HALF YEAR REPORT 2015

c.a.t.oil
energy in motion

KEY GROUP FIGURES

EUR thousand	HY1 2015	HY1 2014 (adjusted)	Change
Sales revenues	168,507	203,113	(17.0)%
Gross profit	28,555	42,212	(32.4)%
EBIT	19,261	32,295	(40.4)%
EBIT margin	11.4%	15.9%	
EBITDA	41,502	54,913	(24.4)%
EBITDA margin	24.6%	27.0%	
Group result	12,844	24,738	(48.1)%
Earnings per share (EUR)	0.26	0.51	
Balance sheet total [1)]	402,848	371,324	8.5%
Equity [1)]	211,298	171,161	23.4%
Equity ratio [1)]	52.5%	46.1%	
Cash flow from operating activities	45,338	26,444	71.4%
Capital expenditure	44,062	42,071	4.7%
Cash flow from financing activities	(2,645)	13,659	(119.4)%
Cash and cash equivalents	57,434	40,631	41.4%
Employees (average)	3,334	2,873	16.0%

[1)] As at 30 June 2015 and 31 December 2014 respectively

CONTENT

GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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CONSOLIDATED GROUP BALANCE SHEET AS AT 30 JUNE 2015

EUR thousand	Notes	30 June 2015	31 December 2014 (adjusted)
ASSETS			
Non-current assets		**219,217**	**198,504**
Intangible assets	2	199	259
Property, plant and equipment	2	214,345	194,689
Goodwill	2	2,559	2,176
Other financial assets		185	165
Deferred tax assets	6	1,929	1,215
Current assets		**183,631**	**172,820**
Inventories	3	18,025	17,323
Trade receivables	4	97,298	85,000
Bank deposits		5,733	0
Other receivables	4	4,127	11,686
Tax assets	4	1,014	573
Cash and cash equivalents		57,434	58,238
Balance sheet total		**402,848**	**371,324**
EQUITY AND LIABILITIES			
Equity		**211,298**	**171,161**
Share capital	5	48,850	48,850
Capital reserve		111,987	111,987
Retained earnings		191,414	184,432
Currency translation reserve		(140,953)	(174,108)
Non-current liabilities		**122,096**	**121,950**
Financial liabilities related parties	7, 12	100,000	100,000
Financial liabilities	7	14,776	14,624
Deferred tax liabilities	6	7,320	7,326
Current liabilities		**69,454**	**78,213**
Financial liabilities related parties	8	2,614	695
Financial liabilities	8	13	14
Trade payables	8	40,952	57,048
Other liabilities	8	24,855	19,551
Advance payments received	8	51	37
Income tax payables	8	969	868
Balance sheet total		**402,848**	**371,324**

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2015

EUR thousand	Notes	Q2 2015	Q2 2014 (adjusted)	HY1 2015	HY1 2014 (adjusted)
Sales revenues		95,798	112,366	168,507	203,113
Cost of sales	9	(77,956)	(84,721)	(139,952)	(160,901)
Gross profit		**17,842**	**27,645**	**28,555**	**42,212**
Administrative expenses		(5,511)	(5,353)	(9,663)	(10,427)
Other operating income and expenses		179	322	369	510
Operating result		**12,510**	**22,614**	**19,261**	**32,295**
Net finance income and expenses		(706)	(364)	(1,641)	(255)
Other financial result		(286)	18	502	22
Financial result		**(992)**	**(346)**	**(1,139)**	**(233)**
Profit before tax		**11,518**	**22,268**	**18,122**	**32,062**
Income tax		(4,152)	(4,698)	(5,278)	(7,324)
Profit after tax		**7,366**	**17,570**	**12,844**	**24,738**
(Loss)/profit before tax from discontinued operation		(30)	10	(37)	(21)
Basic earnings per share in EUR	10	0.15	0.36	0.26	0.51
Diluted earnings per share in EUR	10	0.15	0.36	0.26	0.51

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2015

EUR thousand	Notes	Q2 2015	Q2 2014 (adjusted)	HY1 2015	HY1 2014 (adjusted)
Profit after tax		**7,366**	**17,570**	**12,844**	**24,738**
Items that may be reclassified to profit or loss					
Foreign currency translation differences for foreign operations					
Functional currency	1	1,475	9,630	7,899	(1,255)
Net investments, net of related tax	1	9,207	7,693	25,256	(1,571)
Other comprehensive income/(loss)		**10,682**	**17,323**	**33,155**	**(2,826)**
Comprehensive income		**18,048**	**34,893**	**45,999**	**21,912**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2015

