



May 2015

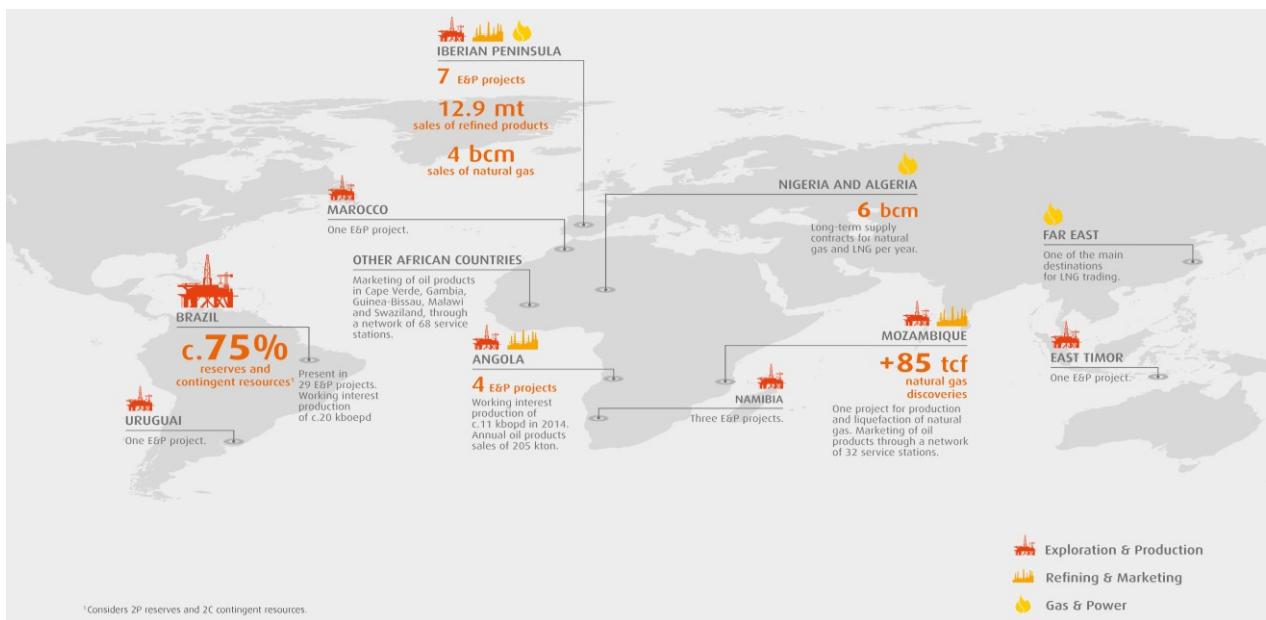
RESULTS AND CONSOLIDATED INFORMATION FIRST QUARTER OF 2015

*An integrated energy player focused on
exploration and production*

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Galp Energia: energy on the move



WHO WE ARE

- An integrated energy player focused on exploration and production, with a portfolio of assets with a unique growth profile within the industry.
- Exploration and production activities anchored in three core countries: Brazil, Angola and Mozambique.
- Significant presence in the downstream oil and gas businesses in the Iberian Peninsula and in Africa.
- Distribution and marketing of natural gas and electricity in Iberia, with a growing LNG structured trading activity.

Our vision and purpose

To be an integrated energy player recognised for its exploration and production activities, creating sustainable value for its stakeholders.

Our strategy

To strengthen our exploration and production activities, complemented by efficient and competitive downstream and gas businesses and supported by a solid financial capacity and sustainable practices.

Our strategic drivers

- Efficient business development.
- Financial discipline and value creation.
- Organisational effectiveness.
- Human capital development.
- Commitment to sustainability.

Our competitive advantages

- Participation in some of the most promising projects worldwide.
- Successful and enduring partnerships with leading companies.
- Integrated skills and know-how of the business.
- Financial capacity and flexible organisation.

To learn more, visit www.galpenergia.com

Executive summary

MAIN OPERATING HIGHLIGHTS DURING THE FIRST QUARTER OF 2015

- Working interest production of oil and natural gas amounted to 41.5 kboepd;
- Galp Energia's refining margin of \$5.9/boe mainly reflecting the favourable refining margins in the international market; the marketing of oil products maintained its positive contribution to results;
- Natural gas sold amounted to 2,195 million cubic metres (mm³), supported by the LNG trading activity in the international market;
- The Group's consolidated Ebitda amounted to €398 million (m), up 50% year on year (yoY), on a replacement cost adjusted (RCA) basis;
- Capital expenditure in the quarter amounted to €283 m, of which 96% was allocated to exploration and production activities;
- Net debt at the end of March 2015 amounted to €1,429 m considering the loan to Sinopec as cash and equivalents, in which case, net debt to Ebitda was 1.0x.

Galp Energia continued to implement its strategy focused on the execution of its Exploration & Production (E&P) projects and on the optimisation of its Refining & Marketing (R&M) and Gas & Power (G&P) businesses. The integrated profile contributed to an improved operating performance compared to the previous year.

During the quarter, development activities proceeded in block BM-S-11, in the Lula/Iracema field, with FPSO Cidade Angra dos Reis (FPSO #1) and Cidade de Paraty (FPSO #2) around full capacity. FPSO Cidade de Mangaratiba (FPSO #3), in the Iracema South area, reached a production of around 100 kbopd at the end of the quarter, with the connection of a third producer well.

Regarding exploration and appraisal activities, Galp Energia and its partners in block BM-S-8

proceeded with the drilling works of the Carcará Extension-2 well, the second appraisal well, whose purpose is to evaluate the resource potential of the discovery.

In December, the consortium for block BM-S-11 submitted the Declaration of Commerciality (DoC) for the Iara area, along with the Entorno de Iara area (Transfer of Rights, 100% Petrobras) and the consortium started the drilling of the reservoir data acquisition (RDA) well in the Berbigão area.

Regarding R&M and G&P activities, Galp Energia continues to focus on the optimisation of its operations, in order to increase the return on capital employed in these businesses. The maintenance of a high utilisation rate of the refineries and the optimisation of the natural gas trading business is worth highlighting.

Key figures

FINANCIAL DATA

€ m (RCA)

| | First Quarter | | | |
|---------------------------------------|---------------|--------------|---------------|----------------|
| | 2014 | 2015 | Chg. | % Chg. |
| Ebitda | 265 | 398 | 133 | 50.0% |
| Exploration & Production | 104 | 94 | (10) | (9.4%) |
| Refining & Marketing | 36 | 165 | 130 | n.m. |
| Gas & Power | 122 | 131 | 9 | 7.4% |
| Ebit | 130 | 250 | 120 | 91.7% |
| Net income | 47 | 121 | 75 | n.m. |
| Capex | 197 | 283 | 87 | 44.2% |
| Change in net debt | 155 | (202) | (356) | n.m. |
| Net debt¹ | 1,630 | 1,429 | (202) | (12.4%) |
| Net debt to Ebitda¹ | 1.2x | 1.0x | (0.3x) | n.m. |

¹Considering loan to Sinopec as cash and equivalents. The information in 2014 is related to December 31.

OPERATIONAL DATA

| | First Quarter | | | |
|--|---------------|--------|--------|---------|
| | 2014 | 2015 | Chg. | % Chg. |
| Average working interest production (kboepd) | 28.1 | 41.5 | 13.4 | 47.7% |
| Average net entitlement production (kboepd) | 24.6 | 38.7 | 14.1 | 57.4% |
| Oil and gas average sale price (USD/boe) | 96.2 | 50.6 | (45.6) | (47.4%) |
| Raw materials processed (kboe) | 19,539 | 26,195 | 6,656 | 34.1% |
| Galp Energia refining margin (USD/boe) | 0.9 | 5.9 | 4.9 | n.m. |
| Oil sales to direct clients (mton) | 2.2 | 2.3 | 0.1 | 3.6% |
| NG supply sales to direct clients (mm ³) | 1,011 | 999 | (12) | (1.2%) |
| NG/LNG trading sales (mm ³) | 1,067 | 1,195 | 128 | 12.0% |

MARKET INDICATORS

| | First Quarter | | | |
|--|---------------|-------|--------|---------|
| | 2014 | 2015 | Chg. | % Chg. |
| Dated Brent price ¹ (USD/bbl) | 108.2 | 53.9 | (54.3) | (50.2%) |
| Heavy-light crude price spread ² (USD/bbl) | (2.0) | (1.3) | 0.6 | 31.7% |
| UK NBP natural gas price ³ (GBP/therm) | 60.5 | 48.1 | (12.4) | (20.5%) |
| LNG Japan and Korea price ¹ (USD/mmbtu) | 18.3 | 7.8 | (10.6) | (57.7%) |
| Benchmark refining margin ⁴ (USD/bbl) | (0.6) | 5.3 | 5.9 | n.m. |
| Iberian oil market ⁵ (mton) | 14.3 | 14.9 | 0.6 | 4.2% |
| Iberian natural gas market ⁶ (mm ³) | 8,502 | 9,074 | 572 | 6.7% |

¹Source: Platts.

²Source: Platts. Dated Urals NWE for heavy crude; Dated Brent for light crude.

³Source: Bloomberg.

⁴For a complete description of the method of calculating the benchmark refining margin see "Definitions".

⁵Source: Apetro for Portugal; Cores for Spain; the figures include an estimate for March 2015.

⁶Source: Galp Energia and Enagás.

Exploration & Production activities



DEVELOPMENT ACTIVITIES

Brazil

During the first quarter of 2015, Galp Energia and its partners continued with the development works in the Lula/Iracema area.

It is worth highlighting the connection of the third producer well and the second injector well to FPSO #3, in the Iracema South area, reaching a production of around 100 kbopd in mid-March. The consortium expects to reach plateau production during the first half of 2016.

During the first quarter of 2015, the sixth producer well was connected to FPSO #2, which is performing the EWT of Lula North, providing greater production flexibility and improved reservoir management. The unit has been operating at plateau production since September 2014.

A fourth injector well was connected to FPSO #1 in the Lula Pilot area, which has produced steadily near its full capacity during the quarter.

The Cabiúnas pipeline installation, which started in the second quarter of 2014, is proceeding according to plan. The consortium expects the pipeline to be pre-commissioned by the end of 2015.

Construction works for the remaining FPSO units planned to be assigned to the Lula/Iracema field proceeded in the quarter.

FPSO Cidade de Itaguaí (FPSO #4) has been in the Brasfels shipyard in Brazil since the beginning of

the year for topside integration works. The FPSO is scheduled to start production in the Iracema North area during the fourth quarter of 2015.

FPSO Cidade de Maricá, assigned to the Lula Alto area, has left the Chengxi shipyard, in China, in April, for the Brasa shipyard, in Brazil, where the remaining integration works will be carried out. FPSO Cidade de Saquarema, assigned to the Lula Central area, continues to be converted in the Chengxi shipyard, in China. These FPSO units are expected to start production during the first half of 2016.

Regarding the works on the replicant FPSO units, integration works proceeded on the P-66 unit upon the arrival of the hull of this unit at the Brasfels shipyard in December 2014. P-67 hull construction is underway in the Ecovix shipyard, in Rio Grande do Sul. Integration works on the blocks of the P-68 hull also proceeded in the Cosco shipyard, in China, as well as works on P-69, in the dry dock of Ecovix in Rio Grande do Sul.

The consortium has launched an international tender at the end of 2014 for the construction of the CO₂ and gas compression and injection modules following the termination of the contract with IESA Óleo e Gás S.A. (IESA). Offers for the construction of these modules have been received during the first quarter of 2015, and for which the award is imminent.

Angola

Regarding the Lianzi field in block 14k, drilling and completion activities are underway in four wells, of which three were producer wells. The consortium expects to start production during the second half of 2015 through a tie-back to the CPT platform in the BBLT field.

Regarding block 32, in Angola, engineering and procurement works associated to the Kaombo project proceeded in the quarter, with FPSO conversion works having started in Singapore.



DEVELOPMENT WELLS IN THE LULA/IRACEMA AREA

| Project | Type of wells | Planned | Drilled | In progress | Connected |
|--------------------------------------|---------------|---------|---------|-------------|----------------|
| | | | | | |
| Lula Pilot | Producers | 7 | 5 | 0 | 5 |
| <i>FPSO Cidade de Angra dos Reis</i> | Injectors | 5 | 4 | 0 | 4 |
| Lula NE | Producers | 8 | 6 | 0 | 6 ¹ |
| <i>FPSO Cidade de Paraty</i> | Injectors | 6 | 6 | 1 | 3 |
| Iracema South | Producers | 8 | 7 | 0 | 3 |
| <i>FPSO Cidade de Mangaratiba</i> | Injectors | 8 | 6 | 0 | 2 |
| Iracema North | Producers | 8 | 6 | 2 | 0 |
| <i>FPSO Cidade de Itaguaí</i> | Injectors | 9 | 3 | 0 | 0 |

¹Including EWT of the Lula North area.

Exploration and appraisal activities

Brazil

During the first quarter of 2015, the consortium proceeded with the drilling of the Carcará Extension-2 appraisal well, in block BM-S-8, which began in January 2015. Drilling is being performed in a single phase using a rig equipped with managed pressure drilling (MPD). A drill stem test (DST) will be conducted upon the completion of this well, with the purpose of testing the pressure, permeability and productivity of this area of the reservoir.

In block BM-S-11, the drilling of the reservoir data acquisition (RDA) well began in the Berbigão area (Iara West), aiming to increase reservoir

knowledge, and is expected to be concluded during the first half of the year.

Drilling works relating to the exploration campaign in the onshore Amazonas basin proceeded. Upon the conclusion and abandonment of the first well, after no hydrocarbons were found, the consortium continued with the exploration campaign. During the first quarter of 2015, light oil and gas was encountered in the Jan-1 well, from which results are being evaluated. Still during the quarter, the consortium started drilling the Sil-1 exploration well.



SCHEDULE OF EXPLORATION AND APPRAISAL ACTIVITIES

| Area | Target | Interest | E/A ² | Spud date | Duration (# days) | Well status |
|---------------------------|---------------------|----------|------------------|------------------|-------------------|-------------|
| Brazil¹ | | | | | | |
| BM-S-11 | Iara RDA 4 | 10% | A | Feb-15 | 120 | In progress |
| BM-S-8 | Carcará Extension-2 | 14% | A | Jan-15 | 120 | In progress |
| BM-S-8 | Carcará Extension-1 | 14% | A | 3Q15 | 120 | - |
| BM-S-8 | Guanxuma | 14% | E | 4Q15 | 120 | - |
| BM-S-24 | Elida | 20% | A | 2Q15 | 120 | - |
| BM-S-24 | Citera | 20% | A | 4Q15 | 120 | - |
| Potiguar | Pitú 2 | 20% | A | 2Q15 | 120 | - |
| Potiguar | POT16-1 | 20% | E | 4Q15 | 120 | - |
| Amazonas | Jan-1 | 40% | E | 1Q15 | 60 | Concluded |
| Amazonas | Sil-1 | 40% | E | Mar-15 | 60 | In progress |
| Angola | | | | | | |
| Block 32 | Colorau 3 | 5% | A | 4Q15 | 60 | - |
| Portugal | | | | | | |
| Alentejo | Santola-1 | 30% | E | 4Q15/1Q16 | 120 | - |

¹Petrogal Brasil: 70% Galp Energia; 30% Sinopec.

²E – Exploration well; A – Appraisal well.

Operating and financial performance

1. MARKET ENVIRONMENT

Dated Brent

During the first quarter of 2015, the price of dated Brent decreased \$54.3/bbl yoy to an average of \$53.9/bbl, the lowest average value since the first quarter of 2009. This evolution came as a result of oversupply which resulted from the increase of non-conventional oil production, particularly shale oil in the USA and from the slowdown of global oil demand.

The average price spread between heavy and light crudes decreased from -\$2.0/bbl in the previous year, to -\$1.3/bbl. The tightened spread between these two types of crudes came as a result of an increased demand for Urals in the Mediterranean region.

Refining margins

During the first quarter of 2015, Galp Energia's benchmark refining margin increased by \$5.9/bbl yoy to \$5.3/bbl as both the hydrocracking and cracking margins improved by \$5.7/bbl and \$6.4/bbl, respectively, following a positive evolution of gasoline, diesel and fuel oil cracks, and lower oil prices, impacting refining consumptions and losses.

The gasoline crack spread increased \$5.4/bbl yoy, as a result from an increase in USA demand as well as on the back of the start of the maintenance work period in the Atlantic Basin, both of which led to an increase of 50% in gasoline imports into this country. Unplanned outages in Latin America and the logistic constraints due to weather conditions also contributed to that end.

The diesel crack spread increased \$1.1/bbl yoy, benefitting from a severe winter which supported

exports to the USA and from the economic recovery in some Northern European countries.

Additionally, the diesel crack spread benefitted from the changes in bunker fuel in emission control areas (ECA) as of January 2015, which include the US East Coast and Northern Europe, with the majority of ship-owners opting for the use of bunker diesel.

Despite the enactment of the restriction on demand of fuel oil, the fuel oil crack spread increased \$2.2/bbl yoy, influenced by the increased demand in the Asian market, the rigorous temperatures felt in the US East Coast and the shortage of some bunker fuel components, pressured by the demand for bunker diesel.

Iberian market

During the first quarter of 2015, the Iberian market for oil products reached 14.9 million tonnes (mton), an increase of around 4% yoy. Middle distillates experienced the largest increase, with diesel and jet fuel revealing a positive recovery in the road and air traffic. The increased demand for bunker diesel is also worth noting, as a result from the aforementioned fuel oil restriction.

During the first quarter of 2015, the Iberian natural gas market increased around 7% yoy to 9,074 mm³, with demand from the electrical and conventional segments up 37% and 3%, respectively. The electrical segment was impacted by the lower hydroelectric power generation which led to a greater use of electricity generation from natural gas, whilst the conventional segment was impacted by the economic recovery in the region.

2. OPERATING PERFORMANCE



EXPLORATION & PRODUCTION

€ m (RCA, except otherwise stated)

| | First Quarter | | | |
|---|---------------|-------------|---------------|----------------|
| | 2014 | 2015 | Chg. | % Chg. |
| Average working interest production¹ (kboepd) | 28.1 | 41.5 | 13.4 | 47.7% |
| Oil production (kbopd) | 26.9 | 38.4 | 11.4 | 42.5% |
| Average net entitlement production (kboepd) | 24.6 | 38.7 | 14.1 | 57.4% |
| Angola | 7.3 | 7.8 | 0.5 | 6.3% |
| Brazil | 17.3 | 31.0 | 13.7 | 79.0% |
| Average realised sale price (USD/boe) | 96.2 | 50.6 | (45.6) | (47.4%) |
| Royalties² (USD/boe) | 10.2 | 4.1 | (6.1) | (59.4%) |
| Production costs (USD/boe) | 13.1 | 11.8 | (1.4) | (10.4%) |
| Amortisation³ (USD/boe) | 22.2 | 16.4 | (5.7) | (25.9%) |
| Ebitda | 104 | 94 | (10) | (9.4%) |
| Depreciation & Amortisation | 36 | 51 | 15 | 40.8% |
| Provisions | (0) | - | 0 | n.m. |
| Ebit | 68 | 44 | (24) | (35.9%) |

Note: unit values based on net entitlement production.

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

²Based on production in Brazil.

³Includes abandonment provisions.

Operations

During the first quarter of 2015, the average working interest production of oil and natural gas increased 48% yoy to 41.5 kboepd, of which 92% was oil production.

Production from Brazil increased 13.7 kboepd yoy to 31.0 kboepd, primarily as a result of the incremental contribution to production from FPSO #2, with 13.4 kboepd, and the increase of production in FPSO #3 with an average production of 6.8 kbopd in the quarter. The latter performing from two producer wells throughout the period and the partial contribution of a third well that was connected in March. FPSO #1 maintained its contribution to production in the quarter, with 10.1 kboepd, despite maintenance activities in the heat exchanger.

Exports of gas from the Lula area increased to 2.6 kboepd from 0.8 kboepd the previous year,

following the start of natural gas exports from Lula NE in July 2014.

In Angola, working interest production decreased 0.3 kbopd, or 2% yoy to 10.5 kbopd, as the contribution from the TL field, in block 14, declined following the outage for maintenance performed in January.

Net entitlement production increased 57% yoy to 38.7 kboepd, due to a higher contribution from Brazil. In Angola, net entitlement production increased 6% yoy to 7.8 kbopd, as the lower working interest production was offset by the production-sharing agreements (PSAs) mechanism.

