

**Public Joint Stock Company
Latvian Shipping Company
and it's Subsidiaries**

**Unaudited Condensed Consolidated
Financial Statements**

**for the year ended
31 December 2009**



Latvian Shipping Company & its Subsidiaries
Unaudited Condensed Consolidated Financial Statements
for the year ended 31 December 2009

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INFORMATION ON PARENT COMPANY

THE SUPERVISORY COUNCIL

| | |
|--|--|
| Chairman of the Council | Māris Gailis (from 13.01.2009) Uldis Pumpurs (till 12.01.2009) |
| Deputy Chairperson of the Council | Andris Vilcmeiers Vladimirs Solomatins |
| Members of the Council: | Ansis Sormulis Guntis Ločmelis Kārlis Boldiševics Māris Gailis (till 12.01.2009) Uldis Pumpurs (from 13.01.2009) Miks Ekbaums Normunds Staņēvičs Olga Pētersone Svens Zālītis Vladimirs Koškuls |

THE MANAGEMENT BOARD

| | |
|--|--|
| Chairman of the Management Board | Imants Sarmulis |
| Member of the Management Board – 1.vice-president | Andris Linužs |
| Member of the Management Board – vice-president | Raivis Veckāgans |
| Members of the Management Board | Guntis Tīrmanis (till 06.10.2009) Ilva Purēna (till 09.02.2010) |

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MANAGEMENT REPORT

Dear shareholders and partners:

Despite the very tense economic situation in shipping markets and the global economy, the JSC Latvijas kuģniecība (Latvian Shipping Company-LASCO) concern managed to maintain stable positions during the reporting period among the world's leading operators of medium-sized tanker ships. In terms of delivery volumes, it remains one of the leaders among analogous companies in Northern Europe.

During the course of 2009, the Latvian Shipping Company continued a consistent programme of change at the company, seeking to ensure that the company is a flexible participant in the global logistics market, complete with effective governance, a modern fleet, considered investments and targeted marketing. A global economic crisis often is the best time for corporate changes. As the economic situation recovers, there will be new market opportunities for those players who have been able to change.

Intensive changes have allowed the Latvian Shipping Company to reduce the average age of its ships from 17.5 years to 8.2 years over the five years leading up to the end of the reporting period. Six old ships were scrapped last year. Over the next several years, these will be replaced with four new ships.

During the reporting period, the company reduced administrative costs by 46% - to USD 18.7 million, as opposed to USD 34.6 million in 2008. Operating costs for ships declined by USD 43.3 million (USD 82.8 million in the reporting period and USD 126.1 million a year before). Financial costs in the shipping segment declined by USD 6.7 million. The company's overall liabilities have declined by USD 56 million or 9% since the beginning of 2009, and the liabilities at this time are equal to 51% of the concern's assets.

These are fundamentally important and successful steps toward ensuring in the long term that as the economic crisis comes to an end, the Latvian Shipping Company will be able to demonstrate a new level of energy in winning ever more powerful positions in the market for medium-sized tankers. As economic growth recovers, we will have the newer fleet, the most effective governance system, and a very promising structure of assets.

The global recession inevitably led to a drop in shipping revenue – down by 22% or USD 55.9 million during the reporting period in comparison to 2008. Low shipping rates and a slowdown in the global shipping business have had a fundamental influence on the operating revenue of ships – down by USD 26 million (41%) in the reporting period than in the previous year. Because of this, the modernisation of the fleet, and the various investments that were made, the Latvian Shipping Company ended the reporting period with a loss of USD 20.2 million. The annual report has not been audited yet, however, and work will continue on the valuation of the company's assets.

