HELLENIC PETROLEUM S.A.

INTERIM

IAS CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2000

To the Shareholders of
Hellenic Petroleum S.A.

We have reviewed the accompanying interim consolidated balance sheets of Hellenic Petroleum S.A. as at 30 June 2000 and the related interim consolidated statements of income, changes in equity and cash flows for the six month period then ended. These interim consolidated financial statements are the responsibility of Hellenic Petroleum S.A.'s management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the International Standard applicable to review engagements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim consolidated financial statements are free of material misstatement. A review is limited primarily to inquires 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, do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view in accordance with International Accounting Standard 34 - Interim Financial Reporting.

31 August 2000
Athens, Greece

THE AUDITORS

Ernst & Young	Themistoklis C. Kostopoulos AM SOE 11161 SOL ac.o.c.	Vassilios A. Fatouros AM SOE 12451 SOL ac.o.c.

HELLENIC PETROLEUM S.A.

Interim Consolidated Balance Sheet

	Notes	As at 30 June 2000 Unaudited	31 December 1999 Audited
		(Drs in millions)	
ASSETS			
Intangible assets	10	19,852	22,470
Property, plant and equipment	11	237,689	210,428
Investments in affiliates	13	78,498	42,464
Investments in securities	14	10,038	10,038
Deferred tax	15	9,169	8,983
Loans, advances and long term assets	16	16,102	15,437
Total long term assets		371,348	309,820
Inventories	17	148,545	118,469
Accounts receivable	18	147,623	131,886
Cash and cash equivalents	19	45,857	18,144
Total current assets		342,025	268,499
Total assets		713,373	578,319
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital	20	130,584	116,075
Share premium		83,631	33,627
Reserves		169,041	149,638
Total shareholders' equity		383,256	299,340
Minority interest		7,379	5,788
Long-term debt	21	17,079	17,490
Pension plans and other long-term liabilities	22	41,260	39,469
Total long-term liabilities and shareholders' equity		448,974	362,087
Accounts payable and accrued liabilities	23	116,777	106,352
Tax payable	24	25,074	19,108
Current portion of long-term debt	21	2,385	3,387
Short-term borrowings	21	105,799	87,385
Dividend payable		14,364	-
Total current liabilities		264,399	216,232
Total liabilities and shareholders' equity		713,373	578,319

See accompanying notes to the interim consolidated financial statements

HELLENIC PETROLEUM S.A.

Interim Consolidated Income Statement

	Notes	For the six months ended 30 June 2000 Unaudited	30 June 1999 Unaudited
		(Drs in millions)	
Sale proceeds		674,958	318,953
Sales taxes, excise duties and similar levies		(86,258)	(79,657)
Net proceeds		588,700	239,296
Cost of sales		(506,665)	(189,752)
Gross profit		82,035	49,544
Other operating income		5,523	1,327
Selling, distribution and administrative expenses	4	(31,694)	(28,900)
Research and development		(285)	(535)
Operating profit		55,579	21,436
Interest and related income	6	3,641	2,979
Interest expense		(3,992)	(1,941)
Currency exchange gains/(losses)		(3,797)	533
Share of net result of affiliated companies	7	975	-
Income before exceptional items		52,406	23,007
Exceptional items	8	327	4,211
Income before tax		52,733	27,218
Taxation – current		(18,664)	(9,759)
Taxation – deferred	15	186	(1,426)
Income after taxation		34,255	16,033
Income/(loss) applicable to minority interest		(488)	28
Net income for the period		33,767	16,061
Earnings per ordinary share (in Drs)		136	69
Net income attributable to ordinary shares (Drs in millions)		33,767	16,061
Average number of ordinary shares outstanding		247,775,481	232,150,000

See accompanying notes to the interim consolidated financial statements

HELLENIC PETROLEUM S.A.

Interim Consolidated Statement of Changes in Equity

	Tax deferred reserve and partially taxed reserves	Statutory reserve	Retained earnings	Total Reserves	Share capital	Share premium	Total Shareholders' Equity
	(Drs in millions)						
Balance at 1 January 1999 (Audited)	52,905	6,677	51,274	110,856	116,075	33,627	260,558
Net income for six months (Unaudited)	-	-	16,061	16,061	-	-	16,061
Balance at 30 June 1999 (Unaudited)	52,905	6,677	67,335	126,917	116,075	33,627	276,619
Net income for six months (Unaudited)	-	-	22,739	22,739	-	-	22,739
Translation exchange differences	-	-	(18)	(18)	-	-	(18)
Transfers between reserves	8,279	1,716	(9,995)	-	-	-	-
Balance at 31 December 1999 (Audited)	61,184	8,393	80,061	149,638	116,075	33,627	299,340
Share capital increase	-	-	-	-	14,509	50,783	65,292
Costs of share issue	-	-	-	-	-	(779)	(779)
Dividends	-	-	(14,364)	(14,364)	-	-	(14,364)
Net income for six months (Unaudited)	-	-	33,767	33,767	-	-	33,767
Transfers between reserves	5,405	2,108	(7,513)	-	-	-	-
Balance at 30 June 2000 (Unaudited)	66,589	10,501	91,951	169,041	130,584	83,631	383,256

See accompanying notes to the interim consolidated financial statements

HELLENIC PETROLEUM S.A.

