HELLENIC PETROLEUM S.A.

Financial Statements
in accordance with IFRS for the
year ended 31 December 2010

COMPANY REGISTRATION NUMBER: 2443/06/B/86/23
REGISTERED OFFICE: 8A CHIMARRAS STR, 151 27 MAROUSSI, GREECE

Index to the financial statements

(All amounts in Euro thousands unless otherwise stated)

Company Information

Directors	Anastasios Giannitsis – Chairman of the Board (since 02/12/2009) John Costopoulos – Chief Executive Officer Theodoros-Achilleas Vardas – Executive Member Dimokritos Amallos – Non executive Member (since 28/12/2009) Alexios Athanasopoulos – Non executive Member Anastassios Banos – Non executive Member (since 28/12/2009) Georgios Kallimopoulos – Non executive Member Alexandros Katsiotis – Non executive Member (since 28/12/2009) Gerassimos Lachanas – Non executive Member (since 28/12/2009) Dimitrios Lalas – Non executive Member (since 28/12/2009) Panagiotis Ofthalmides – Non executive Member Theodoros Pantalakis – Non executive Member (since 28/12/2009) Spyridon Pantelias – Non executive Member (since 28/12/2009)
Other Board Members during the previous period:	Efthimios Christodoulou – Chairman of the Board (until 02/12/2009) Nikolaos Lerios – Executive Member (until 05/05/2009) Ioulia Armagou – Non executive Member (07/08/2008 – 28/12/2009) Vasilios Bagiokos – Non executive Member (until 28/12/2009) Dimitrios Miliakos – Non executive Member (14/05/2008 – 02/12/2009) Panagiotis Pavlopoulos – Non executive Member (until 28/12/2009) Nikolaos Pefkianakis – Non executive Member (05/05/2009 – 28/12/2009) Iason Stratos – Non executive Member (until 28/12/2009) Elisabeth Typaldou-Loverdou – Non executive Member (until 28/12/2009)
Registered Office:	8A Chimarras Str. 15121 Maroussi, Greece
Registration number:	2443/06/B/86/23
Auditors:	PricewaterhouseCoopers S.A. 268 Kifissias Ave. 152 32 Halandri Greece

Independent auditor's report

To the Shareholders of Hellenic Petroleum S.A.

Report on the Financial Statements

We have audited the accompanying financial statements of Hellenic Petroleum S.A. (the "Company"), set out in pages 7 to 52, which comprise the statement of financial position as of 31 December 2010 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2010, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference on Other Legal and Regulatory Matters

a) Included in the Board of Directors' Report is the corporate governance statement that contains the information that is required by paragraph 3d of article 43a of Codified Law 2190/1920.

b) We verified the conformity and consistency of the information given in the Board of Directors' report with the accompanying financial statements in accordance with the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, 25 February 2011

The Certified Auditor Accountant

PricewaterhouseCoopers S.A.

SOEL Reg. No. 113

Marios Psaltis

SOEL Reg.No. 38081

(All amounts in Euro thousands unless otherwise stated)

Statement of Financial Position

	Note	As at 31 December 2010	31 December 2009
ASSETS			
Non-current assets			
Property, plant and equipment	**6**	1.901.566	1.307.928
Intangible assets	**7**	9.971	11.801
Investments in affiliated companies	**8**	689.718	695.948
Deferred income tax assets	**18**	21.701	10.231
Available-for-sale financial assets		41	21
Loans, advances and other receivables	**9**	1.406	1.313
		2.624.403	**2.027.242**
Current assets			
Inventories	**10**	1.425.693	1.211.492
Trade and other receivables	**11**	765.858	785.964
Held to maturity securities	**12**	167.968	-
Cash and cash equivalents	**13**	220.000	127.809
		2.579.519	**2.125.265**
Total assets		**5.203.922**	**4.152.507**
EQUITY			
Share capital	**14**	1.020.081	1.020.081
Reserves	**15**	495.063	501.980
Retained Earnings		392.397	392.899
Total equity		**1.907.541**	**1.914.960**
LIABILITIES			
Non- current liabilities			
Borrowings	**17**	815.142	259.673
Retirement benefit obligations	**19**	107.917	114.670
Long term derivatives	**21**	66.296	37.253
Provisions and other long term liabilities	**20**	23.729	27.729
		1.013.084	**439.325**
Current liabilities			
Trade and other payables	**16**	1.377.367	913.476
Current income tax liabilities		99.326	2.204
Borrowings	**17**	803.604	879.709
Dividends payable		3.000	2.833
		2.283.297	**1.798.222**
Total liabilities		**3.296.381**	**2.237.547**
Total equity and liabilities		**5.203.922**	**4.152.507**

The Notes on pages 11 to 52 are an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 24 February 2011.

A. Giannitsis	J. Costopoulos	A. Shiamishis	I. Letsios
Chairman of the Board	Chief Executive Officer	Chief Financial Officer	Accounting Director

(All amounts in Euro thousands unless otherwise stated)

Statement of Comprehensive Income

	Note	For the year ended 31 December 2010	31 December 2009
Sales		**7.681.580**	**6.172.586**
Cost of sales		(7.193.483)	(5.739.442)
Gross profit		**488.097**	**433.144**
Selling, distribution and administrative expenses	**23**	(186.922)	(185.283)
Exploration and development expenses	**24**	(20.660)	(15.439)
Other operating income/(expenses) - net	**25**	2.228	(13.043)
Dividend income		11.879	17.110
Operating profit		**294.622**	**236.489**
Finance (expenses)/income -net	**26**	(32.561)	(15.745)
Currency exchange (losses)/gains	**27**	(14.308)	(1.730)
Profit/(loss) before income tax		**247.753**	**219.014**
Income tax expense	**28**	(93.800)	(56.498)
Profit/(loss) for the year		**153.953**	**162.516**
Other comprehensive income:			
Unrealised gains/(losses) on revaluation of hedges	**15**	(25.188)	7.425
Other Comprehensive (loss) / income for the year, net of tax		(25.188)	7.425
Total comprehensive income for the year		**128.765**	**169.941**
Basic and diluted earnings per share (expressed in Euro per share)	**29**	**0,50**	**0,53**

The Notes on pages 11 to 52 are an integral part of these financial statements.

(All amounts in Euro thousands unless otherwise stated)

Statement of Changes in Equity

	Note	Share Capital	Reserves	Retained Earnings	Total Equity
Balance at 1 January 2009		**1.020.081**	**489.407**	**371.901**	**1.881.389**
Unrealised gains / (losses) on revaluation of hedges	**15**	-	7.425	-	7.425
Other comprehensive income		**-**	**7.425**	**-**	**7.425**
Profit for the year		-	-	162.516	162.516
Total comprehensive income for the year		**-**	**7.425**	**162.516**	**169.941**
Share based payments	**14**	-	1.166	-	1.166
Transfers to statutory and tax reserves	**15**		3.982	(3.982)	-
Dividends relating to 2008 and to interim 2009		-	-	(137.536)	(137.536)
Balance at 31 December 2009		**1.020.081**	**501.980**	**392.899**	**1.914.960**
Unrealised gains / (losses) on revaluation of hedges	**15**	-	(25.188)	-	(25.188)
Other comprehensive income / (loss)		**-**	**(25.188)**	**-**	**(25.188)**
Profit for the year		-	-	153.953	153.953
Total comprehensive income for the year		**-**	**(25.188)**	**153.953**	**128.765**
Share based payments	**14**	-	1.352	-	1.352
Transfers to statutory and tax reserves	**15**		16.919	(16.919)	-
Dividends relating to 2009 and to interim 2010		-	-	(137.536)	(137.536)
Balance at 31 December 2010		**1.020.081**	**495.063**	**392.397**	**1.907.541**

The Notes on pages 11 to 52 are an integral part of these financial statements.

(All amounts in Euro thousands unless otherwise stated)

Statement of Cash flows

		For the year ended	
	Note	**31 December 2010**	**31 December 2009**
Cash flows from operating activities			
Cash (used in) / generated from operations	**31**	654.331	139.353
Income and other taxes paid		(1.425)	(5.196)
Net cash generated from operating activities		**652.906**	**134.157**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	**6,7**	(676.754)	(524.617)
Grants received		131	3.899
Dividends received		11.844	18.448
Interest received	**26**	4.273	10.201
Participation in share capital decrease / (increase) of affilated companies		6.230	(674)
Purchases of available-for-sale financial assets		(20)	-
Net cash used in investing activities		**(654.296)**	**(492.743)**
Cash flows from financing activities			
Interest paid	**26**	(37.024)	(25.121)
Dividends paid		(137.369)	(137.901)
Purchases of held-to-maturity financial assets	**12**	(167.968)	-
Repayments of borrowings		(324.542)	(1.278.270)
Proceeds from borrowings		762.253	1.412.776
Net cash generated from / used in financing activities		**95.350**	**(28.516)**
Net increase / (decrease) in cash & cash equivalents		**93.960**	**(387.102)**
Cash & cash equivalents at beginning of the year	**13**	**127.809**	**520.232**
Exchange gains on cash & cash equivalents		(1.769)	(5.321)
Net increase / (decrease) in cash & cash equivalents		93.960	(387.102)
Cash & cash equivalents at end of the year	**13**	**220.000**	**127.809**

The Notes on pages 11 to 52 are an integral part of these financial statements.

