Baltic Oil Terminals PLC

("Baltic" or the "Company")

Final Results for Year Ended 31 December 2007

Baltic Oil Terminals, the infrastructure company with operations in Kaliningrad, Russia today announces its preliminary results for the year ending 31 December 2007. Baltic's objective is to leverage increasing demand for shipment of hydrocarbons and become the largest terminal and infrastructure operator in the Kaliningrad region.

Highlights

Operational

- Acquisition, through OAO Agroprom, of 50% interest * in the Rosbunker terminal, which is newly constructed and fully operational and is the only terminal in Kaliningrad with deep water capacity
- First phase of Rosbunker development complete:
  - Throughput rose to 59,000 tonnes per month by December 2007.
  - Existing tank capacity expected to enable throughput to increase to 80,000 -100,000 tonnes per month in 2008
- Baltic Top throughput averaged 13,500 tonnes per month in 2007

Financial

- Adjusted loss, after adding back non-recurring items, of £4.1 million (2006: adjusted loss of £3.1 million)
- £6.9 million invested in oil terminal infrastructure in 2007
- Cash position of £3.0 million as at 31 December 2007 (2006: £17.9 million)
- Additional £1.9 million (net) raised through a placing of new ordinary shares in January 2008

Outlook

- On track to complete deep water development phase and install additional tank capacity at Rosbunker, significantly increasing throughput capability to up to 400,000 tonnes per month by 2009
- Rosbunker acquisition has provided immediate access to new source of low-risk, profitable export business with mini-refineries, through a series of exclusive off-take agreements requiring minimal capital expenditure.
- Long term plan to maximise returns from Rybachiy site remains in place.
- Back office functions in the process of relocating to corporate headquarters in Kaliningrad, resulting in significant cost reductions going forward.

- Roman Niewiadomski to replace Rob Wilde as Finance Director. Roman is a fluent Russian speaker, with over 10 years' experience of natural resources in Russia.

- On track to achieve original objective of making first dividend payment in 2009 in respect of year ending 31 December 2008.

Simon Escott, Chief Executive, commented:

"The Rosbunker acquisition was a significant strategic step for Baltic. Its location alone gives it a major advantage over competing terminals, hence our decision to focus our efforts on ramping up throughput. The terminal is performing well and we are therefore confident of achieving our objectives for 2008 and beyond.

"I am also pleased to welcome Roman Niewiadomski to the Board. His experience will be crucial as we take Baltic into the next stage of its development. Finally, I would like to thank Rob Wilde for his hard work and significant contribution. We wish him every success for the future."

Enquiries:

Baltic Oil Terminals plc Simon Escott, Chief Executive	Tel: +44 (0) 207 034 7030
Arbuthnot Securities Limited Alistair Moreton, Corporate Finance	Tel: +44 (0) 207 012 2000
Pelham PR	
Archie Berens	Tel: +44(0) 207 743 6679
Evgeniy Chuikov	Tel: +44(0) 203 008 5506

* Note: Rosbunker was acquired in two stages, with the second 25% completing in January 2008.

The information contained in this announcement has been reviewed by Roy Kelly, Technical Director, RPS who is a Chartered Petroleum Engineer with over 25 years experience.

Chairman's statement

Introduction

2007 has been a transformational year for Baltic as its acquisition of a 50% share of the new Rosbunker terminal, which completed in January 2008, has enabled the Company to make significant progress towards its goal of becoming the largest oil terminal and infrastructure company in Kaliningrad. The acquisition has presented Baltic with an unrivalled platform for the expansion of its business and the opportunity to develop the only deep-water terminal in the region.

Importantly, Rosbunker is already fully operational and generating cash flows. Baltic has evolved from being a project start-up company to becoming an operating hydrocarbon transhipment business with tangible assets and revenues.

Furthermore, the Company has commenced blending operations in 2008 and intends to further optimise profit by sourcing some of the hydrocarbon products from mini-refineries in which Baltic will have entered into partnership agreements. This means that the business emphasis has shifted from a focus on mainly throughput volumes to the optimisation of a wider range of profitable revenue streams.

Review of Operations

The Rosbunker terminal is a brand new facility for the transhipment of hydrocarbon product. Situated on a four hectare site in the port of Baltysk and close to the open sea, the terminal has, following completion of the first phase of the development, seven tanks in place with a capacity of 34,000 cubic metres, which should enable a throughput of up to 100,000 tonnes per month. Currently, the throughput mostly comprises mazut, which attracts a higher throughput tariff because it requires specialised handling and heating. 2008 will see the development of the remainder of the site, with the planned addition of a further 80,000 cubic metres of larger tanks and the dredging of the short distance to the main channel enabling much larger vessels to be loaded. The intention is that this will be principally for lighter product with a quicker turnaround, increasing utilisation of the tanks.

