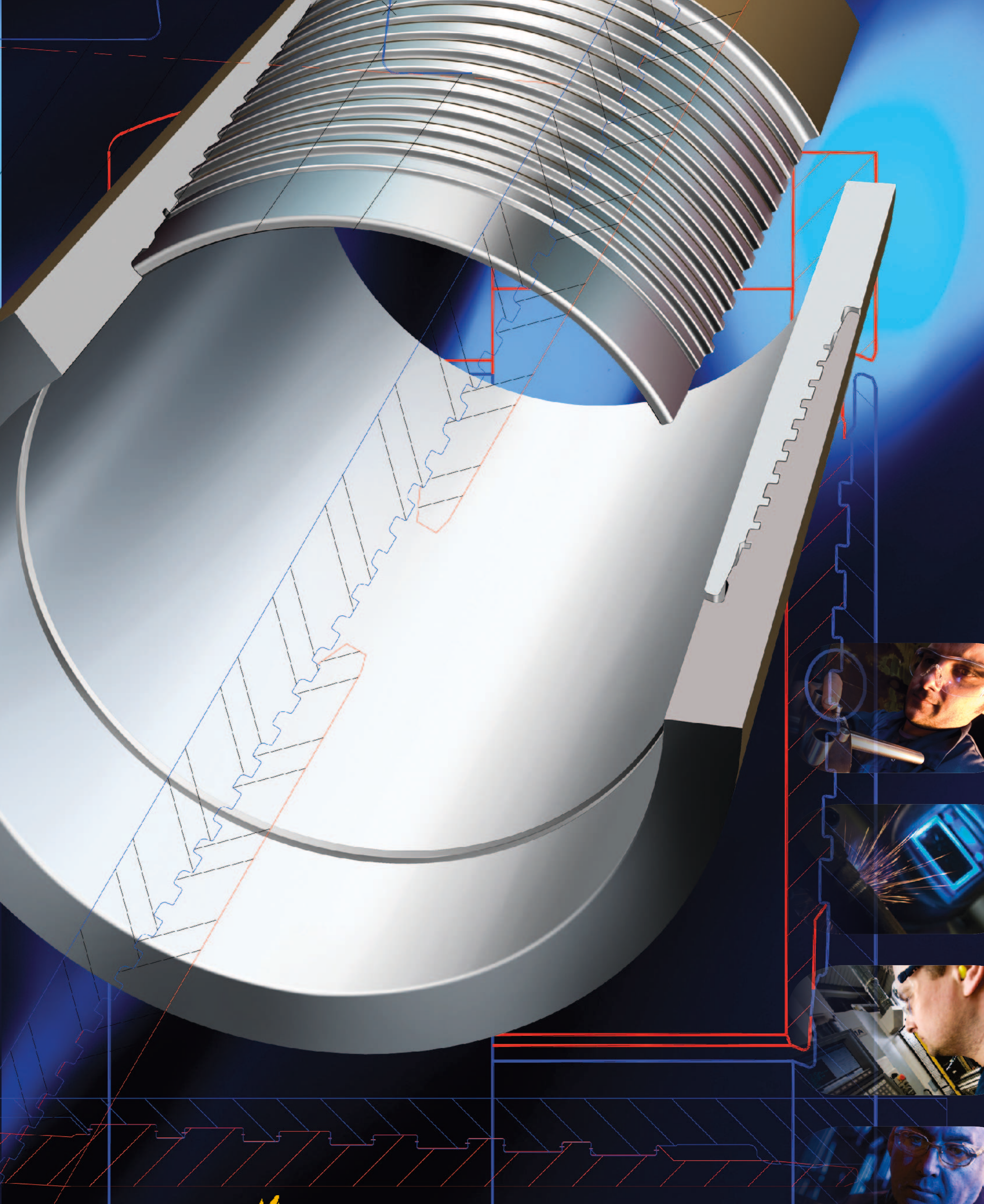

HUNTING PLC

half year report **2010**

Half Year Management Report

Hunting PLC, the international energy services company, announces its results for the six months ended 30 June 2010.

Introduction

For the six months ended 30 June 2010, the Company experienced a 77% improvement in profit before tax and exceptional items compared with the six months to 31 December 2009. A modest improvement in the world economy and a seemingly sustained recovery in oil prices, plus new developments from shale gas, have provided oil and gas operators with the confidence to increase their exploration and production budgets. While not completed in the first half, the US$125m acquisition of Innova-Extel was announced in August. Innova manufactures harsh environment printed circuit boards for downhole logging tools and Extel is a precision machine facility focused on providing downhole completion tools. This acquisition extends Hunting's product offering in complex well construction and completion activities and demonstrates a further commitment to technology driven platforms.

Financial Summary

Revenue from continuing operations for the six months ended 30 June 2010 increased to £214.2m from £209.0m reported for the 2009 comparative period. Profit from continuing operations before exceptional items was £22.0m (2009 – £22.0m) and profit from continuing operations was £14.8m (2009 – £22.0m). Profit before tax and before exceptional items from continuing operations was £23.2m (2009 – £25.4m) and profit before tax from continuing operations was £16.0m (2009 – £25.4m). Net interest income was £0.8m (2009 – £3.2m).

Profit after tax before exceptional items from continuing operations was £16.0m (2009 – £17.3m) (profit after tax from continuing operations was £10.9m (2009 – £17.3m)) after a tax charge of £7.2m reflecting an effective tax rate of 31% (2009 – 32%).

Exceptional items recorded during the period comprise £2.9m dry hole costs from our Exploration and Production segment, £2.7m oil and gas development expenditure impairment, £1.6m acquisition costs and £3.9m foreign exchange losses arising on Canadian dollar provisions for tax indemnities given in respect of our former Canadian business, Gibson Energy.

