period, down from Usd 1.3/bbl a year earlier, as the difference between the prices of light and heavy crude narrowed between periods.

The refineries' operating cash costs amounted to €29 million or Usd 1.8/bbl in unit terms, down from €34 million or Usd 2.4/bbl a year earlier, when these costs

Results – Nine months and third quarter of 2012

were negatively impacted by the outage in some units of Sines and Matosinhos refineries, and also by the dollar appreciation between quarters.

The marketing of oil products was affected in the period by falling demand in the Iberian Peninsula as a

consequence of adverse economic conditions, which lowered the contribution of this activity to results, although with an increased contribution from Africa.

Results – Nine months and third quarter of 2012

3. GAS & POWER

Million euros (except otherwise noted)

Third quarter					Nine months			
2011	2012	Chg.	% Chg.		2011	2012	Chg.	% Chg.
1,159	1,470	311	26.9%	NG supply total sales volumes (million m ³)	3,951	4,696	745	18.9%
1,071	983	(88)	(8.3%)	Sales to direct clients (million m ³)	3,527	3,016	(512)	(14.5%)
490	407	(83)	(16.9%)	Electrical	1,479	998	(481)	(32.5%)
480	493	13	2.7%	Industrial	1,495	1,565	70	4.7%
88	58	(30)	(33.8%)	Residential	475	373	(102)	(21.4%)
13	24	12	89.7%	Other supply companies	78	79	1	1.1%
88	488	400	n.m.	Trading (million m ³)	423	1,680	1,256	n.m.
1,309	1,284	(25)	(1.9%)	NG clients ¹ (thousands)	1,309	1,284	(25)	(1.9%)
320	317	(3)	(0.9%)	Sales of electricity to the grid ² (GWh)	867	954	86	10.0%
1,049	1,226	177	16.9%	Natural gas net fixed assets ³	1,049	1,226	177	16.9%
2,180	2,458	279	12.8%	Net total assets	2,180	2,458	279	12.8%
497	691	193	38.9%	Turnover	1,608	2,199	591	36.8%
80	105	25	31.4%	EBITDA RCA	200	262	62	30.8%
68	88	20	29.3%	EBIT RCA	168	219	51	30.2%
35	58	23	66.9%	Supply ⁴	59	128	69	116.6%
26	25	(1)	(4.2%)	Infrastructure	90	73	(16)	(18.4%)
7	5	(2)	(33.8%)	Power	19	17	(2)	(9.1%)

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% equity holding; this company had in the first nine months and third quarter of 2012 sales of power to the grid of 226 GWh and 77 GWh, respectively

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

⁴ Includes liberalised and regulated supply

ACTIVITIES

NINE MONTHS

Natural gas sold in the first nine months of 2012 rose 19% yoy to 4,696 million cubic metres following primarily higher LNG volumes sold through the trading segment.

Volumes sold to direct clients fell 15% yoy to 3,016 million cubic metres after sales to the electrical and residential segments faltered. Lower sales to the electrical segment came as a result of the increased weight of coal in Portuguese electricity generation, coupled with the rise in electricity imports from Spain. Demand from the residential segment was hit by milder temperatures early in the year and by the loss of clients in Spain, compared with a year earlier.

Volumes sold to the industrial segment rose 5% yoy to 1,565 million cubic metres after demand increased from Galp Energia's own consumption, namely the

Matosinhos refinery's cogeneration and the hydrogen unit linked to the Sines refinery's hydrocracker, which are currently in the commissioning phase. Higher volumes of natural gas sold in this segment were also influenced by the acquisition of new clients.

Volumes sold through the trading segment rose 1,256 million cubic metres yoy to 1,680 million cubic metres as demand for LNG rose, particularly from Asia and Latin America.

Electricity sold to the grid in the first nine months of 2012 amounted to 954 GWh, against 867 GWh a year earlier, when operations at the Sines and Energin cogeneration plants were partly interrupted.

