Results
Second quarter 2017

July 31, 2017

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2Q17 highlights

- Ebitda of €473 m, up 40% YoY and 13% QoQ, driven by upstream production growth and downstream performance
- Lula and Iracema projects with seven units in operation, of which six at plateau level
- R&M benefiting from high refining system availability and higher refining margins
- Normalised G&P contribution, despite fewer trading opportunities and lower contribution from gas marketing activities in Iberia
- Cash flow benefitting from strong operational results and working capital normalisation

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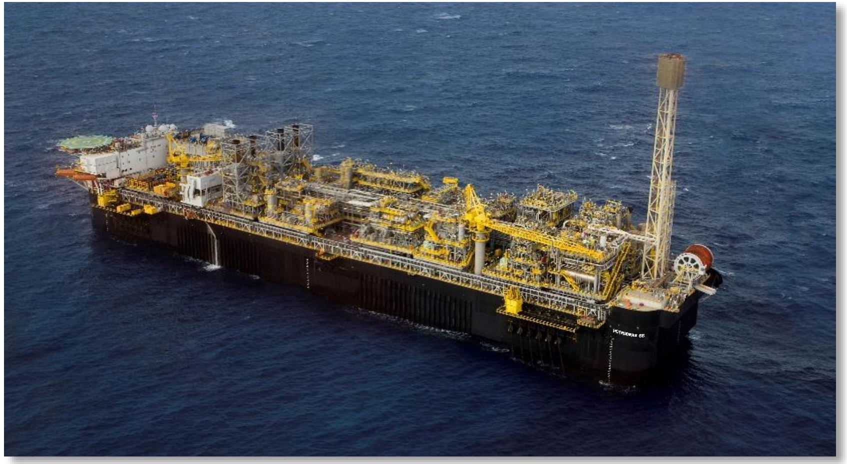
Execution Update

Financial Overview

Appendix

Pre-salt execution driving production growth

Brazil



Lula South FPSO

- Six FPSOs currently producing at plateau level, with Q2 production impacted by maintenance activities
- Start-up of the first replicant unit (FPSO #7) at Lula South, now producing over 25 kbpd from one producer

Angola

BBLT platform

- WI production from blocks 14/14k declining as expected
- Execution of Kaombo project proceeding, with production to start during 2018

Mozambique: Coral South FID

Coral South FLNG

- Significant milestone for the development of Mozambique as a LNG province
- FLNG with 3.4 mtpa capacity and offtake agreement for 100% of production
- First gas expected by 2022
- Working on Mamba first stage of development

Downstream contribution supported by strong R&M

Refining & Marketing

- High availability of the refining system, with realised margin of $5.7/boe
- Marketing performance driven by Iberian economic momentum and seasonal demand

Gas & Power

- Contribution normalised after gas sourcing constraints during 1Q17
- Trading activities supported by LNG structured contracts

Execution and environment driving 2017 performance

	2017 plan	**1H17**
Brent ($/bbl)	50.0	**51.7**
Benchmark refining margin ($/bbl)	2.5	**3.9**
WI production (kboepd)	90 – 95	**88.9**
Ebitda (€ bn)	1.5 – 1.6	**0.9**
Capex (€ bn)	1.0 – 1.2	**0.4**

- 2017 Group Ebitda now expected above initial guidance
- Group capex estimated at c.€1.0 bn
- Maintaining production guidance

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Q2 Ebitda of €473 m, up 40% YoY and 13% QoQ

Profit & Loss RCA (€m)