EUR thousand	Share capital	Capital reserve	Retained earnings	Currency translation reserve: Functional currency	Currency translation reserve: Net investments	Total equity
Balance as at 01 January 2014 (as previously reported)	48,850	111,987	153,455	(36,095)	(26,450)	251,747
Impact of correction of an error			(7,125)		7,125	
Balance as at 01 January 2014 (adjusted)	48,850	111,987	146,330	(36,095)	(19,325)	251,747
Profit after tax (restated)			24,738			24,738
Foreign currency translation differences for foreign operations						
Functional currency				(1,255)		(1,255)
Net investments net related tax (adjusted)					(1,571)	(1,571)
Comprehensive income			**24,738**	**(1,255)**	**(1,571)**	**21,912**
Dividends			(17,097)			(17,097)
Balance as at 30 June 2014 (adjusted)	**48,850**	**111,987**	**153,971**	**(37,350)**	**(20,896)**	**256,562**
Balance as at 01 January 2015 (as previously reported)	48,850	111,987	192,818	(82,249)	(100,245)	171,161
Impact of correction of an error			(8,386)		8,386	
Balance as at 01 January 2015 (adjusted)	48,850	111,987	184,432	(82,249)	(91,859)	171,161
Profit after tax			12,844			12,844
Foreign currency translation differences for foreign operations						
Functional currency				7,899		7,899
Net investments					25,256	25,256
Comprehensive income			**12,844**	**7,899**	**25,256**	**45,999**
Dividends			(5,862)			(5,862)
Balance as at 30 June 2015	**48,850**	**111,987**	**191,414**	**(74,350)**	**(66,603)**	**211,298**

CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

EUR thousand	Notes	HY1 2015	HY1 2014
Profit before tax		**18,122**	**32,062**
Depreciation and amortization	2	22,241	22,618
Profit on the disposal of fixed assets		(86)	(217)
Non-cash changes from profit tax/other positions		25	(1,589)
Gains from exchange rate changes		(502)	(22)
Net finance income and expenses		1,641	255
Income taxes paid		(5,620)	(4,352)
Change in working capital		**9,517**	**(22,311)**
Change in inventories		1,166	(975)
Change in trade and other receivables		5,277	(46,256)
Change in trade and other liabilities		3,074	24,920
Cash flows from operating activities		**45,338**	**26,444**
Purchase of property, plant and equipment	2	(44,062)	(42,071)
Proceeds from sale of equipment		289	405
Change from cash deposits/withdrawals		(5,658)	640
Cash flows used in investing activities		**(49,431)**	**(41,026)**
Cash (payments)/proceeds from issuing and repayments of loans		(1,406)	31,001
Finance interest paid		(1,239)	(245)
Dividends paid		-	(17,097)
Cash flows (used in)/from financing activities		**(2,645)**	**13,659**
Effect of exchange rate changes on cash and cash equivalents		5,934	(1,086)
Net change in cash and cash equivalents		(804)	(2,009)
Cash and cash equivalents as at 01 January		58,238	42,640
Cash and cash equivalents as at 30 June		**57,434**	**40,631**
Of which: cash flows from discontinued operation			
Cash flows from operating activities		15	(6)

MANAGEMENT REPORT

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KEY EVENTS IN THE FIRST HALF OF THE YEAR

8 January
Acceptance period for the mandatory offer of Joma Industrial Source Corp. expired

16 January
Joma announced acquisition of 39.95% of the shares in C.A.T. oil under the mandatory offer

20 February
Members of the Supervisory Board resigned with immediate effect

25 February
Extraordinary General Meeting; new Supervisory Board elected

27 February
New members of the Management Board appointed (contracts of the former Management Board members terminated for good cause with immediate effect)

17 March
C.A.T. oil filed an action based on unjust enrichment against the former Management Board members

20 March
Yury Semenov was appointed CEO and Valeriy Inyushin CFO and Vice CEO

25 March
A minority shareholder filed an action for annulment of certain resolutions of the Extraordinary General Meeting with the Commercial Court of Vienna – the action was then dismissed at first instance in August

April
Record drilling in the Orenburg region (Russia) for Gazprom Neft: 1,000m of horizontal drilling in 12.3 days

10 April
C.A.T. oil filed a statement of facts with the Central Public Prosecutor's Office for the Prosecution of Economic Crimes and Corruption in Vienna in connection with an allegedly unlawful former procurement system

May
The investment programme budgeted for 2014 was completed by delivering the last outstanding equipment; C.A.T. oil's machinery henceforth comprises: 26 sidetracking rigs, 16 fracturing fleets and 15 drilling rigs

28 May
Publication of first quarter results; sales revenues of EUR 72.7 million

1 June
Moody's confirmed C.A.T. oil's Ba3 rating with a stable outlook

18 June
The Company performed its 30,000th fracturing job in Taylakovskoe (Russia) for Slavneft-MNG

26 June
C.A.T. oil announced full production capacity utilization for 2015

29 June
The tenth AGM confirmed the election of Maurice Dijols, Remi Paul and Dr Ralf Wojtek as Supervisory Board members

LETTER FROM THE CEO

Dear Ladies and Gentlemen,
Dear customers, shareholders and employees,

The period ended on 30 June 2015 was the first business quarter under the full responsibility of the new management of C.A.T. oil AG. This is a first opportunity to look back on the path chosen. From an economic point of view, the first six months of the year were characterized by persistent pressure, both on the oil price and on the Russian Rouble, the main currency used by our Company for operational business. The average loss in value against the Euro of more than a third as compared to the first half of 2014 of course also affected the Group's earnings, even though they continued to be in line with the economic forecast made for the entire year. So what did C.A.T. oil do in this period of general hesitation and recession in the oil market in order to secure its strong position and to prepare itself for future steps?

