



# Hellenic Petroleum – A Leading Energy Group in SE Europe

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Chief Executive Officer

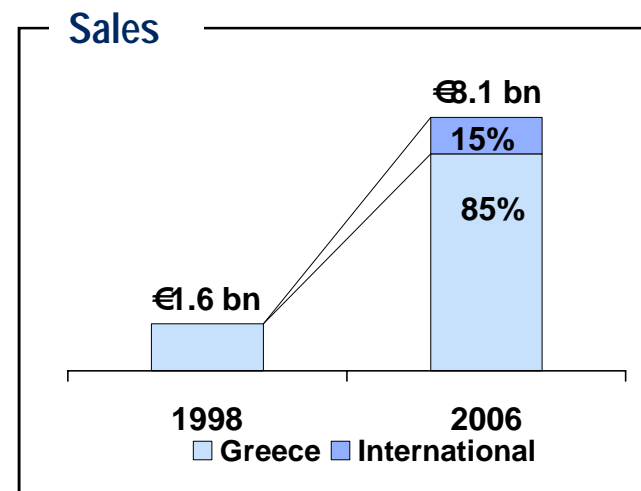
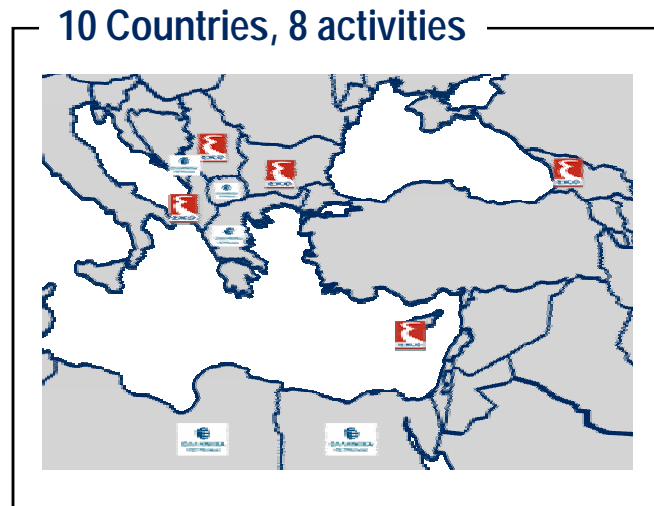
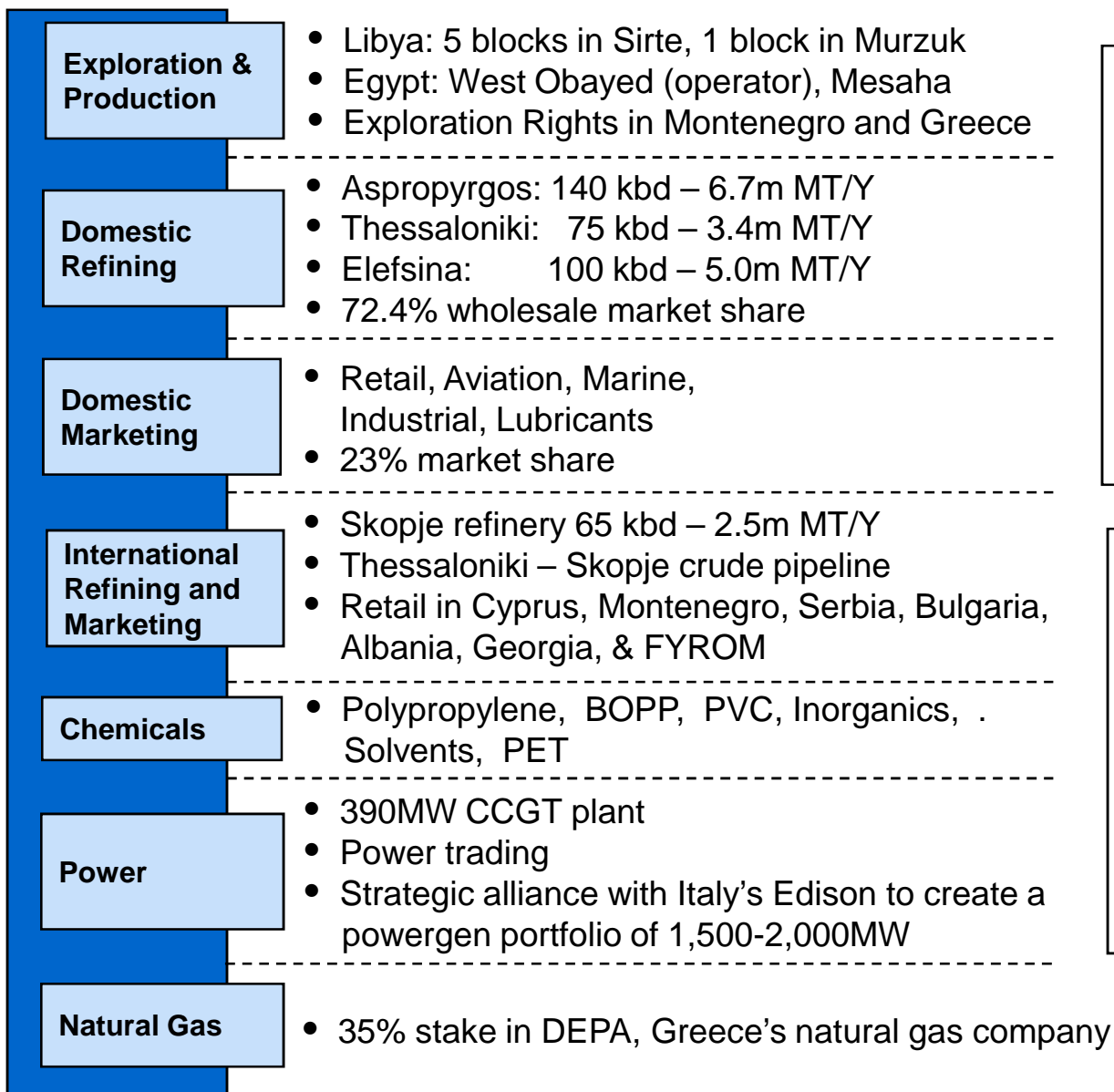
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## Disclaimer

