

*Non-binding convenience translation from German*

**Mandatory Publication in accordance with §§ 1 para. 3 no. 2 lit. a, 39, 27 para. 3 sentence 1 and § 14 para. 3 sentence 1 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) (*WpÜG*) in conjunction with § 2 of the German Regulation on the Applicability of Provisions governing Offers within the meaning of § 1 paras. 2 and 3 WpÜG (*Verordnung über die Anwendbarkeit von Vorschriften betreffend Angebote im Sinne des § 1 Abs. 2 und 3 des Wertpapiererwerbs- und Übernahmegesetzes*) (*WpÜG Applicability Regulation*)**



**Joint Reasoned Statement of the Management Board (*Vorstand*) and the Supervisory Board (*Aufsichtsrat*)**

of

**C.A.T. oil AG**

Kärntner Ring 11-13

A-1010 Vienna

Austria

in accordance with § 27 of the German Securities Acquisition and Takeover Act (*WpÜG*)

concerning the Mandatory Offer (Cash Offer) in accordance with § 35 WpÜG

by

**Joma Industrial Source Corp.**

142 Main Street

Jipfa Building, 3rd floor

Road Town, Tortola

British Virgin Islands

**to the shareholders of C.A.T. oil AG**

C.A.T. oil Shares: ISIN AT0000A00Y78

Tendered C.A.T. oil Shares: ISIN AT0000A1AV07

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## I. GENERAL INFORMATION ABOUT THIS REASONED STATEMENT

Joma Industrial Source Corp., a corporation established under the laws of the British Virgin Islands with corporate seat (*Sitz*) in Road Town, Tortola, British Virgin Islands, and registered under BVI registration number 1769717, (the **Bidder**) announced on 31 October 2014 in accordance with § 35 para. 1 sentence 1 in conjunction with § 10 para. 3 WpÜG of the German Securities Acquisition and Takeover Act (**WpÜG**) and § 2 no. 6 of the German Regulation on the Applicability of Provisions governing Offers within the meaning of § 1 paras. 2 and 3 WpÜG (*Verordnung über die Anwendbarkeit von Vorschriften betreffend Angebote im Sinne des § 1 Abs. 2 und 3 des Wertpapiererwerbs- und Übernahmegesetzes*) (**WpÜG Applicability Regulation**) that pursuant to § 22 para. 3 no. 2 and § 27 b Austrian Takeover Act (**ÜbG**) it had acquired the indirect control over C.A.T. oil AG with corporate seat (*Sitz*) in Vienna, Austria (the **Target Company** or the **Company**) in accordance with § 29 para. 2 WpÜG on 27 October 2014.

On 11 December 2014, the Bidder published in accordance with § 35 para. 2, § 14 para. 2 sentence 1, para. 3 sentence 1 WpÜG the offer document within the meaning of § 11 WpÜG (**Offer Document**; the offer for the acquisition of C.A.T. oil Shares made therein the **Mandatory Offer** or the **Offer**) after permission by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (**BaFin**).

The Mandatory Offer is made to all shareholders of the Target Company (the **C.A.T. oil Shareholders**) and relates to the acquisition of all bearer shares not held by the Bidder with a proportionate amount in the share capital of EUR 1.00 per share, including all ancillary rights existing at the time of settling of the Mandatory Offer (each a **C.A.T. oil Share** and together the **C.A.T. oil Shares**). The price offered by the Bidder in the Offer Document for the C.A.T. oil Shares to which the Offer relates amounts to EUR 15.23 per C.A.T. oil Share (cash offer).

The management board of the Company (**Management Board**) has forwarded the Offer Document without undue delay after its receipt from the Bidder in accordance with § 14 para. 4 sentence 1 WpÜG to the supervisory board of the Company (**Supervisory Board**) and, because the Company has no works council, to the employees of the C.A.T. oil Group.

In connection with the following reasoned statement within the meaning of § 27 WpÜG on the Mandatory Offer (the **Reasoned Statement** or the **Statement**), the Management Board and the Supervisory Board point out the following:

### 1. Legal basis of this Reasoned Statement

Pursuant to § 27 para. 1 sentence 1, para. 3 sentence 1 WpÜG, the management board and the supervisory board of a target company are each obliged to issue and publish a reasoned statement on the offer and any amendments thereto without undue delay after the transmission of the offer document in accordance with § 14 para. 4 sentence 1

WpÜG. The Offer falls within the scope of application of the aforementioned provisions of the WpÜG in accordance with § 1 para. 3 no. 2 lit. (a), § 39 WpÜG in conjunction with § 2 WpÜG Applicability Regulation. The Statement may be issued jointly by the Management Board and the Supervisory Board. The Management Board and the Supervisory Board have decided to issue a joint reasoned statement on the Offer made by the Bidder.

In their Statement, the Management Board and the Supervisory Board must, pursuant to § 27 para. 1 sentence 2 WpÜG, in particular deal with (i) the type and amount of the consideration being offered, (ii) the likely consequences of a successful Offer for the Company, the employees and their representatives, the conditions of employment and the locations of the Company, (iii) the goals being pursued by the Bidder with the Offer, and (iv) the intention of the members of the Management Board and the Supervisory Board to accept the offer, to the extent that they are holders of securities of the Company.

## **2. Factual basis of this Reasoned Statement**

Except as otherwise stated, references to time in this Reasoned Statement are references to local time in Frankfurt am Main, Germany. To the extent that expressions such as "currently", "at the present time", "at the moment", "now", "at present" or "today" or similar are used in this Reasoned Statement, they refer to the date of publication of this Reasoned Statement except as otherwise expressly stated.

References in this Reasoned Statement to a "banking day" refer to a day on which the banks in Frankfurt am Main, Germany, are open for general business with retail customers. References to "EUR" refer to Euro. References to "USD" refer to US Dollar. References to "subsidiaries" refer to subsidiaries within the meaning of § 2 para. 6 WpÜG.

This Reasoned Statement contains forecasts, assessments, valuations, forward-looking statements and expressions of intent. Such statements are, in particular, indicated by terms such as "expects", "believes", "is of the opinion", "attempts", "estimates", "intends", "plans", "assumes" and "endeavours". Any such information, forecasts, assessments, valuations, forward-looking statements and expressions of intent are based on the information available to the Management Board and the Supervisory Board on the date of publication of this Reasoned Statement or, as the case may be, reflect their assessments or intentions at that time. This information may change after the date of publication of this Reasoned Statement. Assumptions may also subsequently prove to be inaccurate in the future. Neither the Management Board nor the Supervisory Board assume any responsibility to update this Reasoned Statement, except to the extent they are obliged to do so under German law.

The information contained herein about the Bidder and the Offer is based on information provided in the Offer Document and other publicly available information (unless expressly indicated otherwise). The Management Board and the Supervisory Board point out that they are unable to verify the information in the Offer Document provided by the Bidder or to guarantee the implementation of any intentions of the Bidder.

### **3. Publication of this Reasoned Statement and of any additional reasoned statements on any amendments to the Offer**

In accordance with § 27 para. 3 and § 14 para. 3 sentence 1 WpÜG, the Statement – as well as all statements on amendments to the Offer, if any – is published on the internet on the Company's website at

*<http://www.catoilag.com>*

in the section “News/Important Notifications”. Copies of the Reasoned Statement are also available for distribution free of charge at FTI Consulting, Bockenheimer Anlage 44, 60322 Frankfurt am Main, Deutschland, Telefon: +49 (0) 69 92037 101, Telefax: +49 (0) 69 92037 199 and at C.A.T. oil AG, Investor Relations, Kärntner Ring 11-13, A-1010 Vienna, Austria, Telefon: +43 (1) 5352320, Telefax: +43 (1) 53523220 (requests should be sent by email to [ir@catoilag.com](mailto:ir@catoilag.com)). The fact of publication and availability of copies for distribution free of charge will be announced in the Federal Gazette (*Bundesanzeiger*).

This Reasoned Statement and all additional statements, if any, on the Mandatory Offer will be published in German and as non-binding English translation. However, the Management Board and the Supervisory Board assume no liability for the correctness or completeness of the English translation. Only the German version is authoritative.

### **4. Own responsibility of the C.A.T. oil Shareholders**

Opinions expressed in this Reasoned Statement by the Management Board and the Supervisory Board shall not be binding for C.A.T. oil Shareholders. Each C.A.T. oil Shareholder has to make its own assessment, whether or not and in respect of how many C.A.T. oil Shares, if any, it will accept the Offer, thereby taking into consideration the overall circumstances, its individual situation (including its personal tax situation) and its personal assessment of the future development of the value and the market price of the C.A.T. oil Shares.

When making the decision about accepting or not accepting the Mandatory Offer, C.A.T. oil Shareholders should use all available sources of information and should sufficiently take into account their individual situation. The specific tax situation of individual C.A.T. oil Shareholders, in particular, may in individual cases result in assessments different from those presented by the Management Board and the Supervisory Board. The Management Board and the Supervisory Board therefore recommend C.A.T. oil Shareholders to seek independent tax and legal advice, if required, and assume no liability for any decision of a C.A.T. oil Shareholder with regard to the Offer.

The Management Board and the Supervisory Board would like to point out that they are unable to verify whether the C.A.T. oil Shareholders, in accepting the Mandatory Offer, comply with all legal obligations which may apply to them individually. The Management Board and the Supervisory Board recommend in particular that all persons who obtain the Offer Document outside of the Federal Republic of Germany, or who wish to accept the Offer but are subject to securities laws of any jurisdictions

other than the Federal Republic of Germany, inform themselves of, and comply with, such laws.

## **5. Lack of involvement of the Management Board and Supervisory Board**

The Bidder did not coordinate the submission of the Mandatory Offer, the goals and intentions being pursued by the Bidder by submitting the Mandatory Offer or the remaining content of the Offer Document with the Management Board or the Supervisory Board of the Company. Offers from the Management Board to enter into a dialogue after publication of the acquisition of control have not yet been accepted by the Bidder.

## **II. INFORMATION ABOUT THE COMPANY AND THE C.A.T. OIL GROUP**

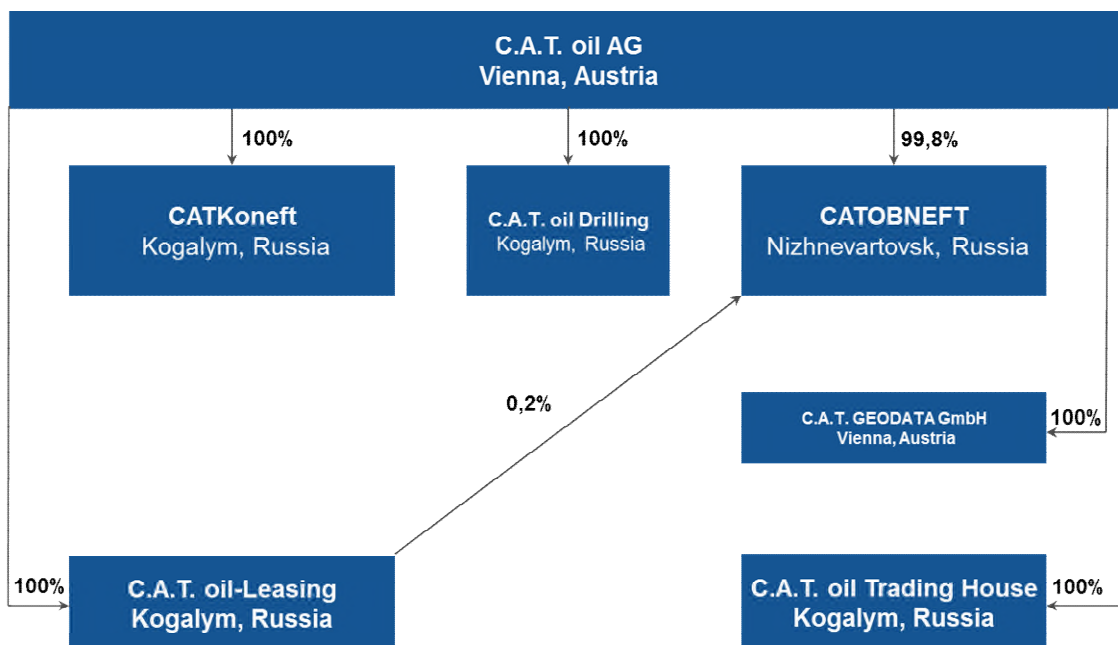
### **1. Legal basis of the Company**

The Company (together with its subsidiaries also referred to as the *C.A.T. oil Group*) is an Austrian stock corporation (*Aktiengesellschaft*) which has its corporate seat (*Sitz*) in Vienna, Austria, and is registered with the companies register (*Firmenbuch*) of the commercial court (*Handelsgericht*) of Vienna under FN 69011m. The purpose of the Company as defined in its articles of association is (a) providing advice to companies, in particular, in the field of the oil and oil services industry, regarding their business development, regarding capital measures, regarding acquisition, disposition and restructuring measures and regarding the access to capital markets; (b) providing services, in particular in the field of the oil exploration such as workover, cementing, fracturing and similar methods; (c) trade (import and export) in goods of all kinds, in particular in oil and oil products, the delivery and marketing of oil and oil products of all kind, the production, extraction and processing (including refining) of oil and oil products; and (d) acquisition, holding, managing and disposal of interests in companies, in particular in the field of the oil and oil services industry.

