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Results

FIRST QUARTER 2011

April 29 2011

Extending success into new challenges

Key highlights

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Appendix

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Key highlights

- Sines refinery planned outage and depressed economic environment in Iberia drove EBITDA decrease
- Net profit in 1Q11 reached €41 Mln, down 36% YoY
- FPSO Cidade de São Vicente already on stream in Lula NE performing the EWT
- Upgrade works at Matosinhos refinery at final stage
- Important progress on funding solutions execution

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Operational activity impacted by Sines refinery planned outage

Key operating data

		1Q11	1Q10	YoY	4Q10	QoQ
Average realized sale price	$/bbl	**93.3**	70.9	+31%	80.0	+17%
Net entitlement production	kbbl/d	**9.6**	12.7	(24%)	14.3	(33%)
Galp Energia refining margin	$/bbl	**1.3**	2.7	(51%)	2.3	(43%)
Crude processed	M bbl	**13.6**	22.2	(39%)	18.0	(25%)
Oil sales direct clients	M ton	**2.4**	2.9	(16%)	2.8	(13%)
Natural gas sales	M m3	**1,605**	1,178	+36%	1,340	+20%
Sales of electricity to the grid	GWh	**224**	296	(24%)	292	(23%)

- Net entitlement production impacted by PSA effects
- Refining margin following international benchmark trend
- Marketing volumes strongly impacted by economic environment
- Higher natural gas volumes due to residential and electrical segments

1Q11 net profit RCA of €41 Mln, down 36% YoY

Profit & Loss (€Mln)

	1Q11	1Q10	YoY	4Q10	QoQ
Turnover	**3,796**	3,290	+15%	3,538	+7%
EBITDA	**135**	177	(24%)	177	(24%)
E&P	**48**	48	(2%)	56	(15%)
R&M	**22**	66	(66%)	69	(68%)
G&P	**61**	61	(1%)	50	+22%
Others	**4**	2	+128%	2	+130%
EBIT	**53**	95	(44%)	64	(17%)
Associates	**20**	17	+23%	22	(6%)
Financial results	**(29)**	(23)	(25%)	(27)	(7%)
Taxes	**(1)**	(23)	+95%	(16)	+93%
Net Profit	**41**	65	(36%)	40	+5%
Net Profit (IFRS)	**191**	98	+95%	86	+122%

- EBITDA decrease driven by lower R&M contribution
- DD&A increase YoY due to the recurrent effect of the downward revision of reserves at YE10
- Lower taxes due to tax credits in Angola

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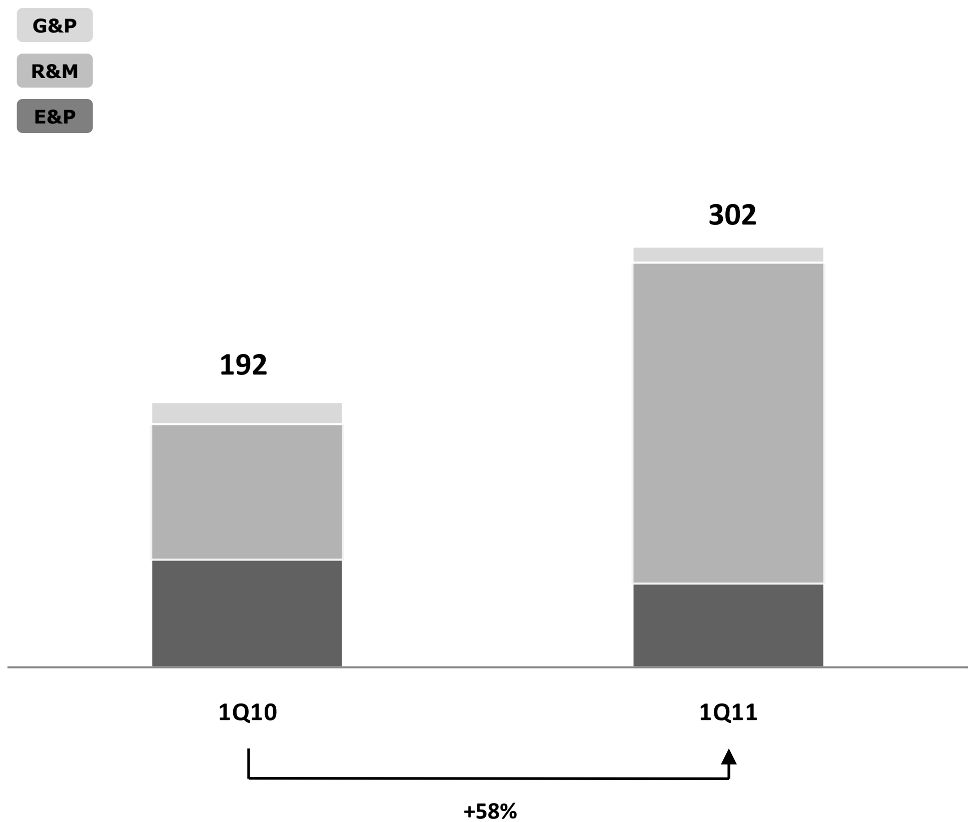
Transformational capex execution according to plan

