



Hunting PLC Annual Results 2010



2010 Highlights



- **Completed acquisition of Innova-Extel - £80.3m**
- **New facilities in US (Casper, Conroe and Latrobe) and China (Wuxi) add over 800,000 sq ft of manufacturing capacity – now approximately 2 million sq ft**
- **Facility expansion / consolidation programmes underway at National Coupling, US - £13.8m and Badentoy / Fordoun, Scotland - £18.1m**
- **Basic EPS – before exceptional items 24.7p (2009 : 17.7p) +40%**

2010 Results Summary*



	2010		2009	<i>Change</i>
	£m		£m	%
Revenue	461.6		359.9	+28
EBITDA	68.3	<i>15%</i>	50.6	<i>14%</i> +35
Profit from operations	47.7		35.8	+33
Finance income	1.3		1.8	
Profit before tax	50.0		38.5	+30
Effective tax rate	30%		32%	
Dividend per share	12.0p		10.5p	+14
Basic EPS	24.7p		17.7p	+40

*Pre-exceptional continuing operations

Segmental Results



	Revenue £m	2010 Profit from Operations £m	Margin %	Revenue £m	2009 Profit from Operations £m	Margin %
Hunting Energy Services						
Well Construction	111.3	8.0	7	77.9	3.3	4
Well Completion	224.2	23.1	10	176.2	20.3	12
Well Intervention	58.7	9.3	16	29.4	4.0	14
Exploration & Production	6.5	1.3	20	5.6	0.3	5
	400.7	41.7	10	289.1	27.9	10
Gibson Shipbrokers	22.6	1.0	4	20.8	0.7	3
Field Aviation	38.3	5.0	13	50.0	7.2	14
	461.6	47.7	10	359.9	35.8	10

Exceptional Items



	2010 £m
Oil and gas reserve impairment	5.3
Dry hole costs	3.1
Acquisition costs	3.1
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Continuing operations	11.5
Tax credits	(3.5)
Foreign exchange loss on Can\$ tax provision	4.6
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Continuing and discontinued operations	12.6
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Balance Sheet



	2010 £m	2009 £m
Property, plant and equipment	154.1	121.4
Intangible assets & goodwill	122.9	59.2
Available for sale financial assets	45.1	29.8
Working capital	137.2	72.2
Provisions	(56.1)	(78.9)
Other	(20.8)	(6.9)
Net cash	212.2	365.0
NET ASSETS	594.6	561.8

Capital Expenditure – by segment



	2010 £m	2009 £m
Hunting Energy Services		
Well Construction	20.6	9.1
Well Completion	17.1	8.3
Well Intervention	3.9	1.8
Exploration & Production	7.1	1.9
Others	1.0	0.5
	49.7	21.6
Split:		
Maintenance	12.9	9.9
New Business	36.8	11.7
	49.7	21.6

Capital Expenditure – by Project



	2010 £m
Well Construction	
Casper/Conroe/Latrobe facilities - US	8.6
New Drills tools	7.5
Other equipment	4.5
Well Completion	
Houma land purchase - US	3.9
Wuxi facility – China	4.7
Consolidation and expansion of Scotland operations – UK	5.8
Other equipment	2.7
Well Intervention	
National Coupling expansion - US	2.2
Other equipment	1.7
Exploration & Production	
Oil and gas development	7.1
Other	1.0
	<hr/> 49.7

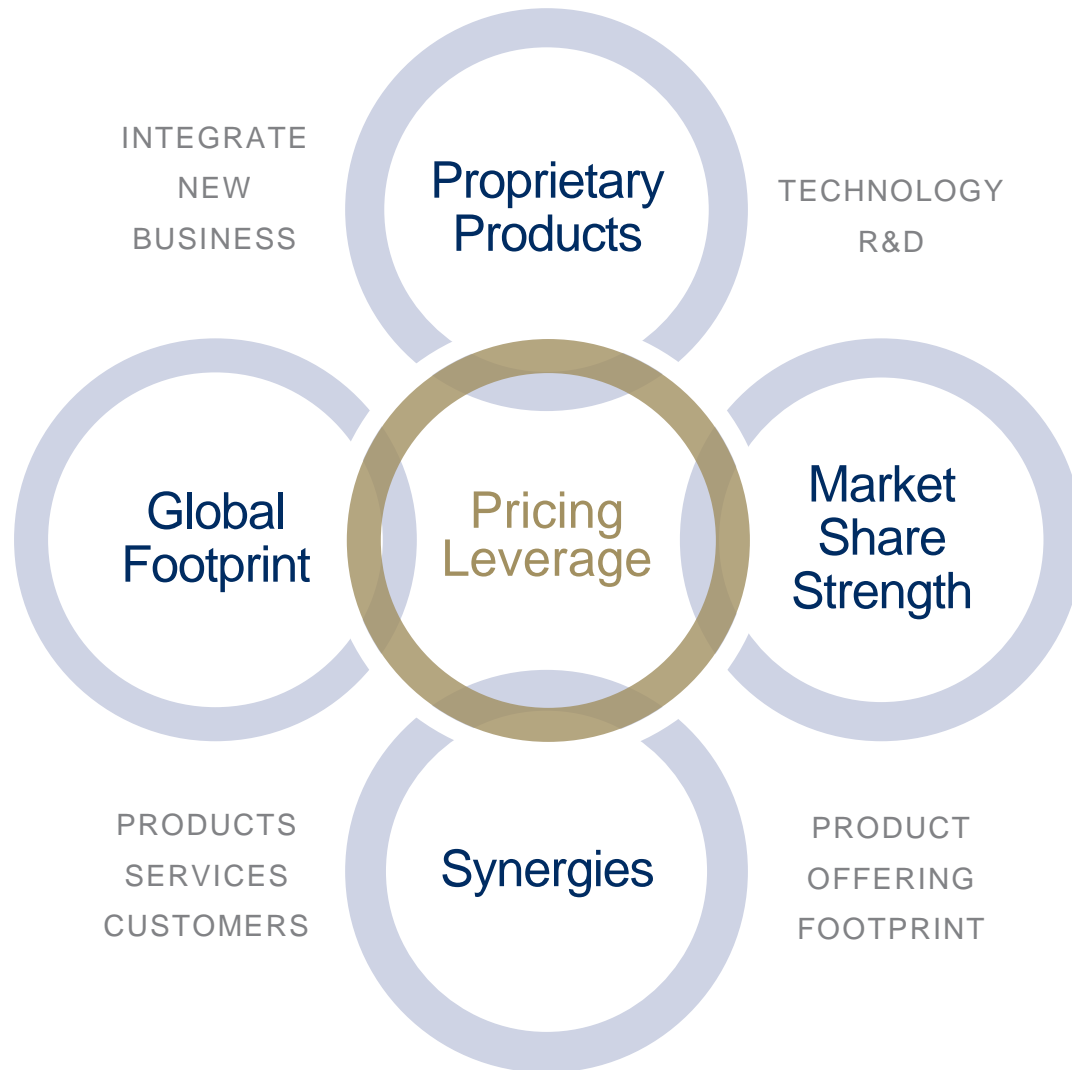
Cash Flow



	2010 £m	2009 £m
Profit from operations	47.7	35.8
Depreciation and amortisation	20.6	14.8
Changes in working capital	(48.0)	11.9
Interest and tax	(3.8)	(7.0)
Capital expenditure	(49.7)	(21.6)
Acquisitions / disposals	(81.1)	(20.3)
Tax indemnity payments	(25.2)	(4.1)
Dividends paid	(14.1)	(13.8)
Other	0.8	(3.0)
	(152.8)	(7.3)

