



galp energia

9M 2006 Results

Conference Call Presentation

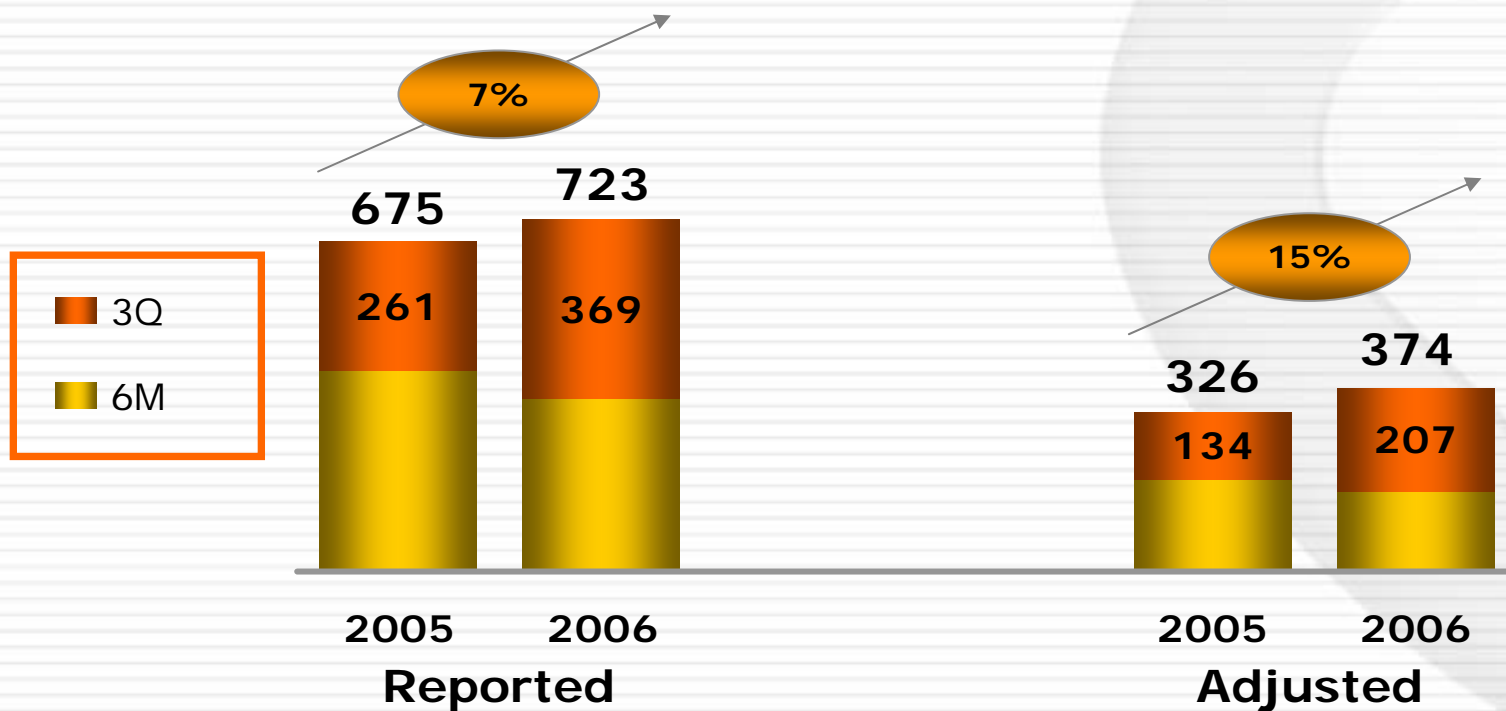
Lisbon, 30 November 2006

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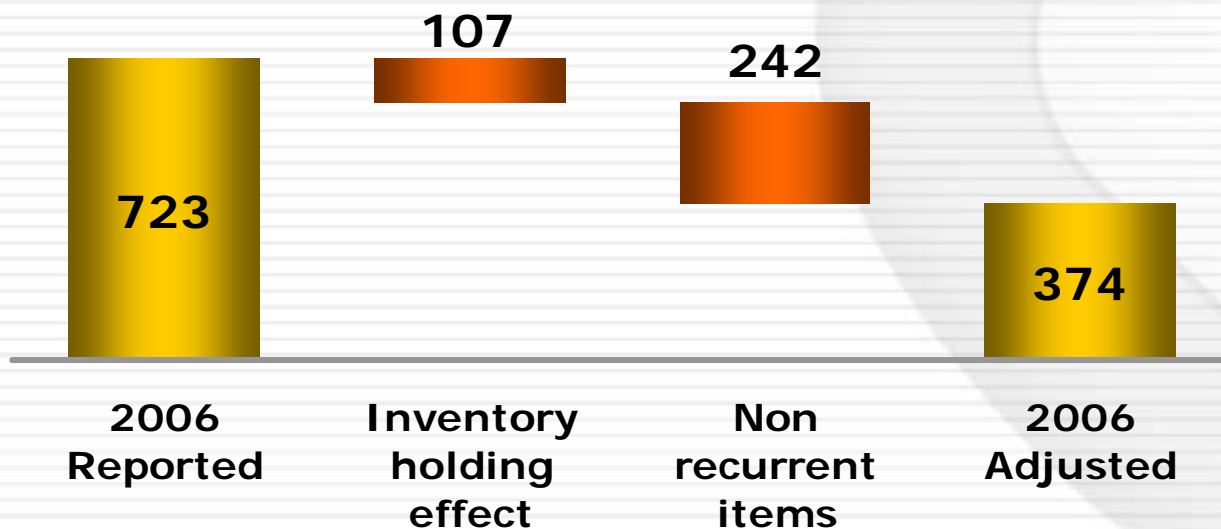
- Stable R&M contribution despite decline in refining margins
- Adjusted net income strongly impacted by higher volumes of natural gas sold
- Sale of NG assets with a positive impact of 220 million Eur in net income

9M Net Income (Million Eur)



- Adjusted net income reflects elimination of inventory holding effects and non recurrent items
- Inventory effect strongly impacted by major price variations

9M Net Income (Million Eur)



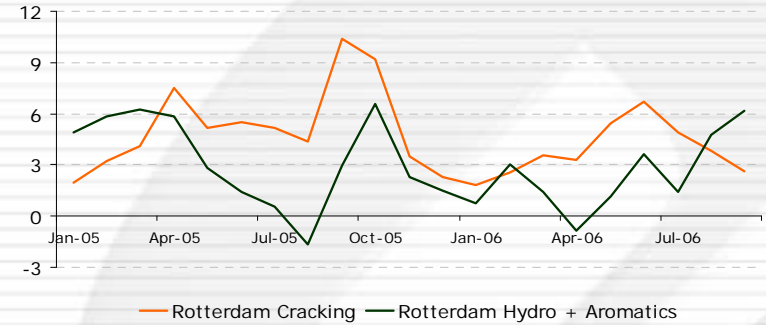
Market Overview



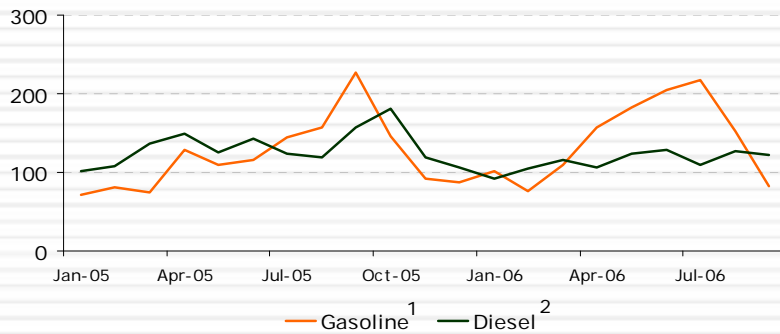
Average Brent price (Usd/bbl)



