May 2015

RESULTS AND CONSOLIDATED INFORMATION
FIRST QUARTER OF 2015

An integrated energy player focused on exploration and production

galp energia

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

CDP DRIVING SUSTAINABLE ECONOMIES

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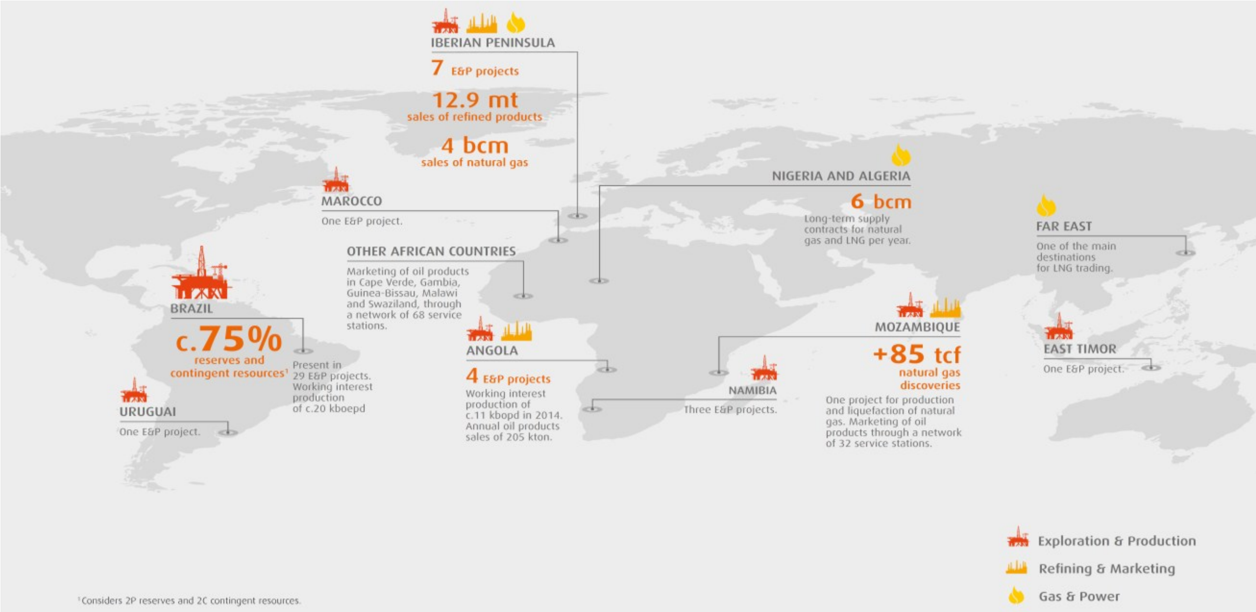
Galp Energia: energy on the move



WHO WE ARE

- An integrated energy player focused on exploration and production, with a portfolio of assets with a unique growth profile within the industry.
- Exploration and production activities anchored in three core countries: Brazil, Angola and Mozambique.
- Significant presence in the downstream oil and gas businesses in the Iberian Peninsula and in Africa.
- Distribution and marketing of natural gas and electricity in Iberia, with a growing LNG structured trading activity.

Our vision and purpose

To be an integrated energy player recognised for its exploration and production activities, creating sustainable value for its stakeholders.

Our strategy

To strengthen our exploration and production activities, complemented by efficient and competitive downstream and gas businesses and supported by a solid financial capacity and sustainable practices.

Our strategic drivers

- Efficient business development.
- Financial discipline and value creation.
- Organisational effectiveness.
- Human capital development.
- Commitment to sustainability.

Our competitive advantages

- Participation in some of the most promising projects worldwide.
- Successful and enduring partnerships with leading companies.
- Integrated skills and know-how of the business.
- Financial capacity and flexible organisation.

To learn more, visit www.galpenergia.com

Executive summary

MAIN OPERATING HIGHLIGHTS DURING THE FIRST QUARTER OF 2015

- Working interest production of oil and natural gas amounted to 41.5 kboepd;
- Galp Energia's refining margin of $5.9/boe mainly reflecting the favourable refining margins in the international market; the marketing of oil products maintained its positive contribution to results;
- Natural gas sold amounted to 2,195 million cubic metres (mm³), supported by the LNG trading activity in the international market;
- The Group's consolidated Ebitda amounted to €398 million (m), up 50% year on year (yoy), on a replacement cost adjusted (RCA) basis;
- Capital expenditure in the quarter amounted to €283 m, of which 96% was allocated to exploration and production activities;
- Net debt at the end of March 2015 amounted to €1,429 m considering the loan to Sinopec as cash and equivalents, in which case, net debt to Ebitda was 1.0x.

Galp Energia continued to implement its strategy focused on the execution of its Exploration & Production (E&P) projects and on the optimisation of its Refining & Marketing (R&M) and Gas & Power (G&P) businesses. The integrated profile contributed to an improved operating performance compared to the previous year.

During the quarter, development activities proceeded in block BM-S-11, in the Lula/Iracema field, with FPSO Cidade Angra dos Reis (FPSO #1) and Cidade de Paraty (FPSO #2) around full capacity. FPSO Cidade de Mangaratiba (FPSO #3), in the Iracema South area, reached a production of around 100 kbopd at the end of the quarter, with the connection of a third producer well.

Regarding exploration and appraisal activities, Galp Energia and its partners in block BM-S-8 proceeded with the drilling works of the Carcará Extension-2 well, the second appraisal well, whose purpose is to evaluate the resource potential of the discovery.

In December, the consortium for block BM-S-11 submitted the Declaration of Commerciality (DoC) for the Iara area, along with the Entorno de Iara area (Transfer of Rights, 100% Petrobras) and the consortium started the drilling of the reservoir data acquisition (RDA) well in the Berbigão area.

Regarding R&M and G&P activities, Galp Energia continues to focus on the optimisation of its operations, in order to increase the return on capital employed in these businesses. The maintenance of a high utilisation rate of the refineries and the optimisation of the natural gas trading business is worth highlighting.

Key figures

FINANCIAL DATA

€ m (RCA)

	First Quarter			
	2014	2015	Chg.	% Chg.
Ebitda	**265**	**398**	**133**	**50.0%**
Exploration & Production	104	94	(10)	(9.4%)
Refining & Marketing	36	165	130	n.m.
Gas & Power	122	131	9	7.4%
Ebit	**130**	**250**	**120**	**91.7%**
Net income	**47**	**121**	**75**	**n.m.**
Capex	**197**	**283**	**87**	**44.2%**
Change in net debt	**155**	**(202)**	**(356)**	**n.m.**
Net debt[1]	**1,630**	**1,429**	**(202)**	**(12.4%)**
Net debt to Ebitda[1]	**1.2x**	**1.0x**	**(0.3x)**	**n.m.**

[1]Considering loan to Sinopec as cash and equivalents. The information in 2014 is related to December 31.

OPERATIONAL DATA

	First Quarter			
	2014	2015	Chg.	% Chg.
Average working interest production (kboepd)	28.1	41.5	13.4	47.7%
Average net entitlement production (kboepd)	24.6	38.7	14.1	57.4%
Oil and gas average sale price (USD/boe)	96.2	50.6	(45.6)	(47.4%)
Raw materials processed (kboe)	19,539	26,195	6,656	34.1%
Galp Energia refining margin (USD/boe)	0.9	5.9	4.9	n.m.
Oil sales to direct clients (mton)	2.2	2.3	0.1	3.6%
NG supply sales to direct clients (mm^3)	1,011	999	(12)	(1.2%)
NG/LNG trading sales (mm^3)	1,067	1,195	128	12.0%

MARKET INDICATORS

	First Quarter			
	2014	2015	Chg.	% Chg.
Dated Brent price[1] (USD/bbl)	108.2	53.9	(54.3)	(50.2%)
Heavy-light crude price spread[2] (USD/bbl)	(2.0)	(1.3)	0.6	31.7%
UK NBP natural gas price[3] (GBp/therm)	60.5	48.1	(12.4)	(20.5%)
LNG Japan and Korea price[1] (USD/mmbtu)	18.3	7.8	(10.6)	(57.7%)
Benchmark refining margin[4] (USD/bbl)	(0.6)	5.3	5.9	n.m.
Iberian oil market[5] (mton)	14.3	14.9	0.6	4.2%
Iberian natural gas market[6] (mm^3)	8,502	9,074	572	6.7%

[1]Source: Platts.
[2]Source: Platts. Dated Urals NWE for heavy crude; Dated Brent for light crude.
[3]Source: Bloomberg.
[4]For a complete description of the method of calculating the benchmark refining margin see "Definitions".
[5]Source: Apetro for Portugal; Cores for Spain; the figures include an estimate for March 2015.
[6]Source: Galp Energia and Enagás.

Exploration & Production activities

DEVELOPMENT ACTIVITIES

Brazil

During the first quarter of 2015, Galp Energia and its partners continued with the development works in the Lula/Iracema area.

It is worth highlighting the connection of the third producer well and the second injector well to FPSO #3, in the Iracema South area, reaching a production of around 100 kbopd in mid-March. The consortium expects to reach plateau production during the first half of 2016.

During the first quarter of 2015, the sixth producer well was connected to FPSO #2, which is performing the EWT of Lula North, providing greater production flexibility and improved reservoir management. The unit has been operating at plateau production since September 2014.

A fourth injector well was connected to FPSO #1 in the Lula Pilot area, which has produced steadily near its full capacity during the quarter.

The Cabiúnas pipeline installation, which started in the second quarter of 2014, is proceeding according to plan. The consortium expects the pipeline to be pre-commissioned by the end of 2015.

Construction works for the remaining FPSO units planned to be assigned to the Lula/Iracema field proceeded in the quarter.

FPSO Cidade de Itaguaí (FPSO #4) has been in the Brasfels shipyard in Brazil since the beginning of the year for topside integration works. The FPSO is scheduled to start production in the Iracema North area during the fourth quarter of 2015.

FPSO Cidade de Maricá, assigned to the Lula Alto area, has left the Chengxi shipyard, in China, in April, for the Brasa shipyard, in Brazil, where the remaining integration works will be carried out. FPSO Cidade de Saquarema, assigned to the Lula Central area, continues to be converted in the Chengxi shipyard, in China. These FPSO units are expected to start production during the first half of 2016.

Regarding the works on the replicant FPSO units, integration works proceeded on the P-66 unit upon the arrival of the hull of this unit at the Brasfels shipyard in December 2014. P-67 hull construction is underway in the Ecovix shipyard, in Rio Grande do Sul. Integration works on the blocks of the P-68 hull also proceeded in the Cosco shipyard, in China, as well as works on P-69, in the dry dock of Ecovix in Rio Grande do Sul.

The consortium has launched an international tender at the end of 2014 for the construction of the CO_2 and gas compression and injection modules following the termination of the contract with IESA Óleo e Gás S.A. (IESA). Offers for the construction of these modules have been received during the first quarter of 2015, and for which the award is imminent.

Angola

Regarding the Lianzi field in block 14k, drilling and completion activities are underway in four wells, of which three were producer wells. The consortium expects to start production during the second half of 2015 through a tie-back to the CPT platform in the BBLT field.

Regarding block 32, in Angola, engineering and procurement works associated to the Kaombo project proceeded in the quarter, with FPSO conversion works having started in Singapore.

DEVELOPMENT WELLS IN THE LULA/IRACEMA AREA

Project	Type of wells	Planned	Drilled	In progress	Connected
Lula Pilot	Producers	7	5	0	5
FPSO Cidade de Angra dos Reis	Injectors	5	4	0	4
Lula NE	Producers	8	6	0	6[1]
FPSO Cidade de Paraty	Injectors	6	6	1	3
Iracema South	Producers	8	7	0	3
FPSO Cidade de Mangaratiba	Injectors	8	6	0	2
Iracema North	Producers	8	6	2	0
FPSO Cidade de Itaguaí	Injectors	9	3	0	0

[1] Including EWT of the Lula North area.

Exploration and appraisal activities

Brazil

During the first quarter of 2015, the consortium proceeded with the drilling of the Carcará Extension-2 appraisal well, in block BM-S-8, which began in January 2015. Drilling is being performed in a single phase using a rig equipped with managed pressure drilling (MPD). A drill stem test (DST) will be conducted upon the completion of this well, with the purpose of testing the pressure, permeability and productivity of this area of the reservoir.

In block BM-S-11, the drilling of the reservoir data acquisition (RDA) well began in the Berbigão area (Iara West), aiming to increase reservoir knowledge, and is expected to be concluded during the first half of the year.

Drilling works relating to the exploration campaign in the onshore Amazonas basin proceeded. Upon the conclusion and abandonment of the first well, after no hydrocarbons were found, the consortium continued with the exploration campaign. During the first quarter of 2015, light oil and gas was encountered in the Jan-1 well, from which results are being evaluated. Still during the quarter, the consortium started drilling the Sil-1 exploration well.

SCHEDULE OF EXPLORATION AND APPRAISAL ACTIVITIES

Area	Target	Interest	E/A[2]	Spud date	Duration (# days)	Well status
Brazil[1]						
BM-S-11	Iara RDA 4	10%	A	**Feb-15**	120	In progress
BM-S-8	Carcará Extension-2	14%	A	**Jan-15**	120	In progress
BM-S-8	Carcará Extension-1	14%	A	**3Q15**	120	-
BM-S-8	Guanxuma	14%	E	**4Q15**	120	-
BM-S-24	Elida	20%	A	**2Q15**	120	-
BM-S-24	Citera	20%	A	**4Q15**	120	-
Potiguar	Pitú 2	20%	A	**2Q15**	120	-
Potiguar	POT16-1	20%	E	**4Q15**	120	-
Amazonas	Jan-1	40%	E	**1Q15**	60	Concluded
Amazonas	Sil-1	40%	E	**Mar-15**	60	In progress
Angola						
Block 32	Colorau 3	5%	A	**4Q15**	60	-
Portugal						
Alentejo	Santola-1	30%	E	**4Q15/1Q16**	120	-

[1]Petrogal Brasil: 70% Galp Energia; 30% Sinopec.
[2]E – Exploration well; A – Appraisal well.

Operating and financial performance

1. MARKET ENVIRONMENT

Dated Brent

During the first quarter of 2015, the price of dated Brent decreased $54.3/bbl yoy to an average of $53.9/bbl, the lowest average value since the first quarter of 2009. This evolution came as a result of oversupply which resulted from the increase of non-conventional oil production, particularly shale oil in the USA and from the slowdown of global oil demand.

The average price spread between heavy and light crudes decreased from -$2.0/bbl in the previous year, to -$1.3/bbl. The tightened spread between these two types of crudes came as a result of an increased demand for Urals in the Mediterranean region.

Refining margins

During the first quarter of 2015, Galp Energia's benchmark refining margin increased by $5.9/bbl yoy to $5.3/bbl as both the hydrocracking and cracking margins improved by $5.7/bbl and $6.4/bbl, respectively, following a positive evolution of gasoline, diesel and fuel oil cracks, and lower oil prices, impacting refining consumptions and losses.

The gasoline crack spread increased $5.4/bbl yoy, as a result from an increase in USA demand as well as on the back of the start of the maintenance work period in the Atlantic Basin, both of which led to an increase of 50% in gasoline imports into this country. Unplanned outages in Latin America and the logistic constraints due to weather conditions also contributed to that end.

The diesel crack spread increased $1.1/bbl yoy, benefitting from a severe winter which supported exports to the USA and from the economic recovery in some Northern European countries.

Additionally, the diesel crack spread benefitted from the changes in bunker fuel in emission control areas (ECA) as of January 2015, which include the US East Coast and Northern Europe, with the majority of ship-owners opting for the use of bunker diesel.

Despite the enactment of the restriction on demand of fuel oil, the fuel oil crack spread increased $2.2/bbl yoy, influenced by the increased demand in the Asian market, the rigorous temperatures felt in the US East Coast and the shortage of some bunker fuel components, pressured by the demand for bunker diesel.

Iberian market

During the first quarter of 2015, the Iberian market for oil products reached 14.9 million tonnes (mton), an increase of around 4% yoy. Middle distillates experienced the largest increase, with diesel and jet fuel revealing a positive recovery in the road and air traffic. The increased demand for bunker diesel is also worth noting, as a result from the aforementioned fuel oil restriction.

During the first quarter of 2015, the Iberian natural gas market increased around 7% yoy to 9,074 mm³, with demand from the electrical and conventional segments up 37% and 3%, respectively. The electrical segment was impacted by the lower hydroelectric power generation which led to a greater use of electricity generation from natural gas, whilst the conventional segment was impacted by the economic recovery in the region.

2. OPERATING PERFORMANCE

EXPLORATION & PRODUCTION

€ m (RCA, except otherwise stated)

	First Quarter			
	2014	2015	Chg.	% Chg.
Average working interest production [1] **(kboepd)**	**28.1**	**41.5**	**13.4**	**47.7%**
Oil production (kbopd)	26.9	38.4	11.4	42.5%
Average net entitlement production (kboepd)	**24.6**	**38.7**	**14.1**	**57.4%**
Angola	7.3	7.8	0.5	6.3%
Brazil	17.3	31.0	13.7	79.0%
Average realised sale price (USD/boe)	**96.2**	**50.6**	**(45.6)**	**(47.4%)**
Royalties[2] **(USD/boe)**	**10.2**	**4.1**	**(6.1)**	**(59.4%)**
Production costs (USD/boe)	**13.1**	**11.8**	**(1.4)**	**(10.4%)**
Amortisation[3] **(USD/boe)**	**22.2**	**16.4**	**(5.7)**	**(25.9%)**
Ebitda	**104**	**94**	**(10)**	**(9.4%)**
Depreciation & Amortisation	36	51	15	40.8%
Provisions	(0)	-	0	n.m.
Ebit	**68**	**44**	**(24)**	**(35.9%)**

Note: unit values based on net entitlement production.
[1]Includes natural gas exported; excludes natural gas used or injected.
[2]Based on production in Brazil.
[3]Includes abandonment provisions.

