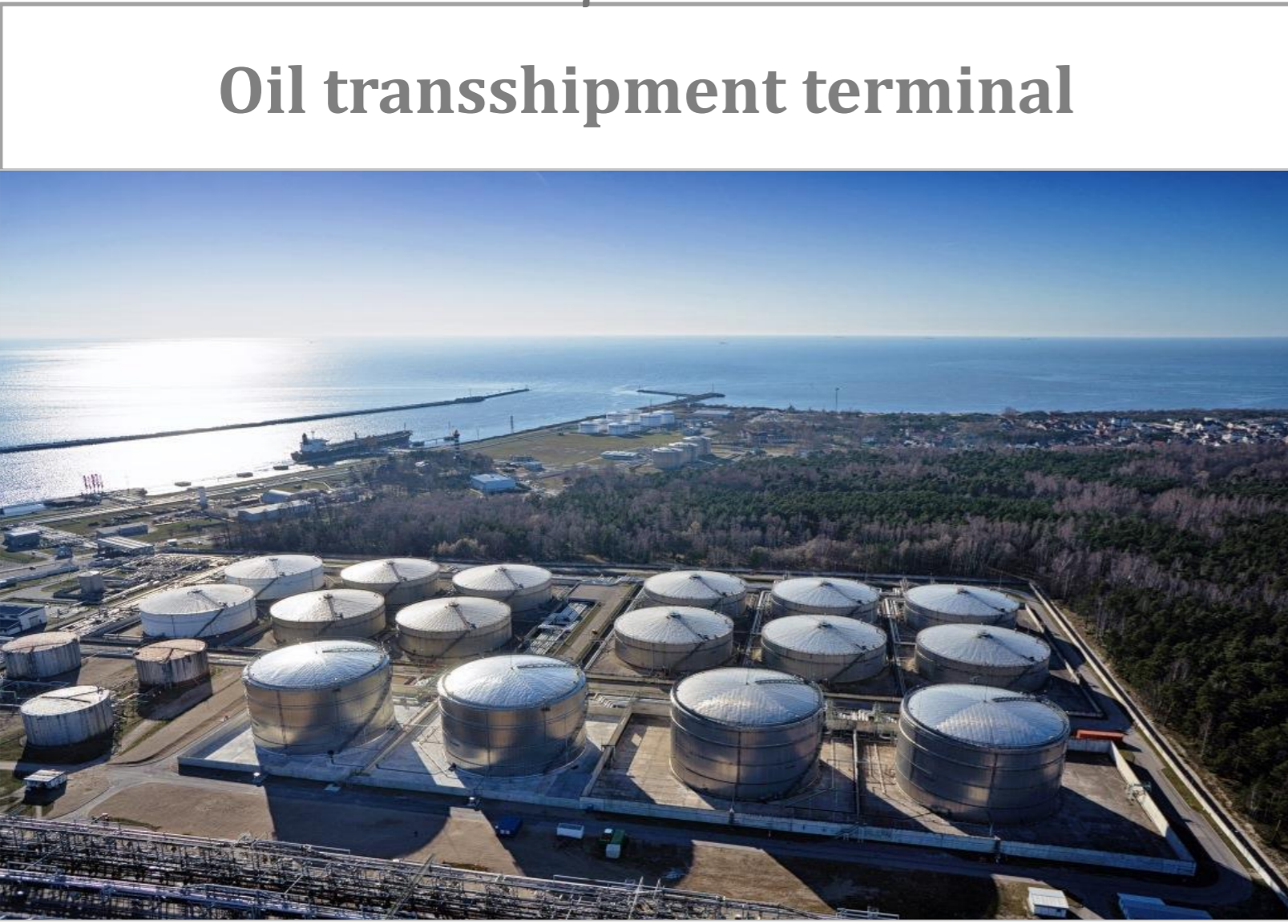
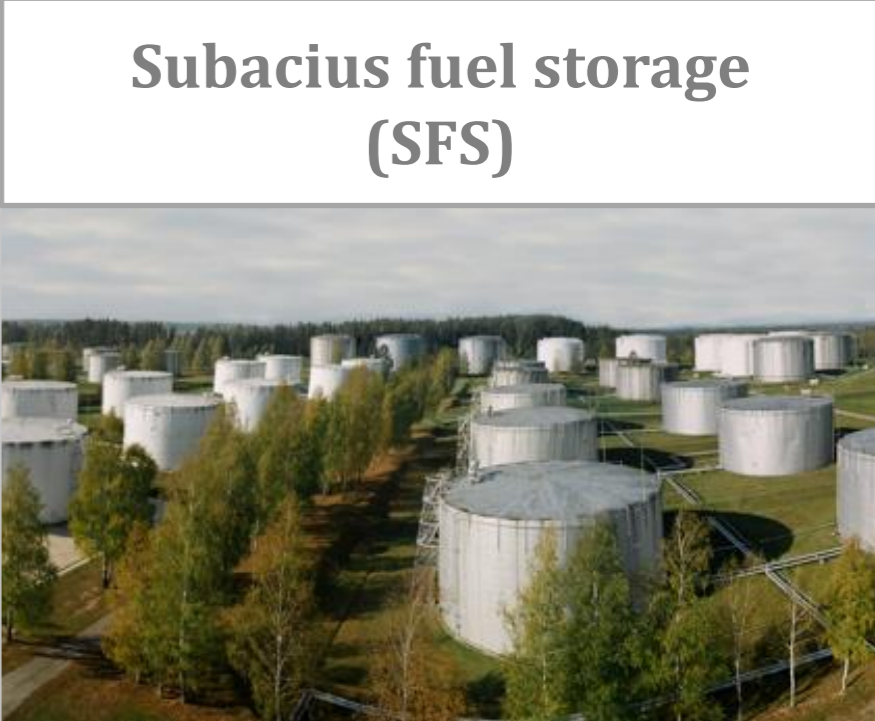


**SC KLAIPĖDOS NAFTA**  
**RESULTS FOR THE 3 MONTH PERIOD OF 2015**



# Main activities of SC Klaipedos nafta (herinafter - the Company)

## Klaipedos nafta



**SC Klaipėdos Nafta is a strategic company of the Lithuanian national security and energy sector.**

Company name	SC Klaipėdos nafta
Company code	110648893
Authorized share capital	EUR 110,231,170
Registered address	Buriu street 19, P.O. Box 81, 91003 Klaipėda-C, Lithuania
Telephone	+370 46 391772
Fax	+370 46 311399
E-mail	<a href="mailto:info@oil.lt">info@oil.lt</a>
Webside	<a href="http://www.oil.lt">www.oil.lt</a> , <a href="http://www.sgd.lt">www.sgd.lt</a>
Legal – organisational form	Stock company
Date and place of registration	27 September 1994, State Enterprise Centre of Registers

The authorized capital is divided into 380,606,184 ordinary shares with a nominal value of 0.29 EUR.

Main shareholder is The Republic of Lithuania, represented by the Ministry of Energy of the Republic of Lithuania, holding 72.31 % of shares (275,241,290 unit).

**The mission of the Company** is to be a reliable import and export terminal of oil products and LNG for Lithuania and neighbor regions, to enable the region's oil refineries to export on a continuous basis their production by tankers through the Company's terminal to the Western European and further markets also to ensure alternative gas supply for the users in Lithuania and other neighbor countries.

**The vision of the Company** is to be a financially sustainable terminal for transshipment of oil products and LNG, implement projects in time and invest in initiatives that will increase economic returns for the investors.

**The strategic objectives of AB Klaipėdos nafta:**

- To increase the effectiveness of the Company,
- Improvement of the internal processes,
- Assurance of the safety requirements and environmental protection,
- To diversify activity of the Company,
- To become the main centre of oil and gas in Lithuania.

# The significant events in the 1<sup>st</sup> Quarter of 2015

- On 12<sup>th</sup> of January, 2015, the Ministry of Finance of the Republic of Lithuania signed a state guarantee agreement with the Nordic Investment Bank (NIB) regarding the loan of EUR 34,754 thousand to be given by the NIB to Company. The state guarantee agreement secures the obligations of the Company to the NIB according to the credit agreement entered for a term up to 20 years on 27<sup>th</sup> of November, 2014 for partial financing of the LNGT project.
- On 9<sup>th</sup> of March, 2015 the Company concluded the LNG terminal jetty usage agreement with the Klaipėda State Seaport Authority.
- On 24<sup>th</sup> of April, 2015 the Company has announced the annual LNGT capacities allocation procedure and an invitation for the potential users of the LNGT to submit their requests for allocation of LNGT capacities for the upcoming Gas Year, lasting from the 1<sup>st</sup> of October, 2015 to the 1<sup>st</sup> of October, 2016. The total volume of the LNG terminal capacity being allocated is 1.45 bcm per annum.
- On 30<sup>th</sup> of April, 2015 the General Meeting of Shareholders of the Company was held during which:
  - the set of the audited financial statements of 2014 was approved and adduced Annual Report of the Company for the year 2014 to the shareholders.;
  - The Company's distributable profit was distributed, part of which was allocated for dividends – EUR 93 thousand or 0.0002432210 per share;
  - Audit firm JSC Ernst & Young Baltic was appointed to audit financial statements of the year 2015-2016.
- On 21<sup>th</sup> of May, 2015 the Company announced the invitation for the interested investors to acquire shares controlled by the Company of JSC LITGAS (total 1/3 of shares). The sales of shares is executed in order to implement unbundling of the activities in the natural gas sector according to the recommendations of European Commission.



## Railway

- 2 tracks for light oil products - LFO (total 60 tank-cars)
- 2 tracks for heavy oil products - HFO (total 64 tank-cars)
- One of the track is universal: can load both HFO and LFO
- Two four-track railway trestles provide a possibility to discharge or load 124 tank-cars simultaneously.

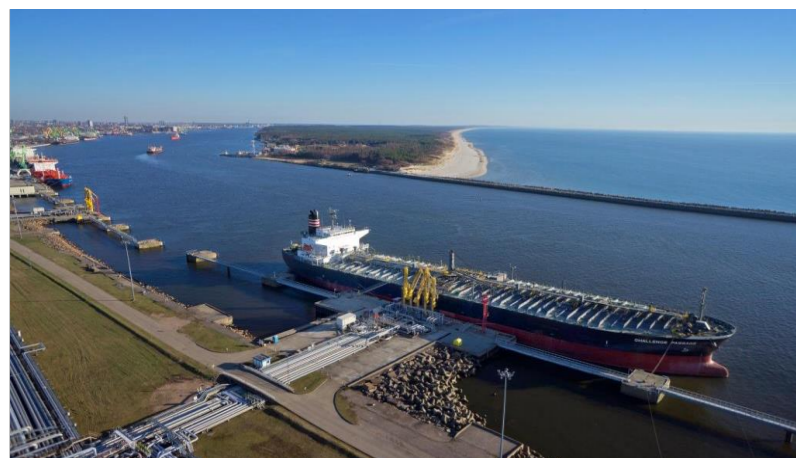


## Storage tank farm

- Total 28 tanks
- ~450 cub. m thousand total volume (plus in Subacius FS ~340 cub. m thousand )

## Biological Waste Water Treatment Facilities

- Waste water collected and treated annually up to 400 cub. m thousand (160 m<sup>3</sup>/h)



## 2 Jetties

- Depth: 14 m
- Harbour entrance depth: 14.5 m
- Length: 270 each
- Tanker batch: up to 100,000 t with 12.5 m allowable draught.