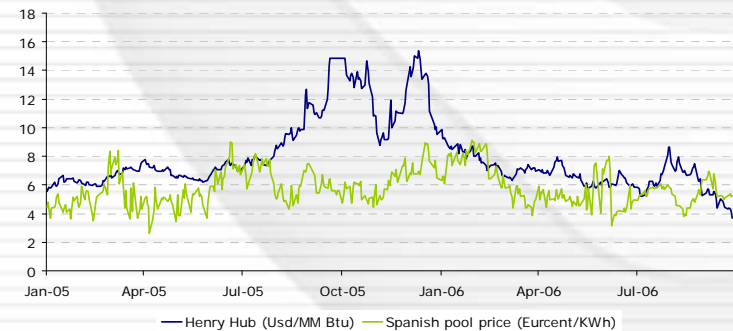
Rotterdam Cracking vs Rotterdam (Hydro + Aromatics)³ (Usd/bbl)



Diesel vs Gasoline crack spreads (Usd/ton)



Henry hub vs Spanish pool prices



Source: Platts

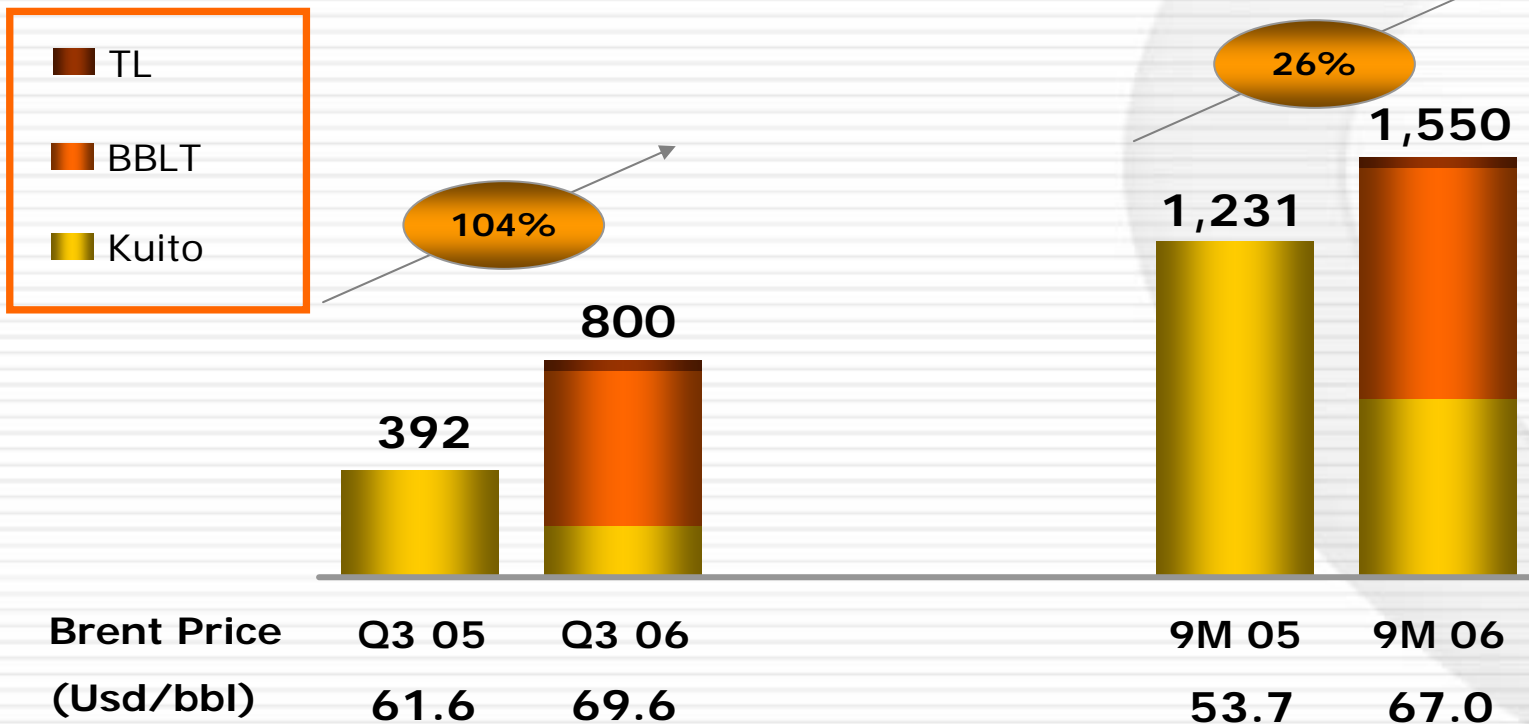
¹ Prem unlead NWE FOB barges; ² ULSD 50 ppm NWE CIF ARA; ³ Considers 70% of Rotterdam Hydroskimming Margin + 30% of Aromatics margin

Segment Overview



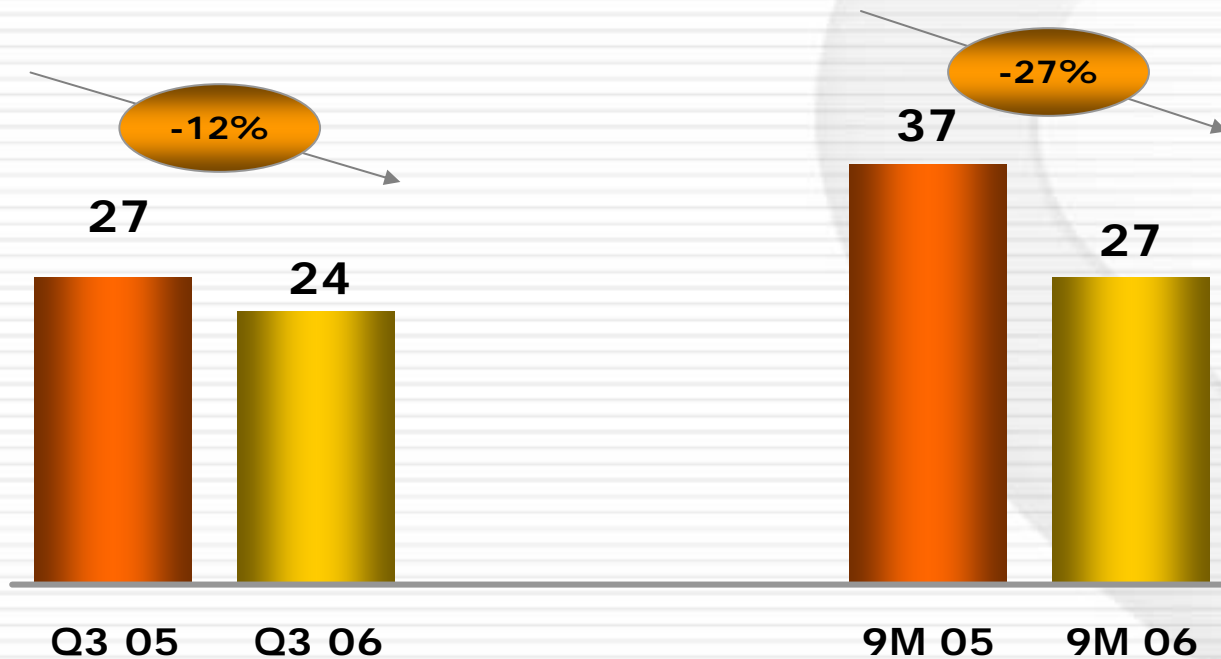
- Total production increased by 26%
- Production started in two fields in Block 14: BBLT and TL
- Q3 average daily production almost doubled from Q2

Total production by field (thousand bbl)



