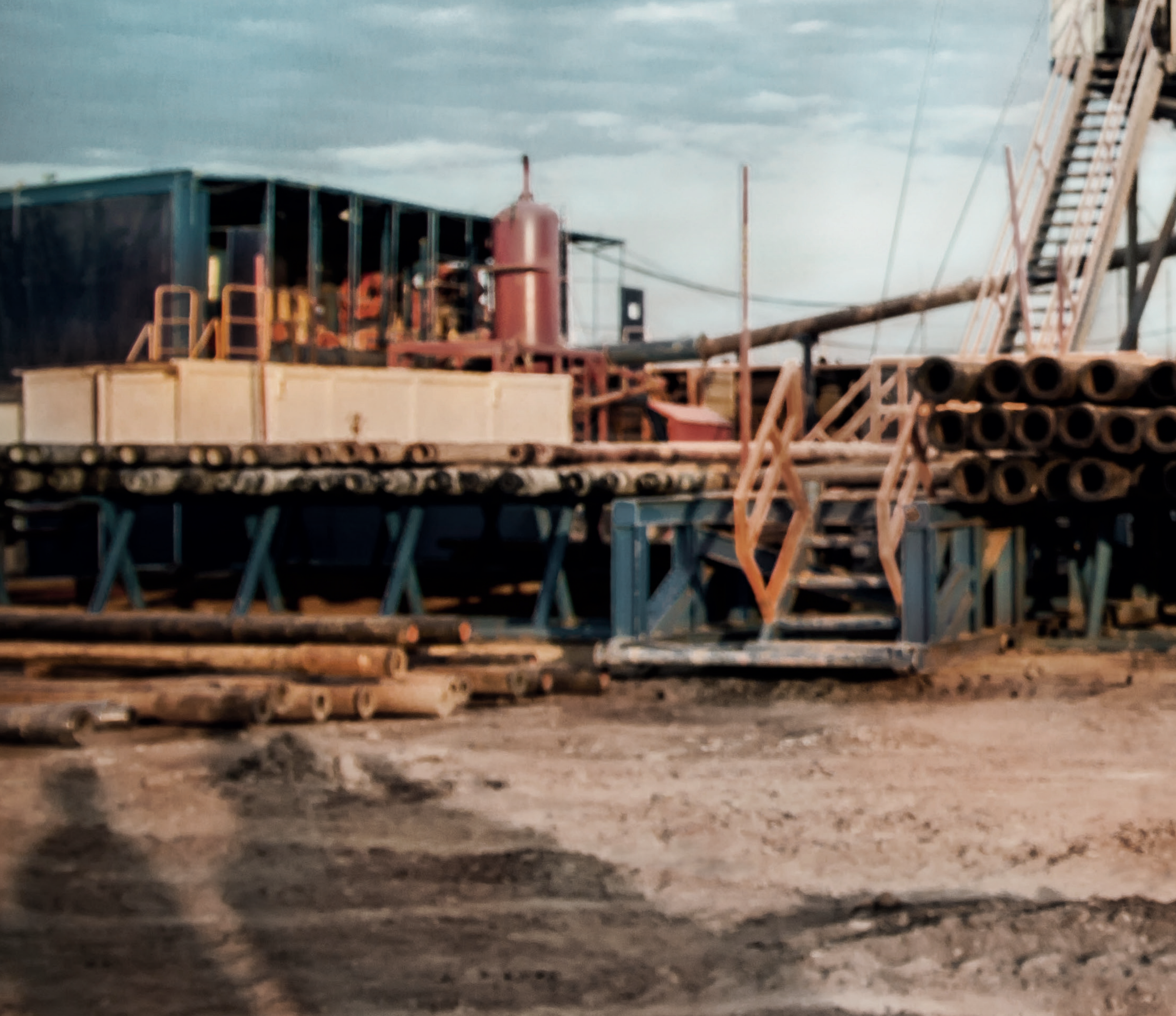
Petro Welt Technologies

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2017



Key group figures

in EUR thousand	H1 2017	H1 2016	Change
Sales revenues	175,724	140,848	24.8%
Gross profit	28,865	27,086	6.6%
EBIT	16,656	18,657	-10.7%
EBIT margin	9.5%	13.2%	
EBITDA	41,270	39,403	4.7%
EBITDA margin	23.5%	28.0%	
Group result	16,732	14,920	12.1%
Earnings per share (EUR)	0.34	0.31	
Balance sheet total*	417,976	420,775	-0.7%
Equity*	231,683	233,333	-0.7%
Equity ratio*	55.4%	55.5%	
Cash flow from operating activities	13,914	25,056	-44.5%
Cash flows (used in) / from investing activities	(13,252)	7,173	-284.8%
Cash and cash equivalents	98,688	66,164	49.2%
EUR exchange rate at the end of reporting period	67.4993	63.8111	5.8%
EUR average exchange rate for the reporting period	62.7187	82.3373	-23.8%
Employees (average)	3,392	3,303	2.7%

