FIRST HALF 2008 RESULTS

Lisbon, 6 August 2008

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HIGHLIGHTS

WEAK REFINING ENVIRONMENT DROVE NET PROFIT DOWN 25% YoY

IFRS				Replacement Cost Adjusted [1]		
1H07	1H08	% Ch.	€ Million	1H07	1H08	% Ch.
5,885	7,537	+28%	**Turnover**	5,882	7,512	+28%
646	847	+31%	**EBITDA**	500	449	(10%)
517	725	+40%	**EBIT**	379	316	(17%)
31	22	(29%)	**Associates**	31	22	(29%)
401	524	+31%	**Net Profit**	285	214	(25%)
0.48	0.63	+31%	**EPS (Eur/share)**	0.34	0.26	(25%)
0.64	0.97	+50%	**EPS (Usd/share)**	0.46	0.39	(14%)

[1] Excludes inventory effect and non-recurrent items

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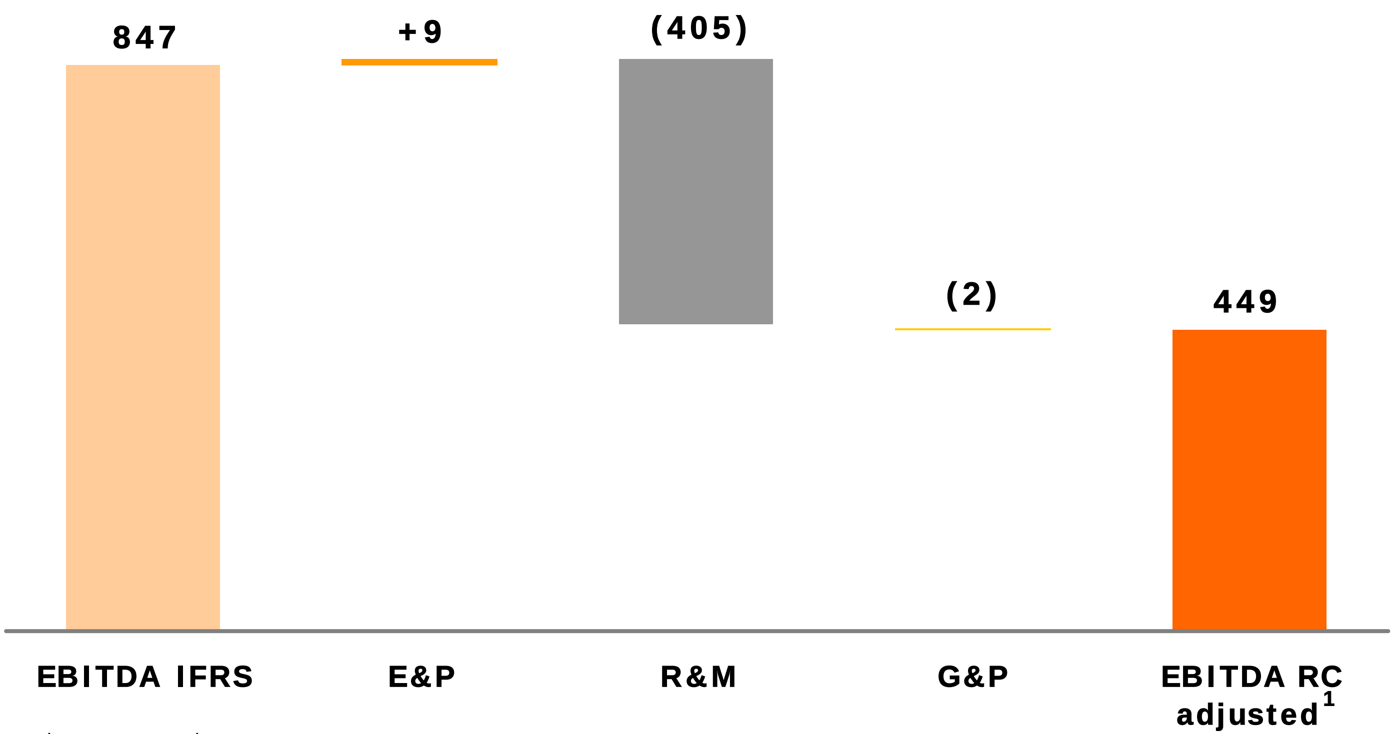
R&M STOCK EFFECT OF €401 MLN ACCOUNTS FOR THE DIFFERENCE

Adjustments to EBITDA IFRS in 1H08 (€ Million)