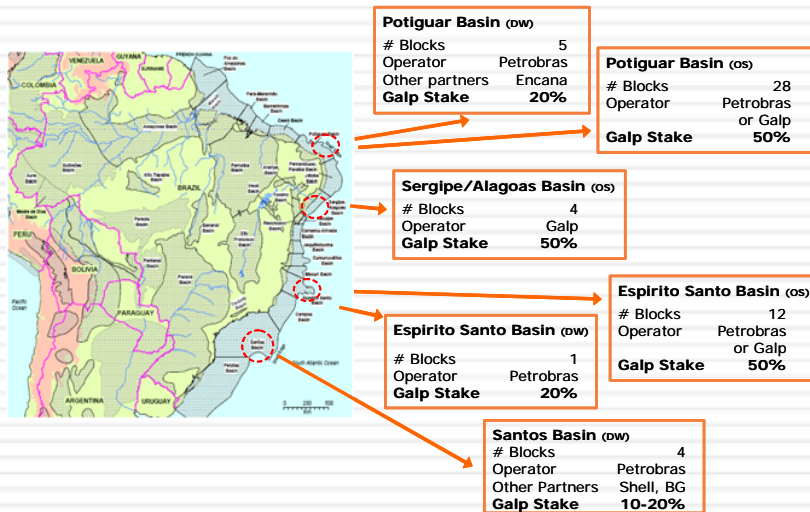
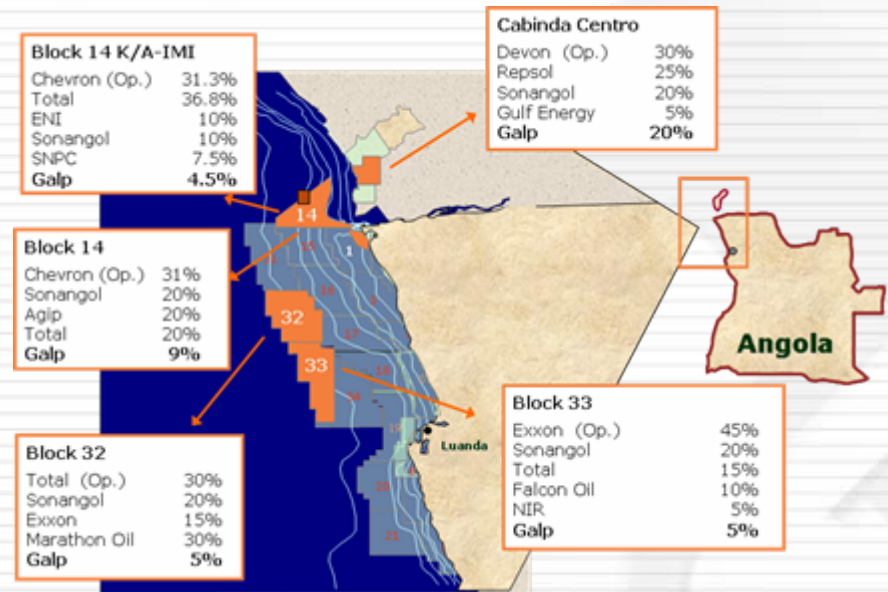
- Stable EBITDA despite decrease in volumes sold
- Lower sales volume compensated by increase in realized sale price
- EBIT impacted by non cash costs of 20 million Eur

Adjusted EBIT (Million Eur)



Angola

- Block 14: TL field officially started production
- Block 32/33: Currently in drilling/seismic phase
- Cabinda Centro: Talks in progress to lift Force Majeure

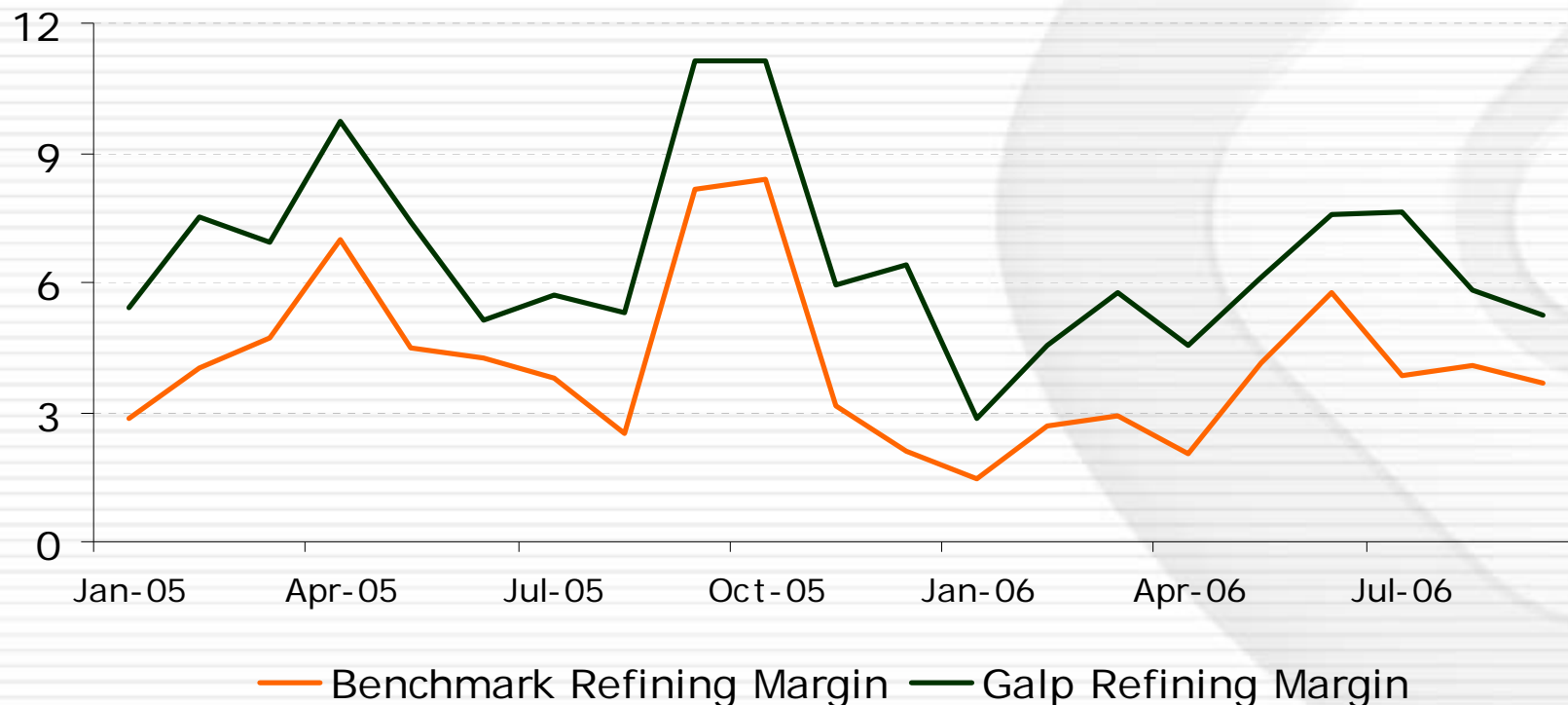


Brazil

- BM-S-11: discovery of light crude oil being evaluated
- Galp operator blocks: seismic works
- Other blocks: exploration phase

- Galp Energia refining margin has been above benchmark
- Higher refining margin due to location premium and optimized crude slate

