HELLENIC PETROLEUM S.A.

CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED

30 JUNE 2007

HELLENIC
PETROLEUM

CONTENTS

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Report on Review of Interim Financial Information
To the Shareholders of Hellenic Petroleum S.A.

Introduction
We have reviewed the accompanying condensed balance sheet of the Hellenic Petroleum S.A. (the "Company") as of 30 June 2007 and the related condensed statements of income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards as adopted by the European Union and as applicable to interim financial reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" to which Greek Auditing Standards refer to. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Greek Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Athens, 8 August 2007
The Certified Auditor Accountant

PricewaterhouseCoopers S.A.
268 Kifissias Avenue,
152 32 Halandri
SOEL Reg. No. 113

Constantinos Michalatos
SOEL Reg. No. 17701

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 Palevratzis – Non executive Member
Registered Office:	54 Amalias Avenue 10558 Athens, Greece
Registration number:	2443/06/86/23 / Ministry of Development
Auditors:	PricewaterhouseCoopers S.A. 152 32 Halandri Athens, Greece

(All amounts in Euro thousands unless otherwise stated)

II. Condensed Interim Balance Sheet (Reviewed)

	Note	As at 30 June 2007	As at 31 December 2006
ASSETS			
Non-current assets			
Property, plant and equipment	**8**	665.855	646.130
Intangible assets	**9**	24.131	22.288
Investments in affiliated companies		692.234	692.054
Deferred income tax assets		26.552	-
Available-for-sale financial assets		67	67
Loans, advances and other receivables	**10**	172	3.772
		1.409.011	**1.364.311**
Current assets			
Inventories	**11**	1.214.107	1.107.490
Trade and other receivables	**12**	845.482	828.103
Cash and cash equivalents	**13**	33.037	37.878
		2.092.626	**1.973.471**
Total assets		**3.501.637**	**3.337.782**
EQUITY			
Share capital	**14**	1.020.081	1.020.081
Reserves	**15**	523.281	559.387
Retained Earnings		522.822	450.439
Total equity		**2.066.184**	**2.029.907**
LIABILITIES			
Non- current liabilities			
Borrowings	**16**	284.282	295.335
Deferred income tax liabilities		-	405
Retirement benefit obligations		117.649	115.114
Provisions and other long term liabilities	**17**	85.383	47.939
		487.314	**458.793**
Trade and other payables	**18**	501.831	419.810
Current income tax liabilities		72.794	-
Borrowings	**16**	370.164	426.511
Dividends payable		3.350	2.761
		948.139	**849.082**
Total liabilities		**1.435.453**	**1.307.875**
Total equity and liabilities		**3.501.637**	**3.337.782**

The notes on pages 8 to 23 are an integral part of these interim financial statements.

Chief Executive Officer	Chief Financial Officer	Accounting Manager
Panagiotis Cavoulacos	Andreas Shiamishis	Athanasios Solomos

(All amounts in Euro thousands unless otherwise stated)

III. Condensed Interim Income Statement (Reviewed)

		For the six month period ended		For the three month period ended	
	Note	**30 June 2007**	**30 June 2006**	**30 June 2007**	**30 June 2006**
Sales		3.527.597	3.868.744	1.769.429	1.905.308
Cost of sales		(3.218.457)	(3.557.536)	(1.559.532)	(1.722.272)
Gross profit		**309.140**	**311.208**	**209.897**	**183.036**
Selling, distribution and administrative expenses	**4**	(92.568)	(88.564)	(48.836)	(42.902)
Exploration and development expenses		(7.158)	(4.639)	(4.831)	(3.446)
Other operating (expenses) / income - net	**5**	(111)	169	(1.755)	3.256
Operating profit		**209.303**	**218.174**	**154.475**	**139.944**
Finance costs -net	**6**	(11.286)	(6.293)	(5.410)	(3.826)
Currency exchange gains /(losses)		2.054	8.902	4.792	(2.202)
Dividend income		8.662	13.443	8.662	13.443
Profit before income tax		**208.733**	**234.226**	**162.519**	**147.359**
Income tax expense		(50.772)	(63.927)	(38.756)	(37.653)
Profit for the period		**157.961**	**170.299**	**123.763**	**109.706**
Basic and diluted earnings per share (expressed in Euro per share)	**7**	**0,52**	**0,56**	**0,40**	**0,36**

The notes on pages 8 to 23 are an integral part of these interim financial statements.

