CORE LABORATORIES N.V.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IAS 34, "INTERIM FINANCIAL REPORTING"

Semi-Annual Report for June 30, 2015

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CORE LABORATORIES N.V.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SEMI-ANNUAL REPORT FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2015

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Semi-Annual Report of the Directors

Currency - United States Dollars (“$”)

Business review

Core Laboratories N.V. is a limited liability company incorporated in The Netherlands. It was established in 1936 and is one of the world's leading providers of proprietary and patented reservoir description, production enhancement and reservoir management services and products to the oil and gas industry. These services and products can enable our clients to improve reservoir performance and increase oil and gas recovery from their producing fields. Core Laboratories N.V. has over 70 offices in more than 50 countries and employs approximately 4,400 people worldwide.

References to "Core Lab", "we", "our" and similar phrases are used throughout this Semi-Annual Report and relate collectively to Core Laboratories N.V. and its consolidated affiliates.

We operate our business in three reportable segments. These complementary segments provide different services and products and utilize different technologies for improving reservoir performance and increasing oil and gas recovery from new and existing fields.

- *Reservoir Description:* Encompasses the characterization of petroleum reservoir rock, fluid and gas samples. We provide analytical and field services to characterize properties of crude oil and petroleum products to the oil and gas industry.
- *Production Enhancement:* Includes services and products relating to reservoir well completions, perforations, stimulations and production. We provide integrated services to evaluate the effectiveness of well completions and to develop solutions aimed at increasing the effectiveness of enhanced oil recovery projects.
- *Reservoir Management:* Combines and integrates information from reservoir description and production enhancement services to increase production and improve recovery of oil and gas from our clients' reservoirs.

Financial Review

Revenue

<u>Services Revenue</u>

Services revenue decreased to $319.8 million for the six months ended June 30, 2015, down 15% when compared to $377.0 million for the same period of 2014. Prices at the end of the first half of 2015 for WTI and Brent crude oil have declined 44% and 46%, respectively, compared to June 30, 2014. As a result, the global rig count fell by 38%, primarily in North America, resulting in only a 15% decrease in demand for our analytical, diagnostic, and completion services. Our continued focus on worldwide crude oil related and large natural gas liquefaction projects, especially those related to the development of deepwater fields off West and East Africa and the eastern Mediterranean, kept services revenue from declining further.

<u>Product Sales Revenue</u>

Revenue associated with product sales decreased to $97.7 million for the six months ended June 30, 2015 compared to $153.4 million during the same period in 2014. Although rig count at the end of the first half of 2015 for the US and Canada declined 54% and 46%, respectively, compared to June 30, 2014, our revenue decreased only 36% as a result of our differentiated well completion products.

Operating expenses

<u>Cost of Services</u>

Cost of services expressed as a percentage of services revenue was 66% for the six months ended June 30, 2015, up from 61% during the same period in 2014. The increase is primarily due to our not being able to absorb as much of our fixed costs structure due to lower revenues in 2015 when compared to 2014. We took actions to reduce our cost structure in response to the sharp decline in global activity during the first half of 2015.

Cost of Product Sales

Cost of product sales expressed as a percentage of product sales revenue was 83% for the six months ended June 30, 2015, up from 73% during the same period in 2014. This increase was primarily due to our not being able to absorb as much of our fixed costs structure due to lower revenue in 2015 when compared to 2014. We took actions to reduce our cost structure in response to the sharp decline in North America activity during the first half of 2015.

Operating margin

Operating margin for the six month period ended June 30, 2015 decreased to 22.1%, compared to 31.5% for the same period of 2014, primarily due to our fixed costs structure being absorbed on lower revenue in 2015 when compared to 2014.

Cash Flow

The following table summarizes cash flows for the six months ended June 30, 2015 and 2014 (in thousands):

	Six Months Ended June 30,		
	2015	**2014**	**% Change**
Cash provided by/(used in):			
Operating activities	$ 125,697	$ 132,494	(5)%
Investing activities	(27,376)	(23,367)	(17)%
Financing activities	(99,091)	(104,667)	5 %
Net change in cash and cash equivalents	$ (770)	$ 4,460	(117)%

Cash flows from operating activities decreased for the first six months of 2015 compared to the same period in 2014, primarily due to lower net income in 2015 offset by improved working capital and a reduction in cash taxes paid in 2015.

Cash flows used in investing activities were higher during the first six months of 2015 when compared to the same period in 2014, primarily due to the acquisition in 2015, offset by lower capital expenditures in 2015.

Cash flows used in financing activities decreased for the first six months of 2015 when compared to the same period in 2014. In the first six months of 2015, we repurchased 1,043,022 shares of our common stock for an aggregate purchase price of $115.8 million compared to the repurchase of 709,559 shares for an aggregate purchase price of $125.3 million during the same period in 2014. We increased the amount of our quarterly dividend from $0.50 per share to $0.55 per share, resulting in dividend payments of $47.5 million during the first six months of 2015, compared to $44.9 million during the first six months of 2014.

Equity

During the six months ended June 30, 2015, we repurchased 1,043,022 of our common shares for $115.8 million. Included in this total were rights to 18,478 shares valued at $2.0 million that were surrendered to us pursuant to the terms of a stock-based compensation plan in consideration of the participants' tax burdens that may result from the issuance of common shares under that plan. Such common shares, unless canceled, may be reissued for a variety of purposes such as future acquisitions, non-employee director stock awards or employee stock awards. During the six months ended June 30, 2015, 62,774 treasury shares were distributed upon vesting of stock-based awards.

