

HELLENIC PETROLEUM S.A.

**CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED**

30 JUNE 2006



**HELLENIC
PETROLEUM**

HELLENIC PETROLEUM S.A.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006
(All amounts in Euro thousands unless otherwise stated)

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REVIEW REPORT OF THE CERTIFIED AUDITORS ACCOUNTANTS

To the Shareholders of the Hellenic Petroleum Company

We have reviewed the accompanying condensed interim balance sheet of Hellenic Petroleum Company (the "Company") and the related condensed interim statements of income, cash flows and changes in shareholders' equity for the six months ended 30 June 2006. Our review was restricted to financial information for the six months period ended 30 June 2006 and did not encompass a review of financial information relating to the Company's performance for the three months period ended 30 June 2006 as a separate quarter which is presented in the income statement of the accompanying condensed interim financial statements. These condensed interim financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these condensed interim financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400, as required by the Greek Standards on Auditing. This Standard requires that we plan and perform the review to obtain moderate assurance about whether the condensed interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements of the company for the six monthly period ended 30 June 2006 have not been properly prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Athens, August 30, 2006

PricewaterhouseCoopers


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HELLENIC PETROLEUM S.A.

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006

(All amounts in Euro thousands unless otherwise stated)

I. Condensed Interim Balance Sheet (Reviewed)

	Note	As at	
		30 June 2006	31 December 2005
ASSETS			
Non-current assets			
Property, plant and equipment	7	633.670	657.028
Intangible assets	8	24.399	26.602
Investments in affiliated companies		687.989	685.070
Deferred income tax assets		27.706	27.606
Available-for-sale financial assets		80	80
Loans, advances and other receivables		73	79
		1.373.917	1.396.465
Current assets			
Inventories	9	1.268.256	1.071.322
Trade and other receivables	10	745.930	726.743
Cash and cash equivalents	11	104.598	75.956
		2.118.784	1.874.021
Total assets		3.492.701	3.270.486
EQUITY			
Share capital	12	1.019.963	1.019.963
Reserves		536.669	543.642
Retained Earnings		469.435	384.710
Total equity		2.026.067	1.948.315
LIABILITIES			
Non-current liabilities			
Borrowings	13	309.349	335.187
Retirement benefit obligations		113.947	108.711
Provisions and other long term liabilities	14	53.951	46.435
		477.247	490.333
Current liabilities			
Trade and other payables	16	498.563	552.055
Current income tax liabilities		108.322	135.247
Borrowings	13	373.562	116.870
Dividends payable		8.940	27.666
		989.387	831.838
Total liabilities		1.466.634	1.322.171
Total equity and liabilities		3.492.701	3.270.486

The notes on pages 7 to 18 are an integral part of these interim financial statements

Chief Executive Officer

Chief Financial Officer

Finance Manager

Panagiotis Cavoulacos

Andreas Shiamishis

Athanasios Solomos

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II. Condensed Interim Income Statement (Reviewed)

	Note	For the six month period ended		1 April 2006 to	1 April 2005 to
		30 June 2006	30 June 2005	30 June 2006	30 June 2005
Sales		3.868.744	2.694.771	1.905.308	1.329.208
Cost of sales		(3.557.536)	(2.402.800)	(1.722.272)	(1.164.462)
Gross profit		311.208	291.971	183.036	164.746
Selling, distribution and administrative expenses	4	(88.564)	(87.037)	(42.902)	(36.813)
Exploration and development expenses		(4.639)	(6.572)	(3.446)	(3.156)
Other operating (expenses) / income - net		169	1.391	3.256	460
Operating profit		218.174	199.753	139.944	125.237
Finance costs -net	5	(6.293)	(2.356)	(3.826)	(1.007)
Currency exchange gains /(losses)		8.902	(15.176)	(2.202)	(10.422)
Dividend income		13.443	15.404	13.443	10.694
Profit before income tax		234.226	197.625	147.359	124.502
Income tax expense		(63.927)	(60.274)	(37.653)	(38.374)
Profit for the period		170.299	137.351	109.706	86.128
Basic and diluted earnings per share (expressed in Euro per share)	6	0,56	0,45	0,36	0,28

The notes on pages 7 to 18 are an integral part of these interim financial statements.

