



ARTE BUNKERING

in masterly fashion

**ANNUAL REPORT
2012**

ACTIVITIES REPORT

The main activity of Arte Bunkering OÜ is fuel-related intermediary activities. Intermediary activities constitute the intermediary's activities related to the sale of oil products. Arte Bunkering OÜ brings together the ship owners who turn to us when they need to find fuel for fuelling their ships up and the sellers of fuel, earning money from intermediary activities. The ships that need fuelling up can be located at any place in the world. Our experience and expertise, knowledge of the bunker market and many physical suppliers of oil products help us to fulfil orders and supply oil products all over the world, by purchasing the goods from the supplier at a good price, and selling them to the ship owner at a higher price including our intermediary services fee.

Our main risks:

1. Inability or refusal of the ship owner to pay for the fuel.

How we protect ourselves from the risks:

1. Before performance of the transaction every ship owner undergoes solvency control performed on our behalf by the international organization specialising in this field: Lloyds MIU Report. We order Credit Report that shows the economic situation of the company/ship owner and all the aspects related to it.

Goals of the reporting period:

1. Development of activity, finding new customers and ship owners, conclusion of contracts.
2. Obtaining/opening credit limits from the physical suppliers of oil products. Prolonging the payment deadline to 30 days.

All the goals were achieved during the reporting period.

Activity of the intermediary during the year 2012 was relatively stable and profitable.

During the year 2012 there were 6 persons working in Arte Bunkering OÜ. Total expenses on the employee's wages including social tax constituted 175515.00 euros.

ANNUAL ACCOUNTING REPORT

Balance sheet (in euros)

| | 31.12.2012 | 06.11.2011 | Annex no |
|---|------------------|------------------|----------|
| Assets | | | |
| Current assets | | | |
| Cash | 1 880 256 | 786 891 | 2 |
| Receivables and prepayments | 7 474 663 | 1 995 988 | |
| Total current assets | 9 354 919 | 2 782 879 | |
| Total assets | 9 354 919 | 2 782 879 | |
| Liabilities and equity | | | |
| Liabilities | | | |
| Short-term liabilities | | | |
| Loan liabilities | 531 188 | 0 | 7 |
| Debts and prepayments | 3 297 288 | 368 582 | 4.8 |
| Total short-term liabilities | 3 828 476 | 368 582 | |
| Total liabilities | 3 828 476 | 368 582 | |
| Equity | | | |
| Equity at the nominal value | 2 556 | 2 556 | |
| Mandatory reserve capital | 256 | 256 | |
| Retained profit (loss) for the previous periods | 2 411 485 | 74 355 | |
| Profit (loss) for the financial year | 3 112 146 | 2 337 130 | |
| Total equity | 5 526 443 | 2 414 297 | |
| Total liabilities and equity | 9 354 919 | 2 782 879 | |

Profit Statement (in euros)

| | 2012 | 2011 |
|---|------------------|------------------|
| Sales revenue | 72 697 737 | 19 590 985 |
| Expenses on sold products (goods, services) | -69 222 281 | -17 350 536 |
| Gross profit (loss) | 3 475 456 | 2 240 449 |
| General administrative expenses | -326 341 | -16 162 |
| Other operating income | 1 101 104 | 53 973 |
| Other operating expenses | -1 144 739 | 0 |
| Operating profit (loss) | 3 105 480 | 2 278 260 |
| Finance income and expenses | 6 666 | 58 870 |
| Profit (loss) before income tax | 3 112 146 | 2 337 130 |
| Profit (loss) for the financial year | 3 112 146 | 2 337 130 |

Cash Flows Statement (in euros)

| | 2012 | 2011 |
|--|------------------|------------------|
| Cash flows from business operations | | |
| Business profit (loss) | 3 105 480 | 2 278 260 |
| Change of receivables and prepayments related to business operations | -5 471 107 | -1 034 820 |
| Change of inventories | -7 568 | 42 103 |
| Change of liabilities and prepayments related to business operations | 2 928 706 | -126 052 |
| Interests received | 15 321 | 520 |
| Total cash flows from business operations | 570 832 | 1 160 011 |
| | | |
| Cash flows from financing activities | | |
| Loans received | 531 188 | 0 |
| Repayments of the loans received | 0 | -446 514 |
| Paid interests | 0 | -5 394 |
| Total cash flows from financing activities | 531 188 | -451 908 |
| Total cash flows | 1 102 020 | 708 103 |
| | | |
| Cash and cash equivalents at the beginning of the period | 786 891 | 15 044 |
| Change of cash and cash equivalents | 1 102 020 | 708 103 |
| Impact of changes of currency rates | -8 655 | 63 744 |
| Cash and cash equivalents at the end of the period | 1 880 256 | 786 891 |

