FIRST QUARTER REPORT 2015

c.a.t.oil
energy in motion

KEY GROUP FIGURES

in EUR thousand	Q1 2015	Q1 2014	Change
Sales revenues	72,709	90,747	(19.9)%
Gross profit	10,713	14,567	(26.5)%
EBIT	6,751	9,680	(30.3)%
EBIT margin	9.3%	10.7%	
EBITDA	16,250	20,859	(22.1)%
EBITDA margin	22.3%	23.0%	
Group result	5,293	9,488	(44.2)%
Earnings per share (EUR)	0.11	0.19	
Balance sheet total	395,222	378,239 [1]	4.5%
Equity	199,112	171,161 [1]	16.3%
Equity ratio	50.4%	45.3% [1]	
Cash flow from operating activities	(4,575)	5,688	<100%
Capital expenditure	14,663	17,476	(16.1)%
Cashflow from financing activities	1,137	4,017	(71.7)%
Cash and cash equivalents	41,561	31,928 [1]	30.2%
Employees (average)	3,335	2.837	17.5%

[1] As at 31 December 2014

CONTENT

GROUP INTERIM REPORT

1

GROUP BALANCE SHEET AS OF 31 MARCH 2015

in EUR thousand	31 March 2015	31 December 2015
ASSETS		
Non-current assets	**228,770**	**205,419**
Intangible assets	236	259
Property, plant and equipment	215,972	194,689
Goodwill	2,522	2,176
Other financial assets	172	165
Deferred tax assets	9,868	8,130
Current assets	**166,452**	**172,820**
Inventories	17,342	17,323
Trade receivables	95,535	85,000
Other receivables	12,014	12,259
Cash and cash equivalents	41,561	58,238
Balance sheet total	**395,222**	**378,239**
EQUITY AND LIABILITIES		
Equity	**199,112**	**171,161**
Share capital	48,850	48,850
Capital reserve	111,987	111,987
Retained earnings	198,111	192,818
Currency translation reserve	(159,836)	(182,494)
Non-current liabilities	**131,456**	**128,865**
Financial liabilities related parties	100,000	100,000
Financial liabilities	15,771	14,624
Deferred tax liabilities	15,685	14,241
Current liabilities	**64,654**	**78,213**
Financial liabilities related parties	1,727	695
Financial liabilities	19	14
Trade payables	43,512	57,048
Other liabilities	19,396	20,456
Balance sheet total	**395,222**	**378,239**

INCOME STATEMENT FOR THE PERIOD 01 JANUARY 2015 – 31 MARCH 2015

in EUR thousand	Q1 2015	Q1 2014
Sales revenues	72,709	90,747
Cost of sales	(61,996)	(76,180)
Gross profit	**10,713**	**14,567**
Administrative expenses	(4,152)	(5,075)
Other operating income and expenses	190	188
Operating result	**6,751**	**9,680**
Interest income and expenses	(935)	111
Other financial result	788	4
Financial result	**(147)**	**115**
Profit before tax	**6,604**	**9,795**
Income tax	(1,311)	(307)
Profit after tax	**5,293**	**9,488**
Of which: result from discontinued operation	(7)	(31)
Basic earnings per share in €	0.11	0.19
Diluted earnings per share in €	0.11	0.19

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 01 JANUARY 2015 – 31 MARCH 2015

in EUR thousand	Q1 2015	Q1 2014
Profit after tax	**5,293**	**9,488**
Items that may be reclassified to profit or loss		
Change in currency translation		
Functional currency	6,424	(10,885)
Net investments	16,234	(11,583)
Other comprehensive income	**22,658**	**(22,468)**
Comprehensive income	**27,951**	**(12,980)**

