



galp energia

INDIVIDUAL
ACCOUNTS
GALP ENERGIA
FIRST HALF
2007

This translation of the Portuguese document was made only for the convenience of non-Portuguese speaking shareholders. For all intents and purposes, the Portuguese version shall prevail.

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GALP ENERGIA, SGPS, S.A.

BALANCE SHEETS AT 30 JUNE 2007 AND 2006

(Translation of balance sheets originally issued in Portuguese - Note 52)

(Amounts expressed in thousands of Euros)

		June 2007			December 2006
Assets	Notes	Gross	Amort., Dep. and adjustments	Net	Net
FIXED ASSETS:					
Intangible assets:					
Industrial property and other rights	8 and 10	6	(5)	1	2
		6	(5)	1	2
Tangible assets:					
Transport equipment	10	16	(15)	1	1
Administrative equipment	10	549	(506)	43	50
Other tangible fixed assets	10	87	(60)	27	33
		652	(581)	71	84
Investments:					
Equity investments in group companies	10 and 16	1,918,530	-	1,918,530	2,311,616
Loans to group companies	10 and 16	37,511	-	37,511	22,161
Securities and other financial applications	10 and 16	400	-	400	115
Other loans granted	10	90	-	90	90
		1,956,531	-	1,956,531	2,333,982
CURRENT ASSETS:					
Current receivables:					
Clients, current accounts		1,372	-	1,372	13,480
Group companies	16	797,636	-	797,636	623,038
Advances to suppliers		46	-	46	46
State and other public entities	28	10,844	-	10,844	11,380
Other debtors	49	597	-	597	687
		810,495	-	810,495	648,632
Marketable securities:					
Other treasury applications	51	-	-	-	90,000
		-	-	-	90,000
Bank deposits and cash:					
Bank deposits	51	135	-	135	329
Cash	51	6	-	6	12
		141	-	141	342
ACCRUALS AND DEFERRALS:					
Accrued income	50	5,001	-	5,001	4,943
Deferred costs	50	805	-	805	1,326
		5,806	-	5,806	6,269
Total amortisation and depreciation			(586)		
Total adjustments			-		
Total assets		2,773,631	(586)	2,773,045	3,079,310

The accompanying notes form an integral part of the balance sheet as of 30 June 2007.

THE ACCOUNTANT

Carlos Alberto Nunes Barata

THE BOARD OF DIRECTORS

Francisco Luís Murteira Nabo
Manuel Ferreira De Oliveira
Giancarlo Rossi
José António Marques Gonçalves
André Freire de Almeida Palmeiro Ribeiro
Fernando Manuel dos Santos Gomes
Massimo Giuseppe Rivara
João Pedro Leitão Pinheiro de Figueiredo Brito
Manuel Domingos Vicente

Joaquim Augusto Nunes de Pina Moura
Camillo Gloria
Diogo Mendonça Rodrigues Tavares
Angelo Taraborrelli
Carlos Nuno Gomes da Silva
Marco Alverà
Alberto Alves de Oliveira Pinto
Pedro António do Vadre Castelino e Alvim
Alberto Maria Alberti

Shareholders' equity and liabilities	Notes	June 2007	December 2006
SHAREHOLDERS' EQUITY:			
Capital	36 and 40	829,251	829,251
Share premium account	40	82,006	82,006
Adjustments in equity investments in subsidiary and associated companies	40	59,418	61,247
Reserves:			
Legal reserve	40	118,924	79,047
Other reserves	40	27,977	27,977
Retained earnings	40	510,126	4,545
Net profit for the period	40	303,493	797,550
Total Shareholders' Equity		<u>1,931,195</u>	<u>1,881,623</u>
LIABILITIES:			
PROVISIONS:			
Other provisions	34	<u>6,046</u>	<u>6,032</u>
		<u>6,046</u>	<u>6,032</u>
MEDIUM AND LONG TERM LIABILITIES:			
Bank loans	48	<u>39,000</u>	<u>39,000</u>
		<u>39,000</u>	<u>39,000</u>
CURRENT LIABILITIES:			
Bank loans	48	364,324	400,123
Suppliers, current accounts		420	12,530
Suppliers, invoices pending		-	5
Group companies	16	368,942	645,374
State and other public entities	28	53,643	84,002
Other creditors	49	<u>2,651</u>	<u>2,684</u>
		<u>789,980</u>	<u>1,144,719</u>
ACCRUALS AND DEFERRALS:			
Accrued costs	50	6,824	7,937
Total Shareholders' equity and liabilities		<u><u>2,773,045</u></u>	<u><u>3,079,310</u></u>

GALP ENERGIA, SGPS, S.A.
STATEMENTS OF PROFIT AND LOSS BY NATURE
FOR THE HALF YEARS ENDED 30 JUNE 2007 AND 2006
(Translation of statements of profit and loss originally issued in Portuguese - Note 52)
(Amounts expressed in thousands of euros)

COSTS	NOTES	June 2007		June 2006	
External supplies and services			5,152		19,372
Personnel costs:					
Remuneration			1,786		5,587
Social charges:					
Pensions			-		226
Others			65		1,423
			1,851		7,236
Amortisation and depreciation	10		14		23
Provisions	34		-		-
			14		23
Other indirect taxes			134		109
Other operating costs			15		143
	(A)		149		252
			7,166		26,883
Loss on group and associated companies	45		608		344
Interest and similar costs:					
Relating to group companies	16 and 45		11,842		2,096
Others	45		5,184		17,634
			17,634		1,637
	(C)		24,800		30,960
Extraordinary costs	46		2,074		2,871
	(E)		26,874		33,831
Income tax for the period	6		(2,552)		255
	(G)		24,322		34,086
Net profit for the period			303,493		277,169
			327,815		311,255

The accompanying notes form an integral part of the statement of profit and loss by nature for the half year ended 30 June 2007.

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INCOME	NOTES	June 2007		June 2006	
Services rendered	16		3,218		23,635
Supplementary income	16		<u>1,394</u>		<u>3,595</u>
(B)			<u>4,612</u>		<u>27,230</u>
Gain on group and associated companies	45	312,457		279,096	
Other interest and similar income:					
Relating to group companies	16 and 45	10,109		1,205	
Other	45	551	323,117	3,693	283,994
(D)			<u>327,729</u>		<u>311,224</u>
Extraordinary income	46		86		31
(F)			<u>327,815</u>		<u>311,255</u>
Operating profit/(loss) (B)-(A)			(2,554)		347
Net financial income (D-B)-(C-A)			305,483		279,917
Current profit (D)-(C)			302,929		280,264
Extraordinary items			(1,988)		(2,840)
Profit before income tax (F)-(E)			300,941		277,424
Net profit for the half year (F)-(G)			303,493		277,169

GALP ENERGIA, SGPS, S.A.
STATEMENTS OF PROFIT AND LOSS BY FUNCTIONS
FOR THE HALF YEARS ENDED 30 JUNE 2007 AND 2006
(Translation of statements of profit and loss originally issued in Portuguese - Note 52)
(Amounts expressed in thousands of Euros)

	Notes	June 2007	June
Sales and services rendered	16	3,218	23,635
Cost of sales and services rendered		(3,218)	(23,635)
Gross result		-	-
Other operating income		1,480	3,637
Administrative costs		(1,865)	(4,438)
Other operating costs		(4,157)	(1,683)
Operating loss		(4,542)	(2,484)
Net financial costs		(6,366)	1,157
Net gain on subsidiary and associated companies	45	311,849	278,752
Current profit		300,941	277,425
Income tax on current profit	6	2,552	(255)
Current profit after income tax		303,493	277,170
Extraordinary items		-	-
Income tax on extraordinary items		-	-
Net profit		303,493	277,170
Earnings per share		0.37	0.33

The accompanying notes form an integral part of the statement of profit and loss by functions for the half year ended 30 June 2007.

