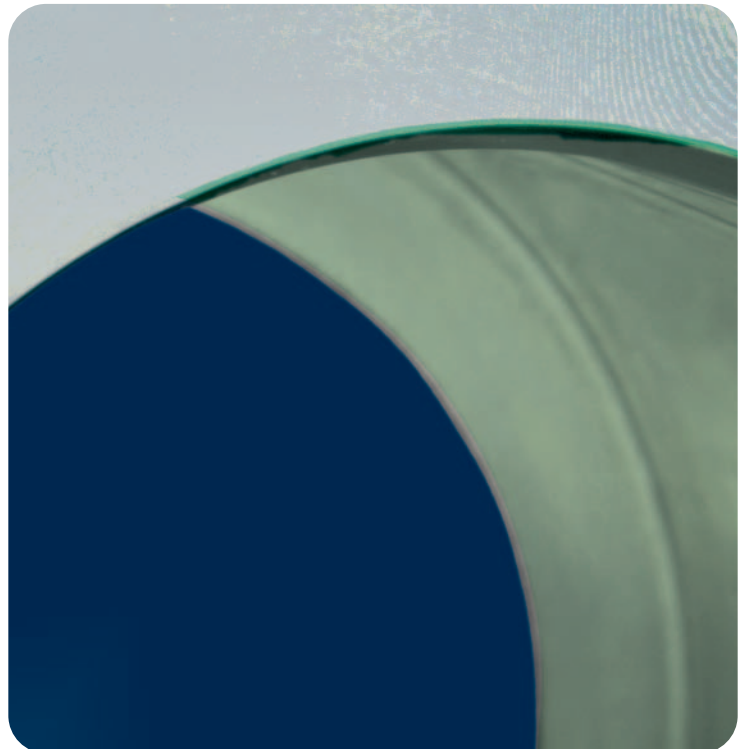
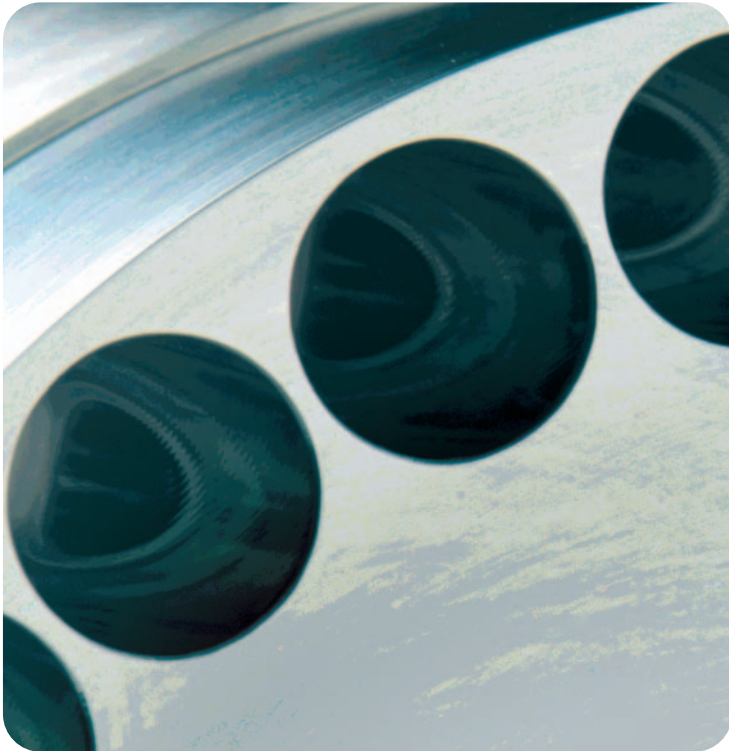


HIGHLIGHTS

- > Sales 1-9/2006 up 43% to MEUR 176.6
- > Profit before tax 1-9/2006 up 101% to MEUR 33.9
- > Record order backlog 9/2006 up 91% to MEUR 218.3 (following MEUR 114.2)
- > Highly positive market environment continues



Dear shareholders,

the upward cycle in the oilfield service industry continued undiminished throughout the third quarter of 2006. This development was based on two factors; on the one hand, the demand for oil remained at a high level because of the sustained growth of the global economy and the rapidly expanding economies of the Asian growth region. Analysts expect the already very strong demand for crude oil in 2005 to rise once again despite of the fact that oil prices have gone up in 2006 as compared with 2005; on the other hand, international oil companies continue to heavily invest in exploring new oil deposits. The share of technologically challenging exploration projects, such as offshore projects, is steadily on the increase. Although the oil price slightly fell in the third quarter – compared with the price peaks in the preceding months of 2006 – this had no impact on current drilling activities conducted by the oil companies, as the demand for oil presently is the most important driver of exploration projects.

