

PETROVIETNAM DRILLING AND WELL SERVICES CORPORATION
(Incorporated in the Socialist Republic of Vietnam)

SEPARATED FINANCIAL STATEMENTS
QUARTER 03 -2017

Petrovietnam Drilling And Well Services Corporation

General information about the Company

Business Registration Certificate No. 4103004335 dated 15 February 2006 and its twelfth admendment dated 20 December 2016 issued by the Department of Planning and Investment (“DPI”) of Ho Chi Minh City

Board of Management	Mr. Do Van Khanh	Chairman
	Mr. Do Duc Chien	Vice chairman
	Mr. Pham Tien Dung	Member
	Mr. Duong Xuan Quang	Member (resigned on 24 August 2017)
	Mr. Le Van Be	Member
	Ms. Ho Ngoc Yen Phuong	Member
	Ms. Pham Thi An Binh	Member
	Ms. Nguyen Thi Thuy	Member (appointed on 24 August 2017)

Board of Directors	Mr. Pham Tien Dung	President
	Mr. Tran Van Hoat	Vice President
	Mr. Dao Ngoc Anh	Vice President
	Mr. Nguyen Xuan Cuong	Vice President
	Mr. Trinh Van Vinh	Vice President
	Mr. Vu Van Minh	Vice President
	Mr. Ho Vu Hai	Vice President
	Mr. Do Danh Rang	Vice President (appointed on 13 April 2017)

Registered office 4th Floor, Sailing Tower,
111A Pasteur Street,
District 1, Ho Chi Minh City,
S.R Vietnam.

SEPARATED BALANCE SHEET

As at 30 September 2017

Unit: USD

ITEM	Code	Note	As at 30/9/2017	As at 1/1/2017
1	2	3	4	5
A - CURRENT ASSETS	100		207,139,788	216,603,252
I. Cash and cash equivalents	110	V.01	27,949,691	66,652,454
1. Cash	111		27,729,330	64,430,137
2. Cash equivalents	112		220,361	2,222,317
II. Short-term financial investments	120	V.02	87,449,633	73,014,967
1. Held for trading securities	121		-	-
2. Provision for held for trading securities (*)	122		-	-
3. Short-term held to maturity investments	123		87,449,633	73,014,967
III. Short-term receivables	130		74,796,385	60,241,736
1. Short-term receivables from customers	131	V.03	75,887,258	57,245,458
2. Short-term advances to suppliers	132		589,173	178,439
3. Short-term inter-company receivables	133		-	-
4. Receivable from construction contracts under percent	134		-	-
5. Short-term loans receivables	135		-	-
6. Other short-term receivables	136	V.04	9,534,454	8,366,101
7. Provision for doubtful short-term receivables (*)	137	V.05	(11,214,500)	(5,548,262)
8. Asset shortage awaiting resolution	139		-	-
IV. Inventories	140		16,778,109	16,264,058
1. Inventories	141	V.06	19,288,001	19,394,213
2. Provision for inventories (*)	149		(2,509,892)	(3,130,155)
V. Other short-term assets	150		165,970	430,037
1. Short-term prepayments	151	V.10	144,641	344,192
2. Deductible value added tax	152		21,329	85,845
3. Taxes and other receivables from the State budget	153	V.13	-	-
4. Repos of government bonds	154		-	-
5. Other short-term assets	155		-	-
B - NON-CURRENT ASSETS	200		463,579,924	480,324,231
I- Long-term receivables	210		657,941	492,313
1. Long-term receivables from customers	211	V.03	-	-
2. Long-term advances to suppliers	212		-	-
3. Capital provided to subordinate units	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Long-term loans receivables	215		-	-
6. Other long-term receivables	216	V.04	657,941	492,313
7. Provision for doubtful long-term receivables (*)	219		-	-

ITEM	Code	Note	As at 30/9/2017	As at 1/1/2017
II. Fixed assets	220		328,118,115	342,701,893
1. Tangible fixed assets	221	V.08	322,635,994	336,894,606
- Cost	222		558,819,379	558,601,518
- Accumulated depreciation (*)	223		(236,183,385)	(221,706,912)
2. Finance lease fixed assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation (*)	226		-	-
3. Intangible fixed assets	227	V.09	5,482,121	5,807,287
- Cost	228		9,392,003	9,370,319
- Accumulated depreciation (*)	229		(3,909,882)	(3,563,032)
III. Investment property	230		-	-
- Cost	231		-	-
- Accumulated depreciation (*)	232		-	-
IV. Long-term assets in progress	240	V.07	413,761	413,761
1. Long-term work in progress	241		-	-
2. Construction in progress	242		413,761	413,761
V. Long-term financial investments	250	V.02	133,769,690	135,953,513
1. Investments in subsidiaries	251		120,294,164	120,294,164
2. Investments in joint ventures and associates	252		18,026,446	18,026,446
3. Other long-term investments	253		-	-
4. Provision for long-term financial investments (*)	254		(4,550,920)	(2,367,097)
5. Long-term held to maturity investments	255		-	-
VI. Other non-current assets	260		620,417	762,751
1. Long-term prepayments	261	V.10	24,866	33,929
2. Deferred tax assets	262	V.17	595,551	728,822
3. Long-term equipments, supplies and spare parts	263		-	-
4. Other long-term assets	268		-	-
TOTAL ASSETS (270 = 100 + 200)	270		670,719,712	696,927,483
C - LIABILITIES	300		118,178,614	137,774,540
I. Current liabilities	310		81,024,246	76,669,813
1. Short-term payables to suppliers	311	V.12	30,398,033	26,299,777
2. Short-term advance from customers	312		-	-
3. Taxes and amounts payable to the State budget	313	V.13	2,877,779	700,770
4. Payables to employees	314		2,522,379	2,519,611
5. Short-term accrued expenses	315	V.14	9,183,367	5,697,971
6. Short-term inter-company payables	316		-	-
7. Payables relating to construction contracts under per	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.15	8,484,533	10,919,729
10. Short-term loans and finance leases	320	V.11	17,200,000	17,200,000
11. Provision for current liabilities	321	V.16	7,264,021	9,197,074
12. Bonus and welfare funds	322		3,094,134	4,134,881
13. Price stabilization fund	323		-	-
14. Repos of government bonds	324		-	-

ITEM	Code	Note	As at 30/9/2017	As at 1/1/2017
II. Non-current liabilities	330		37,154,368	61,104,727
1. Long-term payables to suppliers	331	V.12	-	-
2. Long-term advance from customers	332		-	-
3. Long-term accrued expenses	333	V.14	-	-
4. Capital payables to inter-companies	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other long-term payables	337	V.15	-	-
8. Long-term loans and finance leases	338	V.11	7,588,277	24,788,277
9. Convertible bonds	339		-	-
10. Preference shares	340		-	-
11. Deferred tax liabilities	341	V.17	-	-
12. Provision for non-current liabilities	342	V.16	4,252,331	4,575,715
13. Scientific and technological fund	343		25,313,760	31,740,735
D - OWNER'S EQUITY (400 = 410 + 430)	400		552,541,098	559,152,943
I. Shareholders' equity	410	V.18	552,541,098	559,152,943
1. Contributions from owners	411		196,947,181	196,947,181
- Ordinary shares with voting right	411a		196,947,181	196,947,181
- Preference shares	411b		-	-
2. Share premium	412		126,770,844	126,770,844
3. Options embedded in convertible bonds	413		-	-
4. Other owner's capital	414		-	-
5. Treasury shares (*)	415		(966,501)	(966,501)
6. Differences upon asset revaluation	416		-	-
7. Foreign exchange differences	417	V.19	(2,600,856)	(2,554,169)
8. Investment and development fund	418		58,668,981	58,668,981
9. Enterprise reorganization assistance fund	419		-	-
10. Other equity fund	420		-	-
11. Retained earnings	421		173,721,449	180,286,607
- Accumulated by the end of the previous period	421a		180,286,607	176,981,499
- Retained earnings of current period	421b		(6,565,158)	3,305,108
12. Capital expenditure fund	422		-	-
II. Funding and other funds	430		-	-
1. Funding	431		-	-
2. Funds that formed fixed assets	432		-	-
TOTAL RESOURCES (440 = 300 + 400)	440		670,719,712	696,927,483

Ho Chi Minh City, 27 October 2017

Preparer

Chief Accountant

President

Tran Kim Hoang

Doan Duc Tung

Pham Tien Dung

SEPARATED INCOME STATEMENT

QUARTER 03 - 2017

Unit: USD

ITEM	Code	Note	QUARTER 03		YEAR TO DATE	
			2017	2016	2017	2016
1	2	3	4	5	6	7
1. Gross revenue	01	VI.1	34,878,697	23,313,154	77,580,606	77,527,345
2. Deductions	02	VI.2	-	-	-	-
3. Net revenue	10		34,878,697	23,313,154	77,580,606	77,527,345
4. Cost of sales	11	VI.3	37,363,859	21,329,082	82,450,218	70,610,387
5. Gross profit	20		(2,485,162)	1,984,072	(4,869,612)	6,916,958
6. Financial income	21	VI.4	4,097,262	6,063,251	11,605,057	11,618,103
7. Financial expenses	22	VI.5	400,475	637,891	4,194,367	1,593,002
<i>- In which: Interest expense</i>	23		78,598	131,917	282,907	376,868
9. Selling expenses	24	VI.8	71,793	132,960	262,349	520,253
10. General and administration expenses	25	VI.8	4,149,119	6,632,258	13,453,962	13,856,568
11. Operating profit	30		(3,009,287)	644,214	(11,175,233)	2,565,238
12. Other income	31	VI.6	6,476,353	(151,205)	6,476,408	425,161
13. Other expenses	32	VI.7	125,727	-	137,587	-
14. (Loss)/Profit from other activities	40		6,350,626	(151,205)	6,338,821	425,161
15. Accounting profit before tax	50		3,341,339	493,009	(4,836,412)	2,990,399
16. Current corporate income tax expense	51	VI.10	1,595,474	-	1,595,474	409,489
17. Deferred corporate tax expense/(income)	52	VI.11	-	-	133,272	215,312
18. Net profit after corporate income tax	60		1,745,865	493,009	(6,565,158)	2,365,598

Ho Chi Minh City, 27 October 2017

Preparer

Chief Accountant

President

Tran Kim Hoang

Doan Duc Tung

Pham Tien Dung

SEPARATED CASH FLOW STATEMENT

(Indirect method)

