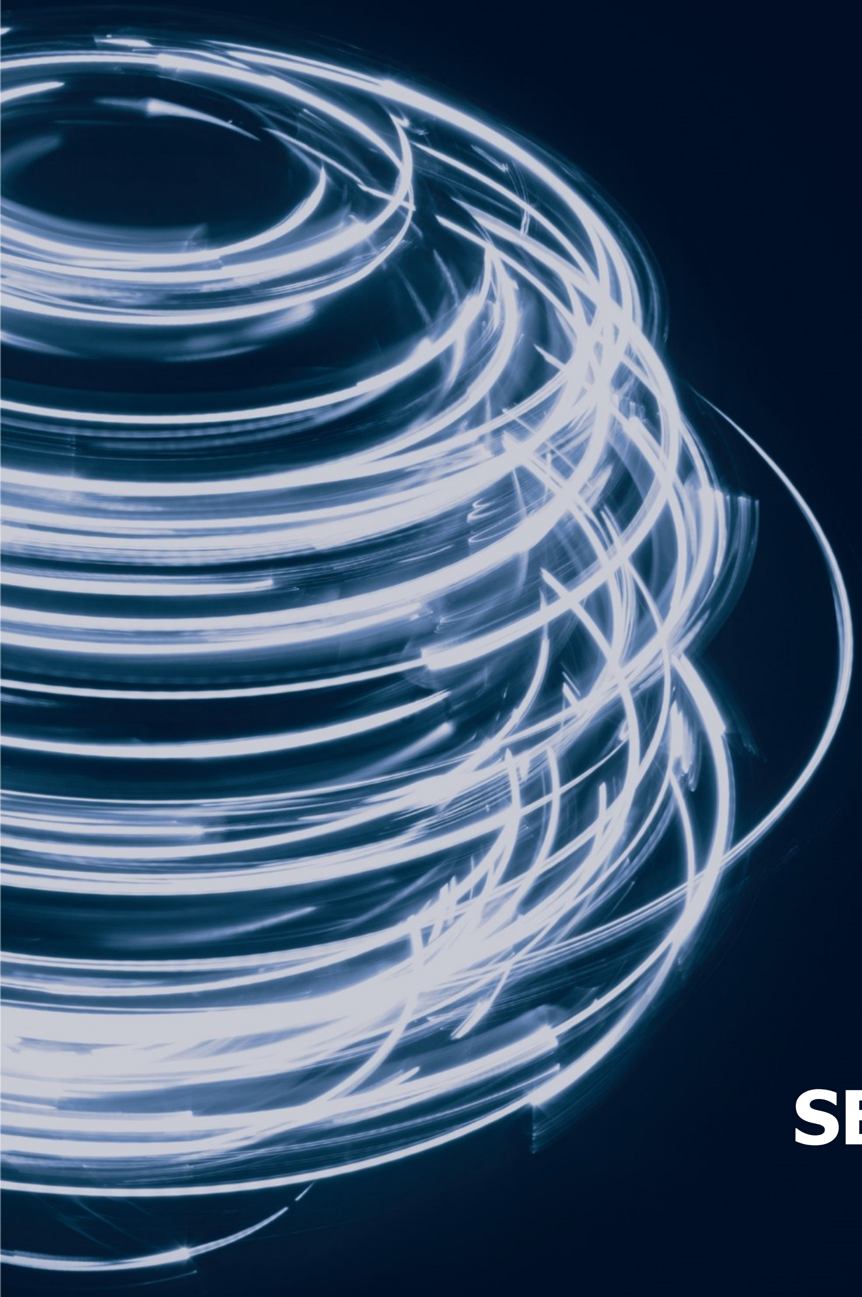
galp



RESULTS
SECOND QUARTER 2018

July 30, 2018

Investor Relations

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1. Executive summary

- **Cash Flow from Operations reached €604 m** during the quarter, up 13% YoY. **Free Cash Flow of €398 m** and post-dividend Free Cash Flow of €146 m, after considering €252 m paid in dividends.

- **Consolidated RCA Ebitda was €628 m,** driven by a higher contribution from the E&P business.

  - **E&P: RCA Ebitda increased €240 m YoY to €411 m,** supported by **increased production and higher oil and natural gas sale prices**, and despite the depreciation of the USD against the Euro. **Average working interest** (WI) **production reached 108.1 kboepd, up 20% YoY**, following the progressive development of the Lula field.

  - **R&M: RCA Ebitda decreased €57 m YoY to €174 m,** due to lag effects in marketing pricing formulas deriving from the increase in commodity prices and by refining FX. **Galp's refining margin was $6.1/boe**, benefiting from the increase in middle distillate cracks, from the optimisation of raw materials and energy sources, as well as from gasoline exports to the USA.

  - **G&P: RCA Ebitda was down €11 m YoY to €34 m,** impacted by the lower contribution from the LNG trading activity, despite higher network trading volumes and increased sales to industrial clients.

- **Group RCA Ebit amounted to €457 m,** reflecting the Ebitda evolution. IFRS Ebit was €570 m, with the inventory effect accounting for €83 m.

- **RCA net income was €251 m, up €97 m YoY,** while IFRS net income increased to €330 m.

- **Capex totalled €218 m,** of which 81% was allocated to E&P activities.

- At the end of June, **net debt stood at €1,737 m**, with net debt to Ebitda at 0.9x.

- During May, Galp signed a **20-year LNG Sales and Purchase Agreement** (SPA) with **Venture Global LNG for 1 mtpa** from the Calcasieu Pass LNG export facility in the U.S., which is expected to start operations in 2022.

- In July, the consortium for the development of Area 4 **submitted to the Mozambican government the Plan of Development for the first phase of the Rovuma LNG project**, which will develop the large Mamba fields. The first phase will comprise two LNG trains which will produce 7.6 mtpa each.

- On July 27, Galp announced the **start of production** of **Kaombo project** in block 32, in Angola.

Considering the operating performance during the first half of 2018 and the higher oil prices, the **Ebitda guidance for the full year 2018 is now expected to be over €2.1 billion** (bn). **Capex guidance is maintained at €1.0 - €1.1 bn**, now including the signature bonuses from the exploration blocks acquired in the recent bidding rounds in Brazil.