Facilities Footprint





Realising significant potential

Organic Growth



Casper, Wyoming



Conroe, Texas



Latrobe, Pennsylvania



Fordoun, Scotland

Wuxi, China





Well Construction

Casing

Annular Pressure Release System

Roller Reamer

Logging While Drilling

Measurement While Drilling

Connection Technology

Non-Magnetic
Integral Blade
Stabilizers

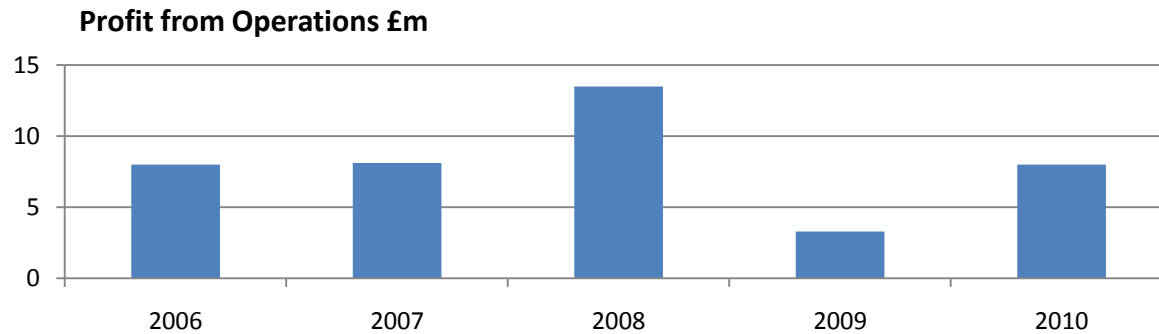
Non-Magnetic
Drill Collars

Vibration
Dampening
Unit

Mud Motors



Well Construction

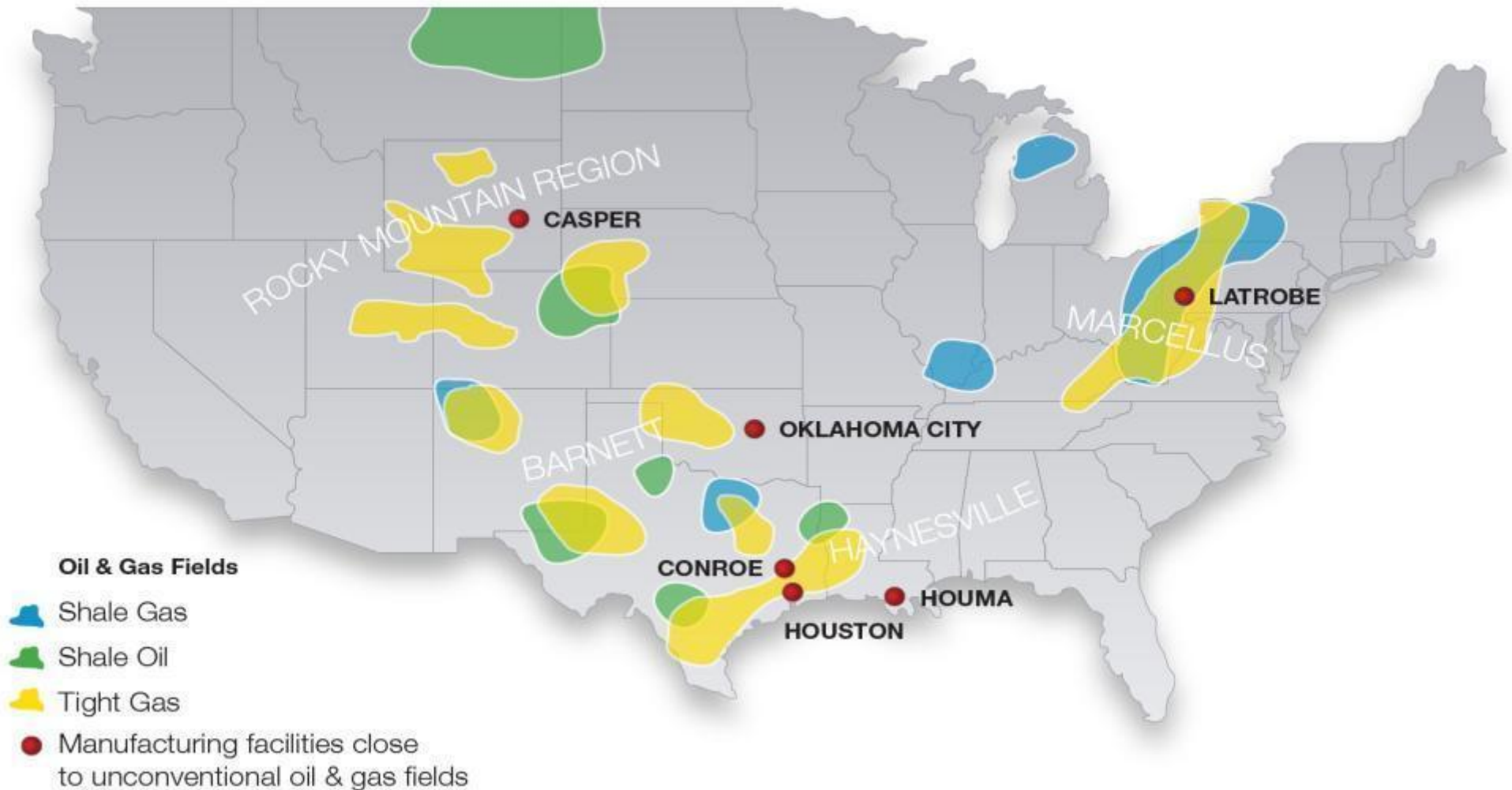


Highlights

- Premium connection sales and marketing agreement signed with Arcelor Mittal for their new seamless OCTG mill in Saudi Arabia
- One expansion and two new facilities for Drilling Tools in the US and one in Dubai
- Innova-Extel acquisition
- Capacity
2008 : 274,000 sq ft
2010 : 821,000 sq ft

