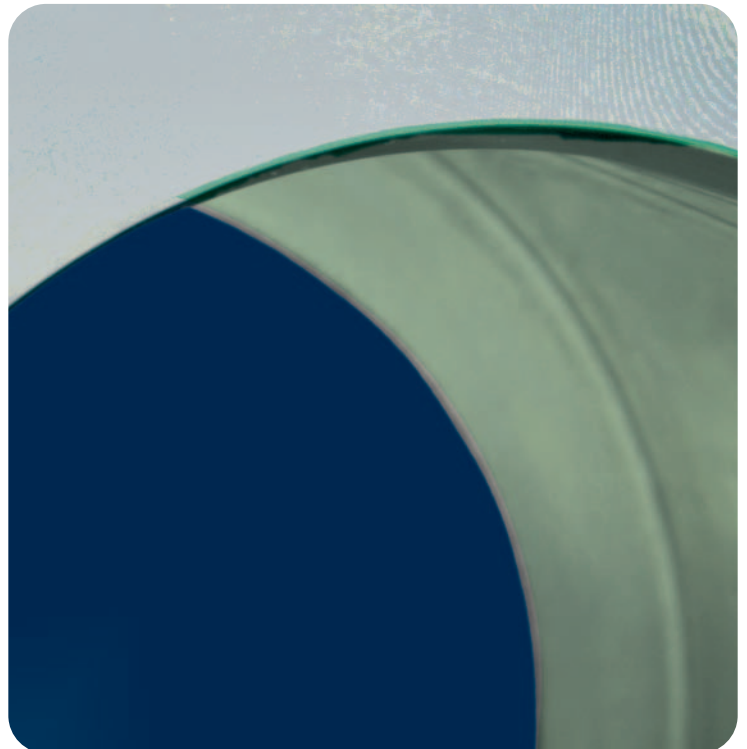
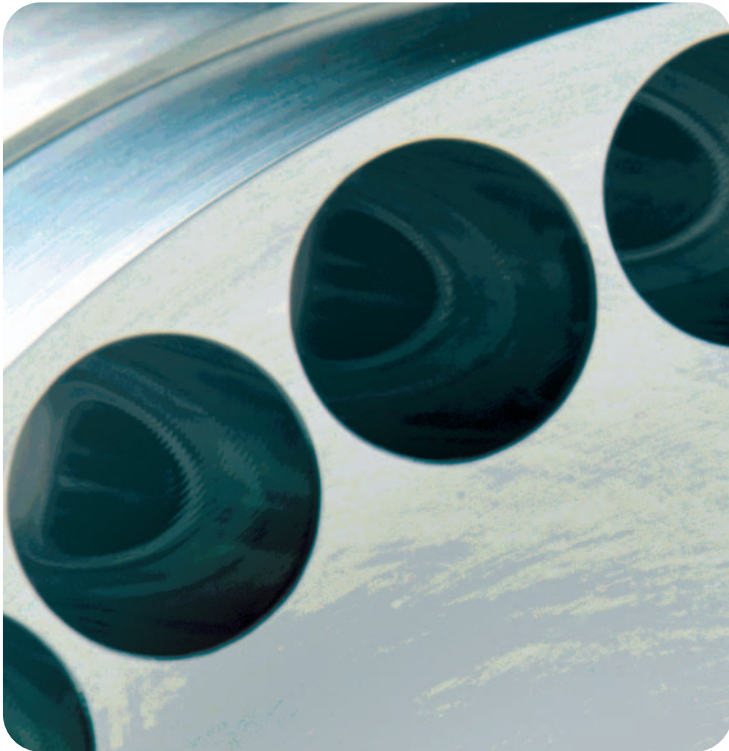


## HIGHLIGHTS

- > Sales up 45% to MEUR 52.6
- > New record EBIT margin of 18%
- > Profit before tax up 100% to MEUR 9.0
- > Bookings up 49% to MEUR 77.1



## Dear shareholders,

The robust global economic development which continues to be dominated by the dynamic growth in China and India was driving the sustained high demand for oil in the first quarter of 2006. The Organization of Petroleum Exporting Countries (OPEC) expects to see another rise in global demand for oil in 2006 by 1.7% to 84.5 million barrels per day. For the time being, a cyclical reduction of the demand for oil and gas is not in sight. Hence, the international oil companies adhere to their ambitious investment programmes in oil exploration and production, which, in turn, is the basis of the strong demand for oilfield service equipment. As we already anticipated around a year ago, the oilfield service industry finds itself in a stable upward cycle in 2006.