(All amounts in Euro thousands unless otherwise stated)

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

	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	-	-	170.299	170.299
Dividends relating to 2005	-	-	(85.574)	(85.574)
Unrealised gains / (losses) on revaluation of hedges (Note 19)	-	(6.973)	-	(6.973)
Balance at 30 June 2006	**1.019.963**	**536.669**	**469.435**	**2.026.067**
Movement - 1 July 2006 to 31 December 2006				
Profit for the period	-	-	41.091	41.091
Transfers to statutory and tax reserves	-	14.244	(14.244)	-
Exercise of share options	118	-	-	118
Interim dividends relating to 2006	-	-	(45.843)	(45.843)
Unrealised gains / (losses) on revaluation of hedges (Note 19)	-	8.474	-	8.474
Balance at 31 December 2006	**1.020.081**	**559.387**	**450.439**	**2.029.907**
Movement - 1 January 2007 to 30 June 2007				
Profit for the period	-	-	157.961	157.961
Dividends relating to 2006	-	-	(85.578)	(85.578)
Unrealised gains / (losses) on revaluation of hedges (Note 19)	-	(36.106)	-	(36.106)
Balance at 30 June 2007	**1.020.081**	**523.281**	**522.822**	**2.066.184**

The notes on pages 8 to 23 are an integral part of these interim financial statements.

(All amounts in Euro thousands unless otherwise stated)

V. Condensed Interim Cash Flow Statement (Reviewed)

	Note	For the six month period ended 30 June 2007	30 June 2006
Cash flows from operating activities			
Cash (used in) / generated from operations	**20**	197.620	(1.516)
Income tax paid		-	(91.382)
Net cash (used in) / generated from operating activities		**197.620**	**(92.898)**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	**8,9**	(59.210)	(22.508)
Investments in affilated companies		(179)	(518)
Dividends received		5.794	4.698
Interest received	**6**	5.486	4.947
Net cash used in investing activities		**(48.109)**	**(13.381)**
Cash flows from financing activities			
Interest paid	**6**	(16.772)	(11.240)
Dividends paid		(84.987)	(104.300)
Net movement in long term borrowings		(2.673)	(4.461)
Net movement in short term borrowings		(49.202)	258.777
Net cash (used in) / generated from financing activities		**(153.634)**	**138.776**
Net increase / (decrease) in cash & cash equivalents		**(4.123)**	**32.497**
Cash & cash equivalents at beginning of the period	**13**	**37.878**	**75.956**
Exchange gains on cash & cash equivalents		(718)	(3.855)
Net increase/(decrease) in cash & cash equivalents		(4.123)	32.497
Cash & cash equivalents at end of the period	**13**	**33.037**	**104.598**

The notes on pages 8 to 23 are an integral part of these interim financial statements.

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

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 six month period ended 30 June 2007 were authorised for issue by the Board of Directors on 8 August 2007.

Accounting policies

The accounting policies used in the preparation of the condensed interim financial statements for the six month period ended 30 June 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.

The following interpretations to existing standards are mandatory for the Company's accounting periods beginning on or after 1 March 2006 or later periods but without any significant impact to the Company's operations:

- *IFRIC 7, Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies (effective from 1 March 2006).* IFRIC 7 provides guidance on how to apply the requirements of IAS 29 in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. As none of the group entities have a currency of a hyperinflationary economy as its functional currency, IFRIC 7 is not relevant to the Company's operations.

- *IFRIC 8, Scope of IFRS 2 (effective for annual periods beginning on or after 1 May 2006*). IFRIC 8 requires consideration of transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of IFRS 2. The Company has applied IFRIC 8 from 1 January 2007, but it is not expected to have any impact on the Company's accounts.

- *IFRIC 9, Reassessment of Embedded Derivatives (effective for annual periods beginning on or after 1 June 2006).* IFRIC 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. The Company has evaluated the terms of its contracts with regards to embedded derivatives and is not expected to have any material impact to the Company's operations.

- *IFRIC 11 - IFRS 2: Group and Treasury share transactions (effective for annual periods beginning on or after 1 March 2007).* IFRIC 11 clarifies the treatment where employees of a subsidiary receive the shares of a parent. It also clarifies whether certain types of transactions are accounted for as equity-settled or cash-settled transactions. This interpretation is not expected to have any impact on the Company's financial statements.

- *IFRIC 12 - Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008).* IFRIC 12 applies to companies that participate in service concession arrangements. This interpretation is not relevant to the Company's operations.

