

HELLENIC PETROLEUM S.A.

**CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED**

31 MARCH 2007



HELLENIC PETROLEUM S.A.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2007
(All amounts in Euro thousands unless otherwise stated)

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(All amounts in Euro thousands unless otherwise stated)

I. Company Information

Directors	Efthimios Christodoulou – Chairman of the Board Panagiotis Kavoulakos – Chief Executive Officer Dimitrios Mathaiou – Executive Member John Kostopoulos – Executive Member Theodoros-Achilleas Vardas – Non executive Member Andreas Vranas – Non executive member Dimitrios Deligiannis - Non executive Member Panagiotis Pavlopoulos – Non executive Member Vasilios Nikitas – Non executive Member Iason Stratos – Non executive Member John Tsoukalas – Non executive Member Vasilios Bagiokos – Non executive Member Andreas Palevratzhs – Non executive Member
Registered Office:	54 Amalias Avenue 10558 Athens, Greece
Registration number:	2443/06/86/23 / Ministry of Development
Auditors:	Pricewaterhouse Coopers S.A. 152 32 Halandri Athens, Greece

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II. Condensed Interim Balance Sheet (Unaudited)

	Note	As at 31 March 2007	31 December 2006
ASSETS			
Non-current assets			
Property, plant and equipment	8	647.489	646.130
Intangible assets	9	25.135	22.288
Investments in affiliated companies		692.110	692.054
Available-for-sale financial assets		67	67
Loans, advances and other receivables	10	175	3.772
		1.364.976	1.364.311
Current assets			
Inventories	11	1.014.890	1.107.490
Trade and other receivables	12	822.426	828.103
Cash and cash equivalents	13	32.344	37.878
		1.869.660	1.973.471
Total assets		3.234.636	3.337.782
EQUITY			
Share capital	14	1.020.081	1.020.081
Reserves		536.723	559.387
Retained Earnings		484.637	450.439
Total equity		2.041.441	2.029.907
LIABILITIES			
Non-current liabilities			
Borrowings	15	287.920	295.335
Deferred income tax liabilities		405	405
Retirement benefit obligations		116.676	115.114
Provisions and other long term liabilities	16	67.006	47.939
		472.007	458.793
Trade and other payables	17	332.929	419.810
Current income tax liabilities		12.016	-
Borrowings	15	373.630	426.511
Dividends payable		2.613	2.761
		721.188	849.082
Total liabilities		1.193.195	1.307.875
Total equity and liabilities		3.234.636	3.337.782

The notes on pages 8 to 21 are an integral part of these interim financial statements

Chief Executive Officer

Chief Financial Officer

Accounting Manager

Panagiotis Cavoulacos

Andreas Shiamishis

Athanasios Solomos

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III. Condensed Interim Income Statement (Unaudited)

	Note	For the three month period ended	
		31 March 2007	31 March 2006
Sales		1.758.168	1.963.436
Cost of sales		(1.658.925)	(1.835.264)
Gross profit		99.243	128.172
Selling, distribution and administrative expenses	4	(43.732)	(45.662)
Exploration and development expenses		(2.327)	(1.193)
Other operating (expenses) / income - net	5	1.644	(3.087)
Operating profit		54.828	78.230
Finance costs -net	6	(5.876)	(2.467)
Currency exchange gains /(losses)		(2.738)	11.104
Profit before income tax		46.214	86.867
Income tax expense		(12.016)	(26.274)
Profit for the period		34.198	60.593
Basic and diluted earnings per share (expressed in Euro per share)	7	0,11	0,20

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IV. Condensed Interim Statement of Changes in Equity (Unaudited)

	Share Capital	Reserves	Retained Earnings	Total Equity
Balance at 1 January 2006	1.019.963	543.642	384.710	1.948.315
Profit for the period	-	-	60.593	60.593
Balance at 31 March 2006	1.019.963	543.642	445.303	2.008.908
Movement - 1 April 2006 to 31 December 2006				
Profit for the period	-	-	150.797	150.797
Transfers to statutory and tax reserves	-	14.244	(14.244)	-
Exercise of share options	118	-	-	118
Dividends relating to 2005	-	-	(85.574)	(85.574)
Interim dividends relating to 2006	-	-	(45.843)	(45.843)
Unrealised gains / (losses) on revaluation of hedges (Note 18)	-	1.501	-	1.501
Balance at 31 December 2006	1.020.081	559.387	450.439	2.029.907
Movement - 1 January 2007 to 31 March 2007				
Profit for the period	-	-	34.198	34.198
Unrealised gains / (losses) on revaluation of hedges (Note 18)	-	(22.664)	-	(22.664)
Balance at 31 March 2007	1.020.081	536.723	484.637	2.041.441

