



**EKO-ELDA BULGARIA EAD
FINANCIAL STATEMENTS
31 DECEMBER 2005**

EKO-ELDA BULGARIA EAD
CONTENTS
31 DECEMBER 2005

Contents	Page
Balance sheet	7
Income statement	8
Statement of changes in equity	9
Cash flow statement	10
Supplements to the Financial Report	
1. Summary of activity	11
2. Accountancy policy:	11
a. Basis for the financial report elaboration	11
b. Transactions in foreign currency	12
c. Long-term tangible assets	12
d. Long-term intangible assets	13
e. Depreciation of assets	13
f. Inventory	13
g. Trade receivables	13
h. Cash and cash equivalents	13
i. Share capital	13
j. Loans	14
k. Deferred taxes	14
l. Employees income	14
m. Provisions	14
n. Recognition of income	15
o. Lease agreements	15
3. Financial instruments	15-16
4. Significant accounting estimates and discretions	16
5. Long-term tangible assets	17, 18
6. Long-term intangible assets	19
7. Trade and other receivables	20
8. Inventory	20
9. Cash and cash equivalents	20
10. Share capital	20
11. Trade and other liabilities	21
12. Provisions for liabilities	22
13. Loans	22, 23
14. Deferred tax assets/liabilities	24
15. Income and expenses	25
a. Operating income	25
b. Book value of sales	25
c. Other operating income	25
d. Expenses on sales and distribution	25
e. Administrative expenses	26
f. Income and expenses on interests	26
g. Income and expenses on currency transactions	26
16. Tax expenditure	26
17. Disclosure of affiliated parties	27, 28
18. Contingencies	28
19. Engagements undertaken	28
20. Post balance sheet events	28

The present Management Report is an integral part of the non-consolidated Financial Statement of EKO-ELDA Bulgaria EAD as of December 31, 2005 prepared in compliance with the requirements of the International Financial Reporting Standards (IFRS). The Financial Statement is audited by PriceWaterHouseCoopers Audit JSCo.

Main activities

EKO-ELDA Bulgaria EAD (The Company) is a company registered in the Republic of Bulgaria in 2002. The main activities include sales of fuels, lubricants, products and services related to them on the territory of Bulgaria.

Assessment of the activities for the reported period and the business goals set for 2006

The Management considers that the results achieved during the reported period are good considering the conditions of dynamic development of the fuel market in Bulgaria. The management is optimistic regarding the accomplishment of the goals set for 2006 in the elaborated five-year plan.

The Company Management sets the following main goals for 2006

- Achievement of economic and financial results in accordance with the interests of the share-holders, providing development of the business of Hellenic Petroleum in the country;
- Timely accomplishment of the investment programme of the Company through construction (acquisition) of 10 new petrol stations;
- Increased efficiency and orientation toward achieving better financial results;
- Increase the share on market, improving the position on the present markets;
- Introducing an active policy regarding the human resources and the education of the company personnel.

Responsibilities of the Management

In compliance with the Bulgarian legislation, it is a duty of the Management of the Company to prepare financial statement for every reported period, which to present truly the financial state, the financial result and the cash flows of the Company, in compliance with the International Financial Reporting Standards (IFRS).

The Management of the Company confirms that the present financial statements done in compliance with the IFRS are prepared in line with the company's accounting policies, statutory and legal requirements and the principles of consistency and ongoing activities. All the accruals and provisions are done following the conservative evaluation, fair presentation and consistency.

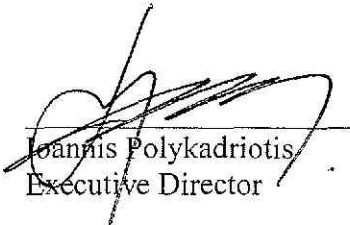
The Management of the Company confirms that all the requirements of the applicable

EKO-ELDA BULGARIA EAD
MANAGEMENT REPORT
31 DECEMBER 2005

accounting standards have been observed in the preparation of the financial statements.

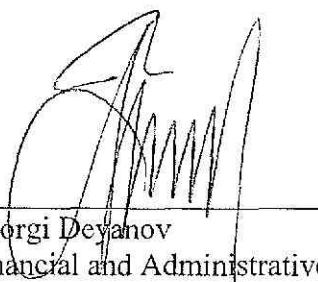
The Management of the Company is responsible for the presentation of the results, preserving the property and the interests of the Company, as well as for the disclosures to the financial statements.

We believe in the success of the Company's activities and use the opportunity to express our loyalty to our shareholders, customers, suppliers and personnel. We expect to achieve future encouraging results.



Ioannis Polykadriotis
Executive Director

April 28, 2006
Sofia




Georgi Deyanov
Financial and Administrative Director

REPORT OF THE AUDITORS

TO THE SHAREHOLDERS OF EKO-ELDA BULGARIA EAD

1. We have audited the accompanying balance sheet of Eko-Elda Bulgaria EAD (the Company) as of December 31, 2005, and the related statements of income, of cash flows and of changes in shareholders' equity for the year then ended. These financial statements set out on pages 7 to 28, are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion, the accompanying financial statements present fairly in all material respects the financial position of the Company as of 31 December 2005 and the results of its operations and cash flows and for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.
4. In addition, in our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2005, and of the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by International Accounting Standards Board.