Statement of Changes in Equity (in euros)

| | | | | Total |
|--------------------------------------|-----------------------------|---------------------------|------------------------|-----------|
| | Equity at the nominal value | Mandatory reserve capital | Retained profit (loss) | |
| 31.12.2010 | 2 556 | | 74 611 | 77 167 |
| Profit (loss) for the financial year | | | 2 337 130 | 2 337 130 |
| Changes in the reserves | | 256 | -256 | 0 |
| 31.12.2011 | 2 556 | 256 | 2 411 485 | 2 414 297 |
| Profit (loss) for the financial year | | | 3 112 146 | 3 112 146 |
| 31.12.2012 | 2 556 | 256 | 5 523 631 | 5 526 443 |

ANNEXES TO THE ANNUAL ACCOUNTING REPORT

Annex 1 Accounting Policies

General information

Arte Bunkering OÜ's Annual Accounting Report for 2012 was prepared in accordance with the accepted accounting practices of the Republic of Estonia. The main requirements of the accepted accounting practices are established by the Estonian Accounting Act and supplemented by the regulations issued by the Accounting Standards Board.

The Annual Accounting Report was prepared on the basis of the acquisition cost principle, except for the cases that are described in the following accounting policies.

The Annual Accounting Report is drawn up in euros.

As of 31.12.2012 Arte Bunkering OÜ's Annual Accounting Report for 2012 was re-calculated from Estonian kroons into euros.

Cash

Cash and its equivalents in cash flows statement include cash in hand, deposits held at call with banks, term deposits with maturities of three months or less and units of the money fund.

Transactions performed in foreign currency and financial assets and liabilities fixed in foreign currency

Transactions fixed in foreign currency are shown on the basis of the currency rates of the Bank of Estonia valid on the day of performance of the transaction. Monetary financial assets and liabilities as well as non-monetary financial assets and liabilities fixed in foreign currency that are reflected according to the principle of fair value are re-calculated into Estonian kroons on the balance sheet day on the basis of the currency rates of the Bank of Estonia valid on that day. Profits received from the transactions performed in foreign currency are reflected in the profit statement as income and expenses for the respective period.

Receivables and prepayments

Receivables from buyers.

Short-term requirements to buyers which arise in the course of the Company's customary business transactions are reflected as receivables from buyers, except for the requirements to the other companies and the associated companies. Receivables from buyers are reflected at their adjusted acquisition cost (that is the amount of discounts made when required deducted from the nominal value).

Estimation of reception of receivables is carried out for every individual buyer if possible. Receipts of prior to written-down unlikely receivables are presented as reduction of cost of unlikely receivables.

Other receivables.

All other receivables (accrued income, given loans and other short-term and long-term receivables) are reflected at their adjusted acquisition cost.

Inventories

Inventories are initially recorded at their acquisition cost, which consists of purchase expenses and other expenses required to take inventories to their supposed place and condition.

In addition to the acquisition cost, inventory purchase expenses comprise the customs duty related to the purchase of inventories, as well as other non-refundable fees and transportation costs directly related to the acquisition of inventories after deduction of discounts and grants.

In the course of presentation of inventories in expenses and accounting of carrying amount of inventories, the weighted average acquisition cost method was applied.

Inventories estimation is presented in the Balance Sheet depending on the circumstance of which is lower: whether their acquisition cost or their net realisable value. Write-off of inventories according to their net sale value is reflected as expenses on sold products for the period when write-off was made.

Financial liabilities

All financial liabilities (debts to suppliers, loans received, accrued expenses and other short-term and long-term debts) are initially recorded at their acquisition cost which also includes all the expenses directly related to the acquisition. Consequently they are reflected according to the adjusted acquisition cost method.

Adjusted acquisition cost of short-term financial obligations as a rule is equal to their nominal value, due to which short-term financial liabilities are reflected in the balance sheet in amount due to be paid. Accounting of adjusted acquisition cost of long-term financial liabilities is made using the internal interest rate method.

Taxation

According to the legislation in force in Estonia the company's profit is not subject to tax, and therefore there are no deferred income tax receivables or liabilities. Instead of profit, Estonian taxation system provides for taxation of dividends paid out of retained earnings with the tax rate being 21/79 of the amount of net dividends paid out of retained earnings. The company's income tax arising from payment of dividends is reflected in

profit statements as the income tax expenses for the same period when the dividends were announced, irrespective of the period for which they were announced or during which they were actually paid out.

Related parties

Related parties to the business entity are designated on the basis of IAS 24 n2 requirements.

Income

Income from sale of goods is reflected if all significant risks related to ownership have been transferred to the buyer, reliable designation of sales revenue and expenses related to the transaction can be made and reception of the payment arising from the transaction is likely.

