

TRADING UPDATE

Lisbon, February 5, 2018

4Q17 Trading Update

This trading update aims to provide estimated macroeconomic, operational and trading conditions experienced by Galp during the fourth quarter of 2017.

The margins, prices, production and other data referred to below are currently provisional. All such data is subject to change and may differ from the final numbers which will be reported on February 20.

Market indicators

	4Q16	3Q17	4Q17	Var. 4Q17/4Q16	Var. 4Q17/3Q17
Average exchange rate (EUR:USD)	1.08	1.17	1.18	9.1%	0.2%
Average dated Brent price ¹ (USD/bbl)	49.3	52.1	61.3	24.2%	17.6%
U.K. NBP natural gas price ¹ (USD/mmbtu)	5.9	5.4	7.2	21.7%	32.0%
LNG Japan and Korea price ¹ (USD/mmbtu)	7.5	6.3	9.6	27.7%	53.5%
U.S. Henry Hub natural gas price ² (USD/mmbtu)	3.2	3.0	2.9	(8.2%)	(1.2%)
Benchmark refining margin ¹ (USD/bbl)	3.9	5.5	3.5	(8.5%)	(36.3%)

¹Source: Platts. For a complete description of the method to calculate the benchmark refining margin see page 2.

²Source: Nymex.

Operating indicators**Exploration & Production**

	4Q16	3Q17	4Q17	Var. 4Q17/4Q16	Var. 4Q17/3Q17
Average working interest production (kboepd)	84.9	94.6	101.2	19.1%	7.0%
Oil production (kbpd)	75.6	82.8	88.6	17.2%	7.0%
Average net entitlement production (kboepd)	82.7	92.4	99.1	19.9%	7.2%
Angola (kbpd)	6.8	5.6	5.2	(24.2%)	(7.9%)
Brazil (kboepd)	75.8	86.8	93.9	23.9%	8.2%

Refining & Marketing

	4Q16	3Q17	4Q17	Var. 4Q17/4Q16	Var. 4Q17/3Q17
Raw materials processed (mmboe)	28.8	29.7	28.4	(1.5%)	(4.2%)
Refined product sales (mton)	4.6	4.9	4.5	(1.6%)	(7.4%)
Sales to direct clients (mton)	2.2	2.4	2.2	1.9%	(7.0%)

Gas & Power

	4Q16	3Q17	4Q17	Var. 4Q17/4Q16	Var. 4Q17/3Q17
NG/LNG total sales volumes (mm ³)	1,861	1,716	1,899	2.0%	10.7%
Sales to direct clients (mm ³)	1,048	1,064	1,109	5.9%	4.3%
Trading (mm ³)	814	652	790	(2.9%)	21.1%

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Benchmark refining margin methodology

The benchmark refining margin is calculated with the following weighting: 45% hydrocracking margin + 42.5% cracking margin + 7% base oils + 5.5% Aromatics.

45% Rotterdam Hydrocracking margin: -100% Brent dated, +2.2% LPG FOB Seagoing (50% Butane + 50% Propane), +19.1% EuroBob NWE FOB Bg, +8.7% Naphtha NWE FOB Bg, +8.5% Jet NWE CIF, +45.1% ULSD 10 ppm NWE CIF, +9.0% LSFO 1% FOB Cg; C&L: 7.4%; Terminal rate: \$1/ton; Ocean loss: 0.15% over Brent; Freight 2017: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat \$7.66/ton. Yields in % of weight.

42.5% Rotterdam cracking margin: -100% Brent dated, +2.3% LPG FOB Seagoing (50% Butane + 50% Propane), +25.4% EuroBob NWE FOB Bg, +7.5% Naphtha NWE FOB Bg, +8.5% Jet NWE CIF, +33.3% ULSD 10 ppm NWE CIF, +15.3% LSFO 1% FOB Cg; C&L: 7.7%; Terminal rate: \$1/ton; Ocean loss: 0.15% over Brent; Freight 2017: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat \$7.66/ton. Yields in % of weight.

7% Rotterdam Base Oil margin: -100% Arabian Light, +3.5% LGP FOB Seagoing (50% Butane + 50% Propane), +13% Naphtha NWE FOB Bg, +4.4% Jet NWE CIF, 34% ULSD 10 ppm NWE CIF, +4.5% VGO 1.6% NWE FOB Cg, +14% Base Oils FOB, +26% HSFO 3.5% NWE Bg; Consumptions: -6.8% LSFO 1% CIF NWE Cg; C&L: 7.4%; Terminal rate: \$1/ton; Ocean loss: 0.15% over Arabian Light; Freight 2017: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat \$7.66/ton. Yields in % of weight.

5.5% Rotterdam aromatics margin: -60% EuroBob NWE FOB Bg, -40% Naphtha NWE FOB Bg, +37% Naphtha NWE FOB Bg, +16.5% EuroBob NWE FOB Bg, +6.5% Benzene Rotterdam FOB Bg, +18.5% Toluene Rotterdam FOB Bg, +16.6% Paraxylene Rotterdam FOB Bg, +4.9% Ortoxylyene Rotterdam FOB Bg; Consumption: -18% LSFO 1% CIF NEW. Yields in % of weight.

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