



**STOCK COMPANY 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 2015  
(UNAUDITED)**

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## Statement of financial position

	Notes	<u>30-09-2015</u>	<u>31-12-2014</u>
ASSETS		<i>(unaudited)</i>	<i>(audited)</i>
Non-current assets			
Intangible assets	3	548	623
Property, plant and equipment	3	179,531	182,830
Long-term receivables	5	2,212	1,681
Investment into associates		<u>4,135</u>	<u>4,098</u>
Total non-current assets		<u>186,426</u>	<u>189,232</u>
Current assets			
Inventories	6	1,669	1,600
Prepayments		326	962
Trade receivables	7	15,601	1,887
Refunds of income taxes		-	408
Other receivables	8	2,074	8,643
Other financial assets	9	-	8,284
Cash and cash equivalents	10	<u>32,277</u>	<u>10,902</u>
Total current assets		<u>51,947</u>	<u>32,686</u>
Total assets		<u>238,373</u>	<u>221,918</u>

*(cont'd on the next page)*

Explanatory note, set out on pages 8 - 15, is an integral part of these financial statements.

## Statement of financial position (cont'd)

	Notes	30-09-2015 <i>(unaudited)</i>	31-12-2014 <i>(audited)</i>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1	110,376	110,231
Share premium		3,914	3,914
Legal reserve		8,107	7,644
Reserve for own shares		15,929	15,929
Other reserves		36,442	27,740
Retained earnings		13,095	9,257
<b>Total equity</b>		<b>187,863</b>	<b>174,715</b>
<b>Non-current liabilities</b>			
Deferred income tax liability		1,025	1,124
Non-current employee benefits		183	301
Loan	11	29,693	29,832
Grants related to assets		89	-
<b>Total non-current liabilities</b>		<b>30,990</b>	<b>31,257</b>
<b>Current liabilities</b>			
Loan	11	67	55
Trade payables	12	8,676	12,680
Payroll related liabilities	13	1,931	1,396
Income tax payable		982	-
Prepayments received		7,419	1
Dividends payable		11	11
Other payables and current liabilities	14	434	1,803
<b>Total current liabilities</b>		<b>19,520</b>	<b>15,946</b>
<b>Nuosavo kapitalo ir įsipareigojimų iš viso</b>		<b>238,373</b>	<b>221,918</b>

Explanatory note, set out on pages 8 - 15 an integral part of these financial statements.

## Statement of comprehensive income

	Notes	For the nine months period ended 30 September 2015 <i>(unaudited)</i>	For the three months period ended 30 September 2015 <i>(unaudited)</i>	For the nine months period ended 30 September 2014 <i>(unaudited)</i>	For the three months period ended 30 September 2014 <i>(unaudited)</i>
Sales	15	78,887	25,016	24,185	7,459
Cost of sales	16	(60,008)	(19,500)	(15,371)	(4,695)
<b>Gross profit</b>		18,879	5,516	8,814	2,764
Operating expenses		(3,275)	(1,203)	(2,940)	(962)
Other income		230	55	21	4
<b>Profit from operating activities</b>		15,834	4,368	5,895	1,806
Income from financial activities	17	692	217	206	8
Loss from financial activities	17	(1,209)	(155)	(3)	-
<b>Profit before income tax</b>		15,317	4,430	6,098	1,814
Income tax expense		(2,222)	(792)	(877)	(265)
<b>Net profit</b>		13,095	3,638	5,221	1,549
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>		13,095	3,638	5,221	1,549
Basic and diluted earnings (losses) per share, in EUR	18	0.03	0.01	0.01	0.004

Explanatory note, set out on pages 8 - 15, 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
Balance as at 31 December 2013 (audited)		110,231	3,914	7,128	15,929	18,036	10,324	165,562
Net profit for the nine months		-	-	-	-	-	5,221	5,221
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	5,221	5,221
Dividends declared		-	-	-	-	-	(103)	(103)
Transfers between reserves		-	-	516	-	9,705	(10,221)	-
Balance as at 30 September 2014 (unaudited)		110,231	3,914	7,644	15,929	27,740	5,221	170,679
Balance as at 31 December 2014 (audituota)		110,231	3,914	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		145	-	-	-	-	-	145
Balance as at 30 September 2015 (unaudited)		110,376	3,914	8,107	15,929	36,442	13,095	187,863

Explanatory note, set out on pages 8 - 15, is an integral part of these financial statements.

