

SC KLAIPĖDOS NAFTA

UNAUDITED INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2008

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KLAIPĖDOS NAFTA
A K C I N Ė B E N D R O V Ė

**INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER OF 2008
(NOT AUDITED)**

CONFIRMATION OF RESPONSIBLE PERSONS

Following the Rules on Preparation And Submission of Periodic and Additional Information of the Lithuanian Securities Commission and the Law on Securities of the Republic of Lithuania, we, Jurgis Aušra, Director General of SC Klaipėdos Nafta, and Johana Bučienė, Chief Financier of SC Klaipėdos Nafta, hereby confirm that to the best of our knowledge, the attached interim financial statements of SC Klaipėdos Nafta for the first quarter of 2008, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by European Union, give a true and fair view of the assets, liabilities, financial position and profit (loss) of SC Klaipėdos Nafta.

Director General

Jurgis Aušra

Chief Financier

Johana Bučienė

STOCK COMPANY KLAIPĖDOS NAFTA
Burių str. 19, 91003 Klaipėda
 Company code 1106 48893, VAT Payer's code LT106488917

2008 01 01 - 2008 03 31 BALANCE SHEET

2008-03-31

No. 2008 / 1

(Compilation date of financial statements)

The first quarter of 2008

in LTL

(accountability period)

	ASSETS	Note No.	Financial year 2008 03 31	Previous financial year 2007 12 31
A.	<i>NON-CURRENT ASSETS</i>		423 038 065	427 707 713
<i>I.</i>	<i>INTANGIBLE ASSETS</i>	<i>3.1. Note</i>	111 851	131 568
I.1.	Software		111 851	131 568
<i>II.</i>	<i>TANGIBLE ASSETS</i>	<i>3.2. Note</i>	422 840 072	427 490 003
II.1.	Buildings and plant		279 865 971	282 381 697
II.2.	Machinery and equipment		31 640 507	32 525 055
II.3.	Vehicles		733 902	778 182
II.4.	Other fixtures, fittings, tools and equipment		108 969 059	110 389 785
II.5.	Construction in progress		1 228 105	1 012 643
II.6.	Other tangible assets		402 528	402 641
<i>III.</i>	<i>FINANCIAL ASSETS</i>	<i>3.3. Note</i>	86 142	86 142
III.1.	Shares of other companies		86 142	86 142
B.	<i>CURRENT ASSETS</i>		27 256 080	18 663 832
<i>I.</i>	<i>INVENTORIES, PREPAYMENTS and CONTRACTS IN PROGRESS</i>		2 620 583	2 313 710
I.1.	Inventories	<i>3.4. Note</i>	2 349 079	1 974 079
I.1.1.	Tangibles in warehouse and with pecuniary responsible persons		556 241	420 538
I.1.2.	Cost price of fuel purchased		1 792 838	1 553 541
I.2.	Contracts in progress		271 504	339 631
<i>II.</i>	<i>AMOUNTS RECEIVABLE WITHIN ONE YEAR</i>	<i>3.5. Note</i>	12 624 677	9 876 425
II.1.	Trade debtors		6 164 697	2 715 308
II.2.	Other amounts receivable		6 459 980	7 161 117
<i>III.</i>	<i>OTHER CURRENT ASSETS</i>	<i>3.6. Note</i>	5 524 480	4 022 781
III.1.	Term deposits		5 524 480	3 729 024
III.2.	Other current assets, accrued revenues			293 757
<i>IV.</i>	<i>CASH AND CASH EQUIVALENTS</i>	<i>3.7. Note</i>	6 486 340	2 450 916
<i>ASSETS IN TOTAL:</i>			450 294 145	446 371 545