QUARTER 03 - 2017

Unit: USD

ITEM	Code	Note	YEAR TO DATE	
			2017	2016
1	2	3	4	5
I. CASH FLOWS FROM OPERATING ACTIVITIES				
<i>1. Profit before tax</i>	01		(4,836,412)	2,990,399
<i>2. Adjustments for:</i>			2,267,377	7,834,436
- Depreciation and amortization	02		14,775,913	10,689,556
- Provisions	03		4,973,361	6,687,715
- Unrealized foreign exchange	04		(630,016)	47,522
- Gains from investing activities	05		(10,752,891)	(10,418,609)
- Interest expense	06		282,907	376,868
- Other adjustments	07		(6,381,897)	451,384
<i>3. Operating profit before movements in working capital</i>	08		(2,569,035)	10,824,835
- Changes in account receivables	09		(16,899,176)	10,181,186
- Changes in inventories	10		106,212	59,119
- Changes in account payables (excluding interest payables, corporate income tax payables)	11		7,444,690	(21,818,512)
- Changes in prepaid expenses	12		208,614	(146,560)
- Changes in held for trading securities	13		-	-
- Interest paid	14		(459,257)	(821,469)
- Corporate income tax paid	15		(8,236)	(1,437,599)
- Other cash outflows	16		-	-
- Other cash inflows	17		(1,080,603)	(2,109,052)
NET CASH FROM OPERATING ACTIVITIES	20		(13,256,791)	(5,268,052)
II. CASH FLOWS USED IN INVESTING ACTIVITIES				
1. Acquisition of fixed assets and other non-current assets	21		(184,844)	(7,554,509)
2. Proceeds from disposal of fixed assets and other non-current assets	22		55	186
3. Cash outflow for buying debt instruments of other companies	23		(72,371,446)	(69,196,446)
4. Cash recovered from lending, selling debt instruments of other companies	24		58,655,796	26,086,249
5. Investments in other entities	25		-	-
6. Cash recovered from investments in other entities	26		-	-
7. Interest, dividends and profits received	27		5,702,709	14,172,156
NET CASH USED IN INVESTING ACTIVITIES	30		(8,197,730)	(36,492,364)

ITEM	Code	Note	YEAR TO DATE	
			2017	2016
III. CASH FLOWS USED IN FINANCING ACTIVITIES				
1. Proceeds from share issuance and capital contributions from owners	31		-	-
2. Capital withdrawals to owners, treasury shares purchases	32		-	-
3. Proceeds from borrowings	33		-	-
4. Repayments of borrowings	34		(17,200,000)	(17,200,000)
5. Repayments of principal owed under finance leased	35		-	-
6. Dividend, profits distributed to owners	36		-	-
NET CASH USED IN FINANCING ACTIVITIES	40		(17,200,000)	(17,200,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	50		(38,654,521)	(58,960,416)
Cash and cash equivalents at the beginning of the year	60		66,652,454	114,872,445
Effect of changes in foreign exchange rates	61		(48,242)	4,769
Cash and cash equivalents at the end of the year	70		27,949,691	55,916,798

Ho Chi Minh City, 27 October 2017

Preparer

Chief Accountant

President

Tran Kim Hoang

Doan Dac Tung

Pham Tien Dung

NOTES TO THE SEPARATED FINANCIAL STATEMENTS

For the period ended 30 September 2017.

I. GENERAL INFORMATION

1. Ownership structure

The Company

Petrovietnam Drilling and Well Services Corporation (the “Company”) is a joint stock company established in Vietnam in accordance with the Business Registration Certificate No. 4103004335 dated 15 February 2006 and its twelfth amendment dated 20 December 2016 issued by the Department of Planning and Investment (“DPI”) of Ho Chi Minh City. The Company has merged from the equitization of Petrovietnam Drilling and Well Services Company, a wholly-owned subsidiary of Vietnam Oil and Gas Group (hereinafter referred to as “Petrovietnam”).

- Summary of ownership structure:

+ The State:	50.40%
+ Other shareholders:	49.60%

2. Operating industry

Drilling contractor and drilling-related services provider in the oil and gas industry.

3. Principal activities:

The Company’s principal activities include:

Its subsidiaries:

+ PVD Trading and Technical Services Joint Stock Company (“PVD Tech”): Engineering and manufacturing equipment skid; providing Surface/Subsea wellhead and mudline rental services, providing full range of conductor services and trading services for oil and gas industry.

+ PVD Well Services Company Limited (“PVD Well”): Provide well technical services, tool rental, tubular running, manage pressure drilling, solids control...

+ PVD Offshore Services Company Limited (“PVD Offshore”): Drilling manpower supply service, inspection, maintenance and workshop service and oil spill response service...

+ Petroleum Well Logging Company Limited (“PVD Logging”): Provide advanced technology services in drilling operations for the oil and gas industry including mud logging, slick-line & cased hole logging, well testing and provision of geological specialists...

+ PVD Deepwater Drilling Company Limited (“PVD Deepwater”): PVD Deepwater was authorised by the Company and its partners in the Business Corporation Contract (“BCC”) including Petrovietnam, Military Joint-Stock Commercial Bank (“MBBank”) and Ocean Joint Stock Commercial Bank (“OceanBank”), to manage and operate the business cooperation project in financing to build the Tender Assist Drilling Rig (“PV Drilling V” or “TAD”).

The Company and its partners in BCC including Petrovietnam, MBBank and OceanBank have corporated in financing and operating the TAD for the period of 17 years since 10 September 2009. According to BCC, the Company has been authorised to manage and operate the project as well as accounted for its financial performance as a basic of profit/(loss) sharing to all partners on contribution percentage in BCC. The Company has 62.43% of capital contribution in BCC.

+ PV Drilling Overseas Company Private Limited (“PVD Overseas”): Operating the modern offshore rig PV DRILLING VI.

+ PVD Technical Training and Certification Joint Stock Company (“PVD Training”): Training, certification for petroleum, manpower supply and technology and marine safety equipment...

4. Normal production and business cycle

The Company’s normal production and business cycle is carried out for a time period of 12 months.

5. Significant events that occurred in the financial year

During the period ended 30 September 2017, activities of the Company are affected when Oil and Gas contractors adjusted drilling and exploitation schedule due to crude oil prices dropped sharply since the end of 2014.

6. The Company's structure

- The Company consists of two divisions and three overseas branches:

Name	Address
Head Office	4th Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam
The Drilling Division	3rd Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam
PVD Drilling Investment Division	3rd Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam
PVDrilling - Branch office in Algeria	Cité Si El, Houas, No. 02, Villa No. 101, Hassi Messaoud, Ouargla, Algeria
PVDrilling - Branch office in Myanmar	No 33/36, Garden Street (U Yin Lane), Bahan Township, Yangon, Myanmar
PVDrilling - Branch office in Thailand	7th Floor, Shinawatra Tower III Building, 1010 Vibhavadi Rangsit Rd., Chatuchak, Bangkok, Thailand

- List of subsidiaries

Company's name	Address	The Company's interest	The Company's voting right
PVD Offshore Services Company Limited (“PVD Offshore”)	43A, 30/4 Street, Ward 9, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam	100%	100%
PVD Well Services Company Limited (“PVD Well”)	Room 13, 12Ath Floor, Vincom Center Building, 47 Ly Tu Trong Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	100%
Petroleum Well Logging Company Limited (“PVD Logging”)	10th Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam	100%	100%
PVD Trading and Technical Services Joint Stock Company (“PVD Tech”)	8th Floor, Green Power Building, 35 Ton Duc Thang Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	97%	97%
PVD Deepwater Drilling Company Limited (“PVD Deepwater”)	5th Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam	100%	100%
Công ty TNHH PV Drilling Overseas (PVD Overseas)	No. 9 Temasek Boulevard, #31_00 Suntec Tower 2, Singapore	80%	80%
PVD Technical Training and Certification Joint Stock Company (“PVD Training”)	Dong Xuyen Industrial Zone, 30/4 Street, Rach Dua Ward, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam	52%	52%

- List of joint ventures

Company's name	Address	The Company's interest	The Company's voting right
BJ Services-PV Drilling Joint Venture Company Limited (“BJ-PVD”)	65A, 30/4 Street, Thang Nhat Ward, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam	49%	50%
PV Drilling-Baker Hughes Well Technical Services Joint Venture Company Limited (“PVD-Baker Hughes”)	10th Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam	51%	50%
PV Drilling Tubulars Management Company Limited (“PVD Tubulars”)	Phu My 1 Industrial Zone, Tan Thanh District, Ba Ria - Vung Tau Province, Vietnam	51%	50%
Vietubes Company Limited (“Vietubes”)	Dong Xuyen Industrial Zone, Rach Dua Ward, Ba Ria - Vung Tau Province, Vietnam	51%	50%

7. Disclosure of information comparability in the financial statements

The Company's separated financial statements are comparable.

II. ACCOUNTING PERIOD, REPORTING CURRENCY

1. The Company's financial year begins on 1 January and ends on 31 December.
2. The accompanying separated financial statements, expressed in United States Dollar ("USD"), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The expression of financial statement in USD is registered and approved by the Ministry of Finance in Letter No.8036/BTC-CDKT dated 21 June 2010 and changing currency unit from VND to USD since 1 January 2010. The Company's Board of Directors believes that the presentation of the separated financial statement of the Company in USD is necessary to reflect the economic nature of the Company's business transactions.

III. ADOPTED ACCOUNTING STANDARDS AND CONVENTIONS

1. The Company has adopted Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014.
2. Annoucement of compliance to Vietnamese accounting standards, accounting regime for enterprises and legal regulations relating to financial reporting: The Board of Directors confirms that the Company has complied with the above requirements in preparing these financial statements.

V- Notes to the Separated Balance Sheet

Unit: USD

1. Cash and cash equivalents

	30/9/2017	1/1/2017
- Cash on hand	113,243	119,241
- Cash in bank	27,616,087	64,310,896

Total	27,729,330	64,430,137
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2. Financial investments

	30/9/2017		1/1/2017	
	Cost	Carrying value	Cost	Carrying value
- Short-term held to maturity investments Term-deposit	87,449,633	87,449,633	73,014,967	73,014,967

Long-term financial investments	30/9/2017			1/1/2017		
	Cost	Provision	Fair value	Cost	Provision	Fair value
- Subsidiaries	120,294,164	(4,550,920)	115,743,244	120,294,164	(2,367,097)	117,927,067
PVD Logging	4,236,959	-	4,236,959	4,236,959	-	4,236,959
PVD Offshore	6,748,980	-	6,748,980	6,748,980	-	6,748,980
PVD Tech	10,038,600	-	10,038,600	10,038,600	-	10,038,600
PVD Well	4,081,469	-	4,081,469	4,081,469	-	4,081,469
PVD Deepwater	39,692,090	-	39,692,090	39,692,090	-	39,692,090
PVD Overseas	54,400,000	(4,550,920)	49,849,080	54,400,000	(2,367,097)	52,032,903
PVD Training	1,096,066	-	1,096,066	1,096,066	-	1,096,066
- Joint ventures and associates	18,026,446	-	18,026,446	18,026,446	-	18,026,446
BJ-PVD	2,399,255	-	2,399,255	2,399,255	-	2,399,255
PVD-Baker Hughes	10,200,000	-	10,200,000	10,200,000	-	10,200,000
PVD Tubulars	1,450,655	-	1,450,655	1,450,655	-	1,450,655
Vietubes	3,976,536	-	3,976,536	3,976,536	-	3,976,536

3. Receivables from customers

	30/9/2017	1/1/2017
a) Short-term		
PVD Deepwater	12,797,521	14,128,861
Petrovietnam Domestic Exploration Production Operating Company Limited	16,772,507	17,087,484
Petrovietnam Exploration Production Corporation	6,519,900	6,542,185
Other trade receivables	39,797,329	19,486,928
Total	75,887,258	57,245,458

b) Receivables from related parties

Subsidiaries	13,653,557	15,069,677
PVD Logging	394,000	410,748
PVD Well	462,036	530,069
PVD Deepwater	12,797,521	14,128,861
Joint-ventures	769,662	302,249
BJ-PVD	226,887	63,173
PVD-Expro	12,702	62,339
PVD-Baker Hughes	530,073	176,737