Operations

During the first quarter of 2015, the average working interest production of oil and natural gas increased 48% yoy to 41.5 kboepd, of which 92% was oil production.

Production from Brazil increased 13.7 kboepd yoy to 31.0 kboepd, primarily as a result of the incremental contribution to production from FPSO #2, with 13.4 kboepd, and the increase of production in FPSO #3 with an average production of 6.8 kbopd in the quarter. The latter performing from two producer wells throughout the period and the partial contribution of a third well that was connected in March. FPSO #1 maintained its contribution to production in the quarter, with 10.1 kboepd, despite maintenance activities in the heat exchanger.

Exports of gas from the Lula area increased to 2.6 kboepd from 0.8 kboepd the previous year, following the start of natural gas exports from Lula NE in July 2014.

In Angola, working interest production decreased 0.3 kbopd, or 2% yoy to 10.5 kbopd, as the contribution from the TL field, in block 14, declined following the outage for maintenance performed in January.

Net entitlement production increased 57% yoy to 38.7 kboepd, due to a higher contribution from Brazil. In Angola, net entitlement production increased 6% yoy to 7.8 kbopd, as the lower working interest production was offset by the production-sharing agreements (PSAs) mechanism.

Production from Brazil accounted for 80% of total net entitlement production in the first quarter of 2015, compared with 70% the previous year.

Results

Ebitda for the first quarter of 2015 declined €10 m yoy to €94 m following the decrease in the average sale price of oil and natural gas, which was partially offset by the increase in net entitlement production and the appreciation of the Dollar against the Euro.

The average sale price in the quarter was $50.6/boe, down from $96.2/boe the year before.

Production costs increased around €15 m yoy to €36 m. In Brazil, production costs increased as a result of the start of operations of FPSO #3 in the Iracema South area and of FPSO #2’s increased activity. In Angola, production costs also increased, following the maintenance performed in the TL field.

In unit terms, and on a net entitlement basis, production costs in the first quarter of 2015 decreased $1.4/boe yoy to $11.8/boe, due to cost dilution from increased production.

Depreciation charges in the first quarter of 2015 increased €15 m yoy to €51 m, primarily on the back of the increased asset base and production from Brazil. On a net entitlement basis, unit depreciation charges decreased to $16.4/boe from $22.2/boe the previous year.

Ebit in the E&P business segment decreased €24 m yoy to €44 m, as a result of the lower realised sale price and the higher depreciation charges.

REFINING & MARKETING

€ m (RCA, except otherwise stated)

	First Quarter			
	2014	2015	Chg.	% Chg.
Galp Energia refining margin (USD/boe)	**0.9**	**5.9**	**4.9**	**n.m.**
Refining cash cost[1] (USD/boe)	**3.0**	**2.4**	**(0.7)**	**(21.6%)**
Raw materials processed (kboe)	**19,539**	**26,195**	**6,656**	**34.1%**
Crude processed (kbbl)	16,574	23,148	6,574	39.7%
Total refined product sales (mton)	**3.7**	**4.4**	**0.7**	**19.7%**
Sales to direct clients (mton)	2.2	2.3	0.1	3.6%
Ebitda	**36**	**165**	**130**	**n.m.**
Depreciation & Amortisation	72	68	(4)	(5.1%)
Provisions	9	9	1	7.0%
Ebit	**(45)**	**88**	**133**	**n.m.**

[1]Includes impact of hedging of the refining margin.

Operations

Raw materials processed during the first quarter of 2015 increased 34% yoy to 26.2 million barrels. The volume of raw materials processed a year earlier had been affected by the start of the planned outage of the Sines refinery. Crude oil processed accounted for 88% of raw materials processed, of which 85% corresponded to medium and heavy crudes.

The production of middle distillates (diesel and jet) accounted for 46% of total production, whereas gasoline and fuel oil accounted for 22% and 17% of total production, respectively. Consumption and losses in the quarter accounted for 8%, in line with the previous year.

Volumes sold to direct clients increased 4% yoy to 2.3 mton, following the upward trend of the Iberian market and mainly due to the increase of sales in the wholesale segment, namely marine bunkers and chemical naphtha. To a smaller extent the retail segment also improved. Volumes sold in Africa accounted for 8% of total volumes sold to direct clients, a contribution in line with the previous year.

Results

Ebitda for the R&M segment increased €130 m yoy to €165 m, mainly on the back of improved results from refining activities and from the appreciation of the Dollar against the Euro.

Galp Energia's refining margin increased $4.9/boe to $5.9/boe, based on total processed raw materials, mainly on the back of improved margins in the international markets. The premium to benchmark margin was of $0.6/boe, impacted by planned outages for maintenance, namely at the vacuum distillation units at the Sines and Matosinhos refineries, as well as by the lag of pricing formulas of some raw materials processed.

Refining cash costs amounted to €55 m, or $2.4/boe in unit terms, also on the back of the total processed raw materials, down from $3.0/boe the previous year. In 2015, these costs were negatively impacted by the hedging of the refining margin.

Marketing of oil products in the first quarter of 2015 maintained its positive contribution to results compared to the same period a year earlier, benefitting from higher volumes sold.

Depreciation charges amounted to €68 m, down €4 m yoy, and provisions in the period remained stable at €9 m yoy. As a result, Ebit for the R&M business segment was positive by €88 m.

GAS & POWER

€ m (RCA, except otherwise stated)

	First Quarter			
	2014	2015	Chg.	% Chg.
NG supply total sales volumes (mm³)	**2,078**	**2,195**	**116**	**5.6%**
Sales to direct clients (mm³)	**1,011**	**999**	**(12)**	**(1.2%)**
Trading (mm³)	**1,067**	**1,195**	**128**	**12.0%**
Sales of electricity (GWh)	**937**	**1,127**	**190**	**20.3%**
Ebitda	**122**	**131**	**9**	**7.4%**
Natural Gas	70	98	28	39.6%
Infrastructure	42	34	(9)	(20.6%)
Power	9	(1)	(10)	n.m.
Depreciation & Amortisation	16	15	(1)	7.1%
Provisions	2	4	2	n.m.
Ebit	**104**	**112**	**8**	**7.6%**

Operations

Volumes sold in the natural gas segment increased 6% yoy to 2,195 mm³ as a result of the increase in volumes sold in international markets through trading, which more than offset the decrease of volumes sold to direct clients in Iberia.

Trading sales amounted to 1,195 mm³, up 12% from the previous year. Ten trading operations were carried out in the quarter, particularly aimed at Latin America, but also at Asia and Europe.

Volumes sold to direct clients decreased 1% yoy to 999 mm³ mainly on the back of the residential segment as a result of increased competition in the Iberian market.

On the other hand, the industrial segment remained stable yoy and volumes sold in the electrical segment increased due to higher demand of natural gas for power generation in Portugal.

Sales of electricity increased 190 GWh yoy to 1,127 GWh following the increased supply of electricity. Sales of electricity to the grid decreased 39 GWh yoy to 389 GWh.

Results

Ebitda for the G&P business in the first quarter of 2015 was up 7% yoy to €131 m.

Ebitda for the natural gas segment improved €28 m yoy to €98 m on the back of higher LNG volumes traded, as well as on the optimisation of natural gas sourcing.

On the other hand, Ebitda for the regulated infrastructure and power businesses decreased €9 m and €10 m yoy, respectively. The lower results from the infrastructure business were due to the downward revision to around 8% of the estimated rate of return for the gas year 2014-2015. The power business was impacted by the lag in the natural gas sales price indexes.

Depreciation and amortisation in the G&P business segment stood at €15 m, in line with the year before.

Provisions accounted for €4 m in the first quarter of 2015, compared to €2 m the previous year, and were primarily related to impairments in trade receivables.

As a result, Ebit for the G&P business segment increased 8% yoy to €112 m.

3. FINANCIAL PERFORMANCE

3.1 PROFIT & LOSS

€ m (RCA, except otherwise stated)

	First Quarter			
	2014	2015	Chg.	% Chg.
Turnover	4,125	3,923	(202)	(4.9%)
Operating expenses				
Cost of goods sold	(3,490)	(3,129)	(361)	(10.3%)
Supply & Services	(290)	(324)	34	11.6%
Personnel costs	(85)	(83)	(2)	(2.5%)
Other operating revenues (expenses)	6	11	5	87.0%
Ebitda	**265**	**398**	133	**50.0%**
Depreciation & Amortisation	(124)	(135)	10	8.2%
Provisions	(10)	(13)	3	26.6%
Ebit	**130**	**250**	120	**91.7%**
Net income from associated companies	17	26	9	53.0%
Net income from investments	(0)	(0)	(0)	n.m.
Financial results	(42)	(73)	(32)	(75.7%)
Net income before taxes and non-controlling interests	**106**	**203**	97	**91.8%**
Taxes[1]	(46)	(71)	25	53.4%
Non-controlling interests	(13)	(11)	(2)	(14.9%)
Net income	**47**	**121**	**75**	**n.m.**
Non recurrent items	(16)	(45)	(29)	n.m.
Net income RC	31	76	46	n.m.
Inventory effect	(17)	(86)	(70)	n.m.
Net income IFRS	14	(10)	(24)	n.m.

[1]Includes Special Participation Tax payable in Brazil and IRP payable in Angola of €24 m in the first quarter of 2015.

Turnover in the first quarter of 2015 decreased 5% yoy to €3,923 m, as the prices of oil, natural gas and oil products fell in the international markets.

Operating expenses in the quarter decreased 9% yoy to €3,536 m. In fact, the 10% decrease of costs of goods sold more than offset the increase in supply & services costs, and which was due to higher variable costs related to the production of oil and natural gas, and the higher costs for the transportation of goods.

Ebitda for the quarter was up €133 m yoy to €398 m, following the improved results of the R&M business, benefitting from the recovery of international refining margins and from the increased volumes of oil products sold.

The E&P business on the other hand was negatively impacted by the fall in oil prices, notwithstanding the increase of production. The G&P business benefitted from the higher volumes traded.

Ebit increased €120 m to €250 m, as a result of the improved operating performance, particularly in the R&M business.

Results from associates amounted to €26 m, an increase of €9 m yoy, following the positive contribution from the EMPL – Europe Maghreb Pipeline and from Tupi B.V., the main vehicle used for the execution of capital expenditure related to the Lula/Iracema field in Brazil.

Financial results of -€73 m include unfavourable exchange rate differences, resulting from the appreciation of the Dollar impacting trade payables, and the mark-to-market effect of refining margin hedging instruments.

Net interest expenses amounted to €32 m, compared to €38 m in the previous year.

Taxes increased €25 m to €71 m, driven by the improved results.

Non-controlling interests amounted to €11 m, primarily attributable to Sinopec.

RCA net income increased €75 m yoy to €121 m, whereas IFRS net income decreased €24 m yoy and was negative by €10 m in the first quarter of 2015. IFRS results were negatively impacted by the inventory effect as a result of the fall in oil prices, and by non-recurrent events amounting to €45 m, primarily related to the exploration activity in the Amazonas basin, in Brazil, and in block 14, in Angola.

3.2 CAPITAL EXPENDITURE

€ m

	First Quarter			
	2014	2015	Chg.	% Chg.
Exploration & Production	178	273	95	53.0%
Exploration and appraisal activities	62	37	(25)	(40.6%)
Development and production activities	117	236	120	n.m.
Refining & Marketing	10	5	(6)	(53.9%)
Gas & Power	7	3	(4)	(58.1%)
Others	0	3	2	n.m.
Investment	**197**	**283**	**87**	**44.2%**

Capital expenditure in the first quarter of 2015 amounted to €283 m, 96% of which was allocated to the E&P business.

Around 87% of capital expenditure in the E&P business was allocated to development activities in Brazil, namely the drilling of development wells, the construction of FPSO units and subsea systems for the Lula/Iracema field and the construction of the Cabiúnas pipeline.

Investment in exploration and appraisal activities in the quarter amounted to €37 m, and it was mainly allocated to drilling and seismic activities in the Santos, Potiguar and Amazonas basins, in Brazil.

The combined capital expenditure in the R&M and G&P businesses amounted to €8 m, primarily related to maintenance and safety.

3.3 CASH FLOW

€ m (IFRS figures)

	First Quarter	
	2014	2015
Ebit	92	81
Dividends from associates	-	0
Depreciation, Depletion and Amortization (DD&A)	138	188
Change in Working Capital	(111)	105
Cash flow from operations	**120**	**374**
Net capex	(195)	(303)
Net financial expenses	(41)	(34)
SPT and Corporate taxes	(25)	(33)
Dividends paid	-	-
Others[1]	17	162
Change in net debt	**123**	**(167)**

[1]Including CTA's (Cumulative Translation Adjustment) and partial reimbursement of loan granted to Sinopec.

Cash flow from operations, of €374 m, and the reimbursement of €78 m from the loan to Sinopec offset the capital expenditure made and taxes paid in the period. The change in working capital primarily benefitted from the inventory effect resulting from decreased prices of oil, natural gas and oil products.

3.4 FINANCIAL POSITION

€ m (IFRS figures)

	31 December, 2014	31 March, 2015	Change
Non-current assets	7,599	7,830	232
Working capital	968	863	(105)
Loan to Sinopec	890	925	35
Other assets (liabilities)	(512)	(518)	(6)
Capital employed	**8,945**	**9,100**	**155**
Short term debt	303	291	(12)
Medium-Long term debt	3,361	3,166	(195)
Total debt	**3,664**	**3,457**	**(207)**
Cash and equivalents	1,144	1,104	(40)
Net debt	**2,520**	**2,353**	**(167)**
Total equity	**6,425**	**6,747**	**322**
Total equity and net debt	**8,945**	**9,100**	**155**
Net debt including loan to Sinopec[1]	**1,630**	**1,429**	**(202)**

[1]Loan to Sinopec considered as cash and equivalents.

On 31 March 2015, non-current assets amounted to €7,830 m, up €232 m from 31 December 2014, following investments made in the first quarter of the year.

Capital employed at the end of the period stood at €9,100 m, including the loan to Sinopec, whose outstanding balance on 31 March 2015 was €925 m.

3.5 FINANCIAL DEBT

€ m (except otherwise stated)

	31 December 2014	31 March 2015	Change
Bonds	2,248	2,249	2
Bank loans and other debt	1,417	1,208	(209)
Cash and equivalents	1,144	1,104	(40)
Net debt	**2,520**	**2,353**	**(167)**
Net debt including loan to Sinopec[1]	**1,630**	**1,429**	**(202)**
Average life (years)	3.7	3.4	(0.22)
Average debt interest taxe rate[2]	4.2%	3.9%	(0.3 p.p.)
Net debt to Ebitda[1]	1.2x	1.0x	(0.3x)

[1]Net debt includes loan to Sinopec as cash and equivalents.
[2]Average interest rate of debt excluding exchange effects.

At the end of the first quarter of 2015, net debt amounted to €2,353 m, down €167 m from the end of 2014.

Considering the €925 m loan to Sinopec as cash and equivalents, net debt at the end of the first quarter of 2015 amounted to €1,429 m.

Net debt to Ebitda at the end of the first quarter of 2015 was 1.0x, considering the loan to Sinopec as cash and equivalents.

On 31 March 2015, 46% of total debt was on a fixed-rate basis. Medium- and long-term debt accounted for 92% of the total, in line with the end of 2014.

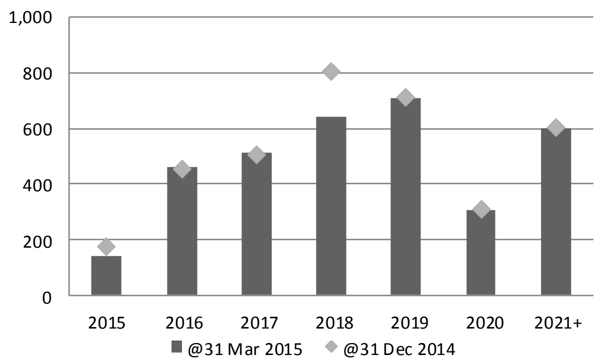
The average interest rate at the end of the first quarter of 2015 was 3.9% and debt had an average maturity of 3.4 years.

On 31 March 2015, around 65% of the debt outstanding was scheduled to mature from 2018 onwards, in accordance with the objective to align debt repayment with the Company's expected free cash flow profile.

At the end of the first quarter of 2015, Galp Energia had unused credit lines of €1.1 bn, 60% of which were contractually guaranteed.

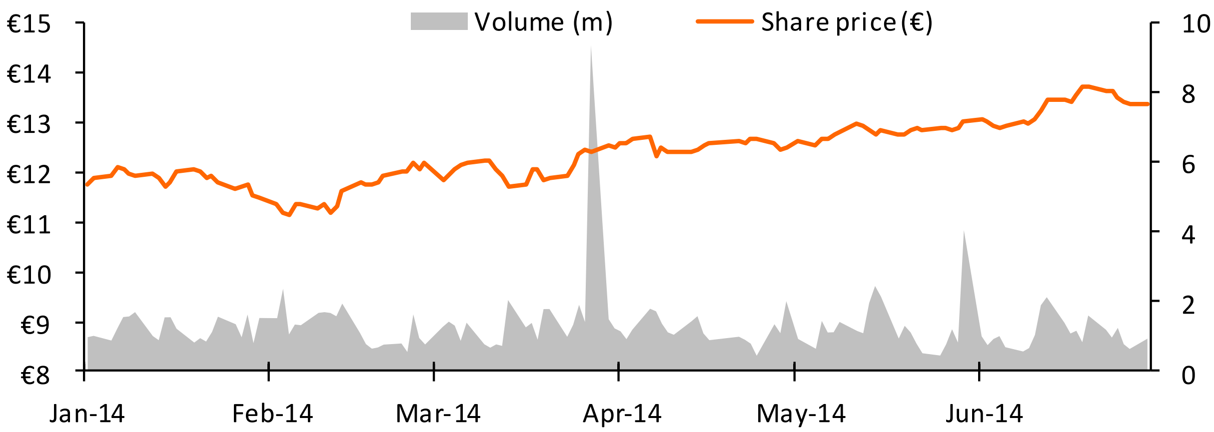
DEBT MATURITY PROFILE

€ m



Galp Energia share

PERFORMANCE OF THE GALP ENERGIA SHARE



Source: Euroinvestor

Galp Energia share price closed at €10.07, an increase of 19% in the quarter, reaching a minimum of €7.81 and a high of €10.75.