Pursuant to its articles of association, the Company is entitled to make all transactions and to take all actions that are suitable to directly or indirectly promote the purpose of the company, especially to establish domestic and foreign branch offices, to found, acquire or participate in companies of similar or associated nature, to enter into company agreements with such companies and to take over their management or to restrict itself to the administration of interests in such companies. The Company may carve out its business operations as a whole or in part to affiliated companies. It may acquire, use and transfer patents, brands, licenses, distribution rights and other assets and rights. The purpose of subsidiaries and companies the Company is invested in may deviate from the purpose mentioned above as long as it seems suitable to the purpose of the Company.

### **2. Overview of the C.A.T. oil Group**

The structure of the C.A.T. oil Group is shown in the following diagram:



### 3. Capital structure of the Company

The share capital of the Company at the time of publication of this Statement was EUR 48,850,000.00 and was divided into 48,850,000 bearer shares with a proportionate amount in the share capital of EUR 1.00 per share. According to § 5 para. 3 of the Company's articles of association dated 24 June 2014, the Management Board of the Company is authorised with the consent of the Supervisory Board of the Company to increase the share capital of the Company within five years since the registration of the resolution of the annual general meeting of 18 June 2010 on the amendment of the articles of association with the Company's companies register (*Firmenbuch*) once or several times by a total of EUR 14,000,000.00 by issuing of up to 14,000,000 bearer shares in exchange for cash contributions or contributions in kind. The Management Board of the Company is authorised with the consent of the Supervisory Board to exclude the subscription rights of the shareholders (a) in the event of a capital increase against cash contributions that does not exceed ten percent of the share capital and that is implemented in compliance with the general statutory requirements for an exclusion of subscription rights; (b) if necessary to balance residual amounts; (c) in the event of capital increases in kind for the acquisition of companies or part of companies and interests in companies; and (d) if new shares are issued to employees, executives, members of the management or supervisory board of the Company or a company affiliated with it.

### 4. Members of the Management Board and the Supervisory Board

The Management Board of the Company currently consists of Manfred Kastner (Chief Executive Officer), Ronald Harder (Chief Financial Officer), Anna Brinkmann (Chief Operational Officer) and Leonid Mirzoyan (Chief Corporate Finance Officer).



According to Section 8.1 of the Company's articles of association, the Supervisory Board of the Company must have at least three, but not more than seven, members all to be elected by the general meeting. The Supervisory Board currently consists of four members which are Dr h.c. Gerhard Strate, Dr Manfred Zacher, Mirco Schroeter and Dr Walter Höft. The current chairman of the Supervisory Board of the Company is Dr h.c. Gerhard Strate; the current deputy chairman of the Supervisory Board is Dr Manfred Zacher.

## **5. Overview of the business activities of the C.A.T. oil Group**

The Company is one of the leading independent oil and gas field service contractors in Russia and Kazakhstan. The Company provides a range of high quality services, which enable oil and gas producers to extend the lifecycle of their fields or bring yet unexploited oil and gas reserves to production.

Since its foundation in 1991 in Celle, Germany, the Company, initially as German joint venture partner with Russian production companies, has continuously expanded its market position and now has a leading position in the field of hydraulic fracturing services, a very effective method of well stimulation by cracking rock formations with pressurized fluids, in Russia and Kazakhstan. As one of the pioneers of hydraulic fracturing services in Russia, the Company always aspired to transfer the best available Western equipment, technology, operating expertise and business practices to the country. The business of the Company has always targeted efficiency, reliability and high quality of the services. Since its IPO in 2006, the Company has invested more than EUR 450 million in the continuous optimisation of its equipment and today uses high-quality, modern equipment.

Also following its IPO in 2006, the Company developed a second core service of sidetrack drilling in the years 2006 through 2008 and has established a strong presence in Russia's sidetrack drilling market. Sidetrack drilling is a term used to describe drilling of a new wellbore from the upper section of an existing well. In 2011/12, the C.A.T. oil Group launched the next phase of its growth and diversification strategy and set up high class drilling operations as a third core service offering. High class drilling is the classical technology of drilling vertical, inclined and horizontal wells for extraction of oil and gas. Following the set up of high class drilling in 2011/12, the Company introduced its new segment reporting in 2013 clustering its activities in "Well Services" (fracturing, cementing and completion operations) and "Drilling, Sidetracking and IPM (Integrated Project Management)".

In November 2013, the Company approved the 2014-2016 capital expenditure investment program of EUR 390 million, of which EUR 300 million is intended for growth and the balance is maintenance capital expenditures.

The rationale behind the Company's prevailing focus on organic growth opportunities is not only lower risk of organic growth compared to growth by acquisitions of shareholdings and companies but also, in view of the Management Board and the Supervisory Board, a scarcity of quality oilfield service assets in the Russian market. The vast majority of oilfield service companies, which are up for sale, are either Soviet

legacy assets or in-house service subsidiaries of Russia's major oil and gas groups or a combination of both. It often happens that these potential acquisition targets possess fully depreciated fixed assets and outdated technologies, suffer excess personnel and overwhelming social liabilities or inefficient management practices. In case of spin-offs of in-house oilfield service capacities it also often becomes evident that sellers are primarily interested in rotating and upgrading their contractor base. Therefore, the Management Board and the Supervisory Board see only limited opportunities for growth by acquisitions especially in the Russian market.

The customer base of the C.A.T. oil Group includes the leading Russian and Kazakh oil and gas producers such as Rosneft, Lukoil, Gazprom Neft, Tomskneft VNK, Slavneft, Russneft and KazMunaiGaz. The Company has longstanding relationships with these customers and has proved to be a reliable service provider since its market entrance in the early nineties. During the first nine months of 2014, the C.A.T. oil Group employed an average of 2,920 employees, most of them in Russia and Kazakhstan.

## 6. Shareholder structure

According to the information in the Offer Document and the own knowledge of the Company, the shareholder structure as of the date of this Statement is as shown below:

Shareholder	Number of shares	Percentage shareholding (rounded)
CAT. HOLDING (CYPRUS) LIMITED	23,300,000	47.70%
Anna Brinkmann (member of the Management Board)	5,367,035	10.99%
Manfred Kastner (member of the Management Board)	9,543	0.02%
Ronald Harder (member of the Management Board)	7,500	0.01%
Mirco Schroeter (member of the Supervisory Board)	2,500	0.01%
Free float	20,182,965	41.27%

The Bidder who is, according to the Bidder, indirectly controlled by Mr Maurice Gregoire Dijols (see Section III.2 of this Statement) does not hold any C.A.T. oil Shares. Pursuant to the Offer Document, however, the Bidder and Mr Dijols indirectly control the C.A.T. oil Shares held by CAT. HOLDING (CYPRUS) LIMITED (*Cat Holding*). After adding the 5,850 shares directly held by Mr Dijols, the Bidder, the other controlling persons (i.e. Mr Dijols, M.A.S. Holding AG and Singinvest Asian Fund, together the *Other Controlling Persons*) and their subsidiaries together control, according to the Bidder, 23,305,850 C.A.T. oil Shares (corresponding to approx. 47.71% of the share capital and voting rights of the Company).

## **7. Disputes at shareholder level and their impact on the Company and the Offer**

According to the Offer Document, on 27 October 2014, the Bidder, along with CAT Trading GmbH and Coraline Limited, filed an action in the District Court of Nicosia, Cyprus, against, inter alia, Cat Partnership and AB PCO INVESTMENT LIMITED seeking, inter alia, a decision by the court that Cat Partnership be dissolved. On 18 November 2014 (i.e., subsequent to the filing of the aforementioned action), AB PCO INVESTMENT LIMITED served notice purporting to terminate Cat Partnership and AB PCO INVESTMENT LIMITED proceeds from the assumption, in line with a legal opinion that it commissioned and that was also received by the Management Board and Supervisory Board, that Cat Partnership was terminated on 3 December 2014, at the latest. However, it is the position of the Bidder and the other claimants of the aforementioned action that such notice served by AB PCO INVESTMENT LIMITED is of no legal effect, according to the Offer Document, based on various legal grounds under Cypriot law, without any further justification for this position being provided therein. The Management Board and Supervisory Board proceed from the assumption that Cat Partnership is either currently in liquidation or will subsequently enter into liquidation.

In addition, there is also an apparent lack of consensus between AB PCO INVESTMENT LIMITED and the Bidder and other claimants of the aforementioned action on the issue of the legal consequences of the dissolution and liquidation of Cat Partnership, and specifically on how the shares held by Cat Partnership in Fairtune Limited are to be distributed among the partners of Cat Partnership or realised in this context.

The Offer Document states that, under general principles of Cypriot law, the dissolution of Cat Partnership will result in the distribution of the shares in Fairtune Limited currently all held by Cat Partnership to CAT Trading GmbH, Coraline Limited and AB PCO INVESTMENT LIMITED at least proportionate to their current interests in Cat Partnership; but if certain claims by the claimants in the above-described action are satisfied, the court may increase the share distributable to Coraline Limited and CAT Trading GmbH. As a result, the Bidder will indirectly control at least 50.25% of the shares in Fairtune Limited and will therefore continue to have control over the immediate holding company that holds all shares in Cat Holding as direct shareholder of C.A.T. oil AG. The Management Board and Supervisory Board are not informed of the full details of these actions and thus cannot make a

reliable statement on the accuracy of the statement made in the Offer Document in this respect.

According to a legal opinion commissioned by AB PCO INVESTMENT LIMITED and received by the Management Board and Supervisory Board, the shares in Fairtune must be sold at the best possible price and the proceeds of the sale must be paid out to shareholders in proportion to their shareholding ratio. If this is correct, then Cat Partnership would lose its shares in Fairtune, and thus also its control over the shares in the Company indirectly held by Fairtune (subject to the acquisition of other shares in the Company that would be attributable to CAT Partnership). Therefore, the control over the Company would then pass to a party acquiring the shares in Fairtune, unless these shares are sold in a manner that would involve no change of control. In the event of a change of control, the party acquiring the Fairtune shares would then have to submit a mandatory offer due to the change of control, as long as 30% of the voting rights in the Company are to be attributed to this party.

According to a legal opinion commissioned by AB PCO INVESTMENT LIMITED and received by the Management Board and Supervisory Board, any management actions taken by the general partner up to the conclusion of the liquidation proceedings, including instructions with regard to the exercise of voting rights, require the approval of all limited partners. The Supervisory Board commissioned a legal opinion on this particular issue because this raises the question of whether, in the absence of the approval of the limited partners, the general partner of CAT Partnership may validly exercise the voting rights, or have them exercised, in the external relationship with third parties. This issue then has an impact on the current situation regarding control and the voting rights to be attributed to the Bidder. The outcomes of this legal opinion are not yet available at the time of publication of this Statement. In the event these outcomes should result in the situation that the evaluation of the Management Board and/or Supervisory Board of the Company then changes with respect to material aspects, then said boards will then immediately make a separate statement on their position.

The Management Board and Supervisory Board of the Company have taken due note of the disputes at (indirect) shareholder level; however, at the time of publication of this Statement, they are not in a position to make a conclusive assessment of the consequences of same for the Company, the blend of shareholders and the Offer.

### **III. INFORMATION ABOUT THE BIDDER**

The following information was, unless stated otherwise, published by the Bidder in the Offer Document. The Management Board and the Supervisory Board were not able to verify this information or the entirety of this information. Thus, the Management Board and Supervisory Board accept no liability for its accuracy.

