Financial outlook

Claudio De Marco

Chief Financial Officer

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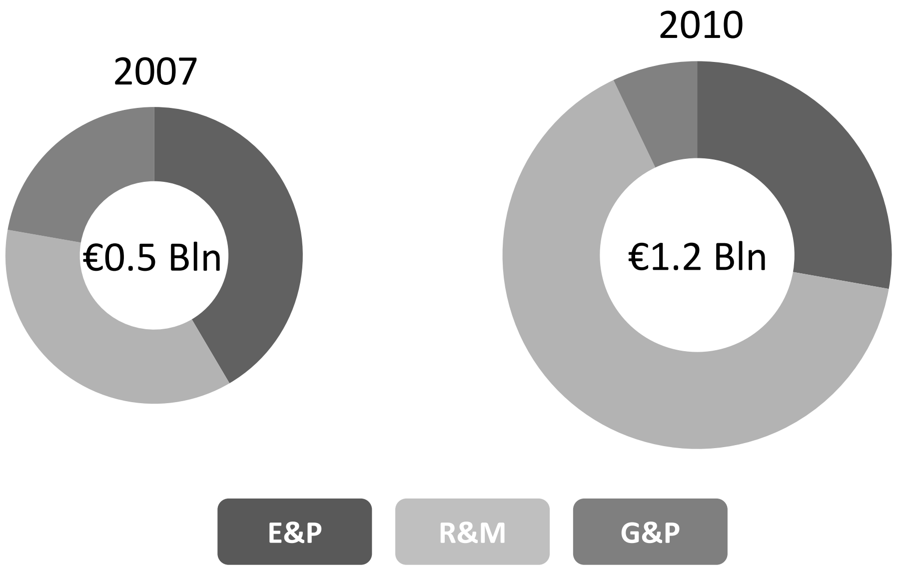
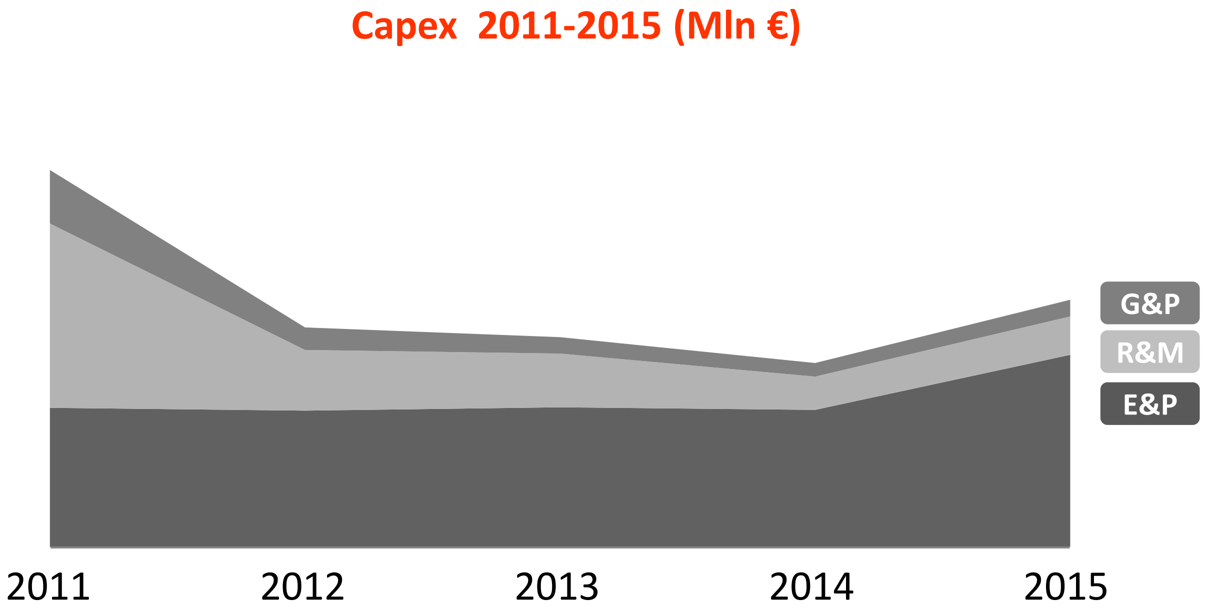
Galp Energia doubled capex level in just three years

