

energy creates energy



April 29, 2016

Results First quarter 2016

Cautionary Statement

2

By attending or reading this presentation, you acknowledge and agree to be bound by the following limitations and restrictions. This presentation has been prepared by Galp Energia, SGPS, S.A. ("Galp" or the "Company") and may be amended and supplemented, but may not be relied upon for the purposes of entering into any transaction. This presentation is strictly confidential, is being distributed to a limited range of persons solely for their own information and may not (i) be distributed to the media or disclosed to any other person in any jurisdiction, nor (ii) be reproduced in any form, in whole or in part, without the prior written consent of the Company.

Although the Company has taken reasonable care in preparing the information contained herein, no representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein or any other material discussed at the presentation. Neither the Company nor any of its affiliates, subsidiaries, shareholders, representatives, agents, employees or advisors shall have any liability whatsoever (including in negligence or otherwise) for any loss or liability howsoever arising from any use of this presentation or its contents or any other material discussed at the presentation or otherwise arising in connection with this presentation.

This presentation 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 presentation 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.

This presentation is made to and directed only at persons (i) who are outside the United Kingdom, (ii) having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the "Order") or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). This presentation must not be acted or relied on by persons who are not Relevant Persons.

Neither this presentation nor any copy of it, nor the information contained herein, in whole or in part, may be taken or transmitted into, or distributed, directly or indirectly in or to the United States. Any failure to comply with this restriction may constitute a violation of U.S. securities laws. No securities of the Company have been registered under the United States Securities Act of 1933 or the securities laws of any state of the United States, and unless so registered may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Matters discussed in this presentation may constitute forward-looking statements. Forward-looking statements are statements other than in respect of historical facts. The words "believe", "expect", "anticipate", "intends", "estimate", "will", "may", "continue", "should" and similar expressions usually identify forward-looking statements. Forward-looking statements may include statements regarding: objectives, goals, strategies, outlook and growth prospects; future plans, events or performance and potential for future growth; liquidity, capital resources and capital expenditures; economic outlook and industry trends; energy demand and supply; developments of Galp's markets; the impact of regulatory initiatives; and the strength of Galp's competitors. The forward-looking statements in this presentation 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 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. No assurance, however, can be given that such expectations will prove to have been correct. 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 or the industry to differ materially from those results expressed or implied in this presentation by such forward-looking statements.

Actual future results, including financial and operating performance; demand growth and energy mix; Galp's production growth and mix; the amount and mix of capital expenditures; future distributions; resource additions and recoveries; project plans, timing, costs, and capacities; efficiency gains; cost savings; integration benefits; product sales and mix; production rates; and the impact of technology could differ materially due to a number of factors. These include changes in oil or gas prices or other market conditions affecting the oil, gas, and petrochemical industries; reservoir performance; timely completion of development projects; war and other political or security disturbances; changes in law or government regulation, including environmental regulations and political sanctions; the outcome of commercial negotiations; the actions of competitors and customers; unexpected technological developments; general economic conditions, including the occurrence and duration of economic recessions; unforeseen technical difficulties; and other factors.

The information, opinions and forward-looking statements contained in this presentation speak only as at the date of this presentation, and are subject to change without notice. Galp 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 presentation to reflect any change in events, conditions or circumstances.

1Q16 highlights

3

- 1Q16 Ebitda of €293 m, down 22% YoY, due to lower oil price and fewer opportunities in the NG/LNG markets
- Hydrocracker planned maintenance during Q1
- Working interest production of 56.3 kboepd, up 8% QoQ, due to increased contribution from FPSO #4 and start-up of FPSO #5 in Brazil
- Progressing with key upstream development projects
- Solid financial structure maintained

