PROSPECTUS DATED 12 OCTOBER 2016

HELLENIC PETROLEUM FINANCE PLC

(incorporated with limited liability under the laws of England and Wales with registered number 05610284)

€375,000,000

4.875 per cent. Guaranteed Notes due 14 October 2021
guaranteed by

Hellenic Petroleum S.A.

(a société anonyme organised and existing under the laws of the Hellenic Republic with registration number at GEMI 296601000, former registration number 2443/06/B/8623)

The issue price of the €375,000,000 4.875 per cent. Guaranteed Notes due 14 October 2021 (the "**Notes**") of Hellenic Petroleum Finance plc (the "**Issuer**" or "**HPF**") is 99.453 per cent. of their principal amount.

Unless previously redeemed or cancelled, the Notes will be redeemed at their principal amount on 14 October 2021. The Notes are subject to redemption in whole at their principal amount at the option of the Issuer at any time in the event of certain changes affecting taxation in the United Kingdom or in the Hellenic Republic. In addition, the holder of a Note may, by the exercise of the relevant option, require the Issuer to redeem such Note at its principal amount in accordance with Condition 6 (*Redemption and Purchase*). See "*Terms and Conditions of the Notes—Redemption and Purchase*".

The Notes will bear interest from 14 October 2016 (the "**Issue Date**") at the rate of 4.875 per cent. per annum payable semi-annually in arrear on 14 April and 14 October in each year commencing on 14 April 2017. Payments on the Notes will be made in euros without deduction for or on account of taxes imposed or levied by the United Kingdom or the Hellenic Republic to the extent described under "*Terms and Conditions of the Notes—Taxation*". Hellenic Petroleum S.A. (the "**Guarantor**" or "**Hellenic Petroleum**") will unconditionally and irrevocably guarantee the due and punctual payment of all amounts at any time becoming due and payable in respect of the Notes.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 (as amended, the "**Luxembourg Act**") on prospectuses for securities to approve this document as a prospectus (the "**Prospectus**") and to the Luxembourg Stock Exchange for the listing of the Notes on the Official List of the Luxembourg Stock Exchange and admission to trading on the Luxembourg Stock Exchange's regulated market. The CSSF gives no undertaking as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer in line with the provisions of Article 7(7) of the Luxembourg Act.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended, (the "**Securities Act**"), and are subject to United States tax law requirements. The Notes are being offered outside the United States by the Joint Bookrunners (as defined in the section below entitled "**Subscription and Sale**") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes will be in bearer form and in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. The Notes will initially be in the form of a temporary global note (the "**Temporary Global Note**"), without interest coupons, which will be deposited on or around the Issue Date with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the "**Permanent Global Note**", together with the Temporary Global Note, the "**Global Note**"), without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 and with interest coupons attached. See "*Summary of Provisions Relating to the Notes in Global Form*".

Global Coordinators and Joint Bookrunners

Credit Suisse | **HSBC**

Joint Bookrunners

Alpha Bank | **Eurobank**

National Bank of Greece | **Piraeus Bank**

CONTENTS

Page

IMPORTANT NOTICES

This Prospectus comprises a prospectus for the purposes of Article 5.3 of the Prospectus Directive and for the purposes of the Luxembourg Act. When used in this Prospectus, "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus to the best of its knowledge is in accordance with the facts and contains no omission likely to affect its import.

Each of the Issuer and the Guarantor has confirmed to the Joint Bookrunners named under "*Subscription and Sale*" below (the "**Joint Bookrunners**") that this Prospectus contains all information regarding the Issuer, the Guarantor and the Notes which is (in the context of the issue of the Notes) material; such information is true and accurate in all material respects and is not misleading; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer or (as the case may be) the Guarantor are honestly held or made and are not misleading; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading; and all proper enquiries have been made to ascertain and to verify the foregoing.

Neither the Issuer nor the Guarantor has authorised the making or provision of any representation or information regarding the Issuer, the Guarantor or the Notes other than as contained in this Prospectus or as approved for such purpose by the Issuer and the Guarantor. Any such representation or information should not be relied upon as having been authorised by the Issuer, the Guarantor or the Joint Bookrunners.

Save for the Issuer and the Guarantor, no other party has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Bookrunners or the Trustee or any of their respective affiliates as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer or the Guarantor in connection with the offering of the Notes. No Joint Bookrunner or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer or the Guarantor in connection with the offering of the Notes or their distribution.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Guarantor since the date of this Prospectus or that the information contained in this Prospectus is true subsequent to the date hereof or that any other information supplied in connection with the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Guarantor.

Neither this Prospectus nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantor, any of the Joint Bookrunners or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantor. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Guarantor, any of the Joint Bookrunners or the Trustee to any person to subscribe for or to purchase any Notes.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantor, the Joint Bookrunners and the Trustee do not represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the Joint Bookrunners or the Trustee which is intended to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus and other offering material relating to the Notes, see "*Subscription and Sale*".

In particular, the Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the U.S. or to U.S. persons.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should assess, either on its own or with the help of its financial and other professional advisers, whether it:

(a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency (see also – "*Exchange rate risks and exchange controls*" below);

(d) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant financial markets; and

(e) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules. In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**EUR**", "**€**" or "**euro**" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended and references to "**USD**", "**U.S. dollar**" and "**U.S.$**" are to the lawful currency of the U.S.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In connection with the issue of the Notes, Credit Suisse Securities (Europe) Limited (the "*Stabilisation Manager*") (or persons acting on behalf of the Stabilisation Manager) may over allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the Issue Date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.

This Prospectus is to be read in conjunction with all information which is deemed to be incorporated herein by reference (see "*Information Incorporated by Reference*"). This Prospectus should be read and construed on the basis that such information is incorporated in and forms part of the Prospectus.

In the United Kingdom, this Prospectus may be distributed only to, and may be directed only at (a) persons who have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (b) high net worth entities falling within Article 49(2)(a) to (d) of the Order, and other persons to whom it may be lawfully communicated, falling within Article 49(1) of the Order (all such persons together being referred to as "**relevant persons**"). Any person who is not a relevant person should not act or rely on this document or any of its contents.

RISK FACTORS

The Issuer and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under the Notes. Most of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are described below.

The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer and the Guarantor may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons which may not be considered significant risks by the Issuer and the Guarantor based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision. All investors should make their own evaluations of the risks associated with an investment in the Notes and consult their own professional advisers if necessary. The market price of the Notes could decline due to the realisation of these risks, and investors could lose part or all of the value of their investments.

Notwithstanding the foregoing, the factors described below should not be taken as implying that the Issuer or the Guarantor will be unable to comply with its obligations as a company with securities listed on the Luxembourg Stock Exchange.

Investors should note that the Issuer has been created with the purpose of raising debt on behalf of the Group and the creditworthiness of the Issuer is dependent upon that of the Guarantor.

Capitalised terms used herein and not otherwise defined shall bear the meanings ascribed to them in "Terms and Conditions of the Notes" below.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES AND/OR THE GUARANTOR'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE GUARANTEE

Risks that apply to the Issuer

The Issuer is a finance vehicle for members of the Group. The Issuer's principal business is raising financing on behalf of the Group in the international bank and debt capital markets. The Issuer does not have any subsidiaries or own, lease, or otherwise hold any real property (including office premises or facilities) and is not expected to consolidate or merge with any other person. The proceeds from the Notes will be on-lent by the Issuer to other members of the Group and the ability of the Issuer to fulfil its payment obligations under the Notes will depend upon payments made to it by other relevant members of the Group. Therefore, the Issuer is subject to all risks to which the Group is subject, to the extent that such risks could limit each relevant member of the Group's ability to satisfy its obligations in full and on a timely basis.

Macroeconomic Risks

Global economic environment and volatility in the global markets may have a material adverse effect on the Group

Following the 2008 credit crisis, the world economy experienced periods of economic slowdown and sovereign credit crises leading to significant changes in monetary policy and the tools employed by central banks globally to contain the effects of the crises. In addition, changes in fiscal policy have taken place, with tightening of budgets aimed at managing increased deficit and public sector debt levels. Within the European

Union ("**EU**"), these have affected in particular financially weaker Eurozone member countries, such as Greece, Italy, Ireland, Portugal, Cyprus and Spain, which faced high borrowing costs and in some cases led to a financial rescue and stability plan agreed with the International Monetary Fund (the "**IMF**"), the EU Commission and the European Central Bank (the "**ECB**"). Despite the fact that most of the above countries have now exited such plans and their economies are gradually recovering, global economic growth remains unstable, with increased dependence on monetary policy support.

The global economic environment has also impacted adversely on the global oil market with reduced demand for refined oil products and reduced investments due to tight credit conditions and prevailing uncertainty. Furthermore, geopolitical tensions in certain oil-producing countries and concerns about any escalation of such tensions has increased the volatility in crude oil markets and may continue to do so in the future. It is not possible to make accurate predictions as to when the oil markets might recover, as they are impacted by the real economy and supply and demand considerations as well as financial markets and many other factors, including the equity, bond and derivatives markets, over which the Group has no control. For more detail on the Group's exposure to the refining industry and the oil markets, see the risk factors headed "*Exposure to the refining industry*" and "*The Group's operating results and financial condition are exposed to fluctuating prices for oil, oil products and chemicals*".

Variations in macroeconomic factors, including difficulties in individual countries' ability to meet their financial obligations, interest rate levels and EUR/USD exchange rates, oil market fluctuations as well as potential adverse developments in macroeconomic conditions, in countries in which the Group operates, may have a material adverse effect on the Group's business, financial conditions, results of operations and future prospects.

The vote by the United Kingdom to leave the European Union could adversely affect the Issuer and the Group

The United Kingdom ("**UK**") voted in a referendum on 23 June 2016 to exit the EU (commonly referred to as "Brexit" ("**Brexit**"). The economic, financial, legal and political consequences of the outcome of the referendum remain unclear. Whether and when the UK will formally notify the EU of its decision to leave depends, among other things, on developments in the UK and the EU political landscape which are hard to anticipate. It is generally expected that negotiations will commence to determine the future terms of the UK's relationship with the EU, including the terms of trade between the UK and the EU.

Brexit could adversely affect economic or market conditions in Europe and could contribute to instability in the global financial markets, in particular, until there is more certainty as to the outcome of the relevant negotiations. Economic uncertainty as a result of Brexit may lead to increased volatility in refining margins and downward pressures on the demand for the Group's products.

Brexit has led to a decrease in the value of the sterling against the U.S. dollar and the euro, as well as general volatility in the currency exchange market. Increased volatility in the currency exchange market as a result of Brexit could also materially adversely affect the Group's results of operations as the Group may be unable to implement adequate strategies to protect against currency exchange risk. For more detail on the Group's exposure to fluctuations in currency exchange, see the risk factor headed *"The Group's business model involves trading, treasury and foreign exchange risks"* and *"Exchange rate risks and exchange controls"*.

Despite the fact that the Group has no operations in the UK, the Issuer is incorporated in the UK and, as such, is subject to any legal or regulatory changes that may be introduced in the UK. There is a risk that such changes may limit the ability of the Issuer to raise finance, on-lend the proceeds to other members of the Group, increase the cost of its financing arrangements or have tax implications for its existing financing structures.

Financial risk from international markets

The Group's results and financial position are affected by fluctuations in the relevant international commodity and financial markets. Specifically, the absolute level and changes in the price of crude oil and refined oil products, the applicable benchmark margin, the exchange rate between U.S. dollars, being the industry's prevailing functional currency, and euros, which is the Group's reporting currency, may affect the performance and results of the Group. As a result, a weaker U.S. dollar against the euro exchange rate is likely to have a negative effect on profitability, while the conversion from U.S. dollars to euros may result in gains or losses even if those have not been incurred in the original currency. A market with high volatility, as has been the case during the last eight years, creates both risks and opportunities to the Group's financial position and results. For more detail on the Group's exposure to commodity and financial markets, see the risk factors headed "*Exposure to the refining industry*", "*The Group's operating results and financial condition are exposed to fluctuating prices for oil, oil products and chemicals*" and "*Exchange rate risks and exchange controls*".

Risks related to the exposure in countries where the Group operates

The Group's business is primarily based in Greece and exposed to the financial crisis in the country

The Group is among the largest industrial and commercial enterprises in Greece with a growing presence in international markets. As at 30 June 2016, it accounted for approximately 65 per cent. of domestic refining capacity and commands a significant market share in the domestic fuels distribution and marketing business, according to publicly available information provided by refining companies operating in Greece.

As at, and during the six months ended, 30 June 2016, the Group's refining, supply and trading division accounted for 80 per cent. of the Group's asset base and 70 per cent. of total gross margin. The refining business and its profitability is driven by regional/global supply and demand for crude oil, oil products and economic developments. However, domestic trading and marketing businesses are more exposed and affected by developments in the Greek market. The domestic market contributes considerably to the Group's business, operating results and cash flows as a significant percentage of the volume (45 per cent. for the six month period ending on 30 June 2016) is sold in the Greek market. If demand in Greece falls, the Group seeks to sell additional volume to the export markets, albeit typically at a lower trading margin.

A decline in domestic market demand in the period 2009 to 2013 had a negative impact on profitability as domestic market sales were substituted with exports, which resulted in a lower realised profit. Further deterioration in the Greek economy resulting from higher taxes, reduction in disposable income and output, as well as liquidity pressure, may adversely affect consumption and consequently Group sales and profitability. In addition, economic conditions may affect the ability of the Group to collect receivables arising from sales into the domestic market. However, the Group's exposure to the Greek economy has been reduced significantly as a result of a combination of factors, mainly being the operation of the upgraded Elefsina refinery as the majority of its products are directed to international markets, prevailing high refinery margins which lead to increased production runs, and reduction of Greek market demand making a higher percentage of the production available for export.

The economic and business environment in Greece remains challenging. The Greek economy re-entered recession in 2015, following a mild recovery in 2014, mainly due to political and economic uncertainty. The implementation of capital controls on 28 June 2015 led to significant external liquidity shortages and the need for implementing new fiscal adjustment measures following the agreement on a new programme for financial support in August 2015.

In view of the economic uncertainty that appeared to threaten Greece's continued membership of the European Monetary Union, the Greek Government officially requested financial assistance from the EU on 10 July 2015. On 19 August 2015, Greece entered into a financial assistance facility agreement with the European Stability Mechanism supported by a memorandum of understanding with the European Commission (on behalf of the European Stability Mechanism) for the provision of further stability support accompanied by a third economic adjustment programme (the "**Third Programme**"). While the Third Programme was intended to set the groundwork for a sustainable reduction in uncertainty by effectively minimising the "Grexit risk" in the summer of 2015 – and a gradual normalisation of liquidity conditions, the implementation challenges and macroeconomic risks remain significant. There can be no assurance that these measures will achieve the stabilisation of the Greek economy, or that Greece will be able to repay its sovereign debt.

Fuels consumption in Greece has contracted by 38 per cent., from approximately 11.4 million tonnes in 2009 to approximately 7.1 million tonnes in 2015, according to data provided by the Greek Ministry of Environment and Energy ("**YPEKA**"), affecting the Group's profitability. Further declines in fuel demand in Greece could occur as a result of the recent austerity measures, in the context of the implementation of the Third Programme. The Group's business, operating results and financial condition are affected to a large extent by political developments in Greece. The current political, economic and budgetary challenges that the Greek government faces with respect to Greece's high public debt burden and weakening economic prospects may continue throughout 2016 and beyond, which could contribute to political and economic instability.

The Greek economy remains susceptible to risks associated with the ability of the Government to access international markets and to attract funding at affordable interest rates. If the Greek economy were to suffer additional setbacks, it could have a material adverse effect on the Group's operations and profits. In addition, the Group's business and financial condition could be affected by changes in Greek Government policy, taxation, environmental regulation and other political, economic or social developments affecting Greece.

Risks relating to the imposition of capital controls in Greece

On 28 June 2015, capital controls were imposed in Greece, which currently include weekly limits on all cash withdrawals and restrictions on payments abroad out of Greek bank accounts. If, in the future, the Issuer required financial support from the Guarantor to make payments on the Notes or the Guarantor was required to make payments under the Guarantee and capital controls remained in place, then it is possible that any such payment from the Guarantor to the Issuer, if not made from funds in bank accounts kept outside Greece, would require the approval of the "Committee for the Approval of Banking Transactions", a special committee composed of representatives of the Greek government, the Greek central bank, the Hellenic Capital Market Commission and the Hellenic Banks Association (the "**Committee**"). Although in assessing any request for approval the Committee takes into account contractual obligations of the applicant, there can be no assurance that any such approval will be granted.

Capital controls impose restrictions on payments abroad out of Greek bank accounts. Payments by the Issuer, which is incorporated in the United Kingdom, out of funds held outside of Greece, are not within the scope of capital controls, whereas payments by the Guarantor out of Greek bank accounts are within the scope of capital controls and are therefore subject to the limitations described above. However, payments by the Guarantor out of funds held outside of Greece are not subject to capital controls. The Group believes that the Guarantor has and will continue to generate sufficient funds outside of Greece to make interest payments, as exports from its refining business exceed 50 per cent. of total sales and approximately 60 per cent. of the Group's turnover by-passes the Greek financial system (56 per cent. of 2015 Adjusted EBITDA came from the Group's international sales and operations and 44 per cent. of 2015 Adjusted EBITDA came from the Group's domestic sales and operations). The Guarantor expects that this liquidity outside Greece will be sufficient to allow the Guarantor to fund interest payments on the Notes notwithstanding any capital controls, including cash withdrawal restrictions that may be in effect from time to time.

Although certain controls were lifted during July 2016, while capital controls remain in place, the Guarantor's liquidity and credit risk may be affected.

The Group operates in a number of countries, with differing degrees of political and economic stability, exposing it to risks related to political developments and changes to laws and regulations

The Group has operations in certain countries where a change in the economic environment may lead to business disruptions. When compared to other Eurozone countries, those markets are subject to a greater risk of change to their political, economic and regulatory environment and as such there is a risk that developments in politics, laws and regulations may affect the operations and earnings in the countries where the Group operates. Potential adverse developments include import and export restrictions, local price controls, tax increases, additional windfall taxes and other retroactive tax claims and environmental regulations. It is difficult to predict the timing or severity of these occurrences or their potential effect on the Group. If and when any such risk materialises, it can affect the employees, reputation, operational performance and financial position of the Group as well as of Group entities located in the country concerned.

Industry Related Risks

Exposure to the refining industry

The Group's operating and financial performance is primarily driven by its refining margins, being the price differential between crude oil and refined products. Refining margins are highly volatile and can be affected by sector economics, particularly the supply and demand for crude oil and oil products, as well as available operating refining capacity.

After recording high levels in the period between 2004 and 2008, benchmark refining margins have been under pressure for most of the past eight years, due to constrained supply of crude oil and lower demand for refined products, together with high refining capacity. Between 2009 and 2013, margins declined significantly as demand for refined oil products was affected by the slowdown in global economic activity and investments aimed towards increasing refining as well as conversion capacity, i.e. the process of upgrading low value products of distillation to higher value ones increased the available supply of refined oil products.

Margins also exhibit regional variations as the cost of transportation and local product specifications lead to regional markets in specific geographic areas. Examples of such regional markets are North West Europe and the Mediterranean markets. Regional margins for each type of refinery are often referred to as reference or benchmark margins and are published on a daily basis by international organisations such as Platts (a provider of energy and commodities information and a source of benchmark price assessments in the physical energy markets ("**Platts**")) or Argus (an independent media organisation which specialises in reporting news and price information relating to physical energy and related commodity markets ("**Argus**")). These markets may exhibit different behaviour in their own product balances (difference between supply and demand within a region) leading to different levels of refining margins between them, particularly in the short term. The most relevant market for the Group is the Mediterranean market and this is the reference or benchmark against which most decisions by the Group relating to refining operations and investments are based. Over the period between 2011 and 2014, refineries in the Mediterranean experienced declines in the supply of crude oil, due to geo-political events (such as in Libya, Iraq, Iran), as well as reduced flows of Russian crude oil (Urals), leading to a competitive disadvantage compared with Asian and especially United States ("**U.S.**") counterparts. Since 2014, the oversupply in global crude oil markets has resulted in a crude oil price decline which, coupled with higher global demand for the Group's products, has led to improved benchmark refining margins. However, the competitiveness of the refiners of each region depends on factors that refining companies cannot influence, including the supply of crude oil, utilisation rates of other refineries operating in the region, demand for products; these are key parameters defining regional refining margins and can affect refiners' performance and operating results.

The Group's operating results and financial condition are exposed to fluctuating prices for oil, oil products and chemicals

Exposure to daily fluctuations in crude oil and refined product prices is another source of risk as all of the Group's purchases and sales are based on daily benchmark prices published by the industry's most commonly used reference basis, Platts.

Prices of crude oil, oil products and chemicals are determined on the basis of international commodity transactions and as such are affected by a number of factors over which the Group has no control. These factors include global and regional supply and demand, global and regional economic and political developments in resource producing regions, the ability of the Organisation of Petroleum Exporting Countries ("**OPEC**") and other producing nations to influence global production levels as well as prices of crude oil and oil products, prices of alternative fuels, governmental regulations and actions, global economic conditions, cost and availability of new technology and weather conditions.

Given that the Group maintains stock levels over and above its daily needs and sales, for operational reasons and to meet its regulatory obligations, such commodity price exposure on its stock levels can lead to significant impact on the reported financial results. Furthermore, high oil prices can lead to increased working capital financing requirements as well as reduced demand for oil products, which in turn may lead to lower profitability.

As discussed below under *"Compulsory Stock Obligations"*, the Group is required to hold 90 days' stock as part of the strategic oil reserve of the Hellenic Republic. Fluctuations in the price of crude oil will have effect on the carrying value of this inventory, which will in turn affect the Group's results of operations.

Rapid material and/or sustained changes in prices can also impact the validity of the assumptions on which strategic decisions of the Group are based and, as a result, the ensuing actions derived from those decisions may no longer be appropriate.

Refining profitability can be volatile, with both periodic oversupply and supply tightness in various regional markets. Sectors of the chemicals industry are also subject to fluctuations in supply and demand within the international petrochemicals market, with consequent effect on prices and profitability.

Risks Related to the Group's business model and operations

The Group's ability to achieve its strategic objectives depends on its reaction to competitive forces

The oil, gas and petrochemicals industries are highly competitive. There is strong competition, both within the oil and gas industry and with other industries, in supplying the fuel needs of commerce, industry and retail. Competition puts pressure on product prices, affects marketing of oil products and requires continuous management focus on maintaining competitiveness through reducing unit costs and improving efficiency. The implementation of the Group's strategy requires continued technological advances and innovation including advances in exploration, production, refining and petrochemical manufacturing technology as well as advances in technology related to energy usage and alternative energy businesses. The Group's performance could be impeded if competitors developed or acquired intellectual property rights to technology giving them an advantage over the Group or if the Group's innovation lagged behind the rest of the industry. Conversely, given the nature of the industry, any company which acquires an advantage in terms of operations (such as lower per unit cost) may be able to gain from increased market shares against its competitors, including the Group.

An erosion of the Group's business reputation would adversely impact its operation, brand and financial performance

The Group's brand and reputation in all areas and countries of operation are important intangible assets. Key risk factors which could affect the reputation of the Group relate to product quality, strict adherence to the latest health and safety standards and environmental performance. The Group takes all of these risks very seriously and has put in place a strict process and methodology to try to ensure that all products supplied to the market through its sales channels are of the highest quality and fall within the appropriate quality standards. The production and storage facilities are monitored on a regular basis for compliance with environmental standards and where necessary remedial actions are planned. However, the Group cannot be certain that steps taken to mitigate these risks will be effective and sufficient at all times.

The nature of the Group's operations exposes it to a wide range of health, safety, security and environmental risks

Due to the nature of its business, the Group handles flammable and explosive substances, such as crude oil, naphtha, gasoline and liquefied petroleum gases stored under pressure, as well as toxic materials, such as hydrogen. As a result, the Group faces risks in its daily operations relating to technical failures and loss of containment of hydrocarbons and other hazardous material at its production and logistics facilities. Failure to manage these risks could result in injury, loss of life, environmental damage or loss of production and could result in regulatory action, legal liability and disruption of business activities.

The Group has in place an inspection and safety audit process in its production facilities and storage terminals to control and monitor high risk areas. In addition, the Group actively participates in international committees which monitor and compare performance in the refining and petrochemicals industries using safety key performance indicators and share best practices and experience to help improve the safety, security and environmental performance of the operations.

The Group's future performance depends on successful development and deployment of new technologies

Technology and innovation are essential to the Group's businesses, including its refining and marketing businesses, as well as its alternative energy businesses. Between refinery turnarounds, developments in the specific technologies are monitored and assessed together with the technology licensors. The use of tested technology has the benefit of low technology risk, i.e. the probability of equipment or operational failure arising out of the use of advanced and complex technology. However, given the inherent complexity of the equipment and inter-relations with operational risk, the Group performance could be impeded by technology/operations risk, either through downtime or sub-optimal operation of certain equipment or unit of a refinery (for more details on the risk of downtime please see below the risk factor headed *"An interruption to normal production of the Group's refineries as well as operational issues at any of the Group's refineries may have a material adverse effect on the Group's performance"*). Furthermore, if the Group does not develop the right technology, does not have access to it or does not deploy it effectively its performance could be negatively affected.

Introduction of competing renewable fuel technologies or hybrid and electric engines, as well as increasing fuel efficiency of fossil fuel engines may have an impact on the demand for the Group's products and have a material adverse effect on the Group

Many companies are investigating ways to develop technologies to produce high quality fuel using renewable feedstocks and vehicles powered by hybrid systems and electric engines. A more rapid than anticipated introduction of new renewable fuel production technologies or new vehicles powered by hybrid systems and electric engines may have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

In addition, automakers globally have taken steps towards improving the efficiency of conventional internal combustion engines, as technological evolution has led to a significant reduction in the fuel consumption for both diesel and gasoline engines in the recent years. While the effect of fuel efficiency on regional and global refined products demand is uncertain and difficult to quantify, it will, at least, partially offset the positive effect of global and even more specifically emerging markets economic growth on transport fuel demand. Considering the dependence of the Group on the refining business, improving fuel efficiency could have a material adverse effect on the Group’s business, financial condition, results of operations and future prospects.

The Group’s carrying out of its business in certain sectors through investment in joint ventures and associated companies may reduce its degree of control as well as its ability to identify and manage risks

The Group participates in joint ventures or associated companies, the most important of which are a 50 per cent. share in Elpedison B.V. (“**Elpedison**”), a joint venture with Italy’s Edison, for power generation and trading in Greece, and a 35 per cent. share in DEPA S.A. (“**DEPA**”), Greece's gas distribution and supply incumbent, which is included in the privatisation programme, as described below. In addition, due to the nature of upstream operations the Group engages in a number of joint ventures for the exploration and production (“**E&P**”) of hydrocarbons aiming to minimise the financial exposure and the technical risk, a practice which is very common in the E&P industry. Participation in business activities through entities over which the Group does not have full control may lead to cases where the Group has limited influence over, and control of, the behaviour, performance and cost of operations of entities in which the Group holds an equity interest.

If the Group fails to retain and attract qualified and experienced employees, its business may be harmed

Refining and oil trading activities are highly complex businesses and require specialist skills acquired over time. While the Group aims to attract and retain the best possible candidates from domestic and international markets, if the Group is unable to recruit and retain experienced, capable and reliable personnel, especially senior and middle management with appropriate professional qualifications, its business and financial results may be affected.

An interruption to normal production of the Group’s refineries as well as operational issues at any of the Group’s refineries may have a material adverse effect on the Group’s performance

The Group’s business is largely dependent on the operations of its refineries in Aspropyrgos, Elefsina and Thessaloniki in Greece. The operation of any of those refineries could be significantly affected by an incident that could lead to reducing or discontinuing production for a period that could affect the financial performance of the Group.

The Group’s refineries are scheduled to undertake a full turnaround every four to five years and an intermediate one every two to three years in order to maintain and improve operating performance. For an explanation of a “full turnaround”, see below the paragraph headed “*Aspropyrgos refinery*” in the section below entitled *“Description of the Guarantor”*. During turnaround periods, refineries remain partially or fully shut-down and, as a result, production levels and the ability to generate value from refining margins are adversely affected.

While planned shut-downs will typically have an impact on the results of operations, an unplanned shut-down on technical or other grounds may also adversely impact the financial performance of the Group.

The Group faces property and liability risks and does not insure against all potential losses

Operations may be affected by a number of property and liability risks, including natural disasters such as hurricanes, civil war or unrest, and terrorism that can result in business interruptions and casualty losses. Full insurance cover is either not available to cover these potential risks or not available on commercially reasonable terms. Whilst the Group insures against the majority of potential losses in accordance with customary industry practices, including damage of physical assets, personal injuries, business interruption, terrorist acts and product, environmental or other liabilities, it could be seriously harmed by unexpected events or liabilities. The Group’s existing insurance cover may not be sufficient to cover the loss arising from any or all such events. Furthermore, it is uncertain whether the Group will be able to continuously renew existing insurance cover on commercially reasonable terms.

Maritime disasters may have a material adverse effect on the Group, including its reputation

The Group provides logistics services for the transport of refined intermediate and final petroleum products and chemicals between its manufacturing facilities, from its refineries to its international subsidiaries in the Mediterranean and for the transport of petroleum products to customers of its marketing subsidiaries in the Greek islands. The operation of the Group's shipping fleet is subject to inherent risks, including the risks of maritime disaster, damage to the environment and loss of or damage to cargo and property. Such events may be caused by mechanical failure, human error and adverse weather conditions, among other factors. The occurrence of any of these events may have, either directly or indirectly, due to negative publicity, a material adverse effect on the Group's reputation, business, financial condition, results of operations and future prospects.

The Group's business model involves trading, treasury and foreign exchange risks

Trading and treasury risks include exposure to movements in commodity prices, interest rates, foreign exchange rates, counterparty default and various operational risks. The Group is exposed to changes in currency values and exchange controls. The Group has an extensive risk management policy and mechanisms that review the application of such policies. The Group may undertake currency hedging depending on market conditions and its operational requirements but does not do so for all of its activities. The resulting exposures or any failure in its risk management policies could affect the Group's earnings and cash flow and have a material adverse effect on the Group's business, financial condition results of operations and future prospects.

A deterioration of the political environment in crude oil producing countries may adversely impact the availability of crude oil feedstock

The Group procures crude oil from a number of suppliers, including national oil companies and international oil traders. The Middle East and North Africa ("**MENA**") region has historically experienced varying degrees of political instability and, most recently, with developments over the last six years causing disruptions to the global supply chain. Instability in the MENA region may result from a number of factors, including government or military regime change, sanctions, civil unrest or terrorism. Developments in Libya (including the Libyan conflict in 2011, the ensuing sanctions against Libya, as well as the political tension in 2013 onwards which led to a significant decline in the country's production and exports, which have not recovered and remained uncertain and volatile since), the EU sanctions against Iran in 2012 which were lifted in January 2016 (including a ban imposed on the purchase of crude oil since July 2012) as well as the reduced flow of Iraqi crude oil to the Mediterranean during 2012-2013 (due to problems in the production and transportation infrastructure of the country), are examples of supply disruptions that have affected, or are currently affecting, the Group. A number of countries in the MENA region, including Libya, have recently been, and may continue to be, subject to political unrest, including uprisings and government retaliation, as well as terrorist attacks and violence aimed against civilians, employees and facilities, that affect crude oil production and exports. ISIS (or ISIL - Islamic State in Iraq and the Levant) ("**ISIS**"), an extremist militant group, has occupied parts of Iraq and Syria and implemented a fundamentalist regime. In addition, ISIS also gained limited territorial control in Libya and Yemen and acts of war between the ISIS and Kurdish troops in the Kurdistan Region of Iraq have moved close to the Turkish border. These developments are recent examples of supply disruptions that affected, or are currently affecting, the Group.

Due to the concentration of a number of crude oil producing countries in the MENA region, future armed conflicts or political instability in the region could reduce the availability of supply alternatives as well as tighten global crude oil balances with a potential impact on the Group's operations and an adverse effect on its financial condition and operating results.

A material part of the Group's crude feed traditionally originated from Iran. Following the removal of sanctions in 2016, the Group has reinstated its commercial relationship with the National Iranian Oil Company ("**NIOC**") (for more details please refer to the risk factor headed "*Developments around* *international sanctions against Iran could affect the implementation of the agreement between the Group and NIOC"*).

