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28 October 2011

Results

NINE MONTHS AND THIRD QUARTER 2011

Delivering growth through exploration and production

Key highlights

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Key highlights

- Net profit in 3Q11 reached €61 Mln
- Sines refinery steady production post-upgrade in 2Q12
- Lula/Cernambi development plan being executed
- Drilling activity focused on high potential projects
- Ensuring a solid and trustable capital structure

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Net profit reached €61 Mln in 3Q11

Profit & Loss (€Mln)

	3Q11	3Q10	YoY	QoQ	9M11	YoY
Turnover	**4,277**	3,590	+19%	(2%)	12,429	+19%
EBITDA	**221**	223	(1%)	(4%)	585	(14%)
E&P	**63**	37	+69%	(16%)	186	+43%
R&M	**74**	126	(41%)	(22%)	191	(41%)
G&P	**79**	56	+41%	+34%	199	(6%)
Others	**4**	4	+10%	+165%	9	(13%)
EBIT	**111**	136	(19%)	(8%)	285	(27%)
Associates	**17**	18	(4%)	+13%	53	+2%
Financial results	**(29)**	(18)	(66%)	+17%	(94)	(32%)
Taxes	**(35)**	(43)	(19%)	+27%	(63)	(37%)
Net Profit	**61**	93	(34%)	(13%)	172	(35%)
Net Profit (IFRS)	**94**	96	(2%)	(6%)	385	+8%

- G&P solid performance driven by higher supply margins
- R&M earnings still impacted by negative refining margin environment
- EBIT affected by non-cash costs related to DD&A in Angola

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Net debt increase driven by transformational capex execution

Balance sheet (€Mln)

	Sep.2011	Jun.2011	Sep - Jun	Dec.2010	Sep - Dec
Fixed assets	**5,884**	5,782	+103	5,426	+458
Work in progress	**2,494**	2,350	+144	1,981	+513
Strategic stock	**1,060**	1,048	+12	792	+268
Other assets (liabilities)	**(371)**	(396)	+25	(336)	(35)
Working capital	**(231)**	(344)	+113	(333)	+103
Net debt	**3,378**	3,208	+170	2,837	+541
Equity	**2,964**	2,881	+83	2,711	+253
Capital employed	**6,343**	6,090	+253	5,548	+794
Net debt to equity	114%	111%	2.6 p.p.	105%	9.3 p.p.

- Capex decelerating with refining upgrade project coming to its end
- Net debt increase of €170 Mln, with a 4.3% cost of debt
- Additional liquidity facilities of €0.9[1] Bln, with strong support from international banks

[1] Liquidity position as of the end of September 2011

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Short term outlook

- 4Q11 working interest production targeted at c.23 kbopd
- Refining margin to be positively impacted by Matosinhos refinery upgrade
- Marketing volumes down QoQ, still impacted by the Iberian macro economic environment
- Natural gas volumes to increase QoQ supported by seasonality and trading volumes

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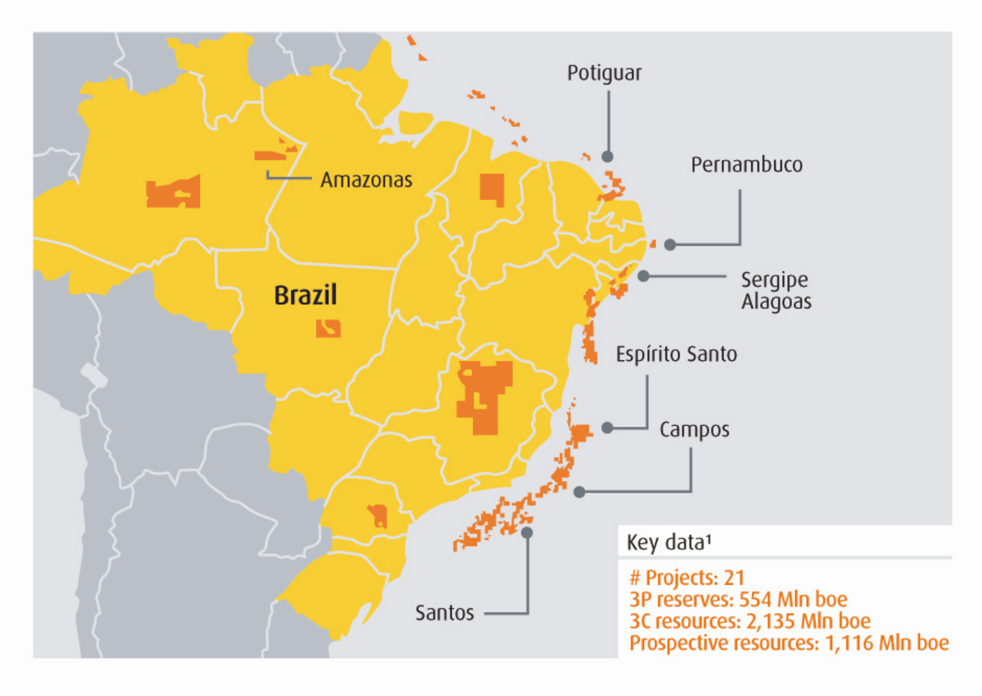
Ensuring a solid and trustable capital structure

