



SC KLAIPĖDOS NAFTA

INTERIM UNAUDITED FINANCIAL STATEMENTS AS OF 31 MARCH 2010

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SC KLAIPĖDOS NAFTA

**INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER OF 2010
(NOT AUDITED)**

CONFIRMATION OF RESPONSIBLE PERSONS

Following the Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission and Article 22 of the Law on Securities of the Republic of Lithuania, we, Rokas Masiulis, General Manager 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 2010, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted to be used in the European Union, give a true and fair view of the assets, liabilities, financial position and profit (loss) of SC Klaipėdos Nafta.

General Manager



Rokas Masiulis

Chief Financier



Johana Bučienė

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

2010 01 01 - 2010 03 31 STATEMENT OF FINANCIAL POSITION

2010-03-31

Nr.2010/1

(Compilation date of financial statements)

The first quarter of 2010

in LTL

(accountability period)

	ASSETS	Note No. (invoice No.)	Financial year 2010 03 31	Previous financial year 2009 12 31
A.	<i>NON-CURRENT ASSETS</i>	19999	405 937 505	410 291 071
<i>I.</i>	<i>INTANGIBLE ASSETS</i>	<i>3.1. Note</i>	489 810	103 051
I.1.	Software	11999	489 810	103 051
<i>II.</i>	<i>TANGIBLE ASSETS</i>	<i>3.2. Note</i>	405 326 923	410 112 838
II.1.	Buildings and plant	12199	262 881 279	261 302 073
II.2.	Machinery and equipment	12298	32 879 178	27 228 530
II.3.	Vehicles	12399	575 087	631 623
II.4.	Other fixtures, fittings, tools and equipment	12998	102 649 191	100 720 698
II.5.	Construction in progress	15998	4 450 377	18 353 164
II.6.	Other tangible assets	14998	1 891 811	1 876 750
<i>III.</i>	<i>FINANCIAL ASSETS</i>	<i>3.3. Note</i>	120 772	75 182
III.1.	Shares of other companies	16002	120 772	75 182
B.	<i>CURRENT ASSETS</i>	27999	64 004 330	55 681 208
<i>I.</i>	<i>INVENTORIES, PREPAYMENTS and CONTRACTS IN PROGRESS</i>	24900	3 772 163	3 892 307
I.1.	Inventories	<i>3.4. Note</i>	3 475 749	3 396 837
I.1.1.	Tangibles in warehouse and with pecuniary responsible persons	202*	915 771	926 841
I.1.2.	Cost price of fuel purchased	20101,20102,20112	2 559 979	2 469 996
I.2.	Contracts in progress	20900,24899	296 414	495 470
<i>II.</i>	<i>AMOUNTS RECEIVABLE WITHIN ONE YEAR</i>	<i>3.5. Note</i>	5 262 049	5 856 654
II.1.	Trade debtors	24799	5 193 436	4 955 276
II.2.	Other amounts receivable	25998	68 613	901 378
<i>III.</i>	<i>OTHER CURRENT ASSETS</i>	<i>3.6. Note</i>	20 936 000	4 744 000
III.1.	Term deposits	26300,26310	20 936 000	4 744 000
<i>IV.</i>	<i>CASH AND CASH EQUIVALENTS</i>	<i>27*, 3.7. Note</i>	34 034 118	41 188 247
	ASSETS IN TOTAL:	29999	469 941 835	465 972 279