Production from Brazil accounted for 80% of total net entitlement production in the first quarter of 2015, compared with 70% the previous year.

Results

Ebitda for the first quarter of 2015 declined €10 m yoy to €94 m following the decrease in the average sale price of oil and natural gas, which was partially offset by the increase in net entitlement production and the appreciation of the Dollar against the Euro.

The average sale price in the quarter was \$50.6/boe, down from \$96.2/boe the year before.

Production costs increased around €15 m yoy to €36 m. In Brazil, production costs increased as a result of the start of operations of FPSO #3 in the Iracema South area and of FPSO #2's increased activity. In Angola, production costs also increased, following the maintenance performed in the TL field.

In unit terms, and on a net entitlement basis, production costs in the first quarter of 2015 decreased \$1.4/boe yoy to \$11.8/boe, due to cost dilution from increased production.

Depreciation charges in the first quarter of 2015 increased €15 m yoy to €51 m, primarily on the back of the increased asset base and production from Brazil. On a net entitlement basis, unit depreciation charges decreased to \$16.4/boe from \$22.2/boe the previous year.

Ebit in the E&P business segment decreased €24 m yoy to €44 m, as a result of the lower realised sale price and the higher depreciation charges.



REFINING & MARKETING

€ m (RCA, except otherwise stated)

| | First Quarter | | | |
|---|---------------|---------------|--------------|--------------|
| | 2014 | 2015 | Chg. | % Chg. |
| Galp Energia refining margin (USD/boe) | 0.9 | 5.9 | 4.9 | n.m. |
| Refining cash cost ¹ (USD/boe) | 3.0 | 2.4 | (0.7) | (21.6%) |
| Raw materials processed (kboe) | 19,539 | 26,195 | 6,656 | 34.1% |
| Crude processed (kbbi) | 16,574 | 23,148 | 6,574 | 39.7% |
| Total refined product sales (mton) | 3.7 | 4.4 | 0.7 | 19.7% |
| Sales to direct clients (mton) | 2.2 | 2.3 | 0.1 | 3.6% |
| Ebitda | 36 | 165 | 130 | n.m. |
| Depreciation & Amortisation | 72 | 68 | (4) | (5.1%) |
| Provisions | 9 | 9 | 1 | 7.0% |
| Ebit | (45) | 88 | 133 | n.m. |

¹Includes impact of hedging of the refining margin.

Operations

Raw materials processed during the first quarter of 2015 increased 34% yoy to 26.2 million barrels. The volume of raw materials processed a year earlier had been affected by the start of the planned outage of the Sines refinery. Crude oil processed accounted for 88% of raw materials processed, of which 85% corresponded to medium and heavy crudes.

The production of middle distillates (diesel and jet) accounted for 46% of total production, whereas gasoline and fuel oil accounted for 22% and 17% of total production, respectively. Consumption

and losses in the quarter accounted for 8%, in line with the previous year.

Volumes sold to direct clients increased 4% yoy to 2.3 mton, following the upward trend of the Iberian market and mainly due to the increase of sales in the wholesale segment, namely marine bunkers and chemical naphtha. To a smaller extent the retail segment also improved. Volumes sold in Africa accounted for 8% of total volumes sold to direct clients, a contribution in line with the previous year.

Results

Ebitda for the R&M segment increased €130 m yoy to €165 m, mainly on the back of improved results from refining activities and from the appreciation of the Dollar against the Euro.

Galp Energia's refining margin increased \$4.9/boe to \$5.9/boe, based on total processed raw materials, mainly on the back of improved margins in the international markets. The premium to benchmark margin was of \$0.6/boe, impacted by planned outages for maintenance, namely at the vacuum distillation units at the Sines and Matosinhos refineries, as well as by the lag of pricing formulas of some raw materials processed.

Refining cash costs amounted to €55 m, or \$2.4/boe in unit terms, also on the back of the total processed raw materials, down from \$3.0/boe the previous year. In 2015, these costs were negatively impacted by the hedging of the refining margin.

Marketing of oil products in the first quarter of 2015 maintained its positive contribution to results compared to the same period a year earlier, benefitting from higher volumes sold.

Depreciation charges amounted to €68 m, down €4 m yoy, and provisions in the period remained stable at €9 m yoy. As a result, Ebit for the R&M business segment was positive by €88 m.



GAS & POWER

€ m (RCA, except otherwise stated)

| | First Quarter | | | |
|---|---------------|--------------|------------|--------------|
| | 2014 | 2015 | Chg. | % Chg. |
| NG supply total sales volumes (mm³) | 2,078 | 2,195 | 116 | 5.6% |
| Sales to direct clients (mm ³) | 1,011 | 999 | (12) | (1.2%) |
| Trading (mm ³) | 1,067 | 1,195 | 128 | 12.0% |
| Sales of electricity (GWh) | 937 | 1,127 | 190 | 20.3% |
| Ebitda | 122 | 131 | 9 | 7.4% |
| Natural Gas | 70 | 98 | 28 | 39.6% |
| Infrastructure | 42 | 34 | (9) | (20.6%) |
| Power | 9 | (1) | (10) | n.m. |
| Depreciation & Amortisation | 16 | 15 | (1) | 7.1% |
| Provisions | 2 | 4 | 2 | n.m. |
| Ebit | 104 | 112 | 8 | 7.6% |

Operations

Volumes sold in the natural gas segment increased 6% yoy to 2,195 mm³ as a result of the increase in volumes sold in international markets through trading, which more than offset the decrease of volumes sold to direct clients in Iberia.

Trading sales amounted to 1,195 mm³, up 12% from the previous year. Ten trading operations were carried out in the quarter, particularly aimed at Latin America, but also at Asia and Europe.

Volumes sold to direct clients decreased 1% yoy to 999 mm³ mainly on the back of the residential

segment as a result of increased competition in the Iberian market.

On the other hand, the industrial segment remained stable yoy and volumes sold in the electrical segment increased due to higher demand of natural gas for power generation in Portugal.

Sales of electricity increased 190 GWh yoy to 1,127 GWh following the increased supply of electricity. Sales of electricity to the grid decreased 39 GWh yoy to 389 GWh.

Results

Ebitda for the G&P business in the first quarter of 2015 was up 7% yoy to €131 m.

Ebitda for the natural gas segment improved €28 m yoy to €98 m on the back of higher LNG volumes traded, as well as on the optimisation of natural gas sourcing.

On the other hand, Ebitda for the regulated infrastructure and power businesses decreased €9 m and €10 m yoy, respectively. The lower results from the infrastructure business were due to the downward revision to around 8% of the estimated rate of return for the gas year

2014-2015. The power business was impacted by the lag in the natural gas sales price indexes.

Depreciation and amortisation in the G&P business segment stood at €15 m, in line with the year before.

Provisions accounted for €4 m in the first quarter of 2015, compared to €2 m the previous year, and were primarily related to impairments in trade receivables.

As a result, Ebit for the G&P business segment increased 8% yoy to €112 m.

3. FINANCIAL PERFORMANCE

3.1 PROFIT & LOSS

€ m (RCA, except otherwise stated)

| | First Quarter | | | |
|--|---------------|------------|------------|--------------|
| | 2014 | 2015 | Chg. | % Chg. |
| Turnover | 4,125 | 3,923 | (202) | (4.9%) |
| Operating expenses | | | | |
| Cost of goods sold | (3,490) | (3,129) | (361) | (10.3%) |
| Supply & Services | (290) | (324) | 34 | 11.6% |
| Personnel costs | (85) | (83) | (2) | (2.5%) |
| Other operating revenues (expenses) | 6 | 11 | 5 | 87.0% |
| Ebitda | 265 | 398 | 133 | 50.0% |
| Depreciation & Amortisation | (124) | (135) | 10 | 8.2% |
| Provisions | (10) | (13) | 3 | 26.6% |
| Ebit | 130 | 250 | 120 | 91.7% |
| Net income from associated companies | 17 | 26 | 9 | 53.0% |
| Net income from investments | (0) | (0) | (0) | n.m. |
| Financial results | (42) | (73) | (32) | (75.7%) |
| Net income before taxes and non-controlling interests | 106 | 203 | 97 | 91.8% |
| Taxes ¹ | (46) | (71) | 25 | 53.4% |
| Non-controlling interests | (13) | (11) | (2) | (14.9%) |
| Net income | 47 | 121 | 75 | n.m. |
| Non recurrent items | (16) | (45) | (29) | n.m. |
| Net income RC | 31 | 76 | 46 | n.m. |
| Inventory effect | (17) | (86) | (70) | n.m. |
| Net income IFRS | 14 | (10) | (24) | n.m. |

¹Includes Special Participation Tax payable in Brazil and IRP payable in Angola of €24 m in the first quarter of 2015.

Turnover in the first quarter of 2015 decreased 5% yoy to €3,923 m, as the prices of oil, natural gas and oil products fell in the international markets.

Operating expenses in the quarter decreased 9% yoy to €3,536 m. In fact, the 10% decrease of costs of goods sold more than offset the increase in supply & services costs, and which was due to higher variable costs related to the production of oil and natural gas, and the higher costs for the transportation of goods.

Ebitda for the quarter was up €133 m yoy to €398 m, following the improved results of the R&M business, benefitting from the recovery of international refining margins and from the increased volumes of oil products sold.

The E&P business on the other hand was negatively impacted by the fall in oil prices, notwithstanding the increase of production. The

G&P business benefitted from the higher volumes traded.

Ebit increased €120 m to €250 m, as a result of the improved operating performance, particularly in the R&M business.

Results from associates amounted to €26 m, an increase of €9 m yoy, following the positive contribution from the EMPL – Europe Maghreb Pipeline and from Tupi B.V., the main vehicle used for the execution of capital expenditure related to the Lula/Iracema field in Brazil.

Financial results of -€73 m include unfavourable exchange rate differences, resulting from the appreciation of the Dollar impacting trade payables, and the mark-to-market effect of refining margin hedging instruments.

Net interest expenses amounted to €32 m, compared to €38 m in the previous year.

Taxes increased €25 m to €71 m, driven by the improved results.

Non-controlling interests amounted to €11 m, primarily attributable to Sinopec.

RCA net income increased €75 m yoy to €121 m, whereas IFRS net income decreased €24 m yoy

and was negative by €10 m in the first quarter of 2015. IFRS results were negatively impacted by the inventory effect as a result of the fall in oil prices, and by non-recurrent events amounting to €45 m, primarily related to the exploration activity in the Amazonas basin, in Brazil, and in block 14, in Angola.

3.2 CAPITAL EXPENDITURE

| € m | First Quarter | | | |
|---------------------------------------|---------------|------------|-----------|--------------|
| | 2014 | 2015 | Chg. | % Chg. |
| Exploration & Production | 178 | 273 | 95 | 53.0% |
| Exploration and appraisal activities | 62 | 37 | (25) | (40.6%) |
| Development and production activities | 117 | 236 | 120 | n.m. |
| Refining & Marketing | 10 | 5 | (6) | (53.9%) |
| Gas & Power | 7 | 3 | (4) | (58.1%) |
| Others | 0 | 3 | 2 | n.m. |
| Investment | 197 | 283 | 87 | 44.2% |

Capital expenditure in the first quarter of 2015 amounted to €283 m, 96% of which was allocated to the E&P business.

Around 87% of capital expenditure in the E&P business was allocated to development activities in Brazil, namely the drilling of development wells, the construction of FPSO units and subsea systems for the Lula/Iracema field and the construction of the Cabiúnas pipeline.

Investment in exploration and appraisal activities in the quarter amounted to €37 m, and it was mainly allocated to drilling and seismic activities in the Santos, Potiguar and Amazonas basins, in Brazil.

The combined capital expenditure in the R&M and G&P businesses amounted to €8 m, primarily related to maintenance and safety.

3.3 CASH FLOW

€ m (IFRS figures)

| | First Quarter | |
|---|---------------|--------------|
| | 2014 | 2015 |
| Ebit | 92 | 81 |
| Dividends from associates | - | 0 |
| Depreciation, Depletion and Amortization (DD&A) | 138 | 188 |
| Change in Working Capital | (111) | 105 |
| Cash flow from operations | 120 | 374 |
| Net capex | (195) | (303) |
| Net financial expenses | (41) | (34) |
| SPT and Corporate taxes | (25) | (33) |
| Dividends paid | - | - |
| Others ¹ | 17 | 162 |
| Change in net debt | 123 | (167) |

¹Including CTA's (Cumulative Translation Adjustment) and partial reimbursement of loan granted to Sinopec.

Cash flow from operations, of €374 m, and the reimbursement of €78 m from the loan to Sinopec offset the capital expenditure made and taxes paid in the period. The change in working capital

primarily benefitted from the inventory effect resulting from decreased prices of oil, natural gas and oil products.

3.4 FINANCIAL POSITION

€ m (IFRS figures)

| | 31 December, 2014 | 31 March, 2015 | Change |
|---|----------------------|-------------------|--------------|
| Non-current assets | 7,599 | 7,830 | 232 |
| Working capital | 968 | 863 | (105) |
| Loan to Sinopec | 890 | 925 | 35 |
| Other assets (liabilities) | (512) | (518) | (6) |
| Capital employed | 8,945 | 9,100 | 155 |
| Short term debt | 303 | 291 | (12) |
| Medium-Long term debt | 3,361 | 3,166 | (195) |
| Total debt | 3,664 | 3,457 | (207) |
| Cash and equivalents | 1,144 | 1,104 | (40) |
| Net debt | 2,520 | 2,353 | (167) |
| Total equity | 6,425 | 6,747 | 322 |
| Total equity and net debt | 8,945 | 9,100 | 155 |
| Net debt including loan to Sinopec¹ | 1,630 | 1,429 | (202) |

¹Loan to Sinopec considered as cash and equivalents.

On 31 March 2015, non-current assets amounted to €7,830 m, up €232 m from 31 December 2014, following investments made in the first quarter of the year.

Capital employed at the end of the period stood at €9,100 m, including the loan to Sinopec, whose outstanding balance on 31 March 2015 was €925 m.

3.5 FINANCIAL DEBT

€ m (except otherwise stated)

| | 31 December 2014 | 31 March 2015 | Change |
|---|------------------|---------------|--------------|
| Bonds | 2,248 | 2,249 | 2 |
| Bank loans and other debt | 1,417 | 1,208 | (209) |
| Cash and equivalents | 1,144 | 1,104 | (40) |
| Net debt | 2,520 | 2,353 | (167) |
| Net debt including loan to Sinopec¹ | 1,630 | 1,429 | (202) |
| Average life (years) | 3.7 | 3.4 | (0.22) |
| Average debt interest taxe rate ² | 4.2% | 3.9% | (0.3 p.p.) |
| Net debt to Ebitda ¹ | 1.2x | 1.0x | (0.3x) |

¹Net debt includes loan to Sinopec as cash and equivalents.

²Average interest rate of debt excluding exchange effects.

At the end of the first quarter of 2015, net debt amounted to €2,353 m, down €167 m from the end of 2014.

Considering the €925 m loan to Sinopec as cash and equivalents, net debt at the end of the first quarter of 2015 amounted to €1,429 m.

Net debt to Ebitda at the end of the first quarter of 2015 was 1.0x, considering the loan to Sinopec as cash and equivalents.

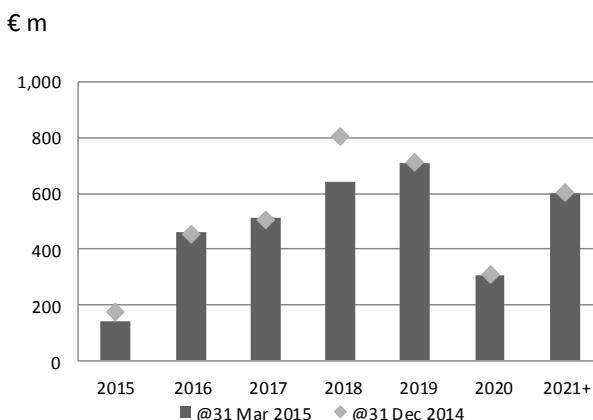
On 31 March 2015, 46% of total debt was on a fixed-rate basis. Medium- and long-term debt accounted for 92% of the total, in line with the end of 2014.

The average interest rate at the end of the first quarter of 2015 was 3.9% and debt had an average maturity of 3.4 years.

On 31 March 2015, around 65% of the debt outstanding was scheduled to mature from 2018 onwards, in accordance with the objective to align debt repayment with the Company's expected free cash flow profile.

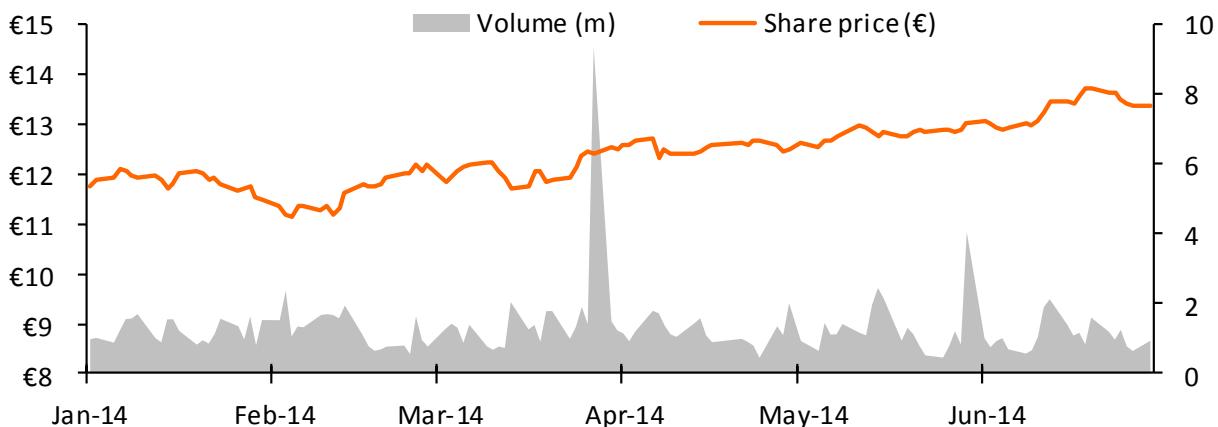
At the end of the first quarter of 2015, Galp Energia had unused credit lines of €1.1 bn, 60% of which were contractually guaranteed.

DEBT MATURITY PROFILE



Galp Energia share

PERFORMANCE OF THE GALP ENERGIA SHARE



Source: Euroinvestor

Galp Energia share price closed at €10.07, an increase of 19% in the quarter, reaching a minimum of €7.81 and a high of €10.75.

During the quarter 179 m shares were traded on regulated markets, of which 115 m on Euronext

Lisbon. The average daily volume traded in regulated markets amounted to 2.8 m shares, of which 1.8 m on Euronext Lisbon. At the end of the first quarter of 2015, Galp Energia had a market capitalisation of €8.3 bn.

| | Main indicators | |
|-------------------------------------|-----------------|-------|
| | 2014 | 1Q15 |
| Min (€) | 7.82 | 7.81 |
| Max (€) | 13.75 | 10.75 |
| Average (€) | 12.10 | 9.64 |
| Close price (€) | 8.43 | 10.07 |
| Regulated markets volume (m shares) | 547.9 | 179.2 |
| Average volume per day (m shares) | 2.1 | 2.8 |
| Of which Euronext Lisbon (m shares) | 1.3 | 1.8 |
| Market cap (€m) | 6,991 | 8,346 |

Additional information

1. BASIS OF PRESENTATION

Galp Energia's consolidated financial statements for the quarters ended on 31 March 2015 and 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial information in the consolidated income statement is reported for the quarters ended on 31 March 2015 and 2014. The financial information in the consolidated financial position is reported on 31 March 2015 and 31 December 2014.

Galp Energia's financial statements are prepared in accordance with IFRS and the cost of goods sold is valued at weighted-average cost. The use of this valuation method may, when goods and commodities prices fluctuate, cause volatility in results through gains or losses in inventories, which do not reflect the Company's operating performance. This effect is called the inventory effect.

Another factor that may affect the Company's results but is not an indicator of its true

performance is the set of non-recurrent items, such as gains or losses on the disposal of assets, impairments or reinstatements of fixed assets and environmental or restructuring charges.

For the purpose of evaluating Galp Energia's operating performance, RCA profit measures exclude non-recurrent items and the inventory effect, the latter because the cost of goods sold has been calculated according to the Replacement cost (RC) valuation method.

