RESULTS

THIRD QUARTER AND NINE MONTHS 2010

Extending success into new challenges

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EXECUTIVE SUMMARY

Galp Energia's replacement cost adjusted (RCA) net profit for the first nine months of 2010 rose 48% year on year (yoy) to €266 million. RCA net profit for the third quarter 2010 was €93 million.

In the first nine months of 2010, all business segments improved their operating performance compared with a year earlier, particularly Exploration & Production and Refining & Marketing, although the latter was adversely impacted in the first quarter of 2009 by the incident in the Sines.

SUMMARY OF RESULTS – SECOND QUARTER AND FIRST HALF 2010

- The working interest production of crude oil in the first nine months of 2010 increased 41% yoy to 19.3 thousand barrels per day, driven primarily by the Tupi and CPT Tômbua-Lândana projects; in the third quarter, the production of 19.6 thousand barrels per day was in line with the previous quarter;

- Galp Energia's refining margin in the first nine months of 2010 was Usd 2.7/bbl; in the third quarter 2010, the refining margin was Usd 2.1/bbl, which was substantially above the Usd 0.6/bbl of a year earlier driven by the recovery in margins on international markets;

- The marketing of oil products continued to contribute favourably to results as operating performance in the Spanish market in the third quarter improved from the previous quarter;

- In the first nine months of 2010, the volume of natural gas sold rose 3% yoy to 3,586 million cubic metres, 74% of which was sold in the liberalised market and 188 million cubic metres were absorbed by the cogeneration plant in the Sines refinery; in the third quarter 2010, 1,302 million cubic metres were sold, which was in line with a year earlier;

- RCA EBITDA in the first nine months of 2010 was €677 million, of which 48% originated in the Refining & Marketing business segment; in the third quarter 2010, RCA EBITDA was €223 million against €193 million a year earlier;

- The RCA net profit of €266 million equated to €0.32 per share, of which €0.11 in the third quarter 2010;

- Capital expenditure in the first nine months of 2010 amounted to €864 million, 45% of which in the third quarter; in both periods, capex was mainly channelled to the refinery upgrade project.

CONFERENCE CALL

Date:	Friday, 29 October
Time:	12:30 UK time (13:30 CET)
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KEY FIGURES

FINANCIAL DATA

Million euros

Third quarter					Nine months			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
261	230	(31)	(11.8%)	EBITDA	577	820	243	42.0%
196	217	21	10.8%	EBITDA RC[1]	462	674	212	45.9%
193	**223**	**29**	**15.2%**	**EBITDA RCA[2]**	**480**	**677**	**197**	**41.1%**
171	140	(31)	(18.2%)	Operating profit	340	512	172	50.7%
106	127	21	19.5%	Operating profit RC[1]	225	367	142	63.1%
104	**136**	**32**	**31.3%**	**Operating profit RCA[2]**	**235**	**390**	**154**	**65.5%**
123	96	(27)	(22.3%)	Net profit	260	355	96	36.8%
74	85	11	14.9%	Net profit RC[1]	170	248	77	45.5%
78	**93**	**14**	**18.4%**	**Net profit RCA[2]**	**179**	**266**	**87**	**48.5%**

[1] Replacement cost figures exclude inventory effects

[2] Adjusted figures exclude inventory effects and non recurrent events

MARKET INDICATORS

Third quarter					Nine months			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
0.5	0.7	0.1	22.7%	Rotterdam cracking refining margin[1] (Usd/bbl)	1.7	1.5	(0.2)	(11.1%)
(0.6)	0.1	0.7	n.m.	Rotterdam hydroskimming + aromatics + base oil refining margin[1] (Usd/bbl)	0.5	0.3	(0.2)	(35.1%)
21.7	43.3	21.6	99.8%	UK NBP natural gas price[2] (GBp/term)	31.8	39.2	7.4	23.4%
35.0	44.1	9.0	25.8%	Spanish pool price[2] (€/MWh)	38.2	34.9	(3.3)	(8.7%)
68.3	76.9	8.6	12.6%	Average Brent dated price[3] (Usd/bbl)	57.2	77.1	20.0	35.0%
1.43	1.29	(0.1)	(9.6%)	Average exChg. rate[2] (Eur/Usd)	1.37	1.32	(0.1)	(3.7%)
1.13	1.13	*0 p.p.*	n.m.	Euribor - six month[2] (%)	1.57	1.03	*(0.5 p.p.)*	(34.7%)

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

[2] Source: Bloomberg

[3] Source: Platts

OPERATING DATA

Third quarter					Nine months			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
14.3	19.6	5.3	37.2%	Average working interest production (kbbl/day)	13.6	19.3	5.6	41.3%
8.9	9.5	0.6	7.1%	Average net entitlement production (kbbl/day)	8.9	11.0	2.2	24.3%
0.6	2.1	1.5	n.m.	Galp Energia refining margin (Usd/bbl)	1.5	2.7	1.3	85.4%
3.3	3.2	(0.1)	(2.4%)	Raw materials processed (million tonnes)	8.5	9.6	1.1	13.0%
2.7	2.6	(0.1)	(5.1%)	Oil sales direct clients in Iberia (million tonnes)	8.4	7.8	(0.6)	(6.6%)
1,293	1,302	9	0.7%	Natural gas sales (million m^3)	3,482	3,586	103	3.0%
141	301	160	114.0%	Sales of electricity to the grid [1] (Gwh)	417	909	492	117.9%

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

BASIS OF PRESENTATION

Galp Energia's unaudited consolidated financial statements for the nine months ended 30 September 2010 and 2009 have been prepared in accordance with IFRS. The financial information in the consolidated income statement is reported for the quarters ended 30 September 2010 and 2009 and the nine months ended on these dates. The financial information in the consolidated financial position is reported at 30 September 2010, 30 June 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 commodities prices fluctuate, cause volatility in results following gains or losses in inventories which do not reflect the company's operating performance. This effect is called the *inventory 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 and net profit exclude non recurrent events and the inventory effect as the cost of goods sold has been calculated according to the replacement cost (RC) method.

RECENT CHANGES

In the first quarter of 2010, the following changes were made:

(i) 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 nine months and the third quarter of 2009 to make periods comparable;

(ii) the policy for accounting for investment grants granted by state bodies was, up to the end of 2009, to record them as deductions from the corresponding assets; from January 2010, investment grants are recorded under liabilities as deferred income; this change was applied to the nine months and the third quarter of 2009 to make periods comparable; and

(iii) the tangible assets allocated to the regulated natural gas activities have been transferred, without changing their economic life, to the heading "Concession service agreements" under intangible assets; this was due to the fact that these activities are operated under a concession by the Portuguese state which is covered by interpretation *IFRIC 12 – Service Concession Arrangements*.

MARKET ENVIRONMENT

BRENT

The dated Brent averaged Usd 77.1/bbl in the first nine months of 2010, or 35% above a year earlier, when it was at the same level as in 2005, before the period of steeply rising oil prices.

In the third quarter, the dated Brent averaged Usd 76.9/bbl, or 13% above a year earlier. In July, the average dated Brent rose 1% from June to Usd 75.6/bbl following the threat of production breakdowns in the wake of hurricanes in the Gulf of Mexico. In August, the average dated Brent rose to Usd 77.2/bbl as it responded to the falling supply resulting from maintenance work in the North Sea fields. In September, the average dated Brent edged up to Usd 77.8/bbl on the back of increased demand, the dollar depreciation and the French harbour strike.

OIL PRODUCTS

In the first nine months of 2010, the gasoline crack spread averaged Usd 17.9/bbl, or 18% above a year earlier, as improving economic conditions boosted demand; in the third quarter, it averaged Usd 15.1/bbl, or Usd 3.8/bbl below the previous quarter, as demand induced by the driving season fell short of expectations.

In the first nine months of 2010, the diesel crack spread averaged Usd 12.2./bbl, or Usd 1.6/bbl above a year earlier. In the third quarter, it averaged Usd 12.6/bbl, or 7% below the previous quarter, as the utilisation of European refineries stepped up following the completion of maintenance work and the increase in new refining capacity, which led to rising diesel production.

In the first nine months of 2010, the fuel oil crack spread averaged Usd -17.3/bbl, or 24% below a year earlier; in the third quarter, it averaged Usd -17.3/bbl, or 5% above a quarter earlier. This rise followed increased demand from the electricity sector in the summer peak and continued strong demand from marine bunkers.

REFINING MARGINS

In the first nine months of 2010, the average cracking margin fell Usd 0.2/bbl yoy to Usd 1.5/bbl, whereas the average hydroskimming margin fell Usd 0.6/bbl yoy to Usd -1.2/bbl following the adverse impact of the rise in the dated Brent between periods.

In the third quarter of 2010, the average cracking margin fell Usd 1.2/bbl from a quarter earlier to Usd 0.7/bbl and the hydroskimming margin fell Usd 0.6/bbl from a quarter earlier to Usd -1.6/bbl. This retreat by both margins came as product prices failed to keep pace with the rise of dated Brent in July and August. Towards the end of the quarter, the recovering diesel crack spread contributed partly to the pickup in refining margins.