4. Other receivables

	30/9/2017		1/1/2017	
	<i>Carrying value</i>	<i>Provision</i>	<i>Carrying value</i>	<i>Provision</i>
a) Short-term	9,534,454	-	8,366,101	-
- Receivables from employees	259,587	-	9,858	-
- Deposits	147,770	-	127,558	-
- Interest income receivables	2,669,277	-	1,550,579	-
- Inter-company receivables	6,075,155	-	5,326,229	-
- Other receivables	382,665	-	1,351,877	-
b) Long-term	657,941	-	492,313	-
- Deposits	657,941	-	492,313	-
Total	10,192,395	-	8,858,414	-

5. Doubtful debts

	30/9/2017		1/1/2017	
	<i>Cost</i>	<i>Recoverable</i>	<i>Cost</i>	<i>Recoverable</i>
- Overdue or doubtful receivables and loans	(11,214,500)	(11,214,500)	(5,548,262)	(5,548,262)
Total	(11,214,500)	(11,214,500)	(5,548,262)	(5,548,262)

6. Inventory

	30/9/2017		1/1/2017	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
- Raw materials	19,186,450	(2,509,892)	19,381,050	(3,130,155)
- Tools and supplies	101,551	-	13,163	-
Total	19,288,001	(2,509,892)	19,394,213	(3,130,155)

7. Long-term assets in progress

	30/9/2017	1/1/2017
Construction in progress		
- Purchase	413,761	413,761
+ Other construction works	11,776	11,776
+ ERP Project - Phase 3	401,985	401,985
Total	413,761	413,761

8. Tangible fixed assets

Unit: USD

	Building, structures	Machinery, equipments	Motor vehicle	Office equipments	Others	Total
Cost						
As at 1/1/2017	11,809,469	542,255,725	2,189,712	2,295,848	50,764	558,601,518
- Additions	-	48,435	-	114,776	-	163,211
- From construction in progress	-	-	-	-	-	-
- Other increases	-	-	-	-	-	-
- Reclassified (increases)	-	-	-	-	-	-
- To investment property	-	-	-	-	-	-
- Disposals	-	-	-	(23,328)	-	(23,328)
- Other decreases	-	-	-	-	-	-
- Reclassified (decreases)	-	-	-	-	-	-
- Foreign exchange differences	4,006	73,914	23	35	-	77,978
As at 30/9/2017	11,813,475	542,378,074	2,189,735	2,387,331	50,764	558,819,379
Accumulated depreciation						
As at 1/1/2017	3,112,206	214,596,122	2,048,582	1,899,238	50,764	221,706,912
- Charge for the year	225,162	14,022,547	87,681	95,644	-	14,431,034
- Other increases	-	-	-	-	-	-
- Reclassified (increases)	-	-	-	-	-	-
- To investment property	-	-	-	-	-	-
- Disposals	-	-	-	(23,328)	-	(23,328)
- Other decreases	-	-	-	-	-	-
- Reclassified (decreases)	-	-	-	-	-	-
- Foreign exchange differences	3,871	64,837	23	36	-	68,767
As at 30/9/2017	3,341,239	228,683,506	2,136,286	1,971,590	50,764	236,183,385
Carrying value	-	-	-	-	-	-
As at 1/1/2017	8,697,263	327,659,603	141,130	396,610	-	336,894,606
As at 30/9/2017	8,472,236	313,694,568	53,449	415,741	-	322,635,994

* Carrying value of pledged assets as collateral for loans

124,403,451

* Cost of assets fully depreciated but are still in use

8,036,652

9. Intangible fixed assets

Unit: USD

	Land use rights	Computer software	Others	Total
Cost				
As at 1/1/2017	6,121,918	3,248,401	-	9,370,319
- Additions	-	21,633	-	21,633
- Internally generated	-	-	-	-
- From business combination	-	-	-	-
- Other increases	-	-	-	-
- Reclassified (increases)	-	-	-	-
- Disposals	-	-	-	-
- Other decreases	-	-	-	-
- Reclassified (decreases)	-	-	-	-
- Foreign exchange differences	-	51	-	51
As at 30/9/2017	6,121,918	3,270,085	-	9,392,003
Accumulated depreciation				
As at 1/1/2017	907,717	2,655,315	-	3,563,032
- Charge for the year	77,945	272,156	-	350,101
- Other increases	-	-	-	-
- Reclassified (increases)	-	-	-	-
- Disposals	-	-	-	-
- Other decreases	-	-	-	-
- Reclassified (decreases)	-	-	-	-
- Foreign exchange differences	-	(3,251)	-	(3,251)
As at 30/9/2017	985,662	2,924,220	-	3,909,882
Carrying value				
As at 1/1/2017	5,214,201	593,086	-	5,807,287
As at 30/9/2017	5,136,256	345,865	-	5,482,121

* Cost of assets fully amortised but are still in use

2,039,588

<i>10. Prepayments</i>	30/9/2017	1/1/2017
a) Short-term	144,641	344,192
- Insurance premiums	74,584	309,077
- Others	70,057	35,115
b) Long-term	24,866	33,929
- Others	24,866	33,929
Total	169,507	378,121

<i>11. Loans and finance leases</i>	30/9/2017		During the period		1/1/2017	
	Carrying value	Payable amount	Increases	Decreases	Carrying value	Payable amount
a) Short-term	17,200,000	17,200,000	17,200,000	(17,200,000)	17,200,000	17,200,000
Current portions of long-term loans	17,200,000	17,200,000	17,200,000	(17,200,000)	17,200,000	17,200,000
b) Long-term	7,588,277	7,588,277	-	(17,200,000)	24,788,277	24,788,277
Second year	7,588,277	7,588,277	-	(9,611,723)	17,200,000	17,200,000
Third to fifth year inclusive	-	-	-	(7,588,277)	7,588,277	7,588,277
Total	24,788,277	24,788,277	17,200,000	(34,400,000)	41,988,277	41,988,277

<i>12. Payables to suppliers</i>	30/9/2017	1/1/2017
a) Short-term		
PVD Overseas	13,365,931	12,574,677
PVD Offshore	4,170,924	4,477,206
Other suppliers	12,861,178	9,247,894
Total	30,398,033	26,299,777

b) Payables to related parties		
Subsidiaries	18,179,414	18,578,345
PVD Offshore	4,170,924	4,477,206
PVD Tech	308,634	780,294
PVD Overseas	13,365,931	12,574,677
PVD Training	333,925	746,168

13. Taxes and amounts payable to the State budget

	1/1/2017	Additions	Paid	30/9/2017
a) Payables				
Value added tax - Domestic	303,282	1,686,155	1,612,449	376,988
Value added tax - Import	-	13,187	13,187	-
Import duties	-	179,107	179,107	-
Corporate income tax	8,236	1,595,474	8,236	1,595,474
Personal income tax	379,725	4,180,611	4,034,214	526,122
Other taxes	3,695	1,964,480	1,588,980	379,195
- Business license tax	-	221	221	-
- Withholding tax	3,695	1,964,259	1,588,759	379,195
Fees, charges and other payables	5,832	54,571	60,403	-
Total	700,770	9,673,585	7,496,576	2,877,779

14. Accrued expenses	30/9/2017	1/1/2017
Short-term		
- Accrued expenses related to cost of good sold	8,433,761	5,266,179
+ <i>Operation of drilling rigs</i>	5,300,237	4,365,115
+ <i>Goods supplied and services rendered</i>	3,133,524	901,064
- Other	749,606	431,792
+ <i>Interest expense</i>	68,868	245,218
+ <i>Other expenses</i>	680,738	186,574
Total	9,183,367	5,697,971

15. Other payables	30/9/2017	1/1/2017
Short-term		
- Funding of trade union	19,148	16,891
- Social insurance	41,673	18,927
- Health insurance	6,303	2,068
- Unemployment insurance	6,482	3,779
- Inter-company payables to subsidiaries	7,343,249	9,514,057
- Other payables	1,067,678	1,364,007
Total	8,484,533	10,919,729

16. Provision	30/9/2017	1/1/2017
a) Short-term		
- Other provisions	7,264,021	9,197,074
+ <i>Provision for periodic overhaul of fixed assets</i>	6,796,161	8,729,214
+ <i>Other provisions</i>	467,860	467,860
Total	7,264,021	9,197,074

b) Long-term		
- Other provisions	4,252,331	4,575,715
+ <i>Provision for periodic overhaul of fixed assets</i>	4,252,331	4,575,715
Total	4,252,331	4,575,715

17. Deferred income tax assets and deferred income tax payables

Deferred income tax assets:

	30/9/2017	1/1/2017
- Corporate income tax rates used for determination of value of deferred income ta	20%	20%
- Deferred income tax assets related to deductible temporary differences	595,551	728,822

Deferred income tax assets

595,551	728,822
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18. Owner's equity

a) Comparison table of owner's equity fluctuations

	Share capital	Share premium	Treasury shares (*)	Foreign exchange differences	Investment and development fund	Retained earning	Total
A	1	2	3	4	5	6	7
As at 1/1/2016	181,630,323	126,770,844	(966,501)	(2,299,523)	58,538,325	192,298,357	555,971,825
- Capital increased	-	-	-	-	-	-	-
- Profit for the year	-	-	-	-	-	3,469,292	3,469,292
- Transfer from subsidiaries	-	-	-	-	130,656	-	130,656
- Treasury shares transactions	-	-	-	-	-	-	-
- Loss for the year	-	-	-	-	-	-	-
- Fund appropriation	-	-	-	-	-	(164,184)	(164,184)
- Dividend declared	15,316,858	-	-	-	-	(15,316,858)	-
- Other decreased	-	-	-	-	-	-	-
- Foreign exchange differences	-	-	-	(254,646)	-	-	(254,646)
As at 31/12/2016	196,947,181	126,770,844	(966,501)	(2,554,169)	58,668,981	180,286,607	559,152,943
As at 1/1/2017	196,947,181	126,770,844	(966,501)	(2,554,169)	58,668,981	180,286,607	559,152,943
- Capital increased	-	-	-	-	-	-	-
- Profit for the year	-	-	-	-	-	(6,565,158)	(6,565,158)
- Treasury shares transactions	-	-	-	-	-	-	-
- Capital decreased	-	-	-	-	-	-	-
- Loss for the year	-	-	-	-	-	-	-
- Fund appropriation	-	-	-	-	-	-	-
- Dividend declared	-	-	-	-	-	-	-
- Other decreased	-	-	-	-	-	-	-
- Foreign exchange differences	-	-	-	(46,687)	-	-	(46,687)
As at 30/9/2017	196,947,181	126,770,844	(966,501)	(2,600,856)	58,668,981	173,721,449	552,541,098

b- Details of share capital	30/9/2017	1/1/2017
- The State	99,241,649	99,241,649
- Others	97,705,532	97,705,532
Total	196,947,181	196,947,181
c) Capital transactions with owners and distribution of dividends or profits	30/9/2017	1/1/2017
- Share capital		
+ As at 1/1/2017	196,947,181	181,630,323
+ Increase in capital	-	15,316,858
+ As at 30/9/2017	196,947,181	196,947,181
- Dividend and profit distributed	-	15,316,858
d) Number of shares	30/9/2017	1/1/2017
- Authorized shares	383,266,160	383,266,160
- Issued shares	-	-
+ Ordinary shares	383,266,160	383,266,160
+ Preference shares	-	-
- Treasury shares	-	-
+ Ordinary shares	416,000	416,000
+ Preference shares	-	-
- Shares in circulation	-	-
+ Ordinary shares	382,850,160	382,850,160
+ Preference shares	-	-
* Par value per share: 10,000 VND		
đ) Funds	30/9/2017	1/1/2017
- Investment and development fund	58,668,981	58,668,981
- Scientific and technological fund	25,313,760	31,740,735
+ Available	24,889,757	31,311,511
+ The carrying amount of assets formed from the fund	424,003	429,224
e) Income and expense directly recorded into equity: None		