Brazilian portfolio



Key highlights

- Using E&P Brazil for potential minimum cash in of c.€2 Bln
- Assets captured companies interest worldwide
- Binding offers already received
- Negotiations ongoing with short list of bidders

[1] Source: DeGolyer and MacNaughton at 31/12/2010
Prospective resources mean estimate unrisked

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Sines refinery steady post-upgrade production in 2Q12

4Q11

- Matosinhos up and running since June and currently producing VGO
- 95% of capex already invested
- Sines physical completion before YE2011

1Q12

- New Sines refinery units start-up
- Commissioning new units
- VGO produced in Matosinhos to start feedstocking Sines

2Q12 +

- Steady production
- Fully integrated refining system
- Positive impact in earnings

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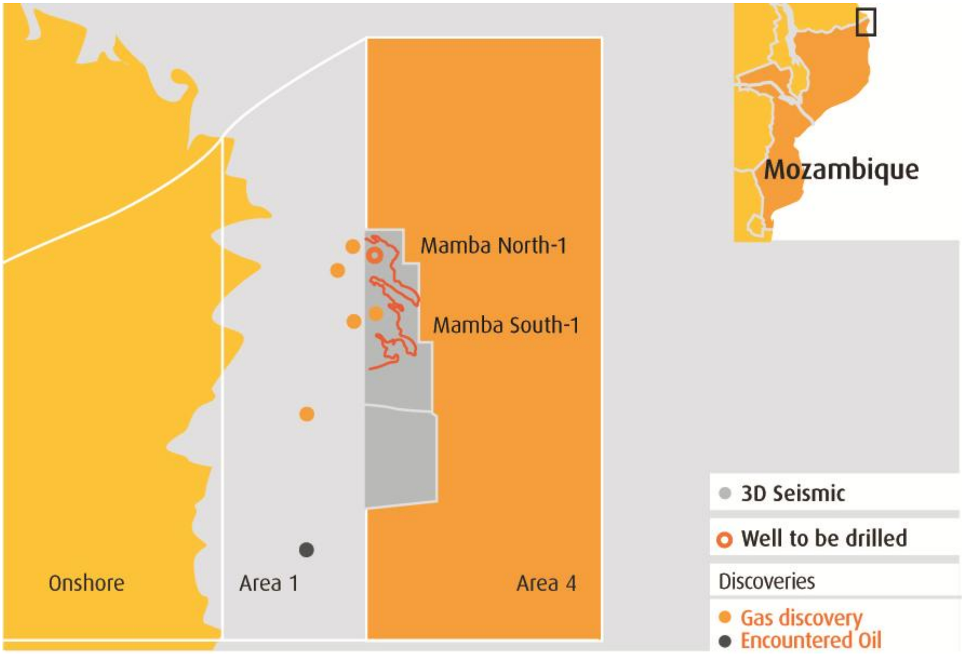
In the right track to portfolio diversification

Mozambique – Rovuma basin



- First exploration well confirms Rovuma as a world class province
- Mamba South estimated natural gas in place up to 22.5 Tcf
- Next well to be drilled this year in Mamba North, part of a larger appraisal program
- Rovuma basin is now a core exploration area

