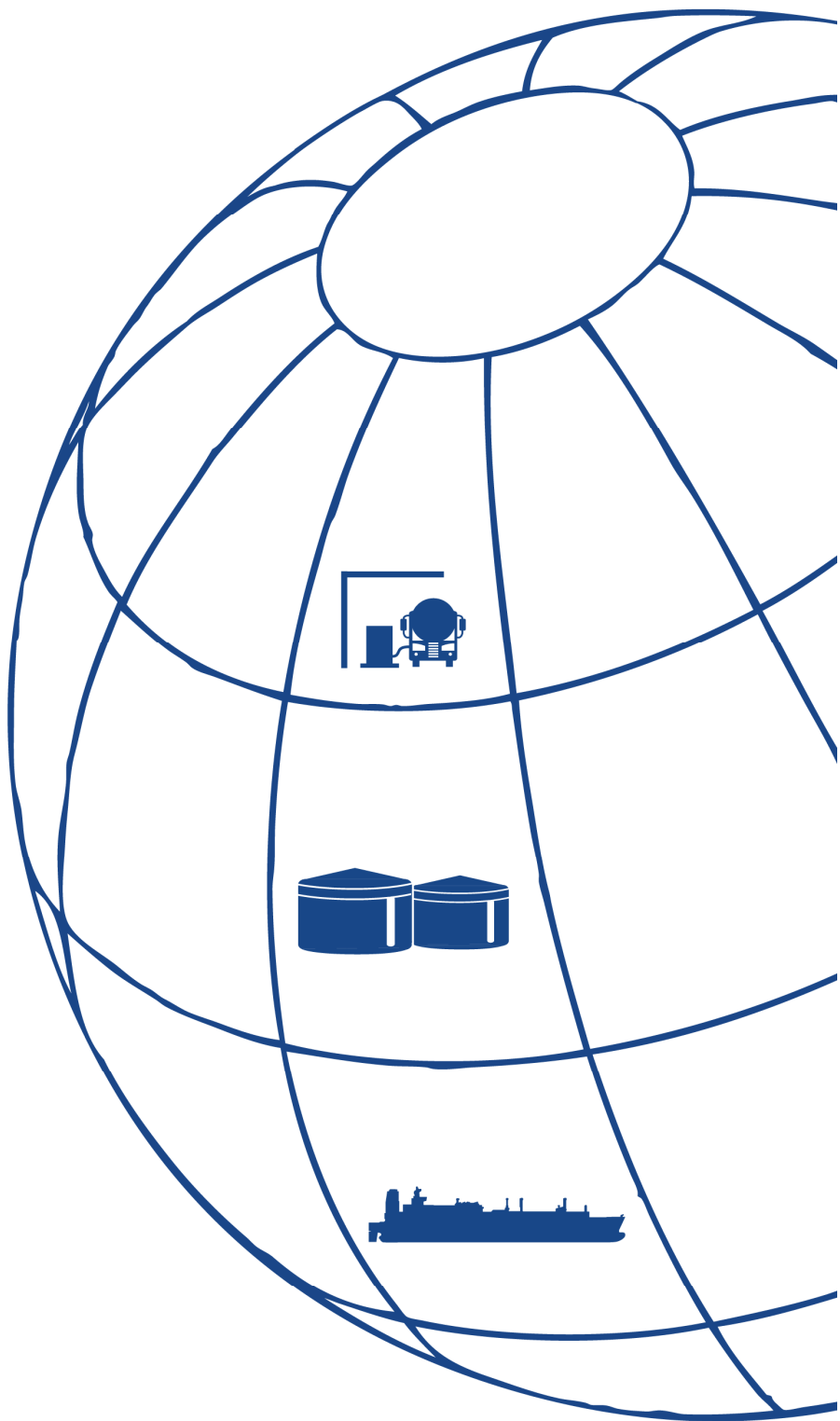




**KLAIPĖDOS NAFTA**  
S T O C K C O M P A N Y



**SC KLAIPĖDOS NAFTA**

**INTERIM CONDENSED FINANCIAL STATEMENTS,  
PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS,  
AS ADOPTED BY THE EUROPEAN UNION**