EUR/USD

In the first nine months of 2010, the euro/dollar exchange rate averaged 1.32, or 4% below a year earlier. In the third quarter, it averaged 1.29 as the euro appreciated 2% qoq and depreciated 10% yoy. The euro depreciation was mainly due to the sovereign debt crisis in the eurozone.

THE IBERIAN MARKET

In the first nine months of 2010, the Portuguese market for oil products, reflecting the adverse economic environment, contracted 3% yoy to 7.7 million tonnes. The market for gasoline contracted 4% to 1.1 million tonnes, the market for diesel kept stable at 4 million tonnes and the market for jet fuel expanded 8% to 0.78 million tonnes.

In the third quarter, the Portuguese market for oil products contracted 4% yoy to 2.7 million tonnes. This contraction was primarily driven by the 5% fall in the market for gasoline to 0.4 million tonnes. The market for diesel was, at 1.4 million tonnes, in line with a year earlier and the market for jet fuel expanded 8% to 0.3 million tonnes.

In the first nine months of 2010, the Spanish market for oil products also retreated yoy, contracting 3% to 43.9 million tonnes. This was mainly due to the 6% contraction in the market for gasoline to 4.3 million tonnes and the 1% contraction in the market for diesel to 23.5 million tonnes, compared with a year earlier, as the difficult economic conditions impacted demand.

In the third quarter, the Spanish market for oil products contracted 2% yoy to 14.7 million tonnes. The market for gasoline had the steepest fall, as it contracted 6% yoy to 1.5 million tonnes, but the market for diesel also fell, by 1% yoy, to 7.6 million tonnes.

In the first nine months of 2010, the Portuguese market for natural gas expanded 2% yoy to 3,273 million cubic metres. The 3% rise in demand from the industrial segment made up for the 3% fall in the electrical segment which was hit by the rising wind and hydro production of electricity to the detriment of natural gas-fired production following higher rainfall in the period.

In the third quarter, the Portuguese market for natural gas expanded 1% yoy to 1,114 million cubic metres as the electrical segment increased by 2% following rising demand for natural gas to the detriment of coal for electric power generation.

In the first nine months of 2010, the Spanish market for natural gas contracted 2% yoy to 24,962 million cubic metres. Whereas the residential, commercial and industrial segments expanded 9%, the electrical segment contracted 17% as the hydro and wind sources increased their share for power generation.

In the third quarter, the Spanish market for natural gas contracted 8% yoy to 7,742 million cubic metres as the electrical segment fell by 20% following the substitution of thermal by hydro production.

MARKET INDICATORS

Third quarter					Nine months			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
68.3	76.9	8.6	12.6%	Average Brent dated price[1] (Usd/bbl)	57.2	77.1	20.0	35.0%
8.2	12.6	4.4	53.1%	Diesel crack[2] (Usd/bbl)	10.6	12.2	1.6	14.7%
17.0	15.1	(1.9)	(11.2%)	Gasoline[3] crack (Usd/bbl)	15.1	17.9	2.8	18.2%
(14.6)	(17.3)	(2.7)	(18.3%)	Fuel oil crack[4] (Usd/bbl)	(14.0)	(17.3)	(3.3)	(23.8%)
0.5	0.7	0.1	(22.7%)	Rotterdam cracking refining margin[1] (Usd/bbl)	1.7	1.5	(0.2)	(11.1%)
(1.7)	(1.6)	0.1	7.2%	Rotterdam hydroskimming refining margin[1] (Usd/bbl)	(0.6)	(1.2)	(0.6)	(35.1%)
2.8	2.7	(0.1)	(4.2%)	Portuguese oil market[5] (million ton)	8.0	7.7	(0.3)	(3.5%)
15.0	14.7	(0.3)	(2.1%)	Spanish oil market[6] (million ton)	45.0	43.9	(1.1)	(2.5%)
1,102	1,114	12	1.1%	Portuguese natural gas market[7] (million m^3)	3,200	3,273	73	2.3%
8,413	7,742	(671)	(8.0%)	Spanish natural gas market[8] (million m^3)	25,373	24,962	(411)	(1.6%)

[1] Source: *Platts*

[2] Source: *Platts*; *ULSD 10ppm NWE CIF ARA*.

[3] Source: *Platts*; Unleaded gasoline, *NWE FOB Barges*

[4] Source: *Platts*; 1% LSFO, NWE FOB Cargoes

[5] Source: DGEG

[6] Source: Cores. Data for September 2010 is estimated

[7] Source: Galp Energia

[8] Source: Enagas

FINANCIAL REVIEW

1. INCOME STATEMENT

Million euros

Third quarter					Nine months			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
3,257	3,590	333	10.2%	Turnover	9,050	10,460	1,410	15.6%
(3,020)	(3,375)	355	11.8%	Operating expenses	(8,531)	(9,737)	1,205	14.1%
24	15	(9)	(36.7%)	Other operating revenues (expenses)	59	97	38	64.6%
261	**230**	**(31)**	**(11.8%)**	**EBITDA**	**577**	**820**	**243**	**42.0%**
(90)	(90)	0	0.4%	D&A and provisions	(237)	(307)	70	29.7%
171	**140**	**(31)**	**(18.2%)**	**Operating profit**	**340**	**512**	**172**	**50.7%**
13	18	5	39.5%	Net profit from associated companies	57	52	(4)	(7.9%)
(0)	0	1	n.m.	Net profit from investments	(0)	0	1	n.m.
(20)	(18)	2	10.8%	Net interest expenses	(53)	(71)	(18)	(34.4%)
164	140	(23)	(14.3%)	Profit before tax and minority interests	343	493	150	43.7%
(39)	(43)	4	10.8%	Income tax	(79)	(135)	55	69.4%
(1)	(1)	(0)	(15.4%)	Minority Interests	(4)	(3)	(1)	(17.2%)
123	**96**	**(27)**	**(22.3%)**	**Net profit**	**260**	**355**	**96**	**36.8%**
123	**96**	**(27)**	**(22.3%)**	**Net profit**	**260**	**355**	**96**	**36.8%**
(49)	(11)	38	78.0%	Inventory effect	(89)	(108)	(18)	(20.3%)
74	**85**	**11**	**14.9%**	**Net profit RC**	**170**	**248**	**77**	**45.5%**
4	8	3	79.3%	Non recurrent items	9	18	9	104.6%
78	**93**	**14**	**18.4%**	**Net profit RCA**	**179**	**266**	**87**	**48.5%**

NINE MONTHS

RCA net profit for the first nine months of 2010 increased 48% yoy to €266 million. This was the result of a better performance by all business segments as the price and production of crude oil, the refining margin, the volume of crude processed and the volume of natural gas sold all increased in the period. This should, however, be seen against a background of depressed results in 2009 following the incident in the Sines refinery in the first quarter of that year. IFRS net profit of €355 million included a favourable inventory effect of €108 million as the prices of crude and oil products rose on international markets.

THIRD QUARTER

RCA net profit for the third quarter 2010 rose 18% yoy to €93 million. This was the result of a good operating performance by the Refining & Marketing and Gas & Power business segments as both the refining margin and the volume of natural gas sold improved in the period. IFRS net profit of €96 million included a favourable inventory effect of €11 million.

2. ANALYSIS OF INCOME STATEMENT ITEMS

SALES AND SERVICES RENDERED

Million euros

Third quarter					Nine months			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
3,257	**3,590**	**333**	**10.2%**	**Sales and services rendered**	**9,050**	**10,460**	**1,410**	**15.6%**
-	-	-	-	Non recurrent items	-	-	-	-
3,257	**3,590**	**333**	**10.2%**	**Adjusted sales and services rendered**	**9,050**	**10,460**	**1,410**	**15.6%**
46	62	16	34.5%	Exploration & Production	99	163	64	64.3%
2,953	3,144	191	6.5%	Refining & Marketing	8,053	9,243	1,190	14.8%
331	493	162	49.1%	Gas & Power	1,055	1,306	251	23.7%
22	31	9	43.0%	Others	85	95	10	12.1%
(95)	(140)	(46)	(48.2%)	Consolidation adjustments	(243)	(348)	(105)	(43.0%)

NINE MONTHS

Sales and services provided in the first nine months of 2010 increased 16% yoy to €10,460 across all business segments. This increase was mainly due to the rising production of crude oil coupled with increasing prices of crude, oil products and natural gas on international markets.

THIRD QUARTER

Sales and services provided in the third quarter of 2010 increased 10% yoy to €3,590 million as all business segments contributed to the rising turnover. This increase was due to the rising production of crude oil and to increases in the prices of crude, oil products and natural gas on international markets.