The value of the Latvian Shipping Company's equity at the end of the reporting period was 524.5 million, or 49% of all assets. The total value of the company's assets at the end of 2009 was USD 1.0767 billion. All Latvian Shipping Company shares are traded publicly on the official list of the NASDAQ OMX Riga exchange. Negative macroeconomic trends in Baltic securities markets led to a drop in the price of Latvian Shipping Company shares from LVL 0.66 at the beginning of the end to LVL 0.40 at the end of the year, even though in mid-year, when the mood of the market improved a bit, the price rose to LVL 0.69. Latvian Shipping Company shares were the focus of much attention, with 2,591 transactions at the exchange on the year involving 3.96 million shares worth LVL 1.91 million. These liquidity indicators, however, do not show the real value of shares in the Latvian Shipping Company, given that the number of transactions was really quite low, and fewer than 100 transactions involved more than two-thirds of the total number and value of shares that were traded. On December 31, 2009, the

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MANAGEMENT REPORT (continued)

capitalisation of Latvian Shipping Company shares at the NASDAQ OMX Riga exchange was LVL 80 million.

Fleet Operations

2009 was marked by a particular slowdown in the market for ship charters, and rates in this area collapsed to the lowest level in the last five years. Logically, this affected the operating indicators of the Latvian Shipping Company fleet. Far-sighted policies and effective reductions in ship maintenance and administrative costs, however, allowed the concern to ensure positive operations during the reporting period, with profits from shipping segment reaching a level of USD 9.3 million.

At the end of 2009, the Latvian Shipping Company had a fleet of 28 tankers (2 of them chartered from other ship owners). Older ships were sold off in order to increase the fleet's competitiveness in the international market for shipping. Two gas tankers were among the ships to be sold during the reporting period.

The modernisation of the fleet has ensured that the Latvian Shipping Company has a modern and competitive tanker fleet with a total deadweight of 1.15 million tonnes. The tankers were mostly used during the reporting period to transport light and heavy oil products in the Baltic, Northern European, Black Sea, Mediterranean Sea, Transatlantic, Far East and Middle East markets.

Contracts on the building of four new ships were signed in late 2007 in preparation for the concern's further development. These are to be delivered in 2011 and 2012. This, combined with the company's experience, knowledge and wide range of clients, will be a favourable factor in terms of stabilising and increasing the concern's long-term competitiveness.

Management of Assets Unrelated to Core Operations

The Latvian Shipping Company subsidiary SIA LASCO Investment spent the reporting period in implementing a strategy related to the concern's real estate over the next five years. There are three main goals in the strategy – maximum income from investments, maximum added value, and the sale of investments as profitably as possible once the situation in the real estate market recovers.

The board of LASCO Investment also took a look at the Latvian Shipping Company's investments in the printing industry, looking to see whether these investments are in line with the company's development strategy and how risky they are. The board halted investments in the sector, because given current economic conditions, there are no certain short or medium-term returns on such investments. Given that investments in the printing industry represent less than 15% of the investment portfolio that is handled by LASCO Investment and that investments in real estate are among investment priorities, the fact is that the Latvian Shipping Company's investment portfolio will be creating added value for the company's shareholders.

The Latvian Shipping Company is evaluating the value of its assets at this time in accordance with international financial reporting standards (IFRS). If the assessors determine that the fair value of assets is lower than their carrying amount, the difference will be attributed to the Latvian Shipping Company's profit and loss statement as impairment of assets.

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MANAGEMENT REPORT *(continued)*

Future Prospects

The Latvian Shipping Company will face new challenges in 2010. Unfavourable external factors remain in place, including substantially lower shipping rates and the fragile situation in global financial markets. The concern will continue its programme of change to as to satisfy

shareholder goals even under these complicated circumstances. The focus will be on commercial and financial risk management, increases in the effectiveness of company staff, and further reductions in costs.

