c.a.t.oil
energy in motion

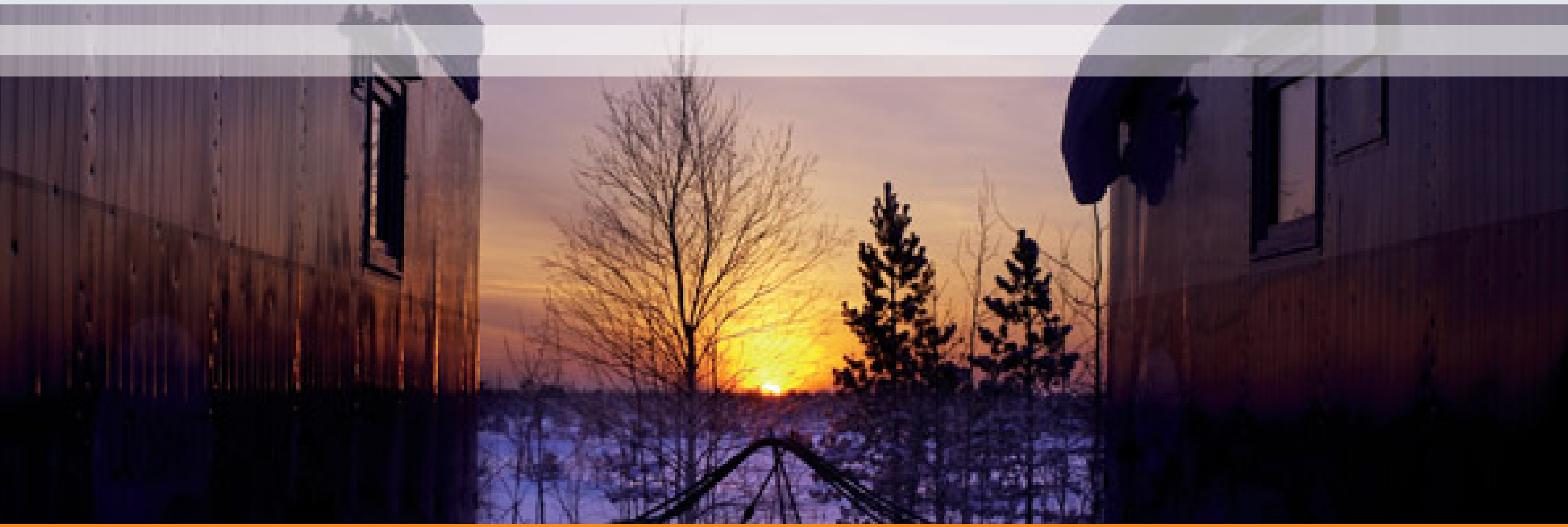
Q3/2008

Third Quarter Report
July 1 – September 30, 2008

Key Group Figures

Selected Group Figures in accordance with IFRS	Q1-Q3 2008 TEUR	Q1-Q3 2007 TEUR	Change in %
Revenues	212,009	164,128	29.2
Gross profit	43,452	47,015	–7.6
EBITDA	41,379	42,724	–3.1
EBITDA margin	19.5 %	26.0 %	
EBIT	24,478	34,373	–28.8
EBIT margin	11.5 %	20.9 %	
Net profit for period	12,509	22,553	–44.5
Earnings per share (in EUR)	0.256	0.462	
Balance sheet total[1)]	322,205	285,297	12.9
Equity[1)]	244,640	234,880	4.2
Equity ratio[1)]	75.9 %	82.3 %	
Capital expenditure	34,630	70,168	
Cash flow from operating activities	30,074	14,843	
Cash flow from financing activities	–1,615	6,901	
Cash and cash equivalents[1)]	7,951	15,010	
Employees (average)	3,636	3,053	19.1

1) at December 31



Editorial

"The false and favorable reputation of the Federal Reserve has a strong foundation: There is the power and prestige of banks and bankers and the magic accorded to money. … We do not wish to live with reality; that does not deny that it exists. Better that it be accepted."
J.K. Galbraith, 2004

Ladies and Gentlemen,
Dear Shareholders!