During the quarter 179 m shares were traded on regulated markets, of which 115 m on Euronext Lisbon. The average daily volume traded in regulated markets amounted to 2.8 m shares, of which 1.8 m on Euronext Lisbon. At the end of the first quarter of 2015, Galp Energia had a market capitalisation of €8.3 bn.

Main indicators		
	2014	1Q15
Min (€)	7.82	7.81
Max (€)	13.75	10.75
Average (€)	12.10	9.64
Close price (€)	8.43	10.07
Regulated markets volume (m shares)	547.9	179.2
Average volume per day (m shares)	2.1	2.8
Of which Euronext Lisbon (m shares)	*1.3*	*1.8*
Market cap (€m)	6,991	8,346

Additional information

1. BASIS OF PRESENTATION

Galp Energia's consolidated financial statements for the quarters ended on 31 March 2015 and 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial information in the consolidated income statement is reported for the quarters ended on 31 March 2015 and 2014. The financial information in the consolidated financial position is reported on 31 March 2015 and 31 December 2014.

Galp Energia's financial statements are prepared in accordance with IFRS and the cost of goods sold is valued at weighted-average cost. The use of this valuation method may, when goods and commodities prices fluctuate, cause volatility in results through 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 items, 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 Galp Energia's operating performance, RCA profit measures exclude non-recurrent items and the inventory effect, the latter because the cost of goods sold has been calculated according to the Replacement cost (RC) valuation method.

RECENT CHANGES

As of 1 January 2015, Galp Energia's basis for the calculation of the unit refining margin and associated cash costs considers all processed raw materials (converted into barrels of oil equivalent), whereas previously the calculation only considered crude processed. For comparison purposes, this change has been reflected in the same period of last year.

2. RECONCILIATION OF IFRS AND REPLACEMENT COST ADJUSTED FIGURES

2.1. REPLACEMENT COST ADJUSTED EBITDA BY SEGMENT

€ m

2014					First Quarter	2015				
Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurrent items	Ebitda RCA		Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurrent items	Ebitda RCA
241	**22**	**263**	**2**	**265**	**Ebitda**	**282**	**113**	**395**	**3**	**398**
104	-	104	0	104	E&P	95	-	95	(0)	94
5	29	34	2	36	R&M	59	104	163	3	165
128	(6)	122	0	122	G&P	121	9	130	1	131
4	-	4	0	4	Others	8	-	8	-	8

2.2. REPLACEMENT COST EBIT BY SEGMENT

€ m

2014					First Quarter	2015				
Ebit IFRS	Inventory effect	Ebit RC	Non-recurrent items	Ebit RCA		Ebit IFRS	Inventory effect	Ebit RC	Non-recurrent items	Ebit RCA
92	**22**	**115**	**16**	**130**	**Ebit**	**81**	**113**	**194**	**56**	**250**
54	-	54	14	68	E&P	(9)	-	(9)	53	44
(76)	29	(47)	2	(45)	R&M	(18)	104	86	2	88
110	(6)	104	(0)	104	G&P	102	9	111	1	112
3	-	3	0	3	Others	7	-	7	-	7

3. REPLACEMENT COST ADJUSTED TURNOVER

€ m

	First Quarter			
	2014	2015	Chg.	% Chg.
Turnover RCA	**4,125**	**3,923**	**(202)**	**(4.9%)**
Exploration & Production[1]	178	144	(35)	(19.5%)
Refining & Marketing	3,080	2,852	(228)	(7.4%)
Gas & Power	1,034	1,026	(8)	(0.8%)
Other	28	29	2	6.5%
Consolidation adjustments	(194)	(128)	67	34.4%

[1]Does not include change in production. RCA turnover in the E&P segment including change in production amounted to €157 m in the first quarter of 2015.

4. NON-RECURRENT ITEMS

CONSOLIDATED SUMMARY

€ m

	First Quarter	
	2014	2015
Exclusion of non-recurrent items		
Sale of strategic stock	(69.6)	-
Cost of sale of strategic stock	66.7	-
Accidents caused by natural facts and insurance compensation	0.0	(0.2)
Gains / losses on disposal of assets	(0.4)	(0.6)
Assets write-offs	0.2	0.0
Employee restructuring charges	5.1	4.1
Accidents	-	-
Provisions for environmental charges and others	0.1	(0.2)
Provision and impairment of receivables	-	-
Assets impairments	13.7	53.4
Non-taxed fines	-	-
Non-recurrent items of Ebit	**15.9**	**56.5**
Capital gains / losses on disposal of financial investments	(0.0)	(0.0)
Provision for impairment of financial investments	-	-
Provision for financial investments	2.8	-
Other financial results	-	-
Non-recurrent items before income taxes	**18.7**	**56.5**
Income taxes on non-recurrent items	(5.1)	(14.0)
Tax deferrals reversions	-	-
Energy sector contribution tax	5.2	10.4
Non-controlling interest	(2.7)	(7.9)
Total non-recurrent items	**16.1**	**45.0**

5. ADDITIONAL INFORMATION - CONSOLIDATED FINANCIAL STATEMENTS

Galp Energia, SGPS, S.A. and Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2015 AND 31 DECEMBER 2014
(Amounts stated in thousands of euros – €k)

ASSETS	Notes	March 2015	December 2014
Non-current assets:			
Tangible assets	12	5,126,164	5,052,356
Goodwill	11	227,813	225,361
Intangible assets	12	1,438,362	1,446,906
Investments in associates and jointly controlled entities	4	949,451	786,702
Assets held for sale	4	2,513	2,512
Trade receivables	15	24,162	24,242
Loans to Sinopec	14	152,879	170,954
Other receivables	14	185,654	187,796
Deferred tax assets	9	424,072	363,973
Other investments	17	24,011	21,378
Total non-current assets:		**8,555,081**	**8,282,180**
Current assets:			
Inventories	16	1,112,157	1,210,374
Trade receivables	15	1,180,659	1,115,287
Loans to Sinopec	14	771,654	718,904
Other receivables	14	749,777	667,281
Other investments	17	6,348	10,136
Assets held for sale	12	66,921	67,273
Cash and cash equivalents	18	1,103,689	1,143,982
Total current assets:		**4,991,205**	**4,933,237**
Total assets:		**13,546,286**	**13,215,417**

EQUITY AND LIABILITIES	Notes	March 2015	December 2014
Equity:			
Share capital	19	829,251	829,251
Share premium		82,006	82,006
Reserves	20	2,936,946	2,701,339
Retained earnings		1,391,942	1,565,335
Consolidated net profit for the period	10	(10,115)	(173,394)
Equity attributable to equity holders of the parent:		5,230,030	5,004,537
Non-controlling interests	21	1,516,772	1,420,184
Total equity:		**6,746,802**	**6,424,721**
Liabilities:			
Non-current liabilities:			
Bank loans	22	917,369	1,113,578
Bonds	22	2,249,122	2,247,541
Other payables	24	585,266	555,840
Retirement and other benefits liabilities	23	409,037	410,591
Deferred tax liabilities	9	118,970	121,188
Other financial instruments	27	528	838
Provisions	25	210,908	184,540
Total non-current liabilities:		**4,491,200**	**4,634,116**
Current liabilities:			
Bank loans and overdrafts	22	290,828	303,245
Trade payables	26	1,001,646	898,047
Other payables	24	956,224	921,059
Other financial instruments	27	35,644	15,144
Payable income tax	9	23,942	19,085
Total current liabilities:		**2,308,284**	**2,156,580**
Total liabilities:		**6,799,484**	**6,790,696**
Total equity and liabilities:		**13,546,286**	**13,215,417**

The accompanying notes form an integral part of the consolidated statement of financial position as of 31 March 2015.

Galp Energia, SGPS, S.A. and Subsidiaries

CONSOLIDATED INCOME STATEMENT FOR THE PERIODS ENDED 31 MARCH 2015 AND 2014

(Amounts stated in thousands of euros – €k)

	Notes	March 2015	March 2014
Operating income:			
Sales	5	3,773,670	4,055,064
Services rendered	5	149,132	139,359
Other operating income	5	22,187	20,839
Total operating income:		**3,944,989**	**4,215,262**
Operating costs:			
Cost of sales	6	3,241,934	3,579,106
External supplies and services	6	323,881	290,137
Employee costs	6	87,012	90,119
Amortisation, depreciation and impairment loss	6	188,017	138,176
Provision and impairment loss on receivables	6	13,102	10,618
Other operating costs	6	10,227	14,790
Total operating costs:		**3,864,173**	**4,122,946**
Operating profit:		**80,816**	**92,316**
Financial income	8	6,952	11,073
Financial costs	8	(30,361)	(48,273)
Exchange (loss) gain		(31,645)	(4,702)
Share of results of investments in associates and jointly controlled entities	4	26,002	16,992
Income on financial instruments	27	(18,123)	(2,504)
Profit before income tax:		**33,641**	**64,902**
Income Tax	9	(30,108)	(35,499)
Energy sector contribution tax	9	(10,420)	(5,209)
Profiit before non-controlling interests:		**(6,887)**	**24,194**
Profit attributable to non-controlling interests	21	(3,228)	(10,376)
Consolidated net profit for the period		**(10,115)**	**13,818**
Earnings per share (in euros)	10	**(0.01)**	**0.02**

The accompanying notes form an integral part of the consolidated income statement as of 31 March 2015.

Galp Energia, SGPS, S.A. and Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 MARCH 2015 AND 2014

(Amounts stated in thousands of euros – €k)

Changes in the period	Notes	Share capital	Share premium	Translation reserve (Note 20)	Other reserves (Note 20)	Hedging reserves (Note 20)	Retained earnings - actuarial gains and losses - pension fund (Nota 23)	Retained earnings	Consolidated net profit for the period	Sub-Total	Non-controlling interests (Note 21)	Total
Balance as of 1 January 2014		829,251	82,006	(284,118)	2,680,439	(1,408)	(72,875)	1,738,950	188,661	5,160,906	1,254,894	6,415,800
Consolidated net profit for the period	10	-	-	-	-	-	-	-	13,818	13,818	10,376	24,194
Changes in scope of consolidation		-	-	-	-	-	-	-	-	-	-	-
Other gains and losses recognised in equity		-	-	24,978	-	254	-	-	-	25,232	8,915	34,147
Comprehensive income for the period		-	-	24,978	-	254	-	-	13,818	39,050	19,291	58,341
Dividends distributed / Interim dividends		-	-	-	-	-	-	-	-	-	-	-
Increase of equity in subsidiaries		-	-	-	-	-	-	-	-	-	9,302	9,302
Appropriation of profit to reserves		-	-	-	-	-	-	188,661	(188,661)	-	-	-
Balance as of 31 March 2014		829,251	82,006	(259,140)	2,680,439	(1,154)	(72,875)	1,927,611	13,818	5,199,956	1,283,487	6,483,443
Balance as of 1 January 2015		829,251	82,006	17,669	2,684,414	(744)	(99,570)	1,664,905	(173,394)	5,004,537	1,420,184	6,424,721
Consolidated net profit for the period	10	-	-	-	-	-	-	-	(10,115)	(10,115)	3,228	(6,887)
Other gains and losses recognised in equity		-	-	236,692	-	(1,085)	1	-	-	235,608	93,360	328,968
Comprehensive income for the period		-	-	236,692	-	(1,085)	1	-	(10,115)	225,493	96,588	322,081
Dividends distributed / Interim dividends	30	-	-	-	-	-	-	-	-	-	-	-
Increase of equity in subsidiaries	3 and 20	-	-	-	-	-	-	-	-	-	-	-
Appropriation of profit to reserves		-	-	-	-	-	-	(173,394)	173,394	-	-	-
Balance as of 31 March 2015		829,251	82,006	254,361	2,684,414	(1,829)	(99,569)	1,491,511	(10,115)	5,230,030	1,516,772	6,746,802

The accompanying notes form an integral part of the consolidated statement of changes in equity as of 31 March 2015.

Galp Energia, SGPS, S.A. and Subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 MARCH 2015 AND 2014

(Amounts stated in thousands of euros – €k)

	Notes	March 2015	March 2014
Consolidated net profit for the period	10	**(10,115)**	**13,818**
Other comprehensive income of the period:			
Actuarial gains and losses - pension fund		1	-
Tax related to actuarial gains and losses - pension fund	9	-	-
		1	-
Other comprehensive income which will be recycled in the future for net profits of the period:			
Differences arising on translation of foreign currency financial statements (Group companies)	20	222,269	13,793
Differences arising on translation of foreign currency financial statements (associated/jointly controlled companies)	4 and 20	83,447	2,343
Differences arising on translation of foreign currency - goodwill	11 and 20	2,452	(2,115)
Differences arising on translation of foreign currency - financial allocations ("quasi equity")	20	(108,297)	22,381
Deferred tax related to components of differences arising on translation of foreign currency - Financial allocations ("quasi equity")	9 and 20	36,821	(11,424)
		236,692	24,978
Other increases / (decreases) in hedging reserves (Group companies)	27 and 20	(337)	133
Deferred tax related to components of hedging reserves (Group companies)	9 and 20	101	(32)
Increases / (decreases) of hedging reserves (associated/jointly controlled companies)	27 and 20	(839)	222
Deferred tax related to components of hedging reserves (Associated/jointly controlled companies)	9 and 20	(10)	(69)
		(1,085)	254
Other comprehensive income for the period net of tax		235,608	25,232
Comprehensive income for the period assignable to shareholders:		**225,493**	**39,050**
Comprehensive income for the period assignable to non-controlling interests		96,588	19,291
Total compheensive income for the period		**322,081**	**58,341**

The accompanying notes form an integral part of the consolidated comprehensive income statement as of 31 March 2015.

Galp Energia, SGPS, S.A. and Subsidiaries

CONSOLIDATED STATEMENT OF CASH-FLOW FOR THE PERIODS ENDED 31 MARCH 2015 AND 2014

(Amounts stated in thousands of euros – €k)

	Notes	March 2015	March 2014	December 2014
Operating activities:				
Cash receipts from trade receivables (including VAT and Tax on Oil Products		4,422,857	4,811,714	20,475,148
Cash paid to trade payables (including VAT)		(2,954,193)	(3,687,501)	(14,610,738)
Payments relating to tax on oil products		(515,815)	(411,346)	(2,489,107)
Payments relating to VAT		(431,494)	(499,049)	(1,928,005)
Royalties, PIS, Cofins, Taxes, Others		(15,765)	(20,217)	(91,898)
Operating Gross Margin		505,590	193,601	1,355,400
Cash paid to employees, contributions to the pension fund, others		(39,929)	(56,669)	(198,372)
Withholding of payments made to third parties		(19,524)	(19,029)	(83,658)
Social Security contributions		(17,978)	(17,263)	(76,006)
Cash paid to employees		(77,431)	(92,961)	(358,036)
Other receipts/payments relating to operating activities		(9,949)	(19,367)	(58,275)
Cash flows from operations		418,210	81,273	939,089
Cash (paid)/received relating to income tax		(33,171)	(24,623)	(159,342)
Net cash provided by / used in operating activities (1)		**385,039**	**56,650**	**779,747**
Investing activities:				
Cash receipts relating to tangible and intangible assets		63	468	2,126
Cash payments relating to acquisitions of tangible and intangible assets		(274,630)	(144,418)	(831,834)
Cash receipts relating to financial investments		-	-	800
Cash payments relating to financial investments		(80,091)	(44,116)	(231,288)
Net Financial Investment		(354,658)	(188,066)	(1,060,196)
Cash receipts relating to loans granted (includes Sinopec)		77,959	-	101,404
Cash payments relating to loans granted		(400)	(275)	(976)
Cash receipts relating to Interest and similar income (includes Sinopec)		6,886	4,722	39,244
Cash receipts relating to dividends	4	174	-	73,805
Net cash provided by / used in investing activities (2)		**(270,039)**	**(183,619)**	**(846,719)**
Financing activities:				
Cash receipts relating to loans		153,434	38,688	750,767
Cash payments relating to loans		(368,777)	(137,648)	(819,656)
Cash receipts/payments relating to interest and similar costs		(52,452)	(34,235)	(157,516)
Dividends paid		-	-	(274,857)
Others financing activities		494	547	2,567
Net cash provided by / used in financing activities (3)		**(267,301)**	**(132,648)**	**(498,695)**
Net change in cash and cash equivalents (4) = (1) + (2) + (3)		(152,301)	(259,617)	(565,667)
Effect of foreign exchange rate changes		138,554	(4,917)	182,892
Change in scope of consolidation		-	693	-
Cash and cash equivalents at the beginning of the period	18	1,023,396	1,405,238	1,406,171
Cash and cash equivalents at the end of the period	18	1,009,649	1,141,397	1,023,396

The accompanying notes form an integral part of the consolidated statement of cash flows as of 31 March 2015.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2015

(Amounts stated in thousands of euros – €k)

1. INTRODUCTION

a) Parent Company:

Galp Energia, SGPS, S.A. (hereinafter referred to as Galp Energia, the Group or the Company) has its Head Office in Rua Tomás da Fonseca in Lisbon and its corporate goal is to manage equity participations in other companies.

The Company shareholder position as of 31 March 2015 is stated in Note 19.

