

# FOURTH QUARTER AND FULL YEAR 2009 RESULTS

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# HIGHLIGHTS



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## EXPLORATION & PRODUCTION

First Tupi's production with impact in results

## REFINING & MARKETING

Continued depressed refining environment

## GAS & POWER

Stable contribution of Natural Gas Distribution business

## FINANCIALS

4Q09 net profit RCA of €34 mln (-73% YoY); a dividend per share of €0.20

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# BUSINESS OVERVIEW



# FIRST TUPI'S PRODUCTION WITH IMPACT IN RESULTS

## MAIN DATA E&P

		4Q09	4Q08	YoY	QoQ	12M09	YoY
<b>Working interest production</b>	kbbbl/d	<b>17.7</b>	15.5	+14%	+24%	14.7	(3%)
<b>Net entitlement production</b>	kbbbl/d	<b>12.2</b>	9.7	+26%	+37%	9.7	(3%)
<b>Net entitlement production</b>	M bbl	<b>1.1</b>	0.9	+26%	+37%	3.5	(3%)
<b>Angola - Block 14</b>	M bbl	<b>0.8</b>	0.9	(6%)	+3%	3.3	(11%)
<b>Brazil - BM-S-11</b>	M bbl	<b>0.3</b>	0.0	n.m.	n.m.	0.3	n.m.
<b>Realized sale price</b>	\$/bbl	<b>76.9</b>	60.8	+26%	+26%	59.8	(38%)
<b>OPEX/net entitlement bbl</b>	\$/bbl	<b>13.7</b>	6.5	+111%	+74%	10.5	+17%
<b>EBITDA</b>	M €	<b>39</b>	33	+18%	+36%	112	(46%)
<b>CAPEX</b>	M €	<b>38</b>	44	(14%)	(54%)	193	(2%)

- Tupi's EWT contributed with a production of 283 thousand barrels
- OPEC cuts and decrease in crude prices in 2009 offset new projects contribution
- EBITDA was up in the 4Q09 driven by increase in both production and crude prices

# CONTINUED DEPRESSED REFINING ENVIRONMENT

## MAIN DATA R&M

		4Q09	4Q08	YoY	QoQ	12M09	YoY
<b>Galp Energia refining margin</b>	\$/bbl	<b>0.9</b>	5.8	(84%)	+2%	1.5	(67%)
Spread over benchmark	\$/bbl	<b>1.6</b>	1.2	+27%	+68%	0.8	(68%)
<b>Crude processed</b>	M bbl	<b>21.1</b>	20.8	+2%	(3%)	77.6	(14%)
<b>Refining throughput</b>	M ton	<b>3.0</b>	3.0	+1%	(8%)	11.5	(12%)
<b>Refined product sales</b>	M ton	<b>4.2</b>	4.3	0%	(1%)	16.7	+4%
<b>Sales to direct clients</b>	M ton	<b>2.8</b>	2.7	+2%	+2%	11.1	+16%
Portugal	M ton	<b>1.5</b>	1.4	+7%	+3%	6.1	(1%)
Spain	M ton	<b>1.2</b>	1.3	(4%)	+1%	5.0	+46%
Other portuguese operators	M ton	<b>0.8</b>	0.9	(12%)	(7%)	3.2	(20%)
Exports	M ton	<b>0.7</b>	0.6	+7%	(7%)	2.4	(3%)
<b>EBITDA</b>	M €	<b>61</b>	269	(77%)	(42%)	293	(46%)
<b>CAPEX</b>	M €	<b>232</b>	1,049	(78%)	n.m.	456	(63%)

- Increase in premium to benchmark QoQ as light/heavy crude spread widened
- Negative time-lag effect of €56 mln in 2009 and of €19 mln in 4Q09
- Increase in oil sales to direct clients helped to partially offset the performance of refining business

# STABLE CONTRIBUTION OF NATURAL GAS DISTRIBUTION BUSINESS

## MAIN DATA G&P

		4Q09	4Q08	YoY	QoQ	12M09	YoY
<b>NG supply total sales volumes</b>	M m3	<b>1,198</b>	1,225	(2%)	(7%)	4,680	(17%)
<b>Liberalized markets sales volumes</b>	M m3	<b>882</b>	586	+50%	(17%)	3,208	0%
<b>Electrical and Trading</b>	M m3	<b>523</b>	534	(2%)	(30%)	2,199	(29%)
<b>Industrial</b>	M m3	<b>359</b>	52	n.m.	+13%	1,010	n.m.
<b>Regulated markets sales volumes</b>	M m3	<b>316</b>	638	(51%)	+37%	1,472	(39%)
<b>Sales of electricity to the grid</b>	GWh	<b>285</b>	102	+180%	+103%	706	+48%
<b>EBITDA</b>	M €	<b>50</b>	(56)	n.m.	(18%)	208	(7%)
<b>CAPEX</b>	M €	<b>24</b>	37	(35%)	+66%	77	(34%)

