



PRESS RELEASE

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INTEGRA GROUP

Announces financial results for the year ended 31 December 2005

Integra Group, a leading Russian independent diversified oilfield services group, announces financial information for the year ended 31 December, 2005 (the "Consolidated Financial Information"). Integra Group's Consolidated Financial Statements prepared in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements for the year ended 31 December 2005 are being reissued in order to provide updated information reflecting certain final purchase accounting adjustments, segment information consistent with the Group's current operating structure and other changes in disclosures.

Integra Group

Consolidated Balance Sheets

(expressed in thousands of US Dollars, except as indicated)

	31 December:	
	2005	2004
Assets		
Cash and cash equivalents	21,471	730
Trade and other receivables	57,941	7,203
Inventories	27,221	1,154
Total current assets	106,633	9,087
Goodwill and other intangible assets	34,329	433
Property, plant and equipment	139,419	25,098
Investments in associates	13,913	-
Deferred tax assets	290	97
Other assets	2,162	119
Total non-current assets	190,113	25,747
Total assets	296,746	34,834
Liabilities and shareholders' equity		
Accounts payable and accrued liabilities	50,186	7,345
Income taxes payable	4,159	20
Other taxes payable	9,737	2,358
Short-term borrowings and current portion of long-term borrowings	11,684	10,661

Total current liabilities	75,766	20,384
Long-term financial liabilities	115,098	949
Deferred tax liability	21,067	2,735
Other non-current liabilities	1,790	-
Total non-current liabilities	137,955	3,684
Total liabilities	213,721	24,068
Shareholders' equity:		
Ordinary shares (1,125,000 shares issued and outstanding at 31 December 2005 and 2004; nominal value one ten thousandth of one US Dollar)	-	-
Convertible preferred shares (1,926,471 and 750,000 shares issued and outstanding at 31 December 2005 and 2004, respectively; nominal value one ten thousandth of one US Dollar)	-	-
Cumulative translation adjustment	637	-
Warrants	136	-
Share premium	46,577	4,125
Retained earnings	10,530	6,641
Total equity attributable to Integra Group shareholders	57,880	10,766
Minority interest	25,145	-
Total equity	83,025	10,766
Total liabilities and equity	296,746	34,834

Integra Group
Consolidated Statements of Income
(expressed in thousands of US Dollars, except as indicated)

	Period ended 31 December:	
	2005	2004
Sales	97,921	-
Cost of sales	(76,688)	-
Gross profit	21,233	-
Selling, general and administrative expenses	(23,829)	(1,242)
Gain on acquisition of subsidiaries	16,592	7,904
Impairment of goodwill	(926)	-
Loss on disposal of property, plant and equipment	(112)	-
Operating profit	12,958	6,662
Interest income	452	11
Interest expense	(7,794)	(32)
Exchange loss	(1,439)	-
Share of results of associates, net of income tax	2,056	-
Profit before taxation	6,233	6,641
Current income tax expense	(4,153)	-
Deferred income tax benefit	1,269	-
Total tax expense	(2,884)	-
Profit for the period	3,349	6,641
Profit (loss) attributable to:		
- Minority interest	(540)	-
- Shareholders of Integra Group	3,889	6,641
Earnings per share (in US Dollars per share)		
- Basic	1.81	4.43
- Diluted	1.69	4.43
Weighted average shares outstanding		
- Basic	2,146,493	1,500,000
- Diluted	2,297,339	1,500,000

Integra Group
Consolidated Statements of Cash Flows
(expressed in thousands of US Dollars, except as indicated)

