

HELLENIC PETROLEUM S.A.

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

30 SEPTEMBER 2006



**HELLENIC
PETROLEUM**

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

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I. Condensed Interim Balance Sheet (Unaudited)

	Note	As at 30 September 2006	31 December 2005
ASSETS			
Non-current assets			
Property, plant and equipment	7	628.686	657.028
Intangible assets	8	23.201	26.602
Investments in affiliated companies		688.054	685.070
Deferred income tax assets		23.548	27.606
Available-for-sale financial assets		80	80
Loans, advances and other receivables	9	6.687	79
		1.370.256	1.396.465
Current assets			
Inventories	10	1.177.187	1.071.322
Trade and other receivables	11	665.641	726.743
Cash and cash equivalents	12	51.012	75.956
		1.893.840	1.874.021
Total assets		3.264.096	3.270.486
EQUITY			
Share capital	13	1.019.963	1.019.963
Reserves		549.896	543.642
Retained Earnings		437.587	384.710
Total equity		2.007.446	1.948.315
LIABILITIES			
Non-current liabilities			
Borrowings	14	306.041	335.187
Retirement benefit obligations		113.228	108.711
Provisions and other long term liabilities	15	40.386	46.435
		459.655	490.333
Current liabilities			
Trade and other payables	17	346.407	552.055
Current income tax liabilities		55.084	135.247
Borrowings	14	340.758	116.870
Dividends payable		54.746	27.666
		796.995	831.838
Total liabilities		1.256.650	1.322.171
Total equity and liabilities		3.264.096	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 (Unaudited)

	Note	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
Sales		5.699.346	4.420.511	1.830.602	1.725.740
Cost of sales		(5.308.147)	(3.918.521)	(1.750.611)	(1.515.721)
Gross profit		391.199	501.990	79.991	210.019
Selling, distribution and administrative expenses	4	(135.604)	(134.805)	(47.040)	(47.768)
Exploration and development expenses		(9.387)	(14.359)	(4.748)	(7.787)
Other operating (expenses) / income - net		5.591	1.885	5.422	494
Operating profit		251.799	354.711	33.625	154.958
Finance costs -net	5	(11.860)	(5.360)	(5.567)	(3.004)
Currency exchange gains /(losses)		6.412	(19.170)	(2.490)	(3.994)
Dividend income		13.443	15.404	0	0
Profit before income tax		259.794	345.585	25.568	147.960
Income tax expense		(75.500)	(106.658)	(11.573)	(46.384)
Profit for the period		184.294	238.927	13.995	101.576
Basic and diluted earnings per share (expressed in Euro per share)	6	0,60	0,78	0,05	0,33

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

	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 period	-	-	238.927	238.927
Transfers to statutory and tax reserves	-	19.874	(19.874)	0
Dividends relating to 2004			(79.435)	(79.435)
Balance at 30 September 2005	1.019.157	530.234	360.299	1.909.690
Movement - 1 October 2005 to 31 December 2005				
Profit for the period	-	-	83.646	83.646
Transfers to statutory and tax reserves	-	13.408	(13.408)	-
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 September 2006				
Profit for the period	-	-	184.294	184.294
Dividends relating to 2005 and interim 2006	-	-	(131.417)	(131.417)
Cashflow Hedges (Note16)	-	6.254	-	6.254
Balance at 30 September 2006	1.019.963	549.896	437.587	2.007.446

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IV. Condensed Interim Cash Flow Statement (Unaudited)

		For the nine month period ended	
	Note	30 September 2006	30 September 2005
Cash flows from operating activities			
Cash (used in) / generated from operations	18	53.320	(45.113)
Income tax paid		(152.303)	(49.890)
Net cash (used in) / generated from operating activities		(98.983)	(95.003)
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	7,8	(39.148)	(31.900)
Sale of property, plant and equipment & intangible assets	7,8	3.577	-
Investments in affiliated companies		(526)	3.950
Dividends received		13.443	15.404
Interest received	5	7.568	5.378
Net cash used in investing activities		(15.086)	(7.168)
Cash flows from financing activities			
Interest paid	5	(19.428)	(10.738)
Dividends paid		(104.337)	(71.885)
Net movement in long term borrowings		(8.922)	159.611
Net movement in short term borrowings		224.729	(29.762)
Net cash (used in) / generated from financing activities		92.042	47.226
Net decrease in cash & cash equivalents		(22.027)	(54.945)
Cash & cash equivalents at beginning of the period	12	75.956	89.083
Exchange gains on cash & cash equivalents		(2.917)	(4.411)
Net increase/(decrease) in cash & cash equivalents		(22.027)	(54.945)
Cash & cash equivalents at end of the period	12	51.012	29.727

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

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 annual financial statements for the year ended 31 December 2005. These can be found on the Company's website www.hellenic-petroleum.gr.

