

SECOND QUARTER AND FIRST HALF 2009 RESULTS

AUGUST 06 2009



HIGHLIGHTS



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EXPLORATION & PRODUCTION

Strong decrease in crude price, down 53% YoY

REFINING & MARKETING

Global weak demand with negative impact on refining margins

GAS & POWER

Natural gas supply margins recovering

FINANCIALS

Financing strategy in place to execute transformational projects



2Q09 NET PROFIT OF €52 MLN

Profit & Loss

€ Mln	2Q09	2Q08	YoY	QoQ	1H09	YoY
Turnover	2,866	4,020	(29%)	(2%)	5,793	(23%)
EBITDA	130	216	(40%)	(14%)	281	(38%)
E&P	29	70	(58%)	+90%	45	(64%)
R&M	42	43	(2%)	(50%)	126	+7%
G&P	51	100	(49%)	+12%	97	(52%)
Others	8	3	+132%	n.m.	13	+84%
EBIT	57	148	(61%)	(24%)	132	(58%)
Net Profit	52	105	(50%)	+5%	101	(53%)
EPS (€/share)	0.06	0.13	(50%)	+5%	0.12	(53%)
EPS (\$/share)	0.09	0.20	(57%)	+10%	0.16	(59%)
Net Profit (IFRS)	93	250	(63%)	+111%	137	(69%)

- Operating results impacted by R&M, though with higher contribution from E&P and G&P QoQ
- Net profit benefited on lower effective tax rate due to lower Angola's IRP

ECONOMIC ENVIRONMENT IMPACTING OPERATING DRIVERS

KEY OPERATING DATA

		2Q09	2Q08	YoY	QoQ	1H09	YoY
Working interest production	k bbl/d	13.4	15.5	(14%)	+1%	13.3	(9%)
Net entitlement production	k bbl/d	9.3	11.3	(18%)	+11%	8.9	(16%)
Galp Energia refining margin	\$/bbl	1.6	4.0	(60%)	(42%)	2.1	(42%)
Crude processed	M bbl	21.3	25.1	(15%)	+61%	34.7	(29%)
Oil sales direct clients	M ton	2.8	2.3	+22%	(1%)	5.6	+21%
Natural gas sales	M m3	1,115	1,478	(25%)	+4%	2,189	(26%)
Electric power generation	GWh	137	109	+25%	(7%)	284	+16%

- Working interest production impacted by OPEC cuts
- Refining margin followed negative trend of benchmark
- Sales to direct customers benefited from Iberian acquisitions
- NG volumes affected by lower demand from electrical segment



BUSINESS OVERVIEW



STRONG DECREASE IN CRUDE PRICE, DOWN 53% YoY

MAIN DATA E&P

		2Q09	2Q08	YoY	QoQ	1H09	YoY
Working interest production	kbb/d	13.4	15.5	(14%)	+1%	13.3	(9%)
Net entitlement production	kbb/d	9.3	11.3	(18%)	+11%	8.9	(16%)
Net entitlement production	M bbl	0.8	1.0	(18%)	+12%	1.6	(17%)
Kuito	M bbl	0.1	0.1	(2%)	(7%)	0.2	+4%
BBLT	M bbl	0.7	0.9	(24%)	+8%	1.3	(21%)
TL	M bbl	0.1	0.0	+116%	+289%	0.1	+32%
Realized sale price	\$/bbl	57.8	117.3	(51%)	+32%	51.0	(55%)
OPEX/net entitlement bbl	\$/bbl	7.0	8.8	(21%)	(50%)	10.2	(9%)
EBITDA ¹	M €	29	70	(58%)	+90%	45	(64%)
CAPEX	M €	39	54	(28%)	+17%	72	(39%)

- OPEC cuts in 2009 negatively impacted production levels
- Net entitlement production up 11% QoQ
- Lower production costs as maintenance works ended
- Decrease in crude price impacted EBITDA



GLOBAL WEAK DEMAND WITH NEGATIVE IMPACT ON REFINING MARGINS

MAIN DATA R&M

		2Q09	2Q08	YoY	QoQ	1H09	YoY
Galp Energia refining margin	\$/bbl	1.6	4.0	(60%)	(42%)	2.1	(42%)
Spread over benchmark	\$/bbl	1.0	2.6	(61%)	n.m.	0.4	(88%)
Crude processed	M bbl	21.3	25.1	(15%)	+61%	34.7	(29%)
Refining throughput	M ton	3.2	3.6	(10%)	+66%	5.2	(27%)
Refined product sales	M ton	4.2	4.1	+3%	+7%	8.2	+2%
Sales to direct clients	M ton	2.8	2.3	+22%	(1%)	5.6	+21%
Portugal	M ton	1.6	1.6	(1%)	+5%	3.1	(2%)
Spain	M ton	1.2	0.7	+73%	(7%)	2.5	+71%
Other portuguese operators	M ton	0.8	1.1	(24%)	+11%	1.5	(23%)
Exports	M ton	0.6	0.7	(17%)	+54%	1.0	(26%)
EBITDA ¹	M €	42	43	(2%)	(50%)	126	+7%
CAPEX	M €	106	47	+128%	+134%	151	+124%