- Decrease in volumes sold driven by higher hydro
- Stronger volumes in the liberalized industrial market
- Sines's cogeneration plant initiated operations in 4Q09

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# FINANCIAL OVERVIEW





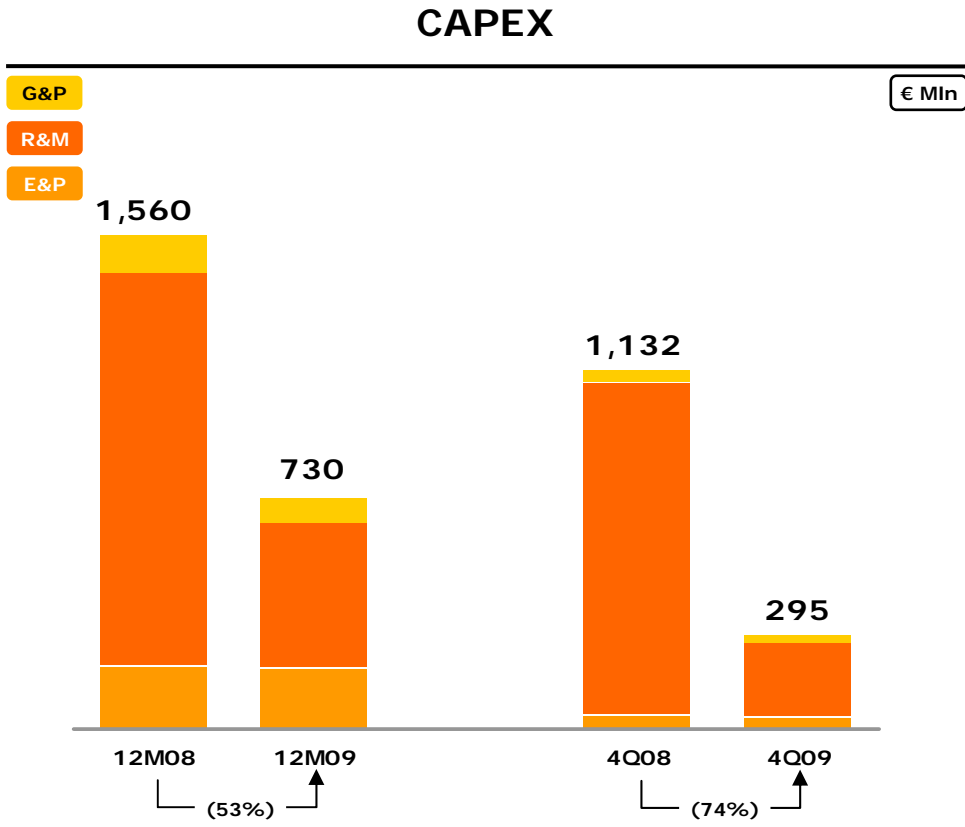
# 4Q09 NET PROFIT RCA OF €34 MLN (-73% YoY)

## PROFIT & LOSS

€ Mln	4Q09	4Q08	YoY	QoQ	12M09	YoY
Turnover	2,911	3,579	(19%)	(11%)	11,960	(21%)
<b>EBITDA</b>	<b>147</b>	<b>244</b>	<b>(40%)</b>	<b>(23%)</b>	<b>619</b>	<b>(37%)</b>
E&P	39	33	+18%	+36%	112	(46%)
R&M	61	269	(77%)	(42%)	293	(46%)
G&P	50	(56)	n.m.	(18%)	208	(7%)
Others	(3)	(2)	(17%)	+38%	7	+65%
<b>EBIT</b>	<b>51</b>	<b>179</b>	<b>(71%)</b>	<b>(51%)</b>	<b>287</b>	<b>(59%)</b>
Associates <sup>1</sup>	13	15	(14%)	(30%)	70	+44%
Financial results	(23)	(16)	(41%)	(17%)	(76)	(25%)
Taxes	(6)	(51)	(89%)	(76%)	(61)	(69%)
<b>Net Profit</b>	<b>34</b>	<b>125</b>	<b>(73%)</b>	<b>(56%)</b>	<b>213</b>	<b>(55%)</b>
Net Profit (IFRS)	87	(451)	n.m.	(29%)	347	+197%
Dividend per share (€) <sup>2</sup>					0.20	(38%)

