STRATEGY UPDATE - 2013

Lisbon, 5 March 2009

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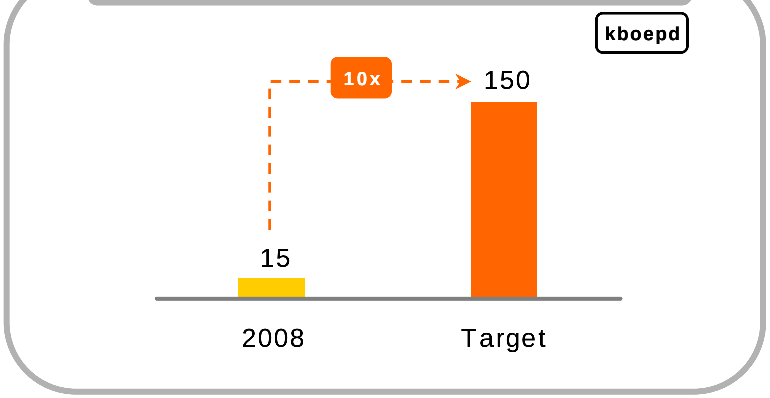
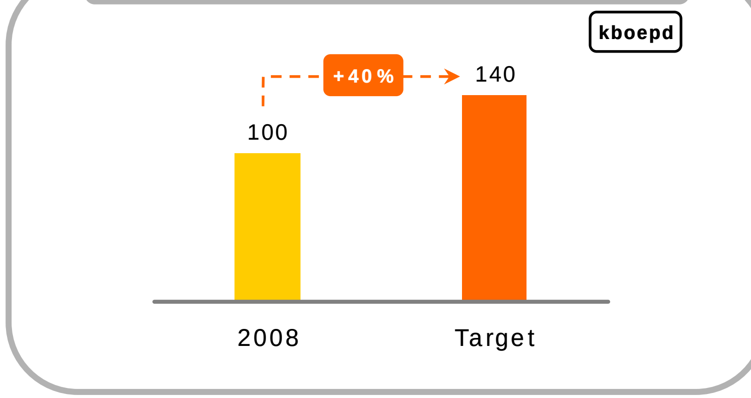
GALP ENERGIA IN A TRANSFORMATIONAL PHASE

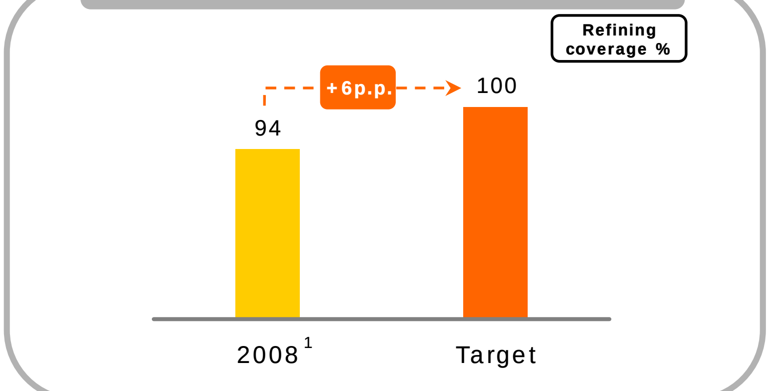
Working interest production



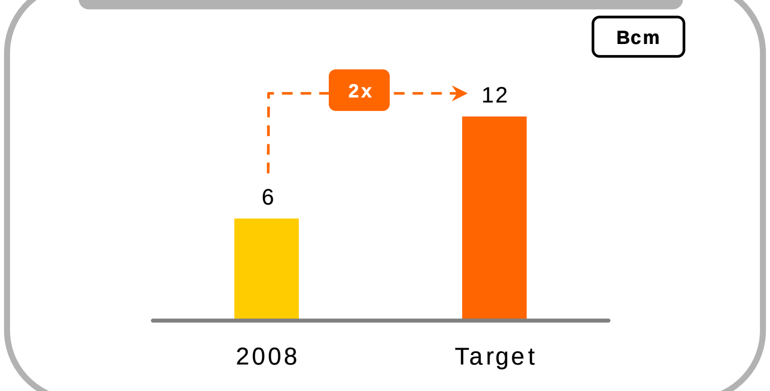
Diesel production



Sales to direct clients



Natural gas supply



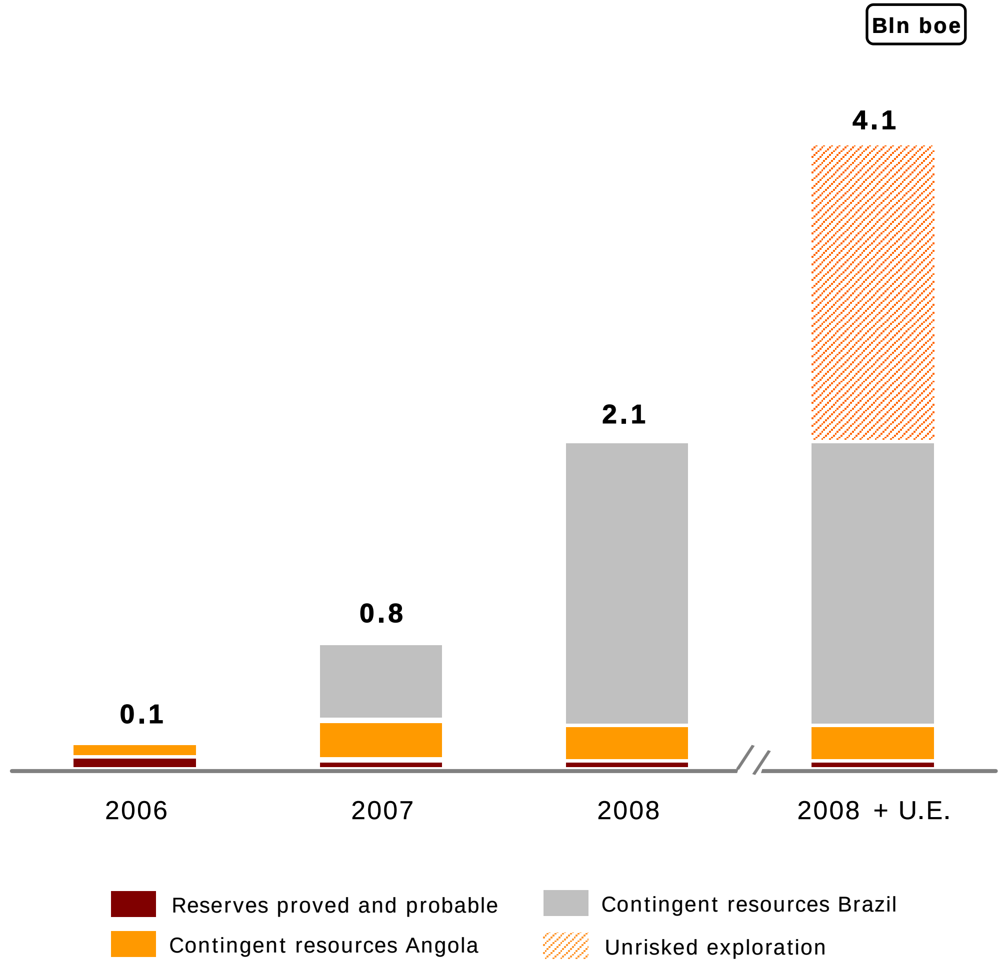
[1] Pro-forma basis with AGIP and ESSO acquisitions

