



**SC KLAIPĖDOS NAFTA
INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE
MONTHS PERIOD ENDED 31 MARCH 2012 PREPARED ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARTS,
AS ADOPTED BY THE EUROPEAN UNION
(UNAUDITED)**

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Statement of financial position

	Notes	31 March 2012	31 December 2011
ASSETS			
Non-current assets			
Intangible assets		419	465
Property, plant and equipment		385,307	383,907
Other financial assets	7	-	5,352
Investment in associates		427	427
Total non-current assets		386,153	390,151
Current assets			
Inventories	4	1,982	1,674
Prepayments		319	223
Trade receivables	5	7,048	4,335
Other receivables	6	3,837	2,565
Other financial assets	7	105,013	110,427
Cash and cash equivalents	8	29,899	9,983
Total current assets		148,098	129,207
Total assets		534,251	519,358



(cont'd on the next page)

The accompanying notes, set out on pages 8-16, are an integral part of these financial statements.

Statement of financial position (cont'd)

	Notes	31 March 2012	31 December 2011
EQUITY AND LIABILITIES			
Equity			
Share capital	1	342,000	342,000
Legal reserve		19,000	19,000
Other reserves		68,043	68,043
Retained earnings		82,907	71,226
Total equity		511,950	500,269
Non-current liabilities			
Deferred tax liabilities		7,731	7,709
Non-current employee benefits		942	785
Total non-current liabilities		8,673	8,494
Current liabilities			
Trade payables	9	4,487	4,671
Payroll related liabilities	10	4,783	2,559
Provision		601	493
Income tax payable		3,499	1,838
Prepayments received		-	49
Dividends payable		39	39
Other payable and current liabilities	11	219	946
Total current liabilities		13,628	10,595
Total equity and liabilities		534,251	519,358


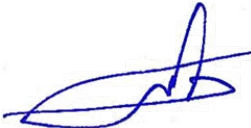
The accompanying notes, set out on pages 8-16, are an integral part of these financial statements.

General Manager	Rokas Masiulis		22 May 2012
Finance Director	Mantas Bartuška		22 May 2012

Statement of comprehensive income

	Notes	For the three	For the twelve	For the three	For the twelve
		months period ended	months period ended	months period ended	months period ended
		31 March 2012	31 December 2011	31 March 2011	31 December 2010
		(unaudited)			
Sales	12	37,410	141,276	33,010	121,720
Cost of sales	13	(22,167)	(82,890)	(22,301)	(76,453)
Gross profit		15,243	58,386	10,709	45,267
Operating expenses		(2,178)	(7,270)	(1,660)	(17,002)
Other operating income (expenses) – net result		4	42	11	39
Profit from operating activities		13,069	51,158	9,060	28,304
Income from financial activities	14	748	1,981	280	1,562
Expenses from financial activities		(13)	(33)	(8)	(34)
Share of profit of equity accounted investees		-	138	-	(81)
Profit before income tax		13,804	53,244	9,332	29,751
Income tax expense		(2,123)	(7,991)	(1,293)	(3,654)
Net profit		11,681	42,256	8,039	26,097
Other comprehensive income (expenses)		-	-	-	-
Total comprehensive income		11,681	45,253	8,039	26,097
Basic and diluted earnings (losses) per share, in LTL	15	0.03	0.13	0.02	0.08


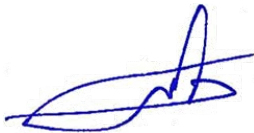
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General Manager	Rokas Masiulis		22 May 2012
Finance Director	Mantas Bartuška		22 May 2012

Statement of changes in equity

Notes	Share capital	Legal reserve	Other reserves	Retained earnings	Total
Balance as of 31 December 2010	342,000	19,000	68,043	25,973	455,016
Net profit for the three months period	-	-	-	8,039	8,039
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	8,039	8,039
Balance as of 31 March 2011 (unaudited)	342,000	19,000	68,043	34,012	463,055
Balance as of 31 December 2011 (audited)	342,000	19,000	68,043	71,226	500,269
Net profit for the three months period	-	-	-	11,681	11,681
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	11,681	11,681
Balance as of 31 March 2012 (unaudited)	342,000	19,000	68,043	82,907	511,950


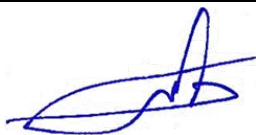
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General Manager	Rokas Masiulis		22 May 2012
Finance Director	Mantas Bartuška		22 May 2012

