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10 February 2014

Results

FOURTH QUARTER AND FULL YEAR 2013

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Key highlights

- Lula-1 project performing according to plan, while Lula NE production continues its ramp-up
- Key appraisal activities underway to optimise Iara development plan with DoC at YE2014
- Pitú well opened a new play in Potiguar offshore basin with the first oil accumulation discovery in the region
- 4Q13 Ebitda of €271 m, up 16% YoY mainly following higher production in Brazil

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E&P: Lula/Iracema: an outstanding project being executed according to plan

2010

- Development plan submitted for Lula/Iracema field
- Start of commercial production in Lula field with FPSO #1

2013

- Start of production of FPSO #2 in June, with one producer well at 30 kbopd
- FPSO #1 producing at c.90% capacity during 2013 with technical costs below $15/boe[1]

2014

- FPSO #2 ramp-up during the year and to reach full capacity in 4Q
- FPSO #3 execution rate of 80% and to start production in 4Q

2015-2017

- Seven additional FPSO to start producing in the period
- Construction works at Brazilian and international shipyards proceeding in line with plan

[1]Opex plus DD&A , excludes royalties and SPT.

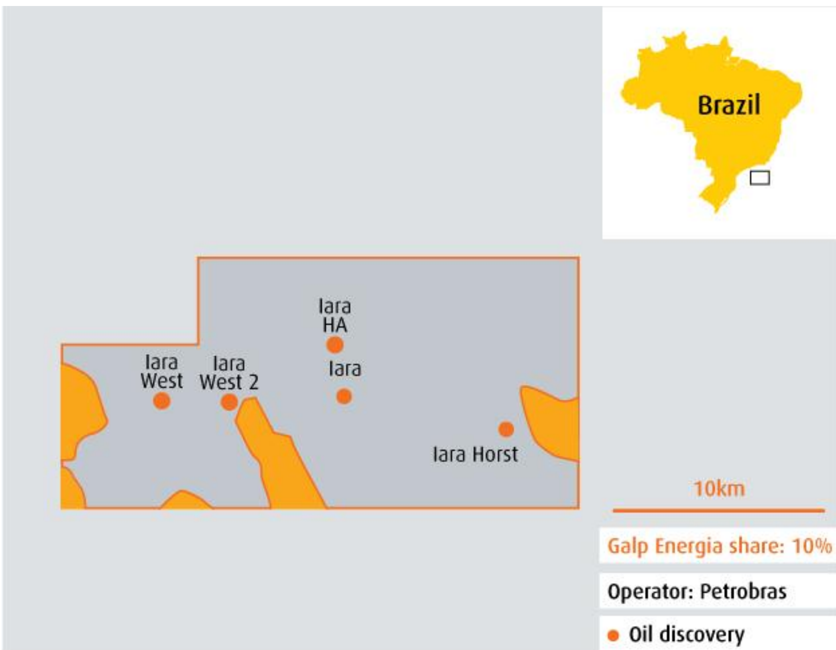
E&P: Lula NE project on track for full production ramp-up by 4Q14

Lula NE milestones	Schedule	Status
Delivery of FPSO Cidade de Paraty	May-13	✓
Start of production	Jun-13	✓
Connection of injector well	Aug-13	✓
Connection of producer well[1]	4Q13	✓ (in Jan-14)
Connection to gas export pipeline	1Q14	✓
Installation of first BSR (BSR South)	1Q14	✓
Connection of producer wells #2 and #3	2Q14	
Installation of second BSR (BSR North)	2Q14	
Connection of producer wells #4 to #6	3Q14	
FPSO at full capacity	4Q14	

[1] Contingency measure for using a flexible riser considering delay in first BSR installation. Well will be disconnected at the end of 1Q14 in the context of BSR North installation, and will be reconnected in the 3Q14 (producer well #4)

