RESULTS

FIRST QUARTER 2009

Extending success into new challenges

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EXECUTIVE SUMMARY

Galp Energia achieved a replacement cost adjusted (RCA) net profit of €49 million in the first quarter of 2009.

The favourable EBITDA performance – despite the adverse impact of the incident at the Sines refinery – of the Refining & Marketing business segment could not offset the faltering performance by the Exploration & Production and Gas & Power business segments, impacted by the decrease in crude price and by falling sales of natural gas, respectively.

SUMMARY OF RESULTS – FIRST QUARTER 2009

- Working-interest crude production fell 3.5% year on year (yoy) to 13.3 thousand barrels/day as maintenance works and production cuts by OPEC countries took their toll;
- Galp Energia's refining margin dropped 8.0% yoy from Usd 3.0/bbl to Usd 2.8/bbl; this was due to the incident in the utilities plant at the Sines refinery which reduced the volume of processed raw materials by 43.8% yoy;
- The combined effect of lower production at Sines refinery due to the incident in the utilities plant and the incremental sales contribution from the newly-acquired Iberian operations formerly owned by Agip and ExxonMobil led the cover ratio of refining activities by marketing activities to attain 106.1%, up from 73.1% a year earlier;
- Natural gas sales tumbled 26.9% yoy to 1,075 million cubic metres, which was largely due to a shortfall in demand by the liberalised market, particularly the Electrical and Trading segments;
- Overall EBITDA RCA amounted to €151 million, of which the Refining & Marketing business segment accounted for 55.6%;
- Net profit RCA was €49 million, or €0.06 per share, and IFRS net profit was €44 million, or €0.05 per share;
- Capital expenditure in the quarter was €96 million, of which 47.3% was channelled to the Refining & Marketing segment.

EARNINGS RELEASE

PRESS CONFERENCE

Date and time: Wednesday 13 May 2009 at 5:00pm GMT (6:00pm CET)

Venue: Galp Energia head office – Tower A – Auditorium 1

CONFERENCE CALL AND AUDIO WEBCAST

Hosted by: Manuel Ferreira De Oliveira (CEO)
Claudio De Marco (CFO)
Tiago Villas-Boas (IR)

Date: Thursday 14 May 2009

Time: 09:00am GMT (10:00am CET)

Phones: UK: +44 (0) 203 14 74 600
Portugal: 707 785 662

Link: http://gaia.unit.net/galp/20090514/trunc

Chairperson: Tiago Villas-Boas

KEY FIGURES

Financial data

Million euros					
Fourth quarter		First quarter			
2008		2008	2009	Change	% Ch.
(557)	EBITDA	344	139	(204)	(59.5%)
242	EBITDA RC[1]	233	145	(88)	(37.7%)
244	**EBITDA RCA[2]**	**234**	**151**	**(83)**	**(35.4%)**
(628)	Operating profit	275	64	(211)	(76.6%)
170	Operating profit RC[1]	165	70	(94)	(57.3%)
179	**Operating profit RCA[2]**	**169**	**75**	**(94)**	**(55.6%)**
(451)	Net profit	196	44	(152)	(77.6%)
120	Net profit RC[1]	106	44	(62)	(58.1%)
125	**Net profit RCA[2]**	**109**	**49**	**(60)**	**(54.8%)**

[1] Replacement cost figures exclude inventory effects.
[2] Adjusted figures exclude inventory effects and other non recurrent items.

Market indicators

Fourth quarter		First quarter			
2008		2008	2009	Change	% Ch.
4.4	Rotterdam cracking refining margin[1] (Usd/bbl)	0.6	3.0	2.4	381.2%
4.8	Rotterdam hydroskimming + aromatics + base oil refining margin[1] (Usd/bbl)	(2.2)	2.5	4.7	n.m.
55.8	UK NBP natural gas price[2] (GBp/term)	53.1	46.5	(6.6)	(12.4%)
64.4	Spanish pool price[2] (€/MWh)	65.9	43.1	(22.8)	(34.6%)
54.9	Average Brent dated price[3] (Usd/bbl)	96.9	44.4	(52.5)	(54.2%)
1.32	Average exchange rate[4] (Eur/Usd)	1.50	1.30	(0.2)	(13.0%)
4.31	Euribor - six month[4] (%)	4.48	2.11	(2.4)	(52.9%)

[1] Source: Platts. For a complete description of the method for calculating Rotterdam margins see "Definitions".
[2] Source: Bloomberg.
[3] Source: Platts.
[4] Source: European Central Bank, Euribor 360.

Operating data

Fourth quarter		First quarter			
2008		2008	2009	Change	% Ch.
15.5	Average working interest production (kbbl/day)	13.8	13.3	(0.5)	(3.5%)
9.7	Average net entitlement production (kbbl/day)	9.9	8.4	(1.5)	(14.7%)
5.8	Galp Energia refining margin (Usd/bbl)	3.0	2.8	(0.2)	(8.0%)
3.0	Raw materials processed (million tonnes)	3.5	1.9	(1.5)	(43.8%)
2.7	Oil sales direct clients (million tonnes)	2.3	2.8	0.5	20.5%
1,225	Natural gas sales (million m^3)	1,471	1,075	(396)	(26.9%)
104	Electric power generation[1] (GWh)	136	147	11	8.1%

[1] Includes unconsolidated companies where Galp Energia has a significant interest.

BASIS OF PRESENTATION

Galp Energia's unaudited consolidated financial statements for the three months ended 31 March 2008 and 2009 were prepared in accordance with IFRS. The financial information contained in the consolidated income statement is reported for the quarters ended 31 March 2009 and 31 March 2008. The financial information contained in the consolidated balance sheet is reported as at 31 March 2009 and 31 December 2008.

Galp Energia's financial statements are prepared in accordance with IFRS and the cost of goods sold is, from 1 November 2008, valued at WAC. This change in accounting method is explained below under "Recent changes". The use of this valuation method may cause volatility in earnings when commodities and goods prices fluctuate, bringing about gains or losses in inventories that do not reflect the company's operating performance. Hereinafter in this document, this effect will be referred to as the *inventory effect*.

Another factor likely to affect company earnings without being an indicator of true performance is the set of events classed as non-recurrent such as gains or losses on the disposal of assets, impairments or reinstatements of fixed assets and environmental or restructuring charges.

With a view to evaluating the operating performance of the business, the replacement cost adjusted (RCA) operating and net profit measures used by Galp Energia exclude non-recurrent events and the inventory effect, the latter by having inventories valued according to the replacement cost method.

RECENT CHANGES

In January 2009 Galp Energia revised the consolidation method of companies where it has joint ownership and control and which were until the end of 2008 consolidated by the proportional method. From January 2009, Galp Energia consolidates those companies by the equity method in accordance with the "Exposure Draft 9" published by the IASB and which recommends the equity method consolidation for companies with joint ownership and control. This change was expected to turn effective in the first quarter of 2009. The equity consolidation method was not applied to the financial statements of the first quarter 2008 and fourth quarter 2008, making periods not comparable with the first quarter of 2009.

In the fourth quarter of 2008, inventory accounting changed from FIFO to WAC. Galp Energia had been using FIFO since 2004, when it adopted IAS/IFRS accounting. However, considering the diversity of the company's inventories as well as their geographical spread, the WAC method, already widely used by peers, proved to be the most appropriate for the company. To make periods comparable, these changes were applied to the results of the first quarter of 2008.

The acquisitions of Agip's and ExxonMobil's Iberian subsidiaries, completed on 1 October and 1 December 2008, respectively, influenced the comparability of results. Galp Energia has consolidated the Iberian operations of Agip since 1 October 2008 and those of ExxonMobil since 1 January 2009.

In the second quarter of 2008, Galp Energia revised the method of calculating its benchmark margin for Rotterdam's cracking and hydroskimming margins according to the criteria adopted in 2007 by the International Energy Agency. The benchmark margin for the Porto refinery now includes, in addition to the hydroskimming and aromatics margins, a base oil component existing in this refinery, thus replicating more truthfully the nature of the refinery's operations. To allow comparison with past periods, these changes have been reflected on the benchmark margins for the first quarter of 2008.

