

## **Brazil approves unitisation agreement for the Santos basin pre-salt Lula accumulation**

- **The agreement redistributes the individual participations in a reservoir that extends beyond the BM-S-11 concession area, in which Galp holds a position**
- **Galp will henceforth hold a 9% stake in an extended area**

The Brazilian National Agency of Petroleum, Natural Gas and Biofuels (ANP) approved the Unitisation Agreement (UA) related with the Lula accumulation submitted by the BM-S-11 consortium, along with Petrobras for the Transfer of Rights area (ToR) and Pré-Sal Petróleos SA (PPSA) for the open area.

As the Lula discovery extends outside the BM-S-11 licence towards the adjacent areas of South of Tupi, a Transfer of Rights area, and to an open area, a unitisation process is required, according to the Brazilian legislation. The agreement establishes the tract participation each party will hold on the unitised area, as well as the terms and conditions for the shared development of the project.

Galp, through its subsidiary Petrogal Brasil, owns a 10% stake in the consortium that develops block BM-S-11. The UA will be effective as of April 1, 2019 and thereafter the interests in the unitised area will be as follows:

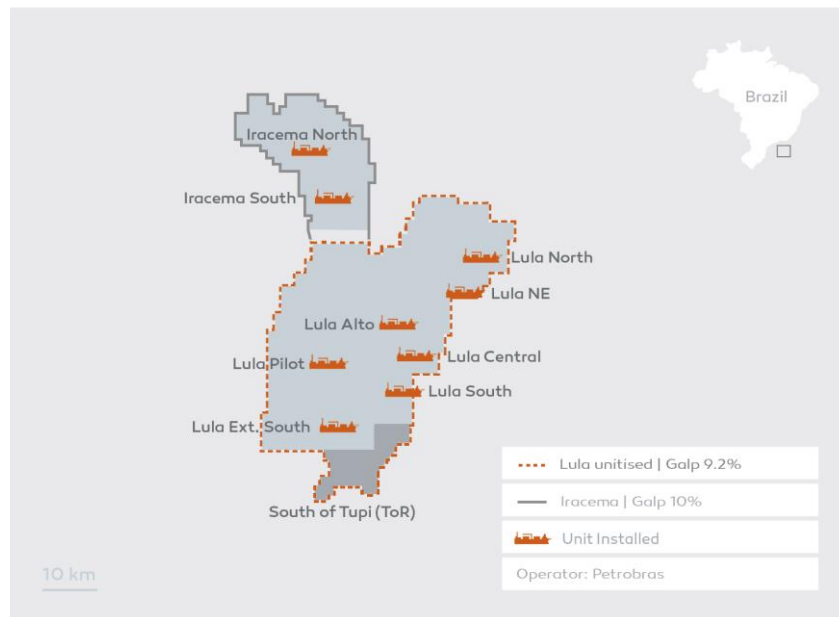
	<b>Lula</b> (BM-S-11)	<b>Lula Unitised</b> (BM-S-11 + ToR + Open Area)
Galp	10%	<b>9.209%</b>
Petrobras (operator)	65%	<b>67.216%</b>
Shell Brasil Petróleo Ltda.	25%	<b>23.024%</b>
PPSA	0%	<b>0.551%</b>

The Iracema accumulation is not subject to a unitisation process and therefore interests in the area will remain in line with the BM-S-11 consortium composition, with Galp maintaining a 10% stake.

Galp is present in four other areas involved in unitisation processes, namely the three different accumulations that make up the Iara project, as well as the Sépia project. Unitisation processes lead to equalisations among the parties, based on past capital expenditures carried by partners for their original interest and the net profits received thereunder. These equalisations should therefore lead to reimbursements among partners as per the terms and conditions agreed between themselves.

All of Galp's operational and financial projections already reflect the Lula unitisation outcome, as well as the most likely outcome for the remaining unitisation processes ongoing.

## BM-S-11 | Lula unitised and Iracema



### About Galp

Galp is a publicly held, Portuguese-based energy company, with an international presence. Our activities cover all stages of the energy sector's value chain, from prospection and extraction of oil and natural gas from reservoirs located kilometers under the sea surface, to the development of efficient and environmentally sustainable energy solutions for our customers. We help large industries to increase their competitiveness, or individual consumers looking for the most flexible solutions for their home and mobility needs. Our offerings combine all types of energy, from electricity to gas and liquid fuels. We also contribute to the economic development of the 11 countries where we operate and to the social progress of the communities that welcome us. Galp employs 6,389 people. For more information, check out [www.galp.com](http://www.galp.com).

### Galp

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