



# RESULTS

FIRST QUARTER 2010

*Extending success into new challenges*



## TABLE OF CONTENTS

Executive summary .....	3
Key figures.....	4
Basis of presentation .....	5
Market environment.....	6
Financial review .....	8
1. Income statement .....	8
2. Analysis of income statement items .....	9
3. Financial position.....	14
4. Cash flow .....	15
5. Capital expenditure .....	16
Segment review .....	17
1. Exploration & Production .....	17
2. Refining & Marketing .....	19
3. Gas & Power .....	21
The Galp Energia stock.....	23
Events in the first quarter of 2010 .....	24
Events after the close of the first quarter of 2010 .....	25
Associates.....	26
1. Main associates .....	26
2. Results from associates .....	26
Reconciliation of reported and replacement cost adjusted figures .....	27
1. Replacement cost adjusted operating profit by segment .....	27
2. Replacement cost adjusted EBITDA by segment.....	27
3. Non recurrent items .....	28
Consolidated financial statements.....	31
1. Consolidated income statement .....	31
2. Consolidated financial position .....	32
Additional information.....	33

## EXECUTIVE SUMMARY

Galp Energia's RCA net profit for the first quarter of 2010 was €65 million, up 32% year on year (yoy).

This result was influenced by the favourable performance of the Exploration & Production and Gas & Power business segments due to the increase in crude price and production and the recovery of natural gas volumes, respectively.

## SUMMARY OF RESULTS – FIRST QUARTER 2010

- The working interest production of crude oil rose 39% yoy and 5% quarter on quarter (qoq) to 18.5 thousand barrels per day following the contribution from the Tômbua-Lândana's CPT and the Tupi field, which had a combined output of 5.4 thousand barrels per day;
- Galp Energia's refining margin decreased 3% to Usd 2.7/bbl and crude processed increased 67% compared with a year earlier, when the incident in the Sines refinery's utilities unit took place;
- Marketing of oil products, particularly in Spain, was negatively affected by the current economic environment, which had an impact on both margins and volumes;
- Natural gas volumes sold rose 10% yoy to 1,179 million cubic metres, with 70% of the total going to the liberalised market;

- RCA EBITDA was €177 million, with 37% coming from the Refining & Marketing business segment;
- RCA net profit of €65 million equated to €0.08 per share and IFRS net profit of €98 million amounted to €0.12 per share;
- Capital expenditure in the quarter was €192 million, of which 50% was channelled to the Refining & Marketing segment, primarily to the refinery conversion project;

---

## CONFERENCE CALL

<b>Date:</b>	Thursday, May 6
<b>Time:</b>	2pm UK time (3pm CET)
<b>Hosted by:</b>	Manuel Ferreira De Oliveira (CEO) Claudio De Marco (CFO)  Tiago Villas-Boas (IRO)
<b>Phones:</b>	UK:+44 (0) 207 750 99 08  Portugal: 707 785 662
<b>Chairperson:</b>	Tiago Villas-Boas

---

# Results – First Quarter 2010

## KEY FIGURES

### FINANCIAL DATA

Million euros

Fourth Quarter		First Quarter			
2009		2009	2010	Chg.	% Chg.
253	EBITDA	142	221	79	55.8%
157	EBITDA RC <sup>1</sup>	148	172	24	16.1%
<b>150</b>	<b>EBITDA RCA<sup>2</sup></b>	<b>154</b>	<b>177</b>	<b>24</b>	<b>15.4%</b>
119	Operating profit	64	139	75	116.0%
23	Operating profit RC <sup>1</sup>	70	90	19	27.6%
<b>51</b>	<b>Operating profit RCA<sup>2</sup></b>	<b>75</b>	<b>95</b>	<b>21</b>	<b>27.5%</b>
87	Net profit	44	98	54	123.2%
16	Net profit RC <sup>1</sup>	44	61	16	36.5%
<b>34</b>	<b>Net profit RCA<sup>2</sup></b>	<b>49</b>	<b>65</b>	<b>16</b>	<b>31.6%</b>

<sup>1</sup> Replacement cost figures exclude inventory effects

<sup>2</sup> Adjusted figures exclude inventory effects and non recurrent events

### MARKET INDICATORS

Fourth Quarter		First Quarter			
2009		2009	2010	Chg.	% Chg.
(0.0)	Rotterdam cracking refining margin <sup>1</sup> (Usd/bbl)	3.2	1.9	(1.3)	(39.7%)
	Rotterdam hydroskimming + aromatics + base oil refining margin <sup>1</sup> (Usd/bbl)	2.6	0.3	(2.3)	(87.7%)
27.7	UK NBP natural gas price <sup>2</sup> (GBP/term)	46.6	35.8	(10.8)	(23.2%)
32.9	Spanish pool price <sup>2</sup> (€/MWh)	43.1	25.3	(17.7)	(41.2%)
74.6	Average Brent dated price <sup>3</sup> (Usd/bbl)	44.4	76.2	31.8	71.7%
1.48	Average exChg. rate <sup>2</sup> (Eur/Usd)	1.31	1.38	0.1	6.0%
1.00	Euribor - six month <sup>2</sup> (%)	2.11	0.96	(1 p.p.)	n.m.

<sup>1</sup> Source: Platts. For a complete description of the method for calculating Rotterdam margins see "Definitions"

<sup>2</sup> Source: Bloomberg

<sup>3</sup> Source: Platts

### OPERATING DATA

Fourth Quarter		First Quarter			
2009		2009	2010	Chg.	% Chg.
17.7	Average working interest production (kbbbl/day)	13.3	18.5	5.2	39.0%
12.2	Average net entitlement production (kbbbl/day)	8.4	12.7	4.3	51.1%
0.9	Galp Energia refining margin (Usd/bbl)	2.8	2.7	(0.1)	(3.3%)
3.0	Raw materials processed (million tonnes)	1.9	3.1	1.2	61.2%
2.8	Oil sales direct clients (million tonnes)	2.8	2.7	(0.1)	(2.5%)
1,198	Natural gas sales (million m <sup>3</sup> )	1,075	1,179	104	9.7%
285	Sales of electricity to the grid <sup>1</sup> (Gwh)	143	296	153	106.8%

<sup>1</sup> Includes unconsolidated companies where Galp Energia has a significant interest

### BASIS OF PRESENTATION

Galp Energia's unaudited consolidated financial statements for the quarters ended 31 March 2010 and 31 December and 31 March 2009 have been prepared in accordance with IFRS. The financial information in the consolidated income statement is reported for the quarters ended 31 March 2010, 31 December and 31 March 2009. The financial information in the consolidated financial position is reported at 31 March 2010 and 31 December 2009.

Galp Energia's financial statements are prepared in accordance with IFRS and the cost of goods sold is valued at WAC. The use of this valuation method may, when goods and commodity prices fluctuate, cause volatility in results owing to gains or losses in inventories that do not reflect the company's operating performance. This effect is called the stock effect.

Another factor that may affect the Company's results, but is not an indicator of its true performance is the set of non recurrent events such as gains or losses on the disposal of assets, impairments or reinstatements of fixed assets and environmental or restructuring charges.

For the purpose of evaluating the operating performance of Galp Energia's businesses, RCA operating profit and net profit exclude non recurrent events and the stock effect as the cost of goods sold has been calculated using the replacement cost method.

### RECENT CHANGES

In January 2010, the factor used in the conversion of benchmark refining margins from Usd/ton to Usd/bbl was changed from 7.58 to 7.55. This change was applied to the first and fourth quarters of 2009 to make periods comparable.

In the first quarter of 2010, Galp Energia changed its policy for accounting for investment grants extended by government bodies. Up to the end of 2009, Galp Energia recorded investment grants by deducting them from asset values. From January 2010, investment grants by government bodies started to be recorded under liabilities as deferred income.

In January 2010, considering the fact that Galp Energia's regulated gas business – because it is operated under a concession from the Portuguese state – are covered by interpretation IFRIC 12 – Service Concession Arrangements, Galp Energia transferred, without affecting their economic life, the tangible fixed assets allocated to the natural gas business to the heading Concession service agreements under intangible fixed assets.

## MARKET ENVIRONMENT

### BRENT

The dated Brent averaged Usd 76.2/bbl in the first three months of 2010, which was 72% above the average of the first quarter of 2009 and 2% above the average of the fourth quarter of 2009.