The decision to suspend, for the time being, capacity expansion by completing the programme budgeted for 2014, and to pay greater attention to increasing efficiency and flexibility in the current market environment has proven its worth. In June, when the market was by and large stagnating, we were able to announce full utilization of the expanded capacities for 2015. A few days earlier, the rating agency Moody's had recognized C.A.T. oil's conservative financial policy, and said it expected "sustainable development despite a difficult market environment". At the same time, the Ba3 rating was confirmed with a stable rating outlook.

The measures we have taken also contributed to a substantial strengthening of the Company's equity base in the second quarter and to the equity ratio returning to above 50%. At the same time, the Company's liquidity improved significantly, guaranteeing sufficient scope for future strategic deliberations.

Quality made to last and reliable business relationships are the main prerequisites for sustainable economic success. Against this backdrop, it was a great honour for us to be able to demonstrate the outstanding quality of our staff and technical equipment to two major customers in the first half of the year: C.A.T. oil performed the 30,000th fracturing job in the history of the Company for its customer Slavneft-MNG in West Siberia, and the drilling of a 1,000m-long, partly horizontal well for the customer Gazprom Neft in Orenburg set new standards in the well-known Russian oil drilling region.

A solid economic position, prudent financial and management decisions and long-standing high-quality partnerships with our customers – C.A.T. oil is well equipped for the second half of a challenging year. We would be pleased if you continued to take an interest in our development!

Yours sincerely,
Yury Semenov
Chief Executive Officer

EARNINGS SITUATION

REVENUES IN THE FIRST HALF OF 2015

In the first half of 2015, the Company's consolidated sales revenues declined by 17.0% to EUR 168.5 million (HY1 2014: EUR 203.1 million), mainly reflecting the substantial devaluation of the Rouble against the Euro within the last 12 months. When comparing the two half years, the value of Russia's currency decreased by more than a third against the Euro.

In the reporting period, the Group's two segments Well Services and Drilling, Sidetracking and IPM contributed to the consolidated sales revenues as follows:

External revenues		HY1 2015	HY1 2014	Change	Change in %
Well Services	EUR million	92.8	105.3	(12.6)	(11.9)
Jobs	Number	2,509	1,754	755	43.0
Average revenue	EUR thousand	37.0	60.1	(23.1)	(38.4)
Share of revenues	%	55.1	51.9		
Drilling, Sidetracking, IPM	EUR million	75.7	96.4	(20.7)	(21.5)
Jobs	Number	135	112	23	20.5
Average revenue	EUR thousand	561.5	861.0	(300.0)	(34.8)
Share of revenues	%	44.9	47.5		
Group management/ consolidation	**EUR million**	**0.0**	**1.3**	**(1.3)**	**-**
Other reconciliation	**EUR million**	**0.0**	**0.0**	**0.0**	**-**
Total	**EUR million**	**168.5**	**203.1**	**(34.6)**	**(17.0)**

WELL SERVICES' REVENUES

External revenues generated in the Well Services segment gained in importance in the first half of the year, accounting for 55.1% (HY1 2014: 51.9%) of the total consolidated sales revenues as at 30 June 2015. The service job count increased by 43% yoy to 2,509 (HY1 2014: EUR 1,754 thousand), which was facilitated by the expansion of capacities.

At the same time, however, the unfavourable development of the Rouble against the Euro resulted in a substantial decline in average revenue per job of 38.4% to EUR 37 thousand (HY1 2014: EUR 60.1 thousand). As a consequence, the segment's external revenues decreased by a total of 11.9% to EUR 92.8 million (HY1 2014: EUR 105.3 million).

DRILLING, SIDETRACKING AND IPM REVENUES

Revenues generated by the Drilling, Sidetracking and IPM segment amounted to 44.9% (HY1 2014: 47.5%) of total sales revenues. New plant and equipment allowed for an increase in service job count of 20.5% to a total of 135 (HY1 2014: 112).

However, the decline in average revenue per job of 34.8% to EUR 561.5 thousand (HY1 2014: EUR 861.0 thousand) diminished external revenues by a total of 21.5% to EUR 75.7 million as compared to EUR 96.4 million in the same period of the previous year.

COST OF SALES

The Company's cost of sales, which primarily consists of material costs, direct costs, depreciation and personnel costs, went down by 13.0% yoy to EUR 140.0 million (HY1 2014: EUR 160.9 million), declining slightly less than the consolidated sales revenues.

On the one hand raw material and supply costs decreased by 12% to EUR 50.5 million (HY1 2014: EUR 57.4 million) and direct costs dropped by as much as 23.6% to EUR 36.3 million (HY1 2014: EUR 47.4 million). On the other hand wage and salary costs only fell by 6.9% to EUR 20.7 million (HY1 2014: EUR 22.2 million) and health care and pension expenses by a mere 4% to EUR 6.7 million (HY1 2014: EUR 7.0 million) – both reflecting the 16% increase in personnel yoy.

While depreciation in Rouble increased due to a yoy plus in property, plant and equipment, converted to Euro depreciation remained stable at EUR 22.0 million (HY1 2014: EUR 22.3 million).

GENERAL AND ADMINISTRATIVE EXPENSES

Due to the high inflation in Russia, general and administrative expenses declined only moderately by 7.3% to EUR 9.7 million as compared to EUR 10.4 million in the first half of 2014.