Against this background, Schoeller-Bleckmann could again fully benefit from the booming industry development in the third quarter of 2006 and continue its constant course of growth. With bookings in the third quarter of 2006 totalling MEUR 102.1, the MEUR 100 threshold was exceeded in terms of quarterly orders for the first time ever. The high level of demand was observed in all segments and regions alike. Part of the most recent orders have already been scheduled for fiscal 2008. The order backlog at the end of the third quarter amounted to MEUR 218.3, up 91% against the comparative figures of the previous year.

In an effort to secure this course of growth, the current capacity expansion and capex programme worth around MEUR 58 will be further intensified. Therefore, at the Ternitz site, the first machine tools for high-precision components (MWD/LWD) acquired under the capacity expansion programme were already commissioned. Moreover, the construction works required for the next expansion stages were advanced speedily. They include further specialised manufacturing equipment and the new forge scheduled to go on stream in 2007. Apart from Ternitz, comprehensive capacity expansions will also be implemented at the US sites and in Mexico.

We anticipate sustained positive market conditions in the oilfield service industry in the next quarters as well. The challenges to be tackled in the months ahead are the further expansion and optimisation of production capacities, planning and procurement of required raw materials and the speedy implementation of the capacity expansion and investment programme. Overall, 2006 should see another absolute record year for our company. However, effects such as the euro-dollar exchange rate at the end of the year will have to be considered.

Ternitz, November 2006



Gerald Grohmann
Chairman of the
Executive Board, CEO



Franz Gritsch
Member of the
Executive Board, CFO

NOTES ON THE NINE-MONTH STATEMENT

Schoeller-Bleckmann Oilfield Equipment AG could continue its course of growth throughout the third quarter of 2006 as well. Sales generated in the first nine months of 2006 went up 43% to MEUR 176.6 (following MEUR 123.9) over last year's level. Profit before tax improved by 101% to a total of MEUR 33.9, following MEUR 16.9 year-on-year, net income by 105% from MEUR 12.0 in the same period of 2005 to MEUR 24.5 at present. This corresponds to earnings per share of EUR 1.53 in the first nine months of 2006, calculated for an average of 16 million shares, following EUR 0.80, calculated for 15 million shares in the same period of 2005, an increase of 92%. The EBIT margin in the first nine months of 2006 was 19.9% (following 14.5% year-on-year).

Sales revenues in the third quarter of 2006 rose by 38%, from MEUR 44.8 to MEUR 61.7. Profit before tax climbed to MEUR 12.6 (compared with MEUR 6.3 in the third quarter of 2005), reaching a new record level in the third quarter of 2006.

Under the current growth strategy, large-scale capex spendings were conducted at all SBO sites. In the period from January to September 2006, additions to fixed assets amounted to MEUR 19.9 (following MEUR 13.4).

The growth strategy was characterized recently also by an extensive upsizing of our headcount, in particular in production. Despite of the tense labour market situation concerning skilled workers in the oilfield service industry, SBO succeeded in recruiting highly qualified employees: The headcount as per September 30, 2006 was 1,051, an increase of 20% compared with 875 employees as per September 30, 2005. Some of these new recruits underwent basic and advanced training provided by Schoeller-Bleckmann. Labour upsizing took place mainly at Ternitz and in North America. At Ternitz/Austria, the headcount was increased by 41 recruits, compared with December 31, 2005 and in North America (including Mexico) by 82 recruits. Over the next quarters, the company plans to continue its recruitment and training activities.

The SBO share

The company's successful development was also reflected in the performance of the share. The closing price of the SBO share as per October 2, 2006 was EUR 29.92. Compared with the closing price as per December 31, 2005 of EUR 24.65 this was an increase of 21.4%. The peak price achieved (intraday) in the first nine months of 2006 was EUR 35.5.

INTERIM PROFIT AND LOSS ACCOUNT

TEUR	UNAUDITED				AUDITED Year ended 31.12.2005
	9 months period ended 30.09.2006	30.09.2005	3 months period ended 30.09.2006	30.09.2005	
Sales	176,630	123,878	61,706	44,763	172,747
Cost of sales	-124,240	-93,290	-43,071	-34,176	-129,893
Gross profit	52,390	30,588	18,635	10,587	42,854
Selling, general & administrative expenses	-16,033	-13,023	-5,303	-4,503	-18,623
Research & development expenses	-712	-414	-264	-135	-572
Other operating expenses/income	-516	795	-107	591	1,804
Income from operations	35,129	17,946	12,961	6,540	25,463
Financial result	-1,198	-1,075	-391	-286	-1,112
Income on ordinary activities before taxation	33,931	16,871	12,570	6,254	24,351
Income taxes	-9,347	-4,849	-3,408	-1,774	-6,982
Income after taxation	24,584	12,022	9,162	4,480	17,369
Minority interests	-74	-41	-43	-21	-59
Net income	24,510	11,981	9,119	4,459	17,310
Earnings per share (in EURO)	1.53	0.80	0.57	0.28	1.13
Number of shares outstanding	16,000,000	15,010,989	16,000,000	16,000,000	15,260,274