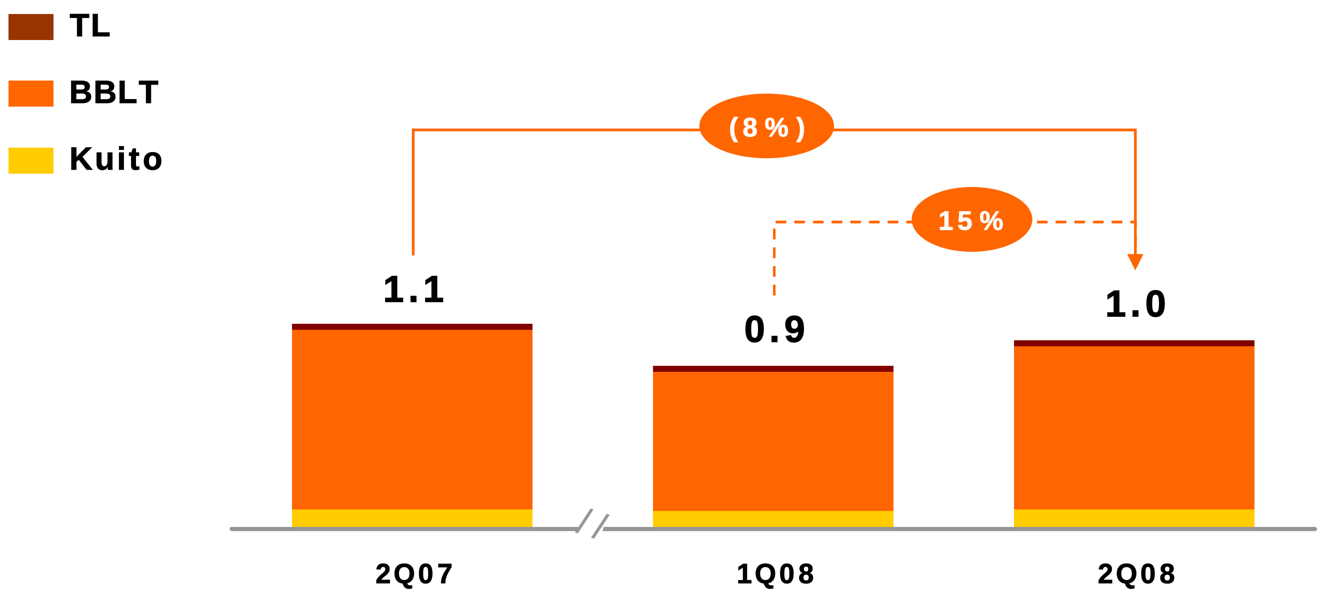
[1] Excludes inventory effect and non-recurrent items

BUSINESS OVERVIEW

PRODUCTION BOUNCING BACK WITH RECOVERY OF BBLT

- BBLT drilling development activities regaining normal pace
- Increase in working production, up 13% QoQ, reflected in net entitlement, notwithstanding surge in crude oil prices

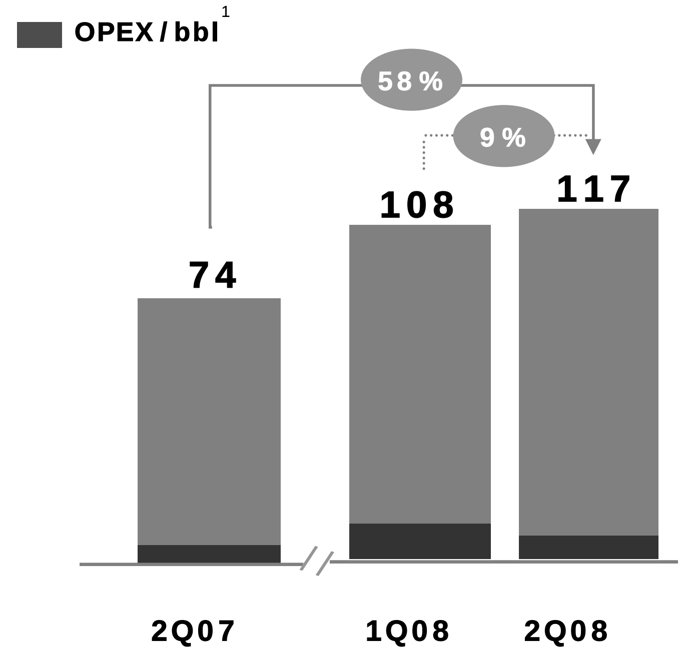
Net Entitlement Production by Field (Million bbl)



WP (Kbbl/d)	17.0	13.8	15.5

Note: Working Interest Production corresponds to the total production before deducting the concessionaire share under Production Sharing Agreements ("PSA"); Net Entitlement figures after deducting PSA effect.