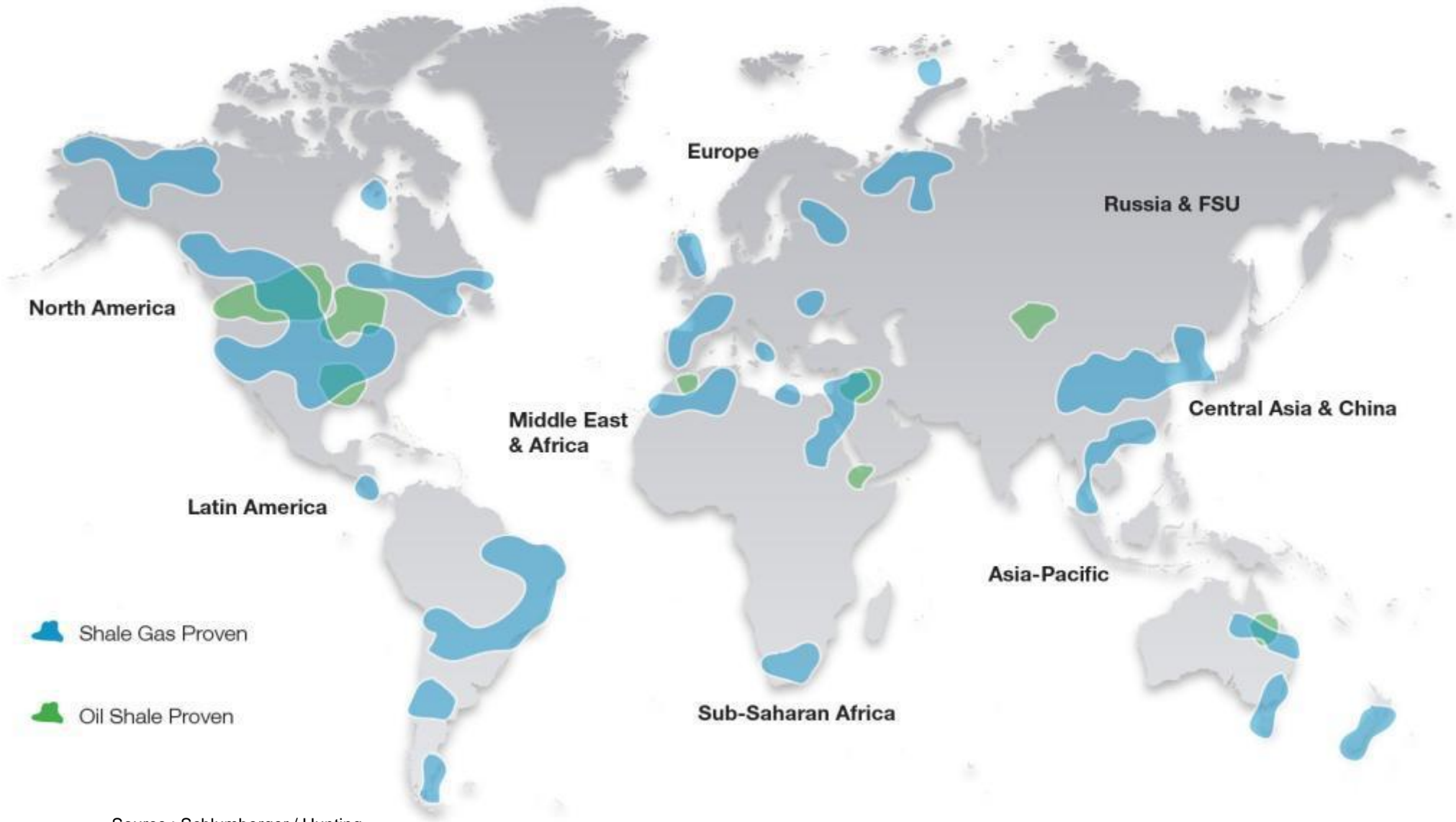


Footprint Servicing Shale and Tight Gas Plays HUNTING



Source : Schlumberger / Hunting

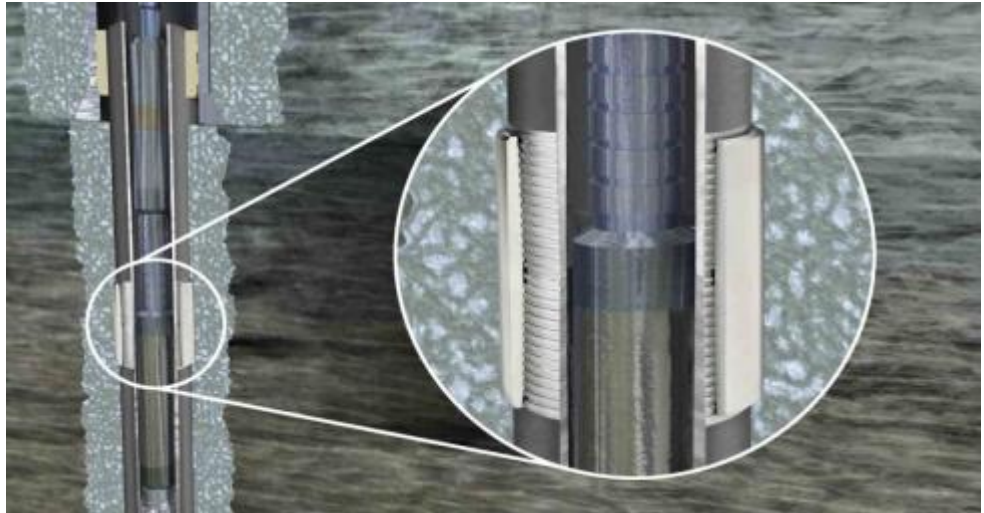
Global Shale Reserves



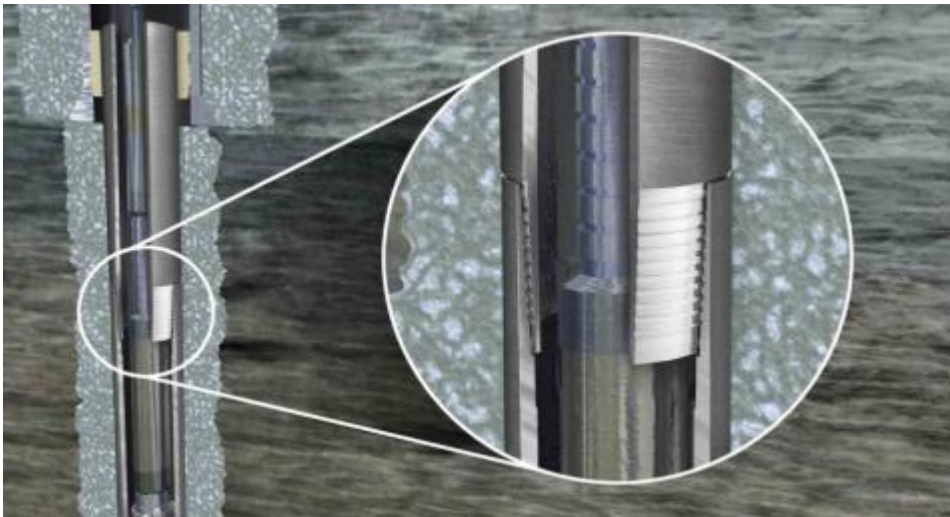
Source : Schlumberger / Hunting

Thread Technology 40-40 RTC and WEDGE-LOCK

- Enhanced design for positive torque stop
- Trouble free running
- Ideal for Shale Plays



- The only high torque integral flush connection qualified to the most severe level of ISO 13679
- The only high torque integral connection which has a dedicated metal to metal seal for external pressure retention
- The only high torque integral connection which does not discharge excess lubricant into the well bore or annulus