Capex



- Historical capex channelled to maintenance and NG infrastructure
- In 2007 transformational projects were yet to take off
- From 2008 onwards Galp Energia was already preparing a shift in capex focus
- Steps towards transformational projects drove capex up

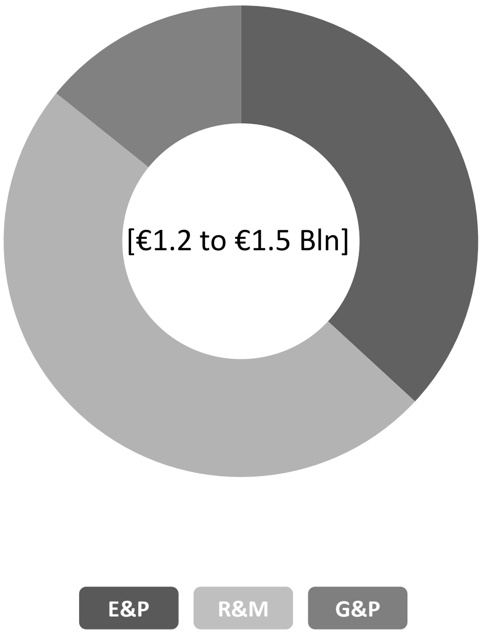
2011 is a transition year for capex profile



From a refiner towards an integrated energy player

Finalizing our upgrade project according to plan

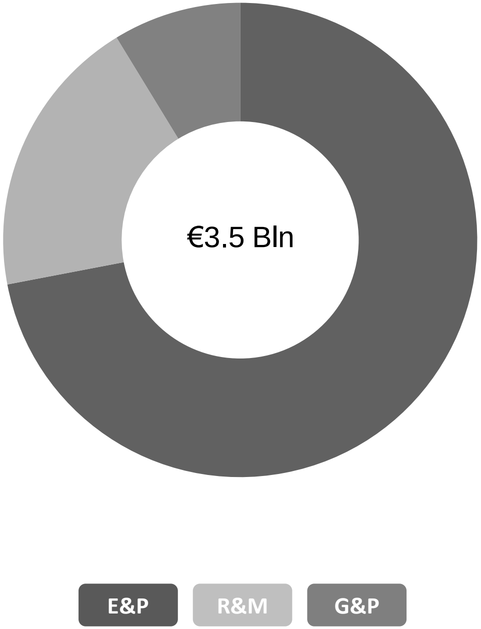
Capex 2011



- Refining upgrade project will account for c.€500 Mln of 2011 capex
- Lula/Cernambi development with €200 Mln capex
- Exploration activities accounting for c.50% of E&P total capex
- G&P capex mainly channelled to Matosinhos refinery cogeneration

Capex plan focused on upstream growth

Capex 2012 – 2015



- Upstream projects gaining focus and accounting for c.70% of capex
- Lula/Cernambi development accounting for c.45% of upstream capex
- Maintenance capex in Iberian downstream business to sustain reliability and efficiency (c.€150 Mln/year)

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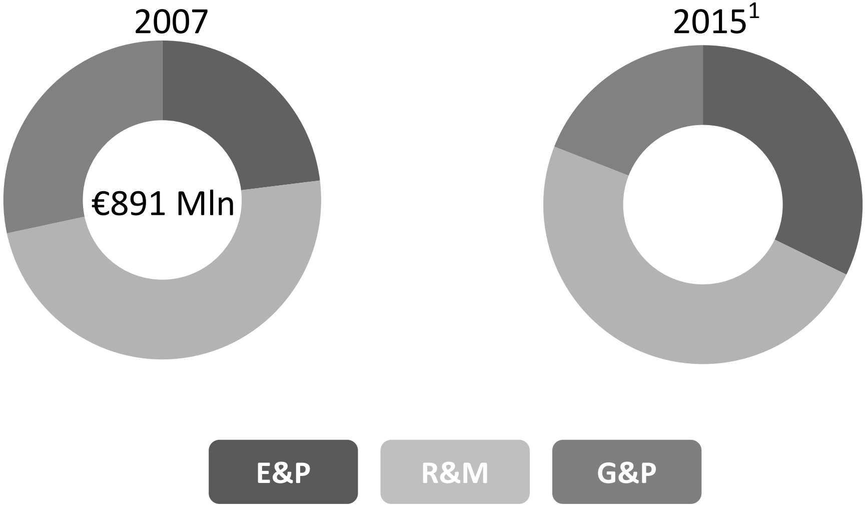
Upstream EBITDA gaining weight going ahead