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V. Condensed Interim Cash Flow Statement (Unaudited)

		For the three month period ended	
	Note	31 March 2007	31 March 2006
Cash flows from operating activities			
Cash (used in) / generated from operations	19	70.772	(144.813)
Income tax paid			-
Net cash (used in) / generated from operating activities		70.772	(144.813)
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	8,9	(22.179)	(9.301)
Investments in affiliated companies		(56)	(19)
Dividends received		4.721	-
Interest received	6	2.501	2.167
Net cash used in investing activities		(15.013)	(7.153)
Cash flows from financing activities			
Interest paid	6	(8.377)	(4.634)
Dividends paid		(149)	(19.378)
Net movement in long term borrowings		(7.415)	-
Net movement in short term borrowings		(44.830)	166.854
Net cash (used in) / generated from financing activities		(60.771)	142.842
Net decrease in cash & cash equivalents		(5.012)	(9.124)
Cash & cash equivalents at beginning of the period	13	37.878	75.956
Exchange gains on cash & cash equivalents		(522)	(1.716)
Net increase/(decrease) in cash & cash equivalents		(5.012)	(9.124)
Cash & cash equivalents at end of the period	13	32.344	65.116

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VI. Notes to the Condensed Interim Financial Statements (Unaudited)

1. GENERAL INFORMATION

Hellenic Petroleum S.A. operates in the energy sector in Greece. The Company's activities include exploration and production, refining and marketing of oil products and the production and marketing of petrochemical products.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The interim financial statements of Hellenic Petroleum S.A are prepared in accordance with International Accounting Standard 34 (IAS 34) – *Interim Financial Reporting*.

These interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2006. These can be found on the Company's website www.hellenic-petroleum.gr.

The interim financial statements of the Company for the three month period ended 31 March 2007 were authorised for issue by the Board of Directors on 9 May 2007.

Accounting policies

The accounting policies used in the preparation of the condensed interim financial statements for the three month period ended 31 March 2007 are consistent with those applied for the preparation of published accounts of the company for the year ended 31 December 2006. Where necessary comparative figures have been reclassified to conform with changes in the presentation of the current year.

The following standards, amendments and interpretations to existing standards are applicable to the Company for periods on or after 1 January 2007:

- *IFRS 7, Financial instruments: Disclosures and a complementary amendment to IAS1, Presentation of Financial Statements – Capital Disclosures*. IFRS 7 introduces a number of new disclosures to improve the information about financial instruments including qualitative and quantitative information about exposure to risks arising from financial instruments, specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Company assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital disclosures required by the amendment of IAS 1. The Company has applied IFRS 7 and the amendment to IAS 1 from annual periods beginning 1 January 2007, but this will only have an impact on the annual financial statements and not the interim financial statements.
- *IFRS 8, Operating Segments (effective for annual periods beginning on or after 1 January 2009)*. IFRS 8 has replaced *IAS 14* requiring companies to report financial and descriptive information about its reportable segments and extends the reporting requirements already in place. The Company will not early adopt the standard and is currently assessing the impact on the financial statements.
- *IFRIC 10, Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006)*. IFRIC 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Company has applied IFRIC 10 from 1 January 2007 without any significant impact on the Company's condensed financial statements.