	EQUITY AND LIABILITIES	Note No. (invoice No.)	Financial year 2010 03 31	Previous financial year 2009 12 31
C.	EQUITY	3.8. Note, 39999	452 803 768	445 443 419
I.	CAPITAL			
I.1.	Subscribed capital	30199	342 000 000	342 000 000
I.2.	Subscribed unpaid capital (-)		342 000 000	342 000 000
II.	REVALUATION RESERVE (RESULTS)			
III.	RESERVES			
III.1.	Legal reserve	33999	65 840 725	65 840 725
III.2.	Other reserves	33011	15 670 000	15 670 000
		33039	50 170 725	50 170 725
IV.	PROFIT (LOSS) BROUGHT FORWARD			
IV.1.	Profit (loss) of the current year	391*	44 963 043	37 602 694
IV.2.	Profit (loss) of the previous year	34*	7 360 349	37 602 694
			37 602 694	
D.	GRANTS AND SUBSIDIES			
E.	AMOUNTS PAYABLE AND LIABILITIES	3.9. Note, 48999	17 138 067	20 528 860
I.	AMOUNTS PAYABLE AFTER ONE YEAR AND NON-CURRENT LIABILITIES			
I.1.	Financial debts	40999	10 613 985	10 782 545
I.2.	Other amounts payable and non-current liabilities	40501	10 613 985	10 782 545
II.	AMOUNTS PAYABLE WITHIN ONE YEAR AND CURRENT LIABILITIES			
II.1.	Debts to suppliers, contractors	48998	6 524 082	9 746 315
II.1.1.	Payments to related Parties	43999	2 849 234	6 242 995
II.2.	Prepayments received	3.12 Note, 45301	83 355	102 990
II.3.	Payroll related liabilities	46999	103 590	59 315
II.3.1	Remuneration	47999	2 949 071	1 215 233
II.3.2.	Social security payable	47199	771 077	
II.3.3.	Leave reserve	47219	610 028	
II.3.4.	Remuneration deductions	47151	1 551 781	1 199 854
II.4.	Taxes payable	47104	16 185	15 379
II.5.	Other amounts payable and current liabilities	47099	555 641	2 066 577
		48997	66 546	162 195
	TOTAL EQUITY AND LIABILITIES	49999	469 941 835	465 972 279

General Manager


(signature)

Rokas Masiulis

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

2010 01 01 - 2010 03 31 INCOME STATEMENT

2010-03-31

Nr.2010/1

(Compilation date of financial statements)

The first quarter of 2010
(accountability period)

in LTL

Seq. No.	Items	Note No.	Financial year		Previous financial year	
			2010 03 31	2009 12 31	2009 03 31	2008 12 31
I.	TURNOVER FROM SALES	50	30 674 006	116 349 141	29 225 604	119 612 264
II.	COST OF SALES	60	19 720 554	63 970 580	16 965 629	67 020 611
III.	GROSS PROFIT (LOSS)	50-60	10 953 452	52 378 561	12 259 975	52 591 653
IV.	OPERATING EXPENSES		2 886 342	11 465 350	2 984 708	19 089 574
V.	PROFIT (LOSS) FROM TYPICAL ACTIVITIES	50-60,61	8 067 110	40 913 211	9 275 267	33 502 079
VI.	OTHER OPERATIONS	52-62	10 632	19 743	2 282	47 626
VI.1.	Other operating income	52	10 648	19 817	2 301	47 727
VI.2.	Other operating expenses	62	16	74	19	101
VII.	FINANCIAL AND INVESTMENT ACTIVITIES	53-63	572 731	1 695 976	286 017	- 509 487
VII.1.	Income from financial and investment activities	53	580 587	1 783 408	367 403	775 301
VII.2.	Expenses from financial and investment activities	63	7 856	87 432	81 386	1 284 788
VIII.	PROFIT (LOSS) FROM ORDINARY ACTIVITIES	50:53-60:63	8 650 473	42 628 930	9 563 566	33 040 218
IX.	EXTRAORDINARY GAIN	x				
X.	EXTRAORDINARY LOSSES	x				
XI.	PROFIT (LOSS) BEFORE TAXES	50:53-60:63	8 650 473	42 628 930	9 563 566	33 040 218
XII.	INCOME TAX	65	1 290 124	5 026 236	2 148 589	4 441 870
XIII.	NET PROFIT (LOSS)	(XI- XII)	7 360 349	37 602 694	7 414 977	28 598 348
Net profit per share:			0,02	0,11	0,02	0,08

General Manager



Rokas Masiulis

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

31 March 2010

STATEMENT OF CHANGES IN EQUITY

2010-03-31
 (Compilation date of financial statements)

Nr. 2010/1

The first quarter of 2010
 (accountability period)

in LTL

	Re- marks	EQUITY	LEGAL RESERVES	OTHER RESERVES	PROFIT (LOSS) BROUGHT FORWARD	IN TOTAL
Balance as at 31 December 2008 (audited)		342,000,000	14,240,000	36,534,377	28,598,348	421,372,725
Recalculated balance as at 31 March 2009		342,000,000	14,240,000	36,534,377	36,013,325	428,787,702
Reserves used				- 5,230,015	5,230,015	
Reserves formed			1,430,000	18,866,363	- 20,296,363	
Dividends					- 13,532,000	- 13,532,000
Net profit (loss) of the accounting period					30,187,717	30,187,717
Balance as at 31 December 2008 (audited)		342,000,000	15,670,000	50,170,725	37,602,694	445,443,419
Reserves used						
Reserves formed						
Dividends						
Net profit (loss) of the accounting period					7,360,349	7,360,349
Balance as at 2010 March (unaudited)		342,000,000	15,670,000	50,170,725	44,963,043	452,803,768

