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TRANSLATION

AUDITOR'S AND ACCOUNTANT'S REPORT

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

Dear Sirs,

We have audited 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, 1999. 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 and Accountants 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 6 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, 1999 the provision for retirement benefits would have been approximately GRD 2.5 billion higher and the shareholders' equity would have been lower by the same amount. The charge on the profit for the year would amount to approximately GRD 1 billion.

2. The Company has not been subject to a tax audit for the 1999 year and hence the Company's tax position for 1999 has not been finalised. Additional taxes, if any, which may be imposed cannot be estimated with reasonable accuracy.

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3. 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 3.5 billion lower.

4. Included in Current Assets, Other Long-term Receivables and Trade Payables as at December 31, 1999 is a total amount of GRD 18 billion made up of receivables of GRD 58 billion net of a payable of GRD 40.0 billion representing outstanding balances due from related companies.

   An agreement for the repayment of these receivable 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 receivable mentioned above may be offset against the payable. The Company has set off GRD 27.7 billion receivable against the payable.

5. The Company has made a provision amounting to GRD 2,650 million against trade receivables which also covers other receivables as well as the accumulated loss from the investment in three shipping companies amounting to approximately GRD 707 million.

6. The Company in the current year changed its basis of valuing merchandise, raw and auxiliary material inventory from FIFO to moving weighted average. As a result of this change inventory and profit before tax are lower by approximately GRD 160 million.

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, 1999 and the results of its operations for the year then ended, in accordance with the provisions of prevailing legislation and accounting principles which are generally accepted in Greece and are consistent with those applied in the previous period, except as noted in note 6 above.

Athens, May 4, 2000

Certified Auditor and Accountant
George D. Cambanis
Reg. No. (ICAA GR): 10761