Having acquired an initial 25% interest in the Rosbunker terminal in July 2007 for a cash consideration of £4.4 million, the additional interest to take Baltic to 50% was acquired from Rosbunker's original owner and founder, Mr Vladimir Gavrilov, for a combination of £1.5 million in cash and 4,337,625 shares in Baltic, in January 2008. The remaining 50% of Rosbunker is owned by Krutrade, an Austrian subsidiary within the Kuzbazresregol Group, Russia's largest domestic coal exporter. Since July 2007, Baltic's management has been heavily involved in developing the logistics and working practices of the terminal to improve its efficiency. The terminal is already generating revenue from Phase One and is run as a joint venture operation with Krutrade.

We stated in September 2007 that, following the decision to acquire our interest in Rosbunker, it would not be in shareholders' interests to build a competing terminal business in Kaliningrad. Given its location and operational qualities, Rosbunker represents a significant commercial threat to the Tetoil terminal business at Rybachiy. Accordingly, we will instead use the infrastructure at Rybachiy for other hydrocarbon-based activities.

In Kurgan, Baltic complied with its licence requirements by drilling two exploration wells to a maximum depth of 2,400 metres. Well results identified several hydrocarbon baring horizons and a further study by RPS has been commissioned to assist full evaluation of the exploration acreage. The Board has resolved, however, to attract third party interest to unlock the potential value that Baltic has in those licences. Accordingly, Baltic will now focus in future on its infrastructure and trading businesses going forward.

Management

With regard to Baltic's management team, there have been some changes. We welcomed Vladimir Gavrilov, to the Board on 15 January 2008. Vladimir has been instrumental in developing Rosbunker to date and we believe he will play an equally important role in its future expansion. As a result of the decision to move the corporate aspect of our business to Kaliningrad, under the same roof as our operations, our Finance Director and Company Secretary, Robert Wilde, will be leaving the Company. We would like to express our gratitude to Robert for all his hard work and commitment that helped the Company through its IPO and subsequent growth. We wish him well for the future. Robert will be replaced by Roman Niewiadomski, who joined the Company in February 2008. Roman will assume responsibility for the finance function of the Group and Company Secretary and will be principally based in Kaliningrad.

In conclusion, 2007 has been a highly significant year for the Company. Baltic is now well placed to capitalise on the much better platform it has created in Baltysk. The Rosbunker terminal will become the only deep water, large vessel terminal in Kaliningrad and the Board therefore looks to the future with confidence. I would like to thank all of the staff for their hard work, which has now so well positioned the Company for long term growth.

Philip Dayer
Chairman
9 April 2008

Chief Executive Officer's statement

Review of Operations

Introduction

2007 has been a positive and transformational year for Baltic. The Company has successfully built firm operational foundations and established itself as one of the leading terminal operators in the Kaliningrad region. Consequently, the Company is in a strong position to continue growing its operations in scale and scope. With a 50% joint venture interest in our main asset, the new Rosbunker terminal, we have moved from a "concept" company to a fully operating business, with strong partners. We are already expanding and improving the site with the aim of increasing the throughput capacity four-fold during 2008 to become the only deep-water terminal in the Kaliningrad region.

Rosbunker is already fully operational and generating cash flows at good margins. Demand for throughput of hydrocarbon refined products through Kaliningrad has remained as strong as ever and we are therefore well placed to take advantage of being located in Russia's only ice-free port in the Baltic.

On the exploration front, we have drilled two wells in the Kurgan oblast in Western Siberia and have confirmed the presence of hydrocarbons in both. We have acquired significant data from these wells and other geological and geophysical work that has been commissioned, and are now looking to exploit the potential further by attracting interest from external parties rather than utilising our own funds.

Our Strategy

Baltic was established to capitalise on Russia's increasing importance as a major supplier of hydrocarbons to Northern Europe, via its Baltic Sea ports, as Russia replaces the declining supply from the North Sea.

Refined product and high-quality crude, which cannot be transported from source to the port by pipeline without losing its integrity is delivered by rail to the port. Baltic is then able to provide terminal handling and storage services prior to shipment on behalf of clients wishing to export.

Baltic has completed the first phase of its growth plan and now aims to rapidly expand as a substantial hydrocarbon infrastructure business, by becoming the largest and only deep-water terminal operator for hydrocarbon product export from the Kaliningrad Oblast on Russia's Baltic Sea coast.

The Company's objective is to generate significant operational cash flows to provide a recurring dividend stream to shareholders. The increasing operational cash flows will provide scope for further expansion of the Company's activities.