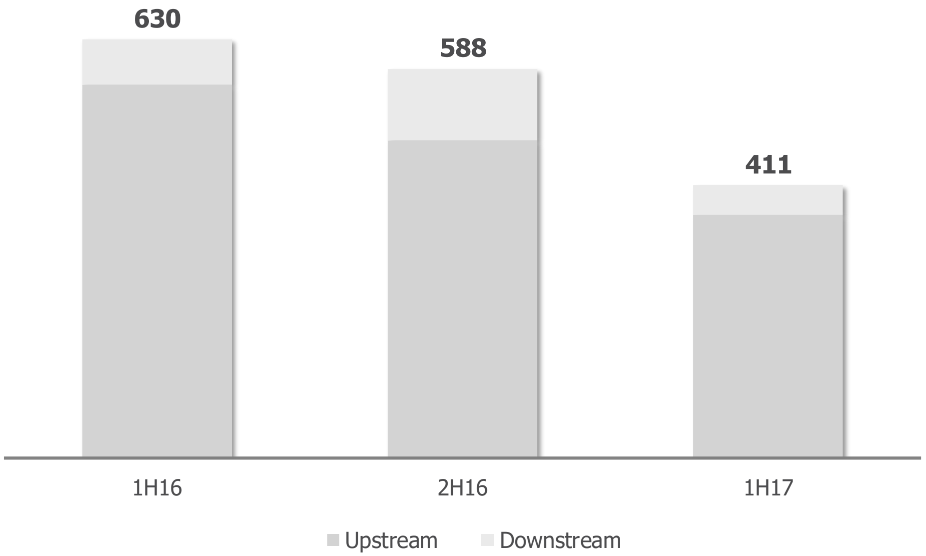
	2Q16	1Q17	2Q17
Turnover	**3,267**	**3,844**	**3,779**
Ebitda	**337**	**419**	**473**
E&P	86	204	188
R&M	143	187	233
G&P[1]	97	22	46
Ebit	**185**	**220**	**253**
Associates	**24**	**32**	**41**
Financial results	**15**	**(12)**	**(10)**
Taxes[2]	**(79)**	**(123)**	**(120)**
Non-controlling interests	**(12)**	**(18)**	**(12)**
Net Income	**133**	**99**	**151**
Net Income (IFRS)	**66**	**134**	**99**

- Upstream Ebitda supported by production growth, but impacted by lower oil prices QoQ
- Downstream benefiting from supportive refining environment, marketing performance and normalisation of gas contribution
- Ebit impacted by €22 m exploration impairment
- RCA net income up 14% YoY, with IFRS net income of €99 m impacted by non-recurring items of €17 m and negative inventory effect of €35 m

[1] The regulated infrastructure business ceased to be fully consolidated as of the end of October 2016.
[2] Includes corporate income taxes and taxes payable on oil and gas production.

Upstream development as main capex driver

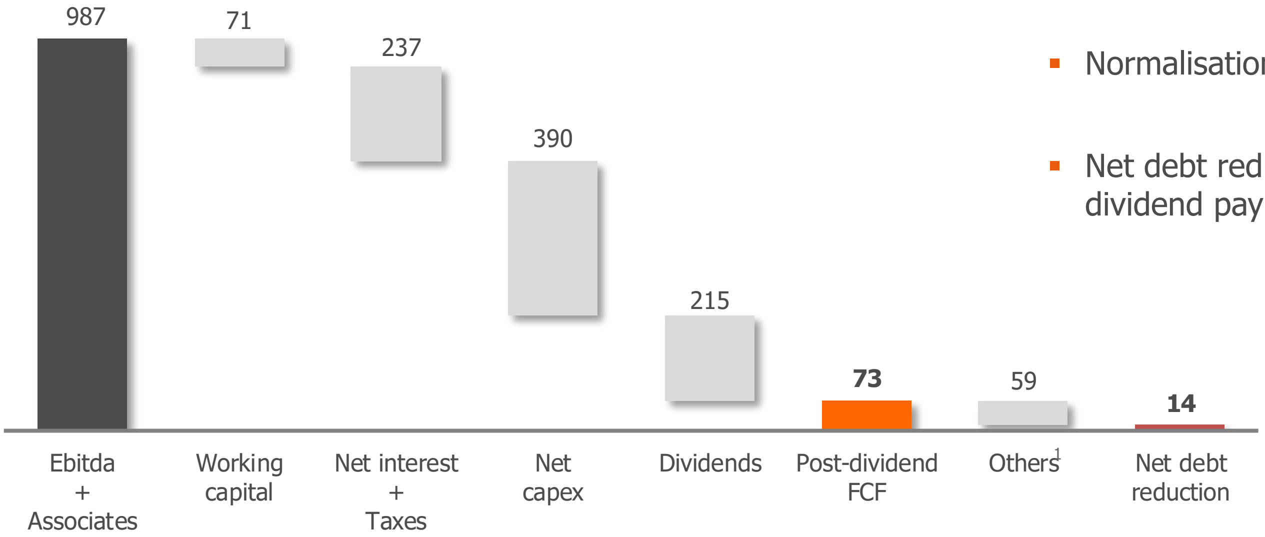
Capital Expenditure (€m)



- Lower capex YoY due to the reduction of drilling intensity in Brazil
- Around 89% of total investment allocated to E&P, of which Brazil accounted for c.75%
- 2H17 to include first significant capex from the Coral South project

Strong CF generation supported by operational performance…

1H17 Change in net debt (€m)



- Cash flow supported by upstream production growth and downstream environment
- Normalisation of inventories in 2Q17
- Net debt reduction during H1 despite dividend payment of €215 m in 2Q17

[1] Includes mainly Sinopec loan partial reimbursement and CTAs (Cumulative Translation Adjustment).

