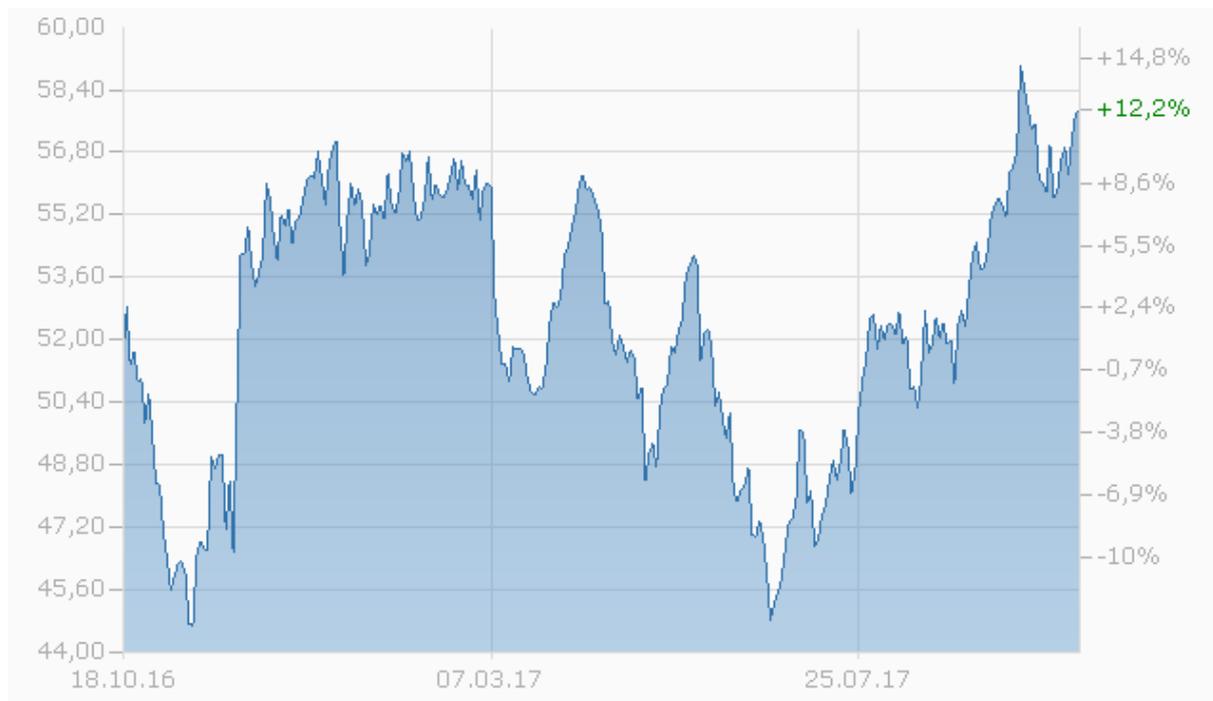


Interim Report Autumn 2017

The global oil market continued to ease in the first half of 2017. Meanwhile, the Brent oil price stabilized significantly above USD 50 per barrel. The forecasts for the coming months and the year 2018 continue to see rising oil prices. This is also reflected in the international financial markets, as listed oil companies are again attracting increased interest from investors.

BRENT OIL CHART IN USD - 1 YEAR



(Source: <http://www.finanzen.ch/rohstoffe/oelpreis>)

Worldwide oil sector consolidation has ensured that Transoilgroup AG has continued to stabilize in the second half of the year 2016 and in 2017. After the oil price remained stable in the first quarter of 2017, the company was able to start the preparations for the forthcoming stock market listing.

In this connection, Neelmeyer, the German private bank, could be contacted as a paying agent in the context of the conversion from bearer to registered shares. Following the positive resolution of the Annual General Meeting of Shareholders of June 26th, 2017, the conversion was confirmed by SIX SIS AG as of August 4th, 2017. As of today, already 261 shareholders have registered in the Company's share register.

Location of Concessions & Exploration Blocks



Another important step for the company was the formal application for the acquisition of additional oilfields and research blocks in Albania. On April 14th, 2017, Transoilgroup AG officially submitted the formal applications for the transfer of three producing oil fields and three other oil blocks (so-called Research Blocks) to the Albanian Government, with the objective that they would be fully or partially taken over by the end of 2017.

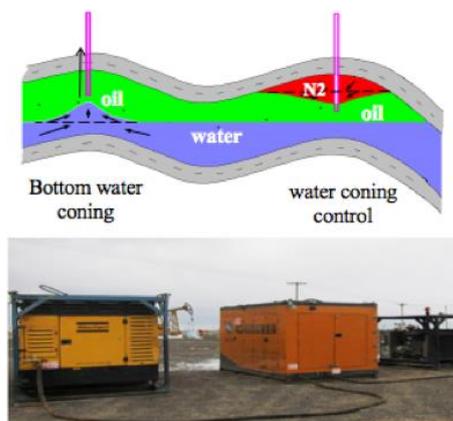
(Source: Transoilgroup AG)

On May 26th, 2017, the Chinese company KERUI (<http://www.keruigroup.com>) signed an agreement to test a new funding procedure. These tests have been approved by the Albanian Government since it is a very promising technology, especially for heavy oil fields.