* as at 30 June 2017 and 31 December 2016 respectively

Content

Performance of Petro Welt Technologies AG

Economic environment

The overall economic environment in Russia was relatively positive and saw a return to comfortable oil prices and an upward trend in the Russian rouble. The USD/RUB exchange rate at the beginning of January 2017 was 59.90 roubles per USD. The price of Brent crude oil in January reached USD 57.10 per barrel.

The second quarter of 2017 was characterized by a slight downturn in oil prices and a robust appreciation of Russian national currency. At the end of June 2017, the average USD/RUB exchange rate was 59.09 roubles per US dollar and Brent crude oil was sold at a price of USD 47.92 per barrel.

Oil production continued to grow by 1.8% in H1 2017. The decline in inflation to 4.4% combined with stabilization of overall demand led the recovery in economic activity. Industrial production increased by 2% and according to Rosstat's preliminary estimation, GDP grew by 2.5% in H1 2017 despite the sanctions regime still in place. However, the sanctions affected direct foreign investments in Russia and its trade relations with Western countries.

The exchange rate of the rouble against the euro as of June 30, 2017 (67.50) increased by 6% in comparison to the rate as of December 31, 2016 (63.81). The average rate of 62.72 roubles per euro for the first six months of 2017 was down by 24% on the prior-year period.

Kazakhstan economy demonstrated strong development in H1 2017. According to Ministry of Economy GDP increased by 4.2% compared 0.1% in H1 2016. Such result was mostly achieved due to rise of industrial output and construction by 7.8% and 5.9% accordingly. As we anticipated Kazakhstan oil industry experiences spectacular recovery. In H1 2017 oil production expanded by 9.5% and drove activity of many related sectors including oilfield services.

Revenues and expenses

The Company reported sales revenues of EUR 175,724 thousand in the six months ended June 30, 2017. This indicator exceeded the comparative period by 24.8%. Gross profit in the first half of 2017 was also 6.6% higher than in the same period of 2016.

EBIT for the reporting period decreased to EUR 16,656 thousand, down from EUR 18,657 thousand in the six months ended June 30, 2016.

The strong financial result for the six months ended June 30, 2017 amounting to EUR 2,482 thousand had a stabilizing effect on the Group result. Net profit for the reporting period grew by 12.1% to EUR 16,732 thousand.

The 98.8% increase in financial income in the first six months of 2017 was due to ongoing improvements in cash management, including regular investment of free funds and favorable bank interest rates.

Segment reporting

External revenues		H1 2017	H1 2016	Change	Change in%
Well Services	**EUR million**	**88.3**	**79.9**	**8.4**	**10.5%**
Jobs	Number	2,675	2,381	294	12.3%
Average revenue per job	EUR thousand	33.0	33.6	-0.6	-1.8%
Share of revenues	%	50.3	56.7	-	-
Drilling, Sidetracking, IPM	**EUR million**	**87.4**	**60.9**	**26.5**	**43.5%**
Jobs	Number	172	155	17	11.0%
Average revenue per job	EUR thousand	508.1	393.7	114.4	29.1%
Share of revenues	%	49.7	43.2	-	-
Group Management/ Consolidation	**EUR million**	-	-	-	-
Total	**EUR million**	**175.7**	**140.8**	**34.9**	**24.8%**

The Well Services segment showed 10.5% increase in revenues from EUR 79.9 million in the previous period to EUR 88.3 million for the first six months of 2017. The job count rose by 12.3% and amounted to 2,675.

Revenues generated by the Drilling, Sidetracking and IPM segment in roubles grew by 43.5% to EUR 87.4 million in the period from January to June 2017 compared with EUR 60.9 million in the prior-year period. The average revenue per job in roubles was up by 29.1% and the job count grew by 11%.