Financial data

€m (IFRS, except otherwise stated)

Quarter						First Half			
2Q17	1Q18	2Q18	Var. YoY	% Var. YoY		2017	2018	Var. YoY	% Var. YoY
456	**455**	**628**	**172**	**38%**	**RCA Ebitda**	**844**	**1,083**	**239**	**28%**
171	293	411	240	140%	Exploration & Production	350	704	354	101%
231	121	174	(57)	(25%)	Refining & Marketing	415	295	(120)	(29%)
45	34	34	(11)	(24%)	Gas & Power	64	68	4	6%
262	**278**	**457**	**195**	**74%**	**RCA Ebit**	**457**	**735**	**278**	**61%**
71	210	328	257	n.m.	Exploration & Production	154	538	384	n.m.
143	33	93	(50)	(35%)	Refining & Marketing	237	126	(111)	(47%)
40	29	29	(11)	(28%)	Gas & Power	54	58	4	7%
154	**136**	**251**	**97**	**63%**	**RCA Net income**	**231**	**387**	**156**	**68%**
102	**132**	**330**	**228**	**n.m.**	**IFRS Net income**	**215**	**462**	**247**	**n.m.**
(17)	(39)	11	28	n.m.	Non-recurring items	(35)	(28)	(7)	(20%)
(35)	35	68	103	n.m.	Inventory effect	19	103	84	n.m.
533	**245**	**604**	**71**	**13%**	**Cash flow from operations**	**676**	**849**	**173**	**26%**
171	**146**	**218**	**47**	**27%**	**Capex**	**372**	**364**	**(8)**	**(2%)**
127	**29**	**146**	**19**	**15%**	**Post-dividend free cash flow**	**70**	**175**	**105**	**n.m.**
1,895	**1,885**	**1,737**	**(158)**	**(8%)**	**Net debt**	**1,895**	**1,737**	**(158)**	**(8%)**
1,1x	**1.0x**	**0.9x**	**-**	**-**	**Net debt to RCA Ebitda**	**1,1x**	**0.9x**	**-**	**-**

Operational data

Quarter						First Half			
2Q17	1Q18	2Q18	Var. YoY	% Var. YoY		2017	2018	Var. YoY	% Var. YoY
89.9	104.1	108.1	18.2	20%	Average working interest production (kboepd)	88.9	106.1	17.2	19%
88.1	102.6	106.7	18.6	21%	Average net entitlement production (kboepd)	87.2	104.7	17.5	20%
43.4	58.2	63.8	20.4	47%	Oil and gas average sale price (USD/boe)	43.9	60.9	17.1	39%
30.0	25.0	28.5	(1.5)	(5%)	Raw materials processed (mmboe)	56.1	53.4	(2.7)	(5%)
5.7	3.3	6.1	0.3	6%	Galp refining margin (USD/boe)	5.5	4.8	(0.7)	(12%)
2.3	2.1	2.2	(0.1)	(5%)	Oil sales to direct clients (mton)	4.4	4.3	(0.1)	(2%)
1,052	1,225	1,133	81	8%	NG sales to direct clients (mm^3)	2,201	2,358	157	7%
675	750	759	84	12%	NG/LNG trading sales (mm^3)	1,532	1,508	(24)	(2%)

Market indicators

Quarter						First Half			
2Q17	1Q18	2Q18	Var. YoY	% Var. YoY		2017	2018	Var. YoY	% Var. YoY
1.10	1.23	1.19	0.09	8%	Average exchange rate EUR:USD	1.08	1.21	0.13	12%
3.55	3.99	4.30	0.75	21%	Average exchange rate EUR:BRL	3.45	4.14	0.70	20%
49.6	66.8	74.4	24.8	50%	Dated Brent price (USD/bbl)	51.7	70.6	18.9	36%
(1.2)	(1.5)	(2.2)	1.0	88%	Heavy-light crude price spread[1] (USD/bbl)	(1.5)	(1.9)	(0.4)	24%
17.9	22.2	22.2	4.3	24%	Iberian MIBGAS natural gas price (EUR/MWh)	21.5	22.2	0.8	4%
15.6	21.4	21.1	5.5	35%	Dutch TTF natural gas price (EUR/MWh)	17.1	21.2	4.2	25%
5.5	9.4	8.8	3.3	60%	Japan/Korea Marker LNG price (USD/mmbtu)	6.3	9.1	2.8	45%
4.3	1.9	2.4	(1.9)	(44%)	Benchmark refining margin (USD/bbl)	3.9	2.1	(1.8)	(45%)
15.7	15.6	16.6	0.9	5.7%	Iberian oil market (mton)	30.9	32.3	1.4	4.4%
7,634	10,079	7,898	265	3.5%	Iberian natural gas market (mm^3)	17,367	17,977	610	3.5%

Source: Platts for commodities prices; MIBGAS for Iberian natural gas price; APETRO and CORES for Iberian oil market; Galp and Enagás for Iberian natural gas market. [1] Urals NEW dated for heavy crude; dated Brent for light crude.

2. Exploration & Production

€m (RCA, except otherwise stated; unit figures based on net entitlement production)

Quarter						First Half			
2Q17	1Q18	2Q18	Var. YoY	% Var. YoY		2017	2018	Var. YoY	% Var. YoY
89.9	**104.1**	**108.1**	**18.2**	**20%**	**Average working interest production[1] (kboepd)**	**88.9**	**106.1**	**17.2**	**19%**
78.0	91.6	94.6	16.6	21%	Oil production (kbpd)	77.4	93.1	15.7	20%
88.1	**102.6**	**106.7**	**18.6**	**21%**	**Average net entitlement production[1] (kboepd)**	**87.2**	**104.7**	**17.5**	**20%**
6.2	5.6	5.3	(0.9)	(15%)	Angola	6.6	5.4	(1.1)	(17%)
81.8	97.1	101.4	19.6	24%	Brazil	80.6	99.3	18.7	23%
43.4	**58.2**	**63.8**	**20.4**	**47%**	**Oil and gas average sale price (USD/boe)**	**43.9**	**60.9**	**17.1**	**39%**
4.0	**5.4**	**6.1**	**2.1**	**51%**	**Royalties[2] (USD/boe)**	**4.1**	**5.8**	**1.6**	**40%**
9.2	**9.2**	**7.7**	**(1.5)**	**(16%)**	**Production costs (USD/boe)**	**8.6**	**8.4**	**(0.2)**	**(2%)**
13.7	**11.0**	**10.2**	**(3.6)**	**(26%)**	**DD&A[3] (USD/boe)**	**13.5**	**10.6**	**(2.9)**	**(21%)**
171	**293**	**411**	**240**	**140%**	**RCA Ebitda[4]**	**350**	**704**	**354**	**101%**
102	83	83	(19)	(19%)	Depreciation, Amortisation and Impairments[3]	198	166	(32)	(16%)
-	-	-	-	n.m.	Exploration expenditures written-off[4]	-	-	-	n.m.
(2)	-	-	2	n.m.	Provisions	(2)	-	2	n.m.
71	**210**	**328**	**257**	**n.m.**	**RCA Ebit**	**154**	**538**	**384**	**n.m.**
67	**210**	**328**	**261**	**n.m.**	**IFRS Ebit**	**152**	**538**	**386**	**n.m.**
8	**13**	**10**	**2**	**25%**	**Net Income from E&P Associates**	**16**	**23**	**7**	**44%**

[1] Includes natural gas exported; excludes natural gas used or reinjected.
[2] Based on total NE production.
[3] Includes abandonment provisions and excludes exploration expenditures written-off.
[4] Effective from 1 January 2018, G&G and G&A costs, mainly related to the exploration activity, started to be accounted as operating costs of the period in which they occur, and ceased to be capitalised. The Successful Efforts Method (SEM) was applied retrospectively and the 2017 figures were restated for comparison purposes.

