HELLENIC PETROLEUM S.A.

IFRS
CONSOLIDATED
FINANCIAL STATEMENTS
30 SEPTEMBER 2004

CONTENTS

I. Interim Consolidated Balance Sheet

(Euro in thousands)	Notes	As at 30 September 2004 Unaudited	As at 31 December 2003 Audited
ASSETS			
Non-current assets			
Intangible assets	10	101.234	110.698
Property, plant and equipment	11	1.280.639	1.198.691
Investments in associates	13	287.057	289.873
Investment in securities	14	2.783	6.190
Deferred income tax asset	15	7.535	10.444
Loans, advances and long term assets	16	29.089	27.827
		1.708.337	1.643.723
Current assets			
Inventories	17	923.168	494.163
Accounts receivable, net	18	643.902	553.847
Cash and cash equivalents	19	136.021	304.129
		1.703.091	1.352.139
TOTAL ASSETS		**3.411.428**	**2.995.862**
EQUITY AND LIABILITIES			
Share capital	20	665.911	665.911
Share premium		352.924	352.924
Reserves		838.613	770.720
Total equity		1.857.448	1.789.555
Minority interest		93.683	94.256
Non- current liabilities			
Long-term debt	21	331.175	272.138
Pension plans and other long-term liabilities	22	184.049	172.126
Deferred income tax liability	15	19.180	11.389
		534.404	455.653
Current liabilities			
Forward Contract		4.102	-
Accounts payable and accrued liabilities	23	395.403	372.730
Income tax payable		72.069	30.008
Current portion of long-term debt	21	16.034	18.440
Short-term borrowings	21	438.285	235.220
		925.893	656.398
TOTAL EQUITY AND LIABILITIES		**3.411.428**	**2.995.862**

See accompanying notes to the interim consolidated financial statements.

II. Interim Consolidated Income Statement

(Euro in thousands)	Notes	For the nine months ended 30 September 2004 Unaudited	30 September 2003 Unaudited
Sale proceeds		3.964.107	3.296.982
Sales taxes, excise duties and similar levies		(507.075)	(466.832)
Net proceeds		3.457.032	2.830.150
Cost of sales		(2.967.536)	(2.461.075)
Gross profit		489.496	369.075
Other operating income	4	15.655	80.282
Selling, distribution and administrative expenses	5	(272.446)	(224.763)
Research and development		(7.431)	(2.521)
Operating profit		225.274	222.073
Finance income	7	9.724	6.758
Finance expense		(11.747)	(14.182)
Currency exchange gains, net		4.542	10.566
Share of net result of associated companies	8	(2.192)	7.549
Operating Income before income tax and minority		225.601	232.764
Taxation – current		(87.625)	(69.616)
Taxation – deferred	15	(10.700)	(37)
Income after taxation		127.276	163.111
Income applicable to minority interest		191	5.107
Net income for the period		**127.467**	**168.218**
Earnings per ordinary share (eurocents)		41,73	64,36
Net income attributable to ordinary shares (€ in thousands)		127.467	168.218
Average number of ordinary shares outstanding		305.463.934	261.355.961

Diluted earnings per ordinary share are not presented, as their effect would not be material.

See accompanying notes to the interim consolidated financial statements.

III. Interim Consolidated Statement of Changes in Equity

(Euro in thousands)	Tax deferred reserve and partially taxed reserves	Statutory reserve	Retained earnings	Total Reserves	Share Capital	Share Premium	Total Shareholders' Equity
Balance at 1 January 2003 (Audited)	**176.391**	**41.392**	**386.548**	**604.331**	**470.149**	**245.555**	**1.320.035**
Net income for nine months (Unaudited)	-	-	168.218	168.218	-	-	168.218
Translation exchange difference	-	-	(1.322)	(1.322)	-	-	(1.322)
Transfers between reserves	3.120	4.433	(7.553)	-	-	-	-
Dividends	-	-	(39.179)	(39.179)	-	-	(39.179)
Share of associate's deferred tax on tax exempt reserves	-	-	(196)	(196)	-	-	(196)
Transfer from reserves to share capital	-	-	(2.979)	(2.979)	2.979	-	-
Share capital issued as consideration for the acquisition of Petrola Hellas AEBE	-	-	-	-	192.783	107.369	300.152
Balance at 30 September 2003 (Unaudited)	**179.511**	**45.825**	**503.537**	**728.873**	**665.911**	**352.924**	**1.747.708**
Balance at 1 January 2004 (Audited)	**179.511**	**45.825**	**545.384**	**770.720**	**665.911**	**352.924**	**1.789.555**
Net income for the period (Unaudited)	-	-	127.467	127.467	-	-	127.467
Translation exchange differences	-	-	1.141	1.141	-	-	1.141
Dividends	-	-	(61.092)	(61.092)	-	-	(61.092)
First time consolidation of HP Services Ltd	-	-	377	377	-	-	377
Balance at 30 September 2004 (Unaudited)	**179.511**	**45.825**	**613.277**	**838.613**	**665.911**	**352.924**	**1.857.448**

Tax deferred reserves: are retained earnings, which have not been taxed as allowed by Greek law under various statutes. Certain of these retained earnings will become liable to tax at the rate prevailing at the time of distribution to shareholders or conversion to share capital. A deferred tax liability has not been provided as future distributions to shareholders and conversions to share capital are not normally anticipated to be made through these reserves.

Partially taxed reserves: are retained earnings, which have been taxed at a rate less than the corporate tax rate as allowed by Greek law. Certain of these retained earnings will be subject to the remaining tax up to the corporate tax rate prevailing at the time of distribution to shareholders or conversion to share capital. A deferred tax liability has not been provided as future distributions to shareholders and conversions to share capital through these reserves are not anticipated.

Statutory reserves: Under Greek law, companies are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a statutory reserve until such reserve equals one third of outstanding share capital. This reserve cannot be distributed during the life of the company but can be used to offset accumulated losses

See accompanying notes to the interim consolidated financial statements

IV. Interim Consolidated Cash Flow Statement

(Euro in thousands)	For the nine months ended 30 September 2004 Unaudited	30 September 2003 Unaudited
Income before taxation	**225.601**	**232.764**
Adjustments for:		
Depreciation and amortisation	109.042	93.442
Share of result of associates	2.192	(7.549)
Other provisions	3.000	273
Gain from sale of DEPA option	-	(60.000)
Loss on forward contracts	4.102	-
(Gain)/ loss on sales of fixed assets	(1.642)	889
Increase in pension plan and other long term liabilities	11.558	11.756
Amortisation of grants	(5.784)	(5.976)
Foreign exchange gain	(4.542)	(10.566)
Interest and related income	(9.724)	(6.758)
Interest expense	11.747	14.182
Operating profit before working capital changes	345.550	262.457
(Increase)/ decrease in inventories	(429.005)	32.930
Increase in accounts receivable and long term assets	(91,317)	(12.319)
Increase/ (decrease) in payables and accrued liabilities	28.457	(9.500)
Payments for pensions (including scheme closure)	(2.635)	(11.898)
Cash (used in)/ generated from operations	(148.950)	261.670
Realised net foreign exchange gain/ (loss)	1.212	(778)
Interest paid	(11.747)	(14.702)
Interest received	9.724	6.758
Taxation paid	(45.564)	(32.557)
Net cash flows(used in)/ from operating activities	**(195.325)**	**220.391**
Cash flows from investing activities		
Payments to acquire property, plant and equipment and intangibles	(181.549)	(161.251)
Payments for acquisition of subsidiary, net of cash acquired	-	(69.467)
Proceeds from sale of DEPA option	-	60.000
Payments to acquire investments in associates	(70)	(250)
Proceeds from investment on securities	3.407	4.478
Proceeds from disposal of fixed assets	2.783	-
Net cash flows used in investing activities	**(175.429)**	**(166.490)**
Cash flows from financing activities		
Net movement in long term debt	61.093	8.195
Net movement in short term borrowings	163.201	(22.530)
Payments for finance leases	(401)	(132)
Equity dividends paid	(61.092)	(40.012)
Net cash flows generated from/ (used in) financing activities	**162.801**	**(54.479)**

