ASPROFOS ENGINEERING SA

Financial Statements
according to
International Financial Reporting
Standards (IFRS)
for the year ended 31 December 2015

ASPROFOS SA

COMPANIES REG. NO.: 4712/01 NT/B/86/654

HEADQUARTERS: 284 EL.VENIZELOU AVENUE, 17675 KALLITHEA

Contents

Business data

Board of Directors **:**

Dimitris Karagounis, BOD Chairperson (until 13/05/2015)
Gerasimos Katopodis, BOD Chairperson (from 13/05/2015)
Adamantios Lentsios, Vice-Chair until (13/05/2015)
Nicholas Peppas, Vice-Chair (from 13/05/2015 to 24/02/2016)
Ioannis Fotopoulos, Managing Director (until 23/10/2015)
Petros Papasotiriou, Managing Director (from 23/10/2015)
Miltiadis Sotiropoulos, Member (until 13/05/2015)
Christoforos Antotsios, Member (from 13/05/2015 to 24/02/2016)
Vice-Chair (from 24/02/2016)
Dimitrios Sarrigiannis, Member (from 24/02/2016)
Solon Filopoulos, Member (Employee Representative)

Address of Company Headquarters: 84 El. Venizelos Avenue- 17675 Athens

COMPANIES REG. NO.: 4712/01NT/B/86/654

Audit firm: PricewaterhouseCoopers SA Audit Firm

268 Kifissias Avenue

152 32 Halandri

Athens, Greece

Report by an Independent Certified Auditor

To the Shareholders of Asprofos Engineering SA

Audit Report on the Financial Statements

We audited the accompanying financial statements of Asprofos Engineering SA, which comprise of the statement of financial position as at 31st December 2015, the statements of comprehensive income, changes in equity and cash flows for the fiscal period that ended on that date, and a summary of significant accounting policies and methods and other explanatory information.

Management's Liability for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for the internal audits that management considers necessary for the preparation of the financial statements exempt from fundamental inaccuracy due either to deceit or error.

Auditor's Liability

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are exempt from fundamental inaccuracy.

The audit includes the performance of procedures in order to acquire auditing proof with respect to the amounts and reports of the financial statements. The selected procedures are based on the auditor's judgement taking into consideration the risk of fundamental inaccuracy of the financial statements due either to deceit or error. Whilst performing the risk evaluation the auditor audits the internal auditing system in relation to the preparation and presentation of the company's financial statements for the purpose of designing appropriate auditing procedures and not for the purpose of expressing an opinion on the efficiency of the company's internal auditing system. The audit also evaluates the appropriateness of the accounting principles and methods adopted as well as the justifiable assessments made by Management and the evaluation of the total presentation of the financial statements.

We believe that the auditing evidence that we have accumulated suffices and is appropriate to base our audit opinion.

Opinion

In our opinion, the accompanying financial statements fairly present fairly, in all fundamental respects, the financial position of the Company Asprofos Engineering SA as at 31st December 2015, its financial performance and its cash flows for the year that ended then in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

a) We verified the conformity and correspondence between the content of the Directors' report and the accompanying Financial Statements in the context of the provisions of articles 43a and 37 of C L 2190/1920.
b) On December 31, 2015, the Company's total equity was negative, therefore there is reason for the application of the provisions of article 48 of CL 2190/1920.

pwc

Athens, 11 May 2016
Certified auditor

PricewaterhouseCoopers
Audit firm
Certified Auditors
SOEL Reg. No. 113

Konstantinos Michalatos
SOEL Reg. No. 17701

(Amounts in Euro thousands)

Statement of Financial Position

	Note.	31 December 2015	31 December 2014
ASSETS			
Fixed assets			
Tangible assets	**5**	2,793	3,073
Intangible assets	**6**	140	72
Other long-term receivables		2	2
		2,935	**3,147**
Current assets			
Trade and other receivables	**7**	2,282	1,487
Cash and cash equivalents	**8**	583	1,152
		2,865	**2,639**
Total Assets		**5,800**	**5,786**
EQUITY			
Share Capital	**9**	5,027	5,027
Reserves	**10**	980	1,027
Results carried forward		(10,957)	(10,632)
		(4,950)	**(4,578)**
LIABILITIES			
Long-term obligations			
Provisions for staff departures	**11**	2,649	2,588
Other long-term obligations	**12**	2	2
		2,651	**2,590**
Short-term obligations			
Suppliers and other obligations	**13**	7,980	7,774
Tax and duties payable	**14**	119	-
		8,099	**7,774**
Total liabilities		**10,750**	**10,364**
Total equity and liabilities		**5,800**	**5,786**

The notes on pages 11 to 37 are an integral part of these Financial Statements.

BoD Chairperson	Managing Director	Chief Financial Officer & Administrative Services	Head of Financial Services
Gerasimos Katopodis	Petros Papasotiriou	Constantinos Vathis	Anastasia Gkioka

(Amounts in Euro thousands)

Statement of Comprehensive Income

	Note.	Year ended 31 December 2015	Year ended 31 December 2014
Turnover (sales)	**16**	**11,730**	**8,383**
Cost of goods sold	**17**	(9,437)	(8,186)
Gross profit		**2,293**	**197**
Administrative and selling expenses	**17**	(2,493)	(2,591)
Other (expenses) / income	**18**	65	26
Operating result		**(135)**	**(2,368)**
Financial income		2	2
Financial expenses		(54)	(59)
Financial (expenses) / income	**19**	(52)	(57)
Profit / (loss) before taxes		**(187)**	**(2,425)**
Taxes	**20**	(138)	-
Net profit / (loss) for the fiscal period		**(325)**	**(2,425)**
Other comprehensive income:			
Items will not be classified in the income statement in the future:			
Actuarial gains / (losses) on defined-benefit pension plans		(47)	(197)
Total comprehensive expenses for the fiscal period		**(372)**	**(2,622)**

The notes on pages 11 to 37 are an integral part of these Financial Statements.

