



## **SC KLAIPĖDOS NAFTA**

### ***UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF OF 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 HALF 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 half 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 g. 19, 91003 Klaipėda*

*Company code 1106 48893, VAT Payer's code LT106488917*

**2008 01 01 - 2008 06 30 BALANCE SHEET**

**2008-06-30**

Nr.2008/2

(Compilation date of financial statements)

**The first half of 2008**

**in LTL**

(accountability period)

	ASSETS	Note No. (invoice No.)	Financial year 2008 06 30	Previous financial year 2007 12 31
<b>A.</b>	<b><i>NON-CURRENT ASSETS</i></b>		<b>419 065 129</b>	<b>427 707 713</b>
<i>I.</i>	<i>INTANGIBLE ASSETS</i>	<i>3.1. Note</i>	92 153	131 568
I.1.	Software	11400,11490	92 153	131 568
<i>II.</i>	<i>TANGIBLE ASSETS</i>	<i>3.2. Note</i>	418 886 834	427 490 003
II.1.	Buildings and plant	12010,12018,12100,12108,12120,12128	277 229 254	282 381 697
II.2.	Machinery and equipment	12110,12118	30 880 142	32 525 055
II.3.	Vehicles	12200,12208	749 903	778 182
II.4.	Other fixtures, fittings, tools and equipment	123*, 125*,126;129	107 227 859	110 389 785
II.5.	Construction in progress	15*	1 782 780	1 012 643
II.6.	Other tangible assets	14*	1 016 896	402 641
<i>III.</i>	<i>FINANCIAL ASSETS</i>	<i>3.3. Note</i>	86 142	86 142
III.1.	Shares of other companies	16000	86 142	86 142
III.2.	Investments into securities	16200, 3.3 pastaba		
<b>B.</b>	<b><i>CURRENT ASSETS</i></b>		<b>36 082 524</b>	<b>18 663 832</b>
<i>I.</i>	<i>INVENTORIES, PREPAYMENTS and CONTRACTS IN PROGRESS</i>		2 788 269	2 313 710
I.1.	Inventories	<i>3.4. Note</i>	2 529 684	1 974 079
I.1.1.	Tangibles in warehouse and with pecuniary responsible persons	20002,201*,202*	638 061	420 538
I.1.2.	Cost price of fuel purchased	20400,20502,20503	1 891 623	1 553 541
I.2.	Contracts in progress	24800, 20900	258 585	339 631
<i>II.</i>	<i>AMOUNTS RECEIVABLE WITHIN ONE YEAR</i>	<i>3.5. Note</i>	12 245 677	9 876 425
II.1.	Trade debtors	24*	5 982 902	2 715 308
II.2.	Other amounts receivable	25*	6 262 775	7 161 117
<i>III.</i>	<i>OTHER CURRENT ASSETS</i>	<i>3.6. Note</i>	15 685 760	4 022 781
III.1.	Term deposits		15 685 760	3 729 024
III.2.	Other current assets, accrued revenues			293 757
<i>IV.</i>	<i>CASH AND CASH EQUIVALENTS</i>	<i>27*, 3.7. Note</i>	5 362 818	2 450 916
<b>ASSETS IN TOTAL:</b>			<b>455 147 653</b>	<b>446 371 545</b>

	EQUITY AND LIABILITIES	Note No. (invoice No.)	Financial year 2008 06 30	Previuos financial year 2007 12 31
<b>C.</b>	<b>EQUITY</b>	3.8. Note	<b>413 610 370</b>	<b>399 748 377</b>
<b>I.</b>	<b>CAPITAL</b>		<b>342 000 000</b>	<b>342 000 000</b>
I.1.	Subscribed capital	30*	342 000 000	342 000 000
I.2.	Subscribed unpaid capital (-)			
<b>II.</b>	<b>REVALUATION RESERVE (RESULTS)</b>			
<b>III.</b>	<b>RESERVES</b>		<b>50 774 377</b>	<b>49 011 489</b>
III.1.	Legal reserve	330*	14 240 000	13 790 000
III.2.	Other reserves	33*	36 534 377	35 221 489
<b>IV.</b>	<b>PROFIT (LOSS) BROUGHT FORWARD</b>		<b>20 835 993</b>	<b>8 736 888</b>
IV.1.	Profit (loss) of the current year	391*	20 835 993	8 736 888
IV.2.	Profit (loss) of the previuos year	34*		
<b>D.</b>	<b>GRANTS AND SUBSIDIES</b>			
<b>E.</b>	<b>AMOUNTS PAYABLE AND LIABILITIES</b>	3.9. Note	<b>41 537 283</b>	<b>46 623 168</b>
<b>I.</b>	<b>AMOUNTS PAYABLE AFTER ONE YEAR AND NON-CURRENT LIABILITIES</b>		<b>19 549 410</b>	<b>27 789 562</b>
I.1.	Financial debts		7 802 644	15 605 274
I.1.1.	Leasing or other similar liabilities	402*		
I.1.2.	To credit institutions	4032*,4034*	7 802 644	15 605 274
I.2.	Other amounts payable and non-current liabilities	40500	11 746 766	12 184 288
<b>II.</b>	<b>AMOUNTS PAYABLE WITHIN ONE YEAR AND CURRENT LIABILITIES</b>		<b>21 987 873</b>	<b>18 833 606</b>
II.1.	Current portion of long-term debts	4320*,4330*	15 606 720	15 605 260
II.2.	Financial debts	44200		
II.3.	Debts to suppliers, contractors	45*	2 727 974	1 863 364
II.3.1.	Payments to related Parties	3.12 Note	114 843	118 457
II.4.	Prepayments received	46*	2 003	62 124
II.5.	Payroll related liabilities		2 455 903	1 123 217
II.5.1.	Remuneration	471*,4711,47101	1 951 864	1 074 161
II.5.2.	Social security payable	472*	504 039	49 056
II.6.	Taxes payable	470*	1 157 773	46
II.7.	Other amounts payable and current liabilities	48*	37 500	179 595
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>455 147 653</b>	<b>446 371 545</b>