AVERAGE HEADCOUNT

As a result of the expansion of machine capacities and the continued consolidation of know how in engineering and technology, the average weighted headcount in the reporting period came to 3,334, corresponding to an increase of 16.0% (HY1 2014: 2,873).

EBITDA AND EBIT

The Company's earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 41.5 million as at 30 June 2015, falling 24.4% short of the half-year result achieved in 2014 (HY1 2014: EUR 54.9 million). The EBITDA margin was 24.6% compared to 27.0% in the previous year.

The Company's earnings before interest and taxes (EBIT) contracted by 40.4% to EUR 19.3 million (HY1 2014: EUR 32.3 million) in the reporting period, with the EBIT margin decreasing from 15.9% in HY1 2014 to 11.4% in HY1 2015.

CONSOLIDATED NET RESULT

The consolidated net result before tax decreased by 43.5% to EUR 18.1 million (HY1 2014: EUR 32.0 million), mainly because of two factors: Firstly, operating result came under pressure, as the cost of sales and administrative expenses declined less than revenues. Secondly, the difference between financial gains and losses worsened, triggered by the increase in accounts payable to affiliates effected during the 2014 expansion programme. Interest payable surged by more than 250.0% to EUR 3.1 million (HY1 2014: EUR 0.9 million).

The negative financial result of EUR 1.1 million (HY1 2014: EUR -0.2 million) was mitigated by growing interest income (HY1 2015: EUR 1.5 million) and positive exchange rate effects (HY1 2015: EUR 0.5 million)

Taking into account the necessary correction of comparative information langes – which is elaborated in the notes to this interim financial report – taxes on income declined by 22% to EUR 5.3 million (HY1 2014: EUR 6.8 million). As a consequence, the consolidated net result came to EUR 12.8 million as at 30 June 2015, corresponding to a 48.1% decline as compared to the first six months of 2014 (HY1 2014: EUR 24.7 million).

Earnings per share amounted to EUR 0.26 after EUR 0.51 in HY1 2014.

FINANCIAL SITUATION

CASH FLOW

The Company’s gross cash flow went down 26.5% to EUR 35.8 million (HY1 2014: EUR 48.8 million), reflecting the lower consolidated net result. Significant shifts in the ratio of the Group’s payables to its receivables resulted in a change in net working capital of EUR 9.5 million (HY1 2014: EUR -22.3 million); cash flow from operating activities came to EUR 45.3 million (HY1 2014: EUR 26.4 million) in HY1 2015, which is a significant improvement of around 70% compared to the first quarter of 2015.

Cash flow from financing activities corresponded to a net outflow of EUR 2.6 million (HY1 2014: net inflow of EUR 13.7 million). This development was a consequence of the funds raised for the previous expansion programme and the interest now payable thereon. On a positive note, the management has successfully obtained a significant reduction of interest rates for a credit line in the amount of one billion Rouble with one of the Group’s major creditors.

As the cash flow improved, cash and cash equivalents rose to EUR 57.4 million as at 30 June 2015, well above the level stated 30 June 2014 (EUR 40.6 million) and almost fully offsetting the decline posted in the first quarter of 2015 as compared to the reporting date 31 December 2014 (EUR 58.2 million).

ASSET SITUATION

BALANCE SHEET In HY1 2015, the Group recorded an increase in total assets of 8.5% to EUR 402.8 million (31 Dec 2014: EUR 371.3 million), resulting primarily from a rise in non-current assets as well as a 23.4% increase in equity during the reporting period. Hence, while the share capital remained the same (EUR 48.85 million) and no changes were made to the capital reserve (EUR 112.0 million), the equity ratio improved considerably to 52.5% (31 Dec 2014: 46.1%).

NON-CURRENT ASSETS As compared to 31 December 2014, non-current assets rose by 10.4% to EUR 219.2 million. This was primarily due to the fact that a 10% higher value was recognized for property, plant and equipment (HY1 2015: EUR 214.3 million) – mainly as a consequence of the appreciation of the Rouble since the end of 2014.

CURRENT ASSETS Current assets increased by 6.3% to EUR 183.6 million from EUR 172.8 million as at 31 December 2014 and included cash at banks of EUR 5.7 million. Trade payables came to EUR 97.3 million, and were 14.5% higher than the figure reported at the end of 2014.

LIABILITIES In the first half of 2015, there were no changes in non-current liabilities, which remained at EUR 122.0 million. In contrast, a decrease in trade payables led to a 11.2% decline in current liabilities, which came to EUR 69.5 million as at 30 June 2015 (31 Dec 2014: EUR 78.2 million).

EQUITY As at 30 June 2015, the Group's subscribed capital remained at EUR 48.9 million and its unchanged capital reserves were EUR 112.0 million. Retained earnings increased by 3.8% to EUR 191.4 million as at 30 June 2015 (31 Dec 2014: EUR 184.4 million). The deficit of the currency translation reserves decreased by 19.0% from EUR 174.1 million as at 31 December 2014 to EUR 141.0 million as at 30 June 2015.

RISKS

C.A.T. oil is exposed to financial risks which may arise in the case of increased tensions between Russia and the Western countries as well as serious upheaval in the global oil and gas market.

In particular, potential adverse changes in the exchange rate of the Russian Rouble against the Euro and the ensuing rise in inflation within Russia may pose a risk to the development of the Group's net result.

