OFFERING CIRCULAR

GALP ENERGIA, SGPS, S.A.

(*incorporated with limited liability in Portugal*)

EUR5,000,000,000

Euro Medium Term Note Programme

Under this EUR5,000,000,000 Euro Medium Term Note Programme (the **Programme**), Galp Energia, SGPS, S.A. (the **Issuer**, the **Company** or **Galp**) may from time to time issue notes (the **Notes**) denominated in any currency (as can be settled through Interbolsa from time to time) agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed EUR5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

This base prospectus (the **Base Prospectus**) has been approved by the Central Bank of Ireland as competent authority under Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**). The Central Bank of Ireland only approves this offering circular (the **Offering Circular**) as meeting the requirements imposed under Irish and European Union law pursuant to the Prospectus Directive. Such approval relates only to Notes that are to be admitted to trading on the regulated market (the **Regulated Market**) of the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) or on another regulated market for the purposes of Directive 2014/65/EU (as amended, **MiFID II**) and/or that are to be offered to the public in any member state of the European Economic Area (**EEA**) in circumstances that require the publication of a prospectus.

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to its official list (the Official List) and to trading on the Regulated Market. References in this Offering Circular to the Notes being listed (and all related references) shall mean that, unless otherwise specified in the applicable Final Terms, the Notes have been admitted to the Official List and to trading on the Regulated Market.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**) which will be delivered to the Central Bank of Ireland and, where listed, Euronext Dublin. A copy of the relevant Final Terms will also be published on the website of Euronext Dublin (www.ise.ie). Any websites referred to herein do not form part of this Offering Circular.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act (**Regulation S**) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction (see "*Subscription and Sale*").

Arranger

J.P. Morgan

Dealers

Banco Bilbao Vizcaya Argentaria, S.A.
BNP PARIBAS
BPI CaixaBank
Deutsche Bank
ING

Banco Santander Totta, S.A.
BofA Merrill Lynch
Caixa - Banco de Investimento, S.A.
Haitong Bank, S.A.
J.P. Morgan

Millennium Investment Banking **Société Générale Corporate & Investment Banking**

UniCredit Bank

The date of this Offering Circular is 10 July 2019.

IMPORTANT INFORMATION

This Offering Circular comprises a base prospectus in respect of all Notes issued under the Programme for the purposes of Article 5.4 of the Prospectus Directive. When used in this Offering Circular, **Prospectus Directive** means Directive 2003/71/EC (as amended or superseded), and, where the context so requires, includes any relevant implementing measure in a relevant Member State of the EEA.

The Issuer accepts responsibility for the information contained in this Offering Circular and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular is to be read in conjunction with any supplement thereto, if any, and with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

The language of the Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes or such other information as is in the public domain and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

The information contained in this Offering Circular is given as of the date hereof. Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

IMPORTANT – EEA RETAIL INVESTORS - If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

MiFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arranger, the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

BENCHMARKS REGULATION – Interest and/or other amounts payable under the Notes may, if so specified in the applicable Final Terms, be calculated by reference to certain reference rates as specified in the applicable Final Terms. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the **Benchmarks Regulation**). If any such reference rate does constitute such a benchmark, the applicable Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (**ESMA**) pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmarks Regulation. Transitional provisions in the Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the applicable Final Terms. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the applicable Final Terms to reflect any change in the registration status of the administrator.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE – The applicable Final Terms in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the **SFA**). The Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the applicable Final Terms will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS OFFERING CIRCULAR AND OFFERS OF NOTES GENERALLY

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the EEA (including the United Kingdom, Portugal, Belgium and Italy), Singapore and Japan, see "*Subscription and Sale*".

Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal

advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

PRESENTATION OF INFORMATION

Certain Defined Terms and Conventions:

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Offering Circular. In addition, the following terms as used in this Offering Circular have the meanings defined below:

- **EUR**, **euro** and **€** are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union (**EU**), as amended;
- **U.S. dollars**, **U.S.$**, **USD** and **$** are to the lawful currency of the United States;
- **Sterling**, **GBP** and **£** are to the lawful currency of the United Kingdom;
- **JPY**, **Yen** and **¥** are to the lawful currency of Japan;
- **AUD** and **A$** are to the lawful currency of Australia;
- **CHF** are to the lawful currency of Switzerland; and
- **CAD** are to the lawful currency of Canada.

Certain figures and percentages included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

References in this Offering Circular to the **Group** shall mean Galp and its subsidiaries taken as a whole.

ALTERNATIVE PERFORMANCE MEASURES

Certain alternative performance measures (**APMs**) (as defined in the European Securities and Markets Authority Guidelines on Alternative Performance Measures (**ESMA Guidelines**)) are included in this Offering Circular. Please see the "*Alternative Performance Measures*" section of this Offering Circular for further details.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Some statements in this Offering Circular and certain documents incorporated by reference herein may be deemed to be forward looking statements. Forward looking statements include statements concerning the Issuer's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in this Offering Circular, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward looking statements. These forward looking statements are contained in the sections entitled "Risk Factors" and "Description of the Issuer" and other sections of this Offering Circular. By their nature, forward-looking statements involve risks and uncertainty because they relate to future events and circumstances. The Issuer has based these forward looking statements on the current view of its management with respect to future events and financial performance. Although the Issuer believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of this Offering Circular, if one or more of these risks or uncertainties materialise,

including those identified below or which the Issuer has otherwise identified in this Offering Circular, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, the Issuer's actual results of operation may vary from those expected, estimated or predicted.

The risks and uncertainties referred to above include:

- the Issuer's ability to achieve and manage the growth of its business;
- the performance of the markets in Portugal and the wider region in which the Issuer operates;
- the Issuer's ability to realise the benefits it expects from existing and future projects and investments it is undertaking or plans to or may undertake;
- the Issuer's ability to obtain external financing or maintain sufficient capital to fund its existing and future investments and projects;
- changes in political, social, legal or economic conditions in the markets in which the Issuer and its customers operate; and
- actions taken by the Issuer's joint venture partners that may not be in accordance with its policies and objectives.

Any forward looking statements contained in this Offering Circular speak only as at the date of this Offering Circular. Without prejudice to the Issuer’s obligations under applicable laws and regulations in relation to disclosure and ongoing obligations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Offering Circular any updates or revisions to any forward looking statements contained in it to reflect any change in expectations or any change in events, conditions or circumstances on which any such forward looking statement is based.

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STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting as Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004, as amended, implementing Directive 2003/71/EC (as amended or superseded) (the ***Prospectus Regulation****).*

Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" shall have the same meanings in this Overview.

Issuer:	Galp Energia, SGPS, S.A.
Issuer Legal Entity Identifier (LEI):	2138003319Y7NM75FG53
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. These are set out under "*Risk Factors*" below.
Description:	Euro Medium Term Note Programme
Arranger:	J.P. Morgan Securities plc
Dealers:	Banco Bilbao Vizcaya Argentaria, S.A. Banco BPI, S.A. Banco Comercial Português, S.A. Banco Santander Totta, S.A. BNP Paribas BofA Securities Europe SA Caixa-Banco de Investimento, S.A. Deutsche Bank AG, London Branch Haitong Bank, S.A. ING Bank N.V. J.P. Morgan Securities plc Merrill Lynch International Société Générale UniCredit Bank AG and any other Dealers appointed from time to time in accordance with the Programme Agreement (as defined below).

Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Offering Circular. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000, as amended, unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Agent:	Caixa - Banco de Investimento, S.A.
Paying Agent:	The Agent, and any other Paying Agent appointed from time to time by the Issuer in accordance with the Agency Agreement (as defined below).
Programme Size:	Up to EUR5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) aggregate nominal amount of Notes outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Specified Currencies:	Subject to any applicable legal or regulatory restrictions, Notes may only be denominated in Euro, U.S. dollars, Sterling, Japanese yen, Swiss francs, Australian dollars and Canadian dollars or any other currency as can be settled through Interbolsa from time to time, as agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par value or at a discount to, or premium over, the par value of the relevant Notes as at the Issue Date.
Clearing Systems:	Interbolsa, Euroclear and/or Clearstream, Luxembourg (each as

	defined in the section "*Form of Notes*" below) and any additional or alternative clearing system specified in the applicable Final Terms.
Form of Notes:	The Notes will be issued in dematerialised book-entry form (*forma escritural*) and are *nominativas* (and therefore Interbolsa, at the Issuer's request, can ask the Affiliate Members of Interbolsa for information regarding the identity of the Noteholders and transmit such information to the Issuer).
Fixed Rate Notes:	Fixed interest will be payable in respect of Fixed Rate Notes on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (b) on the basis of the reference rate set out in the applicable Final Terms. The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.
Benchmark Discontinuation:	Where the applicable Final Terms specify Benchmark Discontinuation as being applicable, on the occurrence of a Benchmark Event, the Issuer may (subject to certain conditions and following consultation with an Independent Adviser) determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread and any Benchmark Amendments in accordance with Condition 4.2(b)(iii).
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	The applicable Final Terms will indicate either that the relevant

	Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices as may be agreed between the Issuer and the relevant Dealer. Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions - Notes having a maturity of less than one year*" above.
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions - Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be EUR100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 7. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 3.
Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 8.
Substitution:	The terms of the Notes will contain a substitution provision as further described in Condition 14. In the event of any substitution pursuant to Condition 14 (except where the Substituted Debtor is the Successor in Business of the Issuer) the Issuer, acting either through its head office or through an international branch as it may determine in its sole discretion, shall irrevocably and unconditionally guarantee in favour of each Noteholder the payment of all sums payable by the Substituted Debtor as principal debtor and (without prejudice to such guarantee) shall remain bound by the obligations (other than the obligations to make payments of interest or principal) of the Issuer under the Notes and the Agency Agreement (with any consequential amendments as may be necessary).
Modification:	The Agent and the Issuer may, in accordance with Condition 11, without the consent of the Noteholders, make any modification

	(within the limits mentioned in the Conditions) of the Notes which (a) is not prejudicial to the interests of the Noteholders, (b) is of a formal, minor or technical nature; (c) is made to correct a manifest or proven error; or (d) is to comply with mandatory provisions of any applicable law or regulation. Any modification so made shall be binding on all Noteholders.
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.
Representative of Noteholders:	The Noteholders may appoint a common representative.
Listing:	Application has been made for Notes issued under the Programme to be listed on Euronext Dublin.
Irish Listing Agent:	Arthur Cox Listing Services Limited
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law save that, the form (*forma de representação*) and transfer of the Notes, the creation (if any) of security over the Notes and the Interbolsa procedures for the exercise of rights under the Notes are governed by, and shall be construed in accordance with, Portuguese law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including the United Kingdom, Portugal, Belgium and Italy), Singapore and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".
United States Selling Restrictions:	Regulation S, Category 2. TEFRA C and TEFRA not applicable as specified in the applicable Final Terms.
Credit Ratings:	Not Applicable. The Programme has not been assigned a credit rating.
Use of Proceeds:	The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes or for such other reason as may be specified in the applicable Final Terms.

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Offering Circular the principal risks which the Issuer believes could materially adversely affect its business and ability to make payments due under the Notes.

In addition, the principal risks which the Issuer believes are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

Galp arranges the main risks that may affect its activity and operations into six different natures: (i) strategic, (ii) operational, (iii) financial, (iv) legal & compliance, (v) information technology and (vi) human resources. These are the risks that Galp believes could have a negative impact on its strategy, operations, results, assets, financial position and reputation. Furthermore, these risks can have an impact on stakeholders (including its employees) and the regions in which the Company operates.

The long-term nature of Galp's commercial operations implies that many of the risks to which it is exposed to may be considered as permanent. However, the triggering factors for internal or external risks may develop and evolve over time and may vary in probability, impact and detectability.

To ensure a holistic approach to risk, Galp incorporates all the key uncertainties that may influence its business model, whether these are risks or opportunities, regardless of their nature. As risks and their materiality may change over time due to exogenous or endogenous factors, Galp's "Value at Risk" assessment is performed on an annual or "ad-hoc" basis, in the event that there is a substantial change to its risk profile.

Those risks are controlled and supervised by operational areas of the Group's business units, corporate functions and commissions responsible for internal control and risk management, but there can be no certainty as to the efficacy of these risk management activities, in particular concerning the requirements to mitigate those risks or any other risk.

1. Strategic Risks

Galp's future growth depends on its ability to build a balanced portfolio.

Galp operates along the oil, gas and power value chains and these activities remain the focus of the Company's strategy.

The organic growth of the Company depends on its ability to create and develop a portfolio of quality assets and invest in the best available options. However, the achievement of a value driven upstream oil and gas portfolio depends upon Galp's success in acquiring, discovering and developing, in a consistent and profitable way, new reserves to replace those that are in a declining phase, which is subject to a number of uncertainties. Such uncertainties include the strong competition that Galp is subject to, which may jeopardize

its ability to obtain the desired production blocks under competitive conditions; the sanctioning of projects based on incorrect assumptions or inadequate information and/or the inaccuracy of estimates of oil and natural gas resources and reserves.

In addition, the new energy paradigm, towards a shift in the way energy is produced, distributed and used, with a more or less accelerated transition to a low-carbon economy, involves changes in consumption and technological patterns that are very important challenges for Galp. If the Company is not able to incorporate this trend into its strategy, it might have a competitive disadvantage.

If Galp is not effective in its investment selection and development, this could lead to a loss of value and higher capital expenditure, hence risking the implementation of its strategic plans.

Any event that prevents the implementation of Galp's strategy may adversely affect the profitability and, ultimately, the Company's results of operations and financial position.

Galp is subject to risks relating to partner dependency, which may have an impact on its strategy, results and financial position.

Galp develops several projects in its various business segments in partnership with other entities. In particular, its major Exploration & Production (**E&P**) projects are mostly operated by partners and managed through joint operation agreements.

In the execution of any project that is conducted in partnership with other entities, Galp may depend on partners and/or be vulnerable to events that influence those partners, even if they are not directly related to the Company. In particular, partners may reveal financial, technical or operational fragilities in meeting their obligations relating to the project or towards third parties, thereby affecting the reliability or the feasibility of the execution of the project that they have jointly developed with Galp. Partners may also be able to approve certain matters without Galp's consent and breach laws and regulations, exposing Galp to legal consequences across the value chain, potentially affecting its reputation and share price.

Galp's partners may have economic or business interests or objectives that are inconsistent with or opposed to those of the Company, and may exercise veto rights to block certain key decisions or actions that Galp believes are in its, or the joint venture's, best interests, or approve such matters without the Company's consent. The fact that Galp is involved in different projects where it is not the operator, rather having a minority participating interest, may affect its ability to influence the joint venture's decisions, manage risks and costs.

Additionally, the Company's joint partners or contractual counterparties are primarily responsible for the adequacy of the financial resources, human or technical competencies and capabilities they bring to the project, and if those are lacking, joint venture partners may not be able to meet their financial or other obligations to their counterparties or to the projects, potentially threatening the viability of such projects.

All of these factors could jeopardise the execution of projects and, ultimately, constrain and interfere with the implementation of Galp's strategy. In this way, these types of events can negatively influence the value of Galp's assets and its results of operations and financial position.

Galp is subject to geopolitical risks in the countries where its activities are located.

An increasingly significant share of Galp's revenues originate in countries with significant economic and political risks.

Galp's main E&P projects (the Lula/Iracema project in Brazil and the Mamba project in Mozambique), its business in natural gas supply and trading and its marketing of oil products are mainly located in or

developed from countries with significant political risk. This risk could result in a diverse range of issues adversely affecting Galp's ability to develop those projects in a safe, reliable and cost-effective manner.

Although Galp has not, historically, experienced any major issues in its operations in any country where it operates, there is no guarantee that such events will not arise in the future.

These events include but are not limited to civil disruption, the expropriation and nationalisation of assets; changes to environmental regulations (for example increases in the price of greenhouse gas emissions); specific changes to oil and gas regulation (for example the allocation of exploration and production licenses; specific obligations relating to drilling and exploration activities; significant increases in taxes and royalties on oil and natural gas production; new taxes, levies or other duties being imposed on activities developed by or assets held by Galp; establishment of limits on production and exportation volumes and compulsory renegotiation or cancellation of contracts); changes in local government regimes and policies, with an impact on the business environment; difficulties in repatriation of capital and profits; payment delays and currency exchange restrictions or currency devaluations.

Materially adverse changes affecting Galp's activity in these countries may jeopardise the continuity of operations and adversely affect the value of Galp's assets and its results of operations and financial position.

Galp faces competition from other energy companies in all areas of its operations.

The energy sector is extremely competitive and competition may increase.

Competition puts pressure on access to raw materials, technological and product prices and it also affects the distribution activities for energy products, demanding a constant focus on cost control and efficiency enhancement, while ensuring operational safety.

The Company's performance may be affected if its competitors develop or acquire intellectual property rights or technology whilst the Company does not, or if the Company is unable to follow the industry in terms of innovation, namely in the context of a changing energy paradigm and new oil market trends.

Some of Galp's competitors are larger and well-established operators in reference markets, with access to relevant resources, which is an important competitive advantage.

Galp's competitors may benefit from a number of advantages including, but not restricted to: diversified and reduced risk; financial capacity necessary for developments that require high levels of investment; the capacity to benefit from economies of scale in terms of technology and organisation; and a size that allows them to benefit from advantages related to the competencies acquired, infrastructures established and reserves. In this way, these companies have the capacity to make competitive proposals with potential direct impact on the effectiveness of Galp's operations. The intense competition to which the Company is subject can affect its activities, results of operations and financial position.

In addition, the production blocks of oil and natural gas are typically made available by government authorities. Galp is subject to strong competition in the bidding for these blocks, particularly with respect to those which are considered to be potentially more attractive in terms of resources. Due to this competition, Galp may not be able to obtain the desired production blocks, or may have to pay a higher price to obtain them, which may affect the economic viability of subsequent production.

Such competition may adversely affect Galp's activity, as well as its results of operations and financial position.

Failure to meet its stakeholders' expectations regarding corporate responsibility could affect Galp's reputation.

A number of stakeholders, including employees, shareholders, media, governments, civil society groups, non-governmental organisations and those living in local communities affected by Galp's operations, have legitimate interests in Galp's business.

Any possibility, however remote, that Galp will not meet its stakeholders' expectations in terms of corporate responsibility, could affect Galp's reputation and/or its business, financial position and results of operations.

In this regard, there are particular risks relating to Galp's potential inability to fully manage legal and reputational impacts, if any, due to an inadequate response to stakeholder expectations, lack of effective internal controls and/or failure to enforce anti-corruption or other relevant policies.

Galp's activity is subject to uncertainty in the economic context.

The evolution of the world economy, and the European economy in particular, depends on the evolution of a variety of factors behind the economic slowdown (for example the US-China trade tensions and the decline of China's economic growth). Additionally, there is the risk that unsustainable policies or political uncertainty (for example Brexit) could follow in the wake of national or European elections. The sustainability of national finances may also be affected by any of the aforementioned factors.

On 29 March 2017, the United Kingdom (**UK**) invoked Article 50 of the Treaty on the European Union and officially notified the EU of its decision to withdraw from the EU. This commenced the formal two-year process (although this has subsequently been extended twice) of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the UK and the EU (the **article 50 withdrawal agreement**). As part of those negotiations, a transitional period has been agreed in principle which would extend the application of EU law, and provide for continuing access to the EU single market, until the end of 2020 and possibly longer. The article 50 withdrawal agreement has not yet been ratified by the UK or the EU. The parties have agreed to an extended time line which allows for ratification to take place any time prior to 31 October 2019. Due to the ongoing political uncertainty as regards the terms of the UK's withdrawal from the EU and the structure of the future relationship, the precise impact on the business of Galp is difficult to determine.

Any issue that may affect global growth may have a direct or indirect (through third parties) negative effect on Galp, impacting demand for Galp products.

Any of the factors described above, whether in isolation or in combination with each other, could have an adverse effect on the financial position, businesses, or results of operations of Galp.

2. Operational Risks

Galp is subject to risks relating to project execution, which may have an impact on its strategy, results, reputation and financial position.

Galp's organic growth depends on its ability to build and maintain a resilient portfolio in a variety of market contexts, which entails the creation or development of a portfolio of high-quality assets resulting not only from an efficient selection process, but also from guaranteeing its execution, development and operation in the best conditions.

However, the projects execution (namely E&P) activities, that are carried out in extremely challenging conditions, are exposed to risks of a diverse nature: geological (for example unexpected drilling or pressure conditions, irregularities in geological formations); technical (for example failures or delays in the availability of drilling rigs and equipment supply, equipment malfunctions or accidents); economic (for

example changes in prevailing oil and natural gas prices); legal and regulatory (for example changes in any applicable tax rules or other government regulations); commercial (for example changes in contractual conditions) and Environment, Quality, Safety and Sustainability (EQSS) (for example adverse weather conditions).

Furthermore, the process of estimating resources and reserves involves informed judgments, and hence it is subject to revision. The results of drilling, testing and production after the date of the estimates may require substantial downward revisions in Galp's resources and reserves data. Any downward revision in estimated quantities of proved reserves could adversely impact the results of operations of Galp, leading to increased depreciation, depletion and amortisation charges and/or impairment charges, which could have an adverse effect on Galp's financial position.

In addition, any sanctioned projects that are based on incorrect assumptions or inadequate information may result in material deviations from initial estimates. Furthermore, as projects execution also depends on the performance of third parties (including partners, service providers and other contracted parties) which Galp does not control, Galp is exposed to execution risk through such entities.

These risks may compromise the deliverability, observance of budgets and deadlines, fulfilment of defined specifications and/or operational reliability of Galp's projects, preventing the execution of the best investment projects under the best technical and financial conditions, thus negatively influencing the value of assets and Galp's results of operations and financial position.

Galp is subject to risks associated with business continuity (namely triggered by disruptive events) and effective crisis management.

Galp is subject to business continuity risk, both of its own and of its partners. The nature, technical complexity and diversity of Galp's operations - particularly exploration and production in ultra-deep waters and in the refining process - expose the Company to a broad spectrum of disruptive risks.

Galp is also subject to acute physical hazards (civil unrest, war and terrorism, and natural disasters such as cyclones, hurricanes and floods); operational contingencies relating to the characteristics of Galp's activities (e.g. industrial accidents, power outages, labour disputes and adverse employee relations); and loss of information technology systems.

In particular, E&P develops its undertakings in extremely challenging environments, where there is a high risk of technical failure and exposure to potential natural disasters. Factors such as unexpected drilling conditions, pressure or irregularities in geological formations, equipment failure or accidents, and extreme weather events can lead to loss of life, environmental damage and compromise operating reliability or installations.

Galp is also subject to the risk of labour disputes and adverse employee relations and these disputes and adverse relations could disrupt its business operations and adversely affect its business, financial position and results of operations. Existing individual and collective labour agreements may not prevent a strike or work stoppage at any of Galp's facilities in the future. Any such work stoppage could have a material negative effect on the business, financial position and results of operations of Galp.

Crisis management plans and the ability to deal with a crisis scenario are essential to deal with emergencies at every level of the operations of the Company. If Galp does not respond or if it is perceived not to respond in an appropriate manner to either an external or internal crisis, the Company's business and operations could be severely disrupted, with a potential negative effect on Galp's reputation, results of operations and financial position. Additionally, an inability to restore or replace critical capacity to an agreed level within an agreed time frame could prolong the impact of any disruption.

Galp has a holding company structure and is dependent on its operating subsidiaries.

Although Galp controls the operations and the management of the majority of its subsidiaries, Galp's results of operations and financial position are dependent on the performance of members of the Group and upon the level of distributions, interest payments and loan repayments (if any) received from Galp's operating subsidiaries, any amounts received on asset disposals and the level of cash balances. Certain of Galp's operating subsidiaries are and may, from time to time, be subject to restrictions on their ability to make distributions and loans including as a result of foreign exchange, tax and other regulatory restrictions, which may negatively impact the liquidity position of the Group.

Galp's trading activities may result in losses

In the normal course of business, Galp is subject to operational risks in its treasury and trading activities. Galp conducts derivatives operations and has procedures in place designed to limit its exposure to risks relating to these operations conducted from time to time.

With respect to the physical commodities relating to Galp's business, there can be no assurance that it will not incur losses in the future as a result of variations in commodity prices or other factors which may affect its trading positions.

Effective controls over these activities are dependent on Galp's ability to process, manage and monitor a large number of complex transactions across many markets and currencies. Any event in this context resulting in losses could have an adverse effect on Galp's business, results of operations and financial position.

3. Financial Risks

Fluctuating prices for crude oil, natural gas, liquefied natural gas (LNG) and oil products may have an unfavourable impact on Galp's operations and results.

Galp is exposed to commodity risk, with the prices of its oil, natural gas and LNG products being affected by market supply and demand dynamics. Factors such as economic and operational circumstances, natural disasters, weather conditions, political instability, conflicts or supply constraints influence these variables. Over the course of its operations and trading activities, Galp's results are therefore exposed to the volatility of the prices of oil, natural gas, LNG and oil-derived products.

Although the prices that are charged by the Company reflect the prices of the raw materials and products, the adjustments to Galp's sales prices following increases and decreases in the prices of those raw materials and products may not fully reflect those changes immediately. Thus, lower sale prices may undermine Galp's investment plans, and, on the other hand, the rising prices of oil or natural gas may affect the value and profitability of Galp's assets.

Changes in consumption patterns, especially those resulting from greater demand for solutions with lower carbon intensity, may have a negative impact on the demand for oil and gas products which may increase Galp's risk exposure.