RECENT CHANGES

As of 1 January 2015, Galp Energia's basis for the calculation of the unit refining margin and associated cash costs considers all processed raw materials (converted into barrels of oil equivalent), whereas previously the calculation only considered crude processed. For comparison purposes, this change has been reflected in the same period of last year.

2. RECONCILIATION OF IFRS AND REPLACEMENT COST ADJUSTED FIGURES

2.1. REPLACEMENT COST ADJUSTED EBITDA BY SEGMENT

| € m | | | | | | | | | | | |
|-------------|------------------|------------|---------------------|------------|---------------|---------------|------------------|------------|---------------------|------------|--|
| 2014 | | | | | | First Quarter | | 2015 | | | |
| Ebitda IFRS | Inventory effect | Ebitda RC | Non-recurrent items | Ebitda RCA | | Ebitda IFRS | Inventory effect | Ebitda RC | Non-recurrent items | Ebitda RCA | |
| 241 | 22 | 263 | 2 | 265 | Ebitda | 282 | 113 | 395 | 3 | 398 | |
| 104 | - | 104 | 0 | 104 | E&P | 95 | - | 95 | (0) | 94 | |
| 5 | 29 | 34 | 2 | 36 | R&M | 59 | 104 | 163 | 3 | 165 | |
| 128 | (6) | 122 | 0 | 122 | G&P | 121 | 9 | 130 | 1 | 131 | |
| 4 | - | 4 | 0 | 4 | Others | 8 | - | 8 | - | 8 | |

2.2. REPLACEMENT COST EBIT BY SEGMENT

| € m | | | | | | | | | | | |
|-----------|------------------|------------|---------------------|------------|-------------|---------------|------------------|------------|---------------------|------------|--|
| 2014 | | | | | | First Quarter | | 2015 | | | |
| Ebit IFRS | Inventory effect | Ebit RC | Non-recurrent items | Ebit RCA | | Ebit IFRS | Inventory effect | Ebit RC | Non-recurrent items | Ebit RCA | |
| 92 | 22 | 115 | 16 | 130 | Ebit | 81 | 113 | 194 | 56 | 250 | |
| 54 | - | 54 | 14 | 68 | E&P | (9) | - | (9) | 53 | 44 | |
| (76) | 29 | (47) | 2 | (45) | R&M | (18) | 104 | 86 | 2 | 88 | |
| 110 | (6) | 104 | (0) | 104 | G&P | 102 | 9 | 111 | 1 | 112 | |
| 3 | - | 3 | 0 | 3 | Others | 7 | - | 7 | - | 7 | |

3. REPLACEMENT COST ADJUSTED TURNOVER

€ m

| | First Quarter | | | |
|---------------------------------------|---------------|--------------|--------------|---------------|
| | 2014 | 2015 | Chg. | % Chg. |
| Turnover RCA | 4,125 | 3,923 | (202) | (4.9%) |
| Exploration & Production ¹ | 178 | 144 | (35) | (19.5%) |
| Refining & Marketing | 3,080 | 2,852 | (228) | (7.4%) |
| Gas & Power | 1,034 | 1,026 | (8) | (0.8%) |
| Other | 28 | 29 | 2 | 6.5% |
| Consolidation adjustments | (194) | (128) | 67 | 34.4% |

¹Does not include change in production. RCA turnover in the E&P segment including change in production amounted to €157 m in the first quarter of 2015.

4. NON-RECURRENT ITEMS

CONSOLIDATED SUMMARY

€ m

| | First Quarter | |
|--|---------------|-------------|
| | 2014 | 2015 |
| Exclusion of non-recurrent items | | |
| Sale of strategic stock | (69.6) | - |
| Cost of sale of strategic stock | 66.7 | - |
| Accidents caused by natural facts and insurance compensation | 0.0 | (0.2) |
| Gains / losses on disposal of assets | (0.4) | (0.6) |
| Assets write-offs | 0.2 | 0.0 |
| Employee restructuring charges | 5.1 | 4.1 |
| Accidents | - | - |
| Provisions for environmental charges and others | 0.1 | (0.2) |
| Provision and impairment of receivables | - | - |
| Assets impairments | 13.7 | 53.4 |
| Non-taxed fines | - | - |
| Non-recurrent items of Ebit | 15.9 | 56.5 |
| Capital gains / losses on disposal of financial investments | (0.0) | (0.0) |
| Provision for impairment of financial investments | - | - |
| Provision for financial investments | 2.8 | - |
| Other financial results | - | - |
| Non-recurrent items before income taxes | 18.7 | 56.5 |
| Income taxes on non-recurrent items | (5.1) | (14.0) |
| Tax deferrals reversions | - | - |
| Energy sector contribution tax | 5.2 | 10.4 |
| Non-controlling interest | (2.7) | (7.9) |
| Total non-recurrent items | 16.1 | 45.0 |

5. ADDITIONAL INFORMATION - CONSOLIDATED FINANCIAL STATEMENTS

Galp Energia, SGPS, S.A. and Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2015 AND 31 DECEMBER 2014
(Amounts stated in thousands of euros – €k)

| ASSETS | Notes | March 2015 | December 2014 |
|---|-------|-------------------|-------------------|
| Non-current assets: | | | |
| Tangible assets | 12 | 5,126,164 | 5,052,356 |
| Goodwill | 11 | 227,813 | 225,361 |
| Intangible assets | 12 | 1,438,362 | 1,446,906 |
| Investments in associates and jointly controlled entities | 4 | 949,451 | 786,702 |
| Assets held for sale | 4 | 2,513 | 2,512 |
| Trade receivables | 15 | 24,162 | 24,242 |
| Loans to Sinopec | 14 | 152,879 | 170,954 |
| Other receivables | 14 | 185,654 | 187,796 |
| Deferred tax assets | 9 | 424,072 | 363,973 |
| Other investments | 17 | 24,011 | 21,378 |
| Total non-current assets: | | 8,555,081 | 8,282,180 |
| Current assets: | | | |
| Inventories | 16 | 1,112,157 | 1,210,374 |
| Trade receivables | 15 | 1,180,659 | 1,115,287 |
| Loans to Sinopec | 14 | 771,654 | 718,904 |
| Other receivables | 14 | 749,777 | 667,281 |
| Other investments | 17 | 6,348 | 10,136 |
| Assets held for sale | 12 | 66,921 | 67,273 |
| Cash and cash equivalents | 18 | 1,103,689 | 1,143,982 |
| Total current assets: | | 4,991,205 | 4,933,237 |
| Total assets: | | 13,546,286 | 13,215,417 |
| EQUITY AND LIABILITIES | Notes | March 2015 | December 2014 |
| Equity: | | | |
| Share capital | 19 | 829,251 | 829,251 |
| Share premium | | 82,006 | 82,006 |
| Reserves | 20 | 2,936,946 | 2,701,339 |
| Retained earnings | | 1,391,942 | 1,565,335 |
| Consolidated net profit for the period | 10 | (10,115) | (173,394) |
| Equity attributable to equity holders of the parent: | | 5,230,030 | 5,004,537 |
| Non-controlling interests | 21 | 1,516,772 | 1,420,184 |
| Total equity: | | 6,746,802 | 6,424,721 |
| Liabilities: | | | |
| Non-current liabilities: | | | |
| Bank loans | 22 | 917,369 | 1,113,578 |
| Bonds | 22 | 2,249,122 | 2,247,541 |
| Other payables | 24 | 585,266 | 555,840 |
| Retirement and other benefits liabilities | 23 | 409,037 | 410,591 |
| Deferred tax liabilities | 9 | 118,970 | 121,188 |
| Other financial instruments | 27 | 528 | 838 |
| Provisions | 25 | 210,908 | 184,540 |
| Total non-current liabilities: | | 4,491,200 | 4,634,116 |
| Current liabilities: | | | |
| Bank loans and overdrafts | 22 | 290,828 | 303,245 |
| Trade payables | 26 | 1,001,646 | 898,047 |
| Other payables | 24 | 956,224 | 921,059 |
| Other financial instruments | 27 | 35,644 | 15,144 |
| Payable income tax | 9 | 23,942 | 19,085 |
| Total current liabilities: | | 2,308,284 | 2,156,580 |
| Total liabilities: | | 6,799,484 | 6,790,696 |
| Total equity and liabilities: | | 13,546,286 | 13,215,417 |

The accompanying notes form an integral part of the consolidated statement of financial position as of 31 March 2015.

Galp Energia, SGPS, S.A. and Subsidiaries

CONSOLIDATED INCOME STATEMENT FOR THE PERIODS ENDED 31 MARCH 2015 AND 2014

(Amounts stated in thousands of euros – €k)

| | Notes | March 2015 | March 2014 |
|---|-------|------------------|------------------|
| Operating income: | | | |
| Sales | 5 | 3,773,670 | 4,055,064 |
| Services rendered | 5 | 149,132 | 139,359 |
| Other operating income | 5 | 22,187 | 20,839 |
| Total operating income: | | 3,944,989 | 4,215,262 |
| Operating costs: | | | |
| Cost of sales | 6 | 3,241,934 | 3,579,106 |
| External supplies and services | 6 | 323,881 | 290,137 |
| Employee costs | 6 | 87,012 | 90,119 |
| Amortisation, depreciation and impairment loss | 6 | 188,017 | 138,176 |
| Provision and impairment loss on receivables | 6 | 13,102 | 10,618 |
| Other operating costs | 6 | 10,227 | 14,790 |
| Total operating costs: | | 3,864,173 | 4,122,946 |
| Operating profit: | | | |
| Financial income | 8 | 6,952 | 11,073 |
| Financial costs | 8 | (30,361) | (48,273) |
| Exchange (loss) gain | | (31,645) | (4,702) |
| Share of results of investments in associates and jointly controlled entities | 4 | 26,002 | 16,992 |
| Income on financial instruments | 27 | (18,123) | (2,504) |
| Profit before income tax: | | 33,641 | 64,902 |
| Income Tax | 9 | (30,108) | (35,499) |
| Energy sector contribution tax | 9 | (10,420) | (5,209) |
| Profit before non-controlling interests: | | (6,887) | 24,194 |
| Profit attributable to non-controlling interests | 21 | (3,228) | (10,376) |
| Consolidated net profit for the period | | (10,115) | 13,818 |
| Earnings per share (in euros) | 10 | (0.01) | 0.02 |

The accompanying notes form an integral part of the consolidated income statement as of 31 March 2015.

Galp Energia, SGPS, S.A. and Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 MARCH 2015 AND 2014

(Amounts stated in thousands of euros – €k)

| Changes in the period | Notes | Share capital | Share premium | Translation reserve (Note 20) | Other reserves (Note 20) | Hedging reserves (Note 20) | Retained earnings - actuarial gains and losses - pension fund (Nota 23) | Retained earnings | Consolidated net profit for the period | Sub-Total | Non-controlling interests (Note 21) | Total |
|---|----------|---------------|---------------|----------------------------------|-----------------------------|----------------------------|---|-------------------|--|-----------|--|-----------|
| Balance as of 1 January 2014 | | 829,251 | 82,006 | (284,118) | 2,680,439 | (1,408) | (72,875) | 1,738,950 | 188,661 | 5,160,906 | 1,254,894 | 6,415,800 |
| Consolidated net profit for the period | 10 | | | | | | | | 13,818 | 13,818 | 10,376 | 24,194 |
| Changes in scope of consolidation | | | | | | | | | | | | |
| Other gains and losses recognised in equity | | | | 24,978 | | 254 | | | | 25,232 | 8,915 | 34,147 |
| Comprehensive income for the period | | | | 24,978 | | 254 | | | 13,818 | 39,050 | 19,291 | 58,341 |
| Dividends distributed / Interim dividends | | | | | | | | | | | | |
| Increase of equity in subsidiaries | | | | | | | | | | | 9,302 | 9,302 |
| Appropriation of profit to reserves | | | | | | | | 188,661 | (188,661) | | | |
| Balance as of 31 March 2014 | | 829,251 | 82,006 | (259,140) | 2,680,439 | (1,154) | (72,875) | 1,927,611 | 13,818 | 5,199,956 | 1,283,487 | 6,483,443 |
| Balance as of 1 January 2015 | | 829,251 | 82,006 | 17,669 | 2,684,414 | (744) | (99,570) | 1,664,905 | (173,394) | 5,004,537 | 1,420,184 | 6,424,721 |
| Consolidated net profit for the period | 10 | | | | | | | | (10,115) | (10,115) | 3,228 | (6,887) |
| Other gains and losses recognised in equity | | | | 236,692 | | (1,085) | 1 | | | 235,608 | 93,360 | 328,968 |
| Comprehensive income for the period | | | | 236,692 | | (1,085) | 1 | | (10,115) | 225,493 | 96,588 | 322,081 |
| Dividends distributed / Interim dividends | 30 | | | | | | | | | | | |
| Increase of equity in subsidiaries | 3 and 20 | | | | | | | | | | | |
| Appropriation of profit to reserves | | | | | | | | | (173,394) | 173,394 | | |
| Balance as of 31 March 2015 | | 829,251 | 82,006 | 254,361 | 2,684,414 | (1,829) | (99,569) | 1,491,511 | (10,115) | 5,230,030 | 1,516,772 | 6,746,802 |

The accompanying notes form an integral part of the consolidated statement of changes in equity as of 31 March 2015.

Galp Energia, SGPS, S.A. and Subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 MARCH 2015 AND 2014
(Amounts stated in thousands of euros – €k)

| | Notes | March 2015 | March 2014 |
|---|-----------|-----------------|---------------|
| Consolidated net profit for the period | 10 | (10,115) | 13,818 |
| Other comprehensive income of the period: | | | |
| Actuarial gains and losses - pension fund | | 1 | - |
| Tax related to actuarial gains and losses - pension fund | 9 | - | - |
| Other comprehensive income which will be recycled in the future for net profits of the period: | | | |
| Differences arising on translation of foreign currency financial statements (Group companies) | 20 | 222,269 | 13,793 |
| Differences arising on translation of foreign currency financial statements (associated/jointly controlled companies) | 4 and 20 | 83,447 | 2,343 |
| Differences arising on translation of foreign currency - goodwill | 11 and 20 | 2,452 | (2,115) |
| Differences arising on translation of foreign currency - financial allocations ("quasi equity") | 20 | (108,297) | 22,381 |
| Deferred tax related to components of differences arising on translation of foreign currency - Financial allocations ("quasi equity") | 9 and 20 | 36,821 | (11,424) |
| | | 236,692 | 24,978 |
| Other increases / (decreases) in hedging reserves (Group companies) | 27 and 20 | (337) | 133 |
| Deferred tax related to components of hedging reserves (Group companies) | 9 and 20 | 101 | (32) |
| Increases / (decreases) of hedging reserves (associated/jointly controlled companies) | 27 and 20 | (839) | 222 |
| Deferred tax related to components of hedging reserves (Associated/jointly controlled companies) | 9 and 20 | (10) | (69) |
| Other comprehensive income for the period net of tax | | (1,085) | 254 |
| Comprehensive income for the period assignable to shareholders: | | 235,608 | 25,232 |
| Comprehensive income for the period assignable to non-controlling interests | | 96,588 | 19,291 |
| Total comprehensive income for the period | | 322,081 | 58,341 |

The accompanying notes form an integral part of the consolidated comprehensive income statement as of 31 March 2015.

Galp Energia, SGPS, S.A. and Subsidiaries

CONSOLIDATED STATEMENT OF CASH-FLOW FOR THE PERIODS ENDED 31 MARCH 2015 AND 2014
(Amounts stated in thousands of euros – €k)

| | Notes | March 2015 | March 2014 | December 2014 |
|--|--------------|-------------------|-------------------|----------------------|
| Operating activities: | | | | |
| Cash receipts from trade receivables (including VAT and Tax on Oil Products) | | 4,422,857 | 4,811,714 | 20,475,148 |
| Cash paid to trade payables (including VAT) | | (2,954,193) | (3,687,501) | (14,610,738) |
| Payments relating to tax on oil products | | (515,815) | (411,346) | (2,489,107) |
| Payments relating to VAT | | (431,494) | (499,049) | (1,928,005) |
| Royalties, PIS, Cofins, Taxes, Others | | (15,765) | (20,217) | (91,898) |
| Operating Gross Margin | | 505,590 | 193,601 | 1,355,400 |
| Cash paid to employees, contributions to the pension fund, others | | (39,929) | (56,669) | (198,372) |
| Withholding of payments made to third parties | | (19,524) | (19,029) | (83,658) |
| Social Security contributions | | (17,978) | (17,263) | (76,006) |
| Cash paid to employees | | (77,431) | (92,961) | (358,036) |
| Other receipts/payments relating to operating activities | | (9,949) | (19,367) | (58,275) |
| Cash flows from operations | | 418,210 | 81,273 | 939,089 |
| Cash (paid)/received relating to income tax | | (33,171) | (24,623) | (159,342) |
| Net cash provided by / used in operating activities (1) | | 385,039 | 56,650 | 779,747 |
| Investing activities: | | | | |
| Cash receipts relating to tangible and intangible assets | | 63 | 468 | 2,126 |
| Cash payments relating to acquisitions of tangible and intangible assets | | (274,630) | (144,418) | (831,834) |
| Cash receipts relating to financial investments | | - | - | 800 |
| Cash payments relating to financial investments | | (80,091) | (44,116) | (231,288) |
| Net Financial Investment | | (354,658) | (188,066) | (1,060,196) |
| Cash receipts relating to loans granted (includes Sinopec) | | 77,959 | - | 101,404 |
| Cash payments relating to loans granted | | (400) | (275) | (976) |
| Cash receipts relating to interest and similar income (includes Sinopec) | | 6,886 | 4,722 | 39,244 |
| Cash receipts relating to dividends | 4 | 174 | - | 73,805 |
| Net cash provided by / used in investing activities (2) | | (270,039) | (183,619) | (846,719) |
| Financing activities: | | | | |
| Cash receipts relating to loans | | 153,434 | 38,688 | 750,767 |
| Cash payments relating to loans | | (368,777) | (137,648) | (819,656) |
| Cash receipts/payments relating to interest and similar costs | | (52,452) | (34,235) | (157,516) |
| Dividends paid | | - | - | (274,857) |
| Others financing activities | | 494 | 547 | 2,567 |
| Net cash provided by / used in financing activities (3) | | (267,301) | (132,648) | (498,695) |
| Net change in cash and cash equivalents (4) = (1) + (2) + (3) | | (152,301) | (259,617) | (565,667) |
| Effect of foreign exchange rate changes | | 138,554 | (4,917) | 182,892 |
| Change in scope of consolidation | | - | 693 | - |
| Cash and cash equivalents at the beginning of the period | 18 | 1,023,396 | 1,405,238 | 1,406,171 |
| Cash and cash equivalents at the end of the period | 18 | 1,009,649 | 1,141,397 | 1,023,396 |

The accompanying notes form an integral part of the consolidated statement of cash flows as of 31 March 2015.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2015

(Amounts stated in thousands of euros – €k)

1. INTRODUCTION

a) Parent Company:

Galp Energia, SGPS, S.A. (hereinafter referred to as Galp Energia, the Group or the Company) has its Head Office in Rua Tomás da Fonseca in Lisbon and its corporate goal is to manage equity participations in other companies.

The Company shareholder position as of 31 March 2015 is stated in Note 19.

The Company is listed on the Euronext Lisbon stock exchange.

b) The Group:

As of 31 March 2015 the Galp Energia Group (the Group) was made up of Galp Energia and its subsidiaries, which include, among others: (i) Petróleos de Portugal – Petrogal, S.A. (Petrogal) and its subsidiaries, which operate upstream and downstream in the crude oil and related derivatives sector; (ii) GDP – Gás de Portugal, SGPS, S.A. and its subsidiaries, which operates in the natural gas sector, electricity sector and renewable energy sector; (iii) Galp Galp Energia E&P, B.V. and (iv) Galp Energia, S.A. which integrates the corporate support services.

b1) Crude oil upstream operations

The Exploration & Production (E&P) business segment is responsible for the presence of Galp Energia in the oil industry upstream sector, which consists of the supervision and performance of all activities relating to exploration, development and production of hydrocarbons, essentially in Angola, Brazil and Mozambique.

b2) Crude oil downstream operations

The Refining & Marketing (R&M) business segment owns the two only existent refineries in Portugal and also includes all activities relating to the retail and wholesale marketing of oil products (including LPG). The R&M segment also controls the majority of oil products storage and transportation infrastructure in Portugal, which is strategically located, for both export and marketing of its main products to the consumption centers. This retail marketing activity, using the Galp Energia brand, also includes Angola, Cape Verde, Spain, Gambia, Guinea-Bissau, Mozambique and Swaziland through fully owned subsidiaries of the Group.

b3) Natural gas activity and electricity production and commercialisation

The Gas & Power (G&P) business segment encompasses the areas of procurement, supply, distribution and storage of natural gas and electric and thermal power generation.