Kaliningrad

Demand for transhipment facilities on Russia's Baltic Sea coast is extremely high, as Russia increasingly bridges the supply gap for hydrocarbon delivery to Northern Europe. This is mainly due to the declining production of the North Sea and increased Asian consumption drawing further on traditional supplies from other producing countries, such as the Middle East.

Kaliningrad sits in a strategically important location on the Baltic Sea coast approximately mid-way between St Petersburg and Denmark. Although separated from the main body of

Russia and surrounded by the EU countries of Poland and Lithuania, Kaliningrad is sovereign Russian territory linked by a domestic rail corridor which was originally built to supply the significant military presence in Kaliningrad. Kaliningrad is Russia's only ice-free port on the Baltic and lies considerably closer to the markets of Northern Europe than its equivalent ports in and around St Petersburg.

Rosbunker

In July 2007, Baltic acquired a 25% interest in the Rosbunker terminal and increased this to 50% in January 2008. Rosbunker currently has 34,000 cubic metres of new tank capacity, mostly used for the transhipment of mazut. This hydrocarbon product, which requires specialised handling and heating, including insulated tanks and pipelines, commands a premium over lighter refined products. Since July, Baltic's operational management have been instrumental in the commissioning of this first phase of the terminal. Modifications to the original design have been made, including the use of more powerful pumps and amendments to logistical arrangements at the terminal. Throughput rose to 59,000 tonnes in December and the aim is to increase this to an average of approximately 80,000 to 100,000 tonnes per month from this initial phase of development, although measurement on a month by month basis is not an accurate gauge of the business and this should be seen on a quarterly basis as a minimum.

The Rosbunker terminal is situated on the Baltysk peninsular at the mouth of the Pregol River, less than 1.8 kilometres to the open sea, thus giving the terminal a large advantage over other terminals in the region that are situated 28 kilometres upstream within the City of Kaliningrad itself.

Importantly the construction of Rosbunker in Baltysk also falls under the Governor's and regional administration's policy of concentrating this type of infrastructure outside of the city limits and away from any populated areas.

The second phase of development has already commenced and it is planned to add a further 80,000 cubic metres of tank capacity. Crucially, Phase Two will include the dredging of the small distance between the Rosbunker terminal and the main channel, thereby enabling much larger vessels to load. This, coupled with the plan for lighter product handling from Phase Two, should significantly increase the throughput capacity of the terminal.

Our partner and owner of the remaining 50% of the Rosbunker terminal is the Kemerovo based Kuzbazresregol Group, through its Austrian subsidiary, Krutrade. Kuzbazresregol is Russia's largest domestic exporter of coal and already runs three of the largest coal ports in Russia. Their interests are directly aligned with Baltic's in looking to optimise our activities from Rosbunker and exploit further opportunities as they arise. We have jointly established a commodity-backed sales operation in which we match buyers with suppliers, taking a margin at the point of transhipment, in addition to the transhipment fee itself.

Baltic Top

In addition to Rosbunker, Baltic owns 100% of Baltic Top, a domestic terminal distribution business for the transhipment from rail to road tankers from the City of Kaliningrad to elsewhere within the oblast. The Company has 10,000 cubic metres of existing tank capacity, has a rail unloading facility for up to five railcars and accepts diesel and gasoline from clients for storage before onward delivery. Throughput has averaged 13,500 tonnes per month for 2007 and continues in line with expectations. So far Baltic has re-invested the income from Baltic Top back into the business, so that tanks can be re-furbished, loading facilities improved and thus waiting time minimised. Demand for additional capacity is strong and we are presently investigating methods by which we can capitalise on our favoured central location by increasing capacity by longer operational hours and night loading for larger customers.

TDKN

During the year, Baltic increased its interest in TDKN from 51% to 65% for £10,000. In consultation with the Russian Navy, on whose land we operate, we have fulfilled all necessary obligations that should enable the 12,000 cubic metre facility to commence operations. We believe all necessary permissions have already been given in writing from both the Naval Authorities in Moscow and Baltysk, and we are currently in final negotiations for the commercial contract for use of the naval facilities.

Whilst it has taken longer than planned to start up the terminal, the terms being negotiated with the Navy are better than those originally planned and will result in a better contribution to revenue, once operations do commence. We already have both suppliers and customers ready to use the TDKN facility as soon as we can start operations.

Polex

The Polex operations on the Rybachiy eight hectare site are satisfactory although relatively small, the main thrust of our 50% interest in Polex being the site itself. We have plans for this site that include the possible construction of either a small mini refinery or other hydrocarbon related business that can take advantage of the prime river frontage and the refurbished jetty already being utilised by Polex. We plan to expand on these plans during the second quarter of 2008.