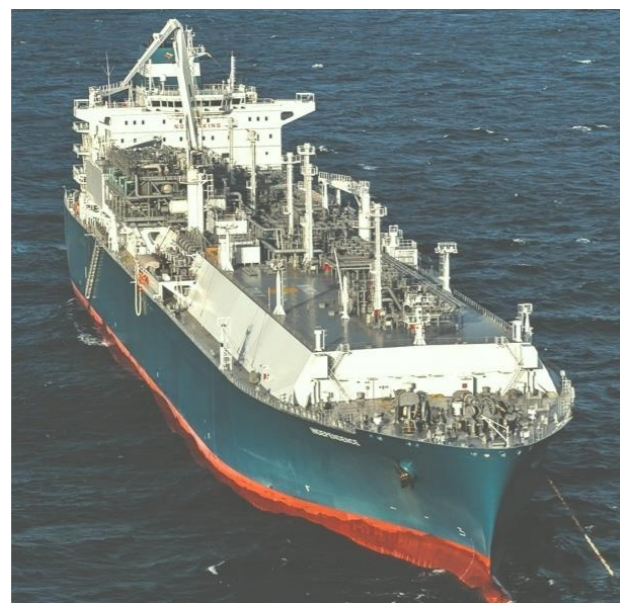
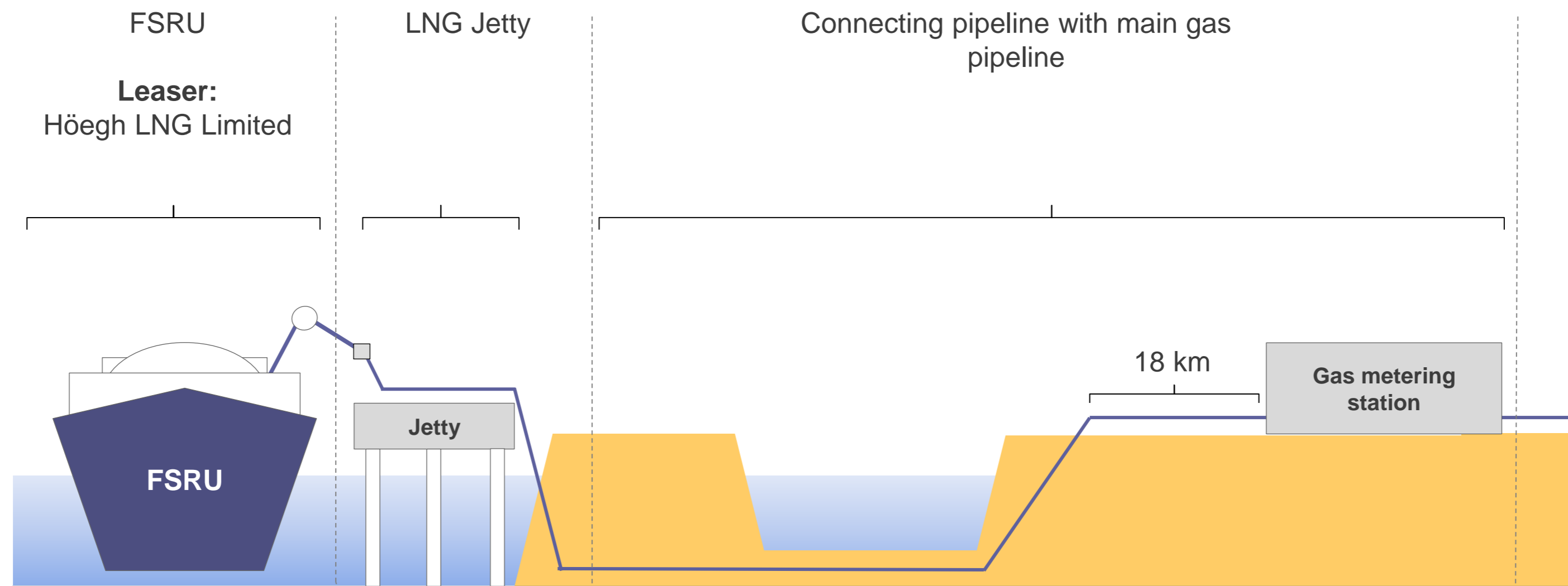


## Road tanker loading

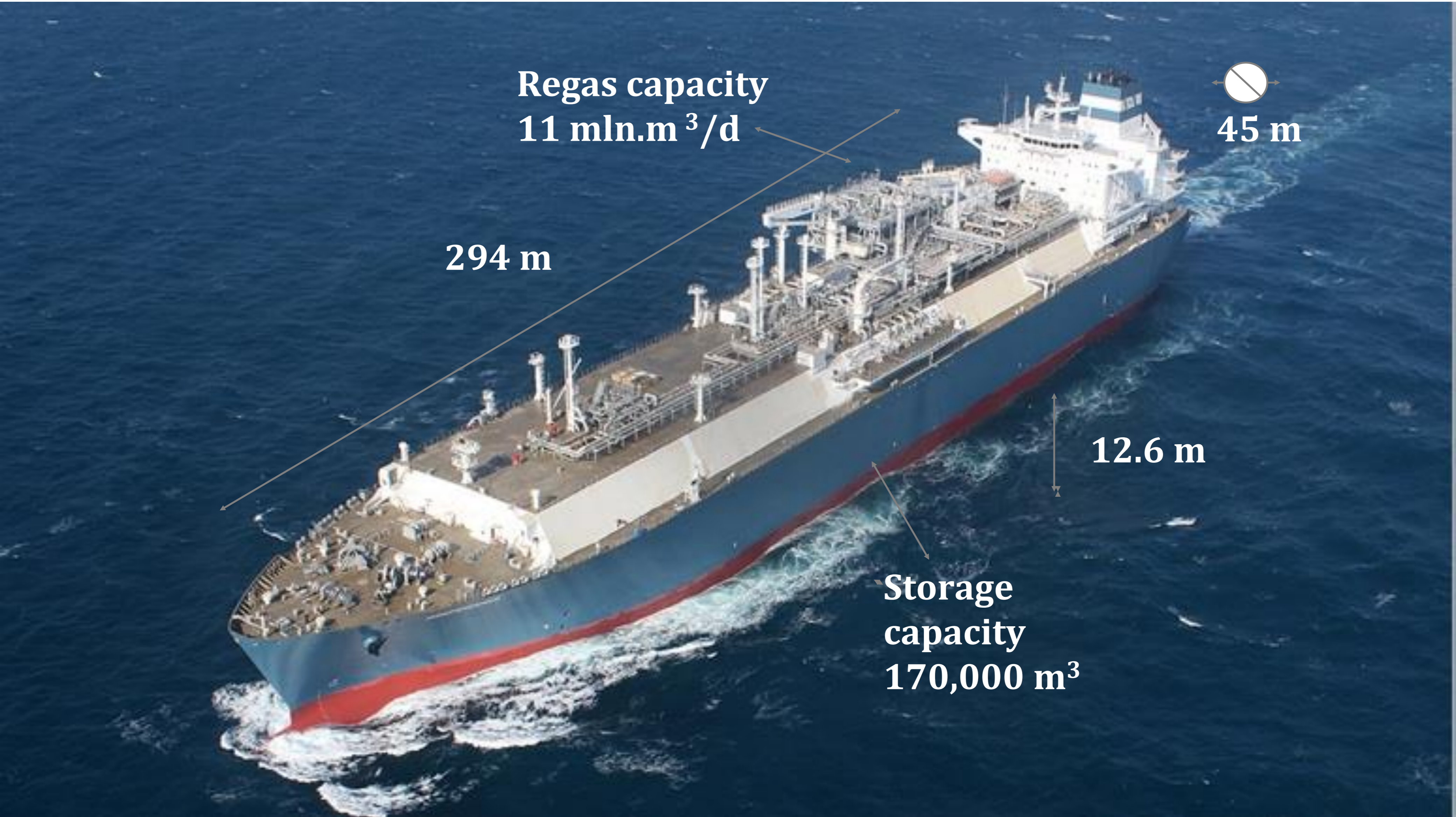
- A service to import gasoline and diesel by tankers for the Lithuanian market needs
- 4 loading points at the same time

# LNG terminal infrastructure

LNG terminal: the first LNG terminal in the Baltic states, which comprise of the LNG floating storage and regasification unit – FSRU (170,000 thousand m<sup>3</sup>), jetty (450 m length) and pipeline (18 km.). LNG to the terminal are delivered by the vessels - LNG carriers.



# LNG terminal floating storage regasification unit (FSRU) technical parameters



Regas capacity  
11 mln.m<sup>3</sup>/d

45 m

294 m

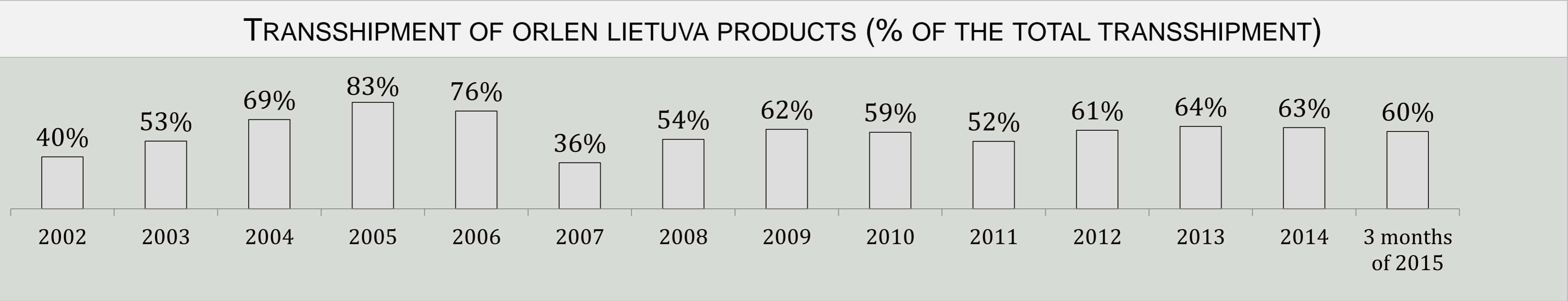
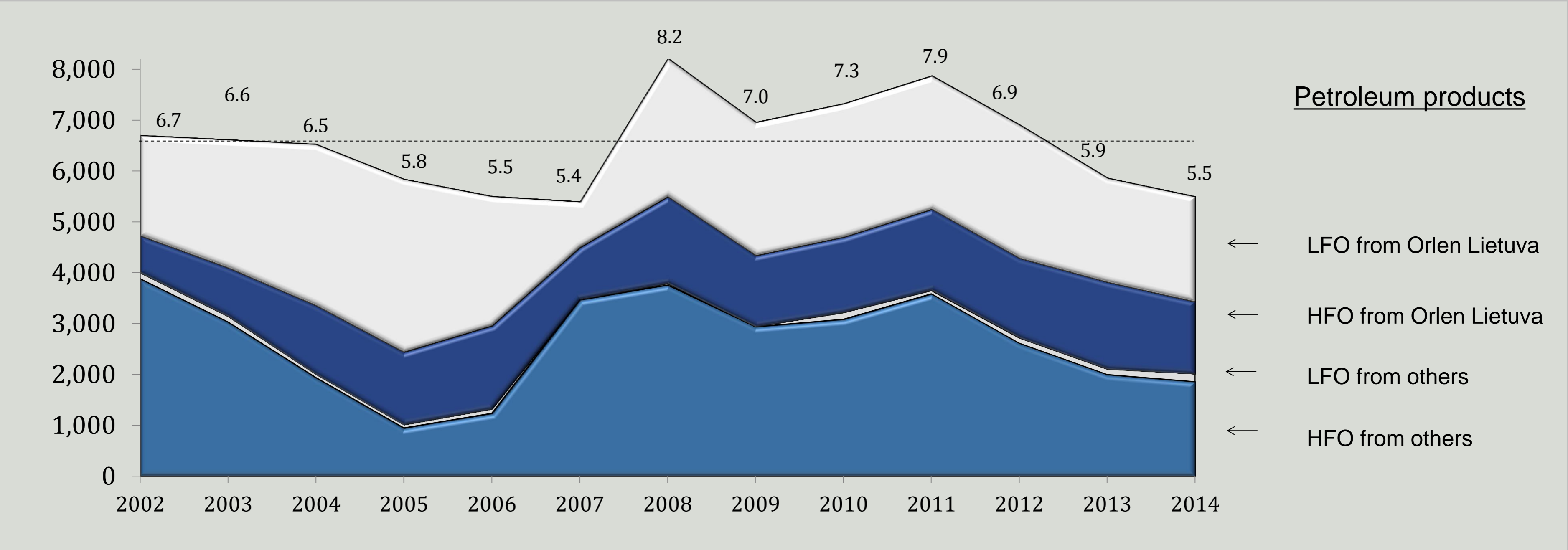
12.6 m

