

HELLENIC PETROLEUM S.A.

**CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED
30 SEPTEMBER 2006**



**HELLENIC
PETROLEUM**

HELLENIC PETROLEUM S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2006

(All amounts in Euro thousands unless otherwise stated)

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(All amounts in Euro thousands unless otherwise stated)

I. Condensed Interim Consolidated Balance Sheet (Unaudited)

		As at	
	Note	30 September 2006	31 December 2005
ASSETS			
Non-current assets			
Property, plant and equipment	8	1.371.099	1.405.940
Intangible assets	9	90.345	94.859
Investments in affiliated companies		364.145	357.858
Deferred income tax assets		35.672	42.255
Available-for-sale financial assets		2.881	2.092
Loans, advances and other receivables	10	59.123	36.078
		1.923.265	1.939.082
Current assets			
Inventories	11	1.267.193	1.169.098
Trade and other receivables	12	942.382	888.079
Cash and cash equivalents	13	177.700	193.630
		2.387.275	2.250.807
Total assets		4.310.540	4.189.889
EQUITY			
Share capital	14	1.019.963	1.019.963
Reserves		549.896	543.642
Retained Earnings		673.445	590.933
Capital and reserves attributable to Company Shareholders		2.243.304	2.154.538
Minority interest		111.447	101.924
Total equity		2.354.751	2.256.462
LIABILITIES			
Non-current liabilities			
Borrowings	15	507.154	539.573
Deferred income tax liabilities		21.439	18.645
Retirement benefit obligations		139.548	133.747
Provisions and other long term liabilities	16	62.540	67.348
		730.681	759.313
Current liabilities			
Trade and other payables	18	420.740	637.043
Current income tax liabilities		66.520	153.045
Borrowings	15	683.102	356.360
Dividends payable		54.746	27.666
		1.225.108	1.174.114
Total liabilities		1.955.789	1.933.427
Total equity and liabilities		4.310.540	4.189.889

The notes on pages 7 to 20 are an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Finance Manager

Panagiotis Cavoulacos

Andreas Shiamishis

Athanasios Solomos

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(All amounts in Euro thousands unless otherwise stated)

II. Condensed Interim Consolidated Income Statement (Unaudited)

	Note	For the nine months period ended		1 July 2006 to	1 July 2005 to
		30 September 2006	30 September 2005	30 September 2006	30 September 2005
Sales		6.126.926	4.658.489	2.022.920	1.795.463
Cost of sales		(5.547.498)	(3.987.092)	(1.869.012)	(1.522.251)
Gross profit		579.428	671.397	153.908	273.211
Selling, distribution and administrative expenses	4	(267.354)	(255.907)	(91.055)	(89.291)
Exploration and development expenses		(9.387)	(14.359)	(4.748)	(7.787)
Other operating (expenses) / income - net		16.775	10.066	8.053	3.859
Operating profit		319.462	411.197	66.158	179.993
Finance costs -net	5	(25.507)	(14.300)	(11.194)	(5.908)
Currency exchange gains /(losses)		12.118	(20.745)	(730)	(4.827)
Share of operating profit of associates	6	8.866	7.021	5.692	2.741
Profit before income tax		314.939	383.173	59.925	172.000
Income tax expense		(90.729)	(120.271)	(16.358)	(51.293)
Profit for the period		224.210	262.902	43.567	120.707
(Less) / Add Minority Interest		(9.473)	(3.603)	(3.439)	(2.715)
Net Income attributable to Equity holders of the Company		214.737	259.299	40.128	117.992
Basic and diluted earnings per share (expressed in Euro per share)	7	0,70	0,85	0,13	0,39

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(All amounts in Euro thousands unless otherwise stated)

III. Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to Company Shareholders			Total	Minority Interest	Total Equity
	Share Capital	Reserves	Retained Earnings			
Balance at 31 December 2004	1.019.157	329.023	505.919	1.854.099	95.395	1.949.494
Adoption of IFRS 3	-	-	87.474	87.474	-	87.474
Balance at 1 January 2005	1.019.157	329.023	593.393	1.941.573	95.395	2.036.968
Profit for the period 1/1/2005 - 30/9/2005	-	-	259.300	259.300	3.602	262.902
Translation exchange differences	-	-	4.657	4.657	(97)	4.560
Dividends relating to 2004	-	-	(79.435)	(79.435)	-	(79.435)
Balance at 30 September 2005	1.019.157	329.023	777.915	2.126.095	98.900	2.224.995
Movement - 1 October 2005 to 31 December 2005						
Reclassification of statutory reserves	-	181.337	(181.337)	-	-	-
Profit for the period	-	-	74.921	74.921	3.060	77.981
Translation exchange differences	-	-	(1.457)	(1.457)	(36)	(1.493)
Transfers between reserves	-	33.282	(33.282)	-	-	-
Dividends relating to 2005	-	-	(45.827)	(45.827)	-	(45.827)
Exercise of employee share options	806	-	-	806	-	806
Balance at 31 December 2005	1.019.963	543.642	590.933	2.154.538	101.924	2.256.462
Movement - 1 January 2006 to 30 September 2006						
Profit for the period	-	-	214.737	214.737	9.473	224.210
Translation exchange differences	-	-	(808)	(808)	50	(758)
Dividends relating to 2005 and interim 2006	-	-	(131.417)	(131.417)	-	(131.417)
Unrealised gains / (losses) on revaluation of hedges (Note 17)	-	6.254	-	6.254	-	6.254
Balance at 30 September 2006	1.019.963	549.896	673.445	2.243.304	111.447	2.354.751

The notes on pages 7 to 20 are an integral part of these condensed interim consolidated financial statements.

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(All amounts in Euro thousands unless otherwise stated)

IV. Condensed Interim Consolidated Cash Flow Statement (Unaudited)

		For the nine month period ended	
	Note	30 September 2006	30 September 2005
Cash flows from operating activities			
Cash generated from operations	19	37.281	(35.162)
Income tax paid		(165.753)	(60.548)
Net cash (used in) / generated from operating activities		(128.472)	(95.710)
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	8,9	(73.607)	(136.825)
Sale of property, plant and equipment	8,9	4.046	-
Interest received	5	11.423	13.969
Investments in associates		(526)	(50)
Net cash used in investing activities		(58.664)	(122.906)
Cash flows from financing activities			
Interest paid	5	(36.931)	(28.269)
Dividends paid		(104.337)	(71.885)
Net movement in short term borrowings		327.586	49.184
Proceeds / (payments) from long term borrowings		(12.195)	211.750
Net cash generated from / (used in) financing activities		174.123	160.780
Net increase / (decrease) in cash & cash equivalents		(13.013)	(57.836)
Cash & cash equivalents at the beginning of the period		193.630	181.178
Exchange gains / (losses) on cash & cash equivalents		(2.917)	(4.410)
Net increase / (decrease) in cash & cash equivalents		(13.013)	(57.836)
Cash & cash equivalents at end of the period		177.700	118.932

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V. Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

1. GENERAL INFORMATION

Hellenic Petroleum and its subsidiaries (“Hellenic Petroleum” or “the Group”) operate in the energy sector predominantly in Greece and the Balkans. The Group’s activities include exploration and production of hydrocarbons, refining and marketing of oil products, and the production and marketing of petrochemical products. The Group also provides engineering services, and it has recently completed the construction of an electricity power generation plant, which is currently in operation.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

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

These interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2005. These can be found on the Group’s website www.hellenic-petroleum.gr.

The condensed interim consolidated financial statements of the Group for the nine month period ended 30 September 2006 were authorised for issue by the Board of Directors on 8 November 2006.

Accounting policies

The accounting policies used in the preparation of the condensed interim consolidated financial statements for the nine month period ended 30 September 2006 are consistent with those applied for the preparation of the consolidated published accounts for the year ended 31 December 2005. Where necessary comparative figures have been reclassified to conform with changes in the presentation of the current year.