EXPLORATION & PRODUCTION

VERY STRONG RESOURCE GROWTH

- Level of resource base already allows to reach a target production level of 150 kboepd on a reliable basis
- Existing quantified resource base equivalent to 73 years of production at 150 kboepd
- Current resource base ready to expand due to additions from existing prospects with further studies and exploration work

Galp Energia resource base [1]

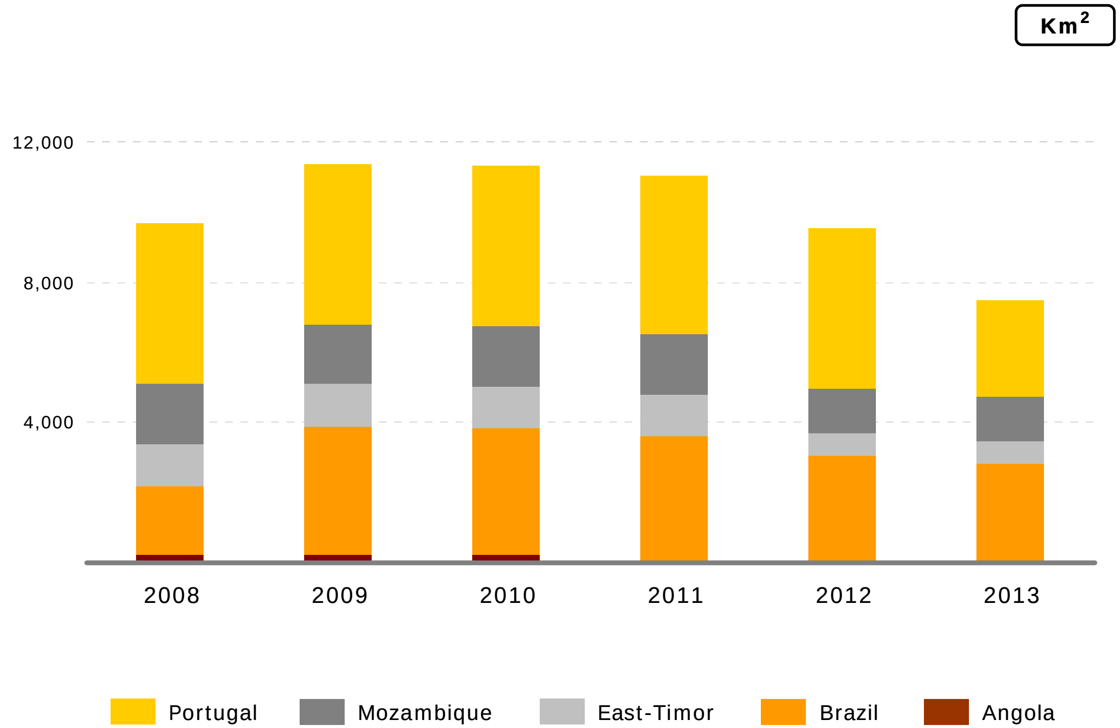


[1] According with Degolyer and MacNaughton report

INTENSIVE EXPLORATION WORK UNTIL 2013

- Almost 12,000 Km^2 of active net exploration area, out of a total area of 68,000 Km^2
- Galp Energia's exploration works to be intensive in the next five years
- Still a major part of Galp Energia's portfolio subject to drilling works

Total net exploration area



A VERY INTENSIVE DRILLING PROGRAM IN 2009

	Block / Basin		Operator	% Galp Energia	Seismic	Drilling Campaign 2009			Drilling Campaign 2008	
Angola	**Block 14**	OFS	Chevron	9%	-	-	-	22 D	2 E	1 A
	Block 32	OFS	Total	5%	-	-	2 A	-	-	3 A
	Angola LNG II	OFS	Sonagás	10%	3D	1 E	-	-	-	-
Brazil	**BM-S-8**	OFS	Petrobras	14%	-	-	1 A	-	1 E	-
	BM-S-11	OFS	Petrobras	10%	3D	-	2 A	1 D	1 E	-
	BM-ES-31	OFS	Petrobras	20%	-	1 E	-	-	-	-
	Potiguar	OFS	Petrobras	20%	3D	-	-	-	-	-
	Campos	OFS	Petrobras	15%	3D	-	-	-	-	-
	Pernambuco	OFS	Petrobras	20%	3D	-	-	-	-	-
	Potiguar	ONS	Petrobras / Galp	50%	-	-	8 A	-	8 E	2 A
	Sergipe / Alagoas	ONS	Galp	50%	-	2 E	1 A	-	3 E	-
	Espírito Santo	ONS	Petrobras / Galp	50%	-	1 E	-	-	10 E	2 A