Cash flow statement

	Notes	For three months period, ended 31 March (unaudited)	
		2012	2011 (restated)
Cash flows from operating activities			
Net profit	15	11,681	8,039
Adjustments for non cash items:			
Depreciation and amortisation		5,654	5,795
Change in vacation reserve		483	-
Change in employee benefit liabilities		157	-
Accrued emission rights		108	117
Accrued income		(562)	(693)
Change in allowance for doubtful receivables	7	(1)	-
Income tax expenses		2,123	1,293
Interest income		(747)	(365)
		18,896	14,186
Changes in working capital:			
(Increase) decrease in inventories		(308)	(820)
Decrease (increase) in prepayments		(96)	70
Decrease (increase) in trade and other accounts receivable		(2,713)	(1,220)
Decrease (increase) in other receivables		(965)	-
Increase (decrease) in trade and other payables		(2,840)	(1,935)
Decrease (increase) in prepayments received		(49)	(460)
Increase (decrease) in other current liabilities and payroll related liabilities		1,014	1,464
		12,939	11,285
Income tax (paid)		(440)	(399)
Interest received		375	365
Net cash flows from operating activities		12,874	11,251
Cash flows from investing activities			
Acquisition of property, plant, equipment and intangible assets		(4,332)	(1,294)
Acquisition of Investments held-to-maturity		11,374	(7,235)
Net cash flows from investing activities		7,042	(8,529)
Net increase (decrease) in cash flows		19,916	2,722
Cash and cash equivalents on 1 January		9,983	29,501
Cash and cash equivalents on 31 March		29,899	32,223

The accompanying notes, set out on pages 8-16, are an integral part of these financial statements.

General Manager	Rokas Masiulis		22 May 2012
Finance Director	Mantas Bartuška		22 May 2012

Notes to the financial statements

1 General information

SC Klaipėdos Nafta (hereinafter referred to as “the Company”) is a public limited liability company registered in the Republic of Lithuania. The address of its registered office is as follows: Burių str. 19, 91003 Klaipėda, Lithuania.

The main activities of the Company – oil products transshipment services and other related.

The Company was established by SC Naftos Terminalas (Lithuania) and Lancater Steel Inc. (USA) acquiring 51 and 49 percent of shares respectively. The Company was registered on 27 September 1994.

As of 31 March 2012 all the shares were owned by 1,726 shareholders. The Company’s share capital – LTL 342,000,000 (three hundred forty two million) is fully paid. It is divided into 342,000,000 (three hundred forty two million) ordinary shares with a par value of LTL 1. 70.63 % of the shares (241,544,426 shares) are owned by the State of Lithuania, represented by the Ministry of Energy.

The Company has not acquired any own shares and has arranged no deals regarding acquisition or transfer of its own shares during three months period in 2012. The Company’s shares are listed in the Baltic Secondary List on the NASDAQ OMX Vilnius Stock Exchange.

As of 31 March 2012 and 31 December 2011 the shareholders of the Company were:

	31 March 2012		31 December 2011	
	Number of shares held (thousand)	Part of ownership (%)	Number of shares held (thousand)	Part of ownership (%)
Government of the Republic of Lithuania represented by the Ministry of Energy	241,544	70.63	241,544	70.63
UAB Concern Achema Group	34,204	10.00	32,766	9.58
Skandinaviska Enskilda Banken funds	11,312	3.31	14,254	4.17
Swedbank funds	10,091	2.95	10,817	3.16
Other (less than 5 per cent each)	44,849	13.11	42,619	12.46
Total	342,000	100.00	342,000	100.00

The average number of employees on 31 March 2012 was 315 (315 – on 31 March 2011).

The Management of the Company approved these Financial Statements on 22 May 2012.

2 Accounting principles

These financial statements have been prepared on a historical cost basis.

The financial statements are presented in Litas and all values are rounded to the nearest thousand (LTL 000), except when otherwise indicated.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (hereinafter the EU).

The Company applies the same accounting policies and the same calculation methods in preparing Interim Financial Statements as they have been used for the Annual Financial Statements of the year 2011. The principles used in preparation of financial statements were presented in more detail in the Notes to the Financial Statements for 2011.

3 Property, plant and equipment

During the three months of this year the Company has continued works in the following objects: updating of HFO storage tank park; updating of HFO unloading system of rail gantry track 2. The total value of the works performed amounted to LTL 6,680 thousand.

