

JOINT STOCK COMPANY VENTSPILS NAFTA

(UNIFIED REGISTRATION NUMBER 50003003091)

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011 (EUR)

Riga, 2012

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INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	EUR'000	EUR'000
Net sales	460	186
Gross profit	460	186
General and administrative expense	(1 558)	(2 085)
Other operating income	-	4
Other operating expense	(58)	(260)
Result from operating activities	(1 156)	(2 155)
Income from securities forming non-current assets, net	7 039	5 023
Impairment of other financial assets	(6 261)	(4 226)
Finance income	1 754	7 782
Result before taxes	1 376	6 424
Corporate income tax	(861)	(1 249)
Net result	515	5 175

Average exchange rate of EUR during the reporting year by the Bank of Latvia 0.702804 (lats per unit).

BALANCE SHEET AS AT 31 DECEMBER 2011

ASSETS		31/12/2011	31/12/2010
		EUR'000	EUR'000
NON-CURRENT ASSETS			
Property, plant and equipment			
Property, plant and equipment		1 137	112
TOTAL		1 137	112
Investments			
Investments in subsidiaries		169 588	169 588
Investments in associates		49 722	49 722
Loan note		69 455	67 955
Other financial assets		30 248	36 509
TOTAL		319 013	323 774
TOTAL NON-CURRENT ASSETS		320 150	323 886
CURRENT ASSETS			
Receivables			
Short term deposits		10 396	6 481
Receivables from related companies		138	63
Other receivables		26	10
Other assets		241	171
TOTAL		10 801	6 725
Cash		120	138
TOTAL CURRENT ASSETS		10 921	6 863
TOTAL ASSETS		331 071	330 749

EUR exchange rate of the Bank of Latvia on 31 December 2011 – 0,702804.

BALANCE SHEET AS AT 31 DECEMBER 2011 (CONT'D)**LIABILITIES AND SHAREHOLDERS' EQUITY**

	31/12/2011	31/12/2010
	EUR'000	EUR'000
SHAREHOLDERS' EQUITY		
Share capital	148 660	148 660
Share premium	60 249	60 249
Other reserves	121 338	116 163
Retained earnings for the period	515	5 175
TOTAL SHAREHOLDERS' EQUITY	330 762	330 247
LIABILITIES		
Non-current liabilities		
Deferred corporate income tax	13	-
TOTAL	13	-
Current liabilities		
Prepayments received	17	-
Trade payables	65	73
Payables to related companies	6	4
Taxes payable	11	222
Accrued liabilities	197	203
TOTAL	296	502
TOTAL LIABILITIES	309	502
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	331 071	330 749

EUR exchange rate of the Bank of Latvia on 31 December 2011 – 0,702804.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	EUR'000	EUR'000
Operating activities		
Result before taxes	1 376	6 424
Adjustments:		
Interest income	(1 743)	(2 393)
Depreciation	17	37
Reversal of impairment of investments	-	(300)
Dividends	(7 039)	(4 717)
Impairment of other financial assets	6 261	4 226
Loss on disposal of property, plant and equipment	-	118
Gain on sale of investments	-	(6)
Income from fluctuations of currency exchange rates	-	(5 334)
Operating loss before changes in current assets and liabilities	(1 128)	(1 945)
(Increase)/ Decrease in receivables	(21)	6
(Decrease)/ Increase in current liabilities	(21)	372
Net cash used in operating activities	(1 170)	(1 567)
Corporate income tax paid	(1 033)	(169)
Net cash used in operating activities	(2 203)	(1 736)
Investing activities		
Purchase of property, plant and equipment	(1 042)	(7)
Interest received	1 602	1 330
Loans issued	(1 500)	-
Dividends received	7 039	4 717
Proceeds from disposal of investments	-	30
Proceeds from disposal of property, plant and equipment	-	3
Increase in short-term deposits	(3 914)	(6 481)
Investments in subsidiaries	-	(24)
Net cash flow generated from / (used in) investing activities	2 185	(432)
Net decrease in cash	(18)	(2 168)
Cash at the beginning of the year	138	2 306
Cash at the end of the year	120	138

EUR exchange rate of the Bank of Latvia on 31 December 2011 – 0,702804.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011

	Share capital	Share premium	Other reserves	Retained earnings for the period	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Balance as at 31 December 2009	148 660	60 249	114 534	1 629	325 072
Transfer of 2009 net result	-	-	1 629	(1 629)	-
Profit for the reporting year	-	-	-	5 175	5 175
Balance as at 31 December 2010	148 660	60 249	116 163	5 175	330 247
Transfer of 2010 net result	-	-	5 175	(5 175)	-
Profit for the reporting year	-	-	-	515	515
Balance as at 31 December 2011	148 660	60 249	121 338	515	330 762

EUR exchange rate of the Bank of Latvia on 31 December 2011 – 0,702804.