**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016  
(UNAUDITED)**

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## Statement of financial position

	Notes	<u>30-09-2016</u>	<u>31-12-2015</u>
		<i>(unaudited)</i>	<i>(unaudited)</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		395	508
Property, plant and equipment	3	180,072	176,821
Long-term receivables	5	2,971	2,401
Investment into subsidiaries		200	200
Investment into associates		144	144
<b>Total non-current assets</b>		<b><u>183,782</u></b>	<b><u>180,074</u></b>
<b>Current assets</b>			
Inventories	6	1,428	1,727
Prepayments		356	415
Trade receivables	7	11,483	27,716
Other receivables	8	227	1,027
Assets held for sale		4,040	4,040
Cash and cash equivalents	9	44,066	23,788
<b>Total current assets</b>		<b><u>61,600</u></b>	<b><u>58,713</u></b>
<b>Total assets</b>		<b><u>245,382</u></b>	<b><u>238,787</u></b>

*(cont'd on the next page)*

Explanatory note, set out on pages 8 - 14, is an integral part of these financial statements.

## Statement of financial position (cont'd)

	Notes	30-09-2016 <i>(unaudited)</i>	31-12-2015 <i>(unaudited)</i>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1	110,376	110,376
Share premium		3,913	3,913
Legal reserve		9,209	8,107
Reserve for own shares		15,929	15,929
Other reserves		39,748	36,443
Retained earnings		13,042	22,036
<b>Total equity</b>		<b>192,217</b>	<b>196,804</b>
<b>Non-current amounts payable and liabilities</b>			
Deferred income tax liability		1,498	1,327
Non-current employee benefits		268	202
Loan	10	29,693	29,693
Grants related to assets		1,425	209
<b>Total non-current amounts payable and liabilities</b>		<b>32,884</b>	<b>31,431</b>
<b>Current amounts payable and liabilities</b>			
Loan	10	43	44
Trade payables	11	9,354	6,965
Payroll related liabilities	12	2,362	2,116
Income tax payable		525	106
Prepayments received		6,311	823
Other payables and current liabilities	13	1,686	498
<b>Total current amounts payable and liabilities</b>		<b>20,281</b>	<b>10,552</b>
<b>Total equity and liabilities</b>		<b>245,382</b>	<b>238,787</b>

Explanatory note, set out on pages 8 - 14 an integral part of these financial statements.

## Statement of comprehensive income

	Notes	For the nine months period ended 30 September 2016 <i>(unaudited)</i>	For the three months period ended 30 September 2016 <i>(unaudited)</i>	For the nine months period ended 30 September 2015 <i>(unaudited)</i>	For the three months period ended 30 September 2015 <i>(unaudited)</i>
Sales	15	80,284	22,936	78,887	25,016
Cost of sales	16	<u>(61,913)</u>	<u>(19,878)</u>	<u>(60,008)</u>	<u>(19,500)</u>
<b>Gross profit</b>		18,371	3,058	18,879	5,516
Operating expenses		(3,910)	(1,527)	(3,275)	(1,203)
Other income		37	13	230	55
<b>Profit from operating activities</b>		<u>14,498</u>	<u>1,544</u>	<u>15,834</u>	<u>4,368</u>
Income from financial activities	17	43	32	692	217
Loss from financial activities	17	(262)	(99)	(1,209)	(155)
<b>Profit before income tax</b>		<u>14,279</u>	<u>1,477</u>	<u>15,317</u>	<u>4,430</u>
Income tax expense		<u>(1,237)</u>	<u>(157)</u>	<u>(2,222)</u>	<u>(792)</u>
<b>Net profit</b>		13,042	1,320	13,095	3,638
Other comprehensive income (expenses)		-	-	-	-
Items that will not be subsequently reclassified to profit or loss		-	-	-	-
Items that may be subsequently reclassified to profit or loss		-	-	-	-
<b>Total comprehensive income</b>		<u>13,042</u>	<u>1,320</u>	<u>13,095</u>	<u>3,638</u>
Basic and diluted earnings (losses) per share, in EUR	17	0.03	0.003	0.03	0.01

Explanatory note, set out on pages 8 - 14, is an integral part of these financial statements.