STATEMENTS OF CHANGES IN EQUITY

in EUR thousand	Share capital	Capital reserve	Retained earnings	Currency translation reserve: Functional currency	Currency translation reserve: Net investments	Total equity
Balance at 01 January 2014	48,850	111,987	153,454	(36,095)	(26,450)	251,746
Profit after tax			9,488			9,488
Change in currency translation						
Functional currency				(10,885)		(10,885)
Net investments					(11,583)	(11,583)
Comprehensive income			**9,488**	**(10,885)**	**(11,583)**	**(12,980)**
Dividend payment			0			0
Balance at 31 March 2014	**48,850**	**111,987**	**162,942**	**(46,980)**	**(38,033)**	**238,766**
Balance at 01 January 2015	48,850	111,987	192,818	(82,249)	(100,245)	171,161
Profit after tax			5,293			5,293
Change in currency translation						
Functional currency				6,424		6,424
Net investments					16,234	16,234
Comprehensive income			**5,293**	**6,424**	**16,234**	**27,986**
Dividend payment			0			0
Balance at 31 March 2015	**48,850**	**111,987**	**198,111**	**(75,825)**	**(84,011)**	**199,112**

CASH FLOW STATEMENT FOR THE PERIOD 01 JANUARY 2015 – 31 MARCH 2015

in EUR thousand	Q1 2015	Q1 2014
Profit before tax	**6,604**	**9,795**
Income tax paid	(1,791)	(1,996)
Depreciation and amortization expenses	9,499	11,179
Profit/loss on disposal of fixed assets	(20)	(122)
Other noncash income/expenses	799	(988)
Gross cash flow	**15,091**	**17,868**
Change in working capital	**(19,666)**	**(12,179)**
Change in inventories	1,206	632
Change in receivables	(2,425)	(16,070)
Change in liabilities	(18,447)	3,259
Cash flows from operating activities	**(4,575)**	**5,689**
Purchase of property, plant and equipment	(14,663)	(17,476)
Proceeds from sale of equipment	195	129
Cash flows from investing activities	**(14,468)**	**(17,347)**
Cash proceeds/cash payments from issuing/repayments loans	1,035	3,630
Finance income/expenses received and paid	102	388
Dividends paid	0	0
Cash flows from financing activities	**1,137**	**4,018**
Effect of exchange rate changes on cash and cash equivalents	1,229	(3,072)
Net change in cash and cash equivalents	(16,677)	(10,712)
Cash and cash equivalents at 01 Jan	58,238	42,640
Cash and cash equivalents at 31 March	**41,561**	**31,928**
Of which: cash flows from discontinued operation		
Cash flows from operating activities	11	(31)

MANAGEMENT REPORT

2

EARNINGS SITUATION

The Company's operating and financial results in the first quarter of 2015 were shaped by the overall economic environment of the Russian oil and gas industry and in particular by the diluted Russian rouble, both not least results of the prolonged geopolitical tensions between Russia and Western countries.

Given that the prevailing majority of the Company's service orders are denominated in Russian roubles, the Company's financial performance was heavily burdened by a 47% yoy rouble devaluation against the euro: the average exchange rate was 70.4 as of 31 March 2015 compared to 47.9 one year earlier. Between 31 December 2014 and 31 March 2015, however, the pressure on the rouble eased and the exchange rate slightly ameliorated by around 7% from 68.3 end of 2014 to 63.4 on the balance sheet closing date 31 March 2015 thanks to rising oil prices, currency carry trades on the Russian financial market and the ongoing peace process in Ukraine according to the agreement from Minsk.

Since the last update on the status of the order book, via ad-hoc release on 10 February 2015, the Company's current order book formed by the end of March 2015 amounted MEUR 275.0 according to the budget exchange rate of EUR/RUB 75 and MEUR 326.0 according to the fact exchange rate of EUR/RUB 63.4.

With timely delivery of two rigs for high-class drilling and the core part of the expected fracturing fleet on site in the first quarter, the remaining part of last year's capacity expansion programme has almost been completed. After delivery of the outstanding equipment in the first half-year, the Company is convinced to have sufficient high-class capacity available to meet the current needs of the still conservative and observant market-players.

REVENUES IN Q1 2015

The Company's consolidated sales revenues declined by 19.9% yoy to MEUR 72.70 in Q1 2015 (Q1 2014: MEUR 90.75) mainly reflecting the substantial devaluation of the rouble within the last 12 months.

