



October 26, 2015

RESULTS

THIRD QUARTER OF 2015

*An integrated energy player focused on
exploration and production*



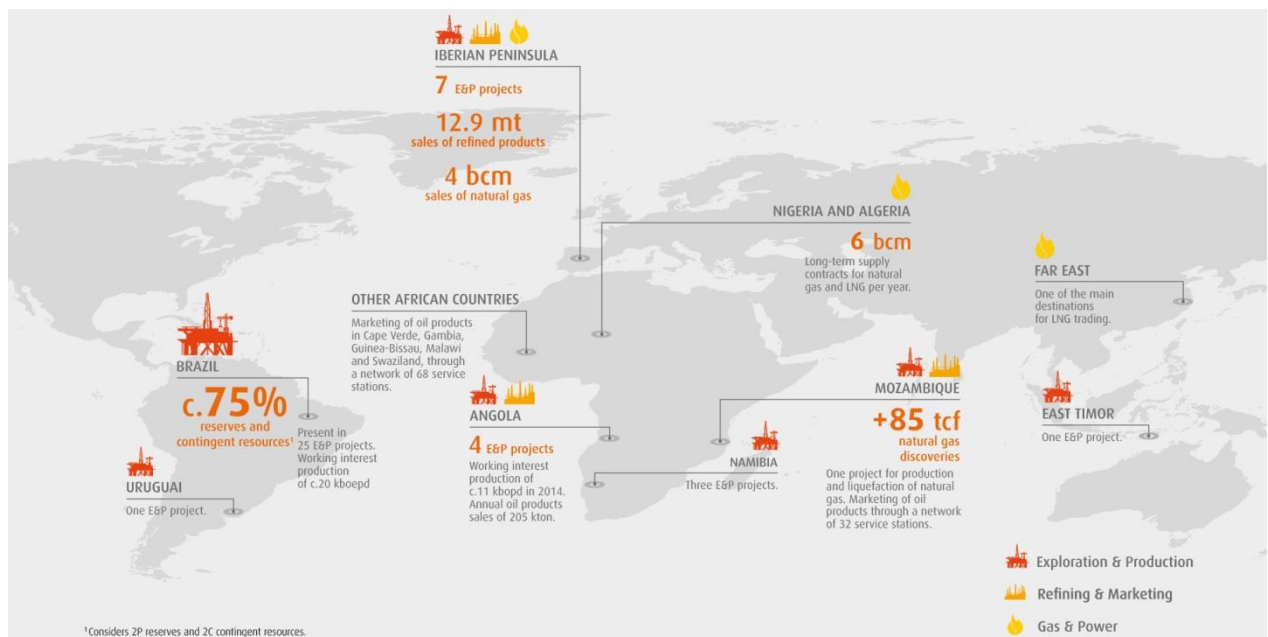
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Galp Energia: energy on the move



WHO WE ARE

- An integrated energy player focused on exploration and production, with a portfolio of assets with a unique growth profile within the industry.
- Exploration and production activities anchored in three core countries: Brazil, Angola and Mozambique.
- Significant presence in the downstream oil and gas businesses in the Iberian Peninsula and in Africa.
- Distribution and marketing of natural gas and electricity in Iberia, with a solid LNG structured trading activity.

Our vision and purpose

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

Our strategy

To strengthen our exploration and production activities, complemented by efficient and competitive downstream and gas businesses and supported by a solid financial capacity and sustainable practices.

Our strategic drivers

- Efficient business development.
- Financial discipline and value creation.
- Organisational effectiveness.
- Human capital development.
- Commitment to sustainability.

Our competitive advantages

- Participation in some of the most promising projects worldwide.
- Successful and enduring partnerships with leading companies.
- Integrated skills and know-how of the business.
- Financial capacity and flexible organisation.

To learn more, visit www.galpennergia.com

Executive summary

MAIN OPERATING HIGHLIGHTS DURING THE THIRD QUARTER OF 2015

- Working interest production of oil and natural gas amounted to 45.7 kboepd, with the production increase in Brazil contributing to this result;
- Galp Energia's refining margin reached \$6.7/boe, following the favourable refining margins in the international markets; the marketing of oil products maintained its positive contribution to results, supported by the stability of the volumes sold and operational performance optimisation;
- Natural gas sold reached 1,909 million cubic metres (mm³), mainly due to the increase in volumes sold in the trading segment;
- The Group's consolidated Ebitda rose to €411 million (m), up 9% year-on-year (YoY), on a replacement cost adjusted (RCA) basis, supported by the contribution of the Refining & Marketing (R&M) business;
- Capital expenditure during the quarter amounted to €256 m, of which 87% was allocated to exploration and production activities;
- Net debt at the end of September 2015 amounted to €1,606 m considering the loan to Sinopec as cash and equivalents.

During the third quarter of 2015, Galp Energia continued to implement its strategy focused on the execution of its Exploration & Production (E&P) projects and on the optimisation of its Refining & Marketing (R&M) and Gas & Power (G&P) businesses.

During the quarter, development activities proceeded in the Lula/Iracema fields in Brazil, with the start of operations of FPSO Cidade de Itaguaí (FPSO #4) in the Iracema North area, and with the ramp-up of FPSO Cidade de Mangaratiba (FPSO #3), which reached an average production of c.130 kbopd, with only four producer wells connected. FPSOs Cidade de Angra dos Reis (FPSO #1) and Cidade de Paraty (FPSO #2) continued to produce at plateau levels in the Lula area.

Regarding exploration and appraisal activities, the consortium of block BM-S-8 concluded the second drilling stage of the Carcará Northwest (NW) appraisal well, which confirmed the extension of the Carcará discovery, and started the DST preliminary activities in the Carcará North well.

In the Potiguar basin, the drilling of the Pitú North appraisal well has started.

Regarding R&M and G&P activities, Galp Energia continues to focus on increasing the return on capital employed. It is worth highlighting the contribution of the refining activity during the third quarter, supported by the positive evolution of international margins and the high availability of the refining system. It is also worth mentioning the positive performance of the marketing of oil products business. The G&P business was affected by lower arbitrage opportunities and by lower international market prices during the period, which impacted trading activities.

Key figures

FINANCIAL DATA

€ m (RCA)

Quarter					Nine Months				
2Q15	3Q14	3Q15	Chg. YoY	% Chg. YoY		2014	2015	Chg. YoY	% Chg. YoY
446	379	411	33	8.6%	Ebitda	915	1,255	340	37.1%
120	131	89	(42)	(32.2%)	Exploration & Production	342	304	(39)	(11.3%)
224	144	245	101	69.8%	Refining & Marketing	221	635	414	n.m.
92	99	72	(27)	(27.4%)	Gas & Power	337	295	(42)	(12.5%)
303	243	263	21	8.5%	Ebit	516	816	300	58.0%
189	121	180	59	49.2%	Net income	236	490	254	n.m.
313	314	256	(58)	(18.4%)	Capex	776	852	75	9.7%
1,494	1,630	1,606	-	-	Net debt including loan to Sinopec ¹	1,630	1,606	-	-
1.0x	1.2x	1.1x ²	-	-	Net debt to Ebitda	1.2x	1.1x ²	-	-

¹Considering loan to Sinopec as cash and equivalents. The information in 2014 is as of December 31.

²Ratio considers net debt including loan to Sinopec as cash equivalent, plus €168 m Sinopec Shareholder Loan to Petrogal Brasil as debt, and LTM Ebitda RCA €1,661 m.

