

ANNOUNCEMENT

Lisbon, 15 March 2019

Approval of the Unitisation Agreement for the Lula accumulation, in the Brazilian Santos Basin

Galp informs that the Brazilian National Agency of Petroleum, Natural Gas and Biofuels (ANP) approved the Unitisation Agreement (UA) related with the Lula accumulation and submitted by the BM-S-11 consortium, along with Petrobras for the Transfer of Rights area (ToR) and Pré-Sal Petróleos S.A. (PPSA) for the open area.

As the Lula discovery extends outside the BM-S-11 licence towards the adjacent areas of South of Tupi, a Transfer of Rights area, and to an open area, a unitisation process is required, according to the Brazilian legislation. The agreement establishes the tract participation each party will hold on the unitised area, as well as the terms and conditions for the shared development of the project.

Galp, through its subsidiary Petrogal Brasil, owns a 10% stake in the consortium that develops block BM-S-11. The UA will be effective as of April 1, 2019 and thereafter the interests in the unitised area will be as follows:

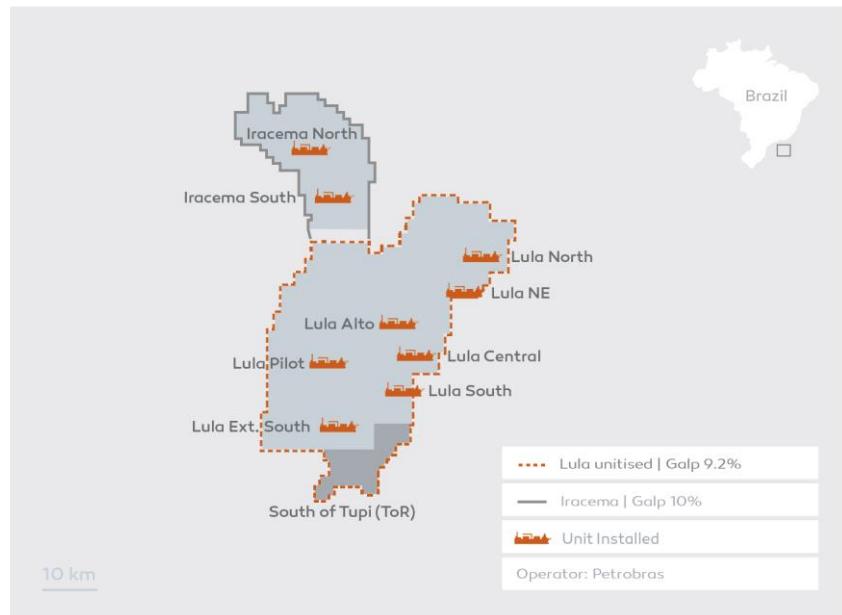
	Lula (BM-S-11)	Lula Unitised (BM-S-11 + ToR + Open Area)
Galp	10%	9.209%
Petrobras (operator)	65%	67.216%
Shell Brasil Petróleo Ltda.	25%	23.024%
PPSA	0%	0.551%

The Iracema accumulation is not subject to a unitisation process and therefore interests in the area will remain in line with the BM-S-11 consortium composition, with Galp maintaining a 10% stake.

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BM-S-11 | Lula unitised and Iracema



Galp is present in four other areas involved in unitisation processes, namely the three different accumulations that make up the Iara project, as well as the Sépia project. Unitisation processes lead to equalisations among the parties, based on past capital expenditures carried by partners for their original interest and the net profits received thereunder. These equalisations should therefore lead to reimbursements among partners as per the terms and conditions agreed between themselves.

All of Galp's operational and financial projections already reflect the Lula unitisation outcome, as well as the most likely outcome for the remaining unitisation processes ongoing.

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