(Amounts in Euro thousands)

Statement of Changes in Equity

	Note.	Share capital	Reserves	Results Carried forward	Total Owner Equity
Balance as at 1 January 2014		**5,027**	**1,726**	**(8,709)**	**(1,956)**
Actuarial gains/(losses) on defined-benefit pension plans	**11**	-	(197)	-	(197)
Other total expenses			**(197)**		**(197)**
Net profit / (loss) for the fiscal period		-	-	(2,425)	(2,425)
Total income for the year			**1,529**	**(11,134)**	**(4,578)**
Offset of untaxed reserves Law 4172 / 2013	**10**	-	(502)	502	-
Balance as at 31 December 2014		**5,027**	**1,027**	**(10,632)**	**(4,578)**
Balance as at 1 January 2015		**5,027**	**1,027**	**(10,632)**	**(4,578)**
Actuarial gains / (losses) on defined-benefit pension plans	**11**	-	(47)	-	(47)
Other total expenses			**(47)**		**(47)**
Net profit / (loss) for the fiscal period		-	-	(325)	(325)
Total income for the year			**980**	**(10,975)**	**(4,950)**
Balance as at 31 December 2015		**5,027**	**980**	**(10,957)**	**(4,950)**

The notes on pages 11 to 37 are an integral part of these Financial Statements.

(Amounts in Euro thousands)

Statement of Cash Flows

		Year ended	
	Note.	**31 December 2015**	**31 December 2014**
Cash flows from operating activities			
Cash flows from operating activities	**21**	(305)	395
Interest paid	**19**	(54)	(59)
Net cash flows from operating activities		**(359)**	**336**
Cash flows from investments			
Purchases of tangible and intangible assets	**5.6**	(212)	(107)
Interest income	**19**	2	2
Net cash flows from investments		**(210)**	**(105)**
Net increase / (decrease) in cash and cash equivalents		**(569)**	**231**
Cash and cash equivalents at start of the fiscal period	**8**	**1,152**	**921**
Increase / (decrease) in cash and cash equivalents		(569)	231
Cash and cash equivalents at the end of the fiscal period	**8**	**583**	**1,152**

The notes on pages 11 to 37 are an integral part of these Financial Statements.

Notes to the Financial Statements

1 General information

ASPROFOS SA is a 100% subsidiary of HELLENIC PETROLEUM SA. The Company provides specialized services in the field of industrial investments focusing in the investments of refineries, natural gas and infrastructure projects, ranging from feasibility studies, basic design and detailed design to construction supervision and start-up services.

The Company is seated in Greece at 284 El. Venizelou Avenue, Kallithea, PC 17675. The Company's website address is ***www.asprofos.gr.***

Early in 2015, the company established a branch in Albania, based in Tirana. The branch engaged in the provision of services for the preparation of installation permits concerning the installation of the transatlantic pipeline (TAP) in the Albanian territory and will run for much of 2016.

The accounting principles applied for the calculation and identification of the accounting figures are the same as those applied in the consolidated financial statements of the Hellenic Petroleum Group as at 31 December 2015. The functional currency and the company's reporting currency is the Euro and the financial data presented in these Financial Statements are expressed in Euro thousands, unless otherwise indicated.

These Financial Statements were approved for publication by the Company's Board of Directors on **22 April 2016**. The Company's shareholders are able to modify the Financial Statements following their Publication.

2 Summary of Significant Accounting Policies

The accounting policies adopted in the preparation of the Financial Statements are presented below. These policies have been consistently applied to all periods presented, unless otherwise stated.

2.1 Basis for the preparation of the Financial Statements

The Financial Statements for ASPROFOS ENGINEERING SA for the year ending 31 December 2015 have been prepared by Management in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of IFRS Interpretations Committee as adopted by the European Union.

These Financial Statements have been prepared according to the historical cost principle. The preparation of the Financial Statements in accordance with International Accounting Standards, requires that the Company's Management exercises its judgement as well as estimates in applying the accounting principles for the calculation of various accounting figures. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are stated in note 4 "Critical accounting estimates and assumptions". These estimates are based on the perception of the events and actions by the Company's management and actual events may differ from these estimates.

2.1.1 Going Concern

The Financial Statements as at 31 December 2015 are prepared in accordance with the International Financial Reporting Standards (IFRS) and fairly present the Company's financial position, results and cash flows, based on the principle of going concern. Taking the principle of the going concern into consideration, the Management assessed the following:

Macroeconomic environment: Developments during 2015 and discussions, at national and international level, in relation to the reexamination of the financial terms of Greece's loan, makes for a volatile macroeconomic and financial environment in the country. The return to economic stability largely depends on the actions and decisions of institutional bodies within the country and abroad. Given the nature of the activities and the Company's financial situation, negative developments are not expected to significantly affect its smooth operation. The low international crude oil prices have reduced the investment plan in the Company's countries of operation. Nevertheless, Management continually assesses the situation and its possible impact in order to ensure that all necessary and possible measures and actions are taken in time to minimize any impact on the Company's activities.

The Parent Company will continue to financially support the Company, so that it is able to seamlessly continue its activity, should this be necessary.

Development of activities: The revenue forecasts for 2016 largely depend on HELLENIC PETROLEUM Group projects and to a lesser degree on the construction phase of transatlantic natural gas pipeline (TAP). Sales to the parent company are estimated to be higher than in the previous year. Promotions that were launched three years ago in the Eastern European and the Middle East markets continue unabated.

Reduced cost base: Over the past three years, the company has significantly reduced its operating costs, mainly through a voluntary employee redundancy program, a restructuring program, agreement with workers association to reduce labor costs, but also with rational cuts in its operational costs.

On 31 December 2015, the Company's total equity was negative, therefore there is reason for the application of the provisions of article 48 of CL 2190/1920. Consequently, it expected that a decision to increase the share capital will promptly be taken.

