

Press Release

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Lukoil subsidiary Litasco, in dispute with Ventbunkers, begins a misleading propaganda campaign trying to influence even Latvian Ministers.

The CEO of Litasco, Sergey Chaplygin, arrived in Riga, Latvia at the beginning of the week - not to resolve problems with A/S Ventbunkers (VBU), but to wage a propaganda campaign and spread false information to journalists.

Litasco, in breach of contract, still refuses to lift 120,000 metric tons of their fuel oil from Ventbunkers terminal. With this act Litasco has paralyzed the fuel oil transit business through the port of Ventspils. The Litasco CEO Sergey Chaplygin arrived earlier this week with other Litasco managers. So far they have met with the Minister of Justice Aigars Stokenbergs.

Later this week they want to meet the Minister of Economy Artis Kampars. At the same time they are meeting numerous journalist spreading out their misleading and partly false information. Instead of meeting with VBU management they decided to speak with the press and any politician who would listen to their stories.

Rudolf Meroni, Chairman of VBU Supervisory Board: "Chaplygin and his team failed to push us into a corner in Zurich. They would only agree to lift their 120'000 MT of fuel oil, if Ventbunkers would pay for all the damage Litasco has caused. We easily speak about 5 to 10 million Euros so far. At the same time they continue to hide more than 20 million Euros owed to Ventbunkers that they paid to a hidden account. Now they come to Latvia, looking to spread false allegations to government officials including the Minister of Justice, the Minister of Economy and to the press. Ventbunkers is a Latvian company governed by Latvian law and will not be intimidated by strong-arm tactics of a Lukoil subsidiary. Perhaps these blackmailing tactics work elsewhere. The Latvian public and the politicians will see right through them."

"It is difficult to understand what they are trying to achieve. Journalists have been calling me all day asking if it is true

that Ventbunkers does not release Litasco's fuel oil. This is entirely false. Let me repeat what has been said previously," said Ventbunkers Media Director **Aivars Gobins**. "Mr. Chaplygin, come and take your fuel oil from our reservoirs. Today! We have a ship in the port. Just file the papers and get out of Ventbunkers terminal. Stop this childish game. It is costing everyone millions!"

Two meetings with the representatives of Litasco ended last week with no results. "First they refused to meet our team of Ventbunkers representatives, then they avoid discussing the issues that could solve the problem. Mainly, where are the 20 million they claim having paid for services? We have not received these payments. Secondly, when will they send a ship to lift their fuel oil? They just refuse to address these issues. Unprofessional behavior," said **Gints Laivins-Laivenieks**, Member of the VBU Supervisory Board.

For weeks Litasco has been using blackmailing tactics trying, first, to force VBU to sign a new agreement for the use of Ventbunkers terminal for 2011. Now they are trying to force VBU to accept all the damage Litasco has caused. They filled Ventbunkers terminal with fuel oil and then, in breach of contract, they refused to lift it. In addition, they are

blocking the Latvian railway system with 1700 rail tank cars filled with an additional 100,000 metric tons of fuel oil. VBU is preparing to move the fuel oil onto floating storage, as is VBU's contractual right. Litasco realizes this and tries to put pressure on the Latvian government to halt this perfectly legal action. Litasco's actions have crippled the fuel oil transit through Latvia and created havoc in the railway system.

JSC Ventbunkers was founded in 1994 and it is operating in the territory of Ventspils Free Port, where the company exploits an area of 27 ha. Ventbunkers ensures receiving oil products by pipelines and rail and further loading of oil products on tankers from 4 berths.

Products are stored in tank farms comprising 26 tanks with the total capacity of 275 000 m³. Clients are provided a full range of services with respect to cargo handling and information.

Ventbunkers press service