The contribution of the Company's operating and reporting segments (Well Services respectively Drilling, Sidetracking and IPM) to the consolidated sales revenues was as follows:

External revenues		Q1 2015	Q1 2014	+/-	+/- %
Well Services	EUR million	40.3	47.1	(6.7)	(14.3)
Jobs	Number	1,114	856	258	30.1
Average revenue	EUR thousand	36.21	55.0	(18.8)	(34.1)
Share of revenues	%	55.5	51.9		
Drilling, Sidetracking, IPM	EUR million	32.4	42.9	(10.6)	(24.6)
Jobs	Number	54	53	1	1.9
Average revenue	EUR thousand	599.26	809.87	(210.6)	(26.1)
Share of revenues	%	44.5	47.3		
Group management/consolidation	**EUR million**	**0.0**	**0.8**	**(0.8)**	**-**
Other reconciliation	**EUR million**	**0**	**0.0**	**0.0**	**-**
Sum	**EUR million**	**72.7**	**90.7**	**(18.0)**	**(19.9)**

WELL SERVICES' REVENUES

Well Services' revenues (from third parties) represented 55.5% of the Company's total sales revenues in Q1 2015 (Q1 2014: 51.9%). The reportable segment recorded a 14.3% yoy decline to MEUR 40.4 (Q1 2014: MEUR 47.1) reflecting, on the one hand, a 30.1% yoy plus in the service job count to 1,114 (Q1 2014: 856), totally absorbed by a 34.1% yoy decline in the average revenue per job to TEUR 36.21 (Q1 2014: TEUR 55.0) on the other hand. The decline in the average revenue per job stemmed from the negative effects of the sharp rouble devaluation against the euro.

DRILLING, SIDETRACKING AND IPM REVENUES

Drilling, Sidetracking and IPM revenues (from third parties) amounted to 44.5% of the Company's total sales revenues in Q1 2015 (Q1 2014: 47.3%). The reportable segment recorded a 24.6% yoy decline to MEUR 32.4 (Q1 2014: MEUR 42.9) reflecting a slight plus of 1.9% yoy in the service job count to 54 (Q1 2014: 53) and a 26.1% yoy decline in the average revenue per job to TEUR 599.26 (Q1 2014: TEUR 809.87). Also this downward development reflects the rouble depreciation.

COST OF SALES

The Company's cost of sales, which primarily consist of materials and supply, direct costs, depreciation, wages and salaries, went down by 18.6% yoy to MEUR 62.0 (Q1 2014: MEUR 76.2) and declined by about the same percentage as sales revenues. The downward trend reflects reductions – in part substancial – in all cost categories mainly due to the devaluation of the rouble.

Cost of raw materials and supply decreased by 15.7% yoy to MEUR 22.6 (Q1 2014: MEUR 26.8), and direct costs decreased by 26.2% yoy to MEUR to 16.3 (Q1 2014: MEUR 22.1). Depreciation effects could also be witnessed in the development of labour costs: Despite the fact that the average headcount grew by 17.5% yoy to 3,335 employees (Q1 2014: 2,837) due to capacity additions to the Company's drilling and sidetracking operations, wages and salaries declined by 13.9% yoy to MEUR 9.1 (Q1 2014: MEUR 10.6), and provident and welfare expenses were down by 9.2% yoy to MEUR 3.0 (Q1 2014: MEUR 3.3).

Depreciation decreased by 14.9% to MEUR 9.4 MEUR (Q1 2014: MEUR 11.0) reflecting net effects of disposals and additions of fixed assets as well as in particular foreign currency translations. Other sales cost diminished by 33.1% yoy to MEUR 1.6 (Q1 2014: MEUR 2.4).

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses diminished by 18.2% yoy to MEUR 4.2 (Q1 2014: MEUR 5.1). The decrease in general and administrative expenses primarily owed to the lower wages and salaries, professional and insurance fees, rent and license expenses and depreciation effects.

OTHER OPERATING INCOME AND LOSS

The Company incurred stable other net operating income of MEUR 0.2 in the first quarter of 2015 (Q1 2014: MEUR 0.2).

WEIGHTED-AVERAGE HEADCOUNT

As a result of the recruitment of managerial, engineering and crew personnel for the Company's drilling and sidetracking operations, in the course of the capacity expansion in 2014, the total weighted-average headcount rose by 17.5% yoy to a new all-time high of 3,335 employees (Q1 2014: 2,837).