Board Member, First Vice- president
Board Member, Vice-president

A. Linužs
R.Veckāgans

JSC Latvijas kuģniecība

Rīga, February 26, 2010

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Un-audited consolidated financial statements are prepared to the best on our knowledge in accordance with International Financial Reporting Standards as adopted by the European Union. These un-audited financial statements give a true and fair view of the state of affairs of the Group and of the results of the Group for the period ended 31 December 2009 in all material aspects. In preparing those financial statements, management:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ make judgments and estimates that are reasonable and prudent;
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Management Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that financial statements drawn up from them comply with International Financial Reporting Standards as adopted by the European Union. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Board Member, First Vice- president
Board Member, Vice-president

A. Linužs
R.Veckāgans

JSC *Latvijas kuģniecība*

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Riga, February 26, 2010

CONSOLIDATED INCOME STATEMENT

| | 31.12.2009 US \$'000 | 31.12.2008 US \$'000 | 31.12.2009 LVL'000 | 31.12.2008 LVL'000 | 31.12.2009 EUR'000 | 31.12.2008 EUR'000 |
|--------------------------------------|-------------------------|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenue | 168 224 | 219 810 | 85 002 | 105 457 | 117 048 | 150 051 |
| Cost of sales | (137 950) | (156 453) | (69 705) | (75 062) | (95 983) | (106 801) |
| Gross profit | 30 274 | 63 357 | 15 297 | 30 395 | 21 065 | 43 250 |
| Sales and distribution expenses | (3 408) | - | (1 722) | - | (2 371) | - |
| Administration expenses | (27 999) | (34 594) | (14 148) | (16 596) | (19 481) | (23 615) |
| Gain on sale of assets | (261) | 45 234 | (132) | 21 702 | (182) | 30 879 |
| Profit before financial items | (1 394) | 73 997 | (705) | 35 501 | (969) | 50 514 |
| Net financial items | (21 888) | (15 615) | (11 060) | (7 491) | (15 229) | (10 660) |
| Profit/(loss) before taxation | (23 282) | 58 382 | (11 765) | 28 010 | (16 198) | 39 854 |
| Taxes | 572 | 308 | 289 | 148 | 398 | 210 |
| Minority interest | 2 478 | - | 1 252 | - | 1 724 | - |
| Net profit/(loss) | (20 232) | 58 690 | (10 224) | 28 158 | (75 979) | 40 064 |

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| | | | | | | |
|----------------------------------|-------------|-----------|------------|----------|------------|----------|
| Earnings/(loss) per share | US\$ (0.10) | US\$ 0.29 | LVL (0.05) | LVL 0.14 | EUR (0.07) | EUR 0.20 |
|----------------------------------|-------------|-----------|------------|----------|------------|----------|

CONSOLIDATED BALANCE SHEET

| | 31.12.2009 US \$'000 | 31.12.2008 US \$'000 | 31.12.2009 LVL'000 | 31.12.2008 LVL'000 | 31.12.2009 EUR'000 | 31.12.2008 EUR'000 |
|---|-------------------------|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>ASSETS</i> | | | | | | |
| <i>NON-CURRENT ASSETS</i> | | | | | | |
| Goodwill | 16 802 | 16 646 | 8 216 | 8 240 | 11 691 | 11 363 |
| Intangible assets | 3 675 | 3 721 | 1 797 | 1 842 | 2 557 | 2 540 |
| Total intangible assets | 20 477 | 20 367 | 10 013 | 10 082 | 14 248 | 13 903 |
| Fleet | 571 896 | 693 126 | 279 657 | 343 097 | 397 916 | 473 156 |
| Other property, plant and equipment | 16 537 | 53 006 | 8 087 | 26 238 | 11 506 | 36 184 |
| Assets under construction | 79 304 | 102 421 | 38 780 | 50 698 | 55 178 | 69 917 |
| Total property, plant and equipment | 667 737 | 848 553 | 326 524 | 420 033 | 464 600 | 579 257 |
| Investment properties | 144 425 | 149 212 | 70 624 | 73 860 | 100 489 | 101 858 |
| Investments in associates accounted for using the equity method | 388 | 26 | 190 | 13 | 270 | 18 |
| Other financial assets | 2 301 | - | 1 125 | - | 1 601 | - |
| <i>TOTAL NON-CURRENT ASSETS</i> | 835 328 | 1 018 158 | 408 476 | 503 988 | 581 208 | 695 036 |
| <i>CURRENT ASSETS</i> | | | | | | |
| Inventories | 61 755 | 6 707 | 30 198 | 3 320 | 42 968 | 4 578 |
| Assets subject to disposal | 33 350 | - | 16 308 | - | 23 204 | - |
| Trade accounts receivable | 8 102 | 14 565 | 3 962 | 7 210 | 5 637 | 9 943 |