## 1. Legal Basis of the Bidder and its Subsidiaries

The Offer Document contains the following information about the legal basis of the Bidder and its subsidiaries in Section 6.1:

The Bidder is a company formed under the laws of the British Virgin Islands with corporate seat in Road Town, Tortola, British Virgin Islands, and registered under BVI company number 1769717. The Bidder was incorporated on 15 April 2013 with a share capital of USD 5,000.00. All shares held by the founding shareholder, Cyprus-based Ideel Trustees Limited, in the Bidder were transferred to Singinvest Asian Fund on 24 April 2014.

The Bidder's financial year is the calendar year. According to its memorandum of association under the laws of the British Virgin Islands, the Bidder has full capacity to carry on or undertake any business or activity and to enter into any transaction without being limited to a specified purpose.

The only director of the Bidder is B.C.R.S. Limited, a company under the laws of the British Virgin Islands, registered under BVI company number 1030518 and with seat in Road Town, Tortola, British Virgin Islands. The current directors of B.C.R.S. Limited are Ms Eliana Hadjisavva and Ms Androulla Papadopoulou who are each entitled to represent the company alone.

The Bidder currently does not practice any business activities and has no employees. Rather, the Bidder acts as mere holding company currently only holding 100% of the shares in Skible Holdings Limited (registered with the Cyprus company register under registration number HE 331857) (*Skible*) which in turn holds 100% of the shares in Coraline Limited (registered with the Cyprus company register under registration number HE 113814), both private limited liability companies incorporated under Cypriot law with registered office in Limassol (Cyprus). Coraline Limited is one of two limited partners of CAT. GMBH CONSULTING AGENCY TRADE & COMPANY (CYPRUS) (*Cat Partnership*), a limited partnership established under Cypriot law (registered with the Cyprus company register under registration number Σ 9214) with its place of business in Limassol (Cyprus). Coraline Limited holds an interest of 49.75% in Cat Partnership. The other limited partner of Cat Partnership with an equal interest of 49.75% is AB PCO INVESTMENT LIMITED, a private limited liability company incorporated under Cypriot law (registered with the Cyprus company register under registration number HE 294047) having its registered office in Nicosia (Cyprus). Ms Anna Brinkmann, member of the Management Board of the Company, is the direct shareholder of AB PCO INVESTMENT LIMITED. The general partner of Cat Partnership is CAT. Trading Ges.m.b.H. (*CAT Trading GmbH*), a limited liability company under Austrian law, registered with the companies register (*Firmenbuch*) of the regional court (*Landesgericht*) of Wiener Neustadt under FN 47510v with seat in Baden (Austria) with an interest in Cat Partnership of 0.5%. The current Managing Directors of CAT Trading GmbH are Ms Elisabeth Maier and Mr Willibald Schebesta. CAT Trading GmbH is wholly-owned by Coraline Limited. As a consequence, Coraline Limited is a controlling shareholder of Cat Partnership within the meaning of § 22 para. 3 no. 2 of the Austrian Takeover Act

(*Übernahmegesetz*) (*ÜbG*). Cat Partnership holds 100% of the shares in Fairtune Limited, a private limited liability company incorporated under Cypriot law (registered with the Cyprus company register under registration number HE 107256) having its registered office in Limassol (Cyprus), which in turn holds all shares in the direct shareholder of the Company which is Cat Holding.

With respect to the action filed by the Bidder, along with CAT Trading GmbH and Coraline Limited, in the District Court of Nicosia, Cyprus, on 27 October 2014 against, inter alia, Cat Partnership and AB PCO INVESTMENT LIMITED, the Management Board and Supervisory Board refer to the information under Section II.7 of this Statement.

## **2. Bidder's Shareholder Structure**

The Offer Document contains the following information on the shareholder structure in Section 6.2:

The sole shareholder of the Bidder is Singinvest Asian Fund, a company organised under the laws of the Cayman Islands in the legal form of a so-called "company limited by shares" with seat in George Town (Cayman Islands), having a registered capital of USD 50,000.00, divided into 100 shares entitled to vote (Management Shares) and 4,999,900 shares without voting right (Participating Shares). Singinvest Asian Fund was incorporated on 19 April 2010 under the registration number 239612. The current directors of Singinvest Asian Fund are Mr Meng Hai Markus Davis Ang and Mr Hartono Sianto. Singinvest Asian Fund currently holds no shareholdings other than the shares in the Bidder. All shares entitled to vote (Management Shares) and shares without voting right (Participating Shares) in Singinvest Asian Fund are held by M.A.S. Holding AG, a corporation under Swiss law with seat in Schattdorf (Switzerland), registered with the commercial register of the Canton of Uri (Switzerland) under CHE-115.844.177. Its share capital amounts to CHF 500,000.00. M.A.S. Holding AG is a holding company without any business operations that currently holds the management shares in Singinvest Asian Fund only. The current sole director of M.A.S. Holding AG is Mr Romano Antonio Sala. The sole shareholder of M.A.S. Holding AG is Mr Maurice Gregoire Dijols with residence in London (United Kingdom) and business address at c/o Andreas Neocleous & Co LLC, Neocleous House, 195 Makarios III Avenue, 3030 Limassol, Cyprus.

For the structural diagram made available by the Bidder, which shows the corporate structure of the Bidder as of the date of publication of the Offer Document, reference is made to Appendix 1 to the Offer Document.

## **3. Information about the Bidder and the Other Controlling Persons**

The Offer Document contains the following information on the shareholder structure in Section 6.3.

According to the Offer Document, the Bidder is a mere holding company without own business activities. The indirect shareholder of the Bidder, Mr Maurice Dijols, was responsible as a manager for the Russian business of Schlumberger Group, a direct competitor of the C.A.T. oil Group, for long years. Mr Dijols is also on the supervisory boards of the largest Russian drilling company Eurasia Drilling Company Limited, likewise a direct competitor of the C.A.T. oil Group, the Russian company IG Seismic Services plc, a leading pure play, land and transition-zone seismic company, and the independent oil and gas company RusPetro plc, which are all listed on the London Stock Exchange.

Furthermore, according to the Bidder, Mr Dijols controls via his holding company M.A.S. Holding AG the investment vehicle Singinvest Asian Fund and is currently the only investor in Singinvest Asian Fund. The Offer Document expressly states the possibility that further investors may participate in Singinvest Asian Fund in future by subscribing to shares without voting right (Participating Shares) and that Singinvest Asian Fund, which currently does not own any participations other than the shareholding in the Bidder, may also acquire other shareholdings in future. According to the Bidder, it is currently not foreseeable whether and when further investors will participate in Singinvest Asian Fund. In view of the considerable funds required to be spent in the event of a completion of the Offer, the Management Board and the Supervisory Board hold the view that it cannot be ruled out that the debt financing provided by Eurobank Cyprus Ltd. as described in more detail in Section V of this Statement may only be a kind of bridge financing which is intended to be refinanced in future through the participation of further investors at the level of Singinvest Asian Fund.

#### **4. Persons Acting in Concert with the Bidder**

The Offer Document contains the following information regarding the persons acting in concert with the Bidder, under Section 6.4:

According to the information provided by the Bidder in Section 6.4 of the Offer Document, the companies and persons listed in Appendix 2 to the Offer Document (collectively the ***Other Controlling Persons***) control the Bidder. The companies listed in Appendix 3 to the Offer Document are subsidiaries of one or more of the companies listed in Appendix 2 to the Offer Document. Upon acquisition of the indirect participation of 47.70% in the Company (see Section 6.6 of the Offer Document) and the factual majority at the Company's general meeting based thereon, the Company itself and its subsidiaries listed in Appendix 4 to the Offer Document became subsidiaries of the Bidder and the Other Controlling Persons. The companies and persons listed in Appendix 2, Appendix 3 and Appendix 4 to the Offer Document are therefore persons acting in concert with the Bidder within the meaning of § 2 para. 5 WpÜG. According to the Bidder, there are no persons acting in concert with the Bidder within the meaning of § 2 para. 5 WpÜG other than the companies and persons listed in Appendix 2, Appendix 3 and Appendix 4 to the Offer Document.

## 5. Indirect acquisition of control by the Bidder and information regarding securities transactions

The Offer Document contains the following information regarding securities transactions, under Section 6.6:

According to the Offer Document, the Bidder acquired on 27 October 2014 100% of the shares in Skible by exercising a call option between the Bidder as option holder and Dr Walter Höft, member of the Supervisory Board of the Company, as option writer (*Stillhalter*) (the **Call Option**). Pursuant to section 27 of the Companies law of Cyprus, the Bidder became the sole shareholder of Skible upon the entry of the particulars of the Bidder in Skible's corporate register of members, i.e. on 27 October 2014. According to the Bidder, such registration of the Bidder as sole shareholder of Skible with the said register was certified by certificate dated 4 November 2014 issued by the Registrar of Companies and Official Receiver of Cyprus. As shown in Appendix 1 to the Offer Document, Skible indirectly controls the 23,300,000 C.A.T. oil Shares (corresponding to approx. 47.70% of the C.A.T. oil Shares) held by Cat Holding. According to the Offer Document, the Bidder indirectly acquired such C.A.T. oil Shares on 27 October 2014. The Offer Document states that the shares in Skible were transferred to the Bidder against payment of EUR 1,000.00, an amount equal to the nominal value of the Skible shares. The option premium paid by the Bidder to Dr Höft amounted to EUR 10.00.

Pursuant to a novation agreement as of 27 October 2014 (the Novation Agreement), the Bidder further acquired all rights of Bolton Trustees Limited (Bolton), a private limited company incorporated under the laws of Cyprus (registered with the Cyprus company register under registration number HE 144130) having its registered office in Limassol, Cyprus, under a securities loan agreement as of 20 May 2014 (SLA) between Bolton and Skible against payment of a consideration of EUR 150,000,000.00. The parties to the Novation Agreement agreed that such consideration is payable at any time within seven years from 27 October 2014. Under the SLA, Bolton transferred all shares in Coraline Limited to Skible and, therefore, Skible was obliged to transfer the shares in Coraline Limited back to Bolton upon termination of the SLA. Furthermore, Skible undertook in the SLA to forward to Bolton 90% of all dividend payments distributed by Coraline Limited. Upon execution of the Novation Agreement on 27 October 2014, the Bidder assumed the rights from Bolton as described above and became the lender of the shares in Coraline Limited vis-a-vis Skible. As a consequence, the Bidder is now the owner of all shares in Skible and the lender of all shares in Coraline Limited and is, thus, entitled to receive from Skible 90% of the dividend payments distributed by Coraline Limited on the basis of the Novation Agreement and the remaining 10% of the dividend payments as the sole shareholder of Skible.

The Bidder does not consider the Novation Agreement a securities transaction within the meaning of § 4 of the WpÜG Offer Regulation (*WpÜG-Angebotsverordnung*) (**WpÜG-AngebotsVO**) that would have to be taken into account for the determination of the minimum offer price (see also Section 10.1 of the Offer Document). However, even if the consideration agreed to be paid by the Bidder under the Novation



Agreement was to be taken into account, the (virtual) purchase price per C.A.T. oil Share would, according to the Bidder, amount to approximately EUR 12.81 and, therefore, would be below the Offer Price (for details see Section 6.6 of the Offer Document).

According to the Offer Document, with the exception of the aforementioned agreements, during the six months prior to publication of the acquisition of control on 31 October 2014 until 11 December 2014 (the date of publication of the Offer Document), neither the Bidder nor persons acting in concert with the Bidder within the meaning of § 2 para. 5 WpÜG nor their subsidiaries have acquired C.A.T. oil Shares or entered into agreements on the acquisition of C.A.T. oil Shares.

On 20 November 2014, Dr Walter Höft notified the Company about his decision not to take any legal action against the presumed transfer of shares in Skible. Therefore, the Management Board and Supervisory Board proceed from the assumption that the change of control, as described in the Offer Document, has occurred.

## **6. Possible Parallel Acquisitions**

In Section 6.7 of the Offer Document, the Bidder states that it reserves the right within the limits of the law to acquire directly or indirectly additional C.A.T. oil Shares outside of the Offer on stock exchanges or over-the-counter without nonetheless granting or agreeing upon higher-value consideration than the Offer Price. To the extent that such acquisitions occur, this will be published along with an indication of the number and price of the thus acquired C.A.T. oil Shares on the internet at <http://www.joma-offer.de> and according to the applicable legal provisions, especially §§ 39, 23 para. 2 WpÜG.