2.1.2 Changes in standards and interpretations

(a) New standards, amendments to standards and interpretations which have been adopted by the Company.

The Company has adopted the following new standards, amendments to standards and interpretations for the first time in the financial period that commenced on 1st January 2015.

- *Annual Improvements to IFRSs 2013* *(effective for annual accounting periods beginning on or after 1 January 2015).*

  The following amendments describe the most important changes to three IFRSs in the wake of the 2011-13 cycle results of the annual improvements project of the International Accounting Standards Board (IASB). These amendments were adopted by the Company, but had no effect on the financial statements.

  - *IFRS 3 "Business Combinations".* The amendment clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement under IFRS 11 in the financial statements of the joint arrangement itself.

- *IFRS 13 "Fair Value Measurement"*. The amendment clarifies that the scope of the portfolio exception de fine din IFRS 13 for a financial assets and liabilities portfolio ('portfolio exception') includes all contracts (including on financial contracts) within the scope of IAS 39/IFRS 9.
- *IAS 40 "Investment Property"*. The standard has been amended to clarify that IAS 40 and IFRS 3 are not mutually excluded.

b) New standards, amendments to standards and interpretations which have not yet been adopted by the Company.

- *Annual Improvements to IFRSs 2012 (effective for annual accounting periods beginning on or after 1 February 2015).*

The following amendments describe the most important changes to six IFRSs in the wake of the 2010-12 cycle results of the IASB's annual improvements project. The Company believes that these amendments will not have a significant impact on the financial statements.

- *IFRS 2 "Share-based Payment"*. The amendment defines the term 'vesting condition' and distinctively defines the 'performance condition' and 'service condition'.
- *IFRS 3 "Business Combinations"*. The amendment clarifies that the requirement for contingent on sideration which meets the definition of a financial asset is classified as a financial liability or equity item under the definitions of IAS 32 "Financial Instruments: Presentation". It also clarifies that any contingent consideration, financial and non-financial, that is not an equity item is measured at fair value through profit or loss.
- *IFRS 8 "Operating Segments"*. The amendment requires the disclosure of the judgements made by management in applying the aggregation criteria to operating segments.
- *IFRS 13 "Fair Value Measurement"*. The amendment clarifies that the standard does not exclude the measurement of short-term receivables and payables at their invoice amounts if the effect of discounting is immaterial.
- *IAS 16 "Property, plant and equipment"* and *IAS 38 "Intangible Assets"*. Both standards were amended to clarify the way by which the pre- depreciation amount of the asset and the accumulated depreciation are treated when a reporting entity follows the revaluation method.
- *IAS 24 "Related Party Disclosure"*. The standard has been amended to include an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity as a related party of the reporting entity.

Revised IAS 19 (Amendment) "Employee Benefits" (effective for annual periods beginning on or after 1 February 2015). The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The adoption of this amendment is not expected to have a significant impact on the Company.

Annual Improvements to IFRSs 2014 *(effective for annual periods beginning on or after 1 January 2016).*

The amendments set out below describe the key changes to four IFRSs. The changes have not yet been adopted by the European Union.

- *IFRS 5 "Non-current assets held for sale and discontinued operations".* The amendment adds specific guidance for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.
- *IFRS 7 "Financial Instruments: Disclosures ".* The amendment adds specific guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required by the amendment to IFRS 7 "Disclosures - Offsetting financial assets and liabilities" are not required for all interim periods, unless required by IAS 34.
- *IAS 19 "Employee Benefits".* The amendment clarifies that, when determining the discount rate for employee benefit obligations after departure from the service, the importance lies in the currency in which the obligations are presented and not the country in which they arise.
- *IAS 34 "Interim Financial Reporting".* The amendment clarifies the meaning of “information elsewhere in the interim financial report" that is referred to the standard.

IFRS 11 (Amendment) "Joint Arrangements" *(effective for annual periods beginning on or after 1 January 2016).* This amendment requires an investor to apply accounting for acquisitions when acquiring an interest in a joint operation which constitutes a ‘business’.

IAS 16 and IAS 38 (Amendments) "Clarification of permitted Methods Depreciation and Amortisation" *(effective for annual periods beginning on or after 1 January 2016).* This amendment clarifies that the use of a revenue-based method is not considered to be appropriate for calculating the depreciation of an asset and also clarifies that revenues are not considered an appropriate manifestation of consumption of the economic benefits embodied in an intangible asset.

IAS 27 (Amendment) "Separate Financial Statements" *(effective for annual periods beginning on or after 1 January 2016).* This amendment allows reporting entities to use the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity’s separate Financial Statements and also clarifies the definition of separate Financial Statements.

IFRS 10, IFRS 12 and IAS 28 (amendment) "Investment Companies: Applying the Consolidation Exception" *(effective for annual periods beginning on or after 1 January 2016).* The amendments clarify that investment companies and their subsidiaries are exempt from consolidation. The amendments have not yet been adopted by the European Union.

IAS 1 (Amendment) "Disclosures" *(effective for annual periods beginning on or after 1 January 2016).* The amendments clarify the guidelines of IAS 1 on the concepts of materiality and aggregation, the presentation of subtotals, the structure of financial statements and disclosures of accounting policies.

IFRS 15 "Revenue from Contracts with Customers" *(effective for annual periods beginning on or after 1 January 2018).* IFRS 15 was issued in May 2014. The purpose of the standard is to provide a single, comprehensible revenue recognition model to all contracts with customers that improve comparability between companies in the same industry, different sectors and different markets. It contains the principles to be applied a reporting entity to determine the amount of income and the timing of their recognition. The basic principle is that a reporting entity would recognize revenue in a way that reflects the transfer of goods or services to customers to the amount which it expects that it is entitled to in exchange for those goods or services. The standard has not yet been adopted by the European Union.

IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 *(effective for annual periods beginning on or after 1 January 2018)*. IFRS9 replaces IAS 39 on the classification and measurement of financial instruments also includes an expected credit loss model which replaces the model of realized credit losses that is currently applicable. IFRS 9 "Hedge accounting" establishes a hedge accounting approach based on principles and addresses inconsistencies and weaknesses in current IAS 39 model. The Company is currently assessing the impact of IFRS 9 in its financial statements. IFRS 9 cannot be applied at an earlier date by the Company because it has not been adopted by the European Union.

IFRS 16 "Leases" *(effective for annual periods beginning on or after 1 January 2019)*. IFRS 16 was issued in January 2016 and replaces IAS 17. The purpose of the standard is to ensure that lessees and lessors provide useful information that reasonably presents the essence of lease-related transactions. IFRS 16 introduces a single lessee accounting model, via which the lessee is required to recognize assets and liabilities for all leases with a duration in excess of 12 months, unless the underlying asset is not of significant value. With respect to the accounting by the lessor, IFRS 16 essentially incorporates the requirements of IAS 17. Therefore, the lessor still classifies lease contracts into operating and finance leases, and applies a different accounting method for each type of contract. The Company is currently assessing the impact of IFRS 16 on its financial statements. The standard has not yet been adopted by the European Union.

- IAS 12 (Amendments) "Recognition of deferred tax assets for non realized losses' *(effective for annual periods beginning on or after 1 January 2017)*. The amendments clarify the accounting for the recognition deferred tax assets for non-realized losses that have resulted from debt instruments measured at fair value. The amendments have not yet been adopted by the European Union.

2.2 Foreign currency conversion

(a) Functional and presentation currency

The data in the Company's Financial Statements are measured based on the currency of the primary economic environment in which the company operates ("functional currency"). The Financial Statements are presented in Euros, which is the Company's functional and the presentation currency.

(b) Transactions and balances

Foreign currency transactions are converted into the functional currency using the exchange rates prevailing on the transaction date. Profits and losses from foreign currency differences arising from the settlement of such transactions during the period and from the conversion of financial instruments that are denominated in foreign currency using the exchange rates on the calculation date, are written off in the results except when transferred directly to equity because they relate to cash flow hedges and net investment hedges.

Foreign currency differences resulting from profits/losses and which arise from the valuation in Cash and Cash Equivalents are recorded as Financial profits/losses.

2.3 Tangible assets

Tangible assets primarily include buildings. Tangible assets are recorded at acquisition cost less accumulated depreciation and impairment, except for fields which are valued at acquisition cost less impairment. Acquisition cost includes all directly attributable expenses related to the acquisition of assets. Subsequent expenditure is added to the tangible assets' book value or as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Company and their cost can be measured reliably. The repair and maintenance cost is written off income when incurred.

Plots are not depreciated. Depreciation of other tangible assets is calculated using the straight line method over their estimated useful life, as follows:

- Plots	Zero
- Buildings	20 years
- Other equipment	5 years

The tangible assets' residual values and useful life are reviewed at each reporting date.

When the tangible assets' book value exceeds its recoverable value, the difference (impairment) is immediately recorded as an expense.

Profits and losses from the sale of tangible assets are determined from the difference between the proceeds and the net book value. These profits or losses are written off against the results as part of other net income (expenses).

2.4 Intangible assets

Software

The software cost includes the usage license supply cost. The cost of the software usage licenses are capitalized on the basis of the acquisition cost and the development of the specific software. These costs are amortized on a straight-line basis over their useful life (3 years).

2.5 Impairment of non-financial assets

Assets that have an indefinite useful life are not amortized and undergo an impairment test on an annual basis and when events or changes in circumstances indicate that the carrying value may not be recoverable. Assets subject to amortization undergo an impairment test when there are indications that the carrying value may not be recovered. An impairment loss is identified when the carrying value of the asset exceeds its recoverable value. The recoverable value is the higher of the fair value less required selling costs and use value (present cash flow value expected to be generated based on Management's assessment on future economic and operating conditions.) For the purposes of assessing impairment losses, assets are grouped into the lowest cash generating units. Non-financial assets, other than goodwill, that suffered impairment are revalued for possible reversal of the impairment on each reporting date.

2.6 Financial assets

The Company's financial assets are classified into the category "loans and receivables". This category includes non-derivative financial assets with fixed or determinable payments that are not traded active market and there is no selling intention. They are included under current assets, except for maturities greater than 12 months after the reporting date, which are included in non-current assets. Receivables are included in the balance sheet either under the category "Trade and other receivables" or the category "Cash and cash equivalents" and are presented at the amortized cost using the effective interest method (See also note 2.7).

2.7 Trade and other receivables

Receivables from customers are initially recorded at fair value and subsequently measured at amortized cost using the effective interest method, less impairment losses. Impairment losses are recognized when there is an objective indicator that the Company is not able to collect all amounts due according to the contractual terms.

The customer's serious problems, the possibility of bankruptcy, financial restructure and the inability of scheduled payments are considered indicators that the receivable is impaired. The amount of the impairment provision is the difference between the carrying amount of the receivables and the present value of estimated future cash flows, discounted at the effective interest rate. The impairment loss amount is recorded as an expense and is included in the "Administration and selling expenses" account.

The nominal value less the provision for doubtful trade receivables is assumed to approach their fair value.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash, sight and time deposits, short-term investments with high liquidity and low risk investments and a maturity of up to 3 months and bank overdrafts.

2.9 Share Capital

The share capital includes the Company's common shares. Direct expenses for the issue of shares appear, after deducting the relevant income tax, as a reduction of the issued product.

2.10 Employee benefits

(a) Obligations due to retirement

The Company has both defined-contribution and defined-benefit plans.

The defined-contribution plan is a pension plan under which the company makes fixed payments to a separate legal entity. The Company has no legal obligation to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In the case of defined-contribution plans, the company pays contributions to social insurance funds on a mandatory basis. The Company has no other obligation if they have paid its contributions. Contributions are recognized as personnel expenses when due. Prepaid contributions are recognized as an asset to the extent that a refund or offsetting of future payments is possible.