E&P: Appraisal works at Iara key to better delineate development plan

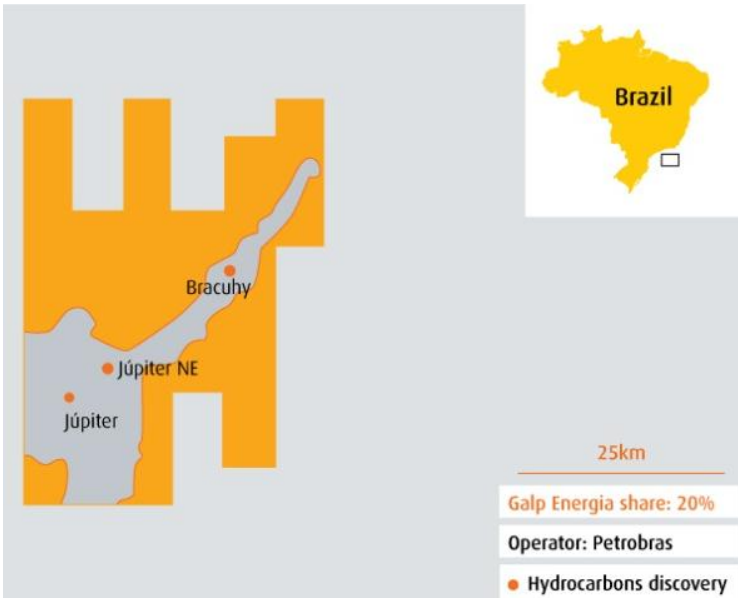
Iara field



- Performing DST at Iara HA
- One EWT scheduled for 2014, with location pending final results at Iara HA
- Two FPSO already contracted, but appraisal activities underway key to assess potential for additional units
- DoC to be submitted in Dec-2014 in line with objective to start production by 2017

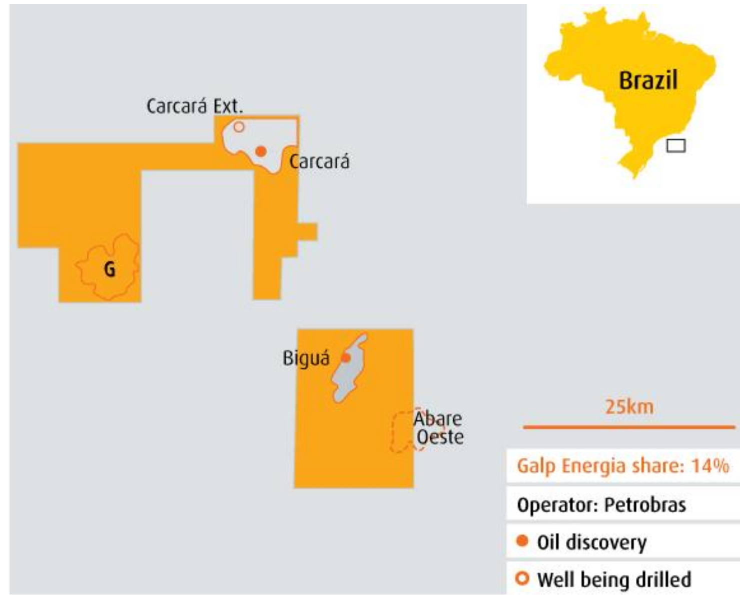
E&P: Continued appraisal works to de-risk Júpiter and Carcará

Block BM-S-24



Bracuhy results reinforced volumes of oil and condensates to be developed in the block

Block BM-S-8



Evaluating whether to drill Carcará Extension in one or two different stages

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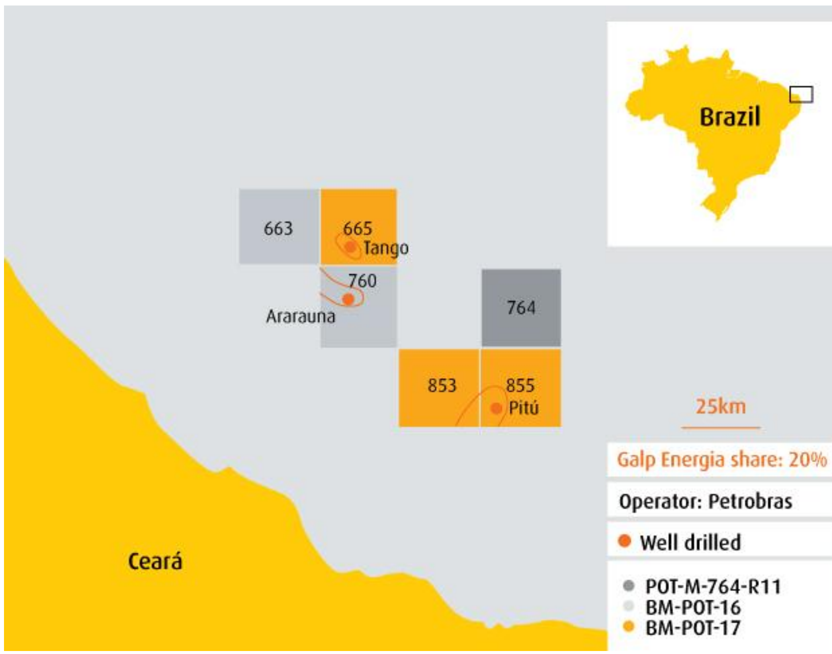
E&P: Pitú well proved first oil accumulation discovery in Potiguar offshore basin