Director General


  
(signature)

Jurgis Aušra

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

**2008 01 01 - 2008 06 30 PROFIT (LOSS) STATEMENT**

**2008-06-30**

Nr.2008/2

(Compilation date of financial statements)

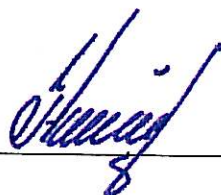
**The first half of 2008**

in LTL

(accountability period)

Seq. No.	Items	Note No.	Financial year		Previous financial year	
			2008 06 30	2 nd Quarter (April-June)	2007 06 30	2 nd Quarter (April-June)
I.	SALES	50	65 354 189	32 625 654	42 535 343	19 451 250
II.	COST OF SALES	60	34 862 460	16 770 722	28 647 425	12 476 479
III.	GROSS PROFIT (LOSS)	50-60	30 491 729	15 854 932	13 887 918	6 974 771
IV.	OPERATING EXPENSES		5 641 344	1 733 882	4 461 246	1 188 194
V.	PROFIT (LOSS) FROM TYPICAL ACTIVITIES	50-60,61	24 850 385	14 121 050	9 426 672	5 786 577
VI.	OTHER OPERATIONS	52-62	4 664	2 386	330 650	328 332
VI.1.	Other operating income	52	4 719	2 411	330 736	328 375
VI.2.	Other operating expenses	62	55	25	86	43
VII.	FINANCIAL AND INVESTMENT ACTIVITIES	53-63	- 474 665	- 170 682	- 994 424	- 487 677
VII.1.	Income from financial and investment activities	53	216 349	156 073	140 059	87 123
VII.2.	Expenses from financial and investment activities	63	691 014	326 755	1 134 483	574 800
VIII.	PROFIT (LOSS) FROM ORDINARY ACTIVITIES	50-53-60-63	24 380 384	13 952 754	8 762 898	5 627 232
IX.	EXTRAORDINARY GAIN	x				
X.	EXTRAORDINARY LOSSES	x				
XI.	PROFIT (LOSS) BEFORE TAXES	50-53-60-63	24 380 384	13 952 754	8 762 898	5 627 232
XII.	INCOME TAX	65	3 544 391	2 176 168	1 808 754	1 155 392
XIII.	NET PROFIT (LOSS)	(XI- XII)	20 835 993	11 776 586	6 954 144	4 471 840

Generalinis direktorius



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			
<b>15. Balance as at 31 December of 2007 financial year</b>	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											
21. Dividends										20835993	20835993
22. Other disbursements										6974000	6974000
23. Reserves formed											
24. Reserves used						450000		10011176		10461176	
25. Increase / reduction of the authorised capital								8698288		8698288	
<b>26. Balance as at 30 June 2008</b>	342000000	0	0	0	0	14240000	0	36534377		20835993	413610370

Director General

(signature)

