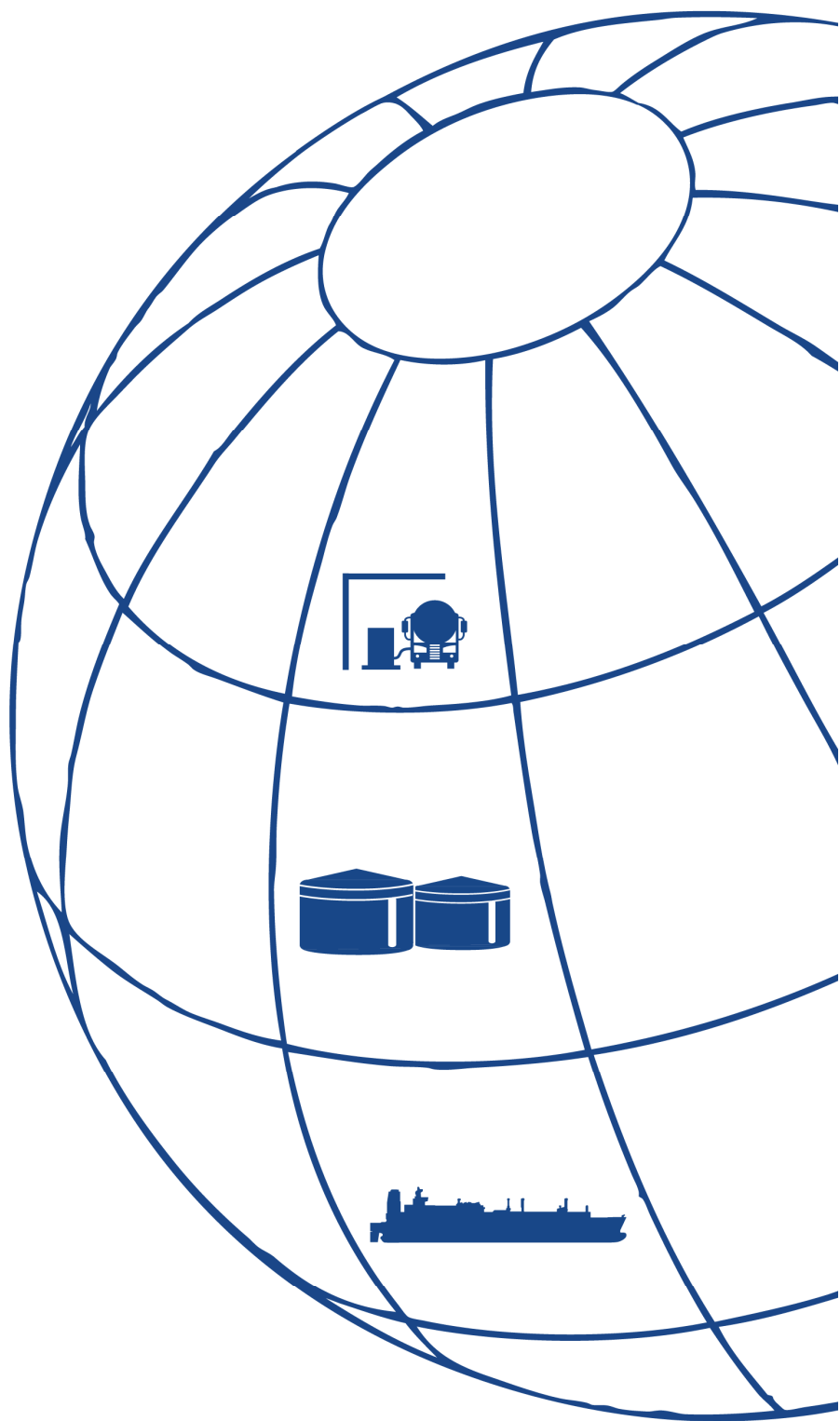




KLAIPEDOS NAFTA
S T O C K C O M P A N Y



SC KLAIPĖDOS NAFTA

INTERIM CONDENSED FINANCIAL STATEMENTS,
PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS,
AS ADOPTED BY THE EUROPEAN UNION

