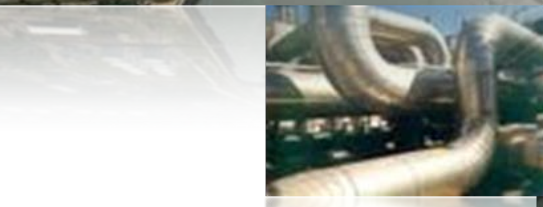
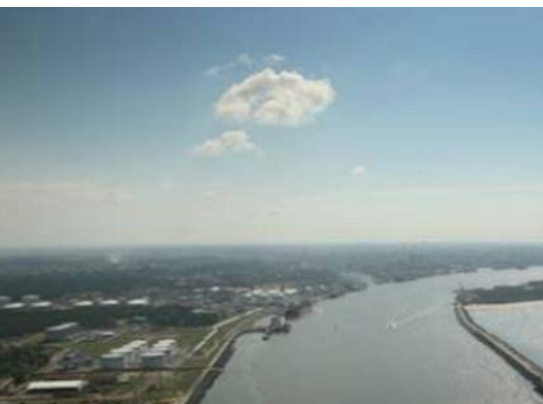


**SC KLAIPĒDOS NAFTA  
INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE  
MONTHS PERIOD ENDED 30 SEPTEMBER 2013 PREPARED  
ACCORDING TO INTERNATIONAL FINANCIAL REPORTING  
STANDARTS, AS ADOPTED BY THE EUROPEAN UNION  
(UNAUDITED)**



**SC KLAIPĖDOS NAFTA INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013  
(all amounts are in LTL thousand unless otherwise stated)**

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## Statement of financial position

	Notes	30 September <b>2013</b> <i>(unaudited)</i>	31 December <b>2012</b> <i>(audited)</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		1,267	1,354
Property, plant and equipment	3	480,180	444,711
Investment into subsidiaries		1,000	1,000
Investment into associates		585	585
<b>Total non-current assets</b>		<b>483,032</b>	<b>447,650</b>
<b>Current assets</b>			
Inventories	4	1,655	1,134
Prepayments		562	438
Trade receivables	5	8,196	13,579
Other receivables	6	7,370	4,141
Other financial assets	7	24,014	13,234
Cash and cash equivalents	8	62,946	79,834
<b>Total current assets</b>		<b>104,743</b>	<b>112,360</b>
<b>Total assets</b>		<b>587,775</b>	<b>560,010</b>




*(cont'd on the next page)*

Explanatory note, set out on pages 9-18, is an integral part of these financial statements.

## Statement of financial position (cont'd)

	Notes	30 September <b>2013</b> <i>(unaudited)</i>	31 December <b>2012</b> <i>(audited)</i>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1	380,606	380,606
Share premium		13,512	13,512
Legal reserve		24,611	22,561
Reserve for own shares		55,000	55,000
Other reserves		62,273	23,727
Retained earnings		27,635	41,006
<b>Total equity</b>		<b>563,637</b>	<b>536,412</b>
<b>Non-current liabilities</b>			
Deferred income tax liability		7,057	7,194
Non-current employee benefits		854	816
<b>Total non-current liabilities</b>		<b>7,911</b>	<b>8,010</b>
<b>Current liabilities</b>			
Trade payables	9	7,597	7,157
Payroll related liabilities	10	4,878	3,869
Provisions		436	164
Income tax payable		-	2,524
Prepayments received		-	53
Dividends payable		39	39
Other payables and current liabilities	11	3,277	1,782
<b>Total current liabilities</b>		<b>16,227</b>	<b>15,588</b>
<b>Total equity and liabilities</b>		<b>587,775</b>	<b>560,010</b>

Explanatory note, set out on pages 9-18, is an integral part of these financial statements.