Storage capacity  
170,000 m<sup>3</sup>

# SC Klaipėdos nafta transshipment of oil products in 2001 – 2015 (million tones)

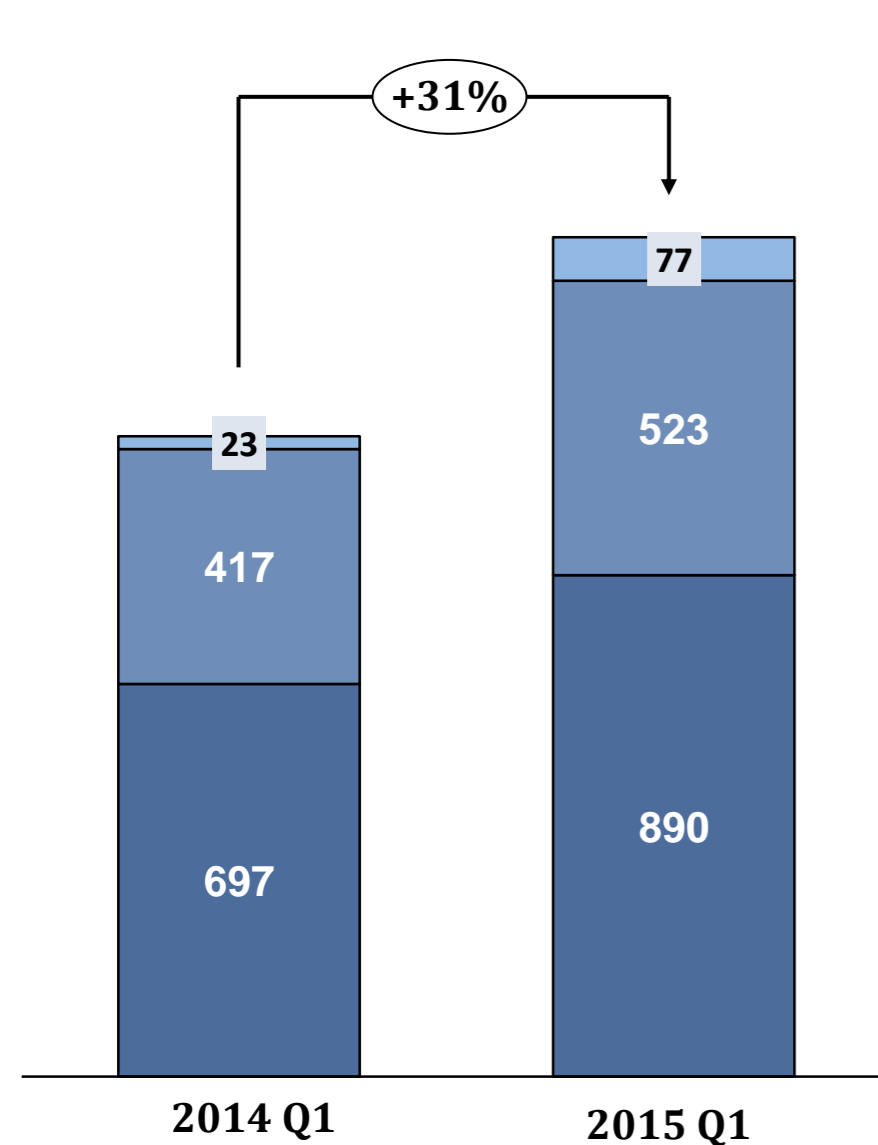


AVERAGE TRANSSHIPMENT - 6.6 MILLION TONES PER YEAR  
 (TOTAL TRANSSHIPMENT DURING JANUARY - MARCH 2015 – 1.5 MILLION TONES)



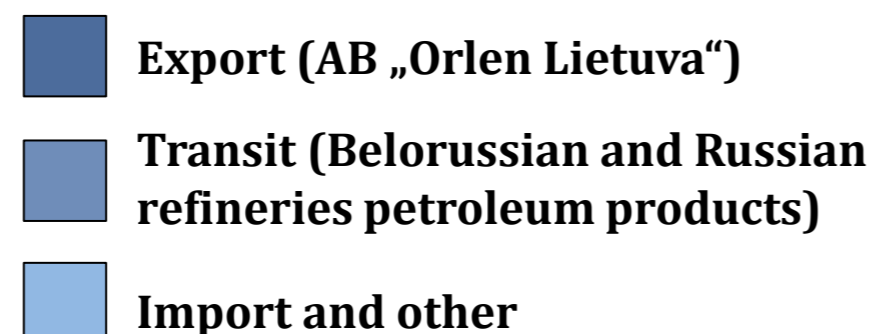


## ➤ Oil terminal transshipment volume



In 2015 the transshipment volume has increased by 31%. The main reasons:

- Due to the change in macroeconomics conditions the oil refinery margins has increased that made SC Orlen Lietuva (OL) to increase refinery volume and transshipment in the Company's terminal. Total transshipment increased by 27.7%.
- The Company has expanded its cooperation and attracted additional petroleum products from Belorussia refineries that increased transshipment volume of transit cargos (most of them - light petroleum products).



## ➤ LNG terminal regasification volume



In Company's LNG terminal during the 3 month of 2015:

- **Accepted LNG carrier** which delivered  
65.95 thousand tons LNG
- **Regasified and transmitted to the natural gas transmission system**  
1,399.5 thousand MWh natural gas

(this activity started to be carried out on 27 November 2014).

# Key financial results

		2015 m. 3 mėn.	2014 m. 3 mėn.	Pokytiis		
				+/-	%	
Sales revenue	thousand EUR	26,614	8,944	17,670	197.6%	
Gross profit	thousand EUR	6,565	3,348	3,217	96.1%	
EBITDA	thousand EUR	9,061	4,173	4,888	117.1%	
EBIT	thousand EUR	5,874	2,343	3,531	150.7%	
	<i>EBITDA margin</i>	%	34.0%	46.7%	-12.7%	-27.2%
	<i>EBIT margin</i>	%	22.1%	26.2%	-4.1%	-15.6%
Financial and investment activities result	thousand EUR	-724	16	-740	-4625.0%	
Profit before taxation	thousand EUR	5,150	2,359	2,791	118.3%	
Net profit	thousand EUR	<b>4,473</b>	<b>1,997</b>	<b>2,476</b>	<b>124.0%</b>	
	<i>Net profit margin</i>	%	16.8%	22.3%	-5.5%	-24.7%
<b>Transshipment of oil products by type:</b>	thousand tons	<b>1,490</b>	<b>1,137</b>	<b>353</b>	<b>31.0%</b>	
- HFO - heavy oil products	thousand tons	773	710	63	8.9%	
- LFO - light oil products	thousand tons	717	427	290	67.9%	
<b>Average number of employees in categories</b>		<b>369</b>	<b>384</b>	<b>-15</b>	<b>-3.9%</b>	
Managers <sup>1)</sup>		37	34	3	8.8%	
Specialists		133	126	7	5.6%	
Workers		199	224	-25	-11.2%	
<b>Average monthly salary (gross)</b>	EUR/month	<b>1,276</b>	<b>1,210</b>	<b>66</b>	<b>5.5%</b>	
Managers <sup>1)</sup>	EUR/month	3,339	3,324	15	0.5%	
Specialists	EUR/month	1,578	1,580	-2	-0.1%	
Workers	EUR/month	1,071	1,002	69	6.9%	

<sup>1)</sup> The Company's managers include: General Manager, Deputy Manager, Heads of Divisions and their deputies, Heads of Divisions.

SC Klaipėdos nafta sales revenues for the Q1 of 2015 has almost doubled comparing to the Q1 of 2014 and comprised EUR 26.6 million.

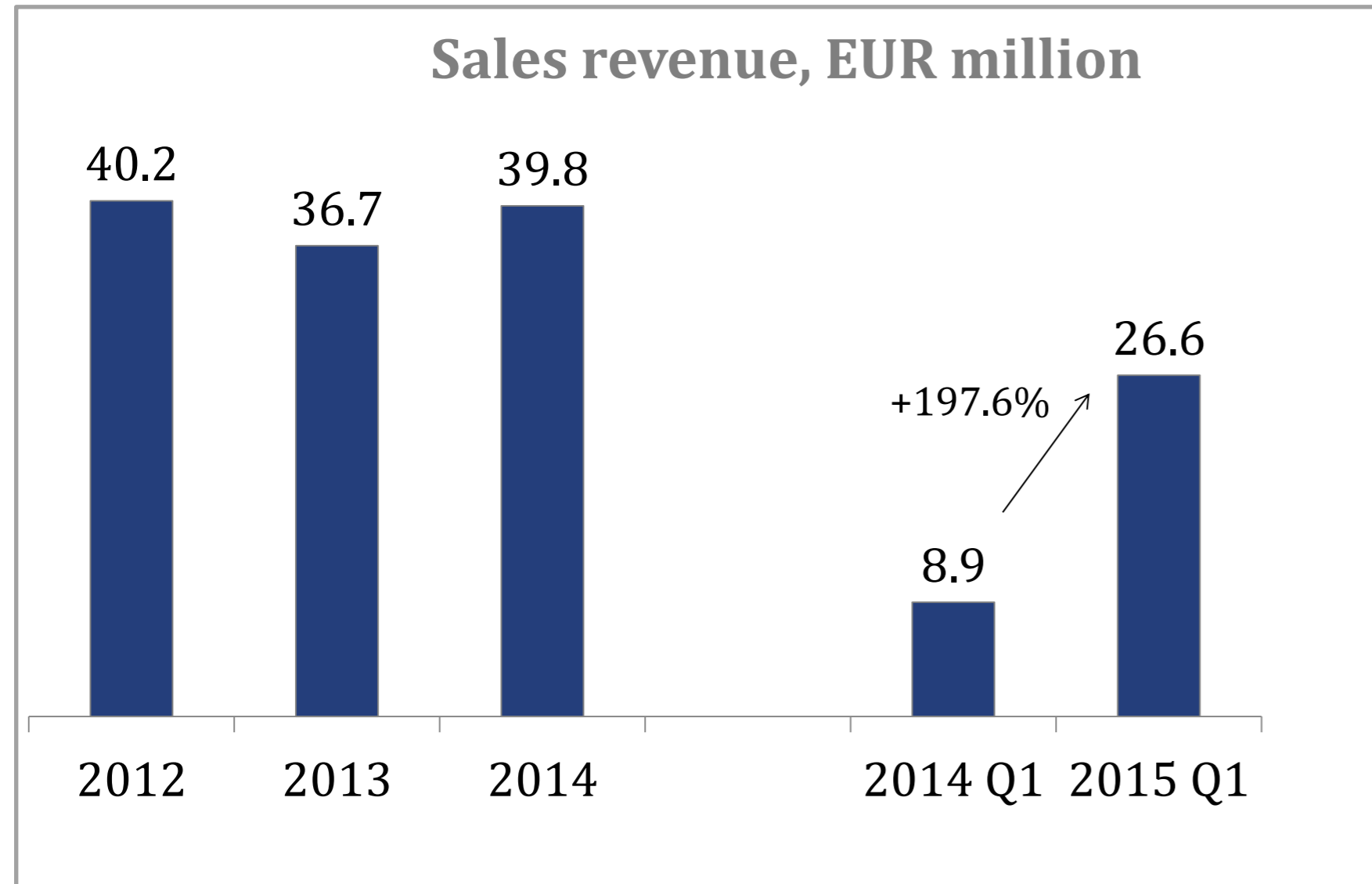
The activity of the LNG terminal which commenced in the end the year 2014 is the main reason for the increase in Company's revenues. Total recognized revenues for the first quarter of 2015 comprise EUR 16.2 million.