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2016
(UNAUDITED)

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Statement of financial position

	Notes	2016-03-31 <i>(unaudited)</i>	2015-12-31 <i>(unaudited)</i>
ASSETS			
Non-current assets			
Intangible assets		466	508
Property, plant and equipment	3	177,179	176,821
Long-term receivables	5	2,591	2,401
Investment into subsidiaries		200	200
Investment into associates		144	144
Total non-current assets		180,580	180,074
Current assets			
Inventories	6	1,748	1,727
Prepayments		342	415
Trade receivables	7	12,543	27,716
Refunds of income taxes		-	-
Other receivables	8	399	1,027
Assets held for sale		4,040	4,040
Cash and cash equivalents	9	59,300	23,788
Total current assets		78,372	58,713
Total assets		258,952	238,787

(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	2016-03-31 <i>(unaudited)</i>	2015-12-31 <i>(unaudited)</i>
EQUITY AND LIABILITIES			
Equity			
Share capital	1	110,376	110,376
Share premium		3,913	3,913
Legal reserve		8,107	8,107
Reserve for own shares		15,929	15,929
Other reserves		36,443	36,443
Retained earnings		28,893	22,036
Total equity		203,661	196,804
Non-current liabilities			
Deferred income tax liability		1,506	1,327
Non-current employee benefits		339	202
Loan	10	29,693	29,693
Grants related to assets		209	209
Total non-current liabilities		31,747	31,431
Current liabilities			
Loan	10	48	44
Trade payables	11	7,366	6,965
Payroll related liabilities	12	2,142	2,116
Prepayments received		160	106
Dividends payable		13,033	823
Other payables and current liabilities	13	795	498
Total current liabilities		23,544	10,552
Nuosavo kapitalo ir įsipareigojimų iš viso		258,952	238,787

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

Statement of comprehensive income

	Notes	For the three months period ended 31 March 2016 <i>(unaudited)</i>	For the three months period ended 31 March 2015 <i>(unaudited)</i>
Sales	14	30,596	26,614
Cost of sales	15	<u>(21,650)</u>	<u>(20,049)</u>
Gross profit		8,946	6,565
Operating expenses		(1,291)	(855)
Other income		<u>14</u>	<u>164</u>
Profit from operating activities		7,669	5,874
Income from financial activities	16	6	74
Loss from financial activities	16	<u>(124)</u>	<u>(798)</u>
Profit before income tax		7,551	5,150
Income tax expense		<u>(694)</u>	<u>(677)</u>
Net profit		6,857	4,473
Other comprehensive income		-	-
Items that will not be subsequently reclassified to profit or loss		-	-
Items that may be subsequently reclassified to profit or loss		-	-
Total comprehensive income		<u>6,857</u>	<u>4,473</u>
Basic and diluted earnings per share, in EUR	17	0.018	0.0117

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 2014 (<i>audited</i>)		110,232	3,913	7,644	15,929	27,740	9,257	174,715
Net profit for the three months		-	-	-	-	-	4,473	4,473
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	4,473	4,473
Balance as at 31 March 2015 (<i>unaudited</i>)		144	-	-	-	-	-	144
Balance as at 31 December 2015 (<i>audited</i>)		110,376	3,913	7,644	15,929	27,740	13,730	179,332
Currency conversion difference		110,376	3,913	8,107	15,929	36,443	22,036	196,804
Net profit for the three months		-	-	-	-	-	6,857	6,857
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	6,857	6,857
Balance as at 31 March 2016 (<i>unaudited</i>)		110,376	3,913	8,107	15,929	36,443	28,893	203,661