At the annual meeting of shareholders on May 21, 2015, the shareholders approved the cancellation of 1,250,000 shares of our common stock then held as treasury stock. These treasury shares were cancelled on August 5, 2015, after the expiration of the waiting period required under Dutch law. We charged the excess of the cost of the treasury stock over its par value to additional paid-in capital and retained earnings.

In February and May 2015, we paid quarterly dividends of $0.55 per share of common stock. In addition, on July 7, 2015, we declared a quarterly dividend of $0.55 per share of common stock which was paid on August 17, 2015 to shareholders of record on July 17, 2015.

Segment Analysis

We operate our business in three reportable segments - Reservoir Description, Production Enhancement and Reservoir Management. These complementary segments provide different services and products and utilize different technologies for improving reservoir performance and increasing oil and gas recovery from new and existing fields. The following tables summarize our results by operating segment for the six months ended June 30, 2015 and 2014 (in thousands):

	Six Months Ended June 30,		
	2015	2014	% Change
Revenue:			
Reservoir Description	$ 240,670	$ 255,845	(6)%
Production Enhancement	145,734	221,273	(34)%
Reservoir Management	31,128	53,347	(42)%
Consolidated	$ 417,532	$ 530,465	(21)%
Operating income (loss):			
Reservoir Description	$ 60,274	$ 70,952	(15)%
Production Enhancement	24,947	74,757	(67)%
Reservoir Management	7,596	20,235	(62)%
Corporate and Other[1]	(481)	1,288	NM
Consolidated	$ 92,336	$ 167,232	(45)%

(1) "Corporate and Other" represents those items that are not directly related to a particular segment

"NM" means not meaningful

Reservoir Description

Revenue from the Reservoir Description segment decreased 6% to $240.7 million for the six months ended June 30, 2015, compared to $255.8 million in the same period of 2014. The decrease in revenue is primarily related to the strengthening of the US dollar against certain currencies such as the Euro, Australian dollar, Canadian dollar, British pound, and Russian ruble, in which we invoice a portion of our revenue. This segment's operations continue to work on large-scale, long-term crude-oil and LNG projects with an emphasis on deepwater developments and international markets. We continue to focus on large-scale core analyses and reservoir fluids characterization studies in the Asia-Pacific areas, offshore West and East Africa, the Eastern Mediterranean region and the Middle East, including Kuwait and the United Arab Emirates.

Operating income decreased to $60.3 million for the six months ended June 30, 2015, compared to $71.0 million for the same period of 2014, primarily due to our fixed costs structure, which included additional charges for severance and other items, being absorbed on lower revenue in 2015 when compared to 2014. Operating margin for the six months ended June 30, 2015 was 25%. This segment emphasizes technologically demanding services on internationally-based development and production-related crude oil projects rather than the more cyclical exploration-related projects.

Production Enhancement

Revenue from the Production Enhancement segment decreased to $145.7 million for the six months ended June 30, 2015, compared to $221.3 million in the same period of 2014. Revenue decreased 34% primarily in the US where the horizontal rig count fell 55% during the first half of 2015. This significantly reduced demand for our products associated with land-based completion of oil wells in US unconventional developments.

Operating income decreased to $24.9 million for the six months ended June 30, 2015 compared to $74.8 million during the same period of 2014 primarily due to decreased revenue caused by reduced spending in North America by our clients in 2015. Operating margin was 17% for the six months ended June 30, 2015.

Reservoir Management

Revenue from the Reservoir Management segment decreased to $31.1 million for the six months ended June 30, 2015, compared to $53.3 million for the same period of 2014, primarily due to the decrease of the oil commodity price resulting in reduced spending from our oil and gas clients. We continue to have interest in our existing multi-client reservoir studies such as the *Duvernay Shale Project* in Canada and the *Tight Oil Reservoirs of the Midland Basin* study as well as our new joint-industry projects in the Williston Basin targeting the tight oil of the entire Three Forks sections and a study in the Appalachian Basin of the emerging Devonian shales in the liquids window.

Operating income decreased to $7.6 million for the six months ended June 30, 2015 compared to $20.2 million for the same period of 2014, due primarily to decreased revenue. We are still focused on our joint industry projects, including the Utica, Duvernay, Montney, Wilrich, Mississippi Lime and Central Atlantic studies and the Marcellus, Niobrara, Wolfcamp, Eaglebine and Eagle Ford plays. Operating margin was 24% in the six months ended June 30, 2015. Although operating margins for Reservoir Management can fluctuate due to sales of fully completed studies, which generate significant incremental margins, the lower margin during the first half of 2015 was primarily attributable to the fixed costs associated with product sales being absorbed by lower product sales revenue.

Outlook

As part of our long-term growth strategy, we continue our long-term efforts to expand our market presence by opening or expanding facilities in strategic areas and realizing synergies within our business lines subject to client demand and market conditions. We believe our market presence provides us a unique opportunity to service clients who have global operations whether they are international oil companies, national oil companies, or independent oil companies.

During the second half of 2014, the prices for both WTI and Brent crude oil began to fall sharply, particularly after the OPEC meeting held on November 27, 2014. Average prices for the majority of the 2014 calendar year were in excess of $99 per barrel for WTI and in excess of $105 per barrel for Brent; however, they were down to approximately $50 per barrel by year's end. These depressed prices have caused a significant decrease in the activities associated with both the exploration and production of oil during 2015.

The North American land-based activity has been impacted more significantly with the average rig count decreasing by more than 56% in 2015 when compared to 2014 year-end levels. If the WTI crude oil price remains near its current level, we believe the significantly lower levels of industry activity experienced in the first half of 2015 may continue through the remainder of 2015, which could negatively impact our North America operations.