On 10 June 2010 the Company started its investment project "Procurement of vapour recovery unit" after implementation of which the environment pollution will be reduced. On 29 September 2011 the Contract was concluded with "John Zink International Luxembourg SARL" regarding procurement of the equipment. The equipment shall be delivered within nine months from the Contract date. The Contractor for construction works was selected according to the tender procedure. The Company has already invested LTL 830 thousand into this project. The total amount of investments into the project "The Procurement of vapour recovery unit" will amount about LTL 7 million.

On 30 June 2011 SC Klaipėdos Nafta signed an Agreement with the Lead Adviser for preparation and implementation of liquefied natural gas (LNG) terminal's project – the international company FLUOR. The Extraordinary General Shareholders' Meeting of SC Klaipėdos Nafta held on 27 July 2011 approved the conclusion of the Agreement. The Agreement provides for the Lead Adviser during four years to prepare the technical development plan of the Project, assist in selection of technologies, perform actions in order to get obligatory permits, solve the matters related to the safety of the project, navigation as well as other issues associated with the technical implementation of the Project. Further, the Adviser will perform works related to the economic part – will produce business model of the Terminal, financial model and develop strategy of the Terminal's performance. The Adviser will also supervise technical realization of the Project during its entire execution period - until the end of 2014 when the Terminal will start its activities.

As of 31 March 2012 the investments into implementation of LNG Terminal's project amounted to LTL 16,814 thousand – the major costs of which comprised advance payments of LTL 11,394 thousand according to the Agreement to be paid to the Lead Adviser for preparation and implementation of liquefied natural gas terminal's project as well as for legal and other research services.

The depreciation charge of the Company's property, plant and equipment for the three months of 2012 amounts to LTL 5,654 thousand (LTL 5,795 thousand – during three months of 2011). LTL 5,546 thousand of depreciation charge have been included into cost of sales (LTL 5,705 thousand – during three months of 2011) and the remaining amount has been included into operating expenses.

4 Inventories

	31 March 2012	31 December 2011
	(unaudited)	
Oil products for sale	1,695	1,503
Spare parts, construction materials and other inventories	287	171
	1,982	1,674

As of 31 March 2012 the Company had inventories of LTL 5,913 thousand (31 December 2011 - LTL 5,979 thousand), that have been written off down to the net realizable value. The Company writes allowance for the inventories down to the net realisable value if they are not used for more than 6 months.

Allowance has been accounted for construction materials and spare parts, which were not used during the reconstruction (1996 – 2005).

As of 31 March 2012 the Company stored 207.1 thousand tons of oil products delivered for transshipment in its storage tanks (143.8 thousand tons as on 31 December 2011). Such oil products are not recognised in the Company's financial statements, they are accounted for in the off-balance sheet accounts as the Company has no ownership rights into oil products.

Oil products for sale are energy products collected in the Waste Water Treatment Facilities. On 31 March 2012 the Company stored 2,100 tons of heavy oil products collected in its Waste Water Treatment Facilities (31 December 2011 – 1,945 tons).

5 Trade receivables

	31 March 2012	31 December 2011
	(unaudited)	
Receivables for reloading of oil products and other related services	7,048	4,335
	7,048	4,335

5 Trade receivables (cont'd)

Trade and other receivables are non-interest bearing and are generally on 6 - 15 days terms.

On 31 March 2012 trade debts to the Company in the amount of LTL 3,325 thousand were denominated into EURO (LTL 1,926 thousand – on 31 December 2011).

6 Other receivables

	31 March 2012	31 December 2011
	(unaudited)	
Accrued income	1,950	1,388
VAT receivable	1,687	715
Accrued interest on term deposits	172	409
Other receivables	41	66
	<u>3,850</u>	<u>2,578</u>
Less: impairment allowance for receivables	(13)	(13)
	<u>3,837</u>	<u>2,565</u>

The change in allowance for receivables has been included into operating expenses in the Statement of Comprehensive income.

7 Other financial assets

	31 March 2012	31 December 2011
	(unaudited)	
Loans and receivables		
Cession of rights in Vnesekonom bank	100	100
Loan to UAB „Žavesys“	360	361
Less: impairment allowance for receivables	(460)	(461)
Total loans and receivables	<u>-</u>	<u>-</u>
Investments held- to-maturity		
Investments into the state government bonds of Lithuania	84,756	61,717
Short-term deposits	14,103	44,174
Investments into the government bonds of Lithuanian banks	4,364	4,476
Investments into the government bonds of foreign banks	1,790	5,412
Total investments held-to-maturity	<u>105,013</u>	<u>115,779</u>
Total other financial assets	<u>105,013</u>	<u>115,779</u>
Current part	<u>105,013</u>	<u>110,427</u>
Non-current part	<u>-</u>	<u>5,352</u>