Innova and Drilling Tools

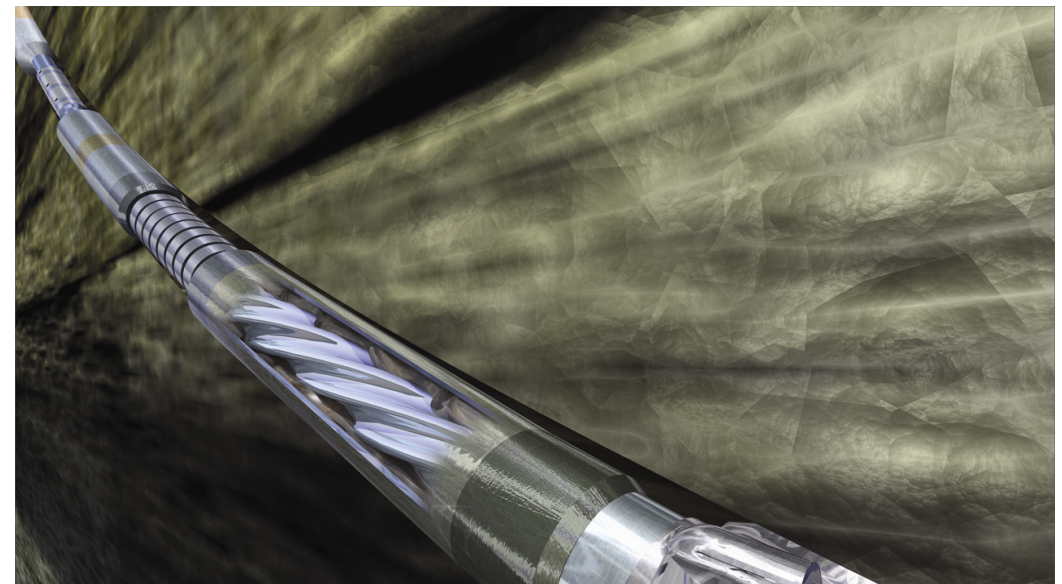


Innova Acquisition

- Circuit Board technology
- MWD / LWD Application

Drilling Tools

- Mud Motors
- Shock Tools
- Non Mag Drill Collars



Well Completion



Premium Tubing

Pup Joints

Flow Couplings

Crossovers

Blast Joints

Bull Plugs

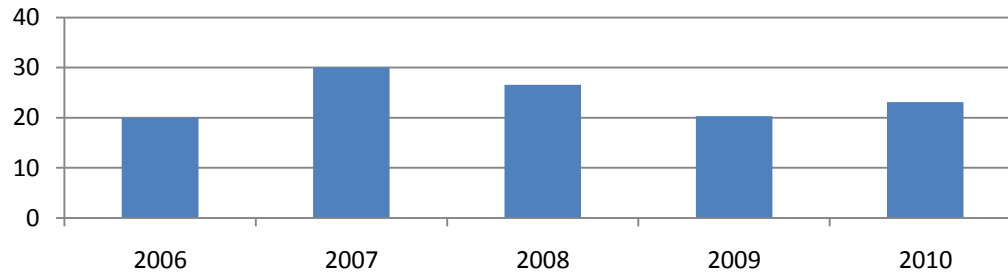
Double
Pin
Subs

Flow
Tubes



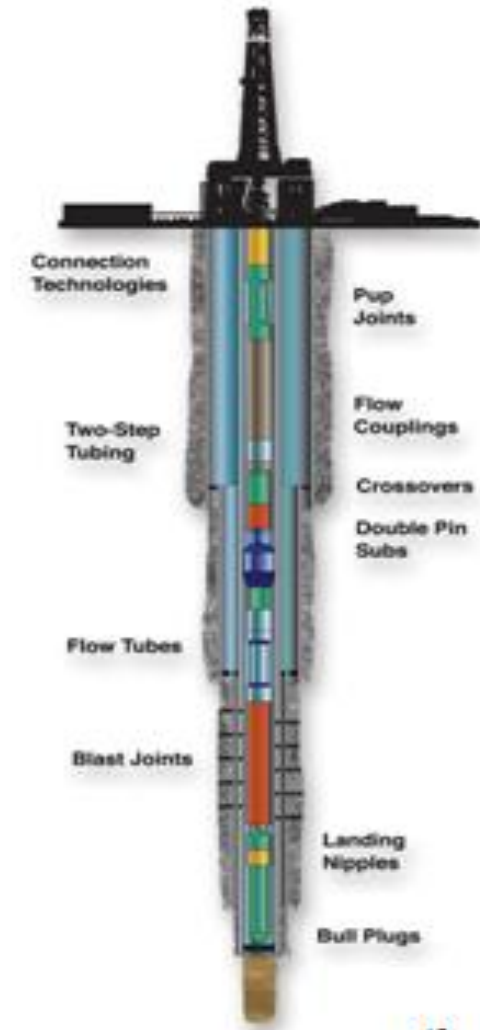
Well Completion

Profit from Operations £m



Highlights

- Lean manufacturing initiatives rolled out to all facilities
- Manufactures over 2,300 different part numbers
- Integration of Extel assets
- Capacity 2008 : 562,000 sq ft
 2010 : 856,000 sq ft



Well Intervention

Subsea



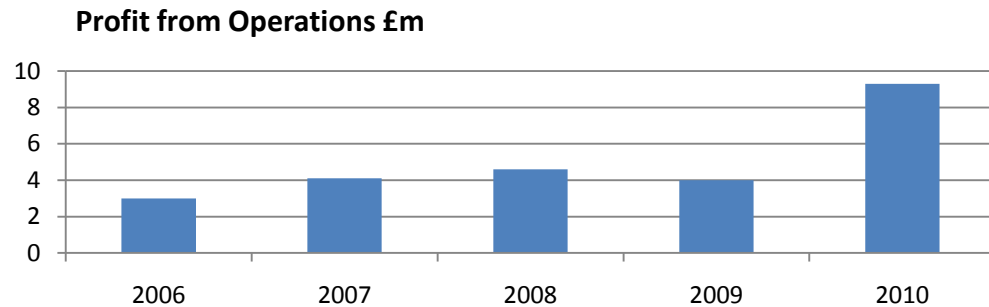
Thru Tubing Technology
Coiled Tubing Tools
VariBall Roller System
Running Tools
E-Line Tools



Slickline Tools
Kickover Tools
Pulling Tools

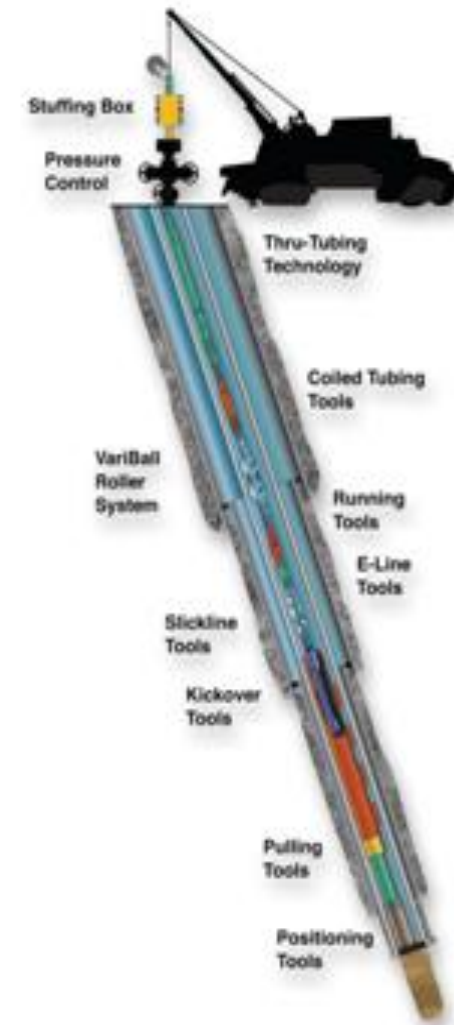
Positioning Tools

Well Intervention



Highlights

- Commercialisation of Chemical Injection Systems – 2 for BP Gulf of Mexico relief wells
- Continued Expansion of Slickline, Wireline and Thru Tubing Market Presence
- Capacity: 2008 : 88,000 sq ft
2010 : 169,000 sq ft



Downhole Tools, Chemical Injection System, Pressure Control Equipment, Thru-Tubing Technology



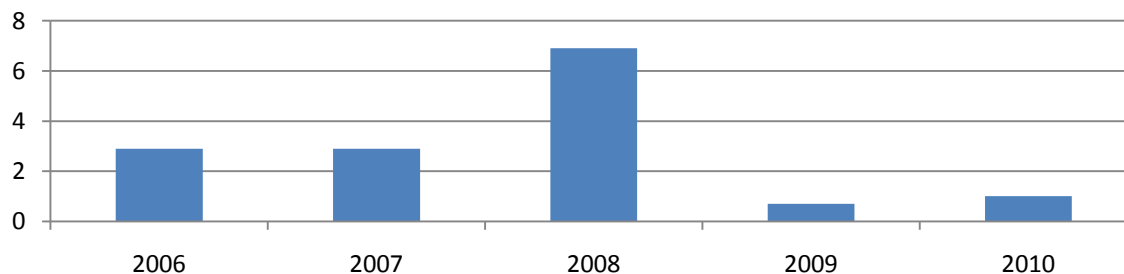
Gibson Shipbrokers



- ◆ Enlarged geographic coverage with new Oslo office and growth of London and doubling of Singapore broker team
- ◆ Continued staff development and recruitment to strengthen market position