Furthermore, the Group's current range of services means that it depends on a small number of significant customers. The loss of any one of these customers would subject the Group to considerable losses. The management is endeavouring to mitigate this risk in the short run through a broad differentiation of its markets and services. Short-term hedging against market risks is effected through the Group's traditionally strong cooperation with Russia's large state-owned oil and gas groups. Their demand is deemed to be more or less stable, even in the case of economic fluctuations.

As stated in the section "Key Events in the First Half of the Year" – as well as in detail in the Consolidated Annual Report 2014 – there is reason to believe that the Group has overpaid for some assets in the past. Investigation is still at its early stage, if the suspicion is confirmed, this may lead to corrections of the valuation of the assets concerned and to the assertion of claims for damages. The current estimation of possible damage issued from the inappropriate use of a procurement system by the former management remains at the level reported in the consolidated financial statements prepared as at 31 December 2014 (see pages 31 and 97 of the 2014 Annual Report).

The settlement on a trademark agreement with Caterpillar Inc., Peoria, Illinois, USA, which started in early 2015, is still under negotiation. Both parties to the negotiations are aiming for a settlement in the course of 2015 in order to find a solution to the alleged trademark infringement by C.A.T. oil (as alleged by Caterpillar Inc.).

Prior to 2015 the Group paid dividends without withholding tax to a significant shareholder claiming "relief at source" under sec 94/2 of the Austrian Income Tax Act. Based on internal investigations concerning the activities of former management, management became aware of a lack of full documentation evidencing the substantive criteria for claiming such relief at source. The Group's management continues to work on this subject to obtain all required supporting documentation for the position taken by prior management in the past. Based on the current status of the investigations management assesses the likelihood of being able to sustain the position taken in the past as more likely than not. Should this approach be challenged by the tax authorities, management intends to vigorously defend its position. Management estimates that in the unlikely event of a negative outcome of this investigation, the maximum exposure would be EUR 7,700 thousand or less, depending on the applicable statute of limitation periods and other factors. In that case, the Company would have a right to reclaim any withholding tax payments from the receiver of the dividends, however, it is uncertain to what extent such amounts would be ultimately collectible.

OUTLOOK

The developments of the global oil market and the closely related position of the Rouble against other currencies – first and foremost the Euro and the US Dollar – will continue to be the key parameters influencing the Group's business. According to a poll conducted by Bloomberg amongst leading investment analysts in the first half of 2015, revenues in hard currency of Russia's Top 50 companies are expected to drop by around 25% this year. The Russian oil and gas industry will be no exception and C.A.T. oil will therefore put even more effort into efficiency and cost control.

Following a stabilization of the oil price at the beginning of the current financial year and even a slight upwards tendency, prices have been falling again since May. As the Russian economy depends on income from the oil and gas sectors, this downwards tendency has a direct impact on the exchange rate of the Rouble, which once again faced a loss in price against the Euro of about 7.7% from mid-May until the end of June 2015.

As recent statistics show, oil production in Russia grew by 1.4% yoy in the first half of 2015. It is assumed that energy companies will continue to keep their outputs and hence also their demand for gasfield and oilfield services stable in the second half of 2015 as well, in order to be able to generate, despite falling prices, the income that is necessary for the macroeconomic development.

The fact that C.A.T. oil has fully marketed its capacities for 2015, which had been expanded in the previous year, shows that the Company has managed to maintain and consolidate its market position even though general demand has stagnated. For the time being, the Company does not plan any further capacity expansion.

Although the development of the service job count is positive and price adjustments in Rouble might become effective, it cannot be assumed that these increases will be able to compensate for the effects of the continued weakness of the Rouble and the lack of substantial stimulus to growth within the industry in 2015.

Against this backdrop, the Group reiterates its economic outlook presented in the Annual Report 2014. C.A.T. oil expects its 2015 revenue to lie between EUR 310.0 million and EUR 320.0 million, with an EBITDA of between EUR 75.0 million and EUR 85.0 million (at EUR/RUB 75/1).

EVENTS AFTER THE BALANCE SHEET DATE

STATEMENT OF FACTS

Action for annulment of Extraordinary General Meeting of 25 February 2014

In early August, the Company was informed that the Commercial Court of Vienna had dismissed the action for annulment brought by minority shareholder Carsten Grau against individual resolutions adopted by the Extraordinary General Meeting of 25 February 2014, at first instance. For the sake of transparency, the Company also announced this in a separate press release dated 10 August. The court found that the resolutions regarding the reduction of the number of members of the Supervisory Board and the election of members to the Supervisory Board had been properly adopted. At the time of publication of this half year report, the court's decision was not yet legally binding. At the same time, the Company was informed that the minority shareholder Mr Grau had challenged some resolutions of the AGM of 29 June 2015 before the Commercial Court of Vienna. A few days later Mr Grau withdrew this challenging claim. The proceedings are therefore terminated ex lege. Hence, no challenging claims are presently pending.

Vienna, 31 August 2015

Management Board

Yury Semenov	**Valeriy Inyushin**
Chief Executive Officer	Chief Financial Officer

NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

ACCOUNTING IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The condensed consolidated interim financial statements, which comprise C.A.T. oil AG (the "Company") and its subsidiaries (together with the Company referred to as the "Group") as at and for the three- and six-months ended 30 June 2015 were prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union (EU) and as applicable for interim financial reporting.

