c.a.t.oil
energy in motion

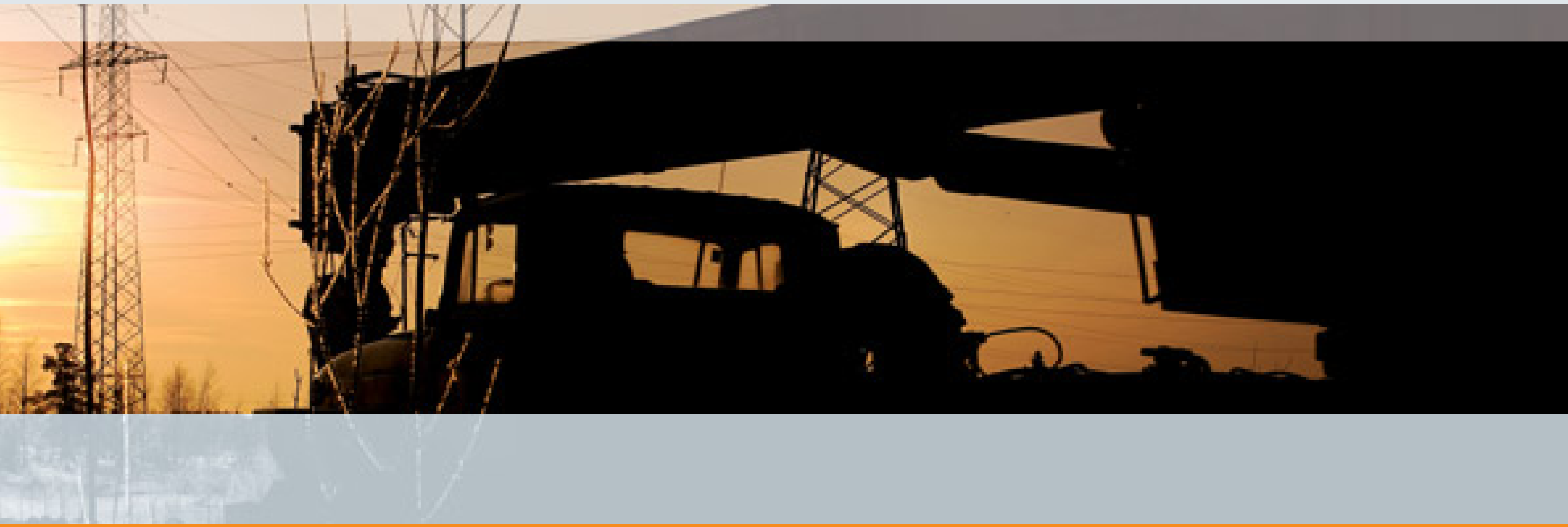
Q1/2008

First Quarter Report
January 1 – March 31, 2007

Key Group Figures

Selected Group Figures in accordance with IFRS	Q1 2008 TEUR	Q1 2007 TEUR	Change in %
Revenues	65,935	47,860	37.8
Gross profit	8,617	11,239	–23.3
EBITDA	7,331	9,500	–22.8
EBITDA margin	11.1 %	19.8 %	
EBIT	2,178	7,121	–69.4
EBIT margin	3.3 %	14.9 %	
Net Profit	440	4,919	–91.1
Earnings per share (in EUR)	0.01	0.10	
Balance sheet total[1)]	294,689	285,297	3.3
Equity[1)]	229,113	234,880	–2.5
Equity ratio[1)]	77.7 %	82.3 %	
Capital expenditure	8,779	28,934	–69.7
Cash flow from operating activities	7,680	475	> 100
Cash flow from financing activities	733	0	
Cash and cash equivalents[1)]	12,099	15,010	–19.4
Employees (average)	3,449	2,657	29.8

1) Each at March 31, 2008, respectively December 31, 2007.



Editorial

"If you strive for perfection, you discover it is a moving target."
George Fisher

Ladies and Gentlemen,
Dear Shareholders,

Q1 results endorsed our view that we shall significantly gain in strength and momentum from quarter to quarter after our massive capacity additions and increase in personnel. Our strategy and our persistence to focus on organic growth and to speed up diversification and geographic expansion are starting to result in strong improvements and high growth in our service portfolio.

