Core Laboratories Interests One Limited
Directors' report and financial statements
for the year ended 31 December 2016

Registered Number 07586421

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Core Laboratories Interests One Limited
Directors' report and financial statements
for the year ended 31 December 2016

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Core Laboratories Interests One Limited

Registered Number 07586421

Directors and advisors for the year ended 31 December 2016

Directors
G Bruce
J Watson

Principal place of business
Core Laboratories Interests One Limited
Howe Moss Drive
Kirkhill Industrial Estate
Dyce
Aberdeen
AB21 0GL

Company secretary and registered office
TMF Corporate Administration Services Limited
5th Floor
6 St Andrew Street
London
United Kingdom
EC4A 3AE

Independent auditor
KPMG LLP
Chartered Accountant and Statutory Auditor
37 Albyn Place
Aberdeen
AB10 1JB

Bankers
Bank of Scotland Plc
9 Victoria Street
Dyce
Aberdeen
AB21 7DX

Core Laboratories Interests One Limited
Registered Number 07586421

Strategic report for year ended 31 December 2016

The directors present their Strategic report on the Company for the year ended 31 December 2016.

Core Laboratories Interests One Limited (also referred to as the "Company") is one of the entities within the "Core Laboratories Group". In this context the term "Core Laboratories Group" and "Companies of the Core Laboratories Group" or "Group companies" means companies in which Core Laboratories N.V., either directly or indirectly, has control either through a majority of the voting rights or the right to exercise a controlling influence or to obtain the majority of the benefits and be exposed to the majority of the risks.

Principal activities
Core Laboratories Interests One Limited is an intermediate holding company and holds an investment in Core Laboratories Interests Two Limited, a fellow group company.

Results and performance
The loss for the financial year amounted to $5,292,260 (2015: $38,343,599) and was transferred to reserves. In the prior year the company wrote down the value of its investment in Core Laboratories Interests Two Limited by $38,343,341. The 2015 write down was based on management's judgement that the underlying assets had experienced a reduction in value. There has been no write down of investments in the current year. The financial position of the Company is set out on page 8.

Business review
The directors consider the performance of the company to be meeting their expectations. The statement of comprehensive income for the year is set out on page 7. The principal activities of the company are expected to remain unchanged and a similar level of activity is anticipated for 2017.

Principal risks and uncertainties
The management of the business and the execution of the company's strategy are subject to a number of risks as follows:

- general and economic business conditions;
- foreign exchange risk;
- political risk, changes to tax regulations and law;
- liquidity risk, the company's ability to service debt; and
- fraud risk.

Key Performance Indicators
The directors of Core Laboratories N.V., the ultimate holding company, manage operations on a Group basis. For this reason the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development or position of this business.

On behalf of the Board

J Watson
Director
29 September 2017

Core Laboratories Interests One Limited
Registered Number 07586421

Directors' report for the year ended 31 December 2016

The directors present their report and the audited financial statements of the company for the year ended 31 December 2016.

Future developments
The development and position of the company, is discussed in the Group's annual report and Form 10-K of its ultimate parent, Core Laboratories N.V.

Dividends
The directors do not propose payment of a dividend (2015: nil).

Financial risk management
The company's operations are primarily in the UK which exposes the company to financial risks that include foreign exchange risk, credit risk and interest rate risk.

(a) Foreign exchange risk
Management believe that the company's exposure to foreign exchange risk is minimal. During the financial year, the company has not entered into forward exchange contracts.

(b) Credit risk
Credit risk is the risk of financial loss to the company if another party to a financial instrument or transaction fails to discharge its contractual obligation when it falls due. The company limits its exposure to credit risk by actively monitoring the performance of its assets.

(c) Interest rate risk
The company has interest bearing assets and liabilities. Interest rate risk arises from the fluctuations in market rates, which may have a negative effect on current and future developments of the company. Management believe that the company's exposure to interest rate risk is minimal and therefore it does not enter into hedging arrangements.

Third party indemnity provision
All directors of the company are covered under our directors and officers insurance policy which is a qualifying third party indemnity provision. This provision was in force during the financial year and also at the date of approval of the financial statements.