Operations

Second quarter

Average working interest production of oil and natural gas was 108.1 kboepd, of which 88% corresponded to oil production.

Production increased 20% YoY supported by the ongoing development of the Lula field in block BM-S-11 in Brazil, with FPSO #7 reaching oil plateau production in April, 11 months after starting-up. During the quarter, FPSO #6 and #2 underwent planned maintenance activities.

Regarding Iara, in block BM-S-11A, the Extended Well Test (EWT) in the Sururu area is ongoing and contributed with 1.6 kbpd to average quarterly production.

In block BM-S-8, the drilling of the Guanxuma prospect was initiated in April. Works are still ongoing to assess volumes and commercial potential.

In Angola, WI production was down 17% YoY to 6.7 kbpd, due to the natural decline of the fields in block 14. Net entitlement production decreased 15% YoY.

On July 27, Galp announced the start of production of the Kaombo project in block 32 in Angola, through the FPSO that will develop the Kaombo North area.

Regarding the development of Area 4 in Mozambique, the consortium submitted to the Mozambican government the development plan for the first phase of the Rovuma LNG project, which will develop the large Mamba fields. The first phase will comprise two LNG trains which will produce 7.6 mtpa each, with Final Investment Decision expected in 2019 and first gas in 2024.

First half

During the first half of 2018, average working interest production was 106.1 kboepd, a 19% increase YoY driven mainly by the ramp-up of FPSOs #7 and #6 in Brazil.

Net entitlement production increased 20% YoY to 104.7 kboepd.

Results

Second quarter

RCA Ebitda for the E&P business was €411 m, up €240 m YoY, on the back of increased production and higher average sale prices of oil and natural gas, and despite the depreciation of the USD:EUR.

Production costs decreased €4 m YoY to €63 m, benefiting from past cost adjustments in Brazil and from the BRL depreciation. In unit terms, and on a net entitlement basis, production costs were $7.7/boe, down $1.5/boe YoY.

2Q18 Ebitda was also positively impacted by an adjustment following the closing of an underlifting position.

Amortisation and depreciation charges (including abandonment provisions) decreased €19 m YoY to €83 m, due to the reserves revision at the end of 2017, namely in Brazil, and to the weaker BRL. On a net entitlement basis, DD&A decreased from $13.7/boe to $10.2/boe, also benefiting from a higher dilution from increasing production.

RCA Ebit was €328 m, up €257 m YoY.

First half

RCA Ebitda amounted to €704 m, up €354 m YoY, benefiting from increased production and average sale prices.

Production costs increased €6 m YoY to €131 m, due to the higher number of operating units in Brazil. In unit terms and on a net entitlement basis, production costs declined to $8.4/boe.

Amortisations, depreciation charges and abandonment provisions amounted to €166 m, down €32 m YoY, benefiting from the reserves revision at the end of 2017, namely in Brazil, and from the weaker BRL. On a net entitlement basis, unit depreciation charges were $10.6/boe, down $2.9/boe YoY.

RCA Ebit was €538 m, up €384 m YoY.

The contribution of associated companies related to the E&P activities was €23 m during the first half of 2018.

3. Refining & Marketing

€m (RCA, except otherwise stated)

Quarter						First Half			
2Q17	1Q18	2Q18	Var. YoY	% Var. YoY		2017	2018	Var. YoY	% Var. YoY
5.7	**3.3**	**6.1**	**0.3**	**6%**	**Galp refining margin (USD/boe)**	**5.5**	**4.8**	**(0.7)**	**(12%)**
1.6	**2.3**	**2.3**	**0.6**	**39%**	**Refining cost (USD/boe)**	**1.7**	**2.3**	**0.6**	**37%**
(0.3)	**0.6**	**0.2**	**0.4**	**n.m.**	**Impact of refining margin hedging[1] (USD/boe)**	**(0.2)**	**0.4**	**0.5**	**n.m.**
30.0	**25.0**	**28.5**	**(1.5)**	**(5%)**	**Raw materials processed (mmboe)**	**56.1**	**53.4**	**(2.7)**	**(5%)**
26.7	23.4	26.4	(0.3)	(1%)	Crude processed (mmbbl)	49.6	49.8	0.2	0%
4.7	**4.1**	**4.7**	**(0.0)**	**(0%)**	**Total oil products sales (mton)**	**9.1**	**8.9**	**(0.2)**	**(2%)**
2.3	2.1	2.2	(0.1)	(5%)	Sales to direct clients (mton)	4.4	4.3	(0.1)	(2%)
231	**121**	**174**	**(57)**	**(25%)**	**RCA Ebitda**	**415**	**295**	**(120)**	**(29%)**
89	88	81	(8)	(9%)	Depreciation, Amortisation and Impairments[2]	179	169	(10)	(6%)
(1)	-	-	1	n.m.	Provisions	(1)	-	1	n.m.
143	**33**	**93**	**(50)**	**(35%)**	**RCA Ebit**	**237**	**126**	**(111)**	**(47%)**
94	**74**	**200**	**106**	**n.m.**	**IFRS Ebit**	**243**	**274**	**31**	**13%**
8	**1**	**-**	**(8)**	**n.m.**	**Net Income from R&M Associates**	**6**	**1**	**(5)**	**(83%)**

[1] Impact on Ebitda.

[2] Excludes impairments on accounts receivables, which started to be accounted in Ebitda in 2018.

Operations

Second quarter

Raw materials processed were 28.5 mmboe during the quarter, 5% lower YoY. Crude oil accounted for 93% of raw materials processed, of which 87% corresponded to medium and heavy crudes.

Middle distillates (diesel and jet) accounted for 46% of production, gasoline for 23% and fuel oil to 16%. Consumption and losses accounted for 7% of raw materials processed.

Volumes sold to direct clients were 2.2 mton, 5% lower YoY, impacted by the temporary reduction in naphtha demand in Iberia, but which was offset by higher exports. Volumes sold in Africa accounted for 11% of total volumes sold to direct clients.

First half

Raw materials processed were 53.4 mmboe, 5% lower YoY, impacted by the planned maintenance of the hydrocracker (HC) in Sines during the first quarter. Crude oil accounted for 93% of raw materials processed, of which 85% corresponded to medium and heavy crudes.

Middle distillates accounted for 46% of production, gasoline for 23% and fuel oil to 16%. Consumption and losses accounted for 7% of raw materials processed.

Volumes sold to direct clients were 4.3 mton, with volumes sold in Africa accounting for 10%.

Results

Second quarter

RCA Ebitda for the R&M business decreased €57 m YoY to €174 m, impacted by the lag in marketing pricing formulas deriving from the significant increase in commodity prices and by FX adjustments in refining.