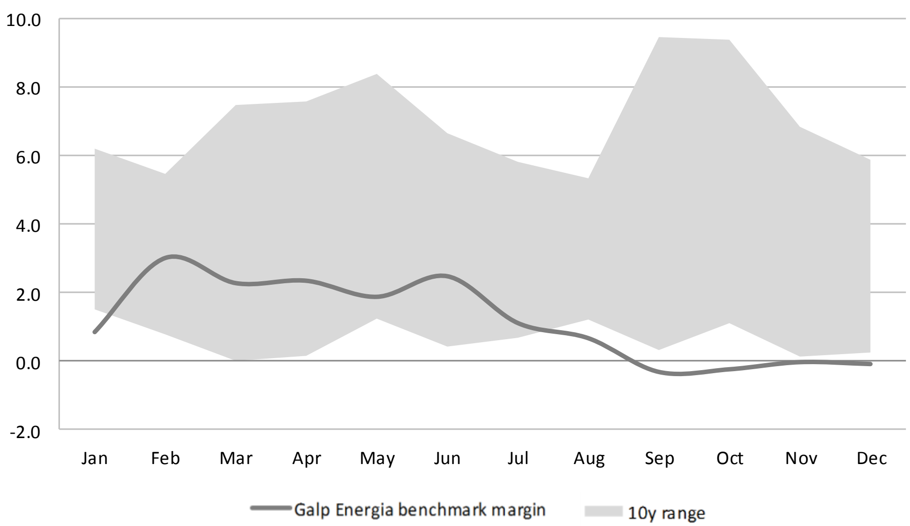
Potiguar offshore basin



- Pitú results opened a new play in high potential frontier area offshore Brazil
- Well with two objectives in the Cretaceous interval, Upper Aptian and of Lower Aptian age
- Currently completing drilling operations at Pitú well
- Drilling to be followed by a DST to better assess discovery potential

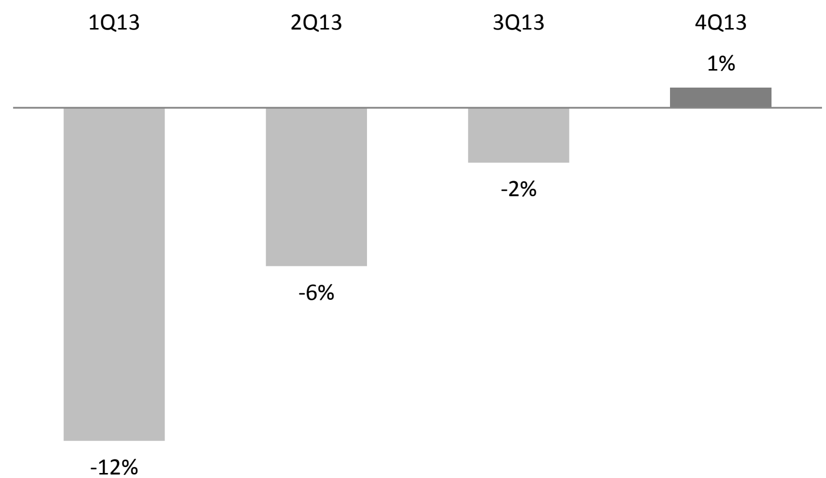
R&M: Challenging refining conditions, whilst Iberian market stabilising