Directors of the company
The directors of the company who were in office during the financial year and up to the date of signing the financial statements can be found on page 1 of the financial statements.

Disclosure of information to auditor
The directors in office at the date of approval of this report confirm that:

(a) So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware. Relevant information is defined as "information needed by the company's auditor in connection with preparing their report."

(b) Each director has taken all the steps that they ought to have taken in their duty as a director in order to make themselves aware of any relevant information and to establish that the company's auditor is aware of that information.

Directors' report for the year ended 31 December 2016 (continued)

Independent Auditor
Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board



J Watson
Director
29 September 2017

Core Laboratories Interests One Limited

Registered Number 07586421

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Core Laboratories Interests One Limited

Registered Number 07586421

Independent auditor's report to the members of Core Laboratories Interests One Limited

We have audited the financial statements of Core Laboratories Interests One Limited for the year ended 31 December 2016 set out on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of the company's loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Paula Holland (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
37 Albyn Place
Aberdeen
AB10 1JB
29 September 2017

Core Laboratories Interests One Limited

Registered Number 07586421

Statement of comprehensive income for the year ended 31 December 2016

	Note	2016 $	2015 $
Administrative expenses		**(15,835)**	(17,223)
Income from fixed asset investments	4	**-**	5,277,197
Operating (loss)/profit	2	**(15,835)**	5,259,974
Interest receivable and similar income	5	**10,800,510**	10,800,009
Amounts written off investments	8	**-**	(38,343,341)
Interest payable and similar expenses	6	**(17,400,000)**	(17,400,000)
Loss before taxation		**(6,615,325)**	(39,683,358)
Tax on loss	7	**1,323,065**	1,339,759
Loss for the financial year and total comprehensive expense		**(5,292,260)**	(38,343,599)

All the above results relate to continuing operations.

Core Laboratories Interests One Limited

Registered Number 07586421

Statement of financial position as at 31 December 2016

	Note	2016 $	2015 $
Fixed assets			
Investments	8	**614,216,681**	600,778,531
Current assets			
Debtors	9	**186,826,518**	186,826,518
Cash at bank and in hand		**92**	35
		186,826,610	186,826,553
Creditors: amounts falling due within one year	10	**(16,000,828)**	(16,024,733)
Net current assets		**170,825,782**	170,801,820
Total assets less current liabilities		**785,042,463**	771,580,351
Creditors: amounts falling due after more than one year	11	**(290,000,000)**	(290,000,000)
Net assets		**495,042,463**	481,580,351
Capital and reserves			
Called up share capital	12	**1,672**	**1,672**
Capital contribution reserve		**547,874,572**	**529,120,200**
Profit and loss account - deficit		**(52,833,781)**	**(47,541,521)**
Total shareholders' funds		**495,042,463**	**481,580,351**

The financial statements on pages 7 to 16 were approved by the board of directors on 29 September 2017 and were signed on its behalf by:

J Watson
Director

Core Laboratories Interests One Limited

Registered Number 07586421

Statement of changes in equity for the year ended 31 December 2016

	Called-up share capital $	Capital contribution reserve $	Profit and loss account $	Total shareholders' funds $
At 1 January 2015	1,672	518,457,028	(9,197,922)	509,260,778
Loss for the year and total comprehensive expense	-	-	(38,343,599)	(38,343,599)
Capital contribution	-	10,663,172	-	10,663,172
At 31 December 2015	**1,672**	**529,120,200**	**(47,541,521)**	**481,580,351**
Loss for the year and total comprehensive expense	-	-	(5,292,260)	(5,292,260)
Capital contribution	-	18,754,372	-	18,754,372
At 31 December 2016	**1,672**	**547,874,572**	**(52,833,781)**	**495,042,463**

The capital contribution received in the year represents additional funding that was received from the company's immediate parent. This contribution carries no contractual obligation to repay the funding and, in accordance with FRS 102, has been recorded as an increase in equity.