OPERATIONAL DATA

Quarter					Nine Months				
2Q15	3Q14	3Q15	Chg. YoY	% Chg. YoY		2014	2015	Chg. YoY	% Chg. YoY
43.8	31.8	45.7	13.9	43.7%	Average working interest production (kboepd)	28.5	43.7	15.1	53.1%
40.9	28.2	43.9	15.7	55.7%	Average net entitlement production (kboepd)	24.9	41.2	16.3	65.3%
53.0	93.2	43.8	(49.3)	(52.9%)	Oil and gas average sale price (USD/boe)	98.8	49.0	(49.8)	(50.4%)
29,800	25,368	29,814	4,446	17.5%	Raw materials processed (kboe)	65,272	85,809	20,537	31.5%
7.3	4.7	6.7	2.0	43.2%	Galp Energia refining margin (USD/boe)	2.0	6.6	4.6	n.m.
2.3	2.4	2.4	(0.0)	(0.6%)	Oil sales to direct clients (mton)	6.8	6.9	0.1	1.8%
919	966	933	(32)	(3.4%)	NG supply sales to direct clients (mm ³)	2,791	2,851	61	2.2%
951	716	976	260	36.3%	NG/LNG trading sales (mm ³)	2,796	3,122	326	11.7%

MARKET INDICATORS

Quarter					Nine Months				
2Q15	3Q14	3Q15	Chg. YoY	% Chg. YoY		2014	2015	Chg. YoY	% Chg. YoY
61.9	101.9	50.5	(51.5)	(50.5%)	Dated Brent price ¹ (USD/bbl)	106.5	55.3	(51.2)	(48.1%)
(0.9)	(1.2)	(1.3)	(0.1)	7.3%	Heavy-light crude price spread ² (USD/bbl)	(1.8)	(1.1)	0.7	(40.1%)
43.8	43.3	41.3	(2.0)	(4.7%)	UK NBP natural gas price ¹ (GBP/therm)	49.7	44.1	(5.6)	(11.3%)
7.3	12.1	7.6	(4.5)	(37.3%)	LNG Japan and Korea price ¹ (USD/mmbtu)	15.9	7.6	(8.4)	(52.6%)
5.2	2.3	6.2	3.8	n.m.	Benchmark refining margin ³ (USD/bbl)	0.5	5.6	5.0	n.m.
14.8	15.2	15.6	0.4	2.4%	Iberian oil market ⁴ (mton)	44.0	45.1	1.1	2.6%
6,885	6,713	7,168	455	6.8%	Iberian natural gas market ⁵ (mm ³)	21,728	23,127	1,399	6.4%

¹Source: Platts.

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

³For a complete description of the method of calculating the benchmark refining margin see "Definitions".

⁴Source: Apetro for Portugal; Cores for Spain; the figures include an estimate for September 2015.

⁵Source: Galp Energia and Enagás.

Exploration & Production activities

DEVELOPMENT ACTIVITIES

Brazil

During the third quarter of 2015, Galp Energia and its partners continued with the development works on the Lula/Iracema project with FPSO #4 starting production in late July, in the Iracema North area. That FPSO has a capacity to process 150 kbopd and 8 mm³ of natural gas on a daily basis. The development plan involves the connection of 17 wells, 14 of which have already been drilled. FPSO #4 reached an average production of c.30 kbopd through one producer well since the start of operations, with the first injector well connected during September and a second producer well connected in October.

In the Iracema South area, it is worth highlighting the connection of the fourth producer well to FPSO #3, allowing for an average production of c.130 kbopd during the period. The fourth injector well was connected in September. The consortium expects that a producer well and an injector well will be connected before the end of the year, making a total of five wells each, allowing for the unit to reach plateau production.

During the third quarter of 2015, FPSO #1 and #2 continued operating steadily at plateau levels, in the Lula Pilot and Lula Northeast (NE) areas, respectively. It is worth highlighting as well the extended well test currently underway in the Lula North area through FPSO #2.

The Cabiúnas consortium proceeded with the pipeline installation works that started during the second quarter of 2014. The installation is expected to be concluded by the beginning of 2016.

Regarding the remaining FPSO units planned to be assigned to the Lula/Iracema fields, construction works proceeded during the quarter.

FPSO Cidade de Maricá (FPSO #5), unit assigned to the Lula Alto area, is in the Mauá shipyard, in Brazil, since the beginning of the third quarter, where the remaining integration works are being carried out. FPSO Cidade de Saquarema (FPSO #6), assigned to the Lula Central area, sailed away from the Chengxi shipyard, in China, during September, to the Mauá shipyard for the remaining integration works. Those FPSOs are expected to start production during the first half of 2016.

Regarding the replicant FPSO units, the integration of topsides on the replicant unit allocated to Lula South area has proceeded in the Brasfels shipyard. The hull of the unit set for the Lula North area left in September the Rio Grande do Sul shipyard, heading to the COOEC shipyard, in China, where the topsides integration works will be executed.

During the third quarter, construction works proceeded on the hull of the unit set for development of the Lula Extreme South area in the COSCO shipyard, in China.

DEVELOPMENT WELLS IN THE LULA/IRACEMA AREAS

	Project	Type of wells			
			Planned	Drilled	Connected
#1	Lula Pilot <i>FPSO Cidade de Angra dos Reis</i>	Producers	7	5	5
		Injectors	5	5	4
#2	Lula NE <i>FPSO Cidade de Paraty</i>	Producers	8	6	6 ¹
		Injectors	6	6	3
#3	Iracema South <i>FPSO Cidade de Mangaratiba</i>	Producers	8	7	4
		Injectors	8	7	4
#4	Iracema North <i>FPSO Cidade de Itaguaí</i>	Producers	8	7	2
		Injectors	9	7	1

¹Includes EWT in Lula North.

Mozambique

In Mozambique, the consortium of Area 4 continued working towards the initial phase of development, and is currently analysing and negotiating the Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) proposals for the offshore Coral project. Still regarding this project there was also progress on the negotiations for the liquefied natural gas (LNG) offtake agreements. Regarding the Mamba onshore project, the preparation process for the Front-End Engineering Design (FEED) and EPCIC of the first two trains continues.

Angola

The tie-back of the Lianzi field to the compliant piled tower (CPT) platform in the Benguela-Belize-Lobito-Tomboco field (BBLT), in block 14, was conducted during the third quarter. Alongside those works, the consortium took the opportunity to perform maintenance works on the platform during August. In September, the works were completed and production in the BBLT field resumed.

The start of production in the Lianzi field, in block 14k, is imminent, and this project comprehends the connection of two producer wells.

Regarding block 32, engineering and procurement works, as well as conversion works of the FPSO units associated to the Kaombo project proceeded during the quarter, in Singapore.

EXPLORATION AND APPRAISAL ACTIVITIES

Brazil

During the third quarter, the consortium of block BM-S-8 concluded the second phase of the Carcará NW appraisal well drilling. This confirmed the extension to the northwest of the Carcará discovery, through the identification of continuous carbonate reservoirs of excellent quality. During September, the consortium started the DST preliminary activities in the Carcará North well,

with the purpose of testing the reservoir's permeability and productivity.

In the Potiguar offshore basin, the drilling of the Pitú North appraisal well started in license BM-POT-17, with the objective of confirming the extension of the Pitú discovery. Once drilling is concluded, the consortium will evaluate the execution of a DST.

SCHEDULE OF EXPLORATION AND APPRAISAL ACTIVITIES

Area	Target	Interest	E/A ²	Spud date	Duration (# days)	Well status
Brazil¹						
BM-S-11	Iara RDA 4	10%	A	1Q15	-	Concluded
BM-S-8	Carcará North	14%	A	1Q15	-	Concluded
BM-S-8	Carcará NW ³	14%	A	3Q15	-	Concluded
Potiguar	Pitú North	20%	A	3Q15	120	Ongoing
Amazonas	Jan-1	40%	E	1Q15	-	Concluded
Amazonas	Sil-1	40%	E	2Q15	-	Concluded

¹Petrogal Brasil: 70% Galp Energia; 30% Sinopec.

²E – Exploration well; A – Appraisal well.

³Second drilling phase.

Operating and financial performance

1. MARKET ENVIRONMENT

EUR:USD

In the third quarter of 2015, the average EUR:USD exchange rate was 1.112, down 16% YoY.

During the first nine months of 2015, the average EUR:USD exchange rate was 1.115, corresponding to a devaluation of 18% YoY.

Dated Brent

During the third quarter of 2015, the average dated Brent decreased \$51.5/bbl YoY to \$50.5/bbl, as the oil global demand of 94.1 million barrels per day (mmbopd) in the first nine months of 2015 was not sufficient to absorb the world production of 96.0 mmbopd in the same period, which was supported by the production increase of crude oil in the USA and OPEC countries.

During the first nine months of 2015, dated Brent averaged \$55.3/bbl, corresponding to a decrease of \$51.2/bbl YoY.