Sidetrack drilling job count increased by 350% YoY, fracturing job count was up 70.2% YoY, auxiliary cementing jobs rose 68.4% YoY and workover jobs 15.9% YoY while C.A.T. oil revenues increased by 37.8% YoY. We are also on our way to sharp increases in our average prices per job revenue and to our target in terms of EBITDA diversification – mostly due to the implementation and triple-digit increase in sidetracking jobs and improved utilization of new capacity.

Pricing pressure in fracturing, currency devaluations, higher depreciation and price inflation in direct costs and wages and salaries, once again, remain a major challenge and had an adverse seasonal impact on our earnings. Our EBITDA declined 22.8% YoY to EUR 7.3 million and our gross profit declined by 23.3% YoY to EUR 8.6 million in Q1. We are convinced that our decision to grow and diversify aggressively into new booming segments such as sidetracking has been the right choice despite the natural short-term cost pressures and management challenges. We remain confident that we will reach our targets and finally translate our massive investments into high EBITDA growth for 2008. We expect significant improvements in earnings from 3Q 2008 onwards.

We will further invest, restructure and optimize C.A.T. oil to create a sustainable and strong increase in our revenues and an attractive earnings momentum in 2008 and beyond and build an ideal platform for the future demands of the oil and gas industry.

Manfred Kastner
CEO C.A.T. oil AG

Group Balance Sheet

	31.03.2008 EUR	31.12.2007 EUR
Current assets		
Cash and cash equivalents	12,098,891	15,009,753
Trade accounts receivable	53,617,030	45,826,002
Inventories	41,609,422	40,197,713
Prepaid and accrued expenses and other receivables	16,166,429	15,082,911
Tax assets	1,657,955	1,504,052
Non-current assets		
Property, plant and equipment	159,320,301	159,703,783
Goodwill	4,035,052	3,655,757
Other financial assets	1,512,692	1,560,447
Deferred taxes	4,547,920	2,618,936
Other assets	123,652	137,187
Total assets	**294,689,344**	**285,296,541**
Current liabilities		
Short term debt	8,824,341	8,085,219
Trade payables	36,746,366	25,557,979
Advance payments received	689,743	657,930
Tax liabilities	294,454	240,124
Other current liabilities	8,372,808	7,147,614
Non-current liabilities		
Deferred taxes	10,636,081	8,709,109
Other long-term liabilities	13,027	18,941
Shareholders' equity		
Subscribed capital	48,850,000	48,850,000
Capital reserves	111,987,416	111,987,416
Retained earnings	82,658,865	82,218,680
Other reserves	–14,383,757	–8,176,471
Total liabilities and shareholders' equity	**294,689,344**	**285,296,541**

Group Income Statement

	Q1 2008 EUR	Q1 2007 EUR
Revenues	65,935,250	47,859,716
Cost of sales	–57,317,896	–36,620,936
Gross profit	**8,617,354**	**11,238,780**
General and administrative expenses	–6,546,051	–4,131,459
Other operating income and expenses	106,894	13,813
Operating result	**2,178,197**	**7,121,134**
Interest income and expense	–508,552	142,193
Profit before income taxes (and minority interests)	**1,669,645**	**7,263,327**
Income taxes	–1,229,398	–2,343,846
Net profit for the period	**440,247**	**4,919,481**
Earnings per share	0.009	0.101

Group Cash Flow Statement

	Q1 2008 TEUR	Q1 2007 TEUR
Net profit for the period	440	4,919
Depreciation and amortization	5,153	2,378
Losses on disposal of fixed assets	16	60
Changes in net working capital	2,071	–7,164
Foreign exchange gains, net	0	282
Net cash provided by (used in) operating activities	**7,680**	**475**
Purchase of property, plant and equipment	–8,779	–28,934
Proceeds from sale of property, plant and equipment	50	337
Net cash provided by (used in) investing activities	**–8,729**	**–28,597**
Proceeds from short term debts	739	0
Repayment from short or long term borrowings	–6	0
Net cash provided by (used in) financing activities	**733**	**0**
Net changes in cash and cash equivalents from exchange rate movements	–2,595	–577
Net change in cash and cash equivalents	**–2,911**	**–28,699**
Cash and cash equivalents at beginning of period	15,010	74,459
Cash and cash equivalents at end of period	**12,099**	**45,760**