Income from sale of service is reflected after provision of the service.

Mandatory reserve capital

According to the Commercial Code the company is obliged to form mandatory reserve capital. Reserve capital is formed from annual net profit allocations. Every financial year the company is required to transfer at least $\frac{1}{20}$ of its net profit to the reserve capital until the reserve capital reaches $\frac{1}{10}$ of the share capital. The reserve capital may be used to cover a loss, or to increase share capital. Payments shall not be made to shareholders from the reserve capital

Annex 2 Cash (in euros)

| | 31.12.2012 | 31.12.2011 |
|-------------------|------------------|----------------|
| Cash in hand | 3 138 | 2 320 |
| Demand deposits | 1 877 118 | 784 571 |
| Total cash | 1 880 256 | 786 891 |

Annex 3 Receivables from Buyers (in euros)

| | 31.12.2012 | 31.12.2011 |
|--|------------------|------------------|
| Accounts receivable from buyers | 7 424 670 | 1 973 017 |
| Total receivables and prepayments | 7 424 670 | 1 973 017 |

Annex 4 Taxes Prepaid and Taxes Payable (in euros)

| | 31.12.2012 | 31.12.2011 |
|--|--------------|-------------|
| | Tax arrears | Tax arrears |
| Personal income tax | 767 | 57 |
| Social tax | 1 353 | 183 |
| Unemployment insurance premiums | 164 | 0 |
| Other tax prepayments and arrears | 475 | |
| Total tax prepayments and arrears | 2 759 | 240 |

Annex 5 Other Receivables (in euros)

| | 31.12.2012 | Division by remaining term | | |
|--------------------------------|---------------|----------------------------|--------------------|--------------|
| | | Within 12 months | Within 1 - 5 years | Over 5 years |
| Loans receivable | 41 175 | 41 175 | | |
| Loans | 41 175 | 41 175 | | |
| Accrued income | 8 818 | | | |
| Deferred expenses | 8 818 | | | |
| Total other receivables | 49 993 | 41 175 | | |

| | 31.12.2011 | Division by remaining term | | |
|--------------------------------|---------------|----------------------------|--------------------|--------------|
| | | Within 12 months | Within 1 - 5 years | Over 5 years |
| Accrued income | 22 971 | | | |
| Deferred expenses | 22 971 | | | |
| Total other receivables | 22 971 | | | |

Annex 6 Borrowings (in euros)

| | 31.12.2012 | Division by remaining term | | | Interest rate | Base currency | Deadline |
|------------------------------------|----------------|----------------------------|--------------------|--------------|---------------|---------------|------------|
| | | Within 12 months | Within 1 - 5 years | Over 5 years | | | |
| Short-term loans | | | | | | | |
| Short-term part of long-term loans | 531 188 | 531 188 | | | 2% | USD | 03.01.2013 |
| Total short-term loans | 531 188 | 531 188 | | | | | |
| Total borrowings | 531 188 | 0 531 188 | | | | | |

| | 31.12.2011 | Division by remaining term | | | Interest rate | Base currency | Deadline |
|------------------------------------|------------|----------------------------|--------------------|--------------|---------------|---------------|----------|
| | | Within 12 months | Within 1 - 5 years | Over 5 years | | | |
| Short-term loans | | | | | | | |
| Short-term part of long-term loans | 0 | 0 | | | | | |
| Total short-term loans | 0 | 0 | | | | | |
| Long-term loans | | | | | | | |
| Long-term part of long-term loans | 0 | 0 | | | | | |
| Total borrowings | 0 | 0 | | | | | |

Annex 7 Debts to Suppliers (in euros)

| | 31.12.2012 | 31.12.2011 |
|---------------------------------|------------------|----------------|
| Debts to suppliers in USD | 0 | 358 185 |
| Debts to suppliers in EUR | 3 267 429 | 0 |
| Total debts to suppliers | 3 267 429 | 358 185 |

Annex 8 Other Operating Income (in euros)

| | 2012 | 2011 |
|--------------------------------------|------------------|---------------|
| Profit from changes of currency rate | 1 101 104 | 53 973 |
| Total other operating income | 1 101 104 | 53 973 |

Annex 9 General Administrative Expenses (in euros)

| | 2012 | 2011 |
|--|----------------|---------------|
| Logistics expenses | 0 | 7 293 |
| Various office expenses | 117 805 | 2 906 |
| Business trips expenses | 12 394 | 0 |
| Staff expenses | 175 515 | 4 276 |
| Other | 20 627 | 1 687 |
| Total general administrative expenses | 326 341 | 16 162 |