## Statement of changes in equity

	Notes	Share capital	Share premium	Legal reserve	Reserve for own shares	Other reserves	Retained earnings	Total
<b>Balance as at 31 December 2014 (audited)</b>		110,232	3,913	7,644	15,929	27,740	9,257	174,715
Net profit for the nine months		-	-	-	-	-	13,095	13,095
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	13,095	13,095
Dividends declared		-	-	-	-	-	(92)	(92)
Transfers between reserves		-	-	463	-	8,702	(9,165)	-
Currency conversion difference		144	-	-	-	-	-	144
<b>Balance as at 30 September 2015 (unaudited)</b>		110,376	3,913	8,107	15,929	36,442	13,095	187,863
<b>Balance as at 31 December 2015 (audited)</b>		110,376	3,913	8,107	15,929	36,443	22,036	196,804
Net profit for the nine months		-	-	-	-	-	13,042	13,042
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	13,042	13,042
Dividends declared		-	-	-	-	-	(17,629)	(17,629)
Transfers between reserves		-	-	1,102	-	3,305	(4,407)	-
<b>Balance as at 30 September 2016 (unaudited)</b>		110,376	3,913	9,209	15,929	39,748	13,042	192,217

Explanatory note, set out on pages 8 - 14, is an integral part of these financial statements.

## Cash flow statement

	Notes	For the nine months period ended 30 September 2016 <i>(unaudited)</i>	For the nine months period ended 30 September 2015 <i>(unaudited)</i>
<b>Cash flows from operating activities</b>			
Net profit	17	13,042	13,095
Adjustments for noncash items:			
Depreciation and amortization	3	9,883	9,597
Change in vacation reserve	12	21	(68)
Impairment and write-off (reversal) of non-current tangible assets		(17)	(133)
Change in non-current liabilities for employees		67	(118)
Impairment of inventory value	6	101	164
Other non-cash adjustments		-	145
Accrued income	5	243	(340)
Income tax expenses		1,237	2,222
Change in allowance for doubtful receivables		(1)	(1)
Interest income	16	(2)	(17)
		<u>24,574</u>	<u>24,546</u>
<b>Changes in working capital</b>			
(Increase) decrease in inventories		161	(217)
Decrease (increase) in prepayments		59	636
Decrease (increase) in trade and other accounts receivable		16,221	(7,335)
Increase (decrease) in trade and other payables		850	(5,513)
(Decrease) increase in prepayments received		5,081	7,418
Increase (decrease) in other current liabilities and payroll related liabilities		225	604
		<u>47,171</u>	<u>20,139</u>
Income tax (paid)		(648)	(931)
Interest received	16	2	17
Net cash flows from operating activities		<u>46,525</u>	<u>19,225</u>
<b>Cash flows from investing activities</b>			
(Acquisition) of property, plant, equipment and intangible assets		(10,240)	(6,106)
Sales of investments held-to-maturity		-	8,284
(Acquisition) of other Investments		-	(38)
Grants, subsidies		1,216	89
Dividends (received)		407	-
Net cash flows from investing activities		<u>(8,617)</u>	<u>2,229</u>
<b>Cash flows from financing activities</b>			
Dividends (paid)		(17,629)	(92)
Loans (received)		126	302
Interest (paid)		(127)	(289)
Net cash flows from financing activities		<u>(17,630)</u>	<u>(79)</u>
<b>Net increase (decrease) in cash flows</b>		<b>20,278</b>	<b>21,375</b>
<b>Cash and cash equivalents on 1 January</b>	9	<u>23,788</u>	<u>10,902</u>
<b>Cash and cash equivalents on 30 September</b>	9	<u>44,066</u>	<u>32,277</u>

Explanatory note, set out on pages 8 - 14, is an integral part of these financial statements.

