

As at December 31 2009, the Group carried investments in the following associated undertakings:

Company name	Registered office	Business area	Dec 31 2009
AB Geonafta (prior to the merger - AB „Naftos Gavyba”) ⁽¹⁾ (parent undertaking of another group)	Klaipeda, Lithuania	Exploration for and production of crude oil, drilling services, and purchase and sale of crude oil	40.31%

⁽¹⁾ On June 1st 2009, a new Shareholders Agreement was executed between UAB Meditus and Petrobaltic S.A. in connection with the planned merger of AB Naftos Gavyba and AB Geonafta. The Shareholders Agreement provides that the agreement of July 18th 2000 concerning the transfer of AB Geonafta shares to UAB Meditus and Petrobaltic S.A. by AB Naftos Gavyba is to be performed at least three days before the date on which AB Naftos Gavyba and AB Geonafta adopt resolutions on the companies' merger. The agreement of July 18th 2000 was actually performed on July 1st 2009 with the effect that Petrobaltic S.A. acquired directly AB Geonafta shares accounting for 12.20% of AB Geonafta's share capital (shares acquired by UAB Meditus account for 16.37% of the share capital). Changes to AB Geonafta's share capital were registered on July 9th 2009. The resolutions of AB Naftos Gavyba's and AB Geonafta's General Shareholders Meetings approving the merger of the two companies were adopted on July 20th 2009.

The merger of AB Naftos Gavyba and AB Geonafta was registered on August 7th 2009 and on the same date AB Naftos Gavyba was removed from the relevant register. Petrobaltic S.A. and UAB Meditus hold (subsequent to the merger) shares accounting for 40.59% and 59.41% of AB Geonafta's share capital, respectively.

As at December 31st 2009, AB Geonafta was owned by Petrobaltic S.A., holding 40.59% of its share capital, and UAB Meditus, holding 59.41% of its share capital. The Group holds indirectly 40.31% of AB Geonafta's share capital (as at December 31st 2008: 29.46% of AB Naftos Gavyba's share capital). AB Geonafta is the parent undertaking of its own group ("AB Geonafta Group") which comprises subsidiary undertaking UAB Geñciu Nafta and two jointly-controlled undertakings: UAB Minijos nafta and UAB Manifoldas.

On November 27th 2009, Petrobaltic S.A. (currently LOTOS Petrobaltic S.A.) acquired control over Energobaltic Sp. z o.o. (see [Note 17](#)).

As at December 31st 2008, the Group carried investments in the following associated undertakings:

Company name	Registered office	Business area	Dec 31 2008	
Energobaltic Sp. z o.o.	Gdańsk		Production activities	32.16%
AB Naftos Gavyba	Klaipeda, Lithuania		Services	29.46%

Investments in associated undertakings are accounted for using the equity method. The carrying value of investments in associated undertakings is as follows:

PLN '000	Dec 31 2009	Dec 31 2008	(comparable data)
AB Geonafta Group	88,255 ⁽¹⁾	59,048	
Energobaltic Sp. z o.o.	_(3)	_(2)	
Total investments in associated undertakings	88,255	59,048	

⁽¹⁾ As at December 31st 2009, the Group presents its share in the net assets of the AB Geonafta Group after accounting for the changes in the company's shareholder structure as a result of the merger of AB Naftos Gavyba and AB Geonafta.

⁽²⁾ As at December 31st 2008, the value of shares in Energobaltic Sp. z o.o. was fully covered by an impairment charge (see [Note 21](#)).

⁽³⁾ On November 27th 2009, Petrobaltic S.A. acquired control over Energobaltic Sp. z o.o. (see [Note 17](#)).

On April 25th 2008, the General Shareholders Meeting of AB Naftos Gavyba (AB Geonafta after the merger), an associated undertaking, approved the financial statements for 2007 and resolved to allocate the profit generated in 2007 in the amount of LTL 68m to dividend payment. Petrobaltic S.A. received for 2007 dividend in the amount of LTL 29,036 thousand (PLN 28,746 thousand). In 2008, Petrobaltic S.A. received a part of the dividend due, in the amount of LTL 27,679 thousand (PLN 26,543 thousand). In 2009, Petrobaltic S.A. received the remaining part of the dividend due for 2007, amounting to LTL 1,357 thousand (PLN 1,737 thousand).

Net assets of material undertakings accounted for using the equity method:

PLN '000	Dec 31 2009	Dec 31 2008	(comparable data)
----------	-------------	-------------	-------------------

AB Geonafta Group	217,418	138,284
Energobaltic Sp. z o.o.	_(1)	17,893

(1) On November 27th 2009, Petrobaltic S.A. acquired control over Energobaltic Sp. z o.o. (see [Note 17](#)).

Liabilities and provisions for liabilities of material undertakings accounted for using the equity method:

PLN '000	Dec 31 2009	Dec 31 2008 (comparable data)
AB Geonafta Group	38,061	144,868
Energobaltic Sp. z o.o.	_(1)	97,976

(1) On November 27th 2009, Petrobaltic S.A. acquired control over Energobaltic Sp. z o.o. (see [Note 17](#)).

Sales revenue of undertakings accounted for using the equity method:

PLN '000	Year ended Dec 31 2009	Year ended Dec 31 2008	(comparable data)
AB Geonafta Group	144,463		205,983
Energobaltic Sp. z o.o.	17,773 ⁽¹⁾		26,686

(1) Until the day of acquisition of control by Petrobaltic S.A. (see [Note 17](#)).

Net profit/(loss) of material undertakings accounted for using the equity method:

PLN '000	Year ended Dec 31 2009	Year ended Dec 31 2008	(comparable data)
----------	---------------------------	---------------------------	-------------------

AB Geonafta Group	20,269	62,179
Energobaltic Sp. z o.o.	(2,562) ⁽¹⁾	(9,321)

⁽¹⁾ Until the day of acquisition of control by Petrobaltic S.A. (see [Note 17](#)).

Share in net profit (loss) of undertakings accounted for using the equity method, recognised in the Group's statement of comprehensive income:

PLN '000	Year ended Dec 31 2009	Year ended Dec 31 2008	(comparable data)
AB Geonafta Group	8,227	26,551	
Total	8,227	26,551	

In the statement of changes in equity for the year ended December 31st 2008, the Group recognised share of change in the equity of the AB Geonafta Group in the amount of PLN (12,338) thousand (after retrospective adjustment of comparable data, see [Note 9](#)).

This is a translation of a document originally issued in Polish