Realized Sale Price (Usd/bbl)



[1] Only cash costs, based on net entitlement production

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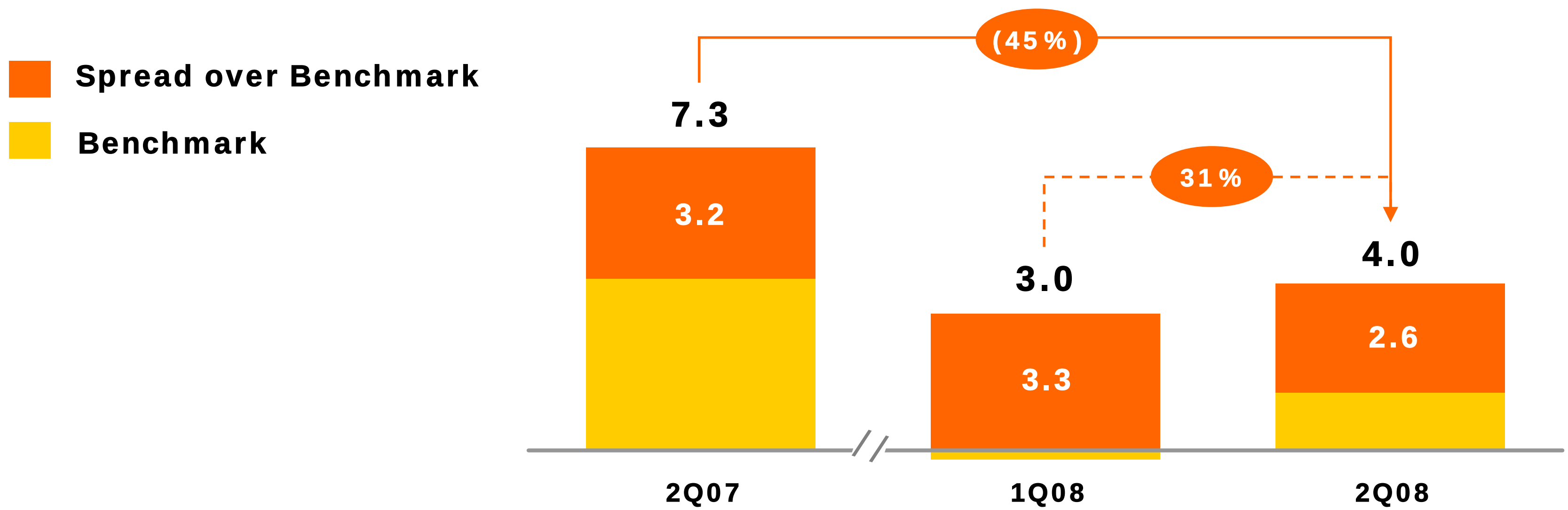
REFINING MARGINS REBOUNDED FROM PREVIOUS QUARTER

- Margins up 31% QoQ in Usd and 21% in Euro to 2.6 Eur/bbl
- Fuel oil and gasoline cracks, down 62% and 40% in the 2Q08, impacting margins on a yearly basis
- 2Q08 refining margins were down 45% and 53% YoY on Usd and Euro basis, respectively

Galp Energia vs Benchmark Refining Margin (Usd/bbl)



Crude processed (Million bbl)	26	24	25

Source: Platts
Benchmark refining margin considers 70% of Rotterdam cracking and 30% of Rotterdam Hydro + Aromatics + Base Oils

VOLUMES SOLD REACHED 8 MLN TONS IN THE 1H08

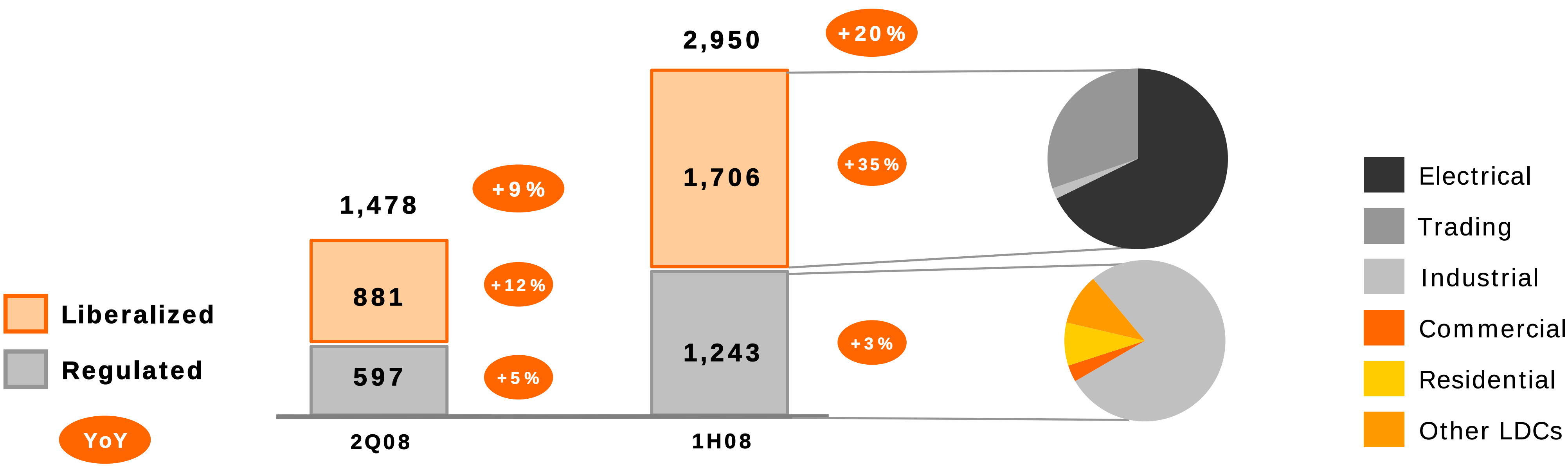
- Positive contribution from wholesale segment, with volumes up 3.1% YoY in the 1H08
- Exports increased 5.7% YoY in the 1H08, with gasoline weighting 39.0% of 1H08 volumes