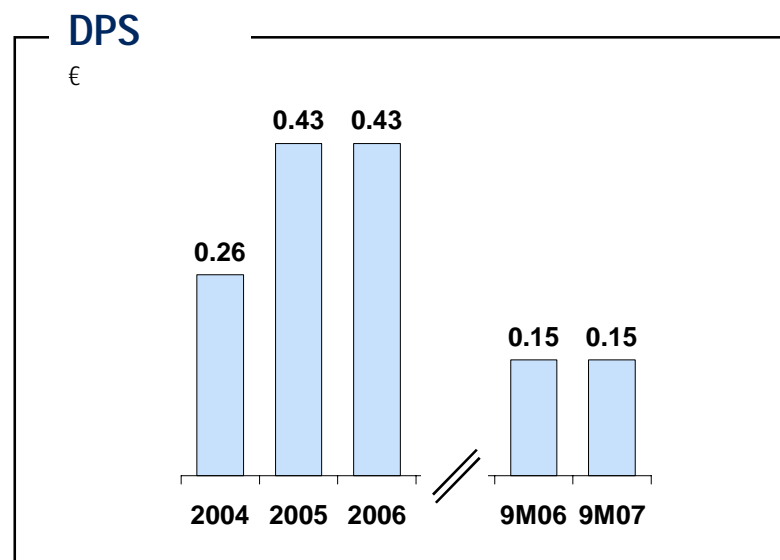
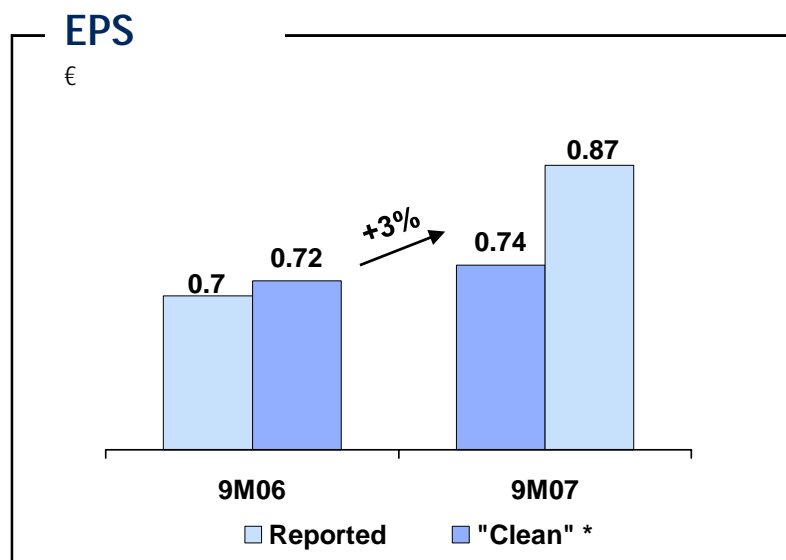
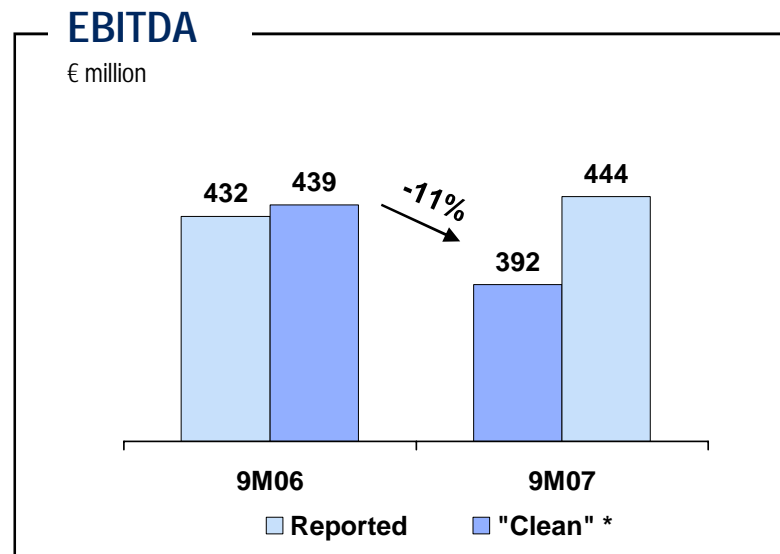
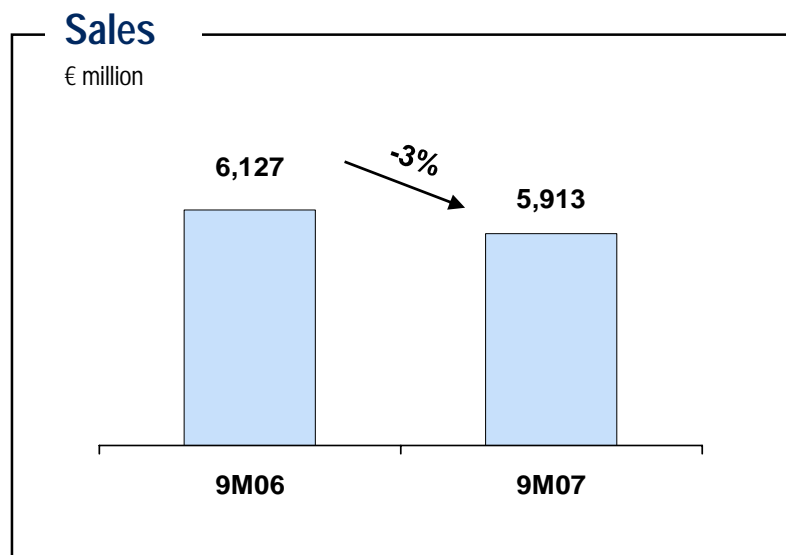
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*In particular, the actual results may differ (even materially) from the forecasted ones due to, among other reasons, changes in the financial conditions within Greece, fluctuations in the prices of crude oil and oil products in general, as well as fluctuations in foreign currencies rates, international petrochemicals prices, changes in supply and demand and changes of weather conditions. Consequently, it should be stressed that Hellenic Petroleum does not, and could not reasonably be expected to, provide any representation or guarantee, with respect to the creditworthiness of the forecasts.*