General Manager

R. Masiulis
 (signature)

Rokas Masiulis

STOCK COMPANY KLAIPĖDOS NAFTA

110648893, Burių str. 19, 91003 Klaipėda

2010-01-01 - 2010-03-31 CASH FLOW STATEMENT

The first quarter of 2010

in LTL

Seq. No.	Items	2010.03.31	2009.03.31
I.	Cash flow from (to) operating activities		
I.1.	Cash income of the current period (inc. VAT)		
I.1.1.	Cash income from clients	33 271 195	31 071 747
I.1.2.	Other income	32 688 522	30 718 887
I.2.	Cash disbursements of the current period	582 673	352 860
I.2.1.	Cash paid to the suppliers of raw materials, goods and service providers (inc. VAT)	-35 452 262	-18 483 710
I.2.2.	Cash disbursements associated with labour relations	-12 323 971	-10 278 016
I.2.3.	Taxes paid to the budget	-3 278 287	-3 229 932
I.2.4.	Other disbursements	-2 945 279	- 715 327
	Net cash flows from operating activities	-16 904 725	-4 260 435
II.	Cash flows from (to) investing activities	-2 181 067	12 588 037
II.1.	Acquisition of non-current assets (except investments)		
II.2.	Transfer of non-current assets (except investments)	-4 922 078	-1 159 417
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	-4 922 078	-1 159 417
III.	Cash flows from (to) financing activities		
III.1.	Cash flows associated with the owners of the Company		
III.1.1.	Share issue (acquisition)		0
III.1.2.	Owners' contributions to cover losses	- 43 133	
III.1.3.	Purchase of own shares		
III.1.4.	Dividends paid		0
III.2.	Cash flows associated with other financing sources		
III.2.1.	Increase of financial debts		-15 683 882
III.2.1.1.	Loan receiving		0
III.2.1.2.	Bond issue		
III.2.2.	Decrease of financial debts		
III.2.2.1.	Loan repayment		-15 683 882
III.2.2.2.	Repurchase of bonds		-15 605 274
III.2.2.3.	Interests paid		
III.2.2.4.	Financial lease payments		- 78 608
III.2.3.	Increase of other liabilities of the Company		0
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		
	Net cash flows from (to) financing activities	- 43 133	-15 683 882
IV.	Cash flows of extraordinary items		
IV.1.	Increase in cash flows of extraordinary items		0
IV.2.	Decrease in cash flows of extraordinary items		
V.	Effect Change in currency exchange rate on the balance of cash and cash equivalents	- 7 851	- 1 032
VI.	Net increase (decrease) in cash flows	-7 154 129	-4 256 294
VII.	Cash and cash equivalents at the beginning of the period	41 188 247	8 594 274
VIII.	Cash and cash equivalents at the end of the period	34 034 118	4 337 980

General Manager

R. Masiulis

Signature

Rokas Masiulis

STOCK COMPANY KLAIPĖDOS NAFTA

NOTES TO THE FINANCIAL STATEMENTS OF THE FIRST QUARTER OF 2010 31 March 2010

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. During the first quarter of 2010 the Company completed updating of the Facilities for Diesel Oil and Gasolines acceptance from the sea. This provides a possibility to reload Diesel Oil and Gasolines from tankers into road tankers and rail tank cars and supply the Lithuanian market with said fuels.

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, subsidiaries, associated companies

The Company has no branches or representative offices, no subsidiaries or associated companies.

4. Activity of the Company.

The core activity of the Company are reloading of oil products and other related services. During the first quarter of 2010 the Company transshipped **1 925 thousand tons of oil products**, i.e. by 1 % or by 24 thousand tons less than were transshipped during the same period of 2009 (1 949 thousand tons). The decline of 1 % in the transshipment was determined by the increased transshipment of heavy oil products by 21 % (1 194 thousand tons of fuel oil and vacuum gasoil were reloaded during the first quarter of 2010 while during the same period of 2009 – 985 thousand tons) as well as by climatic conditions because due to the severe winter heavy oil products reached the Terminal more viscous and their heating lasted longer.