This attractive market situation combined with the strategic investment programme we launched last year had a highly positive effect on the business development of our company in the first quarter of 2006. With sales, profit, bookings and order backlog climbing to new record values, the projected acceleration of SBO's growth path has thus materialized.

Bookings in the first quarter of 2006 amounted to MEUR 77.1, 49% above the already excellent figure of MEUR 51.6 achieved in the first quarter of the previous year, and were registered for all product groups evenly. Also, despite of the strong increase in sales revenues, the order backlog further rose to MEUR 160.8 (up 212% against March 31, 2005 and up 20% against December 31, 2005). The time horizon of order backlog extends into 2007, some customers of SBO have already started their preliminary planning for 2008.

The capacity expansion programme launched in fiscal 2005 is taking effect. Continuous investments to increase the manufacturing equipment at all production sites allow to appropriately work off the high order backlogs. Additionally, the gratifying business development was met by working overtime and upsizing our headcount, which rose to 964 as per March 31, 2006, 17% above the end of the first quarter of 2005.

The speedy implementation of our capacity expansion programme and the increase of our human resources will be one of the major challenges for the next months. With this, we are laying the foundations for continuing the excellent business development throughout the following quarters, although the recent unfavourable development of the dollar-euro exchange rate will remain a burden on SBO. On the whole, we expect a continuously friendly market environment.

Ternitz, May 2006

The Executive Board



**Gerald Grohmann**  
Chairman of the  
Executive Board, CEO



**Franz Gritsch**  
Member of the  
Executive Board, CFO

## NOTES ON THE QUARTERLY STATEMENT

Schoeller-Bleckmann carried forward and accelerated its course of success in 2005 into the first quarter of 2006. Sales revenues rose by 45% to MEUR 52.6 in the first three months of 2006, following MEUR 36.2 in the first quarter of 2005.

In the first quarter of 2006, profit before tax improved from MEUR 4.5 in the same period of 2005 to MEUR 9.0, an increase of 100%. This development is mainly due to higher productivity and prices. Price increases of raw materials could be overcompensated. Accordingly, the net income rose from MEUR 3.2 in the first three months of 2005 to MEUR 6.5 in the first quarter of 2006, an increase of 101%. This corresponds to earnings per share of EUR 0.41, calculated for an average of 16 million shares (following EUR 0.25 for 13 million shares in the first quarter of 2005).

The EBIT margin rose to around 18% (following 14% in the first quarter of 2005) in the first quarter 2006, a new record figure for SBO. The strategic investment and capacity expansion programme was further implemented. The manufacturing equipment is continuously extended at all sites, with a focus on Ternitz and Houston. In total, investments worth approximately MEUR 50 have been released under this programme so far.

### Annual General Meeting

This year's Annual General Meeting of Schoeller-Bleckmann Oilfield Equipment AG, held on March 23, 2006, approved to distribute a dividend of 30 cents plus a bonus of 20 cents per share, in total 50 cents (following 40 cents the year before) for fiscal 2005. Based on the closing price of the SBO share of EUR 24.65 for 2005, this represents a dividend yield of 2%. Furthermore, the Executive Board received the authorization to increase the company's authorized capital by a maximum nominal value of MEUR 5 within 5 years.

### The SBO share

The SBO share ended the first quarter of 2006 at a closing price of EUR 27.36, which is an increase of 11% against the closing price as per end of 2005 (EUR 24.65).