Interim Consolidated Cash Flow

	Notes	For the six months ended 30 June 2000 Unaudited	30 June 1999 Unaudited
		(Drs in millions)	
Net cash inflow from operating activities	25	**33,326**	**29,948**
Returns on investment and servicing of finance			
Realised net foreign exchange gain		2,334	533
Interest paid		(3,992)	(1,941)
Interest received		3,641	2,979
Minority interest		1,103	(2)
Net cash flow from returns on investment and servicing of finance		3,086	1,569
Taxation paid		(13,655)	(6,386)
Investing activities			
Payments to acquire property, plant and equipment and intangibles		(36,431)	(30,630)
Payments to acquire investments in affiliates except DEPA		(59)	(758)
Increase in investment of affiliate DEPA		(35,000)	-
Receipt from sale of fixed assets		65	
Net cash outflow from investing activities		(71,425)	(31,388)
Net cash outflow before financing activities		**(48,668)**	**(6,257)**
Financing activities			
Net proceeds from issue of share capital	20	64,513	-
Net movement in short-term borrowings		4,936	13
Net movement in long term debt		(1,543)	(357)
Payments for finance leases		(100)	-
Net cash inflow from financing activities		67,806	(344)
Increase (decrease) in cash and cash equivalents (net of overdrafts)		**19,138**	**(6,601)**
Opening balance, cash and cash equivalents (net of overdrafts)		(8,191)	270
Closing balance, cash and cash equivalents (net of overdrafts)		10,947	(6,331)
Cash and cash equivalents		45,857	17,007
Overdrafts		(34,910)	(23,338)
		10,947	(6,331)

See accompanying notes to the interim consolidated financial statements

1. ACCOUNTING PRINCIPLES

Hellenic Petroleum S.A. and subsidiaries (Hellenic Petroleum or "the Group") a company operating predominantly in Greece is involved in various oil related activities including exploration and production, refining and marketing of oil products, manufacture and marketing of petrochemical products, and the transmission and distribution of natural gas products. The Group also provides engineering services.

The interim consolidated financial statements of Hellenic Petroleum and its subsidiaries (Hellenic Petroleum or "the Group") are prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. The Group believes that its accounting policies are in accordance with current practice in the oil and gas industry and best reflect the economic substance of its business activities.

The financial information is expressed in millions of Greek drachmas.

Basis of presentation

The interim financial statements are presented in accordance with International Accounting Standard 34 - Interim Financial Reporting. They include the consolidated financial statements in a condensed format and the interim balance sheet and income statement of the parent company Hellenic Petroleum S.A. (the "Company"). The notes to the consolidated financial statements are condensed but include areas where there have been changes that materially affect the financial statements. The parent company interim balance sheet and income statement do not include notes.

2. ANALYSIS BY INDUSTRY SEGMENT AND GEOGRAPHIC ZONE

2a. Analysis by industry segment

Six months ended 30 June 2000 (Unaudited)

	Refining	**Marketing**	**Exploration & production**	**Petro-chemicals**	**Engin-eering**	**Natural gas**	**Inter segment adjustments**	**Total**
			(Drs in millions)					
Net Proceeds	522,306	212,838	193	23,077	4,432	-	(174,146)	588,700
Depreciation	6,657	1,670	205	868	156	-	-	9,556
Depletion & amortisation	866	2,031	-	57	24	-	-	2,978
Other operating income	4,337	1,135	28	549	-	-	(526)	5,523
Operating profit	53,479	3,205	(1,523)	(335)	896	-	(143)	55,579
Share of result of affiliate	-	-	-	453	-	522	-	975
Net income	33,056	1,624	(1,761)	149	410	522	(233)	33,767

2. ANALYSIS BY INDUSTRY SEGMENT AND GEOGRAPHIC ZONE *(continued)*

Six months ended 30 June 1999 (Unaudited)

	Refining	**Marketing**	**Exploration & production**	**Petro-chemicals**	**Engin-eering**	**Natural gas**	**Inter segment adjustments**	**Total**
			(Drs in millions)					
Net Proceeds	178,987	99,223	59	12,823	4,435	-	(56,231)	239,296
Depreciation	3,490	1,615	246	790	127	-	-	6,268
Depletion & amortisation	207	1,491	-	27	-	-	-	1,725
Other operating income	1,072	499	10	(218)	9	-	(45)	1,327
Operating profit	23,535	3,226	(1,668)	(2,355)	642	-	(1,944)	21,436
Share of result of affiliate	-	-	-	-	-	-	-	-
Net income	20,892	1,551	(1,722)	(1,761)	422	-	(3,321)	16,061

The inter segment adjustments reflect transactions between the segments.

