

***JOINT STOCK COMPANY VENTSPILS NAFTA***  
(UNIFIED REGISTRATION NUMBER 50003003091)

**CONDENSED SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013 (EUR)**

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**SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	EUR	EUR
Revenue	180 749	362 774
<b>Gross profit</b>	<b>180 749</b>	<b>362 774</b>
General and administrative expenses	(1 145 991)	(1 290 045)
Other operating expenses, net	(3 123)	(48 800)
<b>Operating loss</b>	<b>(968 365)</b>	<b>(976 071)</b>
Income from investment in subsidiaries	18 969 568	-
Impairment of investment in subsidiaries	(47 324 001)	-
Finance income, net	1 170 921	1 372 186
<b>(Loss) / profit before income tax</b>	<b>(28 151 877)</b>	<b>396 115</b>
Income tax expense	1 183	(28 759)
<b>(Loss) / profit for the year</b>	<b>(28 150 694)</b>	<b>367 356</b>
Other comprehensive income / (expenses)	-	-
<b>Total comprehensive (loss) / income for the year</b>	<b>(28 150 694)</b>	<b>367 356</b>

**SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013**

	<b>ASSETS</b>		
	31/12/2013	31/12/2012	01/01/2012
	EUR	EUR	EUR
<b>NON-CURRENT ASSETS</b>			
<b>Property, plant and equipment</b>			
Property, plant and equipment	76 906	83 639	1 137 401
TOTAL	<b>76 906</b>	<b>83 639</b>	<b>1 137 401</b>
<b>Other non-current assets</b>			
Investments in subsidiaries	171 986 431	219 310 432	219 310 432
Loans to related parties	91 393 894	89 700 986	69 455 300
Other financial assets	30 248 358	30 248 358	30 248 358
TOTAL	<b>293 628 683</b>	<b>339 259 776</b>	<b>319 014 090</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>293 705 589</b>	<b>339 343 415</b>	<b>320 151 491</b>
<b>CURRENT ASSETS</b>			
<b>Receivables</b>			
Short term deposits	22 500 367	6 689 908	10 395 267
Loan to related parties	1 204 182	-	-
Receivables from related parties	71 761	47 601	138 659
Other assets	233 136	208 111	265 908
TOTAL	<b>24 009 446</b>	<b>6 945 620</b>	<b>10 799 834</b>
<b>Cash and cash equivalents</b>	<b>513 396</b>	<b>108 266</b>	<b>119 267</b>
<b>TOTAL CURRENT ASSETS</b>	<b>24 522 842</b>	<b>7 053 886</b>	<b>10 919 101</b>
<b>TOTAL ASSETS</b>	<b>318 228 431</b>	<b>346 397 301</b>	<b>331 070 592</b>

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**SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013 (CONT'D)**

**EQUITY AND LIABILITIES**

	31/12/2013	31/12/2012	01/01/2012
	EUR	EUR	EUR
<b>EQUITY</b>			
Share capital	148 660 962	148 660 962	148 660 962
Share premium	60 248 061	60 248 061	60 248 061
Retained earnings	94 070 081	122 220 774	121 853 419
<b>TOTAL EQUITY</b>	<b>302 979 104</b>	<b>331 129 797</b>	<b>330 762 442</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings from related companies	15 057 924	15 066 245	-
Deferred income tax liabilities	3 461	4 644	13 274
TOTAL	<b>15 061 385</b>	<b>15 070 889</b>	<b>13 274</b>
<b>Current liabilities</b>			
Prepayments	-	-	16 666
Payables to related companies	8 655	3 172	5 694
Taxes payable	13 566	24 323	11 475
Payables and accruals	165 721	169 120	261 041
TOTAL	<b>187 942</b>	<b>196 615</b>	<b>294 876</b>
<b>TOTAL LIABILITIES</b>	<b>15 249 327</b>	<b>15 267 504</b>	<b>308 150</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>318 228 431</b>	<b>346 397 301</b>	<b>331 070 592</b>

**SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	EUR	EUR
<b>Cash flow from operating activities</b>		
(Loss) / profit before tax	(28 151 877)	396 115
Non-cash adjustments to reconcile (loss)/ profit before tax to net cash flows:		
Interest income	(1 643 724)	(1 694 175)
Depreciation	13 477	26 986
Dividends	(18 969 568)	-
Impairment of investment in subsidiaries	47 324 001	-
Interest expense	456 726	302 863
Loss on disposal of property, plant and equipment	-	28 726
	<b>(970 965)</b>	<b>(939 485)</b>
(Increase) / decrease in receivables	(18 530)	121 008
Decrease in current liabilities	(8 671)	(135 649)
<b>Net cash flows used in operating activities</b>	<b>(998 166)</b>	<b>(954 126)</b>
Corporate income tax received / (paid)	84 201	(142 868)
<b>Net cash used in operating activities</b>	<b>(913 965)</b>	<b>(1 096 994)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(6 744)	(2 910)
Interest received	836 730	1 390 109
Loans issued	(2 670 000)	(20 450 608)
Dividends received	18 969 568	-
Proceeds from disposal of property, plant and equipment	-	1 000 000
Decrease / (increase) in short-term deposits	(15 810 459)	3 705 359
<b>Net cash flow generated/ (used in) from investing activities</b>	<b>1 319 095</b>	<b>(14 358 050)</b>
<b>Financing activities</b>		
Loans received	-	15 444 043
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>15 444 043</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>405 130</b>	<b>(11 001)</b>
Cash and cash equivalents at the beginning of the reporting year	108 266	119 267
<b>Cash and cash equivalents at the end of the reporting year</b>	<b>513 396</b>	<b>108 266</b>

**SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013**

	Share capital	Share premium	Retained earnings	Total
	EUR	EUR	EUR	EUR
<b>Balance as at 1 January 2012</b>	<b>148 660 962</b>	<b>60 248 061</b>	<b>121 853 419</b>	<b>330 762 442</b>
Total comprehensive income for the reporting year	-	-	367 356	367 356
<b>Balance as at 31 December 2012</b>	<b>148 660 962</b>	<b>60 248 061</b>	<b>122 220 774</b>	<b>331 129 797</b>
Total comprehensive loss for the reporting year	-	-	(28 150 694)	(28 150 694)
<b>Balance as at 31 December 2013</b>	<b>148 660 962</b>	<b>60 248 061</b>	<b>94 070 081</b>	<b>302 979 104</b>

These financial statements should be read in conjunction with the audited separate financial statements of *JSC Ventspils nafta* for year 2013.

These financial statements are translated into Euros using the rate of exchange set by the Bank of Latvia prevailing at the 31.12.2013: 1 EUR = 0.702804 LVL, 31.12.2012: 1 EUR = 0.702804 LVL, 01.01.2012: 1 EUR = 0.702804 LVL.