Notes to the financial statements

1 General information

Hellenic Petroleum S.A. (the "Company") operates in the oil industry with its principal activities being those of refining of crude oil and sale of oil products, and the production and trading of petrochemical products. The Company is also engaged in exploration and production of hydrocarbons.

The Company is incorporated in Greece and the address of its registered office is 8^A Chimarras Str. Marousi, Greece. The shares of the Company are listed on the Athens Stock Exchange and the London Stock Exchange through GDNs.

The same accounting policies and recognition and measurement principles are followed in these financial statements as compared with the annual consolidated financial statements of the Group for the year ended 31 December 2010. The Company's functional and presentation currency is the Euro, and the financial information in these financial statements is expressed in thousands of Euro (unless otherwise stated).

The financial statements of Hellenic Petroleum S.A. for year ended 31 December 2010 were approved for issue by the Board of Directors on 24 February 2011. The shareholders of the Company have the power to amend the financial statements after issue.

Users of these stand-alone financial statements should read them together with the Group's consolidated financial statements for the year ended 31 December 2010 in order to obtain full information on the financial position, results of operations and changes in financial position of the Group as a whole. These are located on the Group's website: www.helpe.gr.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of preparation

The financial statements of Hellenic Petroleum S.A. for the year ended 31 December 2010 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"). The European Union ("EU")has adopted all IFRS that were issued by the IASB and are effective for the year ended 31 December 2010, with the exception of certain provisions of IAS 39 that have no effect in these financial statements. As such, these financial statements comply with International Financial Reporting Standards (IFRS) as adopted by the European Union as well as with International Financial Reporting Standards issued by the IASB.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements, in accordance with IFRS, requires the use of critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 "Critical accounting estimates and judgments". These estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

2.1.1 Changes in accounting policies and disclosures

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current reporting period and subsequent reporting periods. The Company's evaluation of the effect of new standards, amendments to standards and interpretations that are relevant to its operations is set out below.

a) The following new standards, amendments to standards and interpretations to existing standards are applicable to the Company for periods on or after 1 January 2010:

- *IAS 24 (Amendment) 'Related Party Disclosures' (effective for annual periods beginning on or after 1 January 2011).* This amendment attempts to relax disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. The Company will apply these changes from their effective date.

- *IFRS 3 (Revised) 'Business Combinations' and IAS 27 (Amended) 'Consolidated and Separate Financial Statements'* The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The amended IAS 27 requires a change in ownership interest of a subsidiary to be accounted for as an equity transaction. The amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Furthermore the acquirer in a business combination has the option of measuring the non-controlling interest, at the acquisition date, either at fair value or at the amount of the percentage of the non-controlling interest over the net assets acquired. The Company has applied the revised and amended standards from 1 January 2010.

- *IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets (effective for annual periods beginning on or after 1 July 2011)*. This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements. This amendment has not yet been endorsed by the EU.

- *IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 1 January 2013).* IFRS 9 is the first part of Phase 1 of the Board's project to replace IAS 39. The IASB intends to expand IFRS 9 during 2010 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. IFRS 9 states that financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs. Subsequently financial assets are measured at amortised cost or fair value and depend on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. IFRS 9 prohibits reclassifications except in rare circumstances when the entity's business model changes; in this case, the entity is required to reclassify affected financial assets prospectively. IFRS 9 classification principles indicate that all equity investments should be measured at fair value. However, management has an option to present in other comprehensive income unrealised and realised fair value gains and losses on equity investments that are not held for trading. Such designation is available on initial recognition on an instrument-by-instrument basis and is irrevocable. There is no subsequent recycling of fair value gains and losses to profit or loss; however, dividends from such investments will continue to be recognised in profit or loss. IFRS 9 removes the cost exemption for unquoted equities and derivatives on unquoted equities but provides guidance on when cost may be an appropriate estimate of fair value. The Company is currently investigating the impact of IFRS 9 on its financial statements. The Company cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Company decide if IFRS 9 will be adopted prior to 1 January 2013.

b) The following amendments to standards and interpretations to existing standards are mandatory for the Company's accounting periods beginning on or after 1 January 2010 or later periods but without any significant impact to the Company's operations:

- IAS 32 (Amendment) 'Financial Instruments: Presentation' (effective for annual periods beginning on or after 1 February 2010)

- IAS 39 (Amendment) 'Financial Instruments: 'Recognition and Measurement'

- IFRS 2 (Amendment) 'Share-based Payment'

- IFRIC 12 – Service Concession Arrangements (EU endorsed for periods beginning on or after 30 March 2009)

- IFRIC 14 (Amendment) 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, (effective for annual periods beginning on or after 1 January 2011)

- IFRIC 17 "Distributions of non-cash assets to owners" (EU endorsed for periods beginning on or after 1 July 2009)

- IFRIC 18 "Transfers of assets from customers" (EU-endorsed for use annual periods beginning on or after 1 November 2009)

- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" (effective for annual periods beginning on or after 1 July 2010)

- Amendments to standards were issued in July 2009 following the publication of the results of the IASB's annual improvements project. The effective dates vary by standard, but most are effective for annual periods beginning on or after 1 January 2010. The amendments will not have a material impact on the Company's interim consolidated financial information.

- Amendments to standards were issued in May 2010 following the publication of the results of the IASB's 2010 annual improvements project. The effective dates vary by standard, but most are effective for annual periods beginning on or after 1 January 2011. The amendments will not have a material impact on the Company's financial statements.

c) The following amendments to standards and interpretations to existing standards are mandatory for the Company's accounting periods beginning on or after 1 January 2010 or later periods but are not applicable to the Company's operations:

- IAS 12 (Amendment) "Income Taxes"(effective for annual periods beginning on or after 1 January 2012). This amendment has not yet been endorsed by the EU.

- IFRIC 15 - Agreements for the construction of real estate (EU endorsed for use from 1 January 2010)

- IFRIC 16 - Hedges of a net investment in a foreign operation (EU endorsed for use from 1 July 2009)

2.2 Investments in affiliated companies

Investments in affiliated companies are presented at the cost of the interest acquired in the subsidiaries, associates, and joint ventures less any provisions for impairment.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee that makes strategic decisions.

2.4 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Euros, which is the Company's functional and presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences are recognized in profit or loss, and other changes in carrying amount are recognized in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

2.5 Property, plant and equipment

Land and buildings comprise mainly plant and offices. All property, plant and equipment is shown at historical cost less subsequent depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income statement as incurred. Refinery refurbishment costs are deferred and charged against income on a straight line basis over the scheduled refurbishment period.

Land is not depreciated. Depreciation on assets is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, as shown on the table below for the main classes of assets:

– Land	Nil
– Buildings	13 – 20 years
– Specialised industrial installations	10 – 25 years
– Machinery, equipment and transportation equipment	5 – 8 years
– Furniture and fixtures	4 – 8 years
– Computer hardware	3 – 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the income statement within 'Other income / (expenses) – net'.

Capitalisation of borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use.

Borrowing costs are capitalised to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. All other borrowing costs are expensed.

2.6 Intangible assets

(α) Licences and rights

License fees for the use of know-how relating to the polypropylene plant have been capitalised in accordance with IAS 38, Intangible Assets. They have a definite useful life and are carried at cost less accumulated amortisation. Amortisation is being calculated using the straight-line method to allocate the cost of licences and rights over their estimated useful lives (15 years).

Licenses and rights include Upstream Exploration rights which are amortised over the period of the exploration period as per the terms of the relevant licenses.

(b) Computer software

These include primarily the costs of implementing the (ERP) computer software program. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight line method over their estimated useful lives (3 years).

2.7 Exploration for and Evaluation of Mineral Resources

(a) Exploration and evaluation assets

During the exploration period and before a commercial viable discovery, oil and natural gas exploration and evaluation expenditures are expensed. Geological and geophysical costs as well as costs directly associated with an exploration are expensed as incurred. Exploration property leasehold acquisition costs are capitalized within intangible assets and amortised over the period of the licence or in relation to the progress of the activities if there is a substantial difference.

(b) Development of tangible and intangible assets

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of commercially proven development wells is capitalized within tangible and intangible assets according to their nature. When development is completed on a specific field, it is transferred to production assets. No depreciation and/or amortization is charged during the development phase.

(c) Oil and gas production assets

Oil and gas properties are aggregated exploration and evaluation tangible assets and development expenditures associated with the production of proved reserves.

(d) Depreciation/amortization

Oil and gas properties/intangible assets are depreciated/amortized using the unit-of-production method. Unit-of-production rates are based on proved developed reserves, which are oil, gas and other mineral reserves estimated to be recovered from existing facilities using current operating methods. Oil and gas volumes are considered produced once they have been measured through meters at custody transfer or sales transaction points at the outlet valve on the field storage tank.

(e) Impairment – exploration and evaluation assets

The exploration property leasehold acquisition costs are tested for impairment whenever facts and circumstances indicate impairment. For the purposes of assessing impairment, the exploration property leasehold acquisition costs subject to testing are grouped with existing cash-generating units (CGUs) of production fields that are located in the same geographical region corresponding to each licence.