In 2015, approximately 33 per cent. of the Group's crude oil purchases came from the Russian Federation through international oil traders. A number of events could affect the Group's ability to source crude oil from the Russian Federation including, but not limited to, structural changes in the Russian oil industry, taxation, regulation (including sanctions), political unrest and logistical issues in transporting crude oil from Novorossiysk or other export terminals in the Black Sea. In 2013, exports of Russian crude oil to Europe, including the Mediterranean region, started to decline as part of the production was exported to East Asia, resulting in an increase in the cost of supply for the Group.

For a breakdown of the main countries of origin of the Group's crude oil supply, see also the table at the paragraph headed "*Crude oil supply and recent developments*" in the section entitled "*Description of the Guarantor*".

Developments around international sanctions against Iran could affect the implementation of the agreement between the Group and NIOC

Iranian crude oil accounted historically for approximately 20 to 30 per cent. of the Group's total crude purchases. Due to sanctions imposed on Iran in 2012, no deliveries of Iranian crude oil or payments to Iran had taken place since 30 June 2012 until recently, when sanctions were lifted.

Following the lifting of EU sanctions by virtue of EU Council Decision 2016/37, of 16 January 2016, Hellenic Petroleum and NIOC executed a "Heads of Agreement" (the "**NIOC Agreement**") on 22 January 2016.

For further details on the NIOC Agreement, see also the paragraph headed "*Crude oil supply and recent developments*" in the section entitled "*Description of the Guarantor"*.

Subject to commercial considerations and following the implementation of the NIOC Agreement, Iranian crude oil participation in the Group's feedstock mix slate is expected to range between 15 and 20 per cent. depending on refinery runs and full year production.

Political developments in the Middle East region, Iran, as well as other countries that implemented or still have sanctions in force against Iran and Iranian entities, may affect the implementation of the NIOC Agreement and could lead to changes with either a positive or negative impact to the operations, profitability and cash flows of the Group.

Counterparty risk

The Group faces counterparty risk from its customers. For the year ended 31 December 2015, the Group's ten largest customers accounted for approximately 34 per cent. of sales revenues. During 2015, sales to the Greek State and associated entities (such as municipalities, hospitals and schools) amounted to approximately 1.5 per cent. of sales and the balance outstanding as at 31 December 2015 was approximately 2 per cent. of the Group's net trading accounts receivable. Sales to other related entities which have the legal form of a *société anonyme,* either listed on the stock exchange or partly owned by the State (such as Public Power Corporation and Athens Water Company), are not included in the balances above as there is no direct exposure or dependence on the Greek State.

The Group proactively manages and seeks to limit its credit risk by having in place credit lines for individual customers, taking financial guarantees from customers and constantly monitoring the financial standing of its counterparties and the level of outstanding receivables. Furthermore, provisions for doubtful debt are made in accordance with prevailing financial reporting standards where recoverability of receivables is deemed to have deteriorated. However, the possibility of its customers and/or counterparties defaulting on their obligations to the Group due to bankruptcy, lack of liquidity, operational failure, sanctions or other reasons, is a risk that may lead to financial losses.

Industrial action or adverse labour relations could be disruptive of business operations and have an adverse effect on operating results

The Group's employees are parties to national or industry collective labour arrangements or benefit from applicable local law, regulation or custom regarding employee rights and benefits. If the Group is unable to negotiate acceptable labour agreements or maintain satisfactory employee relations, the results could include work stoppages, strikes or other industrial action or labour difficulties (including higher labour costs). The latest collective labour agreement with the Group's representative union was agreed in March 2014 and has a term of three years.

Risks related to compliance, and regulation, including environmental regulations

Compulsory Stock Obligations

The Group is subject to regulation by governmental and regulatory bodies in line with EU laws and directives, as adopted through the relevant Greek legislation. An important regulation which affects the Group's performance and balance sheet relates to the keeping of compulsory stock obligations ("strategic stock reserves", the ("**CSO**")). In most EU member states, this requirement is partly or wholly fulfilled by a governmental agency which holds oil products as inventory to fulfil this obligation, and passes on the cost to market participants on the basis of certain pre-agreed objective criteria (such as revenues, market shares). At present, for the Greek market, this obligation is taken on by importers who sell finished products in the domestic market and requires that at any point in time the Group (as is the case for all importers) holds stock which is equal to at least 90 days of sales in the domestic market. This calculation is performed on the annual quantities of imported products or crude oil for refining which were sold in the domestic market to most customers (certain customers have the option to maintain their own CSO stocks) at the end of each calendar year, and applies for the following year. It should be noted that there is no requirement that differentiates normal operating stocks from CSO stocks and there is no difference on the accounting treatment.

In effect, this obligation leads to keeping stocks which are in excess of the normal operating levels and has an impact in terms of higher funding levels required to maintain the stock as well as bigger exposure to price movements risk. The additional funding cost incurred by the Group for the maintenance of the excess inventory levels entails a premium charged to domestic market sales.

Compliance risk in terms of product quality and operations

The Group's products are sold directly or through wholesalers in the Greek market or are exported to speciality markets (aviation/marine fuels) and international markets. The Group seeks to produce products which comply with applicable international and local specifications. The specifications pertain to the physical and chemical attributes of the products, environmental specifications and compliance with EU regulations.

Non-compliance with product specifications may result in a financial loss for the Group as well as reputational damage at consumer and brand level. Although the Group seeks to comply with product specifications in its production processes and supply chain, the Group cannot be certain that steps taken to mitigate compliance risks will be effective and sufficient at all times.

Compliance with, and changes in, environmental laws may have a material adverse effect on the Group

The Group's operations and products are subject to extensive environmental and consumer protection laws and regulations adopted by the EU and other jurisdictions in which the Group operates. The nature of certain of the Group's businesses exposes the Group to risks of environmental costs and liabilities arising from the exploration, production, manufacture, use, storage, disposal and maritime and inland transport and sale of material that may be considered to be a contaminant when released into the environment. Liability may also arise through the acquisition, ownership or operation of other properties and businesses.

Due to the nature of their business operations, hydrocarbons exploration and production, oil refining, fuels marketing and shipping companies, including the Group, may become subject to increasingly stringent environmental and other regulatory requirements. New environmental initiatives could result in significant additional expenditure or reduction or termination of certain operations, which may, in turn, have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

Changes to EU environmental regulations may have an impact on the Group's business

The Group is subject to a number of environmental laws and regulations and the cost of compliance with, and any liabilities under, current and future laws and regulations may have a material adverse effect on the Group's business financial condition, results of operations and/or future prospects.

The high cost of compliance with the EU climate policy regulation is a competitive disadvantage for European refineries. The competitive pressure faced by Greek refineries is expected to increase further due to the development and modernisation of refining capacity in neighbouring countries, the Middle East and Southeast Asia, which do not have to incur the high costs of EU regulatory compliance. The performance of each refinery is also subject to individual factors such as the availability of appropriate types of crude oil, actual conditions in the operation of the refinery and differences between the specific refinery configuration and the standard which is used to define the benchmark.

The Group's refineries participate in the European Emissions Trading System ("**EU ETS**") for Greenhouse Gases under EU ETS Directive (2003/87/EU), since its inception in 2005. For the first two trading phases ("**Phase I**" 2005-2007 and "**Phase II**" 2008-2012) the amount of free allowances was determined for all participants based mainly on historical emissions data and the allocation was decided on a national level under a national allocation plan. The balance between the actual emissions and the allocated free allowances each year depended on the utilisation of the Group's refineries. Under Phase II, the Group received a free carbon dioxide ("**CO_2**") allowance of 2.2 million tons per annum. As part of the EU ETS period from 2013 to 2020 ("**Phase III**"), oil refining has been included in the EU list of sectors that are considered to be at risk of 'carbon leakage' and, consequently, will receive free carbon dioxide allowances. 'Carbon leakage' is the risk that companies in a certain sector, that are subject to the above emission requirements, may be subject to increased competition from companies that operate in countries outside the EU, with lower or no emission requirements. Those free allowances are based on a benchmark for the sector (Complexity Weighted Tonne or "**CWT**"), which represents the top 10 per cent. most efficient facilities in CO_2 emissions/CWT. The EU ETS adjusts downwards the amount of those free allowances by applying a Cross Sectorial Correction Factor ("**CSCF**") to all refineries; therefore even the most efficient ones may present a deficit. The free allowances are lower than the refineries that the Group actually requires given the existing configuration of its production capacity and technologies.

As stated above, the Group is receiving free CO_2 allowances during Phase III, but these allowances are significantly lower compared to those received in Phase II. The Group estimates that it will need to buy additional allowances from the market for 25 per cent. of its annual emissions. The Group does not expect the cost from the purchase of additional emission allowances to have a material impact on its financial performance. However, the recent proposal of the European Commission for the Reform EU ETS (Phase IV, 2021-2030) may impact on the Group's competitive position compared to refining companies based outside the EU.

Compliance with changes in laws, regulations and obligations relating to climate change and emission trading could result in additional capital expenditure and reduced profitability resulting from changes in operating costs. It may also have an impact on revenue generation, strategic growth opportunities and the competitiveness of various technologies and fuels. If the Group is unable to find solutions that reduce its CO_2 emissions for new and existing projects or products, future international agreements, EU and government regulation or reaction from local communities affected by the Group's CO_2 emissions could lead to project delays and additional costs as well as compliance and operational risks.

The Group could incur substantial costs or disruptions in its business if it cannot obtain or maintain necessary permits or authorisations

The Group's operations require numerous permits and authorisations under various laws and regulations. For example, the Group's refineries, plants and terminals have been granted environmental permits under relevant laws and regulations. These and other authorisations and permits are subject to revocation, renewal or modification and can require operational changes, which may require the Group to incur significant costs to limit the impact or potential impact on the environment and/or health and safety. A violation of these authorisation or permit conditions or other legal or regulatory requirements could result in substantial fines, criminal sanctions, permit revocations, injunctions and/or temporary or permanent refinery shut-downs.

The Group is subject to antitrust and similar legislation in the jurisdictions in which it operates

The Group is subject to a variety of antitrust and competition laws and related regulatory policies in the countries in which it operates. In a number of markets, the Group has market positions which may prohibit the Group from making further acquisitions or continuing to engage in particular practices. In addition, there can be no assurance that the Group will not be subject to allegations of violation of such laws and policies. In the event that such allegations are proved, the Group may be subject to fines, payment of damages and other expenses which could have a material adverse effect on the Group's business, financial condition, results of operations and/or future prospects.

Risks related to the Group's indebtedness levels, credit capacity and capital structure

The ability of the Group to repay its financial indebtedness depends on its operating performance and prevailing capital market conditions

The Group operates in a capital intensive industry that requires a substantial amount of capital and other long term expenditure. The Group has established a liquidity risk management policy intended to maintain an appropriate level of liquidity and financial headroom for the Group. The Group finances its capital investment through a variety of means, including internally generated cash and external borrowings, including syndicated bank loans, loans from supranational financial institutions and debt capital markets transactions, to manage its balance sheet and meet its financing requirements. The Group's ability to arrange external financing and the cost of such financing is dependent on numerous factors including its financial condition, general economic and capital market conditions, developments in the Greek economy, liquidity conditions and sovereign credit issues in Greece and the Eurozone, interest rates, credit availability from banks or other lenders, investor confidence in the Group, applicable provisions of tax and securities laws and political and economic conditions in any relevant jurisdiction. Factors affecting availability and cost of such external financing are not controlled by the Group and may have a material adverse impact on the Group's business, financial condition, results of operations and/or future prospects.

Between 2007 and 2012, the Group implemented an asset upgrade programme which involved significant capital expenditure. The implementation of the programme combined with the economic downturn in the Greek market and the global financial markets, led to increased leverage and levels of indebtedness. The completion of the Elefsina refinery upgrade and commercial operation enabled the Group to significantly reduce the cash outflows for capital investment from the €500-700 million expended per annum in the 2007 to 2012 period to €100-125 million per annum in subsequent years for normal operations, while realising increased operating cash inflows from the operation of its upgraded asset base.

The Group may not be able to refinance upcoming maturities

Given the reliance of the Group on debt financing, approximately €2 billion of committed bank facilities and eurobonds are maturing in the next four years, out of which a significant part will need to be refinanced. The particular needs for refinancing will depend on the Group's operational cash flow generation, capital investment needs and financing cash flows. The Group may not be able to refinance its maturing debt, as this will depend on a number of factors, some of which are out of the Group's control (for more details on factors affecting financing and the cost of financing, please see the risk factor headed *"The ability of the Group to repay its financial indebtedness depends on its operating performance and prevailing capital market conditions"*).

The Group's financing documents contain certain maintenance financial covenants

Following the significant increase in the average cost of funding for the Group in 2013, reflecting the developments in the financial markets and, particularly, the increased sovereign credit spreads imposed on companies based in Greece, the Group took steps to further diversify its funding mix and reduce its costs, despite the challenges in the Greek economic environment.

Certain of the Group's term credit facilities contain covenants such as financial covenants, negative pledge, *pari passu*, cross-default and change of control clauses. Failure to comply with these covenants in certain cases, if not suitably remedied, could trigger an event of default and the acceleration of the amounts due thereunder. In that event, borrowings under other debt agreements or instruments that contain cross-default or cross-acceleration provisions (including the Notes) may become payable on demand, and the Group may not have sufficient funds to repay all of its debts, including under the Notes.

The Group's ability to remain in compliance with its various covenants will in part depend upon its ability to manage its cash position, debt and profitability, all of which may be affected by the prevailing market conditions with respect to crude supply availability and the terms thereof.

The Group's outstanding 2017 Eurobond and 2019 Eurobond (as defined in the paragraph headed "*Balance sheet and Indebtedness*" in the section entitled "*Description of the Guarantor*") each contain a right for investors to request redemption of such notes in certain circumstances (such as a breach of certain financial covenants).

For a full summary of the Group's financing arrangements, see the paragraph headed *"Balance sheet and Indebtedness"* in the section entitled "*Description of the Guarantor*".

The ability of the Group to reduce its financial leverage may be affected by the completion of the DESFA sale

Hellenic Petroleum's Board of Directors approved the sale of its 35 per cent. indirect shareholding in the natural gas business of DESFA S.A. (through its participation in DEPA) to SOCAR (the national oil and gas company of Azerbaijan) for a total consideration of €212 million. The Board and the shareholders in a general meeting approved the proceeds from this divestment to be used to accelerate the deleveraging of the Group. While the Group's plan for funding its operational requirements or reducing its indebtedness are not dependent on the closing of the DESFA sale, any delay or failure in obtaining the necessary approvals to complete this transaction may cause delays to the Group's plan to reduce its debt and associated interest costs.

Renegotiation of certain terms of an existing credit facility of the Guarantor with the European Investment Bank and potential impact on the maturity profile of existing debt

In 2010, the Guarantor concluded two facility agreements of €200 million each, with the European Investment Bank ("**EIB**"). As is customary for EIB loans, each facility contains different provisions and covenants. The first of the two facilities ("**Facility A**") includes a commercial bank guarantee provision which covers 100 per cent. of the facility amount while the second one ("**Facility B**") includes covenants to maintain certain financial ratios which were set upon signing of the agreement in 2010, in line with those included in the Group's bank loans at the time. These ratios were amended in 2014 to in line with changes in the projected financial performance and business of the Group reflecting similar changes made to other bank loans at that time.

During the first half of 2016, the Group successfully completed a covenants harmonisation process for all its commercial bank loans and eurobonds. Following the completion of the harmonisation process in June 2016, the Guarantor entered into discussions with EIB in order to apply similar changes to the ratios and terms of Facility B so as to align them, where appropriate, with those used in the eurobonds and the other commercial loan agreements described above.

Given the time required for the process, the Guarantor and EIB may not reach a final agreement on the amendment of the financial ratios and commercial terms before the next reporting deadline and there is a risk that some of these ratios may not be complied with unless, as was the case with previous changes, a temporary waiver is given or a different agreement is reached. Even though similar discussions with EIB have previously been successful and the intention is to proceed with a harmonisation of the ratios and terms used for the remaining period, there is a risk that such an agreement may not be reached and the Guarantor may prepay the remaining balance of the loan to EIB in full or in part, either voluntarily or if it is asked to do so by EIB.

The original facility amount of both Facility A and Facility B was €200 million with a final maturity date of June 2022 and, following repayment in accordance with the agreed amortisation schedule, the current outstanding amount is approximately €133 million per facility, with the next repayment of €11 million scheduled for November 2016. The Guarantor currently has sufficient capacity in place, should it need to effect a prepayment of the loan to EIB. A prepayment of part or all of the remaining outstanding balance would shorten the remaining average duration of the Group's loan portfolio but would not materially affect the funding position of the Group.

The Issuer may not be able to redeem or purchase the Notes upon the occurrence of a Put Option Event

Upon the occurrence of a Put Option Event (as set out in the definition of Put Option Event in the Terms and Conditions of the Notes), each Noteholder will have the right to require the Issuer to redeem or, at the Issuer's option, purchase its Notes at par together with any accrued interest (the "**Noteholder Option**") . In the event that a Put Option Event occurs, the Issuer and the Guarantor may not have sufficient financial resources to satisfy all of their obligations under the Notes and any other indebtedness with similar provisions. Failure by the Issuer to redeem or purchase any Notes in respect of which a Noteholder Option has been exercised would result in a default under the Terms and Conditions of the Notes.

Developments in the Greek banking sector have led to a concentration of credit capacity in the four Greek systemic banks

A significant part of the Group's credit is provided by the four Greek systemic banks, namely National Bank of Greece, Eurobank, Alpha Bank and Piraeus Bank. Specifically, as at the end of 2015, the total percentage of the Group's gross outstanding debt attributed to these banks was 55 per cent.

The ability of these banks to continue to support the Group is dependent, among other factors, on their own capitalisation and ability to access international financial markets or receive liquidity support from the ECB or the Bank of Greece. As a result of the agreement reached on the Third Programme (see *"The Group's business is primarily based in Greece and exposed to the financial crisis in the country"*), all of the banks have completed substantial capital increases in order to strengthen their balance sheets. Although the banks are core relationship banks, there is increased funding risk as a result of this concentration.

Each of the systemic banks in Greece has been restricted in its ability to extend new loans (compared to a threshold set by ECB in April 2015) to entities related to the public sector. The Group has reduced its indebtedness to these banks over the last 18 months and, as a result, despite the ceiling imposed by ECB for all Greek public sector related entities, the Group has been able to agree a new stand-by facility for an amount of up to €400 million which has two tranches, a committed tranche for an amount of €240 million and an uncommitted tranche for an amount of €160 million. However, unforeseen changes to this policy or ceiling imposed by the ECB may create a risk to the Group's funding.

The privatisation process could lead to a change in ownership of a significant part of Hellenic Petroleum's share capital

Privatisation of a number of assets is one of the commitments undertaken by the Greek government towards reducing public debt in the context of the third memorandum of understanding that the Greek government executed with the Eurozone member countries as a condition to receiving the third financial support package.

The Greek government's 35.5 per cent. shareholding in Hellenic Petroleum is one of the assets identified for divestment and shares owned by the Greek Government have been transferred to the Hellenic Republic Asset Development Fund S.A. ("**HRADF**"). To this end, recent legislation has removed the obligation by the state to hold a minimum of 35 per cent. of the share capital of the Guarantor and the Articles of Association of Hellenic Petroleum have been amended to reflect this change. On 25 May 2016, the Greek government announced an asset development plan, relating to the exploitation of various of its assets, including divesting its stake in Hellenic Petroleum. This decision may lead to changes in certain aspects of Hellenic Petroleum's corporate governance.

Tax Risks

In most of the markets where the Group operates, tax legislation is revised frequently. Changes to tax legislation which result in increased taxes being levied on the Group may adversely impact the Group's operations and profitability.

Additional tax expenses could accrue in relation to previous tax assessment periods, which are still subject to a tax audit or a pending tax audit or have not yet been subject to a tax audit. As a result, tax authorities could revise original tax assessments and substantially increase the Group's tax burden (including interest and penalty payments). When particular matters arise, a number of years may pass before such matters are audited and finally resolved.

The Prospectus includes certain financial measures of historical or future financial performance, financial position, or cash flows which are not defined or specified under IFRS, known as "Alternative Performance Measures"

The Alternative Performance Measures presented in the Prospectus include, for instance, IFRS Reported EBITDA, Adjusted EBITDA and Adjusted Net Income (for further detail and for their definition please see below – "*Selected Alternative Performance Measures*" in the section entitled "*Description of the Guarantor*"). These measures have limitations as analytical tools and an investor should not consider them in isolation from, or as a substitute for, analysis of the Group's results of operations, including the Group's cash flows. Some of the limitations of some of these measures are that:

(a) they are accruals-based, so do not properly reflect the Group's cash expenditures or future requirements for capital expenditure or contractual commitments;

(b) they do not reflect changes in, or cash requirements for, the Group's working capital needs;

(c) they do not reflect the interest expenses, or the cash requirements necessary to service interest or principal payments in respect of any borrowings;

(d) they do not reflect required capital expenditures for maintenance and regulatory and environmental compliance to ensure normal operations; and

(e) other companies in the Group's industry may calculate these measures differently from how the Group does, limiting their usefulness as a comparative measure.

Neither IFRS Reported EBITDA, Adjusted EBITDA nor Adjusted Net Income should be considered as an alternative to IFRS Reported Net Income, income from operations, cash flow from operating activities or any other measure of financial performance or liquidity presented in accordance with IFRS. IFRS Reported EBITDA, Adjusted EBITDA and Adjusted Net Income exclude some, but not all, items that affect IFRS Reported Net Income and operating income, and these measures may vary among other companies. Therefore, IFRS Reported EBITDA, Adjusted EBITDA and Adjusted Net Income as presented below may not be comparable to similarly titled measures of other companies.

RISKS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH THE NOTES

Risks related to the Notes generally

Set out below is a description of material risks relating to the Notes generally:

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to: (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes; or (ii) determine without the consent of the Noteholders that any Event of Default or Potential Event of Default shall not be treated as such; or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 13 (*Meetings of Noteholders; Modification and Waiver; Substitution)*.

The taxation framework in Greece was very recently amended and accordingly there is uncertainty as to the exact treatment of certain types of income deriving from the Notes

Investors should note that the Greek income taxation framework has been reformed on an on-going basis and since 2013 was amended on a number of occasions, most recently in May 2016. The Greek government has undertaken certain commitments to further reform its fiscal policies under the "Supplemental Memorandum of Understanding" of 16 June 2016 entered into as part of the first review of the country's compliance with the Third Programme. At this stage, there is no certainty as to the likely impact that these reforms may have on the tax treatment of income deriving from the holding and/or the disposal of the Notes and Noteholders who are non-Greek tax residents may have to submit a declaration of non-residence or produce documentation evidencing non-residence in order to claim any exemption under applicable tax laws of Greece (please see the section entitled "*Greek Taxation*" for further details).

The Notes may be redeemed prior to maturity

In the event that the Issuer or the Guarantor are obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or the Hellenic Republic or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions.

In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes. Potential investors should consider whether and how to reinvest the proceeds of such redemption in light of other investments available at that time. There can be no assurance that holders will be able to reinvest the redemption proceeds at a rate that will provide the same rate of return as their investment in the Notes.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Denominations involve integral multiples: definitive Notes

The Notes have denominations consisting of a minimum of €100,000 plus one or more higher integral multiples of €1,000 in excess thereof up to and including €199,000. It is possible that the Notes may be traded in amounts that are not integral multiples of €100,000. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than €100,000 in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to €100,000.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a description of the material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

There is no active trading market for the Notes

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. Although application has been made for the Notes to be listed on the Luxembourg Stock Exchange, there is no assurance that such application will be accepted or that an active trading market will develop or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, it may result in a material decline in the market price of the Notes, and the liquidity of the Notes may be adversely affected. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Further, if additional and competing products are introduced in the markets, this may also result in a material decline in the market price and value of the Notes. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Prospectus), whereby there is a lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the assets of the Issuer. The Issuer cannot predict which of these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in euros. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease: (a) the Investor's Currency equivalent yield on the Notes; (b) the Investor's Currency equivalent value of the principal payable on the Notes; and (c) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer or the Guarantor to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal at all.

Interest rate risks

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of them.

Absence of rating

The Notes are not currently rated by any rating agency.

No assurance on change of laws or practices

The Notes are governed by English law, as in force from time to time. English laws (including, but not limited to, tax laws) and regulations governing the Notes may change during the validity of the Notes, and new judicial decisions can be given and administrative practices take place. No assurance can be given as to the impact of any such possible change of laws or regulations, or new judicial decision or administrative practice taking place after the date of this Prospectus. Hence, if materialised, such event may have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

INFORMATION INCORPORATED BY REFERENCE

The information set out in the table below which has previously been published or is published simultaneously with this Prospectus and has been filed with the CSSF shall be deemed to be incorporated in, and to form part of, this Prospectus provided however that any statement contained in any document incorporated by reference in, and forming part of, this Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such statement.

Such documents will be made available, free of charge, during usual business hours at the specified offices of the Paying Agents for the time being in London and Luxembourg, unless such documents have been modified or superseded.

Hellenic Petroleum Finance plc

- ***Stand-alone financial statements and corresponding auditor's report for the year ended 31 December 2015***

Independent auditors' report	Pages 7-8
Statement of comprehensive income	Page 9
Statement of financial position	Page 10
Statement of changes in equity	Page 11
Statement of cash flows	Page 12
Notes to the financial statements	Pages 13-25

- ***Stand-alone financial statements and corresponding auditor's report for the year ended 31 December 2014***

Independent auditors' report	Page 7-8
Statement of comprehensive income	Page 9
Statement of financial position	Page 10
Statement of changes in equity	Page 11
Statement of cash flows	Page 12
Notes to the financial statements	Pages 13-23

Hellenic Petroleum S.A.

- ***Condensed Interim Consolidated Unaudited but Reviewed Financial Information for the six month period ended 30 June 2015***

Report on Review of Interim Financial Information	Page 4
Condensed Interim Consolidated Statement of financial position	Page 5
Condensed Interim Consolidated Statement of comprehensive income	Page 6
Condensed Interim Consolidated Statement of changes in equity	Page 7

Condensed Interim Consolidated Statement of cash flows	Page 8
Notes to the Condensed Interim Consolidated financial information	Pages 9-32

- ***Condensed Interim Consolidated Unaudited but Reviewed Financial Information for the six month period ended 30 June 2016***

Report on Review of Interim Financial Information	Page 4
Condensed Interim Consolidated Statement of financial position	Page 5
Condensed Interim Consolidated Statement of comprehensive income	Page 6
Condensed Interim Consolidated Statement of changes in equity	Page 7
Condensed Interim Consolidated Statement of cash flows	Page 8
Notes to the Condensed Interim Consolidated financial information	Pages 9-28

- ***Annual Financial Report (the "2015 Report") for fiscal year ended 31 December 2015 (as per Article 4 of Law 3556/2007)***

Consolidated financial statements:

Independent auditor's report	2015 Report pdf pages 9-10
Consolidated statement of financial position	2015 Report pdf page 11
Consolidated statement of comprehensive income	2015 Report pdf page 12
Consolidated statement of changes in equity	2015 Report pdf page 12
Consolidated statement of cash flows	2015 Report pdf page 14
Notes to the consolidated financial statements	2015 Report pdf pages 15-69

Unconsolidated financial statements:

Independent auditor's report	2015 Report pdf pages 75-76
Statement of financial position	2015 Report pdf page 77
Statement of comprehensive income	2015 Report pdf page 78
Statement of changes in equity	2015 Report pdf page 79
Statement of cash flows	2015 Report pdf page 80
Notes to the financial statements	2015 Report pdf pages 81-128
Annual Report of the Board of Directors	2015 Report pdf pages 129-171
Statement of the Chairman, Chief Executive Officer and one Director on the true presentation of the Annual Financial Report	2015 Report pdf pages 172-173

Complementary information and data pursuant to decision no. 7/448/11.10.07 of the Hellenic Capital Market Commission	2015 Report pdf pages 177-181

- ***Annual Financial Report (the "2014 Report") for fiscal year ended 31 December 2014 (as per Article 4 of Law 3556/2007)***

Consolidated Financial Statements:

Independent auditor's report	2014 Report pdf pages 9-10
Consolidated statement of financial position	2014 Report pdf page 11
Consolidated statement of comprehensive income	2014 Report pdf page 12
Consolidated statement of changes in equity	2014 Report pdf page 13
Consolidated statement of cash flows	2014 Report pdf page 14
Notes to the consolidated financial statements	2014 Report pdf pages 15-71

Unconsolidated Financial Statements:

Independent auditor's report	2014 Report pdf pages 77-78
Statement of financial position	2014 Report pdf page 79
Statement of comprehensive income	2014 Report pdf page 80
Statement of changes in equity	2014 Report pdf page 81
Statement of cash flows	2014 Report pdf page 82
Notes to the financial statements	2014 Report pdf pages 83-134
Annual Report of the Board of Directors	2014 Report pdf pages 135-176
Statement of the Chairman, Chief Executive Officer and one Director on the true presentation of the Annual Financial Report	2014 Report pdf pages 177-178
Complementary information and data pursuant to decision no. 7/448/11.10.07 of the Hellenic Capital Market Commission	2014 Report pdf pages 182-187

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) No 809/2004 of 29 April 2004, as amended.

Following the approval of this Prospectus, a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive and Article 13 of the Luxembourg Act. The Prospectus can only be supplemented between the approval date of the Prospectus and the date of commencement of trading of the Notes on the Luxembourg Stock Exchange's regulated market. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus and are either covered in another part of the Prospectus or are not relevant for the investors.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

Copies of the documents incorporated by reference in this Prospectus are available for viewing on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

OVERVIEW

This overview is a general description of the Notes and should be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meanings in this overview. Reference to "Conditions" or "Terms and Conditions" in this Prospectus are to the Terms and Conditions of the Notes.

The Issuer:	Hellenic Petroleum Finance plc, a public limited company incorporated with limited liability under the laws of England and Wales (registered number 05610284), which is the central treasury and funding vehicle of the Guarantor and its subsidiaries (together, the "**Group**").
The Guarantor:	Hellenic Petroleum S.A. a *société anonyme* organised and existing under the laws of the Hellenic Republic (registration number at GEMI 296601000, former registration number 2443/06/B/8623), which operates in the oil, petrochemicals and electricity industries.
Global Coordinators:	Credit Suisse Securities (Europe) Limited and HSBC Bank plc.
Joint Bookrunners:	Alpha Bank A.E., Credit Suisse Securities (Europe) Limited, Eurobank Ergasias S.A., HSBC Bank plc, National Bank of Greece S.A. and Piraeus Bank S.A.
Trustee:	BNY Mellon Corporate Trustee Services Limited.
The Notes:	€375,000,000 4.875 per cent. Guaranteed Notes due 14 October 2021.
Issue Price:	99.453 per cent. of the principal amount of the Notes.
Issue Date:	14 October 2016.
Use of Proceeds:	The proceeds of the issue of the Notes will be used by the Issuer to refinance existing financial indebtedness of the Group. See "*Use of Proceeds*".
Interest:	The Notes will bear interest from 14 October 2016 at a rate of 4.875 per cent. per annum payable semi-annually in arrear on 14 April and 14 October in each year commencing on 14 April 2017.
Status and Guarantee:	The Notes are senior, unsubordinated, unconditional and unsecured obligations of the Issuer. The Guarantee of the Notes (as defined in the section below entitled "*Terms and Conditions of the Notes*") is a senior, unsubordinated, unconditional and unsecured obligation of the Guarantor.
Form and Denomination:	The Notes will be issued in bearer form in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000.
Final Maturity Date:	14 October 2021.