## **IV. INFORMATION ABOUT THE OFFER**

### **1. Decisiveness of Offer Document**

In the following, some selected information from the Offer made by the Bidder will be shown. For further information and details (in particular, details with regard to the terms and conditions of the Offer, the acceptance periods, the modes of acceptance and withdrawal rights), C.A.T. oil Shareholders should read the statements in the Offer Document. The following information merely summarises information contained in the Offer Document. The Management Board and the Supervisory Board point out that the description of the Offer in the Statement does not claim to be exhaustive and that, as for the content and settlement of the Offer, solely the provisions of the Offer Document are relevant. Each C.A.T. oil Shareholder is itself responsible for considering the Offer Document and taking the measures appropriate for it. The Offer Document has been published on the internet at <http://www.joma-offer.de> and by announcement in the Federal Gazette (*Bundesanzeiger*). Copies of the Offer Document are available free of charge at M.M.Warburg & CO (AG & Co.) KGaA, Wertpapierverwaltung, Ferdinandstraße 75, 20095 Hamburg (inquiries by fax to +49

40 3618 1116 or by email to wpv-bv-kv@mmwarburg.com). Details are specified in the Offer Document.

## 2. Execution of the Offer

The Offer is being executed by the Bidder in the form of a public mandatory offer (cash offer) to acquire all C.A.T. oil Shares pursuant to § 35 para. 2 WpÜG.

The Offer is being submitted as a mandatory offer under the laws of the Federal Republic of Germany, in particular under the WpÜG and the Regulation on the Contents of the Offer Document, the Consideration in the Case of Takeover Offers and Mandatory Offers and Exemptions from the Obligation to Publish and to Make an Offer: *Verordnung über den Inhalt der Angebotsunterlage, die Gegenleistung bei Übernahmeangeboten und Pflichtangeboten und die Befreiung von der Verpflichtung zur Veröffentlichung und zur Abgabe eines Angebots: the WpÜG-Angebotsverordnung, WpÜG-AngebVO or WpÜG Offer Regulation*). Since the corporate seat (*Sitz*) of C.A.T. oil AG is located in Austria, the issue of the acquisition of control and the obligation to make an offer pursuant to § 27b ÜbG is determined in accordance with the provisions of the Austrian Takeover Act (ÜbG).

The Management Board and Supervisory Board have not performed any review of their own regarding the Offer and the issue of compliance with the applicable statutory rules and provisions.

## 3. Subject of the Offer, Offer Price and Acceptance Period

The Bidder offers to C.A.T. oil Shareholders to purchase and acquire the C.A.T. oil Shares (ISIN AT0000A00Y78) held by them including all ancillary rights existing at the time of settling the Mandatory Offer in accordance with the Offer Document at a purchase price of EUR 15.23 per C.A.T. oil Share (the **Offer Price**). The Offer made by the Bidder releases the Other Controlling Persons from their obligations to make an offer. According to the Offer Document, the Other Controlling Persons will not make or publish their own mandatory offer for the acquisition of the shares of the Company. The period for acceptance of the Offer (including extensions of such period, if any - for details see Section 5.2 of the Offer Document) (the **Acceptance Period**) began upon publication of the Offer Document on 11 December 2014 and ends on 8 January 2015, 24:00 hrs (local time Frankfurt am Main). For further details on the acceptance and implementation of the Offer reference is made to Section 11 of the Offer Document. In certain circumstances, for example an amendment of the Offer or the making of a competing offer, the Acceptance Period may be extended (for details see Section 5.2 of the Offer Document).

## 4. Background of the Offer

The Bidder published the acquisition of control over C.A.T. oil AG by the Bidder pursuant to § 35 para. 1 WpÜG in conjunction with § 10 para. 3 sentence 1 and 2 on

31 October 2014. The publication is available on the internet at the following website: <http://www.joma-offer.de>.

## **5. Conditions of the Offer**

As a mandatory offer, the Offer is not subject to any conditions.

## **6. Review of the Offer Document by BaFin and publication of the Offer Document**

BaFin reviewed the Offer Document under German law and in the German language and, according to the Bidder's statements, it granted its permission to be published on 10 December 2014.

The Offer Document was published (in German and in a non-binding translation into English) on the internet at <http://www.joma-offer.de> and by announcement in the Federal Gazette (*Bundesanzeiger*) on 11 December 2014. C.A.T. oil Shareholders may obtain copies of the Offer Document together with an non-binding English translation free of charge at M.M.Warburg & CO (AG & Co.) KGaA, Wertpapierverwaltung, Ferdinandstraße 75, 20095 Hamburg (inquiries by fax to +49 40 3618 1116 or by email to [wpv-bv-kv@mmwarburg.com](mailto:wpv-bv-kv@mmwarburg.com)). Please refer to the Offer Document for further information.

## **V. FINANCING THE OFFER**

In Section 13 of the Offer Document, the Bidder states to have taken the necessary measures to ensure that it has at its disposal the necessary financial means to satisfy the Offer, i.e. to pay the offer consideration when due.

According to the Bidder, the Bidder and Cat Holding have entered into a so-called Non-Tender Agreement dated 2 December 2014 (the *Non-Tender Agreement*) with regard to all 23,300,000 C.A.T. oil Shares held by Cat Holding. According to the Bidder, Cat Holding assumed under the Non-Tender Agreement for a period until the expiration of the Acceptance Period the unconditional and irrevocable obligations to (i) under no circumstances accept the Offer for the C.A.T. oil Shares held by it and (ii) not sell the C.A.T. oil Shares to third parties or dispose of them otherwise (thus, also the acceptance of the Offer by third parties for C.A.T. oil Shares which are currently held by Cat Holding is covered). In the event of breach of the aforementioned obligations, Cat Holding has undertaken to pay a non-culpability based contractual penalty. The amount of such contractual penalty shall be based on the number of Tendered C.A.T. oil Shares tendered by Cat Holding in breach of the Non-Tender Agreement multiplied by the Offer Price. In the Bidder's view, this ensures that the 23,300,000 C.A.T. oil Shares held by CAT Holding cannot be tendered as part of the Offer and that the financing of the Offer must then only cover the total amount of consideration to be paid, as appropriate, for the remaining C.A.T. oil Shares, which comes to a maximum sum of EUR 389,126,500, plus incidental transaction costs.

According to the Offer Document, the total amount which would be needed to acquire all C.A.T. oil Shares if all shareholders of the Company apart from Cat Holding were to accept the Offer would be EUR 389,126,500 (the **Maximum Acquisition Costs**) (i.e., the Offer Price of EUR 15.23 per C.A.T. oil Share multiplied by 25,550,000 C.A.T. oil Shares). The total maximum amount to be paid by the Bidder, which includes the expected incidental transaction costs of approx. EUR 2,000,000, is therefore expected to amount to a maximum of EUR 391,126,500 (the **Maximum Transaction Costs**).

According to the Bidder, the Bidder as borrower and Eurobank Cyprus Ltd. as lender entered into a loan agreement (the **Loan Agreement**) providing for facilities in the total amount of up to EUR 400 million which serve to finance the acquisition of shares in the Target Company through the Offer. The loan under the Loan Agreement has not been drawn and thus, subject to the terms of the Loan Agreement, will be fully available for financing the Maximum Acquisition Costs. According to the Offer Document, this financing is mainly secured by a pledge of the assets held by the Bidder and thus indirectly also the 23,300,000 C.A.T. oil Shares held by Cat Holding.

In addition, according to the Bidder, under an agreement with Singinvest Asian Fund dated 3 November 2014, Singinvest Asian Fund has agreed to provide by way of a shareholder loan to the Bidder, in due time, the necessary financial means to pay the incidental transaction costs.

Eurobank Cyprus Ltd., with registered office in Nicosia, Cyprus, an investment services company independent of the Bidder, has issued the required financing confirmation in accordance with § 13 para. 1 sentence 2 WpÜG and confirmed that the Bidder has taken the necessary measures to ensure that it has at its disposal the necessary financial means to fully satisfy the Offer at the time the relevant claim to payment falls due.

On 12 December 2014, the Management Board of the Company was informed by AB PCO Investment Limited (Cyprus), the investment vehicle of the member of the Management Board of the Company Anna Brinkmann, that the Offer Document was incorrect in two points. First, AB PCO Investment Limited (Cyprus) asserts that the Bidder notified AB PCO Investment Limited (Cyprus) that, contrary to the Offer Document, no charge was created over the C.A.T. oil Shares of the Company held by Cat Holding. According to the Cypriot lawyers of the Bidder, this was a misunderstanding. Second, according to AB PCO Investment Limited (Cyprus), the Non-Tender Agreement referred to in the Offer Document between the Bidder and Cat Holding is invalid due to a breach of mandatory law. The Management Board of the Company immediately notified this matter to the competent Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin*) with the proposal to examine the matter and, if required, to issue appropriate orders (see ad hoc announcement of the Company dated 12 December 2014). The Company, which is not involved in the administrative takeover proceedings, has no knowledge of any measures taken by BaFin. On 17 December, two legal opinions sought by AB PCO Investment Limited (Cyprus) were submitted to the Company, which come to the conclusion that the entering into the Non-Tender Agreement is in breach of Cypriot

law and that the Non-Tender Agreement is thus invalid. The Company's boards cannot make a conclusive assessment on whether the Non-Tender Agreement is in breach of Cypriot law or the law of another jurisdiction and thus invalid. The Management Board and Supervisory Board are not going to have their own separate legal opinion on this particular issue drawn up.

Should the Non-Tender Agreement turn out to be invalid, which is something that the Management Board and Supervisory Board of the Company cannot conclusively assess, the Maximum Acquisition Costs could increase, as a result of adding the 23,300,000 C.A.T. oil Shares held by Cat Holding, by EUR 354,859,000. In such event, the financing measures taken by the Bidder would no longer fully cover the Maximum Transaction Costs with the consequence that the statements in the financing confirmation issued by Eurobank Cyprus Ltd. would be incorrect, unless the financing of the 23,300,000 C.A.T. oil Shares held by Cat Holding did not have to be ensured for other reasons. However, Eurobank Cyprus Ltd. has thus far not retracted the financing confirmation. In the light of this and although the Offer Document was permitted by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin*), this raises the question as to whether the Bidder has, in fact, taken the necessary measures to ensure that it has at its disposal the necessary financial means to satisfy the Offer, i.e. to pay the offer consideration when due. The Management Board and the Supervisory Board are currently not able to answer this question.

## **VI. FORM AND AMOUNT OF THE CONSIDERATION**

### **1. Form and amount of the Consideration**

The Bidder offers an offer consideration of EUR 15.23 in cash per C.A.T. oil Share.

### **2. Statutory minimum price**

To the extent the Management Board and the Supervisory Board are in a position to verify this on the basis of the information available, the offer consideration for the C.A.T. oil Shares is in accordance with the provisions of § 31 WpÜG and § 3 et seq. WpÜG Offer Regulation (*WpÜG-Angebotsverordnung*) concerning the statutory minimum price which is determined by the higher of the following thresholds:

#### **2.1 Previous acquisitions**

Pursuant to § 4 WpÜG Offer Regulation (in conjunction with § 31 para. 6 WpÜG), the consideration must be at least equal to the highest consideration paid or agreed to be paid by the Bidder, persons acting jointly with the Bidder or their subsidiaries for the acquisition of C.A.T. oil Shares (or the entering into corresponding agreements which grant an entitlement to acquire C.A.T. oil Shares) within the last six months prior to the publication of the Offer Document on 11 December 2014.

According to information stated by the Bidder in Section 10.1(b) of the Offer Document, neither the Bidder nor any persons acting in concert with it, nor its subsidiaries have acquired C.A.T. oil Shares or entered into agreements on the acquisition of C.A.T. oil Shares, with the exception of the Bidder acquiring indirect control over 23,300,000 C.A.T. oil Shares under the Call Option against payment of a purchase price per C.A.T. oil Share of approximately EUR 0.000086. The Bidder does not consider the Novation Agreement concluded in this context to be a securities transaction within the meaning of § 4 WpÜG Offer Regulation that would have to be taken into account for the determination of the minimum offer price and in the Bidder's view, even if it were to be assumed that it had to be taken account, then an aggregate (virtual) purchase price per C.A.T. oil Share of only approximately EUR 12.81 would then be chargeable (reference is made here to Section 10.1(b) of the Offer Document for further details).

As the Offer Document has been reviewed, prior to publication, by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*) as to whether it is complete and in accordance with the requirements of the WpÜG and the WpÜG Offer Regulation, the Management Board and the Supervisory Board understand that BaFin must also have taken the view that neither the conclusion of the Novation Agreement nor its completion constitute previous transactions within the meaning of the minimum price rules.