EBITDA (Mln €)

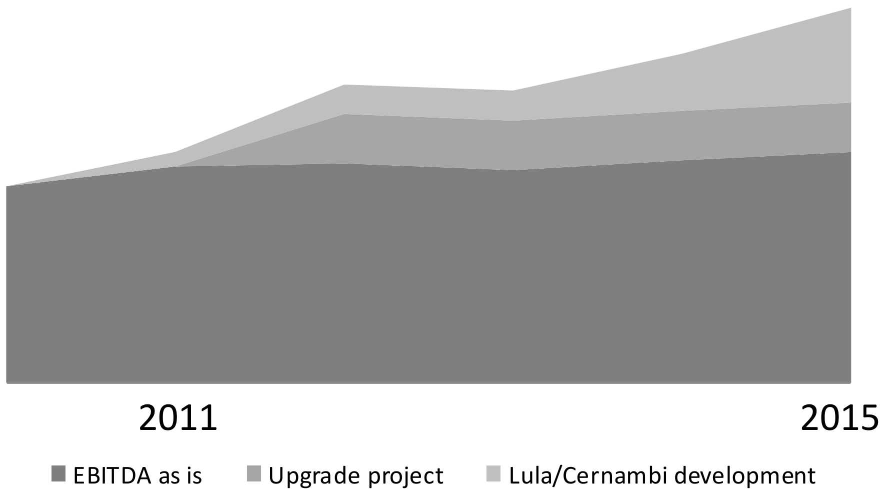


- Galp Energia's strategic decisions paying off with strong EBITDA growth in the coming years
- Brazil as a new source of EBITDA, with Lula/Cernambi development
- Sustainable EBITDA contribution from Iberian downstream businesses

[1] Illustrative and non-exhaustive

Incremental EBITDA from our transformational projects

EBITDA (Mln €)



- Additional c.$3.5/bbl from the upgrade project with full year impact on 2012 and stable going ahead
- Steady E&P EBITDA growth through time
- Lula/Cernambi development to account for c.25% of total EBITDA in 2015
- EBITDA 2010 – 2015 CAGR of c.15%

Illustrative and non-exhaustive

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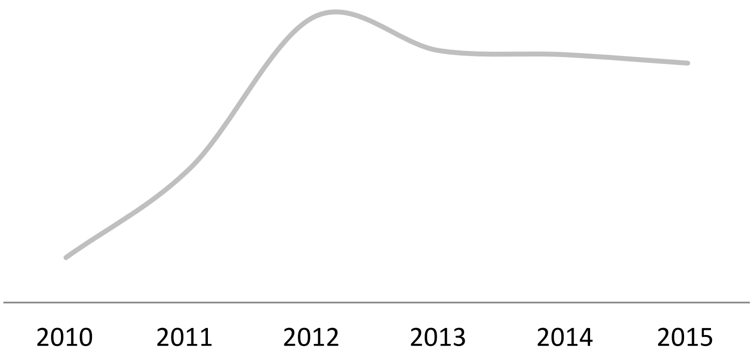
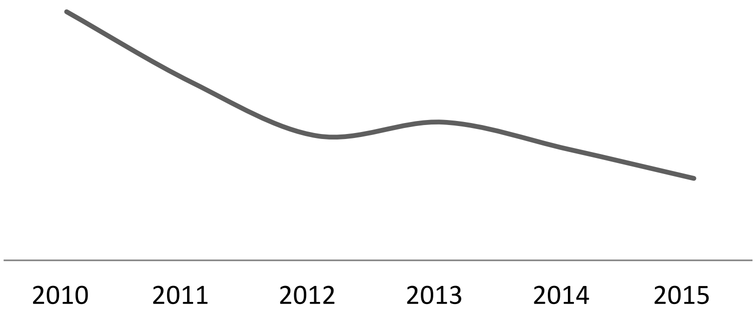
Towards a more balanced portfolio

Refining EBITDA weight (%)



Refining business will lose weight in Galp Energia EBITDA going forward after upgrade start up

Iberian EBITDA weight (%)