	Period ended 31 December:	
	2005	2004
Cash flows from operating activities		
Profit before taxation	6,233	6,641
Adjustments for:		
Gain on acquisition of subsidiaries	(16,592)	(7,904)
Impairment of goodwill	926	-
Depreciation and amortization	8,412	5
Interest income	(452)	(11)
Interest expense	7,794	32
Loss on disposal of property, plant and equipment	112	-
Share-based compensation	3,023	-
Share of results of associates	(2,056)	-
Operating cash flows before working capital changes	7,400	(1,237)
Change in trade and other receivables	(2,015)	(505)
Change in inventories	2,840	(4)
Change in accounts payable and accrued liabilities	(10,338)	107
Change in other taxes payable	200	-
Cash used in operations before interest and income taxes	(1,913)	(1,639)
Income tax paid	(1,431)	-
Interest paid	(3,486)	-
Net cash used in operating activities	(6,830)	(1,639)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(15,886)	(128)
Proceeds from the disposal of property, plant and equipment	167	-
Purchase of companies, net of cash acquired	(99,780)	(2,045)
Loans provided	-	(360)
Repayment of loans	71	-
Interest received	452	11
Other	(1,166)	(109)
Net cash used in investing activities	(116,142)	(2,631)
Cash flows from financing activities:		
Proceeds from issuance of shares	39,429	3,000
Proceeds from borrowings	135,922	2,000
Repayment of borrowings	(31,362)	-
Net cash provided by financing activities	143,989	5,000
Net increase in cash and cash equivalents	21,017	730
Cash and cash equivalents at the beginning of the period	730	-
Effect of exchange differences on cash balances	(276)	-
Cash and cash equivalents at the end of the period	21,471	730

Integra Group
Consolidated Statements of Changes in Shareholders' Equity
(expressed in thousands of US Dollars, except as indicated)

	Common shares	Preferred shares – Series A	Preferred shares – Series B	Warrants	Share premium	Cumulativ e translation adjustment	Retained earnings	Equity attributable to Integra Group shareholder s	Minority interest	Total equity
Issuance of 1,000,000 Class A common shares for cash	-	-	-	-	-	-	-	-	-	-
Issuance of 750,000 Series A preferred shares for cash	-	-	-	-	3,000	-	-	3,000	-	3,000
Issuance of 125,000 Class A common shares in exchange for participation interest in Tarpan and Paritet	-	-	-	-	1,125	-	-	1,125	-	1,125
Profit for the period	-	-	-	-	-	-	6,641	6,641	-	6,641
Balance at 31 December 2004	-	-	-	-	4,125	-	6,641	10,766	-	10,766
Share-based compensation	-	-	-	-	3,023	-	-	3,023	-	3,023
Issuance of 1,176,471 Series B preferred shares for cash	-	-	-	-	39,429	-	-	39,429	-	39,429
Issuance of warrants	-	-	-	136	-	-	-	136	-	136
Fair value of minority interests acquired	-	-	-	-	-	-	-	-	25,685	25,685
Recognized income	-	-	-	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	-	637	-	637	-	637
Profit for the year	-	-	-	-	-	-	3,889	3,889	(540)	3,349
Total recognized income	-	-	-	-	-	637	3,889	4,526	(540)	3,986
Balance at 31 December 2005	-	-	-	136	46,577	637	10,530	57,880	25,145	83,025
								Period ended		
								31 December:		
Supplemental information for minority interests:								2005	2004	
Share of profit attributable to holders of equity instruments with redemption rights classified as a liability									(335)	-
Share of loss attributable to holders of instruments classified as equity									(205)	-
Loss attributable to minority interest									(540)	-

Note to editors:

Integra is a leading Russian independent diversified oilfield services company. Integra operates in the following sectors - drilling, workover, integrated project management and formation evaluation and manufactures oilfield services equipment. Integra is present in all major oil and gas producing regions in Russia and in many regions of the CIS. The company's customer base includes Russian and international oil and gas majors operating in Russia.

Established in 2004, Integra comprises over 40 oilfield services and oilfield equipment manufacturing companies serving the Russian oil and gas sector. As of 30 September 2006, Integra employed approximately 15, 600 people.

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Forward-Looking Statements:

Some of the statements in this document are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of the Company or its officers with respect to various matters. When used in this document, the words "expects," "believes," "anticipates," "plans," "may," "will," "should" and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Such statements are not promises or guarantees, and are subject to risks and uncertainties that could cause actual outcome to differ materially from those suggested by any such statements.

These forward-looking statements speak only as of the date of this document. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based.