	EQUITY AND LIABILITIES	Note No.	Financial year 2008 03 31	Previuos financial year 2007 12 31
C.	EQUITY	3.8. Note	408 807 784	399 748 377
<i>I.</i>	<i>CAPITAL</i>		<i>342 000 000</i>	<i>342 000 000</i>
I.1.	Subscribed capital		342 000 000	342 000 000
I.2.	Subscribed unpaid capital (-)			
<i>II.</i>	<i>REVALUATION RESERVE (RESULTS)</i>			
<i>III.</i>	<i>RESERVES</i>		<i>49 011 489</i>	<i>49 011 489</i>
III.1.	Legal reserve		13 790 000	13 790 000
III.2.	Other reserves		35 221 489	35 221 489
<i>IV.</i>	<i>PROFIT (LOSS) BROUGHT FORWARD</i>		<i>17 796 295</i>	<i>8 736 888</i>
IV.1.	Profit (loss) of the current year		9 059 407	8 736 888
IV.2.	Profit (loss) of the previous year		8 736 888	
D.	GRANTS AND SUBSIDIES			
E.	AMOUNTS PAYABLE AND LIABILITIES	3.9. Note	41 486 361	46 623 168
<i>I.</i>	<i>AMOUNTS PAYABLE AFTER ONE YEAR AND NON-CURRENT LIABILITIES</i>		<i>19 498 602</i>	<i>27 789 562</i>
I.1.	Financial debts		7 802 644	15 605 274
I.1.1.	Leasing or other similar liabilities			
I.1.2.	To credit institutions		7 802 644	15 605 274
I.2.	Other amounts payable and non-current liabilities		11 695 958	12 184 288
<i>II.</i>	<i>AMOUNTS PAYABLE WITHIN ONE YEAR AND CURRENT LIABILITIES</i>		<i>21 987 759</i>	<i>18 833 606</i>
II.1.	Current portion of long-term debts		15 605 260	15 605 260
II.2.	Financial debts			
II.3.	Debts to suppliers, contractors		2 361 321	1 863 364
II.3.1.	Payments to related Parties	3.12 Note	60 963	118 457
II.4.	Prepayments received		2 003	62 124
II.5.	Payroll related liabilities		2 752 476	1 123 217
II.5.1.	Remuneration		2 238 643	1 074 161
II.5.2.	Social security payable		513 833	49 056
II.6.	Taxes payable		14 539	46
II.7.	Other amounts payable and current liabilities		1 252 160	179 595
TOTAL EQUITY AND LIABILITIES:			450 294 145	446 371 545

Director General

(signature)

Jurgis Aušra

STOCK COMPANY KLAIPĖDOS NAFTA
Burių str. 19, 91003 Klaipėda
 Company code 1106 48893, VAT Payer's code LT106488917

2008 01 01 - 2008 03 31 PROFIT (LOSS) STATEMENT

2008-03-31

Nr.2008/1

(Compilation date of financial statements)

The first quarter of 2008

(accountability period)

in LTL

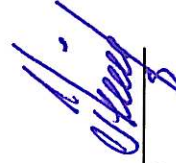
Seq. No.	Items	Note No.	Financial year 2008 03 31	Previous financial year 2007 03 31
I.	SALES		32 728 535	23 084 093
II.	COST OF SALES		18 091 738	16 170 946
III.	GROSS PROFIT (LOSS)		14 636 797	6 913 147
IV.	OPERATING EXPENSES		3 907 462	3 273 052
V.	PROFIT (LOSS) FROM TYPICAL ACTIVITIES		10 729 335	3 640 095
VI.	OTHER OPERATIONS		2 278	2 318
VI.1.	Other operating income		2 308	2 361
VI.2.	Other operating expenses		30	43
VII.	FINANCIAL AND INVESTMENT ACTIVITIES		- 303 983	- 506 747
VII.1.	Income from financial and investment activities	3.11 Note	60 276	52 936
VII.2.	Expenses from financial and investment activities		364 259	559 683
VIII.	PROFIT (LOSS) FROM ORDINARY ACTIVITIES		10 427 630	3 135 666
IX.	EXTRAORDINARY GAIN			
X.	EXTRAORDINARY LOSSES			
XI.	PROFIT (LOSS) BEFORE TAXES		10 427 630	3 135 666
XII.	INCOME TAX		1 368 223	653 362
XIII.	NET PROFIT (LOSS)	(XI- XII)	9 059 407	2 482 304