(f) Impairment – proved oil and gas properties and intangible assets

Proved oil and gas properties and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and, are tested annually for impairment. Assets that are subject to amortisation or depreciation are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (discounted cash flows an asset is expected to generate based upon management's expectations of future economic and operating conditions). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Financial assets

The Company classifies its investments in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

2.9.1 Classification

(a) Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as 'held for trading' unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of the reporting period.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and with no intention of trading. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

(c)Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available-for-sale.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

2.9.2 Recognition and measurement

Financial assets carried at fair value through profit and loss are initially recognised at fair value and transaction costs are expressed in t he statement of comprehensive income.

Purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Available for sale financial assets are subsequently carried at cost less impairment as the equity instruments can not be reliably measured. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'Financial assets at fair value through profit or loss' category are included in the statement of comprehensive income in the period in which they have arisen.Changes in the fair value of monetary and non monetary financial assets classified as available for sale are recognized in other comprehensive income. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the income statement as "gains or loss from investment securities".

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's-length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis refined to reflect the issuer's specific circumstances.

2.9.3 Impairment of financial assets

The Group assesses at each end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income.

If there is objective evidence that an impairment loss on held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement.

Impairment testing of trade receivables is described in Note 2.13.

2.10 Derivative financial instruments and hedging activities

As part of its risk management policy, the Company utilizes financial and commodity derivatives to mitigate the impact of future price volatility. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

(a) Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);

(b) Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or

(c) Hedges of a net investment in a foreign operation (net investment hedge).

The Company documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

In 2006, the Company has entered into derivative contracts that have been designated as cash flow hedges. The effective portion of changes in the fair value of these derivatives is recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. Amounts accumulated in equity are recycled in the statement of comprehensive income in the periods when the hedged item affects profit or loss (i.e. when the forecast transaction being hedged takes place).

When a hedging instrument expires or is sold, or a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the statement of comprehensive income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of comprehensive income within “Other operating income / (expense)”.

The derivatives that are not designated as hedges and do not qualify for hedge accounting are classified as held-for-trading and accounted for at fair value through profit or loss. Changes in the fair value of these derivative instruments that do not qualify for hedge accounting are recognized immediately in the statement of comprehensive income within “Other operating (expenses)/income – net”, or in “Cost of Sales” (refer to Note 21).

2.11 Government grants

Investment and development grants related to Property, Plant and Equipment received by the Company are initially recorded as deferred government grants and included in “Provisions and other long term liabilities”. Subsequently, they are credited to income over the useful lives of the related assets in direct relationship to the depreciation charged on such assets.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of inventories is determined using the monthly weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads.

2.13 Trade receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade receivables include bills of exchange and promissory notes from customers.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators the receivable is impaired. The amount of the provision is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income and is included in Selling, Distribution and Administrative expenses.

2.14 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments such as marketable securities and time deposits with original maturities of three months or less.

2.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. At the end of the reporting period payable amounts of bank overdrafts are included within borrowings in current liabilities on the statement of financial position. In the statement of cash flows, bank overdrafts are shown within financing activities.

2.17 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

2.18 Employee benefits

(a) *Pension obligations*

The Company has both defined benefit and defined contribution plans.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Company pays contributions to publicly administered Social Security funds on a mandatory basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. None of the Company's defined benefit plans are funded.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Cumulative actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of 10% of the defined benefit obligation are spread to income over the employees' expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

(b) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after end of the reporting period are discounted to present value.

(c) Share-based compensation

The Company operates an equity-settled share-based compensation plan. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, at the date of granting. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting period end, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.19 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently are measured at amortised cost and using the effective interest method. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2.20 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability.

2.21 Environmental liabilities

Environmental expenditure that relates to current or future revenues is expensed or capitalised as appropriate. Expenditure that relates to an existing condition caused by past operations and that does not contribute to current or future earnings is expensed.

The Company has an environmental policy which complies with existing legislation and all obligations resulting from its environmental and operational licences. In order to comply with all rules and regulations the Group has set up a monitoring mechanism in accordance with the requirements of the relevant authorities. Furthermore, investment plans are adjusted to reflect any known future environmental requirements. The above mentioned expenses are estimated based on the relevant environmental studies.

Liabilities for environmental remediation costs are recognised when environmental assessments or clean-ups are probable and the associated costs can be reasonably estimated. Generally, the timing of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites.

2.22 Revenue recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax and any excise duties, rebates and discounts. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised as follows:

(a) Sales of goods – wholesale

Revenue on sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales of goods are recognised when the Company has delivered the products to the customer; the customer has accepted the products; and collectability of the related receivables is reasonably assured.

(c) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.23 Leases

Leases of property, plant and equipment, where the Company has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in "Borrowings". The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

The Company does not presently have any leases that are classified as finance leases.

Leases where the lessors retain substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

2.24 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved.

2.25 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

3 Financial risk management

3.1 Financial risk factors

The Company's activities are primarily centred around its Downstream Oil & Gas assets; secondary or new activities relate to Petrochemicals, exploration of hydrocarbons and power generation and trading. As such, the Company is exposed to a variety of financial and commodity markets risks including foreign exchange and commodity price risk, credit risk, liquidity risk, cash flow risk and fair value interest-rate risk. In line with international best practices and within the context of local markets and legislative framework, the Company's overall risk management policies aim at reducing possible exposure to market volatility and / or mitigating its adverse effects on the financial position of the Company to the extent possible.

Commodity price risk management is supervised by a Risk Management Committee which includes Finance and Trading departments' Senior Management. Non commodity price risk management is carried out by the Finance Department under policies approved by the Board of Directors. The Finance Department identifies and evaluates financial risks in close co-operation with the Company's operating units.

(a) Market risk

(i) Foreign exchange risk

Foreign currency exchange risk arises on three types of exposure:

- **Balance sheet translation risk:** Most of the inventory held by the Company is reported in Euro while its underlying value is determined in USD. Thus, a possible devaluation of the USD against the Euro leads to a reduction in the realisable value of inventory included in the balance sheet. In order to manage this risk, significant part of the Company funding is denominated in USD providing an opposite effect to the one described above. It should be noted however, that while in the case of USD devaluation the impact on the statement of financial position is mitigated, in cases of USD appreciation the mark to market valuation of such loans leads to a reported loss under foreign exchange differences with no compensating benefit as stocks continue to be included in the balance sheet at cost. The exposure at any point in time is clearly given by the amounts shown in the statement of financial position and the related disclosures. It is estimated, that at 31 December 2010 if the Euro had weakened against the US dollar by 5% with all other variables held constant, pre-tax profits would have been €18 million lower.

- **Gross Margin transactions and translation risk:** The fact that most of the transactions in crude oil and oil products are based on international Platt's USD prices leads to exposure in terms of the Gross Margin translated in Euro. Recent market volatility has impacted adversely on the cost of mitigating this exposure; as a result the Company did not actively hedge material amounts of the Gross margin exposure. This exposure is linearly related to the Gross margin of the Company in that the appreciation of Euro vs. USD leads to a respective translation loss on the period results.

- **Local subsidiaries exposure:** Where the Company operates in non Euro markets there is an additional exposure in terms of cross currency translation between USD (price base), Euro reporting currency and local currency. Where possible the Company seeks to manage this exposure by either transferring the exposure for pooling at Group levels or by taking protection in local currency. Although material for local subsidiaries operations, the overall exposure is not considered material for the Company.

(ii) Commodity price risk

The Company's primary activity as a refiner creates two types of commodity price exposures; exposure to crude oil and oil products price levels which affect the value of inventory and exposure to refining margins which in turn affect the future cash flows of the business.

In the case of price risk, the level of exposure is determined by the amount of priced inventory carried at the end of the reporting period. In periods of sharp price decline, as Company policy is to report its inventory at the lower of historical cost and net realisable value, results are affected by the reduction in the carrying value of the inventory. The extent of the exposure relates directly to the level of stocks and rate of price decrease. This exposure is partly hedged with paper derivatives to the extent that the cost of such instruments is considered positive, from a risk – return point of view.

Refining margin exposure relates to the absolute level of margin generated by the operation of the refineries. This is determined by Platt's prices and varies on a daily basis; as an indication of the impact to the Company financial results, a change in the refinery margins has a proportionate impact on the Company's profitability. Where possible, the Company aims to hedge 10%-50% of each of the various components of its expected production. This, however, is not possible to do in all market conditions and as a result only a small part of the price risk is effectively hedged. The sensitivity of the fair value of the open derivative contracts affecting profits to an immediate 10% increase or decrease in all reference prices, would have been €1.1 million at 31 December 2010. This figure does not include any corresponding economic impact that would arise from the natural business exposure, which would be expected to largely offset the gain or the loss on the derivatives.

(iii) Cash flow and fair value interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, while borrowings issued at fixed rates expose the Company to fair value interest rate risk. Depending on the levels of net debt at any given period of time, any change in the base interest rates (EURIBOR or LIBOR), has a proportionate impact on the Company results. At 31 December 2010, if interest rates on US dollar denominated borrowings had been 0,5% higher with all other variables held constant, pre-tax profit for the year would have been €2,9 million lower. At 31 December 2010, if interest rates on Euro denominated borrowings had been 0,5% higher with all other variables held constant, post-tax profit for the year would have been €1,6 million lower.