Tatyana Nanovska
Registered auditor
8 May 2006
Sofia



Stefan Nenov
PricewaterhouseCoopers Audit OOD

EKO-ELDA BULGARIA EAD
BALANCE SHEET
31 DECEMBER 2005

(All amounts are in thousands of leva)

		Balance as of 31 st December	
	Notes	2005	2004
ASSETS			
Long term assets			
Property, plant and equipment	5	71,452	65,442
Intangible assets	6	360	380
Deferred tax assets	14	694	268
		<hr/> 72,506	<hr/> 66,090
Short term assets			
Inventory	8	2,128	1,960
Trade and other receivables	7	788	2,120
Cash and cash equivalents	9	988	2,553
		<hr/> 3,904	<hr/> 6,633
Total Assets		<hr/> 76,410	<hr/> 72,723
Equity and Liabilities			
Owners' equity and reserves			
Share capital	10	51,500	51,500
Retained earnings		(12,394)	(7,645)
Total equity		<hr/> 39,106	<hr/> 43,855
LIABILITIES			
Long term liabilities			
LT Loans	13	18,719	23,147
Trade and other payable	11	116	34
Provisions	12	15	9
		<hr/> 18,850	<hr/> 23,190
Short term liabilities			
Trade and other payable	11	2,726	2,967
Loans	13	15,728	2,711
		<hr/> 18,454	<hr/> 5,678
Total liabilities		<hr/> 37,304	<hr/> 28,868
Total equity and liabilities		<hr/> 76,410	<hr/> 72,723

The financial statements on page 7-28 were approved for issuance and signed by:

Managing Director:
 Ioannis Polykandriotis

Chief Accountant:
 Daria Toncheva

Signed: _____

Firm: PricewaterhouseCoopers Audit
 April 28, 2006



*Initialled for
 Identification purposes 08.05.2006
 in reference to the auditor's report.*

*Съгласи финансовия
 доклад Иannis Polykandriotis
 08.05.2006*

EKO-ELDA BULGARIA EAD
INCOME STATEMENT
31 DECEMBER 2005

(All amounts are in thousands of leva)

	Notes	31 December	
		2005	2004
Revenues from sales	15.a	33,589	18,147
Cost of sales	15.b	(28,674)	(15,544)
Gross profit		4,915	2,603
Distribution expenses	15.d	(6,401)	(5,065)
Administrative expenses	15.e	(2,879)	(3,339)
Other income, net	15.c	209	566
Profit/ (Loss) from operations		(4,156)	(5,235)
Interest income/ (expense)	15.f	(855)	(541)
Foreign exchange differences	15.g	(164)	131
Pre-tax profit / (loss)		(5,175)	(5,645)
Income tax	16	426	285
Net income / (loss)		(4,749)	(5,360)

The financial statements on page 7-28 were approved for issuance and signed by:

Managing Director:
Ioannis Polykandriotis

Chief Accountant:
Daria Toncheva

Signed:

Firm: PricewaterhouseCoopers Audit
April 28, 2006



[Handwritten signature]

*Initialed for identification purposes
in reference to the auditor's report*

*Иванка Иванова
8.05.2006*

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EKO-ELDA BULGARIA EAD
STATEMENT OF CHANGES IN EQUITY
31 DECEMBER 2005

(All amounts are in thousands of leva)

	Notes	Share capital	Accumulated losses	Total equity
Balance as of 1 January 2004	10	34,000	(2,285)	31,715
Net (loss)			(5,360)	(5,360)
Total net (loss)			(7,645)	(26,355)
Issue of share capital	10	17,500		17,500
		51,500	(7,645)	43,855
Balance as of 1 January 2005	10	51,500	(7,645)	43,855
Net (loss)			(4,749)	(4,749)
Total net (loss)			(12,394)	39,106
Balance as of 31 December 2005		51,500	(12,394)	39,106

The financial statements on page 7-28 were approved for issuance and signed by:

Managing Director:
Ioannis Polykandriotis

Chief Accountant:
Daria Toncheva

Signed:

Firm: PricewaterhouseCoopers Audit
April 28, 2006



*Initialled for modernization purposes
in reference to the auditor's report.
Ivan Iliev
8.05.2006*

EKO-ELDA BULGARIA EAD
CASH FLOW STATEMENT
31 DECEMBER 2005

(All amounts are in thousands of leva)

	Notes	31 December	
		2005	2004
Operational cash flow			
Cash from operating activities		40,098	22,273
Payments to suppliers		(36,954)	(23,126)
Payments to the personnel		(839)	(895)
Payments for bank charges, interests, etc.		(26)	(38)
Interests received		24	5
Taxes and fees paid		(400)	(345)
Cash flows from foreign currency transactions		2	39
Net cash flow on operations		1,905	(2,087)
Cash flow from investing activities			
Purchase of property, plant and equipment (PPE)		(11,383)	(27,981)
Purchase of intangible fixed assets		(188)	(321)
Proceeds from sale of fixed assets		387	1,001
Net cash flow from investing activities		(11,184)	(27,301)
Cash flow from financial activities			
Net proceeds from issue of share capital		-	17,500
Proceeds from loans		8,444	15,563
Payments on loans		(7,125)	(961)
Interest paid		(767)	(464)
Net cash flow from financial activities		552	31,638
Net increase/ (decrease) in cash and cash equivalents		(8,727)	2,250
Cash and cash equivalents at the beginning of the period		2,553	303
Cash and cash equivalents at the end of the period	9	(6,174)	2,553

The financial statements on page 7-28 were approved for issuance and signed by:

Managing Director
Ioannis Polykandriotis

Chief Accountant:
Daria Toneva

Signed:

Firm: Price Waterhouse Coopers Audit
April 28, 2006

Initialed for identification purposes in reference to the auditor's report.