Redemption and Purchase:	See "*Terms and Conditions of the Notes*". Subject to a Put Option Event having occurred, the Issuer shall, at the option of the Noteholders, redeem the relevant Notes at their principal amount, together with interest accrued up to but excluding the date of redemption.
Put Option Event:	In the case of (i) a change of control (as set out in the definition of Put Option Event in Condition 18 (*Definitions*)) of the Guarantor or (ii) the Guarantor's Consolidated Total Borrowings exceeding certain borrowing limits, each investor will have the right to require the Issuer to redeem its Notes at par together with accrued interest. See Condition 6(c) (*Redemption at the option of Noteholders*:) for detail.
Disposals:	The Terms and Conditions of the Notes will contain a restriction on disposal of assets of the Guarantor as further described in Condition 4 (*Disposals*).
Negative Pledge:	The Terms and Conditions of the Notes will contain a negative pledge provision as further described in Condition 3 (*Negative Pledge*).
Cross Acceleration:	The Terms and Conditions of the Notes will contain a cross acceleration provision as further described in Condition 9 (*Events of Default*).
Withholding Tax:	All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantor will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or the Hellenic Republic or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer or (as the case may be) the Guarantor will pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, subject to customary exceptions. See Condition 8 (*Taxation*). All payments of principal and interest in respect of the Notes will be made subject to any withholding or deduction required pursuant to fiscal and other laws, as provided in Condition 7(c) (*Payments subject to fiscal laws*).
Governing Law:	The Notes, the Trust Deed, the Agency Agreement and the Subscription Agreement will be governed by English law.
Listing and Trading:	Application has been made for the Notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange and for admission to trading on the Luxembourg Stock Exchange's regulated market.
Clearing Systems:	Euroclear and Clearstream, Luxembourg.
Selling Restrictions:	See "*Subscription and Sale*".
Risk Factors:	Investing in the Notes involves risks. See "*Risk Factors*".

Financial Information:	See "*Description of the Issuer — Financial Statements*", "*Description of the Guarantor — Selected Consolidated Financial Information*" and "*Description of Guarantor — Selected Alternative Performance Measures*".

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which (subject to completion and amendment) will be endorsed on each Note in definitive form (if issued):

The €375,000,000 4.875 per cent. Guaranteed Notes due 14 October 2021 (the "**Notes**", which expression includes any further notes issued pursuant to Condition 15 (*Further Issues*) and forming a single series therewith) of Hellenic Petroleum Finance plc (the "**Issuer**") are subject to, and have the benefit of, a trust deed dated 14 October 2016 (as amended or supplemented from time to time, the "**Trust Deed**") between the Issuer, Hellenic Petroleum S.A. (the "**Guarantor**") and BNY Mellon Corporate Trustee Services Limited as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed) and are the subject of a paying agency agreement dated 14 October 2016 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, the Guarantor, The Bank of New York Mellon as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the Trustee. Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by Noteholders during normal business hours at the specified offices of the Trustee and the Principal Paying Agent, being at the date hereof One Canada Square, London E14 5AL.

Capitalised terms are defined in Condition 18 (*Definitions*).

1. FORM, DENOMINATION AND TITLE

The Notes are serially numbered and in bearer form in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 with Coupons attached at the time of issue. No Notes in definitive form will be issued with a denomination above €199,000. Notes of one denomination will not be exchangeable for Notes of another denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of the Notes or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

2. STATUS AND GUARANTEE

(a) *Status of the Notes*:

The Notes constitute unsecured, direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(b) *Guarantee of the Notes*:

The Guarantor has in the Trust Deed unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This guarantee (the "**Guarantee of the Notes**") constitutes direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

3. NEGATIVE PLEDGE

(a) So long as any Note remains outstanding (as defined in the Trust Deed), except as provided below, no Material Group Member may create or allow to exist any Security Interest over all or any of its present or future revenues or assets to secure any Financial Indebtedness now or hereafter existing.

(b) So long as any Note remains outstanding, no Material Group Member may:

(i) sell, transfer or otherwise dispose of any of its assets on terms where it may be leased to or re-acquired or acquired by a member of the Group;

(ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms; or

(iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set off or made subject to a combination of accounts,

(paragraphs (i), (ii) and (iii) above being "**Quasi Security**") in circumstances where the transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

(c) Conditions 3(a) and 3(b) above do not apply to a Permitted Security Interest.

(d) Condition 3(b) above does not apply to:

(i) any operating lease; or

(ii) any transaction between one member of the Group and another member of the Group.

4. DISPOSALS

(a) Except as provided below, neither the Guarantor nor the Issuer nor any other Material Subsidiary may, whether voluntarily or involuntarily, whether in a single transaction or in a series of transactions and whether related or not, sell, transfer, grant or lease or otherwise dispose of all or any part of its assets or agree to do any of the foregoing.

(b) Condition 4(a) above does not apply if such disposals are effected at any time during which any one of Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. Moody's Investors Services Limited, Fitch Ratings Limited or DBRS Ratings Limited (or any successor, replacement or alternative credit rating agency) rates the unsecured, long term debt obligations of the Guarantor as BBB-/Baa3 (or equivalent), as applicable, or above and such disposals do not cause the unsecured, long term debt obligations of the Guarantor to be rated below BBB-/Baa3 (or equivalent), as applicable.

(c) Condition 4(a) above shall not apply to:

(i) any disposal at arm's length, on normal commercial terms;

(ii) any disposal of assets at arm's length and on normal commercial terms in exchange for, or which are immediately replaced by, other assets that are comparable or superior as to type, value and quality;

(iii) any disposal of redundant or obsolete assets not required for the efficient operation of its business;

(iv) any disposal of any asset or revenues approved by the Trustee (acting on the instructions of the holders of at least 25 per cent. in principal amount of the Notes or by Extraordinary Resolution);

(v) disposals of cash in connection with any expenditure not prohibited by these Conditions;

(vi) disposals from any member of the Group (other than the Guarantor) to any other member of the Group;

(vii) any amalgamation, merger, de-merger, reconstruction or consolidation involving any member of the Group pursuant to an intra-Group reorganisation on a solvent basis, or otherwise, provided that, to the extent involving the Guarantor or the Issuer, the Guarantor or the Issuer (as applicable) is the surviving company and remains responsible for and bound by all its obligations under the Notes and the Trust Deed;

(viii) a disposal of assets or revenues not otherwise falling within Condition 4(c)(i) to (vii) above (inclusive) the book value of which when aggregated with the book value of other disposals not falling within Condition 4(c)(i) to (vii) above (inclusive) and made since the Issue Date does not equal or exceed an amount equal to 15 per cent. of the book value of the consolidated gross assets of the Group as determined from the most recently prepared consolidated financial statements;

(ix) any disposal of investments listed or dealt in on any securities exchange or over-the-counter market (not being investments in any member of the Group) in the ordinary course of the Group's treasury transactions;

(x) a disposal of all or part of the Guarantor's shareholding in DEPA S.A. or any asset held under DEPA S.A.;

(xi) disposal of all or part of the Guarantor's shareholding in Elpedison B.V. and/or its Subsidiaries;

(xii) a Permitted Securitisation provided that:

    (A) the aggregate principal amount of all indebtedness issued in connection with the Permitted Securitisation other than indebtedness owned by a member of the Group does not exceed €400,000,000 at any time for so long as the Notes are outstanding; and

    (B) any over collateralisation in connection with any Permitted Securitisation does not exceed 150 per cent;

(xiii) any disposal, or purported disposal at arm's length, of crude oil or other petroleum products by any member of the Group, including transactions related or arising as a result of changes in law with respect to the obligations of the Group to hold Compulsory Stock Obligations; or

(xiv) disposals of receivables under any factoring of receivables which does not fall within the definition of Permitted Securitisation.

5. INTEREST

The Notes bear interest from (and including) 14 October 2016 (the "**Issue Date**") at the rate of 4.875 per cent. per annum, (the "**Rate of Interest**") payable semi-annually in arrear on 14 April and 14 October in each year (each, an "**Interest Payment Date**"), subject as provided in Condition 7 (*Payments*). The first Interest Payment Date will be in respect of the period from (and including) the Issue Date to (but excluding) 14 April 2017 and the amount payable shall be €24.375 per €1,000 in nominal amount of the Notes.

Each Note will cease to bear interest from and including the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

If interest is required to be paid in respect of a Note on any date other than an Interest Payment Date, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards). The amount of interest payable per Note of a given specified denomination will be the product (without any further rounding) of (i) the amount in euro calculated above per €1,000 and (ii) the applicable specified denomination of such Note divided by the Calculation Amount, where:

"**Calculation Amount**" means €1,000;

"**Day Count Fraction**" means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by twice the number of days in the Regular Period in which the relevant period falls; and

"**Regular Period**" means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date or, in the case of the last Regular Period, the Final Maturity Date.

6. REDEMPTION AND PURCHASE

(a) *Scheduled redemption*:

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 14 October 2021, (the "**Final Maturity Date**") subject as provided in Condition 7 (*Payments*).

(b) *Redemption for tax reasons*:

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their principal amount, together with interest accrued to the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:

(i) (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 12 October 2016; and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

(ii) (A) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) or the Guarantee of the Notes, as the case may be, or the Guarantor has or will become obliged to make any such withholding or deduction as is referred to in Condition 8 (*Taxation*) or the Guarantee of the Notes, as the case may be, from any amount paid by it to the Issuer in order to enable the Issuer to make a payment of principal or interest in respect of the Notes, in either case as a result of any change in, or amendment to, the laws or regulations of the Hellenic Republic or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 12 October 2016; and (B) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts or the Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph (b), the Issuer shall deliver or procure that there is delivered to the Trustee:

(A) a certificate signed by two directors of the Issuer stating that the circumstances referred to in paragraphs (i)(A) and (i)(B) above prevail and setting out the details of such circumstances or (as the case may be) a certificate signed by two directors of the Guarantor stating that the circumstances referred to in paragraphs (ii)(A) and (ii)(B) above prevail and setting out the details of such circumstances; and

(B) an opinion in form and substance satisfactory to the Trustee of independent legal advisers of recognised standing to the effect that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay such additional amounts or (as the case may be) the Guarantor has or will become obliged to make such withholding or deduction as a result of such change or amendment.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in paragraphs (i)(A) and (i)(B) above or (as the case may be) paragraphs (ii)(A) and (ii)(B) above, in which event they shall be conclusive and binding on the Noteholders.

Upon the expiry of any such notice as is referred to in this Condition 6(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 6(b).

(c) *Redemption at the option of Noteholders*:

Within 10 Business Days after becoming aware of the occurrence of a Put Option Event, the Issuer shall give notice (a "**Put Option Notice**") to the Noteholders in accordance with Condition 16 (*Notices*) specifying the nature of the Put Option Event and the procedure for exercising the option contained in this Condition 6(c). The holder of each Note will have the option (the "**Noteholder Option**") to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Put Date (as defined below) at its principal amount, together with any interest accrued up to (but excluding) the Put Date.

The Noteholder Option may be exercised by the holder delivering its Note(s), on any Business Day falling within the period (the "**Put Period**") of 45 days after a Put Option Notice is given, at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "**Put Notice**") and in which the holder may specify a bank account (in the currency of the Notes) to which payment is to be made under this Condition 6(c). The Notes should be delivered together with all Coupons appertaining, thereto maturing after the date 15 days after the expiry of the Put Period (the "**Put Date**").

The Paying Agent to which such Note(s) and Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note(s) so delivered. Payment in respect of any Note(s) so delivered will be made, if the holder duly specified a bank account (in the currency of the Notes) in the Put Notice to which payment is to be made, on the Put Date by transfer to that bank account and, in every other case, on or after the Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Put Notice, once given, shall be irrevocable. For the purposes of Condition 7 (*Payments*) and the definition of "outstanding" in clause 1.1 of the Trust Deed, receipts issued pursuant to this Condition 6(c) shall be treated as if they were Notes. The Issuer shall redeem or, at the option of the Issuer, purchase (or procure the purchase of) the relevant Notes on the Put Date at their principal amount, together with any interest accrued up to (but excluding) the Put Date unless previously redeemed or purchased. Upon redemption or purchase of the Notes by the Issuer as mentioned in this Condition 6(c), any related receipts as mentioned above will be of no further value and shall be void.

If 80 per cent. or more in nominal amount of the Notes outstanding immediately prior to the Put Date have been redeemed or purchased pursuant to the foregoing provisions of this Condition 6(c), the Issuer may, on not less than 30 or more than 60 days' notice to the Noteholders given within 30 days after the Put Date, redeem, at its option, the remaining Notes as a whole at a redemption price of the principal amount thereof plus interest accrued to but excluding the date of such redemption.

(d) *No other redemption*:

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 6(a) to 6(c) above.

(e) *Purchase*:

The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, *provided that* all unmatured Coupons are purchased therewith.

(f) *Cancellation*:

All Notes redeemed as scheduled under Condition 6(a) above by the Issuer, Guarantor or any of their respective Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be held, reissued or resold.

7. PAYMENTS

(a) *Principal*:

Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Notes at the specified office of any Paying Agent outside the United States by euro cheque drawn on, or by transfer to a euro account (or other account to which euros may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to TARGET2.

All references to principal herein shall include any purchase price payable pursuant to Condition 6(c) (*Redemption at the option of Noteholders*) by or on behalf of the Issuer or the Guarantor.

(b) *Interest*:

Payments of interest shall, subject to Condition 7(f) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupons at the specified office of any Paying Agent outside the United States in the manner described in Condition 7(a) above.

(c) *Payments subject to fiscal laws*:

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) *Deduction for unmatured Coupons*:

If a Note is presented without all unmatured Coupons relating thereto, then:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in reverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 7(a) above against presentation and (*provided that* payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.

(e) *Payments only on a Presentation Date*:

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 5 (*Interest*), be entitled to any further interest or other payment if a Presentation Date is after the due date.

"**Presentation Date**" means a day which (subject to Condition 10 (*Prescription*)):

(i) is or falls after the relevant due date;

(ii) is a Business Day in London, Athens and the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and

(iii) in the case of payment by credit or transfer to a euro account as referred to above, is a TARGET Settlement Day.

In this Condition 7, "**Business Day**" means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place.

(f) *Payments other than in respect of matured Coupons*:

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the specified office of any Paying Agent outside the United States.

(g) *Partial payments*:

If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(h) *Initial Paying Agents:*

The names of the initial Paying Agents and their initial specified offices are set out at the beginning of these Conditions. The Issuer and the Guarantor reserve the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

(i) there will at all times be a Principal Paying Agent; and

(ii) so long as the Notes are listed on the Luxembourg Stock Exchange, there will at all times be at least one Paying Agent which qualifies as a credit institution or a financial institution within the meaning of Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as amended and which is capable of effecting the financial service of the Notes to holders in Luxembourg.

Notice of any variation, termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 16 (*Notices*).

8. TAXATION

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or the Hellenic Republic or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

(a) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon;

(b) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days; or

(c) where such withholding or deduction is required pursuant to an agreement described in section 1471(b) of the Code, or is otherwise imposed pursuant to sections 1471 through 1474 of the Code and any regulations, agreements or undertakings thereunder or official interpretations thereof or other law implementing an intergovernmental approach thereto.

In these Conditions, "**Relevant Date**" means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in a city in which banks have access to TARGET2 by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 8 or any undertaking given in addition to or in substitution of this Condition 8 pursuant to the Trust Deed.

If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than the United Kingdom (in the case of the Issuer) or the Hellenic Republic (in the case of the Guarantor), references in these Conditions to the United Kingdom or the Hellenic Republic shall be construed as references to the United Kingdom or (as the case may be) the Hellenic Republic and/or such other jurisdiction.

9. EVENTS OF DEFAULT

If any of the following events (each an "**Event of Default**") occurs, then the Trustee at its discretion may and, if so requested in writing by holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject in each case to the Trustee having been indemnified and/or provided with security and/or prefunded to its satisfaction), (but, in the case of the happening of any of the events described in Conditions 9(b), 9(f)(vi), 9(g) (other than the winding up or dissolution of the Issuer or the Guarantor), 9(h) and 9(i) below, only if the Trustee shall have certified in writing to the Issuer and the Guarantor that such event is, in its opinion, materially prejudicial to the interests of the Noteholders) give written notice to the Issuer and the Guarantor declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality:

(a) *Non-payment*:

the Issuer fails to pay any amount of principal in respect of the Notes within five business days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within seven business days of the due date for payment thereof; or

(b) *Breach of other obligations*:

the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Trust Deed and such default (i) is, in the opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the opinion of the Trustee, capable of remedy, remains unremedied for 30 days (or such longer period as the Trustee may permit) after the Trustee has given written notice thereof to the Issuer and the Guarantor; or

(c) *Cross-acceleration of Issuer, Guarantor or Material Subsidiary*:

(i) any Financial Indebtedness of the Issuer, the Guarantor or any of their respective Material Subsidiaries is not paid when due (including failure to make any payment due under any guarantee and/or indemnity given by the Issuer, the Guarantor or any of their respective Material Subsidiaries in relation to any Financial Indebtedness of any other person) or (as the case may be) within any originally applicable grace period; or

(ii) any such Financial Indebtedness becomes due and payable prior to its stated maturity as a result of an event of default (howsoever described) otherwise than at the option of the Issuer, the Guarantor or (as the case may be) the relevant Material Subsidiary or (provided that no event of default, howsoever described, has occurred) any person entitled to such Financial Indebtedness,

provided that the amount of Financial Indebtedness referred to in paragraph (i) and/or paragraph (ii) above individually or in the aggregate exceeds €50,000,000 (or its equivalent in any other currency or currencies); or

(d) *Unsatisfied judgment*:

one or more final and unappealable judgment(s) or court order(s) for the payment of any amount is rendered against the Issuer, the Guarantor or any Material Subsidiary and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment, unless, in each case, the aggregate amount of such sum is less than €15,000,000 or its equivalent in any currency; or

(e) *Security enforced*:

a secured party, pursuant to the enforcement of such security, takes possession, or a receiver, manager or other similar officer is appointed over, of the whole or any part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of their respective Material Subsidiaries, unless, in each case, the aggregate value of the assets, undertaking or revenues in relation to which the secured party has taken possession or receiver etc. has been appointed is less than €15,000,000 or its equivalent in any currency; or

(f) *Insolvency, etc.*:

in respect of the Issuer, the Guarantor or any Material Subsidiary:

(i) it is unable to pay its debts as they fall due; or

(ii) (A) it admits in writing its inability to pay its debts as they fall due or, (B) in the case of the Guarantor or any Material Subsidiary having its centre of main interests in Greece, its cessation of payments pursuant to Article 3 part 1 of the Greek Bankruptcy Law; or

(iii) by reason of actual or anticipated financial difficulties, it:

(A) begins negotiations with any creditor for the rescheduling of a material part of its indebtedness; or

(B) files for the rehabilitation process under Article 99 et seq. of the Greek Bankruptcy Law; or

(iv) it suspends making payments on all or any class of or a substantial part of its debts or announces its intention to do so; or

(v) a moratorium is declared in respect of all or a substantial part of its indebtedness; or

(vi) the Issuer, the Guarantor or any of its Material Subsidiaries ceases, or threatens to cease, to carry on all or part of its business which is substantial in relation to the business of the Group as a whole, except as a result of any disposal permitted pursuant to Condition 4(c) (*Disposals*) or as part of a Permitted Transaction; or

(g) *Winding up, etc.*:

in the case of the Guarantor or any Material Subsidiary having its centre of main interest in Greece, an order for its winding-up, administration or dissolution is made, including, in the form of an injunction for the taking of temporary protective measures (*proliptika metra*) in the meaning of Articles 10, 99 or 106Iα of the Greek Bankruptcy Law, in the context of or for the purposes of opening proceedings for rehabilitation under Article 99 et seq. of the Greek Bankruptcy Law, special liquidation under Article 106Iα of the Greek Bankruptcy Law or bankruptcy under the Greek Bankruptcy Law, or compulsory administration (*anagastiki diahirisi*) or special administration under articles 62 and 68 of Law 4307/2014 or, in the case of the Issuer, the Guarantor or any Material Subsidiary not having its centre of main interest in Greece, any other analogous step or procedure is taken in any jurisdiction, provided that the following shall be deemed not to be an Event of Default under this Condition 9(g):

(i) any step or procedure which is part of a Permitted Transaction;

(ii) a petition for winding-up presented by a creditor which is being contested in good faith and with due diligence and is discharged or struck out within 30 days; or

(iii) any step or procedure which occurs in a jurisdiction where the Guarantor or any Material Subsidiary has assets, the book value of which do not exceed in aggregate €50,000,000; or

(h) *Failure to take action, etc.*:

any action, condition or thing at any time required to be taken, fulfilled or done in order to ensure that the obligations of the Issuer and the Guarantor under or in respect of the Notes and the Trust Deed are legal, valid and binding; or

(i) *Unlawfulness*:

it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations under or in respect of the Notes or the Trust Deed; or

(j) *Guarantee not in force*:

the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect; or

(k) *Controlling shareholder*:

the Issuer ceases to be a Subsidiary of the Guarantor.

10. PRESCRIPTION

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

11. REPLACEMENT OF NOTES AND COUPONS

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Paying Agent in Luxembourg, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

12. TRUSTEE AND PAYING AGENTS

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its fees, costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity relating to the Issuer or the Guarantor without accounting for any profit.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee will have regard to the general interests of the Noteholders as a class and shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 (*Taxation*) and/or any undertaking given in addition to, or in substitution for, Condition 8 (*Taxation*) pursuant to the Trust Deed.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer, the Guarantor and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The Issuer and the Guarantor reserve the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor principal paying agent and additional or successor paying agents; *provided, however, that* the Issuer and the Guarantor shall at all times maintain (a) a principal paying agent and (b) a paying agent in London.

Notice of any change in any of the Paying Agents or in their specified offices shall promptly be given to the Noteholders.

13. MEETINGS OF NOTEHOLDERS; MODIFICATION AND WAIVER; SUBSTITUTION

(a) *Meetings of Noteholders*:

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matters affecting their interests, including the modification of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) or by the Trustee and shall be convened by the Issuer and the Guarantor upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing in the aggregate more than 50 per cent. in principal amount of the outstanding Notes or, at any adjourned meeting, one or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* certain proposals (including, *inter alia*, any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes, to amend the terms of the Guarantee of the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**")) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more persons holding or representing not less than three-quarters or, at any adjourned meeting, not less than one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, (i) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding or (ii) a resolution in writing signed by or on behalf of the holders of at least 75 per cent. in principal amount of the Notes then outstanding, will, in each case, take effect as it were an Extraordinary Resolution of the Noteholders. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) *Modification and waiver*:

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error.

Any modification, abrogation, waiver, authorisation, determination or substitution shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, any modification or substitution shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 16 (*Notices*).

(c) *Substitution*:

The Trust Deed contains provisions under which the Guarantor or any Subsidiary of the Guarantor may, without the consent of the Noteholders or Couponholders assume the obligations of the Issuer as principal debtor under the Trust Deed, the Notes and the Coupons, subject to:

(i) except in the case of the substitution of the Guarantor, the Notes being unconditionally and irrevocably guaranteed by the Guarantor;

(ii) the Trustee being satisfied that the substitution is not materially prejudicial to the interests of the Noteholders; and

(iii) certain conditions specified in the Trust Deed are fulfilled.

No Noteholder or Couponholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Noteholder or (as the case may be) Couponholder except to the extent provided for in Condition 8 (*Taxation*) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

14. ENFORCEMENT

The Trustee may at any time, at its discretion and without notice, institute such proceedings and/or take such other steps or action (including lodging an appeal in any proceedings) against or in relation to the Issuer and/or the Guarantor as it thinks fit to enforce the provisions of the Trust Deed, the Notes, the Coupons or otherwise, but it shall not be bound to institute such proceedings or take such other steps or action or to take any other action unless:

(a) it has been so requested in writing by the holders of at least one quarter of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and

(b) it has been indemnified and/or provided with security and/or prefunded to its satisfaction.

No Noteholder or Couponholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

15. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders or Couponholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so that the same shall be consolidated and form a single series with the Notes. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed.

16. NOTICES

All notices to the Noteholders will be valid if published in a leading English language daily newspaper with general circulation in Europe as the Trustee may approve. It is expected that publication will normally be made in the *Financial Times*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or the relevant authority on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition 16.

17. GOVERNING LAW AND JURISDICTION

(a) *Governing law*:

The Trust Deed (including the Guarantee), the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes and the Coupons are governed by, and construed in accordance with, English law.

(b) *Jurisdiction*:

Each of the Issuer and the Guarantor has in the Trust Deed (i) agreed for the benefit of the Trustee and the Noteholders that the courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes); (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient; (iii) designated a person in England to accept service of any process on its behalf; (iv) consented to the enforcement of any judgment; and (v) to the extent that it may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process, and to the extent that in any such jurisdiction there may be attributed to itself or its assets or revenues such immunity (whether or not claimed), agreed not to claim and irrevocably waived such immunity to the full extent permitted by the laws of such jurisdiction. The Trust Deed also states that nothing contained in the Trust Deed prevents the Trustee or any of the Noteholders or Couponholders from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction and that, to the extent allowed by law, the Trustee or any of the Noteholders or Couponholders may take concurrent Proceedings in any number of jurisdictions.

(c) The Guarantor irrevocably appoints Hellenic Petroleum Finance plc at 4th Floor, 40 Dukes Place, London EC3A 7NH or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with the Companies Act 2006 as its agent for the service of process in England in respect of any Proceedings and has undertaken that in the event of such agent ceasing so to act it will appoint such other person as the Trustee may approve as its agent for that purpose. The Guarantor agrees that a failure by a process agent to notify it of any process will not invalidate service. Nothing in this paragraph (c) shall affect the right of the Trustee or any of the Noteholders to serve process in any other manner permitted by law. This paragraph (c) applies to Proceedings in England and to Proceedings elsewhere.

18. DEFINITIONS

In these Conditions, the following terms have the following meanings:

"**Accounting Principles**" means, for the purposes of the preparation and/or audit of any financial statements of the Issuer, the Guarantor and the Group, IFRS or other applicable industry accounting standards.

"**Compulsory Stock Obligations**" means the obligation of an economic operator to maintain emergency oil stocks in accordance with Article 3 of Directive 2009/119/EC, as transposed into Greek legislation by virtue of Article 3 of Law 4123/2013 and as further specified by the CSO Regulation.

"**Consolidated Cash and Cash Equivalents**" means, at any time:

(a) cash in hand or on deposit with any bank or financial institution;

(b) certificates of deposit, maturing within one year after the relevant date of calculation, issued by a bank;

(c) any investment in marketable obligations issued or guaranteed by the government of the United States of America, the U.K. or any Participating Member State or by an instrumentality or agency of any of them having an equivalent credit rating provided that any investment in marketable obligations issued or guaranteed by the government of any Participating Member State which has a rating for its short term unsecured and non-credit enhanced debt obligations of less than A-1 or F-1 from S&P or Fitch or P-1 from Moody's, the maturity of such obligation must be 12 months or less from the date of issue;

(d) open market commercial paper:

(i) for which a recognised trading market exists;

(ii) issued in the United States of America, the U.K. or any Participating Member State;

(iii) which matures within one year after the relevant date of calculation; and

(iv) which has a credit rating of either A-1 by S&P or Fitch or P-1 by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term debt obligations, an equivalent rating;

(e) any other debt instrument, security or investment approved by the Trustee (acting on the instructions of the holders of at least 25 per cent. in principal amount of the Notes then outstanding or by an Extraordinary Resolution of the Noteholders),

in each case, to which any member of the Group is beneficially entitled at that time and which is capable of being applied against Consolidated Total Borrowings.

"**Consolidated Net Borrowings**" means at any time Consolidated Total Borrowings less Consolidated Cash and Cash Equivalents.

"**Consolidated Net Worth**" means at any time the aggregate of:

(a) the amount paid up or credited as paid up on the issued share capital of the Guarantor; and

(b) the net amount standing to the credit (or debit) of the consolidated reserves of the Group,

based on the latest published and audited or reviewed consolidated balance sheet of the Guarantor (the "**latest balance sheet**") but adjusted by:

(i) adding any amount standing to the credit of the profit and loss account of the Group for the period ending on the date of the latest balance sheet to the extent not included in paragraph (b) above;

(ii) deducting any dividend or other distribution made by any member of the Group to a third party (except to the extent it has been taken into account in the latest balance sheet);

(iii) deducting any amount standing to the debit of the profit and loss account of the Group for the period ending on the date of the latest balance sheet to the extent not included in paragraph (b) above;

(iv) reflecting any variation in the amount of the issued share capital of the Guarantor and the consolidated capital and revenue reserves of the Group after the date of the latest balance sheet in case the latest balance sheet date does not coincide with the reporting date;

(v) adding any amount provided for due to the sale of all or part of the Guarantor's shareholding in DEPA S.A. to the extent that the proceeds for that sale have not been received and included in the calculation as of the end of the measurement period;

(vi) excluding any amount attributed to deferred taxation (other than any amounts relating to net temporary differences arising from net losses carried forward or net interest cost carried forward (thin capitalisation)); and

(vii) excluding any consolidation differences.

"**Consolidated Total Borrowings**" means, without double counting, in respect of the Group, at any time the aggregate of the following:

(a) the outstanding principal amount of any moneys borrowed;

(b) the outstanding principal amount of any acceptance credit under any acceptance certificate;

(c) any letter(s) of credit or guarantee(s) issued by any person on the instructions of a member of the Group, whether they have been called or not, and if called not yet indemnified by the relevant Group member, having at the time of their issuance a validity period of 90 days or more and being for the benefit of third party beneficiaries for which letter(s) of credit or guarantee(s) such Group member bears directly or indirectly the counter-indemnity liability to the relevant issuer, provided that only the excess over a principal amount of €400 million in aggregate will be included in the calculations under this paragraph (c);

(d) the outstanding principal amount of any bond, note, debenture, loan stock or other similar instrument;

(e) the capitalised element of indebtedness under a finance or capital lease;

(f) the outstanding principal amount of all moneys owing in connection with the sale or discounting of receivables (otherwise than on a non-recourse basis);

(g) the outstanding principal amount of any indebtedness arising from any advance or deferred payment agreements where the advance or deferred payment relates to the acquisition cost of any petroleum product to the extent payable more than 180 days after the later of its acquisition or possession by the party liable and arranged primarily as a method of raising finance or financing the acquisition of any petroleum product;

(h) the outstanding principal amount of any indebtedness arising from any deferred payment obligations in relation to the acquisition cost of any asset acquired in connection with a capital project of the party liable to the extent payable more than 120 days after the date the party liable has accepted that asset;

(i) any fixed or minimum premium payable on the repayment or redemption of any instrument referred to in paragraph (c) above;

(j) the outstanding principal amount of any indebtedness arising in connection with any other transaction (including any forward sale or purchase agreement other than a forward sale or purchase agreement where all the amounts will become due by any Group member within 120 days and not including any derivatives transaction) which has the commercial effect of a borrowing; and

(k) the outstanding principal amount of any indebtedness by any person of a type referred to in paragraphs (a) to (j) above which is the subject of a guarantee, indemnity or similar assurance against financial loss given by a member of the Group (without prejudice to paragraph (c) above, LESS any indebtedness which would otherwise be included above and which:

(i) is Project Debt provided the aggregate principal amount of such Project Debt outstanding does not exceed €500 million at any time; or

(ii) is indebtedness owed by a member of the Group to any other party in respect of a guarantee provided by that Group member of obligations of either: (i) another member of the Group; or (ii) a joint venture entity, in which a member of the Group participates, up to the amount of the corresponding assets the Group would be consolidating in its Net Assets had it applied the proportional consolidation method.

"**CSO Regulation**" means the regulation for the maintenance of emergency stocks, issued by virtue of the Ministerial Decision D1/B/21196/19.11.2013.

"**DEPA S.A.** " means "DEPA PUBLIC GAS OPERATION OF GREECE S.A." a Greek company limited by shares, operating under the provisions of Greek codified law 2190/1920 duly registered with the General Commercial Registry under Serial no. 556901000 (former no. 17913/01/B/88/514 and any of DEPA S.A's Subsidiaries.

"**EIB Facility**" means the facility made available under a finance contract dated 26 May 2010 between the European Investment Bank and the Guarantor relating to the Hellenic Petroleum Refinery Upgrade/A.

"**Extraordinary Resolution**" has the meaning given to it in the Trust Deed.

"**Financial Indebtedness**" means (without double counting) any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any acceptance credit (including any dematerialised equivalent);

(c) any bond, note, debenture, loan stock or other similar instrument;

(d) any redeemable preference share;

(e) any agreement treated as a finance or capital lease in accordance with the Accounting Principles;

(f) receivables sold or discounted (otherwise than on a non-recourse basis);

(g) the acquisition cost of any asset to the extent payable more than 180 days after the later of its acquisition or possession by the party liable, where the advance or deferred payment is arranged primarily as a method of raising finance or financing the acquisition of that asset;

(h) the acquisition cost of any asset acquired in connection with a capital project of the party liable to the extent payable more than 120 days after the date the party liable has accepted that asset;

(i) any derivative transaction protecting against or benefiting from fluctuations in any rate or price (and, except for non-payment of an amount, the then mark to market value of the derivative transaction will be used to calculate its amount);

(j) any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing;

(k) any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution; or

(l) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any item referred to in the above paragraphs.