(All amounts in Euro thousands unless otherwise stated)

(b) Credit risk

Credit risk is managed on Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale customers, including outstanding receivables and committed transactions. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

The table below shows the segregation of trade receivables:

	As at	
	31 December 2010	**31 December 2009**
Current balance	522.745	552.549
Past due but not impaired balance	66.575	194.874
Impaired balance	92.170	86.796
	681.490	**834.219**
Allowance for bad debts	**80.527**	**64.227**

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

As of 31 December 2010 and 2009, the ageing analysis of receivables that were past due but not impaired, is as follows:

	As at	
	31 December 2010	**31 December 2009**
Up to 30 days	34.222	34.582
30 - 90 days	14.609	26.637
Over 90 days	17.744	133.655
Total	**66.575**	**194.874**

As of 31 December 2010 and 2009, the ageing analysis of receivables that were individually impaired is as follows

	As at	
	31 December 2010	**31 December 2009**
Up to 30 days	-	-
30 - 90 days	-	-
Over 90 days	92.170	86.796
Total	**92.170**	**86.796**

The individually impaired receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

(c) Liquidity risk

Prudent liquidity risk management entails maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Company aims to maintain flexibility in its funding through the use of committed credit facilities.

(All amounts in Euro thousands unless otherwise stated)

The table below analyses the Company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
31 December 2010				
Borrowings	803.604	-	815.142	-
Derivative financial instruments	24.003	33.952	32.344	-
Trade and other payables	1.353.364	-	-	-
31 December 2009				
Borrowings	879.709	2.814	256.859	-
Derivative financial instruments	26.536	12.430	24.823	-
Trade and other payables	886.940	-	-	-

3.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for share holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statement of financial position) less "Cash & Cash equivalents", "Available for Sale Financial Assets" and "Held-to-maturity securities". Total capital employed is calculated as "Total Equity" as shown in the statement of financial position plus net debt.

During 2010 the Company strategy which was unchanged from 2009, was to maintain the gearing ratio between 20% - 45%.

(All amounts in Euro thousands unless otherwise stated)

The gearing ratios at 31 December 2010 and 2009 were as follows:

	As at	
	31 December 2010	**31 December 2009**
Total Borrowings (Note 17)	1.618.746	1.139.382
Less: Cash & Cash Equivalents (Note 13)	(220.000)	(127.809)
Less: Available for sale financial assets	(41)	(21)
Less: Held-to-maturity securities (Note 12)	(167.968)	-
Net debt	**1.230.737**	**1.011.552**
Total Equity	1.907.541	1.914.960
Total Capital Employed	**3.138.278**	**2.926.512**
Gearing ratio	39%	35%

The increase in the gearing ratio resulted primarily from the increase in liquid funds required to finance the construction phase of the Refineries' Upgrade projects in Elefsina and Thessaloniki.

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2010:

	Level 1	**Level 2**	**Level 3**	**Total balance**
Assets				
Derivatives held for trading	-	12.715	-	12.715
Derivatives used for hedging	-	-	-	-
	-	**12.715**	**-**	**12.715**
Liabilities				
Derivatives held for trading	-	21.137	-	21.137
Derivatives used for hedging	-	69.162	-	69.162
	-	**90.299**	**-**	**90.299**

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

4 Critical accounting estimates and judgements

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Income taxes

Estimates are required in determining the provision for income taxes that the Company is subjected to. This requires significant judgement. There are some transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Provision for environmental restoration

The Company operates in the oil industry with its principal activities being that of exploration and production of hydrocarbons, refining of crude oil and sale of oil products, and the production and trading of petrochemical products. Environmental damage caused by such substances may require the Company to incur restoration costs to comply with the regulations in the various jurisdictions in which the Company operates, and to settle any legal or constructive obligation. Analysis and estimates are performed by the Company together with its technical and legal advisers, in order to determine the probability, timing and amount involved with probable required outflow of resources. Estimated restoration costs, for which disbursements are determined to be probable, are recognised as a provision in the Company's financial statements. When the final determination of such obligation amounts differs from the recognised provisions, the Company's statement of comprehensive income is impacted.

(c) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

(d) Held-to-maturity investments

The group follows the IAS 39 guidance on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held to maturity. This classification requires significant judgement. In making this judgement, the group evaluates its intention and ability to hold such investments to maturity. If the group fails to keep these investments to maturity other than for specific circumstances explained in IAS 39, it will be required to reclassify the whole class as available-for-sale. The investments would, therefore, be measured at fair value not amortised cost.

(e) Estimated impairment of investments and other non-financial assets

The Company tests annually whether investments and non-financial assets have suffered any impairment in accordance with its accounting policies. Significant judgement is involved in management's determination of these estimates.

(f) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 19.

(g) Provisions for legal claims

The Company has a number of legal claims pending against it. Management assesses the likely outcome of these claims and if it is more likely than not that the Company will lose a claim, then a provision is made. Provisions for legal claims, if required, are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. This requires judgement.

(All amounts in Euro thousands unless otherwise stated)

5 Segment information

Management has determined the operating segments based on the reports reviewed by the executive committee, that reviews the Company's internal reporting in order to assess performance and allocate resources. The committee considers the business from a number of measures which may vary depending on the nature and evolution of a business segment by taking into account the risk profile, cash flow, product and market considerations.

The Company is organised into three main business segments determined in accordance with the type of business activity:

1. Supply, refining and trading (Refining)
2. Exploration & production (E&P)
3. Petrochemicals

Year ended 31 December 2010	**Refining**	**Petro-chemicals**	**Exploration & Production**	**Other**	**Total**
Sales	7.327.044	352.967	726	843	7.681.580
Other operating income / (expense) - net	190	2.038	-	-	2.228
Operating profit / (loss)	**282.208**	**26.735**	**(25.156)**	**10.835**	**294.622**
Currency exchange gains / (losses)	(14.308)	-	-	-	(14.308)
Profit / (loss) before tax & finance costs	**267.900**	**26.735**	**(25.156)**	**10.835**	**280.314**
Finance costs - net					(32.561)
Profit before income tax					**247.753**
Income tax (expense)/credit					(93.800)
Profit for the year					**153.953**

Year ended 31 December 2009	**Refining**	**Petro-chemicals**	**Exploration & Production**	**Other**	**Total**
Sales	5.915.930	256.401	255	-	6.172.586
Other operating income / (expense) - net	(15.096)	2.053	-	-	(13.043)
Operating profit / (loss)	**250.318**	**(2.379)**	**(26.687)**	**15.237**	**236.489**
Currency exchange gains / (losses)	(1.730)	-	-	-	(1.730)
Profit / (loss) before tax & finance costs	**248.588**	**(2.379)**	**(26.687)**	**15.237**	**234.759**
Finance costs - net					(15.745)
Loss before income tax					**219.014**
Income tax credit/(expense)					(56.498)
Profit for the year					**162.516**

– Net operating profits of the petrochemicals segment during the year resulted from internationally improved margins for polypropelene.

(All amounts in Euro thousands unless otherwise stated)

Further segmental information as at 31 December 2010 is as follows:

	Refining	**Petro-chemicals**	**Exploration & Production**	**Other**	**Total**
Total Assets	4.978.538	200.181	3.502	21.701	**5.203.922**
Total Liabilities	3.013.654	179.763	638	102.326	**3.296.381**
Net Assets	1.964.884	20.418	2.864	(80.625)	**1.907.541**
Capital Expenditure	670.882	5.872	-	-	**676.754**
Depreciation & Amortisation	67.096	12.243	682	-	**80.021**

Further segmental information as at 31 December 2009 is as follows:

	Refining	**Petro-chemicals**	**Exploration & Production**	**Other**	**Total**
Total Assets	3.978.517	161.018	2.741	10.231	**4.152.507**
Total Liabilities	2.071.637	160.873	-	5.037	**2.237.547**
Net Assets	1.906.880	145	2.741	5.194	**1.914.960**
Capital Expenditure	523.317	1.300	-	-	**524.617**
Depreciation & Amortisation	61.342	12.341	3.849	-	**77.532**

(All amounts in Euro thousands unless otherwise stated)