Handwritten signatures and date: 8.05.2006

EKO-ELDA BULGARIA EAD
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005

1. Summary of activity

The basic subject of activity of Eko-Elda Bulgaria EAD includes trade in oil products, lubricating oils in Bulgaria and abroad, supplying petrol stations and industrial enterprises with fuels. During the period considered Eko-Elda Bulgaria has been performing trade activity through 17 "EKO" petrol stations.

Eko-Elda Bulgaria EAD is a sole owner joint-stock company established by the Eko-Elda ABEE sole owner, Greece on 12.07.2002. Hellenik Petroleum Group – Greece is a sole owner of Eko-Elda ABEE. The Company is registered on the following address: 1040 Sofia, 36 *Dragan Tsankov* Blvd, Building - INTERPRED, B1.A, Fl.8, Office 800A.

This financial report was approved by the Board of Directors on March 28th 2006.

2. Accountancy policy

The accountancy policy, applied in the elaboration of the financial report has been described below. This policy has been consistently applied for all the years included, unless explicit reference has been made.

2.1. Basis for the financial Statement elaboration

The present financial report has been elaborated in compliance with the requirements of the International Financial Reporting Standards (IFRS) observing the principles of the historical cost.

The elaboration of the financial reports in compliance with IFRS requires the use of accounting estimations. When applying the accountancy policy of the company, the governing body based its arguments on its own judgement. Although the suppositions are grounded on the best possible judgement of the governing body with regard to the actual facts and circumstances, the real results could be different from the accounting estimations.

Early standards application

In 2005, the Company applied the standards below, which were relevant to its activity. The operations for 2004 have been changed according to the requirements in compliance with the standards.

IAS1 (changed in 2003) Presentation of Financial Statements

IAS 2 (changed in 2003) Inventories

IAS 8 (changed in 2003) Accountancy policy, changes in accounting estimations and errors

IAS 10 (changed in 2003) Events after the balance sheet date

IAS 16 (changed in 2003) Property, machines and equipment

IAS 17 (changed in 2003) Leases

IAS 21 (changed in 2003) The effects of changes in exchange rates

IAS 24 (changed in 2003) Affiliated parties disclosure

IAS 27 (changed in 2003) Consolidated and individual financial statements

IAS 28 (changed in 2003) Investments in associates

IAS 32 (changed in 2003) Financial instruments: Disclosure and presentation

IAS 39 (changed in 2003) Financial instruments: Recognition and evaluation

EKO-ELDA BULGARIA EAD
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005

2. Accountancy policy (continuation)

2.1. Basis for the elaboration of the financial report (continuation)

MCC 36 (changed in 2004) Depreciation of assets

MCC 38 (changed 2004) Intangible assets

The early application of IAS 1, 2, 8, 10, 16, 17, 21, 24, 27, 28, and 32 (changed in 2003) does not have the effect of a considerable change in material changes in the accountancy policy of the Company. To summarize:

- IAS 2, 8, 10, 16, 17, 24, 27, 28, 32 have no tangible effect on the policy of the Company.

- IAS 21 (changed in 2003) has no tangible effect on the policy of the Company.

The functional currency of the Company is the same as its valuation currency.

The Company has made revaluation of the service life of its intangible assets in compliance with the provisions of IAS 38. After this revaluation it has not been necessary for any corrections to be made.

2.2. Transactions in foreign currency

(a) Functional currency and presentation currency

The particular elements in the financial reports of the Company are being evaluated in the currency of the basic economic environment, in which the Company performs its activity ("functional currency"). The financial reports are presented in Bulgarian leva, which is the official currency.

(b) Transactions and balances

The transactions in foreign currency are being transformed in the functional currency the official exchange rate for the respective day being applied. The gains and losses from the change in the currency rates, arisen as a result of settlements on transactions in foreign currency, as well as of revaluation on closing currency rate of the assets and liabilities denominated in foreign currency are being recognized in the income statement.

2.3. Long-term tangible assets

Lands and buildings include mainly trade premises – petrol stations and construction sites for petrol stations.

The land and the buildings have been presented as per their acquisition cost reduced by the subsequent amortization of the buildings. The costs on acquiring tangible long-term assets in progress are not amortized up to the moment when the assets come into operation.

The subsequent costs are being added to the balance value of the asset or they are being reported as a separate asset, only when it is expected that the Company will receive future economic profits related to the use of this asset and when their book value may be reliably specified. All other maintenance and repair costs are being covered in the income statement in the period when they have been made.