The natural gas activity includes (i) Procurement and supply and (ii) Distribution and supply.

The procurement and supply of natural gas segment supplies natural gas to large industrial customers, with annual consumptions of more than 2 mm³, power cogeneration companies, and natural gas distribution companies and Autonomous Gas Unit (AGU). So as to meet the demand of its customers, Galp Energia has long-term supply contracts with companies in Algeria and Nigeria.

The natural gas distribution and supply activity in Portugal includes the natural gas distribution and supply companies in which Galp Energia has a significant stake. Its purpose is to sell natural gas to those residential, commercial and industrial customers with annual consumptions of less than 2 mm³. Galp Energia is also a player in the Spanish regulated market, supplying low pressure natural gas, through its subsidiaries, to 38 neighboring municipalities of Madrid. This activity includes the supply of natural gas to end customers, both regulated and non-regulated, in the area covered by the distribution activity.

The natural gas subsidiaries of the Galp Energia Group that store and supply natural gas in Portugal, operate based on concession contracts entered into with the Portuguese State, which end in 2045 for the storage activity and in 2047 for the supply activity. At the end of these periods, the assets relating to the concessions will be transferred to the Portuguese State and the companies will receive an amount corresponding to the book value of these assets at that date, net of depreciation, financial co-participation and Government grants.

The accompanying financial statements are presented in thousands of euros, unless otherwise stated.

2. SIGNIFICANT ACCOUNTING POLICIES

Galp Energia's consolidated financial statements were prepared on a going concern basis, at historical cost except for financial derivative instruments which are stated at fair value, on the accounting records of the companies included in the consolidation maintained in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), effective for the year beginning 1 January 2015. These standards include IFRS issued by the International Accounting Standards Board (IASB) and International Accounting Standards (IAS) issued by the International Accounting Standards Committee (IASC) and respective interpretations – SIC and IFRIC, issued by the International Financial Reporting Interpretation Committee (IFRIC) and Standing Interpretation Committee (SIC). These standards and interpretations are hereinafter referred to as IFRS.

The Board of Directors believes that the consolidated financial statements and the accompanying notes provide for a fair presentation of the consolidated interim financial information prepared in accordance with "IAS 34 – Interim Financial Reporting". Estimates that affect the amounts of assets and liabilities and income and costs were used in preparing the consolidated financial statements. The estimates and

assumptions used by the Board of Directors were based on the best information available regarding events and transactions in process at the time of approval of the consolidated financial statements.

In respect to the construction contracts contemplated by the IFRIC12, construction activity for assets under concession is subcontracted to specialised entities which assume their own construction activity risk. Income and expenses associated with the construction of these assets are of equal amounts and are recognised as other operating costs and other operating income.

As of 31 March 2015 only material changes required by IFRS 7 were disclosed. For all other disclosures under this standard consult the Company's consolidated financial statements as of 31 December 2014.

3. CONSOLIDATED COMPANIES

During the period ended 31 March 2015, the scope of consolidation do not changed compared to the year ended on 31 December 2014. For further information consult the Company's consolidated financial statements as of 31 December 2014.

4. FINANCIAL INVESTMENTS

4.1 INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

The changes in the caption "Investments in jointly controlled entities" for the period ended 31 March 2015 which are reflected by the equity method were as follows:

| Companies | | | | | | | (€k) |
|--|-------------------|---------------------------|--------------|------------------------|-----------------------------|----------------|----------------|
| | Beginning balance | Increase in participation | Gain / Loss | Translation adjustment | Hedging reserves adjustment | Dividends | Ending balance |
| Investments | | | | | | | |
| Tupi B.V. | (a) 591,859 | 57,374 | 7,689 | 78,097 | - | - | 735,019 |
| Belem Bioenergia Brasil, S.A. | 45,838 | - | (646) | (3,202) | - | - | 41,990 |
| C.L.C. - Companhia Logística de Combustíveis, S.A. | 23,412 | - | 939 | - | - | (3,913) | 20,438 |
| Galp Disa Aviacion, S.A. | 8,891 | - | 493 | - | - | - | 9,384 |
| Parque Eólico da Penha da Gardunha, Lda. | 1,628 | - | - | - | - | - | 1,628 |
| Moçamgalp Agroenergias de Moçambique, S.A. | 315 | - | 22 | (13) | - | - | 324 |
| Asa - Abastecimento e Serviços de Aviação, Lda. | 23 | - | 4 | - | - | - | 27 |
| | 671,966 | 57,374 | 8,501 | 74,882 | - | (3,913) | 808,810 |
| Provisions for investments in jointly controlled entities (Note 25) | | | | | | | |
| Ventinveste, S.A. | (1,452) | - | (69) | - | (773) | - | (2,294) |
| Caiageste - Gestão de Áreas de Serviço, Lda. | (15) | - | (10) | - | - | - | (25) |
| | (1,467) | - | (79) | - | (773) | - | (2,319) |
| | 670,499 | 57,374 | 8,422 | 74,882 | (773) | (3,913) | 806,491 |

(a) €57,374 K corresponds to the capital increase in Galp Sinopec Brazil Services, B.V.. The control of the subsidiary's Tupi, B.V. is shared between: Galp Sinopec Brazil Services, B.V., Petrobras Netherlands, B.V. and BG Overseas Holding Ltd, that hold, respectively, 10%, 65% and 25% of its share capital.

4.2 INVESTMENTS IN ASSOCIATES

The changes in the caption “Investments in associates” for the period ended 31 March 2015 were as follows:

| Companies | Beginning balance | Gain / Loss | Exchange conversion adjustment | Hedging reserves adjustment | Actuarial gain / loss | Dividends | Transfers / adjustments | (€k) |
|---|-------------------|---------------|--------------------------------|-----------------------------|-----------------------|--------------|-------------------------|----------------|
| Investments | | | | | | | | |
| EMPL - Europe Magreb Pipeline, Ltd | 52,668 | 14,127 | 7,425 | - | - | - | - | 74,220 |
| Gasoduto Al-Andaluz, S.A. | 18,354 | 1,609 | - | - | - | - | - | 19,963 |
| Gasoduto Extremadura, S.A. | 15,278 | 1,624 | - | - | - | - | - | 16,902 |
| Tagusgás - Empresa de Gás do Vale do Tejo, S.A. | 12,941 | 17 | - | 1 | 1 | - | - | 12,960 |
| Sonangalp - Sociedade Distribuição e Comercialização de Combustíveis, Lda. | 10,875 | 154 | 1,023 | - | - | (242) | - | 11,810 |
| Metragaz, S.A. | 1,124 | 54 | 29 | - | - | - | - | 1,207 |
| Terparque - Armazenagem de Combustíveis, Lda. | 795 | (5) | - | - | - | - | - | 790 |
| C.L.C. Guiné Bissau - Companhia Logística de Combustíveis da Guiné Bissau, Lda. | 811 | - | - | - | - | - | - | 811 |
| Guiné Bissau, Lda. | | | | | | | | |
| IPG Galp Beira Terminal Lda | 1,011 | - | 53 | - | - | - | - | 1,064 |
| Sodigás-Sociedade Industrial de Gases, S.A.R.L | 197 | - | - | - | - | - | - | 197 |
| Galp IPG Matola Terminal Lda | 682 | - | 35 | - | - | - | - | 717 |
| | 114,736 | 17,580 | 8,565 | 1 | 1 | (242) | - | 140,641 |
| <i>Revision for investment in associates (Note 25)</i> | | | | | | | | |
| Energin - Sociedade de Produção de Electricidade e Calor, S.A. | (2,397) | - | - | - | - | - | - | (2,397) |
| Aero Serviços, SARL - Sociedade Abastecimento de Serviços Aeroportuários Aeroportuários | (91) | - | - | - | - | - | - | (91) |
| | (2,488) | - | - | - | - | - | - | (2,488) |
| | 112,248 | 17,580 | 8,565 | 1 | 1 | (242) | - | 138,153 |

The consolidated income statement caption “Share of results of investments in associates and jointly controlled entities” for the period ended 31 March 2015 is as follows:

| Effect of applying the equity method: | (€k) |
|---------------------------------------|---------------|
| Associates | 17,580 |
| Jointly controlled entities | 8,422 |
| | 26,002 |

The total amount of €4,155 k corresponding to dividends amounts, approved by the general shareholders meeting of the respective companies, was reflected in the caption “Investments in associates and jointly controlled entities” (Note 4.1 and 4.2). The amount of dividends received in the period ended 31 March 2015 was €174 k.

The goodwill in associates and jointly controlled entities, as of 31 March 2015 and of 31 December de 2014 included in the caption “Investments in associates and jointly controlled entities”, was subject to the impairment test in the respective cash generating unit and is as follows:

| | (€k) | |
|--|--------------|---------------|
| | March 2015 | December 2014 |
| Parque Eólico da Penha da Gardunha, Lda. | 1,939 | 1,939 |
| | 1,939 | 1,939 |

4.3 ASSETS HELD FOR SALE

During the period ended 31 March 2015, there were no significant changes in the caption "Assets held for sale", compared to the consolidated financial statements of the Company on 31 December 2014. For further clarification, refer to the consolidated financial statements of the Company as of 31 December 2014 and the respective Notes.

5. OPERATING INCOME

The Group's operating income for the periods ended 31 March 2015 and 2014 is as follows:

| Captions | 2015 | 2014 |
|--|------------------|------------------|
| Sales: | | |
| Merchandise | 1,881,496 | 2,024,347 |
| Products | 1,892,174 | 2,030,717 |
| | 3,773,670 | 4,055,064 |
| Services rendered | 149,132 | 139,359 |
| Other operating income: | | |
| Supplementary income | 11,724 | 9,241 |
| Revenues arising from the construction of assets under IFRIC12 | 2,935 | 5,574 |
| Internally generated assets | 1,772 | 117 |
| Investment government grants (Note 13) | 2,499 | 2,551 |
| Gain on fixed assets | 726 | 406 |
| Other | 2,531 | 2,950 |
| | 22,187 | 20,839 |
| | 3,944,989 | 4,215,262 |

Sales of fuel include the Portuguese Tax on Oil Products (ISP).

The variation on the caption "Sales" is mainly due to the decrease of quantities sold accompanied by lower prices.

Regarding the construction contracts subject to the IFRIC12, construction activity of the concession assets is subcontracted to specialised entities which assume their own construction activity risk. Income and expenses associated with the construction of these assets are of equal amounts and are immaterial when compared to total revenues and operating costs below that can be detailed as follows:

| Captions | 2015 | 2014 |
|--|---------|---------|
| Costs arising from the construction of assets under IFRIC12 (Note 6) | (2,935) | (5,574) |
| Revenues arising from the construction of assets under IFRIC12 | 2,935 | 5,574 |
| Margin | - | - |

6. OPERATING COSTS

The results for the periods ended 31 March 2015 and 2014 were affected by the following items of operating costs:

| Captions | 2015 | 2014 | (€ k) |
|--|------------------|------------------|-------|
| Cost of sales: | | | |
| Raw and subsidiary materials | 1,495,604 | 1,694,656 | |
| Merchandise | 1,137,662 | 1,357,309 | |
| Tax on Petroleum Products | 632,989 | 582,339 | |
| Variation in production | 60,642 | (64,961) | |
| Impairment in inventories (Note 16) | (94,805) | 4,657 | |
| Financial derivatives (Note 27) | 9,842 | 5,106 | |
| | 3,241,934 | 3,579,106 | |
| Fornecimento e serviços externos: | | | |
| Subcontracts - network usage | 104,314 | 95,743 | |
| Subcontracts | 3,274 | 276 | |
| Transport of merchandise | 46,410 | 44,203 | |
| Storage and filling | 14,536 | 17,105 | |
| Rental costs | 18,502 | 20,346 | |
| Blocks production costs | 34,272 | 21,100 | |
| Maintenance and repairs | 12,770 | 13,068 | |
| Insurance | 11,316 | 11,526 | |
| Royalties | 10,374 | 11,725 | |
| IT services | 5,481 | 5,910 | |
| Commissions | 3,486 | 5,079 | |
| Advertising | 1,953 | 2,761 | |
| Electricity, water, steam and communications | 15,033 | 4,653 | |
| Technical assistance and inspection | 1,918 | 2,310 | |
| Port services and fees | 2,158 | 1,750 | |
| Other specialized services | 14,919 | 13,132 | |
| Other external supplies and services | 5,407 | 5,793 | |
| Other costs | 17,757 | 13,657 | |
| | 323,880 | 290,137 | |
| Employee costs: | | | |
| Statutory boards remuneration (Note 29) | 2,621 | 2,447 | |
| Employee remuneration | 59,126 | 59,791 | |
| Social charges | 13,758 | 13,969 | |
| Retirement benefits - pensions and insurance (Note 23) | 7,220 | 11,165 | |
| Other insurance | 2,346 | 2,448 | |
| Capitalisation of employee costs | (376) | (1,170) | |
| Other costs | 2,317 | 1,469 | |
| | 87,012 | 90,119 | |
| Amortisation, depreciation and impairment: | | | |
| Amortisation and impairment of tangible assets (Note 12) | 170,281 | 119,680 | |
| Amortisation and impairment of intangible assets (Note 12) | 7,269 | 8,552 | |
| Amortisation and impairment of concession arrangements (Note 12) | 10,467 | 9,944 | |
| | 188,017 | 138,176 | |
| Provision and impairment of receivables: | | | |
| Provisions and reversals (Note 25) | 7,007 | 1,541 | |
| Impairment loss on trade receivables (Note 15) | 6,277 | 8,798 | |
| Provisions and reversals for environmental risks (Nota 25) | - | 150 | |
| Impairment loss (gain) on other receivables | (182) | 129 | |
| | 13,102 | 10,618 | |
| Other operating costs: | | | |
| Other taxes | 3,325 | 3,621 | |
| Costs arising from the construction of assets under IFRIC12 (Note 5) | 2,935 | 5,574 | |
| Loss on tangible assets | 120 | 298 | |
| Donations | 203 | 250 | |
| CO2 Licenses (Note 34) | 1,662 | 1,275 | |
| Other operating costs | 1,982 | 3,772 | |
| | 10,227 | 14,790 | |
| | 3,864,172 | 4,122,946 | |

The variation in the caption "Cost of sales" is mainly due to a decrease of quantities sold.

The caption "Subcontracts – network usage (gas and electricity)" refers to charges for the use of:

- Distribution network usage (URD);
- Transportation network usage (URT);
- Global system usage (UGS).

The amount of €104,314 k recorded in this caption mainly includes the amount of €24,757 k charged by Madrileña Red de Gas, €76,965 k charged by EDP Distribuição Energia and €1 k charged by Ren Gasodutos.

7. SEGMENT REPORTING

Business segments

The Group is organised into four business segments which were defined based on the type of products sold and services rendered, with the following business units:

- Exploration & Production;
- Refining & Marketing of oil products;
- Gas & Power;
- Others.

For the business segment "Others", the Group considered the holding company Galp Energia, SGPS, S.A., and companies with different activities including Tagus Re, S.A. and Galp Energia, S.A., a reinsurance company and a provider of services at the corporate level, respectively.

Note 1 presents a description of the activities of each business segment.

Below is the financial information on the previously identified segments, as of 31 March 2015 and of 2014:

| | (€k) | | | | | | | | | | | |
|--|--------------------------|----------------|----------------------|-----------------|----------------|----------------|-----------------|--------------|--------------|-----------|-----------------|----------------|
| | Exploration & production | | Refining & Marketing | | Gas & Power | | Others | | Eliminations | | Consolidated | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Income | | | | | | | | | | | | |
| Sales and services rendered | 143,515 | 178,303 | 2,851,782 | 3,149,344 | 1,025,657 | 1,033,510 | 29,443 | 27,657 | (127,595) | (194,391) | 3,922,802 | 4,194,423 |
| Inter-segments | 47,487 | 74,040 | 237 | 1,140 | 58,387 | 97,142 | 21,484 | 22,069 | (127,595) | (194,391) | - | - |
| External | 96,028 | 104,263 | 2,851,545 | 3,148,204 | 967,270 | 936,368 | 7,959 | 5,588 | - | - | 3,922,802 | 4,194,423 |
| EBITDA (1) | 94,656 | 104,118 | 58,715 | 4,932 | 120,824 | 128,032 | 7,740 | 4,028 | - | - | 281,935 | 241,110 |
| Non cash costs | | | | | | | | | | | | |
| Amortisation, depreciation and impairment loss | (104,147) | (50,049) | (68,132) | (71,758) | (14,668) | (15,602) | (1,070) | (767) | - | - | (188,017) | (138,176) |
| Provisions and impairments | - | 14 | (8,986) | (8,700) | (4,116) | (1,932) | - | - | - | - | (13,102) | (10,618) |
| Segment results | (9,491) | 54,083 | (18,403) | (75,526) | 102,040 | 110,498 | 6,670 | 3,261 | - | - | 80,816 | 92,316 |
| Results of investments in associates | 7,710 | 3,784 | 929 | 927 | 17,363 | 12,281 | - | - | - | - | 26,002 | 16,992 |
| Other financial results | 8,457 | 8,970 | (59,703) | (34,533) | (1,931) | (13,984) | (20,000) | (4,859) | - | - | (73,177) | (44,406) |
| Income tax | (20,163) | (34,385) | 12,530 | 24,140 | (25,432) | (27,997) | 2,957 | 2,743 | - | - | (30,108) | (35,499) |
| Energy sector contribution tax | - | - | (7,450) | (1,736) | (2,970) | (3,473) | - | - | - | - | (10,420) | (5,209) |
| Non Controlling Interest | (2,299) | (8,563) | 15 | (619) | (944) | (1,194) | - | - | - | - | (3,228) | (10,376) |
| Consolidated net profit of the period | (15,786) | 23,889 | (72,082) | (87,347) | 88,126 | 76,131 | (10,373) | 1,145 | - | - | (10,115) | 13,818 |

In 31 March 2015 and 31 December 2014

| | | | | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|-------------------|-------------------|
| Other information | | | | | | | | | | | | |
| Assets by segment (2) | | | | | | | | | | | | |
| Investment (3) | 735,294 | 592,173 | 89,586 | 94,870 | 126,888 | 102,001 | 171 | 170 | - | - | 951,939 | 789,214 |
| Other assets | 5,199,782 | 5,099,522 | 5,680,193 | 5,954,129 | 2,871,814 | 2,722,801 | 2,185,667 | 2,168,099 | (3,343,134) | (3,518,348) | 12,594,322 | 12,426,203 |
| Total consolidated assets | 5,935,076 | 5,691,695 | 5,769,779 | 6,048,999 | 2,998,702 | 2,824,802 | 2,185,838 | 2,168,269 | (3,343,134) | (3,518,348) | 13,546,261 | 13,215,417 |
| Total consolidated liabilities | 797,701 | 870,045 | 3,532,185 | 3,713,456 | 2,135,100 | 2,065,143 | 3,677,607 | 3,660,400 | (3,343,134) | (3,518,348) | 6,799,459 | 6,790,696 |
| Investment in tangible and intangible assets | 224,443 | 144,634 | 5,371 | 6,303 | 3,126 | 7,436 | 2,636 | 357 | - | - | 235,576 | 158,731 |

(1) EBITDA = Segment results/EBIT + Amortisation+Provisions

(2) Net amount

(3) In accordance with the equity method

Inter-segmental sales and services rendered

| | Exploration & production | | | | | Refining & Marketing | | Gas & Power | | Other | | TOTAL | |
|--------------------------|--------------------------|--------|--|--|--|----------------------|--|---------------|--|---------------|--|----------------|--|
| Segments | | | | | | | | | | | | | |
| Gas & Power | - | | | | | 153 | | - | | 6,170 | | 6,323 | |
| Refining & Marketing | | 47,487 | | | | - | | 58,387 | | 14,138 | | 120,012 | |
| Exploration & production | - | | | | | 13 | | - | | 1,176 | | 1,189 | |
| Other | - | | | | | 71 | | - | | - | | 71 | |
| | 47,487 | | | | | 237 | | 58,387 | | 21,484 | | 127,595 | |

The main inter-segmental transactions of sales and services rendered are primarily related to:

- Gas & Power: natural gas sales for the refining process of Matosinhos and Sines refineries (refining and marketing of oil products);
- Refining & Marketing: supply of fuel to all Group company vehicles
- Exploration & Production: sales of crude to the Refining & Marketing of oil products segment; and
- Other: back-office and management services.