In January, the average dated Brent advanced to Usd 76.2/bbl from Usd 74.3/bbl in December 2009, a rise that stemmed from cold weather in the Northern Hemisphere and mounting geopolitical tensions in some oil-producing countries.

In February, the average dated Brent slid to Usd 73.6/bbl primarily as a consequence of the rise in the US dollar and the milder average temperatures in the Northern Hemisphere.

In March, the average dated Brent rebounded to Usd 78.9/bbl as expectations of a brisk economic recovery set in.

### OIL PRODUCTS

The average gasoline crack spread of Usd 19.7/bbl in the first quarter of 2010 marked an increase of 100% compared with a year earlier and of 33% qoq. This rise reflected the anticipated US driving season, increased demand from Africa and the Middle East and lower refinery capacity utilisation.

The average diesel crack spread of Usd 10.3/bbl in the first three months of 2010 was 15% ahead of its level in the fourth quarter of 2009, which resulted primarily from hints of recovery in industrial activity and the transport sector and a reduction in supply. Compared with the first quarter of 2009, the average crack tumbled 29% as inventories remained above both historic levels and those of a year earlier.

The average fuel oil crack spread of Usd -16.5/bbl in the first quarter of 2010 was 34% lower yoy and 6% lower qoq. This development reflected the

competitive advantage of natural gas, lower demand from the Middle East and falling Chinese imports that led to excess supply in Europe.

### REFINING MARGINS

Average hydroskimming and cracking margins were Usd -1.0/bbl and Usd 1.9/bbl, respectively, in the first quarter of 2010. These levels were an improvement on those of the fourth quarter of 2009 – by Usd 1.1/bbl for the hydroskimming margin and by Usd 2.0/bbl for the cracking margin – and resulted from improved gasoline and diesel crack spreads. Compared with a year earlier, the hydroskimming and cracking margins shed Usd 2.2/bbl and Usd 1.3/bbl, respectively.

### EUR/USD

In the first three months of 2010, the average euro/dollar exchange rate was 1.38, reflecting a 6% appreciation of the euro against the US currency yoy. Relative to the fourth quarter of 2009, however, the euro depreciated 6% against the dollar.

### THE IBERIAN MARKET

With a volume of 2.5 million tonnes, the Portuguese market for oil products contracted 3% yoy in the first quarter of 2010. Although the market for gasoline contracted 5% to 0.3 million tonnes, the markets for diesel and jet expanded in the period – the diesel market by 1% to 1.3 million tonnes and the jet market by 4% to 0.2 million tonnes.

The Spanish market for oil products experienced a steeper fall than its Portuguese counterpart in the first quarter of 2010 – around 7% to 14.1 million tonnes – as the markets for diesel and gasoline contracted 1% and 5%, respectively. The demand for diesel was 8.2 million tonnes and for gasoline 1.3 million tonnes. In contrast to the trend in other products, the demand for jet recovered 1% to 1.1 million tonnes. These shortfalls resulted from the

## Results – First Quarter 2010

slowdown in economic activity, which had a negative effect on demand from both the business and private sectors.

The Portuguese market for natural gas expanded 5% yoy to 1,086 million cubic metres. Although demand from the industrial sector rose 18%, demand from electricity producers fell by 14%. This was due to the high rainfall in the period, which boosted hydro generation to the detriment of thermal generation, namely through the use of natural gas.

The Spanish market for natural gas grew 6% in the first quarter of 2010 to 9,602 million cubic metres. This growth reflected the recovery in the industrial segment, where demand rose by 8% to around 4,300 million cubic metres, and in the residential and commercial market, which grew by 17% to around 2,600 million cubic metres. By contrast, the electricity segment contracted 6% to around 2,600 million cubic metres.

### MARKET INDICATORS

Fourth Quarter		First Quarter			
2009		2009	2010	Chg.	% Chg.
74.6	Average Brent dated price <sup>1</sup> (Usd/bbl)	44.4	76.2	31.8	71.7%
8.9	Diesel crack <sup>2</sup> (Usd/bbl)	14.6	10.3	(4.3)	(29.2%)
14.8	Gasoline <sup>3</sup> crack (Usd/bbl)	9.8	19.7	9.8	99.7%
(15.5)	Fuel oil crack <sup>4</sup> (Usd/bbl)	(12.3)	(16.5)	(4.2)	(33.8%)
(0.0)	Rotterdam cracking refining margin <sup>1</sup> (Usd/bbl)	3.2	1.9	(1.3)	(39.7%)
(2.1)	Rotterdam hydroskimming refining margin <sup>1</sup> (Usd/bbl)	1.2	(1.0)	(2.2)	s.s.
2.6	Portuguese oil market <sup>5</sup> (million ton)	2.5	2.5	(0.1)	(3.2%)
14.6	Spanish oil market <sup>6</sup> (million ton)	15.2	14.1	(1.1)	(7.4%)
1,035	Portuguese natural gas market <sup>7</sup> (million m <sup>3</sup> )	1,032	1,086	54.0	5.2%
9,070	Spanish natural gas market <sup>8</sup> (million m <sup>3</sup> )	9,023	9,602	579	6.4%

<sup>1</sup> Source: Platts

<sup>2</sup> Source: Platts; ULSD 10ppm NWE CIF ARA. (ULSD 50 ppm up to the end of October 2008)

<sup>3</sup> Source: Platts; Unleaded gasoline, NWE FOB Barges

<sup>4</sup> Source: Platts; 1% LSFO, NWE FOB Cargoes

<sup>5</sup> Source: DGEG

<sup>6</sup> Source: Cores. Data for March in the first quarter 2010 is estimated

<sup>7</sup> Source: Galp Energia

<sup>8</sup> Source: Enagas

## FINANCIAL REVIEW

### 1. INCOME STATEMENT

Million euros

Fourth Quarter		First Quarter			
2009		2009	2010	Chg.	% Chg.
2,959	Turnover	2,927	3,290	363	12.4%
(2,752)	Operating expenses	(2,807)	(3,082)	275	9.8%
46	Other operating revenues (expenses)	23	14	(9)	(39.7%)
<b>253</b>	<b>EBITDA</b>	<b>142</b>	<b>221</b>	<b>79</b>	<b>55.8%</b>
(134)	D&A and provisions	(78)	(82)	4	5.8%
<b>119</b>	<b>Operating profit</b>	<b>64</b>	<b>139</b>	<b>75</b>	<b>116.0%</b>
13	Net profit from associated companies	17	17	(0)	(2.9%)
(0)	Net profit from investments	(0)	0	0	n.m.
(23)	Net interest expenses	(18)	(23)	(5)	(30.4%)
108	Profit before tax and minority interests	64	133	69	108.2%
(19)	Income tax	(18)	(33)	15	83.8%
(1)	Minority Interests	(2)	(1)	(0)	(17.9%)
<b>87</b>	<b>Net profit</b>	<b>44</b>	<b>98</b>	<b>54</b>	<b>123.2%</b>
<b>87</b>	<b>Net profit</b>	<b>44</b>	<b>98</b>	<b>54</b>	<b>123.2%</b>
(72)	Inventory effect	1	(37)	(38)	n.m.
<b>16</b>	<b>Net profit RC</b>	<b>44</b>	<b>61</b>	<b>16</b>	<b>36.5%</b>
18	Non recurrent items	5	4	(1)	(13.8%)
<b>34</b>	<b>Net profit RCA</b>	<b>49</b>	<b>65</b>	<b>16</b>	<b>31.6%</b>

RCA net profit went up by 32% yoy in the first quarter of 2010 to €65 million as both production and price of crude rose and the volume of natural gas sold

increased. IFRS-based net profit was €98 million, which included a positive inventory effect of €37 million.



## 2. ANALYSIS OF INCOME STATEMENT ITEMS

### SALES AND SERVICES RENDERED

Fourth Quarter		First Quarter			
2009		2009	2010	Chg.	% Chg.
<b>2,959</b>	<b>Sales and services rendered</b>	<b>2,927</b>	<b>3,290</b>	<b>363</b>	<b>12.4%</b>
(48)	Non recurrent items	-	-	-	-
<b>2,911</b>	<b>Sales and services rendered RCA</b>	<b>2,927</b>	<b>3,290</b>	<b>363</b>	<b>12.4%</b>
68	Exploration & Production	10	37	26	256.7%
2,566	Refining & Marketing	2,511	2,898	387	15.4%
369	Gas & Power	429	397	(32)	(7.5%)
26	Others	29	31	2	7.3%
(120)	Consolidation adjustments	(53)	(73)	(20)	(38.6%)

Sales and services rendered of €3,290 million were 12% ahead of a year earlier as the Exploration & Production and the Refining & Marketing business segments staged a good performance. In Exploration & Production, the advance was induced by higher crude prices and production. Sales in the Refining &

Marketing business segment rose 15%, which was primarily a consequence of the rise in the price of oil products on international markets. By contrast, in the Gas & Power business segment, the falling price of natural gas led to an 8% decrease in sales despite the recovery in volumes sold in comparison with the first quarter of 2009.