Million tons	2Q08	% YoY	1H08	% YoY
Refining throughput	**3.6**	**(2.9%)**	**7.1**	**(1.0%)**
Total volumes of products sold	**4.1**	**+0.9%**	**8.0**	**(0.3%)**
Direct customers - Portugal	1.6	+0.6%	3.2	(0.8%)
Direct customers - Spain	0.7	(1.7%)	1.5	+0.1%
Portuguese operators	1.1	(1.8%)	2.0	(3.6%)
Exports	0.7	+8.9%	1.4	+5.7%

NATURAL GAS VOLUMES IN 1H08 UP 20% YoY TO 3 Bcm

- All segments posted positive growth on a yearly basis
- Strong contribution from electrical and trading segments, which benefited from low hydro levels in Iberia, posting an increase in volumes of 32% YoY in the 1H08
- 2Q08 volumes sales were up 9% YoY driven by the liberalized market

Liberalized & Regulated markets (Mm³)

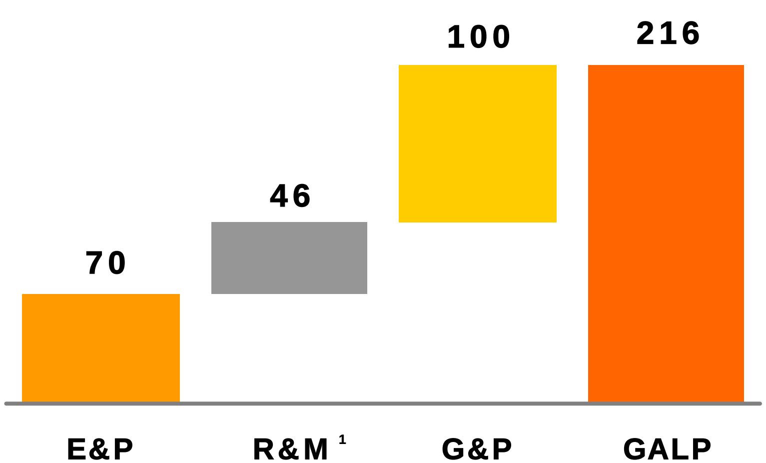


FINANCIAL OVERVIEW

REPLACEMENT COST ADJUSTED EBITDA REACHED €449 MLN IN 1H08

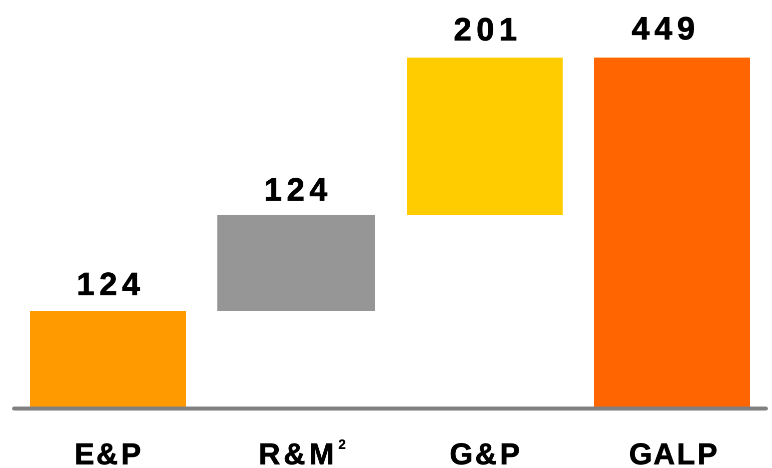
- Strong contribution from the E&P business, driven by increase in realized price
- Weaker Usd/Eur, as well as a 2Q08 time lag effect amounting to €54 mln hurt operational performance of the R&M division (negative time lag effect for 1H07 and for 1H08 amounted to €32 mln and €59 mln, respectively)
- G&P posted a strong performance driven by increase in volumes sold