Carrying values of other financial assets are denominated in the following currencies:

Currency	31 March 2012	31 December 2011
	(unaudited)	
EUR	86,367	77,248
LTL	18,646	38,531
	<u>105,013</u>	<u>115,779</u>

7 Other financial assets (cont'd)

On 24 January 2003 AB „Naftos terminalas“, as a part of settlement for the shares acquired, transferred to the Company the right of demand for the deposit of USD 95.266 thousand (or LTL 277.243 thousand) in the liquidated Vnesekonom bank and the right to the loan provided to UAB “Zavesys”. Cost of sales of the right in the liquidated Vnesekonom bank amounts to LTL 100 thousand. The Company's Management considers the receivables subject to the acquired rights of demand to be doubtful therefore they have been accounted for by cost less 100 % of allowance.

The maximum exposure of these investments to credit risk at the reporting date was represented by carrying value of the securities and term deposits, classified as investments held to maturity.

8 Cash and cash equivalents

	31 March 2012	31 December 2011
	(unaudited)	
Short-term deposits	19,454	3,044
Government bonds of Lithuanian banks	6,247	-
Cash at bank	4,198	5,136
Government bonds of foreign countries	-	1,803
	29,899	9,983

Calculated values of cash and cash equivalents are denominated in the following currencies:

Currency	31 March 2012	31 December 2011
	(unaudited)	
EUR	17,803	5,990
LTL	12,096	3,993
	29,899	9,983

The maximum exposure of these investments to credit risk at the reporting date was represented by carrying value of the securities and term deposits, classified as investments held to maturity.

9 Trade and other payables

	31 March 2012	31 December 2011
	(unaudited)	
Payable to contractors	1,425	1,204
Payable for rent of land	514	514
Payable for railway services	334	336
Other trade payables	2,214	2,617
	4,487	4,671

9 Trade and other payables (cont'd)

Trade payables are non-interest bearing and are normally settled on 30-day terms. On 31 March 2012 trade payables of LTL 5 thousand were denominated into euro (LTL 610 thousand – on 31 December 2011).

10 Liabilities related to labour relations

As of 31 March 2012 the Company's liabilities, related to labour relations, were mainly comprised of salaries payable for March of LTL 1,783 thousand, vacation reserve of LTL 1,800 thousand and accrued bonuses in the amount of LTL 1,200 thousand for the annual results (As of 31 December 2011 the Company's liabilities, related to labour relations, were mainly comprised of vacation reserve of LTL 1,317 thousand and accrued bonuses in the amount of LTL 1,200 thousand for the annual results).

11 Other current liabilities

	31 March 2012	31 December 2011
	(unaudited)	
Accrued expenses	208	437
Tax on real estate payable	-	485
Other	11	24
	219	946

Other payables are non-interest bearing and have an average term of one month.

12 Sales income

	For three months period, ended 31 March (unaudited)	
	2012	2011
Sales of oil transshipment services	34,225	32,296
Revenues for storage of oil products	2,350	-
Other sales related to transshipment	835	714
	37,410	33,010

The Company's income increased by LTL 2,350 thousand due to the revenues received for storage of remains of oil products.

Other sales related to reloading include moorage, sales of fresh water, transportation of crew and other sales related to reloading.

13 Cost of sales

	For three months period, ended 31 March (unaudited)	
	2012	2011
Natural gas	6,871	5,448
Depreciation and amortisation	5,603	5,720
Wages, salaries and social security	3,786	3,899
Railway services	2,117	3,236
Electricity	1,870	1,800
Rent of land and quays	514	514
Tax on real estate	296	488
Insurance of assets	249	231
Repair and maintenance of property, plant and equipment	326	342
Emission rights expenses	108	117
Other	427	506
	22,167	22,301

14 Income (expenses) from financial and investment activities, net

	For three months period, ended 31 March (unaudited)	
	2012	2011
Interest income	747	280
Fines received	1	-
Financial income, total	748	280
Losses from currency exchange	(1)	(8)
Other financial expenses	(12)	-
Financial expenses, total	(13)	(8)

15 Earnings per share, basic and diluted

Basic earnings per share are calculated by dividing net profit of the Company by the number of the shares available. Diluted earnings per share equal to basic earnings per share as the Company has no instruments issued that could dilute shares issued.