Consolidated Cash Flow Statement *(continued)*

(Euro in thousands)	Note	For the nine months ended 30 September 2004 Unaudited	30 September 2003 Unaudited
Net decrease in cash and cash equivalents (net of overdrafts)		**(207.953)**	**(578)**
Opening balance, cash and cash equivalents (net of overdrafts)		237.332	40.303
Closing balance, cash and cash equivalents (net of overdrafts)		29.379	39.725
Cash and cash equivalents		136.021	187.567
Overdrafts		(106.642)	(147.842)
		29.379	39.725

See accompanying notes to the interim consolidated financial statements.

V.Notes to the Interim IFRS Consolidated Financial Statements

1. ACCOUNTING POLICIES

Hellenic Petroleum S.A. and its subsidiaries ("Hellenic Petroleum" or "the Group") operates predominantly in Greece and the Balkans in the energy sector. The group activities include exploration and production, refining and marketing of oil products, manufacture and marketing of petrochemical products, and the provision of marketing and promotion services in relation to the transmission and distribution of natural gas products. The Group also provides engineering services and is currently constructing an electricity power generation plant.

Hellenic Petroleum S.A. is incorporated in Greece (Registered Office: 54, Amalias Ave, Athens) and prepares consolidated financial statements under both Greek GAAP and International Financial Reporting Standards. These financial statements have been prepared in accordance with International Financial Reporting Standards. The Group believes that these accounting principles, which conform to current practice in the oil and gas industry, best reflect the economic substance of its business activities. A reconciliation of the Consolidated Greek financial results and shareholders' equity position to the Consolidated IFRS financial results and equity position is disclosed on page 37.

The same accounting policies and recognition and measurement principles are followed in the interim financial statements as compared with the annual financial statements for the year ended 31 December 2003.

The Company's reporting currency is the Euro. The financial information in these financial statements is expressed in thousands of Euro.

The interim consolidated financial statements of Hellenic Petroleum S.A. for the nine months ended 30 September 2004 were authorised for issue by the Board of Directors on 11 November 2004.

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. These interim financial statements should be read together with the annual financial statements for the year ended 31 December 2003. The parent company interim balance sheet and income statement do not include notes.

Minority interests represent the interests in certain subsidiaries that are not held by the Group.

Investments in associates

The Group's investment in its associates is accounted for under the equity method of accounting. These are entities in which the Group has significant influence and which are neither subsidiaries nor joint ventures of the Group. The investments in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The income statement reflects the Group's share of the results of operations of the associates. The Group's investment in its associate DEPA includes negative goodwill (net of accumulated amortisation) on acquisition, which is treated in accordance with the accounting for goodwill stated below.

1. ACCOUNTING PRINCIPLES *(continued)*

Interest in Joint Venture

The Group's interest in its joint ventures is accounted for using equity accounting. Gains or losses on these investments are recognised in income.

Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investments.

After initial recognition, investments that are classified as held for trading and available-for-sale are measured at fair value. Gains or losses on these investments are recognised in income.

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue on sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Interest revenue is recognised as the interest accrues unless collectibility is in doubt.

Derivative Financial Instruments

The Group uses derivative financial instruments such as foreign currency contracts and commodity contracts to hedge its risks associated with foreign currency and certain commodity prices fluctuations. Such derivative financial instruments are stated at fair value.

The fair value of forward commodity contracts is calculated by reference to current market values of forward commodity contracts with similar maturity profiles. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

For derivatives that do not qualify for 'special hedge accounting', any gains or losses arising from changes in fair value are taken directly to net profit or loss for the period.

Accounting for foreign currency translation and transactions

The Group's measurement and reporting currency is the Euro.

Transactions denominated in currencies other than each company's presentation currency are translated into the presentation currency using current exchange rates. Monetary assets and liabilities denominated in other currencies are translated into Euro using period end exchange rates. The resulting exchange differences during the period and at balance sheet date are stated separately in the income statement for the period.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are recorded at the exchange rate at the date of the transaction.

1. ACCOUNTING PRINCIPLES *(continued)*

Intangible assets

Intangible assets include goodwill arising on acquisition and capitalised exploration expenditures before development has begun as described under oil and gas accounting methods below. Goodwill is amortised on a straight-line basis not exceeding 20 years. Negative goodwill is amortised over the average remaining useful lives of non-current depreciable assets. Research and development expenditure is charged against income as incurred and capitalised only in the event of oil reserves being discovered.

Intangible assets also include costs of implementing a computer software- (SAP) and license fees cost for the use of know-how relating to the new polypropylene plant, which has been capitalised in accordance with IAS 38, Intangible Assets.

Oil and gas accounting methods

The Group's policies for accounting for oil and gas are in accordance with industry practice. The Group applies the successful efforts method of accounting for exploration and development costs, as described below:

Exploration costs

Geological costs are expensed in the year incurred.

Exploration expenditure is expensed in the year incurred. When proved reserves of oil and gas are determined and development is sanctioned, the relevant expenditure, from that point onwards, is capitalised to property, plant and equipment. Exploration leasehold acquisition costs are included in intangible assets. When exploration is determined to be unsuccessful the expenditure is charged against income at that time.

Oil and gas producing assets

Interest relating to the financing of development projects is capitalised as part of property, plant and equipment until the date commercial production commences. Oil and gas producing assets are depreciated or depleted using the unit-of-production method, based on estimated proved reserves. Dismantlement, restoration and abandonment costs less estimated salvage values are expensed using the unit-of-production method based on proved developed reserves. Costs represent the estimated future undiscounted costs of abandonment based on existing regulations and techniques. Producing assets also include oil and gas leaseholds. Impairment of undeveloped leaseholds is recognised if no discovery of hydrocarbons is made or expected. If a field becomes productive, the related leaseholds are depleted using the unit-of-production method.

Land and Buildings

Land and buildings are carried at historical cost plus mandatory revaluations to 31 December 1992 as required by Greek tax regulations to reflect the inflationary environment in Greece in those years, except for acquired subsidiaries, for which they were adjusted to market values on the acquisition date in accordance with International Accounting Standard 22 and International Accounting Standard 16.

During 1996 and 2000, pursuant to Law 2065/92, Hellenic Petroleum's land and buildings were revalued based on certain coefficients as provided by the relevant ministerial decisions. The revaluations were not based on market value in accordance with International Accounting Standard 16 (as revised in 1998 and effective 1 July 1999) and have therefore been eliminated when preparing these financial statements.

Other plant and equipment

Plant and equipment other than land and buildings is stated at cost and includes the cost of financing until the date assets are placed in service. Maintenance and repairs are expensed as incurred except refinery refurbishment costs which are accounted for as described below. Assets are depreciated on a straight-line basis over their estimated useful lives as follows:

1. ACCOUNTING PRINCIPLES *(continued)*

— Buildings: 13-20 years,

— Specialised industrial installations: 7-15 years,

— Machinery, equipment and transportation equipment: 5-8 years,

— Computers – software and hardware: 3-5 years.