In October Wall Street capitulated and the credit crunch finally devastated global equities markets as investor panic threatened to bring down all but the very strongest of banks. We still see widespread excuses being made and finger pointing being done instead of the people involved becoming more responsible and humble. The issues are simply economics, and bad economics will sink any economy no matter how much we again wish to believe this time things will be different. The stock market is pointing in this direction. However, even wiping out a year or two of earnings does no major damage to companies with good balance sheets and strong competitive positions. Stocks are not a claim on next quarter's earnings or even on next year's earnings, but on an indefinite stream of future cash flows and long-term investors will find very attractive valuations in this environment of paralyzing fear.

We have done our homework as well as possible and have prepared for the future of C.A.T. oil. We have grown and diversified aggressively and organically. We have invested approx. EUR 200 million since our IPO in 2006 and have significantly expanded our personnel exceeding 50% to 3,636 employees, who are pursuing our very conservative financial policy. As per end of September 2008, our equity increased to EUR 244.6 million while our equity ratio is 75.9% and we are unleveraged. We increased our fracturing capacity by the end of 2007 and we have successfully diversified into sidetracking where we became the fastest growing company in Russia and have gained a significant market share there. The fact that we only started our side tracking activities in 2005 with 2 rigs and will have 15 rigs at the end of this year and approximately 45% of our EBITDA results from these activities clearly speaks for the remarkable transformation of C.A.T. oil.

Revenues for Q3 2008 increased 18.4% YoY to EUR 72.6 million, largely because of a triple digit upturn of 200% YoY in our sidetrack drilling job count. EBITDA margin in Q3 2008 was 23.2% compared to 25.5% in 2007 while the EBIT margin was 14.7% compared to 20.2% last year, mainly due to our upfront costs and depreciation, resulting from the aggressive expansion and price competition in fracturing. Our cost of sales in Q3 increased 26.4% YoY to EUR 55.4 million; our gross profit declined 1.6% YoY to EUR 17.2 million; and our net profit fell 14.3% YoY to EUR 5.7 million. Our total service job count increased to 723 jobs in Q3 2008, an increase of 4.2% YoY, while we posted a 13.8% YoY gain in average per job revenue, which stood at TEUR 100.5.

We cannot control the world economy or the stock market, but we remain as realistic and as hard-working as ever. C.A.T. oil survived and successfully managed the Russian crisis in the 90s and we are prepared for a difficult period starting in Q4 2008. Corporations and governments are going to have to adjust their budgets. Corporate earnings will be under pressure for some time to come. We will react in a prudent way and have a great deal of ammunition available. Our persistence in combining the latest technology and our high-quality teams to deliver the most efficient service for our clients and also our high equity ratio shall be a major asset. We have also secured a credit line of up to EUR 50 million in November, which gives us ample breathing space for a difficult 2009.

We will keep our feet on the ground and – with our usual optimism – look to the stars. The long-term picture still looks very attractive. The IEA forecasts oil supplies to tighten again and predicts that the average decline rates worldwide for fields past their peak production will rise from 6.7% to 8.6% in 2030. The current environment and these factors suggest that a renaissance of brownfield-related services and the demand for fracturing and sidetracking will intensify, albeit with pricing pressures. This crisis will also pass and in the end there will be additional and even better opportunities in the future for those who are well prepared and persistent and can afford to wait and in the meantime effectively manage the crisis.

Manfred Kastner
CEO C.A.T. oil AG

Group Balance Sheet

	30.09.2008 EUR	31.12.2007 EUR
Current assets		
Cash and cash equivalents	7,951,262	15,009,753
Trade accounts receivable	66,206,655	45,826,002
Inventories	45,804,397	40,197,713
Prepaid and accrued expenses and other receivables	17,228,106	15,082,911
Tax assets	1,311,827	1,504,052
Non-current assets		
Property, plant and equipment	174,861,603	159,703,783
Intangible assets	3,967	0
Goodwill	3,407,264	3,655,757
Other financial assets	1,541,706	1,560,447
Deferred taxes	3,800,381	2,618,936
Other assets	87,553	137,187
	322,204,721	**285,296,541**
Current liabilities		
Short term debts	6,487,123	8,085,219
Trade payables	43,237,828	25,557,979
Advance payments received	448,901	657,930
Tax liabilities	679,823	240,124
Other current liabilities	12,098,137	7,147,614
Non-current liabilities		
Deferred taxes	14,610,673	8,709,109
Other long-term liabilities	2,372	18,941
Shareholders‘ equity		
Subscribed capital	48,850,000	48,850,000
Capital reserves	111,987,416	111,987,416
Retained earnings	94,728,035	82,218,680
Other reserves	–10,925,587	–8,176,471
	322,204,721	**285,296,541**