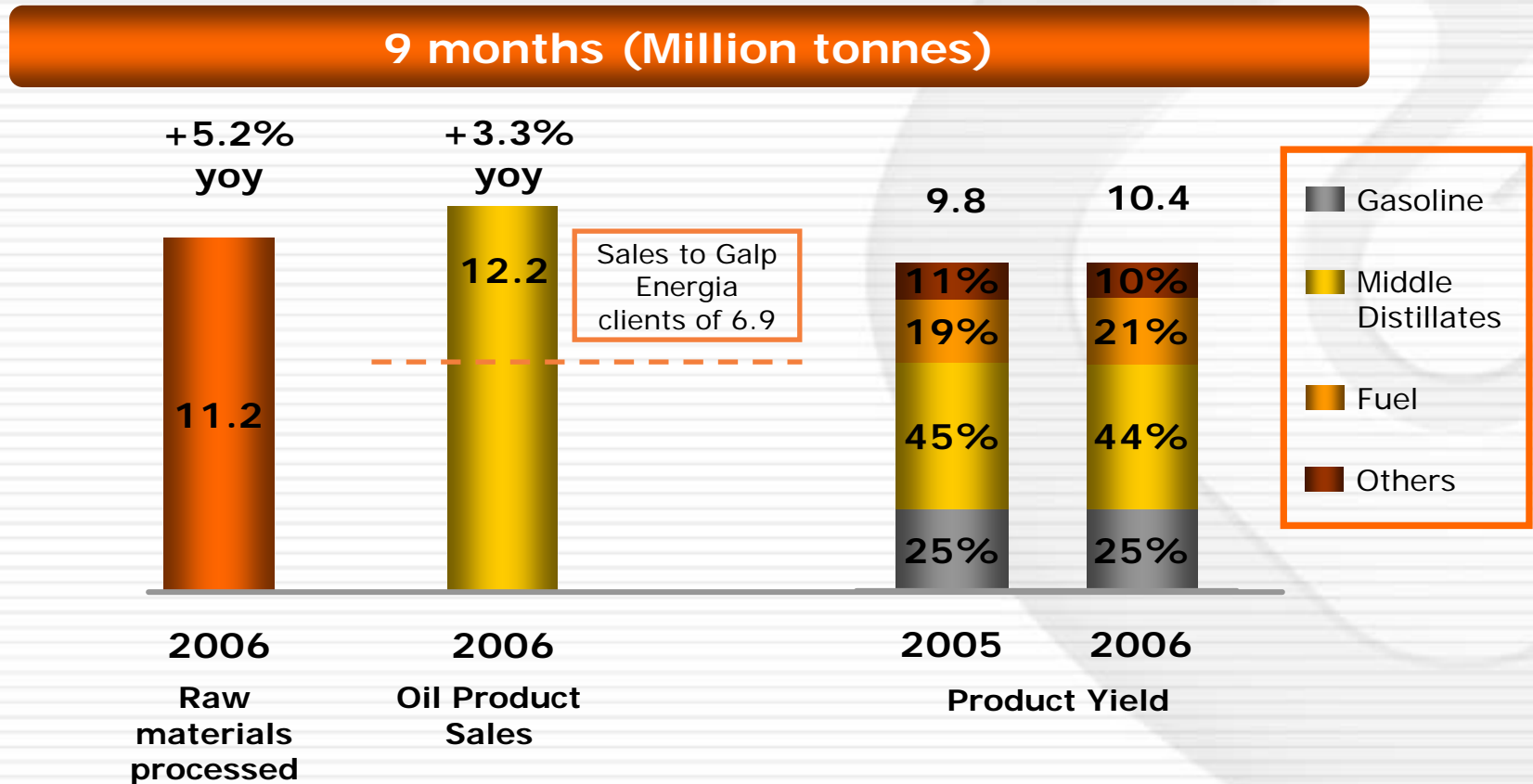
Galp Energia vs Benchmark refining margin (Usd/bbl)



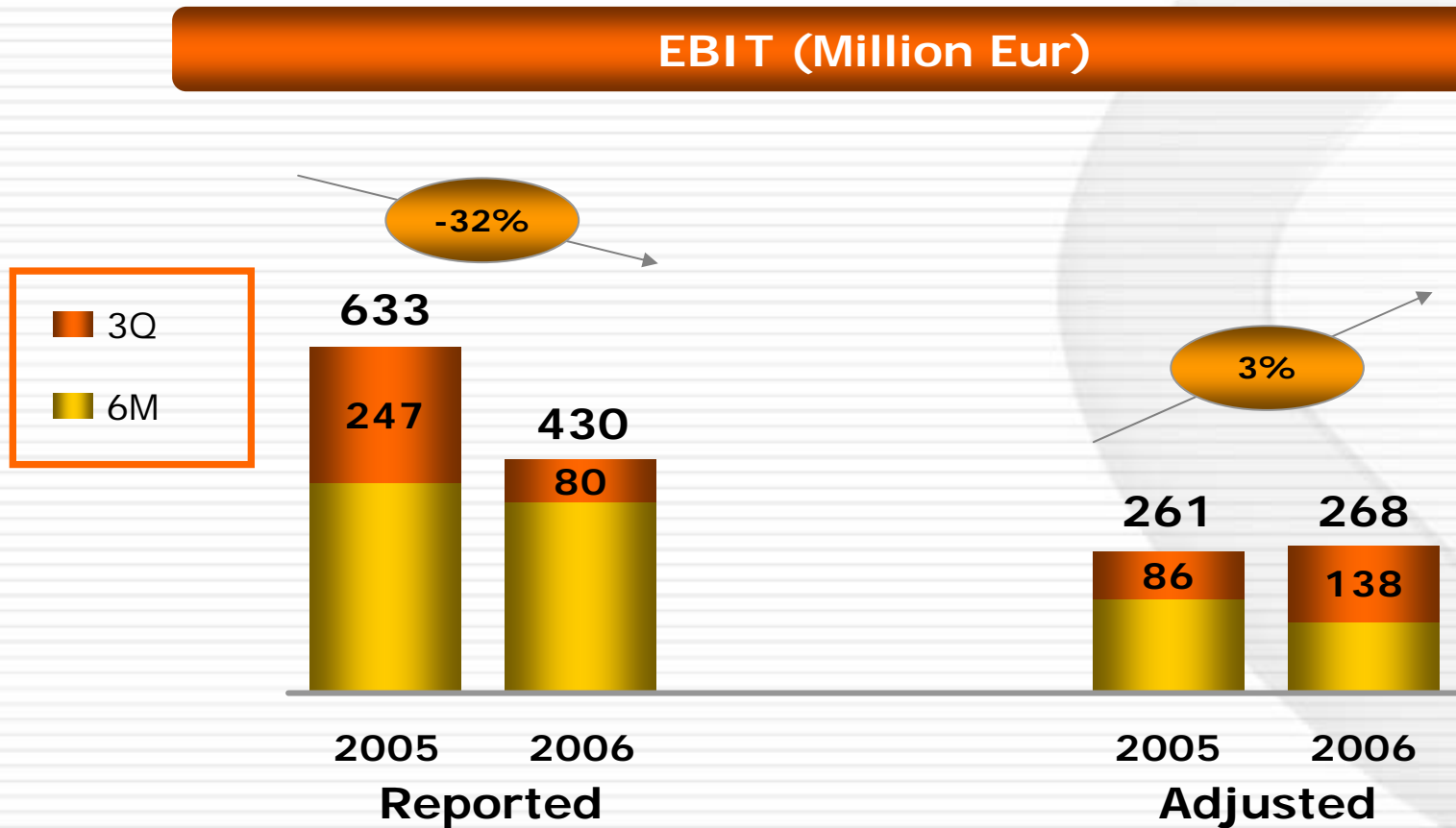
Source: Platts

Benchmark refining margin considers 70% of Rotterdam cracking and 30% of Rotterdam Hydro + Aromatics

- Higher utilization rates allowed an increase in raw materials processed of 5%
- 40% increase in exports more than compensated decrease in Iberian market
- Gasoline and middle distillates production increased 5.4% to 7.1 M tonnes