Galp's refining margin amounted to $6.1/boe, compared to $5.7/boe the previous year, having benefited from higher middle distillate cracks, from the optimisation of raw materials and of energy sources, namely natural gas. Exports of gasoline to the USA also continued to contribute positively to the performance of the refining activity.

Refining costs stood at €54 m, or $2.3/boe in unit terms, still impacted by maintenance costs relating to the outage of the HC during the first quarter.

Refining margin hedging operations contributed with €4 m during the quarter, compared to a loss of €8 m the previous year.

The marketing activity continued to deliver a strong performance, although impacted by lag effects in pricing formulas.

RCA Ebit was €93 m, while IFRS Ebit increased to €200 m. The inventory effect was €77 m.

Non-recurring items amounted to €30 m and were mainly related to a litigation compensation.

First half

Ebitda RCA for the R&M business decreased €120 m YoY to €295 m, impacted by the lag in pricing formulas and by FX.

Galp's refining margin stood at $4.8/boe, compared to $5.5/boe during the first half of 2017, mainly due to lower gasoline and fuel oil prices.

Refining costs stood at €100 m, up €14 m YoY, mainly due to the maintenance of the HC in the first quarter of the year. In unit terms, refining costs were $2.3/boe.

The marketing activity maintained its positive contribution to results.

RCA Ebit stood at €126 m and IFRS Ebit increased to €274 m. The inventory effect was €118 m.

4. Gas & Power

€m (RCA, except otherwise stated)

Quarter						First Half			
2Q17	1Q18	2Q18	Var. YoY	% Var. YoY		2017	2018	Var. YoY	% Var. YoY
1,726	**1,975**	**1,892**	**165**	**10%**	**NG/LNG total sales volumes (mm^3)**	**3,733**	**3,866**	**134**	**4%**
1,052	1,225	1,133	81	8%	Sales to direct clients (mm^3)	2,201	2,358	157	7%
675	750	759	84	12%	Trading (mm^3)	1,532	1,508	(24)	(2%)
1,170	**1,442**	**1,326**	**156**	**13%**	**Sales of electricity (GWh)**	**2,520**	**2,768**	**248**	**10%**
348	364	349	1	0%	Sales of electricity to the grid (GWh)	844	713	(130)	(15%)
45	**34**	**34**	**(11)**	**(24%)**	**RCA Ebitda**	**64**	**68**	**4**	**6%**
38	22	22	(16)	(42%)	Supply & Trading	47	44	(3)	(6%)
7	12	12	5	71%	Power	17	24	7	41%
4	5	5	1	25%	Depreciation, Amortisation and Impairments[1]	9	10	1	11%
1	-	-	(1)	n.m.	Provisions	1	-	(1)	n.m.
40	**29**	**29**	**(11)**	**(28%)**	**RCA Ebit**	**54**	**58**	**4**	**7%**
36	21	20	(16)	(44%)	Supply & Trading	45	41	(4)	(9%)
4	8	9	5	n.m.	Power	9	17	8	89%
39	**30**	**35**	**(4)**	**(10%)**	**IFRS Ebit**	**62**	**65**	**3**	**5%**
25	**24**	**25**	**-**	**-**	**Net Income from G&P Associates**	**50**	**49**	**(1)**	**(2%)**

[1] Excludes impairments on accounts receivables, which started to be accounted in Ebitda in 2018.

Operations

Second quarter

Total volumes of NG/LNG sold during the second quarter of 2018 reached 1,892 mm³, up 10% YoY, following the increase in network trading volumes and in sales to industrial clients.

Sales of electricity increased 13% YoY to 1,326 GWh, mainly due to a higher contribution from the marketing activity.

During May, Galp announced the signature of a 20-year LNG SPA with Venture Global LNG for 1 mtpa from the Calcasieu Pass LNG export facility in the U.S., which is expected to start operations in 2022.

First Half

Sales of NG/LNG increased 4% YoY to 3,866 mm³, supported by the increase in sales to direct clients, namely in the industrial segment.

Trading volumes decreased 2% YoY, with the increase in sales in the European hubs not offsetting the fewer LNG trading volumes.

Sales of electricity increased 10% YoY to 2,768 GWh, on the back of the higher contribution from the marketing activity.

Results

Second quarter

During the second quarter of 2018, Ebitda RCA decreased €11 m YoY to €34 m, impacted by the lower contribution from the supply and trading activity, driven by lower LNG volumes sold in the international market.

Ebitda for the power segment rose €5 m YoY to €12 m, supported by the time lag of the natural gas purchase price and the sale price of the energy produced by the Group’s cogeneration units.

RCA Ebit was €29 m, while IFRS Ebit totalled €35 m.

Results from associated companies were stable at €25 m, of which €9 m related to the equity interest in Galp Gás Natural Distribuição, S.A. (GGND).

First half

Ebitda RCA rose €4 m YoY to €68 m, due to the higher results from the power activity.

Ebitda for the power activity increased €7 m YoY to €24 m, benefiting from the time lag between natural gas purchase and electricity sale prices.

RCA Ebit was €58 m, while IFRS Ebit was €65 m.

Results from associated companies stood at €49 m, of which €17 m related to GGND.

5. Financial data

5.1. Income statement

€m (RCA, except otherwise stated)

Quarter						First Half			
2Q17	1Q18	2Q18	Var. YoY	% Var. YoY		2017	2018	Var. YoY	% Var. YoY
3,779	3,891	4,546	767	20%	Turnover	7,622	8,437	815	11%
(2,863)	(2,950)	(3,394)	531	19%	Cost of goods sold	(5,839)	(6,344)	505	9%
(404)	(445)	(459)	55	14%	Supply & Services	(806)	(904)	98	12%
(68)	(82)	(72)	4	6%	Personnel costs	(147)	(154)	7	5%
15	45	9	(6)	(40%)	Other operating revenues (expenses)	22	54	32	n.m.
(3)	(4)	(2)	(1)	(33%)	Impairments on accounts receivable	(8)	(6)	(2)	(25%)
456	**455**	**628**	**172**	**38%**	**RCA Ebitda**	**844**	**1,083**	**239**	**28%**
405	**497**	**741**	**336**	**83%**	**IFRS Ebitda**	**859**	**1,238**	**379**	**44%**
(196)	(177)	(171)	(25)	(13%)	Depreciation, Amortisation and Impairments	(389)	(348)	(41)	(11%)
2	-	-	(2)	n.m.	Provisions	2	-	(2)	n.m.
262	**278**	**457**	**195**	**74%**	**RCA Ebit**	**457**	**735**	**278**	**61%**
208	**320**	**570**	**362**	**n.m.**	**IFRS Ebit**	**469**	**890**	**421**	**90%**
41	39	35	(6)	(15%)	Net income from associates	73	74	1	1%
(13)	(8)	36	49	n.m.	Financial results	(26)	28	54	n.m.
(19)	(16)	(9)	(10)	(53%)	Net interests	(40)	(25)	(15)	(38%)
24	13	13	(11)	(46%)	Capitalised interest	45	26	(19)	(42%)
(11)	(13)	(5)	6	55%	Exchange gain (loss)	(14)	(18)	(4)	(29%)
(4)	13	37	41	n.m.	Mark-to-market of hedging derivatives	(7)	50	57	n.m.
(3)	(5)	-	(3)	n.m.	Other financial costs/income	(10)	(5)	5	50%
288	**309**	**526**	**238**	**83%**	**RCA Net income before taxes and non-controlling interests**	**503**	**835**	**332**	**66%**
(123)	(144)	(227)	104	85%	Taxes	(243)	(371)	128	53%
(61)	(88)	(124)	63	n.m.	Taxes on oil and natural gas production[1]	(130)	(212)	82	63%
(11)	(29)	(48)	37	n.m.	Non-controlling interests	(29)	(77)	48	n.m.
154	**136**	**251**	**97**	**63%**	**RCA Net income**	**231**	**387**	**156**	**68%**
(17)	(39)	11	28	n.m.	Non-recurring items	(35)	(28)	(7)	(20%)
137	**97**	**262**	**125**	**91%**	**RC Net income**	**196**	**359**	**163**	**83%**
(35)	35	68	103	n.m.	Inventory effect	19	103	84	n.m.
102	**132**	**330**	**228**	**n.m.**	**IFRS Net income**	**215**	**462**	**247**	**n.m.**

