

EIB finances Galp's Renewable Hydrogen and Biofuels projects in Sines with €430 million

- The two projects, already in construction at the Sines Refinery, represent a total investment of €650 m.
- The Biofuels unit, financed with €250 m, will produce low-carbon fuels essential for the decarbonization of transport.
- The Green Hydrogen production unit, financed with €180 m, will be one of the largest in Europe.

The European Investment Bank (EIB) has granted a €430 m loan for the construction of two key projects aimed at transforming Galp's Sines Refinery, making a crucial contribution for the decarbonization of heavy-duty road transport and aviation.

Galp is developing the Biofuels unit, already at a construction stage, in partnership with Japan's Mitsui, as part of a total €400 m investment, of which €250 m is provided by the EIB. This unit will convert vegetable oils and residual fats into sustainable aviation fuel (SAF) and renewable diesel of biological origin (HVO) with identical characteristics to the fossil-based fuels used in regular combustion engines.

This unit, set to begin production in 2026, will have the capacity to produce up to 270 ktpa of renewable fuels, enough for Portugal to comply with the European Union mandate for this type of fuels in aviation. SAF is essential for air transportation – responsible for about 3% of global greenhouse gas emissions – to begin its decarbonization journey.

In parallel, Galp is building in the same site a 100 MW electrolyser, a €250 m investment of which the EIB will finance €180 m. It is set to produce up to 15 ktpa of green hydrogen when it goes online next year, becoming one of the first operational units of its size in Europe.

"These pioneering projects are a clear example of how we can combine financing, innovation, and our environmental commitment to promote a fair and sustainable energy transition," said Jean-Christophe Laloux, Director General, Head of EU Lending and Advisory at the EIB. "By supporting the production of advanced biofuels and green hydrogen, we are contributing to a more energy-independent Europe that aligns with global climate goals."

"We have mobilized partners, private investment, and European financing to drive a transformative project that brings European and national energy and industrial policies to life," said Ronald Doesburg, Galp's Executive Board Member responsible for the Industrial area. "More is needed from energy companies, public funding and government support if we want to maintain Portugal's relevance in an increasingly unstable world," he concluded.

The two projects support the goal of climate neutrality by 2050, in line with the European Green Deal, and strengthen the EU's energy independence as outlined in the REPowerEU plan. The projects benefit from €22.5 m in Recovery and Resilience Plan incentives.

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