Land is not being amortized. The amortization of the remaining property, machines and equipment is being accrued according to the linear method with the purpose of allocation of the difference between the carrying amount and the residual value on the service life of the assets as follows:

– Buildings, reservoirs	20 years
– Tubing	10 years
– Automobiles	6-7 years
– Fixtures and fittings, Roads covering,	
Other tangible long-term assets	5 years

The residual value and the service life of the assets are being reviewed, and if necessary, the respective

EKO-ELDA BULGARIA EAD
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005

corrections are being made as of every date of elaboration of an accounting report.

2. Accountancy policy (continuation)

2.4. Long-term Intangible assets

Software

The long-term intangible assets have been initially presented in their purchase cost. They are being amortized on their expected useful life (from 3 to 4 years).

2.5. Depreciation of assets

Assets which have indefinite useful life are not being amortized. They are being examined for depreciation on annual basis. Assets which are being amortized shall be examined for the presence of depreciation, when there are events or change in the circumstances which suggest that the balance value of the assets can not be restored. The sum by which the balance value exceeds the refundable one is considered as a loss from depreciation. The refundable amount is higher than the net sale value and the value in use. In order for the value in use to be set, the assets are being grouped together in the smallest possible identifiable units generating cash flows.

2.6. Inventories

Inventories are being set in a lower price than the purchase cost and the realizable value net.

The realizable value net is equal to the expected sale price at normal performance of the activity, reduced by the expenses that are directly related to the sale. The profit/losses transferred from the capital and accumulated by the cash flow hedges related to the purchase of inventories are included in the cost of inventories.

2.7. Trade receivables

The trade receivables are being initially recognized as per fair price, and subsequently in the amortized cost (as the method of the effective interest rate is being used), reduced by a possible depreciation provision. A depreciation provision is being made in case that objective proof exists that the Company will not be able to collect all the sums payable in compliance with the initial conditions with regard to the respective statement.

The depreciation amount represents the difference between the balance value and the refundable amount. The latter represents the present amount of the cash flows discounted by the effective interest rate. The amount of the depreciation provision is being recognized in the income statement.

2.8. Cash and cash equivalents

Cash and cash equivalents include cash, money on bank accounts, other marketable current investment with maturity date up to three months, as well as bank overdrafts. In the balance, overdrafts are being included as short-term liabilities in the category of short term borrowings

2.9. Share capital

Equity shares are being classified as capital.

EKO-ELDA BULGARIA EAD
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005

2. Accountancy policy (continuation)

2.10. Loans

Loans are initially recognized as per their fair value, reduced by the costs made on the performing of the transaction. Subsequently the loans are being accounted in their amortized cost; each difference between the amounts payable (net by the costs of the transactions) and the amount of the value are being recognized in the income statement during the period of the loan, the method of the effective interest being used.

Loans are being classified as short-term liabilities – with time of redemption up to 12 months and as long term liabilities with redemption period of more than 12 months from the date of elaboration of the Balance.

2.11. Deferred taxes

Deferred taxes are being accrued according to the balance method for all temporary differences, arisen between the tax base of the assets and liabilities and their book value in financial statements. If, however, the temporary tax differences ensue from the initial recognition of assets or liabilities under the condition that neither accounting profit nor tax profit (loss) has been affected during the transaction, then this difference shall not be accounted for. When calculating the deferred taxes, tax rates shall be used (and the legal framework), active as of the date of elaboration of the balance, which concern the periods of expected reverse expression of the temporary tax differences.

A deferred tax asset shall be recognized only in case of possible availability of future taxable profits sufficient in amount, against which these assets may be used.

2.12. Employees' income

Retirement obligations

The Company deposits retirement contributions for its employees to the respective insurance funds on the grounds of their labour remunerations in compliance with the requirements of the local legislation. The Company has no extra liabilities with regard to these contributions. In addition and in compliance with the Bulgarian labour legislation, the employer is obliged to pay to the workers and clerks at their retirement a sum amounting from two to six gross monthly salaries depending on the length of service in the Company (less or more than 10 years) – Article 222 from the Labour Code of the Republic of Bulgaria.

2.13. Provisions

Provisions are being recognized only when the Company has current legal or constructive obligation as a result from past events; it is more likely that cash outflows occur (rather than not) for the liquidation of the obligation when it is possible to fix reliably the amount of the very obligation, too. Provisions are being reviewed on each date of the balance and are being reassessed with the purpose of achieving the best current assessment. Conditional promises are not being recognized, but announced, unless the possibility of using flows that include economic benefits for discharging the obligation is remote in time. Provisions for future losses from the activity are not being recognized.

EKO-ELDA BULGARIA EAD
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005

2. Accountancy policy (continuation)

2.14. Recognition of income

The income includes the fair price of the goods and services sold, net from the value added taxes and discounts rendered. Income is being recognized as follows:

(b) Sales of goods – retail sales

Income from the sales of goods is being recognized when the Company sells goods to clients. Retail sales are made in cash, by debit cards, or through Eko-cards issued by the Company for deferred payment via bank transfer. In cases of deferred payment for the backing of receivables from Card clients the Company concludes agreements for bank guarantees, deposits, and insurance.