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GALP ENERGIA, SGPS, S.A.
 STATEMENTS OF CASH FLOWS
 FOR THE HALF YEARS ENDED 30 JUNE 2007 AND 2006
(Translation of statements of cash flows originally issued in Portuguese - Note 52)
(Amounts expressed in thousand of Euros - tEuros)

	Notes	June 2007	June 2006
Operating activities:			
Cash receipts from customers		19,800	34,575
Cash paid to suppliers		(18,899)	(25,803)
Cash paid to employees		(2,064)	(7,205)
Cash generated from /(used in) operations		(1,163)	1,567
Cash (paid)/received relating to income tax		(69,350)	(38,144)
Other (payments)/receipts relating to operating activities		(105)	(5,556)
Flows generated /(used) before extraordinary items		(70,618)	(42,133)
Payments relating to extraordinary items		(2)	-
Net cash used in operating activities (1)		(70,620)	(42,133)
Investing activities:			
Cash receipts relating to:			
Dividends	10	702,204	-
Interest and similar income		9,756	70
Loans granted		307,380	64,885
		1,019,340	64,955
Cash payments relating to:			
Investments	10	(285)	-
Loans granted		(452,500)	(129,307)
		(452,785)	(129,307)
Net cash from /(used in) investing activities (2)		566,555	(64,352)
Financing activities:			
Cash receipts relating to:			
Loans obtained		1,027,850	313,050
		1,027,850	313,050
Cash payments relating to:			
Loans obtained		(1,319,954)	(173,900)
Interest and similar costs		(18,188)	(3,080)
Dividends/profit distributions	40	(252,092)	-
		(1,590,234)	(176,980)
Net cash from /(used in) financing activities (3)		(562,384)	136,070
Net (decrease)/increase in cash and cash equivalents (4) = (1) + (2) + (3)		(66,450)	29,585
Effect of foreign exchange rate changes		-	808
Cash and cash equivalents at the beginning of the period	51	(11,267)	934
Cash and cash equivalents at the end of the period	51	(77,717)	31,327

The accompanying notes form an integral part of the statement of cash flows for the half year ended 30 June 2007.

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01. INTRODUCTORY NOTE

Galp Energia, SGPS, S.A. (hereinafter referred to as Galp or the Company), was incorporated as a Government owned corporation under Decree-Law 137-A/99 of 22 April 1999, with the name "Galp - Petróleos e Gás de Portugal, SGPS, S. A.", having adopted its present name of Galp Energia, SGPS, S. A. on 13 September 2000.

The Company's head office is in Lisbon and its corporate objects are the management of other companies having, as of the date of its incorporation, grouped the State's direct participations in the following companies: Petróleos de Portugal - Petrogal, S.A.; GDP - Gás de Portugal, SGPS, S.A. and Transgás - Sociedade Portuguesa de Gás Natural, S.A..

Galp's initial capital, in the amount of Euros 411,383,565, was fully paid up in kind by transfer of the investments held by the State in the above mentioned companies. In September 1999 a further capital increase was made by the State, the Company's capital having been increased to Euros 502,164,785.

Galp's privatisation process was started under Decree-Law 261-A/99 of 7 July, with the opening of the Company's capital to the remaining shareholders of Petróleos de Portugal - Petrogal, S.A. and Transgás - Sociedade Portuguesa de Gás Natural, S.A., now called Galp Gás Natural, S.A.. For this purpose a further capital increase was made, which was limited to these shareholders and paid up essentially in kind by transfer of their participations in these companies.

Therefore, at 31 December 1999 a capital increase of Euros 327,085,850 was made, which was subscribed for by Petrocontrol, SGPS, S. A. ("Petrocontrol"), EDP - Electricidade de Portugal, S.A. (now called EDP - Energias de Portugal, S.A. ("EDP"), Caixa Geral de Depósitos, S.A., Portgás - Sociedade de Produção e Distribuição de Gás, S.A. and Setgás - Sociedade de Produção e Distribuição de Gás, S.A., the Company's capital having been increased to Euros 829,250,635.

On 13 July 2000, following agreements entered into on 17 January 2000, the companies ENI Portugal Investment, S.p.A. ("ENI") and

Iberdrola, S.A. ("Iberdrola"), defined as strategic partners, signed Purchase and Sale of Share Contracts and Strategic Partnership Agreements with the Portuguese State, under which they acquired 11% and 4%, respectively, of Galp's share capital. At the same time Petrocontrol sold all its participation in Galp, the ENI Group having acquired 22.34% and EDP 11%.

The third phase of the privatisation process was approved under Decree Law 124/2003 of 20 June. Following this decree, REN - Rede Eléctrica Nacional, S.A. (REN) acquired 18.3% of Galp's share capital, of which 13.5% from Caixa Geral de Depósitos and the remaining 4.8% from the Portuguese State. In addition, Parpública - Participações Públicas SGPS, S.A. acquired 0.75% in 2003, 3.48% in 2004 and a further 8.06% in 2005 of Galp's share capital from the Portuguese State.

In the year ended 31 December 2005 Amorim Energia B.V. signed a contract to buy Galp Energia, SGPS, S.A.'s shares held by EDP - Energias de Portugal, S.A., representing 14.27% of the capital, that operation also including an option to buy 18.3% of the shares held by REN - Rede Eléctrica Nacional, S.A.. The sale of the shares between these entities was registered at the end of January 2006.

In addition, in January 2006 Amorim Energia B.V. purchased from Portgás - Sociedade de Produção de Gás, S.A., its 0.04% participation in the Company.

In the year ended 31 December 2006 the Portuguese State transferred to Parpública - Participações Públicas, SGPS, S.A., shares representing a participation of 12.72% in the Company's capital.

Under this privatisation phase, on 24 October 2006 the Company made a Public Sale Offering of the shares held by the State, representing 23% of the Company's capital, the Company therefore becoming listed on Euronext.

The Company's shareholder structure after these operations is shown in Note 37.

In the year ended 31 December 2006, under the functional restructuring of the Galp Energia group, the Company transferred the Group's strategic transversal management and operational support functions, namely the legal and organisational, corporate human resources, internal audit, communications, corporate finance, corporate planning and control, corporate marketing, institutional relations, sustainable development and environment quality and corporate security functions to its subsidiary Galp Energia, S.A.. Consequently, its employee retirement benefits liability was transferred to Galp Energia, S.A..

The notes which follow are numbered as defined in the Portuguese Official Chart of Accounts ("Plano Oficial de Contabilidade - POC"). The numbers not included herein are either not applicable to the Company or not significant to the accompanying financial statements.

03. BASES OF PRESENTATION AND MAIN ACCOUNTING POLICIES

The accompanying financial statements were prepared on a going concern basis from the accounting records of the company, maintained in accordance with generally accepted accounting principles in Portugal.