The significant differences that may occur in price between the purchase of the raw materials and the sale of refined products could negatively affect Galp's results of operations and financial position.

Galp is subject to credit risk.

Credit risk arises from the possibility that a counterparty may not fulfil its contractual obligations, meaning that the level of risk depends upon the counterparty's creditworthiness.

This risk includes both the possibility that a counterparty may not fulfil its agreed payment obligations in respect of financial investments and hedging instruments (relating to exchange rates, interest rates or others),

as well as the risks that arise from the relationships between the Company and its customers, suppliers, service providers and other third parties.

The increased exposure to this risk may affect, in a material adverse manner, Galp's results of operations and financial position.

Galp's strategy execution is dependent on meeting the necessary financing and liquidity needs.

In order to pursue its strategic and investment plans Galp will need to secure significant funds. Galp expects to finance a substantial part of its capital expenditures out of cash flows from its operating activities, as well as cash reserves and other available liquidity. However, if its operations do not generate sufficient cash Galp may have to finance more of its planned capital expenditures from alternative external sources, including bank loans and/or offerings of debt or equity securities in the capital markets and/or equity partnerships.

No assurance can be given that Galp will be able to raise the funds required for its planned capital expenditures on commercially acceptable terms or at all. If Galp is unable to meet the necessary financing and liquidity needs, it may have to reduce its planned capital expenditures. Any such reduction could have a negative impact on Galp's strategic and investment plans, the Company's business and, consequently, its results of operations and financial position.

Galp's financial condition may be adversely affected by a number of factors, including restrictions on borrowing and debt arrangements and volatility in the global credit markets.

Galp's business is partly financed through debt, and the maturity and repayment profile of debt used to finance investments often does not correlate to cash flows from Galp's assets. The global financing markets have been experiencing volatility and can also experience disruptions. A shortage of liquidity, lack of funding, pressure on capital and extreme price volatility across a wide range of asset classes are putting financial institutions under considerable pressure and, in certain cases, placing downward pressure on share prices and credit availability for companies.

In addition, the funding required by Galp, at each time, depends on a range of factors, including, among others, the price of oil and exchange rates, which are beyond the control of Galp. An increase in the financing needs of Galp may have a negative impact on its financial performance and gearing ratio, affecting both its borrowing capacity and the cost of those borrowings, as well as Galp's ability to fund its investments.

Galp is exposed to the risk that credit facilities may not be available to refinance maturing debt or to meet cash shortfalls in a timely manner, or in an acceptable and competitive condition, in order to allow Galp to fund its financial commitments, which could have a material adverse effect on its business or financial position.

Fluctuation in the prevailing exchange rates and market interest rates may negatively influence Galp's results and financial position.

Exchange rates and interest rates expose Galp to risk. Exchange rate fluctuations, namely in currencies from countries where Galp develops commercial activities, directly or indirectly, may affect the revenues and, consequently the results and the cash flow that is generated by the Company's sales. The book value of its financial assets and investments, mainly those denominated in U.S. Dollar and in Brazilian Real, are influenced by foreign exchange risk where Galp's consolidated financial statements are expressed in Euros.

On the other hand, the volatility of interest rates can affect Galp's financing costs and influence its results.

Despite Galp's ability to access market instruments to hedge against exchange rate and interest rate risks, adverse changes in the market may have a negative impact on the value of the Galp's assets, results of operations and financial position.

Galp's current insurance coverage for all its operational risks may not be sufficient.

Oil and gas activities involve significant hazards. Galp's operations are subject to risks generally relating to the exploration and production of oil, including blowouts, fires, equipment failure and other risks that can result in personal injuries, loss of life and property and environmental damage. Offshore exploration, in particular, is subject to a wide range of hazards, including capsizing, collision, bad weather and environmental pollution.

In addition, the operations of refinery and petrochemical complexes and oil and natural gas pipeline systems, storage and loading facilities are subject to mechanical difficulties, disruptions, shortages or delay in the delivery of equipment.

In line with industry best practices, Galp contracts insurance to cover business-specific risks. The insured risks include, among other hazards, damage to property and equipment, industry liability, maritime transport liability of crude oil and other goods, pollution and contamination, third-party liability of Executive Directors and staff, and work accidents.

Nevertheless, some major risks inherent to Galp's activities cannot reasonably be insured for a commercially appropriate cost. In addition, Galp's insurance policies contain exclusions that could result in limited coverage in certain circumstances. Furthermore, Galp may not be able to maintain adequate insurance at rates or on terms that it considers reasonable or acceptable, or be able to obtain insurance against certain risks that could materialise in the future. As such, Galp may incur substantial losses following events that are not covered by insurance, which would have an adverse impact on its business, results of operations and financial position.

Galp may incur future costs with respect to its defined benefit pension plans.

Under its pension plans, benefit payments are calculated as a complement of social security pension, based on years of service and salary. The most critical risks relating to pensions accounting often relate to the returns on pension plan assets and the discount rate used to assess the present value of future payments. Pension liabilities can place pressure on cash flows. In particular, if pension funds are underfunded, Galp may be required to make additional contributions to the funds, which could adversely affect its financial position.

4. Legal & Compliance

Galp is subject to extensive laws and regulations.

Galp's main E&P projects and its natural gas supply have their origins in non-European countries with a legal and regulatory framework that may be subject to changes. Any changes at this level may lead to shifts in the context in which the Company carries out its activities, potentially affecting in an adverse manner its profitability. For example, Galp sources natural gas from Algeria and Nigeria, and sells oil products in several African countries. As a result, a portion of Galp's revenues are derived from, and are expected to be increasingly derived from, or dependent on, countries with inherent economic and political risks.

In particular, regulatory changes in matters such as the award of licenses for exploration and production, the imposition of specific drilling and exploration obligations, restrictions on production and exports, price controls, environmental measures, control over the development and abandonment of fields and installations and risks relating to changes in local government regimes and policies could further adversely affect the E&P business of Galp.

The Company´s downstream activities in Iberian countries are also subject to political, legal and regulatory risks, with emphasis on regulation and competition laws. Any changes at this level may also adversely impact the business context in which Galp operates.

With regards to the Company's refining and marketing of oil products activities, changes in regulation, either in the Iberian Peninsula or at a European level, could lead to significant changes in Galp's operations, namely as incremental costs could arise from requirement to comply with new regulation.

Galp's downstream and gas activities are subject to antitrust and competition laws and regulations, namely in Portugal and in Spain, and the Company may incur significant losses in future years in connection with potential future antitrust and competition proceedings, including those arising from plaintiffs seeking compensation for any alleged damages. The occurrence of such events may have a material adverse effect on Galp's business, results of operations and financial position.

Furthermore, Galp Gás Natural Distribuição, S.A., an affiliate of Galp, carries out activities related to regulated natural gas infrastructure. These activities are based on concession agreements with the Portuguese authorities that encompass compensation systems geared to safeguard the recovery of the Company's investments. Consequently, the recovery of such investments is conditioned upon the adequacy and stability of such legal and regulatory frameworks, which are out of Galp Gás Natural Distribuição, S.A.'s scope of control.

In addition, recent treaties, international agreements and regulations favouring lower-carbon sources of energy, which require companies to implement measures to reduce greenhouse gas and other associated emissions (for example the Sulphur International Maritime Organisation (IMO)), give rise to additional compliance obligations with respect to emissions and the capture and use of carbon dioxide, which may result in higher investments and project execution costs.

The adoption of policies to promote the use of renewable energy may affect the demand for hydrocarbon-based energy, which represents the majority of Galp's business, although the Company aims at gradually expanding its exposure to differentiated renewables businesses. Additionally the cost of producing hydrocarbons may increase significantly by constraining licences for carbon dioxide (CO2) emissions.

Furthermore, Galp is required to obtain and comply with environmental permits or licences for its operations which cause emissions or discharge of pollutants and the handling of hazardous substances or waste treatment and disposal. Likewise, access to oil and natural gas reserves, which provide for the seizing of strategic growth opportunities, may be restricted due to initiatives to protect the integrity of natural habitats.

These initiatives may affect the conditions in which Galp conducts its business, especially in the exploration, production and refining businesses, with a potential negative impact on its results of operations and financial position.

Potential changes on policies or the European regulatory framework for the oil and gas sector may impact on Galp's business environment. Galp acts in accordance with international standards and specific laws and regulations of the various countries in which it operates, including environmental, health and safety laws and regulations. However, any irregularities (actual or alleged) or lack of compliance by the Company, its employees, suppliers/service providers and counterparties could have a materially adverse effect on the Company's ability to carry out its activities.

Failure to report data accurately and in compliance with applicable standards may result in regulatory action, legal liability and damage to Galp's reputation.

External reporting of financial and non-financial data is reliant on the integrity of Galp's systems and people. Failure to report data accurately and/or in compliance with applicable standards could result in regulatory

action, legal liability and damage to the reputation of the Company, with a potential adverse impact on Galp's results of operations and financial position.

5. Information Technology

Galp is subject to risks associated with failures in information systems and cyber-security.

Information systems are a crucial component for the development of Galp's activities and any system failure, whether accidental (including those that are caused by network, hardware or software failures) or resulting from intentional actions (such as cyber-attacks), or even negligent, can have extremely negative impacts.

These failures may, in particular, seriously compromise Galp's operations, affect the quality of its activities or cause interruptions/disruptions. These may lead to: loss, misuse or abuse of sensitive information; loss of lives; damage to the environment or to the Company's assets; non-compliance with any applicable legal or regulatory frameworks, with possible fines or any other type of penalties; and further undermining of the Company's reputation.

These events may negatively affect the value of the Galp's assets and its profitability and consequently its results of operations and financial position.

6. Human Resources

The successful delivery of Galp's business strategy is dependent on its ability to attract and retain talent.

The successful delivery of Galp's business strategy depends on the skills and efforts of its employees and management teams. In the energy sector, particularly in oil and gas, competition for experienced and qualified managers and employees is very strong.

If Galp fails to attract, retain, motivate and organise highly skilled human resources in the future, this may have an adverse impact on the success of its business and consequently on its financial position and results of operations.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so

at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the interest rate in relation to any Notes is structured such that it converts from a fixed rate to a floating rate, or vice versa (any such Notes, Fixed/Floating Rate Notes), this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes will bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The conversion of the interest basis may affect the secondary market in, and the market value of, such Notes where the change of interest basis results in a lower interest return for Noteholders. Where the relevant Notes convert from a fixed rate to a floating rate, the spread on the relevant Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the relevant Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than the prevailing rates on the relevant Notes and could affect the market value of an investment in the relevant Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks".

Interest rates and indices which are deemed to be "benchmarks" (including the London interbank offered rate (**LIBOR**) and the euro interbank offered rate (**EURIBOR**)) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

The Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016 and mostly applies, subject to certain transitional provisions, from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a benchmark if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, and in a subsequent speech by its Chief Executive on 12 July 2018, the Financial Conduct Authority (the **FCA**) confirmed that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the **FCA Announcements**). The FCA Announcements indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its working group on Sterling risk-free rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average (**SONIA**) over the next four years across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

Separate workstreams are also underway in Europe to reform EURIBOR using a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate (**€STR**) as the new risk free rate. €STR is expected to be published by the European Central Bank (**ECB**) by October 2019. In addition, on 21 January 2019, the euro risk free-rate working group published a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts may increase the risk to the euro area financial system.

It is not possible to predict with certainty whether, and to what extent, LIBOR and EURIBOR will continue to be supported going forward. This may cause LIBOR and EURIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Floating Rate Notes – Benchmark Discontinuation

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest in respect of an issue of Floating Rate Notes is to be determined, the conditions of the Notes provide that the Rate of Interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where the Original Reference Rate (as defined in Condition 4.2(b)(iii)(G)) is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, the conditions of the Notes provide for the Rate of Interest to be determined by the Agent by reference to quotations from banks communicated to the Agent.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of the relevant Original Reference Rate), the Rate of Interest may ultimately revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before the Original Reference Rate was discontinued. Uncertainty as to the continuation of the relevant Original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if the relevant Original Reference Rate is discontinued may adversely affect the value of, and return on, the relevant Floating Rate Notes.

Where Benchmark Discontinuation is specified in the applicable Final Terms as being applicable, if a Benchmark Event (as defined in Condition 4.2(b)(iii)(G)) (which, amongst other events, includes the permanent discontinuation of an Original Reference Rate) occurs, the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser (as defined in Condition 4.2(b)(iii)(G)). After consulting with the Independent Adviser, the Issuer shall endeavour to determine a Successor Rate or, failing which, an Alternative Rate (each as defined in Condition 4.2(b)(iii)) to be used in place of the relevant Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest will result in Notes linked to or referencing the relevant Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Issuer, the conditions of the Notes provide that the Issuer may vary the conditions of the Notes, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Issuer, the conditions of the Notes also provide that an Adjustment Spread (as defined in Condition 4.2(b)(iii)(G)) will be determined by the Issuer and applied to such Successor Rate or Alternative Rate. The aim of the Adjustment Spread is to reduce or eliminate, to the extent reasonably practicable, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the relevant Original Reference Rate with the Successor Rate or the Alternative Rate. However, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to Noteholders and may be zero. The use of any Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in Notes linked to or referencing the relevant Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the relevant Original Reference Rate were to continue to apply in its current form.

The Issuer may also not be able to determine a Successor Rate or Alternative Rate in accordance with the conditions of the Notes.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or is unable to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Period (as defined in Condition 4.2(a)) will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest.

Where the Issuer has been unable to appoint an Independent Adviser or has failed to determine a Successor Rate or Alternative Rate in respect of any given Interest Period, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Interest Determination Date and/or to determine a Successor Rate or Alternative Rate to apply to the next succeeding and any subsequent Interest Periods, as necessary.

Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event will result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or, fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark

Event, will continue to apply to maturity. This will result in the relevant Floating Rate Notes, in effect, becoming fixed rate Notes.

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest in respect of an issue of Floating Rate Notes is to be determined, the conditions of the Notes provide that the Rate of Interest in respect of the relevant Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions. Where the Floating Rate Option specified is an "IBOR" Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant IBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the relevant Floating Rate Notes.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

The conditions of the Notes contain provisions which may permit their modification and a substitution of the Issuer without the consent of all investors.

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Agent and the Issuer may, without the consent of the Noteholders, make any modification of the Notes, the Agency Agreement, or the Interbolsa Instrument in certain circumstances as further described in Condition 11.

The conditions of the Notes also provide that the Issuer may, without the consent of the Noteholders, and without regard to the interests of particular Noteholders, be replaced and substituted by *(i)* any Successor in Business of the Issuer; or *(ii)* any other company, in each case as principal debtor in respect of the Notes, in the circumstances described in Condition 14.

The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes.

Withholding under Portuguese tax law

Under Portuguese tax law, interest and other types of investment income derived from Notes issued by Portuguese resident entities are generally subject to Portuguese domestic withholding tax, currently assessed at the rate of 25 per cent. in case of resident or non-resident legal persons. However, in the case of resident entities, as well as for non-resident investors holding a Portuguese permanent establishment to which the income is allocated, such withholding tax rate is withheld on account of the final income tax due, while in the case of non-residents without a Portuguese permanent establishment to which the income is allocated, such withholding tax will be deemed as final, unless a withholding tax exemption applies. Also as a rule, interest and other types of investment income derived from Notes issued by Portuguese resident entities and paid to resident or non-resident individual investors are subject to Portuguese final withholding tax at the rate of 28 per cent. unless the individual resident elects to aggregate such income to his taxable income, subject to tax at progressive income tax rates of up to 48 per cent. to an additional surcharge tax due on the part of the taxable income exceeding EUR80,000 as follows: (i) 2.5 per cent. on the part of the taxable income exceeding EUR80,000 up to EUR250,000 and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding EUR250,000. However, interest and other types of investment income paid or made

available to accounts opened in the name of one or several accountholders acting on behalf of undisclosed third parties is subject to a withholding tax rate of 35 per cent., except where the beneficial owner(s) of such income is/are disclosed, in which case the general rules will apply. A final withholding tax rate of 35 per cent. applies in case of investment income payments to individuals or companies domiciled in one of the "low tax jurisdictions" set out in the list approved by Ministerial Order (*Portaria*) no. 150/2004, of 13 February 2004, as amended from time to time (*Lista dos países, territórios e regiões com regimes de tributação privilegiada, claramente mais favoráveis*) (**Ministerial Order no. 150/2004**).

Notwithstanding the above, said non-resident investors (both individual and corporate) without a Portuguese permanent establishment to which the income may be attributable, eligible for the debt securities special tax exemption regime which was approved by Decree-law no. 193/2005, of 7 November 2005, as amended from time to time (**Decree-law no. 193/2005**), may benefit from an upfront withholding tax exemption, provided that certain formal procedures and requirements are met (see "*Taxation - Portugal*", for information on these formal procedures and certification requirements). Failure to comply with these procedures and certifications will result in the application of the Portuguese domestic withholding rate of 25 per cent. (in case of non-resident legal persons), 28 per cent. (in case of non-resident individuals) or 35 per cent. (in case of investment income payments to (i) individuals or legal persons who are resident in the countries and territories included in the Portuguese "blacklist" approved by Ministerial Order no. 150/2004, or (ii) accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties in which the beneficiaries are not disclosed) which may be reduced in relation to entities or individuals domiciled in certain jurisdictions pursuant to the provisions of treaties for the avoidance of double taxation entered into by Portugal, as may be in force from time to time provided that the formal procedures and certification requirements established by the relevant treaties are complied with (see "*Taxation - Portugal*").

Risks related to procedures for collection of Noteholders' details

It is expected that the direct registering entities, the participants and the clearing systems will follow certain procedures to facilitate the collection from the Noteholders of the information referred to in "*Withholding under Portuguese tax law*" above required to comply with the procedures and certifications required by Decree-law no. 193/2005. Under the Decree-law no. 193/2005, the obligation of collecting from the Noteholders proof of their non-Portuguese resident status and of the compliance with the other requirements for the exemption rests with the direct registering entities, the participants and the entities managing the international clearing systems. A summary of those procedures is also set out in "*Taxation - Portugal*". Such procedures may be revised from time to time in accordance with applicable Portuguese laws and regulations, further to clarifications from the Portuguese tax authorities regarding such laws and regulations and the operational procedures of the clearing systems.

Noteholders must seek their own advice to ensure that they comply with all applicable procedures and to ensure the correct tax treatment of their Notes. None of the Issuer, the Dealers, the Agent or the clearing systems assumes any responsibility in this regard.

The value of the Notes could be adversely affected by a change in English law, Portuguese law or administrative practice.

Save for the form (*forma de representação*) and transfer of the Notes, the creation (if any) of security over the Notes and the Interbolsa procedures for the exercise of rights under the Notes, which are governed by Portuguese law in effect as at the date of this Offering Circular, the conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English or, as the case may be, Portuguese law or administrative practice after the date of this Offering Circular. Any such change could materially adversely impact the value of any Notes affected by it.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes.

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of any Notes.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination as set forth under the Terms and Conditions of the Notes that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Credit ratings assigned to any Notes may not reflect all the risks associated with an investment in those Notes

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the Central Bank of Ireland shall be incorporated in, and form part of, this Offering Circular:

(a) a direct and accurate English translation of the audited consolidated annual financial statements and auditor's report of the Issuer contained in the Issuer's annual reports for the financial years ended 31 December 2017 (the **2017 Annual Report**) and 31 December 2018 (the **2018 Annual Report**), including the information set out at the following pages:

	2017	**2018**
Consolidated Statement of Financial Position	Page 155	Page 178
Consolidated Income Statement	Page 156	Page 179
Consolidated Statement of Comprehensive Income	Page 157	Page 179
Consolidated Statement of Changes in Equity	Pages 158 to 159	Pages 180 to 181
Consolidated Statement of Cash Flow	Page 160	Page 182
Accounting Principles and Notes	Pages 161 to 309	Pages 183 to 231
Audit Report	Pages 328 to 335	Pages 232 to 240

(b) a direct and accurate English translation of the Issuer's unaudited consolidated interim financial statements for the first three months of 2019 contained in the Issuer's results and consolidated financial information for this period (the **Q12019 Report**), including the information set out at the following pages:

Consolidated Statement of Financial Position	Page 22
Consolidated Income Statement	Page 23
Consolidated Statement of Comprehensive Income	Page 23
Consolidated Statement of Changes in Equity	Page 24
Consolidated Statement of Cash Flow	Page 25
Accounting Principles and Notes	Pages 26 to 43

(c) the Terms and Conditions of the Notes contained in the Offering Circular dated 4 November 2013, pages 36 to 61 (inclusive), prepared by the Issuer in connection with the Programme;

(d) the Terms and Conditions of the Notes contained in the Offering Circular dated 3 December 2014, pages 36 to 62 (inclusive), prepared by the Issuer in connection with the Programme; and

(e) the Terms and Conditions of the Notes contained in the Offering Circular dated 6 November 2017, pages 39 to 67 (inclusive), prepared by the Issuer in connection with the Programme.

Any non-incorporated parts of the documents referred to above are either deemed not relevant for an investor or are otherwise covered elsewhere in this Offering Circular.

Documents referred to in paragraphs (a) and (b) above can be viewed electronically and free of charge at the Issuer's website; the 2017 Annual Report is available at https://www.galp.com/corp/Portals/0/Recursos/Investidores/SharedResources/Relatorios/EN/Annual_Report_and_Accounts_Galp_2017_1.pdf, the 2018 Annual Report is available at https://www.galp.com/corp/Portals/0/Recursos/Investidores/SharedResources/Relatorios/EN/Galp_Integrated_Report_2018.pdf, and the Q12019 Report is available at https://www.galp.com/corp/Portals/0/Recursos/Investidores/SharedResources/Resultados/EN/2019/Galp_3M19ving.pdf respectively.

The Documents referred to in paragraphs (c) to (e) above can be viewed electronically and free of charge at http://www.rns-pdf.londonstockexchange.com/rns/1779S_-2013-11-4.pdf, https://www.rns-pdf.londonstockexchange.com/rns/7875Y_-2014-12-3.pdf and https://www.rns-pdf.londonstockexchange.com/rns/6720V_-2017-11-6.pdf respectively.

Following the publication of this Offering Circular a supplement may be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Lisbon.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Form of the Notes

Notes to be issued under the Programme will be represented in dematerialised book-entry form (*forma escritural*) and are *nominativas* (and therefore Interbolsa (as defined below), at the Issuer's request, can ask the Affiliate Members of Interbolsa (as defined below) information regarding the identity of the Noteholders and transmit such information to the Issuer).

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency, and save that the minimum denomination of each Note will be EUR100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

In this Offering Circular, **Interbolsa** means Interbolsa - Sociedade Gestora de Sistemas de Liquidação de Sistemas Centralizados de Valores Mobiliários, S.A., the Portuguese central securities depositary, also acting as operator and manager of **CVM** (*Central de Valores Mobiliários*), the Portuguese centralised system of registration of securities. The expression **Affiliate Member of Interbolsa** means any authorised financial intermediary entitled to hold control accounts with Interbolsa on behalf of Noteholders and includes any depository banks appointed by Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**) for the purposes of holding such accounts with Interbolsa on behalf of Euroclear and Clearstream, Luxembourg.

Any reference herein to Interbolsa, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

Clearing and Settlement

CVM is the Portuguese centralised system (*sistema centralizado*) for the registration and control of securities operated by Interbolsa. CVM is composed of interconnected securities accounts, through which securities (and inherent rights) are created, held and transferred. This allows Interbolsa to control the amount of securities created, held and transferred at each time. Issuers, Affiliate Members of Interbolsa and the Bank of Portugal, all participate in CVM.

CVM provides for all the procedures which allow the owners of securities to exercise their rights.

In relation to each issue of securities, CVM comprises *inter alia*, *(a)* the issue account, opened by the relevant issuer in CVM and which reflects the full amount of securities issued; *(b)* the individual accounts, opened in the Affiliate Members of Interbolsa by their respective customers; and *(c)* the control accounts opened by each Affiliate Member of Interbolsa, and which reflect, at all times, the aggregate nominal amount of securities held in the individual securities accounts opened by holders of securities with each of the Affiliate Members of Interbolsa.

Each person shown in the records of an Affiliate Member of Interbolsa as having an interest in Notes shall be treated as the holder of the principal amount of the Notes recorded.

Notes registered with Interbolsa will be attributed an International Securities Identification Number (ISIN) code through Interbolsa's codification system and will be accepted for registration and clearing through the system operated at Interbolsa and settled by Interbolsa's settlement system.

Exercise of Financial Rights

Payment of principal and interest in respect of the Notes will be subject to Portuguese laws and regulations, notably the regulations from time to time issued and applied by the Comissão do Mercado de Valores Mobiliários, the Portuguese Securities Market Commission (**CMVM**) and by Interbolsa.

The Issuer must give Interbolsa advance notice of all payments and provide all necessary information for that purpose, including the identity of the financial intermediary (which shall be a participant in Interbolsa) appointed by the Issuer to act as the Paying Agent in respect of the Notes and is responsible for the relevant payments.

Prior to any payment, such Paying Agent shall provide Interbolsa with a statement of acceptance of its role of Paying Agent.

Interbolsa must notify such Paying Agent of the amounts to be settled, which will be determined by Interbolsa on the basis of the account balances of the control accounts of each relevant Affiliate Member of Interbolsa.