- Higher non-cash costs due to higher investment levels
- Lower financial results due to higher average net debt, partially offset by lower debt cost
- Decrease in taxes paid due to lower IRP paid in Angola
- Dividend per share of €0.20

# CAPEX MAINLY CHANNELLED TO UPGRADE PROJECT



- E&P capex focused in Tômboa-Lândana's and Tupi's fields
- Upgrade project investment on track
- Gas & Power capex level partially channelled to the cogenerations at Porto and Sines refineries



# EFFICIENT NET WORKING CAPITAL MANAGEMENT

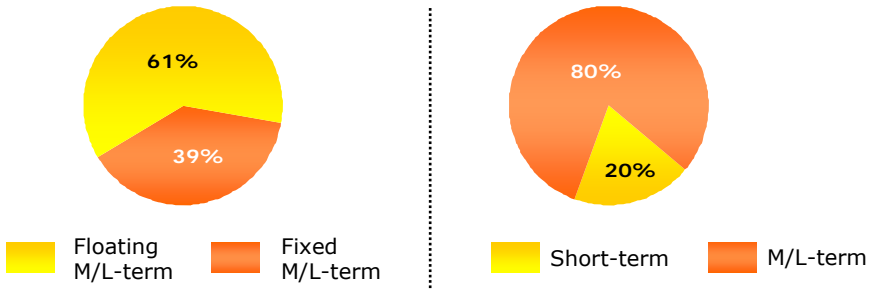
## FINANCIAL POSITION

€ Mln	Dec. 2009	Sept. 2009	Dec - Sept	Dec. 2008	Dec - Dec
<b>Fixed assets</b>	4,154	3,941	+213	3,881	+273
Work in progress	1,015	1,145	(130)	868	+147
<b>Strategic stock</b>	575	636	(62)	480	+95
<b>Other assets (liabilities)</b>	(24)	(64)	+40	(29)	5
<b>Working capital</b>	(389)	(23)	(367)	(249)	(140)
<b>Net debt</b>	1,927	2,198	(271)	1,864	+63
<b>Equity</b>	2,389	2,293	+96	2,219	+170
<b>Capital employed</b>	4,316	4,491	(176)	4,082	+233
<b>Net debt to equity</b>	81%	96%	(15.2 p.p.)	84%	(3.3 p.p.)

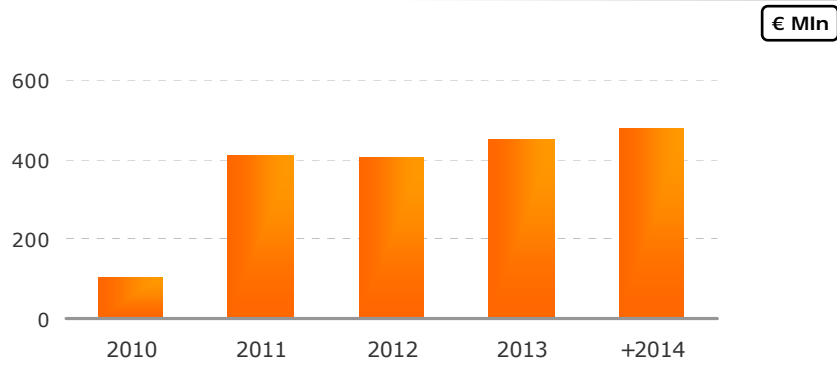
- €1 bln allocated to fixed assets not yet generating return
- Working capital management effort allowed decrease in net debt
- Decrease in gearing to 81% from September level

# MAJOR DEBT REIMBURSEMENT STARTING IN 2011

## Debt structure as of December 2009



## M/L-term debt reimbursement profile



- Net debt totalled €1.9 Bln
- Average M/L-term debt maturity of 4.0 years
- Average interest rate of 3.8%
- Current liquidity of €1.7<sup>1</sup> Bln



<sup>1</sup> Liquidity position as of the end of December

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RCA figures except otherwise noted.

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