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| | | | | | | |
|--|-------------------------|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Prepayments and other receivables | 5 592 | 8 605 | 2 734 | 4 259 | 3 891 | 5 874 |
| Accounts receivable from related party | - | 142 | - | 70 | - | 97 |
| Deposits with maturity more than three months | 55 987 | 62 101 | 27 378 | 30 740 | 38 955 | 42 393 |
| Financial assets designated at fair value through profit or loss | 1 319 | 4 028 | 645 | 1 994 | 918 | 2 750 |
| Cash and cash equivalents | 75 230 | 35 849 | 36 787 | 17 745 | 52 344 | 24 472 |
| <u>TOTAL CURRENT ASSETS</u> | <u>241 335</u> | <u>131 997</u> | <u>118 012</u> | <u>65 338</u> | <u>167 917</u> | <u>90 107</u> |
| | | | | | | |
| <u>TOTAL ASSETS</u> | <u>1 076 663</u> | <u>1 150 155</u> | <u>526 488</u> | <u>569 326</u> | <u>749 125</u> | <u>785 143</u> |

CONSOLIDATED BALANCE SHEET (continued)

| | 31.12.2009 US \$'000 | 31.12.2008 US \$'000 | 31.12.2009 LVL'000 | 31.12.2008 LVL'000 | 31.12.2009 EUR'000 | 31.12.2008 EUR'000 |
|--|-------------------------|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <u>SHAREHOLDERS' EQUITY & LIABILITIES</u> | | | | | | |
| <u>SHAREHOLDERS EQUITY</u> | | | | | | |
| Share capital | 362 319 | 362 319 | 200 000 | 200 000 | 284 574 | 284 574 |
| Cash flow hedge reserve | (3 845) | (4 777) | (1 880) | (2 365) | (2 675) | (3 261) |
| Translation reserve | (7 472) | (11 673) | (32 134) | (31 241) | (44 018) | (54 117) |
| Retained earnings | 175 232 | 195 464 | 91 341 | 101 565 | 128 264 | 142 340 |
| | <u>526 234</u> | <u>541 333</u> | <u>257 327</u> | <u>267 959</u> | <u>366 145</u> | <u>369 536</u> |
| <i>Minority interest</i> | <i>(1 692)</i> | <i>753</i> | <i>(827)</i> | <i>373</i> | <i>(1 177)</i> | <i>514</i> |
| <u>TOTAL EQUITY</u> | <u>524 542</u> | <u>542 086</u> | <u>256 500</u> | <u>268 332</u> | <u>364 968</u> | <u>370 050</u> |
| | | | | | | |
| <u>NON-CURRENT LIABILITIES</u> | | | | | | |
| Bank loans and borrowings | 345 843 | 352 078 | 169 117 | 174 279 | 240 632 | 240 343 |
| Finance lease | 28 571 | 21 314 | 13 971 | 10 550 | 19 879 | 14 550 |
| Other financial liabilities | 4 574 | 3 492 | 2 237 | 1 729 | 3 183 | 2 384 |
| Deferred tax liabilities | 16 631 | 17 563 | 8 133 | 8 694 | 8 321 | 11 989 |
| Accounts payable to related party | - | 83 954 | - | 41 557 | - | 57 310 |
| Deferred revenue | - | 1 062 | - | 526 | - | 725 |
| <u>TOTAL NON-CURRENT LIABILITIES</u> | <u>395 619</u> | <u>479 463</u> | <u>193 458</u> | <u>237 335</u> | <u>275 266</u> | <u>327 301</u> |
| | | | | | | |
| <u>CURRENT LIABILITIES</u> | | | | | | |
| Bank loans and borrowings | 46 004 | 39 295 | 22 496 | 19 451 | 32 009 | 26 824 |
| Finance lease | 24 981 | 7 532 | 12 216 | 3 728 | 17 381 | 5 142 |

