Results

SECOND QUARTER AND FIRST HALF 2010

July 30 2010

Extending success into new challenges

Second quarter and first half results highlights

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Second Quarter and First Half Results Highlights

Exploration & Production	Increase in crude price drove results upwards YoY
Refining & Marketing	Galp Energia's refining margin increased by $1.8/bbl YoY in 2Q10
Gas & Power	Natural gas supply margins recovered YoY
Financials	2Q10 net profit RCA of €109 Mln, up 110% YoY

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Increase in crude price drove results upwards YoY

Main E&P data

		2Q10	2Q09	YoY	QoQ	1H10	1H09	YoY
Working interest production	kbbl/d	**19.8**	13.4	+48%	+7%	19.1	13.3	+43%
Net entitlement production	kbbl/d	**10.9**	9.3	+17%	(14%)	11.8	8.9	+33%
Net entitlement production	M bbl	**1.0**	0.8	+17%	(13%)	2.1	1.6	+33%
Angola - Block 14	M bbl	**0.9**	0.8	+2%	(12%)	1.8	1.6	+15%
Brazil - BM-S-11	M bbl	**0.1**	-	n.m.	(23%)	0.3	-	n.m.
Realized sale price	$/bbl	**81.6**	57.8	+41%	+15%	76.1	51.0	+49%
OPEX/net entitlement production	$/bbl	**12.3**	7.0	+77%	(3%)	12.5	10.2	+22%
EBITDA	M €	**44**	29	+51%	(8%)	93	45	+107%
CAPEX	M €	**69**	39	+77%	(11%)	146	72	+103%

- Tupi and CPT Tômbua--Lândana projects drove working interest production growth
- Net-entitlement production impacted by PSA effect in Angola
- EBITDA up 51% YoY in the 2Q10 driven by both production and brent price

Galp Energia’s refining margin increased by $1.8/bbl YoY in 2Q10

Main R&M data

		2Q10	2Q09	YoY	QoQ	1H10	1H09	YoY
Galp Energia refining margin	$/bbl	**3.4**	1.6	+118%	+27%	3.0	2.0	+50%
Spread over benchmark	$/bbl	**1.9**	0.8	+130%	+52%	1.6	0.1	+1176%
Crude processed	M bbl	**21.6**	21.3	+1%	(3%)	43.8	34.7	+26%
Refining throughput	M ton	**3.2**	3.2	(0%)	+3%	6.4	5.2	+23%
Refined product sales	M ton	**4.2**	4.2	(2%)	(2%)	8.4	8.2	+3%
Sales to direct clients	M ton	**2.6**	2.8	(8%)	(3%)	5.2	5.6	(7%)
Portugal	M ton	**1.5**	1.6	(8%)	(1%)	2.9	3.1	(6%)
Spain	M ton	**1.1**	1.2	(9%)	(5%)	2.3	2.5	(10%)
Operators	M ton	**0.9**	0.8	+9%	+9%	1.7	1.5	+10%
Exports	M ton	**0.7**	0.6	+15%	(11%)	1.5	1.0	+48%
EBITDA	M €	**134**	42	+215%	+103%	199	127	+57%
CAPEX	M €	**190**	106	+79%	+97%	286	151	+89%

- Premium over benchmark benefited by increase in heavy/light spread
- Sales to direct clients followed trend in Iberian oil products market, but kept resilient earnings contribution
- Increase in EBITDA driven by refining margin improvement

Natural gas supply margins recovered YoY

Main G&P data

		2Q10	2Q09	YoY	QoQ	1H10	1H09	YoY
NG supply total sales volumes	M m3	**1,105**	1,115	(1%)	(6%)	2,284	2,189	+4%
Liberalized market sales volumes of which:	M m3	**812**	774	+5%	(1%)	1,636	1,263	+29%
Electrical	M m3	**506**	515	(2%)	+42%	862	927	(7%)
Industrial	M m3	**263**	257	+2%	(23%)	605	333	+82%
Regulated market sales volumes	M m3	**293**	341	(14%)	(17%)	648	926	(30%)
Sales of electricity to the grid	GWh	**311**	134	+133%	+5%	608	277	+120%
EBITDA	M €	**94**	53	+76%	+52%	155	101	+53%
CAPEX	M €	**28**	22	+27%	+77%	44	39	+14%