— Crude oil Pipeline: 40 years

— LPG carrier: 10 years

— White products carrier: 17 years

Refinery refurbishment costs

Refinery refurbishment costs are deferred and charged against income on a straight line basis over the scheduled refurbishment period.

Capitalisation of borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Borrowing costs are capitalised to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset.

Impairment of long-term assets

Long-term assets, identifiable intangible assets and goodwill, are written down when, as a result of events or changes in circumstances within the year, their recoverable value appears to be permanently less than their carrying value.

Impairment is determined for each group of autonomous assets (oil and gas fields or licenses, independent operating units or subsidiaries) by comparing their carrying value with the discounted cash flows they are expected to generate based upon management's expectations of future economic and operating conditions.

Should the above comparison indicate that an asset is impaired, the write-down recognised is equivalent to the difference between carrying value and either market value or the sum of future discounted cash flows. Any write-down of assets is considered to be permanent.

Government grants

Investment and development grants related to tangible fixed assets are initially recorded as deferred income. Subsequently they are credited to income over the useful lives of the related assets in direct relationship to the depreciation taken on such assets.

Other grants, which have been provided to the Group, which under certain conditions are repayable, are reflected as such until the likelihood of repayment is minimal. They are then disclosed as contingent liabilities until the possibility of loss becomes remote.

Inventories

Inventories are recorded at the lower of cost or market and net realisable value. Crude oil, refined products, petrochemicals and minerals are valued at average cost. Other inventories are valued at average cost.

1. ACCOUNTING PRINCIPLES *(continued)*

Cash and cash equivalents

Cash and cash equivalents consist of short-term, highly liquid investments including short-term marketable securities and time deposits generally having maturities of three months or less.

Taxes

The Group provides for deferred income taxes on all temporary differences between financial and tax reporting, including revaluation of assets, tax losses and tax credits available for carry forward. The Group uses the liability method under which deferred taxes are calculated applying taxes that are enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that taxable profit will be available against which the temporary difference can be utilised. Valuation allowances are recorded against deferred tax assets based on their probability of realisation.

Post-retirement benefits and pension plans

Reserves for staff retirement indemnities are provided for each plan using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised in income or expense when the cumulative unrecognised actuarial gains or losses for each individual plan exceeds 10% of the defined benefit obligation. These gains or losses are recognised over the expected average working lives of the employees.

The Group contributes to post-retirement benefit plans as prescribed by Greek law. Contributions, based on salaries, are made to the national organisations responsible for the payments of pensions. There is no additional liability for these plans.

Certain subsidiaries have supplemental pension plans and benefit plans. The plans are either defined contribution plans or defined benefit plans. The actuarial obligation on defined benefit plans is recorded as a liability and subsequent actuarial gains and losses resulting mainly from changes in plan assumptions are amortised using the straight-line method over the estimated remaining service lives of the plan participants using the projected unit actuarial valuation method, as discussed above. Upon the inception of such plans or their extension to new categories of personnel, the actuarial value of prior service costs is recognised at the date of inception or extension.

Environmental liabilities

Environmental expenditure that relates to current or future revenues is expensed or capitalised as appropriate. Expenditure that relates to an existing condition caused by past operations and that does not contribute to current or future earnings is expensed.

Liabilities for environmental remediation costs are recognised when environmental assessments or clean-ups are probable and the associated costs can be reasonably estimated. Generally, the timing of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites.

Trade and other payables

Liabilities for trade and other amounts payable which are normally settled on 30-90 days terms are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Bills of exchange and promissory notes, which, are held to maturity, are measured at amortised cost using the effective interest rate method. Those that do not have a fixed maturity are carried at cost, being the fair value of the consideration given.

1. ACCOUNTING PRINCIPLES *(continued)*

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation.

Leases

Finance Leases which transfer to the Group substantially, all the risks and benefits incidental to ownership of the leased asset, are capitalised at the present value of the minimum lease payments at the inception of the lease term. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful economic life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

2. ANALYSIS BY INDUSTRY SEGMENT AND GEOGRAPHIC ZONE

2a. Analysis by industry segment

(Euro in thousands)	**Refining**	**Marketing**	**Exploration & production**	**Petro-chemicals**	**Engineering**	**Natural gas**	**Electric Power**	**Inter segment adjustm. (1)**	**Total**
Nine month period ended 30 September 2004 (Unaudited)									
Net Proceeds	3.180.708	1.105.245	920	199.538	14.420	-	-	(1.043.799)	3.457.032
Depreciation	69.221	16.945	173	11.116	422	-	-	-	97.877
Depletion & Amortisation	4.385	5.778	-	901	101	-	-	-	11.165
Other operating income	10.225	6.626	-	2.035	16	-	-	(3.247)	15.655
Operating profit/ (loss)	204.517	26.917	(11.575)	10.658	(1.228)	-	(257)	(3.758)	225.274
Share of result of associates	(149)	6	-	846	-	(2.895)	-	-	(2.192)
Net income / (loss)	**145.210**	**9.013**	**(9.023)**	**4.175**	**(1.506)**	**(2.895)**	**18**	**(17.524)**	**127.467**
Nine month period ended 30 September 2003 (Unaudited)									
Net Proceeds	2.369.374	1.028.994	932	179.311	15.712	-	-	(764.173)	2.830.150
Depreciation	50.051	14.227	115	11.196	306	-	-	-	75.895
Depletion & amortisation	6.548	9.810	-	1.079	110	-	-	-	17.547
Other operating income	12.811	3.552	-	4.543	6	60.000	-	(630)	80.282
Operating profit/ (loss)	139.024	25.133	(8.251)	9.958	320	60.000	(559)	(3.552)	222.073
Share of result of associates	-	(4)	-	139	-	7.414	-	-	7.549
Net income/(loss)	**98.397**	**9.383**	**(7.794)**	**4.075**	**(46)**	**67.414**	**(560)**	**(2.651)**	**168.218**

(1) The inter segment adjustments reflect transactions between the industry segments.

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

2b. Analysis by geographic zone (Net Proceeds)

(Euro in thousands)	Nine months ended 30 September 2004	Nine months ended 30 September 2003
	Unaudited	Unaudited
Inland market sales (Greece)	2.807.610	2.120.160
International market sales	649.422	709.990
	3.457.032	2.830.150

3. ACQUISITIONS AND INVESTMENTS

a. In October 2002, Hellenic Petroleum International AG acquired 54,35% of Jugopetrol Kotor AD, a retail company incorporated in Montenegro for a consideration price of € 65 million. Goodwill that arose on this acquisition amounted to € 24 million. A valuation of the property, plant and equipment of the subsidiary acquired was completed in 2003 and the fair market value of property, plant & equipment increased by € 4.162 thousand. Consequently, goodwill on acquisition of the above company decreased by € 1.587 thousand.

b. As of 31 December 2002, Hellenic Petroleum International AG acquired 100% of BP-Cyprus Ltd, a UK company with a retail branch in Cyprus, for a consideration price of € 100.642 thousand, plus the amount of the profits of the acquired company for the year ended 31 December 2002 that were to be finalised following the audit of its financial statements for the year then ended. The acquired company subsequently changed its name to Hellenic Petroleum Cyprus Ltd. A preliminary calculation of Goodwill as of 31 December 2002 amounted to € 71,2 million. The above was amended as of September 30, 2003 to take into account the additional consideration price for the results of the acquired Company for the year ended 31 December 2002, which amounted to CYP 6.374 thousands (€10,9 million). In addition the fair valuation of the net assets of the subsidiary as of the acquisition date was completed by June 30, 2003 and an amount of €13,5 million of the fair value of the consideration was assigned to property, plant and equipment, while the remaining net assets were reduced by €1,1 million. The net effect of the adjustment to the consideration and the change in the fair value of assets acquired was a decrease in goodwill of € 1.573 thousands.