<u>General Manager</u>	<u>Rokas Masiulis</u>		<u>29 November 2013</u>
<u>Director of Finance and Administrative Department</u>	<u>Mantas Bartuška</u>		<u>29 November 2013</u>
<u>Head of Accounting Department</u>	<u>Rasa Gudė</u>		<u>29 November 2013</u>

**SC KLAIPĖDOS NAFTA INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013  
(all amounts are in LTL thousand unless otherwise stated)**

## Statement of comprehensive income

	Notes	For the nine months period ended 30 September <b>2013</b> <i>(unaudited)</i>	For the three months period ended 30 September <b>2013</b> <i>(unaudited)</i>	For the nine months period ended 30 September <b>2012</b> <i>(restated)</i>	For the three months period ended 30 September <b>2012</b> <i>(restated)</i>
Sales	12	98,687	26,617	98,992	30,887
Cost of sales	13	(57,580)	(16,254)	(59,082)	(18,214)
<b>Gross profit</b>		<b>41,107</b>	<b>10,363</b>	<b>39,910</b>	<b>12,673</b>
Operating expenses		(8,970)	(3,042)	(6,384)	(2,280)
Other income		141	91	49	25
<b>Profit from operating activities</b>		<b>32,278</b>	<b>7,412</b>	<b>33,575</b>	<b>10,418</b>
Income from financial activities	14	288	(64)	1,600	336
Loss from financial activities	14	(91)	(43)	(86)	(60)
<b>Profit before income tax</b>		<b>32,475</b>	<b>7,305</b>	<b>35,089</b>	<b>10,694</b>
Income tax expense		(4,840)	(1,092)	(5,373)	(1,616)
<b>Net profit</b>		<b>27,635</b>	<b>6,213</b>	<b>29,716</b>	<b>9,078</b>
Other comprehensive income (expenses)		-	-	-	-
<b>Total comprehensive income</b>		<b>27,635</b>	<b>6,213</b>	<b>29,716</b>	<b>9,078</b>
Basic and diluted earnings (losses) per share, in LTL	15	0.07	0.02	0.08	0.02




Explanatory note, set out on pages 9-18, is an integral part of these financial statements.

General Manager	Rokas Masiulis		29 November 2013
Director of Finance and Administrative Department	Mantas Bartuška		29 November 2013
Head of Accounting Department	Rasa Gudė		29 November 2013

## 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 2011 (after the change of accounting policy)</b>	<b>342,000</b>	-	<b>19,000</b>	-	<b>68,043</b>	<b>70,795</b>	<b>499,838</b>
Net profit for the nine months	-	-	-	-	-	29,716	29,716
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	29,716	29,716
Dividends declared	-	-	-	-	-	(56,981)	(56,981)
Transfers between reserves	-	-	3,561	55,000	(44,316)	(14,245)	-
Increase in share capital	38,606	13,512	-	-	-	-	52,118
<b>Balance as at 30 September 2012 (unaudited)</b>	<b>380,606</b>	<b>13,512</b>	<b>22,561</b>	<b>55,000</b>	<b>23,727</b>	<b>29,285</b>	<b>524,691</b>
<b>Balance as at 31 December 2012 (audited)</b>	<b>380,606</b>	<b>13,512</b>	<b>22,561</b>	<b>55,000</b>	<b>23,727</b>	<b>41,006</b>	<b>536,412</b>
Net profit for the nine months	-	-	-	-	-	27,635	27,635
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	27,635	27,635
Dividends declared	-	-	-	-	-	(410)	(410)
Transfers between reserves	-	-	2,050	-	38,546	(40,596)	-
<b>Balance as at 30 September 2013 (unaudited)</b>	<b>380,606</b>	<b>13,512</b>	<b>24,611</b>	<b>55,000</b>	<b>62,273</b>	<b>27,635</b>	<b>563,637</b>

Explanatory note, set out on pages 9-18, is an integral part of these financial statements.