"**Fitch**" means Fitch Ratings Limited or any successor to its rating business.

"**Group**" means the Issuer, the Guarantor and their Subsidiaries from time to time.

"**Holding Company**" of any person means a company in respect of which that person is a Subsidiary.

"**IFRS**" means the International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board together with the interpretations issued by the International Financial Reporting Interpretations Committee of the International Accounting Standards Board (as amended, supplemented or re-issued from time to time).

"**Material Group Member**" means the Guarantor, the Issuer or a Material Subsidiary.

"**Material Subsidiary**" means, at any time, Hellenic Fuels and Lubricants Industrial and Commercial S.A. and any other Subsidiary of the Guarantor whose gross assets or EBITDA as reported in the most recent audited financial statements is equal to or exceeds 10 per cent. of the gross assets of the Group, or EBITDA as reported by the most recent audited Group consolidated financial statements.

If there is a dispute as to whether or not a member of the Group is or is not or was or was not a Material Subsidiary, a certificate of two directors of the Guarantor will be, in the absence of manifest error, conclusive.

"**Measurement Period**" means a period of 12 months ending on the 30 June and 31 December of each calendar year.

"**Moody's**" means Moody's Investors Service Limited or any successor to its rating business.

"**Participating Member State**" means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"**Permitted Securitisation**" means any transaction or series of transactions where Financial Indebtedness is incurred by a Material Group Member in connection with a securitisation of assets or factoring of receivables.

"**Permitted Security Interest**" means:

(a) any Security Interest or Quasi Security on a vessel owned or to be acquired by the Guarantor or any Material Group Member (other than in respect of vessels carrying liquefied natural gas) to secure payment of the purchase price of such vessel and/or the price of repairs or modifications to such vessel or to secure payment of loans to finance or refinance such purchase price or such price of repairs or modifications;

(b) any Security Interest securing Project Debt only;

(c) any Security Interest or lien arising by operation of law or any lien or retention of title arrangement arising by agreement to substantially the same effect and (in each case) in the ordinary course of its business;

(d) any Security Interest on an asset:

(i) acquired by the Guarantor or a Material Group Member; or

(ii) of any person which becomes a Material Group Member,

after the Issue Date, but only to the extent that the principal amount secured by that Security Interest has not been incurred or increased in contemplation of, or since, the acquisition or the date on which that person became a Material Group Member (as the case may be);

(e) any Security Interest the principal purpose and effect of which is to allow the setting off or netting of obligations:

(i) with those of a financial institution; or

(ii) under swaps or other derivative agreements,

in the ordinary course of the cash management arrangements of the Group;

(f) any Security Interest securing any financial obligation of a member of the Group incurred in connection with a Permitted Securitisation;

(g) any Security Interest created with the prior written consent of the Trustee (acting on the instructions of the holders of at least 25 per cent. in principal amount of the Notes or by Extraordinary Resolution of the Noteholders); or

(h) any cash collateral arrangement provided by a bank or financial institution in respect of the EIB Facility, or any other type of security which has the same effect in an aggregate principal amount not exceeding €200 million at any time; or

(i) any cash collateral provided by a member of the Group to banks or financial institutions in respect of letters of credit issued by that bank or financial institution to suppliers to the Group in the ordinary course of trading in an aggregate principal amount not exceeding €500 million at any time; or

(j) any Security Interest securing indebtedness the principal amount of which (when aggregated with the amount of any other indebtedness which has the benefit of a Security Interest not allowed under the preceding paragraphs) does not exceed an amount equal to at any time 10 per cent. of the Group's consolidated total gross assets as shown in the latest audited financial statements of the Group,

provided that the aggregate principal amount of all indebtedness which has the benefit of a Security Interest referred to in paragraphs (a) to (j) above shall not exceed an amount equal to at any time 15 per cent. of the Group's consolidated total gross assets as shown in the latest financial statements of the Group.

"**Permitted Transaction**" means:

(a) an intra-Group re-organisation of a member of the Group on a solvent basis; or

(b) any reconstruction, amalgamation, reorganisation, demerger, merger or consolidation or a transaction involving the transfer of shares on terms approved by the Trustee or by an Extraordinary Resolution of the Noteholders.

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

"**Potential Event of Default**" means an event or circumstance which could, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Condition 9 (*Events of Default*), become an Event of Default.

"**Project**" means, in respect of a person, any particular project of such person for the ownership, creation, development or exploitation of any of its assets.

"**Project Assets**" means, in respect of a Project, any assets used in connection with that Project.

"**Project Company**" means, in respect of a Project, a company which owns the Project Assets.

"**Project Debt**" means any Financial Indebtedness incurred by a Project Company in connection with a Project which is permitted to remain outstanding under these Conditions where the provider of the Financial Indebtedness has no recourse against any member of the Group or its assets, except for recourse to:

(a) the Project Assets;

(b) the Project Company for the purpose of enforcing a Security Interest against it, so long as:

(i) the recourse is limited to recoveries in respect of the Project Assets; and

(ii) if the Project Assets do not comprise all or substantially all of the Project Company's business, the provider of the Financial Indebtedness has no right to take any step towards its winding up or dissolution or the appointment of a liquidator, administrator, administrative receiver or similar officer in respect of it or its assets (other than the Project Assets);

(c) a member of the Group to the extent of its shareholding or other interest in the Project Company if all or substantially all of the business of the Project Company comprises the Project Assets; and

(d) a member of the Group under any form of assurance, undertaking or support, where:

(i) the recourse is limited to a claim for damages (not being liquidated damages or damages required to be calculated in a specific way) for breach of an obligation; and

(ii) the obligation is not in any way a guarantee, indemnity or other assurance against financial loss or an obligation to ensure compliance by another person with a financial ratio or other test of financial condition**.**

"**Project Equity**" means, in respect of a Project Company, the aggregate of all equity or subordinated (in ranking or payment) Financial Indebtedness or other subordinated (in ranking or payment) funding of such Project Company subscribed to or lent to such Project Company or contracted to be so subscribed or lent by or guaranteed or otherwise indemnified by one or more members of the Group.

"**Project Equity to Debt Ratio**" means, in respect of a Project Company, the ratio of (a) Project Equity in such Project Company to (b) the aggregate of the Project Equity and all other Financial Indebtedness in such Project Company.

"**Project Group Company**" means a Project Company which is a member of the Group.

"**Put Date**" has the meaning given to it in Condition 6(c) (*Redemption at the option of Noteholders*).

"**Put Notice**" has the meaning given to it in Condition 6(c) (*Redemption at the option of Noteholders*).

"**Put Option Event**" shall be deemed to have occurred if:

(a) any person or group of associated persons, other than the Hellenic Republic and/or Paneuropean Oil & Industrial Holdings S.A. or any of their respective Affiliates, acquires:

(A) more than 50 per cent. of the ordinary shares of the Guarantor;

(B) the right to exercise more than 50 per cent. of the votes exercisable at the general meeting of the Guarantor; or

(C) the right to appoint the majority of the members of the board of directors of the Guarantor, where "**Affiliate**" means, in relation to a Person, a Subsidiary or a Holding Company of that Person, or any other Subsidiary of a Holding Company of that Person; or

(b) the Consolidated Net Borrowings to Consolidated Net Worth as at the end of a Measurement Period exceeds 1.0:1.0, provided that no Put Option Event under this paragraph (b) will occur in respect of any Measurement Period, if at the end of such Measurement Period, any one of Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. Moody's Investors Services Limited, Fitch Ratings Limited or DBRS Ratings Limited (or any successor, replacement or alternative credit rating agency) rates the unsecured, long term debt obligations of the Guarantor as BBB-/Baa3 (or equivalent), as applicable, or above.

"**Put Period**" has the meaning given to it in Condition 6(c) (*Redemption at the option of Noteholders*).

"**Quasi Security**" has the meaning given to that term in Condition 3(b) (*Negative Pledge*).

"**S&P**" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. or any successor to its rating business.

"**Security Interest**" means any mortgage, mortgage prenotice (under Articles 1274 et seq. of the Greek Civil Code), pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect.

"**Subsidiary**" means an entity of which a person:

(a) has direct or indirect control in accordance with Article 42e of Greek law 2190/1920; or

(b) has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The following is an overview of the provisions to be contained in the Global Notes which will apply to, and in some cases modify, the Conditions while the Notes are represented by the Global Notes.

Exchange:

The Temporary Global Note generally will be exchangeable, in whole or in part, for interests in the Permanent Global Note not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Note will become exchangeable in whole, but not in part, (free of charge to the holder) for Notes in definitive form ("**Definitive Notes**") if one of the following events (each, an "**Exchange Event**") occurs:

(a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Trustee is available;

(b) the Issuer would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear and/or Clearstream, Luxembourg which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two (2) Directors is given to the Trustee; or

(c) any of the circumstances described in Condition 9 (*Events of Default*) occurs.

Thereupon (in the case of paragraph (a) above) the holder of the Permanent Global Note (acting on the instructions of one or more of the Accountholders (as defined below)) or the Trustee may give notice to the Issuer and the Principal Paying Agent and (in the case of paragraph (b) above) the Issuer may give notice to the Trustee and the Noteholders, of its intention to exchange the Permanent Global Note for Definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Note may or, in the case of paragraph (b) above, shall surrender the Permanent Global Note to, or to the order of, the Principal Paying Agent. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of Definitive Notes in the denomination of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Trust Deed. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant Definitive Notes.

For these purposes, "**Exchange Date**" means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given and being a day on which banks are open for general business in the place in which the specified office of the Principal Paying Agent is located and, except in the case of exchange pursuant to paragraph (a) above, in the place in which the relevant clearing system is located.

In addition, the Temporary Global Note and the Permanent Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Temporary Global Note and the Permanent Global Note. The following is a summary of certain of those provisions:

Payments:

On and after 23 November 2016, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. All payments in respect of Notes represented by a Global Note will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of such Global Note to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the relevant Global Note by or on behalf of the Principal Paying Agent, which endorsement shall be prima facie evidence that such payment has been made in respect of the Notes. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

Payments of principal and interest in respect of the Notes will not be made within the United States.

Exercise of put option:

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, the option of the Noteholders provided for in Condition 6(c) (*Redemption at the option of Noteholders*) may be exercised by an Accountholder giving notice to the Principal Paying Agent in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instructions by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Principal Paying Agent by electronic means) of the principal amount of the Notes, in respect of which such option is exercised, and at the same time presenting or procuring the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly within the time limits set forth in that Condition.

Notices:

For so long as all the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant Accountholders rather than by publication as required by Condition 16 (*Notices*), provided that, so long as the Notes are listed on the Luxembourg Stock Exchange, notice will also be given by publication in a daily newspaper published in Luxembourg and/or on the Luxembourg Stock Exchange's website, *www.bourse.lu*, if and to the extent that the rules of the Luxembourg Stock Exchange so require. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

Accountholders:

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg (which certificate or other document may comprise any form of statement or print-out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Cedcom System)) as to the principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Notes for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders) other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer, the Guarantor and the Trustee, solely in the bearer of the relevant Global Note in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

Calculation of Interest:

For so long as all of the Notes are represented by one or both of the Global Notes, if interest is required to be paid in respect of a Note on any date other than an Interest Payment Date, such interest shall be calculated in respect of the aggregate outstanding nominal amount of the Notes represented, by such Global Note(s).

Prescription:

Claims against the Issuer and the Guarantor in respect of payments under the Notes represented by a Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 8 (*Taxation*)).

Cancellation:

Cancellation of any Note represented by a Global Note and required by the Conditions of the Notes to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Principal Paying Agent of the reduction in the principal amount of the relevant Global Note on the relevant part of the schedule thereto.

Euroclear and Clearstream, Luxembourg:

Notes represented by a Global Note are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate. References in the Global Notes and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved by the Trustee.

Legend:

The following legend generally will appear on the Permanent Global Notes:

"Any U.S. person who holds this obligation will be subject to limitations under the U.S. income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

Conditions:

For so long as all of the Notes are represented by one or both of the Global Notes, Condition 7(h)(ii) (*Initial Paying Agents*) shall not apply.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used, in the sole discretion of the Issuer, to refinance existing financial indebtedness of the Group and to purchase for cash certain of the Issuer's outstanding eurobond of €500 million due 2 May 2017 guaranteed by the Guarantor (the "**2017 Eurobond**") by way of a tender offer made pursuant to a separate tender offer memorandum dated 29 September 2016 (the "**Tender Offer**").

DESCRIPTION OF THE ISSUER

Description of Hellenic Petroleum Finance plc

2. History

Hellenic Petroleum Finance plc ("**HPF**") was incorporated in the United Kingdom (registered number 5610284) on 2 November 2005 as a public company limited by shares, established and operating under the Companies Act 1985 (as amended). Its registered office is 40 Dukes Place, London EC3A 7NH and the telephone number of its registered office is: +44 (0) 20 3367 8205.

HPF is a direct, wholly-owned subsidiary of Hellenic Petroleum S.A. ("**Hellenic Petroleum**"). Hellenic Petroleum is the parent company of the group (Hellenic Petroleum and its subsidiaries constitute the "**Group**").

3. Principal Activities

The Issuer is the financing vehicle for the Group and its objectives include "to borrow or raise money by any method and to obtain any form of credit or finance". The Issuer's principal business is raising financing on behalf of the Group in the international bank and debt capital markets. This includes the issuance of securities, pursuant to Article 4(e) of its Memorandum of Association. The Issuer will lend the net proceeds of its borrowings to companies in the Group. Hellenic Petroleum guarantees the payment of principal, premium (if any), interest and any other amounts due under the guaranteed debt securities issued by the Issuer.

4. Share Capital

HPF was incorporated on 2 November 2005 with an issued share capital of £50,000, divided into 50,000 shares of £1 each. On 1 February 2007, HPF increased its issued share capital to £380,000 by issuing 330,000 ordinary shares at par value of £1 each. On 11 October 2007, HPF further increased its issued share capital to £6,970,000 by issuing 6,590,000 ordinary shares at par value of £1 each.

All of HPF's issued shares are held directly by Hellenic Petroleum.

HPF's shares are not listed on any stock exchange and are not traded on any other organised market.

HPF has no subsidiaries.

5. Administrative, Management and Supervisory Bodies

The directors of HPF are as follows:

Name	Function	Other Principal Activities
Grigorios Stergioulis	Director	Chairman of the Supervisory Board of Hellenic Petroleum International A.G
		CEO and Executive Board member of Hellenic Petroleum
Andreas Shiamishis	Director	CFO and Executive Board member of Hellenic Petroleum
		Vice-chairman of the Supervisory Board of Hellenic Petroleum International A.G
		Member of the Board of Directors of Elpedison SA
Roberto Karachannas	Director	Group General Manager Domestic & International Retail
		CEO of Hellenic Petroleum International Consulting S.A.
		Member of the Board of Directors of: Hellenic Fuels and Lubricants Industrial and Commercial S.A.; EKOTA KO SA; Hellenic Petroleum International AG; Hellenic Petroleum Bulgaria (Holdings) Ltd; EKO Bulgaria EAD; Hellenic Petroleum Serbia (Holdings) Ltd; EKO Serbia EAD; Hellenic Petroleum Cyprus Ltd; and Ram Oil Cyprus Ltd
Colin Arthur Benford	Director	Director at Capita Trust Company Limited
Sean Peter Martin	Director	Director at Capita Trust Company Limited

The business address of each of the directors is 40 Dukes Place, London EC3A 7NH.

There are no potential conflicts of interest of the directors referred to above between any duties to HPF and their private interests and/or other duties.

6. Financial Statements

The following tables set out the statements of comprehensive income, financial position and cash flows of the Issuer. Such information is derived from the audited financial statements of the Issuer as at and for the years ended 31 December 2014 and 31 December 2015. The financial statements of the Issuer are prepared in accordance with the International Financial Reporting Standards as adopted by the EU ("**IFRS**"). The financial statements relating to the years ended 31 December 2014 and 31 December 2015 and the accompanying notes, are incorporated by reference into this Prospectus. See the section headed "*Information Incorporated by Reference*". Such financial information should be read in conjunction with the financial statements, reports and the notes thereto incorporated by reference into this Prospectus.

STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2014	**2015**
Continuing operations	(EUR thousands)	
Interest receivable	72,610	81,858
Interest payable	(71,613)	(80,923)
Net interest income	**998**	**935**
Other income	325	1,263
Administrative expenses	(480)	(430)
Net foreign exchange gains/(losses)	(241)	143
Profit/(Loss)before income tax	**601**	**1,912**
Income tax expense	(129)	(398)
Profit/(Loss) for the year from continuing operations	**472**	**1,514**

STATEMENT OF FINANCIAL POSITION

	Year ended 31 December	
	2014	**2015**
Continuing operations	(EUR thousands)	
ASSETS		
Non-current assets		
Loans and Receivables	1,101,036	718,551
Current assets		
Loans and Receivables	71,350	510,288
Prepayments and accrued income	20,890	18,941
Cash and cash equivalents	24,532	407
	116,772	**529,636**
Total assets	**1,217,809**	**1,248,187**
EQUITY		
Ordinary shares	10,000	10,000
Retained earnings	10,508	12,022
Total equity	**20,508**	**22,022**
LIABILITIES		
Non-current liabilities		
Debt issued and other borrowings	1,181,177	808,786
Current liabilities		
Borrowings	-	401,266
Income tax payable	58	213
Interest payable and other liabilities	16,066	15,899
	16,124	**417,378**
Total liabilities	**1,197,301**	**1,226,165**
Total equity and liabilities	**1,217,809**	**1,248,187**

STATEMENT OF CASH FLOWS

	Year ended 31 December	
	2014	**2015**
Continuing operations	(EUR thousands)	
Cash flows from operating activities		
Profit (loss) before tax	601	1,912
Adjustments for:		
Unrealised foreign exchange gain / (losses) on operating activities	224	274
Finance cost	10,170	(92)
Amortisation of deferred borrowing costs	7,973	6,236
Finance income	(15,479)	1,940
Net changes in assets/ liabilities relating to operating activities		
(Increase) / decrease in prepayments	(11)	10
Increase / (decrease) in other liabilities	229	(74)
Cash flows generated from/(used in) operating activities	**3,707**	**10,204**
Income tax paid	(1,323)	(243)
Loan fees paid	**(10,484)**	-
Net cash generated from/(used in) operating activities	**(8,100)**	**9,962**
Cash flows from investing activities		
Loans granted to related parties	(644,505)	(433,260)
Loans repayments received from related parties	155,910	414,543
Net cash generated from/(used in) investing activities	**(488,595)**	**(18,717)**
Cash flows from financing activities		
Proceeds from borrowings	617,056	-
Repayments of borrowings	(95,888)	(15,369)
Net cash generated from/(used in) financing activities	**521,168**	**(15,369)**
Net increase/(decrease) in cash and cash equivalents	**24,473**	**(24,125)**
Cash and cash equivalents at the beginning of the year	59	24,532
Cash and cash equivalents at the end of the year	**24,532**	**407**

DESCRIPTION OF THE GUARANTOR

1. History and Development

Hellenic Petroleum

The Guarantor originated from the Public Petroleum Corporation S.A., which was established in Greece as a *société anonyme* (company limited by shares) on 26 July 1975 (Law 87/1975 published in Government Gazette 152/1975) with registration number GEMI 296601000 (former registration number 2443/06/B/8623). Its share capital was 100 per cent. owned by the Greek State. As part of a privatisation process, the company merged with three other state owned companies in 1998 and was renamed 'Hellenic Petroleum S.A.) In the same year, Hellenic Petroleum was listed on the Athens Stock Exchange (primary listing, ticker symbol "**ELPE**") and on the London Stock Exchange (secondary listing through Global Depositary Receipts) by offering 23 per cent. of its shares for sale. Hellenic Petroleum is operating under the provisions of Article 9 of Law 87/1975, Law 2593/1998 and Codified Law 2190/1920 on *sociétés anonymes*. Its registered address is 8A Chimarras Street, 15125, Maroussi, Greece and the telephone number of its registered address is +30 210 630 2000.

The duration of Hellenic Petroleum has been set up until 31 December 2100.

The Group

Hellenic Petroleum is the parent company of the Group. Hellenic Petroleum operates three large refineries and is one of the largest refiners in South East Europe, with activities across the energy industry spectrum and has a presence in six countries. Hellenic Petroleum is listed on the Athens Stock Exchange with a market capitalisation of €1.11 billion as of 22 September 2016. Hellenic Petroleum also holds a secondary listing on the London Stock Exchange through global depository receipts. As at 30 June 2016, the Group employed 3,293 full time employees. For the financial year ended 31 December 2015, the Group's Adjusted EBITDA amounted to €758 million, on total revenues of €7,303 million, with the key financial figures for the 12 month period ended 30 June 2016 presented in the table below:

	Six months ended 30 June			**Twelve months ended 30 June**		
(EUR million unless noted)	**2015**	**2016**	**Δ%**	**2015**	**2016**	**Δ%**
INCOME STATEMENT						
Sales Volume (MT'000) - Refining	6,565	7,449	13%	14,128	15,142	7%
Sales	3,664	2,940	(20%)	8,680	6,579	(24%)
Adjusted EBITDA[1]	335	326	(3%)	652	749	15%
Adjusted Net Income	93	108	16%	170	283	67%
IFRS Reported EBITDA	299	334	12%	137	479	-
IFRS Reported Net Income	66	104	58%	(211)	83	-
BALANCE SHEET						
Capital Employed	2,946	3,603	22%	2,946	3,603	22%
Net Debt	1,115	1,688	51%	1,115	1,688	51%
Total Equity	**1,831**	**1,915**	**5%**	**1,831**	**1,915**	**5%**

[1] For additional information on alternative performance measures such as Adjusted EBITDA, Adjusted Net Income, IFRS Reported EBITDA, Capital Employed and Net Debt see also "*Selected Alternative Performance Measures*" below.

The activities of the Group are mainly focused on oil refining and the marketing of oil products and include:

- refining, supply and trading of oil products, both in Greece and internationally. The Group owns three out of the four refineries operating in Greece (Aspropyrgos, Elefsina and Thessaloniki) with a nominal annual refining capacity of 16 million tonnes of crude oil, or total capacity of 341,000 barrels per day ("**kbpd**"). It also supplies approximately 70 per cent. of the domestic market needs in the Former Yugoslav Republic of Macedonia ("**FYROM**"), according to the national statistics agency of FYROM, through the VARDAX pipeline and the OKTA facilities;

- fuels marketing both in Greece and South Eastern European markets. With a network of approximately 2,022 petrol stations as at 30 June 2016 and, according to internal Group estimates, a leading position both in the domestic market, through its subsidiary Hellenic Fuels and Lubricants Industrial and Commercial S.A. ("**HF**") (formerly Hellenic Fuels S.A., and, in turn, formerly, BP Hellas), as well as in the international market through its subsidiaries in Cyprus, Serbia, Bulgaria and Montenegro;

- petrochemicals/chemicals production and trading. The Group owns and operates the only vertically integrated petrochemicals complex in Greece that produces polypropylene, with a significant export orientation;

- oil and gas exploration and production in Greece. The Group is developing a portfolio of exploration assets in the country;

- power generation and trading. The Group operates two combined cycle natural gas plants with a total capacity of 810 MW, through Elpedison, a joint venture with the Italian company Edison, which is the second largest independent power producer by installed capacity in Greece[2]. It is also active in renewables, with a portfolio exceeding 200 MW in various development stages; and

- supply, transportation and trading of natural gas. The Group has a 35 per cent. participation in DEPA which is the main importer and supplier of natural gas in Greece. DESFA S.A. ("**DESFA**"), a 100 per cent. subsidiary of DEPA, which comprises the high pressure gas transportation system and the liquefied natural gas ("**LNG**") terminal at Revythousa, is in the process of being sold. As part of the sale process, the Group is expected to eventually transfer all of its effective shareholding (35 per cent.) in DESFA to SOCAR (the national oil and gas company of Azerbaijan) through a share sale and purchase agreement (the "**DESFA SPA**").

The Group enjoys a leading position in the refining market in Greece as a vertically integrated refiner. According to information published by refining companies operating in Greece, the Group's technologically-advanced refineries account for approximately 65 per cent. of the country's crude distillation capacity. All three refineries are coastal refineries with access to dedicated port facilities and have large crude oil and oil products storage capacity.

[2] According to the June 2016 report on market data provided by LAGIE, the Operator of the Electricity Market in Greece ("**LAGIE**").

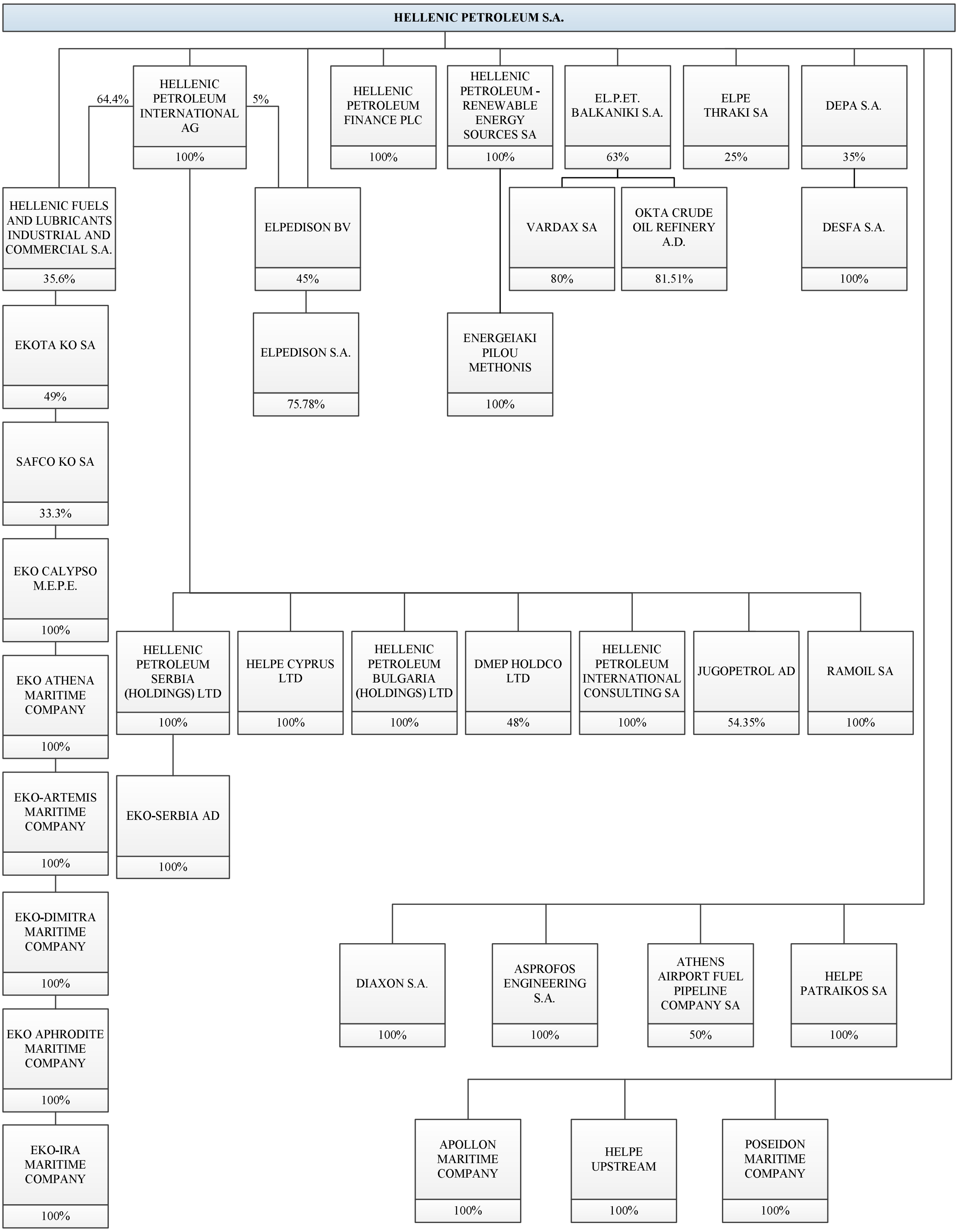
A summary of Group activities and key assets, in order of strategic importance, is presented in the table below:

	Strategic Business Unit	Description	Metrics
Core business	**Refining, Supply & Trading**	• Complex (recently upgraded) refining system: – Aspropyrgos (FCC, 148kbpd) – Elefsina (HDC, 100kbpd) – Thessaloniki (HS, 93kbpd) • Pipeline fed refinery/terminal in FYROM	• Capacity: 16 MTmn • NCI: 9.6 • Market share: 65 per cent. • Tankage: 7 million m^3
	Petrochemicals	• Lyondell Basell's Spheripol technology polypropylene production (integrated with refining) and trading • > 60-65 per cent. exports in the Mediterranean basin	• Capacity (PP): 220 KT
	Domestic Marketing	• Leading position in all market channels (Retail, Commercial, Aviation, Bunkering) through HF (BP branded network)	• c. 1,725 petrol stations as at 30 June 2016 • >30 per cent. market share • Sales volumes: 3.5 MTmn
	International Marketing	• Strong position in Cyprus, Montenegro, Serbia, Bulgaria, FYROM • Advantage of supply chain/vertical integration	• c.297 petrol stations as at 30 June 2016 • Sales volumes: 1.2 MTmn[3]
	Exploration & Production	• Exploration assets in Greece	• 50 per cent. (operator) in West Patraikos Gulf • Exploration rights in two more areas • Early exploration activities
Participations –Joint Ventures	**Power & Gas**	• Elpedison: Second largest independent power producer ("**IPP**") in Greece (joint venture with Edison • DEPA/DESFA Group: 35 per cent. in Greece's incumbent natural gas supply company (DESFA in sale process)	• Capacity: 810 MW (CCGT) • Volumes (2015): 3.0 BCM

3 This does not include OKTA sales.

2. Organisational Structure of the Group

The structure chart below sets out the current ownership of the principal operating subsidiaries of the Group, including the current ownership of associate companies that are consolidated through the equity method.



3. Major Shareholders

According to public regulatory filings from shareholders and Hellenic Petroleum's share registry, the composition of Hellenic Petroleum's share ownership (reflecting shareholders with more than 5 per cent.) as at 22 July 2016 (the date of the latest public regulatory filing), is as follows:

- Paneuropean Oil & Industrial Holdings S.A. ("**POIH**") – 45.5 per cent.;
- HRADF (following transfer by the Hellenic Republic) – 35.5 per cent.;
- Institutional investors – 11.0 per cent.; and
- Retail investors – 8.0 per cent.

Following an Extraordinary Shareholders General Meeting held on 29 January 2013, Hellenic Petroleum's Articles of Association were amended pursuant to Law 4092/2012 so as to eliminate the compulsory minimum participation of the Greek Government in the share capital of Hellenic Petroleum (previously set at 35 per cent.). In accordance with the Articles of Association: (a) the Hellenic Republic appoints seven of the 13 members of the Board of Directors as long as it holds (via HRADF) 35 per cent. of the total number of shares outstanding with voting rights of Hellenic Petroleum; (b) POIH and/or its affiliated companies appoint two of the 13 members of the Board of Directors provided that POIH and/or its affiliated companies hold at least 16.654 per cent. of the total number of shares outstanding with voting rights of Hellenic Petroleum; and (c) out of the remaining four members, two are appointed as employee representatives following an election process and two are elected by minority shareholders in a voting process in which neither the Hellenic Republic (via HRADF) or POIH participate.

Pursuant to the provisions of the second financial support package that the Hellenic Republic received from the EU and the IMF, the Greek Government's stake in Hellenic Petroleum was identified for divestment, among other state owned assets. To this end, the Greek Government has transferred its 35.5 per cent. stake in Hellenic Petroleum to the HRADF.

On 25 May 2016, the asset development plan of HRADF was approved by the Hellenic Republic's Governmental Council of Financial Policy. The plan requires HRADF to examine alternative options of monetisation and value extraction in connection with the HRADF's stake in Hellenic Petroleum. The plan included an associated action plan which provides for the engagement of advisors by the end of the third quarter of 2016.

