

Press Release

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Rudolf Meroni: Litasco is running out of time. Ventbunkers will store fuel oil offshore.

Litasco (a subsidiary of LUKOIL) is illegally blocking A/s Ventbunkers' (VBU) terminal facilities in an attempt to illegally force VBU to sign a fuel oil transshipment agreement for 2011.

At the same time Litasco blocks the export of fuel oil by rail through Latvia causing millions of damages to the Latvian economy. According to Aivars Gobins, Ventbunkers Media Director, Litasco has only a few days left to lift their fuel oil from VBU terminal before the first vessel, chartered by VBU, arrives in Ventspils port later this week to store the fuel oil offshore on account of Litasco. However, the Latvian customs authorities still have to approve this measure.

The VBU management is forced to take urgency measures to resolve the problems created by the illegal and reckless power play actions of the trading giant Litasco. Two vessels chartered by VBU are scheduled to arrive in Ventspils port this week to take the fuel oil from terminal reservoirs. According to the contract provisions of the Agreement with Litasco, VBU has the legal right to take such action.

The decision is now with the Latvian Customs Authorities to allow the storing of the cargo offshore. The VBU Management requested their approval to bring the fuel oil, which is blocking the VBU terminal offshore. VBU has clearly such a right under their contract with Litasco. VBU hopes the Customs Authority to make the proper decision based on the law and what is in the interests of Latvia. "No company, no matter how big and powerful it is, should have the right to paralyze one of the most lucrative businesses sectors in Latvia." said Rudolf Meroni, the VBU Chairman.

On the other hand, Olafs Berkis, the minority shareholder of VBU who has probably for years earned illegal income from the business with Litasco, is mostly responsible for the problems with this company. It is loudly rumored, throughout Latvia, that Olaf Berkis, is trying very hard to misuse his influence in the political party New Era (Jaunais Laiks) to convince politicians in top positions to side with his partner Litasco, not to allow the Customs Authority to allow the export.—It will be

interesting to see how the decision of the custom authorities will be.

Litasco still continues trying to block Ventbunkers operations by refusing to send a ship to Ventspils port to lift over 120,000 metric tons of fuel oil stored in the VBU terminal facilities. The fuel oil should have been lifted on December 24, 2010. At the same time about 1700 rail tank cars have entered the Latvian territory and cannot be discharged in Ventspils. This has created severe chaos all over the Latvian railway system. Latvian Rail (LDZ) is suffering huge losses as no fuel oil cargo can be transported through Latvia. Estimated losses for Litasco, due to demurrage, are in excess of 3 million USD and are growing by more than USD 100'000 per day.

Despite Litasco's arrogant refusal to address the unresolved issues, the VBU management made all efforts to contact the Lukoil and Litasco top management in Moscow and Geneva hoping they will come to their senses and lift the fuel oil from the VBU terminal. However, Litasco has made no real effort to contact VBU and resolve the situation. Once the fuel oil is moved off shore for storage it will be much more difficult and expensive for Litasco to take delivery.

Ventbunkers press service