During the third quarter of 2015, the average price spread between the Urals and dated Brent decreased from -\$1.2/bbl in the previous year to -\$1.3/bbl. The devaluation of the Urals crude resulted from increased competition among heavy crudes from the Middle East and a lower use of that crude in Russia's refining complex.

During the first nine months of 2015, the price spread was at -\$1.1/bbl, compared to -\$1.8/bbl in the previous year.

Natural Gas

The spread between the Asian LNG reference price (JKM) and the natural gas price in Europe (NBP) tightened from \$5.9/mmbtu in the previous quarter to \$1.1/mmbtu in the third quarter of 2015, due to the JKM decrease caused by the

economic slowdown and increased use of nuclear energy, namely in South Korea.

During the first nine months of 2015, the price spread tightened \$7.0/mmbtu YoY to \$0.6/mmbtu.

Refining Margins

During the third quarter of 2015, the benchmark refining margin increased by \$3.8/bbl YoY to \$6.2/bbl, following the decrease of the crude price, impacting the consumptions and losses value, and the positive evolution of gasoline crack.

It is also worth highlighting the increase in gasoline crack to \$20.1/bbl, an increase of \$6.6/bbl YoY, supported by the strong demand in the USA, Middle East and Asia.

The level of refining margins supported a higher utilisation rate of the refineries worldwide, which led to a production surplus and large stocks of middle distillates, pressuring the jet and diesel cracks.

The jet crack decreased \$3.4/bbl YoY to \$13.0/bbl, conditioned by large stocks and imports from the Middle East.

During the third quarter of 2015, the diesel crack was \$16.0/bbl, down \$1.4/bbl YoY, impacted by large stocks and by strong diesel exports from the USA, Russia and the Middle East to Europe.

The benchmark refining margin increased from \$0.5/bbl during the first nine months of 2014, to \$5.6/bbl YoY.

Iberian Market

During the third quarter of 2015, the Iberian market for oil products reached 15.6 million

tonnes (mton), corresponding to an increase of around 2.4% YoY. Road diesel consumption experienced the largest increase, benefitting from lower retail prices due to the crude price reduction, and also some economic recovery.

During the first nine months of 2015, the Iberian market for oil products rose 2.6% YoY to 45.1 mton.

During the third quarter of 2015, the Iberian natural gas market increased 6.8% YoY to 7.168 mm³, due to an increase of 28.1% in the electrical segment consumption given the low hydroelectric power generation.

During the first nine months of 2015, the natural gas market reached 23.127 mm³, up 6.4% YoY. The electrical segment rose 32.9%, whilst the conventional segment increased 1.6%.

2. OPERATING PERFORMANCE



EXPLORATION & PRODUCTION

€ m (RCA, except otherwise stated)

Quarter						Nine Months			
2Q15	3Q14	3Q15	Chg. YoY	% Chg. YoY		2014	2015	Chg. YoY	% Chg. YoY
43.8	31.8	45.7	13.9	43.7%	Average working interest production ¹ (kboepd)	28.5	43.7	15.1	53.1%
40.5	29.7	42.2	12.5	42.0%	Oil production (kboepd)	27.1	40.4	13.3	49.1%
40.9	28.2	43.9	15.7	55.7%	Average net entitlement production (kboepd)	24.9	41.2	16.3	65.3%
7.4	6.9	6.1	(0.8)	(11.0%)	Angola	6.9	7.1	0.2	2.2%
33.5	21.3	37.8	16.5	77.4%	Brazil	18.0	34.1	16.1	89.7%
53.0	93.2	43.8	(49.3)	(52.9%)	Average realised sale price (USD/boe)	98.8	49.0	(49.8)	(50.4%)
5.4	8.9	3.9	(5.0)	(56.4%)	Royalties ² (USD/boe)	9.6	4.4	(5.1)	(53.5%)
7.6	11.8	9.5	(2.3)	(19.1%)	Production costs (USD/boe)	14.3	9.6	(4.7)	(33.0%)
18.7	21.2	15.4	(5.7)	(27.1%)	Amortisation ³ (USD/boe)	22.3	16.8	(5.5)	(24.5%)
120	131	89	(42)	(32.2%)	Ebitda	342	304	(39)	(11.3%)
63	42	56	15	35.5%	Depreciation & Amortisation	112	170	58	51.8%
-	(1)	-	1	n.m.	Provisions	(1)	-	1	n.m.
57	90	33	(58)	(63.7%)	Ebit	231	133	(97)	(42.2%)

Note: unit values based on net entitlement production.

¹Includes natural gas exported; excludes natural gas used or injected.

²Based on production in Brazil.

³Includes abandonment provisions

Operations

THIRD QUARTER

During the third quarter of 2015, the average working interest production of oil and natural gas increased 44% YoY to 45.7 kboepd, of which 92% was oil production.

Production from Brazil increased 16.5 kboepd YoY to 37.8 kboepd, primarily as a result of the contribution of FPSO #3, which registered an average production of 12.6 kboepd during the period, and the start of production of FPSO #4, which in turn contributed with an average production of 1.9 kboepd during the quarter. FPSO #1 and #2 maintained their contribution to production during the quarter, with 10.0 kboepd and 12.6 kboepd, respectively. Gas exports from the Lula area during the third quarter increased to 2.9 kboepd from 1.7 kboepd the previous year.

In Angola, working interest production decreased around 2.6 kboepd, i.e., 25% YoY, to 7.9 kboepd following a temporary outage of the CPT of the BBLT in block 14 due to the connection works of

the Lianzi field and the maintenance works conducted in the BBLT field.

During the third quarter of 2015, net entitlement production increased 56% YoY to 43.9 kboepd, due to a higher contribution from Brazil. In Angola, net entitlement production decreased around 0.8 kboepd, or, 11% YoY, to 6.1 kboepd, as per the working interest production decrease.

Production from Brazil accounted for 86% of total net entitlement production during the third quarter of 2015, compared with 76% in the previous year.

NINE MONTHS

During the first nine months of 2015, working interest production increased 53% to 43.7 kboepd, due to a higher production contribution from Brazil, which increased 90% YoY to 34.1 kboepd. That evolution was supported by the higher output of FPSO #2, and the start of production of FPSO #3 and FPSO #4.

During the first nine months of 2015, net entitlement production rose 65% YoY to 41.2 kboepd, mainly as a result of production increase in Brazil.

Results

THIRD QUARTER

Ebitda for the third quarter of 2015 dropped €42 m YoY to €89 m, following the decrease in the average sale price of oil and natural gas, despite the appreciation of the Dollar against the Euro.

The average sale price during the period was \$43.8/boe, down from \$93.2/boe the year before, following the decrease in prices in the international market.

Production costs increased €12 m YoY to €35 m, resulting from the production cost increase in Brazil, mostly due to the start of production of FPSO #3 and #4.

In unit terms, and on a net entitlement basis, production costs during the third quarter of 2015 decreased \$2.3/boe YoY to \$9.5/boe, due to cost dilution from increased production.

Depreciation charges during the third quarter of 2015 increased €15 m YoY to €56 m, primarily on the back of the increased asset base and production from Brazil. On a net entitlement basis, unit depreciation charges were \$15.4/boe during the quarter, compared to \$21.2/boe the previous year.

Thus, Ebit decreased €58 m YoY to €33 m.

Net entitlement production in Angola increased 2% YoY to 7.1 kboepd.

NINE MONTHS

Ebitda for the first nine months of 2015 dropped €39 m YoY to €304 m, following the decrease in the average sale price of oil and natural gas, and despite the increase in net entitlement production and the appreciation of the Dollar against the Euro.

The average sale price was \$49.0/boe, whilst during the first nine months of 2014 it was \$98.8/boe.

During the first nine months of 2015, production costs increased €25 m YoY to €97 m, as a result of the start of operations of FPSO #3 and #4 in Brazil. On the other hand, production costs in Angola decreased €6 m YoY. In unit terms, production costs decreased \$4.7/boe YoY to \$9.6/boe.

Depreciation charges during the first nine months of 2015 increased €58 m YoY to €170 m, as a result of the increased asset base and higher production in Brazil. On a net entitlement basis, depreciation charges decreased \$5.5/boe YoY, to \$16.8/boe.

Ebit decreased €97 m YoY to €133 m.



