

**National Petroleum Services Company K.S.C.P.
and Subsidiaries**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

30 SEPTEMBER 2016 (UNAUDITED)



Building a better
working world

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF NATIONAL PETROLEUM SERVICES COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Petroleum Services Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively the "Group") as at 30 September 2016, the related interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income for the three month and nine month periods then ended, and the related interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the nine month period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, and its executive regulations, or of the Parent Company's Memorandum of Incorporation and Articles of Association during the nine month period ended 30 September 2016 that might have had a material effect on the business of the Parent Company or on its financial position.

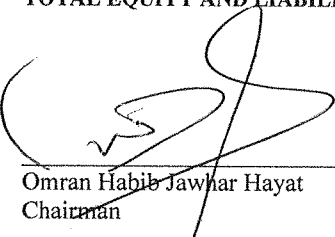
WALEED A. AL OSAIMI
LICENCE NO. 68 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

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LICENCE NO. 38 A
BDO AL NISF & PARTNERS

13 November 2016
Kuwait

National Petroleum Services Company K.S.C.P. and Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
As at 30 September 2016

		30 September 2016	(Audited) 31 December 2015	30 September 2015
	Notes	KD	KD	KD
ASSETS				
Non-current assets				
Property, plant and equipment		8,616,834	9,047,928	8,613,740
Intangible assets		30,945	66,658	-
Financial assets available for sale	3	48,121	43,814	44,004
		<u>8,695,900</u>	<u>9,158,400</u>	<u>8,657,744</u>
Current assets				
Inventories		2,516,082	3,069,190	2,538,068
Accounts receivable		6,580,728	5,541,628	6,404,938
Prepayments and other receivables		1,012,567	346,129	1,401,248
Financial assets at fair value through profit or loss		2,329,743	141,245	148,601
Term deposits	4	4,000,000	4,000,000	-
Bank balances and cash		5,268,142	3,891,236	6,176,191
		<u>21,707,262</u>	<u>16,989,428</u>	<u>16,669,046</u>
TOTAL ASSETS		<u><u>30,403,162</u></u>	<u><u>26,147,828</u></u>	<u><u>25,326,790</u></u>
EQUITY AND LIABILITIES				
Equity				
Share capital		5,760,951	5,760,951	5,760,951
Share premium		3,310,705	3,310,705	3,310,705
Treasury shares	5	(585,062)	(585,062)	(585,062)
Treasury shares reserve	5	33,825	33,825	33,825
Statutory reserve		2,723,364	2,723,364	2,120,691
Voluntary reserve		2,723,364	2,723,364	2,120,691
Foreign currency translation reserve		5,643	5,643	(408)
Cumulative changes in fair value		19,491	15,182	15,070
Retained earnings		8,779,471	6,414,335	6,590,870
Equity attributable to equity holders of the Parent Company		<u>22,771,752</u>	<u>20,402,307</u>	<u>19,367,333</u>
Non-controlling interests		56,036	49,843	92,575
Total equity		<u>22,827,788</u>	<u>20,452,150</u>	<u>19,459,908</u>
Liabilities				
Non-current liability				
Employees' end of service benefits		1,699,459	1,416,260	1,372,540
Current liability				
Accounts payable and accruals	6	5,875,915	4,279,418	4,494,342
Total liabilities		<u>7,575,374</u>	<u>5,695,678</u>	<u>5,866,882</u>
TOTAL EQUITY AND LIABILITIES		<u><u>30,403,162</u></u>	<u><u>26,147,828</u></u>	<u><u>25,326,790</u></u>


Omran Habib Jawhar Hayat
Chairman

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

National Petroleum Services Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the period ended 30 September 2016

	<i>Notes</i>	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
		<i>2016 KD</i>	<i>2015 KD</i>	<i>2016 KD</i>	<i>2015 KD</i>
Revenues		8,013,218	5,134,222	19,800,301	14,978,165
Cost of revenues		(5,569,955)	(3,621,372)	(12,730,952)	(9,933,044)
GROSS PROFIT		2,443,263	1,512,850	7,069,349	5,045,121
Other (expenses) income		(2,383)	9,731	100,605	5,439
Write-off of property, plant and equipment	7	-	-	(116,145)	(665,857)
Gain on sale of property, plant and equipment		3,711	-	3,711	-
Net investments income	8	50,413	135,287	196,583	1,631,861
Administrative expenses	9	(355,716)	(322,718)	(1,071,196)	(959,399)
Selling and distribution expenses		(55,304)	(27,537)	(127,801)	(90,842)
PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST), ZAKAT AND DIRECTORS' REMUNERATION		2,083,984	1,307,613	6,055,106	4,966,323
KFAS		(18,681)	(11,556)	(54,500)	(44,484)
NLST		(51,892)	(32,098)	(151,390)	(123,566)
Zakat		(21,706)	(13,535)	(63,616)	(52,252)
Directors' remuneration		(19,500)	(16,000)	(58,500)	(48,000)
PROFIT FOR THE PERIOD		1,972,205	1,234,424	5,727,100	4,698,021
Attributable to :					
Equity holders of the Parent Company		1,946,426	1,189,873	5,720,907	4,653,470
Non-controlling interests		25,779	44,551	6,193	44,551
		1,972,205	1,234,424	5,727,100	4,698,021
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY	10	34.80 fils	21.27 fils	102.29 fils	83.20 fils