On the date on which any payment in respect of the Notes is to be made, the corresponding entries and counter-entries will be made by Interbolsa *(i)* in the TARGET2 current accounts held by such Paying Agent and by the relevant Affiliate Members of Interbolsa in the case of payments in euro or *(ii)* in the Caixa Geral de Depósitos, S.A. current accounts held by such Paying Agent and by the relevant Affiliate Members of Interbolsa in the case of payments in currencies acceptable by Interbolsa other than euro.

Whilst the Notes are held through Interbolsa, payment of principal and interest in respect of the Notes will be *(i)* if made in euro *(a)* credited, according to the procedures and regulations of Interbolsa, to TARGET2 payment current accounts held in the payment system of TARGET2 according to the applicable procedures and regulations of Interbolsa by the Affiliate Members of Interbolsa whose control accounts with Interbolsa are credited with such Notes and thereafter *(b)* credited by such Affiliate Members of Interbolsa from the aforementioned payment current accounts to the accounts of the owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or Clearstream, Luxembourg, as the case may be; or *(ii)* if made in currencies other than euro *(a)* transferred, on the payment date and according to the procedures and regulations applicable by Interbolsa, from the account held by the relevant Paying Agent in the Foreign Currency Settlement System (*Sistema de Liquidação em Moeda Estrangeira*), managed by Caixa Geral de Depósitos, S.A., to the relevant accounts of the relevant Affiliate Members of Interbolsa, and thereafter *(b)* transferred by such Affiliate Members of Interbolsa from such relevant accounts to the accounts of the owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or Clearstream, Luxembourg, as the case may be.

FORM OF FINAL TERMS

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.]

[**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the **SFA**), the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A(1) of the SFA) that the Notes are ["prescribed capital markets products"]/["capital markets products other than prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and ["Excluded Investment Products"]/["Specified Investment Products"] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA N16: Notice on Recommendations on Investment Products).]

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[*Date*]

GALP ENERGIA, SGPS, S.A.
(incorporated with limited liability in Portugal)

Legal Entity Identifier (LEI): 2138003319Y7NM75FG53

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]
under the EUR5,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 10 July 2019 [and the supplement[s] to it dated [ ] [and [ ]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Offering Circular**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular has been published on Euronext Dublin's website (http://www.ise.ie).]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [4 November 2013/3 December 2014/6 November 2017] [and the supplement[s] to it dated [*date*] [and [*date*]] which are incorporated by reference in the Offering Circular dated 10 July 2019. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular dated 10 July 2019 [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Offering Circular**), including the Conditions incorporated by reference in the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular has been published on Euronext Dublin's website (http://www.ise.ie).]

1.	Issuer:		Galp Energia, SGPS, S.A.
2.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]
	(c)	Date on which the Notes will be consolidated and form a single Series:	[The Notes will be consolidated and form a single Series with [ ] on [[ ] / the Issue Date] / Not Applicable]
3.	Specified Currency or Currencies:		[ ]
4.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ ]]
6.	Specified Denomination:		[ ]
7.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[[ ]/Issue Date/Not Applicable]
8.	Maturity Date:		[[ ]/ Interest Payment Date falling in or nearest to [ ]]
9.	Interest Basis:		[[ ] per cent. Fixed Rate] [[ ] month [LIBOR/EURIBOR] +/- [ ] per cent. Floating Rate] [Zero coupon]

			(see paragraph [14][15][16] below)
10.	Redemption Basis:		Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount.
11.	Change of Interest Basis:		[ ] [Not Applicable]
12.	Put/Call Options:		[Not Applicable] [Investor Put] [Issuer Call] [(see paragraph [18][19] below)]
13.	Date [Board] approval for issuance of Notes obtained:		[ ] [Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions		[Applicable/Not Applicable]
	(a)	Rate(s) of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[[ ] in each year up to and including the Maturity Date] [ ]
	(c)	Fixed Coupon Amount(s):	[ ] per Specified Denomination
	(d)	Broken Amount(s):	[[ ] per Specified Denomination, payable on the Interest Payment Date falling [in/on] [ ]] [Not Applicable]
	(e)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)]
	(f)	Determination Date(s):	[[ ] in each year] [Not Applicable]
15.	Floating Rate Note Provisions		[Applicable/Not Applicable]
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ] [subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention] [Not Applicable]
	(c)	Additional Business Centre(s):	[ ] [Not Applicable]
	(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]

(e)	Party Responsible for calculating the Rate of Interest and the Interest Amount (if not the Agent):	[ ]
(f)	Screen Rate Determination:	[Applicable/Not Applicable]
	• Reference Rate:	[ ] month [LIBOR/EURIBOR]
	• Interest Determination Date(s):	[ ]
	• Relevant Screen Page:	[ ]
(g)	ISDA Determination:	[Applicable/Not Applicable]
	• Floating Rate Option:	[ ]
	• Designated Maturity:	[ ]
	• Reset Date:	[ ]
(h)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
(i)	Margin(s):	[+/-] [ ] per cent. per annum
(j)	Minimum Rate of Interest:	[ ] per cent. per annum
(k)	Maximum Rate of Interest:	[ ] per cent. per annum
(l)	Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
(m)	Benchmark Discontinuation:	[Applicable/Not Applicable]
16.	Zero Coupon Note Provisions	[Applicable/Not Applicable]
(a)	Accrual Yield:	[ ] per cent. per annum
(b)	Reference Price:	[ ]

	(c)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

17.	Notice periods for Condition 6.2:		Minimum period: [30] days Maximum period: [60] days
18.	Issuer Call:		[Applicable/Not Applicable]
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount:	[[ ] per Specified Denomination] [Spens Amount][1] [Make-Whole Amount] [(as specified in 18(a) above)]
	(c)	Reference Bond:	[ ]
	(d)	Redemption Margin:	[ ]
	(e)	Quotation Time:	[ ]
	(f)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[ ] [Not Applicable]
		(ii) Maximum Redemption Amount:	[ ] [Not Applicable]
	(g)	Notice periods:	Minimum period: [15] days Maximum period: [30] days
19.	Investor Put:		[Applicable/Not Applicable]
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount:	[ ] per Specified Denomination
	(c)	Notice periods:	Minimum period: [15] days Maximum period: [30] days
20.	Final Redemption Amount:		[ ] per Specified Denomination
21.	Early Redemption Amount payable on redemption for taxation reasons or on		[ ] per Specified Denomination

[1] To be used for Notes denominated in sterling only

event of default:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22.	Form of Notes:	Dematerialised book-entry form (*forma escritural*) held through Interbolsa *Nominativas*
23.	Additional Financial Centre(s):	[Not Applicable/[ ]]

Third Party Information

[[ ] has been extracted from [ ]]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of **Galp Energia, SGPS, S.A.**:

By: .....

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing and Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on Euronext Dublin's regulated market with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Euronext Dublin's regulated market with effect from [ ].]
(ii)	Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

Ratings:	[The Notes to be issued [have been/are expected to be] rated: [*insert details*]] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*]. [Each of [*defined terms*] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the CRA Regulation).]] [Not Applicable]

3. BENCHMARKS REGULATION

(Floating Rate Notes calculated by reference to a benchmark only)

[Amounts payable under the Notes will be calculated by reference to [LIBOR/EURIBOR] which is provided by [ICE Benchmark Administration Limited/ European Money Markets Institute]. As at the date of these Final Terms, [ICE Benchmark Administration Limited/European Money Markets Institute] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011.]

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business [and [ ]]]

5. USE OF PROCEEDS [As specified in the Offering Circular] [●]

6. YIELD (Fixed Rate Notes only)

Indication of yield: [ ]

[Not Applicable]

The yield is calculated at the Issuer Date on the basis of the Issue Price. It is not an indication of further yield.

7. HISTORIC INTEREST RATES (Floating Rate Notes only)

[Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].] [Not Applicable]

8. OPERATIONAL INFORMATION

(i)	ISIN Code:	[ ]
(ii)	Common Code:	[ ] [Not Applicable]
(iii)	CFI:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(iv)	FISN:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(v)	Any clearing system(s) other than Interbolsa, Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/[ ]]
(vi)	Delivery:	Delivery [against/free of] payment
(vii)	Names and addresses of additional Paying Agent(s) (if any):	[ ] [Not Applicable]

9. DISTRIBUTION

(i)	If syndicated, names of Managers:	[Not Applicable/[ ]]
(ii)	Date of Subscription Agreement:	[ ]

(iii)	If non-syndicated, name of relevant Dealer:	[Not Applicable/[ ]]
(iv)	U.S. Selling Restrictions:	Reg. S Compliance Category 2; [TEFRA C applies / TEFRA not applicable]
(v)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]
(vi)	[Prohibition of Sales to Belgian Consumers:	[Applicable/Not Applicable] (*N.B. advice should be taken from Belgian counsel before disapplying this selling restriction*)]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be applicable to each Note. The applicable Final Terms in relation to any Tranche of Notes will complete the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be applicable to each Note. Reference should be made to "Form of Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Galp Energia, SGPS, S.A. (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean the book-entries representing the Notes while held through Interbolsa - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. (**Interbolsa**), as management entity of the Portuguese Centralised System of Registration of Securities (**Central de Valores Mobiliários**).

The Notes have the benefit of a deed poll given by the Issuer in favour of the Noteholders dated 6 November 2017 (such deed poll as amended and/or supplemented and/or restated from time to time, the **Interbolsa Instrument**) and of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 10 July 2019 and made and agreed between the Issuer and Caixa - Banco de Investimento, S.A. as agent (the **Agent**, which expression shall include any successor agent) and any other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the applicable Final Terms which complete these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof).

The expression **Prospectus Directive** means Directive 2003/71/EC (as amended or superseded), and, where the context so requires, includes any relevant implementing measure in a relevant Member State of the European Economic Area.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the persons in whose name the Notes are registered in the individual securities account held with an Affiliate Member of Interbolsa (as defined below) in accordance with Portuguese law and the relevant Interbolsa procedures and, for the purposes of Condition 7, the effective beneficiary of the income attributable thereto.

In these Conditions, the expression **Affiliate Member of Interbolsa** means any authorised financial intermediary entitled to hold control accounts with Interbolsa on behalf of Noteholders and includes any depository banks appointed by Euroclear and Clearstream, Luxembourg, for the purposes of holding accounts on behalf of Euroclear and Clearstream, Luxembourg; **Clearstream, Luxembourg** means Clearstream Banking S.A.; and **Euroclear** means Euroclear Bank SA/NV.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which *(a)* are expressed to be consolidated and form a single series and *(b)* (i) have the same terms and conditions or (ii) terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Interbolsa Instrument and the Agency Agreement are available for inspection during normal business hours at the specified office of the Agent. As the Notes are to be admitted to trading on the regulated market of Euronext Dublin, the applicable Final Terms will be published on the website of the Central Bank of Ireland. The Noteholders are deemed to have notice of, and are entitled to the benefit of, all

the provisions of the Interbolsa Instrument, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Interbolsa Instrument or the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Interbolsa Instrument and the Agency Agreement, the Interbolsa Instrument shall prevail, and that in the event of inconsistency between the Interbolsa Instrument or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In these Conditions, **euro** and **EUR** mean the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. FORM, DENOMINATION AND TITLE

The Notes are issued in the currency (the **Specified Currency**) and the denomination (the **Specified Denomination**) specified in the applicable Final Terms, provided that the minimum Specified Denomination of each Note will be EUR100,000 (or if the Notes are denominated in a currency other than euro, the equivalent amount in such currency). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

The Notes are held through Interbolsa in dematerialised book entry form (*forma escritural*) and are *nominativas* (in which case Interbolsa, at the Issuer's request, can ask the Affiliate Members of Interbolsa for information regarding the identity of the Noteholders and transmit such information to the Issuer, and title to the Notes is evidenced by registration in the relevant individual securities accounts held with an Affiliate Member of Interbolsa in accordance with the provisions of the **Portuguese Securities Code** (*Código dos Valores Mobiliários*) enacted by Decree-law no. 486/99, of 13 November 1999, as amended, and the applicable regulations of Comissão do Mercado de Valores Mobiliários, the Portuguese Securities Market Commission (**CMVM**). No physical document of title will be issued in respect of the Notes. Each person shown in the relevant individual securities accounts held with an Affiliate Member of Interbolsa as having an interest in Notes shall be treated as the holder of the principal amount of the Notes recorded therein. The Issuer and the Paying Agents will (except as otherwise required by law) deem and treat the registered holder of any Note as the absolute owner thereof (whether or not overdue) for all purposes.

The transferability of the Notes is not restricted. Subject as set out below, title to Notes will pass upon registration of transfers in the relevant individual securities accounts held with an Affiliate Member of Interbolsa in accordance with the provisions of the Portuguese Securities Code and the relevant procedures of Interbolsa. Notes may, subject to compliance with all applicable rules, restrictions and requirements of Interbolsa and Portuguese law, be transferred to a person who wishes to hold such Note. No holder of a Note will be able to transfer such Note, except in accordance with Portuguese law and with the applicable procedures of Interbolsa.

Any reference herein to Interbolsa, Euroclear or Clearstream, Luxembourg shall, wherever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms. The holders of Notes will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the

payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2. STATUS OF THE NOTES

The Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.

3. NEGATIVE PLEDGE

So long as any of the Notes remains outstanding, the Issuer will not (and will procure that none of its Material Subsidiaries will) create or have outstanding any Security Interest other than any Permitted Security upon the whole or any part of its undertaking or assets, present or future (including any uncalled capital) to secure any Loan Stock of any Person without at the same time or prior thereto at the option of the Issuer either:

(i) securing the Notes equally and rateably with such Loan Stock; or

(ii) providing such other security for or other arrangement in respect of the Notes as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

For the purposes of these Conditions:

Loan Stock means *(i)* indebtedness (other than the Notes) having an original maturity of more than one year which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other debt securities (not comprising, for the avoidance of doubt, preference shares or other equity securities) which for the time being are, or are intended to be with the consent of the issuer thereof, quoted, listed, ordinarily dealt in or traded on any stock exchange and/or quotation system or over-the-counter or other securities market other than any such indebtedness where the majority thereof is initially placed with investors domiciled in Portugal and who purchase such indebtedness in Portugal and *(ii)* any guarantee or indemnity in respect of any such indebtedness.

Material Subsidiary means at any time a Subsidiary of the Issuer:

(a) whose total assets or revenues (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest consolidated accounts of the Issuer relate, are equal to) not less than 10 (ten) per cent. of the consolidated total assets or consolidated revenues of the Issuer, all as calculated by reference to the then most recent financial statements of that Subsidiary (consolidated or, as the case may be, unconsolidated) and the most recent consolidated financial statements of the Issuer; or

(b) to which the whole or substantially the whole of the assets and undertaking of a Subsidiary is transferred which, immediately prior to such transfer, is a Material Subsidiary,

provided that:

(i) in subparagraph (a), if the Subsidiary was acquired after the financial period to which the most recent consolidated accounts of the Issuer relate, the reference to the then latest consolidated accounts of the Issuer shall, until consolidated accounts of the Issuer for the financial period in which the acquisition is made have been

approved, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant accounts, adjusted as deemed appropriate by the Issuer;

(ii) in subparagraph (b), the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall cease to be a Material Subsidiary on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of the transfer have been approved, save if the transferor Subsidiary or the transferee Subsidiary qualify as a Material Subsidiary on or at any time after the date on which such consolidated accounts have been approved as aforesaid by virtue of the provisions of subparagraph (a) above; and

(iii) any reference to "financial statements" or "accounts" in these Conditions refer to such "financial statements" or "accounts" as approved by the relevant company's shareholders meeting.

A Noteholder shall be entitled to request at any time a report signed by two directors of the Issuer confirming on behalf of the Issuer that a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period, a Material Subsidiary. Any such report shall be made available for inspection by all Noteholders, and notification thereof shall be delivered in accordance with Condition 10 within 14 days of such request, and such report shall (unless the contrary be proven) be sufficient evidence of such confirmation of the Issuer.

Permitted Security means:

(i) in the case of a consolidation or merger of the Issuer or any Material Subsidiary with or into another company (the **Combining Company**) any Security Interest over assets of the Combining Company (prior to consolidation or merger with the Issuer or the relevant Material Subsidiary) provided that:

(1) such Security Interest was created by the Combining Company over assets owned by the Combining Company prior to consolidation or merger with the Issuer or the relevant Material Subsidiary;

(2) such Security Interest is existing at the time of such consolidation or merger;

(3) such Security Interest was not created in contemplation of such consolidation or merger; and

(4) the amount secured by such Security Interest is not increased thereafter; or

(ii) any Security Interest on or with respect to assets (including but not limited to receivables) of the Issuer or any Material Subsidiary which is created in respect of indebtedness raised in the context of project finance transactions, securitisations or like arrangements in accordance with normal market practice (or guarantees or indemnities of such indebtedness) and whereby the payment obligations of the Issuer or the relevant Material Subsidiary in respect of such indebtedness (or guarantees or indemnities of such indebtedness) are limited to the value of such assets; or

(iii) any Security Interest created before the Issue Date of the first Tranche of the Notes; or

(iv) any Security Interest arising by operation of law.

Person means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state, agency of a state or other entity, whether or not having separate legal personality.

Security Interest means a mortgage, lien, pledge, charge or other security interest.

Subsidiary means an entity from time to time in respect of which the Issuer *(a)* has the right to appoint the majority of the members of the board of directors or similar board or *(b)* owns directly or indirectly more than 50 per cent. of *(i)* the share capital or similar right of ownership or *(ii)* voting rights (by contract or otherwise), and in each case where the financial statements of such entity are consolidated with the financial statements of the Issuer.

4. INTEREST

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

(a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

(i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of *(I)* the number of days in such Determination Period and *(II)* the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of *(x)* the

number of days in such Determination Period and *(y)* the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of *(x)* the number of days in such Determination Period and *(y)* the number of Determination Dates that would occur in one calendar year; and

(b) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

4.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and *(x)* if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or *(y)* if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date *(a)* in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall

apply *mutatis mutandis* or *(b)* in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event *(i)* such Interest Payment Date shall be brought forward to the immediately preceding Business Day and *(ii)* each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Lisbon and London and each Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms;

(b) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and

(c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.

and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is a period specified in the applicable Final Terms; and

(C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

(A) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

I. the offered quotation; or

II. the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service that displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

(B) If the Relevant Screen Page is not available or if, in the case of paragraph 4.2(b)(ii)(A)I, no offered quotation appears or, in the case of paragraph 4.2(b)(ii)(A)II, fewer than three offered quotations appear, in each case as at the Specified Time, the Agent shall request each of the Reference Banks to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

(C) If on any Interest Determination Date:

I. one only or none of the Reference Banks provides the Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any); or

II. if fewer than two of the Reference Banks provide the Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any),

provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

Interest Determination Date means the second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR, as specified in the applicable Final Terms.

Reference Banks means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Agent;

Specified Time means 11.00 a.m. (London time, in the case of a determination of LIBOR, or Brussels time, in the case of a determination of EURIBOR);

(iii) Benchmark Discontinuation

This Condition 4.2(b)(iii) applies only where (i) Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and (ii) Benchmark Replacement is specified in the applicable Final Terms as being applicable.

(A) Independent Adviser

Notwithstanding Condition 4.2(b)(ii), if the Issuer determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4.2(b)(iii)(B)) and, in either case, an Adjustment Spread (in accordance with Condition 4.2(b)(iii)(C)) and any Benchmark Amendments (in accordance with Condition 4.2(b)(iii)(D)).

An Independent Adviser appointed pursuant to this Condition 4.2(b)(iii) shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Agent or the Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4.2(b)(iii).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate and, in either case, an Adjustment Spread in accordance with this Condition 4.2(b)(iii)(A) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall (subject as provided below) be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall (subject as provided below) be the initial Rate of Interest. Where a different Margin (if any) or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin (if any) or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin (if any) or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this sub-paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4.2(b)(iii).

(B) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

I. there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4.2(b)(iii)(C)) subsequently be

used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4.2(b)(iii)); or

II. there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4.2(b)(iii)(C)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4.2(b)(iii)).

(C) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). Such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or any component part(s) thereof) by reference to such Successor Rate or Alternative Rate (as applicable), subject to the subsequent operation of this Condition 4.2(b)(iii).

(D) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4.2(b)(iii) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions and/or the Agency Agreement and/or the Interbolsa Instrument are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and, in each case, the Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4.2(b)(iii)(E), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement and/or the Interbolsa Instrument to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Agent of a certificate signed by two directors of the Issuer pursuant to Condition 4.2(b)(iii)(E), the Agent shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in using its reasonable endeavours in effecting any Benchmark Amendments (including, *inter alia*, by the execution of an agreement supplemental to or amending the Agency Agreement) and the Agent shall not be liable to any party for any consequences thereof, provided that the Agent shall not be obliged so to concur if in the opinion of the Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or any documents to which it is a party (including, for the avoidance of doubt, any supplemental agency agreement) in any way.

In connection with any such variation in accordance with this Condition 4.2(b)(iii)(D), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(E) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4.2(b)(iii) will be notified promptly by the Issuer to the Agent and, in accordance with Condition 10, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments (if any).

No later than notifying the Agent of the same, the Issuer shall deliver to the Agent a certificate signed by two authorised signatories of the Issuer:

I. confirming (a) that a Benchmark Event has occurred, (b) the Successor Rate or, as the case may be, the Alternative Rate, (c) the Adjustment Spread and (d) the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4.2(b)(iii)(E); and

II. certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and, in each case, the Adjustment Spread.

The Agent shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Paying Agents and the Noteholders.

(F) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer or the Independent Adviser under Condition 4.2(b)(iii)(A), 4.2(b)(iii)(B), 4.2(b)(iii)(C) and 4.2(b)(iii)(D), the Original Reference Rate and the fallback provisions provided for in Condition 4.2(b)(ii) will continue to apply unless and until a Benchmark Event has occurred and the Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), the Adjustment Spread and any Benchmark Amendments, in accordance with Condition 4.2(b)(iii)(E).

(G) Definitions

As used in this Condition 4.2(b)(iii):

Adjustment Spread means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

I. in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);

II. the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines is recognised or acknowledged as being in customary market usage in the international debt capital markets for transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or (if the Issuer determines that no such customary market usage is recognised or acknowledged);

III. the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or (if the Issuer determines that no such industry standard is recognised or acknowledged);

IV. the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate;

Alternative Rate means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines in accordance with Condition 4.2(b)(iii)(B) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes;

Benchmark Amendments has the meaning given to it in Condition 4.2(b)(iii)(D);

Benchmark Event means:

I. the Original Reference Rate ceasing be published for a period of at least 5 Business Days or ceasing to exist; or

II. the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (i); or

III. the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely

discontinued and (ii) the date falling six months prior to the date specified in (i); or

IV. the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will, on or before a specified date, be prohibited from being used either generally, or in respect of the Notes and (ii) the date falling six months prior to the date specified in (i); or

V. the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative of an underlying market; or

VI. it has or will become prior to the next Interest Determination Date unlawful for the Agent or the Issuer to calculate any payments due to be made to any Noteholders using the Original Reference Rate;

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with appropriate experience in the international capital markets appointed by the Issuer at its own expense under Condition 4.2(b)(iii)(A);

Original Reference Rate means the specified benchmark or screen rate (as applicable) originally specified in the applicable Final Terms for the purposes of determining the Rate of Interest (or any relevant component part(s) thereof) on the Notes (or, if applicable, any other successor or alternative rate (or component part thereof) determined and applicable to the Notes pursuant to the earlier operation of this Condition4.2(b)(iii));

Relevant Nominating Body means, in respect of a benchmark or screen rate (as applicable):

I. the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

II. any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

Successor Rate means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) Notification of Rate of Interest and Interest Amounts

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 10 as soon as possible after their determination but in no event later than the fourth Lisbon Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 10. For the purposes of this paragraph, the expression **Lisbon Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Lisbon.

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 by the Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer and the Noteholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(h) References to Agent

References in this Condition 4.2 to "the Agent" shall be deemed to refer instead to such other person as identified in the applicable Final Terms if such Final Terms name another person as the party for calculating the Rate of Interest and the Interest Amount.

4.3 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 10.

5. PAYMENTS

5.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency; and

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to *(i)* any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 and *(ii)* any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

5.2 Payments in respect of the Notes

Whilst the Notes are held through Interbolsa, payment of principal and interest in respect of the Notes will be *(i)* if made in euro *(a)* credited, according to the procedures and regulations of Interbolsa, from the payment current account which the relevant Paying Agent (acting on behalf of the Issuer) has indicated to, and has been accepted by, Interbolsa to be used on the relevant Paying Agent's behalf for payments in respect of securities held through Interbolsa to the payment current accounts held according to the applicable procedures and regulations of Interbolsa by the Affiliate Members whose control accounts with Interbolsa are credited with such Notes of and thereafter *(b)* credited by such Affiliate Members of Interbolsa from the aforementioned payment current accounts to the accounts of the owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or Clearstream, Luxembourg, as the case may be; or *(ii)* if made in currencies other than euro *(a)* transferred, on the payment date and according to the procedures and regulations applicable by Interbolsa, from the account held by the

relevant Paying Agent in the Foreign Currency Settlement System (*Sistema de Liquidação em Moeda Estrangeira*), managed by Caixa Geral de Depósitos, S.A., to the relevant accounts of the relevant Affiliate Members of Interbolsa, and thereafter *(b)* transferred by such Affiliate Members of Interbolsa from such relevant accounts to the accounts of the owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or Clearstream, Luxembourg, as the case may be.