(c) Sales of services

Income from the sale of services granted are being recognized in the accounting period in which they have been made on the grounds of the stage of implementation, estimated as per cent of the services granted to the moment from all the services that are to be granted.

(d) Income from interests

Income from interests is being rescheduled as the effective interest method is being used. At impairment of receivables the Company reduces its carrying amount to its refundable amount which represents the expected future cash flows, discounted on the grounds of the initial effective interest. Income from interests on impaired Loans are being recognized either at collecting the interests payable, or on the grounds of recognition of the related conditional warranties.

2.15. Lease agreements

Lease agreements, in which considerable part of the risks and profits are being taken by the lesser, are being classified as operational leasing. Payments on operational leasing (net from the discounts on part of the lesser) are being recognized as expense in the income statement in equal parts for the period of the lease agreement.

Financial lease agreements by virtue of which all risks and benefits related to the ownership of the assets, are transferred to a great extent to the Company, are being recognized as asset and liability in the beginning of the lease agreement as per the fair price of the asset or the current value of the minimum lease payments, if their value is lower. Lease payments are being allotted between the financial expenses for the period and the reduction of the unpaid liability, so that constant interests rate of the remaining balance of the liability for the period could be obtained. The financial expenses are being recognized as current expense for the period.

3. Financial instruments

Financial assets and financial liabilities represented in the balance sheet of the Company include cash, trade and other short term receivables and liabilities, long term and short term loans and liabilities. The main risks related to these financial instruments are the currency risk, credit risk, liquidity risk, and risk from change in the interest rates.

3. Financial instruments (continuation)

(a) Currency risk

The Company performs transactions on which payments are denominated in foreign currency and which are related mainly to its funding, as well as to its operational activity. The Company does not use financial instruments in order to hedge this risk. It is necessary, however, that we should take into consideration that the loans of the Company, as well as the receivables from clients are denominated in one type of currency (the rate of the Bulgarian currency to the rate of the Euro is fixed). Hence, it might be considered that the currency risk is limited. The currency risks arise when future commercial transactions and the recognized assets and liabilities are denominated in a currency different from the functional currency of the company.

(b) Credit risk

There is no considerable concentration of credit risk in the Company. The Company has developed and implemented policy that guarantees that the sales of produce and services are being performed with clients who have appropriate credit history. In order for the receivables from Card clients to be guaranteed, in cases of deferred payment, the Company concludes agreements of bank warranties, deposits and insurance.

(c) Liquidity risk

The cautious management of the liquidity risk suggests that there is enough quantity of cash and liquidity securities maintained, as well as opportunities for additional funding with credits and closing down of market positions. Because of the business dynamic nature, the financial department of the Company has the aim to achieve flexibility of funding by maintaining enough unused authorized lines of credit.

(d) Interest rate risk

Since the Company does not possess any significant interest-bearing assets, proceeds and operational cash flows of the Company are not influenced by the changes in the market interest rates.

The interest rate risk for the Company ensues from the long term loans received. Loans with floating interest rates put the Company in interest jeopardy related to the alteration of the future cash flows. The risk depends on the movement on the financial market and the Company has not elaborated methods for the risk minimization.

Fair value of the financial instruments

The fair value of the financial assets and liabilities is approximately equal to their carrying amount. The fair value of the financial liabilities for the purpose of disclosure is being calculated through the discounting of the future agreed cash flows with the short term market interest rate from similar financial instruments, of which the Company disposes.

4. Significant accounting estimates and discretions

The estimates and discretions are based on the experience gained and other factors, including expectations for future events at the circumstances available. The reliability of the estimates and discretions is being regularly reviewed. For the years 2005 and 2004 the Company does not have any significant accounting estimates, bearing considerable risk of subsequent fundamental correction of the carrying amount of the assets and liabilities.

EKO-ELDA BULGARIA EAD
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005

5. Tangible long-term assets

	Lands (sites)	Buildings and constructions	Machines, equipment and computers	Automobiles	Fixtures and fittings	Other tangible long-term assets	Tangible long-term assets in progress	Total
As of 1 January 2004								
Book value	20,191	10,715	6,346	87	746	397	6,272	44,754
Accumulated amortization	-	(84)	(93)	(15)	(21)	(7)	-	(220)
Carrying amount	20,191	10,631	6,253	72	725	390	6,272	44,534
Carrying amount in the beginning of the period	20,191	10,631	6,253	72	725	390	6,272	44,534
Acquired	1,373	1,048	2,421	72	874	291	17,608	23,687
Written off	(565)	-	(9)	-	-	-	-	(574)
Depreciation	-	(88)	(24)	-	-	-	-	(112)
Transferred as short term assets	-	-	-	-	-	-	(57)	(57)
Transferred by groups of assets	7,690	10,934	83	8	417	15	(19,147)	-
Amortization costs	-	(834)	(864)	(17)	(237)	(95)	-	(2,047)
Expensed amortization	-	10	1	-	-	-	-	11
Carrying amount at the end of the period	28,689	21,701	7,861	135	1,779	601	4,676	65,442
As of 31 December 2004								
Book value	28,689	22,609	8,817	167	2,037	703	4,676	67,698
Accumulated amortization	-	(908)	(956)	(32)	(258)	(102)	-	(2,256)
Carrying amount at the end of the period	28,689	21,701	7,861	135	1,779	601	4,676	65,442