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

Cash flow statement

	Notes	For the three months period ended 31 March 2016 <i>(unaudited)</i>	For the three months period ended 31 March 2015 <i>(unaudited)</i>
Cash flows from operating activities			
Net profit	17	6,857	4,473
Adjustments for noncash items:			
Depreciation and amortization	3	3,287	3,193
Change in vacation reserve	12	191	90
Change in non-current liabilities for employees		137	(96)
Impairment of inventory value	6	12	10
Other non-cash adjustments		-	145
Accrued income	5	653	(350)
Income tax expenses		694	677
Change in allowance for doubtful receivables		(1)	-
Interest income	16	(1)	(6)
		<u>11,829</u>	<u>8,136</u>
Changes in working capital:			
(Increase) decrease in inventories		(25)	(123)
Decrease (increase) in prepayments		73	159
Decrease (increase) in trade and other accounts receivable		15,173	(19,018)
Decrease (increase) in other receivables		(675)	5,224
Increase (decrease) in trade and other payables		615	(3,199)
(Decrease) increase in prepayments received		12,210	15,145
Increase (decrease) in other current liabilities and payroll related liabilities		<u>(165)</u>	<u>806</u>
		<u>39,035</u>	<u>7,130</u>
Income tax (paid)		-	(420)
Interest received	16	<u>1</u>	<u>6</u>
Net cash flows from operating activities		<u>39,036</u>	<u>6,716</u>
Cash flows from investing activities			
(Acquisition) of property, plant, equipment and intangible assets		(3,524)	(1,800)
(Acquisition) of other Investments		-	(10)
Grants, subsidies		-	89
Net cash flows from investing activities		<u>(3,524)</u>	<u>(1,721)</u>
Cash flows from financing activities			
Interest (paid)		-	(55)
Net cash flows from financing activities		<u>-</u>	<u>(55)</u>
Net increase (decrease) in cash flows		35,512	4,940
Cash and cash equivalents on 1 January	9	<u>23,788</u>	<u>10,902</u>
Cash and cash equivalents on 31 March	9	<u>59,300</u>	<u>15,842</u>

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 31 March 2016 all the shares were owned by 1,903 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 2016 and 2015 first term. 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 31 March 2016 and 31 March 2015 the shareholders of the Company were:

	31 March 2016		31 D March 2015	
	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 (Jonlaukis 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
Total	380,606	100.00	380,606	100.00

The average number of employees on 31 March 2016 was 366 (369 – on 31 March 2015).

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 2015. The principles used in preparation of financial statements were presented in more detail in the Notes to the Financial Statements for 2015.

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 three months of 2016 the Company continued works in the following projects:

- **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 31 March 2015 the value of constructions in progress amounted to EUR 3.287 thousand (During the year 2016 investment amounted to EUR 2.858 thousand).
- **Modernization works of fire protection system** – investments for the upgrade of mechanical and automatic sections of the fire protection system. As of 31 March 2015 the value of constructions in progress amounted to EUR 32 thousand (There was no investment in 2016).
- **LNG sampling system.** In order to ensure the LNG quality parameters there were invested into LNG sampling system. As of 31 March 2016 the value of constructions in progress of LNG sampling system amounted up to EUR 474 thousand (There was no investment in 2016).
- **Road tanker loading station development** - As of 31 March 2015 the value of constructions in progress amounted to EUR 42 thousand (During the year 2016 investment amounted to 42 thousand).
- **Other investment.** As of 31 March 2016 the value of constructions in progress amounted to EUR 488 thousand (During the year 2016 investment amounted to EUR 129 thousand).

Part of the Company's property, plant and equipment with the acquisition cost of EUR 30,544 thousand as on 31 March 2016 was completely depreciated (EUR 27,013 thousand on 31 December 2015), however, it was still in operation.

The depreciation of the Company's non-current tangible assets for the first quarter of 2016 amounts to EUR 3,238 thousand (EUR 3,150 thousand – in 2015 first term). EUR 3,194 thousand of amortisation charge has been included into cost of sales (EUR 3,112 thousand - in 2014 first term) EUR 8 thousand of amortisation charge was transferred to inventory value (EUR 6 thousand – in 2014), and the remaining amount EUR 36 (EUR 32 – in 2015 first term) has been included into operating expenses in the Statement of comprehensive income.