c. During 2002, Hellenic Petroleum, Tractebel and Aegek entered into an agreement to cooperate for the development, financing, construction and operation of a combined cycle power generation plant, which will have an installed capacity of 390 MW and be located in Thessaloniki, Greece. In April 2003 the above agreement was terminated and a decision was taken by the Group to continue the project through the formation of a wholly-owned subsidiary ¨ Energiaki Thessalonikis S.A.¨ The new subsidiary was formed in May 2003 with an original share capital of €299 thousand. Within the third quarter of 2003 the company's share capital increased to € 49.800 thousand. The results and net assets of the subsidiary have been consolidated in the Group as of the date of its establishment.

d. In April 2002 the Group formed a wholly owned subsidiary, Hellenic Petroleum– Poseidon Shipping Company. The subsidiary has invested USD 5,7 million in a vessel (tanker) for the transportation of propylene and gas from the Aspropyrgos refinery to the Salonika refinery. The subsidiary has been consolidated in the Group as of its formation date.

3. ACQUISITIONS AND INVESTMENTS (continued)

e. In August 2002, the Group formed a new subsidiary (62,99% effectively owned), ELEP S.A, whose activities will include the ownership and operation of the pipeline for the transfer of crude oil from the Group's Thessaloniki Refinery to OKTA's refinery in Skopje. The company had no results in the period and its net assets have been consolidated in the Group as of the date of its establishment.

f. In the third quarter of 2002, the Group formed two new retail subsidiaries, one in Bulgaria, EKO ELDA BULGARIA EAD and another in Yugoslavia, EKO YU AD -BEOGRAD. The results and net assets of these subsidiaries have been consolidated in the Group as of the date of their establishment.

g. In March 2003, the Group formed a new subsidiary, EKO-Fisiko Aerio, whose activities will include the provision of marketing and promotion services in relation to the transmission and distribution of natural gas products. The results and net assets of the subsidiary have been consolidated in the Group as of the date of its establishment.

h. In June 2003, the Group through its subsidiary Jugopetrol Kotor A.D. formed a wholly-owned subsidiary in Bosnia, whose activity is the purchase and sale of oil products in the Serbian market. The company plans to acquire petrol stations in the future. As at 30 September 2004 it has purchased one petrol station in Bosnia. The company had no results in the period.

i. In April 2003 the Group formed a wholly owned subsidiary, Hellenic Petroleum - Apollon Shipping Company. The subsidiary invested €10,7 million (USD 12,5 million) in a vessel for the transportation of white petroleum products within the Group. The subsidiary has been consolidated in the Group as of its formation date.

j. An Extraordinary General Meeting on September 18, 2003 approved the merger with Petrola Hellas S.A. ("Petrola"), another refinery company in Greece, by absorption of the latter in accordance with the provisions of Greek Law 2166. The merger was effected through a share-for-share exchange between the shareholders of the two companies and was accounted for as an acquisition, in accordance with IAS 22. The effective date of the acquisition is 30 September 2003, on which date Petrola ceased to exist as a separate entity and all of its operations were acquired by Hellenic Petroleum. Hellenic Petroleum issued new shares on 30 September 2003 to the old shareholders of Petrola. The consideration price was determined as the fair value of Hellenic Petroleum S.A. shares as at 30 September 2003 which were exchanged for Petrola shares. A negative goodwill of €17.464 thousand arose originally out of this transaction on the date of acquisition. As of 31 December 2003 a fair value exercise of the net assets of Petrola was performed in respect of land. As a result, the fair values of the net assets acquired and negative goodwill increased by € 5.249 thousand, to € 22.713 thousand.

4. OTHER OPERATING INCOME

(Euro in thousands)	Nine months ended 30 September 2004 Unaudited	Nine months ended 30 September 2003 Unaudited
Income from grants (includes amortisation)	5.784	5.976
Services to third parties	3.602	-
Rental income	3.903	2.834
Income from sales of scrap	1.166	-
Gain from sale of DEPA option	-	60.000
Settlement of over- accruals prior year items	-	8.923
Other	1.200	2.549
	15.655	80.282

During the period ended 30 June 2003, the Company sold its option to acquire further shares in DEPA to the Greek State for a consideration of € 60 million (net of income tax and VAT).

5. SELLING, DISTRIBUTION AND ADMINISTRATIVE EXPENSES

(Euro in thousands)	Nine months ended 30 September 2004 Unaudited	Nine months ended 30 September 2003 Unaudited
Selling and distribution expenses	141.055	121.597
Administrative expenses	131.391	103.166
	272.446	224.763

6. DEPRECIATION, DEPLETION AND AMORTISATION

Depreciation, depletion and amortisation are included within expense headings in the consolidated income statement as follows:

(Euro in thousands)	Nine months ended 30 September 2004 Unaudited	Nine months ended 30 September 2003 Unaudited
Cost of sales	62.459	59.097
Selling distribution and administrative expenses	46.580	34.336
Research and development	3	9
	109.042	93.442

7. FINANCE INCOME

(Euro in thousands)	Nine months ended 30 September 2004 Unaudited	Nine months ended 30 September 2003 Unaudited
Interest income	4.587	2.326
Interest from trade receivables	4.898	4.227
Other related income	239	205
	9.724	6.758

8. SHARE OF NET RESULT OF ASSOCIATED COMPANIES

The amounts represent the net result from associated companies accounted for on an equity basis.

(Euro in thousands)	Nine months ended 30 September 2004 Unaudited	Nine months ended 30 September 2003 Unaudited
Volos Pet Industries A.E.	846	139
Public Natural Gas Corporation of Greece (DEPA)		
- share of profit	(6.341)	4.025
- amortization of negative goodwill	3.446	3.389
Spata Aviation Fuel Company S.A.	6	(4)
Athens Airport Fuel Pipeline Company S.A.	(149)	-
	(2.192)	7.549

9. EMPLOYEE EMOLUMENTS AND NUMBERS

(a) Emoluments	Nine months ended	
(Euro in thousands)	30 September 2004	30 September 2003
	Unaudited	Unaudited
Remuneration	138.341	109.550
Social security contribution	25.965	22.698
Pensions and similar obligations	11.558	8.964
Other benefits	16.998	11.573
Total	192.862	152.785

(b) Average numbers of employees

Refining	3.450	2.808
Marketing	1.857	1.650
Exploration and production	85	97
Petrochemicals	239	426
Engineering	189	176
Total	5.820	5.157

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 September 2004 (Unaudited)

(Euro in thousands)	Refining	Marketing	Exploration & Production	Petrochemicals	Engineering	Total
Cost						
Balance at 1 January 2004	24.868	136.533	13.529	18.971	57	193.958
Capital expenditure	1.774	1.112	-	-	20	2.906
Sales & retirements	-	(1.879)	-	-	-	(1.879)
Transfers, acquisitions & other movements	(1.055)	(56)	-	-	938	(173)
Balance at 30 September 2004	25.587	135.710	13.529	18.971	1.015	194.812
Amortisation						
Balance at 1 January 2004	33.404	46.284	-	3.695	(123)	83.260
Charge for the period	4.385	5.778	-	901	101	11.165
Sales & retirements	-	(1.818)	-	-	-	(1.818)
Transfers, acquisitions & other movements	-	33	-	-	938	971
Balance at 30 September 2004	37.789	50.277	-	4.596	916	93.578
Net book value 30 September 2004	**(12.202)**	**85.433**	**13.529**	**14.375**	**99**	**101.234**