Exposure to economic conditions in Iberia will be reduced with focus on upstream activities

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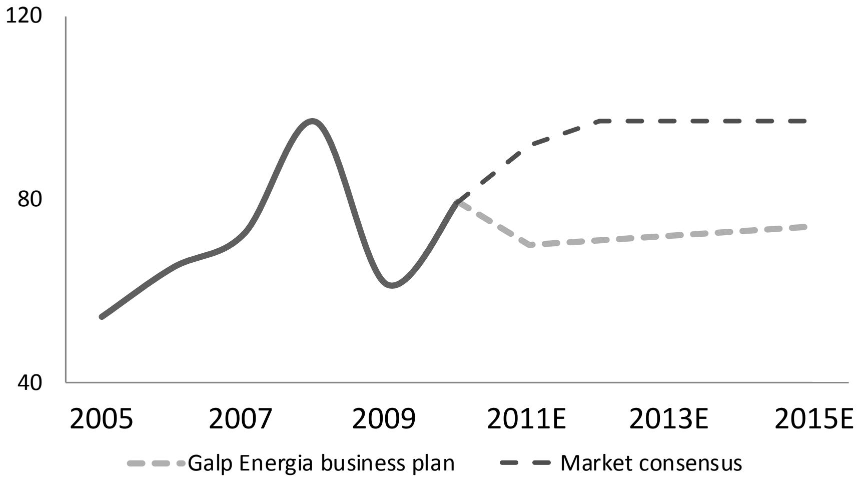
Positive oil price outlook

Oil price outlook ($/bbl)

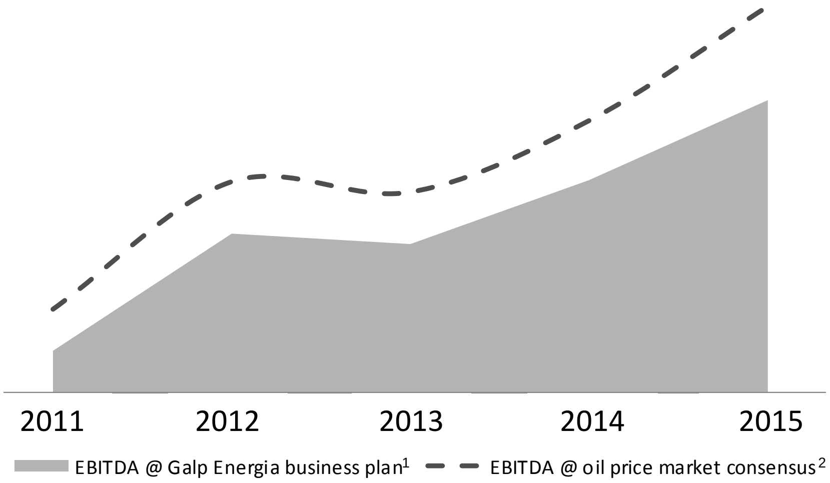


- Galp Energia oil price outlook with a conservative approach vs market consensus
- Positive outlook for oil price improving future operating cash flow

Source: Galp Energia and equity research

EBITDA generation with considerable upside driven by higher oil price

EBITDA (Mln €)



- Room for higher value to be captured from oil price increase
- Based on consensus oil price assumptions EBITDA CAGR would be up by 3 p.p. (or more than €200 million in 2015)
- Strong impact from 2015 onwards in line with production growth

[1]Galp Energia 2011-2015 average oil price of $72/bbl
[2]2011-2015 average oil price market consensus of $96/bbl