The defined-benefit plan is a pension plan that defines a specific amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and level of earnings. The Company does not have a defined-benefit pension plan that is funded.

The obligation that is recorded in the balance sheet for defined-benefit plans is the present value of the defined-benefit obligation at the reporting date less the fair value of plan's assets. The defined-benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined-benefit obligation is calculated by discounting the future cash outflows. The rate used to discount estimated cash flows should be determined by reference to market yields at the balance sheet date on high-quality corporate bonds whose duration is equivalent with the pension plan.

Actuarial gains and losses arising from experiential adjustments and changes in actuarial assumptions are debited or credited to owner equity, to other total income in the period in which they arise.

Past service cost is immediately recognized in the income statement.

(b) Employee termination benefits

Employment termination benefits are paid when employees leave prior to retirement, or when the employee leaves voluntarily in exchange for those benefits. The Company records these benefits when it commits to these either upon termination of employment of current employees according to a detailed plan without the possibility of withdrawal or when it offers these benefits as an incentive for voluntary redundancy. Employment termination benefits due 12 months after the reporting date are discounted to their present value.

2.11 Provisions

Provisions for potential risks and liabilities are made when the company has legal contractual obligations arising out of past acts, or is likely to require future outflows to settle these obligations and these obligations can be estimated with relative precision. Restructuring provisions include fines due to lease termination and fees due to employee departure. Provisions may not be made for future operating losses.

Provisions are calculated based on the present value of the estimates made by Management for expenditure required to settle the present obligation at the balance sheet date. The discount rate used reflects the market conditions and the time value of money and the obligation-related increases.

2.12 Suppliers and other obligations

Suppliers and other payables are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method. Obligations are classified as short-term liabilities if payment is due within one year or earlier. If not, they are presented under long-term liabilities.
It is assumed that the carrying value of payable accounts approaches their fair values.

2.13 Current and deferred taxes

Deferred income tax is determined using the liability method in respect of temporary differences between the book value and the tax bases of assets and liabilities shown in the Financial Statements. Deferred income tax is not accounted for if it arises from initial asset or liability recognition in a transaction, other than a business combination, which did not affect the accounting or the taxable profit or loss when it was incurred. Deferred tax is determined using tax rates and laws in effect at the reporting date and are expected to apply when the deferred tax asset is realized or the deferred tax liability is paid.

Deferred tax assets are recognized to the extent that there will be a future taxable profit for the use of the temporary difference that creates the deferred tax asset.

Deferred tax assets and liabilities are offset only if the offsetting of tax assets and liabilities is legally permitted and if the deferred tax assets and liabilities arise from the same tax authority on the entity taxed and/or on different entities and there is an intention for the settlement to be done via offsetting.

A deferred tax asset has not been recognized in these Financial Statements since the Company believes that there will not be sufficient taxable profits in the coming years to offset the overall loss.

2.14 Revenue recognition

Revenue comprises the fair value from the provision of services from engineering - technical services, and are net of Value Added Tax, discounts and returns. Revenue is recognized as follows:

(a) Revenue from the provision of services

Revenues from the provision of services, based on framework contracts are recognized based on the costs that occurred during the period plus a profit margin.

(B) Predetermined Price Contracts

Revenues based on predetermined price contracts are accounted for in the period that the services are provided based on the completion stage of the service in relation to the total revenue of the service provided.

(c) Interest income

Interest income is proportionately recognized on the basis of time and the use of the effective interest rate. When receivables are impaired, their carrying value is reduced to their recoverable amount which is the present value of expected future cash flows discounted by the original effective interest rate and the discount is allocated as interest income.

2.15 Leases

Leases of fixed assets, where the Company essentially retains all the risks and benefits of ownership, are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower amount between the fair value of the fixed asset or the present value of the minimum lease payments. Each lease payment is allocated between the liability and financial charges, so as to achieve a constant interest rate on the outstanding financial obligation. The corresponding obligations from leases, net of financial charges, are included in the long-term liabilities. The portion of the cost of the lease financing that corresponds to interest is recognized in the income statement during the lease so as to produce a constant interest rate on the balance of the obligation in each period. Fixed assets acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

The Company has no finance leases.

Leases where all the risks and benefits of ownership are essentially retained by the lessor are classified as operating leases. Payments made for operating leases (net of any incentives received from the lessor) are proportionately recognized in the income statement during the lease term.

For Financial Statement reporting purposes, the Company has entered into operating lease agreements as presented in Note 23.

3 Financial Risk Management

Financial risk factors

(Amounts in Euro thousands)

The Company's activities are carried out almost throughout the Greek market, while a large part is carried out with the parent company Hellenic Petroleum SA. Therefore the Company has limited exposure to market risks such as foreign currency, credit, cash flow and fair value interest rate risk. Potential exposure to liquidity risk is covered by the parent company Hellenic Petroleum SA.

(a) Market risk

Foreign currency risk: The Company's functional currency is the Euro. The Company's foreign currency risk is considered limited because the Company carries out transactions in the functional currency.

(b) Credit risk

The Company has no significant accumulation of credit risk since the majority of its receivables originate from the Hellenic Petroleum SA Group of companies. Customers outside the Group are companies whose creditworthiness has been ensured.

The following table shows the breakdown of receivables from trade receivables:

	31 December 2015	**31 December 2014**
Total trade receivables	2,400	1,314
Of which:		
Beyond the credit period, but non-impaired balance	289	380
Impaired balance	118	118

Provisions for doubtful debts

The maximum exposure to credit risk as at the Balance Sheet date is the fair value of each receivable category as mentioned above. Provisions are formed for receivables whose recovery is doubtful and it is has been estimated that they will result in a loss.