The interim financial statements of the Company 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 financial statements for the nine month period ended 30 September 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 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 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

Nine month period ended September 2006	Exploration & Production				Gas & Power	Total
	Refining	Petro-chemicals				
Sales	5.433.611	251.024	847		13.864	5.699.346
Other operating income / (expense) - net	1.297	1.274	3.020		-	5.591
Operating profit	253.043	11.567	(15.989)		3.178	251.799
Foreign exchange gains / (losses)	6.412	-	-		-	6.412
Profit before tax, dividend income & finance costs	259.455	11.567	(15.989)		3.178	258.211
Finance costs - net						(11.860)
Dividend income						13.443
Profit before income tax						259.794
Income tax expense						(75.500)
Profit for the period						184.294

Nine month period ended September 2005	Exploration & Production				Gas & Power	Total
	Refining	Petro-chemicals				
Sales	4.219.070	200.594	847		-	4.420.511
Other operating income / (expense) - net	1.707	78	100		-	1.885
Operating profit	375.477	(500)	(20.266)		-	354.711
Foreign exchange gains / (losses)	(19.345)	175	-		-	(19.170)
Profit before tax, dividend income & finance costs	356.132	(325)	(20.266)		-	335.541
Finance costs - net						(5.360)
Dividend income						15.404
Profit before income tax						345.585
Income tax expense						(106.658)
Profit for the period						238.927

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

	Exploration & Production					Unallocated	Total
	Refining	Petro-chemicals					
Total Assets	3.025.553	204.198	9.575	1.222		23.548	3.264.096
Net Assets	2.009.524	73.590	9.575	1.039		(86.282)	2.007.446
Capital Expenditure	(38.690)	(458)	-	-		-	(39.148)
Depreciation & Amortisation	58.508	9.647	1.797	-		-	69.952

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

	Exploration & Production					Unallocated	Total
	Refining	Petro-chemicals					
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 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	68.364	68.343	23.086	24.839
Administrative expenses	67.240	66.462	23.954	22.929
	135.604	134.805	47.040	47.768

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
Bank interest income	7.568	5.378	2.621	1.556
Bank interest expense	(19.428)	(10.738)	(8.188)	(4.560)
Finance costs -net	(11.860)	(5.360)	(5.567)	(3.004)

6. EARNINGS PER SHARE

Diluted earnings per ordinary share 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 period ended		1 July 2006 to	1 July 2005 to
	30 September 2006	30 September 2005	30 September 2006	30 September 2005
Earnings per share attributable to the Company				
Shareholders (expressed in Euro per share):	0,60	0,78	0,05	0,33
Net income attributable to ordinary shares (Euro in thousands)	184.294	238.927	13.995	101.576
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	757	84	1.496	35.312	37.680
Capitalised projects	-	953	12.840	-	1.614	(15.407)	-
Disposals	(938)	-	(3.567)	(12)	(8)	-	(4.525)
Transfers & other movements	-	(6.193)	(5.724)	-	390	(1.346)	(12.873)
As at 30 September 2006	106.099	145.160	1.121.817	8.887	38.646	121.144	1.541.753
Accumulated Depreciation							
As at 1 January 2006	-	86.250	744.211	7.437	26.545	-	864.443
Charge for the period	-	5.230	57.047	366	2.441	-	65.084
Disposals	-	-	(3.567)	(12)	(8)	-	(3.587)
Transfers & other movements	-	(11.391)	(950)	21	(553)	-	(12.873)
As at 30 September 2006	-	80.089	796.741	7.812	28.425	-	913.067
Net Book Value at 30 September 2006	106.099	65.071	325.076	1.075	10.221	121.144	628.686

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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	-	1.467	-	1.467
Disposals	-	-	-	-
Transfers, acquisitions & other movements	-	-	-	-
As at 30 September 2006	-	33.363	31.582	64.945
Accumulated Amortisation				
As at 1 January 2006	-	29.783	7.093	36.876
Charge for the period	-	2.272	2.596	4.868
Disposals	-	-	-	-
Transfers, acquisitions & other movements	-	-	-	-
As at 30 September 2006	-	32.055	9.689	41.744
Net Book Value 30 September 2006	-	1.308	21.893	23.201