EBITDA AND EBIT

The Company's earnings before interest, corporate tax, depreciation and amortization (EBITDA) recorded a 22.1% yoy decline to MEUR 16.3 (Q1 2014: MEUR 20.9), and the EBITDA margin contracted to 22.3% (Q1 2014: 23.0%).

The Company's earnings before interest and corporate tax (EBIT) decreased by 30.3% to MEUR 6.8 (Q1 2014: MEUR 9.7), with the EBIT margin contracting to 9.3% after 10.7% in Q1 2014.

NET INCOME

The Company's profit before tax decreased by 32.6% yoy to MEUR 6.6 (Q1 2014: MEUR 9.8). As a result of reduced deferred taxation, income tax expenses more than tripled to MEUR 1.3 (Q1 2014: 0.30) and the Company's profit after tax plunged by 44.2% to MEUR 5.3 (Q1 2014: MEUR 9.5). Earnings per share amounted to EUR 0.11 after EUR 0.19 in Q1 2014.

FINANCIAL SITUATION

CASH FLOW

The Company's gross cash flow went down by 15.5% yoy to MEUR 15.1 (Q1 2014: MEUR 17.9) reflecting the lower profit before tax and a decrease in depreciation. Due to a substantial change in net working capital mainly provoked by a severe change in liabilities, cash flow from operating activities turned into negative to MEUR 4.6 (Q1 2014: MEUR 5.7).

Cash payments to acquire property, plant and equipment contracted by 16.1% to MEUR 14.7 (Q1: MEUR 17.5) reflecting the more conservative expansion path. With proceeds from sale of equipment of MEUR 0.2 (Q1 2014: MEUR 0.1), the Company's cash flow from investing activities was a net outflow of MEUR 14.5 after MEUR 17.3 in Q1 2014.

Cash flow from financing activities was a net inflow of MEUR 1.1 (Q1 2014: MEUR 4.0).

Cash and cash equivalents decreased by 28.6% to MEUR 41.6 as of 31 March 2015 from MEUR 58.2 as of 31 December 2014.

ASSET SITUATION

BALANCE SHEET

In the first quarter of 2015 the Company managed to improve its balance sheet, increasing the equity ratio to 50.4% as of 31 March 2015 (31 December 2014: 45.3%).

NON CURRENT ASSETS

Property, plant and equipment increased by 10.9% to MEUR 216.0 as of 31 March 2015 from MEUR 194.7 as of 31 December 2014, mainly reflecting the upward revaluation of the rouble in the first quarter. Deferred tax assets advanced by 21.4% to MEUR 9.9 as of 31 March 2015 from MEUR 8.1 as of 31 December 2014 primarily as a result of increased loss carry forward.

CURRENT ASSETS

Total current assets diminished by 3.7% to MEUR 166.5 as of 31 March 2015 from MEUR 172.8 as of 31 December 2014. Trade receivables advanced by 12.4% to MEUR 95.5 as of 31 March 2015 from MEUR 85.0 as of 31 December 2014 mirroring seasonal effects. Inventories remained stable in the first three months and amounted to MEUR 17.3 as of 31 March 2015.

CURRENT LIABILITIES

Total current liabilities contracted by 17.3% to MEUR 64.7 as of 31 March 2015 from MEUR 78.2 as of 31 December 2014. In the same period, trade payables decreased by 23.7% to MEUR 43.5 from MEUR 57.0. Other current liabilities went down by 5.2% to MEUR 19.4 as of 31 March 2015 from MEUR 20.5 as of 31 December 2014. Financial liabilities to related parties surged by more than 100% from MEUR 0.7 as of 31 December 2014 to MEUR 1.7 as of 31 March 2015 and comprise interest expenses accrued up to 31 March 2015.

WORKING CAPITAL

As of 31 March 2015, net working capital increased by 67.1% to MEUR 62.0 from MEUR 37.1 as of 31 December 2014, resulting in a strengthened liquidity position of the Group.

NON CURRENT LIABILITIES

The Company's interest-bearing liabilities went up 1% to MEUR 115.8 as of 31 March 2015 from MEUR 114.6 as of 31 December 2014. The non-current liabilities hereby include intra-group financial liabilities against CAT Holding (Cyprus) amounting to MEUR 100.0 and an assumed credit line by CATOBNEFT valued at MEUR 15.8 as of 31 March 2015 (31 December 2014: MEUR 14.6). The Company's deferred tax liabilities advanced by 10.1% to MEUR 15.7 as of 31 March 2015 from MEUR 14.2 as of 31 December 2014.

