

## Galp Energia Q2 08 Trading Update

This trading update is aimed at providing estimates regarding macroeconomic, operational and trading conditions experienced by Galp Energia in the second quarter ending 30 June, 2008. The second quarter margins, prices, production and other data referred to below are currently provisional. All such data is subject to change and may differ quite considerably from the final numbers that will be reported on 6 August, 2008.

This trading update is produced in order to provide greater disclosure to investors and potential investors of currently expected results.

### Economic Indicators

	2Q07	1Q08	2Q08	% Ch. 2Q08/2Q07	% Ch. 2Q08/1Q08
Average brent dated price <sup>1</sup> (Usd/bbl)	68.8	96.9	121.4	76.5%	25.3%
Rotterdam cracking refining margin <sup>2</sup> (Usd/bbl)	5.0	0.6	2.7	(45.8%)	335.1%
Rotterdam hydroskimming + aromatics + base oil refining margin <sup>3</sup> (Usd/bbl)	2.1	(2.2)	(1.7)	n.m.	(22.5%)
Henry hub natural gas price <sup>4</sup> (Usd/MMbtu)	7.5	8.6	11.4	50.9%	31.5%
Spanish pool price <sup>5</sup> (€/Mwh)	35.7	65.9	56.9	59.5%	(13.6%)
Average exchange rate <sup>6</sup> Eur/Usd	1.35	1.50	1.56	15.9%	4.3%
Euribor - six month <sup>6</sup> (%)	4.20	4.48	4.93	17.5%	10.0%

During the second quarter of 2008 Galp Energia changed the calculation of its Cracking and Hydroskimming Rotterdam benchmark refining margins according with the revision of the International Energy Agency ("IEA") in 2007. Additionally it was added to the Porto refinery benchmark refining margin, together with the Hydroskimming and Aromatics, a component of base oils, one of the industrial complexes of the refinery, to better reproduce its operations. In order to make periods comparable, benchmark refining margins for the second quarter of 2007 and for the first quarter of 2008 were restated to account for these changes.

## Operational Indicators

### Exploration & Production

	2Q07	1Q08	2Q08	% Ch. 2Q08/2Q07	% Ch. 2Q08/1Q08
Average working production (k bbl/day)	17.0	13.8	15.5	(8.3%)	12.9%
Average net entitlement production (k bbl/day)	12.3	9.9	11.3	(8.4%)	14.6%

### Refining & Marketing

	2Q07	1Q08	2Q08	% Ch. 2Q08/2Q07	% Ch. 2Q08/1Q08
Crude processed (k bbl)	25,581	23,649	25,119	(1.8%)	6.2%
Total refined product sales (million tonnes)	4.1	3.9	4.1	0.9%	6.0%
Sales to direct clients (million tonnes)	2.3	2.3	2.3	(0.1%)	(1.1%)
Exports (million tonnes)	0.7	0.6	0.7	8.9%	18.1%

On the second quarter of 2008, due to the sharp increase in oil products prices on the international markets, the results of Refining & Marketing business segment were influenced by the time lag effect, with a negative impact in gross margin of approximately €50 million, as the contractual agreements with Portuguese market operators take time to reflect the price changes in international markets. The time lag effect on the first quarter of 2008 was negative in €6 millions and in the second quarter of 2007 was negative in €23 millions.

### Gas & Power

	2Q07	1Q08	2Q08	% Ch. 2Q08/2Q07	% Ch. 2Q08/1Q08
NG supply total sales volumes (million m <sup>3</sup> )	1,355	1,471	1,478	9.1%	0.5%
Liberalised market	789	825	881	11.7%	6.8%
Of which:					
Electrical and industrial	491	610	580	18.0%	(5.0%)
Trading	297	215	302	1.4%	40.3%
Regulated market	566	646	597	5.5%	(7.6%)
Power generation <sup>1</sup> (GWh)	365	398	376	3.3%	(5.4%)

## Results Presentation

The results will be disclosed to the market on 6 August, 2008 after the close of Euronext Lisbon.

The Conference Call will take place on 7 August, 2008 at 09:00 GMT (10:00 CET). The Conference Call details are as follows:

- **Hosted by:** Manuel Ferreira De Oliveira (CEO)  
Claudio De Marco (CFO)  
Tiago Villas-Boas (IR)
- **Dial-in numbers:** UK: +44 (0) 203 14 74 600  
Portugal: 707 785 662
- **Chairperson:** Tiago Villas-Boas

## Notes:

<sup>1</sup> Source: Platts.

<sup>2</sup> Source: Platts. Yields: -100% Brent dated, +2.3% LGP FOB Seagoing (50% Butane + 50% Propane), +25.4% PM UL NWE FOB Bg., +7.4% Naphtha NWE FOB Bg., +8.5% Jet NWE CIF, +33.3% ULSD 50 ppm NWE CIF Cg. and +15.3% LSFO FOB Cg.; C&L: 7.7%; Terminal rate: 1 \$/ton; Ocean loss: 0.15% over Brent; Freight 2008: WS Aframax (80 kts) Route Sullom Voe / Rotterdam - Flat 5.13 \$/ton. Yields in % of weight.

<sup>3</sup> Source: Platts.

Rotterdam hydroskimming refining margin yield: -100% Brent dated, +2.1% LGP FOB Seagoing (50% Butane + 50% Propane), +15.1% PM UL NWE FOB Bg., +4.0% Naphtha NWE FOB Bg., +9% Jet NWE CIF Cg., +32.0% ULSD 10 ppm NWE CIF Cg. and +33.8% LSFO 1% FOB NWE Cg.; C&L: 4.0%; Terminal rate: 1 \$/ton; Ocean loss: 0.15% over Brent; Freight 2008: WS Aframax (80 kts) Route Sullom Voe / Rotterdam - Flat 5.13 \$/ton.

Rotterdam aromatics refining margin yield: -60% PM UL NWE FOB Bg., -40% Naphtha NWE FOB Bg., +37% Naphtha NWE FOB Bg., +16.5% PM UL 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.

Base Oil refining margin yield: -100% Arabian Light, +3.5% LGP FOB Seagoing (50% Butane + 50% Propane), +13.0% Naphtha NWE FOB Bg., +4.4% Jet NWE CIF, 34.0% 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% NWE FOB Cg.; Losses: 0.6%; Terminal rate: 1 \$/ton; Ocean loss: 0.15% over Brent; Freight 2008: WS Aframax (80 kts) Route Sullom Voe / Rotterdam - Flat 5.13 \$/ton. Yields in % of weight.

Rotterdam hydroskimming + Aromatics + Base oil refining margin = 65% Rotterdam hydroskimming refining margin + 15% Rotterdam aromatics refining margin + 20% Base Oil refining margin.

<sup>4</sup> Source: Reuters.

<sup>5</sup> Source: Bloomberg.

<sup>6</sup> Source: European Central Bank. Euribor 360.

<sup>7</sup> Includes unconsolidated companies where Galp Energia has a significant interest.

## Galp Energia, SGPS, S.A.

### Investor Relations

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