## Cash flow statement

	Notes	For the nine months period ended 30 September 2015 <i>(unaudited)</i>	For the nine months period ended 30 September 2014 <i>(unaudited)</i>
<b>Cash flows from operating activities</b>			
Net profit	18	13,095	5,221
<b>Adjustments for noncash items:</b>			
Depreciation and amortization	3	9,597	5,547
Impairment of inventory value		(133)	2
Accrued income		(340)	(477)
Change in non-current liabilities for employees		(118)	14
Change in allowance for doubtful receivables		(1)	(1)
Change in vacation reserve	13	(68)	(34)
Impairment of inventory value	6	164	-
Other non-cash adjustments		145	-
Income tax expenses		2,222	877
Interest income	17	(17)	(34)
		<u>24,546</u>	<u>11,115</u>
<b>Changes in working capital:</b>			
(Increase) decrease in inventories	6	(217)	(177)
Decrease (increase) in prepayments		636	31
Decrease (increase) in trade and other accounts receivable		(7,335)	2,571
Increase (decrease) in trade and other payables	11, 12, 14	(5,513)	(2,825)
(Decrease) increase in prepayments received		7,418	(12)
Increase (decrease) in other current liabilities and payroll related liabilities		<u>604</u>	<u>164</u>
		<u>20,139</u>	<u>10,867</u>
Income tax (paid)		(931)	(512)
Interest received	17	17	34
Net cash flows from operating activities		<u>19,225</u>	<u>10,389</u>
<b>Cash flows from investing activities</b>			
(Acquisition) of property, plant, equipment and intangible assets		(6,106)	(27,961)
Sales of investments held-to-maturity		8,284	8,731
(Acquisition) of other Investments		(38)	(4,093)
Grants, subsidies		89	
Net cash flows from investing activities		<u>2,229</u>	<u>(23,323)</u>
<b>Cash flows from financing activities</b>			
Dividends (paid)		(92)	(103)
Received loans		302	147
Interest (paid)		(289)	(116)
Net cash flows from financing activities		<u>(79)</u>	<u>(72)</u>
<b>Net increase (decrease) in cash flows</b>		<b>21,375</b>	<b>(13,006)</b>
<b>Cash and cash equivalents on 1 January</b>	10	<b>10,902</b>	<b>26,035</b>
<b>Cash and cash equivalents on 30 September</b>	10	<b>32,277</b>	<b>13,029</b>

Explanatory note, set out on pages 8 - 15, 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 2015 all the shares were owned by 1,863 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 year 2015 and 2014 nine months. 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 2015 and 30 September 2014 the shareholders of the Company were:

	30 September 2015		30 September 2014	
	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 2015 was 369 (375 – on 30 September 2014).

### 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 2014. The principles used in preparation of financial statements were presented in more detail in the Notes to the Financial Statements for 2014.

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 2015 the Company continued works in the following projects:

- *Liquefied natural gas terminal project.* The project shall involve procurement of floating storage and regasification unit, construction of the jetty and installation of superstructure, dredging of jetty's access, building of gas pipeline and all other costs of the project implementation. As of 30 September 2015 the value of constructions in progress of LNG Terminal's amounted to EUR 23 thousand (During the nine months period of 2015 investment amounted to EUR 4,608 thousand).
- *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 2015 the value of constructions in progress amounting to EUR 300 thousand (During the nine months period of 2015 investment amounted to EUR 300 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 2015 value of constructions in progress amounting to EUR 276 thousand (During the nine months period of 2015 investment amounted to EUR 153 thousand).
- *LNG sampling system.* In order to ensure the LNG quality parameters there were invested into LNG sampling system. Total value of constructions in progress of LNG sampling system amounting up to EUR 474 thousand as of 30 September 2015 (During the nine months period of 2015 investment amounted to EUR 474 thousand).
- *Other investment.* Value of constructions in progress amounting to EUR 131 thousand as of 30 September 2015 (During the nine months period of 2015 investment amounted to EUR 241 thousand).