The Company's net financial debt grew by 33% to MEUR 76 as of 31 March 2015 from MEUR 57.1 as of 31 December 2014 due to lower cash and cash equivalents.

SHAREHOLDER EQUITY

As of 31 March 2015 the Company had a share capital of MEUR 48.85 and capital reserves amounting to MEUR 112.0. There had been no changes to the subscribed capital and the capital reserves since 31 December 2014. Retained earnings improved by 2.7% to MEUR 198.1 as of 31 March 2015 compared to MEUR 192.8 as of 31 December 2014. The deficit of the currency translation reserves decreased by 12.4% from MEUR 182.5 as of 31 December 2014 to MEUR 159.8 as of 31 March 2015.

RISKS

The Company is exposed to material financial risks, which may arise in case of a recurrence of the global economic and financial crisis as well as the intensification of the political tensions between Russia and Western countries.

Potential adverse changes in the exchange rates of the Russian rouble or the Kazakhstani tenge against the euro, the Group's reporting currency, may also have a direct impact on the Group's results of operations. Furthermore, instability in exchange rates may impact the Group's supply costs, in particular for operating equipment and machinery.

Furthermore, the Group depends on a small number of significant customers. The Group companies' risks primarily relate to non-fulfilment of the Group companies' operating objectives and commitments that could potentially lead to a loss of a significant customer and, therefore, the risk of a material decline in revenue. In the near term, an important mitigation against the market risks includes the Group's significant exposure to national oil and gas groups such as Gazprom and Rosneft, which have demonstrated greater resilience of their upstream activities and budgets to the energy price cycle downturns.

On 2 February 2011 Caterpillar Inc., Peoria, Illinois, USA instituted a legal action against C.A.T. oil AG before the district court of Hamburg for the alleged trademark infringement in Germany regarding the use of the brand CAT oil, C.A.T. oil energy in motion, etc. On 27 September 2013 Caterpillar Inc. brought a trademark law action of the same tenor in Canada. In the first quarter of 2015 the Company entered into serious settlement negotiations with Caterpillar. Both negotiating parties will aim for a settlement in the course of 2015.

As stated in the section "Events after the balance sheet date", there is the suspicion that the Group has overpaid prices for some fixed assets. In case the suspicion that some of the Group's fixed assets have been overvalued is confirmed, this may result in the correction of the valuation of the fixed assets concerned and in claims for damage. According to current knowledge C.A.T. oil AG could have suffered an indirect damage in the amount of approx. MEUR 12.5. It is possible that there may be deviations from the estimated damage. Please also find more detailed information on this matter in the 2014 Annual Report of the Company.

OUTLOOK

In the remaining three quarters of 2015 two key fundamental factors will continue to define Russia's economic development. Firstly, Russian oil companies will make a number of important business decisions with effects on capex constraints from Q2 2015 onwards. Therefore, despite increasing oil prices and a growth in oil production of 1.3% yoy in the first four months 2015, the demand for oilfield services will remain under pressure at least in the next four to six months.

Secondly, as a reaction to the sanctions imposed by the EU and the USA adaptations in the Russian economy can be observed already, possibly entailing medium and long term effects: GDP dynamics in the first four months 2015 contracted by 1.9% yoy only and herewith was above expectations. HSBC's Purchasing Managers' Index (PMI) grew from 48.1 in March to 48.9 in April reflecting Russian industry's improved confidence, especially in the extraction and manufacturing sectors – a development also registered by Russian Federal State Statistics Service, Rosstat.

The industrial environment of the Company's business is directly defined by the economic situation in the oil sector and its capacities to keep the achieved level of production. The Company does not see any substantial decrease of oil output in Russia in 2015. Therefore, the demand for oilfield services is expected to remain more or less at the previous year's level. At the same time, the development of rouble prices in the market segments cannot be expected to fully compensate the effect of the previous - and possibly ongoing - devaluation. Thus, even though in the best case there will be no reduction in the size of the market for drilling and the intensification of oil extraction expressed in hard currency, it is very likely that there will not be any room for perceivable growth in 2015.