Basic earnings per share before exceptional items from continuing operations was 11.2p (2009 – 11.7p) and for continuing operations was 7.3p (2009 – 11.7p).

Average exchange rates used to translate US$ and Canadian $ denominated results into £-Sterling were US$1.53 (2009 – US$1.49) and Can$1.58 (2009 – Can$1.80).

Capital expenditure increased to £19.1m during the period (2009 – £10.9m) of which £6.2m (2009 – £5.7m) was replacement expenditure and £12.9m (2009 – £5.2m) was new business expenditure. Replacement expenditure includes £2.9m (2009 – £0.3m) capital expenditure by our Exploration and Production segment.

Net cash at 30 June 2010 was £314.1m (2009 – £387.6m).

A dividend for the half year of 3.7p per share (2009 – 3.5p) will be paid on 19 November 2010 to shareholders on the register at the close of business on 29 October 2010.

Half Year Management Report

Operational Review

From mid 2009 to date the North American average rig count increased 86% with the International rig count increasing 15% during the same period. Accordingly, Hunting delivered much improved results over the period. Many of the Company's 28 worldwide manufacturing facilities added personnel and capacity. Margins have improved and backlogs are returning to historical norms.

Profit from operations before exceptional items were as follows:

	H1 2009 £m	H2 2009 £m	**H1 2010 £m**
Hunting Energy Services			
Well Construction	3.5	(0.2)	**2.9**
Well Completion	12.8	7.5	**10.9**
Well Intervention	1.8	2.2	**4.2**
Exploration and Production	–	0.3	**0.4**
	18.1	9.8	**18.4**
Other Operating Divisions			
Gibson Shipbrokers	0.3	0.4	**0.5**
Field Aviation	3.6	3.6	**3.1**
Group	22.0	13.8	**22.0**

Well Construction profit from operations benefitted from a stronger US trading environment compared to H2 2009, however trading conditions in Canada slowed the recovery.

Well Completion reported a 45% increase in profit from operations over H2 2009 with improved results particularly from US Manufacturing facilities. Results from operations in Aberdeen and Holland declined on lower activity levels and Asia Pacific continued to report strong results.

Well Intervention reports strong growth benefitting from the 2009 acquisitions of National Coupling Company and Welltonic.

Exploration and Production profit from operations reported improved results over prior periods, however lower production and activity levels coupled with lower commodity prices impacted profitability.

Gibson Shipbrokers reports improved profits from a more stable global shipping market.

Field Aviation's profit from operations was down in comparison to prior periods on reduced contract activity levels.

The rapid improvement in the global economy combined with a significant rise in the global rig count enabled the Company to recover from the difficulties of the second half of 2009.

Half Year Management Report

Operational highlights of the first half of 2010 include:

- The Wedge Lock premium connection development testing is complete. This flush joint OCTG connection is directed towards horizontal drilling applications requiring high torque and high sealing capability.
- The Company's Chemical Injection Systems became commercial during the period with 8 units shipped including 2 units for the BP Macondo relief wells.
- A Premium connection sales and marketing agreement was signed with ArcelorMittal for their new seamless OCTG mill in Saudi Arabia.
- A Pennsylvania facility was purchased for drilling tools utilised in the prolific Marcellus Shale gas play.
- A Conroe, Texas facility was completed for drilling tools utilised along the Gulf coast.
- An expansion of the Casper, Wyoming drilling tools facility was initiated.
- Mud Motor inventory was established in Dubai and will be directed through the recent acquisition of Welltonic.
- The Fordoun, Scotland tubular inventory and management facility was completed.
- The commissioning of a new manufacturing facility in Wuxi, China.

Principal Risks and Uncertainties Facing the Business

The principal risks and uncertainties facing the business, which could have a material adverse impact on the Group, include commodity prices, effective control over subsidiaries, global recession, loss of key executives, health, safety and environmental laws and regulations, acquisitions and capital expenditure programme, adequacy of provisions and fluctuations in currency exchange rates. These risks and uncertainties are discussed in more detail in the 2009 Annual Report and Accounts on pages 16 and 17.

In addition, there is the uncertainty of the impact on the Group's results of a continuation of the Gulf of Mexico drilling moratorium.

Board Changes

Iain Paterson retired from the Board on 8 June 2010 having served as an independent non-executive director since 2000. The Board thanks Iain for his valuable contribution and wishes him well for the future.

There are no other details that require disclosure in respect of this directorate change pursuant to Rule 9.6.13 of the Listing Rules.

Outlook

Despite the moratorium on deep water drilling in the Gulf of Mexico, the outlook for trading conditions in the second half of 2010 remains encouraging. With the Company's global footprint, one region's demise does not greatly impact overall activity. Continued improvement in the oil price will encourage further investment in exploration and production in all global regions. Although natural gas prices remain depressed, operators continue to benefit from unconventional sources such as shale gas and the rig count in North America should remain constant.

Your Company retains a strong balance sheet, yet the prior year decline did not deter its commitment to facility expansion, new strategically located facilities, one acquisition and further technology developments. The global demand for energy, and the increasing difficulty of acquiring it, will provide the Company with excellent opportunities for growth.

Richard Hunting
Chairman
26 August 2010

Dennis Proctor
Chief Executive

Statement of Directors' Responsibilities

The Directors confirm that, to the best of their knowledge, this condensed set of consolidated financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union and that the half year management report includes a fair review of the information required by the Disclosure and Transparency Rules 4.2.7 and 4.2.8, namely:

- an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months of the financial year and any material changes in the related party transactions described in the 2009 Annual Report and Accounts.