4. Selected Consolidated Financial Information

The following table sets out, in summary form, the statements of comprehensive income, financial position and cash flows relating to the Guarantor. Such information is derived from the audited consolidated financial statements of the Guarantor as at and for the years ended 31 December 2014 and 31 December 2015, as well as from the interim consolidated financial information of the Guarantor as at and for the six months ended 30 June 2015 and 30 June 2016. The financial statements of the Guarantor are prepared in accordance with IFRS. The financial statements relating to the years ended 31 December 2014 and 31 December 2015 as well as the six month period ended 30 June 2015 and 30 June 2016, together with the reports of PricewaterhouseCoopers S.A. and the accompanying notes, are incorporated by reference into this Prospectus. See "*Information Incorporated by Reference*". Such financial information should be read in conjunction with the financial statements, reports and the notes thereto incorporated by reference into this Prospectus.

Selected Financial Data

(EUR million)	Twelve months ended 31 December 2014	Twelve months ended 31 December 2015	Six months ended 30 June 2015	Six months ended 30 June 2016
STATEMENT OF COMPREHENSIVE INCOME				
Total Sales	9,478	7,303	3,664	2,940
Operating profits/(loss)	(289)	245	205	231
Profit/(loss) income before income tax	(485)	39	95	146
Profit attributable to non-controlling interest	(3)	(2)	0	(3)
Profit attributable to owners' of parent	(365)	47	66	107
STATEMENT OF CASH FLOWS				
Cash flows generated from/(used in) operating activities	853	460	274	(421)
Cash flows used in investments	(83)	(136)	(55)	(45)
Cash flows generated from/(used in) from financial activities	85	(73)	133	(229)
Net increase/(decrease) in cash at bank & in hand	855	250	352	(695)
STATEMENT OF FINANCIAL POSITION				
Total assets	7,719	8,029	8,229	7,327
Total non-current assets	4,526	4,506	4,463	4,369
Cash, equivalents and restricted cash	1,848	2,108	2,210	1,413
Non-current liabilities	1,974	1,768	1,818	1,700
Non-current borrowing	1,812	1,598	1,655	1,288
Current borrowing	1,178	1,633	1,671	1,81
Non-controlling interests	110	106	110	103
EQUITY	1,729	1,790	1,831	1,915

5. Selected Alternative Performance Measures

The Prospectus includes certain financial measures of historical or future financial performance, financial position, or cash flows which are not defined or specified under IFRS ("**Alternative Performance Measures**"). Although the Group considers that these measures are relevant and reliable in assessing the Group's financial performance and position for the reasons set out below, such measures are not a substitute for financial measures under IFRS.

Disclosure, Presentation and Explanation of Use of Alternative Performance Measures

IFRS Reported EBITDA, Adjusted EBITDA, Adjusted Net Income and Segmental EBITDA

IFRS Reported EBITDA is defined as earnings/(loss) before interest, taxes, depreciation and amortisation, currency exchange gains/(losses) and share of net results of associates, as derived from the company's reported financial statements under IFRS ("**IFRS Reported EBITDA**").

Adjusted EBITDA is defined as IFRS Reported EBITDA adjusted for Inventory Effect (as defined below) and non-recurring items, in line with the refining industry practice ("**Adjusted EBITDA**"). Adjusted EBITDA is intended to provide a proxy of the operating cash flow projection (before any Capex (as defined below)) in an environment with stable oil and products prices.

Inventory effect is a prevalent term in the downstream oil and gas industry and is defined as the effect of the price fluctuation of crude oil and oil product inventories on gross margin because of the accounting valuation method and reporting used. Inventory effect is calculated on a periodic basis (defined as the inventory cycle in days, usually 30 days), as the difference of re-estimation of cost of goods sold, using current crude and product prices in euro terms versus historical accounting valuation (weighted average) ("**Inventory Effect**").

As the Inventory Effect is constituted by the price of crude oil, an increase in the oil price contributes to a positive Inventory Effect, commonly referred to as an ‘inventory gain’, and conversely, a fall in the oil price contributes to a negative Inventory Effect, commonly referred to as ‘inventory loss’.

Non operating expenses are expenses incurred by the Group that are unrelated to its core operations (“**Non Operating Expenses**”). Over time, these have included, among other things, costs of employee early retirement schemes, write-downs in the value of non-current assets and other one-off costs.

Segmental EBITDA is defined as IFRS Reported EBITDA for each of the Group’s main business segments, i.e. “Refining, Supply & Trading”, “Marketing”, “Petrochemicals” and “Other” over a given time period (“**Segmental EBITDA**”). “Other” includes activities such as exploration and production, engineering services and renewables operations.

IFRS Reported EBITDA, Adjusted EBITDA, Adjusted Net Income and Segmental EBITDA are presented in this Prospectus because they are considered by the Group and the Group’s industry as key measures of its financial performance, they are commonly reported by comparable businesses, and they are used as supplemental financial measures by management and by external users of the Group’s financial statements, such as investors and securities analysts, as discussed below.

IFRS Reported EBITDA, Adjusted EBITDA, Adjusted Net Income and Segmental EBITDA are indicators of the Group’s financial and operating performance. These measures assist the Group’s management and security holders by increasing the comparability of the Group’s fundamental performance from period to period and against the fundamental performance of other companies in the Group’s industry that provide IFRS Reported EBITDA or Adjusted EBITDA-based information. This increased comparability is achieved by excluding the potentially disparate effects between periods or companies of interest expense, taxes, depreciation or amortisation (or other items in determining Adjusted EBITDA), which are affected by various, and possibly changing, financing methods and capital structure and which may significantly affect IFRS Reported Net Income between periods. The Group believes that including these measures as financial and operating measures benefits security holders in selecting between investing in the Group and other investment alternatives, and monitoring the Group’s on-going financial and operational strength and health in assessing whether to continue to hold the Group’s securities.

IFRS Reported EBITDA, Adjusted EBITDA, and Segmental EBITDA are indicators of the Group’s underlying cash flow generation capability. These measures allow the Group to assess the ability of its assets to generate cash sufficient to pay taxes, service debt, undertake capital expenditures, fund working capital where applicable and pay dividends. By eliminating non-cash items, the cash flow effect resulting from the Group’s existing capitalisation and other items which may vary significantly from period to period, these measures provide a consistent measure of the Group’s ability to generate cash over the long term. The Group’s management uses this information as a significant factor in determining the Group’s earnings performance and operational cash flow generation both for planning purposes as well as past performance appraisal. Use of IFRS Reported EBITDA and Adjusted EBITDA as liquidity measures also permits security holders to assess the fundamental ability of the Group’s business to generate cash sufficient to meet cash needs, including repayments under debt instruments.

In addition, Segmental EBITDA, in particular, allows management, securities analysts and investors to evaluate the Group’s financial performance at a more granular level and to identify with greater precision the main drivers of, and obstacles to, the Group’s financial and operating performance and liquidity.

These measures have limitations as analytical tools and an investor should not consider them in isolation from, or as a substitute for, analysis of the Group's results of operations, including the Group's cash flows. Some of the limitations of these measures are that:

(a) they are accruals-based, so do not properly reflect the Group's cash expenditures or future requirements for capital expenditure or contractual commitments;

(b) they do not reflect changes in, or cash requirements for, the Group's working capital needs;

(c) they do not reflect the interest expenses, or the cash requirements necessary to service interest or principal payments in respect of any borrowings;

(d) they do not reflect required capital expenditures for maintenance and regulatory and environmental compliance to ensure normal operations; and

(e) other companies in the Group's industry may calculate these measures differently from how the Group does, limiting their usefulness as a comparative measure.

Neither IFRS Reported EBITDA nor Adjusted EBITDA should be considered as an alternative to IFRS Reported Net Income, income from operations, cash flow from operating activities or any other measure of financial performance or liquidity presented in accordance with IFRS. IFRS Reported EBITDA, Adjusted EBITDA and Adjusted Net Income exclude some, but not all, items that affect IFRS Reported Net Income and operating income, and these measures may vary among other companies. Therefore, IFRS Reported EBITDA, Adjusted EBITDA and Adjusted Net Income as presented below may not be comparable to similarly titled measures of other companies.

Adjusted Net Income

IFRS Reported Net Income is defined as the profit for the period as reported in the Group's financial statements ("**IFRS Reported Net Income**").

Adjusted Net Income is defined as the IFRS Reported Net Income as derived from Hellenic Petroleum's reported financial statements under IFRS, adjusted for post-tax inventory effect (calculated as Inventory Effect times (1- statutory tax rate in Greece) and other items (which may include, but are not limited to, write-downs in the value of non-current assets, the cost of employee redundancy schemes and other one-off expenses, as well as the effect of changes in the statutory tax rate on deferred taxation as well as non-recurring items in income from associates) at the consolidated Group financial statements ("**Adjusted Net Income**"). Inventory Effect is calculated on a periodic basis (defined as the inventory cycle in days, usually 30 days), as the difference of re-estimation of cost of goods sold, using current crude and product prices in euro terms versus historical accounting valuation (weighted average).

Adjusted Net Income is presented in this Prospectus because it is considered by the Group and the Group's industry as a key measure of its financial performance, it is commonly reported by comparable businesses, and it is used as a supplemental financial measure by management and by external users of the Group's financial statements, such as investors and securities analysts.

Net Debt

Net Debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statement of financial position of the relevant financial statements and excluding debt from associates) less "Cash & cash equivalents and restricted cash" and "Available-for-Sale financial assets", as shown in the relevant financial statements ("**Net Debt**").

Capital Employed

Capital Employed is calculated as "Total Equity" as shown in the statement of financial position of the relevant financial statements plus Net Debt ("**Capital Employed**") .

Twelve Months Ended, Last Twelve Months, LTM

Twelve Months Ended, Last Twelve Months or LTM indicates the time-frame of the immediately preceding 12 months in reference to a financial or other measure, before a particular date ("**LTM**"). LTM is also referred to as "trailing twelve months", or "TTM".

LTM figures for financial information are calculated by adding the figure of the latest condensed interim financial information to the figure in the annual financial statements and subtracting the figure for the corresponding period of the previous year.

Similarly, LTM figures for non-financial information are calculated by adding the figure of the latest reporting period to the figure in the annual management accounts / records and subtracting the figure for the corresponding period of the previous year.

LTM figures are presented in the Prospectus as they are more current than annual financial statement figures and offer a broader and more complete picture in reference to financial or other measures compared to quarterly or semi-annual figures.

Reconciliation of Alternative Performance Measures to the Group's Financial Statements

The tables below illustrate how the selected alternative performance measures presented in this Prospectus are reconciled to their most directly reconcilable line item in the financial statements for the corresponding period.

Reconciliation of IFRS Reported Net Income to IFRS Reported EBITDA

	Twelve months ended 31 December						**Six months ended 30 June**		**Twelve months ended 30 June**
	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2015**	**2016**	**2016**
	(EUR millions)								
IFRS Reported Net Income / (Loss) (audited)..	**187**	**118**	**83**	**(272)**	**(369)**	**45**	**66**	**104**	**82**
Add back:									
Income tax expense (benefit)	111	46	34	(66)	(116)	(6)	29	42	7
Currency exchange (gains) / losses......	16	11	(11)	(9)	9	27	21	(11)	(5)
Finance costs	59	68	54	209	215	201	100	98	199
EBIT	**374**	**242**	**160**	**(138)**	**(261)**	**267**	**216**	**233**	**283**
Add:									
Share of net results of associates..........	(30)	(67)	(38)	(57)	(28)	(22)	(11)	(2)	(13)
Total	(30)	(67)	(38)	(57)	(28)	(22)	(11)	(2)	(13)
OPERATING PROFIT	**344**	**175**	**122**	**(195)**	**(289)**	**245**	**205**	**230**	**270**
Add:									
Depreciation and amortisation	157	160	179	224	205	199	93	103	209
IFRS Reported EBITDA[4]..................	**501**	**335**	**300**	**29**	**(84)**	**444**	**299**	**334**	**479**

4 For additional information on alternative performance measures such as IFRS Reported EBITDA see also the section headed "*Selected Alternative Performance Measures*" above.

Reconciliation of IFRS Reported EBITDA to Adjusted Net Income

	Twelve months ended 31 December						Six months ended 30 June		Twelve months ended 30 June
	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2015**	**2016**	**2016**
						(EUR millions)			
IFRS Reported EBITDA[5]	**501**	**335**	**300**	**29**	**(84)**	**444**	**299**	**334**	**479**
Less:									
Non operating expenses	11	82	72	80	17	13	7	2	7
Inventory effect adjustment	(38)	(54)	72	70	484	301	29	(9)	263
Adjusted EBITDA	**474**	**363**	**444**	**178**	**417**	**758**	**335**	**326**	**749**
Add:									
Depreciation and amortisation	(157)	(160)	(179)	(224)	(205)	(199)	(93)	(103)	(209)
ADJUSTED OPERATING PROFIT	**317**	**203**	**266**	**(46)**	**212**	**559**	**241**	**223**	**540**
Add:									
Income from associates	30	67	38	57	28	22	11	2	13
Adjustment for income from associates	0	0	31	0	0	0	0	10	10
Adjusted EBIT	**347**	**270**	**335**	**12**	**240**	**581**	**252**	**235**	**563**
Add:									
Currency exchange gains	(16)	(11)	11	9	(9)	(27)	(21)	11	5
Finance costs	(59)	(68)	(54)	(209)	(215)	(201)	(100)	(98)	(199)
Other	1	0	0	1	0	0	1	0	1
Income tax expense (benefit)	(111)	(46)	(34)	66	116	6	(29)	(42)	(7)
Income tax on adjustments	6	(6)	(29)	(39)	(130)	(91)	(10)	2	(78)
Other taxes	33	0	0	42	0	0	0	0	0
Dividend tax	12	0	0	0	0	0	0	0	0
Adjusted Net Income	**213**	**140**	**229**	**(120)**	**2**	**268**	**93**	**108**	**283**

5 For additional information on alternative performance measures such as Adjusted EBITDA, Adjusted Net Income, IFRS Reported EBITDA as well as their reconciling items, such as Non Operating Expenses and Inventory Effect see also the section headed "*Selected Alternative Performance Measures*" above.

6. Principal Activities

The Group's financial performance by business segment is summarised in the following table:

KEY FINANCIAL INFORMATION	As of and for the twelve months ended 31 December 2010	2011	2012	2013	2014	2015	As of and for the twelve months ended 30 June 2016	As of and for the six months ended 30 June 2015	2016
Sales Volumes (metric tonnes '000)									
Refining, Supply & Trading	14,502	12,528	12,796	12,696	13,538	14,258	15,142	6,565	7,449
Marketing	5,735	5,126	4,434	4,043	4,131	4,672	4,673	2,113	2,114
Petrochemicals............................	408	314	348	295	236	221	243	107	129
Sales Revenue (€m)									
Refining, Supply & Trading.......	7,832	8,937	10,154	9,078	8,818	6,644	5,761	3,412	2,529
Marketing	3,508	3,953	3,868	3,345	3,220	2,712	2,386	1,305	979
Petrochemicals............................	377	340	371	327	322	263	258	131	126
Total[6]	8,477	9,308	10,469	9,674	9,478	7,303	6,579	3,664	2,940
Adjusted EBITDA[7] (€m)									
Refining, Supply & Trading[8]......	338	259	345	57	253	561	553	251	244
Marketing	114	66	53	68	90	107	101	43	37
Petrochemicals............................	50	44	47	57	81	93	101	42	50
Other..	(28)	(6)	0	(5)	(7)	(2)	(6)	(1)	(4)
Total	474	363	444	178	417	758	749	335	326
Share of operating profit of associates (including Power & Gas) (€m)	**30**	**67**	**69[9]**	**57**	**28**	**22**	**23[10]**	**11**	**12[11]**
Adjusted Net Income[12] (€m)....	**213**	**140**	**229**	**(120)**	**2**	**268**	**283**	**93**	**108**

6 Excluding intercompany transactions.

7 Adjusted EBITDA is defined as IFRS Reported EBITDA adjusted for Inventory Effect (as defined below) and other items, in line with the refining industry practice. Inventory effect is a prevalent term in the downstream oil and gas industry and is defined as the effect of the price fluctuation of crude oil and oil product inventories on gross margin because of the accounting valuation method and reporting used. Inventory effect is calculated on a periodic basis (defined as the inventory cycle in days, usually 30 days), as the difference of re-estimation of cost of goods sold, using current crude and product prices in euro terms versus historical accounting valuation (weighted average). (See also – "*Selected Alternative Performance Measures*" above).

8 Segmental EBITDA is defined as IFRS Reported EBITDA per each of the Group's main business segments, i.e. "Refining, Supply & Trading", "Marketing", "Petrochemicals" and "Other" over a given time period. "Other" includes activities such as engineering services, renewables operations and exploration and production which was -€6m in LTM 1H16, 1H16, (€2m) in the year ended 31 December 2015 and (€7m) in the year ended 31 December 2014. (See also – "*Selected Alternative Performance Measures*" above).

9 Adjusted for non-recurring Public Power Corporation S.A. settlement.

10 Adjusted for non-recurring settlement with BOTAŞ Petroleum Pipeline Corporation (a state-owned crude oil and natural gas pipelines and trading company in Turkey ("**BOTAS**") for gas supply involving a payment from DEPA to BOTAS).

11 Adjusted for non-recurring settlement with BOTAŞ for gas supply involving a payment from DEPA to BOTAS.

12 Adjusted Net Income is defined as the IFRS Reported Net Income as derived from Hellenic Petroleum's reported financial statements under IFRS, adjusted for post-tax inventory effect (calculated as Inventory Effect times (1- statutory tax rate in Greece) and other items (which may include, but are not limited to, write-downs in the value of non-current assets, the cost

The improvement in the Group's operating profitability from 2014 to 1H16, measured by the increase in Adjusted EBITDA, was driven by industry macro-economic factors, such as stronger refining margins and the strengthening of the U.S. dollar against the euro, as well as operational performance improvements, which also played a positive role to the Group's operating profitability.

In the last twelve months ended 30 June 2016, the Group estimates that almost two thirds of Adjusted EBITDA were constituted by sources of revenue which benefit from a low, or no, dependency on refining margins i.e. retail, petrochemicals, wholesale supply, logistics and overperformance (as defined below).

Refining, Supply & Trading

The core of the Group's business is the refining, supply and trading sector ("**Refining**"). This sector accounts for the largest proportion of the Group's assets and investments.

In Greece, the Group owns and operates three of the country's four refineries. The Group's domestic refineries are located in Aspropyrgos, Elefsina and Thessaloniki (the "**Domestic Refineries**") and with a combined refining capacity of 16 MTmn, they represent approximately 65 per cent. of Greek domestic refining capacity, according to publicly available information published by refining companies operating in Greece, with a Nelson Complexity Index ("**NCI**") of 9.6 and a Solomon complexity index of 9.5. The NCI was developed in the 1960s and is a measure of a refinery's conversion capacity versus its primary distillation capacity. A higher NCI denotes increased conversion capacity and is considered a proxy of increased refining margins, the key profitability driver in the refining business.

- The Aspropyrgos refinery has a nominal annual refining capacity of 148 kbpd, and 8 MTmn of annual product output and its NCI is 9.7.
- The Elefsina refinery has a nominal crude refining capacity of 100 kbpd, with 4.5 MTmn of annual product output and its NCI is 11.3, following the recently completed upgrade. The Elefsina refinery restarted commercial operations, following the completion of a large upgrade and modernisation programme, in the second half of 2012; while 2013 was its first full year of operation. During the first year of commercial operation, performance gradually stabilised and since 2014 further operational improvements in the performance of the refinery's units enabled the realisation of financial returns as per the investment plan and led to a significant contribution to Group's results.
- The Thessaloniki refinery has a nominal crude refining capacity of 93 kbpd with 3.5 MTmn of annual product output, and NCI of 6.9.

In the twelve months ended 31 December 2015, the Group's refining segment achieved gross production of 14.4 MTmn and sales of 14.3 MTmn, out of which approximately 50 per cent. was exported and 50 per cent. was sold in the domestic market, which includes the Greek ground fuels and aviation and bunkering markets. Out of the 7 MTmn exported, approximately 80 per cent. was sold to third parties, with the balance supplying Group subsidiaries. The approximately 7 MTmn sold by the Group in the domestic market was equal to the sales made by all other domestic fuels marketing companies.

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of employee redundancy schemes and other one-off expenses, as well as the effect of changes in the statutory tax rate on deferred taxation as well as non-recurring items in income from associates) at the consolidated Group financial statements. Inventory Effect is calculated on a periodic basis (defined as the inventory cycle in days, usually 30 days), as the difference of re-estimation of cost of goods sold, using current crude and product prices in euro terms versus historical accounting valuation (weighted average). (See also the section headed "*Selected Alternative Performance Measures*" above).

Refining Margins

Refining margins for each refinery comprise of two main elements. The first element of refining margins is the so-called "benchmark margin". The benchmark margin is calculated on the basis of a theoretical crude oil feedstock and standard production yield which each refinery expects to have under normal operations. This is used as a benchmark and it is widely available as a market reference for each type of refinery. The second element is the "realised margin". The realised margin is driven by the actual performance of each refinery and results in either over- or under- performance compared to the benchmark for that specific refinery. Differences between the benchmark margin and the realised margin arise as a result of:

(a) differences in the technological or mechanical configuration between the generic refinery used to calculate the standard benchmark refining margin and the specific refinery;

(b) changes in the mix of crude feedstock used in real production;

(c) changes in actual production profile due to mechanical availability issues; and

(d) differences in the additional returns from the wholesale trading of products.

Although the Group considers that these measures are relevant and reliable in assessing the Group's financial performance and position for the reasons set out below, such measures are not a substitute for financial measures under IFRS.

Benchmark refining margins and realised margins are presented in this Prospectus because they are considered by the Group and the Group's industry as key measures of its financial performance, they are commonly reported by comparable businesses, and they are used as supplemental financial measures by management and by external users of the Group's financial statements, such as investors and securities analysts.

Benchmark refining margin

Benchmark refining margin is an indication of the unit (in US$/barrel) gross margin of a reference refinery. It is calculated as the difference between the sum of the revenue of the volumetric output of refined products or intermediates ("**refined output**") minus the cost of crude and other feedstock ("**feed**") to produce those volumes for a refinery of a certain configuration, based on which the exact volume of each product is derived, assuming normal operation, over the volume of feed ("**benchmark refining margin**" or "**benchmark margin**"). The figures for the revenue of refined output and the cost of feed are based on a set of international price quotes (Platts or Argus) in U.S.$. Those are calculated on a daily basis and do not include any effect of price movement, since the calculation of cost of feed does not take into account inventories.

Benchmark refining margin is a prevalent indicator of profitability in the refining industry and is widely used. Differences between benchmark refining margins for the same set of price quotes derives from the different configuration across refineries. The Group has developed its own benchmarks for its three refineries, each approximating the operation and configuration of those refineries and a system benchmark weighted on the actual feed processed for the reference period (e.g. daily, monthly, quarterly, etc.) of each refinery. Those are used in communications with analysts and investors. The benchmark refining margins of Aspropyrgos and Elefsina refineries are available on Hellenic Petroleum's website and updated on a monthly basis.

While benchmark refining margins provide an indication of the theoretical profitability of a refinery, based on the evolution of prices of crude, feed and refined output, they do not take into account the actual operation of a refinery, as well as a number of other variables that are specific to a refinery (e.g. sales and trading margins) and other income and expenses, including operating expenses.

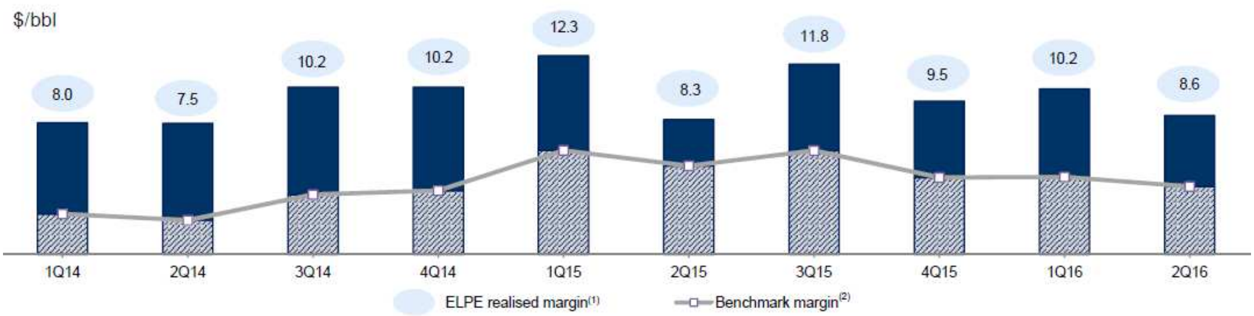
Realised margin

Realised margin is the actual unit gross margin in US$/barrel of a specific refinery or refining company as calculated and published. It is calculated as the total revenue from refined output sold minus the cost of feed over a given period over the volume of refined output sold ("**realised refining margin**" or "**realised margin**"). As with refining margin, the effect of international crude and products price changes on the inventory is not considered in the calculation, so any Inventory Effect and other non operating items are not included (for further detail on inventory effect and other non operating items, please see the section headed *"Selected Alternative Performance Measures"* above). Realised margins are also commonly used in the refining industry as an indicator of actual gross margin profitability and are usually compared to benchmark refining margins and the difference between the two (realised minus benchmark) is called "over- (or under-) performance" or "additional margin" ("**overperformance**" or "**underperformance**").

Realised margins are a better proxy of actual performance (compared to benchmark refining margins), since they do take into account the effect of actual operations (crude and feedstock volumes processed and volumes of each of products at actual prices), as well as the contribution of sales and trading activities. However, they should not be relied on as a sole indicator of profitability, as they do not consider line items other than gross margin, like operating expenses, depreciation costs, finance expenses and others.

The table below displays the realised performance of the Group's refineries compared against benchmarks for the last 10 quarters.

Hellenic Petroleum realised margin[13] versus benchmark[14] margin (U.S.$/bbl)



Over the last few years the overperfomance from operations (e.g. actual refining yields, crude sourcing) has improved significantly. The operation of the new Elefsina refinery, implementation of synergies among the Group's refineries, increased utilisation and the ability to capture opportunities in the pricing of crude oil markets are the key drivers of this improvement.

According to publicly available information published by refining companies operating in Greece, the Elefsina refinery has the largest crude oil and oil products storage facility in Greece, consisting of 84 storage tanks with a total capacity of 3.3 million m^3.

13 Hellenic Petroleum realised margin includes propylene contribution which is reported under Petrochemicals.
14 System benchmark calculated using actual crude feed weights.

The Domestic Refineries have a combined crude oil and oil products storage capacity of 6.9 million m^3 in total. The key characteristics of the Domestic Refineries are presented in the following table:

Refinery	**Crude distillation capacity (kbpd)**	**Configuration Type**	**Storage capacity (m^3)**	**Nelson Complexity Index**	**Solomon Complexity Index**
Aspropyrgos	148	Cracking (FCC)	2.3[15]	9.7	8.8
Elefsina	100	Hydrocracking (HDC)	3.3	11.3	13.9
Thessaloniki	93	Hydroskimming (HS)	1.4	6.9	5.0

Aspropyrgos refinery

Aspropyrgos is an FCC (as defined below) type, complex refinery built in 1958. Following a series of revamps and upgrade programmes, as outlined in the table below, it is now one of the most modern refineries in Europe.

Year	**Upgrade project**
1971	Increased crude distillation capacity from 30 kbpd to 91 kbpd
1985	Further increase of crude distillation capacity to 115 kbpd
1986	Initial conversion project, including the installation of a fluid catalytic cracker ("**FCC**"), a mild hydrocracker, a visbreaker and a continuous catalytic reformer ("**CCR**")
1999	Further increase of crude distillation capacity to 148 kbpd
2004	Extended revamp of the conversion units

The refinery has a large number of primary distillation units and downstream conversion units. The main conversion unit is the FCC, which has a nominal capacity of 47 kbpd, complemented by a vacuum unit, a mild hydrocracker and a visbreaker for the upgrading of atmospheric residue. The refinery has significant gasoline production capacity through its isomerisation and CCR units. Following the revamp and upgrade projects listed in the table above, the refinery is fully compliant with the most recent environmental regulations and safety requirements and produces oil products in accordance with EU specifications. The refinery is very flexible as far as production, storage and distribution of finished products are concerned, as it can process high, medium or low sulphur crude oils ('batch operation') and produce all market grades of fuel oil, while gasoline or diesel production can be maximised selectively according to economic drivers. It has a large private harbour and is equipped with modern bottom-loading facilities for truck loading and rail terminals. It also has a crude oil pipeline network connecting it with the discharging port and storage facility at nearby Pachi, Megara, and a finished and semi-finished products pipeline connecting it to the Elefsina refinery. It is also connected, via a fuel pipeline, to the Athens International Airport (Eleftherios Venizelos),

[15] The Aspropyrgos storage capacity figure includes the Pachi, Megara crude oil storage capacity linked via a dedicated pipeline to the refineries.

as the primary aviation fuel supplier through its subsidiary operator company, Athens Airport Fuel Pipeline Company S.A.

The Aspropyrgos refinery was shut down during the three month period ended 30 June 2015 ("**2Q15**") for a full turnaround. A "full turnaround" is a planned six to seven week process during which required maintenance activities and revamping of certain units take place. The turnaround lasted for a period of four weeks. This period was extended to nine weeks due to an accident. The next full turnaround process at the Aspropyrgos refinery is scheduled to take place in 2018.

In September 2014, the connection of the refinery to the natural gas network was successfully completed. This project is expected to yield significant savings, as fuel oil can now be substituted by natural gas for own use, when the price of the latter is more attractive. In addition, there are environmental benefits arising from the use of natural gas, which is a cleaner fuel and thereby contributes to the reduction of CO_2 emissions.

Elefsina refinery

Elefsina is a 100 kbpd refinery that completed a major upgrade programme towards the end of 2012 (the "**Elefsina Project**"), which cost approximately €1.4 billion. The Elefsina Project consisted of the construction of three main units, which comprised of a 39 kbpd hydrocracker, a 20 kbpd flexicoker and a vacuum unit.

The refinery's large storage capacity of 3.3 million m^3 for crude oil and oil products and its logistics infrastructure for handling imports and exports make the refinery even more strategically important than its complex production assets suggest. The infrastructure includes large private port facilities, which can simultaneously accommodate a number of large vessels, and a modern station of 18 berths for truck loading. The refinery is connected via pipelines to the crude terminal at Pachi, Megara and the Aspropyrgos refinery.

The upgrade has significantly enhanced the Group's competitiveness, as it has increased the production of middle distillates, which on average command the highest cracks compared to other products, at the expense of high sulphur fuel oil and enabled maximisation of the utilisation of sour crude oil in order to produce diesel ("**ULSD**"). As a result of the upgrade, the Elefsina refinery NCI has increased from 1.45 to 11.3, while its Solomon complexity index amounts to 13.9. Such a significant increase denotes that the value of the oil products produced at the refinery has increased considerably, as the product mix comprises a higher percentage of middle distillates and almost zero fuel oil or any other residues.

The investment also reduced emissions, thus significantly improving the environmental impact. Specifically, sulphur dioxide ("**SO2**") emissions decreased by 70.2 per cent., nitrogen oxide ("**NOx**") emissions by 11.6 per cent. and particulate matter ("**PMS**") emissions by 84.2 per cent. Finally, following the upgrade, the refinery has increased its flexibility in relation to the sourcing of crude oil, being able to process 100 per cent. high sulphur, heavy crude grades.

During the three month period ended 31 March 2016 ("**1Q16**") the Elefsina refinery was partially shut-down for maintenance works, which consisted mainly of catalysts changes at the hydrocracker complex and required maintenance works at other units. A partial shut-down for decoking works at its flexicoker complex is expected in late 2017 or early 2018, and a full turnaround is scheduled for 2019.

In November 2015 the Elefsina refinery was successfully connected to the natural gas network. The refinery can use natural gas in a number of processes, mainly as an alternative to naphtha and liquefied petroleum gas ("**LPG**") for the production of hydrogen, which is used in the hydrocracker complex for the production of diesel. Test runs at the Elefsina refinery for the use of natural gas were completed in June 2015 with positive results, while actual benefits will depend on the relative price of natural gas compared to the products that will be substituted, as well as the taxation on natural gas for industrial use in Greece.

Thessaloniki refinery

The Thessaloniki refinery is a hydroskimming refinery, with a capacity of 93 kbpd. It has two truck loading stations, with 41 berths, and rail terminals with five berths. It has storage areas with the capacity to store 1.4 million m^3 of oil products. It is the sole refinery operating in Northern Greece and its supply area includes both the domestic market as well as neighbouring South Eastern European countries. The refinery's environmental performance is being continuously improved through upgrades and investments.