Group Income Statement

	Q3 2008 EUR	Q3 2007 EUR	Q1-Q3 2008 EUR	Q1-Q3 2007 EUR
Revenues	72,611,647	61,306,134	212,009,477	164,128,478
Cost of sales	–55,438,902	–43,860,009	–168,557,903	–117,113,463
Gross profit	**17,172,745**	**17,446,125**	**43,451,574**	**47,015,015**
General and administrative expenses	–6,453,038	–5,035,688	–19,203,164	–13,618,845
Other operating income and expense	–9,631	–7,666	229,211	977,210
Operating result	**10,710,076**	**12,402,771**	**24,477,621**	**34,373,380**
Interest income and expense	–92,276	–2,068,927	–861,538	–1,671,211
Profit before income taxes	**10,617,800**	**10,333,844**	**23,616,083**	**32,702,169**
Income taxes	–4,892,584	–3,652,765	–11,106,736	–10,148,971
Net profit for the period	**5,725,216**	**6,681,079**	**12,509,347**	**22,553,198**
Earnings per share	0.117	0.137	0.256	0.462

Group Cash Flow Statement

	Q1-Q3 2008 TEUR	Q1-Q3 2007 TEUR
Net profit for the period	12,509	22,553
Depreciation and amortisation	17,642	8,351
Loss/gain on disposal of fixed assets	–142	206
Change in net working capital	–309	–17,703
Foreign exchange gains, net	374	2,677
Bad will of the first consolidation of OOO FilOrAm	0	–1,241
Net cash flow from operating activities	**30,074**	**14,843**
Purchase of property, plant and equipment	–34,630	–70,168
Cash flow from sale of property, plant and equipment	699	610
Cash payments for a subsidiary aquisition	0	–1,140
Net cash flow from investing activities	**–33,931**	**–70,698**
Cash out flow for repayment of short term debts	–1,598	6,901
Cash out flow for settlement of leasing obligations	–17	0
Net cash flow from financing activities	**–1,615**	**6,901**
Net changes in cash and cash equivalents from exchange rate movements consolidation	–1,587	–2,163
Net change in cash and cash equivalents	–7,059	–51,117
Cash and cash equivalents at beginning of period	15,010	74,459
Cash and cash equivalents at end of period	7,951	23,342

Statement of Changes in Group Equity

	Share capital TEUR	Capital reserves TEUR	Retained earnings TEUR	Translation reserve TEUR	Total equity TEUR
At January 1, 2007	48,850	111,987	59,568	–4,300	216,105
Net profit / loss for the period			22,553		22,553
Translation differences				154	154
At September 30, 2007	**48,850**	**111,987**	**82,121**	**–4,146**	**238,812**
At January 1, 2008	48,850	111,987	82,219	–8,176	234,880
Net profit / loss for the period			12,509		12,509
Translation differences				–2,749	–2,749
At September 30, 2008	**48,850**	**111,987**	**94,728**	**–10,925**	**244,640**

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J. K. Galbraith, 2004

Notes to the consolidated interim report as of September 30, 2008

Basis of preparation of the consolidated interim report

The consolidated financial statements of C.A.T.oil AG for the 2007 financial year were prepared in compliance with the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) published by the International Accounting Standards Board (IASB) and with their interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). Accordingly, this interim report as of September 30, 2008 is consistent with IAS 34.

BDO Auxilia Treuhand GmbH, Vienna, performed an ISRE 2410 review of the interim report.

The interim reports of the companies included in the consolidated interim report have been prepared – with the exception of the treatment of foreign exchange losses of intercompany loans are the same till the last quarter. The separate interim reports of the consolidated companies have been drawn up as of the balance sheet date of the consolidated interim report.