Earnings

Profit before tax and net profit in euros increased by 2.6% and 12.1%, respectively. The increase in profit before tax was mainly attributable to the improved financial result. The clear improvement in net profit was made possible by a decrease in the effective tax rate from 20% in the first six months of 2016 to 12% in the reporting period. Profit before tax amounted to EUR 19.1 million, while profit after tax increased to EUR 16.9 million in the first six months of 2017, up from EUR 15.0 million in the same period of 2016.

EBITDA and cash flow

The EBITDA margin declined to 23.5% during the period under review, compared to 28.0% in the prior-year period. Cash flows from operating activities declined from EUR 25,056 thousand in the comparable prior-year period to EUR 13,914 thousand in the reporting period due to an increase in trade receivables to EUR 111.2 thousand by the end of second quarter of 2017. The fluctuation in receivables is attributable to contract terms.

Accordingly, the managerial cash position, which is calculated as the sum of cash and cash equivalents and bank deposits, amounted to EUR 116.4 thousand and has remained stable since the end of 2016 (December 31, 2016: EUR 113.7 thousand).

Balance sheet

As of June 30, 2017, total assets showed a slight decrease of 0.7% to EUR 418.0 million compared to the end of 2016. The ratio of the Group's short-term and long-term assets and liabilities remained at a stable level at the reporting date compared to the end of 2016. The equity ratio did not change, reaching 55.4% as of the reporting date of June 30, 2017 compared to 55.5% as of December 31, 2016.

Risk report

Oil price volatility remains the main risk for oil and gas production activities. A further drop in oil prices amid declining global oil demand could trigger a devaluation of the Russian rouble and Kazakh tenge and lead to lower investments in the energy sector. The quote below the forecast value of the Central Bank in the second quarter of 2017 at USD 40 per barrel can lead to a stress scenario of the Russian economy. Such tight conditions could provoke a permanent increase in competition in all segments of the oilfield services market. Major oil companies continue to exert pressure on service providers, including changes to contractual and other terms, which can sometime affect client payment discipline. Ongoing improvements to service quality, everyday relationship management and strong liquidity position are our key risk management tools.

A tightening of the sanctions regime, which is being discussed in government circles in Western countries, may further limit Russian companies' access to technology and equipment. We are responding to this challenge by implementing import substitution programs for all possible technological areas without compromising on service quality.

Related parties transactions
See Note 12 in the Condensed Consolidated Interim Financial Statements as at 30 June 2017.

Outlook
Experts are anticipating an upswing in the Russian economy. In its latest outlook, the IMF upgraded its GDP growth forecast for 2017 from 1.1% to 1.4% and the Russian Ministry of Economy is now forecasting 2%. Oil prices close to USD 50 per barrel appear comfortable for the Russian industry and investment climate. The increase in the seasonally adjusted IHS Markit Russia Manufacturing Purchasing Managers' Index (PMI) from 50.8 in April to 52.4 in May signals a high probability of an economic upswing in the second half of 2017.

The management of Petro Welt anticipates sales revenue to reach approximately EUR 336–341 million in 2017 and aim to keep the net profit margin close to the prior-year level. Net profit may reach EUR 23–27 million for full-year 2017. This projection does not take into account any potential external economic and other unpredictable shocks.

Events after the Balance sheet date
Petro Welt Technologies AG and CARBO Ceramics Inc., a global technology company that provides products and services to the oil and gas and industrial markets, signed a Share Purchase Agreement for the acquisition of all the shares of CARBO Ceramics Cyprus Limited, which owns a proppant manufacturing facility in Kopeysk, Russia, at a purchase price of USD 22,000 thousand at the end of July 2017. Both parties intend to close the transaction during the third quarter of 2017, subject to approval by the Russian Federal Antimonopoly Service.