## Results – First Quarter 2010

### OPERATING COSTS

Million euros

Fourth Quarter		First Quarter			
2009		2009	2010	Chg.	% Chg.
<b>2,752</b>	<b>Operational costs</b>	<b>2,807</b>	<b>3,082</b>	<b>275</b>	<b>9.8%</b>
95	Inventory effect	(6)	50	55	n.m.
<b>2,847</b>	<b>Operational costs RC</b>	<b>2,801</b>	<b>3,131</b>	<b>330</b>	<b>11.8%</b>
(17)	Non recurrent items	(9)	(6)	3	31.5%
<b>2,830</b>	<b>Operational costs RCA</b>	<b>2,791</b>	<b>3,125</b>	<b>334</b>	<b>12.0%</b>
<b>2,830</b>	<b>Operational costs RCA</b>	<b>2,791</b>	<b>3,125</b>	<b>334</b>	<b>12.0%</b>
2,554	Cost of goods sold	2,534	2,860	326	12.9%
187	Supply and services	178	176	(1)	(0.7%)
89	Personnel costs	79	89	10	12.5%

RCA operating costs of €3,125 million in the first quarter of 2010 reflected an increase of 12% as a result of the rise in the cost of goods sold.

This rise of 13% in cost of goods sold followed from the rising price of crude and oil products on top of the rise in volumes sold.

Despite the rise in activity compared with a year earlier, supply and services cost decreased slightly to €176 million.

Personnel costs rose by 13% yoy to €89 million due to employee remuneration accruals assigned to the first

quarter of the year and due to the increase of post-employment benefits.

Non recurrent items of €6 million were primarily related to costs in employee restructuring.

### EMPLOYEES

	December 31, 2009	March 31, 2010	Change vs Dec 31, 2009
Exploration & Production	78	78	-
Refining & Marketing	6,340	6,317	(23)
Gas & Power	468	470	2
Corporate & Others	607	607	-
<b>Total employees</b>	<b>7,493</b>	<b>7,472</b>	<b>(21)</b>
Service stations employees	3,761	3,722	(39)
<b>Total off site employees</b>	<b>3,732</b>	<b>3,750</b>	<b>18</b>

At the end of March 2010, Galp Energia had 7,472 employees, a decrease compared to December 2009, led by the Refining & Marketing segment.

## DEPRECIATION AND AMORTISATION

Million euros

Fourth Quarter		First Quarter			
2009		2009	2010	Chg.	% Chg.
<b>115</b>	<b>Depreciation &amp; amortisation</b>	<b>68</b>	<b>70</b>	<b>3</b>	<b>3.7%</b>
(35)	Non recurrent items	(4)	(0)	4	(90.1%)
<b>80</b>	<b>Adjusted depreciation &amp; amortisation</b>	<b>64</b>	<b>70</b>	<b>6</b>	<b>9.6%</b>
<b>80</b>	<b>Adjusted depreciation &amp; amortisation</b>	<b>64</b>	<b>70</b>	<b>6</b>	<b>9.6%</b>
8	Exploration & Production	13	14	1	7.4%
61	Refining & Marketing	42	45	3	7.1%
11	Gas & Power	9	11	2	21.5%
0	Others	0	0	0	n.m.

Depreciation and amortisation of €70 million was in line with the adjusted amount. In Exploration & Production, the rise yoy stemmed from capital spending on the Tômbua-Lândana's CPT project, which came into operation in August 2009. The rise in depreciation and amortisation of €6 million compared with the fourth quarter 2009, was due to the upward revision of net entitlement reserves in the fourth quarter 2009, which negatively impacted the depreciation rate in that period.

In Refining & Marketing, depreciation and amortisation of €45 million were €3 million higher yoy after the acquisition of the Agip and ExxonMobil subsidiaries in Iberia. On the other hand, the decrease relative to the fourth quarter of 2009 was due to accruals accounted in the end of 2009, totally reflected in that period.

The increase of €2 million in Gas & Power resulted from depreciation charges in the Power business as operations started at the Sines refinery's cogeneration plant in October 2009.

## Results – First Quarter 2010

### PROVISIONS

Million euros

Fourth Quarter		First Quarter			
2009		2009	2010	Chg.	% Chg.
<b>19</b>	<b>Provisions</b>	<b>10</b>	<b>12</b>	<b>2</b>	<b>20.3%</b>
(0)	Non recurrent items	5	0	(5)	n.m.
<b>19</b>	<b>Adjusted provisions</b>	<b>15</b>	<b>12</b>	<b>(3)</b>	<b>(20.8%)</b>
<b>19</b>	<b>Adjusted provisions</b>	<b>15</b>	<b>12</b>	<b>(3)</b>	<b>(20.8%)</b>
(0)	Exploration & Production	2	2	0	6.6%
8	Refining & Marketing	6	1	(4)	(74.6%)
11	Gas & Power	7	9	2	27.6%
0	Others	1	(0)	(1)	n.m.

Provisions in the first quarter of 2010 amounted to €12 million, of which €2 million were related to Exploration & Production for the abandonment of block 14 in Angola. The reduction in adjusted provisions in the Refining & Marketing business

segment, was mainly due to decrease of provisions for doubtful debtors. In the Gas & Power business segment, provisions of €9 million stemmed from the renegotiation of natural gas contracts.

### OPERATING PROFIT

Million euros

Fourth Quarter		First Quarter			
2009		2009	2010	Chg.	% Chg.
<b>119</b>	<b>Operating profit</b>	<b>64</b>	<b>139</b>	<b>75</b>	<b>116.0%</b>
(95)	Inventory effect	6	(50)	(55)	n.m.
<b>23</b>	<b>Operating profit RC</b>	<b>70</b>	<b>90</b>	<b>19</b>	<b>27.6%</b>
28	Non recurrent items	5	6	1	26.3%
<b>51</b>	<b>Operating profit RCA</b>	<b>75</b>	<b>95</b>	<b>21</b>	<b>27.5%</b>
<b>51</b>	<b>Operating profit RCA</b>	<b>75</b>	<b>95</b>	<b>21</b>	<b>27.5%</b>
31	Exploration & Production	1	33	32	n.m.
(6)	Refining & Marketing	37	19	(18)	(47.8%)
30	Gas & Power	32	42	10	30.5%
(3)	Others	5	1	(4)	(75.7%)

RCA operating profit of €95 million in the first quarter of 2010 was 27% ahead of a year earlier as the performance of business segments Exploration & Production and Gas & Power improved on the back of rising crude oil prices and production and expanded volumes of natural gas sold. By contrast, the Refining & Marketing business segment suffered the adverse

impact of a still fragile market for oil products, both in Spain and Portugal. Non recurrent items of €6 million followed primarily from the employee restructuring programme in the Refining & Marketing business segment.

## Results – First Quarter 2010

### OTHER RESULTS

Million euros

Fourth Quarter		First Quarter			
2009		2009	2010	Chg.	% Chg.
13	Net profit from associated companies	17	17	(0)	(2.9%)
(0)	Net profit from investments	(0)	0	0	n.m.
(23)	Financial results	(18)	(23)	(5)	(30.3%)

Results from associates of €17 million were in line with a year earlier and reflected primarily the contribution of €12 million from international gas pipelines (EMPL, Metragaz, Gasoducto Al Andalus and Gasoducto Extremadura).

Despite the lower average cost of debt relative to a year earlier, financial losses increased by €5 million to €23 million as average debt rose.