2b. Analysis by geographic zone

	Six months ended 30 June 2000 Unaudited	Six months ended 30 June 1999 Unaudited
	(Drs in millions)	
Inland market sales	376,136	169,212
International market sales	212,564	70,084
	588,700	239,296

3. ACQUISITIONS AND DEMERGERS

a. On 23 April 1999 the Group established a new subsidiary EL.P.ET Balkan. The Group's 63% share of this subsidiary was acquired for an amount of Drs 2,520 million. No goodwill arose on acquisition. EL.P.ET has been consolidated in the Group for the year ended 31 December 1999.

b. On 9 July 1999 the Group through EL.P.ET Balkan acquired 54% of OKTA refinery in FYROM. The goodwill on acquisition amounted to of Drs 6,548 million and is being amortised over five years. OKTA has been consolidated in the Group for the year ended 31 December 1999.

c. On 12 November 1999 the Group acquired 75% of Global S.A. Albania. The goodwill on acquisition amounted to Drs 1,481 million and is being amortised over five years. Global S.A. has been consolidated in the Group for the year ended 31 December 1999.

d. Following the share capital increase of Hellenic Petroleum S.A. on 24 March 2000, the Group increased its shareholding in DEPA to 35%. The negative goodwill on acquisition amounted to Drs 30,904 million and is being amortised over 20 years. (See note 13 below).

4. SELLING, DISTRIBUTION AND ADMINISTRATIVE EXPENSES

	Six months ended	
	30 June 2000 Unaudited	30 June 1999 Unaudited
	(Drs in millions)	
Selling and distribution expenses	17,657	15,718
Administrative expenses	14,037	13,182
	31,694	28,900

5. DEPRECIATION, DEPLETION AND AMORTISATION

Depreciation, depletion and amortisation are included within expense headings in the Income Statement as follows:

	Six months ended	
	30 June 2000 Unaudited	30 June 1999 Unaudited
	(Drs in millions)	
Cost of sales	6,860	4,030
Selling distribution and administrative expenses	5,670	3,908
Research and development	4	55
	12,534	7,993

6. INTEREST AND RELATED INCOME

	Six months ended	
	30 June 2000 Unaudited	30 June 1999 Unaudited
	(Drs in millions)	
Interest income	2,394	1,596
Interest from trade receivables	1,243	1,289
Other related income	4	94
	3,641	2,979

7. SHARE OF NET RESULT OF AFFILIATED COMPANIES

The balance represents the net result from the affiliated companies accounted for on the equity basis.

	Six months ended	
	30 June 2000 Unaudited	30 June 1999 Unaudited
	(Drs in millions)	
Volos Pet Industries A.E.	453	-
Public Natural Gas Corporation of Greece (DEPA)		
- share of profit	136	-
- amortisation of negative goodwill	386	-
	975	-

8. EXCEPTIONAL ITEMS

	Six months ended 30 June 2000 Unaudited	30 June 1999 Unaudited
	(Drs in millions)	
Insurance claims for EKO refinery fire	327	4,211
	327	4,211

On 19 February 1999 a fire took place at the refinery in Thessaloniki. The company was insured for both loss of earnings and assets destroyed in the fire. For the period ended 30 June 2000, income for assets destroyed amounted to Drs 327 million as stated above and income for loss of earnings of Drs 3,206 million has been included in other income. For the period ended 30 June 1999, of the total income of Drs 4,211 million, Drs 2,493 million related to loss of earnings and Drs 1,717 million for assets destroyed.

9. EMPLOYEE EMOLUMENTS AND NUMBERS

(a) Emoluments	Six months ended 30 June 2000 Unaudited	30 June 1999 Unaudited
	(Drs in millions)	
Remuneration	19,422	18,521
Social security contribution	3,809	3,738
Pensions and similar obligations	2,473	314
Other benefits	2,296	640
Total	28,000	23,213

(b) Average numbers of employees

Refining	3,016	1,681
Marketing	896	902
Exploration and production	112	178
Petrochemicals	395	415
Engineering	190	251
Total	4,609	3,427

10. INTANGIBLE ASSETS

Intangible assets are classified, consistent with oil and gas industry practice, according to operating activities. This classification, rather than according to type of asset, is given in order to permit a better comparison with other companies with similar activities.

	30 June 2000 (Unaudited)					
	Refining	Marketing	Exploration & Production	Petro-Chemicals	Engineering	Total
			(Drs in millions)			
Cost						
Balance at 1 January 2000	8,490	16,386	2,917	601	96	28,490
Capital expenditure	519	95	-	73	21	708
Sales, retirements and other movements	(251)	(173)	-	(5)	-	(429)
Balance at 30 June 2000	8,758	16,308	2,917	669	117	28,769
Amortisation						
Balance at 1 January 2000	1,452	3,999	118	430	21	6,020
Charge for the period	866	2,031	-	57	24	2,978
Sales, retirements and other movements	(2)	(75)	-	(4)	-	(81)
Balance at 30 June 2000	2,316	5,955	118	483	45	8,917

	31 December 1999 (Audited)					
	Refining	Marketing	Exploration & Production	Petro-Chemicals	Engineering	Total
			(Drs in millions)			
Cost						
Balance at 1 January 1999	1,374	14,911	2,917	658	-	19,860
Capital expenditure	7,135	1,499	-	41	385	9,060
Sales, retirements and other movements	(19)	(24)	-	(98)	(289)	(430)
Balance at 31 December 1999	8,490	16,386	2,917	601	96	28,490
Amortisation						
Balance at 1 January 1999	450	1,019	118	383	-	1,970
Charge for the year	1,008	3,004	-	64	21	4,097
Sales, retirements and other movements	(6)	(24)	-	(17)	-	(47)
Balance at 31December 1999	1,452	3,999	118	430	21	6,020
Net book value 30 June 2000 (Unaudited)	6,442	10,353	2,799	186	72	19,852
Net book value 31 December 1999 (Audited)	7,038	12,387	2,799	171	75	22,470

11. PROPERTY, PLANT AND EQUIPMENT BY INDUSTRY SEGMENT

Tangible fixed assets are classified, consistent with oil and gas industry practice, according to operating activities. This classification, rather than according to type of asset, is given in order to permit a better comparison with other companies with similar activities.