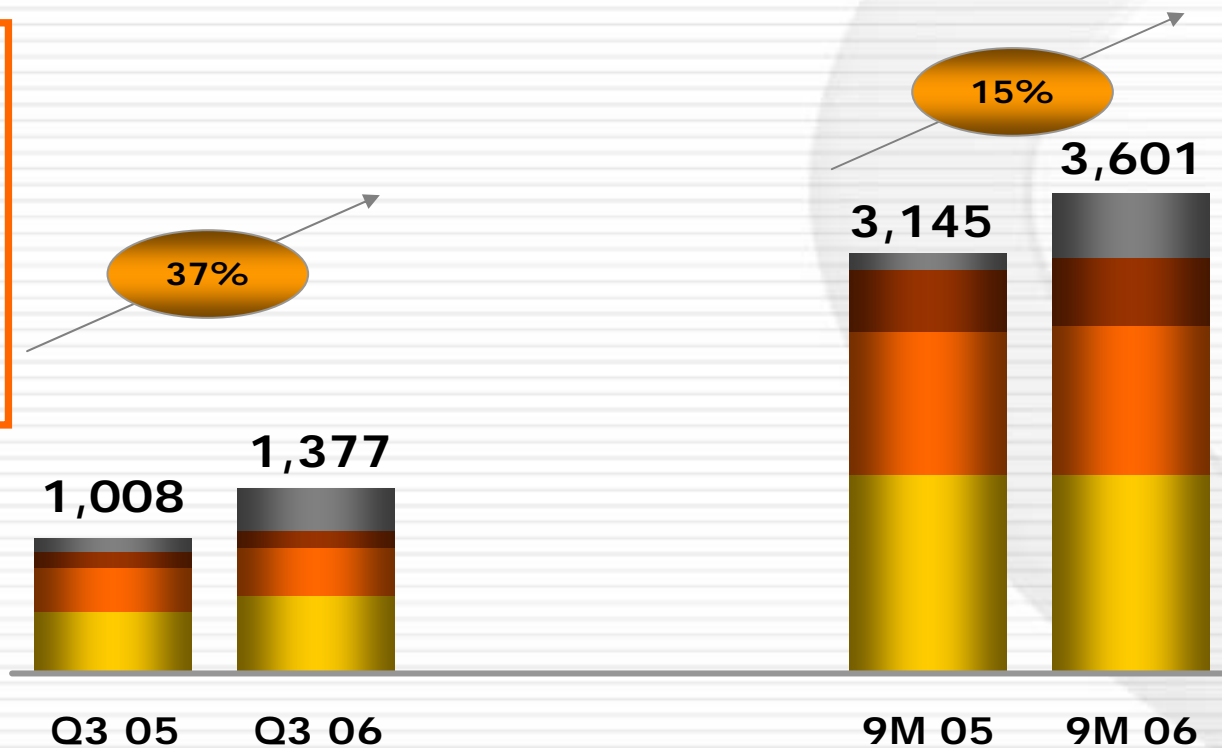


- Adjusted EBIT increased by 3% despite decrease of 21% in refining margin
- Third quarter adjusted EBIT increased by 61%
- Strong inventory holding effect due to crude price movements



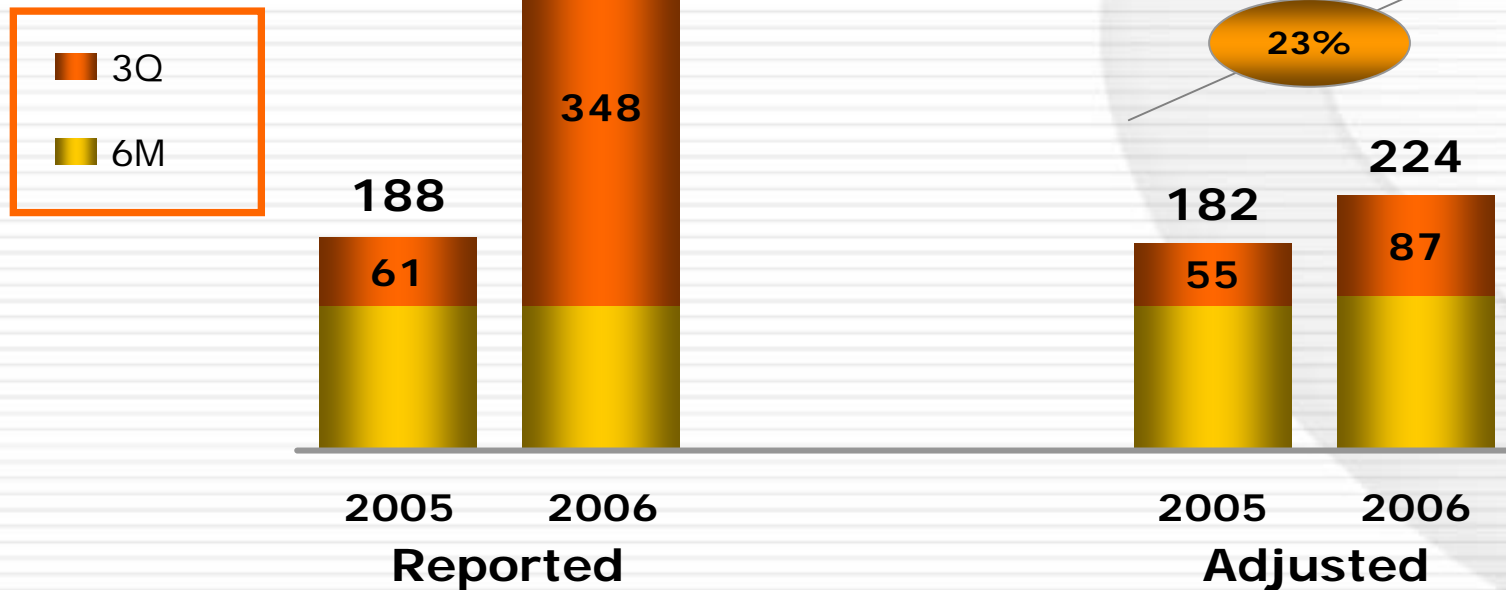
- Natural gas volumes sold increased by 15%
- Strong increase in natural gas sales driven by trading volumes
- Portuguese natural gas market grew 3% in the last nine months

Natural gas sales (Million m³)



- Reported EBIT impacted by natural gas assets sale
- Excluding unbundling impact, adjusted EBIT increased by 23%
- Strong Q3 2006 adjusted EBIT, an increase of 59% from Q3 2005

EBIT (Million Eur)



Update on Power projects

Sines Cogen

- Expected to start operating in Q3 2008
- Synergies on natural gas consumption as well as in our Sines refinery