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| | | | | | | |
|--|-------------------------|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Other financial liabilities | 722 | 1 285 | 353 | 636 | 502 | 877 |
| Trade accounts payable | 10 161 | 9 429 | 4 969 | 4 667 | 7 070 | 6 437 |
| Accounts payable to related party | 57 137 | 46 487 | 27 940 | 23 011 | 39 755 | 31 734 |
| Deferred revenue | 4 640 | 7 534 | 2 269 | 3 729 | 3 228 | 5 143 |
| Other payables | 12 857 | 17 044 | 6 287 | 8 437 | 8 946 | 11 635 |
| <u>TOTAL CURRENT LIABILITIES</u> | <u>156 502</u> | <u>128 606</u> | <u>76 530</u> | <u>63 659</u> | <u>108 891</u> | <u>87 792</u> |
| <u>TOTAL LIABILITIES</u> | <u>552 121</u> | <u>608 069</u> | <u>269 988</u> | <u>300 994</u> | <u>384 157</u> | <u>415 093</u> |
| <u>TOTAL EQUITY & LIABILITIES</u> | <u>1 076 663</u> | <u>1 150 155</u> | <u>526 488</u> | <u>569 326</u> | <u>749 125</u> | <u>785 143</u> |

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| | Share capital | Cash flow hedge reserve | Translation reserve | Retained earnings | Minority interest | Total |
|---|----------------|-------------------------|---------------------|-------------------|-------------------|----------------|
| | US \$'000 | US \$'000 | US \$'000 | US \$'000 | US \$'000 | US \$'000 |
| At 31 December 2007 | 362 319 | - | (11 503) | 136 774 | - | 487 590 |
| Currency translation differences and other reserves | - | (4 777) | (170) | - | - | (4 947) |
| Net profit for the period | - | - | - | 58 690 | - | 58 690 |
| Minority interest | - | - | - | - | 753 | 753 |
| At 31 December 2008 | 362 319 | (4 777) | (11 673) | 195 464 | 753 | 542 086 |
| Currency translation differences and other reserves | - | 932 | 4 201 | - | 33 | 5 166 |
| Net loss for the period | - | - | - | (20 232) | - | (20 232) |
| Minority interest | - | - | - | - | (2 478) | (2 478) |
| At 31 December 2009 | 362 319 | (3 845) | (7 472) | 175 232 | (1 692) | 524 542 |

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(continued)

| | Share capital | Cash flow hedge reserve | Translation reserve | Retained earnings | Minority interest | Total |
|--|------------------|-------------------------------|------------------------|----------------------|----------------------|----------------|
| | LVL '000 | LVL '000 | LVL '000 | LVL '000 | LVL '000 | LVL '000 |
| At 31 December 2007 | 200 000 | - | (37 413) | 73 407 | - | 235 994 |
| Currency translation differencies and other reserves | - | (2 365) | 6 172 | - | - | 3 807 |
| Net profit for the period | - | - | - | 28 158 | - | 28 158 |
| Minority interest | - | - | - | - | 373 | 373 |
| At 31 December 2008 | 200 000 | (2 365) | (31 241) | 101 565 | 373 | 268 332 |
| Currency translation differencies and other reserves | - | 485 | (893) | - | 52 | (356) |
| Net loss for the period | - | - | - | (10 224) | - | (10 224) |
| Minority interest | - | - | - | - | (1 252) | (1 252) |
| At 31 December | 200 000 | (1 880) | (32 134) | 91 341 | (827) | 256 500 |