Jurgis Aušra

110648893, Burių 19, 91003 Klaipėda

## 2008-01-01 - 2008-06-30 CASH FLOW STATEMENT

30 June 2008

LTL

Seq.No.	Items	2008.06.30	2007.06.30
<b>I.</b>	<b>Cash flow from (to) operating activities</b>		
I.1.	Cash income of the current period (inc. VAT)	64 931 775	47 123 339
I.1.1.	Cash income from clients	64 724 429	46 996 595
I.1.2.	Other income	207 346	126 744
I.2.	Cash disbursements of the current period	-45 224 603	-30 547 106
I.2.1.	Cash paid to the suppliers of raw materials, goods and service providers	-18 908 693	-16 449 806
I.2.2.	Cash disbursements associated with labour relations	-8 731 709	-8 085 617
I.2.3.	Taxes paid to the budget	-3 844 386	-4 486 640
I.2.4.	Other disbursements	-13 739 815	-1 525 043
	<b>Net cash flows from operating activities</b>	<b>19 707 172</b>	<b>16 576 233</b>
<b>II.</b>	<b>Cash flows from (to) investing activities</b>		
II.1.	Acquisition of non-current assets (except investments)	-1 125 440	-1 428 182
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		3 880
II.9.	Other decrease in cash flows from (to) investing activities		
	<b>Net cash flows from (to) investing activities</b>	<b>-1 125 440</b>	<b>-1 424 302</b>
<b>III.</b>	<b>Cash flows from (to) financing activities</b>		
III.1.	Cash flows associated with the owners of the Company	-6 974 297	-6 128 582
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	-6 974 297	-6 128 582
III.2.	Cash flows associated with other financing sources	-8 694 432	-7 640 087
III.2.1.	Increase of financial debts	0	0
III.2.1.1.	Loan receiving		
III.2.1.2.	Bond issue		
III.2.2.	Decrease of financial debts	-8 694 432	-7 640 087
III.2.2.1.	Loan repayment	-7 802 630	-4 127 968
III.2.2.2.	Repurchase of bonds		
III.2.2.3.	Interests paid	- 684 987	-1 059 980
III.2.2.4.	Financial lease payments	- 206 815	-2 452 139
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) financing activities		
III.4.	Other decrease in cash flows from (to) financing activities		
	<b>Net cash flows from (to) financing activities</b>	<b>-15 668 729</b>	<b>-13 768 669</b>
<b>IV.</b>	<b>Cash flows of extraordinary items</b>	<b>0</b>	<b>0</b>
IV.1.	Increase in cash flows of extraordinary items		
IV.2.	Decrease in cash flows of extraordinary items		
<b>V.</b>	<b>Change in currency exchange rate effect on the balance of cash and cash equivalents</b>	<b>- 1 101</b>	<b>- 1 381</b>
<b>VI.</b>	<b>Net increase (decrease) in cash flows</b>	<b>2 911 902</b>	<b>1 381 881</b>
<b>VII.</b>	<b>Cash and cash equivalents at the beginning of the period</b>	<b>2 450 916</b>	<b>2 256 347</b>
<b>VIII.</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>5 362 818</b>	<b>3 638 228</b>

Director General

Signature

Jurgis Aušra



## **EXPLANATORY DOCUMENT OF THE FINANCIAL ACCOUNTABILITY OF THE FIRST HALF OF THE YEAR 2008**

June 30<sup>th</sup>, 2008

### **I. GENERAL PART**

#### **1. History of the company**

JSC “Klaipėdos nafta” was registered in 1994 09 27, registration no. BĮ 94–479, roll no.110648893. This company is a strategic Lithuanian company, which purpose is not only to refill exported oil products, but also provide to Lithuania oil products, which are imported from the Western countries. In such way, orimulsion and diesel, which are transported to the port of Klaipėda, were lots of times accepted from tankers. There were no significant changes in the company in the first half of the year 2008, the history of the company in details is provided in the explanatory documents of the year 2007.

#### **2. Financial year**

A financial year of the company starts at the 1<sup>st</sup> of January and is over at the 31<sup>st</sup> of December. Mediate accountability is made in quarters, first half-year of the year 2008 – January 1<sup>st</sup> – June 30<sup>th</sup>.

#### **3. Information about branches and agencies of the Company**

The company has no branches and agencies.

#### **4. Information about daughter enterprises of the Company**

The company has no daughter enterprises.

#### **5. Information about associated companies**

The company has no associated companies.

#### **6. Activities of the Company**

Main activity of the company is – service of refilling of the oil products and other services related with this activity. During the first half of the year 2008 the company refilled oil products made **4 430,6 thousand tones**, which is 1,5 time or 1 485,9 thousand tones more than refilled in the first half of the year 2007 ( 2 944,7 thousand tones). The increase of refills was determined by the renewed load of JSC “Mažeikių nafta” and transportation of oil products from Russian and Byelorussian factories according to made long-term agreements. During the first half of the year 2008 JSC “Mažeikių nafta” accepted and refilled 2 258,0 thousand tones or 51 % of general load of oil products in that half-year. In the first half of the year 2007 the company refilled 1 127,0 thousand tones or 38,3 % of the general load of oil products.

According to the data of June 30<sup>th</sup>, 2008 in JSC “Klaipėdos nafta” worked 307 workers in total.

The average amount of company workers in the first half of the year 2008 (299 workers) decreased in 1% or 1 worker comparing it with the average amount of listed workers in the first half of the year 2007 (300 workers).

A function of customs and excise warehouses is available in the company for the comfort of clients.

The company had no violations of administrative rights concerning non compliance with norm acts of environment protection, and had not paid any fines or penalties.

The authorized capital of the company in 2008-06-30, which is – 342 000 000 (three hundred forty two million) LTL, is completely paid. It is distributed to 342 000 000 (three hundred forty two million) simple nominal shares, nominal value of the each share is one (1) LTL. All shares are managed by 1291 shareholder, 70,63 % of shares belong to the state (241 544 426 units). Company shares are quoted in the Baltic additional purchase list of the Vilnius Securities’ Market

Shareholders of the company in June 30<sup>th</sup>, 2008 and December 31<sup>st</sup>, 2007, were:

	June 30 <sup>th</sup> , 2008		December 31 <sup>st</sup> , 2007	
	Amount of possessed shares (thous.u.)	Part of the ownership	Amount of possessed shares (thous.u.)	Part of the ownership
The Republic of Lithuania, represented by the Ministry of Economy	241 544	70,63 %	241 544	70,63 %
Hansabank funds	14 450	4,22 %	24 331	7,11 %
Skandinaviska Enskilda Banken funds	-	-	12 703	3,71 %
JSC “Achema”	17 502	5,12 %	-	-
Other (less than 5 % each)	68 504	20,03 %	63 422	18,55 %
In total:	342 000	100,00 %	342 000	100,00 %

## II. POLICY OF THE ACCOUNTING

The company manages the accounting and prepares the financial accountability according to the following legal acts regulated the financial accountability:

- LR law of the bookkeeping;
- LR law of the financial accountability of companies;
- International accounting standards.