- Significant growth in liberalized industrial market YoY
- Spanish NG acquisition already contributing to NG volumes, with 22 Mm^3 in the 2Q10
- EBITDA benefited from Sines cogeneration performance and one-off events

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2Q10 net profit RCA of €109 Mln, up 110% YoY

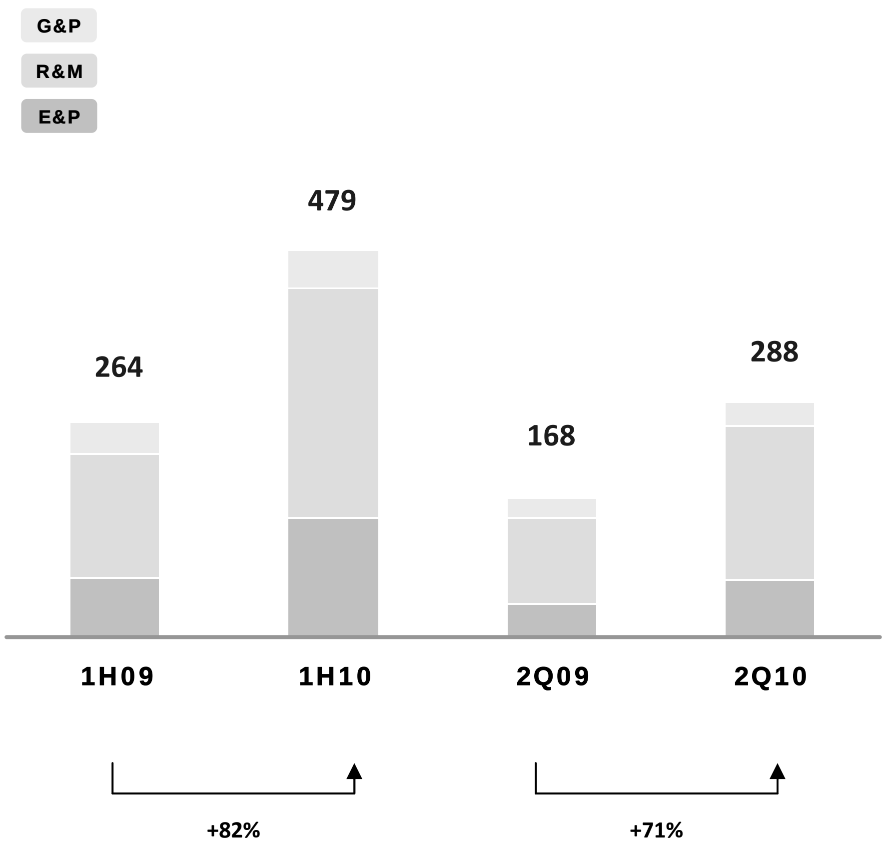
Profit & Loss (€Mln)

	2Q10	2Q09	YoY	QoQ	1H10	1H09	YoY
Turnover	**3,588**	2,866	+25%	+9%	6,877	5,793	+19%
EBITDA	**277**	133	+109%	+56%	454	286	+59%
E&P	**44**	29	+51%	(8%)	93	45	+107%
R&M	**134**	42	+215%	+103%	199	127	+57%
G&P	**94**	53	+76%	+52%	155	101	+53%
Others	**5**	8	(30%)	+235%	7	13	(48%)
EBIT	**158**	57	+178%	+65%	253	132	+92%
Associates	**18**	27	(34%)	+6%	34	44	(22%)
Financial results	**(30)**	(15)	+98%	+29%	(53)	(33)	+62%
Taxes	**(36)**	(10)	+273%	+58%	(58)	(33)	+78%
Net Profit	**109**	52	+110%	+68%	174	101	+72%
Net Profit (IFRS)	**162**	93	+75%	+65%	260	137	+90%

- Positive contribution from all segments
- Net profit impacted by higher financial costs due to debt increase
- Decrease in Associates due to change in consolidation criteria