As part of its risk management policy, the Group utilizes financial and commodity derivatives to mitigate the impact of future price volatility. In the past all of these transactions have been treated as fair value transactions and their impact recorded in the period’s results (Profit & Loss account). As of 30 June 2006 and as of 30 September 2006 some of these transactions have been treated under Hedge Accounting in accordance with International Accounting Standard 39 (IAS 39) – *Financial Instruments: recognition and measurement*. The impact of this is to record the changes in the fair value of these derivatives through a special reserve account in equity to the extent that they are designated and qualify as effective hedges. The gain or loss relating to the ineffective portion is recognised immediately to the income statement.

The following standards, amendments and interpretations to existing standards have been applied from 1 January 2006:

The Group has adopted IFRS 6 (*Amendment*); *Exploration for and Evaluation of Mineral Resources*, as of 1 January 2006. This standard allows companies to retain existing practices in accounting for exploration and evaluation expenditures. Accordingly adoption of this amendment did not have any significant impact on the Group’s condensed financial statements.

Finally the Group has adopted IFRIC 4, *Determining whether an Arrangement contains a Lease*. IFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. Following a review of the relevant contracts, the adoption of IFRIC 4 did not have any significant impact on the Group’s condensed financial statements.

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3. ANALYSIS BY INDUSTRY SEGMENT

	Refining	Marketing	Exploration & production	Petro- chemicals	Gas & Power	Other	Inter- Segement	Total
For the nine month period ended 30 September 2006								
Sales	5.788.910	1.791.572	847	267.579	94.172	9.861	(1.826.015)	6.126.926
Other operating income / (expense) - net	2.043	6.279	3.020	2.013	3.281	139	1	16.775
Operating profit (loss)	274.687	37.313	(15.989)	17.730	6.649	(1.719)	792	319.463
Foreign exchange gains/ (losses)	9.168	2.950	0	0	0	0	0	12.118
Profit before tax, share of net result of associates & finance costs	283.854	40.263	(15.989)	17.730	6.649	(1.719)	793	331.580
Share of net result of associates	0	0	0	0	0	0	8.866	8.866
Profit after associates	283.854	40.263	(15.989)	17.730	6.649	(1.719)	9.659	340.446
Finance costs - net								(25.507)
Profit before income tax								314.939
Income tax expense								(90.729)
Income applicable to minority interest								(9.473)
Profit for the period attributable to the shareholders of the company								214.737

	Refining	Marketing	Exploration & production	Petro- chemicals	Gas & Power	Other	Inter- Segement	Total
For the nine month period ended 30 September 2005								
Sales	4.496.248	1.435.253	847	217.221	715	10.870	(1.502.665)	4.658.489
Other operating income / (expense) - net	1.992	7.116	131	244	520	61	2	10.066
Operating profit (loss)	391.260	41.506	(20.266)	6.763	(695)	(3.954)	(3.418)	411.197
Foreign exchange gains/ (losses)	(18.092)	(2.828)	0	175	0	0	0	(20.745)
Profit before tax, share of net result of associates & finance costs	373.168	38.678	(20.266)	6.938	(404)	(2.612)	(5.050)	390.452
Share of net result of associates	-	-	-	-	-	0	7.021	7.021
Profit after associates	373.168	38.678	(20.266)	6.938	3.751	(2.612)	1.971	397.473
Finance costs - net								(14.300)
Profit before income tax								383.173
Income tax expense								(120.271)
Income applicable to minority interest								(3.603)
Profit for the period attributable to the shareholders of the company								259.299

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The segment assets and liabilities at 30 September 2006 are as follows:

	Refining	Marketing	Exploration & production	Petro- chemicals	Gas & Power	Other	Inter- Segement	Total
Total assets	3.290.778	813.535	9.575	275.367	298.213	310.385	(687.313)	4.310.540
Net assets	2.206.712	327.836	9.575	130.922	37.669	(109)	(357.854)	2.354.751
Capital expenditure	(41.775)	(30.031)	0	(707)	(1.077)	(17)	(0)	(73.607)
Depreciation & Amortisation	63.536	21.423	1.797	12.968	12.408	354	0	112.486

The segment assets and liabilities at 31 December 2005 are as follows:

	Refining	Marketing	Exploration & production	Petro- chemicals	Gas & Power	Other	Inter- Segement	Total
Total assets	3.097.792	977.232	13.100	296.160	628.199	12.333	(834.927)	4.189.889
Net assets	2.128.125	580.153	13.100	150.324	40.534	0	(655.774)	2.256.462
Capital expenditure (Full year)	(54.646)	(41.110)	0	(1.320)	(87.912)	(88)	0	(185.076)
Depreciation & Amortisation (Full year)	97.659	27.441	2.398	15.905	191	562	0	144.156

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4. SELLING, DISTRIBUTION AND ADMINISTRATIVE EXPENSES

	For the nine month period ended		1 July 2006 to	1 July 2005 to
	30 September 2006	30 September 2005	30 September 2006	30 September 2005
Selling and distribution expenses	167.220	161.687	56.411	54.781
Administrative expenses	100.134	94.220	34.644	34.510
	267.354	255.907	91.055	89.291

5. FINANCE COSTS – NET

	For the nine month period ended		1 July 2006 to	1 July 2005 to
	30 September 2006	30 September 2005	30 September 2006	30 September 2005
Interest income	11.424	13.969	4.173	2.818
Interest expense	(36.931)	(28.269)	(15.367)	(8.725)
Finance costs -net	(25.507)	(14.300)	(11.194)	(5.908)

6. SHARE OF NET RESULT OF ASSOCIATED COMPANIES

The amounts represent the net result from associated companies accounted for on an equity basis.

	For the nine months period ended		1 July 2006 to	1 July 2005 to
	30 September 2006	30 September 2005	30 September 2006	30 September 2005
Public Natural Gas Corporation of Greece (DEPA)	8.057	6.575	5.011	2.420
Volos Pet Industries A.E.	300	446	478	321
Other	509	-	203	-
Total	8.866	7.021	5.692	2.741

7. EARNINGS PER SHARE

Diluted earnings per ordinary share are not presented, as they are not materially different from basic earnings per share.

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

	For the six month period ended		1 July 2006 to	1 July 2005 to
	30 September 2006	30 September 2005	30 September 2006	31 September 2005
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):				
Net income attributable to ordinary shares (Euro in thousands)	0,70	0,85	0,13	0,39
Average number of ordinary shares outstanding	214.737	259.299	40.128	117.992
	305.622.245	305.513.425	305.622.245	305.513.425

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8. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant & Machinery	Motor vehicles	Furniture and fixtures	Assets Under Con- struction	Total
Cost							
As at 1 January 2005	191.787	365.080	1.493.342	38.747	61.913	285.533	2.436.402
Additions	7.104	7.917	16.564	1.795	3.685	146.256	183.321
Capitalised projects	1.489	25.831	279.090	171	527	(307.108)	-
Disposals	(17)	(81)	(5.335)	(564)	(305)	(1.128)	(7.430)
Other movements	-	-	637	-	-	(837)	(200)
As at 31 December 2005	200.363	398.747	1.784.298	40.149	65.820	122.716	2.612.093
Accumulated Depreciation							
As at 1 January 2005	870	178.139	836.862	18.638	46.190	-	1.080.699
Charge for the year	435	16.025	106.977	3.023	6.416	-	132.876
Disposals	-	(77)	(4.566)	(525)	(296)	-	(5.464)
Other movements	-	1.491	(3.254)	-	-	(195)	(1.958)
As at 31 December 2005	1.305	195.578	936.019	21.136	52.310	(195)	1.206.153
Net Book Value at 31 December 2005	199.058	203.169	848.279	19.013	13.510	122.911	1.405.940
Cost							
As at 1 January 2006	200.363	398.747	1.784.298	40.149	65.820	122.716	2.612.093
Additions	7.758	5.832	8.453	141	2.957	46.475	71.616
Capitalised projects	-	1.091	12.961	-	1.614	(15.666)	-
Disposals	(938)	(25)	(8.755)	(1.018)	(295)	(48)	(11.079)
Other movements	478	(4.656)	(3.002)	220	676	(6.428)	(12.712)
As at 30 September 2006	207.661	400.989	1.793.955	39.492	70.772	147.049	2.659.918
Accumulated Depreciation							
As at 1 January 2006	1.305	195.578	936.019	21.136	52.310	(195)	1.206.153
Charge for the period	325	12.115	86.778	2.265	4.435	-	105.918
Disposals	-	(22)	(8.559)	(737)	(333)	-	(9.651)
Other movements	-	(11.535)	(1.638)	14	(637)	195	(13.601)
As at 30 September 2006	1.630	196.136	1.012.600	22.678	55.775	-	1.288.819
Net Book Value at 30 September 2006	206.031	204.853	781.355	16.814	14.997	147.049	1.371.099