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(continued)

| | Share capital | Cash flow hedge reserve | Translation reserve | Retained earnings | Minority interest | Total |
|---|------------------|-------------------------------|------------------------|----------------------|----------------------|----------------|
| | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 |
| At 31 December 2007 | 284 574 | - | (51 061) | 102 276 | - | 335 789 |
| Currency translation differences and other reserves | - | (3 261) | (3 056) | - | - | (6 317) |
| Net profit for the period | - | - | - | 40 064 | - | 40 064 |
| Minority interest | - | - | - | - | 514 | 514 |
| At 31 December 2008 | 284 574 | (3 261) | (54 117) | 142 340 | 514 | 370 050 |
| Currency translation differences and other reserves | - | 586 | 10 099 | - | 33 | 10 718 |
| Net loss for the period | - | - | - | (14 076) | - | (14 076) |
| Minority interest | - | - | - | - | (1 724) | (1 724) |
| At 31 December 2009 | 284 574 | (2 675) | (44 018) | 128 264 | (1 177) | 364 968 |

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CONSOLIDATED CASH FLOW STATEMENT

| | 31.12.2009 US \$'000 | 31.12.2008 US \$'000 | 31.12.2009 LVL'000 | 31.12.2008 LVL'000 | 31.12.2009 EUR'000 | 31.12.2008 EUR'000 |
|--|-------------------------|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Profit/(loss) before taxation | (23 282) | 58 382 | (11 765) | 28 010 | (16 198) | 39 854 |
| <u>Adjustments for:</u> | | | | | | |
| Depreciation | 38 368 | 31 599 | 19 387 | 15 160 | 26 696 | 21 571 |
| Profit/(loss) on sale of fixed assets | 261 | (45 234) | 132 | (21 702) | 182 | (30 879) |
| Other adjustments | 24 319 | 22 814 | 11 431 | 11 263 | 17 390 | 14 801 |
| | 39 666 | 67 561 | 19 185 | 32 731 | 28 070 | 45 347 |
| Movements in net working capital: | | | | | | |
| Inventories | (187) | (9) | (94) | (4) | (130) | (6) |
| Trade accounts receivable, prepayments and other receivables | 9 618 | (2 599) | 4 860 | (1 247) | 6 692 | (1 774) |
| Trade accounts payable and other liabilities | (13 040) | 3 440 | (6 589) | 1 640 | (9 073) | 2 796 |
| Cash flow from Operations | 36 057 | 68 393 | 17 362 | 33 120 | 25 559 | 46 363 |
| Net Cash flow from Investing Activities | 21 700 | (100 663) | 10 965 | (48 285) | 15 099 | (68 718) |
| Cash flow before Financing Activities | 57 757 | (32 270) | 28 327 | (15 165) | 40 658 | (22 355) |
| Net Cash flow from | (18 376) | 14 022 | (9 285) | | (12 786) | 9 572 |

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| | | | | | | |
|---|---------------|-----------------|---------------|----------------|---------------|-----------------|
| Financing Activities | | | | 6 727 | | |
| Increase in Cash and Cash Equivalents | 39 381 | (18 248) | 19 042 | (8 438) | 27 872 | (12 783) |
| Cash and Cash Equivalents at 1 January | 35 849 | 54 097 | 17 745 | 26 183 | 24 472 | 37 255 |
| Cash and Cash Equivalents at 31 December | 75 230 | 35 849 | 36 787 | 17 745 | 52 344 | 24 472 |

NOTES

1. Accounting policies

These unaudited condensed consolidated financial statements are prepared in accordance with and comply with accounting policies applied in preparation of the consolidated financial statements of Latvian Shipping Company & its Subsidiaries for the year ended 31 December 2008, which were prepared in accordance with International Financial Reporting Standards.