## EXPLANATORY NOTES TO FINANCIAL STATEMENTS

### 1 General information

Stock Company 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 are holding oil terminal supplies, oil products transshipment services and other related services, as well as the liquefied natural gas terminal (hereinafter referred to as “LNGT”) to receive and store liquefied natural gas, regasify it and supply it to Gas Grid.

National Commission for Energy Control and Prices (hereinafter referred to as “NCC”) issued Natural Gas Regasification License to the Company on 27 November 2014.

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

As of 30 September 2016 all the shares were owned by 1,929 shareholders, The Company’s share capital – EUR 110,375,793,36 (one hundred tenmillion three hundred seventy-five thousand seven hundred ninety-three) and 36 cents is fully paid, It is divided into 380,606,184 (three hundred eighty million six hundred six thousand one hundred eighty-four) ordinary shares with a par value of twenty nine(0,29) euro cents, 72,32 % of the shares (275,241,290 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 the nine months of the year 2016 and 2015, The Company’s shares are listed in the Baltic Secondary List on the NASDAQ OMX Vilnius Stock Exchange (ISIN code LT0000111650, abbreviation KNF1L).

As of 30 September 2016 and 30 September 2015 the shareholders of the Company were:

	30 September 2016		30 September 2015	
	Number of shares held (thousand)	Part of ownership (%)	Number of shares held (thousand)	Part of ownership (%)
State of Lithuania represented by the Ministry of Energy (Gediminas av, 38/2, Vilnius, 302308327)	275,241	72,32	275,241	72,32
Concern JSC Achemos grupė (Jonalaukis village, Jonava district, 156673480)	38,975	10,24	38,975	10,24
Other (less than 5 per cent each)	66,390	17,44	66,390	17,44
<b>Total</b>	<b>380,606</b>	<b>100,00</b>	<b>380,606</b>	<b>100,00</b>

The average number of employees on 30 September 2016 was 369 (369 – on 30 September 2015).

### 2 Accounting principles

1 January 2015 - Introduction of the euro in the Republic of Lithuania Day, so this day and accordingly changed the Company's functional currency, The recalculation of the litas to the euro has been applied in the euro exchange rate of conversion and smooth at 3,45280 for 1 euro, which irrevocably set by the EU Council.

The financial statements are presented in Euro and all values are rounded to the nearest thousand (EUR 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 2015, The principles used in preparation of financial statements were presented in more detail in the Notes to the Financial Statements for 2015.

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

The financial year of the Company coincides with the calendar year.

The numbers in tables may not coincide due to rounding of particular amounts to EUR thousand, Such rounding errors are not material in these financial statements.



### 3 Non-current tangible assets

During the nine months of 2016 the Company continued works in the following projects:

- *Liquefied natural gas (LNG) onshore reloading station*, The foreseen start of the Company's LNG reloading station activities and supply of services is the beginning of 2017, Currently, the business unit engaged in this activity required the construction of infrastructure projects and creation of business conditions, As of 30 September 2016 the value of constructions in progress amounted to EUR 8,219 thousand (During the year 2016 investment amounted to EUR 7,790 thousand).
- *Modernization works of fire protection system* – investments for the upgrade of mechanical and automatic sections of the fire protection system, As of 30 September 2016 the value of constructions in progress amounted to EUR 54 thousand (During the year 2016 investment amounted to EUR 22 thousand).
- *LNG sampling system*, In order to ensure the LNG quality parameters there were invested into LNG sampling system, As of 30 September 2016 the value of constructions in progress of LNG sampling system amounted up to EUR 474 thousand (There was no investment in 2016).
- *Road tanker loading station development* - As of 30 September 2016 the value of constructions in progress amounted to EUR 685 thousand (During the year 2016 investment amounted to 685 thousand).
- *Fuel oil tanks (2 po 4400 m3 construction* - As of 30 September 2016 the value of constructions in progress amounted to EUR 824 thousand (During the year 2016 investment amounted to 824 thousand).
- *LFO (i.e, light oil products) storage tanks park development*, Investment for additional 7 (seven) storage tanks to build, As of 30 September 2016 the value of constructions in progress amounted to EUR 1,312 thousand (During the year 2016 investment amounted to 1,312 thousand).
- *Installation works of technological piping for small oil loading parts*, The goal of the investment is to ensure the faster transshipment of the oil product to tank trucks and to expand the Company's technological capacity by increasing the Company's overall volume of tanks, As of 31 September 2016 the value of constructions in progress amounted to EUR 692 thousand (During the year 2016 investment amounted to EUR 692 thousand).
- *Other investment*, As of 31 September 2016 the value of constructions in progress amounted to EUR 1,103 thousand (During the year 2016 investment amounted to EUR 745 thousand).

