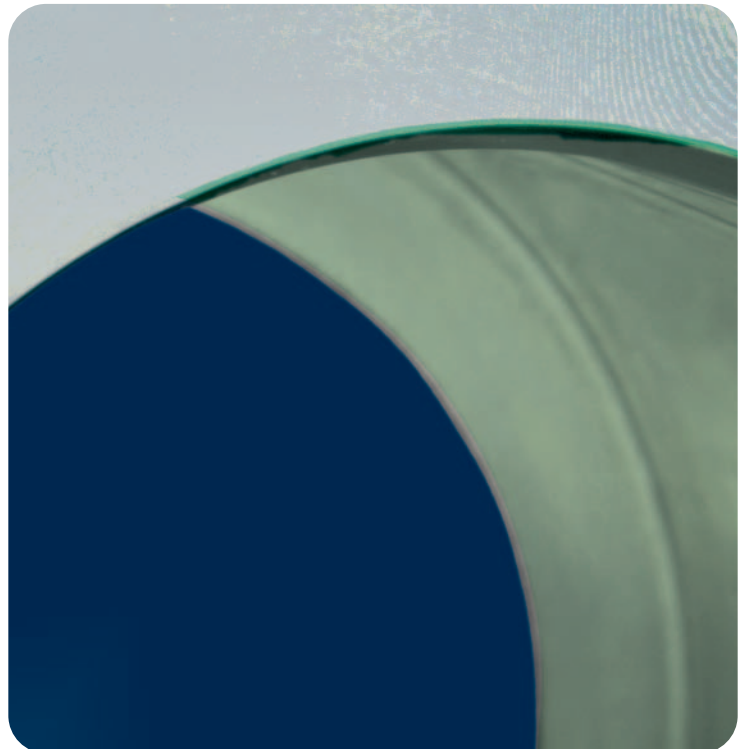
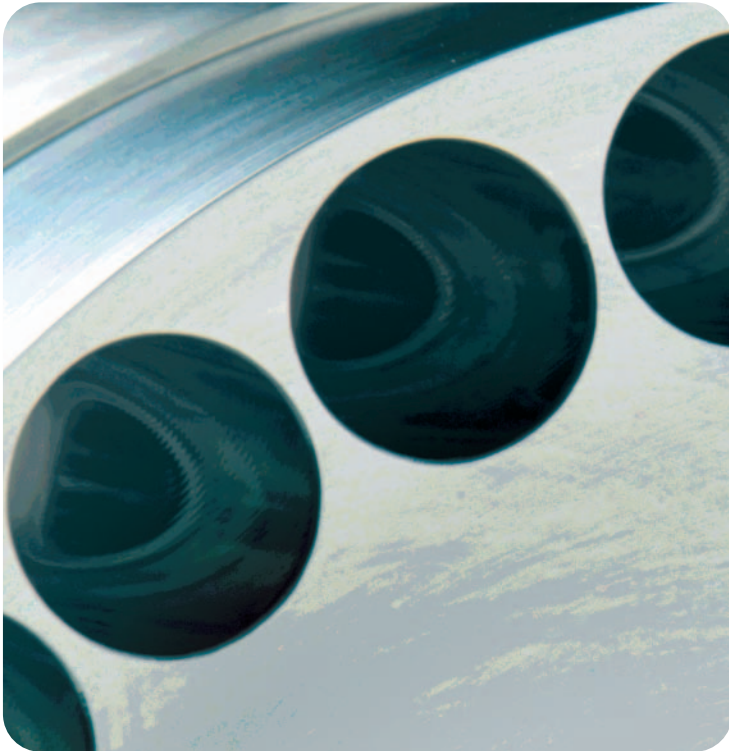


HIGHLIGHTS

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

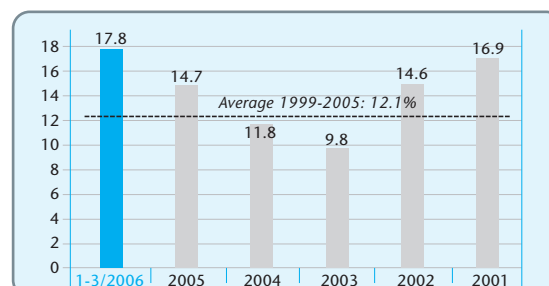
<u>Equity as of December 31, 2005</u>	<u>155,157</u>
Income after taxation	6,506
Dividend	0
Currency translation adjustments	-2,187
Equity as of March 31, 2006	159,476

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

SALES BY REGION (MEUR)

	2006 1-3	2005 1-3
North America	44.5	29.6
Europe	25.3	16.9
Other	3.1	2.4
- Intercompany Sales	-20.3	-12.7
Umsatzerlöse	52.6	36.2

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 31.03.2006 TEUR	AUDITED 31.12.2005 TEUR
ASSETS		
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
Total current assets	136,124	127,568
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
Total non-current assets	114,810	115,279
TOTAL ASSETS	250,934	242,847
LIABILITIES AND SHAREHOLDERS' EQUITY		
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
Total current liabilities	64,749	61,105
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
Total non-current liabilities	26,709	26,585
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
Total shareholders' equity	159,476	155,157
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	250,934	242,847

INTERIM CASH FLOW STATEMENT

	UNAUDITED 3 months period ended	
	31.03.2006 TEUR	31.03.2005 TEUR
OPERATING ACTIVITIES		
Income after taxation	6,506	3,228
Depreciation and amortization	3,109	2,593
Other	120	246
Cash earnings	9,735	6,067
Change in working capital	-4,787	-4,553
Net cash provided by operating activities	4,948	1,514
INVESTING ACTIVITIES		
Expenditures for fixed assets	-4,482	-3,653
Other activities	511	142
Net cash used in/provided by investing activities	-3,971	-3,511
FINANCING ACTIVITIES		
Payment of dividends	0	-5,200
Change in bank liabilities and other financing	-728	5,234
Net cash used in/provided by financing activities	-728	34
Translation adjustments	525	-526
Change in cash and cash equivalents	774	-2,489
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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