General Manager	Rokas Masiulis		29 November 2013
Director of Finance and Administrative Department	Mantas Bartuška		29 November 2013
Head of Accounting Department	Rasa Gudė		29 November 2013

## Cash flow statement

	Notes	For nine months period, ended 30 September (unaudited)	
		<b>2013</b>	<b>2012</b>
<b>Cash flows from operating activities</b>			
Net profit	15	27,635	29,716
<b>Adjustments for noncash items:</b>			
Depreciation and amortization		18,612	16,709
Impairment and writing off of non-current tangible assets		-	255
Accrued emission rights		272	201
Change in vacation reserve		160	(290)
Change in employee benefit liabilities		38	91
Change in allowance for doubtful receivables		(1)	(1)
Accrued income		(748)	569
Income tax expenses		4,840	5,482
Interest income	14	(288)	(1,600)
		<b>50,520</b>	<b>51,132</b>
<b>Changes in working capital:</b>			
(Increase) decrease in inventories		(521)	318
Decrease (increase) in prepayments		(124)	(294)
Decrease (increase) in trade and other accounts receivable		5,383	(1,067)
Decrease (increase) in other receivables		(1,877)	(1,837)
Increase (decrease) in trade and other payables		1,935	8,517
(Decrease) increase in prepayments received		(53)	(33)
Increase (decrease) in other current liabilities and payroll related liabilities		673	446
		<b>55,936</b>	<b>57,182</b>
Income tax (paid)		(6,549)	(880)
Interest received		387	1,931
<b>Net cash flows from operating activities</b>		<b>49,774</b>	<b>58,233</b>
<b>Cash flows from investing activities</b>			
(Acquisition) of property, plant, equipment and intangible assets		(53,994)	(25,701)
(Acquisition) of investments held-to-maturity		(177,995)	(398,974)
Sales of investments held-to-maturity		165,737	431,466
(Acquisition) of other investments		-	(49)
<b>Net cash flows from investing activities</b>		<b>(66,252)</b>	<b>6,742</b>




*(cont'd on the next page)*

Explanatory note, set out on pages 9-18, is an integral part of these financial statements.

## Cash flow statement (cont'd)

	Notes	<u>2013</u>	<u>2012</u> <i>(restated)</i>
<b>Cash flows from financing activities</b>			
Increase in share capital		-	6,627
Dividends (paid)		(410)	(56,981)
<b>Net cash flows from financing activities</b>		<u>(410)</u>	<u>(50,354)</u>
<b>Net increase (decrease) in cash flows</b>		<b>(16,888)</b>	<b>14,621</b>
<b>Cash and cash equivalents on 1 January</b>		<u>79,834</u>	<u>9,983</u>
<b>Cash and cash equivalents on 30 September</b>		<u>62,946</u>	<u>24,604</u>

Explanatory note, set out on pages 9-18, is an integral part of these financial statements.

<u>General Manager</u>	<u>Rokas Masiulis</u>		<u>29 November 2013</u>
<u>Director of Finance and Administrative Department</u>	<u>Mantas Bartuška</u>		<u>29 November 2013</u>
<u>Head of Accounting Department</u>	<u>Rasa Gudė</u>		<u>29 November 2013</u>



## Explanatory notes to 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 per cent of shares respectively. The Company was registered on 27 September 1994.

As of 30 September 2013 all the shares were owned by 1,917 shareholders. The Company's share capital – LTL 380,606,184 (three hundred eighty million six hundred six thousand one hundred eighty-four) 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 one (1) LTL. 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 nine months period in 2013. The Company's shares are listed in the Baltic Secondary List on the NASDAQ OMX Vilnius Stock Exchange.

As of 30 September 2013 and 31 December 2012 the shareholders of the Company were:

	30 September <b>2013</b>		31 December <b>2012</b>	
	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	275,241	72.32	275,241	72.32
UAB Concern Achema Group	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 2013 was 364 (317 – on 30 September 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 2012. The principles used in preparation of financial statements were presented in more detail in the Notes to the Financial Statements for 2012.

### 3 Non-current tangible assets

During the nine months of the year 2013 the Company continued works in the following projects:

- ***Liquefied natural gas terminal project.*** 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 S.A. 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.

On 2 March, 2012, the Company concluded Build, Operate and Transfer (BOT) lease contract with Hoegh LNG Ltd. regarding LNG Floating Storage and Regasification Unit (FSRU) with the right of its redemption providing that the delivery term of FSRU into the Seaport of Klaipėda should be 1 September, 2014 – 1 December, 2014.