30 June 2000 (Unaudited)

	Refining	Marketing	Exploration & Production	Petro-Chemicals	Engineering	Total
			(Drs in millions)			
Cost						
Balance at 1 January 2000	267,679	50,255	4,547	58,726	3,930	385,137
Capital expenditure	14,389	3,185	12	19,831	9	37,426
Sales, retirement and other movements	(29)	(1,519)	-	(42)	(9)	(1,599)
Balance at 30 June 2000	282,039	51,921	4,559	78,515	3,930	420,964
Accumulated depreciation						
Balance at 1 January 2000	132,127	22,997	3,331	15,576	678	174,709
Charge for the period	6,657	1,670	205	868	156	9,556
Sales, retirement and other movements	(34)	(934)	-	(13)	(9)	(990)
Balance at 30 June 2000	138,750	23,733	3,536	16,431	825	183,275

31 December 1999 (Audited)

	Refining	Marketing	Exploration & Production	Petro-Chemicals	Engineering	Total
			(Drs in millions)			
Cost						
Balance at 1 January 1999	187,270	46,094	4,506	29,391	1,119	268,380
Capital expenditure	52,664	4,828	43	29,357	2,522	89,414
Sales, retirement and other movements	27,745	(667)	(2)	(22)	289	27,343
Balance at 31 December 1999	267,679	50,255	4,547	58,726	3,930	385,137
Accumulated depreciation						
Balance at 1 January 1999	103,646	20,335	2,872	14,458	441	141,752
Charge for the year	7,299	3,094	461	1,139	237	12,230
Sales, retirement and other movements	21,182	(432)	(2)	(21)	-	20,727
Balance at 31 December 1999	132,127	22,997	3,331	15,576	678	174,709
Net book value 30 June 2000 (Unaudited)	143,289	28,188	1,023	62,084	3,105	237,689
Net book value 31 December 1999 (Audited)	135,552	27,258	1,216	43,150	3,252	210,428

12. 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:

	As at 30 June 2000 Unaudited	31 December 1999 Audited
	(Drs in millions)	
Charges to related parties	61,660	82,160
Charges from related parties	1,987	954
Balances due from related parties	7,568	5,462
Balances due to related parties	1,068	287
Charges for directors' remuneration	180	291

Charges to related parties are in respect of the following:

	Name:	Nature of relationship:
(a)	Public Power Corporation Hellas	Common ownership – Government
(b)	Hellenic Armed forces	Common ownership-Government
(c)	Denison-Hellenic-DEP EKY-White Shield-Poseidon-	Joint venture
(d)	Enterprise Oil Exploration Limited	Joint venture
(e)	Triton Hellas S.A.	Joint venture
(f)	Public Gas Corporation of Greece S.A. (DEPA)	Affiliate
(g)	Volos Pet Industries A.E.	Affiliate
(h)	Directors' remuneration :-	

Salaries and fees for the 46 members (1999: 27 members) of the Board of Directors for the six months ended 30 June 2000 and the year ended 31 December 1999 are Drs 180 million and Drs 291 million respectively.

13. INVESTMENTS IN AFFILIATES (EQUITY OR COST ACCOUNTED)

	Method of accounting	Ownership Percentage	As at 30 June 2000 Unaudited	31 December 1999 Audited
			(Drs in millions)	
Public Natural Gas Corporation of Greece (DEPA)	equity	35	75,457	39,935
EANT	cost	13	6	6
Volos Pet Industries A.E.	equity	35	2,841	2,388
DEP A.E.-THRAKI Joint Venture	cost	25	178	119
Algre A.E.	cost	35	14	14
Triton Hellas S.A. (Aitoloakarnania, Onshore Greece)	cost	6	-	-
Triton Hellas S.A. (Gulf Patraikos West Permit)	cost	6	-	-
Enterprise Oil Exploration Limited (NW Peloponnesos)	cost	12	-	-
Other	cost	-	2	2
			78,498	42,464

13. INVESTMENTS IN AFFILIATES (EQUITY OR COST ACCOUNTED) *(continued)*

As at 30 June 2000 Hellenic Petroleum's interest in DEPA has increased from 12.46% to 35%. As a result, negative goodwill has arisen and is included as follows:

	As at 30 June 2000 Unaudited	31 December 1999 Audited
	(Drs in millions)	
Share of net assets	105,975	-
Negative goodwill (net of amortisation of Drs 386 million)	(30,518)	-
Total	75,457	-

14. INVESTMENTS IN SECURITIES

	As at 30 June 2000 Unaudited	31 December 1999 Audited
	(Drs in millions)	
Held to maturity	9,925	9,925
Available for sale	113	113
Total	10,038	10,038

The cost of securities approximates market value. The investment in securities mainly consist of government bonds, treasury bills and mutual funds.

