

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

30 SEPTEMBER 2017 (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 2017, the related interim condensed consolidated statement of income, the interim condensed consolidated statement of comprehensive income for the three month and nine month periods then ended, and the 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, as amended, and its executive regulation, as amended, or of the Parent Company’s Memorandum of Incorporation and Articles of Association, as amended, during the nine month period ended 30 September 2017 that might have had a material effect on the business of the Parent Company or on its financial position.

BADER A. AL-ABDULJADER
LICENCE NO. 207 A
EY
AL AIBAH, AL OSAIMI & PARTNERS

6 November 2017
Kuwait

FAISAL SAQER AL SAQER
LICENCE NO. 172 A
BDO AL NISF & PARTNERS

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)

As at 30 September 2017

	Notes	<i>30 September 2017 KD</i>	<i>(Audited) 31 December 2016 KD</i>	<i>30 September 2016 KD</i>
ASSETS				
Non-current assets				
Property, plant and equipment		8,913,012	8,367,545	8,616,834
Intangible assets		1,604	16,524	30,945
Financial assets available for sale	3	44,211	49,766	48,121
		<hr/>	<hr/>	<hr/>
		8,958,827	8,433,835	8,695,900
Current assets				
Inventories		2,529,224	2,706,938	2,516,082
Trade receivables		10,591,647	8,070,180	6,580,728
Prepayments and other receivables	4	5,497,793	893,662	1,012,567
Financial assets at fair value through profit or loss		2,349,058	2,396,954	2,329,743
Term deposits	5	4,000,000	4,000,000	4,000,000
Bank balances and cash		3,494,076	5,891,933	5,268,142
		<hr/>	<hr/>	<hr/>
		28,461,798	23,959,667	21,707,262
TOTAL ASSETS		37,420,625	32,393,502	30,403,162
EQUITY AND LIABILITIES				
Equity				
Share capital	11	10,000,000	5,760,951	5,760,951
Share premium		3,310,705	3,310,705	3,310,705
Treasury shares	6	(585,062)	(585,062)	(585,062)
Treasury shares reserve	6	33,825	33,825	33,825
Statutory reserve		3,541,472	3,541,472	2,723,364
Voluntary reserve		3,541,472	3,541,472	2,723,364
Foreign currency translation reserve		5,643	5,643	5,643
Cumulative changes in fair value		15,693	21,212	19,491
Retained earnings		8,406,296	9,124,176	8,779,471
		<hr/>	<hr/>	<hr/>
Equity attributable to equity holders of the Parent Company		28,270,044	24,754,394	22,771,752
Non-controlling interests		32,303	39,162	56,036
Total equity		28,302,347	24,793,556	22,827,788
Liabilities				
Non-current liability				
Employees' end of service benefits		1,748,901	1,591,972	1,699,459
		<hr/>	<hr/>	<hr/>
Current liability				
Accounts payable and accruals	7	7,369,377	6,007,974	5,875,915
Total liabilities		9,118,278	7,599,946	7,575,374
TOTAL EQUITY AND LIABILITIES		37,420,625	32,393,502	30,403,162

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 STATEMENT OF INCOME (UNAUDITED)

For the period ended 30 September 2017

Notes	Three months ended 30 September		Nine months ended 30 September	
	2017 KD	2016 KD	2017 KD	2016 KD
Sales and services revenue	9,359,662	8,013,218	23,323,149	19,800,301
Cost of sales and services	(4,829,887)	(5,569,955)	(13,931,363)	(12,730,952)
GROSS PROFIT	4,529,775	2,443,263	9,391,786	7,069,349
Interest income	-	-	88,185	-
Other (loss) income	(14,232)	(2,383)	1,802	100,605
Write-off of property, plant and equipment	-	-	-	(116,145)
Gain on sale of property, plant and equipment	933	3,711	15,933	3,711
Net investments income	8 34,820	50,413	112,863	196,583
Administrative expenses	9 (377,975)	(411,020)	(1,150,473)	(1,198,997)
PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KFAS, PROVISION FOR NLST, ZAKAT AND DIRECTORS' REMUNERATION	4,173,321	2,083,984	8,460,096	6,055,106
Kuwait Foundation for the Advancement of Sciences (KFAS)	(37,597)	(18,681)	(76,178)	(54,500)
National Labour Support Tax (NLST)	(104,436)	(51,892)	(211,606)	(151,390)
Zakat	(41,774)	(21,706)	(84,642)	(63,616)
Directors' remuneration	(33,000)	(19,500)	(99,000)	(58,500)
PROFIT FOR THE PERIOD	3,956,514	1,972,205	7,988,670	5,727,100
Attributable to:				
Equity holders of the Parent Company	3,959,366	1,946,426	7,995,529	5,720,907
Non-controlling interests	(2,852)	25,779	(6,859)	6,193
	3,956,514	1,972,205	7,988,670	5,727,100
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY	10	40.78 fils	20.05 fils	82.36 fils
				58.93 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 2017