19. Foreign exchange differences

- Translation of financial statements of foreign operation (Algeria Branch)

Total

30/9/2017	1/1/2017
(2,600,856)	(2,554,169)
(2,600,856)	(2,554,169)

20. Off balance-sheet

Foreign currencies

- GBP

- VND

- EUR

- SGD

- DZD

- MMK

30/9/2017	1/1/2017
2,775	2,775
2,017,835,246,143	1,816,680,389,129
3,113	7,749
36,342	36,342
21,799,220	41,546,994
1,342,675	1,342,675

VI. Extracted notes to the Separated income statement:

Unit: USD

1. Net revenue	QUARTER 03 - 2017	QUARTER 03 - 2016
- Sales of drilling services	24,118,442	16,387,463
- Sale of other services	10,760,255	6,925,691
Total	34,878,697	23,313,154
2. Cost of sales	QUARTER 03 - 2017	QUARTER 03 - 2016
- Cost of drilling services	27,297,271	15,606,720
- Cost of other services	10,066,588	5,722,362
Total	37,363,859	21,329,082
3. Financial income	QUARTER 03 - 2017	QUARTER 03 - 2016
- Interests of deposits or loans	1,384,804	1,154,622
- Dividends or distributed profits;	2,435,344	4,765,934
- Interests of exchange differences	277,114	142,695
Total	4,097,262	6,063,251
4. Financial expenses	QUARTER 03 - 2017	QUARTER 03 - 2016
- Interests of loans	78,598	131,917
- Losses of exchange differences	340,586	505,974
- Other financial expenses	(18,709)	-
Total	400,475	637,891
5. Cost by nature	QUARTER 03 - 2017	QUARTER 03 - 2016
- Raw materials and consumables	1,909,023	2,154,007
- Labour	15,823,127	8,562,918
- Depreciation and amortization	7,000,961	4,486,503
- Provisions	2,619,442	5,080,854
- Out-sourced services	13,872,915	6,683,897
- Other expenses	359,303	1,126,121
Total	41,584,771	28,094,300

VII. Other informations

1- Financial instruments

Unit: USD

	<u>30/9/2017</u>	<u>1/1/2017</u>
+ Financial asset		
Cash and cash equivalents	27,949,691	66,652,454
Trade and other receivables	74,059,442	60,555,610
Other investments	87,449,633	73,014,967
Deposits	805,711	642,350
Total	<u>190,264,477</u>	<u>200,865,381</u>
+ Financial liability		
Loans and borrowings	24,788,277	41,988,277
Trade and other payables	38,808,960	37,177,841
Accrued expenses	9,183,367	5,697,971
Total	<u>72,780,604</u>	<u>84,864,089</u>

The Company has not yet assessed fair value of its financial assets and liabilities as at the balance sheet date since there are no comprehensive guidance under Circular No. 210/2009/TT-BTC dated 06 November 2009 (“Circular 210”) and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards (“IFRS”) on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

- Financial risk

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk, liquidity risk. The Company has hedging these risks exposures by controlling and managing the cash flows (including foreign currencies cash flows) and closely tracking with market information to have proper hedging instruments.

+ Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial losses to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an on - going basis. The Company assess that there is no significant credit risk exposure to any counterparty because receivables are from huge and trustful customers operating in the oil and gas industry.

+ Liquidity risk

Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any year is kept to manageable levels relative to the amount of funds that the Company believes can generate within that year. The Company policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its owners to meet its liquidity requirements in the short and longer term.

The following tables detail the Company’s remaining contractual maturity for its financial assets and financial liabilities.

	<i>As at 1/1/2017</i>			
Financial asset	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Cash and cash equivalents	66,652,454	-	-	66,652,454
Trade and other receivables	60,555,610	-	-	60,555,610
Other investments	73,014,967	-	-	73,014,967
Deposits	150,037	492,313	-	642,350
Total	<u>200,373,068</u>	<u>492,313</u>	<u>-</u>	<u>200,865,381</u>
Financial liability	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Loans and borrowings	17,200,000	24,788,277	-	41,988,277
Trade and other payables	37,177,841	-	-	37,177,841
Accrued expenses	5,697,971	-	-	5,697,971
Total	<u>60,075,812</u>	<u>24,788,277</u>	<u>-</u>	<u>84,864,089</u>
Liquidity gap	<u>140,297,256</u>	<u>(24,295,964)</u>	<u>-</u>	<u>116,001,292</u>

	<i>As at 30/9/2017</i>			
Financial asset	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Cash and cash equivalents	27,949,691	-	-	27,949,691
Trade and other receivables	74,059,442	-	-	74,059,442
Other investments	87,449,633	-	-	87,449,633
Deposits	147,770	657,941	-	805,711
Total	189,606,536	657,941	-	190,264,477
Financial liability	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Loans and borrowings	17,200,000	7,588,277	-	24,788,277
Trade and other payables	38,808,960	-	-	38,808,960
Accrued expenses	9,183,367	-	-	9,183,367
Total	65,192,327	7,588,277	-	72,780,604
Liquidity gap	124,414,209	(6,930,336)	-	117,483,873

+ Market risk

++ Foreign currency risk management: The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. However, the Company manages to balance the cash inflow and outflow of foreign currencies by negotiating business contracts based on the demand foreign currencies payable to its receivables sources in order to minimize the foreign currency risk.

++ Interest rate risk management: The Company is exposed to interest rate risks arising mainly from interest bearing loans. The Company is exposed to interest rate risk as the Company borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate ratio between fixed and floating rate borrowings.

2. Contingent liabilities, commitment and other information: None

3. Events after the reporting date: None

4. Related parties information

	<u>30/9/2017</u>	<u>1/1/2017</u>
Receivables		
Petrovietnam Company's subsidiaries	128,887	421,870
Petrovietnam's Joint Ventures/Joint Operating Companies/Petroleum Sharing Contracts	47,925,392	32,214,629
The Company's subsidiaries	19,728,712	15,069,677
The Company's joint ventures	769,662	302,249
Payables		
Petrovietnam Company's subsidiaries	248,902	1,281,158
Petrovietnam's Joint Ventures/Joint Operating Companies/Petroleum Sharing Contracts	1,091,838	1,085,301
The Company's subsidiaries	25,522,663	18,578,345

5. Segment reporting: A business segment includes reporting entities that have similar business operation and risks characteristics. A geographical segment includes reporting entities that have same operation location and are subject to local regulations.

6. Comparative information: This period financial performance figures had been converted to VND using average exchange rate of the period. For comparative period, the average inter-bank exchange rate for that period had been used.

This period cash-flow statement figures had been converted to VND using average exchange rate of the period. For certain cases, for example for significant economic transactions, the exchange rate at the transaction date is used. For comparative period, the average inter-bank exchange rate for that period had been used.

7. Going concern assumption: The Company is a going concern entity and no significant disruption in business occurred.

8. Other information: Several comparative information about transaction with related parties had been re-classified based on updated information about Petrovietnam's subsidiaries.

Ho Chi Minh City, 27 October 2017

Preparer

Chief Accountant

President

Tran Kim Hoang

Doan Dac Tung

Pham Tien Dung

PETROVIETNAM DRILLING AND WELL SERVICES CORPORATION
(Incorporated in the Socialist Republic of Vietnam)

CONVERTED SEPARATED FINANCIAL STATEMENTS
QUARTER 03 -2017

Petrovietnam Drilling And Well Services Corporation

General information about the Company

Business Registration Certificate No. 4103004335 dated 15 February 2006 and its twelfth admendment dated 20 December 2016 issued by the Department of Planning and Investment (“DPI”) of Ho Chi Minh City

Board of Management	Mr. Do Van Khanh	Chairman
	Mr. Do Duc Chien	Vice chairman
	Mr. Pham Tien Dung	Member
	Mr. Duong Xuan Quang	Member (resigned on 24 August 2017)
	Mr. Le Van Be	Member
	Ms. Ho Ngoc Yen Phuong	Member
	Ms. Pham Thi An Binh	Member
	Ms. Nguyen Thi Thuy	Member (appointed on 24 August 2017)

Board of Directors	Mr. Pham Tien Dung	President
	Mr. Tran Van Hoat	Vice President
	Mr. Dao Ngoc Anh	Vice President
	Mr. Nguyen Xuan Cuong	Vice President
	Mr. Trinh Van Vinh	Vice President
	Mr. Vu Van Minh	Vice President
	Mr. Ho Vu Hai	Vice President
	Mr. Do Danh Rang	Vice President (appointed on 13 April 2017)

Registered office 4th Floor, Sailing Tower,
111A Pasteur Street,
District 1, Ho Chi Minh City,
S.R Vietnam.

SEPARATED BALANCE SHEET

As at 30 September 2017

Unit: VND

ITEM	Code	Note	As at 30/9/2017	As at 1/1/2017
1	2	3	4	5
A - CURRENT ASSETS	100		4,700,001,789,720	4,916,893,820,400
I. Cash and cash equivalents	110	V.01	634,178,488,790	1,513,010,705,800
1. Cash	111		629,178,497,700	1,462,564,109,900
2. Cash equivalents	112		4,999,991,090	50,446,595,900
II. Short-term financial investments	120	V.02	1,984,232,172,770	1,657,439,750,900
1. Held for trading securities	121		-	-
2. Provision for held for trading securities (*)	122		-	-
3. Short-term held to maturity investments	123		1,984,232,172,770	1,657,439,750,900
III. Short-term receivables	130		1,697,129,975,650	1,367,487,407,200
1. Short-term receivables from customers	131	V.03	1,721,881,884,020	1,299,471,896,600
2. Short-term advances to suppliers	132		13,368,335,370	4,050,565,300
3. Short-term inter-company receivables	133		-	-
4. Receivable from construction contracts under perc	134		-	-
5. Short-term loans receivables	135		-	-
6. Other short-term receivables	136	V.04	216,336,761,260	189,910,492,700
7. Provison for doubtful short-term receivables (*)	137	V.05	(254,457,005,000)	(125,945,547,400)
8. Asset shortage awaiting resolution	139		-	-
IV. Inventories	140		380,695,293,210	369,194,116,600
1. Inventories	141	V.06	437,644,742,690	440,248,635,100
2. Provision for inventories (*)	149		(56,949,449,480)	(71,054,518,500)
V. Other short-term assets	150		3,765,859,300	9,761,839,900
1. Short-term prepayments	151	V.10	3,281,904,290	7,813,158,400
2. Deductible value added tax	152		483,955,010	1,948,681,500
3. Taxes and other receivables from the State budget	153	V.13	-	-
4. Repos of government bonds	154		-	-
5. Other short-term assets	155		-	-
B - NON-CURRENT ASSETS	200		10,518,628,475,560	10,903,360,066,400
I- Long-term receivables	210		14,928,681,290	11,175,505,100
1. Long-term receivables from customers	211	V.03	-	-
2. Long-term advances to suppliers	212		-	-
3. Capital provided to subordinate units	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Long-term loans receivables	215		-	-
6. Other long-term receivables	216	V.04	14,928,681,290	11,175,505,100
7. Provison for doubtful long-term receivables (*)	219		-	-

