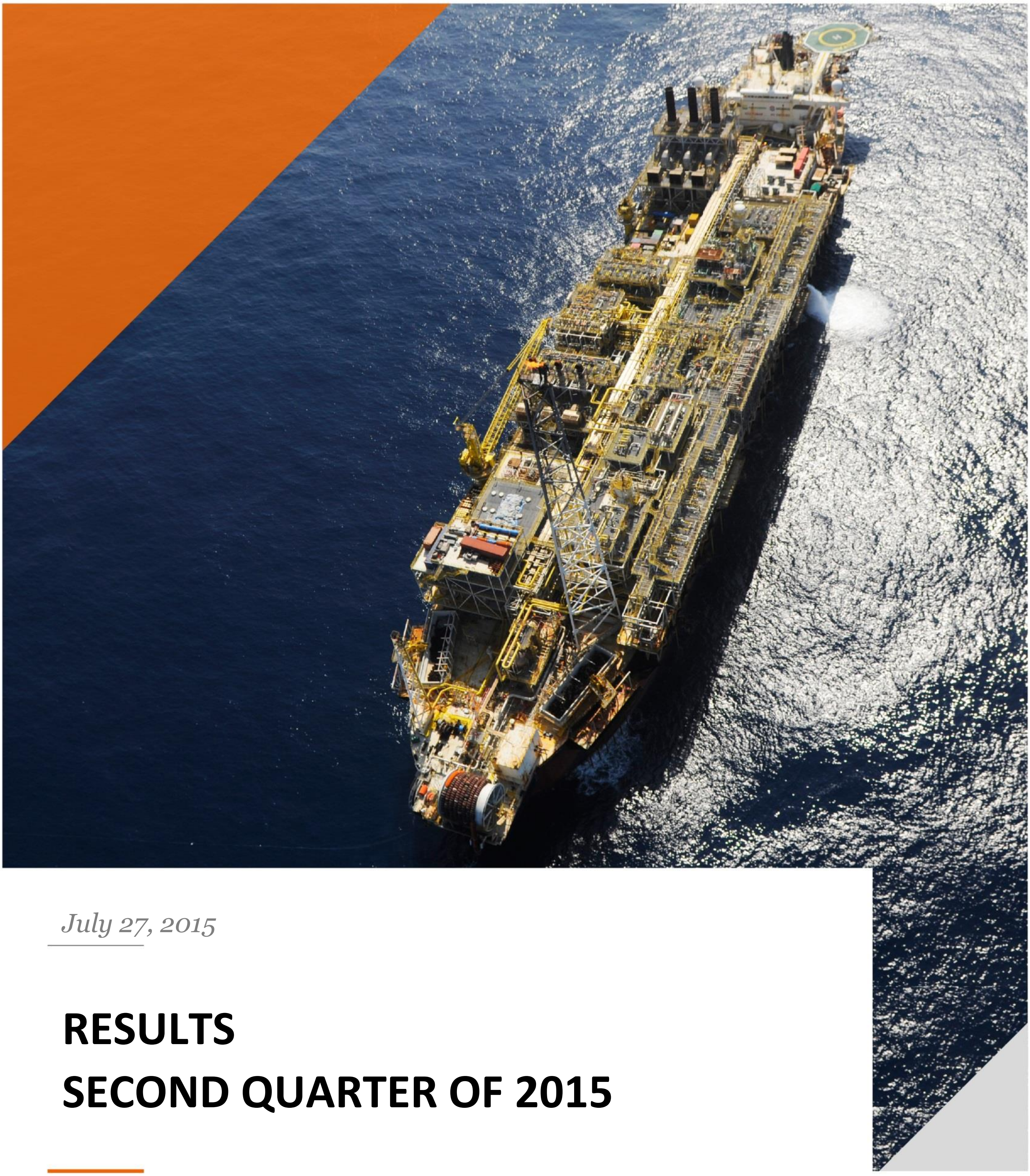

July 27, 2015

RESULTS
SECOND QUARTER OF 2015

An integrated energy player focused on exploration and production

galp energia

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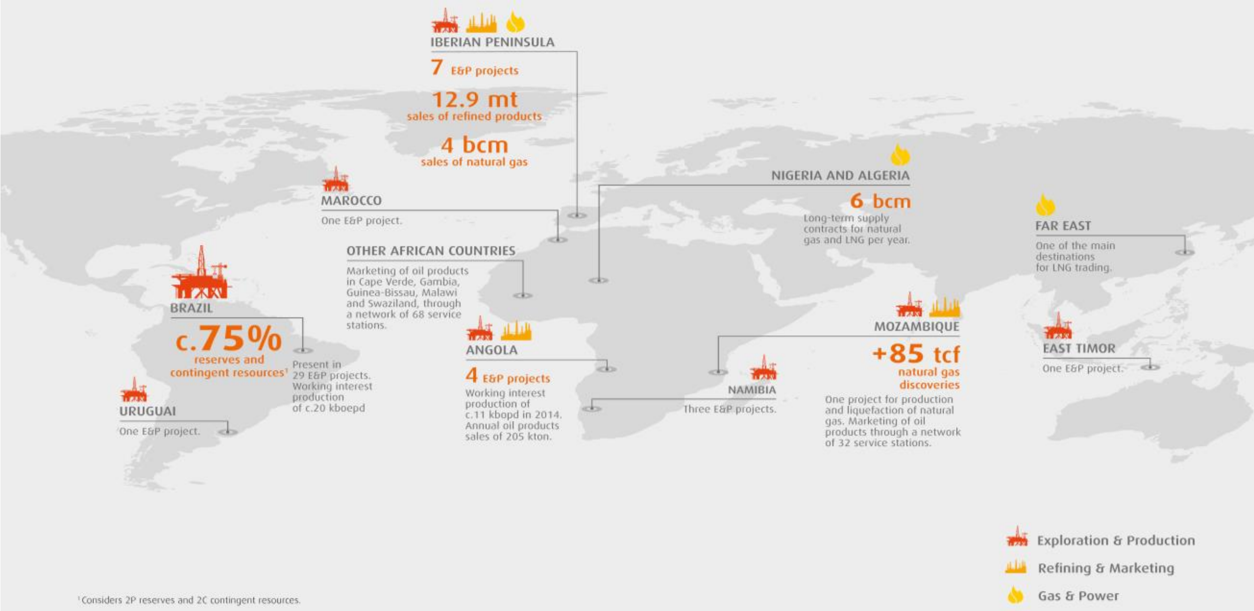
Galp Energia: energy on the move



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, and a growing 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 SECOND QUARTER OF 2015

- Working interest production of oil and natural gas amounted to 43.8 kboepd, supported by the production increase in Brazil;
- Galp Energia's refining margin was $7.3/boe, mainly reflecting the recovery of refining margins in the international market; the oil marketing activities maintained their positive contribution to results;
- Natural gas volumes reached 1,869 million cubic metres (mm^3), supported by the trading activity in the international market and by the increased sales to the electrical segment;
- The Group's consolidated Ebitda rose to €446 million (m), up 64% year-on-year (YoY), on a replacement cost adjusted (RCA) basis;
- Capital expenditure in the quarter amounted to €313 m, of which 91% was allocated to exploration and production activities;
- Net debt at the end of June 2015 amounted to €1,493 m considering the loan to Sinopec as cash and equivalents. The net debt to Ebitda ratio was 0.9x.

During the second quarter of 2015, 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.

During the quarter, development activities proceeded in the Lula/Iracema fields in Brazil. It is worth highlighting the production growth in the Iracema South area, where FPSO Cidade de Mangaratiba (FPSO #3) reached an average production of c.95 kbopd, with only three producer wells. In July, the fourth producer well was connected and FPSO #3 production reached c.130 kbopd. Also in early July, FPSO Cidade de Itaguaí (FPSO #4) arrived at the Iracema North area, where production is about to start. FPSOs Cidade de Angra dos Reis (#1) and Cidade de Paraty (#2) in the Lula area continued to produce at plateau levels.

Regarding Atapu, Berbigão and Sururu fields, the development plan was submitted to ANP in June.

Regarding exploration and appraisal activities, Galp Energia and its partners in block BM-S-8 completed the drilling works of the Carcará North well, and, in July, began the second drilling phase of the Carcará NW appraisal well.

Regarding R&M and G&P activities, Galp Energia continues to focus on the management of those businesses in order to maximize its return on capital employed. It is worth mentioning the contribution of the refining activity during the second quarter, supported by the favourable margins in the international market and the high availability of the refining system, which allowed the R&M business to achieve strong results. Concerning G&P business, as expected, results were affected by lower LNG trading activities in the international market.