# Leader in Greece, developing a significant regional presence, with excellent assets across the energy value chain



# Key financials: strong operating performance



\* Calculated as Reported less Inventory effect

# Our Strategy: Transformation and Growth

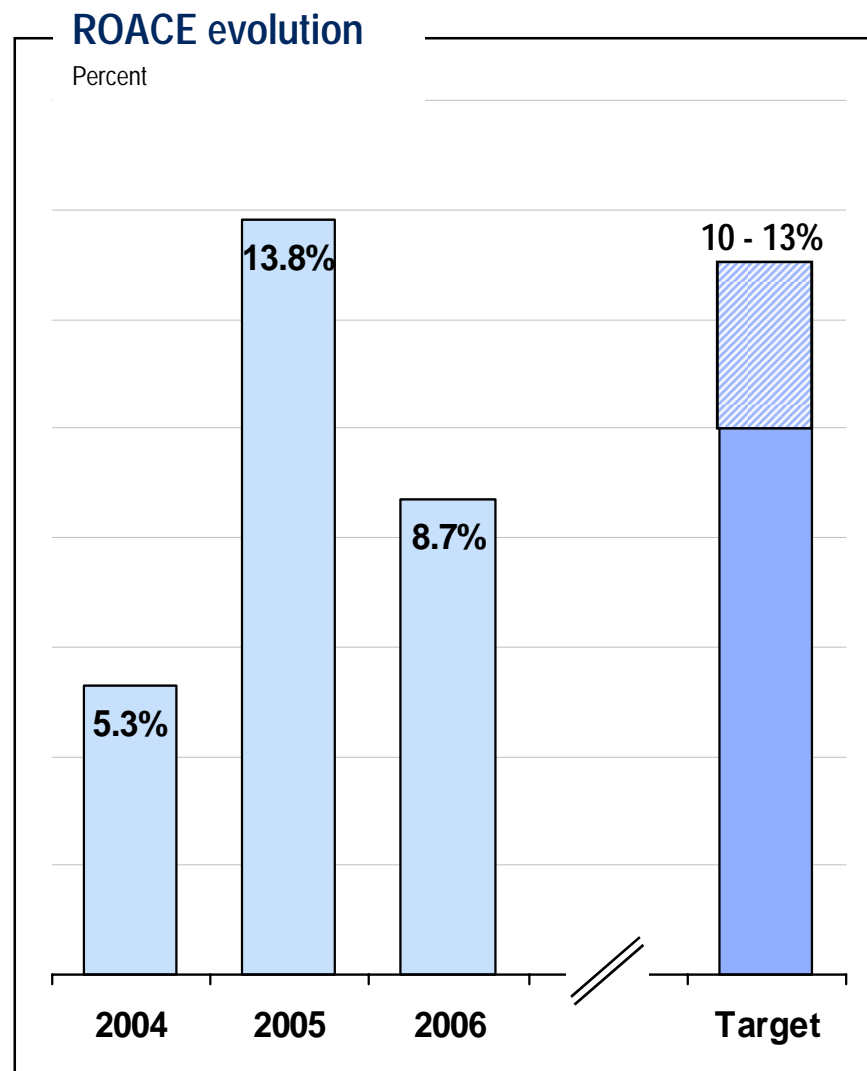
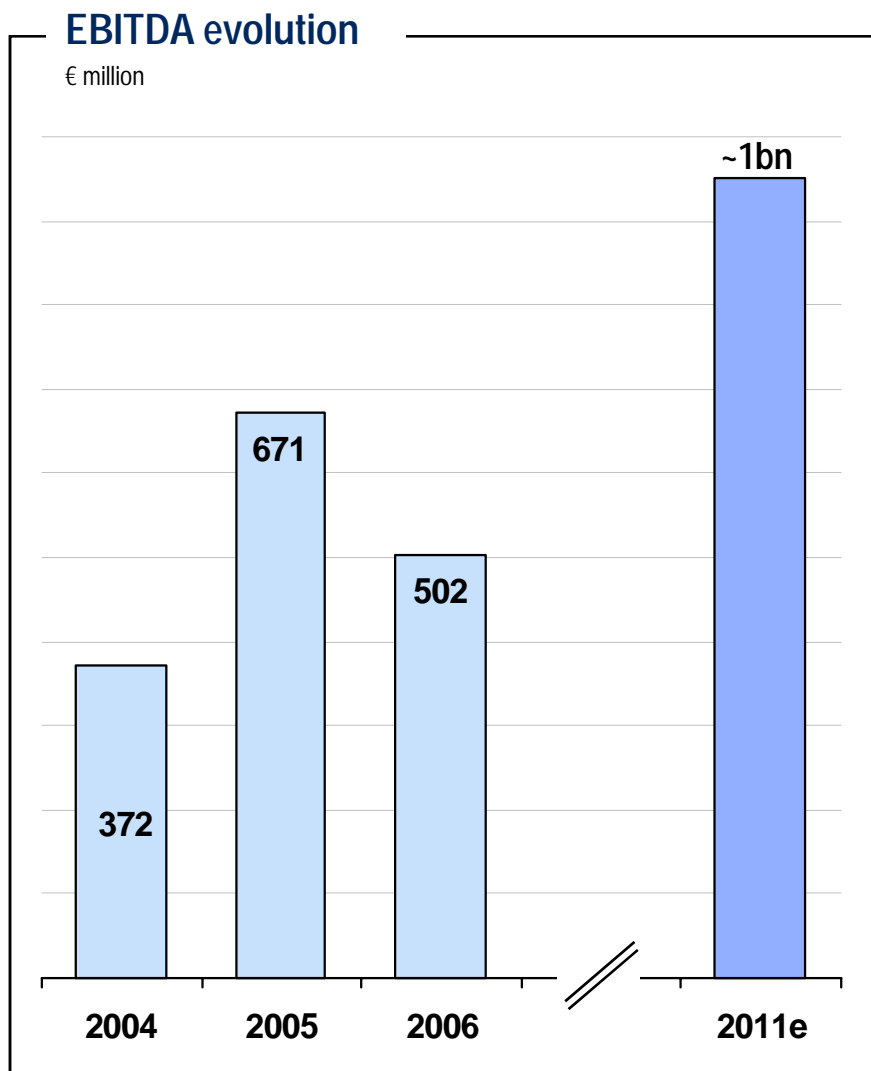
## Strategic Targets...

- Transform the Group into an internationally competitive energy company with fit-for-purpose structure and business processes
- Implement SBU growth strategies based on our competitive advantages and investment opportunities in SE European energy markets
- Maximize profitability and deliver sustainable shareholder value

