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TRANSLATION

AUDITOR'S REPORT

To the Board of Directors of the Societe Anonyme
"Motor Oil (Hellas) Corinth Refineries S.A"

Dear Sirs,

We have audited, in accordance with the provisions of article 108 of Law 2190/1920, the first consolidated balance sheet and the consolidated profit and loss account, as well as the related Appendix thereto, of the societe anonyme "Motor Oil (Hellas) Corinth Refineries S.A." and its related societe anonyme "Avin Oil S.A." for the year ended December 31, 1999. We applied the procedures which we considered necessary for the purpose of our audit, which are in accordance with the principles and auditing procedures followed by the Institute of Certified Auditors and Accountants in Greece and we agreed the contents of the consolidated Directors' report with the underlying consolidated financial statements.

From our audit work the following was noted:

1. The Group, 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 Group 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 2.7 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 Companies of the Group have not been subject to a tax audit for the year 1999 and consequently the Group's tax position has not been finalised. Additional taxes, if any, which may be imposed cannot be estimated with any reasonable accuracy. A Company of the Group was subject to a tax audit for the period up to the financial year 1998. The results of which were notified to the Company after the compilation of its financial statements which are included in the consolidation. As a result tax liabilities of approximately GRD 147 million are not included in the consolidated financial statements.

3. A Company of the Group 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 of the Group would have been approximately GRD 3.5 billion lower.

TRANSLATION

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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 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 Group has set off GRD 27.7 billion receivable against the payable.

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

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

7. A Company of the Group, in accordance with the Ministry of Finance decision 1095950/20.8.98/POL 1224, capitalised to "Other Establishment Expenses" foreign exchange losses, amounting to GRD 253 million, which resulted from the devaluation of the Drachma against other currencies on March 13, 1998. GRD 84 million of these capitalised foreign exchange losses were amortised in the current period, and an equal amount in the previous period, whereas, in our opinion, all these foreign exchange losses should have been expensed in the previous period. As a result of this treatment the net book value of the above mentioned account and the shareholders' equity are higher by approximately GRD 84 million, while the profit before tax is lower by approximately GRD 84 million.

In our opinion, except for the effects of the matters referred to in the preceding paragraphs, these consolidated financial statements have been prepared in accordance with the provisions of Law 2190/1920 and present fairly, the financial structure and position of the Companies included in the consolidation as of December 31, 1999 in accordance with the provisions of the prevailing legislation and accounting principles and methods applied by the larger Company of the Group which are generally accepted in Greece and are consistent with those applied in the previous period, except as stated in note 6 above.

Athens, September 21, 2000

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