15. TAX

Deferred tax	Net asset/(liability) As at 30 June 2000 Unaudited	31 December 1999 Audited	Gross potential asset/(liability) As at 30 June 2000 Unaudited	31 December 1999 Audited
		(Drs in millions)		
At 1 January	8,983	11,110	17,006	18,288
(Charge)/credit for the period	186	(2,127)	748	(1,282)
At period / year end	9,169	8,983	17,754	17,006
Provision for bad debts	3,422	3,241	3,422	3,241
Pension provision	-	-	8,585	8,023
Intangible and fixed assets	4,946	5,291	4,946	5,291
Other temporary differences	671	321	671	321
Environmental provision	130	130	130	130
	9,169	8,983	17,754	17,006

In 2000 and 1999 the corporate tax rate for the parent company was 35% and for all of the subsidiaries 40%.

16. LOANS, ADVANCES AND LONG TERM ASSETS

	As at	
	30 June 2000	31 December 1999
	Unaudited	Audited
	(Drs in millions)	
Loans and advances	7,341	6,538
Other long-term assets	8,761	8,899
	16,102	15,437

Loans and advances represent merchandise credit granted to third parties. These amounts are non-interest bearing.

17. INVENTORIES

	As at	
	30 June 2000	31 December 1999
	Unaudited	Audited
	(Drs in millions)	
Crude oil	51,374	41,339
Refined products and semi-finished products	71,873	52,682
Petro-chemicals	4,336	3,871
Consumable materials	19,545	20,394
Other	1,417	183
	148,545	118,469

18. ACCOUNTS RECEIVABLE

	As at	
	30 June 2000	31 December 1999
	Unaudited	Audited
	(Drs in millions)	
Trade receivables	117,765	100,149
Other receivables	20,744	22,413
Deferred charges and prepayments	9,114	9,324
Total	147,623	131,886

19. CASH AND CASH EQUIVALENTS

	As at	
	30 June 2000	31 December 1999
	Unaudited	Audited
	(Drs in millions)	
Cash at bank and in hand	13,121	10,085
Cash equivalents	32,736	8,059
Total cash and cash equivalents	45,857	18,144

20. SHARE CAPITAL AND ADDITIONAL PAID IN CAPITAL

	As at 30 June 2000 Unaudited	As at 31 December 1999 Audited
	(Drs in millions)	
Number of common shares	261,168,750	232,150,000
Nominal value	130,584	116,075

Each share has a nominal value of 500 drachmas.

The Company increased its share capital on 24 March 2000 by issuing 29,018,750 new ordinary shares (Drs 14,509,375 nominal value) at a price of 2,250 per share.

21. DEBT

	As at 30 June 2000 Unaudited	As at 31 December 1999 Audited
	(Drs in millions)	
Short-term debt		
Overdrafts	34,910	26,335
Lines of credit	70,568	60,500
Subtotal	105,478	86,835
Capitalised lease obligations	321	550
Short-term borrowings	105,799	87,385
Current portion of bank loans	2,385	3,387
	108,184	90,772

	As at 30 June 2000 Unaudited	As at 31 December 1999 Audited
	(Drs in millions)	
Long-term debt		
Bank loans	14,920	15,461
Other loans	44	44
Subtotal	14,964	15,505
Capitalised lease obligations	2,115	1,985
Subtotal	17,079	17,490
Due within one year	2,385	3,387
Total long term	19,464	20,877

The aggregate maturities of long-term debt are:

Due in over five years	4,706	3,167
Due within two to five years	10,258	12,338
Long-term portion	14,964	15,505
Due within one year	2,385	3,387
	17,349	18,892

22. RETIREMENT BENEFITS, PENSION PLANS AND OTHER LONG TERM LIABILITIES

	As at 30 June 2000 Unaudited (Drs in millions)	As at 31 December 1999 Audited (Drs in millions)
Retirement benefits, pensions and similar obligations	23,724	22,142
Government advances	8,728	8,728
Environmental costs	372	372
Other	8,436	8,227
	41,260	39,469

Government advances

The Drs 8,728 million advanced by the Greek Government to the Group for the purposes of research and exploration 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 and Industry if applicable. This amount has been accrued.

Environmental costs

A provision of Drs 372 million has been established for the estimated cost of rectifying environmental damage, as required by regulatory authorities, at various group facilities. Because these activities do not provide future benefit, the cost has been charged to income.

Other

Included in the balance of Drs 8,436 million for the period ended 30 June 2000 is the long term proportion of the liability outstanding on the purchase of OKTA refinery, Drs 4,221 million (1999, Drs 3,941 million). The liability due within one year is included in current liabilities (note 23).

23. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at 30 June 2000 Unaudited (Drs in millions)	As at 31 December 1999 Audited (Drs in millions)
Trade payables	83,308	71,798
Other payables	15,642	22,788
Accruals and deferred income	17,827	11,766
	116,777	106,352

Included in the balance of Drs 15,642 million as at 30 June 2000 is the short term portion of the liability outstanding on the purchase of OKTA refinery, Drs 5,167 million. (1999, Drs 6,569 million)

24. TAX PAYABLE

	As at 30 June 2000 Unaudited (Drs in millions)	As at 31 December 1999 Audited (Drs in millions)
Income taxes	22,449	17,440
Duties	1,032	1,468
VAT	1,421	113
Other	172	87
	25,074	19,108

25. NET CASH INFLOW FROM OPERATING ACTIVITIES

	Six months ended	
	30 June 2000 Unaudited	30 June 1999 Unaudited
	(Drs in millions)	
Operating profit	55,579	21,436
Insurance receipt for EKO refinery fire	327	2,258
Depreciation, depletion, and amortisation	12,534	7,993
Gain on disposal of property, plant and equipment	441	-
Increase in pension plan and other long term liabilities	1,511	2,324
Funds generated from operations	70,392	34,011
Change in working capital:		
Increase in inventories	(30,076)	(6,602)
Increase in accounts receivable and long term assets	(16,517)	(5,019)
Increase in payables and accrued liabilities	9,527	7,558
	(37,066)	(4,063)
Net cash inflow from operating activities	33,326	29,948

26. CAPITAL COMMITMENTS AND OTHER OBLIGATIONS

Purchase obligations

The Group entered into agreements for the purchase of 8,400 k metric tonnes of crude oil with a one year mutual option for additional purchases. Of this amount, the Group has purchased 3,088 k metric tonnes to 30 June 2000. The purchase prices are based on the officially listed prices of BRENT or PLATT's MARKETWIRE.

Capital Commitments

In addition to the capital commitments for fixed assets, the following exist:

EL.P.ET, a subsidiary of the Group, is committed, through the purchase of OKTA refinery on 9 July 1999, to an investment plan which must be completed within a three year period from the purchase date as follows:

- Construction of crude oil pipeline- Total cost US $ 90 million, of which ELPET paid US $ 26 million to date.
- Refinery upgrade - approximately US $ 40 million in OKTA.
- Retail stations - approximately US $ 20 million in OKTA.

According to the Share Purchase Agreement, Constitution of OKTA and the Law for Transformation of Enterprises with Social Capital of FYROM, the investment to be made in OKTA of US$ 60 million will result in a corresponding share capital increase in favour of EL.P.E.T. without exercise of pre-emption rights. The constitution of OKTA has already provided for an automatic share increase of US$ 60 million and the effect of this investment will be to increase EL.P.E.T.'s shareholding in OKTA to over 75%.

26. CAPITAL COMMITMENTS AND OTHER OBLIGATIONS *(Continued)*

DEPA, an associate of the Group had the following commitments as at 30 June 2000:

1. A number of outstanding commitments on supplier contracts which totalled approximately Drs 20 billion.

2. According to the provisions of Law 2364/95, Article 6, all property, plant and equipment taken over from DEFA amounting to approximately Drs 6.5 billion will be transferred to EDA, DEPA's subsidiary company, as in kind capital contribution at the time it will start providing the public with natural gas from the low pipeline network.

3. There are various prenotices registered on the Company's land and buildings which were taken over from DEFA (ex gas distribution company of Athens). The relevant amount is approximately Drs 374 million. However, according to the Company's legal counsel there are no liabilities to be paid against the release of such prenotices, the majority of which exists before 1960.

The Group has signed a production sharing contract with OMV Aktiengesellschaft to participate in the exploration and production of Petroleum in onshore Albania. The Group has committed itself to participate in 49% of all the costs associated with the project in accordance with the agreement and to reimburse costs incurred by OMV in the amount of US $ 1 million. The Group also committed itself to a 30% participation in the exploration and production of petroleum in Iran with OMV. The Group has committed to reimburse OMV for its share of cost incurred to date of US $ 600k in addition to the costs associated with the project.

27. CONTINGENCIES AND LITIGATION

(i) The Government has advanced the Group Drs14.8 billion to undertake research and exploration, as determined by the Law 367/1976. A portion of the amount received Drs 8.7 billion may become repayable once the Group generates income from the discoveries resulting from its expenditure and therefore is included as part of the long term liabilities. The remaining Drs 6.1 billion has been written off as it is considered highly unlikely because of the nature of the expenditure that it will ever become repayable. The terms of repayment will be determined by the Ministry of Development and Industry if applicable. The expenditure incurred with the funding of advance has been written off.

(ii) During 1998, the Group began participating in four new exploration arrangements. The Group participates proportionately in the budgeted exploration expenses and is committed to further expenditure in the event of a discovery. A provision is not made for the commitment to further expenditure as the likelihood of a discovery is not presently determinable.

(iii) The Group is involved in a number of legal proceedings and has various unresolved claims pending arising in the ordinary course of business with a potential liability of approximately Drs 8.8 billion. Legal proceedings tend to be unpredictable and costly. Based on currently available information, management believes the outcome will not have an effect on the Group's operating results or financial position. In instances where the outcome is probable and the amount can be estimated, a provision has been made in the balance sheet and the amount is excluded from the contingent liability disclosed above.

(iv) The Group has entered into a contract with the Greek Government for the creation of sports facilities on the Thessaloniki refinery premises for the use by the general public and the employees of the Group until the year 2017. Management is not in a position to determine whether the terms of the contract will be extended indefinitely or whether the land will be repossessed by the Greek Government.

(v) The Group has not undergone a tax audit for the years ended 31 December 1997, 1998, 1999 and for the period ended 30 June 2000. The Group has not made a provision for any additional taxes as the amount cannot be estimated with any degree of certainty.