The revenues of the oil terminal also has increased – by 16.4% or by EUR 1.4 million.

The net profit of the Company for the 3 month period of 2015 has increased more than double to EUR 4.5 million (for 3 month of 2014 – EUR 2.0 million). EBITDA for the 3 month comprise 9.1 EUR million and is higher almost 2.2 times comparing to the 3 month of 2014. Net profit to sales ratio has reduced to 19%.

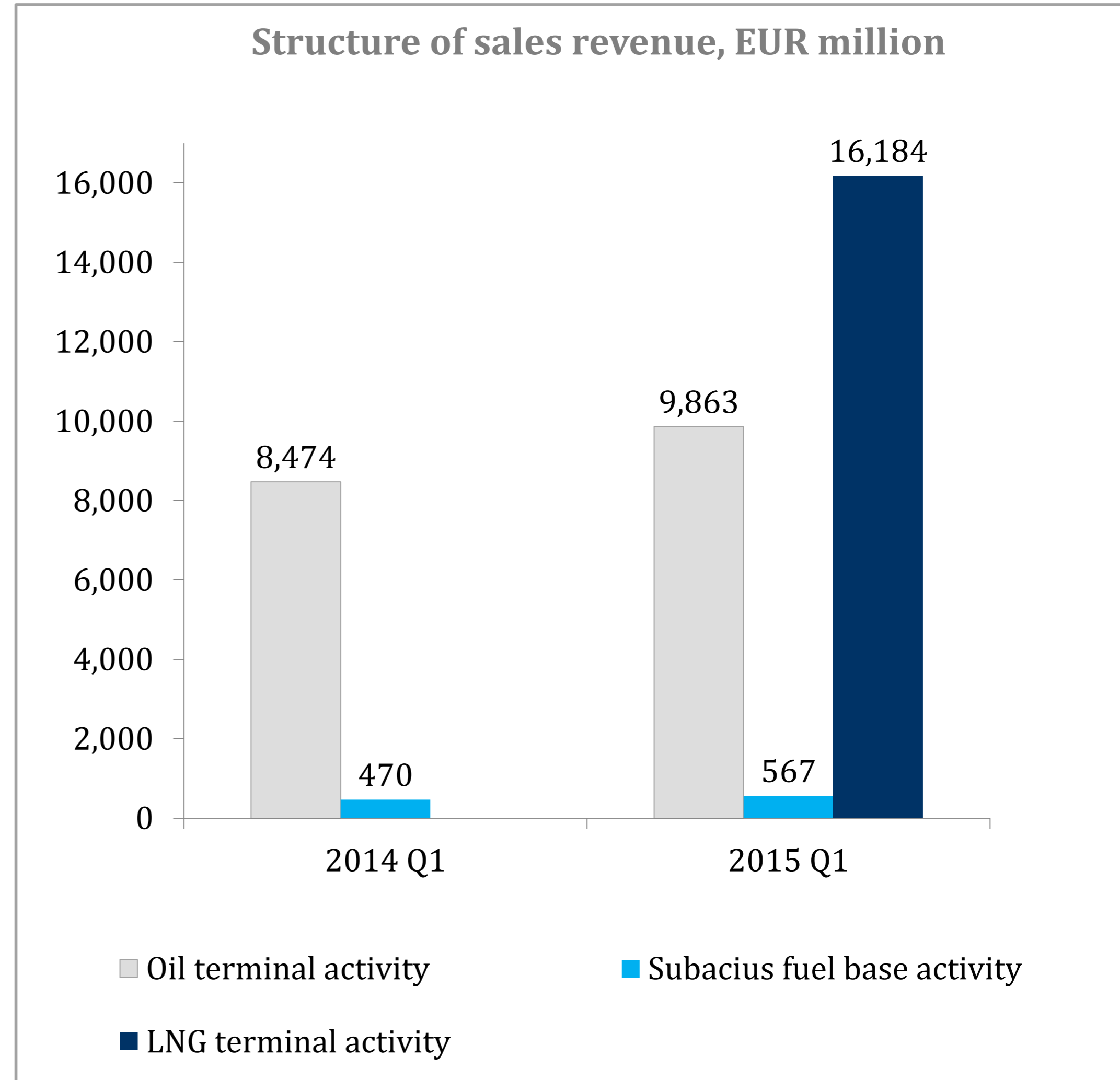
The profitability of the Company for the Q1 2015 has significantly increased due to the two main reasons:

- The expenses of the LNG terminal project implementation in 2014 has been replaced by the activity profit as terminal has started its operations (total impact EUR 1.0 million).
- The significantly increased (+31%) transshipment volume of the oil terminal has positively affected sales income and profit (total impact for the net profit – EUR 1.4 million).

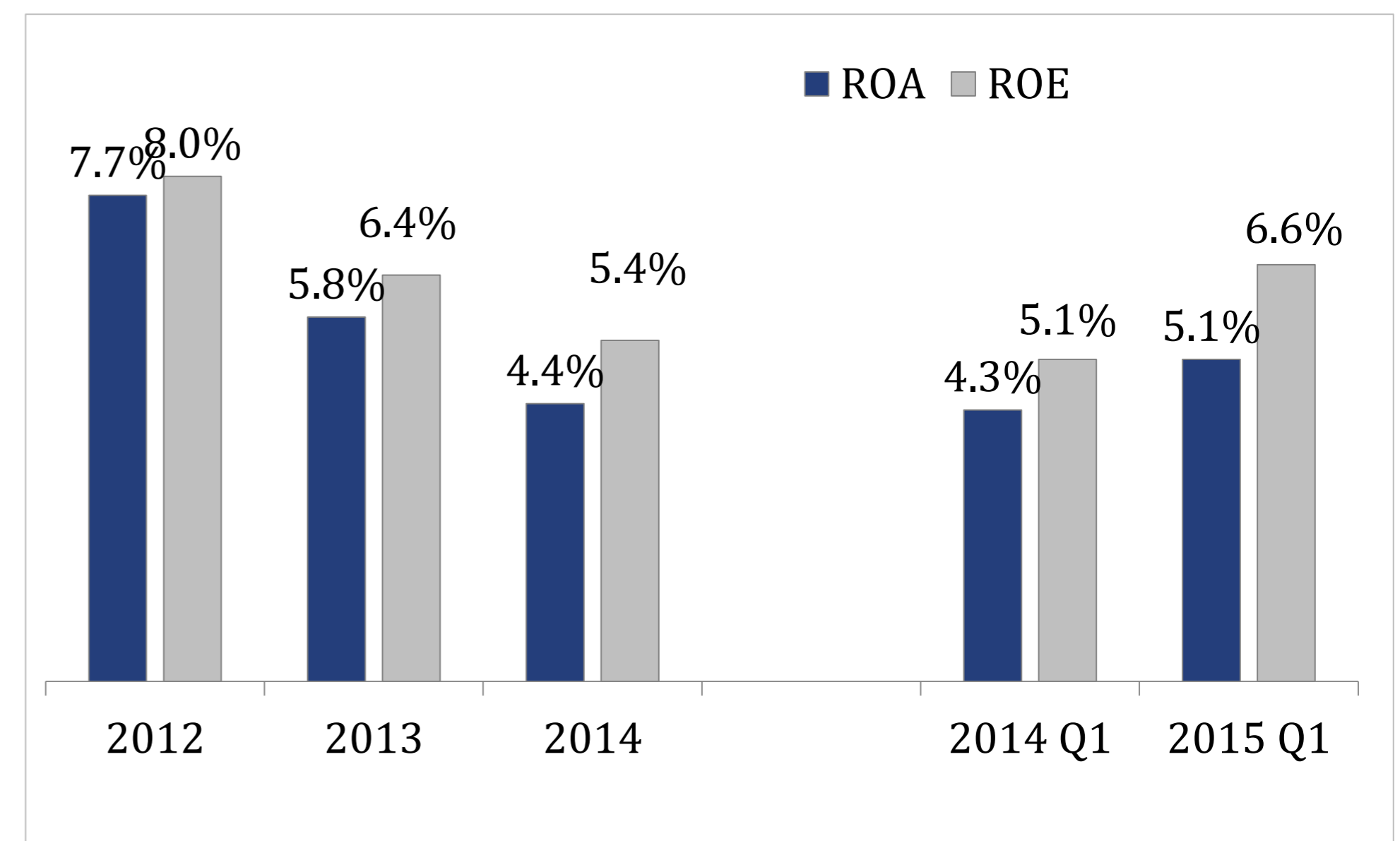
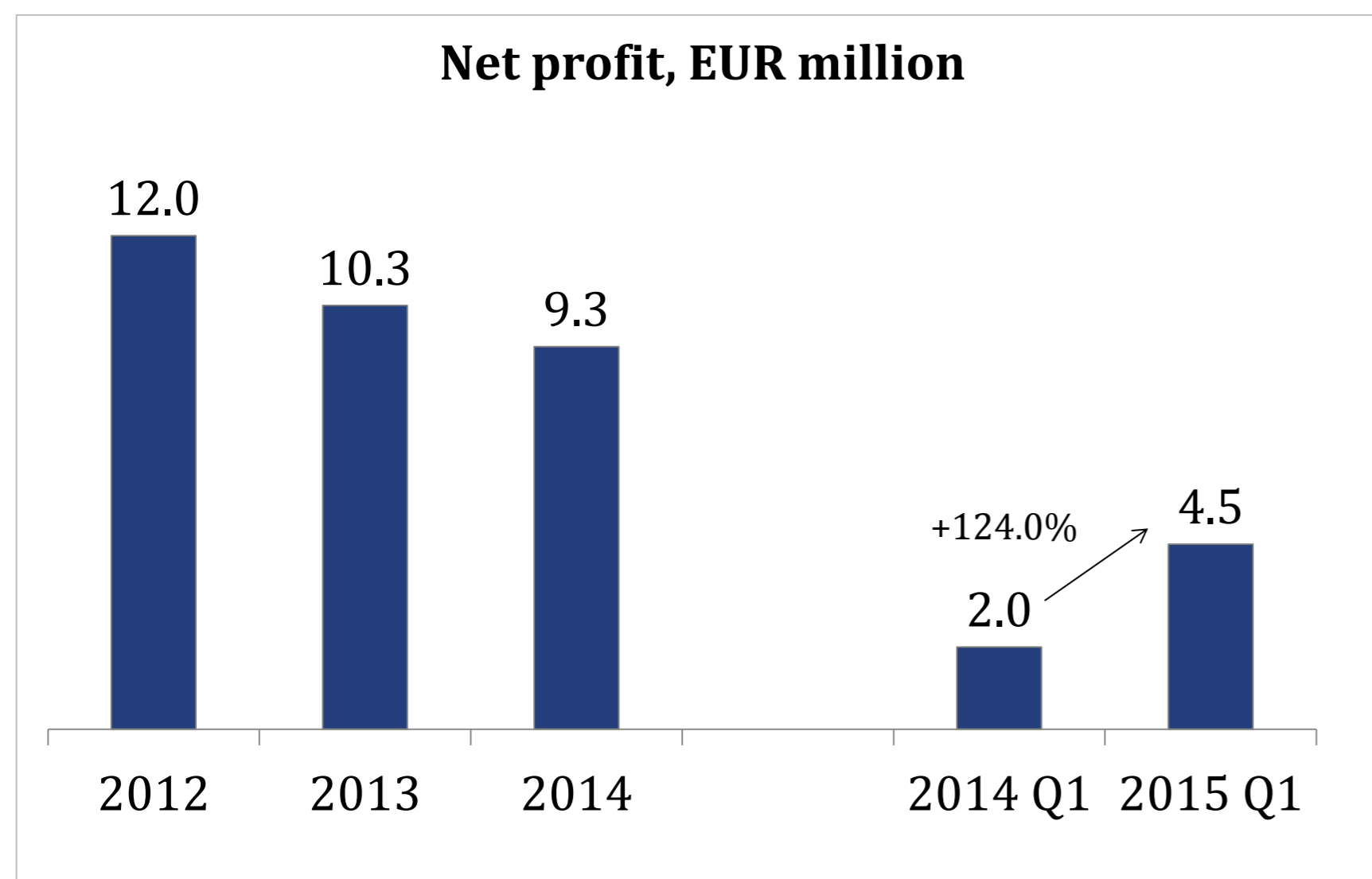
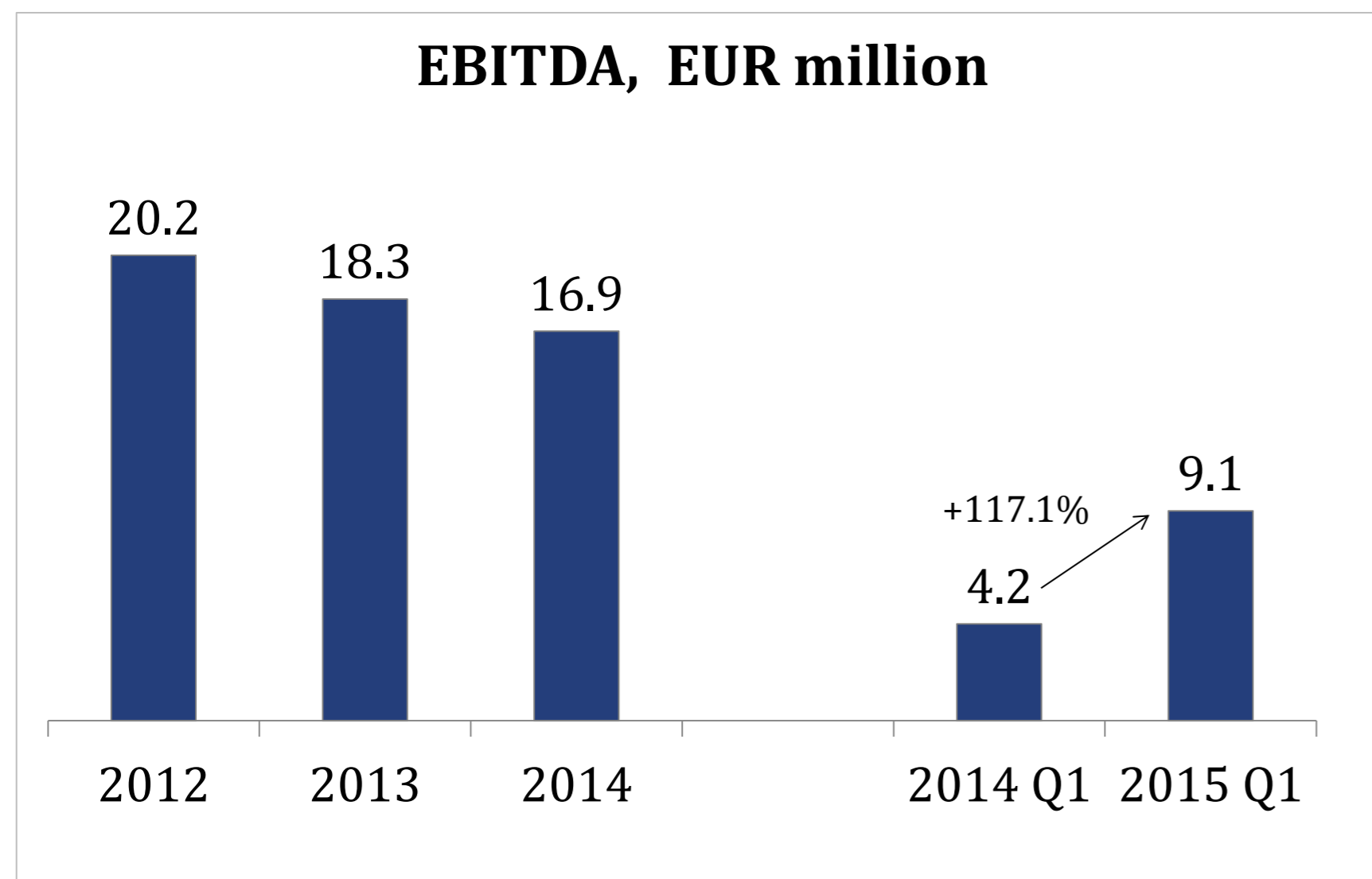