- Light/heavy crude spread decrease drove down premium to benchmark and refining margins
- Crude processed impacted by Sines refinery incident and optimization of crude runs
- Negative time lag of €24 Mln in 2Q09
- Resilient marketing activity and volumes increased with iberian acquisitions



NATURAL GAS SUPPLY MARGINS RECOVERING

MAIN DATA G&P

		2Q09	2Q08	YoY	QoQ	1H09	YoY
NG supply total sales volumes	M m3	1,115	1,478	(25%)	+4%	2,189	(26%)
Liberalized markets sales volumes	M m3	774	881	(12%)	+58%	1,263	(26%)
Electrical and Trading	M m3	517	862	(40%)	+25%	931	(44%)
Industrial	M m3	257	19	n.m.	n.m.	333	n.m.
Regulated markets sales volumes	M m3	341	597	(43%)	(42%)	926	(26%)
Sales of electricity to the grid	GWh	134	108	+24%	(7%)	277	+15%
EBITDA ¹	M €	51	100	(49%)	+12%	97	(52%)
CAPEX	M €	22	17	+33%	+34%	39	+28%

- Strong volumes in liberalized industrial segment with positive impact on EBITDA
- Positive impact from the reduction of sourcing and marketing natural gas' contracts mismatch, in line with previous guidance
- Resilient contribution from natural gas distribution business



FINANCIAL OVERVIEW



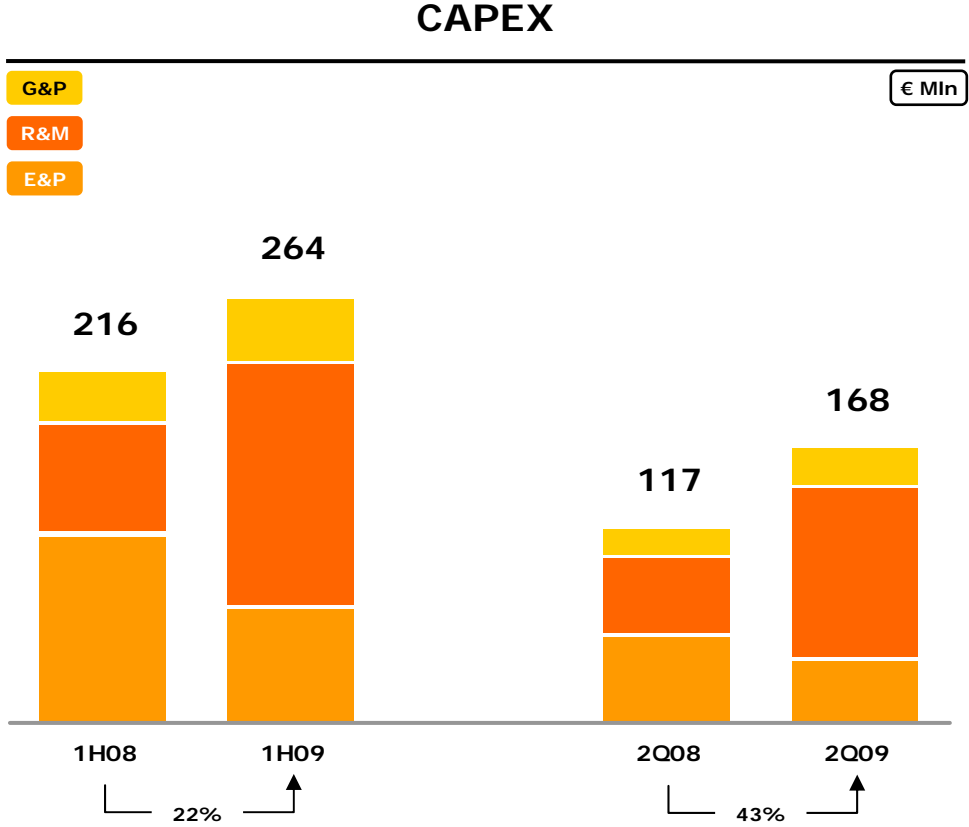
2Q09 NET PROFIT RCA OF €52 MLN

Profit & Loss

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Turnover	2,866	4,020	(29%)	(2%)	5,793	(23%)
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Others	8	3	+132%	n.m.	13	+84%
EBIT	57	148	(61%)	(24%)	132	(58%)
Associates ¹	21	10	+104%	+21%	38	+72%
Financial results	(15)	(4)	n.m.	+15%	(33)	(144%)
Taxes	10	48	(80%)	(59%)	33	(70%)
Net Profit	52	105	(50%)	+5%	101	(53%)