Capital expenditure[1] (€Mln)



- Lula development responsible for most of E&P capex
- Upgrade refining project accounting for c.70% of 1Q11 capex
- G&P capex channelled for natural gas infrastructure expansion

[1] Does not include financial investments

Net debt increase driven by transformational capex execution

Balance sheet (€Mln)

	Mar. 2011	Dec. 2010	Change
Fixed assets	**5,621**	5,426	+195
Work in progress	**2,115**	1,981	+134
Strategic stock	**1,149**	792	+358
Other assets (liabilities)	**(383)**	(336)	(47)
Working capital	**(431)**	(330)	(101)
Net debt	**3,080**	2,840	+239
Equity	**2,876**	2,711	+165
Capital employed	**5,956**	5,552	+404
Net debt to equity	107%	105%	2.3 p.p.

- Increase in strategic stock as prices of crude and oil products rose
- Continuously improving working capital management
- Additional liquidity facilities of €1.0[1] Bln

[1] Liquidity position as of end March 2011

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Short term outlook

- 2Q11 working interest production targeted at c.21 kbopd
- Still cautious refining outlook
- Depressed economic environment in Iberia shall continue impacting marketing volumes
- 2Q11 natural gas volumes down QoQ due to normal seasonality
- Transformational capex execution ongoing

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Intensive exploration and appraisal activity

Country	Area	2011 1Q	2011 2Q	2011 3Q	2011 4Q
Brazil	Lula		1A		
	Cernambi		1A		
	Iara	1A ✓			1A
	BM-S-8			1E	1E
	BM-S-24				1A
	BM-ES-31			1E	
	Potiguar			1E	
Angola	Block 14			1A	1A
	Block 32	1A			
	Block 33			1E	
	Angola LNG II				1E
Mozambique	Rovuma			1E	
East Timor	Block C			1E	

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

- Formation tests ongoing on Iara Horst, drilled in 1Q11
- Block 32 appraisal well on casing works
- Rig already on location drilling an appraisal well at Cernambi Alto

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Lula/ Cernambi development on track

FPSO Cidade de Angra dos Reis

- First gas injection well already connected to FPSO Cidade de Angra dos Reis
- FPSO Cidade de São Vicente already on stream in Lula NE performing the EWT
- Gas pipeline already installed and onshore gas plant in Caraguatatuba to start operations during 3Q11

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Upgrade works will be finished during 2011

Matosinhos refinery

- Upgrade project at Matosinhos refinery almost concluded with the installation of the vacuum visbreaker
- Planned c.350 interconnections of new units at Sines refinery for 1Q11 successfully completed
- Project execution on cost, with c. €1.2 Bln invested until March 2011

Continuing working to a solid capital structure

	NG infrastructure	E&P Brazil
Transaction	Sale of up to 49% of a holding company with a RAB[1] of c. €900Mln	Capital increase at subsidiary level of c.€2 Bln
Status	Non binding proposals already received	Selected advisory partners
	Binding offers expected by the end of May	Detailed data room set up ongoing
	Final decision scheduled for end 1H11	Several parties demonstrated interest in the deal

[1] Regulatory Asset Base (proportional basis)

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Final remarks

- Funding solutions being executed to reach a sustainable and solid capital structure
- Upgrade project to be concluded before YE2011, shifting capex profile from downstream to upstream activities
- Continuous focus on exploration and development activities to support sustained upstream growth

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EBITDA stable YoY, benefiting from higher realized sale price

Main E&P data

		1Q11	1Q10	YoY	4Q10	QoQ
Working interest production	kbbl/d	**19.0**	18.5	+3%	20.1	(6%)
Net entitlement production	kbbl/d	**9.6**	12.7	(24%)	14.3	(33%)
Angola	kbbl/d	**8.2**	10.9	(25%)	12.1	(32%)
Brazil	kbbl/d	**1.4**	1.8	(23%)	2.2	(35%)
Realized sale price	$/bbl	**93.3**	70.9	+31%	80.0	+17%
OPEX/net entitlement production	$/bbl	**18.7**	12.7	+46%	9.0	+107%
EBITDA	M €	**48**	48	(2%)	56	(15%)
EBIT	M €	**23**	33	(31%)	(1)	n.m.
CAPEX	M €	**59**	78	(23%)	99	(40%)

- Working interest production increased YoY driven by Tômbua-Lândana field
- Net entitlement production in Angola impacted by higher oil price and one off PSA effect
- FPSO Cidade de Angra dos Reis accounting for 1.4 kbbl/d in 1Q11