Outside of North America, activities associated with the exploration and production of oil have also decreased from 2014 levels, although not as significantly as the land-based activities in North America. The average international rig count in the first half 2015 is down approximately 13% as compared to year-end 2014. These reduced international activities have impacted most regions, except the Middle East, where we continue to see sustained levels and some potential growth in 2015. As with North America land-based activity, we believe international activities will also remain at reduced levels, without a meaningful improvement in the current Brent crude oil prices.

We saw the U.S. production start to decline in the second quarter of 2015 which we believe is an indication that the balancing of worldwide crude-oil markets is underway. Additionally, the most recent International Energy Agency estimates project worldwide demand to increase in 2015 by 1.6 million barrels of oil per day in response to low commodity prices. With the very steep decline curves associated with the unconventional tight oil reservoirs in the U.S., we now believe that U.S. supply growth rolled over in April of 2015 and that year-over-year crude-oil production will be down several hundreds-of-thousands of barrels per day. Therefore, at current activity levels, U.S. production could fall significantly in 2015 and 2016, while worldwide oil production continues to stagnate or decrease slightly because recent international production gains may not be sustainable over the long term.

Cautionary Statement Regarding Forward-Looking Statements

This Semi-Annual Report contains forward-looking statements. In addition, from time to time, we may publish forward-looking statements relating to such matters as anticipated financial performance, business prospects, technological developments, new products, research and development activities and similar matters. Forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "believe", "expect", "anticipate", "estimate", "continue", or other similar words, including statements as to the intent, belief, or current expectations of our directors, officers, and management with respect to our future operations, performance, or positions or which contain other forward-looking information. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effect on us. While management believes that these forward-looking statements are reasonable as and when made, no assurances can be given that the future results indicated, whether expressed or implied, will be achieved. While we believe that these statements are and will be accurate, our actual results and experience may differ materially from the anticipated results or other expectations expressed in our statements due to a variety of risks and uncertainties.

Statement of Directors' Responsibilities

In accordance with the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht), section 5:25d, paragraph 2 sub c, we confirm that, to the best of our knowledge:

- the condensed consolidated interim financial statements for the six months ended June 30, 2015 have been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union and give a true and fair view of the assets, the liabilities, the financial position and the profits or the loss of Core Laboratories N.V. and its consolidated companies; and

- the interim management report for the six months ended June 30, 2015 gives a true and fair view of the information required pursuant to section 5:25d, subsection 8 and, as far as applicable, subsection 9 of the Dutch Act on Financial Supervision.

Amsterdam, The Netherlands,
August 25, 2015

/s/ Richard L. Bergmark

Richard L. Bergmark
Executive Vice President, Chief Financial
Officer, and Supervisory Director

CORE LABORATORIES N.V.
INTERIM BALANCE SHEET
(In thousands of USD, except share data)

	Ref.	June 30, 2015	December 31, 2014
ASSETS		(Unaudited)	
NON-CURRENT ASSETS			
Property, plant and equipment		$ 148,452	$ 149,014
Intangible assets	6	237,966	221,686
Investment in associates		2,415	2,336
Deferred income tax asset		22,205	20,593
Other financial assets	8	37,168	36,886
Other assets		4,823	4,304
TOTAL NON-CURRENT ASSETS		$ 453,029	$ 434,819
CURRENT ASSETS			
Inventories	10	$ 47,585	$ 43,371
Prepaid expenses and other current assets		21,406	20,829
Income tax receivable		13,836	10,980
Accounts receivable		155,112	197,163
Cash and cash equivalents		22,580	23,350
TOTAL CURRENT ASSETS		260,519	295,693
TOTAL ASSETS		$ 713,548	$ 730,512
SHAREHOLDERS' EQUITY			
Common shares, EUR 0.02 par value in 2015 and in 2014; 200,000,000 shares authorized, 45,600,002 issued and 42,656,736 outstanding at 2015 and 45,600,002 issued and 43,636,984 outstanding at 2014	11	$ 1,174	$ 1,174
Additional paid-in capital	11	—	—
Retained earnings		498,518	479,858
Other reserves		(17,177)	(16,982)
Treasury shares (at cost), 2,943,266 at 2015 and 1,963,018 at 2014	11	(421,633)	(317,613)
TOTAL SHAREHOLDERS' EQUITY		60,882	146,437
Non-controlling interest		6,139	6,420
TOTAL EQUITY		$ 67,021	$ 152,857
LIABILITIES			
NON-CURRENT LIABILITIES			
Borrowings	12	$ 419,254	$ 353,672
Income tax payable		14,262	14,262
Deferred income tax liabilities		22,167	17,546
Employee benefit obligations	8, 14	69,446	69,471
Derivative financial instruments	9	999	1,082
Provisions	13	3,135	3,556
TOTAL NON-CURRENT LIABILITIES		$ 529,263	$ 459,589
CURRENT LIABILITIES			
Accounts payable		$ 42,323	$ 47,084
Borrowings	12	114	—
Income tax payable		8,602	8,615
Other taxes payable		(2,496)	(431)
Payroll and social security contributions		38,753	34,958
Unearned revenues		15,057	11,309
Other accrued expenses		14,911	16,531
TOTAL CURRENT LIABILITIES		117,264	118,066
TOTAL LIABILITIES		646,527	577,655
TOTAL EQUITY AND LIABILITIES		$ 713,548	$ 730,512

The accompanying notes are an integral part of these Consolidated Interim Financial Statements.