10. INTANGIBLE ASSETS (continued)

31 December 2003 (Audited)

(Euro in thousands)	Notes	Refining	Marketing	Exploration & Production	Petrochemicals	Engineering	Total
Cost							
Balance at 1 January 2003		37.807	143.014	-	18.971	468	200.260
Capital expenditure		6.143	3.318	13.529	-	36	23.026
Goodwill movements	3a, 3b, 3j	(22.713)	(3.160)	-	-	-	(25.873)
Sales, retirements and other movements		-	(6.639)	-	-	(447)	(7.086)
Acquisition of Petrola		3.631	-	-	-	-	3.631
Balance at 31 December 2003		24.868	136.533	13.529	18.971	57	193.958
Amortisation							
Balance at 1 January 2003		22.863	39.397	-	2.255	184	64.699
Charge for the year		8.697	13.041	-	1.440	140	23.318
Sales, retirements and other movements		-	(6.154)	-	-	(447)	(6.601)
Acquisition of Petrola		1.844	-	-	-	-	1.844
Balance at 31 December 2003		33.404	46.284	-	3.695	(123)	83.260
Net book value 31 December 2003		**(8.536)**	**90.249**	**13.529**	**15.276**	**180**	**110.698**

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 September 2004 (Unaudited)

(Euro in thousands)	Notes	Refining	Marketing	Exploration & Production	Petrochemicals	Engineering	Power Generation	Total
Cost								
Balance at 1 January 2004		1.350.058	410.099	13.755	310.312	11.760	68.967	2.164.951
Capital expenditure		70.206	47.140	-	1.695	20	59.582	178.643
Sales, retirements and other movements		(1.026)	(2.817)	-	(106)	(16)	-	(3.965)
Transfers		1.055	290	-	(447)	-	-	898
Currency translation effects		(774)	888	-	-	-	-	114
Balance at 30 September 2004		1.419.519	455.600	13.755	311.454	11.764	128.549	2.340.641
Accumulated depreciation								
Balance at 1 January 2004		691.619	164.021	11.658	94.535	4.427	-	966.260
Charge for the year		69.221	16.945	173	11.116	422	-	97.877
Sales, retirements and other movements		(679)	(2.190)	-	-	(16)	-	(2.885)
Transfers		-	(158)	-	-	-	-	(158)
Currency translation effects		(1.117)	25	-	-	-	-	(1.092)
Balance at 30 September 2004		759.044	178.643	11.831	105.651	4.833	0	1.060.002
Net book value 30 September 2004		**660.475**	**276.957**	**1.924**	**205.803**	**6.931**	**128.549**	**1.280.639**

11. PROPERTY, PLANT AND EQUIPMENT BY INDUSTRY SEGMENT (continued)

31 December 2003 (Audited)

(Euro in thousands)	Notes	Refining	Marketing	Exploration & Production	Petrochemicals	Engineering	Power Generation	Total
Cost								
Balance at 1 January 2003		1.056.710	304.429	13.473	293.578	11.771	-	1.679.961
Adjustment to fair values of subsidiaries at the date of acquisition	3a, 3b	-	17.712	-	-	-	-	17.712
Capital expenditure		67.365	94.868	310	11.731	108	68.967	243.349
Sales, retirements and other movements		(2.113)	(4.431)	(28)	(445)	(119)	-	(7.136)
Transfers		(1.691)	-	-	5.448	-	-	3.757
Acquisition of Petrola		229.931	-	-	-		-	229.931
Currency translation effects		(144)	(2.479)	-	-	-	-	(2.623)
Balance at 31 December 2003		1.350.058	410.099	13.755	310.312	11.760	68.967	2.164.951
Accumulated depreciation								
Balance at 1 January 2003		558.108	145.702	11.500	79.374	4.002	-	798.686
Charge for the year		61.520	20.392	158	15.734	544	-	98.348
Sales, retirements and other movements		(425)	(1.697)	-	(76)	(119)	-	(2.317)
Acquisition of Petrola		72.436	-	-	-	-	-	72.436
Transfers			-	-	(497)	-	-	(497)
Currency translation effects		(20)	(376)	-	-	-	-	(396)
Balance at 31 December 2003		691.619	164.021	11.658	94.535	4.427	-	966.260
Net book value 31 December 2003		**658.439**	**246.078**	**2.097**	**215.777**	**7.333**	**68.967**	**1.198.691**

12. RELATED PARTY TRANSACTIONS

Included in the Consolidated accounts are proceeds, costs and expenses, balances due and from 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	
(Euro in thousands)	30 September 2004 Unaudited	31 December 2003 Audited	30 September 2003 Unaudited
Charges to related parties	346.258	442.641	348.317
Charges from related parties	27.024	25.630	8.194
Balances due from related parties	52.208	175.060	33.024
Balances due to related parties	288.570	23.076	2.887
Charges for directors' remuneration	3.009	3.941	2.370

Charges to related parties are in respect of the following:

a) Parties which are under common control with the Group due to the shareholding and control rights of the Hellenic State:
- Public Power Corporation Hellas
- Hellenic Armed Forces

b) Financial institutions (including subsidiaries) which are under common control with the Group due to the shareholding and control rights of the Hellenic State:
- National Bank of Greece
- Agrotiki Bank
- Commercial Bank of Greece

c) Joint ventures with other third parties which are consolidated under the equity method (see note 13):
- Denison-Hellenic-DEP EKY-White Shield-Poseidon
- Enterprise Oil Exploration Limited
- Triton Hellas S.A.
- OMV Aktiengesellschaft
- Sipetrol
- Woodside – Repsol – Elpe

d) Associates of the Group which are consolidated under the equity method (see note 13):
- Athens Airport Fuel Pipeline Company S.A. (EAKA)
- Public Gas Corporation of Greece S.A. (DEPA)
- Volos Pet Industries A.E.
- Superlube

e) Financial institutions (including subsidiaries) in which substantial interest is owned by parties which hold significant participation in the share capital of the Group.
- EFG Eurobank

f) Enterprises in which substantial interest is owned by parties which hold significant participation in the share capital of the Group.
- Lamda Shipyards
- Argonautis

g) Directors' remuneration
- Salaries and fees for the 87 members (September 2003: 52 members) of the Board of Directors of the Company and its subsidiaries for the nine months ended 30 September 2004

13. INVESTMENTS IN ASSOCIATES AND OTHER PARTICIPATING INTERESTS

(Euro in thousands)	Method Account	Ownership Percentage	As at 30 September 2004 Unaudited	31 December Audited
Public Natural Gas Corporation of Greece	Equity	35	274.419	277.314
EANT	Cost	13	18	18
Volos Pet Industries S.A.	Equity	35	8.471	8.319
Athens Airport Fuel Pipeline Company	Equity	50	2.863	2.902
Spata Aviation Fuel Company S.A.	Equity	25	405	450
Other	Equity	-	881	870
			287.057	289.873

Other Participating Interests

The Group also has participating interests in the following joint exploration arrangements:

(Ownership Percentage)	As at 30 September 2004	31 December 2003
RAMCO / Medusa (Montenegro)	49,00%	49,00%
Star / Global Petroleum Ltd (Montenegro)	49,00%	49,00%
OMV (Albania)	49,00%	49,00%
OMV (Iran)	30,00%	30,00%
Sipetrol – Oil Search (Libya)	37,50%	37,50%
Sipetrol (Egypt)	49,50%	49,50%
Woodside Energy- Repsol Exploration Murzoq (Libya)	20,00%	20,00%

With respect to the participating interests in joint ventures with OMV (Albania), OMV (Iran), Sipetrol- Oil Search (Libya) and Sipetrol (Egypt), there was no initial cost of acquisition and the Group participates with its share of exploration costs, in accordance with its ownership as shown above. Such costs have been expensed in accordance with the Group's policy.