[1] Includes SPT payable in Brazil and IRP payable in Angola.

Second quarter

RCA Ebitda went up 38% YoY to €628 m, due to a higher contribution from the E&P business, while IFRS Ebitda reached €741 m. At the Ebitda level, the inventory effect was €83 m, while non-recurring items amounted to €30 m.

RCA Ebit increased €195 m to €457 m, while IFRS Ebit reached €570 m.

Results from associated companies declined to €35 m.

Financial results were up €49 m YoY to €36 m, mainly driven by the positive impact from the mark-to-market of refining margin hedging.

RCA taxes increased €104 m to €227 m, following the higher operating results, mainly in the E&P business.

Non-controlling interests of €48 m were mainly attributable to Sinopec's stake in Petrogal Brasil.

RCA net income reached €251 m, while IFRS net income was €330 m.

First half

RCA Ebitda increased €239 m to €1,083 m, driven by a higher upstream production and increased oil and natural gas prices, and despite the lower USD.

RCA Ebit went up €278 m to €735 m, while IFRS Ebit increased to €890 m.

Results from associated companies stood at €74 m.

Financial results were positive by €28 m, including a €50 m positive impact from the mark-to-market of hedging derivatives. Net interest also contributed positively to results, following the reduction of debt and interest rates YoY.

RCA taxes increased €128 m YoY to €371 m, mainly due to higher taxes related to the production of oil and natural gas.

Non-controlling interests of €77 m were mainly attributable to Sinopec’s 30% stake in Petrogal Brasil.

RCA net income totalled €387 m, while IFRS net income was €462 m.

5.2. Capital expenditure

€m

Quarter						First Half			
2Q17	1Q18	2Q18	Var. YoY	% Var. YoY		2017	2018	Var. YoY	% Var. YoY
144	117	176	32	22%	Exploration & Production	327	293	(34)	(10%)
(1)	4	71	72	n.m.	Exploration and appraisal activities	-	75	75	n.m.
145	113	105	(40)	(28%)	Development and production activities	327	218	(109)	(33%)
24	28	36	12	50%	Refining & Marketing	40	64	24	60%
2	1	6	4	n.m.	Gas & Power	4	7	3	75%
1	-	-	(1)	n.m.	Others	1	-	(1)	n.m.
171	**146**	**218**	**47**	**27%**	**Capex**	**372**	**364**	**(8)**	**(2%)**

Second quarter

Capex totalled €218 m during the quarter, of which 81% was allocated to the E&P business.

Expenditure in development and production activities reached €105 m, mainly allocated to the development of projects in block BM-S-11 in Brazil and in block 32 in Angola. Capex of €71 m in exploration and appraisal activities was mainly related to the payment of the 3% stake acquisition in BM-S-8, in Brazil, announced in October 2017.

First half

Capex totalled €364 m during the first half, of which 80% allocated to the E&P business.

Investment in development and production activities were mainly allocated to block BM-S-11 and block 32. It is also worth highlighting the investment in the Coral South project in Mozambique.

Investment in downstream activities (R&M and G&P) reached €71 m and was mostly allocated to the maintenance and improvement of refining energy efficiency, as well as to the renewal of the retail network.

5.3. Cash flow

Indirect Method

€m (IFRS figures)

Quarter				First Half	
2Q17	1Q18	2Q18		2017	2018
208	320	570	Ebit	469	890
198	177	171	Depreciation, Amortisation and Impairments	391	348
(116)	(92)	(163)	Corporate income taxes and oil and gas production taxes	(197)	(255)
86	-	67	Dividends from associates	86	67
157	(160)	(41)	Change in Working Capital	(73)	(201)
533	**245**	**604**	**Cash flow from operations**	**676**	**849**
(19)	(47)	(7)	Net financial expenses	(40)	(54)
(172)	(169)	(199)	Net capex[1]	(351)	(368)
342	**29**	**398**	**Free cash flow**	**285**	**427**
(215)	-	(252)	Dividends paid	(215)	(252)
127	**29**	**146**	**Post-dividend free cash flow**	**70**	**175**
(88)	(29)	2	Others[2]	(56)	(27)
(39)	**-**	**(148)**	**Change in net debt**	**(14)**	**(148)**

[1] 2017 figures include, among others, the payment of Carcará North signature bonus of c.€150 m and the proceeds of €22 m from the sale of the 25% indirect stake in Âncora project. [2] Includes CTAs (Cumulative Translation Adjustment) and partial reimbursement of the loan granted to Sinopec.

Second quarter

Cash flow from operations (CFFO) amounted to €604 m, up 13% YoY, mainly supported by E&P and R&M business performance.

Dividends paid during the second quarter amounted to €252 m, mainly related to the 2017 final dividend.

Post-dividend free cash flow was positive by €146 m.

First half

During the first half, the robust performance across all business segments contributed to CFFO reaching €849 m, despite the €201 m build in working capital, which resulted from the increase in commodity prices during the period.

Despite net capex of €368 m and dividends paid during the period, free cash flow was positive by €175 m.