5.3 General provisions applicable to payments

The holder of a Note, as shown in the relevant individual securities accounts held with an Affiliate Member of Interbolsa as having an interest in Notes shall be the only person entitled to receive payments in respect of Notes recorded therein.

The Issuer will be discharged by payment to the Noteholders according to the procedures and regulations of Interbolsa in respect of each amount so paid.

5.4 Payment Day

If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 12) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Lisbon and London and any Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;

(b) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and

(c) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

5.5 Interpretation of principal and interest

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 7;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes; and

(e) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

6. REDEMPTION AND PURCHASE

6.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

6.2 Redemption for tax reasons

Subject to Condition 6.5, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 10, the Noteholders (which notice shall be irrevocable), if:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts described in Condition 7 as a result of any change in, or amendment to, the laws or regulations of the Relevant Jurisdiction (as defined in Condition 7) or any political subdivision of, or any authority in, or of, the Relevant Jurisdiction having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the Notes; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent to make available at its specified office to the Noteholders (i) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Agent shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above in which event they shall be conclusive and binding on the Noteholders.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.5 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in

applicable Final Terms to the Noteholders in accordance with Condition 10 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only (as specified in the applicable Final Terms) of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. The Optional Redemption Amount will be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms.

If Spens Amount is specified in the Final Terms as the Optional Redemption Amount, the Optional Redemption Amount shall be an amount equal to the higher of (i) 100 per cent. of the nominal amount outstanding of the Notes to be redeemed and (ii) the nominal amount outstanding of the Notes to be redeemed multiplied by the price, as reported to the Issuer and the Agent by the Independent Financial Adviser, at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time specified in the applicable Final Terms on the Reference Date of the Reference Bond, plus the Redemption Margin, all as determined by the Independent Financial Adviser.

If Make-Whole Amount is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount shall be an amount calculated by the Independent Financial Adviser equal to the higher of (i) 100 per cent. of the nominal amount outstanding of the Notes to be redeemed or (ii) the sum of the present values of the nominal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Note (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis at the Reference Bond Rate, plus the Redemption Margin.

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the nominal amount of all outstanding Notes will be reduced proportionally.

In these Conditions:

Gross Redemption Yield means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Independent Financial Adviser on the basis set out by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields", page 4, Section One: Price/Yield Formulae "Conventional Gilts"; Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (published 8 June 1998, as amended or updated from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or on such other basis as agreed between the Issuer and the Independent Financial Adviser;

IFA Selected Bond means a government security or securities selected by the Independent Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes;

Independent Financial Adviser means an independent financial institution of international repute appointed by the Issuer at its own expense;

Redemption Margin shall be as set out in the applicable Final Terms;

Reference Bond shall be as set out in the applicable Final Terms or, if no such bond is set out or if such bond is no longer outstanding, shall be the IFA Selected Bond;

Reference Bond Price means, with respect to any date of redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Independent Financial Adviser obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

Reference Bond Rate means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

Reference Date will be set out in the relevant notice of redemption;

Reference Government Bond Dealer means each of five banks selected by the Issuer (or the Independent Financial Adviser on its behalf), or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

Reference Government Bond Dealer Quotations means, with respect to each Reference Government Bond Dealer and any date for redemption, the arithmetic average, as determined by the Independent Financial Adviser, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Reference Date quoted in writing to the Independent Financial Adviser by such Reference Government Bond Dealer; and

Remaining Term Interest means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from (and including) the date on which such Note is to be redeemed by the Issuer pursuant to this Condition 6.3.

6.4 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 10 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition. Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable. The right to require redemption will be exercised directly against the Issuer, through the relevant Paying Agent.

6.5 Early Redemption Amounts

For the purpose of Condition 6.2 above and Condition 8:

(a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and

(b) each Zero Coupon Note will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^{y}$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

6.6 Purchases

Subject to applicable provisions of Portuguese law, the Issuer or any of its Subsidiaries (as defined below) may at any time purchase or otherwise acquire Notes at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer or the relevant Subsidiary (as the case may be), cancelled.

6.7 Cancellation

All Notes which are redeemed will forthwith be cancelled in accordance with Interbolsa regulations. All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6.6 above shall be cancelled by Interbolsa in accordance with Interbolsa regulations and cannot be held, reissued or resold.

6.8 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1, 6.2, 6.3 or 6.4 above or upon its becoming due and repayable as provided in Condition 8 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.5(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero

Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 10.

7. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any taxes imposed or levied in the Relevant Jurisdiction, unless the withholding or deduction of the taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction, except that no additional amounts shall be payable in relation to any payment in respect of any Notes:

(a) to, or to a third party on behalf of, a Noteholder who is liable to the taxes in respect of the Notes by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of Notes; or

(b) to, or to a third party on behalf of, a Noteholder that may qualify for the application of Decree-law no. 193/2005, of 7 November 2005, as amended from time to time (**Decree-law no. 193/2005**), and in respect of whom all procedures and information required from a Noteholder in order to comply with Decree-law no. 193/2005, and any implementing legislation, are not performed or received, as the case may be, in due time; or

(c) to, or to a third party on behalf of, a Noteholder resident for tax purposes in the Relevant Jurisdiction, or a resident in a country, territory or region subject to a clearly more favourable tax regime (a tax haven jurisdiction) as defined in Ministerial Order (*Portaria*) no. 150/2004, of 13 February 2004, as amended from time to time, issued by the Portuguese Minister of State and Finance (*Portaria do Ministério das Finanças e da Administração Pública no. 150/2004*) with the exception of *(a)* central banks and governmental agencies, as well as international institutions recognised by the Tax Jurisdiction, of those tax haven jurisdictions, and *(b)* tax haven jurisdictions which have a double taxation treaty in force or a tax information exchange agreement in force with Portugal, provided that all procedures and information required from a Noteholder under Decree-law no. 193/2005 regarding (a) and (b) are complied with or received, as the case may be; or

(d) to, or to a third party on behalf of *(i)* a Portuguese resident legal entity subject to Portuguese corporation tax with the exception of entities that benefit from an exemption of Portuguese withholding tax or from Portuguese income tax exemptions, or *(ii)* a legal entity not resident in Portugal with a permanent establishment in Portugal to which the income or gains obtained from the Notes are attributable (with the exception of entities which benefit from a Portuguese withholding tax waiver); or

(e) presented for payment by or on behalf of a Noteholder who would not be liable for or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

(f) presented for payment into an account held on behalf of undisclosed beneficial owners where such beneficial owners are not disclosed for purposes of payment and such disclosure is required by law.

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Notes for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto (any such withholding or deduction, a FATCA Withholding). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

For the purposes of the above:

Affiliate Member means any authorised financial intermediary entitled to hold control accounts with Interbolsa on behalf of Noteholders and includes any depository banks appointed by Euroclear and Clearstream, Luxembourg, for the purposes of holding accounts on behalf of Euroclear and Clearstream, Luxembourg;

Noteholder means the persons in whose name the Notes are registered in the individual securities account held with an Affiliate Member of Interbolsa, in accordance with Portuguese law and the relevant Interbolsa procedures, or the person who is the effective beneficiary of the income attributable thereto; and

Relevant Jurisdiction means the Republic of Portugal or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax in which the Issuer becomes tax resident.

8. EVENTS OF DEFAULT

If any or more of the following events (each an **Event of Default**) shall occur and be continuing:

(a) the Issuer fails to pay any amount of principal or interest due in respect of the Notes and the default continues for a period of 7 days in the case of principal and 14 days in the case of interest; or

(b) the Issuer fails to perform or observe any of its other obligations under these Conditions and such failure continues unremedied for a period of 30 days after any Noteholder has given written notice to the Issuer requiring the failure to be remedied; or

(c) *(i)* any Indebtedness for Borrowed Money of the Issuer or any Material Subsidiary becomes due and payable prior to the stated maturity thereof following the occurrence of any event of default (howsoever described); or *(ii)* any Indebtedness for Borrowed Money of the Issuer or any Material Subsidiary is not paid on the due date of payment (as extended by any applicable grace period); or *(iii)* following the occurrence of any event of default (howsoever described), any guarantee or indemnity in respect of Indebtedness for Borrowed Money given by the Issuer or any Material Subsidiary is not honoured when due (as extended by any applicable grace period); or *(iv)* any security interest, present or future, over the assets of the Issuer or any Material Subsidiary for any Indebtedness for Borrowed Money becomes enforceable following the occurrence of any event of default (howsoever described) and steps are taken to enforce the same, ***provided that*** an event described in this subparagraph (c) shall not constitute an Event of Default (I) if it is being contested in good faith by appropriate means by the Issuer or the relevant Material Subsidiary, as the case may be, and the Issuer or such Material Subsidiary, as the case may be, has been advised by recognised

independent legal advisers of good repute that it is reasonable to do so; or (II) if the Indebtedness for Borrowed Money, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money in respect of which any of the events specified above has occurred and is continuing, does not exceed EUR50,000,000 (or its equivalent in any other currency or currencies); or

(d) if *(i)* any steps are taken with a view to the liquidation or dissolution of the Issuer or any Material Subsidiary or the Issuer or any Material Subsidiary becomes insolvent, is unable to pay its debts or admits in writing its inability to pay its debts as and when the same fall due, or a receiver, liquidator or similar officer shall be appointed over all or any part of the Issuer or any Material Subsidiary's assets or an application shall be made for a moratorium or an arrangement with creditors of the Issuer or any Material Subsidiary or proceedings shall be commenced in relation to the Issuer or any Material Subsidiary under any legal reconstruction, readjustment of debts, dissolution or liquidation law or regulation, or a distress shall be levied or sued out upon all or any part of the Issuer or any Material Subsidiary's assets or anything analogous to the foregoing shall occur; and *(ii)* in any case shall not be discharged for 60 days, ***provided that*** no such event shall constitute an Event of Default if (A) it arises for the purposes of a Permitted Transaction; or (B) it is being contested in good faith by appropriate means by the Issuer or the relevant Material Subsidiary, as the case may be, and the Issuer or such Material Subsidiary, as the case may be, has been advised by recognised independent legal advisers of good repute that it is reasonable to do so; or

(e) save for the purposes of a Permitted Transaction *(i)* the Issuer ceases or *(ii)* the Issuer and its Material Subsidiaries taken as a whole cease, in each case to carry on the whole or substantially the whole of the business conducted by it or them; or

(f) any authorisation, approval, consent, licence, decree, registration, publication, notarisation or other requirement of any governmental or public body or authority necessary to enable or permit the Issuer to comply with its obligations under the Notes or to carry out the whole or substantially the whole of its business is revoked, withdrawn or withheld or otherwise fails to remain in full force and effect or any law, decree or directive of any competent authority of Portugal is enacted or issued which materially impairs the ability or right of the Issuer to perform such obligations or to carry out the whole or substantially the whole of its business; or

(g) any event occurs which under the laws of any Relevant Jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs; or

(h) it is or becomes unlawful for the Issuer to perform or comply with any of its material obligations under the Notes,

Any Noteholder may by written notice to the Issuer and to the Agent at the specified office of the Agent, declare the principal amount outstanding of the Notes to be forthwith due and payable whereupon the same shall become forthwith due and payable at their Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind, ***provided that*** any such action is not contrary to the terms of any Extraordinary Resolution or other resolution of the Noteholders.

No later than 30 days prior to any Solvent Voluntary Reorganisation, the Issuer shall notify the Noteholders in accordance with Condition 10 of its intention to carry out a Solvent Voluntary Reorganisation. Following such Solvent Voluntary Reorganisation, the Issuer shall make available for inspection by Noteholders a report signed by two directors of the Issuer confirming on behalf of

the Issuer that such event was a Solvent Voluntary Reorganisation and such report shall (unless the contrary be proven) be sufficient evidence of such confirmation of the Issuer.

Group means the Issuer and its Subsidiaries taken as a whole.

Indebtedness for Borrowed Money means *(i)* any indebtedness (whether being principal, premium interest or other amounts) for or in respect of notes, bonds, debentures, debenture stock, loan stock or other securities; or *(ii)* any borrowed money, in each case other than Intra-Group Indebtedness.

Intra-Group Indebtedness means money borrowed by one entity within the Group from another entity within the Group.

Permitted Transaction means *(i)* a transaction on terms previously approved by an Extraordinary Resolution or *(ii)* a Solvent Voluntary Reorganisation of any Group member (other than the Issuer) in connection with any combination with, or transfer of any or all of its business and/or assets to, the Issuer or another Group Member or *(iii)* a reorganisation, reconstruction, amalgamation, merger, consolidation or transfer of undertakings, assets or rights resulting in a Successor in Business (as defined in Condition 14) of the Issuer provided that the Issuer exercises its rights pursuant to Condition 14 to be replaced and substituted by the Successor in Business at the same time as the relevant entity becomes the Successor in Business of the Issuer.

Solvent Voluntary Reorganisation means a reorganisation, reconstruction, amalgamation, merger, consolidation or transfer of undertakings, assets or rights (a **reorganisation**) in each case where the aggregate amount of the undertakings, assets and rights of the Group owned, controlled or otherwise held, directly or indirectly, by the Issuer immediately following the completion of such reorganisation is not substantially less than the corresponding amount of undertakings, assets and rights owned, controlled or otherwise held, directly or indirectly, by the Issuer immediately prior to the completion of such reorganisation.

9. PAYING AGENTS

The initial Paying Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

(a) there will at all times be an Agent;

(b) so long as any of the Notes are registered with Interbolsa there will at all times be a Paying Agent having a specified office in such place of registration and complying with any requirements that may be imposed by the rules and regulations of Interbolsa; and

(c) so long as any of the Notes are listed on any stock exchange or listed or admitted to trading by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority.

Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 10.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor Paying Agent.

10. NOTICES

All notices regarding the Notes will be deemed to be validly given if published in accordance with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading, which may include publication in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall comply with disclosure obligations applicable to listed companies under Portuguese law in respect of notices relating to the Notes, which are integrated in and held through Interbolsa in dematerialised book-entry form. Any notice shall be deemed to have been given on the date of publication or, if published more than once or on different dates, on the date of the first publication.

Notices to be given by any Noteholder shall be in writing and given by lodging the same either with the Issuer or with the Agent.

11. MEETINGS OF NOTEHOLDERS AND MODIFICATION

The Interbolsa Instrument contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by resolution of a modification of these Conditions.

The quorum at any meeting convened to vote on a resolution will be any person or persons holding or representing Notes whatever the nominal amount of the relevant Series of Notes so held or represented, save in the case of an Extraordinary Resolution when the quorum shall be any person or persons holding or representing in the aggregate not less than 50 per cent. in nominal amount of the relevant Series of Notes for the time being outstanding (or, in the case of a meeting the business of which includes a Reserved Matter, holding or representing in the aggregate not less than three quarters in nominal amount of the relevant Series of Notes for the time being outstanding), or, at any adjourned meeting, any person or persons holding or representing Notes whatever the nominal amount of the relevant Series of Notes so held or represented (or, in the case of an adjourned meeting the business of which includes a Reserved Matter, holding not less than one quarter in nominal amount of the relevant Series of Notes for the time being outstanding).

The majorities required to approve a resolution at any meeting convened in accordance with the applicable rules shall be: *(i)* if in respect of a resolution other than an Extraordinary Resolution, the majority of the votes cast at the relevant meeting; *(ii)* if in respect of an Extraordinary Resolution, at least 50 per cent. in nominal amount of the relevant Series of Notes for the time being outstanding or, at any adjourned meeting, 2/3 of the votes cast at the relevant meeting; or (iii) if in respect of a resolution regarding an increase in the obligations of the Noteholders, by all Noteholders.

The power to resolve on any Reserved Matter is exercisable only by Extraordinary Resolution. For the purposes of these Conditions, a **Reserved Matter** means any proposal: *(i)* to change any date fixed for payment of principal or interest in respect of the Notes, *(ii)* to reduce the amount of principal or interest due on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity; *(iii)* to effect the exchange, conversion or substitution of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed; *(iv)* to change

the currency in which amounts due in respect of the Notes are payable; *(v)* to alter the priority of payment of interest or principal in respect of the Notes; and *(vi)* to amend this definition.

A resolution approved at any meeting of the holders of Notes of a Series shall be binding on all the holders of Notes of such Series, whether or not they are present at the meeting.

A meeting of Noteholders may be convened by the Issuer or a common representative of the Noteholders elected by Noteholders holding not less than five per cent. of the nominal amount of the relevant Series of Notes for the time being outstanding or, if no common representative of the Noteholders has been appointed or if the appointed common representative of the Noteholders refuses or fails to convene the meeting within a period of seven days after the date on which they are requested to give notice of the meeting, the meeting may be convened by the chairman of the general shareholders meeting of the Issuer. If both the common representative and the chairman of the general shareholders meeting of the Issuer refuse or fail to convene a meeting of Noteholders within a period of seven days after the date on which they are requested to give notice of the meeting, Noteholders holding not less than five per cent. in nominal amount of the relevant Series of Notes for the time being outstanding may convene the meeting of Noteholders and shall elect its chairman.

The Agent and the Issuer may, without the consent of the Noteholders (and by acquiring the Notes, the Noteholders agree that the Agent and the Issuer may, without the consent of the Noteholders) make any modification (except as mentioned in these Conditions) of the Notes, the Agency Agreement or the Interbolsa Instrument which:

(a) is not prejudicial to the interests of the Noteholders;

(b) is of a formal, minor or technical nature;

(c) is made to correct a manifest or proven error; or

(d) is to comply with mandatory provisions of any applicable law or regulation.

Any modification so made shall be binding on all Noteholders and shall be notified to the Noteholders in accordance with Condition 10 as soon as practicable after it has been agreed.

12. PRESCRIPTION

The Notes will become void unless presented for payment within 10 years (in the case of principal) and 5 years (in the case of interest) in each case from the date on which such payment first becomes due, subject in each case to the provisions of Condition 5.

13. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes having the same terms and conditions as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue so that the same shall be consolidated and form a single Series with the outstanding Notes of such Series.

14. SUBSTITUTION

14.1 Conditions Precedent to Substitution

The Issuer may, without the consent of the Noteholders, be replaced and substituted by *(i)* any Successor in Business of the Issuer; or *(ii)* any other company, in each case as principal debtor (the **Substituted Debtor**) in respect of the Notes provided that:

(a) no Event of Default has occurred and is continuing;

(b) a deed poll (to be available for inspection by Noteholders at the specified office of the Agent) and such other documents (if any) as may be necessary to give full effect to the substitution (together the **Documents**) are executed by the Substituted Debtor pursuant to which *(i)* the Substituted Debtor shall undertake in favour of each Noteholder to be bound by the Conditions and the provisions of the Interbolsa Instrument and the Agency Agreement (with any consequential amendments as may be necessary) as fully as if the Substituted Debtor had been named in the Notes, the Interbolsa Instrument and the Agency Agreement as the principal debtor in respect of the Notes in place of the Issuer (or any previous substitute); ***and*** *(ii)* except where the Substituted Debtor is the Successor in Business of the Issuer, the Issuer, acting either through its head office or through an international branch as it may determine in its sole discretion, shall irrevocably and unconditionally guarantee (the **Guarantee**) in favour of each Noteholder the payment of all sums payable by the Substituted Debtor as principal debtor and (without prejudice to such guarantee) shall remain bound by the obligations (other than the obligations to make payments of interest or principal) of the Issuer under the Notes and the Agency Agreement (with any consequential amendments as may be necessary);

(c) without prejudice to the generality of subparagraph 14.1(b) above, where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than Portugal, the Documents contain a covenant by the Substituted Debtor and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of a covenant in terms no less favourable to Noteholders (as determined by the Issuer) than the provisions of Condition 7 with the substitution for the references to Portugal in the definition of "Relevant Jurisdiction" of references to the territory or territories in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes;

(d) the Substituted Debtor and the Issuer, by means of the deed poll, jointly and severally agree to indemnify and hold harmless each Noteholder against *(i)* any tax, duty, assessment or governmental charge with respect to any Note which (A) is or may be imposed, incurred by or levied on it by (or by any authority in or of) the jurisdiction of the country of the Substituted Debtor's and the Issuer's residence for tax purposes and, if different, of its jurisdiction of incorporation; and (B) which would not have been so imposed had the substitution not been made; and *(ii)* any tax, duty, assessment or governmental charge, and any liability, charge, cost or expense, in connection with the substitution;

(e) the Documents contain a warranty and representation by the Substituted Debtor and the Issuer that *(i)* each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents (if any) for such substitution and for the performance by each of the Substituted Debtor and the Issuer of its obligations under the Documents and the Notes and that any such approvals and consents are in full force and effect; and *(ii)* the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents and the Notes are all legal, valid and binding in accordance with their respective terms;

(f) following the proposed substitution of the Substituted Debtor, the Notes will continue to be listed on each stock exchange on which the Notes are listed;

(g) the Substituted Debtor has delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of lawyers in the jurisdiction of the Substituted Debtor to the effect that the Documents and its obligations under the Notes constitute legal, valid, binding and enforceable obligations of the Substituted Debtor, such opinion to be dated not more than three days prior to the date of the substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Agent;

(h) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of lawyers in the jurisdiction of the Issuer to the effect that the Documents (including the Guarantee (if applicable)) constitute legal, valid, binding and enforceable obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Agent;

(i) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of English lawyers to the effect that the Documents constitute legal, valid, binding and enforceable obligations of the parties thereto under English law, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Agent; and

(j) the Substituted Debtor (if not incorporated in England or Wales) shall have appointed the process agent appointed by the Issuer in Condition 16 or another person with an office in England as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes.

For the purposes of this Condition 14:

Successor in Business means, in relation to the Issuer, any company which, as a result of any reorganisation, reconstruction, amalgamation, merger, consolidation or transfer of undertakings, assets or rights:

(i) owns (directly or indirectly) the whole or substantially the whole of the undertakings, assets and rights owned (directly or indirectly) by the Issuer immediately prior thereto, as certified by two directors of the Issuer; and

(ii) carries on (directly or indirectly) the whole or substantially the whole of the business carried on (directly or indirectly) by the Issuer immediately prior thereto.

No later than 30 days prior to any substitution to a Successor in Business, the Issuer shall notify the Noteholders in accordance with Condition 10 of its intention to create a Successor in Business. Following creation of a Successor in Business, the Issuer shall make available for inspection by Noteholders a report signed by two directors of the Issuer confirming on behalf of the Issuer that a company was a Successor in Business and such report shall (unless the contrary be proven) be sufficient evidence of such confirmation of the Issuer.

14.2 Assumption by Substituted Debtor

Upon execution of the Documents as referred to in Condition 14.1, the Substituted Debtor shall be deemed to be named in the Notes as the principal debtor in place of the Issuer (or of any previous substitute under these provisions) and the Notes shall thereupon be deemed to be amended to give

effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer (or such previous substitute as aforesaid) from all of its obligations as principal debtor in respect of the Notes, notwithstanding the provisions of subparagraph 14.1(b) and 14.1(d).

14.3 Further substitution

After a substitution pursuant to Condition 14.1 the Substituted Debtor may, without the consent of the Noteholders, effect a further substitution. All the provisions specified in Conditions 14.1 and 14.2 shall apply *mutatis mutandis*, to such further substitution and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor, ***provided that***, in the event of a further substitution (except where the Substituted Debtor is the Successor in Business of the Issuer in both the original substitution and each further substitution), the Issuer or its Successor in Business (and not any other Substituted Debtor in respect of any substitution occurring prior to the relevant further substitution), acting either through its head office or through an international branch as it may determine in its sole discretion, shall irrevocably and unconditionally guarantee in favour of each Noteholder the payment of all sums payable by the Substituted Debtor as principal debtor and (without prejudice to such guarantee) shall remain bound by the obligations (other than the obligations to make payments of interest or principal) of the Issuer under the Notes and the Agency Agreement (with any consequential amendments as may be necessary) and Conditions 14.1 and 14.2 shall be construed accordingly.

14.4 Reversal

After a substitution pursuant to Condition 14.1 or 14.3 any Substituted Debtor may, without the consent of any Noteholder, reverse the substitution, *mutatis mutandis*.

14.5 Deposit of Documents

The Documents shall be deposited with and held by the Agent for so long as any Note remains outstanding and for so long as any claim made against the Substituted Debtor or the Issuer by any Noteholder in relation to the Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Noteholder to production of the Documents for the enforcement of any of the Notes or the Documents.

14.6 Notice of Substitution

Before such substitution comes into effect, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 10.

15. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

16. GOVERNING LAW AND SUBMISSION TO JURISDICTION

16.1 Governing law

The Notes and the Interbolsa Instrument and any non-contractual obligations arising out of or in connection with the Notes and the Interbolsa Instrument are governed by, and shall be construed in accordance with, English law, save that the form (*forma de representação*) and transfer of the Notes, the creation (if any) of security over the Notes and the Interbolsa procedures for the exercise

of rights under the Notes are governed by, and shall, in each case, be construed in accordance with, Portuguese law.

The Agency Agreement and any non-contractual obligations arising out of or in connection with this Agreement are governed by, and shall be construed in accordance with, Portuguese law.

16.2 Submission to jurisdiction

(a) Subject to Condition 16.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes (a **Dispute**) and accordingly each of the Issuer and any Noteholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(b) For the purposes of this Condition 16.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) To the extent allowed by law, the Noteholders may, in respect of any Dispute or Disputes, take *(i)* proceedings in any other court with jurisdiction; and *(ii)* concurrent proceedings in any number of jurisdictions.