The joint arrangements the Group had with OMV regarding Iran and with Sipetrol regarding Egypt have not proceeded. All contractual commitments of the Group have been fulfilled and no further charges are expected.

In Albania the first drilling was unsuccessfully completed in the area of Paleokastra. A second drilling is in process and it is expected to be completed by the end of 2004.

With respect to the participation in the Joint Venture with Woodside and Repsol in Libya, the Group incurred an initial cost of US $ 16,8 million (€ 13,5 million) in order to obtain exploration rights in certain Libyan territories. The operator (Woodside) is currently dealing with preparatory works and data evaluation in order to proceed with the exploration later within 2004.

14. INVESTMENT IN SECURITIES

(Euro in thousands)	As at 30 September 2004 Unaudited	31 December 2003 Audited
Available for sale securities		
Shares –unlisted	1.370	1.370
Loans & Receivables originated by the enterprise		
Government bonds	1.413	4.820
Total securities	**2.783**	**6.190**

15. TAXATION

Deferred income tax asset / (liability), net (Euro in thousands)	As at 30 September 2004 Unaudited	31 December 2003 Audited
At beginning of period / year	(945)	16.165
Charge for the period / year	(10.700)	(5.792)
Net deferred income tax liability of subsidiaries at acquisition	-	(11.318)
At end of period / year	(11.645)	(945)
Deferred tax relates to the following types of temporary differences:		
Provision for bad debts	7.526	7.675
Intangible and fixed assets	(6.403)	315
Other temporary differences	635	3.785
Environmental provision	382	382
Unrealised exchange gains	(17.362)	(16.467)
Losses available to offset against future taxable income	550	2.618
Other provisions	3.027	747
	(11.645)	(945)
Deferred income tax liability	(19.180)	(11.389)
Deferred income tax asset	7.535	10.444

There are deductible temporary differences arising from the retirement benefits and pension provision, for which no deferred tax asset has been recognised, because this is not expected to reverse in the foreseeable future and it cannot be estimated whether there will be sufficient taxable profits to utilise this asset. These deductible temporary differences, for which no deferred tax has been calculated, would result in a deferred tax credit of € 5.924 thousands for the period ended 30 September 2004 (30 September 2003: deferred tax credit € 6.197 thousands,) with a related deferred tax asset of € 41.763 thousands as at 30 September 2004 (31 December 2003: € 35.839 thousands).

16. LOANS, ADVANCES AND LONG TERM ASSETS

(Euro in thousands)	As at 30 September 2004 Unaudited	31 December 2003 Audited
Loans and advances	14.803	15.294
Other long-term assets	14.286	12.533
	29.089	27.827

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

17. INVENTORIES

(Euro in thousands)	As at 30 September 2004 Unaudited	31 December 2003 Audited
Crude oil	241.485	102.176
Refined products and semi-finished products	583.618	290.847
Petrochemicals	29.263	20.020
Consumable materials and other	68.802	81.120
	923.168	494.163

18. ACCOUNTS RECEIVABLE, NET

(Euro in thousands)	As at 30 September 2004 Unaudited	31 December 2003 Audited
Trade receivables	493.946	444.416
Other receivables	125.787	99.293
Deferred charges and prepayments	24.169	10.138
Total	643.902	553.847

19. CASH AND CASH EQUIVALENTS

(Euro in thousands)	A at	
	30 September 2004	31 December 2003
	Unaudited	Audited
Cash at bank and in hand	92.169	235.494
Cash equivalents	43.852	68.635
Total cash and cash equivalents	136.021	304.129

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

20. SHARE CAPITAL

	As at	
	30 September 2004	31 December 2003
	Unaudited	Audited
Number of ordinary shares	305.463.934	305.463.934
Nominal value of ordinary shares (Euro)	2,18	2,18
Nominal value of issued share capital (Euro in thousands)	665.911	665.911

Hellenic Petroleum S.A. offers a share option scheme to management executives. The exercise price is determined based on the Company's share performance compared to the market and the options are exercisable within five years.

As of 30 September 2004 and December 31, 2003, management had the option to acquire 60.628 shares at a price of € 6,49 each, 20.570 shares at a price of € 13,06 each and 65.250 shares at a price of € 9,68 each within the next five years.

21. DEBT

(Euro in thousands)	As at 30 September 2004	31 December 2003
	Unaudited	Audited
Short term debt		
Overdrafts	106.642	66.797
Syndicated loan facility	240.960	158.352
Other short term loan	90.132	9.539
Subtotal	437.734	234.688
Capitalised lease obligations	551	532
Short-term borrowings	438.285	235.220
Current portion of long term debt	16.034	18.440
Total short term debt	454.319	253.660
Long term debt		
Bank loans	326.919	267.455
Other loans	-	7
Subtotal	326.919	267.462
Capitalised lease obligations	4.256	4.676
Subtotal	331.175	272.138
Due within one year	16.034	18.440
Total long term debt	347.209	290.578

The aggregate maturities of long term debt are:

Due after more than five years	79.662	64.200
Due between one and five years	247.257	203.262
Long term portion	326.919	267.462
Due within one year	16.034	18.440
	342.952	285.902

Syndicated facility loan

As of 31 December 2002, the syndicated loan facility was drawn down under a committed revolving facility of US $ 200 million and an uncommitted tender panel facility of US $ 200 million. The revolving facility was fully utilized as of September 30, 2004.

On March 23, 2003, the Company agreed to a new two-tranche term loan of US $ 150 million and a revolving credit facility of US $ 100 million. This amount was also fully withdrawn up to September 30, 2004.

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

(Euro in thousands)	As at 30 September 2004 Unaudited	As at 31 December 2003 Audited
Retirement benefits, pensions and similar obligations	119.322	108.524
Government advances	25.614	25.614
Environmental costs	1.092	1.092
Other long term liabilities	38.021	36.896
	184.049	172.126

Government advances

Advances by the Government (Hellenic State) to the Group for the purposes of research and exploration amounting to € 25.614 thousands have been recorded as a liability since such an amount 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.

Environmental costs

A provision of € 1.092 thousands has been established for the estimated cost of rectifying environmental damage, as required by regulatory authorities, at various group facilities.

Other long term liabilities

Included in the balance of other long term liabilities as at 30 September 2004 and 31 December 2003 is the closing liability arising from capital investment made on behalf of the FYROM State in relation to the acquisition of OKTA of € 9.696 thousands.

23. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(Euro in thousands)	As at 30 September 2004 Unaudited	As at 31 December 2003 Audited
Trade payables	115.611	108.152
Other payables	45.067	56.742
Accruals and deferred income	234.725	207.836
	395.403	372.730

24. FINANCIAL INSTRUMENTS

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's short-term investments and short and long term debt obligations. The Group does not hedge its investments or loans. Investments consist mainly of government bonds and Repos to ensure liquidity.

Foreign currency risk

The Group operates and sells mainly in Greece. The Group is exposed to foreign currency risk in purchases and sales and on its short and long-term debts. The Group purchases crude oil in US dollars and sells refined products mainly in US dollar denominated prices. The Group uses short-term lines of credit denominated in US dollars to purchase crude oil. The Group's retail sector purchases mainly in US dollar denominated prices and sells in both US dollars and euros. The Group's chemical sector purchases raw materials mainly in US dollars and sells mainly in euros.