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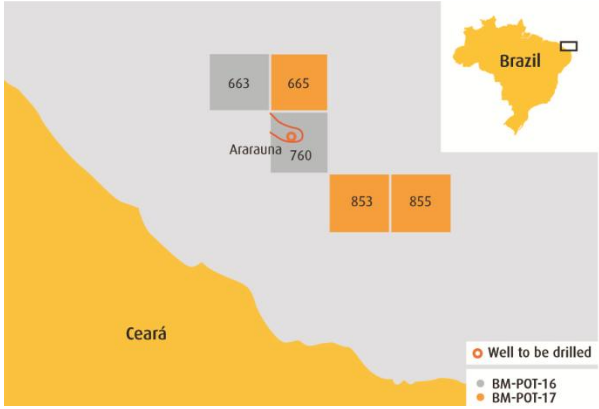
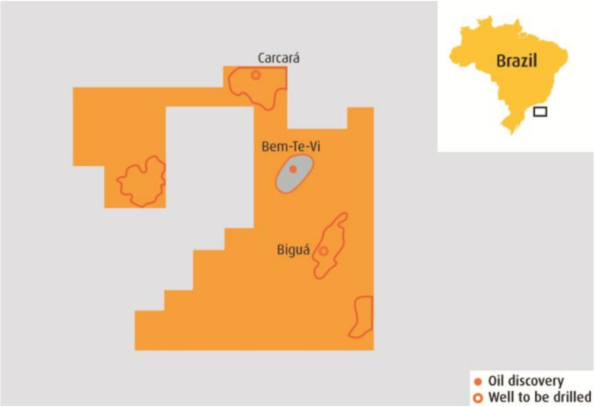
Drilling activity will continue focusing on high potential projects

Potiguar basin



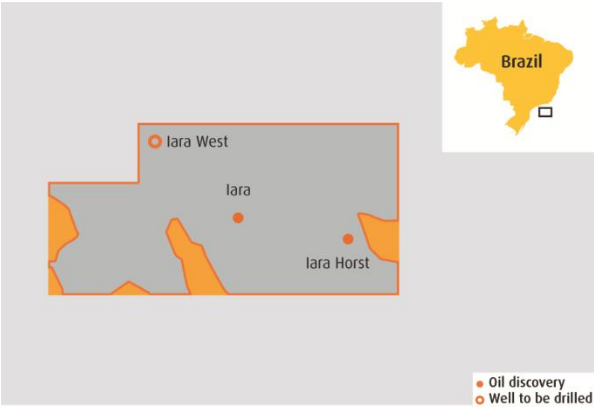
First exploration well scheduled for 4Q11

BM-S-8



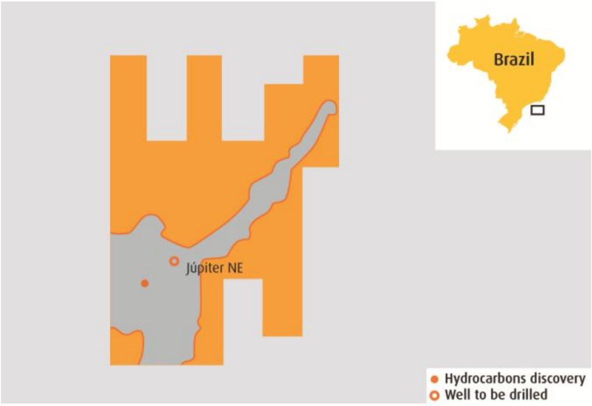
Drilling in 4Q11 targeting two prospects

