galp energia

RESULTS

THIRD QUARTER AND NINE MONTHS OF 2014



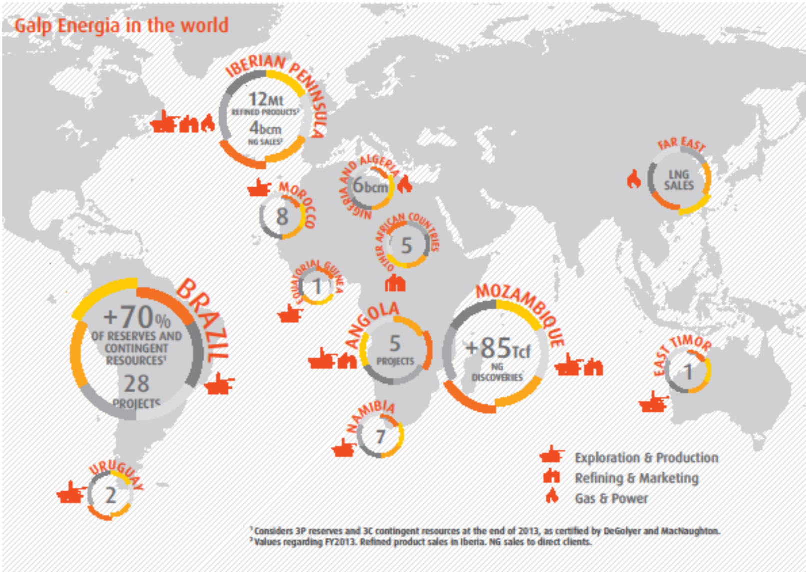

An integrated energy operator focused
on exploration and production

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

GALP ENERGIA: DEVELOPING ENERGY

Who we are

- An integrated energy operator focused on exploration and production, with a portfolio of assets which will lead to a unique growth within the industry.
- Exploration and production activities focused on three core countries: Brazil, Angola and Mozambique.
- Iberian businesses, with their cash flow, will enable Galp Energia to maintain a solid financial capacity.



Our vision and purpose

To be an integrated energy player recognised for its exploration and production activities, delivering sustainable value.

Our strategy

To strengthen our exploration and production activities in order to deliver profitable and sustainable growth, based on efficient and competitive Iberian businesses, by a solid financial capacity.

Our strategic drivers

- Focus on E&P businesses.
- Development of world-class upstream projects.
- Financial discipline.

Our competitive advantages

- National flag carrier.
- Enduring and successful partnerships.
- Integrated skills and know-how.
- Solid and flexible organisation.
- Experience in some of the most promising projects worldwide.

To learn more, visit at www.galpenergia.com.

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EXECUTIVE SUMMARY

During the third quarter of 2014, Galp Energia continued to implement its strategy, focused on the growth of its Exploration & Production (E&P) business and on optimising the Refining & Marketing (R&M) and Gas & Power (G&P) businesses.

Regarding exploration and appraisal, it should be noted, in Brazil, the ongoing execution of the Iara evaluation plan, in BM-S-11, as well as the conclusion of the drilling of the Apollonia appraisal well in block BM-S-24, which confirmed both the extension of the Júpiter discovery and the quality of the reservoir. Also in the pre-salt of Santos basin, Galp Energia and its partners resumed the drilling of the Carcará Extension appraisal well in September which aims to assess the resource potential of the Carcará discovery. In Mozambique, it is worth mentioning the conclusion of the Coral-4 appraisal well in Area 4 of the Rovuma basin. In Morocco, Galp Energia concluded the drilling of the TAO-1 well, where no hydrocarbons were found.

Development activities proceeded in the quarter, namely in the Lula/Iracema field, in block BM-S-11, where two new producer wells came into operation in the Lula NE area, contributing to FPSO Cidade de Paraty (FPSO #2) reaching full production capacity. The FPSO Cidade de Mangaratiba (FPSO #3) arrived at the Iracema South area in the third quarter, where it started production during October.

Replacement cost adjusted (RCA) Ebitda during the third quarter of 2014 increased 21% year on year (yoy) to €379 million (m) as the production of oil and natural gas in the E&P business increased and the operating performance of the R&M business improved. Conversely, the G&P business was impacted by the lower supply & trading of liquefied natural gas (LNG).

Capital expenditure in the quarter amounted to €314 m, of which 91% were allocated to exploration and production activities, namely to the development of Brazil's Lula/Iracema field.

Net debt at the end of September 2014 amounted to €2,438 m, or €1,583 m considering the loan to Sinopec as cash and equivalents, in which case, net debt to Ebitda was 1.3x.

OPERATING HIGHLIGHTS OF THE THIRD QUARTER OF 2014

- Net entitlement production of oil and natural gas amounted to 28.2 kboepd, of which Brazilian production accounted for 76%;
- Galp Energia's refining margin reached $5.6/bbl, mainly as a result of the improvement of the refining margins in international markets; the marketing of oil products maintained its positive contribution to results;
- Natural gas sold in the third quarter of 1,682 million cubic metres (mm^3) was impacted by the lower number of LNG transactions in the international market, with traded volumes amounting to 716 mm^3.

KEY FIGURES

FINANCIAL DATA

€ m (RCA)

Third Quarter					Nine Months			
2013	2014	Chg.	% Chg.		2013	2014	Chg.	% Chg.
312	**379**	**66**	**21.2%**	**Ebitda**	**869**	**915**	**46**	**5.3%**
110	131	21	19.3%	Exploration & Production	287	342	55	19.3%
76	144	68	89.8%	Refining & Marketing	247	221	(27)	(10.8%)
121	99	(22)	(18.0%)	Gas & Power	319	337	17	5.4%
142	**243**	**101**	**71.4%**	**Ebit**	**441**	**516**	**76**	**17.2%**
52	90	39	74.8%	Exploration & Production	141	231	90	63.6%
(14)	72	86	n.m	Refining & Marketing	25	(6)	(31)	n.m.
99	78	(21)	(21.6%)	Gas & Power	262	279	17	6.6%
57	**121**	**64**	**n.m**	**Net profit**	**218**	**236**	**18**	**8.0%**
253	**314**	**61**	**23.9%**	**Capex**	**728**	**776**	**49**	**6.7%**
1,305	**1,583**	**278**	**21.3%**	**Net debt including loan to Sinopec[1]**	**1,305**	**1,583**	**278**	**21.3%**
1.2x	**1.3x**	**0.2x**	**n.m.**	**Net debt inc. loan to Sinopec to Ebitda[1]**	**1.2x**	**1.3x**	**0.2x**	**n.m.**

[1] Loan to Sinopec considered as cash and cash equivalents.

OPERATIONAL DATA

Third Quarter					Nine Months			
2013	2014	Chg.	% Chg.		2013	2014	Chg.	% Chg.
25.8	31.8	6.0	23.1%	Average working interest production (kboepd)	24.3	28.5	4.3	17.5%
21.9	28.2	6.3	28.6%	Average net entitlement production (kboepd)	20.5	24.9	4.4	21.6%
107.2	93.2	(14.0)	(13.1%)	Oil and gas average sale price (USD/boe)	98.2	98.8	0.5	0.5%
22,308	21,169	(1,139)	(5.1%)	Crude processed (kbbl)	66,180	55,052	(11,128)	(16.8%)
1.7	5.6	4.0	n.m.	Galp Energia refining margin (USD/bbl)	2.3	2.4	0.1	4.0%
2.4	2.4	0.0	0.5%	Oil sales to direct clients (mton)	7.0	6.9	(0.1)	(1.2%)
958	966	8	0.8%	NG supply sales to direct clients (mm^3)	2,925	2,791	(134)	(4.6%)
1,014	716	(297)	(29.3%)	NG/LNG trading sales (mm^3)	2,225	2,796	571	25.7%
500	389	(111)	(22.2%)	Sales of electricity to the grid[1] (GWh)	1,417	1,216	(201)	(14.2%)

MARKET INDICATORS

Third Quarter					Nine Months			
2013	2014	Chg.	% Chg.		2013	2014	Chg.	% Chg.
110.3	101.9	(8.4)	(7.6%)	Dated Brent price[1] (USD/bbl)	108.5	106.5	(1.9)	(1.8%)
(0.9)	(1.2)	0.3	28.4%	Heavy-light crude price spread[2] (USD/bbl)	(1.2)	(1.8)	0.7	56.8%
65.3	42.4	(22.9)	(35.1%)	UK NBP natural gas price[3] (GBp/therm)	68.2	49.3	(18.9)	(27.8%)
15.7	12.1	(3.6)	(22.8%)	LNG Japan and Korea price[1] (USD/mmbtu)	16.1	14.7	(1.5)	(9.1%)
0.5	2.3	1.8	n.m.	Benchmark refining margin[4] (USD/bbl)	1.6	0.5	(1.1)	(66.8%)
15.2	14.7	(0.4)	(2.9%)	Iberian oil market[5] (mton)	43.5	43.5	0.0	0.0%
6,844	6,721	(123)	(1.8%)	Iberian natural gas market[6] (mm^3)	23,764	21,728	(2,036)	(8.6%)

[1] Source: Platts.

