

**EXPLANATIONS (CLARIFICATIONS) OF TERMS OF NEGOTIATED PROCEDURE FOR
 PROVISION OF FINANCIAL SERVICES (LONG TERM LOAN) NO 1**

4 September 2015

In course of implementation of Negotiated procedure for provision of financial services (long term loan) (hereinafter, the **Procedure of Negotiations**), AB "Klaipėdos Nafta" (hereinafter, the **Company**) has decided to specify (clarify) the Terms of Negotiations on its own initiative. Pursuant to section 4 of the Terms of Negotiations, the Company has decided to explain (clarify) the Terms of Negotiations as follows:

Clause	Current provision	Reviewed provision
2.5	<p>The Loan, which in total amounts to EUR 300 million, shall be divided into two equal parts:</p> <p>2.5.1. Loan tranche I shall be a loan of EUR 150 million;</p> <p>2.5.2. Loan tranche II shall be a loan of EUR 150 million.</p> <p>The total amount of the Loan and the amounts of both the Loan tranches indicated above are indicated without the option of increasing the amount by 30 percent. The option either will be provided for in the Loan Agreement or not depending on the results of the negotiations with the participants of the negotiations.</p>	<p>The Loan, which in total amounts to EUR 300 million, shall be divided into two equal parts:</p> <p>2.5.3. Loan tranche I shall be a loan of EUR 150 million;</p> <p>2.5.4. Loan tranche II shall be a loan of EUR 150 million.</p> <p>The total amount of the Loan and the amounts of both the Loan tranches indicated above are indicated without the option of increasing the amount by 30 percent. The option either will be provided for in the Loan Agreement or not depending on the results of the negotiations with the participants of the negotiations.</p> <p>Alternatively, the Company seeks to obtain financing of the Loan from international financial institution(s) (e.g. European Investment Bank, Nordic Investment Bank, European Bank for Reconstruction and Development). It is likely that from the said source no more than 50 percent of the Loan could be financed. If in course of this procedure of negotiations it will become clear that the Company shall in fact obtain financing in full or in part from the said alternative source, the amount of the Loan shall be respectively reduced or respectively entire process withdrawn.</p>
2.7	<p>Participants of the negotiations can also make tender offers for a part of Loan tranche I and Loan tranche II respectively, however the least offered amount of a Loan tranche and a step of the offered Loan tranche cannot be less than EUR 75 million, i.e. a participant of the negotiations can make a tender offer regarding lending of the amounts of EUR 75 million or EUR 150 million in each of the Loan tranches.</p>	<p>Participants of the negotiations can also make tender offers for a part of Loan tranche I and Loan tranche II respectively, however the least offered amount of a Loan tranche and a step of the offered Loan tranche cannot be less than EUR 75 million, i.e. a participant of the negotiations can make a tender offer regarding lending of the amounts of EUR 75 million or EUR 150 million in each of the Loan tranches. Provided that the Company shall obtain portion of the Loan from alternative financing source, specified in Paragraph 3 of Clause 0, the Company shall be entitled to reduce the least offered amount of a Loan tranche specified herein or abolish the</p>