Key figures

FINANCIAL DATA

€ m (RCA)

Quarter						First Half			
1Q15	2Q14	2Q15	Chg. YoY	% Chg. YoY		2014	2015	Chg. YoY	% Chg. YoY
398	**271**	**446**	**175**	**64.4%**	**Ebitda**	**537**	**844**	**307**	**57.3%**
94	107	120	13	12.5%	Exploration & Production	211	215	4	1.7%
165	41	224	184	n.m.	Refining & Marketing	76	390	313	n.m.
131	116	92	(24)	(20.7%)	Gas & Power	238	223	(15)	(6.3%)
250	**143**	**303**	**159**	**n.m.**	**Ebit**	**274**	**553**	**279**	**n.m.**
121	**68**	**189**	**121**	**n.m.**	**Net income**	**115**	**310**	**195**	**n.m.**
283	**266**	**313**	**46**	**17.4%**	**Capex**	**463**	**596**	**133**	**28.8%**
(202)	**169**	**65**	**(105)**	**(61.8%)**	**Change in net debt[1]**	**324**	**(137)**	**(461)**	**n.m.**
1,429	**1,630**	**1,493**	**(137)**	**n.m.**	**Net debt[1]**	**1,630**	**1,493**	**(137)**	**(8.4%)**
1.0x	**1.2x**	**0.9x**	**(0.3x)**	**n.m.**	**Net debt to Ebitda[1]**	**1.2x**	**0.9x**	**(0.3x)**	**n.m.**

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

OPERATIONAL DATA

Quarter						First Half			
1Q15	2Q14	2Q15	Chg. YoY	% Chg. YoY		2014	2015	Chg. YoY	% Chg. YoY
41.5	25.7	43.8	18.1	70.6%	Average working interest production (kboepd)	26.9	42.7	15.8	58.7%
38.7	21.9	40.9	19.0	86.6%	Average net entitlement production (kboepd)	23.3	39.8	16.6	71.2%
50.6	108.5	53.0	(55.5)	(51.2%)	Oil and gas average sale price (USD/boe)	102.0	51.8	(50.2)	(49.2%)
26,195	20,365	29,800	9,435	46.3%	Raw materials processed (kboe)	39,903	55,995	16,092	40.3%
5.9	(0.2)	7.3	7.4	n.m.	Galp Energia refining margin (USD/boe)	0.3	6.6	6.3	n.m.
2.3	2.3	2.3	0.0	0.4%	Oil sales to direct clients (mton)	4.5	4.6	0.1	1.9%
999	814	919	105	12.9%	NG supply sales to direct clients (mm^3)	1,825	1,918	93	5.1%
1,195	1,013	951	(62)	(6.1%)	NG/LNG trading sales (mm^3)	2,080	2,146	66	3.2%

MARKET INDICATORS

Quarter						First Half			
1Q15	2Q14	2Q15	Chg. YoY	% Chg. YoY		2014	2015	Chg. YoY	% Chg. YoY
53.9	109.7	61.9	(47.8)	(43.6%)	Dated Brent price[1] (USD/bbl)	108.9	57.8	(51.1)	(46.9%)
(1.3)	(2.4)	(0.7)	1.7	71.8%	Heavy-light crude price spread[2] (USD/bbl)	(2.2)	(1.0)	1.2	53.2%
48.1	45.0	44.9	(0.1)	(0.2%)	UK NBP natural gas price[3] (GBp/therm)	52.9	46.5	(6.3)	(12.0%)
7.8	13.6	7.3	(6.3)	(46.1%)	LNG Japan and Korea price[1] (USD/mmbtu)	15.9	7.5	(8.4)	(52.6%)
5.3	(0.2)	5.2	5.4	n.m.	Benchmark refining margin[4] (USD/bbl)	(0.4)	5.3	5.7	n.m
14.7	14.6	14.7	0.1	0.9%	Iberian oil market[5] (mton)	28.9	29.4	0.5	1.8%
9,074	6,504	6,885	381	5.9%	Iberian natural gas market[6] (mm^3)	15,007	15,959	952	6.3%

[1] Source: Platts.

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

[3] Source: Bloomberg.

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

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

[6] Source: Galp Energia and Enagás.

Exploration & Production activities

DEVELOPMENT ACTIVITIES

Brazil

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

In the Iracema South area, it is worth highlighting the connection of the third producer well to FPSO #3, which produced during the entire quarter through three producer wells, reaching an average production of c.95 kbopd during that period. In early July, the fourth producer well was connected to FPSO #3, increasing production to c.130 kbopd. The consortium estimates that the fifth producer well will be connected until the end of the year and expects the unit to reach plateau with that well.

During the second quarter of 2015, FPSO #2 continued operating steadily at plateau. The EWT of Lula North, which was connected to FPSO #2 during the first quarter of 2015, continued to be executed during the quarter.

In the Lula Pilot area, FPSO #1 continued producing at plateau, which was reached back in June 2012.

The consortium proceeded with the Cabiúnas pipeline installation works during the second quarter of 2015, and commissioning is expected during the first quarter of 2016.

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

FPSO #4 arrived at the Iracema North area in July. This chartered unit has an installed production capacity of 150 kbopd and 8 mm^3 of natural gas. The first producer well is already connected to the unit, and production is about to start.

FPSO Cidade de Maricá (#5), converted in the China Ocean Shipping Company (COSCO) shipyard, in China, and to be assigned to the Lula Alto area, is in the Mauá shipyard, in Brazil, since July, where the remaining integration works will be carried out by BRASA/SBM. FPSO Cidade de Saquarema (#6), to be allocated to the Lula Central area, continued to be converted in the Chengxi shipyard, in China, and its sail away to the Mauá shipyard, for final integration works to be carried out by BRASA/SBM, is expected in the coming weeks. Both FPSOs are expected to start production during the first half of 2016.

Regarding works on the replicant FPSO units, integration works proceeded on the P-66 in the Brasfels shipyard. During the quarter, P-67 hull construction works proceeded, after it left the dry dock in the Ecovix shipyard, in Rio Grande do Sul.

During the second quarter, construction works of the P-68 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.

In what concerns the CO_2 and gas compression and injection modules to be installed in the replicant FPSO units, and following the termination of the contract with IESA Óleo e Gás S.A. (IESA) in late 2014, the consortium decided to award the construction works to two Asian companies.

Regarding Atapu, Berbigão and Sururu fields, the development plans were submitted to ANP in June, following the Declaration of Commerciality last December. It is expected the allocation of three replicant FPSO units, with first oil for the Atapu area expected in 2018.

In July, the consortium concluded the drilling of the well in the Berbigão area (Iara West), whose purpose was to increase reservoir knowledge. The consortium expects to perform a drill stem test DST) during the second half of 2015. It should be noted that, during July, the consortium also started a DST in the Atapu area.

Mozambique

In Mozambique, works on the initial phase of the development continued to advance. The consortium for the development of Area 4 has received during the quarter the Front-End Engineering Design (FEED) and Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) proposals for the offshore Coral FLNG project, which are currently being analysed. At the same time, the consortium has been advancing on the negotiations for the LNG long term offtake agreements. The competitive process for the FEED and EPCIC regarding two LNG trains for the onshore Mamba project continues to be carried on, with proposals now expected in the second half of the year.

Angola

Regarding the Lianzi field in block 14k, drilling and completion activities were carried out in three wells, of which two were producer wells and one injector well. The consortium expects to start production during the second half of 2015 through a tie-back to the CPT platform in the BBLT field, and the BBLT field's production will be negatively affected during the installation.

Regarding block 32, engineering and procurement works proceeded in the quarter, as well as conversion works of the two FPSOs associated to the Kaombo project, in Singapore.

DEVELOPMENT WELLS IN THE LULA/IRACEMA AREA

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

[1]Includes EWT in Lula North.

EXPLORATION AND APPRAISAL ACTIVITIES

Brazil

During the second quarter of 2015, the consortium completed the drilling works of the Carcará North appraisal well, in block BM-S-8, which began in January 2015 and were performed in a single phase using a rig equipped with managed pressure drilling (MPD). This well confirmed the existence of a light oil column and the extension of the Carcará discovery towards the North. A DST will be conducted in this well, with the purpose of testing the pressure, permeability and productivity of this area of the reservoir. In July, the consortium for block BM-S-8 began the second drilling phase of the Carcará NW appraisal well, aiming at evaluating the discovery's resource potential.

In block BM-S-24, the consortium is currently preparing the process for the extension of the deadline for the Declaration of Commerciality with the Brazilian authorities. Therefore, the activities that were initially planned for 2015 will be rescheduled, in particular the drilling of Elida and Citera appraisal wells.