CORE LABORATORIES N.V.
INTERIM INCOME STATEMENT
(In thousands of USD, except share and per share data)

	Ref.	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
		(Unaudited)	
REVENUES:			
Services		$ 319,835	$ 377,034
Product sales		97,697	153,431
TOTAL REVENUES:		417,532	530,465
OPERATING EXPENSES:			
Cost of services		209,701	230,001
Cost of product sales		80,897	111,287
TOTAL OPERATING EXPENSES:		290,598	341,288
GROSS PROFIT		126,934	189,177
General and administrative expenses		25,294	22,570
Other (income) expense, net		2,214	(625)
Severance and other charges	5	7,090	—
OPERATING PROFIT		92,336	167,232
Finance income		(1)	(186)
Finance costs		5,519	5,157
Finance costs, net		5,518	4,971
Share of profit (loss) of associates		80	130
PROFIT (LOSS) BEFORE INCOME TAX EXPENSE		86,898	162,391
Income tax expense	15	19,400	36,555
PROFIT (LOSS) FOR THE PERIOD		$ 67,498	$ 125,836
Attributable to:			
Equity holders of the parent		$ 67,779	$ 125,385
Non-controlling interest		(281)	451
		$ 67,498	$ 125,836
EARNINGS PER SHARE INFORMATION:			
Basic earnings (loss) per share	16	$ 1.57	$ 2.80
Diluted earnings (loss) per share	16	$ 1.57	$ 2.78
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING (in thousands):			
Basic	16	43,063	44,783
Diluted	16	43,214	45,045

The accompanying notes are an integral part of these Consolidated Interim Financial Statements.

CORE LABORATORIES N.V.
INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
(In thousands of USD)

	Ref.	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
		(Unaudited)	
Profit (loss) for the period		$ 67,498	$ 125,836
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	14	(500)	(1,436)
Income taxes on post-employment benefit obligations	14	125	359
Items that may be subsequently reclassified to profit or loss			
Cash flow hedges	9	83	—
Income taxes on cash flow hedges	9	97	—
Net income (loss) recognized directly in equity		(195)	(1,077)
Total comprehensive income (loss) for the period		$ 67,303	$ 124,759
Attributable to:			
Equity holders of the parent		$ 67,584	$ 124,308
Non-controlling interest		(281)	451
		$ 67,303	$ 124,759

The accompanying notes are an integral part of these Consolidated Interim Financial Statements.

CORE LABORATORIES N.V.
INTERIM STATEMENTS OF CHANGES IN EQUITY
(In thousands of USD, except share data)

(Unaudited)	Ref.	Number of Shares Outstanding	Common Shares	Additional Paid-In Capital	Retained Earnings	Other Reserves	Treasury Stock	Non-controlling Interest	Total Equity
BALANCE, January 1, 2014		45,101,389	$ 1,203	$ 4,597	$ 476,355	$ (10,068)	$ (245,184)	$ 6,066	$ 232,969
Comprehensive income:									
Profit (loss) for the period		—	—	—	125,385	—	—	451	125,836
Other comprehensive income:									
Pension remeasurement	14					(1,077)			(1,077)
Total other comprehensive income									(1,077)
Total comprehensive (loss)									124,759
Transactions with owners:									
Stock-based compensation	11	88,189	—	11,509	—	—	—	—	11,509
Stock-based awards issued	11	—	—	(9,404)	—	—	9,404	—	—
Tax benefit related to stock-based awards		—	—	1,449	—	—	—	—	1,449
Repurchases of common shares	11	(709,559)	—	—	—	—	(125,294)	—	(125,294)
Non-controlling interest - dividend		—	—	—	—	—	—	(394)	(394)
Dividends paid	11	—	—	—	(44,938)	—	—	—	(44,938)
BALANCE, June 30, 2014		44,480,019	$ 1,203	$ 8,151	$ 556,802	$ (11,145)	$ (361,074)	$ 6,123	$ 200,060

(Unaudited)	Ref.	Number of Shares Outstanding	Common Shares	Additional Paid-In Capital	Retained Earnings	Other Reserves	Treasury Stock	Non-controlling Interest	Total Equity
BALANCE, January 1, 2015		43,636,984	$ 1,174	$ —	$ 479,858	$ (16,982)	$ (317,613)	$ 6,420	$ 152,857
Comprehensive income:									
Profit (loss) for the period		—	—	—	67,779	—	—	(281)	67,498
Other comprehensive income:									
Pension remeasurement	14					(375)			(375)
Cash flow hedges	9					180			180
Total other comprehensive income									(195)
Total comprehensive (loss)									67,303
Transactions with owners:									
Stock-based awards issued	11	62,774	—	315	(1,611)	—	11,773	—	10,477
Tax benefit related to stock-based awards		—	—	(315)	—	—	—	—	(315)
Repurchases of common shares	11	(1,043,022)	—	—		—	(115,793)	—	(115,793)
Dividends paid	11	—	—	—	(47,508)	—	—	—	(47,508)
BALANCE, June 30, 2015		42,656,736	$ 1,174	$ —	$ 498,518	$ (17,177)	$ (421,633)	$ 6,139	$ 67,021

The accompanying notes are an integral part of these Consolidated Interim Financial Statements.