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3. ANALYSIS BY INDUSTRY SEGMENT

Three month period ended 31 March 2007	Refining	Petro-chemicals	Exploration & Production	Gas & Power	Total
Sales	1.661.414	96.147	282	325	1.758.168
Other operating income / (expense) - net	1.155	489	-	-	1.644
Operating profit	54.344	7.911	(7.317)	(110)	54.828
Currency exchange gains / (losses)	(2.738)	-	-	-	(2.738)
Profit before tax, dividend income & finance costs	51.606	7.911	(7.317)	(110)	52.090
Finance costs - net					(5.876)
Dividend income					-
Profit before income tax					46.214
Income tax expense					(12.016)
Profit for the period					34.198

Three month period ended 31 March 2006	Refining	Petro-chemicals	Exploration & Production	Gas & Power	Total
Sales	1.879.264	77.673	282	6.217	1.963.436
Other operating income / (expense) - net	(2.918)	(173)	-	4	(3.087)
Operating profit	82.839	(585)	(5.424)	1.400	78.230
Currency exchange gains / (losses)	11.104	-	-	-	11.104
Profit before tax, dividend income & finance costs	93.943	(585)	(5.424)	1.400	89.334
Finance costs - net					(2.467)
Dividend income					-
Profit before income tax					86.867
Income tax expense					(26.274)
Profit for the period					60.593

Further segmental information as at 31 March 2007 is as follows:

	Refining	Petro-chemicals	Exploration & Production	Gas & Power	Unallocated	Total
Total Assets	3.007.393	213.619	13.624	-	-	3.234.636
Net Assets	1.977.646	65.388	13.624	(183)	(15.034)	2.041.441
Capital Expenditure	19.103	18	3.058	-	-	22.179
Depreciation & Amortisation	14.173	3.192	608	-	-	17.973

Further segmental information as at 31 December 2006 is as follows:

	Refining	Petro-chemicals	Exploration & Production	Gas & Power	Unallocated	Total
Total Assets	3.105.804	217.341	12.212	2.425	-	3.337.782
Net Assets	1.947.664	70.955	12.212	2.242	(3.166)	2.029.907
Capital Expenditure	74.522	737	-	-	-	75.259
Depreciation & Amortisation	74.067	13.059	2.407	-	-	89.533

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4. SELLING, DISTRIBUTION AND ADMINISTRATIVE EXPENSES

	For the three month period ended	
	31 March 2007	31 March 2006
Selling and distribution expenses	21.189	23.569
Administrative expenses	22.543	22.093
	<u>43.732</u>	<u>45.662</u>

5. OTHER OPERATING (EXPENSES) / INCOME – NET

Other operating (expenses) / income – net include amongst other items income or expenses which do not represent trading activities of the Company.

6. FINANCE COSTS - NET

	For the three month period ended	
	31 March 2007	31 March 2006
Interest income	2.501	2.167
Interest expense and similar charges	(8.377)	(4.634)
Finance costs -net	<u>(5.876)</u>	<u>(2.467)</u>

7. EARNINGS PER SHARE

Diluted earnings per ordinary share are not materially different from basic earnings per share.

Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the period.

	For the three month period ended	
	31 March 2007	31 March 2006
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	0,11	0,20
Net income attributable to ordinary shares (Euro in thousands)	34.198	60.593
Average number of ordinary shares outstanding	305.622.635	305.622.245

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8. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant & Machi- nery	Motor vehicles	Furniture and fixtures	Assets Under Con- struction	Total
Cost							
As at 1 January 2006	107.037	150.369	1.117.511	8.815	35.154	102.585	1.521.471
Additions	153	40	1.133	145	2.321	69.447	73.239
Capitalised projects	-	1.906	31.715	-	1.728	(35.349)	-
Disposals	(938)	-	(6.538)	(86)	(14)	-	(7.576)
Transfers & other movements	8.500	(17.714)	(3.296)	21	(399)	(43)	(12.931)
As at 31 December 2006	114.752	134.601	1.140.525	8.895	38.790	136.640	1.574.203
Accumulated Depreciation							
As at 1 January 2006	-	86.250	744.211	7.437	26.545	-	864.443
Charge for the year	-	6.974	72.373	469	3.325	-	83.141
Disposals	-	-	(6.541)	(86)	(14)	-	(6.641)
Transfers & other movements	-	(11.296)	(1.044)	22	(552)	-	(12.870)
As at 31 December 2006	-	81.928	808.999	7.842	29.304	-	928.073
Net Book Value at 31 December 2006	114.752	52.673	331.526	1.053	9.486	136.640	646.130
Cost							
As at 1 January 2007	114.752	134.601	1.140.525	8.895	38.790	136.640	1.574.203
Additions	-	-	242	8	410	17.376	18.036
Capitalised projects	-	472	989	-	8	(1.469)	-
Disposals	-	-	-	-	(267)	-	(267)
As at 31 March 2007	114.752	135.073	1.141.756	8.903	38.941	152.547	1.591.972
Accumulated Depreciation							
As at 1 January 2007	-	81.928	808.999	7.842	29.304	-	928.073
Charge for the period	-	1.712	14.074	89	802	-	16.677
Disposals	-	-	-	-	(267)	-	(267)
As at 31 March 2007	-	83.640	823.073	7.931	29.839	-	944.483
Net Book Value at 31 March 2007	114.752	51.433	318.683	972	9.102	152.547	647.489