The Financial Statements are prepared in U.S. dollars which is the functional currency of the Group and Latvian lats which is the presentation currency of the Group in accordance with legislation of the Republic of Latvia.

Monetary assets and liabilities of the Group denominated in other currencies are translated into U.S. dollars at the rate of exchange prevailing at the end of the reporting period.

Foreign currency transactions are accounted for into U.S. dollars at the exchange rate prevailing at the date of the transaction.

Presentation of financial statements in Latvian lats is done using the exchange rate set by the Bank of Latvia in the following way: assets and liabilities are translated at the closing rate at the end of the reporting year, income and expenses for income statement are translated at the average exchange rates for the reporting year, whilst resulting exchange differences are recognised as a separate component of equity.

LB rate of exchange as at 31.12.2009 USD/LVL - 0.489 (average – 0.505290)

LB rate of exchange as at 31.12.2008 USD/LVL - 0.495 (average – 0.479762)

These financial statements are translated into euros using the rate of exchange set by the Bank of Latvia prevailing at the 31.12.2009: 1 USD = 0.695784 EUR (31.12.2008: 1 USD = 0.682640 EUR).

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NOTES (continued)

2. SEGMENT INFORMATION

| | Shipping | | Other activities | | Total | |
|---------------------------------|------------------|------------------|-------------------------|------------------|------------------|------------------|
| | 31.12.09 | 31.12.08 | 31.12.09 | 31.12.08 | 31.12.09 | 31.12.08 |
| | US \$'000 | US \$'000 | US \$'000 | US \$'000 | US \$'000 | US \$'000 |
| Voyage income | 196 120 | 252 031 | - | - | 196 120 | 252 031 |
| Voyage costs | (47 205) | (32 221) | - | - | (47 205) | (32 221) |
| Net voyage result | 148 915 | 219 810 | - | - | 148 915 | 219 810 |
| Vessel operating costs | (82 803) | (126 134) | - | - | (82 803) | (126 134) |
| Vessel depreciation | (28 863) | (30 319) | - | - | (28 863) | (30 319) |
| Vessel operating profit | 37 249 | 63 357 | - | - | 37 249 | 63 357 |
| Revenue (Fleet excluding) | 1 138 | - | 18 171 | - | 19 309 | - |
| Cost of sales (Fleet excluding) | (3 670) | - | (22 614) | - | (26 284) | - |
| Sales and distribution expenses | (1) | - | (3 407) | - | (3 408) | - |
| Administration expenses | (18 728) | (34 594) | (9 271) | - | (27 999) | (34 594) |
| Result from sale of assets | 871 | 45 234 | (1 132) | - | (261) | 45 234 |
| Segment result | 16 859 | 73 997 | (18 253) | - | (1 394) | 73 997 |
| Net financial items | (8 864) | (15 615) | (13 024) | - | (21 888) | (15 615) |
| Taxes | (57) | 308 | 629 | - | 572 | 308 |
| Minority interest | 1 371 | - | 1 107 | - | 2 478 | - |
| Net profit/(loss) | 9 309 | 58 690 | (29 541) | - | (20 232) | 58 690 |
| Segment assets | 843 025 | 900 793 | 233 638 | 249 362 | 1 076 663 | 1 150 155 |
| Segment liabilities | 395 266 | 398 082 | 156 855 | 209 987 | 552 121 | 608 069 |

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NOTES (continued)

