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TRANSLATION

AUDITOR'S REPORT

To the Shareholders of
Motor Oil (Hellas) Corinth Refineries S.A.

Dear Sirs,

We were engaged to audit the accompanying financial statements and the related Appendix thereto of Motor Oil (Hellas) Corinth Refineries S.A. (the Company) for the year ended December 31, 1998. Our audit was performed in accordance with the provisions of article 37 of Law 2190/1920 for societes anonymes and the auditing procedures which we considered necessary based on the standards followed by the Institute of Certified Auditors in Greece. The Company made available to us all its books and records and provided all the necessary information and other explanations that we requested. The Company has complied with the provisions of the Greek Chart of Accounts. There has been no change in the accounting methods followed as compared with those of the previous year except as noted in item 5 below and the cost of production which derives from the accounting records has been determined in accordance with generally accepted costing principles. We agreed the contents of the Directors' report to the General Assembly of the Shareholders with the underlying financial statements. The Appendix includes all the information required by paragraph 1 of article 43a of Law 2190/1920.

From our audit work the following was noted:

1. The Company, based on the interpretation of decision No. 205/1988, has not provided in full for the minimum amount payable on retirement as provided by Law 2190/1920. Had the Company provided in full for the minimum amount payable to its employees on retirement as at December 31, 1998 the provision for retirement benefits would have been approximately GRD 1.5 billion higher and the shareholders' equity would have been lower by the same amount. The effect on the profit for the year is insignificant.

2. The Company's tax position for 1995 to 1998 has not been finalised. Additional taxes, if any, which may be imposed cannot be estimated with reasonable accuracy.

3. The Company has not made a provision for long outstanding trade receivables amounting to approximately GRD 3.3 billion as at December 31, 1998.

TRANSLATION

Auditor's Report
To the Shareholders of
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4. The Company did not provide for depreciation on its tangible assets for the period January 1, 1994 to December 31, 1996 based on the treatment permitted by Law 2238/94. Had depreciation been provided for the above-mentioned period the net book value of the fixed assets and the shareholders equity would have been approximately GRD 4.0 billion lower.

5. Included in Current Assets and Long-term Receivables as at December 31, 1998 is an amount of GRD 39.1 billion made up of receivables of GRD 60.6 billion net of a payable of GRD 21.5 billion representing outstanding balances due from related companies.

   An agreement for the repayment of these amounts was reached in 1997 and amended on August 3, 1999. In terms of the amended agreement the amount will be repaid in instalments by January 10, 2004. The agreement also provides that under certain conditions the payable mentioned above may be offset against the receivable. The Company collected on January 8, 1999 the principal portion of the instalment due on that date amounting to $23,333,333 (approximately GRD 6.4 billion). An amount of GRD 17.5 billion which is included in Current Assets should have been reported as a long-term receivable.

In our opinion, except for the effects of the matters referred to in the preceding paragraphs, the accompanying financial statements which derive from the books and records of the Company, present fairly together with the Appendix, the financial structure and position of the Company at December 31, 1998 and the results of its operations for the year then ended, in accordance with the provisions of the prevailing legislation and accounting principles which are generally accepted and are consistent with those applied in the previous period.

Athens, August 14, 1999