[2] Source: Platts. Dated Urals NWE for heavy crude; Dated Brent for light crude.

[3] Source: Bloomberg.

[4] For a complete description of the method of calculating the benchmark refining margin, see ”Definitions”.

[5] Source: *Apetro* for Portugal, *Cores* for Spain; the figures include an estimate for September 2014.

[6] Source: Galp Energia and Enagás.

EXPLORATION AND PRODUCTION ACTIVITIES

Exploration and appraisal

BRAZIL

During the third quarter of 2014, Galp Energia concluded the Apollonia appraisal well in block BM-S-24, which confirmed both the extension of the Júpiter discovery and the quality of the reservoir, and whereby fluids were found with similar properties to those found in previously drilled wells such as Júpiter, Júpiter NE and Bracuhy. It is also worth noting the start of the drill stem test (DST) in the Bracuhy well, which aims to evaluate the oil flow potential of this area of the reservoir.

The consortium resumed the first drilling phase of the Carcará Extension appraisal well in September after it had been suspended in January 2014 due to technical issues with the rig's performance. The purpose of drilling this well is to appraise the resource potential of the Carcará discovery as well as to perform a DST. The second phase is scheduled for the second half of 2015 using a rig with managed pressure drilling (MPD) equipment to ensure that this high-pressure reservoir is safely drilled according to the industry's best practice.

MOZAMBIQUE

The consortium concluded the drilling of the Coral-4 appraisal well, located in Area 4 of the Rovuma basin, to increase knowledge of the reservoir prior to defining the development plan for the area.

ANGOLA

Drilling of the Cominhos-3 appraisal well in Angola, which started in June, proceeded with the goal of testing the reservoir in the Oligocene and Eocene intervals and of increasing knowledge for a potential development of this area of block 32.

MOROCCO

Galp Energia concluded the drilling of exploration well TAO-1, located in the Tarfaya Offshore area, where no hydrocarbons were found. The primary objective of the well was to appraise the resource potential of the Trident prospect, located in the Middle Jurassic interval. The Assaka prospect, located in the Upper Jurassic interval, was also tested but no hydrocarbons were found.

This was the first offshore well drilled by Galp Energia as the operator, and it is worth noting that these activities were conducted according to plan and had no safety, health or environmental hazards.

SCHEDULE OF EXPLORATION AND APPRAISAL ACTIVITIES

Area	Target	Interest	E/A[1]	Spud date	Duration (# days)	Well status
Brazil[2]						
BM-S-8	Carcará (extension)[3]	14%	A	**Sep-14**	120	In progress
BM-S-24	Apollonia	20%	A	**2Q14**	120	Concluded
BM-S-24	Elida[4]	20%	A	**4Q14**	120	-
Mozambique						
Rovuma	Agulha-2	10%	A	**1Q14**	60	Concluded
Rovuma	Dugongo-1	10%	E	**2Q14**	60	Concluded
Rovuma	Coral-4	10%	A	**2Q14**	60	Concluded
Angola						
Block 32	Cominhos-2	5%	A	**1Q14**	60	Concluded
Block 32	Cominhos-3	5%	A	**Jun-14**	60	In progress
Morocco						
Tarfaya	Trident	50%	E	**2Q14**	90	Concluded

[1] E – Exploration well; A – Appraisal well.
[2] Petrogal Brasil: 70% Galp Energia; 30% Sinopec.
[3] First phase.
[4] Appraisal well to be drilled in the Júpiter area.

DEVELOPMENT ACTIVITIES

BRAZIL

During the third quarter of 2014, Galp Energia and its partners proceeded with development activities in the Lula/Iracema area.

During the third quarter of 2014, FPSO Cidade de Paraty reached maximum production capacity, 15 months after it started operations. The fourth permanent producer well was connected to this FPSO #2 and started production in August through BSR South. The third producer well began production in September once the downhole safety valve (DHSV) issue was solved. The consortium expects the fifth producer well to be connected in the fourth quarter, which will improve production flexibility and reservoir management.

Already during the fourth quarter, FPSO Cidade de Mangaratiba started production on October 14. This FPSO, which has been allocated to the Iracema South area, will be connected to eight producing and eight injection wells. The first well connected to the FPSO has a potential productivity above 30 kbopd, although production will be restricted until the first gas injector well is connected, which is expected in December. The production of this FPSO is anticipated to reach its peak in the first half of 2016.

Construction of the remaining FPSO units to be allocated to the Lula/Iracema field proceeded in the quarter.

The hull of FPSO Cidade de Itaguaí (FPSO #4), the unit which is scheduled to start production during the fourth quarter of 2015 in the Iracema North area, was converted in a Cosco shipyard, in China, and will soon sail away to the Brasfels shipyard in Angra dos Reis, in Brazil, where the topsides will be integrated. The hull of the FPSO units which will be allocated to the Lula Alto and Lula Central areas, FPSO Cidade de Maricá and FPSO Cidade de Saquarema, respectively, which are scheduled to start operations in the first half of 2016, are being converted in the Chengxi shipyards, also in China.

As for the replicant FPSO units, works on the hull of P-66 are ongoing and it is expected to set sail to the Brasfels shipyard in Angra dos Reis, in Brazil, until the end of November 2014. The works related to the integration of the blocks of the P-67 and P-69 hull are underway in the dry dock of the Rio Grande do Sul shipyard, and works on the P-68 are in progress in the Cosco shipyard, in China.

Galp Energia and its partners proceeded with the well development plan in the Lula/Iracema area. Under the development plan for the Lula NE area, 11 wells have been drilled so far, six of which are producer wells. In the Lula-1 area, three complementary wells, one producer and two injector wells, are planned for drilling and subsequent connection to support production from FPSO Cidade Angra dos Reis (FPSO#1). In the third quarter, the drilling and completion of one of the planned injector wells was concluded, and is expected to be connected in November. The high-angle well P8H is also expected to be connected to FPSO #1 in November 2014.

Regarding the Iracema South development plan, the drilling of 12 wells has been concluded until the end of the third quarter.

Regarding the areas subsequent to Iracema South, the consortium has concluded the drilling of 23 wells under the Lula/Iracema development plan.

The second reservoir data acquisition (RDA) well in the Iara area started to be drilled in the third quarter with the aim of testing the quality of the carbonate reservoirs and of confirming the oil-water contact (OWC) in the flank of the Iara area. Drilling is expected to be concluded until the end of 2014.

The extended well test (EWT), that began in the Iara West area in June will last until the end of 2014. While operating, the EWT recorded an average production of 29 kbopd, having been subject to short interruptions for testing and data collection. The EWT is being performed by FPSO Dynamic Producer.

ANGOLA

In the Tômbua-Lândana (TL) field, the drilling of a producer well was concluded in the third quarter of 2014.

DEVELOPMENT WELLS IN THE LULA/IRACEMA AREA

Project	Type of wells	Execution rate		
		Total planned	Drilled	In progress
Lula 1	Producers	7	6	-
FPSO Cidade de Angra dos Reis	Injectors	5	4	-
Lula NE	Producers	8	6	-
FPSO Cidade de Paraty	Injectors	6	5	-
Iracema South	Producers	8	6	-
FPSO Cidade de Mangaratiba	Injectors	8	6	-

OPERATING AND FINANCIAL PERFORMANCE

1. MARKET ENVIRONMENT

DATED BRENT

During the third quarter of 2014, the average dated Brent decreased $8.4/bbl yoy to a 2-year quarterly low of $101.9/bbl following the lower-than-expected growth in both Europe and China, coupled with maintenance shutdowns of refineries on the Atlantic basin. At the same time, increasing production in Libya, Iraq and the USA drove up supply.

During the first nine months of 2014, dated Brent averaged $106.5/bbl, down $1.9/bbl from a year earlier.

During the third quarter of 2014, the average spread between the prices of heavy and light crude widened $0.3/bbl yoy to -$1.2/bbl. It should be noted that during the third quarter of 2013, the price for heavy crudes benefited from the higher demand in Russia.

In the first nine months of 2014, the average heavy-light price differential widened $0.7/bbl yoy to -$1.8/bbl.

REFINING MARGINS

During the third quarter of 2014, Galp Energia's benchmark refining margin increased $1.8/bbl yoy to $2.3/bbl as hydrocracking and cracking margins improved $1.5/bbl and $2.1/bbl, respectively, on the back of wider gasoline and fuel oil crack spreads, and also supported by the decrease in oil price.

During the third quarter of 2014, the diesel crack spread tightened $1.1/bbl yoy as industrial output slowed down in both China and Europe. The gasoline crack spread widened $3.9/bbl yoy, due to the decrease in product availability in the USA' East Coast, and to higher demand for gasoline in China. The fuel oil crack spread increased $3.2/bbl yoy on the back of lower supply from Atlantic basin refineries in period, whereas in the third quarter of 2013 the fuel oil price had already been impacted by lower bunker demand.

During the first nine months of 2014, Galp Energia's benchmark refining margin decreased $1.1/bbl yoy to $0.5/bbl as the hydrocracking and cracking margins fell $1.0/bbl and $0.8/bbl, respectively.