	Three months ended 30 September		Nine months ended 30 September	
	2017 <i>KD</i>	2016 <i>KD</i>	2017 <i>KD</i>	2016 <i>KD</i>
	3,956,514	1,972,205	7,988,670	5,727,100
Profit for the period				
Other comprehensive income (loss)				
<i>Items that may be subsequently reclassified to the interim condensed consolidated statement of income:</i>				
Unrealised gain (loss) on financial assets available for sale	1,153	(627)	(5,519)	4,309
Other comprehensive income (loss) for the period	1,153	(627)	(5,519)	4,309
Total comprehensive income for the period	3,957,667	1,971,578	7,983,151	5,731,409
Attributable to:				
Equity holders of the Parent Company	3,960,519	1,945,799	7,990,010	5,725,216
Non-controlling interests	(2,852)	25,779	(6,859)	6,193
	3,957,667	1,971,578	7,983,151	5,731,409

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 2017

Equity attributable to equity holders of the Parent Company

	Share capital KD	Share premium KD	Treasury shares KD	Treasury shares reserve KD	Statutory reserve KD	Voluntary reserve KD	Foreign currency translation reserve KD	Cumulative changes in fair value KD	Retained earnings KD	Sub total KD	Non-controlling interests KD	Total equity KD
At 1 January 2017	5,760,951	3,310,705	(585,062)	33,825	3,541,472	5,643	21,212	9,124,176	24,754,394	39,162	24,793,556	7,988,670
Profit (loss) for the period								7,995,529	7,995,529	(6,859)		
Other comprehensive loss for the period								(5,519)	(5,519)	-		(5,519)
Total comprehensive (loss) income for the period									(5,519)	7,995,529	7,990,010	(6,859)
Issue of bonus shares (Note 11)	4,239,049	-	-	-	-	-	-	(4,239,049)		-		7,983,151
Dividends (Note 11)	-	-	-	-	-	-	-	(4,474,360)	(4,474,360)	-		(4,474,360)
At 30 September 2017	10,000,000	3,310,705	(585,062)	33,825	3,541,472	5,643	15,693	8,406,296	28,270,044	32,303	28,302,347	
At 1 January 2016	5,760,951	3,310,705	(585,062)	33,825	2,723,364	5,643	15,182	6,414,335	20,402,307	49,843	20,452,150	5,727,100
Profit for the period	-	-	-	-	-	-	-	5,720,907	5,720,907	6,193		
Other comprehensive income	-	-	-	-	-	-	-	4,309	-	4,309	-	4,309
Total comprehensive income for the period	-	-	-	-	-	-	-	4,309	5,720,907	5,725,216	6,193	5,731,409
Dividends (Note 11)	-	-	-	-	-	-	-	(3,355,771)	(3,355,771)	-		(3,355,771)
At 30 September 2016	5,760,951	3,310,705	(585,062)	33,825	2,723,364	5,643	19,491	8,779,471	22,771,752	56,036	22,827,788	

National Petroleum Services Company K.S.C.P. and Subsidiaries
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 (UNAUDITED)
 For the period ended 30 September 2017