CORE LABORATORIES N.V.
INTERIM STATEMENT OF CASH FLOWS
(In thousands of USD)

	Ref.	Six Months Ended June 30, 2015	2014
		(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit (loss) before income tax expense		$ 86,898	$ 162,391
Adjustments to reconcile income to net cash provided by operating activities:			
Depreciation		13,097	12,369
Amortization		399	582
Equity in (earnings) loss of associates		80	130
Stock-based compensation		10,162	11,508
Finance costs		5,518	4,971
(Gain) loss on sale of assets		(262)	(298)
Fair value (gains)/losses on other financial assets	14	(657)	(1,497)
Changes in assets and liabilities:			
Accounts receivable		42,430	901
Inventories	10	(3,622)	(4,571)
Other assets		(1,546)	(9,927)
Accounts payable		(4,594)	1,464
Accrued expenses		7,417	6,851
Other long-term liabilities		(4,140)	1,273
Cash provided by operating activities		151,180	186,147
Interest paid		(5,629)	(3,285)
Income tax paid		(19,854)	(50,368)
Net cash provided by operating activities		$ 125,697	$ 132,494
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures		$ (12,310)	$ (19,787)
Patents and other intangibles		(512)	(304)
Acquisitions, net of cash acquired	6	(13,824)	(1,200)
Proceeds from sale of assets		833	604
Interest received		1	186
Premiums on life insurance		(1,564)	(2,866)
Net cash used in investing activities		$ (27,376)	$ (23,367)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of debt borrowings	12	$ (27,000)	$ (37,042)
Proceeds from debt borrowings	12	91,000	103,000
Repurchase of common shares	11	(115,583)	(125,294)
Dividends paid	11	(47,508)	(44,937)
Non-controlling interest - (dividends)/capital contributions		—	(394)
Net cash used in financing activities		(99,091)	(104,667)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(770)	4,460
CASH AND CASH EQUIVALENTS, beginning of period		23,350	25,088
CASH AND CASH EQUIVALENTS, end of period		$ 22,580	$ 29,548

The accompanying notes are an integral part of these Consolidated Interim Financial Statements.

CORE LABORATORIES N.V.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH IAS 34
JUNE 30, 2015

1. DESCRIPTION OF BUSINESS

Core Laboratories N.V. ("Core Laboratories", "we", "our" or "us") is a limited liability company incorporated and domiciled in The Netherlands. The address of the registered office is Strawinskylaan 913, Tower A, Level 9, 1077 XX Amsterdam, The Netherlands. We were established in 1936 and are one of the world's leading providers of proprietary and patented reservoir description, production enhancement and reservoir management services to the oil and gas industry. These services are directed toward enabling our clients to improve reservoir performance and increase oil and gas recovery from their producing fields. We have over 70 offices in more than 50 countries and had approximately 4,400 and 5,000 employees in 2015 and 2014, respectively. We are listed on the New York Stock Exchange ("NYSE") and on the Euronext Amsterdam Stock Exchange.

We operate our business in three reportable segments. These complementary segments provide different services and products and utilize different technologies for improving reservoir performance and increasing oil and gas recovery from new and existing fields.

- *Reservoir Description*: Encompasses the characterization of petroleum reservoir rock, fluid and gas samples. We provide analytical and field services to characterize properties of crude oil and petroleum products to the oil and gas industry.
- *Production Enhancement*: Includes services and products relating to reservoir well completions, perforations, stimulations and production. We provide integrated services to evaluate the effectiveness of well completions and to develop solutions aimed at increasing the effectiveness of enhanced oil recovery projects.
- *Reservoir Management*: Combines and integrates information from reservoir description and production enhancement services to increase production and improve recovery of oil and gas from our clients' reservoirs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated and are consistent with those of the previous financial year.

Basis of Preparation

Our condensed consolidated interim financial statements for the six months ended June 30, 2015 have been prepared in accordance with IAS 34, "Interim Financial Reporting" ("IAS 34"). The condensed consolidated interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss. The condensed consolidated interim financial statements have not been audited and should be read in conjunction with the annual financial statements for the year ended December 31, 2014, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and with Part 9 Book 2 of The Netherlands Civil Code.

The accounting policies adopted are consistent with those of the previous financial year except as described below.

Estimates

The preparation of financial statements in conformity with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies. The significant judgments made by management in applying our accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2014, with the exception of changes in estimates that are required in determining the provision for income taxes.

Current and Deferred Income Taxes

Income tax expense is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year. See Note 15 - *Income Taxes*.

New and Amended Standards

There are no new standards, amendments, or interpretations to existing standards which are effective for accounting periods beginning on or after January 1, 2015 that have been applied in preparing these consolidated financial statements.

3. FINANCIAL RISKS AND RISK MANAGEMENT

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with our annual financial statements as of December 31, 2014.

4. SEASONALITY OF OPERATIONS

Our operations are only slightly impacted by seasonality effects from period to period.

5. SEVERANCE AND OTHER CHARGES

In response to lower commodity pricing and reduced spending by our clients related to oil and gas producing fields in 2015, we decided during the first half of 2015 to reduce our cost structure, primarily through a reduction in our workforce, to better align with anticipated activity levels for 2015, which is summarized below. As a result of these cost reductions, we recorded a charge of $7.1 million in the six months ended June 30, 2015. Depending on how the market situation evolves, further actions may be necessary, which could result in additional charges in future periods.

- Reduction in Force ($6.4 million): termination benefits expensed and paid or accrued at March 31, 2015,
- Facility Exit Costs ($0.5 million), and
- Asset Write-Offs ($0.2 million): write-off of assets that have no associated future cash flows.

We continue to closely monitor rig counts, crude oil and natural gas prices, and activity levels within the industry.

6. ACQUISITIONS

In June 2015, we acquired a business providing additional reservoir fluids technology for $17.2 million in cash. We have accounted for this acquisition by allocating the purchase price to the net assets acquired based on their estimated fair values at the date of acquisition, resulting in an increase to goodwill of $14.3 million and an increase of $1.9 million in intangible assets. The acquisition was recorded in the Reservoir Description business segment.

The acquisition of this entity did not have a material impact on our Balance Sheet or Income Statement.