Iara area



Iara W in 4Q11 to better understand reservoir

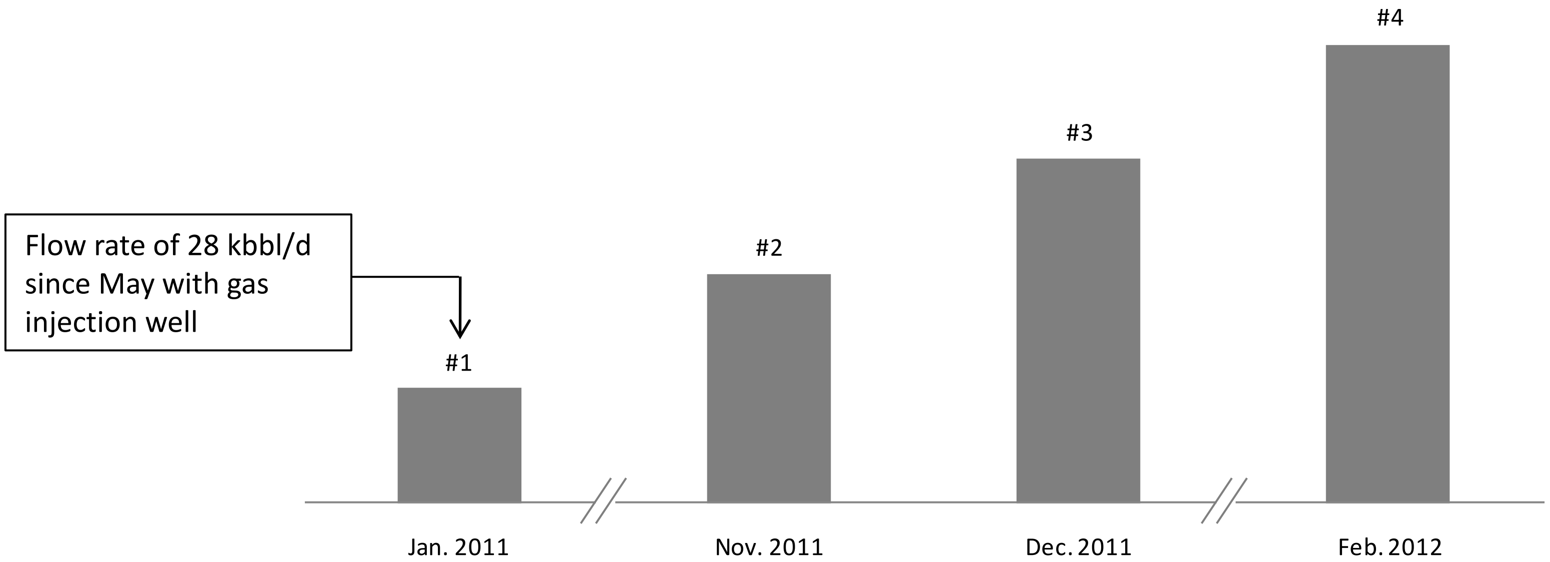
BM-S-24



Appraisal well in Júpiter rescheduled for 2012

Lula/Cernambi development plan being executed

Lula-1 project cumulative producing wells[1]



Lula production ramping up reaching c.80 kbbl/d by YE2011

[1] FPSO Cidade de Angra dos Reis with capacity of 100 kbopd.

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Final remarks

- Forthcoming Brazilian transaction announcement
- Upgrade project capex reaching the end contributing to incremental cash flow generation
- De-risking of resources ongoing in crucial areas
- Development of Lula/Cernambi ahead of expectations anticipating cash flow generation

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SAVE THE DATE

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Capital Markets Day 2012

London

March 6th 2012

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Brazil gaining relevance within business segment

Main E&P data

		3Q11	3Q10	YoY	QoQ	9M11	YoY
Working interest production	kbbl/d	**20.8**	19.6	+6%	(5%)	20.6	+7%
Net entitlement production	kbbl/d	**12.2**	9.5	+28%	(11%)	11.9	+8%
Angola	kbbl/d	**8.0**	8.1	(1%)	(20%)	8.8	(7%)
Brazil	kbbl/d	**4.2**	1.5	+185%	+13%	3.1	+99%
Realized sale price[1]	$/bbl	**106.3**	74.5	+43%	(0%)	102.0	+35%
OPEX/net entitlement production[1]	$/bbl	**17.4**	15.4	+13%	+25%	16.5	+23%
EBITDA	M €	**63**	37	+69%	(16%)	186	+43%
EBIT	M €	**19**	9	+123%	(32%)	70	+13%
CAPEX	M €	**57**	96	(41%)	(30%)	208	(14%)

- Lula field drove working interest production growth
- Brazil production accounting for 4.2 kbbl/d in 3Q11, 34% of total net entitlement production
- Business segment performance supported by both higher crude price and higher production