Director General

Jurgis Aušra

	Authorised capital paid	Share premium	Own shares (-)	Revaluation reserve (results)		Legal reserves		Other reserves		Profit (loss) brought forward	In total
				Non-current tangible assets	Financial assets	Required	Own share acquisition	Other			
15. Balance as at 31 December of 2007 financial year	342000000	0	0	0	0	13790000	0	35221489	0	8736888	399748377
16. Value increase (reduction) of non-current tangible assets											
17. Value increase (reduction) of financial assets											
18. Acquisition of own shares											
19. Unrecognised profit (loss) in the Profit (Loss) Statement											
20. Net profit (loss) of the accounting period										9059407	9059407
21. Dividends											
22. Other disbursements											
23. Reserves formed											
24. Reserves used											
25. Increase / reduction of the authorised capital											
26. Balance as at 31 March 2008	342000000	0	0	0	0	13790000	0	35221489	0	17796295	408807784

Director General



(signature)

Jurgis Aušra

STOCK COMPANY KLAIPĖDOS NAFTA

110648893, Burių 19, 91003 Klaipėda

2008-01-01 - 2008-03-31 **CASH FLOW STATEMENT**

31 March 2008

in LTL

Seq. No.	Items	Financial year 2008 03 31	Previous financial year 2007 03 31
I.	Cash flow from (to) operating activities		
I.1.	Cash receipts of the current period (inc. VAT)	34 496 971	25 892 590
I.1.1.	Cash receipts from clients	30 706 771	25 839 515
I.1.2.	Other receipts	3 790 200	53 075
I.2.	Cash payments of the current period	-21 651 300	-17 351 715
I.2.1.	Cash paid to the suppliers of raw materials, goods and service providers	-9 987 335	-7 772 855
I.2.2.	Cash payments related to labour relations	-2 786 389	-3 242 710
I.2.3.	Taxes paid to the budget	-2 277 598	-2 571 784
I.2.4.	Other payments	-6 599 978	-3 764 366
	Net cash flows from operating activities	12 845 671	8 540 875
II.	Cash flows from (to) investing activities		
II.1.	Acquisition of non-current assets (except investments)	- 543 019	- 561 119
II.2.	Transfer of non-current assets (except investments)		
II.3.	Acquisition of long-term investments		
II.4.	Transfer of long-term investments		
II.5.	Loan granting		
II.6.	Loan repayment		
II.7.	Dividends received, interests		
II.8.	Other increase in cash flows from (to) investing activities		
II.9.	Other decrease in cash flows from (to) investing activities		
	Net cash flows from (to) investing activities	- 543 019	- 561 119
III.	Cash flows from (to) financial activities		
III.1.	Cash flows associated with the owners of the Company	- 57	- 5 348
III.1.1.	Share issue (acquisition)		
III.1.2.	Owners' contributions to cover losses		
III.1.3.	Purchase of own shares		
III.1.4.	Dividends paid	- 57	- 5 348
III.2.	Cash flows associated with other financing sources	-8 266 071	-5 792 556
III.2.1.	Increase of financial debts	0	0
III.2.1.1	Receipt of loan		
III.2.1.2	Bond issue		
III.2.2.	Decrease of financial debts	-8 266 071	-5 792 556
III.2.2.1	Loan repayment	-7 802 630	-4 127 968
III.2.2.2	Bond redemption		
III.2.2.3	Interests paid	- 360 033	- 551 596
III.2.2.4	Financial lease payments	- 103 408	-1 112 992
III.2.3.	Increase of other liabilities of the Company		
III.2.4.	Decrease of other liabilities of the Company		
III.3.	Other increase in cash flows from (to) financial activities		
III.4.	Other decrease in cash flows from (to) financial activities		
	Net cash flows from (to) financial activities	-8 266 128	-5 797 904
IV.	Cash flows of special items	0	0
IV.1.	Increase in cash flows of special items		
IV.2.	Decrease in cash flows of special items		
V.	Impact of currency exchange rate alteration on the balance of cash and cash equivalents	- 1 100	542
VI.	Net increase (decrease) in cash flows	4 035 424	2 182 394
VII.	Cash and cash equivalents at the beginning of the period	2 450 916	2 256 347
VIII.	Cash and cash equivalents at the end of the period	6 486 340	4 438 741