Core Laboratories Interests One Limited

Registered Number 07586421

Notes to the financial statements for the year ended 31 December 2016

1 Principal accounting policies

Core Laboratories Interests One Limited is an intermediate holding company and holds an investment in Core Laboratories Interests Two Limited, a fellow group company. The company is a private company limited by shares and is incorporated and domiciled in England. The registered number is 07586421 and the registered address is 5th Floor, 6 St Andrew Street, London, EC4A 3AE.

The individual financial statements of the company have been prepared under the historical cost convention, on a going concern basis, and in accordance with United Kingdom accounting standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently throughout the year, are set out below. The presentation currency of these financial statements is US Dollars.

Exemptions for qualifying entities under FRS 102
FRS 102 allows a qualifying entity to apply certain disclosure exemptions. The entity is not required to:

- Present a cash flow statement;
- Provide certain financial instruments disclosures set out in sections 11 and 12 of FRS 102;
- Disclose key management personnel compensation.

The company has taken advantage of these exemptions on the basis that it is a qualifying entity and its ultimate parent company, Core Laboratories N.V., includes the company's results in the equivalent disclosures in its own consolidated financial statements. The consolidated financial statements of Core Laboratories N.V. are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and are available to the public and may be obtained from Strawinskylaan 913, Tower A, Level 9, 1077XX Amsterdam.

Consolidation
The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of Core Laboratories N.V. which prepares consolidated financial statements which are publicly available. These financial statements present information about the company as an individual undertaking and not about its group.

Going concern
The financial statements have been prepared on a going concern basis, notwithstanding the loss of $5,292,260 (2015: $38,343,599) incurred for the financial year, which the directors believe to be appropriate for the following reasons. Core Laboratories N.V., the ultimate parent company, has indicated that for at least 12 months from the date of the approval of these financial statements, it will continue to make available such funds as are needed by the Company to meet its liabilities as they fall due. The directors consider that this should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

Foreign currencies
The company's functional and presentation currency is the US Dollar ($). Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

Basis of financial instruments
Trade and other debtors / creditors
Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Notes to the financial statements for the year ended 31 December 2016 (continued)

1 Principal accounting policies (continued)

Basis of financial instruments (continued)

Investments in subsidiaries
These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

Interest-bearing borrowings classified as basic financial instruments
Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Interest receivable and Interest payable
Interest payable and similar expenses include interest payable on loan notes.

Other interest receivable and similar income include interest receivable on funds invested and intercompany loans.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established.

Taxation
Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax
Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax
Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Notes to the financial statements for the year ended 31 December 2016 (continued)

1 Principal accounting policies (continued)

Critical accounting judgements and estimation uncertainty
Estimates are continually evaluated and are based on historical experience, forecast information and other external information, such as commodity prices. The most significant estimates relate to those made by management in assessing whether there is an impairment of investments in subsidiaries, or any impairment of amounts owed by group undertakings. These estimates require the use of forecast results for future years, which are highly dependent on the assessment of annual revenue growth and achievable margins. The actual results achieved may differ from the forecasts, and this may result in changes in the assessment of the valuation of investment balances and amounts owed by group undertakings in future years. In the current year, there have been no impairment charges against investments or amounts owed by group companies. There are no areas of material judgement in these financial statements.

2 Expenses and auditor's remuneration

	2016 $	2015 $
Included in loss are the following:		
Auditor's remuneration		
- Audit of these financial statements	**7,690**	10,721
- Audit - related assurance services	**-**	1,626
- Taxation compliance services	**3,173**	(36)

3 Directors' emoluments and employees

The directors did not receive nor waive any emoluments in respect of their services to the company during the current or prior year.

The company has no employees during the current or prior year.