Drilling works relating to the exploration campaign in the onshore Amazonas basin were concluded, with the Sil-1 well. Results obtained don't support further activities in block AM-T-85, which will be abandoned. Block AM-T-62 was formally relinquished during the second quarter of 2015. Regarding block AM-T-84, a 12-month extension to the exploration period will be requested following results obtained in the JAN-1 well, which proved the presence of gas and light oil shows, in order for the consortium to advance with drilling of the second committed well in the block.

SCHEDULE OF EXPLORATION AND APPRAISAL ACTIVITIES

Area	Target	Interest	E/A[2]	Spud date	Duration (# days)	Well status
Brazil[1]						
BM-S-11	Iara RDA 4	10%	A	**1Q15**	-	Concluded
BM-S-8	Carcará North	14%	A	**1Q15**	-	Concluded
BM-S-8	Carcará NW[3]	14%	A	**3Q15**	120	Ongoing
Potiguar	Pitú 2	20%	A	**3Q15**	120	-
Amazonas	Jan-1	40%	E	**1Q15**	-	Concluded
Amazonas	Sil-1	40%	E	**2Q15**	-	Concluded
Portugal						
Alentejo	Santola-1	30%	E	**4Q15/1Q16**	120	-

[1]Petrogal Brasil: 70% Galp Energia; 30% Sinopec.
[2]E – Exploration well; A – Appraisal well.
[3]Second drilling phase.

Operating and financial performance

1. MARKET ENVIRONMENT

EUR:USD

During the second quarter of 2015, the average EUR:USD exchange rate was 1.107, down 19% YoY.

During the first half of 2015, the average EUR:USD exchange rate was 1.117, corresponding to a devaluation of 19% YoY.

Dated Brent

During the second quarter of 2015, the average dated Brent decreased $47.8/bbl YoY to $61.9/bbl, as a result of oversupply due to the production increase from OPEC countries and to the production of unconventional oil in the USA, without absorption by the growth in global demand of 1.4 mmbbl/d.

During the first half of 2015, average dated Brent was $57.8/bbl, corresponding to a decrease of $51.1/bbl YoY.

The average spread between heavy and light crudes decreased from -$2,4/bbl, in the previous year, to -$0,7/bbl. The tightened spread came as a result of the surplus of light crudes in the Atlantic basin, namely from the North Sea and Nigeria, caused by the shale oil production increase in the USA.

In the first half of 2015, the price spread tightened $1.2/bbl compared to the previous year, to -$1.0/bbl.

Natural Gas

The spread between the liquefied natural gas (LNG) price in Asia (JKM) and the natural gas price in Europe (NBP) tightened from $5.9/mmbtu in the second quarter of 2014 to $0.4/mmbtu in the same period of 2015, due to the LNG price in Asia decrease caused by the drop in crude price and lower demand, particularly in China.

In the first half of 2015, the price spread tightened $6.7/mmbtu YoY to $0.5/mmbtu.

Refining Margins

In the second quarter of 2015, the benchmark refining margin increased by $5.4/bbl YoY to $5.2/bbl, as both gasoline and diesel cracks improved, and the oil price decreased.

The gasoline crack increased $6.3/bbl YoY to $18.5/bbl, supported by the strong demand in the USA, Middle East and West Africa.

The diesel crack spread widened $2.4/bbl YoY, benefitting from a higher demand in Europe, mostly due to the bunker transition from fuel to diesel in the emission control areas (ECA) as of January 2015.

The fuel oil crack spread did not reflect the sharp drop in European demand, partially caused by the fuel oil consumption ban in the maritime ECA, with an YoY increase of $0.5/bbl. Fuel oil benefitted from the lower output of the European refining base, arising from higher processing of light crude oils and the conversion units entering into production.

During the first half of 2015, the benchmark refining margin increased from -$0.4/bbl YoY to $5.3/bbl. The cracks for gasoline and diesel widened $5.8/bbl and $1.7/bbl respectively, to $14.3/bbl and $17.7/bbl in the period.

Iberian Market

During the second quarter of 2015, the Iberian market for oil products reached 14.7 million tonnes (mton), corresponding to an increase of around 1% YoY. Middle distillates showed the largest increase, with diesel and jet fuel benefiting from the economic recovery.

During the first half of 2015, the Iberian market for oil products rose 2% YoY to 29.4 mton.

During the second quarter of 2015, the Iberian natural gas market increased around 6% YoY to 6,885 mm^3, revealing an increase of 37% in the electrical segment consumption, affected by the lower hydroelectric power generation, which led to a greater production of electricity generation from natural gas and coal. The conventional segment remained stable.

In the first half of 2015, the natural gas market reached 15,959 mm^3, up 6% YoY. The electrical segment rose 37%, whilst the conventional segment showed an increase of 2%.

2. OPERATING PERFORMANCE

EXPLORATION & PRODUCTION

€ m (RCA, except otherwise stated)

Quarter						First Half			
1Q15	2Q14	2Q15	Chg. YoY	% Chg. YoY		2014	2015	Chg. YoY	% Chg. YoY
41.5	**25.7**	**43.8**	**18.1**	**70.6%**	**Average working interest production[1] (kboepd)**	**26.9**	**42.7**	**15.8**	**58.7%**
38.4	24.5	40.5	15.9	65.0%	Oil production (kbopd)	25.7	39.4	13.7	53.3%
38.7	**21.9**	**40.9**	**19.0**	**86.6%**	**Average net entitlement production (kboepd)**	**23.3**	**39.8**	**16.6**	**71.2%**
7.8	6.6	7.4	0.8	11.9%	Angola	7.0	7.6	0.6	8.9%
31.0	15.3	33.5	18.2	n.m.	Brazil	16.3	32.2	15.9	97.8%
50.6	**108.5**	**53.0**	**(55.5)**	**(51.2%)**	**Average realised sale price (USD/boe)**	**102.0**	**51.8**	**(50.2)**	**(49.2%)**
4.1	**9.7**	**5.4**	**(4.4)**	**(45.1%)**	**Royalties[2] (USD/boe)**	**10.0**	**4.8**	**(5.2)**	**(52.1%)**
11.8	**18.9**	**7.6**	**(11.3)**	**(59.8%)**	**Production costs (USD/boe)**	**15.8**	**9.6**	**(6.2)**	**(39.4%)**
16.3	**23.7**	**18.7**	**(5.0)**	**(21.0%)**	**Amortisation[3] (USD/boe)**	**22.9**	**17.6**	**(5.3)**	**(23.3%)**
94	**107**	**120**	**13**	**12.5%**	**Ebitda**	**211**	**215**	**4**	**1.7%**
51	35	63	29	82.7%	Depreciation & Amortisation	71	114	43	61.4%
-	(0)	-	0	n.m.	Provisions	(0)	-	0	n.m.
44	**72**	**57**	**(15)**	**(21.2%)**	**Ebit**	**140**	**101**	**(40)**	**(28.3%)**

Note: unit values based on net entitlement production.
[1]Includes natural gas exported; excludes natural gas used or injected.
[2]Based on production in Brazil.
[3]Includes abandonment provisions.

Operations

SECOND QUARTER

During the second quarter of 2015, average working interest production of oil and natural gas increased 71% YoY to 43.8 kboepd, of which 92% was oil.

Production from Brazil increased 18.2 kboepd YoY to 33.5 kboepd, primarily as a result of the entry into production of FPSO #3, which contributed with an average production of 9.6 kbopd. FPSO #1 and #2 maintained their contribution to production in the quarter, with 13.4 kboepd and 9.8 kboepd, respectively.

Exports of gas from the Lula area increased to 2.9 kboepd from 0.8 kboepd the previous year.

In Angola, working interest production remained stable at around 10.3 kbopd.

Net entitlement production increased 87% YoY to 40.9 kboepd, due to a higher contribution from Brazil. In Angola, net entitlement production increased 12% YoY to 7.4 kbopd, due to the higher Net entitlement production under the production-sharing agreements (PSAs) mechanism.

Production from Brazil accounted for 82% of total net entitlement production in the second quarter of 2015, compared with 70% the previous year.

FIRST HALF

During the first half of 2015, working interest production increased 59% to 42.7 kboepd, due to higher production from Brazil, which increased 98% YoY to 32.2 kboepd. This was supported by the higher output of FPSO #2 and the entering into production of FPSO #3.

Production in Angola remained stable at 10.4 kbopd.

Net entitlement production rose 71% YoY to 39.8 kboepd, mostly as a result of production increase in Brazil.

Results

SECOND QUARTER

Ebitda in the second quarter of 2015 rose €13 m YoY to €120 m, given the increase in net entitlement production and the appreciation of the Dollar against the Euro, which offset the decrease in the average sale price of oil and natural gas.

The average sale price in the second quarter was $53.0/boe, down from $108.5/boe the year before.