The policy of accounting was not changed; the company followed the policy of the accounting, which is provided in details in the explanatory documents for economic-financial year 2007.

### **III. REMARKS OF THE EXPLANATORY DOCUMENT**

#### **Status of the intangible property and changes of it during the reporting cycle**

Amortization of the intangible property calculated for the first half of the year 2008 is – 39 415 Lt, it is indicated in the sales' cost line in the profit (loss) report.

#### **Status of the long-term material property according to groups of the property (LTL)**

To the long-term material property for the first half of the year 2008 is charged amortization of 10,01 million LTL. About 99,4 % of the amortization amount is indicated in the sales' cost line and 0,6 % of amortization amount is indicated in the line of activities expenditures.

Title of the property group	Amortization calculated for the first half-year (LTL)
Buildings	1 311 520
Structures	3 959 159
Machines and equipment	1 766 677
Vehicles	87 431
Other equipment, devices and installations	2 889 060
In total:	10 013 847

#### **Status of the financial property.**

In the 19<sup>th</sup> of December, 2007, company acquired one (1) percent shares of the international pipeline company "Sarmatia". The company bought 180 shares; nominal value of each of them was 500 Polish zloty. Investment was accounted as a purchase cost, which in 2008-06-30 was 86 thousand LTL.

#### **Total balance value of resources and change of it during the reporting cycle.**

The company in resources of purchased costs accounted resources which are necessary to develop the activities.

#### **Status of amounts receivable in one year.**

Debts of clients consist main part of 5,1 million LTL receivable amounts for refill of oil products, because in agreements the payment term for refill services is indicated as 1—30 days after the load of the tanker.

In other receivable amounts is accounted debt of the budget of 4 615 090 LTL according to the real estate payment. The payment dispute concerning this tax overpayment is enlarged in the

explanatory documents of the year 2007. Claim of the company during first-half of the year was not analyzed in the Lithuanian Supreme Administrative Court.

### **Status of other short-term property.**

At the end of the first half-year the Company temporarily stored free resources of 15,7 million LTL in the banks under agreements of time-limited deposits.

### **3.7. Information about money.**

Money of the Company accounted in bank accounts and till consist 5,36 million LTL.

### **3.8. Information about owned capital.**

The authorized capital in years 2007 and 2008 was the same, proper shares were not published and not acquired. The capital of the Company is completely paid.

Ordinary general meeting of shareholder in 2008-04-22 accepted company's documents of financial accountability of the year 2007 and distributed the profit of the year 2007. In the balance of 2008-06-30 is indicated not distributed profit of the year 2007, which is 8 736 888 LTL, and not distributed profit of the first half of the year 2008, which is 20 835 993 LTL.

### **3.9. Information about obligations.**

During the first half of the year 2008 the company, according to conditions of loan agreement, returned 7 802 630 LTL of loans and paid 684 988 LTL of interests.

Status of the company obligations (in LTL):

	Indexes	Payable debts or part of the debt	
		In one financial year	After one year, but not later than in five years
Financial debts			
1.	To credit institutions	15 606 720	7 802 644
2.	Other financial debts		
3.	Other debts	6 381 153	11 746 766
In total:		21 987 873	19 549 410

The residue of debt in payable sums calculated for credit institutions after one year, which according to the terms of the agreement must be returned in 2009-07-31 - 2 259 801 EUR / 7 802 644 LTL.

In sums payable to credit institutions in one financial year is accounted return of the loan, received with the warranty of the state, to Lithuanian banks: JSC "SEB bankas", JSC bank "Hansabankas", JSC "DnB Nord bankas" under terms indicated by Loan Agreement Nr.0020309030107/08 signed in 2003-08-14: 2008-07-31-7 803 360 LTL and 2009-01-31-7 803 360

LTL. In 2008-07-31 company returned to the above mentioned banks part of the loan, 7,8 million LTL, as it is provided in the loan return schedule. As other debt payable in one year is calculated debt of the company to employees for work payment, and it is 1,95 million LTL (with employees were settled in 2008-07-09) and 2,7 million LTL debt to suppliers and contractors for provided services (the term of settlement indicated in the agreement is till the 15<sup>th</sup> day of the next month).

### 3.10. Company's rights and duties, which are not reflected in the balance.

According to the agreements of reload of oil products, the company is responsible for clients' oil products, which are accepted for storage. At the end of the first half-year the following tonnage was stored in containers:

No.	Sorts of oil products	Amount of oil products in tones
1.	Fuel oil M-100	124 212
2.	Diesel	29 078
3.	Petrol	7 786
4.	Rocket fuel	5 034
5.	Vacuum gasoline	8 062
In total:		174 172

The company insured the property, stored oil products, and termination of the production (business) in the insurance company JSC "Lietuvos draudimas". General civil responsibility is insured in the insurance company CJSC "PZU Lietuva".