Transformational capex execution according to plan

Capital expenditure [1] (€Mln)



- Tupi continued to be the main driver of E&P's capex
- Upgrade refining project capex accelerated in 2Q10
- Majority of 2Q10 G&P capex focused in the cogeneration at Porto's refinery

[1] does not include financial investments

Net debt increase driven by transformational capex

Consolidated balance sheet (€Mln)

	Jun. 2010	Mar. 2010	Jun - Mar	Dec. 2009	Jun - Dec
Fixed assets	**4,835**	4,562	+273	4,379	+456
Work in progress	**1,360**	1,145	+215	1,015	+345
Strategic stock	**691**	619	+73	575	+117
Other assets (liabilities)	**(350)**	(355)	+5	(333)	(18)
Working capital	**(107)**	(99)	(8)	(305)	+198
Net debt	**2,483**	2,222	+262	1,927	+556
Equity	**2,585**	2,505	+81	2,389	+197
Capital employed	**5,069**	4,726	+342	4,316	+753
Net debt to equity	96%	89%	7.4 p.p.	81%	15.4 p.p.

- Increase in work in progress, which reached €1.4 Bln, not yet generating return
- Controlled working capital within quarters
- Dividend payment of €116 Mln in 2Q10

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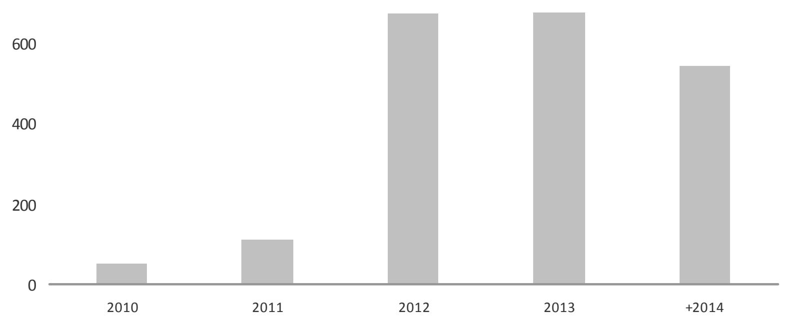
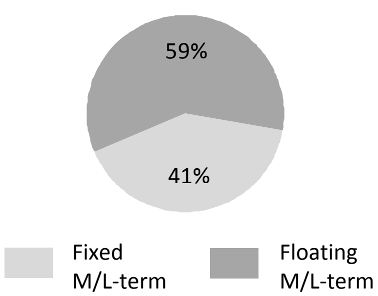
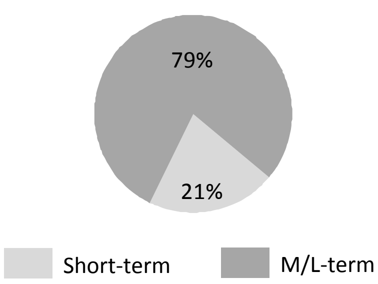
Current liquidity of €1.3[1] Bln

M/L-term debt reimbursement profile (€Mln)



Debt structure as of June 2010





- Change in reimbursement profile to reduce debt repayments in 2011
- Net debt totalled €2.5 Bln
- Average interest rate of 3.5%
- 65% of current liquidity already committed

[1] Liquidity position as of end June 2010

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Exploration & Production	3Q10 working interest production expected to be in line with 2Q10
Refining & Marketing	Economic recovery uncertainty with potential impact in division drivers
Gas & Power	3Q10 NG volumes to recover from 2Q10 levels
Financials	Liquidity position permits transformational projects execution

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Development of Tupi ongoing

FPSO Cidade de Angra dos Reis

- Installation of 216 km NG pipeline already concluded
- Recent wells, Tupi NE, Tupi OW and Tupi Alto confirm high reservoir quality
- Pilot on time to start operations by 4Q2010 with FPSO Cidade de Angra dos Reis