The Directors of the Company are listed on page 18 in Hunting PLC's 2009 Annual Report and Accounts. Iain Paterson retired from the Board on 8 June 2010. A list of current Directors is maintained on the Hunting PLC website: www.hunting.plc.uk

By order of the Board

Peter Rose
Finance Director
26 August 2010

Independent Review Report to Hunting PLC

Introduction
We have been engaged by the Company to review the condensed consolidated interim financial information in the half-yearly financial report for the six months ended 30 June 2010, which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial information.

Directors' responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed consolidated interim financial information included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility
Our responsibility is to express to the Company a conclusion on the condensed consolidated interim financial information in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information in the half-yearly financial report for the six months ended 30 June 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
26 August 2010

Notes:

(a) The maintenance and integrity of the Hunting PLC website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated Income Statement

(Unaudited)

	Notes	Six months ended 30 June 2010 Before exceptional items £m	Exceptional items £m	Total £m	Six months ended 30 June 2009 Before exceptional items £m	Exceptional items £m	Total £m
Revenue	2	**214.2**	**–**	**214.2**	209.0	–	209.0
Cost of sales		**(153.5)**	**(5.6)**	**(159.1)**	(147.8)	–	(147.8)
Gross profit		**60.7**	**(5.6)**	**55.1**	61.2	–	61.2
Other operating income		**2.9**	**–**	**2.9**	1.1	–	1.1
Operating expenses		**(41.6)**	**(1.6)**	**(43.2)**	(40.3)	–	(40.3)
Profit from continuing operations	2	**22.0**	**(7.2)**	**14.8**	22.0	–	22.0
Finance income		**2.1**	**–**	**2.1**	5.0	–	5.0
Finance expense		**(1.3)**	**–**	**(1.3)**	(1.8)	–	(1.8)
Share of post-tax profits of associates		**0.4**	**–**	**0.4**	0.2	–	0.2
Profit before tax from continuing operations		**23.2**	**(7.2)**	**16.0**	25.4	–	25.4
Taxation	4	**(7.2)**	**2.1**	**(5.1)**	(8.1)	–	(8.1)
Profit for the period:							
From continuing operations		**16.0**	**(5.1)**	**10.9**	17.3	–	17.3
From discontinued operations	5	**–**	**(3.9)**	**(3.9)**	0.7	1.6	2.3
Profit for the period		**16.0**	**(9.0)**	**7.0**	18.0	1.6	19.6
Profit attributable to:							
Owners of the parent		**14.7**	**(9.0)**	**5.7**	16.0	1.6	17.6
Non-controlling interests		**1.3**	**–**	**1.3**	2.0	–	2.0
		16.0	**(9.0)**	**7.0**	18.0	1.6	19.6

	Notes	2010	2009
Earnings (loss) per share			
Basic – from continuing operations	6	**7.3p**	11.7p
– from discontinued operations	6	**(3.0)p**	1.8p
– Group total		**4.3p**	13.5p
Diluted – from continuing operations	6	**7.2p**	11.4p
– from discontinued operations	6	**(3.0)p**	1.8p
– Group total		**4.2p**	13.2p

Consolidated Income Statement continued

		Year ended 31 December 2009		
		Before exceptional items	Exceptional items	Total
	Notes	£m	£m	£m
Revenue	2	359.9	–	359.9
Cost of sales		(261.4)	–	(261.4)
Gross profit		98.5	–	98.5
Other operating income		5.0	–	5.0
Operating expenses		(67.7)	0.6	(67.1)
Profit from continuing operations	2	35.8	0.6	36.4
Finance income		6.2	–	6.2
Finance expense		(4.4)	–	(4.4)
Share of post-tax profits of associates		0.9	–	0.9
Profit before tax from continuing operations		38.5	0.6	39.1
Taxation	4	(12.2)	–	(12.2)
Profit for the period:				
From continuing operations		26.3	0.6	26.9
From discontinued operations	5	0.9	3.9	4.8
Profit for the period		27.2	4.5	31.7
Profit attributable to:				
Owners of the parent		24.2	4.5	28.7
Non-controlling interests		3.0	–	3.0
		27.2	4.5	31.7
Earnings per share				
Basic – from continuing operations	6			18.2p
– from discontinued operations	6			3.7p
– Group total				21.9p
Diluted – from continuing operations	6			17.8p
– from discontinued operations	6			3.6p
– Group total				21.4p

Consolidated Statement of Comprehensive Income

(Unaudited)

	Six months ended 30 June 2010 £m	Six months ended 30 June 2009 £m	Year ended 31 December 2009 £m
Profit for the period	**7.0**	19.6	31.7
Other comprehensive income after tax:			
Exchange adjustments	**11.5**	(22.6)	(9.8)
Release of foreign exchange adjustments on disposal of subsidiary	**–**	–	(3.1)
Fair value gains and losses:			
– gain (loss) on available for sale financial asset arising during the period	**1.8**	(2.1)	1.3
– gains originating on cash flow hedges arising during the period	**–**	0.6	0.6
– losses transferred to income statement on disposal of cash flow hedges	**0.1**	2.4	2.2
Actuarial losses on defined benefit pension schemes	**–**	(0.1)	(0.3)
Other comprehensive income after tax	**13.4**	(21.8)	(9.1)
Total comprehensive income for the period	**20.4**	(2.2)	22.6
Total comprehensive income attributable to:			
Owners of the parent	**19.2**	(3.8)	19.7
Non-controlling interests	**1.2**	1.6	2.9
	20.4	(2.2)	22.6

Consolidated Balance Sheet

(Unaudited)