IBERIAN MARKET

During the third quarter of 2014, the Iberian market for oil products contracted 3% yoy to 14.7 million tonnes (mton). The Portuguese market retreated 2%, with the demand for gasoline and fuel oil falling 2% and 42%, respectively, compared with the year before. The Spanish market contracted 3% yoy, with demand for gasoline and diesel decreasing 4% and 3%, respectively.

During the first nine months of 2014, the Iberian market for oil products remained stable YoY at 43.5 mton.

During the third quarter of 2014, the Iberian market for natural gas contracted 2% yoy to 6,721 mm^3, as the industrial and residential segments cut back demand following the current economic environment in the region.

During the first nine months of 2014, the Iberian market for natural gas contracted 9% yoy to 21,728 mm^3 as the industrial and residential segments cut back demand.

2. OPERATING PERFORMANCE

2.1. EXPLORATION & PRODUCTION

€ m (RCA, except otherwise noted)

Third Quarter					Nine Months			
2013	2014	Chg.	% Chg.		2013	2014	Chg.	% Chg.
25.8	**31.8**	**6.0**	**23.1%**	**Average working interest production[1] (kboepd)**	**24.3**	**28.5**	**4.3**	**17.5%**
24.3	29.7	5.5	22.5%	Oil production (kbopd)	22.3	27.1	4.8	21.5%
21.9	**28.2**	**6.3**	**28.6%**	**Average net entitlement production (kboepd)**	**20.5**	**24.9**	**4.4**	**21.6%**
8.7	6.9	(1.8)	(20.6%)	Angola	8.5	6.9	(1.5)	(18.2%)
13.2	21.3	8.1	60.9%	Brazil	12.0	18.0	6.0	49.8%
107.2	**93.2**	**(14.0)**	**(13.1%)**	**Average realised sale price (USD/boe)**	**98.2**	**98.8**	**0.5**	**0.5%**
10.2	**8.9**	**(1.3)**	**(12.3%)**	**Royalties[2] (USD/boe)**	**9.2**	**9.6**	**0.4**	**4.1%**
14.9	**11.8**	**(3.1)**	**(21.0%)**	**Production costs (USD/boe)**	**12.9**	**14.3**	**1.3**	**10.4%**
29.8	**18.9**	**(10.9)**	**(36.7%)**	**Amortisation[3] (USD/boe)**	**26.3**	**19.6**	**(6.7)**	**(25.4%)**
110	**131**	**21**	**19.3%**	**Ebitda**	**287**	**342**	**55**	**19.3%**
59	42	(17)	(29.0%)	Depreciation & Amortisation	144	112	(31)	(21.8%)
(0)	(1)	(0)	n.m.	Provisions	2	(1)	(3)	n.m.
52	**90**	**39**	**74.8%**	**Ebit**	**141**	**231**	**90**	**63.6%**

[1] Includes natural gas exported, excludes natural gas used or injected.
[2] Based on production in Brazil.
[3] Excludes abandonment provisions.

OPERATIONS

THIRD QUARTER

During the third quarter of 2014, the average working interest production of oil and natural gas increased around 23% yoy to 31.8 kboepd, of which 94% was oil production.

Production from Brazil increased 61% yoy to 21.3 kboepd due to the contribution from FPSO #2, whose average production in the period amounted to 8.7 kboepd and accounted for 41% of total production from Brazil. FPSO #1 maintained its contribution to production during the period.

The EWT in the Iara area also contributed to increased production in Brazil, with 2.5 kbopd.

The exports of gas from the Lula area increased 35% yoy, from 1.3 kboepd to 1.7 kboepd, following the start-up of natural gas exports from the Lula NE area.

In Angola, working interest production fell 2.1 kbopd yoy, or 17%, to 10.5 kbopd, as the contribution from the TL and Kuito fields in block 14, declined following the decommissioning of the Kuito FPSO in late 2013. Production from the BBLT field was in line with the previous year.

Net entitlement production increased 29% yoy to 28.2 kboepd, supported by the higher contribution from Brazil, which more than offset the 21% decrease in production yoy in Angola, to 6.9 kbopd, following lower working interest production.

Production from Brazil accounted for 76% of total net entitlement production in the quarter, compared with 60% a year earlier.

NINE MONTHS

During the first nine months of 2014, average working interest production increased 18% yoy to 28.5 kboepd, following the higher contribution from Brazil, which increased 50% yoy to 18.0 kboepd. This increase was supported by the rising production from FPSO #2 and the contribution from the EWTs performed in the Lula Central, Lula South and Iara areas, which had an average combined production of 1.9 kbopd. FPSO #1 operated steadily during the quarter.

Working interest production in Angola decreased 14% as production from the Kuito field, in block 14, declined. Nonetheless, production from the BBLT field increased around 9% yoy as new wells came into production.

Net entitlement production increased around 22% yoy to 24.9 kboepd, primarily on the back of higher production in Brazil.

RESULTS

THIRD QUARTER

Ebitda for the third quarter of 2014 increased €21 m yoy to €131 m on higher net entitlement production, which more than offset the lower average sale price of oil and natural gas in the period.

The average sale price in the quarter was $93.2/boe, down from $107.2/boe a year earlier, mainly following lower oil prices in international markets.

Production costs of €23 m were in line with the previous year. In Brazil, production costs increased, due to the increase in production from FPSO #2, which reached full capacity in the quarter, and due to the EWT in the Iara area. In Angola, production costs decreased following the decommissioning of Kuito FPSO in December 2013. In unit terms and on a net entitlement basis, production costs in the third quarter of 2014 fell $3.1/boe yoy to $11.8/boe.

Other operating costs decreased €6 m yoy to €14 m.

Depreciation, excluding abandonment charges, were down €8 m yoy to €37 m. Depreciation charges decreased in Angola following the decommissioning of the Kuito FPSO at the end of 2013, but increased in Brazil on a larger asset base and higher production. On a net entitlement basis, unit depreciation charges decreased to $18.9/boe from $29.8/boe in the third quarter of 2013.

Abandonment charges in the third quarter of 2014 amounted to €4 m, down from €13 m a year earlier, due to the anticipated decommissioning of Angola's FPSO Kuito in late 2013.

As a result, Ebit for the E&P business segment in the third quarter of 2014 amounted to €90 m, up €39 m from a year earlier.

NINE MONTHS

Ebitda for the first nine months of 2014 increased €55 m yoy to €342 m following higher net entitlement production.

The average sale price in the period was $98.8/boe, up from $98.2/boe in the first nine months of 2013. This was due to the lower weight of natural gas in total production, despite lower oil prices in the international markets.

Production costs of €72 m were €17 m higher than a year earlier following the start of production of FPSO #2 in June 2013 and the operation of the EWTs in Brazil's Lula Central, Lula South and Iara areas. On the other hand, production costs decreased €5 m yoy in Angola as a decrease of production and of the decommissioning of Kuito FPSO, in December 2013. In unit terms, production costs increased $1.3/boe yoy to $14.3/boe.

Other operating costs amounted to €43 m, down €4 m yoy.

Depreciation, excluding abandonment charges, decreased €13 m yoy to €98 m as the Kuito FPSO was decommissioned in the Kuito field and notwithstanding the higher depreciation charges in Brazil that followed from a larger asset base and increasing production. In unit terms, depreciation charges decreased $6.7/boe yoy to $19.6/boe.

Abandonment charges during the period were €13 m, down from €34 m a year earlier.

As a result, Ebit for the E&P business segment during the first nine months of 2014 amounted to €231 m, up €90 m from a year earlier.

2.2. REFINING & MARKETING

€ m (RCA, except otherwise noted)

Third Quarter					Nine Months			
2013	2014	Chg.	% Chg.		2013	2014	Chg.	% Chg.
1.7	**5.6**	**4.0**	**n.m.**	**Galp Energia refining margin (USD/bbl)**	**2.3**	**2.4**	**0.1**	**4.0%**
2.7	**2.8**	**0.1**	**5.4%**	**Refining cash cost (USD/bbl)**	**2.7**	**3.1**	**0.5**	**18.2%**
22,308	**21,169**	**(1,139)**	**(5.1%)**	**Crude processed (kbbl)**	**66,180**	**55,052**	**(11,128)**	**(16.8%)**
4.3	**4.5**	**0.2**	**3.6%**	**Total refined product sales (mton)**	**12.8**	**12.2**	**(0.5)**	**(4.2%)**
2.4	2.4	0.0	0.5%	Sales to direct clients (mton)	7.0	6.9	(0.1)	(1.2%)
1.0	1.1	0.1	15.7%	Exports[1] (mton)	3.3	2.7	(0.6)	(17.8%)
76	**144**	**68**	**89.8%**	**Ebitda**	**247**	**221**	**(27)**	**(10.8%)**
70	71	1	1.2%	Depreciation & Amortisation	188	213	25	13.4%
20	2	(18)	(91.3%)	Provisions	35	14	(21)	(60.4%)
(14)	**72**	**86**	**n.m.**	**Ebit**	**25**	**(6)**	**(31)**	**n.m.**

[1] Exports from the Galp Energia Group, excluding sales in the Spanish market.