In accordance with IAS 34 the condensed consolidated interim financial statements have been prepared on a condensed scope and, therefore, should be read in connection with the most recent consolidated financial statements prepared as at 31 December 2014.

ACCOUNTING POLICIES

The accounting pronouncements required to be applied for the first time in the 2015 financial year have no impact on the presentation of Group's assets, finances and earnings situation. A breakdown of these accounting pronouncements is provided in the notes to the consolidated financial statements as at 31 December 2014.

Except for as disclosed in the following section "Restatement of prior period information", the accounting principles and practices as applied in the Group condensed consolidated interim financial statements correspond to those pertaining to the consolidated financial statement as at 31 December 2014.

The consolidated income statement is presented in accordance with the cost of sales method.

The Group's condensed consolidated interim financial statements have been prepared in Euro. All figures are indicated in TEUR, except as stated otherwise. When indicating amounts in TEUR, rounding differences may arise.

The Group condensed consolidated interim financial statements are published in German and English. The German version of the condensed consolidated interim financial statements prevails.

SCOPE OF CONSOLIDATION

The scope of consolidation is unchanged in comparison to the balance sheet date 31 December 2014.

RESTATEMENT OF PREVIOUS YEAR'S INFORMATION

The Company corrected the error which had arisen in the previous reporting period. The adjustment was made by reclassifying deferred income tax effects related to net investments at foreign operation. This adjustment affected both deferred income tax expenses and benefits recognized in the income statement as well as other comprehensive income. As a result of the adjustment the following lines items in the condensed consolidated interim financial statements have been changed in the corresponding prior period financial information:

- Correction of the opening balance of the previous reporting period amounted to EUR 7,125 thousand (retained earnings decreased by EUR 7,125 thousand and net investment equity component increased by EUR 7,125 thousand).
- Correction as at 1 January 2015 amounted to EUR 8,386 thousand (Retained earnings decreased by EUR 8,386 thousand and net investment equity component increased by EUR 8,386 thousand);
- Adjustment of comparable information for HY1 2014 increased tax expense by EUR 518 thousand (reduction in the net income) and decreased other comprehensive loss by EUR 518 thousand (increase in net investment equity component).
- Adjustment of comparable information for Q2 2014 decreased tax expense by EUR 1,801 thousand (increase in net income) and decreased other comprehensive income by EUR 1,801 thousand (decrease in the net investment equity component).

The aforementioned adjustmentsaffected net income, and thus earning per share changed as follows:

		Q2 2014	Q2 2014 (adjusted)	HY1 2014	HY1 2014 (adjusted)
Common stock	thousand	48,850	48,850	48,850	48,850
Profit after tax	EUR thousand	15,769	17,570	25,256	24,738
Earnings per share	EUR	0.32	0.36	0.52	0.51

The Company also corrected the error related to the offsetting of deferred taxes. Deferred taxes had previously been partially netted at consolidated level. As at 30 June 2015 deferred taxes were netted within each Group company, since they represent net deferred tax benefits or obligations to the relevant tax inspectorate by each company (Note 6). The Group's deferred taxes for the comparable period changed as follows:

	31 December 2014		31 December 2014 (adjusted)	
EUR thousand	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	8,130	**14,241**	**1,215**	**7,326**

DISCLOSURES ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. CURRENCY TRANSLATION

In the interim financial statements of the consolidated companies, transactions in foreign currency are translated into the functional currency (which is usually the local currency of the country of domicile) at the respective rates valid during the performance months on the basis of the official exchange rates of the Russian and European Central banks. The interim financial statements of the Russian companies are translated into the presentation currency (Euro) using the official exchange rates of the Russian Federation. The relevant exchange rates used for foreign currency translation in relation to the Euro are as follows:

	Closing rate as at 30 June 2015	Closing rate as at 31 December 2014	Average rate HY1 2015	Average rate HY1 2014
Currency (1 EUR=)				
Russian Rouble (RUB)	61.5206	68.3427	64.3057	47.9867
US Dollar (USD)	1.1080	1.2148	1.1163	1.3718
Currency (1 USD=)				
Russian Ruble (RUB)	55.5240	55.5240	57.3968	34.9796

2. NON-CURRENT ASSETS

Changes in selected noncurrent assets between 01 January and 30 June are as follows:

EUR thousand	Carrying amount 01 Jan 2015	Additions	Disposals	Currency translation	Depreciation and amortization	Carrying amount 30 June 2015
Intangible assets	259	0	0	24	(84)	199
Property, plant and equipment	194,689	20,520	(203)	21,496	(22,157)	214,345
Goodwill	2,176	0	0	383	0	2,559

EUR thousand	Carrying amount 01 Jan 2014	Additions	Disposals	Currency translation	Depreciation and amortization	Carrying amount 30 June 2014
Intangible assets	621	0	0	(16)	(112)	493
Property, plant and equipment	196,051	42,784	(188)	(3,588)	(22,506)	212,553
Goodwill	3,473	0	0	(79)	0	3,394

Management did not identify any indication of impairment of noncurrent assets during the reporting period.