Kurgan

It has been an active year on the exploration front in Kurgan, western Siberia, where Baltic has a 50:50 joint venture, but controlling stake, with Siberian Energy Group. Following interpretation of the newly acquired geochemical and geophysical data, with the help of our UK based advisers, RPS Energy, Baltic chose the first well location in the northern part of the Privolny licence, spudding this in the Spring of 2007. Having drilled to 2,400 metres the well was suspended, pending analysis and interpretation of the data, with a possible view to re-entry at a future date. Crucially, this well encountered hydrocarbons at several levels.

The Privolny-1 well provided crucial data to the determination of a second well location in the southern section of the Moukrosovsky block, a short distance to the north. Moukrosovsky-1 well was spud in September 2007 and also drilled to 2,400 metres. A modern, light-weight rig was contracted to drill this well, which proved to be extremely challenging from an engineering perspective because of alternating soft sediments and harder volcanics. Consequently, the planned drilling timeframe was extended, but we were rewarded by the identification of hydrocarbons in several horizons, with some of these being tested using Schlumberger's MDTTM tool. RPS Energy has evaluated all these data and, at the time of writing, Baltic awaits their report and is considering options for further potential exploitation. However, the Board of Baltic has decided that in accordance with the information contained in our placement documents, in case of further exploration the Company will seek to 'farm out' its interest in the acreage.

Outlook

The outlook for Baltic is now very good indeed. We have successfully overcome the initial challenges in Kaliningrad and are now firmly established in the region. We have significant interests in three terminals, two of which are already in operation and generating revenues. We anticipate the third to be on line shortly.

By acquiring the second 25% interest in Rosbunker and its associated companies, we appointed Mr Vladimir Gavrilov to our Board as Chief Operating Officer and this is already improving our operational control and infrastructure. We have merged the respective employees into one team and together with our partners, Krutrade, we are working together to form a tight and well run team from management down to operators in the terminal.

Throughput at the Rosbunker terminal should thus steadily increase and our other businesses in Kaliningrad are also performing well. Against the continued backdrop of Kaliningrad's pre-eminent commercial position on the Baltic Sea and Russia's status as one of the world's largest exporter of hydrocarbons and related products, we are therefore confident of a favourable outcome for 2008 and longer term growth thereafter.

Simon Escott
Chief Executive
9 April 2008

Finance Review

Results for the year

The Company's financial results presented herein are the first set of financial statements following the acquisition of our interest in the Rosbunker terminal and mark a turning point in Baltic's evolution. The Group recorded a loss of £11.7 million for the year ended 31 December 2007, which belies the substance of the fundamental shift from being a project company to an operating business with tangible assets and activities. The low revenues reflect both the commissioning nature of the business in the first few months of operation and also the method by which the Company is required to account for the two-stage acquisition. The latter is explained further below. The costs charged to the income statement include charges of £0.4 million for non-cash employee share incentive arrangements; and £3.0 million for the exploration costs in Kurgan under our successful-efforts accounting policy and associated overhead costs. In addition, the Company has charged to the income statement £1.9 million, £0.4 million and £1.9 million respectively for the impairment of balance sheet items associated with the original project on Rybachiy (before moving our terminal activities to the better-placed location at Baltysk); feasibility and due diligence costs in relation to the aborted acquisition of Cepruss; and for the decision to write down the costs on the balance sheet associated with the first exploration well. Although this well, Privolny-1, had oil shows at various horizons in the hole and provided essential data to confirm the existence of a hydrocarbon system, it is unlikely to be re-entered and, consequently, we have expensed the costs of this well under our accounting policy. We have, however, retained £2.9 million on the balance sheet in relation to the second well, Moukrosovsky-1, pending further analysis. The Group's adjusted loss, after adding back these items, is £4.1 million and represents the underlying new business in the first few months of commissioning. This is now complete and construction of the much larger, deep water, second phase of the Rosbunker terminal commenced early in 2008. This should enable us to achieve our objective of starting to repatriate cash. With the near-term financial outlook being very positive, the Board hopes to be able to pay the Company's first dividend in relation to 2008, in line with the timeframe originally planned at the time of the IPO.

Acquisitions

On 26 July 2007, the Company acquired a net 25% interest in the Rosbunker terminal through the acquisition of 50% of the share capital of Arblade Holdings Limited (Cyprus) for a cash consideration of US$9.0 million (£4.4 million). The interest in Rosbunker was doubled to 50% on 15 January 2008 through the acquisition of the outstanding shares in Arblade Holdings Limited, with a further consideration of US$11.0 million (£5.6 million), being satisfied by the issue of 4.3 million shares in the Company (Baltic Oil Terminals plc) plus cash of US$3.0 million (£1.5 million). Simultaneously on 15 January 2008, Arblade Holdings Limited acquired 50% of North Oil Bunker Limited (British Virgin Islands) and North Oil Trading Limited (Panama), through which the commodity matched sales business is conducted. The consideration paid for the additional interest in Arblade Holdings Limited included these companies. The consideration paid on 15 January 2008 was satisfied by the issue of 4.3 million shares to the vendor, Goulding Partners Inc., with the cash element being satisfied by the "vendor" placing of 1.5 million shares at a price of 95p to the market in addition to the 2.2 million shares issued in the capital raising as detailed above.