OPERATIONS

THIRD QUARTER

Crude oil processed in the period amounted to 21.2 million barrels (mbbl), down by 5% yoy. The volume of crude processed was impacted by the increased processing of VGO, and by a partial outage at the Sines refinery. It is worth noting however, that the hydrocracking complex operated at full capacity in the period.

Crude oil accounted for 80% of raw materials processed in the quarter, with medium and heavy crudes accounting for 71% of the total crude processed.

The production of middle distillates (diesel and jet) accounted for 47% of total production, whereas gasoline and fuel oil accounted for 22% and 16%, respectively. Consumption and losses in the quarter were 8%, compared to 9% a year earlier.

Volumes sold to direct clients were stable yoy at 2.4 mton. Volumes sold in Africa accounted for 7% of total volumes sold to direct clients in the period, a contribution in line with a year earlier.

Exports to non-Iberian countries increased 16% yoy to 1.1 mton, supported by higher exports of fuel oil and gasoline, which accounted for 38% and 28% of products exported, respectively.

NINE MONTHS

Crude oil processed in the period decreased 17% to 55.1 mbbl, impacted by the planned outage for maintenance of the Sines refinery in the first half of 2014, and by the sourcing constraints caused by bad weather conditions, which affected some units of the Matosinhos refinery during the first quarter.

Medium and heavy crude accounted for 78% of total crude oil processed in Galp Energia’s refineries.

Middle distillates and gasoline accounted for 47% and 20%, respectively, of total production, in line with a year earlier, while fuel oil accounted for 18%. Consumption and losses in the period were 8%.

Volumes sold to direct clients decreased 1% yoy following the Sines refinery outage during the first half of 2014. Volumes sold in Africa accounted for 8% of total volumes sold to direct clients in the period.

Exports to non-Iberian countries decreased 18% yoy to 2.7 mton, due to lower availability of products resulting from the planned outage of the Sines refinery. Fuel oil, gasoline and diesel accounted for 37%, 21% and 19% of total exports, respectively.

RESULTS

THIRD QUARTER

Ebitda for the R&M business segment in the period increased €68 m yoy to €144 m on improved results from the refining activity.

Galp Energia's refining margin was up $4.0/bbl yoy to $5.6/bbl as refining margins improved in international markets. The premium to the benchmark margin was $3.3/bbl with optimisation of the sourcing of crude and VGO processing.

Refining cash costs amounted to €44 m, or $2.8/bbl in unit terms, in line with a year earlier.

Marketing of oil products maintained its positive contribution to results, as it benefited from stabilised operations in both Portugal and in Spain.

Depreciation charges amounted to €71 m, in line with a year earlier.

Provisions in the period amounted to €2 m, down from €20 m a year earlier, as impairments on trade receivables dropped.

As a result, Ebit for the R&M business segment in the third quarter of 2014 amounted to €72 m.

NINE MONTHS

Ebitda for the R&M business segment in the period dropped €27 m yoy to €221 m.

Galp Energia's refining margin was $2.4/bbl, compared to $2.3/bbl a year earlier as refining margins increased in the third quarter of 2014 and in spite of the adverse effect of the general outage at the Sines refinery in the first half of the year.

Refining cash costs amounted to €128 m, or $3.1/bbl in unit terms, up from $2.7/bbl a year earlier. This increase followed from the operating costs associated to the outage for maintenance of the Sines refinery in the first half of 2014 and from the lower volumes of crude processed, which had an adverse effect on the dilution of fixed costs.

Marketing of oil products maintained its positive contribution to results, on the back of lower operating costs.

Depreciation charges increased €25 m yoy to €213 m as the assets related to the hydrocracking complex started to be depreciated in the second quarter of 2013.

On the other hand, provisions dropped €21 m yoy to €14 m.

Despite the improvement of the refining environment during the third quarter, Ebit for the R&M business segment during the first nine months of 2014 was still negative by €6 m, or €31 m lower than the same period of 2013.

2.3. GAS & POWER

€ m (RCA, except otherwise noted)

Third Quarter					Nine Months			
2013	2014	Chg.	% Chg.		2013	2014	Chg.	% Chg.
1,971	**1,682**	**(289)**	**(14.7%)**	**NG supply total sales volumes (mm^3)**	**5,149**	**5,586**	**437**	**8.5%**
958	**966**	**8**	**0.8%**	**Sales to direct clients (mm^3)**	**2,925**	**2,791**	**(134)**	**(4.6%)**
191	260	68	35.7%	Electrical	532	537	5	1.0%
706	648	(58)	(8.2%)	Industrial	1,964	1,913	(51)	(2.6%)
54	52	(2)	(4.5%)	Residential	370	304	(66)	(17.9%)
1,014	**716**	**(297)**	**(29.3%)**	**Trading (mm^3)**	**2,225**	**2,796**	**571**	**25.7%**
500	**389**	**(111)**	**(22.2%)**	**Sales of electricity to the grid (GWh)**	**1,417**	**1,216**	**(201)**	**(14.2%)**
121	**99**	**(22)**	**(18.0%)**	**Ebitda**	**319**	**337**	**17**	**5.4%**
16	16	0	2.4%	Depreciation & Amortisation	45	48	2	5.4%
6	5	(1)	(10.4%)	Provisions	12	10	(2)	(19.1%)
99	**78**	**(21)**	**(21.6%)**	**Ebit**	**262**	**279**	**17**	**6.6%**
65	48	(16)	(24.9%)	Supply & Trading	161	184	23	14.4%
27	28	2	7.0%	Infrastructure	79	87	8	9.6%
8	1	(7)	(89.1%)	Power	21	8	(14)	(64.1%)

OPERATIONS

THIRD QUARTER

Natural gas sold in the quarter declined 15% yoy to 1,682 mm^3 as the volume of LNG traded in international markets decreased.

Sales in the trading segment amounted to 716 mm^3, with seven trades closed in the quarter, in comparison with 13 a year earlier. The cargoes sold were primarily bound to Asian markets but also to Latin America.

Volumes sold to the electrical segment increased 36% yoy to 260 mm^3, due to the higher usage of natural gas for power generation in Portugal.

Sales to the industrial segment were down by 8% yoy to 648 mm^3, following the rationalisation of the portfolio of clients and the lower own consumption due to the outage at the Carriço cogeneration, which is partly-owned by Galp Energia.

Volumes sold in the residential segment were in line with a year earlier.

Sales of electricity to the grid fell 111 GWh yoy to 389 GWh as the Energin cogeneration ceased operations in late 2013.

NINE MONTHS

Natural gas sold in the period increased 8% yoy to 5,586 mm^3 as volumes of LNG traded in international markets increased 571 mm^3 yoy.

In contrast, volumes sold to direct clients decreased 5% following lower demand from both the residential and industrial segments. Whereas volumes sold to the residential segment were impacted by increased competition in the Iberian market, the contraction in the industrial segment followed the rationalisation of portfolio of clients and from the decrease in own consumptions during the general outage at the Sines refinery. The volumes sold to the electrical segment were in line with a year earlier.

Sales of electricity to the grid fell 201 GWh yoy to 1,216 GWh due to the shutdown of the Energin cogeneration.

RESULTS

THIRD QUARTER

Ebitda for the G&P business decreased €22 m yoy to €99 m primarily on lower number of LNG trades in the international market, which drove Ebitda for the supply & trading activity €17 m lower, to €54 m.

The regulated infrastructure and power businesses maintained their stable contribution to Ebitda in the period, with a combined amount of €46 m.

Depreciation and amortisation of €16 m was in line with a year earlier.

Provisions of €5 m, primarily related to impairments on receivables, were also in line with a year earlier.

As a result, Ebit for the G&P business segment in the third quarter of 2014 decreased €21 m yoy to €78 m.

NINE MONTHS

Ebitda for the G&P business increased 5% yoy to €337 m primarily on the back of better results from the supply & trading activity.

The regulated infrastructure and power businesses generated a combined Ebitda of €141 m, which reflected the stable contribution of these activities to results.

Depreciation and amortisation increased €2 m yoy to €48 m after the Matosinhos cogeneration started operations at the end of the first quarter of 2013.

Provisions of €10 m were in line with a year earlier.

As a result, Ebit for the G&P business segment in the first nine months of 2014 increased 7% yoy to €279 m.