E – Exploration well; **A** – Appraisal well; **D** – Development well

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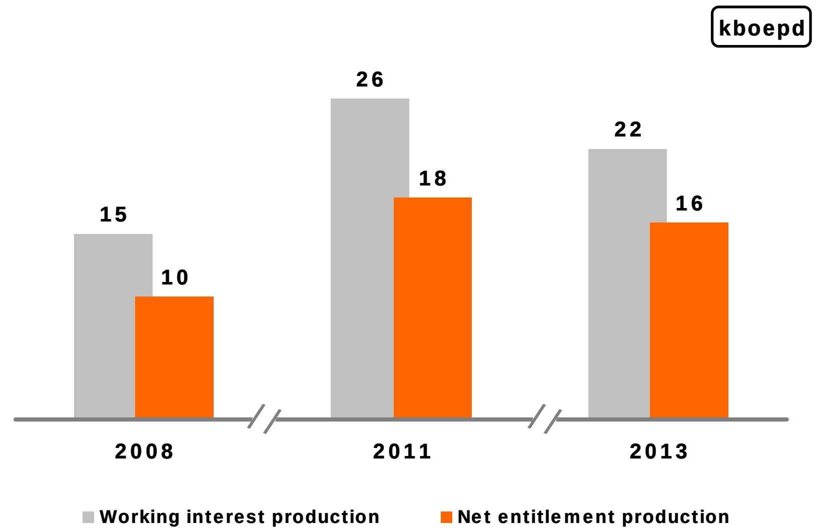
SETTING UP ANGOLAN ASSETS FOR PRODUCTION

Projects pipeline [1]

Block	Projects	Start-up	Peak production [2]
14	Tômbua-Lândana	2009	120 – 140
	Lucapa	2014	100 – 130
	Malange	2014	20 – 40
	Gabela	TBD	TBD
	Negage	TBD	TBD
14K	Lianzi	2012	40 – 50
32	Hub 1	TBD	TBD

Crude production



- Tômbua-Lândana field from Block 14 is the major contributor to increase production
- Lianzi to initiate production in 2012
- BBLT production gradually declining, from 2010 onwards

[1] Galp Energia estimates

[2] For 100% of the project (kboepd)

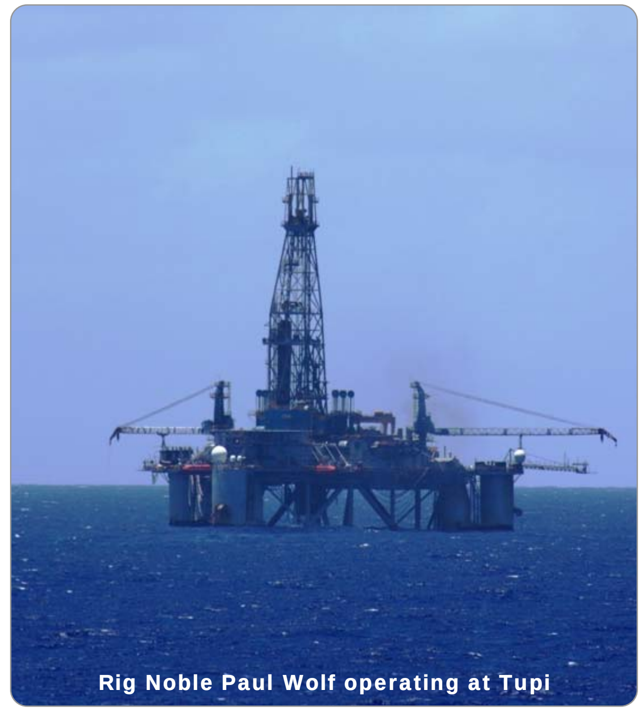
FIRST OIL FROM TUPI IN 2Q 2009

Extended well test

- Initiating production in 2Q 2009
- Production expected to reach 14 kboepd, limited by gas handling constraints

Project Tupi-1 already approved

- Galp Energia expected capex over $350 Mln
- Major contracts awarded
- Oil processing capacity: 100 kboepd
- Gas treatment capacity: 4 Mm^3/d
- 216 km of gas pipeline to Mexilhão already contracted
- Production late 2010

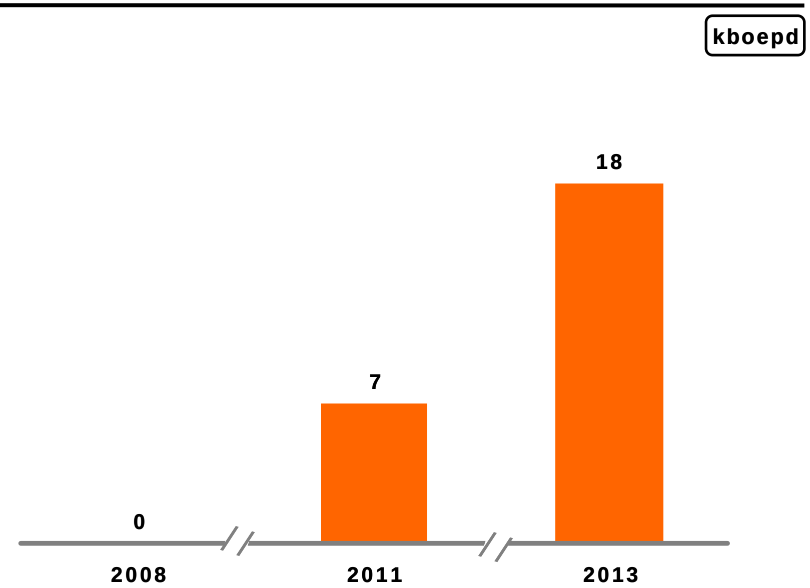


Rig Noble Paul Wolf operating at Tupi

BRAZIL BECOMING THE KEY PRODUCING AREA

- Tupi pilot project production will be the major contributor to production growth, from 2011 onwards
- Onshore Brazilian production to ramp up in 2013
- EWTs of Iara, Bem-te-vi, Caramba and Jupiter to start in 2012/2013