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9. LOANS ADVANCES AND OTHER RECEIVABLES

	As at	
	30 September 2006	31 December 2005
Loans and advances and other long term assets	170	79
Commodity cash flow hedges (Note 16)	6.517	-
Total	6.687	79

10. INVENTORIES

	As at	
	30 September 2006	31 December 2005
Crude oil	311.612	359.821
Refined products and semi-finished products	778.040	622.382
Petrochemicals	31.804	30.983
Consumable materials and other	55.731	58.136
	1.177.187	1.071.322

11. TRADE AND OTHER RECEIVABLES

	As at	
	30 September 2006	31 December 2005
Trade receivables	593.933	657.719
Other receivables	66.328	60.378
Deferred charges and prepayments	5.380	8.646
Total	665.641	726.743

12. CASH AND CASH EQUIVALENTS

	As at	
	30 September 2006	31 December 2005
Cash at Bank and in Hand	51.004	59.850
Short term bank deposits	8	16.106
Total cash and cash equivalents	51.012	75.956

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.

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13. 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 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 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.

14. BORROWINGS

	As at	
	30 September 2006	31 December 2005
Non-current borrowings		
Bank borrowings	30.732	38.502
Bond loan	275.309	296.685
Non-current borrowings	306.041	335.187
Current borrowings		
Short term loans	331.836	107.948
Current portion of long term debt	8.922	8.922
Total current borrowings	340.758	116.870
Total borrowings	646.799	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 September 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 September 2006 the loan amount outstanding was Euro 175 million (US \$ 222 million)

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15. PROVISIONS AND OTHER LONG TERM 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 16)	263	-
Other provisions	13.417	15.629
Total	40.386	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.

16. 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.

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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.

17. TRADE AND OTHER PAYABLES

	As at	
	30 September 2006	31 December 2005
Trade payables	265.788	468.395
Accrued Expenses & Deferred Income	53.444	41.818
Other payables	27.175	41.842
Total	346.407	552.055

18. CASH GENERATED FROM OPERATIONS

	For the nine month period ended	
Note	30 September 2006	30 September 2005
Profit before tax	259.794	345.585
Adjustments for:		
Depreciation and amortisation of tangible and intangible assets (net of grants amortisation)	7,8 69.952	79.296
Amortisation of government grants	(4.155)	(4.426)
Financial (income)/ expenses	5 11.860	5.360
Dividends from subsidiaries	(13.443)	(15.404)
Provisions	3.554	49.853
Gain on sales of fixed assets	(3.095)	-
Foreign exchange (gains) / losses	(6.412)	19.169
	318.055	479.433
Changes in working capital		
(Increase) / decrease in inventories	(105.944)	(501.131)
(Increase) / decrease in trade and other receivables	67.138	(162.362)
Increase / (decrease) in payables	(225.929)	138.947
	(264.735)	(524.546)
Net cash (used in) / generated from operating activities	53.320	(45.113)

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19. 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.

i) Sales of goods and services

For the nine month period ended
30 September 2006 30 September 2005

Sales of goods

Affiliated Companies	1.791.734	1.427.826
Non affiliated	627.793	502.943

Sales of services

Affiliated Companies	6.277	4.225
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	2.425.804	1.934.994
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ii) Purchases of goods and services

Purchases of goods

Affiliated Companies	21.613	24.946
Non affiliated	17.378	16.990

Purchases of services

Affiliated Companies	2.972	3.728
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	41.963	45.664
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iii) Balances arising from sales / purchases of goods / services

As at
30 September 2006 31 December 2005

Receivables from related parties

Affiliated Companies

- Receivables	134.988	163.789
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Non affiliated (outside the Group)

- Receivables	116.393	97.735
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	251.381	261.524
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Payables to related parties

Affiliated Companies

- Payables	9.967	8.622
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Non affiliated (outside the Group)

- Payables	4.076	4.602
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	14.043	13.224
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Net balances from related parties

	237.338	248.300
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All transactions with related parties are done under normal trading and commercial terms

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.

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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 €114.444 as at 30 September 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 €72.197 as at 30 September 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

20. COMMITMENTS

Significant contractual commitments of the Company 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.

21. 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:

- (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

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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 €551 million as of 30 September 2006. The Company has also issued letters of credit and guarantees in favour of third parties amounting to € 517 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 September 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.

22. 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 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.