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.
- GDP – planned Liquefied natural gas (LNG) onshore reloading station and 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.

Main indicators of the business segments of the Company included into the statement of comprehensive income for the financial year as of 31 March 2016 and Statement of financial position as of 31 March 2015, are described below:

For the three months period ended 31 March 2016	SGD	SKB	GDP	KN	Is viso
Revenues from external customers	18,120	712	-	12,808	31,640
Profit before income tax	2,769	311	(56)	4,527	7,551
Segment net profit	2,515	282	(51)	4,111	6,857
Interest revenue	-	-	-	1	1
Interest expense	(51)	-	-	-	51
Depreciation and amortisation	(1,420)	(216)	-	(1,651)	(3,287)
Impairment and write-off of non-current tangible assets (reversal)	-	-	-	(22)	(22)
Acquisitions of tangible and intangible assets	38	200	2,858	515	3,611
Segment total assets	75,874	13,734	-	169,247	258,855
Financial liabilities	29,741	-	-	-	29,741
Segment total liabilities	49,395	1,458	250	4,188	55,291

For the three months period ended 31 March 2015	SGD	SKB	GDP	KN	Is viso
Revenues from external customers	16,184	567	-	9,863	26,614
Profit before income tax	654	206	(48)	4,338	5,150
Segment net profit	568	179	(42)	3,768	4,473
Interest revenue	-	-	-	6	6
Interest expense	(177)	-	-	-	(177)
Depreciation and amortisation	(1,270)	(210)	-	(1,713)	(3,193)
Acquisitions of tangible and intangible assets	1,747	14	-	39	1,800
Segment total assets	83,383	15,584	49	140,273	239,289
Financial liabilities	29,869	-	-	-	29,869
Segment total liabilities	55,285	747	114	3,811	59,957

5 Long-term receivables and accrued income

	31-03-2016	31-12-2015
Long-term accrued income	2,591	2,401

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, 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

	31-03-2016	31-12-2015
Diesel fuel for the Terminal purpose	1,033	1,071
Oil products for sale	376	331
Liquefied natural gas in the connecting pipeline	50	50
Fuel for transport and other equipment	26	35
Spare parts, construction materials and other inventories	1,372	1,337
Total inventories	2,857	2,824
Write-down of spare parts, construction materials and other inventories	(1,109)	(1,097)
	1,748	1,727

As of 31 March 2016 the Company had accounted write-off of inventories in the amount of EUR 1,109 thousand (EUR 1,097 thousand on 31 December 2015), 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 12 thousand for the three months ended of 31 March 2016 (31 December 2015 - EUR 577 thousand) are included under operating expenses in the profit (loss).

As of 31 March 2016 the Company stored 269.8 thousand tons of oil products delivered for transshipment in its storage tanks (159.4 thousand tons as on 31 December 2015). 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 31 March 2016 the Company stores 1.5 thousand MWh (As of 31 December 2015 - 1.5 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 31 March 2016 the Company stored 4,969 tons of oil products collected in its Waste Water Treatment Facilities (31 March 2015– 4,394 tons).

As of 31 March 2016 the Company stored 447 thousand MWh (As of 31 December 2015 - 955 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

	31-03-2016	31-12-2015
Receivables from natural gas regasification service	8,624	24,792
Receivables for trans-shipment of oil products and other related services	3,935	2,940
Less: impairment allowance	(16)	(16)
	12,543	27,716

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

8 Other receivables

	31-03-2016	31-12-2015
Short-term accrued income for storage of oil products	175	289
VAT receivable	13	9
Accrued income from JSC Hoegh LNG Klaipėda (cost reduction)	-	720
Other receivables	211	9
	399	1,027

9 Cash and cash equivalents

	31-03-2016	31-12-2015
Cash at bank	59,300	23,788

Cash in bank earns variable interest depending on the closing balance of every day. As of 31 March 2016 the Company had one night term deposits of EUR 23,892 thousand (as of 31 December 2015 – EUR 45 thousand).