Results – Nine months and third quarter of 2012

THIRD QUARTER

Natural gas sold in the third quarter rose 27% yoy to 1,470 million cubic metres, supported by higher volumes sold through the trading segment.

Volumes sold to direct clients fell 8% yoy to 983 million cubic metres after sales to the electrical and residential segments slumped. Lower sales to the electrical segment were influenced by lower electricity generation in Portugal, which was offset by higher imports, and by the increased weight of coal in electricity generation, compared with a year earlier. Lower volumes sold to the residential segment were primarily influenced by lower consumption in the Spanish market.

Volumes sold through the trading segment rose 400 million cubic metres yoy to 488 million cubic metres as demand for natural gas rose, particularly from Asia and Latin America.

Electricity sold to the grid in the third quarter amounted to 317 GWh, against 320 GWh a year earlier. The scheduled shutdown in the quarter of the Sines cogeneration plant was totally offset, in terms of power generation, by the start of operations at the Matosinhos cogeneration.

RESULTS

NINE MONTHS

RCA EBIT for the first nine months of 2012 rose €51 million yoy to €219 million due to improved results in the LNG supply activity in the international market.

RCA EBIT for natural gas supply rose €69 million yoy to €128 million primarily as a result of higher volumes sold and higher marketing margins on the LNG sold into the international market.

The infrastructure business generated RCA EBIT of €73 million, down €16 million yoy, after accounting for the partial recovery of the difference between the methods with and without the smoothing effect for gas years 2008/2009 and 2009/2010, and after discontinuing the seasonal weighting of allowed revenues.

Upon the close of the acquisition of the natural gas distribution company Setgás, in early August 2012, this company became fully consolidated into Galp Energia.

RCA EBIT for the power business dropped 9% yoy to €17 million following the scheduled outage in the quarter of the cogeneration of Sines refinery.

THIRD QUARTER

RCA EBIT for the third quarter of 2012 rose 29% yoy to €88 million due to improved results in the supply of LNG to the international market.

RCA EBIT for natural gas supply rose €23 million yoy to €58 million primarily as a result of higher volumes sold and higher supply margins on the LNG sold into the international market.

The infrastructure business achieved RCA EBIT of €25 million, in line with a year earlier, as higher depreciations, were offset by the full consolidation of Setgás, which had an impact of €2 million in RCA EBIT.

RCA EBIT for the power business slipped to €5 million from €7 million a year earlier primarily as a consequence of the scheduled outage of the cogeneration at the Sines refinery.

Results – Nine months and third quarter of 2012

SHORT-TERM OUTLOOK

This chapter aims to disclose Galp Energia's view on a range of key variables that influence its short-term operational performance. However, some of these variables are exogenous, which means they are outside Galp Energia's control.

MARKET ENVIRONMENT

Galp Energia anticipates that the price of dated Brent will rise slightly in the fourth quarter of 2012 as a consequence of production issues in the North Sea, political tensions involving Syria, Turkey, Iran and Israel, and the subsiding maintenance activity at refiners around the Atlantic basin.

Gasoline crack spreads are likely to retreat considerably in the fourth quarter of 2012 as the US driving season draws to an end and refiners exit their third-quarter schedule and unscheduled shutdowns.

In the fourth quarter the seasonal rise in the diesel crack spread, typical of winter months, is likely to be partially offset by the rising price of dated Brent.

The fuel oil crack spread is likely to revert to average historic levels for this time of the year, influenced by the higher price of dated Brent.

Given the combination of higher product availability, as the maintenance season draws to a close and refiners resume operations after the unscheduled shutdowns of the third quarter, and a higher price of

dated Brent, Rotterdam benchmark margins are likely to ease compared with the previous quarter.

OPERATING ACTIVITY

In the Exploration & Production business segment, working interest production is likely to reach 24 kboepd in the fourth quarter of 2012, down from the previous quarter, as the production test ends at Iracema Sul, which contributed with a production of 1.2 kboepd in the third quarter of 2012, and also due to maintenance works at the FPSO Cidade de Angra dos Reis.