### INCOME TAX

Million euros (except otherwise noted)

Fourth Quarter		First Quarter			
2009		2009	2010	Chg.	% Chg.
<b>19</b>	<b>Income tax IFRS<sup>1</sup></b>	<b>18</b>	<b>33</b>	<b>15</b>	<b>83.8%</b>
18%	Effective income tax	28%	25%	(3 p.p.)	n.m.
(24)	Inventory effect	5	(12)	18	n.m.
<b>(5)</b>	<b>Income tax RC<sup>1</sup></b>	<b>23</b>	<b>21</b>	<b>(2)</b>	<b>(10.6%)</b>
10	Non recurrent items	(0)	2	2	n.m.
<b>6</b>	<b>Income tax RCA<sup>1</sup></b>	<b>23</b>	<b>23</b>	<b>(1)</b>	<b>(2.6%)</b>
13%	Effective income tax	31%	25%	(6 p.p.)	n.m.

<sup>1</sup> Include oil tax (IRP) payable in Angola

The RCA effective tax rate in the first quarter of 2010 was 25% - against 31% a year earlier – due to the lower weight in results of the IRP payable in Angola.

IFRS-based income tax was €33 million, which implied an effective rate of 25%, in line with the RCA effective tax rate.

## Results – First Quarter 2010

### 3. FINANCIAL POSITION

Million euros (except otherwise noted)

	December 31, 2009	March 31, 2010	Change vs Dec 31, 2009
Fixed assets	4,379	4,562	183
Strategic stock	575	619	44
Other assets (liabilities)	(333)	(355)	(22)
Working capital	(305)	(99)	206
	4,316	4,726	411
Short term debt	424	411	(12)
Long term debt	1,747	2,038	291
<b>Total debt</b>	<b>2,171</b>	<b>2,449</b>	<b>278</b>
Cash	244	228	(16)
<b>Total net debt</b>	<b>1,927</b>	<b>2,222</b>	<b>295</b>
<b>Total shareholder's equity</b>	<b>2,389</b>	<b>2,505</b>	<b>116</b>
<b>Capital employed</b>	<b>4,316</b>	<b>4,726</b>	<b>411</b>

Fixed assets at 31 March 2010 were €183 million higher in comparison with 31 December 2009 following capital expenditure in the quarter. The strategic stock went up by €44 million as prices of oil

products rose relative to December 2009. The increase in working capital resulted primarily from the increase in average collection days of trade receivables, compared with December 2009.

### DEBT

Million euros (except otherwise noted)

	December 31, 2009		March 31, 2010		Change vs Dec 31, 2009	
	Short term	Long term	Short term	Long term	Short term	Long term
Bonds	1	700	-	700	(1)	-
Bank debt	422	947	411	1,138	(11)	191
Commercial paper	-	100	-	200	-	100
Cash	(244)	-	(228)	-	16	-
<b>Net debt</b>	<b>1,927</b>		<b>2,222</b>		<b>295</b>	
Average life (years)	3.53		3.69		0.17	
Net debt to equity	81%		89%		8.0 p.p.	

Net debt at the end of the first quarter 2010 was €2,222 million against €1,927 million at the end of December 2009. This rise resulted from capital spending and increasing working capital in the period, notwithstanding the improving operating performance.

As debt rose in the period, the net-debt-to-equity ratio increased to 89% at the end of the quarter.

Following the rise in net long-term bank debt, the average life of debt lengthened from 3.53 years at the end of December 2009 to 3.69 years at the end of March 2010.

At the end of March, 83% of the debt was long term and 43% was on fixed rate.

## Results – First Quarter 2010

The average cost of debt was 3.19%, or 28 basis points lower than a year earlier, as market interest rates fell.

At 31 March 2010, net debt attributable to minority interests amounted to €27 million.

### 4. CASH FLOW

Million euros

Fourth quarter		First Quarter	
2009		2009	2010
119	Operating profit	64	139
115	Non cash costs	68	70
(47)	Change in operational stock	(66)	46
62	Change in strategic stocks	75	(44)
<b>248</b>	<b>Sub total</b>	<b>142</b>	<b>212</b>
(22)	Interest expenses	(15)	(18)
(19)	Taxes	(5)	(3)
413	Change in working capital excluding operational stock	(304)	(252)
<b>621</b>	<b>Cash flow from operating activities</b>	<b>(183)</b>	<b>(61)</b>
(330)	Net capital expenditures and disposals <sup>1</sup>	(126)	(243)
(6)	Dividends paid / received	-	1
(14)	Others	30	9
<b>271</b>	<b>Total</b>	<b>(279)</b>	<b>(295)</b>

<sup>1</sup> Net capital expenditures and disposals includes financial investments

The cash outflow in the first quarter of 2010 rose to €295 million from €279 million a year earlier, despite improving operating results. The improved operating performance of the Exploration & Production and Gas & Power segments in the first quarter of 2010 had a favourable effect on cash flow from operating activities. However, this was more than offset by the increase in working capital, which had a negative impact of €252 million.

As a result of the refinery conversion project, cash outflow from investing activities reached €243 million in the quarter, which was significantly ahead of €126 million a year earlier. The outflow included around €44 million of advance payments to suppliers of fixed assets aimed for that project.

### 5. CAPITAL EXPENDITURE

Million euros

Fourth Quarter		First Quarter			
2009		2009	2010	Chg.	% Chg.
38	Exploration & Production	33	78	44	133.0%
232	Refining & Marketing	45	96	51	112.4%
24	Gas & Power	17	16	(1)	(3.5%)
1	Others	1	2	1	218.2%
<b>295</b>	<b>Capital Expenditure</b>	<b>96</b>	<b>192</b>	<b>96</b>	<b>100.1%</b>

Capital expenditure in the first quarter of 2010 amounted to €192 million. In the Exploration & Production business segment, spending in Angola was mainly channelled to development of block 14 for an amount of €21 million, of which €11 million to the Tômbua-Lândana field and €9 million to the BBLT field. In Brazil, capital expenditure focused on the offshore fields, with the Santos basin absorbing €38 million.

In the Refining & Marketing business segment, capital spending amounted to €96 million, of which €80 million was channelled to the refining conversion project.

Spending in the Gas & Power business segment was mainly on expansion of the network for distribution of natural gas and the construction of the Porto refinery's cogeneration plant.



## SEGMENT REVIEW

### 1. EXPLORATION & PRODUCTION

Million euros (except otherwise noted)

Fourth Quarter		First Quarter			
2009		2009	2010	Chg.	% Chg.
<b>17.7</b>	<b>Average working interest production (kbbbl/day)</b>	<b>13.3</b>	<b>18.5</b>	<b>5.2</b>	<b>39.0%</b>
<b>12.2</b>	<b>Average net entitlement production (kbbbl/day)</b>	<b>8.4</b>	<b>12.7</b>	<b>4.3</b>	<b>51.1%</b>
<b>1.1</b>	<b>Total net entitlement production (million bbl)</b>	<b>0.8</b>	<b>1.1</b>	<b>0.4</b>	<b>51.1%</b>
0.8	Angola - Block 14	0.8	1.0	0.2	29.2%
0.3	Brazil - BM-S-11	-	0.2	0.2	n.m.
<b>76.9</b>	<b>Average realized sale price<sup>1</sup> (Usd/bbl)</b>	<b>43.9</b>	<b>70.9</b>	<b>27.0</b>	<b>61.5%</b>
<b>13.7</b>	<b>Operating cost<sup>1</sup> (Usd/bbl)</b>	<b>13.9</b>	<b>12.7</b>	<b>(1.1)</b>	<b>(8.3%)</b>
<b>14.3</b>	<b>Amortisation<sup>1</sup> (Usd/bbl)</b>	<b>22.2</b>	<b>19.5</b>	<b>(2.7)</b>	<b>(12.0%)</b>
<b>1.0</b>	<b>Total sales<sup>2</sup> (million bbl)</b>	<b>-</b>	<b>-</b>	<b>n.m.</b>	<b>n.m.</b>
<b>914</b>	<b>Net total assets</b>	<b>729</b>	<b>1,039</b>	<b>310</b>	<b>42.4%</b>
68	Turnover	10	37	26	256.7%
<b>3</b>	<b>Operating profit</b>	<b>(3)</b>	<b>33</b>	<b>36</b>	<b>n.m.</b>
27	Non recurrent items	4	(0)	(4)	n.m.
<b>31</b>	<b>Operating profit RCA</b>	<b>1</b>	<b>33</b>	<b>32</b>	<b>n.m.</b>

<sup>1</sup> Based on net-entitlement production in Angola

<sup>2</sup> Considers actual Sales

### EXPLORATION & PRODUCTION ACTIVITIES

In the first quarter of 2010 working interest production rose 39% yoy to 18.5 thousand barrels per day. This increase stemmed primarily from the rise in production from the Tômbua-Lândana field's CPT in Angola and the Tupi field in Brazil, which contributed to a combined production of 5.4 thousand barrels per day.