Director General

Signature

Jurgis Aušra

STOCK COMPANY KLAIPĖDOS NAFTA

Company code 1106 48893. The address of the registered office: Burių str. 19, 91003 Klaipėda, Lithuania

NOTES

TO THE FINANCIAL STATEMENTS OF THE FIRST QUARTER OF 2008

31 March 2008

I. GENERAL INFORMATION

1. History

SC Klaipėdos Nafta was registered on 27 September 1994, registration No. BĮ 94–479, register No. 110648893. The Company is a strategic Lithuanian enterprise which role is not only to transship exported oil products but also to provide Lithuania with oil products imported from the West. More than once the Terminal has already handled orimulsion, diesel oil delivered to Klaipėda port by tankers. There were no significant changes in the Company during the first quarter of 2008. The history has been described in a more detailed manner in the Notes to the statements of 2007.

2. Financial year

The Company's financial year starts on 1 January and ends on 31 December. The interim statements are prepared quarterly.

3. Information about Company's branches and representative offices

The Company has no branches or representative offices.

4. Information about subsidiaries

The Company has no subsidiaries.

5. Information about associated companies.

The Company has no associated companies.

6. Activity of the Company.

The core activity of the Company are reloading of oil products and other related services. During the first quarter of 2008 the Company transshipped **2 195, 2 thousand tons of oil products**, i.e. 41 % or by 633, 8 thousand tons more than were transshipped during the same period of 2007 (1561,4 thousand tons). The transshipment increased due to the renewed cargo flow from the main Client – SC Mažeikių Nafta as well as due to the stable operation of other Clients (from Russian and Byelorussian Oil Refineries). During the first quarter of 2008 SC Mažeikių Nafta delivered for reloading 1 109,9 thousand tons or 51 % of the total transshipped volume of oil products, if compared to the same period of 2007 – 522, 7 thousand tons or 34 % .

96 tankers were loaded during the first quarter of 2008. Tanker „TOUR“ was the largest one served at the Company's jetties, that took 96,1 thousand tons of fuel oil. The Company's Waste Water Treatment facilities treated 96 865 m³ of polluted water.

The average number of employees of the first quarter of 2008 – 299 employees if compared to the same period of 2007 - reduced by 1 % (301) .

The Company has customs- and excise warehouses for the convenience of its clients.

Violations of administrative law regarding breach of environment protection regulations in the Company were not established; neither fines nor sanctions were imposed on the Company.

The Company's shares are listed in the Additional Baltic Sales List on the Vilnius Stock Exchange.

Shareholders of the Company as on 31 March 2008 and 31 December 2007:

Shareholders	31 March 2008		31 December 2007	
	Number of shares owned (thousands)	Part of ownership	Number of shares owned (thousands)	Part of ownership
Government of LR, represented by Ministry of Economy	241,544	70,63 %	241,544	70,63 %
Hansabank funds	20,531	6,00 %	24,331	7,11 %
Skandinaviska Enskilda Banken funds	14,168	4,14 %	12,703	3,71 %
Others (each less than 5 %)	65,757	19,23 %	63,422	18,55 %
In total:	342,000	100,00 %	342,000	100,00 %

II. ACCOUNTING POLICIES

The Company manages its accounting and prepares financial statements in accordance with the following legal acts regulating preparation of such statements:

- Law on Accounting of the Republic of Lithuania;
- Law on Financial Accountability of Enterprises of the Republic of Lithuania;
- International Accounting Standards.