(vi) The Group has issued letters of credit and given guarantees in favour of third parties amounting to Drs 14.8 billion mainly for the completion of contracts entered into by the Group.

(vii) The European Commission has challenged, in proceedings before the European Court of Justice, the compatibility of certain provisions of Greek law with EU law relating to the free movement of goods. The Greek law at issue relates to the right a marketing company has to transfer to a Greek refinery its obligation to store compulsory stocks, provided the marketing company has a current supply contract with the Greek refinery. Additionally, if a marketing company has purchased products from a Greek refinery during the previous year, that Greek refinery is obliged to provide storage capacity for such marketing company in the current year, if the marketing company so wishes.

27. CONTINGENCIES AND LITIGATION *(continued)*

Management expects that any amendment of Greek law, if so required by the European Court, would not result in marketing companies purchasing products from suppliers outside Greece rather than from the Greek refineries, since compulsory stocks would still have to be stored in Greece and Hellenic Petroleum is well positioned to store such compulsory stocks. Management believes that marketing companies would continue to use Hellenic Petroleum's storage facilities because of the lack of other sufficient storage capacity and the environmental and other restrictions in place on the construction of new facilities make it unlikely that additional capacity could be made available.

(viii) The Group is being sued by a small trading company alleging breach of trademark over the Hellenic Petroleum name. It is also being alleged that Hellenic Petroleum does not have the right to use its corporate name. During a hearing on 3 November 1999 the Group filed a counter-suit. The outcome of the hearing is still pending

(ix) The Group has applied for Government grants for the production of BOPP-film in Komotini. The Group has recorded Drs 2.3 billion in deferred income but is expecting a further Drs 1.6 billion which has not been recorded as at 30 June 2000 as although the Government committee has approved the grant the amount to be received has not yet been confirmed. Additional amounts are expected for further stages of completion.

(x) Long term receivables include an amount of Drs 3.2 billion relating to sales made by EKO-ELDA for the Serbian market. A further Drs 0.3 billion is included in current receivables. Recoverability is dependent on, amongst other things, the lifting of sanctions against Serbia. No provision has been made for these amounts as management believes them to be recoverable.

(xi) An environmental study was carried out for OKTA refinery during 1999. This study concluded that significant expenditure is required due to increasingly stringent requirements under new and anticipated environmental legislation in FYROM. No provision for this environmental liability has been made by the Group on the basis that under the terms of the Share Purchase and Concession Agreement, FYROM as seller of the refinery is responsible for payment of all of the refinery's liabilities due to pre-sale operations, including those resulting from past pollution.

(xii) An injunction has been served against OKTA refinery by suppliers due to the acquisition by the Group of the company. This injunction prevents the company from divestment of its assets. Another injunction, to prevent the company from using the services of other suppliers for transportation and storage of crude oil, was set aside. The two parties have failed to reach a settlement through mediation process to try and resolve all their disputes relating to the provisions of the agreement between them. This should be clarified by the courts in September or October 2000.

(xiii) ELPE, ELPET and a director of ELPET have been sued by contractors of OKTA for US$ 4 million and Drs 3.5 billion, in connection with an agreement for the transportation and storage of crude oil between OKTA and such contractors. Court hearings are expected to commence in November 2000. As proceedings are at a preliminary stage, the Group is unable to form an opinion on the likely outcome.

(xiv) Following an accident involving the motor tanker KRITI-GOLD on November 1998, at the company's mooring installation in Thessaloniki, four seamen died. Claims have been lodged in connection with this accident against the shipowner and the Group of approximately Drs 5 billion. The Group believes, based on information currently available, that the ultimate resolution would not likely have a material adverse effect on the results of its operations.

(xv) DEPA is in an International Arbitration with Gazexport, its supplier of natural gas, for minimum gas quantities not taken delivery in 1997 and for price revision. The Company has filed a counter claim for deficient quality of product. The ultimate outcome of the matter cannot be presently determined, therefore no provision for any liability has been made in the financial statements.

(xvi) There are various pending litigations and claims by third parties, contractors and subcontractors against DEPA and vice versa. According to the Company's legal department such cases aggregate to approximately Drs 9 billion, however the Company is unable to predict their outcome.

28. SUBSEQUENT EVENTS

(i) In July 2000 the Group participated in the formation of a new company designed to provide fuel to the new airport in Athens through the construction of a pipeline. The Group's interest in the company is 34%.

(ii) Effective 1 July 2000, Mamidakis S.A. and EKO LINA S.A. merged with their parent company EKO-ELDA.

29. LIST OF PRINCIPAL CONSOLIDATED SUBSIDIARIES AND AFFILIATES

	Percentage of interest	Country of Incorporation
Asprofos Engineering S.A.	100%	Greece
EKO-ELDA Industrial and Commercial Petroleum Company	100%	Greece
EKO Georgia Ltd.	76.5%	Republic of Georgia
EKO TAKO S.A.	49%	Greece
EKO LINA S.A.	100%	Greece
DIAXON A.B.E.E. (formerly EKO Film A.B.E.E)	100%	Greece
Mamidakis S.A.	100%	Greece
E.L.PET Balkan	63%	Greece
Okta Refinery	54%	FYROM
Global S.A.	75%	Albania

Effective 1 April 1998, the marketing subsidiaries ELDA-E International Trading Company S.A. and EKO Hellenic Fuels and Lubricants A.B.E.E. were absorbed by EKO-GAS A.E. and renamed EKO-ELDA Industrial and Commercial Petroleum Company. The two refining subsidiaries EKO Hellenic Refineries and Chemicals of Macedonia A.B.E.E. S.A. and Hellenic Aspropyrgos Refining S.A. and the exploration and production subsidiary Public Petroleum Corporation of Greece Exploration and Exploitation of Hydrocarbons S.A. merged with the parent company the Public Petroleum Corporation of Greece S.A. which was renamed Hellenic Petroleum S.A.