The Company herewith reiterates its guidance published in the 2014 Financial Report. C.A.T. oil expects its 2015 revenue at a level of MEUR 310.0 – 320.0, with an EBITDA between MEUR 75.0 – 85.0 (@ EUR/RUB 75).

While the capacity additions budgeted for 2014 are to be completed by the finalization of one fracturing fleet and the delivery of two sidetracking rigs in the second quarter, further investments in 2015 are subject to market developments and clients' future plans in the mixed macroeconomic environment.

As stated in the section “Risks“ the Company has entered serious settlement negotiations with Caterpillar aiming to settle a legal dispute started in 2011.

FURTHER INFORMATION

CHANGE OF CONTROL

The first quarter of the 2015 financial year for C.A.T. oil was characterized by the completion of the change-of-control procedure and the consequences for the Company's bodies linked to the new shareholders' structure. On 16 January 2015 Joma Industrial Source Corp. acquired, through a cash offer, control over voting rights representing approx. 39.36% of C.A.T. oil AG's shares. Mr Maurice Gregoire Dijols, sole shareholder of Joma Industrial Source, directly and indirectly holds a total of 87.07% of the Company's shares.

On 25 February 2015 a new Supervisory Board was elected by the Extraordinary Shareholders' Meeting. The former members of the Supervisory Board had resigned with immediate effect prior to the meeting. The new Supervisory Board has appointed a new Management Board, headed by Mr. Yury Semenov as CEO. The three remaining former members of the Management Board were dismissed for good cause with immediate effect as of the end of February and the Company filed a claim against them on 17 March 2015.

On 23 March 2015, a minority shareholder of C.A.T. oil, the German lawyer Carsten Grau, submitted a challenging claim demanding the annulment of some resolutions passed by the Extraordinary Shareholders' meeting to the Commercial Court of Vienna. Despite the claim, the new members of the Supervisory Board and the Management Board were registered in the companies register.

CASH DIVIDEND 2014

The Company's Supervisory and Management Boards resolved on a recommendation for the Annual Shareholders' Meeting, which is scheduled for 29 June 2015, to approve a cash dividend of EUR 0.12 per share.

EVENTS AFTER BALANCE SHEET DATE

STATEMENT OF FACTS

On 10 April 2015 the Company filed a statement of facts with the Central Public Prosecutor's Office for the Prosecution of Economic Crimes and Corruption in Vienna. The statement of facts refers to circumstances which constitute grounds for reasonable suspicion of breach of trust that have come to the attention of the new Management Board. The Company has been informed that the Prosecutor has commenced investigations.

The criminal complaint relates to transactions in connection with a procurement system, which was established at the C.A.T. oil AG Group in recent years. In purchasing fixed assets for business operations of subsidiaries of C.A.T. oil AG, companies not belonging to the Group were used as intermediaries. For more details please see the 2014 Annual Report of the Company.

RESIGNATION OF MR. EVGENY PANKRATOV

On 15 May 2015 Mr. Evgeny Pankratov informed the Company in written form that, for personal reasons, he would resign from all his positions in the Company with immediate effect. Hence, Mr. Pankratov no longer serves as a member of the Management Board.

Vienna, 28 May 2015

Board of Management

NOTES TO THE CONSOLIDATED INTERIM REPORT

3

NOTES TO THE GROUP INTERIM FINANCIAL REPORT

ACCOUNTING IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Group interim financial report of C.A.T. oil AG for the quarter ended 31 March 2015 was prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) including the International Accounting Standards (IAS) and the Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

The Group interim financial report for the period ended 31 March 2015 was prepared in accordance with IAS 34 and is condensed in scope compared with the consolidated financial statements as at 31 December 2014. Therefore, this interim financial report should be read in connection with the consolidated financial statements. A detailed description of the accounting policies is published in the notes as at 31 December 2014.

The Group interim financial report was subjected to an review by BDO Austria GmbH, Vienna, according to ISRE 2410.

ACCOUNTING POLICIES

The accounting pronouncements required to be applied for the first time in the 2014 financial year have no impact on the presentation of C.A.T. oil's assets, finances and earnings situation. A breakdown of these accounting pronouncements is provided in the notes to the consolidated financial statements in the 2014 Annual Report.