Part of the Company's property, plant and equipment with the acquisition cost of EUR 30,469 thousand as on 30 September 2016 was completely depreciated (EUR 30,233 thousand on 30 September 2015), however, it was still in operation.

The depreciation of the Company's non-current tangible assets for the nine months of 2016 amounts to EUR 9,737 thousand (EUR 9,614 thousand – in 2015 nine months), EUR 9,592 thousand of amortisation charge has been included into cost of sales (EUR 9,432 thousand - in 2015 nine months), EUR 23 thousand of amortisation charge was transferred to inventory value (EUR 17 thousand – in 2015 nine months), and the remaining amount EUR 122 (EUR 165 – in 2015 nine months) has been included into operating expenses in the Statement of comprehensive income.

### 4 Operating segments

The Management of the Company has identified the following business segments:

- KN – oil terminal in Klaipėda supplying oil products, providing transshipment and other related services.
- SGD – LNG terminal in Klaipėda, which receives and stores liquefied natural gas, regasifies it and supplies to Gas Main.
- SKB - Subačius fuel base in Kupiškis district provides services of long-term storage of oil products and loading of auto-tankers.
- GDP – planned Liquefied natural gas (LNG) onshore reloading station and the foreseen start of the Company's LNG reloading station activities and supply of services is the year 2017, Currently, the business unit engaged in this activity required the construction of infrastructure projects and creation of business conditions.

Main indicators of the business segments of the Company included into the statement of comprehensive income for the financial year as of 30 September 2016 and Statement of financial position as of 30 September 2015, are described below:

For the nine months period ended 30 September 2016	SGD	SKB	GDP	KN	Total
Revenues from external customers	50,531	2,130	-	27,623	80,284
Profit before income tax	3,654	952	(318)	9,991	14,279
Segment net profit	3,338	870	(291)	9,125	13,042
Interest revenue	2	-	-	2	4
Interest expense	(136)	-	-	-	(136)
Depreciation and amortisation	(4,256)	(656)	-	(4,971)	(9,883)
Impairment and write-off of non-current tangible assets (reversal)	-	(1)	-	(24)	(25)
Acquisitions of tangible and intangible assets	(60)	204	-	796	940
Segment total assets	72,389	13,743	8,451	150,799	245,382
Financial liabilities	29,736	-	-	-	29,736
Segment total liabilities	12,777	644	2,329	4,531	20,281

#### 4 Operating segments (cont'd)

For the nine months period ended 30 September 2015	SGD	SKB	GDP	KN	Total
Revenues from external customers	48,551	1,788	-	28,548	78,887
Profit before income tax	2,069	677	(218)	12,789	15,317
Segment net profit	1,769	579	(199)	10,946	13,095
Interest revenue	3	-	-	14	17
Interest expense	(201)	-	-	-	(201)
Depreciation and amortisation	(3,829)	(632)	-	(5,135)	(9,596)
Acquisitions of tangible and intangible assets	5,259	137	-	685	6,081
Segment total assets	84,729	13,603	300	139,741	238,373
Financial liabilities	29,760	-	-	-	29,760
Segment total liabilities	47,207	585	163	2,555	50,510