The consolidated interim financial statements have been prepared on the historical cost basis.

The income statement has been drawn up in accordance with the cost of sales method.

The consolidated interim report has been prepared in euros.

Consolidation methods

All significant intra-group receivables and liabilities were eliminated within the scope of the consolidation.

Income tax effects on consolidation adjustments (profit and loss elimination, interim profit elimination) affecting profit or loss were taken into account, and deferred taxes were recognized.

Scope of consolidation

The scope of consolidation has not changed compared with December 31, 2007.

Segment information

Through the consolidation of OOO Catoil Gedoata in the financial year 2007 there is, in addition to the previously single segment “Well-Service”, a new segment “Seismic”. As the threshold values of IAS 14.35 were not exceeded, there is no obligation to report segment information.

Notes to the balance sheet

Inventories

	30.09.2008	31.12.2007
	TEUR	TEUR
Raw materials	11,138	14,313
Supplies	1,030	955
Spare parts and other materials	26,224	23,536
Work in progress	7,412	1,394
Total	**45,804**	**40,198**

Inventories are recognized at the lower of cost and net realizable value. Provisions for impairment of inventories amounted to TEUR 1,825 at September 30, 2008 (31.12.2007: TEUR 390).

Property, plant and equipment

	Land and buildings	Plant and machinery	Operational and office equipment	IT	Prepaid expenses	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
CARRYING AMOUNTS						
As of 30.09.2008	11,739	9,288	132,843	1,245	19,747	174,862
As of 31.12.2007	11,490	7,268	96,695	1,162	43,088	159,703

On a quarter-to-quarter basis, changes of the tangible fixed assets amounted to:

	Q1-Q3 2008	Q1-Q3 2007
	TEUR	TEUR
Investments	34,626	70,168
Depreciationen	17,642	8,351
Disposals at net book value	557	816
Exchange rate differences	–1,269	–1,655
First consolidation of FilOrAm	0	1,673

Shareholders' equity

C.A.T.oil AG's share capital amounted to TEUR 48,850 at September 30, 2008 (31.12.2007: TEUR 48,850).

The share capital is divided into 48,850,000 non-par-value shares. The interest of a single share in the share capital is determined on the basis of the number of shares and the share capital. The proportionate value of the share capital attributable to a share must amount to at least one euro.

The capital reserve comprises the amounts realized in the issuance of non-par-value shares in excess of the nominal amounts. Transaction costs incurred in connection with the IPO on May 4, 2006 were deducted from the capital reserve.

The reported reserves represent the adjusting item resulting from the translation of foreign currencies. These are conversion differences resulting from translating the financial statements from the functional currency of the companies in the Russian Federation (roubles) to the reporting currency (euros).

No distributions were declared by the parent company after September 30, 2008.

Contingent liabilities and contingent assets

C.A.T. oil AG issued a guarantee of TEUR 400 and C.A.T. Geodata GmbH a further guarantee in the amount of TEUR 75.

Notes to the income statement

Overall, the earnings situation of the group is characterised by the climatic conditions of Russia and Kazakhstan. Due to seasonal variations in the business, profit contributions of CAToil group predominantly arise in the second and third quarters of the year.

During the reporting period, C.A.T. oil's total job count was 723 service jobs, up 4.2% from the Q3 2007 level of 694 service jobs. The increase in the job count was reinforced by a 13.8% YoY gain in an average per-job-revenue to TEUR 100.5 in Q3 2008 from TEUR 88.3 in Q3 2007 on the back of higher complexity of side-track drilling and fracturing jobs. Sidetrack drilling remained C.A.T oil's fastest growing business as the Company expanded its sidetrack drilling capacity to 13 rigs in Q3 2008 from seven rigs in Q3 2007, up 85.7% YoY. Concurrently, C.A.T. oil's sidetrack drilling job count rose 200% YoY mainly due to the continued improvement in operating efficiency and utilization rates of a new operating capacity.