REFINING & MARKETING

€ m (RCA, except otherwise stated)

Quarter						Nine Months			
2Q15	3Q14	3Q15	Chg. YoY	% Chg. YoY		2014	2015	Chg. YoY	% Chg. YoY
7.3	4.7	6.7	2.0	43.2%	Galp Energia refining margin (USD/boe)	2.0	6.6	4.6	n.m.
2.6	2.3	2.9	0.5	23.1%	Refining cash cost ¹ (USD/boe)	2.6	2.6	(0.0)	(1.5%)
29,800	25,368	29,814	4,446	17.5%	Raw materials processed (kboe)	65,272	85,809	20,537	31.5%
26,330	21,169	26,965	5,796	27.4%	Crude processed (kbbl)	55,052	76,443	21,392	38.9%
4.7	4.5	4.8	0.4	8.7%	Total refined product sales (mton)	12.2	14.0	1.7	14.2%
2.3	2.4	2.4	(0.0)	(0.6%)	Sales to direct clients (mton)	6.8	6.9	0.1	1.8%
224	144	245	101	69.8%	Ebitda	221	635	414	n.m.
69	71	68	(3)	(3.8%)	Depreciation & Amortisation	213	205	(8)	(3.7%)
(6)	2	4	3	n.m.	Provisions	14	8	(6)	(42.5%)
161	72	173	101	n.m.	Ebit	(6)	422	428	n.m.

¹Includes impact of hedging of the refining margin.

Operations

THIRD QUARTER

During the third quarter of 2015, raw materials processed increased 18% YoY to 29.8 million barrels (mmbbl). The increased volume of raw materials processed was due to the high availability of the refining system during 2015 and the partial outage of the Sines refinery during the third quarter of 2014.

Crude oil accounted for 90% of raw materials processed, and 83% of crude oil processed corresponded to medium and heavy crudes.

The production of middle distillates (diesel and jet) accounted for 47% of total production, whereas gasoline and fuel oil accounted for 22% and 17% of total production, respectively. Consumption and losses during the quarter accounted for 7% of the raw materials processed, compared to 8% in the previous year.

Volumes sold to direct clients stood at 2.4 mton, in line with the third quarter of 2014. Volumes sold in Africa accounted for 8% of total volumes sold to direct clients, a contribution in line with the previous year.

NINE MONTHS

Raw materials processed during the first nine months of 2015 increased 31% YoY to 85.8 mmbbl,

as the volume of raw materials processed had been affected by the planned outage of the Sines refinery in the first half of 2014.

During the first nine months of 2015, crude oil processed accounted for 89% of raw materials processed, of which 83% corresponded to medium and heavy crudes.

The production of middle distillates accounted for 47% of total production, whereas gasoline and fuel oil accounted for 22% and 17% of total production, respectively. Consumption and losses accounted for 8%, in line with the previous year.

Volumes sold to direct clients increased 2% compared to the first nine months of 2014, benefitting from the recovery of the Iberian oil market. Volumes of oil products sold in Africa accounted for 8% of total volumes sold in the period.

During the first nine months of 2015, Galp Energia continued its programme aiming at increasing refineries' energy efficiency. Sines refinery emission indicators reached 31.8 kgCO₂/CWT, compared to 32.9 kgCO₂/CWT in 2014. That value is well below the 37.7 CO₂/CWT average of the refining industry.

Results

THIRD QUARTER

Ebitda for the R&M segment increased €101 m YoY to €245 m, following improved results from the refining activity.

During the third quarter of 2015, Galp Energia's refining margin stood at \$6.7/boe, compared to \$4.7/boe in the previous year, mainly as a result of improved refining margins in the international markets. The premium over benchmark margin was of \$0.6/boe, a drop of \$1.8/boe YoY, due to the lower arbitrage in gasoline sales between the USA and Europe, and to fewer sourcing optimisation opportunities. It is also worth mentioning that in the third quarter of 2014 sourcing optimisation benefited from the incorporation of crudes and other raw materials, whose market prices traded at a higher discount to Brent.

Refining cash costs amounted to €77 m, or \$2.9/boe in unit terms, compared to \$2.3/boe in the same period last year. It is worth noting that, in 2015, those costs were impacted by the hedging of the refining margin, representing approximately \$1.3/boe. Excluding this impact, the refining cash costs were \$1.6/boe.

Marketing of oil products maintained its positive contribution to results during the third quarter of 2015, benefitting from the stability of volumes sold and the optimisation of operating costs.

Depreciation charges and provisions remained stable YoY, making a total of €72 m.

As a result, Ebit was €173 m.

NINE MONTHS

During the first nine months of 2015, Ebitda increased €414 m YoY to €635 m, due to improved results from refining activity and the positive performance of the oil products marketing activity.

During the first nine months of 2015, Galp Energia's average refining margin was \$6.6/boe, compared to \$2.0/boe in the previous year, following the improved refining margins in the international market.

Refining cash costs amounted to €201 m during the first nine months of 2015, and remained stable in unit terms at \$2.6/boe compared to the previous year. However, in 2015, costs were affected by the hedging operations on the refining margin, which had an average impact of \$1.0/boe during the period. Excluding this impact, the refining cash costs were \$1.6/boe.

Marketing of oil products also contributed positively to the results evolution, benefitting from the improvement in volumes sold.

As a result, Ebit during the first nine months of 2015 stood at €422 m, up €428 YoY.



GAS & POWER

€ m (RCA, except otherwise stated)

Quarter						Nine Months			
2Q15	3Q14	3Q15	Chg. YoY	% Chg. YoY		2014	2015	Chg. YoY	% Chg. YoY
1,869	1,682	1,909	227	13.5%	NG supply total sales volumes (mm ³)	5,586	5,973	387	6.9%
919	966	933	(32)	(3.4%)	Sales to direct clients (mm ³)	2,791	2,851	61	2.2%
951	716	976	260	36.3%	Trading (mm ³)	2,796	3,122	326	11.7%
1,120	972	1,219	247	25.4%	Sales of electricity (GWh)	2,796	3,466	670	24.0%
92	99	72	(27)	(27.4%)	Ebitda	337	295	(42)	(12.5%)
55	54	37	(16)	(30.1%)	Natural Gas	196	190	(6)	(3.0%)
36	40	33	(7)	(17.4%)	Infrastructure	119	102	(17)	(14.3%)
2	6	2	(4)	(69.0%)	Power	22	3	(19)	(87.7%)
14	16	14	(2)	(10.4%)	Depreciation & Amortisation	48	43	(4)	(9.3%)
1	5	4	(2)	(30.6%)	Provisions	10	9	(1)	(9.5%)
76	78	54	(24)	(30.7%)	Ebit	279	242	(37)	(13.2%)

Operations

THIRD QUARTER

Volumes sold in the natural gas segment increased 14% YoY to 1,909 mm³ during the third quarter as a result of the increase in volumes sold in the trading segment, which offset the decrease of volumes sold to direct clients in the Iberian Peninsula.

In fact, the trading volumes sold increased 36% to 976 mm³, supported by the larger number of LNG operations in the international market and by the 196 mm³ increase in network trading in Spain and France to 355 mm³. During the quarter, nine LNG trading operations were carried out to Latin America, Asia and Europe.

The decrease of sales to direct clients was mainly caused by the 7% drop in the industrial segment to 600 mm³, which in turn was due to the lower consumption of the Sines and Matosinhos refineries and to the non-operation of some smaller scale cogeneration units. Also, volumes sold in the retail segment fell 12% to 51 mm³, as a result of increased competition in the Iberian market.

In turn, volumes sold in the electrical segment rose 9% YoY to 282 mm³ due to higher consumption of natural gas for power generation in Portugal, following the reduction of hydroelectric power generation.

During the third quarter of 2015, sales of electricity increased 247 GWh YoY to 1,219 GWh, mainly due to the increased marketing of electricity. Sales of electricity to the grid decreased 58 GWh YoY to 331 GWh.

NINE MONTHS

During the first nine months of 2015, volumes sold in the natural gas segment increased 7% YoY to 5,973 mm³, reflecting the increase in volumes sold in the trading and electrical segments.

Volumes sold in the international market increased 12% to 3,122 mm³. A total of 27 LNG trading operations took place, a decrease of five YoY that was offset by the higher network trading activity, whose volumes increased to 1,013 mm³, compared to 316 mm³ in the previous year.