#### 5 Long-term receivables and accrued income

	30-09-2016	31-12-2015
Long-term accrued income	2,971	2,401

Subačius fuel storage reservoirs rent agreement signed with the Lithuanian petroleum products Agency in 2012 for the duration of 10 years is treated as operating leasing contract, The rent tariffs are different for the first 5, 5 years and for the remaining period, Therefore the rent income are recognised on a straight line basis over the lease term, i.e, the income are calculated on average tariff of the all leasing term (10 years),

#### 6 Inventories

	30-09-2016	31-12-2015
Diesel fuel for the Terminal purpose	957	1,071
Oil products for sale	168	331
Liquefied natural gas in the connecting pipeline	50	50
Fuel for transport and other equipment	22	35
Spare parts, construction materials and other inventories	1,429	1,337
Total inventories	2,626	2,824
Write-down of spare parts, construction materials and other inventories	(1,198)	(1,097)
	1,428	1,727

As of 30 September 2016 the Company had accounted write-off of inventories in the amount of EUR 1,198 thousand (EUR 1,097 thousand on 31 December 2015), that have been written off down to the net realisable value, The Company makes write-off the inventories to the net realisable value if they are not used for more than 6 months, Write-off has been accounted for mostly construction materials and spare parts, which were not used during the reconstruction (1996 – 2005).

Write-off of inventories to the net realizable value of EUR 81 thousand for the nine months ended of 30 September 2016 (31 December 2015 - EUR 577 thousand) are included under operating expenses in the profit (loss).

As of 30 September 2016 the Company stores 1.4 thousand MWh (As of 31 December 2015 – 1.5 thousand MWh) natural gas in the connecting pipeline of the Liquefied natural gas terminal to ensure activities.

Oil products for sale are energy products collected in the Waste Water Treatment Facilities, On 30 September 2016 the Company stored 2.2 thousand tons of oil products collected in its Waste Water Treatment Facilities (31 December 2015– 4.4 thousand tons).

As of 30 September 2016 the Company stored 108.9 thousand tons of oil products delivered for transshipment in its storage tanks (159.4 thousand tons as on 31 December 2015), 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.

As of 30 September 2016 the Company stored 735 thousand MWh (As of 31 December 2015 - 955 thousand MWh of natural gas products delivered for transshipment in the Liquefied natural gas terminal, Such natural gas 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 for these products.

## 7 Trade receivables

	30-09-2016	31-12-2015
Receivables from natural gas regasification service	8,027	24,792
Receivables for trans-shipment of oil products and other related services	3,472	2,940
Less: impairment allowance	(16)	(16)
	11,483	27,716

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

## 8 Other receivables

	30-09-2016	31-12-2015
Short-term accrued income for storage of oil products	206	289
VAT receivable	15	9
Accrued income from JSC Hoegh LNG Klaipėda (cost reduction)	-	720
Other receivables	6	9
	227	1,027

## 9 Cash and cash equivalents

	30-09-2016	31-12-2015
Cash at bank	44,066	23,788

Cash in bank earns variable interest depending on the closing balance of every day, As of 30 September 2016 the Company had no one night term deposits (as of 31 December 2015 – EUR 45 thousand).

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

Currency	30-09-2016	31-12-2015
EUR	39,548	18,995
USD	4,518	4,793
	44,066	23,788

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

	30-09-2016	31-12-2015
A +	28,319	452
AA -	11,215	12,347
A	4,532	10,989
	44,066	23,788

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.