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9. INTANGIBLE ASSETS

	Computer software	Licences & Rights	Total
Cost			
As at 1 January 2006	31.896	31.582	63.478
Additions	2.020	-	2.020
Transfers, acquisitions & other movements	58	-	58
As at 31 December 2006	33.974	31.582	65.556
Accumulated Amortisation			
As at 1 January 2006	29.783	7.093	36.876
Charge for the year	2.929	3.463	6.392
As at 31 December 2006	32.712	10.556	43.268
Net Book Value 31 December 2006	1.262	21.026	22.288
Cost			
As at 1 January 2007	33.974	31.582	65.556
Additions	1.085	3.058	4.143
As at 31 March 2007	35.059	34.640	69.699
Accumulated Amortisation			
As at 1 January 2007	32.712	10.556	43.268
Charge for the period	430	866	1.296
As at 31 March 2007	33.142	11.422	44.564
Net Book Value 31 March 2007	1.917	23.218	25.135

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10. LOANS ADVANCES AND OTHER RECEIVABLES

	As at	
	31 March 2007	31 December 2006
Loans and advances and other long term assets	175	175
Derivatives designed as cash flow hedges (Note 18)	-	3.597
Total	175	3.772

11. INVENTORIES

	As at	
	31 March 2007	31 December 2006
Crude oil	354.502	339.067
Refined products and semi-finished products	575.234	681.388
Petrochemicals	30.243	31.970
Consumable materials and other	54.911	55.065
Total	1.014.890	1.107.490

12. TRADE AND OTHER RECEIVABLES

	As at	
	31 March 2007	31 December 2006
Trade receivables	662.598	677.861
Other receivables	144.390	135.448
Derivatives held for trading (Note 18)	7.357	7.605
Deferred charges and prepayments	8.081	7.189
Total	822.426	828.103

13. CASH AND CASH EQUIVALENTS

	As at	
	31 March 2007	31 December 2006
Cash at Bank and in Hand	32.337	37.870
Short term bank deposits	7	8
Total cash and cash equivalents	32.344	37.878

Cash equivalents comprise of short-term deposits (made for varying periods, of less than three months). Such deposits depend on the immediate cash requirements of the company.

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14. SHARE CAPITAL

	Number of Shares (authorised and issued)	Share Capital	Share premium	Total
As at 1 January 2006	305.622.245	666.256	353.707	1.019.963
Exercise of employee share options	12.940	29	89	118
As at 31 December 2006	305.635.185	666.285	353.796	1.020.081
As at 31 March 2007	305.635.185	666.285	353.796	1.020.081

Up to the end of 2004, Hellenic Petroleum S.A. offered a share option scheme to management executives. The exercise price was determined based on the Company's share performance compared to the market and the options are exercisable within five years. Under that scheme, management had the option to acquire 47.660 shares at a price of € 9,68 each until 31 December 2006 and 3.440 shares at a price of € 6,97 each until 31 December 2007. During the AGM of Hellenic Petroleum S.A. held on 25 May 2005, a revised share option scheme was approved with the intention to link the number of share options granted to employees with the results and performance of the Company and its management. The AGM of 31 May 2006 has approved and granted stock options for the year 2006 of 272.100 shares.

15. BORROWINGS

	As at	
	31 March 2007	31 December 2006
Non-current borrowings		
Bank borrowings	287.920	29.579
Bond loan	-	265.756
Non-current borrowings	287.920	295.335
Current borrowings		
Short term loans	364.708	417.589
Current portion of long term debt	8.922	8.922
Total current borrowings	373.630	426.511
Total borrowings	661.550	721.846

In April 2006, the Company concluded a €400 million multi-currency loan agreement with Hellenic Petroleum Finance Plc ("HPF"), as subsidiary company. The loan facility amount was increased in 18 October 2006 to €600 million. As of 31 March 2007 the loan balance amount outstanding was €506 million (US \$ 674 million).