3. FINANCIAL PERFORMANCE

3.1. PROFIT & LOSS

€ m (RCA, except otherwise noted)

Third Quarter					Nine Months			
2013	2014	Chg.	% Chg.		2013	2014	Chg.	% Chg.
5,808	4,693	(1,115)	(19.2%)	Turnover	14,903	13,434	(1,469)	(9.9%)
(5,503)	(4,323)	(1,180)	(21.4%)	Operating expenses	(14,066)	(12,542)	(1,524)	(10.8%)
(5,154)	(3,956)	(1,199)	(23.3%)	Cost of goods sold	(13,037)	(11,462)	(1,576)	(12.1%)
(266)	(277)	11	4.0%	Supply and services	(783)	(839)	56	7.2%
(82)	(91)	8	9.8%	Personnel costs	(245)	(241)	(4)	(1.7%)
7	9	1	21.0%	Other operating revenues (expenses)	32	24	(8)	(26.4%)
312	**379**	**66**	**21.2%**	**Ebitda**	**869**	**915**	**46**	**5.3%**
(145)	(129)	(16)	(10.8%)	Depreciation & Amortisation	(379)	(375)	(4)	(1.0%)
(26)	(7)	(19)	(74.7%)	Provisions	(49)	(23)	(26)	(53.0%)
142	**243**	**101**	**71.4%**	**Ebit**	**441**	**516**	**76**	**17.2%**
16	11	(5)	(31.2%)	Net profit from associated companies	47	46	(2)	(3.4%)
-	-	-	n.m.	Net profit from investments	0	1	1	n.m.
(34)	(36)	(2)	(6.8%)	Financial results	(90)	(96)	(6)	(6.1%)
124	**218**	**94**	**75.4%**	**Net profit before taxes and non-controling interests**	**398**	**468**	**70**	**17.6%**
(50)	(76)	25	50.4%	Taxes[1]	(137)	(181)	44	32.2%
(17)	(21)	4	24.4%	Non-controlling interests	(43)	(51)	8	19.7%
57	**121**	**64**	**113.1%**	**Net profit**	**218**	**236**	**18**	**8.0%**
22	(74)	(95)	n.m.	Non recurrent items	(32)	(94)	62	n.m.
78	47	(31)	(39.7%)	Net profit RC	186	142	(44)	(23.8%)
35	(46)	(81)	n.m.	Inventory effect	(47)	(66)	(20)	42.5%
113	1	(112)	(99.1%)	Net profit IFRS	140	76	(64)	(45.8%)

[1] Includes tax related to the production of oil and natural gas, such as the Special Participation tax payable in Brazil and IRP payable in Angola.

THIRD QUARTER

Turnover fell 19% yoy to €4,693 m as the volume of oil products sold decreased, and as prices for both oil and oil products fell in international markets.

Operating costs decreased by 21% yoy to €4,323 m, as the cost of goods sold declined. Supply and services cost increased 4%, namely after the increase in variable costs related to the production of oil and natural gas activity. Personnel costs increased 10% yoy, driven by the increased accrual of variable remuneration related to the year of 2014.

Ebitda for the quarter increased €66 m yoy to €379 m as the results from the E&P and particularly R&M business segments improved.

Ebit increased €101 m yoy to €243 m, reflecting the improved operating performance but also lower depreciation and abandonment charges in the E&P business in Angola, and the decrease in provisions related to doubtful debtors in the R&M business.

Results from associates amounted to €11 m, mostly from international gas pipelines stakes.

Financial results decreased 7% yoy to -€36 m as the increased capitalisation of interest, as the decrease in net interest expenses could not offset the potential losses in derivatives, primarily related to the hedging of the refining margin.

Net interest expenses were down €6 m yoy to €30 m despite the increase in average debt maturity and the higher net debt.

Taxes amounted to €76 m, of which €51 m were related to the production of oil and natural gas in Angola and Brazil.

Non-controlling interests amounted to €21 m, up from €17 m the year before, mostly from higher results attributable to Sinopec.

As a result, RCA net profit for the third quarter of 2014 amounted to €121 m, up €64 m yoy. IFRS net profit decreased €112 m to €1 m considering non-recurrent items of €74 m, including, among others, charges related to the exploration well in Morocco, which was considered to be dry, and the inventory effect from the declining crude prices.

NINE MONTHS

Turnover fell 10% yoy to €13,434 m as the volume of oil products sold decreased, and as the price for oil and oil products declined in international markets.

Operating costs also fell by 11% yoy to €12,542 m, as the cost of goods sold declined. Supply and services cost increased 7% to €839 m, namely after the increase in variable costs related to the production of oil and natural gas, and the increase in international freight rates.

Ebitda increased €46 m yoy to €915 m as the results from the E&P and G&P business segments improved following the increased production of oil and natural gas and the increase of LNG sales in international markets.

Ebit increased 17% yoy to €516 m, reflecting the improved operating performance of the E&P and G&P businesses as well as the lower depreciation charges in the E&P business and lower provisions in the R&M business.

Results from associates amounted to €46 m, with the international gas pipelines contributing with €38 m in the period.

Net financial expense increased €6 m yoy to €96 m mainly as a result of unfavourable exchange differences of €22 m, up from €8 m a year earlier. This effect was partly offset by lower net interest expenses, which amounted to €96 m in the period.

Taxes increased €44 m to €181 m as the E&P business increased its contribution to Group results.

Non-controlling interests increased €8 m yoy to €51 m.

As a result, RCA net profit for the first nine months of 2014 amounted to €236 m, up €18 m from a year earlier.

IFRS net profit of €76 m was adversely impacted by non-recurrent items of €94 m, primarily related to impairments in the E&P business, and by inventory effects.

3.2. CAPITAL EXPENDITURE

€ m

Third Quarter					Nine Months			
2013	2014	Chg.	% Chg.		2013	2014	Chg.	% Chg.
211	285	74	35.1%	Exploration & Production	557	683	126	22.7%
98	94	(3)	(3.6%)	Exploration and appraisal activities	228	190	(38)	(16.5%)
113	191	78	68.5%	Development and production activities	329	493	164	49.9%
32	22	(9)	(29.7%)	Refining & Marketing	96	68	(28)	(29.1%)
10	5	(5)	(47.2%)	Gas & Power	74	21	(52)	(70.9%)
1	1	0	n.m.	Others	1	3	3	n.m.
253	**314**	**61**	**23.9%**	**Investment**	**728**	**776**	**49**	**6.7%**

THIRD QUARTER

Capital expenditure during the quarter amounted to €314 m, 91% of which was allocated to the E&P business.

Around 67% of capital expenditure in the E&P business was allocated to development activities, namely to Brazil's Lula/Iracema field and, in particular, to the drilling of development wells and the manufacturing of FPSO units and subsea systems.

The investment made in exploration and appraisal activities amounted to €94 m in the quarter and was allocated to appraisal activities in the Santos basin, namely in the Iara area, in block BM-S-11, and in block BM-S-24, as well as to appraisal and pre-development activities in Mozambique and to drilling in Morocco.

The combined capital expenditure in the R&M and G&P businesses amounted to €27 m and was primarily related to investments made in maintenance and safety operations at the Sines refinery and in the natural gas distribution network.

NINE MONTHS

Capital expenditure in the period amounted to €776 m, 88% of which was allocated to the E&P business.

The investment in development activities, mainly in the Lula/Iracema field in block BM-S-11, accounted for 72% of the total capital expenditure in the E&P business segment.

The remaining 28% was allocated to the exploration and appraisal campaign conducted in the year, particularly in Brazil's Santos basin, Mozambique and Morocco.

Capital expenditure in the R&M and G&P businesses amounted to €90 m and was primarily allocated to the maintenance of the Sines refinery and to the natural gas distribution network.

3.3. CASH FLOW

€ m (IFRS figures)

Third Quarter			Nine Months	
2013	2014		2013	2014
166	115	Ebit	285	346
9	27	Dividends from associates	44	55
164	189	Depreciation, depletion and amortisation (DD&A)	448	451
64	175	Change in working capital	(79)	10
402	**507**	**Cash flow from operations**	**697**	**863**
(143)	(314)	Net capex[1]	(608)	(776)
(33)	(33)	Net financial expenses	(116)	(100)
(58)	(66)	Taxes paid	(130)	(120)
(120)	(143)	Dividends paid	(223)	(267)
(121)	44	Others[2]	(115)	136
(74)	**(6)**	**Change in net debt**	**(494)**	**(265)**

[1] The 2013 figures include the amount of €111 m from the 5% stake sale in CLH.

[2] Including CTA's (Cumulative Translation Adjustment) and refunds of loan granted to Sinopec.

THIRD QUARTER

Net debt during the third quarter was up only by €6 m, despite capital expenditure in the period and the payment of the interim dividend related to the 2014 fiscal year.

Cash flow from operations amounted to €507 m and benefited from the improved performance of the E&P and R&M businesses, and from the decrease in working capital which normalised in the period.

NINE MONTHS

Net debt was up €265 m in the first nine months of 2014, primarily due to investment made in fixed assets.

Cash flow from operations of €863 m was primarily a result of the improved performance in the third quarter of 2014.

3.4. FINANCIAL POSITION

€ m (IFRS figures)

	31 December 2013	30 June 2014	30 September 2014	Change vs. 31 Dec. 2013	Change vs. 30 Jun. 2014
Non-current assets	6,883	7,219	7,413	530	194
Working capital	1,294	1,459	1,284	(10)	(175)
Loan to Sinopec	871	807	855	(16)	49
Other assets (liabilities)	(460)	(509)	(451)	9	58
Capital employed	**8,589**	**8,975**	**9,101**	**513**	**126**
Short term debt	373	229	228	(146)	(1)
Medium-Long term debt	3,304	3,146	3,639	336	493
Total debt	**3,677**	**3,375**	**3,867**	**190**	**492**
Cash	1,504	943	1,429	(75)	486
Net debt	**2,173**	**2,432**	**2,438**	**265**	**6**
Total equity	**6,416**	**6,544**	**6,663**	**248**	**120**
Total equity and net debt	**8,589**	**8,975**	**9,101**	**513**	**126**
Net debt including loan to Sinopec[1]	**1,302**	**1,625**	**1,583**	**281**	**(43)**

[1] Loan to Sinopec considered as cash and equivalents.