Sales to direct clients were supported by larger volumes sold in the electrical segment, which increased 36% to 730 mm³, as a result of the higher consumption of natural gas for power generation in Portugal.

Volumes sold to retail and industrial clients in Iberia decreased 15% and 4%, to 289 mm³ and 1,832 mm³, respectively.

Sales of electricity increased 670 GWh YoY to a total of 3,466 GWh in the first nine months of

2015, mainly due to the increased marketing of electricity, which more than offset the drop on

sales of electricity to the grid, standing at 1,029 GWh.

Results

THIRD QUARTER

Ebitda for the G&P business was down €27 m YoY to €72 m during the third quarter of 2015.

During the third quarter of 2015, Ebitda for the natural gas segment dropped €16 m YoY to €37 m on the back of fewer opportunities in the LNG international market and lower natural gas prices.

Ebitda for the regulated infrastructure business dropped €7 m YoY to €33 m, reflecting the downward revision of the rate of return to 7.94%, compared to 8.4% in the previous year.

Ebitda for the power business decreased €4 m to €2 m.

Depreciation and amortisation in the G&P business segment stood at €14 m, while provisions accounted for €4 m.

Ebit decreased 31% YoY to €54 m during the third quarter.

NINE MONTHS

Ebitda for the G&P business during the first nine months of 2015 was down €42 m YoY to €295 m, mostly due to lower results in the power and infrastructure businesses.

Ebitda for the power business dropped €19 m, standing at €3 m, impacted by the lag in the natural gas purchase price indexes, compared to the pricing formulas of energy produced, particularly during the first quarter of 2015.

In turn, Ebitda for the regulated infrastructure business contributed with €102 m to Ebitda for the period, impacted by the downward revision of the rate of return.

Ebitda for the natural gas segment also dropped 3% to €190 m.

Ebit for the G&P business segment stood at €242 m during the period, i.e., down 13% YoY.

3. FINANCIAL PERFORMANCE

3.1. PROFIT & LOSS

€ m (RCA, except otherwise stated)

Quarter						Nine Months			
2Q15	3Q14	3Q15	Chg. YoY	% Chg. YoY		2014	2015	Chg. YoY	% Chg. YoY
4,253	4,693	3,906	(788)	(16.8%)	Turnover	13,434	12,082	(1,352)	(10.1%)
(3,421)	(3,956)	(3,086)	(870)	(22.0%)	Cost of goods sold	(11,462)	(9,636)	(1,826)	(15.9%)
(319)	(277)	(331)	54	19.6%	Supply & Services	(839)	(974)	135	16.1%
(73)	(91)	(85)	(5)	(5.9%)	Personnel costs	(241)	(241)	(0)	(0.1%)
5	9	8	(1)	(10.1%)	Other operating revenues (expenses)	24	24	1	2.8%
446	379	411	33	8.6%	Ebitda	915	1,255	340	37.1%
(147)	(129)	(140)	11	8.2%	Depreciation & Amortisation	(375)	(422)	46	12.4%
4	(7)	(8)	2	23.4%	Provisions	(23)	(17)	(6)	(26.9%)
303	243	263	21	8.5%	Ebit	516	816	300	58.0%
17	11	17	6	55.2%	Net income from associated companies	44	60	16	36.1%
1	-	0	0	n.m.	Net income from investments	1	1	(0)	(16.0%)
(10)	(36)	(11)	25	(68.9%)	Financial results	(94)	(94)	0	(0.1%)
311	218	269	51	23.5%	Net income before taxes and non-controlling interests	468	783	315	67.4%
(108)	(76)	(69)	(7)	(9.5%)	Taxes ¹	(181)	(247)	66	36.8%
(15)	(21)	(20)	(1)	(5.2%)	Non-controlling interests	(51)	(46)	(5)	(10.4%)
189	121	180	59	49.2%	Net income	236	490	254	n.m.
(106)	(82)	(38)	(44)	(53.9%)	Non recurring items	(103)	(189)	(86)	84.1%
83	38	142	104	n.m.	Net income RC	133	301	168	n.m.
17	(46)	(115)	(69)	n.m.	Inventory effect	(66)	(184)	(118)	n.m.
100	(8)	27	35	n.m.	Net income IFRS	67	117	50	74.4%

¹Includes Special Participation Tax payable in Brazil and IRP payable in Angola.

THIRD QUARTER

During the third quarter of 2015, turnover decreased by 17% YoY to €3,906 m, which was mostly due to the fall in oil, natural gas and oil products prices in the international markets.

Operating costs decreased by 19% YoY to €3,502 m, mainly following a 22% fall in the cost of goods sold. The increase in supply & services costs resulted mainly from higher oil and natural gas production activity.

During this period, Ebitda increased by 9% to €411 m, following improved results in the R&M business, which benefitted from a rise in refining margins. In contrast, E&P and G&P businesses were both impacted by lower oil and natural gas prices.

Ebit was up by €21 m, reaching €263 m, as a result of improved operating performance.

Results from associated companies amounted to €17 m, against €11 m in the same period last year, due to better results and Dollar appreciation against the Euro from EMPL – Europe Maghreb Pipeline and Tupi B.V..

Financial results were negative by €11 m, and included a €4 m gain mainly related with the mark-to-market of instruments related to refining margin hedging.

Net interest expenses stood at €30 m, in line YoY.

Taxes decreased €7 m to €69 m, mostly due to lower results in the E&P segment. In fact, oil taxes decreased to €22 m.

Non-controlling interests stood at €20 m and were primarily attributable to Sinopec.

RCA net income reached €180 m, a €59 m increase YoY. In turn, IFRS net income increased by €35 m to €27 m, comprising a €115 m negative inventory

effect in the quarter, as well as €38 m in non-recurring items, which included, among others, €21 m related to the Portuguese extraordinary contribution from the energy sector (CESE). This provision related with CESE results from the strict applicability of accounting standards. However, in Galp Energia's opinion, based on the opinion of the most renowned national legal experts, is that the laws regarding CESE have no legal grounds and accordingly these amounts are not due.

NINE MONTHS

During the first nine months of 2015, turnover stood at €12,082 m, a 10% decrease YoY, resulting from lower commodity prices.

Operating costs amounted to €10,851 m, a 13% fall YoY, following a 16% decrease in the cost of goods sold.

During the first nine months of 2015, Ebitda reached €1,255 m, a €340 m increase YoY, which was due to improved results in the R&M business. Ebit increased by €300 m to €816 m.

Results from associated companies were up by €16 m, reaching €60 m.

Financial results were €94 m, in line YoY including the mark-to-market of financial instruments related to refining margin hedging.

Net interest expenses remained stable YoY at around €95 m during the first nine months of 2015.

Due to the better results, taxes increased €66 m to €247 m.

Non-controlling interests amounted to €46 m and were primarily attributable to Sinopec.

RCA net income stood at €490 m, a €254 m increase when compared to the first nine months of 2014. In turn, IFRS net income was up by €50 m to €117 m, including a €184 m negative inventory effect as well as non-recurring items, amounting to €189 m, mainly linked to impairments and the extraordinary contributions on the energy sector.

3.2. CAPITAL EXPENDITURE

€ m

Quarter						Nine Months			
2Q15	3Q14	3Q15	Chg. YoY	% Chg. YoY		2014	2015	Chg. YoY	% Chg. YoY
285	285	223	(62)	(21.8%)	Exploration & Production	683	782	98	14.4%
32	94	26	(68)	(72.4%)	Exploration and appraisal activities	190	95	(95)	(50.1%)
253	192	197	5	2.9%	Development and production activities	493	687	194	39.2%
21	22	24	2	9.0%	Refining & Marketing	68	50	(18)	(26.4%)
5	5	8	3	58.7%	Gas & Power	21	17	(5)	(22.5%)
0	1	0	(1)	(58.0%)	Others	3	3	0	1.9%
313	314	256	(58)	(18.4%)	Investment	776	852	75	9.7%

THIRD QUARTER

During the third quarter of 2015, capital expenditure reached €256 m, 87% of which was invested in the E&P business.