2. SEGMENT INFORMATION (continued)

| | Shipping | | Other activities | | Total | |
|---------------------------------|-----------------|-----------------|-------------------------|-----------------|-----------------|-----------------|
| | 31.12.09 | 31.12.08 | 31.12.09 | 31.12.08 | 31.12.09 | 31.12.08 |
| | LVL'000 | LVL'000 | LVL'000 | LVL'000 | LVL'000 | LVL'000 |
| Voyage income | 99 097 | 120 915 | - | - | 99 097 | 120 915 |
| Voyage costs | (23 852) | (15 458) | - | - | (23 852) | (15 458) |
| Net voyage result | 75 245 | 105 457 | - | - | 75 245 | 105 457 |
| Vessel operating costs | (41 840) | (60 516) | - | - | (41 840) | (60 516) |
| Vessel depreciation | (14 584) | (14 546) | - | - | (14 584) | (14 546) |
| Vessel operating profit | 18 821 | 30 395 | - | - | 18 821 | 30 395 |
| Revenues (Fleet excluding) | 575 | - | 9 182 | - | 9 757 | - |
| Cost of sales (Fleet excluding) | (1 854) | - | (11 427) | - | (13 281) | - |
| Sales and distribution expenses | (1) | - | (1 721) | - | (1 722) | - |
| Administration expenses | (9 463) | (16 596) | (4 685) | - | (14 148) | (16 596) |
| Result from sale of assets | 440 | 21 702 | (572) | - | (132) | 21 702 |
| Segment result | 8 518 | 35 501 | (9 223) | - | (705) | 35 501 |
| Net financial items | (4 479) | (7 491) | (6 581) | - | (11 060) | (7 491) |
| Taxes | (29) | 148 | 318 | - | 289 | 148 |
| Minority interest | 693 | - | 559 | - | 1 252 | - |
| Net profit/(loss) | 4 703 | 28 158 | (14 927) | - | (10 224) | 28 158 |
| Segment assets | 412 240 | 445 892 | 114 248 | 123 434 | 526 488 | 569 326 |
| Segment liabilities | 193 286 | 197 050 | 76 702 | 103 945 | 269 988 | 300 994 |

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NOTES (continued)

2. SEGMENT INFORMATION (continued)

| | Shipping | | Other activities | | Total | |
|---------------------------------|-----------------|-----------------|-------------------------|-----------------|-----------------|-----------------|
| | 31.12.09 | 31.12.08 | 31.12.09 | 31.12.08 | 31.12.09 | 31.12.08 |
| | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 |
| Voyage income | 136 457 | 172 046 | - | - | 136 457 | 172 046 |
| Voyage costs | (32 844) | (21 995) | - | - | (32 844) | (21 995) |
| Net voyage result | 103 613 | 150 051 | - | - | 103 613 | 150 051 |
| Vessel operating costs | (57 613) | (86 104) | - | - | (57 613) | (86 104) |
| Vessel depreciation | (20 082) | (20 697) | - | - | (20 082) | (20 697) |
| Vessel operating profit | 25 918 | 43 250 | - | - | 25 918 | 43 250 |
| Revenues (Fleet excluding) | 792 | - | 12 643 | - | 13 435 | - |
| Cost of sales (Fleet excluding) | (2 554) | - | (15 734) | - | (18 288) | - |
| Sales and distribution expenses | (1) | - | (2 730) | - | (2 371) | - |
| Administration expenses | (13 030) | (23 615) | (6 451) | - | (19 481) | (23 615) |
| Result from sale of assets | 606 | 30 879 | (788) | - | (182) | 30 879 |
| Segment result | 11 730 | 50 514 | (12 700) | - | (969) | 50 514 |
| Net financial items | (6 167) | (10 660) | (9 062) | - | (15 229) | (10 660) |
| Taxes | (40) | 210 | 438 | - | 398 | 210 |
| Minority interest | 954 | - | 770 | - | 1 724 | - |
| Net profit/(loss) | 6 478 | 40 064 | (20 554) | - | (14 076) | 40 064 |
| Segment assets | 586 583 | 614 918 | 162 562 | 170 225 | 749 125 | 785 143 |
| Segment liabilities | 275 020 | 271 747 | 109 137 | 143 346 | 384 157 | 415 093 |

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NOTES

Contact person with respect to information presented in these financial statements

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