As a result, C.A.T oil revenues staged a healthy growth of 18.4% YoY to EUR 72.6 million in Q3 2008 (Q3 2007: EUR 61.3 million). The Company's operating cost base during the reporting period was driven by the increased operating activities and Russia's high inflationary pressures. Cost of sales increased 26.4% YoY to EUR 55.4 million in Q3 2008 (Q3 2007: EUR 43.9 million) mainly due to a combination of a 16.4% YoY rise in materials and supply, a 17.2% YoY gain in direct costs, a 26.2% YoY increase in wages and salaries as well as a steep upturn in depreciation and amortization.

The primary reason for a 16.4% YoY increase in materials and supply to EUR 19.6 million in Q3 2008 over the Q3 2007 level of EUR 16.8 million was higher operating activities and greater average job complexity, compounded by a steep hike in fuel prices, which significantly outpaced the inflation levels. Nonetheless, costs of materials and supply declined to 27.0% of revenues in Q3 2008 from 27.5% in Q3 2007 due to management's cost cutting measures and tight control over procurement of key disposables such as proppant, chemicals, fuel and spare parts.

The increase in wages and salaries reflected a combination of a 19.1% YoY expansion in the Company's average headcount to 3,636 employees in Q3 2008 (Q3 2007: 3,053 employees) and a 27.4% YoY rise in average wages. The increase in C.A.T. oil's head count was primarily driven by material operating capacity additions – 85.7% YoY for sidetrack drilling and 7.1% YoY for fracturing. In Q3 2008, C.A.T. oil also hired and trained additional personnel for two new drilling rigs, which are to arrive to the Company sites by the end of Q4 2008.

The increase in direct costs, which primarily consist of transportation, mobilization, adaptation, subcontractor and overhaul expenses, is attributable to higher operating activities, mobilization of new operating capacities and the increased overhaul expenses due to substantial expansion in the Company's production assets. Greater costs of subcontractor transportation services, which are driven by fuel prices, and broader geographic spread of the Company's fracturing and sidetrack drilling operations also contributed to higher YoY direct costs in Q3 2008

Depreciation was up 88.6% YoY to EUR 6.0 million in Q3 2008 (Q3 2007: EUR 3.2 million) due to substantial operating capacity additions since Q3 2007.

Gross profit declined 1.6% YoY to EUR 17.2 million in Q3 2008 (Q3 2007: 17.5 milion), driving gross profit margin down to 23.7% (Q3 2007: 28.5%).

During the reporting period, general and administrative expenses increased 28.1% YoY to EUR 6.5 million (Q3 2007: EUR 5.0 million) primarily due to higher property taxes, licensing and training costs, consulting and professional fees.

The Company's earnings before interest, corporate taxes, depreciation and amortization (EBITDA) increased 7.9% YoY to EUR 16.8 million in Q3 2008 (Q3 2007: EUR 15.6 million), with the EBITDA margin contracting to 23.2% (Q3 2007: 25.5%). However, an 88.6% YoY gain in depreciation and amortization resulted in a 13.6% YoY decline in earnings before interest and corporate taxes (EBIT) to EUR 10.7 million in Q3 2008 (Q3 2007: EUR 12.4 million). The EBIT margin shrank to 14.7% during the reporting period from 20.2% a year ago.

Net financial result was TEUR –92.3 in Q3 2008 compared to EUR –2.1 million in Q3 2007. The reason of the considerable decrease as of the comparision period of the last year is caused by means of the altered treatement of the foreign exchanges losses on euro conformed intercompany loans, which C.A.T. oil AG extended to its subsidaries a year ago. This led to a 2.7% YoY increase in C.A.T. oil's pre-tax profit to EUR 10.6 million in Q3 2008 (Q3 2007: EUR 10.3 million).

C.A.T oil's effective consolidated income tax rate rose to 46.1% in Q3 2008, up from 35.4% in Q3 2007 due to the increase in proportion of taxable gross profits generated by the Company's activities in Kazakhstan, which are taxed at a higher rate than taxable gross profits generated in Russia. Corporate tax rates in Kazakhstan are higher than those in Russia due to a combination of the Kazakh statutory corporate tax rate of 30% and a 10% tax on profit generated by foreign legal entities in Kazakhstan compared to the Russian statutory tax rate of 24%. Also, the Kazakh tax legislation does not allow the Company to deduct certain operating expenses for tax purposes, in particular foreign exchange differences, losses on disposal of fixed assets as well as general and administrative expenses and repair and maintenance expenses, which the Company incurs in Russia in connection with its operations in Kazakhstan.