On 18 March 2013 the Company to conclude the contract for Engineering and Construction Works of Port Infrastructure with Suprastructure with the winner of the international tender "Procurement of Engineering and Construction Works of Port Infrastructure (Jetty) with Suprastructure (Equipment) of Liquefied Natural Gas Terminal" of the Company, who proposed the lowest price for all the scope of works – Akciju sabiedrība (transl. -stock company) "BMGS". All the works under the Contract shall be finished till 1 October 2014.

As of 31 March 2013 the construction in progress of LNG Terminal's project amounted to LTL 35,835 thousand – the major part of which was payments of LTL 25,103 thousand paid according to the Agreement to the Lead Adviser for preparation and implementation of liquefied natural gas terminal's project as well as for legal and other research services.

On 6 May 2013 the Company concluded the Contract for Natural Gas Pipeline System Engineering, Procurement and Construction (EPC) Works (hereinafter, the Contract) with German concern PPS Pipeline Systems GmbH, the winner of "Procurement of Engineering, Procurement and Construction (EPC) Works for Natural Gas Pipeline System". Under the Contract natural gas pipeline system engineering, procurement and construction works, necessary in constructing the connection between the Liquefied Natural Gas Terminal's jetty within the water area of the Klaipėda State Sea Port (near the northern part of the Kialės Nugara island) and the Lithuanian natural gas transportation system (gas pipeline Jurbarkas-Klaipėda (section Tauragė-Klaipėda) near Klaipėda DSS-2 (gas distribution station) by Kiškėnų village, Doviškų sub-district, Klaipėda district municipality). The Works are to be performed by 1 August 2014.

As of 30 September 2013 the investments into implementation of LNG Terminal's project amounted to LTL 65,159 thousand – the major part of which was comprised of advance payments of LTL 32,338 thousand paid according to the Agreement to the Lead Adviser for preparation and implementation of liquefied natural gas terminal's project, advance payments of LTL 17.184 thousand paid according to the contracts of construction works as well as for legal and other research services.

- ***Reconstruction of HFO (i.e. heavy fuel oil products) storage tank park,*** which involves demolishing of 4 storage tanks with the capacity 5,000 m<sup>3</sup> and construction of 2 storage tanks with the capacity 32,250 m<sup>3</sup>. The investment will increase flexibility of the Company's reloading activities thus enabling to reload additional flows of oil products and will make the Terminal more attractive to its clients by giving them an opportunity to accumulate greater batches (up to 90 thousand tonnes) of the products. The investment amounts to LTL 29 million. The Company intends to complete construction at the end of 2013. The total value of the works performed amounted to LTL 19.725 thousand.

At the site of the universal storage tanks under construction the Company plans updating of the piping of the existing storage tanks of oil products that will provide technical possibility to accommodate part of the HFO storage tanks for reloading of LFO (i.e. light oil products).

- ***Utilization of carbohydrate vapours from railway trestles.*** 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. The Company has already invested LTL 6,429 thousand into this project. The total amount of investments into the project "The Procurement of vapour recovery unit" will amount about LTL 7,000 thousand.

### 3 Non-current tangible assets (cont'd)

- *Updating of HFO unloading system of rail gantry track 1.* The total value of the works performed amounted to LTL 5,296 thousand.

The depreciation charge of the Company's property, plant and equipment during the nine months of 2013 amounts to LTL 18,361 thousand (LTL 16,533 thousand – during nine months of 2012). LTL 18,065 thousand of depreciation charges have been included into cost of sales (LTL 16,380 thousand – during nine months of 2012), LTL 66 thousand depreciation charges (LTL 64 thousand – during nine months of 2012) reclassified into inventories and the remaining amount has been included into operating expenses.

### 4 Inventories

	30 September <b>2013</b>	31 December <b>2012</b>
Oil products, for sale	637	362
Spare parts, construction materials and other inventories	1,018	772
	<b>1,655</b>	<b>1,134</b>

As of 30 September 2013 the Company had accounted write-off of inventories in the amount of LTL 6,388 thousand (LTL 6,168 thousand on 31 December 2012), 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).