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

National Petroleum Services Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period ended 30 September 2016

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit for the period	1,972,205	1,234,424	5,727,100	4,698,021
Other comprehensive (loss) income				
<i>Items that are or may be subsequently</i>				
<i>reclassified to interim condensed consolidated</i>				
<i>income statement:</i>				
Unrealised (loss) gain on financial assets				
available for sale	(627)	(4,297)	4,309	(5,697)
Foreign currency translation adjustment	-	(408)	-	(408)
Other comprehensive (loss) income for the				
period	(627)	(4,705)	4,309	(6,105)
Total comprehensive income for the period	1,971,578	1,229,719	5,731,409	4,691,916
Attributable to:				
Equity holders of the Parent Company	1,945,799	1,185,168	5,725,216	4,647,365
Non-controlling interests	25,779	44,551	6,193	44,551
	1,971,578	1,229,719	5,731,409	4,691,916

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

National Petroleum Services Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2016

	Attributable to equity holders of the Parent Company								Non-controlling interests KD	Sub total KD	Retained earnings KD	Cumulative changes in fair value KD	Foreign currency translation reserve KD	Statutory reserve KD	Voluntary reserve KD	Treasury shares KD	Treasury shares KD	Share premium KD	Share capital KD	Total KD
	Share capital KD	Share premium KD	Treasury shares KD	Treasury shares KD	Statutory reserve KD	Voluntary reserve KD	Foreign currency translation reserve KD	Cumulative changes in fair value KD												
At 1 January 2016	5,760,951	3,310,705	(585,062)	33,825	2,723,364	2,723,364	5,643	15,182	49,843	20,402,307	6,414,335	15,182	5,643	2,723,364	2,723,364	33,825	(585,062)	3,310,705	5,760,951	20,452,150
Profit for the period	-	-	-	-	-	-	-	-	6,193	5,720,907	5,720,907	-	-	-	-	-	-	-	-	5,727,100
Other comprehensive income	-	-	-	-	-	-	-	4,309	-	4,309	-	4,309	-	-	-	-	-	-	-	4,309
Total comprehensive income for the period	-	-	-	-	-	-	-	4,309	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid (Note 11)	-	-	-	-	-	-	-	-	6,193	5,725,216	5,720,907	4,309	-	-	-	-	-	-	-	5,731,409
At 30 September 2016	5,760,951	3,310,705	(585,062)	33,825	2,723,364	2,723,364	5,643	19,491	56,036	22,771,752	8,779,471	19,491	5,643	2,723,364	2,723,364	33,825	(585,062)	3,310,705	5,760,951	22,827,788
At 1 January 2015	5,760,951	3,310,705	(585,062)	33,825	2,120,691	2,120,691	-	20,767	-	17,236,796	4,454,228	20,767	-	2,120,691	2,120,691	33,825	(585,062)	3,310,705	5,760,951	17,236,796
Profit for the period	-	-	-	-	-	-	-	-	44,551	4,653,470	4,653,470	-	-	-	-	-	-	-	-	4,698,021
Other comprehensive loss	-	-	-	-	-	-	(408)	(5,697)	-	(6,105)	-	(5,697)	-	-	-	-	-	-	-	(6,105)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(408)	(5,697)	44,551	4,647,365	4,653,470	(5,697)	(408)	-	-	-	-	-	-	4,691,916
Dividend paid (Note 11)	-	-	-	-	-	-	-	-	-	(2,516,828)	(2,516,828)	-	-	-	-	-	-	-	-	(2,516,828)
Net movement in non-controlling interests	-	-	-	-	-	-	-	-	48,024	-	-	-	-	-	-	-	-	-	-	48,024
At 30 September 2015	5,760,951	3,310,705	(585,062)	33,825	2,120,691	2,120,691	(408)	15,070	92,575	19,367,333	6,590,870	15,070	(408)	2,120,691	2,120,691	33,825	(585,062)	3,310,705	5,760,951	19,459,908