4 Income from fixed asset investments

	2016 $	2015 $
Dividend income received	**-**	5,277,197

5 Interest receivable and similar income

	2016 $	2015 $
Intercompany interest receivable	**10,800,000**	10,800,000
Bank interest receivable	**510**	9
	10,800,510	10,800,009

Notes to the financial statements for the year ended 31 December 2016 (continued)

6 Interest payable and similar expenses

	2016 $	2015 $
Interest payable on loan notes	**17,400,000**	17,400,000

7 Tax on loss

	2016 $	2015 $
Tax on loss	**(1,323,065)**	(1,339,759)

The current tax credit on loss before taxation was the same (2015: higher) as the standard rate of corporation tax in the UK due to the following factors:

Factors affecting tax credit for the financial year:	2016 $	2015 $
Loss before taxation	**(6,615,325)**	(39,683,358)
Loss multiplied by standard rate in the UK 20% (2015: 20.25%)	**(1,323,065)**	(8,034,505)
Effects of:		
Expenses not deductible for tax purposes	-	7,763,198
Income not taxable	-	(1,068,452)
Total current tax	**(1,323,065)**	(1,339,759)

Changes in UK tax rates

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future tax accordingly.

Notes to the financial statements for the year ended 31 December 2016 (continued)

8 Investments

	Investment in subsidiary $
Cost	
At 1 January 2016	**639,121,872**
Additions	**13,438,150**
At 31 December 2016	**652,560,022**
Accumulated provisions	
At 1 January 2016	**38,343,341**
Charge in year	**-**
At 31 December 2016	**38,343,341**
Net book value	
At 31 December 2016	**614,216,681**
At 31 December 2015	600,778,531

The addition recorded in the year represents the additional investment that has been made in the subsidiary undertaking. This addition was funded through the capital contribution received from the company's immediate parent.

In the prior year the company wrote down the value of its investment in Core Laboratories Interests Two Limited by $38,343,341. The 2015 write down was based on management's judgement that the underlying assets had experienced a reduction in value. There has been no write down of investments in the current year.

Details of the company's subsidiary undertaking as at 31 December 2016 are as follows:

Name of company	Registered address	Description of shares held	% of nominal value of issued shares held in 2016 and 2015	Nature of business
Core Laboratories Interests Two Limited	5th Floor, 6 St Andrew St. London UK	2,001 ordinary shares of £1.00 each	100%	Intermediate holding company

Core Laboratories Interests One Limited is an intermediate holding company and holds an investment in Core Laboratories Interests Two Limited, a fellow group company.

Notes to the financial statements for the year ended 31 December 2016 (continued)

9 Debtors

	2016 $	2015 $
Amounts owed by group undertakings	**186,826,101**	186,826,101
Prepayments and accrued income	**417**	417
	186,826,518	186,826,518

Amounts owed by group undertakings are unsecured, interest free and repayable on demand with the exception of an intercompany loan owed by Core Laboratories Interests Two Limited which bears interest at the rate of 6% per annum. The amount subject to interest was $180,000,000 (2015: $180,000,000) at 31st December 2016.

10 Creditors: amounts falling due within one year

	2016 $	2015 $
Trade creditors	**1,299**	3,132
Amounts owed to group undertakings	**15,986,985**	16,011,478
Accruals and deferred income	**12,544**	10,123
	16,000,828	16,024,733

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

11 Creditors: amounts falling due after more than one year

	2016 $	2015 $
Loan notes	**290,000,000**	290,000,000

These loan notes were listed on the Cayman Island Stock Exchange as a Eurobond on 18 May 2011 and carry a fixed 6% interest coupon which is payable annually. The loan notes are held in their entirety by the immediate parent company Core Laboratories International B.V. and have a fixed ten year term – repayable 18 May 2021.

Notes to the financial statements for the year ended 31 December 2016 (continued)

12 Called up share capital

	2016 $	2015 $
Allotted, issued and fully paid		
1,001 (2015: 1,001) ordinary shares of £1.00 each	**1,672**	1,672

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

13 Related party transactions

The company has taken advantage of the exemption available under FRS 102 'Related party' disclosure not to disclose transactions with other group companies being a wholly owned subsidiary of Core Laboratories N.V. Related party disclosures are included in the financial statements for that group.

14 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Core Laboratories International B.V.

The ultimate parent undertaking and controlling party is Core Laboratories N.V., a company incorporated in The Netherlands.

Core Laboratories N.V. is the parent undertaking of the largest group of undertakings and is the only company to consolidate these financial statements at 31 December 2016. The consolidated financial statements of Core Laboratories N.V. are available from Strawinskylaan 913, Tower A, Level 9, 1077 XX Amsterdam.