The accounting policies were not changed; the Management follows the accounting policy, described in a more detailed way in the Note for the business financial year of 2007.

III. COMMENTS ON THE NOTE

3.1. State of intangible assets and its development during the accounting period

The estimated amortisation of the intangible assets during the first quarter of 2008 – LTL 19717 - was accounted for under cost of sales caption in the Profit (Loss) Statement.

3.2. The state of non-current tangible assets according to the asset groups (in LTL).

During the first quarter of 2008 the Company has acquired non-current tangible assets in the amount of LTL 132 884. Depreciation in the amount of LTL 5,0 mln. was accounted for the non-current assets used in the performance of the Company. About 99,4 % of the depreciation amount is accounted for under cost of sale caption and 0,6 % - under operating expenses caption.

Asset group title	During the first quarter of 2008 the estimated amount of depreciation in LTL
Buildings	655 760
Plant	1 978 201
Machinery and equipment	884 547
Vehicles	44 281
Other fixtures, fittings, tools and equipment	1 444 984
In total:	5 007 773

3.3. State of financial assets.

On 19 December 2007 the Company has acquired one (1) per cent of the international pipeline company SARMATIA shares. The Company has purchased 180 shares with nominal value of PLZ 500 each. The investment was accounted for by the acquisition cost equivalent to LTL 86 thousand on 31 March 2008.

3.4. The total value of inventories and its variation during the accounting period.

Under the inventories the Company has accounted for by acquisition cost the inventories necessary for the development of Company's activities and the surplus determined during the regular inventory of oil and oil products, which are entered into the books according to the prices announced by AB "Mažeikių naftos prekybos namai".

3.5. The state of amounts receivable within one year.

The major part of trade debtors is comprised of the clients' debts for oil transshipment services, because the Contracts provide for the payment term of 10 – 30 days after tanker loading.

Budget debt of LTL 4 615 090 for the real estate tax is accounted for under other amounts receivable caption. The Company's claim regarding the mentioned overpaid tax is disclosed in a more detailed way in the Note to the financial statements of 2007. During the first quarter the Company's claim was not heard by Vilnius Regional Administrative Court. On 10 April 2008 the

Company was notified by the court that its appeal will be heard on 22 April 2008. The Company expects a favourable decision.

The budget debt as at 31 March 2008 for the advance payment of temporary social tax - LTL 419 071, advance payment of income tax – LTL 634 131, income tax of population – LTL 721 009.

3.6. State of other current assets.

At the end of the quarter the Company temporarily deposited free LTL 5,5 mln. in the banks according to fixed term deposit agreements.

3.7. Information about cash.

The Company's cash accounted for in the bank accounts – LTL 6 436 320,68 and in the cash account – LTL 50 018, 96, in total – LTL 6 486 339,64.

3.8. Information about equity.

On 31 March 2008 the Company's authorised capital – LTL three hundred forty two million (342 000 000) is fully paid. It is divided into 342 000 000 ordinary shares with a par value of LTL 1. The authorised capital did not change during 2007, 2008. No own shares were issued or purchased.

The profit of 2007 brought forward as accounted for in the balance sheet of 31 March 2008 – LTL 8 736 888 and the profit of the first quarter of 2008 – LTL 9 059 407.

3.9. Information about liabilities.

During the first quarter of 2008 the Company following the terms of loan agreement has repaid LTL 7 802 630 of the credit and paid LTL 360 033 of interest.