The commercial and financial transactions between related parties are performed according to the usual market conditions similar to transactions performed with independent companies.

The assumptions underlying the determination of prices in transactions between Group companies rely on the consideration of the economic realities and characteristics of the situations at hand, that is, comparing the characteristics of operations or companies that might have impact on the intrinsic conditions of the commercial transactions in analysis. In this context, among other, the goods and services traded, the functions performed by the parties (including the assets used and risks assumed), the contractual terms, the economic situation of the parties as well as their negotiation strategies, are analysed.

Compensation, in the context of related parties, corresponds to what is appropriate, by rule, to the functions performed by each company involved, taking into account the assets used and risks assumed. Thus, to determine such compensation the Group identifies the activities, the risks faced by companies in the value creating chain of goods/services traded, in accordance with their functional profile, particularly, in what concerns the functions they perform – import, manufacturing, distribution, and retail.

In conclusion, market prices are determined not only by analysing the functions performed, the assets used and the risks incurred by one entity, but also considering the contribution of those elements to the Company's profitability. This analysis assesses whether the profitability indicators of the companies involved fall within the estimated ranges on the basis of the assessment of a panel of functionally comparable independent companies, thus allowing the prices to be fixed in order to respect the competition principle.

8. FINANCIAL INCOME AND COSTS

Financial income and financial costs for the periods ended 31 March 2015 and 2014 are as follows:

| Captions | 2015 | 2014 |
|--|-----------------|-----------------|
| Financial income: | | |
| Interest on bank deposits | 4,026 | 7,588 |
| Interest and other income - related companies | 2,357 | 2,886 |
| Other financial income | 569 | 599 |
| | 6,952 | 11,073 |
| Financial costs: | | |
| Interest on bank loans, overdrafts and other | (32,414) | (37,034) |
| Interest - related parties | (1,475) | (1,890) |
| Interest capitalized in fixed assets (Note 12) | 13,767 | 6,112 |
| Interest on retirement benefits and other benefits | (2,536) | (2,921) |
| Costs relating to loans | (5,233) | (4,425) |
| Other financial costs | (2,470) | (8,115) |
| | (30,361) | (48,273) |
| | (23,409) | (37,200) |

During the period ended 31 March 2015, the Group capitalised fixed assets in progress, in the amount of €13,767 k, regarding interests on loans to finance capital expenditure on tangible and intangible assets during their construction phase (Note 12).

9. INCOME TAX

Income tax for the periods ended 31 March 2015 and 2014 are as follows:

| Captions | March 2015 | March 2014 |
|---|---------------|---------------|
| Current income tax | 22,457 | 28,051 |
| IRP Provision - Tax on Oil income | 6,849 | 5,105 |
| PE - special participation | 18,967 | 20,101 |
| Insufficiency / (excess) of income tax for the preceding year | (35) | (1,245) |
| Deferred tax | (18,130) | (16,513) |
| | 30,108 | 35,499 |
| Energy sector contribution tax | 10,420 | 5,209 |
| | 40,528 | 40,708 |

The caption IRP – Tax on Oil Income includes the amount of €2,531 k related to the provision constituted during the first quarter of 2015 (Note 25).

The Group has recognised as Income tax the amount of € 23,942 k.

Deferred taxes

The balance of deferred tax assets and liabilities as of 31 March 2015 is as follows:

| Captions | Deferred tax March 2015 - Assets | | | | | | (€k) |
|---|----------------------------------|-------------------|------------------|------------------------------------|-------------------|----------------|------|
| | Beginning balance | Effect in results | Effect in equity | Effect of currency conversion rate | Other adjustments | Ending balance | |
| Adjustments to accruals and deferrals | 8,284 | (6) | - | - | 15 | 8,293 | |
| Adjustments to tangible and intangible assets | 25,033 | 9,280 | - | 2,382 | - | 36,695 | |
| Adjustments to inventories | 742 | (69) | - | - | - | 673 | |
| Overlifting adjustments | 147 | 1,440 | - | 86 | - | 1,673 | |
| Retirement benefits and other benefits | 100,847 | (626) | - | - | - | 100,221 | |
| Double economical taxation | 3,522 | (771) | - | - | 1 | 2,752 | |
| Financial instruments | - | - | 91 | - | - | 91 | |
| Tax losses carried forward | 65,950 | (11,751) | - | (22) | (6) | 54,171 | |
| Regulated revenue | 14,083 | (6,423) | - | - | - | 7,660 | |
| Provisions non deductible | 27,374 | 2,970 | - | (661) | 15 | 29,698 | |
| Potential Foreign exchange differences Brazil | 79,523 | 10,893 | 52,603 | (7,267) | (116) | 135,636 | |
| Other | 38,468 | 8,144 | - | (103) | - | 46,509 | |
| | 363,973 | 13,081 | 52,694 | (5,585) | (91) | 424,072 | |

| Captions | Deferred tax March 2015 - Liabilities | | | | | (€k) |
|--|---------------------------------------|-------------------|------------------|------------------------------------|-------------------|------------------|
| | Beginning balance | Effect in results | Effect in equity | Effect of currency conversion rate | Other adjustments | |
| Adjustments to accruals and deferrals | (53) | - | - | (94) | - | (147) |
| Adjustments to tangible and intangible assets | (20,019) | (530) | - | (2,596) | - | (23,145) |
| Adjustments to tangible and intangible assets Fair value | (16,496) | 1,409 | - | - | - | (15,087) |
| Adjustments to inventories | (181) | 133 | - | - | - | (48) |
| Underlifting adjustments | (1,113) | 444 | - | (122) | - | (791) |
| Dividends | (39,973) | (371) | - | - | - | (40,344) |
| Regulated revenue | (39,828) | 13,028 | - | - | - | (26,800) |
| Accounting revaluations | (2,605) | 57 | - | - | - | (2,548) |
| Other | (920) | (9,121) | - | (4) | (15) | (10,060) |
| | (121,188) | 5,049 | - | (2,816) | (15) | (118,970) |

Potential foreign exchange differences from Brazil result from the tax option to tax potential foreign exchange differences only when they are realised. The amount of €52,603 k reflected in equity includes €36,821 k regarding deferred taxes resulting from currency exchange differences of financial allocations that are similar to quasi equity (Note 20) and €15,782 k regarding non-controlling interests.

10. EARNINGS PER SHARE

Earnings per share for the periods ended 31 March 2015 and 2014 are as follows:

| | (€k) | |
|---|---------------|-------------|
| | March 2015 | March 2014 |
| <u>Net income</u> | | |
| Net income for purposes of calculating earnings per share (consolidated net profit for the period) | (10,114) | 13,818 |
| <u>Number of shares</u> | | |
| Weighted average number of shares for purposes of calculation earnings per share (Note 19) | 829,250,635 | 829,250,635 |
| <u>Basic earnings per share (amounts in euros):</u> | (0.01) | 0.02 |

As there are no situations that give rise to dilution, the diluted earnings per share are the same as the basic earnings per share.

11. GOODWILL

The difference between the amounts paid to acquire a stake in Group companies and the fair value of the acquired companies' equity was in 31 March 2015, is as follows:

| Subsidiaries | Year of acquisition | Acquisition cost | % | Equity proportion at the acquisition date | | Movements of Goodwill | | (€k) | |
|---|---------------------|------------------|---------|---|----------------|-------------------------------------|----------------|------|--|
| | | | | Amount | 2014 | Currency conversion differences (d) | 2015 | | |
| | | | | | | | | | |
| Galp Energia España, S.A. | | | | | | | | | |
| Galp Comercializacion Oil España, S.L. | (a) | 2008 | 100.00% | 129,471 | 46,266 | - | 46,266 | | |
| Petróleos de Valéncia, S.A. Sociedad Unipersonal | (a) | 2005 | 100.00% | 6,099 | 7,759 | - | 7,759 | | |
| Galp Distribución Oil España, S.A.U. | (b) | 2008 | 100.00% | 123,611 | 46,823 | - | 46,823 | | |
| | | | | | <u>100,848</u> | - | <u>100,848</u> | | |
| Petróleos de Portugal - Petrogal, S.A. | | | | | | | | | |
| Galp Comercialização Portugal, S.A. | (c) | 2008 | 100.00% | 69,027 | 50,556 | - | 50,556 | | |
| | | | | | <u>50,556</u> | - | <u>50,556</u> | | |
| Madrileña Suministro de Gas S.L. | | 2010 | 100.00% | 12,641 | 29,766 | - | 29,766 | | |
| Galp Swaziland (PTY) Limited | | 2008 | 100.00% | 651 | 18,754 | 2,409 | 21,163 | | |
| Madrileña Suministro de Gas SUR S.L. | | 2010 | 100.00% | 3,573 | 8,686 | - | 8,686 | | |
| Galpgest - Petrogal Estaciones de Servicio, S.L.U. | | 2003 | 100.00% | 1,370 | 5,568 | - | 5,568 | | |
| Galp Gambia, Limited | | 2008 | 100.00% | 1,693 | 405 | (405) | - | | |
| | 2007 and | | | | | | | | |
| Empresa Nacional de Combustíveis - Enacol, S.A.R.L | | 2008 | 15.77% | 4,031 | 4,329 | - | 4,329 | | |
| Galp Moçambique, Lda. | | 2008 | 100.00% | 2,978 | 3,491 | 448 | 3,939 | | |
| Duriensegás - Soc. Distrib. de Gás Natural do Douro, S.A. | | 2006 | 25.00% | 1,454 | 1,640 | - | 1,640 | | |
| | 2002/3 and | | | | | | | | |
| Lusitanigás - Companhia de Gás do Centro, S.A. | | 2007/8/9 | 1.543% | 856 | 584 | - | 584 | | |
| Gasinsular - Combustíveis do Atlântico, S.A. | | 2005 | 100.00% | (353) | 403 | - | 403 | | |
| Saaga - Sociedade Açoreana de Armazenagem de Gás, S.A. | | 2005 | 67.65% | 580 | 278 | - | 278 | | |
| | 2003/6 and | | | | | | | | |
| Beiragás - Companhia de Gás das Beiras, S.A. | | 2007 | 0.94% | 107 | 51 | - | 51 | | |
| Galp Sinopec Brazil Services (Cyprus) | | 2012 | 100.00% | 1 | <u>2</u> | - | <u>2</u> | | |
| | | | | | <u>225,361</u> | <u>2,452</u> | <u>227,813</u> | | |

- (a) The subsidiaries Petróleos de Valéncia, S.A. Sociedad Unipersonal and Galp Comercializacion Oil España, S.L. were incorporated in Galp Energia España, S.A., through a merger process, during the year ended 31 December 2010.
- (b) The subsidiary Galp Distribución Oil España, S.A.U., was incorporated in Galp Energia España, S.A. through a merger process, during the year ended 31 December 2011.
- (c) The subsidiary Galp Comercialização Portugal, S.A., was incorporated in Petróleos de Portugal - Petrogal, S.A. through a merger process, during the year ended 31 December 2010
- (d) The exchange differences arise from the conversion of Goodwill recorded in local companies' currency to Group's reporting currency (euros) at the exchange rate prevailing on the date of the financial statements (Note 20).

12. TANGIBLE AND INTANGIBLE ASSETS

Composition of tangible and intangible assets on 31 March 2015 and on 31 December 2014:

| | (€k) | | | | | |
|--|-------------------|---|------------------|-------------------|---|------------------|
| | March 2015 | | | December 2014 | | |
| | Gross Assets | Accumulated Amortisation, Depreciation and Impairment | Net Assets | Gross Assets | Accumulated Amortisation, Depreciation and Impairment | Net Assets |
| Tangible assets | | | | | | |
| Land and natural resources | 278,124 | (1,793) | 276,331 | 278,327 | (2,005) | 276,322 |
| Buildings and other constructions | 921,505 | (660,934) | 260,571 | 919,314 | (654,368) | 264,946 |
| Machinery and equipment | 7,242,518 | (4,586,693) | 2,655,825 | 7,102,796 | (4,382,246) | 2,720,550 |
| Transport equipment | 30,718 | (27,240) | 3,478 | 31,060 | (27,308) | 3,752 |
| Tools and utensils | 4,407 | (3,948) | 459 | 4,408 | (3,915) | 493 |
| Administrative equipment | 174,950 | (161,890) | 13,060 | 173,484 | (159,688) | 13,796 |
| Reusable containers | 159,623 | (147,223) | 12,400 | 158,790 | (146,060) | 12,730 |
| Other tangible assets | 89,112 | (79,352) | 9,760 | 89,356 | (79,014) | 10,342 |
| Tangible assets in progress | 1,894,252 | - | 1,894,252 | 1,749,397 | - | 1,749,397 |
| Advances to suppliers of tangible assets | 28 | - | 28 | 28 | - | 28 |
| | 10,795,237 | (5,669,073) | 5,126,164 | 10,506,960 | (5,454,604) | 5,052,356 |
| Intangible assets | | | | | | |
| Research and development costs | 280 | (277) | 3 | 280 | (270) | 10 |
| Industrial property and other rights | 569,041 | (305,817) | 263,224 | 561,772 | (299,391) | 262,381 |
| Reconversion of consumption to natural gas | 551 | (429) | 122 | 551 | (432) | 119 |
| Goodwill | 17,185 | (10,205) | 6,980 | 17,185 | (10,205) | 6,980 |
| Other intangible Assets | 498 | (498) | - | 498 | (498) | - |
| Concession Arrangements | 1,721,280 | (586,552) | 1,134,728 | 1,718,566 | (576,566) | 1,142,000 |
| Intangible assets in progress of concession arrangements | 3,267 | - | 3,267 | 3,199 | - | 3,199 |
| Intangible assets in progress | 30,038 | - | 30,038 | 32,217 | - | 32,217 |
| | 2,342,140 | (903,778) | 1,438,362 | 2,334,268 | (887,362) | 1,446,906 |

Tangible and intangible assets are recorded in accordance with the accounting policy defined by the Group which is described in the accompanying notes to the consolidated financial statements on 31 December 2014 (Note 2.3 and Note 2.4). The depreciation/amortisation rates are disclosed in the same note.

The net change of increases and decreases in the caption "Assets gross tangible and intangible assets" for the period ended 31 March 2015 amounts to €65,264 k which includes:

| | Tangible | | Intangible | | Total | | |
|--|-------------------|--------------------------|------------------|--------------------------|---|--------------------|------------------|
| | Gross Assets | Accumulated Depreciation | Gross Assets | Accumulated Amortisation | Accumulated Amortisation / Depreciation | | Net Assets |
| | | | | | Gross Assets | Depreciation | |
| Balance on 1 January 2015 | 10,506,960 | (5,454,604) | 2,334,268 | (887,362) | 12,841,228 | (6,341,966) | 6,499,262 |
| Additions | 217,539 | - | 6,644 | - | 224,183 | - | 224,183 |
| Additions by financial costs capitalization (Note 8) | 13,767 | - | - | - | 13,767 | - | 13,767 |
| Write-offs/sales | (22,412) | 18,482 | (998) | 982 | (23,410) | 19,464 | (3,946) |
| Impairment variations | (44,614) | 69 | (4,297) | - | (48,911) | 69 | (48,842) |
| Adjustments | 123,997 | (116,122) | 6,523 | 338 | 130,520 | (115,784) | 14,736 |
| Amortisations/Depreciations of the period | - | (116,898) | - | (17,736) | - | (134,634) | (134,634) |
| Total movements | 288,277 | (214,469) | 7,872 | (16,416) | 296,149 | (230,885) | 65,264 |
| Balance on 31 March 2015 | 10,795,237 | (5,669,073) | 2,342,140 | (903,778) | 13,137,377 | (6,572,851) | 6,564,526 |

Depreciation/amortisation for the periods ended 31 March 2015 and 2014 are as follows:

| | March 2015 | | | March 2014 | | | December 2014 | | |
|---|-----------------|-------------------|----------------|-----------------|-------------------|----------------|-----------------|-------------------|----------------|
| | Tangible assets | Intangible assets | Total | Tangible assets | Intangible assets | Total | Tangible assets | Intangible assets | Total |
| Amortisation and depreciation for the period | 116,898 | 7,269 | 124,167 | 105,780 | 8,743 | 114,523 | 411,089 | 32,899 | 443,988 |
| Amortisation for the period - concession arrangements | - | 10,467 | 10,467 | - | 9,944 | 9,944 | - | 42,005 | 42,005 |
| Increase in impairment | 53,448 | - | 53,448 | 14,056 | - | 14,056 | 134,076 | 1,459 | 135,535 |
| Decrease in impairment | (65) | - | (65) | (156) | (191) | (347) | (7,930) | - | (7,930) |
| Amortisation, depreciation and impairment loss (Note 6) | <u>170,281</u> | <u>17,736</u> | <u>188,017</u> | <u>119,680</u> | <u>18,496</u> | <u>138,176</u> | <u>537,235</u> | <u>76,363</u> | <u>613,598</u> |

Main occurrences during the period ended 31 March 2015:

Increases in the amount of €237,950 k mainly include:

i) Exploration & Production segment

- €141,508 k regarding exploration and development investments in blocks in Brazil;
- €43,238 k regarding exploration investments in block 32 in Angola;
- €25,571 k regarding exploration and development investments in block 14 in Angola ;
- €16,814 k regarding exploration investments in Block 4 in Mozambique;
- €1,052 k regarding oil exploration investments on Portuguese coast; and
- €978 k regarding natural gas exploration investments in Angola.

ii) Gas & Power segment

- €3,099 k regarding natural gas infrastructure construction (network, plot and other infrastructures) of which the amount of €2,935 k covered by IFRIC 12 (Note 5 and 6).

iii) Refining and marketing segment

- €1,880 k regarding industrial investments in Porto and Sines refineries; and
- €2,004 k related with the wholesale business unit and is due mainly to the remodeling of stations and convenience stores, expansion of activities and development of information systems.

In the period ended 31 March 2015 tangible and intangible goods that were sold and disposed amounts to €3,946 k and as result of the register updated of fixed assets which was carried out in this period and were primarily due to write-offs related with the retail business and are due to the remodeling of stations and convenience stores, expansion of activities and development of information systems that were mostly totally amortised.

In the period ended 31 March 2015 impairments of fixed assets amounts to €325,148 k. Were recorded impairments in the amount of €56,575 k which are essentially related to research and development investments of blocks in Brazil in the amount of €38,786 k and to development investments in Block 14 in Angola in the amount of €16,961 k.

Tangible and intangible assets in progress (including advances on tangible and intangible assets) in the period ending 31 March 2015 were as follows:

| | (€k) | | |
|--|---------------------------|-------------------|-------------------|
| | Assets in progress | Impairment | Net assets |
| Research and exploration of oil in Brazil | 1,072,809 | (65,907) | 1,006,902 |
| Research and exploration of oil in Angola and Congo | 515,472 | (28,894) | 486,578 |
| Research in Mozambique | 235,081 | (7,306) | 227,775 |
| Research in Morocco | 69,375 | (69,375) | - |
| Research in Portugal | 60,461 | (8,921) | 51,540 |
| Research of gas in Angola and Guinea | 43,055 | (1,336) | 41,719 |
| Research in Namibia | 40,224 | (39,837) | 387 |
| Renewal and expansion of the network | 28,863 | (134) | 28,729 |
| Industrial investment relating to refineries | 27,390 | - | 27,390 |
| Floating LNG-Brazil | 24,666 | - | 24,666 |
| Oil Exploration in Blocks 3 and 4 in Uruguay | 7,648 | (1,695) | 5,953 |
| Transportation and logistics | 4,484 | - | 4,484 |
| Research in Timor | 2,575 | (2,575) | - |
| Conversion projects of the Sines and Oporto refineries | 1,243 | - | 1,243 |
| Underground storage of natural gas | 217 | - | 217 |
| Production of energy and steam | 74 | - | 74 |
| Other projects | 19,928 | - | 19,928 |
| | 2,153,565 | (225,980) | 1,927,585 |

13. GOVERNMENT GRANTS

As of 31 March 2015 and 31 December 2014 the amounts to be recognised as government grants are €263,598 k and €266,066 k, respectively (Note 24).