Therefore, the Company's net profit fell 14.3% YoY to EUR 5.7 million in Q3 2008 (Q3 2007: EUR 6.7 million) and earnings per share – calculated using an average of 48,850,000 shares – totaled EUR 0.117, down from EUR 0.137 a year ago.

C.A.T. oil's cash flow from operating activities increased 73.1% YoY to EUR 14.7 million in Q3 2008 (Q3 2007: EUR 8.5 million). Cash flow from investing activities was EUR –14.5 million (Q3 2007: EUR –23.3 million) mainly due to capital expenditures for new operating capacity. Cash flow from financing activities was EUR 1.0 million (Q3 2007: EUR 6.9 million), reflecting short-term overdraft facilities at the operating subsidiaries level. Cash and cash equivalents diminished by EUR 7.1 million to EUR 8.0 million as of September 30, 2008 from EUR 15.0 million as of December 31, 2007. The Company's cash position was also impacted by changes in cash and cash equivalents of EUR –1.6 million due to rouble and tenge exchange rate movements relative to euro.

C.A.T. oil's total shareholders' equity increased to EUR 244.6 million as of September 30, 2008 (December 31, 2007: EUR 234.9 million) as a result of a EUR 12.5 million rise in retained earnings and a EUR –2.8 million charge to reserves due to foreign exchange losses on the long-term euro-denominated loans, extended by C.A.T. oil AG to its subsidiaries for new capacity additions. With a balance sheet total of EUR 322.2 million as of September 30, 2008 (December 31, 2007: EUR 285.3 million), the Company's equity ratio stood at 75.9% at the end of Q3 2008 compared to 82.3% at the end of 2007. The Company's total debt was EUR 6.5 million at the end of Q3 2008 compared to EUR 8.1 million at the end of 2007. At September 30, 2008, the Company had a net cash position of EUR 1.5 million (December 31, 2007: EUR 6.9 million).

Cost of sales

	Q3 2008 TEUR	Q3 2007 TEUR
Costs of goods purchased	19,592	16,834
Wages and salaries	11,915	9,441
Direct costs	11,901	10,151
Depreciation and amortisation	6,032	3,199
Employee fund and social security expenses	1,932	1,432
Other expenses	4,067	2,803
Total	**55,439**	**43,860**

Personnel expenses

	Q3 2008 TEUR	Q3 2007 TEUR
Wages and salaries	14,056	11,034
Financial security-, health- and pension fund expenses	2,169	1,604
Total	**16,225**	**12,638**

In the first nine months of 2008, the consolidated companies had an average head-count of 3,636 employees, thereof 86 part-time-employees (first nine months 2007: 3,053, thereof 99 part-time-employees).

Earnings per share

Earnings per share are calculated in compliance with IAS 33 by dividing the net profit for the group (first nine months 2008: TEUR 12,509, Q3 2008: TEUR 5,725) by the average number of shares. As of September 30, 2008 the average number of shares amounted to 48,850,000, so that earnings per share in the first nine months were EUR 0.256 and for the third quarter of 2008 amounted to EUR 0.117.

