



Igors Stepanovs

Managing Director

Company Overview

- Three pipelines:

Product	Destination	Length (km)	Capacity (Mt)
Diesel oil	Ventspils	340	8
Oil/gas (new)	Ventspils	336	?
Crude oil	Mazeikiai	107	16

- Hi-tech communication network for remote control of the pipelines



Business Update

- Record performance during the first six months of 2013
- Significant drop in volume in Q3 2013
- Sustained operational profitability and low level of product losses
- Positive court ruling on property rights to 150,000 tons of crude oil
- Transportation of diesel fuel with reduced sulphur content from Belorussia

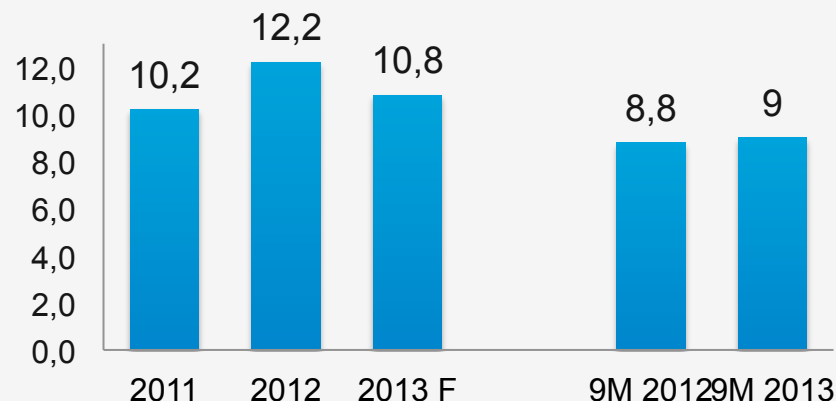


Financial performance

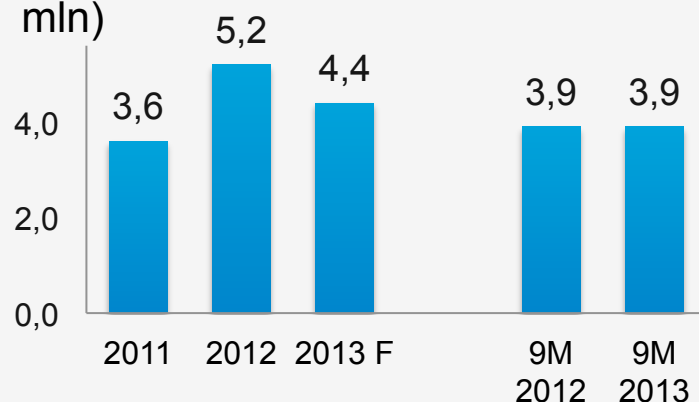
Commentary

- Revenue decrease by 11% due to unfavourable market during Q4
- Reduced EBITDA by 15% due to revenue impact
- Maintained operating profitability since restructurization 2nd year in row

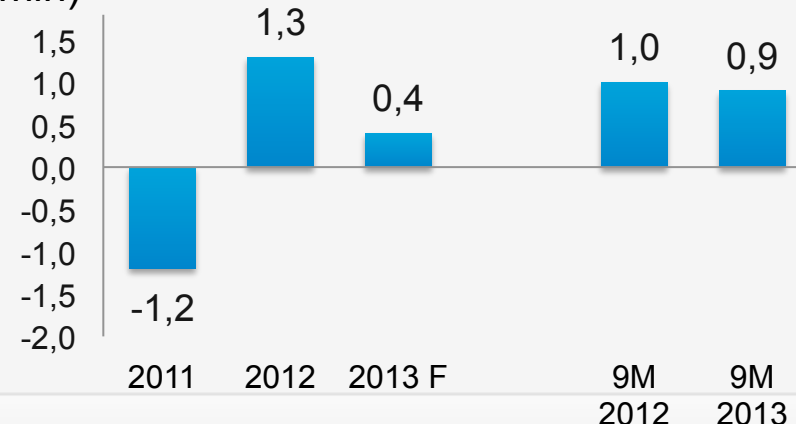
Revenue (LVL mln)



EBITDA – Pre-Exceptionals (LVL mln)



Net Income – Pre-Exceptionals (LVL mln)



The (former) Crude Oil Pipeline

Pilot project: an 8km-length emptied pipeline section overhaul

- In-line inspection by «Weatherford»
- Laboratory metal tests by CEPS in Prague
- Repairs and upgrades after inspection
- Field pressure tests concluded that the pipeline can operate at 48 bars



LRT asserts its property rights

- LRT legislation initiative – to amend «The Protection Zone Law », securing oil pipelines treatment existing for gas pipelines and electrical grid lines
- LRT's permanent rights of land use discussed at Latvian- Russian Intergovernmental Commission and at Latvian – Russian Business Council
- LRT asserts that its rights cannot be terminated
- LRT appreciates the Latvian government's attempts to resolve the situation

Enviromental damage caused by illegal tapping

Before



After



Year	31.12.2012	01.01.2013	19.11.2013
Basic remediation objects	15	13	13
New remediation objects	13	0	6
Total, including closed remediation objects	28	13	19
Closed remediation objects	15	0	3

Strategy Update

- To continue strengthening our core business
- To convert the emptied section of the Polotsk-Ventspils crude oil pipeline
- To ensure an effective use of the accumulated cash reserves
- To assume responsibility for the control and maintenance of the Lithuania based sections of the Polotsk–Ventspils oil-product pipeline
- To protect the legal and property rights of the company; in particular, the legal status of the land under the company's facilities
- To improve environmental protection with regard to the company's assets