RC adjusted 2Q08 EBITDA (€ M)



YoY	+24%	(71%)	+64%	(21%)

RC adjusted 1H08 EBITDA (€ M)



YoY	+25%	(55%)	+60%	(10%)

[1] R&M includes others of €3 M in 2Q07 and 2Q08

[2] R&M includes others of €7 M and €4 M in 1H08 and 1H07, respectively

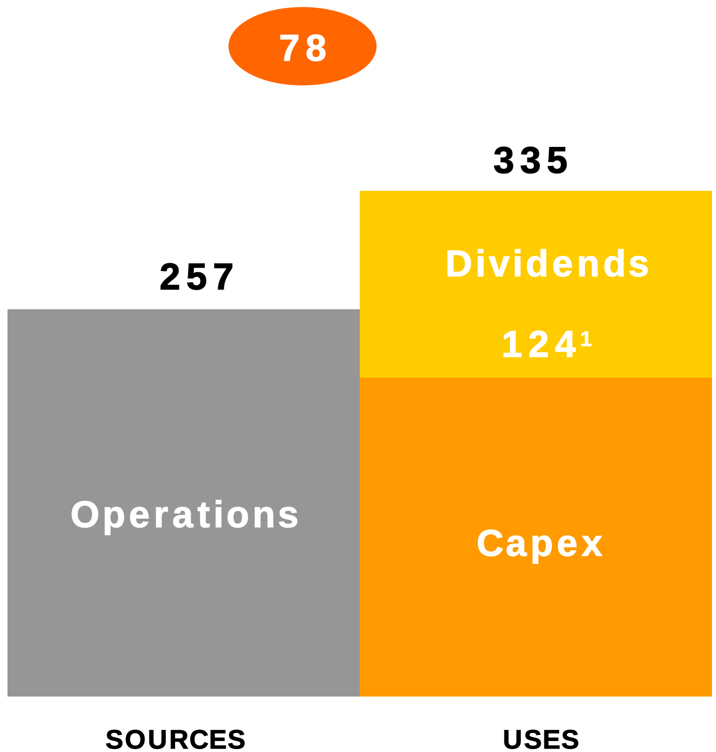
2Q08 NET PROFIT IMPACTED BY THE R&M SEGMENT

Replacement Cost Adjusted[1]				Replacement Cost Adjusted[1]		
2Q07	**2Q08**	**% Ch.**	€ Million	**1H07**	**1H08**	**% Ch.**
3,135	4,020	+28%	**Turnover**	5,882	7,512	+28%
274	216	(21%)	**EBITDA**	500	449	(10%)
214	148	(31%)	**EBIT**	379	316	(17%)
12	10	(15%)	**Associates**	31	22	(29%)
166	105	(37%)	**Net Profit**	285	214	(25%)
0.20	0.13	(37%)	**EPS (Eur/share)**	0.34	0.26	(25%)
0.27	0.20	(27%)	**EPS (Usd/share)**	0.46	0.39	(14%)

[1] Excludes inventory effect and non-recurrent items

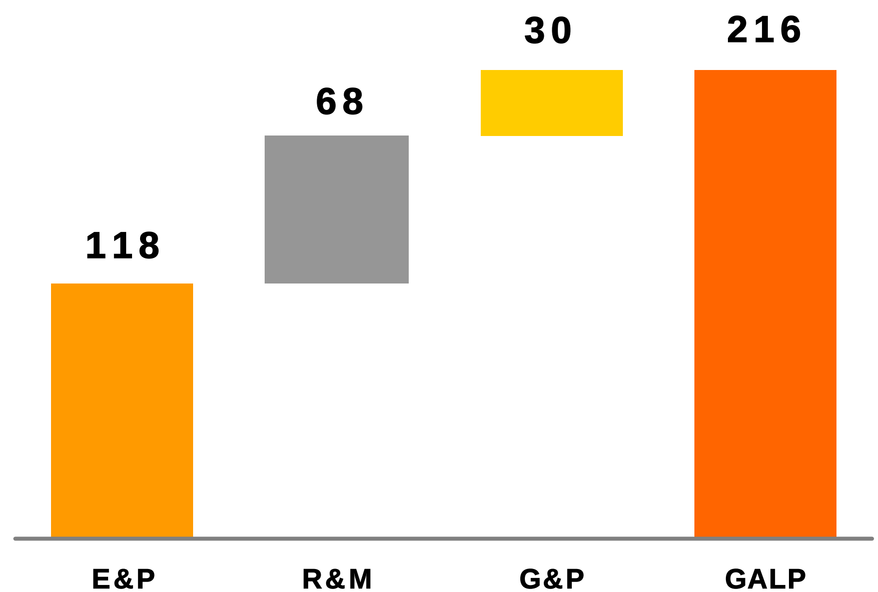
1H08 CAPEX INCREASE DRIVEN BY E&P SEGMENT