The accompanying financial statements reflect only the Company's non consolidated accounts, prepared as required by law for approval by the Shareholders' General Meeting, investments having been recorded in accordance with the equity method as explained in Note 3. d). The Company has prepared separate consolidated financial statements which include the financial statements of the companies in which it has a majority participation or management control. Therefore, equity at 30 June 2007 and net profit for the half year then ended included in these non consolidated financial statements reflect the effect of consolidating equity and the results of the subsidiary and associated companies based on their financial statements, but do not reflect the effect of a full consolidation of assets, liabilities, costs and income.

The consolidated financial statements have been prepared in accordance with IFRS - International Financial Reporting Standards as adopted by the European Union. Therefore equity at 30 June 2007 and 31 December 2006 and net profit for the half year and year ended on those dates in the Company's consolidated financial statements differ from those presented in the non consolidated financial statements.

Financial information relating to the group and associated companies is shown in Note 16.

The main valuation criteria used in preparing the financial statements are as follows:

a) Intangible assets

Intangible assets, which consist of software utilisation licences, are amortised on a straight-line basis over a period of three years (Note 8).

b) Tangible assets

Tangible assets are recorded at cost. Depreciation is provided on a straight-line basis over the following estimated periods of useful life of the assets:

	Years
Transport equipment	4
Administrative equipment	5 to 8
Other tangible fixed assets	8

c) Investments

Investments in Group and associated companies are recorded using the equity method of accounting, under which they are initially recorded at cost, which corresponds to the amount attributed for purposes of paying up the capital in kind (Introductory Note), which is then increased or decreased to the amount corresponding to the proportion owned of the net equity of these companies.

In accordance with the equity method investments are adjusted annually by the amount corresponding to the participation in the net results of the subsidiary and associated companies by corresponding entry to the profit and loss statement for the year (Note 45). In addition dividends received from these companies are recorded as decreases in the amount of the investments.

As explained in paragraph g) below, the accumulated effect of currency translation adjustments of the foreign currency financial statements of subsidiaries is recorded in the shareholders' equity caption "Adjustments in equity investments in subsidiary and associated companies".

Investments corresponding to participations of less than 20% in the capital of other companies are stated at cost, in the caption "Securities and other financial applications".

Loans to Group and associated companies are stated at their nominal value.

Estimated losses on the realisation and/or recovery of investments are recorded in the caption "Other provisions" (Note 34).

d) Accruals basis

Income and expenses are recorded on an accruals basis, by which they are recorded in the period to which they relate independently of when they are received or paid. Differences between the amounts received and paid and

the related income and expenses are recorded in accrual and deferral captions (Note 50).

e) Deferred taxes

Deferred taxes refer to temporary differences between the amount of assets and liabilities for accounting and for tax purposes.

Deferred tax assets and liabilities are calculated and evaluated annually using the tax rates expected to be in force when the temporary differences reverse.

Deferred tax assets are recorded only when there is reasonable expectation that there will be sufficient future taxable income to use them. Temporary differences underlying deferred tax assets are reassessed at each balance sheet date, in order to recognise deferred tax assets not recorded previously, due to not fulfilling the conditions needed for them to be recorded and/or to reduce the amounts of deferred tax assets recorded based on the current expectation of their future recovery (Note 6).

f) Translation of foreign currency financial statements

Exchange differences arising on the translation to Euros of the foreign currency financial statements of subsidiary and associated companies are included in the shareholders' equity caption "Adjustments in equity investments in group and associated companies". These financial statements are translated at the following rates:

- i) exchange rate in force at the balance sheet date for all assets and liabilities;
- ii) average exchange rate for the year for the statement of profit and loss captions;
- iii) historical exchange rate for the remaining shareholders' equity captions.

06. INCOME TAX

In accordance with current legislation, tax returns are subject to review and correction by the tax authorities during a period of four years (ten years for social security up to 2000, inclusive, and five years as from 2001). Consequently, the Company's tax returns for the years from 2003 to 2006 are still subject to review.

The Company's management believes that any adjustment to the tax returns that could result from reviews carried out by the tax authorities to these tax returns will not have a significant effect on the financial statements as of 30 June 2007.

In accordance with Portuguese legislation tax losses can be carried forward for offset against taxable income for a period of six years.

The Company and some of its subsidiaries are taxed on a consolidated basis, in accordance with the special regime for taxation of groups of companies, their taxable results being determined in Galp. However, estimated income tax of the

Company and its subsidiaries is recorded based on their taxable results, which for the period ended 30 June 2007 represents an account payable to and receivable from these companies of tEuros 20,272 (Note 16) and tEuros 202,547 (Note 16), respectively.

Income tax for the half year recorded in the statement of profit and loss by nature amounts to tEuros 2,552.

In accordance with current tax legislation, gains and losses on Group and associated companies resulting from application of the equity method of accounting are not considered for tax purposes in the year they are recorded. In compliance with Portuguese Accounting Directive 28, deferred tax liabilities relating to undistributed profits of subsidiaries were not recognised. Therefore, at 30 June 2007 the Company had estimated current income tax recoverable of tEuros 2,552, when it had an accounting profit before income tax for the half year of tEuros 303,493.

07. AVERAGE NUMBER OF EMPLOYEES

At 30 June 2007 the Company had 1 employee.

08. INDUSTRIAL PROPERTY AND OTHER RIGHTS

At 30 June 2007 this caption was made up as follows:

	Gross	Accumulated amortisation	Net
Industrial property and other rights:			
Software and licences	6	(5)	1
	<u>6</u>	<u>(5)</u>	<u>1</u>

10. CHANGES IN FIXED ASSETS

The changes in intangible and tangible fixed assets and investments, and respective accumulated amortisation and depreciation accounts in the half year ended 30 June 2007 were as follows:

	GROSS ASSETS				
	Beginning balance	Increases	Sales and decreases	Equity method	Ending balance
Intangible assets:					
Industrial property and other rights	6	-	-	-	6
	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>
Tangible assets:					
Transport equipment	16	-	-	-	16
Administrative equipment	549	-	-	-	549
Other tangible fixed assets	87	-	-	-	87
	<u>652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>652</u>
Investments (Note 16):					
Equity investments in Group companies	2,311,616	-	-	(393,086)	1,918,530
Loans to Group companies	22,161	15,350	-	-	37,511
Securities and other financial applications	115	285	-	-	400
Other loans granted	90	-	-	-	90
	<u>2,333,982</u>	<u>15,635</u>	<u>-</u>	<u>(393,086)</u>	<u>1,956,531</u>
	<u>2,334,640</u>	<u>15,635</u>	<u>-</u>	<u>(393,086)</u>	<u>1,957,189</u>

	Accumulated amortisation and adjustments			
	Beginning balances	Increases	Sales	Ending balances
Intangible assets:				
Industrial property and other rights	4	1	-	5
	<u>4</u>	<u>1</u>	<u>-</u>	<u>5</u>
Tangible assets:				
Transport equipment	15	-	-	15
Administrative equipment	499	7	-	506
Other tangible fixed assets	54	6	-	60
	<u>568</u>	<u>13</u>	<u>-</u>	<u>581</u>
	<u>572</u>	<u>14</u>	<u>-</u>	<u>586</u>

The increase of tEuros 15,350 in the caption "Loans to group companies" refers to loans to Galp Power, SGPS, S.A..