OPERATING COSTS

Million euros

Third quarter					Nine months			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
3,020	**3,375**	**355**	**11.8%**	**Operational costs**	**8,531**	**9,737**	**1,205**	**14.1%**
65	13	(52)	(79.8%)	Inventory effect	115	146	31	26.5%
3,085	**3,388**	**303**	**9.8%**	**Operational costs RC**	**8,647**	**9,883**	**1,236**	**14.3%**
(3)	(6)	(3)	(92.2%)	Non recurrent items	(23)	(15)	9	37.0%
3,082	**3,382**	**300**	**9.7%**	**Operational costs RCA**	**8,623**	**9,868**	**1,245**	**14.4%**
3,082	**3,382**	**300**	**9.7%**	**Operational costs RCA**	**8,623**	**9,868**	**1,245**	**14.4%**
2,826	3,100	274	9.7%	Cost of goods sold	7,850	9,050	1,200	15.3%
176	196	19	10.9%	Supply and services	541	566	25	4.7%
80	87	7	9.0%	Personnel costs	233	251	19	8.1%

NINE MONTHS

RCA operating costs for the first nine months of 2010 rose 14% yoy to €9,868 million, which was primarily due to the 15% increase in the cost of goods sold that followed from rising prices of crude and oil products.

Supply and services cost rose 5% yoy to €566 million although, on a comparable basis, that is, excluding the consolidation of Madrileña Gas, the increase was only 2%.

Personnel costs rose 8% yoy to €251 million, primarily as a result of the lower variable pay component in 2009.

THIRD QUARTER

RCA operating costs for the third quarter rose 10% yoy to €3,382 million as the cost of goods sold increased against a background of rising prices of crude oil and natural gas on international markets.

Supply and services cost rose 11% yoy, although on a comparable basis, that is, excluding the effect of the Madrileña Gas acquisition, the increase was 7% on the back of higher tariffs for the use of the natural gas transport and distribution network.

Staff costs rose 9% yoy, primarily as a result of the lower variable pay component in 2009.

EMPLOYEES

	December 31, 2009	June 30, 2010	September 30, 2010	Change vs Dec 31, 2009	Change vs Jun 30, 2010
Exploration & Production	78	77	81	3	4
Refining & Marketing	6,340	6,355	6,361	21	6
Gas & Power	468	468	462	(6)	(6)
Corporte & Others	607	615	625	18	10
Total employees	**7,493**	**7,515**	**7,529**	**36**	**14**
Service stations employees	3,761	3,807	3,541	(220)	(266)
Total off site employees	**3,732**	**3,708**	**3,988**	**256**	**280**

At the end of September 2010, Galp Energia had a total of 7,529 employees, or 14 more than at the end of June 2010.

The reduction in the number of service stations employees was related to the change in the method for classing this category of employees, a part of whom is now classed as offsite employees.

DEPRECIATION AND AMORTISATION

Million euros

Third quarter					Nine months			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
66	**85**	**19**	**28.9%**	**Depreciation & amortisation**	**193**	**243**	**50**	**26.1%**
0	(3)	(3)	n.m.	Non recurrent items	(1)	(12)	(11)	n.m.
66	**82**	**16**	**24.0%**	**Adjusted depreciation & amortisation**	**191**	**231**	**40**	**20.7%**
66	**82**	**16**	**24.0%**	**Adjusted depreciation & amortisation**	**191**	**231**	**40**	**20.7%**
12	22	10	77.8%	Exploration & Production	32	53	21	63.7%
45	49	4	8.5%	Refining & Marketing	132	143	12	8.7%
9	11	2	21.1%	Gas & Power	26	32	6	22.8%
0	1	1	n.m.	Others	0	2	1	n.m.

NINE MONTHS

Adjusted depreciation and amortisation for the first nine months of 2010 rose 21% yoy to €231 million.

In Exploration & Production, the increase of €21 million came primarily from depreciation of Angola's block 14, namely the CPT Tômbua-Lândana project.

In Refining & Marketing, adjusted depreciation and amortisation increased 9% yoy to €143 million as depreciation related to the marketing of oil products increased following the acquisition of ExxonMobil's and Agip's former Iberian subsidiaries in late 2009.

The increase of €6 million to €32 million in Gas & Power was due to the acquisition of Madrileña Gas and the depreciation in the Power business after the cogeneration plant at the Sines refinery came into operation in October 2009.

Non recurrent items of €12 million were primarily related to the cost of dry wells in Brazil.

THIRD QUARTER

Adjusted depreciation and amortisation for the third quarter of 2010 rose 24% yoy to €82 million.

Although this increase came from all business segments, Exploration & Production contributed the most as the CPT Tômbua-Lândana project started up and prices of crude oil used as reference for the calculation of reserves differed between periods, thereby directly impacting the applicable depreciation rate.

In Refining & Marketing, the €4 million yoy increase in depreciation and amortisation was primarily related to the marketing of oil products in Spain.

In Gas & Power, the €2 million yoy increase in depreciation and amortisation was related to the start-up of operations at the cogeneration plant in the Sines refinery.

PROVISIONS

Million euros

Third quarter					Nine months			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
24	**5**	**(19)**	**(78.7%)**	**Provisions**	**44**	**65**	**20**	**45.2%**
(0)	(0)	(0)	n.m.	Non recurrent items	9	(8)	(16)	n.m.
24	**5**	**(19)**	**(80.3%)**	**Adjusted provisions**	**53**	**57**	**4**	**7.0%**
24	**5**	**(19)**	**(80.3%)**	**Adjusted provisions**	**53**	**57**	**4**	**7.0%**
1	7	6	n.m.	Exploration & Production	5	15	10	n.m.
3	2	(1)	(28.1%)	Refining & Marketing	16	6	(10)	(64.6%)
19	(5)	(24)	n.m.	Gas & Power	32	36	4	12.7%
-	-	-	-	Others	1	0	(1)	(65.4%)

NINE MONTHS

Adjusted provisions for the first nine months of 2010 rose 7% yoy to €57 million.

In Exploration & Production, higher provisions were primarily related to abandonment of Angola's block 14 and to the payment of IRP for previous years. Lower adjusted provisions in Refining & Marketing reflected lower adjustments for doubtful debtors. In Gas & Power, the increase in provisions was related to the renegotiation of contracts for the supply of natural gas.

THIRD QUARTER

Adjusted provisions for the third quarter of 2010 declined to €5 million, down €19 million yoy, as the renegotiation of contracts for the supply of natural gas was completed in the second quarter of 2010.

OPERATING PROFIT

Million euros

Third quarter					Nine months			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
171	**140**	**(31)**	**(18.2%)**	**Operating profit**	**340**	**512**	**172**	**50.7%**
(65)	(13)	52	79.8%	Inventory effect	(115)	(146)	(31)	(26.5%)
106	**127**	**21**	**19.5%**	**Operating profit RC**	**225**	**367**	**142**	**63.1%**
(2)	9	12	n.m.	Non recurrent items	11	23	12	n.m.
104	**136**	**32**	**31.3%**	**Operating profit RCA**	**235**	**390**	**154**	**65.5%**
104	**136**	**32**	**31.3%**	**Operating profit RCA**	**235**	**390**	**154**	**65.5%**
15	9	(6)	(42.9%)	Exploration & Production	36	62	26	71.4%
58	75	16	28.1%	Refining & Marketing	86	176	90	105.0%
35	50	16	44.7%	Gas & Power	105	143	37	35.5%
(4)	3	7	n.m.	Others	8	9	1	8.1%

NINE MONTHS

RCA operating profit for the first nine months of 2010 increased 65% yoy to €390 million following the improved performance of all business segments on the back of increases in the price and production of crude oil, the refining margin and the volume of crude processed. The improved results in 2010 should be seen against the background of the incident in the Sines refinery, which depressed results in 2009.

THIRD QUARTER

RCA operating profit for the third quarter of 2010 rose 31% yoy to €136 million, influenced by improved results in both Refining & Marketing, following the increase in Galp Energia's refining margin, and Gas & Power, as performance improved in natural gas supply business.

OTHER RESULTS

Million euros

Third quarter					Nine months			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
13	18	5	39.5%	Net profit from associated companies	57	52	(4)	(7.9%)
(0)	0	1	n.m.	Net profit from investments	(0)	0	1	n.m.
(20)	(18)	2	10.8%	Financial results	(53)	(71)	(18)	(34.4%)

NINE MONTHS

Results from associates in the first nine months of 2010 declined by €4 million yoy to €52 million, which was explained by the inclusion a year earlier of one subsidiary acquired from ExxonMobil, which began to be fully consolidated in the last quarter of 2009. However, the contribution to results by international gas pipelines EMPL, Gasoducto Al Andalus and Gasoducto Extremadura increased by 11% yoy to €36 million.

Net financial losses increased by €18 million as the average debt rose and unfavourable exchange differences followed from the 5% appreciation of the dollar against the euro since the beginning of the year.

THIRD QUARTER

Results from associates in the third quarter of 2010 rose €5 million yoy to €18 million.

Net financial losses of €18 million reflected an 11% improvement compared with a year earlier. Despite the rising average debt, higher interest costs were offset by favourable exchange differences as the US dollar depreciated against the euro in the third quarter.