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

National Petroleum Services Company K.S.C.P. and Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)
For the period ended 30 September 2016

		Nine months ended 30 September	
	Notes	2016 KD	2015 KD
OPERATING ACTIVITIES			
Profit for the period		5,727,100	4,698,021
Non-cash adjustments to reconcile profit for the period to net cash flows:			
Depreciation and amortisation		1,172,566	1,275,242
Write-off of property, plant and equipment	7	116,145	665,857
Gain on disposal of property, plant and equipment		(3,711)	(15,388)
Net investments income	8	(196,583)	(1,631,861)
Provision for employees' end of service benefits		306,000	279,377
		<u>7,121,517</u>	<u>5,271,248</u>
Working capital adjustments:			
Inventories		553,108	(326,659)
Accounts receivable		(1,039,100)	(965,057)
Prepayments and other receivables		(666,438)	(418,708)
Accounts payable and accruals	6	1,596,497	277,132
		<u>7,565,584</u>	<u>3,837,956</u>
Cash flows from operations			
Employees' end of service benefits paid		(22,801)	(38,483)
		<u>7,542,783</u>	<u>3,799,473</u>
Net cash flows from operating activities			
		<u>7,542,783</u>	<u>3,799,473</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(823,395)	(2,593,787)
Proceeds from disposal of property, plant and equipment		5,202	55,146
Purchase of financial assets at fair value through profit or loss		(2,194,666)	-
Proceeds from sale of financial assets at fair value through profit or loss	8	161,370	3,150,000
Dividend income received	8	52,674	8,708
Net movement in financial assets available for sale		2	(354)
Investment expenses	8	(11,293)	-
		<u>(2,810,106)</u>	<u>619,713</u>
Net cash flows (used in) from investing activities			
		<u>(2,810,106)</u>	<u>619,713</u>
FINANCING ACTIVITIES			
Dividends paid	11	(3,355,771)	(2,487,530)
Net movement in non-controlling interests		-	48,024
		<u>(3,355,771)</u>	<u>(2,439,506)</u>
Net cash flows used in financing activities			
		<u>(3,355,771)</u>	<u>(2,439,506)</u>
Foreign currency translation adjustment		-	(408)
INCREASE IN BANK BALANCES AND CASH			
Bank balances and cash at 1 January		1,376,906	1,979,272
		<u>3,891,236</u>	<u>4,196,919</u>
BANK BALANCES AND CASH AT 30 SEPTEMBER		<u>5,268,142</u>	<u>6,176,191</u>

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

1 CORPORATE INFORMATION

The Group comprises of National Petroleum Services Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively the "Group"). The Parent Company was established as a Kuwaiti shareholding company on 3 January 1993 and was listed on the Kuwait Stock Exchange Market on 18 October 2003.

The registered office of the Parent Company is at Industrial Shuaiba - Plot 3 - P.O. Box 9801 Al-Ahmadi, Postal Code 61008, State of Kuwait.

The objectives of the Parent Company are as follows:

- Performing all support services for wells drilling, repairing and preparation for production as well as wells maintenance related services.
- Importing and exporting chemicals necessary for the execution of the works stated above.
- Establishing industrial firms for the purpose of manufacturing and producing the equipments and materials necessary for achieving such objectives after obtaining the approval of the competent authorities.
- Importing and owning machines, tools and materials necessary for achieving its objectives.
- Owning lands and real estate necessary for establishing its entities and equipments.
- Concluding agreements and obtaining privileges which it deems necessary for achieving its objectives.
- Possessing the needed patents, and trademarks.
- Obtaining and granting agencies in respect of the Parent Company's business.
- Conducting studies, queries and researches relevant to the Parent Company's objectives.

The Parent Company may practice all of the above mentioned activities inside or outside the State of Kuwait. The Parent Company may also have an interest or participate in any way with entities practicing activities similar to its own or which may assist it in achieving its objectives inside or outside the state of Kuwait, or may acquire those entities or have them affiliated to it.

The new Companies Law No. 1 of 2016 was issued on 24 January 2016 and was published in the Official Gazette on 1 February 2016 cancelled the Companies Law No 25 of 2012, and its amendments. According to article No. 5, the new Law will be effective retrospectively from 26 of November 2012. The new Executive Regulations of Law No. 1 of 2016 was issued on 12 July 2016 and was published in the Official Gazette on 17 July 2016 which cancelled the Executive Regulations of Law No. 25 of 2012.