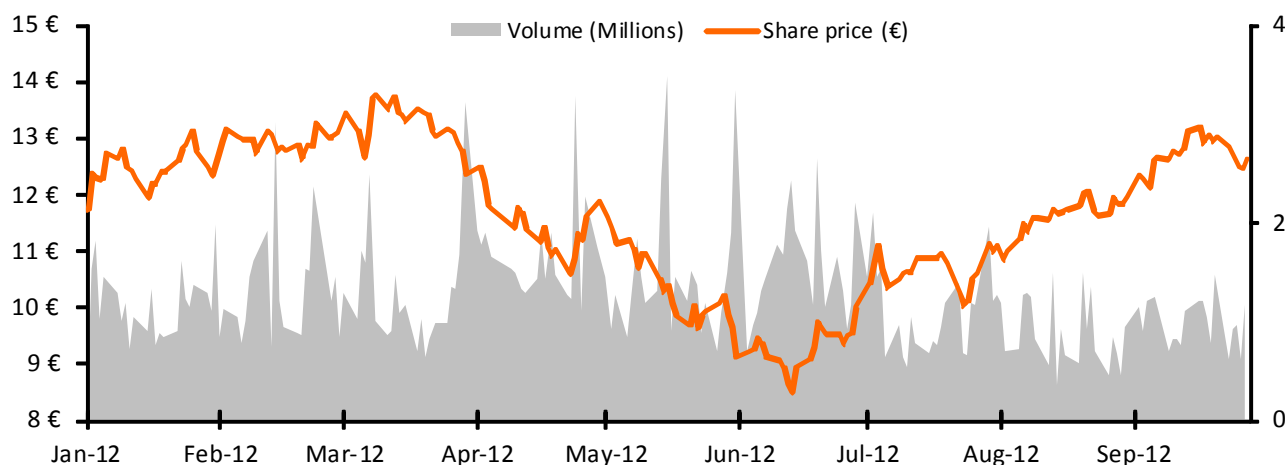
In the Refining & Marketing business segment crude oil processed is likely to fall compared with the third quarter of 2012 following the six-day strike in October and the scheduled shutdown of a number of units at the Matosinhos refinery. Volumes of oil products sold to direct clients are likely to fall quarter on quarter, influenced by seasonality and the adverse economic conditions in the Iberian Peninsula as austerity policies continues to bite, namely in Portugal.

In the Gas & Power business segment Galp Energia estimates that volumes sold in the fourth quarter of 2012 will fall quarter on quarter, mainly influenced by the seasonal electrical segment sales and lower trading activity. The infrastructure business is likely to be in line with the third quarter of 2012.

Results – Nine months and third quarter of 2012

THE GALP ENERGIA STOCK

PERFORMANCE OF THE GALP ENERGIA STOCK



Source: Euroinvestor

NINE MONTHS

From the beginning of 2012 up to the end of September the Galp Energia stock gained 11%, closing the month at €12.62. From the initial public offering on 23 October 2006 until the end of September 2012 the stock gained nearly 117%. The stock price hit a peak of €13.78 and a low of €8.33 in the first nine months of the year. In this period close to 240 million, or a daily average of 1.3 million, shares were traded.

At the end of September Galp Energia had a market capitalisation of €10.5 billion.

THIRD QUARTER

In the third quarter of 2012 the Galp Energia stock gained 26% compared with the close of the second quarter of the year, with 63.4 million, or a daily average of 1.0 million, shares traded in the period.