Responsibility statement
We confirm to the best of our knowledge that the condensed consolidated interim financial statements provide 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. We also confirm that this interim report provides 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 consolidated interim financial statements, 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, 22 August 2017, Board of Management

Yury Semenov
Chief Executive Officer, CEO

Valeriy Inyushin
Chief Financial Officer, CFO

Consolidated Balance Sheet as at 30 June 2017

in EUR thousand	Notes	06/30/2017	12/31/2016
Assets			
Non-current assets		**148,253**	**170,124**
Property, plant and equipment	2	146,585	167,656
Intangible assets	2	-	35
Other assets		586	540
Deferred tax assets	6	1,082	1,893
Current assets		**269,723**	**250,651**
Inventories	3	34,485	36,015
Trade receivables	4	111,190	83,707
Bank deposits		17,756	10,695
Other receivables	4	5,656	15,901
Tax receivables	4	1,948	1,369
Cash and cash equivalents		98,688	102,964
Balance sheet total		**417,976**	**420,775**
Equity and liabilities			
Equity		**231,683**	**233,333**
Share capital	5	48,850	48,850
Capital reserve		111,987	111,987
Retained earnings		237,606	220,874
Remeasurement of defined benefit plans		215	215
Currency translation reserve		(166,975)	(148,593)
Non-current liabilities		**107,654**	**109,297**
Non-current financial liabilities to related parties	7, 12	100,000	100,000
Deferred tax liabilities	6	6,601	8,244
Employee benefits		1,053	1,053
Current liabilities		**78,639**	**78,145**
Current financial liabilities to related parties	8	10,612	8,709
Trade payables	8	41,784	37,764
Other liabilities	8	22,124	26,792
Advance payments received	8	22	93
Income tax payables	8	4,097	4,787
Balance sheet total		**417,976**	**420,775**

Condensed Consolidated Income Statement for the three and six months ended 30 June 2017

in EUR thousand	Notes	Q2 2017	Q2 2016	H1 2017	H1 2016
Sales revenues		95,938	79,796	175,724	140,848
Cost of sales	9	(76,441)	(61,810)	(146,859)	(113,762)
Gross profit		**19,497**	**17,986**	**28,865**	**27,086**
Administrative expenses		(6,275)	(4,730)	(11,349)	(8,522)
Other operating income		609	161	886	526
Other operating expenses		(1,489)	(205)	(1,746)	(433)
Operating result		12,342	**13,212**	16,656	**18,657**
Finance income		2,265	1,201	4,531	2,279
Finance costs		(1,050)	(1,069)	(2,049)	(2,280)
Financial result		**1,215**	**132**	**2,482**	**(1)**
Profit before tax		**13,557**	**13,344**	**19,138**	**18,656**
Income tax expense	6	(999)	(2,664)	(2,287)	(3,661)
Profit after tax from continuing operations		**12,558**	**10,680**	**16,851**	**14,995**
Loss before tax from discontinued operation		(32)	(32)	(119)	(75)
Profit after tax		**12,526**	**10,648**	**16,732**	**14,920**
Basic earnings per share in EUR	10	0.26	0.22	0.34	0.31
Diluted earnings per share in EUR	10	0.26	0.22	0.34	0.31

Consolidated Statement of Comprehensive income for the three and six months ended 30 June 2017

in EUR thousand	Notes	Q2 2017	Q2 2016	H1 2017	H1 2016
Profit		12,526	10,648	16,732	14,920
Items that may be reclassified to profit or loss:					
Foreign currency translation differences for foreign operations:					
Functional currency	1	(19,277)	6,663	(9,980)	9,929
Net investments	1	(17,181)	13,003	(9,278)	20,064
Income tax effect related to net investments		1,630	(503)	876	(1,085)
Total other comprehensive income		(34,828)	19,163	(18,382)	28,908
Total comprehensive income		**(22,302)**	**29,811**	**(1,650)**	**43,828**

Consolidated Statement of Changes in Equity for the six months ended 30 June 2017

in EUR thousand	Share capital	Capital reserve	Retained earnings	Remeasurement of defined benefit plans	Currency translation reserve		Total equity
					Functional currency	Net investment	
As at 1 January 2016	48,850	111,987	195,375	153	(89,084)	(121,806)	145,475
Profit after tax	-	-	14,920	-	-	-	14,920
Currency translation differences:							
Currency translation differences	-	-	-	-	9,929	-	9,929
Net investments, net of related tax	-	-	-	-		18,979	18,979
Comprehensive income			**14,920**		**9,929**	**18,979**	**43,828**
Dividends	-	-	(5,862)	-	-	-	(5,862)
Balance at 30 June 2016	**48,850**	**111,987**	**210,295**	**153**	**(79,155)**	**(102,827)**	**189,303**
As at 1 January 2017	48,850	111,987	220,874	215	(63,365)	(85,228)	233,333
Profit after tax	-	-	16,732	-	-	-	16,732
Currency translation differences:							
Currency translation differences	-	-	-	-	(9,980)	-	(9,980)
Net investments, net of related tax	-	-	-	-	-	(8,402)	(8,402)
Comprehensive income			**16,732**	**-**	**(9,980)**	**(8,402)**	**(1,650)**
Balance at 30 June 2017	**48,850**	**111,987**	**237,606**	**215**	**(73,345)**	**(93,630)**	**231,683**