16.3 Appointment of Process Agent

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at 100 Wood Street, London EC2V 7EN, as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes or for such other reason as may be specified in the applicable Final Terms.

DESCRIPTION OF THE ISSUER

OVERVIEW

Galp is a publicly traded integrated energy company. It carries out activities in three distinct but complementary business segments: Exploration & Production **(E&P)**, Refining & Marketing (**R&M**) and Gas & Power (**G&P**). Galp's strategic focus is developing a competitive and diversified upstream portfolio, integrated with an efficient and competitive downstream business.

Galp was founded on 22 April 1999 under the name GALP – Petróleos e Gás de Portugal, SGPS, S.A., as a result of a restructuring in the energy sector in Portugal, to operate in the oil and natural gas businesses. Galp resulted from the merger of two pre-existing Portuguese state-controlled companies: Petróleos de Portugal – Petrogal, S.A., the only refiner and the leading distributor of oil products in Portugal which also included E&P activities in its portfolio, and GDP – Gás de Portugal, SGPS, S.A., responsible for the supply, transportation and distribution of natural gas in Portugal.

Regarding its E&P business, Galp now has a diversified portfolio of assets which comprises 50 projects across six countries, with its main development activities based in three core countries: Brazil, Mozambique and Angola.

Although Galp started its E&P activities in Angola back in 1982, the discovery of the giant Tupi field in Brazil (now denominated Lula) in 2006 was crucial to the E&P business gaining relevance within the Group. Since then, Galp has made several discoveries in the pre-salt area of the Santos basin in Brazil and, more recently, in the Rovuma basin in Mozambique.

These areas are expected to remain the key drivers of Galp's anticipated production growth in the coming years.

In its R&M business, Galp owns two coastal refineries in Portugal and operating a vast network of distribution of oil products in Portugal and in Spain. The Company is also growing its competitive oil marketing activity in selected African markets.

In the G&P business, Galp is one of the largest in Iberia, maintaining a robust client base. The business includes natural gas sourcing and supply activities, including liquefied natural gas (**LNG**) trading, which have been gradually integrated with electricity generation and supply.

Financial discipline is paramount to support the creation of long-term value, with Galp aiming to remain below a 2 times net debt to Replacement Cost Adjusted (**RCA**) Ebitda ratio[2]. As of 31 December 2018, the ratio of net debt to RCA Ebitda was 0.8 times.

Galp is listed (*sociedade aberta*) on the NYSE Euronext Lisbon, with a market capitalisation at 31 December 2018 of around €11.4 billion. At 31 December 2018, Galp's share capital amounted to EUR829,250,635.00, represented by shares with a nominal value of EUR1 per share. Of these, 771,171,121 shares, i.e. 93 per cent. of Galp's issued share capital, are ordinary shares while the remaining 58,079,514 shares are special category shares, subject to an ongoing privatisation process, which are held by Parpública – Participações Públicas, SGPS, S.A., a Portuguese State-owned company. These shares may be converted into ordinary shares on completion of this process, by simple request sent to Galp.

Galp is established in Portugal, organised under the laws of Portugal (subject, among others, to the Portuguese Companies Code, the Portuguese Securities Code and Decree-law no. 495/88, of 30 December,

[2] The net debt to RCA Ebitda ratio is reached by net debt divided by RCA Ebitda.

as amended from time to time) and registered with the Commercial Registry Office of Lisbon, under no. 504 499 777. Its registered head office is located at Rua Tomás da Fonseca, Torre C, 1600-211 Lisbon, Portugal and its telephone number is +351 217 242 500.

Galp, as a holding company (sociedade gestora de participações sociais - SGPS), does not directly carry out operational activities. Such operational activities are developed by the direct and indirect subsidiaries of Galp. However Galp fully controls the operations and the management of the majority of its subsidiaries. Therefore, Galp depends upon the distribution of dividends and other cash flows generated by its subsidiaries. The ability of these subsidiaries to distribute dividends and make other distributions to Galp and pay interest and repay loans granted by Galp are subject, in particular, to statutory and tax restrictions, their respective profits, available reserves and financial condition.

STRATEGY

Galp works to ensure that its businesses are sustainable, with the Company's strategy aimed at ensuring the resilience and agility of the organisation and preparing it for a complex and dynamic world.

Galp's strategy involves the development of a competitive and diversified upstream portfolio, integrated with an efficient and competitive downstream business, constantly adapting to the needs of the clients and based on innovative and differentiating solutions to help support the gradual transition to a low carbon economy.

This strategy is founded on a solid financial capacity, a client-centric organisational culture and strong partnerships. The Company intends to continue to develop its people, while building a more agile, innovative and technologically advanced corporate environment that meets the challenges and dynamics of the energy sector during a period of significant uncertainty and complexity.

Upstream

In respect of its upstream business, Galp is focused on ensuring the competitiveness of its E&P portfolio. The strategy is based on developing the current portfolio, extracting more value from it and identifying new opportunities in geographies where Galp has a competitive advantage or strategic angle.

Downstream

In the oil value chain, Galp aims to focus on increasing the efficiency and conversion of its refining system. Additionally, it intends to proceed with the optimisation of its oil products distribution network in Iberia, whilst developing its African clusters by expanding the respective hinterlands.

Galp also intends to grow as a gas supplier and is developing new gas outlets, taking advantage of existing opportunities in the global energy markets.

The Company is also focused on adapting to evolving consumption patterns in an open, digital and sharing economy. In a world where consumer needs are constantly progressing, new solutions are needed to be able to adapt to continuously changing market dynamics.

Energy transition and new business models

Galp aims to play an active role in adapting its portfolio to future needs, creating synergies with existing activities whenever possible, diversifying its assets and progressively reducing its carbon intensity.

The Company recognises that new and innovative solutions will foster structural changes to energy consumption, which intends to become gradually more sustainable, at an economic, environmental and social level. Therefore, the Company's strategy has been tested against a scenario of rapid change in the world energy mix, compatible with the global ambition to mitigate the increase in greenhouse gas emissions.

Although keeping oil and natural gas will remain at the heart of Galp's strategy, Galp aims to develop new solutions and explore business opportunities supported by low-carbon energy sources, where it currently expects to allocate 5-15 per cent. of capital.

Electrification is one of the key trends in the energy sector, and Galp intends to support its power retail offer with the supply of renewable energy. In particular, solar has proven an increasingly competitive and flexible solution for both clients and energy companies.

Ongoing digital transformation has created the conditions for innovative products and services to replace previous alternatives with clear benefits for society. Solutions in the field of mobility, decentralised energy generation and the smart management of buildings and cities have influenced the energy sector, enabling significant gains in energy efficiency and more options for consumers.

Galp wants to identify, at any given time, the best solution available for its customers. It therefore intends to continue to transition into a client-centric organisation with the skills to anticipate and meet their needs.

New technologies have also enabled significant gains, through the introduction of new processes and the automation of industrial activities. Artificial Intelligence solutions have allowed the Company to improve seismic interpretation in oil and gas exploration, speeding up the creation of enhanced geological models, the risk assessment of new prospects and the optimal placement of new wells. The Company has been implementing an extensive automation and digitalisation programme at its refineries, improving its overall performance and competitiveness.

Galp anticipates continuing to invest in innovation, research and technological development, which are crucial for the continuous extraction of value from its assets and the creation of new business models, promoting the sustainability of the Company and the communities in which it operates.

ACTIVITIES DESCRIPTION

Exploration & Production

Key indicators

	For the year ended 31 December		Three month period ended 31 March
	2017	2018	2019
Average working interest production (kboepd*)	93.4	107.3	112.6
Average net entitlement production (kboepd*)	91.5	105.9	110.8
RCA Ebitda (€m)	850	1,440	374

**kboepd: thousand barrels of oil equivalent per day*

Overview

Galp holds a diversified E&P portfolio, comprising 50 projects spread across six countries, which are at different stages of exploration, development and production. Galp is participating in some of the largest and most productive developments in the industry, which are mostly offshore projects where Galp has been acquiring extensive experience. The Company focuses its activity on three core countries – Brazil,

Mozambique and Angola. Galp also holds a geographically diversified portfolio of projects in East Timor, Namibia and São Tomé and Príncipe.

The success achieved so far, mainly from exploration activities in the pre-salt Santos basin in Brazil, has been contributing to a strong increase in Galp's production. As at the date of this Offering Circular, in partnership with Sinopec through its Brazilian subsidiary Petrogal Brasil, Galp is the third largest producer in Brazil according to the Brazilian oil industry regulator National Agency for Oil, Natural Gas and Biofuels (**ANP**), surpassing 100 kboepd during 2018 and continuing to grow rapidly.

The Company aims to achieve a production compound annual growth rate (**CAGR**) of above 10 per cent. from 2018 to 2030, based on development activities in the coming years focused on the projects already identified in the Company's portfolio in Brazil, Angola and Mozambique. During 2019, production is expected to grow between 8 per cent. and 12 per cent. year on year. During the first quarter of 2019, working interest production averaged 112.6 thousand barrels of oil equivalent per day (kboepd).

Additionally, Galp's portfolio breakeven[3], considering all projects under development which are already operating or expected to be operating by 2025 (including Lula/Iracema, Berbigão/Sururu/Atapú, Sépia and Carcará Phase 1 in Brazil, Block 32 and 14/14k in Angola and Coral and Rovuma LNG phase 1 in Mozambique), stands below $25 per barrel (**bbl**), demonstrating the competitiveness of the Company's upstream assets.

Reserves and resources at the end of 2018, as certified by DeGolyer and MacNaughton (**DeMac**), are shown in the table below:

Net entitlement reserves (mmboe*)

	2017	2018
1P	383	389
2P	748	755
3P	965	985

Working interest contingent resources (mmboe*)

	2017	2018
1C	296	425
2C	1,352	1,658
3C	3,297	3,671

Working interest prospective resources (mmboe*)

	2017	2018
Unrisked	3,835	4,303
Risked	566	623

*mmboe: million barrels of oil equivalent

In 2018, proved and probable (2P) reserves increased 1 per cent. year on year to 755 million barrels of oil equivalent (**mmboe**), as upwards revisions in Brazil, namely in blocks BM-S-11/BM-S-11A, more than

[3] Weighted E&P portfolio Net present value discounted at an annual rate of 10 per cent. (NPV_{10}) breakeven 2019 real terms based on 2025 producing assets.

offset the production during the period. Natural gas reserves increased year on year and accounted for 21 per cent. of total 2P reserves.

The 2C contingent resources increased by 23 per cent. year on year to 1,658 mmboe, mostly reflecting the revised solution considered for the development of the Rovuma LNG project in Mozambique and the additions in block BM-S-8 in Brazil, as Galp increased its stake to 20 per cent.. Natural gas resources increased 49 per cent. year on year and accounted for 51 per cent. of the total.

Risked prospective resources at year-end 2018 stood at 623 mmboe, up 57 mmboe year on year, mostly driven by the additions from new acquisitions of interests in Brazil which offset the transfer from prospective to contingent resources from new discoveries in Brazil and the relinquishment of Portuguese acreage during the period.

Development and production activities

Lula/Iracema

In Brazil, the Company's main producing asset is currently the Lula/Iracema fields in block BM-S-11, in the pre-salt Santos basin. This block is expected to continue being the main driver of the Company's production growth.

The project is located in ultra-deep waters in the pre-salt region and is operated by Petróleo Brasileiro S.A. – Petrobras (**Petrobras**), which has a proven track record and experience in operating highly complex projects. Petrogal Brasil S.A. (**Petrogal Brasil**), a subsidiary of the Group, holds a 10 per cent. stake in block BM-S-11, Petrobras holds 65 per cent. and Shell Brasil, a subsidiary of Royal Dutch Shell, the remaining 25 per cent.

The Lula/Iracema project, in block BM-S-11, started commercial production in 2010 with floating, production, storage and offloading (**FPSO**) Angra dos Reis, just four years after the field's discovery.

Lula and Iracema are, at present, the most productive fields in the Brazilian pre-salt region with a gross installed capacity of c.1.3 million barrels of oil per day (mmbpd), through nine units under production, following the deployment of the FPSO #9 in the first half of 2019, the last unit of the initial stage of development. This milestone marks the conclusion of the deployment of the production units considered under the first development phase of these projects.

The development of the Lula/Iracema project was the main driver behind the increase in Galp's production in 2018, with its working interest production in the Lula/Iracema project averaging 99.1 kboepd.

Throughout the development of the Lula/Iracema project, Galp and its partners have pursued sustainable value creation. Operational performance in the project execution has allowed for a significant and continuous reduction of well drilling and completion time and cost. Galp and its partners also study ways to guarantee production flow and development optimisation during the project's life cycle, including anticipation of production and implementation of techniques to extend the plateau production period of each FPSO.

The recovery factor of Lula/Iracema field is now estimated at above 30 per cent. against 23 per cent. estimated at the date of the declaration of commerciality of the field in December 2010. Galp and its partners are committed to optimising their operations and leveraging the learning curve to enhance the development of the Lula and Iracema projects and to increase the recovery rate of discovered resources.

During the first quarter of 2019 ANP approved the unitisation agreement related to the Lula accumulation. Galp's stake through Petrogal Brasil was adjusted from 10 per cent. to 9.209 per cent., which became effective as of 1 April 2019. The Iracema accumulation is not subject to this unitisation process, with Galp's interest remaining at 10 per cent..

Greater Iara

Regarding the Iara project, the three accumulations, designated as Atapu, Berbigão and Sururu, were declared commercial in 2016. The consortium for BM-S-11A is currently executing the development plan for Iara, with the first FPSO to start developing the Berbigão and Sururu areas expected to commence operations in 2019, and a second unit, to be deployed in Atapu, by 2020.

All three different accumulations that make up the Iara project extend beyond the boundaries of the BM-S-11A block, and will therefore be subject to unitisation with the surrounding areas. In 2018, the consortium members, along with Petrobras for the Transfer of Rights area, and Pré-Sal Petróleo, S.A. (PPSA), submitted three distinct Production Individualisation Agreements (PIAs) for the development of the Greater Iara project to ANP.

Galp currently has a 10 per cent. participating interest in this area, while Petrobras (the operator) holds a 42.5 per cent. stake, Shell a 25 per cent. stake and Total a 22.5 per cent. stake. Following the approval of the unitisation agreement for the Iara fields, stakes will be adjusted accordingly.

Greater Carcará

The Carcará discovery in block BM-S-8 extends into the Carcará North block, which was awarded to Equinor, ExxonMobil and Galp, through Petrogal Brasil, pursuant to the 2nd Production Sharing Bid Round held by ANP in 2017.

Following the award, the partners agreed to align the equity interests across the two blocks that together comprise the Carcará discovery, where Galp, through Petrogal Brasil, will hold a 20 per cent. interest in the project, whilst Equinor, the operator, and ExxonMobil will hold a 40 per cent. stake each. This alignment allows for a strong partnership across the two licences and paves the way for an optimal development.

During 2018, the activities in the Carcará discovery were focused on the exploration and appraisal campaign.

Other Brazilian blocks

Petrogal Brasil also holds a 20 per cent. stake in block BM-S-24, with the block including the Sépia East area, which will be subject to a unitisation with the Sépia field (Transfer of Rights, 100 per cent. held by Petrobras), and Júpiter areas. Galp is also the operator of two onshore fields in Brazil, Rabo Branco and Sanhaçu.

The Company also holds positions in exploration assets, namely by having acquired stakes in recent bid rounds in Brazil. Galp, through Petrogal Brasil, together with ExxonMobil and Equinor, were awarded the Uirapuru exploration block pursuant to the 4th Production Sharing Bid Round held during 2018 by ANP. Petrobras exercised its right to enter the consortium as operator, with a 30 per cent. interest, with Galp holding 14 per cent., while each of ExxonMobil and Equinor have 28 per cent.. The Uirapuru block is adjacent to the Greater Carcará area.

During 2018, Galp also participated in the 15th Concession Bid Round and was awarded block C-M-791 in the Campos basin, which has pre-salt play potential. The consortium is composed of Galp, through Petrogal Brasil, (20 per cent.), Shell (the operator, with 40 per cent.) and Chevron (40 per cent.).

Mozambique

In Mozambique, the size and quality of the resources discovered are expected to position the Rovuma basin as one of the world's most significant regions for natural gas. Additionally, Area 4 projects will play a decisive role in Galp's strategy of moving towards a lower carbon portfolio mix.

The Area 4 development, comprising the offshore Coral South FLNG and the multi-phase onshore Rovuma LNG projects, will see ExxonMobil lead the construction and operation of all future LNG trains and related onshore facilities, while Eni will continue to lead the floating LNG (FLNG) project and all upstream operations.

Galp holds a 10 per cent. stake in the Area 4 consortium, and its partners include Mozambique Rovuma Venture S.p.A. (operator), with a 70 per cent. stake jointly owned by ExxonMobil (25 per cent. indirect stake), Eni (25 per cent. indirect stake) and China National Petroleum Corporation (CNPC) (20 per cent. indirect stake), Kogas with a 10 per cent. stake and Empresa Nacional de Hidrocarbonetos (ENH) with 10 per cent.

The Rovuma LNG project will produce, liquefy and market natural gas from the Mamba fields, which are notable for the size and quality of their resources. In 2018, the Area 4 consortium submitted to the Government of Mozambique the development plan for the first phase of the Rovuma LNG project, which includes the construction of onshore facilities, comprised of two LNG trains which will produce 7.6 million tons per annum (**mtpa**) each. Final investment decision (**FID**) is expected to occur in 2019.

Coral South will be the first project to develop the gas resources of Area 4, with production expected to start in 2022. The project involves the construction of an FLNG unit with a capacity of c.3.4 mtpa, allocated to the southern part of the Coral discovery, which is exclusively located in Area 4 and contains around 16 trillion cubic feet (tcf) of gas initially in place (GIIP). FID was taken in 2017.

Angola

In Angola, Galp has producing assets in block 32 as well as a legacy position in blocks 14 and 14k.

Producing since 1999, the Benguela-Belize-Lobito-Tomboco (BBLT), Tômbua-Lândana and Kuito fields in blocks 14 and 14k are currently in the natural decline phase of production. In block 32, the Kaombo ultra-deep water project is aimed at developing six fields connected via 300 km of pipelines. With two FPSO units, an estimated 650 million barrels of oil (mmbbl) are expected to be recovered from reservoirs located in water depths ranging from 1,400 to 1,950 metres. Production from the Kaombo project started in 2018, through the FPSO developing the Kaombo North area, with the second unit allocated to the Kaombo South area having started in 2019.

In block 14, Galp has a 9 per cent. participating interest, while Chevron (the operator) holds a 31 per cent. stake and Eni, Total and Sonangol 20 per cent. each. In block 32, Galp holds a 5 per cent. stake, Total (the operator) has 30 per cent. and Sonangol Sinopec Int., Sonangol P&P and ExxonMobil have 20 per cent., 30 per cent. and 15 per cent. stakes, respectively.

Exploration Activities

Although Galp is focused on the development of previously made discoveries, the Company continues to make efforts to contribute to value creation through its exploration activities, centred on the Atlantic basin. These include the identification and maturation of prospects and the drilling of wells with relevant exploration potential. The company holds a diversified portfolio across different regions, namely in Brazil, São Tomé and Príncipe and Namibia.

During 2018, the BM-S-8 consortium spudded the Guanxuma prospect and an oil discovery was made.

Although the preliminary results are encouraging, the partners are assessing the collected data, with further evaluation required to gather more information about this discovery.

During 2018, Galp acquired positions in Uirapuru and C-M-791 blocks, in the Santos and Campos basins, respectively, pursuant to bid rounds held by ANP.

Galp's exploration portfolio in São Tomé and Príncipe includes four offshore blocks, block 6 – where Galp is the operator with a 45 per cent. interest – and blocks 5, 11 and 12, in which it holds a 20 per cent. stake. During 2018, the partners focused on processing and interpreting the 16,000 km^2 seismic data acquired.

In Namibia, Galp's position consists of two offshore licences; PEL 82 in the Walvis basin and PEL 83 in the Orange basin. During 2018, a 5,000 km^2 seismic acquisition campaign was successfully concluded on PEL 82. It is also worth highlighting the farm-down of a 40 per cent. interest in PEL 82 to ExxonMobil. After the completion of the transaction, both Galp and ExxonMobil hold a 40 per cent. interest in the licence and Galp maintains the operatorship. The National Petroleum Corporation of Namibia (NAMCOR) and Custos, a local Namibian company, each hold a 10 per cent. interest.

Refining & Marketing

Key indicators

	For the year ended 31 December		For the three-month period ended 31 March
	2017	2018	2019
Raw materials processed (mmboe)	114.2	100.4	22.6
Total oil products sales (million tonnes (**mton**))	18.5	17.1	3.6
Sales to direct clients (mton)	8.9	8.8	2.1
RCA Ebitda (€m)	774	610	70

Overview

Galp operates an integrated refining and marketing business, consisting of two refineries in Portugal and an extensive distribution network for oil products in Iberia and in selected African markets. Galp also owns an extensive network of logistics assets that support Galp's marketing activities.

To ensure the optimised integration of the R&M business, the Company focuses on maximising value creation, increasing the efficiency of its operations and competitiveness of its client offering while reducing costs and optimising the use of capital. The efficiency of Galp's processes are at the forefront of its strategy, and are a continuing focus, particularly through conversion and energy efficiency projects on the industrial platform, investing in digitalisation and the implementation of the Kaizen methodology.

Refining

Galp's modern and complex integrated refining system includes the Sines and Matosinhos refineries, with a crude oil processing capacity of 330 thousand barrels per day (kbpd).

The system has substantial conversion capacity installed at the Sines refinery, namely through the hydrocracking (HC) and fluid catalytic cracking (**FCC**) units producing medium and light distillates, respectively. This provides significant flexibility to process different raw materials and use different energy sources, allowing its optimisation for different market conditions. The Matosinhos refinery is comprised of a visbreaker unit (VB), an aromatics and a base oils plant.

The Nelson complexity index[4] of the integrated refining system is of 8.6.

Due to its strategic location and technological configuration, Galp's refining system is competitive, reaching both Iberian and other southern European markets, as well as North American and African markets.

In 2018, Galp processed approximately 100 mmboe of raw materials, with crude accounting for 92 per cent. of the total. Galp imported crude from 16 countries, with medium and heavy crude accounting for 85 per cent..

Maintenance activities during 2018 played an important role in the implementation of projects aimed at gradually increasing Galp's refining margin by an extra $1/per barrel of oil equivalent (boe) up to 2020. The installation of the Catalytic Cooler, for example, will allow greater flexibility in the inputs for the FCC, decrease the dependence on imported vacuum gasoil and increase energy efficiency. In 2019, the Company has already benefited significantly from higher efficiency and conversion as a result of these projects.

Galp has also been adapting its system for the introduction in 2020 of the 0.5 per cent. cap on the sulphur content of marine fuels introduced by the International Maritime Organisation (IMO). Galp will be offering marine products in line with the new requirements. During 2018, the Company has tested the system and produced batches of fuel oil according to the new specifications, which were sent to a selection of clients for trial, with positive results.

Marketing of oil products

Galp is one of the largest players in Iberia[5], where it operates a distribution network for oil products. The Company has also been reinforcing its position in selected African countries where it stands to benefit from attractive market growth, whilst leveraging its logistical capabilities and synergies with the Group's existing businesses.

In Iberia, the focus remains the marketing of oil products under the Galp brand, both through the Company's network of service stations and through direct sales to wholesale clients. Galp also supplies other operators in Iberia and operates in the export market.

In 2018, 17.1 mton of oil products were sold, 8 per cent. lower year on year, following the lower availability of the refining system resulting from planned maintenance carried out during the period. Volumes sold to direct clients were mostly stable year on year, amounting to 8.8 mton. Volumes sold in Africa accounted for around 11 per cent. of sales to direct clients.

Galp's retail network at the end of 2018 was comprised of a total of 1,459 service stations, of which 1,283 were in Iberia where Galp is one of the key players. The remaining service stations are located in African clusters.

Galp is also a key player in the B2B and specialties segments.

During 2018, the Company continued to optimise and renew its service station network, integrating its value proposition with low carbon products and services, whilst also launching a pilot project focusing on new ways of operating service stations.

[4] The complexity index of a refinery, i.e. the Nelson complexity, is calculated by assigning a complexity factor to each of the units in the refinery, which is mainly based on the technology level used in the construction of the unit and by reference to one facility of primary distillation of crude to which is assigned a complexity factor of 1.0. The index of complexity of each unit is calculated by multiplying the complexity factor by the unit capacity. The complexity of a refinery is equivalent to the weighted average of the index of complexity of each of the units thereof, including the distillation unit.

[5] Source: Galp management estimate

Galp is the main supplier in Portugal[6], and among the most relevant in Iberia[7], meeting demand for oil products in this region. In 2018, the Company sold 3.3 mton to other operators, corresponding to 19 per cent. of its sales volumes. The Company also benefits from the strategic location of its refining system, placing some of its sales volumes outside of Iberia through its trading activities. In 2018, exports reached 4.9 mton of oil products, down 21 per cent. year on year, due to a lower volume available for sale considering the outages during the period.

Gas & Power

Key indicators

	For the year ended 31 December		For the three-month period ended 31 March
	2017	2018	2019
Natural gas sales to direct clients (million cubic metres (mm^3))	4,374	4,740	1,157
Sales of natural gas (**NG**)/LNG in trading (mm^3)	2,974	2,875	814
Sales of electricity (GWh)	5,172	5,191	1,180
RCA Ebitda (€m)	132	137	47

Overview

The G&P business segment covers natural gas sourcing and supply activities, which have gradually been integrated with electricity generation and supply. The Company also operates in the NG/LNG international market through its trading activity.