6 Property, plant and equipment

	Land	Buildings	Plant & Machinery	Motor vehicles	Furniture and fixtures	Assets Under Cons-truction	Total
Cost							
As at 1 January 2009	**108.020**	**159.944**	**1.254.362**	**9.169**	**50.386**	**330.859**	**1.912.740**
Additions	1.884	1.432	453	909	4.574	514.726	523.978
Capitalised projects	-	20.092	135.157	-	518	(155.767)	-
Disposals	-	(6)	(787)	-	(238)	-	(1.031)
Transfers & other movements	-	-	-	-	-	(5.428)	(5.428)
As at 31 December 2009	**109.904**	**181.462**	**1.389.185**	**10.078**	**55.240**	**684.390**	**2.430.259**
Accumulated Depreciation							
As at 1 January 2009	**-**	**93.034**	**920.978**	**8.018**	**35.463**	**-**	**1.057.493**
Charge for the year	-	7.591	53.144	360	4.723	-	65.818
Disposals	-	(4)	(738)	-	(238)	-	(980)
Transfers & other movements	-	-	-	-	-	-	-
As at 31 December 2009	**-**	**100.621**	**973.384**	**8.378**	**39.948**	**-**	**1.122.331**
Net Book Value at 31 December 2009	**109.904**	**80.841**	**415.801**	**1.700**	**15.292**	**684.390**	**1.307.928**
Cost							
As at 1 January 2010	**109.904**	**181.462**	**1.389.185**	**10.078**	**55.240**	**684.390**	**2.430.259**
Additions	-	116	614	394	5.138	670.420	676.682
Capitalised projects	-	7.321	25.969	53	6.433	(39.776)	-
Disposals	-	-	(5.302)	-	(12)	(4.917)	(10.231)
Transfers & other movements	-	-	-	-	-	(3.136)	(3.136)
As at 31 December 2010	**109.904**	**188.899**	**1.410.466**	**10.525**	**66.799**	**1.306.981**	**3.093.574**
Accumulated Depreciation							
As at 1 January 2010	**-**	**100.621**	**973.384**	**8.378**	**39.948**	**-**	**1.122.331**
Charge for the period	-	7.924	60.468	389	6.190	-	74.971
Disposals	-	-	(5.282)	-	(12)	-	(5.294)
As at 31 December 2010	**-**	**108.545**	**1.028.570**	**8.767**	**46.126**	**-**	**1.192.008**
Net Book Value at 31 December 2010	**109.904**	**80.354**	**381.896**	**1.758**	**20.673**	**1.306.981**	**1.901.566**

(1) The Company has not pledged any property, plant and equipment as security for borrowings.

(2) Within the balance of Assets Under Construction at 31 December 2010 an amount of € 836 million (2009: €256 million) relates to costs in respect of the upgrade of the Elefsina refinery. The project is expected to be completed by the end of 2011. Any potential delays during the engineering, procurement or construction phase will have equivalent effects on the project completion date.

(3) During 2010 an amount of €21,8 million (2009: €2,9 million)in respect of interest has been capitalized in relation to Assets under construction relating to the refining segment, at an average borrowing rate of 2,8% (2009: 2,0%).

(All amounts in Euro thousands unless otherwise stated)

7 Intangible assets

	Computer software	Licences & Rights	Total
Cost			
As at 1 January 2009	**52.521**	**21.551**	**74.072**
Additions	639	-	639
Transfers, acquisitions & other movements	3.072	2.358	5.430
As at 31 December 2009	**56.232**	**23.909**	**80.141**
Accumulated Amortisation			
As at 1 January 2009	**46.431**	**10.195**	**56.626**
Charge for the year	7.024	4.690	11.714
As at 31 December 2009	**53.455**	**14.885**	**68.340**
Net Book Value 31 December 2009	**2.777**	**9.024**	**11.801**
Cost			
As at 1 January 2010	**56.232**	**23.909**	**80.141**
Additions	72	-	72
Transfers, acquisitions & other movements	3.148	-	3.148
As at 31 December 2010	**59.452**	**23.909**	**83.361**
Accumulated Amortisation			
As at 1 January 2010	**53.455**	**14.885**	**68.340**
Charge for the year	3.312	1.738	5.050
As at 31 December 2010	**56.767**	**16.623**	**73.390**
Net Book Value at 31 December 2010	**2.685**	**7.286**	**9.971**

Licenses and rights include Upstream Exploration rights which are amortised over the period of the exploration period as per the terms of the relevant EPSA rounds. Details of the accounting policy are given in Note 2.6 & 2.7.

(All amounts in Euro thousands unless otherwise stated)

8 Investment in affiliated companies

	As at 31 December 2010	31 December 2009
Beginning of the year	**695.948**	**707.838**
(Decrease) / Increase in share capital of subsidiaries	(6.230)	(11.890)
End of the year	**689.718**	**695.948**

Name	Participating interest	Country of Incorporation
Asprofos SA	100,0%	Greece
Diaxon ABEE	100,0%	Greece
EKO Georgia LTD	1,0%	Rep. of Georgia
EKO ABEE	100,0%	Greece
ELPET Valkaniki SA	63,0%	Greece
HELPE - Apollon Shipping Co	100,0%	Greece
HELPE International AG	100,0%	Austria
HELPE - Poseidon Shipping Co	100,0%	Greece
HELPE Finance Plc	100,0%	United Kingdom
Helpe Renewable Energy Sources S.A.	100,0%	Greece
Global Albania SA	99,9%	Albania
Public Gas Corporation of Greece S.A. (DEPA)	35,0%	Greece
ARTENIUS S.A.	35,0%	Greece
Athens Airport Fuel Pipeline Company S.A. (EAKAA)	50,0%	Greece
ELPEDISON B.V.	5,0%	Netherlands
Thraki SA	25,0%	Greece
VANCO	100,0%	Greece
EANT	9,0%	Greece
STPC	16,7%	Greece
NAPC	16,7%	Greece
Greek Association of Independent Energy Producers	16,7%	Greece

For 2010 the decrease in share capital relates to Poseidon Shipping Co and Apollon Shipping Co.

For 2009 the decrease in share capital relates to ELPET Valkaniki S.A.

9 Loans, advances and other receivables

	As at 31 December 2010	31 December 2009
Loans and advances and other long term assets	1.406	1.313
Total	**1.406**	**1.313**

(All amounts in Euro thousands unless otherwise stated)

10 Inventories

	As at 31 December 2010	31 December 2009
Crude oil	688.125	546.056
Refined products and semi-finished products	643.803	576.612
Petrochemicals	34.598	28.847
Consumable materials and other	72.578	72.288
- Less: Provision for Consumables and spare parts	(13.411)	(12.311)
Total	**1.425.693**	**1.211.492**

The cost of goods sold included in “Cost of sales” for 2010 is equal to €6,8 billion (2009: €5,4 billion).

The amount of the write-down of inventories (stock devaluation) recognized as an expense in 2010 and included in “Cost of sales” is equal to €0,5 million (2009: €2,9 million).

11 Trade and other receivables

	As at 31 December 2010	31 December 2009
Trade receivables	522.745	552.549
- Less: Provision for impairment of receivables	(80.527)	(64.227)
Trade receivables net	**442.218**	**488.322**
Other receivables	306.789	295.054
- Less: Provision for impairment of receivables	(10.283)	(8.083)
Other receivables net	**296.506**	**286.971**
Derivatives held for trading (Note 21)	12.715	-
Deferred charges and prepayments	14.419	10.671
Total	**765.858**	**785.964**

The carrying amounts of the receivables approximate their fair value.

Other receivables include balances in respect of VAT, income tax prepayment and advances to personnel.

The movement in the provision for impairment of trade receivables is set out below.

	As at 31 December 2010	31 December 2009
Balance at 1 January	64.227	59.857
Charged / (credited) to the income statement:		
- Additional provisions	16.300	5.870
- Unused amounts reversed	-	(1.500)
Balance at 31 December	**80.527**	**64.227**

The movement in the provision for impairment has been included in Selling, Distribution and Administration costs in the statement of comprehensive income.

(All amounts in Euro thousands unless otherwise stated)

12 Held-to-maturity investments

	As at 31 December 2010	31 December 2009
Held-to-maturity investments	167.968	-
Total	**167.968**	**-**

Held-to-maturity investments are short-term government bonds issued on the 30 December 2010 by Ministry of Finance to repay trade receivables. Their carrying amount approximates their fair value.

13 Cash and cash equivalents

	As at 31 December 2010	31 December 2009
Cash at Bank and in Hand	88.193	36.744
Short term bank deposits	131.807	91.065
Total cash and cash equivalents	**220.000**	**127.809**

The weighted average effective interest rate as at the reporting date on cash and cash equivalents was:

	As at 31 December 2010	31 December 2009
Euro	-	1,28%
USD	0,32%	0,18%

14 Share capital

	Number of Shares (authorised and issued)	Share Capital	Share premium	Total
As at 1 January 2009& 31 December 2009	**305.635.185**	**666.285**	**353.796**	**1.020.081**
As at 31 December 2010	**305.635.185**	**666.285**	**353.796**	**1.020.081**

All ordinary shares were authorised, issued and fully paid. The nominal value of each ordinary share is €2,18 (31 December 2009: €2,18).

Share options

During the AGM of Hellenic Petroleum S.A. held on 25 May 2005, a new share option scheme was approved, based on years 2005 – 2007, 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 Hellenic Petroleum S.A of 31 May 2006 has approved and granted stock options for the year 2005 of 272.100 shares. The AGM of 17 May 2007 has approved and granted stock options for the year 2006 of 408.015 shares. The AGM of 14 May 2008 has approved and granted stock options for the year 2007 of 385.236 shares and extended the scheme for an additional base year, namely 2008. The AGM of 3 June 2009 has approved and granted stock options for the year 2008 of 1.704.716 shares and extended the scheme for 2009. The vesting period is 1 November to 5 December of the years 2008 – 2012, 2009 – 2013, 2010 – 2014 and 2011 – 2015 for each of the base years 2005, 2006, 2007 and 2008 respectively.