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III. Condensed Interim Statement of Changes in Equity (Reviewed)

	Share Capital	Reserves	Retained Earnings	Total Equity
Balance at 1 January 2005	1.019.157	510.360	220.681	1.750.198
Profit for the six months			137.351	137.351
Transfers to statutory and tax reserves		17.309	(17.309)	-
Dividends relating to 2004			(79.435)	(79.435)
Balance at 30 June 2005	1.019.157	527.669	261.288	1.808.114
Movement - 1 July 2005 to 31 December 2005				
Profit for the period 1/7/05 to 31/12/05			185.222	185.222
Transfers to statutory and tax reserves		15.973	(15.973)	-
Exercise of share options	806			806
Dividends relating to 2005			(45.827)	(45.827)
Balance at 31 December 2005	1.019.963	543.642	384.710	1.948.315
Movement - 1 January 2006 to 30 June 2006				
Profit for the period	-	-	170.299	170.299
Dividends relating to 2005	-	-	(85.574)	(85.574)
Cashflow Hedges (Note15)	-	(6.973)	-	(6.973)
Balance at 30 June 2006	1.019.963	536.669	469.435	2.026.067

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IV. Condensed Interim Cash Flow Statement (Reviewed)

		For the six month period ended	
	Note	30 June 2006	30 June 2005
Cash flows from operating activities			
Cash (used in) / generated from operations	17	(1.516)	(158.696)
Income tax paid		(91.382)	(22.202)
Net cash (used in) / generated from operating activities		(92.898)	(180.898)
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	7,8	(22.508)	(21.691)
Interest received	5	4.947	3.822
Dividends received		4.698	14.710
Investments in affiliated companies		(518)	-
Net cash used in investing activities		(13.381)	(3.159)
Cash flows from financing activities			
Share capital increase			
Interest paid	5	(11.240)	(6.178)
Dividends paid		(104.300)	(48.027)
Net movement in long term borrowings		(4.461)	58.879
Net movement in short term borrowings		258.777	143.166
Net cash (used in) / generated from financing activities		138.776	147.840
Net decrease in cash & cash equivalents		32.497	(36.217)
Cash & cash equivalents at beginning of the period	11	75.956	89.083
Exchange gains on cash & cash equivalents		(3.855)	3.585
Net increase/(decrease) in cash & cash equivalents		32.497	(36.217)
Cash & cash equivalents at end of the period	11	104.598	56.451

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V. Notes to the Condensed Interim Financial Statements (Reviewed)

1. GENERAL INFORMATION

Hellenic Petroleum S.A. operates in the energy sector in Greece. The Company's activities include exploration and production, refining and marketing of oil products and the production and marketing of petrochemical products.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

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

These interim financial statements should be read in conjunction with the December 2005 financial statements. These can be found on the Company's website www.hellenic-petroleum.gr.

The interim financial statements of the Company for the six month period ended 30 June 2006 were authorised for issue by the Board of Directors on 30 August 2006.

Accounting policies

The accounting policies used in the preparation of the condensed interim financial statements for the six month period ended 30 June 2006 are consistent with those applied for the preparation of published accounts of the company 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 Company utilises 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 June 30, 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 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 Company 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 Company's condensed financial statements.

Finally the Company 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 Company's condensed financial statements.

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3. ANALYSIS BY INDUSTRY SEGMENT

Six month period ended 30 June 2006	Refining	Petro-chemicals	E & P	Gas & Power	Total
Sales	3.694.652	163.215	564	10.313	3.868.744
Other operating income / (expense) - net	(654)	803	20	-	169
Operating profit	221.234	5.678	(10.769)	2.031	218.174
Foreign exchange gains / (losses)	8.902	-	-	-	8.902
Profit before tax, dividend income & finance costs	230.136	5.678	(10.769)	2.031	227.076
Finance costs - net					(6.293)
Dividend income					13.443
Profit before income tax					234.226
Income tax expense					(63.927)
Profit for the period					170.299