Relative to the fourth quarter of 2009, working interest production rose 5% as a result of the Tômbua-Lândana field's production increase of 2,0 thousand barrels per day.

Net entitlement production raised 51% yoy to 12.7 thousand barrels per day. This increase originated in production at the Tômbua-Lândana and Tupi fields, which more than offset the fall from the BBLT field, as the price of crude oil rose, thus impacting cost-oil production. The combined net entitlement production of these new projects was 4.9 thousand barrels per day. With its 6.6 thousand barrels per day, however,

the BBLT field accounted for 52% of total net-entitlement production, with 38% coming from the Tômbua-Lândana CPT and the Tupi.

Quarter on quarter, net entitlement production rose 4% as the Tômbua-Lândana field contributed with an incremental production of 1.7 thousand barrels per day.

No sales of crude oil were made in the period.

### OPERATING PROFIT

RCA operating profit rose to €33 million in the first quarter of 2010 from €1 million a year earlier. This rise stemmed from the 51% increase in net entitlement production and the 61% increase in the average sale price of crude.

Production costs in Angola were €9 million, which on a net entitlement basis equated to a unit cost of Usd 12.7/bbl, against Usd 13.9/bbl a year earlier.

## Results – First Quarter 2010

---

Amortization net of adjustments was €14 million and included the impact of the CPT investment at the Tômbua-Lândana. In unit terms, on the basis of net

entitlement production, this amount equated to Usd 19.5/bbl, against Usd 22.2/bbl a year earlier.

# Results – First Quarter 2010

## 2. REFINING & MARKETING

Million euros (except otherwise noted)

Fourth Quarter		First Quarter			
2009		2009	2010	Chg.	% Chg.
(0.0)	Rotterdam cracking refining margin <sup>1</sup> (Usd/bbl)	3.2	1.9	(1.3)	(39.7%)
(1.2)	Rotterdam hydroskimming + aromatics + base oil refining margin <sup>1</sup> (Usd/bbl)	2.6	0.3	(2.3)	(87.7%)
0.9	Galp Energia refining margin (Usd/bbl)	2.8	2.7	(0.1)	(3.3%)
2.1	Refinery cash cost (Usd/bbl)	3.1	2.3	(0.8)	(26.2%)
21,099	Crude processed (k bbl)	13,270	22,202	8,932	67.3%
3.0	Raw material processed (million tonnes)	1.9	3.1	1.2	61.2%
4.2	Total refined product sales (million tonnes)	3.9	4.4	0.4	10.4%
2.8	Sales to direct clients in Iberia (million tonnes)	2.8	2.7	(0.1)	(2.5%)
1.5	Wholesale	1.4	1.6	0.1	9.9%
0.9	Retail	0.9	0.8	(0.0)	(5.0%)
0.1	LPG	0.1	0.1	(0.0)	(12.9%)
0.3	Others	0.4	0.2	(0.2)	(39.2%)
0.2	Sales in Africa (million tonnes)	0.1	0.1	0.0	18.3%
0.7	Exports (million tonnes)	0	1	0	99.4%
1,451	Number of service stations (Iberia)	1,497	1,436	(61)	(4.1%)
467	Number of c-stores (Iberia)	428	451	23	5.4%
98	Number of service stations (Africa)	93	98	5	5.4%
4,814	Net total assets	4,392	5,282	890	20.3%
2,614	Turnover	2,511	2,898	387	15.4%
77	Operating profit	38	59	21	53.6%
(85)	Inventory effect	4	(46)	(50)	n.m.
1	Non recurrent items	(6)	6	12	n.m.
(6)	Operating profit RCA	37	19	(18)	(47.8%)

<sup>1</sup>Source: Platts. For a complete description of the method for calculating Rotterdam margins, see "Definitions"

### REFINING AND MARKETING ACTIVITIES

Crude processed in the first quarter of 2010 rose to 22.2 million barrels from 13.3 million barrels a year earlier, when the processing of raw materials was interrupted for an approximate six weeks after the incident in the utilities factory at the Sines refinery.

The utilisation of refining capacity in the first quarter of 2010 was 80%.

Crude oil accounted for 94% of raw materials processed and thus increased its share from 92% a year earlier. In the first quarter of 2010, light crude and condensates accounted for 36% of production, followed by medium crude with 46% and heavy crude with 17%.

Diesel weighed 34% in the production profile, followed by gasoline with 26%, against 36% and 26%, respectively, a year earlier. The share of fuel oil in production was 16%, compared with 21% a year earlier. Jet weighed 8%, up from 5% in the first quarter of 2009.

Own consumption and losses in the first quarter of 2010 amounted to 7.3%.

Volumes sold rose 10% yoy to 4.4 million tonnes as they benefited from increased exports.

Sales to direct clients fell 3% yoy to 2.7 million tonnes as the Iberian market for oil products contracted. In the first quarter of 2010, 42% of sales to direct clients were achieved in the Spanish market.

## Results – First Quarter 2010

---

Increases in gasoline and fuel oil featured prominently in total exports of 0.8 million tonnes, which were significantly higher than the 0.4 million tonnes in the first quarter of 2009, when the incident in the Sines refinery took place.

The cover of refining by marketing of oil products, measured on the basis of average production in the last three years, was 106%.

Galp Energia had 1,436 service stations in the Iberian Peninsula at the end of March 2010, or 15 less than at the end of December 2009. This reduction followed from a streamlined network after the acquisition of the Iberian Agip and ExxonMobil subsidiaries at the end of 2008. At the end of the first quarter of 2010, around 40% of service stations were located in Spain. In Africa, Galp Energia had 98 service stations.

Galp Energia had 451 convenience stores in the Iberian Peninsula, of which around half were located in Spain.

### OPERATING PROFIT

RCA operating profit of €19 million was €18 million lower than in the first quarter of 2009, which was a result of the unfavourable market for oil products mainly in Spain, but also in Portugal.

Refining margins were influenced by the adverse situation in international markets. As such, Galp Energia's refining margin in the first quarter 2010 was of Usd2.7/bbl, a decrease of 3% yoy.

Refinery operating cash costs fell 26% to Usd 2.3/bbl, which resulted from the rise in crude processed and the consequent broader spread of fixed costs.

The effect of the time lag in the first quarter of 2010 was negative in €16 million, which was in line with its magnitude a year earlier.

The still fragile Iberian market for oil products hampered the performance of marketing activities through a negative impact on both volumes and marketing margins.

# Results – First Quarter 2010

## 3. GAS & POWER

Million euros (except otherwise noted)

Fourth Quarter		First Quarter			
2009		2009	2010	Chg.	% Chg.
1,198	<b>NG supply total sales volumes (million m<sup>3</sup>)</b>	1,075	1,179	104	9.7%
882	<b>Liberalised market sales volumes (million m<sup>3</sup>)</b>	490	824	334	68.2%
719	Portugal	446	700	254	56.8%
392	Electrical	411	355	(56)	(13.6%)
327	Industrial	35	345	310	n.m.
131	Trading	2	113	111	n.m.
32	Spain	41	11	(30)	(74.0%)
316	<b>Regulated market sales volumes (million m<sup>3</sup>)</b>	585	355	(230)	(39.4%)
189	Industrial	404	174	(230)	(57.0%)
17	Commercial	31	37	6	19.6%
45	Residential	77	88	11	14.1%
65	Other supply companies	73	56	(17)	(22.8%)
915	<b>NG distribution clients<sup>1</sup> (thousands)</b>	886	926	40	4.5%
285	<b>Sales of electricity to the grid<sup>2</sup></b>	143	296	153	106.8%
1,036	<b>Natural gas net fixed assets<sup>3</sup></b>	1,014	1,038	25	2.4%
1,927	<b>Net total assets</b>	1,944	1,967	23	1.2%
369	Turnover	429	397	(32)	(7.5%)
41	<b>Operating profit</b>	31	46	15	48.9%
(10)	Inventory effect	1	(4)	(5)	n.m.
(0)	Non recurrent items	(0)	(0)	0	(87.5%)
30	<b>Operating profit RCA</b>	32	42	10	30.5%
1	Supply	(1)	12	13	n.m.
25	Infrastructure	33	26	(7)	(21.2%)
5	Power	1	4	3	n.m.