Bond Loan

On 14 February 2007, the bond loan of US\$ 350 million issued by the parent Company in February 2005 was repaid using part of the proceeds of HPF's facility, as mentioned above.

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16. PROVISIONS AND OTHER LONG TERM LIABILITIES

	As at	
	31 March 2007	31 December 2006
Government grants	25.614	25.614
Derivatives designed as cash flow hedges (Note 18)	21.163	2.097
Other provisions	20.229	20.228
Total	67.006	47.939

Government grants

Grants by the Government (Hellenic Republic) to the company for the purposes of research and exploration amounting to € 25.614 have been recorded as a liability since such an amount may become payable if income is generated from upstream activity in the relevant areas. The terms of repayment will be determined by the Ministry of Development, if applicable.

17. TRADE AND OTHER PAYABLES

	As at	
	31 March 2007	31 December 2006
Trade payables	262.330	351.580
Accrued Expenses & Deferred Income	12.471	2.278
Government grants	27.412	28.345
Derivatives held for trading (Note 18)	12.983	1.307
Other payables	17.733	36.300
Total	332.929	419.810

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18. DERIVATIVE FINANCIAL INSTRUMENTS

	31 March 2007		31 December 2006	
	Assets	Liabilities	Assets	Liabilities
Derivatives held for trading				
Commodity derivatives:				
Commodity swaps	7.357	12.983	7.605	1.307
	<u>7.357</u>	<u>12.983</u>	<u>7.605</u>	<u>1.307</u>
Total held for trading	<u>7.357</u>	<u>12.983</u>	<u>7.605</u>	<u>1.307</u>
Derivatives designated as cash flow hedges				
Commodity swaps	-	21.163	3.597	2.097
Total cash flow hedges	<u>-</u>	<u>21.163</u>	<u>3.597</u>	<u>2.097</u>
Total	<u>7.357</u>	<u>34.146</u>	<u>11.202</u>	<u>3.404</u>
Non-current portion				
Commodity swaps (Notes 10, 16)	-	21.163	3.597	2.097
	<u>-</u>	<u>21.163</u>	<u>3.597</u>	<u>2.097</u>
Current portion				
Commodity swaps (Notes 12, 17)	7.357	12.983	7.605	1.307
	<u>7.357</u>	<u>12.983</u>	<u>7.605</u>	<u>1.307</u>
Total	<u>7.357</u>	<u>34.146</u>	<u>11.202</u>	<u>3.404</u>

Derivatives held for trading

(a) Commodity swaps

The Company enters in to commodity swap derivative contracts in US\$ in order to manage its exposures to price risk. To the extent that these contracts are not designated as hedges, they are categorized as derivatives held-for-trading. The fair value of derivatives held-for-trading is recognized on the balance sheet in Trade and other debtors and Trade and other payables. Changes in the fair value of these derivatives are charged to the Income Statement within Other (expenses)/income – net.

Derivatives designated as cash flow hedges

(a) Commodity swaps

The Company uses derivative financial instruments to manage certain exposures to fluctuations in commodity prices. In this framework, the company has entered into a number of commodity price swaps which have been designated by the company as cash flow hedges, have been evaluated and proven to be highly effective, and in this respect, any changes in their fair value are recorded within Equity in accordance with the IAS 39 treatment for hedge accounting. The changes in the fair value of the Commodity swaps at the balance sheet date were recognised in Loans, advances and Other Receivables, Other long term liabilities and the net gains and losses in shareholders' equity.