## 10 Financial liabilities

	30-09-2016	31-12-2015
European Investment Bank's loan	29,693	29,832
Payable loan interest	43	44
	29,736	29,737

## 11 Trade debts and other payables

	30-09-2016	31-12-2015
Payables for FSRU operating leasing	4,518	5,237
Payable to contractors	3,399	671
Other payments related FSRU	467	169
Payable for rent of land	234	-
Payable for gas services	112	301
Payable for railway services	59	170
Other trade payables	565	417
	9,354	6,965

On 30 September 2016 trade payables of EUR 4,715 thousand were denominated in USD (EUR 4,972 thousand – on 31 December 2015).

## 12 Liabilities related to labour relations

	30-09-2016	31-12-2015
Accrual of annual bonuses	846	1,026
Accrued vacation reserve	772	752
Salaries payable	360	6
Social insurance payable	289	327
Income tax payable	92	2
Payable guarantee fund	1	2
Other deductions	2	1
	<u>2,362</u>	<u>2,116</u>

## 13 Other current liabilities

	30-09-2016	31-12-2015
Accrued tax expenses and liabilities	1,600	428
Accrued expenses and liabilities	64	66
Other liabilities	22	4
	<u>1,686</u>	<u>498</u>

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

## 14 Sales income

	For the nine months period ended 30 September 2016	For the nine months period ended 30 September 2015
Income from LNGT services regulated by NCC	50,531	48,551
Sales of oil transshipment services	27,879	28,762
Other sales related to transshipment	1,183	913
Stock sells	691	661
	<u>80,284</u>	<u>78,887</u>

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

## 15 Cost of sales

	For the nine months period ended 30 September 2016	For the nine months period ended 30 September 2015
FSRU rent and other expences	37,829	37,987
Depreciation and amortization	9,696	9,431
Wages, salaries and social security	5,067	4,696
Railway services	2,358	1,296
Natural gas	1,893	1,610
Rent of land and quays	1,724	1,554
Electricity	910	925
Insurance of assets	363	972
Tax on environmental pollution	346	55
Tax on real estate	339	354
Repair and maintenance of non-current assets	318	255
Cost of sold inventories	256	215
Transport	176	169
Services for tankers	147	126
Work safety costs	69	81
Rent of facilities	45	34
Other	378	249
	<u>61,913</u>	<u>60,008</u>

## 16 Income (expenses) from financial and investment activities – net

	For the nine months period ended 30 September 2016	For the nine months period ended 30 September 2015
Income from currency exchange	-	670
Interest income	4	17
Fines collected	39	5
Financial income, total	43	692
(Losses) from currency exchange	(75)	(862)
Interest (expenses)	(136)	(202)
Other financial activity (expenses)	(51)	(145)
Financial activity expenses, total	(262)	(1,209)

## 17 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, Basic and diluted earnings per share are as follows:

	For the nine months period ended 30 September 2016	For the nine months period ended 30 September 2015
Net profit attributable to shareholders	13,042	13,095
Weighted average number of ordinary shares (thousand)	380,606	380,606
Earnings per share (in EUR)	0,03	0,03

## 18 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 during the nine months of 2016, 2015 were as follows:

Transactions with Lithuanian State controlled enterprises and institutions:

		Purchases	Sales	Receivables	Payables
State Enterprise Klaipeda State Seaport Authority owned by the State of Lithuania represented by the Ministry of transportation	2016 nine months	1,724	-	-	234
	2015 nine months	389	22	-	237
SC Lithuanian Railways owned by the State of Lithuania represented by the Ministry of transportation	2016 nine months	3,162	-	-	59
	2015 nine months	1,013	-	-	162
SC "Lesto", owned by the State of Lithuania represented by the Ministry of Energy	2016 nine months	-	-	-	0
	2015 nine months	288	-	-	46
SC Lietuvos dujos	2016 nine months	-	-	-	0
	2015 nine months	233	-	-	34
JSC Lietuvos dujų tiekimas	2016 nine months	1,945	266	55	112
	2015 nine months	897	-	-	100
SC Amber Grid	2016 nine months	-	49,282	9,233	-
	2015 nine months	223	54,733	13,245	35
PE Lietuvos naftos produktų agentūra	2016 nine months	-	1,018	140	-
	2015 nine months	-	933	132	-
JSC LITGAS	2016 nine months	-	249	15	-
	2015 nine months	-	-	-	-
SC Energijos skirstymo operatorius	2016 nine months	448	-	-	46
	2015 nine months	-	-	-	-
JSC Energijos tiekimas	2016 nine months	461	-	-	41
	2015 nine months	-	-	-	-
Other related parties	2016 nine months	2	3	-	-
	2015 nine months	36	4	-	8
Transactions with related parties, in total:	2016 nine months	7,742	50,818	9,443	492
	2015 nine months	3,079	55,692	13,378	622

