PRESS RELEASE

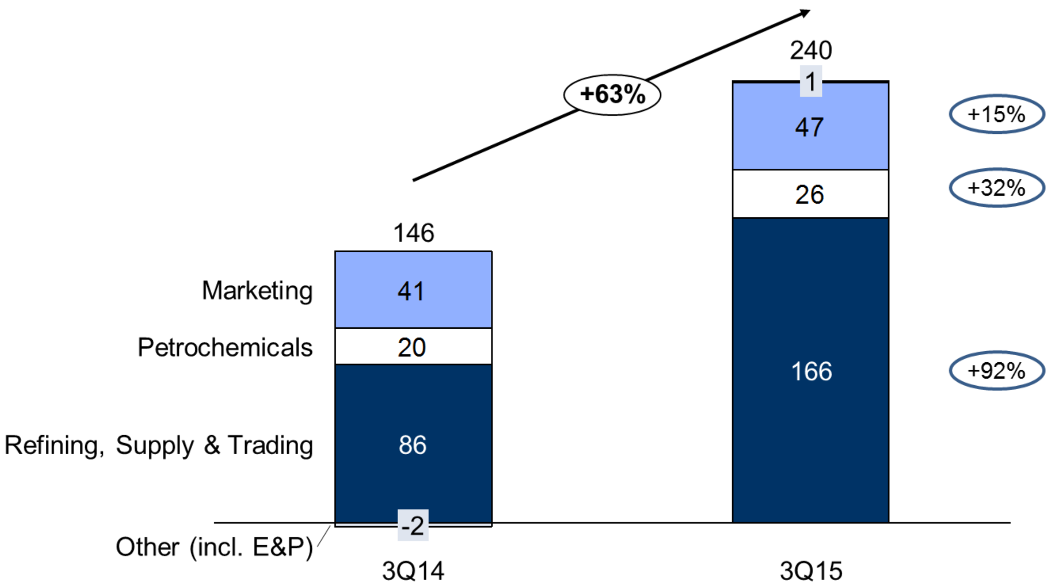
12 November 2015

Third quarter / Nine-month 2015 financial results

<u>Record high operating results, increased exports, uninterrupted markets supply post capital controls with utilisation of available liquidity, successful management of crisis and capture of strong benchmark refining margins.</u>

HELLENIC PETROLEUM Group published its 3Q15 results, with Adjusted EBITDA at **€240m** (3Q14: €146m) and respective 9M15 result at **€575m,** reporting improved operational performance in all business units.

Adjusted EBITDA per segment (€m)



3Q15 results represent the **highest quarterly operating performance reported** as **the full operation of the refineries** allowed the capture of strong benchmark refining margins and euro/dollar exchange rate and led to a further growth of exports sales.

The successful management during the bank holiday and capital controls reduced the impact on results and the financial position of the Group. Increased cash balances allowed the uninterrupted procurement of crude oil and operation of the refineries, maintaining continuous supply of fuels in domestic market, especially during a period of increased tourism activity.

Positive refining environment: benchmark refining margins remain strong

Ample crude oil supply, coupled with recent global macroeconomic developments, led prices to a further decline, with Brent recording a new historic low average of $51/bbl. Low crude oil prices for a third consecutive quarter supported global demand growth for oil products, mainly gasoline, thus maintaining key product cracks at satisfactory levels.

As a result, Med FCC benchmark margins averaged $7.3/bbl, while Hydrocracking margins amounted to $6.2/bbl, significantly improved versus last year.

The exchange rate EUR/USD remained constant q-o-q at 1.1 for 3Q15.

Greek market: Fuels demand drop in the third quarter

As expected, despite increased tourism, domestic fuels market contracted by 7%, amounting to 1.5 million tonnes in 3Q15. This is mainly attributed to recent domestic macro developments and capital controls, that continue to affect demand. According to official market data, auto fuels demand recorded a drop of 6%, same for both gasoline and diesel.