Consolidated Cash Flow Statement for the six months ended 30 June 2017

in EUR thousand	Notes	H1 2017	H1 2016
Profit before tax		19,138	**18,656**
Depreciation and amortization	2	24,614	20,746
(Gain)/loss on the disposal of fixed assets		(167)	39
Foreign exchange loss		171	290
Net finance income		(2,653)	(289)
Income taxes paid		(3,066)	(3,382)
Change in Working Capital		**(24,123)**	**(11,004)**
Change in inventories		(471)	(3,743)
Change in trade and other receivables		(24,719)	(9,979)
Change in trade and other liabilities		1,067	2,718
Cash flows from operating activities		**13,914**	**25,056**
Purchase of property, plant and equipment		(11,054)	(5,906)
Proceeds from sale of equipment		244	1
Addition to the cash deposits		(8,483)	(46,989)
Withdrawal of cash deposits		1,381	57,875
Interest received		4,660	2,192
Cash flows (used in)/from investing activities		**(13,252)**	**7,173**
Cash flows used in financing activities		**-**	**-**
Effect of exchange rate changes on cash and cash equivalents		(4,938)	5,470
Net change in cash and cash equivalents		(4,276)	37,699
Cash and cash equivalents at 01 January		102,964	28,465
Cash and cash equivalents at 30 June		**98,688**	**66,164**
Of which: cash flows from discontinued operation			
Cash flows from operating activities		(151)	(24)

Notes to the condensed consolidated interim financial statements

Accounting in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU

The condensed consolidated interim financial statements, which comprise Petro Welt Technologies 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 2017 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 2016.

Accounting policies

The accounting pronouncements required to be applied for the first time in financial year 2017 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 for the year ended 31 December 2016.

The accounting principles and practices as applied in the Group condensed consolidated interim financial statements correspond to those pertaining to the annual consolidated financial statements for the year ended 31 December 2016.

The Group's condensed consolidated interim financial statements have been prepared in EUR. 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 language. 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 2016.

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 (EUR) using the official exchange rates of the Russian Federation.

The relevant exchange rates used for foreign currency translation in relation to the EUR are as follows:

Currency (1 EUR=)	Closing rate as at 06/30/2017	Closing rate as at 12/31/2016	Average rate H1 2017	Average rate H1 2016
Russian Ruble (RUB)	67.4993	63.8111	62.7187	78.3669
Kazakhstan tenge (KZT)	366.79	352.42	344.79	385.22
US-Dollar (USD)	1.1424	1.0520	1.0816	1.1154

The relevant exchange rates used for foreign currency translation in relation to the U.S. dollar are as follows:

Currency (1 USD=)	Closing rate as at 06/30/2017	Closing rate as at 12/31/2016	Average rate H1 2017	Average rate H1 2016
Russian Ruble (RUB)	59.0855	60.6569	57.9862	70.2583
Kazakhstan tenge (KZT)	321.46	333.29	318.75	345.35

2. Non-current assets

Changes in selected non-current assets between 1 January and 30 June are as follows:

in EUR thousand	Carrying amount 01/01/2017	Additions	Disposals	Currency translation	Depre-ciation and amor-tization	Carrying amount 06/30/2017
Intangible assets	35	-	-	(24)	(11)	-
Property, plant and equipment	167,656	12,813	(77)	(9,204)	(24,603)	146,585

in EUR thousand	Carrying amount 01/01/2016	Additions	Disposals	Currency translation	Depre-ciation and amor-tization	Carrying amount 06/30/2016
Intangible assets	97	-	-	(30)	(30)	37
Property, plant and equipment	154,469	4,998	(63)	16,848	(20,716)	155,536

As at 30 June 2017 Property, plant and equipment includes advances given for property, plant and equipment in the amount of TEUR 4,835 (31 December 2016: TEUR 3,196).