Development activities accounted for 88% of capital expenditure in the E&P business, of which around 75% was channelled to projects in Brazil, notably the drilling of development wells and the construction of FPSO units and subsea systems for the development of the Lula/Iracema fields. The remaining 25% of capital expenditure allocated to development activities was mainly invested in Angola, namely in activities in block 32.

During this quarter, investment in exploration and appraisal activities totalled €26 m and was mainly allocated to pre-development activities in projects within Area 4, in Mozambique.

Regarding the R&M and the G&P businesses, capital expenditure amounted to €32 m, having been mainly allocated to maintenance and safety activities in the refineries and support of marketing activities in Africa, namely to build logistics facilities in Mozambique.

NINE MONTHS

During the first nine months of 2015, capital expenditure amounted to €852 m, 92% of which was invested in the E&P business.

A total of €782 m were channelled into the E&P activity, 88% of which was allocated to development activities, namely to Brazil's Lula/Iracema fields and Angola's block 32.

Capital expenditure in downstream and gas activities stood at €67 m, a 25% fall YoY, as investment in 2014 had been impacted by the general outage for maintenance at the Sines refinery.

3.3. CASH FLOW

€ m (IFRS figures)

Quarter				Nine Months	
2Q15	3Q14	3Q15		2014	2015
282	115	104	Ebit	346	467
37	27	8	Dividends from associates	55	45
180	189	142	Depreciation, Depletion and Amortization (DD&A)	451	510
11	175	275	Change in Working Capital	10	392
510	507	530	Cash flow from operations	863	1,414
(245)	(314)	(252)	Net capex	(776)	(800)
(33)	(33)	(31)	Net financial expenses	(100)	(99)
(34)	(66)	(27)	SPT and Corporate taxes	(120)	(94)
(145)	(143)	(172)	Dividends paid	(267)	(317)
(30)	42	(105)	Others ¹	135	28
(24)	7	57	Change in net debt	266	(133)

¹Including CTA's (Cumulative Translation Adjustment) and partial reimbursement of loan granted to Sinopec.

THIRD QUARTER

During the third quarter of 2015, cash flow from operations of €530 m, together with c.€50 m of loan reimbursement from Sinopec, offset the payment of the interim dividend for 2015 as well as investments made during this period. Working capital change benefitted from stock optimisation.

NINE MONTHS

During the first nine months of 2015, net debt fell €133 m, having been positively impacted by cash flow generation from operations of €1,414 m and by the reimbursement of c.€180 m related to the loan granted to Sinopec. During this period, cash flow benefitted from working capital improvement, primarily stemming from inventory optimisation.

3.4. FINANCIAL POSITION

€ m (IFRS figures)

	31 December, 2014	30 June, 2015	30 September, 2015	Change vs. 31 Dec. 2014	Change vs. 30 June 2015
Non-current assets	7,599	7,778	7,638	39	(140)
Working capital	968	852	577	(392)	(275)
Loan to Sinopec	890	835	781	(109)	(55)
Other assets (liabilities)	(512)	(591)	(536)	(24)	55
Capital employed	8,945	8,874	8,459	(486)	(415)
Short term debt	303	645	529	226	(116)
Medium-Long term debt	3,361	2,956	3,063	(298)	107
Total debt	3,664	3,601	3,592	(72)	(9)
Cash and equivalents	1,144	1,271	1,205	61	(66)
Net debt	2,520	2,330	2,387	(133)	57
Total equity	6,425	6,545	6,072	(352)	(473)
Total equity and net debt	8,945	8,874	8,459	(486)	(415)

On 30 September 2015, non-current assets stood at €7,638 m, of which €2,016 m were related to work-in-progress, namely in E&P projects.

Capital employed at the end of this period amounted to €8,459 m and included the loan granted to Sinopec, the outstanding balance of which stood at €781 m, as of 30 September.

3.5. FINANCIAL DEBT

€ m (except otherwise stated)

	31 December, 2014	30 June, 2015	30 September, 2015	Change vs. 31 Dec. 2014	Change vs. 30 June 2015
Bonds	2,248	2,251	2,152	(95)	(98)
Bank loans and other debt	1,417	1,350	1,440	23	89
Cash and equivalents	1,144	1,271	1,205	61	(66)
Net debt	2,520	2,330	2,387	(133)	57
Net debt including loan to Sinopec¹	1,630	1,494	1,606	-	-
Average life (years)	3.7	3.3	3.3	(0.36)	0.03
Average debt interest rate	4.21%	3.96%	3.82%	(0.4 p.p.)	(0.1 p.p.)
Net debt to Ebitda	1.2x	0.9x	1.1x ²	-	-

¹Net debt of €2,387 m adjusted to €781 m of the loan to Sinopec.

²Ratio considers net debt including loan to Sinopec as cash equivalent, plus €168 m Sinopec Shareholder Loan to Petrogal Brasil as debt, and LTM Ebitda RCA €1,661 m.

As of 30 September 2015, net debt increased to €2,387 m, up by €57 m when compared to the end of the second quarter.

Considering the €781 m balance of the Sinopec loan as cash and equivalents, net debt totalled €1,606 m at the end of the third quarter, which translates into a net debt to Ebitda ratio of 1.1x, considering as part of the calculation of this ratio the €168 m of Sinopec's shareholder loans to the subsidiary Petrogal Brasil.

At the end of September 2015, the average interest rate was 3.82%, with 42% of total debt on a fixed-rate basis.

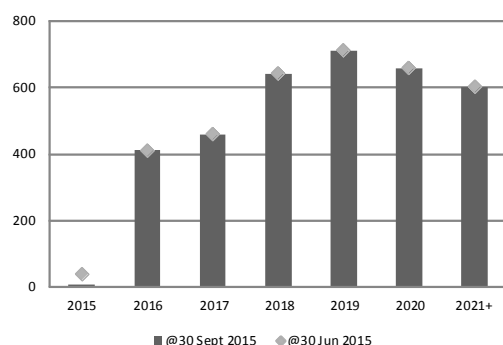
Debt had an average maturity of 3.3 years, and medium and long-term debt accounted for 85% of the total.

On 30 September 2015, c.75% of total debt was scheduled to mature from 2018 onwards.

It is also worth mentioning that, at the end of the third quarter of 2015, Galp Energia had unused credit lines of c.€1.1 bn, 60% of which were contractually guaranteed.

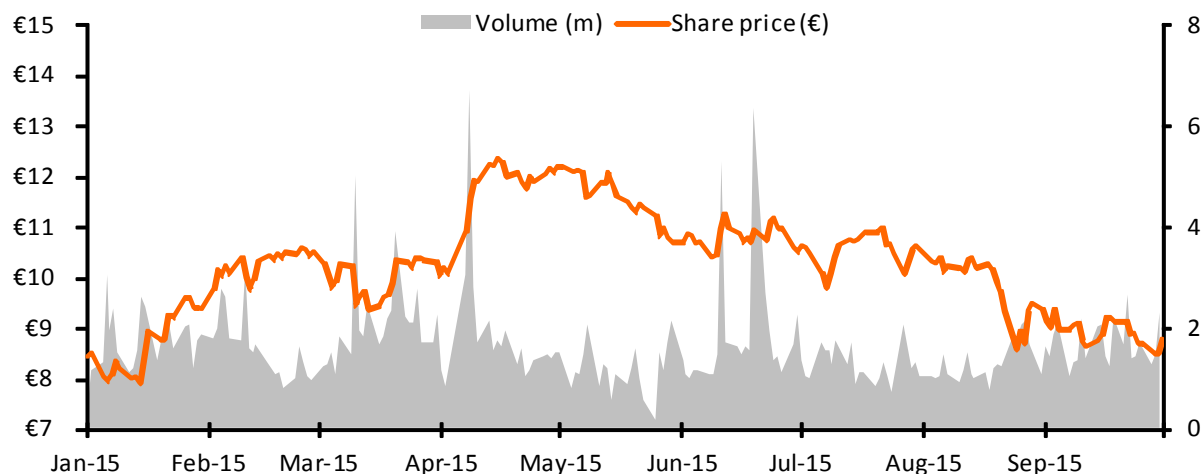
DEBT MATURITY PROFILE

€ m



Galp Energia share

PERFORMANCE OF THE GALP ENERGIA SHARE



Source: Euroinvestor

THIRD QUARTER

Galp Energia share price closed at €8.80, a 16% decline during the third quarter, having registered a minimum of €8.35 and a high of €11.05.