Total sales revenues of the Company increased by 197.6% to EUR 26.6 million for the Q1 2015.

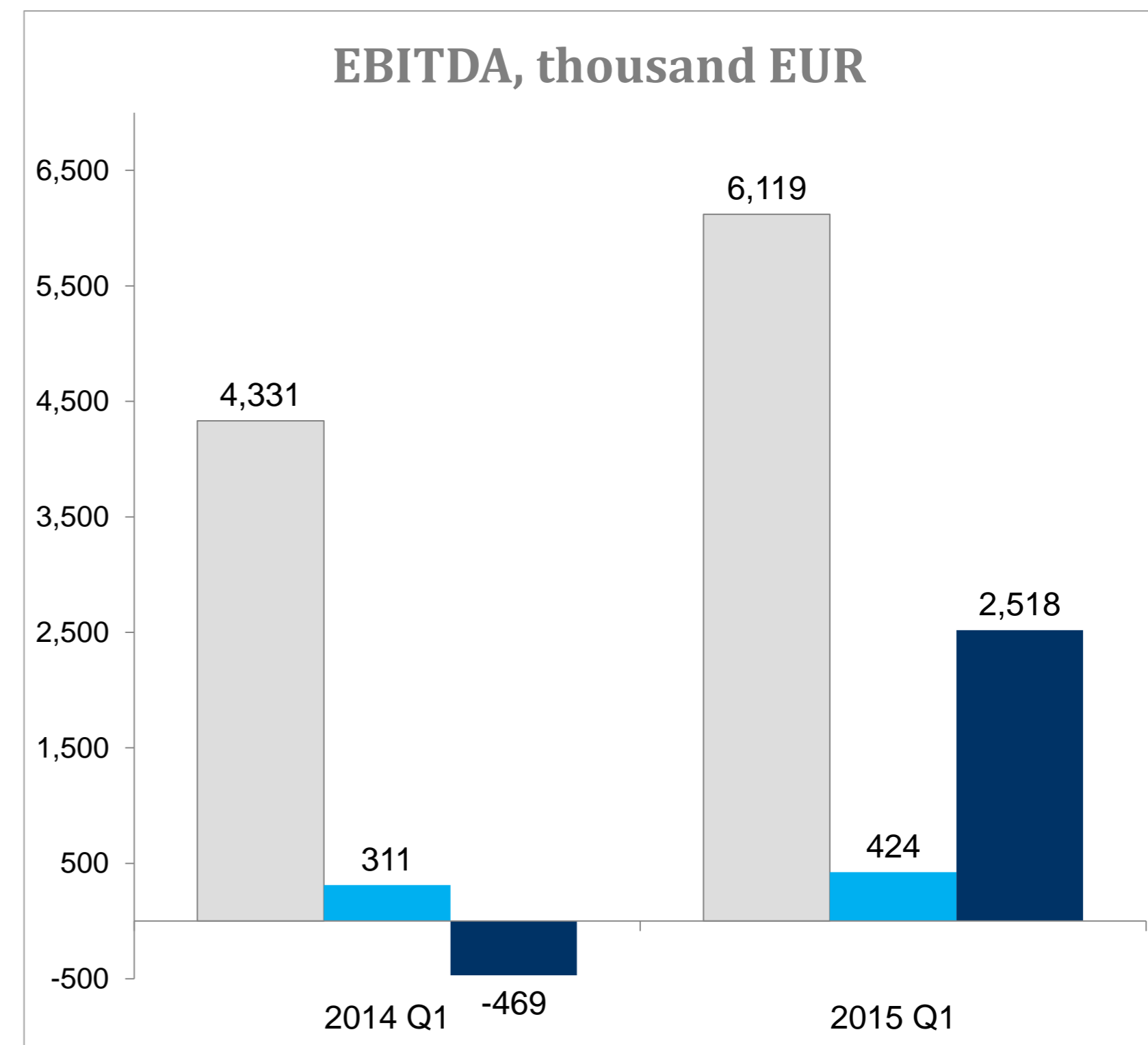
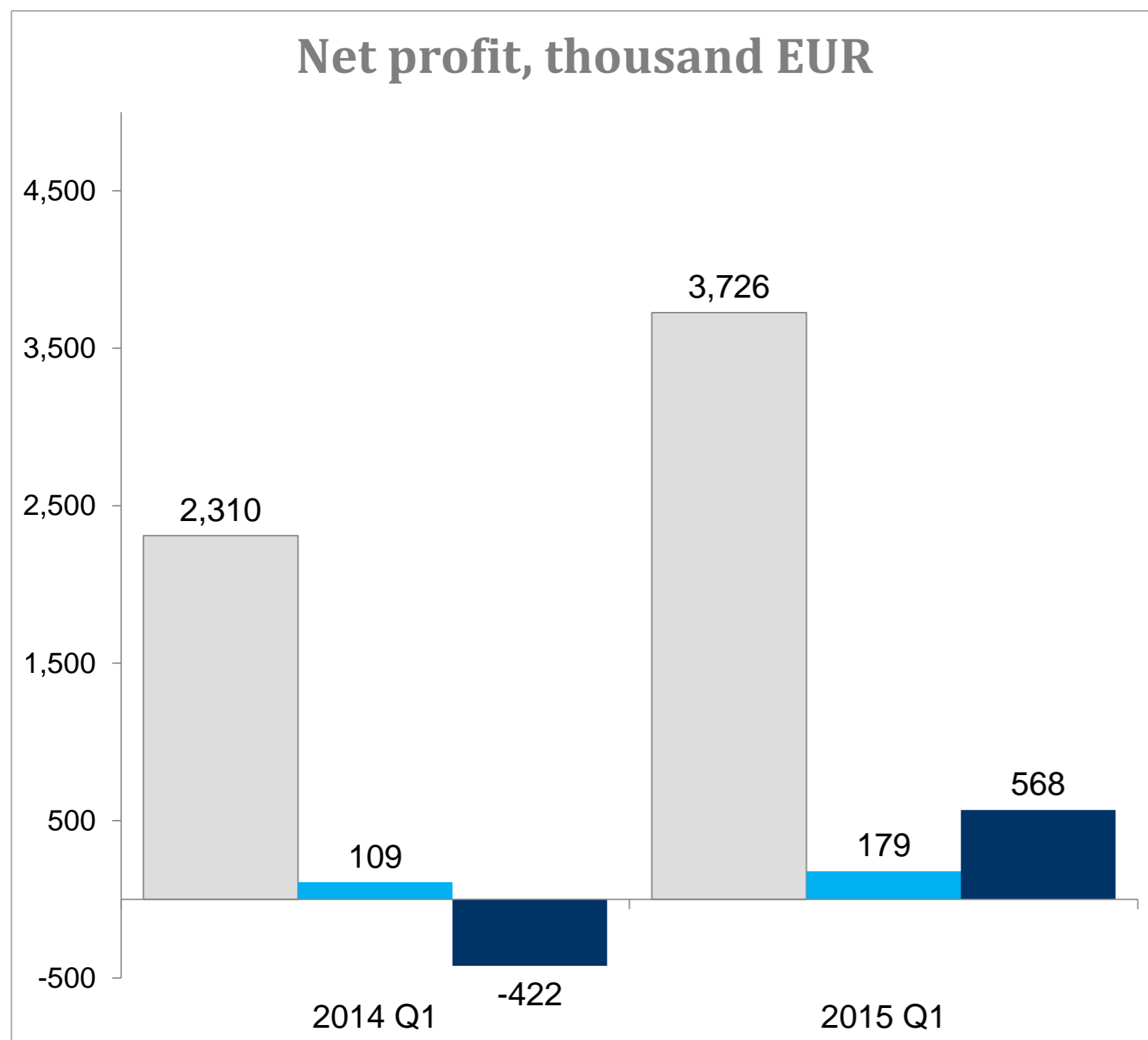
- LNG terminal sales revenue during the first three months of 2015 comprising EUR 16.2 million (60.8% of total sales revenue of the Company). The LNG terminal operation started on 27<sup>th</sup> of November 2014.
- Oil terminal sales revenue increased by 16.4% or EUR 1.4 million. The increase is from the higher transshipment volume (+31%).



