

Declaration of Commerciality for the Iara area, in the pre-salt Santos basin

Galp Energia, partner in the consortium for the development of Block BM-S-11, informs that Petróleo Brasileiro S.A. (Petrobras), the operator, has submitted the Declaration of Commerciality (DoC) for the oil and gas accumulations in the Iara and Entorno de Iara areas (Transfer of Rights area, 100% operated by Petrobras) to the Brazilian National Agency of Petroleum, Natural Gas and Biofuels (ANP).

As part of the Iara Evaluation Plan area, the consortium has performed exploration and appraisal activities which began in September 2008 and consisted of acquiring 3D seismic data, the drilling and testing of seven wells as well as an Extended Well Test (EWT). As a result, three accumulations were identified whose limits extend outside the BM-S-11 Iara concession into the Entorno de Iara Transfer of Rights (ToR) area.

Following the final stage of the exploration and appraisal programme in both areas, the DoC of eight fields located in three different accumulations have been made, and which will be subject to unitisation agreements. As part of the DoC, the consortium has suggested that the new fields be designated Berbigão, Sururu and Atapú West. Unitisation of the Entorno de Iara area will be required with Berbigão to the Northwest and South, with Sururu to the Northwest and South and with Atapú West to the East.

In accordance with the Brazilian regulation, the Development Plan submission to ANP of the three accumulations should take place within 180 days from DoC. This term may be extended if ANP requests the simultaneous submission of the unitised areas Development Plans together with the Production Individualisation Agreements that will result from the unitisation negotiations.

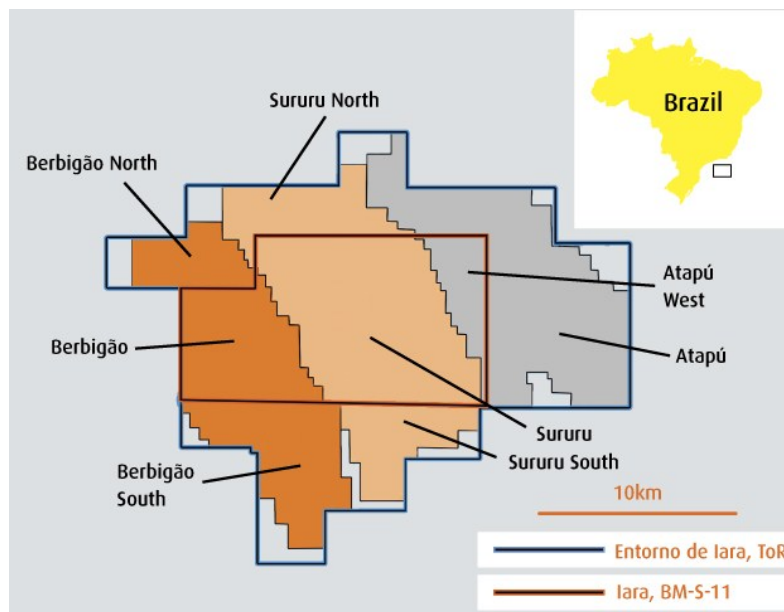
The initial development phase of the unitised Transfer of Rights and BM-S-11 areas is expected to be based on three FPSOs. Subject to a complementary campaign for data acquisition, additional production units could be contracted by the consortium.

Ahead of the submission of the Development Plans to ANP, the members of the BM-S-11 consortium will be working on the deployment and allocation of the FPSOs as well as negotiating the unitisation agreements of the BM-S-11 and Entorno de Iara areas. The total amount of resources that Galp Energia believes will ultimately be recovered is not expected to be affected.

The fields are located 214 to 250 km off the coast of Rio de Janeiro, at water depths of 2,215 to 2,270 metres. All fields contain good quality light oil with an API density of approximately 24 to 30 degrees API.

Galp Energia, through its subsidiary Petrogal Brasil, owns a 10% stake in the consortium that explores BM-S-11, which includes Iara area, while Petrobras (operator) holds a 65% stake and the BG Group 25%.

Iara and Entorno de Iara areas, in the pre-salt Santos basin



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