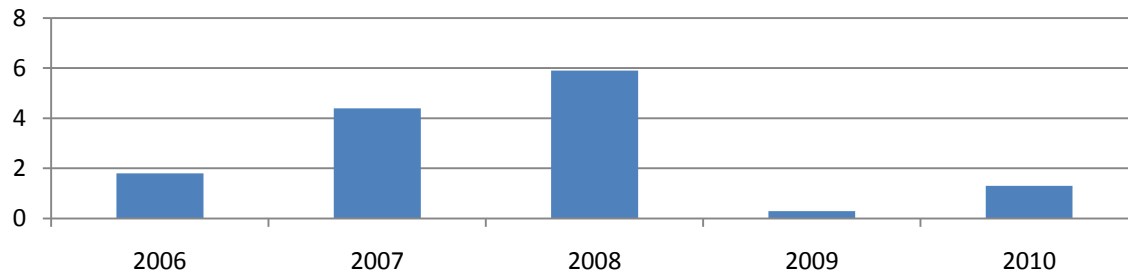


Profit from Operations £m



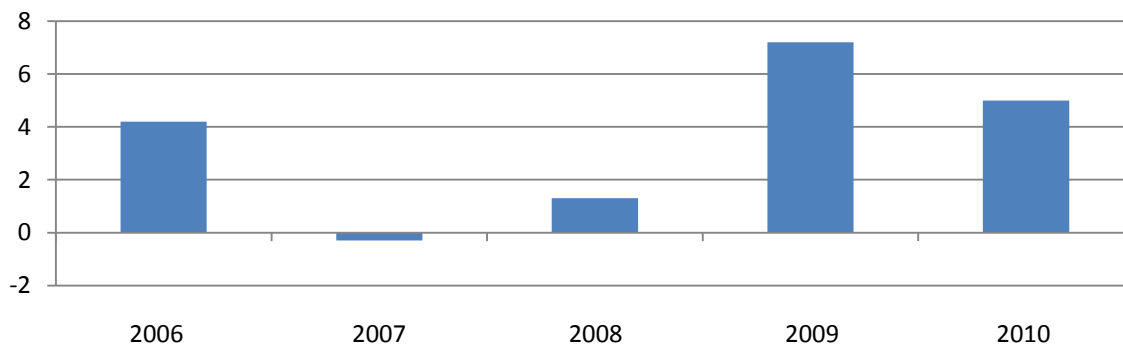
◆ Exploration and Production

Profit from Operations £m

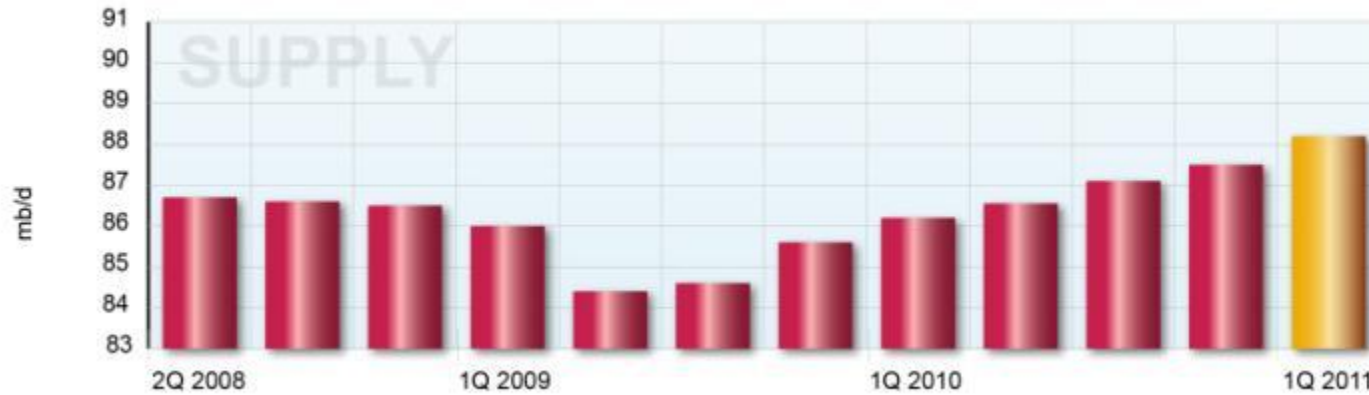


◆ Field Aviation

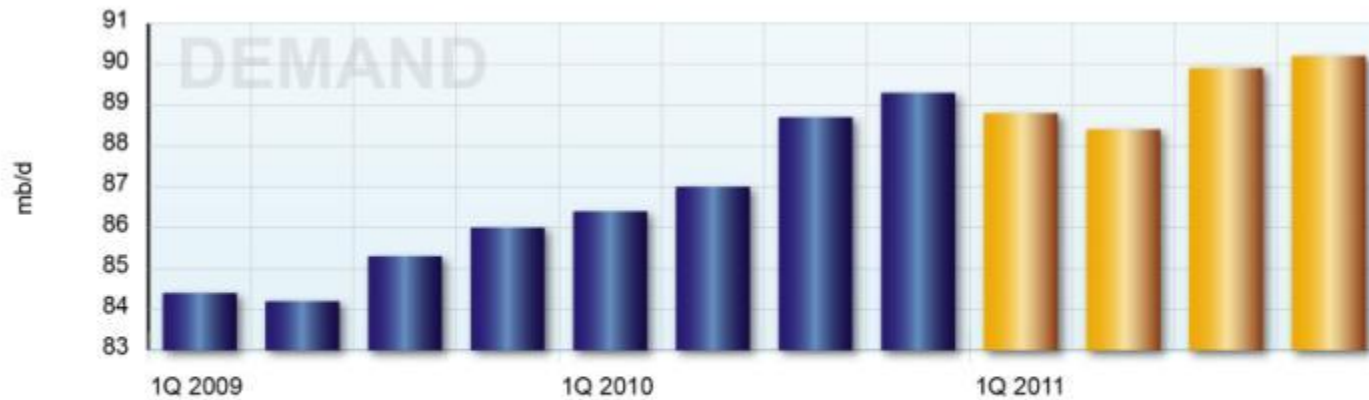
Profit from Operations £m