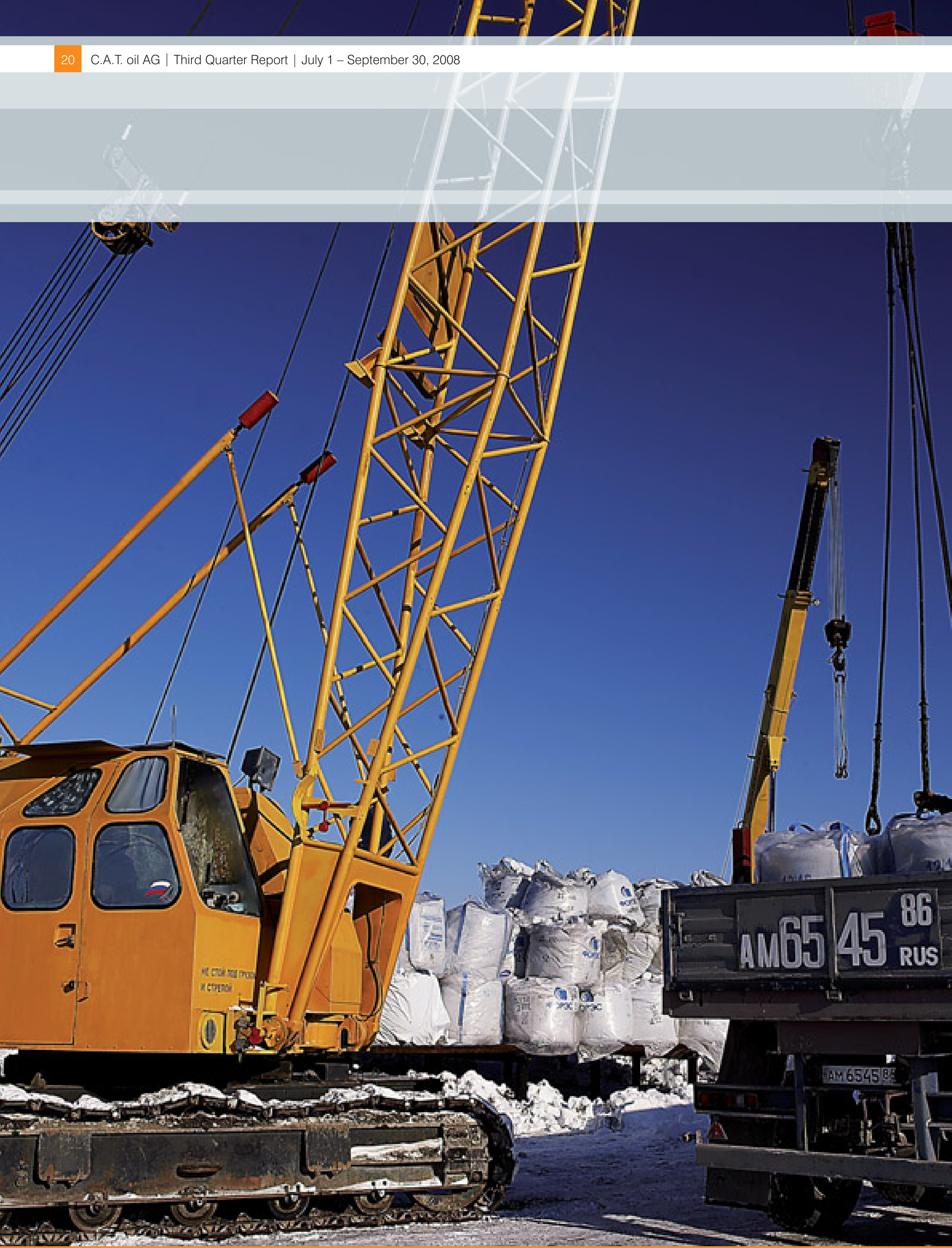
The group's profit for the same period of the previous year was TEUR 22,553 and TEUR 6,681, respectively, and the average number of shares amounted to 48,850,000. Earnings per share were therefore EUR 0.462 in the first nine months, and EUR 0.137 for the third quarter.

Events after the balance sheet date

C.A.T. oil AG on November 18, 2008 obtained a EUR 50 million three-year unsecured committed credit line from the EUROBANK EFG Cyprus Ltd., Cyprus. The facility involves an interest rate of 3.5% above 6-months-EURIBOR on the outstanding debt, which could potentially be used to support the Group's operating cash and acquisition of additional operating assets.

Vienna, November 28, 2008
Board of Management

Manfred Kastner	Ronald Harder	Anna Brinkmann	Leonid Mirzoyan
Chief Executive Officer	Chief Financial Officer	Chief Operating Officer	Chief Corporate Finance Officer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Report of the Supervisory Board's Audit Committee

The interim report July to September 2008 and the statutory auditor's review report, which was compiled as the basis for assessing and appraising the condensed interim financial statement, were submitted to the Supervisory Board's Audit Committee. The documents were explained by the Board of Management and discussed with the statutory auditor. The Audit Committee accepted the condensed interim financial statement.