INCOME TAX

Million euros (except otherwise noted)

Third quarter					Nine months			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
39	**43**	**4**	**10.8%**	**Income tax IFRS[1]**	**79**	**135**	**55**	**69.4%**
24%	*31%*	*7 p.p.*	*n.m.*	*Effective income tax*	*23%*	*27%*	*4 p.p.*	*n.m.*
(16)	(2)	(13)	(85.4%)	Inventory effect	(26)	(38)	12	47.9%
23	**41**	**18**	**75.5%**	**Income tax RC[1]**	**54**	**96**	**43**	**79.8%**
(0)	2	2	n.m.	Non recurrent items	2	4	2	118.2%
23	**43**	**20**	**85.9%**	**Income tax RCA[1]**	**56**	**101**	**45**	**81.2%**
22%	*31%*	*9 p.p.*	*n.m.*	*Effective income tax*	*23%*	*27%*	*4 p.p.*	*n.m.*

[1] Include oil tax (IRP) payable in Angola

NINE MONTHS

RCA income tax in the first nine months of 2010 was €101 million, up €45 million from a year earlier as results improved and IRP payable in Angola rose by €13 million yoy to €28 million after more production allocated to profit oil under the PSA. The RCA-based effective tax rate in the period was 27%.

The 2.5 p.p. increase in the Portuguese marginal corporate income tax rate from June 2010 had an impact on income tax payable.

THIRD QUARTER

RCA income tax in the third quarter of 2010 was €43 million, which equated to an RCA-based effective tax rate of 31%, well above the 22% of a year earlier. This increase explained by improved results, the upward revision of Portugal's marginal income tax rate and the increase from €2 to €10 million of IRP payable in Angola as the allocation of production to profit oil rose under the PSA.

3. FINANCIAL POSITION

Million euros (except otherwise noted)

	December 31, 2009	June 30, 2010	September 30, 2010	Change vs Dec 31, 2009	Change vs Jun 30, 2010
Fixed assets	4,379	4,835	5,122	743	287
Strategic stock	575	691	715	140	23
Other assets (liabilities)	(333)	(350)	(349)	(17)	1
Working capital	(305)	(107)	(196)	110	(88)
	4,316	**5,069**	**5,292**	**976**	**223**
Short term debt	424	573	723	299	150
Long term debt	1,747	2,124	2,143	396	18
Total debt	**2,171**	**2,697**	**2,865**	**694**	**168**
Cash	244	214	170	(73)	(43)
Total net debt	**1,927**	**2,483**	**2,695**	**768**	**211**
Total shareholder's equity	**2,389**	**2,585**	**2,597**	**209**	**12**
Capital employed	**4,316**	**5,069**	**5,292**	**976**	**223**

Net fixed assets as of September 30, 2010 amounted to €5,122 million, up €287 million from the end of the first half of 2010 following capital spending, mainly in Refining & Marketing, in the third quarter. The rise of €23 million in the strategic stock in the third quarter of 2010 was due to rising prices of oil products compared with the previous quarter. Improved working capital management led to a reduction of €88 million relative to the end of the first half of 2010.

DEBT

Million euros (except otherwise noted)

	December 31, 2009		June 30, 2010		September 30, 2010		Change vs Dec 31, 2009		Change vs Jun 30, 2010	
	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
Bonds	1	700	-	700	-	700	(1)	-	-	-
Bank debt	422	947	573	1,174	463	1,193	40	246	(110)	18
Commercial paper	-	100	-	250	260	250	260	150	260	-
Cash	(244)	-	(214)	-	(170)	-	73	-	43	-
Net debt	**1,927**		**2,483**		**2,695**		**768**		**211**	
Average life (years)	3.53		3.41		3.09		(0.44)		(0.32)	
Net debt to equity	81%		96%		104%		23.1 p.p.		7.7 p.p.	

Net debt at the end of the first nine months of 2010 was €2,695 million against €2,483 million at the end of June 2010. Despite the favourable operating performance in the third quarter of 2010, this increase of €211 million reflected the scheduled spending on transformational projects, namely the refinery upgrade project. With rising debt in the period, the net-debt-to-equity ratio stood at 104% at the end of September 2010.

The average life of debt was 3.09 years at the end of September 2010, which was lower than the 3.41 years at the end of the first half of 2010, following the rise in short-term bank debt in the third quarter.

At the end of September 2010, 75% of total debt was on a long-term basis and 40% of the long-term debt was on fixed rate.

The average cost of debt in the first nine months of 2010 was 3.38%, which was in line with a year earlier.

At September 30, 2010, net debt attributable to minority interests was €28 million.

4. CASH FLOW

Million euros

Third quarter			Nine months	
2009	2010		2009	2010
171	140	Operating profit	340	512
66	85	Non cash costs	193	243
(124)	(65)	Change in operational stock	(181)	(140)
(34)	(23)	Change in strategic stocks	34	(140)
79	**137**	**Sub total**	**386**	**475**
(20)	(20)	Interest expenses	(53)	(60)
(68)	(50)	Taxes	(82)	(70)
120	153	Change in working capital excluding operational stock	(5)	31
111	**220**	***Cash flow from operating activities***	**246**	**376**
(173)	(367)	Net capital expenditures and disposals[1]	(470)	(971)
7	(42)	Dividends paid / received	(121)	(134)
(43)	(23)	Others	10	(39)
(98)	**(211)**	**Total**	**(335)**	**(768)**

[1] Net capital expenditures and disposals includes financial investments

NINE MONTHS

Net cash outflow of €768 million in the first nine months of 2010 was larger than a year earlier despite improved operating profits at all business segments. Rising prices of oil products in international markets negatively impacted the cash flow as inventory built up.

The execution of scheduled transformational investments and the payment of dividends in May and September 2010 had a negative impact on cash flow in the first nine months of 2010.

THIRD QUARTER

Net cash outflow of €211 million in the third quarter of 2010 outstripped the €98 million outflow of a year earlier. This was influenced by the build-up of inventory in the wake of rising prices of oil products in international markets. On the other hand, improved working capital management in the period contributed favourably to cash flow.

Cash flow was negatively impacted by the ongoing capex programme, mainly the upgrade project in Refining & Marketing, on top of the payment of dividends in September 2010.

5. CAPITAL EXPENDITURE

Million euros

Third quarter					Nine months			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
83	96	13	15.7%	Exploration & Production	155	242	87	56.1%
73	276	203	277.4%	Refining & Marketing	224	562	338	150.6%
14	12	(2)	(15.4%)	Gas & Power	53	57	3	6.2%
1	1	0	4.1%	Others	2	3	1	32.6%
171	**385**	**214**	**124.8%**	**Investment**	**435**	**864**	**429**	**98.6%**

NINE MONTHS

Capital expenditure in the first nine months of 2010 amounted to €864 million, of which 65% was allocated to Refining & Marketing as a result of the refinery upgrade project.

In Exploration & Production, capex was mainly channeled to Brazil, mainly to the offshore fields and particularly to Tupi field, which absorbed €127 million. Capital spending in Angola was primarily channelled to development of block 14, for an amount of €72 million, of which €42 million were related to the BBLT field.

In Refining & Marketing, expenditure in the first nine months of 2010 amounted to €562 million, of which the refinery upgrade project attracted €477 million, or 85% of the total.

Capital spending of €57 million in Gas & Power was mainly channelled to the expansion of natural gas distribution network and the construction of the cogeneration plant at the Matosinhos refinery.

THIRD QUARTER

Capital expenditure of €385 million in the third quarter of 2010 included €251 million for the refinery upgrade project.

In Exploration & Production, expenditure in Angola focused on development of block 14, where €30 million were spent. In Brazil, spending was mainly channeled to offshore fields, with the Tupi field accounting for €39 million.

In Refining & Marketing, most of €276 million worth of capex was allocated to upgrade of the refinery base.

Capital spending of €12 million in Gas & Power was mainly channelled to the expansion of natural gas distribution network.

SEGMENT REVIEW

1. EXPLORATION & PRODUCTION

Million euros (except otherwise noted)

Third quarter					Nine months			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
14.3	**19.6**	**5.3**	**37.2%**	**Average working interest production (kbbl/day)**	**13.6**	**19.3**	**5.6**	**41.3%**
8.9	**9.5**	**0.6**	**7.1%**	**Average net entitlement production (kbbl/day)**	**8.9**	**11.0**	**2.2**	**24.3%**
0.8	**0.9**	**0.1**	**7.1%**	**Total net entitlement production (million bbl)**	**2.4**	**3.0**	**0.6**	**24.3%**
0.8	0.7	(0.1)	(9.4%)	Angola - Block 14	2.4	2.6	0.2	6.7%
-	0.1	0.1	n.m.	Brazil - BM-S-11	-	0.4	0.4	n.m.
60.9	**74.5**	**13.7**	**22.5%**	**Average realized sale price[1] (Usd/bbl)**	**54.3**	**75.5**	**21.3**	**39.2%**
7.9	**15.4**	**7.5**	**94.9%**	**Operating cost[1] (Usd/bbl)**	**9.5**	**13.4**	**3.9**	**40.5%**
21.4	**37.8**	**16.4**	**76.7%**	**Amortisation[1] (Usd/bbl)**	**18.3**	**27.0**	**8.7**	**47.6%**
1.0	**0.9**	**(0.1)**	**(6.9%)**	**Total sales[2] (million bbl)**	**2.0**	**1.9**	**(0.1)**	**(5.8%)**
877	**1,105**	**228**	**26.0%**	**Net total assets**	**877**	**1,105**	**228**	**26.0%**
46	62	16	34.5%	Turnover	99	163	64	64.3%
14	**5**	**(9)**	**(62.3%)**	**Operating profit**	**28**	**51**	**23**	**81.6%**
1	3	2	n.m.	Non recurrent items	8	11	3	36.4%
15	**9**	**(6)**	**(42.9%)**	**Operating profit RCA**	**36**	**62**	**26**	**71.4%**

[1] Based on net-entitlement production in Angola
[2] Considers actual Sales

EXPLORATION AND PRODUCTION ACTIVITIES

NINE MONTHS

Working interest production in the first nine months of 2010 rose by 41% yoy to 19.3 thousand barrels per day. This rise was mainly due to increased production at Angola's CPT Tômbua-Lândana and Brazil's Tupi field, which jointly produced 5.8 thousand barrels per day.