During the first quarter of 2010 955 thousand tons or 50 % of the total transshipment volume of oil products were accepted and reloaded from SC ORLEN Lietuva, if compared to the same period of 2009 – 1 307 thousand tons or 67 %.

94 tankers were loaded during the first quarter of 2010. The largest serviced tanker was SARASOTA – 78 thousand tons of fuel oil were loaded into it.

The Company's Waste Water Treatment facilities treated 95 840 m³ of polluted water.

The average number of employees of the first quarter of 2010 – 307 employees if compared to the same period of 2009 – increased by 2 % (301).

The Terminal has been exceeding its design capacity (7,1 million tons per year or 1,77 million tons per quarter in average) for the three years running, therefore in order to maintain safe operation conditions new employees were engaged for a fixed term.

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

The shareholders of the Company as on 31 March 2010 were:

Shareholders	31 March 2010		31 December 2009		31 March 2009	
	Amount of shares owned (thous.u.)	Part of ownership %	Amount of shares owned (thous.u.)	Part of ownership %	Amount of shares owned (thous.u.)	Part of ownership %
The Republic of Lithuania, represented by the Ministry of Energy	241 544	70,63	241 544	70,63	241 544	70,63
SC Achema	31 265	9,14	31 265	9,14	30 088	8,80
Other (less than 5 % each)	69 191	20,23	69 191	20,23	70 368	20,57
In total:	342 000	100	342 000	100	342 000	100

II. ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted to be used in the European Union. The amounts shown in these financial statements are presented in the national currency – Litas that is the functional currency of the Company. The Company manages its accounting in accordance with the following legal acts regulating financial accountability: Law on Accounting of the Republic of Lithuania; Law on Financial Accountability of Enterprises of the Republic of Lithuania.

The accounting policies were not changed; the Company followed the accounting policy, described in a more detailed way in the Note for the business financial year of 2009.

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 2010 – LTL 24 608 - was accounted for under cost of sales caption in the Income Statement.

3.2. The state of non-current tangible assets according to the asset groups

During the first quarter of 2010 the Company has acquired non-current tangible assets in the amount of LTL 14,8 million. On 18 February 2010 two major objects were put into operation – the updated system for light oil products loading into road tankers, the acquisition value of which is LTL 10,94 million, and the updated fuel oil unloading system of rail gantry track 1 the acquisition value of which is LTL 3,81 million.

Depreciation in the amount of LTL 5,27 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 2010 the estimated amount of depreciation in LTL
Buildings	655 295
Plant	1 951 766
Machinery and equipment	991 876
Vehicles	56 535
Other fixtures, fittings, tools and equipment	1 615 613
In total:	5 271 085

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. On 25 February 2010 the Company purchased additionally 100 shares with the value of PLZ 500 each of the said company and paid PLZ 50 000. The investment (280 shares with the value of PLZ 500 each) was accounted for by the acquisition cost equivalent to LTL 120 772 on 31 March 2010.

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 – LTL 0,9 million;
- heavy oil products collected from ballast waters in the Waste Water Treatment Facilities – LTL 2,6 million.

Prepayments for the inventories – LTL 16 573 and future expenses – LTL 279 841 have been accounted for under contracts in progress caption.

3.5. The state of amounts receivable within one year.

Trade debts are the clients' debts for oil transshipment services, because the Contracts provide for the payment term of 10 – 30 days after tanker loading. There were no outstanding trade debts. Under other amounts receivable caption the amounts receivable from other organizations – LTL 68 613 have been accounted for.

The state of other current assets.

At the end of the quarter the Company had two fix term deposits in the amount of LTL 20,9 million with the term more than 94 days, therefore the deposits are accounted for under the article of current assets.

3.7. Information about cash.

On 31 March 2010 the Company had four fix term deposits in the amount of LTL 26,1 million with the term up to 94 days, therefore the deposits were accounted for under the article of cash and cash equivalents.

The Company's cash is accounted for in the bank accounts – LTL 7,83 million and in the cash account – LTL 0,076 million, in total – LTL 34,0 million.