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… and maintaining robust financial position

Balance Sheet (€m)[1]

	31 December, 2016	31 March, 2017	30 June, 2017
Net fixed assets	7,721	7,901	7,458
Work in progress	*2,650*	*2,687*	*2,460*
Working capital	512	742	583
Loan to Sinopec	610	561	527
Other assets (liabilities)	(429)	(635)	(595)
Capital employed	**8,414**	**8,569**	**7,974**
Net debt[2]	1,870	1,895	1,856
Equity	6,543	6,674	6,118
Net Debt + Equity	**8,414**	**8,569**	**7,974**

- Net fixed assets and equity down QoQ impacted by US Dollar and Brazilian Real depreciation against the Euro
- Net debt of €1.3 bn considering loan to Sinopec as cash, with implicit net debt to Ebitda of 0.90x[3]

[1] IFRS figures.
[2] Not considering loan to Sinopec as cash.
[3] As at 30 June 2017, ratio considers net debt including loan to Sinopec as cash, plus €165 m Sinopec MLT Shareholder Loan to Petrogal Brasil, and LTM RCA Ebitda of €1,673 m.

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E&P: Resilient results despite decline in oil prices QoQ

Main E&P data

		2Q16	1Q17	2Q17
Working interest production[1]	kboepd	**54.7**	**88.0**	**89.9**
Oil production	kbpd	51.7	76.9	78.0
Net entitlement production[1]	kboepd	**52.2**	**86.2**	**88.1**
Angola	kbpd	7.1	6.9	6.2
Brazil	kboepd	45.0	79.3	81.8
Oil and gas average sale price	USD/boe	**38.3**	**45.4**	**43.4**
Production costs	USD/boe	9.8	8.0	9.2
DD&A[2]	USD/boe	14.8	13.4	14.2
Ebitda RCA	€ m	**86**	**204**	**188**
Ebit RCA	€ m	**24**	**106**	**63**
Net Income from E&P Associates	€ m	**8**	**9**	**8**
CAPEX	€ m	**245**	**209**	**157**

- Production up 2% QoQ despite Brazil units maintenance and Angola natural decline
- Ebitda affected by lower Brent price and higher unit costs due to maintenance stoppages and start-up of FPSO #7
- Ebit impacted by a €22 m exploration impairment in Portugal

Note: Unit figures based on net entitlement production.
[1] Includes natural gas exported, excludes natural gas used or reinjected.
[2] Non-cash costs related to operating activities, includes abandonment provisions and excludes exploration expenses written-off.

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R&M: Capturing favourable environment

Main R&M data

		2Q16	1Q17	2Q17
Galp refining margin	USD/boe	**4.6**	**5.1**	**5.7**
Refining cash cost[1]	USD/boe	1.7	1.7	1.6
Impact of hedging on refining margin[2]	USD/boe	(0.0)	(0.0)	(0.2)
Raw materials processed	mmboe	**26.3**	**26.1**	**30.0**
Total refined product sales	mton	**4.5**	**4.4**	**4.7**
Sales to direct clients	mton	2.3	2.1	2.3
Ebitda RCA	€ m	**143**	**187**	**233**
Ebit RCA	€ m	**71**	**94**	**145**
Net Income from R&M Associates	€ m	**(0)**	**(2)**	**8**
CAPEX	€ m	**35**	**16**	**24**

- Maximising realised refining margin through sourcing optimisation and arbitrage opportunities
- Refining contribution also supported by higher throughput
- Positive marketing performance, leveraging economic momentum in Iberia

Note: Unit figures based on total raw materials processed.
[1] Excluding impact of refining margin hedging operations.
[2] Impact on Ebitda.

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G&P: Contribution reflecting lower trading opportunities

Main G&P data

		2Q16	1Q17	2Q17
NG/LNG total sales volumes	mm^3	**1,593**	**2,006**	**1,726**
Sales to direct clients	mm^3	881	1,149	1,052
Trading	mm^3	712	857	675
Ebitda RCA	€ m	**97**	**22**	**46**
Ebit RCA	€ m	**81**	**15**	**40**
Net Income from G&P Associates	€ m	**17**	**25**	**25**
CAPEX	€ m	**7**	**2**	**2**

- Results normalised after Q1 sourcing restrictions
- Volumes up YoY due to higher sales to direct clients and despite lower LNG trading opportunities
- Steady contribution from Associates, now including gas infrastructure business

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