The changes in the caption "Investments in group companies" in the half year ended 30 June 2007 were as follows:

Beginning balance	2,311,616
Effect of applying the equity method to the results for the half year (Note 45):	
Positive	312,457
Negative	(608)
	<u>311,849</u>
Effect of applying the equity method to other changes in shareholders' equity of the subsidiaries (Note 40):	
Other changes in shareholders' equity	(525)
Exchange translation adjustments	(1,304)
	<u>(1,829)</u>
Dividends received:	
Petróleos de Portugal - Petrogal, S.A.	(278,012)
GDP, SGPS, S.A.	(424,192)
	<u>(702,204)</u>
Negative changes in shareholders' equity of Petróleos de Portugal-Petrogal, S.A. due to bonuses given to employees (Note 46)	(916)
Effect of changes in the provisions caption (Note 34)	14
Ending balance	<u><u>1,918,530</u></u>

16. GROUP COMPANIES

Investments in Group and associated companies at 30 June 2007 and 31 December 2006 were as follows:

	Head office	30 June 2007				June 2007		December 2006	
		Total assets	Total liabilities	Shareholders' equity	Net result	%	Amount	%	Amount
Petróleos de Portugal - Petrogal, S.A. (a)	Lisbon	3,170,108	1,939,024	1,231,084	204,730	100,00	1,231,046	100,00	1,305,475
GDP - Gás de Portugal, SGPS, S.A.	Lisbon	798,158	120,278	677,880	104,245	100,00	677,944	100,00	999,476
Galp Energia, S.A.	Lisbon	25,611	18,514	7,097	3,481	100,00	7,097	100,00	3,629
Galp Power, SGPS, S.A.	Lisbon	46,658	44,215	2,443	(594)	100,00	2,443	100,00	3,036
							<u>1,918,530</u>		<u>2,311,616</u>
Central-e, S.A. (b)	Lisbon	665	13,813	(13,148)	(72)	20,30	-	20,30	-
							<u>-</u>		<u>-</u>

(a) For purposes of applying the equity method, shareholders' equity in 2007 was adjusted for the effect of minority participations of these companies in other Galp group subsidiaries.

(b) At 30 June 2007 this company had negative shareholders' equity and so the effect of applying the equity method was to record a provision of tEuros 2,669 (Note 34).

The caption "Securities and other financial applications" at 30 June 2007 and 31 December 2006 is made up as follows:

	<u>Head office</u>	<u>June 2007</u>		<u>December 2006</u>	
		<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>
Adene - Agência para a Energia, S.A.	Lisbon	10.98	114	10.98	141
OEINERGE-Ag. Munic. En. e Amb. de Oeiras	Oeiras	1.45	1	1.45	1
Empresa Nacional de Combustíveis - Enacol, S.A.R.L.	Cape Verde	0.71	285	-	-
			<u>400</u>		<u>151</u>

The asset and liability balances with the main Group companies at 30 June 2007 were as follows:

2007	ASSETS					
Companies	Medium and long term loans (Note 10)	Clients, current accounts	Short term loans	Corporate Income Tax receivable relating to subsidiaries (Note 6)	Other operations of subsidiary, participated and related companies	Accrued income (Note 50)
Group Companies:						
ASA - Abastecimentos e Serviços de Aviação, Lda.	-	-	-	-	1	-
Beiragás - Companhia de Gás das Beiras, S.A.	-	9	-	-	-	-
C.L.C. - Companhia Logística de Combustíveis, S.A.	-	3	-	-	-	-
C.L.T. - Companhia Logística de Term. Marítimos, Lda.	-	-	-	10	-	-
CaiaGEST - Gestão de Áreas de Serviço, Lda.	-	3	-	-	-	-
CLCM - Companhia Logística de Combustíveis da Madeira, S.A.	-	1	-	-	-	-
Dianagás - Sociedade Distribuidora de Gás Natural de Évora, S.A.	-	-	2,200	144	1	18
Driftal - Plásticos de Portugal, S.A.	-	-	-	8	-	-
Duriensegás - Sociedade Distribuidora de Gás Natural do Douro, S.A.	-	-	1,500	-	-	1
Eival - Sociedade de Empreendimentos, Investimentos e Armazenagem de Gases, S.A.	-	-	-	40	-	-
Fast Access - Operações e Serviços de Informação e Comércio Electrónico, S.A.	-	22	240	-	4	4
Galp Energia Espanha, S.A.	-	1	-	-	159	-
Galp Energia, S.A.	-	353	-	1,688	3	-
Galp Exploração e Produção Petrolífera, S.A.	-	76	17,600	-	-	11
Galp Gás Natural, S.A.	-	69	-	76,725	-	-
Galp Investment, PLC	-	-	-	-	-	-
Galp Madeira - Distribuição e Comercialização de Combustíveis e Lubrificantes, S.A.	-	7	-	-	-	-
Galp Power, SGPS, S.A.	37,511	83	2,585	242	-	1,040
Galp Power, S.A.	-	-	-	2	-	-
Galp Serviexpress - Serviços de Distribuição e Comercialização de Produtos Petrolíferos, S.A.	-	17	-	2	-	-
GalpGEST - Gestão de Áreas de Serviço, S.A.	-	1	-	546	-	-
Gasinsular - Combustíveis do Atlântico, S.A.	-	3	1,650	-	-	18
GDP - Gás de Portugal, SGPS, S.A.	-	-	116,000	976	-	388
GDP Distribuição, SGPS, S.A.	-	-	40,100	831	-	167
Gite - Galp International Trading Establishment	-	1	-	-	-	-
Lisboagás GDL - Sociedade Distribuidora de Gás Natural de Lisboa, S.A.	-	128	51,000	9,076	-	608
Lusitaniagás - Companhia de Gás do Centro, S.A.	-	-	27,500	-	-	17
Medigás - Sociedade Distribuidora de Gás Natural do Algarve, S.A.	-	-	5,900	111	-	65
Paxgás - Sociedade Distribuidora de Gás Natural de Beja, S.A.	-	-	-	1	-	-
Petrogal Angola, Lda.	-	22	335	-	19	3
Petrogal Cabo Verde, Lda.	-	-	335	-	4	-
Petrogal Guiné-Bissau, Lda.	-	15	-	-	16	-
Petrogal Moçambique, Lda.	-	33	-	-	20	-
Petrogás - Guiné Bissau Importação, Armazenagem e Distribuição de Gás, Lda.	-	16	-	-	17	-
Petróleos de Portugal - Petrogal, S.A.	-	351	325,000	104,523	5	2,603
Petromar - Soc. Abastecimentos Petrolíferos, Lda.	-	22	-	-	23	-
Probigalp - Ligantes Betuminosos, S.A.	-	-	-	-	6	-
Sempre a Postos - Produtos Alimentares e Utilidades, Lda.	-	13	-	-	-	-
Sopor - Sociedade Distribuidora de Combustíveis, S.A.	-	6	-	-	-	-
Soturis - Sociedade Imobiliária e Turística, S.A.	-	3	-	137	-	-
Tanquisado - Terminais Marítimos, S.A.	-	-	-	743	4	-
Transgás Armazenagem - Sociedade Portuguesa de Armazenagem de Gás Natural, S.A.	-	-	2,850	177	-	52
Transgás, S.A.	-	75	-	6,565	-	-
	37,511	1,333	594,795	202,547	282	4,995
Associated companies:						
Central E - Informação e Comércio Electrónico, S.A.	-	-	-	-	-	-
Gásfomento - Sistemas e Instalações de Gás, S.A.	-	-	-	-	4	-
Setgás - Sociedade de Produção e Distribuição de Gás, S.A.	-	11	-	-	8	-
Tagusgás - Empresa Gás do Vale do Tejo, S.A.	-	7	-	-	-	-
	-	18	-	-	12	-
Participated companies:						
Adene - Agência para a Energia, S.A.	90	-	-	-	-	-
	90	-	-	-	-	-
Related companies:						
ENI Portugal Investment, S.p.A.	-	1	-	-	-	-
	-	1	-	-	-	-
	37,601	1,352	594,795	202,547	294	4,995

The loan of tEuros 37,511 to Galp Power, SGPS, S.A. bears interest at the Euribor 6 month rate plus a spread of 3% and does not

have a defined repayment date.