As of 1 January 1999 Petrolina AE merged with its parent company Eko-Elda. In addition, during the year ended 31 December 1999 the group began proceedings to liquidate Petrolina Overseas, an intermediate holding company. Both transactions had no material effect on the results.

Reconciliation of the Interim Consolidated Greek Financial Results to the Interim Consolidated IAS Financial Results

		6 months ended 30 June 2000 (Unaudited)	As at 30 June 2000 (Unaudited)	6 months ended 30 June 1999 (Unaudited)	As at 31 December 1999 (Audited)
		Net Income	Shareholders Equity	Net Income	Shareholders Equity
			(Drs in millions)		
Balance as per Interim Greek Consolidated Financial Statements		50,669	440,706	26,072	320,234
1	Replace the provision for statutory indemnities and defined benefit plan with the provision as calculated by the actuarial valuation	104	1,363	831	1,260
2	Provide for deferred tax	187	9,170	(1,426)	8,984
3	Reverse the revaluation of fixed assets and the effect of depreciation taken	27	(10,893)	75	(10,649)
4	Write off of capitalised costs with no future benefit	(219)	(3,995)	(13)	(3,776)
5	Write off of capitalised research and development costs and reversal of related depreciation	1,296	(13,787)	541	(15,086)
6	Adjustment of depreciation to conform with the group policy	(25)	833	130	859
7	Provision for environmental restorations	-	(372)	-	(372)
8	To reverse the intercompany profit in the ending inventory and fixed assets	(35)	(1,997)	(480)	(1,962)
9	Equity accounting	384	(119)	-	(502)
10	Other provisions adjustments	(309)	(5,266)	(129)	(4,956)
11	Reclassification of the export reserve	300	-	175	-
12	Reclassification of grant from equity to deferred income or liabilities	33	(18,075)	(17)	(16,099)
13	Tax entries	(18,665)	(18,956)	(9,714)	(293)
14	Other	(31)	104	(276)	110
15	Minority interest	373	(7,379)	-	(5,788)
16	IPO costs to share premium account	318	(1,959)	248	(1,498)
17	Devaluation of drachma	1,259	(1,257)	1,259	(2,518)
18	Goodwill and depreciation of goodwill	(2,071)	14,133	(1,481)	16,202
19	Exchange gains (timing differences)	172	1,000	265	829
20	Dividends payable	-	-	-	14,362
Balance as per Interim IAS Consolidated Financial Statements		**33,767**	**383,254**	**16,060**	**299,341**

HELLENIC PETROLEUM S.A.

Interim Income Statement

	For the six months ended	
	30 June 2000 Unaudited	30 June 1999 Unaudited
	(Drs in millions)	
Sale proceeds	504,343	191,869
Cost of sales	(443,699)	(158,950)
Gross profit	60,644	32,919
Other operating income	4,914	864
Selling, distribution and administrative expenses	(14,883)	(13,701)
Research and development	(285)	(515)
Operating profit	50,390	19,567
Interest and related income	3,580	3,729
Interest expense	(2,490)	(838)
Currency exchange gains/(losses)	(3,318)	523
Income before exceptional items	48,162	22,981
Exceptional items	327	4,211
Income before tax	48,489	27,192
Taxation – current	(16,830)	(7,768)
Taxation – deferred	24	(1,967)
Net income for the period	31,683	17,457

HELLENIC PETROLEUM S.A.

Interim Balance Sheet

	As at 30 June 2000 Unaudited	As at 31 December 1999 Audited
	(Drs in millions)	
ASSETS		
Intangible assets	4,189	4,116
Property, plant and equipment	173,502	154,640
Investments in affiliates	120,882	82,733
Investments in securities	9,925	9,925
Deferred tax	5,930	5,906
Loans, advances and long term assets	1,840	1,804
Total long term assets	316,268	259,124
Inventories	132,289	104,725
Accounts receivable	105,301	99,561
Cash and cash equivalents	41,220	11,865
Total current assets	278,810	216,151
Total assets	595,078	475,275
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	130,584	116,075
Share premium	83,631	33,627
Reserves	153,639	136,319
Total shareholders' equity	367,854	286,021
Long-term debt	2,294	2,294
Pension plans and other long-term liabilities	27,664	26,268
Total long-term liabilities and shareholders' equity	397,812	314,583
Accounts payable and accrued liabilities	91,159	83,740
Tax payable	19,695	14,532
Current portion of long-term debt	750	750
Short-term borrowings	71,298	61,670
Dividend payable	14,364	-
Total current liabilities	197,266	160,692
Total liabilities and shareholders' equity	595,078	475,275