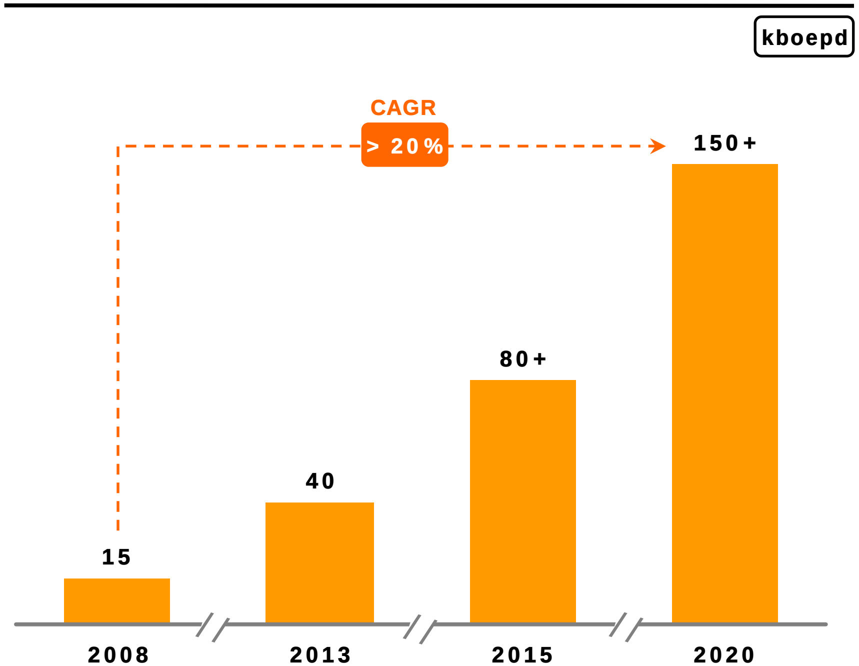
Production volumes



MULTIPLY BY 10 EXISTING PRODUCTION IN 12 YEARS

- Production to benefit from continued growth in Angola with projects as Lucapa, Malange, Block 32, etc
- Brazil ramp up boosting production at double digit levels with Tupi, Iara, Jupiter, etc
- Long-term add-on from Venezuela not yet included in estimates

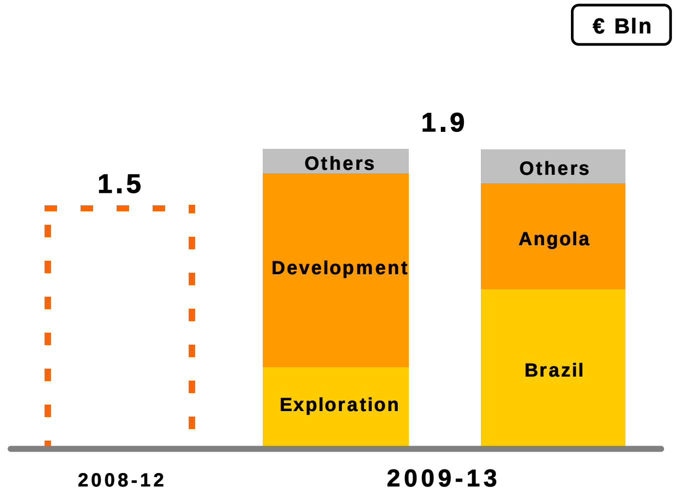
Production volumes [1]



[1] Working interest production

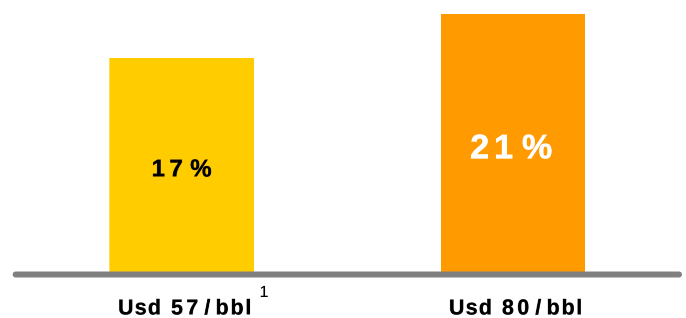
BRAZIL CONTRIBUTION TO START

E&P Capex



- The bulk of the capex is focused in development works in offshore Brazil and Angola
- Exploration works in offshore Brazil with material relevance

E&P EBITDA CAGR 2008-13



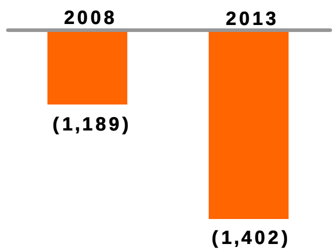
- Constant growth in terms of EBITDA Usd per bbl
- Production growth driven by first production module from Tupi

[1] Average of Galp Energia Business Plan 2009-13

REFINING & MARKETING

REFINING ASSETS TO TAKE ADVANTAGE OF HIGHER DIESEL DEMAND

Europe product supply balance [1]



- Europe to continue short on diesel
- Demand for middle distillates should remain strong on a relative basis, boosted by economic recovery in medium-term

Upgrade projects economics

- Execution of the **conversion project** on time and on cost
- Capex of €1.3 Bln
- Increase of capacity utilization towards 95%
- Flexibility to change yield, depending on market dynamics and crude diet
- Target to reduce own consumption from 8.2% to 7.1% through the **energy efficiency project**
- Refining margin to increase by at least $4.5/bbl in 2012 from 2008 levels, with $0.8/bbl [2] due to energy efficiency project

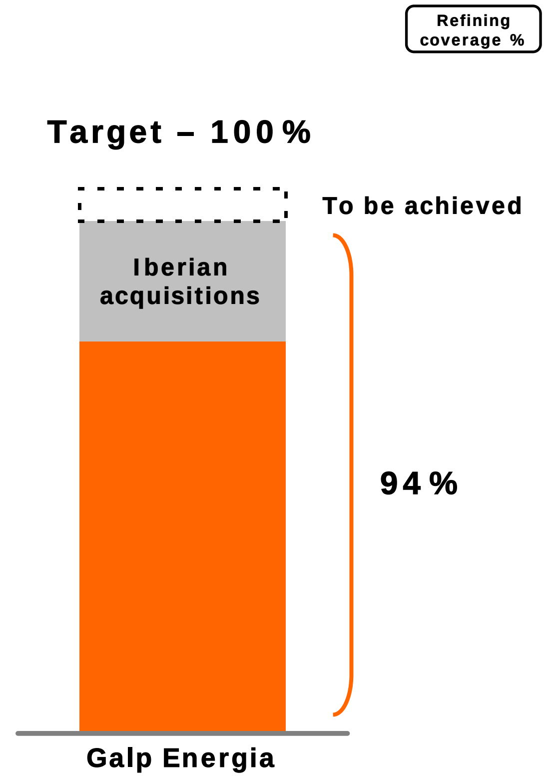
[1] Potential evolution balance Gasoil/kerosene (kbpd) - Source: International Energy Agency