Annex 10 Staff Expenses (in euros)

| | 2012 | 2011 |
|--|----------------|--------------|
| Wage expenses | 132 481 | 3 178 |
| Social tax | 43 034 | 1 098 |
| Total staff expenses | 175 515 | 4 276 |
| Average number of staff expressed in full-time equivalent | 6 | 1 |

Annex 11 Other Expenses (in euros)

| | 2012 | 2011 |
|------------------------------------|------------------|----------|
| Loss from changes of currency rate | 1 144 739 | 0 |
| Total other expenses | 1 144 739 | 0 |

Annex 12 Finance Income and Expenses (in euros)

| | 2012 | 2011 |
|---|--------------|---------------|
| Interest income | 15 321 | 0 |
| Interest income from loans | 15 321 | 0 |
| Interest expenses | 0 | -4 874 |
| Other interest expenses | 0 | -4 874 |
| Profit (loss) from changes of currency rate | -8 655 | 63 744 |
| Total finance income and expenses | 6 666 | 58 870 |

Annex 13 Related Parties (in euros)

| Remuneration and other significant benefits of executive and top management | | |
|---|------|-------|
| | 2012 | 2011 |
| Remuneration | 0 | 3 178 |

DIGITAL SIGNATURES OF THE REPORT

Date of completion of the Report: 05.03.2013

Accuracy of the data of the Annual Accounting Report of Arte Bunkering OÜ (business register code:11760725) for 01.01.2012 - 31.12.2012 is digitally confirmed by:

Name of the signer: GYUZEL SABITOVA

Role of the signer: Member of the Management Board

Time of signing: 02.04.2013

INDEPENDENT SWORN AUDITOR'S REPORT

To Arte Bunkering OÜ shareholders

We have audited Arte Bunkering OÜ's Annual Accounting Report which includes Balance Sheet as of 31.12.2012, Profit Statement, Change in Equity Statement and Cash Flows Statement for the financial year that ended on the date stated above, overview of the main accounting policies used during preparation of the Annual Report, and the Annexes explaining other aspects. The audited Annual Accounting Report that is presented on pages 3 – 13 is attached to the present report.

Obligation of the Management related to the accounting reports

The Management is responsible for preparation and fair presentation of the annual accounting reports in accordance with the accepted accounting practices of Estonia and for ensuring internal control that the management considers necessary in order to make it possible to prepare the annual accounting reports without significant misstatements arising from fraud or mistakes.

Obligation of the sworn auditor

Our obligation is to present the opinion concerning the given Annual Accounting Report on the basis of our audit. We conducted our audit in accordance with the international auditing standards (Estonia). These standards require that we should act in accordance with the ethics requirements and that we plan and carry out the audit in order to get justified confidence that the Annual Accounting Report contains no significant misstatements.

The audit includes performance of necessary procedures for obtaining proving material concerning figures and public information stated in the Annual Accounting Report. The choice of procedures depends on decisions by the sworn auditor, including his assessment of the risks that the Annual Accounting Report may contain significant misstatements arising from fraud or mistakes. When performing such risk estimates the sworn auditor takes into consideration internal control that is relevant with regards to preparation and fair presentation of the Annual Accounting Report of the business entity, in order to plan due auditing procedures, however not for the purpose of delivering his opinions concerning results of the internal control of the business entity. The audit also includes assessment of adequacy of accounting policy used and justification of accounting estimates made by the management, as well as assessment of general way of presentation of the Annual Accounting Report.

We believe that the audit proving material that we have obtained is sufficient and relevant for the purpose of providing us with a basis for giving the auditor's opinion.

Opinion

It is our opinion that the attached Annual Accounting Report presents fair reflection with respect to all significant parts concerning financial situation of Arte Bunkering OÜ as of 31.12.2012, as well as its financial results and cash flows for the financial year ending on that date, in accordance with the accepted accounting practices of Estonia.

/digitally signed/

Olga Kuznetsova

Sworn auditor's number 395

Audit Bureau K&K OÜ

Auditing undertaking activity license number 154

Asula 3, Tallinn

11312

02.04.2013

DIGITAL SIGNATURES OF THE AUDITORS

The Auditor's Report attached to the Annual Accounting Report of Arte Bunkering OÜ (business register code:11760725) for 01.01.2012 - 31.12.2012 is digitally signed by:

Name of the signer: OLGA KUZNETSOVA

Role of the signer: Sworn auditor

Time of signing: 03.04.2013

Profit Allocation Proposal (in euros)

| | 31.12.2011 |
|---|-------------------|
| Retained profit (loss) for previous periods | 2 411 485 |
| Profit (loss) for financial year | 3 112 146 |
| Total | 5 523 631 |
| Allocation | |
| Total | 5 523 631 |