As at 30 June 2015 Property, plant and equipment includes advances given for property, plant and equipment in the amount of EUR 2,527 thousand (31 December 2014: EUR 14,510 thousand).

3. INVENTORIES

EUR thousand	30 June 2015	31 December 2014
Spare parts and other materials	15,204	12,076
Raw material	1,323	3,996
Fuel and lubricants	1,498	1,251
	18,025	**17,323**

From 1 January to 30 June 2015, the write-down of inventory reduced operating profit by EUR 3 thousand (in the period 1 January to 30 June 2014: EUR 551 thousandincrease in operating profit).

4. CURRENT RECEIVABLES

EUR thousand	30 June 2015	31 December 2014
Trade receivables	97,298	85,000
Other receivables	4,127	11,686
Tax assets	1,014	573
	102,439	**97,259**

From 1 January to 30 June 2015, the reversal of the write-down of trade receivables increased operating profit by EUR 248 thousand (in the period 01 January to 30 June 2014: EUR 490 thousand decrease in operating profit).

5. EQUITY

Share capital as at 30 June 2015 amounted to EUR 48,850 thousand (31 December 2014: EUR 48,850 thousand).

As at 30 June 2015 the Company recognized a liability of EUR 5,862 thousand under “Other current liabilities” (Note 8) for cash dividends declared during the reporting period. The Company paid no dividends during the reporting period.

6. DEFERRED TAX

Deferred taxes relate to the following items:

	30 June 2015		**31 December 2014 (adjusted)**	
EUR thousand	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Tax loss carryforwards	11,510	0	7,754	0
Deferred expenses/liabilities	346	3,101	441	2,088
Fixed assets/depreciation	10	13,974	12	12,015
Other	34	216	19	234
Netting	(9,971)	(9,971)	(7,011)	(7,011)
	1,929	**7,320**	**1,215**	**7,326**

7. NON-CURRENT LIABILITIES

Non-current liabilities include financial liabilities against C.A.T. Holding (Cyprus) Ltd. amounting to EUR 100,000 thousand (31 December 2014: EUR 100,000 thousand). Furthermore, the non-current liabilities include the credit line drawn on by CATOBNEFT. The outstanding amount drawn under the credit line as at 30 June 2015 amounts to EUR 14,776 thousand (31 December 2014: EUR 14,624 thousand) maturing on 31 December 2016 with interest rates 14.5–15.5% and interest payable on a monthly basis.

8. CURRENT LIABILITIES

EUR thousand	30 June 2015	31 December 2014
Financial liabilities against related parties	2,614	695
Financial liabilities	13	14
Trade payables	40,952	57,048
Other liabilities	24,855	19,551
Advance payments received	51	37
Income tax payables	969	868
	69,454	**78,213**

The financial liabilities against related parties comprise interest expenses accrued on the loans (see notes 7 and 12).

9. COST OF SALES

EUR thousand	Q2 2015	Q2 2014	HY1 2015	HY1 2014
Raw materials	27,964	30,638	50,536	57,397
Direct costs	19,954	25,321	36,266	47,426
Depreciation	12,610	11,258	21,987	22,281
Wages and salaries	11,571	11,635	20,703	22,235
Provident and welfare expenses	3,683	3,655	6,698	6,973
Other costs	2,174	2,214	3,762	4,589
	77,956	**84,721**	**139,952**	**160,901**

10. EARNINGS PER SHARE

Earnings per share are calculated in accordance with IAS 33 by dividing the Groups net profit by the average number of shares. There is no dilutive effect.

		Q2 2015	Q2 2014 (adjusted)	HY1 2015	HY1 2014 (adjusted)
Common stock	thousand	48,850	48,850	48,850	48,850
Profit after tax	EUR thousand	7,366	17,570	12,844	24,738
Earnings per share	EUR	0.15	0.36	0.26	0.51

The financial performance of the discontinued operation does not significantly affect earnings per share.

11. SEGMENT REPORTING

Segments are identified on the basis of the Group's internal management and reporting structure. Segment reporting comprises two reportable segments: Well Services and Drilling, Sidetracking and IPM (Integrated Project Management).

The segment result is measured on the basis of operating result before other operating income as well as by using measures such as EBIT and EBITDA. The reconciliation contains activities and other operations that do not represent reportable segments. It also includes the consolidation adjustments between the segments.

H1 2015

EUR thousand	Well Services	Drilling Sidetracking IPM	Total segments	Reconcili-ation	Group
External sales	92,767	75,740	168,507	0	168,507
Group sales	961	343	1,304	(1,304)	0
Total sales	**93,728**	**76,083**	**169,811**	**(1,304)**	**168,507**
Operating result	**19,424**	**3,657**	**23,081**	**(3,820)**	**19,261**
Interest income and expenses					(1,641)
Other financial result					502
Profit before tax					**18,122**
Income tax					(5,278)
Profit after tax					**12,844**

H1 2014 (ADJUSTED)

EUR thousand	Well Services	Drilling Sidetracking IPM	Total segments	Reconcili-ation	Group
External sales	105,340	96,435	201,775	1,338	203,113
Group sales	1,577	321	1,898	(1,898)	0
Total sales	**106,917**	**96,756**	**203,673**	**(560)**	**203,113**
Operating result	**14,139**	**14,597**	**28,736**	**3,559**	**32,295**
Interest income and expenses					(255)
Other financial result					22
Profit before tax					**32,062**
Income tax					(7,324)
Profit after tax					**24,738**

12. RELATED PARTIES

As at 30 June 2015 the non-current financial liabilities against C.A.T. Holding (Cyprus) Ltd. amounted to EUR 100,000 thousand (31 December 2014: EUR 100,000 thousand). From 1 January to 30 June 2015, the interest expenses resulting from these financial liabilities amounted to EUR 2,058 thousand (previous year: EUR 893 thousand). This corresponds to an average interest rate of 4.4% – unchanged compared to the same period last year.