The Company is listed on the Euronext Lisbon stock exchange.

b) The Group:

As of 31 March 2015 the Galp Energia Group (the Group) was made up of Galp Energia and its subsidiaries, which include, among others: (i) Petróleos de Portugal – Petrogal, S.A. (Petrogal) and its subsidiaries, which operate upstream and downstream in the crude oil and related derivatives sector; (ii) GDP – Gás de Portugal, SGPS, S.A. and its subsidiaries, which operates in the natural gas sector, electricity sector and renewable energy sector;(iii) Galp Galp Energia E&P, B.V. and (iv) Galp Energia, S.A. which integrates the corporate support services.

b1) Crude oil upstream operations

The Exploration & Production (E&P) business segment is responsible for the presence of Galp Energia in the oil industry upstream sector, which consists of the supervision and performance of all activities relating to exploration, development and production of hydrocarbons, essentially in Angola, Brazil and Mozambique.

b2) Crude oil downstream operations

The Refining & Marketing (R&M) business segment owns the two only existent refineries in Portugal and also includes all activities relating to the retail and wholesale marketing of oil products (including LPG). The R&M segment also controls the majority of oil products storage and transportation infrastructure in Portugal, which is strategically located, for both export and marketing of its main products to the consumption centers. This retail marketing activity, using the Galp Energia brand, also includes Angola, Cape Verde, Spain, Gambia, Guinea-Bissau, Mozambique and Swaziland through fully owned subsidiaries of the Group.

b3) Natural gas activity and electricity production and commercialisation

The Gas & Power (G&P) business segment encompasses the areas of procurement, supply, distribution and storage of natural gas and electric and thermal power generation.

The natural gas activity includes (i) Procurement and supply and (ii) Distribution and supply.

The procurement and supply of natural gas segment supplies natural gas to large industrial customers, with annual consumptions of more than 2 mm^3, power cogeneration companies, and natural gas distribution companies and Autonomous Gas Unit (AGU). So as to meet the demand of its customers, Galp Energia has long-term supply contracts with companies in Algeria and Nigeria.

The natural gas distribution and supply activity in Portugal includes the natural gas distribution and supply companies in which Galp Energia has a significant stake. Its purpose is to sell natural gas to those residential, commercial and industrial customers with annual consumptions of less than 2 mm^3. Galp Energia is also a player in the Spanish regulated market, supplying low pressure natural gas, through its subsidiaries, to 38 neighboring municipalities of Madrid. This activity includes the supply of natural gas to end customers, both regulated and non-regulated, in the area covered by the distribution activity.

The natural gas subsidiaries of the Galp Energia Group that store and supply natural gas in Portugal, operate based on concession contracts entered into with the Portuguese State, which end in 2045 for the storage activity and in 2047 for the supply activity. At the end of these periods, the assets relating to the concessions will be transferred to the Portuguese State and the companies will receive an amount corresponding to the book value of these assets at that date, net of depreciation, financial co-participation and Government grants.

The accompanying financial statements are presented in thousands of euros, unless otherwise stated.

2. SIGNIFICANT ACCOUNTING POLICIES

Galp Energia's consolidated financial statements were prepared on a going concern basis, at historical cost except for financial derivative instruments which are stated at fair value, on the accounting records of the companies included in the consolidation maintained in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), effective for the year beginning 1 January 2015. These standards include IFRS issued by the International Accounting Standards Board (IASB) and International Accounting Standards (IAS) issued by the International Accounting Standards Committee (IASC) and respective interpretations – SIC and IFRIC, issued by the International Financial Reporting Interpretation Committee (IFRIC) and Standing Interpretation Committee (SIC). These standards and interpretations are hereinafter referred to as IFRS.

The Board of Directors believes that the consolidated financial statements and the accompanying notes provide for a fair presentation of the consolidated interim financial information prepared in accordance with "IAS 34 – Interim Financial Reporting". Estimates that affect the amounts of assets and liabilities and income and costs were used in preparing the consolidated financial statements. The estimates and assumptions used by the Board of Directors were based on the best information available regarding events and transactions in process at the time of approval of the consolidated financial statements.

In respect to the construction contracts contemplated by the IFRIC12, construction activity for assets under concession is subcontracted to specialised entities which assume their own construction activity risk. Income and expenses associated with the construction of these assets are of equal amounts and are recognised as other operating costs and other operating income.

As of 31 March 2015 only material changes required by IFRS 7 were disclosed. For all other disclosures under this standard consult the Company's consolidated financial statements as of 31 December 2014.

3. CONSOLIDATED COMPANIES

During the period ended 31 March 2015, the scope of consolidation do not changed compared to the year ended on 31 December 2014. For further information consult the Company's consolidated financial statements as of 31 December 2014.

4. FINANCIAL INVESTMENTS

4.1 INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

The changes in the caption "Investments in jointly controlled entities" for the period ended 31 March 2015 which are reflected by the equity method were as follows:

(€k)

Companies		Beginning balance	Increase in participation	Gain / Loss	Translation adjustment	Hedging reserves adjustment	Dividends	Ending balance
Investments								
Tupi B.V.	(a)	591,859	57,374	7,689	78,097	-	-	735,019
Belem Bioenergia Brasil, S.A.		45,838	-	(646)	(3,202)	-	-	41,990
C.L.C. - Companhia Logística de Combustíveis, S.A.		23,412	-	939	-	-	(3,913)	20,438
Galp Disa Aviacion, S.A.		8,891	-	493	-	-	-	9,384
Parque Eólico da Penha da Gardunha, Lda.		1,628	-	-	-	-	-	1,628
Moçamgalp Agroenergias de Moçambique, S.A.		315	-	22	(13)	-	-	324
Asa - Abastecimento e Serviços de Aviação, Lda.		23	-	4	-	-	-	27
		671,966	**57,374**	**8,501**	**74,882**	**-**	**(3,913)**	**808,810**
Provisions for investments in jointly controlled entities (Note 25)								
Ventinveste, S.A.		(1,452)	-	(69)	-	(773)	-	(2,294)
Caiageste - Gestão de Áreas de Serviço, Lda.		(15)	-	(10)	-	-	-	(25)
		(1,467)	**-**	**(79)**	**-**	**(773)**	**-**	**(2,319)**
		670,499	**57,374**	**8,422**	**74,882**	**(773)**	**(3,913)**	**806,491**

(a) €57,374 k corresponds to the capital increase in Galp Sinopec Brazil Services, B.V.. The control of the subsidiary's Tupi, B.V. is shared between: Galp Sinopec Brazil Services, B.V., Petrobras Netherlands, B.V. and BG Overseas Holding Ltd, that hold, respectively, 10%, 65% and 25% of its share capital.

4.2 INVESTMENTS IN ASSOCIATES

The changes in the caption “Investments in associates” for the period ended 31 March 2015 were as follows:

(€k)

:ompanies	Beginning balance	Gain / Loss	Exchange conversion adjustment	Hedging reserves adjustment	Actuarial gain / loss	Dividends	Transfers / adjustments	Ending balance
nvestments								
EMPL - Europe Magreb Pipeline, Ltd	52,668	14,127	7,425	-	-	-	-	74,220
Gasoduto Al-Andaluz, S.A.	18,354	1,609	-	-	-	-	-	19,963
Gasoduto Extremadura, S.A.	15,278	1,624	-	-	-	-	-	16,902
Tagusgás - Empresa de Gás do Vale do Tejo, S.A.	12,941	17	-	1	1	-	-	12,960
Sonangalp - Sociedade Distribuição e Comercialização de Combustíveis, Lda.	10,875	154	1,023	-	-	(242)	-	11,810
Metragaz, S.A.	1,124	54	29	-	-	-	-	1,207
Terparque - Armazenagem de Combustíveis, Lda.	795	(5)	-	-	-	-	-	790
C.L.C. Guiné Bissau – Companhia Logística de Combustíveis da Guiné Bissau, Lda.	811	-	-	-	-	-	-	811
Guiné Bissau, Lda.								
IPG Galp Beira Terminal Lda	1,011	-	53	-	-	-	-	1,064
Sodigás-Sociedade Industrial de Gases, S.A.R.L	197	-	-	-	-	-	-	197
Galp IPG Matola Terminal Lda	682	-	35	-	-	-	-	717
	114,736	**17,580**	**8,565**	**1**	**1**	**(242)**	**-**	**140,641**
›rovision for investment in associates (Note 25)								
Energin - Sociedade de Produção de Electricidade e Calor, S.A.	(2,397)	-	-	-	-	-	-	(2,397)
Aero Serviços, SARL - Sociedade Abastecimento de Serviços Aeroportuários Aeroportuários	(91)	-	-	-	-	-	-	(91)
	(2,488)	**-**	**-**	**-**	**-**	**-**	**-**	**(2,488)**
	112,248	**17,580**	**8,565**	**1**	**1**	**(242)**	**-**	**138,153**

The consolidated income statement caption “Share of results of investments in associates and jointly controlled entities” for the period ended 31 March 2015 is as follows:

	(€k)
Effect of applying the equity method:	
Associates	17,580
Jointly controlled entities	8,422
	26,002

The total amount of €4,155 k corresponding to dividends amounts, approved by the general shareholders meeting of the respective companies, was reflected in the caption “Investments in associates and jointly controlled entities” (Note 4.1 and 4.2). The amount of dividends received in the period ended 31 March 2015 was €174 k.

The goodwill in associates and jointly controlled entities, as of 31 March 2015 and of 31 December de 2014 included in the caption “Investments in associates and jointly controlled entities”, was subject to the impairment test in the respective cash generating unit and is as follows:

(€k)

	March 2015	December 2014
Parque Eólico da Penha da Gardunha, Lda.	1,939	1,939
	1,939	1,939

4.3 ASSETS HELD FOR SALE

During the period ended 31 March 2015, there were no significant changes in the caption “Assets held for sale”, compared to the consolidated financial statements of the Company on 31 December 2014. For further clarification, refer to the consolidated financial statements of the Company as of 31 December 2014 and the respective Notes.

5. OPERATING INCOME

The Group’s operating income for the periods ended 31 March 2015 and 2014 is as follows:

(€k)

Captions	2015	2014
Sales:		
Merchandise	1,881,496	2,024,347
Products	1,892,174	2,030,717
	3,773,670	**4,055,064**
Services rendered	**149,132**	**139,359**
Other operating income:		
Supplementary income	11,724	9,241
Revenues arising from the construction of assets under IFRIC12	2,935	5,574
Internally generated assets	1,772	117
Investment government grants (Note 13)	2,499	2,551
Gain on fixed assets	726	406
Other	2,531	2,950
	22,187	**20,839**
	3,944,989	**4,215,262**

Sales of fuel include the Portuguese Tax on Oil Products (ISP).

The variation on the caption “Sales” is mainly due to the decrease of quantities sold accompanied by lower prices.

Regarding the construction contracts subject to the IFRIC12, construction activity of the concession assets is subcontracted to specialised entities which assume their own construction activity risk. Income and expenses associated with the construction of these assets are of equal amounts and are immaterial when compared to total revenues and operating costs below that can be detailed as follows:

(€k)

Captions	2015	2014
Costs arising from the construction of assets under IFRIC12 (Note 6)	(2,935)	(5,574)
Revenues arising from the construction of assets under IFRIC12	2,935	5,574
Margin	-	-

6. OPERATING COSTS

The results for the periods ended 31 March 2015 and 2014 were affected by the following items of operating costs:

(€ k)

Captions	2015	2014
Cost of sales:		
Raw and subsidiary materials	1,495,604	1,694,656
Merchandise	1,137,662	1,357,309
Tax on Petroleum Products	632,989	582,339
Variation in production	60,642	(64,961)
Impairment in inventories (Note 16)	(94,805)	4,657
Financial derivatives (Note 27)	9,842	5,106
	3,241,934	**3,579,106**
Fornecimento e serviços externos:		
Subcontracts - network usage	104,314	95,743
Subcontracts	3,274	276
Transport of merchandise	46,410	44,203
Storage and filling	14,536	17,105
Rental costs	18,502	20,346
Blocks production costs	34,272	21,100
Maintenance and repairs	12,770	13,068
Insurance	11,316	11,526
Royalties	10,374	11,725
IT services	5,481	5,910
Commissions	3,486	5,079
Advertising	1,953	2,761
Electricity, water, steam and communications	15,033	4,653
Technical assistance and inspection	1,918	2,310
Port services and fees	2,158	1,750
Other specialized services	14,919	13,132
Other external supplies and services	5,407	5,793
Other costs	17,757	13,657
	323,880	**290,137**
Employee costs:		
Statutory boards remuneration (Note 29)	2,621	2,447
Employee remuneration	59,126	59,791
Social charges	13,758	13,969
Retirement benefits - pensions and insurance (Note 23)	7,220	11,165
Other insurance	2,346	2,448
Capitalisation of employee costs	(376)	(1,170)
Other costs	2,317	1,469
	87,012	**90,119**
Amortisation, depreciation and impairment:		
Amortisation and impairment of tangible assets (Note 12)	170,281	119,680
Amortisation and impairment of intangible assets (Note 12)	7,269	8,552
Amortisation and impairment of concession arrangements (Note 12)	10,467	9,944
	188,017	**138,176**
Provision and impairment of receivables:		
Provisions and reversals (Note 25)	7,007	1,541
Impairment loss on trade receivables (Note 15)	6,277	8,798
Provisions and reversals for environmental risks (Nota 25)	-	150
Impairment loss (gain) on other receivables	(182)	129
	13,102	**10,618**
Other operating costs:		
Other taxes	3,325	3,621
Costs arising from the construction of assets under IFRIC12 (Note 5)	2,935	5,574
Loss on tangible assets	120	298
Donations	203	250
CO2 Licenses (Note 34)	1,662	1,275
Other operating costs	1,982	3,772
	10,227	**14,790**
	3,864,172	**4,122,946**

The variation in the caption “Cost of sales” is mainly due to a decrease of quantities sold.

The caption “Subcontracts – network usage (gas and electricity)” refers to charges for the use of:

- Distribution network usage (URD);
- Transportation network usage (URT);
- Global system usage (UGS).

The amount of €104,314 k recorded in this caption mainly includes the amount of €24,757 k charged by Madrileña Red de Gas, €76,965 k charged by EDP Distribuição Energia and €1 k charged by Ren Gasodutos.

7. SEGMENT REPORTING

Business segments

The Group is organised into four business segments which were defined based on the type of products sold and services rendered, with the following business units:

- Exploration & Production;
- Refining & Marketing of oil products;
- Gas & Power;
- Others.

For the business segment "Others", the Group considered the holding company Galp Energia, SGPS, S.A., and companies with different activities including Tagus Re, S.A. and Galp Energia, S.A., a reinsurance company and a provider of services at the corporate level, respectively.

Note 1 presents a description of the activities of each business segment.

Below is the financial information on the previously identified segments, as of 31 March 2015 and of 2014:

(€ k)

	Exploration & production		Refining & Marketing		Gas & Power		Others		Eliminations		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Income												
Sales and services rendered	143,515	178,303	2,851,782	3,149,344	1,025,657	1,033,510	29,443	27,657	(127,595)	(194,391)	3,922,802	4,194,423
Inter-segments	47,487	74,040	237	1,140	58,387	97,142	21,484	22,069	(127,595)	(194,391)	-	-
External	96,028	104,263	2,851,545	3,148,204	967,270	936,368	7,959	5,588	-	-	3,922,802	4,194,423
EBITDA (1)	**94,656**	**104,118**	**58,715**	**4,932**	**120,824**	**128,032**	**7,740**	**4,028**	**-**	**-**	**281,935**	**241,110**
Non cash costs												
Amortisation, depreciation and impairment loss	(104,147)	(50,049)	(68,132)	(71,758)	(14,668)	(15,602)	(1,070)	(767)	-	-	(188,017)	(138,176)
Provisions and impairments	-	14	(8,986)	(8,700)	(4,116)	(1,932)	-	-	-	-	(13,102)	(10,618)
Segment results	**(9,491)**	**54,083**	**(18,403)**	**(75,526)**	**102,040**	**110,498**	**6,670**	**3,261**	**-**	**-**	**80,816**	**92,316**
Results of investments in associates	7,710	3,784	929	927	17,363	12,281	-	-	-	-	26,002	16,992
Other financial results	8,457	8,970	(59,703)	(34,533)	(1,931)	(13,984)	(20,000)	(4,859)	-	-	(73,177)	(44,406)
Income tax	(20,163)	(34,385)	12,530	24,140	(25,432)	(27,997)	2,957	2,743	-	-	(30,108)	(35,499)
Energy sector contribution tax	-	-	(7,450)	(1,736)	(2,970)	(3,473)	-	-	-	-	(10,420)	(5,209)
Non Controlling Interest	(2,299)	(8,563)	15	(619)	(944)	(1,194)	-	-	-	-	(3,228)	(10,376)
Consolidated net profit of the period	**(15,786)**	**23,889**	**(72,082)**	**(87,347)**	**88,126**	**76,131**	**(10,373)**	**1,145**	**-**	**-**	**(10,115)**	**13,818**

In 31 March 2015 and 31 December 2014

Other information												
Assets by segment (2)												
Investment (3)	735,294	592,173	89,586	94,870	126,888	102,001	171	170	-	-	951,939	789,214
Other assets	5,199,782	5,099,522	5,680,193	5,954,129	2,871,814	2,722,801	2,185,667	2,168,099	(3,343,134)	(3,518,348)	12,594,322	12,426,203
Total consolidated assets	**5,935,076**	**5,691,695**	**5,769,779**	**6,048,999**	**2,998,702**	**2,824,802**	**2,185,838**	**2,168,269**	**(3,343,134)**	**(3,518,348)**	**13,546,261**	**13,215,417**
Total consolidated liabilities	**797,701**	**870,045**	**3,532,185**	**3,713,456**	**2,135,100**	**2,065,143**	**3,677,607**	**3,660,400**	**(3,343,134)**	**(3,518,348)**	**6,799,459**	**6,790,696**
Investment in tangible and intangible assets	**224,443**	**144,634**	**5,371**	**6,303**	**3,126**	**7,436**	**2,636**	**357**			**235,576**	**158,731**

(1) EBITDA = Segment results/EBIT + Amortisation+Provisions
(2) Net amount
(3) In accordance with the equity method

Inter-segmental sales and services rendered

(€k)

Segments	Exploration & production	Refining & Marketing	Gas & Power	Other	TOTAL
Gas & Power	-	153	-	6,170	6,323
Refining & Marketing	47,487	-	58,387	14,138	120,012
Exploration & production	-	13	-	1,176	1,189
Other	-	71	-	-	71
	47,487	**237**	**58,387**	**21,484**	**127,595**

The main inter-segmental transactions of sales and services rendered are primarily related to:

- Gas & Power: natural gas sales for the refining process of Matosinhos and Sines refineries (refining and marketing of oil products);
- Refining & Marketing: supply of fuel to all Group company vehicles
- Exploration & Production: sales of crude to the Refining & Marketing of oil products segment; and
- Other: back-office and management services.