Production costs decreased around €2 m YoY to €26 m, resulting from the lower production costs in Angola, which more than offset the increase in Brazil, mostly caused by FPSO #3 entering production.

In unit terms, and on a net entitlement basis, production costs in the second quarter of 2015 decreased $11.3/boe YoY to $7.6/boe, due to cost dilution from increased production and lower costs in Angola.

Depreciation charges in the second quarter of 2015 increased €29 m YoY to €63 m, primarily on the back of the increased asset base and production from Brazil. On a net entitlement basis, unit depreciation charges were $18.7/boe in the quarter, compared to $23.7/boe the previous year.

As such, and despite the higher Ebitda in the quarter, Ebit decreased €15 m YoY to €57 m.

FIRST HALF

Ebitda for the first half of 2015 increased €4 m YoY to €215 m, as the decrease in the average sale price of oil and natural gas was offset by the increase in net entitlement production.

The average sale price was $51.8/boe, whilst in the first half of 2014 it was $102.0/boe.

Production costs increased €13 m YoY to €62 m, as a result of the start of operations of FPSO #3 in October 2014, in Brazil. On the other hand, production costs in Angola decreased €6 m compared to the first half of 2014. In unit terms, production costs decreased $6.2/boe YoY to $9.6/boe.

Depreciation charges in the second half of 2015 increased around €43 m YoY to €114 m, as a result of the increased asset base and higher production. On a net entitlement basis, depreciation charges decreased $5.3/boe YoY, to $17.6/boe.

During the first half of 2015, Ebit decreased €40 m YoY to €101 m.

REFINING & MARKETING

€ m (RCA, except otherwise stated)

Quarter						First Half			
1Q15	2Q14	2Q15	Chg. YoY	% Chg. YoY		2014	2015	Chg. YoY	% Chg. YoY
5.9	**(0.2)**	**7.3**	**7.4**	**n.m.**	**Galp Energia refining margin (USD/boe)**	**0.3**	**6.6**	**6.3**	**n.m.**
2.4	**2.7**	**2.6**	**(0.2)**	**(6.7%)**	**Refining cash cost[1] (USD/boe)**	**2.9**	**2.5**	**(0.4)**	**(14.2%)**
26,195	**20,365**	**29,800**	**9,435**	**46.3%**	**Raw materials processed (kboe)**	**39,903**	**55,995**	**16,092**	**40.3%**
23,148	17,309	26,330	9,021	52.1%	Crude processed (kbbl)	33,883	49,478	15,595	46.0%
4.4	**4.1**	**4.7**	**0.6**	**14.7%**	**Total refined product sales (mton)**	**7.8**	**9.1**	**1.3**	**17.1%**
2.3	2.3	2.3	0.0	0.4%	Sales to direct clients (mton)	4.5	4.6	0.1	1.9%
165	**41**	**224**	**184**	**n.m.**	**Ebitda**	**76**	**390**	**313**	**n.m.**
68	70	69	(2)	(2.2%)	Depreciation & Amortisation	142	137	(5)	(3.7%)
9	3	(6)	(9)	n.m.	Provisions	12	4	(8)	(70.5%)
88	**(33)**	**161**	**194**	**n.m.**	**Ebit**	**(78)**	**249**	**327**	**n.m.**

[1]Includes impact of hedging of the refining margin.

Operations

SECOND QUARTER

During the second quarter of 2015, raw materials processed increased 46% YoY to 29.8 million barrels.

This was due to the high availability of the refining system – with the hydrocracking complex operating at full capacity in the period – and to the fact that the refining system had been affected by the planned outage of the Sines refinery during the beginning of the second quarter of 2014.

During the second quarter of 2015, crude oil accounted for 88% of raw materials processed, of which 81% of oil processed 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 7% of the raw materials processed, in line with the previous year.

Volumes sold to direct clients stood at 2.3 mton, in line with the second quarter of 2014. Volumes sold in Africa accounted for 8% of total volumes sold to direct clients, a contribution in line with the previous year.

FIRST HALF

Raw materials processed increased 40% YoY to 56.0 million barrels during the first half of 2015, as the volumes processed the year before had been affected by the planned general outage of the Sines refinery for maintenance.

During the first half of 2015, crude oil processed accounted for 85% of raw materials processed, of which 83% corresponded to medium and heavy crudes.

The production of middle distillates 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 first half of 2015 accounted for 8%, in line with the previous year.

Volumes sold to direct clients increased 2% YoY, mainly due to the increase of sales in the wholesale segment. Volumes of oil products sold in Africa accounted for 8% of total volumes sold in the period.

During the first half of 2015, Galp Energia continued to implement measures aiming to improve energy efficiency of the refining system. It should be highlighted the progresses made at Sines refinery, which recorded 31.9 $kgCO_2$/CWT, down from 32.9 $kgCO_2$/CWT in 2014, and against the sector benchmark of 37.7 CO_2/CWT.

Results

SECOND QUARTER

Ebitda increased €184 m YoY to €224 m, following improved results from refining activities, and also supported by the appreciation of the Dollar against the Euro.

During the second quarter of 2015, Galp Energia's refining margin increased to $7.3/boe, from -$0.2/boe the year before, mainly reflecting the recovery of margins in the international markets. The premium over benchmark margin was $2.0/boe, supported by sourcing optimisation of crude oil and other raw materials.

Refining cash costs amounted to €39 m, or $2.6/boe in unit terms, compared to $2.7/boe the previous year, when the operational costs were affected by the outage at the Sines refinery. It is worth noting that, in 2015, these costs were negatively impacted by the refining margin hedging operations, which had an impact of around $1.1/boe.

Marketing of oil products in the second quarter of 2015 maintained its positive contribution to results, benefitting from stable volumes sold.

Provisions in the second quarter of 2015 positively impacted RCA results, with €6 m, following the reclassification to non-recurring of previously booked provisions regarding a fine which is being disputed.

As a result, Ebit was positive by €161 m.

FIRST HALF

During the first half of 2015, Ebitda increased €313 m YoY to €390 m, due to improved results from refining activities.

During the first half of 2015, Galp Energia's average refining margin was $6.6/boe, compared to $0.3/boe in the previous year, following the improved refining margins environment.

Refining cash costs amounted to €81 m in the first half of 2015, or $2.5/bbl in unit terms, compared to $2.9/bbl in the previous year. Cash costs in 2015 were influenced by hedging of the refining margin, which had an impact of $0.9/boe in the period.

Marketing of oil products maintained its positive contribution to results, benefitting from the recovery of volumes sold in the Iberian market.

Ebit in the first half of 2015 stood at €249 m, up €327 m YoY.

GAS & POWER

€ m (RCA, except otherwise stated)

Quarter						First Half			
1Q15	2Q14	2Q15	Chg. YoY	% Chg. YoY		2014	2015	Chg. YoY	% Chg. YoY
2,195	**1,826**	**1,869**	**43**	**2.3%**	**NG supply total sales volumes (mm³)**	**3,904**	**4,064**	**159**	**4.1%**
999	**814**	**919**	**105**	**12.9%**	**Sales to direct clients (mm³)**	**1,825**	**1,918**	**93**	**5.1%**
1,195	**1,013**	**951**	**(62)**	**(6.1%)**	**Trading (mm³)**	**2,080**	**2,146**	**66**	**3.2%**
1,127	**887**	**1,120**	**233**	**26.3%**	**Sales of electricity (GWh)**	**1,823**	**2,247**	**423**	**23.2%**
131	**116**	**92**	**(24)**	**(20.7%)**	**Ebitda**	**238**	**223**	**(15)**	**(6.3%)**
98	72	55	(17)	(24.1%)	Natural Gas	142	152	10	7.3%
34	37	36	(1)	(3.9%)	Infrastructure	80	69	(10)	(12.8%)
(1)	7	2	(5)	(75.9%)	Power	16	1	(15)	(94.7%)
15	16	14	(2)	(10.4%)	Depreciation & Amortisation	32	29	(3)	(8.8%)
4	3	1	(2)	(53.8%)	Provisions	5	5	1	14.1%
112	**97**	**76**	**(21)**	**(21.5%)**	**Ebit**	**201**	**188**	**(13)**	**(6.4%)**

Operations

SECOND QUARTER

Volumes sold in the natural gas segment increased 2% YoY to 1,869 mm³ in the second quarter as a result of higher volumes sold to direct clients in Iberia, which offset the decrease of volumes sold in international markets through trading.

The increase of sales to direct clients mainly resulted from the volumes sold in the electrical segment, which rose 145 mm³ YoY to 265 mm³ due to higher demand of natural gas for power generation in Portugal, as hydroelectric production fell.