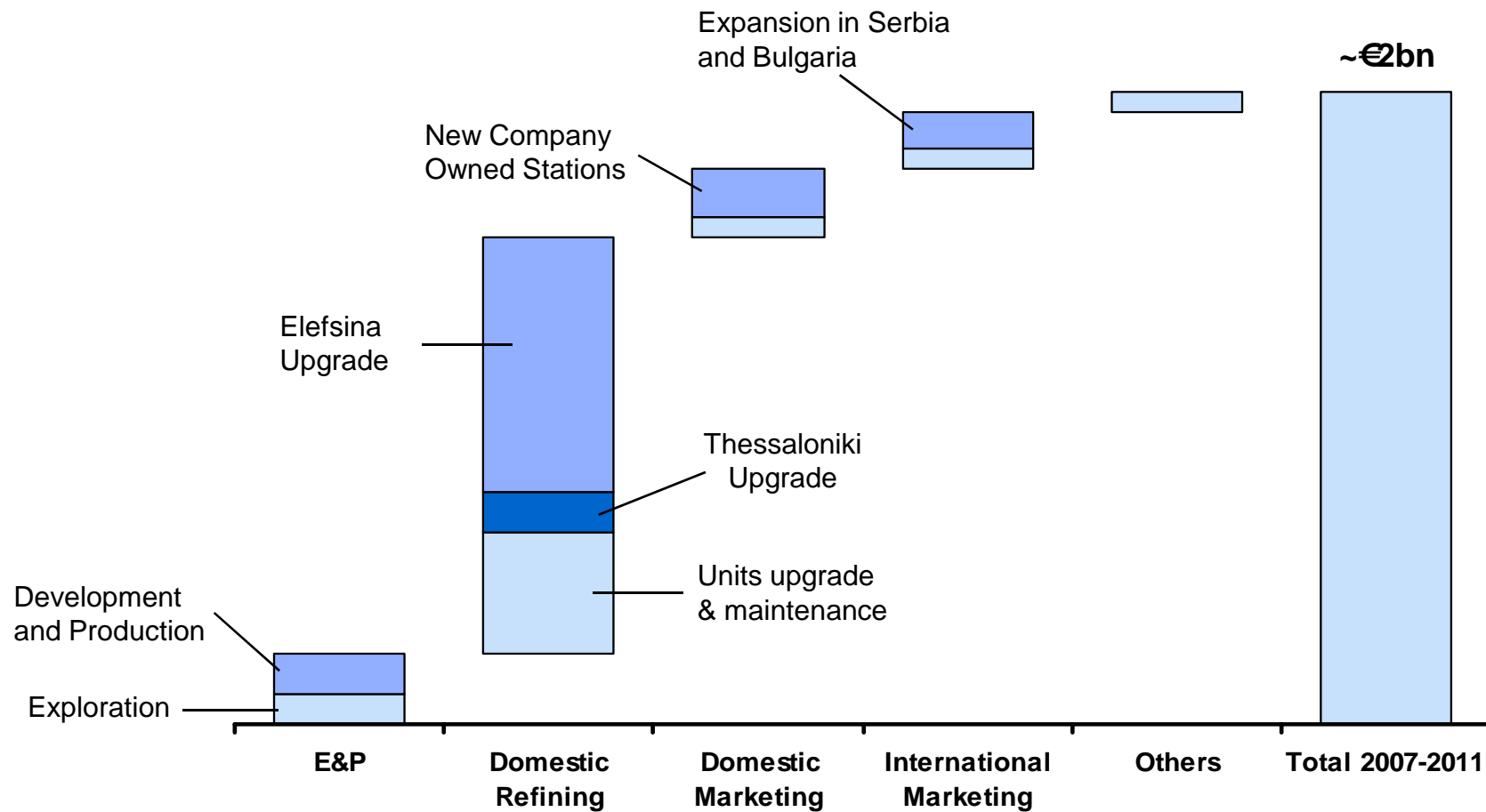
## ...and key priorities



# Aiming to double the value of the group (re-investment economics environment)

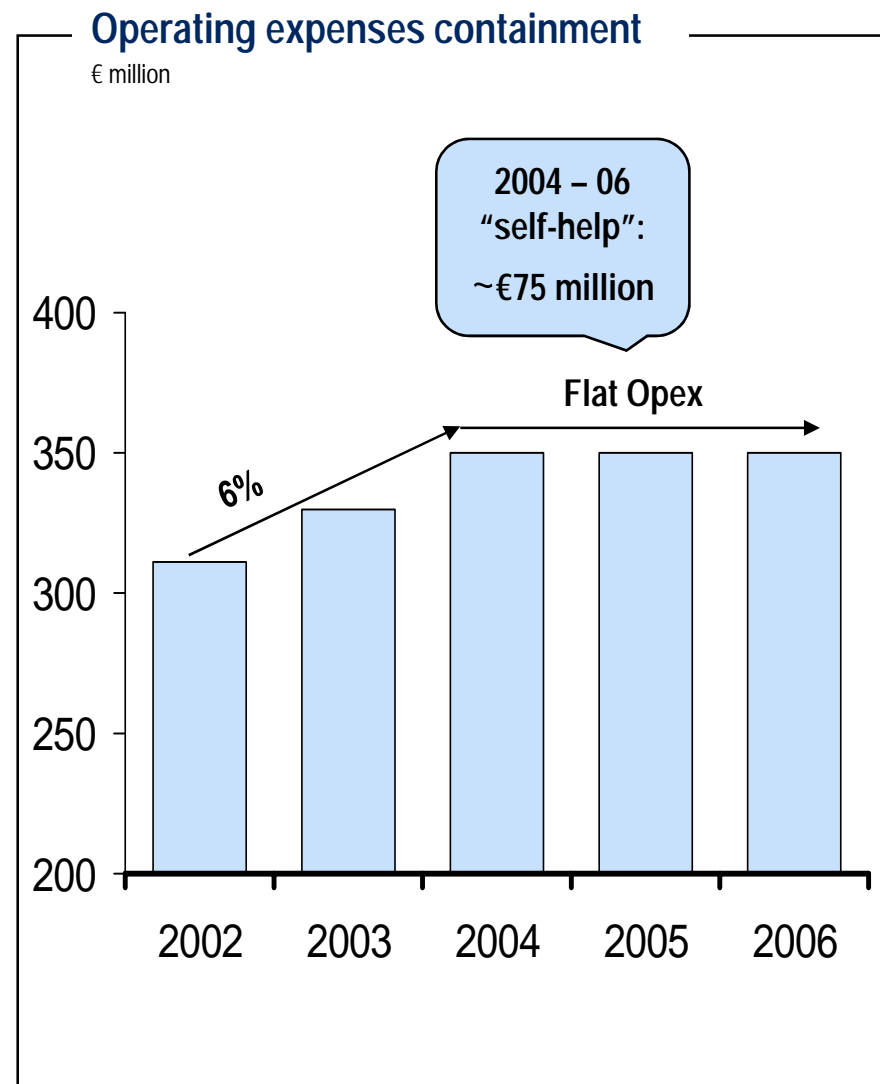


# Capital expenditure program focused on refining



## Restructuring and improving efficiency

- Achieved flat operating cost at Hellenic Petroleum SA for a third consecutive year in 2006, delivering “self help” of c. €75m compared to historical opex increases of 6% per annum
- Initiated BEST50 Procurement Project, targeting opex and capex savings of €50m over the next three years
- Established and started operations of Group Treasury company (Hellenic Petroleum Finance plc). Group refinanced lines of \$1.5 bn through HPF, delivering €2m saving in 2006 and €9m on an annual basis for 2007 onwards
- Introduced variable compensation for management team, linked to performance, and proceeded with new hires to strengthen internal competencies