(All amounts in Euro thousands unless otherwise stated)

Following the Board Decision of 27 April 2010, the AGM of Hellenic Petroleum held on 2 June 2010 approved the non – granting of any stock options for the year 2009, as a result of the adverse macroeconomic environment and extended the scheme for an additional base year, 2010, for which the vesting period will commence in 2012. The total number of stock options approved during the original AGM of 25 May 2005 has not been altered by the subsequent extensions to the scheme.

As at 31 December 2010 only the stock options granted in 2006, 2007 and 2008 were exercisable. No stock options have been exercised during 2010, or during the previous year, due to the negative relationship between the exercise price and the share market price during the respective vesting periods (1 November to 5 December).

The movement in share options during the year were:

	As at			
	31 December 2010		**31 December 2009**	
	Average Exercise Price in € per share	Options	Average Exercise Price in € per share	Options
At 1 January	**8,77**	**2.770.067**	**10,63**	**1.065.351**
Granted	-	-	7,62	1.704.716
Exercised	-	-	-	-
Lapsed	10,89	(49.117)	-	-
At 31 December	**8,74**	**2.720.950**	**8,77**	**2.770.067**

Share options outstanding at the year end have the following expiry date and exercise prices:

Expiry Date	**Exercise Price in € per share**	**No. of share options as at**	
		31 December 2010	**31 December 2009**
5 December 2012	9,69	268.658	272.100
5 December 2013	10,88	397.815	408.015
5 December 2014	11,01	349.761	385.236
5 December 2015	7,62	1.704.716	1.704.716
	Total	**2.720.950**	**2.770.067**

The average remaining contractual life of stock options outstanding at 31 December 2010 and 2009 was 4,30 and 4,93 years respectively.

The total expense recognised in the statement of comprehensive income for share based compensation is €1.352 (2009: €1.166).

(All amounts in Euro thousands unless otherwise stated)

15 Reserves

	Statutory reserve	Special reserves	Hedging reserve	Share-based payment reserve	Tax reserves	Total
Balance at 1 January 2009	**97.829**	**86.495**	**(36.479)**	**-**	**341.562**	**489.407**
Fair value gains / (losses) on cash flow hedges (Note 21)	-	-	7.425	-	-	7.425
Share-based payments (Note 14)	-	-	-	1.166	-	1.166
Transfers from retained earnings (Law 3299/04)	-	-	-		1.147	1.147
Transfer to statutory reserves	2.835	-	-	-	-	2.835
Balance at 31 December 2009	**100.664**	**86.495**	**(29.054)**	**1.166**	**342.709**	**501.980**
Cash flow hedges (Note 21):	-	-	-	-	-	-
- Fair value gains / (losses) on cash flow hedges	-	-	(34.759)	-	-	(34.759)
- De-recognition of 2011 hedges	-	-	9.571	-	-	9.571
Share-based payments (Note 14)	-	-	-	1.352	-	1.352
Transfers from retained earnings (Law 3299/04)	-	-	-	-	8.613	8.613
Transfer to statutory reserves	8.306	-	-	-	-	8.306
Balance at 31 December 2010	**108.970**	**86.495**	**(54.242)**	**2.518**	**351.322**	**495.063**

The year end hedging reserve is shown net of tax of €6.723 (2009: €2.136) – refer to Note 28.

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.

Tax free reserves

Tax free reserves include:

(i) Tax 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.

(All amounts in Euro thousands unless otherwise stated)

16 Trade and other payables

	As at 31 December 2010	31 December 2009
Trade payables	1.303.146	825.600
Accrued Expenses	12.462	21.069
Derivatives held for trading (Note 21)	24.003	26.536
Other payables	37.756	40.271
Total	**1.377.367**	**913.476**

Other payables include amounts in respect of payroll and other staff related costs, social security obligations and sundry taxes.

17 Borrowings

	As at 31 December 2010	31 December 2009
Non-current borrowings		
Bank borrowings	815.142	259.673
Non-current borrowings	**815.142**	**259.673**
Current borrowings		
Short term bank borrowings	803.604	870.787
Current portion of long-term bank borrowings	-	8.922
Total current borrowings	**803.604**	**879.709**
Total borrowings	**1.618.746**	**1.139.382**

The maturity of non-current borrowings is as follows:

	As at 31 December 2010	31 December 2009
Between 1 and 2 years	0	2.814
Between 2 and 5 years	815.142	256.859
	815.142	**259.673**

(All amounts in Euro thousands unless otherwise stated)

The weighted average effective interest margins as at the reporting date were as follows:

	As at 31 December 2010	
	€	**US$**
Bank Borrowings (short-term)		
- Floating Euribor + margin	3,99%	-
- Floating Libor + margin	-	0,86%
Bank Borrowings (long-term)		
- Floating Euribor + margin	1,15%	-
- Floating Libor + margin	-	0,86%

	As at 31 December 2009	
	€	**US$**
Bank Borrowings (short-term)		
- Floating Euribor + margin	2,59%	-
- Floating Libor + margin	-	1,83%
Bank Borrowings (long-term)		
- Floating Euribor + margin	1,34%	-
- Floating Libor + margin	-	1,83%

The carrying amounts of the Company's borrowings which approximate their fair value are denominated in the following currencies:

	As at	
	31 December 2010	**31 December 2009**
Euro	1.043.982	606.271
US dollar	574.764	533.111
Total borrowings	**1.618.746**	**1.139.382**

In April 2006, the Company concluded a €400 million multi-currency loan agreement with Hellenic Petroleum Finance Plc ("HPF"), a subsidiary of the Group in order to refinance existing financial indebtedness and for general corporate purposes. The loan facility amount was increased to €600 million on 18 October 2006 and to €1 billion on 18 October 2007. In April 2010 the loan facility amount was increased €1.5 billion. As at 31 December 2010, the outstanding loan balance with HPF amounted to the equivalent of €926 million (US$768 million and €351 million).

On 26 May 2010, the Company signed two loan agreements with the European Investment Bank for a total amount of €400 million (€200 million each). The loans have a maturity of 12 years. The purpose of the loans is to finance part of the investment programme relating to the upgrade of Elefsina Refinery. As at 31 December 2010, the outstanding loan balance amounted to €400 million.

Loans with various banks are also utilised to cover the Company's financing needs. As at 31 December 2010, the outstanding loan balance amounted to €293 million.

(All amounts in Euro thousands unless otherwise stated)

The loan analysis is as follows:

	As at	
	31 December 2010	**31 December 2009**
Revolving Credit Facility	803.604	879.709
Term loans	815.142	259.673
Total borrowings	**1.618.746**	**1.139.382**

18 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are presented below.

The gross movement in the deferred income tax asset/ (liability) is as follows:

	As at	
	31 December 2010	**31 December 2009**
Beginning of the year	10.231	61.465
Income statement recovery / (charge)	4.747	(49.149)
Charged / (released) to equity & other movements	6.723	(2.085)
End of year	**21.701**	**10.231**

Deferred tax relates to the following types of deductable (taxable) temporary differences:

	As at	
	31 December 2010	**31 December 2009**
Intangible and tangible fixed assets	(25.986)	(21.264)
Inventory valuation	3.085	2.832
Unrealised exchange gains	6.058	(7.667)
Employee benefits provision	20.609	21.862
Derivative financial instruments at fair value	17.874	20.218
Other temporary differences	61	(5.750)
Net deferred income tax asset/(liability)	**21.701**	**10.231**
Deferred income tax liabilities	**(54.350)**	**(62.702)**
Deferred income tax assets	**76.051**	**72.933**

Deferred tax in relation to special or tax free reserves is calculated to the extent that the Company believes it is more likely than not to be incurred and is entered in the related accounts.

(All amounts in Euro thousands unless otherwise stated)

19 Retirement benefit obligations

	As at	
	31 December 2010	**31 December 2009**
Balance sheet obligations for:		
Pension benefits	107.917	114.670
Total as per balance sheet	**107.917**	**114.670**

	Year ended	
	31 December 2010	**31 December 2009**
Income statement charge for:		
Pension benefits	18.193	56.631
Total as per income statement	**18.193**	**56.631**

The amounts recognised in the balance sheet are as follows:	As at	
	31 December 2010	**31 December 2009**
Present value of unfunded benefit obligations	131.457	151.130
Unrecognised actuarial gains / (losses)	(20.347)	(33.021)
Unrecognised prior service cost	(3.193)	(3.439)
Liability in the Balance Sheet	**107.917**	**114.670**

The amounts recognised in the income statements are as follows:

	Year ended	
	31 December 2010	**31 December 2009**
Current service cost	7.305	7.681
Interest cost	7.730	8.684
Net actuarial (gains) / losses recognised in the year	1.310	1.759
Past service cost	246	1.357
Regular profit & loss charge	**16.591**	**19.481**
Additional cost of extra benefits	1.602	37.150
Total included in employee benefit expense	**18.193**	**56.631**

The movement in liability recognised in the balance sheet is as follows:

	31 December 2010	**31 December 2009**
Beginning of the year	114.670	123.496
Total expense included in employee benefit expense	18.193	56.631
Payments	(24.946)	(65.457)
Total	**107.917**	**114.670**

The principal actuarial assumptions used were as follows:	As at	
	31 December 2010	**31 December 2009**
Discount Rate	4,50%	5,80%
Future Salary Increases	2,00%	4,50%
Average future working life in years	12,6	11,4

Included in Pension costs for 2009 are the additional costs incurred regarding the VRS scheme (Note 25).