Direct Method

€m (IFRS figures)

Quarter				First Half	
2Q17	1Q18	2Q18		2017	2018
858	**1,096**	**1,048**	**Cash and equivalents at the beginning of the period[1]**	**923**	**1,096**
4,348	4,288	5,050	Received from customers	8,711	9,338
(2,556)	(2,852)	(3,109)	Paid to suppliers	(5,595)	(5,961)
(98)	(75)	(97)	Staff related costs	(169)	(172)
86	-	67	Dividends from associates	86	67
(739)	(645)	(691)	Taxes on oil products (ISP)	(1,352)	(1,336)
(434)	(379)	(453)	VAT, Royalties, PIS, Cofins, Others	(808)	(832)
(116)	(92)	(163)	Corporate income taxes and oil and gas production taxes	(197)	(255)
491	**245**	**604**	**Cash flow from operations**	**676**	**849**
(137)	(169)	(199)	Net capex[2]	(328)	(368)
(23)	(47)	(7)	Net Financial Expenses	(73)	(54)
(215)	-	(252)	Dividends paid	(215)	(252)
116	**29**	**146**	**Post-dividend free cash flow**	**60**	**175**
8	(53)	127	Net new loans	(32)	74
-	-	26	Sinopec loan reimbursement	42	26
(79)	(24)	(16)	FX changes on cash and equivalents	(91)	(40)
903	**1,048**	**1,331**	**Cash and equivalents at the end of the period[1]**	**1,578**	**1,331**

[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] 2017 figures include, among others, the payment of Carcará North signature bonus of c.€150 m and the proceeds of €22 m from the sale of the 25% indirect stake in Âncora project.

5.4. Financial position and debt

€m (IFRS figures)

	31 Dec. 2017	31 Mar. 2018	30 Jun. 2018	Var. vs 31 Dec. 2017	Var. vs 31 Mar. 2018
Net fixed assets	7,231	7,099	7,095	(136)	(4)
Working capital	584	744	785	201	41
Loan to Sinopec	459	449	451	(8)	2
Other assets (liabilities)	(613)	(637)	(601)	12	36
Capital employed	**7,661**	**7,655**	**7,730**	**69**	**75**
Short term debt	551	671	708	157	37
Medium-Long term debt	2,532	2,352	2,514	(18)	162
Total debt	**3,083**	**3,023**	**3,222**	**139**	**199**
Cash and equivalents	1,198	1,138	1,485	287	347
Net debt	**1,885**	**1,885**	**1,737**	**(148)**	**(148)**
Total equity	**5,776**	**5,770**	**5,993**	**217**	**223**
Total equity and net debt	**7,661**	**7,655**	**7,730**	**69**	**75**

On June 30, 2018 net fixed assets were €7,095 m, in line with the position at the end of the first quarter, as net capex during the period was mostly offset by DD&A. Work-in-progress, mainly related to the E&P business, stood at €2,192 m at the end of the quarter.

Financial debt

€m (except otherwise stated)

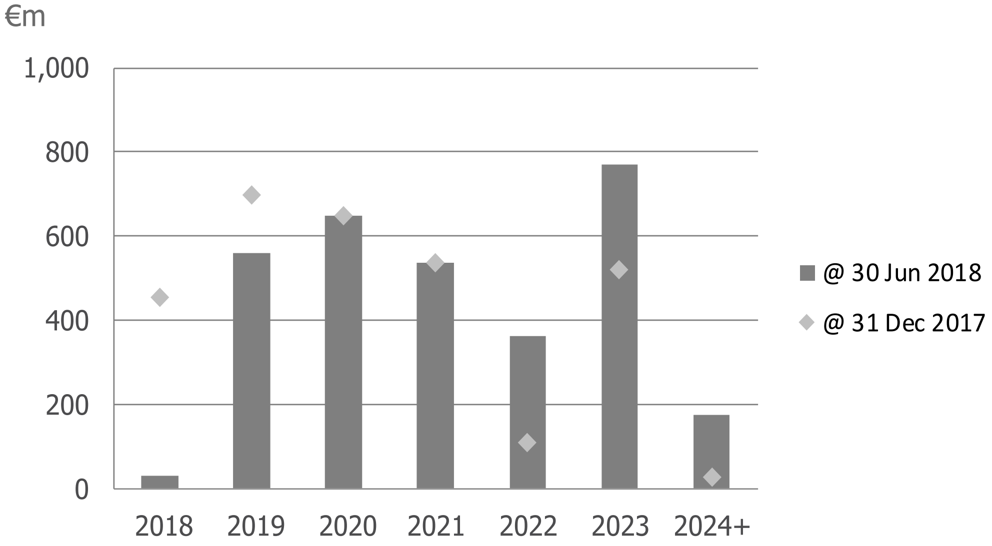
	31 Dec. 2017	31 Mar. 2018	30 Jun. 2018	Var. vs 31 Dec. 2017	Var. vs 31 Mar. 2018
Bonds	1,987	1,867	2,042	55	175
Bank loans and other debt	1,096	1,156	1,180	84	24
Cash and equivalents	(1,198)	(1,138)	(1,485)	(287)	(347)
Net debt	**1,885**	**1,885**	**1,737**	**(148)**	**(148)**
Average life (years)	2.5	2.9	2.9	0.4	0.1
Average funding cost	3.46%	2.95%	2.75%	(0.71 p.p.)	(0.21 p.p.)
Debt at floating rate	40.3%	40.3%	43.8%	3.4 p.p.	3.5 p.p.
Net debt to Ebitda RCA	1.1x	1.0x	0.9x	-	-

Net debt at the end of the first half amounted to €1,737 m, or €148 m below the end of the first quarter figure. Net debt to Ebitda RCA was down to 0.9x.

During the second quarter of 2018, Galp issued medium and long term debt amounting to €300 m. Average life of debt remained stable at 2.9 years, and medium and long term debt accounted for 78% of total debt. The average funding cost during the first half stood at 2.75%.

At the end of the first half, Galp had unused credit lines of approximately €1.0 bn, of which c.65% was contractually guaranteed.

Debt maturity profile



5.5. Reconciliation of IFRS and RCA figures

Ebitda by segment

€m

Second quarter					2018	First Half				
Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurring items	Ebitda RCA		Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurring items	Ebitda RCA
741	**(83)**	**658**	**(30)**	**628**	**Galp**	**1,238**	**(125)**	**1,113**	**(30)**	**1,083**
411	-	411	-	411	**E&P**	704	-	704	-	704
281	(77)	204	(30)	174	**R&M**	443	(118)	325	(30)	295
40	(6)	34	-	34	**G&P**	75	(7)	68	-	68
9	-	9	-	9	**Others**	16	-	16	-	16

€m

Second quarter					2017	First Half				
Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurring items	Ebitda RCA		Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurring items	Ebitda RCA
405	**50**	**455**	**1**	**456**	**Galp**	**859**	**(18)**	**841**	**3**	**844**
171	-	171	-	171	**E&P**	350	-	350	-	350
182	48	230	1	231	**R&M**	424	(12)	412	3	415
43	2	45	-	45	**G&P**	70	(6)	64	-	64
9	-	9	-	9	**Others**	15	-	15	-	15