Capital Raising

At a meeting of the Board of Directors on 17 December 2007, it was resolved that an issue of 2.2 million 1p shares, at a price of 95p per share, would be made and the placing was concluded on 15 January 2008 raising net proceeds of £1.9 million. The net proceeds from this placing are not included in the cash position at 31 December 2007.

Operating Environment, principal risks and uncertainties

Further to the due diligence performed at the time of acquisition, a full risk assessment of the Rosbunker terminal and its implications to Baltic's risk management objectives and policies is currently underway. The principal risks currently identified in the Group as a whole are as follows:

Risks relating to Russia

Emerging markets such as Russia are subject to greater risks than more developed markets including, in some cases, significant legal, economic and political risks. Such economies may also be subject to rapid change and the Group needs to adapt and alter itself, as needed, relatively quickly. Although the Russian economy endured difficult times during the 1990s, the high world price for oil in recent years and demand for Russian hydrocarbons has buoyed the economy, which is now more robust. Whilst current indications are that these conditions will continue, the risk remains that they could be abruptly reversed. The Group's management has considerable experience of operating in Russia. In addition, Mr Vladimir Gavrilov was appointed to the Board on 15 January 2008 and our partner on our main asset of Rosbunker, Krutrade, is a company within the Kuzbazresregol group, one of Russia's largest coal producer and exporter.

Currency risk

The Group's main activity is the operation and expansion of oil terminal infrastructure in Russia, predominantly for the export of hydrocarbon product. Baltic receives a tolling fee for the transhipment of client's product from the railcar discharge into the Group's tanks and subsequent loading into ocean-going vessels. In addition, revenues are derived from the matching, post export, of producers and suppliers for various hydrocarbon commodity sales. Both the transhipment and commodity matched sales operations are predominantly US Dollar related, with a significant element of Russian Rouble costs. Following the capital raisings in 2006 on the London Stock Exchange (AIM) in Sterling, forward projections of US Dollar and Euro need allow for a proportion of these funds to be converted to the relevant currencies at the time. Furthermore, a proportion of the capital raised in January 2008 was converted at the time into US Dollars, whilst retaining some of the funds in Sterling for UK based expenditure.

Since the placing was made in December 2007, but the Sterling proceeds received in January 2008, the Company entered into a short-term currency hedge over the balance sheet date. As Baltic moves into 2008 and an environment in which largely US Dollar-based revenues will be repatriated to the UK, the Group is currently putting into place mechanisms to mitigate US Dollar to Sterling exposure, where possible. It should be recognised, however, that a US Dollar based revenue stream remains the basis for the Group's activities.

Oil price risk

The Group is not generally subject to a correlation to oil price since it normally does not take ownership of the hydrocarbons unless the sale and purchase are matched and the revenue is derived as a margin.

Ancillary to the core business is our oil exploration activity on five licences in Kurgan. These operations are also predominantly US Dollar and Russian Rouble related. Furthermore, should oil be discovered on these licences, any resulting economic benefit will reflect the then prevailing oil price. The oil price has surged since 2005, relative to long term averages. Clearly, this link is potentially a future issue.

Exposure to credit, liquidity and cash flow risk

The Group has not raised third party debt for the acquisitions and development of its business, nor does it have significant creditors or debtors. Internal financial projections are regularly made based on the latest estimates available and various scenarios to assess the robustness of the liquidity of the Group are run. The Group currently holds sufficient cash for the medium term needs of the business and an injection of a further £1.9 million, resulting from the completion of a capital raising on 15 January 2008, bolstered the funds held at the balance sheet date. It should be noted that funds for capital expenditure for the expansion of Phase Two of the Rosbunker terminal are expected to be derived from current cash deposits and cash generated from operations. There is a risk that insufficient operational cash is generated, although this is currently not considered high and the regular cash forecasting should highlight any shortfall in sufficient time to take remedial action.

Risks relating to key personnel

The Group has a relatively small team of executives and senior management. Whilst this is sufficient for a Company of this size there is a dependency risk relating to the loss of key individuals. Key-man insurance exists for the Chief Executive Officer. During 2008 the Company intends to strengthen the management team further and consolidate the business in one geographical location being Kaliningrad.