EKO-ELDA BULGARIA EAD
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005

5. Tangible long-term assets (continuation)

As of 1 January 2005	Lands (sites)	Buildings and constructions	Machines, equipment and computers	Automobiles	Fixtures and fittings	Other tangible long- term assets	Tangible long- term assets in progress	Total
Carrying amount in the beginning of the period	28,689	21,701	7,861	135	1,779	601	4,676	65,442
Acquired	-	534	1,135	-	343	152	7,299	9,463
Written off	(20)	(53)	(357)	-	(18)	-	(150)	(598)
Transferred as short term assets	-	(10)	-	-	-	-	(15)	(25)
Transferred by groups of assets	6,449	1,770	240	-	39	-	(8,497)	1
Amortization costs	-	(1,181)	(1,113)	(25)	(390)	(124)	-	(2,833)
Expensed amortization	-	-	2	-	-	-	-	2
Carrying amount at the end of the period	35,118	22,761	7,768	110	1,753	629	3,313	71,452
As of 31 December 2005								
Book value	35,118	24,850	9,835	167	2,401	855	3,313	76,539
Accumulated amortization	-	(2,089)	(2,067)	(57)	(648)	(226)	-	(5,087)
Carrying amount	35,118	22,761	7,768	110	1,753	629	3,313	71,452

As of 31.12.2005, TBGN 750 are included in the tangible long-term assets in progress as granted advance payments for the purchase of land.

As of the date of elaboration of the Balance Sheet, a part of the long-term assets included in it (to the amount of 1780 thousand) are under safekeeping in the storerooms of external suppliers.

EKO-ELDA BULGARIA EAD
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005

6. Intangible assets

	Software
As of 1 January 2004	
Book value	138
Accumulated amortization and impairment	(6)
Carrying amount	132
31 December 2004	
Carrying amount in the beginning of the period	132
Acquired	321
Written off	(24)
Amortization costs	(57)
Expensed amortization	8
Carrying amount at the end of the period	380
As of 31 December 2004	
Book value	435
Accumulated amortization and impairment	(55)
Carrying amount	380
31 December 2005	
Carrying amount in the beginning of the period	380
Acquired	196
Written off	(108)
Amortization costs	(136)
Expensed amortization	28
Carrying amount at the end of the period	360
31 December 2005	
Book value	523
Accumulated amortization and depreciation	(163)
Carrying amount	360

EKO-ELDA BULGARIA EAD
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005

7. Trade and other receivables

	2005	2004
Tax refund (VAT)	522	1,978
Trade receivables	157	38
Advance payments	109	104
	788	2,120

All receivables are short term ones, with a 1-year period of liquidation

8. Inventories

	2005	2004
Fuel	1,258	1,209
Lubricants	48	45
Products	625	541
Other	197	165
	2,128	1,960

9. Money and monetary equivalents

	2005	2004
Cash in banks and in hand	930	2,504
Blocked cash	58	49
	988	2,553

Blocked cash represents the amounts on VAT accounts of the Company.

For the purposes of the cash flow reporting, the cash in hand and the cash equivalents at the end of the period consist of:

	2005	2004
Cash in bank	930	2,504
Blocked cash	58	49
Bank overdraft	(7,162)	-
	(6,174)	2,553

10. Share capital

	Number of shares (thousands)	Equity shares	Total
As of 1 January 2004	3,400	34,000	34,000
Proceeds from issues of shares	1,750	17,500	17,500
As of 31 December 2004	5,150	51,500	51,500
As of 31 December 2005	5,150	51,500	51,500

As of 31 December 2005 the issued share capital has been fully imported.

EKO-ELDA BULGARIA EAD
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005

11. Trade and other payables

	2005	2004
Short term liabilities		
Trade payables	1,245	1,681
Liabilities to affiliated parties – fuel (Attachment 17)	1,297	772
Liabilities to affiliated parties – other (Attachment 17)	-	88
Other liabilities	184	426
	2,726	2,967

Long term liabilities	2005	2004
Financial leasing	116	29
Board of Directors Guarantees	-	5
	116	34

The Company is a party to financial lease contracts for the purchase of 3 motor vehicles OPEL-ASTRA and the purchase of 3 auto wash stations to be turned into petrol stations. The book value of LTTA acquired as per financial lease contracts are, as follows:

	2005	2004
Book value of LTTA purchased under financial lease contracts	296	72
Accumulated amortization at the end of the period	(20)	(3)
	276	69

12. Liabilities from retirement income schedules

As of 31 December

The amounts recognized in the Balance are as follows:

	2005	2004
Current value of the liabilities	15	8
Not recognized actuary profit/loss	-	1
Liabilities in the Balance	15	9

The amounts recognized as expenses in the Income Statement are defined as follows:

	2005	2004
Current value of the liabilities	5	5
Expenses on interests	1	1
Net actuary losses recognized during the year	-	(1)
Total, included in the expenses on the personnel	6	5