2007		LIABILITIES				
Companies		Suppliers, current accounts	Short term loans	Corporate Income Tax payable relating to subsidiary companies (Note 6)	Other operations of subsidiary, participated and related companies	Accrued costs (Note 50)
Group companies:						
C.L.T. - Companhia Logística de Term. Marítimos, S.A.		-	900	-	-	-
Driftal - Plásticos de Portugal, S.A.		-	-	177	-	-
Eival - Sociedade de Empreendimentos, Investimentos e Armazenagem de Gases, S.A.		-	-	13	7	-
Galp Açores - Distribuição e Comercialização de Combustíveis e Lubrificantes, S.A.		-	2,500	-	7	64
Galp Energia, S.A.		234	-	130	-	-
Galp Gás Natural, S.A.		11	279,000	789	-	2,796
Galp Madeira - Distribuição e Comercialização de Combustíveis e Lubrificantes, S.A.		-	6,700	-	-	60
Galp Power, SGPS, S.A.		-	-	1,551	-	-
Galp Power, S.A.		-	-	1,323	-	-
Galp Serviexpress - Serviços de Distribuição e Comercialização de Produtos Petrolíferos, S.A.		-	-	84	-	-
Galpgeste - Gestão de Áreas de Serviço, S.A.		-	2,500	16	-	38
GDP - Gás de Portugal, SGPS, S.A.		-	-	253	-	-
GDP Distribuição, SGPS, S.A.		-	-	497	-	-
Lisboagás GDL - Sociedade Distribuidora de Gás Natural de Lisboa, S.A.		-	-	3	-	-
Medigás - Sociedade Distribuidora de Gás Natural do Algarve, S.A.		-	-	89	-	-
Paxgás - Sociedade Distribuidora de Gás Natural de Beja, S.A.		-	-	29	-	-
Petróleos de Portugal - Petrogal, S.A.		55	-	14,939	-	128
Sacor Marítima, S.A.		-	46,600	-	-	485
Sinecogeração - Cogeração da Refinaria de Sines, S.A.		-	-	277	-	-
Soturis - Sociedade Imobiliária e Turística, S.A.		-	2,150	25	-	6
Tanquisado - Terminais Marítimos, S.A.		-	5,500	30	3	61
Transgás, S.A.		-	2,800	10	-	1
		300	348,650	20,267	17	3,639
Associated companies:						
		-	-	5	3	-
Related companies:						
ENI Portugal Investment, S.p.A.		70	-	-	-	1,872
		70	-	-	-	1,872
		370	348,650	20,272	20	5,511

Loans obtained from and granted to group companies totalling tEuros 348,650 and tEuros 594,795, respectively, bear interest at market rates.

The asset and liability captions relating to Group companies include the following amounts receivable and payable resulting from the

adoption of the special regime for taxation of groups of companies under Galp (Note 6):

Relating to prior years:

	Assets	Liabilities
C.L.T. - Companhia Logística de Term. Marítimos, S.A.	6	-
Dianagás - Sociedade Distribuidora de Gás Natural de Évora, S.A.	82	-
Driftal - Plásticos de Portugal, S.A.	8	173
Eival - Sociedade de Empreendimentos, Investimentos e Armazenagem de Gases, S.A.	40	13
Galp Energia, S.A.	733	127
Galp Gás Natural, S.A.	62,516	665
Galp Power , SGPS, S.A.	242	902
Galp Power, S.A.	2	1,323
Galp Serviexpress - Serviços de Distribuição e Comercialização de Produtos Petrolíferos, S.A.	2	84
Galpgeste- Gestão de Áreas de Serviço, S.A.	343	10
Gásfomento - Sistemas e Instalações de Gás, S.A.	-	5
GDP - Gás de Portugal, SGPS, S.A.	43	253
GDP Distribuição, SGPS, S.A.	452	497
Lisboagás GDL - Sociedade Distribuidora de Gás Natural de Lisboa, S.A.	3,119	3
Medigás - Sociedade Distribuidora de Gás Natural do Algarve, S.A.	2	89
Paxgás - Sociedade Distribuidora de Gás Natural de Beja, S.A.	1	10
Petróleos de Portugal - Petrogal, S.A.	77,012	14,303
Sinecogeração - Cogeração da Refinaria de Sines, S.A.	-	190
Soturis - Sociedade Imobiliária e Turística, S.A.	78	24
Tanquisado - Terminais Marítimos, S.A.	539	20
Transgás Armazenagem - Sociedade Portuguesa de Armazenagem de Gás Natural, S.A.	-	31
Transgás, S.A.	103	9
	<u>144,963</u>	<u>18,731</u>

Relating to 2007 (Note 28):

C.L.T. - Companhia Logística de Term. Marítimos, S.A.	4	-
Dianagás - Sociedade Distribuidora de Gás Natural de Évora, S.A.	62	-
Driftal - Plásticos de Portugal, S.A.	-	5
Galp Energia, S.A.	1,315	3
Galp Gás Natural, S.A.	14,209	124
Galp Power , SGPS, S.A.	-	649
Galpgeste- Gestão de Áreas de Serviço, S.A.	203	6
GDP - Gás de Portugal, SGPS, S.A.	934	-
GDP Distribuição, SGPS, S.A.	379	-
Lisboagás GDL - Sociedade Distribuidora de Gás Natural de Lisboa, S.A.	5,957	-
Medigás - Sociedade Distribuidora de Gás Natural do Algarve, S.A.	109	-
Paxgás - Sociedade Distribuidora de Gás Natural de Beja, S.A.	-	18
Petróleos de Portugal - Petrogal, S.A.	27,510	636
Sinecogeração - Cogeração da Refinaria de Sines, S.A.	-	88
Soturis - Sociedade Imobiliária e Turística, S.A.	59	1
Tanquisado - Terminais Marítimos, S.A.	204	10
Transgás Armazenagem - Sociedade Portuguesa de Armazenagem de Gás Natural, S.A.	177	1
Transgás, S.A.	6,462	-
	<u>57,584</u>	<u>1,541</u>
	<u>202,547</u>	<u>20,272</u>

Transactions with Group companies in the half year ended 30 June 2007 were as follows:

2007	TRANSACTIONS				
Companies	Services rendered	Supplementary income	External supplies and services	Interest cost (Note 45)	Interest income (Note 45)
Group companies:					
Beiragás - Companhia de Gás das Beiras, S.A.	-	4	-	-	-
C.L.C. - Companhia Logística de Combustíveis, S.A.	-	2	-	-	-
C.L.T. - Companhia Logística de Term. Marítimos, S.A.	-	-	-	(17)	-
CLCM - Companhia Logística de Combustíveis da Madeira, S.A.	-	3	-	-	-
Dianagás - Sociedade Distribuidora de Gás Natural de Évora, S.A.	-	-	-	-	49
Duriensegás - Sociedade Distribuidora de Gás Natural do Douro, S.A.	-	-	-	-	29
Fast Access - Operações e Serviços de Informação e Comércio Electrónico, SA	-	-	-	-	4
Galp Açores - Distribuição e Comercialização de Combustíveis e Lubrificantes, S.A.	-	-	-	(190)	-
Galp Energia España, S.A.	-	-	(1)	-	-
Galp Energia, S.A.	-	1,235	(1,104)	(65)	-
Galp Exploração e Produção Petrolífera, S.A.	317	-	-	(304)	20
Galp Gás Natural, S.A.	335	-	(31)	(9,637)	-
Galp Madeira - Distribuição e Comercialização de Combustíveis e Lubrificantes, S.A.	-	-	(1)	(334)	-
Galp Power , SGPS, S.A.	410	76	-	-	1,012
Galpgeste- Gestão de Áreas de Serviço, S.A.	-	-	-	(72)	-
Gasinsular - Combustíveis do Atlântico, SA	-	-	-	-	43
GDP - Gás de Portugal, SGPS, S.A.	-	-	-	-	651
GDP Distribuição, SGPS, S.A.	-	-	-	(1)	580
Lisboagás GDL - Sociedade Distribuidora de Gás Natural de Lisboa, S.A.	106	-	-	-	1,127
Lusitaniagás - Companhia de Gás do Centro, S.A.	-	-	-	-	757
Medigás - Sociedade Distribuidora de Gás Natural do Algarve, S.A.	-	-	-	-	128
Petrogal Angola, Lda.	-	-	-	-	3
Petrogal Cabo Verde, Lda	-	-	-	-	3
Petróleos de Portugal - Petrogal, S.A.	1,689	23	(379)	-	5,622
Sacor Marítima, S.A.	-	-	-	(985)	-
Sinecogeração - Cogeração da Refinaria de Sines, S.A.	-	-	-	-	29
Soturis - Sociedade Imobiliária e Turística, S.A.	-	-	-	(41)	-
Tagus RE	-	51	-	-	-
Tanquisado - Terminais Marítimos, S.A.	-	-	-	(114)	-
Transgás Armazenagem - Sociedade Portuguesa de Armazenagem de Gás Natural, S.A.	-	-	-	-	52
Transgás, S.A.	361	-	-	(82)	-
	3,218	1,394	(1,516)	(11,842)	10,109
Related companies:					
ENI Portugal Investment, S.p.A.	-	-	(661)	-	-
	-	-	(661)	-	-
	3,218	1,394	(2,177)	(11,842)	10,109

Services rendered in the amount of tEuros 3,218 correspond essentially to costs re-charged to the Company, relating to overheads and qualified personnel working for the Company in the area of services rendered to Group companies.

The caption "Supplementary income" corresponds to costs incurred by the Company during the year relating to for strategic consultancy services, image development, marketing and publicity and risk hedging operations, re-charged to other companies.

25. RECEIVABLES FROM AND PAYABLES TO EMPLOYEES

At 30 June 2007 and 31 December 2006 the Company had the following receivables from and payables to employees:

	2007	2006
Receivables (Note 49)	128	463
Payables (Note 49)	(62)	(64)

28. STATE AND OTHER PUBLIC ENTITIES

At 30 June 2007 and 31 December 2006 there were no overdue accounts payable to the State and other Public Entities.

The balances with these entities were made up as follows:

	2007	2006
Receivable balances		
Value Added Tax recoverable	155	697
Corporate Income Tax recoverable	10,670	10,665
Social Security Institutions	19	18
	<u>10,844</u>	<u>11,380</u>
Payable balances		
Estimated Corporate Income Tax	53,471	83,113
Corporate Income Tax payable	-	516
Tax withheld	172	373
	<u>53,643</u>	<u>84,002</u>
Net balance	<u>(42,799)</u>	<u>(72,622)</u>

The liability caption "Estimated Corporate Income Tax" at 30 June 2007 is made up as follows:

	Corporate Income Tax relating to:			
	the Company	subsidiaries (Note 16)		
	(Note 6)	Receivable	Payable	Total
Estimated Corporate Income Tax	2,552	759	(57,584)	(54,273)
Corporate Income Tax withheld by third parties	20	782	-	802
Payments on account of Corporate Income Tax	-	-	-	-
Total	2,572	1,541	(57,584)	(53,471)

32. BANK GUARANTEES

At 30 June 2007 the Company had guarantees totalling tEuros 12,879 given to third parties, as follows:

- Guarantee of tEuros 500 in favour of the General Directorate of Geology and Energy, with Bank Santander Totta;
- 3 guarantees in the amounts of tEuros 10,036, tEuros 1,427 and tEuros 889 in favour of the General Directorate of Taxes, with BPI;
- Guarantee of tUSD 8,500 in favour of Oil Insurance Limited, with Millennium BCP.

34. CHANGES IN PROVISIONS

During the half year ended 30 June 2007 there were the following changes in provisions:

Caption	Beginning balance	Increases	Decreases	Ending balances
Other provisions:				
Provision for taxes	3,377	-	-	3,377
Provision for investments (Note 16):	2,655	14	-	2,669
	<u>6,032</u>	<u>14</u>	<u>-</u>	<u>6,046</u>

The increase in provisions in the amount of tEuros 14 was recorded by corresponding charge to the caption "Interest and similar costs - Relating to Group companies" (Note 45) to cover the negative equity of subsidiary and associated companies.

The provision of tEuros 3,377 was recorded to cover the tax risk relating to the sale of the participation in ONI, SGPS to Galp Energia, S.A..

The caption "Other provisions" at 30 June 2007 in the amount of tEuros 2,669 corresponds to the Company's liability for the accumulated losses of the subsidiary Central E, S.A. (Note 16).

36. CAPITAL

At 30 June 2007 the Company's capital consisted of 829,250,635 shares of one Euro each, 40,000,000 being class A shares and the remaining 789,250,635 being class B shares. The class A shares have the following special rights:

- (i) Election of the President of the Board of Directors can only be approved by a majority of A share votes;
- (ii) Any decision aimed at authorising the signing of parity group or subordination contracts, and any decisions which in any way can endanger the safety of the supply of petroleum, gas, electricity or related products, cannot be approved in a first or second calling against a majority of class A votes.

37. SHAREHOLDERS

The Company's shareholder structure was changed as follows in the half year ended 30 June 2007 in relation to that at 31 December 2006:

In 2007 the State sold 40,000,000 class A shares and 1,494,501 class B shares, representing 5.0% of Galp Energia, SGPS, S.A.'s capital to Parpública SGPS, S.A.. After this acquisition Parpública became holder of 58,079,514 shares of Galp Energia SGPS, S.A.,

representing 7.0% of the voting rights, the Portuguese State no longer being a direct shareholder of the Company as from that date. The class A shares have the special rights established in article 4 of Galp Energia, SGPS, S.A.'s Articles of Incorporation.