The accounting principles and practices as applied in the Group interim financial report correspond to those pertaining to the annual consolidated financial statements as at 31 December 2014. The separate interim reports of the consolidated companies have been drawn up at the same balance sheet date as the Group interim financial report.

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

The Group interim financial report has been prepared in euros. All figures including the previous year's figures are indicated in TEUR. When indicating amounts in TEUR rounding differences may arise.

The Group interim financial report is published in German and English. The German version of the consolidated interim report is binding.

BASIS OF CONSOLIDATION

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

DISCLOSURES ON THE CONSOLIDATED FINANCIAL STATEMENTS

CURRENCY TRANSLATION

In the financial statements of the consolidated companies, prepared in local currency, transactions in foreign currency are valued 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 financial statements of the Russian companies, prepared in the currency of the Russian Federation are translated in euros using the principle of the functional currency and the official exchange rates of the Russian Federation. The relevant exchange rates of the Russian Central Bank used for foreign currency translation in relation to the euro are as follows:

Currency (1 EUR=)	Closing rate 31 March 2015	Closing rate 31 December 2014	Average rate 31 March 2015	Average rate 31 March 2014
Russian rouble (RUB)	63.3695	68.3427	70.4340	47.9448
US dollar (USD)	1.0839	1.2148	1.1325	1.3715

NON-CURRENT ASSETS

Changes in selected non-current assets between 1 January and 31 March 2015:

in EUR thousand	Carrying amount 01 January 2015	Additions	Disposals	Currency translation	Depreciation and amortization	Carrying amount 31 March 2015
Intangible assets	259	0	0	16	39	236
Property, plant and equiptment	194,689	14,663	(176)	16,256	9,460	215,972
Goodwill	2,176	0	0	345	0	2,521

INVENTORIES

in EUR thousand	31 March 2015	31 December 2014
Spare parts and other materials	13,952	12,076
Main raw material	1,859	3,996
Fuel and lubricants	1,531	1,251
	17,342	**17,323**

In the period from 1 January to 31 March 2015, write-downs of inventory reduced the operating profit by TEUR 153 (previous year: TEUR 551).

CURRENT RECEIVABLES

in EUR thousand	31 March 2015	31 December 2014
Trade receivables	95,535	85,000
Other receivables	12,014	12,259
	107,549	**97,259**

In the period from 1 January to 31 March 2015, write-downs of trade receivables reduced the operating profit by TEUR 461 (previous year: TEUR 505). Other receivables include receivables from income taxes in the amount of TEUR 561 (31 December 2014: TEUR 525).

NON-CURRENT LIABILITIES

The non-current liabilities include financial liabilities against CAT. Holding (Cyprus) amounting to TEUR 100,000 (31 December 2014: TEUR 100,000). Furthermore, include the non-current liabilities include the credit line drawn on by CATOBNEFT in the 2014 reporting year in the amount of TRUB 100,000. The credit line was valued at the balance sheet date 31 March 2015 at TEUR 15,771 (31 December 2014: TEUR 14,624).

CURRENT LIABILITIES

in EUR thousand	31 March 2015	31 December 2014
Financial liabilities against related parties	1,727	695
Financial liabilities	19	14
Trade payables	43,512	57,048
Other liabilities	19,396	20,456
	64,654	**78,213**

The financial liabilities comprise interest expenses accrued up to 31 March 2015. Other liabilities include liabilities from income taxes in the amount of TEUR 1,135 (31 December 2014: TEUR 868).

COST OF SALES

in EUR thousand	Q1 2015	Q1 2014
Raw materials	22,572	26,758
Direct costs	16,312	22,105
Depreciation	9,377	11,024
Wages and salaries	9,132	10,600
Provident and welfare expenses	3,014	3,318
Other sales costs	1,589	2,375
	61,996	**76,180**

Administrative expenses also include depreciation and amortization from 1 January to 31 March 2015 in the amount of TEUR 122 (previous year: TEUR 155).

EARNINGS PER SHARE

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

in EUR thousand		Q1 2015	Q1 2014
Common stock	in thousand	48,850	48,850
Profit after tax	EUR thousand	5,293	9,488
Earnings per share	EUR	0.11	0.19

The financial performance of the discontinued operation has an insignificant effect on earnings per share.