EBITDA impacted by Sines outage and lower volumes sold

Main R&M data

		1Q11	1Q10	YoY	4Q10	QoQ
Galp Energia refining margin	$/bbl	**1.3**	2.7	(51%)	2.3	(43%)
Spread over benchmark	$/bbl	**1.8**	1.2	+46%	1.0	+74%
Crude processed	M bbl	**13.6**	22.2	(39%)	18.0	(25%)
Refining throughput	M ton	**2.1**	3.1	(34%)	2.7	(22%)
Refined product sales	M ton	**3.7**	4.5	(19%)	4.2	(13%)
Sales to direct clients	M ton	**2.4**	2.9	(16%)	2.8	(13%)
Portugal	M ton	**1.3**	1.6	(20%)	1.4	(11%)
Spain	M ton	**1.0**	1.2	(12%)	1.2	(16%)
Africa	M ton	**0.2**	0.2	+4%	0.2	(7%)
Operators	M ton	**0.8**	0.8	(1%)	0.9	(5%)
Exports	M ton	**0.4**	0.8	(48%)	0.5	(25%)
EBITDA	M €	**22**	66	(66%)	69	(68%)
EBIT	M €	**(24)**	19	n.m.	17	n.m.
CAPEX	M €	**230**	96	+139%	238	(3%)

- Premium over benchmark increased in 1Q11 due to heavy/light spread
- Crude processed decreased 39% YoY due to Sines outage
- Oil distribution business impacted by depressed economic environment in Iberia

EBITDA stable YoY, supported by higher natural gas supply volumes

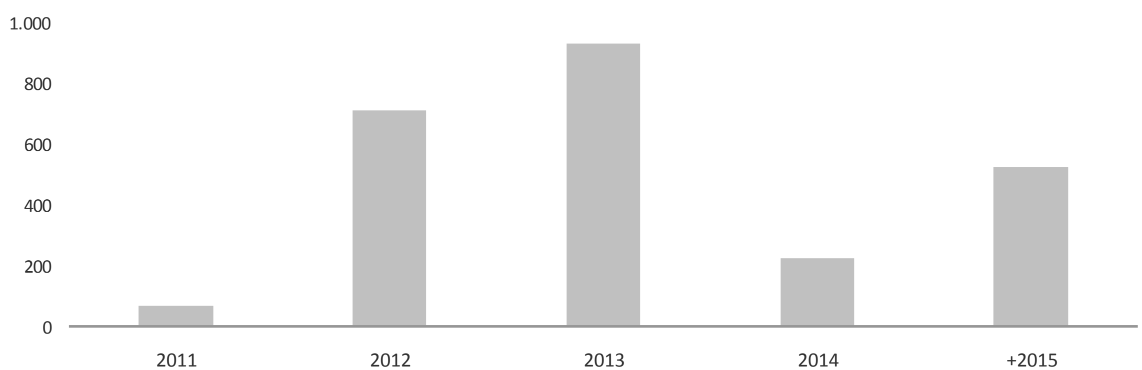
Main G&P data

		1Q11	1Q10	YoY	4Q10	QoQ
NG supply total sales volumes	M m3	**1,605**	1,178	+36%	1,340	+20%
Electrical	M m3	**502**	355	+41%	465	+8%
Industrial	M m3	**483**	529	(9%)	468	+3%
Residential and Commercial	M m3	**284**	125	+127%	152	+87%
Others	M m3	**336**	169	+98%	254	+32%
Sales of electricity to the grid	GWh	**224**	296	(24%)	292	(23%)
EBITDA	M €	**61**	61	(1%)	50	+22%
EBIT	M €	**52**	42	+23%	39	+31%
CAPEX	M €	**12**	16	(25%)	30	(60%)

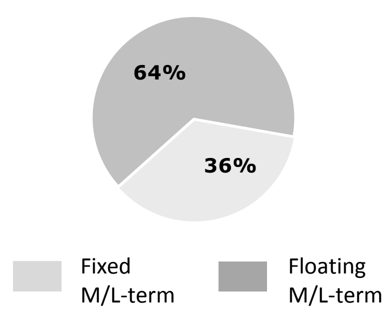
- Recovery of NG volumes, driven by higher electrical NG generation
- Spanish NG acquisition contributed with NG volumes of 144 Mm^3 in the 1Q11
- Stable contribution from NG infrastructure

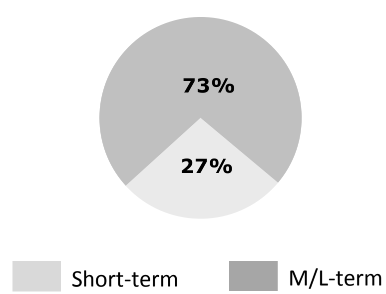
Additional facilities of €1.0[1] Bln

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



Debt structure as of March 2011





- No major reimbursement in 2011
- Total net debt of €3.1 Bln, with an average life of 2.6 years
- Average interest rate of 3.70%, up 51 b.p. YoY
- 60% of current additional facilities already contract guaranteed

[1] Liquidity position as of end March 2011

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RCA figures except otherwise noted.

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Results

FIRST QUARTER 2011

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Extending success into new challenges

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