Ebit by segment

€m

Second quarter					2018	First Half				
Ebit IFRS	Inventory effect	Ebit RC	Non-recurring items	Ebit RCA		Ebit IFRS	Inventory effect	Ebit RC	Non-recurring items	Ebit RCA
570	**(83)**	**487**	**(30)**	**457**	**Galp**	**890**	**(125)**	**765**	**(30)**	**735**
328	-	328	-	328	**E&P**	538	-	538	-	538
200	(77)	123	(30)	93	**R&M**	274	(118)	156	(30)	126
35	(6)	29	-	29	**G&P**	65	(7)	58	-	58
7	-	7	-	7	**Others**	13	-	13	-	13

€m

Second quarter					2017	First Half				
Ebit IFRS	Inventory effect	Ebit RC	Non-recurring items	Ebit RCA		Ebit IFRS	Inventory effect	Ebit RC	Non-recurring items	Ebit RCA
208	**50**	**258**	**4**	**262**	**Galp**	**469**	**(18)**	**451**	**6**	**457**
67	-	67	4	71	**E&P**	152	-	152	2	154
94	48	142	1	143	**R&M**	243	(12)	231	6	237
39	2	41	(1)	40	**G&P**	62	(6)	56	(2)	54
8	-	8	-	8	**Others**	12	-	12	-	12

Non-recurring items

€m

Quarter				First Half	
2Q17	1Q18	2Q18		2017	2018
1.0	**-**	**(30.0)**	**Non-recurring items impacting Ebitda**	**3.0**	**(30.0)**
(1.0)	-	-	Gains/losses on disposal of assets	(1.0)	-
-	-	1.0	Employee restructuring charges	-	1.0
2.0	-	(31.0)	Litigation costs (revenues)	4.0	(31.0)
3.0	**-**	**-**	**Non-recurring items impacting non-cash costs**	**3.0**	**-**
1.0	-	-	Provisions for environmental charges and others	1.0	-
2.0	-	-	Asset impairments	2.0	-
4.0	**7.0**	**-**	**Non-recurring items impacting financial results**	**(14.0)**	**7.0**
4.0	7.0	-	Gains/losses on financial investments[1]	(14.0)	7.0
9.0	**32.0**	**19.0**	**Non-recurring items impacting taxes**	**43.0**	**51.0**
-	-	10.0	Income taxes on non-recurring items	(1.0)	10.0
9.0	32.0	9.0	Energy sector contribution taxes	44.0	41.0
17.0	**39.0**	**(11.0)**	**Total non-recurring items**	**35.0**	**28.0**

[1]Includes CESE impact on GGND.

5.6. IFRS consolidated income statement

€m

Quarter				First Half	
2Q17	1Q18	2Q18		2017	2018
3,630	3,718	4,380	Sales	7,313	8,098
149	173	166	Services rendered	309	339
28	60	76	Other operating income	56	136
3,807	**3,951**	**4,622**	**Total operating income**	**7,678**	**8,573**
(2,913)	(2,908)	(3,311)	Inventories consumed and sold	(5,821)	(6,219)
(406)	(445)	(459)	Materials and services consumed	(810)	(904)
(68)	(82)	(73)	Personnel costs	(147)	(155)
(3)	(4)	(2)	Impairments on accounts receivable	(8)	(6)
(12)	(15)	(36)	Other operating costs	(33)	(51)
(3,402)	**(3,454)**	**(3,881)**	**Total operating costs**	**(6,819)**	**(7,335)**
405	**497**	**741**	**Ebitda**	**859**	**1,238**
(198)	(177)	(171)	Depreciation, Amortisation and Impairments	(391)	(348)
1	-	-	Provisions	1	-
208	**320**	**570**	**Ebit**	**469**	**890**
37	32	35	Net income from associates	87	67
(13)	(8)	36	Financial results	(26)	28
6	7	13	Interest income	14	20
(25)	(23)	(22)	Interest expenses	(54)	(45)
24	13	13	Capitalised interest	45	26
(11)	(13)	(5)	Exchange gain (loss)	(14)	(18)
(4)	13	37	Mark-to-market of hedging derivatives	(7)	50
(3)	(5)	-	Other financial costs/income	(10)	(5)
232	**344**	**641**	**Income before taxes**	**530**	**985**
(109)	(152)	(253)	Taxes[1]	(242)	(405)
(9)	(31)	(10)	Energy sector contribution taxes[2]	(44)	(41)
114	**161**	**378**	**Income before non-controlling interests**	**244**	**539**
(12)	(29)	(48)	Profit attributable to non-controlling interests	(29)	(77)
102	**132**	**330**	**Net income**	**215**	**462**

[1] Includes corporate income taxes and taxes payable on oil and gas production, namely Special Participation Tax (Brazil) and IRP (Angola).
[2] Includes €14.6 m, €17.7 m and €8.7 m related to the CESE I, CESE II and FNEE, respectively, during the first half of 2018.

5.7. Consolidated financial position

€m

	31 Dec. 2017	31 Mar. 2018	30 Jun. 2018
Assets			
Tangible fixed assets	5,193	5,060	4,921
Goodwill	84	83	84
Other intangible fixed assets	407	396	436
Investments in associates	1,483	1,492	1,554
Investments in other participated companies	3	3	3
Receivables	254	252	248
Deferred tax assets	350	304	338
Financial investments	32	32	61
Total non-current assets	**7,806**	**7,622**	**7,645**
Inventories[1]	970	1,083	1,040
Trade receivables	1,018	1,148	1,267
Other receivables	531	658	743
Loan to Sinopec	459	449	451
Financial investments	66	58	155
Current Income tax recoverable	4	12	16
Cash and equivalents	1,197	1,138	1,485
Total current assets	**4,245**	**4,546**	**5,157**
Total assets	**12,051**	**12,168**	**12,802**
Equity and liabilities			
Share capital	829	829	829
Share premium	82	82	82
Translation reserve	(151)	(273)	(254)
Other reserves	2,687	2,687	2,688
Hedging reserves	5	4	14
Retained earnings	269	887	636
Profit attributable to equity holders of the parent	623	130	462
Equity attributable to equity holders of the parent	**4,344**	**4,346**	**4,457**
Non-controlling interests	1,435	1,424	1,536
Total equity	**5,779**	**5,770**	**5,993**
Liabilities			
Bank loans and overdrafts	937	1,007	969
Bonds	1,595	1,344	1,544
Other payables[2]	286	286	292
Retirement and other benefit obligations	326	324	330
Liabilities from financial leases	-	-	-
Deferred tax liabilities	76	73	85
Other financial instruments	3	5	25
Provisions	619	629	644
Total non-current liabilities	**3,842**	**3,668**	**3,889**
Bank loans and overdrafts	159	148	212
Bonds	392	522	497
Trade payables	889	998	1,070
Other payables[3]	854	912	884
Other financial instruments	21	17	86
Income tax payable	115	133	171
Total current liabilities	**2,430**	**2,730**	**2,920**
Total liabilities	**6,272**	**6,398**	**6,809**
Total equity and liabilities	**12,051**	**12,168**	**12,802**

[1] Includes €88.5 m in inventories from third parties on 30 June 2018.
[2] Includes €161.4 m long-term loan from Sinopec to subsidiary Petrogal Brasil on 30 June 2018.
[3] Includes €9.2 m in advance payments related to inventory from third parties on 30 June 2018.