Statement of Changes in Group Equity

	Share Capital	Additional paid in capital	Retained earnings	Translation reserve	Total equity
	TEUR	TEUR	TEUR	TEUR	TEUR
At January 1, 2007	**48,850**	**111,987**	**59,568**	**–4,344**	**216,061**
Net profit/loss for the period			4,919		4,919
Translation differences				–44	–44
At March 31, 2007	**48,850**	**111,987**	**64,487**	**–4,388**	**220,936**
At January 1, 2008	**48,850**	**111,987**	**82,219**	**– 8,176**	**234,880**
Net profit/loss for the period			440		440
Translation differences				–6,207	–6,207
At March 31, 2008	**48,850**	**111,987**	**82,659**	**–14,383**	**229,113**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George Fisher

Notes to the consolidated interim report as of 31 March 2008

Basis of preparation of the consolidated interim report

The consolidated financial statements of C.A.T .oil AG for the 2007 business year were prepared in accordance with the International Financial Reporting Standards (IFRS) including the International Accounting Standards (IAS) and the Interpretations issued by the International Accounting Standard Board (IASB) and the interpretations issued by the International Financial Reporting Standard Interpretations Committee (IFRIC). Accordingly, this interim report as of 31 March 2008 has been prepared in compliance 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 applying the same uniform accounting policies as those used as of 31 December 2007. The separate interim reports of the consolidated companies have been drawn up as of the balance sheet date of the consolidated interim report.

As of March 31, 2008 all loans granted by C.A.T. oil to her Russian subsidiaries OOO C.A.T. oil Leasing and OOO C.A.T. oil Trading House were refinanced. The unified rate of interest amounts to 4.5%. Duration of those loans starting that record date is three years. A possibility for the lender to recall the loan was excluded contractually, therefore those loans have to be considered as net investments. Hence exchange rate fluctuations are shown as part of the equity capital according to IAS 21.32.

The consolidated interim financial statements are 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 are eliminated in the course of the consolidation.

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

Scope of consolidation

There are no changes in the scope of consolidation versus 31 December 2007.

Segment information

Through the first consolidation of OOO Catoil Gedoata we now have, in addition to our previous single segment “Well-Service”, a new segment “Seismic”. We do not report segment information because threshold values of IAS 14.35 are not exceeded.

Notes to the balance sheet

Inventories

	31.03.2008 TEUR	31.12.2007 TEUR
Raw materials	13,223	14,313
Supplies	956	955
Spare parts and other materials	24,067	23,536
Work in progress	3,363	1,394
Total	**41,609**	**40,198**

On 31. March 2008, provisions of impairment of inventories amounted to TEUR 1,120 (31.12.2007: TEUR 390).

Property, Plant and Equipment

	Land and buildings TEUR	Plant and machinery TEUR	Operational and office equipment TEUR	IT TEUR	Prepaid expenses TEUR	Total TEUR
Carrying amounts						
As of 31.03.2008	11,446	7,894	108,055	1,122	30,803	159,320
As of 31.12.2007	11,490	7,268	96,695	1,162	43,088	159,703

Changes of the tangible fixed assets in comparison to the year-ago quarter amount to:

	1. Quarter 2008	1. Quarter 2007
	TEUR	TEUR
Investments	8,779	28,934
Depreciation	5,153	2,378
Disposals at net book value	66	87
Exchange rate differences	–3,943	–38

Shareholders' equity

C.A.T. oil AG's share capital amounted as of 31 March 2008 to TEUR 48,850 (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 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 translation 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 31 March 2008.

Contingent Liabilities

C.A.T. Geodata GmbH accepted in the first quarter 2008 a guaranty in the amount of EUR 0.1 Mio. to support the start-up of the Nigerian business.

Notes to the income statement

Overall the earning situation of the group is characterised by climatic conditions of Russia and Kazachstan. Due to the business cycles, profit contributions of C.A.T. oil group predominantly arise in the second and third quarter of any one year.