Net entitlement production rose 24% yoy to 11.0 thousand barrels per day. This increase was due to higher production at the CPT Tômbua-Lândana and Tupi fields, which more than offset the decline in the BBLT and Kuito fields under the production-sharing agreement (PSA). The joint net entitlement production of the CPT Tômbua-Lândana and Tupi projects amounted to 5.2 thousand barrels per day. However, the BBLT field, with its 5.1 thousand barrels per day, accounted for 46% of total net entitlement production, while the combined CPT Tômbua-Lândana and Tupi projects contributed 47%.

THIRD QUARTER

In the third quarter of 2010, working interest and net entitlement production increased 37% and 7% yoy, respectively, which was mainly due to increased production at CPT Tômbua-Lândana in Angola and Tupi in Brazil.

Net entitlement production fell by 12% qoq as the incremental production of 0.6 thousand barrels per day from the CPT Tômbua-Lândana and Tupi fields could not offset the decline at other fields in Angola's block 14. At the BBLT and Kuito fields, lower net entitlement production was related to lower rates of available production, in particular cost oil, as defined in the PSA's cost recovery mechanism.

OPERATING PROFIT

NINE MONTHS

RCA operating profit in the first nine months of 2010 was €62 million, up from €36 million a year earlier.

This rise was driven by the increase of 24% in net entitlement production and the increase of 39% in the average sales price of crude from Angola.

Production costs in Angola amounted to €26 million, up from €17 million a year earlier. On a net entitlement basis, the unit cost was Usd 13.4/bbl, up from Usd 9.5/bbl a year earlier as the CPT Tômbua-Lândana came into production and the difference between working interest and net entitlement production increased.

Depreciation in Angola amounted to €53 million, up €21 million from a year earlier owing mainly to depreciation of the CPT Tômbua-Lândana. In unit terms, on net entitlement production basis, depreciation equated to Usd 27.0/bbl, up from Usd 18.3/bbl a year earlier.

THIRD QUARTER

RCA operating profit in the third quarter of 2010 was €9 million. Despite increased net entitlement production and the higher average sale price of crude oil from Angola, operating profit declined 43% yoy as depreciation and provisions in Angola increased.

Production costs in Angola amounted to €9 million, up from €5 million a year earlier, which equated, on a net entitlement basis, to a unit cost of Usd 15.4/bbl, up from Usd 7.5/bbl a year earlier due to maintenance work on the Kuito and BBLT fields and the start of production at the CPT Tômbua-Lândana. These changes are also explained by the increased difference between working interest and net entitlement production in the two periods.

Depreciation in Angola amounted to €22 million, up €10 million from a year earlier due to the inclusion of capital spending in CPT Tômbua-Lândana and the increase on the depreciation rate. Depreciation rate included the effect of downward adjustment to reserves, as the price of crude used as benchmark on the third quarter increased. In unit terms, on the basis of net entitlement production, depreciation charges equated to Usd 37.8/bbl, up from Usd 21.4/bbl a year earlier, being impacted by the increased gap between working interest and net entitlement production.

Provisions for Angola increased €6 million yoy, to €7 million, and were related to the abandonment of block 14 and the payment of IRP for previous years.

2. REFINING & MARKETING

Million euros (except otherwise noted)

Third quarter					Nine months			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
0.5	**0.7**	**0.1**	**22.7%**	**Rotterdam cracking refining margin[1] (Usd/bbl)**	**1.7**	**1.5**	**(0.2)**	**(11.1%)**
(0.6)	**0.1**	**0.7**	**n.m.**	**Rotterdam hydroskimming + aromatics + base oil refining margin[1] (Usd/bbl)**	**0.5**	**0.3**	**(0.2)**	**(35.1%)**
0.6	**2.1**	**1.5**	**n.m.**	**Galp Energia refining margin (Usd/bbl)**	**1.5**	**2.7**	**1.3**	**85.4%**
1.8	**1.9**	**0.1**	**7.7%**	**Refinery cash cost (Usd/bbl)**	**2.1**	**2.0**	**(0.1)**	**(4.3%)**
21,840	**22,972**	**1,132**	**5.2%**	**Crude processed (k bbl)**	**56,525**	**66,736**	**10,211**	**18.1%**
3.3	**3.2**	**(0.1)**	**(2.4%)**	**Raw material processed (million tonnes)**	**8.5**	**9.6**	**1.1**	**13.0%**
4.3	**4.2**	**(0.1)**	**(1.5%)**	**Total refined product sales (million tonnes)**	**12.5**	**12.6**	**0.2**	**1.3%**
2.7	**2.6**	**(0.1)**	**(5.1%)**	**Sales to direct clients in Iberia (million tonnes)**	**8.4**	**7.8**	**(0.6)**	**(6.6%)**
1.5	1.5	0.0	1.9%	Wholesale	4.3	4.4	0.1	2.6%
0.9	0.9	(0.1)	(6.9%)	Retail	2.7	2.6	(0.2)	(6.1%)
0.1	0.1	(0.0)	(22.9%)	LPG	0.3	0.2	(0.0)	(17.2%)
0.3	0.2	(0.1)	(31.7%)	Others	1.1	0.6	(0.5)	(42.8%)
0.7	**0.7**	**(0.0)**	**n.m.**	**Exports (million tonnes)**	**1.7**	**2.2**	**0.5**	**27.7%**
0.2	**0.1**	**(0.0)**	**(22.4%)**	**Sales in Africa (million tonnes)**	**0.4**	**0.4**	**(0.0)**	**(6.8%)**
1,459	**1,440**	**(19)**	**(1.3%)**	**Number of service stations (Iberia)**	**1,459**	**1,440**	**(19)**	**(1.3%)**
449	**464**	**15**	**3.3%**	**Number of c-stores (Iberia)**	**449**	**464**	**15**	**3.3%**
95	**100**	**5**	**5.3%**	**Number of service stations (Africa)**	**95**	**100**	**5**	**5.3%**
4,782	**5,737**	**955**	**20.0%**	**Net total assets**	**4,782**	**5,737**	**955**	**20.0%**
2,953	3,144	191	6.5%	Turnover	8,053	9,243	1,190	14.8%
131	**87**	**(45)**	**(34.0%)**	**Operating profit**	**239**	**316**	**77**	**32.3%**
(70)	(14)	56	80.2%	Inventory effect	(147)	(138)	9	5.8%
(3)	2	5	n.m.	Non recurrent items	(6)	(1)	4	77.2%
58	**75**	**16**	**(28.1%)**	**Operating profit RCA**	**86**	**176**	**90**	**105.0%**

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

REFINING AND MARKETING ACTIVITIES

NINE MONTHS

Crude oil processed in the first nine months of 2010 amounted to 67 million barrels, or 10 million barrels ahead of a year earlier, when the incident in the utilities factory at the Sines refinery occurred.

On the first nine months of 2010, refinery capacity utilisation was 79%.

Crude oil accounted for 93% of raw materials processed against 89% a year earlier. Medium crude and light crude and condensates accounted for 41% each of the total crude processed, followed by heavy crude with 18%.

In the production profile, diesel weighed 35% followed by gasoline with 24%. Fuel oil had a weight of 16%, in line with a year earlier. Jet fuel accounted for 8%, up from 7% a year earlier.

Own consumption and losses in the period stood at 7.3%.

The volume of oil products sold rose 1% yoy to 12.6 million tonnes. This was favourably influenced by exports, which had been negatively affected by the incident in the Sines refinery in the first quarter of 2009. Sales to direct clients fell 7% yoy to 7.8 million tonnes as the Iberian market for oil products contracted. The Spanish market accounted for 43% of total sales to direct clients.

Total exports, where fuel oil and gasoline featured prominently, amounted to 2.2 million tonnes.

In the first nine months of 2010, the coverage of refining activity by the own-branded marketing of oil products, measured on the basis of the average production in the last three years, was 90%.

At the end of September 2010, Galp Energia had 1,440 service stations in the Iberian Peninsula, which was in line with June 2010. Around 43% of service stations were located in Spain. In Africa, Galp Energia had 100 service stations.