The movement of the liability, recognized in the Balance sheet is as follows:

	2005	2004
In the beginning of the year	9	4
Expenses included in the Income Statement	6	5
In the end of the year	15	9

EKO-ELDA BULGARIA EAD
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005

13. Loans

Long term	2005	2004
Bank loans	18,719	23,147
Short term		
Bank overdrafts (Attachment 13 c)	7,161	-
Short term loans	-	2,634
Short term liabilities on long term loans	8,382	-
Interest	185	77
	15,728	2,711

Maturity of long term loans is as follows:

	2005	2004
from 1 to 2 years	16,764	4,379
from 2 to 5 years	10,337	18,770
more than 5 years	-	-
	27,101	23,149

The following borrowings on bank credits have not been used as of 31.12.2005

	2005	2004
with validity up to 1 year	14,353	8,443
with floating interest rate	-	-
	14,353	8,443

The effective interest rates as of the date of the Balance sheet are as follows:

	2005	2004
Bank overdraft	3.14%	-
Long term bank loans	3.40%	3.00%

The carrying amounts and the fair values of the long term loans are as follows:

	Carrying amounts		Fair values	
	2005	2004	2005	2004
Bank loans	18,719	23,147	17,415	21,399

The fair values are grounded on the discounted cash flows at a discount per cent of interest loans amounting to 3 %(2005 and 2004). The carrying amounts of the short term loans is close to their fair values

EKO-ELDA BULGARIA EAD
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005

13. Loans (continuation)

The carrying amounts for the loans of the Company are denominated in the following currencies

	2005	2004
Euro	17,612	13,221
	<u>17,612</u>	<u>13,221</u>

- a) The Long-Term Loan Agreement with Commercial bank was signed on 07.11.2003. The maximum amount of the credit is Euro 8,000,000. It is an investment credit for the establishment of the Company's own net of petrol stations. The credit was fully tapped on 05.02.2004. The interest is due and payable on the last working day of every six months' period. The discharge of the capital shall be made in seven equal six-month instalments as of November 2005 to November 2008. A corporate guarantee has been deposited by Eko-Elda ABEE as security. The effective interest rate on the credit is a six-month EURIBOR+0.7%
- b) A Second Long-Term Loan Agreement with Commercial bank was signed on 08.09.2004. The maximum amount of the credit is Euro 7,000,000. It is an investment credit for the purchase of land, construction of petrol stations and other. The credit was fully tapped on 09.05.2005. The interest is due and payable on the 15th day of the last month of every six-month period as of 15.03.2005 to 15.09.2009. The discharge of the capital shall be made in seven equal six-month instalments as of September 2006 to September 2009. A special irrevocable order on the credit has been deposited as security, which order has been opened by Greek bank in favour of the Bank. The effective interest rate on the credit is a six-month EURIBOR+0.85%
- c) A Short-Term Loan Agreement was signed on 01.11.2005. The credit amounts up to Euro 11,000,000 and is being used as an overdraft on a bank current account. The credit has a 1-year term of use with a chance for 1 more year extension. The interest is payable quarterly. A corporate guarantee has been deposited before the Bank as a security on the credit, which guarantee has been issued by Hellenic Petroleum AD-Greece. The effective interest rate on the credit is a one-month EURIBOR+0.7%

EKO-ELDA BULGARIA EAD
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005

14. Deferred tax assets and liabilities

The deferred tax assets and liabilities (tax temporary differences) are being made up for, when there is legal right for making up for short term tax assets against short term tax liabilities and when the tax temporary differences concern one and the same tax administration. The following words have been used in the balance sheet after appropriate compensation:

	2005	2004
Deferred tax assets:		
– Deferred tax assets to be recovered after 12 months	693	267
– Deferred tax assets to be recovered within 12 months	1	1
	694	268

Movement in the temporary tax differences account are as follows:

In the beginning of the year	268	(17)
Expenditure in the Income statement (Attachment 16)	426	285
At the end of the year	694	268

The movement in the temporary tax differences (before the compensation of the sums in the respective tax jurisdiction) in the course of the period is as follows:

Deferred tax assets	Excess of accounting amortization above the tax one	Provisions calculated on Article 222 of the Labour Code	Accrued costs accumulating unused leaves	Total
As of 1 January 2004	(17)	-	-	(17)
Expenditure /(income) in the Income statement	283	1	1	285
As of 31 December 2004	266	1	1	268
Expenditure /(income) in the Income statement	425	1	-	426
As of 31 December 2005	691	2	1	694

EKO-ELDA BULGARIA EAD
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005

15. Operating profit and loss

a. Operating profit

	For the year ending on 31 December	
	2005	2004
Income from the sales of fuels	29,989	16,591
Income from the sales of lubricants	69	25
Income from the sales of goods	3,531	1,531
	<u>33,589</u>	<u>18,147</u>

b. Reported cost of sales

	2005	2004
Prime cost of sales of fuels	26,012	14,472
Prime cost of sales of lubricants	39	14
Prime cost of sales of goods	2,623	1,058
	<u>28,674</u>	<u>15,544</u>

c. Other operating profit

	2005	2004
Income from the sale of long term assets	(25)	412
Income from established surpluses from stocktaking	59	22
Income from fines and forfeit to suppliers	15	12
Income s from rent and advertisement	23	17
Other Income	137	103
	<u>209</u>	<u>566</u>

d. Expenses on sales and distribution

	2005	2004
Expenses on salaries and social insurance	18	140
Maintenance and repairs	362	352
Dealers' remunerations	1,834	1,187
Electricity, water, consumables	438	314
Taxes and fees on the property	295	233
Amortization	2,786	1,979
Other expenses	668	860
	<u>6,401</u>	<u>5,065</u>