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

Currency	31-03-2016	31-12-2015
EUR	54,674	18,995
USD	4,626	4,793
	59,300	23,788

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

	31-03-2016	31-12-2015
AA -	30,513	12,347
A	4,895	10,989
A +	23,892	452
	59,300	23,788

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.

10 Financial liabilities

	31-03-2016	31-12-2015
European Investment Bank's loan	29,693	29,832
Payable loan interest	48	44
	29,741	29,737

11 Trade debts and other payables

	31-03-2016	31-12-2015
Payables for FSRU operating leasing	4,626	5,237
Payable to contractors	758	671
Other payments related FSRU	577	169
Payable for gas services	421	301
Payable for rent of land	391	-
Payable for railway services	194	170
Other trade payables	399	417
	7,366	6,965

Trade payables are non-interest bearing and are normally settled on 30-day payment terms. On 31 March 2016 trade payables of EUR 4,819 thousand were denominated in USD (EUR 4,972 thousand – on 31 December 2015).

12 Liabilities related to labour relations

	31-03-2016	31-12-2015
Accrued vacation reserve	943	752
Social insurance payable	591	327
Salaries payable	367	6
Accrual of annual bonuses	136	1,026
Income tax payable	99	2
Payable guarantee fund	3	2
Other deductions	3	1
	2,142	2,116

13 Other current liabilities

Accrued tax expenses and liabilities
Accrued expenses and liabilities
Other liabilities

31-03-2016	31-12-2015
78	428
716	66
1	4
795	498

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

14 Sales income

Income from LNGT services regulated by NCC
Sales of oil transshipment services
Other sales related to transshipment

For the three months period ended 31 March 2016	For the three months period ended 31 March 2015
11,536	16,184
18,119	10,175
941	255
30,596	26,614

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

15 Cost of sales

FSRU rent and other expences
Depreciation and amortization
Wages, salaries and social security
Railway services
Natural gas
Rent of land and quays
Electricity
Environmental tax
Insurance of assets
Tax on real estate
Services for tankers
Repair and maintenance of non-current assets
Transport
Work safety costs
Rent of facilities
Other

For the three months period ended 31 March 2016	For the three months period ended 31 March 2015
12,658	12,472
3,229	3,133
1,721	1,548
1,233	508
1,072	886
579	384
423	389
201	-
125	325
107	158
65	46
60	81
58	54
17	8
11	11
90	46
21,649	20,049

16 Income (expenses) from financial and investment activities – net

Income from currency exchange
Interest income
Fines collected
Financial income, total

(Losses) from currency exchange
Interest (expenses)
Other financial activity (expenses)
Financial activity expenses, total

For the three months period ended 31 March 2016	For the three months period ended 31 March 2015
-	64
1	6
5	4
6	74
(74)	(475)
(50)	(177)
-	(146)
(124)	(798)
118	724

Financial result, total

17 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 three months period ended 31 March 2016	For the three months period ended 31 March 2015
Net profit attributable to shareholders	6,857	4,473
Weighted average number of ordinary shares (thousand)	380,606	380,606
Earnings per share (in EUR)	0.018	0.0117

18 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 three months of 2016, 2015 were as follows:

Transactions with Lithuanian State controlled enterprises and institutions:

	Purchases	Sales	Receivables	Payables	
State Enterprise Klaipėda State Seaport Authority owned by the State of Lithuania represented by the Ministry of transportation	2016 first quarter	579	-	-	391
	2015 first quarter	193	22	-	234
SC Lithuanian Railways owned by the State of Lithuania represented by the Ministry of transportation	2016 first quarter	2,182	-	-	194
	2015 first quarter	527	-	-	69
SC "Lesto", owned by the State of Lithuania represented by the Ministry of Energy	2016 first quarter	-	-	-	-
	2015 first quarter	161	-	-	58
SC Lietuvos dujos	2016 first quarter	-	-	-	-
	2015 first quarter	146	-	-	41
JSC Lietuvos dujų tiekimas	2016 first quarter	1,092	110	71	421
	2015 first quarter	625	-	-	162
SC Amber Grid	2016 first quarter	-	17,609	8,344	-
	2015 first quarter	134	24,270	-	40
PE Lietuvos naftos produktų agentūra	2016 first quarter	-	332	137	-
	2015 first quarter	-	302	122	-
JSC LITGAS	2016 first quarter	-	217	60	-
	2015 first quarter	-	-	-	-
Other related parties	2016 first quarter	433	1	1	4
	2015 first quarter	17	2	1	4
Transactions with related parties, in total:	2016 first quarter	4,286	18,269	8,613	1,156
	2015 first quarter	1,803	24,596	123	608

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 the three months period ended 31 March 2016	For the three months period ended 31 March 2015
Labour related disbursements	752	623
Number of managers	36	37

During the first three months of the years 2016 and 2015 the Management of the Company did not receive any loans, guarantees, or any other payments or property transfers were made or accrued.

19 Subsequent events

- On 8 April 2016 the Company nafta hereby extends the deadline for the interested investors to submit an application to acquire shares of UAB LITGAS controlled by the Company. Potential buyers are invited to submit a free-form non-binding applications by 15 April 2016.

Currently the Company owns 33.3% of the UAB LITGAS shares, the rest 66.7% is owned by "Lietuvos energija", UAB. UAB LITGAS shares controlled by the Company (1/3 of the authorized capital) consists of 15 000 000 ordinary shares of 0.29 euros of nominal value each. Potential buyers can purchase only the total number of the proposed shares (number of shares is indivisible).

UAB LITGAS is natural gas supply and trading company, whose main activity is the supply of natural gas via Klaipėda liquefied natural gas (LNG) terminal, necessary for the minimum continuous operation of the terminal. UAB LITGAS is operating after winning the competition organized by the Ministry of Energy and was approved as a designated supplier for 5 (five) years period. As the designated supplier UAB LITGAS is a company of strategic importance to the national security. In addition to the activity of the designated supplier, UAB LITGAS also plans to become a competitive player in the market of region's natural gas and LNG supply, by engaging in the growing bunkering activities – LNG supply as fuel to vessels. The company has signed non-binding LNG trade agreements with 15 global suppliers, which together provide more than half of the world's LNG. These agreements provide opportunities to UAB LITGAS for the fast purchase of the gas at the international spot markets.

In order to implement unbundling of the activities in the natural gas sector, the European Commission recommended National Commission for Energy Control and Prices to certify AB Amber Grid as the transmission system operator on the condition that all shares of UAB LITGAS controlled by AB Klaipėdos Nafta (hereinafter - the Company) would be transferred. The Board of the Company, taking into account the above considerations, decided to organize the sale of company-owned shares of UAB LITGAS. In order to guarantee objective and transparent sale of the shares of UAB LITGAS controlled by the Company, as well as to ensure maximum benefit to the Company and all its shareholders, the Company is planning to execute share sale by carrying out public procedures (i.e. public offering for the participants of the market). On 21 May 2015 the Company publicly announced an invitation for the interested investors to acquire shares of UAB LITGAS controlled by AB Klaipėdos Nafta. Hereby the Company once again invites interested potential buyers to submit primary non-binding applications by expressing an interest to participate in the purchase of shares.

- On 25 April 2016 the Company has announced the annual liquefied natural gas (hereinafter - LNG) terminal capacities allocation procedure and an invitation for the potential users of the LNG Terminal to submit their requests for allocation of LNG terminal capacities for the upcoming Gas Year, lasting from the 1st of October, 2016 to the 1st of October, 2017.