Commodity price risk

The Group has significant exposure on the international commodity prices of oil and oil products. The Group largely offsets this exposure by pricing its products on the basis of international oil products prices on a daily basis.

Credit risk exposures

The Group's maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event the counterparties fail to perform their obligations as of 30 September 2004 in relation to each class of recognized financial assets, other than derivatives, is the carrying amount of those assets as indicated in the balance sheet less any mortgages or guaranties required from customers.

Significant concentrations of credit risk

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affects groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instruments is broadly diversified within the industry, along product and geographic lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigating any significant concentration of credit risk.

Fair Values

Financial assets and financial liabilities of the Group are carried at fair values in the balance sheet, unless otherwise disclosed in the financial statements.

25. CAPITAL COMMITMENTS AND OTHER OBLIGATIONS

Purchase obligations

The Group entered into agreements for the purchase of 15.300 thousand metric tons maximum of crude oil with a one-year mutual option to be agreed until the end of 2004 for additional purchases of 4.000 metric tons max. One term contract extends up to the middle of 2005 for a quantity of 800 metric tons. The purchase prices are based on Bwave (IPE), URALS (MED or RCMB) or BRENT (DTD) quotations of PLATTS and OSP's.

DEPA an associate of the Group, has a long-term agreement with the Russian company Gazexport for the purchase and import of natural gas until 2016. Based on the agreement, specific (minimum) quantities must be delivered every year starting from 1997. The gas price is determined using a formula, which is defined in the contract and is subject to revision every three years. Any claims or disputes between the parties can be resolved either by amicable settlement or through the International Arbitration in Stockholm.

DEPA has also another long-term agreement with the Algerian State owned company Sonatrach for the purchase and import of liquefied natural gas. The agreement officially commenced in 2000 and will have duration of 21 years. Both the specific quantities and the quality specifications of the product to be delivered every year are determined by the contract. The contract price is also determined using a formula, which is defined in the contract.

DEPA has entered into a long–term time charter agreement, with a company owning an LNG carrier, for the transportation of liquefied natural gas from Algeria to its storage facilities on Revithoussa Island. The agreement expires in July 2007, and is renewable at the Company's option. Estimated charter hire until the expiration of the agreement is approximately $64,5 million.

Capital Commitments

The Group has obligation to make environmental investments at the Aspropyrgos refinery of €85 million in the course of one to five years. It is also under contractual obligation to make capital investments in property, plant and equipment of €46 million in the course of one to five years. In addition, the Group has obligation to make environmental investments at the Thessaloniki refinery of €41 million in a period of one to five years. It is also under contractual obligation to make capital investments in property, plant and equipment of €17,1 million in the course of one to five years.

The Group is under contractual obligation to make capital investments in property, plant and equipment at the Thessaloniki petrochemical facility totalling €1,5 million in a period of one to five years.

In relation to the exploration activities of the Group, it is anticipated that the Group will make investments of around €8 million in a period of one to five years for the Albanian programme and around €17 million for the new Libyan exploration agreement.

The Group has committed, through the share purchase agreement with Jugopetrol AD Kotor, to a five-year Guaranteed Investment Programme of €35 million over the next five years, out of which an amount of €13 million was capitalized as of 30 September 2004. In addition it has committed to a social program of €4 million over the next four years, involving training of personnel and local community support.

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 original estimated cost US $ 90 million. ELPET fulfilled its undertaken commitments as of September 30, 2004 as the pipeline was completed at an actual cost of approximately $102 million.

- Refinery upgrade and operation of retail stations- approximately US $ 60 million in OKTA (of which US $ 40 million for the modernisation of the refineries and US $ 20 million for the retail stations). As at 30 September 2004 US $ 40 million has been spent by OKTA against the budget for the modernisation of its refinery facilities, while the retail stations program is still outstanding.

26. CONTINGENCIES AND LITIGATION

(i) The Hellenic State has advanced the Group € 43.434 thousands to undertake research and exploration, as determined by the Law 367/1976. A portion of the amount received, € 25.614 thousand, 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 € 17.902 thousand 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) 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 total potential liability of approximately € 48,3 million. Of those € 5,1 million relate to contingent liabilities of Petrola. Legal proceedings tend to be unpredictable and costly. Based on currently available information, management believes the outcome will not have a significant 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.

(iii) The Group has entered into a contract with the Hellenic State 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. At this stage the management is not in a position to determine whether the terms of the contract will be extended or whether the land will be repossessed by the Hellenic State.

(iv) During 2003, 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 and recorded in the financial statements for the year ended 31 December 2003. The Company has not undergone a tax audit for the years ended 31 December 2002 and 31 December 2003 and most of its subsidiaries since the year ended 31 December 1997 and onwards. The Group has not set up a provision for any additional taxes for the fiscal years that remain unaudited, as the amount cannot be estimated with any degree of certainty.

(v) The Group has given letters of comfort and guarantees of € 216 million to banks for loans undertaken by subsidiaries and associates of the Group, the outstanding amount of which as of September 30, 2004 was € 140 million. The Group has also issued letters of credit and guarantees in favour of third parties amounting to € 237 million mainly for the completion of contracts entered into by the Group.

(vi) In October 2002, the Company deposited a Performance Bond in the National Bank of Greece of €45 million that relates to a guarantee for its performance of the Investment Programme committed under the share purchase agreement for the acquisition of Jugopetrol AD Kotor.

(vii) In October 2001, the EU Court of Justice judged that the existing oil stock regime in Greece distorts competition. The decision did not criticize the storage at refineries as such, but took a view that the system gives an advantage to Greek refineries because the marketing companies are encouraged to obtain supplies from national refineries, which offer them storage facilities. Therefore a new 'oil market law', adopted in October 2, 2002 that was designed to change the technical details of stock obligations and stock management. The importers and refineries will be responsible for keeping oil stocks corresponding to 90 days of their net oil imports. The importer, in order to meet his stock obligation, has either to build his own facilities or to rent facilities from third parties. With the new legislation, the matter is resolved according to the decision of European Court concerning the handling of oil stocks. Management expects that this amendment of Greek law will not result in marketing companies purchasing products from suppliers outside Greece rather than from the Greek refineries, since Greek refineries including Hellenic Petroleum are in a better position to supply the Greek market at competitive prices.

26. CONTINGENCIES AND LITIGATION *(continued)*

(viii) The Group's subsidiary, Hellenic Petroleum Cyprus Limited has a potential contingent liability relating to a claim by Petrolina (Holdings) Ltd relating to refunds on the under-recoveries of oil margins in the industry. The maximum amount of the claim can reach € 1,8 million of which maximum € 0,3 million may be recovered by the seller. Management believes that it is not probable that the claim will not be litigated and thus no provision has been made.

(ix) A claim has been filed against OKTA refinery by its former suppliers for breach of contract following the acquisition by the Group of the company. The High Court of London has partly accepted the claim by awarding to the claimants an amount of $9,5 million for the period up to March 2002 plus interest and damages (to be determined) for the remaining period, i.e. up to March 2003. OKTA has already paid the sum of US$ 1,2 million to its former suppliers. On 17th July 2003, the Court of Appeal in London rejected the appeal filed by OKTA against the decision of the High Court of London. OKTA thereafter applied to the House of Lords for leave of appeal. This was rejected in January 2004. The case has been closed after the balance sheet date with an out-of-court settlement out of which the claimant will receive US$ 8,75 million in full and final settlement of all claims. These amounts will be claimed for recovery from the Government of FYROM in accordance with the terms of the contract of buying out the shares of OKTA by ELPET. The procedure has already been initiated through International Arbitration by ICC. As a result no provision is included in the accounts.