[1] Based on net entitlement production in Angola

R&M EBITDA impacted by the refining business

Main R&M data

		3Q11	3Q10	YoY	QoQ	9M11	YoY
Galp Energia refining margin	$/bbl	**0.9**	2.1	(60%)	+37%	0.8	(70%)
Spread over benchmark	$/bbl	**1.3**	1.6	(19%)	(30%)	1.6	(1%)
Crude processed	M bbl	**20.7**	23.0	(10%)	(1%)	55.2	(17%)
Refining throughput	M ton	**3.0**	3.2	(7%)	(2%)	8.1	(15%)
Refined product sales	M ton	**4.3**	4.4	(3%)	+1%	8.1	(15%)
Sales to direct clients	M ton	**2.8**	2.7	+1%	+5%	7.8	(5%)
Portugal	M ton	**1.5**	1.5	(2%)	+5%	4.1	(7%)
Spain	M ton	**1.1**	1.1	(0%)	+4%	3.2	(6%)
Africa	M ton	**0.2**	0.1	+44%	+15%	0.5	+27%
Operators	M ton	**0.8**	0.9	(9%)	+2%	2.5	(6%)
Exports	M ton	**0.7**	0.7	(7%)	(12%)	1.9	(17%)
EBITDA	M €	**74**	126	(41%)	(22%)	191	(41%)
EBIT	M €	**21**	75	(72%)	(53%)	41	(77%)
CAPEX	M €	**148**	276	(46%)	(19%)	560	(0%)

- Refining margin followed negative trend of international markets
- Iberian economic environment impacting sales to direct clients
- Oil distribution volumes in 3Q11 in line YoY, supported by business in Africa

EBITDA improved YoY supported by supply business

Main G&P data

		3Q11	3Q10	YoY	QoQ	9M11	YoY
NG supply total sales volumes	M m3	**1,159**	1,302	(11%)	(2%)	3,951	+10%
Electrical	M m3	**490**	613	(20%)	+1%	1,479	+0%
Industrial	M m3	**480**	428	+12%	(10%)	1,495	+6%
Residential	M m3	**88**	64	+37%	(14%)	475	+69%
Others	M m3	**101**	198	(49%)	+56%	502	+18%
Sales of electricity to the grid	GWh	**320**	301	+6%	(1%)	867	(5%)
EBITDA	M €	**79**	56	+41%	+34%	199	(6%)
EBIT	M €	**68**	50	+35%	+42%	167	+17%
CAPEX	M €	**12**	12	+2%	+1%	37	(35%)

- Supply margin increase supported by optimization of natural gas purchases
- Stable contribution from NG infrastructure
- Power activity positively impacted by Sines cogeneration performance

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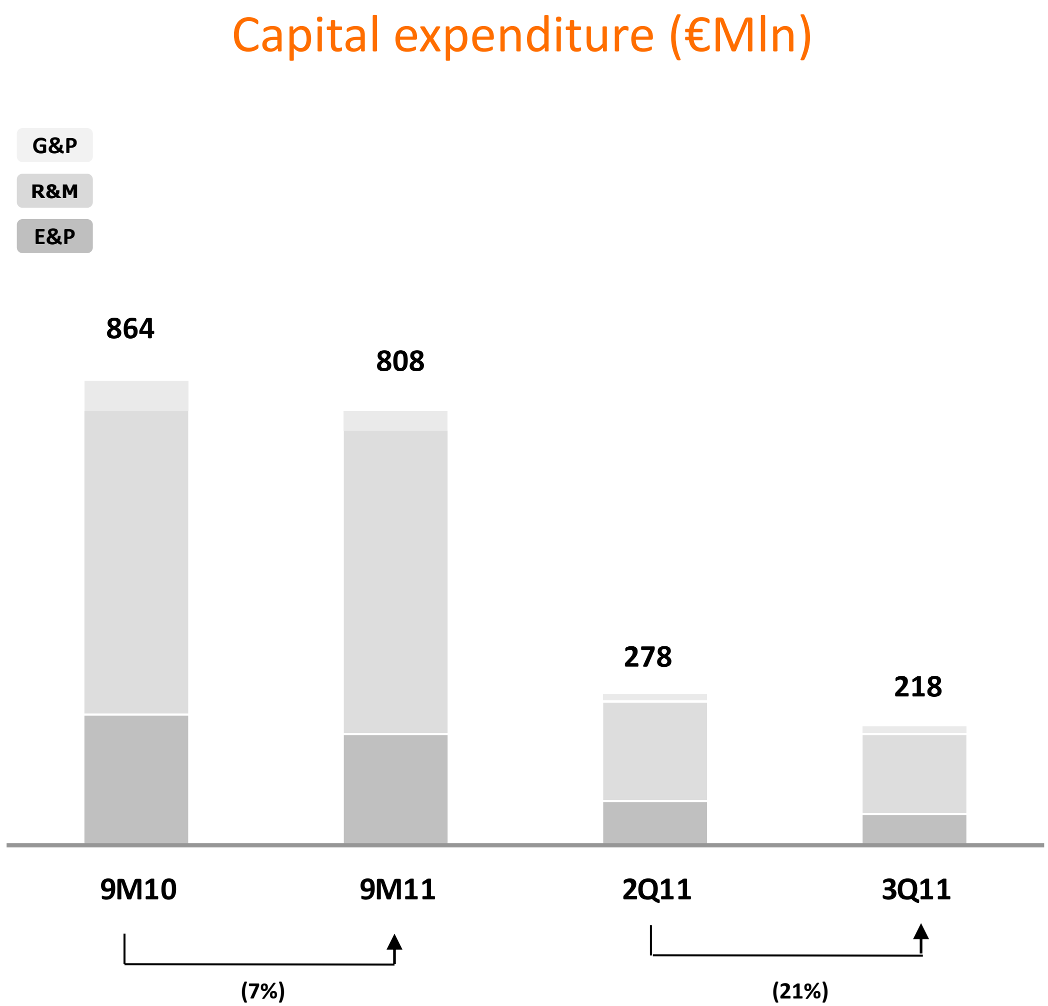
Capex evolution signing final stage of upgrade project