3.8. Information about equity.

On 31 March 2010 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 each. On 31 March 2010 all the shares have been held by 1 482 shareholders, the State owns 70,63 % of the shares (241 544 426 shares). The Company has not acquired any own shares and during the first quarter of 2010 did not carry out any transactions in relation to acquisition or disposal of own shares.

The Company's shares are listed in the Baltic Secondary list of the Stock Exchange of AB NASDAQ OMX Vilnius.

The profit of 2009 brought forward – LTL 37 602 694 and the profit of the first quarter of 2010 – LTL 7 360 349 have been incorporated in the balance sheet of 31 March 2010.

3.9. Information about liabilities.

On 31 March 2010 the Company had no liabilities to the banks.

The deferred income tax in the amount of LTL 10,61 million was incorporated in other amounts payable and non current liabilities. The deferred income tax has been calculated because the Company, following Article 21 of the Law on Taxes on Profits of Legal Persons valid during 1999-2001, has chosen the second calculation method of the investment (expenses) and attributed investments in the amount of LTL 145,1 million to the expenses.

The Company's debt to its suppliers and contractors in the amount of LTL 2,8 million for the services rendered and works performed (the contracts provide for payment until the 15th day of the next month), the debt to its employees for remuneration for their work in March - LTL 0,77 million (the debt was paid off on 9 April 2010), the reserves formed for payment of social insurance for the current month in the amount of LTL 0,61 million and for leave payment in the amount of 1,6 million are accounted for in amounts payable within one year. The payable personal income tax in the amount of LTL 0,14 million (the tax was paid on 9 April while paying remuneration to the employees) and payable profit tax of LTL 0,59 million (the Company has to settle it with the budget until 30 September 2010) have been accounted for in the line "Payable taxes".

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. The Company has insured its property, the stored oil

products, against production (business) interruption risk at the insurance company AB Lietuvos Draudimas. The Company has concluded general civil insurance contract with insurance company CSC PZU Lietuva.

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	92 900 238
2.	Diesel oil	3 815 833
3.	Gasoline	4 961 414
4.	Jet fuel	1 001 551
5.	Vacuum gasoil	33 656 385
In total:		136 335 421

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

	Indices	Financial year 2010-03-31	Previous financial year 2009-03-31
a)	INCOME FROM FINANCIAL AND INVESTMENT ACTIVITIES	580 587	367 403
	Specification of significant amounts:		
	Fines and defaults received		13 867
	Interest income	578 006	351 960
	Positive impact of currency exchange rate alteration	2 581	1 576
	Other		
b)	EXPENSES FROM FINANCIAL AND INVESTMENT ACTIVITIES	7 856	81 386
	Specification of significant amounts:		
	Loan interests		78 608
	Other		
	Expenses of lease with purchasing option		
	Negative impact of currency exchange rate alteration	7 856	2 778
c)	RESULT OF FINANCIAL AND INVESTMENT ACTIVITIES (a-b)	572 731	286 017

3.12. Related party transactions.

Neither in the year 2009 nor as of 31 March 2010 the Company had any payables or receivables from the Government of the Republic of Lithuania and the Board's members. During the three-month periods ended 31 March 2009 and 31 March 2010 the Company did not calculate or pay any amounts to the Government of the Republic of Lithuania and the Board's members

As on 31 March 2010 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 2000; the amount of LTL 17 051 allocated in 2002;

the amount of LTL 21 402 allocated in 2003; the amount of LTL 7 431 allocated in 2006; the amount of LTL 9 252 allocated in 2007, the amount of LTL 18 094 allocated in 2008. The total amount of the unpaid dividends to the shareholders - LTL 83 355 - is accounted for under caption "Payments to the related parties" of the balance sheet.

The remuneration, calculated to the Company's Management during the first quarter of 2010, amounted to LTL 275 thousand (during the same period of 2009 – LTL 276 thousand).

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During the first quarter of 2010 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.

The General Shareholders' Meeting, held on 27 April 2010, approved a set of annual financial statements (balance sheet, profit (loss) statement, statement of changes in equity, cash flow statement, notes) of the year 2009, appropriated profit of 2009 and approved dividends payable in the amount of LTL 16 400 thousand.

On 5 May 2010 the Board of the Company accepted resignation of Director General Jurgis Aušra and recalled him from office from 5 May 2010. Rokas Masiulis was elected new General Manager of SC Klaipėdos Nafta who assumed office from 6 May 2010.

General Manager



Rokas Masiulis

Johana Bučienė
2010-05-26