[2] Assumes crude price at $65/bbl

TOWARDS A FULLY INTEGRATED R&M PORTFOLIO

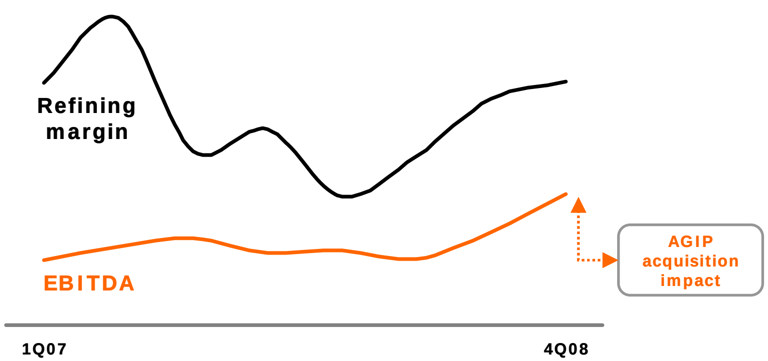
- Integration of R&M activities very close to target
- Higher integration decreases volatility in earnings of the division
- Recent Iberian acquisitions crucial to higher integration, while diversifies geographical exposure
- Competitive advantage compared to independent refineries as exposure to external uncertain demand is materially lower

Sales to direct clients



IMPORTANT DEFENSIVE CASH FLOWS SET TO INCREASE

Marketing EBITDA vs Ref. margin[1]



- Marketing segment has been providing an important source of defensive cash flows, despite crude price volatility
- Iberian acquisitions will enhance further inflow of regular resources, whilst improving downstream network efficiency

AGIP & ESSO economics

- Unlock synergies and economies of scale within logistic costs and products supply
- 325 CO's and 183 C-stores added
- Significant retail network expansion with 497 sites
- Increase integration of R&M activities with additional volumes of 3 Mln tonnes
- Expected annual EBITDA of €120 Mln from 2011 onwards

[1] Corresponds to Galp Energia refining margin

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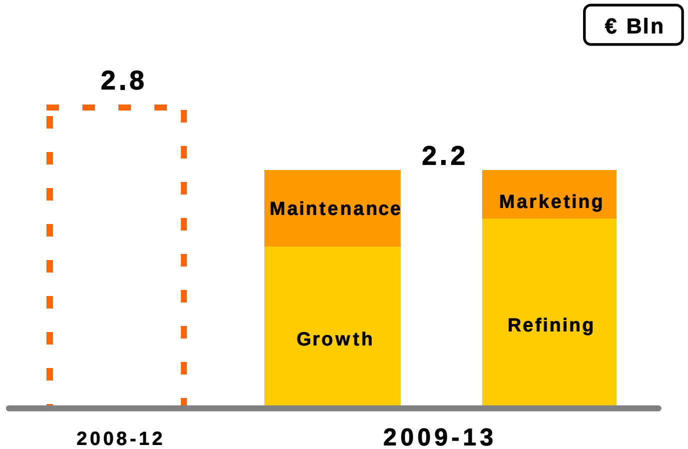
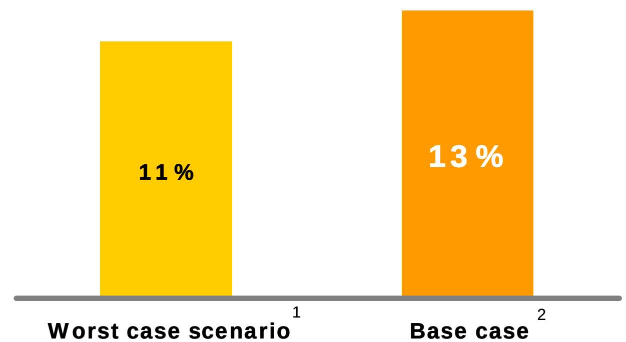
STRONG GROWTH FROM R&M SEGMENT

R&M Capex



R&M EBITDA CAGR 2008-13



- Capex mainly driven by the conversion project at Sines and Porto refineries
- Capex intensive stage in R&M leading to an asset base closer to ideal fit

- Incremental EBITDA due to Iberian acquisitions plus conversion and energy efficiency projects
- Biodesel project expected to provide €15 Mln of EBITDA in 2013

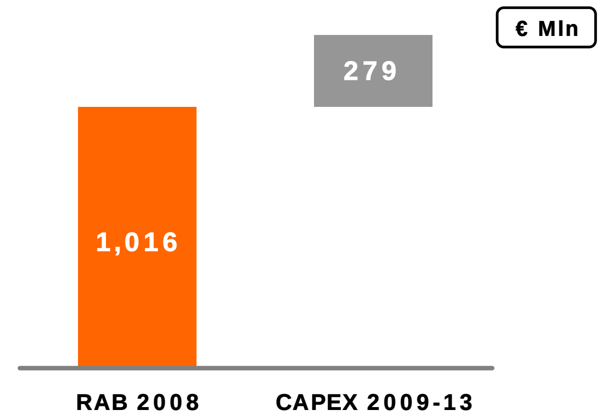
[1] Benchmark refining margin: $0.70/bbl
[2] Benchmark refining margin $1.34/bbl in 2013
Benchmark refining margin in 2008 of $2.04/bbl