As of 30 September 2013 the Company stored 107.1 thousand tons of oil products delivered for transshipment in its storage tanks (148.2 thousand tons as on 31 December 2012). 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 30 September 2013 the Company stored 2,583 tons of oil products collected in its Waste Water Treatment Facilities (31 December 2012 – 1,162 tons).

### 5 Trade receivables

	30 September <b>2013</b>	31 December <b>2012</b>
Receivables for trans-shipment of oil products and other related services	8,196	13,579
	<b>8,196</b>	<b>13,579</b>

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

On 30 September 2013 trade debts to the Company in the amount of LTL 1.726 thousand were denominated in EUR (LTL 3,012 thousand – on 31 December 2012).

### 6 Other receivables

	30 September <b>2013</b>	31 December <b>2012</b>
Accrued income	3.063	2.315

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VAT receivable	3.365	1.715
Accrued interest on term deposits	15	46
Other receivables	940	78
	<u>7.383</u>	<u>4.154</u>
Less: impairment allowance	(13)	(13)
	<u><b>7.370</b></u>	<u><b>4.141</b></u>

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

## 7 Other financial assets

	30 September <b>2013</b>	31 December <b>2012</b>
<b>Loans and receivables</b>		
Cession of rights in Vnesekonom bank	100	100
Loan to UAB „Žavesys“	356	356
Less: impairment allowance for receivables	(456)	(456)
<b>Total loans and receivables</b>	<u>-</u>	<u>-</u>
<b>Investments held- to-maturity</b>		
Short-term deposits	12,000	-
Investments into the state government bonds of the Republic of Lithuania	12,014	9,474
Investments into the government bonds of Lithuanian banks	-	3,760
<b>Total investments held-to-maturity</b>	<u><b>24,014</b></u>	<u><b>13,234</b></u>
Total other financial assets	24,014	13,234
Current part	24,014	13,234
Non-current part	-	-

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

<b>Currency</b>	30 September <b>2013</b>	31 December <b>2012</b>
EUR	24,014	10,648
LTL	-	2,586
	<u><b>24,014</b></u>	<u><b>13,234</b></u>

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 per cent 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

	30 September <b>2013</b>	31 December <b>2012</b>
Cash at bank	28,916	67,221
Investments into the state government bonds of the Republic of Lithuania	34,030	-
Short-term deposits	-	12,613

**SC KLAIPĖDOS NAFTA INTERIM CONDENSED FINANCIAL STATEMENTS  
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(all amounts are in LTL thousand unless otherwise stated)**

**62,946                      79,834**

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

<b>Currency</b>	<b>30 September 2013</b>	<b>31 December 2012</b>
EUR	41,050	22,523
LTL	21,896	57,311
	<b>62,946</b>	<b>79,834</b>

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 debts and other payables

	<b>30 September 2013</b>	<b>31 December 2012</b>
Payable to contractors	4,568	1,985
Payable for rent of land	574	504
Payable for railway services	270	594
Other trade payables	2,185	4,074
	<b>7,597</b>	<b>7,157</b>

Trade payables are non-interest bearing and are normally settled on 30-day payment terms. On 30 September 2013 trade payables of LTL 54 thousand were denominated in EUR (LTL 87 thousand – on 31 December 2012).

## 10 Liabilities related to labour relations

As of 30 September 2013 the Company's liabilities, related to labour relations, were basically comprised of vacation reserve of LTL 1,590 thousand, social insurance payable of LTL 815 thousand, salaries payable for September of LTL 1,069 thousand and accrual of bonuses in the amount of LTL 1,114 thousand for the annual results. As of 31 December 2012 the Company's liabilities, related to labour relations, were mainly comprised of vacation reserve of LTL 1,750 thousand, social insurance payable for December of LTL 878 thousand and accrued bonuses in the amount of LTL 1,200 thousand for the annual results.