During this period, 162 m shares were traded on regulated markets, of which 93 m on Euronext Lisbon. Thus, the average daily volume traded on regulated markets amounted to 2.4 m shares, of which 1.4 m on Euronext Lisbon. At the end of the third quarter of 2015, Galp Energia had a market capitalisation of €7.3 bn.

NINE MONTHS

During the first nine months of 2015, Galp Energia share gained 4%, with 504 m shares traded on regulated markets, of which 312 m on Euronext Lisbon.

The average daily volume traded on regulated markets amounted to 2.6 m shares, of which 1.6 m on Euronext Lisbon.

Main indicators			
	2014	3Q15	9M15
Min (€)	7.82	8.35	7.81
Max (€)	13.75	11.05	12.48
Average (€)	12.10	9.78	10.25
Close price (€)	8.43	8.80	8.80
Regulated markets volume (m shares)	547.9	161.6	506.0
Average volume per day (m shares)	2.1	2.4	2.6
of which Euronext Lisbon (m shares)	1.3	1.4	1.6
Market cap (€m)	6,991	7,297	7,297

Additional Information

1. BASIS OF PRESENTATION

Galp Energia's consolidated financial statements for the nine months ended on 30 September 2015 and 2014 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 2015 and 2014, and on 30 June 2015. The financial information in the consolidated financial position is reported on 30 September and 30 June 2015, and on 31 December 2014.

Galp Energia's financial statements are prepared in accordance with IFRS, and the cost of goods sold is valued at weighted-average cost. When goods and commodity prices fluctuate, the use of this valuation method may cause volatility in results through gains or losses in inventories, which do not reflect the Company's operating performance. This is called the inventory effect.

Another factor that may affect the Company's results, without being an indicator of its true

performance, is the set of non-recurring items, namely 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-recurring items and the inventory effect, the latter because the cost of goods sold and materials consumed has been calculated according to the Replacement Cost (RC) valuation method.

RECENT CHANGES

As of 1 January 2015, Galp Energia's basis for calculating both the unit refining margin and associated cash costs considers all processed raw materials (converted into barrels of oil equivalent), whereas before the calculation only considered processed crude. For comparison purposes, this change has been reflected in the same period of last year.

2. REPLACEMENT COST ADJUSTED TURNOVER

€ m

Quarter						Nine Months			
2Q15	3Q14	3Q15	Chg. YoY	% Chg. YoY		2014	2015	Chg.	% Chg.
4,253	4,693	3,906	(788)	(16.8%)	Turnover RCA	13,434	12,082	(1,352)	(10.1%)
183	177	162	(15)	(8.3%)	Exploration & Production ¹	536	488	(48)	(8.9%)
3,338	3,756	3,183	(573)	(15.3%)	Refining & Marketing	10,532	9,373	(1,159)	(11.0%)
784	867	741	(126)	(14.5%)	Gas & Power	2,745	2,551	(194)	(7.1%)
31	30	30	0	1.5%	Other	87	91	4	4.9%
(83)	(137)	(211)	74	54.3%	Consolidation adjustments	(466)	(421)	(45)	(9.6%)

¹Does not include change in production. RCA turnover in the E&P segment, including change in production, amounted to €161 m in the third quarter of 2015 and €495 m in the first nine months of 2015.

3. RECONCILIATION OF IFRS AND REPLACEMENT COST ADJUSTED FIGURES

3.1. REPLACEMENT COST ADJUSTED EBITDA BY SEGMENT

€ m

Third Quarter					2015	Nine Months				
Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurring items	Ebitda RCA		Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurring items	Ebitda RCA
256	150	405	6	411	Galp Energia	1,002	241	1,243	12	1,255
88	-	88	1	89	E&P	299	-	299	5	304
97	144	241	4	245	R&M	406	218	624	10	635
66	5	72	0	72	G&P	275	23	298	(3)	295
5	-	5	0	5	Others	22	-	22	0	22

€ m

Third Quarter					2014	Nine Months				
Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurring items	Ebitda RCA		Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurring items	Ebitda RCA
311	61	371	7	379	Galp Energia	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

3.2. REPLACEMENT COST ADJUSTED EBIT BY SEGMENT

€ m

Third Quarter					2015	Nine Months				
Ebit IFRS	Inventory effect	Ebit RC	Non-recurring items	Ebit RCA		Ebit IFRS	Inventory effect	Ebit RC	Non-recurring items	Ebit RCA
104	150	254	10	263	Galp Energia	467	241	708	108	816
33	-	33	(1)	33	E&P	50	-	50	84	133
18	144	162	10	173	R&M	179	218	397	25	422
48	5	54	(0)	54	G&P	220	23	243	(1)	242
4	-	4	0	4	Others	19	-	19	0	19

€ m

Third Quarter					2014	Nine Months				
Ebit IFRS	Inventory effect	Ebit RC	Non-recurring items	Ebit RCA		Ebit IFRS	Inventory effect	Ebit RC	Non-recurring items	Ebit RCA
115	61	176	66	243	Galp Energia	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

4. NON-RECURRING ITEMS

CONSOLIDATED SUMMARY

€ m

Quarter				Nine Months	
2Q15	3Q14	3Q15		2014	2015
-	-	-	Sale of strategic stock	(117.4)	-
-	-	-	Cost of sale of strategic stock	113.5	-
(0.7)	0.1	0.0	Accidents caused by natural facts and insurance compensation	0.2	(0.9)
(2.1)	1.5	(0.1)	Gains/losses on disposal of assets	1.0	(2.8)
0.3	0.7	5.1	Assets write-offs	1.0	5.4
(2.6)	-	-	Investment subsidies - disposal underground gas caverns	-	(2.6)
4.4	5.0	4.5	Employee restructuring charges	12.9	13.1
6.6	(0.0)	1.2	Provisions for environmental charges and others	(4.9)	7.6
32.7	59.3	2.5	Assets impairments	76.1	88.5
42.1	66.4	9.6	Non-recurring items in Ebit	82.2	108.3
15.4	0.3	3.2	Capital gains/losses on disposal of financial investments	0.3	18.6
-	-	-	Provision for impairment of financial investments	2.8	-
48.9	-	-	Provision for financial investments	-	48.9
106.5	66.7	12.8	Non-recurring items before income taxes	85.2	175.8
(17.6)	(3.0)	(1.5)	Income taxes on non-recurring items	(8.6)	(33.2)
22.7	20.0	26.6	Energy sector contribution tax	30.5	59.8
(5.8)	(1.4)	0.1	Non-controlling interests on non-recurring items	(4.6)	(13.6)
105.8	82.4	38.0	Total non-recurring items	102.5	188.7

5. CONSOLIDATED FINANCIAL STATEMENTS

5.1. IFRS CONSOLIDATED INCOME STATEMENT

€ m

Quarter				Nine Months	
2Q15	3Q14	3Q15		2014	2015
4,106	4,556	3,746	Sales	13,162	11,626
148	137	160	Services rendered	389	456
25	24	22	Other operating income	70	69
4,278	4,717	3,927	Total operating income	13,621	12,150
(3,400)	(4,016)	(3,235)	Inventories consumed and sold	(11,663)	(9,877)
(319)	(277)	(331)	Materials and services consumed	(839)	(974)
(77)	(95)	(90)	Personnel costs	(254)	(254)
(18)	(17)	(15)	Other operating costs	(49)	(43)
(3,814)	(4,406)	(3,672)	Total operating costs	(12,805)	(11,148)
464	311	256	Ebitda	816	1,002
(180)	(189)	(142)	Amortisation and depreciation	(451)	(510)
(2)	(6)	(9)	Provision and impairment of receivables	(18)	(25)
282	115	104	Ebit	346	467
16	11	17	Net profit from associated companies	45	59
(63)	(0)	(3)	Net profit from investments	(2)	(66)
7	10	6	Interests income	34	19
(39)	(41)	(36)	Interests expenses	(130)	(114)
25	12	27	Interests capitalised	33	66
6	(5)	(8)	Exchange gain (loss)	(22)	(33)
(4)	(8)	4	Mark to market	5	(18)
(3)	(5)	(4)	Other financial costs/income	(16)	(12)
(8)	(36)	(11)	Total financial results	(96)	(93)
226	90	107	Income before taxes	295	367
(94)	(58)	(33)	Taxes ¹	(150)	(158)
(23)	(20)	(27)	Energy sector contribution tax ²	(30)	(60)
109	12	47	Income before non-controlling interests	114	149
(9)	(20)	(20)	Profit attributable to non-controlling interests	(47)	(32)
100	(8)	27	Net income	67	117

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

²Includes €29.1 m and €18.8 m related to the CESE I and CESE II, respectively, in the nine months of 2015. 3Q14 and nine months of 2014 restated to also include the full year CESE I energy contribution tax.