World Oil Supply and Demand



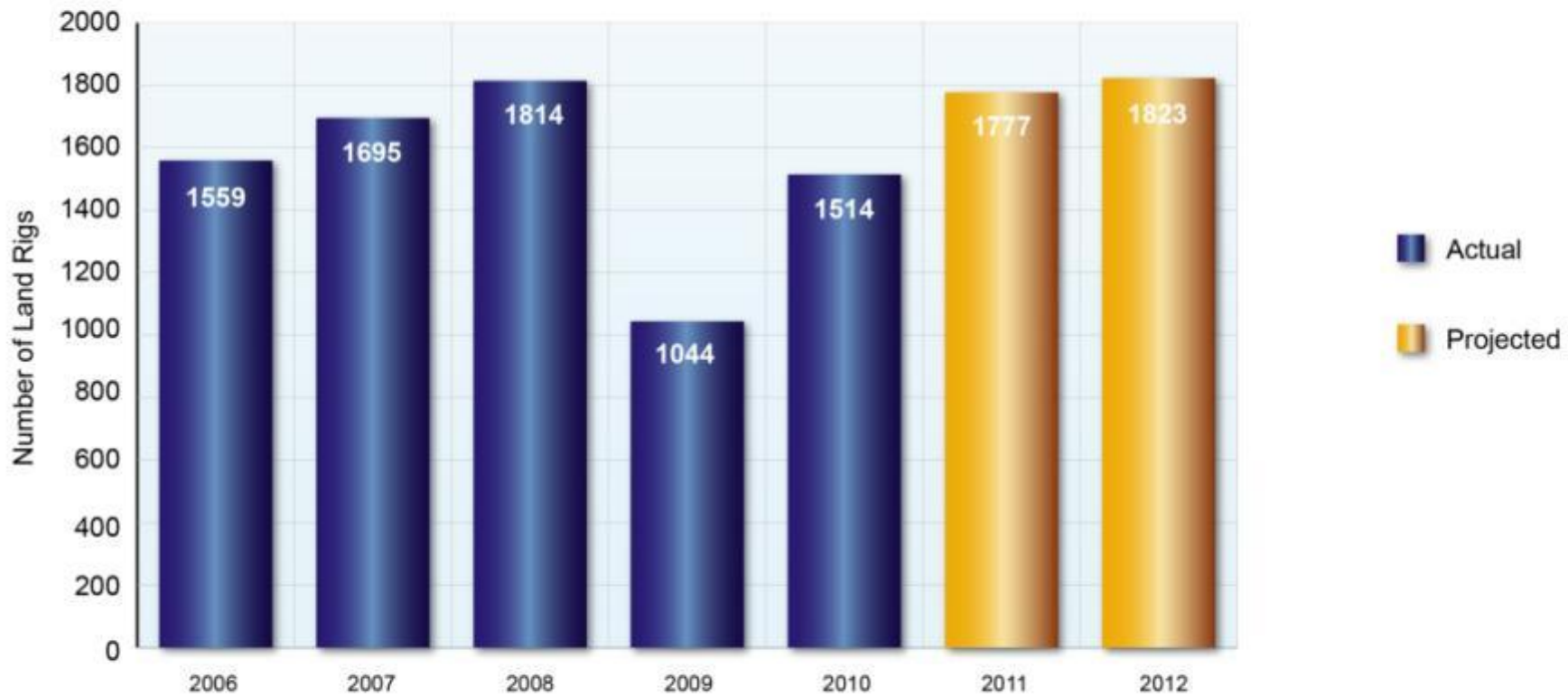
- World Oil Supply (mb/d)
- Projected



- World Oil Demand (mb/d)
- Projected

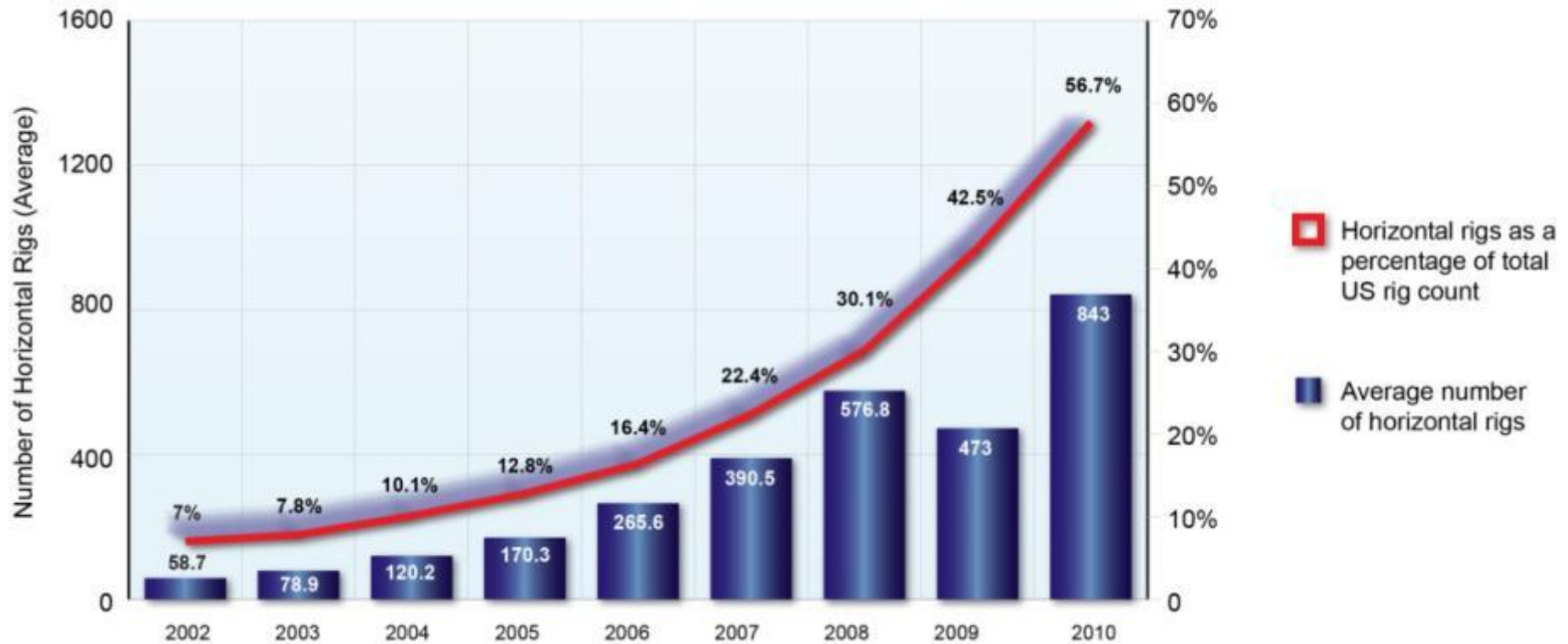
* Source: IEA

U.S. Land Rig Count*



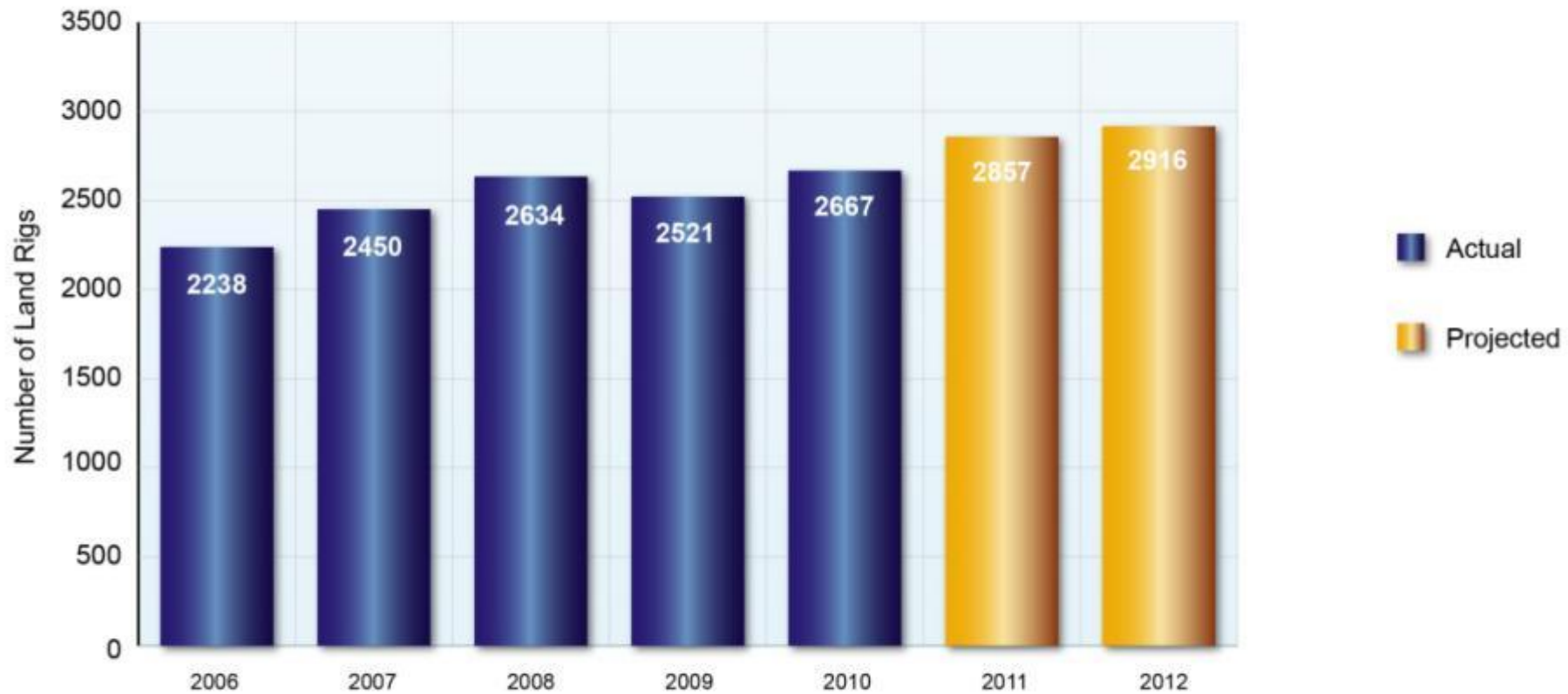
* Source: Baker Hughes, Spears and Associates