GAS & POWER

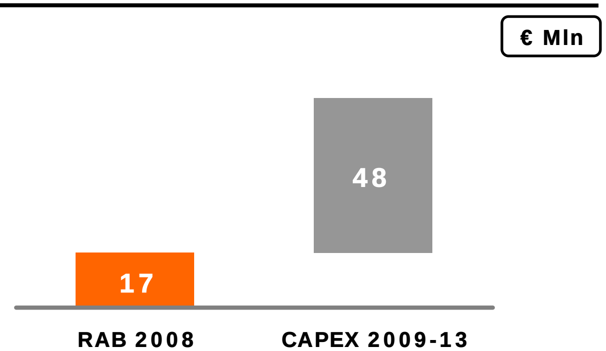
INFRASTRUCTURE NG ASSETS ASSURES PREDICTABLE CASH FLOW

- Current RAB NG distribution of €1,016, to increase with capex and inflation, with a ROR of 9%
- Current RAB NG underground storage of €17 Mln, to increase with capex and inflation, with a ROR of 8%
- Planned investment in both gas distribution network and underground storage will lead to increase in EBIT, which reached €88 Mln in 2008, in line with RAB growth
- International pipelines with a capacity of 3.7 Bcm/year and a stable annual earnings contribution of €40 Mln

NG distribution RAB & capex



NG underground RAB & capex



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NG SUPPLY VOLUMES DRIVEN BY POWER PROJECTS EXECUTION

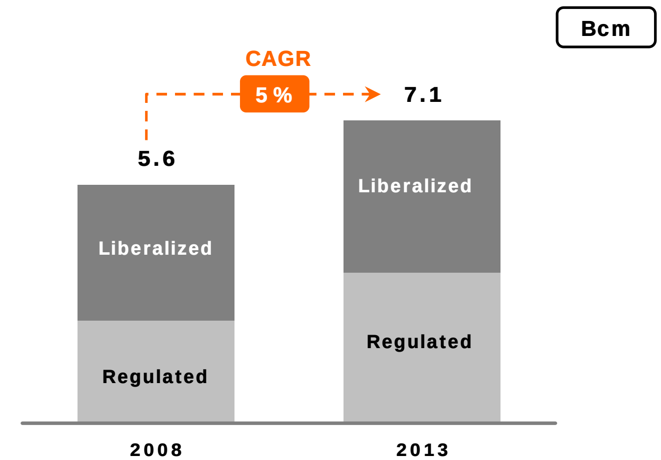
- Flexibility to lock higher returns between gas and power value chains

- CCGT will allow to materialize value in natural gas contracts by arbitrage between gas trading and power generation margin

- Power portfolio responsible for 90% of NG supply volumes growth

- NG volumes expected to reach 7.1 Bcm by year 2013 from 5.6 Bcm in 2008, when EBIT in NG supply reached €86 Mln

Natural gas volumes



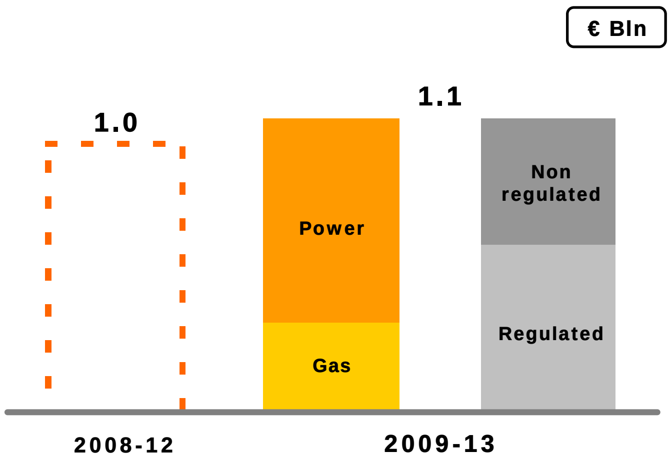
Added capacity

MW

2009	80	Sines cogen
2010	80	Porto cogen
	160	Wind
2012/2013	800	CCGT

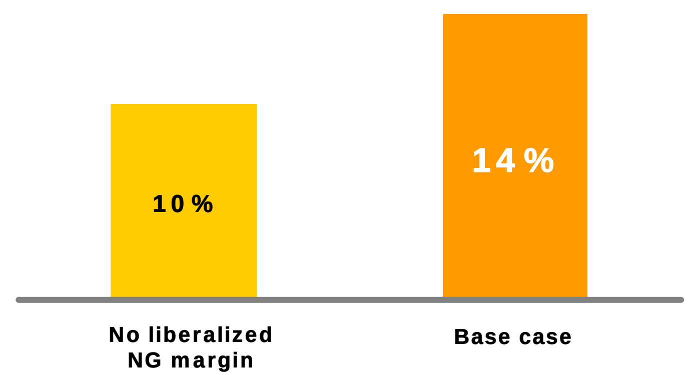
EBITDA GROWTH MAINLY DRIVEN BY REGULATED CAPEX

G&P Capex



- G&P capex translating the expansion of Power's portfolio
- Capex of €330 Mln in regulated assets positively impacting RAB, hence implying a safe and predictable cash inflow growth

G&P EBITDA CAGR 2008-13



- Increase in NG volumes expected to reach 7.1 Bcm by year 2013
- Power to make around 40% of G&P EBITDA in 2013

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SUMMARY

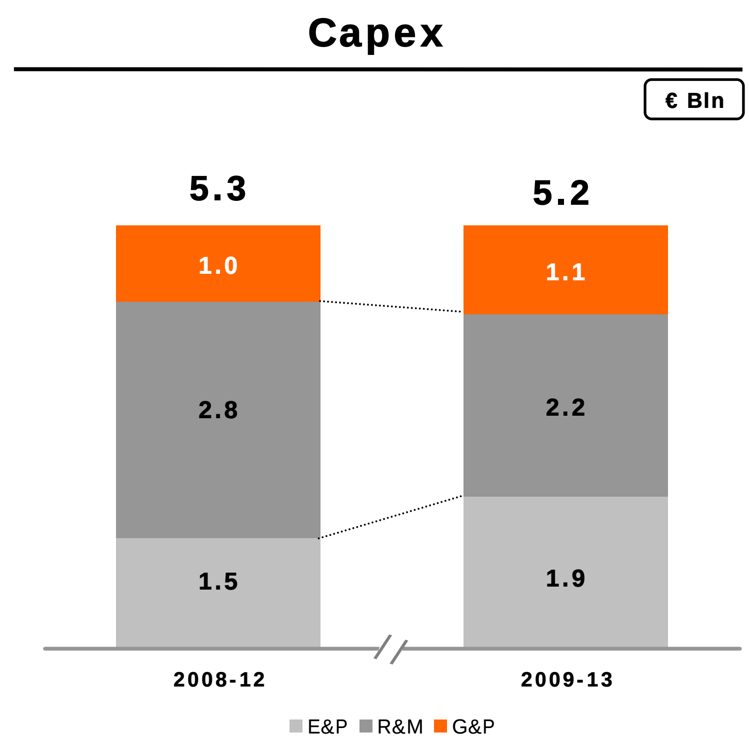
E&P WILL GRADUALLY ASSUME THE MAIN ROLE IN CAPEX