Agenda

4

Execution Update

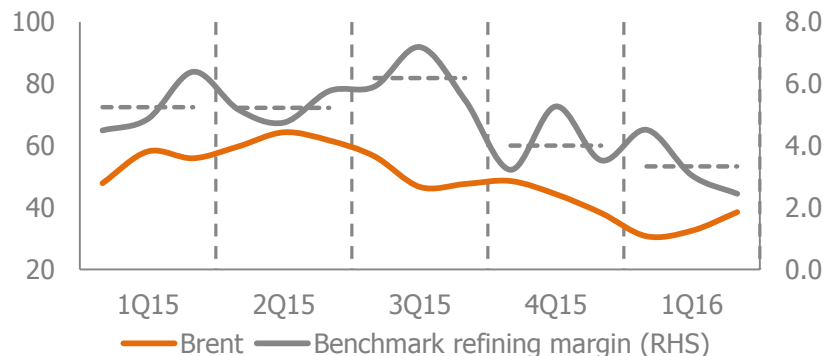
Financial Overview

Appendix

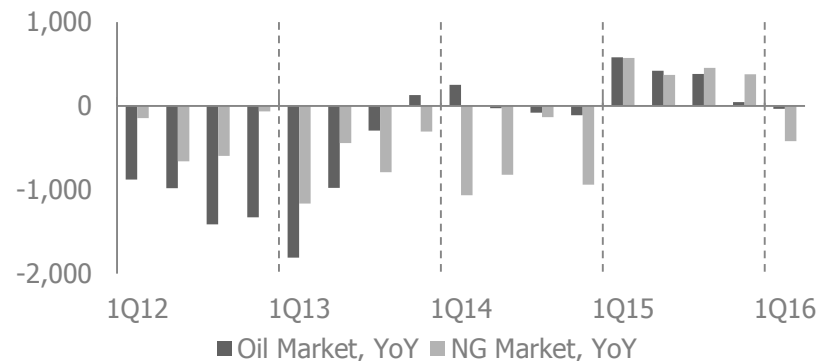
1Q16: Challenging macro environment remains

5

Brent price vs. refining margin (\$/bbl)



Iberian market evolution (kton, mm³)



- Despite recent recovery, oil price was down 37% YoY as global oil surplus remains
- Refining margin down 37% YoY, impacted by high product inventories, namely in middle distillates

- Iberian oil market stable YoY, although impacted by lower heating oil demand
- Mild winter and higher renewable power generation negatively affected NG demand

Brazil: Production up 48% YoY and 10% QoQ

6



#1 Angra dos Reis - 100 kbopd

- Unit produced steadily during 1Q16
- Planned outage for maintenance in early April



#2 Paraty - 120 kbopd

- 1Q production affected by maintenance works
- Planned maintenance brought forward in order to reduce annual downtime



#3 Mangaratiba - 150 kbopd

- Five producers and five injectors connected
- Connection to Cabiúnas to provide additional operational flexibility



#4 Itaguaí - 150 kbopd

- Fourth producer connected in March
- Additional production restricted until connection to gas export pipeline

Lula/Iracema: FPSO #5 start-up in February

7

FPSO Cidade de Maricá (#5) – 150 kbopd



- First producer connected with an average flow rate of c.33 kbopd
- Second producer and first gas injector connected in April

Santos basin: Gas export through Cabiúnas started in March

8

Existing gas export infrastructure



FPSO #1	Already connected
FPSO #2	Already connected
FPSO #3	2Q16
FPSO #4	2Q16
FPSO #5	2H16
FPSO #6	2H16

Developing Galp's portfolio in Africa

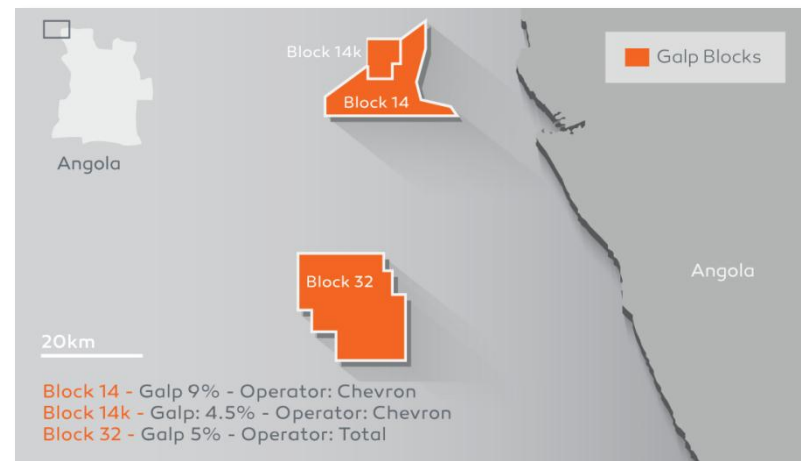
9

Mozambique: Coral



- Focus on developing a robust FLNG solution for Coral
- Capex and opex improvement phase, and negotiating project finance

Angola: block 32 and block 14/14k



- Block 32: drilling campaign in Kaombo and FPSO construction underway
- Stable production from block 14/14k, with ongoing cost efficiency programs

Downstream and gas: resilient performance

10

Refining & Marketing



- Continuing to leverage arbitrage opportunities, namely gasoline exports to the U.S.
- Hydrocracker stoppage during Q1 when diesel crack was down 50% YoY
- Ongoing optimisation of marketing activities in Iberia