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9. INTANGIBLE ASSETS

	Goodwill	Computer software	Licences & Rights	Other	Total
<u>Cost</u>					
As at 31 December 2004	112.026	38.398	31.582	1.712	183.718
Effect of adopting IFRS 3	22.713	-	-	-	22.713
As at 1 January 2005	134.739	38.398	31.582	1.712	206.431
Additions	-	1.694	-	60	1.754
Disposals	-	(225)	-	(34)	(259)
Other movements	-	(864)	-	48	(816)
As at 31 December 2005	134.739	39.003	31.582	1.786	207.110
<u>Accumulated Amortisation</u>					
Balance at 31 December 2004	69.202	26.032	3.607	1.524	100.365
Effect of adopting IFRS 3	2.839	-	-	-	2.839
Balance as at 1 January 2005	72.041	26.032	3.607	1.524	103.204
Charge for the year	(212)	7.893	3.486	113	11.280
Disposals	-	-	-	(34)	(34)
Other movements	-	(2.244)	-	45	(2.199)
Balance as at 31 December 2005	71.829	31.681	7.093	1.648	112.251
Net Book Value at 31 December 2005	62.910	7.322	24.489	138	94.859
<u>Cost</u>					
As at 1 January 2006	134.739	39.003	31.582	1.786	207.110
Additions	-	520	1.468	3	1.991
Disposals	-	(205)	-	-	(205)
Other movements	-	1.137	(147)	(1.080)	(90)
As at 30 September 2006	134.739	40.455	32.903	709	208.806
<u>Accumulated Amortisation</u>					
As at 1 January 2006	71.829	31.681	7.093	1.648	112.251
Charge for the period	-	1.679	4.869	20	6.568
Disposals	-	(204)	-	-	(204)
Other movements	-	995	(147)	(1.002)	(154)
As at 30 September 2006	71.829	34.151	11.815	666	118.461
Net Book Value at 30 September 2006	62.910	6.304	21.088	43	90.345

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(All amounts in Euro thousands unless otherwise stated)

10. LOANS ADVANCES AND OTHER RECEIVABLES

	As at	
	30 September 2006	31 December 2005
Loans and advances	15.988	17.943
Other long term assets	36.617	18.135
Cash flow hedges (Note 17)	6.517	-
Total	59.123	36.078

11. INVENTORIES

	As at	
	30 September 2006	31 December 2005
Crude oil	314.952	368.343
Refined products and semi-finished products	849.727	695.567
Petrochemicals	31.804	32.313
Consumable materials and other	70.710	72.875
Total	1.267.193	1.169.098

12. TRADE AND OTHER RECEIVABLES

	As at	
	30 September 2006	31 December 2005
Trade receivables	814.608	784.021
Other receivables	113.771	88.807
Deferred charges and prepayments	14.003	15.251
Total	942.382	888.079

13. CASH AND CASH EQUIVALENTS

	As at	
	30 September 2006	31 December 2005
Cash at Bank and in Hand	142.321	126.044
Short term bank deposits	35.379	67.586
Total cash and cash equivalents	177.700	193.630

Cash equivalents comprise of short-term deposits (made for varying periods, of less than three months).