The commercial and financial transactions between related parties are performed according to the usual market conditions similar to transactions performed with independent companies.

The assumptions underlying the determination of prices in transactions between Group companies rely on the consideration of the economic realities and characteristics of the situations at hand, that is, comparing the characteristics of operations or companies that might have impact on the intrinsic conditions of the commercial transactions in analysis. In this context, among other, the goods and services traded, the functions performed by the parties (including the assets used and risks assumed), the contractual terms, the economic situation of the parties as well as their negotiation strategies, are analysed.

Compensation, in the context of related parties, corresponds to what is appropriate, by rule, to the functions performed by each company involved, taking into account the assets used and risks assumed. Thus, to determine such compensation the Group identifies the activities, the risks faced by companies in the value creating chain of goods/services traded, in accordance with their functional profile, particularly, in what concerns the functions they perform – import, manufacturing, distribution, and retail.

In conclusion, market prices are determined not only by analysing the functions performed, the assets used and the risks incurred by one entity, but also considering the contribution of those elements to the Company's profitability. This analysis assesses whether the profitability indicators of the companies involved fall within the estimated ranges on the basis of the assessment of a panel of functionally comparable independent companies, thus allowing the prices to be fixed in order to respect the competition principle.

8. FINANCIAL INCOME AND COSTS

Financial income and financial costs for the periods ended 31 March 2015 and 2014 are as follows:

(€ k)

Captions	2015	2014
Financial income:		
Interest on bank deposits	4,026	7,588
Interest and other income - related companies	2,357	2,886
Other financial income	569	599
	6,952	**11,073**
Financial costs:		
Interest on bank loans, overdrafts and other	(32,414)	(37,034)
Interest - related parties	(1,475)	(1,890)
Interest capitalized in fixed assets (Note 12)	13,767	6,112
Interest on retirement benefits and other benefits	(2,536)	(2,921)
Costs relating to loans	(5,233)	(4,425)
Other financial costs	(2,470)	(8,115)
	(30,361)	**(48,273)**
	(23,409)	**(37,200)**

During the period ended 31 March 2015, the Group capitalised fixed assets in progress, in the amount of €13,767 k, regarding interests on loans to finance capital expenditure on tangible and intangible assets during their construction phase (Note 12).

9. INCOME TAX

Income tax for the periods ended 31 March 2015 and 2014 are as follows:

(€ k)

Captions	March 2015	March 2014
Current income tax	22,457	28,051
IRP Provision - Tax on Oil income	6,849	5,105
PE - special participation	18,967	20,101
Insuficiency / (excess) of income tax for the preceding year	(35)	(1,245)
Deferred tax	(18,130)	(16,513)
	30,108	**35,499**
Energy sector contribution tax	10,420	5,209
	40,528	**40,708**

The caption IRP – Tax on Oil Income includes the amount of €2,531 k related to the provision constituted during the first quarter of 2015 (Note 25).

The Group has recognised as Income tax the amount of € 23,942 k.

<u>Deferred taxes</u>

The balance of deferred tax assets and liabilities as of 31 March 2015 is as follows:

(€k)

	Deferred tax March 2015 - Assets					
Captions	Beginning balance	Effect in results	Effect in equity	Effect of currency conversion rate	Other adjustments	Ending balance
Adjustments to accruals and deferrals	8,284	(6)	-	-	15	8,293
Adjustments to tangible and intangible assets	25,033	9,280	-	2,382	-	36,695
Adjustments to inventories	742	(69)	-	-	-	673
Overlifting adjustments	147	1,440	-	86	-	1,673
Retirement benefits and other benefits	100,847	(626)	-	-	-	100,221
Double economical taxation	3,522	(771)	-	-	1	2,752
Financial instruments	-	-	91	-	-	91
Tax losses carried forward	65,950	(11,751)	-	(22)	(6)	54,171
Regulated revenue	14,083	(6,423)	-	-	-	7,660
Provisions non deductible	27,374	2,970	-	(661)	15	29,698
Potential Foreign exchange differences Brazil	79,523	10,893	52,603	(7,267)	(116)	135,636
Other	38,468	8,144	-	(103)	-	46,509
	363,973	**13,081**	**52,694**	**(5,585)**	**(91)**	**424,072**

(€k)

Captions	Deferred tax March 2015 - Liabilities					
	Beginning balance	Effect in results	Effect in equity	Effect of currency conversion rate	Other adjustments	Ending balance
Adjustments to accruals and deferrals	(53)	-	-	(94)	-	(147)
Adjustments to tangible and intangible assets	(20,019)	(530)	-	(2,596)	-	(23,145)
Adjustments to tangible and intangible assets Fair value	(16,496)	1,409	-	-	-	(15,087)
Adjustments to inventories	(181)	133	-	-	-	(48)
Underlifting adjustments	(1,113)	444	-	(122)	-	(791)
Dividends	(39,973)	(371)	-	-	-	(40,344)
Regulated revenue	(39,828)	13,028	-	-	-	(26,800)
Accounting revaluations	(2,605)	57	-	-	-	(2,548)
Other	(920)	(9,121)	-	(4)	(15)	(10,060)
	(121,188)	**5,049**	**-**	**(2,816)**	**(15)**	**(118,970)**

Potential foreign exchange differences from Brazil result from the tax option to tax potential foreign exchange differences only when they are realised. The amount of €52,603 k reflected in equity includes €36,821 k regarding deferred taxes resulting from currency exchange differences of financial allocations that are similar to quasi equity (Note 20) and €15,782 k regarding non-controlling interests.

10. EARNINGS PER SHARE

Earnings per share for the periods ended 31 March 2015 and 2014 are as follows:

(€k)

	March 2015	March 2014
Net income		
Net income for purposes of calculating earnings per share (consolidated net profit for the period)	(10,114)	13,818
Number of shares		
Weighted average number of shares for purposes of calculation earnings per share (Note 19)	829,250,635	829,250,635
Basic earnings per share (amounts in euros):	**(0.01)**	**0.02**

As there are no situations that give rise to dilution, the diluted earnings per share are the same as the basic earnings per share.

11. GOODWILL

The difference between the amounts paid to acquire a stake in Group companies and the fair value of the acquired companies' equity was in 31 March 2015, is as follows:

(€k)

Subsidiaries		Year of acquisition	Acquisition cost	Equity proportion at the acquisition date: %	Equity proportion at the acquisition date: Amount	Movements of Goodwill: 2014	Movements of Goodwill: Currency conversion differences (d)	Movements of Goodwill: 2015
Galp Energia España, S.A.								
Galp Comercializacion Oil España, S.L.	(a)	2008	176,920	100.00%	129,471	46,266	-	46,266
Petróleos de Valência, S.A. Sociedad Unipersonal	(a)	2005	13,937	100.00%	6,099	7,759	-	7,759
Galp Distribuición Oil España, S.A.U.	(b)	2008	172,822	100.00%	123,611	46,823	-	46,823
						100,848	**-**	**100,848**
Petróleos de Portugal - Petrogal, S.A.							-	
Galp Comercialização Portugal, S.A.	(c)	2008	146,000	100.00%	69,027	50,556	-	50,556
						50,556	**-**	**50,556**
Madrileña Suministro de Gas S.L.		2010	43,356	100.00%	12,641	29,766	-	29,766
Galp Swaziland (PTY) Limited		2008	18,117	100.00%	651	18,754	2,409	21,163
Madrileña Suministro de Gas SUR S.L.		2010	12,523	100.00%	3,573	8,686	-	8,686
Galpgest - Petrogal Estaciones de Servicio, S.L.U.		2003	6,938	100.00%	1,370	5,568	-	5,568
Galp Gambia, Limited		2008	6,447	100.00%	1,693	405	(405)	-
Empresa Nacional de Combustíveis - Enacol, S.A.R.L		2007 and 2008	8,360	15.77%	4,031	4,329	-	4,329
Galp Moçambique, Lda.		2008	5,943	100.00%	2,978	3,491	448	3,939
Duriensegás - Soc. Distrib. de Gás Natural do Douro, S.A.		2006	3,094	25.00%	1,454	1,640	-	1,640
Lusitaniagás - Companhia de Gás do Centro, S.A.		2002/3 and 2007/8/9	1,440	1.543%	856	584	-	584
Gasinsular - Combustíveis do Atlântico, S.A.		2005	50	100.00%	(353)	403	-	403
Saaga - Sociedade Açoreana de Armazenagem de Gás, S.A.		2005	858	67.65%	580	278	-	278
Beiragás - Companhia de Gás das Beiras, S.A.		2003/6 and 2007	152	0.94%	107	51	-	51
Galp Sinopec Brazil Services (Cyprus)		2012	3	100.00%	1	2	-	2
						225,361	**2,452**	**227,813**

(a) The subsidiaries Petróleos de Valência, S.A. Sociedad Unipersonal and Galp Comercializacion Oil España, S.L. were incorporated in Galp Energia España, S.A., through a merger process, during the year ended 31 December 2010.

(b) The subsidiary Galp Distribuición Oil España, S.A.U., was incorporated in Galp Energia España, S.A. through a merger process, during the year ended 31 December de 2011.

(c) The subsidiary Galp Comercialização Portugal, S.A., was incorporated in Petróleos de Portugal - Petrogal, S.A. through a merger process, during the year ended 31 December 2010

(d) The exchange differences arise from the conversion of Goodwill recorded in local companies' currency to Group's reporting currency (euros) at the exchange rate prevailing on the date of the financial statements (Note 20).

12. TANGIBLE AND INTANGIBLE ASSETS

Composition of tangible and intangible assets on 31 March 2015 and on 31 December 2014:

(€k)

	March 2015			December 2014		
	Gross Assets	Accumulated Amortisation, Depreciation and Impairment	Net Assets	Gross Assets	Accumulated Amortisation, Depreciation and Impairment	Net Assets
Tangible assets						
Land and natural resources	278,124	(1,793)	276,331	278,327	(2,005)	276,322
Buildings and other constructions	921,505	(660,934)	260,571	919,314	(654,368)	264,946
Machinery and equipment	7,242,518	(4,586,693)	2,655,825	7,102,796	(4,382,246)	2,720,550
Transport equipment	30,718	(27,240)	3,478	31,060	(27,308)	3,752
Tools and utensils	4,407	(3,948)	459	4,408	(3,915)	493
Administrative equipment	174,950	(161,890)	13,060	173,484	(159,688)	13,796
Reusable containers	159,623	(147,223)	12,400	158,790	(146,060)	12,730
Other tangible assets	89,112	(79,352)	9,760	89,356	(79,014)	10,342
Tangible assets in progress	1,894,252	-	1,894,252	1,749,397	-	1,749,397
Advances to suppliers of tangible assets	28	-	28	28	-	28
	10,795,237	**(5,669,073)**	**5,126,164**	**10,506,960**	**(5,454,604)**	**5,052,356**
Intangible assets						
Research and development costs	280	(277)	3	280	(270)	10
Industrial property and other rights	569,041	(305,817)	263,224	561,772	(299,391)	262,381
Reconversion of consumption to natural gas	551	(429)	122	551	(432)	119
Goodwill	17,185	(10,205)	6,980	17,185	(10,205)	6,980
Other intangible Assets	498	(498)	-	498	(498)	-
Concession Arrangements	1,721,280	(586,552)	1,134,728	1,718,566	(576,566)	1,142,000
Intangible assets in progress of concession arrangements	3,267	-	3,267	3,199	-	3,199
Intangible assets in progress	30,038	-	30,038	32,217	-	32,217
	2,342,140	**(903,778)**	**1,438,362**	**2,334,268**	**(887,362)**	**1,446,906**

Tangible and intangible assets are recorded in accordance with the accounting policy defined by the Group which is described in the accompanying notes to the consolidated financial statements on 31 December 2014 (Note 2.3 and Note 2.4). The depreciation/amortisation rates are disclosed in the same note.

The net change of increases and decreases in the caption "Assets gross tangible and intangible assets" for the period ended 31 March 2015 amounts to €65,264 k which includes:

(€k)

	Tangible		Intangible		Total		
	Gross Assets	Accumulated Depreciation	Gross Assets	Accumulated Amortisation	Gross Assets	Accuulated Amortisation / Depreciation	Net Assets
Balance on 1 January 2015	**10,506,960**	**(5,454,604)**	**2,334,268**	**(887,362)**	**12,841,228**	**(6,341,966)**	**6,499,262**
Additions	217,539	-	6,644	-	224,183	-	224,183
Additions by financial costs capitalization (Note 8)	13,767	-	-	-	13,767	-	13,767
Write-offs/sales	(22,412)	18,482	(998)	982	(23,410)	19,464	(3,946)
Impairment variations	(44,614)	69	(4,297)	-	(48,911)	69	(48,842)
Adjustments	123,997	(116,122)	6,523	338	130,520	(115,784)	14,736
Amortisations/Depreciations of the period	-	(116,898)	-	(17,736)	-	(134,634)	(134,634)
Total movements	**288,277**	**(214,469)**	**7,872**	**(16,416)**	**296,149**	**(230,885)**	**65,264**
Balance on 31 March 2015	**10,795,237**	**(5,669,073)**	**2,342,140**	**(903,778)**	**13,137,377**	**(6,572,851)**	**6,564,526**

Depreciation/amortisation for the periods ended 31 March 2015 and 2014 are as follows:

(€k)

	March 2015			March 2014			December 2014		
	Tangible assets	Intangible assets	Total	Tangible assets	Intangible assets	Total	Tangible assets	Intangible assets	Total
Amortisation and depreciation for the period	116,898	7,269	124,167	105,780	8,743	114,523	411,089	32,899	443,988
Amortisation for the period - concession arrangements	-	10,467	10,467	-	9,944	9,944	-	42,005	42,005
Increase in impairment	53,448	-	53,448	14,056	-	14,056	134,076	1,459	135,535
Decrease in impairment	(65)	-	(65)	(156)	(191)	(347)	(7,930)	-	(7,930)
Amortisation, depreciation and impairment loss (Note 6)	170,281	17,736	188,017	119,680	18,496	138,176	537,235	76,363	613,598

<u>Main occurrences during the period ended 31 March 2015:</u>

Increases in the amount of €237,950 k mainly include:

i) <u>Exploration & Production segment</u>

- €141,508 k regarding exploration and development investments in blocks in Brazil;
- €43,238 k regarding exploration investments in block 32 in Angola;
- €25,571 k regarding exploration and development investments in block 14 in Angola ;
- €16,814 k regarding exploration investments in Block 4 in Mozambique;
- €1,052 k regarding oil exploration investments on Portuguese coast; and
- €978 k regarding natural gas exploration investments in Angola.

ii) <u>Gas & Power segment</u>

- €3,099 k regarding natural gas infrastructure construction (network, plot and other infrastructures) of which the amount of €2,935 k covered by IFRIC 12 (Note 5 and 6).

iii) <u>Refining and marketing segment</u>

- €1,880 k regarding industrial investments in Porto and Sines refineries; and
- €2,004 k related with the wholesale business unit and is due mainly to the remodeling of stations and convenience stores, expansion of activities and development of information systems.

In the period ended 31 March 2015 tangible and intangible goods that were sold and disposed amounts to €3,946 k and as result of the register updated of fixed assets which was carried out in this period and were primarily due to write-offs related with the retail business and are due to the remodeling of stations and convenience stores, expansion of activities and development of information systems that were mostly totally amortised.

In the period ended 31 March 2015 impairments of fixed assets amounts to €325,148 k. Were recorded impairments in the amount of €56,575 k which are essentially related to research and development investments of blocks in Brazil in the amount of €38,786 k and to development investments in Block 14 in Angola in the amount of €16,961 k.

Tangible and intangible assets in progress (including advances on tangible and intangible assets) in the period ending 31 March 2015 were as follows:

(€k)

	Assets in progress	Impairment	Net assets
Research and exploration of oil in Brazil	1,072,809	(65,907)	1,006,902
Research and exploration of oil in Angola and Congo	515,472	(28,894)	486,578
Research in Mozambique	235,081	(7,306)	227,775
Research in Morocco	69,375	(69,375)	-
Research in Portugal	60,461	(8,921)	51,540
Research of gas in Angola and Guinea	43,055	(1,336)	41,719
Research in Namibia	40,224	(39,837)	387
Renewal and expansion of the network	28,863	(134)	28,729
Industrial investment relating to refineries	27,390	-	27,390
Floating LNG-Brazil	24,666	-	24,666
Oil Exploration in Blocks 3 and 4 in Uruguay	7,648	(1,695)	5,953
Transportation and logistics	4,484	-	4,484
Research in Timor	2,575	(2,575)	-
Conversion projects of the Sines and Oporto refineries	1,243	-	1,243
Underground storage of natural gas	217	-	217
Production of energy and steam	74	-	74
Other projects	19,928	-	19,928
	2,153,565	**(225,980)**	**1,927,585**

13. GOVERNMENT GRANTS

As of 31 March 2015 and 31 December 2014 the amounts to be recognised as government grants are €263,598 k and €266,066 k, respectively (Note 24).

During the periods ended 31 March 2015 and 31 March 2014 the income statement includes the amounts of €2,499 k and €2,551 k, respectively regarding government grants recognition (Note 5).