(x) 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 ship owner and the Group. 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, as the insurers both for the Company and for the motor tanker have agreed to cover any claims against the Group.

(xi) There are various litigations and claims against DEPA by third parties arising from the expropriation of land in order to install the main pipeline system. The claims relate to an upward adjustment of the price assessed to expropriated land. According to the Group's legal department such cases aggregate to approximately € 29,2 million, from which it is estimated that the Group will have to pay no more than € 14,5 million. These amounts will ultimately increase the cost of the main pipeline system.

(xii) As at 30 September 2004 there were numerous claims filed by contractors and subcontractors against DEPA and vice versa. Most of contractors' claims relate to price adjustments and additional works performed during the construction of the main pipeline. Any amounts finally paid will increase the cost of project but no amount can be determined at this stage. There are several claims proceeding in courts against the Group for property damages. The Group contests all such claims. According to Group's legal department such cases aggregate approximately € 4,6 million. A final outcome cannot be predicted; therefore a provision has not been made in the accompanying financial statements.

27. LIST OF PRINCIPAL CONSOLIDATED SUBSIDIARIES

	Percentage of interest	Country of Incorporation
Asprofos Engineering S.A.	100,00%	Greece
EKO-ELDA Industrial and Commercial Petroleum Company	100,00%	Greece
EKO Georgia Ltd.	98,30%	Republic of Georgia
EKOTA KO S.A.	49,00%	Greece
Eko-Elda Bulgaria EAD	100,00%	Bulgaria
Eko YU AD – Beograd	100,00%	Serbia - Montenegro
EKO- Fisiko Aerio	100,00%	Greece
DIAXON S.A. (formerly EKO Film S.A.)	100,00%	Greece
E.L.PET Balkan	63,00%	Greece
ELEP S.A.	99,99%	Greece
Okta Refinery	69,50%	FYROM
OKTA Trade Company – Prishtina	69,50%	Kossovo
Global S.A.	99,90%	Albania
Elda ShPK	99,90%	Albania
Hellenic Petroleum AG Austria	100,00%	Austria
Hellenic Petroleum Cyprus Limited	100,00%	United Kingdom
Jugopetrol Kotor AD	54,35%	Serbia - Montenegro
Hellenic Petroleum Services Limited	100,00%	Cyprus
Hellenic Petroleum - Poseidon Shipping Company	100,00%	Greece
Hellenic Petroleum - Apollon Shipping Company	100,00%	Greece
Energeiaki Thessalonikis	100,00%	Greece

VI. Reconciliation of the Consolidated Greek Financial Results to the Consolidated IFRS Financial Results

(Euro in thousands)	Nine months ended 30 September 2004 Unaudited Net Income	As at 30 September 2004 Unaudited Shareholders Equity	Nine months ended 30 September 2003 Unaudited Net Income	As at 31 December 2003 Audited Shareholders Equity
Balance as per Greek Consolidated Financial Statements	**230.256**	**2.086.422**	**252.820**	**1.869.094**
1 Difference between the provision for staff leaving indemnity (per Greek legislation) and defined benefit plan with the provision as calculated by the	(1.923)	33.870	4.616	35.793
2 Provision for deferred tax	(10.700)	(11.645)	(37)	(945)
3 Reversal of the revaluation of fixed assets and the effect of depreciation taken	109	(56.710)	78	(56.819)
4 Write off of capitalised costs with no future benefit	2.655	(17.225)	612	(19.880)
5 Write off of capitalised research and development costs and reversal of related depreciation	1.468	(31.199)	5.125	(32.667)
6 Adjustment of depreciation to conform with the group policy	9.711	73.821	8.207	64.110
7 Provision for environmental restorations	-	(1.092)	-	(1.092)
8 Reversal of the unrealised inter-company profit in the ending inventory and fixed	(2.398)	(4.479)	(1.089)	(2.081)
9 Equity accounting (Differences from conversion to IAS of associates' accounts)	(5.037)	10.404	2.486	15.441
10 Other provisions / adjustments	(3.985)	(8.649)	(1.456)	(4.664)
11 Reclassification of the export reserve movement to income statement	-	-	1.064	-
12 Reclassification of grant from equity to deferred income or liabilities	(1.589)	(85.559)	493	(88.647)
13 Income tax for the period	(87.623)	(92.123)	(68.137)	(4.500)
14 Minority interest	886	(93.683)	(74)	(94.256)
15 IPO costs to share premium account and reversal of related amortisation	139	(5.238)	353	(5.377)
16 Goodwill and depreciation of goodwill	2.341	(36.698)	(4.013)	(39.039)
17 Fair value assigned to fixed assets of subsidiary acquired (BPC) and related extra	(610)	49.607	(611)	50.217
18 Petrola's profit for period 5/6/ - 30/9/03	-	-	(12.188)	
18 Exchange gains (timing differences)	(937)	46.741	(23.247)	47.678
19 Different method of stock valuation	-	-	(290)	-
20 Effect of IAS 39	(115)	(5.137)	(273)	(5.022)
21 Dividends payable	-	-	-	60.623
22 Fair value adjustment to forward currency contract	(4.064)	(4.064)	4.186	-
23 Other	(1.117)	10.084	(407)	1.588
Balance as per IFRS Consolidated Financial Statements	**127.467**	**1.857.448**	**168.218**	**1.789.555**

VII. Parent Company Interim Income Statement

(Euro in thousands)	For the nine months ended 30 September 2004 Unaudited	30 September 2003 Unaudited
Sale proceeds	3.181.201	2.380.094
Cost of sales	(2.853.660)	(2.158.341)
Gross profit	327.541	221.753
Other operating income	9.980	74.831
Selling, distribution and administrative expenses	(122.756)	(98.018)
Research and development	(7.431)	(2.521)
Operating profit	207.334	196.045
Finance income	20.673	10.063
Finance expense	(7.147)	(8.119)
Currency exchange gains, net	6.735	7.940
Income before taxation	227.595	205.929
Taxation – current	(67.731)	(53.843)
Taxation – deferred	(6.807)	5.570
Net income for the period	153.057	157.656

VIII. Parent Company Interim Balance Sheet

(Euro in thousands)	As at 30 September 2004 Unaudited	As at 31 December 2003 Audited
ASSETS		
Non-current assets		
Intangible assets	15.769	18.667
Property, plant and equipment	653.841	647.502
Investments in subsidiaries and associates	711.257	706.196
Other financial assets	1.420	4.826
Deferred income tax asset	-	2.919
Other non-current assets	-	104
	1.382.287	1.380.214
Current assets		
Inventories	861.154	445.931
Accounts receivable	506.887	422.411
Cash and cash equivalents	35.197	236.091
	1.403.238	1.104.433
TOTAL ASSETS	**2.785.525**	**2.484.647**
EQUITY AND LIABILITIES		
Share capital	665.911	665.911
Share premium	352.924	352.924
Reserves	728.435	636.469
Total equity	1.747.270	1.655.304
Non-current liabilities		
Long-term debt	168.304	175.110
Pension plans and other long-term liabilities	128.938	127.654
Deferred income tax liability	3.888	-
	301.130	302.764
Current liabilities		
Forward contract	4.102	-
Accounts payable and accrued liabilities	340.020	338.371
Tax payable	55.359	18.989
Current portion of long-term debt	8.922	8.922
Short-term borrowings	328.722	160.297
	737.125	526.579
TOTAL EQUITY AND LIABILITIES	**2.785.525**	**2.484.647**