## 11 Other current liabilities

	<b>30 September 2013</b>	<b>31 December 2012</b>
Accrued expenses	3,252	1,131
Tax payable on real estate	-	309
Other liabilities	25	342
	<b>3,277</b>	<b>1,782</b>

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

## 12 Sales income

	For nine months period, ended 30 September (unaudited)	
	2013	2012
Sales of oil transshipment services	96,210	92,280
Other sales related to transshipment	2,375	2,159
Revenues of sold inventories	102	1,320
Sales of heavy oil products collected in the Waste Water Treatment Facilities	-	3,233
	<b>98,687</b>	<b>98,992</b>

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

## 13 Cost of sales

	For nine months period, ended 30 September (unaudited)	
	2013	2012 <i>(restated)</i>
Depreciation and amortization	18,210	16,519
Natural gas	11,887	14,451
Wages, salaries and social security	13,510	12,001
Railway services	3,696	4,384
Electricity	4,166	3,749
Rent of land and quays	1,562	1,542
Repair and maintenance of non-current assets	1,100	1,598
Tax on real estate	906	899
Insurance of assets	968	798
Services for tankers	430	438
Work safety costs	281	244
Emission rights expenses	152	201
Cost of sold inventories	-	1,470
Other	712	788
	<b>57,580</b>	<b>59,082</b>

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

	For nine months period, ended 30 September (unaudited)	
	2013	2012
Interest income	279	1,596
Profit from currency exchange	2	0
Fines collected	7	4
<b>Total income from financial activity</b>	<b>288</b>	<b>1,600</b>
(Losses) from currency exchange	(91)	(86)
<b>Total result of the financial activity</b>	<b>197</b>	<b>1,514</b>

## 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. Basic and diluted earnings per share are as follows:

	For nine months period, ended 30 September (unaudited)	
	2013	2012
Net profit attributable to shareholders	27,635	29,716
Weighted average number of ordinary shares (thousand)	380,606	380,606
Earnings per share (in LTL)	0.07	0.08

## 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 during the nine months of 2013, 2012 and 2011 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	30 September 2013	67,698	-	-	3,479
	30 September 2012	83,912	-	-	9,528
	30 September 2011	82,369	-	-	5,054
State Social Insurance Fund Board under the Ministry of Social Security and Labour	30 September 2013	6,239	-	-	816
	30 September 2012	5,371	-	-	690
	30 September 2011	5,463	-	-	615
State Enterprise Klaipeda State Seaport Authority owned by the State of Lithuania represented by the Ministry of transportation	30 September 2013	1,562	-	-	574
	30 September 2012	1,545	-	-	514
	30 September 2011	1,542	-	-	514
AB Lithuanian Railways owned by the State of Lithuania represented by the Ministry of transportation	30 September 2013	4,955	-	-	270
	30 September 2012	4,412	-	-	455
	30 September 2011	6,884	-	-	351
AB "Lesto", owned by the State of Lithuania represented by the Ministry of Energy	30 September 2013	2,199	-	-	225
	30 September 2012	1,734	-	-	186
	30 September 2011	1,765	-	-	184
Other related parties	30 September 2013	-	24	2	-
	30 September 2012	-	27	2	-
	30 September 2011	-	20	2	-
<b>Transactions with related parties, in total:</b>	<b>30 September 2013</b>	<b>82,653</b>	<b>24</b>	<b>2</b>	<b>5,364</b>
	<b>30 September 2012</b>	<b>96,974</b>	<b>27</b>	<b>2</b>	<b>11,373</b>
	<b>30 September 2011</b>	<b>98,023</b>	<b>20</b>	<b>2</b>	<b>6,718</b>

## 16 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 nine months period, ended 30 September (unaudited)	
	2013	2012
Labour related disbursements	3,129	2,519
Number of managers	32	25

During nine month period in 2013 and 2012 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

- **On 8 October 2013**, Lietuvos Energija, UAB, acting in accordance with the Share Subscription Agreement signed between UAB LITGAS, a subsidiary of the Company, and Lietuvos Energija, UAB, on 1 October 2013, paid up all newly issued ordinary registered shares by UAB LITGAS (2 million units).

After the increase of the authorised capital, the Company shall own 1/3, whereas Lietuvos Energija, UAB – 2/3 of all the shares and votes in the General Meeting of the Shareholders of UAB LITGAS.