Gas & Power



- Trading activity supported by structured contracts, despite fewer opportunities in the international market
- Power impacted by cogenerations outages and decline in Brent

Agenda

11

Execution Update

Financial Overview

Appendix

First quarter Ebitda of €293 m, down 22% YoY

12

Profit & Loss RCA (€m)

	1Q15	4Q15	1Q16	QoQ	YoY
Turnover	3,931	3,437	2,829	(18%)	(28%)
Ebitda	375	309	293	(5%)	(22%)
<i>E&P</i>	94	51	48	(5%)	(48%)
<i>R&M</i>	143	165	148	(11%)	+3%
<i>G&P</i>	131	90	90	+0%	(32%)
Ebit	227	178	137	(23%)	(39%)
Associates	26	22	21	(5%)	(19%)
Financial results	(50)	(2)	3	<i>n.m.</i>	<i>n.m.</i>
Taxes	(71)	(43)	(39)	(9%)	(45%)
Non-controlling interests	(11)	(8)	(9)	+13%	(22%)
Net Income	121	148	114	(23%)	(6%)
Net Income (IFRS)	(39)	5	(58)	<i>n.m.</i>	(46%)

- Lower results due to the Brent price decline and fewer opportunities in NG/LNG market
- R&M maintaining a positive contribution to results, stabilised partially through hedging
- Financial results benefitted primarily from mark-to-market of refining hedging
- Net income reached €114 m
- IFRS net income negative at €58 m, impacted by non-recurring items and inventory effect

Notes:

- Effective on 1 January 2016, exchange rate differences from operating activities are allocated to operating results. Until the end of 2015, these exchange rate differences were accounted for under financial results.
- The accounting method for taxes on the energy sector in Iberia has changed and the annual cost is now mostly accounted for in Q1.

First quarter 2016 results

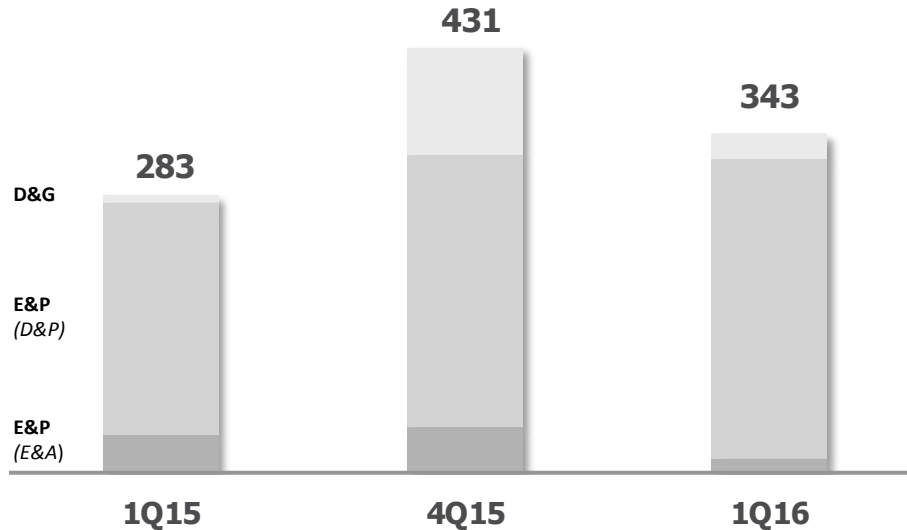
- Both of these changes were applied to 2015 in order to make periods comparable. Please see additional detail on section 9. of the quarterly report.



Group capex of €343 m during the quarter

13

Capital Expenditure (€m)



- E&P accounted for 92% of Group capex, mainly to development activities in block BM-S-11 (Brazil) and block 32 (Angola)
- Downstream and gas capex of c.€26 m, including refining maintenance, natural gas infrastructure and a logistics terminal in Mozambique

Maintaining solid capital structure

14

Balance Sheet (€m)¹

	Mar.2016	Dec.2015	Mar-Dec
Net fixed assets	8,077	7,892	+185
Work in progress	2,133	2,077	+56
Working capital	369	510	(141)
Loan to Sinopec	627	723	(96)
Other assets (liabilities)	(573)	(515)	(58)
Capital employed	8,499	8,610	(111)
Net debt ²	2,467	2,422	+45
Equity	6,032	6,188	(156)
Net Debt + Equity	8,499	8,610	(111)

- Working capital positively impacted by lower inventories
- Net debt of €1.8 bn considering loan to Sinopec as cash and equivalents, with implicit net debt to Ebitda of 1.4x³
- Equity reduced mostly from IFRS net income of €(58) m and changes in translation reserves

¹IFRS figures

²Not considering loan to Sinopec as cash.

