

Baltic Petroleum Limited

Registered number 05303991

**Baltic Petroleum Limited
Directors' Report and Financial Statements
For the year ended 31 December 2010**

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Baltic Petroleum Limited

Company information

Directors

Simon Escott

Auditors

Grant Thornton
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

Bankers

Coutts & Co
440 Strand
London
WC2R 0QS

Solicitors

Covington & Burling
265 Strand
London
WC2R 1BH

Registered Office

1-6 Yarmouth Place
Mayfair
London
W1J 7BU

Baltic Petroleum Limited

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Baltic Petroleum Limited

Directors' report

The directors present their report together with the audited financial statements for the year ended 31 December 2010

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities and review of business

The company's principal activity during the year was that of an investment holding company.

It is the intention of the directors that the above business of the company will continue for the foreseeable future.

Results and dividends

The loss for the year, after taxation, amounted to £nil (2009: £nil). There were no transactions during the year; therefore no profit and loss account is presented.

The directors do not recommend the payment of a dividend for the year.

Baltic Petroleum Limited

Director

The director who served during the year and up to the date of this report is as follows

Simon Escott

The director did not have any interest in the share capital of the Company during the year

Statement of disclosure to auditors

The directors who held office at the date of approval of this directors' report confirm that

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Risks and key performance indicators

A discussion of the significant risks and key performance indicators has been provided in the Baltic Oil Terminals plc group accounts for the year ended 31 December 2010

Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006

This report was approved by the board on 30 January 2012 and signed on its behalf by



Simon Escott
Director

Baltic Petroleum Limited

Independent auditors' report to the members of Baltic Petroleum Limited

We have audited the financial statements of Baltic Petroleum Limited for the year ended 31 December 2010 which comprise the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Philip Westerman
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
30 January 2012

Baltic Petroleum Limited

Balance sheet As at 31 December 2010

	Notes	2010 £'000	2009 £'000
Fixed assets			
Investments	3	-	-
Net assets		-	-
Capital and reserves			
Called up share capital	4	1	1
Share premium account	4	4,961	4,961
Profit and loss account	5	(4,962)	(4,962)
Equity shareholders' funds		-	-

The financial statements were approved and authorised for issue by the board and were signed on its behalf on January 2012

Simon Escott
Director

Baltic Petroleum Limited
Company Registered Number: 05303991

Baltic Petroleum Limited

Notes to the financial statements

1. Accounting policies

Basis of preparation of financial statements

These financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards

The financial statements contain information about Baltic Petroleum Limited as an individual company and do not contain consolidated financial information of its subsidiaries. The company is exempt under Sections 400 - 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Baltic Oil Terminals plc. The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Baltic Oil Terminals plc group or investees of the Baltic Oil Terminals plc group.

The financial statements have been presented in GBP, the functional currency of the company.

The Company has adopted the following principal accounting policies:

a) Investments

Investments are carried at cost less any provision for impairments.

b) Impairment

The carrying amounts of fixed assets and investments are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amounts. Such review is undertaken on income generating units.

If the carrying amount of a fixed asset exceeds the recoverable amount, a provision is recorded to reflect the asset at the lower amount. In assessing recoverable amount for fixed assets, the relevant future cash flows expected to arise from the continuing use of such assets and from their disposal have been discounted to their present value using a market-determined discount rate.

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2. Staff costs

The Company has no employees other than the directors, who did not receive any remuneration during the year

3. Fixed asset investments

	Share capital £'000	Share premium account £'000	Profit and loss account £'000
At 1 January 2010 and 31 December 2010	1	4,961	(4,962)

The following were subsidiary, associated or joint venture undertakings of the Company

	Principal activity	Country of incorporation	% interest held at 31 December 2010	% interest held at 31 December 2009
Baltic Terminals Ltd ¹	Intermediate holding co	UK	100	100
Baltic Petroleum (E&P) Ltd ¹	Intermediate holding co	UK	100	100
Caspian Finance Ltd ¹	Finance co	UK	100	100
Baltic Hydrocarbons Ltd ¹	Oil Services	UK	100	100
Zauralneftegaz Ltd ¹	Oil E&P	UK	50	50
Tetoil Ltd ¹	Oil Services	UK	100	100
Tetoil Baltic Ltd ¹	Oil Services	UK	100	100
OOO Zauralneftegaz ¹ *	Oil E&P	Russia	50	50
OJSC Tetoil ¹ *	Oil Services	Russia	100	100
OJSC Tetoil Baltic ¹ *	Oil Services	Russia	100	100
OOO Polex Service ² *	Oil Services	Russia	50	50
Pazega Ltd ¹ *	Intermediate holding co	Cyprus	100	100
OOO Baltic Top ¹ *	Oil Services	Russia	100	100
OOO Otelbiznesstroy ¹ *	Oil Services	Russia	100	100
Yuri Trading Ltd ¹ *	Intermediate holding co	Cyprus	100	100
OOO TDKN ¹ *	Oil Services	Russia	65	65
Baltica Hydrocarbons Ltd ¹ *	Intermediate holding co	Cyprus	100	100
Arblade Holdings Ltd ² *	Intermediate holding co	Cyprus	50	50
OOO Agroprom ² *	Intermediate holding co	Russia	25	25
ZAO Rosbunker ² *	Oil Services	Russia	25	25
Edgeview Ventures Ltd ² *	Finance company	British Virgin Islands	50	50
North Oil Bunker Limited ² *	Oil Services	British Virgin Islands	50	50
North Oil Trading Limited ² *	Oil Trading	Panama	50	50

The principal country of operation is the country of incorporation

* The company holds an indirect interest in these companies

¹ Subsidiary undertakings

² Associated undertakings

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4. Share capital

a) Authorised and allotted share capital

	2010 Number	2009 Number
Authorised		
Ordinary shares of 1p each	111,111	111,111
Allotted and fully paid		
Ordinary shares of 1p each	108,077	108,077

Ordinary shares of 1 pence each issued and fully paid	Number of shares	Share capital £'000	Share premium £'000	Total £'000
As at 31 December 2009 and 31 December 2010	108,077	1	4,961	4,962

b) Ordinary shares – rights at general meetings

At general meetings of the Company each member present or by proxy has one vote on a show of hands, and on a poll every member who is present in person or by proxy has one vote for every ordinary share

5. Capital and reserves

	Share capital £'000	Share premium account £'000	Profit and loss account £'000
At 1 January 2010 and 31 December 2010	1	4,961	(4,962)

6. Related party transactions

The Company is exempt from disclosing related party transactions with the group headed by Baltic Oil Terminals plc as it is a wholly owned subsidiary of this entity, whose consolidated accounts include the Company and are publicly available. There were no other related party transactions in the year.

7. Immediate and ultimate parent undertaking

The immediate and ultimate parent undertaking is Baltic Oil Terminals plc, a public company incorporated in the UK. Group accounts are available from www.balticoilterminals.com