Share detail			
ISIN	PTGALOAM0009		
Reuters	GALP.LS		
Bloomberg	GALP PL		
Number of shares	829,250,635		
Main indicators			
	2011	3Q12	2012
Min (€)	11.26	9.91	8.33
Max (€)	16.97	13.22	13.78
Average (€)	14.31	11.62	11.63
Close price (€)	11.38	12.62	12.62
Volume (M shares)	341.2	63.4	240.4
Average volume per day (M shares)	1.3	1.0	1.3
Market cap (M€)	9,437	10,465	10,465

EVENTS IN THE THIRD QUARTER OF 2012

CORPORATE

QUALIFIED SHAREHOLDING

On July 20 and pursuant with the terms agreed on March 29 2012 between Eni, Amorim Energia, and Caixa Geral de Depósitos, Amorim Energia fulfilled its obligation to acquire to Eni shares representing 5% of Galp Energia share capital, at a price of €14.25, holding directly, 38.34% of Galp Energia's share capital. To see a summary of the terms of the agreement, follow the link:

<http://www.galpenergia.com/EN/Investidor/Noticias/Paginas/QualifiedShareholdingofAmorimEnergiaBV.aspx>

NEW MEMBERS OF GALP ENERGIA'S BOARD OF DIRECTORS

Galp Energia informed, on July 26, about the appointment of four new board members and the new composition of the executive committee, as well as each executive board member role.

The new members of the board of directors are: Luís Palha da Silva, Filipe Crisóstomo Silva, Sérgio Gabrielli de Azevedo and Abdul Magid Osman.

DIVIDEND PAYMENT

On August 28 Galp Energia announced the payment as from September 18, 2012 of the interim dividend amounting to €0.12 per share.

QUALIFYING HOLDING

On 19 September 2012, the JPMorgan Chase & Co. notified Galp Energia that its subsidiary J.P. Morgan Securities plc has reached, on 17 September, a qualifying holding on Galp Energia share capital and corresponding voting rights above the 2% threshold.

On 24 September 2012, the JPMorgan Chase & Co. notified Galp Energia that its subsidiary J.P. Morgan Securities plc has reached, on 19 September, a

qualifying holding on Galp Energia share capital below the 2% threshold.

GALP ENERGIA ON THE DOW JONES SUSTAINABILITY INDEX

On 13 September 2012, Galp Energia announced that has been selected for inclusion in both the Dow Jones Sustainability Index (DJSI) World and the DJSI Europe, following those indexes' 2012 review. Galp Energia belongs now to a group of companies that are recognized for its sustainable practices, both in Europe and in the World.

EXPLORATION & PRODUCTION

AWARD OF CONTRACTS FOR THE PRE-SALT FPSO

On July 20 Galp Energia announced that, together with its partners, it has approved the signature of ten contracts, totalling US\$4.5 billion, for the construction of the first six topside modules and integration packages of the eight Replicant FPSO (floating, production, storage and offloading unit) which are being constructed in Brazil for the pre-salt projects in blocks BM-S-9 and BM-S-11 in Santos Basin.

LIANZI PROJECT OFFSHORE ANGOLA AND THE REPUBLIC OF CONGO DEVELOPMENT

On 30 July 2012, Galp Energia, partner of the consortium for the exploration of the Lianzi field (Block 14-K) located in a unitized offshore zone between the Republic of Congo and the Republic of Angola, announces that the consortium will proceed with the development of the Lianzi field via a tieback to the existing Benguela Belize Lobito Tomboco (BBLT) platform located in Angola Block 14. First oil is expected in 2015. Once completed, the project is expected to produce a maximum of 46,000 barrels of oil equivalent per day and a total investment of US\$2.0 billion.

Results – Nine months and third quarter of 2012

MAMBA NORTH EAST 2 PROSPECT INCREASES THE POTENTIAL OF AREA 4 IN MOZAMBIQUE

Galp Energia, partner of the consortium for Area 4 in Rovuma basin, offshore Mozambique, announced on 1 August a new giant natural gas discovery in the eastern part of Area 4, at the Mamba North East 2 exploration prospect. The new discovery adds at least 10 trillion cubic feet (tcf) of gas in place to Area 4, confirming at least 62 tcf of gas in place already discovered. The resources exclusively located in Area 4 are at least 20 tcf of gas in place. This result further increases the total potential of the discoveries of Area 4, which is now estimated at 70 tcf of gas in place.