CCGT's

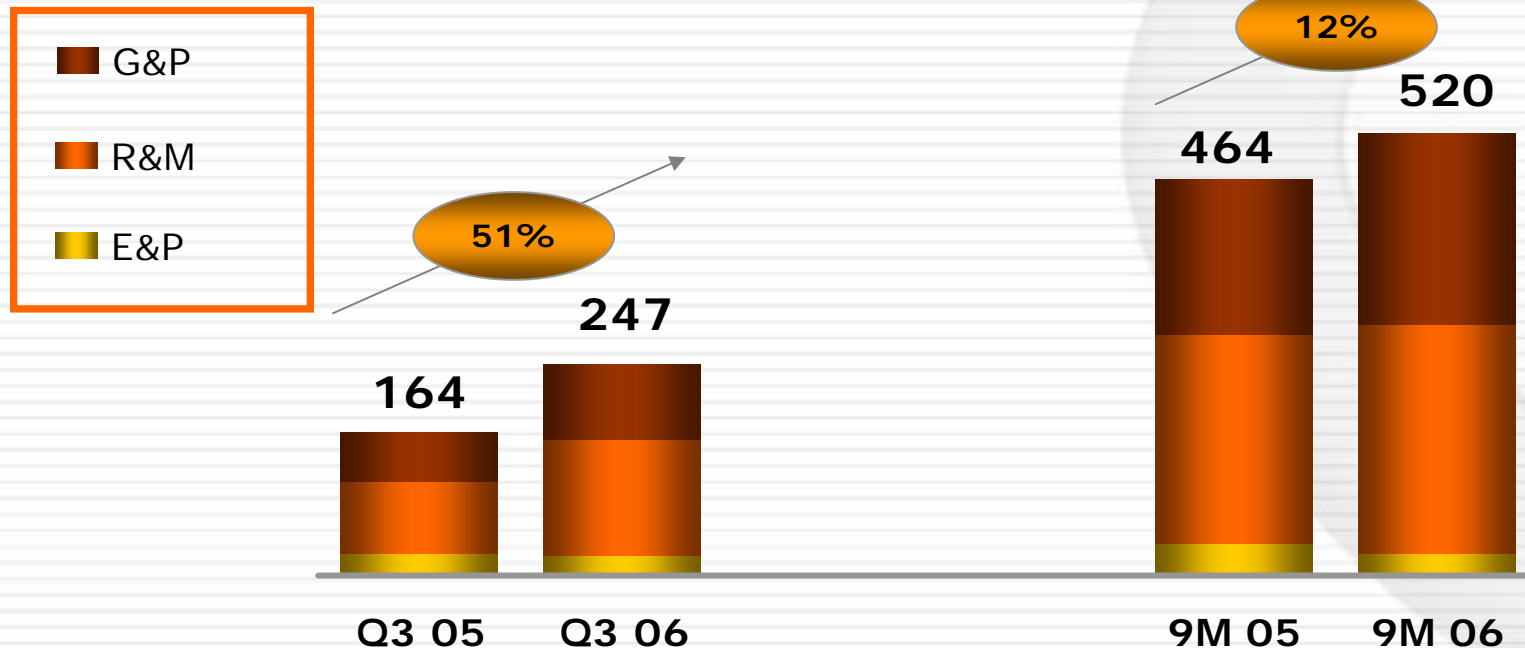
- Interconnection permits awarded on 20 September
- Until mid 2007, technical documentation to be submitted to DGGE

Wind Farms

- Second place on the bidding for "Phase A"
- Galp Energia continues bidding for "Phase B"

- Third quarter operating result increased by 51%
- Strong performance of Gas & Power segment driven by NG volumes
- 9M results with strong growth despite decline in refining margins

Adjusted EBIT by Segment (Million Eur)



Financial Overview

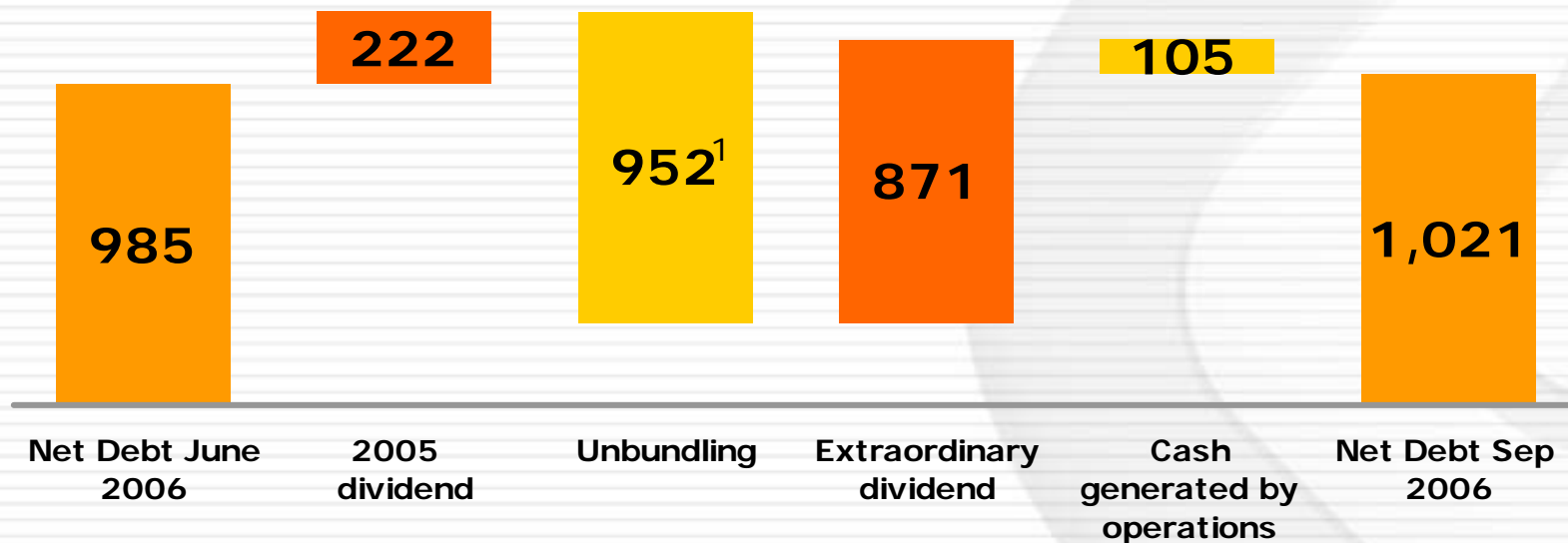


Adjusted EBITDA vs Capex 9M (Million Eur)

	E&P	R&M	G&P	Total
Adjusted EBITDA	47	419	256	742
Capex	62	58	81	201
EBITDA – Capex	(15)	361	175	541

Note: Segmental figures don't add up to total adjusted EBITDA due to Corporate & Others

Net Debt (million Eur)



D/E	39%	→	51%
Gearing	28%	→	34%

¹ Includes the payment of natural gas assets (€526.3 million) and net debt transferred to REN (€425.2 million)