- Development activities in Brazil responsible for most of E&P capex
- Upgrade refining project accounting for c.80% of R&M capex
- G&P capex channelled to natural gas distribution network

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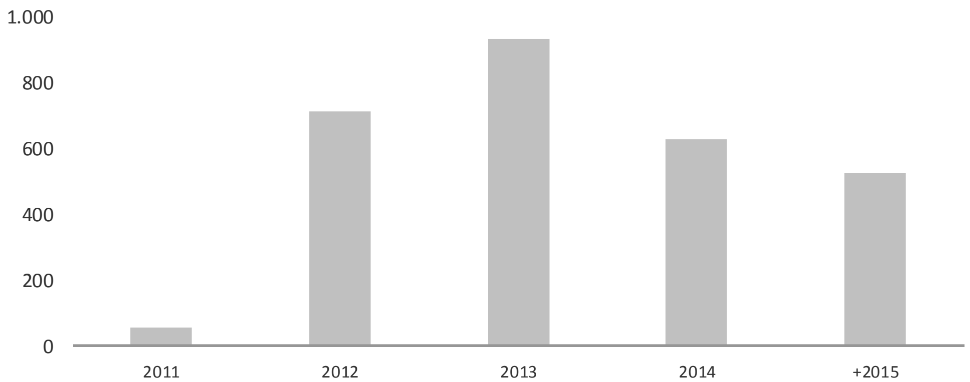
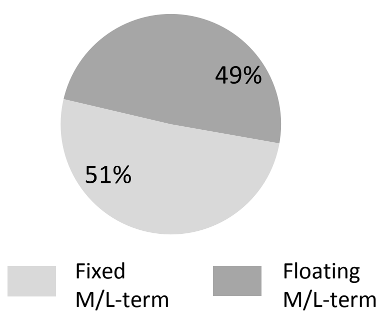
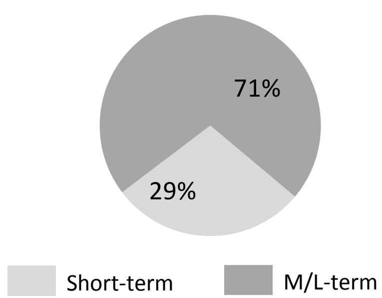
Additional facilities of €0.9[1] Bln

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



Debt structure as of September 2011





- Major debt reimbursement scheduled for 2012-14 period
- Total net debt of €3.4 Bln, with an average life of 2.3 years
- Average interest rate of 4.3%, up 88 b.p. YoY
- 60% of current additional facilities already contract guaranteed

[1] Liquidity position as of the end of September 2011

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RCA figures except otherwise noted.

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