3. Inventories

in EUR thousand	06/30/2017	12/31/2016
Spare parts and other materials	28,465	29,682
Raw material	4,134	4,188
Fuel and lubricants	1,886	2,145
	34,485	**36,015**

4. Current receivables

in EUR thousand	06/30/2017	12/31/2016
Trade receivables	111,190	83,707
Other current assets	5,656	15,901
Tax assets	1,948	1,369
	118,794	**100,977**

5. Equity

Share capital as at 30 June 2017 amounted to TEUR 48,850 (31 December 2016: TEUR 48,850).

6. Deferred tax

in EUR thousand	H1 2017	H1 2016
Current tax expenses	3,459	3,095
Deferred tax expense relating to the origination and reversal of temporary differences	222	348
Withholding tax	28	140
Income taxes from previous years	(1,422)	78
Current and deferred tax expenses	**2,287**	**3,661**

Deferred taxes relate to the following items:

	06/30/2017		12/31/2016	
in EUR thousand	**Deferred tax assets**	**Deferred tax liabilities**	**Deferred tax assets**	**Deferred tax liabilities**
Tax loss carryforwards	8,918		7,869	-
Deferred expenses/liabilities	517	(2,294)	431	(1,781)
Fixed assets/depreciation	-	(11,515)	-	(10,005)
Other	1,833	(2,978)	2,012	(4,877)
Netting	(10,186)	10,186	(8,419)	8,419
	1,082	**(6,601)**	**1,893**	**(8,244)**

7. Non-current liabilities

As at 30 June 2017 non-current liabilities include financial liabilities against Petro Welt Holding (Cyprus) Ltd. amounted to TEUR 100,000 (31 December 2016: TEUR 100,000).

8. Current liabilities

in EUR thousand	06/30/2016	12/31/2016
Financial liabilities to related parties	10,612	8,709
Trade payables	41,784	37,746
Other liabilities	22,124	26,792
Advance payments received	22	93
Income tax payables	4,097	4,787
	78,639	**78,145**

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

9. Cost of sales

in EUR thousand	Q2 2017	Q2 2016	H1 2017	H1 2016
Raw materials	26,085	24,236	50,581	43,985
Direct costs	21,320	12,629	38,227	23,356
Depreciation	11,793	10,773	24,504	20,646
Wages and salaries	11,862	10,059	22,939	18,218
Social tax	4,168	3,143	8,243	5,763
Other costs	1,213	970	2,365	1,794
	76,441	**61,810**	**146,859**	**113,762**

10. Earnings per share

Earnings per share are 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		Q2 2017	Q2 2016	H1 2017	H1 2016
Common stock	thousand	48,850	48,850	48,850	48,850
Profit	in EUR thousand	12,558	10,680	16,851	14,995
Earnings by share	EUR	0.26	0.22	0.34	0.31

The financial performance of the discontinued operation affects the earnings per share insignificantly.

11. Segment Reporting

For management purposes the Group is organized into business units based on their services, and has the following reportable operating segments:

- well services - services for Hydraulic fracturing (operated by OOO KATKoneft);
- drilling, sidetracking, integrated project management (IPM) – services for conventional drilling, sidetrack drilling (operated by OOO KAToil-Drilling and OOO KATOBNEFT).

Management monitors operating results of its business units separately for the purpose of making decisions and performance assessment. Segment performance is evaluated based on financial information prepared in accordance to IFRS.

Transactions between the business segments are conducted on normal commercial terms and conditions. Reconciliation includes amounts related to corporate activities which are not allocated to operating segments and the reconciliation of the total reportable segments amounts to the financial statements.

Segment information as at and for the six months ended 30 June 2017 and 30 June 2016 is presented below.

Reporting segments H1 2017

in EUR thousand	Well Services	Drilling Sidetracking IPM	Total segments	Recon-ciliation	Group
External sales	88,344	87,380	175,724	-	175,724
Group sales	607	81	688	(688)	-
Total sales	**88,951**	**87,461**	**176,412**	**(688)**	**175,724**
Operating result	**16,213**	**5,174**	**21,387**	**(4,731)**	**16,656**
Interest income and expenses					2,653
Other financial result					(171)
Profit before tax					**19,138**
Income tax					(2,287)
Profit after tax					**16,851**