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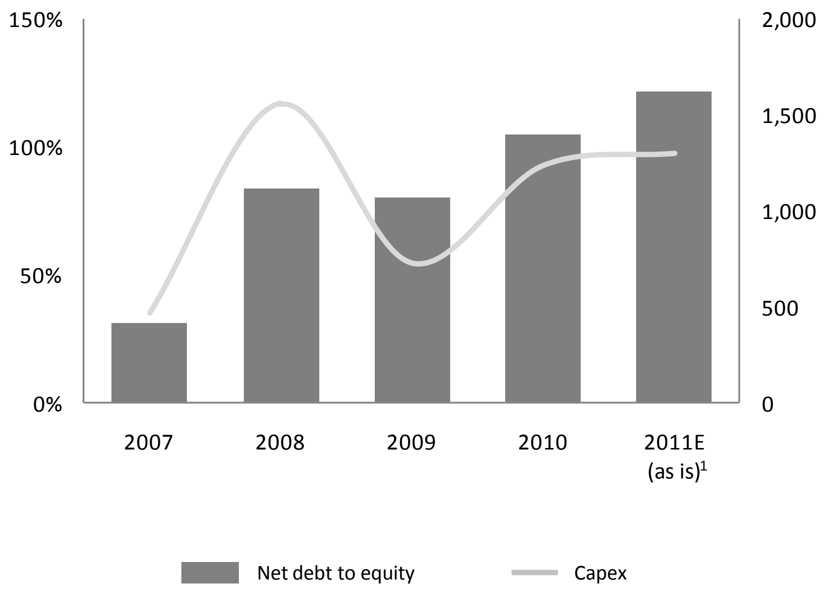
Transformational projects execution stretched our capital structure

Net debt to Equity (%) vs Capex (Mln €)

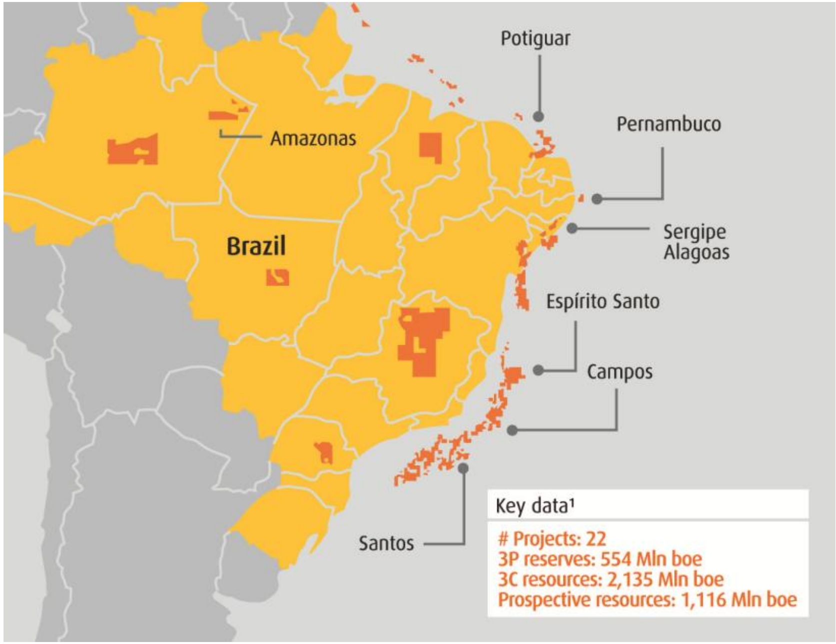


- 2011 capex estimate will drive capital structure to an unbalanced level
- Conclusion of downstream transformational projects in 2011 ends a period of overextended capital structure
- Funding solution needed to permanently balance capital structure and support capex programme going ahead