	For three months period, ended 31 March (unaudited)	
	2012	2011
Net profit attributable to shareholders	11,681	8,039
Weighted average number of ordinary shares (thousand)	342,000	342,000
Earnings per share (in LTL)	0.03	0.02

16 Related party transactions

The parties are considered related when one party has a possibility to control the other one or has significant influence over the other party in making financial and operating decisions.

The related parties of the Company and transactions with them in 2012, 2011 and 2010 were as follows:

Transactions with Lithuanian State controlled enterprises and institutions

		Purchases from related parties	Sales to related parties	Receivables from related parties	Payables to related parties
State Tax Inspectorate at the Finance Ministry of the Republic of Lithuania	31 March 2012	2,410	-	530	3,889
	31 March 2011	1,794	-	353	185
	31 March 2010	2,126	-	199	755
State Social Insurance Fund Board under the Ministry of Social Security and Labour	31 March 2012	2,005	-	-	1,024
	31 March 2011	1,119	-	-	-
	31 March 2010	1,109	-	-	-
State Enterprise Klaipeda State Seaport Authority owned by the State of Lithuania represented by the Ministry of transportation	31 March 2012	514	-	-	514
	31 March 2011	514	-	-	514
	31 March 2010	587	-	-	-
AB Lithuanian Railways owned by the State of Lithuania represented by the Ministry of transportation	31 March 2012	2,141	-	-	334
	31 March 2011	3,236	-	-	583
	31 March 2010	2,487	-	-	519
AB „Lesto“, owned by the State of Lithuania represented by the Ministry of Energy	31 March 2012	844	-	-	310
	31 March 2011	1,804	-	-	677
	31 March 2010.	1,763	-	-	659
Other related parties	31 March 2012	-	15	5	-
	31 March 2011	-	11	3	-
	31 March 2010	-	13	3	-
Transactions with related parties, in total:	31 March 2012	7,914	15	5	6,071
	31 March 2011	8,467	11	3	1,959
	31 March 2010	8,072	13	3	1,933

Remuneration to the Management and other payments

The Company's Management is comprised of General Manager, Deputy General Manager, Production Director, Finance Director, Commercial Director and LNG Terminal Director.

	31 March 2012	31 December 2011
	(unaudited)	
Labour related disbursements	457	384
Number of managers	6	7

During three month period in 2012 and 2011 the Management of the Company did not receive any loans, guarantees, or any other payments or property transfers were made or accrued.

17 Subsequent events

The Ordinary General Meeting held on 27 April 2012 passed the following resolutions:

- Appropriate Company's retained profit by transferring LTL 3,561 thousand into legal reserves, LTL 55,000 thousand into the own shares acquiring reserve and by paying dividend in the amount of LTL 56,981 thousand. Dividend part per share: LTL 0,17 (EUR 0,049).
- To elect for one year the audit firm KPMG for auditing the 2012 financial statements of the Company and assessing the Company's annual report for 2012;
- To increase the authorised capital of Company by additional contributions of shareholders from LTL 342,000 thousand (three hundred forty two million Litas) to LTL 389,711 thousand (three hundred eighty nine million seven hundred eleven thousand twenty two Litas) by issuing up to 47,711,022 (forty seven million seven hundred eleven thousand twenty two) units of ordinary registered shares with the nominal value of LTL 1 (one Litas) each.

To establish that in increasing the authorised capital of the Company, the issue price of newly issued shares shall be fixed according to the weighted average market price of the shares of the Company during the six-month period from 28 September 2011 to 27 March 2012 and shall be equal to LTL 1.35 (one Litas thirty five cents) per one ordinary registered share with the nominal value of LTL 1 (one Litas).

To grant the right to the shareholders of the Company, who own shares in the Company at the close of the record date of the rights pertaining to this general meeting of shareholders (at the close of the 10th business day after the respective general meeting of shareholders), to acquire newly issued shares in proportion to the nominal value of the shares owned by the shareholders.

To establish that the Republic of Lithuania being a shareholder of the Company, represented by the Ministry of Energy of the Republic of Lithuania (state-funded institution, identification code 302308327, office address: Gedimino ave. 38/ Vasario 16-osios str. 2), shall pay for the newly issued shares of the Company, with the nominal value of LTL 1 (one Litas) each, which it will be entitled to acquire by exercising its right of pre-emption, and the issue price is equal to the issue price of other new shares issued by increasing the authorised capital of the Company, as established by this decision, by non-monetary contribution in property in compliance with the investment terms and conditions established in Resolution No. 204 of the Government of the Republic of Lithuania "On the investment of state-owned property and the increase of the authorised capital of the Company, dated 15 February 2012.