7. SEGMENT REPORTING

We operate our business in three reportable segments. These complementary segments provide different services and products and utilize different technologies for improving reservoir performance and increasing oil and gas recovery from new and existing fields.

- *Reservoir Description*: Encompasses the characterization of petroleum reservoir rock, fluid and gas samples. We provide analytical and field services to characterize properties of crude oil and petroleum products to the oil and gas industry.

- *Production Enhancement*: Includes services and products relating to reservoir well completions, perforations, stimulations and production. We provide integrated services to evaluate the effectiveness of well completions and to develop solutions aimed at increasing the effectiveness of enhanced oil recovery projects.

- *Reservoir Management*: Combines and integrates information from reservoir description and production enhancement services to increase production and improve recovery of oil and gas from our clients' reservoirs.

Results for these business segments are presented below. We use the same accounting policies to prepare our business segment results as are used to prepare our condensed consolidated interim financial statements. We evaluate performance based on income or loss from continuing operations before income tax, interest and other non-operating income (expense).

Summarized financial information concerning our segments is shown in the following table (in thousands):

	Reservoir Description	Production Enhancement	Reservoir Management	Corporate & Other [(1)]	Consolidated
June 30, 2015					
Revenues from unaffiliated customers	$ 240,670	$ 145,734	$ 31,128	$ —	$ 417,532
Inter-segment revenues	5,187	1,369	207	(6,763)	—
Segment income (loss)	60,274	24,947	7,596	(481)	92,336
Finance costs	—	—	—	5,518	5,518
Share of profit (loss) of associates	91	(11)	—	—	80
Total assets	352,723	246,907	42,841	71,077	713,548
Capital expenditures	8,734	2,512	266	798	12,310
Intangible asset expenditures	23	463	—	26	512
Depreciation and amortization	8,015	3,410	853	1,218	13,496
June 30, 2014					
Revenues from unaffiliated customers	$ 255,845	$ 221,273	$ 53,347	$ —	$ 530,465
Inter-segment revenues	5,532	1,181	767	(7,480)	—
Segment income (loss)	70,952	74,757	20,235	1,288	167,232
Finance costs	—	—	—	4,971	4,971
Share of profit (loss) of associates	190	(139)	—	79	130
Total assets	343,073	283,050	57,401	69,108	752,632
Capital expenditures	11,096	2,830	367	5,494	19,787
Intangible asset expenditures	78	199	7	20	304
Depreciation and amortization	7,783	3,775	605	788	12,951

(1)"Corporate and other" represents those items that are not directly related to a particular segment and eliminations.

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

Segment assets consist primarily of cash and cash equivalents, trade and other receivables, inventories, property, plant and equipment and intangible assets. Unallocated assets in Corporate and Other is comprised of deferred taxation and miscellaneous assets related to the corporate function.

Capital expenditures comprise additions to property, plant and equipment.

Our general and administrative costs are allocated to the segments on a proportional basis relative to each segment's costs of sales.

8. OTHER FINANCIAL ASSETS

The Company's only financial assets relate to certain aspects of the Company's employee benefit plans, such as the fair value of life insurance policies, and our derivative instruments. The fair value of the life insurance policies increased by $0.7 million during the six months ended June 30, 2015.

We use the market approach to value certain assets and liabilities at fair value using significant other observable inputs (Level 2) with the assistance of a third party specialist. We do not have any assets or liabilities measured at fair value on a recurring basis using quoted prices in an active market (Level 1) or significant unobservable inputs (Level 3). Gains and losses related to the fair value changes in the deferred compensation assets and liabilities are recorded in General and administrative expense in the Income Statement. Gains and losses related to the fair value of the interest rate swaps are recorded in Other comprehensive income (loss). The following table summarizes the fair value balances (in thousands):

		Fair Value Measurement at June 30, 2015		
	Total	Level 1	Level 2	Level 3
Assets:				
Deferred compensation trust assets (1)	$ 37,168	$ —	$ 37,168	$ —
Liabilities:				
Benefit plans	$ 57,636	$ —	$ 57,636	$ —
5 year interest rate swap	335	—	335	—
10 year interest rate swap	664	—	664	—
	$ 58,635	$ —	$ 58,635	$ —

		Fair Value Measurement at December 31, 2014		
	Total	Level 1	Level 2	Level 3
Assets:				
Deferred compensation trust assets (1)	$ 36,886	$ —	$ 36,886	$ —
Liabilities:				
Benefit plans	$ 57,661	$ —	$ 57,661	$ —
5 year interest rate swap	201	—	201	—
10 year interest rate swap	881	—	881	—
	$ 58,743	$ —	$ 58,743	$ —

(1) Trust assets consist of the cash surrender value of life insurance policies intended to assist in the funding of the deferred compensation plans and are included in Other assets in the Balance Sheet.

9. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

We are exposed to market risks related to fluctuations in interest rates. To mitigate these risks, we utilize derivative instruments in the form of interest rate swaps. We do not enter into derivative transactions for speculative purposes.

Interest Rate Risk

Our Credit Facility bears interest at variable rates from LIBOR plus 1.25% to a maximum of LIBOR plus 2.00%. We are subject to interest rate risk on the debt carried through our Credit Facility.

In 2014, we entered into two interest rate swap agreements for a total notional amount of $50 million to hedge changes in the variable rate interest expense on $50 million of our existing or replacement LIBOR-priced debt. Under the first swap agreement of $25 million, we have fixed the interest rate at 2.98% through August 29, 2019, and under the second swap agreement of $25 million, we have fixed the interest rate at 3.75% through August 29, 2024. Each swap is measured at fair value and recorded in our Balance Sheet as a liability. They are designated and qualify as cash flow hedging instruments and are highly effective. Unrealized gains/losses are deferred to shareholders' equity as a component of accumulated other comprehensive income/loss and are recognized in income as a decrease/increase to interest expense in the period in which the related cash flows being hedged are recognized in expense.