14. OTHER RECEIVABLES

The non-current and current caption "Other receivables" as of 31 March 2015 and of 31 December 2014 was as follows:

(€k)

Captions	March 2015 Current	March 2015 Non-current	December 2014 Current	December 2014 Non-current
State and Other Public Entities:				
ISP - Tax on oil products	2,081	-	3,127	-
Value Added Tax - Reimbursement requested	46	-	240	-
Others	9,028	-	7,944	-
Loans to Sinopec Group	771,654	152,879	718,904	170,954
Advances to suppliers of fixed assets	146,472	-	85,670	-
Underlifting	24,448	-	22,137	-
Carry State participations interests	22,106	-	18,922	-
Advances to suppliers	18,695	-	32,121	-
Subsoil Rates	18,360	34,044	18,801	34,044
Over cash-call from partner Petrobrás in operated blocks	13,832	-	13,437	-
Guarantees	11,098	-	11,091	-
Means of payment	8,842	-	7,506	-
Other receivables - associated, related and participated companies	8,841	2,398	7,427	4,007
Receivables from Block 14 consortium in Angola (excessive profit-oil receivable)	6,837	-	3,102	-
Personnel	1,519	-	1,972	-
Spanish Bitumen process	385	-	385	-
Loans to clients	73	1,513	73	1,513
Ceding rights contract to use telecommunications infrastructures	62	-	222	-
Loans to associated, jointly controlled related and participated companies	18	29,033	-	28,433
Other receivables	71,392	6,289	66,029	3,417
	1,135,789	226,156	1,019,110	242,368
Accrued income:				
Sales and services rendered not yet invoiced	228,514	-	214,853	-
Adjustment to tariff deviation - "pass through" - ERSE regulation	33,723	-	36,546	-
Adjustment to tariff deviation - Regulated revenue - ERSE regulation	28,531	28,573	30,937	34,495
Financial neutrality - regulation ERSE	14,851	-	17,499	-
Adjustment to tariff deviation - Energy tariff - ERSE regulation	14,012	47,012	14,012	45,537
Accrued interest	4,612	-	3,511	-
Accrued management and structure costs	2,556	-	1,786	-
Compensation for the uniform tariff	1,806	-	1,798	-
Sale of finished goods to be invoiced by the service stations	992	-	7,420	-
Commercial discount on purchases	625	-	1,205	-
Other	10,750	70	6,195	63
	340,972	75,655	335,762	80,094
Deferred costs:				
Prepaid insurance	13,612	-	1,073	-
Catalyser costs	9,931	-	10,130	-
Prepaid rent	2,858	-	2,578	-
Costs relating to service station concession contracts	2,474	28,867	2,757	28,406
Interest and other financial costs	85	-	256	-
Retirement benefits (Note 23)	-	10,608	-	10,635
Other deferred costs	22,935	-	21,925	-
	51,895	39,475	38,719	39,041
	1,528,656	341,286	1,393,591	361,503
Impairment of other receivables	(7,225)	(2,753)	(7,406)	(2,753)
	1,521,431	338,533	1,386,185	358,750

The movements occurred in the caption "Impairments of other receivables" for the period ending 31 March 2015 were as follows:

(€k)

Caption	Beginning balance	Increase	Decrease	Utilisation	Adjustments	Ending balance
Other receivables	10,159	33	(215)	-	1	9,978

The increase and decrease of the caption “Impairment of other receivables” in the net amount of €182 k was recorded in the caption “Provisions and impairments – other receivables” (Note 6).

The caption “Loans granted” includes the amount of €924,533 k ($994,075,116.36) regarding the loan that the group granted to Tip Top Energy, SARL (included in Sinopec Group) on 28 March 2012, for a period of four years of which €771,654 k ($830,222,484.00) in current and €152,879 k ($164,482,632.36) in non-current, which earns a three-month LIBOR interest rate plus a spread. In the period ended 31 March 2015 in the caption “Interest”, is in respect of interests on loans granted to related companies, in the amount of €2,092 k.

The caption “Subsoil rates” amounting to €52,404 k refer to rates of subsoil occupation already paid to municipalities. According to the natural gas supply concession agreement between the Portuguese Government and the Group companies, and with the Council of Ministers decision No. 98/2008, dated 8 April, companies have the right to pass on to commercialisation entities or to end customers, the full amount of subsoil rates paid to the local authorities in the concessioned area.

The amount of €24,448 k recorded in “Other receivables – underlifting” represents the amounts receivable by the Group for lifting barrels of crude oil production under quota (underlifting) and is valued at the lower price between the market price at the date of sale and the market price on 31 March 2015.

Caption “carry State participations interests” amounting €22,106 k refers to amounts receivable from State partners during the exploration period. The Farm-in agreed with the partners predict that during the period of operation, Group is responsible for the investment paid with cash call and requested by the operator to the state in the amount of their participation.

Caption “Means of payment” amounts to €8,842 k refers to amounts receivable for sales made with Visa/debit cards, which as of 31 March 2015 were pending collection.

The amount of €11,239 k recorded in the caption “Other receivables current and non-current – associated jointly controlled entities, related and participated companies” current and non-current refers to amounts receivable from companies which were not consolidated.

Caption “Guarantees” amounts to €11,098 k included €9,843 k from deliveries on account and trading guarantees to support the transactions and operations in the Spanish electricity and French market.

The caption “Other receivables non-current” includes €2,498 k receivable from Gestmin, SGPS, S.A., for the purchase of COMG – Comercialização de Gás, S.A. on 3 December 2009 and earns a six-month Euribor interest rate plus a spread of 3.12% per year, and is expected to be received every semester and until 3 December 2016.

The accrued income – sales and services rendered and not invoiced includes natural gas and electricity consumption and other income provided in March and invoiced to customers in April. The most relevant accruals are as follows:

(€k)

Company	TOTAL	Natural Gas	Electricity
Galp Gás Natural, S.A.	103,622	103,622	-
Galp Power, S.A.	21,892	11,965	9,927
Galp Energia España, S.A., Unipessoal	17,014	16,230	784
Petrogal, S.A.	15,155	-	15,155
Madrileña Suministro de Gas	10,607	10,607	-
Madrileña Suministro de Gas SUR	9,155	9,155	-
Lusitaniagás Comercialização, S.A.	8,807	8,807	-
Portcogeração, S.A.	6,552	-	6,552
Lisboagás Comercialização, S.A.	5,952	5,952	-
Lisboagás GDL - Sociedade Distribuidora de Gás Natural de Lisboa, SA	4,634	4,634	-
Carriço Cogeração, S.A.	2,396	-	2,396
Setgás Comercialização, S.A.	1,522	1,522	-
SETGÁS - Sociedade de Distribuição de Gás Natural, SA	1,437	1,437	-
Transgás, S.A.	585	585	-
Dianagás – Sociedade Distribuidora de Gás Natural de Évora, SA	560	560	-
Agroger, S.A.	533	-	533
Duriensegás – Sociedade Distribuidora de Gás Natural do Douro, SA	458	458	-
	210,881	**175,534**	**35,347**

The amount of €992 k in the caption “Sale of finished goods to be invoiced by the service stations” relates to sales made up to 31 March 2015 through Galp Frota cards, which will be invoiced in the following months.

Expenses recorded in the caption “Deferred costs” in the amount of €31,341 k, are in respect of advance payments of income related to service station rental contracts which are expensed during the concession period, which ranges between 17 and 32 years.

The balance of other accounts receivable in arrears who have not suffered impairment correspond to claims in which there are payment agreements, are covered by credit insurance or for which there is an expectation of partial or total liquidation.

Galp Energia holds collateral guarantees on accounts receivable, namely bank guarantees and security deposits, in the amount of €106,332 k, as of 31 March 2015.

15. TRADE RECEIVABLES

The caption “Trade receivables” as of 31 March 2015 and of 31 December 2014 was as follows:

(€k)

	March 2015		December 2014	
Captions	Current	Non-current	Current	Non-current
Trade receivables - current accounts	1,174,746	24,162	1,082,235	24,242
Trade receivables - doubtful accounts	236,742	-	256,194	-
Trade receivables - notes receivable	4,311	-	5,686	-
	1,415,799	**24,162**	**1,344,115**	**24,242**
Impairment of trade receivables	(235,140)	-	(228,828)	-
	1,180,659	**24,162**	**1,115,287**	**24,242**

The balance of non-current clients, amounting to €24,162 k and €24,242 k in period ended 31 March 2015 and 31 December 2014 respectively, respects to the payment agreement of debts from customers with maturities greater than one year.

The changes in the caption “Impairment of trade receivables” as of the period ended 31 March 2015 were as follows:

(€k)

Caption	Opening Balance	Increases	Decreases	Utilisation	Adjustments	Ending Balance
Impairment of trade receivables	228,828	8,722	(2,445)	(30)	65	235,140

The increase and decrease in the caption “Impairment of trade receivables” in the net amount of €6,277 k was recorded in the caption “Provision and impairment loss on receivables” (Note 6).

16. INVENTORIES

Inventories as of 31 March 2015 and of 31 December 2014 were as follows:

(€k)

CAPTIONS	March 2015	December 2014
Raw, subsidiary and consumable materials:		
Crude oil	147,351	146,324
Other raw materials	45,366	45,216
Raw material in transit	155,517	179,138
	348,234	**370,678**
Impairment of raw, subsidiary and consumable materials	(9,421)	(44,466)
	338,813	**326,212**
Finished and semi-finished products:		
Finished products	143,584	156,997
Semi-finished products	188,963	238,199
Finished products in transit	-	6,394
	332,547	**401,590**
Impairment of finished and semi-finished products	(9,003)	(40,781)
	323,544	**360,809**
Work in progress	217	192
	217	**192**
Merchandise	450,469	551,876
Merchandise in transit	273	359
	450,742	**552,235**
Impairment of merchandise	(1,159)	(29,074)
	449,583	**523,161**
	1,112,157	**1,210,374**

Merchandise as of 31 March 2015, in the amount of €450,469 k mainly relates to natural gas in pipelines in the amount of €64,244 k, inventories of crude oil derivative products of the subsidiaries Galp Energia España, S.A., Petrogal Moçambique, Lda. and Empresa Nacional de Combustíveis – Enacol, S.A.R.L. in the amounts of €352,442 k, €9,483 k and €8,639 k respectively.

As of 31 March 2015 and of 31 December 2014, the Group's liability to competitors related to strategic reserves, which can only be satisfied by product delivery, amounted to €50,171 k and €48,781 k respectively (Note 24). This reduction is explained by legislative amendment and the amendment of Entidade Nacional para o Mercado de Combustíveis, E.P.E. (ENMC), which assumed an increase in liabilities arising from its strategic reserves of other operators, having contracted with Galp Energia Group the figure of "tickets" that allow you to ensure the products of stocks with the Group.

The subsidiary Petróleos de Portugal – Petrogal, SA has a contract with "Entidade Nacional para o Mercado de Combustíveis, E.P.E." (ENMC) for the storage and exchange of crude and for the storage of refined products, from the national strategic reserve. The crude oil acquired by ENMC, which is not reflected in the financial statements, is stored in a non-segregated form in Petrogal's installations, where it must remain so that ENMC can audit it in terms of quantity and quality whenever it so wishes. In accordance with the contract, Petrogal must, when so required by ENMC, exchange the crude sold for finished products, receiving in exchange an amount representing the refining margin as of the date of exchange.

The changes in the caption "Impairment of inventories" in the period ended 31 March 2015 were as follows:

(€k)

Captions	Begining balance	Increases	Decreases	Adjustments	Ending balance
Impairment of raw, subsidiary and consumable materials	44,466	1,105	(36,150)	-	9,421
Impairment of finished and semi-finished products	40,781	5,135	(36,967)	54	9,003
Impairment of merchandise	29,074	15	(27,943)	13	1,159
	114,321	6,255	(101,060)	67	19,583

The net increase in impairment, amounting to €94,805 k was recorded against the caption "Cost of sales-decrease (impairment)" in inventories (Note 6).

17. OTHER INVESTMENTS

Current and non-current investments as of 31 March 2015 and of 31 December 2014 were as follows:

(€k)

Other investments	March 2015		December 2014	
	Current	Non-current	Current	Non-current
Financial instruments at fair value through profit and loss (Note 27)				
Swaps and Options over Commodities	5,457	344	6,986	405
Swaps over currency	891	-	3,150	-
	6,348	**344**	**10,136**	**405**
Other financial assets				
Other	-	23,667	-	20,973
	-	**23,667**	**-**	**20,973**
	6,348	**24,011**	**10,136**	**21,378**

As of 31 March 2015 and of 31 December 2014 the financial instruments are recorded at their fair value at those dates (Note 27).

18. CASH AND CASH EQUIVALENTS

The caption “Cash and cash equivalents” as of 31 March 2015 and 2014 was as follows:

(€k)

Captions	March 2015	December 2014	March 2014
Cash	5,634	6,664	6,361
Current account	143,663	111,453	229,281
Term deposits	1,437	1,419	2,437
Other negotiable securities	23,136	35,020	75,164
Other treasury applications	929,819	989,426	861,166
Cash and cash equivalents in the consolidated statement of financial position	**1,103,689**	**1,143,982**	**1,174,409**
Other current investments	-	-	640
Bank overdrafts (Note 22)	(94,040)	(120,586)	(33,652)
Cash and cash equivalents in the consolidated statement of cash flow	**1,009,649**	**1,023,396**	**1,141,397**

The caption “Other negotiable securities” mainly include:

- €16,475 k regarding bank deposit certificates;
- €4,522 k on electricity futures; and
- €2,136 k on commodities futures (Brent).

These futures are recorded in this caption due to their high liquidity (Note 27).

The caption “Other treasury applications” includes applications of cash surplus, with maturities less than three months, of the following Group companies:

(€ k)

Companies	March 2015	December 2014
Galp Energia E&P, B.V.	787,961	940,549
Galp Sinopec Brazil Services B.V.	46,473	7,001
Petróleos de Portugal - Petrogal, S.A.	39,511	13,590
Galp Gás Natural, S.A.	22,315	8,389
Petróleos de Portugal – PETROGAL, S.A. Sucursal en España	10,500	-
CLCM - Companhia Logística de Combustíveis da Madeira, S.A.	9,800	8,450
Beiragás - Companhia de Gás das Beiras, S.A.	9,300	6,000
Galp Exploração Serviços do Brasil, Lda.	3,030	2,749
Galp Energia Brasil S.A.	520	498
Galp Energia España, S.A.	409	-
Sempre a Postos - Produtos Alimentares e Utilidades, Lda.	-	2,200
	929,819	**989,426**

19. SHARE CAPITAL

Capital structure

The capital structure of Galp Energia in the first quarter of 2015 has not changed, maintaining the free float to 46.66%.

Capital structure as of 31 March 2015 was as follows:

	Nbr. of Shares	% of Capital	% of Voting Rights
Amorim Energia, B.V.	317,934,693	38.34%	46.34%
Eni S.p.A.	66,337,592	8.00%	8.00%
Parpública – Participações Públicas, SGPS, S.A.	58,079,514	7.00%	7.00%
Free-float	386,898,836	46.66%	46.66%
Total	**829,250,635**	**100.00%**	**-**

20. RESERVES

As of 31 March 2015 and of 31 December 2014 the caption "Conversion reserve and other reserves" is detailed as follows:

(€k)

Captions	March 2015	December 2014
Translation reserves:		
Reserves - financial allocations ("quasi equity")	(302,286)	(193,989)
Reserves - Tax on financial allocations ("quasi equity") (Note 9)	114,496	77,675
	(187,790)	(116,314)
Reserves - Conversion of financial statements	437,481	131,765
Reserves - Goodwill rate update (Note 11)	4,670	2,218
	254,361	17,669
Hedging reserves:		
Reserves - financial derivatives	(1,920)	(744)
Reserves - Deferred tax on financial derivatives (Note 9)	91	-
	(1,829)	(744)
Other reserves:		
Legal reserve	165,850	165,850
Free distribution reserves	27,977	27,977
Special reserves	(443)	(443)
Reserves - Capital increase in subsidiaries Petrogal Brazil, S.A. and Galp Sinopec Brazil Services B.V.	2,493,088	2,493,088
Reserves - Increase of 10.7532% in 2012 and of 0.3438% in 2013 of stake in the share capital of subsidiary Lusitaniagás - Companhia de Gas do Centro, S.A.	(2,027)	(2,027)
Reserves - Increase of 99% of stake in the share capital of subsidiary Enerfuel, S.A.	(31)	(31)
	2,684,414	2,684,414
	2,936,946	**2,701,339**

Translation reserve:

The change occurred in the caption translation reserve, is as follows:

i) €437,481 k regarding positive exchange rate differences resulting from the translation of the financial statements in foreign currency to Euro;

ii) €187,490 k regarding negative exchange rate differences of the financial allocations of Galp Exploração e Produção Petrolífera, S.A., Petróleos de Portugal - Petrogal, S.A. and Winland International Petroleum, SARL (W.I.P.) to Petrogal Brasil, S.A., in euros and US dollars, which are not remunerated and for which there is no intention of reimbursement, and as such similar to share capital ("quasi capital"), thus integrating the net investment in that foreign operational unit in accordance with IAS 21

iii) €4,670 k regarding positive exchange rate differences resulting from Goodwill exchange rate update.

Hedging reserves:

Hedging reserves reflect changes that have occurred in financial derivatives on interest rates that are contracted for hedging changes in interest rate loans (cash flow hedge) and their respective deferred taxes.

In the year ended 31 March 2015 the amount of €1,920 k is related with the fair value of financial derivatives cash flow hedge.

Other reserves:

Legal reserves

In accordance with the Portuguese Commercial Companies Code (CSC), the Company must transfer a minimum of 5% of its annual net profit to a legal reserve until the reserve reaches 20% of share capital. The legal reserve cannot be distributed to the shareholders but may in certain circumstances be used to increase capital or to absorb losses after all the other reserves have been utilised. In 2014 the caption did not change as the legal reserves have already achieved 20% of share capital.

Special reserves

The amount of €443 k in the caption "Special reserves" includes €463 k relating to a deferred tax correction – revaluation of equity in the subsidiary Lisboagás GDL – Sociedade Distribuidora de Gás Natural de Lisboa, S.A. and the negative amount of €20 k relating to a donation reserve in subsidiary Gasinsular – Combustíveis do Atlântico, S.A.

Reserves – capital increases in Petrogal Brasil, S.A. and Galp Brasil Services, B.V.

On 28 March 2012 the company Winland International Petroleum SARL (WIP), a subsidiary of Tip Top Energy, SARL (Sinopec Group), subscribed and made an increase in capital in the amount of

$4,797,528,044.74 in subsidiaries Petrogal Brasil, S.A. and Galp Sinopec Brazil Services, B.V. (formerly Galp Brazil Services, B.V.), holding 30% of shares and voting rights of both subsidiaries.