On 30 September 2014, non-current assets amounted to €7,413 m, up €194 m from the end of June 2014 following the capital expenditure in the quarter.

Capital employed at the end of September 2014 amounted to €9,101 m including the loan to Sinopec, whose balance on 30 September 2014 was €855 m.

3.5. FINANCIAL DEBT

€ m (except otherwise noted)

	31 December 2013		30 June 2014		30 September 2014		Change vs. 31 Dec. 2013		Change vs. 30 Jun. 2014	
	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
Bonds	147	1,839	-	1,830	-	2,326	(147)	487	-	496
Bank loans and other debt	227	1,465	229	1,316	228	1,314	1	(151)	(1)	(2)
Cash and equivalents	(1,504)	-	(943)	-	(1,429)	-	75	-	(486)	-
Net debt	**2,173**		**2,432**		**2,438**		**265**		**6**	
Net debt including loan to Sinopec[1]	**1,302**		**1,625**		**1,583**		**281**		**(43)**	
Average life (years)	3.6		3.7		3.8		0.19		0.16	
Average interest rate of debt	4.6%		4.5%		4.3%		(0.3 p.p.)		(0.2 p.p.)	
Net debt to Ebitda	1.9x		2.2x		2.1x		0.2x		(0.1x)	
Net debt inc. loan to Sinopec to Ebitda[1]	1.1x		1.5x		1.3x		0.2x		(0.1x)	

[1] Loan to Sinopec considered as cash and equivalents.

Net debt on 30 September 2014 amounted to €2,438 m, which was stable when compared to the end of June 2014, as investment in fixed assets and the payment of the interim dividend related to the 2014 fiscal year were offset by the strong cash flow from operating activities.

Net debt at the end of the third quarter of 2014 amounted to €1,583 m, considering the €855 m balance of the loan to Sinopec as cash and equivalents.

Net debt to Ebitda at the end of September 2014 was 1.3x, considering the loan to Sinopec as cash and equivalents.

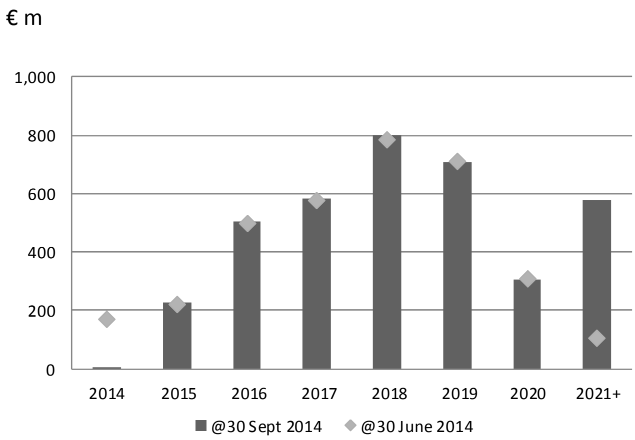
On 30 September 2014, 41% of the debt was on a fixed-rate basis. Medium- and long-term debt accounted for 94% of the total, in line with the end of June 2014.

The average interest rate at the end of the third quarter of 2014 was 4.3% and debt at the end of the quarter had an average maturity of 3.8 years.

Around 65% of the debt outstanding on 30 September 2014 matures from 2018 onwards, in accordance with the objective to align debt repayment with the Company's expected cash flow profile.

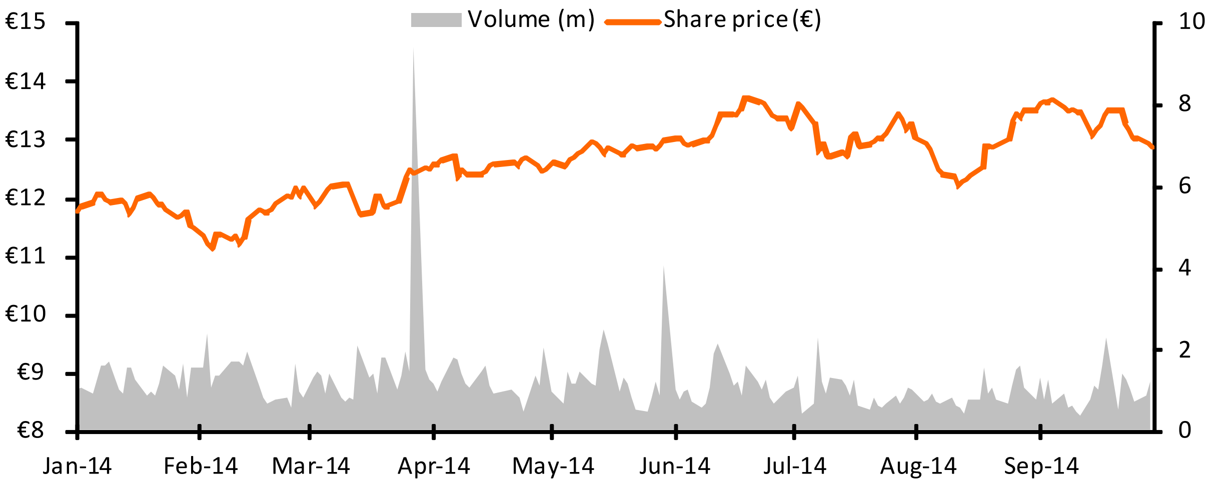
At the end of the third quarter of 2014, Galp Energia had unused credit lines of €1.2 bn, 60% of which were contractually guaranteed.

DEBT MATURITY PROFILE ON 30 SEPTEMBER 2014 AND 30 JUNE 2014



THE GALP ENERGIA SHARE

PERFORMANCE OF THE GALP ENERGIA SHARE



Source: Euroinvestor

THIRD QUARTER

The Galp Energia share was down by 4% in the quarter and closed at €12.87. During the quarter, the share was traded between a price range of €12.17 to €13.74.

During the third quarter, 110 m shares were traded in regulated markets, of which 61 m were on Euronext Lisbon. The average daily volume traded in regulated markets amounted to 1.7 m shares, of which 0.9 m on Euronext Lisbon. At the end of the third quarter of 2014, Galp Energia had a market capitalisation of €10.7 bn.

NINE MONTHS

During the first nine months of 2014, the Galp Energia share gained 8%, with 367 m shares traded in regulated markets. It should be noted that volumes were impacted by the Eni's placement of a stake of 8% in Galp Energia on the market. The average volume traded daily in regulated markets amounted to 1.9 m shares, of which 1.2 m on Euronext Lisbon.

Main indicators			
	2013	3Q14	9M14
Min (€)	10.76	12.17	10.20
Max (€)	13.40	13.74	13.75
Average (€)	12.19	13.08	12.62
Close price (€)	11.92	12.87	12.87
Regulated markets volume (m shares)	501.6	110.1	367.3
Average volume per day (m shares)	2.0	1.7	1.9
Of which Euronext Lisbon (m shares)	*1.3*	*0.9*	*1.2*
Market cap (€m)	9,881	10,672	10,672

ADDITIONAL INFORMATION

1. BASIS OF PRESENTATION

Galp Energia's consolidated financial statements for the nine months ended on 30 September 2014 and 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial information in the consolidated income statement is reported for the quarters ended on 30 September 2014 and 2013 and the nine months ended on these dates. The financial information in the consolidated financial position is reported on 30 September 2014, 30 June 2014 and 31 December 2013.

Galp Energia's financial statements are prepared in accordance with IFRS and the cost of goods sold is valued at weighted-average cost. The use of this valuation method may, when goods and commodities prices fluctuate, cause volatility in results through 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 items, 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 non-recurrent items and the inventory effect, the latter because the cost of goods sold has been calculated according to the Replacement cost (RC) valuation method.