MARKET ENVIRONMENT

BRENT

In early 2009, dated Brent extended the trend of the last quarter of 2008 and continued to decline until it reached a low of Usd 39.7/bbl in mid-February. The recovery in the second half of the quarter led, however, to a dated Brent price at the end of March 27.3% above the beginning of the year's level and reaching Usd 46.5/bbl.

The rise in dated Brent in early January was promptly corrected, giving way to stabilised prices within the Usd 40.0/bbl to Usd 45.0/bbl range. While news of the prospect of OPEC cutting supply further strengthened prices in early January, weakening demand, rising inventories and disappointing reports on the state of the economy weighed on crude prices, with dated Brent ending the month at Usd 44.4/bbl.

Dated Brent remained stable in the first half of February whereupon it fell steeply below Usd 40.0/bbl. Prices recovered in the last few days of the month, largely as a result of OPEC's more restrictive production policies and setbacks in production in Nigeria and the Commonwealth of Independent States.

The pick-up in prices in the last days of February gathered momentum in March, which led to the rise in dated Brent virtually throughout the month. Despite attaining Usd 51.9/bbl in the month, the price at the end of the quarter settled at Usd 46.5/bbl. Improving sentiment about the recovery of the world economy and the markets in general generated expectations of a rise in oil demand.

OIL PRODUCTS

In the first quarter of the year, the gasoline crack spread traded at an average of Usd 9.5/bbl, up 66.8% quarter on quarter (qoq). The steep rise in January compared with December was due to lower refinery capacity utilisation, which restricted the supply of gasoline. This upward trend strengthened in the remaining months of the quarter, which led the gasoline crack spread to average Usd 10.7/bbl in February and Usd 10.8/bbl in March.

After posting a favourable performance in January, the diesel crack spread fell steeply in February, when it lost 47.0% compared with the January close and following lower demand by the industrial and transportation sectors. The modest pick-up in March, which led the crack spread to Usd 12.7/bbl by the end of the quarter, was driven by production cuts in Europe and the United States.

The fuel oil crack spread stayed in the first two months of 2009 at around the same levels as in December 2008. This was due to the rising demand by electricity producers as they responded to lower temperatures and to the falling supply of natural gas from Russia and LNG from the Middle East. In March, the crack spread averaged Usd -14.1/bbl as it was affected by the slowdown in the world economy, which limited utilities' needs of fuel oil.

REFINING MARGINS

Refining margins evidenced a falling trend in the first quarter, which was partly due to lower margins in middle distillates. Although the hydroskimming margin went up by an average of Usd 5.1/bbl and the cracking margin by an average of Usd 2.4/bbl, when compared to the first quarter 2008 average, both margins fell quarter on quarter. The hydroskimming margin averaged Usd 1.0/bbl in the quarter and the average cracking margin was Usd 3.0/bbl. The negative development of margins for products such as diesel and jet contributed to the fall in cracking margins in the quarter.

EUR/USD

The euro closed the quarter with an average of Usd 1.30, down 13.0% yoy and 1.1% qoq. In the beginning of March, the single currency hit a low for the quarter at Usd 1.26. In March the euro advanced 2.1% from the average level of February, to an average of Usd 1.30. This rise came partly as a response to the steps taken by the US Federal Reserve to increase the money supply, thereby reducing interest rates.

IBERIAN MARKET

The Portuguese market for oil products shrank 3.6% yoy to 2.5 million tonnes. Although the demand for diesel remained stable at 1.3 million tonnes, the demand for gasoline fell 4.1% to 345 thousand tonnes and the demand for jet dropped 10.6% to 200 thousand tonnes. Quarter on quarter, the demand for oil products fell 6.0% in Portugal as gasoline dropped 6.7% and jet 12.9%.

In Spain, the market for oil products fell even lower than in Portugal, 6.1% yoy to 15.2 million tonnes. The drop in demand was 6.9% for gasoline, 7.2% for diesel to 8.3 million tonnes and 16.5% for jet to 1.1 million tonnes. These decreases resulted from the slowdown in economic activity, which had an adverse impact on demand by both the business and consumer sectors.

The Portuguese market for natural gas contracted 16.8% yoy to 1,032 million cubic metres. This shortfall was primarily due to falling demand by electricity producers in a year when the higher rainfall favoured hydro power to the detriment of production by natural gas and also due to the industrial segment which also reduced demand.

Market indicators

Fourth quarter		First quarter			
2008		2008	2009	Change	% Ch.
54.9	Average Brent dated price[1] (Usd/bbl)	96.9	44.4	(52.5)	(54.2%)
25.4	Diesel crack[2] (USD/bbl)	22.9	14.4	(8.5)	(37.0%)
5.7	Gasoline[3] crack (Usd/bbl)	13.8	9.5	(4.3)	(31.1%)
(15.1)	Fuel oil crack[4] (Usd/bbl)	(33.4)	(12.5)	21.0	62.7%
4.4	Rotterdam cracking refining margin[1] (Usd/bbl)	0.6	3.0	2.4	381.2%
3.1	Rotterdam hydroskimming refining margin[1] (Usd/bbl)	(4.0)	1.0	5.1	n.m.
2.7	Portuguese oil market[5] (million ton)	2.6	2.5	(0.1)	(3.6%)
15.9	Spanish oil market[6] (million ton)	16.2	15.2	(1.0)	(6.1%)
1,034	Portuguese natural gas market[7] (million m^3)	1,240	1,032	(209)	(16.8%)

[1] Source: *Platts*.
[2] Source: *Platts*; ULSD 10ppm NWE CIF ARA. (ULSD 50 ppm up to the end of October 2008).
[3] Source: *Platts*; Premium Unleaded NWE FOB Barges.
[4] Source: *Platts*; 1% LSFO, NWE FOB Cargoes.
[5] Source: Apetro.
[6] Source: Cores. The figures of the first and fourth quarters of 2008 were restated to be comparable with the first quarter of 2009, which now includes marine bunkers.
[7] Source: Galp Energia.

FINANCIAL REVIEW

1. INCOME STATEMENT

Million euros					
Fourth quarter		First quarter			
2008		2008	2009	Change	% Ch.
3,579	Turnover	3,493	2,927	(566)	(16.2%)
(4,165)	Operating expenses	(3,165)	(2,808)	(357)	(11.3%)
29	Other operating revenues (expenses)	16	20	5	31.0%
(557)	**EBITDA**	**344**	**139**	**(204)**	**(59.5%)**
(71)	D&A and provisions	(68)	(75)	6	9.4%
(628)	**Operating profit**	**275**	**64**	**(211)**	**(76.6%)**
15	Net profit from associated companies	12	17	5	44.3%
0	Net profit from investments	-	(0)	(0)	n.m.
(16)	Net interest expenses	(9)	(18)	(9)	(96.9%)
(629)	Profit before tax and minority interests	278	64	(214)	(77.1%)
180	Income tax	(81)	(18)	(62)	(77.5%)
(1)	Minority Interests	(2)	(2)	(0)	(15.6%)
(451)	**Net profit**	**196**	**44**	**(152)**	**(77.6%)**
(451)	**Net profit**	**196**	**44**	**(152)**	**(77.6%)**
571	Inventory effect	(89)	1	(90)	n.m.
120	**Net profit RC**	**106**	**44**	**(62)**	**(58.1%)**
5	Non recurrent items	3	5	2	68.2%
125	**Net profit RCA**	**109**	**49**	**(60)**	**(54.8%)**

IFRS-based net profit in the first quarter of 2009 was €44 million, down from €196 million in 2008. This steep fall was partly due to opposite signs in the inventory effect as this measure posted minus €1 million for the first quarter of 2009 and plus €89 million a year earlier.

RCA net profit was €49 million, down from €109 million in 2008. This fall stemmed from the unfavourable operating results of the Exploration & Production and Gas & Power segments, as well as the rise in financial costs that followed from the increase in average debt in the period.