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19. CASH GENERATED FROM OPERATIONS

	Note	For the three month period ended	
		31 March 2007	31 March 2006
Profit before tax		46.214	86.867
Adjustments for:			
Depreciation and amortisation of tangible and intangible assets (net of grants amortisation)	8,9	17.973	24.112
Grants amortisation		(933)	(1.468)
Financial (income)/ expenses	6	5.876	2.467
Provisions		530	4.044
Foreign exchange (gains) / losses		2.738	(11.104)
		72.398	104.918
Changes in working capital			
(Increase) / decrease in inventories		92.601	(159.885)
(Increase) / decrease in trade and other receivables		(2.112)	(15.660)
Increase / (decrease) in payables		(92.115)	(74.186)
		(1.626)	(249.731)
Net cash (used in) / generated from operating activities		70.772	(144.813)

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20. RELATED PARTY TRANSACTIONS

Included in the Income Statement are proceeds, costs and expenses, which arise from transactions between the company and related parties. Such transactions mainly comprise of sales and purchases of goods and services in the ordinary course of business.

i) Sales of goods and services	For the three month period ended	
	31 March 2007	31 March 2006
Sales of goods		
Group Entities	523.786	609.684
Other related parties	170.191	202.565
Sales of services		
Group Entities	2.363	2.866
	696.340	815.115

ii) Purchases of goods and services

Purchases of goods		
Group Entities	7.163	8.635
Other related parties	5.373	5.558
Purchases of services		
Group Entities	2.095	1.076
	14.631	15.269

iii) Balances arising from sales / purchases of goods / services

	As at	
	31 March 2007	31 December 2006
Receivables from related parties		
<u>Group Entities</u>		
- Receivables	136.316	153.290
<u>Other related parties</u>		
- Receivables	125.019	128.544
	261.335	281.834
Payables to related parties		
<u>Group Entities</u>		
- Payables	10.164	12.460
<u>Other related parties</u>		
- Payables	3.195	3.614
	13.359	16.074
Net balances from related parties	247.976	265.760

All transactions with related parties are done under normal trading and commercial terms

Group Entities include all companies consolidated under the full method of consolidation.

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Other related parties include non affiliated or Governmental organisations such as the Hellenic Armed Forces and the Public Power Corporation (Hellas). They are considered related parties due to the shareholding in the Company by the Hellenic State. Also included are Group companies consolidated with the equity method of consolidation.

Transactions and balances with related parties are in respect of the following:

- a) Hellenic Petroleum Group companies.
- b) Parties which are under common control with the Company due to the shareholding and control rights of the Hellenic State:
 - Public Power Corporation Hellas
 - Hellenic Armed Forces
 - Olympic Airways/Airlines
- c) Financial institutions which are under common control with the Company due to the shareholding and control rights of the Hellenic State. The Company has loans amounting to €40.096 as at 31 March 2007 (31 December 2006: €138.266) which represent loan balances due to the following related financial institutions:
 - National Bank of Greece
 - Agricultural Bank of Greece
 - Commercial Bank of Greece ceased to be a related party since the takeover by Calyon in June 2006
- d) Joint ventures with other third parties:
 - OMV Aktiengesellschaft
 - Sipetrol
 - Woodside – Repsol – Helpe
- e) Associates of the Company:
 - Athens Airport Fuel Pipeline Company S.A. (EAKAA)
 - Public Gas Corporation of Greece S.A. (DEPA)
 - Volos Pet Industries A.E.
 - Spata Aviation Fuel Company S.A. (SAFCO)
- f) Financial institutions in which substantial interest is owned by parties which hold significant participation in the share capital of the Company. The Company has loans amounting to €46.941 as at 31 March 2007 (31 December 2006: €82.916) with the following related financial institutions:
 - EFG Eurobank Ergasias S.A.
- g) Enterprises in which substantial interest is owned by parties which hold significant participation in the share capital of the Company.
 - Private Sea Marine Services (ex Lamda Shipyards)

21. COMMITMENTS

Significant contractual commitments of the Company are as follows:

- Capital investment in upgrading Hellenic Petroleum refinery installations of €95 million (2006: €52 million). Out of the €95 million, €48 million relate to the Hydrocracker project.
- Upstream exploration and development costs of €15 million (2006: €18 million) have been committed as part of the Joint Operating Agreements (JOA) in place. These commitments will depend on the progress of exploration activities.