## 18 Related party transactions (cont'd)

### Remuneration to the Management and other payments

The Company's Management is comprised of General Manager, Deputy General Manager, Directors of Departments and their Deputies, Managers of Departments.

	For the nine months period ended 30 September 2016	For the nine months period ended 30 September 2015
Labour related disbursements	1,772	1,589
Number of managers	37	35

During the first nine months of the years 2016 and 2015 the Management of the Company did not receive any loans, guarantees, or any other payments or property transfers were made or accrued.

## 19 Subsequent events

- On 3 October, 2016 the Company, taking into account the resolutions adopted by the National Commission for Energy Control and Prices (inter alia, Resolution No. 2015-04-10. 03-242, Resolution No. 2016-04-22. 03-107), and Lietuvos energija, UAB have entered into UAB LITGAS 33.33 per cent shares sale - purchase agreement which were owned by the Company.

The shares of UAB LITGAS owned by the Company amounted to 15 000 000 ordinary registered shares of nominal value of EUR 0,29 each. UAB LITGAS shares are sold considering the value of 33, 33 per cent shares as to 31 of March, 2016 set by independent property valuator. Transaction amount - 4 350 000 EUR, including the dividends paid by UAB LITGAS. The Company's statement of comprehensive income for 2016 will account for 310 000 EUR profit before tax, related to the investment in UAB LITGAS.

The Company transferred all shares owned in UAB LITGAS, therefore Lietuvos Energija, UAB owns 100 per cent of UAB LITGAS share capital.

- On 5 October, 2016, a Committee for selection of independent Board member candidates of AB Klaipedos Nafta (hereinafter – Selection Committee), formed by decision of the Supervisory Council of AB Klaipedos Nafta (hereinafter – the Company), adopted on 16 September, 2016, announced a selection of candidates for independent Board members.

Following the requirements of the description of the selection of an independent Board member, approved by Selection Committee, the selection is performed for one position of an independent Board member. After the selection procedures are performed, a decision regarding election of a Board member will be made by the Supervisory Board.

- On 5 October, 2016 AB Klaipedos nafta (hereinafter – the Company) and BNK (UK) Limited which is an affiliate of the leading exporter of Belarusian oil products – ZAT “Belaruskaja neftenaja kompanija”, have signed a long term contract on provision of oil products transshipment services through AB Klaipedos nafta terminal (hereinafter – the Contract).

The terms of the Contract are valid until 31 October 2019 with an option to extend them based on mutual agreement. During this period BNK (UK) undertakes to transship heavy fuel oil produced in Belarusian oil refineries OAO “Mozyrskij NPZ” and OAO “Naftan” through the Company's terminal.

The conclusion of the Contract is approved by the Board of the Company as defined in the Articles of Association of AB Klaipedos nafta.

No more significant subsequent 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, Mantas Bartuška, General Manager of SC Klaipėdos Nafta, Marius Pulkauninkas, Finance and Administrative Department Director of SC Klaipėdos Nafta, and Asta Sedlauskienė, Head of Accounting Division hereby confirm that to the best of our knowledge the above-presented unaudited Interim condensed Financial Statements of SC Klaipėdos Nafta for the nine month period ended on 30<sup>th</sup> September 2016, 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



Mantas Bartuška

Director of Finance and Administrative Department



Marius Pulkauninkas

Head of Accounting Division



Asta Sedlauskienė