2. ANALYSIS OF INCOME STATEMENT ITEMS

SALES AND SERVICES RENDERED

Million euros					
Fourth quarter		First quarter			
2008		2008	2009	Change	% Ch.
3,579	**Sales and services rendered**	**3,493**	**2,927**	**(566)**	**(16.2%)**
-	Non recurrent items	-	-	-	n.m.
3,579	**Sales and services rendered RCA**	**3,493**	**2,927**	**(566)**	**(16.2%)**
29	Exploration & Production	65	10	(55)	(84.2%)
3,126	Refining & Marketing	3,056	2,511	(545)	(17.8%)
507	Gas & Power	450	429	(21)	(4.6%)
41	Others	28	29	1	2.9%
(122)	Consolidation adjustments	(107)	(53)	(54)	(50.6%)

Sales and services rendered fell 16.2% yoy to €2,927 million. In Exploration & Production, the fall was induced by lower crude prices and the drop in net entitlement production. In Refining & Marketing, falling prices of oil products in international markets had an adverse impact on the sales amount of these products. In Gas & Power, sales were negatively affected by lower volumes compared with the first quarter of 2008, when sales of natural gas were very strong.

OTHER NET OPERATING REVENUES

Million euros					
Fourth quarter		First quarter			
2008		2008	2009	Change	% Ch.
29	**Other net operating revenues**	**16**	**20**	**5**	**31.0%**
1	Non recurrent items	0	(5)	(5)	n.m.
30	**Adjusted other net operating revenues**	**16**	**16**	**0**	**0.9%**

Other net operating revenues of €20 million included €5 million in non recurrent income which was partly related to an accrual relative to indemnities from the incident at the Sines refinery. In adjusted terms, other net operating revenues did not change.

OPERATING COSTS

Million euros					
Fourth quarter		First quarter			
2008		2008	2009	Change	% Ch.
4,165	**Operational costs**	**3,165**	**2,808**	**(357)**	**(11.3%)**
(799)	Inventory effect	111	(6)	(117)	n.m.
3,367	**Operational costs RC**	**3,275**	**2,802**	**(473)**	**(14.5%)**
(1)	Non recurrent items	-	(10)	(10)	n.m.
3,365	**Operational costs RCA**	**3,275**	**2,791**	**(484)**	**(14.8%)**
3,365	**Operational costs RCA**	**3,275**	**2,791**	**(484)**	**(14.8%)**
3,068	Cost of goods sold	3,049	2,534	(515)	(16.9%)
213	Supply and services	155	178	23	14.9%
85	Personnel costs	71	79	8	11.0%

In the first quarter of 2009, RCA operating costs fell 14.8% to €2,791 million on the back of a lower cost of goods sold. Indeed, this item dropped 16.9% yoy in RCA terms as a result of the lower prices of crude and oil products in international markets. Supply and services cost rose 14.9% yoy to €178 million, reflecting the cost of €24 million arising from the absorption of Agip's and ExxonMobil's Iberian subsidiaries into Galp Energia.

Personnel costs rose 11.0% yoy to €79 million as the consolidation of Agip and ExxonMobil added €12 million to expenses.

Non recurrent items resulted primarily from the incident at the Sines refinery.

EMPLOYEES

	December 31, 2008	March 31, 2009	Change vs Dec 31, 2008
Exploration & Production	70	75	5
Refining & Marketing	6,686	6,610	(76)
Gas & Power	476	473	(3)
Corporte & Others	585	588	3
Total on site employees	**7,817**	**7,746**	**(71)**
Service stations employees	3,918	3,864	(54)
Total off site employees	**3,899**	**3,882**	**(17)**

At the end of March 2009, Galp Energia had 7,746 employees, 3,864 of whom at service stations. The net change in off-site employees in comparison with the end of 2008 took place in the Refining & Marketing business segment and was due to (i) the early retirement of 15 employees, (ii) the disposal of the *Galp Leixões* ship owned by the Sacor Marítima subsidiary, which led to the loss of 20 employees and (iii) the hiring of 13 employees at the African marketing subsidiaries. The former Iberian subsidiaries of Agip and ExxonMobil, now part of Galp Energia, contributed an additional 1,878 employees.

DEPRECIATIONS AND AMORTISATIONS

Million euros					
Fourth quarter		First quarter			
2008		2008	2009	Change	% Ch.
71	**D&A**	**58**	**65**	**7**	**12.5%**
(10)	Non recurrent items	(3)	(4)	(1)	(34.5%)
61	**Adjusted D&A**	**55**	**61**	**6**	**11.3%**
61	**Adjusted D&A**	**55**	**61**	**6**	**11.3%**
11	Exploration & Production	12	13	1	11.6%
46	Refining & Marketing	35	41	6	17.9%
4	Gas & Power	8	7	(1)	(16.9%)
0	Others	0	0	(0)	(17.4%)

Depreciation and amortisation charges increased 12.5% yoy to €65 million, while they rose 11.3% yoy to €61 million in adjusted terms. The increase originated mainly in the Refining & Marketing business segment following the acquisition of the Agip and ExxonMobil assets, which generated an additional €5 million in D&A charges. Non recurrent items of €4 million arose from costs related to the drilling of dry wells in the Brazilian onshore which were booked into the Exploration & Production business segment.

PROVISIONS

Million euros					
Fourth quarter		First quarter			
2008		2008	2009	Change	% Ch.
0	**Provisions**	**10**	**10**	**(1)**	**(7.6%)**
3	Non recurrent items	(1)	5	6	n.m.
4	**Adjusted provisions**	**10**	**15**	**5**	**52.9%**
4	**Adjusted provisions**	**10**	**15**	**5**	**52.9%**
5	Exploration & Production	1	2	1	106.3%
6	Refining & Marketing	1	6	5	404.2%
(8)	Gas & Power	8	7	(1)	(13.8%)
1	Others	(0)	1	1	n.m.

In the first quarter of 2009, provisions amounted to €10 million, €4 million of which were related to NLNG II, a supply contract for natural gas which is currently under renegotiation. The €5 million provision made in the fourth quarter of 2008 in the Refining & Marketing segment in respect to VAT regularization from some clients was reversed in the first quarter of 2009. This reversal is considered as non recurrent.

OPERATING PROFIT

Million euros					
Fourth quarter		First quarter			
2008		2008	2009	Change	% Ch.
(628)	**Operating profit**	**275**	**64**	**(211)**	**(76.6%)**
799	Inventory effect	(111)	6	(117)	n.m.
170	**Operating profit RC**	**165**	**70**	**(94)**	**(57.3%)**
8	Non recurrent items	4	5	0	10.4%
179	**Operating profit RCA**	**169**	**75**	**(94)**	**(55.6%)**
179	**Operating profit RCA**	**169**	**75**	**(94)**	**(55.6%)**
18	Exploration & Production	42	1	(41)	(97.4%)
216	Refining & Marketing	38	37	(1)	(3.1%)
(52)	Gas & Power	85	32	(53)	(62.0%)
(3)	Others	4	5	1	25.1%

IFRS-based operating profit dropped to €64 million from €275 million a year earlier. This stemmed partly from a negative inventory effect of €6 million as compared with the positive effect of €111 million in 2008 that resulted from the sharp increase in the prices of crude and oil products in international markets.

RCA operating profit amounted to €75 million. Although the Refining & Marketing operating profit was in line the with results a year earlier, it was not enough to offset the weak results from both Exploration & Production, which were negatively affected by lower crude oil price, and Gas & Power, which were hit by lower sales of natural gas.

OTHER RESULTS

Million euros					
		First quarter			
2008		2008	2009	Change	% Ch.
15	Net profit from associated companies	12	17	5	44.3%
0	Net profit from investments	-	(0)	(0)	n.m.
(16)	Financial results	(9)	(18)	(9)	(96.9%)

Results from associates increased 44.3% yoy to €17 million, of which €11 million were contributed by the equity holdings in international gas pipelines EMPL, Metragaz, Gasoducto Al Andaluz e Gasoducto Extremadura. The increase was mainly driven by the consolidation of CLC according to the equity method. Earlier, this subsidiary, which contributed results of €2 million in the quarter, had been consolidated according to the proportionate method.

The net financial loss of €18 million resulted from the expansion of average debt to €2,159 million from €784 million a year earlier.