Benchmark refining margin in 2013 ($/bbl)



Refining margins hit historical lows in 4Q13 due to excess capacity

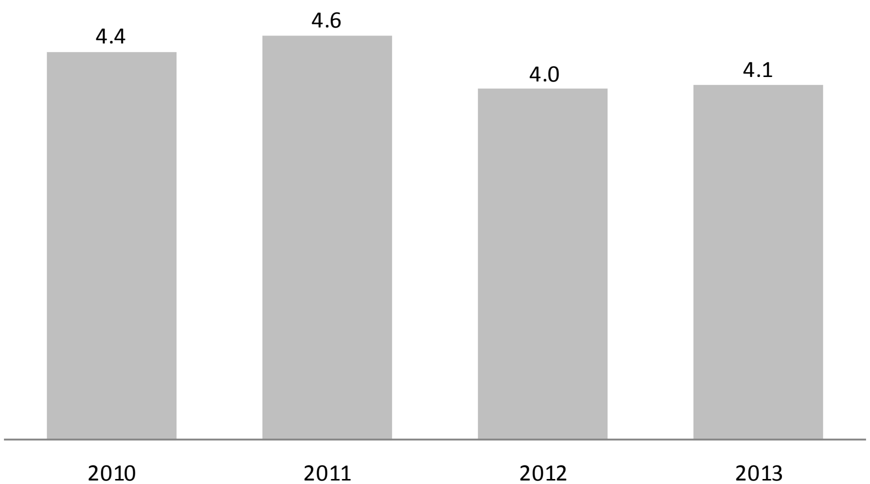
Iberian oil market (YoY change)



Iberian oil market improved in 4Q13, up 4% YoY in Portugal and 1% YoY in Spain

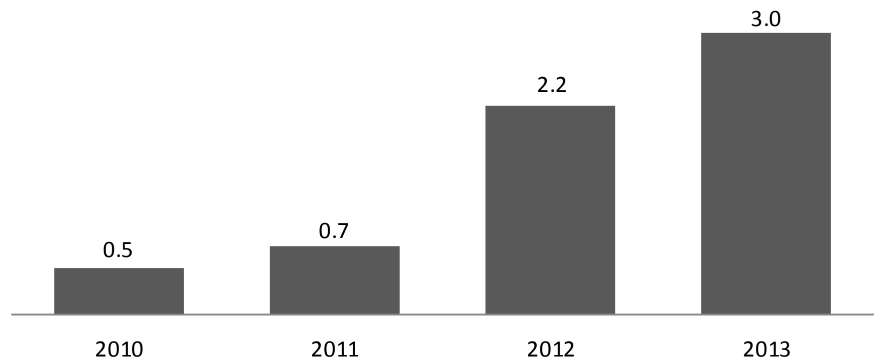
G&P: Continued strong business performance

Natural gas sales to direct clients (bcm)



Stable demand for natural gas in Iberia Peninsula of c.4 bcm per year

LNG trading sales (bcm)



3 bcm traded in 2013, with 36 cargoes sold mainly to LatAm and Asia

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4Q13 Ebitda up 16% YoY driven by higher E&P production

Profit & Loss (€ m)

	4Q13	4Q12	YoY	QoQ	2013	YoY
Turnover	**4,717**	**4,231**	+11%	(19%)	**19,620**	+6%
Ebitda	**271**	**234**	+16%	(13%)	**1,141**	+11%
E&P	**109**	**77**	42%	(1%)	**396**	+6%
R&M	**67**	**80**	(16%)	(9%)	**315**	+2%
G&P	**93**	**87**	+7%	(24%)	**412**	+17%
Ebit	**149**	**147**	+2%	+5%	**590**	(2%)
Associates	**16**	**16**	+2%	+0%	**64**	(12%)
Financial results	**(31)**	**(36)**	+15%	+9%	**(121)**	(53%)
Taxes	**(31)**	**(28)**	+10%	(38%)	**(168)**	(8%)
Minority interests	**(13)**	**(15)**	(14%)	(26%)	**(55)**	+5%
Net Profit	**92**	**83**	+10%	+61%	**310**	(14%)
Net Profit (IFRS)	**49**	**13**	n.m.	(57%)	**189**	(45%)