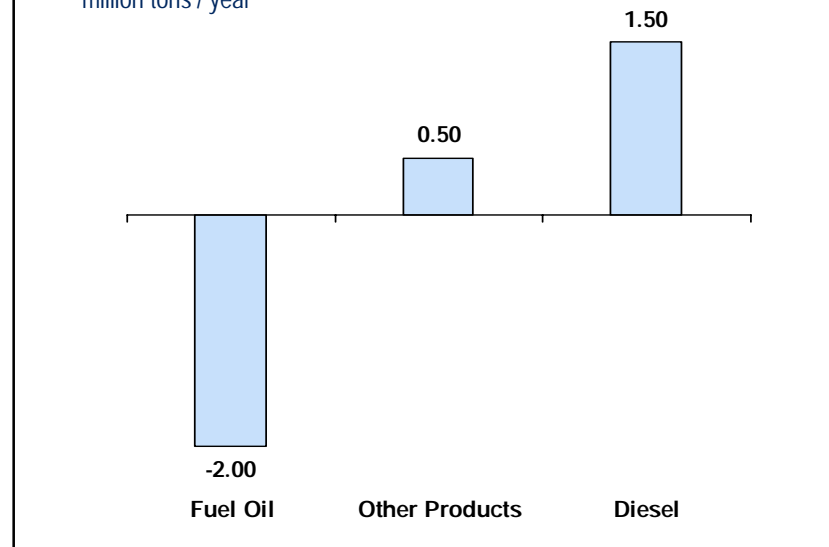


## Proceeding with a Hydrocracker/Coker upgrade in our Southern refining hub...

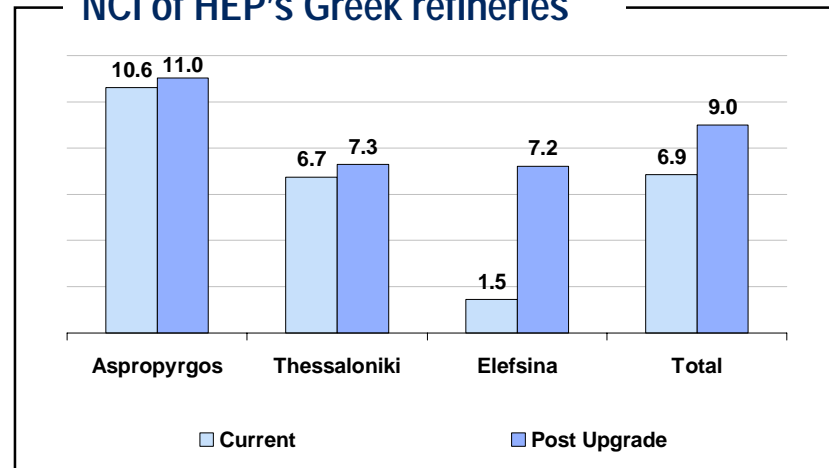
- Final Investment Decision by HEP Board of Directors in February 2007 for upgrading the Elefsina refinery
- €750m estimated capital expenditure for the upgrade, with strong projected returns (total Elefsina non-maintenance capex €850m)
- Start-up planned for 2010
- The project will
  - Increase production of white products at the expense of fuel oil
  - Contribute to the security of supply by allowing the processing of high sulfur crude
  - Increase Nelson complexity from 1.5 to 7.2
- The project is supported by local and European diesel and fuel oil consumption trends
- Risk management actions secure part of the gross margin/profitability of the project