The interim condensed consolidated financial information for the period ended 30 September 2016 were authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 13 November 2016.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial information of the Group has been prepared in compliance with International Accounting Standard: Interim Financial Reporting ("IAS") 34.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2015 except for the adoption of the amendments and annual improvements to IFRSs, relevant to the Group effective from 1 January 2016, and did not result in any material impact on the accounting policies, financial position or performance of the Group.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (KD).

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual audited consolidated financial statements, and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended 31 December 2015. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the nine months period ended 30 September 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016. For more details please refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2015.

National Petroleum Services Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 September 2016

3 FINANCIAL ASSETS AVAILABLE FOR SALE

	30 September 2016 KD	(Audited) 31 December 2015 KD	30 September 2015 KD
Fund and managed portfolios	13,446	3,223	3,223
Quoted equity securities	34,675	40,591	40,781
	<u>48,121</u>	<u>43,814</u>	<u>44,004</u>
Movement during the period/year is as follows:			
At 1 January	43,814	49,701	49,701
Disposal	(2)	-	-
Changes in fair value	4,309	(5,585)	(5,697)
Impairment loss	-	(302)	-
	<u>48,121</u>	<u>43,814</u>	<u>44,004</u>

4 TERM DEPOSITS

Term deposits amounting to KD 4,000,000 (31 December 2015: KD 4,000,000 and 30 September 2015: KD nil) are denominated in Kuwaiti Dinars and are placed with local banks and earn interest at commercial rates.

Term deposits have maturity of more than 3 months and less than 12 months from the placement date.

5 TREASURY SHARES

	30 September 2016	(Audited) 31 December 2015	30 September 2015
Number of treasury shares	1,680,000	1,680,000	1,680,000
Percentage of issued shares	2.92%	2.92%	2.92%
Market value (KD)	1,293,600	1,092,000	957,600
Cost (KD)	585,062	585,062	585,062

The balance in the treasury shares reserve of KD 33,825 (31 December 2015: KD 33,825 and 30 September 2015: KD 33,825) is not available for distribution. Reserves and retained earnings equivalent to the cost of the treasury shares held are not available for distribution throughout the holding period of treasury shares.

6 ACCOUNTS PAYABLE AND ACCRUALS

	30 September 2016 KD	(Audited) 31 December 2015 KD	30 September 2015 KD
Trade payables	665,089	523,557	702,406
Accrued expenses	4,173,349	2,723,276	2,977,709
Advance received from subcontractor	511,056	551,227	407,596
Accrued leave	136,913	136,913	139,057
KFAS, NLST and Zakat payable	331,008	266,445	219,574
Directors' remuneration	58,500	78,000	48,000
	<u>5,875,915</u>	<u>4,279,418</u>	<u>4,494,342</u>

7 WRITE-OFF OF PROPERTY, PLANT AND EQUIPMENT

During the period, the Board of Directors approved a write-off of property, plant and equipment at its net book value of KD 116,145 (30 September 2015: KD 665,857)

National Petroleum Services Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 September 2016

8 NET INVESTMENTS INCOME

	<i>Three month ended 30 September</i>		<i>Nine month ended 30 September</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Dividend income	41,304	-	52,674	8,708
Realised gain on sale of financial assets at fair value through profit or loss	11,370	149,901	161,370	1,649,901
Unrealized loss on financial assets at fair value through profit or loss	(2,179)	(14,614)	(6,168)	(26,748)
Investment expenses	(82)	-	(11,293)	-
	<u>50,413</u>	<u>135,287</u>	<u>196,583</u>	<u>1,631,861</u>

9 ADMINISTRATIVE EXPENSES

	<i>Three month ended 30 September</i>		<i>Nine month ended 30 September</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Staff costs	289,293	234,112	832,075	722,462
Professional fees	15,260	6,737	49,199	20,116
Depreciation and amortisation	20,340	33,115	61,149	78,805
Other expenses	30,823	48,754	128,773	138,016
	<u>355,716</u>	<u>322,718</u>	<u>1,071,196</u>	<u>959,399</u>

10 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share attributable to the equity holders of the Parent Company is calculated by dividing the profit for the period attributable to the equity holders of the Parent Company by the weighted average number of ordinary shares during the period, less weighted average number of treasury shares outstanding as follows:

	<i>Three month ended 30 September</i>		<i>Nine month ended 30 September</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
Profit for the period attributable to the equity holders of the Parent Company (KD)	<u>1,946,426</u>	<u>1,189,873</u>	<u>5,720,907</u>	<u>4,653,470</u>
Number of outstanding shares during the period:				
Number of shares issued	57,609,510	57,609,510	57,609,510	57,609,510
Less: weighted average number of treasury shares	<u>(1,680,000)</u>	<u>(1,680,000)</u>	<u>(1,680,000)</u>	<u>(1,680,000)</u>
Weighted average number of shares outstanding during the period	<u>55,929,510</u>	<u>55,929,510</u>	<u>55,929,510</u>	<u>55,929,510</u>
Basic and diluted earnings per share	<u>34.80 fils</u>	<u>21.27 fils</u>	<u>102.29 fils</u>	<u>83.20 fils</u>

As there are no dilutive instruments outstanding, hence basic and diluted earnings per share are identical.