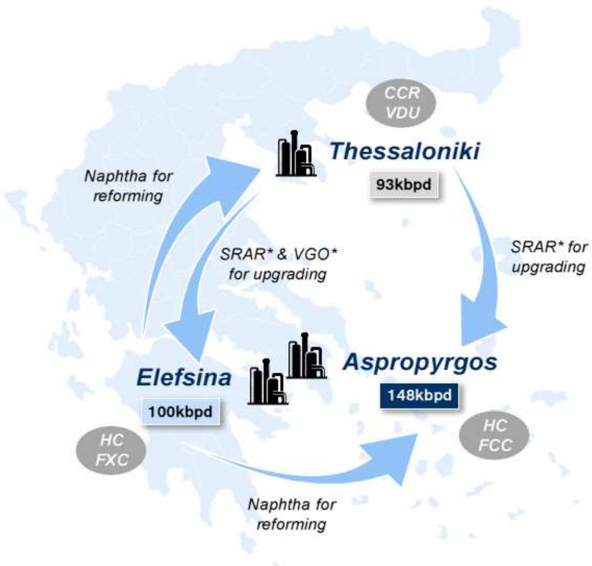
In 2011, the refinery successfully completed an upgrade project, which comprised of three main elements: (a) revamping the refinery's distillation capacity so that the switch required from heavy to light crudes would not affect the total effective capacity of the refinery; (b) increasing tankage capacity to be able to store and blend more qualities of crude oil and enhance the flexibility for optimisation of crude feedstock; and (c) the addition of a CCR, with a capacity of 15 kbpd, which increased gasoline production and an Ultra Low Sulphur Auto Diesel Oil ("**ULSADO**") unit for the increase of desulphurisation capacity. The project enhanced the refinery's ability to serve regional gasoline and diesel markets and improve the Group's profitability as a result of higher utilisation.

The Thessaloniki refinery is linked via pipeline to the Group's OKTA facilities in Skopje.

The Thessaloniki refinery is scheduled to undertake a full turnaround during the three month period ending 31 December 2016 ("**4Q16**").

The Domestic Refineries are managed as one single system and monthly purchases of crude oil, monthly production plans and sales forecasts are prepared centrally for the entire system, aiming to maximise the value of the Group's refining and trading profitability by taking into consideration the prevailing regional (East Mediterranean/South East European) prices and domestic demand. Furthermore, there are significant synergies among Domestic Refineries in the form of intra refinery flows of secondary feedstock with benefits in trading and logistics. More specifically, key inter-refinery flaws include the entire residue production of Thessaloniki refinery (Straight Run Atmospheric Residue ("**SRAR**") and Vacuum Gas Oil ("**VGO**"), two intermediate products) being used as a feedstock in the conversion units of Elefsina and Aspropyrgos refinery to produce higher value products and Naphtha produced in Elefsina reformed to gasoline in Aspropyrgos and Thessaloniki CCR units as per the schematic below.

Inter-refinery flows



The yield of middle distillates (e.g. diesel, jet) of the Group's refining system was 53 per cent., with that of gasoline at 22 per cent. in 2015. This has a particularly positive effect on the performance of the Group's refineries, with the yield of high-value products standing among the highest in the European refining industry, highlighting the competitiveness of its asset base after the significant investments of the period 2007-2012. A table of the Group product mix is displayed below:

	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
					(% of total)					
Middle Distillates[16]	51	52	53	54	54	57	52	53	49	52
Gasoline	24	23	24	24	23	15	22	22	24	22
Fuel Oil	14	13	12	10	10	10	13	11	14	11
LPG	5	5	5	4	5	3	5	5	5	5
Naphta/Other[17]	6	7	6	8	8	15	8	9	8	10
Total	100	100	100	100	100	100	100	100	100	100

OKTA

Since 1999, the Group has owned and operated the OKTA facility in Skopje, FYROM, via its subsidiary company EL.P.ET. Valkaniki. OKTA has storage facilities with a 250,000 m^3 capacity and is linked to the Thessaloniki refinery via a pipeline. The pipeline has recently undergone an upgrade and is now suitable to carry white products rather than crude, although it will not be used to carry white products until all permits are in place. The OKTA facility is also active in the trading of refined products in the South Balkans region.

Wholesale Trading

The Group is also engaged in the wholesale trading of refined products in three main market channels (the domestic market, aviation and bunkering and exports). Sales are conducted by Hellenic Petroleum to the fuels marketing companies in Greece, including its subsidiary, HF, as well as to certain special customers, such as the country's armed forces, in relation to both ground fuels which are subject to excise duties and the duty free aviation and bunkering sector. The Group exports a significant part of its production, approximately 50 per cent., to the Group's international subsidiaries, as well as to third parties. All of the Group's refined products comply with prevailing European standards unless there is a specific request for different standards. Profitability among the key market channels varies and depends on a number of factors, including logistics, competitive position, regulation, supply-demand balances and market risk. The pricing structure for the domestic market and the aviation and bunkering markets is competitive at the Mediterranean level, including commercial premia, over a Free on Board (the "**FOB**") price to cover the cost of logistics, cost to serve wholesale customers and cost of maintaining CSO, where applicable. The pricing of exports is driven by regional supply/demand balances for each product and priced at FOB plus commercial premia, where applicable.

Sales ('000 MT)[18]	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**LTM 1H16**
Domestic	7,469	6,046	5,353	4,424	4,567	4,749	4,505
Aviation & Bunkering	3,079	3,043	2,633	2,461	2,271	2,415	2,411
Exports	2,885	2,377	4,501	5,518	6,589	6,942	8,041
Total	**13,433**	**11,466**	**12,487**	**12,403**	**13,427**	**14,106**	**14,957**

16 Middle distillates include products that come out at the middle of the column of the distillation process and includes gasoil, diesel and jet fuel ("**Middle Distillates**").

17 "Other" includes bitumen, sulphur and cok, among others.

18 Please note that sales exclude Hellenic Petroleum crude oil sales to OKTA and OKTA sales to other third parties, as well as other domestic refiners.

Crude Oil Supply and recent developments

The coastal location of the Group's refineries and their flexibility in processing a wide range of crude oil types constitute particularly important competitive advantages, both in contributing to Group profitability through flexible sourcing and to assist with responding to sharp supply shortages of specific types of crude oil.

The crude oil supply chain is centrally managed and coordinated by the Group's Supply and Trading department through term contracts and spot transactions. Since the second half of 2014, the market experienced an increase in supply options for most types of crude oil, due to higher production in the US, the key driver for global crude oil oversupply and associated decline in international crude oil prices recorded since June 2014. In the Mediterranean region, crude oil exports from Iraq and, to a lesser extent, other countries, continued to increase with a positive impact on the Group's refineries. The Group adjusted its crude purchases accordingly by decreasing the share of crude oil from Russia from 41 per cent. in 2014 to 34 per cent. in 2015 and increasing that from Iraq to 28 per cent., in addition to higher contributions from other sources subject to available opportunities in the global market. Crude oil imports from Kazakhstan were 20 per cent. in 2015, down by 2 per cent., while crude oil imports from Libya remained at 2 per cent. (the same level as in 2014).

Over the ten quarters ended 30 June 2016, the participation of light (sweet) crude oil in the light/heavy mix has ranged from 31 to 46 per cent. In the three months ended 30 June 2016, the participation of light (sweet) crude oil in the light/heavy mix reached 44 per cent.[19]

Crude slate per origin for 2013, 2014, 2015 and for the six month period ended 30 June 2016 ("**1H16**") is displayed below.

Crude intake (%)	**2013**	**2014**	**2015**	**1H16**
Urals	54%	41%	34%	19%
Iraq	12%	17%	28%	27%
Caspian Pipeline Consortium ("**CPC**")	11%	22%	20%	28%
Libya	10%	2%	2%	2%
Egypt	6%	9%	9%	10%
Iran	0%	0%	0%	9%
Other	7%	9%	7%	5%
Total	100%	100%	100%	100%

Historically, Iranian crude oil accounted for approximately 20 to 30 per cent. of the Group's total crude oil purchases. Iranian crude oil participation in the Group's crude mix was based on its relative pricing and product yield and the supply was based on supply contracts which had been in place for more than 20 years. Due to EU sanctions imposed in 2012, the Group stopped purchasing Iranian crude oil at the beginning of 2012 and from 30 June 2012, when EU sanctions became effective, and it did not trade or enter into any transaction with Iranian companies until the lifting of such sanctions in January 2016. As reported in the financial statements for the year ended 31 December 2015, the Group's trade creditors include significant overdue amounts in respect of crude oil imports from Iran, which were received before the implementation of sanctions, as part of a long-term contract with the National Iranian Oil Company ("**NIOC**"). While sanctions were effective, the Group was not able to effect payment for these deliveries, due to the restriction on payments to Iranian banks and state entities through the international banking system.

Following the lifting of EU sanctions by EU Council Decision 2016/37 on 16 January 2016 ("**Implementation Day**") according to Article 2 of EU Council Decision 2015/1863 of 18/10/2015, Hellenic Petroleum and NIOC executed heads of agreement (the "**NIOC Agreement**") on 22 January 2016. The

[19] The Group considers light crude oil to be defined as having low sulphur content (<1%) ("**light crude oil**") while heavy crude oil to be defined as having high sulphur content (>1%) ("**heavy crude oil**").

NIOC Agreement outlines the recommencement of the commercial relationship between the two parties, offering an additional source of crude oil, in line with the original contractual provisions agreed between the parties. Furthermore, the NIOC Agreement provides for the payment of outstanding invoices through a settlement which includes cash and product prepayments. Payments of outstanding invoices and deliveries of crude oil started during the three month period ended 30 June 2016 (the "**2Q16**") in line with the agreement.

The Group has proceeded with the implementation of the NIOC Agreement, in full compliance with the current EU and international framework with respect to restrictive measures against Iran that apply to the Group's activities. According to announcements made by NIOC and more recently in various press releases and announcements on Reuters, other major oil and gas companies and refiners based in the EU have signed and started implementing similar agreements. Subject to commercial considerations and the continued implementation of the NIOC Agreement, Iranian crude oil participation in the Group's crude slate is expected to range between 15 and 20 per cent. going forward.

Fuels Marketing

In addition to wholesale refinery (ex-refinery) sales, the Group is also active in the distribution and marketing of oil products, both in Greece, through its subsidiary, HF, and abroad, through subsidiary companies in Cyprus, Serbia, Bulgaria, FYROM (through OKTA's wholesale business presented above) and Montenegro. The Group's marketing companies in Greece and abroad are mainly supplied by the Group's refineries, with the exception of certain markets that are supplied by local refiners based on economic considerations.

The key facts for the marketing business for the twelve months period ending 31 December 2015 are as follows:

	Greece	**Cyprus**	**Bulgaria**	**Montenegro**	**Serbia**	**Total**
Petrol stations	1,709	91	85	38	54	1,977
Sales Volume (metric tonnes '000)	3,494	388	447	219	124	4,672
Sales revenue (EURm)	1,852	241	328	137	154	2,712
Adjusted EBITDA[20] (EURm)	47	20	19	10	10	106
Market position (according to group estimates)	1	1	5	1	4	
Employees	488	55	72	119	48	782

Sales from Greek subsidiaries contracted from 2010 to 2013 (2010: 4,637k MT; 2011: 4,070k MT; 2012: 3,361k MT; 2013: 2,971k MT) but between 2013 and 2015 have shown an increase of 8.4 per cent., with 2014 sales at 3,052k MT and 2015 sales reaching 3,494k MT.

20 Adjusted EBITDA is defined as IFRS Reported EBITDA adjusted for Inventory Effect (as defined below) and other items, in line with the refining industry practice. Inventory effect is a prevalent term in the downstream oil and gas industry and is defined as the effect of the price fluctuation of crude oil and oil product inventories on gross margin because of the accounting valuation method and reporting used. Inventory effect is calculated on a periodic basis (defined as the inventory cycle in days, usually 30 days), as the difference of re-estimation of cost of goods sold, using current crude and product prices in euro terms versus historical accounting valuation (weighted average). (See also – "*Selected Alternative Performance Measures*" above).

Sales from international marketing subsidiaries remained relatively stable between 2010 and 2014 (2010: 1,051k MT; 2011: 1,042k MT; 2012: 1,072k MT; 2013: 1,072k MT; 2014: 1,079k MT) and showed a compound 4.8 per cent. increase between 2013 and 2015, reaching 1,178k MT.

Greek market

In Greece, the Group has an extensive network with 1,709 service stations as at 31 December 2015 (1H16: 1,725) owned by HF (a BP licensee for ground fuels marketing in Greece acquired from the BP Group in 2009). In September 2016, the Group merged its two subsidiaries, Hellenic Fuels S.A. and EKO Industrial and Commercial Petroleum Company S.A., by absorption of the latter by the former. Following the merger, Hellenic Fuels S.A. was renamed "Hellenic Fuels and Lubricants Industrial And Commercial S.A.". HF has the right to use the BP brand until the end of 2020 (with the option to extend for five additional years). Infrastructure comprised 15 storage and supply terminals, 23 aircraft refuelling stations in the country's main airports, two LPG bottling plants and one lubricant production and packaging unit. This extensive logistics infrastructure is the result of the acquisition and consolidation of a number of companies in the retail market during the past 12 years. The existing infrastructure provides the Group with an excellent footprint both in the mainland and in the retail markets of Greek islands, as well as in the geographically dispersed airport facilities.

The acquisition of BP's business in Greece in 2009 enabled the Group to strengthen its position in the domestic marketing business, almost doubling its market share to approximately 30 per cent. by 2015, according to the Group's estimates and benefiting from capturing substantial synergies between the marketing entities and the Refining segment.

The recession of the Greek economy affected the domestic marketing business significantly in terms of both volumes and margins. Between 2009 and 2013, demand in the Greek market for refined products contracted by more than 40 per cent. from 11.4 million metric tonnes ("**MTmn**") to 6.6 MTmn according to information provided by the Ministry of Environment and Energy ("**YPEKA**"). After reaching its lowest level in 2013, at 6.6 MTmn, domestic fuels demand (excluding consumption by the armed forces and the Public Power Corporation S.A.) recovered by 7.6 per cent. to 7.1 MTmn during the twelve months ended 31 December 2015.

In order to address the decline in volume and margins and restore profitability to pre-crisis levels, the Group implemented an extensive restructuring programme to resize the cost base of its retail operations, which included a headcount reduction of approximately 31 per cent. over the period 2010-2015 from 4,766 to 3,300 full-time equivalents ("**FTEs**"), streamlining the supply chain, reducing network operating expenditure, expanding the Group's company owned, managed and operated ("**COMO**") network and achieving synergies between EKO and BP networks. As a result of all these initiatives, the Adjusted EBITDA of the Domestic Marketing business increased from €43 million in the twelve months ended 31 December 2010, to €47 million in the twelve months ended 31 December 2015, an increase of 9 per cent., despite the significant decline in volumes.

International activities

The Group's strategy for international marketing aims to maintain and further grow its strong market position in Cyprus and Montenegro and grow its presence in the growing markets of Serbia and Bulgaria. Since 2004, the Group's international service station network in the aforementioned four countries has grown, through a series of acquisitions and new developments, to 268 service stations as at 31 December 2015 (1H16: 272).

The international retail business model differs from the domestic one as it is more capital intensive (higher number of COMO sites rather than dealer-owned, dealer-operated ("**DODO**") stations) and higher throughput rates (8.1 m^3/day for the international business compared to 3.5 m^3/day for the domestic business, according to Group management accounts for the twelve months ended 31 December 2015), due to fewer retail stations per capita. The international business was less affected by the economic crisis and grew

EBITDA from €44 million in the twelve months ended 31 December 2013 to €59 million in the twelve months ended 31 December 2015.

In Montenegro, Hellenic Petroleum owns and operates 39 service stations as at 31 December 2015 (1H16: 39) with a market share exceeding 50 per cent., according to information publicly provided by the local government. The local subsidiary, Jugopetrol A.D., is also the principal wholesale supplier of oil products in the Montenegrin market and operates the country's largest terminal for the storage of oil products which is also used to supply independent third parties.

In Cyprus, the Group operates a network of 91 service stations as at 31 December 2015 (1H16: 92), in the country under the EKO brand with a significant market share (according to internal estimates). The local subsidiary also operates a terminal for the storage and handling of oil products in Larnaca, as well as an LPG facility, which includes an LPG cylinder bottling plant. Due to local Government plans to move the tank farms from their current location (close to the city of Larnaca) to a new location, the local subsidiary, together with other local trading companies, is considering the options for a relocation project or a different supply chain process.

In FYROM, according to internal estimates, the Group's subsidiary, OKTA, has a leading market share of the country's wholesale business and a retail network comprised of 27 OKTA branded stations as at 31 December 2015 (1H16: 25).

Production & Trading of Petrochemicals and Chemicals

The Group owns and operates a chemicals and petrochemicals complex in Thessaloniki, which is adjacent to its refinery and produces polypropylene, with a capacity of 220,000 tonnes per annum and industrial solvents. The main input used in the production of polypropylene is propylene which is produced in the Aspropyrgos refinery and is shipped to Thessaloniki, covering 85 to 90 per cent. of the Thessaloniki polypropylene complex's need for raw material.

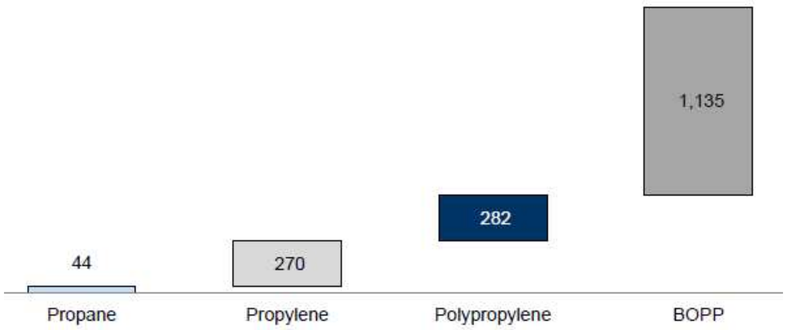
Hellenic Petroleum's wholly-owned subsidiary, Diaxon S.A., is the sole producer in Greece of Biaxially Oriented Polypropylene ("**BOPP**") film which is used predominantly in the packaging industry. BOPP film is sold both in Greece and in the Mediterranean market.

The Group is the sole domestic producer and largest trader of polypropylene with a market share exceeding 50 per cent. in the domestic market, according to Group estimates. It is also active in trading chemicals and petrochemicals in the Mediterranean markets with more than 60 per cent. of its production being exported to selected Mediterranean markets, including Turkey, Italy and North Africa.

The Group's vertically integrated chain of propylene, polypropylene and BOPP is a key value driver for the production of petrochemicals as it enables the sharing of a common infrastructure and the common procurement of auxiliary supplies, technical services and utilities.

Margin contribution by product (€/T)

The graph below illustrates how margins achieved on each petrochemical product collectively contributed to the results of the petrochemicals segment of the Group over the last twelve months ended 30 June 2016.



Power Generation & Trading

The Group was the first independent private power producer in Greece following the liberalisation of the domestic electricity market. T Power S.A. (since renamed Elpedison S.A) was established in 2003 as a wholly-owned subsidiary of Hellenic Petroleum with a 390MW combined cycle gas turbine ("**CCGT**") plant which has been operational since 2005. The plant is adjacent to the Thessaloniki refinery.

In 2008, Hellenic Petroleum and Edison, Italy's second largest electricity producer, signed a strategic alliance agreement for the production and trading of electricity. The alliance has taken the form of the joint venture Elpedison B.V., which through its 75.78 per cent. subsidiary Elpedison S.A., owns and operates two plants with a total installed CCGT capacity of 810MW, one in Thisvi, Viotia, with 410MW capacity, operational since December 2010, as well as the Thessaloniki plant. On the supply side, Elpedison S.A., is one of the largest independent alternative electricity suppliers (according to reports from LAGIE and ADMIE reports), with sales of approximately 550 GWh (2015) to medium and low voltage customers.

On 22 May 2016, the Greek parliament ratified a new transitional regulatory framework providing for a temporary 'flexibility remuneration mechanism' approved by European Commission Competition Directorate ("**DG Comp**"). The flexibility remuneration mechanism reflects the fact that the Greek system requires production units which are able to rapidly increase or decrease production in response to changes in the load or changes in the output of intermittent generation units such as renewables. Thus, not all capacity, but flexible capacity only, is remunerated under this temporary mechanism.

The new mechanism provides for a flexibility remuneration rate of €45k/MW and is applicable for 12 months starting from 1 May 2016 with a cap of €15 million per unit for each calendar year. On 16 August 2016, The Energy Regulatory Authority ("**RAE**") issued amendments to the relevant Code of Electricity Transactions and has initiated the registration process of eligible units with a deadline for submission of 17 September 2016. The RAE and TSO ("**ADMIE**") are jointly responsible for providing the final approval of eligibility. A permanent capacity/flexibility remuneration mechanism is being prepared by the Greek authorities to be implemented following the lapse of the temporary mechanism. The RAE issued a proposal which was under public consultation until 16 September 2016. Hellenic Petroleum's production of electric power increased compared to 2014 mainly due to the reduction in the cost of the natural gas during the second half of 2015. The reduction in the cost of natural gas benefits Hellenic Petroleum's position in the electric power production space because, as all market participants compete on the price for electricity that they provide to the system and gas price is the variable cost for gas-fired producers, a lower gas price makes gas-fired producers, like the Group, more competitive in comparison to lignite-based producers.

Furthermore, the Group is currently developing a renewable energy portfolio of wind, photovoltaic and biomass technologies in Greece, with c. 200MW of renewable energy generation in various development stages. These activities are carried out through the Group's wholly-owned subsidiary Renewable Energy Sources S.A. and its subsidiaries.

Oil and Gas Exploration and Production

The Group's exploration and production activities are currently focused on Greece, through the participation of Hellenic Petroleum as an operator in a joint venture of international oil companies for the lease from the Greek State of the offshore region of the Patraikos Gulf amounting to 1,892 sq. km.

Since 20 January 2016, the Group's subsidiaries, HELPE Patraikos and Edison International, have each had a 50 per cent. share in the Patraikos Gulf concession.

The minimum work programme for the first three years of exploration in the Patraikos Gulf includes the recording of 3D seismic studies of a total area of 800 sq. km and 2D recordings of regional lines of 300 km in length. In 2015, the first geological, geophysical and environmental studies in the area were carried out. In 2015, the reprocessing of 2000 sq. km of seismic data was completed while in the last quarter, the tender for the selection of the preferred bidder for the 3D recordings of an area of 800 sq.km and 2D recordings of a distance of 300km took place. The programme of seismic data recordings started in January 2016 and was completed early in February 2016.

Meanwhile, the company continued to study exploration works offshore and in Western Greece, preparing itself for a possible submission of a tender to an international competition already announced by YPEKA. On 6 February 2015, Hellenic Petroleum submitted offers for the lease of Arta-Preveza and North West Peloponnesian areas in Western Greece, following a relevant tender. In February 2016, the company was selected by YPEKA as the preferred bidder for the concession rights of exploration and exploitation of hydrocarbons of the onshore block areas of Arta-Preveza and North West Peloponnese and was invited by the competent "evaluation committee" for the finalisation of the draft lease agreement.

On 14 July 2015, Hellenic Petroleum submitted offers for three areas in the context of the second International Tender of concession rights of exploration and exploitation of hydrocarbons for 20 offshore blocks in Western Greece and Southern Crete, tendered by YPEKA. The Group awaits the results which are expected to be announced later in 2016.

Hellenic Petroleum monitors developments in the field of exploration and production in Greece. In this context, the company continues to study the research outcome of the offshore blocks in Western Greece and the Northern Aegean Sea, as well as of the Thracian Sea Concession (1,600 sq. km) where it holds a 25 per cent. participation in a joint venture with Calfrac Well Services Ltd.

The Group holds a 25 per cent. participating interest for E&P in the Sea of Thrace Concession in the Northern Aegean, covering an area of approximately 1,600 sq. km, approximately half of which surrounds the Prinos producing field.

The Group expects the early exploration phase expenditure to range between €5 million and €15 million per annum for three years from 1 January 2016, depending on the timing of required approvals by the competent authorities in Greece and the evolution of works in each area. No revenues are anticipated for this period. The Group will evaluate its options for further exploration activity, including inviting additional partners and adjusting the level of its participation in each of the joint ventures in line with contractual commitments, subject to results of the early exploration phase, market conditions and the Group's strategy.

Natural Gas

Hellenic Petroleum owns a 35 per cent. stake in DEPA, which is the principal importer and wholesale supplier of natural gas in Greece. The remaining 65 per cent. of DEPA is owned by HRADF. DEPA has long-term contracts with power generation companies in Greece, including the Public Power Corporation S.A. and Elpedison Power. In addition, DEPA has a 51 per cent. participation in the local natural gas distribution companies ("**EPAs**") which have exclusive rights for 30 years to sell and distribute natural gas in the cities they serve small industrial, commercial and residential customers. However, the legal and regulatory framework applicable to the EPAs, including this exclusivity provision, is currently under revision by the Greek government, following the European Union's request. Three EPAs have been established so far, in Attica, Thessaloniki and Thessalia (covering the cities of Larisa, Volos, Karditsa and Trikala), while there are plans to establish further EPAs in other areas of Greece.

During 2015, natural gas consumption in Greece increased by 6.5 per cent., to 3 bcm according to information published by DESFA, due to an increase in natural gas fired power generation.

Following EU guidelines for the liberalisation of the local market, DEPA spun off its high pressure transmission system and its domestic natural gas grid and storage facilities into DESFA, a new wholly-owned subsidiary of DEPA. DEPA remains actively involved in international transit pipeline developments.

DEPA is consolidated in the Group's financial accounts via the equity method. As at the end of 2015, the carrying value of the investment in DEPA amounted to approximately €595 million. DEPA's contribution to the Group's IFRS Reported Net Income amounted to €23 million in 2015.

On 16 February 2012, HRADF agreed to launch a joint procedure for the sale of their share in DEPA, with a view to selling 100 per cent. of the supply, marketing and distribution activities, as well as a 66 per cent. participation in DESFA. The sale process has resulted in a binding bid for the acquisition of 66 per cent. of the share capital of DESFA by SOCAR (the national oil and gas company of Azerbaijan), which amounted to €400 million. The share of Hellenic Petroleum's proceeds from the transaction for its 35 per cent. indirect stake in DESFA, through its participation in DEPA S.A., would amount to €212 million. The transaction provides for a spin-off of DESFA from DEPA through a reduction of capital or an extraordinary distribution depending on tax considerations and an allocation of DESFA shares to the shareholders of DEPA (HRADF 65 per cent. and Hellenic Petroleum 35 per cent.) who will then sell their corresponding participation to SOCAR (i.e. the Hellenic Republic's 31 per cent. stake and Hellenic Petroleum's 35 per cent. stake).

On 21 December 2013, the DESFA SPA was signed with completion of the transaction subject to the approval of the competent energy and competition regulators in Greece and the European Union. The Greek regulator provided its clearance on 29 September 2014. On 5 November 2014, the European Commission opened an in-depth investigation. The extent of commitments which may be required to be undertaken by SOCAR and the exact time required for the European Commission to issue a clearance decision are beyond the control of the parties. The parties have since extended the long stop date of the DESFA SPA initially to 21 December 2015, subsequently to 30 September 2016 and most recently have agreed to extend such date to 31 October 2016.

6.2 2016 Group financial performance

(a) 2015 Results

The Group reported its results for the year ended 31 December 2015 on 25 February 2016.

In 2015, crude oil prices continued their downward trend and remained volatile. The oversupply in global crude oil markets led crude oil prices to decade-low levels. Brent price averaged U.S.$52 per barrel ("**bbl**") in 2015, a decrease of U.S.$47/bbl compared to 2014, with a new historic low of U.S.$35/bbl at the end of the year. Improved supply conditions, coupled with higher global demand for refined products, led to improved benchmark refining margins. According to information published by the Group, Benchmark Mediterranean FCC margins reached U.S.$6.5/bbl (2014: U.S.$3.4/bbl), while Hydrocracking margins averaged U.S.$6.5/bbl (2014: U.S.$4.5/bbl).

Adjusted EBITDA for the Group increased from €417 million in the twelve months ended 31 December 2014 to €758 million in the twelve months ended 31 December 2015 (an increase of 82 per cent.), due to improved benchmark refining margins, enhanced asset utilisations and improved crude supply dynamics, partially offset by the impact of the shut-down of the Aspropyrgos refinery.

In the Refining business segment, Adjusted EBITDA increased from €253 million in the twelve months ended 31 December 2014 to €561 million in the twelve months ended 31 December 2015 (an increase of 122 per cent.). The increase was due to improved operational performance (caused by increased asset utilisation and improved crude slate), a favourable international refining environment with stronger benchmark Mediterranean refining margins and the strengthening of the U.S. dollar. The increase was partially offset by the shut-down of the Aspropyrgos refinery. As a result of the improved operation of the Group's refineries, the Refining segment reported an increase in production and sales (its highest production and sales in the last eight and six years, respectively).

In the marketing business segment, Adjusted EBITDA increased from €90 million in the twelve months ended 31 December 2014 to €107 million in the twelve months ended 31 December 2015 (an increase of 19 per cent.) due to increased sales in both the domestic and international businesses, as well as the benefit of reduced operating costs.

In Greece, the Group's liquidity position and successful management of the country's crisis in 2015, with uninterrupted supply and management of credit risks, further strengthened the position of the marketing subsidiaries in the domestic market.

All of Hellenic Petroleum's international operating subsidiaries increased their IFRS Reported EBITDA profitability during 2015, with most of them also recording an increase in their total sales. As a result, the Group's international marketing activities reported record-high profitability on increased sales volumes and strong operational performance while vertical integration with the Group's refineries also increased.

In the petrochemicals business segment, Adjusted EBITDA increased from €81 million in the twelve months ended 31 December 2014 to €93 million in the twelve months ended 31 December 2015 (an increase of 15 per cent.), due to strong polypropylene margins that grew from U.S.$517/MT in the twelve months ended 31 December 2014 to U.S.$623/MT in in the twelve months ended 31 December 2015. The shut-down of the Aspropyrgos refinery between April and June 2015 reduced the available quantities of propylene, resulting in total polypropylene sales decreasing by 6 per cent. in 2015 compared to the previous year.

Adjusted Net Income for the Group increased from €2 million in the twelve months ended 31 December 2014 to €268 million in the twelve months ended 31 December 2015 (an increase of €266 million). The increase is largely driven by the increase in Adjusted EBITDA and lower net interest expenses, partially offset by a decline in profits of associates, foreign exchange losses and lower tax credit.

The Group's capital expenditure ("**Capex**") increased from €136 million in the twelve months ended 31 December 2014 to €165 million in the twelve months ended 31 December 2015 (an increase of 21%). Capex spend in 2015 was mainly driven by investments towards the full turnaround, energy efficiency projects and propylene production growth in the Aspropyrgos refinery. As a result, energy efficiency indices were improved, resulting in a significant reduction of energy consumption. Coupled with the lower price of own-consumed fuels, the reduction of energy consumption led to a material decline in energy costs. In addition, the de-bottlenecking works at the propylene unit in the Aspropyrgos refinery, reduced the need for propylene imports.

(b) 1H16 Results

The Group reported its results for the quarter ended 30 June 2016 and the six months ended 30 June 2016 on 25 August 2016.

Gradual recovery of crude oil prices was witnessed in the six months ended 30 June 2016 compared to the end of 2015, although it was still 31 per cent. lower than the six months ended 30 June 2015 due to increased crude oil availability, especially for the heavier types of crudes in the Mediterranean Brent price averaged U.S.$41 per barrel versus U.S.$59/bbl in the same period last year.

Refining margins were lower in the six months ended 30 June 2016 compared to the corresponding period last year due to weakness in product cracks, diesel in particular, driven by increased global supply. Mediterranean FCC benchmark refining margin averaged U.S.$5.1/bbl in the first half of 2016 compared to U.S.$7.1/bbl in the first half of 2015 ("**1H15**"), while Hydrocracking benchmark margins averaged U.S.$5.3/bbl in the first half of 2016 compared to U.S.$6.5/bbl in the first half of 2015.