	At 30 June 2010 £m	At 30 June 2009 £m	Restated At 31 December 2009 £m
ASSETS			
Non-current assets			
Property, plant and equipment	**133.1**	111.8	121.4
Goodwill	**57.7**	47.8	54.8
Other intangible assets	**4.0**	4.5	4.3
Investments in associates	**12.6**	10.8	11.7
Available for sale financial assets	**31.7**	26.4	29.8
Retirement benefit assets	**8.2**	7.8	8.0
Trade and other receivables	**3.7**	1.4	3.6
Deferred tax assets	**4.7**	5.1	4.6
	255.7	215.6	238.2
Current assets			
Inventories	**107.3**	112.5	116.4
Trade and other receivables	**88.3**	62.2	60.2
Cash and cash equivalents	**354.2**	414.3	403.6
	549.8	589.0	580.2
LIABILITIES			
Current liabilities			
Trade and other payables	**89.0**	127.7	110.4
Current tax liabilities	**14.0**	15.9	8.3
Borrowings	**38.2**	26.3	38.0
Provisions	**50.9**	57.5	61.4
	192.1	227.4	218.1
Net current assets	**357.7**	361.6	362.1
Non-current liabilities			
Borrowings	**1.9**	0.4	0.6
Deferred tax liabilities	**19.3**	15.3	18.4
Other payables	**1.9**	–	2.0
Provisions	**16.5**	15.8	17.5
	39.6	31.5	38.5
Net assets	**573.8**	545.7	561.8
Equity attributable to owners of the parent			
Share capital	**33.1**	33.0	33.1
Share premium	**90.2**	90.0	90.2
Other components of equity	**42.4**	17.5	28.0
Retained earnings	**393.6**	391.4	397.2
	559.3	531.9	548.5
Non-controlling interests	**14.5**	13.8	13.3
Total equity	**573.8**	545.7	561.8

The balance sheet at 31 December 2009 has been restated to recognise additional goodwill and other payables of £0.7m on the acquisition of the Welltonic group of companies on 10 December 2009.

Consolidated Statement of Changes in Equity

(Unaudited)

	Share capital £m	Share premium £m	Other components of equity £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
	Six months ended 30 June 2010						
At 1 January	**33.1**	**90.2**	**28.0**	**397.2**	**548.5**	**13.3**	**561.8**
Comprehensive income							
Profit for the period	–	–	–	**5.7**	**5.7**	**1.3**	**7.0**
Other comprehensive income							
Exchange adjustments	–	–	**11.6**	–	**11.6**	**(0.1)**	**11.5**
Fair value gains and losses:							
– gain on available for sale financial asset arising during the period	–	–	**1.8**	–	**1.8**	–	**1.8**
– losses transferred to income statement on disposal of cash flow hedges	–	–	**0.1**	–	**0.1**	–	**0.1**
Total other comprehensive income	–	–	**13.5**	–	**13.5**	**(0.1)**	**13.4**
Total comprehensive income for the period	–	–	**13.5**	**5.7**	**19.2**	**1.2**	**20.4**
Transactions with owners							
Dividends	–	–	–	**(9.2)**	**(9.2)**	–	**(9.2)**
Purchase of Treasury shares	–	–	–	**(0.1)**	**(0.1)**	–	**(0.1)**
Share options							
– value of employee services	–	–	**0.9**	–	**0.9**	–	**0.9**
Total transactions with owners	–	–	**0.9**	**(9.3)**	**(8.4)**	–	**(8.4)**
At 30 June	**33.1**	**90.2**	**42.4**	**393.6**	**559.3**	**14.5**	**573.8**

Consolidated Statement of Changes in Equity continued

(Unaudited)

	Six months ended 30 June 2009						
	Share capital £m	Share premium £m	Other components of equity £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
At 1 January	**33.0**	**90.0**	**47.5**	**383.5**	**554.0**	**12.2**	**566.2**
Change in accounting policy	–	–	(8.8)	(0.1)	(8.9)	–	(8.9)
At 1 January as restated	**33.0**	**90.0**	**38.7**	**383.4**	**545.1**	**12.2**	**557.3**
Comprehensive income							
Profit for the period	–	–	–	17.6	17.6	2.0	19.6
Other comprehensive income							
Exchange adjustments	–	–	(22.2)	–	(22.2)	(0.4)	(22.6)
Fair value gains and losses:							
– loss on available for sale financial asset arising during the period	–	–	(2.1)	–	(2.1)	–	(2.1)
– gains originating on cash flow hedges arising during the period	–	–	0.6	–	0.6	–	0.6
– losses transferred to income statement on disposal of cash flow hedges	–	–	2.4	–	2.4	–	2.4
Actuarial losses on defined benefit pension schemes	–	–	–	(0.1)	(0.1)	–	(0.1)
Total other comprehensive income	–	–	(21.3)	(0.1)	(21.4)	(0.4)	(21.8)
Total comprehensive income for the period	**–**	**–**	**(21.3)**	**17.5**	**(3.8)**	**1.6**	**(2.2)**
Transactions with owners							
Dividends	–	–	–	(9.2)	(9.2)	–	(9.2)
Purchase of Treasury shares	–	–	–	(1.5)	(1.5)	–	(1.5)
Disposal of Treasury shares	–	–	–	0.8	0.8	–	0.8
Share options							
– value of employee services	–	–	0.5	–	0.5	–	0.5
– discharge	–	–	(0.4)	0.4	–	–	–
Total transactions with owners	**–**	**–**	**0.1**	**(9.5)**	**(9.4)**	**–**	**(9.4)**
At 30 June	**33.0**	**90.0**	**17.5**	**391.4**	**531.9**	**13.8**	**545.7**

