PRESS RELEASE

27 August 2015

Second quarter/first half 2015 financial results

Positive results on strong benchmark refining margins - uninterrupted operations during the banking crisis

During 2Q15, HELLENIC PETROLEUM Group had to address the consequences of the 8 May 2015 accident at Aspropyrgos refinery, which also extended the turnaround process, the unplanned shut-down of the flexicoker unit at Elefsina refinery, as well as the banking crisis, with the capital controls imposition and the bank holiday at the end of June. Despite the challenges, the Group achieved a significant improvement in 2Q15 results compared with last year, with Adjusted EBITDA amounting to €130m (2Q14: €49m), mainly on the back of stronger benchmark refining margins and euro/usd rate, as well as improved operational performance in all business units.

Management efforts were focused on the smooth start-up of the Aspropyrgos refinery, which came into full operation on 25 June 2015, as well as managing the banking crisis in Greece, aiming to continue the operation of our refineries with minimum disruptions and the uninterrupted supply of the domestic market and our international customers.

Positive refining environment: resilient benchmark refining margins

The increased international demand for oil products, mainly gasoline, continued in the second quarter of 2015. Crude oil prices remained weak and in combination with the continued economic recovery in developed markets, drove global demand growth. Crude oil prices recovered partially from 1Q15 lows, averaging $63/bbl, however remained significantly lower compared with 2Q14.

The dollar strengthened slightly against the euro, with the exchange rate averaging 1.11 usd/euro for 2Q15, the strongest (for the dollar) since 2003.

As a result of the above, benchmark Med FCC margins averaged $7.3/bbl, while Hydrocracking margins came at $5.8/bbl, due to increased diesel supply.

Greek market: Fuels demand growth in the second quarter, deterioration of domestic economic sentiment

The domestic fuels market continued to grow in 2Q15, amounting to 1.6 million tonnes (+6%), as demand increased for all products.

The bank holiday and capital controls imposed on 28 June 2015 are expected to have a negative impact on economic activity during the second half of the year, according to estimates, also affecting fuels market, with the first signs of falling demand appearing in 3Q15, despite the increase in tourism.

Financial results and main business developments

2Q15 results were driven mainly by the improved performance of refining, while Adjusted Net Income amounted to €38m.

Reported IFRS results were also positive, supported by inventory valuation and FX gains, partly offsetting losses recorded in previous quarters. Reported EBITDA amounted to €144m and Net Income to €49m.

Operating cashflow was also positive, despite increased capital expenditure due to maintenance works, and finance costs, which despite the successful actions for the gradual reduction in 2014, continue to be affected by developments in Greece and remain disproportionately high. Net debt came at €1.1bn, slightly lower than year-end, while gearing stood at 38%.

At the end of June, as Greek economy crisis escalated following the 3-week bank holiday and the imposition of capital controls, the Group successfully rolled-out a comprehensive plan in response to the crisis, in line with its established risk management policy, aiming at sustaining normal operations and uninterrupted market supply. As a result, refineries operated as planned, covering Greek market demand and continuing export activity. Due to its business model and increased export orientation, almost 60% of the proceeds from sales originates outside of Greece; those transactions are executed through international banks, with which the Group maintains a long-term relationship, mitigating the consequences of the Greek banking system crisis. The Group's financial strategy for funding diversification with the issuance of the Eurobonds, as well as negotiations with international banks was a key factor for the successful management of the crisis, as it resulted to 50% of debt sourced outside of Greece and therefore not affected by the Greek banking system.

Finally, in addition to the start-up of the Aspropyrgos refinery, Elefsina refinery also completed the maintenance of its flexicoker unit in July, with all Group's refineries in full operational availability in 3Q15.

Regarding the sale of 66% of DESFA share capital to SOCAR, the Share Purchase Agreement has been extended until December 2015, with the approval of the European Competition Authorities being the final step for the completion of the regulatory clearance.

HELLENIC PETROLEUM participated in the recent international tender process for exploration and production in offshore areas in Western Greece on 14 July 2015, reiterating the Group's interest in developments in the country, following the opening of the Greek upstream sector to the international oil industry.

Key highlights and contribution for each of the main business units in 2Q15 were:

REFINING, SUPPLY & TRADING

- Domestic Refining, Supply & Trading 2Q15 Adjusted EBITDA at €77m.
- Production came in at 2.2 million tonnes, affected by the extended turnaround of Aspropyrgos refinery.
- Domestic market and Bunkering & Aviation sales were higher, leading total volumes sold to 2.9 million tonnes.

PETROCHEMICALS

- International PP margins led Adjusted EBITDA to €23m, despite the drop in propylene production out of Aspropyrgos refinery and the maintenance works in Thessaloniki polypropylene complex.

DOMESTIC MARKETING

- Performance improvement particularly in Aviation & Bunkering led Domestic Marketing 2Q15 Adjusted EBITDA to €13m.
- Improvement in market shares continued, mainly on the back of the successful network strategy.

INTERNATIONAL MARKETING

- Increased market demand, on lower product price environment and higher vertical integration with Thessaloniki refinery led to sales volumes growth (+12%).
- 2Q15 Adjusted EBITDA amounted to €15m.

ASSOCIATED COMPANIES

- DEPA Group contribution to consolidated Net Income amounted to €3m, due to reduced demand from gas-fired electricity generators and industrial customers, despite an increase in EPA's sales volumes.
- Elpedison profitability continued to be affected by the significant delay in transitional regulatory framework for independent power producers.

Key consolidated financial indicators (prepared in accordance with IFRS) for 2Q15 are shown below:

€ million	**2Q14**	**2Q15**	***% Δ***	**1H14**	**1H15**	***% Δ***
P&L figures						
Refining Sales Volumes ('000 MT)	3,185	2,950	*-7%*	5,976	6,565	*10%*
Sales	2,385	1,785	*-25%*	4,462	3,664	*-18%*
EBITDA	53	144	-	78	299	-
Adjusted EBITDA [1]	**49**	**130**	**-**	**100**	**335**	**-**
Net Income	(50)	49	-	(91)	66	-
Adjusted Net Income [1]	**(53)**	**38**	**-**	**(72)**	**93**	**-**
Balance Sheet Items						
Capital Employed				3,751	2,947	*-21%*
Net Debt				1,625	1,115	*-31%*
Debt Gearing (ND/ND+E)				43%	38%	-

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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