[1]Does not consider funding solution execution

Using E&P Brazil for potential cash in of c.€2 Bln

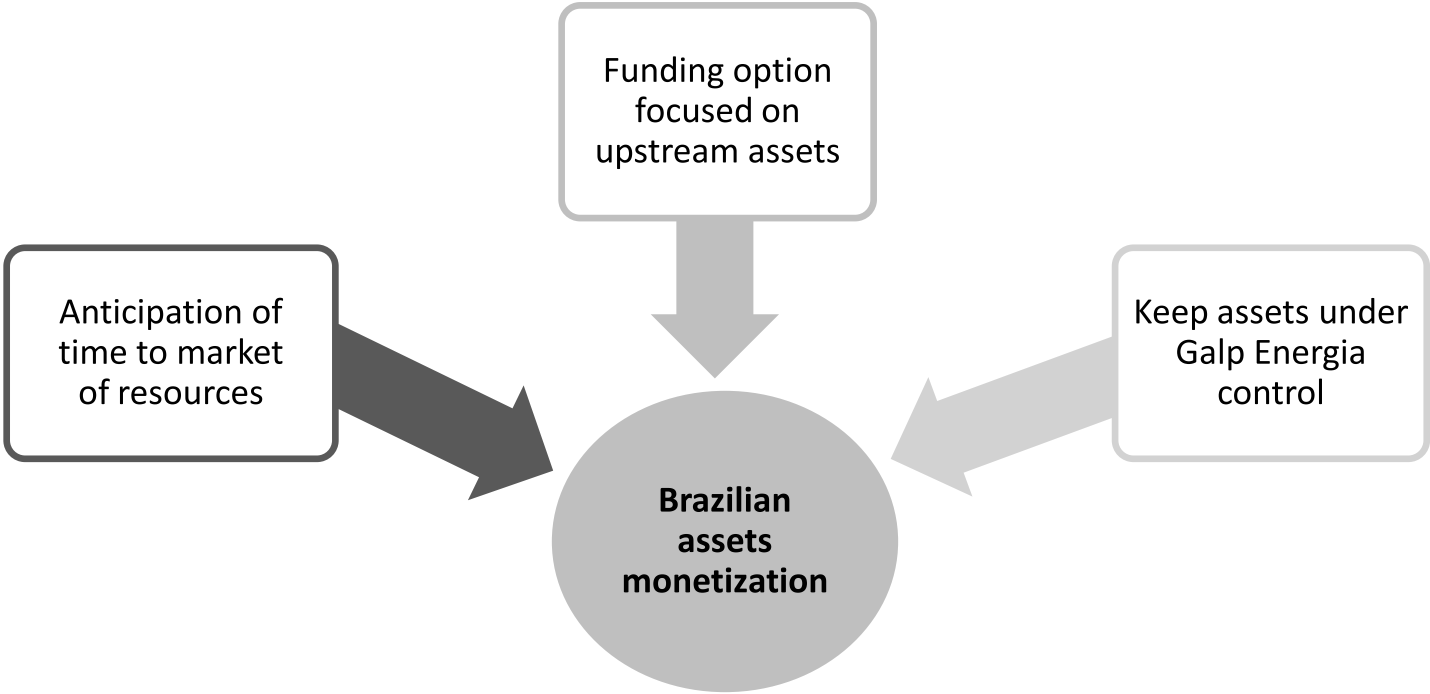
Brazilian portfolio



- Assets in different life cycle stages from exploration to development
- Brazilian acreage, mainly pre-salt Santos basin, capturing companies interest worldwide
- Funding option to be executed in 2H2011

[1] Source: DeGolyer and MacNaughton
Prospective resources mean estimate unrisked

Funding solution to sustain further growth



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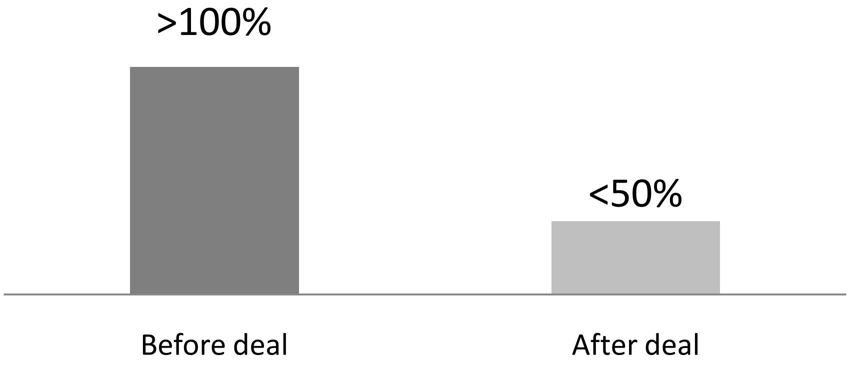
Stronger capital structure after execution of funding solution

Net debt to equity (%)



- Strengthening our capital structure without resorting to shareholders equity on the holding level
- Execution risk of future projects reduced
- Funding solution allowing for further growth flexibility
- Raising management focus

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Strict financial policy to maintain trustable capital structure

- Net debt to EBITDA target lower than 2.5x
- Long term net debt to equity below 50%
- Liquidity position to continue at comfortable levels
- Diversify sources of funding
- Debt maturity profile matching projects cash flow generation