Adjusted EBITDA for the Group decreased from €335 million in the six months ended 30 June 2015 to €326 million in the six months ended 30 June 2016 (a decrease of 3 per cent.) driven by declines in Refining and Marketing business partially offset by improving performance in the Petroleum business. In terms of the second quarter of 2016 alone, Adjusted EBITDA for the Group increased from €130 million in the three months ended 30 June 2015 to €156 million in the three months ended 30 June 2016 (an increase of 20 per cent.). The business as a whole suffered due to the negative effect of lower benchmark margins, offset by improved mechanical availability (following the heavy maintenance schedule of 1H15 and operational performance of the Group's refineries), higher exports (57 per cent. of total sales) and the use of the Group's liquidity to take advantage of commercial opportunities in crude oil supply alternatives.

In the Refining business segment, Adjusted EBITDA decreased from €251 million in the six months ended 30 June 2015 to €244 million in the six months ended 30 June 2016 (a decrease of 3 per cent.). Refining performance was affected by the positive global environment, with international benchmark margins for all types of refineries at satisfactory levels, albeit lower compared to the corresponding period in 2015. Aspropyrgos refinery production increased on the back of higher availability compared to the same period in 2015. The performance of the Elefsina refinery was positive, despite the temporary shut-down of the hydrocracker complex for maintenance works in the first quarter and the Thessaloniki refinery generated improved Adjusted EBITDA, on account of strong operational performance and improved Hydroskimming benchmark margins.

In the Marketing business segment, Adjusted EBITDA decreased from €43 million in the six months ended 30 June 2015 to €37 million in the six months ended 30 June 2016 (a decrease of 14 per cent.) due to decreased sales in both the domestic and international businesses. The domestic business suffered from weaker demand for heating gasoil, but witnessed market share gains in Retail, Aviation and Bunkering sales. The performance of the international business was stable over the period, with the exception of Bulgaria where retail margins are lower than last year.

In the Petrochemicals business segment, Adjusted EBITDA increased from €42 million in the six months ended 30 June 2015 to €50 million in the six months ended 30 June 2016 (an increase of 20 per cent.), due to higher sales volumes despite weaker polypropylene margins.

Adjusted Net Income for the Group increased from €93 million in the six months ended 30 June 2015 to €108 million in the six months ended 30 June 2016 (an increase of 16 per cent.). In terms of the second quarter of 2016 alone, Adjusted Net Income for the Group remained relatively stable, decreasing from €39 million in the three months ended 30 June 2015 to €38 million in the three months ended 30 June 2016. Although Adjusted EBITDA decreased in this period, Adjusted Net Income increased due to higher profits from associates, lower net interest expenses and foreign exchange gains.

1H16 IFRS Reported Net Income, which amounted to €104 million (1H15: €66 million) was impacted (€9 million inventory gains versus €29 million loss last year) by the recovery of the price of crude oil from the beginning of the year, and by one-off provisions that were included in the financial results of DEPA. Excluding Inventory Effect and one-off items, 1H16 Adjusted Net Income reached €108 million (1H15: €93 million). In terms of the second quarter of 2016 alone, IFRS Reported Net Income for the Group increased from €49 million in the three months ended 30 June 2015 to €72 million in the three months ended 30 June 2016 (an increase of 47 per cent.).

The Group's capital expenditure decreased from €79 million in the six months ended 30 June 2015 (LTM 1H16: €135 million) to €49 million in the six months ended 30 June 2016 (a decrease of 38%), reflecting a lighter maintenance schedule compared to the same period last year.

Over the twelve months ended 30 June 2016, the difference between Adjusted EBITDA and Capex reached €614 million (2015: €593 million). In terms of the second quarter of 2016 alone, the difference between Adjusted EBITDA and Capex was €133 million.

Key figures for the period are:

Twelve months ended 31 December	(EUR millions)	Six months ended 30 June	
		2015	**2016**
2015	**Statement of comprehensive income**		
14,258	Sales Volume (MT'000) – Refining	6,565	7,449
4,672	Sales Volume (MT'000) - Marketing	2,113	2,114
7,303	Sales	3,664	2,940
	Segmental EBITDA[21]		
561	- Refining, Supply & Trading	251	244
107	- Marketing	43	37
93	- Petrochemicals	42	50
(2)	- Other	(1)	(4)
758	Adjusted EBITDA[22]	335	326
268	Adjusted Net Income[23]	93	108
444	IFRS Reported EBITDA[24]	299	334
45	IFRS Reported Net Income	66	104

21 Segmental EBITDA is defined as IFRS Reported EBITDA per each of the Group's main business segments, i.e. "Refining, Supply & Trading", "Marketing", "Petrochemicals" and "Other" over a given time period. "Other" includes activities such as engineering services, renewables operations and exploration and production which was -€6m in LTM 1H16, 1H16, (€2m) in the year ended 31 December 2015 and (€7m) in the year ended 31 December 2014. (See also – "*Selected Alternative Performance Measures*" above).

22 Adjusted EBITDA is defined as IFRS Reported EBITDA adjusted for Inventory Effect (as defined below) and other items, in line with the refining industry practice. Inventory effect is a prevalent term in the downstream oil and gas industry and is defined as the effect of the price fluctuation of crude oil and oil product inventories on gross margin because of the accounting valuation method and reporting used. Inventory effect is calculated on a periodic basis (defined as the inventory cycle in days, usually 30 days), as the difference of re-estimation of cost of goods sold, using current crude and product prices in euro terms versus historical accounting valuation (weighted average). (See also – "*Selected Alternative Performance Measures*" above).

23 Adjusted Net Income is defined as the IFRS Reported Net Income as derived from Hellenic Petroleum's reported financial statements under IFRS, adjusted for post-tax inventory effect (calculated as Inventory Effect x (1- statutory tax rate in Greece) and other items (which may include, but are not limited to, write-downs in the value of non-current assets, the cost of employee redundancy schemes and other one-off expenses, as well as the effect of changes in the statutory tax rate on deferred taxation as well as non-recurring items in income from associates) at the consolidated Group financial statements. Inventory Effect is calculated on a periodic basis (defined as the inventory cycle in days, usually 30 days), as the difference of re-estimation of cost of goods sold, using current crude and product prices in euro terms versus historical accounting valuation (weighted average). (See also – "*Selected Alternative Performance Measures*" above).

24 IFRS Reported EBITDA is defined as earnings before interest, taxes, depreciation and amortisation, currency exchange gains/(losses) and share of net results of associates, as derived from the company's reported financial statements under IFRS. (See also – "*Selected Alternative Performance Measures*" above).

6.3 Strategy

In 2012, the Group successfully completed the implementation of a five year strategy revolving around four pillars, namely strengthening of its core business, optimising the portfolio of other business activities, expanding its international presence and increasing the competitiveness of the Group.

Improve Core Business

The most important pillar in the Group's five year strategy was the strengthening of its core businesses which included the following:

- *Upgrade Refining Assets*

Complex refining assets are critical to the successful performance of the Group and underpin the long term upgrade programme that the Group launched in 2007 for the upgrade of its refineries. The upgrade of the Thessaloniki refinery was completed in 2011, while in 2012, the Group completed the upgrade project of the Elefsina refinery. The upgrades have increased the NCI of the Domestic Refineries to 9.6, improving the Group's cash flow generation ability, while reducing the need for significant investments in refining in the next few years.

- *Grow market position in the domestic fuels market*

The Group strengthened its presence in the domestic fuels market by growing its market share to approximately 30 per cent., according to the Group's estimates via the acquisition of BP's commercial activities in Greece in 2009.

- *Increase competiveness - Improve Refining Operating Efficiency and Procurement process*

The Group increased the efficiency of its refining assets by optimising its linear programming techniques, achieving higher energy savings and improving environmental performance. Annualised cash savings from the Group's refining excellence programme called "DIAS", exceeded €100 million since its inception and implementation continued in the period 2013 to 2015.

Furthermore, the Group implemented a procurement optimisation programme called "BEST", aimed at improving cost efficiencies throughout the supply chain, while reorganising and improving procurement processes, and making a significant contribution towards reducing operating and capital expenditure.

Additionally, the realisation of synergies between the two marketing networks EKO and HF in Greece is estimated to have yielded material annual cash benefits since the acquisition of BP's activities in Greece.

The total annualised recurring benefits from all relevant Group programmes have exceeded €300 million, significantly improving its competitive position.

- *Implement "Fit for purpose" organisational structure*

The Group proceeded with organisational initiatives that enabled it to align its corporate structure with its strategic initiatives. The Group improved the performance of its support functions by promoting an integrated culture geared towards operational excellence, implementing a shared services organisation for all Group functions. Furthermore, following three early retirement schemes (in 2009, 2011 and 2013), the headcount of the Group has decreased by 35 per cent. between 2008 and 2015 (31 per cent. between 2010 and 2015, from 4,766 in 2010 to 3,300 in 2015). Since 2013, the headcount of the Group has decreased by 20 per cent. The Group does not have any anticipated on-going liabilities associated with the early retirement scheme.

2014-2018 Strategic objectives

Following the successful completion in 2012 of a five year investment plan which exceeded €2 billion, the Group plans to consolidate its position in the East Mediterranean focusing on cash flow maximisation and strengthening of its balance sheet. At the same time the Group has the following key strategic priorities:

- Optimisation of the operational process of the “South Hub” refining complex (the Aspropyrgos and Elefsina refineries which rank amongst the most modern and complex in the Mediterranean region) and the development of synergies between the three Group refineries, to improve flows of intermediate products for further conversion and upgrading.

- De-risking the Group’s business model through the reduction of exposure to Greece and managing country risk. Refining sales mix was rebalanced, with international sales between 50 and 60 per cent. of the Group’s sales volumes, which supported further mitigation of Greek country risk, especially following the imposition of capital controls in 2015. The Group believes that increasing export orientation of the Group over the past four years was a key lever in managing the Greek crisis. The diversification of the Group’s funding in the last three years, through the issuance of eurobonds and the reduction of exposure to the Greek banking system is also aligned with the Group’s strategy of de-risking its business model.

- Restructuring of the Group’s domestic marketing activities to ensure that the business operating model is adjusted to prevailing market conditions through the implementation of a strategic plan, aimed towards operational excellence and cost reduction, for the gradual recovery of operating profitability, which has already been restored to 2010 levels. Following the successful completion of a marketing competitiveness improvement programme called “KORYFI” in 2014, which led to a reduction of domestic marketing operating expenses[25] of 27% between 2010 and 2015, the Group continued to pursue initiatives during 2015 with emphasis on network management, further improving the efficiency and operating profitability of its subsidiaries operating in fuels marketing.

- Maintaining the competitiveness of the Group’s products and enhancing momentum through the identification of additional operational improvement opportunities in the areas of refining, marketing and procurement, with a target of €130 million in cash benefits, compared to the 2013 baseline. The implementation of the transformation and restructuring programmes continued in 2015, mainly focusing on energy efficiency improvement projects and reduction of procurement costs, generating a total additional benefit of €25 million.

- Optimisation of the Group’s business portfolio, through obtaining the best value for its non-strategic participation (e.g. through the potential divestment of DESFA, (see the section headed “Natural Gas” in the section entitled *“Description of the Guarantor”*)). Furthermore the Group has refocused its exploration and production business in Greece, in order to better manage risks and take advantage of its know-how and experience in the Greek upstream business.

- Reducing leverage and financing expense remains an important priority for the Group. To this end, the Group explored options to maximise/monetise the value of its non-controlling interest in DEPA and agreed to the divestment of its stake in DESFA (sale and purchase agreement signed in December 2013, transaction subject to regulatory approvals) and DEPA.

Group’s progress in implementing its strategy

During the last three years the Group has achieved significant progress regarding the optimisation of the operation of the Elefsina refinery and the implementation of a series of synergies between the three

[25] Domestic marketing operating expenses consist of selling costs, petrol station operating expenses, advertising and promotional expenses and general and administrative expenses.

refineries, with a substantial effect on the Group's financials. Exports currently exceed 50 per cent. of total refining sales, with an extended footprint of international trading throughout the Mediterranean and beyond, as displayed below, while maintaining a leading position in the domestic market.

Furthermore, the Group has significantly increased the utilisation of its refineries to more than 90 per cent. taking advantage of the positive refining environment of the last 24 months, improved yields with white high-value products output at 85 to 90 per cent. of the total and increased international sales as a share of the respective total results for the Group compared to its historic performance.

The Group's progress is also evidenced in the 2014 results of the bi-annual comparative performance analysis, a benchmarking study, carried out by Solomon Associates, where Group refineries have improved their relative position compared to refineries in Central and South Europe, as well as globally versus the 2010 study, in the areas of operational availability, personnel index and maintenance cost efficiency index.

Capital expenditure

In 2007, the Group launched a long-term upgrade programme for the upgrade of its refineries in the context of implementing its 2007-2012 strategy. In 2011, the Group completed the smaller of the two upgrades in the Thessaloniki refinery and in 2012, the Group completed the upgrade project of the Elefsina refinery. The progress of this programme is reflected in the Group's Capex over time. The average Capex of the Group between 2013 and 2015 was €135 million, compared with €629 million between 2009 and 2012, while total refining Capex between 2011 and 2015 amounted to €1.5 billion, out of which €911 million was for the upgrades of the Elefsina and Thessaloniki refineries. In light of the progress made in the Group's refinery upgrade programme, the Group's management expects that the Group's average Capex between 2016 and 2018 may range between €100 million and €150 million.

The table below illustrates the level of Capex per refinery over the past five years.

(EUR million)	2011	2012	2013	2014	2015
Capex per refinery					
Aspropyrgos	73	25	22	32	91
Elefsina	520	453	46	61	36
Thessaloniki	56	16	13	12	9
Total Refinery Capex[26]	**649**	**494**	**81**	**105**	**136**

Recent Developments

Tender Offer

On 29 September 2016, the Issuer launched the Tender Offer.

Under the terms of the Tender Offer, the Issuer is offering to purchase its outstanding 2017 Eurobond for cash at a purchase price of 103.5 per cent of the principal amount of the 2017 Eurobond, plus accrued and unpaid interest. The Issuer intends to use the net proceeds from the issue of the Notes to: (i) repurchase the 2017 Eurobonds tendered pursuant to the Tender Offer and (ii) refinance other existing financial indebtedness of the Group. The consummation of the Tender Offer is subject to the satisfaction or waiver of certain conditions precedent, including the completion of the issue of the Notes.

[26] "Total Refinery Capex" means the aggregate Capex of Domestic Refineries over a reference period ("**Total Refinery Capex**").

Crédit Suisse Securities (Europe) Limited, HSBC Bank plc, Alpha Bank, Piraeus Bank, Eurobank and National Bank of Greece are the dealer managers for the Tender Offer.

The Tender Offer is not being made, and will not be made, directly or indirectly in or into, or by the use of the mails of, or by any means or instrumentality of interstate or foreign commerce of or by use of any facilities of a national securities exchange of, the United States. The 2017 Eurobond may not be tendered in the Tender Offer by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States. Any purported tender of the 2017 Eurobond in the Tender Offer resulting directly or indirectly from a violation of these restrictions will be invalid. The Tender Offer is being made pursuant to a separate tender offer memorandum and not pursuant to this Prospectus.

6.4 Balance sheet and Indebtedness

Over the last two years, the Group's cash flow profile improved significantly, driven by increased cash generation from operations (Adjusted EBITDA of €758 million in 2015 and €417 million in 2014) and significantly lower capital expenditure following the completion of the refinery upgrade projects (€80-€140 million Total Refinery Capex from 2013 onwards (2015: €165 million) compared to €490-€650 million Total Refinery Capex between 2011 and 2012). The cash generated from operations in the last two and a half years was primarily used to fund capital expenditure, pay interest expenses and taxes, as well as for working capital funding, including the increase of stock levels to increase crude sourcing optionality as well as the repayment of suppliers, while net debt levels have remained largely unchanged. The Group plans to utilise additional cash generated towards further repayment of payables to Iran (in line with the NIOC Agreement) and reduce leverage to the Group's target levels. The proceeds from the agreed divestment of the Group's 35 per cent. indirect holding in DESFA are expected to be applied entirely towards deleveraging.

The Group's net interest expense in 2015 amounted to €201 million compared to €215 million in 2014, despite the adverse economic environment. The reduction in net interest was due to renegotiation of terms in the Group's commercial credit facilities, the lower interest rate of the 2019 Eurobond (as defined below), compared with the debt that was redeemed, and the improvement in operating cash flows.

The table below summarises the Group capitalisation structure and the key features of its credit facilities as at 30 June 2016, followed by a description for each of its term facilities:

	Amount drawn	Amount drawn over LTM 1H16 Adjusted EBITDA (€749m)	Issue date	Repayment (amortisation/ bullet	Committed / uncommitted	Maturity
			(EUR million)			
Cash[27]	(1,416)	(1.9x)				
Syndicated credit facility €40m[28]	40	0.1x	Jan-2013	Bullet	Committed	Jul-2016
Syndicated credit facility €10m	10	0.0x	Jan-2013	Bullet	Committed	Jul-2018
Syndicated bond loan €350m	343	0.5x	Jan-2013	Bullet	Committed	Jul-2018
Bond loan €400m	284	0.4x	June-2013 (€225m) April 2016 (€59.5m)	Bullet	Committed	Oct-2016
Bond loan €200m	199	0.3x	Jan-2015	Bullet	Committed	Jan-2018
Bond loan standby facility €400m	198	0.3x	May-2016	Bullet	Committed	Nov-2017
European Investment Bank Term Loan	267	0.4x	May-2010	Gradual Amortisation	Committed	Jun-2022
2017 Eurobond	483	0.6x	May-2013	Bullet	Committed	May-2017
2019 Eurobond	312	0.4x	July-2014	Callable Jul-2017	Committed	Jul-2019
Bilateral lines	963	1.3x			Uncommitted	Various
Finance leases	5	0.0x				Various
Total gross debt	**3,104**	**4.1x**				
Total net debt	**1, 688**	**2.3x**				

On 26 May 2010, Hellenic Petroleum signed two loan agreements (Facilities A and B) with the EIB for a total amount of €400 million (€200 million each). The purpose of the loans was to finance part of the investment programme relating to the upgrade of the Elefsina Refinery. Both loans have a maturity of twelve years with amortisation beginning in December 2013 and similar terms and conditions. The proceeds of a facility entered into between Hellenic Petroleum and Piraeus Bank S.A. have been provided as collateral for a guarantee to credit enhance Facility A. The provision of such a guarantee is a normal practice for EIB lending, particularly during the construction phase of large projects. Total repayments on Facility A and Facility B together as at 30 June 2016 amounted to €133 million, in line with the loan agreements, while the remaining balance was €267 million.

On 25 January 2013, Hellenic Petroleum and HPF concluded a €140 million syndicated credit facility agreement and a €465 million Greek bond facility agreement, the proceeds of which were applied to repay outstanding indebtedness. On July 2014, the Group proceeded with a voluntary early repayment and partial refinancing of the facilities. As a result, the Group voluntarily repaid a notional loan amount of €152 million and concluded two new credit facilities with similar terms and conditions in July 2014: (i) a €50 million syndicated credit facility entered into by HPF, guaranteed by Hellenic Petroleum, with a €40 million tranche which was due to mature in July 2016 ("**Tranche A**") and a €10 million tranche ("**Tranche B**") maturing in July 2018; and (ii) a €350 million syndicated bond loan credit facility ("**Syndicated bond loan €350m**") entered into by Hellenic Petroleum and guaranteed by HPF maturing in July 2018. An amount of €20 million of Tranche A has been renewed until July 2018 while the remaining amount of €20 million has been repaid.

27 Cash includes "Cash & cash equivalents and restricted cash" and "Available-for-sale financial assets".

28 An amount of €20 million of Tranche A has been renewed until July 2018 while the remaining amount of €20 million has been repaid.

Furthermore, during the first half of 2013, the Issuer proceeded with the issuance of a eurobond of €500 million due 2 May 2017 guaranteed by the Guarantor (the "**2017 Eurobond**"), with a maturity of four years and a fixed coupon of 8.00 per cent. The 2017 Eurobond is redeemable at maturity (May 2017) and is listed on the Luxembourg Stock Exchange. The proceeds of the 2017 Eurobond were used to repay existing financial indebtedness.

On 16 May 2014, the Issuer issued a further U.S.$400 million eurobond guaranteed by the Guarantor due May 2016 (the "**2016 Eurobond**"), with a maturity of two years and a fixed coupon of 4.625 per cent. with the aim of reducing financing costs. All amounts outstanding on 16 May 2016 have been repaid.

On 4 July 2014, the Issuer proceeded with the issuance of a further €325 million eurobond due 4 July 2019 guaranteed by the Guarantor (the "**2019 Eurobond**"), with a maturity of five years and a fixed coupon of 5.25 per cent. The 2019 Eurobond will be callable on 4 July 2017, is redeemable at maturity (4 July 2019) and is listed on the Luxembourg Stock Exchange. The proceeds of the issue were used to partly refinance existing financial indebtedness. The current amount outstanding is €320 million.

On 22 January 2015, the Guarantor concluded a €200 million committed credit facility, with a tenor of three years with the National Bank of Greece, in line with the Group's risk management strategy to increase the percentage of committed facilities.

On 13 May 2016, Hellenic Petroleum concluded a syndicated bond loan facility (the "**Stand-by Facility**") for an amount up to €400 million and a maturity of up to two years. The Stand-by Facility has two tranches, a committed tranche of €240 million and an uncommitted tranche of €160 million. The Stand-by Facility was concluded as part of the Group's liquidity risk management activities in relation to the refinancing of the 2017 Eurobond.

The Group companies have credit facilities for general corporate purposes in place with various banks. These are mainly short-term loans to the parent company, Hellenic Petroleum S.A., which are renewed as necessary over time. As at 30 June 2016, the amount of drawn bilateral lines was €963 million.

On 3 June 2016 the bondholders of the 2017 and 2019 Eurobonds agreed to amendments to certain terms concerning the definition of certain items contained in the calculation of the Consolidated Net Debt to Consolidated Net Worth (as defined therein) ratio, in the context of a covenant harmonisation process across the Group's financing documents. Similar changes were also agreed and implemented in the commercial bank facilities that carried similar covenant ratios. All such facilities have now been harmonised to include the same definitions for financial covenants with the exception of the EIB facilities described below, which are also in the process of being amended.

On 30 June 2016, the Guarantor extended the €400 million bond loan (the "**Bond loan €400m**") for four months for technical reasons in order for its maturity to coincide with that of similar Group facilities. The participating banks have provided their commitments to renew the Bond loan €400m in October 2016 for an additional period of one year with two extension options, each for an additional six months.

As of 30 June 2016, the Group's cash position was €1,416 million, including "Cash & cash equivalents and restricted cash" and "Available-for-sale financial assets", as defined in the Group's financial statements.

6.5 Environmental Footprint

The Group is committed to the continuous improvement of its environmental performance in order to protect and conserve the natural environment. Environmental protection, as a key component of sustainable development, remains a priority in all of the Group's activities.

The Group maintains a comprehensive policy for health, safety, environment and sustainable development where all the basic principles governing the Group's operations in environmental protection are described in detail.

The Group also carries out the following activities, which are periodically verified by independent parties:

- monitoring all global and European developments in its sector and adopting Best Available Techniques ("**BATs**") and systems during equipment renovation and replacement;
- upgrading production processes in order to ensure that its products comply with the strictest quality and EU environmental specifications, aiming at the minimisation of the environmental impact during the product cycle (production, storage, distribution, consumption);
- applying modern methods in human resources management and training and educating its employees on safety and environmental issues; and
- demonstrating its interest in the environment and local communities, by sharing the residents' interests and concerns and actively collaborating in the effort of sustainable development.

Environmental management

In the framework of the Group's environmental policy, environmental management systems are applied and certified in all of the Group's refineries in Greece (the Aspropyrgos, Elefsina and Thessaloniki refineries), exploration & production activities, the Group's headquarters, the fuel terminals operated by EKO and the HF marketing businesses according to the ISO 14001 scheme for environmental management systems. In addition, all refineries' chemical laboratories have been accredited for all analysis required for CO_2 calculation and verification procedures according to ISO 17025.

As a main part of its environmental management plan, the Group also complies with European and national legislation that has been incorporated in the refineries' valid environmental and operating permits. The Group is also preparing for the implementation of the revised "Best Available Techniques (BAT) Reference Document for the Refining of Mineral Oil and Gas", which was formally adopted in October 2014, as a part of the Industrial Emissions Directive (2010/75/EC) and will be in force in 2018 under the renewal of environmental permits of refineries.

Energy efficiency, CO_2 emissions and trading scheme

Energy efficiency in refineries is an area to which the Group assigns particular importance and is a key tool for the Group's contribution to tackling climate change.

The Group's refineries consume energy to produce fuel, their end product. The increasingly stringent fuel specifications (for example, zero sulphur fuels) contribute to the reduction of air emissions from the end use of these fuels, such as sulphur dioxide and particulate matter but, also increase the amount of consumed energy because the production of such fuels requires an increased amount of energy. The Group's refineries have managed to produce environmentally friendly fuels with high energy efficiency. The fuel management system in the production process requires continuous energy efficiency projects, which result in significant energy and cost reduction values.

Every year, the Group, as required by the EU ETS Directive (2003/87/EU) for Phase III (2013-2020), submits its annual reports on CO_2 emissions of its refineries to the competent authority, verified by a third party, surrenders the refineries' emissions allowances to the National Registry and implements any other action required by the competent authority YPEKA.

The Group participates in all national and European bodies' discussions for Phase IV (2021-2030) EU-ETS Reform and the implementation of the recently adopted first-ever universal, legally binding global climate agreement.

Environmental Investments

Significant environmental investments have been made, based on BATs and the modernisation of the production process (e.g. increased efficiency, energy saving, reduced consumption of natural resources and reduced waste), in the context of sustainable development. Apart from the optimisation efforts referred to above, a milestone in the Group's history (and one of the largest manufacturing investments in Greece in recent years) was the start-up of the upgraded Elefsina refinery. In relation to the Elefsina refinery upgrade project, approximately 25 per cent. of the total cost of the project was directly related to environmental improvements, which led to a significant improvement of the refinery's environmental performance. The continuous improvement in environmental performance requires annual investments in order for the industrial facilities to operate in agreement not only with the current emission limits but to be adequately prepared for the new, lower, limits associated with BATs.

Voluntary environmental projects

Within the framework of its policy to reduce the carbon footprint of its activities, the Group has launched a project to measure the greenhouse gas emissions from the operation of its office buildings. The scope of this project is to identify areas of improvement and evaluate future actions towards reducing emissions.

In addition, the Group, recognising the importance of preserving biodiversity in the vicinity of the areas in which it operates, has implemented a wide range of voluntary activities such as a project for the monitoring of the ecosystem of Koumoundourou lake and the planning of activities for its management, rehabilitation and further development of the area. The monitoring mainly relates to the online measurement of water quality parameters, while an action plan for rehabilitation is under development.

Air emissions from the refineries

The total air emissions from the domestic refineries are well below the national emission limits, based on European Directives and Decisions. Apart from cleaner fuels production for end users, the Group also uses cleaner fuels for the self-consumed energy in production processes (such as fuel for furnaces and boilers). For its own needs, the Group maximises the use of gaseous fuels, derived primarily from process gases that are pre-treated (with zero sulphur concentration) and thus restricts the use of liquid fuels. The gas fuel desulphurisation projects that have been implemented on the premises, in combination with the improved heavy fuel oil characteristics, have significantly contributed to the reduction of sulphur dioxide emissions from the refineries. The total sulphur dioxide emissions from the three domestic refineries have been reduced by almost 70 per cent. in the last decade and are approximately 55 per cent. lower than the national emission limits. NO_x emissions also appear to be steady, as low-NO_x burners are being used in the majority of furnaces. Similarly, emissions of volatile organic compounds have significantly reduced in recent years, as a result of the Group's best practices and application of its leak detection and repair programme. All air emissions measurements conducted by the Group are monitored by independent surveyors.

Further reduction of air emissions is achieved in the industrial facilities through the implementation of pollution abatement, i.e. end of pipe technologies.

Wastewater and solid waste management

The three domestic refineries already have in operation modern wastewater treatment units, which include first, second and third level treatment. The effectiveness of the treatment is continuously monitored by ISO 17025 accredited laboratories in the facilities, based on the physiochemical characteristics of discharged wastewater. Moreover, priority is given to recycling where technically feasible, through the re-refining of recovered hydrocarbons from the wastewater treatment units and the utilisation of treated wastewater for auxiliary uses. The implementation of wastewater recycling programmes has led to the reduction of effluent quantities, while the relevant quality parameters are maintained at levels which are approximately 40 per cent. lower than the relevant regulatory emission limits.

In addition, all refineries and retail installations have emergency plans in case of sea pollution related incidents, which have been approved by the relevant port authorities, and practice drills are conducted on an annual basis. There have been no sea pollution spill related incidents in recent years.

Regarding hazardous solid waste, the Group applies environmentally friendly technologies prior to final disposal. Wherever technically feasible, in situ treatment is applied, such as the bio-treatment of oily sludge from wastewater treatment units, otherwise pre-treatment of waste and safe final disposal through third-party licensed and specialised hazardous waste management companies takes place.

The effort to recycle all waste streams (e.g. old metal and plastic materials, wood, tires and lubricants) is on-going. Materials to be recycled are collected separately and properly managed. All facilities are implementing various recycling programmes for different waste streams at both production units and offices.

All figures related to environmental performance are reported to the competent authority and communicated to stakeholders through the Group's Sustainability Report which is verified by an independent international certification body.

7. Administrative, Management and Supervisory Bodies

The table below sets out the names of Hellenic Petroleum's Board of Directors, their other principal activities and their current role in Hellenic Petroleum. The business address of each of the Directors is 8a Chimarras Street, 15125, Maroussi, Greece.

Name	Function	Other Principal Activities
Efstathios Tsotsoros	Chairman	Chairman of Hellenic Fuels and Lubricants Industrial and Commercial S.A.
Grigorios Stergioulis	Chief Executive Officer	Executive Director Hellenic Petroleum Finance plc
Andreas Shiamishis	Executive Member	Group CFO
		Director of Hellenic Petroleum Finance plc
		Vice-chairman of the Supervisory Board of Hellenic Petroleum International A.G.
		Member of the Board of Directors of Elpedison S.A.
Ioannis Psychoyios	Executive Member	Group Oil Supply, Refining and Trading General Manager
		Vice-Chairman of Diaxon S.A.
Theodoros-Achilleas Vardas	Non- Executive Member	Vice–Chairman of Hellenic Fuels and Lubricants Industrial and Commercial S.A.
		Chairman of ELPE Thraki S.A.
Georgios Grigoriou	Non-Executive Member	
Stratis Zafiris	Non-Executive Member	General Secretary for Industry/ Ministry of Economy, Development and Tourism
Dimitris Kontofakas	Non-Executive Member	Special Advisor to the Vice President of the Greek Government
		Non-executive Member of the Board of Directors of Astir Palace Vouliagmeni S.A.

Yeoryios Stamboulis	Non-Executive Member	Lecturer in the University of Thessaly (Departments of Mechanical and Industrial Engineering, of Planning and Regional Development and Department of Economics)
Panagiotis Ofthalmidis	Non-Executive Member	Representative of Hellenic Petroleum employees
Konstantinos Papagianopoulos	Non-Executive Member	Representative of Hellenic Petroleum employees
Theodoros Pantalakis	Non-Executive Member	CEO of Attica Bank S.A., Member of the Board of Ellaktor S.A., Attiki Odos SA, ELTEC Anemos S.A., Reds S.A. Retail World S.A. Chairman and CEO of BMC Circle S.A.
Spyridon Pantelias	Non-Executive Member	Director Financial Stability Department, Bank of Greece

There are no potential conflicts of interest between any of the directors' duties to Hellenic Petroleum referred to above and their private interests and/or other duties.

The Board of Directors is the supreme administrative body of Hellenic Petroleum, it consists of 13 members, their term of office is five years and they are appointed and elected as discussed under the section entitled *"Description of the Guarantor – Major Shareholders"* above.

The Board of Directors is divided into non-executive and executive members. The number of non-executive members of the Board of Directors cannot be lower than one third of the total number of its members. The Board of Directors elects among its members the Chairman and Managing Director/Chief Executive Officer and, following the Managing Director's proposals, appoints the "General Managers" and other "Senior Managers" of the Group.

The Group Internal Audit Division which is supervised by non-executive members of the Board of Directors, reports to the Board of Directors. Its main objective is to schedule, coordinate and apply an optimum and effective internal audit on the systems and procedures of Hellenic Petroleum and its subsidiaries, through ordinary, extraordinary and special audits, the conclusions of which are used by management in order to ensure the lawful, normal and efficient operation of the Group.