# Main financial ratios



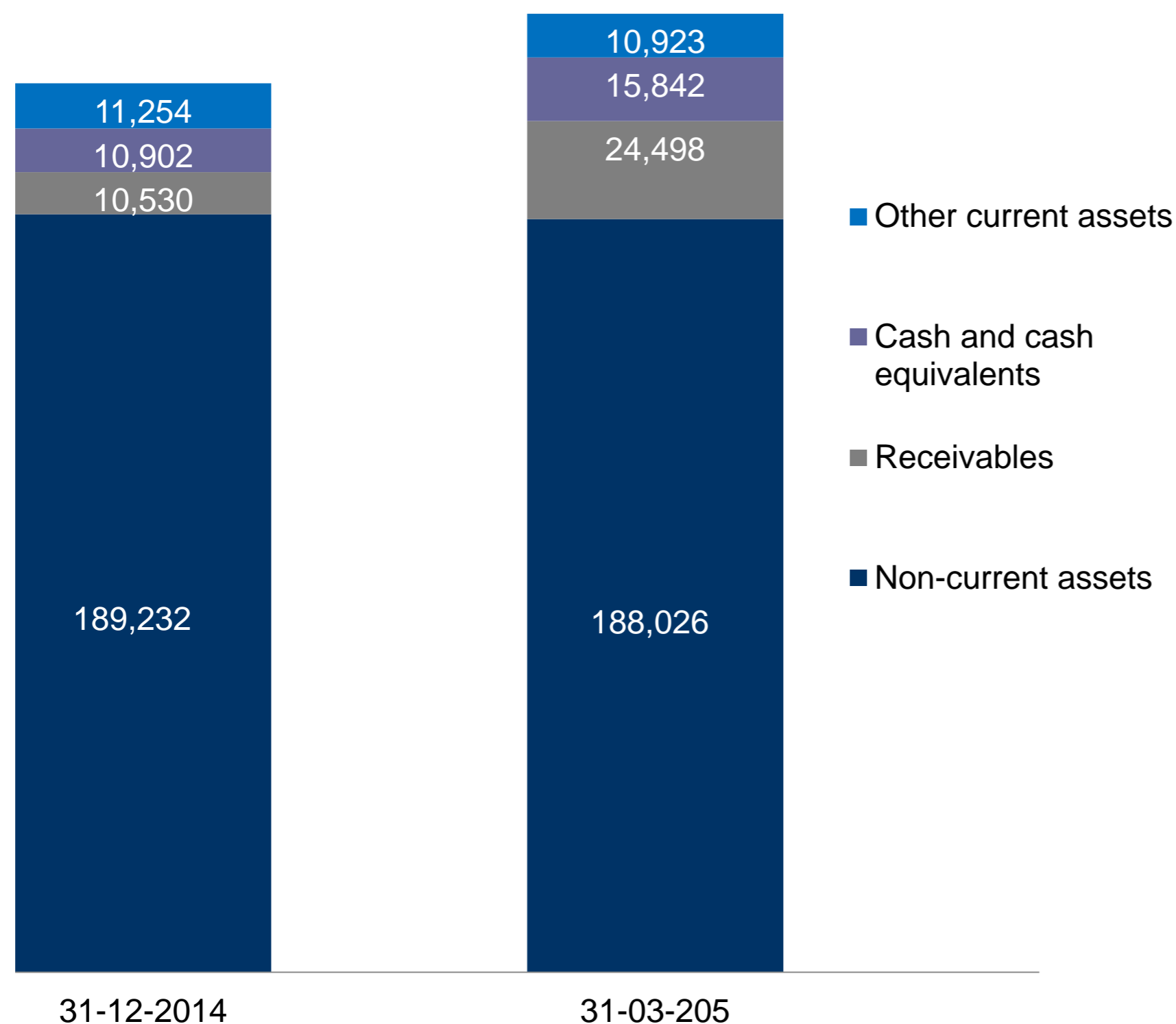
# Main financial ratios - segments



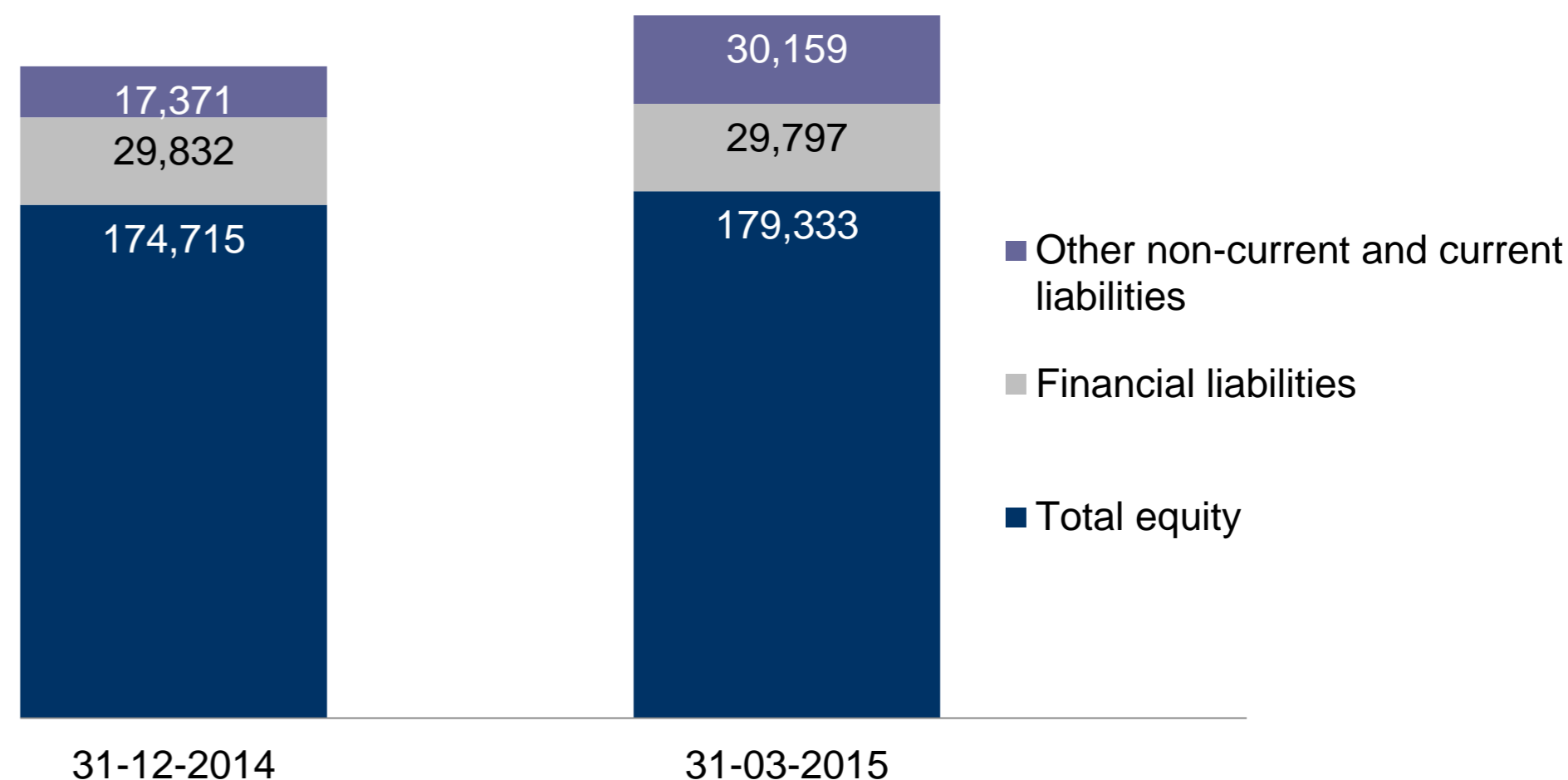
Oil terminal activity
  Subacius fuel base activity
  LNG terminal activity

# Assets, equity and liabilities

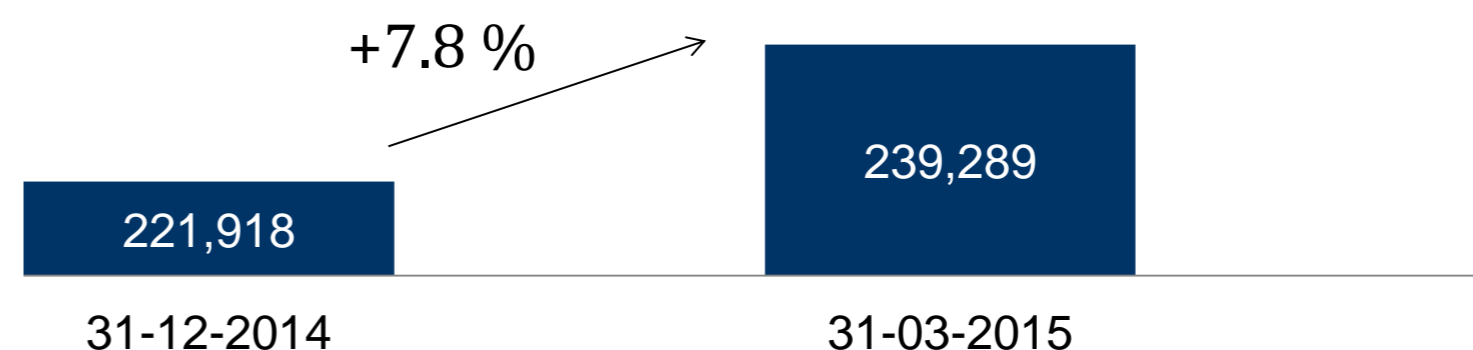
### Assets, thousand EUR



### Equity and liabilities, thousand EUR



### Total assets, thousand EUR



- **Non-current assets** comprise 78.6% of total assets
- **Cash and cash equivalents** amounted 6.6% of total assets
- **Trade and other receivables** increased to EUR 24.5 million (2.3 times) because of not collected security supplement to the natural gas price (SC Achema overdue); total debt as of 31-03-2015 comprise EUR 18.2 million
- **Assets turnover ratio:** 0.12 (31-03-2014 – 0.05)

- **Total equity** amounted to 74.9 % of the total assets (31-03-2015).
- **Non-current liabilities amounted** EUR 31.2 million, including European Investment Bank loan comprising EUR 29.8 million.
- **Debt to assets ratio**– 0.25 (0.20 – 31-12-2014)
- **Gross liquidity ratio** – 1.78.