ITEM	Code	Note	As at 30/9/2017	As at 1/1/2017
II. Fixed assets	220		7,445,000,029,350	7,779,332,971,100
1. Tangible fixed assets	221	V.08	7,320,610,703,860	7,647,507,556,200
- Cost	222		12,679,611,709,510	12,680,254,458,600
- Accumulated depreciation (*)	223		(5,359,001,005,650)	(5,032,746,902,400)
2. Finance lease fixed assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation (*)	226		-	-
3. Intangible fixed assets	227	V.09	124,389,325,490	131,825,414,900
- Cost	228		213,104,548,070	212,706,241,300
- Accumulated depreciation (*)	229		(88,715,222,580)	(80,880,826,400)
III. Investment property	230		-	-
- Cost	231		-	-
- Accumulated depreciation (*)	232		-	-
IV. Long-term assets in progress	240	V.07	9,388,237,090	9,392,374,700
1. Long-term work in progress	241		-	-
2. Construction in progress	242		9,388,237,090	9,392,374,700
V. Long-term financial investments	250	V.02	3,035,234,266,100	3,086,144,745,100
1. Investments in subsidiaries	251		2,729,474,581,160	2,730,677,522,800
2. Investments in joint ventures and associates	252		409,020,059,740	409,200,324,200
3. Other long-term investments	253		-	-
4. Provision for long-term financial investments (*)	254		(103,260,374,800)	(53,733,101,900)
5. Long-term held to maturity investments	255		-	-
VI. Other non-current assets	260		14,077,261,730	17,314,470,400
1. Long-term prepayments	261	V.10	564,209,540	770,188,300
2. Deferred tax assets	262	V.17	13,513,052,190	16,544,282,100
3. Long-term equipments, supplies and spare parts	263		-	-
4. Other long-term assets	268		-	-
TOTAL ASSETS (270 = 100 + 200)	270		15,218,630,265,280	15,820,253,886,800
C - LIABILITIES	300		2,681,472,751,660	3,127,482,080,700
I. Current liabilities	310		1,838,440,141,740	1,740,404,777,800
1. Short-term payables to suppliers	311	V.12	689,731,368,770	597,004,937,900
2. Short-term advance from customers	312		-	-
3. Taxes and amounts payable to the State budget	313	V.13	65,296,805,510	15,907,479,000
4. Payables to employees	314		57,232,779,510	57,195,169,700
5. Short-term accrued expenses	315	V.14	208,370,597,230	129,343,941,700
6. Short-term inter-company payables	316		-	-
7. Payables relating to construction contracts under p	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.15	192,514,053,770	247,877,871,000
10. Short-term loans and finance leases	320	V.11	390,268,000,000	390,440,000,000
11. Provision for current liabilities	321	V.16	164,820,636,490	208,773,579,800
12. Bonus and welfare funds	322		70,205,900,460	93,861,798,700
13. Price stabilization fund	323		-	-
14. Repos of government bonds	324		-	-

ITEM	Code	Note	As at 30/9/2017	As at 1/1/2017
II. Non-current liabilities	330		843,032,609,920	1,387,077,302,900
1. Long-term payables to suppliers	331	V.12	-	-
2. Long-term advance from customers	332		-	-
3. Long-term accrued expenses	333	V.14	-	-
4. Capital payables to inter-companies	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other long-term payables	337	V.15	-	-
8. Long-term loans and finance leases	338	V.11	172,178,005,130	562,693,887,900
9. Convertible bonds	339		-	-
10. Preference shares	340		-	-
11. Deferred tax liabilities	341	V.17	-	-
12. Provision for non-current liabilities	342	V.16	96,485,390,390	103,868,730,500
13. Scientific and technological fund	343		574,369,214,400	720,514,684,500
D - OWNER'S EQUITY (400 = 410 + 430)	400		12,537,157,513,620	12,692,771,806,100
I. Shareholders' equity	410	V.18	12,537,157,513,620	12,692,771,806,100
1. Contributions from owners	411		3,832,661,600,000	3,832,661,600,000
- Ordinary shares with voting right	411a		3,832,661,600,000	3,832,661,600,000
- Preference shares	411b		-	-
2. Share premium	412		2,434,086,374,663	2,434,086,374,663
3. Options embedded in convertible bonds	413		-	-
4. Other owner's capital	414		-	-
5. Treasury shares (*)	415		(20,948,559,850)	(20,948,559,850)
6. Differences upon asset revaluation	416		-	-
7. Foreign exchange differences	417	V.19	1,659,141,568,047	1,665,858,077,087
8. Investment and development fund	418		1,179,099,450,083	1,179,099,450,083
9. Enterprise reorganization assistance fund	419		-	-
10. Other equity fund	420		-	-
11. Retained earnings	421		3,453,117,080,677	3,602,014,864,117
- Accumulated by the end of the previous period	421a		3,602,014,864,117	3,528,208,535,779
- Retained earnings of current period	421b		(148,897,783,440)	73,806,328,338
12. Capital expenditure fund	422		-	-
II. Funding and other funds	430		-	-
1. Funding	431		-	-
2. Funds that formed fixed assets	432		-	-
TOTAL RESOURCES (440 = 300 + 400)	440		15,218,630,265,280	15,820,253,886,800

Ho Chi Minh City, 27 October 2017

Preparer

Chief Accountant

President

Tran Kim Hoang

Doan Duc Tung

Pham Tien Dung

SEPARATED INCOME STATEMENT

QUARTER 03 - 2017

Unit: VND

ITEM	Code	Note	QUARTER 03		YEAR TO DATE	
			2017	2016	2017	2016
1	2	3	4	5	6	7
1. Gross revenue	01	VI.1	791,048,847,960	519,556,950,044	1,759,528,144,080	1,727,774,410,670
2. Deductions	02	VI.2	-	-	-	-
3. Net revenue	10		791,048,847,960	519,556,950,044	1,759,528,144,080	1,727,774,410,670
4. Cost of sales	11	VI.3	847,412,322,120	475,339,921,452	1,869,970,944,240	1,573,623,084,682
5. Gross profit	20		(56,363,474,160)	44,217,028,592	(110,442,800,160)	154,151,325,988
6. Financial income	21	VI.4	92,925,902,160	135,125,611,786	263,202,692,760	258,921,043,458
7. Financial expenses	22	VI.5	9,082,773,000	14,216,038,826	95,128,243,560	35,501,642,572
<i>- In which: Interest expense</i>	23		1,782,602,640	2,939,902,262	6,416,330,760	8,398,880,248
9. Selling expenses	24		1,628,265,240	2,963,146,560	5,950,075,320	11,594,358,358
10. General and administration expenses	25	VI.8	94,102,018,920	147,806,501,788	305,135,858,160	308,807,474,448
11. Operating profit	30		(68,250,629,160)	14,356,953,204	(253,454,284,440)	57,168,894,068
12. Other income	31	VI.6	146,883,686,040	(3,369,754,630)	146,884,933,440	9,475,138,046
13. Other expenses	32	VI.7	2,851,488,360	-	3,120,473,160	-
14. (Loss)/Profit from other activities	40		144,032,197,680	(3,369,754,630)	143,764,460,280	9,475,138,046
15. Accounting profit before tax	50		75,781,568,520	10,987,198,574	(109,689,824,160)	66,644,032,114
16. Current corporate income tax expense	51	VI.10	36,185,350,320	-	36,185,350,320	9,125,871,854
17. Deferred corporate tax expense/(income)	52	VI.11	-	-	3,022,608,960	4,798,443,232
18. Net profit after corporate income tax	60		39,596,218,200	10,987,198,574	(148,897,783,440)	52,719,717,028

Ho Chi Minh City, 27 October 2017

Preparer

Chief Accountant

President

Tran Kim Hoang

Doan Duc Tung

Pham Tien Dung

SEPARATED CASH FLOW STATEMENT

(Indirect method)

QUARTER 03 - 2017

Unit: VND

ITEM	Code	Note	YEAR TO DATE	
			2017	2016
1	2	3	4	5
I. CASH FLOWS FROM OPERATING ACTIVITIES				
<i>1. Profit before tax</i>	<i>01</i>		<i>(109,689,824,160)</i>	<i>66,644,032,114</i>
<i>2. Adjustments for:</i>			<i>51,424,110,360</i>	<i>174,598,230,890</i>
- Depreciation and amortization	02		335,117,706,840	238,227,435,210
- Provisions	03		112,795,827,480	149,042,416,490
- Unrealized foreign exchange	04		(14,288,762,880)	1,059,075,292
- Gains from investing activities	05		(243,875,567,880)	(232,189,120,174)
- Interest expense	06		6,416,330,760	8,398,880,248
- Other adjustments	07		(144,741,423,960)	10,059,543,824
<i>3. Operating profit before movements in working capital</i>	<i>08</i>		<i>(58,265,713,800)</i>	<i>241,242,263,004</i>
- Changes in account receivables	09		(383,273,311,680)	226,897,911,196
- Changes in inventories	10		2,408,888,160	1,317,526,034
- Changes in account payables (excluding interest payables, corporate income tax payables)	11		168,845,569,200	(486,247,358,432)
- Changes in prepaid expenses	12		4,731,365,520	(3,266,236,160)
- Changes in held for trading securities	13		-	-
- Interest paid	14		(10,415,948,760)	(18,307,258,134)
- Corporate income tax paid	15		(187,710,500)	(33,050,592,553)
- Other cash outflows	16		-	-
- Other cash inflows	17		(24,508,076,040)	(47,002,332,872)
NET CASH FROM OPERATING ACTIVITIES	20		(300,664,937,900)	(118,416,077,917)
II. CASH FLOWS USED IN INVESTING ACTIVITIES				
1. Acquisition of fixed assets and other non-current assets	21		(4,192,261,920)	(168,359,787,574)
2. Proceeds from disposal of fixed assets and other non-current assets	22		1,247,400	4,145,196
3. Cash outflow for buying debt instruments of other companies	23		(1,641,384,400,000)	(1,542,112,000,000)
4. Cash recovered from lending, selling debt instruments of other companies	24		1,314,591,978,130	586,775,074,990
5. Investments in other entities	25		-	-
6. Cash recovered from investments in other entities	26		-	-
7. Interest, dividends and profits received	27		129,337,440,120	315,840,668,616
NET CASH USED IN INVESTING ACTIVITIES	30		(201,645,996,270)	(807,851,898,772)

ITEM	Code	Note	YEAR TO DATE	
			2017	2016
III. CASH FLOWS USED IN FINANCING ACTIVITIES				
1. Proceeds from share issuance and capital contributions from owners	31		-	-
2. Capital withdrawals to owners, treasury shares purchases	32		-	-
3. Proceeds from borrowings	33		-	-
4. Repayments of borrowings	34		(390,096,000,000)	(383,319,200,000)
5. Repayments of principal owed under finance leased	35		-	-
6. Dividend, profits distributed to owners	36		-	-
NET CASH USED IN FINANCING ACTIVITIES	40		(390,096,000,000)	(383,319,200,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	50		(892,406,934,170)	(1,309,587,176,689)
Cash and cash equivalents at the beginning of the year	60		1,513,010,705,800	2,578,886,390,250
Effect of changes in foreign exchange rates	61		(1,094,128,560)	106,281,934
Foreign exchange rates differences on conversion			14,668,845,720	(24,138,404,035)
Cash and cash equivalents at the end of the year	70	31	634,178,488,790	1,245,267,091,460

Ho Chi Minh City, 27 October 2017

Preparer

Chief Accountant

President

Tran Kim Hoang

Doan Dac Tung

Pham Tien Dung

NOTES TO THE SEPARATED FINANCIAL STATEMENTS

For the period ended 30 September 2017.