At the end of the first nine months of 2010, Galp Energia had 464 convenience stores in the Iberian Peninsula, of which approximately half were located in Spain.

THIRD QUARTER

In the third quarter of 2010, 23 million barrels of crude oil were processed, with refining capacity utilization of 81%.

Crude oil accounted for 95% of total raw materials processed. Light crude and condensates accounted for 44% of the total crude processed, followed by medium (40%) and heavy crude (15%).

In the production profile, diesel weighed 36%, gasoline 24%, fuel oil 14% and jet fuel 8%.

Own consumption and losses stood at 7.3%.

Volumes sold amounted to 4.2 million tonnes, of which sales to direct clients accounted for 2.6 million tonnes, a shortfall of 5% in comparison with a year earlier which was mainly due to the contraction of the Iberian market for oil products. The Spanish market had a 42% share of total sales to direct clients.

Exports of 0.7 million tonnes were in line with a year earlier.

The coverage of refining activity by marketing activities in the period was 87%.

OPERATING PROFIT

NINE MONTHS

RCA operating profit in the first nine months of 2010 was €176 million, up from €86 million a year earlier, reflecting improved operating performance by the refining activity, which had been negatively influenced in 2009 by the incident in the Sines refinery.

Despite falling refining margins in international markets in the first nine months of 2010 compared with a year earlier, Galp Energia’s own refining margin increased Usd 1.3/bbl to Usd 2.7/bbl as the incident in the Sines refinery in 2009 impacted negatively the refining margin in the period.

In the first nine months of 2010, the refineries’ operating cash costs amounted to €101 million, up €86 million from a year earlier, which equated to a unit cost of Usd 2.0/bbl, or 4% down yoy. This fall reflected the increase in crude volumes processed and, consequently, the broader spread of fixed costs.

The negative time lag effect of €16 million for the first nine months of 2010 was a significant improvement from the €37 million loss a year earlier.

In marketing of oil products, the Spanish operations raised their contribution compared with a year earlier, namely through the capture of synergies driven by the acquisition of Agip’s and ExxonMobil’s former subsidiaries.

THIRD QUARTER

RCA operating profit increased €16 million to €75 million in the third quarter of 2010 mainly due to a better performance by the refining activity.

Galp Energia's refining margin in the third quarter of 2010 rose to Usd 2.1/bbl from Usd 0.6/bbl a year earlier, which reflected rising benchmark refining margins and an increased premium of Galp Energia refining margin to the benchmark. This increase was due to the widening spread between the prices of heavy and light crudes and the increase in distillates cracks, which has a heavier weight in Galp Energia's refining margin than in the benchmark.

In the third quarter of 2010, the refineries' operating cash costs amounted to €34 million against €27 million a year earlier, which equated in unit terms to Usd 1.9/bbl, up 8% from a year earlier. This increase was due to a new allocation of costs of transporting oil products to the refining activity.

The favourable time lag effect of €3 million in the third quarter marked an improvement from the €1 million gain a year earlier.

The marketing of oil products kept its solid contribution to profits when compared with the same period last year.

3. GAS & POWER

Million euros (except otherwise noted)

Third quarter					Nine months			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
1,293	**1,302**	**9**	**0.7%**	**NG supply total sales volumes (million m³)**	**3,482**	**3,586**	**103**	**3.0%**
1,063	**1,011**	**(52)**	**(4.9%)**	**Liberalised market sales volumes (million m³)**	**2,326**	**2,647**	**321**	**13.8%**
872	831	(41)	(4.7%)	Portugal, of which:	2,044	2,300	257	12.6%
600	613	13	2.1%	Electrical	1,526	1,474	(52)	(3.4%)
272	203	(69)	(25.3%)	Industrial	518	781	263	50.9%
145	159	13	9.2%	Trading	150	298	149	99.6%
46	21	(24)	(53.0%)	Spain	133	48	(85)	(63.6%)
230	**291**	**61**	**26.6%**	**Regulated market sales volumes (million m³)**	**1,156**	**939**	**(217)**	**(18.8%)**
156	200	44	28.6%	Industrial	779	552	(227)	(29.2%)
19	15	(4)	(23.1%)	Commercial	77	73	(4)	(5.5%)
32	39	7	21.0%	Residential	152	189	37	24.1%
23	37	14	62.5%	Other supply companies	148	125	(23)	(15.3%)
902	**1,177**	**275**	**30.5%**	**NG clients[1] (thousands)**	**902**	**1,177**	**275**	**30.5%**
141	**301**	**160**	**114.0%**	**Sales of electricity to the grid[2]**	**417**	**909**	**492**	**117.9%**
1,030	**1,043**	**12**	**1.2%**	**Natural gas net fixed assets[3]**	**1,030**	**1,043**	**12**	**1.2%**
1,908	**2,054**	**146**	**7.6%**	**Net total assets**	**1,908**	**2,054**	**146**	**7.6%**
331	493	162	49.1%	Turnover	1,055	1,306	251	23.7%
30	**49**	**20**	**66.4%**	**Operating profit**	**73**	**145**	**72**	**99.6%**
5	1	(4)	(84.9%)	Inventory effect	32	(7)	(39)	n.m.
(0)	(0)	0	n.m.	Non recurrent items	1	5	4	n.m.
35	**50**	**16**	**44.7%**	**Operating profit RCA**	**105**	**143**	**37**	**35.5%**
17	28	11	64.0%	Supply[4]	36	71	35	98.9%
18	21	4	21.7%	Infrastructure	69	62	(7)	(10.4%)
0	1	1	n.m.	Power	1	10	9	n.m.

[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 nine months and in the third quarter of 2010, this company sales of electricity to the grid were 224 GWh and 76 GWh, respectively.

[3] Excludes financial investments. Net fixed assets are on a consolidated basis

[4] Includes liberalized and regulated commercialization

GAS & POWER ACTIVITIES

NINE MONTHS

The volume of natural gas sold in the first nine months of 2010 rose by 3% yoy to 3,586 million cubic metres, with the liberalized market accounting for 74% of the total.

The electrical sector declined 3.4% to 1,474 million cubic metres as the use of hydro power increased after higher rainfall in the first nine months of the year.

Taking into account both the liberalised and regulated markets, the Portuguese industrial segment was in line with a year earlier, with the Sines cogeneration, which came into operation in the fourth quarter of 2009, making a positive contribution after it consumed 188 million cubic metres in the first nine months of the year.

In Spain, Galp Energia sold 72 million cubic metres and a positive contribution was given by the natural gas supply activities acquired in the Madrid region in late April.

The volume of natural gas carried by the networks belonging to the distribution companies amounted to 1.1 billion cubic metres.

In the Power business, sales of electricity to the grid reached 909 GWh against 417 GWh a year earlier. This increase was the result of the start of operations at the Sines refinery's cogeneration in the fourth quarter of 2009. In the first nine months of 2010, this cogeneration produced 493 GWh of power.

THIRD QUARTER

The volume of natural gas sold in the third quarter of 2010 was, at 1,302 million cubic metres, in line with a year earlier.

The electrical sector increased 2% yoy to 613 million cubic metres, or 74% of the Portuguese liberalised market. The Portuguese industrial sector, including the liberalised and regulated markets, decreased 6% yoy and accounted for 31% of total volumes sold. In the third quarter, the Sines cogeneration consumed 63 million cubic metres of natural gas.

The volume of natural gas sold into trading activities reached 159 million cubic metres (+9% yoy) and accounted for 16% of the liberalised market.

In Spain, volumes sold in both markets, liberalized and regulated, amounted to 32.5 million cubic metres, 66% of which in the liberalized market. In the third quarter of 2010, Madrileña Gas sold 21 million cubic metres.

The volume of natural gas carried by the networks belonging to the distribution companies amounted to 0.3 billion cubic metres.

The sales of electricity to the grid in the third quarter of 2010 were 301 GWh, or 160 GWh ahead of a year earlier, after the Sines refinery's cogeneration plant came into operation in the last quarter of 2009.

OPERATING PROFIT

NINE MONTHS

RCA operating profit for the Gas & Power business in the first nine months of 2010 rose 36% yoy to €143 million as favourable contributions from natural gas supply business and power offset lower results in the infrastructure business.

The RCA operating profit for natural gas supply business rose €35 million to €71 million as (i) an optical fiber lease was terminated and revenues were recognized in the second quarter of 2010 rather than over the originally scheduled 20 years and (ii) volumes sold into the liberalized market increased by 14%. Results were, however, negatively impacted by the decrease in supply margins as they suffered the adverse impact of the higher cost of natural gas acquisition, as well as the net adverse effect of provisions for the negotiation of contracts for the supply of natural gas that closed in the second quarter of 2010.

The infrastructure business reported RCA operating profit of €62 million in the first nine months of 2010, down 10% yoy. This decrease was driven by lower allowed revenues in the 2009/2010 gas year compared with the 2008/2009 gas year and the reallocation of revenues between the two periods, which benefited the first nine months of 2009.

THIRD QUARTER

RCA operating profit in the third quarter of 2010 rose 45% yoy to €50 million.