NEW DATA ABOUT CARCARÁ DISCOVERY

Galp Energia, partner of the consortium for the exploration of block BM-S-8, announced on 14 August the new data obtained during the drilling of the well Carcará, located in the ultra-deep waters of the pre-salt Santos basin. The Carcará discovery had been preliminarily announced on March 2012. New oil samples were collected, until the depth of 6,131 metres. Although the well is still being drilled, it has confirmed an over 400-meter column of oil, with mostly continuous and connected reservoirs.

GAS & POWER

ACQUISITION OF ENI'S STAKES IN THE NATURAL GAS DISTRIBUTION COMPANIES SETGÁS AND LUSITANIAGÁS

Galp Energia concluded on 1 August the acquisition, from Eni, S.p.A, of 21.9% in Setgás and of 10.6% in Lusitaniagás. Galp Energia will hold a stake of 66.9% and 96.3% in the regulated natural gas distribution companies Setgás and Lusitaniagás, respectively. This acquisition amounted to €40.5 million.

EVENTS AFTER THE CLOSE OF THE THIRD QUARTER OF 2012

CORPORATE

ENH AND GALP ENERGIA SIGN COOPERATION AGREEMENT

Galp Energia announced on 8 October, a technical, operational and financial cooperation agreement with focus on their respective stakes in Mozambique with the National Oil and Gas Company of Mozambique, Empresa Nacional de Hidrocarbonetos, EP (ENH). The aim of this agreement is to formalize and deepen the existing cooperation between the two companies and also establishes the grounds for the cooperation on the joint analysis and evaluation of further investment opportunities, in exploration and production activities in Mozambique.

Results – Nine months and third quarter of 2012

EMPLOYEES

	December 31, 2011	June 30, 2012	September 30, 2012	Change vs Dec 31, 2011	Change vs Jun 30, 2012
Exploration & Production	95	100	122	27	22
Refining & Marketing	6,131	6,202	6,216	85	14
Gas & Power	509	497	563	54	66
Corporate & Others	646	726	588	(58)	(138)
Total employees	7,381	7,525	7,489	108	(36)
Service stations and biofuels employees	3,264	3,413	3,286	22	(127)
Total employees offsite	4,117	4,112	4,203	86	91

RESULTS FROM ASSOCIATED COMPANIES

Million Euros

Third quarter					Nine months			
2011	2012	Chg.	% Chg.		2011	2012	Chg.	% Chg.
2.1	2.1	0.0	0.3%	CLH	6.1	5.0	(1.1)	(17.4%)
1.3	1.2	(0.1)	(7.5%)	CLC	3.8	3.7	(0.1)	(2.8%)
12.0	13.4	1.5	12.4%	International Pipelines	35.2	42.2	6.9	19.6%
1.0	0.3	(0.6)	(65.5%)	Setgás - Natural Gas Distribution Company	3.0	2.1	(0.9)	(31.1%)
0.9	(3.0)	(3.9)	n.m.	Others	4.8	3.1	(1.7)	(35.9%)
17.3	14.1	(3.1)	(18.0%)	Total	52.9	56.0	3.1	5.8%

Results – Nine months and third quarter of 2012

RECONCILIATION OF REPORTED AND REPLACEMENT COST ADJUSTED FIGURES

1. REPLACEMENT COST ADJUSTED EBIT BY SEGMENT

Million euros

Third quarter					2012	Nine months				
EBIT	Inventory effect	EBIT RC	Non recurrent items	EBIT RCA		EBIT	Inventory effect	EBIT RC	Non recurrent items	EBIT RCA
264	(96)	169	4	173	EBIT	498	(84)	414	29	443
47	-	47	12	59	E&P	138	-	138	36	174
128	(100)	28	(6)	22	R&M	131	(81)	49	(6)	44
85	5	89	(2)	88	G&P	223	(3)	220	(2)	219
5	0	5	-	5	Others	6	-	6	0	7