- Ebitda benefited mainly from higher production in Brazil, following start of production at Lula NE
- Refining conditions preventing a stronger Group perfomance
- Upward revision of reserves in Angola driving lower DD&A and positively impacting Ebit

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Maintaining a robust financial position

Balance sheet (€ m)[1]

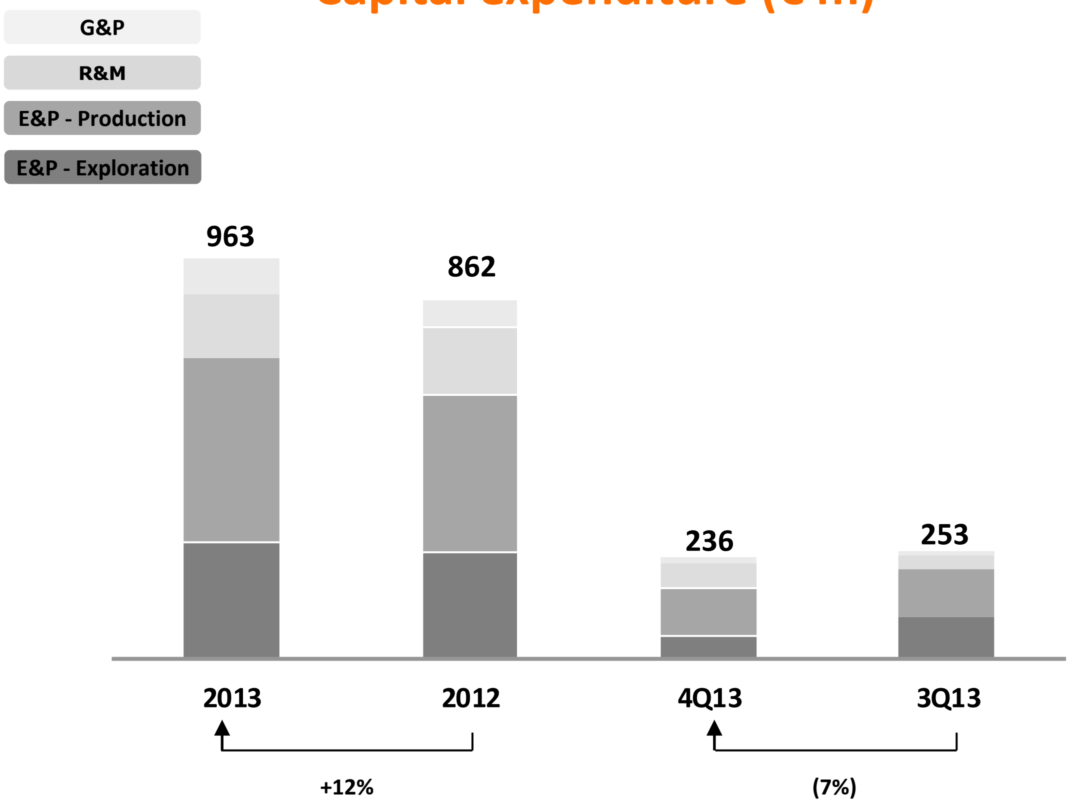
	Dec.2013	Sep.2013	Dec - Sep	Dec.2012	Dec - Dec
Fixed and LT assets	**6,883**	**6,833**	+50	**6,599**	+284
Working capital	**1,294**	**1,404**	(110)	**1,324**	(30)
Loan to Sinopec	**871**	**886**	(14)	**931**	(60)
Other assets (liabilities)	**(460)**	**(420)**	(39)	**(451)**	(9)
Capital employed	**8,589**	**8,703**	(114)	**8,403**	+186
Net debt[2]	**2,173**	**2,191**	(18)	**1,697**	+476
Equity	**6,416**	**6,512**	(96)	**6,706**	(290)
Net Debt + Equity	**8,589**	**8,703**	(114)	**8,403**	+186

- Disciplined working capital management in the period, namely of inventories
- Net debt stable at €2.2 bn with cash generated in the quarter covering capex needs
- Net debt of €1.3 bn considering loan to Sinopec as cash and equivalents, with implicit net debt to Ebitda of 1.1x