³Ratio considers net debt including loan to Sinopec of €627 m as cash, plus €165 m Sinopec MLT Shareholder Loan to Petrogal Brasil and LTM Ebitda RCA of €1,437 m.

Agenda

15

Execution Update

Financial Overview

Appendix

E&P: Net entitlement production up 39% YoY

16

Main E&P data

		1Q15	4Q15	1Q16	QoQ	YoY
Working interest production¹	kboepd	41.5	52.1	56.3	+8%	+36%
Oil production	kbopd	38.4	48.9	52.9	+8%	+38%
Net entitlement production¹	kboepd	38.7	49.2	53.7	+9%	+39%
Angola	kbopd	7.8	7.6	7.9	+4%	+2%
Brazil	kboepd	31.0	41.6	45.8	+10%	+48%
Realised sale price²	USD/boe	50.6	30.0	26.1	(13%)	(48%)
Production cost	USD/boe	11.8	10.5	8.9	(15%)	(24%)
DD&A ³	USD/boe	16.3	9.8	15.8	+62%	(3%)
Ebitda RCA	€ m	94	51	48	(5%)	(48%)
Ebit RCA	€ m	43	10	(22)	n.m.	n.m.
CAPEX	€ m	273	321	316	(2%)	+16%

- Brazilian production increased YoY, mainly due to FPSO #4 and FPSO #3 ramp-up
- Angola NE in line YoY, with block 14k start-up offsetting decline in remaining fields
- Production cost of \$7.0/boe, based on WI production and excluding related associates effects
- Ebitda decreased 48% YoY as higher production did not offset oil price decline

Note: Unit figures based on net entitlement production.

¹Includes natural gas exported, excludes natural gas used or injected.

²Galp average realised sale price, including change in production effects.

³Includes abandonment provisions.

R&M: Resilient Ebitda despite lower margins and volumes sold 17

Main R&M data

		1Q15	4Q15	1Q16	QoQ	YoY
Galp refining margin	USD/boe	5.9	4.1	4.1	(2%)	(30%)
Refining cash cost¹	USD/boe	1.8	1.9	2.0	+6%	+10%
Impact of refining margin hedging²	USD/boe	(0.6)	(0.2)	0.1	<i>n.m.</i>	<i>n.m.</i>
Raw materials processed	mmboe	26.2	28.8	25.2	(12%)	(4%)
Total refined product sales	mton	4.4	4.6	4.2	(10%)	(5%)
Sales to direct clients	mton	2.2	2.2	2.1	(3%)	(5%)
Ebitda RCA	€ m	143	165	148	(11%)	+3%
Ebit RCA	€ m	65	103	78	(25%)	+19%
CAPEX	€ m	5	60	23	(61%)	<i>n.m.</i>

- Refining margin of \$4.1/boe following the lower margins in the international market
- Sales to direct clients down YoY, following the diversion of volumes to higher margin trading clients
- Ebitda up YoY, positively impacted by refining margin hedging and USD:EUR appreciation

G&P: Ebitda down YoY on lower trading activity

18

Main G&P data

		1Q15	4Q15	1Q16	QoQ	YoY
NG supply total sales volumes	mm ³	2,195	1,692	1,860	<i>+10%</i>	<i>(15%)</i>
Sales to direct clients	mm ³	999	992	901	<i>(9%)</i>	<i>(10%)</i>
Trading	mm ³	1,195	700	960	<i>+37%</i>	<i>(20%)</i>
Ebitda RCA	€ m	131	90	90	<i>+0%</i>	<i>(32%)</i>
Ebit RCA	€ m	112	63	75	<i>+19%</i>	<i>(33%)</i>
CAPEX	€ m	3	49	3	<i>(94%)</i>	<i>(9%)</i>

- Trading volumes down YoY, with fewer opportunities in the international market
- Volumes sold to the electrical segment up 26% YoY with coal-to-power generation decreasing in Iberia
- Infrastructure slightly down on the back of lower rate of return and power impacted by cogenerations performance

Investor Relations team

19

Pedro Dias, Head

Otelo Ruivo, IRO

Cátia Lopes

João G. Pereira

João P. Pereira

+351 21 724 08 66

investor.relations@galpenergia.com

Results & presentation weblink :

www.galpenergia.com/en/investidor/Relatorios-e-resultados/resultados-trimestrais

For further information on Galp, please go to:

www.galp.com