Consolidated Statement of Changes in Equity continued

	Share capital £m	Share premium £m	Other components of equity £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
	Year ended 31 December 2009						
At 1 January	**33.0**	**90.0**	**47.5**	**383.5**	**554.0**	**12.2**	**566.2**
Change in accounting policy	–	–	(8.8)	(0.1)	(8.9)	–	(8.9)
At 1 January as restated	**33.0**	**90.0**	**38.7**	**383.4**	**545.1**	**12.2**	**557.3**
Comprehensive income							
Profit for the period	–	–	–	28.7	28.7	3.0	31.7
Other comprehensive income							
Exchange adjustments	–	–	(9.7)	–	(9.7)	(0.1)	(9.8)
Release of foreign exchange adjustments on disposal of subsidiary	–	–	(3.1)	–	(3.1)	–	(3.1)
Fair value gains and losses:							
– gain on available for sale financial asset arising during the period	–	–	1.3	–	1.3	–	1.3
– gains originating on cash flow hedges arising during the period	–	–	0.6	–	0.6	–	0.6
– losses transferred to income statement on disposal of cash flow hedges	–	–	2.2	–	2.2	–	2.2
Actuarial losses on defined benefit pension schemes	–	–	–	(0.3)	(0.3)	–	(0.3)
Total other comprehensive income	–	–	(8.7)	(0.3)	(9.0)	(0.1)	(9.1)
Total comprehensive income for the year	**–**	**–**	**(8.7)**	**28.4**	**19.7**	**2.9**	**22.6**
Transactions with owners							
Dividends	–	–	–	(13.8)	(13.8)	(1.8)	(15.6)
Shares issued							
– share option schemes	0.1	0.1	–	–	0.2	–	0.2
Purchase of Treasury shares	–	–	–	(7.9)	(7.9)	–	(7.9)
Disposal of Treasury shares	–	–	–	4.0	4.0	–	4.0
– taxation	–	–	–	0.2	0.2	–	0.2
Share options							
– value of employee services	–	–	1.0	–	1.0	–	1.0
– discharge	–	0.1	(1.6)	1.5	–	–	–
Transfer between reserves	–	–	(1.4)	1.4	–	–	–
Total transactions with owners	**0.1**	**0.2**	**(2.0)**	**(14.6)**	**(16.3)**	**(1.8)**	**(18.1)**
At 31 December	**33.1**	**90.2**	**28.0**	**397.2**	**548.5**	**13.3**	**561.8**

Consolidated Statement of Cash Flows

(Unaudited)

	Six months ended 30 June 2010 £m	Six months ended 30 June 2009 £m	Year ended 31 December 2009 £m
Operating activities			
Continuing operations:			
Profit from operations	**14.8**	22.0	36.4
Depreciation, amortisation and impairment	**14.5**	7.5	14.8
Loss on disposal of property, plant and equipment	**0.3**	1.1	1.6
Proceeds from disposal of property, plant and equipment held for rental	**0.7**	1.4	2.0
Purchase of property, plant and equipment held for rental	**(2.5)**	(5.8)	(7.3)
Decrease in inventories	**14.2**	5.2	2.3
(Increase) decrease in receivables	**(25.2)**	50.1	48.1
Decrease in payables	**(26.7)**	(32.6)	(38.5)
Decrease in provisions	**(1.5)**	(3.4)	(6.7)
Taxation paid	**(2.3)**	(9.3)	(10.0)
Other non-cash flow items	**1.0**	2.1	2.5
Discontinued operations	**(14.3)**	(0.4)	(0.9)
Net cash (outflow) inflow from operating activities	**(27.0)**	37.9	44.3
Investing activities			
Continuing operations:			
Dividends received from associates	**–**	–	0.2
Purchase of subsidiaries	**(0.7)**	(32.1)	(44.3)
Net cash acquired with subsidiaries	**–**	–	1.4
Disposal of subsidiaries	**–**	17.6	26.5
Net cash disposed of with subsidiary	**–**	–	(2.5)
Loans from associates repaid	**–**	–	(0.5)
Loans from associates	**0.4**	0.3	–
Loans to associates repaid	**–**	0.5	1.0
Proceeds from disposal of property, plant and equipment	**–**	0.3	0.7
Purchase of property, plant and equipment	**(16.6)**	(5.1)	(14.3)
Purchase of intangibles and investments	**–**	–	(0.1)
Discontinued operations	**–**	(0.1)	(0.3)
Net cash outflow from investing activities	**(16.9)**	(18.6)	(32.2)
Financing activities			
Continuing operations:			
Interest received	**1.6**	3.0	4.9
Interest paid	**(1.0)**	(1.3)	(1.9)
Equity dividends paid	**(9.2)**	–	(13.8)
Non-controlling interest dividend paid	**–**	–	(1.8)
Share capital issued	**–**	–	0.2
Purchase of treasury shares	**(0.1)**	(1.5)	(7.7)
Disposal of treasury shares	**0.1**	0.9	3.9
Capital element of finance leases	**(0.2)**	(0.3)	(1.3)
Proceeds from new borrowings	**1.3**	–	0.6
Discontinued operations	**–**	0.1	–
Net cash (outflow) inflow from financing activities	**(7.5)**	0.9	(16.9)

Consolidated Statement of Cash Flows continued

(Unaudited)