[1] IFRS figures
[2] Excludes loan to Sinopec

In 4Q13, capex allocated to E&P activities accounted for c.70% of total

Capital expenditure (€ m)



- Development activities in BM-S-11 accounted for c.70% of E&P capex, including infrastructure, development wells and RDA campaign
- Downstream and gas capex mainly allocated to maintenance activities
- 2013 capex below guidance partially due to €/$ appreciation

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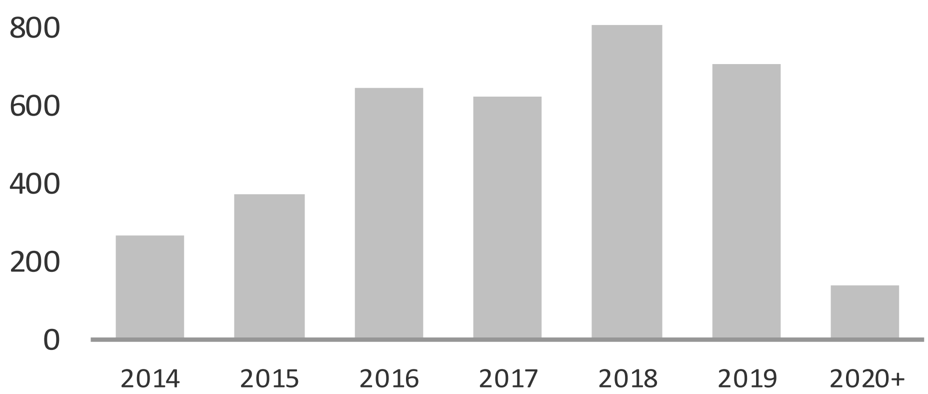
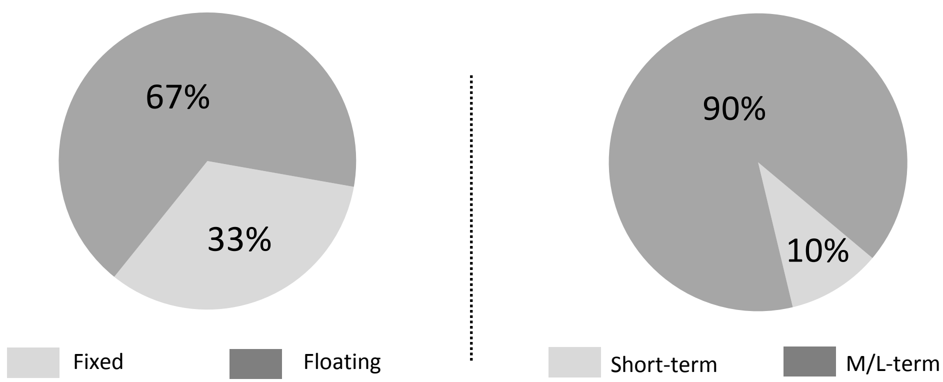
Sucessfully aligning debt maturities with expected cash flow profile

Debt reimbursement profile[1] (€ m)



Debt structure[1]



- Placement of €500 m inaugural bond in 4Q13, currently trading with an yield of 3,3% (5Y fixed rate)
- Gross debt[1] of €3.7 bn with an average maturity of 3.6 years
- Average cost of debt[1] of 4.4%
- Liquidity of €3.6[1] bn: Cash and equivalents of €1.5 bn; loan to Sinopec of €0.9 bn; available credit lines of €1.2 bn

[1] As of the end of December 2013

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Final remarks

- Strong commitment to execute Lula/Iracema development project on time and on budget

- Intensive appraisal during 2014 to de-risk development of Iara, Júpiter and Carcará

- Positive cash flow from downstream and gas activities, despite persistent tough refining environment in Europe

- Focused on maintaining robust financial position

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Capital Markets Day 2014

London, 4 March 2014

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Production increased 24% YoY driven by Lula NE start-up