Horizontal Rig Count*



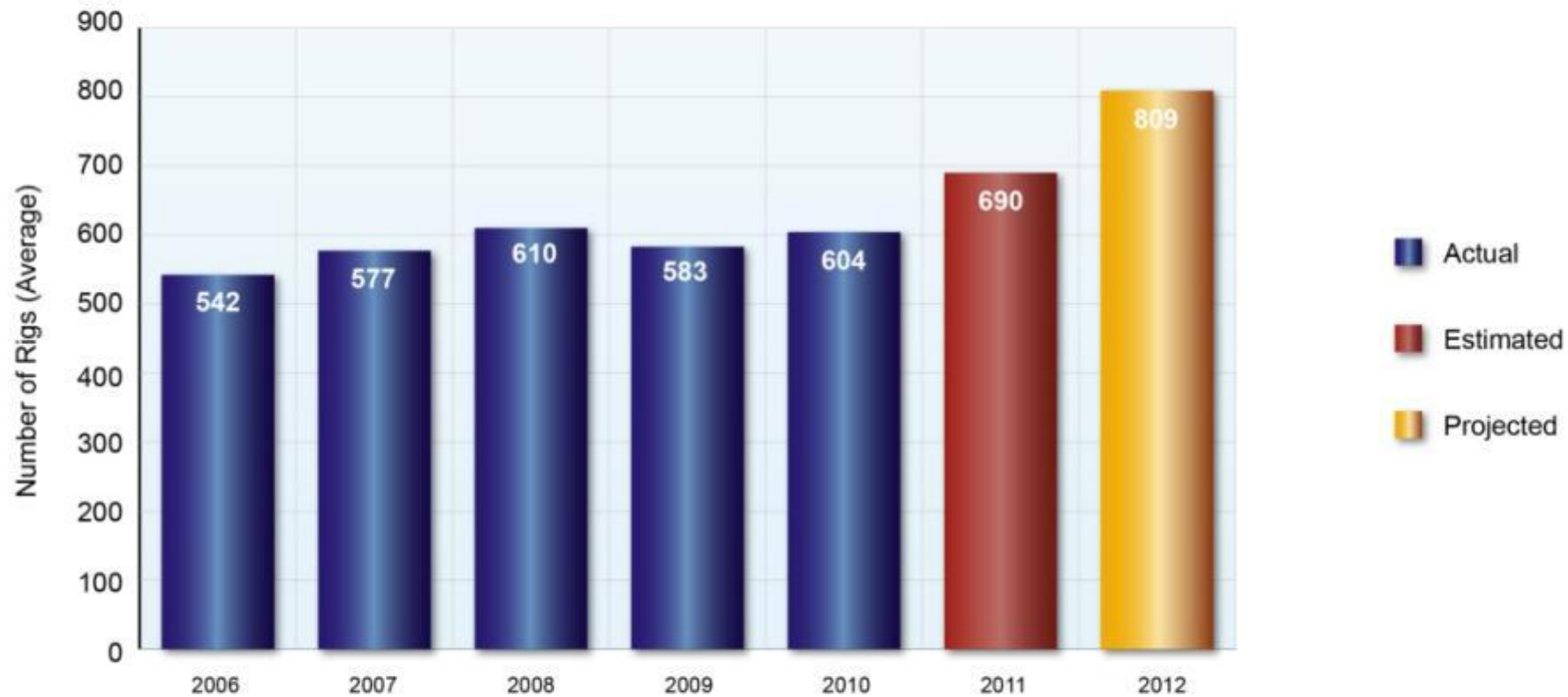
* Source: Smith Technologies Activity Tracking System

International Land Rig Count*



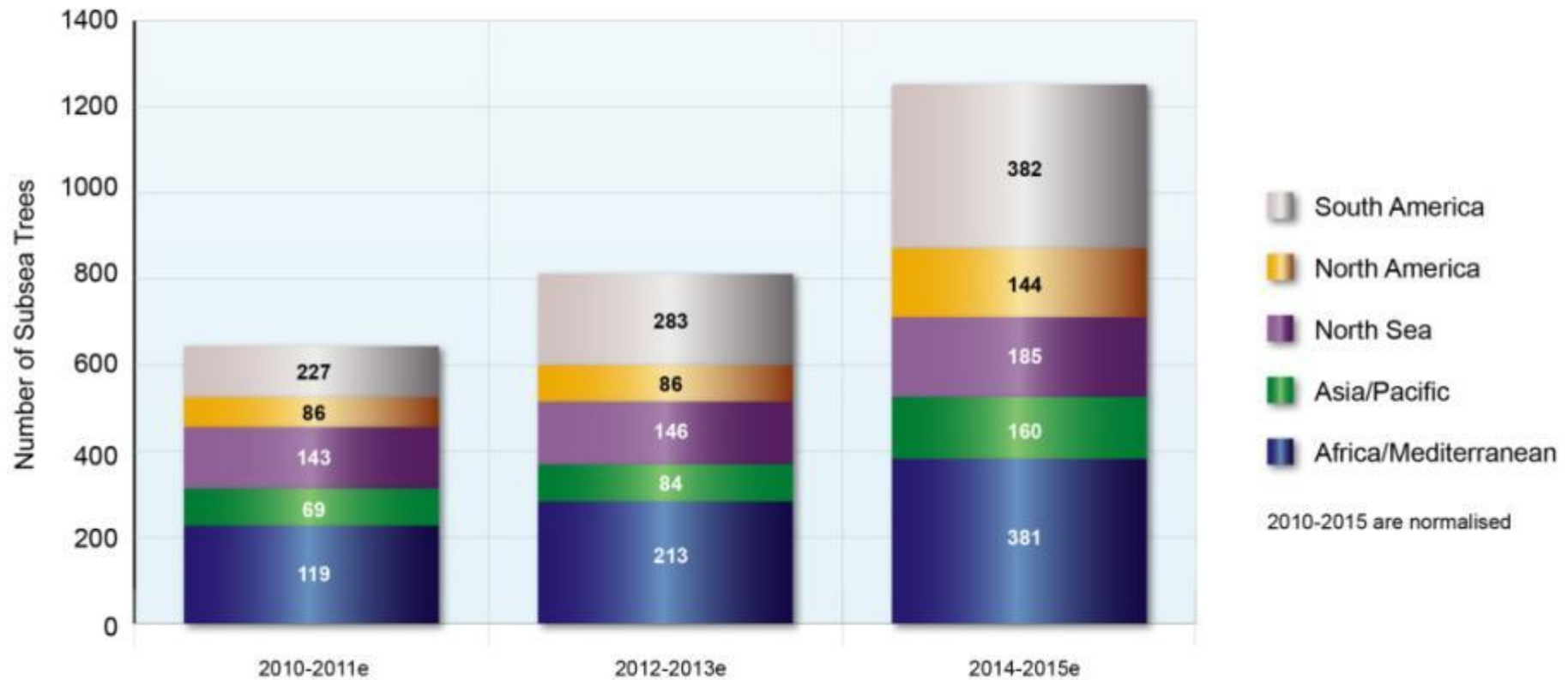
* Source: M-I Swaco, Spears and Associated (includes Russia, China and Central Asia)