As a result of these transactions the Company's fully subscribed and paid up share capital at 30 June 2007 was held by the following entities:

	N. ^o of Shares	Nominal Value	% of Capital
Amorim Energia, B.V.	276,472,161	1 Euro	33.34
ENI, S.p.A	276,472,160	1 Euro	33.34
Parpública – Participações Públicas, (SGPS), S.A.	58,079,514	1 Euro	7.00
Iberdrola, S.A.	33,170,025	1 Euro	4.00
Banco BPI, S.A.	17,150,010	1 Euro	2.07
CXG Corporación Caixa Galicia, S.A.U.	16,585,012	1 Euro	2.00
Caixa Geral de Depósitos, S.A.	8,292,510	1 Euro	1.00
Other Shareholders	143,029,243	1 Euro	17.25
	<u>829,250,635</u>		<u>100.00</u>

40. CHANGES IN THE SHAREHOLDERS' EQUITY CAPTIONS

The changes in the shareholders' equity captions in the half year ended 30 June 2007 were as follows:

	Beginning balance	Increases	Decreases	Appropriation of profit	Ending balance
Capital	829,251	-	-	-	829,251
Share premium account	82,006	-	-	-	82,006
Adjustments in equity investments in subsidiary and associated companies (Note 10)	61,247	-	(1,829)	-	59,418
Legal reserve	79,047	-	-	39,877	118,924
Other reserves	27,977	-	-	-	27,977
Retained earnings	4,545	-	-	505,581	510,126
Net profit for the half year	797,550	303,493	-	(797,550)	303,493
	<u>1,881,623</u>	<u>303,493</u>	<u>(1,829)</u>	<u>(252,092)</u>	<u>1,931,195</u>

By decision of the Shareholders' General Meeting held on 28 May 2007, profit for the year ended 31 December 2006 was appropriated as follows:

Legal reserve	39,877
Retained earnings	505,581
Dividend	<u>252,092</u>
Net profit for the year	<u><u>797,550</u></u>

Legal reserve

Portuguese legislation establishes that at least 5% of annual net profit must be appropriated to a legal reserve until the reserve equals the statutory minimum requirement of 20% of share capital. The legal reserve and the bond premium account are not available for distribution to the shareholders, but may be used to increase capital or to absorb losses once the other reserves and retained earnings have been exhausted.

Adjustments in equity investments in subsidiary and associated companies

The opening balance of the caption "Adjustment in equity investments in group and associated companies" corresponds essentially to the effect of adjustments made directly by the subsidiaries of Petróleos de Portugal - Petrogal, S.A. and GDP - Gás de Portugal, SGPS, S.A. to their shareholders' equity accounts when they recorded deferred taxes for the first time, in the amount of tEuros 78,830. In addition, the opening balance and amounts recorded in this caption in 2006 correspond to the variation between years of the accumulated currency translation adjustments resulting from the translation of the foreign currency financial statements of subsidiaries.

43. REMUNERATION OF THE MEMBERS OF THE CORPORATE BOARDS

Remuneration of the Directors of Galp Energia in the half years ended 30 June 2007 and 2006 totalled tEuros 1,772 and tEuros 1,513, respectively, of which tEuros 1,203 and tEuros 1,181 corresponds to basic remuneration, tEuros 227 and tEuros 146 corresponds to bonuses, tEuros 239 and tEuros 0 corresponds to payments to the pension funds under the defined contribution plan and tEuros 103 and tEuros 186 corresponds to other benefits, respectively.

Remuneration paid to the Directors of Galp Energia assigned by the shareholders ENI, S.p.A., Amorim Energia, B.V. and Iberdrola S.A., which is included in the caption "External supplies and services", amounted to tEuros 779 and tEuros 385 for the half years ended 30 June 2007 and 2006, respectively.

In accordance with the policy currently in force, remuneration of the Directors of Galp Energia includes all the remuneration due for the positions held in the Galp Energia group companies.

45. FINANCIAL ITEMS

Financial items for the half years ended 30 June 2007 and 2006 are made up as follows:

	2007	2006
Costs:		
Interest on bank loans	4,918	1,515
Interest cost relating to group and associated companies (Note 16)	11,842	2,096
Loss on group and associated companies (Note 10)	608	344
Exchange loss	74	2
Other financial costs	192	120
	<u>17,634</u>	<u>4,077</u>
Net financial items	305,483	279,917
	<u>323,117</u>	<u>283,994</u>
Income:		
Interest income relating to group and associated companies (Note 16)	10,109	1,205
Other interest income	107	37
Loss on group and associated companies (Note 10)	312,457	279,096
Exchange gain	444	3,649
Other financial income	-	7
	<u>323,117</u>	<u>283,994</u>

The loss and gain on group and associated companies in the half year ended 30 June 2007 is made up as follows:

	Loss	Gain
Petróleos de Portugal - Petrogal,S.A	-	204,724
GDP S.G.P.S., S.A.	-	104,252
Galp Energia, S.A.	-	3,481
Galp Power, S.G.P.S., S.A.	594	-
Central E,S.A.	14	-
	<u>608</u>	<u>312,457</u>

The total loss on group and associated companies in the amount of tEuros 608 was recorded by corresponding entry to the caption "Investments" in the amount of tEuros 594 and "Other provisions" in the amount of tEuros 14 (Note 34).

The gain of tEuros 312,457 (Note 10) was recorded as an increase in the amount of investments, as explained in Note 3. d).

46. EXTRAORDINARY ITEMS

Extraordinary items for the half years ended 30 June 2007 and 31 December 2006 are made up as follows:

	2007	2006
Costs:		
Donations	33	97
Bonuses granted by subsidiaries to employees (Note 10)	916	2,772
Insufficiency of the estimated income	1,003	-
Other extraordinary costs	122	2
	<u>2,074</u>	<u>2,871</u>
Net extraordinary items	<u>(1,988)</u>	<u>(2,840)</u>
	<u>86</u>	<u>31</u>
Income:		
Gain on fixed assets	-	25
Adjustments relating to prior years	84	-
Other extraordinary income	2	6
	<u>86</u>	<u>31</u>

The amount of tEuros 916 in the caption "Extraordinary costs" corresponds to bonuses granted by Petróleos de Portugal-Petrolgal,S.A. to employees, out of profit for 2006, which was recorded as a decrease in the amount of the investment in that company.

48. LOANS

At 30 June 2007 and 31 December 2006 this caption was made up as follows:

	2007		2006	
	Short term	Medium and long term	Short term	Medium and long term
Bank loans				
Foreign loans	11,466	-	23,515	-
Domestic loans	0	39,000	0	39,000
Commercial paper	275,000	-	275,000	-
Bank overdrafts (Note 51)	77,858	-	101,608	-
	<u>364,324</u>	<u>39,000</u>	<u>400,123</u>	<u>39,000</u>

Foreign loans at 30 June 2007 were in US Dollars, they amounted to tUSD 15,484 and matured in the short term. These loans bear interest at the variable 6 month USD LIBOR (London Inter-

bank Offer Rate) rate plus a spread of 2.35% with a "cap" of 5.35%.

In the half year ended 30 June 2007 the Company repaid two instalments in the amount of tUSD 15,485, having recognised an exchange gain of tEuros 103.