Third Quarter

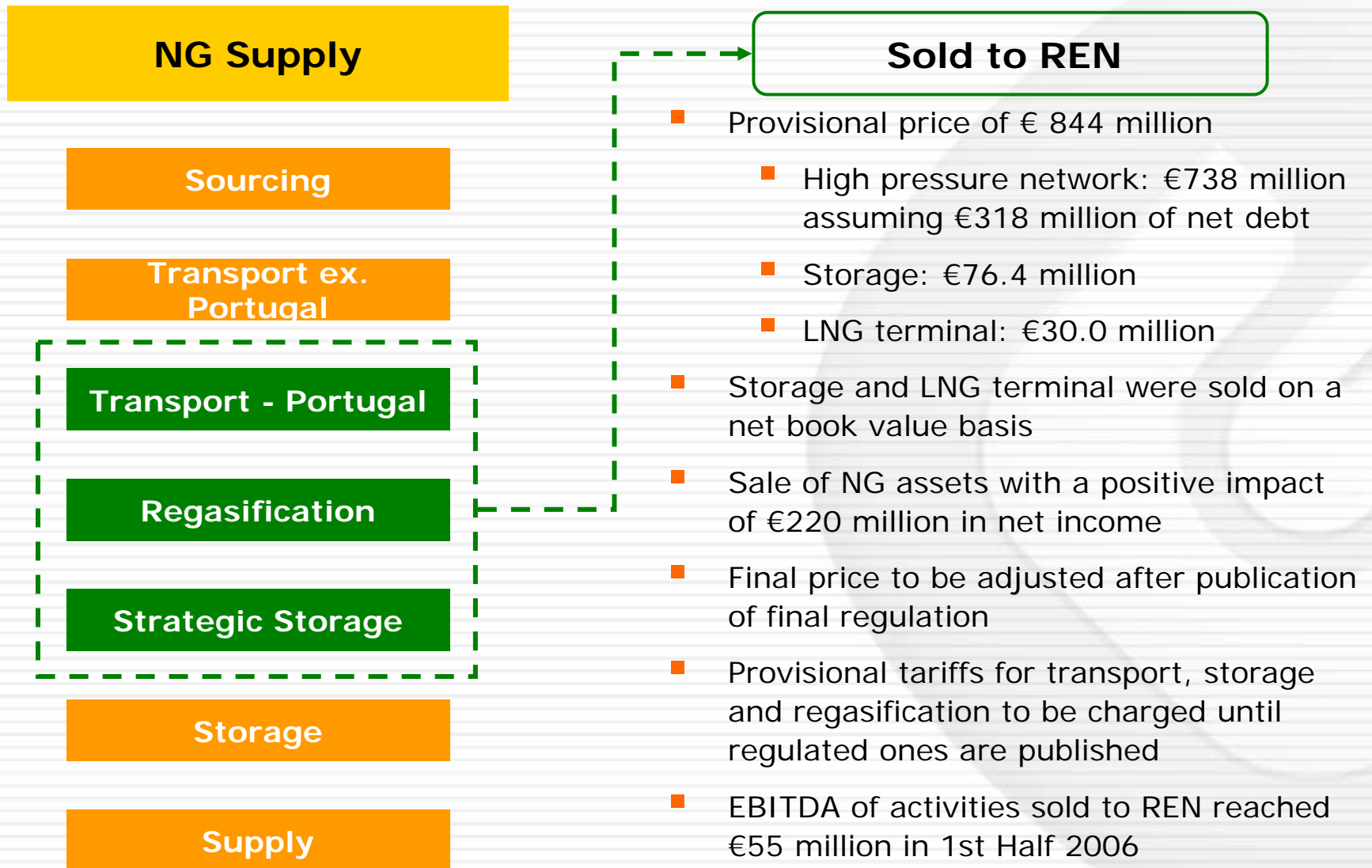
Nine Months

2005	2006	% Ch.		2005	2006	% Ch.
2,925	3,263	11.5%	Sales	7,941	9,393	18.3%
223	329	47.6%	EBITDA	655	742	13.3%
164	247	50.5%	EBIT	464	520	12.0%
134	207	54.0%	Net Income	326	374	14.6%
0.16	0.25	54.0%	Adjusted EPS (Eur/share)	0.39	0.45	14.6%
0.31	0.45	41.6%	Reported EPS (Eur/share)	0.81	0.87	7.1%

Note: All figures are adjusted by inventory holding effects and non recurrent items except otherwise noted

Unbundling Transaction

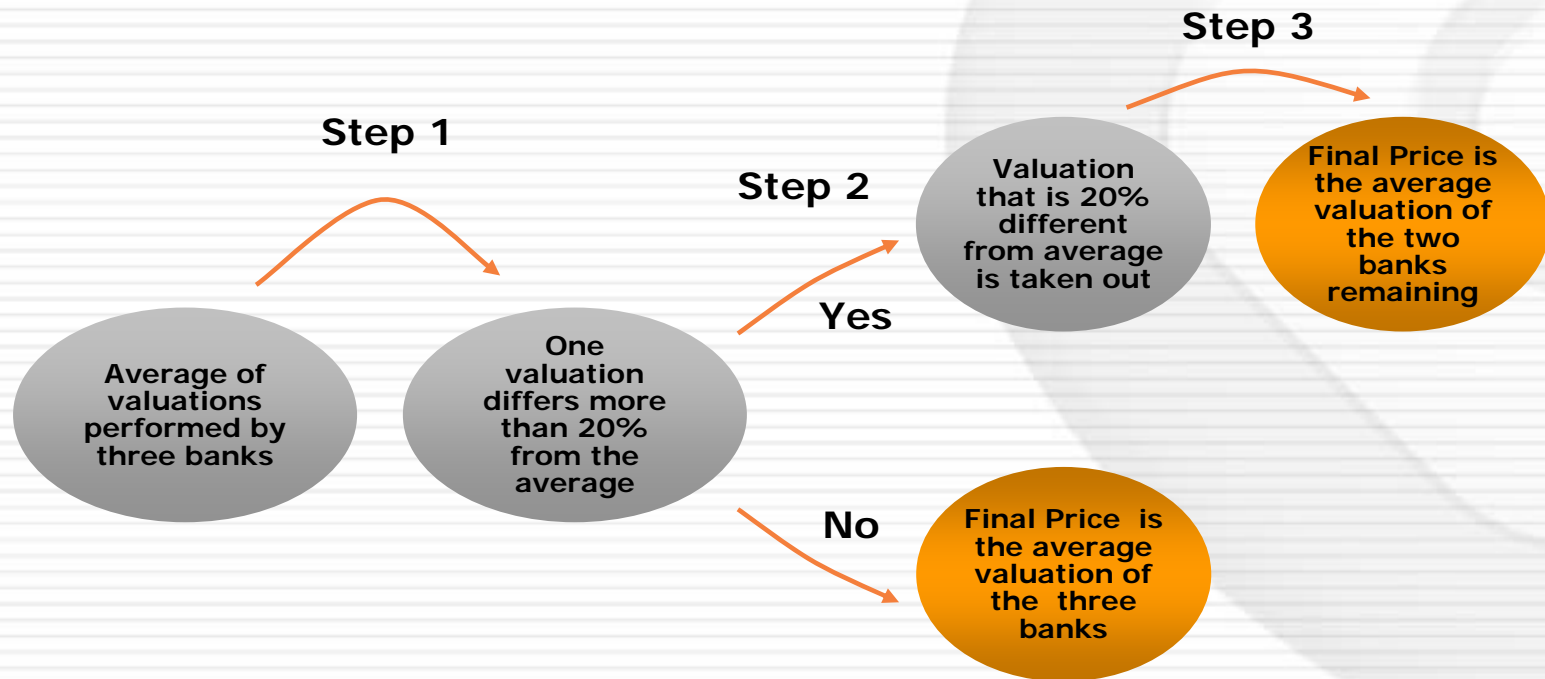




Experts Selection

- Galp Energia is entitled to choose one international bank
- REN chooses the second expert
- A third expert is chosen by the first two experts

Final Price



Strategy Update



Exploration & Production

- Develop our current portfolio
- Leverage on relationships with ENI, Petrobras and Sonangol

Refining & Marketing

- Conversion unit to improve overall refining capacity
- Decision expected before year end on technical solution
- Continue improving retail margins through price differentiation, premium products and C-stores

Gas & Power

- Develop CCGT's and Cogen projects
- Dual fuel offer to boost future growth in electricity market
- Mitigate natural gas regulation impact

Q&A



Backup Information



Consolidated Income Statement



Third Quarter				Nine Months		
2005	2006	% Ch.	Million Euros	2005	2006	% Ch.
2,925	3,263	11.5%	Sales and services rendered	7,941	9,393	18.3%
(2,546)	(3,032)	19.1%	Operating expenses	(6,922)	(8,540)	23.4%
12	287	n.m.	Other operating revenues (expenses)	16	288	n.m.
391	518	32.6%	EBITDA	1,034	1,141	10.3%
(59)	(74)	25.2%	Depreciation and provisions	(191)	(214)	11.9%
332	444	33.9%	Operating result	843	928	10.0%
11	10	(5.8%)	Net income from associated companies	34	30	(13%)
-	(20)	n.m.	Net income from investments	55	(20)	n.m.
1	(6)	n.m.	Net interests expenses	(59)	(32)	(44.9%)
344	428	24.6%	Income before tax and minority interests	873	905	3.6%
(82)	(58)	(29.7%)	Income tax	(195)	(179)	(8.1%)
(1)	(1)	30.8%	Minority Interests	(3)	(3)	(4.6%)
261	369	41.6%	Net income	675	723	7.1%