Part of the Company's property, plant and equipment with the acquisition cost of EUR 30,233 thousand as on 30 September 2015 was completely depreciated (EUR 24,863 thousand on 31 September 2014), however, it was still in operation.

The depreciation of the Company's non-current tangible assets for the nine month of 2015 amounts to EUR 9,614 thousand (EUR 5,547 thousand – in 2014 nine months). EUR 9,432 thousand of amortisation charge has been included into cost of sales (EUR 5,387 thousand - in 2014 nine months) EUR 17 thousand of amortisation charge was transferred to inventory value (EUR 37 thousand – in 2014 nine months), and the remaining amount EUR 165 (EUR 123 – in 2014 nine months) has been included into operating expenses in the Statement of comprehensive income during the nine months of 2015.

### 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.

Main indicators of the business segments of the Company included into the statement of comprehensive income for the financial year as of 30 September 2015 and Statement of financial position as of 30 September 2014, are described below:

For the nine months period ended 30 September 2015	SGD	SKB	KN	Iš viso
Revenues from external customers	48,551	1,788	28,548	78,887
Profit before income tax	2,069	677	12,571	15,317
Segment net profit	1,769	579	10,747	13,095
Interest revenue	3	-	14	17
Interest expense	(201)	-	-	(201)
Depreciation and amortisation	(3,829)	(632)	(5,135)	(9,596)
Impairment of assets	5,259	137	685	6,081
Segment total assets	84,729	13,603	140,041	238,373
Segment loans and related liabilities	29,760	-	-	29,760
Segment total liabilities	47,207	585	2,718	50,510
For the nine months period ended 30 September 2015	SGD	SKB	KN	Iš viso
Revenues from external customers	-	1,408	22,778	24,186
Profit before income tax	(2,614)	323	8,389	6,098
Segment net profit	(2,614)	275	7,560	5,221
Interest revenue	-	-	34	34
Depreciation and amortisation	(36)	(605)	(4,870)	(5,511)
Impairment of assets	26,778	75	1,108	27,961
Segment total assets	41,464	14,858	143,387	199,709
Segment loans and related liabilities	14,863	-	-	14,863
Segment total liabilities	27,998	1,032	-	29,030

## 5 Long-term receivables and accrued income

	30-09-2015	31-12-2014
Long-term accrued income	2,212	1,681

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 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

	30-09-2015	31-12-2014
Diesel fuel for the Terminal purpose	1,168	733
Oil products for sale	304	422
Liquefied natural gas in the connecting pipeline	50	63
Fuel for transport and other equipment	37	43
Spare parts, construction materials and other inventories	1,949	2,013
Total inventories	3,508	3,274
Write-down of spare parts, construction materials and other inventories	(1,839)	(1,674)
	1,669	1,600

As of 30 September 2015 the Company had accounted write-off of inventories in the amount of EUR 1,839 thousand (EUR 1,674 thousand on 31 December 2014), 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 216 thousand for the nine months ended of 30 September 2015 (31 December 2014 - EUR 8 thousand) are included under operating expenses in the profit (loss).

As of 30 September 2015 the Company stores 1.4 thousand MWh (As of 31 December 2014 - 1.8 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 2015 the Company stored 3,542 tons of oil products collected in its Waste Water Treatment Facilities (30 September 2014– 4,865 tons).

