

EASTERN EUROPE ENERGY FUND LIMITED

A regulated BVI Business Company incorporated in the British Virgin Islands recognised as a Professional Fund under the Securities and Investment Business Act, SIBA (2010) of the BVI

FINANCIAL STATEMENTS

From January 1st, 2010 to December 31st, 2010

EASTERN EUROPE ENERGY FUND LIMITED

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EASTERN EUROPE ENERGY FUND LIMITED

ORGANISATION

The Company

EASTERN EUROPE ENERGY FUND LTD
Geneva Place, 2nd Floor
333 Waterfront Drive
Road Town, Tortola
British Virgin Islands

The Investment Manager

E3 MANAGEMENT COMPANY LTD
Geneva Place, 2nd Floor
333 Waterfront Drive
Road Town, Tortola
British Virgin Islands

Registered Office and Registered Agent

ABACUS TRUST AND MANAGEMENT SERVICES LTD
Geneva Place, 2nd Floor
333 Waterfront Drive
Road Town, Tortola
British Virgin Islands

The Listed Sponsor

CAPITAL G BSX SERVICES LTD
2nd Floor, Thistle House
4 Burnaby Street
Hamilton HM 11
Bermuda

Administrative and Transfer Agent

FIRST ACCOUNTING SERVICES TORTOLA LTD
Geneva Place, 2nd Floor
333 Waterfront Drive
Road Town, Tortola
British Virgin Islands

EASTERN EUROPE ENERGY FUND LIMITED

ORGANISATION (continued)

Independent Auditors

FIDUCIAIRE TG EXPERTS S.A.
(Chartered Accountants)
ZARE Ouest
L-4384 Ehlerange
Luxembourg

Directors

Mr Yves Bayle
C/O FAST Synergy Ltd
41 Chalton Street
NW11JD LONDON
United Kingdom

EASTERN EUROPE ENERGY FUND LIMITED

Director's Commentary
For the year ended December 31st, 2010

The goal of the Company is to invest in companies located in the Eastern Europe countries, mainly through investments in non-listed securities.

During previous exercises, the Company selected and proceeded only with investment in non-listed company's shares, involved in energy and gas projects in Ukraine.

Expected return for such investment must be considered as for medium/long term project.

During the period under review, the Company did not proceed with new stock investments but decided to keep granted loans to companies related to investment projects. Assets of the Company remained stable in 2010.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

For and behalf of the
Board of Directors

March 22nd, 2011

EASTERN EUROPE ENERGY FUND LIMITED

AUDITOR'S REPORT

We have audited the accompanying consolidated balance sheet and the consolidated statement of investments in securities and other net assets of Eastern Europe Energy Fund Limited as of December 31, 2010 as well as the related consolidated statements of operations, changes in shareholder's equity, changes in net assets and changes in all outstanding classes Ordinary Shares for the year then ended, and a earthy summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with legal and regulatory requirements. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgments, including the assessments of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

EASTERN EUROPE ENERGY FUND LIMITED

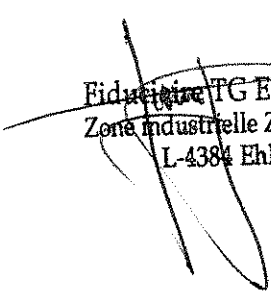
AUDITOR'S REPORT (continued)

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion the financial statements give a true and present fairly in all material respects of the financial position of Eastern Europe Energy Fund Limited as of December 31, 2010 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

March 22nd, 2011



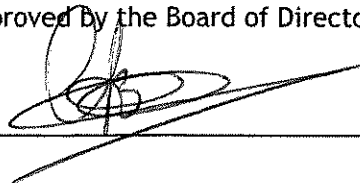
Fiduciare TG EXPERTS S.A.
Zone Industrielle ZARE ilot ouest
L-4384 Ehlerange

EASTERN EUROPE ENERGY FUND LIMITED

BALANCE SHEET AS OF DECEMBER 31st, 2010 (expressed in USD)

	31.12.2010	31.12.2009	31.12.2008
ASSETS			
Cash at banks			
Available for sale of securities	285'000	285'000	285'000
Loans Investment	8'456'912	8'631'674	8'563'218
Interest receivable	2'093'468	1'790'144	1'433'924
TOTAL ASSETS	10'835'380	10'706'818	10'282'142
LIABILITIES			
Management fee payable	587'987	489'537	391'885
Entry / Exit fees payable			
Performance fee payable			
Administration fee payable	26'064	32'245	31'394
Creditors	267'142	234'828	175'805
TOTAL LIABILITIES	881'193	756'610	599'085
NET ASSETS	9'954'187	9'950'208	9'683'057
Shareholder's equity			
Share Capital	8'823'733	8'823'733	8'823'733
Retained earnings	1'130'454	1'126'475	859'324
TOTAL	9'954'187	9'950'208	9'683'057
Participating Shares in issue	159'491.421	159'491.421	159'491.421
Net Asset Value per Participating Share	62.412	62'387	60'712