### Upgrade impact on production

million tons / year



### NCI of HEP's Greek refineries



## Elefsina upgrade will add conversion capacity to the topping refinery to destroy fuel oil

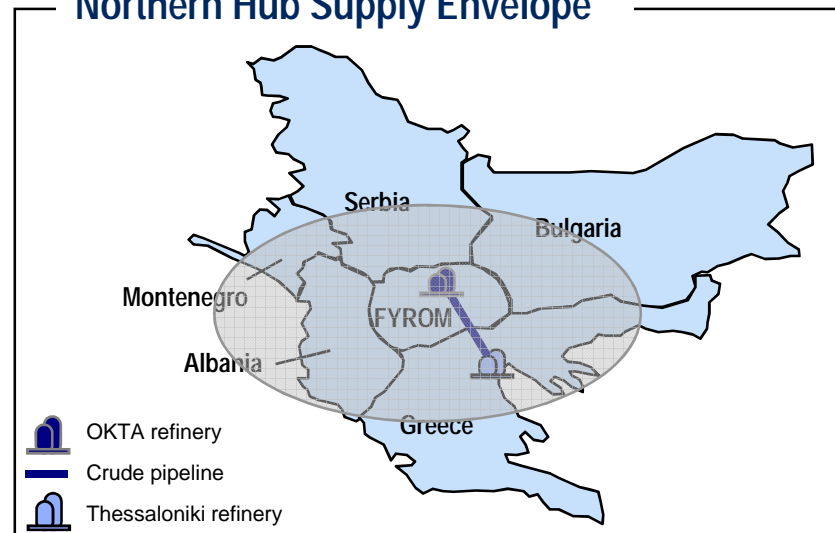
- New main units:
  - Distillate Hydrocracker: 40 kbd (UOP)
  - Flexicoker: 20 kbd (ExxonMobil)
  - VDU: 45 kbd
  - Hydrogen: 120 km<sup>3</sup>/hr (Haldor Topsøe)
- Increase processing of medium- to high-sulfur crudes: 60% ➔ 100%
- Increase production of white products at the expense of fuel oil:
  - Light Products: 52% ➔ 100%
  - Black products: 48% ➔ 0%
- Reduce emissions:
  - SO<sub>2</sub>: 642 kg/hr ➔ < 200 kg/hr
  - NO<sub>x</sub>: 92 kg/hr ➔ < 90 kg/hr
  - PM: 45 kg/hr ➔ < 20 kg/hr



## Upgrade of the Thessaloniki refinery will support regional gasoline and diesel consumption growth

- Final Investment Decision by HEP Board of Directors in February 2007 for upgrading the Thessaloniki refinery:
  - Atmospheric distillation capacity to rise to 95 kbd (for medium-sulfur crudes) from 75 kbd currently
  - New 15 kbd Continuous Catalytic Reformer, to increase current gasoline production by 50%
  - Addition of 240 km<sup>3</sup> crude tankage capacity, to ensure uninterrupted supply and flexibility in crude qualities processing
- €130m estimated capital expenditure, with strong projected returns
- Start-up planned for 2009
- Project supported by consumption growth in Northern hub supply envelope
- Project increases utilization of existing units (ULSADO, Naphtha Isomerization Unit)
- Participation in new 140 kT/year biodiesel plant (start-up planned for 2009)

### Northern Hub Supply Envelope



### Thessaloniki Refinery



## Refinery upgrades progressing on schedule

Elefsina	Thessaloniki
<ul style="list-style-type: none"> <li>• Placed order for long-lead-time items (ie hydrocracker reactors) in March 2007</li> <li>• FEED study completed in May 2007</li> <li>• Environmental impact, safety, and fire protection permit applications submitted</li> <li>• EPCm contract tender in process: final offers submitted, with selection by year-end</li> <li>• Permits expected by year-end</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental impact, safety, and fire protection permit applications submitted</li> <li>• LSTK contractor for crude tanks selected</li> <li>• Pre-FEED study for Continuous Catalytic Reformer underway</li> <li>• Permits expected by year-end</li> </ul>

**Elefsina refinery upgrade adding some \$350m pa to Group gross margin**

## Fuels Marketing: aiming for network optimization and brand uplift

- Annual Sales of ~ 4.0 million tons - Presence in 1,300 retail stations in Greece
- Maintaining No. 1 market share position
- Investing in a network of flagship company-owned retail stations: adding 100 company-owned stations by 2012
- Rationalizing the DODO network
- Increasing non-fuel sales
- Renewing and strengthening brand name