1H08 Cashflow (€ Million)



Net debt increase

1H08 Capex (€ Million)



	E&P	R&M	G&P	GALP
YoY	+45%	+67%	(20%)	+33%

[1] Net of dividends received

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NET DEBT IMPACTED BY DIVIDEND PAYMENT OF €139 M

Balance Sheet Items (€ Million)

	Dec. 2007	Mar. 2008	Jun. 2008	Change vs Dec.	Change vs Mar.
Fixed Assets	2,584	2,629	2,689	105	60
Strategic Stock	566	679	894	328	215
Other assets (liabilities)	(170)	(235)	(319)	(149)	(84)
Working Capital	180	121	355	175	235
Net Debt	734	598	812	78	215
Equity	2,426	2,596	2,807	380	211
Capital Employed	**3,160**	**3,194**	**3,619**	**459**	**425**
Net debt to Equity	30%	23%	29%	(1 p.p.)	6 p.p.

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FIRST HALF HIGHLIGHTS

EXPLORATION & PRODUCTION

- Contributed to 28% of replacement cost adjusted EBITDA in 1H08
- Realization price up 73% YoY in the 1H08

REFINING & MARKETING

- Time lag effect and Usd devaluation hurt refining margins in 1H08
- Direct customers continued supporting volumes in the quarter

GAS & POWER

- Replacement cost adjusted EBITDA up 60% YoY in 1H08
- Strong contribution from electrical and trading segments

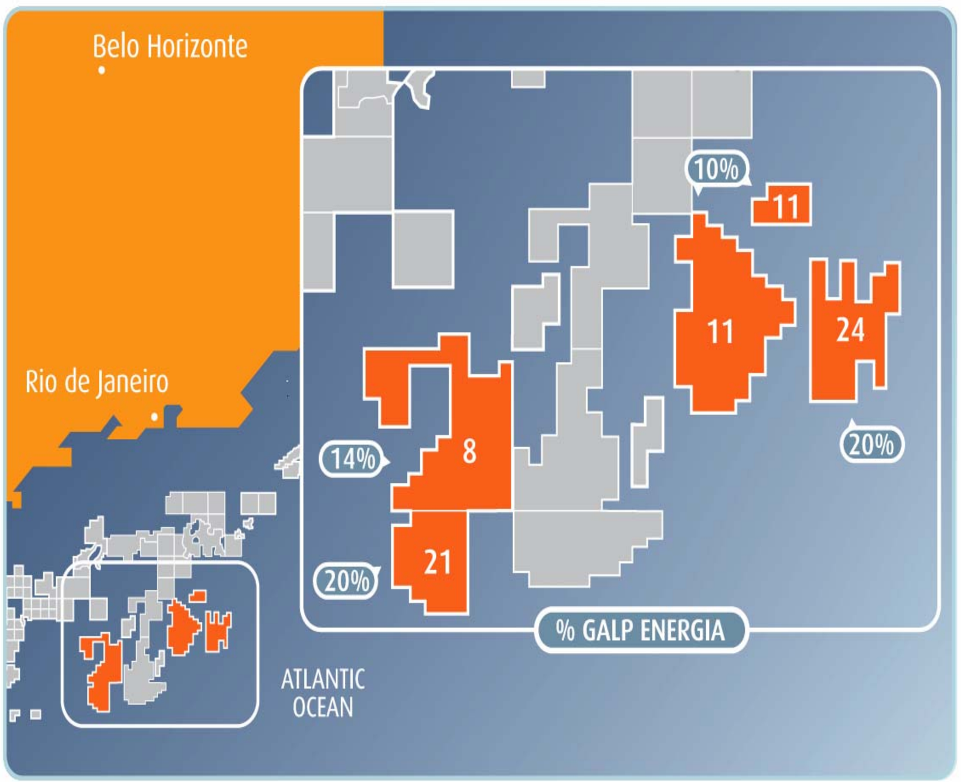
FINANCIALS

- Capex up 33% YoY in 1H08
- Net debt of €812 million contributing to a gearing of 29% in 1H08
- Interim dividend of €0.16 to be paid in November[1]