With the operation of the capital increase, the Galp Energia Group kept the operational and financial control of the Company, which now owns 70% of capital and voting rights, continuing, under IAS 27 to consolidate their assets by the integral method. Thus the difference between the amount realised from the capital increase and the book value of equity at the date of the increase was recognised in equity in reserves by the amount €2,493,088 k.

<u>Reserves - increase of 11.097% stake in the capital of subsidiary Lusitaniagás - Companhia de Gás do Centro, S.A</u>

In July 2012, the Group acquired 10.7532% stake in the subsidiary Lusitaniagás – Companhia de Gás do Centro, S.A., which was previously controlled by the Group and consolidated using the integral method. Thus the difference between the amount paid and the book value of equity at the acquisition date, was recognised in equity in reserves by the amount €1,935 k.

In May 2013, the Group acquired 0.3438% stake in subsidiary Lusitaniagás – Companhia de Gás do Centro, S.A. to Revigrés – Indústria de Revestimentos de Grés, Lda. and recognised in equity reserves the amount of €92 k due to the difference between the amount paid and the book value.

<u>Reserves – increase of 99% in the capital of subsidiary Enerfuel, S.A.</u>

In July 2013, under the celebrated contract on August 2012 in which the Group had agreed to purchase the remaining capital participation at the conclusion of the industrial unit project, the Group had acquired 99% of the social capital of Enerfuel, S.A. However, as it was previously controlled by the Group it already consolidated using the integral method. Thus the difference between the amount paid and the book value of equity at the acquisition date, was recognised in equity in reserves by the amount €31 k.

21. NON-CONTROLLING INTERESTS

The equity caption "Non-controlling interests" as of 31 March 2015 and of 31 December 2014 refers to the following subsidiaries:

(€k)

	Balance at December 2014	Prior year results	Translation reserves	Net result for the period	Balance at March 2015
Galp Sinopec Brazil Services B.V.	1,127,303	-	145,043	5,138	1,277,484
Petrogal Brasil, S.A.	225,790	-	(51,678)	(2,839)	171,273
Setgás - Sociedade de Produção e Distribuição de Gás, S.A.	23,804	-	-	570	24,374
Empresa Nacional de Combustíveis - Enacol, S.A.R.L	20,247	-	-	(383)	19,864
Beiragás - Companhia de Gás das Beiras, S.A.	15,653	-	-	344	15,997
Petromar - Sociedade de Abastecimentos de Combustíveis, Lda.	2,622	-	-	145	2,767
Lusitaniagás - Companhia de Gás do Centro, S.A.	1,771	-	-	68	1,839
Sempre a Postos - Produtos Alimentares e Utilidades, Lda.	1,180	-	-	24	1,204
Saaga - Sociedade Açoreana de Armazenagem de Gás, S.A.	1,100	-	-	54	1,154
Setgás Comercialização, S.A.	999	-	-	39	1,038
CLCM - Companhia Logística de Combustíveis da Madeira, S.A.	643	-	-	150	793
Carriço Cogeração - Sociedade de Geração de Electricidade e Calor, S.A.	(709)	-	-	(82)	(791)
Petrogás Guiné Bissau - Importação, Armazenagem e Distribuição de Gás, Lda.	(219)	(5)	-	-	(224)
	1,420,184	**(5)**	**93,365**	**3,228**	**1,516,772**

22. LOANS

Loans detail

Loans obtained as of 31 March 2015 and of 31 December 2014 was as follows:

(€k)

	March 2015		December 2014	
	Current	Non-current	Current	Non-current
Bank loans:				
Loans	195,741	920,013	182,845	1,116,991
Bank overdrafts (Note 18)	94,040	-	120,586	-
Discounted notes	2,913	-	3,668	-
	292,694	**920,013**	**307,099**	**1,116,991**
Origination fees	(1,868)	(2,819)	(3,856)	(3,590)
	290,826	**917,194**	**303,243**	**1,113,401**
Other loans obtained:				
IAPMEI	2	176	2	177
	2	**176**	**2**	**177**
	290,828	**917,370**	**303,245**	**1,113,578**
Bonds and notes				
Bonds	-	1,270,000	-	1,270,000
Notes	-	1,000,000	-	1,000,000
	-	**2,270,000**	**-**	**2,270,000**
Origination fees	-	(20,879)	-	(22,459)
	-	**2,249,121**	**-**	**2,247,541**
	290,828	**3,166,491**	**303,245**	**3,361,119**

The current and non-current loans, excluding origination fees, bank overdrafts and discounted notes, as of 31 March 2015 had the following repayment plan:

(€k)

	Loans		
Maturity	Total	Current	Non-current
2015	148,457	148,457	-
2016	614,408	47,286	567,122
2017	510,635	-	510,635
2018	640,008	-	640,008
2019	709,432	-	709,432
2020	156,999	-	156,999
2021	535,090	-	535,090
2022 and subsequent years	70,903	-	70,903
	3,385,932	**195,743**	**3,190,189**

Domestic and foreign loans as of 31 March 2015 and of 31 December 2014 are expressed in the following currencies:

Currency		March 2015		December 2014	
		Initial total amount	Amount due (€k)	Initial total amount	Amount due (€k)
US Dollars	USD	126,000	117,111	326,000	268,512
Cape Verde Escudos	CVE	425,179	3,856	307,939	2,793
Euros	EUR	3,515,007	3,263,080	3,519,888	3,296,143
Mozambican Meticais	MZM	65,474	1,707	96,369	2,388
			3,385,754		**3,569,836**

The average interest rates on loans and overdrafts incurred by the Group, in the first quarter of 2015, were 3.92% or 7.72% including exchange differences.

Description of the main loans

Commercial paper issuance

On 31 March 2015, the Group contracted underwritten commercial paper programmes of up amounting to €965,000 k, which are divided into €865,000 k medium and long-term and €100,000 k short term. Of these amounts the Group used €290,000 k at medium and long-term loans and €100,000 k at short term.

These emissions bear interests at a Euribor rate for the respective period of issuance, plus variable spreads defined in the contractual terms of the commercial paper programmes underwritten by the Group. The interest rates refer to the amount of each issuance and remain unchanged during the respective period of the issue.

Bank Loans

Detail of the main bank loans as of 31 March 2015:

(€k)

Entity	Amount due	Interest rate	Maturity	Reimbursement
Banco Itaú	117,111	Libor 6M + spread	April '17	50% @ April 16 50% @ April 17

Additionally, the Group recorded the amount of €41,130 k in medium and long term loans obtained by: Agrocer- Sociedade de Cogeração do Oeste S.A., Beiragás – Companhia de Gás das Beiras, S.A., and CLCM – Companhia Logística de Combustíveis da Madeira, S.A.

Detail of the loans obtained from the European Investment Bank (EIB) as of 31 March 2015:

(€ k)

Entity	Amount due	Interest rate	Maturity	Reimbursement
EIB (Oporto cogeneration)	50,000	Fixed rate	October '17	October '17
EIB (Installment A - Sines cogeneration)	24,141	Fixed rate	September '21	Semi-annual installments beginning in March '10
EIB (Installment B - Sines cogeneration)	12,510	Euribor 6M + Spread	March '22	Semi-annual installments beginning in September '10
EIB (Installment A - refinery upgrade)	249,000	Revisable fixed rate	February '25	Semi-annual installments beginning in August '12
EIB (Installment B - refinery upgrade)	166,000	Fixed rate	February '25	Semi-annual installments beginning in August '12

Additionally, the Group recorded the amount of €52,368 k related with other loans obtained from the EIB.

Loans contracted with the EIB, with the purpose of financing the cogeneration projects in the Sines and Porto refineries and tranche A for the upgrade of the Sines and Porto refineries are granted under Petrogal, S.A. guaranties.

The remaining loan with the EIB, in the amount of €218,368 k, is granted under contract with the bank syndicate.

Bonds

Detailed information for each bond as of 31 March 2015:

(€k)

Issue	Amount due	Interest rate	Maturity	Reimbursement
GALP ENERGIA/2013-€600 M. FRN-2017	600,000	Euribor 6M + spread	May '17	50% @ May 16 50% @ May 17
GALP ENERGIA/2012-FRN-2018	260,000	Euribor 3M + spread	February '18	February '18
GALP ENERGIA/2013 - 2018	110,000	Euribor 3M + Spread	March '18	March '18
GALP ENERGIA/2013- €200 M. - 2018	200,000	Euribor 6M + spread	April '18	April '18
GALP ENERGIA/2012-2020	100,000	Euribor 6M + spread	June '20	June '20

Notes Issue

Galp Energia has established, as part of its financing plan, an Euro Medium Term Note Programme (€5,000,000,000 EMTN)

Under the EMTN Programme, on 15 November 2013, Galp Energia carried its first issuance of notes amounting to €500,000 k, due on 25 January 2019 and a coupon of 4.125%, which are admitted to trading on the London Stock Exchange.

In this transaction acted as Joint-Bookrunners, BBVA, BNP Paribas, Caixa – Banco de Investimento, Deutsche Bank and JP Morgan.

On 7 July 2014, under the EMTN Programme, Galp Energia issued notes in the amount of €500,000 k, due on 14 January 2021 with a coupon of 3%, which are admitted for negotiation at the London Stock Exchange.

In this transaction acted as Joint-Bookrunners, Bank of America Merrill Lynch, ING, Millennium BCP, Santander and Société Générale.

23. RETIREMENT AND OTHER EMPLOYEE BENEFITS

During the period ended 31 March 2015, there were no significant changes compared to the consolidated financial statements of the Company on 31 December 2014. Additional questions refer to the consolidated financial statements of the Company on 31 December 2014 and the respective Notes.

24. OTHER PAYABLES

The caption “Non-current and current other payables” as of 31 March 2015 and of 31 December 2014 are as follows:

(€k)

	March 2015		December 2014	
Captions	**Current**	**Non-current**	**Current**	**Non-current**
State and other public entities:				
Value Added Tax payables	199,536	-	223,530	-
Tax on oil products	91,081	-	83,994	-
Personnel and Corporate Income Tax Withheld	7,736	-	9,127	-
Social Security contributions	6,058	-	6,672	-
Other taxes	20,922	-	22,213	-
Suppliers - tangible and intangible assets	155,522	93,993	114,001	94,728
Advances on sales (Note 16)	50,171	-	48,781	-
Overlifting	24,914	-	29,714	-
Personnel	5,670	-	7,017	-
Trade receivables credit balances	4,013	-	6,529	-
Guarantee deposits and guarantees received	2,802	-	2,798	-
ISP - Congeners debit	1,601	-	10,324	-
Other payables - Associated, participated and related companies	1,261	-	22,636	-
Other payables - Other shareholders	1,235	-	1,235	-
Trade receivables advances	828	-	477	-
Loans - Associated, participated and related companies (Note 28)	365	174,898	365	154,990
Loans - Other shareholders	-	12,445	-	12,446
Other creditors	49,690	4,311	37,480	4,570
	623,405	**285,647**	**626,893**	**266,734**
Accrued costs:				
External supplies and services	116,480	-	108,265	-
Vacation pay, vacation subsidy and corresponding personnel costs	35,923	-	29,701	-
Accrued interest	27,780	-	46,077	-
Productivity bonus	20,435	7,955	18,605	6,770
Adjustment to tariff deviation - Other activities - ERSE regulation	18,136	-	18,346	-
Adjustment to tariff deviation - Regulated revenue - ERSE regulation	13,002	21,571	10,255	9,546
Fastgalp prizes	7,275	-	7,377	-
Accrued insurance premiums	4,695	-	1,673	-
Interest on overdrafts	4,209	-	4,059	-
Financial costs	939	-	933	-
Financial neutrality - ERSE regulation	392	-	462	-
Accrued personnel costs - other	88	-	106	-
Adjustment to tariff deviation - Energy tariff - ERSE regulation	-	15,831	-	15,831
Other accrued costs	28,384	-	21,642	-
	277,738	**45,357**	**267,501**	**32,147**
Deferred income:				
Services rendered	32,927	-	4,964	-
Investment government grants (Note 13)	10,688	252,910	10,694	255,372
Fibre optics	404	1,294	272	1,527
Other	11,062	58	10,735	60
	55,081	**254,262**	**26,665**	**256,959**
	956,224	**585,266**	**921,059**	**555,840**

The caption “Advances on sales” includes the amount of €50,171 k in respect of liabilities for strategic reserves of Group competitors (Note 16).

The caption “Suppliers – non-current tangible and non-tangible assets” refers essentially to the surface rights.

The amount of €24,914 k in caption "Overlifting" represents the Group's liability for excess crude oil lifted of its production quota and is measured as described in Note 2.7 e) of the accompanying notes to the consolidated financial statements of the Company as of 31 December 2014.

The amount of €2,802 k recorded in the caption "Guarantee deposits and guarantees received" includes €2,140 k relating to Petrogal's liability as of 31 March 2015 for customer deposits received on gas containers in use that were recorded at acquisition cost, which is, approximately, their fair value.

The amount of €174,898 k recorded in the caption "Loans – associated, participated and related companies" concerns:

- In March 2012, WIP granted loans in the amount of €174,898 k ($188,173,000). This amount is recorded in the caption "Loans – other shareholders (non-current)" and is related to loans obtained by subsidiary Petrogal Brasil, S.A.. This loan bears interest at market rates and have defined maturity of 10 years. In the period ended 31 March 2015 the amount of €1,443 k regarding loans obtained concerning related companies is recognised under the caption "Interest".

The amount of €12,445 k in the caption "Loans – other shareholders" mainly relates to:

- €8,938 k recorded in non-current payable to Enagás, SGPS, S.A. for loans obtained by subsidiary Setgás – Sociedade de Distribuição de Gás Natural, S.A., which bear interest at market rate and does not have a fixed maturity;
- €1,205 k recorded as non-current payable to EDP Cogeração, S.A. related to shareholders loans obtained by the subsidiary Carriço Cogeração Sociedade de Geração de Electricidade e Calor, S.A., which bear interests at market rate and does not have a defined reimbursement plan; and
- €2,281 k recorded as non-current payable to Visabeira Telecomunicações, SGPS, S.A., relates to shareholder loans obtained by the subsidiary Beiragás – Companhia de Gás das Beiras, S.A., which bears interest at market rates and does not have a defined reimbursement plan.

The amount of €7,275 k recorded under accrued costs – Fast Galp prizes is Petrogal's liability for Fast Galp card points issued but not yet claimed until 31 March 2015, which are expected to be exchanged for prizes in subsequent periods.

Investment government grants are to be recognised as income over the useful life of the assets. The amount to be recognised in future periods amounts to €263,598 k (Note 13).

Income from the contract of assignment of rights to use telecommunication infrastructures is recorded in caption "Deferred income – fiber optics" and is recognised in earnings during the period of the contract. The balance of deferred income on 31 March 2015, to be recognised in future period amounts to €1,698 k.

25. PROVISIONS

The changes in provisions in the period ended 31 March 2015 were as follows:

(€k)

Captions	Beginning balance	Increases	Decreases	Utilisation	Adjustments	Ending balance
Lawsuits	11,252	8,051	(1,089)	(5,062)	-	13,152
Investments (Note 4)	3,954	79	-	-	773	4,806
Taxes	21,238	2,531	-	-	1,408	25,177
Environment	2,021	-	-	-	-	2,021
Abandonment costs	111,360	3,236	-	(4,107)	13,230	123,719
Other risks and charges	34,715	7,758	(311)	(51)	(78)	42,033
	184,540	21,655	(1,400)	(9,220)	15,333	210,908

The increase in provisions, net of the decreases, was recorded as follows:

	(€k)
Provisions (Note 6)	7,007
Capitalisation of provision costs for abandonment blocks	3,236
Estimate for additional payments of IRP - Oil income tax (Angola) (Note 9)	2,531
Results in investments in associates and jointly controlled entities (Note 4)	79
Energy sector contribution tax	7,402
	20,255

Lawsuits

The provisions for current Lawsuits in the amount of €13,152 k mainly include: €6,503 k regarding liability for fines imposed by the Competition Authority relating to contracts concluded with distributors in LPG area.

Financial Investments

The provision for investments reflects the statutory commitment of the Group to its associates that present negative equity as detailed in Note 4.

Taxes

The caption “Tax provisions”, in the amount of €25,177 k includes mainly:

i) €13,998 k of additional liquidations of Oil Income Tax (IRP) (Note 9);
ii) €7,394 k concerning a tax contingency, related with corrections to 2001 and 2002 corporate income tax of the subsidiary (Note 9);
iii) €3,377 k concerning the tax risk associated with the sale of the interests in ONI, SGPS, to Galp Energia, SGPS, S.A..

Environmental

The amount of €2,021 k in the caption “Environmental provisions” aims to sustain the costs related with legally mandatory soil decontamination of some facilities occupied by the Group, where by legal enforcement there is decision for decontamination.

Abandonment of blocks

The amount of €123,719 k recorded in provisions for the abandonment of blocks includes essentially, the amount of €91,231 k for facilities located in blocks 1 and 14 in Angola and the remaining amount of €32,488 k for Brazilian facilities. This provision aims to cover all costs to be incurred with the dismantling of assets and soil decontamination at the end of the useful life of those areas.

Other risks and charges

On 31 March 2015 the caption “Provisions – other risks and charges”, amounting to €42,033 k, mainly comprises:

i) €4,561 k concerning processes related to sanctions applied by customs authorities due to the late submission of the customs destination declaration of some shipments received in Sines;
ii) €1,880 k to address the impairments of the subsidiary's assets Moçamgalp Agroenergias de Moçambique, S.A.;
iii) €1,790 k related with the debits during 2012 regarding the land occupation (Cabo Ruivo) claimed by the Administração do Porto de Lisboa; and
iv) €31,897 k concerning the provision to cover the energy sector contribution tax. During the period ended 31 March 2015 was recorded an enhancing in the amount of €7,402 k.