EKO-ELDA BULGARIA EAD
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005

15. Operating Profit and Loss (continuation)

e. Administrative Expenses

**For the year ending on 31
December**

	2005	2004
Expenses on salaries and social insurance	18	748
Rents	249	275
Consumables and maintenance	115	178
Advertising and promotions	676	1,095
External services	152	105
Amortization	184	124
Other expenses	1,485	814
	2,879	3,339

f. Income/ (expenses) from interests

	2005	2004
Expenses on interests	(879)	(546)
Income from interests	24	5
	(855)	(541)

g. Income/ (expenses) from exchange rate differences

	2005	2004
Income from exchange rate differences	31	185
Expenses on exchange rate differences	(195)	(54)
	(164)	131

16. Expenses on taxes

	2005	2004
Deferred tax assets, related to emergence and the reverse expression of temporary differences	426	285
	426	285
	2005	2004
Accounting losses	(5,175)	(5,645)
Tax rate	15%	19.5%
Tax, calculated on tax rates that are applicable for the respective state	776	1,101
Non taxable income	(788)	(945)
Costs not recognized as tax goals	3,628	2,404
Tax rate	15%	19.5%
Tax on temporary tax differences	426	285

In the year 2005 the tax rate was 15 per cent, and for the year 2006 it remains the same.

EKO-ELDA BULGARIA EAD
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005

17. Related Parties Disclosure

EKO-ELDA ABEE

EKO-ELDA ABEE holds 100 per cent from the Eko-Elda Bulgaria EAD's shares. Hellenik Petroleum is a sole owner of EKO-ELDA ABEE.

HELPE Services Ltd.

Hellenic Petroleum holds 63 per cent from the HELPE Services Ltd's shares.
 Transactions with related parties are as follows:

Sale of goods and services by Eko-Elda Bulgaria to affiliated parties

	2005	2004
– Eko-Elda ABEE -sale Fiscal system	354	-
Eko-Elda ABEE intermediary service on sale of fuels	-	91
	354	91

Purchase of goods and services from affiliated parties

	2005	2004
Purchase of goods:		
– Eko-Elda ABEE -purchase of fuels and lubricants	11,605	5,895
Helpe Services LTD -right of usage of trade discount	-	196
	11,605	6,091

Accounts on sales/ purchase of goods/ services

	2005	2004
Receivables from affiliated parties	-	-

EKO-ELDA BULGARIA EAD
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005

17. Related Parties Disclosure (continuation)

Transactions with affiliated parties

	2005	2004
– Еко-Елда ABEE - trade liabilities for purchase of fuels and lubricants	1,297	772
Elpe Services -right of usage of a trademark	-	88
	1,297	860

18. Contingent assets and liabilities

The Company has contingent liabilities on concluded preliminary agreements for the purchase of landed property in different regions of the country to the amount of TBGN 2,369 (VAT excluded). Advance payments, paid to the long-term assets suppliers as of 31 December 2005 have not been included in this sum.

The tax liabilities of the Company are grounded on tax returns submitted and are considered completed after the inspection of the respective tax authorities or after expiry of the five-year statute of limitation, which begins on the date when they are submitted. Tax inspections for the years 2005, 2004 and 2003 have been made only under the Value Added Tax Act. Tax inspections under the Corporate Income Tax Act have not been made. As a result, the tax liabilities of the Company as of 31.12.2005 may not be considered as over. At this stage, the additional tax liabilities and the attending penalty interests that might be imposed can not be fixed accurately enough. The governing body of the Company is not familiar with any circumstances that might lead to significant liabilities in this field.

19. Engagements undertaken

Capital investments engagement

The future long-term assets in progress, which have been approved as of 31.12.2005, but which have not been recognized in the accounting report amount to TBGN 1,460, VAT - TBGN 292 .

Engagements on operational leasing agreements:

As of 31 December 2005 the Company has been a party on several operational leasing agreements, the payments to which are being paid each month.

- Rent for the Interpred office – monthly instalment - Euro 7,222, VAT- Euro 1,444.40, Total – Euro 8,666.40. The term of the Agreement lasts until 01.11.2006.
- Rent of other premises – monthly 10,000 BGN – the average duration of the Agreements is 1-2 years

Total value of the future payments on operational leasing is as follows (VAT included):

	2005	2004
up to 1 year	287	239
from 1 to 5 years	129	205
	416	444

20. Post balance sheet event

In January 2006 the Company is to open its two new petrol stations in Dimitrovgrad and Haskovo.

From 1 January 2006 Eko-Elda Bulgaria initiates the use of new integrated information system for the generation and processing of information SAP R/3 system.