

ANNOUNCEMENT

Lisbon, December 19, 2016

Galp approves investment plan for Coral South, in Mozambique

Galp informs that its Board of Directors has approved the investment related to the Coral South area, the first development related to the discoveries made in the Area 4 of Mozambique's Rovuma basin.

Galp's approval of the investment is another milestone towards the Final Investment Decision on the project, which, besides requiring conclusion and signature of all relevant documentation, is subject to the approval of the project by the remaining partners in the consortium, closing of the financing of the project and approval by the Mozambican government of the financing conditions related to the Empresa Nacional de Hidrocarbonetos (ENH) carry.

The Coral South project involves the construction of a Floating Liquefied Natural Gas (FLNG) unit with a liquefaction capacity of over 3.3 mton of liquefied natural gas (LNG) per year, which will be connected to six subsea wells. The FLNG will be located in the southern part of the Coral discovery, which is exclusively located within Area 4 and contains around 16 Tcf of gas in place. The total gas discovered in Area 4 is estimated at c.85 Tcf, including the large Mamba discovery.

Last October, the consortium signed an agreement with BP for the entire offtake of LNG produced through the Coral South FLNG, for a period of 20 years.

Due to the size and quality of the resource base, its key location and potential economies of scale, it is expected that the Rovuma basin will play a key role in the natural gas industry, as well as transform the economic landscape of Mozambique.

Galp holds a 10% stake in Area 4. Eni is the operator with a 50% indirect interest through Eni East Africa, which holds a 70% stake in Area 4. Kogas and ENH each hold a 10% interest, while China National Petroleum Corporation (CNPC) has an indirect stake of 20% through Eni East Africa.

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