### 3.11. Results of financial and investment activities (LTL).

	Indexes	Financial year 2008-06-30	Last financial year 2007-06-30
a)	INCOME FROM FINANCIAL AND INVESTMENT ACTIVITIES	<b>216 349</b>	<b>140 059</b>
	Specification of significant sums:		
	Received fines and delay money	-	566
	Income from interests	205 546	113 012
	Positive influence of currency exchange	2	11 279
	Other	10 801	15 202
b)	EXPENDITURES OF FINANCIAL AND INVESTMENT ACTIVITIES	<b>691 014</b>	<b>1 134 483</b>
	Specification of significant sums:		

	Interests for loans	684 988	923 350
	Other	4 882	58 657
	Expenditures of leasing	-	132 815
	Negative influence of currency exchange	1 144	19 661
c)	RESULTS OF FINANCIAL AND INVESTMENT ACTIVITIES (a-b)	- 474 665	- 994 424

12 sheet

### 3.12. Transactions with related parties:

In periods of six months which ended in June 30<sup>th</sup>, 2008, and June 30<sup>th</sup>, 2007, the company had not calculated and paid any sums to members of the committee of company observers or the board of the company.

In 2008-06-30 the company was indebted to shareholders, who were not able to provide their data for payment of dividends for the year 1999 – 9 353 LTL, for the year 2000 – 772 LTL, for the year 2002 – 18 314 LTL, for the year 2003 – 23 673 LTL, for the year 2006 – 7 971 LTL, the year 2007 – 54 760 LTL. Total amount of dividends, which is not paid to shareholders in earlier years is – 114 843 LTL calculated in the line of the balance “Payments to related parties”.

During first half-year of the year 2008, to the direction of the company is calculated 712 thousand LTL work payments (including bonuses and other payments) (during first half-year of the year 2007 the sum was 617 thousand LTL). During first half-year of the year 2008 to the direction were granted no loans, warranties, and there were no transfer of the property.

### 3.13. Information about after-balance events.

In the financial accountability of the year 2007 is described claim of the claimant Riverlake Energy (S) PTE LTD to the Company concerning compensation of supposed loss of 1 804 thousand USA dollars and fulfillment of the contractual duty. There were no changes in the case at the first half of the year 2008; the claim of Riverlake Energy (S) is rejected. The claimant appealed the decision of the court in the appellate order.

Director General

Jurgis Aušra

The above text was translated by UAB "AIRV".

The translator is aware of the contents of Art. 235 of the Criminal Code of the Republic of Lithuania.



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

To the committee of Securities of the Republic of  
Lithuania

2008-08-27

### CONFIRMATION OF RESPONSIBLE PERSONS

According to the clause 22 of the law of securities of the Republic of Lithuania and rules of preparation and supply of periodic additional information approved by the decision No.1K-3 of February 23<sup>rd</sup>, 2007 by the committee of Securities of the Republic of Lithuania, we, Jurgis Aušra, Director General of JSC "Klaipėdos nafta", and Johana Bučienė, Head accountant of JSC "Klaipėdos nafta", confirm that, as we know, the review of company business development and activities indicated in this transitional notification of six months of the year 2008 is correct.

Director General

/ Head accountant



Jurgis Aušra

Johana Bučienė



**1. Reporting cycle for which the notification is prepared.**

January, 2008 – June, 2008.

**2. Main data about the issuer.**

Name of the issuer	Joint-stock company "KLAIPĖDOS NAFTA"
Authorized capital	342 000 000 LTL
Residence address	Burių str. 19, 91003 Klaipėda, Lithuania
Telephone	(8 46) 391 700
Fax	(8 46) 311 399
E-mail	klaipedos.nafta@oil.lt
Internet page	www.oil.lt
Legal-organizational form	joint-stock company
Registration date and place	September 27 <sup>th</sup> , 1994, LR Ministry of Economy
Legal person code	1106 48893
Company registration number	BJ 94-479

**3. Nature of the main activity.**

Joint-stock company "KLAIPĖDOS NAFTA" provides transshipment services of oil products, the company imports various oil products, gathers, stores and exports such products through Klaipėda oil terminal.

**4. Agreements with public circulation brokers of securities.**

The Company in May 3<sup>rd</sup>, 2000 signed agreement of issuer service with SC "SEB bankas" (Gedimino av. 12, LT-01103, Vilnius), which was represented by the Department of financial market.

**5. Authorized capital of the issuer.**

Registered authorized capital of the Company in June 30<sup>th</sup>, 2008, was 342 000 000 LTL.

Structure of the authorized capital of SC "Klaipėdos nafta" according to sorts of shares:

Sort of shares	Amount of shares	Nominal value (LTL)	Total nominal value (LTL)	Part in the authorized capital (%)
Simple nominal shares	342 000 000	1	342 000 000	100,00
<b>In total:</b>	<b>342 000 000</b>	<b>-</b>	<b>342 000 000</b>	<b>100,00</b>

All SC "Klaipėdos nafta" shares are paid and to none of transfer limitations of securities are applied to these shares.

## 6. Information about own shares acquired by the issuer.

The Company possesses no own shares.