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(All amounts in Euro thousands unless otherwise stated)

14. SHARE CAPITAL

	Number of Shares (authorised and issued)	Share Capital	Share premium	Total
As at 1 January 2005	305.513.425	666.019	353.138	1.019.157
Exercise of employee share options	108.820	237	569	806
As at 31 December 2005	305.622.245	666.256	353.707	1.019.963
Exercise of employee share options	-	-	-	-
As at 30 September 2006	305.622.245	666.256	353.707	1.019.963

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

15. BORROWINGS

	As at	
	30 September 2006	31 December 2005
Non-current borrowings		
Bank borrowings	230.693	242.887
Bond loan	276.461	296.686
Total non-current borrowings	507.154	539.573
Current borrowings		
Short term loans	657.868	317.444
Current portion of long term debt	25.234	38.916
Total current borrowings	683.102	356.360
Total borrowings	1.190.256	895.933

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Bond Loan

In February 2005, the Parent Company issued a five year US \$ 350 million Bond Loan with Mandated Lead Arrangers The Bank of Tokyo – Mitsubishi Ltd, Citigroup Global Markets Ltd., EFG Telesis Finance S.A. and National Bank of Greece S.A. The Loan was signed with the participation of sixteen financial institutions and is part of the Company's refinancing arrangement of existing credit lines. The outstanding balance of the bond loan as of 30 September 2006 was US \$ 350 million.

Hellenic Petroleum Finance Plc (HPF Plc) was established in November 2005 in the U.K. as a 100% of Hellenic Petroleum S.A. The company acts as the central financing vehicle of the Hellenic Petroleum Group and its activities include the borrowing and lending of funds to the Group companies.

In April 2006 HPF Plc concluded a Euro 300 million multi-currency syndicated loan with National Bank of Greece S.A. (London Branch), Alpha Bank A.E. (London Branch) and EFG Eurobank Ergasias S.A. (London Branch). As at September 30th 2006 the loan was fully drawn.

16. PROVISIONS AND OTHER LIABILITIES

	As at	
	30 September 2006	31 December 2005
Government grants	25.614	25.614
Environmental provision	1.092	5.192
Commodity cash flow hedges (Note 17)	263	-
Other provisions	35.571	36.542
Total	62.540	67.348

Government grants

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

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17. DERIVATIVE FINANCIAL INSTRUMENTS

	As at 30 September 2006		As at 31 December 2005	
	Assets	Liabilities	Assets	Liabilities
Derivatives designated as fair value hedges				
Commodity derivatives:				
Commodity swaps	7.431	-	3.781	-
Commodity options	-	-	-	6.982
	7.431	-	3.781	6.982
Total fair value hedges	7.431	-	3.781	6.982
Derivatives designated as cash flow hedges				
Commodity swaps	6.517	263	-	-
Total cash flow hedges	6.517	263	-	-
Total	13.948	263	3.781	6.982
Non-current portion				
Commodity swaps	6.517	263	-	-
	6.517	263	-	-
Current portion				
Commodity swaps	7.431	-	3.781	-
Commodity options	-	-	-	6.982
	7.431	-	3.781	6.982
Total	13.948	263	3.781	6.982

Derivatives designated as fair value hedges

(a) Commodity swaps

The changes in the fair value of the Commodity swaps at the balance sheet date were recognised in Trade and Other Payables and in Trade and Other Receivables

(b) Commodity options

The changes in the fair value of the Commodity swaps at the balance sheet date were recognised in Trade and Other Payables.

Derivatives designated as cash flow hedges

(a) Commodity swaps

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

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18. TRADE AND OTHER PAYABLES

	As at	
	30 September 2006	31 December 2005
Trade payables	293.030	518.904
Accrued Expenses & Deferred Income	78.933	60.557
Other payables	48.777	57.582
Total	420.740	637.043

19. CASH GENERATED FROM OPERATIONS

	For the nine months period ended	
Note	30 September 2006	30 September 2005
Profit before tax	314.939	383.173
Adjustments for:		
Depreciation and amortisation of tangible and intangible assets	8,9 112.486	109.297
Amortisation of government grants	(4.696)	(6.292)
Financial (income)/ expenses	5 25.508	14.300
Share of operating profit of associates	(8.866)	(7.021)
Provisions	14.058	58.102
Foreign exchange (gains) / losses	(12.118)	20.745
(Gain) / loss on sales of fixed assets	(3.076)	36
	438.235	572.340
Changes in working capital		
(Increase) / decrease in inventories	(98.432)	(541.371)
(Increase) / decrease in trade and other receivables	(56.660)	(207.967)
Increase / (decrease) in payables	(245.862)	141.836
	(400.954)	(607.502)
Net cash (used in) / generated from operating activities	37.281	(35.162)