Q1 2008 proved C.A.T. oil's capability to translate recent investments in new capacity additions and business diversification into strong growth momentum across core businesses, hydraulic fracturing and sidetrack drilling, as well as auxiliary services. During the reporting period, the Company's fracturing job count rose 70.2 % YoY and sidetrack drilling job count 350.0 % YoY. Auxiliary cementing jobs rose 68.4 % YoY and workover jobs 15.9 % YoY. The key reason for the increase in the job count from Q1 2007 to Q1 2008 was a strong demand growth for C.A.T. oil's services, supported by the improved utilization of new capacity, which the Company put into operations in the course of 2007. C.A.T. oil operated 15 fracturing fleets and 10 sidetrack drilling rigs in Q1 2008, up from 12 fleets and two rigs in Q1 2007. Overall, C.A.T. oil's Q1 2008 total job count was 729 service jobs, a 64.2 % YoY increase over 444 jobs in Q1 2007.

The steep rise in the Company's job count was partly offset by a decline in an average per-job-revenue to TEUR 90.5 in Q1 2008 compared to TEUR 107.8 in Q1 2007. The decline from Q1 2007 to Q1 2008 was largely attributed to a combination of the rouble devaluation against the euro and weaker fracturing prices, which came under pressure as competition in Russian fracturing market intensified in late 2007 – early 2008. The key reason for the increased price competition was a re-allocation of fracturing capacity by a number of the established players in the Russian market from Canada, where a pressure-pumping market was badly hit by an adverse development in natural gas prices in 2007.

As a result, C.A.T oil's revenues staged an impressive increase of 37.8 % YoY to EUR 65.9 million in Q1 2008 (Q1 2007: EUR 47.9 million). Concurrently, the Company's operating costs base was vulnerable to inflationary pressures during the winter period. Cost of goods sold increased 56.5 % YoY to EUR 57.3 million in Q1 2008 (Q1 2007: EUR 36.6 million) mainly due to a combination of a 31.4 % YoY rise in materials and supply, an 87.5 % YoY gain in direct costs and a 64.4 % increase in wages and salaries.

The primary reason for the increase in materials and supply in Q1 2008 over Q1 2007 was a steep upturn in the Company operations, compounded by higher fuel prices, which rose 40 % to 60 % YoY depending on the area of operations. Nonetheless, costs of materials and supply declined to 34.3 % of revenues in Q1 2008 from 35.9 % in Q1 2007.

The increase in wages and salaries reflected a combination of a 29.8 % YoY expansion in the Company's average headcount to 3,449 employees in Q1 2008 (Q1 2007: 2,657 employees) and a 29.9 % YoY rise in average wages, inclusive of the 2007 annual bonuses, which were paid in Q1 2008 as opposed to payment of the 2006 bonuses in Q4 2006.

The increase in direct costs, which primarily consist of transportation, mobilization, adaptation, subcontractor and overhaul expenses, is mainly attributable to higher operating activities, mobilization of new sidetracking and seismic capacities and the increased overhaul expenses due to substantial expansion in the Company's operating assets. However, transportation expenses rose above other components of direct costs as candidate wells for fracturing services in Yugansk area were substantially more remote from the Company's operating base in Q1 2008 compared to Q1 2007. Higher fuel prices also led to inflation in costs of subcontractor transportation services.

Depreciation was up 116.7% YoY to EUR 5.2 million in Q1 2008 (Q1 2007: EUR 2.4 million) due to substantial operating capacity additions since Q1 2007.

As a result, gross profit declined 23.3% YoY to EUR 8.6 million in Q1 2008 (Q1 2007: 11.2 million), driving gross profit margin down to 13.1% (Q1 2007: 23.5%).

General and administrative expenses increased 58.4% YoY to EUR 6.5 million (Q1 2007: EUR 4.1 million) primarily due to higher property taxes, licensing and training costs, consulting and professional fees.

The Company's EBITDA declined 22.8% YoY to EUR 7.3 million in Q1 2008 (Q1 2007: 9.5 million), resulting in the EBITDA margin compression to 11.1% (Q1 2007: 19.8%). A combination of lower EBITDA and higher depreciation led to a 69.4% YoY downturn in C.A.T. oil's earnings before interest and corporate tax (EBIT) to EUR 2.2 million in Q1 2008 (Q1 2007: 7.1 million) and the EBIT margin of 3.3% (Q1 2007: 14.9%). The Company's net profit was EUR 0.4 million (Q1 2007: EUR 4.9 million).

