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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 of Motor Oil (Hellas) Corinth Refineries S.A. (the Company) for the year ended December 31, 1997. Our audit was performed in accordance with the provisions of article 37 of Law 2190/1920 for societe 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. Included in Current Assets at December 31, 1997 is an amount of GRD 32.7 billion made up of receivables of GRD 61.9 billion net of a payable of GRD 29.2 billion representing outstanding balances due from related companies (refer Note 12).

   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 GRD 2.7 billion in July 1998 and on January 8, 1999 the principal portion of the instalment due on that date amounting to $23,333,333 (approximately GRD 6.4 billion) was met. In light of the forgoing, as at December 31, 1997, GRD 30 billion should have been reported as a long-term receivable.

TRANSLATION

Auditor's Report
To the Shareholders of
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2. 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, 1997, the provision for retirement benefits would have been approximately GRD 1.5 billion higher, the retained earnings would have been lower by the same amount, and the profit for the year would have been lower by approximately GRD 419 million.

3. The Company's tax position for 1995 to 1997 has not been finalised. Additional taxes, if any, which may be imposed cannot be estimated with reasonable accuracy.

4. The Company has not made a provision for long outstanding trade receivables amounting to approximately GRD 3.3 billion as at December 31, 1997.

5. In the current period, the Company provided for depreciation on its tangible assets. For the period January 1, 1994 to December 31, 1996 the Company, based on the treatment permitted by Law 2238/94, did not provide depreciation on its tangible assets. 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 6.0 billion lower.

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, the financial structure and position of the Company at December 31, 1997 and the results of its operations for the year then ended, in accordance with the provisions of the prevailing legalisation and accounting principles which are generally accepted and are consistent with those applied in the previous period except for item 5 noted above.

Athens, August 4, 1999