(All amounts in Euro thousands unless otherwise stated)

3. ANALYSIS BY INDUSTRY SEGMENT

Six month period ended 30 June 2007	Refining	Petro-chemicals	Exploration & Production	Gas & Power	Total
Sales	3.344.123	182.088	564	822	3.527.597
Other operating income / (expense) - net	(1.090)	979	-	-	(111)
Operating profit	**205.223**	**17.445**	**(13.214)**	**(151)**	**209.303**
Currency exchange gains / (losses)	2.054	-	-	-	2.054
Profit before tax, dividend income & finance costs	**207.277**	**17.445**	**(13.214)**	**(151)**	**211.357**
Finance costs - net					(11.286)
Dividend income					8.662
Profit before income tax					**208.733**
Income tax expense					(50.772)
Profit for the period					**157.961**

Six month period ended 30 June 2006	Refining	Petro-chemicals	Exploration & Production	Gas & Power	Total
Sales	3.694.652	163.215	564	10.313	3.868.744
Other operating income / (expense) - net	(654)	803	20	-	169
Operating profit	**221.234**	**5.678**	**(10.769)**	**2.031**	**218.174**
Currency exchange gains / (losses)	8.902	-	-	-	8.902
Profit before tax, dividend income & finance costs	**230.136**	**5.678**	**(10.769)**	**2.031**	**227.076**
Finance costs - net					(6.293)
Dividend income					13.443
Profit before income tax					**234.226**
Income tax expense					(63.927)
Profit for the period					**170.299**

Further segmental information as at 30 June 2007 is as follows:

	Refining	Petro-chemicals	Exploration & Production	Gas &Power	Unallocated	Total
Total Assets	3.242.804	219.146	13.135	-	26.552	**3.501.637**
Net Assets	2.022.154	80.669	13.135	(183)	(49.591)	**2.066.184**
Capital Expenditure	56.015	137	3.058	-	-	**59.210**
Depreciation & Amortisation	30.013	6.405	1.224	-	-	**37.642**

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**

4. SELLING, DISTRIBUTION AND ADMINISTRATIVE EXPENSES

	For the six month period ended		For the three month period ended	
	30 June 2007	**30 June 2006**	**30 June 2007**	**30 June 2006**
Selling and distribution expenses	46.262	45.278	25.073	18.481
Administrative expenses	46.306	43.286	23.763	24.421
	92.568	**88.564**	**48.836**	**42.902**

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 six month period ended		For the three month period ended	
	30 June 2007	**30 June 2006**	**30 June 2007**	**30 June 2006**
Interest income	5.486	4.947	2.985	2.780
Interest expense and similar charges	(16.772)	(11.240)	(8.395)	(6.606)
Finance costs -net	**(11.286)**	**(6.293)**	**(5.410)**	**(3.826)**

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 six month period ended		For the three month period ended	
	30 June 2007	**30 June 2006**	**30 June 2007**	**30 June 2006**
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	**0,52**	**0,56**	**0,40**	**0,36**
Net income attributable to ordinary shares (Euro in thousands)	157.961	170.299	123.763	109.706
Average number of ordinary shares outstanding	305.622.635	305.622.245	305.622.635	305.622.245

(All amounts in Euro thousands unless otherwise stated)

8. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant & Machi-nery	Motor vehicles	Furniture and fixtures	Assets Under Cons-truction	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	-	2	537	34	958	53.267	54.798
Capitalised projects	-	2.094	23.348	-	69	(25.511)	-
Disposals	-	-	(5.556)	(46)	(284)	-	(5.886)
As at 30 June 2007	**114.752**	**136.697**	**1.158.854**	**8.883**	**39.533**	**164.396**	**1.623.115**
Accumulated Depreciation							
As at 1 January 2007	**-**	**81.928**	**808.999**	**7.842**	**29.304**	**-**	**928.073**
Charge for the period	-	3.438	29.885	178	1.572	-	35.073
Disposals	-	-	(5.556)	(46)	(284)	-	(5.886)
As at 30 June 2007	**-**	**85.366**	**833.328**	**7.974**	**30.592**	**-**	**957.260**
Net Book Value at 30 June 2007	**114.752**	**51.331**	**325.526**	**909**	**8.941**	**164.396**	**665.855**

(All amounts in Euro thousands unless otherwise stated)

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	1.354	3.058	4.412
As at 30 June 2007	**35.328**	**34.640**	**69.968**
Accumulated Amortisation			
As at 1 January 2007	**32.712**	**10.556**	**43.268**
Charge for the period	837	1.732	2.569
As at 30 June 2007	**33.549**	**12.288**	**45.837**
Net Book Value 30 June 2007	**1.779**	**22.352**	**24.131**