# INTERIM PROFIT AND LOSS ACCOUNT

| TEUR   | UNAUDITED                           |              | AUDITED<br>Year ended<br>31.12.2005 |
|--|-------------------------------------|--------------|-------------------------------------|
|  | 3 months period ended<br>31.03.2006 | 31.03.2005   |                                     |
| Sales  | 52,577                              | 36,159       | 172,747                             |
| Cost of sales  | -37,931                             | -27,148      | -129,893                            |
| <b>Gross profit</b>                                  | <b>14,646</b>                       | <b>9,011</b> | <b>42,854</b>                       |
| Selling, general & administrative expenses           | -5,277                              | -3,979       | -18,623                             |
| Research & development expenses                      | -142                                | -118         | -572                                |
| Other operating expenses/income                      | 157                                 | 63           | 1,804                               |
| <b>Income from operations</b>                        | <b>9,384</b>                        | <b>4,977</b> | <b>25,463</b>                       |
| <b>Financial result</b>                              | <b>-373</b>                         | <b>-471</b>  | <b>-1,112</b>                       |
| <b>Income on ordinary activities before taxation</b> | <b>9,011</b>                        | <b>4,506</b> | <b>24,351</b>                       |
| Income taxes   | -2,505                              | -1,278       | -6,982                              |
| <b>Income after taxation</b>                         | <b>6,506</b>                        | <b>3,228</b> | <b>17,369</b>                       |
| Minority interests                                   | -24                                 | -9           | -59                                 |
| <b>Net income</b>                                    | <b>6,482</b>                        | <b>3,219</b> | <b>17,310</b>                       |
| Earnings per share (in EURO)                         | 0.41                                | 0.25         | 1.13                                |
| Number of shares outstanding                         | 16,000,000                          | 13,000,000   | 15,260,274                          |

## STATEMENT OF SHAREHOLDERS' EQUITY (TEUR)

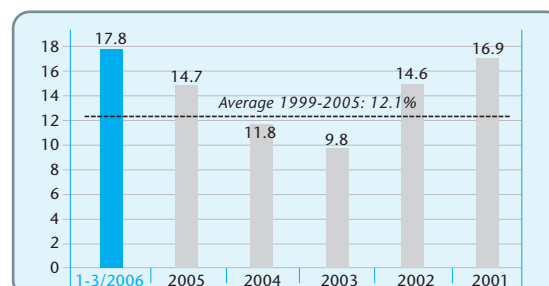
|                                    |                |
|------------------------------------|----------------|
| Equity as of December 31, 2005     | 155,157        |
| Income after taxation              | 6,506          |
| Dividend                           | 0              |
| Currency translation adjustments   | -2,187         |
| <b>Equity as of March 31, 2006</b> | <b>159,476</b> |

|                                    |               |
|------------------------------------|---------------|
| Equity as of December 31, 2004     | 78,180        |
| Income after taxation              | 3,228         |
| Dividend                           | -5,200        |
| Currency translation adjustments   | 4,682         |
| <b>Equity as of March 31, 2005</b> | <b>80,890</b> |

## SALES BY REGION (MEUR)

|                      | 2006<br>1-3 | 2005<br>1-3 |
|----------------------|-------------|-------------|
| North America        | 44.5        | 29.6        |
| Europe               | 25.3        | 16.9        |
| Other                | 3.1         | 2.4         |
| - Intercompany Sales | -20.3       | -12.7       |
| <b>Umsatzerlöse</b>  | <b>52.6</b> | <b>36.2</b> |

## 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 challenging directional drilling.
- > Worldwide, the company employs a workforce of 964 (end of 2005: 913), 245 at Ternitz, Lower Austria and 504 in North America (including Mexico).