(All amounts in Euro thousands unless otherwise stated)

20 Provisions and other long term liabilities

	As at 31 December 2010	As at 31 December 2009
Government grants	20.595	23.595
Litigation & tax provisions	3.000	4.000
Other provisions	134	134
Total	**23.729**	**27.729**

The movement for provisions and other long term liabilities for 2009 and 2010 is as follows:

	Government advances and grants	Litigation & tax povisions	Other provisions	Total
At 1 January 2009	**26.431**	**5.000**	**134**	**31.565**
Charged / (credited) to the income statement:				
- Additional provisions / grants	592	-	-	592
- Unused amounts reversed	-	(1.000)	-	(1.000)
Used during year	(3.428)	-	-	(3.428)
At 31 December 2009	**23.595**	**4.000**	**134**	**27.729**
Charged / (credited) to the income statement:				
- Additional provisions / grants	131	-	-	131
- Unused amounts reversed	-	(1.000)	-	(1.000)
Used during year	(3.131)	-	-	(3.131)
Exchange differences	-	-	-	-
At 31 December 2010	**20.595**	**3.000**	**134**	**23.729**

Government advances

Advances by the Government (Hellenic State) relate to property, plant and equipment.

Environmental costs

No material provision for environmental remediation is included in the accounts as the Company has a policy for addressing environmental issues (Note 2.21).

Other provisions

Amounts included in other provisions and long term liabilities relate to sundry operating items and risks arising from the Company's ordinary activities.

21 Fair values of derivative financial instruments

Derivatives held for trading

In the context of managing risk resulting from the volatility in the inventory values of products and crude oil, the Company enters into derivative contracts. 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" if the maturity is less than 12 months and in "Loans, advances and other receivables" and "Other long term liabilities" if the maturity is more than 12 months. Changes in the fair value of these derivatives are charged to the Income Statement either within Other (expenses)/income or Cost of sales.

The instruments used for risk management include commodity exchange traded contracts (ICE futures), full refinery margin forwards, product price forward contracts or options.

As part of managing operating and price risk, the Company engages in derivative transactions with 3rd parties with the intention of matching physical positions and trades or close proxies thereof and are therefore considered an integral part of "Cost of Sales". During 2010 the amounts attributable to such derivatives were €2.296 gain (2009: €47.930 loss) and are included in "Cost of Sales".

In certain cases it may not be possible to achieve a fully matched position, in which case the impact can not be considered as a "Cost of Sales" component. The result from such derivative positions in 2010 € 11.895 loss (2009: €15.297 loss) and is shown under "Other operating (expenses) / income – net" (see Note 25).

Derivatives designated as cash flow hedges

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. The fair value of the Commodity swaps at the balance sheet date was recognised in "Long term derivatives", while changes in their fair value are recorded in reserves as long as the forecasted purchase of inventory is highly probable and the cash flow hedge is effective as defined in IAS 39.

When certain of the forecasted transactions cease to be highly probable, they are de-designated from cash flow hedges at which time amounts charged to reserves are transferred to the statement of comprehensive income within "other income/expense". As at 31 December 2010 amounts transferred to the statement of comprehensive income for de-designated hedges amounted to €9.571 loss net of tax (31 December 2009: €0) which relate to projected transactions for the Elefsina refinery upgrade in 2011. The remaining cash flow hedges are highly effective and the movement in the fair value of these derivatives, amounting to a loss of €34.759 net of tax (2009: €7.425 gain), was transferred to the "Hedging Reserve".

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the statement of financial position.

Derivatives held for Trading

	31 December 2010				**31 December 2009**			
Commodity Derivative type	**Notional Amount**		**Assets**	**Liabilities**	**Notional Amount**		**Assets**	**Liabilities**
	MT'000	**Bbls'000**	**€**	**€**	**MT'000**	**Bbls'000**	**€**	**€**
Commodity Swaps	2.460	-	12.715	21.137	550	3.840	-	26.536
	2.460	**-**	**12.715**	**21.137**	**550**	**3.840**	**-**	**26.536**

Derivatives designated as Cash Flow Hedges

	31 December 2010				**31 December 2009**			
Commodity Derivative type	**Notional Amount**		**Assets**	**Liabilities**	**Notional Amount**		**Assets**	**Liabilities**
	MT'000	**Bbls'000**	**€**	**€**	**MT'000**	**Bbls'000**	**€**	**€**
Commodity Swaps	1.440	-	-	69.162	2.100	-	-	37.253
	1.440	**-**	**-**	**69.162**	**2.100**	**-**	**-**	**37.253**
Total			**12.715**	**90.299**			**-**	**63.789**

	31 December 2010		**31 December 2009**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Non-current portion				
Commodity swaps	-	66.296	-	37.253
	-	**66.296**	**-**	**37.253**
Current portion				
Commodity swaps (Notes 11, 16)	12.715	24.003	-	26.536
	12.715	**24.003**	**-**	**26.536**
Total	**12.715**	**90.299**	**-**	**63.789**

22 Employee benefit expenses

	For the year ended	
	31 December 2010	**31 December 2009**
Wages and salaries	153.139	154.250
Social security costs	27.301	25.874
Pension costs	17.677	52.032
Other employment benefits	34.244	32.054
Total	**232.361**	**264.210**

Included in Pension costs for 2009 are the additional costs incurred regarding the voluntary retirement scheme (Note 25).

Included in Other employment benefits are medical insurance, catering, and transportation expenses. The value of share – based compensation of €1.352 (2009: €1.166) is included therein (see Note 14).

(All amounts in Euro thousands unless otherwise stated)

23 Selling, distribution and administrative expenses

	For the year ended 31 December 2010	31 December 2009
Selling and distribution expenses	92.297	93.477
Administrative expenses	94.625	91.806
	186.922	**185.283**

24 Exploration and development expenses

Exploration and development expenses comprise expenditure associated with the Company's exploration activities as an operator in one block in western Egypt and in another block in southern Egypt in a joint venture with Melrose and Kuwait Energy through the Hellenic Petroleum branch in Egypt. As these projects are still in the exploration phase, all amounts spent are expensed (2010: €20.660 and 2009: €15.439).

25 Other operating income / (expenses)

	For the year ended 31 December 2010	31 December 2009
Income from grants	3.131	3.428
Gains on derivative financial instruments	11.460	9.329
Losses on derivative financial instruments	(11.895)	(20.103)
Services to third parties	1.802	473
Rental income	2.379	629
Voluntary retirement scheme cost	-	(29.954)
Other income / (expense)	(4.649)	23.155
Total	**2.228**	**(13.043)**

(i) Other operating (expenses) / income – net include amongst other items income or expenses which do not represent trading activities of the Company. Also included in Other Operating (Expenses) / Income are gains / (losses) from derivative positions not directly associated with operating activities (Note 21).

26 Finance costs - net

	For the year ended 31 December 2010	31 December 2009
Interest income	4.273	10.201
Interest expense and similar charges	(36.199)	(25.121)
Accrued interest	(635)	(825)
Finance costs - net	**(32.561)**	**(15.745)**

In addition to the finance cost shown above, an amount of €21,8 million in 2010 (2009: €2,9 million) has been capitalized as further explained in Note 6.

(All amounts in Euro thousands unless otherwise stated)

27 Currency exchange gains / (losses)

Currency exchange losses of €14m for the year ended 31 December 2010 are mostly driven by marked-to-market losses on US$ denominated loans of €42 million due to the strengthening of the Dollar against Euro taking place in the first half of 2010, which were partly set off by net realized and unrealized gains of €29 million from the translation of trade payables and receivables balances. The Company opts to borrow funds in USD in order to finance the acquisition of US$ denominated crude oil stocks and as a result a Euro-related compensating benefit is included in the gross margin.

28 Income tax expense

	For the year ended	
	31 December 2010	**31 December 2009**
Current tax	98.547	7.349
Deferred tax (Note 18)	(4.747)	49.149
Total	**93.800**	**56.498**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company, as follows:

	For the year ended	
	31 December 2010	**31 December 2009**
Profit / (loss) before Tax	**247.753**	**219.014**
Tax calculated at tax rates applicable to profits	59.461	54.754
Tax on income not subject to tax	(29.583)	(27.742)
Tax on expenses not deductible for tax purposes	35.514	18.586
Additional one-off tax on 2009 profits (L.3845/10)	21.409	-
Income tax on preliminary dividend 2010	12.225	-
Other	(5.226)	10.900
Tax Charge / (Credit)	**93.800**	**56.498**

The basic tax rate was 24% for the period ending 31 December 2010 (25% for the year ending 31 December 2009).

In 2009 a new tax law (L3697/2009) was enacted on the base of which income tax rates for the fiscal years 2010, 2010, 2011, 2012, 2013 and periods after 1 January 2014 would be 24%, 23%, 22%, 21% and 20% respectively. These rates have been used for deferred tax calculations as at 31 December 2010.