(All amounts in Euro thousands unless otherwise stated)

10. LOANS ADVANCES AND OTHER RECEIVABLES

	As at	
	30 June 2007	**31 December 2006**
Loans and advances and other long term assets	172	175
Derivatives designed as cash flow hedges (Note 19)	-	3.597
Total	**172**	**3.772**

11. INVENTORIES

	As at	
	30 June 2007	**31 December 2006**
Crude oil	359.311	339.067
Refined products and semi-finished products	761.937	681.388
Petrochemicals	35.767	31.970
Consumable materials and other	57.092	55.065
Total	**1.214.107**	**1.107.490**

12. TRADE AND OTHER RECEIVABLES

	As at	
	30 June 2007	**31 December 2006**
Trade receivables	692.278	677.861
Other receivables	135.938	135.448
Derivatives held for trading (Note 19)	11.284	7.605
Deferred charges and prepayments	5.982	7.189
Total	**845.482**	**828.103**

13. CASH AND CASH EQUIVALENTS

	As at	
	30 June 2007	**31 December 2006**
Cash at Bank and in Hand	28.163	37.870
Short term bank deposits	4.874	8
Total cash and cash equivalents	**33.037**	**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.

(All amounts in Euro thousands unless otherwise stated)

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 30 June 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. The AGM of 17 May 2007 has approved and granted stock options for the year 2007 of 408.015 shares.

15. RESERVES

	Statutory reserve	Special reserves	Hedging reserve	Tax reserves	Total
Balance at 1 January 2006	**72.040**	**86.495**	**-**	**385.107**	**543.642**
Cash flow hedges (Note 19)	-	-	1.501	-	1.501
Transfer to statutory and tax reserves	-	14.244	-	-	14.244
Balance at 31 December 2006	**72.040**	**100.739**	**1.501**	**385.107**	**559.387**
Cash flow hedges (Note 19)	-	-	(36.106)	-	(36.106)
Balance at 30 June 2007	**72.040**	**100.739**	**(34.605)**	**385.107**	**523.281**

Statutory reserves

Under Greek law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a statutory reserve until such reserve equals one third of outstanding share capital. This reserve cannot be distributed during the existence of the corporation, but can be used to offset accumulated losses.

Special reserves

Special reserves primarily relate to reserves arising from tax revaluations which have been included in the holding company accounts in accordance with the relevant legislation in prior years. Where considered appropriate deferred tax provisions are booked in respect of these reserves.

(All amounts in Euro thousands unless otherwise stated)

Tax reserves

Tax reserves include:

(i) Tax deferred reserves are retained earnings which have not been taxed with the prevailing corporate income tax rate as allowed by Greek law under various statutes. Certain of these retained earnings will become liable to tax at the rate prevailing at the time of distribution to shareholders or conversion to share capital. Distributions to shareholders and conversions to share capital are not normally anticipated to be made through these reserves.

(ii) Partially taxed reserves are retained earnings, which have been taxed at a rate less than the corporate tax rate as allowed by Greek law. Certain of these retained earnings will be subject to the remaining tax up to the corporate tax rate prevailing at the time of distribution to shareholders or conversion to share capital.

(iii) Tax free reserves include amounts under L 3220/2004 of €81 m. This law is currently being investigated by the EU commission for appropriateness of treatment in respect of income tax, as the EU commission considers this to be a form of state subsidy which is not in compliance with EU policies. The Company has not made any changes in its accounts as it considers it has set up these reserves within the scope of existing legislation. Further information on this reserve can be found in note 23vi, "Contingencies and Litigation".

16. BORROWINGS

	As at	
	30 June 2007	**31 December 2006**
Non-current borrowings		
Bank borrowings	284.282	29.579
Bond loan	-	265.756
Non-current borrowings	**284.282**	**295.335**
Current borrowings		
Short term loans	361.242	417.589
Current portion of long term debt	8.922	8.922
Total current borrowings	**370.164**	**426.511**
Total borrowings	**654.446**	**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 30 June 2007 the loan balance amount outstanding was €591 million (US $730 million + €50 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.