On the other hand, volumes sold in the industrial segment decreased 5% to 588 mm³ due to client portfolio optimisation in Portugal. Also, volumes sold in the retail segment fell 16% to 66 mm³, as a result of increased competition in the Iberian market.

Trading volumes amounted to 951 mm³, down 6% from the previous year. Eight LNG trading operations were executed during the quarter, mainly directed to Latin America, but also at Asia and North Africa. At the same time, network trading operations increased in Spain and in France, reaching 312 mm³.

Sales of electricity increased 233 GWh YoY to 1,120 GWh following the expansion of the marketing of electricity activity. Sales of electricity to the grid decreased 90 GWh YoY to 308 GWh.

FIRST HALF

During the first half of 2015, volumes sold in the natural gas segment increased 4% YoY to 4,064 mm³ as a result of the increase in volumes sold to direct clients and in the trading segment.

Sales to direct clients benefitted from higher volumes sold in the electrical segment, which rose 61% to 448 mm³ due to higher consumption of natural gas for power generation in Portugal.

Volumes sold to residential and industrial clients in Iberia dropped 16% and 3%, to 238 mm³ and 1.232 mm³, respectively.

Volumes sold in the international market increased 3% to 2,146 mm³. A total of 18 LNG trading operations were executed during the period, compared to 22 operations during the first half of 2014. This decrease was offset by the increased network trading activity in Spain and in France, which increased from 161 mm³ to 658 mm³.

Sales of electricity were 2,247 GWh in the period, an increase of 423 GWh YoY, mostly due to increased electricity marketing activities, which more than offset the lower sales of electricity to the grid, that stood at 697 GWh.

Results

SECOND QUARTER

Ebitda for the G&P business in the second quarter of 2015 was down €24 m YoY to €92 m

During the second quarter of 2015, Ebitda for the natural gas segment decreased €17 m YoY to €55 m, on the back of fewer LNG volumes traded and lower natural gas prices in different markets.

Ebitda for the regulated infrastructure business remained stable at €36 m. On the other hand, Ebitda for the power business decreased €5 m to €2 m, impacted by the lower price of commodities in the international markets, and also by the lag in the natural gas sales price indexes.

Depreciation and amortisation stood at €14 m, in line with the previous year.

Ebit decreased 21% YoY to €76 m.

FIRST HALF

Ebitda in the first half of 2015 was down €15 m YoY to €223 m, due to the lower contribution of the power business, which was impacted by the lag in the natural gas sales price indexes, particularly during the first quarter of 2015.

Ebitda for the natural gas segment increased 7% to €152 m, as a result of higher volumes of natural gas sold to direct clients and in the international market.

Ebitda for the regulated infrastructure business contributed with €69 m to Ebitda, having been impacted by the downward revision to 7.94% of the estimated rate of return for the regulatory gas year 2014-2015, compared to 8.4% in the year before.

Depreciation and amortisation reached €29 m, compared to €32 m in 2014.

Provisions in the first half of 2015 accounted for €5 m, in line with the previous year.

As a result, Ebit for the G&P business segment stood at €188 m in the first half of 2015, i.e., down 6% YoY.

3. FINANCIAL PERFORMANCE

3.1. PROFIT & LOSS

€ m (RCA, except otherwise stated)

Quarter						First Half			
1Q15	2Q14	2Q15	Chg. YoY	% Chg. YoY		2014	2015	Chg. YoY	% Chg. YoY
3,923	4,615	4,253	(362)	(7.8%)	Turnover	8,740	8,176	(564)	(6.5%)
(3,129)	(4,016)	(3,421)	(594)	(14.8%)	Cost of goods sold	(7,506)	(6,550)	(956)	(12.7%)
(324)	(272)	(319)	47	17.2%	Supply & Services	(562)	(643)	81	14.3%
(83)	(66)	(73)	7	11.1%	Personnel costs	(151)	(156)	5	3.4%
11	9	5	(4)	(40.1%)	Other operating revenues (expenses)	15	17	2	10.2%
398	**271**	**446**	**175**	**64.4%**	**Ebitda**	**537**	**844**	**307**	**57.3%**
(135)	(122)	(147)	26	21.2%	Depreciation & Amortisation	(246)	(282)	36	14.6%
(13)	(6)	4	11	n.m.	Provisions	(17)	(9)	(8)	(46.5%)
250	**143**	**303**	**159**	**n.m.**	**Ebit**	**274**	**553**	**279**	**n.m.**
26	16	17	1	6.8%	Net income from associated companies	33	43	10	30.5%
(0)	1	1	(0)	(15.9%)	Net income from investments	1	1	(0)	(16.1%)
(73)	(17)	(10)	7	42.1%	Financial results	(58)	(83)	(24)	(41.9%)
203	**144**	**311**	**167**	**n.m.**	**Net income before taxes and non-controlling interests**	**250**	**514**	**265**	**n.m.**
(71)	(59)	(108)	49	83.5%	Taxes[1]	(105)	(179)	74	70.2%
(11)	(17)	(15)	(2)	(13.3%)	Non-controlling interests	(30)	(26)	(4)	(14.0%)
121	**68**	**189**	**121**	**n.m.**	**Net income**	**115**	**310**	**195**	**n.m.**
(45)	(4)	(106)	(102)	n.m.	Non recurring items	(20)	(151)	(131)	n.m.
76	64	83	19	28.8%	Net income RC	95	159	64	67.7%
(86)	(3)	17	21	n.m.	Inventory effect	(20)	(69)	(49)	n.m.
(10)	61	100	39	64.3%	Net income IFRS	75	90	15	20.4%

[1]Includes Special Participation Tax payable in Brazil and IRP payable in Angola of €35 m in the second quarter of 2015 and €59 m in the first half 2015.

SECOND QUARTER

During the second quarter of 2015, turnover decreased by 8% YoY to €4,253 m, which was mostly due to a fall in oil, natural gas and oil products prices in international markets.

Operating costs decreased 12% YoY to €3,813 m, following the 15% fall in the cost of goods sold. The increase in supply and services costs was mostly due to the oil and natural gas production activity.

In this quarter, Ebitda amounted to €446 m, a €175 m increase YoY, mostly stemming from improved results in the R&M business, which benefitted from a recovery in refining margins. The E&P business also favourably contributed to this evolution, since the production increase in Brazil more than offset the sharp fall of oil prices. The G&P business was impacted by lower LNG volumes traded in international markets.

Ebit was up by €159 m, reaching €303 m, as a result of improved operating performance.

Results from associated companies amounted to €17 m, in line with the second quarter of 2014.

Financial results were negative by €10 m, and included €6 m from favourable exchange rate differences on crude oil purchases, following the appreciation of the Euro against the Dollar throughout the second quarter of 2015. These should be compared to the unfavourable exchange rate differences, amounting to €12 m in the same period of 2014.

Net interest expenses stood at €33 m, in line with the same period of 2014.

Taxes increased by €49 m to €108 m, driven by higher operating results.

Non-controlling interests reached €15 m and were primarily attributable to Sinopec.

Thus, RCA net income reached €189 m, a €121 m increase YoY. IFRS net income was up by €39 m to €100 m, and included €17 m positive inventory effect as well as negative non-recurring items amounting to €106 m, including, among others, impairments related to oil marketing and natural gas activities in Spain, and impairments relating to exploration activities in the Amazonas basin, in Brazil.

FIRST HALF

During the first half of 2015, turnover stood at €8,176 m, a 6% decrease YoY, which was mainly due to lower commodity prices.

Operating costs amounted to €7,349 m, an 11% decrease YoY, resulting mostly from a 13% fall in the cost of goods sold.

During this first half, Ebitda reached €844 m, a €307 m increase YoY, which was mainly supported by better results in the R&M business. Ebit increased by €279 m, to €553 m.

Results from associated companies stood at €43 m, a €10 m increase YoY, driven by higher results from EMPL – Europe Maghreb Pipeline and Tupi B.V. company, during the first quarter of 2015.

Financial results were negative by €83 m, and were impacted by the mark-to-market of financial instruments related to refining margin hedging, as well as by unfavourable exchange rate differences, following the appreciation of the Dollar which impacted trade payables.

Net interest expenses remained stable YoY at around €65 m during the first half of 2015.

Taxes reached €179 m, a €74 m increase YoY, driven by improved results.

Non-controlling interests amounted to €26 m and are primarily attributable to Sinopec.

RCA net income stood at €310 m, a €195 m increase YoY, whereas IFRS net income was up by €15 m to €90 m, including a €69 m negative inventory effect as well as non-recurring items, amounting to €151 m mainly regarding oil and natural gas marketing activities in Spain and exploration activity in the Amazonas basin, in Brazil.