INCOME TAX

Million euros (except otherwise noted)					
Fourth quarter		First quarter			
2008		2008	2009	Change	% Ch.
(180)	**Income tax IFRS[1]**	**81**	**18**	**(62)**	**(77.5%)**
n.m.	*Effective income tax*	*29%*	*28%*	*(0.5 p.p.)*	*n.m.*
227	Inventory effect	(21)	5	(26)	*n.m.*
48	**Income tax RC[1]**	**59**	**23**	**(36)**	**(60.7%)**
4	Non recurrent items	1	(0)	(2)	112.6%
51	**Income tax RCA[1]**	**61**	**23**	**(37)**	**(61.8%)**
29%	*Effective income tax*	*35%*	*31%*	*(4.1 p.p.)*	*n.m.*

[1] Includes oil tax (IRP) payable in Angola.

IFRS-based income tax decreased by €62 million yoy to €18 million. In adjusted terms, this income tax declined €37 million yoy to €23 million as operating profit dropped and financial costs climbed. In addition the IRP paid in Angola posted a decrease from €23 million in the first quarter of 2008 to €6 million in the first quarter of 2009. The effective RCA tax rate was 31.2%, down from 35.3% a year earlier. Excluding the effect of Angola's IRP oil tax, the effective RCA tax rate would have been 25.0%.

3. CONSOLIDATED BALANCE SHEET

Million euros (except otherwise noted)	December 31, 2008	March 31, 2009	Change vs Dec 31, 2008
Fixed assets	3,881	3,698	(183)
Strategic stock	480	595	116
Other assets (liabilities)	(29)	(48)	(19)
Working capital	(249)	162	411
	4,082	**4,408**	**325**
Short term debt	687	636	(50)
Long term debt	1,304	1,592	288
Total debt	**1,991**	**2,229**	**238**
Cash	127	86	(41)
Total net debt	**1,864**	**2,143**	**279**
Total shareholder's equity	**2,219**	**2,265**	**46**
Capital employed	**4,082**	**4,408**	**325**

Total assets went up in comparison with December 2008 primarily because of the increase in working capital. During the first quarter of 2009 Galp Energia drew down its payables account following one-off payments related with the acquisition of Agip and ExxonMobil Iberian subsidiaries and with the arbitrage process of the LNG contract ended in 2008, which amounted to €195 million and €67 millions, respectively.

The rise of €116 million in the value of strategic stock was partly due to the new method of accounting for advanced sales from competitors within the working capital account. These sales were deducted from strategic stock account up to the end of 2008, and are in the first quarter of 2009 presented by the net amount in working capital.

On the other hand, fixed assets went down, partly because associates began to consolidate according to the equity method rather than the proportionate method, as was the case up to the end of 2008.

DEBT

Million euros (except otherwise noted)	December 31, 2008		March 31, 2008		Change vs Dec 31, 2008	
	Short term	Long term	Short term	Long term	Short term	Long term
Bonds	2	-	2	-	-	-
Bank debt	485	754	535	1,042	50	288
Commercial paper	200	550	100	550	(100)	-
Cash	(127)	-	(86)	-	41	-
Net debt	**1,864**		**2,143**		**279**	
Average life (years)	2.68		3.25		0.56	
Net debt to equity	84%		95%		10.6 p.p.	

Net debt at the end of the first quarter of 2009 amounted to €2,143 million, up from €1,864 million at the end of December 2008. This increase resulted from one-off payments to suppliers related to the acquisition of the Iberian subsidiaries of Agip and ExxonMobil and amounting to €195 million. In the wake of the arbitration procedure related to the renegotiation of a LNG contract decided in the fourth quarter of 2008, €67 million were also paid in the quarter.

As debt rose, the net debt to equity ratio increased to 94.6% at the end of the quarter.

The average life of debt increased to 3.25 years at the end of March 2009, from 2.68 years at the end of December 2008, following a new 16-year borrowing of €300 million.

At the end of March, 71.4% of the debt – against 65.5% at the end of December – was long-term debt and 44.3% was at fixed rate. At the end of December, before the fixed-rate borrowing from the European Investment Bank, 31.6% of long-term debt was at fixed rate.

As benchmark rates subsided, the average cost of debt went down by 142 basis points yoy to 3.47%.

At the end of March 2009, Galp Energia had no US dollar-denominated debt.

On the same date, net debt attributable to minority interests amounted to €32 million.

4. CASH FLOW

Million euros			
Fourth quarter		First quarter	
2008		2008	2009
(628)	Operating profit	275	64
71	Non cash costs	58	65
366	Change in operational stock	(65)	(66)
514	Change in strategic stocks	(88)	75
322	**Sub total**	**180**	**139**
(21)	Interest expenses	(9)	(15)
(52)	Taxes	(12)	(5)
(40)	Change in working capital excluding operational stock	72	(304)
209	**Cash flow from operating activities**	**231**	**(186)**
(1,115)	Net capital expenditures and disposals[1]	(92)	(126)
(93)	Dividends paid / received	1	-
11	Others	(3)	33
(988)	**Total**	**136**	**(279)**

[1] Net capital expenditure and disposals include financial investments.

Net cash outflow of €279 million followed from lower operating profit in both the Exploration & Production and Gas & Power activities. The investment in working capital amounting to €304 million contributed to the negative swing in cash flow generation in the period. This increase resulted from one-off payments to suppliers related to the acquisition of the Iberian subsidiaries of Agip and ExxonMobil amounting to €195 million and from the arbitration process related to the renegotiation of LNG contract decided in the fourth quarter of 2008 amounting to €67 million.

As the debt rose, the outflow of cash following from higher financial costs also rose.

Net cash outflow from investing activities amounted to €126 million, down quarter on quarter, when the Agip and ExxonMobil operations were acquired, yet it was larger than the outflow of funds for investment a year earlier.

5. CAPITAL EXPENDITURE

Million euros					
Fourth quarter		First quarter			
2008		2008	2009	Change	% Ch.
44	Exploration & Production	64	33	(31)	(48.0%)
1,049	Refining & Marketing	21	45	24	114.7%
37	Gas & Power	14	17	3	21.7%
2	Others	0	1	1	s.s.
1,132	**Investment**	**99**	**96**	**(3)**	**(3.1%)**

Capital expenditure in the quarter amounted to €96 million. In the Exploration & Production business segment, spending was primarily channelled to the BBLT and Tômbua-Lândana fields in Angola's Block 14, which absorbed €19 million. In the Refining & Marketing business segment the investment reached €45 million, 47.3% in the total, and was mainly due to execution of the refinery conversion project. Capital spending in the Gas & Power business segment was primarily allocated to expanding the natural gas distribution network.

SEGMENT REVIEW

1. EXPLORATION & PRODUCTION

Million euros (except otherwise noted)					
Fourth quarter		First quarter			
2008		2008	2009	Change	% Ch.
15.5	**Average working interest production (kbbl/day)**	**13.8**	**13.3**	**(0.5)**	**(3.5%)**
9.7	**Average net entitlement production (kbbl/day)**	**9.9**	**8.4**	**(1.5)**	**(14.7%)**
0.9	**Total net entitlement production (million bbl)**	**0.9**	**0.8**	**(0.1)**	**(15.7%)**
0.1	Kuito (million bbl)	0.1	0.1	0.0	10.3%
0.7	BBLT (million bbl)	0.8	0.6	(0.1)	(17.7%)
0.1	Tômbua-Lândana (million bbl)	0.0	0.0	(0.0)	(47.6%)
60.8	**Average realized sale price1 (Usd/bbl)**	**107.5**	**43.9**	**(63.7)**	**(59.2%)**
6.5	**Operating cost[1] (Usd/bbl)**	**13.9**	**13.9**	**(0.0)**	**(0.0%)**
15.4	**Amortisation[1] (Usd/bbl)**	**19.2**	**22.2**	**2.9**	**15.1%**
1.9	**Total sales[2] (million bbl)**	**1.0**	**-**	**(1.0)**	**n.m.**
693	**Net total assets**	**635**	**729**	**95**	**14.9%**
29	Turnover	65	**10**	(55)	(84.2%)
9	**Operating profit**	**39**	(3)	**(42)**	**n.m.**
9	Non recurrent items	3	4	1	24.8%
18	**Operating profit RCA**	**42**	**1**	**(41)**	**(97.4%)**

[1] On the basis of net entitlement production.
[2] Considers effective sales.