## INTERIM BALANCE SHEET

|   | UNAUDITED<br>31.03.2006<br>TEUR | AUDITED<br>31.12.2005<br>TEUR |
|---|---------------------------------|-------------------------------|
| <b>ASSETS</b>                                     |                                 |                               |
| Cash and cash equivalents                         | 36,142                          | 35,598                        |
| Trade accounts receivable                         | 31,402                          | 28,460                        |
| Other accounts receivable and prepaid expenses    | 4,792                           | 5,402                         |
| Inventories                                       | 63,788                          | 58,108                        |
| <b>Total current assets</b>                       | <b>136,124</b>                  | <b>127,568</b>                |
| Property, plant & equipment                       | 67,991                          | 68,200                        |
| Goodwill  | 39,388                          | 40,019                        |
| Other intangible assets                           | 626                             | 548                           |
| Long-term investments                             | 1,475                           | 1,480                         |
| Long-term receivables                             | 1,332                           | 1,355                         |
| Deferred tax assets                               | 3,998                           | 3,677                         |
| <b>Total non-current assets</b>                   | <b>114,810</b>                  | <b>115,279</b>                |
| <b>TOTAL ASSETS</b>                               | <b>250,934</b>                  | <b>242,847</b>                |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       |                                 |                               |
| Bank loans and overdrafts                         | 24,052                          | 24,647                        |
| Current portion of loans                          | 4,011                           | 4,333                         |
| Finance lease obligations                         | 233                             | 236                           |
| Accounts payable trade                            | 21,338                          | 16,384                        |
| Other payables and accrued expenses               | 15,115                          | 15,505                        |
| <b>Total current liabilities</b>                  | <b>64,749</b>                   | <b>61,105</b>                 |
| Loans not due within one year                     | 16,913                          | 17,286                        |
| Finance lease obligations, long-term              | 248                             | 308                           |
| Subsidies received                                | 773                             | 648                           |
| Retirement benefits obligations                   | 3,110                           | 3,105                         |
| Deferred tax payables                             | 5,665                           | 5,238                         |
| <b>Total non-current liabilities</b>              | <b>26,709</b>                   | <b>26,585</b>                 |
| Common stock                                      | 16,000                          | 16,000                        |
| Contributed capital                               | 65,799                          | 65,799                        |
| Other reserves and translation component          | -9,273                          | -7,095                        |
| Retained earnings                                 | 86,508                          | 80,026                        |
| Minority interests in consolidated companies      | 442                             | 427                           |
| <b>Total shareholders' equity</b>                 | <b>159,476</b>                  | <b>155,157</b>                |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> | <b>250,934</b>                  | <b>242,847</b>                |

## INTERIM CASH FLOW STATEMENT

|  | UNAUDITED<br>3 months period ended |                    |
|--|------------------------------------|--------------------|
|  | 31.03.2006<br>TEUR                 | 31.03.2005<br>TEUR |
| <b>OPERATING ACTIVITIES</b>                              |                                    |                    |
| Income after taxation                                    | 6,506                              | 3,228              |
| Depreciation and amortization                            | 3,109                              | 2,593              |
| Other  | 120                                | 246                |
| <b>Cash earnings</b>                                     | <b>9,735</b>                       | <b>6,067</b>       |
| Change in working capital                                | -4,787                             | -4,553             |
| <b>Net cash provided by operating activities</b>         | <b>4,948</b>                       | <b>1,514</b>       |
| <b>INVESTING ACTIVITIES</b>                              |                                    |                    |
| Expenditures for fixed assets                            | -4,482                             | -3,653             |
| Other activities   | 511                                | 142                |
| <b>Net cash used in/provided by investing activities</b> | <b>-3,971</b>                      | <b>-3,511</b>      |
| <b>FINANCING ACTIVITIES</b>                              |                                    |                    |
| Payment of dividends                                     | 0                                  | -5,200             |
| Change in bank liabilities and other financing           | -728                               | 5,234              |
| <b>Net cash used in/provided by financing activities</b> | <b>-728</b>                        | <b>34</b>          |
| Translation adjustments                                  | 525                                | -526               |
| <b>Change in cash and cash equivalents</b>               | <b>774</b>                         | <b>-2,489</b>      |
| Cash and cash equivalents at beginning of year           | 35,598                             | 17,042             |
| Exchange rate effects                                    | -230                               | 702                |
| Cash and cash equivalents at end of period               | 36,142                             | 15,255             |

### For additional information please contact:

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