

21. Investments in associates

Investments in associates:

Company name	Registered office	Business profile	Dec 31 2011	Dec 31 2010
AB LOTOS Geonafta (prior to the merger - AB "Naftos Gavyba") (parent of another group) ⁽¹⁾	Gargždai, Lithuania	Crude oil exploration and production, drilling services, and purchase and sale of crude oil	- ⁽²⁾	40.31% ⁽³⁾

⁽¹⁾ The AB LOTOS Geonafta Group comprises UAB Geñciu Nafta, a subsidiary, and two jointly-controlled entities: UAB Minijos Nafta and UAB Manifoldas.

⁽²⁾ Following approvals by the General Meeting of LOTOS Petrobaltic S.A. and the Lithuanian anti-trust authority, on February 3rd 2011 AB LOTOS Baltija (a subsidiary of LOTOS Petrobaltic S.A.) acquired 100% of shares in UAB Meditus, which holds 59.41% of shares in AB Geonafta. LOTOS Petrobaltic S.A. directly holds 40.59% of shares in AB Geonafta, therefore, as a result of the transaction, LOTOS Petrobaltic S.A. gained control of AB Geonafta.

⁽³⁾ As at December 31st 2010, AB Geonafta was owned by LOTOS Petrobaltic S.A., holding 40.59% of its share capital, and UAB Meditus, holding 59.41% of its share capital. The Group held indirectly 40.31% of AB Geonafta's share capital.

Investments in associates are equity-accounted.

The table below presents a summary of investment projects at the AB Geonafta Group:

PLN '000	Dec 31 2011	Dec 31 2010
Total assets	-	267,219
Total liabilities and provisions	-	37,941
Net assets	-	229,278
Investments in associates	-	93,064 ⁽¹⁾

⁽¹⁾ The value of investments in associates includes dividend of PLN 9,782 thousand, in line with the resolution adopted by the General Meeting of AB Geonafta of May 17th 2010.

PLN '000	Year ended Dec 31 2011 ⁽¹⁾	Year ended Dec 31 2010
Sales revenue	20,769	189,233
Net profit	7,135	45,944
Share in profit of associates	2,896	18,649
Share in comprehensive income of associates	2,896	17,910

⁽¹⁾ Data for the period ended at the above acquisition date.

This is a translation of a document originally issued in Polish.