## 2.2 Market prices

Pursuant to § 5 WpÜG Offer Regulation, the consideration must, in the case of a mandatory offer pursuant to §§ 35 et seq. WpÜG, be at least equivalent to the weighted average domestic stock exchange price of the C.A.T. oil Share during the last three months prior to the publication of the acquisition of control pursuant to §§ 35, 10 WpÜG. According to the Offer Document, the three-month weighted average price as at the relevant date of 30 October 2014, the date on which the Bidder advised it had acquired control, has been notified by BaFin as being EUR 15.23. The Offer Price of EUR 15.23 per C.A.T. oil Share is equal to this amount (without any premium).

## 3. Assessment of offer consideration

The Management Board and the Supervisory Board have reviewed and analysed diligently and extensively the adequacy of the offer consideration offered by the Bidder for the C.A.T. oil Shares from a financial point of view and on the basis of the current strategy and financial planning of the Company, historical stock prices for the C.A.T. oil Shares and certain other assumptions and information (along with the current geopolitical and macroeconomic situation). The Management Board and the Supervisory Board obtained advice from Commerzbank AG, Frankfurt am Main (*Commerzbank*), when carrying out their independent assessment.

The Management Board and the Supervisory Board expressly state that their assessment of the adequacy of the offer compensation was carried out independently.

The Management Board and Supervisory Board of C.A.T. oil AG are of the view that the recent past of the share price of C.A.T. oil constitutes a material criterion for determining the adequacy of the offer price. The C.A.T. oil Shares are listed for trading on the regulated market (Prime Standard) of the Frankfurt Stock Exchange. Furthermore, the Management and Supervisory Boards are of the opinion that, for C.A.T. oil Shares, there is functioning stock trading with sufficient trading activity in order to generate a meaningful market price for C.A.T. oil Shares. Moreover, capital market participants are informed of the Company and the development of its business by means of professional and independent analyst studies.

### 3.1 Historical stock exchange prices

For purposes of evaluating the adequacy of the offer consideration, therefore, the Management Board and the Supervisory Board have also considered the historical stock exchange prices of the C.A.T. oil Share. The Management Board and Supervisory Board refer in this regard to the information provided by the Bidder in Section 10.2 of the Offer Document:

- On 2 January 2014, the day after the first quotation in 2014, the closing price of the C.A.T. oil Share on the electronic trading system XETRA was EUR 20.335. The Offer Price is therefore EUR 5.105 or approximately 33.52% below the closing price of 2 January 2014.
- On 30 April 2014, six months prior to publication of the acquisition of control, the closing price of the C.A.T. oil Share on the electronic trading system XETRA was EUR 15.10. The Offer Price therefore contains a premium of EUR 0.13 or approximately 0.85% on the closing price of 30 April 2014.
- On 30 June 2014, the semi-annual cut-off date, the closing price of the C.A.T. oil Share on the electronic trading system XETRA was EUR 18.795. The Offer Price is therefore EUR 3.565 or approximately 23.41% below the closing price of 30 June 2014.
- On 30 October 2014, the day prior to publication of the acquisition of control, the closing price of the C.A.T. oil Share on the electronic trading system XETRA was EUR 14.67. The Offer Price therefore contains a premium of EUR 0.56 or approximately 3.82% on the closing price of 30 October 2014.

### 3.2 Valuation by financial analysts

For purposes of evaluating the adequacy of the offer consideration, the Management Board and the Supervisory Board have further considered recommendations and target prices for the C.A.T. oil Share as put forward by selected financial analysts released in the 3-month period prior to 30 October 2014. The arithmetic mean of the respective target prices amounts to approximately EUR 19.60 (median: EUR 19.30). The offer consideration is 28.69% below the arithmetic mean (26.72% below the median).

*Valuation by selected financial analysts in the 3-month period prior to 30 October 2014 (in alphabetical order by institute)*

Institute	Target Price Date	Target Price	Recommendation
BofA Merrill Lynch	28 August 2014	EUR 19.30	Buy
Citigroup	11 August 2014	EUR 22.00	Buy
Goldman Sachs	21 August 2014	EUR 22.70	Buy
HSBC	28 August 2014	EUR 18.00	Hold
J.P.Morgan	28 October 2014	EUR 20.02	Buy
UBS	24 October 2014	EUR 18.00	Buy
VTB Capital	8 October 2014	EUR 17.20	Buy

Note: A report with stock rating “Overweight”, “Outperform” or “Accumulate” is shown as “Buy”, with “Neutral” or “Equal-Weight” as “Hold” and with “Underweight”, “Reduce” or “Underperform” as “Sell”.

The arithmetic mean of target prices published by the selected financial analysts for the C.A.T. oil Share after the announcement that the Bidder had gained control (i.e. 30 October 2014) and prior to the publication of the Offer Document on 11 December 2014 is EUR 16.92 (median: EUR 17.25). The target prices of the selected financial analysts tend to be lower than prior to the announcement (of the Bidder’s intention), but the arithmetic mean is still 11.1% (median: 13.26%) above the offer consideration.

*Valuation by selected financial analysts in the 3-month period prior to 30 October 2014 (in alphabetical order by institute)*

Institute	Target Price Date	Target Price	Recommendation
BofA Merrill Lynch	1 December 2014	EUR 11.00	Sell
Citigroup	18 December 2014	EUR 9.80	Sell
Commerzbank	27 November 2014	EUR 17.00	Buy
Deutsche Bank	9 December 2014	EUR 17.50	Buy
HSBC	27 November 2014	EUR 16.00	Hold
VTB Capital	27 November 2014	EUR 18.00	Buy

Note: A report with stock rating “Overweight”, “Outperform” or “Accumulate” is shown as “Buy”, with “Neutral” or “Equal-Weight” as “Hold” and with “Underweight”, “Reduce” or “Underperform” as “Sell”.

Assessments by analysts are always the personal assessments of the relevant analyst. Naturally, their views on the value of a share differ from one another.

Admittedly, it can be stated that several analysts’ price targets are above the Offer Price. It must be considered in this context, however, that it can be assumed that the studies have not yet included the most recent developments with regards the exchange rate for the rouble and the oil price.



### 3.3 Fairness Opinion issued by Commerzbank

For the purpose of this Reasoned Statement, the Company has commissioned Commerzbank to issue to the Management Board and the Supervisory Board an opinion as to whether, in the opinion of Commerzbank, the offer consideration is fair from a financial point of view (*Fairness Opinion*).

When preparing the Fairness Opinion, Commerzbank took into account, in particular, the Offer Document and various business and financial information on the Company, including the medium-term Company plans approved by the Management Board and the Supervisory Board. In terms of the methods used in this context, Commerzbank devised planning scenarios and used capital value-oriented (discounted cash flow method) and market value-oriented valuation methods (stock exchange price analyses, multiplier methods based on key figures from comparable stock-listed entities and/or comparable transactions) and also took account of the risks resulting from the most recent and expected developments in the exchange rate for the Russian rouble in euros and USD and from current oil prices. In the opinion of the Management Board and the Supervisory Board, the methods described are methods that are used and accepted internationally, and whose application is also appropriate here in the view of the Company's Management and Supervisory Boards.

In its Fairness Opinion dated 17 December 2014, Commerzbank reaches the conclusion that, subject to the assumptions and qualifications made therein, the offer consideration of EUR 15.23 per C.A.T. oil Share is, as at the date of the Fairness Opinion, fair to the C.A.T. oil Shareholders from a financial point of view. The complete text of the Fairness Opinion is attached to this Reasoned Statement as an **Appendix**.

The Fairness Opinion sets out, among other things, certain assumptions on which it is based, information relied on, procedures performed, matters considered and limitations of the review undertaken by Commerzbank. In order to appreciate its scope and the conclusion reached therein, the Fairness Opinion needs to be read in its entirety. The Fairness Opinion does not constitute and is not intended to be, nor shall it be interpreted or considered as, a valuation report (*Wertgutachten*) as typically prepared by auditors on the basis of German corporate law requirements (e.g. a company valuation pursuant to the Principles for the Performance of Business Valuations (IDW S1) published by the Institute of German Auditors (IDW), such as a valuation report for the purposes of the conclusion of a domination and profit and loss transfer agreement), and a Fairness Opinion on whether offer consideration is fair from a financial point of view differs in a number of material aspects from such a company valuation performed by an auditor and from accounting valuations generally.

The Fairness Opinion exclusively pertains to the fairness of the Offer Price offered to the C.A.T. oil Shareholders from a financial perspective. It does not pertain to any other aspects of the Offer and does not make any recommendation on whether or not a C.A.T. oil Shareholder should sell their C.A.T. oil Shares as part of the Offer.

The Management Board and the Supervisory Board expressly point out that Commerzbank has issued the Fairness Opinion solely for the information and support of the Management Board and the Supervisory Board in connection with the Management Board's and Supervisory Board's evaluation of the Offer. The Fairness Opinion is not addressed to, nor does it give rise to any rights on the part of, third parties. Neither the issuance of the Fairness Opinion to the Company, nor Commerzbank's consent to annex the Fairness Opinion to the Reasoned Statement shall permit any third party (including, without limitation, any C.A.T. oil Shareholder and any creditors of outstanding bonds) to rely upon, or derive any rights from the Fairness Opinion. Commerzbank shall not be liable to any third party in relation to the Fairness Opinion. In particular, the Fairness Opinion is not directed at C.A.T. oil Shareholders and does not constitute a recommendation as to whether C.A.T. oil Shareholders should accept the Offer.

#### 3.4 Evaluation of the adequacy of the Consideration by the Management Board and the Supervisory Board

Based on their own empirical knowledge, the Management Board and the Supervisory Board each individually ensured they were satisfied with the plausibility of the procedure used by Commerzbank. For their part, the Management Board and Supervisory Board themselves also diligently and intensively analysed and evaluated the adequacy of the amount of consideration offered for the C.A.T. oil Shares under the Offer from a financial perspective in each case.

On the issue of the adequacy of the amount of consideration offered by the Bidder for the C.A.T. oil Shares under the Offer, the Management Board and Supervisory Board arrived at the following conclusion, independently of each other:

The Management Board and Supervisory Board deem the amount of the Offer Price to be adequate for the purposes of § 31 para. 1 WpÜG. The Offer Price meets the statutory requirements and in the view of the Management Board and Supervisory Board, it adequately reflects the value of the Company. This evaluation and conclusion made by the Management Board and Supervisory Board themselves is confirmed by the Fairness Opinion, which has been dealt with in depth by the Management Board and Supervisory Board and discussed with their legal and financial advisers. The Management Board and Supervisory Board deem the valuations carried out by Commerzbank to be plausible and consider the results obtained thereby as being reliable and accurate. In line with the methods and results of the Fairness Opinion, when making their independent assessment of the adequacy of the consideration, the Management Board and Supervisory Board took account of the following aspects, in particular:

- In view of the fact that the Company operates almost all of its business on the Russian market, which is currently characterised by being in a difficult geopolitical and macroeconomic crisis, and that it generates almost its entire revenues in the Russian rouble, this means that there are particular forecast- and valuation-related difficulties, which arise from, in particular, the current

situation, which is in turn characterised by the loss in value of the Russian rouble and the drop in the price of oil, which primarily have an impact on the validity of earnings value-based valuation methods and of existing valuations made by analysts in this context.

- Since the present Mandatory Offer does not include a (control) premium in relation to the statutory minimum price, a multiplier-based comparison with similar corporate transactions of the past (which normally include a control premium) are only valid to a limited extent.
- Against this backdrop, when making their assessment, the Management Board and Supervisory Board – in line with the Fairness Opinion – placed their methodical focus on the multiplier approach on the basis of certain key figures of comparable or similar stock-listed entities.
- Also when taking into account the fact that in the present case the valuation methods are only of limited validity due to the reasons stated, there are no significant divergences in the overall assessment of the adequacy of the compensation, particularly on the basis of the plausible assumptions that can be made at the time of publication of this Reasoned Statement regarding the future performance of the Russian rouble and of oil prices.

The Management Board and Supervisory Board do not make any assessment of the income value of the Company under the IDW S 1 valuation standard, or on whether in future, in the context of adequate compensation being required by statute, for instance in connection with a domination and profit and loss transfer agreement, a potential delisting of C.A.T. oil Shares, a potential squeeze-out of minority shareholders or a potential reorganization, a higher or lower amount than the overall value or the Offer Price may possibly be determined or will be determined in future. Any such compensation payments will be assessed according to the enterprise value of the Company and are subject to review by the courts. It is also to be borne in mind in this respect that an evaluation made on the basis of different valuation methods as part of proceedings before a court may result in a higher or lower amount.