Six month period ended 30 June 2005	Refining	Petro-chemicals	E & P	Gas & Power	Total
Sales	2.562.672	131.499	600	0	2.694.771
Other operating income / (expense) - net	1.303	19	69	-	1.391
Operating profit	209.759	400	(10.406)	0	199.753
Foreign exchange gains / (losses)	(15.376)	200	0	0	(15.176)
Profit before tax, dividend income & finance costs	194.383	600	(10.406)	0	184.577
Finance costs - net					(2.356)
Dividend income					15.404
Profit before income tax					197.625
Income tax expense					(60.274)
Profit for the period					137.351

Further segmental information as at 30 June 2006 is as follows:

	Refining	Petro-chemicals	E & P	Unallocated	Total
Total Assets	3.241.436	213.459	10.100	27.706	3.492.701
Net Assets	2.047.096	58.427	10.100	(89.556)	2.026.067
Capital Expenditure	22.255	253	-	-	22.508
Depreciation & Amortisation	40.320	6.540	1.200	-	48.060

Further segmental information as at 31 December 2005 is as follows:

	Refining	Petro-chemicals	E & P	Unallocated	Total
Total Assets	3.013.980	215.800	13.100	27.606	3.270.486
Net Assets	1.977.395	93.078		(122.158)	1.948.315
Capital Expenditure (Full year)	50.418	818	-	-	51.236
Depreciation & Amortisation (Full year)	83.412	11.004	2.398		96.814

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4. SELLING, DISTRIBUTION AND ADMINISTRATIVE EXPENSES

	For the six month period ended		1 April 2006 to	1 April 2005 to
	30 June 2006	30 June 2005	30 June 2006	30 June 2005
Selling and distribution expenses	45.278	43.504	18.481	16.198
Administrative expenses	43.286	43.533	24.421	20.615
	88.564	87.037	42.902	36.813

5. FINANCE COSTS - NET

	For the six month period ended		1 April 2006 to	1 April 2005 to
	30 June 2006	30 June 2005	to 30 June 2006	to 30 June 2005
Bank interest income	4.947	3.822	2.780	2.122
Bank interest expense	(11.240)	(6.178)	(6.606)	(3.129)
Finance costs -net	(6.293)	(2.356)	(3.826)	(1.007)

6. EARNINGS PER SHARE

Diluted earnings per ordinary share are not materially different from basic earnings per share.

Basic earnings per share is 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 period ended		1 April 2006 to	1 April 2005 to
	30 June 2006	30 June 2005	30 June 2006	30 June 2005
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):				
Net income attributable to ordinary shares (Euro in thousands)	170.299	137.351	109.706	86.128
Average number of ordinary shares outstanding	305.622.245	305.513.425	305.622.245	305.513.425

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7. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant & Machi- nery	Motor vehicles	Furniture and fixtures	Assets Under Con- struction	Total
Cost							
As at 1 January 2005	115.536	139.113	1.079.741	8.170	33.464	96.829	1.472.853
Additions	1	75	1.570	498	2.086	45.826	50.056
Capitalised projects	-	2.616	37.301	147	103	(40.167)	-
Disposals	-	-	(3.040)	-	(44)	-	(3.084)
Transfers & other movements	(8.500)	8.565	1.939	-	(455)	97	1.646
As at 31 December 2005	107.037	150.369	1.117.511	8.815	35.154	102.585	1.521.471
Accumulated Depreciation							
As at 1 January 2005	-	78.661	662.860	6.961	23.575	-	772.057
Charge for the year	-	7.589	83.193	476	3.240	-	94.498
Disposals	-	-	(2.911)	-	(44)	-	(2.955)
Transfers & other movements	-	-	1.069	-	(226)	-	843
As at 31 December 2005	-	86.250	744.211	7.437	26.545	-	864.443
Net Book Value at 31 December 2005	107.037	64.119	373.300	1.378	8.609	102.585	657.028
Cost							
As at 1 January 2006	107.037	150.369	1.117.511	8.815	35.154	102.585	1.521.471
Additions	-	31	498	57	685	20.181	21.452
Capitalised projects	-	693	9.791	-	1.614	(12.098)	-
Disposals	-	(6.193)	(5.724)	(12)	382	(1.346)	(12.893)
Transfers & other movements	-	-	-	-	-	-	-
As at 30 June 2006	107.037	144.900	1.122.076	8.860	37.835	109.322	1.530.030
Accumulated Depreciation							
As at 1 January 2006	-	86.250	744.211	7.437	26.545	-	864.443
Charge for the period	-	3.513	39.432	251	1.613	-	44.809
Disposals	-	(11.391)	(950)	9	(560)	-	(12.892)
Transfers & other movements	-	-	-	-	-	-	-
As at 30 June 2006	-	78.372	782.693	7.697	27.598	-	896.360
Net Book Value at 30 June 2006	107.037	66.528	339.383	1.163	10.237	109.322	633.670