The members of the Board of Directors participate in various committees which supervise different divisions of the Group. The committees report to the Board of Directors. The Internal Audit Committee, in particular, supervises the Group Internal Audit Division pursuant to the provisions of Law no. 3016/2002.

8. Regulation

Greece

The principal measures contained in the legislation for the downstream oil sector in Greece are the following:

- ***Operating licences (Law 3054/2002 Articles 4-9 as amended by Laws 3423/2005, 4152/2013, 4233/2013 and 4254/2014)***

The law sets out a licensing system for refiners, wholesalers and retailers operating in Greece. The law specifies the conditions that must be fulfilled by the holders of refining, trade and retail licences. The law also specifies the conditions for holders of pipeline operating licenses.

- ***Special levy before taxes (Law 3335/2005 Article 11 of which has amended Law 3054/2002 Article 19.2)***

A special levy before taxes of 1.2 per cent. is imposed on oil products which are distributed in the internal market, with the exception of fuels that are distributed to the armed forces, jet fuels and marine fuels (for coastal shipping and bunkers). The taxation proceeds are earmarked for the subsidisation of wholesalers and retailers who cover product supplies in remote regions, where low profitability can discourage other operators. Funds are also used to promote the spread of environmentally friendly service stations. In addition, 15 per cent. of the taxation proceeds are earmarked for environmental projects in the vicinity of the country's refineries. Funds raised are also used to help finance the KEDAK, the inspection body which has been established with the aim of ensuring adherence to standards in the storage and distribution sectors (the "**KEDAK**").

- ***Storage and wholesale sectors (Law 3054/2002 as amended by Laws 3335/2005, 4172/2013 and 4254/2014)***

This law includes measures aimed at the storage and distribution sectors. One of its most important measures gives retailers and major users the right to acquire oil products directly from refineries or overseas suppliers (in the past, retailers were obliged to purchase oil products from wholesalers).

Licences for wholesale operations are also subject to companies having a minimum capital ranging from €500,000 up to €1.5 million, depending on the volume of sales during the previous calendar year for distributing most oil products, with the exception of marine fuel, jet fuel, LPG and asphalt, for each of which an additional €500,000 of minimum capital is required.

Licensed companies must also hold adequate insurance coverage against specific risks, which remains to be determined in more detail by virtue of a ministerial decision.

Wholesalers are also obliged to maintain minimum storage capacity, that must be the 'property of, leased or exclusively assigned' to them, and which must also be available for maintaining emergency stocks. The minimum storage capacity required in order to obtain a licence to distribute oil products ranges from 4,000m^3 to 13,000m^3 depending on the volume of sales during the previous calendar year.

In addition, importers of crude oil, finished or intermediate petroleum products, who supply the domestic market, as well as major end consumers who import oil products for their own use, have an obligation to maintain emergency product stocks irrespective of the type of licence that they hold. Importers and major end consumers are required to maintain 90 days' equivalent of stocks, calculated on the basis of the previous year's net imports. A dedicated inspection body, KEDAK, has been established to ensure compliance by the storage and wholesale sectors with the measure.

In accordance with Law 3054/2002, Article 12.3, emergency stocks must be maintained in storage facilities which have been accredited as “Emergency Stocks Storage Facilities”. The storage facilities of a refining licence holder may be regarded as Emergency Reserves Storage Facilities. The storage facilities of end consumers, except for those of major end consumers are not regarded as Emergency Reserves Storage Facilities.

- ***Compulsory stock obligations (Law 4123/2013 and Law 4361/2016)***

Law 4123/2013, voted in February 2013, has harmonised national legislation with EU Directive 2009/119/EC. A new CSO Regulation was issued by YPEKA in November 2013 (Decision D1/B/21196/19.11.2013). The main provisions of law 4123/2013 are:

(a) compulsory stocks correspond to 90 days of average daily net imports and are calculated on the basis of the crude oil equivalent of imports;

(b) option to establish a Central Stockholding Entity (“**CSE**”);

(c) economic operators with stockholding obligations are given the right to delegate their obligations at least in part to:

  (i) the CSE (when it is established); and

  (ii) other economic operators with surplus stocks or available stockholding capacity; and

(d) up to 30 per cent. of the CSO can be maintained in other EU countries.

Law 4123/2013 may allow the Group to reduce the level of stocks maintained and hence the level of working capital tied up, as it provides for the option to keep up to 30 per cent. of its stocks in another EU country and introduces the possibility of a government regulated CSE to keep such stocks.

Pursuant to Article 33 of Law 4361/2016, importers may assign, in full or in part, the maintenance of their CSO stock to another market participant that has excess stock or the ability to maintain CSO stock in certified tanks for CSO stock. The assignment agreement for the maintenance of CSO stock must have a term of at least six months. In connection with agreements meeting the CSO transparency, suitability and adequacy criteria of Articles 1 and 3(1) of Law 4123/2013, the legal minimum term of six months will cease to apply by virtue of a Ministerial Decision to be issued within 30 days of commencement of the central CSO inventory’s operations.

- ***Domestic Fuel prices (Law 4177/2013 as amended by Law 4254/2014)***

The prices of oil products are determined freely in Greece. For the purpose of promoting a competitive marketplace, the refineries have the obligation to notify the Minister of Development and the RAE of the method employed in determining ex-factory prices of oil products. For the same reason, oil products marketing companies have the obligation to notify the Minister of Development and the RAE of the real sale price (including any discounts or other arrangements) of oil products sold to retail outlets per region.

The Greek government maintains the right to set maximum retail prices for motor fuels in certain situations. Maximum retail prices are calculated by taking into account the weighted average price in the Attica region, as well as refinery, wholesale and retail profit margins, differential transportation costs (particularly in remote and island locations) and product taxes.

- ***Opening hours*** (***Law 3054/2002 Article 22 as amended by Law 4062/2012***)

Opening hours of service stations have been liberalised. In order to ensure continuous availability of fuels, at least 10 per cent. of the total number of the service stations in any given prefecture must operate, under a rotation system, during the night hours of working days and at least 25 per cent. of the total number of service stations in the prefecture must operate during Sundays and public holidays, as regulated from time to time by the corresponding prefecture.

- ***Internal market monitoring***

In September 2008, the Greek Competition Authority ("**GCA**") unveiled a series of draft proposals aimed at further promoting competition across the fuel distribution chain. The GCA stated the need to heighten oversight, by establishing an Integrated Information System for Oil Refining and Marketing, and grant additional monitoring powers to the Regulatory Authority for Energy.

With regards to fuel transport and the licensing procedure, caps in transport capacity ownership for oil companies have been abolished since 1 July 2013.

- ***Environment***

Greece's environmental policy is largely shaped by the need to meet a variety of targets agreed by the EU. Under the new EU climate and energy legislation, Greece is committed to reducing greenhouse gas emissions levels in 2020, by 20 per cent. compared with 1990 levels (for EU ETS sectors), and by 4 per cent. compared with 2005 (for non EU ETS sectors). In addition the share of renewables in primary energy consumption should be increased to 18 per cent. by 2020. A 10 per cent. obligatory target for biofuels in road fuels consumption has also been set.

Other Countries

The Group operates in five South-Eastern European markets regulated by local legislation. Cyprus and Bulgaria, as members of the EU, do not have restrictions on price setting or products imports and exports. In Montenegro, Serbia and FYROM, some restrictions, such as regulated pricing and preferential customs regulation for locally produced oil products, apply. These restrictions effectively impose price caps for final customers based on international crude oil and product price evolution, with a time lag that usually ranges between 10 to 15 days. As a result, the profitability of companies operating in those markets is subject to higher volatility. To this end the Group commits adequate resources to optimise its supply chain in order to manage the pricing mismatch between sales and purchases.

9. Market trends

Demand for oil and gas is strongly linked to the strength of the global economy and as such, projected economic growth is considered an indicator for future demand for the Group's products and services. On the supply side, political tensions in oil producing countries can affect the availability of crude oil and its price.

Over the last 18 to 24 months, refining margins, especially in Europe, have recovered to multi-year highs, mainly as a result of improved crude supply, especially in the Atlantic basin and the Middle East and more recently higher global product demand. Volatile conditions and cyclicality as a general trend may continue to prevail in the industry with their impact depending, among other things, on variations in crude supply conditions globally and, more importantly, regionally, refined product demand and the level of geographically relevant refining capacity.

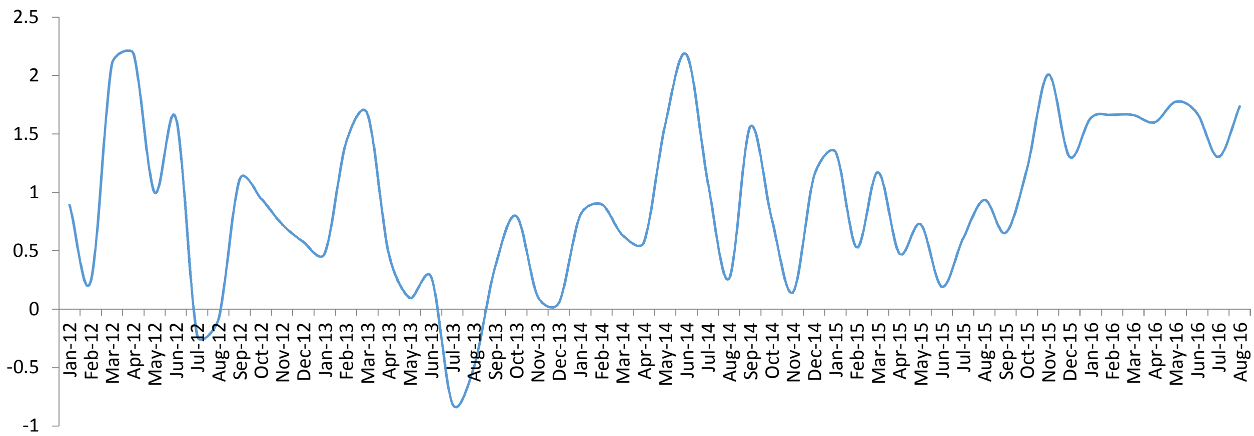
The main effect of the global recession on the oil industry has been that the decline in demand has opened up a fairly large amount of spare capacity, especially in Europe. This, coupled with increases in capacity in Asia and the Middle East, has led to a number of refinery closures across Europe, over the last five years. Furthermore, the gradual switch of auto fuel consumers from gasoline to diesel, especially in Europe, has resulted in a considerable mismatch between demand and refining production, leaving Europe with a shortage in diesel and gasoil and surplus in gasoline and fuel oil. This development underlines the importance of complexity and maximisation of diesel production as the key drivers of refining profitability in the medium to long term.

Following the significant decline in refining margins in 2009, a demand-led recovery in 2010 proved short-lived, as refining margins in Europe in the second half of 2011 recorded new lows, driven by declining demand in Europe and the U.S. as well as supply-side concerns. This led to refinery closures predominantly in Europe and on the U.S. East coast over the period 2009 to 2013. In 2013, refining margins in Europe declined further and recorded multi-year historical lows in the Mediterranean, affected by low demand and weak economic growth in the region, reduced crude oil supply due to political developments in the Middle East and North Africa and reduced Russian crude oil exports to Europe. Furthermore, increased U.S. refinery runs and diesel exports from Russia and Asian countries exacerbated pressure on European refining margins.

In the second half of 2014, excess crude oil supply in the Atlantic basin, initially for sweet/light grades, due to increased shale oil production in the U.S. and later for sour/heavy grades in the Middle East, as a result of the increased production in Iraq, led to a significant decline in crude oil prices from U.S.$115/bbl in June 2014 to a 12-year low of U.S.$28/bbl in February 2016. Lower crude oil prices have led to increased demand globally, especially in U.S. (1.2 per cent. higher), emerging markets and the Organisation for Economic Co-operation and Development ("**OECD**") Europe (1.5 per cent. higher). The increase in demand for 2015 is estimated at 1.8mbpd, and was more pronounced for gasoline, middle distillates and LPG. As a result, refining margins, for both simple and complex refineries, reached their highest levels in several years.

The oversupply in regional crude oil markets, mainly due to the significant increase of production and exports from Iraq, as well as the return of Iran to the markets following the lifting of sanctions in 2016, increased competition among crude oil producers of heavier and high sulphur content grades in the region. As a result the differential of Brent to the Russian benchmark Urals crude oil, a typical high sulphur crude oil available in Europe, (the "**Brent-Urals spread**"), amounted to U.S.$1.7/bbl on average, a five year high during the first half of 2016.

Brent – Urals spread (U.S.$/bbl) – monthly data from January 2012 until August 2016[29]



During the first months of 2016, refining margins were lower than during the same period of 2015. However, they remain at levels higher than the average of the last seven years, as supply conditions remain positive for Mediterranean refiners.

Refining margins are expected to remain volatile. Increased crude oil supply is positive for refiners, however, that may differ across regions and is subject to significant changes on the back of geo-politics, regulation and logistical constraints that individual refiners cannot influence. Capacity additions, especially from non-OECD countries, are expected to continue, however, the timing is affected by financial capacity of sponsors, permitting, environmental and other issues. Numerous projects, especially in oil producing countries, are reported to have been delayed in the last couple of years. Overcapacity remains an important

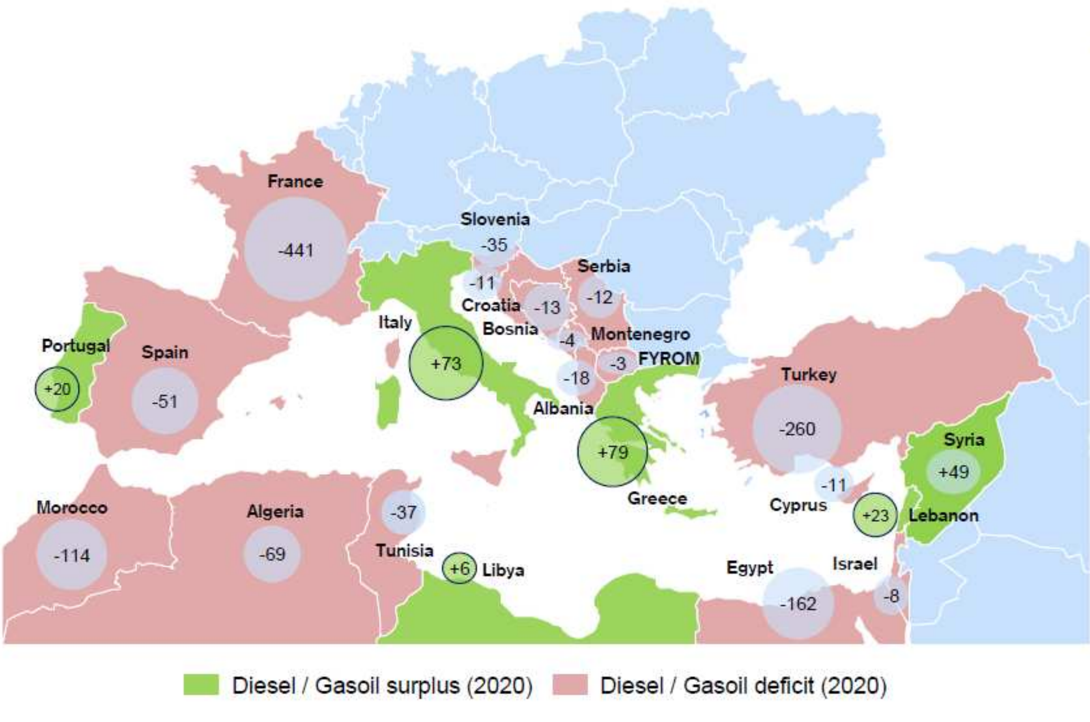
29 Source: Platts, Company information

issue for the refining industry, particularly in Europe. In global refining, the level of spare capacity following the round of closures in the previous years and the increase in demand appears to have declined in the 2015 to 2016 period. Penetration of substitutes and effect of optimisation and fuel saving is expected to continue, and there is a risk of much lower oil demand growth in the countries within the OECD given the push for greater efficiency and alternatives.

Gasoline cracks (the spread between the selling price of gasoline and crude oil) were weak between 2011 and 30 June 2014, largely caused by gasoline oversupply and weaker demand, as the U.S. reduced gasoline imports further. In the second half of 2014, gasoline cracks improved, reaching their strongest levels in several years during 2015, due to shortages, especially in the high octane blending components, retaining their relative strength in the first three months of 2016.

Middle distillates are considered the main driver of crude oil demand, with the largest components of demand being road transport and heating; and jet fuel for aviation being another important use. After several years of tight supply/demand balances that led to strong middle distillate cracks for most of the previous 10 to 12 years (and higher returns among key product groups) they declined on average in 2013, driven by increased U.S. and Asian exports to Europe that depressed product cracks to lower levels than the previous two years. While cracks recovered in the second half and remained at strong levels for most of 2015, in the last 8 months, middle distillates cracks have been weak due to oversupply. The supply/demand balances for diesel and gasoil in the Mediterranean are shown in the map below:

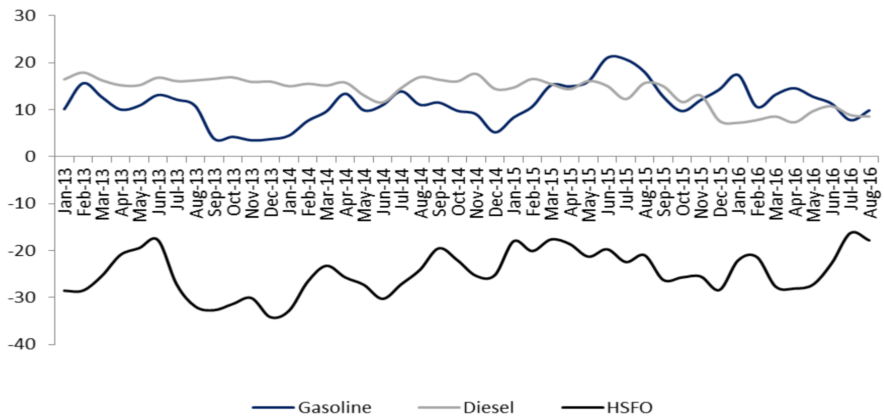
Key Diesel / Gasoil balances in the Med region, kb/d (2020)[30]



Fuel oil cracks have been negative in the last seven years, as demand has been declining consistently for industrial, energy generation and bunkering use, due to a regulatory move to cleaner sources. The medium and long term outlook remains negative for fuel oil as OECD countries continue to switch to cleaner sources of energy.

30 Source: KBC Advanced Technologies, Company information

Oil products cracks (U.S.$/bbl) – monthly data from January 2013 until August 2016[31]

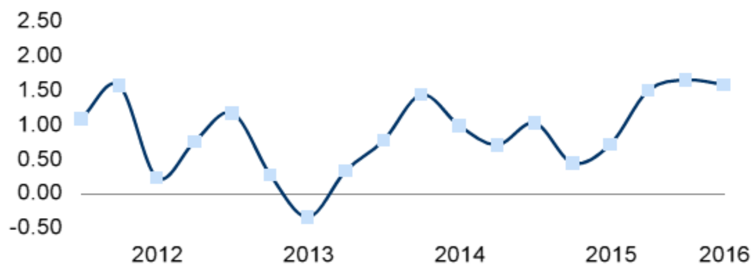


Polypropylene margins ranged between U.S.$400-500/tonne for the five year period 2010 to 2014. However, in 2015, increased demand in Europe, unplanned capacity shut-downs and lower crude oil prices, led to the strongest polypropylene margins of the past decade. It is noteworthy that in mid-2015, benchmark polypropylene margins reached as high as U.S.$1000/tonne, before gradually decreasing in 2016.

In the near-term, margins are expected to come under pressure as global capacity expansion exceeds forecasted demand growth. A surge in new plastics chemical capacity coming from low-cost producers in North America, the Middle East and China is driving the global market for key plastics like polyethylene and polypropylene to oversupply. IHS Markit Ltd estimates that more than 24 million metric tonnes of new polyethylene/polypropylene capacity will be added globally during the 2015 to 2020 period, squeezing margins for producers and changing the global competitive landscape.

Refining is a cyclical industry. Political tensions and their resolution in the Middle East, North Africa and the Russian Federation, the phasing out of nuclear power in a number of OECD countries, the availability of substitutes such as LNG and shale gas, global economic growth, oil products demand, the level of refining capacity both regionally and globally and changes in supply/demand balances in the global map are the main uncertainties expected to influence crude oil prices and refining margins in the medium term.

Mediterranean Urals Benchmark margins (U.S.$/bbl) – 2013-2016 to date[32]



Periodic Averages

	Twelve months ended 31 December			Six Months ended 30 June
(in U.S.$/bbl)	2013	2014	2015	2016
FCC	2.6	3.3	6.5	5.1
Hydrocracking	3.1	3.9	6.5	5.3

31 Source: Company information based on public data.
32 Source: Platts, Company information.

TAXATION

The following is a general description of certain United Kingdom and Hellenic Republic tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of the United Kingdom and the Hellenic Republic of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

Also investors should note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

United Kingdom Taxation

The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's understanding of current law and published practice in the United Kingdom relating to withholding taxation treatment and certain provision of information requirements in relation to payments of interest in respect of the Notes and stamp duties treatment in relation to the issue and transfer of the Notes. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The following is a general guide and should be treated with appropriate caution. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes continue to be listed on a “recognised stock exchange” within the meaning of section 1005 of the Income Tax Act 2007. The Luxembourg Stock Exchange is a recognised stock exchange. The Notes will satisfy this requirement if they are officially listed in the Grand Duchy of Luxembourg in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Luxembourg Stock Exchange. Provided, therefore, that the Notes remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest, provided that HM Revenue & Customs (“**HMRC**”) has not given a direction (in circumstances where it has reasonable grounds to believe that it is likely that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid subject to a deduction of tax.

In other cases, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Depending on the correct legal analysis of payments made by the Guarantor as a matter of UK tax law, it is possible that payments by the Guarantor would be subject to withholding on account of UK tax, subject to any applicable exemptions or reliefs (and noting that not all of the exemptions and reliefs set out above would necessarily be applicable).

The references to "interest" in this United Kingdom Taxation Section mean "interest" as understood in United Kingdom tax law. The statements do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

No United Kingdom stamp duty or Stamp Duty Reserve Tax ("**SDRT**") is payable on the issue of the Notes or on a transfer by delivery of the Notes.

GREEK TAXATION

The following is a summary of certain material Greek tax consequences of the purchase, ownership and disposal of the Notes. The discussion is not exhaustive and does not purport to deal with all the tax consequences applicable to all possible categories of purchasers, some of which may be subject to special rules. Further, it is not intended as tax advice to any particular purchaser and it does not purport to be a comprehensive description or analysis of all of the potential tax considerations that may be relevant to a purchaser in view of such purchaser's particular circumstances.

The summary is based on the Greek tax laws in force on the date of this Prospectus, published case law, ministerial decisions and other regulatory acts of the respective Greek authorities as in force at the date hereof and does not take into account any developments or amendments that may occur after the date hereof, whether or not such developments or amendments have retroactive effect. Further, non-Greek tax residents may have to submit a declaration of non-residence or produce documentation evidencing non-residence in order to claim any exemption under applicable tax laws of Greece.

Prospective holders of the Notes are advised to consult their own tax advisers as to the laws of Greece and other tax consequences of the purchase, ownership and disposal of the Notes.

1. **Greek withholding tax**

Payment of principal under the Notes and the Guarantee

No Greek income tax will be imposed on payments of principal to any Noteholders in respect of the Notes.

Payments of interest on the Notes

Payments of interest on the Notes issued by the Issuer and held by:

(a) Noteholders who neither reside nor maintain a permanent establishment in Greece for Greek tax law purposes (the "**Non-Resident Noteholders**") will not be subject to Greek income tax, provided that such payments are made outside of Greece by a paying or other similar agent who neither resides nor maintains a permanent establishment in Greece for Greek tax law purposes; and

(b) Noteholders who either reside or maintain a permanent establishment in Greece for Greek tax law purposes (the "**Resident Noteholders**") will be subject to Greek withholding income tax currently at a flat rate of 15 per cent., if such payments are made directly to Resident Noteholders by a paying or other similar agent who either resides or maintains a permanent establishment in Greece for Greek tax law purposes. The interest payments will be taxed via the annual income tax return of the Resident Noteholders. The 15 per cent. tax will, as a rule, exhaust the tax liability of Resident Noteholders who are natural persons (individuals), while it will not for other types of Resident Noteholders.

Payments of interest under the Guarantee

Payments of interest by the Guarantor under the Guarantee made to:

(a) Resident Noteholders shall have the same tax treatment as payment of interest on the Notes described above; and

(b) Non-Resident Noteholders will be subject to Greek withholding income tax currently at a flat rate of 15 per cent, subject to the provisions of any applicable tax treaty for the avoidance of double taxation of income and the prevention of tax evasion entered into between Greece and the jurisdiction in which a Non-Resident Noteholder is a tax resident.

Disposal of Notes – Capital Gains

Generally, taxable capital gain equals to the positive difference between the consideration received from the disposal of Notes and the acquisition price of the same Notes. For these purposes, expenses directly linked to the acquisition or sale of the Notes are included in the acquisition or sale price and are not added to or deducted from such price.

Capital gains resulting from the transfer of Notes issued by the Issuer and earned by Resident Noteholders or Non-Resident Noteholders will not be subject to Greek income tax (on grounds of equal treatment with corporate bonds issued by Greek entities).

2. Repeal of the EU Savings Directive

By virtue of Directive 2015/2060/EU and Greek Law 4378/2016, the Council Directive 2003/48/EC (the "**EU Savings Directive**") has been repealed, with effect from 1 January 2016. Nevertheless, the transitional provisions of Directive 2015/2060/EU with regard to the obligations of Member States, paying agents and Austria deriving from the EU Savings Directive, also apply as of 1 January 2016.

Furthermore, Greece has transposed into national law the provisions of the Council Directives 2014/107/EU and 2011/16/EU with regard to automatic exchange of information in the field of taxation.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA 2016 (the "**FATCA**"), a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (the "**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under "*Terms and Conditions—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Alpha Bank A.E., Credit Suisse Securities (Europe) Limited, Eurobank Ergasias S.A., HSBC Bank plc, National Bank of Greece S.A. and Piraeus Bank S.A. (the "**Joint Bookrunners**") have, in a subscription agreement dated 12 October 2016 (the "**Subscription Agreement**") and made between the Issuer, the Guarantor and the Joint Bookrunners upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe for the Notes at their issue price of 99.453 per cent. of their principal amount less commissions. The Issuer (failing which, the Guarantor) has also agreed to reimburse the Joint Bookrunners for certain of their expenses incurred in connection with the management of the issue of the Notes. The Joint Bookrunners are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

Save for any fees payable to the Joint Bookrunners, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. Certain of the Joint Bookrunners and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, the Guarantor and/or any of their respective affiliates in the ordinary course of business. The Joint Bookrunners and their affiliates have received, or may in the future receive, customary fees and commissions for these transactions.

United Kingdom

Each Joint Bookrunner has represented, warranted and undertaken that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations thereunder.

Each Joint Bookrunner has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the Issue Date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph and not defined in this Prospectus shall have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

The Hellenic Republic

Each Joint Bookrunner has represented and agreed that:

(a) it will make no public offer, as defined in Law 3401/2005, as amended and in force from time to time, transposing into Greek law the Prospectus Directive, of Notes in the Hellenic Republic; and

(b) it has complied and will comply with (i) the provisions of paragraph 3a of article 24 of Law 3401/2005, as amended and in force from time to time, and (ii) Law 3606/2007, as amended and in force from time to time, transposing into Greek law Directive 2004/39/EC, as amended and currently in force, with respect to anything done by such Joint Bookrunner in relation to any offering of any Notes in, from or otherwise involving Hellenic Republic.

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore, and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the "**Securities and Futures Act**"). Accordingly, the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of the Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person under Section 275(1) of the Securities and Futures Act or to any person pursuant to Section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that corporation or that trust has acquired the Notes pursuant to an offer under Section 275 of the Securities and Futures Act except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the Securities and Futures Act or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) pursuant to Section 276(7) of the Securities and Futures Act; or

(v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Hong Kong

Each Joint Bookrunner has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, the Notes other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); (ii) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

General

Each Joint Bookrunner has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Prospectus or any other offering material relating to the Notes. Persons into whose hands this Prospectus comes are required by the Issuer, the Guarantor and the Joint Bookrunner to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

GENERAL INFORMATION

Authorisation

1. The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 28 September 2016. The giving of the Guarantee of the Notes has been authorised by a resolution of the Board of Directors of the Guarantor dated 28 September 2016.

Listing and Admission to Trading

2. Application has been made to the CSSF to approve this document as a prospectus. Application has also been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange with effect from 14 October 2016. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC). The Issuer estimates that the total expenses related to admission of the Notes to trading will be approximately €9,950.

Clearing Systems

3. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records).

   The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Legal and Arbitration Proceedings

4. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer or the Guarantor is aware), which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer, or the Guarantor or the Guarantor and its Subsidiaries (taken as a whole).

Significant/Material Change

5. There has been no material adverse change in the prospects of the Issuer since 31 December 2015. There has been no significant change in the financial or trading position of the Issuer since 31 December 2015.

6. There has been no material adverse change in the prospects of the Guarantor since 31 December 2015. There has been no significant change in the financial or trading position of the Guarantor and its Subsidiaries (taken as a whole) since 30 June 2016.

Auditors

7. The stand-alone financial statements of the Issuer have been audited without qualification for the years ended 31 December 2014 and 31 December 2015 by PricewaterhouseCoopers LLP of Riverside, 7 More London Riverside, London SE1 2RT, United Kingdom, registered auditors, a member of the Institute of Chartered Accountants in England and Wales and regulated by the Financial Reporting Council.

8. The consolidated financial statements of the Guarantor have been audited for the years ended 31 December 2014 and 31 December 2015 by PricewaterhouseCoopers S.A. of 268 Kifissias Ave., 152 32 Halandri, Athens, Greece, a member of the Institute of Certified Public Accountants in Greece. The condensed interim consolidated financial information of the Guarantor for the six month period ended 30 June 2016 have been reviewed by PricewaterhouseCoopers S.A. in accordance with international standards on review engagements.

Documents on Display

9. Copies of the following documents (together with English translations thereof if applicable) may be inspected during normal business hours at the offices of the Issuer and the Principal Paying Agent for 12 months from the date of this Prospectus:

   (a) the certificate of incorporation and memorandum and articles of association of the Issuer;

   (b) the constitutional documents (with an English translation thereof) of the Guarantor;

   (c) drafts (subject to modification) of the Agency Agreement and the Trust Deed (which includes the Guarantee of the Notes);

   (d) stand-alone financial statements reports of the Issuer for the years ended 31 December 2014 and 31 December 2015;

   (e) the 2014 Annual Report and 2015 Annual Report of the Guarantor for the years ended 31 December 2014 and 31 December 2015; and

   (f) the condensed interim consolidated financial information of the Guarantor for the six month periods ended 30 June 2016 and 30 June 2015.

In addition, copies of this Prospectus and each document incorporated by reference are available on the Luxembourg Stock Exchange's website at *www.bourse.lu*.

Material Contracts

10. No contract (other than contracts entered into in the ordinary course of business) has been entered into by the Issuer, the Guarantor or a member of the Group which is, or may be, material or contains, or may contain, provisions which could result in the Issuer, the Guarantor or any member of the Group being under an obligation or entitlement which is or may be material to the Issuer's or the Guarantor's ability to meet its obligations to holders of the Notes.

Yield

11. On the basis of the issue price of the Notes of 99.453 per cent. of their principal amount, the gross real yield of the Notes is 5 per cent. per annum payable on a semi-annual basis.

Legend Concerning U.S. Persons

12. The Notes and any Coupons appertaining thereto will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

ISIN and Common Code

13. The ISIN for the Notes is XS1500377517 and the common code is 150037751.

INDEX OF DEFINED TERMS

THE ISSUER

Hellenic Petroleum Finance plc
40 Dukes Place
London EC3A 7NH
United Kingdom

THE GUARANTOR

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Greece

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United Kingdom

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United Kingdom

JOINT BOOKRUNNERS

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102 52 Athens
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8, Othonos Str.
105 57 Athens
Greece

National Bank of Greece S.A.
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10678 Athens
Greece

Piraeus Bank S.A.
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10564 Athens
Greece

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PRINCIPAL PAYING AGENT

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