		<i>Nine months ended 30 September</i>	
	<i>Notes</i>	<i>2017 KD</i>	<i>2016 KD</i>
OPERATING ACTIVITIES			
Profit for the period		7,988,670	5,727,100
Adjustments to reconcile profit for the period to net cash flows:			
Depreciation and amortisation		1,109,232	1,172,566
Write-off of property, plant and equipment		-	116,145
Gain on disposal of property, plant and equipment		(15,933)	(3,711)
Net investments income	8	(112,863)	(196,583)
Interest income		(88,185)	-
Provision for employees' end of service benefits		314,970	306,000
		<u>9,195,891</u>	<u>7,121,517</u>
Working capital adjustments:			
Inventories		177,714	553,108
Trade receivables		(2,521,467)	(1,039,100)
Prepayments and other receivables		(4,604,131)	(666,438)
Accounts payable and accruals		1,280,899	1,596,497
		<u>3,528,906</u>	<u>7,565,584</u>
Cash flows from operations		(158,041)	(22,801)
Employees' end of service benefits paid			
Net cash flows from operating activities		<u>3,370,865</u>	<u>7,542,783</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,664,046)	(823,395)
Proceeds from disposal of property, plant and equipment		40,200	5,202
Purchase of financial assets at fair value through profit or loss		(65,220)	(2,194,666)
Proceeds from sale of financial assets at fair value through profit or loss	8	113,313	161,370
Dividend income received	8	112,702	52,674
Interest income received		88,185	2
Investment expenses paid	8	-	(11,293)
Net cash flows used in investing activities		<u>(1,374,866)</u>	<u>(2,810,106)</u>
FINANCING ACTIVITIES			
Dividends paid	11	(4,393,856)	(3,355,771)
Net cash flows used in financing activities		<u>(4,393,856)</u>	<u>(3,355,771)</u>
NET (DECREASE) INCREASE IN BANK BALANCES AND CASH		(2,397,857)	1,376,906
Bank balances and cash at 1 January		<u>5,891,933</u>	<u>3,891,236</u>
BANK BALANCES AND CASH AT 30 SEPTEMBER		<u>3,494,076</u>	<u>5,268,142</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(UNAUDITED)

As at 30 September 2017

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 interim condensed consolidated financial information for the period ended 30 September 2017 were authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 6 November 2017.

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 34, 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 financial year ended 31 December 2016 except for the adoption of the amendments and annual improvements to IFRSs, relevant to the Group effective from 1 January 2017, 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) which is also the functional currency of the Parent Company.

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 financial year ended 31 December 2016. 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 month period ended 30 September 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017. For more details please refer to the annual consolidated financial statements and its related disclosures for the financial year ended 31 December 2016.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 September 2017

3 FINANCIAL ASSETS AVAILABLE FOR SALE

	30 September 2017 KD	31 December 2016 KD	30 September 2016 KD
Fund and managed portfolios	3,223	3,223	13,446
Quoted equity securities	<u>40,988</u>	<u>46,543</u>	<u>34,675</u>
	<u><u>44,211</u></u>	<u><u>49,766</u></u>	<u><u>48,121</u></u>

Movement during the period/year is as follows:

Balance at beginning of the period/year	49,766	43,814	43,814
Disposal	-	-	(2)
Unrealised (loss) gain	(5,519)	6,030	4,309
Impairment loss	(36)	(78)	-
Balance at end of the period/year	<u><u>44,211</u></u>	<u><u>49,766</u></u>	<u><u>48,121</u></u>

4 PREPAYMENTS AND OTHER RECEIVABLES

	30 September 2017 KD	31 December 2016 KD	30 September 2016 KD
Advance payments to suppliers	3,934,734	494,250	563,134
Staff receivables	364,946	280,560	245,330
Deposits and other receivable	<u>1,198,113</u>	<u>118,852</u>	<u>204,103</u>
	<u><u>5,497,793</u></u>	<u><u>893,662</u></u>	<u><u>1,012,567</u></u>

5 TERM DEPOSITS

Term deposits amounting to KD 4,000,000 (31 December 2016: KD 4,000,000 and 30 September 2016: KD 4,000,000) are denominated in Kuwaiti Dinars and are placed with local banks.

Term deposits have maturity of more than 3 months and less than 12 months from the placement date and earn interest at the respective short-term deposit rates.

6 TREASURY SHARES AND TREASURY SHARES RESERVE

	30 September 2017	31 December 2016	30 September 2016
Number of treasury shares	2,916,185	1,680,000	1,680,000
Percentage of issued shares	2.92%	2.92%	2.92%
Market value (KD)	2,411,685	1,377,600	1,293,600
Cost (KD)	<u>585,062</u>	<u>585,062</u>	<u>585,062</u>

The balance in the treasury shares reserve of KD 33,825 (31 December 2016: KD 33,825 and 30 September 2016: 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.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)

As at 30 September 2017

7 ACCOUNTS PAYABLE AND ACCRUALS

	<i>(Audited)</i>		
	<i>30 September 2017 KD</i>	<i>31 December 2016 KD</i>	<i>30 September 2016 KD</i>
Trade payables	469,407	375,130	665,089
Staff accruals and other accrued expenses	5,917,488	4,581,035	4,173,349
Advance received from subcontractor	511,056	511,056	511,056
Accrued leave	-	-	136,913
KFAS, NLST and Zakat payable	372,426	425,753	331,008
Directors' remuneration	99,000	115,000	58,500
	<u>7,369,377</u>	<u>6,007,974</u>	<u>5,875,915</u>