	Six months ended 30 June 2010 £m	Six months ended 30 June 2009 £m	Year ended 31 December 2009 £m
Net cash (outflow) inflow in cash and cash equivalents	**(51.4)**	20.2	(4.8)
Cash and cash equivalents at the beginning of period	**365.8**	372.4	372.4
Effect of foreign exchange rates	**1.6**	(4.0)	(1.8)
Cash and cash equivalents at end of period	**316.0**	388.6	365.8
Cash and cash equivalents at the end of the period comprise:			
Cash and cash equivalents	**354.2**	414.3	403.6
Bank overdrafts included in borrowings	**(38.2)**	(25.7)	(37.8)
	316.0	388.6	365.8

Notes

1. BASIS OF ACCOUNTING

The financial information contained in this half year report complies with IAS 34 *Interim Financial Reporting*, as adopted by the European Union, and with the Disclosure and Transparency Rules of the Financial Services Authority. The condensed consolidated interim financial information should be read in conjunction with the 2009 Annual Report and Accounts, which has been prepared in accordance with IFRSs and IFRICs as adopted by the European Union. This half year report has been prepared using the same accounting policies and methods of computation used to prepare the 2009 Annual Report and Accounts, except for the adoption of new standards and interpretations, noted below.

The financial information for the six months ended 30 June 2009 has been represented to disclose Hunting Energy France as a discontinued operation.

The balance sheet at 31 December 2009 has been restated to recognise additional goodwill and other payables of £0.7m on the acquisition of the Welltonic group of companies on 10 December 2009.

This half year report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 December 2009 has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. This consolidated interim financial information has been reviewed, not audited.

Adoption of new standards, amendments and interpretations

The following new standards, amendments and interpretations have been adopted for the six months ended 30 June 2010:

- IFRS 3 (revised) *Business Combinations*
- IAS 27 (revised) *Consolidated and Separate Financial Statements*
- Amendment to IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
- Amendment to IFRS 2 – *Group Cash-settled Share-based Payment Transactions*
- Improvements to IFRSs – April 2009
- IFRIC 17 *Distributions of Non-Cash Assets to Owners*

IFRS 3 (revised) *Business Combinations* is effective for the Group for all business combinations which complete after 31 December 2009. The revised standard introduces significant changes to the accounting for business acquisitions. All consideration, including contingent consideration, is recorded at fair value at the acquisition date, with contingent consideration liabilities subsequently re-measured through the income statement. All acquisition costs are expensed to the income statement in the period in which they are incurred. IFRS 3 (revised) offers a choice, on an acquisition-by-acquisition basis, to measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The comparative figures for 2009 have not been restated on adoption of this standard, as it does not impact the Group's 2009 financial performance or position.

Although the adoption of the other standards, amendments and interpretations represents a change in accounting policy, comparative figures for 2009 have not been restated for these, as the changes do not impact the financial performance or position of the Group.

2. SEGMENTAL REPORTING

The Group reports on six operating segments in its internal management reports. The Group's segments are strategic business units that offer different products and services to international oil and gas companies and the aviation and shipping sectors. There has been no change in the Group's operating segments or in the basis of measurement of segment profit or loss since the year ended 31 December 2009.

Results from operations

	Six months ended 30 June 2010					
	Total gross revenue £m	Inter-segmental revenue £m	Total revenue £m	Profit from operations before exceptional items £m	Exceptional items £m	Total £m
Continuing operations:						
Hunting Energy Services						
Well Construction	44.5	(2.6)	41.9	2.9	–	2.9
Well Completion	113.3	(5.8)	107.5	10.9	–	10.9
Well Intervention	29.6	–	29.6	4.2	–	4.2
Exploration and Production	3.0	–	3.0	0.4	(5.6)	(5.2)
	190.4	(8.4)	182.0	18.4	(5.6)	12.8
Other Operating Divisions						
Gibson Shipbrokers	11.3	–	11.3	0.5	–	0.5
Field Aviation	20.9	–	20.9	3.1	–	3.1
	32.2	–	32.2	3.6	–	3.6
Total from continuing operations	222.6	(8.4)	214.2	22.0	(5.6)	16.4
Exceptional items not apportioned to business segments				–	(1.6)	(1.6)
Profit from continuing operations				22.0	(7.2)	14.8
Net finance income				0.8	–	0.8
Share of post-tax profits of associates				0.4	–	0.4
Profit before tax from continuing operations				23.2	(7.2)	16.0
Discontinued operations:						
Gibson Energy				–	(3.9)	(3.9)
Loss from discontinued operations				–	(3.9)	(3.9)

2. SEGMENTAL REPORTING continued

	Six months ended 30 June 2009					
	Total gross revenue £m	Inter-segmental revenue £m	Total revenue £m	Profit from operations before exceptional items £m	Exceptional items £m	Total £m
Continuing operations:						
Hunting Energy Services						
Well Construction	50.7	(1.8)	48.9	3.5	–	3.5
Well Completion	109.9	(4.7)	105.2	12.8	–	12.8
Well Intervention	12.3	–	12.3	1.8	–	1.8
Exploration and Production	3.1	–	3.1	–	–	–
	176.0	(6.5)	169.5	18.1	–	18.1
Other Operating Divisions						
Gibson Shipbrokers	10.7	–	10.7	0.3	–	0.3
Field Aviation	28.8	–	28.8	3.6	–	3.6
	39.5	–	39.5	3.9	–	3.9
Total from continuing operations	**215.5**	**(6.5)**	**209.0**	**22.0**	**–**	**22.0**
Exceptional items not apportioned to business segments				–	–	–
Profit from continuing operations				**22.0**	**–**	**22.0**
Net finance income				3.2	–	3.2
Share of post-tax profits of associates				0.2	–	0.2
Profit before tax from continuing operations				**25.4**	**–**	**25.4**
Discontinued operations:						
Gibson Energy	–	–	–	–	9.6	9.6
Hunting Energy France	10.8	–	10.8	1.0	–	1.0
Total from discontinued operations	**10.8**	**–**	**10.8**	**1.0**	**9.6**	**10.6**
Net finance income				0.1	–	0.1
Taxation				(0.4)	(8.0)	(8.4)
Profit from discontinued operations				**0.7**	**1.6**	**2.3**