(Amounts in Euro thousands)

The aging analysis of trade receivables, beyond the credit period, but non impaired, is as follows:

	31 December 2015	31 December 2014
Up to 30 days	45	147
30-90 days	67	138
Over 90 days	177	95
Total	**289**	**380**

Also here are the aging analysis of impaired receivables:

	31 December 2015	31 December 2014
Up to 30 days	-	-
30-90 days	-	-
Over 90 days	118	118
Total	**118**	**118**

(c) Liquidity risk

Liquidity risk is addressed by the Company's finance department in cooperation with the parent company. The Company's liquidity depends on cash management at Group level, since the Company has a large number of obligations in HELLENIC PETROLEUM SA.

Given the market developments in 2016, the liquidity risk is greater and cash flow management has become more urgent. The Company has no significant financial obligations towards third parties outside the Hellenic Petroleum Group for the year ending 31 December 2015. Its obligations as at 31 December 2015 amounted to € 6,990 thousand. (31.12.2014: € 6,094 thousand) of which € 6,305 thousand (31.12.2014: € 5,494 thousand) towards Hellenic Petroleum Group of companies, are due within one year and are equal to their current balances and the impact of discounting is insignificant.

(d) Cash flow and fair value interest rate risk

The Company is not exposed to the fair value interest rate risk given that it has not entered into borrowing for the Financial Statement fiscal periods.

(e) Capital risk management

With respect to capital management, the Company's objectives are to ensure continuity in the future in order to provide satisfactory returns to shareholders and to maintain an optimal capital structure by reducing the cost of capital in this way.

The Company has no existing loans in the reporting periods and presents positive cash and cash equivalents.

4 Significant accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. Thus, these estimates will, by definition, seldomly be identical with the actual facts mentioned below. Estimates and assumptions involving significant risk adjustment to the carrying value of assets and liabilities within the next financial year are addressed below.

Estimates and assumptions are continually evaluated and are based on historical experience and are adjusted according to current market conditions and other factors, including expectations of future events.

(a) Income tax

The Company is subject to taxation and discretion is required in determining the income tax provision. There are many transactions and calculations for the final tax determination.

The Company has not formed a provision for obligations arising from anticipated tax audits, because due to the accumulated tax losses it estimates that future taxes from such an audit are not anticipated. If the final tax is different from the initially recorded, the difference will have an impact the income tax recognized in the result.

Management believes that it is not certain that there will be sufficient taxable profits to offset all the tax losses and therefore no deferred tax asset was recognized.

(b) Pension plans

The present value of pension benefits depends on a number of factors that are determined using actuarial methods and assumptions. Such an actuarial assumption is the discount rate used to calculate the cost of the benefit.

The Company determines the appropriate discount rate at the end of each year. This is defined as the rate that should be used to determine the present value of future cash flows, which are expected to be required to meet pension plan obligations. In determining the appropriate discount rate, the Company uses the rate of low-risk corporate bonds, which are converted into the currency in which the benefits will be paid, and whose expiry date approaches that of the relative pension obligation.

Other key assumptions for pension benefit obligations are based, in part, on current market conditions. Additional information is disclosed in Note 12 herein.

(Amounts in Euro thousands)

5 Tangible fixed assets

	Plots	Buildings	Transportation equipment	Furniture & accessories	Total
Cost					
Balance as at 1 January 2014	**1,283**	**7,582**	**-**	**1,172**	**10,037**
Additions	-	22	-	22	44
Balance as at 31 December 2014	**1,283**	**7,604**	**-**	**1,194**	**10,081**
Accumulated depreciation					
Balance as at 1 January 2014	**-**	**5526**	**-**	**1,110**	**6,636**
Period depreciations	-	341	-	31	372
Balance as at 31 December 2014	**-**	**5,867**	**-**	**1,141**	**7,008**
Undepreciated value as at 31 December 2014	**1,283**	**1,737**	**-**	**53**	**3,073**

	Plots	Buildings	Transportation equipment	Furniture & accessories	Total
Cost					
Balance as at 1 January 2015	**1,283**	**7,604**	**-**	**1,194**	**10,081**
Additions	-	-	-	97	97
Sales / write-offs	-	-	-	(102)	(102)
Balance as at 31 December 2015	**1,283**	**7,604**	**-**	**1,189**	**10,076**
Accumulated depreciation					
Balance as at 1 January 2015	**-**	**5,867**	**-**	**1,141**	**7,008**
Period depreciations	-	343	-	34	377
Sales / write-offs	-	-	-	(102)	(102)
Balance as at 31 December 2015	**-**	**6,210**	**-**	**1,073**	**7,283**
Undepreciated value as at 31 December 2015	**1,283**	**1,394**	**-**	**116**	**2,793**

The Company has pledged tangible assets to secure its loan obligations.

(Amounts in Euro thousands)

6 Intangible assets

	Software	Total
Cost		
Balance as at 1 January 2014	**1,268**	**1,268**
Additions	63	63
Reductions	(723)	(723)
Balance as at 31 December 2014	**608**	**608**
Accumulated depreciation		
Balance as at 1 January 2014	**1,242**	**1,242**
Period depreciations	17	17
Reductions	(723)	(723)
Balance as at 31 December 2014	**536**	**536**
Undepreciated value as at 31 December 2014	**72**	**72**
Cost		
Balance as at 1 January 2015	**608**	**608**
Additions	115	115
Balance as at 31 December 2015	**723**	**723**
Accumulated depreciation		
Balance as at 1 January 2015	**536**	**536**
Period depreciations	47	47
Balance as at 31 December 2015	**583**	**583**
Undepreciated value as at 31 December 2015	**140**	**140**

(Amounts in Euro thousands)

7 Trade and other receivables

		31 December 2015	31 December 2014
Customers- Related parties	**24**	380	621
Customers - Other customers		1,808	693
Less: Provisions for impairment		(118)	(118)
Net customer receivables		**2,070**	**1,196**
Other receivables		212	291
Total		**2,282**	**1,487**

The carrying values of these receivables represent their fair value.