## **VII. GOALS AND INTENTIONS PURSUED BY THE BIDDER AND THEIR ASSESSMENT BY THE MANAGEMENT BOARD AND SUPERVISORY BOARD**

The Management Board and Supervisory Board have made the following assessment and appraisal of the goals being pursued by the Bidder in making the offer and the expected consequences of a successful offer for the Company, for employees and employee representation, for the terms and conditions of employment and for the Company's locations.

## **1. Information provided by the Bidder in the Offer Document**

The Bidder has set out its intentions regarding the Offer in Section 9 of the Offer Document; shareholders are advised to read these passages of the document carefully. According to the statements made by the Bidder, said intentions are identical to those of Mr Maurice Gregoire Dijols and the other entities controlling the Bidder (collectively, including Mr Dijols, referred to as the Other Controlling Persons) (Section 9 sentence 2 of the Offer Document). The Management Board and Supervisory Board point out that the Bidder is only expressing its current intentions, which are liable to change at any time.

### **1.1 Background of the Offer**

The Bidder states that the Mandatory Offer is being made because the Bidder and the Other Controlling Persons have gained indirect control over the Company. According to Section 8 of the Offer Document, the Bidder and the Other Control Acquirers have gained indirect control because the Bidder and the Other Controlling Persons intend to help the Company to become an even greater player in the market in order to raise the value of the Company and – as part of an overall goal – to ultimately achieve an increased return on investment. The motives that have driven the Bidder to acquire indirect control over the Company are set out in more detail in Section 8.2 of the Offer Document. It is stated there that it is the Bidder's strong belief that the present period of change in the area of oilfield services companies operating in Russia and in the Commonwealth of Independent States (CIS) is the right time for a company engaged in oilfield services to grow and to increase its market share. The Bidder states that, in its view, the Target Company's history of steady growth in providing very high quality services to Russian companies and its status as a recognized leader in the industry of well services and side tracking in Russia and CIS make it a very good platform to implement this growth strategy. And in this context the Bidder sees the constant demand for stable growth in oil and gas production and for reserves replacement as being a reliable basis for the Company's steady development. At the same time, oilfield services are a very dynamic market. Therefore, the Company has to adapt to new challenges and to a new industrial as well as a new economic environment. The Bidder intends to support the Company's successful development through employment of the best in class oil industry professionals, expanding the services portfolio and bringing new efficient technologies to serve its customers even better. Thereby, the Bidder seeks to assist the Company in becoming an even greater player in the market, potentially also by entering into new markets outside Russia and in the Commonwealth of Independent States (CIS). Specific steps regarding the entering into new markets will be determined following the completion of a due diligence process that is currently being undertaken at various levels and following consultations with the relevant specialists.

By the general strategy and objective with respect to the Company outlined above, the Bidder ultimately seeks to enhance the value of the Company with the overall goal of ultimately increasing the return on investment.

## 1.2 Future business activity, assets and future obligations of the Company

According to Section 9.1 of the Offer Document, following completion of the Offer and the completion of an internal business review, the Bidder intends to evaluate the business situation of the Company and will define a specified strategy for the Company, the details of which are subject to the outcome of such evaluation. In keeping with the Bidder's overall strategy of increasing the market position and thus the value of the Target Company, the Bidder intends to evaluate, in particular, if and to what extent the Company should expand its service portfolio and enter into new markets outside Russia and CIS.

After completion of this Offer and the internal review process, the Bidder intends, together with the Management Board of the Company, to examine whether and to what extent changes should be made with respect to the assets, company structure, capitalisation and business activities of the companies of the C.A.T. oil Group in order to implement the general strategy described in Section 8.2. However, with no direct access to the Company and its Management Board, the Bidder stated in the Offer Document that it could thus not yet foresee what results these analyses will yield. And according to the Offer Document, the Bidder does not rule out that, as a result of these studies, or in view of future developments, the Bidder and the Management Board of the Company will target or undertake changes of the aforementioned kind, as far as they are permitted by, and in accordance with, law, which they consider necessary and reasonable.

According to the Offer Document, apart from the general intentions for the Company's future business model described above, the Bidder has no plans to change the business activities of the Company and its subsidiaries or to change the use of the Company's assets or to establish future obligations for the Company outside of normal business activities. There are also no plans to sell or encumber any activities of the C.A.T. oil Group. The Company shall remain an independent company.

## 1.3 Composition of boards

According to the view stated in the Offer Document, the Bidder considers a stable and reliable management to be a key factor for the further development of the Company (Section 9.2 of the Offer Document). The Offer Document states that, following completion of the Offer, the Bidder intends to evaluate the Company's current market position and to enter into a dialogue with the Management Board of the Company, which currently consists of four members, regarding the future development of the C.A.T. oil Group and strategic opportunities within the general business strategy described in Section 8.2 of the Offer Document. And according to the Offer Document, the Bidder intends to determine on the basis of these discussions to what extent it will support the members of the Management Board to remain in their current positions.

In this context and taking into account the pending legal dispute described in Section 6.1 of the Offer Document, the Bidder intends to carefully review and assess in particular the role of Ms Anna Brinkmann as a member of the Management Board of

the Company. In doing so, the Bidder shall, subject to the decision of the Supervisory Board of the Company and in full compliance with the applicable corporate and employment law, consider using its influence to have Ms Anna Brinkmann removed from the Management Board of the Company. The Bidder intends to exercise its influence only to the extent legally permissible and at the same time points out that the composition of the Management Board clearly falls within the sole responsibility of the Supervisory Board and that any necessary steps to change the composition or responsibilities of the Management Board, such as the appointment of new members, the removal of existing members and the allocation of new responsibilities, are to be solely decided by the Supervisory Board.

The Bidder states that the Supervisory Board of the Company must have at least three, but not more than seven, members and currently consists of four members elected by the shareholders at the general meeting. According to the Offer Document, following completion of the Offer, the Bidder intends to be adequately represented on the Supervisory Board, and will enter into discussions to such effect with all relevant parties. Subject to the outcome of such discussions, changes in the current composition of the Supervisory Board or an enlargement of the Supervisory Board by appointment of new members could be initiated by the Bidder, in particular if an adequate representation of the Bidder proves not to be possible due to current members of the Supervisory Board of the Company resigning from their offices prior to or after completion of this Offer.

#### 1.4 Employees, employee representation and employment conditions

According to the statements the Bidder makes in Section 9.3 of the Offer Document, it is firmly convinced that the future success of C.A.T. oil Group depends, in particular, on the skill and commitment of employees, including the executive and operational management. Therefore, as is set out in the Offer Document, it is in the Bidder's own interest to save and secure a stable environment for the employees of the Company in order to attract the best specialists in the market and thus to ensure potential growth of the Company. Thus, according to the information provided by the Bidder in the Offer Document, no changes are planned that will have any consequences for the employees of C.A.T. oil Group, their employment relationships, and their representation (if such exist). The Offer Document also states that the Bidder does not intend to influence the Management Board of the Company to the effect that it should take measures which have an impact on employees, their employment conditions or employee representation.

#### 1.5 Registered office and location of substantial parts of the Company

The Bidder does not intend to relocate the registered office of the Company. The Bidder does not have any intentions to relocate or close production sites. Rather, according to the statements it makes in the Offer Document, the Bidder intends to retain the current locations.

## 1.6 Potential structural measures

In Section 9.5 of the Offer Document the Bidder sets out the structural measures that it and the Other Controlling Persons could take following the completion of the Offer. These measures are the following:

### a) Company Law Squeeze-out

Pursuant to §§ 1 et seq. of the Austrian Shareholder Squeeze-Out Act (*Gesellschafter-Ausschlussgesetz: GesAusG*), the Bidder could demand transfer of the C.A.T. oil Shares held by the remaining shareholders in exchange for granting an adequate cash settlement (**Company Law Squeeze-out**) if at least 90% of the share capital of C.A.T. oil AG belongs to the Bidder (or, as the case may be, companies affiliated with the Bidder for at least one year prior to the resolution on the Company Law Squeeze-out). For details regarding the shareholding levels required as well as the prerequisites of such squeeze-out measures, including the requirement for adequate compensation of the outside shareholders, as set out by the Bidder, please refer to Section 9.5(a) of the Offer Document. The Bidder informs the C.A.T. oil Shareholders (i) that the amount of an appropriate cash compensation payable under such squeeze-out proceeding could be equal to the Offer Consideration but could also be higher or lower and (ii) that the implementation of a squeeze-out of the outside shareholders would result in a termination of the stock exchange listing of the Company.

According to the Offer Document, the Bidder does not intend to carry out a Company Law Squeeze-out. The Bidder states that it will not be able to initiate a Company Law Squeeze-out immediately following completion of the Offer. The reason for this, as set out by the Bidder, is that Cat Holding directly holds 23,300,000 C.A.T. oil Shares and will not accept the Offer for said shares, which is why the Bidder will not directly hold 90% or more of the C.A.T. oil Shares as a consequence of completion of the Offer. Furthermore, Cat Holding will, within three months since the expiry of the acceptance period, not be affiliated to the Bidder for at least one year. However, if the statutory prerequisites for a Company Law Squeeze-out are met at a later point in time, the Bidder reserves the right to evaluate the possibility of implementing such a measure.

### b) Takeover Law Squeeze-out

According to § 7 of the Austrian Shareholder Squeeze-Out Act (*Gesellschafter-Ausschlussgesetz: GesAusG*), the Bidder could demand transfer of the C.A.T. oil Shares held by the remaining shareholders in exchange for granting an adequate cash settlement (**Takeover Law Squeeze-out**) if at least 90% of the entire voting share capital and also at least 90% of the voting rights belong to the Bidder (or, as the case may be, companies continuously affiliated with the Bidder for at least one year prior to the resolution on the Takeover Law Squeeze-out). For details regarding the shareholding levels required as well as the prerequisites of such squeeze-out measures, including the requirement for adequate compensation of the outside shareholders, as set out by the Bidder, please refer to Section 9.5(b) of the Offer Document. The Bidder informs the C.A.T. oil Shareholders (i) that the amount of an appropriate cash compensation payable under such squeeze-out proceeding could be equal to the Offer

Consideration but could also be higher and (ii) that the implementation of a squeeze-out of the outside shareholders would result in a termination of the stock exchange listing of the Company.

The Bidder states that it will not be able to initiate a Takeover Law Squeeze-out following completion of the Offer. The reason for this, as set out by the Bidder, is that Cat Holding directly holds 23,300,000 C.A.T. oil Shares and will not accept the Offer for said shares, which is why the Bidder will not directly hold 90% or more of the C.A.T. oil Shares as a consequence of completion of the Offer. Furthermore, Cat Holding will, within three months since the expiry of the acceptance period, not be affiliated to the Bidder for at least one year.

c) Conclusion of a domination and profit and loss transfer agreement

According to the Offer Document, the Bidder does not intend that a domination and profit and loss transfer agreement will be concluded between the Bidder, as the controlling entity, and the Company, as the dominated entity. The Bidder explains the consequences and key provisions of such a domination and profit and loss transfer agreement, which is not intended to be concluded, under Section 9.5(d) of the Offer Document.

d) Other structural measures under company law

Under 9.5(c) of the Offer Document, the Bidder states that after the completion of the Offer or at any time thereafter, it (together with any persons acting in concert with the Bidder) may have the necessary voting majority to enforce all important company law structural measures at the general meeting of the Company. This includes, for example, amendments to the articles of association, capital increases and, if the statutory and bylaw majority requirements have been satisfied, exclusion of the subscription right by shareholders in capital measures as well as reorganizations, mergers and dissolution. Only in the case of some of the aforementioned measures would there be an obligation on the part of the Bidder under Austrian law to submit to the minority shareholders on the basis of a valuation of the Company an offer to acquire their shares in exchange for a reasonable settlement or to grant an offset. Because such a company valuation would have to be based on the circumstances existing at the time of the resolution adopted at the Company's general meeting for the respective measure, such a settlement offer could be equivalent in value to the Offer Price but it could also be higher or lower. The execution of some of these measures could also result in the delisting of the C.A.T. oil Shares.