		possibility to make tender offers for a part of Loan tranche, in case remaining amount of Loan tranche would become close to currently established smallest portion of Loan tranche to be offered, in particular EUR 75 million. Participants of the negotiations shall be given notice regarding changes in question at latest by lapse of deadline for submission of final tender offers. Further changes of the Loan amount or tranches thereof shall be possible only in accordance with provisions of Loan Agreement in course of its implementation.
2.9	The Company will enter into one Loan Agreement with the winner of the negotiations or several winners of the negotiations for granting of all the Loan tranches.	The Company will enter into one Loan Agreement with the winner of the negotiations or several winners of the negotiations for granting of all the Loan tranches or portion thereof. Alternative financier, specified in Paragraph 3 of Clause 0, may also accede to the Loan Agreement.
4.2	The Company shall publish the explanations and clarifications of the Terms of Negotiated Procedure, which do not contain confidential information, before the end of the procedures of verification of the candidates' qualification, in the same place where these Terms of Negotiated Procedure were published. Explanations and clarifications, which contain confidential information, as well as explanations and clarifications, which are given after the completion of the qualification verification procedures shall be given directly by e-mail only to those candidates, whose qualification was recognised suitable, i.e. who acquired the status of a participant of the negotiations, and who have assumed undertakings of non-disclosure of confidential information.	The Company shall publish the explanations and clarifications of the Terms of Negotiated Procedure, which do not contain confidential information, before the end of the procedures of verification of the candidates' qualification, in the website of the Company www.oil.lt . Explanations and clarifications, which contain confidential information, as well as explanations and clarifications, which are given after the completion of the qualification verification procedures shall be given directly by e-mail only to those candidates, whose qualification was recognised suitable, i.e. who acquired the status of a participant of the negotiations, and who have assumed undertakings of non-disclosure of confidential information.
9.2	During the negotiations the Commission shall consult the participants and shall negotiate the price and all other terms of the tender offer (including, but not limited to, main conditions of the Loan Agreement). For avoidance of doubt, any provisions of the tender offer and the term sheet of the Loan Agreement may be negotiated.	During the negotiations the Company shall consult the participants and shall negotiate the price and all other terms of the tender offer (including, but not limited to, Technical Specification, Detailed Description of the Loan and main conditions of the Loan Agreement). For avoidance of doubt, any provisions of the said and/or related documents may be negotiated.
10.1	Following the conclusion of the negotiations, the Company shall evaluate the results of the negotiations and shall prepare the final term sheet of the Loan Agreement and shall invite participants, whose initial tender offers have not been rejected, to submit their final tender offers.	Following the conclusion of the negotiations, the Company shall evaluate the results of the negotiations and shall prepare the final term sheet of the Loan Agreement, these Terms of Negotiated Procedure, as the case may be, and shall invite participants, whose initial tender offers have not been rejected, to submit their final tender offers.
12.8	If it is impossible to establish according to paragraph 12.7 of the Terms of Negotiated Procedure, the tender offer(s) of which	If it is impossible to establish according to paragraph 12.7 of the Terms of Negotiated Procedure, the tender offer(s) of which

	participant(s) must be given priority, tender offers of those participants, whose tender offers are ranked higher concerning both the Loan tranches, will be ranked higher in the ranking of tender offers.	participant(s) must be given priority, tender offers of those participants, whose tender offers are ranked higher concerning both the Loan tranches (in particular whose aggregate offered amount of Loan is biggest), will be ranked higher in the ranking of tender offers.
12.12.5	prices offered by all the participants, whose tender offers were not rejected for any other reason, were too high and not acceptable to the Company.	price offered is too high and not acceptable to the Company. The amount of price, which shall be deemed to be too high and not acceptable to the Company, the Company shall determine at its sole discretion.
13.1	The Company, in order to award the Loan Agreement, following the Terms of the Negotiated Procedure shall determine the ranking of tender offers (except for cases when only one participant is invited to submit a tender offer or only one participant submits a tender offer). The first tender offer in the ranking of tender offers or several tender offers, when the whole amount of a relevant Loan tranche is formed from several tender offers, shall be recognised as the successful tender offer or tender offers.	The Company, in order to award the Loan Agreement, following the Terms of the Negotiated Procedure shall determine the ranking of tender offers (except for cases when only one participant is invited to submit a tender offer or only one participant submits a tender offer). The first tender offer in the ranking of tender offers or several tender offers, when the whole amount of a relevant Loan tranche is formed from several tender offers, shall be recognised as the successful tender offer or tender offers. If the Company does not receive sufficient amount of tender offers or tender offers submitted under acceptable pricing for the total amount of the Loan, the Company may conclude the Loan Agreement for the portion of the Loan or its tranches thereof.

Attachments:

1. Reviewed Terms of Negotiations;
2. Red-line of Reviewed Terms of Negotiations.