As of 30 September 2015 the Company stored 169.7 thousand tons of oil products delivered for transshipment in its storage tanks (196.6 thousand tons as on 31 December 2014). 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 2015 the Company stored 974 thousand MWh (As of 31 December 2014 - 1,087 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

	30-09-2015	31-12-2014
Receivables from natural gas regasification service	13,245	-
Receivables for trans-shipment of oil products and other related services	2,356	1,887
	15,601	1,887

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

## 8 Other receivables

	30-09-2015	31-12-2014
Receivable compensation for the Liquefied natural gas terminal project	710	767
Unbilled revenue from natural gas regasification service	666	5,793
Short-term accrued income for storage of oil products	372	562
VAT receivable	6	1,468
Other receivables	320	53
	2,074	8,643

## 9 Other financial assets

	30-09-2015	31-12-2014
Cession of rights in Vnesekonom bank	29	29
Loan to UAB „Žavesys“	101	101
Less: impairment allowance for receivables	(130)	(130)
Total loans and receivables	-	-
	30-09-2015	31-12-2014
Cash deposits	-	8,284
Total other financial assets	-	8,284

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

Currency	30-09-2015	31-12-2014
EUR	-	8,284

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 EUR 80,295 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 EUR 28.96 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.

## 10 Cash and cash equivalents

	30-09-2015	31-12-2014
Cash at bank	32,277	10,902

Cash in bank earns variable interest depending on the closing balance of every day. As of 30 September 2015 the Company had one night term deposits of EUR 15,577 thousand (as of 31 December 2014 – EUR 1,827 thousand).

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

Currency	30-09-2015	31-12-2014
EUR	32,277	10,902

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

	30-09-2015	31-12-2014
A	16,136	17,261
AA -	15,799	1,829
A +	342	96
	32,277	19,186

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.

## 11 Financial liabilities

	30-09-2015	31-12-2014
European Investment Bank’s loan	29,693	29,832
Payable loan interest	67	55
	29,760	29,887

## 12 Trade debts and other payables

	30-09-2015	31-12-2014
Payable to contractors	2,746	6,191
Payable for rent of land	238	190
Payable for railway services	97	135
Other trade payables	5,595	6,164
	8,676	12,680

Trade payables are non-interest bearing and are normally settled on 30-day payment terms. On 30 September 2015 trade payables of EUR 4,711 thousand were denominated in USD (EUR 7.8 thousand were denominated in GBP – on 31 December 2014).

### 13 Liabilities related to labour relations

	30-09-2015	31-12-2014
Accrued vacation reserve	653	721
Accrual of bonuses	628	668
Salaries payable	299	3
Social insurance payable	271	2
Income tax payable	78	2
Mokėtinos garantinio fondo įmokos	1	-
Other overdraw of salary	1	-
	<u>1,931</u>	<u>1,396</u>

### 14 Other current liabilities

	30-09-2015	31-12-2014
Accrued tax expenses and liabilities	363	163
Accrued expenses and liabilities	44	1,574
Other liabilities	27	66
	<u>434</u>	<u>1,803</u>

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

### 15 Sales income

	For the nine months period ended 30 September 2015	For the nine months period ended 30 September 2014
Income from LNGT services regulated by NCC	48,551	-
Sales of oil transshipment services	28,762	23,619
Other sales related to transshipment	1,574	566
	<u>78,887</u>	<u>24,185</u>

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

### 16 Cost of sales

	For the nine months period ended 30 September 2015	For the nine months period ended 30 September 2014
FSRU rent and other related expenses	37,987	-
Depreciation and amortization	9,431	5,387
Wages, salaries and social security	4,696	4,141
Natural gas	1,611	2,259
Rent of land and quays	1,554	469
Railway services	1,296	923
Insurance of assets	972	322
Electricity	925	1,003
Tax on real estate	354	271
Repair and maintenance of non-current assets	255	227
Refined oil products costs	215	-
Transport	169	33
Services for tankers	126	90
Work safety costs	81	52
Pollution tax	55	5
Cleaning and disposal costs	51	31
Research costs	48	58
Rent of facilities	34	-
Other	148	100
	<u>60,008</u>	<u>15,371</u>