International Offshore Rig Count*



* Source: M-1 Swaco and Simmons Research

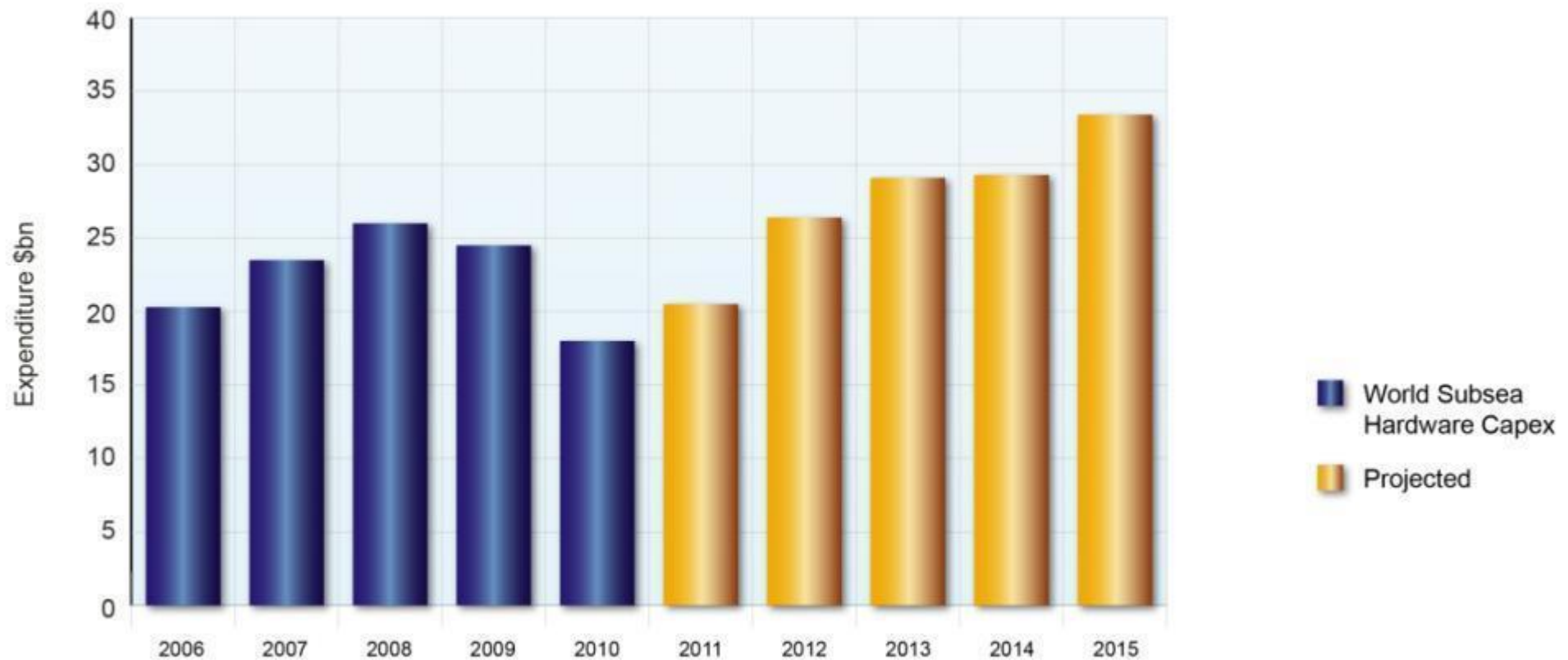
Global Subsea Trees



* Source: Quest Offshore

Global Subsea Capex

Forecast spending 2011-2015 : US\$139bn

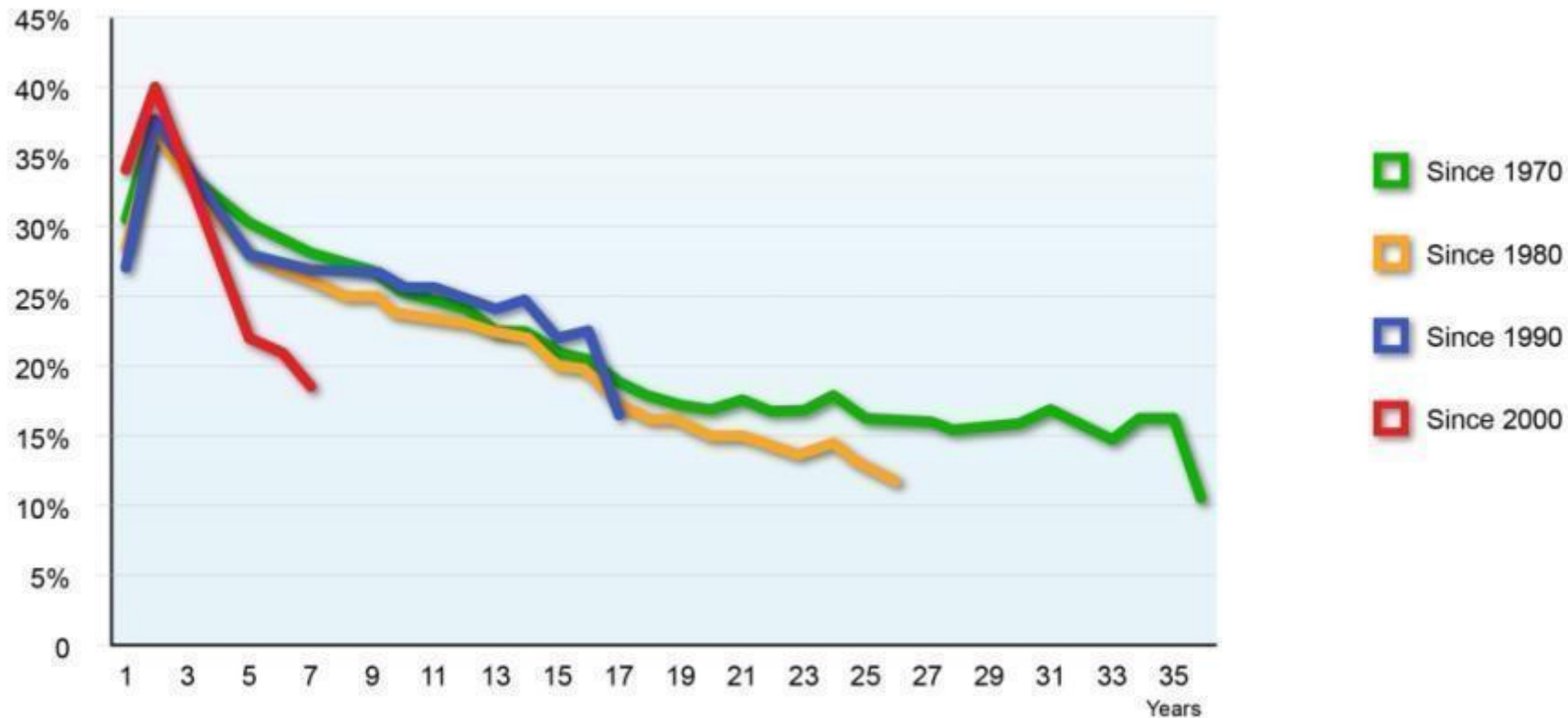


* Source: Douglas-Westwood

Depletion Rates by Vintage*



Isolating production from fields that started this decade yields a decline rate that is twice as steep (14% per annum) in the first 5 years vs 7% for all fields commencing production since 1970).



* Source: Government sources, company guidance & Simmons Research estimates

IOC Reserve Replacement Ratio versus E&P Spending*



* Source: SEB Enskilda annual E&P Survey