EXPLORATION AND PRODUCTION ACTIVITIES

Working interest production declined 3.5% yoy to 13.3 thousand barrels/day. This production shortfall was primarily due to maintenance works and production cuts from OPEC.

The BBLT field, which continues to weigh heaviest in production with 81.2% of the total, produced 10.8 thousand barrels/day in the quarter.

Net entitlement production declined 14.7% yoy to 8.4 thousand barrels/day due to PSA accumulated impact in the second half of 2008. After a 17.7% decline yoy, the BBLT field's 627 thousand barrels accounted for 82.9% of total net entitlement production.

No sales were made in the quarter.

OPERATING PROFIT

RCA operating profit fell to €1 million, from €42 million a year earlier. This sharp reduction was due to lower crude prices in international markets.

Production costs fell 3.1% to €8 million and were negatively impacted by the euro depreciation against the US dollar. In US dollars, the reduction was 15.7%. In unit terms, the production cost was Usd 13.9/bbl, in line with a year earlier, since lower net entitlement production reduced the base for spreading fixed costs.

Amortisation charges excluding adjustments amounted to €13 million. In unit terms, depreciation rose to Usd 22.2/bbl from Usd 19.2/bbl a year earlier, which resulted from the downward revision of reserves at 31 December 2008 that had a direct impact on the amortisation rate for the quarter.

The operating profit was also affected by a provision of €2 million for the cost of abandoning Angola's Kuito and BBLT production fields. For the Brazilian activities,

€4 million were recorded in the quarter as costs on account of the drilling of three dry onshore wells. This amount was considered as a non recurrent item.

2. REFINING & MARKETING

Million euros (except otherwise noted)						
Fourth quarter		First quarter				
2008		2008	2009	Change	% Ch.	
4.4	**Rotterdam cracking refining margin[1] (Usd/bbl)**	**0.6**	**3.0**	**2.4**	**381.2%**
4.8	**Rotterdam hydroskimming + aromatics + base oil refining margin[1] (Usd/bbl)**	**(2.2)**	**2.5**	**4.7**	**n.m.**
5.8	**Galp Energia refining margin (Usd/bbl)**	**3.0**	**2.8**	**(0.2)**	**(8.0%)**
2.8	**Refinery cash cost (Usd/bbl)**	**2.1**	**3.1**	**1.0**	**50.2%**
20,780	**Crude processed (k bbl)**	**23,649**	**13,270**	**(10,379)**	**(43.9%)**
3.0	**Raw material processed (million tonnes)**	3.5	**1.9**	**(1.5)**	**(43.8%)**
4.3	**Total refined product sales (million tonnes)**	3.9	**3.9**	**0.1**	**1.4%**
2.7	**Sales to direct clients (million tonnes)**	2.3	**2.8**	**0.5**	**20.5%**
1.4	Wholesale	1.1	1.4	0.3	30.9%
0.8	Retail	0.6	0.9	0.3	41.0%
0.1	LPG	0.1	0.1	0.0	10.0%
0.4	Others	0.5	0.4	(0.1)	(23.8%)
0.6	**Exports (million tonnes)**	0.6	**0.4**	**(0.2)**	**(36.5%)**
1,509	**Number of service stations**	1,025	**1,497**	**472**	**46.0%**
428	**Number of c-stores**	213	**428**	**215**	**100.9%**
4,619	**Net total assets**	4,123	**4,424**	**301**	**7.3%**
3,126	Turnover	3,056	2,511	(545)	(17.8%)
(605)	**Operating profit**	**142**	**38**	**(104)**	**(73.1%)**
812	Inventory effect	(105)	4	(109)	n.m.
9	Non recurrent items	0	(6)	(7)	n.m.
216	**Operating profit RCA**	**38**	**37**	**(1)**	**(3.1%)**

[1] Source: Platts. For a complete description of the method for calculating Rotterdam margins, see "Definitions".

REFINING AND MARKETING ACTIVITIES

In the first quarter of 2009, 13.3 million barrels of crude oil were processed, down from 23.6 million barrels a year earlier. This decline was due to the incident in the Sines refinery's utilities plant on 17 January, which discontinued raw material processing for close to six weeks. Activity at the alkylation and FCC units did not, however, resume until the end of the quarter, which impacted the final yield on refined products for the period. The refining activity's utilisation rate fell to 47.6% from 84.8% a year earlier.

The share of crude oil in processed raw materials edged higher to 92.1% from 91.7% a year earlier. Light crude and condensates accounted for 33.3% of total production, followed by medium (44.7%) and heavy (22.0%) crudes.

The low capacity utilisation of the Sines refinery and the late resumption of activity by the alkylation and FCC units led to a change in the production profile. As such, fuel oil's weight in total production rose to 21.0% from 17.2% a year earlier, jet's weight rose to 36.0% from 4.5%, while diesel's weight fell to 4.9% from 37.1% and gasoline's weight fell to 13.7% from 23.3%.

Sold volumes rose 1.4% yoy to 3.9 million tonnes. This included 668 thousand tonnes from the marketing activities of former Agip and ExxonMobil subsidiaries, which were consolidated on 1 October 2008 and 1 January 2009, respectively. Volumes generated by the Spanish subsidiaries accounted for 46.0% of the total sold in Spain and more than offset the shortfall in the Portuguese market.

Exports fell 36.5% yoy and presented the following features: (i) a reduction of 67.2% in gasoline due to the scheduled shutdown of the Sines refinery, (ii) a reduction of 16.3% in fuel oil and (iii) an increase of 17.9% in lubricants.

The combined effect of lower production at Sines refinery due to the incident in the utilities plant and the incremental sales contribution from the newly-acquired Iberian operations formerly owned by Agip and ExxonMobil conditioned the cover ratio of refining by marketing activities. This ratio measured as the average of the last three years' production was 106.1% in the first quarter of 2009, up from 73.1% a year earlier.

Sales to direct clients rose 20.5% yoy following the additional sales of oil products by the acquired Agip and ExxonMobil operations.

At the end of March of 2009, Galp Energia had 1,497 service stations, up 472 yoy. This followed from the acquisition of the Agip and ExxonMobil Iberian marketing networks in late 2008.

The number of Galp Energia's convenience stores in the Iberian Peninsula remained unchanged at 428 in comparison with December 2008.

OPERATING PROFIT

IFRS-based operating profit for the segment was €38 million, including a negative inventory effect of €4 million and a positive non recurrent effect of €6 million, mostly due to the reversion in the first quarter of 2009 of a provision made in the fourth quarter of 2008 in respect to VAT regularization from some clients.

RCA operating profit declined 3.1% yoy to €37 million as the negative time lag effect almost trebled yoy to €15 million.

Although international refining margins were favourable in the quarter, Galp Energia's own refining margin was affected by the unscheduled shutdown of the Sines refinery that lowered capacity utilisation and delayed the resumption of activity at the alkylation and FCC units until the end of the quarter.

Even so, Galp Energia achieved a unit refining margin of Usd 2.8/bbl, equivalent to an increase of 5.7% in euro terms on the back of the US dollar appreciation against the euro. Although own consumption and losses improved to 7.9% of processed raw materials, down from 8.5% a year earlier, the refining margin was negatively affected by the fire at the Sines refinery's utilities plant.

The marketing of oil products raised its contribution to the segment's operating profit on the back of the positive results by the acquired Agip and ExxonMobil operations, particularly in Spain.