<sup>1</sup> Includes unconsolidated companies where Galp Energia has a significant interest

<sup>2</sup> Includes Energin, which does not consolidate but where Galp Energia has a 35% holding. In the first quarter of 2010, the company generated power of 74 GWh and sold 73 GWh of electricity to the grid.

<sup>3</sup> Excludes financial investments. Net fixed assets are on a consolidated basis

### GAS AND POWER ACTIVITIES

Natural gas volumes sold in the first quarter of 2010 rose 10% yoy to 1,179 million cubic metres, with the liberalised market accounting for 70% of volumes sold.

Volumes sold to the electricity market slid 14% as rainfall in the quarter boosted hydro generation, thereby impacting negatively the use of thermal generation, including natural gas.

The Portuguese industrial segment in the combined liberalised and regulated markets expanded 18% yoy with the help of demand for natural gas from the Sines cogeneration, which started operations in the

fourth quarter of 2009 and absorbed 62 million cubic metres of natural gas in the quarter.

The volume of natural gas transported on the networks owned by distribution companies totalled 0.4 billion cubic metres, which was in line with a year earlier.

The production of electricity in the first quarter of 2010 doubled to 297 GWh, which was in line with the sale of electricity to the grid. This increase stemmed from the Sines refinery's cogeneration plant coming into operation in the fourth quarter of 2009.

## Results – First Quarter 2010

---

### OPERATING PROFIT

RCA operating profit rose 31% yoy in the first quarter of 2010 to €42 million from €32 million a year earlier. This increase resulted from improved operating performance in the supply business as volumes sold in the liberalised market rose and supply margins improved.

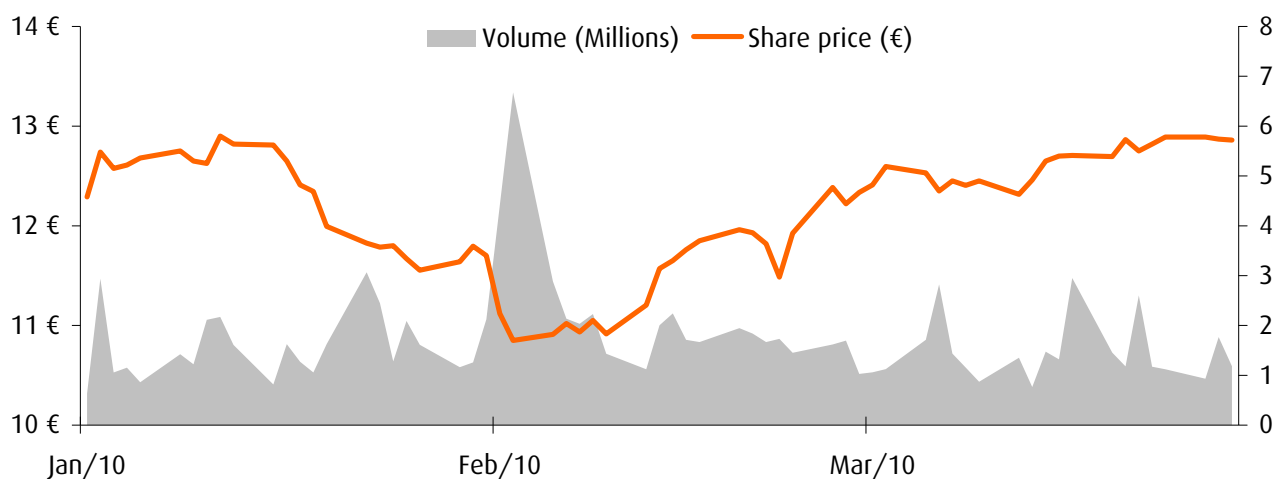
The infrastructure business RCA operating profit was of €26 million, or €7 million lower than in the first

quarter of 2009. This was influenced by the changed allocation of allowed revenues among quarters, with a negative impact on the first quarter of 2010.

RCA operating profit for the Power business in the first quarter of 2010 rose to €4 million, up €3 million from a year earlier and in line with the fourth quarter of 2009. The increase relative to the first quarter of 2009 stemmed from rising sales of electricity to the grid after the cogeneration plant at the Sines refinery started operations in the fourth quarter of 2009.

## THE GALP ENERGIA STOCK

### PERFORMANCE OF THE GALP ENERGIA STOCK



Source: Bloomberg

The Galp Energia stock gained 6% in the first quarter of 2010 and closed the period at €12.86. From the initial public offering on 23 October 2006 until 31 March 2010, the stock gained 121%. The maximum in the first quarter of 2010 was €13.07 and the minimum

€10.37. In this period, around 110 million shares were traded, which equated to a daily average of 1.7 million shares. At 31 March 2010, Galp Energia had a market capitalization of €10,664 million.

Share detail		
ISIN	PTGALOAM0009	
Reuters	GALP.LS	
Bloomberg	GALP PL	
Number of shares	829,250,635	
Main indicators		
	2009	1Q 2010
Min (€)	7.22	10.37
Max (€)	12.65	13.07
Average (€)	10.23	12.16
Close price (€)	12.08	12.86
Volume (M shares)	413.8	109.6
Average volume per day (M shares)	1.6	1.7
Market cap (M€)	10,017	10,664

### EVENTS IN THE FIRST QUARTER OF 2010

#### CORPORATE

##### APPOINTMENT OF NEW MEMBER OF THE BOARD OF DIRECTORS

On March 26, Galp announced that following the resignation presented by Mr. Francesco Giunti, to his position of member of the board of directors of Galp Energia, the board of directors approved the appointment of Mrs. Maria Rita Galli, in replacement of that member

#### EXPLORATION & PRODUCTION

##### GALP ENERGIA SIGNS AN AGREEMENT FOR EXPLORATION AND PRODUCTION IN URUGUAY

On February 9, Galp Energia announced that with its consortium partners Petrobras and YPF, has signed an exploration and production agreement for the Uruguayan continental platform with Acap, the national oil company of Uruguay. The agreement follows the production sharing agreement model and the consortium will have a period of four years to study the seismic data and to decide if it will perform any drilling activities. The initial commitments of the consortium include the acquisition of 2D seismic data and the reprocessing of existing data.

##### TEST IN THE TUPI NE ATTESTS TO HIGH PRODUCTIVITY

On March 23, Galp Energia announced that the Drill Stem Test (DST) in the fourth well, informally known as Tupi NE, located in Tupi's Evaluation Plan Area, was concluded and proved a very high productivity in the carbonate pre-salt reservoirs in this area. The DST confirmed high productivity of around 5 thousand barrels of light oil per day, with API gravity of around 28º, constrained by test equipment capacity. The production potential of this well is anticipated at around 30 thousand barrels of oil per day

#### GAS & POWER

##### GALP ENERGIA ACQUIRES 15% OF VENTINVESTES FROM MARTIFER RENEWABLES

On February 3, Galp Energia announced that it has bought from Martifer Renewables 50% of the Parque Eólico Penha da Gardunha. The transaction amounted to approximately 5 million euros and after this transaction the shareholder structure of Ventinveste will include Galp Energia group with 49%, Martifer SGPS with 46.6%, Repower with 2.4% and Efacec with 2%.



## EVENTS AFTER THE CLOSE OF THE FIRST QUARTER OF 2010

### GENERAL MEETING

#### RESOLUTIONS BY THE ANNUAL GENERAL MEETING

Galp Energia announced on April 26 that the proposed items on the agenda of the annual general meeting that convened on that day had been approved as follows:

1. Ratification of the board's resolution of 13 May 2009 to appoint Luigi Spelli and Massimo Mondazzi as members of the Company's board of directors, the board's resolution of 11 November 2009 to appoint Francesco Giunti as a member of the Company's board of directors, as well as the board resolution of 22 March 2010 to appoint Maria Rita Galli as a member of the Company's board of directors;
2. The management consolidated report, individual and consolidated accounts, for the year 2009, as well as remaining reporting documents;
3. Corporate governance report;
4. Proposed allocation of net profit as follows:
  - Dividend payment (0.20€/share): €165,850 thousand
  - Retained earnings: €119,364 thousand
  - Total: €285,214 thousand
5. A resolution expressing the shareholders' vote of thanks to the Board of Directors, the Supervisory Board, the Statutory Auditors and each one of their members;
6. Declaration regarding the remuneration policy of the governing bodies and top management;

### DIVIDEND PAYMENT

Galp Energia announced on April 26 that the final dividend, amounting to €0.14 per share and relating to the financial year of 2009 will be payable as from May 20 2010 .