According to the Offer Document, the Bidder does not intend to take any of these structural measures, and in particular it does not intend to make any changes to the legal form of the Company or to take any other reorganization measures, including any that would result in a delisting of the C.A.T. oil Shares.



e) Delisting

The Bidder states that, after completion of the Offer or at a later time within the limits of the law, it could cause the Company to apply for the delisting of the C.A.T. oil Shares from the sub-segment of the Regulated Market at the Frankfurt Stock Exchange with additional listing obligations (Prime Standard) after the conditions required for this have been met. The Bidder provides the information that in such a case the shareholders would no longer profit from the increased reporting duties of Prime Standard (see Section 9.5(e) of the Offer Document). According to the Offer Document, the Bidder does not intend to cause the Company to apply for a delisting of the C.A.T. oil Shares in the sub-segment of the Regulated Market at the Frankfurt Stock Exchange with additional listing obligations (Prime Standard).

1.7 Future business activities of the Bidder and the Other Controlling Persons

According to Section 9.6 of the Offer Document, after completion of the Offer, the Bidder will at first exercise holding functions with respect to the Company. In addition, according to Section 9.6 of the Offer Document, except for the consequences described in Section 14 of said Offer Document, there are no plans for any changes to the business activities of the Bidder and the Other Controlling Persons, especially with respect to the registered offices of the entities, the locations of substantial company parts, the use of assets or future obligations, or the members of the management of the Bidder and the Other Controlling Persons, or, where appropriate, the employees of the Bidder and the Other Controlling Persons and their representatives as well as the working conditions.

**2. Evaluation of the goals pursued by the Bidder and the likely consequences (§ 27 para. 1 sentence 2 no. 2 and 3 WpÜG)**

The Management Board and the Supervisory Board have duly and thoroughly assessed the intentions of the Bidder and the Other Controlling Persons stated in the Offer Document. Offers made by the Management Board to the Bidder to talk about the Bidder's intentions have remained without a positive response by the Bidder. Therefore, in providing the following evaluation and assessment of the goals pursued by the Bidder with the Offer and the likely consequences of a successful Offer for the Company, the employees and their representatives, the employment conditions as well as the locations of the Company, the Management Board and Supervisory Board have only been able to rely on the content of the Offer Document.

2.1 Future business activities, assets and future obligations of the Company

The Management Board and the Supervisory Board take note of the Bidder's intention to further expand the Company's market position with a view to increasing the Company's value and finally achieving a higher return on investment. The Bidder is required by law to make the Mandatory Offer due to its acquisition of control of the Company. As a result of the Mandatory Offer, the Bidder's share in the Target

Company is likely to further rise depending on the level of the shareholders' acceptance.

The Management Board and the Supervisory Board share the Bidder's view that, in the interest of the Company, it will be necessary in the future as well to seek to further enhance the Company's market position. The Management Board and the Supervisory Board appreciate that the Bidder has acknowledged the strong market position held by the C.A.T. oil Group. In this respect, the Management Board and the Supervisory Board take note that the Bidder intends to evaluate in this context if and to what extent the C.A.T. oil Group should expand its service profile and enter into new markets outside Russia and CIS. At the same time, however, the Management Board and the Supervisory Board also point out that the Company's strategy has so far focused on ensuring quality and efficiency in those service segments in which steadily high margins could be achieved; at the same time, risks - involved in the markets of other countries and other services - have been consistently reduced. The Management Board and the Supervisory Board specifically consider the strategic target of the Company to lie in particular in a solid growth of the Company by way of a long-term profitable expansion of fracking, sidetracking and drilling activities as well as by way of other complementary services, especially on the markets of Russia and Kazakhstan, thereby also increasing the value of the C.A.T. oil Shareholders' holding. The Management Board and the Supervisory Board consider the maintenance or expansion of the Company's share in the Russian fracturing and sidetracking market as well as the further development of drilling to be of strategic priority in the future as well.

Thus the Bidder's potential plans to expand the service profile and to enter into new markets are, to a certain degree, inconsistent with the Company's previous strategic orientation. Given the lack of more detailed information regarding these potential conflicting strategic objectives of the Bidder, the Management Board and the Supervisory Board are at present unable to evaluate whether and how this potential change in strategy can be implemented and whether it is in the interest of the C.A.T. oil Group.

The Management Board and the Supervisory Board further point out that, apart from the general targets and considerations set out in the Offer Document, no other more specific strategic objectives of the Bidder have been defined. This is justified by the Bidder stating that it had no direct access to the Company and its Management Board and, therefore, cannot foresee whether and to what extent changes will be required with regard to the assets, the corporate structure, the capital structure and the business activities of the C.A.T. oil Group for implementing its general strategy - a further strengthening of the C.A.T. oil Group's market position. According to the Offer Document, the Bidder, therefore, expressly does not rule out that, following completion of the Offer and conclusion of an internal evaluation and envisaged review carried out in cooperation with the Company's Management Board as to whether changes will be necessary and appropriate, the Bidder may come to the conclusion that changes of the aforementioned type are envisaged or effected with regard to the C.A.T. oil Group.

The Management Board and the Supervisory Board appreciate that the Bidder wants to carry out this review process in cooperation with the Management Board. However, the Management Board and the Supervisory Board would like to point out that the lack of precisely defined strategic objectives and measures likely to be required for that purpose according to present information involves a certain amount of uncertainty for C.A.T. oil Shareholders. They are left uncertain as to what concrete objectives the Bidder wants to pursue with regards its control of the Company, how it wants to implement these objectives and ultimately how it wants to achieve the intended increase of the return on investment. This is because the Offer Document describes a general objective but no strategy concept specifically adapted to the situation of the C.A.T. oil Group and the catalogue of measures. The Management Board and the Supervisory Board point out that a consistent strategic concept constitutes an essential requirement for ensuring the future business success of the C.A.T. oil Group and should be developed in particular where there is a potential extended service profile and an entry into new markets outside Russia and CIS. The Management Board and the Supervisory Board further ask to bear in mind that the means contemplated by the Bidder for strengthening the Company's market position - expansion of the service portfolio and entry into new markets outside Russia and CIS - are still subject to an evaluation of the Company's business situation by the Bidder and may, therefore, certainly still be modified.

On the whole, the Management Board and the Supervisory Board consider the Bidder's objectives and intentions with regard to the Company's future strategic direction to be insufficiently concrete and to contain too many unpredictable factors for the Management Board and the Supervisory Board to be able to provide a sound statement on it.. In addition, the Management Board and the Supervisory Board point out that there have yet to be any talks between the Bidder and the Management and Supervisory Boards on this or other issues.

The Management Board and the Supervisory Board take note that the Bidder, according to the Offer Document, has no plans, apart from the above-described general intentions, to change the future business model of the Company, the future business activities of the Company and its subsidiaries or the use of the Company's assets or to establish future obligations for the Company outside the normal business activities. However, the Management Board and the Supervisory Board point out in this context that the expansion in new markets contemplated by the Bidder as well as the extension of the service profile may be associated with a considerable additional financial burden and risks for the Company. According to its current strategy, the Company seeks to achieve a low financing with borrowed funds and, in the past, the Company has financed its business expansion and diversification schemes by way of a well-balanced debt-equity ratio. This in the past allowed the Company to maintain a solid balance sheet marked by a high equity ratio in both upturns and downturns of the economic cycle. Whether it will be possible to maintain this financing strategy where there is a change in strategy, as indicated in the Offer Document, cannot be gauged by the Management Board and the Supervisory Board.

The Management Board and the Supervisory Board finally take note that the Bidder does not intend to sell or encumber any parts of the C.A.T. oil Group and that it intends to continue the Company as an independent enterprise.

## 2.2 Composition of boards

The Management Board and the Supervisory Board take note of the Bidder's statements regarding the future composition of the two boards. They share the Bidder's view that - just like in the past - a stable and reliable management of the Company is a key factor for the Company's further development. The Management Board and the Supervisory Board thus also appreciate the Bidder's intention to enter into a dialogue with the Management Board of the Company with regard to the future development of the C.A.T. oil Group and its strategic opportunities. However, the Management Board and the Supervisory Board do not share the Bidder's consideration to use its influence to remove Ms Anna Brinkmann from the Company's Management Board, especially as the Bidder has not offered any justification for this, either. Considering the meritorious services performed by Ms Brinkmann over many years for the Company in her capacity as a member of the Management Board, the Management Board and the Supervisory Board cannot understand why her position should be called into question.

All employment contracts with the members of the Management Board include special termination rights in the event of a change of control. See also point IX.1 of this statement.

## 2.3 Employees, employee representation and employment conditions

The completion of the Offer has no direct effects on the employees of the C.A.T. oil Group, their employment relationships or their rights and any commitments made towards them under statutory law. The Management Board and the Supervisory Board share the Bidder's view that the future success of the C.A.T. oil Group depends, in particular, on such factors as the skill and commitment of employees, including the executive and operational management. Therefore, they appreciate the commitment to continue the Company's present HR policy. All present employment relationships will be continued with the relevant company of the C.A.T. oil Group without the Offer triggering any transfer of business. Furthermore, the completion of the transaction will not have any effect on the organisation of the employee representatives and representation bodies.

## 2.4 Registered office and location of substantial parts of the Company

The Management Board and the Supervisory Board appreciate the Bidder's intention not to change the Company's registered office and the location of substantial parts of the Company.

## 2.5 Consequences of structural measures

The Management Board and the Supervisory Board take note that the Bidder does not intend to take any of the structural measures listed in Section 9.5 of the Offer Document or that the statutory requirements defined for such measures have (currently) not been met in the Bidder's opinion, as the case may be. The Management Board and the Supervisory Board point out that if the Offer, is accepted by Cat Holding, this may theoretically result in a situation in which the statutory requirements of the structural measures listed in Section 9.5 of the Offer Document are met.

The Management Board and the Supervisory Board also take note that the Bidder reserves the right to review the possibility to implement such measure if the prerequisites for a Company Law Squeeze-out are met.

With regard to the consequences of the structural measures for the C.A.T. oil Shareholders, reference is made to Section VIII.

## 2.6 Future business activities of the Bidder and the Other Controlling Persons

The Management Board and the Supervisory Board take note of the Bidder's statements made in the Offer Document regarding the continuation of the present business activities of the Bidder and the Additional Control Acquirers.

## 2.7 Further likely consequences

The Management Board and the Supervisory Board assume that the Mandatory Offer, subject to its acceptance, may have further effects on the Company's business activities.

As already mentioned under III.3 of this Reasoned Statement, to the knowledge of the Company there are, in spite of the BaFin's approval of the Offer Document, uncertainties in the capital market as well as among the Company's contract partners, but also within the Company itself as to the legal and financial situation of the Bidder and Mr Dijols as Other Controlling Person. Regardless of the acceptance rate of the Mandatory Offer, the Bidder's influence on the Company could increase leading to a further aggravation of the risks maybe involved in this uncertainty. These potential risks do exist for the Company in particular with regard to its business operations, mainly located in Russia: On the one hand, the Company as a listed company is required under Russian law – i.e. by virtue of the Order of the Russian Prime Minister, VP-P13-9308, dated 28 December 2011 – to notify contract partners of the true beneficial owner of the company as well as of any change in this position in excess of a threshold value of 5% of the shares. The contract partners are entitled to terminate the contract in case of any breach of this obligation. If it should prove to be the case that the Bidder and/or Mr Dijols is not the beneficial owner, or the sole beneficial owner, and further conditions are also arise, then the Company may be faced with the exercise of rights of termination in respect of material contracts. If material contracts are terminated, this may be of substantial detriment to the Company's operating

business, its strategic orientation and consequently to its profit, financial and earnings position.

Further potentially significant detrimental impacts on the Company's operative business could result from the tendering rules applicable in Russia to which the Company's contract partners must adhere under Russian competition law. In order to prevent the creation of dominant market positions, these rules provide that a competitor's share in a specific market or business area shall not exceed approx. 30%. If there are doubts regarding the identity of the potential (including any intended future) beneficial owners, this would involve the risk that the Company may no longer be allowed to participate in what are for it material tendering procedures in its principal geographical market.

## **VIII. CONSEQUENCES ON THE C.A.T. OIL SHAREHOLDERS**

The following statements serve to provide information to the C.A.T. oil Shareholders for their evaluation of the consequences of an acceptance or non-acceptance of the Offer. The following aspects are not exhaustive. Every C.A.T. oil Shareholder is solely responsible for its own evaluation of the consequences of an acceptance or non-acceptance of the Offer. The Management Board and the Supervisory Board recommend the C.A.T. oil Shareholders to obtain expert advice in this context, if required.

The Management Board and the Supervisory Board further point out that they will not and cannot give any assessment as to whether C.A.T. oil Shareholders, as a result of the acceptance or non-acceptance of the Offer, may potentially suffer any tax disadvantages (in particular a potential tax liability for capital gains) or miss out on tax advantages. The Management Board and the Supervisory Board recommend the C.A.T. oil Shareholders to obtain tax advice before making a decision on the acceptance or non-acceptance of the Offer by considering the personal situation of the shareholder concerned.