3. GAS & POWER

Million euros (except otherwise noted)						
Fourth quarter		First quarter				
2008		2008	2009	Change	% Ch.
1,225	**NG supply total sales volumes (million m^3)**	**1,471**	**1,075**	**(396)**	**(26.9%)**
586	**Liberalised market sales volumes (million m^3)**	**825**	**490**	**(335)**	**(40.6%)**
392	Electrical	594	411	(183)	(30.8%)
52	Industrial	16	76	60	382.9%
142	Trading	215	2	(213)	(98.9%)
638	**Regulated market sales volumes (million m^3)**	**646**	**585**	**(61)**	**(9.4%)**
467	Industrial	491	404	(87)	(17.7%)
35	Commercial	23	31	9	38.4%
55	Residential	67	77	10	15.6%
82	Other supply companies	66	73	7	10.3%
868	**NG distribution clients[1] (thousands)**	**832**	**886**	**55**	**6.6%**
104	**Electric power generation[2] (GWh)**	**136**	**147**	**11**	**8.1%**
102	**Sales of electricity to the grid[2]**	**134**	**144**	**10**	**7.7%**
755	**Natural gas net fixed assets[3]**	**733**	**757**	**24**	**3.3%**
1,659	**Net total assets**	**1,616**	**1,677**	**60**	**3.7%**
507	Turnover	450	429	(21)	(4.6%)
(29)	**Operating profit**	**90**	**31**	**(59)**	**(65.6%)**
(13)	Inventory effect	(6)	1	7	n.m.
(10)	Non recurrent items	1	(0)	(1)	n.m.
(52)	**Operating profit RCA**	**85**	**32**	**(53)**	**(62.0%)**
(79)	Supply	52	(1)	(53)	n.m.
26	Infrastructure	33	33	(0)	(1.4%)
1	Power	0	1	1	493.1%

[1] Includes unconsolidated companies where Galp Energia has a significant interest.
[2] Includes Energin, which does not consolidate but where Galp Energia has a 35% holding. In the first quarter of 2009, this company generated power of 74 GWh and sold 72 GWh of electricity to the grid.
[3] Excludes financial investments. Net fixed assets are on a consolidated basis.

GAS AND POWER ACTIVITIES

Sales of natural gas fell 26.9% yoy to 1,075 million cubic metres, with the liberalised market accounting for 84.6% of this shortfall. The 30.8% drop in sales to the electric power segment was due to the rise in hydro generation given rainfall levels in the quarter, which impacted negatively on the use of natural gas. In the trading segment, lower sales volumes stemmed from unattractive conditions, due to the decrease in natural gas sale margins, resulting from low natural gas demand in international markets.

Sales to the Spanish industrial market reached 41 million cubic metres, which was double the volume of a year earlier, when sales of natural gas started in this market segment.

The volume of natural gas transported on the networks operated by Galp Energia's distribution companies totalled 0.4 billion cubic metres.

Electricity production in the quarter increased 8.1% yoy to 147 GWh, which reflected a shutdown for maintenance of the Carriço cogeneration in the first quarter of 2008. To achieve this production, 43 million cubic metres of natural gas were used in Galp Energia's cogeneration plants, a volume that accounted for 11.6% of the Portuguese industrial market. Sales of electricity to the grid rose 7.7% to 144 GWh.

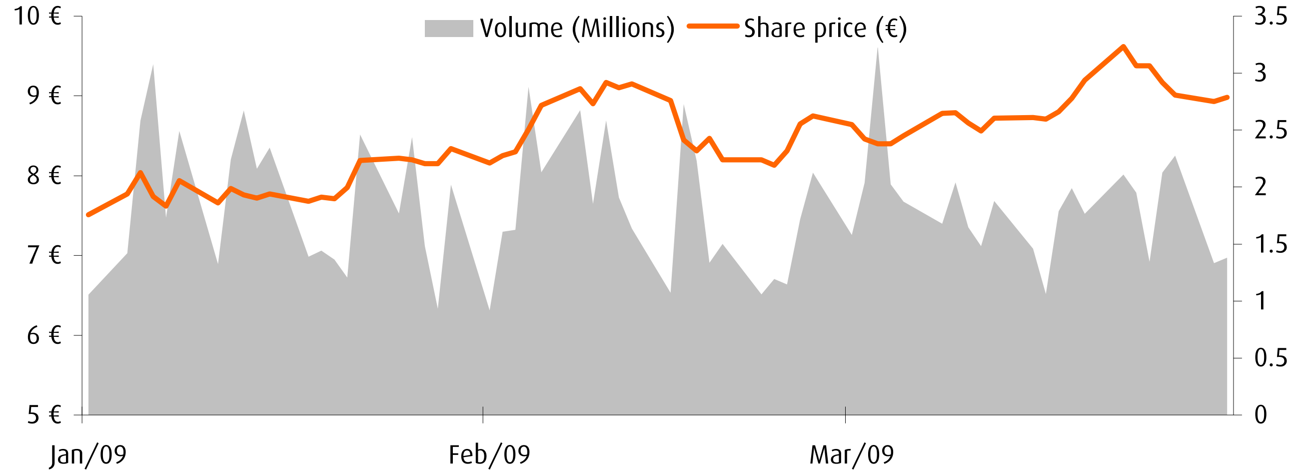
OPERATING PROFIT

RCA operating profit fell to €32 million from €85 million a year earlier. While the infrastructure business reported results in line with a year earlier, the liberalised segment reported a loss of €1 million against a profit of €52 million in the first quarter of 2008. This unfavourable result was due to lower volumes sold and to the margins obtained in the electric power segment as a result of the time lag embedded in the pricing mechanisms for the acquisition and sale of natural gas.

In the Power business, the unit margin fell to €10.9/MWh from €13.2/MWh a year earlier. Sales to the grid were made at an average price of €107.1/MWh.

THE GALP ENERGIA SHARE

Performance of the Galp Energia share



Source: Bloomberg

The Galp Energia stock gained 25.1% in the quarter and closed at €8.98 at the end of March. From the IPO on 23 October 2006 up to 31 March 2009, the share gained 54.6%, representing a 19.5% annualized return. During the quarter, the stock reached a peak of €9.78 and a low of €7.22. Close to 115.6 million shares were traded, reflecting an average daily volume of 1.83 million. At 31 March 2009, Galp Energia had a market capitalisation of €7,447 million.

Share detail	
ISIN	PTGAL0AM0009
Reuters	GALP.LS
Bloomberg	GALP PL
Number of shares	829,250,635

Main indicators	2008	1Q 2009
Min (€)	5.95	7.22
Max (€)	18.95	9.78
Average (€)	13.05	8.45
Close price (€)	7.18	8.98
Volume (M shares)	643.6	115.6
Average volume per day (M shares)	2.5	1.8
Market cap (M€)	5,954	7,447

MATERIAL EVENTS IN THE FIRST QUARTER OF 2009

REFINING & MARKETING

GALP ENERGIA AND SONAE DISTRIBUIÇÃO AGREE TO TERMINATE THEIR JOINT OPERATION OF FILLING STATIONS AT CONTINENTE NETWORK OUTLETS

On 16 January, Galp Energia agreed with Sonae Distribuição the termination of their joint operation of filling stations. The agreement had been signed in February 2008 following Sonae Distribuição's acquisition of the former Carrefour subsidiary in Portugal and was waiting for approval by the competition authorities.

INCIDENT IN THE UTILITIES PLANT AT THE SINES REFINERY

On 17 January, a fire erupted in the utilities plant of the Sines refinery. The blaze was restricted to the utilities plant, a factory producing electricity and steam to power Galp Energia's industrial complex at Sines, and did not affect any process unit at the refinery. Upon a first appraisal, the refinery shutdown was estimated at up to six weeks, with activity resuming gradually after that period elapsed. Activity resumed at the refinery within the estimated time.

PRIZE AWARDS

In March 2009, Galp Energia was ranked first at European level, second in the oil and gas industry and third in the world for the "Best Financial Disclosure Procedures" award at the 11th edition of the Investor Relations Global Rankings, among over 150 participating companies from around the world.

EVENTS AFTER THE CLOSE OF THE FIRST QUARTER OF 2009

GENERAL MEETING

RESOLUTIONS BY THE ANNUAL GENERAL MEETING (AGM)

Galp Energia informed on 27 April 2009 that the items on the agenda of the AGM of that same day had been approved as follows:

1. The consolidated management report and the separate and consolidated accounts for financial 2008 as well as the remaining reporting documents;

2. The corporate governance report;

3. The proposed allocation of net profit providing for

- The transfer of €18,884 thousand (5%) to the legal reserve;
- The payment of a dividend of €0.32 per share, or €265,360 thousand in total
- Retained earnings of €188,729 thousand
- A total amount of €472,973 thousand

4. A vote of recognition to the board of directors and the supervisory bodies – both the audit board and the chartered accountants – and to each of their members individually;

5. The election of Pedro Antunes de Almeida as secretary of the general meeting committee for the current 2008-2010 term;

6. The amendment of article 10, third paragraph, of Galp Energia's articles of association, which shall hereinafter read as follows:

QUOTE

Article 10

(...) 3. Each share is entitled to one vote.

