

Baltic Petroleum Limited

Registered number 05303991

**Baltic Petroleum Limited
Directors' Report and Financial Statements
For the year ended 31 December 2008**

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Baltic Petroleum Limited

Company information

Directors

Simon Escott

Roman Niewiadomski (appointed 10 April 2008 and resigned 22 July 2009)

Robert Wilde (resigned 10 April 2008)

Secretary

Richard Hiersche (appointed 22 July 2009)

Roman Niewiadomski (appointed 10 April 2008 and resigned 22 July 2009)

Robert Wilde (resigned 10 April 2008)

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

83 Baker Street

London

W1U 6AG

Baltic Petroleum Limited

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Baltic Petroleum Limited

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2008.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

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 1985. 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.

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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 (2007: £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

Directors

Rob Wilde resigned as a director and Company Secretary of the Company on 10 April 2008. Roman Niewiadomski was appointed as a director and Company Secretary on 10 April 2008 and resigned on 22 July 2009. Richard Hiersche was appointed as Company Secretary on 22 July 2009.

The directors did not have any interest in the share capital of the Company.

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 2008.

Auditors

Grant Thornton UK LLP were appointed auditors on 26 March 2009 to fill a casual vacancy in accordance with section 489(3)(c) of the Companies Act 2006.

This report was approved by the board on 30 October 2009 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 2008 which comprise the balance sheet and notes 1 to 6. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the Company financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Company financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Company financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the Company financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Company financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Company financial statements.

Baltic Petroleum Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
London
30 October 2009

Baltic Petroleum Limited

Balance sheet As at 31 December 2008

	Notes	2008 £'000	2007 £'000
Fixed assets			
Investments	2	-	-
Net assets		-	-
Capital and reserves			
Called up share capital	3	1	1
Share premium account	3	4,961	4,961
Profit and loss account	4	(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 30 October 2009.



Simon Escott
Director

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 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. Fixed asset investments

	Investments in subsidiaries £'000
Cost	
At 1 January 2008 and 31 December 2008	-

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

	Principal activity	Country of incorporation	% interest held at 31 December 2008	% interest held at 31 December 2007
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 ^{3*}	Intermediate holding co.	Cyprus	50	50
OOO Agroprom ^{3*}	Intermediate holding co.	Russia	25	25
ZAO Rosbunker ^{3*}	Oil Services	Russia	25	25
Edgeview Ventures Ltd ^{3*}	Finance company	British Virgin Islands	50	50
North Oil Bunker Limited ^{3*}	Oil Services	British Virgin Islands	50	-
North Oil Trading Limited ^{3*}	Oil Trading	Panama	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

³ Joint venture undertakings

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3. Share capital

a) Authorised and allotted share capital

	2008 Number	2007 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 2007 and 31 December 2008	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.

4. Capital and reserves

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total 2008 £'000	Total 2007 £'000
At 1 January and 31 December	1	4,961	(4,962)	-	-

5. 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.

6. 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.