5.2. CONSOLIDATED FINANCIAL POSITION

€ m

	31 December, 2014	30 June, 2015	30 September, 2015
Assets			
Non-current assets			
Tangible fixed assets	5,052	5,221	5,029
Goodwill	225	139	139
Other intangible fixed assets ¹	1,447	1,418	1,401
Investments in associates	787	949	1,020
Investments in other participated companies	3	3	3
Other receivables ²	383	326	333
Deferred tax assets	364	378	429
Other financial investments	21	23	24
Total non-current assets	8,282	8,457	8,380
Current assets			
Inventories ³	1,210	1,047	890
Trade receivables	1,115	1,167	1,076
Other receivables ²	1,386	1,544	1,385
Assets available for sale	67	29	26
Other financial investments	10	6	3
Current Income tax recoverable	-	0	-
Cash and equivalents	1,144	1,272	1,205
Total current assets	4,933	5,065	4,585
Total assets	13,215	13,522	12,965
Equity and liabilities			
Equity			
Share capital	829	829	829
Share premium	82	82	82
Translation reserve	18	142	(110)
Other reserves	2,684	2,684	2,684
Hedging reserves	(1)	2	3
Retained earnings	1,565	1,233	1,061
Profit attributable to equity holders of the parent	(173)	90	117
Equity attributable to equity holders of the parent	5,005	5,062	4,667
Non-controlling interests	1,420	1,483	1,405
Total equity	6,425	6,545	6,072
Liabilities			
Non-current liabilities			
Bank loans and overdrafts	1,114	1,002	1,156
Bonds	2,248	1,954	1,906
Other payables ⁴	556	567	556
Retirement and other benefit obligations	411	422	423
Liabilities from financial leases	0	0	0
Deferred tax liabilities	121	112	110
Other financial instruments	1	1	6
Provisions	185	398	407
Total non-current liabilities	4,634	4,456	4,564
Current liabilities			
Bank loans and overdrafts	303	348	283
Bonds	-	297	246
Trade payables	898	920	903
Other payables ⁵	921	888	859
Other financial instruments	15	36	23
Income tax payable	19	32	14
Total current liabilities	2,157	2,521	2,328
Total liabilities	6,791	6,977	6,892
Total equity and liabilities	13,215	13,522	12,965

¹Includes concession agreements for the distribution of natural gas.

²Non-current other receivables include the medium- and long-term portion of loan to Sinopec; current other receivables include the short-term portion.

³Includes €43.9 m in inventory from third parties on 30 September 2015.

⁴Includes €168.0 m long-term loan of Sinopec in the subsidiary Petrogal Brasil on 30 September 2015.

⁵Includes €38.0 m in advance payments related to inventory from third parties on 30 September 2015.

5.3. CASH FLOW (DIRECT METHOD)

€ m

Quarter				Nine Months	
2Q15	3Q14	3Q15		2014	2015
1,010	791	1,169	Cash and equivalents at the beginning of the period¹	1,406	1,023
4,671	5,407	4,405	Received from customers	15,272	13,499
(2,900)	(3,700)	(2,782)	Paid to suppliers	(10,899)	(8,636)
(99)	(84)	(72)	Staff related costs ²	(245)	(248)
37	27	8	Dividends from associated companies	55	45
(798)	(676)	(683)	Taxes on oil products (ISP)	(1,825)	(1,997)
(448)	(514)	(482)	VAT, Royalties, PIS, Cofins, Others	(1,590)	(1,387)
463	460	395	Total operating flows	768	1,276
(220)	(359)	(234)	Net capex	(775)	(809)
(26)	(19)	(14)	Net Financial Expenses	(91)	(85)
(145)	(143)	(172)	Dividends paid	(267)	(317)
(34)	(66)	(27)	SPT and Corporate taxes	(120)	(94)
126	483	(7)	Net new loans	131	(95)
51	31	53	Sinopec loan reimbursement	111	182
(57)	115	(76)	FX changes on cash and equivalents	128	5
1,169	1,292	1,087	Cash and equivalents at the end of the period¹	1,292	1,087

¹Cash and equivalents differ from the Balance Sheet amounts due to IAS 7 classification rules. The difference refers to overdrafts which are considered as debt in the Balance Sheet and as a deduction to cash in the Cash Flow Statement.

²Staff related costs in 2014 reclassified to include social security and pension fund contributions.

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% cracking margin + 7% base oils + 5.5% aromatics.

ROTTERDAM HYDROCRACKING MARGIN

The Rotterdam hydrocracking margin has the following profile: -100% Brent dated, +2.2% LGP 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 Cg. +8.9% LSFO 1% FOB Cg; Terminal rate: \$1/ton; Ocean loss: 0.15% over Brent dated; Freight 2015: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat \$7.60/ton. Yields in % of weight.

ROTTERDAM CRACKING MARGIN

The Rotterdam cracking margin has the following profile: -100% Brent dated, +2.3% LGP 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 Cg. and +15.3% LSFO 1% FOB Cg.; C&L: 7.4%; Terminal rate: \$1/ton; Ocean loss: 0.15% over Brent dated; Freight 2015: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat \$7.60/ton. Yields in % of weight.

ROTTERDAM BASE OILS MARGIN

Rotterdam base oils margin: -100% Arabian Light, +3.5% LGP 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%; Base Oils FOB, +26% HSFO 3.5% NWE Bg.; Consumptions: -6.8% LSFO 1% CIF NWE Cg.; Losses: 7.4%; Terminal rate: \$1/ton; Ocean loss: 0.15% over Arabian Light; Freight 2015: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat \$7.60/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% Ortoxylylene 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 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 the Portuguese 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

CESE: *Contribuição Extraordinária sobre o Setor Energético* (Portuguese extraordinary contribution on the energy sector)

Cg: Cargoes

CIF: Costs, Insurance and Freights

CORES: *Corporación de Reservas Estratégicas de Productos Petrolíferos*

CTA: Cumulative Translation Adjustment

CWT: Carbon weighted tonne

D&A: Depreciation & amortisation

DD&A: Depreciation, Depletion and Amortization

ECA: specific maritime areas

EPCIC: Engineering, Procurement, Construction, Installation and Commissioning

E&P: Exploration & Production

EUR/€: Euro

EWT: Extended well test

FEED: Front-End Engineering Design

FOB: Free on Board

FPSO: Floating, production, storage and offloading unit

G&P: Gas & Power

GBp: Great British pence

GWh: Gigawatt per hour

IAS: International Accounting Standards

IFRS: International Financial Reporting Standards

IRP: Oil income tax

JKM: Japan Korea Marker

LSFO: low sulphur fuel oil

k: thousand

kbbbl: thousand barrels

kboepd: thousand barrels of oil equivalent per day

kbopd: thousand barrels of oil per day

LNG: liquefied natural gas

LSFO: Low sulphur fuel oil

m: million

m³: cubic metres

mmbbl: million barrels

mmbtu: million British thermal units

mm³: million cubic metres

mton: million tonnes

NBP: National balancing point

n.m.: not meaningful

OTC: Over-the-counter

PM UL: Premium unleaded

p.p.: percentage points

QE: *Quantitative Easing*

R&M: Refining & Marketing

RC: Replacement Cost

RCA: Replacement Cost Adjusted

RDA: Reservoir Data Acquisition

Tcf: trillion cubic feet

TL: Tômbua-Lândana

T: tonnes

USA or US: United States of America

USD/\$: Dollar of the United States of America

ULSD CIF Cg: Ultra Low sulphur diesel CIF Cargoes

WAC: Weighted-average cost

WAG: Water alternating gas

YoY: *year-on-year* (annual change rate)

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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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