DIVIDEND PAYMENT

Galp Energia announced on 30 April the payment, as from 25 May 2009, of the final dividend of €0.17035 per share relating to financial 2008.

EXPLORATION & PRODUCTION

FPSO BW CIDADE DE SÃO VICENTE STARTS EXTENDED WELL TESTING IN THE TUPI

Galp Energia announced the start on 1 May of extended well tests in the Santos Basin's Tupi field by FPSO BW Cidade de São Vicente.

ASSOCIATES

1. MAJOR ASSOCIATES

Company	Country	Business Segment	Equity Share	Consolidation method
Petróleos de Portugal, Petrogal, S.A.	Portugal	R&M	100%	Full
Galp Energia España, S.A.	Spain	R&M	100%	Full
Galp Exploração e Produção Petrolífera, S.A.	Portugal	E&P	100%	Full
CLCM - Companhia Logística da Madeira, S.A.	Portugal	R&M	75%	Full
CLC - Companhia Logística de Combustíveis, S.A.	Portugal	R&M	65%	Equity
CLH - Compañia Logística de Hidrocarboros, S.A.	Spain	R&M	5%	Equity
GDP, Gás de Portugal, SGPS, S.A.	Portugal	G&P	100%	Full
Galp Gás Natural, S.A.	Portugal	G&P	100%	Full
Transgás, S.A.	Portugal	G&P	100%	Full
Transgás, Armazenagem, S.A.	Portugal	G&P	100%	Full
EMPL - Europe MaghrebPipeline, Ltd	Spain	G&P	27%	Equity
Gasoduto Al-Andaluz, S.A.	Spain	G&P	33%	Equity
Gasoduto Extremadura, S.A.	Spain	G&P	49%	Equity
GDP Distribuição, SGPS, S.A.	Portugal	G&P	100%	Full
Lisboagas, S.A.	Portugal	G&P	100%	Full
Lusitaniagás, S.A.	Portugal	G&P	85%	Full
Setgás, S.A.	Portugal	G&P	45%	Equity
Beiragás, S.A.	Portugal	G&P	59%	Full
Duriensegás, S.A.	Portugal	G&P	100%	Full
Tagusgás, S.A.	Portugal	G&P	41%	Equity
Galp Power, SGPS, S.A.	Portugal	G&P	100%	Full
Galp Energia, S.A.	Portugal	Others	100%	Full

2. RESULTS FROM ASSOCIATES

Million euros					
Fourth quarter		First quarter			
2008		2008	2009	Change	% Ch.
0.6	CLH	1.8	1.6	(0.2)	(8.6%)
-	CLC	-	2.3	2.3	n.m.
11.8	International Pipelines	9.5	11.0	1.5	15.8%
0.7	Setgás - Natural Gas Distribution Company	1.0	1.3	0.3	28.2%
1.7	Others	0.1	(0.0)	(0.2)	n.m.
14.8	**Sub total**	**12.4**	**16.1**	**3.8**	**30.6%**
0.5	Consolidation adjustments	(0.5)	1.0	1.5	n.m.
15.3	**Total**	**11.9**	**17.1**	**5.3**	**44.3%**

RECONCILIATION OF REPORTED AND REPLACEMENT COST ADJUSTED FIGURES

1. REPLACEMENT COST ADJUSTED OPERATING PROFIT BY SEGMENT

Million euros										
2008					First quarter	2009				
Operating profit	Inventory effect	Operating profit RC	Non recurrent items	operating profit RCA		Operating profit	Inventory effect	Operating profit RC	Non recurrent items	operating profit RCA
275	**(111)**	**165**	**4**	**169**	**Operating profit**	**64**	**6**	**70**	**5**	**75**
39	-	39	3	42	E&P	(3)	-	(3)	4	1
142	(105)	37	0	38	R&M	38	4	43	(6)	37
90	(6)	84	1	85	G&P	31	1	32	(0)	32
4	-	4	-	4	Others	(2)	-	(2)	7	5

2. REPLACEMENT COST ADJUSTED EBITDA BY SEGMENT

Million euros										
2008					First quarter	2009				
EBITDA	Inventory effect	EBITDA RC	Non recurrent items	EBITDA RCA		EBITDA	Inventory effect	EBITDA RC	Non recurrent items	EBITDA RCA
344	**(111)**	**233**	**0**	**234**	**EBITDA**	**139**	**6**	**145**	**6**	**151**
54	-	54	0	54	E&P	16	-	16	(0)	15
179	(105)	74	0	74	R&M	80	4	85	(1)	84
107	(6)	101	(0)	101	G&P	44	1	46	(0)	46
4	-	4	-	4	Others	(1)	-	(1)	7	6

3. NON RECURRENT ITEMS

Exploration & Production

Million euros			
Fourth quarter		First quarter	
2008		2008	2009
	Exclusion of non recurrent items		
-	Gains / losses on disposal of assets	-	(0.0)
(0.5)	Assets write offs	0.0	(0.4)
9.0	Assets impairments	2.9	4.0
0.8	Provisions for environmental charges and others	-	-
(0.4)	Others	-	-
8.8	**Non recurrent items of operating profit**	**2.9**	**3.7**
-	Other financial results	-	-
8.8	**Non recurrent items before income taxes**	**2.9**	**3.7**
(2.8)	Income taxes on non recurrent items	(1.0)	(1.2)
6.0	**Total non recurrent items**	**1.9**	**2.4**

Refining & Marketing

Million euros			
Fourth quarter		First quarter	
2008		2008	2009
	Exclusion of non recurrent items		
0.0	Sale of strategic stock	-	-
2.2	Monobuoy costs	-	-
-	Accidents caused by natural facts	0.0	(1.5)
(0.9)	Gains / losses on disposal of assets	(0.0)	(1.3)
0.3	Assets write offs	0.0	0.0
1.1	Employees contracts rescission	-	0.8
-	Sines refinery fire - accidents	-	1.0
5.4	Provisions for environmental charges and others	0.1	(5.1)
0.6	Assets impairments	0.1	(0.0)
0.5	Others	0.4	-
9.4	**Non recurrent items of operating profit**	**0.5**	**(6.0)**
-	Capital gains / losses on disposal of financial investments	-	-
9.4	**Non recurrent items before income taxes**	**0.5**	**(6.0)**
(2.2)	Income taxes on non recurrent items	(0.1)	1.4
7.1	**Total non recurrent items**	**0.4**	**(4.6)**

Gas & Power

Million euros			
Fourth quarter		First quarter	
2008		2008	2009
	Exclusion of non recurrent items		
-	Services rendered	-	-
(0.5)	Gains / losses on disposal of assets	(0.0)	(0.0)
0.0	Assets Write offs	-	-
-	Collections related to the sale of land	-	-
0.1	Employees contracts rescission	-	-
(9.2)	Provisions for environmental charges and others	0.7	-
(1.0)	Provisions for other risks and charges	-	(0.9)
(9.7)	**Non recurrent items of operating profit**	**0.7**	**(0.0)**
-	Capital gains / losses on disposal of financial investments	-	-
-	Other financial results	-	-
(9.7)	**Non recurrent items before income taxes**	**0.7**	**(0.0)**
1.5	Income taxes on non recurrent items	(0.2)	0.0
(8.2)	**Total non recurrent items**	**0.5**	**(0.0)**

Other

Million euros			
Fourth quarter		First quarter	
2008		2008	2009
	Exclusion of non recurrent items		
(0.0)	Gains / losses on disposal of assets	-	-
-	Sines refinery fire - accidents	-	7.0
-	Assets write-offs	-	-
(0.0)	Provisions for environmental charges and others	-	-
(0.0)	**Non recurrent items of operating profit**	**-**	**7.0**
-	Capital gains / losses on disposal of financial investments	-	-
(0.0)	**Non recurrent items before income taxes**	**-**	**7.0**
(0.0)	Income taxes on non recurrent items	-	-
(0.0)	**Total non recurrent items**	**-**	**7.0**