8 NET INVESTMENTS INCOME

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2017 KD</i>	<i>2016 KD</i>	<i>2017 KD</i>	<i>2016 KD</i>
Dividend income	36,667	41,304	112,702	52,674
Realised gain on sale of financial assets at fair value through profit or loss	4,245	11,370	4,245	161,370
Impairment loss on financial assets available for sale	-	-	(36)	-
Unrealized loss on financial assets at fair value through profit or loss	(6,092)	(2,179)	(4,048)	(6,168)
Investment expenses	-	(82)	-	(11,293)
	<u>34,820</u>	<u>50,413</u>	<u>112,863</u>	<u>196,583</u>

9 ADMINISTRATIVE EXPENSES

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2017 KD</i>	<i>2016 KD</i>	<i>2017 KD</i>	<i>2016 KD</i>
Staff costs	199,272	289,293	720,734	832,075
Professional fees	28,154	15,260	47,939	49,199
Depreciation and amortisation	19,337	20,340	48,091	61,149
Other expenses	131,212	86,127	333,709	256,574
	<u>377,975</u>	<u>411,020</u>	<u>1,150,473</u>	<u>1,198,997</u>

National Petroleum Services Company K.S.C.P. and Subsidiaries
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
 (UNAUDITED)
 As at 30 September 2017

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:

	Three months ended 30 September		Nine months ended 30 September	
	2017	2016 (Restated)	2017	2016 (Restated)
Profit for the period attributable to the equity holders of the Parent Company (KD)	<u>3,959,366</u>	<u>1,946,426</u>	<u>7,995,529</u>	<u>5,720,907</u>
Weighted number of outstanding shares during the period:				
Weighted number of shares issued	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>
Less: weighted average number of treasury shares	<u>(2,916,185)</u>	<u>(2,916,185)</u>	<u>(2,916,185)</u>	<u>(2,916,185)</u>
Weighted average number of shares outstanding during the period	<u>97,083,815</u>	<u>97,083,815</u>	<u>97,083,815</u>	<u>97,083,815</u>
Basic and diluted earnings per share	<u>40.78 fils</u>	<u>20.05 fils</u>	<u>82.36 fils</u>	<u>58.93 fils</u>

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

Earnings per share calculations for the three month and nine month periods ended 30 September 2016 have been restated to take account of the bonus shares issued in 2017.

11 DIVIDENDS AND BONUS SHARES

The shareholders at the Annual General Meeting and the Extraordinary General Meeting held on 17 May 2017 and 14 June 2017, respectively, approved the distribution of cash dividends of 80 fils per share (31 December 2015: 60 fils per share) amounting to KD 4,474,360 (31 December 2015: KD 3,355,771) and bonus shares of 42,390,490 shares (approximately 73.58% of outstanding shares as at 31 December 2016) (31 December 2015: nil). The cash dividend was paid subsequently and the bonus shares increased the number of issued and fully paid up shares by 42,390,490 (2015: nil) and share capital by KD 4,239,049 (2015: KD nil). The Group has obtained regulatory approval for issuing bonus shares and is reflected in the commercial register dated 16th July 2017.

12 CONTINGENCIES AND COMMITMENTS

As at 30 September 2017, the Group had contingent liabilities in respect of letter of guarantees arising in the ordinary course of the business, amounting to KD 5,974,660 (31 December 2016: KD 6,642,556 and 30 September 2016: KD 4,610,573). Management does not anticipate any liabilities to arise which might have a material effect on the Group's consolidated financial position.

At 30 September 2017, the Group had capital commitments relating to the purchase of property, plant and equipment amounting to KD 954,904 (31 December 2016: KD 3,614,265 and 30 September 2016: KD 693,405). Commitments have maturity of less than 12 months from the reporting date. Delivery is expected within twelve months from the reporting date.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 September 2017

13 SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on the products and services and has two reportable operating segments i.e. oil field services and non-oil field services. Management treats the operations of these segments separately for the purposes of decision making, resource allocation and performance assessment. The segment performance is evaluated based on gross profit or loss.