### EXPLORATION & PRODUCTION

#### NEW WELL CONFIRMS LIGHT-OIL POTENTIAL IN THE TUPI

On April 7, Galp Energia announced that the drilling of a new well, informally known as Tupi OW located in Tupi's area, confirms the light oil potential of pre-salt reservoirs of that area. The information gathered reinforces the estimated volumes of recoverable light oil and natural gas in the range between 5 and 8 billion barrels in the pre-salt reservoirs of Tupi's area.

### GAS & POWER

#### GALP ENERGIA CLOSED THE ACQUISITION OF GAS NATURAL'S GAS SUPPLY ACTIVITIES

On April 30, Galp Energia announced the closing of the acquisition of certain gas supply and distribution businesses in the region of Madrid from Gas Natural Fenosa (Gas Natural), with Galp Energia responsible for the supply activity.

### AWARDS

In April, Institutional Investor's 2010 survey *European Investor Relations Perception Study* awarded Galp Energia the third place, in both the analyst and the investor segments, for the category of *Best IR Professional* in the European Oil & Gas sector. The purpose of this survey is to assess, with the help of capital markets professionals, who is the best IR professional in a particular sector.

## ASSOCIATES

### 1. MAIN 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 - Companhia Logística de Hidrocarburos, 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			
2009		2009	2010	Chg.	% Chg.
1.8	CLH	1.6	1.7	0.1	3.2%
2.2	CLC	2.3	2.0	(0.3)	n.m.
13.1	<i>International Pipelines</i>	11.0	11.7	0.7	6.3%
1.0	Setgás - Natural Gas Distribution Company	1.3	1.0	(0.3)	(20.2%)
(5.0)	Others	0.9	0.2	(0.7)	n.m.
<b>13.1</b>	<b>Total</b>	<b>17.1</b>	<b>16.6</b>	<b>(0.5)</b>	<b>(2.9%)</b>

## RECONCILIATION OF REPORTED AND REPLACEMENT COST ADJUSTED FIGURES

### 1. REPLACEMENT COST ADJUSTED OPERATING PROFIT BY SEGMENT

Million euros

2009					First Quarter	2010				
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
<b>64</b>	<b>6</b>	<b>70</b>	<b>5</b>	<b>75</b>	<b>Operating profit</b>	<b>139</b>	<b>(50)</b>	<b>90</b>	<b>6</b>	<b>95</b>
(3)	-	(3)	4	1	E&P	33	-	33	(0)	33
38	4	43	(6)	37	R&M	59	(46)	13	6	19
31	1	32	(0)	32	G&P	46	(4)	42	(0)	42
(2)	0	(2)	7	5	Others	1	-	1	-	1

### 2. REPLACEMENT COST ADJUSTED EBITDA BY SEGMENT

2009					First Quarter	2010				
EBITDA	Inventory effect	EBITDA RC	Non recurrent items	EBITDA RCA		EBITDA	Inventory effect	EBITDA RC	Non recurrent items	EBITDA RCA
<b>142</b>	<b>6</b>	<b>148</b>	<b>6</b>	<b>154</b>	<b>EBITDA</b>	<b>221</b>	<b>(50)</b>	<b>172</b>	<b>5</b>	<b>177</b>
16	-	16	(0)	15	E&P	49	-	49	(0)	48
81	4	86	(0)	85	R&M	106	(46)	60	6	66
46	1	48	(0)	48	G&P	65	(4)	61	(0)	61
(1)	0	(1)	7	6	Others	2	-	2	-	2

## Results – First Quarter 2010

### 3. NON RECURRENT ITEMS

#### EXPLORATION AND PRODUCTION

Million Euros

Fourth quarter		First Quarter	
2009		2009	2010
<b>Exclusion of non recurrent items</b>			
(0.0)	Gains / losses on disposal of assets	(0.0)	(0.0)
(8.8)	Assets write offs	(0.4)	(0.4)
36.0	Assets impairments	4.0	0.3
-	Provisions for environmental charges and others	-	-
-	Others	-	-
<b>27.1</b>	<b>Non recurrent items of operating profit</b>	<b>3.7</b>	<b>(0.2)</b>
-	Other financial results	-	-
<b>27.1</b>	<b>Non recurrent items before income taxes</b>	<b>3.7</b>	<b>(0.2)</b>
(9.2)	Income taxes on non recurrent items	(1.2)	0.1
<b>17.9</b>	<b>Total non recurrent items</b>	<b>2.4</b>	<b>(0.1)</b>

#### REFINING & MARKETING

Million Euros

Fourth quarter		First Quarter	
2009		2009	2010
<b>Exclusion of non recurrent items</b>			
(47.9)	Sale of strategic stock	-	-
47.9	Sale of strategic stock cost	-	-
-	Monobuoy costs	-	-
(9.2)	Accidents caused by natural facts	(1.5)	0.0
(1.9)	Gains / losses on disposal of assets	(1.3)	(0.1)
1.5	Assets write offs	0.0	0.0
6.2	Employees contracts rescission	0.8	5.9
10.3	Sines refinery fire - accidents	1.0	-
(0.1)	Provisions for environmental charges and others	(5.1)	(0.1)
(0.7)	Assets impairments	(0.0)	0.1
(4.9)	Margin in the sale of CO <sub>2</sub> emission licenses	-	-
-	Others	-	-
<b>1.2</b>	<b>Non recurrent items of operating profit</b>	<b>(6.0)</b>	<b>6.0</b>
0.4	Capital gains / losses on disposal of financial investments	-	-
<b>1.7</b>	<b>Non recurrent items before income taxes</b>	<b>(6.0)</b>	<b>6.0</b>
(0.9)	Income taxes on non recurrent items	1.4	(1.8)
<b>0.7</b>	<b>Total non recurrent items</b>	<b>(4.6)</b>	<b>4.2</b>

## Results – First Quarter 2010

### GAS & POWER

Million Euros

Fourth quarter		First Quarter	
2009		2009	2010
<b>Exclusion of non recurrent items</b>			
-	Services rendered	-	-
(0.0)	Gains / losses on disposal of assets	(0.0)	(0.0)
0.0	Assets Write offs	-	-
-	Collections related to the sale of land	-	-
-	Accidents caused by natural facts	-	-
0.3	Employees contracts rescission	-	-
0.3	Provisions for environmental charges and others	-	0.0
(1.1)	Margin in the sale of CO <sub>2</sub> emission licenses	-	-
<b>(0.5)</b>	<b>Non recurrent items of operating profit</b>	<b>(0.0)</b>	<b>(0.0)</b>
-	Capital gains / losses on disposal of financial investments	-	-
-	Other financial results	-	-
<b>(0.5)</b>	<b>Non recurrent items before income taxes</b>	<b>(0.0)</b>	<b>(0.0)</b>
0.1	Income taxes on non recurrent items	0.0	0.0
<b>(0.3)</b>	<b>Total non recurrent items</b>	<b>(0.0)</b>	<b>(0.0)</b>

### OTHER

Million Euros

Fourth quarter		First Quarter	
2009		2009	2010
<b>Exclusion of non recurrent items</b>			
0.0	Gains / losses on disposal of assets	-	-
-	Sines refinery fire - accidents	7.0	-
-	Assets write-offs	-	-
-	Provisions for environmental charges and others	-	-
<b>0.0</b>	<b>Non recurrent items of operating profit</b>	<b>7.0</b>	-
-	Capital gains / losses on disposal of financial investments	-	-
<b>0.0</b>	<b>Non recurrent items before income taxes</b>	<b>7.0</b>	-
(0.0)	Income taxes on non recurrent items	-	-
<b>0.0</b>	<b>Total non recurrent items</b>	<b>7.0</b>	-