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20. RELATED PARTY TRANSACTIONS

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

	For the nine month period ended	
	30 September 2006	30 September 2005
Sales of goods and services to related parties	789.004	566.200
Purchases of goods and services from related parties	80.839	19.604
	869.843	585.805
	As at	
	30 September 2006	30 September 2005
Balances due to related parties	15.700	8.053
Balances due from related parties	141.851	99.020
	157.551	107.074
	For the nine month period ended	
	30 September 2006	30 September 2005
Charges for directors remuneration	3.708	2.860

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

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

- a) Parties which are under common control with the Group due to the shareholding and control rights of the Hellenic State:
 - Public Power Corporation Hellas
 - Hellenic Armed Forces
 - Olympic Airways/Airlines
- b) Financial institutions (including subsidiaries) which are under common control with the Group due to the shareholding and control rights of the Hellenic State. The group has loans amounting to €344.977 as at 30 September 2006 (31 December 2005: €155.067) which represent loan balances due to following related financial institutions:
 - National Bank of Greece
 - Agricultural Bank of Greece
 - Commercial Bank of Greece
- c) Joint ventures with other third parties:
 - OMV Aktiengesellschaft
 - Sipetrol
 - Woodside – Repsol – Helpe
- d) Associates of the Group which are consolidated under the equity method:
 - Athens Airport Fuel Pipeline Company S.A. (EAKAA)
 - Public Gas Corporation of Greece S.A. (DEPA)
 - Volos Pet Industries A.E.
 - Spata Aviation Fuel Company S.A. (SAFCO)

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(All amounts in Euro thousands unless otherwise stated)

-
- e) Financial institutions (including subsidiaries) in which substantial interest is owned by parties which hold significant participation in the share capital of the Group. The Group has loans amounting to €146.244 (31 December 2005: €50.360) with the following related financial institutions:
 - EFG Eurobank Ergasias S.A.
 - f) Enterprises in which substantial interest is owned by parties which hold significant participation in the share capital of the Group.
 - Lamda Shipyards

21. COMMITMENTS

Significant contractual commitments of the Group are as follows:

- Capital investment in upgrading Hellenic Petroleum refinery installations of €63 million. (2005: €22 million)
- Upstream exploration and development costs of €20 million (2005: €19 million) have been committed as part of the Joint Operating Agreements (JOA) in place. These commitments will depend on the progress of exploration activities.

22. CONTINGENCIES AND LITIGATION

The Group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. They are as follows:

- (i) The Government has advanced Hellenic Petroleum S.A. an amount of € 43.434 to undertake research and exploration projects, as determined by Law 367/1976. A portion of the amount received, € 25.614, may become repayable once the Group generates income from the discoveries resulting from its expenditure and therefore is included as part of long-term liabilities (see note 15). (The terms of repayment will be determined by the Ministry of Development, if applicable). The remaining € 17.902 has been written off as it is considered highly unlikely it will ever become repayable due to the nature of the expenditure.
- (ii) The Group 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 Group's operating results or financial position. .
- (iii) Hellenic Petroleum S.A. has not undergone a tax audit for the years ended from 31 December 2002 to 31 December 2005. Management believes that no additional material liability will arise as a result of the aforementioned open tax years over and above the liabilities and provisions recognised in these financial statements.
- (iv) Following an accident involving the motor tanker KRITI-GOLD on November 1998, at the Group's mooring installation in Thessaloniki, four seamen died. Claims have been lodged in connection with this accident against the ship owner and the Group. Of the four claims, three have already been settled with the involvement of the insurers. The last one is still pending but its outcome is not likely to have a material effect on the Group's operating results or financial position.
- (v) The Group has given letters of comfort and guarantees of €652 million to banks for loans undertaken by subsidiaries and associates of the Group, the outstanding amount of which as of 30 September 2006 was €582 million. The Group has also issued letters of credit and guarantees in favour of third parties amounting to € 540 million mainly for the completion of contracts entered into by the Group.
- (vi) In October 2002 the Group guaranteed its commitment to the Investment Programme under the share purchase agreement for the acquisition of Jugopetrol AD Kotor, through a performance bond issued by the National Bank of Greece for €45 million. As at 30 September 2006, the Performance Bond had decreased to €17 million (31 December 2005: €24 million).
- (vii) Tax free reserves: The Group has recorded an amount of € 81 million as tax free reserves under L.3220 / 2004. The EU is presently investigating the applicability of this law and its compliance with EU policies.