6. Basis of presentation

Galp's consolidated financial statements have been prepared in accordance with IFRS. The financial information in the consolidated income statement is reported for the quarters ended on June 30, 2018 and 2017, and March 31, 2018. The information in the consolidated financial position is reported as of June 30 and March 31, 2018 and as of 31 December 2017.

Galp'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 material items considering the Group's activities.

For the purpose of evaluating Galp's operating performance, RCA profitability 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

With effect from January 1, 2018, Galp started considering as operating costs all expenditures incurred with G&G and G&A costs in the exploration activities. Other expenses in the exploration stage, including exploratory wells, continue to be capitalised and written-off when dry.

In addition to those costs, the G&A expenses that transferred from the exploration phase to the stage of development were adjusted under equity. This new policy was applied retrospectively and the comparable figures of 2017 were restated.

Effective from 1 January 2018, impairments on account receivables are accounted for at the Ebitda level, providing a better proxy for the cash generation of each business. Figures of 2017 were restated for comparison purposes.

Starting in 2018, Galp adopted IFRS 9, changing the calculation method for impairments on receivables based on expected losses, and taking into account the credit risk assessment from the beginning. This impact was not applied to 2017 figures.

The Company also implemented IFRS 15, which did not impact materially the Group's results. However, it should be noted that under and overlifting positions in the E&P business started to be accounted as other operating costs/income. This change was not applied to 2017 figures.

7. Definitions

Benchmark refining margin

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

Rotterdam hydrocracking margin

The Rotterdam hydrocracking margin has the following profile: -100% Brent dated, +2.2% LPG FOB Seagoing (50% Butane + 50% Propane), +19.1% EuroBob NWE FOB Bg, +8.7% Naphtha NWE FOB Bg, +8.5% Jet NWE CIF, +45.1% ULSD 10 ppm NWE CIF, +9.0% LSFO 1% FOB Cg; C&L: 7.4%; Terminal rate: $1/ton; Ocean loss: 0.15% over Brent; Freight 2018: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat $7.59/ton. Yields in % of weight.

Rotterdam cracking margin

The Rotterdam cracking margin has the following profile: -100% Brent dated, +2.3% LPG FOB Seagoing (50% Butane + 50% Propane), +25.4% EuroBob NWE FOB Bg, +7.5% Naphtha NWE FOB Bg, +8.5% Jet NWE CIF, +33.3% ULSD 10 ppm NWE CIF, +15.3% LSFO 1% FOB Cg; C&L: 7.7%; Terminal rate: $1/ton; Ocean loss: 0.15% over Brent; Freight 2018: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat $7.59/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% Naphtha NWE FOB Bg, +4.4% Jet NWE CIF, 34% 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; C&L: 7.4%; Terminal rate: $1/ton; Ocean loss: 0.15% over Arabian Light; Freight 2018: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat $7.59/ton. Yields in % of weight.

Rotterdam aromatics margin

Rotterdam aromatics margin: -60% EuroBob NWE FOB Bg, -40% Naphtha NWE FOB Bg, +37% Naphtha NWE FOB Bg, +16.5% EuroBob 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 of 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 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, RCA items exclude non-recurrent events such as capital gains or losses on the disposal of assets, extraordinary taxes, 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.

ACRONYMS

%: Percentage
+: plus
APETRO: *Associação Portuguesa de Empresas Petrolíferas* (Portuguese association of oil companies)
bbl: barrel of oil
Bg: Barges
bn: billion
boe: barrels of oil equivalent
BRL: Brazilian real
c.: circa
CESE: *Contribuição Extraordinária sobre o Sector Energético* (Portuguese Extraordinary Energy Sector Contribution)
CFFO: Cash flow from operations
Cg: Cargoes
CIF: Costs, Insurance and Freights
Cofins: *Contribuição para Financiamento da Seguridade Social (Brazil)*
CORES: *Corporación de Reservas Estratégicas de Produtos Petrolíferos* (Spain)
CTA: Cumulative Translation Adjustment
C&L: Consumptions & Losses
DD&A: Depreciation, Depletion and Amortisation
E&A: Exploration & Appraisal
E&P: Exploration & Production
Ebit: Earnings before interest and taxes
Ebitda: Ebit plus depreciation, amortisation and provisions
EUR/€: Euro
EWT: Extended Well Test
FNEE: *Fondo Nacional de Eficiência Energética* (Spain)
FOB: Free on board
FPSO: Floating, production, storage and offloading unit
FX: Foreign exchange
Galp, Company or Group: Galp Energia, SGPS, S.A., subsidiaries and participated companies
G&A: general and administrative
G&G: geology and geophysics
G&P: Gas & Power
GGND: Galp Gás Natural Distribuição, S.A.
GWh Gigawatt per hour
HC: Hydrocracker
IAS: International Accounting Standards
IFRS: International Financial Reporting Standards
IRP: Oil income tax (Oil tax payable in Angola)
ISP: Tax on oil products (Portugal)
k: thousand
kboepd: thousands of barrels of oil equivalent per day
kbpd: thousands of barrels of oil per day
LNG: liquefied natural gas
LSFO: low sulphur fuel oil
m: million
MIBGAS: Iberian Market of Natural Gas
mmbbl: million barrels of oil
mmboe: millions of barrels of oil equivalent
mmbtu: million British thermal units
mm³: million cubic metres
mton: millions of tonnes
mtpa: million tonnes per annum
MWh: Megawatt per hour
NE: Net entitlement
NG: natural gas
n.m.: not meaningful
NWE: Northwestern Europe
PIS: *Programas de Integração Social* (Brazil)
p.p.: percentage point
Q: Quarter
R&M: Refining & Marketing
RC: Replacement Cost
RCA: Replacement Cost Adjusted
SEM: Successful Efforts Method
SPA: Sales and Purchase Agreement
SPT: Special participation tax
ton: tonnes
TTF: Title Transfer Facility
ULSD: Ultra low sulphur diesel
USA: United States of America
USD/$: Dollar of the United States of America
VAT: value-added tax
WI: working interest
YoY: year-on-year

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Real future income, both financial and operating; an increase in demand and change to the energy mix; an increase in production and changes to Galp's portfolio; the amount and various costs of capital, future distributions; increased resources and recoveries; project plans, timing, costs and capacities; efficiency gains; cost reductions; integration benefits; ranges and sale of products; production rates; and the impact of technology can differ substantially due to a number of factors. These factors may include changes in oil or gas prices or other market conditions affecting the oil, gas, and petrochemical industries; reservoir performance; timely completion of development projects; war and other political or security disturbances; changes in law or government regulation, including environmental regulations and political sanctions; the outcome of commercial negotiations; the actions of competitors and customers; unexpected technological developments; general economic conditions, including the occurrence and duration of economic recessions; unforeseen technical difficulties; and other factors.

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