3.2. CAPITAL EXPENDITURE

€ m

Quarter						First Half			
1Q15	2Q14	2Q15	Chg. YoY	% Chg. YoY		2014	2015	Chg. YoY	% Chg. YoY
273	219	285	66	30.1%	Exploration & Production	398	558	161	40.3%
37	35	32	(2)	(6.9%)	Exploration and appraisal activities	96	69	(28)	(28.5%)
236	185	253	68	37.0%	Development and production activities	301	489	188	62.4%
5	36	21	(14)	(40.6%)	Refining & Marketing	46	26	(20)	(43.6%)
3	9	5	(3)	(39.1%)	Gas & Power	16	9	(8)	(47.7%)
3	2	0	(2)	(77.7%)	Others	3	3	1	22.7%
283	**266**	**313**	**46**	**17.4%**	**Investment**	**463**	**596**	**133**	**28.8%**

SECOND QUARTER

During the second quarter of 2015, capital expenditure amounted to €313 m, of which 91% was invested in the E&P business.

Development activities accounted for 89% of capital expenditure in the E&P business, of which Brazil accounted for around 80%, mainly allocated to the drilling of development wells and the construction of FPSO units and subsea systems for the development of the Lula/Iracema fields. The remaining 20% of capex allocated to development activities was channeled into Angola, namely to activities in Block 32.

Investment in exploration and appraisal activities reached €32 m during the quarter, mainly allocated to pre-development activities in the Coral and Mamba areas of Area 4, in Mozambique.

Regarding the R&M and the G&P businesses, combined capital expenditure amounted to €27 m, and it was primarily allocated to maintenance and safety activities, and to the biofuels project in Brazil.

FIRST HALF

During the first half of 2015, capital expenditure amounted to €596 m, 94% of which was invested in the E&P business.

Exploration and appraisal activities accounted for 12% of the €558 m invested in the E&P business.

Capital expenditure in downstream & gas activities stood at €34 m, down €28 m YoY, impacted by the general outage for maintenance at the Sines refinery in 2014.

3.3. CASH FLOW

€ m (IFRS figures)

Quarter				First Half	
1Q15	2Q14	2Q15		2014	2015
81	139	282	Ebit	231	363
0	28	37	Dividends from associates	28	37
188	125	180	Depreciation, Depletion and Amortization (DD&A)	263	368
105	(55)	12	Change in Working Capital	(165)	117
374	**236**	**511**	**Cash flow from operations**	**356**	**885**
(303)	(267)	(313)	Net capex	(462)	(616)
(34)	(27)	(27)	Net financial expenses	(68)	(62)
(33)	(29)	(34)	SPT and Corporate taxes	(54)	(67)
-	(124)	(145)	Dividends paid	(124)	(145)
162	76	33	Others[1]	93	195
(167)	**136**	**(24)**	**Change in net debt**	**259**	**(191)**

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

SECOND QUARTER

During the second quarter of 2015, cash flow from operations of €511 m and the c.€50 m loan reimbursement from Sinopec, more than offset the payment of the final dividend for 2014 as well as investments made during the period. Working capital benefitted from stock optimisation measures.

FIRST HALF

During the first half of 2015, net debt decreased by €191 m, having been positively impacted by cash flow generation of €885 m and by the reimbursement of around €130 m related to the loan to Sinopec. In this period, cash flow also benefitted from working capital improvement, primarily stemming from the effects of stock optimisation.

3.5. FINANCIAL POSITION

€ m (IFRS figures)

	31 December, 2014	31 March, 2015	30 June, 2015	Change vs. 31 Dec. 2014	Change vs. 31 Mar. 2015
Non-current assets	7,599	7,830	7,778	180	(52)
Working capital	968	863	851	(117)	(12)
Loan to Sinopec	890	925	835	(54)	(89)
Other assets (liabilities)	(512)	(518)	(591)	(79)	(73)
Capital employed	**8,945**	**9,100**	**8,874**	**(71)**	**(226)**
Short term debt	303	291	645	342	354
Medium-Long term debt	3,361	3,166	2,955	(406)	(211)
Total debt	**3,664**	**3,457**	**3,600**	**(64)**	**143**
Cash and equivalents	1,144	1,104	1,271	127	167
Net debt	**2,520**	**2,353**	**2,329**	**(191)**	**(24)**
Total equity	**6,425**	**6,747**	**6,545**	**120**	**(202)**
Total equity and net debt	**8,945**	**9,100**	**8,874**	**(71)**	**(226)**
Net debt including loan to Sinopec[1]	**1,630**	**1,429**	**1,493**	**(137)**	**65**

[1]Loan to Sinopec considered as cash and equivalents.

On 30 June 2015, non-current assets stood at €7,778 m, down by €52 m when compared to 31 March 2015, due to depreciation and impairments registered during this quarter, namely those related to marketing of oil and natural gas activities in Spain and the exploration activity in Brazil.

Capital employed at the end of this period amounted to €8,874 m and included the loan granted to Sinopec, with an outstanding balance of €835 m as of 30 June 2015.

3.6. FINANCIAL DEBT

€ m (except otherwise stated)

	31 December, 2014	31 March, 2015	30 June, 2015	Change vs. 31 Dec. 2014	Change vs. 31 Mar. 2015
Bonds	2,248	2,249	2,251	3	2
Bank loans and other debt	1,417	1,208	1,350	(67)	141
Cash and equivalents	1,144	1,104	1,271	127	167
Net debt	**2,520**	**2,353**	**2,329**	**(191)**	**(24)**
Net debt including loan to Sinopec[1]	**1,630**	**1,429**	**1,493**	**(137)**	**65**
Average life (years)	3.7	3.4	3.3	(0.39)	(0.17)
Average debt interest rate	4.2%	3.9%	3.9%	(0.3 p.p.)	0.0 p.p.
Net debt to Ebitda[1]	1.2x	1.0x	0.9x	(0.3x)	(0.1x)

[1]Loan to Sinopec considered as cash and equivalents.

As of 30 June 2015, net debt decreased to €2,329 m, down by €24 m when compared to the end of the first quarter.

Considering the €835 m balance of the Sinopec loan as cash and equivalents, net debt totalled €1,493 m at the end of the second quarter, for a net debt to Ebitda ratio of 0.9x.

At the end of June 2015, the average interest rate was 3.9%, with 44% of total debt on a fixed-rate basis.

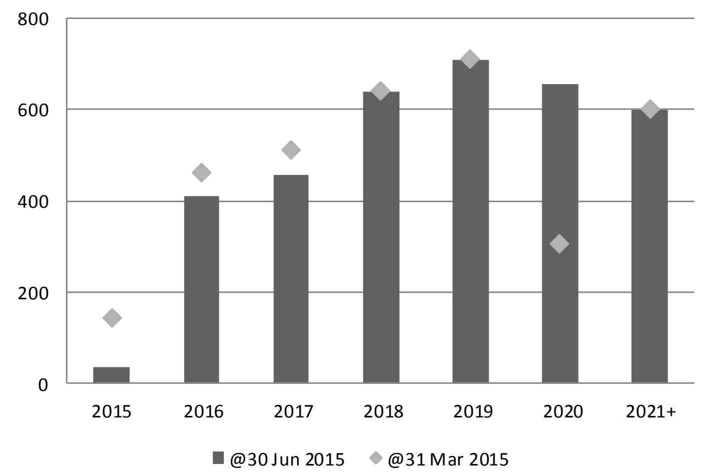
At the end of the period, debt had an average maturity of 3.3 years, and medium and long-term debt accounted for 82% of the total.

On 30 June 2015, around 75% of the debt was scheduled to mature from 2018 onwards, in accordance with the goal of aligning debt repayment with the Company's expected free cash flow profile.