- R&M capex concentrated on conversion project execution, as AGIP and ESSO networks were acquired in 2008, putting the R&M closer to ideal fit in terms of complexity and refining coverage

- G&P capex to focus on regulated activities with predictable cash flows and on capture the gas to power margin

- E&P capex includes the development of Tômbua-Lândana and Tupi pilot project

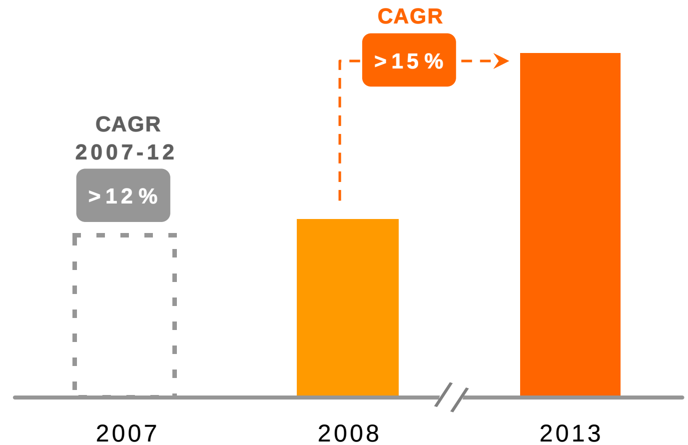
- With more projects not yet sanctioned, the E&P will become the major capex growth area at Galp Energia



GALP ENERGIA's PORTFOLIO OFFERS SUBSTANTIAL GROWTH

- Execution of Tômbua-Lândana and Tupi pilot project responsible for more than double crude production
- Refining upgrade project and marketing integration boosting EBITDA of R&M division
- Predictable growth for Gas and Power regulated activities and as well for the NG Supply division fuelled by power projects

EBITDA CAGR 2008-13

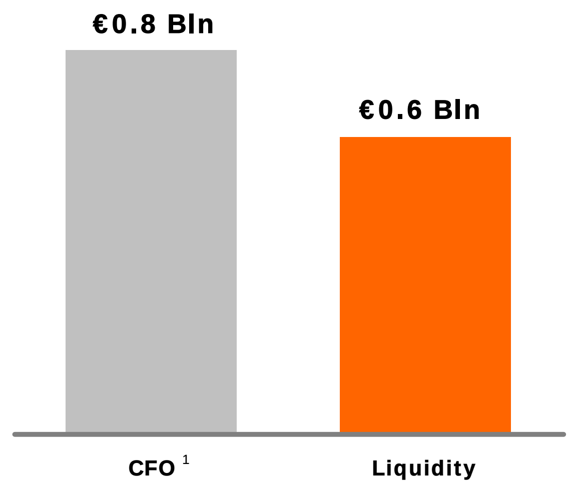


FINANCING AND LIQUIDITY

FUNDING NEEDS FOR 2009 SECURED

- Strong cash flow generation but not enough to cover capex programme needs
- Liquidity of €0.6 Bln, of which committed credit lines represent 65% of available facilities
- Financing needs in 2009 will be covered by additional debt:
  - EIB €500 Mln LT loan approved
  - Banking market to secure additional needs
- Flexibility in managing capex

Operating cash flow and liquidity



[1] Based on LTM EBITDA deducted from taxes

SECURING FINANCING AFTER 2009

- Commitment to a strong and a trustable capital structure
- Different options being studied to balance capital structure and to secure financing after 2009
- Decision to be executed until 1Q 2010

Galp Energia overview

Galp Energia

Exploration & Production	**Refining & Marketing**	**Gas & Power**
• Angola	• Refining	• NG Supply
• Brazil	• Marketing	• NG Regulated
• Others		• Power

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CONCLUSION

GALP ENERGIA'S PORTFOLIO OFFERS SUPERIOR GROWTH

EBITDA growth above 15% supported by all business segments

Total resources of 4.1 Bln bbls, 3.3 Bln more than in 2007

Financing profitable growth is *always* **a good problem to have**

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APPENDIX

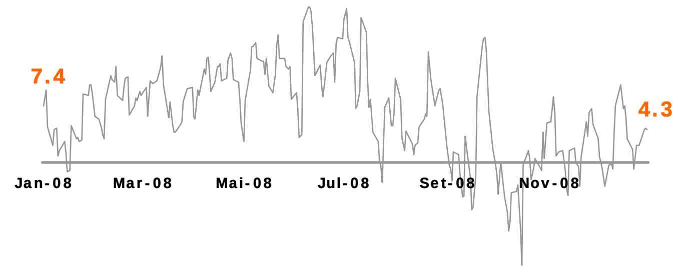
CURRENT ENVIRONMENT TO BENEFIT SIMPLE REFINING MARGINS

- OPEC supply cut focus on heavy crude results in the lower spreads of heavy crude to light crude, thus benefiting relative higher exposure to light crude

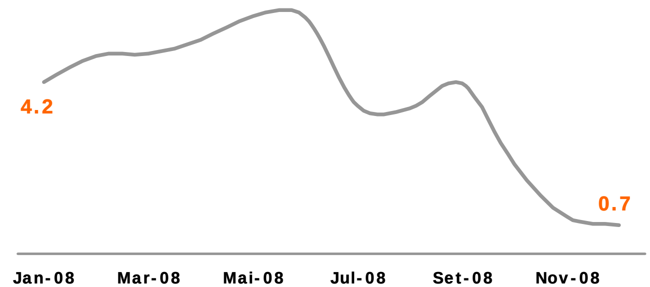
- Recent relative performance of simple refining margins has been stronger than of complex refining margins