EKO Petrol Station Network

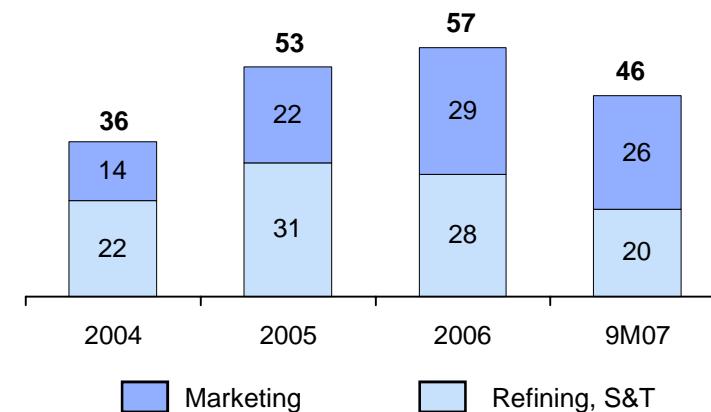
	2004	2005	2006	9M07	Delta
<b>COCO</b>	0	2	10	17	7
<b>CODO</b>	175	193	220	246	26
<b>DODO</b>	1,154	1,117	1,044	996	-48
<b>Total</b>	<b>1,329</b>	<b>1,312</b>	<b>1,274</b>	<b>1,259</b>	<b>-15</b>

## SE European R&M is a growth engine for Hellenic Petroleum

- Downstream market leader in
  - Cyprus (EKO)
  - FYROM (OKTA)
  - Montenegro (JPK)
- Expanding activities in the more attractive markets of the region
  - Serbia
  - Bulgaria
- Further strengthening leading position in Cyprus by adding COCO stations
- Building an international retail network; 76 new retail stations since 2004 (48% increase), bringing total to 236 in 1H07. Targeting 335 petrol retail stations by 2010
- Expressed interest for participation in the Serbian NIS privatization process

### International R&M EBITDA

€ million



### Regional Footprint



**Adding 110 new petrol stations by 2010 to serve growing markets in the region**

## E&P: In the process of developing a material portfolio

### Strategy

- Exploration spending at 3-5% of EBITDA
- Development capex depending on discoveries
- Evaluating acquisitions of producing assets

### Recent Developments

#### • Libya

- JV of Hellenic Petroleum (20%), Woodside (45%, operator) and Repsol (35%)
- Completed 2-rig, 9-well drilling campaign in 2006, with 7 wells successful so far
- 2-rig, 9-well drilling campaign in 2007 under way
- Commerciality decisions in 2008

#### • Egypt

- Concession Agreement for West Obayed block (100% stake) in Western Desert signed in June 2007
- Local branch established and staffed; exploration activities underway
- Mesaha block in Upper Egypt awarded to JV of Hellenic Petroleum (30%), Melrose (40%, operator) and Oil Search (30%)

### Concessions in Libya



### Concessions in Egypt



## Power: A new business in Greece, aiming to grow through JV with Italy's Edison

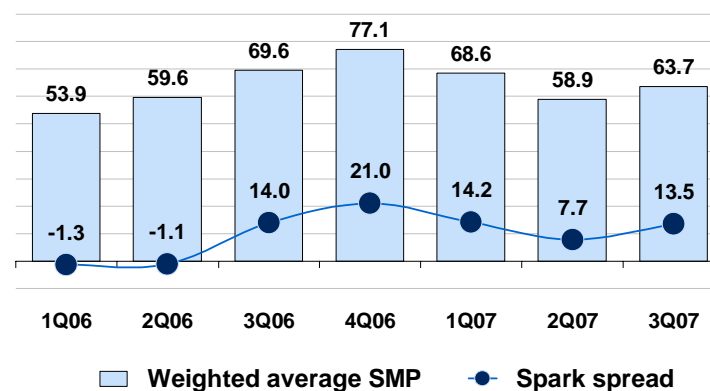
- First IPP (390MW) in Greece with combined cycle technology (GE 9FA gas turbine)
- Power trading through imports at the North Interconnection and exports to Italy
- MOA with Edison, Italy's 2<sup>nd</sup> largest electricity producer and gas distributor, to form a 50/50 JV, aiming to create Greece's 2<sup>nd</sup> largest electricity operator with a power generation portfolio of 1,500-2,000MW:
  - CCGT plants, one lignite- or coal-fired power plant, RES
  - Trading and marketing of electricity
  - Edison pays HEP €55m, subject to further due diligence, and assumes 50% of T-Power's debt
  - Implied valuation of T-Power at 2.5-3.0x BV

### Key Data

	9M06	9M07	3Q06	3Q07
Power sales (GWh)	1,059	1,291	497	502
Revenues (€m)	94	102	42	40
EBITDA (€m)	20	25	10	10

### Weighted average SMP and Spark Spread

€/MWh





## Investment Case



- **Positive** global business environment for refining, with significant value creation from refinery upgrades
- **Hellenic Petroleum is leveraging its leading regional position** by:
  - Investing in distillate hydrocracker and flexicoker in its Southern Refining Hub to convert fuel oil to diesel
  - Adding distillation and reforming capacity in its Northern Refining Hub
  - Growing petrol station network in SE Europe, one of the few remaining growth areas in Europe
  - Expanding into new activities (power generation and trading, E&P)
- Restructuring and efficiency improvement potential
  - Delivering “**self help**”
  - **BEST50** procurement project initiated
- Solid financial position, stable shareholding structure, attractive dividend policy