## 7. Data about the trade of issuer's securities in regulated markets.

Shares of SC "KLAIPĖDOS NAFTA" in February 5<sup>th</sup>, 1996 were included in lists of Vilnius securities market. At the moment in the VVPB Baltic Additional sale list are 342 000 000 one LTL nominal value SC "KLAIPĖDOS NAFTA" simple nominal shares, which total nominal value is 342 000 000 LTL. ISIN code of these securities is LT0000111650.

## 8. Shareholders.

Total amount of SC "KLAIPĖDOS NAFTA" shareholders in June 30<sup>th</sup>, 2008, was 1 291.

Shareholders, who in June 30<sup>th</sup>, 2008, had more than 5% of the company's authorized capital:

Name, surname of the shareholder (company name, sort, residence address, code of the company roll)	Amount of simple nominal shares (units) which belong by the ownership right to the shareholder	Possessed part of the authorized capital (%)	Part of votes which is provided by owned shares (%)	Part of votes which belongs to the shareholder with together acting persons (%)
The Republic of Lithuania, represented by the Ministry of Economy (Gedimino av. 38/2, Vilnius, 188621919)	241 544 426	70,63	70,63	70,63
SC „Achema“ (Jonalaukio v. Ruklos eld., Jonavos reg., 156667399)*	19 628 757	5,74	5,74	5,74

\* According to 2008-05-22 "Personal notification about acquisition of vote rights" SC "Achema" had 17 501 687 shares or 5,12 % of the authorized capital.

Rest 80 826 817 shares of SC "KLAIPĖDOS NAFTA" (23,63 percent of the capital) belong to 1 289 minor shareholders.

## 9. Workers.

According to the data of June 30<sup>th</sup>, 2008 in SC "Klaipėdos nafta" worked 307 workers in total.

The average amount of workers in the company in the first half of the year 2008 (299 workers) decreased in 1% or 1 worker comparing it with the average amount of listed workers in the first half of the year 2007 (300 workers).

The average monthly payment of the company worker in the first half of the year 2008 was 4102 LTL, and comparing it with the average monthly payment in the first half of the year 2007 (3 537 LTL) increased in 16 % or 565 LTL. The administration of the company in order to hold high qualification workers raised work payments since January 1<sup>st</sup>, 2008, because the living standard in the country became more expensive.

During the first half of the year 2008 to the direction of the company, which included Director General, Production Director, Technical Director, Sales Director and Head accountant, was

calculated work payment of 712 thousand LTL (including bonuses and other benefits) (during first half of the year 2007 - 617 thousand LTL). During the first half of the year 2008 to the direction of the company were not granted any loans, warranties and there were no transfer of the property.

Group of workers	Average amount of listed workers		Average monthly work payment, LTL	
	I half, 2007	I half, 2008	I half, 2007	I half, 2008
Managers	5	5	17896	20090
Specialists and officials	87	86	4818	5332
Workers	208	208	2985	3586
<b>In total</b>	<b>300</b>	<b>299</b>	<b>3537</b>	<b>4102</b>

### 10. Organs of the issuer.

The structure of SC "KLAIPĖDOS NAFTA" management organs consists of:

- General meeting of shareholders;
- Council of observers (elected for 4 years, 3 members);
- Board (elected for not more than 4 years, 5 members);
- Administration.

#### COUNCIL OF OBSERVERS (JUNE 30<sup>TH</sup>, 2008)

**DOMINIKAS PEČIULIS** (p/c \*\*\*\*\*) – chairman of the council of observers. Deputy of the head of the National property privatization and management department of Companies' economics and management department of the Ministry of Economy. Do not have company shares. Do not participate in management and capital of other companies.

**VYTAUTAS ARŠAUSKAS** (p/c \*\*\*\*\*) – member of the council of observers. Head specialist of the Energetic resources department of the Ministry of Economy. Do not have company shares. Do not participate in the capital of other companies.

**VANDA KRENIENĖ** (p/c \*\*\*\*\*) – member of the council of observers. Head specialist of the Analysis and forecasts department of the Economy strategy department of the Ministry of Economy. Do not have company shares. Do not participate in management and capital of other companies.

#### BOARD (JUNE 30<sup>TH</sup>, 2008)

**VLADAS GAGILAS** (p/c \*\*\*\*\*) – Chairman of the board. Director of the Energetic resources department of the Ministry of Economics. Member of board of SC "Lietuvos dujos". Do not have company shares. In August 19<sup>th</sup>, 2007 was elected as Chairman of the board for the tenure of four years (2007-2010).

**GEDIMINAS VAIČIŪNAS** (p/c \*\*\*\*\*) – Member of the board. Advisor of the Economics and transport department of the Economics and finance department of the chancellery of the Government of the Republic of Lithuania. Do not have company shares. Member of the council of observers of SC "Mažeikių nafta". For tenure of four years (2008-2011) to the board of the company was elected in June 6<sup>th</sup>, 2008.

**ROBERTAS TAMOŠIŪNAS** (p/c \*\*\*\*\*) – Member of the board. Head of the Oil department of the Energy resources department of the Ministry of Economy. Do not have company shares. Member of the council observers of SC "Mažeikių nafta". For tenure of four years (2007-2010) to the board of the company was elected in April 19th, 2007.