Sourcing

Galp's NG/LNG sourcing is mostly based on long term contracts established with Sonatrach in Algeria and with Nigeria LNG in Nigeria. These amount to 5.7 billion cubic metres (**bcm**) per year and accounted for c. 75 per cent. of the Company's sourcing basket in 2018.

The remaining natural gas requirements are satisfied from other markets, namely Spanish and French wholesale players, but also on the spot market.

Following the strategy of securing a diversified and competitive long-term sourcing basket, during 2018 Galp signed a Sale Purchase Agreement (SPA) with Venture Global LNG for the acquisition of 1 mtpa from the Calcasieu Pass LNG export facility in the U.S. for a period of 20 years starting from 2022. The agreement is subject to a final investment decision for the project.

Supply and Trading

Galp has over 600 thousand Gas & Power clients, supplying natural gas to over 520 thousand customers in the industrial, electrical and retail segments in the Iberian market.

The Company sold 4.7 bcm of natural gas to direct clients in 2018, up 8 per cent. year on year, and reinforced its electricity commercial activity, reaching a volume of 3.9 Terawatt-hour (TWh).

[6] Source: Galp management estimate
[7] Source: Galp management estimate

In 2018, Galp launched a commercial offering through the Galp Electric card, offering energy solutions and services to consumers on the road and at home. Galp has taken a leading role in electric mobility in Portugal, where it currently has the largest network of fast charging points[8].

The Company has also partnered with companies focusing on innovative business models, having invested during 2017 in a start-up operating in the Spanish gas and electricity market. Through Galp Energy Solutions, Galp has been implementing energy efficiency projects to optimise and reduce energy consumption through the installation of more efficient equipment and behavioural changes. The Company is also developing projects related to the supply of natural gas to road transportation and LNG to ships, as a step towards the implementation of sustainable natural gas and LNG operations and the reduction of emissions.

In 2018, Galp continued to strengthen its position in the network trading activity in European natural gas hubs, namely in Spain, France and the Netherlands. The significant increase in network trading volumes offset the more limited opportunities in the LNG international market, and should keep gaining relevance as the last structured LNG contract in place ended during the third quarter of 2018.

Power

Galp has 173 megawatts (**MW**) of installed capacity in cogeneration units in Portugal, namely in the Sines and Matosinhos refineries.

As part of Galp's low carbon strategy, the Company is preparing the development of sustainable renewable power generation projects, enabling integration with Galp's electricity sales in the markets in which Galp operates. For that purpose, during 2018 Galp began acquiring licences for solar power generation in Iberia.

The Company also has a 50 per cent. stake in a project with 12 MW of installed capacity in a wind farm in Portugal, producing over 30 gigawatt-hour (GWh) in 2018.

Regulated distribution infrastructure

Galp holds a 77.5 per cent. non-controlling stake in Galp Gas Natural Distribuição, S.A. (**GGND**), which operates in the regulated distribution of natural gas in Portugal. GGND controls nine local natural gas distributors in the country with a total network of 13,015 km. GGND's regulated asset base related to gas infrastructure amounts to approximately €1.1 bn as of year-end 2018.

The remuneration rules for this activity are defined by the Portuguese Energy Market Regulator (ERSE), with a rate of return expected for the 2018-2019 period revised from 6.65 per cent. to 5.82 per cent., reflecting the declining yields of benchmark bonds during the period.

The Company has minority stakes in international gas pipelines, as of 31 December 2018, as mentioned in the table below:

International pipelines	**Country**	**Capacity (bcm/annum)**	**Galp stake (%)**
EMPL	Algeria, Morocco	12.0	23
Al-Andalus	Spain	7.8	33
Extremadura	Spain	6.1	49

[8] Source: Galp management estimate

BUSINESS PERFORMANCE

Key financial indicators

	For the year ended 31 December		For the three-month period ended 31 March
€m	2017	2018	2019
RCA Ebitda	1,786	2,218	494
IFRS Ebitda	1,898	2,311	314
RCA Ebit	1,032	1,518	278
IFRS Ebit	1,114	1,629	102
RCA Net income	577	707	103
IFRS Net income	597	741	(8)
Cash flow from operations (CFFO)[1]	1,565	1,594	396
Capex	948	899	149
Free cash flow (FCF)	565	635	159
Post-dividend FCF	142	142	91

[1]As defined in Alternative Performance Measures section

2018 Full Year Results

RCA Ebitda increased 24 per cent. year on year to €2,218 m, reflecting a 15 per cent. working interest (WI) production growth and higher oil and natural gas prices and despite lower refining margins and a higher concentration of planned maintenance.

E&P RCA Ebitda amounted to €1,440 m, increasing by €590 m year on year, benefiting from higher commodity prices and production increase.

R&M RCA Ebitda decreased €165 m year on year to €610 m, mainly due to the lower contribution from refining activity.

G&P RCA Ebitda was €137 m, up €5 m year on year, supported by a higher contribution from the power business, benefiting from the lag between natural gas purchase and electricity sales prices.

2018 RCA net income reached €707 m, while International Financial Reporting Standards (**IFRS**) net income was €741 m.

Cash flow from operations (**CFFO**) in 2018 was €1,594 m, while free cash flow (**FCF**) reached €635 m during 2018, or €142 m after dividends paid to Galp' shareholders.

At the end of the year, net debt was €1,737 m, €149 m lower year on year with net debt to RCA Ebitda of 0.8x.

First Quarter of 2019

Consolidated RCA Ebitda increased 9 per cent. year on year to €494 m, including the positive impact from the application of IFRS 16 (€44 m). Excluding this effect, RCA Ebitda would have been in line year on year.

E&P RCA Ebitda was €374 m, including the €33 m positive impact from the application of IFRS 16, up 28 per cent. year on year with the higher production and a stronger U.S. Dollar offsetting lower commodity prices.

R&M RCA Ebitda was €70 m, already including the €12 m positive impact from the application of the IFRS 16 standard. Results were nonetheless impacted by lower refining margins and operational constraints.

G&P RCA Ebitda increased €14 m year on year to €47 m, mostly reflecting a better performance from the natural gas and electricity commercial activity in Iberia.

RCA Ebit stood in line year on year at €278 m, including a negative €31 m impact in depreciation charges from the application of the IFRS 16 standard.

RCA net income was €103 m. IFRS net income was negative by €8 m, with non-recurring items of €126 m, which include the impact from the unitisation of the Lula field in Brazil.

In the first quarter of 2019, CFFO was €396 m, up 62 per cent. year on year, including the €44 m positive impact from the application of the IFRS 16 standard, supported on a higher upstream contribution and despite a lower refining performance. FCF was €159 m, or €91 m after dividend payment to non-controlling interests.

At 31 March 2019 net debt was €1,603 m, down €134 m quarter-on-quarter reflecting the cash generation during the period. Liabilities associated with operating leases were €1,230 m. Net debt to RCA Ebitda for the last twelve months was 0.7x, with RCA Ebitda adjusted for the impact from the application of the IFRS 16 standard.

Explanatory Note:

Replacement Cost (**RC**): according to this method of valuing inventories, the cost of goods sold is valued at the cost of replacement, i.e. at the average cost of raw materials on the month when sales materialise irrespective of inventories at the start or end of the period. The Replacement Cost method is not accepted by accounting standards (including 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 Galp's profit and do not reflect its operational performance.

Results set out in this Offering Circular which are classified as Replacement Cost Adjusted (**RCA**) or replacement cost (**RC**) have not been audited.

CAPITAL ALLOCATION

2018

During 2018, capital expenditure (**capex**) totalled €899 m, including payments within the E&P business related to the signing bonuses of Uirapuru and C-M-791 licences as well as to the acquisition of a further 3 per cent. stake in block BM-S-8.

E&P accounted for c.70 per cent. of capex, of which development and production activities accounted for 65 per cent., mostly allocated to the Lula project development in Brazil and to block 32 in Angola. It is also worth highlighting the increased investment in the Coral South FLNG development, in Mozambique.

Capex in exploration and appraisal activities was mainly related with the acquisition of new acreage through Brazilian bid rounds and with the increased stake in block BM-S-8.

Investment in downstream activities (R&M and G&P) reached €267 m which was mostly allocated to refining maintenance and the $1/boe initiatives as well as to the renewal of the retail network.

First Quarter of 2019

Capex totalled €149 m during the first quarter of 2019, of which 89 per cent. was allocated to the E&P business.

Investment in development and production activities reached €103 m, and was mostly related to the execution of Lula in block BM-S-11, block 32 in Angola and the LNG project in Mozambique. Capex of €29 m in exploration and appraisal (E&A) activities were mainly related to works in North of Carcará.

Regarding investment in the downstream, this was mainly related to the maintenance and improvement of refining energy efficiency, as well as investments in downstream associated companies.

Galp expects a total capital expenditure of c €1.0 bn p.a. in the period 2019-2020. Investments will continue to be focused on the E&P business, which is expected to account for approximately 70 per cent. of total capex. Non-upstream capex is expected to average €250 m – €300 m in this period, mainly driven by refining efficiency initiatives.

Galp's long-term capital allocation will remain consistent with the Company's strategy, with oil and gas businesses to remain core activities. Galp will however start to diversify into new business models and lower carbon solutions whilst maintaining its main goal of sustainable value creation to shareholders.

Galp will also continue to aim to ensure it has the capital required to implement the planned investment programme, which is critical to the success of the strategic execution. Maintaining its financial discipline and capital structure continues to be a priority for the Company, taking into account the macroeconomic context, the investment opportunities and the generation of cash flow.

FINANCIAL POSITION AND DEBT

The figures below show certain additional performance metrics on a consolidated basis related to Galp at the dates then shown:

(€m, IFRS)	31 December 2017 (Restated)	31 December 2018	31 March 2019
Net fixed assets	7,231	7,340	7,380
Rights of use (IFRS 16)	-	-	1,209
Working capital	584	814	811
Loan to Sinopec	459	176	-
Other assets (liabilities)	(609)	(546)	(704)
Capital employed	**7,665**	**7,784**	**8,696**
Net debt	1,886	1,737	1,603
Operating leases (IFRS 16)	-	-	1,230
Equity	5,779	6,047	5,862

Equity, net debt and operating leases	**7,665**	**7,784**	**8,696**

2018

On 31 December 2018 net fixed assets were €7,340 m, with net capex more than offsetting Depreciation Depletion & Amortisation (DD&A).

Capital employed increased year on year to €7,784 m, reflecting the evolution of net fixed assets and working capital.

First Quarter of 2019

On 31 March 2019, net fixed assets were €7,380 m. Note that assets and liabilities were adjusted to incorporate impacts from IFRS 16. During the quarter, the outstanding €176 m loan to Sinopec was fully reimbursed, against a capital reduction in the Galp/Sinopec JV.

Net fixed assets includes a €74 m reduction from the Lula unitisation estimated impact, which also originated a €133 m estimated payable on the other assets/liabilities caption.

CASH FLOW

The figures below show certain additional performance metrics on a consolidated basis related to Galp at the dates then shown:

	For the year ended 31 December		**For the three-month period ended 31 March**
Indirect method (€m, IFRS)	**2017 (Restated)**	**2018**	**2019**
EBIT	1,114	1,629	302
Depreciation, Amortisation and impairments[1]	762	691	216
Corporate income taxes and oil and gas production taxes[2]	(373)	(613)	(135)
Dividends from associates[3]	134	118	10
Change in Working Capital	(72)	(230)	3
CFFO	**1,565**	**1,594**	**396**
Net financial expenses	(75)	(63)	(42)
Operating leases payments (IFRS 16)	-	-	(44)
Net capex	(925)	(896)	(152)
FCF	**565**	**635**	**159**
Dividend paid to non-controlling interests	(9)	(16)	(68)
Dividends paid to shareholders	(414)	(477)	-
Post-dividend FCF	**142**	**142**	**91**
Others[4]	(158)	7	43

Change Net debt	**16**	**(149)**	(134)

[1] Refers to "Amortisation, depreciation and impairment losses on fixed assets" in Alternative Performance Measures section;

[2] Refers to "Income tax" in Alternative Performance Measures section;

[3] Refers to "Cash receipts related to dividends" in Alternative Performance Measures section;

[4] Includes CTAs (Cumulative Translation Adjustment) and partial reimbursement of the loan granted to Sinopec of €52 m during 2018.

ORGANISATIONAL STRUCTURE

Galp is the ultimate parent company of Galp Group (the Group), which includes Galp and its subsidiaries. Galp's subsidiaries include, among others: *(i)* Petrogal, S.A. (**Petrogal**) and its subsidiaries, which carry out their activities in the refining of crude oil and distribution of its derivatives; *(ii)* Galp Energia E&P B.V. and its subsidiaries, integrating the oil and gas exploration and production activities and biofuels *(iii)* Galp Gas & Power, SGPS, S.A. and its subsidiaries, which operate in the natural gas sector, electricity and renewable energy sector, and *(iv)* Galp Energia, S.A. which integrates the corporate support services.

MANAGEMENT

Corporate governance model

Galp's governance model is designed to ensure the transparency and effectiveness of the Group by means of a separation of powers between the different corporate bodies. While the Board of Directors exercises the oversight, definition, and supervision of the strategic guidelines, as well as of the management supervision and the relations between shareholders and other corporate bodies, the duties of the Executive Committee, as delegated by the Board of Directors, are operational in nature and entail the day-to-day management of the business and corporate services.

The supervisory framework includes the Audit Board and the statutory auditor.

Board of Directors

The Board of Directors makes decisions on key matters, such as strategy formulation, corporate and organisational set-up, business portfolio management, approval of capital expenditure items, determination of value-creating goals for each activity and supervision of the execution of critical activities. Galp's Board of Directors is currently composed of 19 members, of which 7 are executive and 12 are non-executive. Of the latter, five are considered independent by the Board of Directors, based on the criteria set out in the Corporate Governance Code of the Portuguese Institute of Corporate Governance ("IPCG Corporate Governance Code").

Board resolutions are generally taken based on a simple majority of the votes cast, except for certain matters stated in Galp's articles of association, where a two-thirds majority is required. The current directors were elected for the period 2019-2022.

The names of the current directors on the Board of Directors are set out below:

Members of the Board of Directors	
Name	**Position**
Paula Amorim	Chairman/Non-Executive
Miguel Athayde Marques	Vice-Chairman/ Non-Executive/Lead Independent Director
Carlos Gomes da Silva	Vice-Chairman/Executive

Filipe Crisóstomo Silva	Executive
Thore E. Kristiansen	Executive
Carlos Costa Pina	Executive
José Carlos da Silva Costa	Executive
Sofia Tenreiro	Executive
Susana Quintana-Plaza	Executive
Marta Amorim	Non-Executive
Francisco Teixeira Rêgo	Non-Executive
Carlos Pinto	Non-Executive
Luís Todo Bom	Independent Non-Executive
Jorge Seabra de Freitas	Non-Executive
Diogo Mendonça Tavares	Non-Executive
Rui Paulo Gonçalves	Non-Executive
Edmar de Almeida	Independent Non-Executive
Cristina Neves Fonseca	Independent Non-Executive
Adolfo Mesquita Nunes	Independent Non-Executive

Paula Amorim has been a member of Galp's Board of Directors since April 2012, Vice-President from 2015 to 2016 and Chairman since October 2016. Representing the fourth generation of the largest Portuguese Family Business Group, with almost 150 years of history, Paula Amorim is the President of Amorim Investimentos e Participações, SGPS, SA, which includes in its portfolio Corticeira Amorim, the world's largest cork producer.

She also holds the position of President of the Américo Amorim Group, Amorim Holding II, SGPS. In 2005, Paula founded her own company, Amorim Fashion. Five years later she founded the Amorim Luxury Group. Her personal interest and experience in the fashion industry were determining factors in making the Family Group a major investor in Tom Ford International, where she is a member of the Board of Directors.

In November 2018 she acquired, in partnership with Vanguard, assets of the Herdade da Comporta Fund, as part of her strategy of growth and positioning as a Portuguese and International Hotel and Lifestyle Brand of the highest quality.

Paula Amorim studied Real Estate Management at the Escola Superior de Atividades Imobiliárias.

Executive Committee

The Executive Committee consists of seven directors appointed by the Board of Directors for a period of four years. The current Executive Committee was appointed in April 2019.

The Executive Committee is in charge of the day-to-day management of Galp in accordance with the strategy set by the Board of Directors. The duties of the Executive Committee include managing the business units, allocating resources, achieving synergies and monitoring the application of approved policies in various areas.

The work of the Board of Directors and the Executive Committee complies with the regulations devised to formalise the workings of these two corporate bodies. These regulations are available at http://www.galp.com.

The names of the current directors on the Executive Committee, along with their principal functions and certain other biographical information, are set out below:

Executive Committee	
Members	**Responsibilities**
Carlos Gomes da Silva	Chairman of the Executive Committee / Chief Executive Officer
Filipe Crisóstomo Silva	Chief Financial Officer
Thore E. Kristiansen	Chief Operating Officer / Upstream
José Carlos da Silva Costa	Chief Operating Officer/Midstream
Sofia Tenreiro	Chief Operating Officer/Commercial
Susana Quintana-Plaza	Chief Operating Officer/Renewables and New Businesses
Carlos Costa Pina	Chief Operating Officer / Infrastructure

Carlos Gomes da Silva was born in Oporto, Portugal, on 25 February 1967. He has been a member of Galp's Board of Directors since 2007 and Vice-Chairman of the Board of Directors and Chairman of the Executive Committee since April 2015.

He is a professional with 30 years of experience in different industries, in particular in the energy industry. Carlos Gomes da Silva joined Galp/Petrogal early in the 1990s, where he played several management roles, leading the operating areas of Refining, Supply & Trading, Planning & Control and Strategy.

From 2001, and for a period of six years, he worked in the beverages industry (at Unicer, a Carlsberg group company) as Head of M&A and Strategy, and subsequently as Executive Director - Chief Operating Officer (COO). In his return to the energy industry in 2007 he was appointed member of the Board of Directors of Galp, having performed several executive roles as Executive Director namely for marketing of oil, gas and power, trading of oil and gas and corporate divisions.

Carlos Gomes da Silva holds a Degree in Electrical Engineering and Computer Science from the School of Engineering of the Porto University and an MBA from ESADE/IEP (Barcelona).

Filipe Crisóstomo Silva was born in Lisbon, Portugal, on 4 July 1964. He has been a member of the Board of Directors and Chief Financial Officer (CFO) of Galp since July 2012. He has also been responsible for Information Systems and Digital since April 2019.

Since 1999 and before joining Galp, he was responsible for the investment banking areas of Deutsche Bank in Portugal, and since 2008 has also been the Chief Executive Officer (CEO) of Deutsche Bank in Portugal.

Filipe Crisóstomo Silva is a graduate in Economics and Financial Management and holds a Masters in Financial Management, both from the Catholic University of America, Washington D.C.

Thore E. Kristiansen was born in Stavanger, Norway, on 4 July 1961. He is an executive member of Galp's Board of Directors and member of the Executive Committee since October 2014, responsible for Galp's Upstream business.

He was senior Vice-Chairman for South America at Statoil, and was the CEO of Statoil Brazil from January 2013 until he joined Galp. He has been with Statoil for more than 25 years, with responsibility for the distribution of oil products, trading and business negotiation in Norway, the UK, Denmark and Germany, as well as in the areas of exploration and production, with a special focus on Norway, sub-Saharan Africa and South America, and also corporate functions, particularly in finance and M&A, as the Investor Relations Officer. He was also the CEO of Statoil Germany and Statoil Venezuela.

Thore E. Kristiansen holds a degree in Management from the Norwegian School of Management and a Masters of Science degree in Petroleum Engineering from the University of Stavanger, Norway.

José Carlos da Silva Costa was born in Oporto, Portugal, on 5 January 1963. He has been a member of Galp's Board of Directors since November 2012 and a member of the Executive Committee since December 2012. As COO he is responsible for the business unit of Midstream and for the corporate services of Engineering and Project Management, Procurement and Contracting and Assets Management.

With over three decades of experience in Procurement, Supply Chain and Project Management, he is the COO of Refining and Trading Oil, after several leadership roles at the Company, namely as Chief Corporate Officer in the 2012-2014 period as a member of the Executive Committee. His professional experience also includes working in the automotive and tourism industries.

José Carlos da Silva Costa holds a degree in Chemical Engineering from the Porto Instituto Superior de Engenharia (School of Engineering) and specialised training in Quality Management, Information Systems and Innovation.

Sofia Fernandes Cruz Tenreiro was born in Lisbon, Portugal, on 2 May 1975. She has been a member of Galp's Board of Directors and Executive Committee since 12 April 2019, responsible for Galp's Commercial business unit.

In January 2015 she assumed the position of General Manager of CISCO Portugal until 2018. Between July 2012 and January 2015 she held the position of Consumer Channel Group Lead (CCG Lead) at Microsoft having previously held from March 2007 to June 2012 the position of Retail Sales & Marketing Lead (RSM Lead) at Microsoft. From January 2005 to February 2007 she was the Editorial Marketing and Sales Business Units Lead in the newspaper Público. She was the Marketing Manager of the Strategic Marketing Business Unit at Optimus between March 2003 and December 2004. At L'Oréal Spain she held various positions from September 2001 to February 2003.

She holds a degree in Business Administration from Universidade Católica Portuguesa.

Susana Quintana-Plaza was born in Ciudad Real, Spain on 8 January 1974. She has been a member of Galp's Board of Directors and Executive Committee since 12 April 2019, being responsible for the Renewables and New Business.

She began her career at the Boeing Commercial Airplane Group as a Flight Operations Engineer between 1998 and 2000, later in 2000 and 2004 she assumed the position of Product Marketing Analyst and Product Marketing Team Leader. From 2014 to 2016 she held the position of Senior Vice-President of Technology and Innovation at E.ON SE, having previously held a position of Head of Strategy, Business Development Manager from 2009 to 2011, also acting as Senior Strategy and Business Development Manager in 2011 at E.ON Climate & Renewables. From 2016 to the beginning of 2019 she took the position of Partner at next47 (Siemens' CVC organization). From 2018 to the beginning of 2019 she has also been member of the Supervisory Board at Hexagon Composites ASA & Wirecard AG.

Susana Quintana-Plaza holds a degree and Masters in Aeronautical Engineering from the University of Washington. She also holds a Master's in Business Administration from Harvard Business School.

Carlos Costa Pina was born in Lisbon, Portugal, on 14 December 1970. He has been an executive member of Galp's Board of Directors and a member of the Executive Committee since April 2012, being responsible for the Corporate Centre areas of Environment, Quality and Safety, and Sustainability, and also for the Infrastructures business unit since April 2019.

Previously he worked in Technology, Media and Telecommunications, real estate and services companies in the Ongoing group (Portugal and Brazil). He was Secretary of State for Treasury and Finance in the XVII and XVIII Portuguese Constitutional Governments (2005-2011) and therefore had roles at several international financial institutions. He has also been a director at CMVM (the Portuguese Securities Market Regulator) (2000-2005), a member of the Advisory Board of the Insurance Institute of Portugal (2001- 2005) and a lawyer with his own legal practice, particularly in oil exploration and production (1994-1998). He was also a lecturer at the Lisbon Law School, where he is studying for his doctorate.

Carlos Costa Pina is the author of numerous published works and holds a degree in Law and a Masters in Legal and Business Sciences from the School of Law, University of Lisbon.

The business address of each of the directors of Galp is Rua Tomás da Fonseca, Torre C, 1600-211 Lisbon, Portugal.

Supervisory Bodies

Supervision is carried out by an Audit Board and a firm of statutory auditors.

Audit Board

The Audit Board is comprised of three standing members and one substitute member, all of whom are elected by the shareholders at a general shareholders meeting which will also elect its chairman. The members of the Audit Board cannot be members of the Board of Directors of Galp and are subject to the rules on independence and avoidance of conflicts of interest contained in Articles 414 and 414-A of the Commercial Companies Code (**CSC**).

According to the law, at least one member of the Audit Board shall have an academic degree suitable to the role of member of the Audit Board and have a good command of auditing or accounting. The majority of its members, including the Chairman, must be independent, i.e. they:

(a) cannot be associated with any specific interest groups within Galp;

(b) must not find themselves in a situation where their independent judgment would be affected, namely because they:

  (i) hold title to, or represent major shareholders with, 2 per cent. or more of the share capital of Galp; or

  (ii) have been re-elected for more than two terms, either consecutive or intermittent.

At the general shareholders meeting held on 12 April 2019, the members of the Audit Board were elected. The Audit Board monitors the preparation and publication of Galp's financial information. This Board appoints, appraises and dismisses, if and when necessary, the external independent auditor, supervises the audit of financial statements and proposes the appointment of a firm of chartered accountants or a chartered accountant to the general shareholders meeting, whose independence is verified regarding the provision of additional services. The regulations that guide the Audit Board's actions are available on Galp's website at http://www.galp.com.

Audit Board

Name	Position	Last Election
José Pereira Alves	Chairman	2019
Maria Fátima Castanheira Cortês Damásio Geada	Member	2019
Pedro Antunes de Almeida	Member	2019
Amável Calhau	Alternate	2019

José Pereira Alves was born in 29 September 1960. He has been Chairman of Galp's Audit Board since 12 April 2019.