- The National Control Commission for Prices and Energy (hereinafter, the Commission) in its meeting of **11 October 2013** established natural gas supply safety component in addition to the natural gas transmission price (hereinafter, the safety component) – LTL 39.36 per 1,000 m<sup>3</sup>.

The safety component established by the Commission will be in effect from 3 December 2014 to 31 December 2014 and will be applicable provided that the operation of the liquefied natural gas (hereinafter, LNG) terminal is started on 3 December 2014, and the Company has the LNG terminal operator's licence issued by that date.

The safety component has been calculated referring to provisions of Article 1 of the Law on Amending Articles 5, 10 and 11 of the Law of the Republic of Lithuania on the Liquefied Natural Gas Terminal, having evaluated funds, necessary for compensation for LNG terminal, its infrastructure and connection installation expenses or their part, and the fixed operation expenses, necessary for ensuring the operation of LNG terminal, its infrastructure and connection, based on data provided by the Company.

The safety component shall be collected, administered and disbursed to the Company or the LNG terminal operator by the natural gas transmission system operator AB Amber Grid under the procedure established by the Commission. The established safety component includes administration costs for 2014 established by the Commission – LTL 326,700.

- **On 15 October 2013**, amended Articles of Association of UAB LITGAS, a subsidiary of the Company, have been registered with the Register of Legal Entities of the Republic of Lithuania. As of this date it is considered that the authorized capital of UAB LITGAS has been increased by the monetary contribution of Lietuvos Energija, UAB (a limited liability company, corporate ID code 301844044, registered address Žvejų 14, Vilnius, Lithuania).
- **On 30 October 2013** the Company and AB Orlen Lietuva signed a Memorandum of Understanding for the construction of a product pipeline which spans from the refinery in Mazeikiai to the oil terminal operated by the Company in Klaipėda.

This Memorandum enables both companies to start formal negotiations on the product pipeline project feasibility, timing, loading capacities, technological, logistical and economic conditions.

- In connection with the performance of conditions precedent for the Ministry of Finance of the Republic of Lithuania (hereinafter – the Ministry of Finance) to sign a state guarantee agreement (in the amount of EUR 81,093,605) with the European Investment Bank (hereinafter – EIB), which will serve as guarantee for the obligations of the Company to EIB under the Credit Agreement (hereinafter – the Credit Agreement) on the co-financing of the Liquefied Natural Gas Terminal (hereinafter – LNGT) project concluded with EIB on 9 July 2013, **on 11 November 2013** the Board of the Company inter alia took the following decisions:



## 17 Subsequent events (cont'd)

- ✓ To conclude with the Ministry of Finance an Agreement on the Margin Payment and Mortgage of Property by making to it a margin payment in the amount of EUR 81,093.61.
- ✓ To mortgage for the benefit of the Ministry of Finance (the State) inter alia all the future property that will be created during the LNGT project and which will be owned by the Company upon implementation and completion of the LNGT project. In connection with that, to conclude with the Ministry of Finance a Maximum Conditional and Ordinary Mortgage Agreement (in the amount of EUR 81,093,605).
- ✓ To determine that the Company may conclude above mentioned documents and perform other necessary actions as well as make the margin payment specified in item 1 above only after receiving a confirmation from the European Commission that the state guarantee granted to EIB is not considered state aid under the Treaty on the Functioning of the European Union or is considered state aid compatible with the internal market under the Treaty.
- ✓ To determine that all these decisions of the Board will enter into full force only after they are approved by the General Meeting of Shareholders of the Company, as provided for in Article 16.10 of the Articles of Association of the Company.

The Board also decided to convene the extraordinary General Meeting of Shareholders of the Company on these issues to be held on 4 December 2013 at 1:00 p.m. at its registered office Burių St. 19, LT-91003 Klaipėda, Lithuania. A separate notification on material event will be given to inform about this General Meeting.