2. RECONCILIATION OF IFRS AND REPLACEMENT COST ADJUSTED FIGURES

2.1. REPLACEMENT COST ADJUSTED EBITDA BY SEGMENT

€ m

Third Quarter					2014	Nine Months				
Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurrent items	Ebitda RCA		Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurrent items	Ebitda RCA
311	**61**	**371**	**7**	**379**	**Ebitda**	**816**	**88**	**904**	**11**	**915**
131	-	131	0	131	E&P	342	-	342	0	342
76	62	138	6	144	R&M	116	95	211	10	221
100	(1)	99	0	99	G&P	343	(7)	336	0	337
3	-	3	1	4	Others	15	-	15	1	16

€ m

Third Quarter					2013	Nine Months				
Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurrent items	Ebitda RCA		Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurrent items	Ebitda RCA
357	**(45)**	**312**	**0**	**312**	**Ebitda**	**786**	**72**	**859**	**11**	**869**
110	-	110	(0)	110	E&P	286	-	286	1	287
125	(48)	77	(0)	77	R&M	168	70	238	10	247
117	3	120	1	120	G&P	317	2	319	0	319
5	-	5	-	5	Others	16	(0)	16	0	16

2.2. REPLACEMENT COST ADJUSTED EBIT BY SEGMENT

€ m

Third Quarter					2014	Nine Months				
Ebit IFRS	Inventory effect	Ebit RC	Non-recurrent items	Ebit RCA		Ebit IFRS	Inventory effect	Ebit RC	Non-recurrent items	Ebit RCA
115	**61**	**176**	**66**	**243**	**Ebit**	**346**	**88**	**434**	**82**	**516**
30	-	30	60	90	E&P	153	-	153	78	231
4	62	66	6	72	R&M	(110)	95	(15)	9	(6)
79	(1)	78	(0)	78	G&P	287	(7)	281	(2)	279
2	-	2	1	3	Others	16	-	16	(2)	13

€ m

Third Quarter					2013	Nine Months				
Ebit IFRS	Inventory effect	Ebit RC	Non-recurrent items	Ebit RCA		Ebit IFRS	Inventory effect	Ebit RC	Non-recurrent items	Ebit RCA
166	**(45)**	**121**	**21**	**142**	**Ebit**	**285**	**72**	**357**	**83**	**441**
34	-	34	17	52	E&P	71	-	71	70	141
32	(49)	(17)	3	(14)	R&M	(59)	70	11	14	25
95	4	99	0	99	G&P	260	2	262	(0)	262
5	(0)	5	(0)	5	Others	13	(0)	13	0	13

3. REPLACEMENT COST ADJUSTED TURNOVER

€ m

Third Quarter					Nine Months			
2013	2014	Chg.	% Chg.		2013	2014	Chg.	% Chg.
5,808	**4,693**	**(1,115)**	**(19.2%)**	**Sales and services rendered RCA**	**14,903**	**13,434**	**(1,469)**	**(9.9%)**
157	177	20	12.9%	Exploration & Production[1]	419	536	117	28.0%
4,845	3,756	(1,089)	(22.5%)	Refining & Marketing	12,403	10,532	(1,871)	(15.1%)
883	867	(16)	(1.8%)	Gas & Power	2,435	2,745	310	12.7%
27	30	2	8.8%	Others	90	87	(3)	(3.5%)
(104)	(137)	(33)	(31.8%)	Consolidation adjustments	(444)	(466)	23	5.1%

[1] Does not include change in production. RCA turnover in the E&P segment, including change in production, amounted to €182 m in the third quarter of 2014 and €496 m in the first nine months of 2014.

4. NON-RECURRENT ITEMS

EXPLORATION & PRODUCTION

€ m

Third Quarter			Nine Months	
2013	2014		2013	2014
		Exclusion of non-recurrent items		
(0.0)	(0.0)	Gains / losses on disposal of assets	(0.0)	0.0
(0.0)	0.0	Assets write-offs	0.6	0.1
17.6	60.1	Assets impairments	68.0	77.5
(0.2)	-	Provision and impairment of receivables	1.5	-
17.4	**60.1**	**Non-recurrent items of Ebit**	**70.2**	**77.5**
-	(0.2)	Capital gains / losses on disposal of financial investments	-	(0.0)
17.4	**59.9**	**Non-recurrent items before income taxes**	**70.2**	**77.5**
0.4	(1.5)	Income taxes on non-recurrent items	(3.7)	(6.2)
0.1	(0.5)	Non-controling interest	(2.1)	(2.9)
18.0	**58.0**	**Total non-recurrent items**	**64.4**	**68.4**

REFINING & MARKETING

Third Quarter			Nine Months	
2013	2014		2013	2014
		Exclusion of non-recurrent items		
-	-	Sale of strategic stock	-	(117.4)
-	-	Cost of sale of strategic stock	-	113.5
0.0	0.1	Accidents caused by natural phenomena and insurance compensation	0.2	0.2
(0.3)	1.5	Gains / losses on disposal of assets	(0.6)	1.0
0.0	0.6	Assets write-offs	0.8	0.9
2.6	-	Non taxed-related fines	2.6	-
6.1	4.2	Employees contracts rescission	15.6	11.6
(8.9)	-	Accidents	(8.9)	-
1.1	0.0	Provisions for environmental charges and others	1.5	0.2
1.1	-	Provisions for accounts receivables	1.1	-
1.2	(0.7)	Assets impairments	1.2	(1.1)
3.0	**5.7**	**Non-recurrent items of Ebit**	**13.6**	**8.8**
(52.1)	(1.2)	Capital gains / losses on disposal of financial investments	(52.1)	(1.2)
(49.1)	**4.5**	**Non-recurrent items before income taxes**	**(38.5)**	**7.6**
9.2	(1.4)	Income taxes on non-recurrent items	6.0	(2.2)
-	8.9	Energy sector contribution tax	-	12.4
-	(0.6)	Non-controling interest	-	(0.6)
(40.0)	**11.5**	**Total non-recurrent items**	**(32.5)**	**17.2**

GAS & POWER

€ m

Third Quarter 2013	Third Quarter 2014		Nine Months 2013	Nine Months 2014
		Exclusion of non-recurrent items		
-	(0.0)	Gains / losses on disposal of assets	-	(0.0)
-	0.0	Write-off assets	(0.0)	0.0
0.5	0.0	Employees contracts rescission	0.1	0.4
-	(0.0)	Provisions for environmental charges and others	-	(1.9)
(0.2)	(0.2)	Assets impairments	(0.6)	(0.3)
0.3	**(0.2)**	**Non-recurrent items of Ebit**	**(0.4)**	**(1.7)**
0.1	0.2	Gains / losses on disposal of financial stakes	0.1	0.2
-	-	Provision for impairment of financial investments	-	2.8
0.5	**(0.0)**	**Non-recurrent items before income taxes**	**(0.3)**	**1.2**
0.0	0.1	Income taxes on non-recurrent items	0.2	(0.1)
-	2.2	Energy sector contribution tax	-	9.1
-	(0.1)	Non-controling interest	-	(0.8)
0.5	**2.1**	**Total non-recurrent items**	**(0.1)**	**9.5**

OTHER

€ m

Third Quarter 2013	Third Quarter 2014		Nine Months 2013	Nine Months 2014
		Exclusion of non-recurrent items		
-	0.8	Employees contracts rescission	0.1	0.8
-	-	Provisions for environmental charges and others	-	(3.2)
-	**0.8**	**Non-recurrent items of Ebit**	**0.1**	**(2.4)**
-	1.5	Capital gains / losses on disposal of financial investments	-	1.3
-	**2.3**	**Non-recurrent items before income taxes**	**0.1**	**(1.1)**
-	(0.2)	Income taxes on non-recurrent items	(0.0)	(0.2)
-	**2.1**	**Total non-recurrent items**	**0.1**	**(1.3)**

CONSOLIDATED SUMMARY

€ m

Third Quarter 2013	Third Quarter 2014		Nine Months 2013	Nine Months 2014
		Exclusion of non-recurrent items		
-	-	Sale of strategic stock	-	(117.4)
-	-	Cost of sale of strategic stock	-	113.5
0.0	0.1	Accidents caused by natural facts and insurance compensation	0.2	0.2
(0.3)	1.5	Gains / losses on disposal of assets	(0.6)	1.0
(0.0)	0.7	Assets write-offs	1.4	1.0
6.6	5.0	Employees contracts rescission	15.8	12.9
(8.9)	-	Accidents	(8.9)	-
1.1	(0.0)	Provisions for environmental charges and others	1.5	(4.9)
0.9	-	Provision and impairment of receivables	2.6	-
18.7	59.3	Assets impairments	68.7	76.1
2.6	-	Non-taxed fines	2.6	-
20.8	**66.4**	**Non-recurrent items of Ebit**	**83.4**	**82.2**
(52.0)	0.5	Capital gains / losses on disposal of financial investments	(51.9)	0.3
-	-	Provision for impairment of financial investments	-	2.8
-	(0.2)	Other financial results	-	-
(31.2)	**66.7**	**Non-recurrent items before income taxes**	**31.4**	**85.2**
9.6	(3.0)	Income taxes on non-recurrent items	2.6	(8.6)
0.1	11.1	Energy sector contribution tax	-	21.5
0.1	(1.2)	Non-controling interest	(2.1)	(4.4)
(21.5)	**73.7**	**Total non-recurrent items**	**31.9**	**93.8**

5. CONSOLIDATED FINANCIAL STATEMENTS

5.1. IFRS CONSOLIDATED INCOME STATEMENT

€ m

Third Quarter			Nine Months	
2013	2014		2013	2014
		Operating income		
5,680	4,556	Sales	14,525	13,162
129	137	Services rendered	378	389
37	24	Other operating income	117	70
5,846	**4,717**	**Total operating income**	**15,020**	**13,621**
		Operating costs		
(5,109)	(4,016)	Inventories consumed and sold	(13,110)	(11,663)
(266)	(277)	Materials and services consumed	(783)	(839)
(89)	(95)	Personnel costs	(261)	(254)
(24)	(17)	Other operating costs	(80)	(49)
(5,489)	**(4,406)**	**Total operating costs**	**(14,234)**	**(12,805)**
357	**311**	**Ebitda**	**786**	**816**
(164)	(189)	Amortisation and depreciation cost	(448)	(451)
(28)	(6)	Provision and impairment of receivables	(54)	(18)
166	**115**	**Ebit**	**285**	**346**
16	11	Net profit from associated companies	47	46
52	(0)	Net profit from investments	52	(2)
		Financial results		
22	10	Financial profit	48	36
(53)	(34)	Financial expenses	(134)	(117)
(8)	(5)	Exchange gain (loss)	(8)	(22)
6	(8)	Gains and losses on financial instruments	3	6
(0)	-	Other gains and losses	-	-
200	**90**	**Profit before taxes**	**294**	**295**
(70)	(58)	Taxes[1]	(113)	(150)
-	(11)	Energy sector contribution tax	-	(22)
130	**21**	**Profit before non-controling interest**	**181**	**123**
(17)	(20)	Profit attributable to non-controling interest	(41)	(47)
113	**1**	**Net profit for the period**	**140**	**76**

[1] Includes tax related to the production of oil and natural gas activity, namely Special Participation Tax payable in Brazil and IRP payable in Angola.