Risks relating to further development and operation of the Rosbunker transhipment terminal

The planned Phase Two expansion of the terminal in 2008 is susceptible to development risk. The generation of significant operational cash envisaged from this further development is dependent on the successful delivery and completion of this Phase Two. Furthermore, the optimisation of the Rosbunker assets, both existing and Phase Two, is dependent on maintaining constructive relationships between all of our business stakeholders. This includes the deadlock commercial arrangements with our partner in the terminal.

Rosbunker

The basis of the acquisition agreements of Baltic's interest in the Rosbunker terminal give the Company the economic entitlement to 50% of earnings from all of the Rosbunker group of companies (Agroprom, Rosbunker, North Oil Trading and North Oil Bunker) from 1 July 2007. Although these earnings are modest because of the start-up, commissioning nature of the operations, only the earnings post completion of an acquisition can be recognised in the income statement, with any entitlement to earnings prior to the date of completion being recognised as an adjustment to the purchase consideration. Consequently, all earnings from commodity matched-sales (through North Oil Trading and North Oil Bunker) and the uplift in earnings from the increase from 25% to 50% net interest in the transhipment revenue from the Rosbunker terminal for the year will be recognised as an adjustment to the purchase consideration in January 2008, when the second stage of the acquisition completed.

Rosbunker is accounted for as a joint venture interest in which the Company's proportionate share of revenues, costs, assets and liabilities are consolidated.

Consolidated income statement
For the year ended 31 December 2007

	Notes	**2007 £'000**	2006 £'000
Revenue	2,3	**956**	222
Cost of sales		**(2,885)**	(129)
Gross (loss)/profit		**(1,929)**	93
Exploration and evaluation costs		**(3,303)**	(2,288)
Administrative expenses		**(6,830)**	(6,434)
Operating loss before taxation and finance items	4	**(12,062)**	(8,629)
Finance income		**408**	395
Finance costs		**(109)**	-
Loss before taxation		**(11,763)**	(8,234)
Tax credit / (charge)	5	**33**	(23)
Share of (loss) / profit of associate		**(13)**	39
Loss for the year		**(11,743)**	(8,218)
Attributable to:			
Equity shareholders of the company		**(11,735)**	(8,030)
Minority interest		**(8)**	(188)
		(11,743)	(8,218)
Loss per share attributable to equity shareholders of the company:	6		
Basic and diluted		**(24.63p)**	(21.18p)

Consolidated Balance Sheet
As at 31 December 2007

	Notes	**2007 £'000**	2006 £'000
Non current assets			
Intangible assets			
		3,257	1,958
Property, plant and equipment		**6,937**	3,666
Investments in associates		**1,189**	1,203
Goodwill		**4,598**	2,005
VAT reclaimable		**-**	258
		15,981	9,090
Current assets			
Trade and other receivables		**640**	27
Inventories		**26**	17
Prepayments and other current assets		**1,325**	1,568
Cash and cash equivalents		**2,953**	17,883
		4,944	19,495
TOTAL ASSETS	2	**20,925**	28,585
Share capital		**476**	476
Share premium		**33,195**	33,195
Other reserves - Equity - share options		**2,635**	2,209
Other reserves - Equity - foreign exchange reserves		**(569)**	(475)
Retained losses		**(20,523)**	(8,780)
Total equity		**15,214**	26,625
Non current liabilities			
Deferred tax liability	5	**825**	530
		825	530
Current liabilities			
Trade and other payables		**4,869**	1,430
Derivative financial instruments		**17**	-
		4,886	1,430
Total liabilities		**5,711**	1,960
TOTAL EQUITY AND LIABILITIES		**20,925**	28,585

Consolidated cash flow statement
For the year ended 31 December 2007

	Notes	**2007** **£'000**	2006 £'000
Cash flows from operating activities			
Group operating loss before taxation		**(11,763)**	(8,234)
Adjustments to reconcile group operating loss to net cash outflows from operating activities			
Finance income		**(408)**	(395)
Foreign exchange loss		**17**	577
Share based payment		**426**	2,209
Depreciation and impairment of property, plant and equipment		**2,160**	92
Amortisation and impairment of intangible assets		**2,050**	369
Increase in inventories		**(9)**	(17)
Decrease/(increase) in trade and other receivables		**736**	(1,478)
(Decrease)/increase in trade and other payables		**(119)**	544
Cash generated from operations		**(6,910)**	(6,333)
Income taxes paid		**(15)**	(20)
Net cash outflows from operating activities		**(6,925)**	(6,353)
Cash flows from investing activities			
Interest received		**408**	318
Purchase of property, plant and equipment		**(2,182)**	(2,285)
Purchase of intangible assets		**(3,318)**	(340)
Purchase of joint venture interest, net of cash acquired		**(3,275)**	(2,355)
Additional investment in subsidiary undertakings		**(33)**	-
Payment to acquire associate		**-**	(1,153)
Loans issued		**(299)**	(653)
Net cash outflows from investing activities		**(8,699)**	(6,468)
Cash inflows from financing activities			
Proceeds from shares issued		**-**	31,031
Proceeds from borrowings		**605**	-
Net cash inflows from financing activities		**605**	31,031
(Decrease)/increase in cash and cash equivalents		**(15,020)**	18,210
Cash and cash equivalents at beginning of year		**17,883**	395
Effect of exchange rate on cash and cash equivalents		**90**	(722)
Cash and cash equivalents at end of year		**2,953**	17,883