- **On 13 November 2013**, the Government of the Republic of Lithuania adopted resolution "On supplementing Resolution No. 199 of the Government of the Republic of Lithuania "On implementation of the Law of the Republic of Lithuania on the Liquefied Natural Gas Terminal", dated 15 February 2012" (hereinafter, the Resolution), by which it approved that the Company would perform certain functions, performance of which is legally related to the legal status of the operator of the liquefied natural gas terminal (hereinafter, the LNGT) until the natural gas liquefying license is issued to company under the procedure set by legal acts.

After the effective date of the Resolution the Company will acquire the right to perform distribution of the LNGT capacities, to address the National Control Commission for Prices and Energy for setting upper limits of prices of services listed in the Law on Natural Gas of the Republic of Lithuania, as well as to prepare, coordinate and announce the rules for use of the LNGT and to prepare and coordinate agreements for use of the LNGT. Such agreements shall come into force and be implemented by the LNGT operator once the natural gas liquefying license is issued under the procedure set by legal acts.

- **On 20 November 2013**, the European Commission has found that state aid for the liquefied natural gas terminal (hereinafter, the LNGT) project, developed by the Company, is state aid compatible with the internal market. In present value terms, the various public support elements for the LNGT project (including state guarantees and the LNGT supplement) amount to about EUR 448 million (LTL 1,5 billion).

The European Commission has concluded that the investment into the LNGT contributes to the security of gas supply and that the aid is necessary and proportionate to realise the investment. Moreover, the LNGT will be open to third parties on non-discriminatory terms, ensuring that there are no undue distortions of competition.

The European Commission has also found that compensation for LNGT maintenance costs is in line with the EU Framework on services of general economic interest.

This approval of the European Commission is one of the main conditions provided for in Resolution No. XII-479 of the Seimas of the Republic of Lithuania "Regarding giving state guarantee to the European Investment Bank", dated 2 July 2013, in order that the European Investment Bank (hereinafter, the EIB) and the Ministry of Finance of the Republic of Lithuania (acting in the name of the state) could sign a state guarantee agreement in the amount of EUR 81,093,605 (LTL 280 million) regarding the loan up to EUR 87 million (up to LTL 300 million) to be granted by the EIB to the Company, which will be used to finance up to 50 percent of the implementation of the LNGT project.

- **On 22 November 2013** the winner of the public procurement "Procurement of Financial Services (Bank Guarantee)" (hereinafter, the Procurement) by way of simplified negotiated procedure with publication of a contract notice of the Company was selected Nordea Bank Finland Plc Lithuanian branch (hereinafter, the Bank). The bank guarantee is intended to secure performance of the agreement concluded on 2 March 2012 by the Company and Höegh LNG Ltd. for lease of the liquefied natural gas floating storage and re-gasification unit.

During implementation of the Procurement 3 final tender offers were submitted by 18 November 2013. Upon evaluation of the final tender offers according to the lowest price criterion, the Bank was recognized to be the winner.

## 17 Subsequent events (cont'd)

The Company has sent an invitation to the Bank to conclude a public procurement contract which must be signed after the period of deferment of 15 days which is applicable to the conclusion of the public procurement contract.

The main conditions of the guarantee provision agreement shall inter alia include the following:

- ✓ Amount of the guarantee: not to exceed USD 50,000,000;
- ✓ Effective term of the guarantee: 15 January 2014 – 31 December 2014;
- ✓ Price of financial services – 0.255% of the amount of the guarantee (USD 127,506.85).

The Company also informs that the Guarantee provision agreement shall not establish any additional undertakings or restrictions on the Company as compared to the credit facility agreement signed with the European Investment Bank on 9 July 2013.

No other 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, Rokas Masiulis, General Manager of SC Klaipėdos Nafta, Mantas Bartuska, Finance Director of SC Klaipėdos Nafta and Rasa Gaudė, Head of accounting department, hereby confirm that to the best of our knowledge the above-presented unaudited Interim condensed Financial Statements of SC Klaipėdos Nafta for the nine months ended 30 September 2013, 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.

Generalinis direktorius

Rokas Masiulis

Finansų ir administravimo departamento direktorius

Mantas Bartuška

Apskaitos skyriaus vadovė

Rasa Gudė