Vienna, November 28, 2008

Dr. Gerhard Strate, Chairman of the Supervisory Board

Financial Calendar

End of April 2009	Annual Report 2008
End of May 2009	First Quarter 2009 Interim Report
June 30. 2009	Annual Shareholder's meeting
End of August 2009	First Half Results 2009
End of November 2009	Third Quarter 2009 Interim Report

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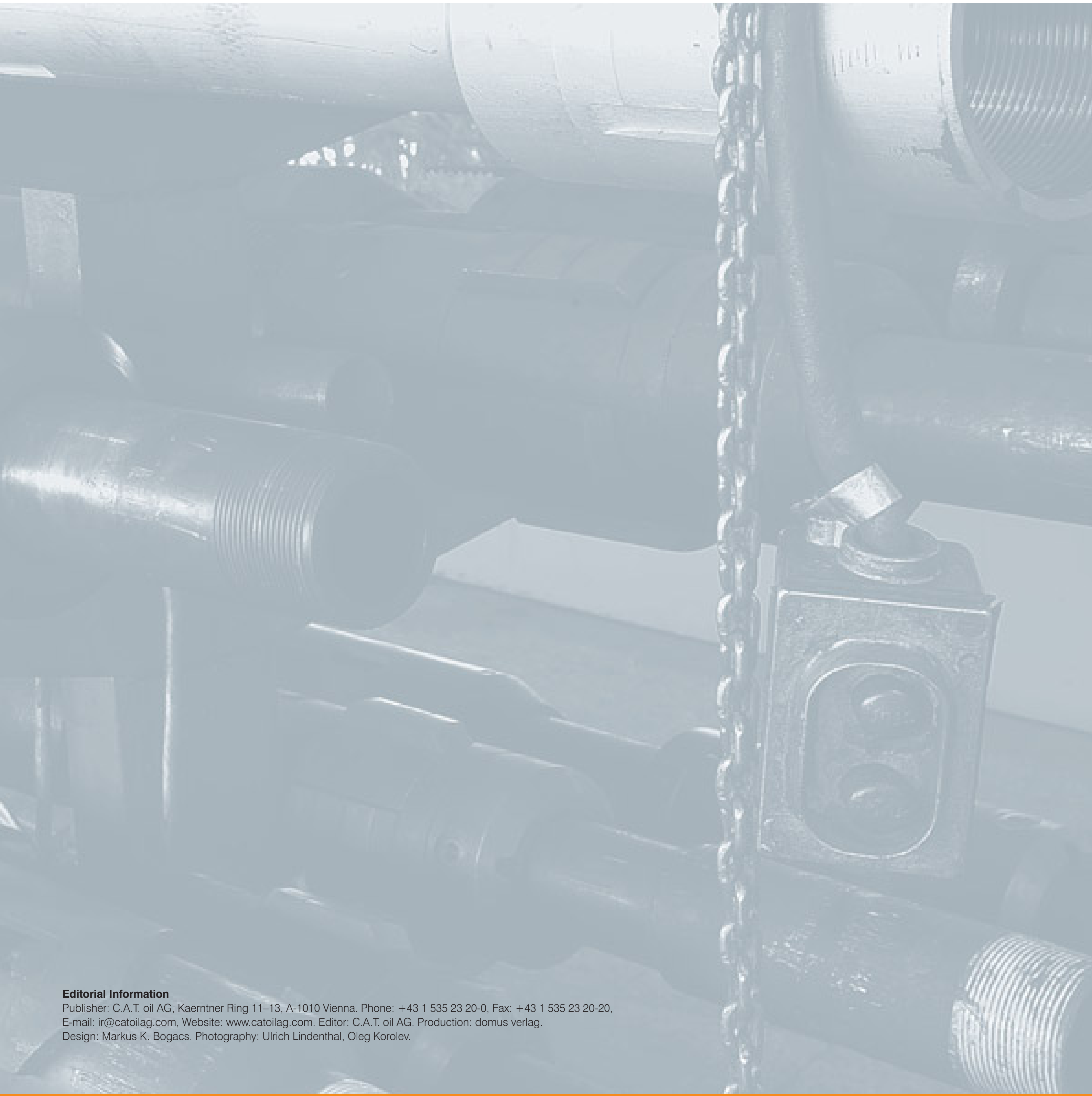

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