Financial results and main business developments

The significant improvement of Refining, Supply & Trading contribution was the key driver of 3Q15 results, with Adjusted Net Income at €111m, versus €24m last year, and improved operational performance in all business units.

Despite significant inventory loss of €125m, from the drop of c.$15/bbl in crude oil price, 3Q15 Reported IFRS results were also positive. Reduced depreciation charges and interest costs, as well as the positive impact of €16m from deferred tax, due to a change in the corporate tax rate, led 3Q15 reported Net Income to €38m, while EBITDA amounted to €115m.

In response to the crisis, post capital controls imposition, the Group successfully rolled-out a contingency plan, aiming at sustaining normal operations and uninterrupted market supply. However, capital controls have materially affected working capital financing, since open credit from crude oil suppliers was significantly reduced. As a result, funding requirements were met through the utilisation of own cash reserves, affecting cash flow and increasing Net Debt to €2.4bn.

Regarding the sale of 66% of DESFA share capital to SOCAR, the approval of the European Competition Authorities remains outstanding for the completion of the regulatory clearance, with all parties involved working towards aligning the transaction structure in a way that is acceptable by regulatory authorities.

On 26 October 2015, Hellenic Petroleum submitted binding offers for the areas of Arta-Preveza and NW Peloponnese, while in the next few weeks, the seismic studies in the offshore area of W. Patraikos are expected to start, according to plan.

Key highlights and contribution for each of the main business units in 3Q15 were:

REFINING, SUPPLY & TRADING

- Domestic Refining, Supply & Trading 3Q15 Adjusted EBITDA amounted to €163m
- Production was 3.4 million tonnes (+3% y-o-y)
- Export growth and higher Aviation and Bunkering sales outweighed the impact of the domestic market crisis, leading sales volumes to 3.6m tonnes

PETROCHEMICALS

- Strong international PP margins and increased production led Adjusted EBITDA to €26m.

DOMESTIC MARKETING

- Domestic Marketing 3Q15 Adjusted EBITDA came in at €27m, improved vs last year, on the back of market share gains in retail and a strong tourism season, despite the challenging environment.
- Sales volumes amounted to 1 million tonnes (+5%), driven by higher Bunkering sales.

INTERNATIONAL MARKETING

- Record high sales volumes (344k tonnes) on the back of increased demand, supported by the low price environment and vertical integration with Thessaloniki refinery.
- 3Q15 Adjusted EBITDA amounted to €20m.

ASSOCIATED COMPANIES

- DEPA Group contribution to consolidated Net Income amounted to €5m, on increased demand from gas-fired electricity generators.
- Elpedison profitability continued to be affected by the significant delay in establishing a transitional regulatory framework for independent power producers, since the power generators' capacity remuneration scheme has not been finalised yet.

Key consolidated financial indicators (prepared in accordance with IFRS) for 3Q15 are shown below:

€ million	**3Q14**	**3Q15**	***% Δ***	**9M14**	**9M15**	***% Δ***
P&L figures						
Refining Sales Volumes ('000 MT)	3,582	3,623	*1%*	9,557	10,188	*7%*
Sales	2,634	1,836	*-30%*	7,096	5,500	*-22%*
EBITDA	45	115	-	123	413	-
Adjusted EBITDA [1]	**146**	**240**	***65%***	**246**	**575**	**-**
Net Income	(50)	38	-	(141)	105	-
Adjusted Net Income [1]	**24**	**111**	**-**	**(50)**	**203**	**-**
Balance Sheet Items						
Capital Employed				3,849	4,241	*10%*
Net Debt				1,780	2,409	*35%*
Debt Gearing (ND/ND+E)				46%	57%	-

Notes:

1. Calculated as Reported adjusted for inventory effects and other non-operating items.

Note to Editors:

Founded in 1998, Hellenic Petroleum is one of the leading energy groups in South East Europe, with activities spanning across the energy value chain and presence in 7 countries.

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