At June 30, 2015, we had fixed rate debt aggregating $200 million and variable rate debt aggregating $220 million, after taking into account the effect of the swaps.

The fair values of outstanding derivative instruments are as follows:

	Fair Value of Derivatives		
	June 30, 2015	December 31, 2014	Balance Sheet Classification
Derivatives designated as hedges:			
5 year interest rate swap	$ 335	$ 201	Other long-term liabilities
10 year interest rate swap	664	881	Other long-term liabilities
	$ 999	$ 1,082	

The fair value of all outstanding derivatives was determined using a model with inputs that are observable in the market (Level 2) or can be derived from or corroborated by observable data.

The effect of the interest rate swaps on the Income Statement was as follows:

	Six Months Ended		
	June 30, 2015	June 30, 2014	Income Statement Classification
Derivatives designated as hedges:			
5 year interest rate swap	$ 195	$ —	Increase to interest expense
10 year interest rate swap	293	—	Increase to interest expense
	$ 488	$ —	

10. INVENTORIES

Inventories consisted of the following at June 30, 2015 and December 31, 2014 (in thousands):

	June 30, 2015	December 31, 2014
Finished goods	$ 34,298	$ 32,249
Parts and materials	10,817	9,147
Work in progress	2,470	1,975
Inventories, net	$ 47,585	$ 43,371

The balances above are net of valuation reserves of $3.4 million and $2.6 million at June 30, 2015 and December 31, 2014, respectively.

11. EQUITY

Share capital

The authorized share capital of the Company as at June 30, 2015 amounts to EUR 4 million and consists of 200,000,000 ordinary shares with a par value of EUR 0.02 each.

Issued and paid in share capital is $1.2 million and consists of 45,600,002 issued ordinary shares with a par value of EUR 0.02 each. Repurchased ordinary shares amounts to $421.6 million and consists of 2,943,266 ordinary shares with a par value of EUR 0.02 each.

The movements in the number of shares for the six months ended June 30, 2015 and 2014 are as follows:

	Ordinary Shares	Repurchased Ordinary Shares	Shares Outstanding
Balance at January 1, 2015	45,600,002	(1,963,018)	43,636,984
Issue of ordinary shares for stock based-awards	—	62,774	62,774
Repurchased own shares	—	(1,043,022)	(1,043,022)
Balance at June 30, 2015	45,600,002	(2,943,266)	42,656,736

	Ordinary Shares	Repurchased Ordinary Shares	Shares Outstanding
Balance at January 1, 2014	46,750,002	(1,648,613)	45,101,389
Issue of ordinary shares for stock based-awards	—	88,189	88,189
Repurchased own shares	—	(709,559)	(709,559)
Balance at June 30, 2014	46,750,002	(2,269,983)	44,480,019

Treasury Shares

During the six months ended June 30, 2015, we repurchased 1,043,022 of our common shares for $115.8 million, at an average price of $111.02 per share which included rights to 18,478 shares valued at $2.0 million, or $110.47 per share, that were surrendered to us pursuant to the terms of a stock-based compensation plan in consideration of the participants' personal tax burdens that may result from the issuance of common shares under this plan. Subsequent to June 30, 2015, we have repurchased [132,449] shares at a total cost of approximately [$14.4 million].

Dividends

In February and May of 2015, we paid quarterly dividends of $0.55 per share of common stock totaling $47.5 million. On July 7, 2015, we declared a quarterly dividend of $0.55 per share of common stock which was paid on August 17, 2015 to shareholders of record on July 17, 2015.

12. BORROWINGS

We have two series of senior notes outstanding with an aggregate principal amount of $150 million ("Senior Notes") issued in a private placement transaction. Series A consists of $75 million in aggregate principal amount of notes that bear interest at a fixed rate of 4.01% and are due in full on September 30, 2021. Series B consists of $75 million in aggregate principal amount of notes that bear interest at a fixed rate of 4.11% and are due in full on September 30, 2023. Interest on each series of the Senior Notes is payable semi-annually on March 30 and September 30.

On March 13, 2015, we entered into an agreement to amend our revolving credit facility (the "Credit Facility") to increase the aggregate borrowing capacity from $350 million to $400 million and to keep the uncommitted availability of an additional $50 million to bring the total borrowings available to $450 million if certain prescribed conditions are met by the Company. The Credit Facility bears interest at variable rates from LIBOR plus 1.25% to a maximum of LIBOR plus 2.00%. Any outstanding balance under the Credit Facility is due August 29, 2019, when the Credit Facility matures. Our available capacity at any point in time is reduced by borrowings outstanding at the time and outstanding letters of credit which totaled $26.1 million at June 30, 2015, resulting in an available borrowing capacity under the Credit Facility of $103.9 million. In addition to those items under the Credit Facility, we had $12.5 million of outstanding letters of credit and performance guarantees and bonds from other sources as of June 30, 2015.

Debt at June 30, 2015 and December 31, 2014 is summarized in the following table (in thousands):

	June 30, 2015	December 31, 2014
Senior notes	$ 150,000	$ 150,000
Credit facility	270,000	206,000
Other borrowings	1,622	—
Deferred debt acquisition costs	(2,254)	(2,328)
Total borrowings	419,368	353,672
Less - current maturities	114	—
Borrowings, net	$ 419,254	$ 353,672

In 2014, we entered into two interest rate swap agreements for a total notional amount of $50 million. See Note 9 - *Derivative Instruments and Hedging Activities*.