I. GENERAL INFORMATION

1. Ownership structure

The Company

Petrovietnam Drilling and Well Services Corporation (the “Company”) is a joint stock company established in Vietnam in accordance with the Business Registration Certificate No. 4103004335 dated 15 February 2006 and its twelfth amendment dated 20 December 2016 issued by the Department of Planning and Investment (“DPI”) of Ho Chi Minh City. The Company has merged from the equitization of Petrovietnam Drilling and Well Services Company, a wholly-owned subsidiary of Vietnam Oil and Gas Group (hereinafter referred to as “Petrovietnam”).

- Summary of ownership structure:

+ The State:	50.40%
+ Other shareholders:	49.60%

2. Operating industry

Drilling contractor and drilling-related services provider in the oil and gas industry.

3. Principal activities:

The Company’s principal activities include:

Its subsidiaries:

+ PVD Trading and Technical Services Joint Stock Company (“PVD Tech”): Engineering and manufacturing equipment skid; providing Surface/Subsea wellhead and mudline rental services, providing full range of conductor services and trading services for oil and gas industry.

+ PVD Well Services Company Limited (“PVD Well”): Provide well technical services, tool rental, tubular running, manage pressure drilling, solids control...

+ PVD Offshore Services Company Limited (“PVD Offshore”): Drilling manpower supply service, inspection, maintenance and workshop service and oil spill response service...

+ Petroleum Well Logging Company Limited (“PVD Logging”): Provide advanced technology services in drilling operations for the oil and gas industry including mud logging, slick-line & cased hole logging, well testing and provision of geological specialists...

+ PVD Deepwater Drilling Company Limited (“PVD Deepwater”): PVD Deepwater was authorised by the Company and its partners in the Business Corporation Contract (“BCC”) including Petrovietnam, Military Joint-Stock Commercial Bank (“MBBank”) and Ocean Joint Stock Commercial Bank (“OceanBank”), to manage and operate the business cooperation project in financing to build the Tender Assist Drilling Rig (“PV Drilling V” or “TAD”).

The Company and its partners in BCC including Petrovietnam, MBBank and OceanBank have corporated in financing and operating the TAD for the period of 17 years since 10 September 2009. According to BCC, the Company has been authorised to manage and operate the project as well as accounted for its financial performance as a basic of profit/(loss) sharing to all partners on contribution percentage in BCC. The Company has 62.43% of capital contribution in BCC.

+ PV Drilling Overseas Company Private Limited (“PVD Overseas”): Operating the modern offshore rig PV DRILLING VI.

+ PVD Technical Training and Certification Joint Stock Company (“PVD Training”): Training, certification for petroleum, manpower supply and technology and marine safety equipment...

Its joint-ventures:

+ BJ Services-PV Drilling Joint Venture Company Limited (“BJ-PVD”): Provision of coiled tubing service, cementing service, stimulation service, hydraulic fracturing service and fluid filtration services...

+ PV Drilling-Baker Hughes Well Technical Services Joint Venture Company Limited (“PVD-Baker Hughes”): Supplying a wide range of services such as directional drilling and logging while drilling, drill bits, electric logging, liner hanger,...

+ Vietubes Company Limited (“Vietubes”): Threading, processing, repairing, restoring (including: threading, thread inspection, tubular unclogging, magnetic particle test, pressure test, tubular cleaning and coating) casting tubes, drilling collars, drilling pipes, conducting pipes and accessories for oil and gas industry

+ PV Drilling Tubulars Management Company Limited (“PVD Tubulars”): Provision of oil country tubular goods (OCTG) and total tubular management (TTM) services for Oil and Gas Companies.

4. Normal production and business cycle

The Company’s normal production and business cycle is carried out for a time period of 12 months.

5. Significant events that occurred in the financial year

During the period ended 30 September 2017, activities of the Company are affected when Oil and Gas contractors adjusted drilling and exploitation schedule due to crude oil prices dropped sharply since the end of 2014.

6. The Company's structure

- The Company consists of two divisions and three overseas branches:

Name	Address
Head Office	4th Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam
The Drilling Division	3rd Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam
PVD Drilling Investment Division	3rd Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam
PVD Drilling - Branch office in Algeria	Cit� Si El, Houas, No. 02, Villa No. 101, Hassi Messaoud, Ouargla, Algeria
PVD Drilling - Branch office in Myanmar	No 33/36, Garden Street (U Yin Lane), Bahan Township, Yangon, Myanmar
PVD Drilling - Branch office in Thailand	7th Floor, Shinawatra Tower III Building, 1010 Vibhavadi Rangsit Rd., Chatuchak, Bangkok, Thailand

- List of subsidiaries

Company's name	Address	The Group's interest	The Group's voting right
PVD Offshore Services Company Limited (“PVD Offshore”)	43A, 30/4 Street, Ward 9, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam	100%	100%
PVD Well Services Company Limited (“PVD Well”)	Room 13, 12Ath Floor, Vincom Center Building, 47 Ly Tu Trong Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	100%
Petroleum Well Logging Company Limited (“PVD Logging”)	10th Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam	100%	100%
PVD Trading and Technical Services Joint Stock Company (“PVD Tech”)	8th Floor, Green Power Building, 35 Ton Duc Thang Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	97%	97%
PVD Deepwater Drilling Company Limited (“PVD Deepwater”)	5th Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam	100%	100%
Công ty TNHH PV Drilling Overseas (PVD Overseas)	No. 9 Temasek Boulevard, #31_00 Suntec Tower 2, Singapore	80%	80%
PVD Technical Training and Certification Joint Stock Company (“PVD Training”)	Dong Xuyen Industrial Zone, 30/4 Street, Rach Dua Ward, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam	52%	52%

- List of joint ventures

Company's name	Address	The Group's interest	The Group's voting right
BJ Services-PV Drilling Joint Venture Company Limited (“BJ-PVD”)	65A, 30/4 Street, Thang Nhat Ward, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam	49%	50%
PV Drilling-Baker Hughes Well Technical Services Joint Venture Company Limited (“PVD-Baker Hughes”)	10th Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam	51%	50%
PV Drilling Tubulars Management Company Limited (“PVD Tubulars”)	Phu My 1 Industrial Zone, Tan Thanh District, Ba Ria - Vung Tau Province, Vietnam	51%	50%
Vietubes Company Limited (“Vietubes”)	Dong Xuyen Industrial Zone, Rach Dua Ward, Ba Ria - Vung Tau Province, Vietnam	51%	50%

7. Disclosure of information comparability in the financial statements

The Company's separated financial statements are comparable

II. ACCOUNTING PERIOD, REPORTING CURRENCY

1. The Company's financial year begins on 1 January and ends on 31 December.
2. The accompanying separated financial statements, expressed in United States Dollar ("USD"), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The expression of financial statement in USD is registered and approved by the Ministry of Finance in Letter No.8036/BTC-CDKT dated 21 June 2010 and changing currency unit from VND to USD since 1 January 2010. The Company's Board of Directors believes that the presentation of the separated financial statement of the Company in USD is necessary to reflect the economic nature of the Company's business transactions.

III. ADOPTED ACCOUNTING STANDARDS AND CONVENTIONS

1. The Company has adopted Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014.
2. Announcement of compliance to Vietnamese accounting standards, accounting regime for enterprises and legal regulations relating to financial reporting: The Board of Directors confirms that the Company has complied with the above requirements in preparing these financial statements.

V- Notes to the Separated Balance Sheet

Unit: VND

1. Cash and cash equivalents

	30/9/2017	1/1/2017
- Cash on hand	2,569,483,670	2,706,770,700
- Cash in bank	626,609,014,030	1,459,857,339,200
Total	629,178,497,700	1,462,564,109,900

2. Financial investments

	30/9/2017		1/1/2017	
	Cost	Carrying value	Cost	Carrying value
- Short-term held to maturity investments				
Term-deposit	1,984,232,172,770	1,984,232,172,770	1,657,439,750,900	1,657,439,750,900

Long-term investments	30/9/2017			1/1/2017		
	Cost	Provision	Fair value	Cost	Provision	Fair value
- Subsidiaries	2,729,474,581,160	(103,260,374,800)	2,626,214,206,360	2,730,677,522,800	(53,733,101,900)	2,676,944,420,900
PVD Logging	80,000,000,000	-	80,000,000,000	80,000,000,000	-	80,000,000,000
PVD Offshore	130,000,000,000	-	130,000,000,000	130,000,000,000	-	130,000,000,000
PVD Tech	194,000,000,000	-	194,000,000,000	194,000,000,000	-	194,000,000,000
PVD Well	80,000,000,000	-	80,000,000,000	80,000,000,000	-	80,000,000,000
PVD Deepwater	764,000,000,000	-	764,000,000,000	764,000,000,000	-	764,000,000,000
PVD Overseas	1,184,832,000,000	(103,260,374,800)	1,081,571,625,200	1,184,832,000,000	(53,733,101,900)	1,131,098,898,100
PVD Training	19,755,753,400	-	19,755,753,400	19,755,753,400	-	19,755,753,400
FX differences on conversion	276,886,827,760	-	276,886,827,760	278,089,769,400	-	278,089,769,400
- Joint ventures and associates	409,020,059,740	-	409,020,059,740	409,200,324,200	-	409,200,324,200
BJ-PVD	48,039,113,955	-	48,039,113,955	48,039,113,955	-	48,039,113,955
PVD-Baker Hughes	211,753,000,000	-	211,753,000,000	211,753,000,000	-	211,753,000,000
PVD Tubulars	30,515,952,000	-	30,515,952,000	30,515,952,000	-	30,515,952,000
Vietubes	86,787,891,394	-	86,787,891,394	86,787,891,394	-	86,787,891,394
FX differences on conversion	31,924,102,391	-	31,924,102,391	32,104,366,851	-	32,104,366,851

3. Receivables from customers

	30/9/2017	1/1/2017
a) Short-term		
PVD Deepwater	290,375,761,927	320,725,144,927
Petrovietnam Domestic Exploration Production Operating Company Limited	380,568,186,184	387,885,880,671
Petrovietnam Exploration Production Corporation	147,936,540,235	148,507,597,684
Other trade receivables	903,001,395,673	442,353,273,318
Total	1,721,881,884,020	1,299,471,896,600
b) Receivables from related parties	327,262,834,116	348,942,720,200
<i>Subsidiaries</i>	309,799,205,607	342,081,667,900
PVD Logging	8,939,857,504	9,323,966,555
PVD Well	10,483,586,176	12,032,556,418
PVD Deepwater	290,375,761,927	320,725,144,927
<i>Joint-ventures</i>	17,463,628,509	6,861,052,300
BJ-PVD	5,148,058,519	1,434,027,100
PVD-Expro	288,207,205	1,415,095,300
PVD-Baker Hughes	12,027,362,784	4,011,929,900