2. SEGMENTAL REPORTING continued

	Year ended 31 December 2009					
	Total gross revenue £m	Inter-segmental revenue £m	Total revenue £m	Profit from operations before exceptional items £m	Exceptional items £m	Total £m
Continuing operations:						
Hunting Energy Services						
Well Construction	80.0	(2.1)	77.9	3.3	–	3.3
Well Completion	184.7	(8.5)	176.2	20.3	–	20.3
Well Intervention	29.4	–	29.4	4.0	–	4.0
Exploration and Production	5.6	–	5.6	0.3	–	0.3
	299.7	(10.6)	289.1	27.9	–	27.9
Other Operating Divisions						
Gibson Shipbrokers	20.8	–	20.8	0.7	–	0.7
Field Aviation	50.0	–	50.0	7.2	–	7.2
	70.8	–	70.8	7.9	–	7.9
Total from continuing operations	**370.5**	**(10.6)**	**359.9**	**35.8**	**–**	**35.8**
Exceptional items not apportioned to business segments				–	0.6	0.6
Profit from continuing operations				**35.8**	**0.6**	**36.4**
Net finance income				1.8	–	1.8
Share of post-tax profits of associates				0.9	–	0.9
Profit before tax from continuing operations				**38.5**	**0.6**	**39.1**
Discontinued operations:						
Gibson Energy	–	–	–	–	1.0	1.0
Hunting Energy France	18.9	–	18.9	1.2	2.8	4.0
Total from discontinued operations	**18.9**	**–**	**18.9**	**1.2**	**3.8**	**5.0**
Net finance income				0.1	–	0.1
Taxation				(0.4)	0.1	(0.3)
Profit from discontinued operations				**0.9**	**3.9**	**4.8**

3. EXCEPTIONAL ITEMS

	Six months ended 30 June 2010 £m	Six months ended 30 June 2009 £m	Year ended 31 December 2009 £m
Exceptional items comprise:			
Impairment of property, plant and equipment	**2.7**	–	–
Dry hole costs	**2.9**	–	–
Acquisition costs	**1.6**	–	–
Property provisions	**(0.2)**	1.5	0.9
Other exceptional charges (credits)	**0.2**	(1.5)	(1.5)
Continuing operations	**7.2**	–	(0.6)

The impairment charge of £2.7m relates to the write down of oil and gas development expenditure (included in the Exploration and Production operating segment) following a change in the discount rate used to value the oil and gas reserves and a fall in commodity prices during the period. The recoverable amount of oil and gas development expenditure is based on value in use. These calculations use discounted pre-tax cash flow projections based on estimated oil and gas reserves, future production and income attributable to such reserves. Cash flows are based on reserve production lives varying from one to fifteen years. Cash flows are discounted using a pre-tax rate of 10%. The prices of oil and natural gas are derived from published futures prices, with the long term average oil price assumed to be US$84.04 bbl (per barrel) and the long term average gas price at US$5.74 mcf (per 1,000 cubic feet).

4. TAXATION

The taxation charge for the six months ended 30 June 2010 is calculated by applying the estimated annual Group effective rate of tax to the profit for the period.

The estimated pre-exceptional items tax rate for the year ended 31 December 2010 for continuing operations is 31% and has been used for the six months ended 30 June 2010 (six months ended 30 June 2009 and year ended 31 December 2009 – 32%). The reduced effective rate of 31% is mainly due to a greater proportion of profits from lower tax jurisdictions.

Included in the income statement are tax credits of £2.1m in respect of exceptional items from continuing operations (six months ended 30 June 2009 – £nil; year-ended 31 December 2009 – £nil).

A number of changes to the UK corporation tax system were announced in the June 2010 Budget Statement. The Finance (No. 2) Act 2010 includes legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014. The changes are not expected to have a material impact on deferred tax balances reported in the financial statements.

5. DISCONTINUED OPERATIONS

On 6 August 2008, the Group entered into an agreement for the sale of Gibson Energy Inc. (Gibson Energy), its midstream services operation. The sale was completed on 12 December 2008. On 22 December 2009, the Group sold Hunting Energy France SA, its French-based business. The results from discontinued operations comprise the trading results of Gibson Energy, Hunting Energy France and the gains on disposal as follows:

	Six months ended 30 June 2010	Six months ended 30 June 2009		
	Gibson Energy £m	Hunting Energy France £m	Gibson Energy £m	Total £m
Trading results:				
Revenue	**–**	10.8	–	10.8
Cost of sales	**–**	(5.3)	–	(5.3)
Gross profit	**–**	5.5	–	5.5
Operating expenses	**–**	(4.5)	–	(4.5)
Profit from operations	**–**	1.0	–	1.0
Finance income	**–**	0.1	–	0.1
Profit before tax	**–**	1.1	–	1.1
Taxation	**–**	(0.4)	–	(0.4)
Profit for the period	**–**	0.7	–	0.7
Gain on disposal:				
(Loss) gain on sale before tax	**(3.9)**	–	9.6	9.6
Tax on gain	**–**	–	(8.0)	(8.0)
(Loss) gain on sale after tax	**(3.9)**	–	1.6	1.6
Total (loss) profit from discontinued operations	**(3.9)**	0.7	1.6	2.3

Foreign exchange losses of £3.9m have been recognised in the period on Canadian dollar denominated tax warranty provisions.