Other receivables include receivables from personnel, withheld tax and deferred expenses, accrued.

Movements on the provision for impairment of trade receivables are as follows:

	31 December 2015	31 December 2014
Balance 1 January	118	98
Debits / (credits) in the income statement	-	20
Balance 31 December	**118**	**118**

Movements on the provision for possible bad debts have been recorded in the results as selling and administrative expenses.

(Amounts in Euro thousands)

8 Cash and cash equivalents

	31 December 2015	31 December 2014
Cash on hand and at banks	583	1,152
Total	**583**	**1,152**

The weighted average effective interest rate was:

	31 December 2015	31 December 2014
Euro	0.19%	0.24%

9 Share Capital

	Number of Shares	Share capital
31 December 2014	**171,300**	**5,027**
31 December 2015	**171,300**	**5,027**

The company's share capital is fully paid up and the shares have been issued and made available to shareholders. The nominal value of the share is € 29.35 (31 December 2015: € 29.35).

(Amounts in Euro thousands)

10 Reserves

	Statutory reserves	Untaxed reserves	Other reserves	Total
Balance as at 31 December 2014	**206**	**1,012**	**(191)**	**1,027**
Actuarial Gains/Losses on defined-benefit pension plans	-	-	(47)	**(47)**
Balance as at 31 December 2015	**206**	**1,012**	**(238)**	**980**

Statutory reserves

According to Greek law, companies are required to transfer a minimum of 5% of their annual net profits, according to their accounting books, to a statutory reserve until such reserve is equal to one third of their share capital. This reserve may not be distributed, but can be used to write off losses.

Untaxed reserves

Untaxed reserves concern:

- Profits that have not been taxed, under the applicable fiscal and institutional framework. In the case of their distribution, profits will be taxed based on the tax rate applicable at the time of their distribution to shareholders or conversion to share capital.
- Partially taxed reserves which are taxed at a tax rate which is lower than the applicable current rate. In the case of their distribution, profits will be taxed based on the tax rate applicable at the time of their distribution to shareholders or conversion to share capital. In 2014, part of these reserves was offset against the fiscal period’s results, according to Law 4172/2013.

(Amounts in Euro thousands)

11 Obligations for personnel benefits due to departure

	31 December 2015	31 December 2014
Statement of financial position obligations:		
Pension benefits	2,649	2,588
Total	**2,649**	**2,588**

	31 December 2015	31 December 2014
Charges to the income statement:		
Pension benefits	168	155
Total	**168**	**155**

	31 December 2015	31 December 2014
Charges to the income statement:		
Pension benefits	(47)	(197)
Total	**(47)**	**(197)**

The amounts entered in the Statement of financial position:

	31 December 2015	31 December 2014
Present value of unfunded obligations	2,649	2,588
Total	**2,649**	**2,588**

The amounts entered in the Statement of Comprehensive Income are as follows:

	31 December 2015	31 December 2014
Current service cost	84	71
Interest rate cost	84	84
Total	**168**	**155**
Additional voluntary redundancy scheme costs	31	-
Total included in employee benefits	**199**	**155**

The change of the obligation that has been entered in the balance sheet is as follows

	31 December 2015	31 December 2014

Opening balance	2,588	2,237
Total debits to results	168	155
Paid contributions	(154)	(1)
Actuarial loss (gain)	47	197
Closing Balance	**2,649**	**2,588**

Re-measurement in accounting assumptions

	31 December 2015	31 December 2014
(Gains) / losses from the payment of financial assumptions	(81)	159
(Gains) / losses from experiential adjustments	128	38
Totals	**47**	**197**

The main actuarial assumptions used are as follows

	31 December 2015	31 December 2014
Discount Rate	3.50%	3.25%
Future salary increases	0.50%	0.50%
Average working life of employees	12.45 years	13.02 years

The sensitivity analysis of the defined-benefit obligation to employees due to retirement to changes in the main weighted assumptions are the following

		Effect on obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount Rate	0.5%	(5.79)%	6.25%
Future salary increases	0.5%	6.41%	(5.99)%

12 Other long-term obligations

	31 December 2015	31 December 2014
Rental bonds	2	2
Total	**2**	**2**

13 Suppliers and other obligations

		31 December 2015	31 December 2014
Customer advances - Related parties	**24**	5,778	5,147
Suppliers - Related parties	**24**	527	347

(Amounts in Euro thousands)

Suppliers - Other suppliers	685	600
Value added tax	115	238
Insurance organisations and other taxes	658	870
Accrued expenses	185	157
Payable earnings	-	213
Other obligations	32	202
Total	**7,980**	**7,774**

Other obligations include obligations to other creditors.

14 Tax and duties payable

	31 December 2015	31 December 2014
Tax and duties payable	119	-
Total	**119**	**-**

Other obligations from tax-duties concern the Albanian branch.

15 Employee Benefits

	Year ended	
	31 December 2015	**31 December 2014**
Payroll	5,391	5,205
Social Security expenses	1,321	1,343
Cost of pension plans and health care schemes	166	171
Benefits of the voluntary redundancy scheme	36	-
Other employee benefits	98	104
Total	**7,012**	**6,823**

Other benefits include benefits and aids to the Company's staff under the Collective Agreements, and training allowances.