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22. CONTINGENCIES AND LITIGATION

The Company has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. Provisions are set up by the Company against such matters whenever deemed necessary and included in other provisions (note 16). They are as follows:

- (ii) The Government has advanced Hellenic Petroleum S.A. an amount of € 43.434 to undertake research and exploration projects, as determined by Law 367/1976. A portion of the amount received, € 25.614, may become repayable once the Company generates income from the discoveries resulting from its expenditure and therefore is included as part of long-term liabilities (see note 16). (The terms of repayment will be determined by the Ministry of Development, if applicable). The remaining € 17.902 has been written off as it is considered highly unlikely it will ever become repayable due to the nature of the expenditure.
- (iii) The Company is involved in a number of legal proceedings and has various unresolved claims pending arising in the ordinary course of business. Based on currently available information, management believes the outcome will not have a significant effect on the company's operating results or financial position.
- (iv) During 2004, Hellenic Petroleum S.A. was audited by the Greek tax authorities for the years ended 31 December 1997 to 2001. An amount of €11,9 million of additional taxes, plus fines was assessed by tax authorities for prior year tax audits and was recorded in the financial statements for the year ended 31 December 2004. The Company has not undergone a tax audit for the years ended 31 December 2002 to 31 December 2006. Management believes that no additional material liability will arise as a result of open tax years over and above the tax liabilities and provisions recognised in the financial statements.
- (v) Following an accident involving the motor tanker KRITI-GOLD on November 1998, at the Group's mooring installation in Thessaloniki, four seamen died. Claims have been lodged in connection with this accident against the ship owner and the Company. Of the four claims, three have already been settled with the involvement of the insurers. The last one is still pending but its outcome is not likely to have a material effect on the Company's operating results or financial position.
- (vi) The Company has given letters of comfort and guarantees of €1.646 million to banks for loans undertaken by subsidiaries and associates of the Company, the outstanding amount of which was €1.029 million as of 31 March 2007. The Company has also issued letters of credit and guarantees in favour of third parties amounting to €523 million mainly for the completion of crude purchase contracts.
- (vii) In October 2002 the Company guaranteed its commitment to the Investment Programme under the share purchase agreement for the acquisition of Jugopetrol AD Kotor, through a performance bond issued by the National Bank of Greece for €45 million. As at 31 March 2007, the Performance Bond had decreased to €12 million (31 December, 2006: €17 million).
- (viii) In prior years, the Company took advantage of the provisions of Law 3220/2004 of the Hellenic Republic and has set up tax free reserves to an amount of €81 million. The EU Commission has subsequently challenged this law as being a government subsidy that is not in accordance with EU policies and is in the process of investigating this matter with the Greek Government. In the event that the EU commission finally determines that Law 3220/2004 of the Hellenic Republic was a form of government subsidy that was contrary to EU policies, it may force the Greek government to withdraw this law and request the companies that took benefit of its provisions to pay the corresponding taxes, which in the case of the Company would amount to approximately €20 million. The Company's management monitors this matter and since the Company has lawfully operated within the provisions of the law, it and does not believe that the final outcome of the case would materially impact the financial position of the Company.
- (ix) Following complaints by IATA, the Greek Competition Committee initiated an investigation into the pricing of aviation jet fuel in the Greek market. The conclusion of the investigation was to assert a fine of €9.4m to all Greek refineries, Hellenic Petroleum share accounts for €7,3m and it is based on a percentage of the relevant sales revenues in the year preceding the complaint. The Company believes that the rational of the conclusion has not taken into account critical evidence presented. To this effect an appeal has been filed with the Athens Administrative Court of Appeals, while in parallel a petition to suspend the decision has also been filed and partially accepted; the Court has suspended the corrective measures imposed by the Greek Competition Committee until 31 August 2007, but did not suspend the payment of the fine.

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23. DIVIDENDS PAID

The AGM of 31 May 2006 approved a final dividend of €0,28 per share (€ 85.574) bringing the total dividend for 2005 to €0,43 per share (total of €131.401).

At its meeting held on 30 August, 2006, during which the Board of Directors approved the Condensed Interim Financial Statements of the Company for the six month period ended 30 June 2006, the Board proposed and approved an interim dividend for the 2006 financial year of €0,15 per share (amounting to a total of €45.843) The relevant amounts relating to the interim dividend for 2006, and the final dividend of 2005 (totalling € 131.417) are included in the interim consolidated financial statements of the Company for the year ended 31 December 2006.

A proposal to the AGM for an additional € 0,28 per share as final dividend was approved by the Board of Directors on 21 February 2007. This amounts to €85.574 and is not included in the Financial Statements of the Company as it has not yet been approved by the Shareholders' AGM.