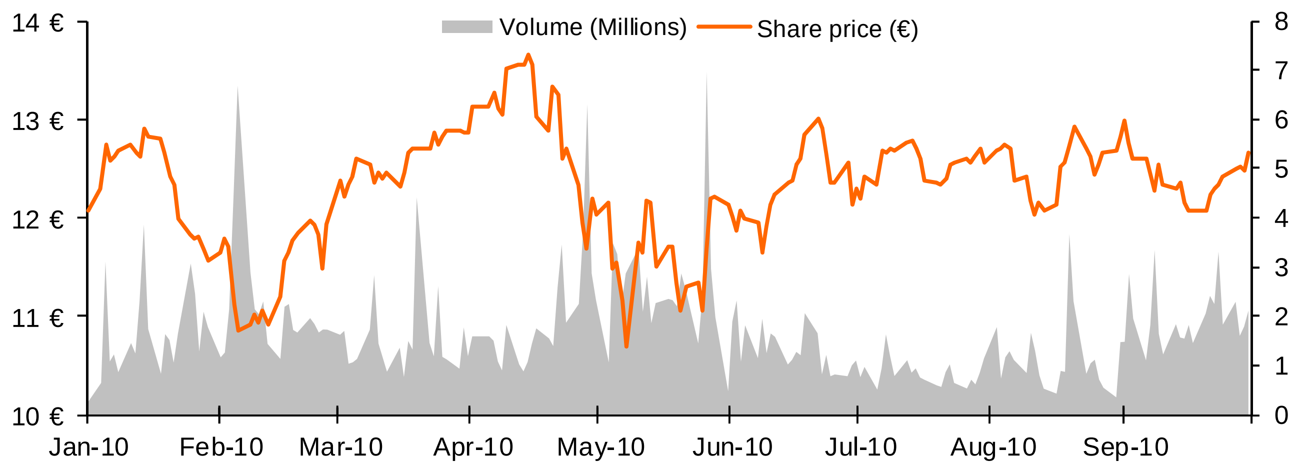
The natural gas supply business contributed €28 million in the third quarter. This was 64% higher than a year earlier, although sales to liberalized market decreased by 5% to 1,001 million cubic metres. This 64% change is largely due to 2009 being negatively affected by provisions for the negotiation of contracts for the supply of natural gas that closed in the second quarter of 2010.

The infrastructure business reported RCA operating profit of €21 million in the third quarter, up 22% yoy. This increase was supported by the positive change in allowed revenues, with the start of the new gas year, as the smoothing effect was abolished.

The RCA operating profit for the Power business in the third quarter of 2010 was €1 million, which was lower than in the second quarter as the Sines cogeneration delivered a lower contribution following the higher regulated cost of acquiring natural gas.

THE GALP ENERGIA STOCK

PERFORMANCE OF THE GALP ENERGIA STOCK



Source: Euroinvestor

NINE MONTHS

In the first nine months of 2010, the Galp Energia stock gained 4.8%, closing the period at €12.66 and peaking at €13.68 in the period. From the initial public offering on October 23, 2006 up to September 30, 2010, the stock gained 117.9%. In the first nine months, 329.9 million shares were traded for an average daily traded volume of 1.7 million shares. At September 30, 2010, Galp Energia had a market capitalisation of €10,498 million.

THIRD QUARTER

In the third quarter of 2010, the stock gained 2.9% relative to the second quarter's close and the volume traded in the period amounted to 87.3 million shares, for a daily average of 1.3 million shares.

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

Main indicators			
	2009	3Q 2010	2010
Min (€)	7.22	11.90	10.37
Max (€)	12.65	13.12	13.68
Average (€)	10.23	12.49	12.32
Close price (€)	12.08	12.66	12.66
Volume (M shares)	413.8	87.3	329.9
Average volume per day (M shares)	1.6	1.3	1.7
Market cap (M€)	10,017	10,498	10,498

EVENTS IN THE THIRD QUARTER OF 2010

CORPORATE

DIVIDEND PAYMENT

Galp Energia announced on September 9 the dividend payment of €0.06 (gross) per share being the first dividend relating to financial year of 2010.

EXCHANGEABLE BONDS

Under the fifth stage of Galp Energia's reprivatisation, Parpública – Participações Públicas (SGPS), S.A. announced on September 23, 2010 the issuance of bonds due in 2017 which are exchangeable into shares representing 7% of the share capital of Galp Energia.

EVENTS AFTER THE CLOSE OF THE THIRD QUARTER OF 2010

EXPLORATION & PRODUCTION

NEW WELL CONFIRMS THE POTENTIAL OF LIGHT OIL IN THE TUPI

On October 7, Galp Energia announced that the drilling of the Iracema Norte well confirmed the potential of light oil in the pre-salt reservoirs of Tupi's Evaluation Plan Area. Data obtained in this well strengthened the estimates of a potential 5 to 8 billion barrels of light oil and natural gas recoverable in the area.

NEW WELL CONFIRMS POTENTIAL AND EXTENT OF THE TUPI RESERVOIR

On October 22, Galp Energia announced that the drilling of the Tupi SW well attested that the accumulation of oil extends to the southern end of the appraisal plan area and that the thickness of the oil reservoir reaches 128 metres. Data obtained by this well strengthened the estimates of a potential 5 to 8 billion barrels of light oil and natural gas recoverable in the area.

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 - Compañia 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

Third quarter					Nine months			
2009	2010	Chg.	% Chg.		2009	2010	Chg.	% Chg.
3.4	1.8	(1.5)	(45.7%)	CLH	6.8	5.0	(1.8)	(26.4%)
2.6	2.0	(0.6)	(23.1%)	CLC	7.4	6.0	(1.3)	(18.1%)
10.5	12.1	1.7	15.8%	*International Pipelines*	32.3	35.9	3.6	11.3%
0.4	0.7	0.3	62.9%	Setgás - Natural Gas Distribution Company	2.7	2.5	(0.2)	(6.3%)
(4.1)	1.2	5.3	n.m.	Others	7.4	2.6	(4.8)	n.m.
12.8	**17.9**	**5.1**	**39.5%**	**Total**	**56.6**	**52.1**	**(4.5)**	**(7.9%)**

RECONCILIATION OF REPORTED AND REPLACEMENT COST ADJUSTED FIGURES

1. REPLACEMENT COST ADJUSTED OPERATING PROFIT BY SEGMENT

Million euros

Third quarter					2010	Nine months				
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
140	**(13)**	**127**	**9**	**136**	**Operating profit**	**512**	**(146)**	**367**	**23**	**390**
5	-	5	3	9	E&P	51	-	51	11	62
87	(14)	73	2	75	R&M	316	(138)	177	(1)	176
49	1	50	(0)	50	G&P	145	(7)	137	5	143
(2)	(0)	(2)	4	3	Others	1	-	1	8	9

Million euros

Third quarter					2009	Nine months				
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
171	**(65)**	**106**	**(2)**	**104**	**Operating profit**	**340**	**(115)**	**225**	**11**	**235**
14	-	14	1	15	E&P	28	-	28	8	36
131	(70)	61	(3)	58	R&M	239	(147)	92	(6)	86
30	5	35	(0)	35	G&P	73	32	104	1	105
(4)	(0)	(4)	-	(4)	Others	1	0	1	7	8

2. REPLACEMENT COST ADJUSTED EBITDA BY SEGMENT

Million euros

Third quarter					2010	Nine months				
EBITDA	Inventory effect	EBITDA RC	Non recurrent items	EBITDA RCA		EBITDA	Inventory effect	EBITDA RC	Non recurrent items	EBITDA RCA
230	**(13)**	**217**	**6**	**223**	**EBITDA**	**820**	**(146)**	**674**	**3**	**677**
37	-	37	0	37	E&P	130	-	130	(0)	130
138	(14)	124	1	126	R&M	465	(138)	327	(2)	325
56	1	56	(0)	56	G&P	218	(7)	210	1	211
(1)	(0)	(1)	4	4	Others	6	-	6	4	11

Million euros

Third quarter					2009	Nine months				
EBITDA	Inventory effect	EBITDA RC	Non recurrent items	EBITDA RCA		EBITDA	Inventory effect	EBITDA RC	Non recurrent items	EBITDA RCA
261	**(65)**	**196**	**(3)**	**193**	**EBITDA**	**577**	**(115)**	**462**	**18**	**480**
28	-	28	1	28	E&P	65	-	65	8	73
180	(70)	109	(3)	106	R&M	379	(147)	232	1	233
58	5	63	(0)	63	G&P	131	32	163	1	164
(4)	(0)	(4)	-	(4)	Others	2	0	2	7	9

3. NON RECURRENT ITEMS

EXPLORATION AND PRODUCTION

Million Euros

Third quarter 2009	Third quarter 2010		Nine months 2009	Nine months 2010
		Exclusion of non recurrent items		
(0.0)	(0.3)	Gains / losses on disposal of assets	(0.0)	(0.3)
0.8	0.3	*Assets write offs*	8.2	-
(0.0)	3.2	Assets impairments	0.0	11.5
-	-	Provisions for environmental charges and others	-	-
-	-	Others	-	-
0.8	**3.2**	**Non recurrent items of operating profit**	**8.2**	**11.2**
-	-	Other financial results	-	-
0.8	**3.2**	**Non recurrent items before income taxes**	**8.2**	**11.2**
(0.3)	(1.1)	Income taxes on non recurrent items	(2.8)	(3.8)
0.5	**2.1**	**Total non recurrent items**	**5.4**	**7.3**