- Others are mainly related to cost savings at the holding level, which will be allocated to business segments in the future
- Financial results more than offset by associates contribution
- Lower 2Q09 effective tax rate due to lower Angola's IRP

CAPEX FOCUSED ON TRANSFORMATIONAL PROJECTS EXECUTION



- E&P capex conducted to operations in Block 14, namely Tômbua-Lândana, which production is due to ramp-up at 3Q09
- Conversion refining project on track
- Main stake of G&P capex channelled to the extension of the network in NG distribution



STABLE NET DEBT LEVEL DESPITE DIVIDEND PAYMENT

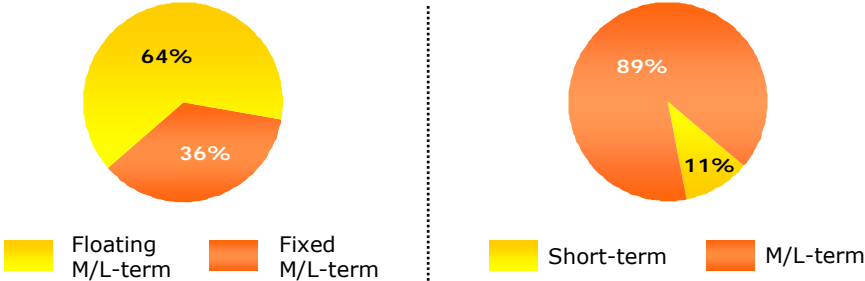
CONSOLIDATED BALANCE SHEET

€ Mln	Jun. 2009	Mar. 2009	Jun - Mar	Dec. 2008	Jun - Dec
Fixed assets	3,824	3,698	+126	3,881	(57)
Work in progress	1,007	924	+83	868	+139
Strategic stock	603	595	+7	480	+123
Other assets (liabilities)	(82)	(48)	(34)	(29)	(52)
Working capital	(27)	162	(189)	(249)	+222
Net debt	2,101	2,143	(42)	1,864	+237
Equity	2,217	2,265	(47)	2,219	(1)
Capital employed	4,318	4,408	(89)	4,082	+236
Net debt to equity	95%	95%	0.1 p.p.	84%	10.8 p.p.

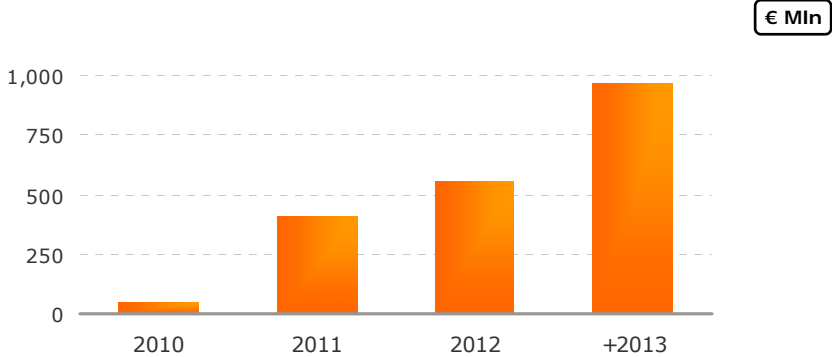
- Fixed assets increase, in line with capex execution
- Tupi and conversion projects as main contributors to work in progress
- Improved management of working capital in the second quarter

STRONG LIQUIDITY POSITION

Debt structure as of June 2009



M/L-term debt reimbursement profile



- Net debt totalled €2.1 Bln
- Average M/L-term debt maturity of 4.3 years
- Average interest rate of 3.5%
- Current liquidity of €1.6¹ Bln



¹ Liquidity position as of the end of June

OUTLOOK

EXPLORATION & PRODUCTION

Drilling program, namely in Santos and Espírito Santo basins

REFINING & MARKETING

Cautious refining margin outlook

GAS & POWER

Mismatch of sourcing and marketing natural gas contracts ends in 3Q09

FINANCIALS

Capex execution on track and focused on transformational projects

STRATEGY EXECUTION – KEY POINTS

- ✓ Tômbua-Lândana's production to start-up in 3Q09
- ✓ BM-S-11's project (Tupi, Iara and Iracema) on fast track development
- ✓ Conversion project execution on time
- ✓ Synergies captured from Iberian oil acquisitions in line with expectations
- ✓ Increased focus on cost control and internal efficiency

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