He has been Chairman of the Fiscal Board in Sonaegest – Sociedade Gestora de Fundos de Investimento S.A. since February 2017 and Chairman of the Fiscal Board of The Fladgate Partnership, S.A.. He is a member of the High Council of the Order of Statutory Auditors and member of the General Council of the Portuguese Institute of Internal Auditors. Throughout his career as an auditor and consultant he was involved in company projects in several fields. Of note, are his intervention as a technician and responsibility for the audits at Texaco (Angola), Cabinda Gulf Oil Company (CABGOC) and Electra (Cape Verde) all in the energy sector. He remained at PwC for 32 years and left on 30 June 2016 when he held the position of Territory Senior Partner (President). At PwC he was responsible for more than 22 years for the coordination of auditing and statutory auditing of several groups, namely Amorim, RAR, Salvador Caetano, Nors, Ibersol, TAP, CTT, Semapa and Jerónimo Martins, among others.

He holds a degree in Economics from the University of Oporto (FEP) having attended the preparation course for the exam for statutory auditor taught by the former CROC (now OROC).

Maria Fátima Castanheira Cortês Damásio Geada was born in 2 November 1960. She has been a member of Galp's Audit Board since April 2019.

She also holds the position of Chairman of the Board of Directors of the Instituto Português de Auditoria Interna, Internal Audit Director of the TAP Group and Chairman of the Audit Board of a Catering Company.

She assumed the position of advisor to the Chairman of the Fiscal Council of LFP Portugal in 2017. She also held the position of member the Assembly of Representatives of the Order of Economists. She is also Director of the Internal Audit Office of TAP Portugal. In 2014 she held the position as a member of the Strategic Council of ISCAC – Coimbra Business School. Between 1993 and 1996 she served as Deputy Director General of the Maintenance and Engineering Department of TAP Air Portugal. In 2016 she taught as an Associate Professor at the Universidade Lusíada de Lisboa in the Business Management Course while also acting as Coordinator/Professor of the Financial Management Curricular Unit.

She holds a degree in Economics by Instituto Superior de Economia e Gestão da Universidade de Lisboa (ISEG), Masters in Quantitative Methods applied to Economics and Business Management and a PhD in Economics "Keynesianos versus Monetaristas" by the Universidade Técnica de Lisboa. She is also certified by IIA – EUA CRMA in Certified Risk Management Assurance.

Pedro Antunes de Almeida was born in Lisbon, Portugal, on 31 December 1949. He has been member of Galp's Audit Board since November 2012.

From 2006 to 2015, Pedro Antunes de Almeida was Consultant for Economic and Business Affairs to the President of the Portuguese Republic.

As an independent business consultant in the tourism industry, he was Chairman of the Board of Directors of ICEP - Portugal Investimento Comércio e Turismo (ICEP), Chairman of the Executive Committee of

ENATUR – Pousadas de Portugal, Secretary of State for Tourism (XV Government) and Ambassador of Portugal to the World Tourism Organisation. Between 2011 and 2012 he was Secretary of the Board of Galp's General Shareholders Meeting.

Pedro Antunes de Almeida has a degree in Economics and Sociology from the Universidade Nova de Lisboa, with a post-graduate qualification in European Economic Studies, from the Universidade Católica Portuguesa, a course on Public Relations, Marketing and Publicity, from the Graduate School of Media, Lisbon, and the Course for National Defence Auditors from the National Defence Institute.

Amável Calhau was born in Setúbal, Portugal, on 20 November 1946. He has been a Deputy Member of Galp's Audit Board since 5 October 2006.

He is a Statutory Auditor and has been a Managing Partner of Amável Calhau, Ribeiro da Cunha e Associados – Sociedade de Revisores Oficiais de Contas since 1981. He was an Accountant and Auditor for an auditing company between 1970 and 1979 and has been an individual Statutory Auditor since 1980.

He has been a Statutory Auditor in companies in various sectors since 1981, including: from 1991 to 2012, Statutory Auditor for the Portuguese Securities Market Commission Audit Committee; from 2006 to 2014, Statutory Auditor for the Banco de Portugal Audit Committee, and from 2008 to 2012, Statutory Auditor for Agência de Gestão da Tesouraria e da Dívida Pública – IGCP, E.P.E Audit Committee.

Amável Calhau is an accounting expert from the Army Pupils' Military Institute.

The business address of the members of the Supervisory Board of Galp is Rua Tomás da Fonseca, Torre C, 1600-211 Lisbon, Portugal.

Statutory Auditors Firm

The statutory auditors firm's duties are to perform all checks and verifications regarding auditing and certifying Galp's accounts as well as to exercise other powers and rights provided for by law.

According to Article 446 of the CSC, the statutory auditor or firm of statutory auditors shall be proposed to the general shareholders meeting by the Audit Board and may not be part of this body.

The general shareholders meeting held in April 2019 elected the current statutory auditors firm, as follows:

Permanent member

Ernst & Young Audit & Associados, *SROC, S.A.* (**Ernst & Young Audit & Associados**), TIN 505988283, with its headquarters at Av. da República, 90 – 6º, 1600-206 Lisboa, registered at the OROC under the no. 178 and registered at CMVM under the no. 20161480, represented by Rui Abel Serra Martins, OROC no. 20160731.

Alternate member

Manuel Ladeiro de Carvalho Coelho da Mota, TIN 215184467, Statutory Accountant no. 1410, with professional address at Avenida da República, n.º 90 – 6º – 1600-206 Lisboa.

External Auditor

Currently, Galp's external auditor is Ernst & Young Audit & Associados, member no. 178 of the Portuguese Institute of Statutory Auditors and registered under no. 20161480 with the CMVM, and represented by Rui Abel Serra Martins.

Galp's external auditor until the financial year ended 31 December 2018 was PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda., member no. 183 of the Portuguese Institute of Statutory Auditors and registered under no. 20161485 with the CMVM, and represented by António Joaquim Brochado Correia.

Remuneration Committee

A Remuneration Committee composed of three shareholders' representatives elected by the general shareholders meeting sets the remuneration of the members of Galp's corporate bodies.

Pursuant to Galp's articles of association no member of the Remuneration Committee can at the same time be a member of the Board of Directors or of the Audit Board.

In 2012, in order to align the executive performance with Galp's long-term goals, a policy of setting three-year goals was introduced, in line with best market practices. Accordingly, the Executive Directors receive a fixed monthly salary plus a variable remuneration component consisting of a yearly and a three-year component, each worth 50 per cent. of the total variable remuneration. The three-yearly component, although calculated annually, will effectively only be paid at the end of three years if the proposed objectives are achieved.

Remuneration Committee 2019-2022 term	
Position	**Name**
Chairman	Amorim Energia B.V.
Member	Joaquim Alberto Hierro Lopes
Member	Jorge Armindo Carvalho Teixeira

CONFLICTS OF INTERESTS

The members of Galp's Board of Directors, Executive Committee, Audit Board and Remuneration Committee described above do not have, as of the date hereof, any conflicts, or any potential conflicts, between their duties to Galp in such capacities and their private interests or other duties.

MAJOR SHAREHOLDERS

Shareholder structure

On 31 December 2018 the qualifying holdings in Galp's share capital were as follows:

Shareholders	N.º of shares	% of voting rights
Amorim Energia, B.V.*	276,472,161	33.34%
Parpública - Participações Públicas (SGPS), S.A.*	62,021,340[1]	7.48%
BlackRock, Inc. *	41,448,338	4.998%
T. Rowe Price Group, Inc.*	17,424,072	2.10%

[1] 58,079,514 of which are subject to a privatisation process.

* Direct holdings

Description of the main shareholders and arrangements in place which may result in a change of the shareholder structure

Amorim Energia B.V. (Amorim Energia) has its head office in the Netherlands and its shareholders are Power, Oil & Gas Investments, B.V. (35 per cent.), Amorim Investimentos Energéticos, SGPS, S.A. (20 per cent.) and Esperaza Holding, B.V. (45 per cent.).

Parpública – Participações Públicas, SGPS, S.A. (**Parpública**) is a limited liability company held by the Portuguese State that manages equity holdings held by the Portuguese state in a number of companies.

BlackRock, Inc. is a U.S.-headquartered multinational investment management corporation based in New York, USA. It was founded in 1988 and it is quoted on the New York Stock Exchange (NYSE). At 31 March 2019 total assets under management amount to approximately $6.5 Trillion (**Tn**).

T. Rowe Price Group, Inc. is a multinational investment management corporation headquartered in Maryland, USA. It was founded in 1937 and is traded on Nasdaq. At 31 March 2019 total assets under management amount to approximately $1.1 Tn.

Galp's share capital is comprised of 829,250,635 ordinary shares, 93 per cent. of which are listed on Euronext Lisbon. The remaining shares are indirectly held by the Portuguese state through Parpública. All shares have the same voting and economic rights.

At the end of 2018, about 80 per cent. of the free float, or 47 per cent. of the total shareholder base, was held by institutional investors from 37 countries spanning five continents. Institutional investors outside of Europe accounted for 36 per cent. of the free float and are largely concentrated in North America. Individual investors account for approximately 2 per cent. of Galp's share capital.

TAXATION

1. Portugal

The following description summarises the material anticipated tax consequences relating to an investment in the Notes according to Portuguese law. The description does not deal with all possible consequences of an investment in the Notes and is not intended as tax advice. Accordingly, each prospective investor should consult its own professional advisor regarding the tax consequences to it of an investment in the Notes under local or foreign laws to which it may be subject. This summary is based upon the law as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date.

Republic of Portugal Taxation

Portuguese taxation relating to all payments by the Issuer in respect of Notes issued within the scope of Decree-law no. 193/2005

This section summarises the tax consequences of holding Notes issued by the Issuer when such Notes are integrated *(i)* and held through Interbolsa, as management entity of the **CVM** (*Central de Valores Mobiliários*), the Portuguese centralised system of registration of securities or *(ii)* in an international clearing system operated by a managing entity established in a member state of the EU other than Portugal or *(iii)* in a EEA Member State provided, in this case, that such State is bound to cooperate with Portugal under an administrative cooperation arrangement in tax matters similar to the exchange of information schemes in relation to tax matters existing within the EU Member States or *(iv)* integrated in other centralised systems not covered above provided that, in this last case, the Portuguese Government authorises the application of the Decree-law no. 193/2005 and have been issued within the scope of the Decree-law no. 193/2005. References in this section are construed accordingly.

Investment income (i.e. economic benefits derived from interest, amortisation or reimbursement premiums as well as other forms of remuneration which may be paid under the Notes) on the Notes, paid to a corporate holder of Notes (who is the effective beneficiary thereof (the **Beneficiary**)) resident for tax purposes in Portuguese territory or to a non-Portuguese resident having a permanent establishment therein to which income is attributable, is subject to withholding tax currently at a rate of 25 per cent., except where the Beneficiary is either a Portuguese resident financial institution (or a non-resident financial institution having a permanent establishment in the Portuguese territory to which income is imputable) or benefits from a reduction or a withholding tax exemption as specified by current Portuguese tax law (such as pension funds, retirement and/or education savings funds, share savings funds, venture capital funds and collective investment undertakings constituted under the laws of Portugal). In relation to Beneficiaries that are corporate entities resident in Portuguese territory (or non-residents having a permanent establishment therein to which income is imputable), withholding tax is treated as a payment in advance and, therefore, such Beneficiaries are entitled to claim appropriate credit against their final corporate income tax liability. If the payment of interest or other investment income on Notes is made available to Portuguese resident individuals, withholding tax applies at a rate of 28 per cent., which is the final tax on that income unless the individual elects to aggregate such income to his taxable income, subject to tax at progressive income tax rates of up to 48 per cent. In the latter circumstance an additional surcharge will be due on the part of the taxable income exceeding EUR80,000 as follows: (i) 2.5 per cent. on the part of the taxable income exceeding EUR80,000 up to EUR250,000 and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding EUR250,000.

Investment income paid or made available on accounts held by one or more parties on account of unidentified third parties is subject to a withholding tax rate of 35 per cent., except where the beneficial owner of the income is identified, in which case the general rules will apply.

Pursuant to Decree-law no. 193/2005, investment income paid on, as well as capital gains derived from a sale or other disposition of the Notes, to non-Portuguese resident Noteholders will be exempt from Portuguese income tax provided the debt securities are integrated in *(i)* a centralised system for securities managed by an entity resident for tax purposes in Portugal (such as the CVM managed by Interbolsa), or *(ii)* an international clearing system operated by a managing entity established in a member state of the EU other than Portugal or in an EEA Member State provided, in this case, that such State is bound to cooperate with Portugal under an administrative cooperation arrangement in tax matters similar to the exchange of information schemes in relation to tax matters existing within the EU Member States or *(iii)* integrated in other centralised systems not covered above provided that, in this last case, the Portuguese Government authorises the application of the Decree-law no. 193/2005, and the beneficiaries are:

(a) central banks or governmental agencies; or

(b) international bodies recognised by the Portuguese State; or

(c) entities resident in countries or jurisdictions with which Portugal has a double tax treaty in force or a tax information exchange agreement; or

(d) other entities without headquarters, effective management or a permanent establishment in the Portuguese territory to which the relevant income is attributable and which are not domiciled in a blacklisted jurisdiction as set out in the Ministerial Order no. 150/2004, as amended.

For the purposes of application at source of this tax exemption regime, Decree-law no. 193/2005 requires completion of certain procedures and the provision of certain information. Under these procedures (which are aimed at verifying the non-resident status of the Noteholder), the Noteholder is required to hold the Notes through an account with one of the following entities:

(a) a direct registered entity, which is the entity with which the debt securities accounts that are integrated in the centralised system are opened;

(b) an indirect registered entity, which, although not assuming the role of the "direct registered entities", is a client of the latter; or

(c) an international clearing system, which is an entity that proceeds, in the international market, to clear, settle or transfer securities which are integrated in centralised systems or in their own registration systems.

Capital gains obtained by non-resident individuals that are not entitled to said exemption will be subject to taxation at a 28 per cent. flat rate. Accrued interest does not qualify as capital gains for tax purposes. If the exemption does not apply in case of non-resident legal entities, the gains will be subject to corporate income tax at a rate of 25 per cent. Under the tax treaties entered into by Portugal, such gains obtained either by individuals or legal persons are usually not subject to Portuguese tax, but the applicable rules should be confirmed on a case by case basis.

Capital gains obtained on the disposal of Notes issued by the Issuer, by corporate entities resident for tax purposes in the Republic of Portugal and by non-residents corporate entities with a permanent establishment therein to which the income or gain are attributable are included in their taxable income and are subject to corporate income tax at a 21 per cent. tax rate or at a 17 per cent. tax rate on the first EUR15,000 in the case of small or small and medium-sized enterprises, to which a municipal surcharge ("*derrama municipal*") of up to 1.5 per cent. of its taxable income may be added. A state surcharge ("*derrama estadual*") also applies at 3 per cent. on taxable profits in excess of EUR1,500,000 and up to EUR7,500,000, 5 per cent. on taxable profits in excess of EUR7,500,000 and up to EUR35,000,000 and 9 per cent. on taxable profits in excess of EUR35,000,000.

Capital gains obtained on the disposal of Notes issued by the Issuer, by individuals resident for tax purposes in the Republic of Portugal are subject to tax at a rate of 28 per cent. levied on the positive difference between the capital gains and capital losses realised on the transfer of securities and derivatives of each year, unless the individual elects to include such income in his taxable income, subject to tax at progressive income tax rates of up to 48 per cent. In the latter circumstance an additional surcharge will be due on the part of the taxable income exceeding EUR80,000 as follows: (i) 2.5 per cent. on the part of the taxable income exceeding EUR80,000 up to EUR250,000 and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding EUR250,000.

Domestic Cleared Notes – held through a direct registered entity

Direct registered entities are required to register the Noteholders in one of two accounts: (i) an exempt account or (ii) a non-exempt account. Registration in the exempt account is crucial for the tax exemption to apply upfront and requires evidence of the non-resident status of the Beneficiary, to be provided by the Noteholder to the direct registered entity (this will have to be made by no later than the second ICSD Business Day prior to the Relevant Date, as defined in Condition 7 of the Terms and Conditions of the Notes (*Taxation*)), as follows:

(a) if the Noteholder is a central bank, an international body recognised as such by the Portuguese State, or a public law entity and respective agencies, a declaration issued by the beneficial owner of the Notes itself duly signed and authenticated, or proof of non residence pursuant to (d) below. The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;

(b) if the Noteholder is a credit institution, a financial company, a pension fund or an insurance company domiciled in any OECD country or in a country with which Portugal has entered into a double taxation treaty, certification shall be made by means of the following: (A) its tax identification official document; or (B) a certificate issued by the entity responsible for such supervision or registration, or by the tax authorities, confirming the legal existence of the beneficial owner of the Notes and its domicile; or (C) proof of non residence pursuant to (d) below. The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;

(c) if the Noteholder is an investment fund or other collective investment scheme domiciled in any OECD country or in a country with which Portugal has entered into a double tax treaty in force or has a tax information exchange agreement in force, it shall make proof of its non-resident status by providing any of the following documents: (A) a declaration issued by the entity responsible for its supervision or registration or by the relevant tax authority, confirming its legal existence, domicile and law of incorporation; or (B) proof of non-residence pursuant to the terms of paragraph (d) below. The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;

(d) other investors will be required to make proof of their non-resident status by way of: (A) a certificate of residence or equivalent document issued by the relevant tax authorities; (B) a document issued by the relevant Portuguese Consulate certifying residence abroad; or (C) a document specifically issued for residence certification purposes by an official entity which forms part of the public administration (either central, regional or peripheral, indirect or autonomous) of the relevant country. The Noteholder must provide an original or a certified copy of such documents and, as a rule, if such documents do not refer to a specific year and do not expire, they must have been issued within the three years prior to the relevant payment or maturity dates or, if issued after the relevant payment or maturity dates, within the following

three months. The Noteholder must inform the registering entity immediately of any change in the requirement conditions that may eliminate the tax exemption.

Internationally Cleared Notes – held through an entity managing an international clearing system

Pursuant to the requirements set forth in the tax regime, if the Notes are registered in an account held by an international clearing system operated by a managing entity, the latter shall transmit, on each interest payment date and each relevant redemption date, to the direct register entity or to its representative, and with respect to all accounts under its management, the identification and quantity of securities, as well as the amount of income, and, when applicable, the amount of tax withheld, segregated by the following categories of beneficiaries:

(a) entities with residence, headquarters, effective management or permanent establishment to which the income would be imputable in Portugal and which are non-exempt and subject to withholding;

(b) entities which have residence in a country, territory or region with a more favourable tax regime, included in the Portuguese "blacklist" (countries and territories listed in Ministerial Order no. 150/2004) and which are non-exempt and subject to withholding;

(c) entities with residence, headquarters, effective management or permanent establishment to which the income would be imputable in Portugal, and which are exempt or not subject to withholding;

(d) other entities which do not have residence, headquarters, effective management or permanent establishment to which the income generated by the securities would be imputable in Portugal.

On each interest payment date and each relevant redemption date, the following information with respect to the beneficiaries that fall within the categories mentioned in paragraphs (a), (b) and (c) above, should also be transmitted:

(a) name and address;

(b) tax identification number (if applicable);

(c) identification and quantity of the securities held; and

(d) amount of income generated by the securities.

If the conditions for the exemption to apply are met, but, due to inaccurate or insufficient information, tax was withheld, a special refund procedure is available under the special regime approved by Decree-law no. 193/2005, as amended from time to time. The refund claim is to be submitted to the direct register entity of the Notes within 6 months from the date the withholding took place. A special tax form for these purposes was approved by Order (*despacho*) 2937/2014, published in the Portuguese Official Gazette, second series, no. 37, of 21 February 2014, issued by the Portuguese Secretary of State of Tax Affairs (currently *Secretário de Estado e Assuntos Fiscais*) and may be available at www.portaldasfinancas.gov.pt.

The refund of withholding tax after the above six-month period is to be claimed from the Portuguese tax authorities within two years, starting from the term of the year in which the withholding took place.

The absence of evidence of non-residence in respect to any non-resident entity which benefits from the above mentioned tax exemption regime shall result in the loss of the tax exemption and consequent submission to the applicable Portuguese general tax provisions.

Portuguese taxation relating to all payments by the Issuer in respect of Notes issued out of the scope of Decree-law no. 193/2005

The tax considerations made above in relation to corporate holders of Notes resident for tax purposes in Portuguese territory, non-Portuguese resident having a permanent establishment therein to which income is attributable, investment income paid or made available on accounts held by one or more parties on account of unidentified third parties, as well as to individuals resident for tax purposes in the Republic of Portugal also apply in case of Notes issued out of the scope of Decree-law no. 193/2005.

Investment income paid to non-Portuguese resident corporate entities or individuals in respect of Notes are subject to withholding tax at a rate of 25 per cent. (in case of corporate entities), at a rate of 28 per cent. (in case of individuals) or at a rate of 35 per cent. (in case of investment income payments *(i)* to individuals or corporate entities domiciled in a "low tax jurisdiction" list approved by Ministerial Order no. 150/2004, or *(ii)* to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties, in which the relevant beneficial owner(s) of the income is/are not identified), as the case may be; or if applicable, at reduced withholding tax rates pursuant to tax treaties signed by the Republic of Portugal, provided that the procedures and certification requirements established by the relevant tax law are complied with.

Capital gains obtained from a sale or other disposition of Notes by individuals non-resident in Portugal for tax purposes are exempt from Portuguese capital gains taxation, unless the individual is domiciled in a "low tax jurisdiction" list approved by Ministerial Order no.150/2004. If the exemption does not apply, the positive difference between such gains and gains on other securities and losses in securities is subject to tax at 28 per cent., which is the final tax on that income. Accrued interest does not qualify as capital gains for tax purposes.

Capital gains obtained on the disposal of Notes by a legal person non-resident in Portugal for tax purposes and without a permanent establishment in Portugal to which gains are attributable are exempt from Portuguese capital gains taxation, unless (i) the share capital of the non-resident entity is more than 25 per cent. directly or indirectly held by Portuguese resident entities; or (ii) the beneficial owner is resident in a country, territory or region subject to a clearly more favourable tax regime included in the "low tax jurisdictions" list approved by Ministerial Order 150/2004. Nevertheless, with respect to the first exception (i.e., the non-resident entity is directly and indirectly held in more than 25 per cent. by Portuguese resident entities) the capital gains are still exempt if the following requirements are cumulatively met: (i) the beneficial owner is resident in a EU Member State, in a European Economic Area Member State which is bound to cooperate with Portugal under an administrative cooperation arrangement in tax matters similar to the exchange of information schemes in relation to tax matters existing among the EU Member States, or in a country with which Portugal has a double tax treaty in force which foresees the exchange of information; (ii) the beneficial owner is subject and not exempt from a tax referred to in Article 2 of Council Directive 2011/96/EU, of 30 November 2011, or from a tax of a similar nature with a rate not lower than 60 per cent. of the Portuguese IRC rate (currently 12.6 per cent.); (iii) the beneficial owner holds, directly or indirectly, at least 10 per cent. of the share capital or voting rights for at least 1 year uninterruptedly of the entity disposed; (iv) the beneficial owner is not part of an arrangement or series of arrangements put into place with the main purpose, or one of the main purposes, of obtaining a tax advantage. If the exemption does not apply, the gains will be subject to tax at a rate of 25 per cent.

Under the tax treaties entered into by Portugal, the above gains are usually not subject to Portuguese tax, but the applicable rules should be confirmed on a case by case basis.

2. Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as **FATCA**, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions.

The United States has reached a Model 1 intergovernmental agreement with Portugal, signed on 6 August 2015 and ratified by Portugal on 5 August 2016 and which has entered into force on 10 August 2016. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes (as described under Condition 13 (Further Issues)) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Portugal has implemented, through Law 82-B/2014, of 31 December, the legal framework based on reciprocal exchange of information on financial accounts subject to disclosure in order to comply with FATCA.

Through Decree-Law no. 64/2016, of 11 October, amended by Law no. 98/2017, of 24 August, and by Law no. 17/2019, of 14 February, and Ministerial Order (Portaria) no. 302-A/2016, of 2 December, as amended by Ministerial Order (*Portaria*) no. 169/2017, of 25 May 2017, the Portuguese government approved the complementary regulation required to comply with FATCA. Under the referred legislation the Issuer is required to obtain information regarding certain accountholders and report such information to the Portuguese Tax Authorities, which, in turn, will report such information to the United States Internal Revenue Service.

Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

3. Administrative cooperation in the field of taxation

The EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the **Savings Directive**), as amended by Council Directive 2014/48/EU, of 24 March 2014, was repealed by Council Directive 2015/2060, of 10 November 2015. The aim was the adoption of a single and more comprehensive cooperation system in the field of taxation in the European Union under Council Directive 2011/16/EU, of 15 February 2011. The new regime under Council Directive 2011/16/EU, as amended by Council Directive 2014/107/EU, of 9 December 2014, introduced the automatic exchange of information in the field of taxation concerning bank accounts and is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014.

Under Council Directive 2014/107/EU, of 9 December 2014, financial institutions are required to report to the tax authorities of their respective Member State (for the exchange of information with the state of residence) information regarding bank accounts, including custodial accounts, held by individual persons residing in a different Member State or entities which are controlled by one or more individual persons residing in a different Member State, after having applied the due diligence rules foreseen in the Directive. The information refers to the account balance at the end of the calendar year, income paid or credited in the account and the proceeds from the sale or redemption of the financial assets paid or credited in the account during the calendar year to which the financial institution acted as custodian, broker, nominee, or otherwise as an agent for the account holder, among others.