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

	For the nine months period ended 30 September 2015	For the nine months period ended 30 September 2014
Income from currency exchange	670	-
Interest income	17	34
Fines collected	5	172
Financial income, total	692	206
(Losses) from currency exchange	(862)	(3)
Interest (expenses)	(202)	-
Other financial activity (expenses)	(145)	-
Financial activity expenses, total	(1,209)	(3)
Financial result, total	(517)	203

## 18 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 2015	For the nine months period ended 30 September 2014
Net profit attributable to shareholders	13,095	5,221
Weighted average number of ordinary shares (thousand)	380,606	380,606
Earnings per share (in EUR)	0.02	0.01

## 19 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 2015 and 2014 were as follows:

Transactions with Lithuanian State controlled enterprises and institutions:

		Purchases	Sales	Receivables	Payables
State Tax Inspectorate at the Finance Ministry of the Republic of Lithuania	2015 nine month	48,053	-	-	4,605
	2014 nine month	37,953	-	3,310	2,062
State Social Insurance Fund Board under the MMSL	2015 nine month	2,158	-	-	271
	2014 nine month	2,130	-	-	246
State Enterprise Klaipėda State Seaport	2015 nine month	586	22	-	948
	2014 nine month	469	14,489	1,623	189
SC Lithuanian Railways owned by the State of Lithuania represented by TM	2015 nine month	1,361	-	-	97
	2014 nine month	951	-	-	89
SC "Lesto", owned by the State of Lithuania represented by EM	2015 nine month	393	-	-	44
	2014 nine month	488	-	-	49
SC „Lietuvos dujos“, owned by the State of Lithuania represented by EM	2015 nine month	292	-	-	27
	2014 nine month	2,230	-	-	225
JSC Lietuvos dujų tiekimas	2015 nine month	1,072	-	-	77
	2014 nine month	-	-	-	-
SC Amber Grid	2015 nine month	295	54,733	13,245	6,363
	2014 nine month	122	-	-	15
VĮ Lietuvos naftos produktų agentūra	2015 nine month	-	933	132	-
	2014 nine month	-	1,092	121	-
Other related parties	2015 nine month	65	4	-	1
	2014 nine month	25	6	1	3
Transactions with related parties, in total:	2015 nine month	54,275	55,692	13,377	12,433
	2014 nine month	44,368	15,587	5,055	2,878

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.

## 19 Related party transactions (cont'd)

	For the nine months period ended 30 September 2015	For the nine months period ended 30 September 2014
Labour related disbursements	1,589	1,479
Number of managers	35	34

During the first nine months of the years 2015 and 2014 the Management of the Company did not receive any loans, guarantees, or any other payments or property transfers were made or accrued.

## 20 Subsequent events

- On 4th September 2015 Company informed that it has specified the terms of negotiated procedure on procurement of the financial services (long-term loan) amounting up to EUR 300 mln., in order to finance intended purchase option of a floating liquefied natural gas (LNG) storage and regasification unit for the purpose of decreasing annual LNG terminal exploitation costs.

Changes of the terms of negotiated procedure mainly concern specifications to the procedure in relation to the intention of the Company to obtain financing of the loan from international financial institutions (e.g. European Investment Bank, Nordic Investment Bank, European Bank for Reconstruction and Development). If in course of the procedure of negotiations it will become clear that the Company shall in fact obtain financing from the said alternative source in full or in part, the amount of the financing to be obtained from commercial banks shall be respectively reduced or withdrawn.

- on 14th September, 2015, the Supervisory Council of Company adopted the decision to elect Kasparas Žebrauskas as the new member of the Company's Audit Committee until the term of office of the acting Audit Committee of the Company.

The newly elected independent member of the Company's Audit Committee Kasparas Žebrauskas has changed the resigned member of the Company's Audit Committee Simonas Rimašauskas.

- On the 18 November 2015 the Company and the port of Helsingborg (Helsingborg Hamn AB, Oceangatan 3, Po BoX 821, S-251 08 Helsingborg, Sweden) have signed partnership agreement regarding cooperation in the project HEKLA – Helsingborg & Klaipeda LNG Infrastructure Facility Deployment. According to this agreement the Company acquires the right to use the financial support of EUR 6 million of the Connecting Europe Facility (CEF, part of the EU financing program) approved by Coordination Committee for the construction of SC Klaipedos Nafta Liquefied natural gas (hereinafter – LNG) onshore reloading station.