**GRAŽINA JAGELAVIČIENĖ** (p/c \*\*\*\*\*) – Member of the board. Head specialist of the Analysis and forecasts department of the Economy strategy department of the Ministry of Economy. Do not have company shares. Do not participate in the management and capital of other companies. For tenure of four years (2008-2011) to the board of the company was elected in April 4th, 2008.

**LAURENTINA GARBAUSKIENĖ** (p/c \*\*\*\*\*) – Member of the board. Head specialist of the National property privatization department of the Department of company rights and privatization of the LR Ministry of Economy. Do not have company shares. Do not participate in the management of other companies. For tenure of 4 years (2007-2010) to the board of the company was elected in April 19th, 2007.

Algimantas Slapšinskas, member of the board, was revoked from the board in 2008-04-04, because he finished his work in the national service and Gražina Jagelavičienė was elected for the tenure of four years in the board. Saulius Spėčius was revoked from the members of the company in 2008-06-06 when he provided the request for retirement and Gediminas Vaičiūnas was elected to members of the board for the tenure of four years.

#### **ADMINISTRATION (JUNE 30<sup>TH</sup>, 2008)**

**JURGIS AUŠRA** (p/c \*\*\*\*\*) – Director General, appointed in 2002-02-11. Has university education, acquired the profession of engineer-electrician in Kaunas Polytechnic Institute. In 1984 – 1994 worked in Klaipėda city furniture production unit "Klaipėda" as Director General, in 1994 – 1995 was elected mayor of Klaipėda city, in 1995 – 1997 worked as governor of Klaipėdos region, in 1997 – 1999 worked in SC "Industrijos bankas" as head of Klaipėda department, in 1999 – 2002 worked as CJSC "Euroga" Director. In the definite day had 111 100 units of Company shares. Do not participate in the management of other companies. Also has SC "Klaipėdos mediena" shares, which form less than 1% of authorized capital in the capital of mentioned companies.

**JOHANA BUČIENĖ** (p/c \*\*\*\*\*) – Head accountant. Has university education, graduated Lithuanian Agriculture Academy and acquired the profession of the economist of agriculture bookkeeping. In 1990 – 1991 worked as inspector in the department of municipal property and finances in Klaipėda city municipality. In 1991 – 1994 worked as deputy of head accountant in Klaipėda national oil company, and from 1994 works as head accountant in SC "KLAIPĖDOS NAFTA". Indicated day had 20 000 units of Company shares. Also has simple nominal shares of JSC "Dilikas", which form less than 1% of authorized capital in the capital of the mentioned companies.

Members of SC "KLAIPĖDOS NAFTA" governing organs are not and had never been judged for crimes to the ownership, order of economy or finances.

### 11. Information about results of the issuer activities.

In first half of the year 2008 company transferred 4 430,6 thousand tones of oil products, this amount is 50 % or 1 485,9 thousand tones bigger than amount reached in the first half of the year 2007 ( 2 944,7 thousand tones).

#### Nomenclature of transferred oil product in the first half of the year 2008

Titles of articles	In total	From this number			
		Boiler oil	Diesel	Petrol, rocket fuel	Vacuum gasoline
Load of oil product in the first half of the year 2008, thousand tones	<b>4 430,6</b>	2 238,3	610,9	766,8	814,6
<i>Structure of the load of the first half of the year 2008, %</i>	<i>100,00</i>	<i>50,52</i>	<i>13,79</i>	<i>17,31</i>	<i>18,38</i>

Load of oil products in 2008 increased because the flow of cargoes from the main client - SC "Mažeikių nafta" and other constant clients (from Russian and Byelorussian factories) were renewed. In the first half of the year 2008 from SC "Mažeikių nafta" were accepted and transferred 2 258,0 thousand tones or 51 % of total load of oil products during half-year, while in the first half of the year 2007 – 1 127,0 thousand tones or 38,3 % of total load of oil products. Dark oil products (boiler oil and vacuum gasoline) during the first half of this (2008) year composed 60% of total load of oil products.

The company in the first half of the year 2008 received income of 65 575,3 thousand LTL from services and sales, that is 82 % of the sum of income planned for the year 2008 and, comparing with the scope of sales and services of the first half of the year 2007 (43 006 thousand LTL), received 54 % more income than the first half of the last year.

The company earned in the first half of the year 2008 the profit of 24, 4 million LTL before taxes.

#### *Risk factors related with the activities of the issuer.*

Financial factors. Part of interests related with long-term loans is set according to LIBOR interest norm. If LIBOR norm increased, interests to be paid in the future increased too.

Factors of competitive environment. Main rivals of the company are terminals of other Baltic Sea ports, which reload oil and oil products, which are exported from Russia. Main factors influencing the competitive situation of terminals in the market are potential of terminal load and storage, financial status of the company and ability to apply flexible policy of prices, chains of technical logistics, beginning with railway system and ending depth and number of docks, partners, long-term product supply contracts and good relation with suppliers.

Economic and market factors. Load of SC "Klaipėdos nafta" and income with yield of the company in major part depends on the situation in the market of oil products.