4. Other receivables

	30/9/2017		1/1/2017	
	<i>Carrying value</i>	<i>Provision</i>	<i>Carrying value</i>	<i>Provision</i>
a) Short-term	216,336,761,260	-	189,910,492,700	-
- Receivables from employees	5,890,029,030	-	223,776,600	-
- Deposits	3,352,901,300	-	2,895,566,600	-
- Interest income receivables	60,565,895,130	-	35,198,143,300	-
- Inter-company receivables	137,845,266,950	-	120,905,398,300	-
- Other receivables	8,682,668,850	-	30,687,607,900	-
b) Long-term	14,928,681,290	-	11,175,505,100	-
- Deposits	14,928,681,290	-	11,175,505,100	-
Total	231,265,442,550	-	201,085,997,800	-

5. Doubtful debts

	30/9/2017		1/1/2017	
	<i>Cost</i>	<i>Recoverable</i>	<i>Cost</i>	<i>Recoverable</i>
- Overdue or doubtful receivables and loans	(254,457,005,000)	(254,457,005,000)	(125,945,547,400)	(125,945,547,400)
Total	(254,457,005,000)	(254,457,005,000)	(125,945,547,400)	(125,945,547,400)

6. Inventory

	30/9/2017		1/1/2017	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
- Raw materials	435,340,550,500	(56,949,449,480)	439,949,835,000	(71,054,518,500)
- Tools and supplies	2,304,192,190	-	298,800,100	-
Total	437,644,742,690	(56,949,449,480)	440,248,635,100	(71,054,518,500)

7. Long-term assets in progress

	30/9/2017	1/1/2017
Construction in progress		
- Purchase	9,388,237,090	9,392,374,700
+ <i>Other construction works</i>	267,197,440	267,315,200
+ <i>ERP Project - Phase 3</i>	9,121,039,650	9,125,059,500
Total	9,388,237,090	9,392,374,700

8. Tangible fixed assets

Unit: VND

	Building, structures	Machinery, equipments	Motor vehicle	Office equipments	Others	Total
Cost						
As at 1/1/2017	268,074,946,300	12,309,204,957,500	49,706,462,400	52,115,749,600	1,152,342,800	12,680,254,458,600
- Additions	-	1,098,505,800	-	2,603,119,680	-	3,701,625,480
- From construction in progress	-	-	-	-	-	-
- Other increases	-	-	-	-	-	-
- Reclassified (increases)	-	-	-	-	-	-
- To investment property	-	-	-	-	-	-
- Disposals	-	-	-	(529,079,040)	-	(529,079,040)
- Other decreases	-	-	-	-	-	-
- Reclassified (decreases)	-	-	-	-	-	-
- Foreign exchange differences	(27,198,550)	(3,744,964,240)	(21,375,250)	(21,249,850)	(507,640)	(3,815,295,530)
As at 30/9/2017	268,047,747,750	12,306,558,499,060	49,685,087,150	54,168,540,390	1,151,835,160	12,679,611,709,510
Accumulated depreciation						
As at 1/1/2017	70,647,076,200	4,871,331,969,400	46,502,811,400	43,112,702,600	1,152,342,800	5,032,746,902,400
- Charge for the year	5,106,674,160	318,031,365,960	1,988,605,080	2,169,205,920	-	327,295,851,120
- Other increases	-	-	-	-	-	-
- Reclassified (increases)	-	-	-	-	-	-
- To investment property	-	-	-	-	-	-
- Disposals	-	-	-	(529,079,040)	-	(529,079,040)
- Other decreases	-	-	-	-	-	-
- Reclassified (decreases)	-	-	-	-	-	-
- Foreign exchange differences	58,962,550	(534,584,220)	(19,087,140)	(17,452,380)	(507,640)	(512,668,830)
As at 30/9/2017	75,812,712,910	5,188,828,751,140	48,472,329,340	44,735,377,100	1,151,835,160	5,359,001,005,650
Carrying value						
As at 1/1/2017	197,427,870,100	7,437,872,988,100	3,203,651,000	9,003,047,000	-	7,647,507,556,200
As at 30/9/2017	192,235,034,840	7,117,729,747,920	1,212,757,810	9,433,163,290	-	7,320,610,703,860

* Carrying value of pledged assets as collateral for loans

2,822,714,305,913

* Cost of assets fully depreciated but are still in use

182,351,635,072

9. Intangible fixed assets

Unit: VND

	Land use rights	Computer software	Others	Total
Cost				
As at 1/1/2017	138,967,538,600	73,738,702,700	-	212,706,241,300
- Additions	-	490,636,440	-	490,636,440
- Internally generated	-	-	-	-
- From business combination	-	-	-	-
- Other increases	-	-	-	-
- Reclassified (increases)	-	-	-	-
- Disposals	-	-	-	-
- Other decreases	-	-	-	-
- Reclassified (decreases)	-	-	-	-
- Foreign exchange differences	(61,219,180)	(31,110,490)	-	(92,329,670)
As at 30/9/2017	138,906,319,420	74,198,228,650	-	213,104,548,070
Accumulated depreciation				
As at 1/1/2017	20,605,175,900	60,275,650,500	-	80,880,826,400
- Charge for the year	1,767,792,600	6,172,498,080	-	7,940,290,680
- Other increases	-	-	-	-
- Reclassified (increases)	-	-	-	-
- Disposals	-	-	-	-
- Other decreases	-	-	-	-
- Reclassified (decreases)	-	-	-	-
- Foreign exchange differences	(8,297,720)	(97,596,780)	-	(105,894,500)
As at 30/9/2017	22,364,670,780	66,350,551,800	-	88,715,222,580
Carrying value				
As at 1/1/2017	118,362,362,700	13,463,052,200	-	131,825,414,900
As at 30/9/2017	116,541,648,640	7,847,676,850	-	124,389,325,490

* Cost of assets fully amortised but are still in use

46,278,260,115

<i>10. Prepayments</i>	30/9/2017	1/1/2017
a) Short-term	3,281,904,290	7,813,158,400
- Issurance premiums	1,692,310,960	7,016,047,900
- Others	1,589,593,330	797,110,500
b) Long-term	564,209,540	770,188,300
- Others	564,209,540	770,188,300
Total	3,846,113,830	8,583,346,700

<i>11. Loans and finance leases</i>	30/9/2017		During the period		1/1/2017	
	Carrying value	Payable amount	Increases	Decreases	Carrying value	Payable amount
a) Short-term	390,268,000,000	390,268,000,000	390,096,000,000	(390,268,000,000)	390,440,000,000	390,440,000,000
Current portions of LT loans	390,268,000,000	390,268,000,000	390,096,000,000	(390,268,000,000)	390,440,000,000	390,440,000,000
b) Long-term (LT)	172,178,005,130	172,178,005,130	-	(390,515,882,770)	562,693,887,900	562,693,887,900
Second year	172,178,005,130	172,178,005,130	-	(218,261,994,870)	390,440,000,000	390,440,000,000
Third to fifth year inclusive	-	-	-	(172,253,887,900)	172,253,887,900	172,253,887,900
Total	562,446,005,130	562,446,005,130	390,096,000,000	(780,783,882,770)	953,133,887,900	953,133,887,900

<i>12. Payables to suppliers</i>	30/9/2017	1/1/2017
a) Short-term		
PVD Overseas	303,272,974,390	285,445,167,900
PVD Offshore	94,638,265,560	101,632,576,200
Other suppliers	291,820,128,820	209,927,193,800
Total	689,731,368,770	597,004,937,900
b) Payables to related parties	412,490,903,660	421,728,461,722
Subsidiaries	412,490,903,660	421,728,461,722
PVD Offshore	94,638,265,560	101,632,576,200
PVD Tech	7,002,905,460	17,712,673,800
PVD Overseas	303,272,974,390	285,445,167,900
PVD Training	7,576,758,250	16,938,043,822

13. Taxes and amounts payable to the State budget

	1/1/2017	Additions	Paid	FX difference on conversion	30/9/2017
a) Payables					
Value added tax - Domestic	6,884,494,136	38,169,300,020	36,521,217,896	21,255,366	8,553,831,626
Value added tax - Import	-	300,059,085	300,059,085	-	-
Import duties	-	4,077,937,947	4,077,937,947	-	-
Corporate income tax	186,970,366	36,312,995,350	187,710,500	(110,943,122)	36,201,312,094
Personal income tax	8,619,761,813	94,973,207,540	91,666,609,730	11,348,330	11,937,707,953
Other taxes	83,855,462	44,747,383,641	36,200,351,990	(26,933,276)	8,603,953,837
- Business license tax	-	5,000,000	5,000,000	-	-
- Withholding tax	83,855,462	44,742,383,641	36,195,351,990	(26,933,276)	8,603,953,837
Fees, charges and other payables	132,397,223	1,244,181,459	1,377,095,825	517,143	-
Total	15,907,479,000	219,825,065,042	170,330,982,973	(104,755,559)	65,296,805,510

	30/9/2017	1/1/2017
14. Accrued expenses		
a) Short-term		
- Accrued expenses related to cost of good sold	191,362,037,090	119,542,263,300
+ <i>Operation of drilling rigs</i>	120,262,377,530	99,088,110,500
+ <i>Goods supplied and services rendered</i>	71,099,659,560	20,454,152,800
- Other	17,008,560,140	9,801,678,400
+ <i>Interest expense</i>	1,562,614,920	5,566,448,600
+ <i>Other expenses</i>	15,445,945,220	4,235,229,800
Total	208,370,597,230	129,343,941,700
b) Long-term		
Total	-	-

	30/9/2017	1/1/2017
15. Other payables		
a) Short-term		
- Funding of trade union	434,468,120	383,425,700
- Social insurance	945,560,370	429,642,900
- Health insurance	143,015,070	46,943,600
- Unemployment insurance	147,076,580	85,783,300
- Inter-company payables to subsidiaries	166,618,319,810	215,969,093,900
- Other payables	24,225,613,820	30,962,981,600
Total	192,514,053,770	247,877,871,000
b) Long-term		
Total	-	-

	30/9/2017	1/1/2017
16. Provision		
a) Short-term		
- Other provisions	164,820,636,490	208,773,579,800
+ <i>Provision for periodic overhaul of fixed assets</i>	154,204,893,090	198,153,148,003
+ <i>Other provisions</i>	10,615,743,400	10,620,431,797
Total	164,820,636,490	208,773,579,800
b) Long-term		
- Other provisions	96,485,390,390	103,868,730,500
+ <i>Provision for periodic overhaul of fixed assets</i>	96,485,390,390	103,868,730,500
Total	96,485,390,390	103,868,730,500

17. Deferred tax

Deferred income tax assets:

	30/9/2017	1/1/2017
- Corporate income tax rates used for determination of value of deferred income tax	20%	20%
- Deferred income tax assets related to deductible temporary differences	13,513,052,190	16,544,282,100
Deferred income tax assets	13,513,052,190	16,544,282,100