26. TRADE PAYABLES

As of 31 March 2015 and of 31 December 2014 the amounts recorded in the caption "Suppliers" were as follows:

(€ k)

Captions	March 2015	December 2014
Trade payables - current accounts	314,074	326,179
Trade payables - invoices pending	687,572	571,868
	1,001,646	**898,047**

The balance of the caption "Trade payables – invoices pending" mainly corresponds to the purchase of crude oil raw material, natural gas and goods in transit.

27. OTHER FINANCIAL INSTRUMENTS - DERIVATIVES

The Group uses financial derivatives to hedge interest rate and market fluctuation risks, namely risks of variation in crude oil prices, finished products and refining margins, as well as risks of variation in natural gas and electricity prices, which affect the amount of assets and future cash flows resulting from its operations.

Financial derivatives are defined, in accordance with IAS/IFRS, as "financial assets at fair value through profit and loss" or "financial liabilities at fair value through profit and loss". The interest rate financial derivatives that are contracted to hedge the variation in interest rates on borrowings are designated as "cash flow hedges". Commodities financial derivatives that are contracted to hedge changes borrowings fair value or other risks that might affect the profit and loss of customer contracts are designated as "fair value hedges".

The fair value of financial derivatives was determined by financial entities, applying generally accepted techniques and evaluation models.

In accordance with IFRS 13 an entity must classify the fair value measurement, in a hierarchy that reflects the meaning of the inputs used measurement. The fair value hierarchy must have the following levels:

- Level 1 - the fair value of assets or liabilities is based on quoted market net assets at the date of the balance sheet;
- Level 2 - the fair value of assets or liabilities is determined through valuation models based on observable market inputs;
- Level 3 - the fair value of assets or liabilities is determined through valuation models, whose main inputs are not observable in the market.

The fair value of financial derivatives (swaps) was determined by financial entities using observable market inputs and using generally accepted techniques and models (Level 2). Futures are traded in the market and subject to a Clearing House, and as such their valuation is determined by quoted prices (Level 1).

Derivative financial instruments showed the following evolution as of 31 March 2015 and 31 December 2014:

(€k)

	Fair value at 31 March 2015				Fair value at 31 December 2014			
	Assets		Liabilities		Assets		Liabilities	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Interest rate fiancial derivatives								
Swaps	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Commodities financial derivatives								
Swaps	5,457	344	(33,199)	(528)	6,977	405	(14,513)	(838)
Options	-	-	(77)	-	9	-	(111)	-
Futures	6,658	-	-	-	7,156	-	(139)	-
	12,115	**344**	**(33,276)**	**(528)**	**14,142**	**405**	**(14,763)**	**(838)**
Currency financial derivatives								
Non-deliverable forwards	377	-	(33)	-	218	-	-	-
Forwards	515	-	(26)	-	-	-	(521)	-
Currency interest rate swaps	-	-	(2,309)	-	2,932	-	-	-
	892	**-**	**(2,368)**	**-**	**3,150**	**-**	**(521)**	**-**
	13,006	**344**	**(35,644)**	**(528)**	**17,292**	**405**	**(15,284)**	**(838)**

The accounting impact at 31 March 2015 and 2014 in the income statement is presented in the following table:

(€k)

	31 March 2015				31 March 2014			
	Income Statement			Equity	Income Statement			Equity
	Potencial (MTM)	Real	MTM+Real	Potencial (MTM)	Potencial (MTM)	Real	MTM+Real	Potencial (MTM)
Interest rate financial Derivatives								
Swaps	-	-	-	-	-	(366)	(366)	374
	-	**-**	**-**	**-**	**-**	**(366)**	**(366)**	**374**
Commodities financial Derivatives								
Swaps	(22,267)	(12,045)	(34,312)	-	618	1,214	1,832	-
Options	25	-	25	-	(5)	-	-	-
Futures	1,900	2,203	4,103	(404)	(3,262)	(6,320)	(9,582)	-
	(20,342)	**(9,842)**	**(30,184)**	**(404)**	**(2,649)**	**(5,106)**	**(7,750)**	**-**
Currency financial derivatives								
Non-deliverable forwards	126	237	363	-	(980)	(1,415)	(2,395)	-
Forwards	1,010	(2,881)	(1,871)	-	647	(334)	313	-
Currency interest rate swaps	(5,368)	32,924	27,556	-	11,516	(11,944)	(428)	-
	(4,232)	**30,280**	**26,048**	**-**	**11,183**	**(13,693)**	**(2,510)**	**-**
	(24,574)	**20,438**	**(4,136)**	**(404)**	**8,535**	**(19,165)**	**(10,626)**	**374**

Nota:
MTM -variation of the Mark -to-Market since January to the reporting date
Real - value of closed positions .

The potential value of MTM (Mark-to-Market) recognised in Income on Financial Instruments includes the potential value of the interest of currency interest rate swaps financial derivatives and commodities derivatives, amounting to negative € 18,123 k, as shown in following table:*

	(€k) March 2015
Income on financial instruments	
Commodities financial derivatives	
Swaps	(22,267)
Options	25
Futures	1,900
Currency financial derivatives	
Currency interest rate swaps (interest)	667
Other trading operations	1,553
	(18,123)

* Interest component amounting to €667 k included in the negative variation of the MTM derivative foreign exchange amounting to € 5,368 k. The negative difference in the amount of €6,035 k for the variation of MTM is reflected in exchange rate differences.

The real value of financial derivatives recognised in the cost of sales amounts to negative € 9,842 k comprising commodities financial derivatives.

The changes in fair value reflected in Equity, resulting from cash flow hedges, are as follows:

Fair Value Change in Equity	March 2015	(€k) December 2014
Subsidiaries	(404)	1,241
Non-controlling interests	-	-
	(404)	**1,241**
Associates	(839)	(283)
	(1,243)	**958**

Financial derivatives have the following nominal values:

		(€k)	
		31 March 2015	
		Maturity	
		< 1 year	> 1 year
Interest rate financial derivatives			
Swaps	Buy	-	-
	Sale	-	-
Commodities financial derivatives			
Swaps	Buy	99,929	16,263
	Sale	84,183	1,490
Options	Buy	2,715	-
	Sale	2,489	-
Futures	Buy	53,238	5,969
	Sale	1,106	1,487
Currency financial derivatives			
Non-deliverable forwards	Buy	7,931	-
	Sale	-	-
Forwards	Buy	-	-
	Sale	38,568	-
Currency interest rate swaps	Buy	200,000	-
	Sale	-	-
		490,159	25,209

Note: Nominal value equivalent in thousands of euros.

Galp Energia Group have commodities financial derivatives recognised as fair value hedge. These financial derivatives have been contracted for the reduction of risks associated with contracts signed with customers. Therefore, these contracts were also recognised at fair value on the amount negative € 2,310k reflected in income statement as MTM (Mark -to- Market), by counterpart accruals and deferred income relating to fair value hedges and € 404 k in negative equity in caption hedging reserve relating to cash flow hedges.

Galp Energia Group trades commodity futures. Given their high liquidity, as they are traded in the market, they are classified as financial assets at fair value through profit and loss and included in Cash and cash equivalents. The gain and loss on commodity futures (Brent and electricity) are classified in caption "Cost of sales". Changes in the fair value of open positions are recorded in caption "Financial income and costs". As futures are traded in the market, subject to a Clearing House, gains and losses are continuously recorded in the income statement.

28. RELATED PARTIES

During the period ended 31 March 2015, there were no significant changes in related parties comparing with the consolidated financial statements on 31 December 2014. For additional information refer to the consolidated financial statements of the Company on 31 December 2014 and the respective accompanying notes.

29. REMUNERATION OF THE BOARD

The remuneration of the Galp Energia Corporate Board members for the periods ended 31 March 2015 and 31 March 2014 is detailed as follows:

(€k)

	March 2015						March 2014					
	Salary	Pension Plans	Allowances for rent and travels	Bonuses	Other charges and adjustments	Total	Salary	Pension Plans	Allowances for rent and travels	Bonuses	Other charges and adjustments	Total
Corporate boards of Galp Energia SGPS												
Executive management	992	191	82	933	111	2,309	973	188	75	725	3	1,964
Non-executive management	193	-	-	-	-	193	192	-	-	-	-	192
Supervisory Board	25	-	-	-	-	25	25	-	-	-	-	25
	1,210	**191**	**82**	**933**	**111**	**2,527**	**1,190**	**188**	**75**	**725**	**3**	**2,181**
Corporate boards of associate companies												
Executive management	414	-	-	-	-	414	516	-	2	12	-	530
	414	**-**	**-**	**-**	**-**	**414**	**516**	**-**	**2**	**12**	**-**	**530**
	1,624	**191**	**82**	**933**	**111**	**2,941**	**1,706**	**188**	**77**	**737**	**3**	**2,711**

The amounts of €2,941 k and €2,711 k, recorded in the periods ended 31 March 2015 and 2014 respectively, include €2,621 k and €2,477 k recorded as employee costs (Note 6) and €320 k and €264 k recorded as external supplies and services.

In accordance with the current policy, remuneration of Galp Energia Corporate Board members includes all the remuneration due for the positions held in the Galp Energia Group and all accrued amounts.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity. According to Galp Energia's interpretation only the members of the Board of Directors meet these features.

During the period ended 31 March 2015 were not charged fees by the statutory auditor and the fees of the external auditor are disclosed in the Group governance report.

30. DIVIDENDS

During the period ended 31 March 2015, there were no allocations or distribution of dividends.

31. OIL AND GAS RESERVES

The information regarding Galp Energia's oil and gas reserves is subject to independent assessment by a suitably qualified company with the methodology established in accordance with the Petroleum Resources Management System (PMRS), approved in March 2007 by the Society of Petroleum Engineers (SPE), the World Petroleum Council, the American Association of Petroleum Geologists and the Society of Petroleum Evaluation Engineers.

The information on reserves is included in the document entitled "Supplementary Information on Oil and Gas (unaudited)" attached to the notes of the consolidated financial statements on 31 December 2014.

32. FINANCIAL RISK MANAGEMENT

During the period ended 31 March 2015, there were no significant changes in the management of financial risks, given the already disclosed in the consolidated financial statements of the Company on 31 December 2014. For additional information refer to the consolidated financial statements of the Company, on 31 December 2014 and the corresponding accompanying notes.

33. CONTIGENT ASSETS AND LIABILITIES

During the period ended 31 March 2015, there were no significant changes in contingent assets and liabilities. For additional information refer to the consolidated financial statements of the Company, on 31 December 2014. For additional information refer to the consolidated financial statements of the Company, on 31 December 2014 and the corresponding accompanying notes.

34. INFORMATION REGARDING ENVIRONMENTAL MATTERS

There were no significant changes during the first quarter of 2015.

For other information on environmental matters, refer to the accompanying notes to the Company's consolidated financial statements on 31 December 2014.

35. SUBSEQUENT EVENTS

There are no relevant subsequent events for reporting purposes.

36. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on 24 April 2015.

37. EXPLANATION ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally issued in Portuguese in accordance with International IFRS as adopted by the European Union (Note 2.1) some of which may not conform to generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

THE BOARD OF DIRECTORS

Chairman:

Américo Amorim

Vice-Chairmen:

Paula Ramos Amorim	Carlos Nuno Gomes da Silva

Members:

Filipe Crisóstomo Silva	Thore E. Kristiansen
Sérgio Gabrielli de Azevedo	Abdul Magid Osman
Raquel Rute da Costa David Vunge	Carlos Manuel Costa Pina
Francisco Vahia de Castro Teixeira Rêgo	Miguel Athayde Marques
Jorge Manuel Seabra de Freitas	José Carlos da Silva Costa
Pedro Carmona de Oliveira Ricardo	João Tiago Cunha Belém da Câmara Pestana
Rui Paulo da Costa Cunha e Silva Gonçalves	Luís Manuel Pego Todo Bom
Diogo Mendonça Rodrigues Tavares	Joaquim José Borges Gouveia

THE ACCOUNTANT:

Carlos Alberto Nunes Barata

Definitions

Crack spread

Difference between the price of an oil product and the price of Dated Brent.

EBIT

Operating profit.

EBITDA

Operating profit plus depreciation, amortisation and provisions.

EBT

Earnings before taxes.

GALP ENERGIA, COMPANY OR GROUP

Galp Energia, SGPS, S.A. and associates.

BENCHMARK REFINING MARGIN

The benchmark refining margin is calculated with the following weighting: 45% hydrocracking margin + 42.5% Rotterdam cracking margin + 7% Rotterdam base oils + 5.5% Aromatics.

ROTTERDAM HYDROCRACKING MARGIN

The Rotterdam hydrocracking margin has the following profile: -100% Brent dated, +2.2% LGP FOB Seagoing (50% Butane + 50% Propane), +19.1% PM UL NWE FOB Bg., +8.7% Naphtha NWE FOB Bg., +8.5% Jet NWE CIF, +45.1% ULSD 10 ppm NWE CIF Cg. +8.9% LSFO 1% FOB Cg; Terminal rate: $1/ton; Ocean loss: 0.15% over Brent; Freight 2014: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat $7.60/ton. Yields in % of weight.

ROTTERDAM CRACKING MARGIN

The Rotterdam cracking margin has the following profile: -100% Brent dated, +2.3% LGP FOB Seagoing (50% Butane + 50% Propane), +25.4% PM UL NWE FOB Bg., +7.5% Naphtha NWE FOB Bg., +8.5% Jet NWE CIF, +33.3% ULSD 10 ppm NWE CIF Cg. and +15.3% LSFO 1% FOB Cg.; C&L: 7.4%; Terminal rate: $1/ton; Ocean loss: 0.15% over Brent; Freight 2014: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat $7.60/ton. Yields in % of weight.

ROTTERDAM BASE OILS MARGIN

Base oils refining margin: -100% Arabian Light, +3.5% LGP FOB Seagoing (50% Butane + 50% Propane), +13.0% Naphtha NWE FOB Bg., +4.4% Jet NWE CIF, 34.0% ULSD 10 ppm NWE CIF, +4.5% VGO 1.6% NWE FOB Cg.,+ 14% Base Oils FOB, +26% HSFO 3.5% NWE Bg.; Consumptions: -6.8% LSFO 1% CIF NWE Cg.; Losses: 7.4%; Terminal rate: $1/ton; Ocean loss: 0.15% over Arabian Light; Freight 2014: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat $7.60/ton. Yields in % of weight.

ROTTERDAM AROMATICS MARGIN

Rotterdam aromatics margin: -60% PM UL NWE FOB Bg., -40% Naphtha NWE FOB Bg., +37% Naphtha NWE FOB Bg., +16.6% 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. Consumption: -18% LSFO 1% CIF NEW. Yields in % of weight.

REPLACEMENT COST (RC)

According to this method of valuing inventories, the cost of goods sold is valued at the 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.

REPLACEMENT COST ADJUSTED (RCA)

In addition to using the replacement cost method, adjusted profit excludes non-recurrent events such as capital gains or losses on the disposal of assets, impairment or reinstatement of fixed assets and environmental or restructuring charges which may affect the analysis of the Company's profit and do not reflect its operational performance.

Abbreviations

APETRO: *Associação portuguesa de Empresas petrolíferas* (Portuguese association of oil companies)

bbl: oil barrel

BBLT: Benguela, Belize, Lobito and Tomboco

Bg: Barges

bn: billion

boe: barrels of oil equivalent

BSR: Buoyancy Supported Risers

Cg: Cargoes

CIF: Costs, Insurance and Freights

CORES: *Corporacion de reservas estratégicas de produtos petrolíferos*

D&A: Depreciation & amortisation

DD&A: Depreciation, Depletion and Amortization

E&P: Exploration & Production

EUR/€: Euro

EWT: Extended well test

FCC: Fluid Catalytic Cracking

FOB: Free on Board

FPSO: Floating, production, storage and offloading unit

G&P: Gas & Power

GBp: Great British pence

GWh: Gigawatt per hour

IAS: International Accounting Standards

IFRS: International Financial Reporting Standards

IRP: Oil income tax.

LSFO: Low sulphur fuel oil

k: thousand

kbbl: thousand barrels

kboepd: thousand barrels of oil equivalent per day

kbopd: thousand barrels of oil per day

LNG: liquefied natural gas

m: million

m^3: cubic metres

mbbl: million barrels

mmbtu: million British thermal units

mm^3: million cubic metres

mton: million tonnes

NBP: National balancing point

n.m.: not meaningful

OTC: Over-the-counter

OWC: Oil-water contact

PM UL: Premium unleaded

p.p.: percentage points

R&M: Refining & Marketing

RC: Replacement Cost

RCA: Replacement Cost Adjusted

RDA: Reservoir Data Acquisition

Tcf: trillion cubic feet

TL: Tômbua-Lândana

T: tonnes

USA or US: United States of America

USD/$: Dollar of the United States of America

ULSD CIF Cg: Ultra Low sulphur diesel CIF Cargoes

WAG: Water alternating gas

Disclaimer

This report has been prepared by Galp Energia, SGPS, S.A. ("Galp Energia" or the "Company") and may be amended and supplemented.

This report does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or otherwise acquire securities of the Company or any of its subsidiaries or affiliates in any jurisdiction or an inducement to enter into investment activity in any jurisdiction. Neither this report nor any part thereof, nor the fact of its distribution, shall form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever in any jurisdiction.

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The forward-looking statements in this report are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in the Company's records and other data available from third parties. Although Galp Energia believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Important factors that may lead to significant differences between the actual results and the statements of expectations about future events or results include the Company's business strategy, industry developments, financial market conditions, uncertainty of the results of future projects and operations, plans, objectives, expectations and intentions, among others. Such risks, uncertainties, contingencies and other important factors could cause the actual results of Galp Energia or the industry to differ materially from those results expressed or implied in this report by such forward-looking statements.

The information, opinions and forward-looking statements contained in this report speak only as at the date of this report, and are subject to change without notice. Galp Energia and its respective representatives, agents, employees or advisors do not intend to, and expressly disclaim any duty, undertaking or obligation to, make or disseminate any supplement, amendment, update or revision to any of the information, opinions or forward-looking statements contained in this report to reflect any change in events, conditions or circumstances.

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