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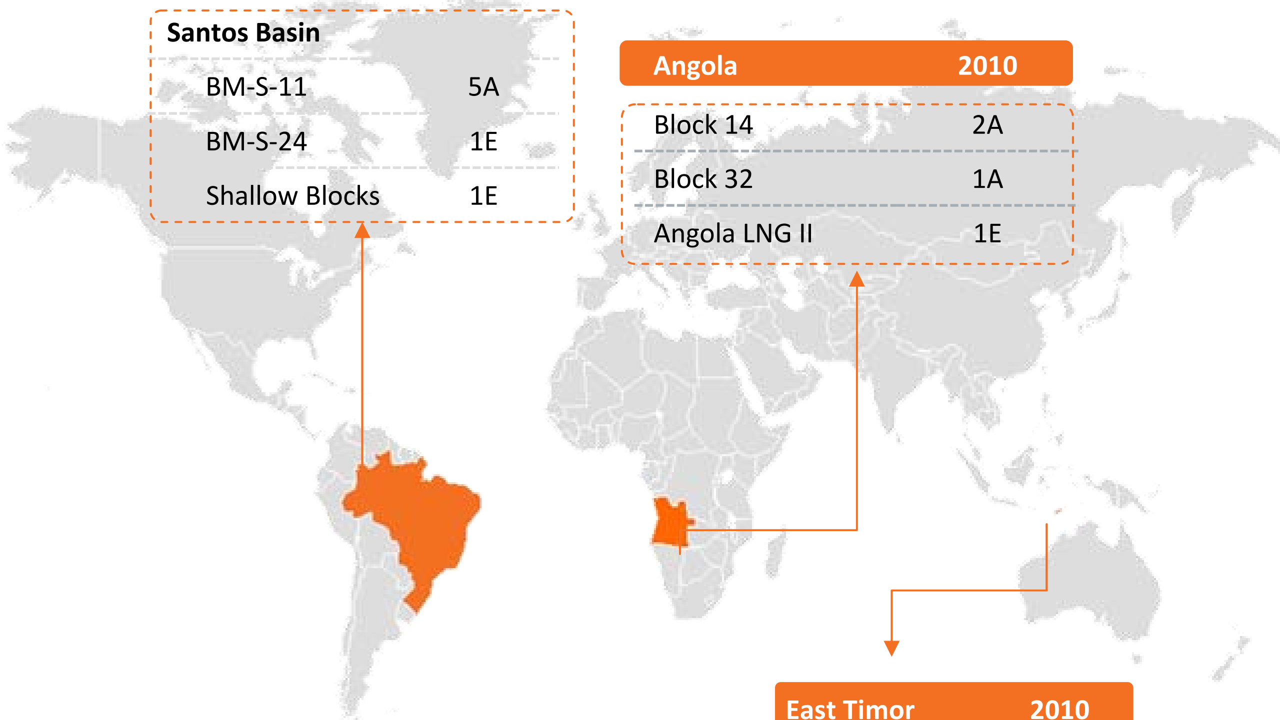
2H10 drilling program focused on BM-S-11



Brazil	2010
Santos Basin	
BM-S-11	5A
BM-S-24	1E
Shallow Blocks	1E

Angola	2010
Block 14	2A
Block 32	1A
Angola LNG II	1E

East Timor	2010
Block C	1E

- Drilling program focused on high potential Tupi and Iracema areas
- Five new appraisal wells scheduled for 2H10 in Tupi and Iracema areas
- Postponement of exploration wells in BM-S-8 and BM-S-21 to next year

E – Exploration well; **A** – Appraisal well

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Upgrade project moving ahead according to plan

Works at Sines' refinery

- Project on cost, €1.4 Bln, of which €600 Mln already invested
- Equipment with longest delivery items (hydrocracker reactors) already on site and installed
- All critical equipment & contracts already awarded

New 82 MW cogeneration at Matosinhos in line with schedule

Works at Matosinhos cogeneration

- Electric interconnection with the power grid already concluded and all main lead items have been already procured
- Matosinhos cogeneration positive impact in earnings of €16 Mln per year
- Matosinhos cogeneration to start operations by 1H2011, in line with schedule

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RCA figures except otherwise noted.

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Results

SECOND QUARTER AND FIRST HALF 2010

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Extending success into new challenges

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