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8. INTANGIBLE ASSETS

	Goodwill	Computer software	Licences & Rights	Total
Cost				
As at 31 December 2004	(22.713)	31.858	31.582	40.727
Effect of adopting IFRS 3 (Negative Goodwill Restatement)	22.713	-	-	22.713
As at 1 January 2005	-	31.858	31.582	63.440
Additions	-	1.813	-	1.813
Disposals	-	(225)	-	(225)
Transfers, acquisitions & other movements	-	(1.550)	-	(1.550)
As at 31 December 2005	-	31.896	31.582	63.478
Accumulated Amortisation				
As at 31 December 2004	(2.839)	24.953	3.607	25.721
Effect of adopting IFRS 3 (Negative Goodwill Restatement)	2.839	-	-	2.839
As at 1 January 2005	-	24.953	3.607	28.560
Charge for the year	-	5.742	3.486	9.228
Disposals	-	(69)	-	(69)
Transfers, acquisitions & other movements	-	(843)	-	(843)
As at 31 December 2005	-	29.783	7.093	36.876
Net Book Value 31 December 2005	-	2.113	24.489	26.602
Cost				
As at 1 January 2006	-	31.896	31.582	63.478
Additions	-	1.056	-	1.056
Disposals	-	-	-	-
Transfers, acquisitions & other movements	-	(1.266)	-	(1.266)
As at 30 June 2006	-	31.686	31.582	63.268
Accumulated Amortisation				
As at 1 January 2006	-	29.783	7.093	36.876
Charge for the period	-	1.527	1.731	3.258
Disposals	-	-	-	-
Transfers, acquisitions & other movements	-	(1.266)	-	(1.266)
As at 30 June 2006	-	30.044	8.824	38.869
Net Book Value 30 June 2006	-	1.642	22.758	24.399

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9. INVENTORIES

	As at	
	30 June 2006	31 December 2005
Crude oil	370.979	359.821
Refined and semi-finished products	810.035	622.382
Petrochemicals	30.966	30.983
Consumable materials and other	56.276	58.136
	<u>1.268.256</u>	<u>1.071.322</u>

10. TRADE AND OTHER RECEIVABLES

	As at	
	30 June 2006	31 December 2005
Trade receivables	673.878	657.719
Other receivables	63.641	60.378
Deferred charges and prepayments	8.411	8.646
Total	<u>745.930</u>	<u>726.743</u>

11. CASH AND CASH EQUIVALENTS

	As at	
	30 June 2006	31 December 2005
Cash at Bank and in Hand	68.415	59.850
Short term bank deposits	36.183	16.106
Total cash and cash equivalents	<u>104.598</u>	<u>75.956</u>

Cash equivalents comprise of short-term deposits (made for varying periods, of less than three months). Such deposits depend on the immediate cash requirements of the company.

12. 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 June 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 management executives. The exercise price was determined based on the Company's share performance compared to the market and the options are 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

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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 31 May 2006 has approved and granted a stock option for the year 2006 of 272.100 shares.