The Council Directive 2014/107/EU, of 9 December 2014 regarding the mandatory automatic exchange of information in the field of taxation was implemented into Portuguese law through the Decree-law no. 64/2016, of 11 October 2016, as amended by Law no. 98/2017, of 24 August, and by Law no. 17/2019, of 14 February. In addition, the information regarding the registration of the financial institutions, and the procedures to comply with the reporting obligations arising from Decree-law no. 64/2016, of 11 October 2016, as amended, and the applicable forms were approved by Ministerial Order (*Portaria*) no. 302-B/2016, of 2 December 2016, Ministerial Order (*Portaria*) no. 302-C/2016, of 2 December 2016, Ministerial Order (*Portaria*) no. 302-D/2016, of 2 December 2016, and Ministerial Order (*Portaria*) no. 302-E/2016, of 2 December 2016, all as amended from time to time.

In any case investors should consult their own tax advisers to obtain a more detailed explanation of this regime and how it may individually affect them.

4. The proposed financial transaction tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia, Slovakia (the **participating Member States**) and Estonia. However, Estonia has since stated that it will not participate.

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 10 July 2019, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

(ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**); and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and

- the expression **Prospectus Directive** means Directive 2003/71/EC (as amended or superseded), and, where the context so requires, includes any relevant implementing measure in the Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons: (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act of 2000, as amended (**FSMA**) by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Portugal

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes may not be and will not be offered to the public in Portugal under circumstances which are deemed to be a public offer under the Portuguese Securities Code (or under any legislation which may replace or complement it in this respect from time to time) unless the requirements and provisions applicable to the public offering in Portugal are met and registration, filing, approval or recognition procedure with the CMVM is made. In addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that (i) it has not directly or indirectly taken any action or offered, advertised, marketed, invited to subscribe, gathered investment intentions, sold or delivered and will not directly or indirectly take any action, offer, advertise, invite to subscribe, gather investment intentions, sell, re-sell, re-offer or deliver any Notes in circumstances which could qualify as an offer to the public (*oferta pública*) of securities pursuant to the Portuguese Securities Code (or under any legislation which may replace or complement it in this respect from time to time), notably in circumstances which could qualify as a public offer addressed to individuals or entities resident in Portugal or having permanent establishment located in Portuguese territory, as the case may be; (ii) it has not distributed, made available or cause to be distributed and will not distribute, make available or cause to be distributed the Offering Circular or any other offering material relating to the Notes to the public in Portugal; other than in compliance with all applicable provisions of the Portuguese Securities Code (or under any legislation which may replace or complement it in this respect from time to time), the Prospectus Regulation implementing the Prospectus Directive and any applicable CMVM Regulations and all relevant Portuguese securities laws and regulations, in any such case that may be applicable to it in respect of any offer or sale of Notes by it in Portugal or to individuals or entities resident in Portugal or having permanent establishment located in Portuguese territory, as the case may be, including compliance with the rules and regulations that require the publication of a prospectus, when applicable, and that such

placement shall only be authorised and performed to the extent that there is full compliance with such laws and regulations.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Offering Circular or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-*ter*, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**); or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-*ter* of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Offering Circular or any other document relating to the Notes in the Republic of Italy under paragraph (a) or (b) above must:

(i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and

(ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree , that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the **SFA**)) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2)

of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA)) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular or any Final Terms and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers has represented that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

ALTERNATIVE PERFORMANCE MEASURES

In accordance with the ESMA Guidelines that came into force on 3 July 2016, the APMs used in this Offering Circular are disclosed below.

The APMs derive from the financial statements prepared in accordance with the financial reporting framework applicable to the Issuer and are understood as a financial measure of historical or future financial performance, financial position, or cash flows. They should not be considered in isolation as they are not measures of financial performance and their comparison with APMs used by other companies should be carried out with caution as the definition and calculation methods considered by the Issuer may differ from others.

Galp discloses these APMs to assist investors in understanding its financial performance, as they constitute additional financial information and Galp believes they represent useful indicators of the financial performance when read in addition to the financial statements. The Company also discloses its results on a Replacement Cost Adjusted (**RCA**) basis, excluding non-recurring items and the inventory effect, the latter because the cost of goods sold and raw materials consumed has been calculated with the Replacement Cost (**RC**) valuation method. Such measures shall not, under any circumstance, replace the financial information produced under the applicable reporting framework.

Following the recommendations of ESMA Guidelines, the Company has defined and explained the purpose of the following APMs used in the Offering Circular:

1. EBITDA RCA

EBITDA IFRS, when used by the Issuer, means revenue from sales and services rendered, cost of sales, supplies and external services, employee costs, impairments losses on receivables and other operating income and other operating costs. EBITDA IFRS may not be comparable to other similarly titled measures from other companies. The Company has included EBITDA IFRS as a supplemental disclosure because management believes it provides useful information regarding the Company's ability to service debt and to fund capital expenditures and provides a helpful measure for comparing its operating performance with that of other companies.

The reconciliation between EBITDA IFRS and the 2018 Annual Report (including the financials for the years ended 31 December 2018 and 31 December 2017 therein) and 1Q2019 Report is as follows:

unit -m€

EBITDA			
	For the year ended 31 December		For the three-month period ended 31 March
	2017 - Restated	2018	2019
Sales	14,574	16,535	3,400
Services rendered	628	647	159
Other operating income	105	141	128
Cost of sales	(11,379)	(12,763)	(2,878)
Supplies and external services	(1,617)	(1,780)	(393)
Employee costs	(320)	(321)	(82)
Impairments losses on receivables	(15)	(14)	2

Other operating costs	**(78)**	**(134)**	**(21)**
Ebitda IFRS	**1,898**	**2,311**	**314**

EBITDA RCA, when used by the Issuer, means the EBITDA IFRS as defined above, adjusted by Replacement Cost method and excluding any non-current events, as stated in chapter 6.3 – pages 102 and 103 – of the 2018 Annual Report. The reconciliation between EBITDA RCA and 2018 Annual Report (including the financials for the years ended 31 December 2018 and 31 December 2017 therein) and 1Q2019 Report is as follows:

unit -m€

Consolidated	EBITDA IFRS	Inventory effect	Non-recurring items	EBITDA RCA
2017 - restated	1,898	(116)	4	1,786
2018	2,311	(65)	(28)	2,218
1Q19	314	(24)	204	494

The Company has included EBITDA RCA as a supplemental disclosure because Galp believes it provides useful information regarding the Company's ability to service debt and to fund capital expenditures and provides a helpful measure for comparing its operating performance with that of other companies.

2. EBIT RCA

EBIT IFRS, when used by the Issuer, means the EBITDA IFRS including provisions and amortisation, depreciation and impairment losses on fixed assets. EBIT IFRS may not be comparable to other similarly titled measures from other companies. Galp considers EBIT IFRS to be a good measure of the profit the company generates from its operations, as it ignores tax and interest expenses and it focuses solely on its ability to generate earnings from operations.

The EBIT IFRS corresponds to "Operating result" of Galp's Consolidated Income Statement for the years ended 31 December 2018 and 31 December 2017 (page 179 of the 2018 Annual Report). For the three-month period ended 31 March 2019, EBIT IFRS corresponds to the Profit before taxes and energy sector extraordinary contribution less financial results.

EBIT RCA, when used by the Issuer, means the EBITDA RCA as defined above, including the adjusted depreciation & amortisation and provisions, as stated in chapter 6.3 – pages 102 and 103 – of the 2018 Annual Report. The reconciliation between EBIT RCA and the 2018 Annual Report (including the financials for the years ended 31 December 2018 and 31 December 2017 therein) and 1Q2019 Report is as follows:

unit -m€

Consolidated	EBIT IFRS	Inventory effect	Non-recurring items	EBIT RCA
2017 - restated	1,114	(116)	34	1,032
2018	1,629	(65)	(46)	1,518
1Q19	102	(24)	200	278

3. Net Income RCA

Galp includes this measure as it is considered to be an important measure of how profitable the Company is over a period of time.

The Net Income IFRS corresponds to "Income attributable to: Galp Energia SGPS, S.A., shareholders" of Galp's Consolidated Income Statement for the years ended 31 December 2018 and 2017, for the three-month

period ended 31 March 2019, Net Income IFRS corresponds to "(Loss)/Income attributable to Galp Energia SGPS, S.A., shareholders".

Net Income RCA, when used by the Issuer, means the EBIT RCA as defined above, including the adjusted net income from associated companies, financial results, taxes and non-controlling interests, as stated in chapter 6.3 – pages 102 and 103 – of the 2018 Annual Report. The reconciliation between Net Income RCA and the 2018 Annual Report (including the financials for the years ended 31 December 2018 and 31 December 2017 therein) and 1Q2019 Report is as follows:

unit -m€

Consolidated	Net Income IFRS	Inventory effect	Non-recurring items	Net Income RCA
2017 - restated	597	(96)	76	577
2018	741	(64)	31	707
1Q19	(8)	(15)	126	103

4. Net Debt

Net Debt, when used by the Issuer, means the long-term and short-term financial debt liquid of cash and cash equivalents. Net Debt may not be comparable to other similarly titled measures from other companies. The Company has included Net Debt as a supplemental disclosure as Galp believes that this measure provides useful information regarding the Company's ability to pay off its debts if they became due simultaneously on the day of calculation, using only its available cash and highly liquid assets.

The reconciliation between Net Debt and the 2018 Annual Report (including the financials for the years ended 31 December 2018 and 31 December 2017 therein) and 1Q2019 Report is as follows:

unit -m€

Financial statements line item - consolidated	Offering Circular item	As of 31 December		As of 31 March
		2017 - Restated	2018	2019
Bank Loans (Non-current liabilities) – note 13 in 2018 Annual Report and note 12 in 1Q2019 Report	Long Term Debt	937	1,042	870
Bonds (Non-current liabilities) – note 13 in 2018 Annual Report and note 12 in 1Q2019 Report	Long Term Debt Loans	1,595	1,644	1,820
Bank Loans and overdrafts (Current liabilities) – note 13 in 2018 Annual Report and note 12 in 1Q2019 Report	Short Term Bank (Loans and Overdrafts)	159	61	216
Bonds (Current liabilities) – note 13 in 2018 Annual Report and note 12 in 1Q2019 Report	Short Term Debt Loans	392	498	-
Cash and Cash Equivalents	Cash and Cash Equivalents	(1,197)	(1,508)	(1,303)
	Net Debt	**1,886**	**1,737**	**1,603**

5. Financial position and debt

On page 91 of this Offering Circular, a consolidated balance sheet has been included. This balance sheet may not be comparable to other companies' balance sheets. The Company has included a consolidated balance sheet as a supplemental disclosure because management believes that provides an overview using relevant key metrics to assess its financial position.

The reconciliation between the consolidated balance sheet and the 2018 Annual Report (including the financials for the years ended 31 December 2018 and 31 December 2017 therein) and 1Q2019 Report is as follows:

unit -m€

Financial statements line item - consolidated	Offering Circular item	As of 31 December		As of 31 March
		2017 - Restated	2018	2019
Tangible Assets, Goodwill, Intangible Assets, Investments in Associates and Joint Ventures, Other Financial Assets (non-current) and other receivables-related parties (non-current)	Net Fixed assets	7,231	7,340	7,380
Right-of-use of assets	Rights of use (IFRS 16)	-	-	1,209
Defined in this OC in this Alternative Performance Measures Annex	Working capital	584	814	811
Loan to Sinopec	Loan to Sinopec	459	176	-
Other Liabilities (Assets)	Other assets (liabilities)	(609)	(546)	(704)
	Capital employed	**7,665**	**7,784**	**8,696**
Defined in this OC in this Alternative Performance Measures	Net debt	1,886	1,737	1,603
Lease liabilities (current & non-current)		-	-	1,230
Total Equity	Equity	5,779	6,047	5,862
	Net Debt + Equity + Operating Leases	**7,665**	**7,784**	**8,696**

"Other Assets (liabilities)" refers to non-current trade receivables, non-current receivables and payables (note "10. Trade and other receivables", note "14. Trade payables and other liabilities", in 2018 Annual Report, and note 9. Trade and other receivables", note "13. Other payables in 1Q2019 Report) except for Tangible and Intangible Assets Suppliers and State and Other Public Entities; Post-employment and other employee benefits liabilities; Current Income Tax Payable; Income Tax Receivable; Deferred Tax Assets; Deferred Tax Liabilities; Provisions for abandonment of blocks (note "17. Provisions" in 2018 Annual Report, and note 16 in 1Q2019 Report); Energy Sector Extraordinary Contribution; Deferred Charges – Energy Sector Extraordinary Contribution (current) accrued of State and Other Public Entities – Energy Sector Extraordinary Contribution payable; Other financial investments (current assets), Other financial instruments (current and non-current liabilities).

6. Working Capital

Working Capital, when used by the Issuer, means the operating current assets in excess of the current liabilities. Working Capital may not be comparable to other similarly titled measures from other companies. The Company has included Working Capital as a supplemental disclosure because management believes it provides useful information regarding the amount invested in order to conduct and support the current operations and provides a helpful measure for comparing its operating performance with that of other companies.

The reconciliation between Working Capital and the 2018 Annual Report (including the financials for the years ended 31 December 2018 and 31 December 2017 therein) and 1Q2019 Report is as follows:

unit -m€

	As of 31 December		As of 31 March
Consolidated	**2017 - Restated**	**2018**	**2019**
Inventory (net from advances)	958	1,164	1,390
Trade Receivables (current)	1,015	979	736
Trade Payables (net from advances)	(886)	(918)	(808)
Tangible and Intangible suppliers (net from advances)	(28)	(108)	(127)
State and other Public Entities	(335)	(304)	(378)
Provisions[1]	(66)	(66)	(65)
Other operational assets and liabilities	(75)	66	65
Working Capital	**584**	**814**	**811**

[1]Provisions excluded from: "abandonment of blocks", CESE I and II (Energy Sector Extraordinary Contribution I and II) and for Financial Investments

"Inventory (net from advances on sales)" refers to Inventory in the financial statements deducted by "advances on sales" in the amount of €12 m and €7 m as of 31 December 2017 and 2018 respectively and €7 m as of 31 March 2019. Advances on sales related to 2017 and 2018 are included in the line item "Other creditors", note "14. Trade payables and other liabilities, in page 206 of the 2018 Annual Report. In 1Q2019 Report, are detailed in "note 13. Others payables" in page 38.

"Trade Receivables (current) (Net from advances from customers)" refers to Trade Receivables in the financial statements deducted by Advances from costumers" in the amount of €3 m and €54 m as of 31 December 2017 and 2018 respectively and €223 m as of 31 March 2019. Advances from costumers related to 2017 and 2018 are included in the line item "Other creditors" note 14. Trade payables and other liabilities", in page 206 of the 2018 Annual Report. In 1Q2019 are detailed in "note 13. Others payables" in page 38.

"Trade Payables (net from advances)" refers to Trade Payables in the financial statements deducted by Advances to Suppliers" in the amount of €2 m and €15 m as of 31 December 2017 and 2018 respectively and €9 m as of 31 March 2019, which are included in the line item "Other receivables", "note 10.other receivables", in page 203 of the 2018 Annual Report and note 9.2 other receivables" in page 35 of the 1Q2019 Report.

"Tangible and Intangible Suppliers (net from advances to suppliers)" refers to the figures presented in page 206 of the 2018 Annual Report, in note "14. Trade payables and other liabilities" in the explanation of other

creditors (current) plus the amount of other creditors (non-current), deducted by Advances to Tangible and Intangible Assets Suppliers and Operated Blocks and Non-operated Blocks on note "10. Other receivables" included in the heading "other debtors", page 203. The same information can be found on notes 13 and 9.2 of the 1Q2019 Report, in pages 38 and 35, respectively.

"State and Other Public Entities" refers to the amounts payable and due to/by the State and Other Public Entities, as defined in notes "14. Trade and other liabilities" and "10. Other receivables", in pages 206 and 203 of the 2018 Annual Report, note "13. Other Payables" and note "9.2. Other Receivables"; pages 38 and 35 of the 1Q2019 Report. Figure for 1Q2019 are deducted by the payable Energy Sector Extraordinary Contribution, included in Other operational assets and liabilities, above.

"Provisions" considered for the table above are as follows and are defined in note "21. Provisions" page 282 of the 2017 Annual Report, in note "17. Provisions and contingent assets and liabilities", page 212 of the 2018 Annual Report and in note "16. Provisions", page 40 of the 1Q2019 Report:

unit -m€

	As of 31 December		As of 31 March
Consolidated	**2017 - Restated**	**2018**	**2019**
Lawsuits	(19)	(12)	(12)
Taxes	(8)	(8)	(8)
Others Risks and Charges	(21)	(13)	(12)
Environmental matters	(18)	(33)	(34)
Provisions	**(66)**	**(66)**	**(65)**

Provisions for Environmental matters are included in Decommissioning/environmental matters costs, as explained on pag.213 of the 2018 Annual Report.

"Other Operational Assets and Liabilities" refers to the notes "10. Trade and other receivables" and "14. Trade payables and other liabilities" of the 2018 Annual Report and notes "9. Trade and other receivables" and "13. Other liabilities" in 1Q2019 Report, current figures, except for Advances on Sales, Advances to Suppliers, Tangible and Intangible Assets Suppliers, Operated Blocks, Non-operated Blocks, State and Other Public Entities, Sinopec and Deferred Charges – Energy Sector Extraordinary Contribution. For 1Q2019 also includes the payable Energy Sector Extraordinary Contribution.

7. Net Capex

Net Capex, when used by the Company, represents the increases in the line items Tangible Assets and Intangible Assets resulting from new investments of the period deducted from capitalised interest and provisions for abandonment of blocks. Net Capex may not be comparable to other similarly titled measures from other companies. The Company has included Net Capex as a supplemental disclosure as it believes that this measure provides useful information regarding its investments.

The reconciliation between Net Capex and the 2018 Annual Report (including the financials for the years ended 31 December 2018 and 31 December 2017 therein) and 1Q2019 Report is as follows:

unit -m€

	For the year ended 31 December	For the three-month period ended 31 March

Consolidated	2017 - Restated	2018	2019
Additions - Tangible assets and Additions by interests capitalized in Tangible assets	835	981	146
Additions - Intangible assets and Additions by interests capitalized in-Intangible assets	179	196	2
Interests capitalised in fixed assets	(77)	(49)	(6)
Provisions for abandonment costs of blocks	(148)	(19)	(18)
Currency exchange differences and other adjustements	(47)	(2)	-
Financial Investments (payments and receipts)	183	(211)	27
Net Capex	**925**	**896**	**152**

8. Free Cashflow post-dividend

Free Cashflow post-dividend, when used by the Issuer, means the cash flow generated through the operating activities and through entities that the Group has significant influence deducted from capex, tax, interest and dividends paid. Free Cashflow post-dividend may not be comparable to other similarly titled measures from other companies. The Company has included Free Cashflow post-dividend, as a supplemental disclosure because management believes it provides useful information regarding the Company's ability to generate operating and investment cash flow in the period and main sources of used, apart from debt repayment and provides a helpful measure for comparing its operating performance with that of other companies.

The reconciliation between Free Cashflow post-dividend and the 2018 Annual Report, and 1Q2019 Report is as follows:

unit -m€

	For the year ended 31 December		For the three-month period ended 31 March
Consolidated	**2017 - Restated**	**2018**	**2019**
EBIT[1]	1,114	1,629	302
Cash receipts related to dividends	134	118	10
Amortisation, depreciation and impairment losses on fixed assets[1]	762	691	216
Change in Working Capital	(72)	(230)	3
Income taxes	(373)	(613)	(135)
CFFO	**1,565**	**1,594**	**396**
Net financial expenses	(75)	(63)	(42)
Operating leases payments (IFRS 16)	-	-	(44)
Net Capex	(925)	(896)	(152)
FCF	**565**	**635**	**159**
Dividends paid to non-controlling interests	(9)	(16)	(68)
Dividends paid to shareholders	(414)	(477)	-

Free Cashflow	**142**	**142**	**91**
Others[2]	(158)	7	43
Change Net Debt	**16**	**(149)**	**(134)**

[1]1Q19 was adjusted for the non-cash Lula unitisation (non-recurring item)

[2]includes CTAS (Cumulative Translation Adjustment) and partial reimbursement of the loan of €52 m granted to Sinopec during 2018

"Cash receipts related to dividends" as figures in page 182 of the 2018 Annual Report and in page 25 of the 1Q2019 Report, in the consolidated statement of cash flow.

"Amortisation, depreciation and impairment losses on fixed assets" refers to the line item "Amortisation, Depreciation and Impairment Losses on Fixed Assets" as reported in the 2018 Annual Report and 1Q2019 Report.

"Change in Working Capital" represents the change in "Working Capital", as defined above calculated by the variation between periods.

"Income Taxes" refers to the line item "(payments)/ receipts of corporate income taxes (corporate income tax "IRC", oil income tax "IRP", special participation tax)" as reported in the 2018 Annual Report and 1Q2019 Report.

"Net capex" is defined above in this Offering Circular.

The total amount of "Dividends paid to non-controlling interests" and "Dividends paid to shareholders", considers dividends paid and capital and other equity instruments, in financing activities as in page 182 of the 2018 Annual Report. In 1Q2019, dividends paid relates to the reduction of share premium net of reimbursement of loans to related parties, as explained in note 9.4, page 36 of 1Q2019 Report.

"Net financial expenses" refers to the following line items:

Unit - m€

	For the year ended 31 December		**For the three-month period ended 31 March**
Consolidated	**2017 – Restated**	**2018**	**2019**
Interest on bank deposits (note 26 in 2018 Annual report, and note 20 in 1Q2019 Report)	25	32	11
Interest and other income with related companies (note 26 in 2018 Annual report, and note 20 in 1Q2019 Report)	8	10	0
Interest on bank loans, bonds, overdrafts and other (note 26 in 2018 Annual report, and note 20 in 1Q2019 Report), excluding interest related to abandonment provision	(86)	(69)	(10)

Interest with related parties (note 26 in 2018 Annual report, and note 20 in 1Q2019 Report)	(9)	(5)	0
Charges relating to loans and bonds (note 26 in 2018 Annual report, and note 20 in 1Q2019 Report)	(13)	(9)	(2)
Other financial costs	-	(7)	(4)
Change in accruals of interest	-	(15)	(37)
Net financial expenses	**(75)**	**(63)**	**(42)**

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Notes thereunder have been duly authorised by a resolution of the Board of Directors of the Issuer dated 25 October 2013. The update of the Programme has been duly authorised by a resolution of the Board of Directors of the Issuer dated 24 April 2019.

Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the Regulated Market of Euronext Dublin will be admitted separately as and when issued. Application has been made to Euronext Dublin for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the Official List and trading on its regulated market. The approval of the Programme in respect of the Notes was granted on or about 10 July 2019.

Documents Available

For the period of 12 months following the date of this Offering Circular, electronic copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Lisbon:

(a) the constitutional documents (with a direct and accurate English translation thereof) of the Issuer;

(b) the 2017 Annual Report and the 2018 Annual Report;

(c) the Q12019 Report;

(d) the most recently published audited annual financial statements of the Issuer and the most recently published interim financial statements (if any) of the Issuer (with a direct and accurate English translation thereof), in each case together with any audit or review reports prepared in connection therewith;

(e) the Interbolsa Instrument and the Agency Agreement;

(f) a copy of this Offering Circular;

(g) any future offering circulars, prospectuses, information memoranda, supplements and Final Terms and any other documents incorporated herein or therein by reference;

(h) in the case of each issue of Notes admitted to trading on the Euronext Dublin's regulated market subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document); and

(i) in the event of a substitution pursuant to Condition 14 taking place, the deed poll and other documents as described in Condition 14.1(b).

Clearing Systems

The Notes have been accepted for registration and clearance through CVM managed by Interbolsa. The address of Interbolsa is Avenida da Boavista 3433, 4100-138 Porto, Portugal.

The Notes will also be eligible for clearing and settlement through Euroclear and Clearstream, Luxembourg holding Notes through a custodian that is an Affiliate Member of Interbolsa. The address of Euroclear is

Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

If the Notes are to be cleared through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Yield

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

Significant or Material Change

There has been no significant change in the financial or trading position of the Group since 31 March 2019 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2018.

Litigation

There are no, and there have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their respective affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Irish Listing Agent

The Irish Listing Agent is Arthur Cox Listing Services Limited (**Arthur Cox**) and the address of its registered office is Ten Earlsfort Terrace, Dublin 2, D02 T380, Ireland. Arthur Cox is acting solely in its

capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to trading on the regulated market of Euronext Dublin.

Third party information

The information set out in the table under the heading "Activities Description – Exploration & Production – Overview" on page 81 is sourced from a third party named DeGolyer and MacNaughton (**DeMac**). DeMac is a company incorporated in the United States with registered office at 5001 Spring Valley Road, Suite 800 East, Dallas, Texas 75244 USA, and, as an independent auditor, it has no material interest in Galp. According to the terms of the contract in force between Galp Exploração e Produção Petrolífera, S.A. and DeMac, no consent by DeMac is needed in order to disclose the information disclosed in this Offering Circular**.**

The Issuer confirms that the information referred to above has been accurately reproduced and that, so far as it is aware and is able to ascertain from information provided by DeMac, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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