n.m. – not meaningful

Third Quarter				Nine Months		
2005	2006	% Ch.	Million Euros	2005	2006	% Ch.
27	24	(11.5%)	Exploration & Production	37	27	(26.8%)
247	80	(67.8%)	Refining & Marketing	633	430	(32.2%)
61	348	n.m.	Gas & Power	188	476	152.4%
(3)	(7)	(104.4%)	Others	(15)	(5)	70.3%
332	444	33.9%	Operating result	843	928	10.0%
332	444	33.9%	Reported operating result	843	928	10.0%
(169)	73	n.m.	Inventory effect	(378)	(127)	(66.3%)
163	518	n.m.	Operating result at replacement cost	466	800	71.9%
1	(270)	n.m.	Non recurrent items	(2)	(281)	n.m.
164	247	50.5%	Adjusted operating result	464	520	12.0%

n.m. – not meaningful

Third Quarter

Nine Months

2005	2006	% Ch.	Million Euros	2005	2006	% Ch.
35	53	52.5%	Sales and services rendered	65	75	15.0%
27	24	(11.5%)	Operating result	37	27	(26.8%)
-	-	-	Non recurrent items	-	-	-
27	24	(11.5%)	Adjusted operating result	37	27	(26.8%)
61.6	69.6	12.9%	Average brent dated price (Usd/bbl)	53.7	67.0	24.7%
0.4	0.8	104.4%	Total production (million bbl)	1.2	1.5	25.9%
0.4	0.2	(51.4%)	Kuito (million bbl)	1.2	0.7	(46.8%)
-	0.6	n.m.	BBLT (million bbl)	-	0.8	n.m.
-	0.04	n.m.	TL (million bbl)	-	0.04	n.m.
4,257	8,700	104.4%	Average production (bbl/day)	4,507	5,677	25.9%
0.7	0.9	41.6%	Total sales (million bbl)	1.6	1.4	(14.3%)

n.m. – not meaningful

Third Quarter				Nine Months		
2005	2006	% Ch.	Million Euros	2005	2006	% Ch.
2,635	2,882	9.4%	Sales and services rendered	7,135	8,323	16.6%
247	80	(67.8%)	Operating result	633	430	(32.2%)
(162)	79	n.m.	Inventory effect	(371)	(130)	(65.0%)
1	(21)	n.m.	Non recurrent items	(2)	(31)	n.m.
86	138	60.5%	Adjusted operating result	261	268	3.0%
7.5	6.2	(17.9%)	Refining margin (Usd/bbl)	7.0	5.5	(21.3%)
3.8	3.8	0.7%	Raw material processed (million tonnes)	10.6	11.2	5.2%
4.1	4.2	1.1%	Total refined product sales (million tonnes)	11.8	12.2	3.3%
2.3	2.2	(3.4%)	Sales to Galp Energia clients (million tonnes)	7.1	6.9	(3.0%)
0.7	0.9	29.6%	Exports (million tonnes)	1.7	2.3	39.8%

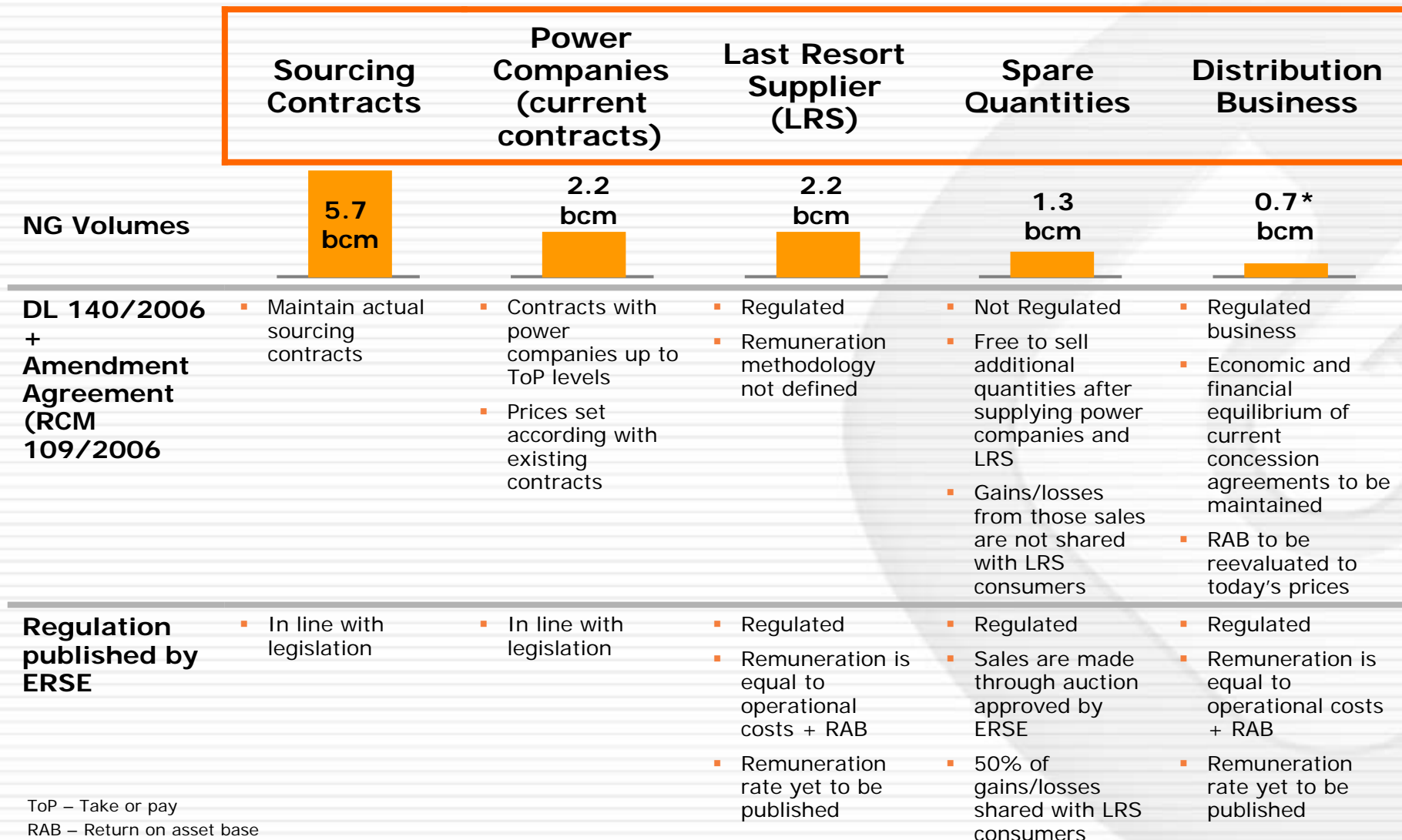
n.m. – not meaningful

Third Quarter				Nine Months		
2005	2006	% Ch.	Million Euros	2005	2006	% Ch.
256	380	48.5%	Sales and services rendered	770	1,039	35.0%
61	348	n.m.	Operating result	188	476	n.m.
(7)	(6)	(8.2%)	Inventory effect	(7)	3	n.m.
-	(255)	n.m.	Non recurrent items	-	(255)	n.m.
55	87	58.7%	Adjusted operating result	182	224	23.2%
1,008	1,377	36.6%	NG supply sales volumes (million m3)	3,145	3,601	14.5%
85	92	7.8%	NG distribution sales volumes ¹ (million m3)	344	366	6.2%
-	-	-	NG distribution clients ¹ (thousands)	725	778	7.3%
370	391	5.7%	Power generation ¹ (GWh)	1,144	1,169	2.2%
-	-	-	Natural gas net fixed assets ²	1,421	704	(50.5%)

n.m. – not meaningful

¹ Includes certain unconsolidated companies where Galp Energia holds a significant interest

² Excludes financial investments



ToP – Take or pay

RAB – Return on asset base

RCM – Resolution of the Council of Ministers

* Supplied by last resort supplier



galp energia

9M 2006 Results

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