5. DISCONTINUED OPERATIONS continued

	Year ended 31 December 2009		
	Hunting Energy France £m	Gibson Energy £m	Total £m
Trading results:			
Revenue	18.9	–	18.9
Cost of sales	(9.1)	–	(9.1)
Gross profit	9.8	–	9.8
Other operating income	0.1	–	0.1
Operating expenses	(8.7)	–	(8.7)
Profit from operations	1.2	–	1.2
Finance income	0.1	–	0.1
Profit before tax	1.3	–	1.3
Taxation	(0.4)	–	(0.4)
Profit for the year	0.9	–	0.9
Gain on disposal:			
Gain on sale before tax	2.8	1.0	3.8
Tax on gain	0.1	–	0.1
Gain on sale after tax	2.9	1.0	3.9
Total profit from discontinued operations	3.8	1.0	4.8

6. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to Ordinary shareholders by the weighted average number of Ordinary shares outstanding during the period.

For diluted earnings per share, the weighted average number of outstanding Ordinary shares is adjusted to assume conversion of all dilutive potential Ordinary shares. The dilution in respect of share options applies where the exercise price is less than the average market price of the Company's Ordinary shares during the period and the possible issue of shares under the Group's long term incentive plans.

Reconciliations of the earnings and weighted average number of Ordinary shares used in the calculations are set out below:

	Six months ended 30 June 2010 £m	Six months ended 30 June 2009 £m	Year ended 31 December 2009 £m
Basic and diluted earnings (loss) attributable to Ordinary shareholders:			
From continuing operations	**9.6**	15.3	23.9
From discontinued operations	**(3.9)**	2.3	4.8
Total	**5.7**	17.6	28.7
	millions	millions	millions
Basic weighted average number of Ordinary shares	**131.2**	131.0	131.1
Dilutive outstanding share options	**1.7**	2.2	2.2
Long term incentive plans	**1.0**	0.5	0.5
Adjusted weighted average number of Ordinary shares	**133.9**	133.7	133.8
	pence	pence	pence
Basic EPS:			
From continuing operations	**7.3**	11.7	18.2
From discontinued operations	**(3.0)**	1.8	3.7
	4.3	13.5	21.9
	pence	pence	pence
Diluted EPS:			
From continuing operations	**7.2**	11.4	17.8
From discontinued operations	**(3.0)**	1.8	3.6
	4.2	13.2	21.4
	pence	pence	pence
Earnings per share adjusted for exceptional items:			
Basic EPS from continuing operations	**7.3**	11.7	18.2
Add: exceptional items after taxation	**3.9**	–	(0.5)
Basic EPS from continuing operations before exceptional items	**11.2**	11.7	17.7
	pence	pence	pence
Diluted EPS from continuing operations	**7.2**	11.4	17.8
Add: exceptional items after taxation	**3.8**	–	(0.5)
Diluted EPS from continuing operations before exceptional items	**11.0**	11.4	17.3

7. PROPERTY, PLANT AND EQUIPMENT

During 2010, the net book value of property, plant and equipment increased from £121.4m to £133.1m due to additions of £20.2m and foreign exchange gains of £6.9m, offset by disposals of £1.3m, depreciation of £8.5m and impairments and write offs of £5.6m.

Additions include £8.3m for freehold land and buildings, £2.8m for oil and gas exploration and development and £8.7m for plant, machinery and motor vehicles.

Equipment with a carrying value of £1.3m was disposed of during the period.

8. PROVISIONS

During the period, £13.3m of provisions held at the start of the period in respect of Gibson Energy were utilised.

9. DIVIDENDS

	Six months ended 30 June 2010 £m	Six months ended 30 June 2009 £m	Year ended 31 December 2009 £m
Ordinary dividends:			
2009 second interim – 7.0p	**9.2**	–	–
2009 interim – 3.5p	**–**	–	4.6
2008 final – 7.0p	**–**	9.2	9.2
	9.2	9.2	13.8

A 2010 interim dividend of 3.7p per share, which will absorb an estimated £4.9m, has been approved by the Board for payment on 19 November 2010.

10. CHANGES IN NET CASH

	At 1 January 2010 £m	Cash flow £m	Exchange movements £m	**At 30 June 2010 £m**
Cash and cash equivalents	403.6	(51.1)	1.7	**354.2**
Bank overdrafts	(37.8)	(0.3)	(0.1)	**(38.2)**
	365.8	(51.4)	1.6	**316.0**
Non-current borrowings	(0.6)	(1.3)	–	**(1.9)**
Finance leases	(0.2)	0.2	–	**–**
Net cash	365.0	(52.5)	1.6	**314.1**

11. CAPITAL COMMITMENTS

Group capital expenditure committed to the purchase of property, plant and equipment, but not provided for in these financial statements amounted to £22.0m (at 30 June 2009 – £5.7m; at 31 December 2009 – £8.5m).

12. POST BALANCE SHEET EVENTS

The Group announced the acquisition of 100% of the share capital of Innova-Extel Acquisition Holdings Inc. (Innova-Extel) a leading supplier of harsh environment electronics technology, on 16 August 2010 for a cash consideration of US$125m, which will be reduced or increased by any debt or cash in the business on completion.

The acquisition is subject to certain conditions which are expected to conclude by 31 August 2010 when completion will take place.

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SHARE INFORMATION

The Ordinary shares of the Company are quoted on the London Stock Exchange plc.

The Company's registrars Equiniti offer a range of shareholder information and dealing services on www.shareview.co.uk

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Cover: New proprietary threadforms are continually developed such as this rendition of the new Hunting Wedge-Lock connection for today's highly complex wellbores.