13. BORROWINGS

	As at	
	30 June 2006	31 December 2005
Non-current borrowings		
Bank borrowings	34.040	38.502
Bond loan	275.309	296.685
Non-current borrowings	309.349	335.187
Current borrowings		
Short term loans	364.640	107.948
Current portion of long term debt	8.922	8.922
Total current borrowings	373.562	116.870
Total borrowings	682.911	452.057

Bond Loan

In February 2005, the 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 June 2006 was US \$ 350 million. (Euro 275 million)

In April 2006, the company concluded a Euro 400 million bilateral short-term multi-currency loan agreement with Hellenic Petroleum Finance Plc., a subsidiary. As of 30 June 2006 the loan amount outstanding was Euro 198 million (US \$ 252 million)

14. PROVISIONS AND OTHER LONG TERM LIABILITIES

	As at	
	30 June 2006	31 December 2005
Government grants	25.614	25.614
Environmental provision	5.192	5.192
Commodity Cashflow Hedges (See note 15)	6.973	-
Other provisions	16.172	15.629
Total	53.951	46.435

Government grants

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

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15. DERIVATIVE FINANCIAL INSTRUMENTS

Fair Values of Derivative Financial Instruments

	As at 30 June 2006		As at 31 December 2005	
	Assets	Liabilities	Assets	Liabilities
Derivatives designated as fair value hedges				
Commodity derivatives:				
Commodity swaps	0	2.028	3.781	0
Commodity options	0	285	0	6.982
	0	2.313	3.781	6.982
Total fair value hedges	0	2.313	3.781	6.982
Derivatives designated as cash flow hedges				
Commodity swaps	0	6.973	0	0
Total cash flow hedges	0	6.973	0	0
Total	0	9.286	3.781	6.982
Non-current portion				
Commodity swaps	0	6.973	0	0
	0	6.973	0	0
Current portion	0	2.313	3.781	6.982
	0	9.286	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.

(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 Long term liabilities and in shareholders' equity.

16. TRADE AND OTHER PAYABLES

	As at	
	30 June 2006	31 December 2005
Trade payables	419.424	468.395
Accrued Expenses & Deferred Income	49.371	41.818
Other payables	29.768	41.842
Total	498.563	552.055

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(All amounts in Euro thousands unless otherwise stated)

17. CASH GENERATED FROM OPERATIONS

		For the six month period ended	
	Note	30 June 2006	30 June 2005
Profit before tax		234.226	197.625
Adjustments for:			
Depreciation and amortisation of tangible and intangible assets (net of grants amortisation)	7,8	48.067	52.522
Amortisation of government grants		(2.935)	(3.198)
Financial (income)/ expenses	5	6.293	2.356
Provisions		10.899	20.260
Foreign exchange (gains) / losses		(8.903)	16.060
Dividend income		(13.443)	(15.404)
		274.204	270.221
Changes in working capital			
(Increase) / decrease in inventories		(196.934)	(325.549)
(Increase) / decrease in trade and other receivables		(20.381)	(94.151)
Increase / (decrease) in payables		(58.405)	(9.217)
		(275.720)	(428.917)
Net cash (used in) / generated from operating activities		(1.516)	(158.696)

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18. RELATED PARTY TRANSACTIONS

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

RELATED PARTY TRANSACTIONS

i) Sales of goods and services

	For the six month period ended	
	30 June 2006	30 June 2005
Sales of goods		
Affiliated Companies	1.169.305	835.069
Non affiliated	400.495	281.962
Sales of services		
Affiliated Companies	4.631	2.531
	1.574.431	1.119.562

ii) Purchases of goods and services

Purchases of goods		
Affiliated Companies	17.720	17.934
Non affiliated	10.369	11.112
Purchases of services		
Affiliated Companies	2.187	5.461
	30.276	34.507

iii) Balances arising from sales / purchases of goods / services

	As at	
	30 June 2006	31 December 2005
Receivables from related parties		
<u>Affiliated Companies</u>		
- Receivables	180.950	163.789
<u>Non affiliated (outside the Group)</u>		
- Receivables	106.252	97.735
	287.202	261.524
Payables to related parties		
<u>Affiliated Companies</u>		
- Payables	7.747	8.622
<u>Non affiliated (outside the Group)</u>		
- Payables	4.076	4.602
	11.823	13.224
Net balances from related parties	275.379	248.300

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

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Non affiliated or Governmental organisations include the Hellenic Armed Forces and the Public Power Corporation (Hellas). They are considered related parties due to the shareholding in the Company by the Hellenic State.