- The current environment benefits Galp Energia's current refining assets complexity before conversion project becomes on-line

Spread Heavy / Light [1]



Spread complex vs simple [2]



[1] Source: Platts
[2] Difference between Roterdam cracking and hydroskimming refining margins - Source: Platts

INTEGRATED BIODIESEL PROJECT IS KEY

- Galp Energia's integrated venture is positioned to match Portuguese legislation for 2010, which mandates a 10% use of biofuels

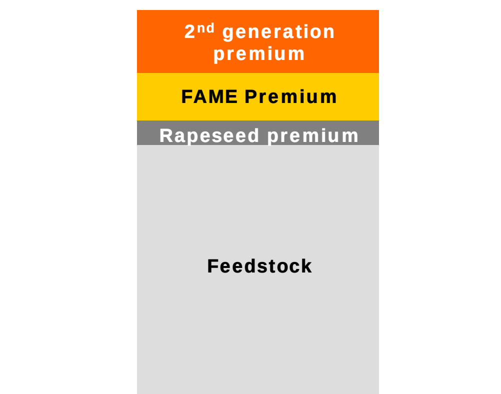
- Galp Energia is a natural player, with sourcing already secured from partnerships, thus benefiting from feedstock cost advantages

- Galp Energia set to produce hydrogenated biodiesel, a more efficient product than the actual FAME

Biodiesel economics

- Capex 2009-13 of €150 Mln in biodiesel plant and feedstock projects
- Estimated EBITDA of €15 Mln by 2013

2nd generation biodiesel



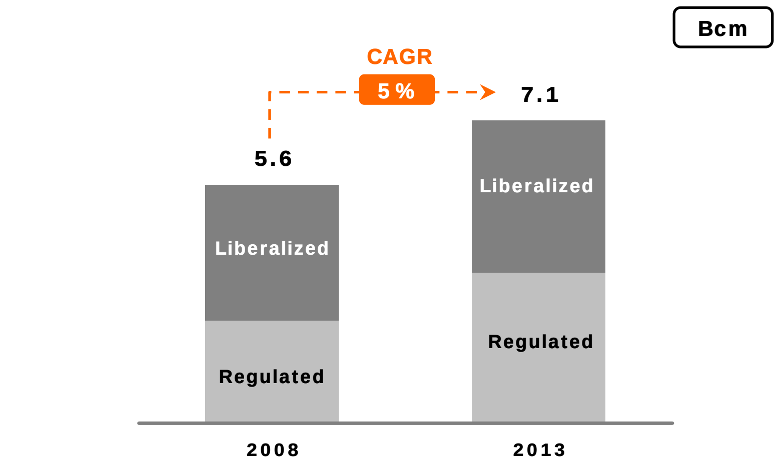
Components of 2nd generation biodiesel price

Feedstock: Jatropha

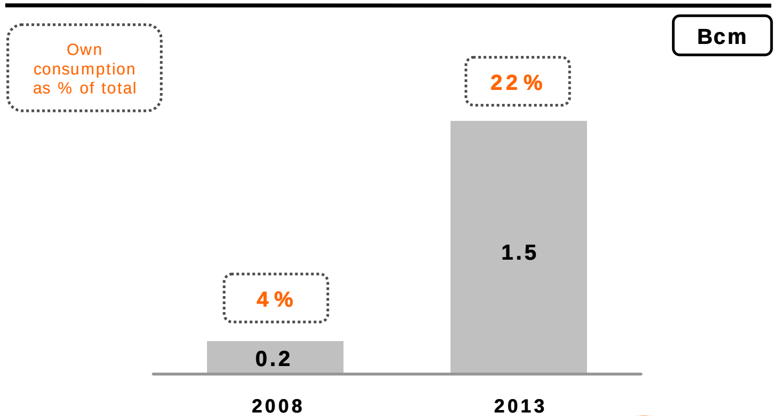
NATURAL GAS SOURCING CONFERS COMPETITIVE ADVANTAGE

- Current sourcing base, with 60% of LNG increases flexibility to explore trading opportunities as LNG demand-supply imbalance to expand in ML-term
- Galp Energia own consumption to reach 1.5 Bcm from 0.2 Bcm in 2008, fuelled by the start up of the CCGT in 2012, with a consumption of 0.9 Bcm
- Flexibility to lock higher returns between gas and power value chains
- NG volumes expected to reach 7.1 Bcm by year 2013 from 5.6 Bcm in 2008, when EBIT in NG supply reached €86 Mln

Natural gas volumes



NG own consumption



EXECUTING THE POWER PORTFOLIO

- Special regime with a granted tariff period of 15 years, benefiting from priority access to the grid
  - Cogeneration tariff of 105.23 €/MWh [1], reduced by half of environment charge of €4.5/Mwh, after 10 years of operation
  - Wind tariff of 70 €/MWh, adjusted annually with CPI, changing to market price plus green certificates after 15 years or 33 GWh/MW
- CCGT will allow to materialize value in natural gas contracts by arbitrage between gas trading and power generation margin
- Power portfolio responsible for 90% of NG supply volumes growth

Added capacity

MW

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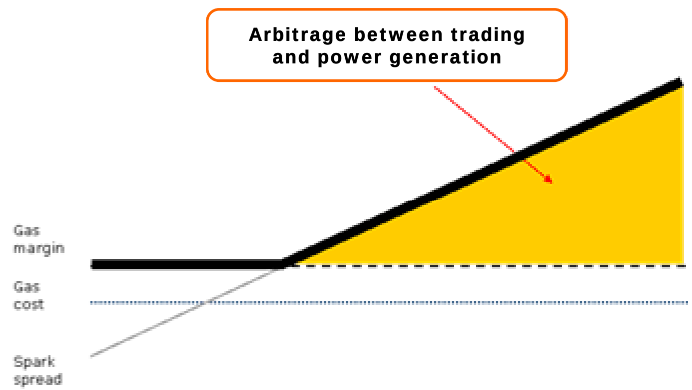
Call option Gas & Power



[1] Average sale price in 2008

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Investor Relations

Tiago Villas-Boas

Tel.: +351 21 724 08 66

Fax: +351 21 724 29 65

E-mail: tiagovb@galpenergia.com

Website: www.galpenergia.com