The state of Company's liabilities (in LTL):

	Indices Types of debts payable	Payable debts or their parts	
		Within one financial year	After one year but not later than within five years
Financial debts			
1.	To credit institutions	15 605 260	7 802 644
2.	Other financial debts		
3.	Other debts	6 382 499	11 695 958
In total:		21 987 759	19 498 602

Repayment of the loan, received with State Guarantee, to Lithuanian banks: AB SEB bank, AB bank "Hansabankas", AB „DnB Nord bankas“ according to the terms of Credit Agreement No. 0020309030107/08 of 14 August 2003-08-14: LTL 7 802 630 on 31 July 2008

and LTL 7 802 630 on 31 January 2009 are accounted for in the amounts payable within one year to credit institutions. The Company's debt to its employees for remuneration LTL 3,5 mln. (the debt paid off on 9 April 2008) and the debt to its suppliers and contractors in the amount of LTL 2,9 mln. for the services rendered (the contracts provide for payment until the 15th day of the next month) are accounted for in other amounts payable within one year.

3.10. The rights and commitments of the Company not reflected in the balance sheet.

According to the oil product transshipment Agreements the Company is responsible for the oil products received from clients for storage. At the end of the first quarter the following products were stored in the storage tanks of the Company:

Seq. No.	Types of oil products	Quantity of oil products in kg
1.	Heavy fuel oil M-100	113 142 209
2.	Diesel oil	28 333 189
3.	Gasoline	9 804 619
4.	Jet fuel	9 151 922
5.	Vacuum gasoil	54 678 248
In total:		215 110 187

The Company has insured its property, oil products under storage, against production (business) interruption risk at the insurance company AB „Lietuvos draudimas”.

3.11. Income from financial and investment activities (in LTL).

	Indices	Financial year 2008-03-31	Previous financial year 2007-03-31
a)	INCOME FROM FINANCIAL AND INVESTMENT ACTIVITIES	60 276	52 936
	Specification of significant amounts:		
	Fines and defaults received		
	Interest income	60 276	45 675
	Positive effect of currency exchange		7 261
	Other		
b)	EXPENSES FROM FINANCIAL AND INVESTMENT ACTIVITIES	364 259	559 683
	Specification of significant amounts:		
	Loan interests	363 158	373 339
	Other		

	Expenses of lease with purchasing option		179 073
	Negative influence of currency exchange	1 101	7 271
c)	RESULT OF FINANCIAL AND INVESTMENT ACTIVITIES (a-b)	- 303 983	- 506 747

3.12. Related party transactions.

Neither in the year 2007 nor as of 31 March 2008 the Company had any payables or receivables from the Government of the Republic of Lithuania and the Board's members. During the three-month period ended 31 March 2008 and 31 March 2007 there were no transactions between the Company, the Government of the Republic of Lithuania and the Board's members.

As on 31 March 2008 the Company owes its shareholders, who did not inform about their data so as to transfer dividends payable to them, the dividends in the amount of LTL 9 353 allocated in the year 1999; the amount of LTL 772 allocated in the year 2000; the amount of LTL 18 314 allocated in the year 2002; the amount of LTL 23 955 allocated in the year 2003; the amount of LTL 8 569 allocated in the year 2006. The total amount of the unpaid dividends to the shareholders is LTL 60963. It is accounted for under caption "Payments to the related parties" of the balance sheet.

During the first quarter of 2008 remuneration in the amount of LTL 280 thousand (during the same period of 2007 – LTL 209 thousand) were accounted for to the Company's Management. During the first quarter of 2008 the Company's Management did not receive any loans, guarantees, no any other payments or property transfers were made or accrued.

3.13. Information about subsequent events.

In the financial statements for the year 2007 there was a disclosure of Riverlake Energy (S) PTE LTD lawsuit brought against the Company for the compensation of USD 1,804 thousand of assumed expenses and agreement liabilities performance. During the first quarter of 2008 there were no changes in the case. The plaintiff lodged an appeal against the decision of the court.

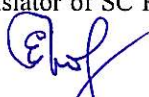
The General Shareholders' Meeting, held on 22 April 2008, approved financial statements for the business financial year 2007, appropriated profit of 2007 and approved dividends payable in the amount of LTL 6,974 thousand.

Director General



Jurgis Aušra

I, Eugenijus Vilūnas, a translator of SC Klaipėdos Nafta, verify an exact translation of the foregoing document into the English language.



Eugenijus Vilūnas