Information regarding confirmation of EU preliminary financial support was announced in the Company's notification on material event on 13 July 2015.

Information on the approval of the general meeting of shareholders of the Company to implement investment project of LNG distribution station was announced in the Company's notification on material event issued on 25 August 2015.

The foreseen start of the construction of the Company's LNG reloading station is the end of 2015 – beginning of 2016, when the contract with the contractor is signed. Currently the Company is pending initial proposals from potential contractors. The foreseen start of operations of LNG reloading station is beginning of 2017.

SC Klaipedos Nafta previously has received the EU support for the LNG reloading station FEED and other preparation works.

- On 20 November 2015, the Board of AB Klaipėdos Nafta took a decision to perform activities of operating a liquefied natural gas bunkering carrier and to establish UAB SGD logistika, a wholly owned subsidiary of AB Klaipėdos Nafta, for performance of such activities. The authorised capital of UAB SGD logistika, a subsidiary of AB Klaipėdos Nafta, is EUR 200,000, Mantas Bartuška is the head of the subsidiary since its establishment.

LNG transportation services will be offered to clients in the Baltic Sea, also to clients of the LNG distribution station under construction in Klaipėda. It is planned that UAB SGD logistika together with its partner Bomin Linde LNG GmbH & Co. KG will establish a joint venture in Germany and will order construction of an LNG bunkering carrier. AB Klaipėdos Nafta with its said partner is going to provide LNG bunkering services in the Klaipėda State Seaport, in the Baltic Sea and in the North Sea.

The Board of AB Klaipėdos Nafta has also decided that the company will issue guarantees (i) regarding performance of UAB SGD logistika obligations under the joint venture agreement with Bomin Linde LNG GmbH & Co. KG, also (ii) regarding payment of a part of the rent of the carrier. According to the estimates of AB Klaipėdos Nafta, the possible total liability of AB Klaipėdos Nafta according to such guarantees should not exceed the amount of USD 14,000,000.

- On 24 November 2015, UAB “SGD logistika”, which is a wholly-owned subsidiary of AB Klaipėdos Nafta, signed a joint venture agreement with partner Bomin Linde LNG GmbH & Co. KG on joint performance of the activities of operating the LNG bunkering carrier.

Following the signed agreement, UAB “SGD logistika” together with Bomin Linde LNG GmbH & Co. KG will establish a joint venture in Germany, in which UAB “SGD logistika” will hold 20% of the authorised capital and Bomin Linde LNG GmbH & Co. KG 80% of the authorised capital. This entity will order construction of an LNG bunkering carrier. The LNG bunkering carrier will provide LNG fuel to clients of Bomin Linde LNG GmbH & Co. KG both at sea and in the Klaipėda port, will offer safe and flexible transportation of LNG from the Klaipėda LNG terminal to the LNG distribution station in the Klaipėda port, will transport LNG to terminals in the North Sea and the Baltic Sea.

The agreement says that AB Klaipėdos Nafta will issue guarantees (i) regarding performance of UAB “SGD logistika” obligations under the joint venture agreement, also (ii) regarding payment of a part of the rent for the carrier. According to the estimates of AB Klaipėdos Nafta, the possible total liability of AB Klaipėdos Nafta according to such guarantees should not exceed the amount of USD 14,000,000. The joint venture agreement establishes that it will come into effect after the general meeting of shareholders of the company, which is to be held on 14 December 2015, approves of the decisions of the Board of the company regarding issuance of guarantees.

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, Marius Pulkauninkas, Finance and Administrative Department Director, acting as a General Manager, 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 2015, 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.

Director of Finance and Administrative Department,  
Acting as a General Manager



Marius Pulkauninkas

Head of Accounting Division



Asta Sedlauskienė