[1] To be approved by the Board of Directors

KEY DRIVERS UPDATE

GALP IS A KEY PLAYER IN SANTOS BASIN



Key highlights

- Tupi recoverable oil and natural gas between 5 and 8 billion bbl
- 1 gas and condensate discovery in BM-S-24 (Júpiter)
- 1 oil discovery in BM-S-21 (Caramba)
  - Evaluation plan already approved
- 1 oil discovery in BM-S-8 (Bem-te-vi)
  - Evaluation plan under discussion
- 2 wells being drilled, BM-S-11(Iara) and BM-S-24 (Júpiter)
  - Results due in 3Q08

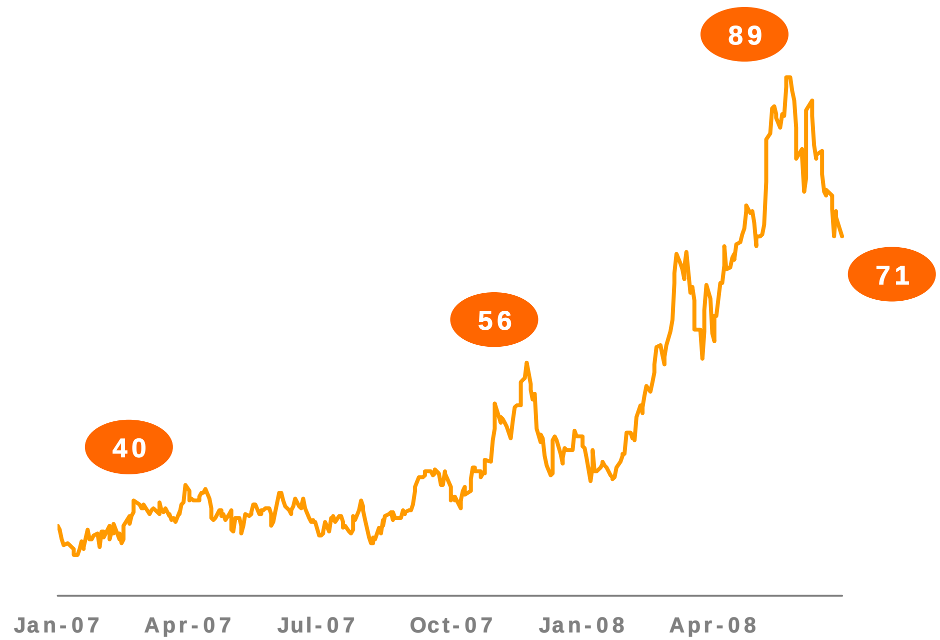
IMPACT OF CONVERSION PROJECT HIGHER THAN INITIALLY GUIDED

Key highlights

- Main equipment already contracted
- Project on track in terms of timing and cost
- Subsidy proposal from the Portuguese Government amounts to €150 mln in tax savings after the project starts
- Got PIN+, an instrument to fasten the licensing approval
- Should the project be already on stream, 2Q08 refining margin increment would be more than Usd 6/bbl*, higher than the Usd 3/bbl initially guided

* Assumes conversion project economics and 2Q08 cracking data

Spread diesel vs fuel oil (Usd / bbl)



Spread of diesel / fuel oil higher than the Usd 23 / bbl initially assumed

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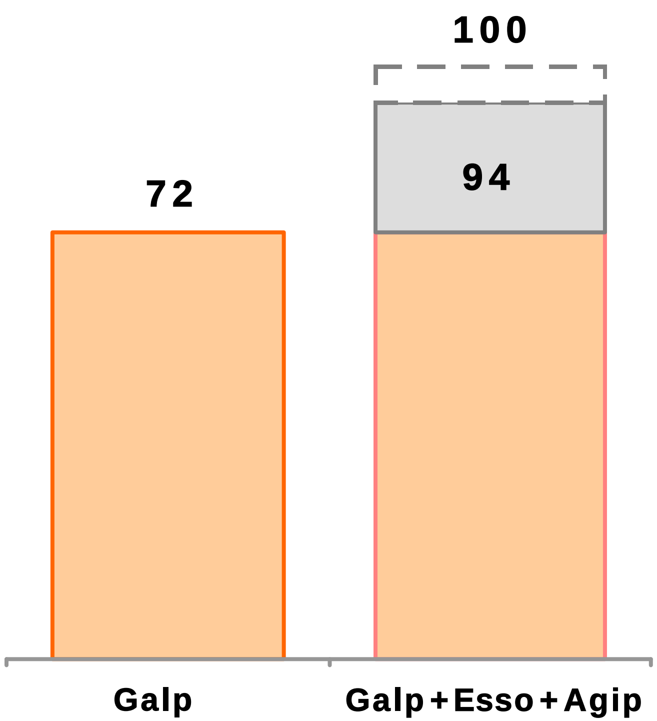
AGIP AND ESSO RETAIL NETWORKS ACQUISITION RATIONALE

