HELLENIC PETROLEUM

PRESS RELEASE

27 May, 2014

FIRST QUARTER 2014 FINANCIAL RESULTS

<u>Improved results from all business units</u>

<u>offset the weak European refining environment</u>

Key figures for the 1Q period to 31 March 2014 are:

All numbers in €m	**1Q13**	**1Q14**	**% Δ**
Adjusted EBITDA	**38**	**51**	**+35%**
EBITDA	-12	25	-
Adjusted Net Income	**-21**	**-19**	**-**
Net Income	-78	-38	-
Net Debt	**2,188**	**2,333**	**7%**
Total Assets	**7,123**	**6,567**	**-8%**

Weak European refining environment

European refining background remained challenging, with Urals exports at low levels and other regional suppliers (Iraq, Libya) having difficulties to maintain a consistent supply flow. In this environment, US refiners were able to continue exporting increased diesel volumes to Europe, supported by their competitive advantage of lower cost of crude oil and energy. As a result, benchmark Med refining margins remained weak, with FCC margins averaging $1.7/bbl (1Q13: $4.1/bbl), close to 10-year lows and Hydrocracking margins at $4.1/bbl (1Q13: $4.7/bbl).

Greek fuels market shows stabilization signs

1Q14 transport fuel demand remained unchanged vs 1Q13, sustaining the stabilization trend reported during the last 2 quarters. Gasoline demand is gradually substituted by diesel, as new diesel car registrations have increased following the end of the ban on private diesel cars in Athens and Thessaloniki two years ago. In this environment, the Group launched new products (BP Ultimate Diesel, Diesel Ekonomy), improving customer value proposition and its competitive position in this new market. Mild weather conditions during 1Q14 and the continuation of high excise duties led to a lower heating gasoil consumption (-15% vs 1Q13), resulting to weaker demand in the domestic fuels market (-4%).

Improved financial results

Adjusted EBITDA amounted to €51m (+35% vs 1Q13); Elefsina refinery operations, the restructuring of our domestic marketing companies EKO and Hellenic Fuels and cost control in all our business units, had a positive impact on results. Refined product sales were marginally up to 2.8 million tons, with exports reaching 50% of total sales. On the other hand, the continuation of a challenging European refining environment, with weaker benchmarks and US dollar, negatively affected 1Q results by over €20m.

The contribution from Elefsina refinery was positive, even though it was shut-down for necessary maintenance and improvement works in March. Following the successful and safe completion of the start-up process, the refinery has resumed normal operations at high utilization rates and improved performance.

Competitiveness improvement projects and cost controls positively affected results; 1Q14 reports an additional €18m benefit, bringing total contribution from these initiatives since 2008 to €290m cumulatively. As a result, 1Q14 fixed costs are down 13% vs 1Q13. Furthermore, a number of projects completed in 2013, or currently under implementation, are expected to add to profitability and cash flow in the next two years.

As a result of improved operating performance, Reported EBITDA came at €25m (1Q13: -€12m), despite inventory valuation losses; Reported Net Results were also improved at -€38m (1Q13: -€78m).

Stronger balance sheet

On 16 May 2014, Hellenic Petroleum successfully issued the first ever unrated USD Euro-bond from a Greek company. The size of the two-year issue came at $400m, higher vs original plan and the coupon at 4.625%, following strong investor demand. The new bond issue improves the Group's liquidity position, allows diversification of funding sources and leads to a reduction of funding costs.

Following the successful completion of our investment program, capex relates to maintenance and minor improvement projects and in 1Q14 amounted to €25m. Working capital needs have been affected by the lower utilization of our refineries during the end of 1Q14; as a result, Net Debt came at €2.3bn.

Signing of West Patraikos lease agreement

On 14 May the lease agreement for exploration & production in W. Patraikos area was signed by a Consortium formed by HELLENIC PETROLEUM (operator), Edison International S.p.a. and Petroceltic Resources Plc. Exploration activities in the area will begin following ratification by the Greek Parliament.

DESFA sale process

Following the signing of the Share Purchase Agreement (SPA) for the sale of the 66% of DESFA share capital from HELLENIC PETROLEUM and HRADF to SOCAR, for €400m, regulatory approvals are in process from authorities in Greece and the EU. Completion of the transaction is expected in 2014. HELLENIC PETROLEUM's share of the consideration for its 35% indirect share in DESFA amounts to €212m and the proceeds from the sale are earmarked for the reduction of gearing and funding costs.

John Costopoulos, Group CEO, commented on 1Q13 performance:

"Despite the prevailing challenges in the international refining environment, during1Q14, our financial

results improved compared to last year.

It is worth mentioning the contribution of Elefsina refinery, which despite the shut-down in March, enabled realization of better margins during this quarter. The completion of works and safe start-up of the refinery took place in April with improved utilization and operational performance.

Furthermore, 1Q14 results have benefited from the continuous competitiveness improvement programs and the restructuring of our marketing units in Greece.

The recent issuance of the USD Eurobond further diversifies our funding mix and provides a low-cost hedging strategy against currency fluctuations. The issue, with a 4.625% coupon, is the first step towards de-escalating our financing costs, which driven by the Greek crisis had a negative effect on our results and competitiveness in the international markets.

Following the signing of the lease agreement for exploration and production in W. Patraikos, the Group re-engages in the Greek upstream industry, aiming to utilise our local expertise and our partners' international experience and capabilities.

In 2014, despite the challenging environment, the enhanced performance of our refineries as well as benefits from competitiveness improvement programs are expected to have a positive impact on results and cash flow."

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

REFINING, SUPPLY & TRADING

- Domestic Refining Adjusted EBITDA at €25m (+7%), as Elefsina contribution and improved Aspropyrgos performance offset weak European refining environment.
- Production at 2.5m MT, with increased yield of high value products.
- Exports at 1.4m MT (+7% vs 1Q13), offset domestic market decline, driving sales to 2.8m MT (+1%).

DOMESTIC MARKETING

- Improved operational performance in Retail and C&I and successful restructuring programs, led Adjusted EBITDA at €2m (1Q13: -€3m), despite weaker heating gasoil demand.
- Fixed cost base reduced by 10% vs 1Q13.

INTERNATIONAL MARKETING

- Adjusted EBITDA at €9m (+31%), on margin improvement, cost control and supply chain benefits.

PETROCHEMICALS

- Despite flat PP margins vs 1Q13, cost control and high level of vertical integration between Aspropyrgos and Thessaloniki plants, led to increased profitability, with EBITDA at €17m, (+19% vs 1Q13).

ASSOCIATED COMPANIES

- DEPA contribution to Group results at €13m (vs €31m in 1Q13), due to weak demand as warmer weather affected local supply companies' (EPAs) sales and gas-fired electricity generation was lower.
- ELPEDISON EBITDA at €14m (+7% vs 1Q13).

Key consolidated financial indicators (prepared in accordance with IFRS) for the three-month period to 31 March 2014 are shown below:

€ million	**1Q13**	**1Q14**	***% Δ***
P&L figures			
Net Sales	2,241	2,077	*-7%*
EBITDA	-12	25	-
Adjusted EBITDA [1]	**38**	**51**	***+35%***
Net Income	-78	-38	-
Adjusted Net Income [1]	**-21**	**-19**	**-**
EPS (€)	-0.25	-0.12	-
Adjusted EPS (€) [1]	**-0.07**	**-0.06**	**-**
Balance Sheet Items			
Capital Employed	**4,623**	**4,505**	***-3%***
Net Debt	2,188	2,333	*7%*
Debt Gearing (D/D+E)	47%	52%	-

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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