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No adjustment has been made to the financial statements as this issue is being investigated by the EU and the Greek state.

23. DIVIDENDS PAID

A dividend in respect of 2004 of €0,26 per share (amounting to a total of € 79.433) was approved by the Annual Shareholders Meeting held on 25 May 2005 to all shares issued and outstanding at that date. Additionally for the 2005 year an interim dividend of €0,15 per share (amounting to a total of € 45.843) was approved by an extraordinary shareholders general meeting held at 12 December 2005. The interim dividend is paid to all shareholders who are entitled to profits from 2005.

In addition the Board of Directors on the Annual Shareholders Meeting of 2005 held on 31 May 2006., has declared a final dividend of € 0,28 per share (amounting to a total of € 85.574). Therefore, the total approved dividend for 2005 was €0,43 per share (total of € 131.401).

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

24. LIST OF PRINCIPAL CONSOLIDATED SUBSIDIARIES AND ASSOCIATES INCLUDED IN THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

COMPANY NAME	ACTIVITY	COUNTRY OF REGISTRATION	PARTICIPATION PERCENTAGE	METHOD OF CONSOLIDATION
EKO S.A	Marketing	GREECE	100,00%	FULL
EKOTA KO	Marketing	GREECE	49,00%	FULL
EKO NATURAL GAS	Natural gas	GREECE	100,00%	FULL
EKO KALIPSO	Marketing	GREECE	100,00%	FULL
EKO BULGARIA	Marketing	BULGARIA	100,00%	FULL
EKO-YU AD BEOGRAD	Marketing	SERBIA	100,00%	FULL
EKO GEORGIA LTD	Marketing	GEORGIA	97,40%	FULL
HELPE INT'L	Holding	AUSTRIA	100,00%	FULL
HELPE CYPRUS	Marketing	CYPRUS	100,00%	FULL
HELPE SERVICES LTD	Services	CYPRUS	100,00%	FULL
YUGOPETROL AD	Marketing	MONTENEGRO	54,35%	FULL
GLOBAL ALBANIA S.A	Marketing	ALBANIA	99,96%	FULL
ELDA PETROL ALBANIA	Marketing	ALBANIA	99,96%	FULL
ELPET BALKANIKI S.A.	Holding	GREECE	63,00%	FULL
VARDAX S.A	Pipeline	GREECE	63,00%	FULL
OKTA CRUDE OIL REFINERY A.D	Refining	FYROM	51,35%	FULL
ASPROFOS S.A	Engineering	GREECE	100,00%	FULL
DIAXON S.A.	Petrochemicals	GREECE	100,00%	FULL
POSEIDON S.A.	Shipping	GREECE	100,00%	FULL
APOLLON S.A.	Shipping	GREECE	100,00%	FULL
ENERGIAKI THESSALONIKIS. S.A.	Power generation	GREECE	100,00%	FULL
HELLENIC PETROLEUM FINANCE PLC	Treasury services	U.K	100,00%	FULL
HELLENIC PETROLEUM CONSULTING	Consulting services	GREECE	100,00%	FULL
HELLENIC PETROLEUM RENEWABLE ENERGY SOURCES	Energy	GREECE	100,00%	FULL
DEPA S.A.	Natural Gas	GREECE	35,00%	EQUITY
V.P.I S.A.	Petrochemicals	GREECE	35,00%	EQUITY
E.A.K.A.A	Pipeline	GREECE	50,00%	EQUITY