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

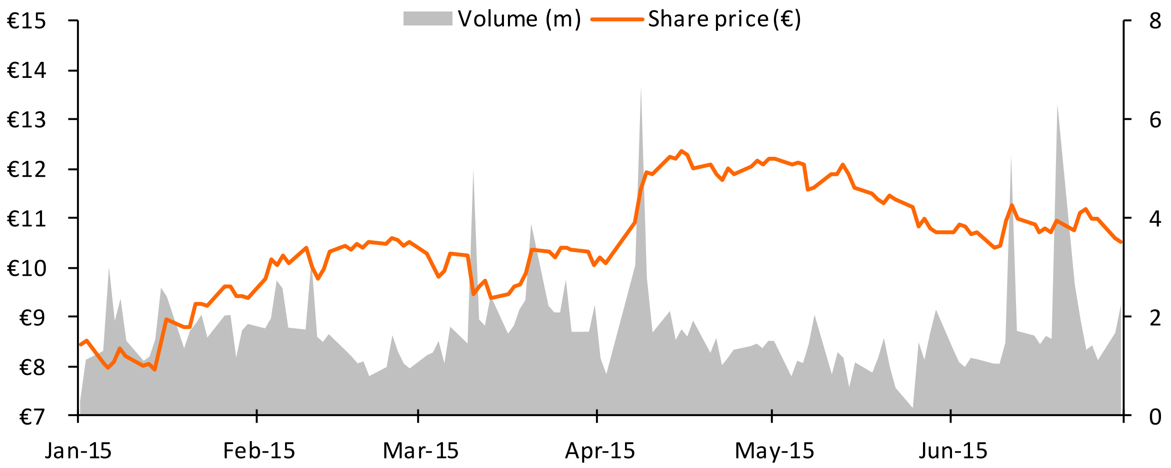
DEBT MATURITY PROFILE

€ m



Galp Energia share

PERFORMANCE OF THE GALP ENERGIA SHARE



Source: Euroinvestor

SECOND QUARTER

Galp Energia share price closed at €10.52, a 5% gain during the second quarter, having registered a minimum of €10.06 and a high of €12.48.

During this period, around 163 m shares were traded on regulated markets, of which 102 m on Euronext Lisbon. Thus, the average daily volume traded on regulated markets amounted to 2.6 m shares, of which 1.6 m on Euronext Lisbon. At the end of the second quarter of 2015, Galp Energia had a market capitalisation of €8.7 bn.

FIRST HALF

During the first half of 2015, Galp Energia share gained 25%, with 343 m shares traded on regulated markets, of which 217 m on Euronext Lisbon.

The average daily volume traded on regulated markets amounted to 2.7 m shares, of which 1.7 m on Euronext Lisbon.

Main indicators			
	2014	2Q15	1H15
Min (€)	7.82	10.06	7.81
Max (€)	13.75	12.48	12.48
Average (€)	12.10	11.37	10.50
Close price (€)	8.43	10.52	10.52
Regulated markets volume (m shares)	547.9	163.3	342.5
Average volume per day (m shares)	2.1	2.6	2.7
of which Euronext Lisbon (m shares)	*1.3*	*1.6*	*1.7*
Market cap (€m)	6,991	8,724	8,724

Additional Information

1. BASIS OF PRESENTATION

Galp Energia's consolidated financial statements for the six months ended on 30 June 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 30 June 2015 and 2014, and on 31 March 2015. The financial information in the consolidated financial position is reported on 30 June and 31 March 2015 and on 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. When goods and commodity prices fluctuate, the use of this valuation method may cause volatility in results through gains or losses in inventories, which do not reflect the Company's operating performance. This is called the inventory effect.

Another factor that may affect the Company's results, without being an indicator of its true performance, is the set of non-recurring items, namely 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-recurring items and the inventory effect, the latter because the cost of goods sold and materials consumed has been calculated according to the Replacement Cost (RC) valuation method.

RECENT CHANGES

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

2. REPLACEMENT COST ADJUSTED TURNOVER

€ m

Quarter						First Half			
1Q15	2Q14	2Q15	Chg. YoY	% Chg. YoY		2014	2015	Chg.	% Chg.
3,923	**4,615**	**4,253**	**(362)**	**(7.8%)**	**Turnover RCA**	**8,740**	**8,176**	**(564)**	**(6.5%)**
144	181	183	2	0.9%	Exploration & Production[1]	359	326	(33)	(9.2%)
2,852	3,696	3,338	(358)	(9.7%)	Refining & Marketing	6,776	6,190	(586)	(8.6%)
1,026	844	784	(60)	(7.1%)	Gas & Power	1,878	1,810	(68)	(3.6%)
29	29	31	2	6.9%	Other	57	61	4	6.7%
(128)	(135)	(83)	52	38.7%	Consolidation adjustments	(330)	(210)	119	36.1%

[1] Does not include change in production. RCA turnover in the E&P segment, including change in production, amounted to €178 m in the second quarter of 2015 and €335 m in the first half of 2015.

3. RECONCILIATION OF IFRS AND REPLACEMENT COST ADJUSTED FIGURES

3.1. REPLACEMENT COST ADJUSTED EBITDA BY SEGMENT

€ m

Second Quarter					2015	First Half				
Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurring items	Ebitda RCA		Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurring items	Ebitda RCA
464	**(22)**	**443**	**3**	**446**	**Galp Energia**	**746**	**91**	**838**	**6**	**844**
116	-	116	4	120	E&P	211	-	211	4	215
251	(30)	221	4	224	R&M	309	74	383	6	390
88	8	96	(4)	92	G&P	209	17	226	(3)	223
10	-	10	(0)	9	Others	17	-	17	(0)	17

€ m

Second Quarter					2014	First Half				
Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurring items	Ebitda RCA		Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurring items	Ebitda RCA
264	**5**	**269**	**2**	**271**	**Galp Energia**	**506**	**27**	**533**	**4**	**537**
107	-	107	(0)	107	E&P	211	-	211	0	211
35	4	39	1	41	R&M	40	33	73	3	76
115	1	116	0	116	G&P	243	(6)	237	0	238
8	-	8	-	8	Others	12	-	12	0	12

3.2. REPLACEMENT COST ADJUSTED EBIT BY SEGMENT

€ m

Second Quarter					2015	First Half				
Ebit IFRS	Inventory effect	Ebit RC	Non-recurring items	Ebit RCA		Ebit IFRS	Inventory effect	Ebit RC	Non-recurring items	Ebit RCA
282	**(22)**	**261**	**42**	**303**	**Galp Energia**	**363**	**91**	**454**	**99**	**553**
26	-	26	31	57	E&P	16	-	16	84	101
179	(30)	149	12	161	R&M	160	74	234	15	249
69	8	78	(1)	76	G&P	171	17	189	(1)	188
8	-	8	(0)	8	Others	15	-	15	(0)	15

€ m

Second Quarter					2014	First Half				
Ebit IFRS	Inventory effect	Ebit RC	Non-recurring items	Ebit RCA		Ebit IFRS	Inventory effect	Ebit RC	Non-recurring items	Ebit RCA
139	**5**	**144**	**(0)**	**143**	**Galp Energia**	**231**	**27**	**258**	**16**	**274**
69	-	69	3	72	E&P	123	-	123	17	140
(38)	4	(34)	1	(33)	R&M	(114)	33	(81)	3	(78)
98	1	98	(1)	97	G&P	208	(6)	203	(2)	201
10	-	10	(3)	7	Others	13	-	13	(3)	10

4. NON-RECURRING ITEMS

CONSOLIDATED SUMMARY

Quarter			First Half	
2Q14	2Q15		2014	2015
(47.8)	-	Sale of strategic stock	(117.4)	-
46.8	-	Cost of sale of strategic stock	113.5	-
0.1	(0.7)	Accidents caused by natural facts and insurance compensation	0.1	(0.9)
(0.1)	(2.1)	Gains / losses on disposal of assets	(0.5)	(2.8)
0.1	0.3	Assets write-offs	0.3	0.3
-	-	Fine for breach of contract	-	3.7
-	-	Investment subsidies - disposal underground gas caverns	-	(2.6)
2.8	4.4	Employee restructuring charges	7.9	8.5
(5.0)	6.6	Provisions for environmental charges and others	(4.9)	6.4
3.1	32.7	Assets impairments	16.8	86.0
(0.2)	**41.1**	**Non-recurring items in Ebit**	**15.8**	**98.6**
0.0	15.7	Capital gains/losses on disposal of financial investments	(0.0)	15.7
-	-	Provision for impairment of financial investments	2.8	-
-	48.9	Provision for financial investments	-	48.9
(0.2)	**105.7**	**Non-recurring items before income taxes**	**18.5**	**163.2**
(0.5)	(17.6)	Income taxes on non-recurring items	(5.6)	(31.7)
5.2	22.7	Energy sector contribution tax	10.4	33.1
(0.5)	(5.8)	Non-controlling interests on non-recurring items	(3.2)	(13.7)
4.0	**105.0**	**Total non-recurring items**	**20.1**	**151.0**