We do not have any exposure to sub-prime lending or collateralized debt obligations. We believe we are in compliance with the covenants on our existing debt. We believe our future cash flows from operating activities, supplemented by our borrowing capacity under existing facilities and our ability to issue additional equity should be sufficient to meet our contractual obligations, capital expenditures, working capital needs and to finance future acquisitions.

13. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

Provisions consist of accrued amounts related to claims from clients, and amounts due under certain service agreements and contractual commitments.

Claims from clients occur from disputes that may arise from the providing of services. These are investigated and resolved once a determination is made. The timing of any potential settlement varies for each claim.

The movement of provisions for the six months ended June 30, 2015 is as follows (in thousands):

Balance at January 1, 2015	$	3,556
Charged/ (credited) to the income statement:		
Additional provisions		3,851
Used during the year		(4,272)
Balance at June 30, 2015	$	3,135

14. PENSIONS AND OTHER POSTRETIREMENT BENEFIT PLANS

	June 30, 2015		December 31, 2014	
Balance sheet obligations for:				
Pension benefits	$	11,810	$	11,810
Post employment benefits - SERP benefits		15,303		15,940
Post employment benefits - deferred compensation		29,482		29,153
Post employment benefits - employee severance		12,851		12,568
Liability on the balance sheet	$	69,446	$	69,471

Supplemental Executive Retirement Plan (SERP) Benefits

SERP benefits represent an accrual for future payouts guaranteed to employees upon departure from the Company. In 1998, we entered into employment agreements with our senior executive officers that provided for severance benefits. The value of the long-term liability for the benefits due upon severing the employment of these employees is $10.3 million at June 30, 2015. The remaining $5.0 million balance is for the non-executive employees of the Company.

Deferred Compensation

Deferred Compensation relates to additional retirement liabilities for certain employees of the Company. The benefits under these contracts are fully vested and payment of benefits generally commences as of the last day of the month following the termination of services except that the payment of benefits for select executives generally commences on the first working day following a six month waiting period following the date of termination.

Employee Severance

Employee severance relates to payments to be made to certain employees upon departure from the Company. Some of the severance payments are guaranteed in employment contracts totaling approximately $8.4 million at June 30, 2015. The remaining $4.5 million balance is for severance payments to employees required by certain local jurisdictions.

Defined Benefit Plan

The components of net periodic pension cost under this plan for the six months ended June 30, 2015 and 2014 included (in thousands):

	Six Months Ended June 30,	
	2015	2014
Service cost	$ 903	$ 742
Interest cost	603	902
Expected return on plan assets	(499)	(669)
Net periodic pension cost	$ 1,007	$ 975

The net periodic pension cost of $1.0 million and $1.0 million for the six months ended June 30, 2015 and 2014, respectively was recognized in Cost of Services in the consolidated income statement.

15. INCOME TAXES

The effective tax rates for the six months ended June 30, 2015 and 2014 were 22.3% and 22.5%, respectively.

16. EARNINGS PER SHARE

The following table summarizes the calculation of weighted average common shares outstanding used in the computation of diluted earnings per share (in thousands):

	Six Months Ended June 30,	
	2015	2014
Weighted average basic common shares outstanding	43,063	44,783
Effect of dilutive securities:		
Contingent shares	86	105
Restricted stock and other	65	157
Weighted average diluted common and potential common shares outstanding	43,214	45,045

17. COMMITMENTS AND CONTINGENCIES

We have been and may from time to time be named as a defendant in legal actions that arise in the ordinary course of business. These include, but are not limited to, employment-related claims and contractual disputes or claims for personal injury or property damage which occur in connection with the provision of our services and products. Management does not currently believe that any of our pending contractual, employment-related, personal injury or property damage claims and disputes will have a material effect on our future results of operations, financial position or cash flow.

In connection with an audit of the 2008 and 2009 U.S. federal income tax returns of our U.S. consolidated group, the U.S. Internal Revenue Service has proposed that certain transfer pricing positions taken by the Company be adjusted, which could result in additional federal income tax of approximately $11 million plus interest for this two year audit period. We believe that these transactions are valid as originally recorded, and we are appealing this proposed adjustment. It is our belief that we will prevail on this issue; consequently, we have made no additional income tax accrual for this proposed adjustment.

We do not maintain any off-balance sheet debt or other similar financing arrangements nor have we formed any special purpose entities for the purpose of maintaining off-balance sheet debt.

18. RELATED PARTIES

In 2015 and 2014, 18,478 shares valued at $2.0 million and 25,394 shares valued at $4.7 million, respectively, were surrendered to the Company pursuant to the terms of a stock-based compensation plan, in settlement by the participants of their personal tax burdens that may result from the issuance of common shares under this arrangement. These shares were surrendered at the then current market price on the date of settlement.

In 2015 and 2014, we granted stock to each of our non-employee Directors in the amount of 1,436 and 756 shares respectively. These shares will vest, without performance obligations, on March 31, 2018 and 2017, respectively.

We had no other significant related party transactions for the six month period ended June 30, 2015.

19. SUBSEQUENT EVENTS

At the annual meeting of shareholders on May 21, 2015, the shareholders approved the cancellation of 1,250,000 shares of our common stock then held as treasury stock. These treasury shares were canceled on August 5, 2015, after the expiration of the waiting period required under Dutch law. We charged the excess of the cost of the treasury stock over its par value to additional paid-in capital and retained earnings.

On July 7, 2015, we declared a quarterly dividend of $0.55 per share of common stock which was paid on August 17, 2015 to shareholders of record on July 17, 2015.