SEGMENT REPORTING

Segments are identified on the basis of C.A.T. oil's internal management and reporting. Segment reporting comprises two reportable segments: Well Services and Drilling, Sidetacking and IPM (Integrated Project Management).

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

REPORTING SEGMENTS Q1 2015

in EUR thousand	Well Services	Drilling Sidetracking IPM	Total segments	Reconcili-ation	Group
External sales	40,337	32,360	72,697	12	72,709
Group sales	460	164	624	(624)	0
Total sales	**40,797**	**32,524**	**73,321**	**(612)**	**72,709**
Segment results	**6,858**	**1,178**	**8,036**	**(1,475)**	**6,561**
EBIT	6,959	1,185	8,144	(1,393)	6,751
EBITDA	11,447	7,113	18,560	(2,310)	16,250

REPORTING SEGMENTS Q1 2014

in EUR thousand	Well Services	Drilling Sidetracking IPM	Total segments	Reconcili-ation	Group
External sales	47,060	42,923	89,983	764	90,747
Group sales	1,021	205	1,226	(1,226)	0
Total sales	**48,081**	**43,128**	**91,209**	**(462)**	**90,747**
Segment results	**4,689**	**3,390**	**8,079**	**1,413**	**9,492**
EBIT	4,756	3,416	8,172	1,508	9,680
EBITDA	11,613	10,648	22,261	(1,402)	20,859

RECONCILIATION

in EUR thousand	Q1 2015	Q1 2014
Segment result	**8,036**	**8,079**
Unallocated activities	(777)	(1,630)
Discontinued operation	(25)	(31)
Consolidation	(673)	3,074
Segment result after reconciliation	**6,561**	**9,492**
Other operating income and expenses	190	188
Operating result	**6,751**	**9,680**
Financial result	(147)	115
Profit before tax	**6,604**	**9,795**

RELATED PARTIES

As at 31 March 2015 the financial liabilities against CAT. Holding (Cyprus) were TEUR 100,000 (31 December 2014: TEUR 100,000). In the period from 1 January to 31 March 2015, the interest expenses resulting from these financial liabilities amounted to TEUR 1,032 (previous year: TEUR 217). This corresponds to an average interest rate of 4.4% – unchanged compared to the same period of the previous financial year.

EVENTS AFTER BALANCE SHEET DATE

STATEMENT OF FACTS

On 10 April 2015 the Company filed a statement of facts with the Central Public Prosecutor's Office for the Prosecution of Economic Crimes and Corruption in Vienna. The statement of facts refers to circumstances which constitute grounds for reasonable suspicion of breach of trust that have come to the attention of the new Management Board. The Company has been informed that the Prosecutor has commenced investigations.

The criminal complaint relates to transactions in connection with a procurement system, which was established at the C.A.T. oil AG Group in recent years. In purchasing fixed assets for business operations of subsidiaries of C.A.T. oil AG, companies not belonging to the Group were used as intermediaries. For more details please see the 2014 Annual Report of the Company.

RESIGNATION OF MR. EVGENY PANKRATOV

On 15 May 2015 Mr. Evgeny Pankratov informed the Company in written form that, for personal reasons, he would resign from all his positions in the Company with immediate effect. Hence, Mr. Pankratov no longer serves as a member of the Management Board.

Vienna, 28 May 2015

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

REPORT OF THE SUPERVISORY BOARD'S AUDIT COMMITTEE

The interim report for the period from January to March 2015 and the statutory auditor's review report, which was compiled as the basis for assessing and appraising the condensed interim financial statements were submitted to the Supervisory Board's Audit Committee. The documents were explained by the Management Board and discussed with the statutory auditor. The Audit Committee accepted the condensed interim financial statements.

Vienna, 28 May 2015

Maurice Gregoire Dijols
Chairman of the Supervisory Board

FINANCIAL CALENDAR

29 June 2015	Annual General Meeting
02 July 2015	Ex-Dividend Day
06 July 2015	Record Date
08 July 2015	Payment Date
27 August 2015	2nd Quarter Results
26 November 2015	3rd Quarter Results

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