Main E&P data

		4Q13	4Q12	YoY	QoQ	2013	YoY
Working interest production	kboepd	**25.3**	**23.4**	+8%	(2%)	**24.5**	+0%
Net entitlement production	kboepd	**21.9**	**17.6**	+24%	(0%)	**20.8**	+15%
Angola	kbopd	**7.9**	**6.8**	+15%	(10%)	**8.3**	+7%
Brazil	kboepd	**14.0**	**10.8**	+30%	+6%	**12.5**	+21%
Realised sale price	USD/boe	**108.3**	**98.9**	+9%	+1%	**100.8**	-1%
OPEX/net entitlement production	USD/boe	**15.7**	**18.5**	(15%)	+5%	**13.7**	+2%
Ebitda	€ m	**109**	**77**	42%	(1%)	**396**	+6%
Ebit	€ m	**91**	**72**	+27%	+76%	**231**	(6%)
CAPEX	€ m	**166**	**229**	(27%)	(21%)	**723**	+14%

- Brazil production increased by 3.2 kboepd YoY, following start-up of FPSO #2 and two EWT in 4Q13
- Angola net entitlement production increased YoY following higher cost oil component
- Ebitda in 4Q13 benefited from higher realised sale price, supported by higher oil-to-gas ratio in the quarter

R&M results capped by harsh refinery environment

Main R&M data

		4Q13	4Q12	YoY	QoQ	2013	YoY
Galp Energia refining margin	USD/bbl	**1.7**	**0.9**	+83%	+5%	**2.2**	(2%)
Refining cash cost	USD/bbl	**2.5**	**2.7**	(6%)	(6%)	**2.6**	+16%
Crude processed	mbbl	**21.3**	**18.8**	+14%	(4%)	**87.5**	+7%
Total refined product sales	mton	**4.5**	**3.9**	+14%	+4%	**17.2**	+5%
Sales to direct clients	mton	**2.6**	**2.3**	+12%	+2%	**9.9**	+1%
Exports (1)	mton	**1.0**	**0.8**	+34%	+22%	**4.0**	+21%
Ebitda	€ m	**67**	**80**	(16%)	(9%)	**315**	+2%
Ebit	€ m	**(18)**	**21**	n.m.	(3%)	**3**	(96%)
CAPEX	€ m	**57**	**55**	+5%	+80%	**153**	(5%)

- Refining margin of $1.7/bbl benefited from contribution of upgrade project, although currently below cash cost
- Sales to direct clients increased 12% YoY reflecting recovery of oil market in Iberia, but also by chemical products related sales
- EBIT decreased YoY, due to higher DD&A related to hydrocracking complex

[1] Exports outside Iberia

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LNG trading volumes increased by 44% YoY driving G&P Ebitda up 7% YoY

Main G&P data

		4Q13	4Q12	YoY	QoQ	2013	YoY
NG supply total sales volumes	mm^3	**1,941**	**1,558**	+25%	(2%)	**7,090**	+13%
Sales to direct clients	mm^3	**1,131**	**995**	+14%	+18%	**4,056**	+1%
Electrical	mm^3	**204**	**253**	(19%)	+6%	**736**	(41%)
Industrial	mm^3	**754**	**548**	+38%	+7%	**2,718**	+29%
Residential	mm^3	**151**	**159**	(5%)	n.m.	**521**	(2%)
Trading	mm^3	**810**	**562**	+44%	(20%)	**3,034**	+35%
Sales of electricity to the grid	GWh	**486**	**345**	+41%	(3%)	**1,904**	+47%
Ebitda	€ m	**93**	**87**	+7%	(24%)	**412**	+17%
Ebit	€ m	**75**	**65**	+16%	(26%)	**340**	+19%
CAPEX	€ m	**11**	**23**	(51%)	+18%	**85**	+34%

- Robust LNG trading activity, with 9 cargoes sold in 4Q13, mainly to LatAm and Asian markets
- Higher demand from industrial segment driven by own consumptions
- Infrastructure and power businesses contributing steadily to earnings, with combined Ebitda of €58 m in 4Q13

Short term outlook

- 1Q14 WI production expected to reach c.26 kboepd, benefiting from second producer well at Lula NE whilst impacted by continuing decline in Angola
- Refining business to be impacted by a general turnaround at Sines refinery, which works will start in March
- Oil products volumes expected to be up YoY, being expected a recovery in market demand
- NG supply volumes to remain stable QoQ, continuing to benefit from LNG trading activity in high value markets

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