## The main directions of the investments of the Company:

- To increase the oil terminal's flexibility in accepting different types of oil products;
- To ensure the compliance with environmental and fire safety requirements;
- The implementation of the LNGT Project.
- **Implementation of the onshore LNG reloading station**

Total investments into the non-current assets during the first quarter of 2015 comprise EUR 1.8 million. The major part of investments were allocated to the finalizing works of the construction of the LNG terminal infrastructure.

## ➤ LNG onshore reloading station project

As of 1st January 2015, Klaipėdos Nafta has successfully started commercial operations of its floating storage and regasification unit (FSRU) named *Independence*, providing LNG regasification and reloading services on a third-party-access basis.

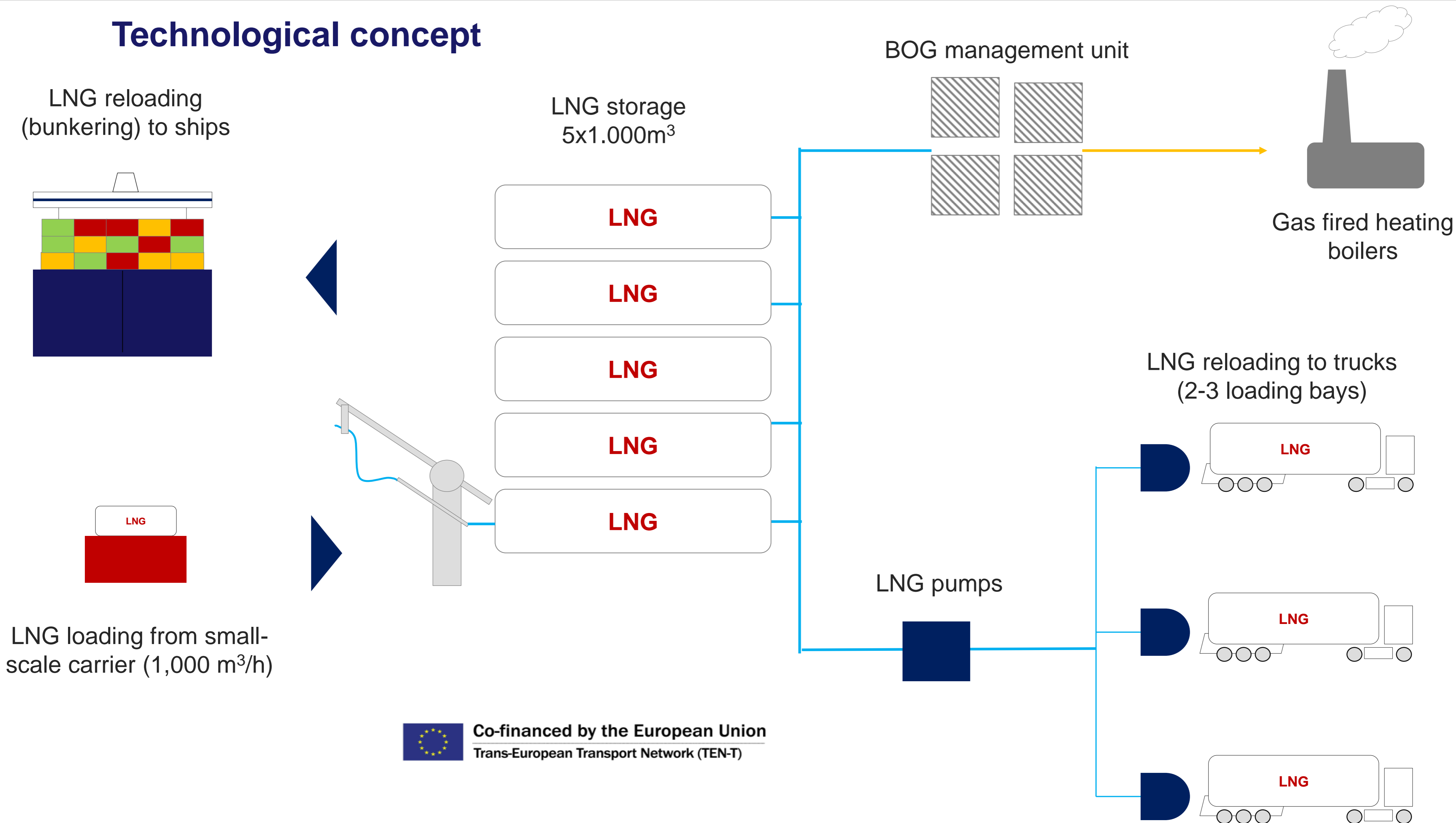
The Company intends to construct an on-shore small-scale LNG reloading station in the port of Klaipėda. With this station the Company will be able to offer small scale LNG services, e.g. loading services for trucks, serving the increasing demand for LNG in the Baltic States and Poland.

Bomin Linde LNG, Germany based LNG provider of LNG as marine fuel, intends to become the user of the Klaipėda LNG terminal and to book regulated LNG reloading capacities in order to use the facility as the regional break-bulking hub for the Baltic Sea. The companies also agreed to jointly explore the possibilities to develop a bunkering vessel.

The Company and French company Sofregas in March 2015 have started the LNG reloading station Front-end Engineering Design (FEED) preparation and environment impact assessment. This is a second step in order to start the construction of the reloading station. At the first stage of analysis the technological study and concepts were made, i.e. made deep analysis of the LNG reloading station location and technological concept (see the following two pages for more).

After preparation of the FEED the construction are free to commence. As it was during the construction of the first LNG terminal in the Baltics, the same is followed now, expanding the infrastructure of the LNG, - all legal, environmental and other regulatory requirements are followed step by step very responsibly and all the required procedures are made. At the same time the negotiations are in progress with the potential clients/users of the LNG reloading station. In the nearest future the first preliminary contracts for the LNG capacities usage are to be signed.

## Technological concept



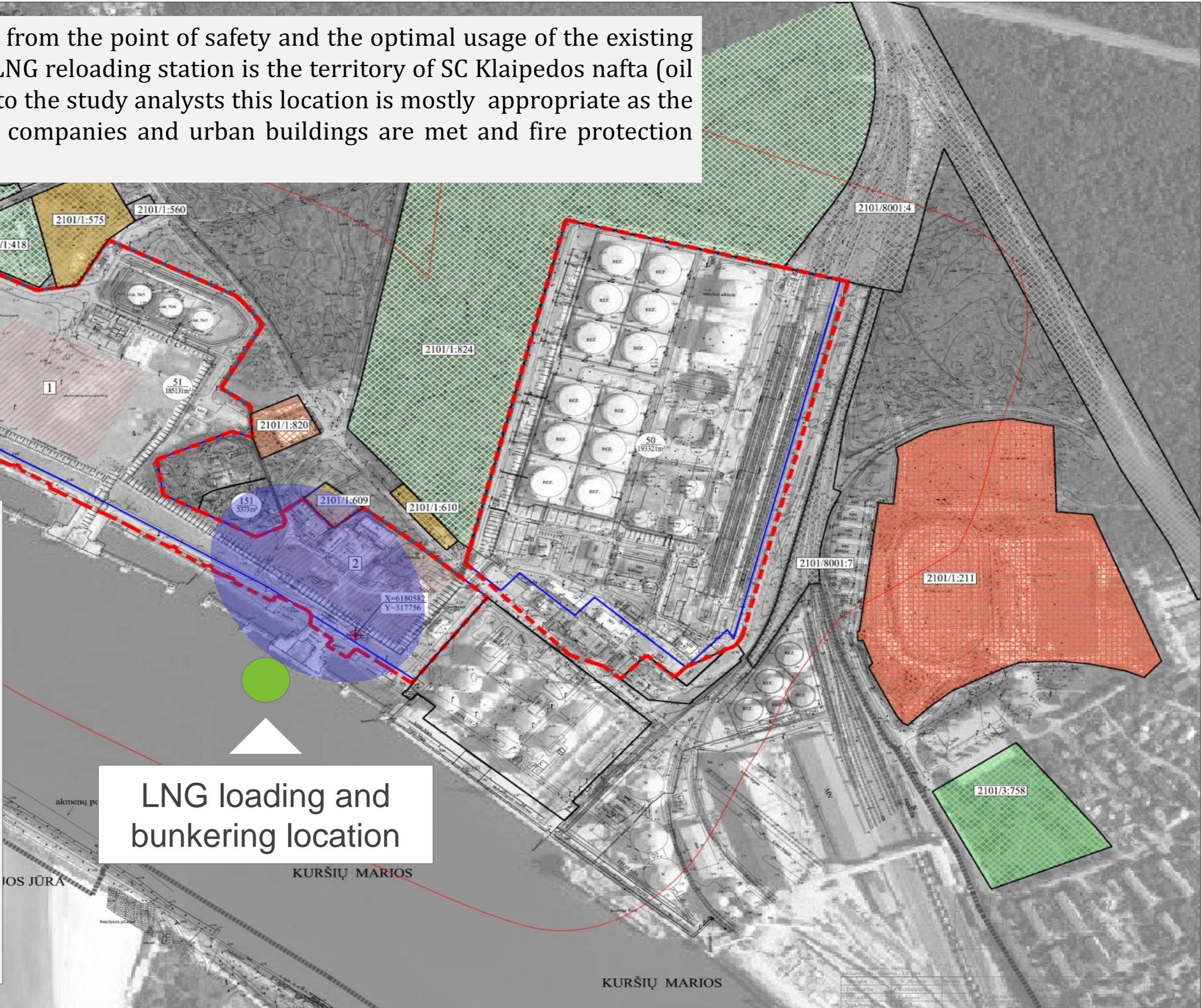
 Co-financed by the European Union  
Trans-European Transport Network (TEN-T)



# LNG onshore reloading station project (2)

After evaluation it has been confirmed that from the point of safety and the optimal usage of the existing infrastructure the optimal location for the LNG reloading station is the territory of SC Klaipėdos nafta (oil terminal) next to the Jetty no. 2. According to the study analysts this location is mostly appropriate as the safe distance requirements from neighbor companies and urban buildings are met and fire protection systems are in place.

- Synergies with the oil terminal**
- ✓ Boil off would feed existing boilers
  - ✓ Existing jetty sufficient to hold required equipment
  - ✓ Existing firefighting systems
  - ✓ Instrument air and electrical systems
  - ✓ Qualified staff
  - ✓ Existing sufficient security measures
  - ✓ Truck loading performed already (light oil products)
  - ✓ Safe distance from neighbors



LNG loading and bunkering location



On the 22<sup>th</sup> of the January 2015 in the annual Baltic Market Awards (BMA), organized by the Nasdaq, Klaipėdos nafta became the winner in the category “**The Most Visible Improvement over the Year**” and was invited to ring the Opening Bell at Nasdaq Market Site in Times Square, New York by Bob Greifeld, CEO of Nasdaq.

On the 28<sup>th</sup> of January, 2015 At the 8<sup>th</sup> annual European Gas Conference 2015, in Vienna, Klaipėdos nafta won the **Project of the Year award** for the implementation of the Liquefied Natural Gas (LNG) Terminal project. Company was one of four nominees among such well-known companies like Shell and Total Gas & Power.