Consolidated statement of changes in equity
Year from 1 January 2007 - 31 December 2007

	Share capital £'000	Share premium £'000	Share based payment reserve £'000	Foreign currency translation adjustment £'000	Retained losses £'000	Total £'000	Minority interests £'000	Total equity £'000
At 1 January 2006	1	2,639	-	-	(750)	1,890	188	2,078
Share based payment reserve	-	-	2,209	-	-	2,209	-	2,209
Foreign exchange reserves	-	-	-	(475)	-	(475)	-	(475)
Loss for the year	-	-	-	-	(8,030)	(8,030)	(188)	(8,218)
Total income and expenses for the year	-	-	2,209	(475)	(8,030)	(6,296)	(188)	(6,484)
Shares issued during the year	475	33,247	-	-	-	33,722	-	33,722
Transaction costs	-	(2,691)	-	-	-	(2,691)	-	(2,691)
At 31 December 2006 and 1 January 2007	476	33,195	2,209	(475)	(8,780)	26,625	-	26,625
Share based payment reserve	-	-	426	-	-	426	-	426
Foreign exchange reserves	-	-	-	(94)	-	(94)	-	(94)
Loss for the year	-	-	-	-	(11,735)	(11,735)	(8)	(11,743)
Total income and expenses for the year	-	-	426	(94)	(11,735)	(11,403)	(8)	(11,411)
At 31 December 2006	476	33,195	2,635	(569)	(20,515)	15,222	(8)	15,214

Notes to the consolidated financial statements
Year from 1 January 2006 - 31 December 2006

1. Basis of Preparation

a) The financial information for the years ended 31 December 2007 and 31 December 2006 does not constitute the company's statutory financial statements but is extracted from the audited accounts for those years. The auditors have reported on those accounts; their reports were unqualified and did not contain statements under Section 237 (2) or (3) of the Companies Act 1985.

b) The audited accounts for the year ended 31 December 2006 have been delivered to the Registrar of Companies. The Annual Report and Financial Statements for the year ended 31 December 2007 will be delivered to the Registrar of Companies following the Annual General Meeting. Copies will be available to the public at the Company's registered office: 6-8 Underwood Street, London N1 7JQ

2. Revenue

	2007	2006
	£'000	£'000
Rendering of storage services	**956**	222
Total revenue	**956**	222

3. Segment Information

The primary segment reporting format is determined to be business segments as the group's risks and rates of return are affected predominantly by differences in the products and services provided. Secondary segment information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The two business segments for the group are the Exploration and Production division which holds exploration licences in Kurgan, Western Siberia, and the Terminals division which provides terminal handling and storage services on behalf of clients wishing to export oil products and is based in the Kaliningrad Oblast.

The group's geographical segments are based on the location of the group's assets.

(a) Business segments - year ended 31 December 2007

	Exploration and production	Terminals	Total
	£'000	£'000	£'000
Revenue	-	956	956
Results			
Segment result	(5,277)	(3,956)	(9,233)
Unallocated expenses			(2,829)
Group operating loss			(12,062)
Finance costs - net			299

Group loss before taxation			(11,763)
Tax credit			33
Share of loss of associate			(13)
Loss for the year			(11,743)
Assets and liabilities			
Segment assets	3,835	13,711	17,546
Unallocated assets			3,036
Total assets			20,582
Segment liabilities	(726)	(3,763)	(4,489)
Unallocated liabilities			(879)
Total liabilities			(5,368)
Other segment information			
Capital expenditure:			
Property, plant and equipment	46	6,738	6,784
Unallocated fixed assets			153
Intangible assets	3,397	4,115	7,512

The following significant non-cash items are included in the segment results:

- Exploration and production - amortisation of £126,000 and an impairment loss of £1,924,000.
- Terminals - depreciation of £155,000 and an impairment loss of £1,932,000.