Income tax charge for 2010 has been affected by two items:

a) Special contribution

In line with L.3845/10 a special contribution on the profits for 2009 has been provided for.

b) Provision for tax on interim dividend

In line with law 3842/10, for the years starting from 1/1/2010, distributed earnings attract a total income tax of 40%. Specifically for the year 2010, this means a top-up of 16% over the normal corporate tax rate of 24%. Even-though a recent law proposal changes the treatment of distributed earnings, given that this has not been enacted yet, an accrual amounting to €12.225 for the incremental tax for interim dividend has been provided for. If the proposed law is enacted before dividends are approved by the AGM, then this amount will be amended accordingly in 2011.

The tax (charge) / credit relating to components of other comprehensive income, is as follows:

	For the year ended					
	31 December 2010			31 December 2009		
	Before tax	Tax (charge)/ credit	After tax	Before tax	Tax (charge)/ credit	After tax
Cash flow hedges	(31.911)	6.723	(25.188)	9.560	(2.136)	7.424
Other comprehensive income	(31.911)	6.723	(25.188)	9.560	(2.136)	7.424

29 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

	For the year ended	
	31 December 2010	31 December 2009
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	**0,50**	**0,53**
Net income attributable to ordinary shares (Euro in thousands)	153.953	162.516
Average number of ordinary shares outstanding	305.635.185	305.635.185

Diluted earnings per share were the same as basic earnings per share.

30 Dividends per share

A proposal to the AGM for an additional €0,30 per share as final dividend for 2008 (amounting to a total of €91.691) was approved by the Board of Directors on 26 February 2009 and the final approval was given by the shareholders at the AGM held on 3 June 2009.

At its meeting held on 27 August 2009, during which the Board of Directors approved the condensed interim financial information of the Company for the six month period ended 30 June 2009, the Board proposed and approved an interim dividend for the 2009 financial year of €0,15 per share (amounting to a total of €45.845). The relevant amounts relating to the interim dividend for 2009 and the final dividend for 2008 (totalling €137.536) are included in these financial statements.

A proposal to the AGM for an additional €0,30 per share as final dividend for 2009 (amounting to a total of €91.691) was approved by the Board of Directors on 25 February 2010 and the final approval was given by the shareholders at the AGM held on 2 June 2010. Furthermore, at its meeting held on 24 August 2010, during which the Board of Directors approved the condensed interim financial information of the Company for the six month period ended 30 June 2010, the Board proposed and approved an interim dividend for the 2010 financial year of €0,15 per share (amounting to a total of €45.845). The relevant amounts relating to the interim dividend for 2010 and the final dividend for 2009 have been included in these financial statements. Due to changes in tax regulations during the year, the payment of the interim dividend raised additional tax obligations on the Company of € 12,2 million (refer to Note 27).

A proposal to the AGM for an additional € 0,30 per share as final dividend was approved by the Board of Directors on 24 February 2011. This amounts to €91.691 and is not included in these accounts as it has not yet been approved by the shareholders' AGM. No provision for tax was taken for the final dividend as the Company expects the new tax legislation to clear the issue.

(All amounts in Euro thousands unless otherwise stated)

31 Cash generated from operations

	Note	For the year ended 31 December 2010	31 December 2009
Profit before tax		**247.753**	**219.014**
Adjustments for:			
Depreciation and amortisation of property, plant & equipment and intangible assets	**6,7**	80.021	77.532
Grants amortisation		(3.131)	(3.428)
Finance costs - net	**25**	32.561	15.745
Provisions for expenses and valuation chages		25.528	20.320
Losses from disposal of PPE		-	51
Foreign exchange (gains) / losses		14.308	1.730
Dividend income		(11.879)	(17.110)
		385.161	**313.854**
Changes in working capital			
(Increase) / decrease in inventories		(215.302)	(270.770)
(Increase) / decrease in trade and other receivables		15.232	(59.109)
Increase / (decrease) in payables		469.240	155.378
		269.170	**(174.501)**
Net cash generated from operating activities		**654.331**	**139.353**

32 Contingencies

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 20). These 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) The Company has not undergone a tax audit for the years ended 31 December 2002 to 31 December 2010. The tax audit for Hellenic Petroleum S.A. for the years 2002 – 2009 is currently under way, while temporary tax audits are finalized for the years 2006 and 2008.

Based on Art.5 of the new tax law 3845/2010 (FEK 65A' – 6/5/2010), an additional income tax provision regarding the profits of financial year 2009 have been included in this interim consolidated financial information, amounting to €21 million. Based on Art.5 of the Tax Law 3845/2010 (FEK 65A' – 6/5/2010), the Company is subject to a special tax contribution in respect of profits of financial year 2009. Hellenic Petroleum S.A. has received the relevant assessment from the tax authorities indicating an obligation amounting to €26 million. However, the tax authorities' calculation was found to be incorrect and the company submitted the relevant supporting analyses for the calculation to be corrected. The overall provision for the Law 3845/2010 special tax contribution in the financial statements has been based on the correct calculation of Hellenic Petroleum's special contribution which amounts to €21 million.

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) The Company has provided letters of comfort and guarantees to the favour of banks as security for loans granted by them to subsidiaries and associates of the Group, the outstanding amount of which as at 31 December 2010 was the equivalent of €1.801 million (31 December 2009 €1.715 million). The Company has also issued letters of credit and guarantees to the favour of third parties, mainly for the procurement of crude oil, which as at 31 December 2010 amounted to the equivalent of €456 million equivalent (31 December 2009: €363 million).

(iv) 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 maintaining its position that the rational of the conclusion has not taken into account critical evidence presented, has filed an appeal with the Athens Administrative Court of Appeals. 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 (since then all necessary changes have been implemented), but did not suspend the payment of the fine, which has already been paid. 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, initially set for the 27 September 2007 and postponed to take place on 17 January 2008, was finally tried on the 25 September 2008. The resolution issued has partly accepted the Company's appeal i.e. and (a) has reduced the fine of €7,3 million by €1,5 million (b) has revoked the corrective measures which were temporarily suspended as above. The Company is contesting the above decision before the Supreme Administrative Court for the part which the aforementioned resolution has not been fully accepted. The case has been postponed twice, to be heard on 11 May 2011.

(v) In 2008, the D' Customs Office of Piraeus (formerly Z' Customs Office), issued deeds of assessment amounting at approximately €40 million for alleged stock shortages in the bonded warehouses of Aspropyrgos and Elefsina installations. In relation with the above, the Company has filed within the deadlines required by the Law, contestations before the Administrative Court of First Instance of Piraeus, for which no dates of hearing have been assigned to date. In addition, independent auditors have confirmed that there are no stock shortages and the books are in complete agreement with official stock counts. Further to the substantial reasons of contestation, legal advisors of the Company have expressed the opinion that such claims have been time-barred.

33 Commitments

Significant contractual commitments of the Company are as follows:

- Capital investment in upgrading Hellenic Petroleum refinery installations of €442,3 million (31 December 2009 €529,5 million), of which €412 million relate to the Hydrocracker project.
- Upstream exploration and development costs of €1,5 million (31 December 2009: €4,4 million) have been committed as part of the Joint Operating Agreements (JOA) in place. These commitments will depend on the progress of exploration activities.

(All amounts in Euro thousands unless otherwise stated)

34 Related-party transactions

i) Sales of goods and services	**For the year ended**	
	31 December 2010	**31 December 2009**
Sales of goods		
Group Entities	3.185.862	2.143.451
Other related parties	150.565	145.484
Sales of services		
Group Entities	12.375	8.018
	3.348.802	**2.296.953**

ii) Purchases of goods and services		
Purchases of goods		
Other related parties	38.576	31.916
Purchases of services		
Group Entities	58.551	52.292
	97.127	**84.208**

iii) Balances arising from sales / purchases of goods / services	**As at**	
	31 December 2010	**31 December 2009**
Receivables from related parties		
Group Entities		
- Receivables	278.702	232.194
Other related parties		
- Receivables	174.593	165.776
	453.295	**397.970**
Payables to related parties		
Group Entities		
- Payables	25.579	16.112
Other related parties		
- Payables	2.630	2.315
	28.209	**18.427**
Net balances from related parties	**425.086**	**379.543**

	For the year ended	
	31 December 2010	**31 December 2009**
Charges for directors remuneration	1.127	1.133

All transactions with related parties are effected 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/ Olympic 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 as at 31 December 2010 had no outstanding loans (31 December 2009: equivalent €20 million) due to the following related financial institutions:

- National Bank of Greece
- Agricultural Bank of Greece

d) Hellenic Petroleum Group's joint ventures with other third parties:

- Hellenic Petroleum S.A. (75%) & Calfrac (25%)
- Melrose (40%), Kuwait Energy (30%) & Hellenic Petroleum S.A. (30%)
- JPK (49%), HPI (11%), Ramco (40%)

e) Associates of the Group:

- Athens Airport Fuel Pipeline Company S.A. (EAKAA)
- Public Gas Corporation of Greece S.A. (DEPA)
- Artenius S.A.
- Elpedison B.V.
- HELPE Thraki A.E.
- Spata Aviation Fuel Company S.A. (SAFCO)
- Biodiesel

f) Financial institutions in which substantial interest is owned by parties which hold significant participation in the share capital of the Company. The Company as at 31 December 2010 had outstanding loans amounting to the equivalent of €240,0 million (31 December 2009: equivalent of €230,0 million) 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)

35 Subsequent events

There were no significant events that took place after the current balance sheet date as at 31 December 2010.