During the periods ended 31 March 2015 and 31 March 2014 the income statement includes the amounts of €2,499 k and €2,551 k, respectively regarding government grants recognition (Note 5).

14. OTHER RECEIVABLES

The non-current and current caption “Other receivables” as of 31 March 2015 and of 31 December 2014 was as follows:

| Captions | (€k) | | | |
|--|------------------|----------------|------------------|----------------|
| | March 2015 | | December 2014 | |
| | Current | Non-current | Current | Non-current |
| State and Other Public Entities: | | | | |
| ISP - Tax on oil products | 2,081 | - | 3,127 | - |
| Value Added Tax - Reimbursement requested | 46 | - | 240 | - |
| Others | 9,028 | - | 7,944 | - |
| Loans to Sinopec Group | 771,654 | 152,879 | 718,904 | 170,954 |
| Advances to suppliers of fixed assets | 146,472 | - | 85,670 | - |
| Underlifting | 24,448 | - | 22,137 | - |
| Carry State participations interests | 22,106 | - | 18,922 | - |
| Advances to suppliers | 18,695 | - | 32,121 | - |
| Subsoil Rates | 18,360 | 34,044 | 18,801 | 34,044 |
| Over cash-call from partner Petrobrás in operated blocks | 13,832 | - | 13,437 | - |
| Guarantees | 11,098 | - | 11,091 | - |
| Means of payment | 8,842 | - | 7,506 | - |
| Other receivables - associated, related and participated companies | 8,841 | 2,398 | 7,427 | 4,007 |
| Receivables from Block 14 consortium in Angola (excessive profit-oil receivable) | 6,837 | - | 3,102 | - |
| Personnel | 1,519 | - | 1,972 | - |
| Spanish Bitumen process | 385 | - | 385 | - |
| Loans to clients | 73 | 1,513 | 73 | 1,513 |
| Ceding rights contract to use telecommunications infrastructures | 62 | - | 222 | - |
| Loans to associated, jointly controlled related and participated companies | 18 | 29,033 | - | 28,433 |
| Other receivables | 71,392 | 6,289 | 66,029 | 3,417 |
| | <u>1,135,789</u> | <u>226,156</u> | <u>1,019,110</u> | <u>242,368</u> |
| Accrued income: | | | | |
| Sales and services rendered not yet invoiced | 228,514 | - | 214,853 | - |
| Adjustment to tariff deviation - "pass through" - ERSE regulation | 33,723 | - | 36,546 | - |
| Adjustment to tariff deviation - Regulated revenue - ERSE regulation | 28,531 | 28,573 | 30,937 | 34,495 |
| Financial neutrality - regulation ERSE | 14,851 | - | 17,499 | - |
| Adjustment to tariff deviation - Energy tariff - ERSE regulation | 14,012 | 47,012 | 14,012 | 45,537 |
| Accrued interest | 4,612 | - | 3,511 | - |
| Accrued management and structure costs | 2,556 | - | 1,786 | - |
| Compensation for the uniform tariff | 1,806 | - | 1,798 | - |
| Sale of finished goods to be invoiced by the service stations | 992 | - | 7,420 | - |
| Commercial discount on purchases | 625 | - | 1,205 | - |
| Other | 10,750 | 70 | 6,195 | 63 |
| | <u>340,972</u> | <u>75,655</u> | <u>335,762</u> | <u>80,094</u> |
| Deferred costs: | | | | |
| Prepaid insurance | 13,612 | - | 1,073 | - |
| Catalyser costs | 9,931 | - | 10,130 | - |
| Prepaid rent | 2,858 | - | 2,578 | - |
| Costs relating to service station concession contracts | 2,474 | 28,867 | 2,757 | 28,406 |
| Interest and other financial costs | 85 | - | 256 | - |
| Retirement benefits (Note 23) | - | 10,608 | - | 10,635 |
| Other deferred costs | 22,935 | - | 21,925 | - |
| | <u>51,895</u> | <u>39,475</u> | <u>38,719</u> | <u>39,041</u> |
| | <u>1,528,656</u> | <u>341,286</u> | <u>1,393,591</u> | <u>361,503</u> |
| | <u>(7,225)</u> | <u>(2,753)</u> | <u>(7,406)</u> | <u>(2,753)</u> |
| | <u>1,521,431</u> | <u>338,533</u> | <u>1,386,185</u> | <u>358,750</u> |

The movements occurred in the caption “Impairments of other receivables” for the period ending 31 March 2015 were as follows:

| Caption | Beginning balance | Increase | Decrease | Utilisation | Ending balance | |
|-------------------|-------------------|----------|----------|-------------|----------------|----------------|
| | | | | | Adjustments | Ending balance |
| Other receivables | 10,159 | 33 | (215) | - | 1 | 9,978 |

The increase and decrease of the caption “Impairment of other receivables” in the net amount of €182 k was recorded in the caption “Provisions and impairments – other receivables” (Note 6).

The caption “Loans granted” includes the amount of €924,533 k (\$994,075,116.36) regarding the loan that the group granted to Tip Top Energy, SARL (included in Sinopec Group) on 28 March 2012, for a period of four years of which €771,654 k (\$830,222,484.00) in current and €152,879 k (\$164,482,632.36) in non-current, which earns a three-month LIBOR interest rate plus a spread. In the period ended 31 March 2015 in the caption “Interest”, is in respect of interests on loans granted to related companies, in the amount of €2,092 k.

The caption “Subsoil rates” amounting to €52,404 k refer to rates of subsoil occupation already paid to municipalities. According to the natural gas supply concession agreement between the Portuguese Government and the Group companies, and with the Council of Ministers decision No. 98/2008, dated 8 April, companies have the right to pass on to commercialisation entities or to end customers, the full amount of subsoil rates paid to the local authorities in the concessioned area.

The amount of €24,448 k recorded in “Other receivables – underlifting” represents the amounts receivable by the Group for lifting barrels of crude oil production under quota (underlifting) and is valued at the lower price between the market price at the date of sale and the market price on 31 March 2015.

Caption “carry State participations interests” amounting €22,106 k refers to amounts receivable from State partners during the exploration period. The Farm-in agreed with the partners predict that during the period of operation, Group is responsible for the investment paid with cash call and requested by the operator to the state in the amount of their participation.

Caption “Means of payment” amounts to €8,842 k refers to amounts receivable for sales made with Visa/debit cards, which as of 31 March 2015 were pending collection.

The amount of €11,239 k recorded in the caption “Other receivables current and non-current – associated jointly controlled entities, related and participated companies” current and non-current refers to amounts receivable from companies which were not consolidated.

Caption “Guarantees” amounts to €11,098 k included €9,843 k from deliveries on account and trading guarantees to support the transactions and operations in the Spanish electricity and French market.

The caption “Other receivables non-current” includes €2,498 k receivable from Gestmin, SGPS, S.A., for the purchase of COMG – Comercialização de Gás, S.A. on 3 December 2009 and earns a six-month Euribor interest rate plus a spread of 3.12% per year, and is expected to be received every semester and until 3 December 2016.

The accrued income – sales and services rendered and not invoiced includes natural gas and electricity consumption and other income provided in March and invoiced to customers in April. The most relevant accruals are as follows:

| Company | TOTAL | Natural Gas | Electricity |
|--|----------------|----------------|---------------|
| Galp Gás Natural, S.A. | 103,622 | 103,622 | - |
| Galp Power, S.A. | 21,892 | 11,965 | 9,927 |
| Galp Energia España, S.A., Unipessoal | 17,014 | 16,230 | 784 |
| Petrogal, S.A. | 15,155 | - | 15,155 |
| Madrileña Suministro de Gas | 10,607 | 10,607 | - |
| Madrileña Suministro de Gas SUR | 9,155 | 9,155 | - |
| Lusitaniagás Comercialização, S.A. | 8,807 | 8,807 | - |
| Portcogeração, S.A. | 6,552 | - | 6,552 |
| Lisboagás Comercialização, S.A. | 5,952 | 5,952 | - |
| Lisboagás GDL - Sociedade Distribuidora de Gás Natural de Lisboa, SA | 4,634 | 4,634 | - |
| Carriço Cogeração, S.A. | 2,396 | - | 2,396 |
| Setgás Comercialização, S.A. | 1,522 | 1,522 | - |
| SETGÁS - Sociedade de Distribuição de Gás Natural, SA | 1,437 | 1,437 | - |
| Transgás, S.A. | 585 | 585 | - |
| Dianagás – Sociedade Distribuidora de Gás Natural de Évora, SA | 560 | 560 | - |
| Agroger, S.A. | 533 | - | 533 |
| Duriensegás – Sociedade Distribuidora de Gás Natural do Douro, SA | 458 | 458 | - |
| | 210,881 | 175,534 | 35,347 |

The amount of €992 k in the caption “Sale of finished goods to be invoiced by the service stations” relates to sales made up to 31 March 2015 through Galp Frota cards, which will be invoiced in the following months.

Expenses recorded in the caption “Deferred costs” in the amount of €31,341 k, are in respect of advance payments of income related to service station rental contracts which are expensed during the concession period, which ranges between 17 and 32 years.

The balance of other accounts receivable in arrears who have not suffered impairment correspond to claims in which there are payment agreements, are covered by credit insurance or for which there is an expectation of partial or total liquidation.

Galp Energia holds collateral guarantees on accounts receivable, namely bank guarantees and security deposits, in the amount of €106,332 k, as of 31 March 2015.

15. TRADE RECEIVABLES

The caption “Trade receivables” as of 31 March 2015 and of 31 December 2014 was as follows:

| Captions | (€k) | | | |
|---------------------------------------|------------------|---------------|------------------|---------------|
| | March 2015 | | December 2014 | |
| | Current | Non-current | Current | Non-current |
| Trade receivables - current accounts | 1,174,746 | 24,162 | 1,082,235 | 24,242 |
| Trade receivables - doubtful accounts | 236,742 | - | 256,194 | - |
| Trade receivables - notes receivable | 4,311 | - | 5,686 | - |
| | 1,415,799 | 24,162 | 1,344,115 | 24,242 |
| Impairment of trade receivables | (235,140) | - | (228,828) | - |
| | 1,180,659 | 24,162 | 1,115,287 | 24,242 |

The balance of non-current clients, amounting to €24,162 k and €24,242 k in period ended 31 March 2015 and 31 December 2014 respectively, respects to the payment agreement of debts from customers with maturities greater than one year.

The changes in the caption “Impairment of trade receivables” as of the period ended 31 March 2015 were as follows:

| Caption | Opening Balance | Increases | Decreases | Utilisation | Adjustments | Ending Balance |
|---------------------------------|--------------------|-----------|-----------|-------------|-------------|-------------------|
| | | | | | | |
| Impairment of trade receivables | 228,828 | 8,722 | (2,445) | (30) | 65 | 235,140 |

The increase and decrease in the caption “Impairment of trade receivables” in the net amount of €6,277 k was recorded in the caption “Provision and impairment loss on receivables” (Note 6).

16. INVENTORIES

Inventories as of 31 March 2015 and of 31 December 2014 were as follows:

| CAPTIONS | March 2015 | December 2014 |
|--|------------------|------------------|
| Raw, subsidiary and consumable materials: | | (€k) |
| Crude oil | 147,351 | 146,324 |
| Other raw materials | 45,366 | 45,216 |
| Raw material in transit | 155,517 | 179,138 |
| | 348,234 | 370,678 |
| Impairment of raw, subsidiary and consumable materials | (9,421) | (44,466) |
| | 338,813 | 326,212 |
| Finished and semi-finished products: | | |
| Finished products | 143,584 | 156,997 |
| Semi-finished products | 188,963 | 238,199 |
| Finished products in transit | - | 6,394 |
| | 332,547 | 401,590 |
| Impairment of finished and semi-finished products | (9,003) | (40,781) |
| | 323,544 | 360,809 |
| Work in progress | 217 | 192 |
| | 217 | 192 |
| Merchandise | 450,469 | 551,876 |
| Merchandise in transit | 273 | 359 |
| | 450,742 | 552,235 |
| Impairment of merchandise | (1,159) | (29,074) |
| | 449,583 | 523,161 |
| | 1,112,157 | 1,210,374 |

Merchandise as of 31 March 2015, in the amount of €450,469 k mainly relates to natural gas in pipelines in the amount of €64,244 k, inventories of crude oil derivative products of the subsidiaries Galp Energia España, S.A., Petrogal Moçambique, Lda. and Empresa Nacional de Combustíveis – Enacol, S.A.R.L. in the amounts of €352,442 k, €9,483 k and €8,639 k respectively.

As of 31 March 2015 and of 31 December 2014, the Group's liability to competitors related to strategic reserves, which can only be satisfied by product delivery, amounted to €50,171 k and €48,781 k respectively (Note 24). This reduction is explained by legislative amendment and the amendment of Entidade Nacional para o Mercado de Combustíveis, E.P.E. (ENMC), which assumed an increase in liabilities arising from its strategic reserves of other operators, having contracted with Galp Energia Group the figure of "tickets" that allow you to ensure the products of stocks with the Group.

The subsidiary Petróleos de Portugal – Petrogal, SA has a contract with “Entidade Nacional para o Mercado de Combustíveis, E.P.E.” (ENMC) for the storage and exchange of crude and for the storage of refined products, from the national strategic reserve. The crude oil acquired by ENMC, which is not reflected in the financial statements, is stored in a non-segregated form in Petrogal’s installations, where it must remain so that ENMC can audit it in terms of quantity and quality whenever it so wishes. In accordance with the contract, Petrogal must, when so required by ENMC, exchange the crude sold for finished products, receiving in exchange an amount representing the refining margin as of the date of exchange.

The changes in the caption “Impairment of inventories” in the period ended 31 March 2015 were as follows:

| Captions | Begining balance | Increases | Decreases | Adjustments | Ending balance |
|--|------------------|-----------|-----------|-------------|----------------|
| Impairment of raw, subsidiary and consumable materials | 44,466 | 1,105 | (36,150) | - | 9,421 |
| Impairment of finished and semi-finished products | 40,781 | 5,135 | (36,967) | 54 | 9,003 |
| Impairment of merchandise | 29,074 | 15 | (27,943) | 13 | 1,159 |
| | 114,321 | 6,255 | (101,060) | 67 | 19,583 |

The net increase in impairment, amounting to €94,805 k was recorded against the caption “Cost of sales-decrease (impairment)” in inventories (Note 6).

17. OTHER INVESTMENTS

Current and non-current investments as of 31 March 2015 and of 31 December 2014 were as follows:

| Other investments | March 2015 | | December 2014 | |
|--|--------------|---------------|---------------|---------------|
| | Current | Non-current | Current | Non-current |
| Financial instruments at fair value through profit and loss (Note 27) | | | | |
| Swaps and Options over Commodities | 5,457 | 344 | 6,986 | 405 |
| Swaps over currency | 891 | - | 3,150 | - |
| | 6,348 | 344 | 10,136 | 405 |
| Other financial assets | | | | |
| Other | - | 23,667 | - | 20,973 |
| | - | 23,667 | - | 20,973 |
| | 6,348 | 24,011 | 10,136 | 21,378 |

As of 31 March 2015 and of 31 December 2014 the financial instruments are recorded at their fair value at those dates (Note 27).

18. CASH AND CASH EQUIVALENTS

The caption “Cash and cash equivalents” as of 31 March 2015 and 2014 was as follows:

| Captions | March 2015 | December 2014 | March 2014 |
|--|------------------|------------------|------------------|
| Cash | 5,634 | 6,664 | 6,361 |
| Current account | 143,663 | 111,453 | 229,281 |
| Term deposits | 1,437 | 1,419 | 2,437 |
| Other negotiable securities | 23,136 | 35,020 | 75,164 |
| Other treasury applications | 929,819 | 989,426 | 861,166 |
| Cash and cash equivalents in the consolidated statement of financial position | 1,103,689 | 1,143,982 | 1,174,409 |
| Other current investments | - | - | 640 |
| Bank overdrafts (Note 22) | (94,040) | (120,586) | (33,652) |
| Cash and cash equivalents in the consolidated statement of cash flow | 1,009,649 | 1,023,396 | 1,141,397 |

The caption “Other negotiable securities” mainly include:

- €16,475 k regarding bank deposit certificates;
- €4,522 k on electricity futures; and
- €2,136 k on commodities futures (Brent).

These futures are recorded in this caption due to their high liquidity (Note 27).

The caption “Other treasury applications” includes applications of cash surplus, with maturities less than three months, of the following Group companies:

| Companies | March 2015 | December 2014 |
|---|----------------|----------------|
| Galp Energia E&P, B.V. | 787,961 | 940,549 |
| Galp Sinopec Brazil Services B.V. | 46,473 | 7,001 |
| Petróleos de Portugal - Petrogal, S.A. | 39,511 | 13,590 |
| Galp Gás Natural, S.A. | 22,315 | 8,389 |
| Petróleos de Portugal – PETROGAL, S.A. Sucursal en España | 10,500 | - |
| CLCM - Companhia Logística de Combustíveis da Madeira, S.A. | 9,800 | 8,450 |
| Beiragás - Companhia de Gás das Beiras, S.A. | 9,300 | 6,000 |
| Galp Exploração Serviços do Brasil, Lda. | 3,030 | 2,749 |
| Galp Energia Brasil S.A. | 520 | 498 |
| Galp Energia España, S.A. | 409 | - |
| Sempre a Postos - Produtos Alimentares e Utilidades, Lda. | - | 2,200 |
| | 929,819 | 989,426 |

19. SHARE CAPITAL

Capital structure

The capital structure of Galp Energia in the first quarter of 2015 has not changed, maintaining the free float to 46.66%.

Capital structure as of 31 March 2015 was as follows:

| | Nbr. of Shares | % of Capital | % of Voting Rights |
|---|--------------------|----------------|--------------------|
| Amorim Energia, B.V. | 317,934,693 | 38.34% | 46.34% |
| Eni S.p.A. | 66,337,592 | 8.00% | 8.00% |
| Parpública – Participações Públicas, SGPS, S.A. | 58,079,514 | 7.00% | 7.00% |
| Free-float | 386,898,836 | 46.66% | 46.66% |
| Total | 829,250,635 | 100.00% | - |

20. RESERVES

As of 31 March 2015 and of 31 December 2014 the caption "Conversion reserve and other reserves" is detailed as follows:

| Captions | March 2015 | December 2014 |
|--|------------------|------------------|
| Translation reserves: | | |
| Reserves - financial allocations ("quasi equity") | (302,286) | (193,989) |
| Reserves - Tax on financial allocations ("quasi equity") (Note 9) | 114,496 | 77,675 |
| | (187,790) | (116,314) |
| Reserves - Conversion of financial statements | 437,481 | 131,765 |
| Reserves - Goodwill rate update (Note 11) | 4,670 | 2,218 |
| | 254,361 | 17,669 |
| Hedging reserves: | | |
| Reserves - financial derivatives | (1,920) | (744) |
| Reserves - Deferred tax on financial derivatives (Note 9) | 91 | - |
| | (1,829) | (744) |
| Other reserves: | | |
| Legal reserve | 165,850 | 165,850 |
| Free distribution reserves | 27,977 | 27,977 |
| Special reserves | (443) | (443) |
| Reserves - Capital increase in subsidiaries Petrogal Brazil, S.A. and Galp Sinopec Brazil Services B.V. | 2,493,088 | 2,493,088 |
| Reserves - Increase of 10.7532% in 2012 and of 0.3438% in 2013 of stake in the share capital of subsidiary Lusitaniagás - Companhia de Gas do Centro, S.A. | (2,027) | (2,027) |
| Reserves - Increase of 99% of stake in the share capital of subsidiary Enerfuel, S.A. | (31) | (31) |
| | 2,684,414 | 2,684,414 |
| | 2,936,946 | 2,701,339 |

Translation reserve:

The change occurred in the caption translation reserve, is as follows:

- i) €437,481 k regarding positive exchange rate differences resulting from the translation of the financial statements in foreign currency to Euro;
- ii) €187,490 k regarding negative exchange rate differences of the financial allocations of Galp Exploração e Produção Petrolífera, S.A., Petróleos de Portugal - Petrogal, S.A. and Winland International Petroleum, SARL (W.I.P.) to Petrogal Brasil, S.A., in euros and US dollars, which are not remunerated and for which there is no intention of reimbursement, and as such similar to share capital ("quasi capital"), thus integrating the net investment in that foreign operational unit in accordance with IAS 21
- iii) €4,670 k regarding positive exchange rate differences resulting from Goodwill exchange rate update.