STATEMENT OF SHAREHOLDERS' EQUITY (TEUR)

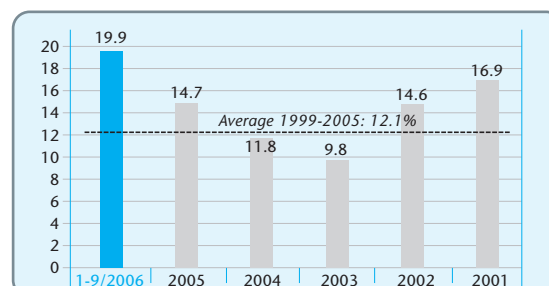
Equity as of December 31, 2005	155,157
Income after taxation	24,584
Dividend	-8,000
Change in minority interests	-88
Currency translation adjustments	-6,316
Equity as of September 30, 2006	165,337

Equity as of December 31, 2004	78,180
Capital increase	51,803
Income after taxation	12,022
Dividend	-5,200
Currency translation adjustments	11,285
Equity as of September 30, 2005	148,090

SALES BY REGION (MEUR)

	2006 1-9	2005 1-9
North America	148.0	101.0
Europe	74.1	57.6
Other	10.1	8.3
- Intercompany Sales	-55.6	-43.0
Sales	176.6	123.9

EBIT-MARGIN (%)



- > Schoeller-Bleckmann Oilfield Equipment AG is the global market leader in high-precision components for the oilfield service industry.
- > The business focus is on non-magnetic drillstring components for advanced directional drilling applications.
- > Worldwide, the company employs a workforce of 1,051 employees (end of 2005: 913), 275 at Ternitz/Austria, and 550 in North America (including Mexico).

INTERIM BALANCE SHEET

	UNAUDITED 30.09.2006 TEUR	AUDITED 31.12.2005 TEUR
ASSETS		
Cash and cash equivalents	33,102	35,598
Trade accounts receivable	36,944	28,460
Other accounts receivable and prepaid expenses	3,794	5,402
Inventories	68,638	58,108
Total current assets	142,478	127,568
Property, plant & equipment	74,151	68,200
Goodwill	37,981	40,019
Other intangible assets	432	548
Long-term investments	1,474	1,480
Long-term receivables	1,764	1,355
Deferred tax assets	4,140	3,677
Total non-current assets	119,942	115,279
TOTAL ASSETS	262,420	242,847
LIABILITIES AND SHAREHOLDERS' EQUITY		
	TEUR	TEUR
Bank loans and overdrafts	26,340	24,647
Current portion of loans	3,323	4,333
Finance lease obligations	387	236
Accounts payable trade	18,247	16,384
Other payables and accrued expenses	19,022	15,505
Total current liabilities	67,319	61,105
Loans not due within one year	20,015	17,286
Finance lease obligations, long-term	0	308
Subsidies received	755	648
Retirement benefits obligations	3,183	3,105
Deferred tax payables	5,811	5,238
Total non-current liabilities	29,764	26,585
Common stock	16,000	16,000
Contributed capital	65,799	65,799
Other reserves and translation component	-13,383	-7,095
Retained earnings	96,537	80,026
Minority interests in consolidated companies	384	427
Total shareholders' equity	165,337	155,157
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	262,420	242,847

INTERIM CASH FLOW STATEMENT

	UNAUDITED 9 months period ended	
	30.09.2006 TEUR	30.09.2005 TEUR
OPERATING ACTIVITIES		
Income after taxation	24,584	12,022
Depreciation and amortization	9,714	8,192
Other	673	374
Cash earnings	34,971	20,588
Change in working capital	-16,104	-11,288
Net cash provided by operating activities	18,867	9,300
INVESTING ACTIVITIES		
Expenditures for fixed assets	-19,942	-13,443
Other activities	1,776	683
Net cash used in/provided by investing activities	-18,166	-12,760
FINANCING ACTIVITIES		
Capital increase	0	51,803
Payment of dividends	-8,000	-5,200
Change in bank liabilities and other financing	4,656	-17,031
Net cash used in/provided by financing activities	-3,344	29,572
Translation adjustments	720	-1,810
Change in cash and cash equivalents	-1,923	24,302
Cash and cash equivalents at beginning of year	35,598	17,042
Exchange rate effects on cash and cash equivalents	-573	1,569
Cash and cash equivalents at end of period	33,102	42,913

For additional information please contact:

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