In September 2006 the Company subscribed for 4 one year Commercial Paper Programs, renewal for equal periods, in the amount of tEuros 275,000, made up as follows:

Agent Bank	Paying Bank	Amount
Caixa Banco de Investimento	Caixa Geral de Depósitos	100,000
Banco Santander Negócios	Banco Santander Totta	100,000
Banco Millennium BCP Investimento	Banco Comercial Português	50,000
Banco Popular Portugal	Banco Popular Portugal	25,000
		<u>275,000</u>

These loans bear interest at the Euribor rate for the term of the issues, in force on the second business day preceding the subscription date, plus variable spreads defined in the contractual conditions of the commercial paper programs subscribed for by the Company. The rate of interest applies to the amount of each issue and remains unchanged during the period of the issue.

The European Investment Bank and Galp Energia, SGPS, S.A. agreed the following conditions for the loan:

- An average financial charges coverage ratio (ratio of “EBITDA” to “Net financial costs”) for the most recent years, of not less than 4.5 : 1.00, based on the consolidated financial statements;
- An average debt ratio (ratio of “Financial indebtedness” to “EBITDA”) for the last 3 years not exceeding 3.5 : 1, based on the consolidated financial statements.

In 2006 the Company contracted a medium and long term loan of tEuros 39,000 from the European Investment Bank for the exclusive purpose of funding the construction and operation of a co-generating installation in the Sines refinery. The loan bears interest at the Euribor six month rate plus a variable spread and is repayable as follows:

2010	2,391
2011	2,519
2012	2,656
2013	2,800
2014	2,956
2015	3,112
2016	3,280
2017	3,459
2018	3,647
2019	3,845
2020	4,056
2021	4,279
	<u>39,000</u>

49. OTHER DEBTORS AND OTHER CREDITORS

At 30 June 2007 and 31 December 2006 these captions were made up as follows:

	2007	2006
Other debtors		
Personnel (Note 25)	128	463
Guarantees	213	213
Others	256	11
	<u>597</u>	<u>687</u>
Other creditors		
Personnel (Note 25)	62	64
Others	2,589	2,620
	<u>2,651</u>	<u>2,684</u>

50. ACCRUALS AND DEFERRALS

At 30 June 2007 and 31 December 2006 these captions were made up as follows:

	2007	2006
Accrued income:		
Accrued interest (Note 16)	4,995	4,392
Other accrued income	6	551
	<u>5,001</u>	<u>4,943</u>
Deferred costs:		
Prepaid insurance	547	-
Financial costs	258	-
Other deferred costs	-	1,326
	<u>805</u>	<u>1,326</u>
Accrued costs:		
Vacation pay, vacation subsidy and related charges	295	392
Performance bonus	124	296
Cost of personnel ceded	2,051	1,429
Accrued interest	4,325	5,148
External supplies and services	28	633
Other accrued costs	1	39
	<u>6,824</u>	<u>7,937</u>

51. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at 30 June 2007 and 31 December 2006 are made up as follows:

	June 2007	December 2006	June 2006
Cash	6	12	89
Demand deposits	135	329	6,396
Bank overdrafts (Note 48)	(77,858)	(101,608)	(158)
Marketable securities	-	-	25,000
Treasury applications	-	90,000	-
	<u>(77,717)</u>	<u>(11,267)</u>	<u>31,327</u>

52. EXPLANATION ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally issued in Portuguese in accordance with generally accepted accounting principles in Portugal and the format and disclosures required by the Official Chart of Accounts ("Plano Oficial de

Contabilidade - POC"), some of which may not conform to or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

THE ACCOUNTANT

Carlos Alberto Nunes Barata

THE BOARD OF DIRECTORS

Francisco Luis Murteira Nabo

Manuel Ferreira De Oliveira

Giancarlo Rossi

José António Marques Gonçalves

André Freire de Almeida Palmeiro Ribeiro

Fernando Manuel dos Santos Gomes

João Pedro Leitão Pinheiro de Figueiredo Brito

Massimo Giuseppe Rivara

Manuel Domingos Vicente

Joaquim Augusto Nunes Pina Moura

Camillo Gloria

Diogo Mendonça Rodrigues Tavares

Angelo Taraborrelli

Carlos Nuno Gomes da Silva

Marco Alverà

Alberto Alves de Oliveira Pinto

Pedro António do Vadre Castelino e Alvim

Alberto Maria Alberti

02. LIMITED REVIEW REPORT OF AN AUDITOR REGISTERED AT THE CMVM (SECURITIES MARKET COMMISSION) ON THE HALF-YEAR NON-CONSOLIDATED INFORMATION

(Translation of a report originally issued in Portuguese - see Note 52)
(Amounts expressed in thousands of Euros - tEuros)

Introduction

1. Pursuant to the Securities Market Code (Código dos Valores Mobiliários), we present our Limited Review Report on the financial information of Galp Energia, SGPS, S.A. ("the Company") for the half year ended 30 June 2007 included in: the Balance Sheet (that reflects a total of tEuros 2,773,045 and shareholders' equity of tEuros 1,931,195, including net profit of tEuros 303,493), the Statements of Profit and Loss by Nature and by Functions and the Statement of Cash Flows for the half year then ended and the corresponding Notes.
2. The amounts presented in the financial statements, as well as those in the additional financial information, were obtained from the Company's accounting records.

Responsibilities

3. The Company's Board of Directors is responsible for: (i) the preparation of historical half-year financial information in accordance with generally accepted accounting principles that is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code; (ii) the adoption of adequate accounting policies and criteria; (iii) the maintenance of an appropriate system of internal control; and (iv) informing of any significant facts that have influenced its operations, financial position or results of operations.
4. Our responsibility is to verify the financial information contained in the documents referred to above, namely if, in all material respects, it is complete, true, up-to-date, clear, objective and licit and is in compliance with the Securities Market Code, and to issue a professional and independent moderate assurance report based on our work.

Scope

5. Our work was performed with the objective of obtaining moderate assurance about whether the financial information referred to above is free of material misstatement. Our work was performed in accordance with the auditing standards ("Normas Técnicas e Directrizes de Revisão/Auditoria") issued by the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas") and, being planned in accordance with that objective, included mainly inquiries and the

performance of analytical procedures to review: (i) the reliability of the assertions included in the financial information; (ii) the adequacy of the accounting policies adopted, considering the circumstances and their consistent application; (iii) the applicability or not of the going concern principle; (iv) the presentation of the financial information; and (iv) if, in all material respects, the financial information is complete, true, up-to-date, clear, objective and licit in conformity with the requirements of the Securities Market Code.

6. We believe that our work provides a reasonable basis to issue our limited review report on the half-year information.

Conclusion

7. Based on our work, which was performed with the objective of obtaining moderate assurance, nothing has come to our attention that causes us to believe that the financial information of Galp Energia, SGPS, S.A. for the half year ended 30 June 2007, referred to in paragraph 1 above, is not free of material misstatement that affects its compliance with generally accepted accounting principles in Portugal and is not complete, true, up-to-date, clear, objective and licit in accordance with the definitions included in the Standards referred to in paragraph 5 above.

Emphasis

8. The financial statements referred to in paragraph 1 above refer to the Company's operations on an individual non-consolidated basis and were prepared in accordance with generally accepted accounting principles in Portugal. As explained in Note 3 c) to the financial statements, investments in subsidiaries and associated companies are recorded in accordance with the equity method of accounting. The Company has also prepared consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union.

Lisbon, 19 September 2007

DELOITTE & ASSOCIADOS, SROC S.A.

Represented by Jorge Carlos Batalha Duarte Catulo

EDITION
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DESIGN
STRATDESIGN ➤