The Company performs the allocation of capacities according to the publicly announced Regulations for Use of Liquefied Natural Gas Terminal (hereinafter - the Regulations), which were verified and approved by the National Commission for Energy Control and Prices (hereinafter, the NCECP) and the Board of the Company. The Company notified about the pre-approval by NCECP of the Regulations currently in force as well as about the approval of the main provisions of these Regulations by the Board of the Company by publishing a notification of material event on the 15th of June, 2015. It should be noted, that at the moment a new edition of the Regulations has been prepared and announced for public consultation by NCECP and which can be found at the database of legal acts of Seimas. Upon coming into force of the new edition of the Regulations, for the allocation of capacities, contract conclusion with Terminal Users, preparation of Terminal use schedules and other procedures provided in the Regulations, provisions of the new approved edition of the Regulations will apply.

During the allocation procedure of the LNG terminal capacities the LNG regasification capacities and seasonal LNG reloading capacities shall be allocated. The total volume of the LNG terminal capacity being allocated is 3.75 bcm per annum, which is equivalent to 6.5 mln m³ of LNG per annum applying a relative coefficient of expansion of 1:580 at the following reference conditions: temperature (combustion/measurement)- 25/0 °C, pressure – 1.01325 bar. The Company at its website shall constantly announce and update the information regarding free capacities of the LNG terminal, which shall be available for acquisition during the Gas Year as well.

The Company shall accept the requests of potential LNG terminal users until 25th of May, 2016, 4 p.m. Lithuanian time.

- On 26 April 2016 at 1.00 p.m an ordinary general meeting of shareholders of the Company was convened. The meeting was held in the registered office of the Company at Burių st.19, Klaipėda. Decisions adopted:

1. On the announcement of the Auditor's Report regarding the Financial Statements and Annual Report of the Company for the year 2015 to the shareholders:

"The Auditor's Report regarding the Financial Statements and Annual Report of the Company for the year 2015 had been heard by the shareholders. Decision on this topic of the Agenda should not be taken."

2. On the announcement of the Annual Report of Klaipėdos nafta, AB for the year 2015 to the shareholders.

"The Annual Report of Klaipėdos nafta, AB for the year 2015, as drafted by the Company, assessed by the Auditor and approved by the Board of Klaipėdos nafta, AB had been heard by the Company. Decision on this topic of the Agenda should not be taken."

3. On the approval of the audited Financial Statements of Klaipėdos nafta, AB for the year 2015:

"To approve the audited Financial Statements of Klaipėdos nafta, AB for the year 2015."

19 Subsequent events (cont'd)

4. On the appropriation of profit (loss) of Klaipėdos nafta, AB for the year 2015:

"To distribute the Company's profit in the total sum of 22.036.113 EUR available for appropriation, as follows:

No	Ratios	Amount, Euro
1	Non-allocated profit (loss) at the beginning of the financial year as of 01-01-2015	-
2	Net profit (loss) for the financial year	22.036.113
3	Transfers from restricted reserves	-
4	Shareholders' contribution against losses	-
5	Portion of the reserve of tangible fixed assets	-
6	Profit for allocation (1+2+3+4+5)	22.036.113
7	Allocation of profit to legal reserve	1.101.806
8	Allocation of profit to own shares acquisition	-
9	Allocation of profit to other reserves	3.305.417
10	Allocation of profit to dividends	17.628.891
11	Allocation of profit to tantiems	-
12	Non-allocated profit (loss) at the end of the year 2015 carried forward to next financial year (6-7-8-9-10-11)	-

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, Mantas Bartuška, General Manager of SC Klaipėdos Nafta, Marius Pulkauninkas, Finance and Administrative Department Director 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 first three month period ended on 31st March 2016, 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.

General Manager



Mantas Bartuška

Director of Finance and Administrative Department



Marius Pulkauninkas

Head of Accounting Division



Asta Sedlauskienė