Million euros

Third quarter					2011	Nine months				
EBIT	Inventory effect	EBIT RC	Non recurrent items	EBIT RCA		EBIT	Inventory effect	EBIT RC	Non recurrent items	EBIT RCA
159	(49)	110	2	112	EBIT	582	(315)	267	21	289
16	0	16	3	19	E&P	43	0	43	27	70
70	(47)	23	(1)	22	R&M	356	(308)	48	(4)	44
70	(2)	68	0	68	G&P	177	(7)	169	(1)	168
3	0	3	-	3	Others	7	-	7	-	7

2. REPLACEMENT COST ADJUSTED EBITDA BY SEGMENT

Million euros

Third quarter					2012	Nine months				
EBITDA	Inventory effect	EBITDA RC	Non recurrent items	EBITDA RCA		EBITDA	Inventory effect	EBITDA RC	Non recurrent items	EBITDA RCA
410	(96)	314	(9)	306	EBITDA	872	(84)	788	(2)	786
110	-	110	(0)	110	E&P	291	-	291	6	297
195	(100)	94	(9)	86	R&M	308	(81)	226	(8)	218
100	5	105	0	105	G&P	265	(3)	262	0	262
6	0	6	-	6	Others	9	-	9	0	9

Million euros

Third quarter					2011	Nine months				
EBITDA	Inventory effect	EBITDA RC	Non recurrent items	EBITDA RCA		EBITDA	Inventory effect	EBITDA RC	Non recurrent items	EBITDA RCA
271	(49)	222	(1)	222	EBITDA	906	(315)	591	(2)	589
63	0	63	(0)	63	E&P	186	0	186	0	186
122	(47)	76	(0)	75	R&M	505	(308)	197	(3)	194
81	(2)	80	-	80	G&P	207	(7)	199	1	200
4	-	4	-	4	Others	9	-	9	-	9

Results – Nine months and third quarter of 2012

3. NON RECURRENT ITEMS

EXPLORATION & PRODUCTION

Million Euros

Third quarter			Nine months	
2011	2012		2011	2012
		Exclusion of non recurrent items		
(0.0)	0.0	Gains / losses on disposal of assets	(0.0)	(0.0)
(0.0)	-	Assets write offs	0.2	-
3.4	11.8	Assets impairments	26.7	29.7
-	(0.0)	Others - Studies related to the capital increase in Brazil	-	5.9
3.4	11.8	Non recurrent items of EBIT	26.8	35.6
(0.0)	-	Other financial results	(0.0)	-
3.4	11.8	Non recurrent items before income taxes	26.8	35.6
(1.2)	(4.0)	Income taxes on non recurrent items	(9.1)	(11.0)
-	(2.3)	Minority interest	-	(3.8)
2.2	5.5	Total non recurrent items	17.7	20.7

REFINING & MARKETING

Million Euros

Third quarter			Nine months	
2011	2012		2011	2012
		Exclusion of non recurrent items		
0.0	0.0	Accidents caused by natural facts and insurance compensation	(5.8)	(1.0)
(1.0)	(0.2)	Gains / losses on disposal of assets	(1.4)	(1.5)
(0.2)	(0.0)	Assets write offs	0.1	0.1
0.7	0.2	Employees contracts rescision	4.0	2.6
(0.6)	0.1	Provisions for environmental charges and others	(0.2)	0.1
-	2.8	Provisions for other accounts receivables	-	2.8
(0.4)	(0.0)	Assets impairments	(0.9)	(0.0)
-	(8.6)	Platinum sale	-	(8.6)
(1.4)	(5.7)	Non recurrent items of EBIT	(4.2)	(5.6)
0.5	-	Capital gains / losses on disposal of financial investments	0.5	-
-	(1.1)	Goodwill following stake increase in Setgás	-	(1.1)
(0.9)	(6.8)	Non recurrent items before income taxes	(3.7)	(6.7)
0.2	2.4	Income taxes on non recurrent items	0.9	2.2
(0.8)	(4.4)	Total non recurrent items	(2.8)	(4.5)