Hedging reserves:

Hedging reserves reflect changes that have occurred in financial derivatives on interest rates that are contracted for hedging changes in interest rate loans (cash flow hedge) and their respective deferred taxes.

In the year ended 31 March 2015 the amount of €1,920 k is related with the fair value of financial derivatives cash flow hedge.

Other reserves:

Legal reserves

In accordance with the Portuguese Commercial Companies Code (CSC), the Company must transfer a minimum of 5% of its annual net profit to a legal reserve until the reserve reaches 20% of share capital. The legal reserve cannot be distributed to the shareholders but may in certain circumstances be used to increase capital or to absorb losses after all the other reserves have been utilised. In 2014 the caption did not change as the legal reserves have already achieved 20% of share capital.

Special reserves

The amount of €443 k in the caption "Special reserves" includes €463 k relating to a deferred tax correction – revaluation of equity in the subsidiary Lisboagás GDL – Sociedade Distribuidora de Gás Natural de Lisboa, S.A. and the negative amount of €20 k relating to a donation reserve in subsidiary Gasinsular – Combustíveis do Atlântico, S.A.

Reserves – capital increases in Petrogal Brasil, S.A. and Galp Brasil Services, B.V.

On 28 March 2012 the company Winland International Petroleum SARL (WIP), a subsidiary of Tip Top Energy, SARL (Sinopec Group), subscribed and made an increase in capital in the amount of

\$4,797,528,044.74 in subsidiaries Petrogal Brasil, S.A. and Galp Sinopec Brazil Services, B.V. (formerly Galp Brazil Services, B.V.), holding 30% of shares and voting rights of both subsidiaries.

With the operation of the capital increase, the Galp Energia Group kept the operational and financial control of the Company, which now owns 70% of capital and voting rights, continuing, under IAS 27 to consolidate their assets by the integral method. Thus the difference between the amount realised from the capital increase and the book value of equity at the date of the increase was recognised in equity in reserves by the amount €2,493,088 k.

Reserves - increase of 11.097% stake in the capital of subsidiary Lusitaniagás - Companhia de Gás do Centro, S.A.

In July 2012, the Group acquired 10.7532% stake in the subsidiary Lusitaniagás – Companhia de Gás do Centro, S.A., which was previously controlled by the Group and consolidated using the integral method. Thus the difference between the amount paid and the book value of equity at the acquisition date, was recognised in equity in reserves by the amount €1,935 k.

In May 2013, the Group acquired 0.3438% stake in subsidiary Lusitaniagás – Companhia de Gás do Centro, S.A. to Revigrés – Indústria de Revestimentos de Grés, Lda. and recognised in equity reserves the amount of €92 k due to the difference between the amount paid and the book value.

Reserves – increase of 99% in the capital of subsidiary Enerfuel, S.A.

In July 2013, under the celebrated contract on August 2012 in which the Group had agreed to purchase the remaining capital participation at the conclusion of the industrial unit project, the Group had acquired 99% of the social capital of Enerfuel, S.A. However, as it was previously controlled by the Group it already consolidated using the integral method. Thus the difference between the amount paid and the book value of equity at the acquisition date, was recognised in equity in reserves by the amount €31 k.

21. NON-CONTROLLING INTERESTS

The equity caption “Non-controlling interests” as of 31 March 2015 and of 31 December 2014 refers to the following subsidiaries:

| | (€k) | | | | |
|---|--------------------------|--------------------|----------------------|---------------------------|-----------------------|
| | Balance at December 2014 | Prior year results | Translation reserves | Net result for the period | Balance at March 2015 |
| Galp Sinopec Brazil Services B.V. | 1,127,303 | - | 145,043 | 5,138 | 1,277,484 |
| Petrogal Brasil, S.A. | 225,790 | - | (51,678) | (2,839) | 171,273 |
| Setgás - Sociedade de Produção e Distribuição de Gás, S.A. | 23,804 | - | - | 570 | 24,374 |
| Empresa Nacional de Combustíveis - Enacol, S.A.R.L | 20,247 | - | - | (383) | 19,864 |
| Beiragás - Companhia de Gás das Beiras, S.A. | 15,653 | - | - | 344 | 15,997 |
| Petromar - Sociedade de Abastecimentos de Combustíveis, Lda. | 2,622 | - | - | 145 | 2,767 |
| Lusitaniagás - Companhia de Gás do Centro, S.A. | 1,771 | - | - | 68 | 1,839 |
| Sempre a Postos - Produtos Alimentares e Utilidades, Lda. | 1,180 | - | - | 24 | 1,204 |
| Saaga - Sociedade Açoreana de Armazenagem de Gás, S.A. | 1,100 | - | - | 54 | 1,154 |
| Setgás Comercialização, S.A. | 999 | - | - | 39 | 1,038 |
| CLCM - Companhia Logística de Combustíveis da Madeira, S.A. | 643 | - | - | 150 | 793 |
| Carriço Cogeração - Sociedade de Geração de Electricidade e Calor, S.A. | (709) | - | - | (82) | (791) |
| Petrogás Guiné Bissau - Importação, Armazenagem e Distribuição de Gás, Lda. | (219) | (5) | - | - | (224) |
| | 1,420,184 | (5) | 93,365 | 3,228 | 1,516,772 |

22. LOANS

Loans detail

Loans obtained as of 31 March 2015 and of 31 December 2014 was as follows:

| | (€k) | | | |
|---------------------------|----------------|------------------|----------------|------------------|
| | March 2015 | | December 2014 | |
| | Current | Non-current | Current | Non-current |
| Bank loans: | | | | |
| Loans | 195,741 | 920,013 | 182,845 | 1,116,991 |
| Bank overdrafts (Note 18) | 94,040 | - | 120,586 | - |
| Discounted notes | 2,913 | - | 3,668 | - |
| | 292,694 | 920,013 | 307,099 | 1,116,991 |
| Origination fees | (1,868) | (2,819) | (3,856) | (3,590) |
| | 290,826 | 917,194 | 303,243 | 1,113,401 |
| Other loans obtained: | | | | |
| IAPMEI | 2 | 176 | 2 | 177 |
| | 2 | 176 | 2 | 177 |
| | 290,828 | 917,370 | 303,245 | 1,113,578 |
| Bonds and notes | | | | |
| Bonds | - | 1,270,000 | - | 1,270,000 |
| Notes | - | 1,000,000 | - | 1,000,000 |
| | - | 2,270,000 | - | 2,270,000 |
| Origination fees | - | (20,879) | - | (22,459) |
| | - | 2,249,121 | - | 2,247,541 |
| | 290,828 | 3,166,491 | 303,245 | 3,361,119 |

The current and non-current loans, excluding origination fees, bank overdrafts and discounted notes, as of 31 March 2015 had the following repayment plan:

| Maturity | Loans | | |
|---------------------------|------------------|----------------|------------------|
| | Total | Current | Non-current |
| 2015 | 148,457 | 148,457 | - |
| 2016 | 614,408 | 47,286 | 567,122 |
| 2017 | 510,635 | - | 510,635 |
| 2018 | 640,008 | - | 640,008 |
| 2019 | 709,432 | - | 709,432 |
| 2020 | 156,999 | - | 156,999 |
| 2021 | 535,090 | - | 535,090 |
| 2022 and subsequent years | 70,903 | - | 70,903 |
| | 3,385,932 | 195,743 | 3,190,189 |

Domestic and foreign loans as of 31 March 2015 and of 31 December 2014 are expressed in the following currencies:

| Currency | March 2015 | | December 2014 | |
|---------------------|----------------------|------------------|----------------------|------------------|
| | Initial total amount | Amount due (€k) | Initial total amount | Amount due (€k) |
| US Dollars | USD | 126,000 | 117,111 | 326,000 |
| Cape Verde Escudos | CVE | 425,179 | 3,856 | 307,939 |
| Euros | EUR | 3,515,007 | 3,263,080 | 3,519,888 |
| Mozambican Meticais | MZM | 65,474 | 1,707 | 96,369 |
| | | 3,385,754 | | 3,569,836 |

The average interest rates on loans and overdrafts incurred by the Group, in the first quarter of 2015, were 3.92% or 7.72% including exchange differences.

Description of the main loans

Commercial paper issuance

On 31 March 2015, the Group contracted underwritten commercial paper programmes of up amounting to €965,000 k, which are divided into €865,000 k medium and long-term and €100,000 k short term. Of these amounts the Group used €290,000 k at medium and long-term loans and €100,000 k at short term.

These emissions bear interests at a Euribor rate for the respective period of issuance, plus variable spreads defined in the contractual terms of the commercial paper programmes underwritten by the Group. The interest rates refer to the amount of each issuance and remain unchanged during the respective period of the issue.

Bank Loans

Detail of the main bank loans as of 31 March 2015:

| Entity | Amount due | Interest rate | Maturity | Reimbursement | (€k) |
|------------|------------|-------------------|-----------|----------------------------------|------|
| Banco Itaú | 117,111 | Libor 6M + spread | April '17 | 50% @ April 16 50% @ April 17 | |

Additionally, the Group recorded the amount of €41,130 k in medium and long term loans obtained by: Agrocer- Sociedade de Cogeração do Oeste S.A., Beiragás – Companhia de Gás das Beiras, S.A., and CLCM – Companhia Logística de Combustíveis da Madeira, S.A.

Detail of the loans obtained from the European Investment Bank (EIB) as of 31 March 2015:

| Entity | Amount due | Interest rate | Maturity | Reimbursement |
|--|------------|----------------------|---------------|---|
| EIB (Oporto cogeneration) | 50,000 | Fixed rate | October '17 | October '17 |
| EIB (Installment A - Sines cogeneration) | 24,141 | Fixed rate | September '21 | Semi-annual installments beginning in March '10 |
| EIB (Installment B - Sines cogeneration) | 12,510 | Euribor 6M + Spread | March '22 | Semi-annual installments beginning in September '10 |
| EIB (Installment A - refinery upgrade) | 249,000 | Revisable fixed rate | February '25 | Semi-annual installments beginning in August '12 |
| EIB (Installment B - refinery upgrade) | 166,000 | Fixed rate | February '25 | Semi-annual installments beginning in August '12 |

Additionally, the Group recorded the amount of €52,368 k related with other loans obtained from the EIB.

Loans contracted with the EIB, with the purpose of financing the cogeneration projects in the Sines and Porto refineries and tranche A for the upgrade of the Sines and Porto refineries are granted under Petrogal, S.A. guarantees.

The remaining loan with the EIB, in the amount of €218,368 k, is granted under contract with the bank syndicate.

Bonds

Detailed information for each bond as of 31 March 2015:

| Issue | Amount due | Interest rate | Maturity | Reimbursement |
|------------------------------------|------------|---------------------|--------------|------------------------------|
| GALP ENERGIA/2013-€600 M. FRN-2017 | 600,000 | Euribor 6M + spread | May '17 | 50% @ May 16 50% @ May 17 |
| GALP ENERGIA/2012-FRN-2018 | 260,000 | Euribor 3M + spread | February '18 | February '18 |
| GALP ENERGIA/2013 - 2018 | 110,000 | Euribor 3M + Spread | March '18 | March '18 |
| GALP ENERGIA/2013- €200 M. - 2018 | 200,000 | Euribor 6M + spread | April '18 | April '18 |
| GALP ENERGIA/2012-2020 | 100,000 | Euribor 6M + spread | June '20 | June '20 |

Notes Issue

Galp Energia has established, as part of its financing plan, an Euro Medium Term Note Programme (€5,000,000,000 EMTN)

Under the EMTN Programme, on 15 November 2013, Galp Energia carried its first issuance of notes amounting to €500,000 k, due on 25 January 2019 and a coupon of 4.125%, which are admitted to trading on the London Stock Exchange.

In this transaction acted as Joint-Bookrunners, BBVA, BNP Paribas, Caixa – Banco de Investimento, Deutsche Bank and JP Morgan.

On 7 July 2014, under the EMTN Programme, Galp Energia issued notes in the amount of €500,000 k, due on 14 January 2021 with a coupon of 3%, which are admitted for negotiation at the London Stock Exchange.

In this transaction acted as Joint-Bookrunners, Bank of America Merrill Lynch, ING, Millennium BCP, Santander and Société Générale.

23. RETIREMENT AND OTHER EMPLOYEE BENEFITS

During the period ended 31 March 2015, there were no significant changes compared to the consolidated financial statements of the Company on 31 December 2014. Additional questions refer to the consolidated financial statements of the Company on 31 December 2014 and the respective Notes.

24. OTHER PAYABLES

The caption “Non-current and current other payables” as of 31 March 2015 and of 31 December 2014 are as follows:

| Captions | (€k) | | | |
|--|----------------|----------------|----------------|----------------|
| | March 2015 | | December 2014 | |
| | Current | Non-current | Current | Non-current |
| State and other public entities: | | | | |
| Value Added Tax payables | 199,536 | - | 223,530 | - |
| Tax on oil products | 91,081 | - | 83,994 | - |
| Personnel and Corporate Income Tax Withheld | 7,736 | - | 9,127 | - |
| Social Security contributions | 6,058 | - | 6,672 | - |
| Other taxes | 20,922 | - | 22,213 | - |
| Suppliers - tangible and intangible assets | 155,522 | 93,993 | 114,001 | 94,728 |
| Advances on sales (Note 16) | 50,171 | - | 48,781 | - |
| Overlifting | 24,914 | - | 29,714 | - |
| Personnel | 5,670 | - | 7,017 | - |
| Trade receivables credit balances | 4,013 | - | 6,529 | - |
| Guarantee deposits and guarantees received | 2,802 | - | 2,798 | - |
| ISP - Congeners debit | 1,601 | - | 10,324 | - |
| Other payables - Associated, participated and related companies | 1,261 | - | 22,636 | - |
| Other payables - Other shareholders | 1,235 | - | 1,235 | - |
| Trade receivables advances | 828 | - | 477 | - |
| Loans - Associated, participated and related companies (Note 28) | 365 | 174,898 | 365 | 154,990 |
| Loans - Other shareholders | - | 12,445 | - | 12,446 |
| Other creditors | 49,690 | 4,311 | 37,480 | 4,570 |
| | 623,405 | 285,647 | 626,893 | 266,734 |
| Accrued costs: | | | | |
| External supplies and services | 116,480 | - | 108,265 | - |
| Vacation pay, vacation subsidy and corresponding personnel costs | 35,923 | - | 29,701 | - |
| Accrued interest | 27,780 | - | 46,077 | - |
| Productivity bonus | 20,435 | 7,955 | 18,605 | 6,770 |
| Adjustment to tariff deviation - Other activities - ERSE regulation | 18,136 | - | 18,346 | - |
| Adjustment to tariff deviation - Regulated revenue - ERSE regulation | 13,002 | 21,571 | 10,255 | 9,546 |
| Fastgalp prizes | 7,275 | - | 7,377 | - |
| Accrued insurance premiums | 4,695 | - | 1,673 | - |
| Interest on overdrafts | 4,209 | - | 4,059 | - |
| Financial costs | 939 | - | 933 | - |
| Financial neutrality - ERSE regulation | 392 | - | 462 | - |
| Accrued personnel costs - other | 88 | - | 106 | - |
| Adjustment to tariff deviation - Energy tariff - ERSE regulation | - | 15,831 | - | 15,831 |
| Other accrued costs | 28,384 | - | 21,642 | - |
| | 277,738 | 45,357 | 267,501 | 32,147 |
| Deferred income: | | | | |
| Services rendered | 32,927 | - | 4,964 | - |
| Investment government grants (Note 13) | 10,688 | 252,910 | 10,694 | 255,372 |
| Fibre optics | 404 | 1,294 | 272 | 1,527 |
| Other | 11,062 | 58 | 10,735 | 60 |
| | 55,081 | 254,262 | 26,665 | 256,959 |
| | 956,224 | 585,266 | 921,059 | 555,840 |

The caption “Advances on sales” includes the amount of €50,171 k in respect of liabilities for strategic reserves of Group competitors (Note 16).

The caption “Suppliers – non-current tangible and non-tangible assets” refers essentially to the surface rights.

The amount of €24,914 k in caption “Overlifting” represents the Group’s liability for excess crude oil lifted of its production quota and is measured as described in Note 2.7 e) of the accompanying notes to the consolidated financial statements of the Company as of 31 December 2014.

The amount of €2,802 k recorded in the caption “Guarantee deposits and guarantees received” includes €2,140 k relating to Petrogal’s liability as of 31 March 2015 for customer deposits received on gas containers in use that were recorded at acquisition cost, which is, approximately, their fair value.

The amount of €174,898 k recorded in the caption “Loans – associated, participated and related companies” concerns:

- In March 2012, WIP granted loans in the amount of €174,898 k (\$188,173,000). This amount is recorded in the caption “Loans – other shareholders (non-current)” and is related to loans obtained by subsidiary Petrogal Brasil, S.A.. This loan bears interest at market rates and have defined maturity of 10 years. In the period ended 31 March 2015 the amount of €1,443 k regarding loans obtained concerning related companies is recognised under the caption “Interest”.

The amount of €12,445 k in the caption “Loans – other shareholders” mainly relates to:

- €8,938 k recorded in non-current payable to Enagás, SGPS, S.A. for loans obtained by subsidiary Setgás – Sociedade de Distribuição de Gás Natural, S.A., which bear interest at market rate and does not have a fixed maturity;
- €1,205 k recorded as non-current payable to EDP Cogeração, S.A. related to shareholders loans obtained by the subsidiary Carriço Cogeração Sociedade de Geração de Electricidade e Calor, S.A., which bear interests at market rate and does not have a defined reimbursement plan; and
- €2,281 k recorded as non-current payable to Visabeira Telecomunicações, SGPS, S.A., relates to shareholder loans obtained by the subsidiary Beiragás – Companhia de Gás das Beiras, S.A., which bears interest at market rates and does not have a defined reimbursement plan.

The amount of €7,275 k recorded under accrued costs – Fast Galp prizes is Petrogal’s liability for Fast Galp card points issued but not yet claimed until 31 March 2015, which are expected to be exchanged for prizes in subsequent periods.

Investment government grants are to be recognised as income over the useful life of the assets. The amount to be recognised in future periods amounts to €263,598 k (Note 13).

Income from the contract of assignment of rights to use telecommunication infrastructures is recorded in caption “Deferred income – fiber optics” and is recognised in earnings during the period of the contract. The balance of deferred income on 31 March 2015, to be recognised in future period amounts to €1,698 k.

25. PROVISIONS

The changes in provisions in the period ended 31 March 2015 were as follows:

| Captions | Beginning balance | Increases | Decreases | Utilisation | Adjustments | Ending balance | (€k) |
|-------------------------|-------------------|---------------|----------------|----------------|---------------|----------------|------|
| Lawsuits | 11,252 | 8,051 | (1,089) | (5,062) | - | 13,152 | |
| Investments (Note 4) | 3,954 | 79 | - | - | 773 | 4,806 | |
| Taxes | 21,238 | 2,531 | - | - | 1,408 | 25,177 | |
| Environment | 2,021 | - | - | - | - | 2,021 | |
| Abandonment costs | 111,360 | 3,236 | - | (4,107) | 13,230 | 123,719 | |
| Other risks and charges | 34,715 | 7,758 | (311) | (51) | (78) | 42,033 | |
| | <u>184,540</u> | <u>21,655</u> | <u>(1,400)</u> | <u>(9,220)</u> | <u>15,333</u> | <u>210,908</u> | |

The increase in provisions, net of the decreases, was recorded as follows:

| | (€k) |
|---|---------------|
| Provisions (Note 6) | 7,007 |
| Capitalisation of provision costs for abandonment blocks | 3,236 |
| Estimate for additional payments of IRP - Oil income tax (Angola) (Note 9) | 2,531 |
| Results in investments in associates and jointly controlled entities (Note 4) | 79 |
| Energy sector contribution tax | <u>7,402</u> |
| | <u>20,255</u> |

Lawsuits

The provisions for current Lawsuits in the amount of €13,152 k mainly include: €6,503 k regarding liability for fines imposed by the Competition Authority relating to contracts concluded with distributors in LPG area.

Financial Investments

The provision for investments reflects the statutory commitment of the Group to its associates that present negative equity as detailed in Note 4.

Taxes

The caption “Tax provisions”, in the amount of €25,177 k includes mainly:

- i) €13,998 k of additional liquidations of Oil Income Tax (IRP) (Note 9);
- ii) €7,394 k concerning a tax contingency, related with corrections to 2001 and 2002 corporate income tax of the subsidiary (Note 9);
- iii) €3,377 k concerning the tax risk associated with the sale of the interests in ONI, SGPS, to Galp Energia, SGPS, S.A..