National Petroleum Services Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)

As at 30 September 2016

11 DIVIDEND

The shareholders at the Annual General Meeting held on 20 April 2016 approved the distribution of cash dividend of 60 fils (31 December 2014 : 45 fils) per share on the outstanding issued share capital as at 31 December 2015 amounting to KD 3,355,771 (31 December 2014: KD 2,516,828).

12 CONTINGENT LIABILITIES

As at 30 September 2016, the Group had contingent liabilities in respect of letter of guarantees arising in the ordinary course of the business from which it is anticipated that no material liabilities will arise, amounting to KD 4,610,573 (31 December 2015: KD 4,210,804 and 30 September 2015: KD 3,030,753).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)

As at 30 September 2016

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of financial instruments are not materially different from their carrying values. For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three month), the carrying amounts approximate to their fair value.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

<i>30 September 2016</i>	<i>Level 1 KD</i>	<i>Level 3 KD</i>	<i>Total KD</i>
Financial assets available for sale	44,898	3,223	48,121
Financial assets at fair value through profit or loss	30,360	2,299,383	2,329,743
	<u>75,258</u>	<u>2,302,606</u>	<u>2,377,864</u>
 <i>31 December 2015</i>	 <i>Level 1 KD</i>	 <i>Level 3 KD</i>	 <i>Total KD</i>
<i>Assets measured at fair value</i>			
Financial assets available for sale	40,591	3,223	43,814
Financial assets at fair value through profit or loss	28,380	112,865	141,245
	<u>68,971</u>	<u>116,088</u>	<u>185,059</u>
 <i>30 September 2015</i>	 <i>Level 1 KD</i>	 <i>Level 3 KD</i>	 <i>Total KD</i>
Financial assets available for sale	40,397	3,607	44,004
Financial assets at fair value through profit or loss	32,400	116,201	148,601
	<u>72,797</u>	<u>119,808</u>	<u>192,605</u>

During the period ended 30 September 2016, there were no transfers between different levels of fair value measurement.

National Petroleum Services Company K.S.C.P. and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)

As at 30 September 2016

14 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The movement in Level 3 fair value hierarchy during the period is given below:

30 September 2016

	<i>At 1 January 2016 KD</i>	<i>Net purchases and (sales) KD</i>	<i>Loss recorded in interim condensed consolidated income statement KD</i>	<i>Loss recorded in interim condensed consolidated statement of comprehensive income KD</i>	<i>At 30 September 2016 KD</i>
Assets measured at fair value					
Financial assets available for sale	3,223	-	-	-	3,223
Financial assets at fair value through profit or loss	112,865	2,194,400	(7,882)	-	2,299,383
	<u>116,088</u>	<u>2,194,400</u>	<u>(7,882)</u>	<u>-</u>	<u>2,302,606</u>

31 December 2015

	<i>At 1 January 2015 KD</i>	<i>Net purchases and (sales) KD</i>	<i>Loss recorded in consolidated income statement KD</i>	<i>Loss recorded in consolidated statement of comprehensive income KD</i>	<i>At 31 December 2015 KD</i>
Assets measured at fair value					
Financial assets available for sale	3,223	-	-	-	3,223
Financial assets at fair value through profit or loss	1,644,074	(1,500,000)	(31,209)	-	112,865
	<u>1,647,297</u>	<u>(1,500,000)</u>	<u>(31,209)</u>	<u>-</u>	<u>116,088</u>

30 September 2015

	<i>At 1 January 2015 KD</i>	<i>Net purchases and (sales) KD</i>	<i>Loss recorded in interim condensed consolidated income statement KD</i>	<i>Loss recorded in interim condensed consolidated statement of comprehensive income KD</i>	<i>At 30 September 2015 KD</i>
Assets measured at fair value					
Financial assets available for sale	3,223	-	-	384	3,607
Financial assets at fair value through profit or loss	1,644,074	(1,500,000)	(27,873)	-	116,201
	<u>1,647,297</u>	<u>(1,500,000)</u>	<u>(27,873)</u>	<u>384</u>	<u>119,808</u>