Consolidated summary

Million euros			
Fourth quarter		First quarter	
2008		2008	2009
	Exclusion of non recurrent items		
0.0	Sale of strategic stock	-	-
2.2	Monobuoy costs	-	-
-	Accidents caused by natural facts	0.0	(1.5)
(1.6)	Gains / losses on disposal of assets	(0.0)	(1.3)
(0.1)	Assets write off	0.0	(0.3)
1.2	Employees contracts rescission	-	0.8
-	Sines refinery fire - accidents	-	8.0
(3.0)	Provisions for environmental charges and others	0.8	(5.1)
9.5	Assets impairments	3.0	4.0
0.1	Others	0.4	-
8.4	**Non recurrent items of operating profit**	**4.2**	**4.6**
-	Capital gains / losses on disposal of financial investments	-	-
-	Other financial results	-	-
8.4	**Non recurrent items before income taxes**	**4.2**	**4.6**
(3.5)	Income taxes on non recurrent items	(1.3)	0.2
4.9	**Total non recurrent items**	**2.8**	**4.8**

CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED INCOME STATEMENT

Million euros			
Fourth quarter		First quarter	
2008		2008	2009
	Operating income		
3,473	Sales	3,461	2,839
106	Services rendered	32	87
42	Other operating income	20	30
3,621	**Total operating income**	**3,513**	**2,956**
	Operating costs		
(3,866)	Inventories consumed and sold	(2,938)	(2,540)
(213)	Material and services consumed	(155)	(188)
(86)	Personnel costs	(71)	(80)
(71)	Amortisation and depreciation cost	(58)	(65)
(0)	Provision and impairment of receivables	(10)	(10)
(12)	Other operating costs	(5)	(9)
(4,249)	**Total operating costs**	**(3,238)**	**(2,892)**
(628)	**Operating profit**	**275**	**64**
15	Net profit from associated companies	12	17
0	Net profit from investments	-	(0)
	Financial results		
4	Financial profit	3	4
(25)	Financial costs	(13)	(19)
6	Exchange gain (loss)	1	(2)
(0)	Profit and cost on financial instruments	(0)	0
(0)	Other gains and losses	(0)	(0)
(629)	**Profit before taxes**	**278**	**64**
180	Income tax expense	(81)	(18)
(450)	**Profit before minority interest**	**198**	**46**
(1)	Profit attributable to minority interest	(2)	(2)
(451)	**Net profit for the period**	**196**	**44**
(0.54)	**Earnings per share (in Euros)**	**0.24**	**0.05**

2. CONSOLIDATED BALANCE SHEET

Million euros	December 31, 2008	March 31, 2009
Assets		
Non current assets		
Tangible fixed assets	2,760	2,718
Goodwill	172	185
Other intangible fixed assets	409	433
Investments in associates	297	361
Investments in other participated companies	1	2
Other receivables	84	99
Deferred tax assets	200	203
Other financial investments	5	1
Total non current assets	**3,928**	**4,001**
Current assets		
Inventories	1,076	1,067
Trade receivables	988	882
Other receivables	500	583
Other financial investments	3	5
Current Income tax recoverable	-	-
Cash and cash equivalents	127	86
Total current assets	**2,695**	**2,623**
Total assets	**6,623**	**6,624**
Equity and liabilities		
Equity		
Share capital	829	829
Share premium	82	82
Translation reserve	(27)	(21)
Other reserves	174	175
Hedging reserves	(2)	(7)
Retained earnings	1,020	1,137
Profit attributable to equity holders of the parent	117	44
Equity attributable to equity holders of the parent	**2,194**	**2,239**
Minority interest	25	26
Total equity	**2,219**	**2,265**
Liabilities		
Non current liabilities		
Bank loans and overdrafts	1,304	1,592
Bonds	-	-
Other payables	56	68
Retirement and other benefit obligations	256	259
Deferred tax liabilities	18	21
Other financial instruments	3	10
Provisions	99	107
Total non current liabilities	**1,737**	**2,058**
Current liabilities		
Bank loans and overdrafts	685	635
Bonds	2	2
Trade payables	993	738
Other payables	982	922
Other financial instruments	2	2
Income tax	4	3
Total current liabilities	**2,667**	**2,301**
Total liabilities	**4,404**	**4,359**
Total equity and liabilities	**6,623**	**6,624**

ADDITIONAL INFORMATION

GLOSSARY

EBITDA	EBITDA is defined as net operating income plus depreciation, amortisation and provisions. EBITDA is not a standard measure, the reason it should not be used in comparisons between companies. EBITDA is not a direct liquidity measure and should be analyzed jointly with the actual cash flows resulting from operating activities and taking into account existing financial commitments
Galp Energia, company or group	Galp Energia, SGPS, S.A. and associates
IRP	Tax on revenue generated by the sale of oil in Angola
Rotterdam cracking refining margin	Rotterdam Cracking refining margin: -100% Dated Brent, +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 1% FOB Cg.; C&L: 7.7%; Terminal rate: 1 $/ton; Ocean loss: 0.15% over Dated Brent; Freight 2008: WS Aframax (80 kts) Route Sullom Voe / Rotterdam - Flat 5.13 $/ton. Yields in % of weight.
Rotterdam hydroskimming + aromatics + base oils refining margin	Rotterdam hydroskimming refining margin: -100% Dated Brent, +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 Dated Brent; Freight 2008: WS Aframax (80 kts) Route Sullom Voe / Rotterdam - Flat 5.13 $/ton. Rotterdam aromatics refining margin: -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% Ortoxylene Rotterdam FOB Bg.. Consumptions: -18% LSFO 1% CIF NEW. Yields in % of weight. Base Oils refining margin: -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 Dated Brent; Freight 2008: WS Aframax (80 kts) Route Sullom Voe / Rotterdam - Flat 5.13 $/ton. Yields in % of weight. Rotterdam hydroskimming + Aromatics + Base oils refining margin = 65%

	Rotterdam hydroskimming refining margin + 15% Rotterdam aromatics refining margin + 20% Base Oils refining margin.
Replacement cost ("RC")	According to this method of valuing inventories, the cost of goods sold is valued at *the cost of replacement*, i.e. at the average cost of raw materials on the month when sales materialise irrespective of inventories at the start or end of the period. The Replacement Cost Method is not accepted by accounting standards – either Portuguese GAAP or IFRS – and is consequently not adopted for valuing inventories. This method does not reflect the cost of replacing other assets.

ACRONYMS

Bbl: barrels; BBLT: Benguela, Belize, Lobito and Tomboco; bbl/d: barrels a day; Bg: *Barges*; Cg: *Cargoes*; CIF: *Cost, Insurance and Freight*; CLC: Companhia Logística de Combustíveis; CLH: Companhia Logística de Hidrocarburos, S.A.; D&A: Depreciation and amortisation; E&P: Exploration & Production; €: Euro; FCC: Fluid Catalytic Cracking; FIFO: First In First Out (inventory valuation method); FOB: *Free on Board*; G&P: Gas & Power; IAS: International Accounting Standards; IEA: International Energy Agency; IFRS: International Financial Reporting Standards; LIFO: Last In First Out (inventory valuation method); LNG: Liquefied Natural Gas; LSFO: *Low sulphur fuel oil*; m^3: cubic metres; n.m.: not meaningful; OMIP: Iberian Energy Market Operator; PM UL: *Premium unleaded*; PSA: Production Sharing Agreement; R&M: Refining & Marketing; RCA: Replacement Cost Adjusted; SXEP: DJ Europe Oil&Gas Index; TL: Tômbua Lândana; ULSD CIF Cg: *Ultra Low sulphur diesel* CIF *Cargoes*; USA: United States of America; Usd: US dollar; OPEC - *Organization of the Petroleum Exporting Countries*; WAC: Weighted Average Cost (inventory valuation method).

Investor Relations and Corporate Communication
Tel: +351 21 724 08 66
Fax: +351 21 724 29 65
E-mail: investor.relations@galpenergia.com
Website: www.galpenergia.com

Galp Energia, SGPS, S.A.
Public Company
Head Office: Rua Tomás da Fonseca Torre C, 1600-209 Lisbon
Share Capital: 829,250,635 Euros
Registered at the commercial registry Office of Lisbon
Company tax number 504 499 777