(All amounts in Euro thousands unless otherwise stated)

17. PROVISIONS AND OTHER LONG TERM LIABILITIES

	As at	
	30 June 2007	**31 December 2006**
Government grants	25.614	25.614
Derivatives designed as cash flow hedges (Note 19)	46.140	2.097
Other provisions	13.629	20.228
Total	**85.383**	**47.939**

Government grants

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. These grants become repayable once the Company generates income from the discoveries resulting from its subsidised expenditure with the terms of repayment to be determined by the Ministry of Development, if applicable. An amount off €17.902 has already been written off in prior years as it is considered highly unlikely it will ever become repayable. The remaining €25.614 is classified as a long term liability as it relates to exploration expense in areas where final relinquishment had not taken place as at 30 June 2007. The Company considers this treatment as appropriate, particularly after the uncertainty created by the new legislation on exploration and development rights (see note 23viii “Contingencies and Litigation”).

18. TRADE AND OTHER PAYABLES

	As at	
	30 June 2007	**31 December 2006**
Trade payables	432.721	351.580
Accrued Expenses & Deferred Income	15.163	2.278
Government grants	26.623	28.345
Derivatives held for trading (Note 19)	5.899	1.307
Other payables	21.425	36.300
Total	**501.831**	**419.810**

(All amounts in Euro thousands unless otherwise stated)

19. FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2007		31 December 2006	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Derivatives held for trading				
Commodity derivatives:				
Commodity swaps	11.284	5.899	7.605	1.307
	11.284	**5.899**	**7.605**	**1.307**
Total held for trading	**11.284**	**5.899**	**7.605**	**1.307**
Derivatives designated as cash flow hedges				
Commodity swaps	-	46.140	3.597	2.097
Total cash flow hedges	**-**	**46.140**	**3.597**	**2.097**
Total	**11.284**	**52.039**	**11.202**	**3.404**
Non-current portion				
Commodity swaps (Notes 10, 17)	-	46.140	3.597	2.097
	-	**46.140**	**3.597**	**2.097**
Current portion				
Commodity swaps (Notes 12, 18)	11.284	5.899	7.605	1.307
	11.284	**5.899**	**7.605**	**1.307**
Total	**11.284**	**52.039**	**11.202**	**3.404**

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 Group 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 fair value of the derivatives designated as cash flow hedges at the balance sheet date were recognised in Loans, advances and Other Receivables, Other long term liabilities and the net gains and losses in a hedging reserve within shareholders' equity.

(All amounts in Euro thousands unless otherwise stated)

20. CASH GENERATED FROM OPERATIONS

		For the six month period ended	
	Note	**30 June 2007**	**30 June 2006**
Profit before tax		**208.733**	**234.226**
Adjustments for:			
Depreciation and amortisation of tangible and intangible assets	**8,9**	37.641	48.067
Grants amortisation		(1.723)	(2.935)
Financial (income)/ expenses	**6**	11.286	6.293
Provisions		10.844	10.899
Foreign exchange (gains) / losses		(2.054)	(8.903)
Dividend income		(8.662)	(13.443)
		256.065	**274.204**
Changes in working capital			
(Increase) / decrease in inventories		(106.617)	(196.934)
(Increase) / decrease in trade and other receivables		(13.344)	(20.381)
Increase / (decrease) in payables		61.516	(58.405)
		(58.445)	**(275.720)**
Net cash (used in) / generated from operating activities		**197.620**	**(1.516)**

(All amounts in Euro thousands unless otherwise stated)

21. 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 six month period ended**	
	30 June 2007	**30 June 2006**
Sales of goods		
Group Entities	1.082.931	1.169.305
Other related parties	337.828	400.495
Sales of services		
Group Entities	4.345	4.631
	1.425.104	**1.574.431**

ii) Purchases of goods and services		
Purchases of goods		
Group Entities	14.651	17.720
Other related parties	11.672	10.369
Purchases of services		
Group Entities	6.191	2.187
	32.514	**30.276**

iii) Balances arising from sales / purchases of goods / services	**As at**	
	30 June 2007	**31 December 2006**
Receivables from related parties		
Group Entities		
- Receivables	169.863	153.290
Other related parties		
- Receivables	129.573	128.544
	299.436	**281.834**
Payables to related parties		
Group Entities		
- Payables	9.934	12.460
Other related parties		
- Payables	1.995	3.614
	11.929	**16.074**
Net balances from related parties	**287.507**	**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.

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 €.25.000 as at 30 June 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 €5.000 as at 30 June 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)

22. COMMITMENTS

Significant contractual commitments of the Company are as follows:

- Capital investment in upgrading Hellenic Petroleum refinery installations of €79 million (31 December 2006: €52 million). Out of the €79 million, €34 million relate to the Hydrocracker project.