REFINING & MARKETING

Million Euros

Third quarter 2009	Third quarter 2010		Nine months 2009	Nine months 2010
		Exclusion of non recurrent items		
-	-	Sale of strategic stock	-	-
-	-	Sale of strategic stock cost	-	-
-	-	Monobuoy costs	-	-
(1.2)	0.0	Accidents caused by natural facts	(6.9)	(1.5)
(0.9)	(0.0)	Gains / losses on disposal of assets	(2.7)	(0.1)
0.0	0.1	*Assets write offs*	0.1	0.1
1.4	1.1	Employees contracts rescission	8.8	8.4
1.3	(0.0)	Sines refinery fire - accidents	5.8	-
0.1	(0.3)	Provisions for environmental charges and others	(8.6)	0.1
(0.0)	0.7	Assets impairments	1.4	0.7
(3.6)	-	Margin in the sale of CO_2 emission licenses	(3.6)	(8.9)
-	-	Others	-	-
(3.0)	**1.6**	**Non recurrent items of operating profit**	**(5.8)**	**(1.3)**
6.3	-	Capital gains / losses on disposal of financial investments	0.4	-
3.3	**1.6**	**Non recurrent items before income taxes**	**(5.4)**	**(1.3)**
0.7	(0.5)	Income taxes on non recurrent items	1.1	0.3
4.0	**1.1**	**Total non recurrent items**	**(4.3)**	**(1.0)**

GAS & POWER

Million Euros

Third quarter			Nine months	
2009	2010		2009	2010
		Exclusion of non recurrent items		
-	-	Services rendered	-	-
(0.0)	(0.0)	Gains / losses on disposal of assets	(0.1)	(0.0)
0.0	-	*Assets Write offs*	0.0	-
-	-	Collections related to the sale of land	-	-
(0.0)	-	Accidents caused by natural facts	(0.0)	-
0.3	-	Employees contracts rescission	1.8	1.9
(0.0)	(0.0)	Provisions for environmental charges and others	-	4.5
(0.5)	-	Margin in the sale of CO_2 emission licenses	(0.5)	(0.9)
(0.3)	**(0.0)**	**Non recurrent items of operating profit**	**1.2**	**5.5**
-	0.0	Capital gains / losses on disposal of financial investments	-	(0.0)
-	-	Other financial results	-	-
(0.3)	**(0.0)**	**Non recurrent items before income taxes**	**1.2**	**5.4**
0.1	0.0	Income taxes on non recurrent items	(0.3)	(1.0)
(0.2)	**(0.0)**	**Total non recurrent items**	**0.9**	**4.4**

OTHER

Million Euros

Third quarter			Nine months	
2009	2010		2009	2010
		Exclusion of non recurrent items		
-	-	Gains / losses on disposal of assets	-	-
-	4.5	Sines refinery fire - accidents	7.0	4.5
-	-	*Assets write-offs*	-	-
0.0	-	Provisions for environmental charges and others	-	3.2
0.0	**4.5**	**Non recurrent items of operating profit**	**7.0**	**7.7**
-	(0.0)	Capital gains / losses on disposal of financial investments	-	(0.0)
0.0	**4.4**	**Non recurrent items before income taxes**	**7.0**	**7.7**
-	0.0	Income taxes on non recurrent items	-	0.0
0.0	**4.4**	**Total non recurrent items**	**7.0**	**7.7**

CONSOLIDATED SUMMARY

Million Euros

Third quarter			Nine months	
2009	2010		2009	2010
		Exclusion of non recurrent items		
-	-	Sale of strategic stock	-	-
-	-	Sale of strategic stock cost	-	-
-	-	Monobuoy costs	-	-
(1.3)	0.0	Accidents caused by natural facts	(6.9)	(1.5)
(0.9)	(0.3)	Gains / losses on disposal of assets	(2.8)	(0.4)
0.8	0.4	*Assets write off*	8.3	0.1
(4.1)	-	Margin in the sale of CO_2 emission licenses	(4.1)	(9.8)
1.7	1.1	Employees contracts rescission	10.7	10.3
1.3	4.5	Sines refinery fire - accidents	12.8	4.5
0.1	(0.3)	Provisions for environmental charges and others	(8.6)	7.8
(0.0)	3.9	Assets impairments	1.4	12.1
-	-	Others	-	-
(2.5)	**9.3**	**Non recurrent items of operating profit**	**10.7**	**23.0**
6.3	(0.0)	Capital gains / losses on disposal of financial investments	0.4	(0.1)
-	-	Other financial results	-	-
3.8	**9.2**	**Non recurrent items before income taxes**	**11.1**	**22.9**
0.5	(1.6)	Income taxes on non recurrent items	(2.0)	(4.5)
4.3	**7.7**	**Total non recurrent items**	**9.0**	**18.5**

CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED INCOME STATEMENT

Million euros

Third quarter			Nine months	
2009	2010		2009	2010
		Operating income		
3,195	3,502	Sales	8,829	10,236
62	88	Services rendered	221	224
30	25	Other operating income	91	127
3,286	**3,615**	**Total operating income**	**9,140**	**10,587**
		Operating costs		
(2,761)	(3,087)	Inventories consumed and sold	(7,735)	(8,904)
(178)	(200)	Material and services consumed	(554)	(571)
(81)	(88)	Personnel costs	(243)	(262)
(66)	(85)	Amortisation and depreciation cost	(193)	(243)
(24)	(5)	Provision and impairment of receivables	(44)	(65)
(5)	(10)	Other operating costs	(32)	(31)
(3,115)	**(3,475)**	**Total operating costs**	**(8,800)**	**(10,075)**
171	**140**	**Operating profit**	**340**	**512**
13	18	Net profit from associated companies	57	52
(0)	0	Net profit from investments	(0)	0
		Financial results		
4	6	Financial profit	10	18
(24)	(25)	Financial costs	(63)	(77)
0	3	Exchange gain (loss)	1	(12)
-	(1)	Profit and cost on financial instruments	0	1
(0)	(0)	Other gains and losses	(1)	(1)
164	**140**	**Profit before taxes**	**343**	**493**
(39)	(43)	Income tax expense	(79)	(135)
124	**97**	**Profit before minority interest**	**264**	**359**
(1)	(1)	Profit attributable to minority interest	(4)	(3)
123	**96**	**Net profit for the period**	**260**	**355**
0.15	**0.12**	**Earnings per share (in Euros)**	**0.31**	**0.43**

2. CONSOLIDATED FINANCIAL POSITION

Million euros

	December 31, 2009	June 30, 2010	September 30, 2010
Assets			
Non current assets			
Tangible fixed assets	2,641	3,035	3,319
Goodwill	189	243	245
Other intangible fixed assets	1,318	1,307	1,302
Investments in associates	227	246	252
Investments in other participated companies	3	3	3
Other receivables	99	114	110
Deferred tax assets	210	213	217
Other financial investments	0	2	2
Total non current assets	**4,688**	**5,161**	**5,450**
Current assets			
Inventories	1,229	1,421	1,509
Trade receivables	778	1,090	993
Other receivables	574	534	577
Other financial investments	2	3	4
Current Income tax recoverable	-	0	-
Cash and cash equivalents	244	214	170
Total current assets	**2,826**	**3,262**	**3,253**
Total assets	**7,514**	**8,424**	**8,703**
Equity and liabilities			
Equity			
Share capital	829	829	829
Share premium	82	82	82
Translation reserve	(11)	41	4
Other reserves	193	193	193
Hedging reserves	(7)	(7)	(5)
Retained earnings	927	1,159	1,109
Profit attributable to equity holders of the parent	347	260	355
Equity attributable to equity holders of the parent	**2,361**	**2,557**	**2,568**
Minority interest	27	28	29
Total equity	**2,389**	**2,585**	**2,597**
Liabilities			
Non current liabilities			
Bank loans and overdrafts	1,047	1,424	1,443
Bonds	700	700	700
Other payables	381	329	325
Retirement and other benefit obligations	271	282	285
Deferred tax liabilities	57	67	82
Other financial instruments	9	9	7
Provisions	153	175	151
Total non current liabilities	**2,619**	**2,986**	**2,992**
Current liabilities			
Bank loans and overdrafts	422	573	723
Bonds	1	-	-
Trade payables	1,122	1,293	1,265
Other payables	961	919	1,071
Other financial instruments	0	0	0
Income tax	-	66	54
Total current liabilities	**2,507**	**2,852**	**3,113**
Total liabilities	**5,125**	**5,838**	**6,105**
Total equity and liabilities	**7,514**	**8,424**	**8,703**

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% Nafhtha 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% Ortoxylene 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.

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:

ANP: Agência Nacional do Petróleo, Gás Natural e Biocombustíveis;

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^3: 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.

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