Oil field services

Oil field services comprise of cementing and stimulation formulations for different applications and operating environments for Oil Rigs. It mainly includes well cementing services, and well intervention services.

Non-oil field services

Non-oil field services comprise of a number of diversified activities with health, safety and environmental services, engineering and consultancy services.

The following table presents revenue and segment results information in respect of the Group's operating segments for the nine months ended 30 September 2017 and 2016 respectively:

	Nine months ended 30 September 2017			Nine months ended 30 September 2016		
	Oil field services KD	Non-oil field services KD	Total KD	Oil field services KD	Non-oil field services KD	Total KD
Segment revenue	18,801,028	4,522,121	23,323,149	16,296,744	3,503,557	19,800,301
Segment cost	(9,618,972)	(4,312,391)	(13,931,363)	(9,409,906)	(3,321,046)	(12,730,952)
Segment results	9,182,056	209,730	9,391,786	6,886,838	182,511	7,069,349
Unallocated costs			(1,621,899)	(1,621,899)		(1,527,003)
Unallocated income			218,783	218,783		184,754
Profit for the period			7,988,670	7,988,670		5,727,100

The Group has no inter-segment revenues and costs requiring adjustments and eliminations.

National Petroleum Services Company K.S.C.P. and Subsidiaries
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
 As at 30 September 2017

13 SEGMENT INFORMATION (continued)

The following table presents segment assets information in respect of the Group's business segments:

	30 September 2017			31 December 2016 (Audited)			30 September 2016		
	Oilfield Services KD	Non-oil field services KD	Total KD	Oilfield Services KD	Non-oil field services KD	Total KD	Oil field Services KD	Non-oil field services KD	Total KD
Segment assets	33,371,545	1,700,022	35,071,567	27,993,345	1,953,437	29,946,782	26,181,266	1,844,032	28,025,298
Unallocated assets				2,349,058		2,446,720			2,377,864
				37,420,625		32,393,502			30,403,162
Segment liabilities	9,088,1,498	36,780	9,118,278	7,580,585	19,361	7,599,946	7,493,220	82,154	7,575,374

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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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 nine months), the carrying amounts approximate their fair values.

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>At 30 September 2017</i>	<i>Level 1 KD</i>	<i>Level 3 KD</i>	<i>Total KD</i>
Financial assets available for sale	40,988	3,223	44,211
Financial assets at fair value through profit or loss	-	2,349,058	2,349,058
	<u><u>40,988</u></u>	<u><u>2,352,281</u></u>	<u><u>2,393,269</u></u>
<i>At 31 December 2016</i>	<i>Level 1 KD</i>	<i>Level 3 KD</i>	<i>Total KD</i>
Financial assets available for sale	46,543	3,223	49,766
Financial assets at fair value through profit or loss	30,360	2,366,594	2,396,954
	<u><u>76,903</u></u>	<u><u>2,369,817</u></u>	<u><u>2,446,720</u></u>
<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><u>75,258</u></u>	<u><u>2,302,606</u></u>	<u><u>2,377,864</u></u>

During the period ended 30 September 2017, there were no transfers between different levels of fair value measurement.

The impact on the interim condensed consolidated statement of financial position, the interim condensed consolidated statement of changes in equity or the interim condensed consolidated statement of income would be immaterial if the relevant risk variables used to fair value the unquoted securities were altered by 5%.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 September 2017

14 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

30 September 2017

	At 1 January 2017 KD	Net (sales) and purchases KD	Gain recorded in interim condensed consolidated statement of income KD	At 30 September 2017 KD
Assets measured at fair value				
Financial assets available for sale	3,223	-	-	3,223
Financial assets at fair value through profit or loss	<u>2,366,594</u>	<u>(21,873)</u>	<u>4,337</u>	<u>2,349,058</u>
	<u><u>2,369,817</u></u>	<u><u>(21,873)</u></u>	<u><u>4,337</u></u>	<u><u>2,352,281</u></u>

31 December 2016

	At 1 January 2016 KD	Net purchases and (sales) KD	Gain recorded in consolidated statement of income KD	At 31 December 2016 KD
Assets measured at fair value				
Financial assets available for sale	3,223	-	-	3,223
Financial assets at fair value through profit or loss	<u>112,865</u>	<u>2,249,463</u>	<u>4,266</u>	<u>2,366,594</u>
	<u><u>116,088</u></u>	<u><u>2,249,463</u></u>	<u><u>4,266</u></u>	<u><u>2,369,817</u></u>

30 September 2016

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