During the Transport Week, one of the most important transport events in Central and Eastern Europe, took place on March 17-19<sup>th</sup> 2015 in Gdańsk, Poland, the Company was awarded the Baltic Trendsetters Club Certificate for developing the floating LNG terminal Independence and rearranging the Baltic's gas market through one ship call.

- As at 24 March 2015 all the shares of the Company were owned by 1,838 shareholders. Main shareholder is The Republic of Lithuania, represented by the Ministry of Energy of the Republic of Lithuania, holding 72.31 % of shares (275,241,290 unit).
- On 30<sup>th</sup> of April, 2014 the general meeting of shareholders distributed the Company's profit of 2014 in the total sum - EUR 9,257 thousand, available for appropriation and approved the payment of dividends for the shareholders amounting EUR 0.0002432210 per share (total amount allocated for the dividends comprise 92,571 EUR).

Since 2003 the shares of the Company are listed on **NASDAQ OMX Vilnius** stock exchange:

- ISIN code - LT0000111650
- Abbreviation - KNF1L
- Share emission (pcs.) - 380,606,184

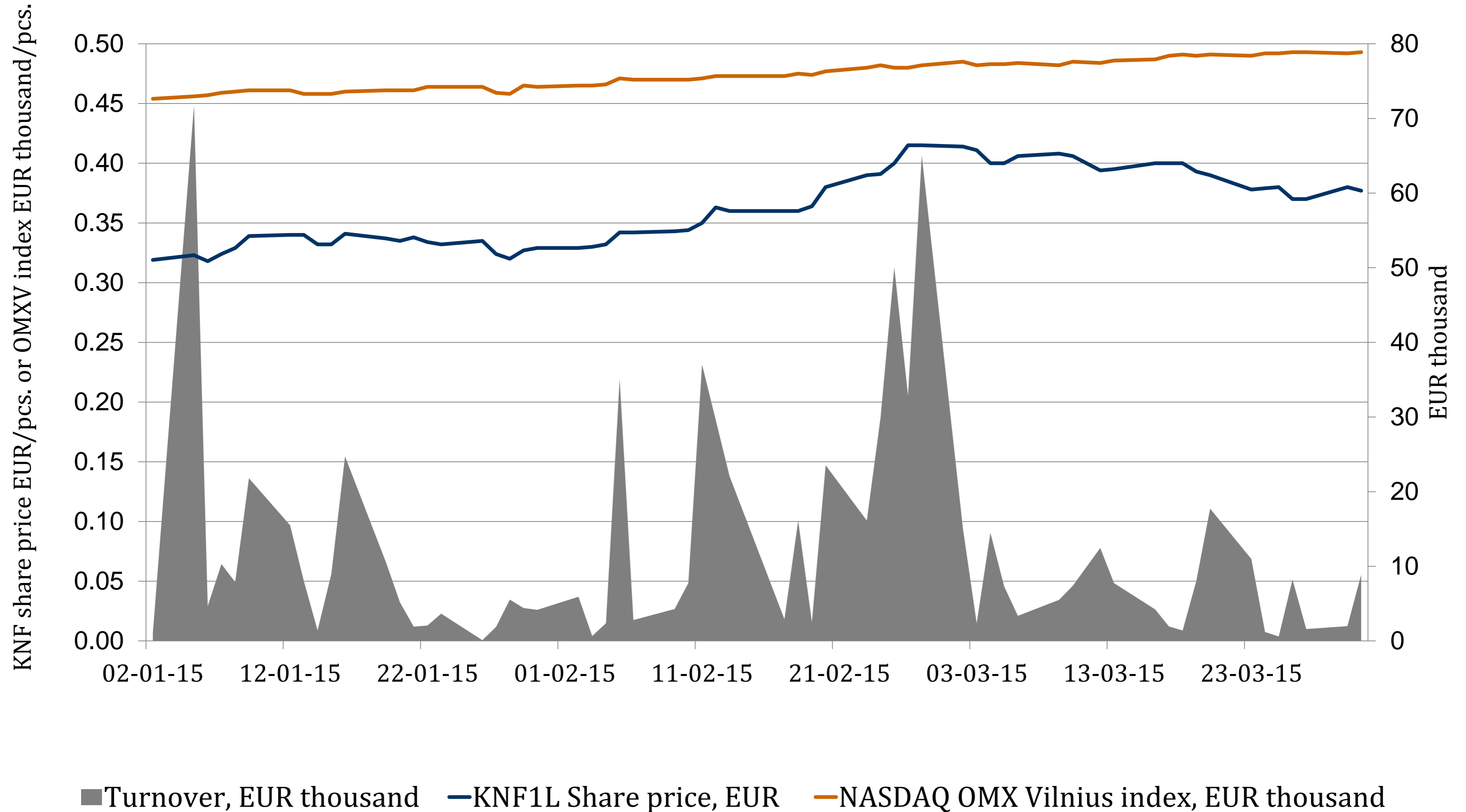
Turnover in Vilnius stock exchange during January - March months of 2015 was EUR 0.7 million.

As of 31 March 2015 the Company's market capitalization was EUR 143.5 million.

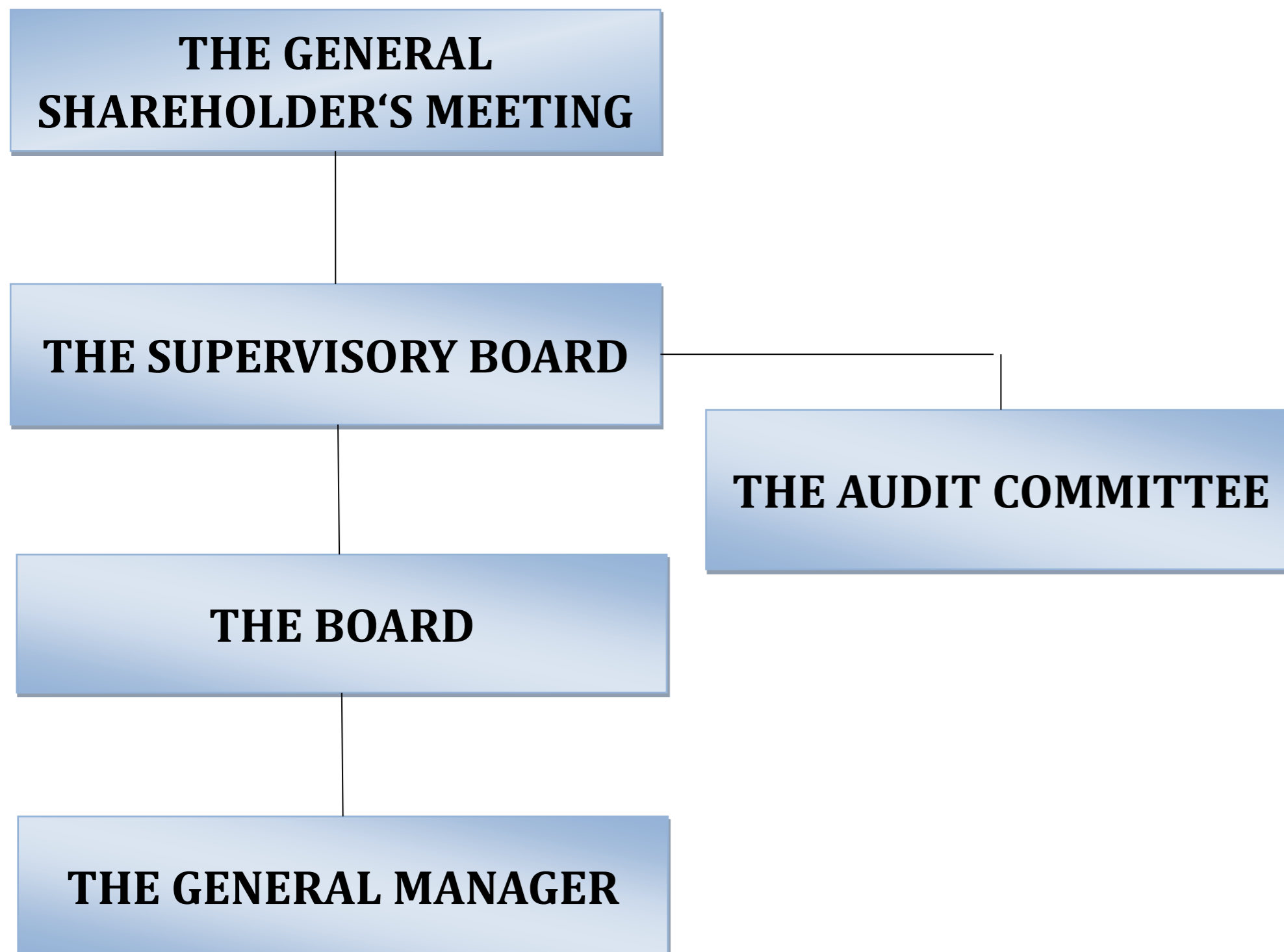
## DYNAMICS OF THE SHARE PRICE AT NASDAQ OMX VILNIUS DURING JANUARY-MARCH MONTHS OF 2015

	Highest share price	Lowest share price	Share price at the end of period	Average share price	Turnover, unit	Turnover, EUR
<b>EUR</b>	0.415	0.318	0.377	0.363	1,251,533	744,351

# Dynamics of KNF1L share price, turnover and NASDAQ OMX Vilnius index during January – March of 2015



## Organizational management bodies



- **30 April 2015** the General Meeting of Shareholders of the Company appointed Audit firm –“Ernst & Young Baltic” UAB to audit financial statements of the years 2015-2016.
- **The Supervisory Board** comprise of 3 (three) members.
- **The Audit Committee** comprise of 2 (two) members (after 26 -01-2015).
- **The Board** comprise of 4 (four) members.
- The Supervisory Board by the decision taken **on 26<sup>th</sup> of January, 2015**, approved the resignation of an independent member of the Audit Committee, as well as the Chairman of the Audit committee - Mr. Simonas Rimašauskas as from 31<sup>rd</sup> of January, 2015, due to the other business position held.

**Rytis Ambrazevičius**

**Independent Member** of the Board of the Company. Elected as the Board member by the Supervisory Board on 24 October 2011. The Supervisory renewed the mandate on 29 April 2014 for 4 years or until the time, when the new Board is elected and starts acting.

**Mindaugas Jusius**

**Independent Member** of the Board of the Company. Elected as the Board member by the Supervisory Board on 24 October 2011. The Supervisory renewed the mandate on 29 April 2014 for 4 years or until the time, when the new Board is elected and starts acting.

**Dainius Bražiūnas**

Member of the Board of the Company. Elected as the Board member by the Supervisory Board on 25 August 2014 until the term of office of the acting Board of Company.

**Mantas Bartuška**

Member of the Board of the Company, General Manager. Elected as the Board member by the Supervisory Board on 25 September 2014 until the term of office of the acting Board of Company.

- There is no permanent Chairman of the Board elected, therefore, the Chairman of the Board is elected from the Board members every meeting by ad hoc principle.

# The Directors of the Company



**Mantas Bartuška**  
General Manager



**Osvaldas Sabaliauskas**  
Deputy General Manager of the  
Company



**Marius Pulkauninkas**  
Director of Finance and Administration  
Department



**Gediminas Vitkauskas**  
Director of Oil terminal department



**Tadas Matulionis**  
Director of the LNG terminal  
department



**Darius Turčinskis**  
Acting Director of Commerce  
department

- From the **17th of February, 2015** Director of the LNGT department - Tadas Matulionis (previously deputy Director of the LNGT Department).

# THANK YOU FOR YOUR ATTENTION!

Stock company Klaipedos nafta

Company code 1106488893

VAT payer code LT06488917

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