- Upstream exploration and development costs of €18 million (31 December 2006: €20 million) have been committed as part of the Joint Operating Agreements (JOA) in place. These commitments will depend on the progress of exploration activities.

23. 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:

(i) 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.

(ii) 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.

(iii) 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.

(iv) The Company has given letters of comfort and guarantees of €1.345 million to banks for loans undertaken by subsidiaries and associates of the Company, the outstanding amount of which was €1.044 million as of 30 June 2007. The Company has also issued letters of credit and guarantees in favour of third parties amounting to €356 million mainly for the completion of crude purchase contracts.

(v) 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 30 June 2007, the Performance Bond had decreased to €12 million (31 December, 2006: €17 million).

(vi) In line with similar policy in the past, the Company has set up tax free reserves under the provisions of Law 3220/2004 of the Hellenic Republic in respect to investment plans amounting to €81 million (relating income tax approximately €20 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. Group management monitors this matter and since the Company has lawfully operated within the provisions of the law, it does not believe that the final outcome of the case will materially impact the financial position of the Company or the Group as shown in these financial statements.

(vii) 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. Management believes that the final outcome of this case will not have any material impact on the Company's financial statements. The court date for the appeal has been set for the 27 September 2007.

(viii) Pursuant to Law 3587 of July 10, 2007, clause 20, all exploration and development rights on Greek onshore and offshore blocks, awarded through a number of Presidential Decrees to DEP in the years 1976 to 1984 and DEP EKY in the years 1988 to 1995, as well as through Cabinet Decision 417/1995, ipso jure return to the State without any further action. Under the same clause, the Company is obliged, within 3 months from the publication of the above Law, to deliver to the Ministry of Development all documentation, studies, maps and any other papers in its possession that relate to exploration and development in the blocks where such rights had been awarded. As part of its accounting policy no exploration and production rights in Greece were capitalized by the Company as assets in its Financial Statements. All exploration and production relating expenditure has been expensed in the periods when the related works have taken place. In this respect, there is no material impact on the results of the Company or the six month financial statements as at 30 June 2007, resulting from law 3587/2007. The Company is assessing the new legislation and the resulting framework in order to determine its next steps and strategy with respect to exploration and production rights in Greece.

24. 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 (€85.578 in total) as final dividend was approved by the Board of Directors on 21 February 2007. This was approved by the AGM on 17 May 2007 and is included in these Financial Statements.

At its meeting held on 8 August, 2007, during which the Board of Directors approved the Condensed Interim Financial Statements of the Company for the six month period ended 30 June 2007, the Board proposed and approved an interim dividend for the 2007 financial year of €0,15 per share (amounting to a total of €45.845) The relevant amounts relating to the interim dividend will be included in the interim financial statements of the Company for the next period ending 30 September, 2007.

25. POST BALANCE SHEET EVENTS

On 24 July, 2007, Hellenic Petroleum has signed a Memorandum of Agreement (MOA) with EDISON SpA, Italy's second largest electricity producer and gas distributor, creating a strategic alliance in power generation and trading. The transaction will take the form of a joint venture and will be equally owned and managed by Hellenic Petroleum and Edison SpA.

Under the terms of the MOA, Hellenic Petroleum will contribute into the JV all its power generation assets, including Energiaki Thesalonikis S.A., a company that owns a 390MW CCGT power plant in Thesaloniki, Greece. Edison SpA will contribute its 65% participation in Thisvi Power Generation Plant SA, a company which is in the process of implementing a 420MW CCGT power plant project in Thisvi.

In accordance with IFRS 5, an entity should classify a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than though continuing use. Given that the Company's intention is not to recover the carrying amount of Energiaki Thesalonikis through sale, but rather spin-off its 50% interest and expand its operations in the power generation and trading activities, such transaction does not meet the definition of an "asset held for sale" and should not be treated as discontinued operations. In this respect, Energiaki Thesalonikis has been included in the interim six-monthly financial statements of the Company as at 30 June 2007 within "Investments in subsidiaries" and is not classified as a "Non-current asset held for sale".

The transaction is subject to due diligence covering inter alia financial, legal and technical aspects as well as finalization of all the terms and the corporate structure for the new operations. As a result, the Group will be able to calculate and disclose the full impact on the financial statements of the Group and the holding Company after the completion of the transaction.

As of 30 June 2007, this transaction has no impact on the interim financial statements of the Company.