18. Owner's equity

a) Comparison table of owner's equity fluctuations

	Share capital	Share premium	Treasury shares (*)	Foreign exchange differences	Investment and development fund	Retained earning	Total
A	1	2	5	7	8	10	11
As at 1/1/2016	3,484,662,590,000	2,434,086,374,663	(20,948,559,850)	1,531,370,425,356	1,176,189,095,302	3,876,207,545,779	12,481,567,471,250
- Capital increased	-	-	-	-	-	-	-
- Profit for the year	-	-	-	-	-	77,472,714,990	77,472,714,990
- Transfer from subsidiaries	-	-	-	-	2,910,354,781	-	2,910,354,781
- Treasury shares transactions	-	-	-	-	-	-	-
- Loss for the year	-	-	-	-	-	-	-
- Fund appropriation	-	-	-	-	-	(3,666,386,652)	(3,666,386,652)
- Dividend declared	347,999,010,000	-	-	-	-	(347,999,010,000)	-
- Other decreased	-	-	-	-	-	-	-
- Foreign exchange differences	-	-	-	134,487,651,731	-	-	134,487,651,731
As at 31/12/2016	3,832,661,600,000	2,434,086,374,663	(20,948,559,850)	1,665,858,077,087	1,179,099,450,083	3,602,014,864,117	12,692,771,806,100
As at 1/1/2017	3,832,661,600,000	2,434,086,374,663	(20,948,559,850)	1,665,858,077,087	1,179,099,450,083	3,602,014,864,117	12,692,771,806,100
- Capital increased	-	-	-	-	-	-	-
- Profit for the year	-	-	-	-	-	(148,897,783,440)	(148,897,783,440)
- Treasury shares transactions	-	-	-	-	-	-	-
- Capital decreased	-	-	-	-	-	-	-
- Loss for the year	-	-	-	-	-	-	-
- Fund appropriation	-	-	-	-	-	-	-
- Dividend declared	-	-	-	-	-	-	-
- Other decreased	-	-	-	-	-	-	-
- Foreign exchange differences	-	-	-	(6,716,509,040)	-	-	(6,716,509,040)
As at 31/03/2017	3,832,661,600,000	2,434,086,374,663	(20,948,559,850)	1,659,141,568,047	1,179,099,450,083	3,453,117,080,677	12,537,157,513,620

	30/9/2017	1/1/2017
b- Details of share capital		
- The State	1,931,794,590,000	1,931,794,590,000
- Others	1,900,867,010,000	1,900,867,010,000
Total	3,832,661,600,000	3,832,661,600,000
c) Capital transactions with owners and distribution of dividends or profits		
- Share capital		
+ As at 1/1/2017	3,832,661,600,000	3,484,662,590,000
+ Increase in capital	-	347,999,010,000
+ As at 30/9/2017	3,832,661,600,000	3,832,661,600,000
- Dividend and profit distributed	-	347,999,010,000
d) Number of shares		
- Authorized shares	383,266,160	383,266,160
- Issued shares	-	-
+ Ordinary shares	383,266,160	383,266,160
+ Preference shares	-	-
- Treasury shares	-	-
+ Ordinary shares	416,000	416,000
+ Preference shares	-	-
- Shares in circulation	-	-
+ Ordinary shares	382,850,160	382,850,160
+ Preference shares	-	-
* Par value per share: 10,000 VND		
d) Funds		
- Investment and development fund	1,179,099,450,083	1,179,099,450,083
- Scientific and technological fund	574,369,214,400	720,514,684,500
+ Available	564,748,586,330	710,771,299,700
+ The carrying amount of assets formed from the fund	9,620,628,070	9,743,384,800

e) Income and expense directly recorded into equity: None

19. Foreign exchange differences

	<u>30/9/2017</u>	<u>1/1/2017</u>
- FX differences on conversion to VND financial statements	1,718,419,787,715	1,724,077,435,595
- Translation of financial statements of foreign operation (Algeria Branch)	(59,278,219,668)	(58,219,358,508)
Total	<u>1,659,141,568,047</u>	<u>1,665,858,077,087</u>

20. Off balance-sheet

Foreign currencies	<u>30/9/2017</u>	<u>1/1/2017</u>
- GBP	2,775	2,775
- VND	2,017,835,246,143	1,816,680,389,129
- EUR	3,113	7,749
- SGD	36,342	36,342
- DZD	21,799,220	41,546,994
- MMK	1,342,675	1,342,675

VI. Extracted notes to the Separated income statement:

Unit: VND

1. Net revenue	QUARTER 03 - 2017	QUARTER 03 - 2016
- Sales of drilling services	547,006,264,560	365,211,000,418
- Sale of other services	244,042,583,400	154,345,949,626
Total	791,048,847,960	519,556,950,044
2. Cost of sales	QUARTER 03 - 2017	QUARTER 03 - 2016
- Cost of drilling services	619,102,106,280	347,811,361,920
- Cost of other services	228,310,215,840	127,528,559,532
Total	847,412,322,120	475,339,921,452
3. Financial income	QUARTER 03 - 2017	QUARTER 03 - 2016
- Interests of deposits or loans	31,407,354,720	25,731,905,892
- Dividends or distributed profits;	55,233,601,920	106,213,605,124
- Interests of exchange differences	6,284,945,520	3,180,100,770
Total	92,925,902,160	135,125,611,786
4. Financial expenses	QUARTER 03 - 2017	QUARTER 03 - 2016
- Interests of loans	1,782,602,640	2,939,902,262
- Losses of exchange differences	7,724,490,480	11,276,136,564
- Other financial expenses	(424,320,120)	-
Total	9,082,773,000	14,216,038,826
5. Cost by nature	QUARTER 03 - 2017	QUARTER 03 - 2016
- Raw materials and consumables	43,296,641,640	48,004,200,002
- Labour	358,868,520,360	190,833,190,548
- Depreciation and amortization	158,781,795,480	99,986,205,858
- Provisions	59,408,944,560	113,231,912,244
- Out-sourced services	314,637,712,200	148,957,328,542
- Other expenses	8,148,992,040	25,096,732,606
Total	943,142,606,280	626,109,569,800

VII. Other informations

1- Financial instruments

Unit: VND

	<u>30/9/2017</u>	<u>1/1/2017</u>
+ Financial asset		
Cash and cash equivalents	634,178,488,790	1,513,010,705,800
Trade and other receivables	1,680,408,738,980	1,374,612,347,000
Other investments	1,984,232,172,770	1,657,439,750,900
Deposits	18,281,582,590	14,581,345,000
Total	<u>4,317,100,983,130</u>	<u>4,559,644,148,700</u>
+ Financial liability		
Loans and borrowings	562,446,005,130	953,133,887,900
Trade and other payables	880,575,306,030	843,937,008,008
Accrued expenses	208,370,597,230	129,343,941,700
Total	<u>1,651,391,908,390</u>	<u>1,926,414,837,608</u>

The Company has not yet assessed fair value of its financial assets and liabilities as at the balance sheet date since there are no comprehensive guidance under Circular No. 210/2009/TT-BTC dated 06 November 2009 (“Circular 210”) and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards (“IFRS”) on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

- Financial risk

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk, liquidity risk. The Company has hedging these risks exposures by controlling and managing the cash flows (including foreign currencies cash flows) and closely tracking with market information to have proper hedging instruments.

+ Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial losses to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an on - going basis. The Company assess that there is no significant credit risk exposure to any counterparty because receivables are from huge and trustful customers operating in the oil and gas industry.

+ Liquidity risk

Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any year is kept to manageable levels relative to the amount of funds that the Company believes can generate within that year. The Company policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its owners to meet its liquidity requirements in the short and longer term.

The following tables detail the Company’s remaining contractual maturity for its financial assets and financial liabilities.

	<i>As at 1/1/2017</i>			
Financial asset	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Cash and cash equivalents	1,513,010,705,800	-	-	1,513,010,705,800
Trade and other receivables	1,374,612,347,000	-	-	1,374,612,347,000
Other investments	1,657,439,750,900	-	-	1,657,439,750,900
Deposits	3,405,839,900	11,175,505,100	-	14,581,345,000
Total	<u>4,548,468,643,600</u>	<u>11,175,505,100</u>	<u>-</u>	<u>4,559,644,148,700</u>
Financial liability	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Loans and borrowings	390,440,000,000	562,693,887,900	-	953,133,887,900
Trade and other payables	843,937,008,008	-	-	843,937,008,008
Accrued expenses	129,343,941,700	-	-	129,343,941,700
Total	<u>1,363,720,949,708</u>	<u>562,693,887,900</u>	<u>-</u>	<u>1,926,414,837,608</u>
Liquidity gap	<u>3,184,747,693,892</u>	<u>(551,518,382,800)</u>	<u>-</u>	<u>2,633,229,311,092</u>

	<i>As at 30/9/2017</i>			
Financial asset	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Cash and cash equivalents	634,178,488,790	-	-	634,178,488,790
Trade and other receivables	1,680,408,738,980	-	-	1,680,408,738,980
Other investments	1,984,232,172,770	-	-	1,984,232,172,770
Deposits	3,352,901,300	14,928,681,290	-	18,281,582,590
Total	4,302,172,301,840	14,928,681,290	-	4,317,100,983,130
Financial liability	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Loans and borrowings	390,268,000,000	172,178,005,130	-	562,446,005,130
Trade and other payables	880,575,306,030	-	-	880,575,306,030
Accrued expenses	208,370,597,230	-	-	208,370,597,230
Total	1,479,213,903,260	172,178,005,130	-	1,651,391,908,390
Liquidity gap	2,822,958,398,580	(157,249,323,840)	-	2,665,709,074,740

+ Market risk

++ Foreign currency risk management: The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. However, the Company manages to balance the cash inflow and outflow of foreign currencies by negotiating business contracts based on the demand foreign currencies payable to its receivables sources in order to minimize the foreign currency risk.

++ Interest rate risk management: The Company is exposed to interest rate risks arising mainly from interest bearing loans. The Company is exposed to interest rate risk as the Company borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate ratio between fixed and floating rate borrowings.

2. Contingent liabilities, commitment and other information: None

3. Events after the reporting date: None

4. Related parties information

	<u>30/9/2017</u>	<u>1/1/2017</u>
Receivables		
Petrovietnam Company's subsidiaries	2,924,435,641	9,576,449,000
Petrovietnam's Joint Ventures/Joint Operating Companies/Petroleum Sharing Contracts	1,087,427,154,839	731,272,078,300
The Company's subsidiaries	447,644,472,557	342,081,667,900
The Company's joint ventures	17,463,628,509	6,861,052,300
Payables		
Petrovietnam Company's subsidiaries	5,647,585,460	29,082,279,119
Petrovietnam's Joint Ventures/Joint Operating Companies/Petroleum Sharing Contracts	24,773,808,531	24,636,332,031
The Company's subsidiaries	579,109,223,470	421,728,461,722

5. Segment reporting: A business segment includes reporting entities that have similar business operation and risks characteristics. A geographical segment includes reporting entities that have same operation location and are subject to local regulations.

6. Comparative information: This period financial performance figures had been converted to VND using average exchange rate of the period. For comparative period, the average inter-bank exchange rate for that period had been used.

This period cash-flow statement figures had been converted to VND using average exchange rate of the period. For certain cases, for example for significant economic transactions, the exchange rate at the transaction date is used. For comparative period, the average inter-bank exchange rate for that period had been used.

7. Going concern assumption: The Company is a going concern entity and no significant disruption in business occurred.

8. Other information: Several comparative information about transaction with related parties had been re-classified based on updated information about Petrovietnam's subsidiaries.

Ho Chi Minh City, 27 October 2017

Preparer

Chief Accountant

President

Tran Kim Hoang

Doan Dac Tung

Pham Tien Dung