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

- Hellenic Petroleum Group companies.
- Parties which are under common control with the Company due to the shareholding and control rights of the Hellenic State:
 - o Public Power Corporation Hellas
 - o Hellenic Armed Forces
 - o Olympic Airways/Airlines
- Financial institutions (including subsidiaries) which are under common control with the Company due to the shareholding and control rights of the Hellenic State. The Company has loans amounting to €93.263 as at 30 June 2006 (31 December 2005: €66.622) which represent loan balances due to the following related financial institutions:
 - o National Bank of Greece
 - o Agricultural Bank of Greece
 - o Commercial Bank of Greece
- Joint ventures with other third parties:
 - o OMV Aktiengesellschaft
 - o Sipetrol
 - o Woodside – Repsol – Helpe
- Associates of the Company:
 - o Athens Airport Fuel Pipeline Company S.A. (EAKAA)
 - o Public Gas Corporation of Greece S.A. (DEPA)
 - o Volos Pet Industries A.E.
 - o Spata Aviation Fuel Company S.A. (SAFCO)
- Financial institutions (including subsidiaries) in which substantial interest is owned by parties which hold significant participation in the share capital of the Company. The Company has loans amounting to €78.098 as at 30 June 2006 (31 December 2005: €44.430) with the following related financial institutions:
 - o EFG Eurobank Ergasias S.A.
- Enterprises in which substantial interest is owned by parties which hold significant participation in the share capital of the Company.
 - o Lamda Shipyards

19. COMMITMENTS

Significant contractual commitments of the Company are as follows:

- Capital investment in upgrading Hellenic Petroleum refinery installations of €41 million. (2005: €22 million)
- Upstream exploration and development costs of €10 million (2005: €19 million) have been committed as part of the Joint Operating Agreement (JOA) in place. These commitments will depend on the progress of exploration activities.

20. CONTINGENCIES AND LITIGATION

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

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CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006 (All amounts in Euro thousands unless otherwise stated)

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- (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 Company generates income from the discoveries resulting from its expenditure and therefore is included as part of long-term liabilities (see note 13). (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 Company 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 company's operating results or financial position.
 - (iii) During 2004, Hellenic Petroleum S.A. was audited by the Greek tax authorities for the years ended 31 December 1997 to 2001. An amount of €11,9 million of additional taxes, plus fines was assessed by tax authorities for prior year tax audits and was recorded in the financial statements for the year ended 31 December 2004. The Company has not undergone a tax audit for the years ended 31 December 2002 to 31 December 2005. Management believes that no additional material liability will arise as a result of open tax years over and above the tax liabilities and provisions recognised in the 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 Company. 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 Company's operating results or financial position.
 - (v) The Company has given letters of comfort and guarantees of €617 million to banks for loans undertaken by subsidiaries and associates of the Company, the outstanding amount of which was €550 million as of 30 June 2006. The Company has also issued letters of credit and guarantees in favour of third parties amounting to € 494 million mainly for the completion of crude purchase contracts.
 - (vi) In October 2002 the Company 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 June 2006, the Performance Bond had decreased to €17 million (31 December, 2005: €24 million).
 - (i) The Company 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. No adjustment has been made to the financial statements as this issue is being investigated by the EU and the Greek state.

21. 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. At its meeting held on 12 December 2005, the Board agreed that an interim dividend distribution of €0,15 per share (amounting to a total of €45.827) be proposed at the Extraordinary General Meeting of the shareholder's for the 2005 period. The AGM of 31 May 2006 approved a final dividend of €0,28 per share (a total of € 85.574). Therefore the total 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 Financial Statements of the Company for the six month period ended 30 June 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 will be included in the interim financial statements of the Company for the next period ending 30 September, 2006.