5.2. CONSOLIDATED FINANCIAL POSITION

€ m

	31 December 2013	30 June 2014	30 September 2014
Assets			
Non-current assets			
Tangible fixed assets	4,565	4,823	4,926
Goodwill	233	231	233
Other intangible fixed assets[1]	1,545	1,531	1,522
Investments in associates	516	599	700
Investments in other participated companies	3	3	3
Assets available for sale	-	-	-
Other receivables[2]	944	859	902
Deferred tax assets	271	274	289
Other financial investments	25	35	34
Total non-current assets	**8,102**	**8,355**	**8,608**
Current assets			
Inventories[3]	1,846	1,660	1,597
Trade receivables	1,327	1,466	1,297
Other receivables	897	905	905
Other financial investments	10	13	21
Current Income tax recoverable	33	(0)	0
Cash and cash equivalents	1,503	944	1,429
Total current assets	**5,616**	**4,987**	**5,249**
Total assets	**13,717**	**13,342**	**13,857**
Equity and liabilities			
Equity			
Share capital	829	829	829
Share premium	82	82	82
Translation reserve	(284)	(195)	(18)
Other reserves	2,680	2,680	2,680
Hedging reserves	(1)	(1)	(0)
Retained earnings	1,666	1,753	1,609
Profit attributable to equity holders of the parent	189	75	76
Equity attributable to equity holders of the parent	**5,161**	**5,223**	**5,258**
Non-controling interest	1,255	1,320	1,405
Total equity	**6,416**	**6,544**	**6,663**
Liabilities			
Non-current liabilities			
Bank loans and overdrafts	1,465	1,316	1,314
Bonds	1,839	1,830	2,326
Other payables	545	547	553
Retirement and other benefit obligations	338	344	348
Liabilities from financial leases	0	0	0
Deferred tax liabilities	129	120	123
Other financial instruments	2	0	0
Provisions	154	152	170
Total non-current liabilities	**4,471**	**4,309**	**4,832**
Current liabilities			
Bank loans and overdrafts	227	229	228
Bonds	147	-	-
Trade payables	1,510	1,228	1,175
Other payables[4]	937	987	947
Other financial instruments	10	4	1
Income tax	(0)	41	9
Total current liabilities	**2,830**	**2,489**	**2,361**
Total liabilities	**7,302**	**6,798**	**7,193**
Total equity and liabilities	**13,717**	**13,342**	**13,857**

[1] Includes concession agreements for the distribution of natural gas.

[2] Includes the medium- and long-term portion of the loan to Sinopec.

[3] Includes €151 m of stocks from third parties on 30 September 2014.

[4] Includes €58 m of advance payments related to stocks from third parties on 30 September 2014.

DEFINITIONS

CRACK SPREAD

Difference between the price of an oil product and the price of dated Brent.

EBIT

Operating profit.

EBITDA

Operating profit plus depreciation, amortisation and provisions.

EBT

Earnings before taxes.

GALP ENERGIA, COMPANY OR GROUP

Galp Energia, SGPS, S. A. and associates.

BENCHMARK REFINING MARGIN

The benchmark refining margin is calculated with the following weighting: 45% hydrocracking margin + 42.5% Rotterdam cracking margin + 7% Rotterdam base oils + 5.5% Aromatics.

ROTTERDAM HYDROCRACKING MARGIN

The Rotterdam hydrocracking margin has the following profile: -100% dated Brent, +2.2% LPG FOB Seagoing (50% Butane + 50% Propane), +19.1% PM UL NWE FOB Bg, +8.7% Naphtha NWE FOB Bg., +8.5% Jet NWE CIF, +45.1% ULSD 10 ppm NWE CIF and +8.9% LSFO 1% FOB Cg.; C&Q: 7.9%; Terminal rate: 1$/ton; Ocean loss: 0.15% over Brent; Freight 2013: WS Aframax (80 kts). Route Sullom Voe / Rotterdam – Flat $6.23/ton. Yields in % of weight.

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, +7.5% Naphtha NWE FOB Bg, +8.5% Jet NWE CIF, +33.3% ULSD 10 ppm NWE CIF and +15.3% LSFO 1% FOB Cg.; C&Q: 7.4%; Terminal rate: $1/ton; Ocean loss: 0.15% over Brent; Freight 2013: WS Aframax (80 kts). Route Sullow Voe / Rotterdam - Flat $6.23/ton. Yields in % of weight.

ROTTERDAM BASE OILS MARGIN

Base oils refining margin: -100% Arabian Light, +3.5% LPG FOB Seagoing (50% Butane + 50% Propane), +13% Naphtha NWE FOB Bg., +4.4% Jet NWE CIF, +34% 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% CIF NWE; Losses: 7.4%; Terminal rate: $1/ton; Ocean loss: 0.15% over Arabian Light; Freight 2013: WS Aframax (80 kts) Route Sullom Voe / Rotterdam - Flat $6.23/ton. Yields in % of weight.

ROTTERDAM AROMATICS MARGIN

Rotterdam aromatics margin: -60% PM UL NWE FOB Bg., -40% Naphtha NWE FOB Bg., +37% Naphtha NWE FOB Bg., +16.6% 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. Consumption: -18% LSFO 1% CIF NEW. Yields in % of weight.

REPLACEMENT COST (RC)

According to this method of valuing inventories, the cost of goods sold is valued at the 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.

REPLACEMENT COST ADJUSTED (RCA)

In addition to using the replacement cost method, adjusted profit excludes non-recurrent events such as capital gains or losses on the disposal of assets, impairment or reinstatement of fixed assets and environmental or restructuring charges which may affect the analysis of the Company's profit and do not reflect its operational performance.

ABBREVIATIONS:

APETRO: *Associação portuguesa de Empresas petrolíferas* (Portuguese association of oil companies)

bbl: oil barrel

BBLT: Benguela, Belize, Lobito and Tomboco

Bg: Barges

bn: billion

boe: barrels of oil equivalent

BSR: Buoyancy Supported Risers

Cg: Cargoes

CIF: Costs, Insurance and Freights

CORES: *Corporacion de reservas estratégicas de produtos petrolíferos*

DHSV: *Down Hole Safety Valve*

D&A: Depreciation & amortisation

DST: Drill stem test

E&P: Exploration & Production

EUR/€: Euro

EWT: Extended well test

FOB: Free on board

FPSO: Floating, production, storage and offloading unit

G&P: Gas & Power

GBp: Great British pence

GWh: Gigawatt per hour

IFRS: International Financial Reporting Standards

LSFO: Low sulphur fuel oil

k: thousand

kbbl: thousand barrels

kboepd: thousand barrels of oil equivalente per day

kbopd: thousand barrels of oil per day

LNG: liquefied natural gas

m: million

m^3: cubic metres

mbbl: million barrels

mmbtu: million british termal units

mm^3: million cubic metres

mton: million tones

n.m.: not meaningful

NBP: National balancing point

NYSE: New York Stock Exchange

OWC: Oil-water contact

PM UL: Premium unleaded

p.p.: percentage points

R&M: Refining & Marketing

RC: Replacement Cost

RCA: Replacement Cost Adjusted

RDA: Reservoir Data Acquisition

Tcf: trillion cubic feet

TL: Tômbua-Lândana

Ton: tonnes

ULSD CIF Cg: Ultra Low sulphur diesel CIF Cargoes

USD/$: Dollar of the United States of America

USA/US: United states of America

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The forward-looking statements in this report are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in the Company's records and other data available from third parties. Although Galp Energia believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Important factors that may lead to significant differences between the actual results and the statements of expectations about future events or results include the Company's business strategy, industry developments, financial market conditions, uncertainty of the results of future projects and operations, plans, objectives, expectations and intentions, among others. Such risks, uncertainties, contingencies and other important factors could cause the actual results of Galp Energia or the industry to differ materially from those results expressed or implied in this report by such forward-looking statements.

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