Refining coverage (%)



	Galp[1]	Galp+Agip +Esso[1]
Number of sites	1,038	1,553
Number of CO's / C-stores	670 / 210	995 / 585
Iberian retail market share	8%	12%
Volumes (Mton)	9.4	12.4
Iberian dist. oil market share	12%	16%

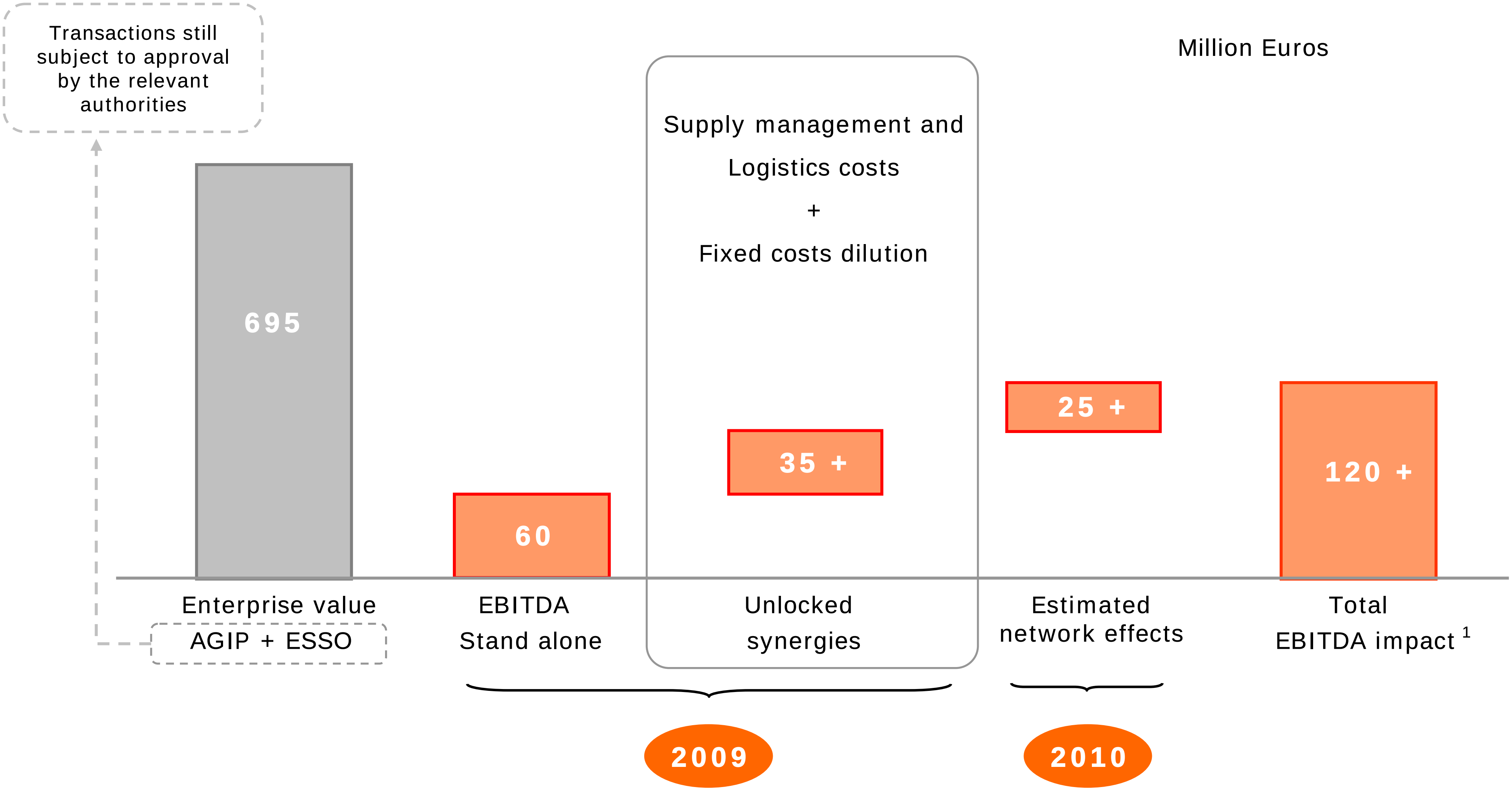
Increase integration of R&M activities decreases volatility of earnings

Strengthening marketing and logistic position in Spain

To be achieved

[1] Figures as of December 2007

INCREASED IBERIAN POSITION CAPTURES ECONOMIES OF SCALE



[1] Financial close of AGIP and ESSO transactions expected by 3Q08 and 1Q09 respectively. Full year impact in 2010

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