Other shareholders of the Company shall pay for the newly issued shares of the Company in cash.

To obligate and authorise the Board of the Company, in compliance with this decision and applicable legal acts, to establish any other terms and conditions of the new share issue that have not been specifically provided in the decisions of this general meeting of shareholders, including, without limitation, to establish the terms and conditions for the distribution of the share issue, the terms and conditions for the subscription of the share issue, and the terms and conditions for payment for the share issue.

To obligate and authorise the Board of the Company, in compliance with this decision and applicable legal acts, to prepare, approve and submit to the Bank of Lithuania for approval a prospectus of the new share issue of the Company.

If not all the shares of the Company intended to be issued following this decision are subscribed for within the time limit set by the Board of the Company for subscription of shares, the authorised capital of the Company may be increased by the amount of the nominal value of the subscribed shares. In this case, the Board of the Company shall be authorised to amend the amount of the authorised capital indicated in the Articles of Association of the Company respectively.

- To approve the decision of the Board of the Company to lease the property of Subačius Oil Products Terminal, in Kunčiai village and Subačius town, Kupiškis District Municipality, the book value of which will exceed 1/20 of the authorised capital after the contribution of this property to the authorised capital of the Company, to PE Lithuanian Oil Product Agency for the term of 10 (ten) years at the rent of LTL 2.10 (two Litas twenty cents) for the period from 2012 to 2016, and at the rent of LTL 4.10 (four Litas ten cents) for the period from 2017 to 2021 per ton of stored petroleum products per month, by indexing the rent tariff annually according to the change in the Index of Consumer Prices.

On 9 May 2012 the Government of the Republic of Lithuania approved the draft Law on the Liquefied Natural Gas Terminal, which aims at regulation of general principles and requirements for construction of the liquefied natural gas (LNG) terminal within the territory of the Republic of Lithuania, its operation and usage, as well as establishing adequate legal, financial and organizational conditions for implementation of the LNG terminal project.

17 Subsequent events (cont'd)

The draft Law introduces specific legal regulation applied to the LNG terminal project implemented following the decision by the Government of the Republic of Lithuania. AB Klaipėdos Nafta proceeds with the LNG terminal project in Klaipėda based on the Governmental Resolutions "On development of the LNG terminal project" of 21 July 2011 and "On construction of the LNG terminal" of 15 February 2012, and other relevant decisions made by the Government of the Republic of Lithuania.

It is aimed under the draft Law to establish principle decision by the Parliament of the Republic of Lithuania on construction of the LNG terminal and natural gas infrastructure necessary for its effective operation within the territory of the Republic of Lithuania. It is foreseen that the LNG terminal shall be constructed in Klaipėda State Sea Port or other site approved by the Government of the Republic of Lithuania.

The draft Law establishes requirements for the company implementing the LNG terminal project, financing of its implementation, as well as specific obligations for public administration bodies and entities with regard to construction of the LNG terminal, its connection to the natural gas transmission system and supply of natural gas.

In order to ensure mandatory activities of the LNG terminal, i.e. technologically and economically sound operation of the terminal, and effective competition in the natural gas market of the Republic of Lithuania, the draft Law aims at establishing the rule for diversification of the natural gas supply, by which entities importing natural gas through the pipelines would be required to purchase through the LNG terminal at least 25 per cent share of the total quantity of natural gas supplied.

The Law will ensure the required legal framework for implementation of the LNG terminal project and will reduce administrative burden for entities participating in the implementation process, so as to enable the start of operation of the LNG terminal not later than by 3 December 2014, as it is mandatory required under the EU provisions on supply of natural gas.

No other significant events have occurred after the date of financial statements.

Confirmation of responsible persons

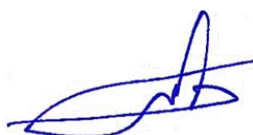
Following Article 22 of the Law on Securities of the Republic of Lithuania and the Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we, Rokas Masiulis, General Manager of SC Klaipėdos Nafta, and Mantas Bartuska, Finance Director of SC Klaipėdos Nafta, hereby confirm that to the best of our knowledge the above-presented unaudited Interim condensed Financial Statements of SC Klaipėdos Nafta for the three months ended 31 March 2012, prepared in accordance with the International Financial Reporting Standards as adopted to be used in the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss and cash flows of SC Klaipėdos Nafta.

General Manager



Rokas Masiulis

Finance Director



Mantas Bartuška