## Results – First Quarter 2010

### CONSOLIDATED SUMMARY

Million Euros

Fourth quarter		First Quarter	
2009		2009	2010
<b>Exclusion of non recurrent items</b>			
(47.9)	Sale of strategic stock	-	-
47.9	Sale of strategic stock cost	-	-
-	Monobuoy costs	-	-
(9.2)	Accidents caused by natural facts	(1.5)	0.0
(1.9)	Gains / losses on disposal of assets	(1.3)	(0.1)
(7.3)	Assets write off	(0.3)	(0.4)
(6.0)	Margin in the sale of CO <sub>2</sub> emission licenses	-	-
6.6	Employees contracts rescission	0.8	5.9
10.3	Sines refinery fire - accidents	8.0	-
0.2	Provisions for environmental charges and others	(5.1)	(0.1)
35.3	Assets impairments	4.0	0.4
-	Others	-	-
<b>27.9</b>	<b>Non recurrent items of operating profit</b>	<b>4.6</b>	<b>5.8</b>
0.4	Capital gains / losses on disposal of financial investments	-	-
-	Other financial results	-	-
<b>28.3</b>	<b>Non recurrent items before income taxes</b>	<b>4.6</b>	<b>5.8</b>
(10.1)	Income taxes on non recurrent items	0.2	(1.7)
<b>18.2</b>	<b>Total non recurrent items</b>	<b>4.8</b>	<b>4.1</b>

## CONSOLIDATED FINANCIAL STATEMENTS

### 1. CONSOLIDATED INCOME STATEMENT

Million euros

Fourth quarter		First Quarter	
2009		2009	2010
<b>Operating income</b>			
2,900	Sales	2,839	3,223
59	Services rendered	87	66
50	Other operating income	32	25
<b>3,009</b>	<b>Total operating income</b>	<b>2,959</b>	<b>3,314</b>
<b>Operating costs</b>			
(2,459)	Inventories consumed and sold	(2,540)	(2,811)
(197)	Material and services consumed	(187)	(176)
(96)	Personnel costs	(80)	(95)
(115)	Amortisation and depreciation cost	(68)	(70)
(19)	Provision and impairment of receivables	(10)	(12)
(4)	Other operating costs	(9)	(11)
<b>(2,890)</b>	<b>Total operating costs</b>	<b>(2,894)</b>	<b>(3,175)</b>
<b>119</b>	<b>Operating profit</b>	<b>64</b>	<b>139</b>
14	Net profit from associated companies	17	17
(0)	Net profit from investments	(0)	0
<b>Financial results</b>			
3	Financial profit	4	5
(25)	Financial costs	(19)	(23)
(1)	Exchange gain (loss)	(2)	(5)
-	Profit and cost on financial instruments	0	0
(0)	Other gains and losses	(0)	(0)
<b>109</b>	<b>Profit before taxes</b>	<b>64</b>	<b>133</b>
(19)	Income tax expense	(18)	(33)
<b>89</b>	<b>Profit before minority interest</b>	<b>46</b>	<b>99</b>
(1)	Profit attributable to minority interest	(2)	(1)
<b>88</b>	<b>Net profit for the period</b>	<b>44</b>	<b>98</b>
<b>0.11</b>	<b>Earnings per share (in Euros)</b>	<b>0.05</b>	<b>0.12</b>

# Results – First Quarter 2010

## 2. CONSOLIDATED FINANCIAL POSITION

Million euros

	December 31, 2009	March 31, 2010
<b>Assets</b>		
<b>Non current assets</b>		
Tangible fixed assets	2,641	2,828
<i>Goodwill</i>	189	189
Other intangible fixed assets	1,318	1,300
Investments in associates	227	242
Investments in other participated companies	3	3
Other receivables	99	109
Deferred tax assets	210	208
Other financial investments	0	1
<b>Total non current assets</b>	<b>4,688</b>	<b>4,880</b>
<b>Current assets</b>		
Inventories	1,229	1,227
Trade receivables	778	951
Other receivables	574	674
Other financial investments	2	3
Current Income tax recoverable	-	-
Cash and cash equivalents	244	228
<b>Total current assets</b>	<b>2,826</b>	<b>3,083</b>
<b>Total assets</b>	<b>7,514</b>	<b>7,962</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	829	829
Share premium	82	82
Translation reserve	(11)	6
Other reserves	193	193
Hedging reserves	(7)	(7)
Retained earnings	927	1,275
Profit attributable to equity holders of the parent	347	98
<b>Equity attributable to equity holders of the parent</b>	<b>2,361</b>	<b>2,476</b>
Minority interest	27	29
<b>Total equity</b>	<b>2,389</b>	<b>2,505</b>
<b>Liabilities</b>		
<b>Non current liabilities</b>		
Bank loans and overdrafts	1,047	1,338
Bonds	700	700
Other payables	381	373
Retirement and other benefit obligations	271	278
Deferred tax liabilities	57	61
Other financial instruments	9	10
Provisions	153	155
<b>Total non current liabilities</b>	<b>2,619</b>	<b>2,915</b>
<b>Current liabilities</b>		
Bank loans and overdrafts	422	411
Bonds	1	-
Trade payables	1,122	1,093
Other payables	961	1,014
Other financial instruments	0	0
Income tax	-	24
<b>Total current liabilities</b>	<b>2,507</b>	<b>2,543</b>
<b>Total liabilities</b>	<b>5,125</b>	<b>5,458</b>
<b>Total equity and liabilities</b>	<b>7,514</b>	<b>7,962</b>



## ADDITIONAL INFORMATION

### GLOSSARY

#### EBITDA

Operating profit plus depreciation, amortisation and provisions. EBITDA is not a direct measure of liquidity and should be analysed jointly with the actual cash flows from operating activities and taking into account existing financial commitments

#### Galp Energia, Company or Group

Galp Energia, SGPS, S.A. and associates

#### IRP

Income tax on oil sales in Angola

#### Rotterdam cracking margin

The Rotterdam cracking margin has the following profile: -100% dated Brent, +2.3% LPG 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&Q: 7.7%; Terminal rate: 1\$/ton; Ocean loss: 0.15% over dated Brent; Freight 2010: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 5.22 \$/ton (Freight 2009: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 6.04 \$/ton). Yields in % of weight.

#### Hydroskimming margin+ Aromatics + Rotterdam base oils

Rotterdam hydroskimming margin: -100% dated Brent, +2.1% LPG 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% NWE FOB Cg.; C&Q: 4.0%; Terminal rate: 1\$/ton; Ocean loss: 0.15% over dated Brent; Freight 2010: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 5.22 \$/ton (Freight 2009: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 6.04 \$/ton).

Rotterdam aromatics margin: -60% PM UL NWE FOB Bg, -40.0% 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% Ortoxylylene Rotterdam FOB Bg.; Consumptions: -18% LSFO 1% CIF NEW. Yields in % of weight.

Base oils refining margin: -100% Arabian Light, +3.5% LPG 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, +14.0% 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 losses: 0.15% over dated Brent; Freight 2010: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 5.22 \$/ton (Freight 2009: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat 6.04 \$/ton). Yields in % of weight.

## Results – First Quarter 2010

---

Hydroskimming Margin+ Aromatics + Rotterdam base oils = 65% Rotterdam hydroskimming margin + 15% Rotterdam aromatics 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 per day;

**Bg:** Barges;

**Cg:** Cargoes;

**CIF:** Costs, Insurance and Freights;

**CLC:** Companhia Logística de Combustíveis;

**CLH:** Companhia Logística de Hidrocarburos, S.A.;

**CMP:** Weighted-average cost;

**CPT:** Compliant Piled Tower;

**DGEG:** Direcção Geral de Energia e Geologia;

**E&P:** Exploration & Production;

**€:** Euro;

**FCC:** Fluid Catalytic Cracking;

**FIFO:** First In First Out;

**FOB:** Free on Board;

**G&P:** Gas & Power;

**IAS:** International Accounting Standards;

**IFRS:** International Financial Reporting Standards;

**LIFO:** Last In First Out;

**LNG:** Liquefied Natural Gas;

**LSFO:** Low sulphur fuel oil;

**m<sup>3</sup>:** cubic metres;

**n.m.:** not meaningful;

**OPEP:** Organisation of Petroleum-Exporting Countries;

**PM UL:** Premium unleaded;

**p.p.:** percentage points;

**PSA:** Production Sharing Agreement;

**R&D:** 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.

Galp Energia, SGPS, S.A.

**Investor Relations**

Tiago Villas-Boas, Director  
Inês Santos  
Maria Borrega  
Pedro Pinto  
Samuel Dias

**Contacts :**

Tel: +351 21 724 08 66  
Fax: +351 21 724 29 65

Head  
Office: Rua Tomás da Fonseca, Torre A, 1600-209  
Lisboa, Portugal

Website: [www.galpenergia.com](http://www.galpenergia.com)  
Email: [investor.relations@galpenergia.com](mailto:investor.relations@galpenergia.com)

Reuters: GALP.LS  
Bloomberg: GALP PL