Terminal is a part of the logistics chain, which start in previous Soviet Union (mainly Russia) oil business and oil adaptation factories, and ends in West countries. Export flow of oil products from previous Soviet Union countries is highly related with prices of products in the global market. When global prices are high and demand increases, flow of products through Baltic ports usually increase, while in case prices fall, the flow of export can decrease.

Political factors. Historically Russian government strictly regulated transportation of oil and oil products from the country by indicating strict quotas for export. Decisions concerning rendering of quotas and export through ports of certain country are always accepted following political reasons. It is noticeable, that in December 15th, 2006, manager of shares of the main Company's client SC "Mažeikių nafta" became Polish oil concern PKN Orlen S.A., which acquired shares of Mažeikiai company from Jukos International UK B.V. and Government of the Republic of Lithuania.

Commercial factors. When the agreement with SC "Mažeikių nafta" will be signed the future perspectives of the terminal will depend on the oil concern production scope in Mažeikiai company. Stable work of Mažeikiai company will ensure constant flow of production to the terminal.

At this moment invoices for provided load services are paid in 18 days, this term is very short in the sector of load services.

Tariffs. As part of products supplied by SC "Mažeikių nafta" increases and company must load them in previously intended and currently economically useful tariffs, the risk of fluctuation of tariffs decreases. Fluctuations of tariffs provided to other clients in the future largely will be related with competitive situation in the market.

Technological factors. Technological features of the terminal destines how fast and efficient the company will be able satisfy needs of potential clients, and at the same time generate additional income. Deepened coasts and increased capacity of reservoirs now allow to service ships of far bigger tonnage.

Social factors. Committee of professional union functions in the company and with this committee is signed Collective agreement, which is valid to all company workers till 2008-06-20.

Ecological factors.

In the first half of 2008 to various researches of environment (researches of polluting materials etc.) were assigned 229, 0 thousand LTL, and paid 21,9 thousand LTL for the pollution of the nature.

Liabilities of the company.

Thousand LTL	June 30 <sup>th</sup> , 2008	June 30 <sup>th</sup> , 2007
<b>Long-term financial debts</b>		
Long-term loan	7 803	23 408
<b>Short-term loans</b>		
Part of current year long-term loan	15 607	8 598
Part of current year financial leasing	-	2 324
Part of current year syndicated long-term loan	-	3 333
	<b>15 607</b>	<b>14 255</b>
<b>In total</b>	<b>23 410</b>	<b>37 663</b>

The company had no new financial liabilities during the reporting cycle. More information about financial debts returned by the company during the reporting cycle is provided in reports of first six months of 2008 of not audited transitional financial accountability of SC "Klaipėdos nafta".

***12. References and additional explanations about transitional financial accountability.***

All financial data provided in this transitional notification is calculated according to standards of International financial accountability and is not audited.

***13. Plans and forecast of the activity of the issuer.***

In order to attract additional flows of oil products and perform requirements of European Union to the equipment of similar profile terminals, in 2008 Company intends to invest 5 million LTL own resources to the modernization of terminal containers and equipment.

***14. Data about publicly announced information.***

January 3<sup>rd</sup>, 2008 – SC "Klaipėdos nafta" load result till January 1<sup>st</sup>, 2008

February 1<sup>st</sup>, 2008 – SC "Klaipėdos nafta" results of activities.

February 28<sup>th</sup>, 2008 – Preliminary result of the activities in 2007

March 3<sup>rd</sup>, 2008 – Load result during February, 2008 and concerning difference of transferred forecasted and preliminary results.

March 19<sup>th</sup>, 2008 – Concerning usual general meeting of shareholders

April 1<sup>st</sup>, 2008 – Load result during March, 2008.

April 7<sup>th</sup>, 2008 – Concerning SC "Klaipėdos nafta" decision projects of usual general meeting of shareholders.

April 23<sup>rd</sup>, 2008 – Decisions of usual general meeting of shareholders 2008 04 22.

May 8<sup>th</sup>, 2008 – Load results during April, 2008.

May 28<sup>th</sup>, 2008 – SC "Klaipėdos nafta" transitional information of 3 months

June 2<sup>nd</sup>, 2008 – SC "Klaipėdos nafta" load results during May, 2008.

June 2<sup>nd</sup>, 2008 – Notification about acquisition of package of shares

All information about essential events announced publicly during first half of the year 2008 can be seen in the internet page of SC "Vilniaus vertybinių popierių birža": [www.lt.omxgroup.com](http://www.lt.omxgroup.com).

All essential events related with activities of the Company and information about time and place of general meeting of shareholders, and other notices, which are supplied to shareholders and other persons, are published in the daily newspaper "Respublika" and provided to the news agency "BNS" in the order set by the law of the Republic of Lithuania.

***15. Order of changing the statute of the issuer.***

The law of joint-stock companies of the Republic of Lithuania indicates that changing of the statute is exceptional right of the general meeting of shareholders. To accept the decision to change the statute is required the majority of 2/3 of qualified votes of the general meeting of shareholders, which participate in the general meeting of shareholders.

***16. Information about compliance with the codex of company management.***

SC "Klaipėdos nafta" basically further follows recommendations of management codex of companies included in the market trade lists, which were confirmed by Vilnius securities market in August, 2006.