The Group conducted the following transactions with related parties:

Expenses

EUR thousand	Transaction value HY1 2015	Transaction value HY1 2014	Outstanding balance 30 June 2015	Outstanding balance 31 Dec 2014	Transaction description
Parent company:					
A2C Treuhand Wirtschaftsprüfungs-gesellschaft mbH, Hamburg	162	168	0	0	Accounting services fee
Fairtune East Ltd., Nicosia	0	19	1	1	Rental fee
Subsidiaries:					
C.A.T. GmbH Consulting Agency Trade(Cyprus) Ltd., Nicosia	405		64		Outstaffing
Fairtune East Ltd., Moscow	270	621	73	82	Rental fee

Remuneration of key management personnel was as follows:

Management Board remuneration

EUR thousand	Yury Semenov	Valeriy Inyushin	Evgeny Pankratov	Total
HY1 2015	92	47	43	182

Second level management remuneration

EUR thousand	HY1 2015	HY1 2014
Second level management salaries	367	335

13. EVENTS AFTER THE BALANCE SHEET DATE

Action for annulment of Extraordinary General Meeting of 25 February 2015:
In early August, the Company was informed that the Commercial Court of Vienna has dismissed the action for annulment brought by minority shareholder Carsten Grau against individual resolutions adopted by the Extraordinary General Meeting of 25 February 2015, at first instance. For the sake of transparency, the Company also announced this in a separate press release dated 10 August. The court found that the resolutions regarding the reduction of the number of members of the Supervisory Board and the election of members to the Supervisory Board had been properly adopted. At the time of the publication of this half year report, the court's decision was not yet legally binding. At the same time, the Company was informed that the minority shareholder Mr. Grau had challenged some resolutions of the AGM of 29 June 2015 before the Commercial Court of Vienna. A few days later Mr. Grau withdrew this challenging claim. The proceedings are therefore terminated ex lege. Hence, no challenging claims are presently pending.

14. FINANCIAL INSTRUMENTS

Carrying amounts of financial instruments

Financial assets measured at amortised costs

EUR thousand	30 June 2015
Cash and cash equivalents	57,434
Bank deposits	5,733
Trade receivables	97,298
Other short term receivables	513
	160,978

Financial liabilities measured at amortised costs

EUR thousand	30 June 2015
Long term debts	114,776
Short term debts	2,627
Trade payables	40,952
Other short term payables	11,750
	170,105

The carrying amounts of the Group's financial instruments correspond to the fair value.
There were no financial instruments measured at fair value as at the reporting date.

15. SEASONALITY OF OPERATIONS

The Groups results are not subject to significant seasonal fluctuations.

16. CONTINGENCY AND OTHER RISKS

Prior to 2015 the Group paid dividends without withholding tax to a significant shareholder claiming “relief at source” under sec 94/2 of the Austrian Income Tax Act. Based on internal investigations concerning the activities of former management, management became aware of a lack of full documentation evidencing the substantive criteria for claiming such relief at source. The Group’s management continues to work on this subject to obtain all required supporting documentation for the position taken by prior management in the past. Based on the current status of the investigations management assesses the likelihood of being able to sustain the position taken in the past as more likely than not. Should this approach be challenged by the tax authorities, management intends to vigorously defend its position. Management estimates that in the unlikely event of a negative outcome of this investigation, the maximum exposure would be EUR 7,700 thousand or less, depending on the applicable statute of limitation periods and other factors. In that case, the Company would have a right to reclaim any withholding tax payments from the receiver of the dividends, however, it is uncertain to what extent such amounts would be ultimately collectible.

Vienna, 31 August 2015

Management Board

Yury Semenov	**Valeriy Inyushin**
Chief Executive Officer	Chief Financial Officer

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge that the condensed interim financial information give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial information, and of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Vienna, 31 August 2015

Management Board

Yury Semenov
Chief Executive Officer

Valeriy Inyushin
Chief Financial Officer

REPORT OF THE SUPERVISORY BOARD'S AUDIT COMMITTEE

The interim report for the period from January to June 2015 was submitted to the Supervisory Board's Audit Committee. The documents were explained by the Management Board. The Audit Committee accepted the interim financial statements.

Vienna, 31 August 2015

Maurice Gregoire Dijols
Chairman of the Supervisory Board

FINANCIAL CALENDAR

26 November 2015	Publication of Third Quarter Report
28 April 2016	Publication of Annual Report 2015
17 May 2016	Analysts' and Investors' Conference
27 May 2016	Publication of First Quarter Report
17 June 2016	11th Annual General Meeting
26 August 2016	Publication of Half Year Report
25 November 2016	Publication of Third Quarter Report

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