Approved by the Board of Directors on March 22nd, 2011



Director

EASTERN EUROPE ENERGY FUND LIMITED

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE PERIOD FROM DECEMBER 31st, 2008 TO DECEMBER 31st, 2010 (expressed in USD)

	Share Capital	Retained Earnings	Total
Balance as of December 31, 2008	8'823'733	859'324	9'683'057
Result of operation		267'151	267'151
Issue of shares			
Redemption of Shares			
Balance as of December 31, 2009	8'823'733	1'126'475	9'950'208
Result of operation		3'979	3'979
Issue of shares			
Redemption of Shares			
Balance as of December 31, 2010	8'823'733	1'130'454	9'954'187

EASTERN EUROPE ENERGY FUND LIMITED

STATEMENT OF OPERATIONS FOR THE PERIOD FROM DECEMBER 31st, 2008 TO DECEMBER 31st, 2010 (expressed in USD)

	31.12.2010	31.12.2009	31.12.2008
INCOME			
Loan interests	337'036	343'361	342'529
TOTAL INCOMES	337'036	343'361	342'529
EXPENSES			
Management fee	98'450	97'652	97'831
Performance fee			
Administration fee	26'064	32'245	31'394
Professional services fee			
Bank fee			
Licence fee	1'950	1'950	1'950
Legal fee	5'250	4'750	6'056
Audit fee	7'097	8'742	12'558
Director fee	3'405	7'166	6'976
TOTAL EXPENSES	142'216	152'505	156'765
NET LOSS FROM INVESTMENT	194'820	190'856	187'764
Net realised on currencies			
Net unrealised on currencies	(192'298)	76'295	(123'069)
Net realised on securities			
Net unrealised on securities			
Extraordinary Profit/Loss	1'457		
RESULTS OF OPERATIONS	3'979	267'151	62'695

EASTERN EUROPE ENERGY FUND LIMITED

STATEMENT OF CHANGES IN NET ASSETS
FOR THE PERIOD FROM DECEMBER 31st, 2008 TO DECEMBER 31st, 2010
(expressed in USD)

	31.12.2010	31.12.2009	31.12.2008
Net assets at the beginning of the year	9'950'208	9'683'057	9'620'362
Results of operations	3'979	267'151	62'695
Issue of shares			
Redemption of shares			
NET ASSETS AT THE END OF THE YEAR	9'954'187	9'950'208	9'683'057

EASTERN EUROPE ENERGY FUND LIMITED

STATEMENT OF INVESTMENTS IN SECURITIES AND OTHER NET ASSETS AS OF DECEMBER 31st, 2010 (expressed in USD)

Number Nominal	Currency	Description	Cost	Market Value	% Net Asset
Nominee Agreement					
285'000	USD	Mariott Investment Ltd	285'000	285'000	2.86
Loans Investment					
6'036'329	USD	Lasseti s.a. 4%	6'036'329	6'036'329	60.64
1'811'000	EUR	Lasseti s.a. 4%	2'233'246	2'420'582	24.32
			8'554'575	8'741'911	87.72
Other Net Assets					
			1'212'275	1'212'275	12.18
Total Net Assets			9'766'850	9'954'186	100.00

EASTERN EUROPE ENERGY FUND LIMITED

STATEMENT DETAILS CREDITORS
FOR THE PERIOD FROM DECEMBER 31st, 2008 TO DECEMBER 31st, 2010
(expressed in USD)

	31.12.2010	31.12.2009	31.12.2008
CREDITORS			
Bedale LTD	(121'049)	(129'789)	(126'365)
Bedale LTD	(13'877)	(13'877)	(13'877)
TOTAL	(134'926)	(143'666)	(140'242)
Gareses & Ass. LLC	(26'398)	(28'304)	(27'557)
Gareses & Ass. LLC	(9'956)	(9'956)	(8'006)
TOTAL	(36'354)	(38'260)	(35'563)
Spencerdale LTD	(83'912)	(48'152)	
Spencerdale LTD	(11'950)	(4'750)	
TOTAL	(95'862)	(52'902)	
TOTAL CREDITORS	(267'142)	(234'828)	(175'805)

EASTERN EUROPE ENERGY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS - DECEMBER 31st, 2010 (expressed in USD)

	Up to 1 Year	1-5 Year	Over 5 Year	Non-interest bearing	Total
ASSETS					
Cash at bank					
Available for sale loans		8'456'912			8'456'912
Available for sale securities				285'000	285'000
Interest receivable on loans		2'093'468			2'093'468
Total Assets		10'550'380		285'000	10'835'380
LIABILITIES					
Management fee payable		587'987			587'987
Entry/Exit fee payable					
Performance fee payable					
Administration fee payable		26'064			26'064
Creditors		267'142			267'142
Total liabilities		881'193			881'193
Interest sensitivity gap		9'669'187		285'000	9'954'187

EASTERN EUROPE ENERGY FUND LIMITED

NOTE TO THE FINANCIAL STATEMENTS

The Company's information and offering documentation applicable to the figures compiled in these financial statements are those in force in the Company during the period such statements are referring to.