C.A.T. oil's cash flow from operating activities was EUR 7.7 million in Q1 2008 (Q1 2007: EUR 0.5 million) and cash flow from investing activities EUR – 8.8 million (Q1 2007: EUR – 28.6 million). Cash flow from financing activities was EUR 0.7 million (Q1 2007: EUR 0), reflecting primarily short-term overdraft facilities at the operating subsidiaries level.

Cash and cash equivalents diminished by EUR 2.9 million to EUR 12.1 million as of 31 March 2008 from EUR 15.0 million as of 31 December 2007. This amount also includes changes in cash and cash equivalents of EUR 2.6 million due to rouble and tenge exchange rate movements relative to the euro.

C.A.T. oil had total shareholders' equity of EUR 229.1 million as of 31 March 2008 (31 December 2008: EUR 234.9 million). The decrease in total shareholders' equity primarily reflects a EUR 6.2 million charge to reserves due to foreign exchange losses on long-term euro-denominated loans, extended by C.A.T. oil AG to its operating subsidiaries for new capacity additions. With a balance sheet total of EUR 294.7 million as of 31 March 2008 (31 December 2007: EUR 285.3 million), the Company's equity ratio stood at 77.7% in Q1 2008 compared to 82.3% at the end of 2007. The Company's short term debt was EUR 8.8 million at the end of Q1 2008 compared to EUR 8.1 million at the end of 2007. At 31 March 2008, the Company had a net cash position of EUR 3.3 million (31 December 2007: EUR 6.9 million).

Cost of sales

	1. Quarter 2008 TEUR	1. Quarter 2007 TEUR
Costs of goods and material employed	22,623	17,225
Wages and Salaries	10,753	6,540
Direct costs	15,173	8,093
Depreciation	5,046	2,372
Financial security-, health- and pension fund expenses	2,657	1,661
Other cost of sales	1,066	730
Total	**57,318**	**36,621**

Personnel Expenses

	1. Quarter 2008 TEUR	1. Quarter 2007 TEUR
Wages and Salaries	12,832	7,392
Financial security-, health- and pension fund expenses	3,154	1,873
Total	**15,986**	**9,265**

The average number of employees of the consolidated companies amounted in the first quarter of 2007 to 3,449, thereof 90 part-time-employees (first quarter in 2006: 2,657, thereof 68 part-time-employees).

Net income per share

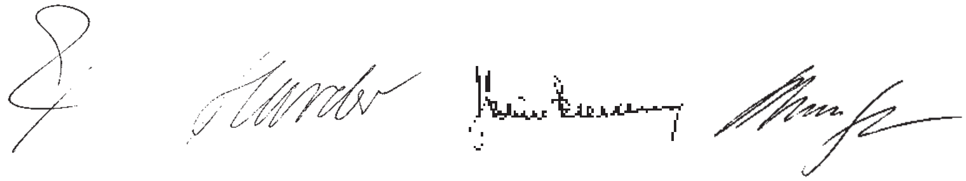
The net income per share is calculated according to IAS 33 by division of the group's profit or loss (Q1 TEUR 440, Q1 2007 TEUR 4,919) through the average amount of shares. The average amount of shares as of March 31, 2008 as well as of March 31, 2007 is 48,850,000. Hence net income per share for the first quarter of 2008 amounts to 0.01 Euro (Q1/2007 0.10 Euro).

Events after the balance sheet date

No significant events after the balance sheet date have been observed.

Vienna, 30 Mai 2008

The Board of Directors



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Report of the Supervisory Board's' Audit Committee

The interim report January to March 2008 and the statutory auditor's review report, which was compiled as the basis for assessing and appraising the 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 interim financial statement.

Vienna, May 30, 2008

Dr. Gerhard Strate
Chairman of the Supervisory Board

Financial Calendar

June 30, 2008	Annual shareholders' meeting
August 29, 2008	Second quarter 2008 interim report
November 28, 2008	Third quarter 2008 interim report

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