(Amounts in Euro thousands)

16 Turnover (Sales)

		Year ended 31 December 2015	31 December 2014
Services to related parties	**24**	4,863	7,165
Services to other customers		6,867	1,218
Total		**11,730**	**8,383**

17 Expenses by category

	Year ended 31 December 2015	31 December 2014
Personnel fees and expenses	7,012	6,823
Provision for staff compensation	163	155
Provisions for doubtful customers	-	20
Depreciation of tangible assets	377	372
Repair and maintenance cost of tangible assets	92	146
Maintenance cost of intangible assets	198	167
Amortization of intangible assets	47	17
Insurance premiums	71	44
Rent from operating leases	95	106
Travel / transportation expenses	289	244
Stationery / Forms	19	18
Conference and advertising expenses	11	11
Other Professional Fees	1,633	1,831
Subcontractors	820	511
Recoverable costs	6	8
Other taxes-duties	137	164
Other Expenses	36	8
Expenses from foreign currency differences	17	-
Other	907	132
Total	**11,930**	**10,777**
Attributable to:		
Cost of good sold	9,437	8,186
Administrative expenses	1,821	1,898
Selling expenses	672	693
Total	**11,930**	**10,777**

(Amounts in Euro thousands)

18 Other income / (expenses)

	Year ended 31 December 2015	31 December 2014
Income from grants	38	4
Income from leases	18	18
Other extraordinary and non-operating income	9	4
Total	**65**	**26**

19 Financial expenses - net

	Year ended 31 December 2015	31 December 2014
Financial expenses		
Various financial charges	(54)	(59)
	(54)	**(59)**
Interest and other financial income		
Interest income	2	2
	2	**2**
Financial operation result	**(52)**	**(57)**

20 Taxes

	Year ended 31 December 2015	31 December 2014
Income tax	138	-
Total	**138**	**-**

For the 2011 fiscal period and onwards, Greek companies are subject to an annual tax audit by their ordinary certified auditors, in terms of compliance with the provisions of the applicable tax law, the timely and accurate submission of tax returns as well as provisions for unrecognized tax obligations. The result of this audit leads to the issuance of a tax certificate, which provided the relevant conditions are met replaces the audit by the public authority and allows the company to close its tax obligations for the relevant fiscal year. The Company was audited for the 2011 - 2014 fiscal periods and received a tax compliance certificate with an unqualified opinion.
For the Company, the tax audit for the 2015 fiscal period is currently being conducted by PricewaterhouseCoopers SA. Upon completion of the tax audit, Management does not expect that any significant tax obligations will arise, other than those recorded and disclosed in the financial statements.
The Company has tax losses amounting to € (583) thousand. (2014: € (1,722 thous.)) for which it has not recognized a deferred tax asset.

(Amounts in Euro thousands)

21 Cash flows from operating activities

	Note.	Year ended 31 December 2015	31 December 2014
Fiscal Period Profit / (Loss)		**(187)**	**(2,425)**
Depreciation of tangible and intangible assets	**5.6**	424	389
Financial (income) / expense	**19**	52	57
Provisions		14	154
		303	**(1,825)**
Changes in working capital			
(Increase) / decrease of receivables		(795)	65
Increase / (decrease) of obligations		325	2,155
Other taxes	**20**	(138)	-
		(608)	**2,220**
Cash flows from operating activities		**(305)**	**395**

22 Contingent liabilities and legal cases

a) The Company is involved in various legal cases and has various outstanding obligations related to the ordinary course of business. Based on currently available information, Management believes that the outcome of these cases will not significantly impact the Company's results or financial position, and has not formed a provision for this reason.

b) ASPROFOS SA has been tax audited up until the 2004 fiscal period. ASPROFOS SA has not been audited by tax authorities for the 2005-2010 fiscal periods. Management believes that there will not be significant tax burdens from future audits, and therefore has not formed the relevant provision.

c) As at 31 December 2015, the Company has open Good Performance Letters of Guarantee amounting to € 1,179 thousand (31 December 2014: € 1,481 thousand), for projects that it has undertaken

(Amounts in Euro thousands)

23 Commitments and other contractual obligations

The company's only contractual obligation is the operating lease of 15 passenger cars, and the lease of 8 photocopiers.

The total lease payments that are payable under the operating leases are as follows:

	31 December 2015	31 December 2014
Up to 1 year	68	60
From 1-5 years	152	30
After 5 years	-	-
Total	**220**	**90**

The lease expense that was entered in the income statement during the fiscal period amounts to € 63 thous. (€ 77 thous. in 2014).

24 Transactions with related parties

i. Sales of goods and services

	Year ended	
	31 December 2015	**31 December 2014**
Sale of services		
HELLENIC PETROLEUM SA	3,847	5,270
Other Group Companies	340	206
Other associated companies	676	1,689
	4,863	**7,165**

	Year ended	
	31 December 2015	**31 December 2014**
Purchase of services		
HELLENIC PETROLEUM SA	147	184
Other associated companies	13	17
	161	**201**

(Amounts in Euro thousands)

ii. Fiscal period balances arising from sales/purchases of products/services

	Year ended	
	31 December 2015	**31 December 2014**
Receivables from related parties:		
Group companies		
-Customer balances	69	16
Other associated companies - Balance from related parties	311	605
	380	**621**
Obligations to related parties :		
Group companies		
-Customer balances (advances)		
HELLENIC PETROLEUM SA	5,778	5,147
-Supplier balances		
HELLENIC PETROLEUM SA	527	347
Net balances from related parties	**6,305**	**5,494**
	(5,925)	**(4,873)**

Transactions with related parties have been conducted under normal commercial terms that the Company abides by for transactions with third parties.

Transactions and balances with associated companies relate to:

a) The company HELLENIC PETROLEUM SA and its subsidiaries.

b) The Group's Associated Companies, which are consolidated in the Group with the equity method:

- Public Gas Corporation (DEPA) SA
- Elpedison Energy
- Hellenic Gas Transmission System Operator (DESFA) SA

c) Related parties that are jointly controlled with the parent company due to their joint participation of the Greek State:

- Public Power Corporation SA (PPC)

iii. Board of Directors' Remuneration

The Board of Directors' total remuneration during the 2015 fiscal period amounted to € 327 thous. of which € 237 thous. relates to the employee representative's fees and Managing Director's payroll cost.

Respectively, during the 2014 fiscal period the remuneration amounted to € 349 thous. of which € 251 thous. relates to the employee representative's fees and Managing Director's payroll cost.

25 Events after the reporting period

There are no significant events after the Balance sheet date as at 31 December 2015.