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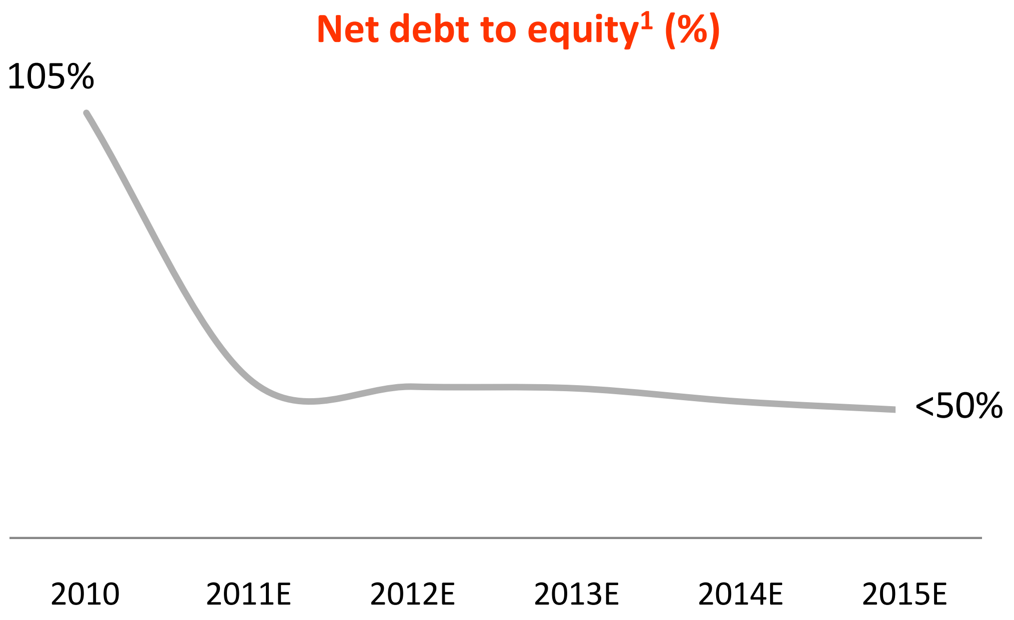
Maintaining a solid capital structure



Gearing level to be maintained due to a balanced mix of capex and EBITDA

[1] Considers funding solution execution in 2H11

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A new era of sustainable growth

- Upstream development activities gaining importance in Galp Energia's future
- No major development capex to be allocated to the downstream business
- Cash flow generation exposed to considerable upside
- Funding solution to allow for further growth flexibility
- Committed to a strong capital structure

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2011-2015 Business plan assumptions

Mid-cycle assumptions

	2009	2010	Average 2011-2015
Oil price $/bbl	61.5	79.5	72.0
Benchmark refining margin $/bbl	0.91	1.18	1.62
EUR:USD	1.39	1.33	1.30

Acronyms

#	Number
$	United States dollar
%	Percentage
2D	Two dimensional seismic
3D	Three dimensional seismic
ANP	Brazilian agency for oil, natural gas and biofuels
API gravity	American Petroleum Institute gravity
BB	Benguela and Belize
BBLT	Benguela, Belize, Lobito, and Tomboco
Bcm	Billion cubic metres
Bln	Billion
Boe	Barrel of oil equivalent
c.	Circa
CAGR	Compound Annual Growth Rate
CSEM	Control Source of Electromagnetic Method
CO_2	Carbone Dioxide
CPT	Compliant Piled Tower
E&P	Exploration & Production
EPC	Engineering, Procurement and Construction
EWT	Extended Well Test
FLNG	Floating Liquified Natural Gas
FPSO	Floating Production Storage Offloading
G&P	Gas & Power
GWh	GigaWatt hour
H_2S	Hydrogen sulfide
HC	Hydrocarbon
HR	Human Resources
IOC	International Oil Company
IPO	Initial Public Offering
Kboepd	Thousand barrels of oil equivalent per day
Kbopd	Thousand barrels of oil per day
Km	Kilometre
Km^2	Square kilometre
LLI	Long Lead Item
LNG	Liquified Natural Gas
LT	Lobito Tomboco
M^3/d	Million cubic metre per day
Mln	Million
MW	MegaWatt
NG	Natural Gas
NOC	National Oil Company
p.p.	Percentage point
R&M	Refining & Marketing
RCA	Replacement Cost adjusted
TL	Tômbua-Lândana
Ton	Tonne
TS	Tômbua South
UOTE	Oil Transhipment Unit
WAG	Water-alterning-gas
WAT	Wax appearance temperature
WI	Working interest
YE	Year End

Disclaimer

Financial outlook figures are RCA figures except otherwise noted.

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