(b) **Business segments - year ended 31 December 2006**

	Exploration and production	Terminals	Total
	£'000	£'000	£'000
Revenue	-	222	222
Results			
Segment result	(3,867)	(814)	(4,681)
Unallocated expenses			(3,948)
Group operating loss			(8,629)
Finance income			395
Group loss before taxation			(8,234)
Tax expense			(23)
Share of profit of associate			39
Loss for the year			(8,218)

(b) **Business segments - year ended 31 December 2006 (cont.)**

	Exploration and production £'000	Terminals £'000	Total £'000
Assets and liabilities Segment assets	2,185	7,512	9,697
Unallocated assets			18,888
Total assets			28,585
Segment liabilities	(375)	(570)	(945)
Unallocated liabilities			(1,015)
Total liabilities			(1,960)
Other segment information			
Capital expenditure:			
Property, plant and equipment	131	3,463	3,594
Unallocated fixed assets			74
Intangible assets	333	2,166	2,499

The following significant non-cash items are included in the segment results:

- Exploration and production - amortisation of £82,000

- Terminals - depreciation of £68,000 and an impairment loss of £287,000.

(c) **Geographical segments - year ended 31 December 2007**

	UK £'000	Russian Federation £'000	Total £'000
Revenue	232	724	956
Results			
Loss for the year	(4,059)	(8,003)	(12,062)
Other segment information			
Segment assets	12,539	8,385	20,924
Total assets			
Capital expenditure:			
Property, plant and equipment	153	6,784	6,937
Intangible fixed assets	-	7,855	7,855

(d) **Geographical segments - year ended 31 December 2006**

	UK	Russian Federation	Total
	£'000	£'000	£'000
Revenue			
	-	222	222
Results			
Loss for the year	(3,544)	(4,674)	(8,218)
Other segment information			
Segment assets	18,888	9,697	28,585
Total assets			
Capital expenditure:			
Property, plant and equipment	74	3,594	3,668
Intangible fixed assets	-	2,499	2,499

4. **Operating loss**

The operating loss is stated after charging/ (crediting):

	2007	2006
	£'000	£'000
Depreciation and amortisation	**354**	174
Foreign currency loss	**17**	577
Impairment of property, plant and equipment	**1,932**	-
Impairment of exploration assets	**1,924**	-
Impairment of goodwill	**-**	287

5. **Taxation**

(a) **Tax on profit on ordinary activities**

Current income tax charged in the income statement:

	2007	2006
	£'000	£'000
UK corporation tax	**-**	-
Prior year adjustment	**-**	(10)
Russian corporation tax	**15**	33
Deferred tax	**(48)**	-
Tax reported in the income statement	**(33)**	23

(b) **Reconciliation of the total tax charge**

	2007 **£'000**	2006 £'000
Loss before tax	**(11,763)**	(8,234)
Accounting losses multiplied by the UK standard rate of corporation tax of 30%	**(3,529)**	(2,470)
- UK tax losses not used	**1,290**	1,937
- Russian tax losses not used	**856**	110
- Tax depreciation in excess of accounting depreciation	**1,212**	24
- Tax effect of non-deductible items	**171**	537
- Lower rate of foreign tax	**-**	(105)
- Income not taxable	**15**	-
- Prior year adjustment	**-**	(10)
Total tax expense for the year	**15**	23

(c) **Deferred tax**

The deferred tax included in the balance sheet is as follows:

	2007 **£'000**	2006 £'000
Balance brought forward	**530**	287
Currency rate movements	**-**	(46)
Acquisition fair value adjustment	**343**	289
Income statement credit	**(48)**	-
Deferred tax liability	**825**	530

The deferred tax liability relates to the fair value uplift on the acquisition of OOO Zauralneftegaz on 9 November 2005, and OOO Baltic Top and OOO Otelbiznesstroy on 3 August 2006.

The group has tax losses which arose in the UK of £11,618,000 (2006: £7,155,000) and in Russia of £4,999,000 (2006: £458,000) that are available indefinitely for offset against future taxable profits of those companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses due to uncertainty as to whether such amounts will be realised.

6. **Earnings per share (EPS)**

Basic EPS is calculated by dividing net profit for the year attributable to ordinary equity shareholders of the company by the weighted average number of ordinary shares of 1 pence each outstanding during the year. For the purposes of the EPS calculation the company has no dilutive potential ordinary shares as a loss was recorded for the year.

The following reflects the income and adjusted share data used in the EPS computation.

	2007 £'000	2006 £'000
Net loss attributable to equity shareholders of the company	**(11,735)**	(8,030)

	2007 Number	2006 Number
Number of shares Weighted average number of ordinary shares of 1 pence each for EPS calculation	**47,647,821**	37,921,251
EPS basic and diluted	**(24.63p)**	(21.18p)

7. **Dividend**

The Directors do not recommend the payment of a dividend.

Circulation to Shareholders

Copies of the Company's Annual Report will be sent to shareholders shortly, with further copies available from the Company Secretary, Baltic Oil Terminals plc, 83 Baker Street, London W1U 6AG and on the Company's website www.balticpetroleum.com.