### **1. Possible consequences in the event of acceptance of the Offer**

C.A.T. oil Shareholders intending to accept the Bidder's Offer should, inter alia, take the following into account by considering the statements made above:

- C.A.T. oil Shareholders accepting or having accepted the Offer will in future no longer benefit from a positive development of the stock exchange price of C.A.T. oil Shares or a positive development of the business of the Company and its subsidiaries.
- With the transfer of the C.A.T. oil Share upon consummation of the Offer, any dividend entitlements will be transferred to the Bidder. Assuming a normal course of events, the consummation of the Offer would, pursuant to the information provided by the Bidder, take place before the annual general meeting of the Company, which is presently scheduled for 19 June 2015. As a

consequence, the C.A.T. oil Shareholders accepting the Mandatory Offer will have no dividend entitlement for the business year 2014 of the Company.

- Pursuant to the German Securities Acquisition and Takeover Act, the Bidder is entitled to amend the offer consideration until one business day prior to the end of the Acceptance Period. However, after having accepted the Offer, the C.A.T. oil Shareholders will not benefit from beneficial developments of the Company or the C.A.T. oil Share price, if any, with regard to the C.A.T. oil Shares sold by them.
- As a rule, C.A.T. oil Shareholders accepting the Offer cannot revoke their declaration of acceptance. A withdrawal is subject to specific requirements set out in Section 15 of the Offer Document.
- C.A.T. oil Shareholders accepting the Offer will not participate in cash settlements of any kind payable by virtue of law in the case of specific structural measures implemented after the consummation of the Mandatory Offer (e. g. in a squeeze-out, see in more detail the statements in Section 9.5(a) and (b) as well as in Section 16(a) and (b) of the Offer Document). In principle, settlement payments, if any, shall be determined on the basis of the overall value of a company and may be subject to a review in court proceedings. Such settlement payments might be equal to the amount of the cash settlement, but might also be higher or - in case of a Takeover Law Squeeze-out, see Section 9.5(b) of the Offer Document - lower. In the opinion of the Management Board and the Supervisory Board, it cannot be ruled out that settlement amounts could, at a later date, exceed the amount of the Offer Price.

## **2. Possible consequences in the event of non-acceptance of the Offer**

C.A.T. oil Shareholders contemplating not to accept the Offer should, inter alia, take into consideration the following:

- They will be bearing the risks and chances of future developments of the C.A.T. oil Shares for which they do not accept the Offer.
- The C.A.T. oil Shares for which the Offer was not accepted will continue to be traded on the stock exchange until a delisting, which is possible (but not intended by the Bidder, according to the statements it has made). The development of the stock exchange price of the C.A.T. oil Shares is uncertain, in particular whether it will rise, fall or stay at a comparable level. In this context, it should also be considered that the current stock exchange price of the C.A.T. oil Share already reflects the Bidder's publication of 31 October 2014 that it acquired indirect control of the C.A.T. oil Shares on 27 October 2014 made in accordance with § 35 para. 1 sentence 1 in conjunction with § 10 para. 3 WpÜG and § 2 no. 5 of the WpÜG Offer Regulation.

- It cannot be excluded that the Bidder, after execution of the Offer, will have the qualified majority at the annual general meeting of the Company to enforce structural measures under corporate law. As to this issue, reference is made to the statements made in Section 6.2.8 and Section 14 of the Offer Document.
- Due to its factual majority at the annual general meeting, the Bidder is already today able to adopt resolutions requiring a simple majority of the votes being represented. Given the shareholding the Bidder already holds in the Company and the expected results of the Offer, the Bidder may implement different measures for the Company for which the C.A.T. oil Shareholders must not necessarily be offered compensation of any kind whatsoever. It may not be ruled out that such measures may have an adverse impact on the share price and/or the notional value of the C.A.T. oil Share derived from the company value.
- C.A.T. oil Shareholders not accepting the Offer might be deprived of their shareholder position in the event of a squeeze-out. The amount of a cash settlement payable in this event might be equal to the Offer Price, but also be higher or - in the event of a Takeover Law Squeeze-out, see Section 9.5(b) of the Offer Document - lower (see Section 9.5(a) and (b) as well as Section 16(a) and (b) of the Offer Document).
- Pursuant to § 39c WpÜG, C.A.T. oil Shareholders who have not accepted the Offer may still accept it within three months after expiry of the Acceptance Period or, if the Bidder fails to comply with its obligations under § 23 para. 1 sentence 1 no. 4 or sentence 2 WpÜG, after publication of the acquisition of 95% of the voting share capital provided the Bidder, after execution of the Offer, either directly or indirectly holds at least 95% of the voting share capital.
- Consummation of the Offer will reduce the free float of C.A.T. oil Shares. The number of shares in free float might become so small that no proper stock exchange trading of the C.A.T. oil Shares can be guaranteed, or even that no further stock exchange trading takes place at all. This may result in situations where the execution of sales orders is not possible in a timely manner or impossible at all. Furthermore, a low liquidity of the C.A.T. oil Shares could result in greater price fluctuations for C.A.T. oil Shares than in the past.

## **IX. INTERESTS OF THE MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD**

The current composition of the Management Board and the Supervisory Board of the Target Company has already been described in Section II.4 of this Statement.



## **1. Management Board**

At the time of the publication of this Statement, C.A.T. oil Shares are held by the following members of the Management Board: 5,367,035 Shares are directly held by Ms Anna Brinkmann, 9,543 Shares are directly held by Mr Manfred Kastner and 7,500 Shares are directly held by Mr Ronald Harder (collectively around 11.02% of the shares and voting rights). In addition, Ms Anna Brinkmann is the holder of a 49.75% stake in Cat Partnership, which, via Cat Holding, is the indirect holder of 23,300,000 C.A.T. oil Shares (around 47.7% of the shares and voting rights). At the time when this Statement is published, Mr Leonid Mirzoyan holds no C.A.T. oil Shares.

All employment contracts concluded with the members of the Management Board provide for special rights of termination in case of a change of control. According to these employment contracts, the members of the Management Board are entitled, due to the change of control having occurred, to terminate their contracts within a specified period following the change of control by giving three months' notice. The Supervisory Board holds the view that a change of control has occurred. The severance payments stipulated in each contract for the event of termination would then fall due at the end of the term of the relevant contract, which has been cut short by virtue of the termination on this basis, and would likely be for Manfred Kastner EUR 1.085.264, for Ronald Harder EUR 1.051.144, for Anna Brinkmann EUR 1.022.724 und for Leonid Mirzoyan EUR 940.800 EUR. As of yet, none of the members of the Management Board have made use of their termination right.

Ms Anna Brinkmann, member of the Management Board, did not take part in the final consultation and resolution concerning this Statement in order to ensure an independent and objective statement on the Offer. She did not participate due to the significant amount of her shareholding as well as due to the fact that various proceedings are pending between her, AB PCO INVESTMENT LIMITED and the Bidder.

In connection with the Offer, the members of the Management Board have not received or been promised any unjustified payments or other unjustified valuable consideration from the Bidder or any person acting jointly with it.

## **2. Supervisory Board**

From the members of the Supervisory Board, Mirco Schroeter is the direct holder of 2,500 C.A.T. oil Shares. The other members of the Supervisory Board do not hold any C.A.T. oil Shares at the time when this Statement is published.

In connection with the Offer, the members of the Supervisory Board have not received or been promised any unjustified payments or other unjustified valuable consideration from the Bidder or any person acting jointly with it. Regarding the payments to Dr Walter Höft, member of the Supervisory Board of the Company, made within the scope of the acquisition of Skible, reference is made to Sections 6.6 and 17 of the Offer Document. Dr Walter Höft's former position as an indirect shareholder and the loss of this position as well as a simultaneous function as a member of the Supervisory

Board do not give rise to any conflicts of interests in the view of the Supervisory Board. Therefore, Dr Walter Höft participated in the discussions and the resolution adopted by the Supervisory Board concerning the submission of this Statement.

Moreover, there are consultancy agreements at standard market rates on the part of the Company with L2C Luecke und Partner mbB – Rechtsanwälter, Steuerberater, Wirtschaftsprüfer with which Dr Walter Höft is associated as a partner, as well as with A2C Treuhand GmbH Wirtschaftsprüfungsgesellschaft, with which Dr Walter Höft is associated as a partner and Mr Mirco Schroeter as managing partner. It is the view of the Supervisory Board that this does not present any conflicts of interest with regards the assessment of the offer, either.

## **X. INTENTION TO ACCEPT THE OFFER**

From the members of the Management Board, Ms Anna Brinkmann, Mr Manfred Kastner and Mr Ronald Harder hold C.A.T. oil Shares.

Mr Manfred Kastner and Mr Ronald Harder intend to accept the Offer with regard to all C.A.T. oil Shares held by them and/or to sell their shares within the Acceptance Period.

Ms Anna Brinkmann, who, in order to ensure independence and objectivity, did not participate in the final consultation and resolution on this statement, is not following this statement's recommendation and does not intend to tender her shares for sale within the scope of the Bidder's offer within the Acceptance Period. She reserves the right, however, to continually carefully review her investment decision with regard to the further development of the Company and changed strategic framework conditions and to then accept the offer for her shares.

From the members of the Supervisory Board, only Mirco Schroeter holds C.A.T. oil Shares. He intends to accept the Offer with regard to all C.A.T. oil Shares held by him and/or to sell his shares within the Acceptance Period.

## **XI. FINAL ASSESSMENT**

Following their independent review, the Management Board and the Supervisory Board consider the amount of the Offer Price to be adequate in the sense of § 31 para. 1 WpÜG. In their review of the adequacy of the Offer Price, the Management Board and the Supervisory Board considered in particular the Fairness Opinion prepared by Commerzbank. The Offer Price is in compliance with the statutory requirements and is deemed by the Management Board and the Supervisory Board to appropriately reflect the current value of the Company – i.e. by also considering the geographic and macroeconomic overall situation.

However, the Management Board and the Supervisory Board point out that they independently consider the Bidder's general strategic objectives described in the Offer Document with regard to its participation in the C.A.T. oil Group to be, on the whole,

too unspecific for a detailed evaluation of these strategic objectives. In particular, the Bidder's information does not allow any evaluation of whether these strategic objectives are likely to succeed when being implemented. It is correct that the primary (general) strategic objective mentioned in the Offer Document - the strengthening of the Company's market position - is also in the interest of the Management Board and the Supervisory Board of the Company and is, therefore, appreciated by both boards. However, the Bidder itself admits that the means for attaining this goal have not yet been clearly defined and that the currently contemplated means - extension of the service portfolio of the C.A.T. oil Group and entry into new markets outside Russia and CIS - are still subject to a review within the scope of the Bidder's evaluation of the Company's business situation. As there has yet to be any direct talks with the Bidder, the Management Board and the Supervisory Board do not feel they are in a position to offer the Bidder a reliable assessment of the strategic objectives set out in the Offer Document and the implementation thereof.

As the consideration is appropriate and the future strategic direction of the Company cannot be reliably gauged, and, in addition, it cannot be ruled out that further operative risks will arise for the Company with the change of control, the Management Board and Supervisory Board recommend that the offer be accepted.

Irrespective thereof, all C.A.T. oil Shareholders would, in each case, have to make their own decision whether or not to accept the Offer by taking into account the overall circumstances, possible structural measures (as described in Section VII. 1.2 of this Reasoned Statement) as well as their individual position (including with regard to taxes) and personal assessment of the possibilities as to the future performance of the value and market price of the C.A.T. oil Shares. Subject to applicable law, the Management Board and the Supervisory Board shall not be responsible in case the acceptance or non-acceptance of the Offer has adverse economic effects for a C.A.T. oil Shareholder.

The Company's Management Board resolved upon the content of this Joint Statement with three votes in favour and without a vote against. The Supervisory Board unanimously resolved upon the content of this Joint Statement. The content of this Statement was discussed by the Management Board and the Supervisory Board – following a prior discussion of corresponding drafts – on 18 December 2014 together with the legal advisers as well as the financial consultant of the Company and was finalised on 19 December 2014. Ms Anna Brinkmann did not take part in the final consultation, nor in the voting.

Vienna, 19 December 2014

**C.A.T. oil AG**

**Management Board**

**Supervisory Board**

**Appendix:** Fairness Opinion of Commerzbank AG, Frankfurt am Main, dated 15 December 2014