Environmental

The amount of €2,021 k in the caption “Environmental provisions” aims to sustain the costs related with legally mandatory soil decontamination of some facilities occupied by the Group, where by legal enforcement there is decision for decontamination.

Abandonment of blocks

The amount of €123,719 k recorded in provisions for the abandonment of blocks includes essentially, the amount of €91,231 k for facilities located in blocks 1 and 14 in Angola and the remaining amount of €32,488 k for Brazilian facilities. This provision aims to cover all costs to be incurred with the dismantling of assets and soil decontamination at the end of the useful life of those areas.

Other risks and charges

On 31 March 2015 the caption “Provisions – other risks and charges”, amounting to €42,033 k, mainly comprises:

- i) €4,561 k concerning processes related to sanctions applied by customs authorities due to the late submission of the customs destination declaration of some shipments received in Sines;
- ii) €1,880 k to address the impairments of the subsidiary's assets Moçamgalp Agroenergias de Moçambique, S.A.;
- iii) €1,790 k related with the debits during 2012 regarding the land occupation (Cabo Ruivo) claimed by the Administração do Porto de Lisboa; and
- iv) €31,897 k concerning the provision to cover the energy sector contribution tax. During the period ended 31 March 2015 was recorded an enhancing in the amount of €7,402 k.

26. TRADE PAYABLES

As of 31 March 2015 and of 31 December 2014 the amounts recorded in the caption "Suppliers" were as follows:

| Captions | (€ k) | |
|-----------------------------------|------------------|----------------|
| | March 2015 | December 2014 |
| Trade payables - current accounts | 314,074 | 326,179 |
| Trade payables - invoices pending | 687,572 | 571,868 |
| | 1,001,646 | 898,047 |

The balance of the caption "Trade payables – invoices pending" mainly corresponds to the purchase of crude oil raw material, natural gas and goods in transit.

27. OTHER FINANCIAL INSTRUMENTS - DERIVATIVES

The Group uses financial derivatives to hedge interest rate and market fluctuation risks, namely risks of variation in crude oil prices, finished products and refining margins, as well as risks of variation in natural gas and electricity prices, which affect the amount of assets and future cash flows resulting from its operations.

Financial derivatives are defined, in accordance with IAS/IFRS, as "financial assets at fair value through profit and loss" or "financial liabilities at fair value through profit and loss". The interest rate financial derivatives that are contracted to hedge the variation in interest rates on borrowings are designated as "cash flow hedges". Commodities financial derivatives that are contracted to hedge changes in borrowings fair value or other risks that might affect the profit and loss of customer contracts are designated as "fair value hedges".

The fair value of financial derivatives was determined by financial entities, applying generally accepted techniques and evaluation models.

In accordance with IFRS 13 an entity must classify the fair value measurement, in a hierarchy that reflects the meaning of the inputs used measurement. The fair value hierarchy must have the following levels:

- Level 1 - the fair value of assets or liabilities is based on quoted market net assets at the date of the balance sheet;
- Level 2 - the fair value of assets or liabilities is determined through valuation models based on observable market inputs;
- Level 3 - the fair value of assets or liabilities is determined through valuation models, whose main inputs are not observable in the market.

The fair value of financial derivatives (swaps) was determined by financial entities using observable market inputs and using generally accepted techniques and models (Level 2). Futures are traded in the market and subject to a Clearing House, and as such their valuation is determined by quoted prices (Level 1).

Derivative financial instruments showed the following evolution as of 31 March 2015 and 31 December 2014:

| | (€k) | | | | | | | |
|--|-----------------------------|-------------|-----------------|--------------|--------------------------------|-------------|-----------------|--------------|
| | Fair value at 31 March 2015 | | | | Fair value at 31 December 2014 | | | |
| | Assets | | Liabilities | | Assets | | Liabilities | |
| | Current | Non-current | Current | Non-current | Current | Non-current | Current | Non-current |
| Interest rate financial derivatives | | | | | | | | |
| Swaps | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| Commodities financial derivatives | | | | | | | | |
| Swaps | 5,457 | 344 | (33,199) | (528) | 6,977 | 405 | (14,513) | (838) |
| Options | - | - | (77) | - | 9 | - | (111) | - |
| Futures | 6,658 | - | - | - | 7,156 | - | (139) | - |
| | 12,115 | 344 | (33,276) | (528) | 14,142 | 405 | (14,763) | (838) |
| Currency financial derivatives | | | | | | | | |
| Non-deliverable forwards | 377 | - | (33) | - | 218 | - | - | - |
| Forwards | 515 | - | (26) | - | - | - | (521) | - |
| Currency interest rate swaps | - | - | (2,309) | - | 2,932 | - | - | - |
| | 892 | - | (2,368) | - | 3,150 | - | (521) | - |
| | 13,006 | 344 | (35,644) | (528) | 17,292 | 405 | (15,284) | (838) |

The accounting impact at 31 March 2015 and 2014 in the income statement is presented in the following table:

| | (€k) | | | | | | | |
|--|------------------|----------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|
| | 31 March 2015 | | | | 31 March 2014 | | | |
| | Income Statement | | Equity | | Income Statement | | Equity | |
| | Potencial (MTM) | Real | MTM+Real | Potencial (MTM) | Potencial (MTM) | Real | MTM+Real | Potencial (MTM) |
| Interest rate financial Derivatives | | | | | | | | |
| Swaps | - | - | - | - | - | - | (366) | (366) |
| | - | - | - | - | - | - | (366) | (366) |
| | - | - | - | - | - | - | - | 374 |
| Commodities financial Derivatives | | | | | | | | |
| Swaps | (22,267) | (12,045) | (34,312) | - | 618 | 1,214 | 1,832 | - |
| Options | 25 | - | 25 | - | (5) | - | - | - |
| Futures | 1,900 | 2,203 | 4,103 | (404) | (3,262) | (6,320) | (9,582) | - |
| | (20,342) | (9,842) | (30,184) | (404) | (2,649) | (5,106) | (7,750) | - |
| Currency financial derivatives | | | | | | | | |
| Non-deliverable forwards | 126 | 237 | 363 | - | (980) | (1,415) | (2,395) | - |
| Forwards | 1,010 | (2,881) | (1,871) | - | 647 | (334) | 313 | - |
| Currency interest rate swaps | (5,368) | 32,924 | 27,556 | - | 11,516 | (11,944) | (428) | - |
| | (4,232) | 30,280 | 26,048 | - | 11,183 | (13,693) | (2,510) | - |
| | (24,574) | 20,438 | (4,136) | (404) | 8,535 | (19,165) | (10,626) | 374 |

Nota:

MTM -variation of the Market-to-Market since January to the reporting date
Real - value of closed positions .

The potential value of MTM (Mark-to-Market) recognised in Income on Financial Instruments includes the potential value of the interest of currency interest rate swaps financial derivatives and commodities derivatives, amounting to negative € 18,123 k, as shown in following table:*

| | (€k) |
|--|------------------------|
| | <u>March 2015</u> |
| Income on financial instruments | |
| Commodities financial derivatives | |
| Swaps | (22,267) |
| Options | 25 |
| Futures | 1,900 |
| Currency financial derivatives | |
| Currency interest rate swaps (interest) | 667 |
| Other trading operations | |
| | 1,553 |
| | <u><u>(18,123)</u></u> |

* Interest component amounting to €667 k included in the negative variation of the MTM derivative foreign exchange amounting to € 5,368 k. The negative difference in the amount of €6,035 k for the variation of MTM is reflected in exchange rate differences.

The real value of financial derivatives recognised in the cost of sales amounts to negative € 9,842 k comprising commodities financial derivatives.

The changes in fair value reflected in Equity, resulting from cash flow hedges, are as follows:

| Fair Value Change in Equity | (€k) |
|------------------------------------|----------------------|
| | March 2015 |
| | December 2014 |
| Subsidiaries | (404) |
| Non-controlling interests | - |
| | (404) |
| | 1,241 |
| Associates | (839) |
| | (283) |
| | (1,243) |
| | 958 |

Financial derivatives have the following nominal values:

| | | (€k) | |
|--|------|----------------|---------------|
| | | 31 March 2015 | |
| | | Maturity | |
| | | < 1 year | > 1 year |
| Interest rate financial derivatives | | | |
| Swaps | Buy | - | - |
| | Sale | - | - |
| Commodities financial derivatives | | | |
| Swaps | Buy | 99,929 | 16,263 |
| | Sale | 84,183 | 1,490 |
| Options | Buy | 2,715 | - |
| | Sale | 2,489 | - |
| Futures | Buy | 53,238 | 5,969 |
| | Sale | 1,106 | 1,487 |
| Currency financial derivatives | | | |
| Non-deliverable forwards | Buy | 7,931 | - |
| | Sale | - | - |
| Forwards | Buy | - | - |
| | Sale | 38,568 | - |
| Currency interest rate swaps | Buy | 200,000 | - |
| | Sale | - | - |
| | | 490,159 | 25,209 |

Note: Nominal value equivalent in thousands of euros.

Galp Energia Group have commodities financial derivatives recognised as fair value hedge. These financial derivatives have been contracted for the reduction of risks associated with contracts signed with customers. Therefore, these contracts were also recognised at fair value on the amount negative € 2,310k reflected in income statement as MTM (Mark -to- Market), by counterpart accruals and deferred income relating to fair value hedges and € 404 k in negative equity in caption hedging reserve relating to cash flow hedges.

Galp Energia Group trades commodity futures. Given their high liquidity, as they are traded in the market, they are classified as financial assets at fair value through profit and loss and included in Cash and cash equivalents. The gain and loss on commodity futures (Brent and electricity) are classified in caption "Cost of sales". Changes in the fair value of open positions are recorded in caption "Financial income and costs". As futures are traded in the market, subject to a Clearing House, gains and losses are continuously recorded in the income statement.

28. RELATED PARTIES

During the period ended 31 March 2015, there were no significant changes in related parties comparing with the consolidated financial statements on 31 December 2014. For additional information refer to the consolidated financial statements of the Company on 31 December 2014 and the respective accompanying notes.

29. REMUNERATION OF THE BOARD

The remuneration of the Galp Energia Corporate Board members for the periods ended 31 March 2015 and 31 March 2014 is detailed as follows:

| | | | | | | | | | | | | (€k) |
|---|--------------|------------|-----------|------------|------------|--------------|--------------|------------|-----------|------------|----------|--------------|
| | | | | | | | | | | | | March 2014 |
| | | | | | | | | | | | | Salary |
| Corporate boards of Galp Energia SGPS | | | | | | | | | | | | |
| Executive management | 992 | 191 | 82 | 933 | 111 | 2,309 | 973 | 188 | 75 | 725 | 3 | 1,964 |
| Non-executive management | 193 | - | - | - | - | 193 | 192 | - | - | - | - | 192 |
| Supervisory Board | 25 | - | - | - | - | 25 | 25 | - | - | - | - | 25 |
| | 1,210 | 191 | 82 | 933 | 111 | 2,527 | 1,190 | 188 | 75 | 725 | 3 | 2,181 |
| Corporate boards of associate companies | | | | | | | | | | | | |
| Executive management | 414 | - | - | - | - | 414 | 516 | - | 2 | 12 | - | 530 |
| | 414 | - | - | - | - | 414 | 516 | - | 2 | 12 | - | 530 |
| | 1,624 | 191 | 82 | 933 | 111 | 2,941 | 1,706 | 188 | 77 | 737 | 3 | 2,711 |

The amounts of €2,941 k and €2,711 k, recorded in the periods ended 31 March 2015 and 2014 respectively, include €2,621 k and €2,477 k recorded as employee costs (Note 6) and €320 k and €264 k recorded as external supplies and services.

In accordance with the current policy, remuneration of Galp Energia Corporate Board members includes all the remuneration due for the positions held in the Galp Energia Group and all accrued amounts.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity. According to Galp Energia's interpretation only the members of the Board of Directors meet these features.

During the period ended 31 March 2015 were not charged fees by the statutory auditor and the fees of the external auditor are disclosed in the Group governance report.

30. DIVIDENDS

During the period ended 31 March 2015, there were no allocations or distribution of dividends.

31. OIL AND GAS RESERVES

The information regarding Galp Energia's oil and gas reserves is subject to independent assessment by a suitably qualified company with the methodology established in accordance with the Petroleum Resources Management System (PMRS), approved in March 2007 by the Society of Petroleum Engineers (SPE), the World Petroleum Council, the American Association of Petroleum Geologists and the Society of Petroleum Evaluation Engineers.

The information on reserves is included in the document entitled "Supplementary Information on Oil and Gas (unaudited)" attached to the notes of the consolidated financial statements on 31 December 2014.

32. FINANCIAL RISK MANAGEMENT

During the period ended 31 March 2015, there were no significant changes in the management of financial risks, given the already disclosed in the consolidated financial statements of the Company on 31 December 2014. For additional information refer to the consolidated financial statements of the Company, on 31 December 2014 and the corresponding accompanying notes.

33. CONTIGENT ASSETS AND LIABILITIES

During the period ended 31 March 2015, there were no significant changes in contingent assets and liabilities. For additional information refer to the consolidated financial statements of the Company, on 31 December 2014. For additional information refer to the consolidated financial statements of the Company, on 31 December 2014 and the corresponding accompanying notes.

34. INFORMATION REGARDING ENVIRONMENTAL MATTERS

There were no significant changes during the first quarter of 2015.

For other information on environmental matters, refer to the accompanying notes to the Company's consolidated financial statements on 31 December 2014.

35. SUBSEQUENT EVENTS

There are no relevant subsequent events for reporting purposes.

36. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on 24 April 2015.

37. EXPLANATION ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally issued in Portuguese in accordance with International IFRS as adopted by the European Union (Note 2.1) some of which may not conform to generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

THE BOARD OF DIRECTORS

Chairman:

Américo Amorim

Vice-Chairmen:

Paula Ramos Amorim

Carlos Nuno Gomes da Silva

Members:

Filipe Crisóstomo Silva

Thore E. Kristiansen

Sérgio Gabrielli de Azevedo

Abdul Magid Osman

Raquel Rute da Costa David Vunge

Carlos Manuel Costa Pina

Francisco Vahia de Castro Teixeira Rêgo

Miguel Athayde Marques

Jorge Manuel Seabra de Freitas

José Carlos da Silva Costa

Pedro Carmona de Oliveira Ricardo

João Tiago Cunha Belém da Câmara Pestana

Rui Paulo da Costa Cunha e Silva Gonçalves

Luís Manuel Pego Todo Bom

Diogo Mendonça Rodrigues Tavares

Joaquim José Borges Gouveia

THE ACCOUNTANT:

Carlos Alberto Nunes Barata

Definitions

Crack spread

Difference between the price of an oil product and the price of Dated Brent.

EBIT

Operating profit.

EBITDA

Operating profit plus depreciation, amortisation and provisions.

EBT

Earnings before taxes.

GALP ENERGIA, COMPANY OR GROUP

Galp Energia, SGPS, S.A. and associates.

BENCHMARK REFINING MARGIN

The benchmark refining margin is calculated with the following weighting: 45% hydrocracking margin + 42.5% Rotterdam cracking margin + 7% Rotterdam base oils + 5.5% Aromatics.

ROTTERDAM HYDROCRACKING MARGIN

The Rotterdam hydrocracking margin has the following profile: -100% Brent dated, +2.2% LGP FOB Seagoing (50% Butane + 50% Propane), +19.1% PM UL NWE FOB Bg., +8.7% Naphtha NWE FOB Bg., +8.5% Jet NWE CIF, +45.1% ULSD 10 ppm NWE CIF Cg. +8.9% LSFO 1% FOB Cg; Terminal rate: \$1/ton; Ocean loss: 0.15% over Brent; Freight 2014: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat \$7.60/ton. Yields in % of weight.

ROTTERDAM CRACKING MARGIN

The Rotterdam cracking margin has the following profile: -100% Brent dated, +2.3% LGP FOB Seagoing (50% Butane + 50% Propane), +25.4% PM UL NWE FOB Bg., +7.5% Naphtha NWE FOB Bg., +8.5% Jet NWE CIF, +33.3% ULSD 10 ppm NWE CIF Cg. and +15.3% LSFO 1% FOB Cg.; C&L: 7.4%; Terminal rate: \$1/ton; Ocean loss: 0.15% over Brent; Freight 2014: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat \$7.60/ton. Yields in % of weight.

ROTTERDAM BASE OILS MARGIN

Base oils refining margin: -100% Arabian Light, +3.5% LGP FOB Seagoing (50% Butane + 50% Propane), +13.0% Naphtha NWE FOB Bg., +4.4% Jet NWE CIF, 34.0% ULSD 10 ppm NWE CIF, +4.5% VGO 1.6% NWE FOB Cg., + 14% Base Oils FOB, +26% HSFO 3.5% NWE Bg.; Consumptions: -6.8% LSFO 1% CIF NWE Cg.; Losses: 7.4%; Terminal rate: \$1/ton; Ocean loss: 0.15% over Arabian Light; Freight 2014: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat \$7.60/ton. Yields in % of weight.

ROTTERDAM AROMATICS MARGIN

Rotterdam aromatics margin: -60% PM UL NWE FOB Bg., -40% Naphtha NWE FOB Bg., +37% Naphtha NWE FOB Bg., +16.6% PM UL NWE FOB Bg., +6.5% Benzene Rotterdam FOB Bg., +18.5% Toluene Rotterdam FOB Bg., +16.6% Paraxylene Rotterdam FOB Bg., +4.9% Orthoxylene Rotterdam FOB Bg. Consumption: -18% LSFO 1% CIF NEW. Yields in % of weight.

REPLACEMENT COST (RC)

According to this method of valuing inventories, the cost of goods sold is valued at the cost of replacement, i.e. at the average cost of raw materials on the month when sales materialise irrespective of inventories at the start or end of the period. The Replacement Cost Method is not accepted by accounting standards – either Portuguese GAAP or IFRS – and is consequently not adopted for valuing inventories. This method does not reflect the cost of replacing other assets.

REPLACEMENT COST ADJUSTED (RCA)

In addition to using the replacement cost method, adjusted profit excludes non-recurrent events such as capital gains or losses on the disposal of assets, impairment or reinstatement of fixed assets and environmental or restructuring charges which may affect the analysis of the Company's profit and do not reflect its operational performance.

Abbreviations

| | |
|--|---|
| APETRO: <i>Associação portuguesa de Empresas petrolíferas</i> (Portuguese association of oil companies) | k: thousand |
| bbl: oil barrel | kbbi: thousand barrels |
| BBLT: Benguela, Belize, Lobito and Tomboco | kboepd: thousand barrels of oil equivalent per day |
| Bg: Barges | kbopd: thousand barrels of oil per day |
| bn: billion | LNG: liquefied natural gas |
| boe: barrels of oil equivalent | m: million |
| BSR: Buoyancy Supported Risers | m³: cubic metres |
| Cg: Cargoes | mbbl: million barrels |
| CIF: Costs, Insurance and Freights | mmbtu: million British thermal units |
| CORES: <i>Corporacion de reservas estratégicas de produtos petrolíferos</i> | mm³: million cubic metres |
| D&A: Depreciation & amortisation | mton: million tonnes |
| DD&A: Depreciation, Depletion and Amortization | NBP: National balancing point |
| E&P: Exploration & Production | n.m.: not meaningful |
| EUR/€: Euro | OTC: Over-the-counter |
| EWT: Extended well test | OWC: Oil-water contact |
| FCC: Fluid Catalytic Cracking | PM UL: Premium unleaded |
| FOB: Free on Board | p.p.: percentage points |
| FPSO: Floating, production, storage and offloading unit | R&M: Refining & Marketing |
| G&P: Gas & Power | RC: Replacement Cost |
| GBp: Great British pence | RCA: Replacement Cost Adjusted |
| GWh: Gigawatt per hour | RDA: Reservoir Data Acquisition |
| IAS: International Accounting Standards | Tcf: trillion cubic feet |
| IFRS: International Financial Reporting Standards | TL: Tômbua-Lândana |
| IRP: Oil income tax. | T: tonnes |
| LSFO: Low sulphur fuel oil | USA or US: United States of America |
| | USD/\$: Dollar of the United States of America |
| | ULSD CIF Cg: Ultra Low sulphur diesel CIF Cargoes |
| | WAG: Water alternating gas |

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