Results – Nine months and third quarter of 2012

GAS & POWER

Million Euros

Third quarter			Nine months	
2011	2012		2011	2012
		Exclusion of non recurrent items		
-	-	Gains / losses on disposal of assets	(0.0)	(0.0)
-	0.0	Assets write offs	1.2	0.0
-	-	Employees contracts rescision	-	0.1
0.0	(1.7)	Provisions for environmental charges and others	(2.5)	(1.7)
0.0	(1.7)	Non recurrent items of EBIT	(1.3)	(1.6)
-	(5.4)	Capital gains / losses on disposal of financial investments	-	(5.4)
-	(3.5)	Goodwill following stake increase in Setgás	-	(3.5)
0.0	(10.6)	Non recurrent items before income taxes	(1.3)	(10.5)
(0.0)	2.1	Income taxes on non recurrent items	(0.4)	2.0
0.0	(8.5)	Total non recurrent items	(1.7)	(8.5)

OTHER

Million Euros

Third quarter			Nine months	
2011	2012		2011	2012
		Exclusion of non recurrent items		
-	-	Accidents caused by natural facts and insurance compensation	-	(0.1)
-	-	Employees contracts rescision	-	0.4
-	-	Non recurrent items of EBIT	-	0.3
(0.0)	-	Capital gains / losses on disposal of financial investments	(0.0)	-
(0.0)	-	Non recurrent items before income taxes	(0.0)	0.3
0.0	-	Income taxes on non recurrent items	0.0	(0.1)
(0.0)	-	Total non recurrent items	(0.0)	0.2

Results – Nine months and third quarter of 2012

CONSOLIDATED SUMMARY

Million Euros

Third quarter			Nine months	
2011	2012		2011	2012
		Exclusion of non recurrent items		
0.0	0.0	Accidents caused by natural facts and insurance compensation	(5.8)	(1.1)
(1.1)	(0.2)	Gains / losses on disposal of assets	(1.4)	(1.6)
(0.2)	0.0	Assets <i>write offs</i>	1.5	0.1
-	(8.6)	Platinum sale	-	(8.6)
0.7	0.2	Employees contracts rescision	4.0	3.1
(0.5)	(1.6)	Provisions for environmental charges and others	(2.7)	(1.6)
-	2.8	Provisions for other accounts receivables	-	2.8
3.1	11.8	Assets impairments	25.7	29.7
-	(0.0)	Others - Studies related to the capital increase in Brazil	-	5.9
2.0	4.4	Non recurrent items of EBIT	21.3	28.8
0.5	(5.4)	Capital gains / losses on disposal of financial investments	0.5	(5.4)
-	(4.6)	Goodwill following stake increase in Setgás	-	(4.6)
2.5	(5.6)	Non recurrent items before income taxes	21.8	18.7
(1.0)	0.5	Income taxes on non recurrent items	(8.6)	(6.9)
-	(2.3)	Minority interest	-	(3.8)
1.5	(7.4)	Total non recurrent items	13.2	8.0

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1. IFRS CONSOLIDATED INCOME STATEMENT