Reporting segments H1 2016

in EUR thousand	Well Services	Drilling Sidetracking IPM	Total segments	Recon-ciliation	Group
External sales	79,763	61,079	140,842	6	140,848
Group sales	495	248	743	(743)	-
Total sales	**80,258**	**61,327**	**141,585**	**(737)**	**140,848**
Operating result	**14,278**	**6,889**	**21,167**	**(2,510)**	**18,657**
Interest income and expenses					289
Other financial result					(290)
Profit before tax					**18,656**
Income tax					(3,661)
Profit after tax					**14,995**

12. Related parties

As at 30 June 2017 the non-current financial liabilities against Petro Welt Holding (Cyprus) Ltd. amounted to TEUR 100,000 (31 December 2016: TEUR 100,000). In the period 1 January to 30 June 2017, the interest expenses resulting from these financial liabilities amounted to TEUR 1,903 (in the period 1 January to 30 June 2016: TEUR 1,993). This corresponds to an average interest rate of 3.8% (in the period 1 January to 30 June 2016: 3.87%).

The Group has conducted the following transactions with related parties:

	Transaction value		Outstanding balance		
in EUR thousand	**H1 2017**	**H1 2016**	**06/30/2017**	**12/31/2016**	**Transaction description**
Parent company:					
Fairtune East Ltd., Nicosia	-	2	-	-	Rental fee
Subsidiaries:					
C.A.T. GmbH Consulting Agency Trade (Cyprus) Ltd., Nikosia	469	486	222	177	Consulting
Fairtune East Ltd., Moscow	210	168	38	41	Rental fee

Remuneration of key management personnel was as follows:

Magement Board remuneration

in EUR thousand	H1 2017	H1 2016
Management Board remuneration	749	272

Second level management remuneration

in EUR thousand	H1 2017	H1 2016
Second level management salaries	472	349

Additional information on transactions and balances with related parties is disclosed in notes 7 and 8.

13. Financial Instruments

Carrying amounts of Financial Instruments were as follows:

Financial assets measured at amortised costs

in EUR thousand	06/30/2017	12/31/2016
Cash and cash equivalents	98,688	102,964
Bank deposits	17,756	10,695
Trade receivables	111,190	83,707
Receivables from related parties	362	362
Other short term receivables	3,680	2,046
Total	**231,676**	**199,774**

Financial liabilities measured at amortised costs

in EUR thousand	06/30/2017	12/31/2016
Long term debts	100,000	100,000
Short term debts	10,612	8,709
Trade payables	41,784	37,764
Other short term payables	3,572	3,142
Total	**155,968**	**149.615**

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

14. Litigations and claims

On 10 April 2015 the Company filed a statement of facts at the Central Public Prosecutor's Office for the Prosecution of Economic Crimes and Corruption in Vienna. The statement of facts refers to circumstances, which set out reasons substantiating reasonable suspicion of breach of trust that came to the attention of the new Management Board. With filing dated 9 September 2015 the Company extended its private claim to TEUR 27,500.

The criminal complaint relates to transactions in connection with a procurement system, which was established at the Group in recent years. In purchasing fixed assets for business operations of subsidiaries of the Company, companies not belonging to the Group were used as intermediaries. Since the investigations are still at an early stage, further developments and outcome, including the actual loss of the Company in this regard, are not yet possible to determine reliably.

The Company filed against former members of Management Board claim amounting to TEUR 1,540 due to the unlawful and premature payment of compensation. The Company is currently assessing potential claims regarding the activities of its subsidiary Petro Welt GEODATA GmbH, which generated significant operational losses in the past. For that reason, the Company filed a criminal complaint to the Public Prosecutor's Office in Vienna on 17 November 2015 within the pending criminal proceedings. It is uncertain at this stage if at all and in which amount these losses are in connection with potential criminal activities. These questions will be subject to the investigations of the Public Prosecutor.

15. Events after the reporting date

On 21 July 2017 the Management have signed a Share Purchase Agreement for the acquisition of 100% shares of CARBO Ceramics Cyprus Limited, which owns a proppant manufacturing facility in Kopeysk, Russia, at a purchase price of TUSD 22,000. Both parties intend to close the transaction during the third quarter of 2017, subject to approval by the Russian Federal Antimonopoly Service.

Vienna, 22 August 2017, Board of Management

Yury Semenov
Chief Executive Officer, CEO

Valeriy Inyushin
Chief Financial Officer, CFO

Memo

Legal notice

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