Characteristic nitrogen technology

Nitrogen foam water coning control

Application Scenarios	edge water and bottom water coning
Deficiency of traditional solution	<ul style="list-style-type: none"> ➢ Hard to control pressure. ➢ Plugging rate reduce with water injection. ➢ Application effect of artificial interbed and mining water eliminating cone is not ideal.
Advantage	<ul style="list-style-type: none"> ➢ Nitrogen foam can plug bottom water channeling channel effectively, slow down bottom water coning. ➢ Nitrogen foam has good stability in porous media. ➢ According to numerical stimulation, nitrogen foam water coning control is effective.



(Source: KERUI)

TRANSOILGROUP

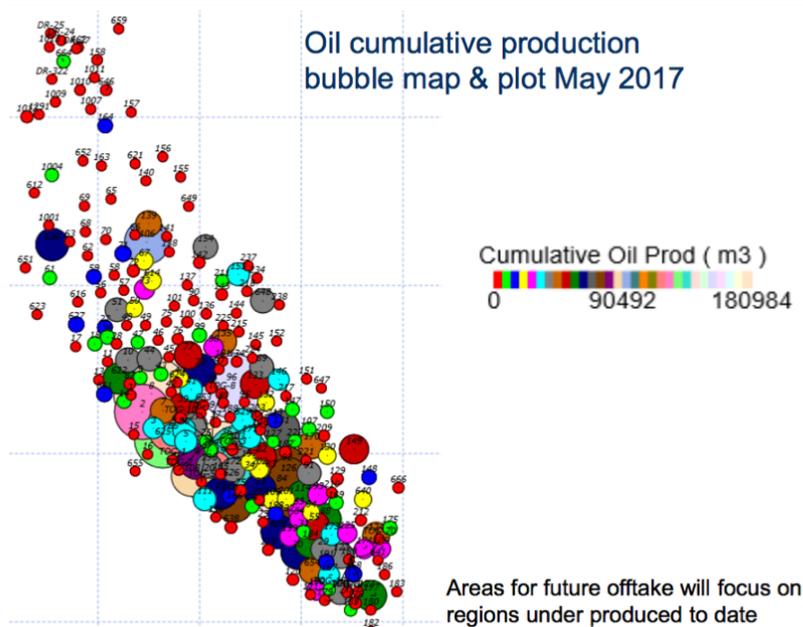
The so-called Nitroгене stimulation system has now arrived on the Visoka oil field on September 15th, 2017 and has since been installed. The test, launched on October 11th, 2017, is first performed on two existing vertical wells, G-8 and G-628. The amount of the recoverable oil will improve significantly in case of a successful test so that the value of our oil field Visoka is also likely to increase significantly.



In addition, a frame purchasing agreement to finance equipment over USD 5 million was concluded with KERUI on August 9th, 2017. It is possible to increase this financing agreement to USD 35 million. The Board of Directors has decided to activate the first and possible further tranches as soon as the test results are definitively positive and clear economics can be shown.

(Source: Transoilgroup AG)

The international oil servicing and advising company RPS Energy (<http://www.rpsgroup.com/>) was already contracted on May 29th, 2017 with the creation of a Competent Person's Report (CPR / NI 51 101). In addition, it was agreed that the report, in addition to our Visoka oil field, will cover the remaining three oil fields and the three blocks and thus include an assessment of the total investment. A first, provisional summary of August 20th, 2017 is assessing the assets in a very promising way,



even when taking a conservative view. Transoilgroup AG will be able to identify significantly higher reserves. In addition, RPS Energy has agreed to support Transoilgroup AG in the preparation of the oilfield development plan with the aim of achieving the highest possible efficiency and the fastest possible production increase.

(Source: RPS Energy)



At the Annual General Meeting on June 26th, 2017, an overview of the most important steps leading to a successful IPO was presented. The Board of Directors has concluded all external and internal projects and implemented them in full or in part as of today. Thus, in addition to a server switching at the end of August 2017, a company was commissioned with the design of the new Corporate Identity (CI); we expect the results by the end of November 2017.

(Source: Transoilgroup AG)

In September 2017, a solution to the pending tax accounts could be found with the cantonal tax authorities, so that the differing views in connection with the tax ruling received in 2012 could be settled. The resulting tax burden has been adjusted in such a way that it can be met from current liquidity.

In connection with the settlement of the outstanding securities lending with the two main shareholders of Transoilgroup AG, interim financial statements as of September 30th, 2017, which will be audited by our auditors Ernst & Young AG, are currently being prepared.

Another central project, the transition to IFRS (International Financial Reporting Standards) in both the parent company and the subsidiary in Albania, was launched with a professional auditing partner on October 6th, 2017. We will therefore receive financial reports according to a recognized international accounting standard, including consolidated accounts.

We are very satisfied that an important part of the tasks leading up to the IPO is on the right track and that the course is set for the future of the company.

As CEO, I would like to take this opportunity to thank all the internal contributors and the external partners for their unconditional commitment.

I will continue to work hard every day to ensure that Transoilgroup AG becomes a successful, respected company on the international exchanges. I am convinced of that.

With best regards,

Peter Krempin, CEO