Million euros



Results – Nine months and third quarter of 2012

2. CONSOLIDATED FINANCIAL POSITION

Million euros

	December 31, 2011	June 30, 2012	September 30, 2012
Assets			
Non current assets			
Tangible fixed assets	4,159	4,274	4,373
Goodwill	232	232	239
Other intangible fixed assets ¹	1,301	1,293	1,449
Investments in associates	304	352	347
Investments in other participated companies	3	3	4
Other receivables ²	171	1,134	1,091
Deferred tax assets	198	225	222
Other financial investments	3	1	19
Total non current assets	6,372	7,515	7,745
Current assets			
Inventories	1,875	1,850	2,013
Trade receivables	1,066	1,321	1,374
Other receivables	541	937	1,182
Other financial investments	2	46	25
Current Income tax recoverable	-	0	(0)
Cash and cash equivalents	298	2,531	2,026
Total current assets	3,783	6,685	6,620
Total assets	10,155	14,200	14,365
Equity and liabilities			
Equity			
Share capital	829	829	829
Share premium	82	82	82
Translation reserve	11	107	27
Other reserves	193	2,686	2,685
Hedging reserves	(1)	(5)	(7)
Retained earnings	1,338	1,569	1,469
Profit attributable to equity holders of the parent	433	157	331
Equity attributable to equity holders of the parent	2,885	5,425	5,416
Minority interest	56	1,337	1,323
Total equity	2,941	6,763	6,738
Liabilities			
Non current liabilities			
Bank loans and overdrafts	1,369	1,694	1,670
Bonds	905	485	485
Other payables	360	504	546
Retirement and other benefit obligations	366	394	395
Deferred tax liabilities	84	123	138
Other financial instruments	2	5	8
Provisions	111	101	114
Total non current liabilities	3,197	3,305	3,355
Current liabilities			
Bank loans and overdrafts	1,248	1,146	821
Bonds	280	420	420
Trade payables	1,365	1,503	1,807
Other payables	1,034	1,055	1,201
Liabilities from financial lease	0	0	0
Other financial instruments	90	7	4
Income tax	0	0	19
Total current liabilities	4,017	4,132	4,272
Total liabilities	7,214	7,437	7,627
Total equity and liabilities	10,155	14,200	14,365

¹ Includes natural gas distribution concession agreements

² Includes loan to Sinopec

Results – Nine months and third quarter of 2012

ADDITIONAL INFORMATION

DEFINITIONS

Crack

Spread between a given oil product price and the price of dated Brent.

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

Benchmark refining margin

Benchmark refining margin is calculated based on the following profile: 70% Rotterdam cracking margin + 30% Hydroskimming margin+ Aromatics + Rotterdam base oils

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 10 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 2012: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 6.81\$/ton (Freight 2011: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 5.98\$/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 2012: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 6.81\$/ton (Freight 2011: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 5.98\$/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% Ortoxylyene Rotterdam FOB Bg.; Consumptions: -18% LSFO 1% CIF NEW. Yields in % of weight.

Results – Nine months and third quarter of 2012

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 2012: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 6.81 \$/ton (Freight 2011: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 5.98 \$/ton). Yields in % of weight.

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

Replacement Cost (“RC”)

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

ABBREVIATIONS:

APETRO: Associação Portuguesa de Empresas Petrolíferas;

bbl: barrels;

BBLT: Benguela, Belize, Lobito and Tomboco;

boe: barrels of oil equivalent;

Bg: Barges;

Cg: Cargoes;

CIF: Costs, Insurance and Freight;

CLC: Companhia Logística de Combustíveis;

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

CORES: Corporación de Reservas Estratégicas de Productos Petrolíferos;

D&A: Depreciation & Amortisation;

DGEG: Direcção Geral de Energia e Geologia;

E&P: Exploration & Production;

€: Euro;

FOB: Free on Board;

FPSO: Floating Production Storage and Offloading;

G&P: Gas & Power;

IAS: International Accounting Standards;

IFRS: International Financial Reporting Standards;

kbopd: thousand barrels of oil per day;

kboepd: thousand barrels of oil equivalent per day;

LNG: Liquefied Natural Gas;

LSFO: Low sulphur fuel oil;

m³: cubic metres;

NWE: Northwest Europe;

N.M.: not meaningful;

PM UL: Premium unleaded;

p.p.: percentage points;

PSA: Production Sharing Agreement;

Results – Nine months and third quarter of 2012

qoq: quarter on quarter;

R&M: Refining & Marketing;

RCA: Replacement cost adjusted;

RC: Replacement cost;

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;

yoy: year on year.

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.

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