CONSOLIDATED FINANCIAL STATEMENTS

4.1. IFRS CONSOLIDATED INCOME STATEMENT

€ m

Quarter				First Half	
1Q15	2Q14	2Q15		2014	2015
3,774	4,551	4,106	Sales	8,606	7,879
149	112	148	Services rendered	251	297
22	26	25	Other operating income	47	47
3,945	**4,689**	**4,278**	**Total operating income**	**8,904**	**8,223**
(3,242)	(4,068)	(3,400)	Inventories consumed and sold	(7,647)	(6,642)
(324)	(272)	(319)	Materials and services consumed	(562)	(643)
(87)	(68)	(77)	Personnel costs	(159)	(164)
(10)	(17)	(18)	Other operating costs	(31)	(28)
(3,663)	**(4,425)**	**(3,814)**	**Total operating costs**	**(8,399)**	**(7,477)**
282	**264**	**464**	**Ebitda**	**506**	**746**
(188)	(125)	(180)	Amortisation and depreciation	(263)	(368)
(13)	(1)	(2)	Provision and impairment of receivables	(12)	(15)
81	**139**	**282**	**Ebit**	**231**	**363**
26	18	16	Net profit from associated companies	35	42
0	1	(63)	Net profit from investments	(1)	(63)
6	13	7	Interests income	23	13
(39)	(41)	(39)	Interests expenses	(89)	(78)
14	14	25	Interests capitalised	21	39
(32)	(12)	6	Exchange gain (loss)	(17)	(25)
(18)	15	(4)	Mark to market	13	(22)
(5)	(8)	(3)	Other financial costs/income	(10)	(8)
(73)	**(18)**	**(8)**	**Total financial results**	**(60)**	**(82)**
34	**139**	**226**	**Income before taxes**	**204**	**260**
(30)	(57)	(94)	Taxes[1]	(92)	(125)
(10)	(5)	(23)	Energy sector contribution tax	(10)	(33)
(7)	**77**	**109**	**Income before non-controlling interests**	**102**	**102**
(3)	(16)	(9)	Profit attributable to non-controlling interests	(27)	(12)
(10)	**61**	**100**	**Net income**	**75**	**90**

[1]Includes tax related to the production of oil and natural gas, namely Special Participation tax payable in Brazil and IRP payable in Angola.

4.2. CONSOLIDATED FINANCIAL POSITION

€ m

	31 December, 2014	31 March, 2015	30 June, 2015
Assets			
Non-current assets			
Tangible fixed assets	5,052	5,126	5,221
Goodwill	225	230	141
Other intangible fixed assets[1]	1,447	1,438	1,418
Investments in associates	787	947	948
Investments in other participated companies	3	3	3
Assets available for sale	-	-	-
Other receivables	383	363	326
Deferred tax assets	364	424	378
Other financial investments	21	24	23
Total non-current assets	**8,282**	**8,555**	**8,457**
Current assets			
Inventories[3]	1,210	1,112	1,047
Trade receivables	1,115	1,181	1,196
Other receivables[2]	1,386	1,521	1,603
Assets available for sale	67	67	29
Other financial investments	10	6	6
Current Income tax recoverable	-	(0)	0
Cash and equivalents	1,144	1,104	1,272
Total current assets	**4,933**	**4,991**	**5,153**
Total assets	**13,215**	**13,546**	**13,610**
Equity and liabilities			
Equity			
Share capital	829	829	829
Share premium	82	82	82
Translation reserve	18	254	142
Other reserves	2,684	2,684	2,684
Hedging reserves	(1)	(2)	2
Retained earnings	1,565	1,392	1,233
Profit attributable to equity holders of the parent	(173)	(10)	90
Equity attributable to equity holders of the parent	**5,005**	**5,230**	**5,062**
Non-controling interests	1,420	1,517	1,483
Total equity	**6,425**	**6,747**	**6,545**
Liabilities			
Non-current liabilities			
Bank loans and overdrafts	1,114	917	1,001
Bonds	2,248	2,249	1,954
Other payables	556	585	567
Retirement and other benefit obligations	411	409	422
Liabilities from financial leases	0	0	0
Deferred tax liabilities	121	119	112
Other financial instruments	1	1	1
Provisions	185	211	384
Total non-current liabilities	**4,634**	**4,491**	**4,441**
Current liabilities			
Bank loans and overdrafts	303	291	348
Bonds	-	-	297
Trade payables	898	1,002	1,007
Other payables[4]	921	956	904
Other financial instruments	15	36	36
Income tax payable	19	24	32
Total current liabilities	**2,157**	**2,308**	**2,624**
Total liabilities	**6,791**	**6,799**	**7,065**
Total equity and liabilities	**13,215**	**13,546**	**13,610**

[1] Includes concession agreements for the distribution of natural gas.

[2] Current other receivables include the short-term portion of loan to Sinopec.

[3] Includes €104.7 m in inventory from third parties on 30 June 2015.

[4] Includes €41.0 m in advance payments related to inventory from third parties on 30 June 2015.

4.3. CASH FLOW (DIRECT METHOD)

€ m

Quarter				First Half	
1Q15	2Q14	2Q15		2014	2015
1,023	**1,141**	**1,010**	**Cash and equivalents at the beginning of the period**[1]	**1,406**	**1,023**
4,423	5,053	4,740	Received from customers	9,865	9,163
(2,954)	(3,511)	(2,900)	Paid to suppliers	(7,199)	(5,854)
(77)	(86)	(99)	Staff related costs[2]	(161)	(176)
0	28	37	Dividends from associated companies	28	37
(516)	(737)	(798)	Taxes on oil products (ISP)	(1,149)	(1,314)
(457)	(520)	(448)	VAT, Royalties, PIS, Cofins, Others	(1,076)	(905)
418	**227**	**532**	**Total operating flows**	**308**	**950**
(355)	(228)	(288)	Net capex	(416)	(643)
(46)	(42)	(26)	Net Financial Expenses	(71)	(71)
-	(124)	(145)	Dividends paid	(124)	(145)
(33)	(29)	(34)	SPT and Corporate taxes	(54)	(67)
(215)	(215)	126	Net new loans	(352)	(89)
78	43	51	Sinopec loan reimbursement	81	129
139	19	(57)	FX changes on cash and equivalents	14	82
1,010	**791**	**1,169**	**Cash and equivalents at the end of the period**[1]	**791**	**1,169**

[1] Cash and equivalents differ from the Balance Sheet amounts due to IAS 7 classification rules. The difference refers to overdrafts which are considered as debt in the Balance Sheet and as a deduction to cash in the Cash Flow Statement.

[2] Staff related costs in 2014 reclassified to include social security and pension fund contributions.

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 dated; Freight 2015: 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 dated; Freight 2015: 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 2015: 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% Ortoxylene 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 the Portuguese 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-recurring 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: *Associação portuguesa de Empresas petrolíferas* (Portuguese association of oil companies)

bbl: oil barrel

BBLT: Benguela, Belize, Lobito and Tomboco

Bg: Barges

bn: billion

boe: barrels of oil equivalent

BSR: Buoyancy Supported Risers

Cg: Cargoes

CIF: Costs, Insurance and Freights

CORES: *Corporacion de reservas estratégicas de produtos petrolíferos*

CWT: Carbon weighted tonne

D&A: Depreciation & amortisation

DD&A: Depreciation, Depletion and Amortization

E&P: Exploration & Production

EPCIC: Engineering, Procurement, Construction, Installation and Commissioning

EUR/€: Euro

EWT: Extended well test

FCC: Fluid Catalytic Cracking

FEED: Front-End Engineering Design

FOB: Free on Board

FPSO: Floating, production, storage and offloading unit

G&P: Gas & Power

GBp: Great British pence

GWh: Gigawatt per hour

IAS: International Accounting Standards

IFRS: International Financial Reporting Standards

IRP: Oil income tax.

LSFO: Low sulphur fuel oil

k: thousand

kbbl: thousand barrels

kboepd: thousand barrels of oil equivalent per day

kbopd: thousand barrels of oil per day

LNG: liquefied natural gas

m: million

m^3: cubic metres

mbbl: million barrels

mmbtu: million British thermal units

mm^3: million cubic metres

mton: million tonnes

NBP: National balancing point

n.m.: not meaningful

OTC: Over-the-counter

OWC: Oil-water contact

PM UL: Premium unleaded

p.p.: percentage points

R&M: Refining & Marketing

RC: Replacement Cost

RCA: Replacement Cost Adjusted

RDA: Reservoir Data Acquisition

Tcf: trillion cubic feet

TL: Tômbua-Lândana

T: tonnes

USA or US: United States of America

USD/$: Dollar of the United States of America

ULSD CIF Cg: Ultra Low sulphur diesel CIF Cargoes

WAC: Weighted-average cost

YoY: *year-on-year* (annual change rate)

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Galp Energia, SGPS, S. A.

Investor relations

Pedro Dias, Head
Otelo Ruivo, IRO
Cátia Lopes
Joana Pereira
Marta Silva
Pedro Pinto

Contacts :

Tel: +351 21 724 08 66

Fax: +351 21 724 29 65

Address: Rua Tomás da Fonseca, Torre A,
1600-209 Lisboa, Portugal

Website: www.galpenergia.com

Email: investor.relations@galpenergia.com

Reuters: GALP.LS
Bloomberg: GALP PL